PORTAL ASSET MANAGEMENT

Corporate Buyers Continue Buying Bitcoin

GameStop announced plans to privately issue US$1.3 billion worth of 0.00% convertible senior notes that will mature in 2030 and bear no regular interest. The company will also offer initial purchasers an option to buy up to an additional US$200 million worth of notes. The net proceeds from this offering are expected to be used for general corporate purposes, including the acquisition of bitcoin. Previously, GameStop announced that its board of directors had unanimously approved an update to the investment policy, deciding to include bitcoin in the company's fiscal reserve assets.

Meanwhile, MicroStrategy significantly increased its Bitcoin holdings by purchasing US$1.9 billion worth of the cryptocurrency, bringing its total to 528,185 coins, surpassing 2% of all Bitcoin in circulation. The acquisition was funded through equity sales and a new preferred stock issue.

Bitcoin Miners Will be Impacted by Tariffs

Tariffs are already having a major impact on the Bitcoin mining industry. With the overwhelming majority of mining hardware manufactured in China, the 34% tariff on Chinese imports is a big deal, and there are already ripple effects throughout the industry. The tariff has already catalysed an increase in mining hardware prices, with prices on Asia-located miners jumping 20 to 50%. As miners increasingly turn to US state-side hardware, the influx of new machines coming from China may slow down, causing a slowdown in the growth rate of mining difficulty, which will bode well for the profitability of incumbent Bitcoin miners.

In a notable merger, Eric Trump and Donald Trump Jr.'s firm, American Data Centers, combined with Hut 8, a Bitcoin mining and energy infrastructure company, to form American Bitcoin. The new venture aims to become the largest and most efficient cryptocurrency miner, with Hut 8 retaining an 80% stake and American Data Centers receiving 20%.

BlackRock's Larry Fink Warns Bitcoin Could Replace US Dollar

BlackRock CEO Larry Fink warned in his Annual Chairman's letter that mounting US debt could drive investors toward Bitcoin, threatening the dollar's global dominance. Fink issued a warning that the U.S. dollar's status as the world's reserve currency is "not guaranteed to last forever" amid growing payments on the burgeoning national debt. "If the U.S. doesn’t get its debt under control, if deficits keep ballooning, America risks losing that position to digital assets like Bitcoin," Fink wrote. Bitcoin has been branded as a safe haven for investors who are looking to avoid the perils of fiat currency, including inflation. Some believe that the end of the debt ceiling suspension could lead to a Bitcoin price boom. Others think, as Fink has stated, that the dangers of the national debt could increase Bitcoin adoption.

Stablecoins Get a Boost from Regulators

Stablecoins gained significant attention, with their market capitalization reaching US$235 billion, up from US$152 billion the previous year. Congress prioritized stablecoin regulation, with bipartisan support for legislation proposing regulatory oversight and reserve requirements. Major firms like Bank of America, Fidelity, PayPal, and Stripe positioned themselves to enter the space pending legislative outcomes.

Circle Internet Group disclosed a nearly 16% jump in revenue for 2024, as the USD Coin (USDC) issuer attempts a second go at listing on the New York Stock Exchange. The company reported revenue and reserve income of $1.68 billion for last year, compared with $1.45 billion in 2023. Net income from continuing operations was nearly $157 million in 2024 versus $271.5 million in the previous year. Circle had previously attempted to go public via a $9 billion merger with a special purpose acquisition company, but the deal was terminated in late 2022. It confidentially filed for an IPO last year. The company is expected to trade under the ticker "CRCL".

The End of Chokepoint 2.0?

On March 28, 2025, the Federal Deposit Insurance Corporation (FDIC) clarified that FDIC-supervised institutions do not need to provide notice or obtain approval from the FDIC prior to engaging in crypto-related activities. The FDIC under Acting Chairman Travis Hill, along with several other federal banking regulators in the second Trump administration, has positioned itself as more amenable to crypto than the regulators in charge under President Joe Biden. In a letter delving into the FDIC’s plans to stop regulating for reputational risk, Hill called out digital assets and noted that the FDIC had previously been “closed for business” to any bank expressing interest in blockchain technology. Under Hill, the FDIC is “actively working on a new direction on digital assets policy,” he wrote.

The Commodity Futures Trading Commission also modified its approach to crypto, announcing that derivatives from digital assets wouldn’t be treated differently than other derivatives.

Both changes follow close on the heels of guidance issued by the Office of the Comptroller of the Currency earlier in March affirming that national banks can engage in certain cryptocurrency-related activities.

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