AMBERDATA DIGITAL ASSET SNAPSHOT

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In this edition of the report, three major trends stand out, from institutional adoption of Bitcoin to the rise of AI "agentic" systems and the rapid expansion of real-world asset tokenization. Bitcoin soared to an intraday peak of $108,000 before settling in the mid-$90,000s, yet it remains above its 50-day moving average, indicating sustained bullish momentum. ETF inflows favor large institutions like BlackRock, while on-chain data shows 100-1,000 BTC holders quietly accumulating, suggesting a strategic play by high-net-worth investors. Although a rising Gini coefficient could amplify volatility, the overall digital asset space appears poised for further growth, driven by ongoing institutional interest, AI innovation, and tokenization initiatives.

News

Corporate Bitcoin Treasuries Surge

Major enterprises are doubling down on Bitcoin as a treasury asset, going beyond mere diversification to leverage BTC for collateral and even employee compensation. MicroStrategy's success, as shown on the MSTR Tracker, continues to influence large-scale adoption and highlight the potential for exponential returns. Many analysts believe this corporate embrace will bring more stability to the crypto market by bridging the gap between traditional finance and decentralized technology.

This strategic pivot isn't limited to early adopters, with companies of all sizes reevaluating the role of Bitcoin in their operational frameworks. Organizations seeking inflation hedges and improved liquidity options are spurring increased demand for institutional-grade services, fostering a robust ecosystem of Bitcoin-backed financial products.

AI Agents to Dominate Web3

The emergence of "agentic AIs" signals a major shift in decentralized ecosystems, with projections suggesting the number of on-chain AI agents could exceed one million by 2025. Liquidity management, smart contract deployment, and autonomous governance are just a few tasks these AIs will soon handle, as outlined in the VanEck report. Experts believe rapid adoption of these systems will streamline operations while introducing new levels of transparency and efficiency.

Staking and yield-farming rank among the most promising near-term use cases, as AI-powered algorithms analyze market conditions to optimize rewards. Yet slower decentralized models and looming regulatory questions highlight the challenges ahead, underscoring the delicate balance between innovation and compliance.

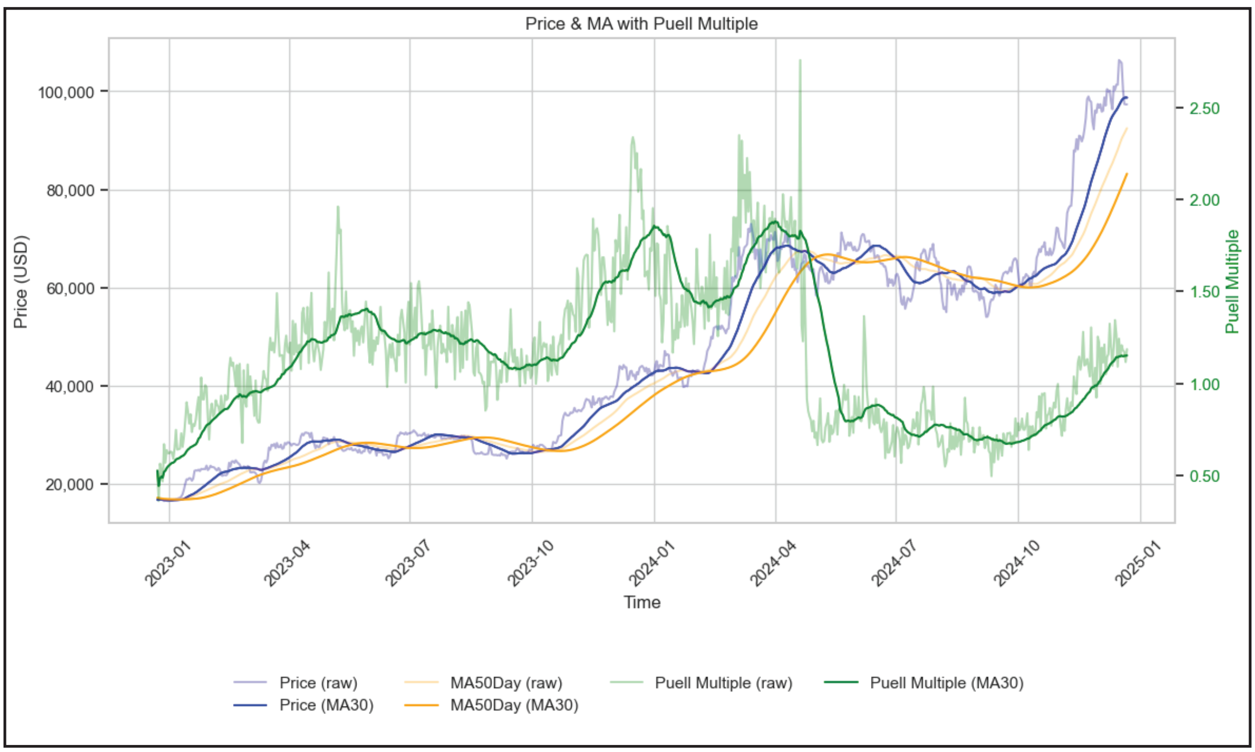
Tokenization Boom: $16 Trillion in Real-World Assets

