



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

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BITCOIN-RELATED



Bitcoin topped out above \$126,000 in October 2025, roughly 18 months after the April 2024 halving – textbook four-year cycle timing. Veteran trader Peter Brandt, Fidelity's Jurrien Timmer, and others say that maps the bear market bottom to September-October 2026, before a new uptrend carries BTC toward \$250,000 by late 2029 (18 months after the next halving in April 2028).

Congressman Nick Begich (R-AK) and Jared Golden (D-ME) introduced the American Reserve Modernization Act of 2026, bipartisan legislation that would codify the Strategic Bitcoin Reserve Trump created by EO in March 2025 and make it permanent. The bipartisan legislation was sponsored by 16 members of Congress and would direct the Treasury Department to create and maintain a Bitcoin reserve for a minimum of 20 years, while establishing a stockpile for other cryptos held by the government.

The White House's top crypto advisor, Patrick Witt, repeated an earlier statement, teasing a "breakthrough" on the US Strategic Bitcoin Reserve. Witt said: "We'll have an announcement. I wish I could say more. It's a breakthrough as far as getting everything in place, legally sound, properly safeguarding the assets."

Congressman Lance Gooden said, "the Pentagon is currently researching how Bitcoin can be used toward" strengthening their cyber defenses. Bitcoin "is the center of a paradigm shift in national security that the US military is moving to capitalize on."

Minnesota Governor Tim Walz signed HF 3709 into law this past week, authorizing state-chartered banks and credit unions to hold Bitcoin and other virtual currencies on behalf of customers.

The Himalayan kingdom of Bhutan denied reports that it sold ~\$1 billion worth of Bitcoin over the last year, suggesting reports based on data from blockchain sleuth Arkham Intelligence are incorrect. Ujjwal Deep Dahal, the chief executive of the kingdom's sovereign wealth fund Druk Holding and Investments, said: "I don't recall the last time we sold any Bitcoin."

Iran launched Hormuz Safe, a state-backed maritime insurance platform that settles premiums in Bitcoin, targeting ships and cargo transiting the Strait of Hormuz, according to IRGC-affiliated Fars News Agency. The platform, developed by Iran's Ministry of Economic Affairs and Finance, issues coverage immediately upon blockchain confirmation and delivers a signed digital receipt to the cargo owner. Iran claims the program could generate over \$10 billion in revenue.

SpaceX filed its S-1 with the SEC on May 20, confirming for the first time that the company holds 18,712 Bitcoin purchased for ~\$661 million at an average price of about \$35,320 per coin. At current prices, the position is worth approximately \$1.45 billion, placing SpaceX among the top 10 corporate Bitcoin holders globally.

Billionaire Mark Cuban disclosed he sold ~80% of his Bitcoin holdings, saying it failed to act as the safe haven he expected during the Iran war and dollar weakness.

May 22 was “Bitcoin Pizza Day” – the anniversary of the first real-world Bitcoin transaction to buy something tangible. On May 22, 2010, someone paid 10,000 Bitcoin for two pizzas. Those coins are now worth over \$750 million.

The Human Rights Foundation released a new Bitcoin playbook – titled “Bitcoin for Nonprofits: A Guide To Help Your Movement Achieve Financial Freedom” – showing how nonprofits and activist groups can bypass financial censorship and operate independently when governments weaponize the banking system. (Access it, [here](#).)

On May 16, the world’s newest physical Bitcoin space opened in Nairobi, Kenya. It’s called Node NBO (NBO is short for Nairobi), and it will serve as a co-working space for notable Bitcoin, freedom tech, compute, and energy companies and organizations in Africa, including Fedi, Gridless, and BTrust, as well as the Human Rights Foundation (HRF).

INDUSTRY ADVANCES

South Carolina enacted a sweeping pro-crypto law, signed by Governor Henry McMaster on May 19, amending the South Carolina Code of Laws to create a crypto-friendly environment for crypto users and businesses. The law states that individuals and businesses may not be prohibited from accepting digital assets as payments for goods and services or from using self-hosted or hard wallets to self-custody their digital asset holdings. It also exempts cryptos used for payment from any additional tax, withholding, assessment, or charge by the state or local governments. Plus, the legislation bars state agencies from accepting or requiring payments in a CBDC and blocks participation in Fed CBDC pilots.

Intesa Sanpaolo, Italy’s largest bank, more than doubled its crypto exposure in Q1 2026, with holdings climbing from ~\$100 million at the end of 2025 to ~\$235 million as of March 31. The growth was driven by expanded Bitcoin positions, with the bank adding to positions in both the ARK 21Shares BTC ETF and BlackRock’s iShares Bitcoin Trust ETF. It also entered Ethereum for the first time through BlackRock’s iShares Staked Ethereum Trust and picked up a fresh stake in Ripple’s XRP via the Grayscale XRP Trust ETF.

Japan's SBI Securities and Rakuten Securities plan to offer crypto investment trusts, developing the products in-house as Japan's two largest online brokerages race to bring regulated crypto exposure to retail investors.

Jito Labs is launching JTX, a consumer trading terminal for spot, futures, and predictions on Solana, starting in July with perps via a Phoenix partnership to follow.

Coinbase will launch four perpetual-style equity index futures on June 8, tracking AI, China, US defense, and the top 100 Nasdaq firms – the first such products listed on a US-regulated exchange.

Intercontinental Exchange is working with crypto exchange operator OKX to launch oil futures contracts that never expire. The new contracts will be available on OKX, in which ICE holds a stake, across territories where the crypto company is already licensed to offer perpetual futures.

Revolut unveiled its first physical crypto card, letting users spend Dogecoin and other crypto assets at retail merchants as industry-wide crypto card usage grows.

IG Group, the London-listed FTSE 100 trading platform with 1.3 million clients globally, announced it will use Bitpanda's MiCA-licensed infrastructure to bring crypto trading to its European client base.

Y Combinator launched YC Crypto Deals, a new program providing ecosystem grants, gas credits on Ethereum and Solana, and access to crypto payment and wallet infrastructure from partners including Coinbase, Circle, Stripe, and Phantom to any YC portfolio company building on or integrating blockchain.

BingX, a crypto exchange and Web3-AI firm, announced a major upgrade to its Bot Trading ecosystem, featuring a revamp of its futures grid trading suite to expand capabilities across the crypto derivatives market. The upgrade includes a redesigned trading interface, streamlined strategy creation flow, enhanced strategy tools, and expanded performance analytics.

