



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

11th January 2026

BITCOIN-RELATED



Walmart began enabling Bitcoin payments at checkout through its OnePay Cash platform.

According to Coin Bureau, this development potentially brings Bitcoin into the hands of over 150 million Walmart customers, marking one of the most significant real-world use cases for cryptocurrency payments to date.

CNBC: “Venezuela may have quietly amassed a Bitcoin reserve worth tens of billions of dollars. If the US seizes those coins and adds them to its own strategic reserve, you're looking at potentially substantial supply of BTC getting locked up for years.” (So far, there is currently no credible, verifiable evidence that Venezuela holds anything close to this amount of Bitcoin.)

Florida introduced a bill to create a Strategic Bitcoin Reserve, allowing up to 10% of key public funds to hold BTC and ETFs.

MSCI decided to not exclude Michael Saylor's Strategy and other Bitcoin treasury companies from its indexes. According to MSCI: “For the time being, the current index treatment of [crypto treasury companies] identified in the preliminary list published by MSCI of companies whose digital asset holdings represent 50% or more of their total assets will remain unchanged.”

Strategy acquired an additional 1,286 BTC for ~\$116.3 million between Dec. 29 and Jan. 4, according to an 8-K filing with the SEC.

Buck Labs launched the “BUCK” crypto token, backed by shares in Strategy (MSTR) and offering around 7% annual rewards. The token is not a stablecoin and allows users to earn rewards on idle capital through a minute-by-minute basis.

Bitcoin Magazine parent company BTC Inc. completed over \$1,000,000 in Bitcoin payouts in just one year with BTCPay Server.

INDUSTRY ADVANCES



Morgan Stanley plans to launch a digital asset wallet in 2026. The wallet is built to support cryptocurrencies and real-world tokenized assets (RWAs), including stocks, bonds and real estate, with plans to support more assets over time.

Major accounting firm PwC is leaning into crypto-related audit and consulting work after years of caution, citing a clearer regulatory backdrop as the catalyst. The firm said it now plans to be “hyper-engaged” with crypto clients, expanding services that includes advising companies on using stablecoins to improve payment efficiency.

Stripe is rolling out support for Crypto.com payments, letting users pay Stripe merchants with any token supported by the exchange, not just stablecoins.

Video streaming giant Rumble launched a crypto wallet, in partnership with Tether, to enable its audience to tip in crypto.

Ethereum saw its number of daily transactions reach an all-time high of 1.87 million on Dec. 31. The network’s number of new and active addresses also soared to multi-year highs. According to Nick Ruck (Director of LVRG Research): “The recent surge has been driven primarily by network upgrades that have slashed fees, boosted scalability, and attracted institutional participation via ETFs and real-world asset tokenization.”

Binance Futures debut silver perpetual contracts on Jan. 7, offering up to 50x leverage and settling in USDT.

JPMorgan’s Kinexys unit is taking JPM Coin beyond its existing rails, planning a native launch of the US dollar deposit token on the Canton Network.

Temple Digital Group launched a private, institutional trading platform built on the Canton Network, offering continuous 24/7 trading of digital assets using a central limit order book and non-custodial market structure.

Solana Labs subsidiary Solana Mobile confirmed the launch of its native ecosystem token SKR will take place on Jan. 21.

BitMine Immersion Technologies bought \$105 million worth of Ether in its first reported acquisitions of the new year. The company now holds 4.07 million ETH worth \$12.6 billion, representing 3.36% of the ETH supply, and still holds \$915 million in total cash reserves.

SharpLink Gaming has deployed \$170 million worth of ETH to Ethereum L2 scaling network, Linea, aiming to optimize on-chain yields. The firm's treasury of 864,840 ETH is staked via custodians, with recent deployment on Linea for additional rewards.

A governance fight erupted at CEA Industries after shareholder YZi Labs accused management of abandoning its BNB-only treasury strategy, demanding board changes, clearer disclosures, and governance reforms as the company moved to block any investor from gaining outsized control.

BNY announced plans to issue digital representations of customer deposits on the blockchain, using a private and permissioned blockchain for tokenized deposits. The move aims to enhance liquidity efficiency and reduce settlement friction for clients, with a focus on collateral and margin use cases.

British lender Lloyds Banking Group claimed bragging rights for completing the first UK gilt purchase using tokenized deposits. Lloyds, the third-largest bank in the country by market cap, enlisted the help of crypto trading platform Archax and the privacy-focused Canton Network to buy the government debt.

Tether introduced “Scudo,” a smaller unit for its gold-backed XAUT token equal to one-thousandth of an ounce, making it easier to trade and price tiny amounts of tokenized gold.

Polymarket rolled out taker fees specifically for its 15-minute up-or-down crypto price prediction markets. Updated documentation on its website notes all fees will go straight back to market makers as rebates in USDC, with fees going as high as 3% of the trade’s value.

Dow Jones will integrate Polymarket’s real-time prediction market data across its major financial news platforms, including The Wall Street Journal, Barron’s, MarketWatch, and Investor’s Business Daily.

Polymarket partnered with Parcl to launch real estate prediction markets, extending onchain speculation into property-linked outcomes.

Tennessee’s sports betting regulator ordered prediction market platforms Kalshi, Polymarket, and Crypto.com to halt the offering of sports event contracts to residents of the state. In cease-and-desist letters, the Tennessee Sports Wagering Council accused all three platforms of illegally offering sports wagering products without holding a license issued under the Tennessee Sports Gaming Act.

MINING



Coinbase now accepts Bitcoin mining hashrate as loan collateral through “Flexible Collateral Packages,” allowing up to 50% hashrate/50% Bitcoin splits.

Canaan launched a 3 MW pilot in Canada with Bitforest Investment using waste heat from liquid-cooled Bitcoin mining machines to supplement greenhouse heating for year-round tomato production.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



Global crypto ETPs pulled in \$47.2 billion worth of net inflows in 2025, finishing 3% below 2024's total as investor demand remained resilient, according to CoinShares data. Bitcoin-based fund inflows fell 35% year-over-year to \$26.9 billion as periods of price weakness cooled demand, while ETH, XRP, and Solana products captured \$20+ billion combined.

US spot Bitcoin ETFs pulled in \$697 million of net inflows on Jan. 5 – the largest daily total since October – as crypto sentiment improved at the start of 2026.

Morgan Stanley filed S-1 registration statements with the SEC to launch spot Bitcoin, Ethereum, and Solana ETFs.

South Korea is reportedly preparing to open its financial markets to spot Bitcoin ETFs this year, marking a shift in the country's long-standing approach to digital assets as regulators accelerate work on a comprehensive new crypto law.

The Grayscale Ethereum Staking ETF (ETHE) declared its first staking payout, distributing proceeds from Ether staking rewards to shareholders. Shareholders will receive \$0.083178 per share on Jan. 6, based on holdings the day prior. The payment covers rewards earned from Oct. 6 to Dec. 31, 2025, and is the first distribution of its kind from a spot crypto ETF issuer.

Grayscale became the third issuer to add staking rewards to its AVAX ETF filing. The updated proposal follows in the footsteps of BitWise and Van Eck, both of whom added staking rewards to their Avalanche ETF S-1 proposals.

The Nasdaq Stock Exchange and the CME Group joined forces to unify their crypto indexes, rebranding the Nasdaq Crypto Index as the Nasdaq-CME Crypto Index.

MarketVector Indexes announced the launch of two new indexes designed to capture critical infrastructure powering the next phase of digital finance: The MarketVector Stablecoin Technology Index and the MarketVector Tokenization Technology Index.

FUNDRAISING & OTHER FUNDING (\$5 MILLION OR MORE)



Stablecoin infrastructure firm Rain raised \$250 million, led by ICONIQ. The company plans to use the fresh capital to expand its stablecoin services across North and South America, Europe, Asia, and Africa.

Cango, a leading Bitcoin miner leveraging its global operations to develop an integrated energy and AI compute platform, has raised \$10.5 million in post-IPO equity, led by Enduring Wealth Capital Limited.

