

# Bitcoin Market Dominance from 2013 to 2025: A Quantitative and Historical Perspective

NIKOS E. MASTORAKIS

Technical University of Sofia,  
English Language Faculty of Engineering,  
Clement Ohridski 8, Sofia 1000  
BULGARIA

&

Hellenic Naval Academy  
Terma Chatzikyriakou, 18539  
Piraeus, GREECE

**Abstract:** - This paper study examines the evolution of Bitcoin's market dominance from 2013 through 2025. By analyzing twelve years of daily dominance data, this work reveals key inflection points in Bitcoin's share of total cryptocurrency market capitalization, identifies multi-year trends, and evaluates the effects of major events such as the ICO boom, institutional adoption, and regulatory developments. Results indicate that while Bitcoin's dominance has experienced substantial volatility, recent years reflect a resurgence toward historical averages.

**Key-Words:** - Bitcoin Dominance (BTC.D), Cryptocurrency, Market Trends, Altcoin Season, Market Capitalization, Institutional Adoption, Investor Sentiment

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## 1 Introduction

Since its inception, Bitcoin (BTC) has functioned as the benchmark cryptocurrency, often regarded as a proxy for the broader digital asset market. Bitcoin dominance (BTC.D), defined as the ratio of Bitcoin's market capitalization to the total market capitalization of all cryptocurrencies, provides a useful metric for evaluating market structure and investor sentiment. This paper presents a longitudinal study of Bitcoin dominance from April 2013 to July 2025, highlighting key historical phases, structural shifts, and implications for future market dynamics. Bitcoin dominance refers to the proportion of Bitcoin's market capitalization relative to the total valuation of the entire cryptocurrency market. It helps traders recognize overarching trends in the crypto

space and develop informed trading approaches. Bitcoin dominance measures the percentage of Bitcoin's market cap in comparison to the combined market cap of all other cryptocurrencies. Fluctuations in Bitcoin dominance can reflect broader market movements and investor sentiment, offering valuable insights for trading decisions. By keeping an eye on Bitcoin dominance alongside BTC's price action, traders can anticipate possible altcoin rallies (alt seasons) or bearish phases—helping guide whether to sell, hold, or accumulate based on individual strategy and risk appetite. This article presents a comprehensive analysis of Bitcoin dominance (BTC.D)—the ratio of Bitcoin's market capitalization to the total market value of all cryptocurrencies—from April 2013 to July 2025. As Bitcoin is the first and most prominent

cryptocurrency, its dominance serves as a valuable indicator of market structure and investor sentiment. By tracking BTC.D alongside Bitcoin's price, traders can better assess market conditions and time their strategies around altcoin rallies or Bitcoin bull runs. The study draws on daily data from CoinGecko and identifies five key phases in the evolution of Bitcoin dominance. In the early years (2013–2016), Bitcoin maintained overwhelming dominance, with averages exceeding 82% and peaking at 99.1% in May 2013. However, this period also experienced sharp, short-lived fluctuations, often driven by security breaches and low liquidity. The landscape shifted significantly during the ICO boom of 2017–2018, when altcoins rapidly gained traction and Bitcoin's market share fell to a historic low of 31.1% in January 2018. Recovery followed in 2019–2020, supported by the third Bitcoin halving and investor consolidation around established projects, driving BTC.D back above 60%. Between 2021 and 2022, Bitcoin's dominance fell again, despite hitting an all-time high in price. The rise of DeFi, NFTs, and competing Layer-1 blockchains led to a rotation of capital into altcoins. Yet from 2023 onward, Bitcoin dominance began to climb again, reaching an average of 59.3% in 2025. This resurgence has been fueled by increased institutional involvement, the approval of spot Bitcoin ETFs in the U.S., and a more stable regulatory environment following the FTX collapse. Moreover, the volatility of BTC.D has significantly decreased, suggesting a more mature and stable market. Structural thresholds—particularly the 60% and 70% dominance levels—have proven psychologically and technically significant over time. Since 2016, Bitcoin has not sustained levels above 90%, reflecting a trend toward a more diversified crypto ecosystem. The return to a 60%+ dominance in 2025 could indicate renewed centralization, but long-term trends suggest a multipolar market is still in place.

For traders, understanding Bitcoin dominance is critical. A declining BTC.D often points to altcoin outperformance, while rising dominance typically accompanies renewed strength in Bitcoin itself. Depending on price action, investors can adjust their portfolios—either accumulating BTC or rotating into altcoins—based on risk tolerance and market outlook. [1], [2], [3].

