

Title: Spot Bitcoin ETF Flows and Market Structure Code: NT-125 Author: Gabriel Berlitz Rondon Language: en Date: 2025-01 Methodology: future_outlook Tags: #etf #bitcoin #markets

Catalyst

SEC approval of multiple spot ETFs unlocked registered investment advisor (RIA) demand, generating multi-billion-dollar inflows in the first fortnight. Daily flow data now rivals Coinbase spot volume as the benchmark for institutional interest.

Structural Shifts

Authorized participants coordinate creations/redemptions with custodians like Coinbase Prime and Gemini, tightening spreads between CME futures, ETFs, and offshore spot. Market makers must manage 24/7 underlying markets against 9:30–4:00 ETF trading hours, forcing new hedging playbooks.

Experiment Log

We're tracking fee wars (BlackRock vs. Fidelity basis points), securities lending programs that monetize ETF baskets, and whether margin desks accept ETF shares as collateral alongside physical BTC.

Risk & Opportunity Grid

Opportunities: RIAs can allocate inside existing mandates, improving transparency and custody assurance. Risks: concentration at a handful of custodians, potential creation halts during volatility, and tax surprises if ETFs distribute capital gains after large redemptions.