The surge in tokenizing physical assets like real estate and art is expected to reach a staggering $16 trillion, transforming traditional ownership into a more liquid and accessible market. Fractional ownership will open new doors for smaller investors, who can now hold portions of previously inaccessible high-value properties and collectibles. This shift promotes a level playing field by significantly reducing transaction costs and settlement times, a development that has garnered tremendous support from both institutional and retail investors alike.

Real estate companies and even art galleries are racing to tokenize their assets, luring a global audience looking to diversify portfolios in a frictionless manner. Although regulations and technology infrastructure remain pivotal hurdles, major investment firms are already building tokenization platforms to keep pace with this evolving market. As Nina Fabbri, CEO of PropyKeys, has remarked, democratizing access to high-value assets stands to reshape the financial landscape and redefine what it means to invest in the next decade.

MARKET ANALYSIS

Bitcoin Surges to $108K Intraday Before Sharp Pullback to Mid-$90Ks

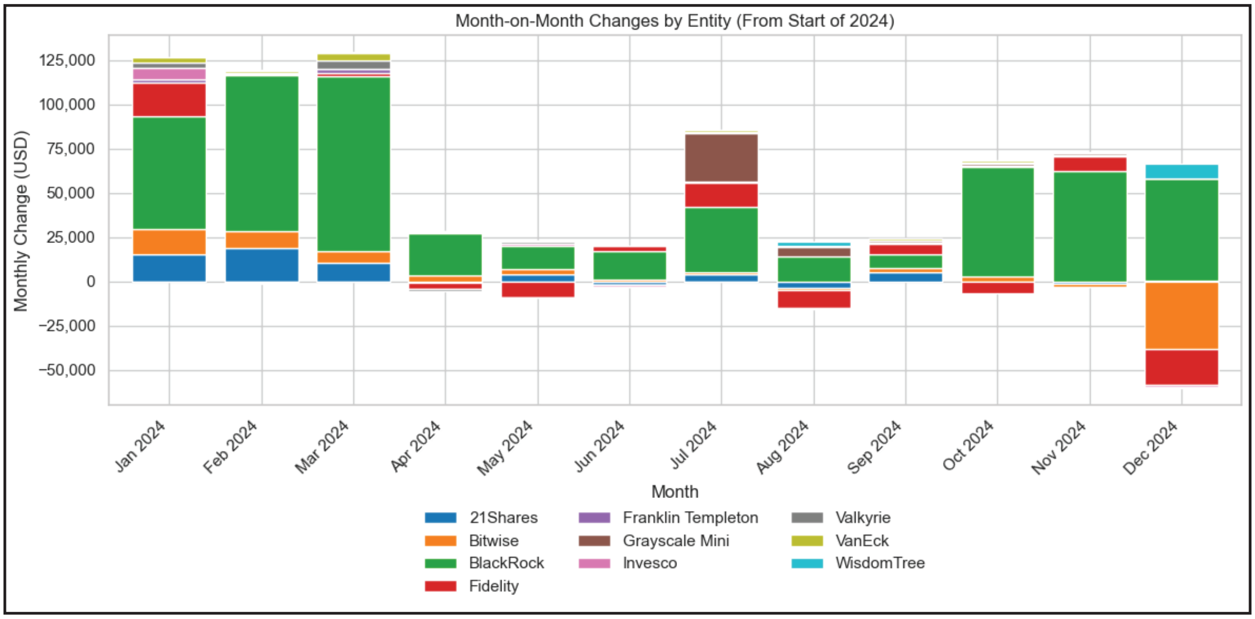


On December 16th, Bitcoin soared above the $100,000 mark—reaching an intraday peak of roughly $108,000—before pulling back to the mid-$90,000 zone. This reflects the market's heightened volatility as it navigates a critical psychological barrier and faces near-immediate profit-taking. Despite the price fluctuation, Bitcoin remains securely above its 50-day moving average (50 DMA), which has climbed into the low $90,000 range, indicating that the broader bullish momentum is still intact.

The volatility surrounding Bitcoin's push beyond $100K is fueled by both speculative enthusiasm and prudent risk management. Intraday swings of $10,000–$15,000 have become increasingly common at these lofty valuations—amplified by robust liquidity and the prevalence of leveraged trading. The sharp retreat from $108,000 underscores the potential for abrupt sell-offs when traders lock in gains at psychologically charged price thresholds.

While the sudden pullback highlights the risks inherent in a market flirting with six-figure territory, it also underscores Bitcoin's resilience. Even after such a dramatic sell-off, the price has managed to stabilize in the upper $90,000 range, levels that would have seemed like a dream just last year. Going forward, sustaining support above the 50 DMA and achieving a decisive close over $100K could affirm the bullish trend, setting the stage for further upside as long as profit-taking and macro uncertainties don't trigger a prolonged consolidation or correction.