IPOS, M&A, PARTNERSHIPS & DEALS



Ripple reaffirmed it has no IPO plans and aims to stay private, citing strong balance sheet and growth focus.

Crypto data firm The Tie completed its first-ever acquisition by buying Estonia-based staking provider Stakin, adding a new infrastructure business line and bringing in a team that manages over \$1 billion in delegated assets across more than 40 blockchains.

Fireblocks acquired crypto accounting startup TRES for ~\$130 million, adding audit-ready financial reporting to its custody and transfer tools as it works toward becoming an all-in-one operating system for institutions using blockchain.

Coincheck Group, the Nasdaq-listed holding company behind one of Japan's largest crypto exchanges, agreed to acquire a 97% stake in Canadian digital asset manager 3iQ from its majority owner, Monex Group. The stock-purchase transaction values 3iQ at ~\$112 million.

Ethereum scaling network Polygon is reportedly in talks to acquire Coinme, a US Bitcoin ATM kiosk provider, for \$100-125 million.

DEFI



Aave Labs proposed sharing non-protocol revenue with AAVE token holders as a concession after the recent governance blow-up over fees, branding, and IP control. In a governance forum post, founder Stanislav Kulechov said Aave Labs will put forward a formal proposal to distribute revenue generated outside the core lending protocol to AAVE holders.

Flare Network listed FXRP on Hyperliquid, marking the first time spot XRP exposure is available on the DEX platform after previously being limited to perpetual futures. The launch introduced an FXRP/USDC spot pair, using a wrapped XRP structure to overcome the cryptocurrency's lack of EVM compatibility and prior non-custodial bridge constraints.

The Optimism Foundation, the entity behind L2 network Optimism, has proposed using 50% of Superchain revenue for monthly OP token buybacks.

DeFi platform Infinex, founded by Kain Warwick of Synthetix, revised its INX token sale terms after raising just \$600,000 in three days – far short of the \$5 million target from 5% of tokens at a \$99.99 million FDV.

CBDCS & STABLECOINS



Beijing enlisted WeBank, Alipay's MYBank, and eight major state banks to pay interest on digital yuan balances starting March 20, offering a modest 0.05% annualized return to boost adoption of China's CBDC while requiring stricter identity checks for eligible wallets.

A new cross-sector outlook report from Moody's said stablecoins are shifting from a crypto native tool to a core piece of institutional market plumbing. In the report, the ratings agency said stablecoins processed about 87% more settlement volume in 2025 than the year before, reaching \$9 trillion in activity based on industry estimates of onchain transactions, rather than purely bank-to-bank flows. Moody's said fiat-backed stablecoins and tokenized deposits are evolving into "digital cash" for liquidity management, collateral movements and settlements across an increasingly tokenized financial system.

President Trump's World Liberty Financial, where he remains listed as cofounder emeritus

alongside his three founder sons, applied for a banking charter with the OCC as part of a plan to bring its USD1 dollar-backed stablecoin on-shore and allow the company to offer custodial banking services to customers and to access national payment networks.

Wyoming launched FRNT on Solana, the first US state-backed stablecoin managed by Franklin

Templeton, held in a Wyoming trust exclusively in USD and short-term Treasuries.

Barclays made its first stablecoin-related investment by taking a stake in Ubyx, a US startup

building clearing infrastructure to help banks and fintechs accept and move regulated digital money such as stablecoins and tokenized deposits.

Jupiter launched JupUSD, a native stablecoin backed roughly 90% by BlackRock-linked assets and

Ethena's USDtb, underscoring Solana's push into institutional-grade stablecoin infrastructure.

RAKBank is preparing to join the UAE's fast-evolving stablecoin ecosystem after receiving in-

principle approval on Jan. 7 from the Central Bank of the UAE (CBUAE) to issue a UAE dirham-backed payment token.

Sei Network issued a warning to holders of USDC.n tokens, urging them to swap for native USDC

ahead of a major upgrade planned for March. The Sei team in a statement: "After this upgrade, USDC.n may become inaccessible or lose its value on the Sei Network."

NFTS, BLOCKCHAIN GAMING & METaverse



Nike quietly sold RTFKT, its NFT and virtual products subsidiary, exiting one of the most ambitious

brand-led Web3 experiments of the last cycle. The transaction reportedly closed in December 2025, with no disclosure around the buyer or financial terms.

JOB MOVEMENT



FINRA added former CFTC chair Rostin Behnam and Robinhood's top lawyer Dan Gallagher to its

board, bringing two influential crypto policy voices into the body that oversees US brokerage firms and shapes industry rules.

Binance appointed Tarik Erk as Regional Head for MENAT and Senior Executive Officer in Abu Dhabi,

reinforcing its regulatory and institutional focus.

SUI Group appointed former CFTC commissioner and a16z crypto global head of policy Brian

Quintenz to its board of directors, effective Jan. 5.

The entire Electric Coin Company team behind the privacy-focused Zcash blockchain resigned

after a governance dispute with its nonprofit board, with the developers now forming a new company –

leaving uncertainty around Zcash's future direction despite the protocol itself continuing to operate. The former team launched a new wallet called cashZ.

REGULATIONS, RULINGS & COMMENTARY



Senate Banking Republicans proposed an array of new changes to landmark crypto legislation as part of a “closing offer and state of play” they sent to Democratic negotiators ahead of a bipartisan member meeting Jan 5. The offer, which proposes changes to a previous GOP draft of the crypto bill that was released in September, includes more than 30 revisions to Title I of the legislation, which deals with the legal classification of digital assets. It also offers two new titles focused on investor protections and combating illicit finance, respectively.

US Senate Agriculture Committee will also hold a crypto market structure legislation markup next week in addition to the Senate Banking Committee.

TD Cowen estimates a 50-60% chance of US crypto market structure legislation passing in 2026, warning that delays could push passage to 2027 and implementation to 2029 due to partisan gridlock.

The American Bankers Association's Community Bankers Council urged US senators to tighten rules around yield-bearing stablecoins, warning that loopholes in the GENIUS Act could siphon deposits away from local banks. Community bankers said deposit outflows into yield-generating stablecoins would weaken banks' ability to lend to small businesses, farmers, students, and homebuyers who rely on local credit. Banking groups, including ABA President Rob Nichols, have argued that weak prohibitions on stablecoin rewards could divert trillions of dollars from the traditional banking system if left unaddressed.

Europe's new DAC8 crypto tax rules sparked fierce debate after taking effect, as centralized platforms must now collect user tax IDs and report annual transaction data to authorities, raising privacy concerns even as officials stress it is not real-time surveillance.

Japan's Finance Minister Satsuki Katayama said the government supports crypto trading through regulated stock and commodity exchanges. During the New Year opening ceremony at the Tokyo Stock Exchange, Katayama called 2026 Japan's “digital year” and added that the goal is to move crypto into existing market systems.

Iran's defense export agency is accepting cryptocurrency to pay for missiles, tanks, and drones as a way to bypass international sanctions, marking one of the first known cases of a state openly using crypto for weapons sales to foreign buyers.

Colombia's tax authority, DIAN, mandated crypto exchanges and intermediaries to collect and report detailed user and transaction data to curb tax evasion.

Ripple secured approval from the UK's FCA for an Electronic Money Institution license and crypto asset registration, clearing the way for expanded operations in the country.

Coinbase is halting Argentine peso fiat rails, which include bank and local payment links, for its Argentine users as of Jan. 31. Coinbase told users the move follows an internal review of performance

and long-term viability of its Argentina product, framing it as a deliberate pause rather than a permanent exit. It comes less than a year after Coinbase received regulatory approval to enter the Argentine market.

BUGS, OUTAGES, HACKS, SCAMS, ALLEGATIONS, INVESTIGATIONS, ENFORCEMENTS & WRONGDOINGS

Chainalysis reported illicit cryptocurrency addresses received a record lower-bound estimate of \$154 billion in 2025, up 162% year-over-year, driven largely by a surge in onchain activity linked to sanctioned entities.

