

Monthly Market Insights

March 2025

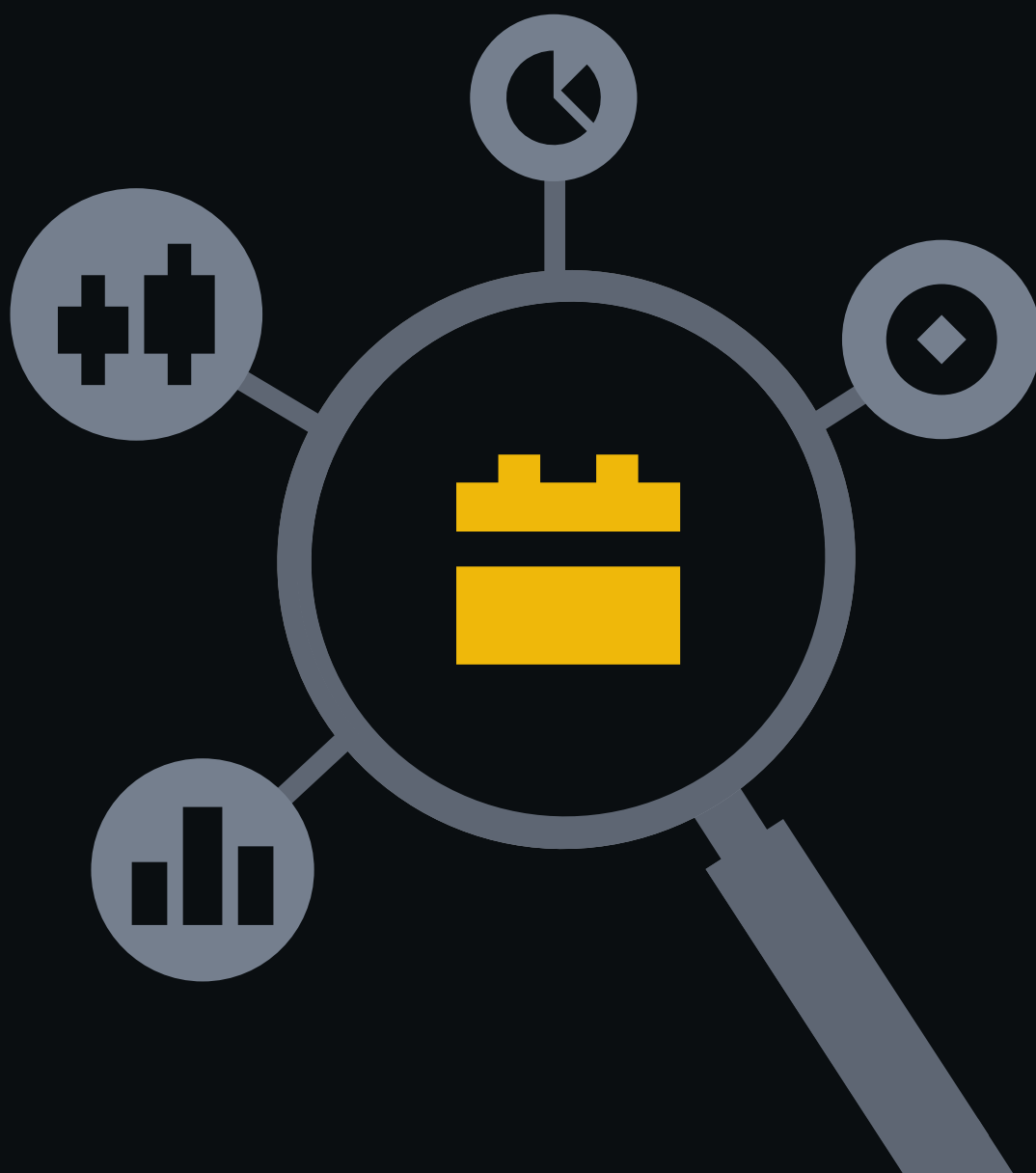


Table of Contents

01 / Key Takeaways	2
02 / Crypto Market Performance	3
2.1 Decentralized Finance (DeFi)	6
2.2 Non-Fungible Tokens (NFTs)	7
03 / Charts of the Month	8
U.S. Tariffs and Market Turbulence	8
Solana Sees Major Outflows, Activity and TVL Plummet	9
Stablecoins and Real-World Assets Shine Amidst Market Turbulence	10
Bybit Security Breach	11
04 / Upcoming Events and Token Unlocks	12
05 / References	13
06 / New Binance Research Reports	14
About Binance Research	15
Resources	17

01 / Key Takeaways

- In February 2025, the cryptocurrency market declined by 20.2%, contributed by increasing negative sentiment, a historic US\$1.5B hack on Bybit, and a drop in memecoin activity. Traditional finance markets also faced bearish trends, with major stocks like NVDA, GOOGL, and AMZN declining year-to-date, and consumer discretionary and information technology sectors down 6% and 3%, respectively. Trade tensions and President Trump's confirmation of 25% tariffs on imports from Canada and Mexico further dampened investor confidence, causing U.S. Treasury yields to hit their lowest levels in two months.
- President Trump's tariff announcements have unsettled markets, triggering sharp fluctuations and putting pressure on Bitcoin and other risk assets. Over the past month, the global crypto market cap has fallen by over 20%, from US\$3.6T to US\$2.8T, with the most recent decline in late February driven by concerns over potential EU tariffs and the reinstatement of tariffs on Canada and Mexico. As the situation continues to unfold, ongoing policy uncertainty has driven de-risking across markets.
- Over the past 30 days, Solana has seen US\$485M in outflows, mainly to Ethereum, Arbitrum, and BNB Chain, with trading activity and TVL significantly declining. Some of the capital flowed into BNB Chain memecoins, driven in part by CZ's tweets about his dog, Broccoli. Overall, there is a broader flight towards safety in crypto markets, with Bitcoin dominance increasing 1% in the past month to 59.6%.
- Stablecoins and real-world assets (RWA) have reached new all-time highs, with market caps surpassing US\$224B and US\$17B respectively, growing by 10% and 17% this year, in contrast to a 13% decline in the overall crypto market cap. This growth is driven by market turbulence prompting a shift to stablecoins for reduced volatility, increased regulatory clarity from new U.S. stablecoin bills enhancing market credibility, and attractive yields from RWAs, particularly in private credit, which continues to draw investor interest.
- Bybit suffered the largest security breach in crypto history, with US\$1.46B exploited on their ETH multisig cold wallet on February 21, 2025. The attack was orchestrated by the Lazarus Group through a phishing attack on a Safe{Wallet} developer, leading to a record number of over 350K withdrawal requests that were successfully processed within 12 hours. US\$42.89M of stolen funds have been frozen with the help of multiple crypto platforms at the time of writing.

