



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

8th March 2026

BITCOIN-RELATED



NYDIG: Bitcoin rallied 5.7% on the week, briefly pushing through the \$70K level before momentum faded and price slipped back below that level. The move followed a volatile start to the weekend. In the early hours of Saturday, when traditional markets were closed, Bitcoin initially sold off in response to the strikes in Iran. The weakness proved short-lived. Bitcoin quickly stabilized and reversed higher, ultimately breaking decisively above \$70K by midweek and reaching \$74,100 at its peak. The price action suggests either that a short-term bottom had already formed or that Bitcoin is increasingly being treated as a hedge during periods of geopolitical instability. That, however, has reversed course once again as Bitcoin has fallen again with risk assets on the back of weak economic data on Friday.

Brokerage firm K33 said Bitcoin is one of its most oversold conditions on record after six straight weekly losses and five consecutive down months, before surging over 7.5% on Mar. 4. Head of Research Vetle Lunde wrote: "If you want to be wrong, follow the masses," pointing to widespread pessimism and defensive positioning across crypto derivatives markets. The firm highlighted negative perpetual funding rates and expensive downside protection in options as signs that traders remain heavily positioned for further declines. Despite the bearish sentiment, Lunde said BTC's risk-reward profile favors accumulation, arguing there is "no compelling reason" to sell at current levels and "the worst is behind us; now we wait."

Vancouver city staff advised the council to rescind a motion to make the city "Bitcoin-friendly" after concluding the asset is "not an allowable investment" under the Vancouver Charter. The motion, introduced by Mayor Ken Sim in 2024, proposed allocating part of the city's financial reserves to bitcoin to help protect purchasing power.

\$425 million credit union St. Cloud launched a "digital asset vault" for customers to custody their Bitcoin.

A new study by the Bitcoin Policy Institute shows that frontier AI models overwhelmingly prefer digitally-native monetary instruments, with Bitcoin emerging as the dominant choice. Researchers conducted 9,072 controlled experiments across 36 models from five leading providers, including Anthropic, OpenAI, Google, xAI, and DeepSeek. Across all experiments, 48.3% of responses selected

Bitcoin as the preferred monetary instrument. Stablecoins were chosen in 33.2% of cases, while traditional fiat and bank money accounted for only 8.9%.

INDUSTRY ADVANCES

The National Bank of Kazakhstan plans to allocate up to \$350 million from the country's gold and foreign exchange reserves toward investments tied to digital assets. Governor Timur Suleimenov said the initiative will focus on companies and financial instruments connected to crypto markets rather than direct purchases of assets like Bitcoin. The investments are expected to include shares of technology firms involved in digital asset infrastructure as well as index funds whose performance tracks crypto-related markets.

Indiana Governor Mike Braun signed House Bill 1042 into law on Mar. 3, after it passed the legislature the prior week. The legislation requires Indiana's state public retirement and savings plans to offer self-brokerage accounts with at least one crypto investment option by July 2027.

Kraken announced that Kraken Financial, its Wyoming-chartered bank, was granted a Federal Reserve "master account," making it the first digital asset bank in US history to gain direct access to the Fed's payment infrastructure. Basically, Kraken can now connect directly to core US payment rails like Fedwire, allowing it to move dollars through the banking system without relying on intermediary banks.

Kraken announced the launch of Flexline, a crypto-secured loan offering that enables Kraken Pro traders to unlock liquidity from their existing digital asset holdings without selling them.

ZeroHash, a Chicago-based crypto infrastructure company that powers digital-asset services for firms like Morgan Stanley and Stripe, applied for a US national trust bank charter.

UK fintech Revolut, valued at \$75 billion, applied for a US banking license with the OCC.

Tesla billionaire Elon Musk said the long-awaited X Money "will be big," sharing details that include "crypto integration," and calling it a financial "game-changer." Musk called X Money "a once-in-a-generation opportunity," that will include, "high-yield savings," and said users will be able to "invest, get loans, have money market accounts, maybe even treasury access, cool Smart Cashtags that let you see live stock prices in your timeline and execute trades seamlessly, crypto integration, [and] potentially full asset management."

Coinbase launched Token Manager which can streamline token operations with automated vesting and lockups, bulk distributions in one click, and tax withholding/document workflows.

SoFi enabled Solana network deposits directly in the SoFi app.

OKX introduced an AI-powered upgrade to its OnchainOS developer platform, creating infrastructure that lets autonomous trading bots execute complex strategies across 60+ blockchains and 500+ DEXs using high-level instructions instead of manual coding.

Pump.fun, the Solana-based memecoin launchpad, expanded its mobile app to support rival token generators and major bridged assets like Wrapped Bitcoin and Ethereum, aiming to keep traders inside one ecosystem.

MINING



Paraguay's National Electricity Administration signed a memorandum to “explore the role of Bitcoin mining as a national level opportunity.”

MARA revised its 2026 digital asset management strategy to allow sales of Bitcoin held on its balance sheet, expanding beyond its prior policy that only permitted sales of Bitcoin generated from operations, according to a 10-K filing with the SEC.

Riot Platforms posted a record \$647.4 million in revenue for 2025, up 72% from the prior year, even with miners struggling with weaker crypto prices. The bulk came from \$576.3 million in Bitcoin mining revenue, driven by higher average BTC prices and a rise in operational hash rate. Riot produced 5,686 BTC in 2025, up from 4,828 the year before. However, the average cost to mine one Bitcoin climbed to \$49,645, reflecting a sharp increase in global network hashrate, and despite the revenue milestone, Riot reported a \$663 million net loss, largely tied to accounting adjustments and changes in the value of its Bitcoin holdings.

Core Scientific, a Texas-based digital infrastructure and Bitcoin mining company pivoting toward AI data centers, liquidated 2,600 BTC. The firm noted that the capital is being redirected toward retrofitting its data centers for HPC and AI. (The company also secured a \$500 million loan from Morgan Stanley with the option to expand to \$1 billion, funding new data center construction, equipment purchases, and energy agreements.)

Bitcoin miner turned data center play IREN upped its at-the-market share sale program to as much as \$6 billion, a move that tends to spook investors because it signals potential dilution. The company also said it agreed to buy more than 50,000 specialized processing chips from Nvidia, expanding its capacity by ~50%.

Trump family-backed American Bitcoin expanded its fleet of Bitcoin mining machines. The company acquired 11,298 new ASIC miners, which are expected to add about 3.05 EH/s to its operations once it is deployed at its Drumheller, Alberta site this month. The purchase will boost the company's fleet size to 89,242 miners, representing ~28.1 EH/s of owned capacity.

Bitcoin developer Martin Habovštiak embedded a 66KB image directly into the Bitcoin blockchain in a single transaction, bypassing common data fields targeted by the proposed BIP-110 anti-spam update and challenging claims that such restrictions would prevent arbitrary file storage.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



Morgan Stanley picked Coinbase and BNY Mellon as custodians for its planned Bitcoin ETF.

21Shares rolled out the first US spot Polkadot ETF (TDOT) on Nasdaq, seeded with \$11 million at a 0.3% fee.

Bitwise donated \$233,000 to support Bitcoin open-source developers through Bitcoin Brink, OpenSats, and the Human Rights Foundation Bitcoin Development Fund, and \$100,000 to Ethereum developers through Protocol Guild and PBS Foundation. The donations come from Bitwise's commitment to give 10% of gross profits from its Bitcoin and Ethereum ETFs each year back to the open-source ecosystems maintaining the networks.

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



VC firm Andreessen Horowitz (a16z) is reportedly raising \$2 billion for its fifth crypto investment fund, expanding a portfolio that has already deployed more than \$7.6 billion into blockchain startups since launching its first dedicated fund in 2018.

Crossover Markets, a crypto trading technology firm focused on institutional liquidity, raised \$31 million at a \$200 million valuation in a funding round – led by Tradeweb.

STS Digital, the institutional-focused crypto trading firm, raised \$30 million in a strategic round. The Bermuda-based DeFi platform will utilize the fund to expand operations across its institutional trading platform.

JPYC Inc., the company that launched Japan's first legally recognized yen stablecoin, raised ~\$12 million in a series B funding round. The fresh capital will accelerate adoption of JPYC across domestic and travel payments and cross-border remittances.

Cyclops, a payments startup, raised \$8 million to help payment companies add stablecoin settlements/crypto payments for merchants without building blockchain infrastructure themselves.

t54 Labs, a San Francisco-based AI startup that uses blockchain infrastructure, raised \$5 million in a seed round. The primary purpose is to build a "trust layer" for the agentic economy.

IPOS, M&A, PARTNERSHIPS & DEALS



Japan's largest cashless provider, PayPay (backed by SoftBank), plans a \$1.1 billion Nasdaq IPO

targeting a \$10 billion valuation. The listing integrates digital payments with crypto, allowing 70 million users to fund purchases via Binance Japan using PayPay Money.

Galaxy Digital announced that its board of directors approved the voluntary delisting of the Company's Class A common stock from the Toronto Stock Exchange. It's expected that Galaxy's Class A common stock will be delisted from the TSX effective at the close on Mar. 19. Galaxy's Class A common stock will trade on the Nasdaq under the symbol "GLXY."

Tether Investments announced a strategic investment of \$50M (at a \$1.5B valuation) in Eight Sleep, the world's renowned sleep technology company that applies advanced artificial intelligence and embedded sensors to deliver personalized sleep insights and enhancements.

Intercontinental Exchange, the NYSE owner, took a strategic board seat and investment in OKX. The partnership aims to launch US-regulated crypto futures and tokenized equities on the OKX platform, allowing global retail users access to NYSE-listed stocks via blockchain rails.

DEFI



Aave governance participants have signaled support for a sweeping shift in how the protocol operates. The "Aave Will Win" temp check closed on Mar. 1 with 52.58% voting in favor, representing about 622,300 YAE votes, while 42% opposed and 5.42% abstained. The proposal would direct 100% of revenue from Aave Labs products to the DAO treasury, net of partner payouts, and formally position Aave V4 as the protocol's core technical foundation. (Aave Labs unveiled a year-long security program for its upcoming V4 upgrade, combining formal mathematical code verification, multiple independent audits, bug bounties, and public testing funded by a \$1.5 million DAO-approved security budget.)

The Aave Chan Initiative, a major Aave DAO delegate and service provider founded by Marc Zeller, said it will leave the DAO by July and wind down operations over four months while completing outstanding commitments.

CBDCS & STABLECOINS



Bank of Japan Governor Kazuo Ueda said the central bank will test whether its current account deposits can operate on blockchain-based systems as part of a sandbox experiment. The BOJ is also advancing its retail CBDC pilot and restructuring its CBDC Forum as Japan's broader crypto regulatory framework continues to evolve.

JPMorgan CEO Jamie Dimon said in a televised CNBC interview that he wants a "level playing field" with crypto firms, arguing that stablecoins paying interest-like rewards should face the same rules as bank deposits to prevent a parallel banking system.

