



# BUSINESS INTELLIGENCE REPORT

Entering May and progressing through the second quarter of 2025, the business environment is marked by rapid change, fueled by new technologies, shifting consumer behaviours, and global economic developments. This edition of our Business Intelligence Report offers a clear, data-driven perspective on the significant trends in our industry, with the goal of providing actionable insights for strategic decision-making.

# KEY TAKEAWAYS

---

## **Crypto Industry:**

- Market rebound driven by institutional adoption (Coinbase S&P 500, ETF demand), cautious U.S. regulatory optimism, AI-blockchain convergence, persistent memecoin hype, and DeFi resurgence boosted by Layer 2 scalability.

## **Venture Capital Industry:**

- AI still leads funding, but Deep Tech & Robotics now dominate; VCs prioritise profitability, cybersecurity, and traction; IPO market reopens, unlocking dry powder for deployment.

## **Financial Trends:**

- Easing inflation fuels rate cut expectations; AI reshapes finance; CBDCs and DeFi advance; cyber risks grow; geopolitical tensions continue to threaten stability.

## **Cybersecurity Industry:**

- AI-driven threats and ransomware grow more advanced; cloud and supply chain security are critical; regulatory scrutiny tightens with a strong focus on data privacy and infrastructure protection.



# Blockchain Bulletin

## Cryptocurrency Price Comparison

Price	Bitcoin	Ethereum	Cardano	XRP	Solana	BNB
Approximate Value	~\$107,910	~\$2,769	~\$0.69	~\$2.25	~\$160-163	~\$668

*(Disclaimer: Cryptocurrency prices are highly volatile and can change rapidly. The prices listed are approximate current values based on available market data.)*

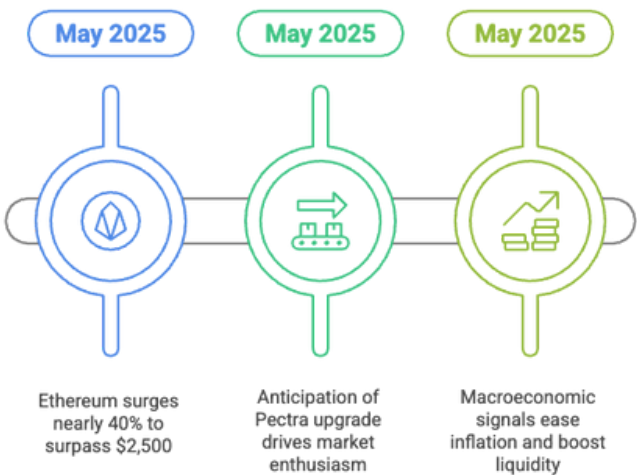
The crypto industry is experiencing a period of dynamic growth and transformation, marked by technological advancements, increasing institutional interest, and a cautiously optimistic regulatory outlook.

### Significant Market Rebound Led by Ethereum and Altcoins:

May 2025 saw a strong rebound in the cryptocurrency market, led by Ethereum, which surged nearly 40% to surpass \$2,500. This rally was driven by anticipation of the upcoming Pectra upgrade—expected to enhance scalability and efficiency—and by favourable macroeconomic signals such as easing inflation and potential interest rate cuts, which boosted market liquidity and risk appetite.

Ethereum’s rise sparked a broader altcoin rally, with coins like DOGE, PEPE, ADA, AVAX, and LINK posting double-digit gains. This marked the onset of an “altcoin season,” a period when capital flows from Bitcoin into alternative cryptocurrencies, reflecting increased investor confidence and speculative momentum in the market.

### Ethereum's 2025 Market Surge



---

Bitcoin also showed strong performance, reaching a market capitalisation above \$2 trillion. Institutional inflows of \$882 million into Bitcoin investment products highlighted continued interest from large-scale investors. Together, these developments have intensified speculation about Bitcoin reaching a new all-time high, reinforcing its role as a maturing asset class in the global financial system.