### How to Calculate BTC Dominance

$$\text{BTC Dominance} = \frac{\text{BTC Market Cap}}{\text{Overall Crypto Market Cap}}$$

$$\text{BTC Market Cap} = \text{All Circulating Coins} \times \text{Price}$$

## 2. Dataset and Methodology. Evolution of Bitcoin Dominance (2013–2025)

Daily Bitcoin dominance data from April 29, 2013, to July 22, 2025, were retrieved from CoinGecko. The dataset includes daily average values, minimums, and maximums for each calendar year. Percentage point changes were computed on a day-over-day (DoD) basis to assess volatility and trend inflections. Annual averages were used to assess macro trends across different market cycles. [4], [5], [6], [7], [8], [9]. See Figure 1.

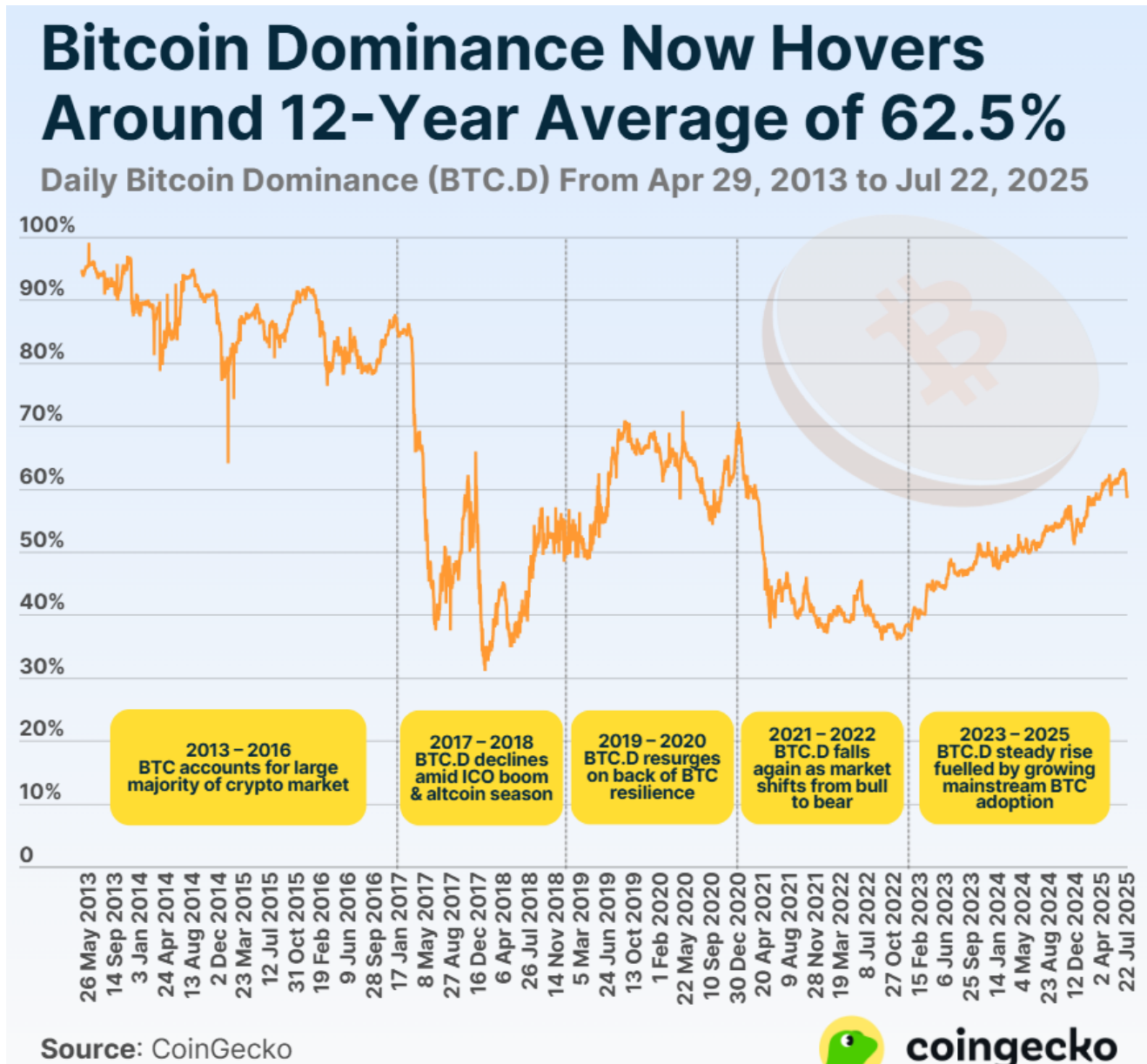


Fig.1 Bitcoin Dominance in the last 12 years

### A. Early Dominance: 2013–2016

Bitcoin commanded an overwhelming majority of the crypto market in its early years. Between 2013 and 2016, annual average dominance values remained above 82%, peaking at 93.3% in 2013. The highest recorded daily dominance during this period was 99.1% on May 29, 2013.

