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Sandmark Monthly Research Report

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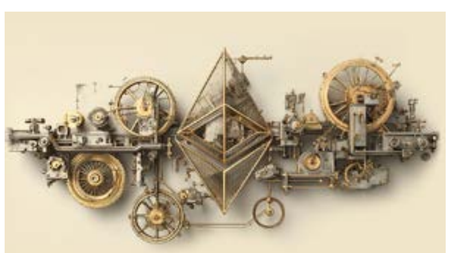

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01

Crypto Exchanges Face TradFi Fight for Tokenized Markets

By Ana Pereira



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Business Moves | Exchanges | Tokenization | TradFi

Crypto exchanges [1] spent years competing with one another for traders, but their next major rivals may be coming from outside the digital asset industry.

From fintechs such as Robinhood and Stripe to traditional firms including Nasdaq and BlackRock, companies are pushing deeper into what is widely considered one of crypto's most consequential use cases yet: asset tokenization.

The process involves creating blockchain-based representations of traditional assets such as stocks. It has accelerated in recent months, with the total value of tokenized [2] assets onchain [3] reaching $34bn in July 2026, up from about $12bn a year earlier.

While tokenization currently represents a tiny fraction of the capital available in traditional markets, it's already reshaping the financial services industry. As financial firms bring stocks and other assets onchain, they are moving into territory once dominated by crypto exchanges. At the same time, crypto platforms are expanding into stock trading, blurring the line between the two industries and setting up a fight over who will control this emerging market. Some TradFi firms have got rid of the line altogether, taking stakes in their crypto-native rivals.

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Exchanges hold liquidity

Crypto exchange operators provide the marketplaces where investors can buy and sell cryptocurrencies, while also offering other financial services, such as custody of assets, access to lending markets and derivative products. The industry's most popular names include Binance, Coinbase, Kraken, Gemini, Bybit, Bitget and Crypto.com - to name a few.

Binance, the largest exchange by trading volume [4], accounts for roughly 30% of activity across such platforms. Combined, crypto exchanges processed about $419bn in spot crypto transactions in June.

That concentration of traders, assets and market makers [5] gives exchange operators an early advantage against financial firms disputing a slice of the tokenization revenue pie, according to Foresight Ventures partner Alice Lee. In an interview with Sandmark, Lee said that tokenized assets still need concentrated trading activity before they can expand into other markets. "Onchain demand is pretty weak right now," Lee said. "Most of the trading happens on the centralized exchanges [6]."

Her view points to a tension at the centre of tokenization. Blockchain can make those assets easier to transfer and trade, but it cannot create liquidity [7].

Tokenized stocks, one of the use cases for tokenized assets, generated more than $20bn in cumulative trading volume by April, according to RWA.xyz data cited by Cornell University. But the market remains minuscule compared with conventional equities: its total cumulative volume was less than 2% of the $1.1tn traded on an average day in US stocks during 2025, according to Cboe Global Markets.

Foresight backs distribution

The vision that crypto exchanges would be the backbone of tokenized asset distribution, adoption and, therefore, liquidity is reshaping Foresight investment efforts.

The venture firm has been testing that thesis through its relationship with Bitget, one of its limited partners. Lee said Foresight advised the exchange on Reality, its tokenized asset platform, after Bitget saw demand for stock-linked products distributed through a third-party issuer.

"Institutions came to us saying that they want to deploy $10mn to $40mn," Lee said, pointing to deeper liquidity and clearer rebate structures, as well as the ability to use tokenized assets for lending, yield generation and margin trading within the same venue — capabilities that large exchanges are either building or already offer as part of their stack [8].

"They [traditional companies] cannot really bridge both the issuing side, and also the liquidity side, and the distribution side. That's why we believe that this is the right thing to do," she said, explaining that market makers need volume before committing capital, while investors are less likely to enter a market without reliable liquidity. "It's a chicken-and-egg problem."

If exchanges emerge as the key channel for tokenized asset adoption, they could capture revenue now earned by traditional brokers, trading desks, custodians and settlement providers, while gaining a larger role in the issuance and distribution of conventional financial products.

Citi expects the market for tokenized assets to reach $5.5tn by 2030 in its base case and as much as $8tn in a more bullish [9] scenario, with public equities, US Treasuries and other liquid collateral [10] leading adoption.

Wall Street moves in

Traditional exchanges are not waiting for crypto platforms to define the tokenized market.

"There are new actors, and there will be new actors that will embrace these technologies faster and can take share," Intercontinental Exchange Chief Executive Officer Jeff Sprecher said during the company's first-quarter earnings call.

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ICE, the NYSE's parent, is developing a tokenized-securities platform, but Sprecher does not expect blockchains [11] to replace its existing trading engine. Instead, the company plans to keep matching orders on its conventional infrastructure while moving settlement and ownership records onto blockchain rails.