### **Increased Institutional Adoption and ETF Momentum:**

A landmark event in May 2025, signifying crypto's deepening integration into traditional finance, was the **inclusion of Coinbase in the S&P 500 index**. As the first crypto-native company to join this benchmark index, it represents a significant validation of the digital asset industry by mainstream financial markets. This inclusion not only enhances Coinbase's visibility and credibility but also means that numerous index-tracking funds will now inadvertently expose their investors to the crypto sector, potentially driving further indirect investment.

The approval of **spot Bitcoin and Ethereum Exchange-Traded Funds (ETFs)** earlier in 2025 has been a pivotal driver of institutional demand. These ETFs allow traditional investors to gain exposure to cryptocurrencies through regulated investment vehicles, removing barriers such as direct custody and technical complexities. The success and substantial inflows into these products have demonstrated a strong institutional appetite. Consequently, there is growing anticipation and speculation within the market for the potential approval of spot ETFs for other major altcoins, with Solana (SOL) often cited as a leading candidate due to its market capitalisation and ecosystem growth.





---

## Shifting U.S. Regulatory Stance and Policy Optimism:

While comprehensive stablecoin legislation remains pending in the United States, there are emerging signs of a potentially more favourable regulatory environment for cryptocurrencies. A significant indicator of this shift is the approach of the new SEC Chair, Paul Atkins. Atkins, known from his previous tenure as an SEC Commissioner, has historically expressed views considered more accommodating to financial innovation and a rules-based approach to regulation rather than enforcement-led policies. His leadership is anticipated to foster clearer guidelines for the issuance, custody, and trading of crypto assets.

This perceived shift in tone from key regulatory bodies like the SEC is generating cautious optimism among crypto industry participants. A more defined and less adversarial regulatory framework is seen as crucial for fostering innovation, attracting further institutional investment, and ultimately leading to broader mainstream acceptance of digital assets in the U.S. market.



## Emergence of AI in Blockchain and Continued Meme Coin Influence:

The convergence of **Artificial Intelligence (AI)** and **blockchain technology** is rapidly becoming a dominant narrative within the crypto space. Decentralised AI tools, which leverage blockchain for transparency, immutability, and distributed control, are gaining significant traction. These tools aim to democratize AI development and access, and their potential applications span various fields. This synergy is being highlighted by some analysts as a key underlying driver for the ongoing crypto bull run, as it points to new utility and value creation within blockchain ecosystems.

Simultaneously, **memecoins** continue to exert considerable influence on the market. These tokens, often originating from internet memes and social media trends, are characterised by high volatility and speculative trading. Despite their often-perceived lack of fundamental value, strategies focused on memecoins, such as the exemplified "Meme Coin Protect" (reportedly yielding +48% in 30 days), demonstrate that there is sustained investor interest and significant speculative activity in this niche. This reflects a segment of the market driven by community engagement, social sentiment, and the potential for rapid, albeit high-risk, returns.

