

AMBERDATA DIGITAL ASSET SNAPSHOT

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In this week's Digital Asset Snapshot, markets experienced heightened volatility amid significant developments. Sui blockchain's controversial move to recover stolen funds from a major DeFi exploit stirred debates over decentralization and governance. Kraken introduced "xStocks," tokenizing major U.S. equities for continuous trading, enhancing the crypto-TradFi convergence. Trump Media's bold \$2.5 billion Bitcoin investment and ETF filing underscored growing institutional confidence and intertwined political branding with crypto markets. Bitcoin itself showcased sharp volatility, briefly topping \$110K before plunging due to renewed tariff-related macroeconomic concerns. Institutional ETF positioning continued to reflect strategic caution, selectively accumulating while navigating uncertain price dynamics and macro factors.

News

- **Sui's Controversial 'Hack Back':** Sui blockchain validators vote on an unprecedented proposal to forcibly reclaim \$160 million from a recent \$220 million DeFi hack, sparking intense debate over blockchain immutability and decentralization.
- **Kraken Debuts Tokenized Stocks:** Crypto exchange Kraken launches "xStocks," tokenized shares of U.S. equities such as Apple and Tesla, enabling 24/7 blockchain trading outside the U.S., driving further crypto and traditional finance integration.
- **Trump Media Makes \$2.5B Bitcoin Push:** President Trump's media firm plans significant Bitcoin treasury allocation and files for a Bitcoin ETF, reflecting broader institutional adoption and political intersection with digital assets.
- **Bitcoin Volatile Amid Tariff Fears:** Bitcoin briefly surges above \$110K, boosted by institutional inflows and market optimism, before sharply correcting below \$104K on President Trump's unexpected tariff announcements, highlighting sensitivity to macroeconomic shifts.

Market Analysis

- **Selective Institutional ETF Activity:** Institutional Bitcoin ETF flows reflect strategic repositioning, with cautious accumulation by Fidelity and VanEck contrasting BlackRock's minor pullback, indicating continued prudent positioning amid volatility.
- **Stable Cumulative Bitcoin ETF Holdings:** Major institutional holders like BlackRock and Fidelity maintain significant cumulative Bitcoin positions, highlighting long-term strategic optimism tempered by careful short-term tactical adjustments.
- **Ethereum and Solana Futures Strengthen; Altcoins Consolidate:** ETH and SOL futures open interest remains robust, signaling bullish trader sentiment, while ADA, ARB, APT, and XRP see cautious pullbacks amid broader market uncertainty.
- **Futures Open Interest Shows Cautious Stabilization:** Exchanges including Binance and CME indicate stabilized futures open interest, reflecting measured institutional and retail participation and ongoing tactical prudence.
- **Long/Short Ratios Indicate Sentiment Shifts:** Binance long/short ratios reveal bullish shifts for Bitcoin following earlier bearishness, with consistently strong bullish positioning for ETH, SOL, and XRP reflecting optimism among traders.
- **Funding Rates Highlight Market Indecision:** BTC, ETH, and SOL funding rates demonstrate notable volatility and cautious repositioning, indicating shifting sentiment as traders balance optimism with macroeconomic and regulatory uncertainties.

NEWS

Sui Validators Vote to ‘Hack Back’ \$220M DeFi Exploit

Validators on the Sui blockchain have voted on a controversial proposal to forcibly recover about \$160 million stolen from decentralized exchange Cetus in a recent \$220 million hack. The unprecedented move, effectively "hacking the hacker," involves an on-chain upgrade to unlock frozen funds and return them to victims via a multisig wallet jointly controlled by Cetus, the Sui Foundation, and a security firm. Critics argue the intervention risks undermining blockchain immutability and decentralization principles. Supporters, however, stress it's vital to restore user confidence and funds. The hack, triggered by a smart contract error, initially caused token values within the Sui ecosystem to crash by 70–80%. The vote's outcome, due by June 3, could establish a crucial precedent on how blockchains handle significant exploits. Industry observers note this aggressive response highlights persistent DeFi vulnerabilities and could prompt other networks to adopt similar tactics during major security breaches.

Kraken Launches Tokenized Stocks for 24/7 Crypto Trading

Crypto exchange Kraken introduced "xStocks," tokenized shares of major U.S. equities such as Apple, Tesla, and Nvidia, tradable 24/7 via blockchain. Announced on May 22, the tokens, issued on the Solana network, offer fractional ownership and continuous trading to investors outside the U.S., as regulatory constraints currently exclude American users. Partnering with fintech firm Backed Finance, Kraken positions itself at the intersection of traditional finance and crypto infrastructure, mirroring efforts by competitors like Robinhood. Analysts suggest tokenized securities could democratize global equity market access. Enthusiasm for tokenized assets has been growing, boosted by a favorable regulatory environment under the Trump administration and recent market rallies. Kraken's xStocks initiative represents a notable step toward mainstream adoption of blockchain-based asset trading, potentially reshaping how equities are traded globally.

