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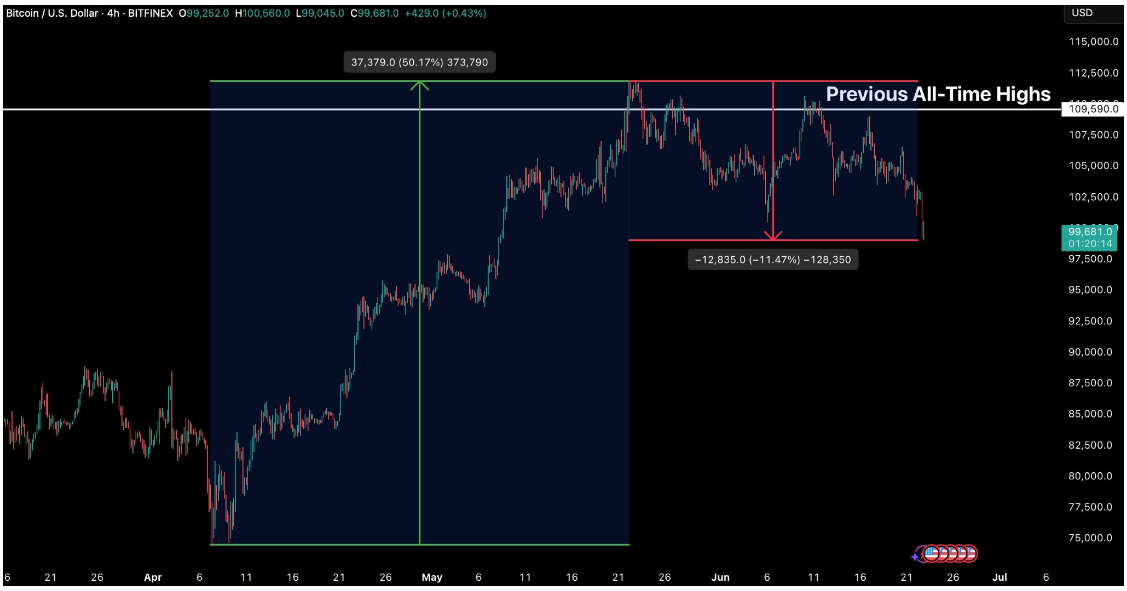
EXECUTIVE SUMMARY

Can BTC Handle the Global Turmoil?

Crypto markets were rocked last week as panic selling and forced liquidations swept across major exchanges, pushing Bitcoin down over 11.5% from its May high. Long liquidations alone topped $400 million for three consecutive days—a rare occurrence that signalled a sharp reversal in sentiment. What began as a promising week for BTC quickly turned into one of the worst since January, as macro headwinds like rising oil prices, stagflation fears, and renewed geopolitical tensions spooked traders and amplified downside pressure.



Total crypto market liquidations surged past $2.6 billion, with altcoins like ETH and SOL plunging over 20 percent. Yet amid the chaos, Bitcoin spot ETFs recorded strong net inflows of $1.02 billion, underlining growing institutional conviction. This structural demand helped stabilise BTC's price within a wide $94K–$110K range, even as derivatives markets underwent a major deleveraging. With open interest now resetting to healthier levels and funding rates normalising, the path ahead will hinge on whether ETF inflows continue—or whether a break in this support signals a deeper shift in market mood.

The Federal Reserve kept interest rates steady in June but signaled growing concern over slowing economic growth, persistent inflation, and political pressure. Powell warned that tariffs will likely cause a "meaningful" increase in consumer prices as businesses pass on the cost, reinforcing the Fed's cautious stance.

Adding to inflationary pressures, geopolitical tensions in the Middle East, especially around the Strait of Hormuz—a critical oil route—have rattled global oil markets. A spike in freight costs and falling tanker activity signal market anxiety, and oil prices could soar if disruptions escalate. Gasoline futures have already climbed sharply, tightening consumer budgets and posing a challenge for central banks, which now face the dilemma of either delaying rate cuts or risking inflation persistence.

On the consumer side, May retail sales showed a 0.9 percent drop, led by declines in car, fuel, and restaurant spending. However, core retail sales still grew, hinting at resilient discretionary spending. Businesses, anticipating tariff hikes, have built up wholesale inventories since late 2024, but retail shelves remained understocked. As retailers restock at higher costs in the coming months, especially ahead of the holiday season, a second wave of inflation may emerge. Together, rising oil prices, tariff pass-throughs, and seasonal restocking could push inflation higher by fall, complicating the Fed's path and delaying expected rate cuts.

Donald Trump's 2024 financial disclosure showed over $600 million in income, driven largely by crypto ventures like the $TRUMP coin and World Liberty Financial. His deep involvement in crypto, real estate, and global branding has sparked ethical concerns over blurred lines between business and politics.

At the same time, Vietnam passed a landmark law giving legal status to crypto assets starting in 2026, offering incentives to attract blockchain innovation and positioning itself as a regional tech hub. Meanwhile, Iran's largest exchange, Nobitex, was hit by a politically driven cyberattack that destroyed up to $100 million in assets—highlighting crypto's growing entanglement with global conflict.