---

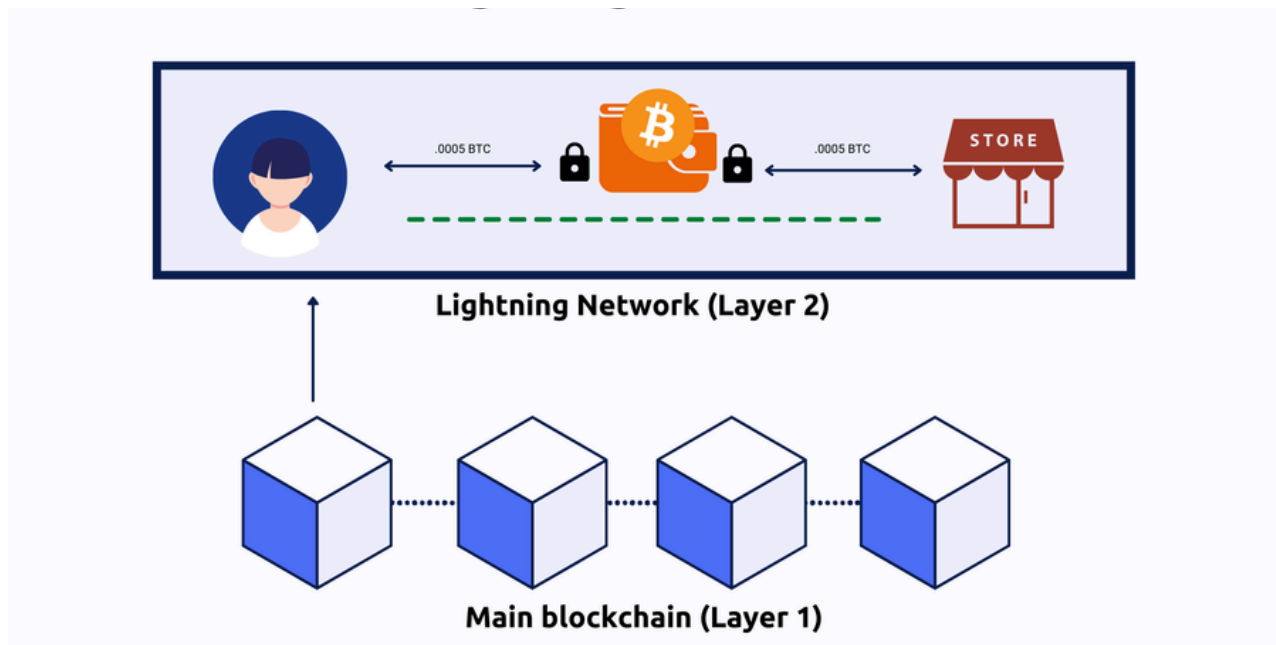


---

## Resurgence of Decentralised Finance (DeFi) and Layer 2 Solutions:

The Decentralised Finance (DeFi) sector is showing clear signs of a resurgence. This is evidenced by a notable growth in Total Value Locked (TVL) across various DeFi protocols. TVL, which represents the total amount of assets staked or deposited in DeFi platforms, is a key metric indicating user trust and capital inflow into the sector. This growth is accompanied by increased innovation, with new financial products, services, and governance models emerging.

Crucial to this DeFi resurgence and the broader scalability of blockchain networks are Layer 2 (L2) solutions. Platforms like Optimism and Polygon are at the forefront of addressing inherent scalability challenges faced by Layer 1 blockchains like Ethereum, such as high transaction fees and network congestion. By processing transactions off the main chain while still inheriting its security, L2 solutions significantly reduce costs and improve transaction speeds. This enhanced user experience is vital for the wider adoption of DeFi applications and other blockchain-based services, making them more accessible and practical for a broader user base.



# THE BUZZ

---

## China affirms trade deal with US, says it always keeps its word

BEIJING (Reuters) -China on Thursday affirmed a trade deal announced by U.S. President Donald Trump, saying both sides needed to abide by the consensus and adding China always kept its word.

Read more [HERE](#)



## Japan's shift to cashless society prompts BOJ call for payment innovation

Bank of Japan officials are ramping up calls to keep pace with rapid developments around digital currencies that may accelerate a shift to cashless payments in a country better known for its belief that "cash is king."

Read more [HERE](#)



## Japan's bond market ignites fears of outflows from U.S., carry trade unwind and market turmoil

Japan's bond market is igniting fears of capital flight from the U.S. and a carry trade unwind as long-dated yields hover near record highs

Read more [HERE](#)



Japan's 20-year government bond yields in the past five years

## Crypto exchange Binance opens trading to Syrians after U.S. lifts sanctions

Read more [HERE](#)