Visa and Stripe-owned Bridge are rolling out stablecoin-linked cards to 100+ countries, expanding from 18 current markets. The cards let users spend stablecoin balances at Visa's 175M merchants worldwide through fintech and wallet providers like Phantom and MetaMask.

Western Union and Crossmint launched the USDPT stablecoin on Solana, enabling cash redemptions at 360,000 locations worldwide.

Apollo Crypto, a digital-asset investment firm, partnered with Midas and staking infrastructure provider Everstake to launch mEVUSDI, a tokenized strategy designed for institutions to earn roughly 7-12% annual returns on idle stablecoins through diversified lending and neutral trading strategies that don't rely on crypto price swings.

SoFi and Mastercard are moving to let SoFiUSD (a fully reserved US dollar stablecoin issued by OCC-regulated, FDIC-insured SoFi Bank and deployed on Ethereum) be used as a settlement currency across Mastercard's global network.

Stablecoin-issuer Tether and the City of Lugano announced the launch of Plan B Phase II (2026– 2030), marking an expansion of the city's initiative to integrate digital assets and decentralized technologies into public and economic infrastructure.

Circle launched USDC nanopayments for AI agents. Circle Nanopayments enables permissionless, high-frequency programmable payments (send as little as \$0.000001 with zero gas).

Anchorage Digital Bank released the first reserve attestation for USAT, Tether's US-regulated stablecoin, showing \$17.6 million in cash and Treasury-backed assets supporting 17.5 million tokens, marking an early transparency milestone for the federally supervised dollar-pegged token launched under new US stablecoin laws. (Tether also officially partnered with Deloitte to provide a comprehensive reserve report for USAT, aiming to quiet transparency critics.)

Qivalis, a consortium of 12 major European banks including BBVA and BNP Paribas, is negotiating with crypto exchanges and liquidity providers ahead of launching a euro-backed stablecoin, positioning it as a regulated alternative to dollar-based tokens and backing it 1:1 with bank deposits and short-term sovereign bonds.

Regulated digital prime broker GCEX launched GB Yield, a stablecoin-based yield solution designed exclusively for professional and institutional clients.

Sui launched its native stablecoin, Sui Dollar (USDsui), on mainnet – offering yield access across major DeFi protocols.

MoonPay, and PayPal have launched PYUSDx, a white-label stablecoin-as-a-service product that allows companies to issue branded stablecoins collateralized by PYUSD.

NFTS, BLOCKCHAIN GAMING & METAVERSE



Agents.haus is a newly launched Solana platform that encapsulates AI agent identity, memory, and personality into Metaplex NFTs, pairs each agent with a dedicated wallet, and runs execution in an isolated runtime, creating a fully transferable and tradable agent primitive.

Matthew Ball released an early access edition look for his annual report, which covers the state of the gaming industry: why gaming is losing the attention war and the five areas of revenue growth for 2026. (Download it, [here](#).)

JOB MOVEMENT



Stand With Crypto named Mason Lynaugh as executive director after 2+ years leading national grassroots strategy, having helped grow the community to 2.7M+ advocates nationwide.

REGULATIONS, RULINGS & COMMENTARY



President Trump is pressuring Congress to pass the Clarity Act. In a post on Truth Social, Trump accused banks of trying to undermine the administration's crypto agenda and warned they should not hold the legislation "hostage." Part of Trump's post included: "The US needs to get market structure done, ASAP. The banks are hitting record profits, and we are not going to allow them to undermine our powerful crypto agenda that will end up going to China, and other countries if we don't get the Clarity Act taken care of." (On Mar. 5, US banks rejected a White House proposal regarding the Clarity Act, with the sticking point still "stablecoin rewards.")

The SEC took another step toward clarifying how existing securities laws apply to crypto. On Mar. 3, the agency submitted an interpretive framework to the White House that outlines how certain crypto assets and related transactions could fall under federal securities rules. The proposal is now under interagency review at the Office of Information and Regulatory Affairs. Unlike staff guidance, this type of commission level interpretation carries stronger legal weight and does not require a formal vote. The move reflects Chair Paul Atkins' push to advance digital asset oversight, even as broader crypto legislation remains stalled in Congress.

CFTC Chair Mike Selig said the agency plans to clear the path for crypto perpetual futures in the coming weeks, a move that could bring one of the industry's most popular derivatives products onshore.

The US Senate advanced a sweeping bipartisan housing package that also includes a provision that would bar the Federal Reserve from issuing or creating a CBDC through Dec. 31, 2030. Lawmakers voted 84 to 6 to move forward with the 21st Century ROAD to Housing Act, clearing a key procedural hurdle and setting up full debate.

Sen. Elizabeth Warren sharply criticized the SEC for its decision to drop claims against Tron founder Justin Sun, questioning the agency's independence as Congress debates crypto legislation.

Fairshake, the crypto industry's PAC, scored early victories in the 2026 US congressional primaries, backing several pro-digital-asset candidates including Jessica Steinmann, a former Justice Department lawyer who won ~70% of the vote in Texas' 8th District Republican primary.

JPMorgan analysts said Congress could approve the Clarity Act by mid-year, setting up a potential second-half catalyst for crypto markets despite current weak sentiment.

Strike, founded by Jack Mallers, received both a BitLicense and a money transmitter license from the New York State Department of Financial Services.

Within minutes of the first US-Israeli missiles striking Tehran on Feb. 28, a different kind of exodus was already underway. Crypto outflows from Nobitex, Iran's largest crypto exchange, surged 700%, according to blockchain analytics firm Elliptic. The spike was capital flight, executed in real time, by Iranians racing to move money out of a country suddenly under full-scale military bombardment. (According to TRM Labs, Iran's crypto economy "is one of the largest crypto markets in the world, having processed over \$11 billion in volume from the beginning of 2025 to the present.")

Russia's central bank is weighing a plan that would allow banks and brokerage firms to operate crypto exchanges.

Brazilian regulators have mandated that crypto exchanges separate their funds from clients' assets and adhere to bank-level security standards.

The Turkish ruling AK Party has proposed an economic bill in parliament to formalize crypto taxation and amend tax laws for cryptocurrencies. The bill includes a 10% withholding tax on gains, a 0.03% transaction tax for service providers, and tax checks for brokers based on their records.

Dubai's Virtual Assets Regulatory Authority ordered four entities operating under the KuCoin brand to halt "unlicensed" crypto activities in or from the emirate.

Hong Kong and Shanghai have collaborated on an agreement aiming to develop a shared digital platform for cross-border trade using blockchain technology. The initiative targets reducing delays and fraud in cargo finance, enhancing Hong Kong's role as a financial bridge between China and global markets.

Chinese banks are freezing accounts if the memo field of a transfer contains terms like "Dogecoin" or "USDT," leaving individuals with limited options to unfreeze their money due to strict regulations.

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

Former Mt. Gox chief executive Mark Karpelès has proposed a Bitcoin hard fork to recover coins worth \$5.2 billion from a 2011 theft.

Taiwanese prosecutors have indicted 62 individuals, including the chairman of Prince Group, for alleged involvement in a transnational criminal organization. The group is accused of laundering \$339 million through Taiwan using shell companies and luxury purchases, disrupting the country's financial order.

John Daghita, a suspect in the alleged theft of more than \$46 million in crypto from US Marshals Service wallets, was arrested in Saint Martin in a joint operation between the FBI and French authorities.

Justin Sun agreed to pay \$10 million to settle a civil fraud case brought by the SEC, resolving allegations related to trading activity tied to the TRON and BitTorrent Token. The settlement, which still requires court approval, does not include an admission of wrongdoing, and the payment will be made by one of Sun's companies.

A US federal judge froze 70.6 Bitcoin (~\$5 million) tied to a dispute between crypto lender BlockFills and creditor Dominion Capital, blocking asset transfers after allegations that BlockFills misused customer funds and accumulated ~\$75 million in losses while suspending withdrawals.

Bitcoin-focused DeFi platform Solv Protocol suffered a \$2.7 million exploit after an attacker abused a double-mint bug, artificially inflating its BRO vault tokens and converting them into 38 SolvBTC, though the project pledged to reimburse the roughly ten affected users.

A former Los Angeles Police Department officer has been convicted of kidnapping a 17-year-old and stealing \$350,000 worth of crypto in a 2024 home invasion.

A former South Korean police officer was sentenced to six years in prison for accepting bribes totaling 120 million won, or \$82,000, while investigating cryptocurrency fraud cases.

South Korea's finance minister announced plans for comprehensive reforms in the management of digital assets by government agencies, following recent mishandling of seized cryptos. The government will review current practices and collaborate with relevant agencies to enhance security measures and prevent future incidents.

In South Korea, individuals are using crypto to pay for intimidation tactics like vandalizing doors and spreading human waste in so-called "private revenge" attacks. Recent arrests have been made involving these incidents, believed to be orchestrated by a Telegram-based revenge organization.

Binance accused Sen. Richard Blumenthal of relying on "demonstrably false" media reports when opening an inquiry into alleged Iran sanctions violations at the crypto exchange.

A New York court dismissed a class action lawsuit against Uniswap Labs, ruling that creators of open-source smart contracts cannot be held responsible for fraudulent activity carried out by third parties on the protocol.

Three individuals, aged 21 to 23, were sentenced to five years in prison for violently robbing a victim of cash and crypto in Omsk, Russia.

The Solana-based memecoin Sanae Token, named after Prime Minister Sanae Takaichi, faces a potential official investigation by Japan's top financial regulator due to lack of proper permits.

MISCELLANEOUS

Ethereum co-founder Vitalik Buterin outlined concerns that Ethereum's upcoming Glamsterdam upgrade, which introduces enshrined Proposer Builder Separation, could unintentionally concentrate power among a small group of sophisticated block builders. While the upgrade is designed to prevent staking centralization, Vitalik argues it does not automatically solve the risk of builder dominance.

Buterin also advocated for Ethereum to support privacy tools, decentralized systems, and open technologies to reduce the risk of centralized control.

The Avalanche Foundation launched a multimillion-dollar grant incentive for builders in the C-Chain ecosystem. The Retro9000 initiative sees protocols awarded with retroactive grants from a \$40 million pool for generating transaction volume on the chain. Participation applications for this latest round will remain open until Mar. 18.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Conclusion from Coin Metrics' "State of The Network" weekly report from 3/4/26. (Read the full report, [here](#).)

Key Takeaways

- **Emphasis on Risk Measures:** Aave calibrates risk at the asset level, using conservative collateral parameters, supply and borrow caps, and kinked interest-rate curves to protect borrowers from sudden shifts in token prices and liquidations.
- **Returning Revenue to Protocol Development:** Lending markets and the GHO stablecoin generate revenue to sustain protocol development. Revenue is directed towards working groups, security incentives, and AAVE buybacks on public markets.
- **Decentralized Governance's Role in Aave:** Aave's governance structure involves AAVE tokenholders in deciding protocol changes. The extent of the protocol's decentralization has been challenged, as the Aave DAO and Aave Labs both contribute to the protocol's development.

Conclusion from Glassnode's "The Week On-Chain" from 3/4/26. (Read the full report, [here](#).)