02 / Crypto Market Performance

In February 2025, the cryptocurrency market experienced a sharp decline of 20.2% from the end of January, largely driven by extreme volatility. This volatility was triggered not only by the largest digital hack in history, in which Bybit suffered losses exceeding US\$1.5B, but also by the broader bearish sentiment permeating the global financial landscape. In particular, the memecoin sector saw a further decline in popularity following the fallout of \$LIBRA, a cryptocurrency endorsed by certain high-profile figures.

This decline in the cryptocurrency market occurred against a backdrop of weakening investor confidence across traditional financial markets. Concerns over tech stock overvaluations, coupled with broader macro uncertainties, fueled a general risk-off sentiment. Despite strong earnings forecasts, equities of the Magnificent 7 — including NVDA, GOOGL, and AMZN— experienced significant declines year-to-date. This trend extended to broader indices, with the S&P 500's consumer discretionary and information technology sectors among the worst performers, down 6% and 3%, respectively.

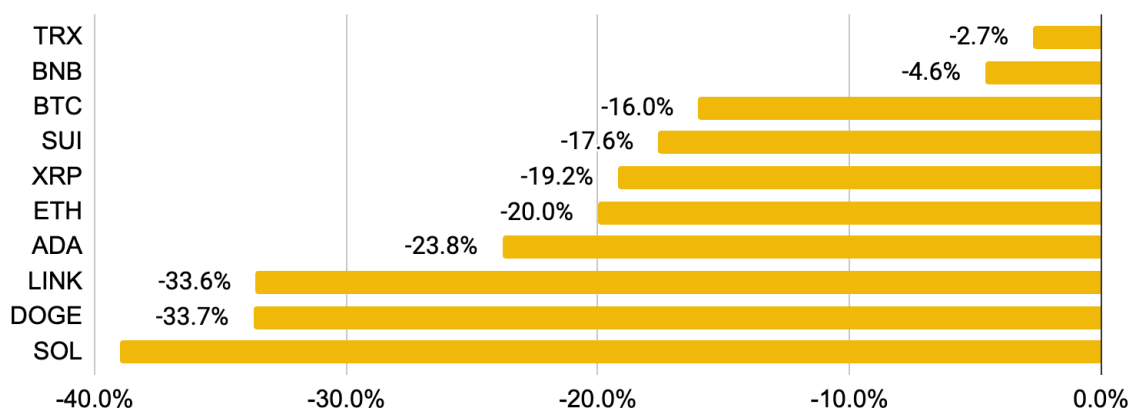
Additionally, escalating trade tensions, particularly the confirmation by President Trump of 25% tariffs on imports from Canada and Mexico set for early March, may have further impacted investor sentiment. This led to a sharp surge in the U.S. Treasury prices, driving yields to their lowest levels in two months—driving cryptocurrency liquidity into stablecoins and RWAs.

Figure 1: Monthly crypto market capitalization decreased by 20.2% in February

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	4.3	-20.2										
2024	0.4	40.0	16.3	-11.3	8.6	-11.4	5.6	-12.4	8.0	2.8	39.9	-4.5
2023	30.4	3.4	9.3	3.2	-6.0	3.3	1.0	-8.8	2.6	19.0	11.0	15.2
2022	-22.6	-0.3	25.3	-18.1	-25.2	-31.7	21.8	-11.4	-2.1	7.2	-18.0	-4.5
2021	33.9	39.6	31.1	11.4	-25.7	-5.9	12.5	25.2	-9.9	42.9	-1.0	-15.0

Source: CoinGecko
As of February 28, 2025

Figure 2: Monthly price performance of the top 10 coins by market capitalization



Source: CoinMarketCap
As of February 28, 2025

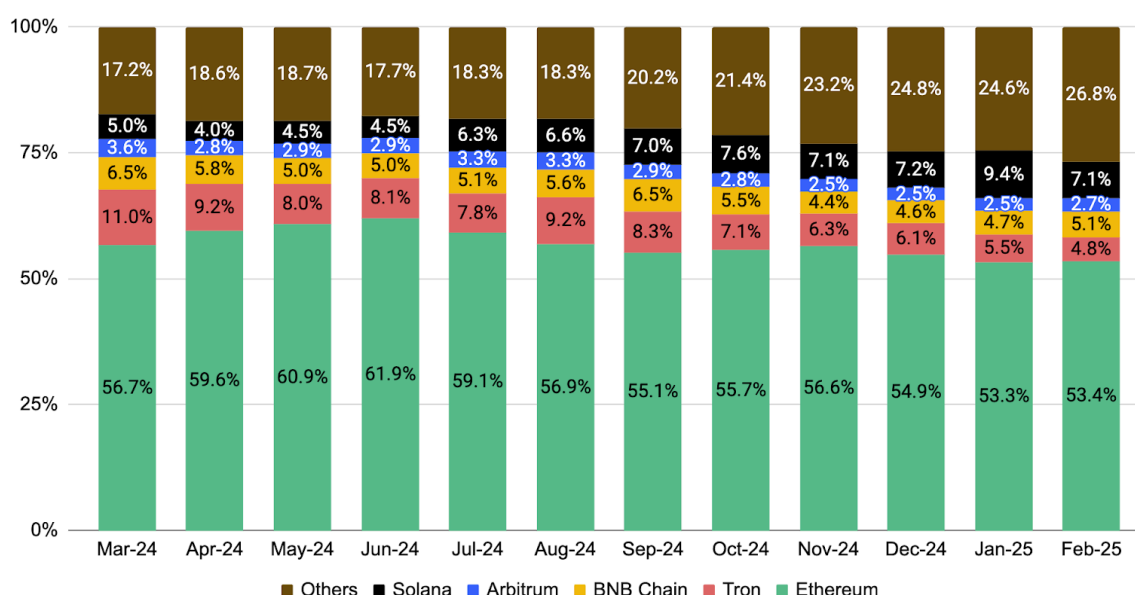
In descending order of performance:

- ◆ Despite a 2.7% decline in TRX, Tron's founder Justin Sun announced that USDT transactions on the blockchain will be fee-free starting in March. The "Gas Free" feature allows USDT to cover transaction fees, eliminating the need for TRX payments. This accelerates Tron's original Q4 2024 plan to simplify stablecoin transfers and will later expand to Ethereum and other EVM-compatible blockchains. With US\$824M in USDT and USDC inflows in February 2025 and over US\$2B in revenue last year, Tron's network scalability continues to increase.
- ◆ BNB dropped 4.6% but unveiled its 2025 roadmap, focused on mass adoption. Key plans include enhancing network scalability with sub-second block times, AI-driven smart wallets, and a goal of processing 100 million transactions daily.
- ◆ BTC fell 16.0% in February, driven by broader equity market declines and a lack of catalysts to sustain price momentum. Nearly US\$3B in liquidations between Feb 24-26 triggered extreme volatility, marking BTC's largest price drop since the FTX collapse in November 2022. The selloff was compounded by tightening fiat liquidity conditions and the Trump administration's delayed action on its promised national BTC reserve.
- ◆ SUI and XRP fell 17.6% and 19.2% respectively, as altcoin liquidity rotated into stablecoins amid heightened market uncertainty.
- ◆ ETH dropped 20.0% in February, driven by bearish sentiment following the US\$1.5B Bybit cold wallet breach — the largest crypto hack in history. Additionally, ETH gas fees plummeted 98.5% from last March's peak as users shifted to alternative L1s like Solana. However, the decline in fees coincided with a three-fold surge in daily contract deployments since Feb 1, signaling renewing developer activity on the network.
- ◆ ADA and LINK fell by 23.8% and 33.6% respectively.

- ◆ DOGE and SOL fell by 33.7% and 39.0% respectively. While the uncertainty tied to Solana's 11.2 million token unlock and the LIBRA memecoin fallout have likely played a role in the decline, there are fundamental reasons that provide a causative explanation for the recent correction. Solana's TVL plunged by over 30%, hitting its lowest level since November, driven by a sharp decline in memecoin activity. Over the last 30-days, traders have bridged close to US\$500M to other chains, with Ethereum, Sonic and Arbitrum being notable destinations.

2.1 Decentralized Finance (DeFi)

Figure 3: TVL share of top blockchains



Source: DeFiLlama
As of February 28, 2025

In February 2025, the Total Value Locked (TVL) in decentralized finance (DeFi) dropped by 14.6%. Notably, the U.S. Securities and Exchange Commission withdrew its appeal against a Texas federal court ruling that struck down its broker-dealer rule, which sought to classify DeFi platforms and liquidity providers as securities dealers. The rule would have required these entities to register with the SEC, imposing strict, centralized compliance with 'Know Your Customer' and 'Anti-Money Laundering' regulations.

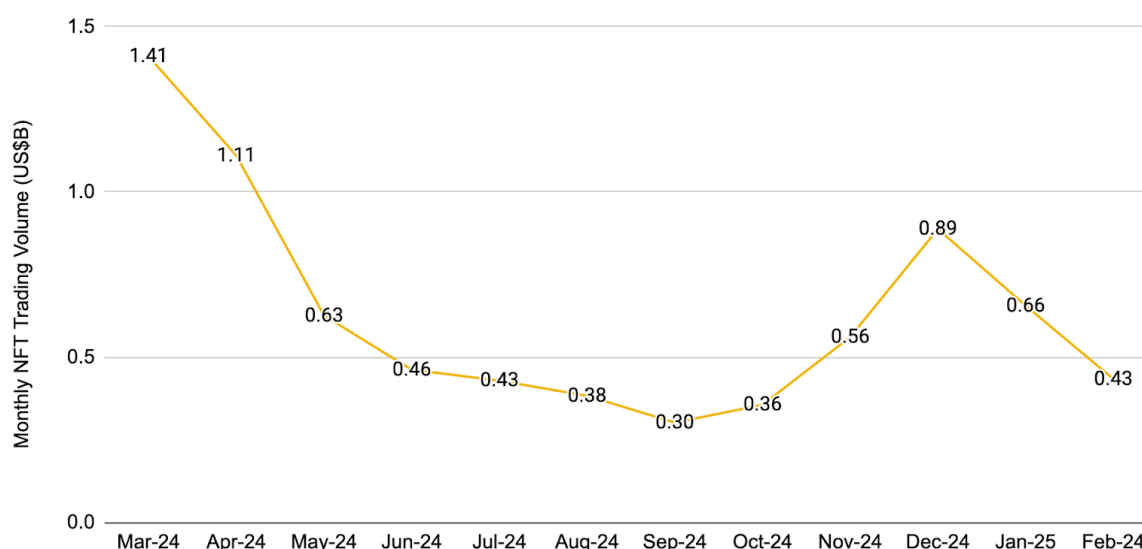
In contrast, the stablecoin market cap saw a modest 3.5% increase, reaching US\$224.9B by the end of the month. Notably, according to Cryptoscope, total stablecoin dominance rose by 1.4% — a metric inversely correlated with cryptocurrency market performance. This divergence likely indicates an influx of liquidity from riskier blockchain assets into stablecoins, as investors move to stabilised holdings while awaiting potential market corrections.