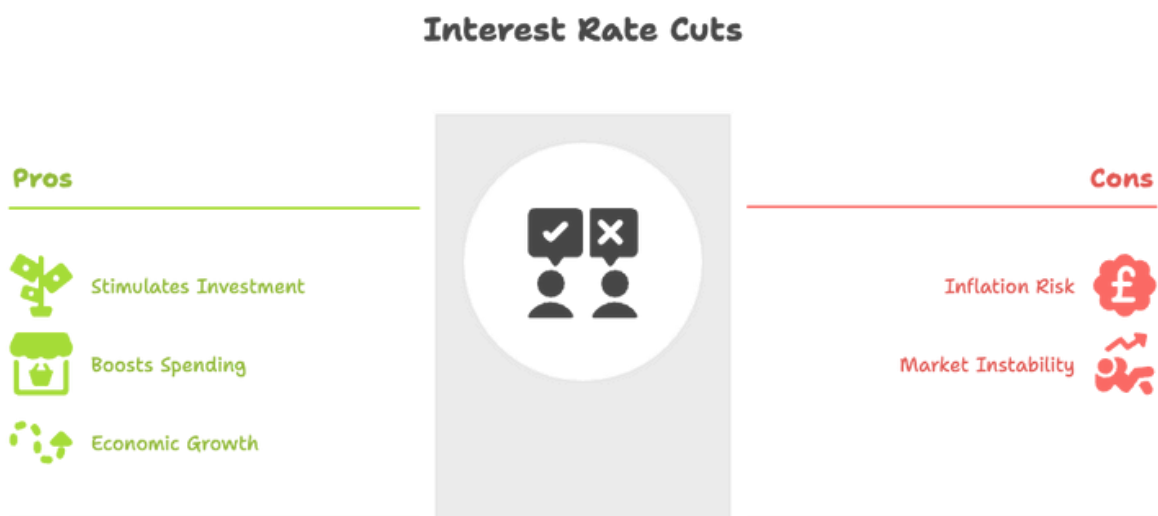


# FINANCIAL TRENDS

The global financial landscape in 2025 is shaped by easing inflationary pressures, persistent geopolitical factors, rapid technological adoption, and evolving monetary systems.

## Easing Inflation and Anticipated Central Bank Rate Cuts:

A significant positive development is the observed easing of global inflation rates, with projections indicating a stabilisation around the 2% target for many developed economies by mid-2025. This moderation in price pressures is providing central banks, including the U.S. Federal Reserve and the European Central Bank, with the necessary room to consider and implement **interest rate cuts**. Milder inflation data strengthens the argument for loosening monetary policy. Such rate cuts are anticipated to lower borrowing costs for businesses, thereby stimulating investment in new projects, expansion, and innovation. For consumers, lower rates can translate to more affordable mortgages and loans, potentially boosting consumer spending and supporting overall economic growth.



## Persistent Geopolitical Risks and Trade Tensions Impacting Markets:

Despite some positive economic signals, **geopolitical uncertainties and ongoing trade tensions** continue to cast a shadow over the global growth outlook and introduce volatility into financial markets. These factors can manifest as disruptions to international trade flows, increased operating costs for multinational corporations due to tariffs or sanctions, and heightened investor caution. Even temporary pauses in reciprocal tariffs, while offering short-term relief, do not fully alleviate the underlying uncertainties. This environment can negatively affect global demand for goods and services and potentially lead to renewed supply chain disruptions if tensions escalate, forcing businesses to re-evaluate their global sourcing and production strategies.

