AMBERDATA DIGITAL ASSET SNAPSHOT

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AMBERDATA RESEARCH

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In this week's Digital Asset Snapshot, we cover the SEC's new crypto task force led by Hester Peirce, the Arizona Senate's progress on a Bitcoin reserve bill, and Solana's surging TVL powered by the TRUMP memecoin frenzy. Our market analysis dives into shifting BTC address balances, slowed mid-level holder growth, and rising wealth concentration as the Gini coefficient edges higher. We also examine declining on-chain engagement despite a pro-crypto inaugural backdrop, a dip in highly liquid BTC supply, and key metrics such as NUPL and the yardstick ratio that hint at consolidation rather than a major downturn.

News

- **SEC Launches New Crypto Task Force**
  Hester Peirce leads this initiative, pushing for clearer guidelines and potentially revisiting current enforcement actions. Industry stakeholders welcome the move, hoping for more constructive regulatory dialogue.
- **Arizona Senate Advances Bitcoin Reserve Bill**
  Lawmakers passed legislation to allow state funds to invest up to 10% in Bitcoin. Supporters see it as a leap toward wider crypto adoption, while critics warn of taxpayer risk due to volatility.
- **Solana TVL Soars on TRUMP Memecoin Frenzy**
  Solana's total value locked crossed $12 billion after a 40% weekly surge, driven by massive trading volumes in TRUMP and MELANIA tokens. SOL also rallied, signaling strong network activity despite broader market jitters.

Market Analysis

- **Mid-Level Funds Driving Accumulation**
  Addresses holding 100–1000 BTC netted roughly 81,000 BTC in January, while larger whales offloaded amid high volatility between $95k and $110k.
- **Growth Slows in 100–1000 BTC Bracket**
  Despite the price rally, this group's overall market share only inched up from 22.48% to 22.87%, suggesting tempered expansion in mid-level holdings.
- **No Significant Change in Holders**
  Smaller buckets saw mixed shifts, with a modest rise in new addresses under 0.001 BTC offset by dips in the 0.001–0.01 BTC tier. Meanwhile, whale addresses declined slightly.
- **Lower On-Chain Engagement Despite Pro-Crypto Signal**
  After a brief spike, addresses and passive holders tapered off, indicating lingering caution despite the Trump administration's supportive stance.
- **Gini Coefficient Edges Higher**
  Wealth concentration ticked up from 0.466 to nearly 0.468, reflecting deeper pockets accumulating while smaller investors showed hesitation.

- **Fewer Immediately Tradable BTC**
  Highly liquid supply declined to about 87,000 BTC, hinting that more holders are moving coins off exchanges — a sign of increased conviction.
- **Supply in Profit Stays Resilient** NUPL climbed slightly, with many participants remaining in unrealized profit, reducing sell pressure and supporting prices despite volatility.
- **Easing Yardstick Signals Consolidation** The yardstick ratio's drop to mid-range levels points to a market pausing near its average valuation rather than facing a steep correction.

NEWS

SEC Launches New Crypto Task Force

The US Securities and Exchange Commission has launched a new crypto task force led by Commissioner Hester Peirce, drawing praise from industry stakeholders. Known for her crypto-friendly stance, Peirce first championed a "token safe harbor" plan in 2020 to foster innovation by easing registration requirements for developers. She has also criticized the SEC's reliance on litigation to regulate digital assets, instead advocating clearer, more proactive guidelines. Legal experts say this task force marks a shift toward informal guidance not seen under current Chair Gary Gensler.

Observers speculate the group may reassess active enforcement actions deemed incompatible with a pro-growth view. The move could affect pending ETF filings — including proposals for Solana, XRP and even Dogecoin and Trump's memecoin — though immediate approvals seem unlikely. Still, many hope increased dialogue and structured disclosure frameworks will bring greater transparency and consistency to US crypto regulation.

Arizona Senate Advances Bitcoin Reserve Bill

Arizona lawmakers have taken a significant step toward adopting Bitcoin in official finance, passing a strategic reserve bill in the State Senate Finance Committee. Co-sponsored by Senator Wendy Rogers and Representative Jeff Weninger, the legislation cleared the committee with a five-to-two vote on January 27 and now moves to the Senate Rules Committee. If enacted, the bill would allow various public funds and pensions to invest up to 10% of their capital in Bitcoin and other digital assets, storing them in a secure, segregated state reserve.