Cambodian authorities arrested and deported Prince Group founder Chen Zhi to China following a joint investigation, as US prosecutors pursued a record \$15 billion Bitcoin seizure tied to alleged forced-labor scam operations that defrauded victims through crypto romance schemes.

Justin Sun still remains blacklisted by World Liberty Financial months after the project's turbulent September launch, leaving him unable to access a massive WLFI position that has since lost ~\$60 million in value. Sun was swept up in a broad wallet freeze tied to alleged insider selling and unusual on-chain activity; while other affected wallets have since been unfrozen or migrated, his remains locked with no clear explanation from the team.

A hacker seized control of a multi-signature crypto wallet and stole \$27.3 million, later pulling 1,000 ETH from Aave and washing a total of 6,300 ETH through Tornado Cash while still holding large leveraged bets tied to ETH and the DAI stablecoin.

Truebit's native TRU token lost 99% of its value after the protocol reported a major exploit that led to over \$26 million in losses.

The Flow Network shared a post-mortem of a Dec. 27 exploit that led to \$3.9 million in losses from the protocol, but no user balances were compromised. The attacker used 40 malicious smart contracts to orchestrate a three-part attack chain, extracting counterfeit tokens before Flow validators halted the chain after the exploit was detected.

A \$1.9 million settlement was reached between Maine regulators and Bitcoin Depot, resolving a two-year investigation into scam losses related to the company's cryptocurrency kiosks. The agreement requires compensation for Maine residents affected by fraudulent transactions and grants the company a money transmitter license in the state.

Blockchain trackers flagged three newly created Polymarket wallets that placed perfectly timed bets on Nicolás Maduro's removal hours before it happened, earning about \$630,000 from wagers focused only on Venezuela-related outcomes in what many observers view as a strong insider-trading signal. (US Rep. Ritchie Torres introduced legislation to bar elected officials and senior government staff from betting on prediction markets tied to political outcomes. Kalshi CEO Tarek Mansour publicly backed Torres' bill, saying the firm already enforces such rules.)

In a Jan. 8 interview, President Trump told The New York Times that he has no intention of pardoning Bankman-Fried, grouping him with other high-profile figures like Sean "Diddy" Combs whom he declined to consider.

Crypto wallet company Ledger confirmed that its users' personal data, including names and contact addresses, was compromised following a hack of its payment processor Global-e. Users were alerted to the breach on Jan. 5 by an email from Global-e, which “identified unusual activity on a portion of our network.”

A dark web listing offered access to Kraken's internal customer dashboard, potentially exposing sensitive data of crypto exchange users. The authenticity of the listing is uncertain, as sellers may fabricate listings to deceive buyers or law enforcement.

Prosecutors appealed a judge's dismissal of fraud claims tied to the Mango Markets exploit, arguing the court wrongly ruled that clicking a “borrow” button created no repayment obligation despite user guides describing interest and collateral requirements.

In Manosque, France, three masked men broke into a home, tied up a woman at gunpoint, and stole a USB drive containing her partner's crypto data. The victim managed to free herself and contact the police, leading to an investigation by local authorities.

Betterment warned users to disregard a crypto promotion message that circulated on Jan. 9, describing it as an unauthorized notification that was sent through a third-party system. (Screenshots shared on Reddit showed the notification urging recipients to send as much as \$10,000 worth of BTC or ETH to specified wallet addresses, with a promise that the funds would be “tripled” and returned within hours.)

Starknet halted block production for just over four hours, prompting an investigation and reviving reliability concerns following a disruptive outage earlier this year.

MISCELLANEOUS

Ethereum co-founder Vitalik Buterin claimed the blockchain trilemma – balancing decentralization, security, and scalability – was solved through live implementations of ZK-EVMs and PeerDAS.

Ethereum hit another key milestone in its scalability roadmap with the Fusaka upgrade's final Blob Parameters Only (BPO) fork. The second and final BPO fork raised the maximum blobs per block from 15 to 21 and the target from 10 to 14, completing the Fusaka upgrade's parameter-only adjustments.

The queue for validators looking to exit the network has cleared significantly, with the amount of ETH in the exit queue sitting at 5,568 ETH and very short wait times. It marks a major shift from heavy unstaking pressure just a few months ago. The amount of ETH in the exit queue hit a peak of 2.67 million ETH in September. In contrast, the entry queue holds about 1,321,188 ETH looking to be staked, with a wait time of 22 days.

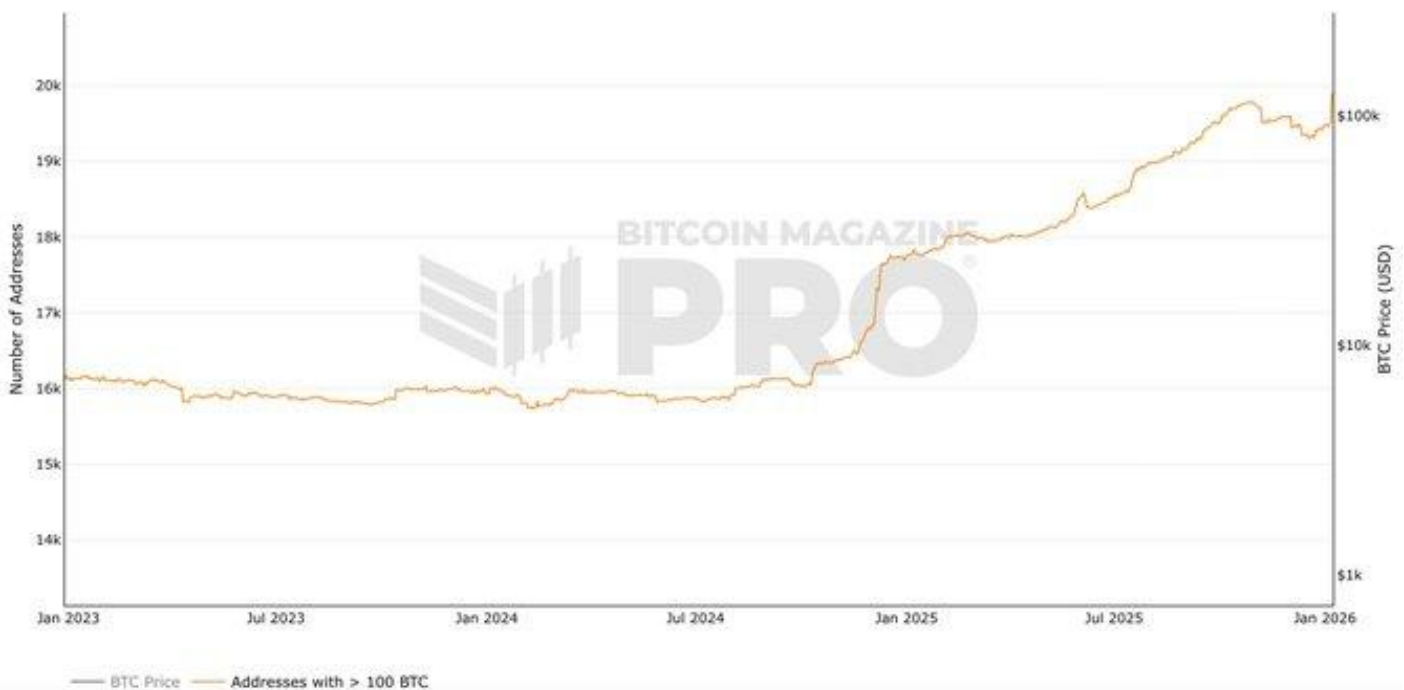
opBNB successfully executed its Fourier mainnet hardfork, cutting block time from 500ms to 250ms, with CZ confirming the upgrade and highlighting a major performance leap for BNB Chain's L2 stack.

The team behind decentralized exchange Lighter started an active buyback program of its native token LIT using its fees. (The LIT token was recently unveiled, with the team committing to allocate 50% of the token's 1 billion supply to the ecosystem.)

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Bitcoin Magazine: The number of addresses holding more than 100 Bitcoin hit a NEW ALL TIME HIGH. Whales are accumulating.