Bitcoin remains locked in a tenuous consolidation below the \$70k threshold, with several indicators suggesting that buy-side momentum has materially weakened. Realized profit has contracted sharply, highlighting reduced willingness among market participants to transact at elevated prices, while the decline in the Percent Supply in Profit places the current regime within a historical context often associated with the early stages of bear market conditions. At the same time, the cost basis of short-term holders near \$70k is emerging as a key behavioral ceiling, likely acting as a distribution zone should price attempt a near-term recovery.

Beneath the surface, however, some signs of stabilization are beginning to appear. Spot selling pressure is moderating at the margin, ETF outflows are easing with early inflows returning, and derivatives leverage continues to be flushed from the system. In options markets, volatility and skew are normalizing as panic hedging fades and positioning rotates toward upside exposure. With the \$75k strike emerging as a major gamma magnet, the market appears to be transitioning from stress-driven selling toward a more balanced positioning regime. Whether this evolves into a sustainable recovery will ultimately depend on the return of stronger spot demand to absorb overhead supply.

Matt Hougan's (Bitwise) Weekly CIO Memo: "The Weekend That Changed Finance – Sunday's Attacks Put the Spotlight on Markets That Never Close. Don't Expect Traders to Forget It."

It's always felt inevitable to me that finance would move onchain.

Blockchains allow assets to trade 24/7/365 and settle instantly, with lower costs than traditional systems. They make things like conventional stock exchanges and T+1 settlement look archaic.

But I often wondered: When would that shift happen? What would prompt systems to change?

After all, most people don't notice the delays from the existing system. When my uncle buys stocks in his Schwab account, he doesn't care that it takes one day to settle or that it kicks off a Rube Goldberg-inspired series of actions involving mysterious entities like the NSCC, DTCC, and Cede & Co. He buys the stock and it appears in his account. No muss, no fuss.

And so, I thought that crypto-enabled markets would grow up along the edges – that, for the next 5-10 years, they would mostly serve crypto natives and others who don't fit cleanly into the traditional financial system, like international retail investors who want to trade US stocks. But eventually, I thought, these systems would get so good that they would quietly co-opt existing systems, and entities like NYSE would slowly transition to tokenized markets the same way they slowly transitioned from floor-based trading to digital trading.

It would be a classic technology story: Disrupt the edges and then co-opt the core. I imagined it would take 5-10 years.

This weekend proved me wrong. Now I'm convinced it's going to happen much faster than that.

What Happened This Weekend

President Trump announced the attack on Iran at 2:30 a.m. ET on Sunday, February 28. This time of the week is a unique moment for global financial markets, because effectively nothing is open.

- US stock markets are closed.
- US futures markets are closed.
- Major foreign exchange markets are closed.
- European markets are closed.
- Asian markets are closed.

Basically, the only markets that are open at that hour are Middle Eastern stock markets like Saudi Arabia and Qatar, which generally trade Sunday-Thursday. But those markets are of limited size and scope. Few Western investors trade there, and they cover limited assets.

In years past, if a major geopolitical shock hit on a Sunday morning, investors would wait until the US futures markets opened at 6 p.m. ET on Sunday to find out what the impact would be. But as this weekend showed, they now have an alternative: They can turn to crypto-based rails, which trade 24/7/365, globally.

And this weekend, they did.

For most of Sunday, onchain finance was the center of the financial world. In particular, the decentralized exchange Hyperliquid became a focus. Hyperliquid offers perpetual futures on both

crypto and “real-world” assets like oil. Trading volume on Hyperliquid spiked so much that, when Bloomberg wanted to write about how crude oil responded to the bombing, it cited the Hyperliquid crude oil contract as the most relevant price. (Not coincidentally, Hyperliquid’s native token, HYPE, was up about 30% over the weekend. My read: That’s likely a down payment from investors on where Hyperliquid is going.)

But Hyperliquid was not alone. XAUT – a tokenized version of gold developed by Tether – saw its 24-hour trading volume spike to over \$300 million. Prediction markets like Kalshi and Polymarket set new volume records. And crypto assets like Bitcoin and Ethereum were in focus as well. It was the first time I remember crypto-enabled markets being “the market,” full stop.

Why It Matters

If you are a hedge fund, bank, or any other investor who wants to trade competitively, you no longer have a choice: You have to set up a stablecoin wallet and learn how to trade on Hyperliquid. You need to understand XAUT. You need to read about tokenized stocks. Because even if you don’t, everyone else will.

This starts the ball rolling downhill. The biggest challenge to engaging with onchain markets is getting onboarded – getting comfortable with wallets, stablecoins, and entities like Hyperliquid and Uniswap. Once you do, all the new capabilities of DeFi and onchain finance are just a click away. Access breeds exploration. And exploration breeds volume.

Of course, people will say: Traditional markets can do this too! Nasdaq is moving to 23/5! We don’t offer 24/7 trading because people don’t want it!

OK, whatever: That’s what Blockbuster said about Netflix, and what Microsoft said about the iPhone.

The shift to onchain finance is inevitable. After this weekend, I’m convinced that shift is coming sooner than any of us had imagined.

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

Opening Remarks

Crypto prices were decidedly lower in February, a continuation of the weak price action in January which was a continuation of the weak price action from Q4. I ended last month's letter with this warning –

“Wish I had better news for you, but I don't. If you were looking to deploy additional capital into crypto in the near term, I'd wait for lower prices. I really doubt this thing runs away from you.”

That played out pretty aggressively in Feb: BTC -15%, ETH -20%, SOL -20%. YTD BTC/ETH/SOL are down 23/34/32%.

This ugly price action in crypto occurred with a relatively subdued traditional markets backdrop. Stocks were down marginally (albeit with significant rotation under the indexes). Gold and silver were up 8% and 10%. VIX about flat. Yields a bit tighter. The crypto weakness was pretty much contained to crypto.

There is one particular traditional market correlation that has been getting a lot of airtime lately-



Source: TradingView. As of 2/26/26.

That is BTC in orange and the software ETF IGV in blue going back 2 ½ years. There has been lots of conjecture about this chart recently, for obvious reason. IGV holds names like MSFT, PLTR, ORCL, CRM, PANW ADBE, APP, INTU. These names have come under pressure in recent months as AI fears have gripped the market – with investors questioning the long-term durability of any software’s moat against the breath-taking advance of LLMs.

So, is the market telling us that BTC is basically software? Well, it is software. But it certainly isn’t software like these other companies have software, right? You could argue that it’s spurious correlation. Or you could argue BTC and IGV have both represented speculative, frothy, momentum type of market factors, even though the underlying fundamentals are quite different. Whether BTC and IGV will continue to trade together in the coming months, I don’t have a strong view on. But one thing we can say for certain, BTC has not been trading like “digital gold” –



Physical gold has been trading like the world is revaluing the US dollar and US treasuries. “Digital gold” has been trading like it has a quantum problem and probably a DAT problem, both of which will likely take time to play out.

Asset Class	Feb	Jan	YTD	Q4-25	Q3-25	Q2-25	Q1-25	2025	2024	Instrument
Bitcoin	-15%	-10%	-23%	-23%	6%	30%	-12%	-6%	121%	BTC
NASDAQ	-2%	1%	-1%	2%	9%	18%	-8%	20%	25%	QQQ
S&P 500	-1%	1%	0%	2%	8%	11%	-5%	16%	23%	SPX
Total World Equities	2%	3%	5%	2%	8%	10%	-1%	20%	14%	VT
Emerging Market Equity	6%	8%	14%	2%	11%	10%	4%	31%	4%	EEM
Gold	9%	12%	22%	11%	16%	6%	19%	64%	27%	GLD
High Yield	0%	1%	0%	-1%	0%	3%	0%	3%	2%	HYG
Emerging Market Debt	1%	0%	2%	1%	3%	2%	2%	8%	0%	EMB
Bank Debt	-3%	-1%	-4%	0%	0%	1%	-2%	0%	-1%	BKLN
Industrial Metals	1%	5%	5%	12%	4%	3%	2%	22%	3%	DBB
USD	1%	-1%	-1%	0%	1%	-7%	-4%	-9%	7%	DXY
Volatility Index	14%	17%	33%	-8%	-4%	-24%	28%	-14%	39%	VIX
Oil	3%	15%	18%	-6%	1%	-5%	2%	-8%	13%	USO

Source: TradingView. As of 2/28/26.

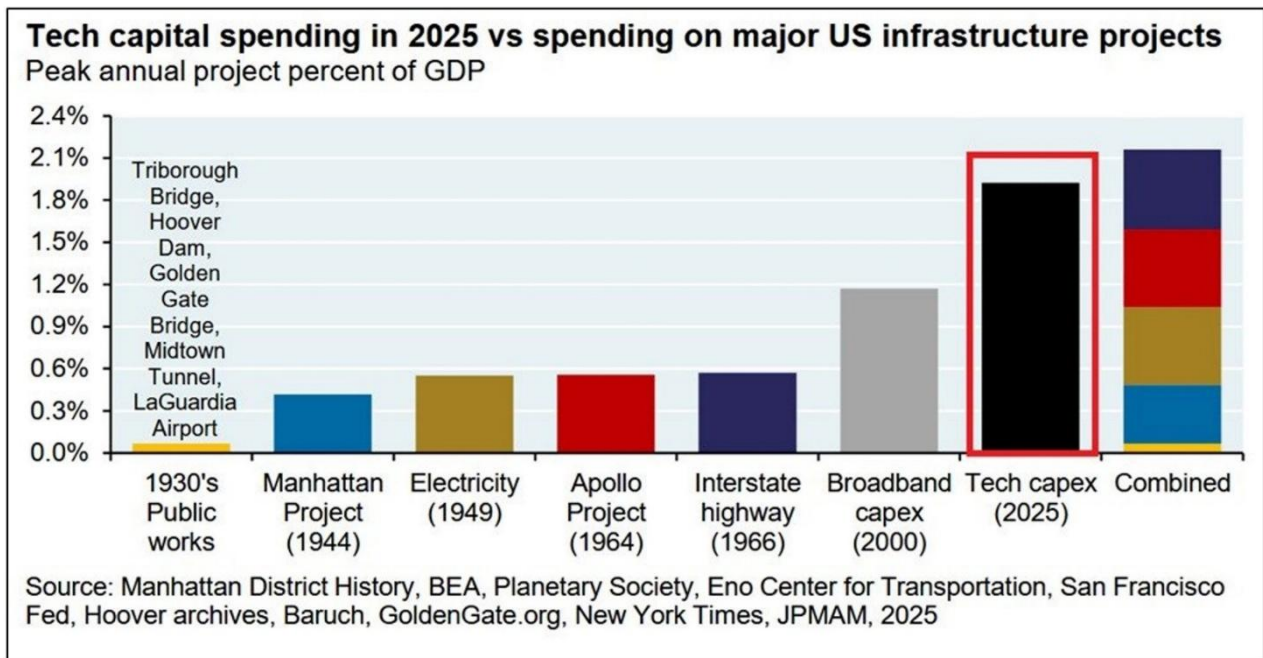
Market Update- Liquid Crypto Asset Investing