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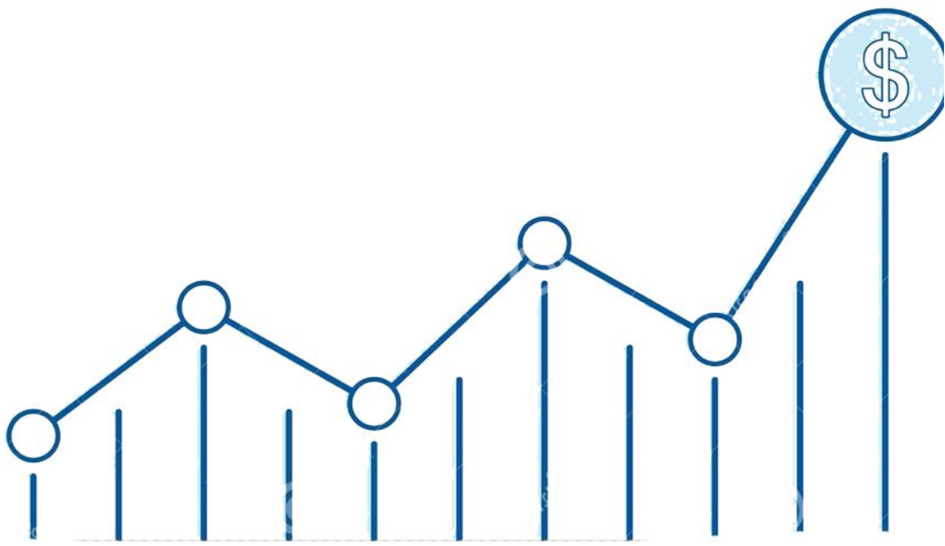


MARKET SIGNALS

Liquidations and Panic Selling Takes Over the Market

Crypto's sell-off extended into the past week, with Bitcoin's earlier resilience to equity markets fading noticeably. BTC is now down more than 11.5 percent from its all-time high set on May 22nd, marking a clear shift in sentiment following a powerful rally off the April lows. We also had three consecutive trading days heading into the weekly close where long liquidations recorded all major centralised exchanges exceeded $400 million. This is only the second instance of such an aggressive liquidation streak in 2025. Those lows were set in the aftermath of Liberation Day, when President Trump reignited global tariff tensions—an event that not only disrupted trade but also triggered widespread geopolitical instability. This turmoil rippled across risk assets, with both the S&P 500 and NASDAQ entering bear market territory shortly after.

Figure 1. BTC/USD 4H chart. (Source: Bitfinex)

The week began on a constructive note for BTC, briefly moving higher before being hit by renewed fears stemming from escalating conflict and fresh inflation concerns. Rising oil prices added fuel to the fire, sharpening worries around stagflation and tighter financial conditions. The result was a sharp drawdown for BTC, with a peak-to-trough move of over 6.4 percent during the week and a final weekly close down 5.5 percent. This marked one of the steepest weekly drops since the start of the year and suggests that macro forces are once again asserting strong influence over the crypto market's direction.

The total liquidations for the entire crypto market exceeded over $2.6 billion over the past week. More than 82 percent of those liquidations were long liquidations. Even though BTC had a major decline, the drawdown across altcoins were much more severe with ETH and SOL both falling over 20 percent from peak to trough in the past week alone.

Figure 2. Total Liquidations Across Major Centralised Exchanges. (Source: Glassnode)

From June 16th to 20th, US Bitcoin spot ETFs recorded $1.02 billion in net inflows across only four trading days in the week, marking the ninth consecutive week of capital inflow and pushing YTD inflows to approximately $13.2 billion. Specifically, June 16 posted $412 million, June 18 delivered $388 million, and modest continuation flows rounded out the week despite some outflows across individual ETFs having outflows on days with significant escalations in the Iran-Israel conflict.

	IBIT	FBTC	BITB	ARKB	BTCO	EZBC	BRRR	HODL	BTCW	GBTC	BTC	
Fee	0.25%	0.25%	0.20%	0.21%	0.25%	0.19%	0.25%	0.20%	0.25%	1.50%	0.15%	
03 Jun 2025	58.0	136.8	14.5	139.9	0.0	0.0	0.0	18.8	0.0	0.0	7.1	375.1
04 Jun 2025	284.0	(197.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	87.0
05 Jun 2025	0.0	(80.2)	(36.7)	(102.0)	(12.2)	0.0	0.0	(6.5)	0.0	(24.1)	(16.7)	(278.4)
06 Jun 2025	(130.5)	22.8	31.8	11.5	0.0	0.0	0.0	7.4	0.0	0.0	9.2	(47.8)
09 Jun 2025	120.9	173.0	68.5	10.8	0.0	0.0	0.0	7.7	0.0	0.0	5.3	386.2
10 Jun 2025	336.7	67.1	(0.6)	20.3	7.7	0.0	0.0	0.0	0.0	0.0	0.0	431.2
11 Jun 2025	131.0	11.9	0.0	0.0	0.0	6.3	0.0	15.4	0.0	0.0	0.0	164.6
12 Jun 2025	288.3	(197.2)	0.0	(10.7)	0.0	0.0	0.0	0.0	0.0	5.9	0.0	86.3
13 Jun 2025	239.0	25.2	14.9	21.0	0.0	0.0	0.0	6.0	0.0	9.1	7.5	322.7
16 Jun 2025	266.6	83.0	41.4	3.6	0.0	0.0	0.0	0.0	0.0	12.8	4.8	412.2
17 Jun 2025	639.2	(208.5)	(22.8)	(191.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	216.5
18 Jun 2025	278.9	104.4	11.3	0.0	0.0	0.0	0.0	0.0	0.0	(16.4)	10.1	388.3
19 Jun 2025	-	-	-	-	-	-	-	-	-	-	-	0.0
20 Jun 2025	46.9	(40.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4
Total	50,998	11,466	2,082	2,278	82	250	311	975	37	(23,243)	1,403	46,637

Figure 3. Bitcoin ETF Flows Across Multiple Providers In The US. (Source: FarsideUK)

Flows Ignoring Geopolitical Turbulence — Resilience Under Pressure

ETF inflows remained remarkably stable despite the Israel–Iran conflict and wider risk-off sentiment. This suggests institutional investors view Bitcoin as a strategic macro asset and capital hedge, not just speculative exposure. Continuous spot demand confirms that ETFs are acting as a consistent and programmatic floor, absorbing volatility that would otherwise weigh on BTC.

Historically, weekly inflows into Bitcoin spot ETFs above $1.5 to $2 billion have often coincided with regime shifts—breaking BTC out of established ranges and triggering sustained volatility and price expansion. At present, inflows have cooled notably below that threshold, and this has been reflected in price action. Bitcoin has failed twice since January to sustain levels meaningfully above the $110,000 all-time high, indicating a lack of fresh demand strong enough to propel the asset into price discovery territory.