AriseAlpha announced the launch of its new Free AI Crypto Trading Bot Platform, introducing a fully automated crypto investing environment designed to help everyday investors participate in digital asset markets with greater efficiency and reduced manual effort.

MINING



Bernstein analysts assigned “outperform” ratings to IREN, Riot Platforms, CleanSpark, and Core Scientific, citing over \$90 billion of AI deals covering 3.7 GW of power capacity across hyperscalers, neoclouds, and chip providers.

Canaan posted an \$88.7 million Q1 net loss as revenue fell 68% QoQ to \$62.7 million, dragged down by a \$25 million inventory write-down and compressed hashprice conditions. CEO Nangeng Zhang said Middle East conflict is clouding the outlook for Bitcoin miners through elevated energy costs.

Bitcoin miner HIVE Digital Technologies said its BUZZ HPC subsidiary plans to develop a 320-megawatt AI data center campus near Toronto capable of supporting 100,000+ GPUs at full build-out.

DIGITAL ASSET TREASURY ACTIVITY



Strategy bought another 24,869 BTC for ~\$2 billion, pushing its total holdings to 843,738 BTC (\$65 billion) – the equivalent of more than 4% of Bitcoin's 21 million supply cap.

Strategy's Michael Saylor said that Strategy's STRC preferred stock vehicle, which has grown from zero to \$10.5 billion in notional value in ten months with \$2 billion of that coming in the past month alone, is now absorbing every Bitcoin produced by miners and will likely continue doing so until 2140 when issuance ends.

Strive purchased 382 Bitcoin for \$30.3 million and now holds \$1.18 billion in BTC.

Capital B, a France-based Bitcoin treasury company, purchased 192 BTC with 13 million euros (\$15.1 million). The acquisition follows the prior week's announcement of a raise of 15.2 million euros (\$17.8 million) in a private placement.

David Bailey's Nakamoto announced a 1-for-40 reverse stock split effective May 22 as shares hit new lows at \$0.145, down 99.5% from their May 2025 peak of \$34.77. The Bitcoin treasury firm, which holds 5,058 BTC, must close above \$1 for 10 consecutive days by June 8 to avoid Nasdaq delisting.

Tether bought out SoftBank Group's ~26% ownership in Jack Mallers' DAT, Twenty One Capital (XXI), adding to its control over the Bitcoin accumulator.

Bitmine Immersion Technologies expanded its corporate Ethereum treasury to 5.28 million ETH tokens as of May 17, giving it control of 4.37% of the total circulating Ether supply.

WLF financial firm AI Financial Corp., formerly known as Alt5 Sigma, reported a wider net loss for the quarter ended March 28 (\$271.5 million for the quarter compared to a net loss of \$2.4 million a year earlier), and warned that its financial conditions "raise substantial doubt" about its ability to continue operating within one year.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



US spot Bitcoin ETFs recorded \$648.6 million in net outflows on May 18, marking the largest single-day withdrawal since late January.

Trump Media & Technology Group withdrew SEC filings for three planned Truth Social-branded crypto ETFs – a spot Bitcoin fund, a Bitcoin and Ethereum fund, and a Crypto Blue Chip fund – with regulatory fine print cited as the change of course. In regard to the spot Bitcoin ETF, Bloomberg Intelligence analyst James Seyffart posted: "I suspect it more has to do with the competitive landscape for spot Bitcoin ETFs. Particularly with Morgan Stanley's MSBT coming in at 14 bps." (The company also transferred 2,650 Bitcoin (~\$205 million) to Crypto.com, signaling a potential pending sale.)

Goldman Sachs cut its crypto ETF exposure in Q1 2026, exiting XRP and Solana funds, trimming Bitcoin and Ether ETFs, and opening a position in a Hyperliquid digital asset treasury company.

Harvard fully exited its \$86.8 million Ether ETF position and cut its IBIT Bitcoin ETF stake by 43% to \$117 million in Q1, per 13F filings.

Dartmouth disclosed a new position in Bitwise's Solana Staking ETF.

US spot Hyperliquid ETFs attracted a record \$25.5 million in net inflows on May 20, bringing cumulative inflows to \$53.5 million within their first seven trading days. Bloomberg ETF analyst Eric Balchunas called the volume growth “a really good sign of organic interest.”

Bitwise will devote 10% of the management fee from its newly launched BHYP Hyperliquid ETF to holding HYPE on its balance sheet, mirroring Hyperliquid's model where 99% of protocol revenue buys back and burns HYPE tokens.

VanEck and Grayscale filed fresh BNB ETF amendments with the SEC – VanEck's fifth and Grayscale's second. Bloomberg analyst James Seyffart said the parallel filings suggest active SEC engagement, with both products set to list on Nasdaq under tickers VBNB and GBNB.

SEC Chair Paul Atkins is reviewing the implications of delayed prediction market ETFs, seeking public input on event contract funds that would give brokerage investors exposure to outcomes like elections and recessions.

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

Crypto infrastructure firm Zerohash is in talks to raise \$250 million at a \$1.5 billion valuation.

Arbitrum-based derivatives startup Variational raised a \$50 million Series A round, led by Dragonfly Capital and with participation from Bain Capital Crypto and Coinbase Ventures.

Catena Labs, the agentic finance startup co-founded by Circle's Sean Neville, raised a \$30 million Series A – led by Acrew Capital and a16z crypto. (Catena is simultaneously applying for a national trust bank charter from the OCC, seeking regulatory authority to hold customer funds and process payments for AI agent transactions.)

Eisen raised \$18.5 million to build a compliance operations infrastructure for financial services firms, targeting the growing intersection of crypto regulation and institutional adoption.

SUI Group co-led a \$15 million funding round for AI trading lab Nof1, expanding its footprint in AI-driven onchain trading infrastructure.

Checker raised \$8 million from Galaxy Ventures and others to build stablecoin infrastructure for compliance verification and reserve transparency.

AEON, a settlement layer focused on the agentic economy, raised \$8 million in a pre-seed funding round – led by YZi Labs.

Foundation raised \$6.4 million in funding, led by Fulgur Ventures, to expand from Bitcoin hardware wallets to AI agent authorization.

Cycles, the crypto startup and economic experiment founded by Cosmos co-founder Ethan Buchman, raised \$6.4 million in fresh funding.

Squid, a cross-chain platform that says it has processed over \$6 billion in volume across blockchains, has raised \$6 million in a strategic funding round.

IPOS, M&A, PARTNERSHIPS & DEALS



Blockchain.com Group Holdings confidentially submitted a draft registration statement on Form S-1 with the SEC for an IPO.