Solana's TVL has plunged over 30%, reaching its lowest level since November due to a sharp drop in memecoin activity. A Dune Analytics dashboard showed that total memecoin volume on Pump.fun collapsed by 74.5% in a single day (February 24). Hitherto, most tokens have lost 80–90% of their value since launch.

Of the top 10 largest chains by DeFi TVL, BNB Chain was the only riser, increasing by 0.2%. Its stability, rare in the current market, can be attributed to ongoing technological innovations, including major enhancements in its 2025 roadmap, such as sub-second block times, AI-driven smart wallets, and a goal of processing 100 million transactions per day.

2.2 Non-Fungible Tokens (NFTs)

Figure 4: Monthly NFT trading volume



Source: CryptoSlam
As of February 28, 2025

In February 2025, the NFT market experienced a significant decline, with total sales volume dropping by 41.2% across the top 25 NFT chains, except for Algorand, Wax, and Palm. The number of unique buyers fell to its lowest level since April 2021, reflecting a broader slowdown in NFT trading. This downturn may be attributed to economic uncertainties surrounding U.S. technology equities, rising inflation, and recession fears, leading consumers to pull back from speculative assets.

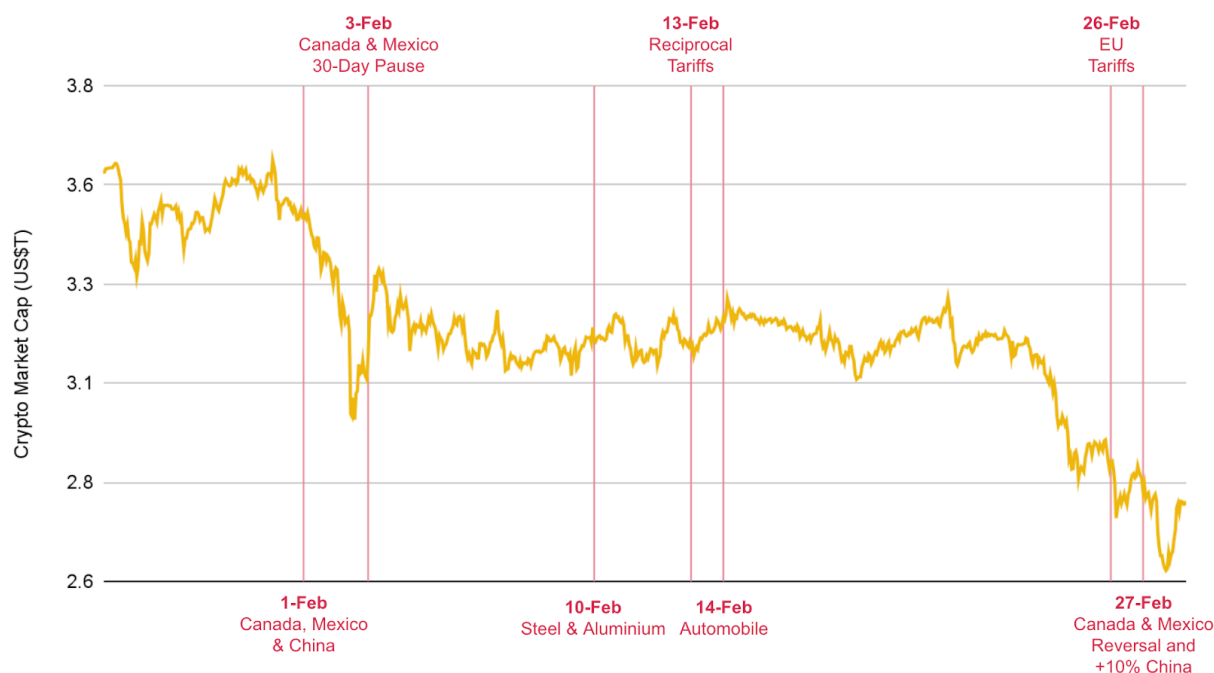
Despite the overall market decline, OpenSea's NFT market share rose to 71.5%, up from 25.5% just four weeks earlier, fueled by the announcement of its native token, SEA, and the launch of its new OS2 digital asset trading platform. Building on this momentum, the Securities and Exchange Commission closed its investigation into OpenSea, rejecting the proposition that NFTs should be classified as securities. This decision allows NFT issuers to avoid regulatory burdens, as treating NFTs as securities would impose strict SEC oversight, including registration, disclosure requirements, and trading restrictions, which may stifle innovation and liquidity.

Ethereum-based NFT sales volume dropped by 38.2%, with declines in legacy projects such as Pudgy Penguins, Azuki, and Cryptopunks. Notably, despite the decline in sales volume, the number of transactions, buyers, and sellers increased for almost all of the top 10 most popular projects by market cap.

