Five tailwinds for crypto

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Key Takeaways

- Institutional adoption is poised to deepen further as bitcoin exchange-traded product (ETP) flows grow and regulatory barriers fall, likely accelerating crypto's integration into global asset allocation strategies.
- With fiscal expansion and de-dollarisation trends intensifying, bitcoin could increasingly serve as a dual-purpose asset – both a macro hedge and growth play – potentially reaching $250,000 by 2030.
- The next phase of crypto growth will be driven by tokenisation and decentralised finance, opening new frontiers for investors through yield-generating digital assets and real-world blockchain integration.

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Crypto markets have entered autumn 2025 with renewed conviction. After a turbulent start to the year – shaped by geopolitics, trade wars, and shifting macro narratives – digital assets are showing signs of durable momentum. Bitcoin remains near its newly set all-time high just above $124,0001, institutional inflows are accelerating, and altcoins with real-world utility are carving out distinct roles.

But beneath the headlines, a more profound transformation is underway. Market structure is maturing, regulatory clarity is emerging, and crypto is embedding itself into the real economy at a scale not seen before. For investors, identifying the structural tailwinds that will shape capital flows and long-term adoption is key.

Here are five forces propelling crypto's next chapter and their investor implications.

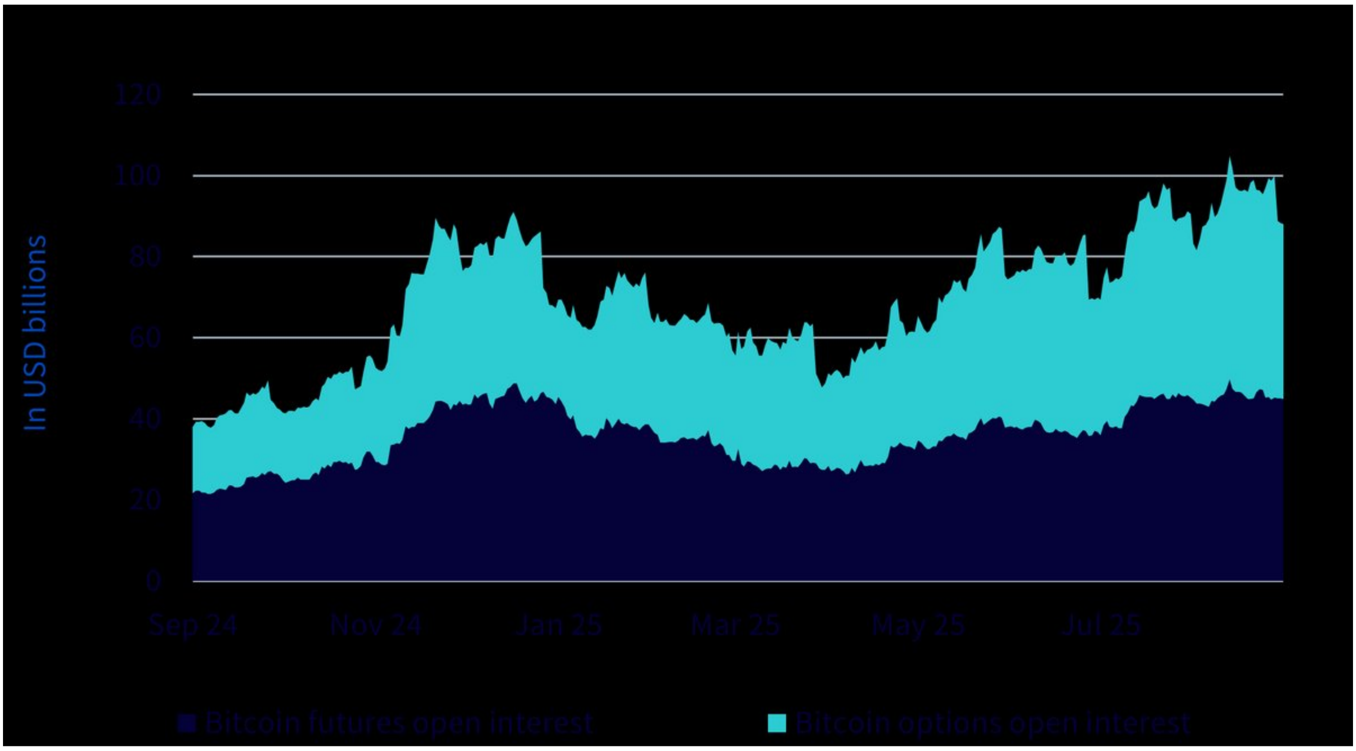
1. Institutional adoption becomes self-reinforcing

Crypto has moved well beyond the fringes of finance. It now sits firmly in the portfolios of sovereigns, asset managers, corporates, and hedge funds.

- Flows into physical bitcoin exchange-traded products (ETPs) exceeded $37 billion over the past year, bringing global assets under management (AUM) to nearly $148 billion2.
- Public companies now own nearly 5% of the circulating bitcoin supply3.