Bitcoin: Addresses with Balance > 100 BTC



Anthony Pompliano: The 4 Reasons Why Bitcoin Did Not Perform Well In 2025...

Lower risk = lower return

First, Bitcoin is much less risky today than at any other point in the history of the asset. No one believes the US government is going to shut Bitcoin down. The government isn't going to come and arrest Bitcoin holders. There is true decentralization, including from individual retail investors to the largest financial institutions in the world.

This decentralization removes the risk of a 51% attack, along with other nefarious actions that could fundamentally change the Bitcoin value proposition. Bitcoin has also gone through numerous economic situations without failing or going to \$0. The digital asset has dropped ~80% numerous times, weathered the COVID liquidity crisis, resisted the FTX collapse, and then survived the Federal Reserve hiking interest rates at the fastest pace in history.

This proven resilience means that the risk of holding Bitcoin is low. Add in the fact that many of the top financial institutions in the world are embracing the asset and it becomes very difficult to see a scenario where Bitcoin "fails." Because of this newfound conviction in Bitcoin's continued success, we should all expect a lower return moving forward.

Buying Bitcoin a decade ago was high risk, high reward. Buying Bitcoin today is low risk, medium reward. I expect Bitcoin to continue outperforming the stock market indexes over the next decade, but it won't deliver the 80%+ compound annual growth rate that we enjoyed in the past.

Global stability is returning

Bitcoin is supposed to be a hedge against chaos and economic uncertainty. When wars break out, and citizens around the world feel it will be necessary to resist censorship and seizures, Bitcoin becomes an attractive asset.

However, since President Trump took office there has been more global stability than before. The Israel/Hamas conflict is over. Russia and Ukraine are closer to signing a peace deal than ever before. Iran's nuclear capabilities have been drastically reduced. The southern border is closed. And former Venezuelan President Nicolas Maduro was removed from his country over the weekend.

This "peace through strength" approach is really about the United States returning to its position atop the global world order. There are consequences for people who get out of line. Bad people understand that the US will hunt them down to capture or kill them.

All of this creates less chaos and more predictable geopolitical relationships. If there is less chaos, then the chaos hedge (Bitcoin) is not sought after like it would otherwise be.

Wall Street plays different games

Bitcoin was a long-only game for most of the last 15 years. Anyone with an internet connection could acquire the asset and hold it while they hoped the price went higher. Once Wall Street and the large financial institutions got involved, the game changed substantially.

You can think of these changes as a way of “civilizing” Bitcoin. Many of the early Bitcoiners, who are more akin to cowboys, don’t want to be civilized though. They were attracted to the asymmetric returns and they loved the fact that Bitcoin had a libertarian flavor to it. The more “outside the system” Bitcoin was, the more these cowboys wanted to buy.

Now that Bitcoin is being pulled into the legacy financial system (ETFs, treasury companies, funds, options, etc.), early holders of Bitcoin are exiting at a higher pace than normal. Some of them are selling their Bitcoin outright. Others are using complex financial structures to reduce tax burdens, including renouncing US citizenship.

But ProCap Financial CIO Jeff Park points out that some OGs are intelligently using options to sell away the upside of their Bitcoin exposure in exchange for yield. These covered call strategies are applying significant pressure on Bitcoin’s price, which is contributing to the asset’s lack of upside movement.

Bitcoin is not the only girl at the party

Lastly, Bitcoin has historically been the most popular asset available to investors seeking extreme asymmetry and volatility. If you wanted to make a lot of money, you probably wanted to have some Bitcoin.

Bitcoin can no longer claim that exclusive title anymore. Investors are being bombarded with artificial intelligence, prediction markets, self-driving cars, humanoid robots, rockets, drones, brain computer interfaces, nuclear energy, and many other groundbreaking technologies.

This is a great time to be a risk-taker. You have a buffet of opportunities to put in your portfolio. This increased opportunity set fractures the capital, verbal conversation, and mental energy that would have been devoted to Bitcoin.

Counter-argument

As I have been thinking about Bitcoin’s performance last year, I did my best to argue the opposite of my view as well. The best counterargument would be gold. Gold isn’t the sexiest asset. The precious metal is supposed to be a chaos hedge as well. Gold has been part of the legacy financial system for decades.

But gold had the best year in the history of the asset in 2025. So Bitcoin’s price not only disappointed, but it did so while another sound money asset was putting in historic numbers. Does that mean my analysis is wrong? Not necessarily.

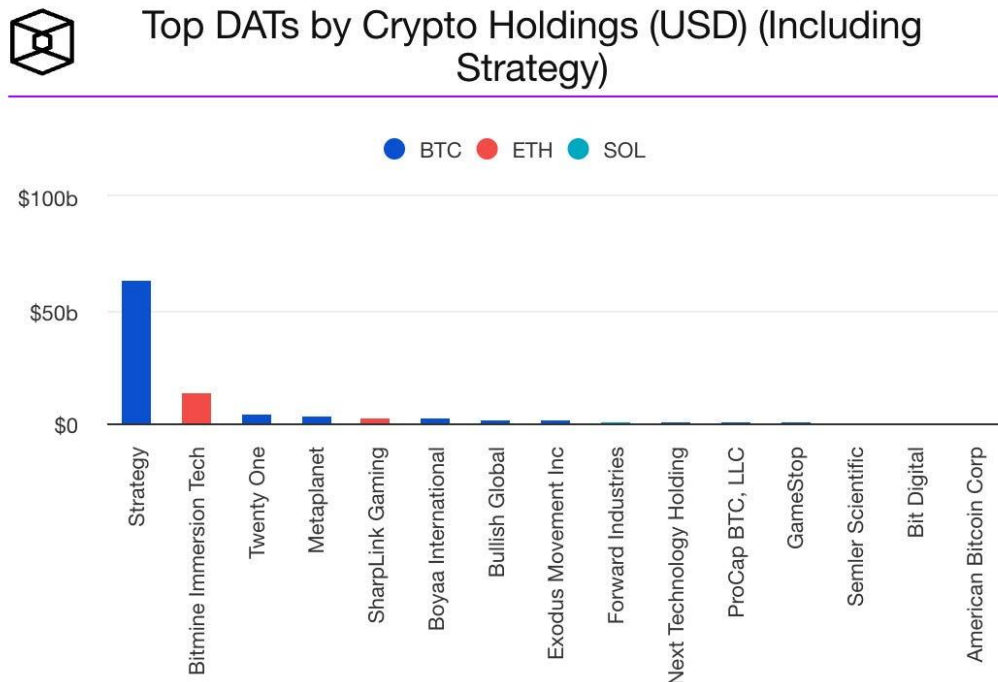
Bitcoin is a younger, smaller asset. There are individual public companies with a larger market cap than the entire Bitcoin market cap. So it wouldn’t surprise me if Bitcoin’s disappointing performance is attached to the transition the asset went through over the last 18 months. Macro investor Jordi Visser has called this the “Bitcoin IPO moment.”

Conclusion

The argument to own Bitcoin has always been a version of “Bitcoin is a digital, decentralized, store-of-value asset that has a finite supply and programmatic monetary policy, which can be audited by anyone at any time.”

Regardless of the market conditions, or the behavior of various holder cohorts, I still believe the argument to own Bitcoin is very strong. It is a substantial percentage of my personal net worth and I ended 2025 with more Bitcoin than I started the year with. As the late Charlie Munger once said, “The big money is not in the buying and selling, but in the waiting.”

Scott Melker: The DAT market is extremely top-heavy. BitMine is roughly a quarter the size of Strategy, yet it still dwarfs nearly everyone else across both BTC and ETH exposure. This is a pond with one big fish, one medium fish, and a lot of guppies. Size means liquidity, access to capital, and flexibility. Size buys time – and only the very top players have that luxury.



Conclusion from Coin Metrics’ “State of The Network” weekly report from 1/6/26. (Read the full report, [here](#).)

The first week of 2026 points to a cautiously constructive setup with the market finding its footing. Institutional flows have resumed, whale distribution is cooling, and derivatives positioning suggests cautious optimism without excessive leverage. Onchain activity remains robust, with stablecoin flows turning positive. That said, geopolitical developments around the United States and Venezuela bear watching as a potential source of near-term volatility for safe haven assets and global markets.