Given this context, it becomes increasingly important to define the current trading range. The $94,000 to $95,000 zone has emerged as a critical support area, having repeatedly held during pullbacks. On the upside, the $105,000 to $110,000 zone has consistently acted as resistance, capping rallies in the absence of major catalysts. Until inflows reaccelerate or a significant macroeconomic or geopolitical trigger emerges, it is prudent to expect continued consolidation within this broad $94K–$110K band. This wide range reflects an equilibrium phase where markets await new information to resolve directional uncertainty.

Both futures and options markets offer a valuable lens into the evolving structure of price dynamics. Over the past few years, both segments have seen remarkable growth. Futures open interest has surged from $7.7 billion to $52.8 billion, while the options market has expanded from $3.2 billion to $43.4 billion. Combined, total derivatives open interest reached a peak of $114 billion and, despite recent pullbacks, remains significantly elevated at around $96.2 billion.

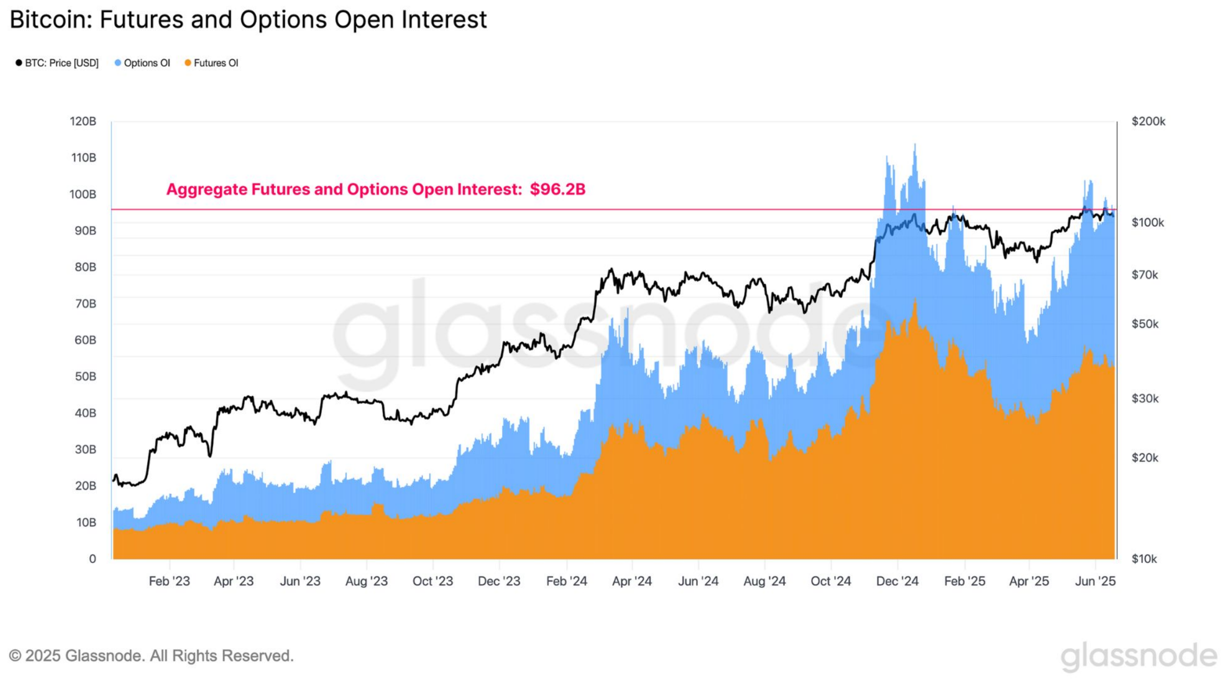


Figure 4. Bitcoin Futures and Options Total Open Interest. (Source: Glassnode)

This sustained increase in open interest signals a substantial build-up of speculative leverage, particularly concentrated in the derivatives market. While this growth reflects increasing market maturity and participation—particularly from institutional actors—it also introduces a higher probability of sharp liquidations and price swings, especially in periods of macroeconomic uncertainty or abrupt market stress.

As leverage builds and directional positioning becomes crowded, even modest price movements can trigger forced unwinds, amplifying volatility. This dynamic makes the current levels of open interest a crucial factor to monitor, as an open interest flush which was likely a deleveraging over the past week of over $14 billion is the pivotal factor in whether or not Bitcoin can bottom in the mid-$90,000s.

Open interest and funding rates have now shifted into a healthier zone, suggesting that capital is entering the market in a more sustainable and structural manner rather than being driven purely by short-term speculation. This shift reduces the immediate risk of sharp liquidations and reflects a more balanced positioning across traders and institutions. It also implies that the market is building a more solid foundation, which typically supports continuation moves if broader demand remains intact.

If ETF inflows and institutional participation maintain their current momentum, particularly through US trading sessions where most spot-driven price discovery occurs, we expect Bitcoin to continue trending higher on higher time frames while respecting the aforementioned range lows near the $94–95,000 zone. This setup reflects a constructive backdrop, where price remains supported by genuine demand rather than excessive leverage or retail froth.

On the other hand, should we begin to see a week or more of consistent ETF outflows, it will likely be the first serious warning sign that rotational risk is returning—even for Bitcoin. Unlike recent corrections where altcoins bore the brunt of de-risking, this would imply broader market fragility and could trigger rotation out of Bitcoin as well, particularly if it coincides with weaker macro data or a return of geopolitical stressors.

Donald Trump's 2024 financial disclosure revealed over $600 million in income, largely driven by crypto ventures like the $TRUMP meme coin and DeFi platform World Liberty Financial. Combined with luxury real estate and global branding deals, his growing business empire has raised ethics concerns due to overlap with his political agenda, especially his pro-crypto stance.

In Asia, Vietnam passed a landmark law granting legal recognition to digital assets starting in 2026, offering tax breaks and subsidies to tech startups. The move sparked investor optimism and positioned Vietnam as a rising digital hub in Southeast Asia.