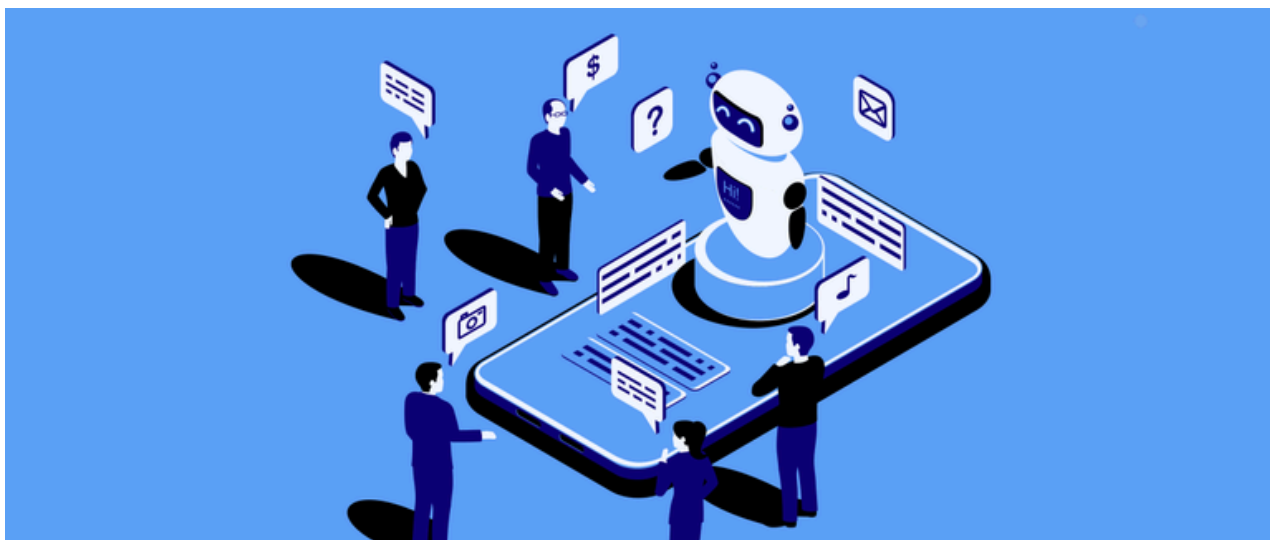




---

## **Accelerated Digital Transformation and AI Integration in Finance:**

The financial sector is in the midst of an accelerated digital transformation, with a pronounced emphasis on integrating Artificial Intelligence (AI) across a wide array of operations. This includes leveraging AI in core finance and accounting functions for tasks like automated bookkeeping, fraud detection, regulatory reporting, and financial forecasting. Beyond back-office efficiencies, AI is expected to revolutionise the customer experience. Banks and financial institutions are using AI-powered tools to gain deeper insights into customer behaviour and preferences, enabling them to offer personalised financial advice, tailored product recommendations, and responsive customer service through chatbots and virtual assistants. This drive towards AI integration also fuels further automation in financial processes, aiming for greater speed, accuracy, and cost-effectiveness.



## **Continued Rise of Central Bank Digital Currencies (CBDCs) and DeFi Evolution:**

The exploration and development of Central Bank Digital Currencies (CBDCs) are gaining momentum globally. Numerous countries are in various stages of research, piloting, or even launching their digital versions of fiat currency. CBDCs have the potential to create new opportunities for more efficient payment systems, improved cross-border transactions, and enhanced financial inclusion.

However, they also present challenges related to privacy, security, and the overall structure of the existing financial system. Simultaneously, blockchain technology and Decentralised Finance (DeFi) platforms continue to evolve, offering transparent, efficient, and often permissionless alternatives to traditional banking services. DeFi's ongoing innovation in areas like lending, borrowing, trading, and insurance is poised to further revolutionise financial services, potentially complementing or competing with both traditional finance and emerging CBDCs.

# THE CYBER PULSE

---

## Proliferation of AI-Powered Cyber Threats:

Malicious actors are increasingly harnessing the power of Artificial Intelligence (AI) to create more sophisticated, evasive, and effective cyber threats. One alarming development is the emergence of advanced ransomware that can mutate in real-time. This means the ransomware's code or behaviour can change dynamically, making it significantly harder for traditional signature-based detection methods and antivirus software to identify and block. AI is also dramatically improving the efficacy of social engineering attacks, particularly phishing lures. AI algorithms can craft highly personalised and contextually relevant phishing emails, text messages, or voice communications (vishing) that are exceptionally convincing, leading to a higher success rate for attackers in tricking individuals into revealing sensitive information or deploying malware.



## Ransomware's Enduring Dominance and Evolving Sophistication:

**Ransomware attacks remain a pervasive and escalating global threat**, impacting organisations of all sizes across all sectors. Attackers are continuously refining their tactics, techniques, and procedures (TTPs), making these attacks more complex and challenging to defend against. Beyond simple data encryption, many ransomware groups now employ **double extortion tactics**, where they not only encrypt the victim's files but also exfiltrate sensitive data and threaten to publish it publicly if the ransom is not paid.

Some groups have even added triple extortion, which can include DDoS attacks or direct harassment of customers or stakeholders. Recent (hypothetical May 2025) incidents, such as those affecting Cobb County, Georgia, and Marks & Spencer, serve as stark reminders of the ongoing effectiveness and severe disruptive potential of these campaigns, causing significant financial and operational damage.