	Feb	Jan	YTD	Q4-25	Q3-25	Q2-25	Q1-25	2025	2024
BTC	-15%	-10%	-23%	-23%	6%	30%	-12%	-6%	121%
ETH	-20%	-18%	-34%	-28%	67%	36%	-45%	-11%	46%
XRP	-16%	-11%	-25%	-35%	27%	7%	0%	-12%	238%
BCH*	-9%	-15%	-23%	6%	10%	59%	-31%	27%	36%
EOS	-10%	-43%	-49%	-60%	-31%	-8%	-20%	-80%	-8%
BNB	-21%	-10%	-28%	-14%	53%	9%	-14%	23%	124%
XTZ	-18%	-6%	-22%	-26%	24%	-18%	-49%	-61%	28%
XLM	-12%	-10%	-21%	-44%	51%	-10%	-20%	-39%	157%
LTC	-8%	-23%	-29%	-28%	24%	4%	-19%	-26%	42%
TRX	-2%	1%	-1%	-15%	19%	17%	-6%	12%	136%
Aggregate Mkt Cap	-13%	-10%	-22%	-24%	16%	24%	-19%	-11%	96%
Aggr Alts Mkt Cap	-6%	-17%	-22%	-24%	34%	25%	-34%	-16%	72%

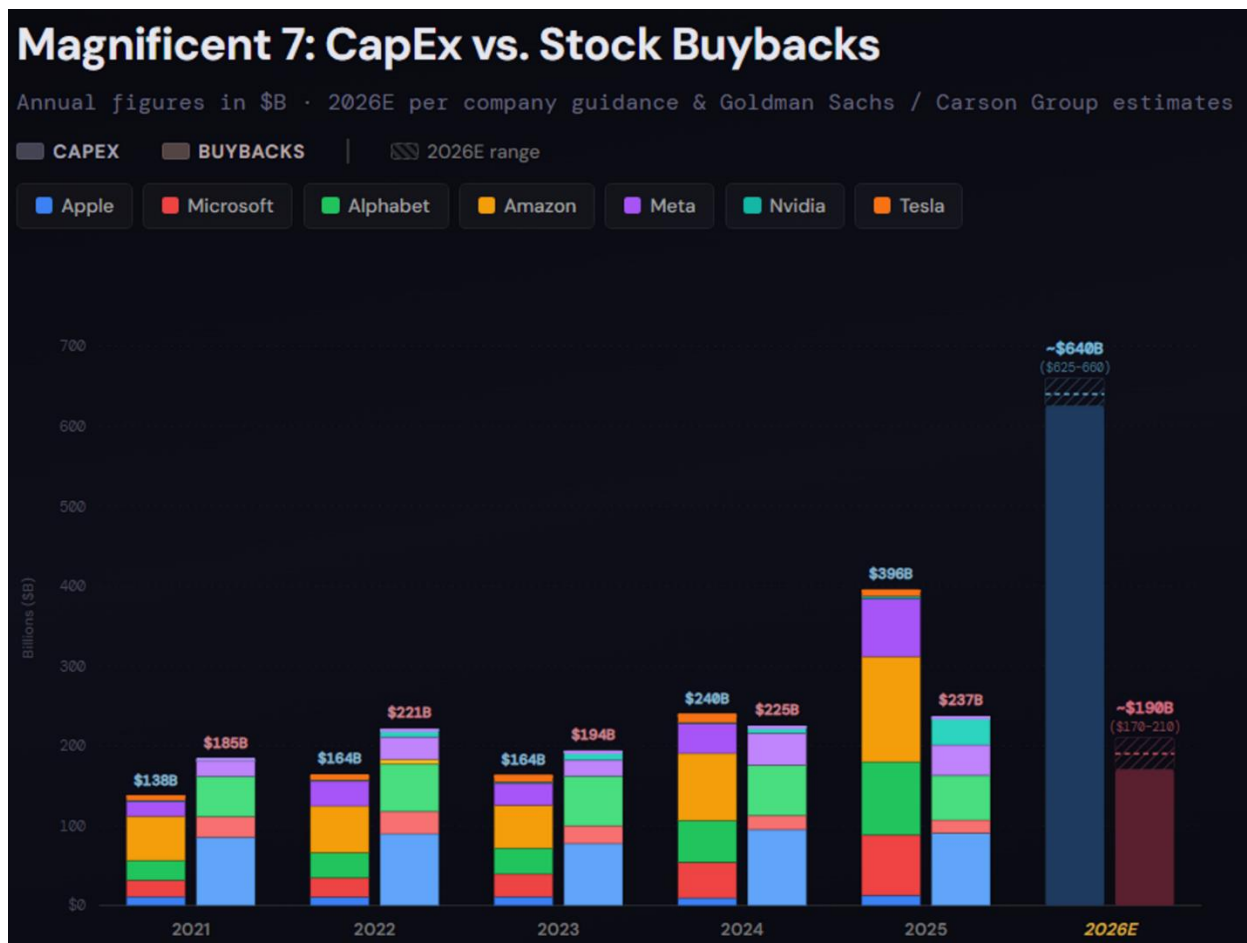
Source: CoinMarketCap and Coingecko. As of 2/28/26. BCH includes SV.

We'll start with some macro charts and then get to crypto.

2025 tech capex was ~\$450bn, already a huge number. That's a number that's difficult to get your head around. Here's a chart that helps frame this 2025 capex spend, as a % of GDP, relative to other massive capex buildouts –

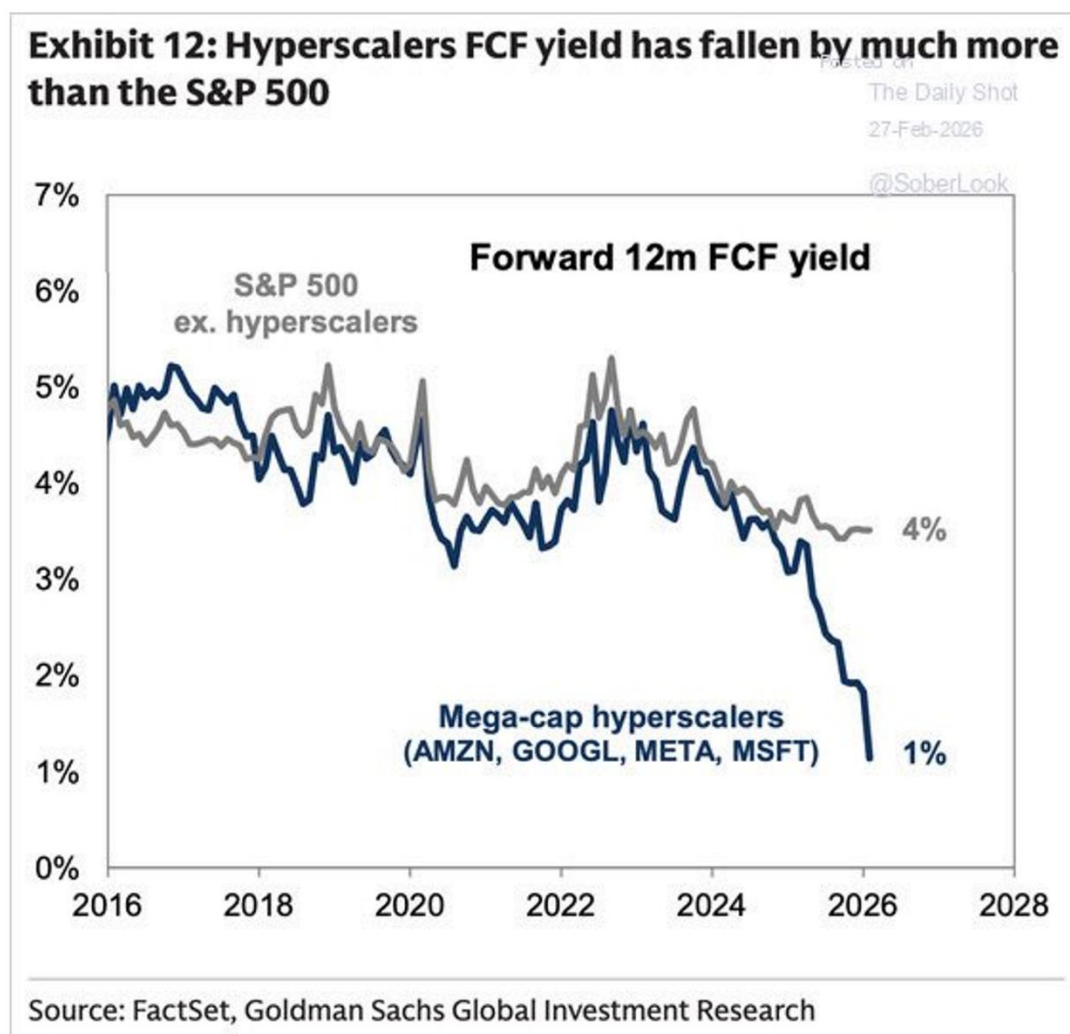


2026 tech capex is expected to be much larger. 2026 AI data center capex (mostly Mag 7) is now projected at ~\$640bn. A question arises about where all this money is going to come from. One place it's going to come from is Mag 7 stock buybacks, which have been a huge part of the market in the last few years. It looks like that trend is set to at least stall, if not reverse significantly –



Source: Claude. As of 2/26/26

Here's another way to look at it. Forward 12m FCF yield of hyperscalers vs the rest of the SPX –



This overall setup has the market a bit spooked about the tech sector at moment. And you've seen a significant rotation out tech (software especially) and into industrials and staples – atoms over bits, so the saying goes.