"Our model is to hook our conventional trading platforms to the chain," Sprecher said, arguing that ICE's speed and connections across the market mean "matching will still happen on conventional technology."

He described tokenization as "a rewiring of the movement of money and value" and predicted that markets would eventually include tokenized bank deposits and tokenized trades across ICE and rival venues.

Nasdaq is taking a more issuer-focused approach. Chief Executive Officer Adena Friedman said the company is working with the Depository Trust & Clearing Corporation (DTCC) to build the infrastructure for tokenized equities, while developing a design that gives issuers greater control over how their shares are represented and managed onchain.

"Were advancing the Nasdaq equity token design that takes modernization a step further by putting issuers at the center of ownership rights," Friedman said. Nasdaq expects the first benefits of the model in the first half of 2027.

The strategies allow established exchanges to adopt blockchain infrastructure without giving up control of trading, issuance or market access.

Some TradFi firms are also taking a faster route by investing directly in their crypto-native competitors. Nasdaq invested $50mn into Gemini during its September 2025 initial public offering. In March, NYSE-parent ICE invested an undisclosed amount in OKX and secured a board seat, while Deutsche Börse, the Frankfurt Stock Exchange operator, followed in April with a $200mn investment in Kraken's parent company.

Tokenization providers are becoming another overlap between the two markets. Backed by some of Wall Street's largest institutional investors, tokenization platform Securitize went public in July through a merger that valued the company at $1.25bn, with BlackRock, Morgan Stanley Investment Management and ARK Invest retaining their stakes [12] rather than selling in the listing.

The lines blur

The convergence is moving in both directions. Crypto exchanges are no longer limiting themselves to tokenized versions of traditional assets, with several entering the brokerage business directly.

Kraken, for instance, began offering US-listed stocks and ETFs [13] to some US customers in April 2025 through its securities arm. Coinbase started rolling out stock and ETF trading in December, allowing US users to buy traditional securities alongside crypto assets in the same app.

The moves illustrate the growing competition between crypto exchanges and online brokers, including Robinhood, which deepened its push into digital assets on 1 Jul by launching its own blockchain mainnet and expanding stock tokens [14] trading.

Coinbase is also seeking to become a broader trading platform rather than remain dependent on crypto spot volumes. Its "Everything Exchange" strategy includes stocks, prediction markets and derivatives [15] across digital and traditional assets.

"We've gone from a primarily spot-focused crypto platform into a place where you can now trade any asset class," Chief Executive Officer Brian Armstrong said during the company's first-quarter earnings call.

TradFi institutions, however, still retain the upper hand in licensing, issuance and access to underlying assets. "The biggest competition might come from the traditional finance [16] companies," Lee said, citing the NYSE, Nasdaq, Fidelity and BlackRock among the new rivals of crypto exchanges.

Ana Pereira
Americas News Editor

Ana is the Americas News Editor at Sandmark, where she covers the intersection of finance, markets and digital assets. With over 15 years of experience in financial reporting, she previously served as US Editor at Cointelegraph. Ana holds a master's degree in economics and a bachelor's in journalism, with work featured in *Forbes*, *Folha de S.Paulo* and *Valor Econômico*.



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Glossary

[1] Crypto exchanges
A crypto exchange is a digital platform that facilitates the buying, selling, and trading of cryptocurrencies such as Bitcoin (BTC), Ether (ETH), and altcoins.

[2] Tokenized
Tokenization refers to the process of representing real-world assets (RWA) on the blockchain using cryptocurrency tokens.

[3] Onchain
Onchain refers to any data, transaction, or activity that is recorded directly on a blockchain network and becomes a permanent, transparent, and immutable part of the distributed ledger.

[4] Volume
Volume (Vol) refers to the total value or number of coins and tokens traded within a specific period, typically measured over the past 24 hours. It includes all buy and sell transactions across exchanges and is one of the most important indicators of market activity, liquidity, and trader interest.

[5] Market Makers
In the world of cryptocurrency, a market maker is an individual, firm, or algorithmic trading entity that provides continuous buy and sell orders for a digital asset, ensuring liquidity and smoother trading experiences on exchanges.

[6] CEX (Centralized Exchange)
A CEX (Centralized Exchange) is a crypto trading platform operated by a centralized organization that facilitates the buying, selling, and exchanging of cryptocurrencies.

[7] Liquidity
Liquidity refers to the ease with which a digital asset can be bought or sold without significantly affecting its price.

[8] Stack
A technology stack refers to the full combination of software, tools, frameworks, and infrastructure used to build and operate a blockchain or cryptocurrency ecosystem.

[9] Bullish
A bull market refers to a sustained period of rising prices across the market, typically characterized by strong investor confidence, high trading volumes, and a positive market outlook.