---

## Critical Importance of Enhanced Cloud Security:

The rapid and widespread adoption of cloud services for data storage, application hosting, and infrastructure has, in many cases, **outpaced the implementation of adequate cloud security measures**, creating new and significant vulnerabilities.

Organisations are increasingly recognising the urgent need for comprehensive cloud security frameworks. Key strategies being emphasised include the widespread adoption of **Zero Trust Architecture (ZTA)**. ZTA operates on the principle of "never trust, always verify," meaning that no user or device is trusted by default, regardless of whether it is inside or outside the organisation's network. This involves strict identity verification, micro-segmentation, and least-privilege access controls. Another critical component is **Cloud Security Posture Management (CSPM)**, which involves continuous automated monitoring of cloud environments to detect and remediate security risks, misconfigurations, and compliance violations.

## Increased Regulatory Scrutiny and Data Privacy Demands:

The cybersecurity landscape is being significantly shaped by an **evolving and increasingly stringent regulatory environment globally**. New laws, industry-specific standards, and comprehensive compliance requirements are being introduced to address the growing threat landscape and protect sensitive information. There is particularly growing scrutiny on **data handling practices and the implementation of robust privacy safeguards**. Incidents such as the (hypothetical May 2025) fine imposed on TikTok for GDPR (General Data Protection Regulation) violations highlight the substantial financial and reputational penalties for inadequate data protection. This is compelling organisations to make data privacy and regulatory compliance top priorities, investing in governance frameworks, data mapping, and technical controls to meet these demands.



---

Furthermore, there is a heightened concern around **critical infrastructure**, such as industrial control systems (ICS) and Supervisory Control and Data Acquisition (SCADA) systems used in sectors like oil and gas, energy grids, water treatment facilities, and manufacturing. These systems are actively being targeted by nation-state actors and sophisticated cybercriminal groups. A successful attack on critical infrastructure could have catastrophic real-world consequences, necessitating immediate and robust defensive measures, including network segmentation, specialised monitoring, and incident response capabilities tailored to OT (Operational Technology) environments.

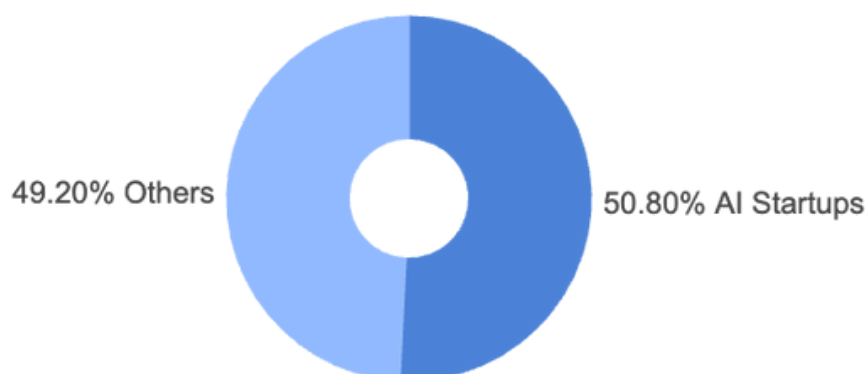
# VENTURE CAPITAL SPOTLIGHT

---

## AI's Unprecedented Dominance in Investment Allocations:

Artificial Intelligence (AI) remains the undisputed leader in attracting venture capital, commanding nearly half of all global venture dollars in May 2025. The provided statistic that AI startups accounted for 50.8% of global VC funding in Q4 2024 underscores this sustained and powerful trend. This dominance reflects a strong and widespread belief among investors in AI's transformative potential across nearly every industry, from healthcare and finance to transportation and entertainment. VCs are backing companies that are developing core AI models, AI-powered applications, and infrastructure to support AI development, anticipating significant returns as these technologies mature and achieve widespread adoption.