03 / Charts of the Month

U.S. Tariffs and Market Turbulence

Figure 5: Trump's tariff announcements may have repeatedly unsettled markets, triggering fluctuations as investors react to policy uncertainty



Note: The chart reflects initial tariff announcements, which remain subject to change

Source: CoinMarketCap, Binance Research

As of February 28, 2025

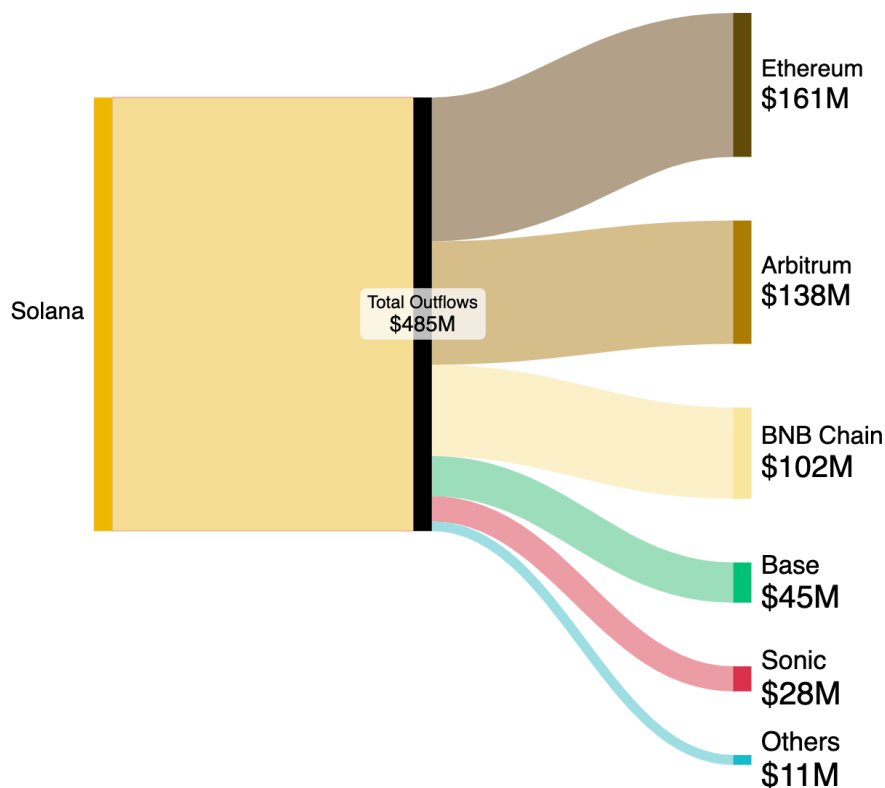
Fears of an escalating trade war are weighing on Bitcoin and other risk assets following a series of tariff announcements by the Trump administration over the past month. During this period, the crypto market cap has fallen by over 20%, from US\$3.6T to US\$2.8T.

Tariffs were first announced on February 1, when the U.S. imposed duties on imports from Canada, Mexico, and China. Markets initially found relief on February 3, when Canada and Mexico received temporary exemptions with a 30-day negotiation window. However, the sell-off intensified in late February, as sentiment may have weakened from the Bybit hack and fears grew over EU tariffs, the reversal of exemptions for Canada and Mexico, and an additional 10% tariff on China. Investors braced for retaliatory measures and greater uncertainty, raising concerns that resolutions may be harder to reach than first expected.

Trade wars typically create short-term challenges for risk assets like crypto by increasing volatility and uncertainty. Tariffs are also inflationary, fueling concerns over the Federal Reserve's interest rate policy. With January's inflation figures coming in worse than expected and the Fed signaling a more hawkish stance—now projecting only one rate cut this year—the latest tariff developments may have added to market jitters. As this situation continues to unfold, uncertainty may have driven de-risking across markets.

Solana Sees Major Outflows, Activity and TVL Plummet

Figure 6: Ethereum, Arbitrum, and BNB Chain capture majority of Solana outflows over the past 30 days, as TVL and activity on the chain dropped following the launch of Trump's memecoin



Source: deBridge, Binance Research
As of February 28, 2025

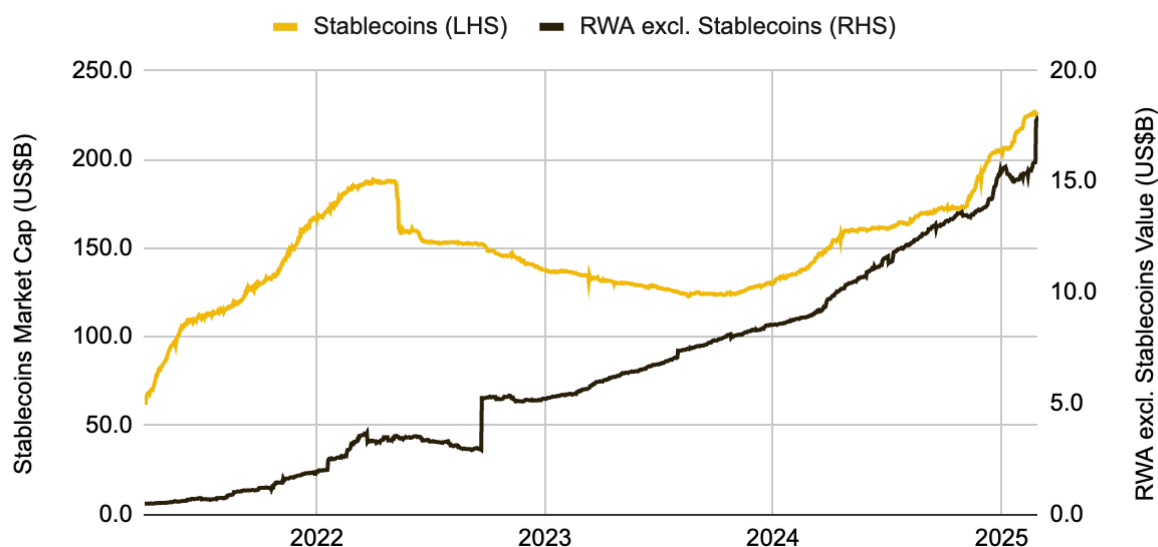
Over the past 30 days, Solana has experienced US\$485M in outflows, primarily moving to Ethereum, Arbitrum, and BNB Chain. Memecoin activity on Solana has plummeted, with daily trading volumes dropping over 90% from a peak of US\$35.9B during the launch of Trump's memecoin to around US\$2B today. Solana's TVL has also declined, falling 40% from US\$12B on January 19 to approximately US\$7.3B now.

