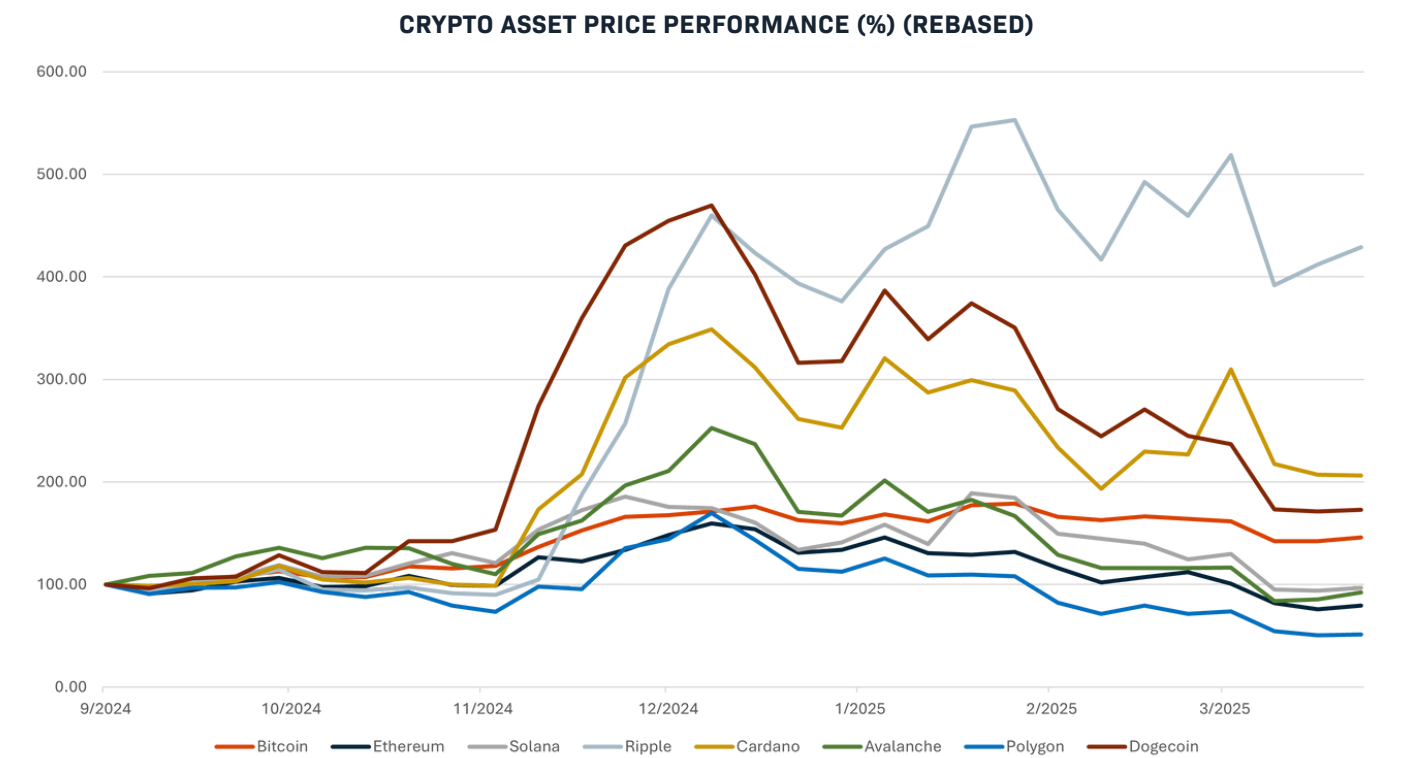


# FROM BITCOIN PEAKS TO CORRECTIONS: DECODING CRYPTO'S LATEST VOLATILITY

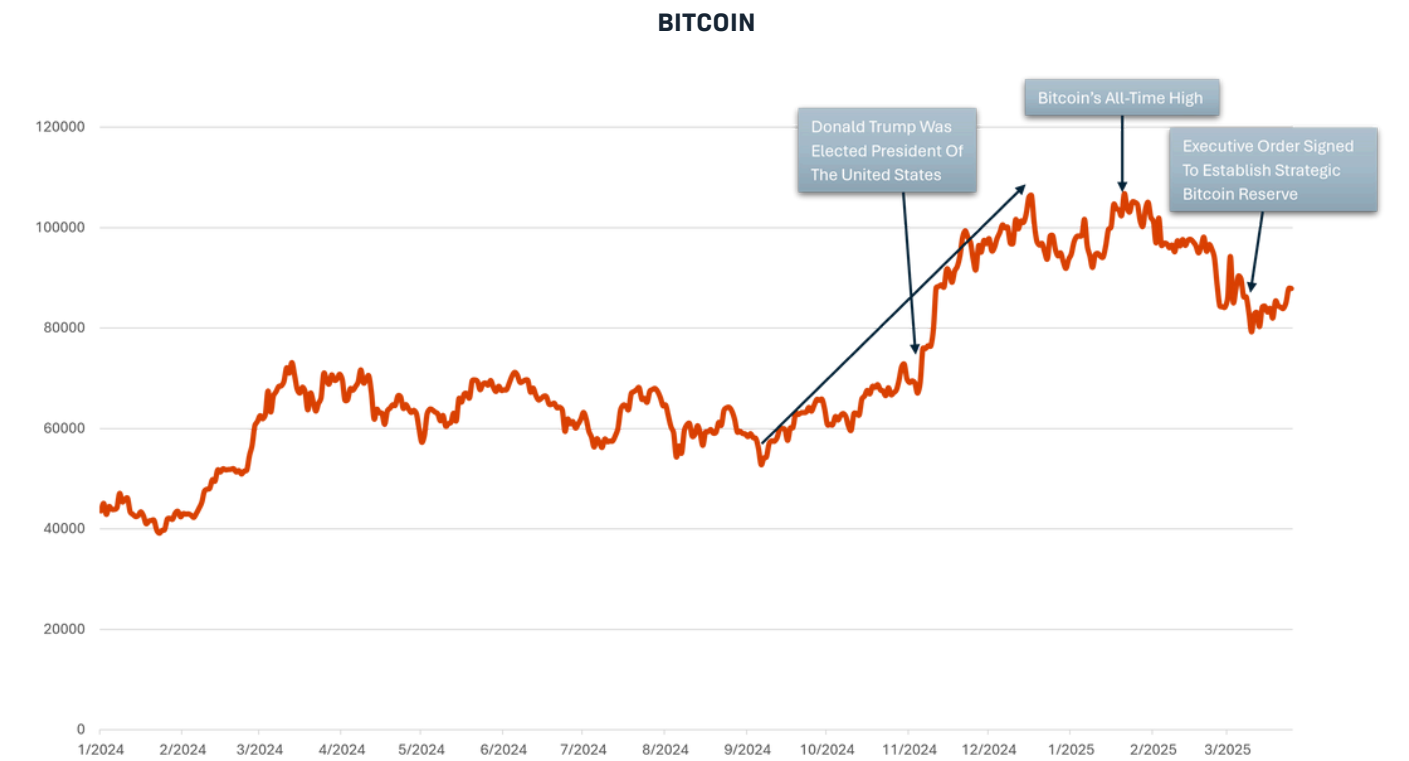
## EXECUTIVE SUMMARY

This report summarizes the major events and key developments in the crypto market during Q4 2024 and 2025 year-to-date, explaining the underlying factors behind the dynamic movements.

- **Bitcoin:** Surged to record highs on policy optimism, then experienced a correction due to profit-taking.
- **Ethereum:** Peaked near \$4,000, with scaling delays modestly affecting its growth.
- **Solana:** Rallied with high TVL and interest, then corrected amid token unlocks and reduced usage.
- **Ripple:** Advanced following RLUSD launch and favorable legal rulings, boosting overall XRP market sentiment.
- **Cardano:** Enjoyed a brief rally driven by US reserve speculation and regulatory optimism.
- **Polygon:** Underwent correction influenced by the overall market sentiment and competitive dynamics affecting its prospect.
- **Avalanche:** Post-upgrade, demand moderated and trading volume evolved as increased competition affected its market performance.