Trade.xyz, built on Hyperliquid's HIP-3 infrastructure, launched a synthetic pre-IPO perpetual futures contract tied to SpaceX's implied valuation on the platform. The SPCX-USDC contract, at a \$150 reference price implying a \$1.78 trillion valuation, surged to \$216 before settling at \$202.89 on \$33 million in 24-hour volume and \$21.8 million in open interest in its first session. (Binance followed by launching perpetual contracts for SpaceX pre-IPO shares, powered by Nasdaq data.)

Copper, the institutional crypto custody firm behind the ClearLoop settlement system, is seeking a buyer at a \$500 million valuation, according to sources – with Cantor Fitzgerald appointed to run the sale process.

Standard Chartered is acquiring the crypto custody business of Zodia Custody, its majority-owned subsidiary, and folding it into the bank's own digital asset infrastructure.

Zama acquired TokenOps, an enterprise token lifecycle management platform that says it has processed more than \$2 billion in distributions, to bring Fully Homomorphic Encryption to institutional token vesting, airdrops, and cap table operations.

Kaiko acquired Cometh to scale MiCA-regulated onchain data infrastructure, deepening its compliance-grade data offering for institutional clients.

Onchain perpetuals exchange Ostium partnered with Nasdaq to use the exchange operator's equities data – making Ostium, the “first onchain trading venue to offer equity perpetual products powered by Nasdaq data.”

Ripple announced that Ripple Prime, its global multi-asset prime brokerage platform, is integrated with EDX Markets and EDXM International. The integration enables Ripple Prime's clients to access EDX's spot and perpetual futures liquidity for digital assets within a unified, capital-efficient prime brokerage framework.

DEFI



Tempo, the Stripe and Paradigm-backed blockchain that launched mainnet in March with design input from Visa, Shopify, Revolut, Deutsche Bank, OpenAI, Anthropic, and Standard Chartered, integrated Morpho's \$7.5 billion DeFi lending marketplace into its network.

Wintermute announced Armitage, a new DeFi vault curation business designed to bring institutional-grade risk management and trading intelligence to decentralized lending markets. The first two Armitage vaults will be deployed on Morpho in May, both denominated in USDC, with additional vaults, chains, and protocols to follow.

The XRP Alliance debuted as Flare and D'CENT linked hardware wallets to XRP yield vaults, building a new ecosystem layer connecting cold storage security with DeFi-style yield generation on the XRP Ledger.

TOKENIZATION



Standard Chartered projects \$4 trillion in tokenized assets by end-2028, split evenly between stablecoins and RWAs.

The FCA and the Bank of England opened a consultation on regulation and infrastructure for tokenized UK wholesale markets. The initiative runs alongside the Digital Securities Sandbox, where 16 firms are testing live issuance and settlement of tokenized assets. Bank of England Deputy Governor Sarah Breeden also outlined a vision for a modernized UK financial system built around tokenized deposits, regulated stablecoins, and potentially a retail CBDC.

Faisal Monai, the architect of Saudi Arabia's \$250 billion digital payments backbone, secured \$12.5 billion in active mandates to tokenize sovereign assets through droppRWA, with stablecoin settlement for Saudi real estate expected to go live by late 2026 under joint regulatory oversight from the Capital Market Authority and the central bank.

Boerse Stuttgart added Societe Generale, SG-FORGE, and flatexDEGIRO to its pan-European tokenized settlement network, expanding the consortium that aims to create a unified infrastructure for digital securities issuance and settlement across the continent.

Crypto payments firm MoonPay started MoonPay Trade, a platform to connect banks, fintechs and enterprises to tokenized assets, DeFi protocols, and stablecoin liquidity across 200+ blockchains through a single integration. The service is underpinned by Decent.xyz, the cross-chain routing startup MoonPay has acquired for a "high eight-figure" sum.

Pendle has integrated STRC, Strategy's tokenized preferred shares distributed via DeFi wrappers APYX and SATURN, marking its first exposure to tokenized equity-adjacent credit instruments with dividend-based yield.

PREDICTION MARKETS



Polymarket has partnered with Nasdaq Private Market to launch prediction contracts tied to private company milestones – valuations, IPO timing, and secondary share activity – for ~1,600 unicorns collectively worth more than \$5 trillion. Users won't own equity, but they can take yes/no positions on outcomes that have historically been accessible only to venture capital firms, institutions, and accredited investors.

Polymarket is preparing to seek government approval in Japan and appointed a local representative. The company aims to secure regulatory authorization to operate there by 2030.

Polymarket filed to list parlays – combinatorial outcome contracts – with the CFTC, effective no earlier than May 21.

The CFTC and the NHL signed a Memorandum of Understanding to coordinate and share information “to protect the integrity of both professional hockey and related event contracts.”

India is moving to formally block Polymarket and Kalshi after both platforms continued accepting Indian users despite the country's May 1 ban under the Promotion and Regulation of Online Gaming Act.

House Oversight Chairman James Comer launched a congressional probe into insider trading on Kalshi and Polymarket, sending letters to both CEOs on May 22 requesting documents by June 5.

Minnesota became the first US state to ban prediction markets, passing a law that makes it a felony to host or advertise them. The CFTC sued Minnesota hours later, calling the statute a “flagrant and unprecedented incursion” into federal regulatory authority.

Kalshi and Polymarket lost their bids to stop gambling-related cases against them in the US states of Nevada and Washington – with a Ninth Circuit Panel denied requests from the prediction market firms to block lower-court rulings, sending the cases back to state court.

After a writer was accused of using AI to plagiarize a Sportico article about prediction market Kalshi, Sports Illustrated deleted the writer's profile from its site and appears to have cleared out recent content from its prediction market vertical.

CBDCS & STABLECOINS



Former CFTC Chairman Timothy Massad said that despite Trump's loud public opposition to a US CBDC, Washington is quietly exploring CBDC-style infrastructure through the Bank for International Settlements' Project Agora, and that adoption is ultimately inevitable as Europe and other jurisdictions build tokenized settlement rails.

KB Financial Group, the parent company of South Korea's largest bank, KB Kookmin, completed a stablecoin pilot for offline payments and cross-border remittances through the Kaia blockchain.

AllUnity announced plans to launch SEKAU, a 1:1 Swedish krona-backed stablecoin regulated under MiCA. (The firm also introduced Agentic Payments, an x402-powered settlement layer enabling European businesses to accept AI-agent transactions.)