Let's look at a table showing these rotations –

Global Equity Sector & Region Performance

Heat map by column · Prices as of Feb 27, 2026 (intraday) · Sources: Investing.com, Yahoo Finance, StockAnalysis

TICKER	ETF / INDEX	YTD 2026	Q4 2025	FY 2025
XLE	Energy Select Sector SPDR	+15.2%	-2.1%	+7.9%
XLF	Financial Select Sector SPDR	-6.3%	+7.1%	+30.5%
XLK	Technology Select Sector SPDR	-8.1%	+5.8%	+24.6%
XLV	Health Care Select Sector SPDR	+8.0%	-5.2%	+2.3%
XLI	Industrials Select Sector SPDR	-4.3%	-0.3%	+24.7%
XLY	Consumer Discretionary SPDR	-12.1%	+4.2%	+28.1%
XLP	Consumer Staples Select SPDR	+8.5%	-5.8%	+12.4%
XLU	Utilities Select Sector SPDR	+5.3%	-7.3%	+22.8%
XLB	Materials Select Sector SPDR	+3.5%	-6.9%	+2.8%
XLRE	Real Estate Select Sector SPDR	+4.1%	-8.1%	+4.2%
XLC	Communication Svcs Select SPDR	-6.8%	+3.5%	+31.4%
EEM	iShares MSCI Emerging Markets	+8.1%	-2.3%	+34.0%
VGK	Vanguard FTSE Europe	+14.8%	-3.8%	+35.9%
AAXJ	iShares Asia ex-Japan	+7.7%	-1.1%	+31.5%

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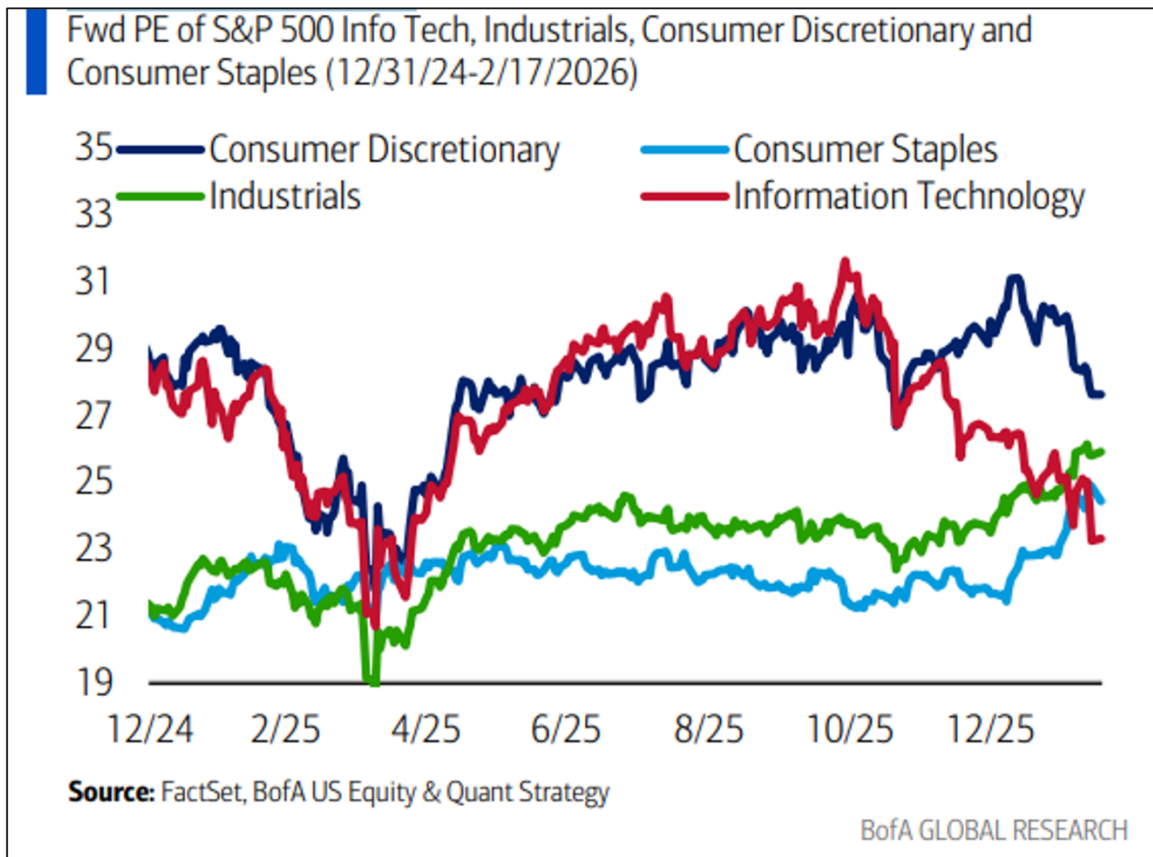
Click column headers to sort · Q4 2025 = Oct 1 - Dec 31 price return · FY 2025 = total return incl. dividends

Note: Defensive sectors (XLE, XLP, XLV, XLU) leading YTD while growth/cyclicals (XLK, XLY, XLC) lagging

Source: Claude. As of 2/26/26.

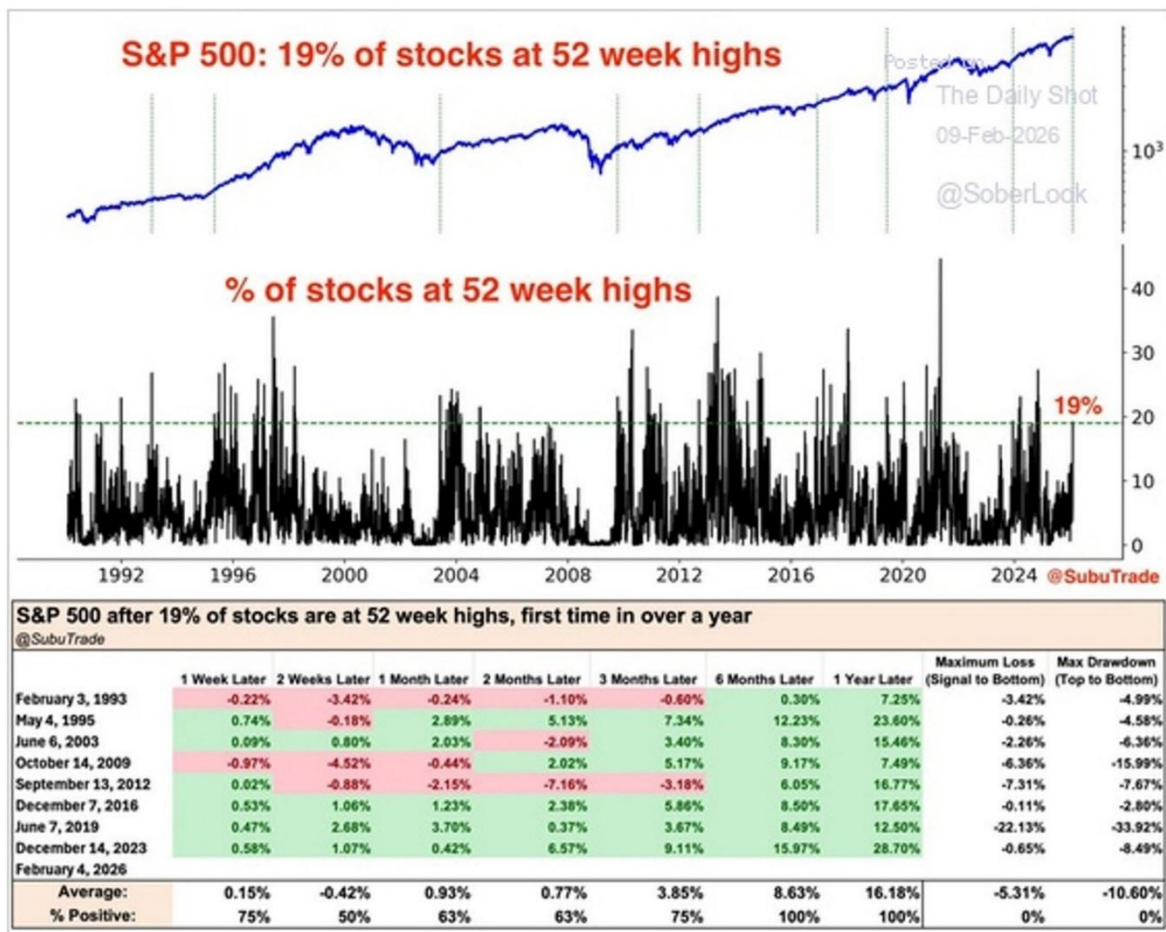
Energy was a laggard last year, now the big winner YTD. Financials, Tech, Industrials, Consumer Discretionary, Communications – all great performers last year, lagging big YTD. Emerging markets, Europe and Asia are all outperforming YTD after great years last year.

So, while the major indexes are near their ATHs, there's been plenty of rotation underneath. This rotation has led to a relative valuation that looks like this –



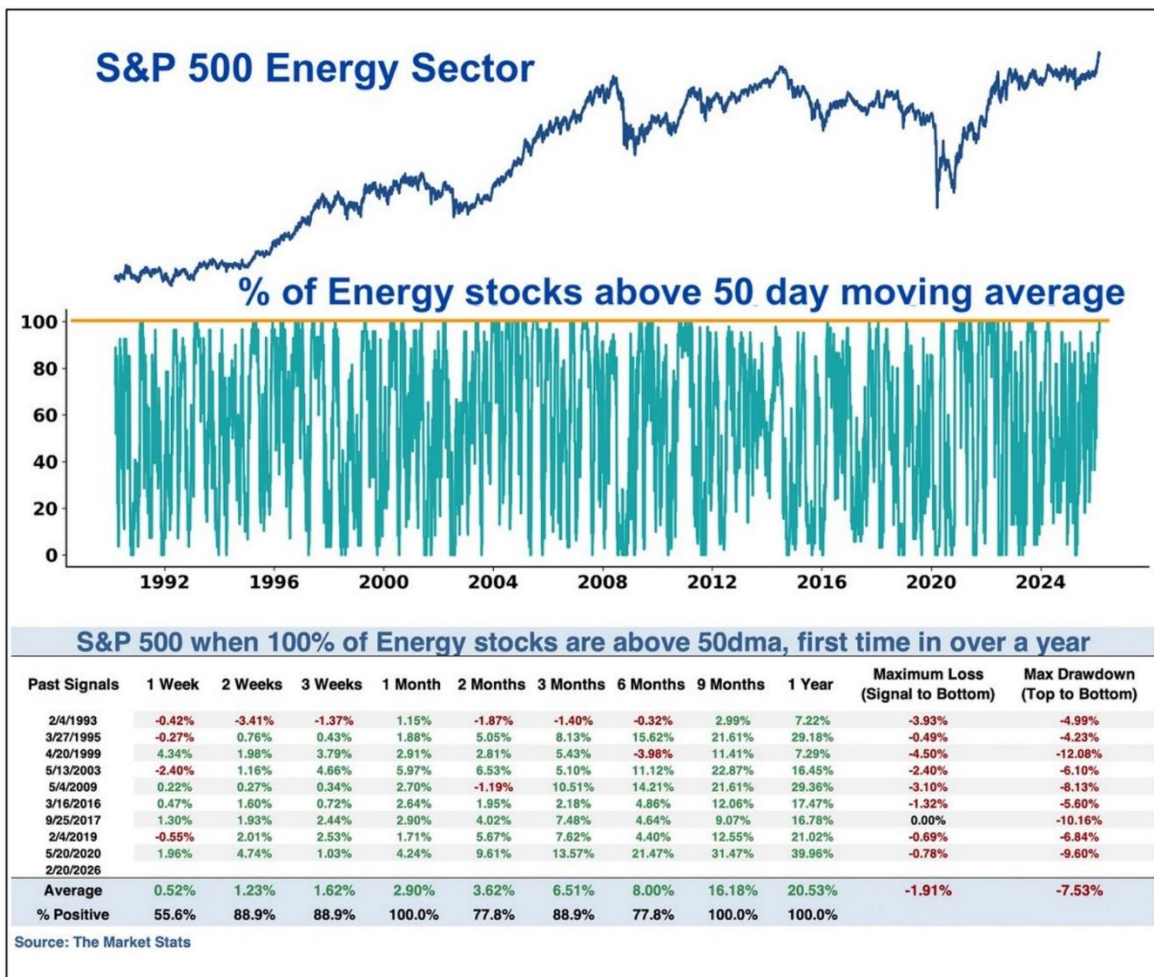
Industrials and Consumer Staples now trade at a higher forward PE than tech companies. Pretty crazy.