BITCOIN



Bitcoin exhibited a volatile, roller-coaster-like performance during the fourth quarter of 2024 and the first quarter of 2025, as a series of significant events continuously shifted market sentiment.

In the fourth quarter of 2024, from October through December, the market was filled with an atmosphere of optimism, driven largely by the strong possibility of President Trump reclaiming the White House. During this period, his public remarks and policy hints generated significant excitement within the crypto community. In particular, his bullish tone and discussions suggesting that Bitcoin might eventually be integrated into the US reserve currency framework stirred investor enthusiasm. These signals, coming amid a series of high-profile interviews and campaign events, helped fuel a narrative of transformative change for crypto assets.

Following his decisive electoral victory in November, that optimism only grew stronger. Investors and industry experts alike eagerly awaited the policy details that President Trump was expected to unveil following his inauguration in January 2025. The anticipation centered on the prospect of a comprehensive regulatory framework that could not only validate but actively promote crypto development in the US. Many believed that such measures would position the US as a global leader in crypto industry.

In January 2025, shortly after President Trump's inauguration, Bitcoin reached a landmark price of USD 106,788 on January 21. Traders and analysts alike were astonished by the rapid movement, which many attributed to a confluence of bullish factors, including lingering enthusiasm over the previous year's Bitcoin halving and heightened speculation that the new administration might adopt a more favorable stance on crypto assets.

Against the backdrop of continued institutional involvement, where major asset managers and hedge funds had begun incorporating Bitcoin into their portfolios, market sentiment soared, pushing the price to record territory.

On February 4, 2025, Tennessee Senator Bill Hagerty introduced the GENIUS Act, a legislative proposal aimed at regulating stablecoins such as USDT and USDC. An amendment to the bill on March 13, 2025, added stricter requirements, such as anti-money laundering measures, reserve standards, liquidity provisions and sanctions checks.

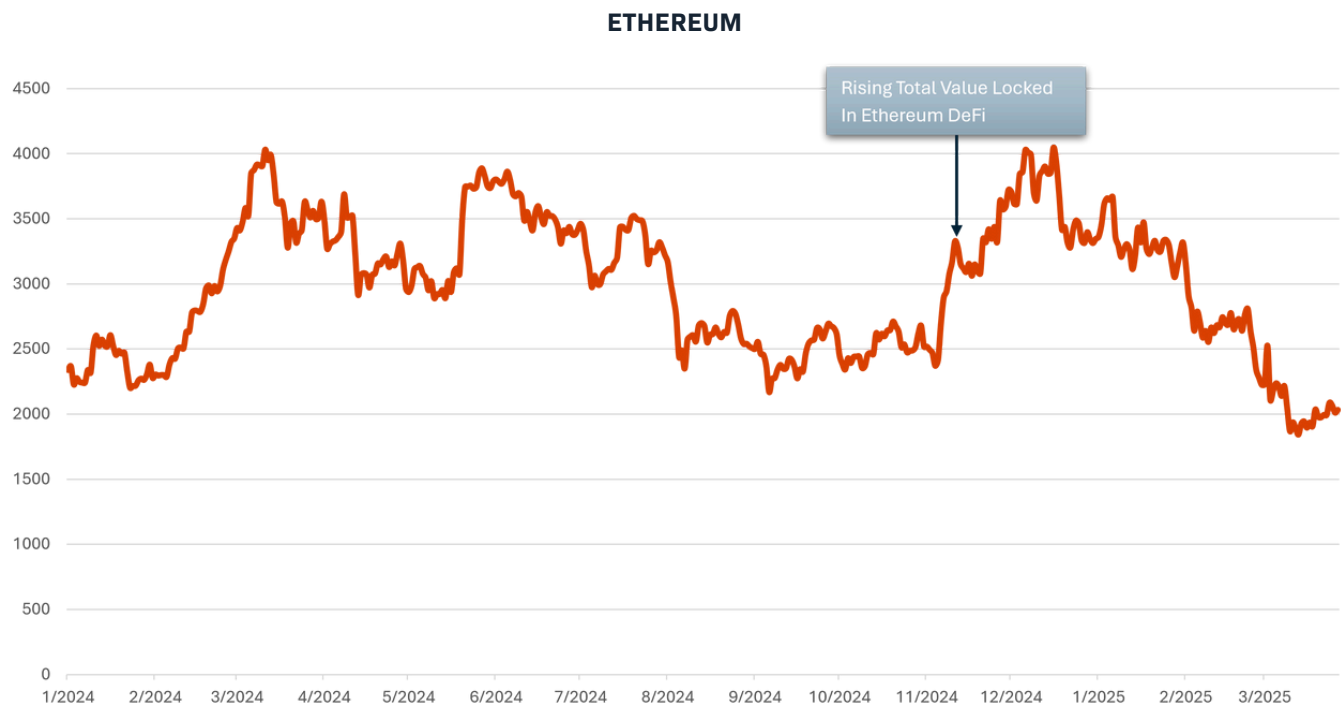
USD-backed stablecoins play a pivotal role in sustaining the global dominance of the US dollar, as these crypto tokens are secured by US bank deposits and Treasury bills, thereby supporting the demand for both the dollar and US government bonds. Notably, stablecoin issuers have now emerged as the eighteenth-largest buyers of U.S. government bonds. (Source: CoinMarketCap)