Meanwhile, Iran's top crypto exchange Nobitex was hit by a politically driven cyberattack that destroyed up to $100 million in assets. Believed to be carried out by Israeli-linked hackers, the attack highlights how crypto platforms are becoming key battlegrounds in geopolitical conflicts.

GENERAL MACRO UPDATE

Fed Keeps Rates Steady, Signals Slowdown Ahead Amid Rising Inflation and Political Pressure

FIgure 5. Fed Chair Jerome Powell

The Federal Reserve decided to leave interest rates unchanged last Wednesday, June 18th, maintaining them between 4.25 and 4.5 percent, while signalling that the US economy may be entering a period of slow growth, rising inflation, and increasing unemployment.

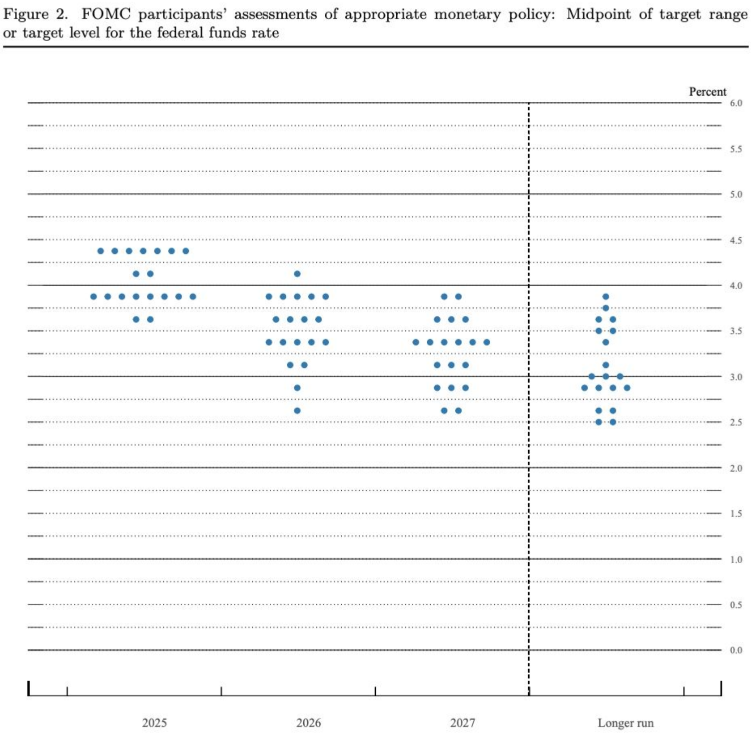


Figure 6. Summary of Economic Projections: Dot Plot (Source: Federal Reserve)

Despite keeping rates steady, Fed officials hinted that they might lower interest rates twice before the end of the year, but there's no strong consensus. Of the 19 members of the policy-setting committee, ten expect rate cuts, while seven believe it's better to keep rates unchanged for now. This split highlights the continued uncertainty, particularly with inflation rising and job numbers fluctuating.

Chair Jerome Powell reminded everyone not to read too much into these projections. “No one holds these ... rate paths with a great deal of conviction, and everyone would agree that they're all going to be data-dependent," he said.

Percent

Variable	Median[1]			
	2025	2026	2027	Longer run
Change in real GDP	1.4	1.6	1.8	1.8
March projection	1.7	1.8	1.8	1.8
Unemployment rate	4.5	4.5	4.4	4.2
March projection	4.4	4.3	4.3	4.2
PCE inflation	3.0	2.4	2.1	2.0
March projection	2.7	2.2	2.0	2.0
Core PCE inflation[4]	3.1	2.4	2.1	
March projection	2.8	2.2	2.0	
Memo: Projected appropriate policy path				
Federal funds rate	3.9	3.6	3.4	3.0
March projection	3.9	3.4	3.1	3.0

Figure 7. Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents

According to the Fed’s updated economic forecasts, the US economy is expected to grow slowly, at just 1.4 percent in 2025, which is a downgrade from earlier estimates. This sluggish outlook is partly due to the effects of tariffs and trade policy changes, which are expected to put a drag on economic activity. Meanwhile, unemployment is projected to rise to 4.5 percent, up slightly from the current rate of 4.2 percent.

Even though 4.5 percent is still low by historical standards, Powell emphasised that the labour market remains strong. Businesses are still hiring, but the pace may slow as employers face higher costs and ongoing uncertainty.

The Fed anticipates that inflation will reach 3 percent this year before gradually dropping to 2.4 percent next year and closer to the Fed's 2 percent target by 2027. However, these predictions are clouded by new tariffs that could push prices higher in the near future.

Powell warned that a "meaningful" rise in inflation is coming as a result of these tariffs. He explained that when the government imposes import taxes, someone in the supply chain—be it the producer, the importer, or the retailer—has to absorb the cost. Often, that cost ends up being passed on to consumers.

"Everyone that I know is forecasting a meaningful increase in inflation in coming months from tariffs, because someone has to pay for the tariffs. And it will be someone in that chain that I mentioned, between the manufacturer, the exporter, the importer, the retailer, ultimately somebody putting it into a good of some kind, or just the consumer buying it, and all through that chain people will be trying not to be the ones who pick up the cost, but ultimately the cost of the tariff has to be paid," Powell said.

He added that the Fed prefers to wait for clearer data on how these tariffs will impact actual prices before making any major decisions: "We'll make smarter and better decisions if we just wait a couple of months or however long it takes to get a sense of really what is going to be the pass-through of inflation."

Policy on Hold—for Now

The Fed's official statement described current economic conditions as stable but weakening. While the labour market remains solid, growth is slowing, and inflation remains higher than ideal. For now, the Fed is choosing to "wait and see"—holding off on rate changes until more data becomes available.

Notably, the Fed made no mention of geopolitical tensions, such as the escalating conflict between Israel and Iran. Powell did acknowledge that higher energy prices from such conflicts could temporarily affect inflation but emphasised these effects are typically short-lived.