The rotation has caused a pickup in market “breadth” – a measurement of how many stocks are trending up vs trending down. There have been both bullish and bearish interpretations of this increased market breadth. Here is an interesting one –



At the bottom of that table, you can see the “% Positive” and average price change. Higher 100% of the time 6 months and 12 months out, with average gains of 9% and 16%. I like those odds.

Here’s another amazing chart. This shows the periods when 100% of Energy stocks are above their 50DMA, and shows the forward price performance –



As of 2/20/26.

9 months and 12 months out, every single time, the market was higher – by an average of 16% and 21%, respectively. I like those odds.

OK. Back to tech stocks. QQQ looks like this. Many people are calling that big white circle distributive



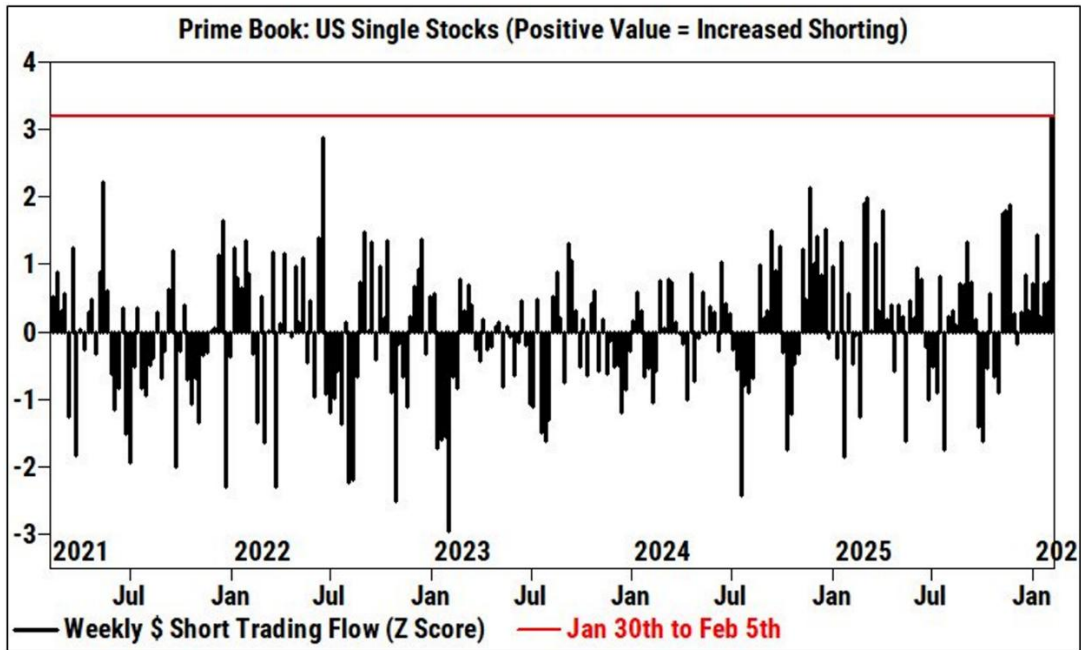
Source: TradingView. As of 2/26/26.

The smaller white circle on the inside is the convergence of the 50DMA and 100DMA, where it looks like price might have just been rejected. So perhaps we will go visit the 200DMA (yellow), which is only ~3% down from here.

Note on that chart above the big puke and bounce last year around tariff fears and then Liberation Day and then Trump's reversal. So that puke very obviously blew through the 200DMA. In fact, it broke the 200DMA, retested it from below, failed and then puked hard and it was all over in about 10 days. The peak-to-trough drawdown of that whole move was 25%.

So, what is on the immediate horizon that could give us a puke of that magnitude? Something that has as much fear to it as the tariffs did at the time? It seems like Iran would be the immediate pick for that. But Iran has been a very slow buildup. We've been watching the US military move into place for a month at this point. Iran has been front page news for over a month (year? decade? century? millennia?) now. So, everyone that has wanted to hedge this event, has had time to hedge.

Case in point, the first week of Feb saw the largest weekly shorting on record from GS Prime Brokerage –



Source: @zerohedge. As of 2/6/26.

All-in, I struggle to see how an Iran conflict would cause a 25% decline in QQQ, absent something quite negative occurring unexpectedly. There's a chance of that. Worth watching closely. Absent that, I kinda feel like we're not going to get a down 25% in QQQ prior to the mid-terms, despite mid-term seasonality being very weak. The drawdown will probably be something shallower – down 15 or maybe 20%. Could we get some AI boogeyman? Yes. Could something crazy happen politically? Yes. There are plenty of potential boogeymen waiting around the corner. But I struggle to see that happening if it's not Iran. And if it's Iran, it's probably going to happen soon.

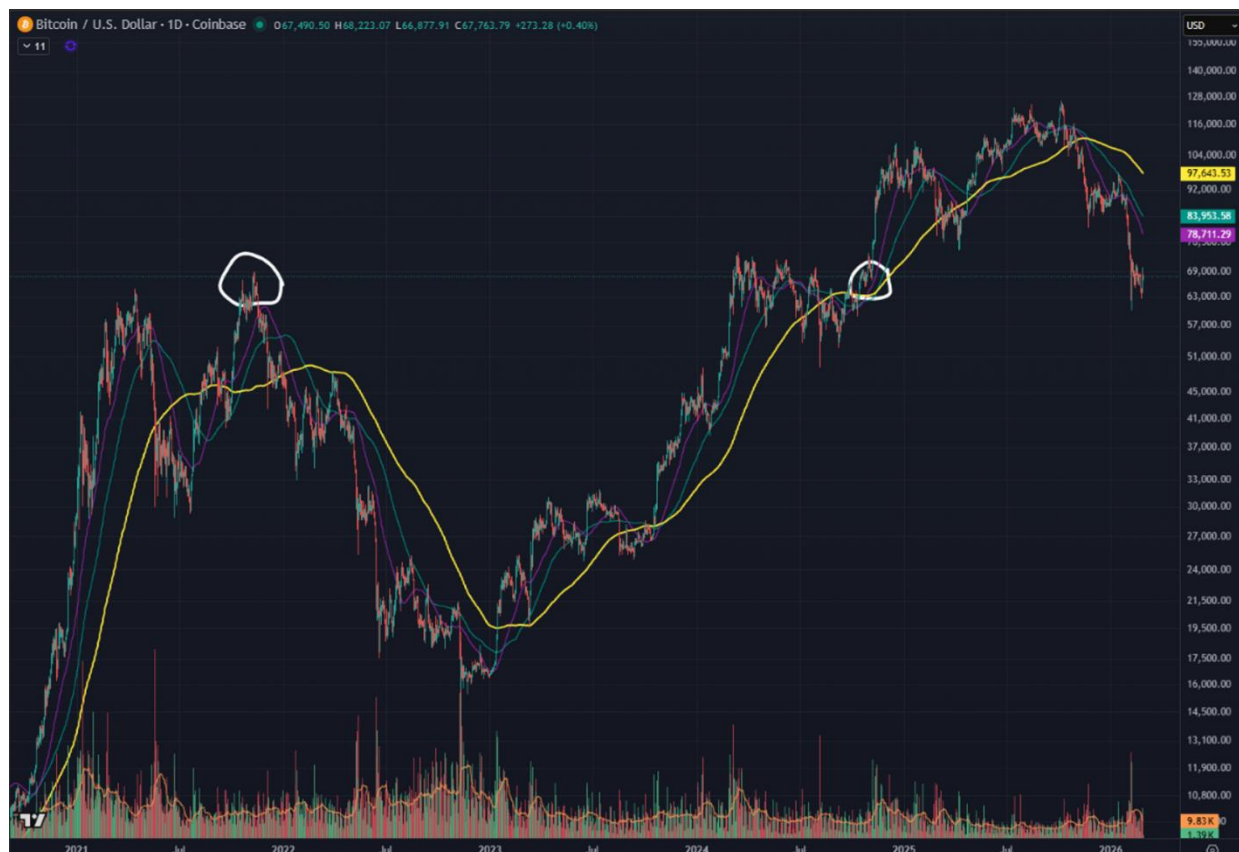
Gold has been insanely strong –



Source: TradingView. As of 2/26/26.

You had the big blowoff top to end Jan, but the subsequent recovery has been IMPRESSIVE. You basically immediately settled back into the aggressive upward channel and kept going. Gold is an asset unlike any other. It has factors that weigh on its price in a way that no other financial instrument does. Gold has a relationship with the US dollar and treasuries that is unlike any other. We print the world reserve currency, and the price of our sovereign debt sets the price of every other asset on the planet. Gold is the mirror reflection of that. And when countries get skittish about the dollar or about treasuries (for one reason or another), they sell those assets and exchange them for gold.

BTC doesn't have any of that. BTC has a quantum problem and it trades like absolute ass –



Source: TradingView. As of 2/26/26.

BTC price is currently sitting exactly at prior cycle ATHs which is also exactly at the pre-election price (white circles). When we were sitting here immediately after the Trump win, I don't think anyone would have thought that 15 months later, we'd be at pre-election prices. But that's where we are.

Overall, I think the chart looks weak. We could get a near-term bounce here because things got VERY oversold at the lows on Feb 5. But nothing about Feb 5 felt like a cyclical low to me. I think there has to be more pain eventually. Could come next month, could chop around here for a while longer. But I think we see lower prices this year.

ETH has declined 60% from its recent highs. It now sits firmly in the bottom half of its 5+ year range –



Source: TradingView. As of 2/26/26.

As with the BTC chart, this spot does not look like a cyclical low to me. We could chop a local range for a while, but I think eventually this heads down to the bottom of the overall range later this year.

ETHBTC has declined 32% from its recent highs, but still remains 62% above its cyclical lows –



Source: TradingView. As of 2/26/26.

ETHBTC also looks like a chart that is heading lower this year. Wouldn't make much sense at all to me for this spot to be the cyclical low.

The SOL chart may look worse than the BTC or ETH charts –



Source: TradingView. As of 2/26/26.