Trump's Social Media Firm Plans \$2.5 Billion Bitcoin Investment and ETF

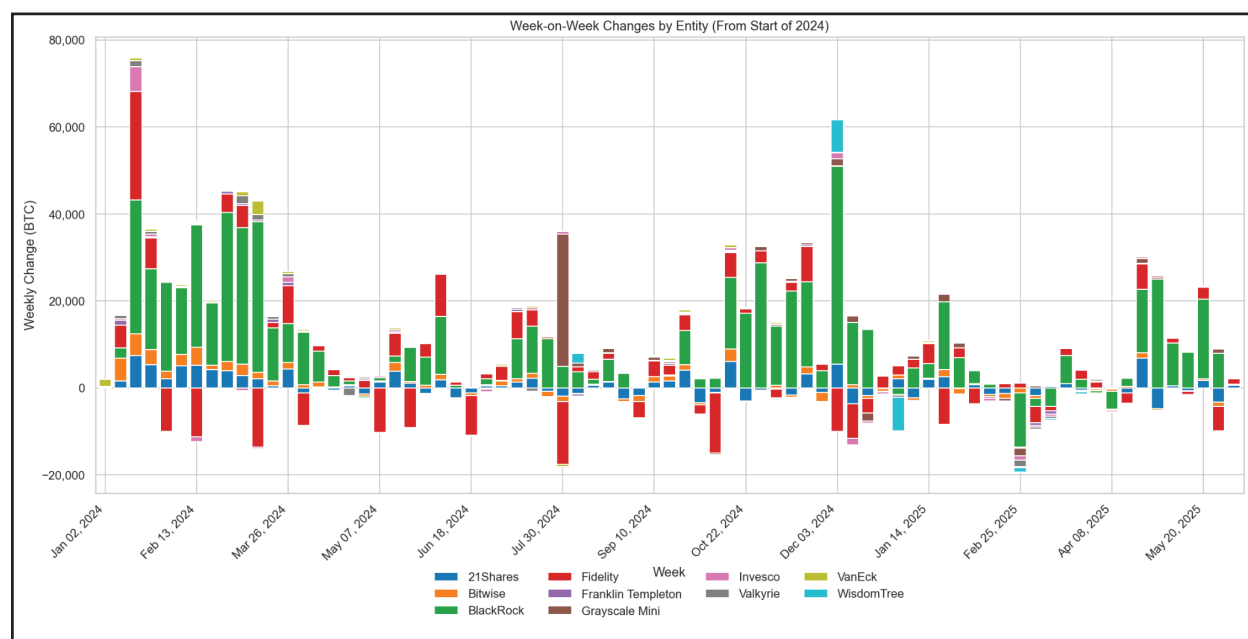
Trump Media & Technology Group, owner of social platform Truth Social, revealed plans to raise \$2.5 billion for purchasing Bitcoin as a corporate treasury reserve. The fundraising initiative, involving equity and convertible notes, echoes corporate strategies pioneered by companies like Strategy. Additionally, the group submitted an ETF application (Truth Social Bitcoin ETF) via NYSE Arca on June 3, aiming to simplify regulated Bitcoin investment for broader audiences. This dual move marks a continuing significant shift from Trump's first administration, which was skeptical of cryptocurrencies, signaling deeper institutional adoption under a perceived crypto-friendly U.S. policy framework. Analysts note the strategy highlights how political branding increasingly intersects with cryptocurrency markets. Trump's venture helped Bitcoin surpass \$110,000 briefly, and market watchers predict further mainstream adoption if regulatory approval of the ETF occurs later this year.

Bitcoin Tops \$110K, Tumbles on Tariff Concerns in Volatile Week

Bitcoin experienced significant volatility this past week, first reaching new highs near \$109,760 driven by improved investor sentiment, institutional inflows, and easing global trade tensions. Momentum was boosted by JPMorgan's recent announcement allowing clients to buy Bitcoin. However, sentiment abruptly reversed on June 1 after President Trump's unexpected tariff announcements reignited global economic uncertainty. The resultant risk-off sentiment caused Bitcoin to plunge below \$104,000, erasing gains and leading to approximately \$600 million in leveraged positions being liquidated—the largest one-day drop since February. Despite this sharp decline, Bitcoin stabilized quickly above the critical \$100,000 psychological level. Analysts suggest the volatile swings highlight Bitcoin's ongoing sensitivity to macroeconomic events, emphasizing the need for investors to monitor broader market conditions closely. Traders remain cautious yet optimistic, evaluating upcoming economic news for indications of whether the bullish trajectory will continue or further consolidation will occur.

MARKET ANALYSIS

Bitcoin ETF Flows Indicate Selective Institutional Accumulation Amid Cautious Sentiment



Institutional positioning through Bitcoin ETFs continues to reflect cautious optimism, punctuated by episodes of significant repositioning and targeted strategic accumulations. The latest weekly data through June 3, 2025, reveals intriguing dynamics among prominent ETF providers.

BlackRock, a key institutional bellwether, saw a minor reduction of about 110 BTC, a sharp contrast to the substantial inflow of approximately 7,980 BTC observed in the prior week. This modest retracement suggests tactical profit-taking or cautious recalibration after strong accumulation.

Fidelity's activity rebounded positively, adding roughly 1,290 BTC, reversing the significant outflow of around 5,500 BTC in the previous week. This volatility indicates Fidelity investors remain responsive and adaptive to Bitcoin's price fluctuations.