- Hedge fund activity is booming, with bitcoin futures open interest at $45 billion and options open interest at $43 billion4.

Figure 1: Bitcoin futures and options open interest



Source: Glassnode. 31 August 2025. **Historical performance is not an indication of future performance and any investment may go down in value.**

This adoption is creating a momentum loop: as demand grows, access improves; as access improves, adoption broadens. Even the UK's Financial Conduct Authority (FCA) is opening the door for retail access to Bitcoin ETPs.

Implication for investors: institutional adoption is now a market reality – reshaping liquidity, dampening volatility, and embedding crypto into mainstream allocation. Delays risk entering a more crowded, less asymmetric market later.

2. A supportive macro backdrop for store-of-value assets

Crypto's resurgence is aligned with broader macro forces.

- US deficit above 6% of gross domestic product (GDP), and national debt above $34 trillion and rising5.
- Congressional Budget Office projects debt-to-GDP ratio climbing toward 156% by 20256.
- Dollar debasement risks grow under expansionary fiscal policy and recurring debt-ceiling standoffs.

- Globally, de-dollarisation is accelerating, with China, Russia, and others settling trade in alternative currencies and accumulating gold.

Against this backdrop, bitcoin's apolitical, transparent issuance model stands out. Our base-case projects bitcoin could reach $250,000 by 2030 under continued monetary expansion7.

Implication for investors: bitcoin captures both store-of-value flows (like gold) and growth-asset upside (like technology and artificial intelligence). Few assets straddle both narratives as effectively.

3. Altcoins shift from speculation to real economy utility

The days when bitcoin's rise lifted all altcoins equally are over. Today, investors demand real-world integration.

- Solana has re-emerged as a leading blockchain for everyday users. It supports applications that connect digital incentive with real-world infrastructure (such as wireless or sensor networks), retail-facing applications, and blockchain-based gaming platforms.
- Ethereum remains the backbone for institutional adoption. It underpins more than half of the stablecoins in circulation8 and leads the way in turning traditional assets such as bonds or treasuries into blockchain-based tokens9.
- XRP has become a ready-to-use system for fast, low-cost international payments. With growing adoption, it is increasingly viewed as a practical alternative to the traditional SWIFT10 network for cross-border transfers.

Meanwhile, projects lacking substance are being repriced. Capital is concentrating where adoption is tangible.

Implication for investors: precision matters. Altcoins must be assessed on use-case integration, not as homogenous high-beta bets on bitcoin.

4. Regulatory clarity unlocks institutional flows

After years of uncertainty, 2025 has delivered important regulatory progress:

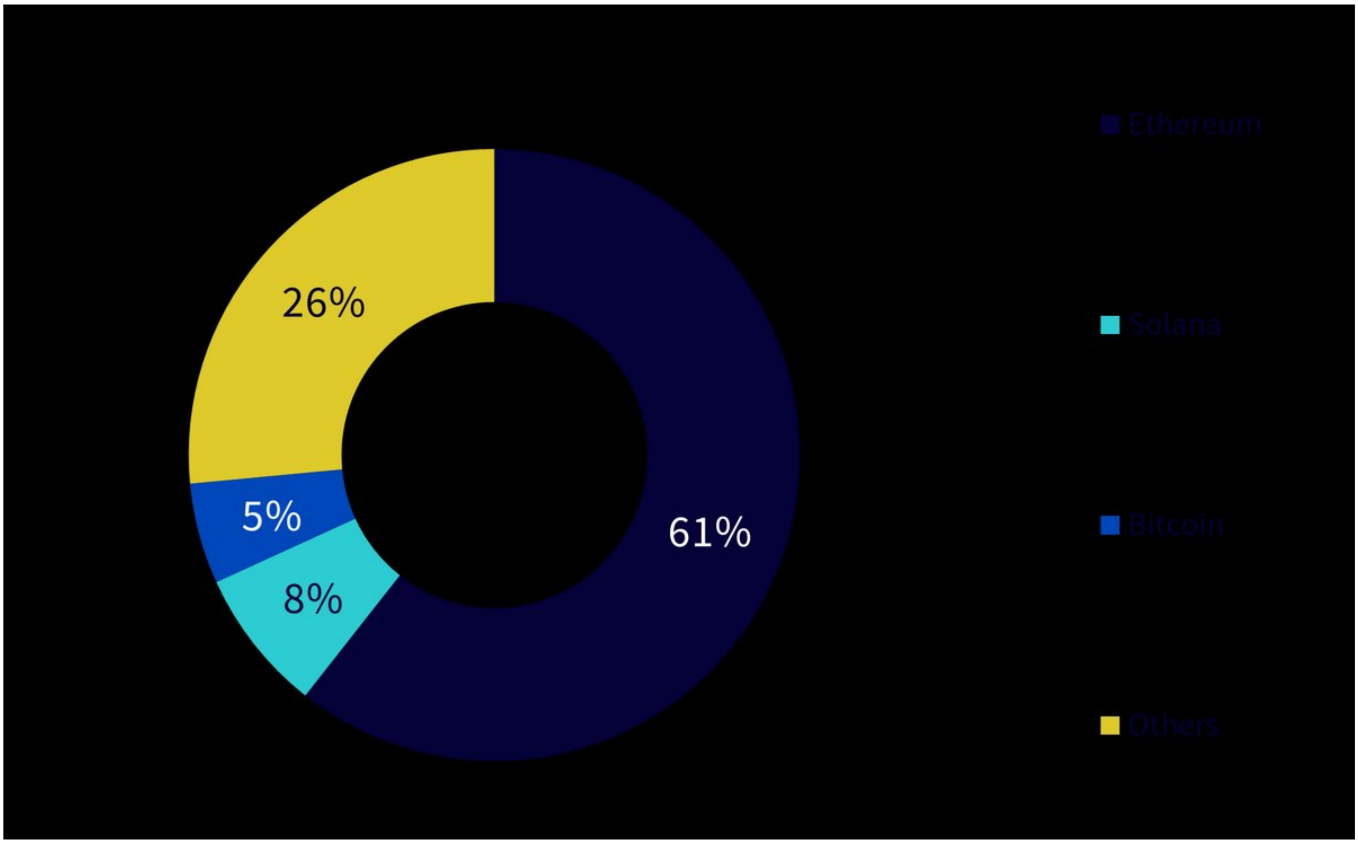
- US GENIUS11 Act: a new law that sets clear rules for stablecoins (digital tokens linked to traditional currencies). This marks a step toward digital assets becoming part of the mainstream financial system.
- Europe's MiCA12 regime: now live, creating a single rulebook for the EU covering exchanges, stablecoins, and service providers, which helps bring consistency and predictability for investors.
- Global hubs: various countries – such as the United Arab Emirates (UAE) and Switzerland – are competing to be leaders in crypto by offering regulated environments, secure custody services, and approvals for ETPs.