As the Fed was finalising its decision, former President Donald Trump publicly attacked Powell, calling him "stupid" and demanding that the Fed immediately slash rates in half—a move typically reserved for times of economic crisis. Trump even joked about appointing himself as the new head of the Federal Reserve.

Fed officials have largely ignored these political pressures, maintaining that they need to see how new trade policies and import taxes play out before taking further action. The Fed is also wary of moving too quickly and undermining its efforts to control inflation.

The Fed is navigating a complex and uncertain economic landscape. Between slowing growth, rising prices, a divided policy committee, and political interference, the path forward remains unclear.

Still, Powell and the Fed believe their best course of action right now is patience. They’re waiting for more data before deciding whether to cut rates—and how deeply. In the meantime, the US economy appears headed into a phase of low growth paired with persistent inflation, a challenging environment for households, businesses, and policymakers alike.

Oil Market on Edge: Middle East Tensions Threaten Global Supply and Raise Inflation Risks

Rising geopolitical tensions in the Middle East are stirring fears of a major disruption to global oil supplies—an event that could sharply increase fuel prices, impact household spending, and complicate efforts by central banks to control inflation.

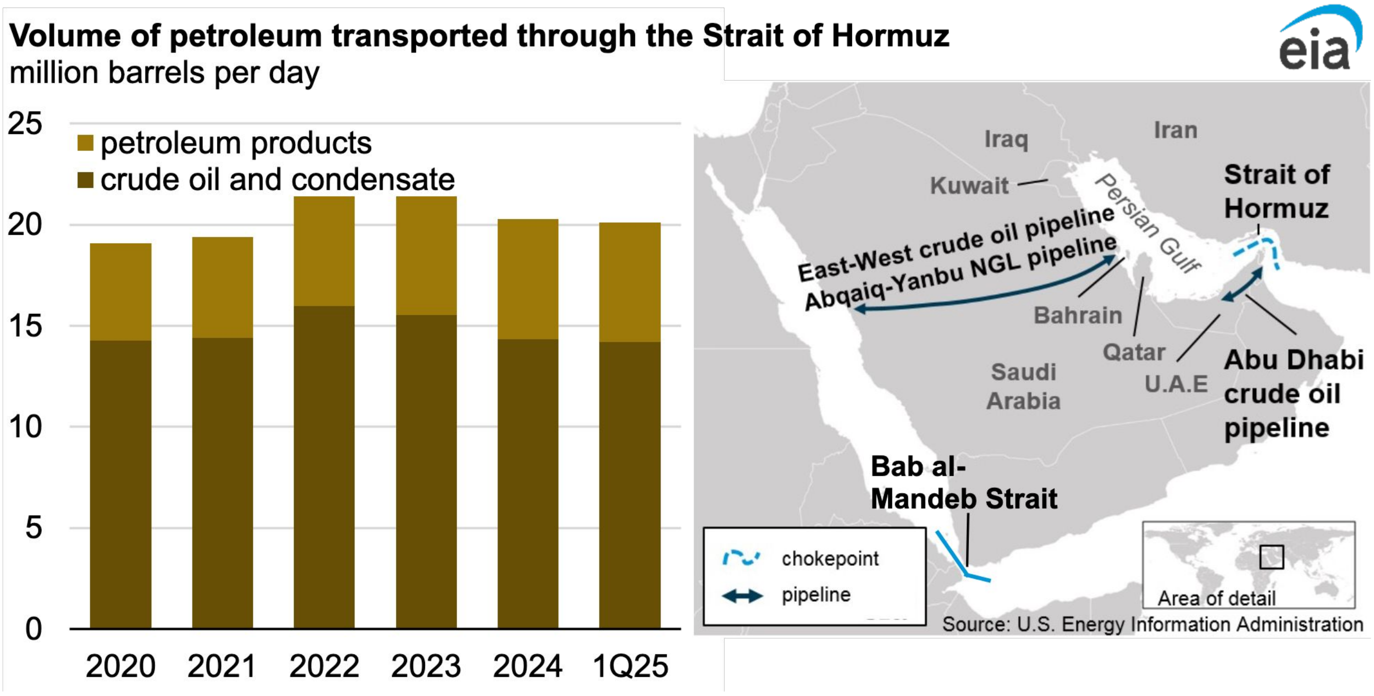


Figure 8. Volume of Petroleum Transported Through the Strait of Hormuz (Source: Energy Information Administration)

At the centre of the concern is the Strait of Hormuz, a vital maritime route that connects the Persian Gulf to global markets. Roughly 20 percent of the world's oil supply passes through this narrow channel daily, according to the US Energy Information Administration (EIA). This equates to approximately 20 million barrels per day, making it the most critical oil chokepoint in the world. Around 84 percent of the oil and natural gas liquids that pass through this route are headed to Asia, underlining the global importance of the strait.

Recent hostilities in the region have already reduced shipping activity. There is a noticeable slowdown in oil tanker bookings from the Middle East to Asia. Freight rates surged—more than 20 percent for VLCCs as the market grew cautious amid fears over potential disruptions to the Strait of Hormuz. Should the situation escalate further and shipping lanes become blocked, crude oil prices could surge to $100 per barrel or more, straining global economies that are already under pressure.

Fuel Prices Are Already Climbing

Figure 9. RBOB Gasoline Futures (Source: Trading View)

Even without a major disruption in supply, the market is already showing signs of stress. From May 30th to June 17th, US gasoline futures—known as RBOB, which track wholesale prices before ethanol blending—climbed by 16.55 percent, reflecting growing concerns over potential shortages and rising energy costs. These increases are beginning to show up at the pump, putting more strain on consumers at a time when economic growth is already slowing.

When fuel prices rise, consumers spend more on transportation and less on other goods and services. This reduces real income—the money people have left over after accounting for inflation—and may weaken overall demand across the economy.