Qivalis added 25 European banks to its euro stablecoin consortium, bringing total backing to 37 institutions, including Luxembourg state-owned Spuerkeess. (The Amsterdam-based group has applied for a Dutch central bank license to launch a euro-pegged stablecoin, targeting the second half of the year pending regulatory approval.)

MoneyGram was named the “Anchor Remittance Validator” for Tempo, the blockchain co- developed by Stripe and Paradigm. As part of its role, MoneyGram will validate remittance transactions on the L1 blockchain and integrate stablecoin settlement, including with Stripe, for its global flows.

OSL Group, a global stablecoin payment and trading platform, announced that its Hong Kong- licensed digital asset exchange OSL HK officially listed USDKG, the gold-backed stablecoin issued by the Kyrgyz Republic.

Tether invested in remittance fintech LemFi to expand USDT settlement across Africa and Asia.

Kik founder Ted Livingston's Flipcash became the first app to tap Coinbase's stablecoin-as-a- service platform, embedding USDF – a custom stablecoin fully backed by USDC – directly into the social payments app.

Deel launched stablecoin salary payouts for full-time employees, letting workers receive a portion of their net pay in stablecoins fee-free on payday across the US and Eurozone. The payroll platform says 10,000 contractors in 100 countries already get paid in stablecoins, with the expansion targeting workers in volatile-currency markets seeking dollar-denominated pay.

NFTS, BLOCKCHAIN GAMING & METaverse



Malaysia-headquartered company 7.io announced a continued expansion of its Web3-powered entertainment and online gaming infrastructure.

Onchain trading card platform Fantasy.top announced that it will shut down after over two years of operations.

JOB MOVEMENT



Zero-knowledge scaling company StarkWare is cutting jobs, restructuring its operations, and splitting into two units as it shifts from infrastructure development toward revenue-generating products.

Chris Giancarlo, former chair of the CFTC, is stepping away from law to become a full-time adviser to crypto firms. Giancarlo is leaving the law firm Willkie Farr & Gallagher and retiring from law altogether as he makes the switch to advising crypto and fintech companies.

Tom Duff Gordon, the former VP of international policy at Coinbase, has departed after nearly 4 years to join OpenAI as head of EMEA Policy.

Ethereum Foundation exec Josh Stark is stepping down at end of April after five years.

Yuga Labs tapped longtime staffer Michael Figge as new CEO as co-founder Greg Solano moves to chairman.

Plasma, the company behind the first stablecoin-native neobank and the infrastructure powering it, announced the appointment of Zaheer Ebtikar as Chief Strategy Officer.

REGULATIONS, RULINGS & COMMENTARY



President Trump signed two executive orders. The first order directs the Federal Reserve to evaluate granting fintech firms and uninsured depository institutions – including crypto companies – direct access to Federal Reserve master accounts and the wholesale payment systems that sit at the core of the dollar’s plumbing. The second order directs Treasury to update the Bank Secrecy Act and customer identification rules to prevent crypto exploitation by criminal networks.

The SEC is preparing to release an “innovation exemption” for tokenized stocks as early as this week, the clearest signal yet that the agency is opening the door for blockchain-based equity trading at scale. The framework would let crypto-native platforms offer digital versions of publicly traded securities under lighter regulatory requirements during an experimental period. Days later, the SEC delayed its plan for an anticipated exemption, following concerns over third-party issuers.

The Federal Reserve Board, on May20, proposed to create a new “payment account” that would give legally eligible non-bank financial institutions, including crypto firms, direct access to the central bank's payment rails for clearing and settling transactions.

A bill, released by House ways and means committee representatives Steven Horsford (D-NV) and Max Miller (R-OH), unveiled taxation legislation in a bid to simplify the complex crypto tax code – following a discussion draft the pair released in March.

Senator Elizabeth Warren sent a letter to the OCC questioning its recent approval of national trust bank charters for Ripple, Coinbase, Paxos, and World Liberty Financial – arguing the firms are conducting trading, payments, lending, and stablecoin issuance well beyond what national trust banks typically allow.

Galaxy Digital announced that the New York State Department of Financial Services granted GalaxyOne Prime NY, the Galaxy entity that will serve New York clients, a BitLicense and Money Transmission License, authorizing the company to offer regulated digital asset services to institutions across the state.

The European Commission has opened a formal consultation on whether MiCA, the bloc's landmark crypto-assets framework, remains fit for purpose as digital asset markets evolve, inviting feedback from individuals and industry participants through Aug. 31.

Japan's ruling Liberal Democratic Party (LDP) officially approved a new policy concept proposal to build the future financial system using AI and blockchain technology. The proposal, titled “Next-generation AI & Onchain Finance Concept,” prioritizes the development of an automated financial infrastructure that supports 24/7 agentic commerce via blockchain networks.

South Korean legislators are set to review the possible abolition of the crypto tax plan scheduled to take effect next year, after a national petition surpassed the required number of signatures.

Hong Kong's Securities and Futures Commission granted NewBX Limited, the operator of crypto exchange Bixin, a virtual asset trading platform license. With this approval, the city has 13 officially licensed crypto trading platforms.

Zerohash became the first firm licensed under Europe's flagship MiCA crypto regulation to also hold full EMI status.

Kraken's parent company, Payward, secured preliminary approval from Dubai's Virtual Assets Regulatory Authority for a broker-dealer, investment, and management licence, clearing a regulatory pathway for the exchange's expansion into the UAE.

Plume, a blockchain built for RWA tokenization, secured a digital asset business license from the Bermuda Monetary Authority for its subsidiary Kimber Digital Assets Bermuda, enabling what it claims is the world's first regulated onchain vault manager.

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

Lombard Finance is moving over \$1 billion in Bitcoin-backed assets from LayerZero to Chainlink CCIP following an internal security review after last month's \$292 million KelpDAO exploit, joining Kraken, Solv Protocol, Kelp DAO, and Re in what now totals ~\$4 billion in industry-wide migration away from LayerZero.

Swan Bitcoin was hit with a \$970 million clawback lawsuit by the Prime Trust bankruptcy estate, which alleges Swan withdrew roughly 11,992 BTC, \$22.4 million in cash, \$5 million in stablecoins, and 91,144 XRP in the 90 days before Prime's August 2023 bankruptcy filing. The complaint claims a senior Prime Trust executive tipped off Swan CEO Cory Klippsten via encrypted message on June 22, 2023; Swan disputes the claims, arguing customer assets held in trust accounts are not estate property.