While memecoins have faced significant sell-offs, with the total memecoin market cap down over 40% in the past month, some capital outflow from Solana seems to have shifted to memecoins on BNB Chain. This movement may have partly been driven by **tweets from CZ** about his dog, Broccoli, sparking the creation of Broccoli-themed memecoins. The largest of these currently sits at a market cap of US\$44M, showing steady price growth since its mid-February launch.

Beyond the BNB Chain memecoins however, there appears to be a broader flight towards safety in crypto markets, with Bitcoin dominance rising 1.1% in the past 30 days to 59.6%.

Stablecoins and Real-World Assets Shine Amidst Market Turbulence

Figure 7: Stablecoins and real-world assets value have continued to hit new all-time highs



Source: DeFiLlama, RWA.xyz, Binance Research
As of February 28, 2025

Values of Stablecoins and real-world assets (RWA) have reached new all-time highs, surpassing US\$224B and US\$17B respectively. This year alone, stablecoins have grown by 10% and RWAs by 17%, contrasting with a 13% decline in the overall crypto market cap.

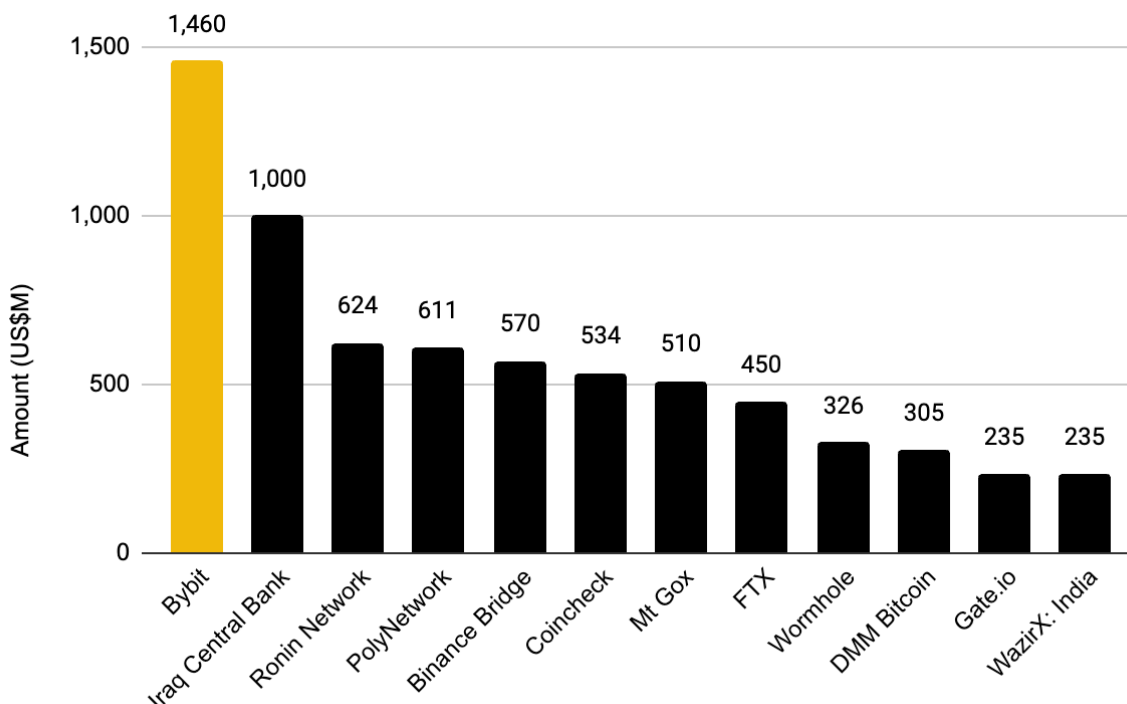
Several factors may be driving this growth. Firstly, recent market turbulence may be driving a rotation into stablecoins. Influenced by macroeconomic factors such as escalating trade tensions and diminished expectations of interest rate cuts, the crypto market has had a rough February. In such an environment, investors may choose to take chips off the table and hold stablecoins as an alternative.

Additionally, increased regulatory clarity has helped bolster confidence in stablecoins. In the past month, the United States has introduced two significant stablecoin bills: the STABLE Act and GENIUS Act. These provide structured regulatory frameworks that enhance credibility and encourage investor participation.

Finally, the attractive yields provided by real-world assets have continued to draw investor interest. Data from rwa.xyz indicates that private credit remains the largest sub-sector within RWAs, excluding stablecoins. The value of active loans in this sector has reached US\$12B. With an average annual percentage rate (APR) of 10%, private credit loans to businesses may appeal to some as an attractive investment option. Given that the private credit market in traditional finance (TradFi) is valued at roughly US\$1.5T, there remains substantial room for growth in the RWA sector.