Conclusion from Glassnode’s “The Week On-Chain” from 1/7/26. (Read the full report, [here](#).)

Bitcoin enters the new year having cleared a significant portion of legacy positioning across spot, futures, and options markets. The late-2025 deleveraging event and year-end expiry cycle have effectively reset the market’s structural constraints, leaving behind a cleaner and more transparent signal environment.

Early signs of renewed engagement are emerging. ETF flows have begun to stabilize, futures participation is rebuilding, and options markets show a clear shift toward upside participation, with skew normalizing, volatility bottoming, and dealer gamma flipping short across key upper-range strikes.

Together, these dynamics suggest the market is transitioning away from defensive, distribution-driven behavior toward selective re-risking and rebuilding participation. While structural accumulation remains measured, the clearing of positioning overhangs and the re-emergence of upside expression indicate that Bitcoin begins 2026 on a cleaner footing, with improving internal market structure and renewed optionality for expansion.

Matt Hougan's (Bitwise) Weekly CIO Memo: "Three Checkpoints for a Rally – If We Get These Three Things, Crypto Is in for a Very Good Year."

Crypto is off to a good start in 2026. As I write this memo on Monday, January 5, both Bitcoin and Ethereum are up 7% year-to-date. Speculative altcoins are up even more: Dogecoin, for instance, is up 29%.

Can the rally continue?

I spent much of the holiday thinking about what needs to happen for crypto to see a sustained rally in 2026. I believe there are three big hurdles standing between us and new all-time highs. Fortunately, we've already cleared one.

Hurdle #1: No October 10-Style Blow-Ups

On October 10, 2025, crypto experienced the largest liquidation event in its history, with \$19 billion in futures positions wiped out in a single day. In the aftermath, many worried that the event had impaired major market makers and/or hedge funds—perhaps fatally.

One of the reasons crypto struggled to rally in Q4 was that investors worried one of these big players might have to wind down operations, a process that typically requires the forced sale of assets. These potential sales hung over the market like a heavy fog.

The good news: If it were going to happen, it probably would have happened by now. While there's no guarantee, any firm winding down operations would most likely have tried to wrap up by year's end. One of the reasons I think we've rallied to start this year is that investors have put October 10 in the rearview.

Status: Green Light

Hurdle #2: Passage of the Market Structure Bill

The crypto market structure bill, known as the "CLARITY Act," is currently winding its way through Congress. The Senate is targeting January 15 for markup, a process that involves aligning drafts in the Senate banking and agriculture committees and pushing the final bill to a vote. Hurdles remain, including competing visions of how to regulate DeFi, stablecoin rewards, and political conflicts of interest. But if the bill can make it through markup, it would represent a huge step toward approval.

Passage of the CLARITY Act is key to the long-term future of crypto in the US. Without legislation, the current pro-crypto regulatory tilt at the SEC, CFTC, and other agencies could reverse under a new administration. Passage of the Act would enshrine core principles into law and provide a strong foundation for future growth.

White House crypto czar David Sacks says “we are closer than ever” to passing the bill. Kalshi puts the odds at 46% by May and 82% by year’s end. I’m cautiously optimistic.

Status: Yellow Light

Hurdle #3: A Reasonable Equity Market

The final piece of the puzzle is for the broader equity market to stay intact. We don’t need a raging bull market; crypto is not highly correlated with stocks. But a sharp collapse—say, a 20% pullback in the S&P 500—would take the shine off of all risk assets in the short term, crypto included.

I can’t claim any special expertise on the equity markets. Some are worried about an AI bubble, but prediction markets currently see a relatively low probability of a recession in 2026 and a roughly 80% probability of S&P 500 gains.

Status: Yellow Light

Conclusion

There is a lot to like in the crypto market right now. Institutional adoption is growing, real-world use cases like stablecoins and tokenization continue to surge, and we’re just starting to feel the benefits of the pro-crypto regulatory push that started in January 2025. If we hit the three milestones above, I think 2026’s early momentum will have some serious legs.

NYDIG highlighted 10 important crypto trends that investors should keep an eye on for 2026...

1. Cycles vs. Secular Growth Remains the Key Question

Crypto enters 2026 still framed by the clash between repeating cyclical patterns and claims of long-term secular growth. Historical four-year cycles have dominated bitcoin's price history, yet growing institutional adoption, regulatory clarity, and political support in the US complicate simple analogies to prior periods.

While "cycles" is still the null hypothesis to be disproved, we offer another viewpoint. Rather than attempting to resolve the debate through market timing, investors should increasingly emphasize allocation strategies designed to withstand multiple regimes. The focus shifts from predicting cycle turns to structuring exposure that can persist through volatility, drawdowns, and extended consolidation phases. "Allocate, don't speculate" is our suggestion.

2. Volatility Continues to Structurally Compress, but Tail Risk Persists

Long-term volatility in crypto assets, particularly bitcoin, continues to trend lower as market depth improves, derivatives markets mature, and institutional infrastructure expands. However, we expect volatility compression to be uneven and punctuated by episodic spikes driven by macroeconomic shocks, regulatory developments, leverage unwinds, and idiosyncratic crypto events. For institutional portfolios, crypto increasingly resembles other alternative assets: returns must be evaluated alongside drawdown behavior, liquidity under stress, and correlation dynamics. While the decline in volatility might be lamented by volatility sellers, the positive is that a much-reduced volatility makes it much more palatable for spot allocations, either in risk parity or even traditional portfolios.

3. Bitcoin Dominance in a Post-Narrative Cycle

We think market leadership in 2026 continues to consolidate around bitcoin, reflecting the industry's shift away from narrative-driven expansion toward structural integration and institutional adoption. Bitcoin's regulatory positioning, liquidity profile, and conceptual simplicity as "digital gold" make it uniquely compatible with balance-sheet allocation, collateral usage, and long-duration holding strategies. Innovation continues across the broader ecosystem, particularly among major Dapp platforms such as Ethereum and Solana. These networks not only support DeFi, one of crypto's core use cases, but also enable asset issuance, tokenization, real-world assets (RWAs), and stablecoins, all of which we expect to see significant growth in 2026 and beyond.

4. Crypto Becomes a Balance-Sheet Asset, Not a Trade

Institutions increasingly approach crypto exposure as a balance sheet decision rather than a tactical trade. Considerations around custody, accounting treatment, financing, collateralization, and capital efficiency take precedence over short-term price moves. This shift reframes crypto as a treasury and risk-management asset, comparable to commodities or foreign exchange exposure, rather than a purely speculative instrument. As a result, the questions that matter most concern how crypto is held, financed, and governed over time, not simply when it is bought or sold.

5. TradFi and Crypto Integration Deepens Through Market Infrastructure

The integration of crypto into traditional financial systems continues to accelerate across custody, settlement, collateral management, and asset allocation. We think this trend continues in 2026 regardless of price action, which is very different than in 2022 where most major institutions shelved or scuttled their crypto initiatives amidst the industry downturn. Over time, the distinction between “crypto infrastructure” and “financial infrastructure” becomes increasingly blurred, even as asset-level risks remain distinct.

6. Stablecoins Emerge as Institutional and Payments Settlement and Liquidity Infrastructure

Stablecoins evolve beyond their origins as trading utilities into core institutional settlement and liquidity instruments. Adoption expands across payments, treasury operations, collateral transfers, and interbank movement, offering speed and programmability unavailable in traditional rails. As stablecoins scale, we expect the old guard to continue to push back with the fears of “banking reserve drainage.” Regardless of how that’s settled in legislation/regulation, we expect stablecoins to be increasingly viewed not as speculative assets, but as financial plumbing.

7. Tokenization and RWAs Drive Collateral Utility and Capital Efficiency

Tokenized real-world assets (RWAs), particularly government securities and money-market instruments, demonstrate some of the clearest product-market fit in crypto. In 2026, their importance extends beyond yield generation to collateral utility, financing efficiency, and balance-sheet optimization. Institutions increasingly value tokenized assets for their ability to move seamlessly across venues, integrate into risk systems, and support capital-efficient strategies. We think tokenization shifts from experimentation (the designs and approaches are still varied) toward practical deployment within existing financial processes.