Alleged Forsage co-founder was extradited from Thailand and pleaded not guilty in the \$340 million Ponzi case, marking a significant step in the long-running DOJ prosecution of the Ethereum-based pyramid scheme.

Galaxy's Mike Novogratz and BitGo's Mike Belshe faced off in a Delaware courtroom over BitGo's \$100 million reverse break fee claim stemming from Galaxy's 2022 abandonment of a \$1.2 billion merger. BitGo alleges Galaxy hid details of US regulatory probes that would have affected the merger's viability.

Fenwick & West, the Silicon Valley law firm that served as FTX US's principal outside counsel before the exchange's 2022 collapse, agreed to pay \$54 million to settle claims that it helped enable Sam Bankman-Fried's fraud, according to a court filing.

Ireland's Criminal Assets Bureau, working with Europol's European Cybercrime Centre, secured another 500 BTC valued at ~\$38.7 million from a dormant crypto wallet likely tied to a 2019 Irish drug trafficking case.

The Verus-Ethereum bridge appears to have been exploited for ~\$11.5 million on May 17, with the attacker draining 103.6 tBTC, 1,625 ETH, and 147,000 USDC before swapping everything into 5,402 ETH.

The US Justice Department sentenced an Ohio resident to nine years in prison for running a multi-year investment fraud scheme that netted at least \$10 million.

Bitcoin-focused DeFi protocol Echo suffered an exploit where an attacker minted 1,000 eBTC – Echo Protocol's Bitcoin liquidity token issued on Monad – and deposited 45 eBTC to DeFi lending protocol Curvature as collateral to borrow ~11.29 WBTC, worth ~\$867,700 at the time.

Attackers reportedly hit prediction market platform Polymarket with a private key hack and stole ~\$700,000 worth of crypto. (Polymarket launched an internal investigation.)

Syndicate Labs, which had a \$330,000 exploit last month, announced it is closing due to a decline in the Ethereum rollup market and a shift toward highly customized chains.

The US targeting wallets and Treasury sanctioned members of the Sinaloa Cartel over crypto-fueled fentanyl trafficking, financial networks used to launder drug proceeds through digital assets.

New details in the Jane Street insider trading case reveal a private Telegram group as the alleged coordination hub for trading activity tied to advance knowledge of Terra's May 2022 collapse. The allegations – which Jane Street denies – implicate communications that regulators say were used to position ahead of LUNA/UST's depegging event.

The wife of Sebastien Borget, co-founder and COO of metaverse platform The Sandbox, was targeted in a kidnapping attempt at the family's home in Villenoy, France, after suspects posing as delivery workers allegedly tried to force her into a vehicle. French authorities arrested two suspects while four additional individuals remain at large following the attempted abduction. Investigators suspect the attack was linked to the couple's crypto holdings.

MISCELLANEOUS

Vitalik Buterin outlined three near-term upgrades aimed at building privacy directly into Ethereum rather than relying on third-party tools like mixers: 1) Account abstraction combined with FOCIL (fork-choice enforced inclusion lists), would force block builders to include private transactions, making censorship significantly harder. 2) Keyed nonces (EIP-8250), replaces Ethereum's single sequential nonce with a multi-key structure, preventing transaction linking. 3) Access-layer work, including the Kohaku privacy toolkit, would let users query the blockchain without exposing their wallet identity to

node providers. Buterin framed privacy as essential for giving ETH true “moneyness” and for driving more activity back to the mainnet.

Justin Sun's Liberland awarded Ethereum founder Vitalik Buterin its top honor, in a ceremony for the self-declared micronation on the Danube.

Kraken parent company Payward reported \$507 million in Q1 adjusted revenue, up 3% YoY.

However, adjusted EBITDA fell sharply to \$18 million from \$168 million a year earlier as Kraken continued investing aggressively in acquisitions, product development, and regulatory infrastructure. Co-CEO Arjun Sethi said Kraken's business has become “more resilient” as the exchange expanded beyond crypto trading, with funded accounts rising 47% YoY to 6.1 million and assets on the platform climbing to \$40 billion.

Securitize posted record Q1 revenue of \$19.5 million (+39% YoY) as tokenized assets under

management rose to \$3.4 billion, with transaction volume hitting \$1.9 billion and assets under administration reaching \$24.9 billion. The platform recently received FINRA authorization for tokenized securities custody and is preparing for a public listing via SPAC merger with Cantor Equity Partners II.

The Zcash Foundation ended Q1 with \$36.69 million in liquid assets and just \$817,000 in operating expenses, reflecting one of the leanest operating profiles among major crypto nonprofit foundations.

F2Pool co-founder Chun Wang will join SpaceX's 2-year mission to Mars.

US crypto ATM operator Bitcoin Depot filed for Chapter 11 to wind down its business.

Everclear announced it's winding down its protocol, foundation, and labs unit after failing to build a sustainable business model despite \$500 million in monthly volume.

Ethereum Layer 2 Zero Network announced it would wind down.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Glassnode released a new report titled “Measuring Bitcoin’s Quantum-Exposed Supply” – identifying what share is structural, and what may be reduced through improved wallet and custody practices. (View the report, [here](#).)



Conclusion from Coin Metrics’ “State of The Network” weekly report from 5/19/26. (Read the full report, [here](#).)

It is important to recognize the challenges that arise when including long-tail assets in benchmarks. As institutional adoption of crypto protocols grows and investors diversify to improve their risk exposure, measuring long-tail asset performance relative to the market becomes crucial for comparing returns.

Comparing model benchmarks, maintaining up-to-date knowledge of relevant assets in the market and aggregating market liquidity across venues can help in designing benchmarks that incorporate the long tail while remaining representative and investable.

Conclusion from Glassnode’s “The Week On-Chain” from 5/20/26. (Read the full report, [here](#).)

Bitcoin remains in a constructive structural position, but the latest positioning and flow data suggest momentum has become increasingly selective beneath the surface. Institutional futures participation continues to recover and price remains resilient above key support levels, however broad spot demand has yet to fully re-accelerate, particularly across US institutional venues.

At the same time, options positioning and volatility markets point toward a more cautious environment developing near the current range highs. The combination of weaker aggregate spot accumulation, softer ETF momentum, and renewed downside hedging demand suggests the market is still searching for a stronger catalyst capable of sustaining expansion above the low-\$80K region.

In sum, the broader trend remains constructive, but the latest data increasingly points toward a market driven more by positioning and derivatives activity than broad-based spot conviction. Until liquidity conditions improve further and stronger spot demand re-emerges, Bitcoin may continue to experience choppy price action within the current range.