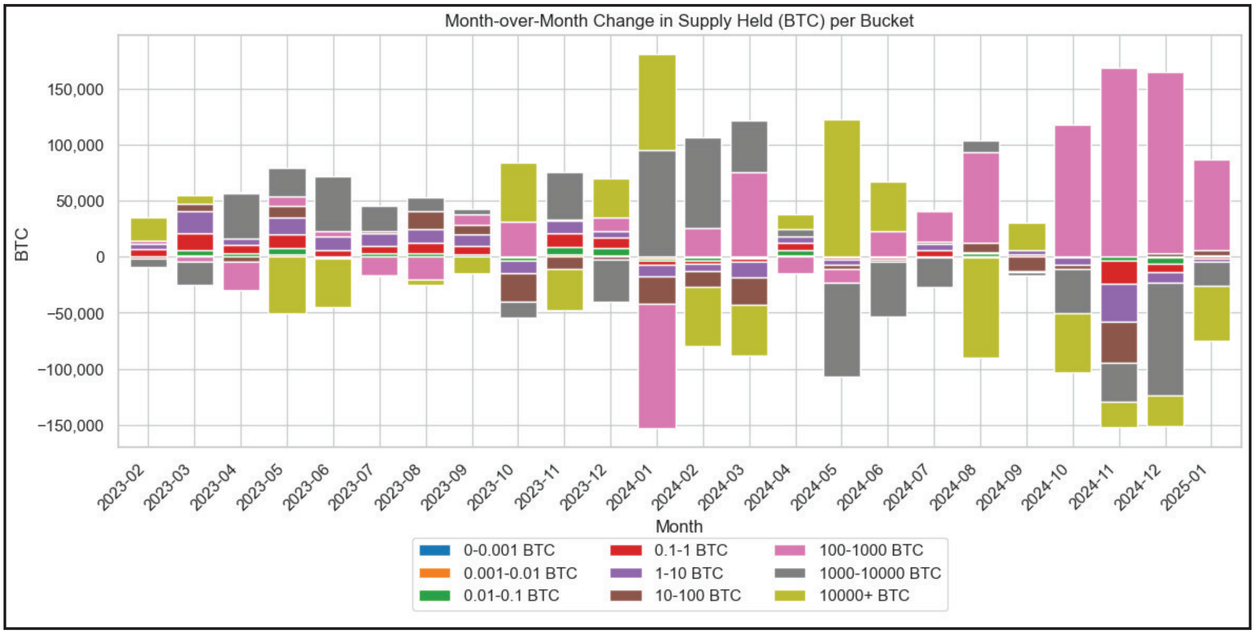
Supporters believe this could inspire other states to adopt similar measures, potentially fueling broader institutional acceptance of Bitcoin. Critics caution that volatility poses risks for taxpayers, highlighting the need for protective measures. Nevertheless, Arizona's move underscores a growing trend of state-level engagement with cryptocurrency, propelled by supportive federal policies and the desire for innovative financial strategies.

Solana TVL Soars to New Highs on TRUMP Memecoin Frenzy

Solana's total value locked (TVL) soared beyond $12 billion, marking a new milestone fueled by the TRUMP and MELANIA memecoins. The chain's TVL jumped nearly 40% over the past week, crossing $10 billion for the first time since the FTX collapse. Solana's native token, SOL, climbed 6% in 24 hours and 30% over seven days to $258. TRUMP alone generated $40 billion in one-day trading volume, bolstering confidence in Solana's ability to handle massive traffic. The memecoin, managed by CIC Digital LLC, ranks third by market capitalization at $7.9 billion, while MELANIA trades at $3.78 with a $571 million cap.