However, this phase also exhibited significant intraday volatility. On January 15, 2015, BTC.D dropped 16.2 percentage points from 80.2% to 64.0% in response to a sharp price decline amid the Bitstamp hack. Remarkably, the metric rebounded by 16.7 points the following day. Such extreme fluctuations reflect the fragility and low liquidity of the early market structure.

*B. The Altcoin Disruption: 2017–2018*

The proliferation of initial coin offerings (ICOs) and the emergence of prominent alternative cryptocurrencies led to a substantial contraction in Bitcoin's market share. BTC.D dropped to a historic low of 31.1% on January 16, 2018. The average dominance in 2018 was 44.6%, down from 58.5% in 2017. This period marked the first time Bitcoin represented a minority share of the crypto market.

Bitcoin dominance was particularly unstable in 2017, beginning the year at 87.2% and descending to 37.5% by year-end, with multiple mid-year recoveries and retracements.

*C. Recovery and Halving Effects: 2019–2020*

A resurgence in Bitcoin dominance occurred in 2019 and 2020, with yearly averages of 60.2% and 62.7% respectively. This rebound coincided with heightened anticipation of the third Bitcoin halving (May 2020), a consolidation of investor interest in established projects, and Bitcoin's renewed role as a gateway asset amid the rise of decentralized finance (DeFi).

The maximum BTC.D during this period reached 72.4% in 2020, marking a high not seen since early 2017.

*D. Altcoin Resurgence: 2021–2022*

The period from 2021 to 2022 was characterized by a renewed expansion of altcoin market capitalization. Bitcoin dominance declined from 69.5% at the start of 2021 to 38.6% by the end of 2022. During this interval, Bitcoin held a majority market share (i.e.,  $\text{BTC.D} \geq 50\%$ ) on only 106 out of 730 days (14.5%).

Despite Bitcoin achieving an all-time high in price in November 2021, its dominance diminished as capital rotated into emerging Layer-1 platforms, DeFi tokens, and non-fungible tokens (NFTs).

*E. Institutional Adoption and Stabilization: 2023–2025*

Since 2023, Bitcoin dominance has resumed an upward trajectory, increasing from 45.6% in 2023 to a current average of 59.3% in 2025. This reversal is primarily attributed to growing institutional adoption, the approval of U.S. spot Bitcoin exchange-traded funds (ETFs) in January 2024, and improved regulatory clarity post-FTX.

Notably, the volatility of BTC.D has decreased. Daily fluctuations have remained within  $\pm 1.6$  percentage points during 2023–2025, a marked reduction compared to earlier cycles.

**3. Structural Thresholds and Key Levels**

Historically, two psychological and structural thresholds—70.0% and 60.0%—have played critical roles. Since 2016, BTC.D has not sustained values above 90.0%, indicating increased market diversification. Furthermore, after peaking at 70.7% on January 3, 2021, Bitcoin has not surpassed the 70.0% mark again. On April 7, 2025, BTC.D reached 60.5%, marking the first time in four years the metric exceeded 60.0%. Since 2013, Bitcoin dominance has remained below 60.0% for slightly more than half the time, signaling a long-term trend toward a multipolar crypto asset landscape.

**4. Understanding Bitcoin Dominance for Traders****Bitcoin Dominance Chart Overview**

Typically, the overall movement of the cryptocurrency market tends to mirror Bitcoin's trajectory, as shown in the chart above. This correlation exists because Bitcoin is the original, most valuable, and widely recognized digital currency, and it significantly influences

the broader crypto ecosystem. For traders, a decline in Bitcoin dominance may indicate the beginning of an *altcoin season*—a phase where alternative cryptocurrencies outperform Bitcoin in terms of price growth, as capital flows shift toward these potentially higher-yielding assets.

Conversely, when both Bitcoin's dominance and its price are climbing, it may signal the onset of a *Bitcoin bull market*, characterized by a strong upward trend in BTC prices.

### Impact of Increasing Bitcoin Dominance on the Crypto Market

When Bitcoin's dominance begins to rise, it's important to also look at what's happening with the price of BTC.