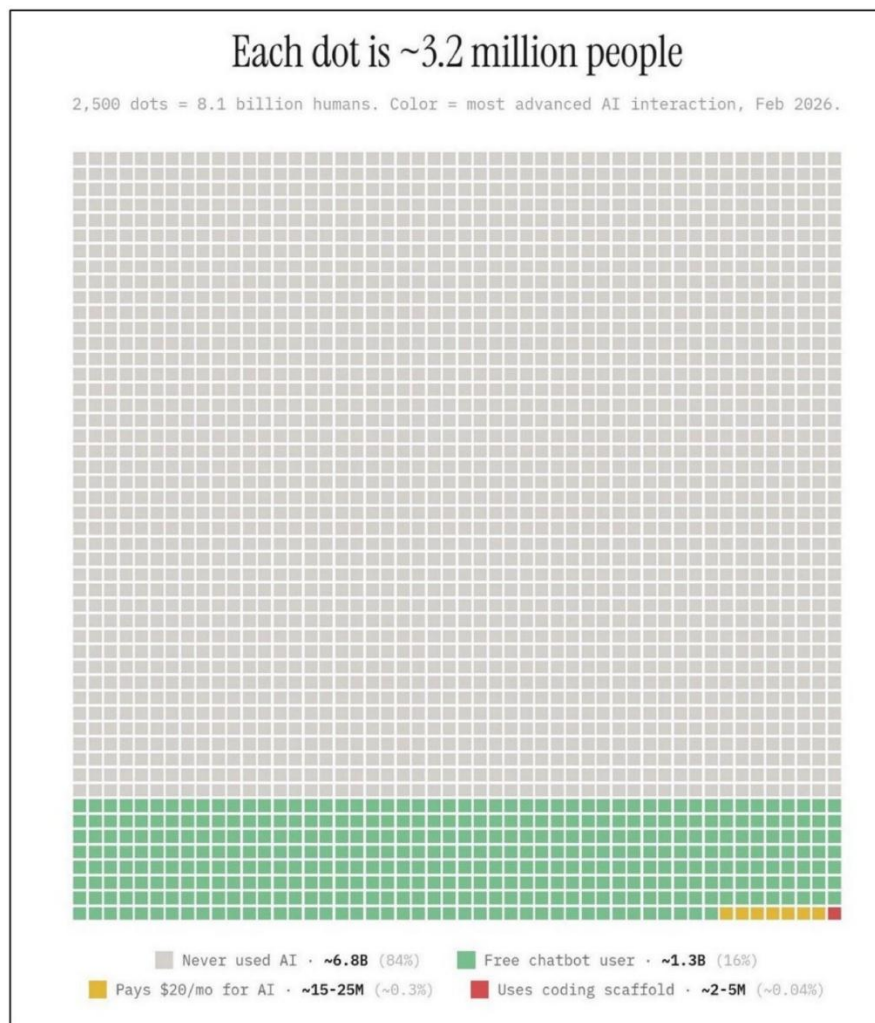
It looks like price just fell out of a 2+ year range and is now retesting prior support from underneath. That recent price action does not look like a spring to me. It looks like it's prob acceptance of a breakdown. Next stop \$60.

I won't spend any more time on other crypto charts. There's nothing worth looking at. This stuff is heading lower. Maybe we get some kind of local bounce here because everything got so oversold, but I'm pretty confident we'll see lower prices later this year.

Closing Remarks

The anxiety around AI reached a new ATH in February with the release of this barrage of AI thought pieces in tandem with LLMs continuing to make rapid, significant progress. At the risk of sounding alarmist, if it feels like things are moving fast now, brace yourself. This is probably the slowest things will move ever again. Technological innovation is accelerating at an accelerating rate. This is causing commotion in financial markets and commotion in society/vibes.

And it looks like the commotion is going to accelerate. As a reminder, this is what LLM adoption looks like currently –



Source: @damianplayer. As of 2/21/26.

So, if all this commotion is already being generated by basically that lone red dot and maybe some of the yellow dots, what happens when that user base 5x's, while the AI capability 10x's or 100x's or 1000x's? That's what has people so shook.

I would expect neither the market nor society at large to get "less shook" about AI over the course of this year and the next. This feels like a one-way train for a while. I think the market and society can and will get out over its skis on timing and scale of AI impact. We might be having some of that currently with all these thought pieces and consumer staples trading at a higher P/E than tech stocks. But I think those are short-term gyrations around a long-term trend that will almost certainly radically reshape both our lives and financial markets over the next decade or two.

I'm not sure how many people reading this right now are under the age of 25. Probably not a lot. Perhaps more that have kids in that range. I'm really not sure what I'd tell say, a 16yo contemplating college and a career path. I can imagine a world where the value of a college degree is set to decline significantly in the next couple decades. I think I would tell the 16yo that they must fully adopt LLMs and stay at the cutting edge of LLM capabilities. This will be the most formidable skill I can think of in a job market that will likely become extremely tough for entry level positions in the next decade.

I honestly feel sorry for the 16yo's right now. For a lot of different reasons. Maybe every generation feels this way to some extent about the generations behind them. But looking at Gen Z and Gen Alpha, I feel sorry for them in terms of career stability, earnings outlook, job growth opportunities and upward mobility. When I was 16, there were clear paths that effectively solved for these important

variables. You could be a doctor or a lawyer or an accountant or go into finance. By the time I was in my early 20s, big tech was a highly attractive path. If you worked hard and were reasonably smart, the economy provided you a lot of different ways to do well, and you had clarity on what the path looked like.

All of those paths are mostly out the window for today's 16yo, or at least the clarity is out the window. There really is incredible uncertainty in career path and earnings stability, and I think that's pretty tragic. Because I can remember back to being that age and deciding what major and career path to choose, and there was a clarity available in evaluating which direction to point your life towards. That clarity made the already massive decision less stressful in the moment. So, I feel for young people these days.

That said, perhaps with hindsight, the history books will look sympathetically upon Millennials as the last generation that actually had to work their whole lives, before AI/robotics came and did away with the majority of human labor requirements. So maybe the joke is on us!

Arca: Crypto Gets Real-Time Exposure Amid Weekend Conflict in the Middle East...

The Weekend Showcase for Blockchain-Based Finance

This was an odd weekend. It's not often that you get a month-end on a Saturday and a global war at the same time. As expected, there was a lot of volatility over the weekend. Well, there was a lot of volatility in crypto at least, as just about every other market was closed.

In most global markets, the month-end in February occurred in the afternoon on Friday, February 27th. While angst was already high regarding a possible US/Israel/Iran attack, nothing had actually occurred prior to the month-end closing prices. The first wave of US (and Israeli) strikes on Iran began early Saturday morning, around 1:15 a.m. ET. As a result, any positioning ahead of a possible Iran strike was done at least 9 hours before the strike (when US equity and bond markets closed), and as much as 15 hours before (when European markets closed).

Now, I don't personally believe the Middle East war will be relevant to global risk asset prices for more than a few days. Sadly, this has happened too many times, and the response is quite predictable now. The typical market response in the first few days is:

- Oil up
- Gold up
- Treasury yields down
- Equities down
- Bitcoin down

... and it doesn't last. Knee-jerk, algo-driven responses react to fear, but almost all Middle East tensions retrace within a few days, especially when they are as highly telegraphed as this one was. I believe the same could happen again this week, but we'll see. In 2022, for example, markets bottomed 4 hours after Russia invaded.

That said, even though this is likely to be a knee-jerk, short-term reaction at best, it's still absurd that most markets are closed during the attacks. Want to hedge a portfolio on Saturday night after a Middle East flashpoint? You're out of luck in traditional markets. But that's all changing due to the advent of crypto markets and 24/7 blockchain-enabled markets. One can now reduce risk, reposition, and even arbitrage sentiment across regions in real-time. It's not just retail either. Institutional players are quietly recognizing that crypto gives them something traditional markets don't: a way to mark-to-market emotions during the off-hours.

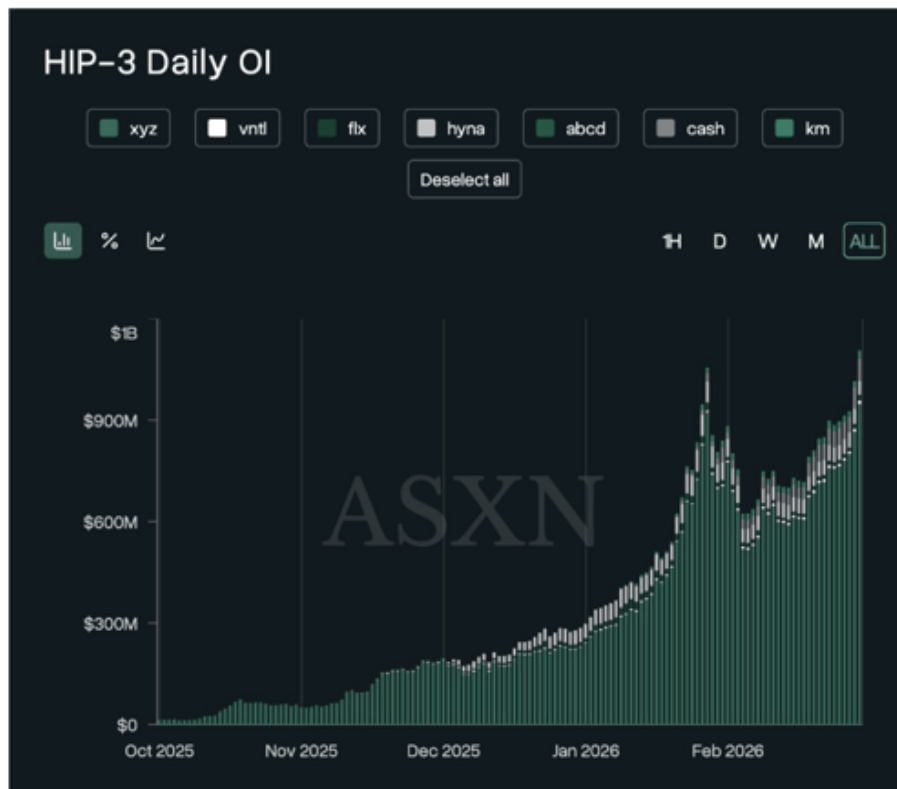
Among the beneficiaries of another Middle East war were the crypto markets: Bitcoin, Hyperliquid, and Polymarket all shone.

1. Bitcoin remains the most liquid "risky" asset that trades in size 24/7, and intra-weekend volatility coincides with various reports on Middle East strikes.
 - a. Friday, Feb 27 - Reports of heightened US-Israel preparations coincided with elevated crypto volumes out of Iran amid concerns about sanctions evasion. BTC dipped slightly to ~\$67,000 by the close, as gold edged up.
 - b. Saturday, Feb 28 (Early) - US and Israel launch joint airstrikes on Iran, targeting military sites, nuclear facilities, and leadership. Explosions reported in Tehran. This triggered a sharp sell-off in BTC, sending it down to ~\$63,000.

- c. Saturday, Feb 28 (Ongoing) - Rumors spread of Iran's Supreme Leader Ayatollah Ali Khamenei's death. This sparked a partial recovery to ~\$65,000 amid thinner weekend liquidity.
- d. Sunday, March 1 (Early) - Iran confirms Khamenei's death via state media; Iran retaliates with strikes on oil tankers in the Strait of Hormuz (targeting US/UK-linked vessels) and other sites (e.g., Israel, Gulf states). BTC surged to a high of \$68,196 (erasing most losses), then pulled back to ~\$66,000-\$67,000 by evening. Markets interpreted an Iranian leadership vacuum as potentially de-escalatory, briefly boosting risk assets. However, retaliation raised fears of oil disruptions.
- e. Sunday, March 1 (Ongoing) - Continued uncertainty as Iran threatened further strikes and shipping firms like Maersk suspended Strait of Hormuz transit. BTC stabilized around \$66,500 by midnight, down on the day but still above Saturday's lows. There was also heavy demand for downside protection via BTC put options.