8. DATs: Leveraged Crypto Exposure Forces Capital Discipline

Digital Asset Treasuries (DATs) continue to evolve as a distinct category, offering public-market exposure to crypto assets through corporate balance sheets. We expect these entities to trade as leveraged crypto beta, with equity returns dominated by underlying asset price movements. We expect DATs trading at persistent discounts to NAV to feel pressure on management teams to demonstrate capital allocation discipline, transparency, and shareholder alignment. Over time, these dynamics drive consolidation (we’ve already had 1 DAT M&A), governance scrutiny, and a clearer distinction between DAT business models.

9. Quantum Computing: Not an Immediate Threat, but Planning Begins

Quantum computing (QCs) is THE crypto risk for crypto investors now (it affects all of crypto, not just Bitcoin) and is likely to remain that way throughout 2026. While a crisis is far from imminent, QCs represent a long-term existential threat, and recent advancements are turning the relevant question from “if?” to “when?” We don’t expect 2026 to be the year in which the QC threat is real, but we do expect planning to begin in earnest. Numerous topics need to be researched and vetted — technology, economics, governance, to name a few. Don’t expect a QC fix to be fast or without contention, especially for Bitcoin, even if there are off-the-shelf solutions already available designed for a post-QC world.

10. Regulatory Clarity Continues to Benefit the Industry

Regulatory progress, driven by the market structure legislation but also around regulatory rule making and guidance, continues to reduce uncertainty for institutional participants, particularly around asset

classification, custody, and intermediary oversight. This clarity enables greater participation by regulated entities, accelerating the growth of institution-facing crypto activity. At the same time, there are still unresolved questions around decentralized protocols that if not addressed, reinforce a bifurcated market structure. Regulated and permissionless crypto systems grow in parallel, with capital flowing between them under distinct constraints rather than converging into a single regime.

Arca: Five Predictions for Crypto in 2026: Less Narrative, More Reality...

Before getting into 2026, it's worth closing the book on 2025: a year that, depending on how you look at it, was either deeply frustrating or quietly constructive. From a price perspective, 2025 was undeniably disappointing. From a fundamentals and market-structure perspective, however, most of what we expected actually happened. Regulatory pressure eased meaningfully, bipartisan legislation finally began moving through Congress, token issuance expanded beyond crypto-native protocols, Wall Street accelerated its tokenization efforts, and real assets (not just quasi-equity tokens) began moving on-chain. If there was one clear miss, it was price. And if there was one thematic miss, it was probably the speed and depth of the AI-crypto intersection, which progressed more slowly than we expected despite long-term inevitability. Taken together, we'll give ourselves a B+ on predictions and an F on short-term returns. This is a familiar outcome in an industry that continues to reward patience far more than narrative timing.

Looking ahead, many of the forces that mattered in 2025 will matter even more in 2026, but with sharper consequences.

Prediction #1: This industry will start to see better long-term stakeholder alignment based on the success of HYPE.

The first and most important prediction is that long-term stakeholder alignment will become non-negotiable. The original promise of tokens was always to align founders, employees, users, and investors in the same economic system. In practice, much of the industry forgot that. What changed in 2025 was proof. Hyperliquid showed that linking token value to platform performance, particularly through its 99% revenue buyback model, can scale effectively. Binance and Bitfinex did this years ago with BNB and LEO. Others did not. At the same time, we saw the downside of misalignment play out publicly: disputes between protocol DAOs and operating companies, acquisitions that ignored token holders, and governance structures that funneled value everywhere except to the token itself. In 2026, issuing a token with no clear financial or utility-based value driver will become increasingly untenable. This isn't just about increasing the value of tokens- it's about preventing structural decay. Alignment won't be a differentiator; it will be table stakes.

Prediction #2: In the coming year, anticipate the emergence of hybrid valuation frameworks that integrate on-chain analytics with traditional financial metrics. Tokens will be assessed more similarly to equities or credit instruments.

Second, we expect the emergence of hybrid valuation frameworks that finally move token analysis beyond vibes and charts. Every asset class starts this way. Equities traded for centuries before Graham and Dodd introduced valuation discipline. Bonds existed long before Frank Fabozzi helped to make duration, convexity, and credit analysis become standard. Tokens are no different. The challenge, of course, is that there is no "one-size-fits-all" token. Some tokens look like equity, some like commodities, some like software licenses, and others like nothing at all. But in 2026, we expect more consistent frameworks that integrate traditional financial analysis (cash flows, buybacks, issuance schedules) with on-chain analytics (usage, staking behavior, velocity, utility). Not everything will be valued with a DCF,

and Bitcoin will never fit cleanly into these models, but for revenue-generating platforms like Hyperliquid, Pump.fun, Aerodrome, Binance, and others, pretending that valuation doesn't matter will increasingly be a losing strategy.

Prediction #3: Companies need to modify their communication strategies with potential investors to attract new capital that targets specific sectors and nuances within crypto, rather than solely focusing on Bitcoin or crypto as a hedge.

Third, communication strategies across the industry will need to mature. The idea of "crypto as a macro trade" has outlived its usefulness. Fund managers, exchanges, and service providers will have to stop speaking to the lowest common denominator and start differentiating by sector, structure, and token design. Generic crypto funds will give way to more targeted strategies (DeFi, RWAs, L1s, cash-flow-positive protocols, and beyond). Likewise, the industry's largest gatekeepers need to rethink how they educate investors. When research teams spend more time writing macro commentary than explaining token mechanics, value accrual, and sector dynamics, something is broken. If investors can't tell the difference between a stablecoin, a governance token, a meme coin, and a cash-flow-producing protocol, that's not a market problem- it's an education problem.

Prediction #4: Digital assets will absorb parts of traditional finance rather than replace them.

Fourth, digital assets will absorb traditional finance rather than replace it. The long-term outcome was never TradFi versus crypto; it was always convergence. The mistake of the past two years was taking native crypto assets and forcing them onto slow, antiquated TradFi rails through ETFs, DATs and legacy settlement systems. That was one step forward and two steps back. The real opportunity is moving high-quality traditional assets like equities, bonds, and real estate onto better technological rails via blockchain. Stablecoins were the first proof point: \$300+ billion of dollar-denominated debt now lives on-chain. Stocks, credit, and real assets will follow, which is a \$600 trillion+ opportunity. When investors can trade crypto and traditional assets from the same wallet, with the same settlement logic, blockchain's value proposition finally becomes obvious.

Prediction #5: CeFi will be the consumer-facing UI, and all the backend will happen within DeFi.

Finally, DeFi will continue taking market share from centralized finance, not because of ideology, but because of efficiency. Five years ago, DeFi represented roughly 1% of activity. Today, it's closer to 25% across spot, derivatives, and lending and is continuing to grow. Liquidity concentrates where barriers are lowest, execution is cheapest, and access is permissionless. Over time, centralized exchanges will increasingly function as familiar user interfaces layered on top of decentralized liquidity, not as proprietary and fragmented liquidity silos. Investors may still log into Coinbase or Binance, but the liquidity they access will increasingly live elsewhere.

Taken together, these trends point to a simpler conclusion for 2026: less narrative, more structure. Crypto doesn't need louder stories. It needs better alignment, clearer valuation, smarter education, and infrastructure that actually improves asset movement. The industry made real progress in 2025- just not in price. Whether 2026 rewards that progress remains to be seen, but the direction is becoming harder to ignore.

Crypto exchange Bybit released its “2026 Crypto Outlook.” (See key findings below. Read the full 31-page report, [here](#).)

Macro environment and cross-asset dynamics: The outlook notes that markets are pricing in further monetary easing by the US Federal Reserve, a backdrop that could support risk assets more broadly. Bitcoin has recently lagged US equities, and the report highlights the potential for a renewed positive correlation between Bitcoin and major equity indices should macro conditions remain accommodative.