[10] Collateral
Collateral in crypto refers to the assets that a trader deposits to secure a loan or open a leveraged trading position. It acts as a form of security for the exchange or lending protocol to manage risk.

[11] Blockchain
A blockchain is a decentralized, digital ledger that records transactions across a network of computers in a way that ensures security, transparency, and immutability.

[12] Stakes
Staking in cryptocurrency refers to the process of locking up digital assets to support the operations of a blockchain network.

[13] ETFs
A regulated investment vehicle that tracks the price of an underlying asset or group of assets and is traded on traditional stock exchanges, such as the NYSE or NASDAQ.

[14] Token
A token is a digital asset created and managed on an existing blockchain platform, such as Ethereum, Binance Smart Chain, Solana, or Polygon.

[15] Derivative
Crypto derivatives—also called cryptocurrency derivatives, bitcoin futures, or perpetual swaps—are financial contracts that track the price of a digital asset without requiring you to own the actual coins.

[16] Traditional Finance
The conventional financial system that includes centralized institutions and regulatory bodies.

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02

Inside Algorand’s Plan To Survive Q-Day

By Isabelle Castro



Published on: 15 July 2026 - 22:38 CEST

Security & Crime | Technology | Blockchain

Q-Day is the name of a moment that researchers say quantum computing will change the face of the internet, one the Algorand Foundation has been preparing against for some time.

Currently underpinned by cryptography that would take a conventional computer longer than the existence of the universe to crack, internet services and blockchains [1] are protected from many bad actors. However, one quantum computer could unravel it in a few minutes.

When that day may be is disputed. “Depending on who you ask, you’re going to get different answers,” Bruno Martins, chief technology officer at the Algorand Foundation told Sandmark.

In the Global Risk Institute’s 2024 poll of quantum specialists, 27% of respondents expected a cryptographically relevant quantum computer within 10 years and half expected one within 15.

“Over the last year there have been significant developments, to the point where it seems more likely than not that quantum computers will be stable enough and preformant enough that we should be worried,” continued Martins.

Much of the non-crypto internet has already begun building its quantum-resistant encryption supported by government bodies. The US National Institute of Standards and Technology (NIST) finalized its first three post-quantum encryption standards in August 2024 and plans to phase out most of those that aren’t quantum resistant by 2030, banning them outright from federal systems from 2035.

Blockchains face a harder migration as their cryptography must be reproduced identically across thousands of nodes [2] and come with a trade off that could slow down transactions. According to a Reuters report published on 8 Jul, none of the 20 largest blockchains had implemented quantum resilient frameworks across their protocols [3].

At the Algorand Foundation, which oversees the Algorand blockchain, an upgrade planned for “early to mid-August” will pave the way for native quantum-resistant accounts, Martins said. It’s the first milestone in a roadmap that targets broad post-quantum resilience across the network by the end of 2027.

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A shrinking timeline

When Algorand began its post-quantum work in 2022, whether a cryptographically relevant quantum computer could ever be built was still an open question. “The theory that was around put the timeline very far out,” Martins said. “But as Google showed, that seems closer than we previously thought.”

Google Quantum AI, published a whitepaper [4] in March which estimated that a quantum computer twenty times less powerful than previously thought could run a programme to crack the cryptography securing most blockchains in minutes.

The paper warned that the fastest quantum machines could be used to steal funds mid-payment, cracking the sender’s key before a transfer is confirmed, while slower ones could be used to access wallets [5] holding an estimated 1.7mn BTC that have sat dormant onchain [6] for years.

Researchers from the company have separately said machines capable of breaking encryption could arrive by 2029, a threat it had previously placed at least a decade away. On 2 Jun, global technology company IBM committed more than $10bn to its quantum programme over the next five years, targeting the first large-scale fault-tolerant quantum computer in 2029. The company says it expects to have machines that are able to beat normal computers in conducting useful tasks by the end of this year.

“I do think the responsible thing to do is to have a plan, because this is our Y2K moment,” Martins said. He referred to the “millennium bug” of the late 1990s, when older software stored years as two digits and was expected to misread the year 2000 as 1900. Fear of the bug prompted governments and businesses to spend an estimated $300bn patching systems before the deadline, upgrading computer systems ahead of the failure, expected to strike on 1 January 2000.

“The difference is, before, we knew exactly the date. Now we don’t. So we kind of have to be prepared without a date ahead,” said Martins.

The Algorand playbook

Since 2022, Algorand has deployed Falcon, a “lattice-based” quantum resistant signature technology. Chris Peikert, Algorand’s chief security officer, is one of the researchers developing this kind of cryptography, meaning that the network has been at the forefront of developments towards quantum resistance using this new type of encryption.

The early deployment of the technology was used to create quantum-ready “state proofs,” periodic attestations of the ledger’s history. If a quantum computer were to come online, Martins explained, the state proofs would provide a record of the Algorand network which couldn’t be manipulated.