21Shares, after considerable volatility in prior weeks, exhibited a relatively muted but positive sentiment, adding approximately 610 BTC following notable outflows of around 3,340 BTC previously. This could signal a cautious re-entry or incremental repositioning following recent market adjustments.

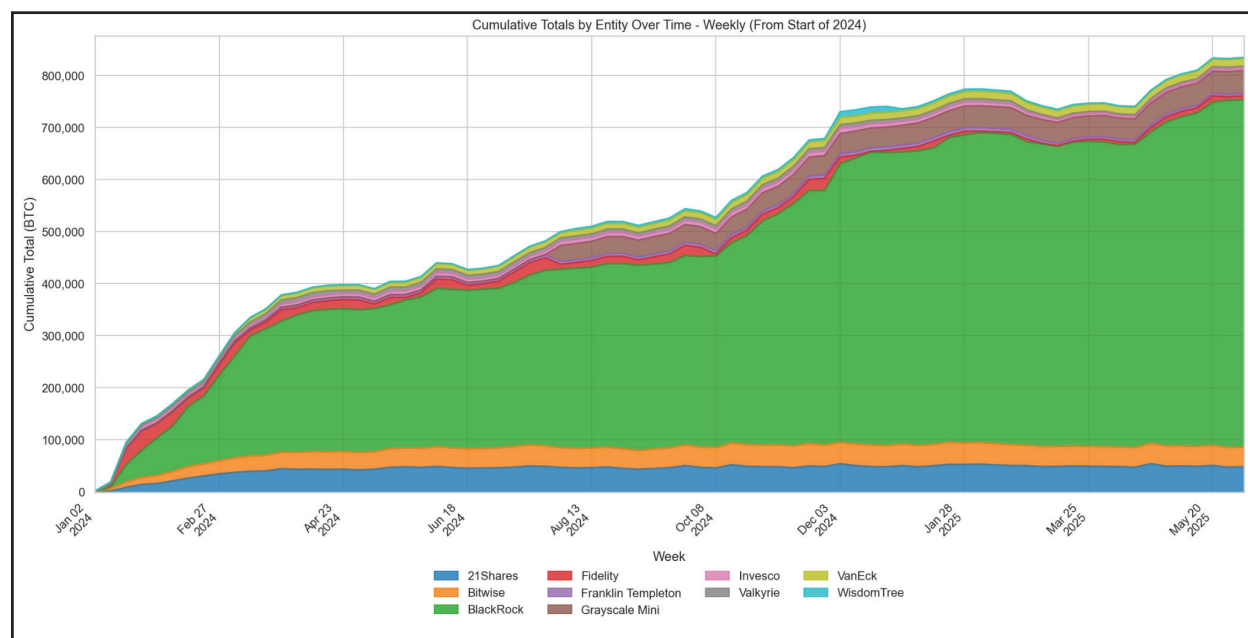
Grayscale Mini maintained a tempered approach, increasing holdings by about 70 BTC, considerably down from the notable inflow of approximately 920 BTC seen in the preceding week, indicative of restrained enthusiasm amid market uncertainty.

VanEck continued a steady accumulation trend, incrementally adding around 180 BTC, consistent with its recent cautious accumulation pattern. WisdomTree, however, showed minimal activity with essentially no change this week, maintaining a prudent wait-and-see approach.

Smaller players such as Bitwise also showed cautious optimism, modestly increasing holdings by roughly 170 BTC, aligning with broader cautious sentiment.

Overall, these latest flows emphasize institutional prudence amid continued market volatility. Strategic rebalancing dominates rather than aggressive directional positioning, highlighting market participants' continued vigilance and tactical adaptability in response to short-term price dynamics and broader macroeconomic considerations.

Cumulative Bitcoin ETF Holdings Reflect Strategic Caution Amid Selective Accumulation



Institutional positioning through Bitcoin ETFs continues to reflect a cautious yet strategic long-term outlook, with institutions maintaining substantial holdings while tactically adjusting positions based on market dynamics. Cumulative holdings data through June 3, 2025, provides a detailed snapshot of institutional sentiment and strategic positioning.