Bybit Security Breach

Figure 8: Bybit's US\$1.46B hack is the largest in crypto by far



Source: DeFillama, Binance Research.
As of February 28, 2025

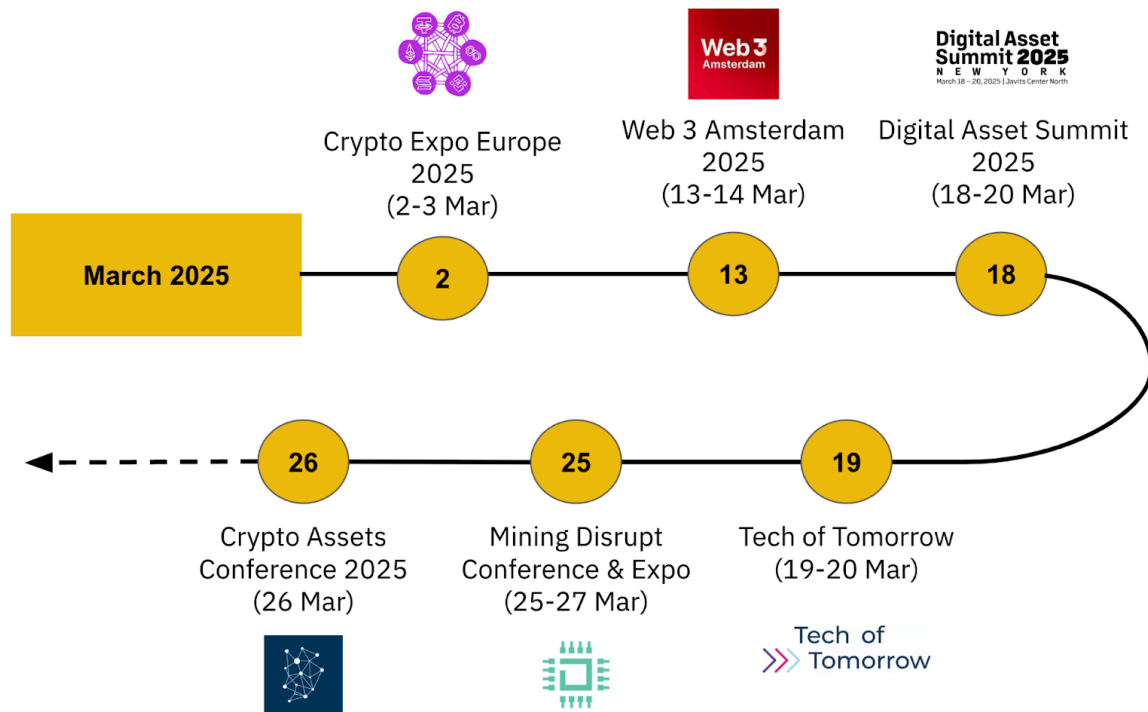
Bybit suffered an US\$1.46B exploit to their ETH multisig cold wallet on February 21, 2025, going down as the largest security breach in crypto history.

The attack targeted to the Bybit Safe was achieved through a compromised machine of a Safe{Wallet} developer – hackers were able to mask the transaction by displaying the correct address and URL from SAFE on each of the signer's devices, while the underlying signing message was to change the smart contract logic of Bybit's ETH cold wallet. This phishing attack appears to be similar to other exploits on Radiant Capital and WazirX where US\$50M and US\$235M was hacked. The Bybit hackers were eventually identified as Lazarus Group, the infamous North Korean hackers, by ZachXBT as he managed to draw on-chain connections to a previous Phemex hack.

Following the exploit, Bybit experienced over 350K withdrawal requests and managed to process all of them within 12 hours by borrowing ETH to facilitate withdrawals. As part of the recovery efforts, Bybit also pledged a 10% bounty for those that assist in the recovery of funds. As of February 23, 2025, US\$42.89M of the stolen funds have been frozen with the help of Tether, Thorchain, ChangeNOW, FixedFloat, Avalanche, CoinEx Global, Bitget and Circle.

04 / Upcoming Events and Token Unlocks

Figure 9: Notable Events in March 2025



Source: Cryptoevents, Binance Research

Figure 10: Largest token unlocks in US\$ terms

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
	\$SUI	367M	2.59%	01 Mar
	\$JTO	243M	3.78%	07 Mar
	\$APT	64M	1.92%	12 Mar
	\$STRK	39M	2.46%	15 Mar
	\$ARB	38M	2.10%	16 Mar
	\$ENA	30M	3.00%	2 Mar
	\$SOL	23M	2.13%	1 Mar
	\$APE	18M	1.91%	17 Mar
	\$MOVE	14M	2.09%	9 Mar
	\$IMX	10M	1.38%	21 Mar

Source: CryptoRank, Binance Research

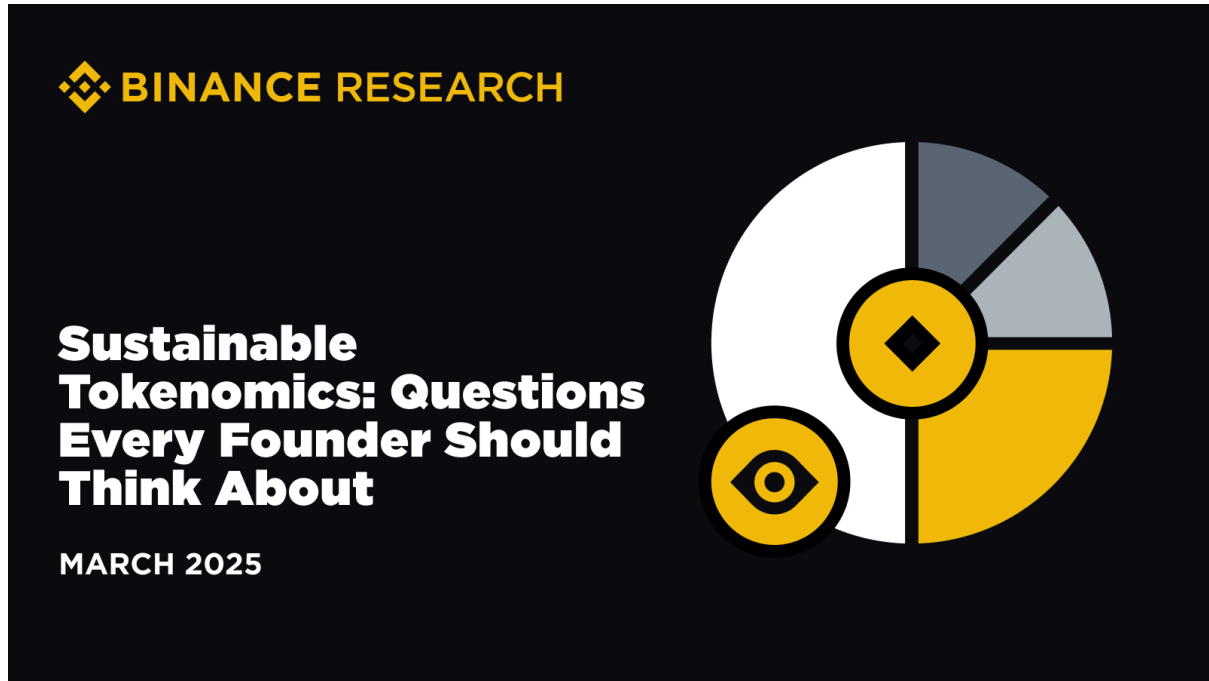
05 / References

defillama.com/
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token.unlocks.app/
dune.com/
itez.com/events
cryptorank.io/