MARKET ANALYSIS

Mid-Level Funds Driving Accumulation

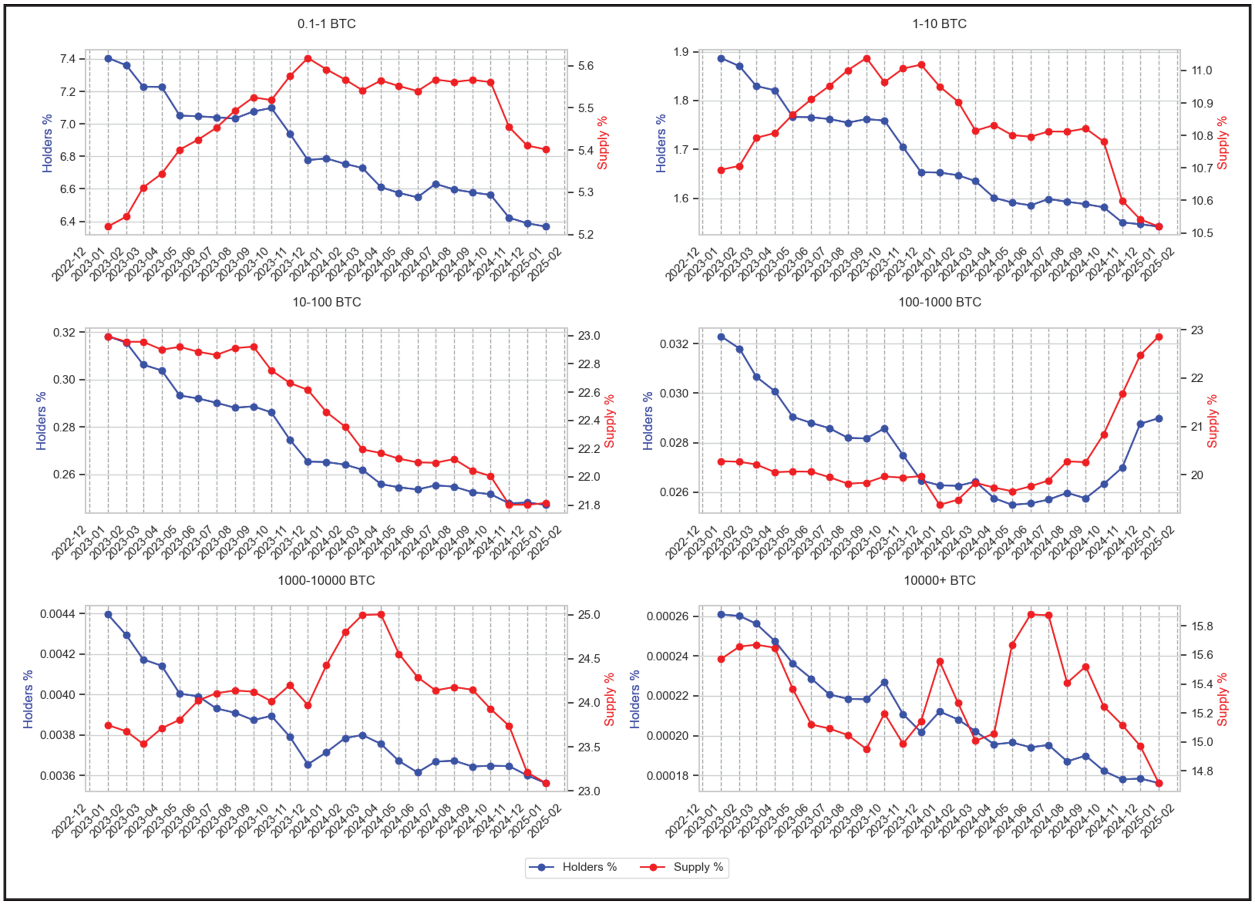


These numbers represent the month-on-month net BTC gained or lost by addresses in specific balance ranges (buckets). Addresses below 100 BTC are typically individual holders, while 100 BTC+ are often institutional or fund-driven.

January data indicates negligible net additions in addresses below 0.01 BTC, offset by a modest 1000 BTC increase among the 0.01–0.1 BTC bucket. Meanwhile, the 100–1000 BTC tier added roughly 81,000 BTC, contrasting with 22,000 and 49,000 BTC outflows in the 1000–10,000 and 10,000+ categories, respectively. This suggests mid-level funds accumulated while larger whales reduced holdings during the rally to $110k and subsequent drop to $95k. The volatility likely drove profit-taking among major holders, while smaller participants showed cautious accumulation.

These shifts can amplify price swings if large pockets of supply move quickly. Overall, the January trend indicates that mid-sized funds remain bullish, but extended selling from major whales could sustain market turbulence.

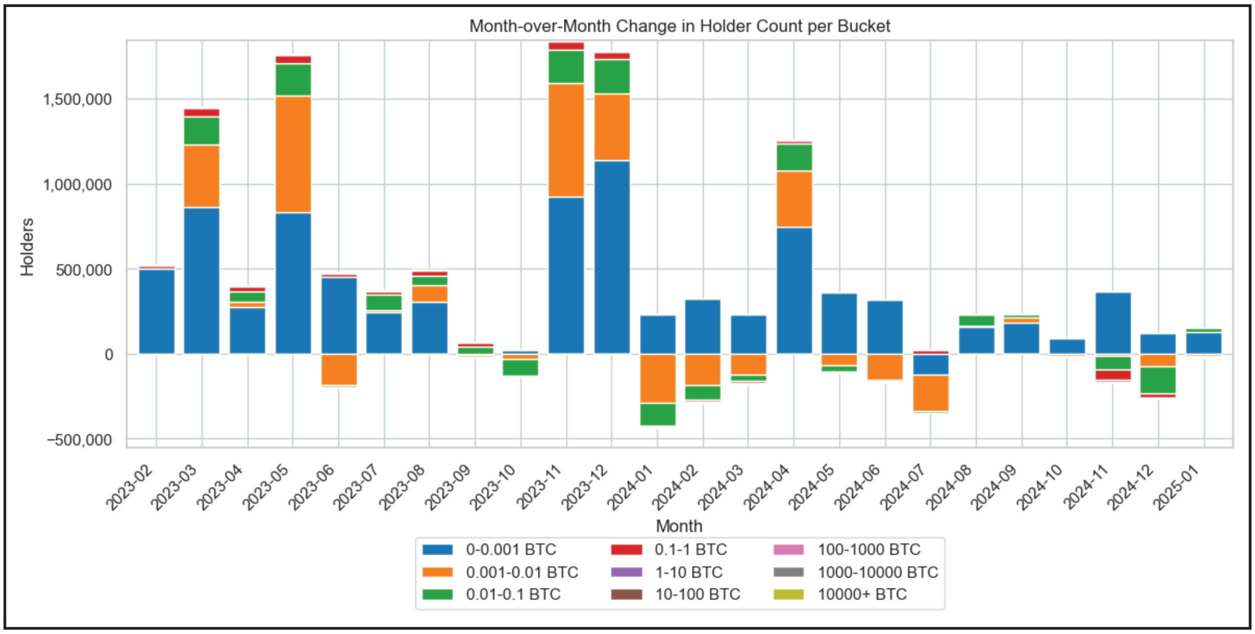
Growth Slows in 100–1000 BTC Bracket Despite Price Fluctuations