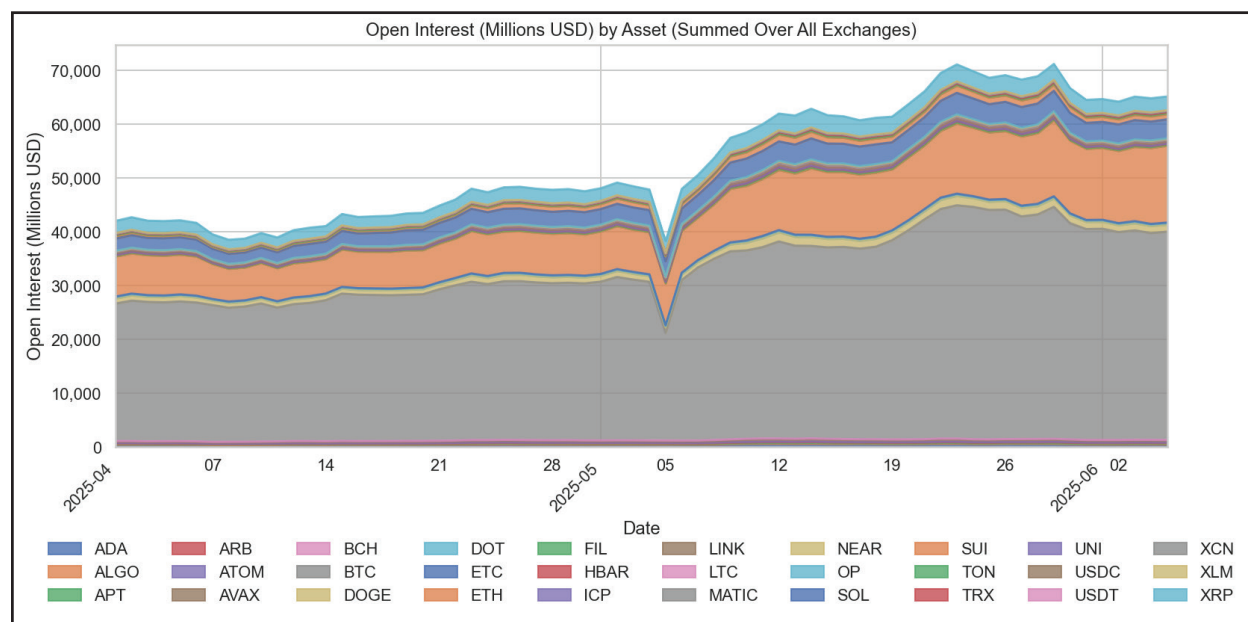
BlackRock remains the dominant institutional holder, maintaining a considerable cumulative position of approximately 666,580 BTC, despite minimal change week-over-week. This large holding underlines their sustained long-term bullish conviction. Fidelity exhibited cautious accumulation, increasing its holdings to around 7,964 BTC, reflecting a modest addition from the previous week and a continued recovery from the significant volatility experienced earlier in May.

21Shares slightly increased its cumulative holdings to approximately 48,230 BTC, rebounding after previous outflows. This moderate increase highlights a cautious stance amid recent market fluctuations. Grayscale Mini continues to be significant, holding steady around 43,387 BTC, indicative of a measured and relatively stable exposure strategy, maintaining their considerable cumulative position.

VanEck progressively increased its holdings to approximately 15,187 BTC, continuing a consistent and steady accumulation pattern, which signals sustained optimism. WisdomTree maintained a stable cumulative holding around 1,547 BTC, underscoring a steady but non-aggressive approach. Bitwise's cumulative position slightly rose to approximately 37,838 BTC, reflecting cautious but consistent investor confidence.

Overall, these cumulative ETF holdings reflect strong institutional commitment to Bitcoin over the medium to long term. While tactical adjustments remain frequent, substantial core positions indicate continued strategic optimism tempered by prudent short-term management.

Ethereum and Solana Futures Maintain Strength; Altcoins See Cautious Pullback



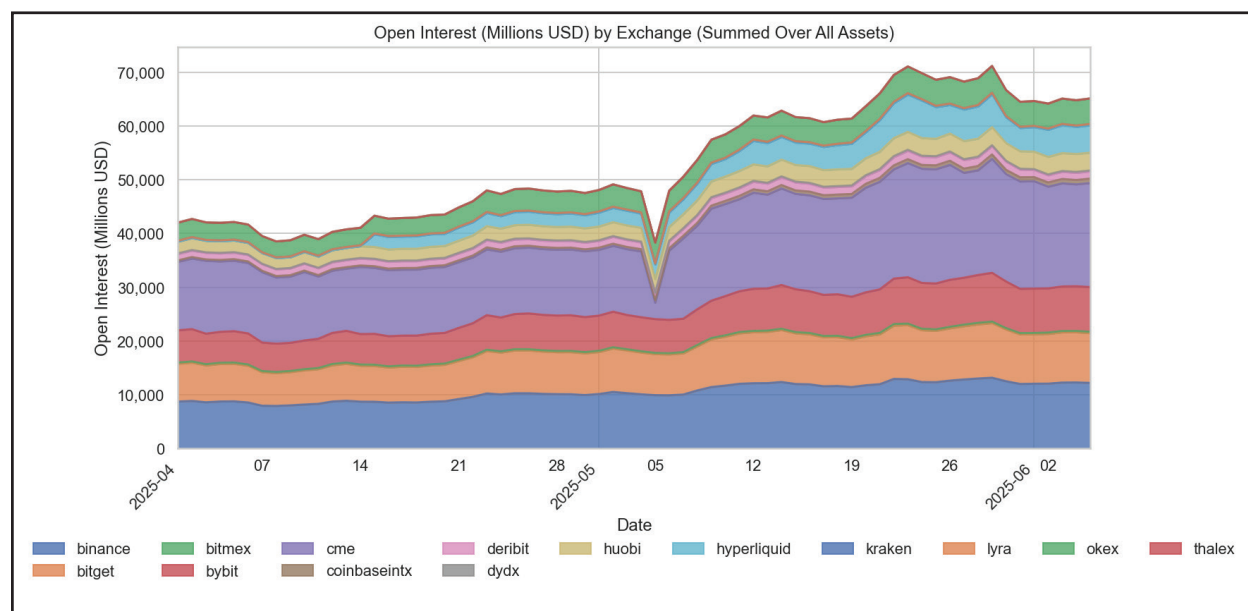
Crypto futures markets for major altcoins and assets have exhibited varying trends over the past three weeks ending June 8. Ethereum (ETH) notably continued its robust growth trajectory, with open interest rising steadily from \$12.47 billion on May 25 to \$14.27 billion on June 5, signaling strong institutional interest and bullish trader positioning. Solana (SOL) also retained significant investor attention, maintaining substantial open interest near \$3.52 billion, reflecting optimism despite mild volatility in recent weeks.