On March 7, 2025, the US President Trump signed an executive order that established a strategic Bitcoin reserve. This decisive measure reflects an evolving US monetary strategy that seeks to integrate the benefits of blockchain technology into the broader financial system while ensuring economic security in an increasingly digital era. The order outlines a framework aimed at harnessing Bitcoin's potential as a reserve asset and signals a proactive approach to managing the complexities of the crypto market, sparking extensive debate among policymakers, financial institutions and industry experts about its long-term implications.

Nevertheless, the strategic reserve relied exclusively on crypto tokens already held by the US government, leaving investors disappointed as many had anticipated a more proactive approach that would involve acquiring additional Bitcoin. (Source: Reuters)

However, by March 10, 2025, Bitcoin had corrected to USD 79,272, a 26% drop from its January 2025 peak, illustrating just how volatile the crypto market can be. Observers pointed to profit-taking by investors who had enjoyed substantial gains during 2023-2025 rally, as well as ongoing debates over potential regulatory measures. Even with the possibility of crypto-friendly policies under the new administration, uncertainty over how soon clear guidelines would be implemented contributed to investor unease. In addition, broader macroeconomic signals, including tariff, inflationary concerns and Federal Reserve policies, fed into the shift in market mood.

## ETHEREUM

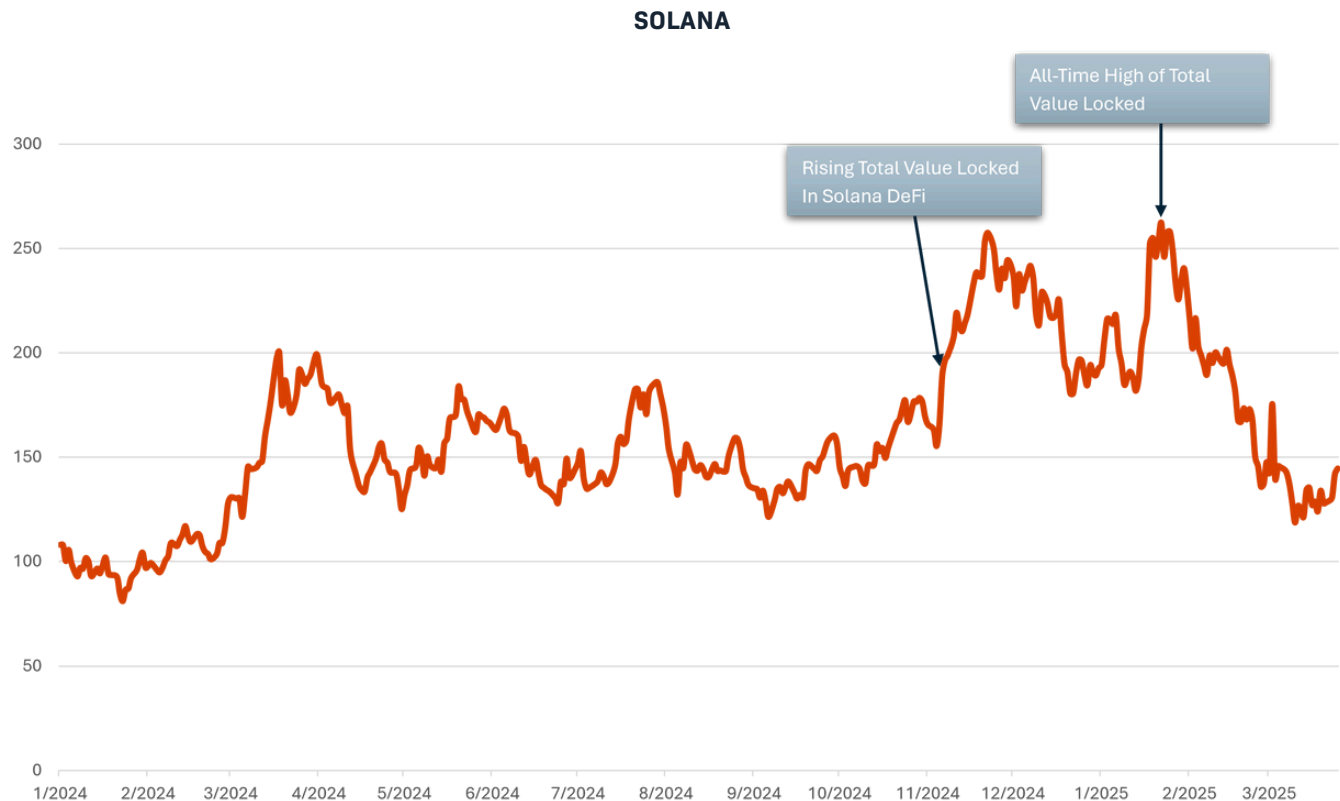


After Ethereum (ETH) surged to a high level of around USD 4,000 in December 2024, its price began a steady decline influenced by a mix of market dynamics and technological challenges. Initially, the rally was largely driven by the rising interest in spot ETH ETFs in the US, which attracted significant investor enthusiasm.

However, this optimism soon waned as market participants started to scrutinize Ethereum's high transaction fees and slower throughput, especially when compared to competitors like Solana. The ongoing disappointment was compounded by delays in the network's upgrade and scaling solutions, which were intended to address congestion and improve transaction speeds.

Furthermore, Ethereum's struggles were intensified by the absence of new meme coin listings on its platform. The persistent issue of high gas fees and network congestion made Ethereum less attractive for meme coin developers, prompting many to shift their focus to alternative platforms like Solana, which offer lower costs and faster transactions. This migration of innovative projects, coupled with the stagnation in technical enhancements, slightly eroded investor confidence and contributed to the correction in Ethereum's market performance.