Matt Hougan's (Bitwise) Weekly CIO Memo: "Hyperliquid Is What You Get When Crypto Is Allowed to Grow Up – P.S. It's Also Undervalued."

Hyperliquid is one of the most important crypto projects to emerge in years. Its native token, HYPE, is the best-performing large-cap crypto asset of 2026, up 77% YTD. And yet I still think investors are underestimating its impact and its value. For this week's CIO Memo, I thought I'd explain why.

There are three things to know.

1) Hyperliquid Is the New Super-App

The most important regulatory speech given about crypto was SEC Chair Paul Atkins' November 12, 2025 speech, ["The SEC's Approach to Crypto Assets: Inside 'Project Crypto.'" If you haven't read it, please stop reading this memo and do so.](#)

Atkins leads what many consider the most important financial regulator in the world, and this speech lays out his vision for the future of financial markets: He foresees nearly all markets moving onchain in the next five years.

One thing that Atkins specifically calls for in his speech is "super-apps":

"As many of you know, I am a strong proponent of 'super-apps' in finance that allow for the custody and trading of a variety of asset classes within a single regulatory license."

When I first read that line, I assumed he was talking about firms like Robinhood and Charles Schwab expanding beyond stocks to offer trading in other assets. But he was actually talking about something else:

"I have asked Commission staff to prepare recommendations for the Commission to consider that would allow tokens tied to an investment contract to trade on non-SEC regulated platforms [emphasis added], including those intermediaries registered at the CFTC or through a state regulatory regime."

Which brings us to Hyperliquid.

What started as a perpetual futures exchange only for crypto assets now does nearly half its volume in non-crypto assets, including commodities, S&P 500 futures, pre-IPO stocks, and more. By the end of the year, I expect this will increase to 70%. They've now added prediction markets, too, which will give traders new ways to hedge real-world risk. In other words, Hyperliquid has become the "super-app" Atkins envisioned – a "non-SEC regulated platform" offering investors exposure to "a variety of asset classes."

All of that said, Hyperliquid still needs to mature: It's not currently available to US users and it needs to integrate itself into the US regulatory system. But that hasn't stopped it from becoming one of the fastest-growing financial businesses I've ever seen.

The blazing growth – it did \$170 billion in trading volume in the past month – has come from Hyperliquid’s decision to go after a market that’s much bigger than crypto. It isn’t trying to be the next Binance; it wants to be the largest and most valuable trading venue in the world.

2) Hyperliquid and the Rise of “Gen 2” Crypto Tokens

The Hyperliquid token, HYPE, started trading on November 29, 2024 – a week after former chair Gary Gensler announced his departure from the SEC. It was one of the first major crypto projects to launch in this new era.

Under Gensler, crypto projects lived in fear of being deemed securities, which could expose developers to unlimited personal liability and risk. Crypto entrepreneurs in first-generation DeFi apps like Uniswap and Aave adapted to this by launching “governance tokens” that had little or no economic tie to the underlying blockchain or application. By removing any expectation of profit – a key legal test for whether an asset is considered a security – founders could limit their legal risk.

In the Atkins era, that paranoia has given way to greater clarity. Atkins’ speech lays out a different vision for when a crypto token constitutes a security, and it makes space for tokens that can gather value. Gen 1 tokens like Aave are changing their governance to adapt, but Hyperliquid represents something else: a “Gen 2” token designed from Day 1 to accrue value. Notably, 99% of trading fees generated on the Hyperliquid platform go directly to buying back HYPE. More trading → more buybacks → more value accrual. No ambiguity.

In the future, I suspect this will be the norm for token design. In the meantime, it’s one of the reasons Hyperliquid is the best-performing large-cap crypto asset in the world over the past year.

And it leads us directly into Point 3.

3) Hyperliquid Is Undervalued

I think HYPE is one of the most mispriced assets in crypto today. The mispricing stems from two errors.

The first is a category error. The market is valuing Hyperliquid as a perpetual crypto futures exchange that happens to be growing quickly. But it should be valued as a global super-app covering all assets: crypto, equities, commodities, FX, prediction markets, structured products, and more. Its addressable universe is not the \$3 trillion crypto market, but the \$600 trillion market for global assets. Those are two completely different businesses. Today’s prices suggest you’re being offered the second at the cost of the first.

The second mispricing is an anchoring error. Crypto investors have been (painfully) taught over the years that tokens don’t accrue value. They’ve watched countless projects grow in users, volume, and real-world utility while the tokens stagnate—or worse. And even though they hear that HYPE is different, they don’t fully believe it. So mentally, they lump HYPE together with UNI, when it should be more closely compared to Robinhood or CME stock, given its 99% buyback.

Right now, Hyperliquid’s annual revenue is estimated at \$800 million to \$1 billion. At a market cap around \$10-11 billion, you are paying roughly 10–14x that buyback stream. For a fast-growing business, that is incredibly cheap. To use our previous analogy, Robinhood trades at a price-to-earnings ratio of 37, and CME at 24, although neither is growing anywhere near as quickly as Hyperliquid. It’s not a one-for-

one analogy – equity holders have stronger legal rights than token holders, for instance – but adjusted for growth, I'd argue it shows how far off the market is.

Hyperliquid and the Future of Innovation

For much of the past decade, many of crypto's innovative projects wore a costume: tokens that didn't accrue value. Foundations that didn't own anything. Builders that danced around the SEC. The Atkins-era SEC has put an end to the masquerade: Projects can now look like the decentralized business operations they actually are.

Hyperliquid is the first big project that took the permission and ran with it. The product covers every asset class. The tokens capture real value. The revenue is real and the buyback is mechanical. None of this guarantees Hyperliquid will win – competitors will come, regulators can change course, etc. – but it's an early, credible look at what crypto becomes when it's allowed to grow up.

Most of the time, watching the future arrive is expensive. Every once in a while, the market hands you a discount.