### Global Venture Capital Funding Distribution Q4 2024



## AI's Unprecedented Dominance in Investment Allocations:

Artificial Intelligence (AI) remains the undisputed leader in attracting venture capital, commanding nearly half of all global venture dollars in May 2025. The provided statistic that AI startups accounted for 50.8% of global VC funding in Q4 2024 underscores this sustained and powerful trend. This dominance reflects a strong and widespread belief among investors in AI's transformative potential across nearly every industry, from healthcare and finance to transportation and entertainment. VCs are backing companies that are developing core AI models, AI-powered applications, and infrastructure to support AI development, anticipating significant returns as these technologies mature and achieve widespread adoption.



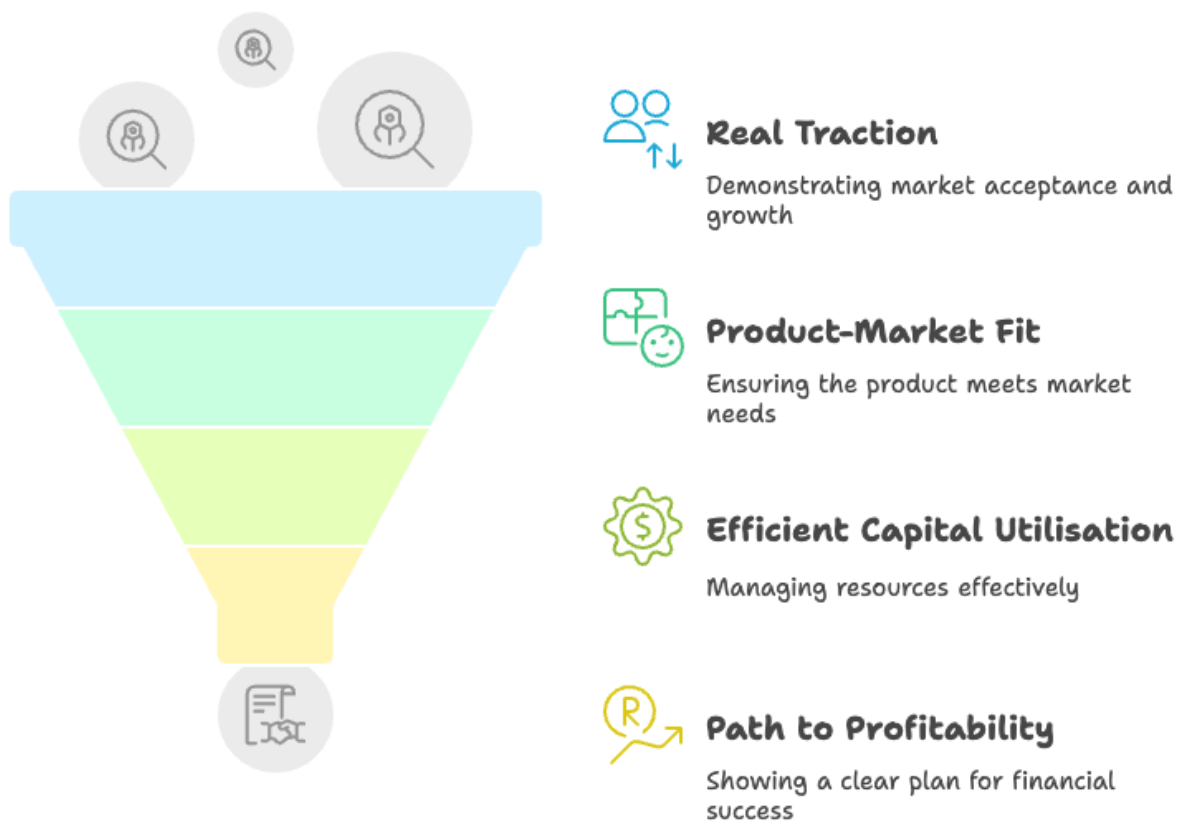


---

## Shift Towards Demonstrable Traction and Profitability:

The VC investment climate has undergone a significant maturation from the "growth at all costs" philosophy that characterised previous years. In May 2025, investors are placing a much stronger emphasis on real traction, which means startups must provide concrete evidence of market acceptance, such as growing user bases, revenue generation, and strong customer engagement. Clear evidence of product-market fit – demonstrating that a startup's product effectively addresses a genuine market need – is now a prerequisite. Furthermore, efficient capital utilisation is paramount; VCs want to see that startups are spending prudently and achieving key milestones with the capital invested. This heightened scrutiny culminates in a demand for a clear and credible path to profitability, reflecting a more risk-averse and fundamentals-driven investment environment.