In contrast, major altcoins such as Cardano (ADA), Arbitrum (ARB), and Aptos (APT) showed signs of cautious consolidation. ADA's open interest slightly declined from around \$502 million to approximately \$455 million by June 5, highlighting reduced speculative appetite or profit-taking after recent gains. Similarly, ARB and APT also experienced modest reductions—ARB from roughly \$126.8 million to about \$121.8 million, and APT rebounding slightly to \$125.2 million after a brief dip, indicating traders remain selectively positioned amid broader market uncertainty.

XRP and Litecoin (LTC) exhibited more pronounced consolidation trends, with XRP open interest stabilizing near \$2.56 billion, down from \$2.96 billion two weeks prior, suggesting trader caution or profit realization amid recent bullish momentum. Litecoin similarly retraced slightly to around \$361 million, indicating a cooling of speculative interest or shifting market dynamics. Meanwhile, newer layer-one chains like SUI saw volatile swings—declining sharply from \$1.2 billion to around \$933 million, likely reflecting speculative repositioning or risk-off behavior amid market fluctuations.

Stablecoin futures like USDC maintained modest but steady growth in open interest, rising slightly to \$27.6 million by June 5, underscoring cautious positioning or increased hedging activity. Overall, the recent open interest patterns across these diverse assets indicate mixed market sentiment, balancing cautious optimism for established assets like ETH and SOL with selective profit-taking and prudent risk management among traders in more speculative altcoin futures.

Futures Open Interest Reflects Cautious Stabilization Across Major Exchanges



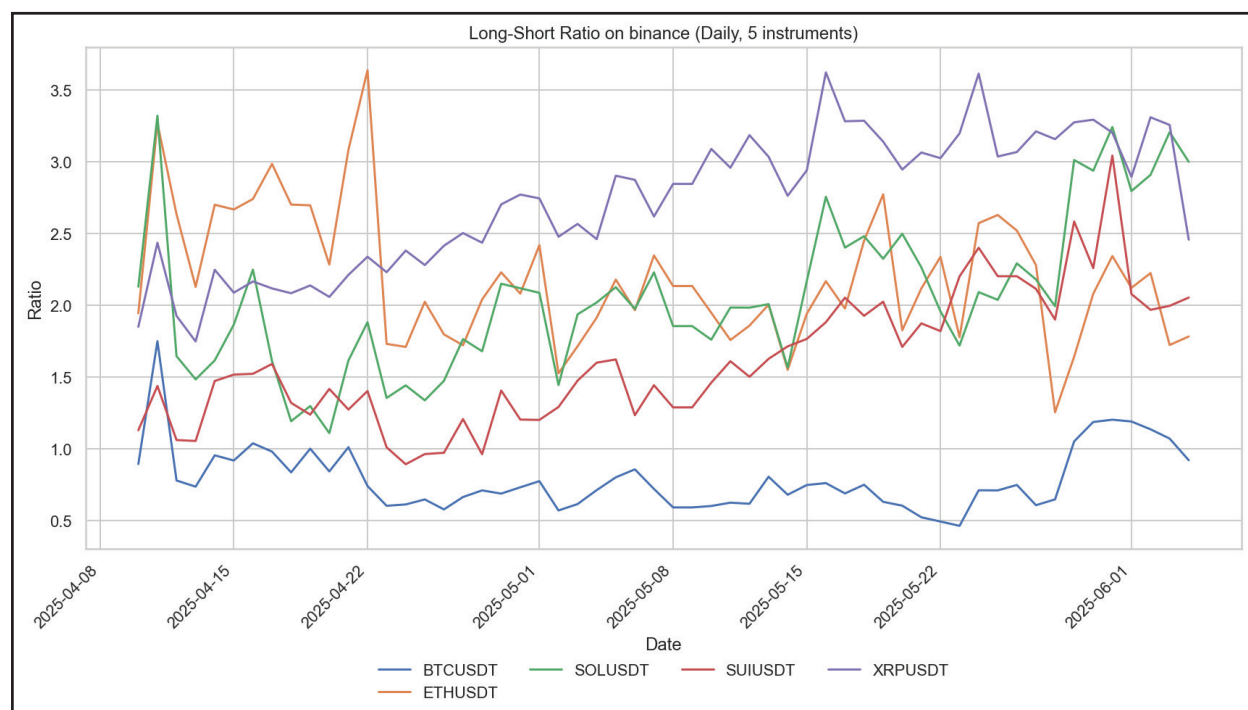
Over the past three weeks ending June 8, crypto futures markets have demonstrated a trend of cautious stabilization following prior volatility. Binance, the leading futures exchange by open interest, saw its positions stabilize around \$12 billion, reaching approximately \$12.19 billion in the week ending June 8 after a slight decline from \$12.31 billion two weeks prior. Bybit and Bitget, also significant venues, displayed similar cautious patterns, with open interest modestly fluctuating—Bybit dipped marginally from about \$8.54 billion on May 25 to roughly \$8.32 billion currently, while Bitget remained stable near \$9.26 billion.