06 / New Binance Research Reports

Sustainable Tokenomics: Questions Every Founder Should Think About [Link](#)

An exploration of tokenomics design



Fundamentals of Decentralized AI [Link](#)

An introduction to the fundamentals of decentralized artificial intelligence



About Binance Research

Binance Research is the research arm of Binance, the world's leading cryptocurrency exchange. The team is committed to delivering objective, independent, and comprehensive analysis and aims to be the thought leader in the crypto space. Our analysts publish insightful thought pieces regularly on topics related but not limited to, the crypto ecosystem, blockchain technologies, and the latest market themes.



Jie Xuan Chua
Macro Research Lead

Jie Xuan (JX) is currently the Macro Research Lead at Binance. Prior to joining Binance, he worked as a Global Investment Specialist with J.P. Morgan and had prior Equity Research experiences at various fund houses. JX is a CFA charterholder. He has been involved in the cryptocurrency space since 2017.



Joshua Wong
Macro Researcher

Joshua is currently working for Binance as a Macro Researcher. He has been involved in the cryptocurrency space since 2019. Prior to joining Binance, he worked as a product manager at a Web3 fintech startup, and a market analyst at a DeFi startup. He holds a Bachelor of Laws (LLB) from Durham University.



Moulik Nagesh
Macro Researcher

Moulik is a Macro Researcher at Binance, and he has been involved in the cryptocurrency space since 2017. Prior to joining Binance, he had experience spanning cross-functional roles in Web3- and Silicon Valley-based tech companies. With a background in co-founding start-ups and a BSc in Economics from the London School of Economics & Political Science ("LSE"), Moulik brings a comprehensive perspective to the industry.



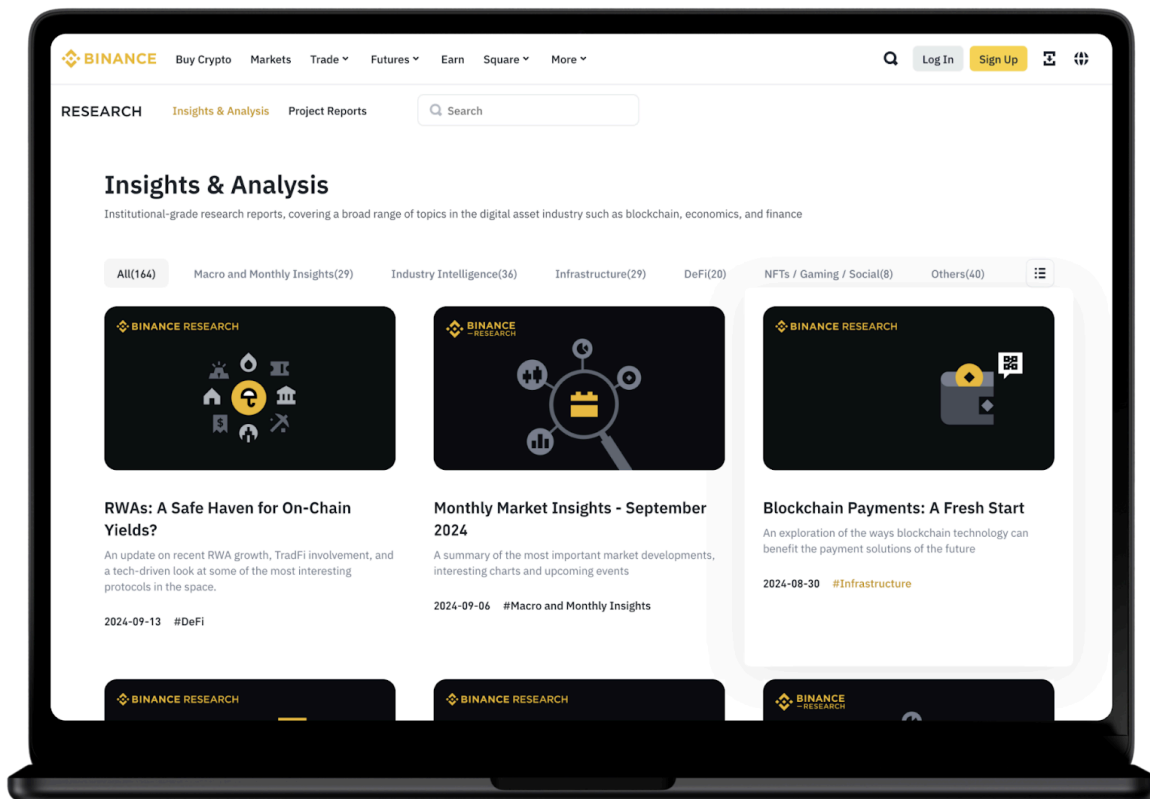
Jamyson Gouveros

Macro Research Intern

Jamyson is currently working for Binance as a Macro Research Analyst intern. Prior to joining Binance, he worked as a Venture Capital Analyst, and later, a pre-seed investor. He is a sophomore at the University of New South Wales ("UNSW") and has been involved in the cryptocurrency space since 2021 after founding a Tokenisation start-up.

Resources

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