These figures show what share of total BTC supply is held in each balance bucket, from individuals (under 100 BTC) to funds or whales (100 BTC and above). In January, despite the market rallying near $110,000 then dipping to about $95,000, growth in the 100–1000 BTC bracket slowed, inching up from around 22.48% to 22.87%. The 10–100 BTC range stayed near 21.81%, indicating only marginal shifts among smaller institutional holders. Meanwhile, the 1000–10,000 BTC cohort declined slightly, and the 10,000+ BTC group dropped more noticeably, suggesting continued whale distribution.

These patterns point to a mild redistribution of supply away from very large holders toward mid-sized addresses, although not as pronounced as one might expect given pro-crypto signals around the Trump inauguration. Overall, this gradual shift may temper extreme volatility, but ongoing whale outflows remain a factor that can significantly influence price swings.

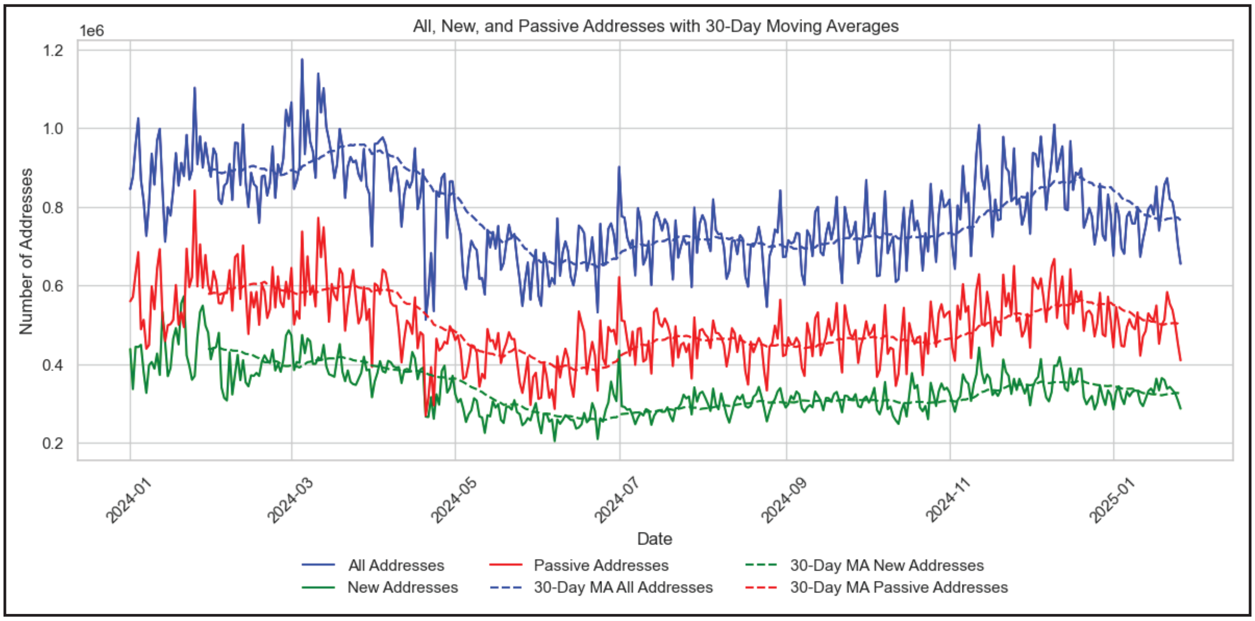
No Significant Change in Holders



January saw about 125,000 new addresses holding under 0.001 BTC, while the 0.001–0.01 BTC category dropped by roughly 15,000, suggesting some dust accounts consolidated or moved up. Mid-range buckets show mixed trends: the 0.01–0.1 BTC bracket grew by about 25,000 addresses, indicating modest retail expansion, whereas 1–10 BTC and 10–100 BTC both fell slightly. In contrast, the 100–1000 BTC range gained around 200 addresses, hinting at cautious mid-tier accumulation amid price swings from $110,000 to $95,000.