Institutional appetite reflected through CME contracts has notably declined from recent peaks. After achieving a high of roughly \$21.25 billion at the end of May, CME's open interest contracted significantly, sliding to about \$19.38 billion by the week ending June 8. This notable reduction suggests institutional traders may have taken profits or trimmed risk exposure amid ongoing macroeconomic uncertainties and potential regulatory shifts.

Emerging exchanges and decentralized platforms experienced mixed activity. Hyperliquid, a rapidly growing decentralized venue, showed volatility with a notable decrease from approximately \$5.89 billion to about \$5.10 billion between May 25 and June 5, indicating short-term uncertainty among decentralized traders. Conversely, Huobi's open interest demonstrated slight but consistent growth, moving upward from \$3.24 billion to \$3.32 billion, highlighting modest confidence among traders utilizing this exchange.

Overall, open interest figures across the crypto futures landscape suggest market participants remain cautious, balancing risk exposure amid uncertain macroeconomic and regulatory backdrops. Traders and institutions alike appear to favor selective positioning and tactical adjustments rather than aggressive directional bets, reflecting a broader sentiment of prudent stabilization following recent market fluctuations.

Long/Short Ratios Indicate Market Sentiment Shifts on Binance

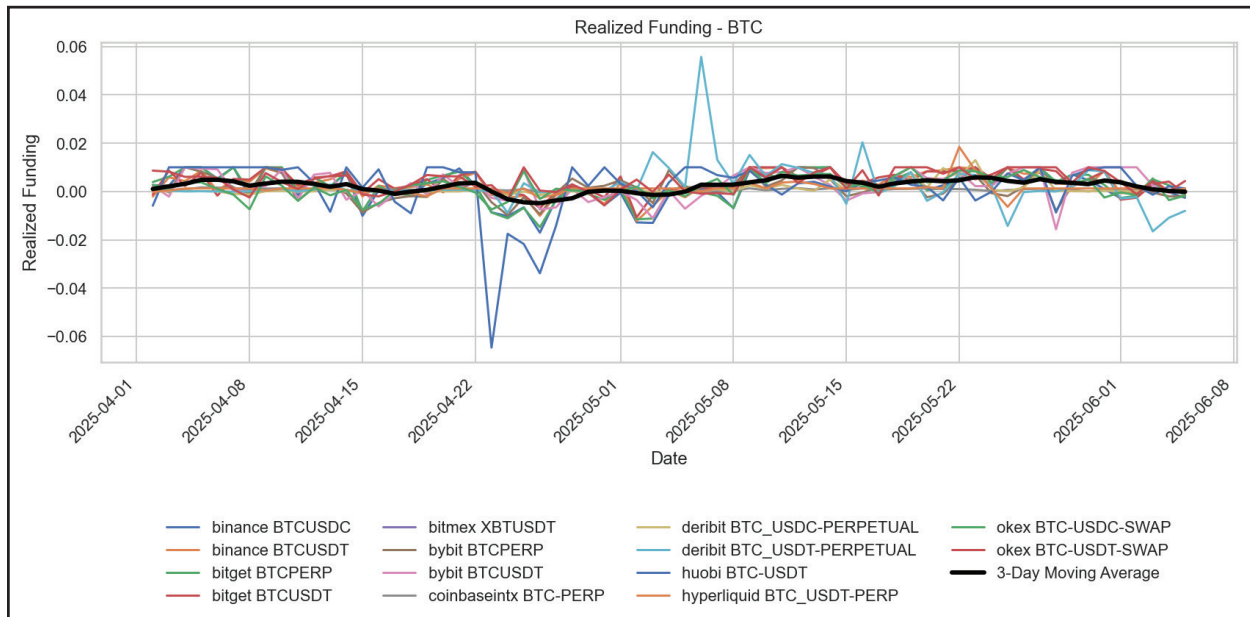


Long/short ratios provide valuable insights into market sentiment by illustrating the balance between long positions and short positions. A ratio above 1 indicates more traders are positioned long, suggesting bullish sentiment, whereas a ratio below 1 signals more shorts, reflecting bearish expectations.

Over the period from mid-April to early June, Binance data reveals distinct shifts in sentiment across key cryptocurrencies. Bitcoin (BTC) initially saw consistently bearish sentiment with ratios dropping as low as 0.4641 on May 23, reflecting increased short positioning amid market caution. However, this shifted sharply bullish by May 31 (1.2031), indicating traders anticipated positive price movements, perhaps driven by fundamental catalysts or improved macro sentiment. Ethereum (ETH), Solana (SOL), and XRP maintained predominantly bullish long/short ratios throughout this period, often significantly above 2.0, highlighting consistently optimistic trader positioning for these assets.