Central Banks Under Pressure

The surge in energy prices is expected to weigh heavily on the decision-making of monetary authorities like the Federal Reserve and the European Central Bank. Higher fuel costs tend to drive up inflation, but they also reduce economic momentum, forcing central banks to balance two opposing risks: tightening too much and harming growth, or easing too soon and allowing inflation to spiral. This adds a fresh layer of complexity for central banks already walking a tightrope. While many were preparing to consider interest rate cuts to support softening economies, the resurgence in energy prices may delay those moves, especially if inflation proves sticky.

The path forward will depend largely on whether current tensions ease or spiral into prolonged conflict.

Is Consumer Spending Slowing Down? Why Inventories and Tariffs Might Push Prices Back Up

Recent economic data shows how American consumers are spending—and why businesses and policymakers might need to prepare for a possible rise in inflation later this year.

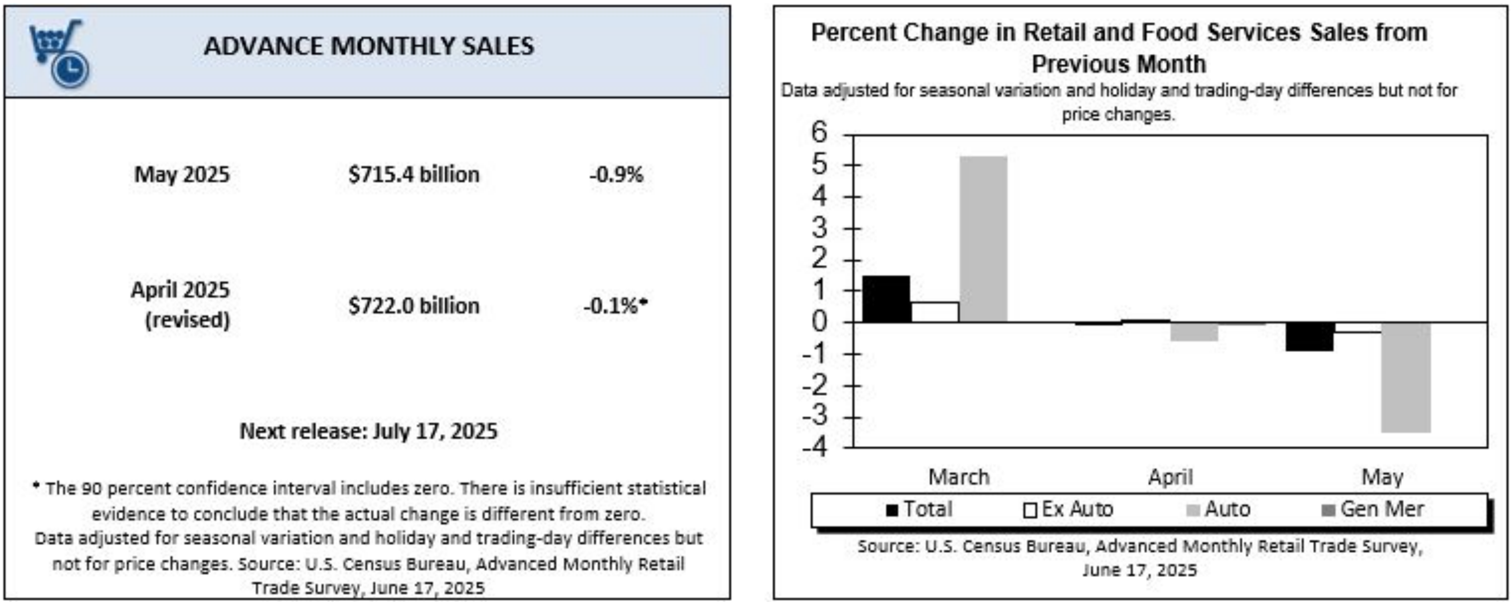


Figure 10. Advanced Monthly Sales (Source: US Census Bureau)

In May, retail sales in the US dropped by 0.9 percent, the biggest monthly decline since January, according to the Census Bureau's Monthly Sales for Retail and Food Services report last Tuesday, June 17th. The most significant slowdowns were in spending on cars, gas, and restaurants. This may sound like a red flag, but part of the drop is linked to lower prices, especially for gas. Plus, many consumers may have made purchases earlier than usual to beat expected tariff-related price hikes.

However, when you remove the most volatile categories—like fuel, cars, and food service—a key measure of core retail spending still grew by 0.4 percent. That's important because this number is used to help calculate economic growth. It suggests that while spending on essentials may have dipped, people were still buying other goods—possibly because they saved money in areas like fuel.

Still, this kind of spending pattern may not last. Rising oil prices in recent weeks could cause transportation costs to rise again, leaving consumers with less money to spend elsewhere.

The Inventory Puzzle

While consumers were spending, businesses were quietly preparing for the impact of tariffs by stocking up on goods. This trend started last November, right after the US election, when many firms rushed to import and store products before trade policies changed.

As a result, wholesale and industrial inventories grew sharply—more than usual for this time of year, based on historical data. But on the retail side—products that are already in stores for customers—inventory levels remained low through the spring. That's likely because shoppers were still making purchases, and businesses were slow to restock while waiting to see how tariffs would affect costs.

This sets up a key turning point: retailers will need to restock soon, especially as we head into back-to-school and holiday shopping seasons. And when they do, they'll likely be buying goods that are more expensive due to tariffs.

The big question is: What happens when businesses have to refill their shelves at higher costs? If those price increases are passed on to customers, we could see a new wave of inflation—especially between September and October, when retail restocking usually peaks.

So far, inflation has looked tame, thanks in part to lower energy prices in April and May. But that could change. As older, cheaper inventory runs out and gets replaced with higher-priced stock, it could cause prices to rise just as consumers are doing their seasonal shopping.

While many expected the Fed to cut interest rates later this year, this new timeline suggests they may hold off. Even though current data suggests the economy is holding up, much of that strength could be temporary. Consumer habits, rising fuel costs, and delayed restocking at higher prices may combine to push inflation back up in the fall. That means the real pressure point for prices—and Fed policy—could still be ahead.