## SOLANA



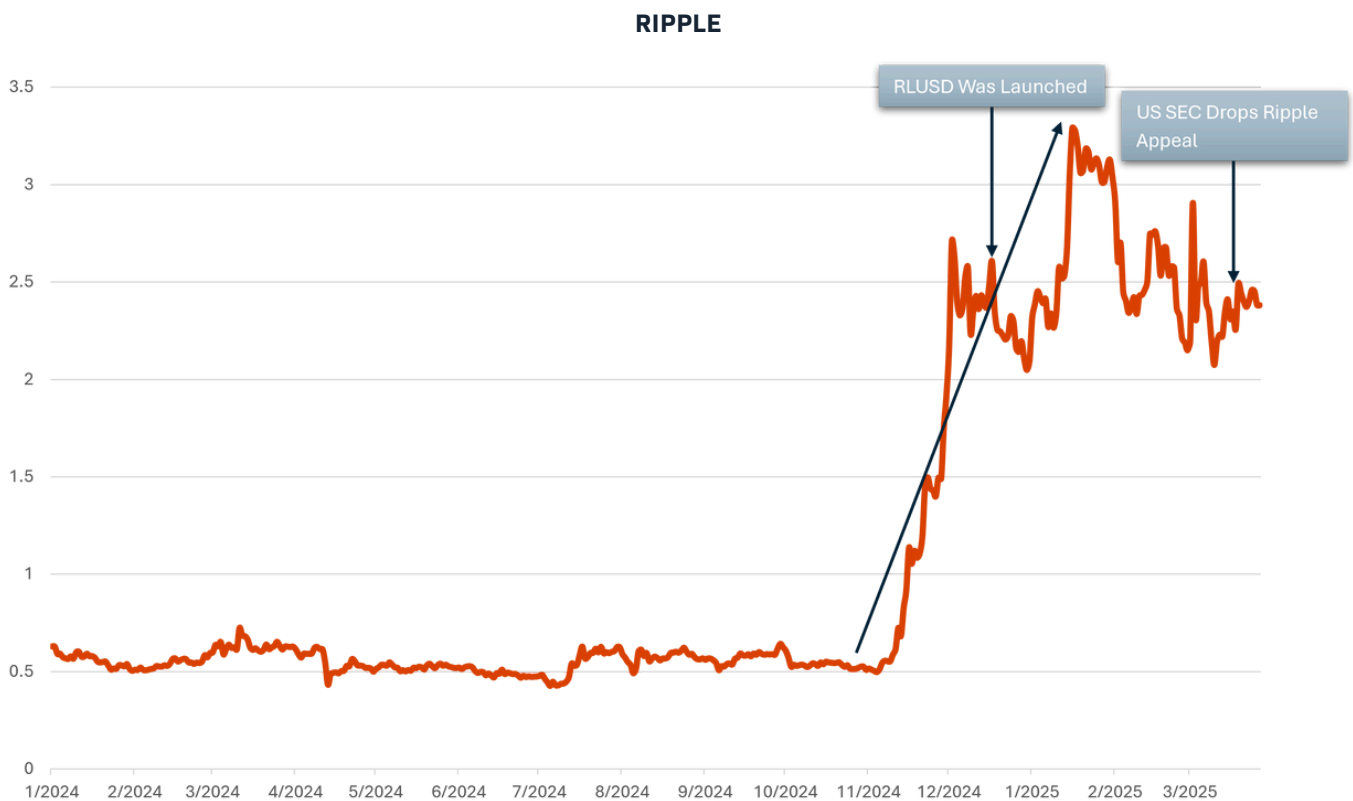
Solana (SOL) experienced a significant rally after October 2024, driven by a combination of technological advancements, ecosystem growth and broader market optimism. One of the key catalysts was the surge in Solana's total value locked (TVL), which reached a 30-month high of approximately USD 6.4 billion by late October 2024, showcasing Solana's growing dominance in the DeFi space due to its low transaction costs and high scalability. (Source: DefiLlama)

Additionally, the resurgence of memecoins on the Solana blockchain, exemplified by Trump coin, alongside growing developer activity and the launch of new projects, boosted on-chain engagement and investor confidence. Broader market trends, including Bitcoin nearing all-time highs, also contributed to Solana's rally during this period.

However, after reaching an all-time high of \$262 in January 2025, Solana's price began to correct sharply due to several bearish developments. A major factor was the announcement of an impending token unlock tied to FTX's bankruptcy proceedings, set for March 2025. This event would release 11.2 million SOL tokens into the market, valued at approximately USD 1.4 billion, creating significant selling pressure.

Additionally, Solana's TVL dropped to USD 6.7 billion in March 2025 from a January peak of USD 11.7 billion as key DeFi projects like Raydium and Jupiter saw sharp declines in activity. The number of active addresses on the network also halved between October 2024 and February 2025, signaling waning user engagement. These factors, combined with broader market corrections and profit-taking by investors, led to a steep decline in SOL's price, which fell to \$119 by March 2025, a 55% drop from its January 2025 peak.