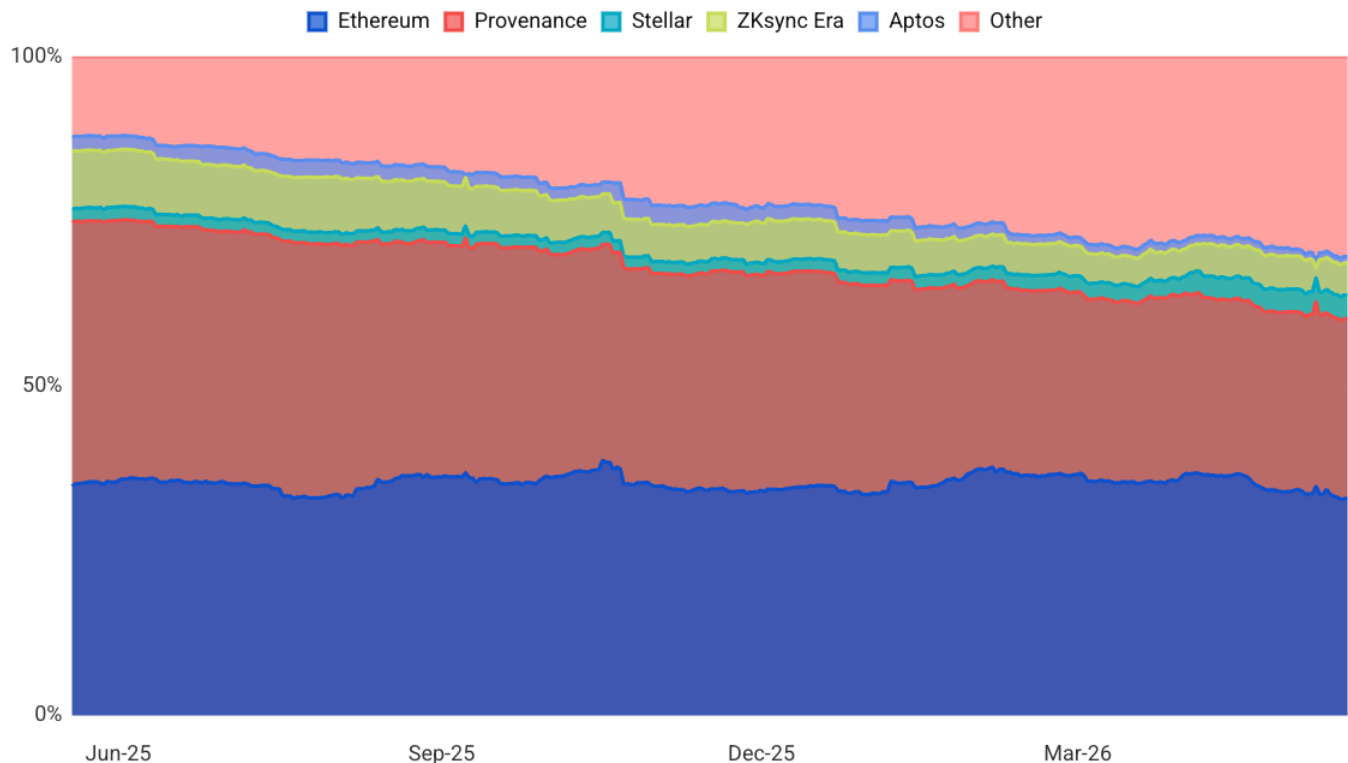
CoinDesk published its “Exchange Review – April 2026.” (See key findings below. Download the full report, [here.](#))

- Combined spot and derivatives trading volumes on centralized exchanges fell 11.7% to \$4.61T.
- Binance emerged as the largest market share gainer across both spot and derivatives markets in April.
- Open interest across all instruments on centralized exchanges rose 16.9% in April to \$105B, the highest level since early February.

The Block Pro Research: The total RWA market cap has surpassed \$65 billion, up roughly 44% from \$45 billion at the start of the year, as traditional asset managers continue bringing tokenized assets onchain at an accelerating pace.



RWA Market Cap by Blockchain (Market Share)



SOURCE: [RWA.XYZ](#) UPDATED: MAY 18, 2026

Arca: CLARITY Gets Closer...

The CLARITY Act Is Coming

The biggest story in digital assets this week had nothing to do with token prices. While most crypto assets traded lower alongside broader risk assets, Washington quietly moved one step closer toward passing the most important piece of crypto legislation in US history.

As you know, I'm not a legal expert or a Washington policy expert. I've spent hundreds of hours reading and absorbing summaries from Arca's own legal team and from Arca senior portfolio manager David Nage, who has spent countless hours alongside Congressmen and policy groups in Washington. I've also learned a lot from Alex Thorn at Galaxy Digital and many faceless individuals on Twitter along the way. This is, to the best of my ability, a summary of why I think the CLARITY Act now appears close to becoming law, and a huge positive for digital asset markets.

On Thursday, the Senate Banking Committee voted 15-9 to advance the CLARITY Act out of committee, marking a major milestone for crypto market structure legislation. More importantly, the vote was bipartisan. Senator Ruben Gallego (D-AZ) and Angela Alsobrooks (D-MD) joined Republicans in voting yes after a series of last-minute negotiations and amendments that reportedly came together during the committee hearing itself. That bipartisan support matters enormously. For years, crypto regulation has oscillated between enforcement actions and political talking points, but this week felt more like actual legislating.

The CLARITY Act, particularly in its revised form, is now evolving into something far more important than simply a "crypto bill." Along with the GENIUS Act, passed last year regarding stablecoins, Congress is effectively building the legal framework for digital capital markets in the United States. GENIUS establishes the money layer while CLARITY establishes the market structure layer. Combined, they begin creating the regulatory foundation for tokenized financial infrastructure, digital commodity markets, stablecoin settlement rails, custody, clearing, lending, and on-chain capital formation.

Several of the revisions made over the last few months are notable. Perhaps the most important was replacing the original "common control" framework with a "coordinated control" standard when determining whether a tokenized network is sufficiently decentralized to avoid securities treatment. While the SEC will still ultimately define many of these parameters through rulemaking, the revised language appears intentionally designed to distinguish between genuinely decentralized networks and what many in the industry refer to as "corporate chains" – systems that market themselves as decentralized while remaining effectively controlled by insiders, foundations, multisigs, or tightly coordinated governance structures.

This distinction matters. The revised language removes one of the industry's biggest fears: that projects could simply avoid regulation through legal engineering and vague promises of decentralization while still functioning as centralized enterprises in practice. Going forward, decentralization itself may become legally and economically measurable. Validator concentration, sequencer control, treasury governance, security councils, insider ownership, and upgrade authority may all become relevant in determining whether a network qualifies as a decentralized digital commodity or remains subject to securities-like oversight. Many Layer-2 ecosystems, in particular, may need to rethink how narrowly scoped their security councils and emergency controls truly are.