ETF Bitcoin Holdings: Growing Institutional Appetite Led by BlackRock

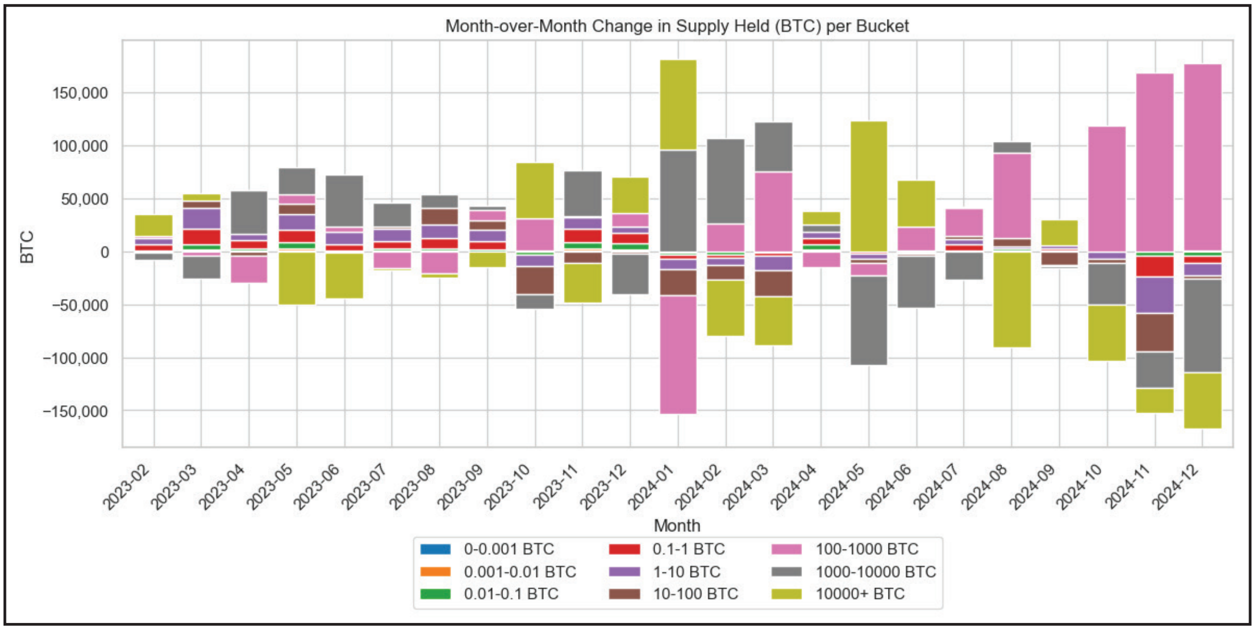


Over the past few months, ETF addresses monitored in our data have shown a strong pattern of continued Bitcoin accumulation—most notably by BlackRock. While other issuers have experienced mixed results, BlackRock's holdings have repeatedly charted solid inflows: from 62,358 BTC in November to over 57,464 BTC in December. Despite this slight month-to-month dip, BlackRock remains the dominant acquirer in December, indicating a sustained high level of institutional conviction. Not far behind, Fidelity added 8,572 BTC in November, and WisdomTree stepped up with 7,841 BTC in December, making them the second-largest accumulators for their respective months.

This trend demonstrates that major financial firms are not deterred by Bitcoin's recent pullback from six-figure territory. Instead, it suggests that they view these lower price levels as an opportunity to accumulate, reflecting a longer-term outlook on Bitcoin's prospects. Even smaller players like Invesco and Valkyrie have seen fluctuations, but the overall picture points to continued capital inflow across the ETF landscape. Large balances in ETF-related addresses typically signal confidence from institutional clients, as these products cater to funds, pensionplans, and high-net-worth individuals seeking regulated Bitcoin exposure.

Ultimately, the month-on-month data underscores the supportive role these institutional inflows may play for Bitcoin's price. Although short-term volatility can trigger temporary retracements, significant accumulation by heavyweight financial firms often helps cushion downside risk and strengthen sentiment.