## RIPPLE

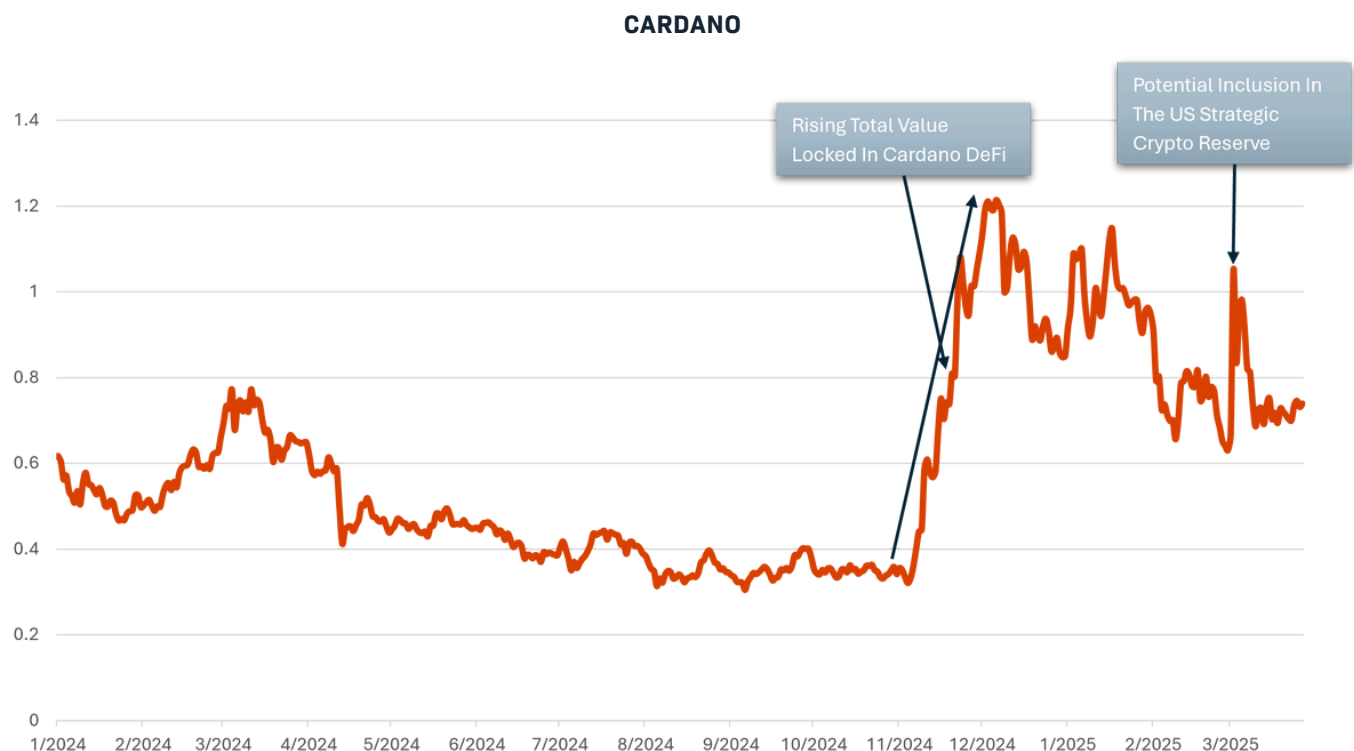


Ripple's stablecoin, RLUSD, was launched in December 2024, following approval from the New York Department of Financial Services. RLUSD is a dollar-pegged stablecoin designed to offer stability and transparency, contrasting with the volatility often associated with XRP. The stablecoin is initially available on Ripple's XRP Ledger and Ethereum, with plans for expansion to other blockchains and DeFi protocols. This launch positions Ripple to compete in the fast-growing stablecoin market, alongside major players like Tether's USDT and Circle's USDC.

In March 2025, the US Securities and Exchange Commission has announced that it will drop its appeal against Ripple Labs, marking a significant victory for the company. This decision follows a ruling by US District Judge Analisa Torres in July 2023, which determined that XRP sold on platforms did not qualify as a security under the law, although institutional sales did violate securities regulations. Ripple CEO Brad Garlinghouse hailed this as a "resounding victory" for Ripple and the crypto industry. (Source: Reuters)

This XRP price surge reflects improved market sentiment and reduced regulatory uncertainty. The chances of an XRP ETF being approved have also increased.

## CARDANO



Cardano (ADA) experienced a significant price surge after October 2024, driven by several key factors. One major catalyst was the broader market optimism following regulatory clarity and institutional adoption in the crypto space. This positive sentiment was further amplified by US President Trump's announcement regarding the potential inclusion of ADA in a US crypto strategic reserve, alongside other prominent cryptos like Bitcoin and Ethereum. This news not only boosted ADA's price but also highlighted Cardano's growing relevance in the global crypto landscape.