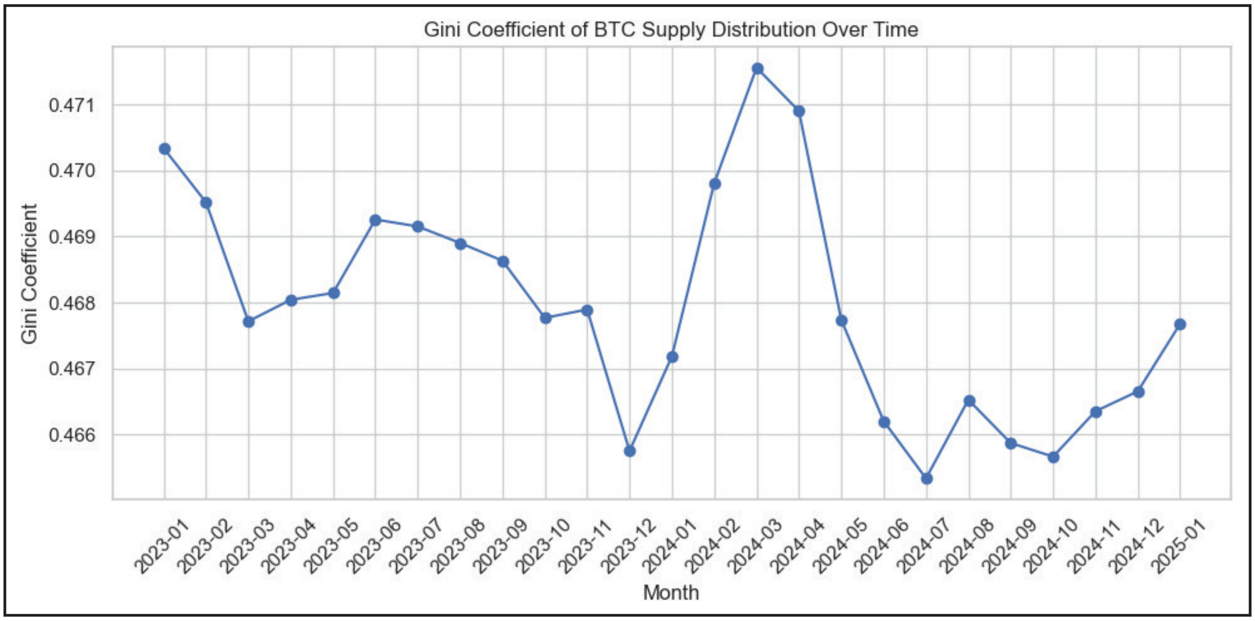
Despite the pro-crypto stance linked to Trump's inauguration, overall growth remains below expectations, implying some investors stayed on the sidelines. The biggest holders (10,000+ BTC) dipped by just one address—negligible but consistent with ongoing whale distribution. Since smaller buckets hold a limited share of total supply, these shifts likely won't drastically alter market dynamics. However, the steady reshuffling underscores a gradual redistribution favoring mid-level participants.