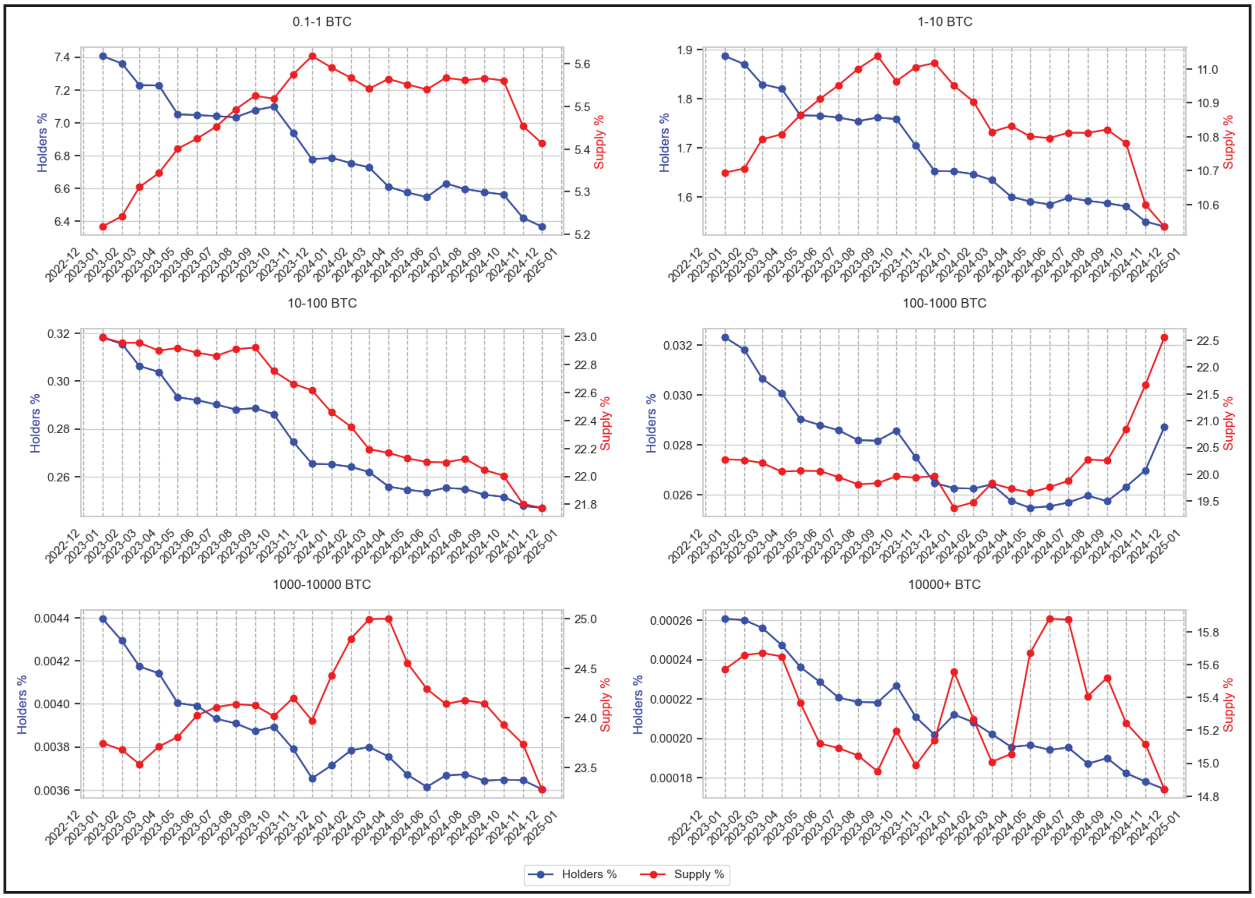
Supply Held (BTC) per Bucket: Emerging Accumulation in the 100–1,000 BTC Range



Recent data on Bitcoin's supply distribution shows varying activity among different address buckets, with smaller holders (0–1 BTC) exhibiting mixed signals from net additions to notable sell-offs over the last few months. Addresses holding 1–10 BTC also shifted significantly, transitioning from modest accumulation in August and September to large net outflows in November and December. However, behind these fluctuations in smaller cohorts, the 100–1,000 BTC bucket—often linked to funds, high-net-worth individuals, and institutional buyers—appears to have quietly accumulated Bitcoin, aligning with the overall BTC rally toward (and above) the six-figure threshold.

This 100–1,000 BTC category is particularly noteworthy because it typically represents larger, more sophisticated entities rather than retail participants. Their accumulation during periods of volatility suggests a strategic approach, potentially viewing short-term price oscillations as opportunities to increase holdings. Meanwhile, the data in smaller buckets can reflect rapidly changing sentiment among retail investors, who are more sensitive to intraday price swings and market headlines. Together, these supply dynamics underscore how different investor segments—smaller addresses versus larger-scale participants—may be contributing to broader market trends, especially as Bitcoin's price continues to test record highs.