If Bitcoin's price is also rising:

This reflects growing confidence in Bitcoin specifically, and often a reduction in investor appetite for altcoins.

Depending on one's investment strategy and risk appetite, this could be interpreted as an opportunity to increase BTC holdings or to prepare for profit-taking at target price levels.

If Bitcoin's price is falling:

This may indicate negative market sentiment, even if some altcoins are temporarily gaining traction.

In such scenarios, risk-averse investors might consider reallocating their funds—possibly reducing exposure to altcoins and increasing their Bitcoin reserves—as a defensive move.

## 5. Yearly Summary Statistics

The table below (from Coingecko) summarizes the annual average, minimum, and maximum

values of Bitcoin dominance from 2013 to 2025.

Year	Avg BTC.D	Min BTC.D	Max BTC.D
2013	93.3%	87.4%	99.1%
2014	88.5%	77.2%	95.0%
2015	86.3%	64.0%	92.1%
2016	82.6%	76.4%	91.7%
2017	58.5%	37.5%	87.2%
2018	44.6%	31.1%	57.1%
2019	60.2%	48.8%	70.7%
2020	62.7%	54.2%	72.4%
2021	47.6%	37.8%	70.7%
2022	39.3%	35.9%	45.6%
2023	45.6%	37.5%	51.6%
2024	51.9%	47.3%	57.4%
2025	59.3%	53.0%	63.2%

## 6. Conclusion

This article offers an in-depth examination of Bitcoin dominance (BTC.D)—the proportion of Bitcoin’s market capitalization relative to the overall value of the cryptocurrency market—spanning from April 2013 to July 2025. As the pioneering and most widely recognized digital asset, Bitcoin significantly shapes the crypto landscape, and its dominance serves as a key indicator of market behavior and investor sentiment. Monitoring BTC.D alongside Bitcoin’s price can help traders gauge market trends and make strategic decisions, such as preparing for potential altcoin rallies or sustained Bitcoin uptrends. The analysis, based on daily data sourced from CoinGecko, identifies five major stages in the historical evolution of BTC dominance. During the early phase (2013–2016), Bitcoin held a commanding share of the market, with annual averages above 82% and a peak dominance of 99.1% in May 2013. Despite this, the period was marked by considerable day-to-day volatility, often triggered by security incidents and the limited depth of the market. A turning point occurred during the 2017–2018 altcoin boom, fueled by the rise of initial coin offerings (ICOs), which caused BTC.D to plummet to an all-time low of 31.1% in early 2018. That period marked Bitcoin’s first instance of holding less than half the total crypto market value. Bitcoin’s dominance regained ground in 2019 and 2020, with average levels above 60%, largely due to anticipation surrounding the third halving event, growing investor preference for established projects, and Bitcoin’s re-emergence as a gateway asset amidst the DeFi boom. In contrast, the 2021–2022 window saw a renewed rise in altcoins. Despite Bitcoin reaching its highest-ever price in late 2021, dominance shrank as investor capital flowed into newer Layer-1 blockchains, decentralized finance platforms, and NFTs. From 2023 onward, Bitcoin dominance has staged a comeback, climbing from 45.6% in 2023 to an average of 59.3% in 2025. This shift is primarily driven by increasing institutional participation, the launch of spot Bitcoin ETFs in the U.S. in January 2024, and a more favorable regulatory climate

in the aftermath of the FTX fallout. Significantly, the volatility in BTC.D has diminished, suggesting a more mature and orderly market environment. Two dominance thresholds—60% and 70%—have historically served as important psychological and technical markers. Since 2016, BTC.D has not returned to levels above 90%, underscoring the ongoing diversification of the crypto sector. In 2025, the metric surpassed 60% for the first time in four years, possibly pointing to a renewed concentration in Bitcoin. However, the long-term trend still reflects the emergence of a broader, more diversified digital asset ecosystem. For market participants, understanding Bitcoin dominance is essential. A downtrend in BTC.D can signal stronger performance from alternative cryptocurrencies, whereas a rising BTC.D typically accompanies bullish momentum in Bitcoin itself. Depending on how BTC’s price is moving, investors may choose to rotate capital into Bitcoin, hold steady, or seek gains in the altcoin space—all contingent on their individual strategy and risk appetite. To sum up, Bitcoin dominance remains a vital tool for assessing the state and direction of the cryptocurrency market. Over the past twelve years, it has traced a path from overwhelming dominance to increased competition and, more recently, renewed strength driven by institutional support. Whether BTC.D climbs further or stabilizes within a diversified crypto landscape will depend on evolving market forces, technological advances, and investor behavior.

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