Lower On-Chain Engagement Despite Pro-Crypto Signal



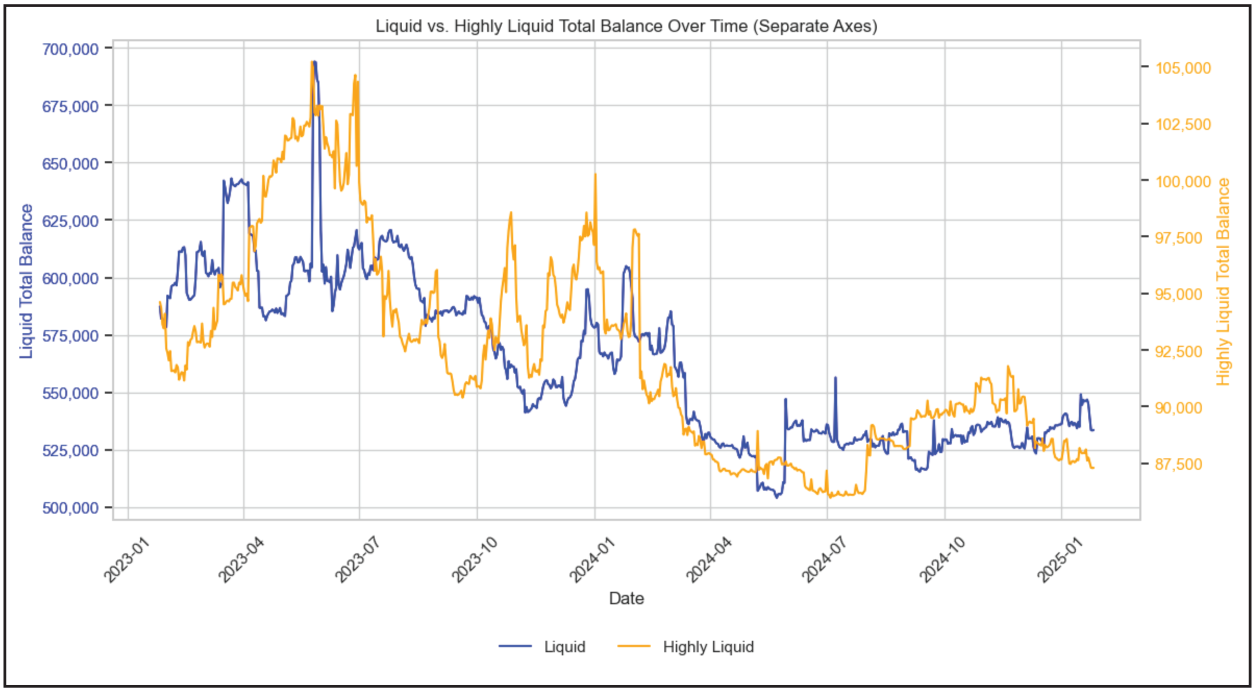
Despite a brief uptick just before the inauguration, address metrics—including total, new, and passive—have generally tapered off through January. The initial December surge was not sustained, as seen in the downward trend of both the 30-day and 365-day moving averages. This declining momentum in address growth contrasts with the market's price volatility: although Bitcoin peaked near $110k, it quickly slipped into the $95k range, suggesting traders remain cautious. One might have expected stronger accumulation given the new administration's pro-crypto posture, but the address data points to lower overall on-chain engagement compared to the rally observed in March and April of last year. The subdued growth in new addresses and the dip in passive addresses indicate hesitation among holders and potential new entrants, reinforcing the view that recent price fluctuations have cooled broader participation in on-chain activities.

Gini Coefficient Edges Higher



The Gini coefficient for Bitcoin has risen from 0.466 to nearly 0.468 over the past three months, suggesting a gradual increase in wealth concentration among larger holders. Despite the market peaking near $110k before dipping to $95k, retail buyers appear less engaged than some had hoped, even with a pro-crypto administration entering office. One might have expected heightened accumulation ahead of inauguration festivities, but the volatility and overall market uncertainty may have deterred smaller investors. Meanwhile, whales and institutional entities likely took advantage of any dips to bolster positions, further skewing the distribution. This trend underscores the gap between hype-driven expectations and actual retail adoption.

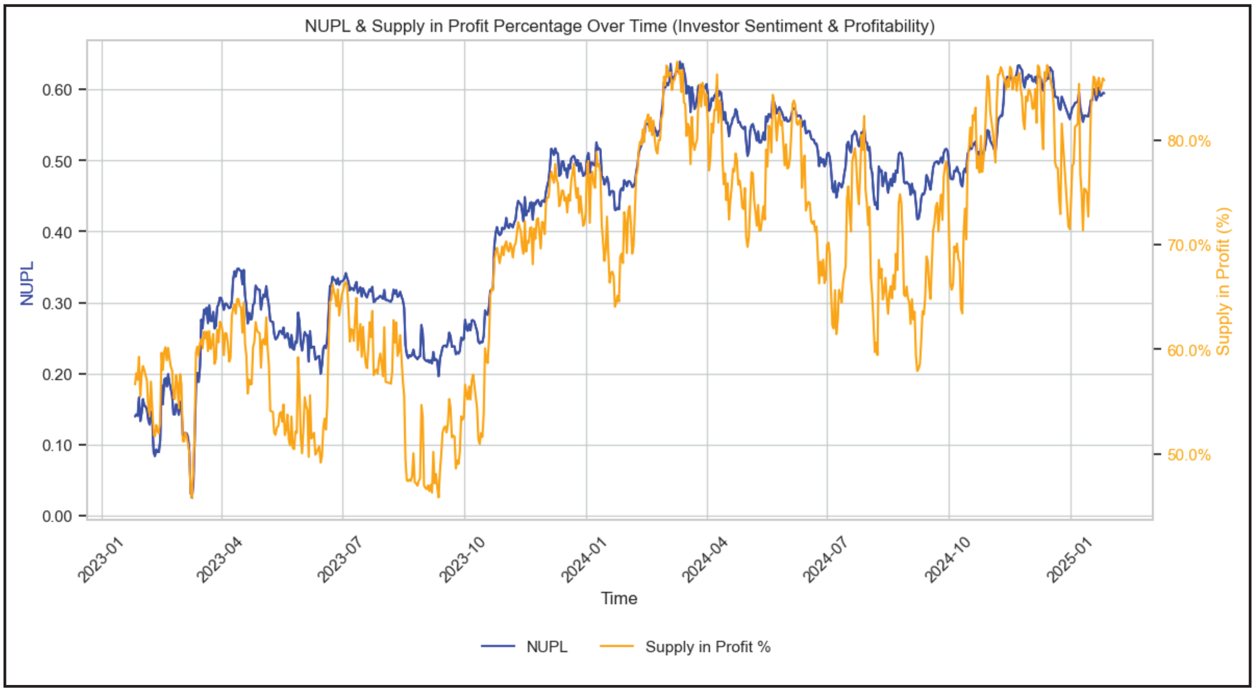
Fewer Immediately Tradable BTC Reflects Growing Holder Conviction