Derivatives market signals: Based on options market data analyzed in the report, there is currently a 10.3% implied probability of Bitcoin trading at \$150,000 by the end of 2026. The report emphasizes that this figure reflects market pricing rather than a forecast, and suggests that current options markets may be conservatively positioned relative to the broader macro and regulatory environment.

Policy and event-driven risks: While the overall backdrop is described as constructive, the report underscores the importance of monitoring key policy and event risks. These include a looming decision regarding Strategy's potential exclusion from major stock indexes, which could affect market sentiment, as well as the possibility of policy tightening by the Bank of Japan later in 2026, a development that could introduce volatility across asset classes.

Structural developments influencing long-term trends: The report identifies real-world asset tokenization as a key structural theme for 2026, building on the expansion of stablecoin adoption by regulated institutions in 2025. It also highlights increased attention to strengthening crypto market infrastructure, including efforts to address emerging technological risks such as those associated with advances in quantum computing.

Outlook: The 2026 Crypto Outlook concludes that although market cycles, sentiment, and volatility remain defining features of crypto markets, the interaction between these forces is evolving. Increased institutional participation, regulatory engagement, and macroeconomic support may allow digital assets to diverge from historical patterns, even as uncertainty and episodic volatility persist.

Highlights from Travis Kling's (CIO – Ikigai Asset Management) monthly commentary...

Opening Remarks

Happy New Year! Welcome to 2026! I wish you the best in the coming year. 2025 was a disappointing year for crypto prices, even as crypto enjoyed a slew of seemingly positive headlines and unprecedented political support at the highest levels and all the way down.

Two years ago, on 1/1/24, I said –

“I am not optimistic about crypto use cases gaining mass adoption in 2024. I wish I saw it differently. It’s certainly not a barren wasteland, but I don’t think we’re on the precipice of finally nailing the product-market fit problem that has ailed crypto for as long as I’ve been in it (stablecoins aside, which are the most successful products in crypto history and are the closest thing we have to mass adoption).”

A year ago, on 1/1/25, I said in my list of predictions for 2025 –

“Crypto use cases will continue to struggle to find product market fit in providing solutions to real world problems that lead to significant mass adoption.”

Both of those turned out to be utterly correct.

But in 2025, unlike years past, the market finally kinda called crypto on its BS. In 2025, the market decided it was no longer smoking what crypto was rolling. All the hand-waving and dream-peddling that crypto had been serving up for years was finally turned away in 2025. The market realized this stuff doesn’t have product-market-fit. The market realized there is not a clear path to PMF. And the market realized this stuff is significantly overvalued. So market participants left crypto in droves. Outside of BTC and stables, there are many, many less crypto market participants today than there were a year ago, two years ago, four years ago, five years ago...

Thus, crypto prices badly underperformed the rest of the market in 2025. Gold was +64%, QQQ was +20%. And BTC was -6%. ETH was -11%. Total3 was -15%. SOL was -35%. OTHERS was -43%. Big underperformance from crypto in an otherwise strong year for financial markets.

And so now I gotta show up here again on 1/1/26 and hit you with another broken record. But to the extent people like reading these letters, I get the sense it’s because I call it like I see it.

So here we are again, for the third consecutive start to the new year –

Crypto still does not have PMF outside of BTC and stables. And now we have the quantum risk to deal with for BTC, which brings its long-term PMF back into question. Stables proliferated in 2025 and will likely continue to do so in 2026. But the valuations of the L1s and L2s that shuttle those stables are in question- whether that’s \$350bn for ETH, \$75bn for SOL, \$30bn for TRX or any of the others.

There has been much noise made about the “tokenization” of financial assets. The crypto industry has been dreaming about this since before I got into it, but there was real progress made on the tokenization front in 2025. Check the Monthly Highlights below and the highlights from months past. Wall Street and tech companies are actually making real moves towards blockchain. That is not a mirage. Stables are

leading in this regard, but stocks and debt and commodities and repo and money market funds and all sorts of other traditional financial instruments are heading that way as well.

Unfortunately, a lot of that is not necessarily going to occur on public, permissionless blockchains that have an existing tradeable token. It is not clear that ETH or SOL or TRX or any of the L2s are going to end up being the home for the majority of this future incremental tokenization growth. RobinHood is putting stocks “on the blockchain”, but they forked a permissioned version of Arbitrum. Stripe is putting payments “on the blockchain” but they’re rolling their own private, permissioned blockchain with Paradigm. The DTCC is going to settle financial transactions “on the blockchain”, but it will be done on Canton Network, the private, permissioned network owned by Wall Street...Many such cases.

It does seem like this tokenization trend will be front and center for crypto in 2026, if for no other reason than a lack of much else worthwhile to talk about. To be clear, this is a notable improvement over the scams, grifts, solutions-looking-for-problems, vaporware and memecoins that have dominated the Alt landscape over the last couple years. But it remains to be seen how much of this value that’s created by tokenization will end up accruing to ETH, SOL, ARB, etc. You’ll never believe this, but the Wall St and tech companies that are actually implementing tokenization appear to be doing so in a manner where the value created through tokenization accrues back to them, not to crypto traders. Imagine that.

So 2026 is set to be another sort of transitional year for this ecosystem to which I have dedicated the last eight years of my life. Every year has been a transitional year for crypto in a sense. But 2025 was a different sort of transitional year. 2025 was a year where the market collectively realized that crypto is “the inferior casino”. 2026 is set to be a continuation of this realization, which may end up being kinda boring and generally not great for prices. But perhaps a year from now I won’t have to repeat myself for the fourth time about a lack of PMF coupled with insane overvaluations.

I will provide some 2026 predictions in the Closing Remarks.

Asset Class	Dec	Nov	Oct	Q4-25	Q3-25	Q2-25	Q1-25	YTD	2024	2023	Instrument
Bitcoin	-3%	-17%	-4%	-23%	6%	30%	-12%	-6%	121%	155%	BTC
NASDAQ	-1%	-2%	5%	2%	9%	18%	-8%	20%	25%	54%	QQQ
S&P 500	0%	0%	2%	2%	8%	11%	-5%	16%	23%	24%	SPX
Total World Equities	0%	0%	2%	2%	8%	10%	-1%	20%	14%	19%	VT
Emerging Market Equity	1%	-2%	4%	2%	11%	10%	4%	31%	4%	6%	EEM
Gold	2%	5%	4%	11%	16%	6%	19%	64%	27%	13%	GLD
High Yield	0%	0%	0%	-1%	0%	3%	0%	3%	2%	5%	HYG
Emerging Market Debt	0%	0%	2%	1%	3%	2%	2%	8%	0%	5%	EMB
Bank Debt	0%	0%	0%	0%	0%	1%	-2%	0%	-1%	3%	BKLN
Industrial Metals	4%	0%	7%	12%	4%	3%	2%	22%	3%	-6%	DBB
USD	-1%	0%	2%	0%	1%	-7%	-4%	-9%	7%	-2%	DXY
Volatility Index	-9%	-6%	7%	-8%	-4%	-24%	28%	-14%	39%	-43%	VIX
Oil	-3%	-2%	-2%	-6%	1%	-5%	2%	-8%	13%	-5%	USO

Source: TradingView. As of 12/31/25.

	Dec	Nov	Oct	Q4-25	Q3-25	Q2-25	Q1-25	2025	2024	2023
BTC	-3%	-17%	-4%	-23%	6%	30%	-12%	-6%	121%	155%
ETH	-1%	-22%	-7%	-28%	67%	36%	-45%	-11%	46%	91%
XRP	-15%	-14%	-12%	-35%	27%	7%	0%	-12%	238%	81%
BCH*	10%	1%	-4%	6%	10%	59%	-31%	27%	36%	157%
EOS	-19%	-26%	-32%	-60%	-31%	-8%	-20%	-80%	-8%	-2%
BNB	-2%	-19%	8%	-14%	53%	9%	-14%	23%	124%	27%
XTZ	2%	-16%	-13%	-26%	24%	-18%	-49%	-61%	28%	39%
XLM	-19%	-18%	-15%	-44%	51%	-10%	-20%	-39%	157%	81%
LTC	-7%	-14%	-11%	-28%	24%	4%	-19%	-26%	42%	4%
TRX	1%	-5%	-11%	-15%	19%	17%	-6%	12%	136%	98%
Aggregate Mkt Cap	-3%	-16%	-5%	-24%	16%	24%	-19%	-11%	96%	119%
Aggregate DeFi*	-11%	-25%	-6%	-37%	40%	20%	-19%	-15%	50%	132%
Aggr Alts Mkt Cap	-2%	-9%	-15%	-24%	34%	25%	-34%	-16%	72%	90%

Source: CoinMarketCap and Coingecko. As of 12/31/25. BCH includes SV.