However, this rally was short-lived, as a White House official later clarified that Trump's mention of these cryptos was merely illustrative, leading to its price drop.

Additionally, Cardano's ongoing technological advancements, including its growing ecosystem of DeFi and network upgrades, have attracted more developers and users, contributing to its price appreciation.

Another significant factor contributing to ADA's recent rally is the speculation surrounding potential listings on other major exchanges, such as Gemini. Although there have been mixed signals about ADA's inclusion in the US strategic reserve, the mere possibility has fuelled investor interest and speculation.

POLYGON



Polygon (POL) experienced a price decline after December 2024, primarily driven by a combination of market correction and specific project-related news. After reaching a peak, the broader crypto market underwent a correction, leading to profit-taking among investors and a general decrease in trading volume across various assets, including POL. Additionally, concerns about Ethereum layer-2 scaling solutions and their long-term dominance also affected sentiment. As competing chains and scaling solutions gained traction, investor confidence in Polygon's exclusive position slightly diminished, contributing to a decline in its price.



## AVALANCHE

### AVALANCHE (AVAX)



Avalanche (AVAX) saw a sharp price decline after December 2024, primarily due to the lower-than-expected demand from the highly anticipated Avalanche 9000 upgrade and broader market pressures. The Avalanche9000 upgrade, launched in December 2024, was billed as the network's largest update, promising a major reduction in layer-1 deployment costs and a drop in C-Chain fees. Despite these technological advancements, it seemed that the upgrade failed to generate significant demand for AVAX. (Source: CoinDesk)

Trading volume remained subdued after the upgrade. Market analysts noted that while the upgrade definitely improved network efficiency, it did not improve the adoption of Avalanche's ecosystem relative to competitors like Ethereum and Solana, contributed to selling pressure and pushing AVAX's price downward.

Additionally, macroeconomic factors and internal market dynamics exacerbated the decline. This sell-off coincided with a broader market correction in early 2025, further dragging down prices.

## SUMMARY

In summary, the period from late 2024 to early 2025 showcased a dynamic price movement across various crypto tokens. Bitcoin experienced a robust surge fuelled by political optimism, followed by a market correction as investors capitalized on gains, while Ethereum demonstrated its commitment to improving scalability and efficiency despite transitional challenges. Solana enjoyed strong momentum driven by technological advancements and ecosystem expansion and Ripple benefitted from enhanced regulatory clarity and innovative stablecoin developments. Cardano, Polygon and Avalanche each navigated their unique cycles.

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By offering crypto-backed financing with a diverse range of altcoins as collateral, EquitiesFirst provides investors with the flexibility to leverage their crypto assets while maintaining exposure to their potential appreciation. Choice of altcoins as collateral include Ethereum, Solana, Polygon, Cardano, Polkadot, Avalanche, Ripple, Dogecoin, Bitcoin Cash, Litecoin, etc. We can provide terms similar to those we previously offered for Bitcoin.

- Low and fixed interest rate at low single digit
- Favorable loan-to-value (LTV) ratios of 60-70%
- Borrower-friendly margin call mechanism: Margin call when the price of crypto drops more than 30% on a 3-day average basis. When this occurs, the borrower will have 5 business days to top up either with crypto or cash. This compares with the automatic liquidation mechanism implemented by other crypto lenders when the coin price drops by 10-20%
- Non-Recourse: The borrower's liability is limited to the crypto used for the transaction. EquitiesFirst forgoes the right to pursue repayment if the borrower opts to default on the loan obligation
- Non-Purpose: The borrower can use the loan proceeds from EquitiesFirst for any purpose
- EquitiesFirst sets itself apart as an experienced lender with a diverse portfolio, offering loans secured by both crypto and equity assets, rather than concentrating solely on crypto. This diversified strategy mitigates systemic risks commonly linked to lenders focused exclusively on crypto. With a 22-year history in lending and regulatory compliance across various jurisdictions, EquitiesFirst provides stability and reliability, distinguishing itself from other emerging crypto lenders

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