Throughout January, highly liquid supply trended lower from roughly 88,000 BTC at the start of the month toward the 87,000 BTC range by late January, while liquid supply initially climbed above 540,000 BTC, then settled around 533,000 BTC. This shift suggests fewer BTC are instantly available for quick trades, implying some holders have chosen to move positions into less readily traded addresses. Such a decline in highly liquid supply, although not dramatic, can indicate increased conviction to hold—even as the market oscillated between $110k and $95k.

Combined with pro-crypto signals linked to Trump's inauguration, reduced highly liquid supply tends to dampen immediate selling pressure. While this isn't an outright guarantee of bullish momentum, it can help moderate volatility and support prices in the near term. Overall, a mild but persistent movement toward less liquid balances points to cautious optimism about Bitcoin's longer-term trajectory.

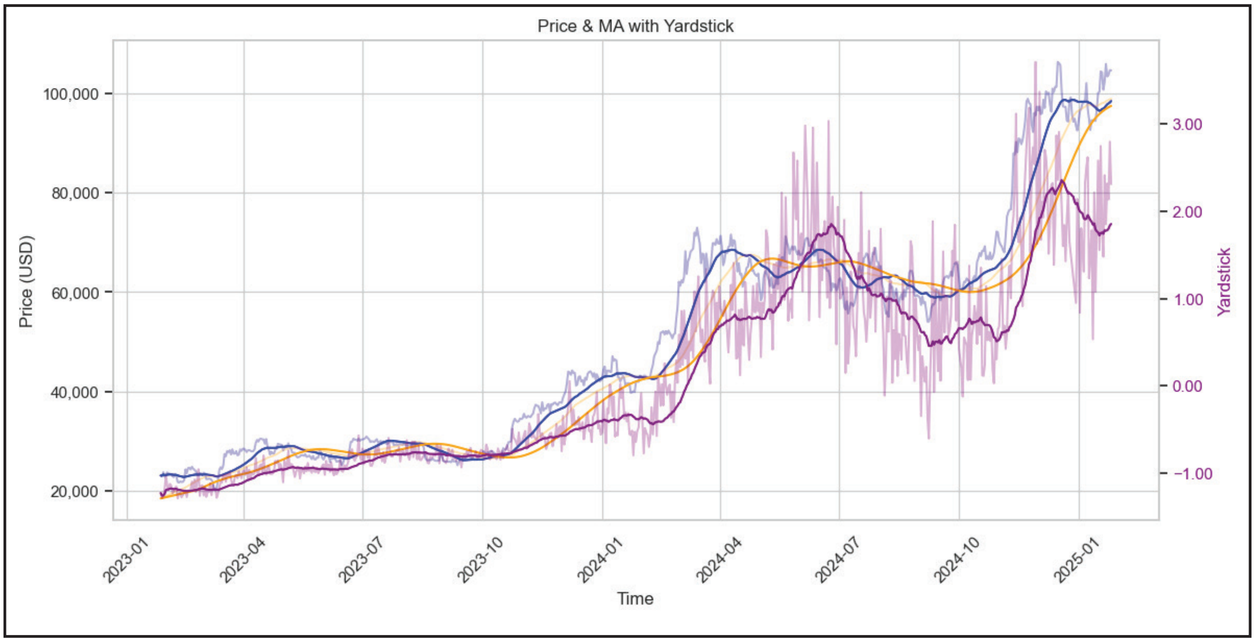
Supply in Profit Stays Resilient as NUPL Climbs



Supply in Profit, which measures the proportion of BTC currently valued above its acquisition price, has remained relatively strong, oscillating within healthy ranges despite price swings. Similarly, NUPL (Net Unrealized Profit/Loss)—the difference between BTC's market value and realized value—has shown a modest rally, indicating overall market participants maintain a net unrealized profit stance.