NEWS FROM THE CRYPTO-SPHERE

Trump's 2024 Financial Disclosure Reveals Massive Windfall from Crypto Ventures and Global Business Empire

Figure 11. Trump's 2024 Financial Disclosure Reveals Massive Windfall from Crypto Ventures and Global Business Empire

- **Donald Trump reported over $600 million in income for 2024, driven by a mix of cryptocurrency ventures, luxury real estate, and global licensing deals—culminating in a declared net worth of at least $1.6 billion. Notably, his crypto involvement through the $TRUMP meme coin and DeFi platform World Liberty Financial alone brought in over $377 million**
- **Ethics concerns are mounting as Trump's business interests—still benefiting him personally—closely align with his political actions, particularly his deregulatory stance on crypto**

Donald J. Trump's latest financial disclosure, filed on June 13th, 2025, reveals a striking expansion of his personal fortune, with over $600 million in income during the 2024 calendar year. The report details a complex and sprawling portfolio encompassing digital assets, luxury properties, foreign licensing deals, and merchandise branding, culminating in a minimum declared net worth of $1.6 billion. The most eye-catching revelation was Trump's deep entrenchment in the cryptocurrency space, where ventures controlled directly or indirectly by him generated hundreds of millions in revenues—drawing both intrigue and alarm from ethics watchdogs and political opponents.

At the center of Trump's crypto activity is the controversial "$TRUMP" meme coin, introduced in early 2025. The token reportedly yielded $320 million in transaction fees, although exact ownership and profit distribution remain opaque. Trump is also linked to World Liberty Financial, a decentralised finance (DeFi) platform operated with close involvement from his family. This firm brought in over $400 million in 2024 alone, with Trump personally earning $57.35 million through token distributions. Notably, Trump holds 15.75 billion governance tokens in the firm, cementing his long-term financial leverage and strategic influence in the emerging DeFi ecosystem.

Beyond digital finance, Trump's income was significantly bolstered by his real estate empire, particularly properties in Florida. His golf clubs and resorts—Trump National Doral, Jupiter Golf Club, and the famed Mar-a-Lago—contributed more than $218 million, with the Doral location alone accounting for $110.4 million in income. Internationally, he reported additional earnings from properties and brand licenses in Ireland (€19 million), Scotland (£28.7 million), Dubai (~$16 million), India ($10 million), and Vietnam ($5 million). These deals underscore the continued monetisation of the Trump brand across continents, even during his active political career.

The report also revealed Trump's aggressive commercialisation of his image and persona. Merchandising and licensing deals brought in at least $26 million, spanning Trump-branded fragrances, shoes, watches, and a highly publicised Trump Bible. Trump NFTs yielded $1.16 million, while former First Lady Melania Trump's NFT collection added another $216,700 to the family's digital income stream.

Financial investments further padded Trump's earnings. With over $211 million in fixed-income and bond holdings—through Charles Schwab and Invesco funds, among others—he collected more than $12 million in passive income from dividends and interest. Although equity exposure was minimal, Trump's conservative portfolio reflects a strategy of liquidity and yield in parallel with his high-risk crypto involvement.

Critically, while Trump asserts his business interests are held in a trust operated by his children, all profits ultimately benefit him, raising significant ethical and legal concerns. The stark overlap between Trump's deregulatory stance toward crypto and his own financial entanglements has alarmed government ethics experts and constitutional scholars, many of whom cite possible violations of the Emoluments Clause. His May 2025 fundraising dinner—an event heavily backed by crypto donors that raised $148 million—further fueled allegations that Trump may be monetising the presidency more aggressively than ever before.

Merging speculative crypto assets, luxury real estate, global licensing, and personal branding, Trump's financial footprint now straddles traditional and digital economies, amplifying calls for stronger regulatory scrutiny around how public office can be leveraged for private enrichment.

Vietnam Enacts Landmark Digital Technology Law Recognising Crypto Assets and Catalysing Innovation

Figure 12. Vietnam Enacts Landmark Digital Technology Law Recognizing Crypto Assets and Catalysing Innovation

- **Vietnam passed its first comprehensive law regulating digital and crypto assets, granting them legal recognition starting January 1st, 2026**
- **The law aims to transform Vietnam into a regional tech hub through tax incentives, subsidies, and visa support for blockchain and AI startups, triggering a surge in local investor enthusiasm and positioning Vietnam as a potential leader in Southeast Asia's digital economy**

Vietnam's National Assembly ratified the groundbreaking Digital Technology Industry Law, formally bringing digital and crypto assets under the purview of civil and financial regulation. Set to take effect January 1st, 2026, this legislation marks a pivotal transformation in Vietnam's digital landscape

Under the new law, digital assets are divided into two primary categories: "virtual assets", defined as units of value used for investment or exchange purposes; and "crypto assets", which rely on encryption methods to verify creation and transfers. Crucially, the law expressly excludes recognized securities, central bank digital currencies, and other financial instruments from these definitions

By granting digital assets full legal recognition, the Vietnamese government gains explicit authority to establish regulations governing token exchanges, custody services, and related businesses. Among the mandates are robust cybersecurity standards and stringent anti-money laundering (AML) and combating terrorism financing (CFT)measures, aligning local policy with Financial Action Task Force guidelines. The law notably addresses Vietnam's standing on the FATF "grey list" by directly confronting previous enforcement shortcomings

A defining feature of the legislation is its comprehensive suite of incentives aimed at spurring domestic innovation. Blockchain startups, digital infrastructure developers, and companies working on artificial intelligence and semiconductor projects will benefit from state subsidies, tax exemptions, and land-use support. Additionally, the law facilitates easier access to talent through visa concessions for foreign experts. Ambitiously, Vietnam now positions itself to rival regional digital pioneers by targeting 150,000+ digital technology enterprises by 2035

The law also reflects a broader strategy to curb regulatory arbitrage, retaining nascent blockchain firms and specialised talent that might otherwise relocate to jurisdictions like Singapore. By offering legal certainty and economic incentives, Vietnam aims to strengthen its foothold in global tech value chains and emerge as a regional hub for innovation

Market impact was immediate and pronounced: digital asset investors saw value appreciation, with notable upticks in both Bitcoin and Ethereum, and heightened enthusiasm for local DeFi ventures and Vietnamese blockchain initiatives such as Axie Infinity and Kyber Network.