Supply Held vs Holder Distribution: Redirection in the 100–1,000 BTC Range

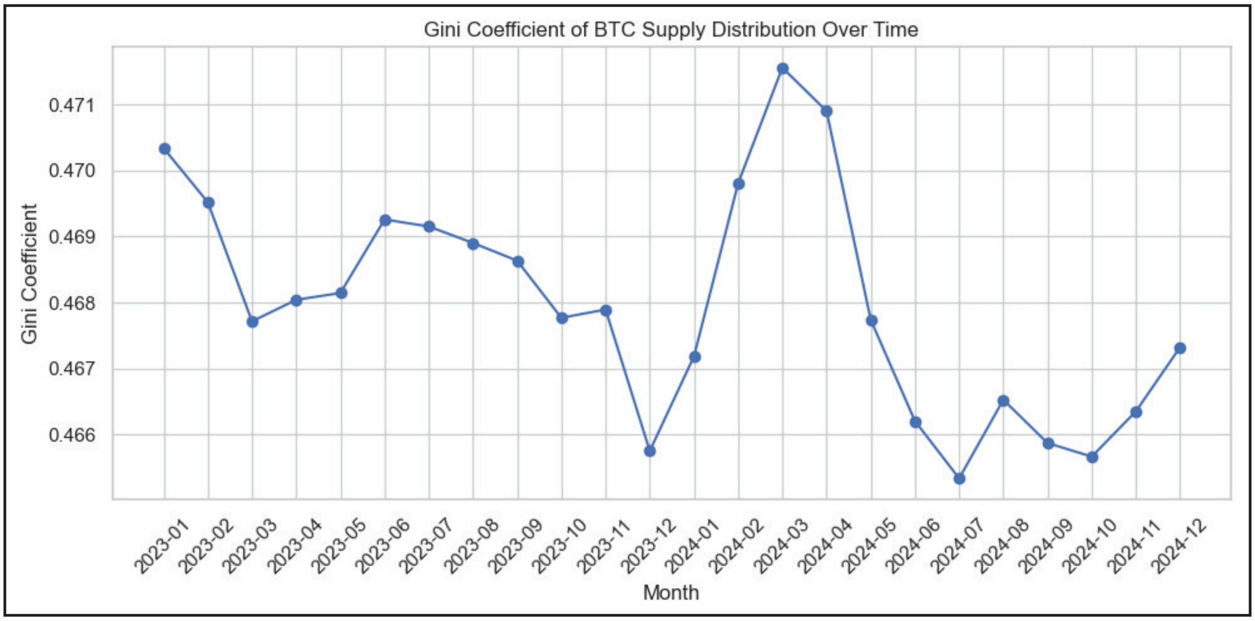


The latest holder and supply distribution data reveals an interesting divergence among different BTC address sizes. Buckets under 10 BTC have largely seen flat or declining percentage shares, while the 10–100 BTC segment also shows only modest variations month over month. In stark contrast, the 100–1,000 BTC cohort has steadily increased its share in both holders and supply—rising from around 20.2% to over 22.5% of the total BTC supply. This upward trend is significant because it often indicates institutional or large-scale investors quietly accumulating throughout the latter half of 2024.

Such accumulation activity in the 100–1,000 BTC range coincides with Bitcoin's climb toward—and beyond—the $100,000 mark. Given that these addresses typically represent more sophisticated buyers (e.g., funds, high-net-worth individuals, and investment firms), their growing share suggests a deliberate strategy to build positions in anticipation of further price gains. Meanwhile, smaller address buckets tend to react more swiftly to short-term market conditions, frequently reflecting either new retail entrants or existing investors taking profits on strong rallies.

Overall, these contrasting shifts among different buckets highlight the evolving nature of Bitcoin's holder base as the market matures. The rise in addresses holding 100–1,000 BTC signifies increased confidence and long-term commitment from bigger players, which could underpin future price stability and growth. At the same time, smaller holders remain a critical part of Bitcoin's ecosystem, driving day-to-day volatility and liquidity.

Rising Gini Coefficient Suggests Concentration Among Larger Holders



The Gini coefficient, which measures the distribution of Bitcoin holdings across different addresses, has been gradually increasing from around 0.465 to over 0.471 over the observed period since January 2023. A higher Gini coefficient indicates a more uneven distribution, implying that an increasingly larger share of Bitcoin is held by a smaller number of addresses—often institutional investors, funds, or high-net-worth individuals. This growing concentration among big players aligns with the observed 100–1,000 BTC address accumulation. Larger holders generally have greater resources and a longer-term investment perspective, which can stabilize the market by reducing the likelihood of knee-jerk selling in response to short-term volatility.

However, this consolidation of supply also carries implications for market dynamics. While big buyers tend to provide a stronger price floor—because they are less prone to panic-selling and often view temporary dips as accumulation opportunities—this concentration can intensify price moves if these major holders decide to sell or reduce their positions. As Bitcoin marches past key psychological thresholds like $100,000, a more concentrated supply might boost its resilience against price corrections, but it could also amplify volatility in cases of large-scale profit-taking. Overall, the rising Gini coefficient reflects significant institutional interest and may continue supporting Bitcoin's broader uptrend, provided these bigger players remain committed to holding over the long term.