Interestingly, altcoins exhibited more pronounced bullish behavior. For instance, XRP's ratio climbed to 3.6211 on May 16, underscoring exceptionally strong bullish sentiment. SOL similarly surged, reaching 3.2409 on May 31, signaling robust optimism. Notably, these elevated ratios for altcoins imply higher trader expectations of price appreciation relative to Bitcoin, reflecting potential speculative interest or market anticipation of project-specific developments. Traders should monitor these ratios closely, as extreme values may precede volatility or significant price movements.

BTC Funding Rates Shift from Bullish Optimism to Cautious Bearishness

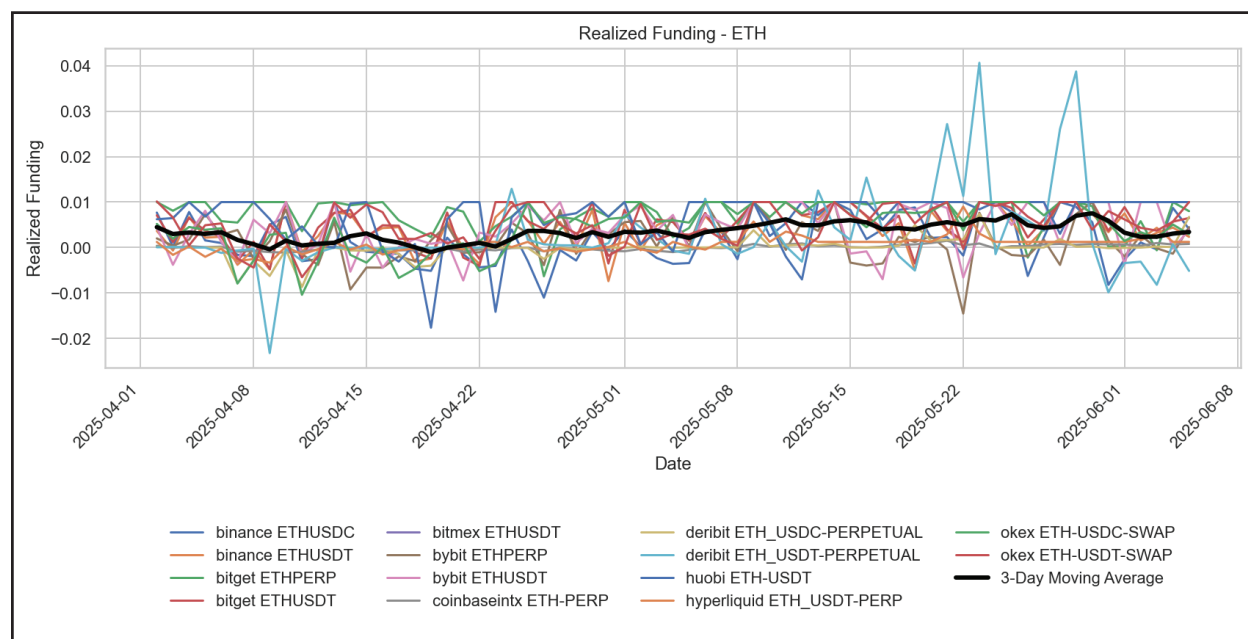


Bitcoin's funding rates over the past two weeks initially reflected strong bullish sentiment, peaking notably around May 23. Platforms such as Binance (BTCUSDT), Bitget, and OKEx reported elevated rates near 0.01%, emphasizing a bullish market stance. Hyperliquid particularly stood out with unusually high funding rates reaching approximately 0.018% on May 22, further highlighting aggressive long positioning. Correspondingly, the three-day moving average (3DMA) reached a high of 0.0059%, reinforcing this initial bullish confidence.

However, sentiment quickly shifted starting May 28, transitioning from bullish optimism to cautious bearishness. Significant negative funding rates emerged on exchanges such as Bybit's BTCUSDT contract, which plummeted sharply to -0.0156%, alongside Huobi, dropping to -0.0087%. This inversion indicated substantial short-side accumulation or increased hedging amid market uncertainty. The 3DMA mirrored this shift, steadily declining from 0.0051% on May 27 to around 0.0030% by May 30, clearly illustrating reduced bullish momentum and growing trader caution.

Entering June, negative funding persisted, solidifying the cautious-to-bearish market sentiment. Binance BTCUSDC and Deribit BTC-USDT contracts notably sustained negative rates, reaching lows of -0.0026% and -0.0165%, respectively, reflecting continued short positioning. By June 5, the 3DMA dipped into negative territory (-0.0001%) for the first time during the observed period, confirming bearish positioning and a cautious market stance. Traders and institutions should closely monitor these dynamics, as persistent negative rates can often precede volatility or trigger sharp reversals.