By January 7, as prices rallied, NUPL reached 0.60 and Supply in Profit rose to 85.36%. Although both metrics dipped slightly mid-month—NUPL slipped to 0.56 on January 14 and Supply in Profit fell to 72.68%—the overall trend remained strong. Around inauguration day on January 20, NUPL was 0.58 and Supply in Profit climbed back to 84.27%, indicating that many holders kept coins above their acquisition cost despite price turbulence. The expected surge from a pro-crypto administration did not materialize into massive retail buying, but the robust Supply in Profit suggests sellers are limited. This dynamic can underpin future bullish momentum, even if it does not immediately translate into soaring prices.

Easing Yardstick Signals Consolidation, Not a Major Downturn



The yardstick is a ratio that compares the current market level to a reference value, often a moving average, to highlight whether the price is relatively high or low. For example, a yardstick reading above 2 typically signals the price is well above its average, while a figure closer to 1 or below suggests it's near or under that benchmark.

Recently, yardstick values have ranged roughly between 0.5 and 3.5. When they were near the upper end of that band, it hinted that prices had climbed significantly above trend. As the yardstick eased back down, it implied the price was moving closer to its average. Although this drop in the yardstick's moving average can point to a slowdown or consolidation, it doesn't necessarily predict a major downturn. Instead, it often reflects a pause in momentum, where the market corrects or steadies itself before deciding on its next direction.

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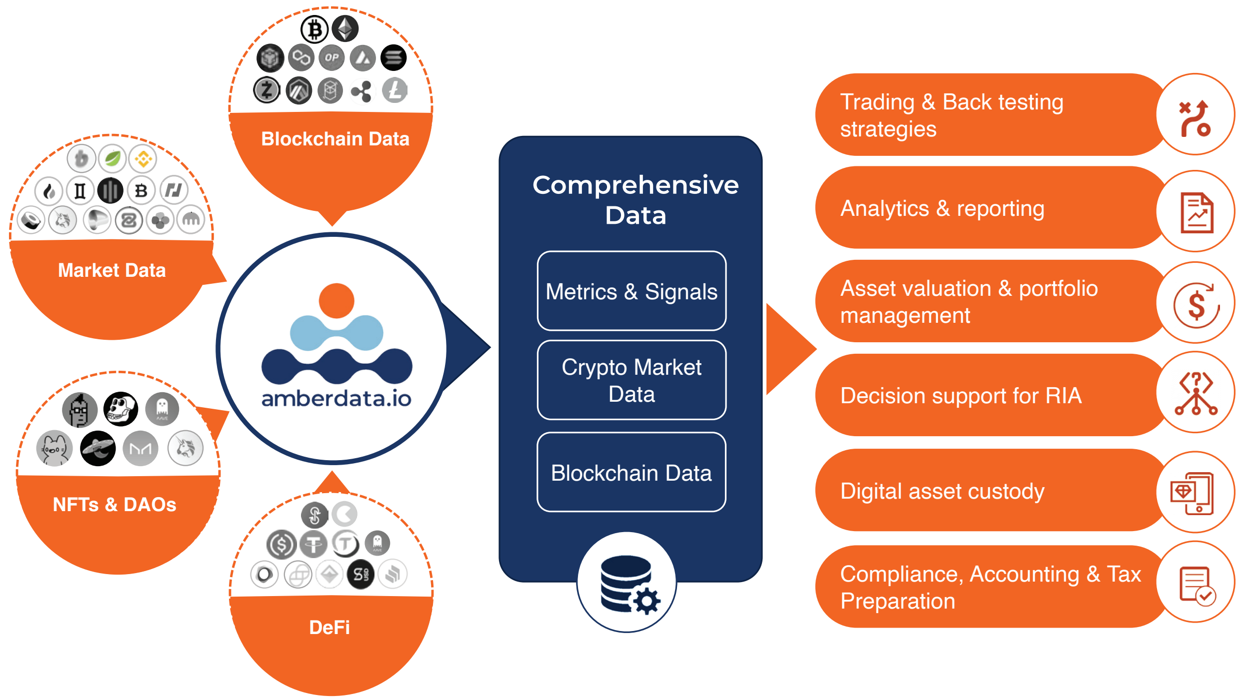

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