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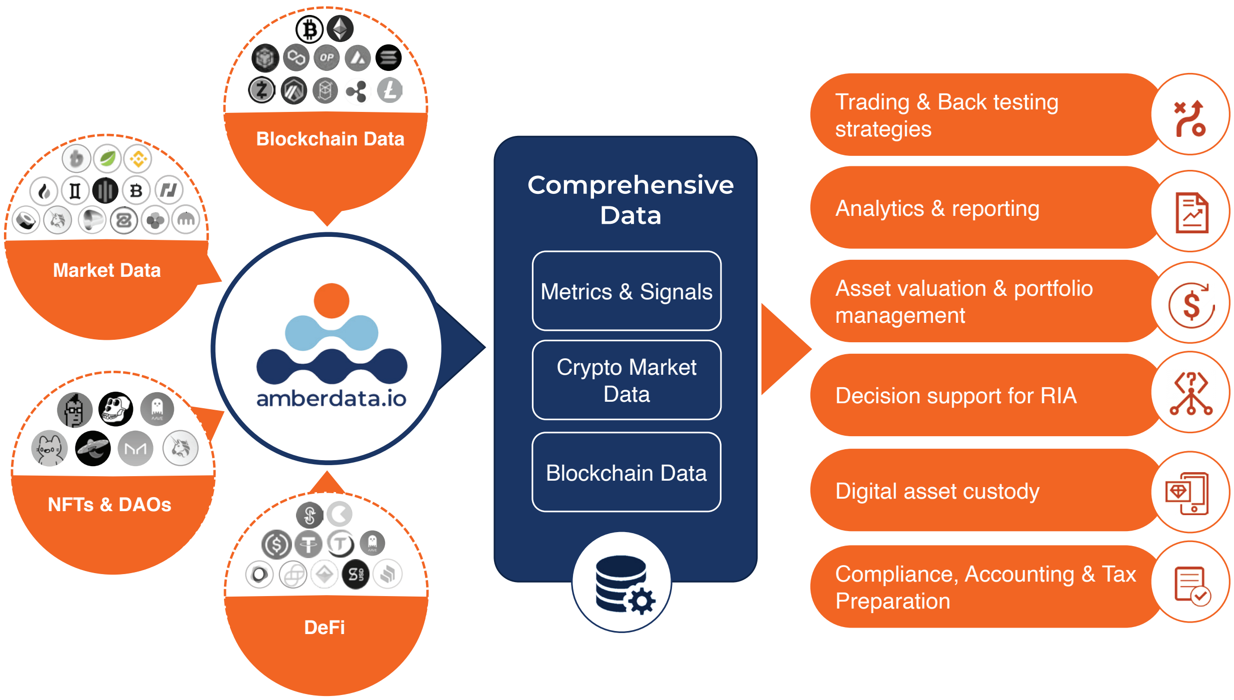

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Our platform connects to all the blockchains and markets that matter today, allowing a comprehensive view of crypto markets, blockchain networks, NFTs, DAOs, and DeFi. We provide real-time and historical transparency into markets and price discovery across spot, derivative and decentralized exchanges, as well as on-chain data from the most active cryptocurrency networks and protocols.

Our data solutions support all pre- and post-trade functions. We provide deep market data, down to Level 2 order books, facilitating backtesting of quant trading strategies. And our blockchain data provides transparency not seen with other asset classes, allowing you to track pending transactions and wallet balances over time across various blockchain networks, as well as market cap and total value locked. You can also create analytics dashboards with fundamental data to track network health and understand DeFi data like liquidity and lending rates. For fund accounting and administration, you'll know what was in a wallet at any time and what it was worth in any currency. For institutions that want to do custody themselves rather than outsource it, we provide the on-chain data needed.

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