Implication for investors: regulatory clarity removes the largest barrier to institutional entry. Capital deployment will now accelerate, but selectively.

5. The rise of tokenisation and DeFi 2.0

Crypto's utility layer is undergoing a renaissance.

Figure 2: Top three blockchains by total value locked



Source: WisdomTree, coingecko. 02 September 2025. **Historical performance is not an indication of future performance and any investment may go down in value.**

- Decentralised finance (DeFi) has bounced back strongly, with around $150 billion[13] now active in lending, trading, and investment pools. These platforms increasingly use regulated structures, identity checks, and permissioned systems to attract mainstream investors.
- A $28 billion market[14] of tokenised real-world assets (RWAs) is emerging as bonds, treasuries, private credit, and even commodities are being issued and traded on blockchain. This brings traditional assets into a digital format that can be more easily transferred and programmed.
- Digital tokens pegged to traditional currencies – also known as stablecoins – are acting as a bridge between traditional finance and decentralised finance. They provide the stability and liquidity that allow crypto markets to interact smoothly with banks and payment systems.

Together, these trends mark crypto's "real economy moment".

Implication for investors: the investible universe now includes yield-bearing, cashflow-linked instruments. Early allocators to tokenised assets and permissioned decentralised finance could capture new return streams unavailable in legacy markets.

Putting it all together

These five structural tailwinds – spanning institutional adoption, macro support, utility-driven altcoins, regulatory clarity, and tokenisation / DeFi 2.0 – are converging to propel crypto into its most transformative phase to date.

Crypto is evolving well beyond its origins as a hedge or speculative play. It is fast becoming a multi-trillion-dollar cornerstone of the global financial system.

The next decade will not be about whether crypto survives. It will be about how fast it reshapes global finance.

1 Source: Artemis Terminal. 02 September 2025.
2 Source: Bloomberg, WisdomTree. 01 September 2025.
3 Source: WisdomTree, Bitcoin Treasuries. 02 September 2025. https://bitbo.io/treasuries/countries/
4 Source: Glassnode. 31 August 2025.
5 Source: Congressional Budget Office. The Long-Term Budget Outlook: 2025 to 2055.
6 Source: Congressional Budget Office. The Long-Term Budget Outlook: 2025 to 2055.
7 Source: WisdomTree. June 2025. Bitcoin and gold: 3 model forecasts for 2030 and beyond
8 Source: Artemis Terminal. 01 August 2025. Refers to stablecoin supply issued on Ethereum-based protocols.
9 Source: rwa.xyz. 02 September 2025.
10 Society for Worldwide Interbank Financial Telecommunication.
11 Guiding and Establishing National Innovation for US Stablecoins.
12 Markets in Crypto-Assets.
13 Source: Coingecko. 02 September 2025.
14 Source: rwa.xyz. 02 September 2025.

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