Closing Remarks

And now for some 2026 predictions (NFA. I am wrong often) –

- 2026 for crypto will primarily be defined by the adoption of blockchain by Wall Street and tech companies, but in a way that will not greatly benefit crypto prices. That will be the primary theme for crypto in 2026.
- BTC will trade \$75k.
- BTC will not trade \$48k.
- BTC will trade \$120k.
- BTC will not trade \$145k.
- BTC will underperform QQQ by at least 5% in 2026.
- The quantum fears for BTC will remain a headline talking point but will not be the direct primary cause of a BTC price crash.
- ETH will trade \$2,000.
- ETH will not trade \$4,500.
- Aggregate stablecoin market cap will exceed \$500bn (currently \$312bn)
- OTHERS will trade \$120bn and will not trade \$300bn (currently \$200bn)
- QQQ will draw down >18% at least once.
- At least 15 Emerging Tech stocks will outperform TOTAL by >100%.
- A crypto market structure bill will be passed into law in 2026.
- Crypto VC's will raise (raise, not deploy) <\$4bn (from ~\$7bn in 2025).
- We will see DAT M&A.
- We will look back on 2026 as a year where crypto lost more market participants than it gained.

Coinbase laid out everything the company accomplished in 2025 (abridged below)...

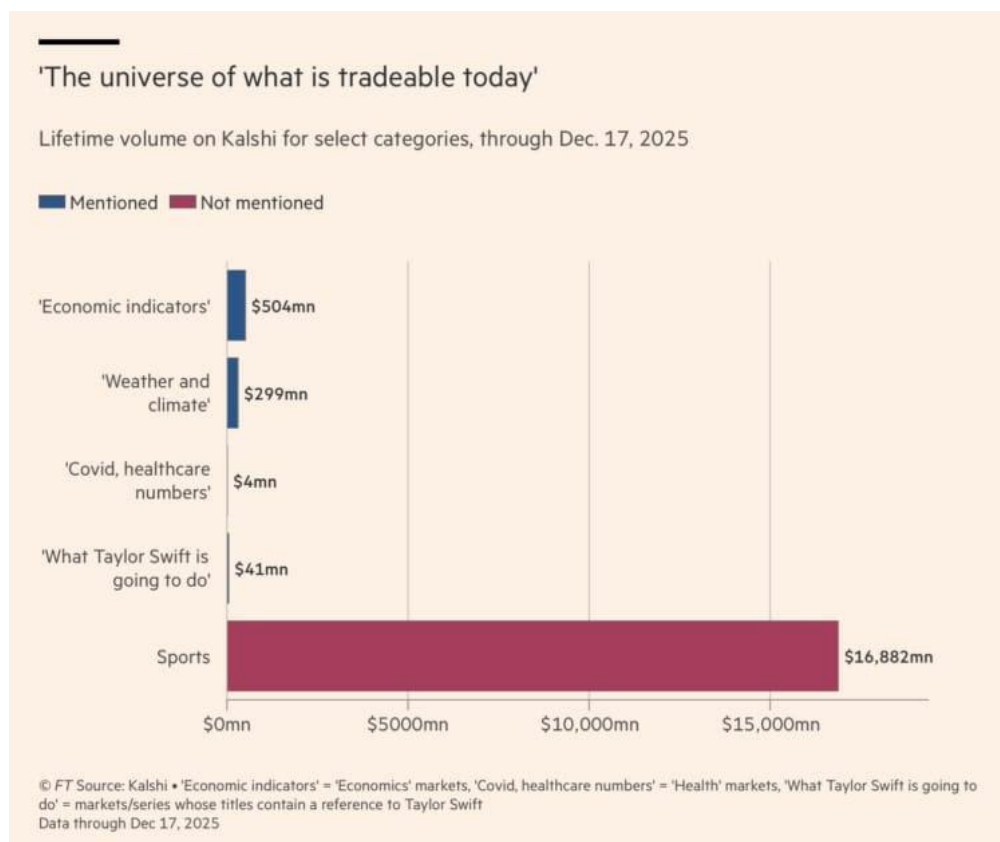
- Coinbase joined the S&P 500, becoming the first crypto-native company in the index and a milestone for mainstream adoption.
- Coinbase completed 10 acquisitions in 2025, including Deribit, Liquifi, and Echo.
- Coinbase set a record for the most assets listed in a single year.
- The SEC voluntarily dismissed its case against Coinbase, ending the litigation entirely.
- Crypto gained regulatory clarity in 2025 with progress on the GENIUS Act and CLARITY Act, both supported by Coinbase.
- Coinbase upgraded its US trading stack with futures and perpetual futures for faster, more powerful trading.
- Coinbase secured MiCA approval, enabling regulated crypto services across the entire EU.
- Coinbase Institutional expanded its lead with 24/7 regulated futures, cross-margin trading, and over \$300B in assets under custody.
- Coinbase reincorporated in Texas, aligning with a more innovation-friendly regulatory state.
- Coinbase announced stock trading and prediction markets on its platform.
- The Coinbase One Card launched in the US, offering eligible members Bitcoin back on purchases.
- Coinbase introduced crypto-backed loans, surpassing \$1B in Bitcoin-backed borrowing and expanding to Ethereum.
- Integrated DEX trading launched in the Coinbase app, unlocking access to millions of onchain tokens.
- Token sales returned to Coinbase, offering regulated early access with fair allocation and transparency.
- The Base app launched globally as an all-in-one platform for social, trading, and payments.
- Coinbase Ventures made 600+ investments, supported Base builders, and hosted its first alumni founder event.
- Base expanded beyond USD by launching 18+ local stablecoins worldwide for everyday payments.
- Shopify integrated USDC payments (Base), enabling instant, low-cost onchain checkout for merchants.

- Base reached Stage 1 decentralization with permissionless fault proofs and an independent security council.
- Coinbase Developers launched x402, an open payment standard enabling native onchain payments for developers and AI agents.

Grayscale Research published “December 2025: Winter Freeze.” (See summary points below. Read the full article, [here](#).)

- Crypto prices and fund flows were largely range-bound in December, but both prices and trading activity rebounded in the first days of 2026.
- Investors sold Bitcoin and Ether ETPs in December, possibly to realize capital losses in 2025; XRP ETPs saw sizable net inflows; futures open interest increased marginally while options open interest declined on a large expiry; there was no new evidence of Bitcoin selling by “OG whales.”
- Fundamental developments accelerated beneath the surface, including major tokenization initiatives from DTCC and JP Morgan, renewed debate over the rights of DeFi token holders, and notable technical progress across Ethereum and Solana.
- Geopolitical risk rose following the US action involving Venezuela’s leadership, with potential medium-term implications for the US Dollar; meanwhile, a Senate markup of crypto market structure legislation is scheduled for January 15.

Crypto-connected prediction markets are booming. The dirty secret though: Almost all revenue comes from sports betting.



The Block Pro Research: Throughout 2025, one of our most consistent trends has been activity on Base. The Coinbase L2 captured the majority of active addresses and new liquidity while most other L2s saw TVLs stagnate or decline once incentive programs faded. Base's TVL rose from \$3.1 billion in January to a peak above \$5.6 billion as of October, representing approximately 46.6% of all L2 DeFi TVL. This growth trajectory has been largely upward since the network's launch, though not without periodic fluctuations.