The bill also continues to carve out important protections for developers, validators, sequencers, node operators, oracle providers, and non-custodial infrastructure participants, while maintaining AML and Bank Secrecy Act obligations for centralized intermediaries. In our view, this is one of the most encouraging aspects of the legislation. Washington increasingly appears to understand the difference between software infrastructure and financial intermediaries. That distinction is critical if the US wants innovation, developers, and capital formation to remain onshore rather than continue to migrate offshore.

That said, several unresolved issues remain. Some of the proposed disclosure and ownership thresholds still appear overly restrictive and may unintentionally discourage US-based token issuance and venture investment. As it is currently drafted, parts of the bill might encourage projects to set up offshore, delist from US exchanges, or steer clear of US investors to lessen compliance requirements. Other ongoing sticking points include ethics provisions around elected officials and digital assets, as well as concerns from law enforcement hawks around DeFi protections and the Blockchain Regulatory Certainty Act. The good news is that these debates are no longer about whether crypto should exist. There are now debates about implementation details, disclosure thresholds, and conflict-of-interest rules – a remarkable shift from where the industry stood even two years ago.

Timing now becomes critically important. There are roughly nine weeks of Senate floor time remaining before the August recess, and most observers believe CLARITY likely needs to reach the Senate floor no later than mid-July to allow enough time for reconciliation with the House version and final passage before Congress leaves Washington. A realistic timeline would involve Senate reconciliation work beginning in early June, Senate floor debate by mid-June, final Senate passage by late June, House reconciliation in July, and a potential signing by President Trump in early August. Miss that window, and the probability of delay rises materially as the election season and other legislative priorities begin crowding the calendar.

Interestingly, despite all of this progress, most crypto assets themselves traded lower last week. Some of that likely had less to do with crypto-specific weakness and more to do with the broader macro environment. A hot PPI report pushed Treasury yields higher while driving equities and gold lower as markets once again leaned into the inflation narrative.

Longer term, however, it is difficult to view these regulatory developments as anything other than constructive for the asset class. For years, one of the largest overhangs preventing institutional adoption has been legal ambiguity. Pension funds, banks, RIAs, broker-dealers, custodians, and public companies have all spent years waiting for clearer rules before fully engaging with digital assets. The combination of GENIUS and CLARITY finally begins providing that framework. While many have already begun building on blockchain rails and introducing products to sell to customers that include digital assets, few have actually invested in digital assets themselves (outside of Bitcoin). This may happen in the coming months. More importantly, it potentially shifts crypto from a speculative regulatory gray zone into a legitimate and durable part of the US financial system. If that transition continues, the next decade of crypto may look far less like offshore speculation and far more like the modernization of global capital markets.

Hyperliquid, Once Again, Is One of the Lone Bright Spots

While Washington is finally building the legal framework for digital assets, Hyperliquid is showing what happens when a protocol actually builds a real business on that infrastructure.

While most crypto assets traded lower last week, Hyperliquid's HYPE token was once again one of the lone bright spots in the market, rising roughly 10% and continuing what has quietly become one of the strongest sustained outperformances anywhere in digital assets.

Part of the recent demand likely came from the launch of the new Bitwise Hyperliquid ETF, which provides another institutional wrapper around HYPE exposure and potentially broadens the investor base beyond crypto-native participants. But the far more important development was the massive strategic agreement announced this week between Hyperliquid, Coinbase, and Circle surrounding USDC and Hyperliquid's AQA2 stablecoin framework.

The market initially interpreted the deal as the death of USDH, Hyperliquid's homegrown stablecoin initiative. In reality, it may turn out to be one of the smartest strategic moves Hyperliquid has made since launch. USDH itself never gained meaningful scale, peaking near roughly \$100 million in supply, while USDC on Hyperliquid has already grown toward \$5 billion. But USDH was never really competing on size. It was competing on leverage. Hyperliquid effectively used USDH and the original AQA framework to prove that stablecoin issuers would eventually need to share economics with the protocol itself if they wanted access to the dominant trading venue.

That is exactly what happened this week. Under AQA2, Coinbase becomes the treasury deployer for USDC on Hyperliquid while Circle manages the technical infrastructure and cross-chain settlement rails. In exchange, at least 90% of reserve yield generated on USDC balances on Hyperliquid will now flow back to the protocol. On current balances, that could translate into another \$180-200 million in annualized revenue for Hyperliquid, with essentially no additional operating expense. More importantly, much of that revenue ultimately flows into HYPE buybacks.

Think about how remarkable this is structurally. For years, Circle and Coinbase built one of the best businesses in crypto around USDC reserve income. But increasingly, they cannot actually keep much of those economics because distribution has become a scarce resource. Circle already pays away massive portions of USDC economics to distribution partners, exchanges, custodians, fintech platforms, and ecosystems. Hyperliquid simply became powerful enough to demand its share as well. In many ways, this deal confirms that the value in stablecoins may ultimately accrue less to the issuer itself and more to whoever controls user flow, liquidity, and trading activity.

The implications extend well beyond stablecoins. Hyperliquid is rapidly becoming the dominant venue not just for crypto-native perpetuals, but for synthetic trading generally. Its HIP-3 infrastructure and the rapid growth of platforms like TradeXYZ are increasingly pulling trading activity toward commodities, equities, prediction markets, and most recently, pre-IPO company exposure. Last week, Hyperliquid reportedly dominated trading activity around pre-IPO CBRS markets both before and after the IPO itself, reinforcing the idea that crypto rails are beginning to absorb more and more speculative activity traditionally reserved for private markets or offshore derivatives venues.

That trend should not be underestimated. Retail investors have spent years watching companies like OpenAI, SpaceX, Stripe, Anthropic, and Databricks create enormous amounts of value while remaining inaccessible until long after most of the appreciation has already occurred. Hyperliquid's pre-IPO perpetual markets are attempting to fill that gap by creating always-on synthetic exposure to private-company narratives. Today, these products remain highly speculative and probably function more as sentiment markets than true valuation markets, but crypto perpetuals themselves were once dismissed as casino products before becoming one of the largest derivatives categories globally. Markets tend to financialize anything that investors demand exposure to eventually.

The broader takeaway is that Hyperliquid increasingly resembles something much larger than “another crypto exchange.” It now sits at the intersection of stablecoin economics, perpetual futures, tokenized markets, synthetic equities, prediction markets, and, potentially, future private-market price discovery. At the exact moment Washington is debating how to regulate digital financial infrastructure through CLARITY and GENIUS, Hyperliquid is already building what that infrastructure may actually look like in practice.