ETH Funding Rates Reveal Volatile Sentiment Shifts

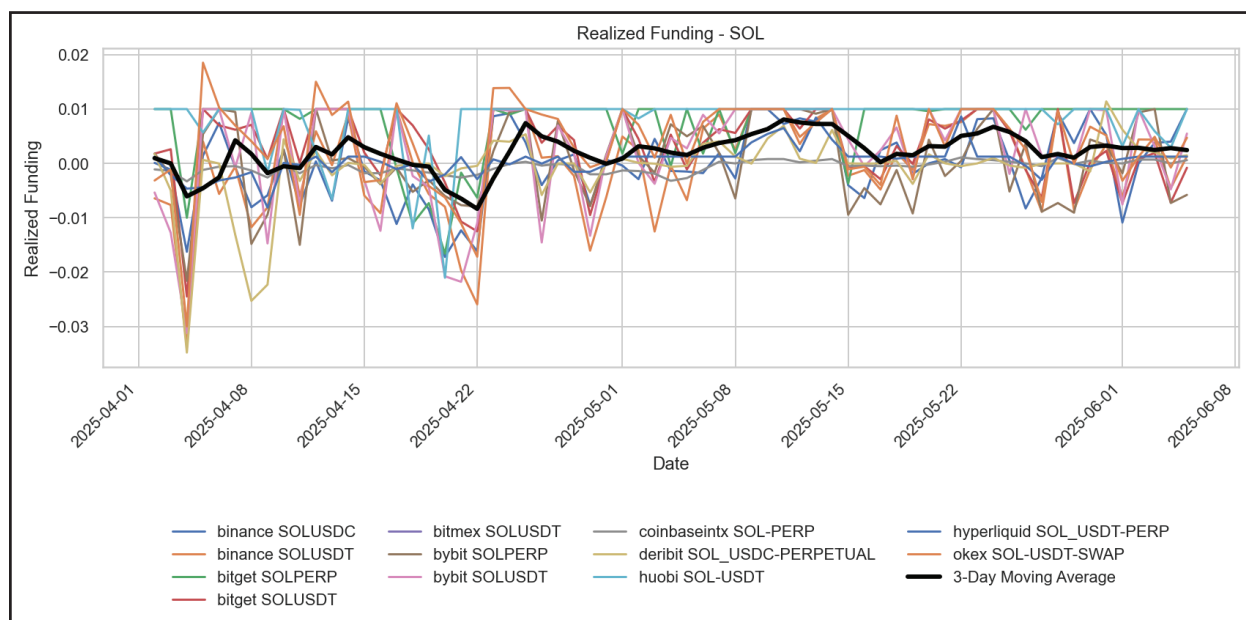


Ethereum funding rates exhibited dynamic shifts over the last two weeks, initially showing strong bullish momentum. Notably, between May 23–24, most exchanges, including Binance, Bitget, and Bybit, hit or maintained maximum funding rates of approximately 0.0100%, indicating robust bullish sentiment. Deribit's ETH-USDT perpetual stood out dramatically, reaching a remarkable 0.0406% on May 23, highlighting aggressive bullish positioning by traders.

However, market sentiment cooled notably towards late May, with substantial fluctuations and even brief bearish inversions observed. For instance, Bybit's ETHPERP rate dropped sharply to -0.0145% on May 22, signaling significant short-side activity or hedging amid uncertainty. Additionally, Binance's ETHUSDC contract turned notably negative at -0.0082% on May 31, emphasizing the cautious stance taken by traders toward the month's end.

Moving into early June, sentiment stabilized with modest bullish bias returning, as indicated by funding rates recovering toward positive territory across most platforms. The three-day moving average (3DMA), which peaked at 0.0075% on May 30, had dipped to 0.0033% by June 1 amid volatility. It then moderately increased to 0.0034% by June 5, reflecting cautious optimism or neutral market positioning. Traders should remain vigilant, as continued volatility in funding rates suggests potential uncertainty and sensitivity to broader market developments.

SOL Funding Rates Highlight Sentiment Volatility Amid Mixed Positioning



Solana funding rates have showcased considerable volatility and mixed trader sentiment over the past two weeks. Initially, from May 22 to May 24, funding rates remained notably elevated, consistently reaching 0.0100% on exchanges like Binance (SOLUSDT), Bitget, and Bybit, signaling a strong bullish bias among traders. The three-day moving average (3DMA) funding rate peaked at 0.0067% on May 24, reflecting optimism and aggressive long positions during this phase.

However, sentiment turned notably cautious and increasingly volatile thereafter. By May 26–27, negative rates emerged across various platforms, notably Binance's SOLUSDT contract dipping sharply to -0.0089%, and Bybit's SOLPERP reaching lows of -0.0089% as well. Such sharp inversions indicated heightened short positioning or hedging activity, highlighting uncertainty and reduced bullish confidence. Correspondingly, the 3DMA funding rate fell steeply to 0.0012% by May 27, underscoring the cautious shift.

Entering early June, SOL funding rates fluctuated sharply but gradually stabilized with cautious optimism returning. Positive rates persisted on select exchanges like Binance SOLUSDC (0.0100% on June 5) and Bitget SOLPERP. However, sporadic negative values continued, notably Bybit SOLPERP at -0.0073% on June 4, signaling ongoing market indecision. The 3DMA remained subdued, settling around 0.0024% on June 5, indicating moderate, cautious positioning as traders await clearer market signals.

LINKS

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Spot market charts were built using the following endpoints:

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