Despite the law's promise, significant questions remain unresolved ahead of its implementation. These include the finer points of tax treatment for capital gains, the criteria and process for licensing exchanges, and the extent of integration with the banking sector. Indonesia and Thailand's evolving frameworks may now find a new benchmark in Vietnam's approach, potentially triggering a Southeast Asian trend toward comprehensive digital asset legislation.

Iran's Largest Crypto Exchange Nobitex Hit by Politically Charged Cyber Attack; $100M in Assets Destroyed

Figure 13, Iran's Largest Crypto Exchange Nobitex Hit by Politically Charged Cyber Attack; $100M in Assets Destroyed

- **Iran's top crypto exchange Nobitex was hit by a politically motivated cyber attack in June 2025, resulting in the destruction of up to $100 million in digital assets**
- **Blockchain forensics firms like Elliptic and Chainalysis highlight Nobitex's alleged ties to sanctioned entities such as the IRGC, making it a strategic target**

Last Thursday, June 19th, Nobitex, Iran's largest cryptocurrency exchange, fell victim to a highly coordinated and politically motivated cyber attack that resulted in the destruction of approximately $81.7 million to $100 million in digital assets. The attackers compromised the platform's hot wallets and rerouted the stolen funds across multiple blockchain networks before intentionally "burning" them—sending the tokens to inaccessible wallets.

According to findings from blockchain analytics firm Elliptic, the crypto assets were not laundered or cashed out, but rather destroyed, indicating the primary motive was sabotage, not profit. The wallets receiving the stolen assets featured provocative names including phrases like "FuckIRGCterrorists...", directly referencing Iran's Islamic Revolutionary Guard Corps (IRGC).

The operation was publicly claimed by Gonjeshke Darande (also known as Predatory Sparrow), a cyber group widely believed by intelligence analysts to be linked to Israeli defense interests. In a manifesto posted to X (formerly Twitter), the group accused Nobitex of acting as part of Iran's sanctions-evasion network and issued a warning that it would release the exchange's internal data and source code unless further operations ceased.

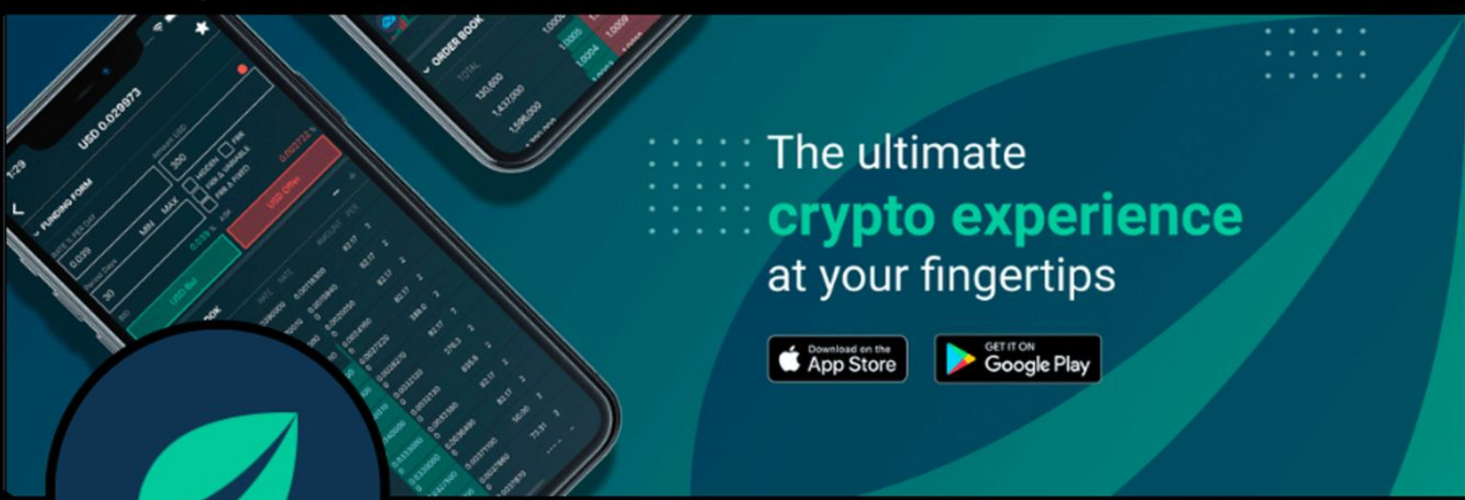
The platform responded by taking its hot wallets offline and deactivating parts of its reporting systems. Nobitex assured users that assets held in cold storage were not affected and that any customer losses would be covered through internal funds and insurance. Nonetheless, the hack raised fears about the possible theft of source code and sensitive user data.

At the height of the breach, reports indicated that Iran imposed a near-total internet blackout, raising alarms over the potential for broader escalations in cyber and military conflict between Iran and Israel.

This is not the first time Predatory Sparrow has carried out high-profile attacks on Iranian infrastructure. In recent years, the group has been linked to strikes against Sepah Bank, nationwide fuel pump outages, and even industrial sabotage at steel mills and telecom facilities. The pattern suggests a clear strategy: inflict operational and symbolic damage on entities tied to the Iranian regime and its economic arms.

Cybersecurity experts point to critical failures in Nobitex's hot wallet access controls and insufficient internal safeguards as key vulnerabilities. Both Elliptic and Chainalysis have previously reported the platform's alleged ties to sanctioned organizations including the IRGC and Hamas, which likely made it a strategic target for state-aligned adversaries.

The attack highlights the growing intersection between crypto infrastructure and geopolitical conflict, where exchanges tied to controversial regimes face not just financial or regulatory risk—but deliberate cyber warfare aimed at crippling operations and making political statements.



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