2. Hyperliquid, the largest perpetual futures decentralized exchange, became the go-to place for trading everything after-hours, including gold, oil, and other commodities, while the CME and other futures exchanges were closed. Hyperliquid's sister company, TradeXYZ (built using HIP-3 on Hyperliquid rails), became the go-to place to trade pre-market US equities. This was one of the largest reported rises in 24/7 tokenized commodity trading ever.



Source: X/Twitter

Bloomberg even used Hyperliquid on-chain oil prices as the reference for their Iran risk coverage. Price discovery doesn't wait for Sunday night futures to open anymore.

Read More: Flawed Dollar Is Best Haven Asset From Iran Risks: Macro View

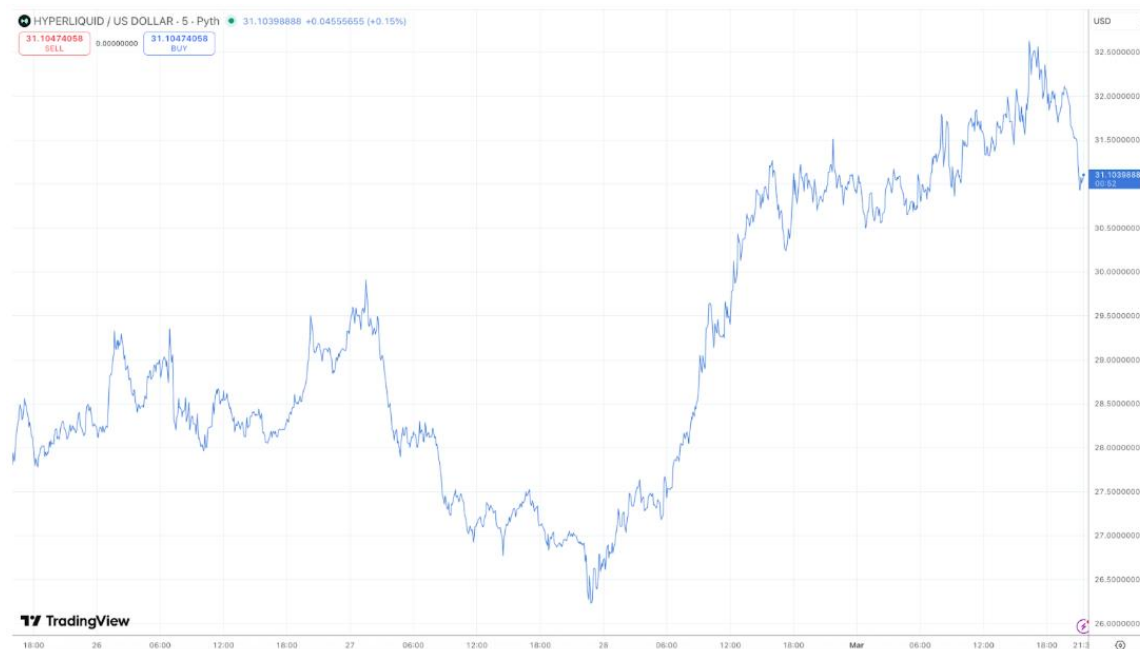
On **Hyperliquid**, a crypto exchange that has emerged as one of the largest venues for derivatives known as perpetual futures, an oil-linked contract climbed more than 4% to \$90.99 a barrel in mid-afternoon New York trading. Gold rose 1.10% to \$5,379.60 an ounce while silver was changing hands at \$96.65 per ounce, up 1.88% over the past 24 hours.

The contracts trade around the clock and have become a popular way to speculate across markets outside traditional hours. They are typically settled in USDC, a stablecoin pegged to the US dollar.

“Crude oil prices are poised to surge when markets open on Monday,” **Elias Haddad**, global head of markets strategy at Brown Brothers Harriman, wrote in a note to clients. “However, investors should lean against overshoots in crude oil prices as global oil production continues to outpace global demand.”

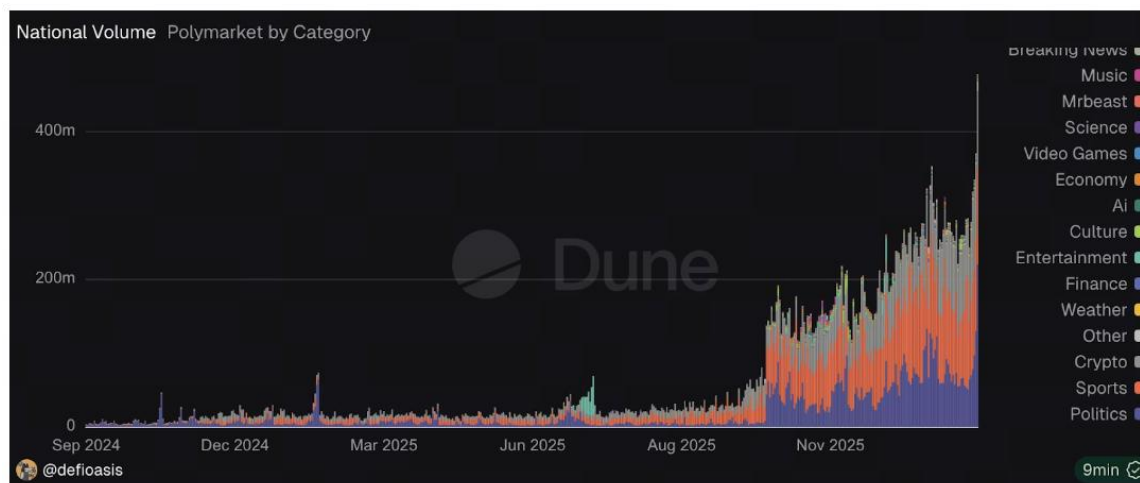
Source: Bloomberg

Naturally, the HYPE token was one of the biggest winners over the weekend, rising almost 20%, as Hyperliquid made more in fees than any other blockchain application this weekend.



Source: TradingView

Finally, Polymarket became the go-to place for trading events related to the war itself. On the day the US and Israel carried out joint strikes on Iran, Polymarket recorded \$478 million in notional daily trading volume, with the politics category alone reaching \$220 million, both marking all-time highs. Notably, Bubblemaps reported that at least six insider-linked addresses profited approximately \$1.2 million from bets related to the conflict.



We've previously discussed how silly it is that major markets only trade 5 days per week for a few hours per day. Traditional equity markets operate like it's still 1973, closing their doors at 4 p.m. ET on Fridays and reopening at 9:30 a.m. on Mondays. That's 63 hours – two and a half days – where equity investors are locked out, unable to respond, hedge, create alpha, or reposition. It's like watching a storm roll in and being told you can't board up your windows for 2.5 days. You can watch and see others across the street preparing, but you have to wait.

This is likely going away, not just because blockchain offers a better real-time trading solution, but because TradFi firms are seeing the fees that Hyperliquid and other DeFi applications are earning at their behest. I still believe that in most cases, taking a break from trading is healthy. Even the worst trading days and weeks eventually end, giving investors a chance to pause and gain clarity without having to trade every tick 24/7 in real time. But having the option to step away is very different from being forced to step away. If something is critical, like a war, you shouldn't have to wait until 9:30 a.m. ET on Monday to react. By then, any opportunity might already be gone. Technology fully supports 24/7 trading, and the digital assets market has proven to be a testing ground.

In a few days, we'll likely forget all about the market's response to the war. But anyone who traded this weekend will not forget crypto's impact on risk management and trading a major geopolitical event.

Highlights from Paul Veradittakit's (MP – Pantera Capital) 2026: The Invisible Revolution...

Where I see Asia heading in 2026:

- Cross-border payments via stablecoins, particularly B2B, where fragmented economies make crypto rails a natural fit
- Tokenization of gold, equities, and real estate as banks and fintechs catch up to the US
- Perpetual trading on DeFi accelerating faster than the West, driven by retail adoption
- Prediction markets emerging as a major category, though likely taking a different shape than US counterparts

This brings me to the defining thesis for 2026: we are moving from Crypto as a Sector to Crypto as a Service (CaaS). The goal is no longer for users to see the blockchain. The goal is for them to forget it's even there.

For over a decade, we built the “spectacle” of crypto – gas wars, TPS counts, modular stacks, ZK-proofs. In 2024, we got our institutional seal of approval via the ETFs. In 2025, we finalized the plumbing. But 2026 is the pivot.

The End of the “Casino” Era

The next generation of unicorns won't be “L3s for AI-NFTs.” They will be companies that solve \$100B+ legacy problems by using blockchain to make a product 10x more efficient – while completely hiding the underlying tech. This brings me to our latest investments:

Novig: The End of the “Vig” (\$75M Series B) Traditional sportsbooks are a broken monopoly. They take a massive “vig” (commission) off the top, leaving users with a dismal 2% profitability rate. We led the \$75M round for Novig because they treat a sports bet like a high-frequency financial instrument. By using a peer-to-peer exchange model, Novig users are 23% profitable on average. Most Novig traders don't care that the back-end uses a decentralized order book; they just care that they get the best odds in the country. That is CaaS in action.

Based: The Consumer Super-App (\$11.5M Series A) We recently led the Series A for Based, a composable Web3 consumer super-app within the Hyperliquid ecosystem. For years, “consumer crypto” was synonymous with “clunky.” Based is changing that by making the on-chain experience feel like a premium fintech app. It's invisible because the complexity of bridging and gas is abstracted away, allowing users to focus on the social and financial utility of their assets.

Doppler: The Default Launch Infrastructure (\$9M Seed) If Based and Novig are the cars, then Doppler is the high-performance fuel system. We led their \$9M round to build the default launch infrastructure for on-chain assets. Doppler allows developers to deploy assets with institutional-grade security and compliance without needing to build the plumbing themselves. It's the Stripe for on-chain assets – pure utility, hidden behind an API.

Why “Invisible” Beats “Viral”

We are seeing this same invisible pivot across our entire portfolio:

- Real-World Assets: Tokenized treasuries are no longer a crypto experiment – they’re becoming the back-end liquidity for global trade.
- AI Agents: Blockchain is providing the Invisible Truth Layer via prediction markets and verifiable data that agents need to operate autonomously with digital money.

Agentic payments will drive this transformation. Payment standards like x402 allow AI agents to transact directly with crypto assets while regulatory clarity on stablecoins smooths the rails.

The Grayscale Research team published “February 2026: Signs of Stability.” See key takeaways below. Download the full report, [here](#).)

- Valuations declined in early February but stabilized later in the month. Trading volume, implied volatility, and other indicators also suggest calmer waters.
- Crypto assets related to AI agents outperformed, and there was encouraging fundamental news related to stablecoins and tokenization, as well as the “three P’s:” privacy, perpetual futures, and prediction markets.
- For investors with longer-term horizons, we believe now may be an appropriate time to consider allocating to crypto. Blockchains and AI are complementary, the industry’s fundamental trends still look favorable, and the macro backdrop is supportive, in our view. Prospects for the Clarity Act in the US Senate are a wildcard.