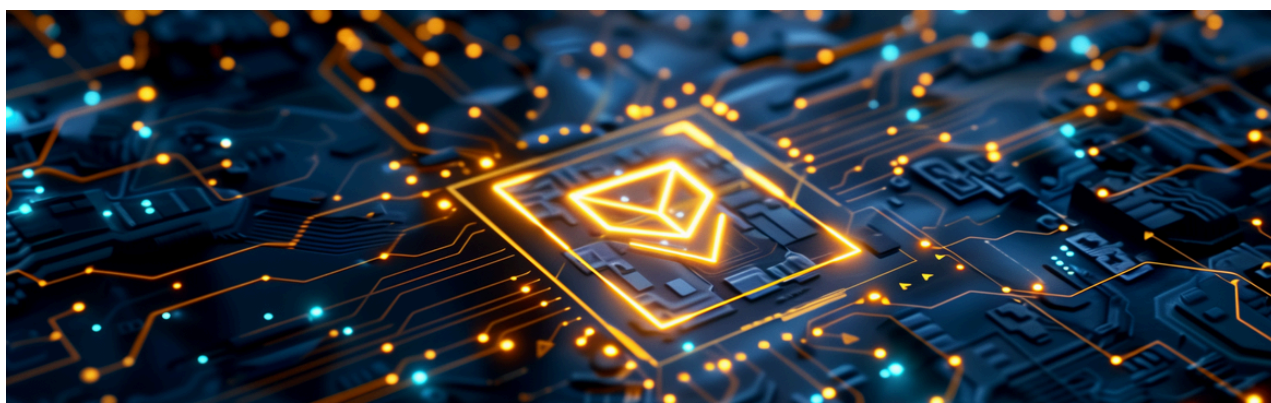
### VC Investment Criteria Funnel



---

## Cybersecurity as a Non-Negotiable Valuation Factor:

Cybersecurity has transitioned from a secondary concern to a fundamental and non-negotiable component of startup valuation. Industry experts assert that the absence of a robust and well-thought-out cybersecurity plan can significantly diminish an enterprise's value, and in some cases, render it uninvestable. This shift is highlighted by the dramatic increase in cyber-related due diligence reviews, with more conducted in Q1 2024 than in the entirety of 2023. Investors are acutely aware of the financial and reputational damage that cyber breaches can inflict, making a startup's ability to protect its data, intellectual property, and customer information a critical factor in risk assessment and overall valuation.



## Reopening IPO Windows and Deployment of Dry Powder:

Improving macroeconomic conditions, including signs of easing inflation and anticipated interest rate cuts by central banks, are contributing to the gradual **reopening of Initial Public Offering (IPO) windows**. A more active IPO market provides viable exit opportunities for venture-backed companies, allowing VCs to realise returns on their investments. Concurrently, venture capital firms, which have been holding record amounts of "**dry powder**" (uninvested capital accumulated during periods of high interest rates and market uncertainty), are beginning to cautiously deploy this capital back into the market. This signals a growing, albeit measured, return of investment activity as VCs seek to capitalise on new opportunities and support the growth of promising startups.



---

## Increased Focus on Deep Tech and Robotics:

Beyond the broad category of AI, there's a discernible market shift towards investment in Deep Tech and Robotics. The report notes that in Q2 2025, Deep Tech & Robotics surpassed AI & Machine Learning as the dominant sector for VC investment. "Deep Tech" refers to companies founded on significant scientific or engineering breakthroughs, often tackling complex global challenges and requiring substantial R&D and longer development cycles. This category includes innovations in areas like advanced materials, biotechnology, quantum computing, and robotics. The increasing VC interest in these areas suggests a maturing ecosystem where investors are willing to back frontier technologies with the potential for profound, long-term impact, particularly where multiple advanced technologies converge to create novel solutions.