The Foundation then let some users secure funds with Falcon through program-controlled accounts, which tested the new framework on live mainnet accounts without touching the protocol itself. However, these accounts were inaccessible for the average user: “You have to be a bit technical and really want to do it,” Martins said. The upcoming August upgrade makes Falcon accounts native to the network so that standard wallets and developer tools support them as they would any other account.

The difference for users should, in theory, have very little friction. A property called “rekeying” lets an account swap the key that authorizes spending without changing its address or moving any assets. “You keep the same account and just say, now I want to sign with this other key that ends up to be Falcon,” Martins said. “You’re already quantum resistant from that day forward without any big migration hurdles.” The network is being restructured to accept new quantum resistance standards as they emerge.

The consensus problem

However, even as the team gears up for the protocol update, he conceded that full-scale deployment won’t be easy. “The number one challenge is consensus,” Martins said.

Consensus is the process by which the thousands of computers behind a block [7] chain agree on what goes into the next block. On Algorand, it works like a lottery,

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with each computer using its private key [8] to prove it has won the right to propose or approve a block. Those proofs run on the same quantum-vulnerable cryptography as accounts, so a quantum computer could forge winning tickets and take control of what gets written to the ledger. While account signatures had quantum-safe replacements, the equivalent for consensus didn't exist, leaving networks to invent their own.

The Algorand team believes it cracked the problem a few weeks ago, explained Martins, with a paper to be published early next year explaining how other protocols can address it in the same way. He was reluctant to relay specifics before the publication but said: "With that out of the way, the road is open. We know how to make Algorand fully quantum resistant, not just accounts."

The tradeoff

Martins makes the migration to quantum resistance sound simple, begging the question why others have not followed? Some have told Martins that Algorand is an early player in the quantum play. "I disagree," he said. "I think this is exactly the time, and time is of the essence."

Still, Algorand's goal for network compliance by the end of 2027 puts it ahead of the two biggest networks in crypto. The Ethereum Foundation has said it is targeting 2029 for full quantum protection, per *Reuters*, while Bitcoin's path remains the subject of competing proposals. In February, a proposed upgrade to add quantum-safe addresses became an official candidate for adoption.

One downside to migration and perhaps why some blockchains haven't acted quickly to the threat posed by quantum computing is that resistance comes with a tradeoff. "They're larger, they're slower, they take more space [...] Some networks might see a slowdown in block cadence, because more data needs more time to propagate across the network." All this, he explained, could make processes more expensive.

"It's a big decision, and they'll have to make it and live with the consequences, or plan to be flexible," Martins said.

While "Q-Day" is still on the horizon, Algorand will offer hybrid accounts protected by a classical key and a quantum-resistant key at once. "You sort of hedge your bets for the in-between time," Martins said.

Time is of the essence

Martins argued that the window for quantum resistance being a differentiator will close on its own. "In a post-quantum world, being quantum resistant is not a feature. It's just the world we live in," he said. "It's like saying the software we use today is Y2K-ready. After Q-Day comes, either you did the responsible thing, either you showed your technical competence and responsibility to take care of the network and your users, or you didn't."

Migrating to a fully quantum resistant network by the end of 2027 should almost be an anticlimax, explained Martins, "praised by the technical folks and unnoticed by the end user." Users should still be able to trade and use decentralized finance[9] applications with no downtime and as little slowdown as possible, he said.

Isabelle Castro

News Editor



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Glossary

[1] Blockchains
A blockchain is a decentralized, digital ledger that records transactions across a network of computers in a way that ensures security, transparency, and immutability.

[2] Nodes
A node is any device—such as a computer or server—that participates in the operation of a blockchain network by storing, verifying, and transmitting data.

[3] Protocols
A protocol refers to a set of standardized rules, procedures, and data structures that define how data is exchanged, validated, and recorded across a decentralized network.

[4] Whitepaper
In the cryptocurrency world, a whitepaper is a comprehensive technical and conceptual document published by a blockchain project or cryptocurrency team.

[5] Wallet
A crypto wallet is a digital tool that allows users to securely store, send, receive, and manage cryptocurrencies.

[6] Onchain
Onchain refers to any data, transaction, or activity that is recorded directly on a blockchain network and becomes a permanent, transparent, and immutable part of the distributed ledger.

[7] Block
A block is a data structure that contains a group of verified cryptocurrency transactions, bundled together and permanently recorded on a blockchain.

[8] Private Key
In cryptocurrency, a private key is a secret alphanumeric code that grants the owner full access and control over their crypto assets.

[9] DeFi (Decentralized Finance)
Decentralized Finance (DeFi) refers to a blockchain-based financial system that allows users to access traditional financial services without relying on banks, brokers, or centralized institutions.

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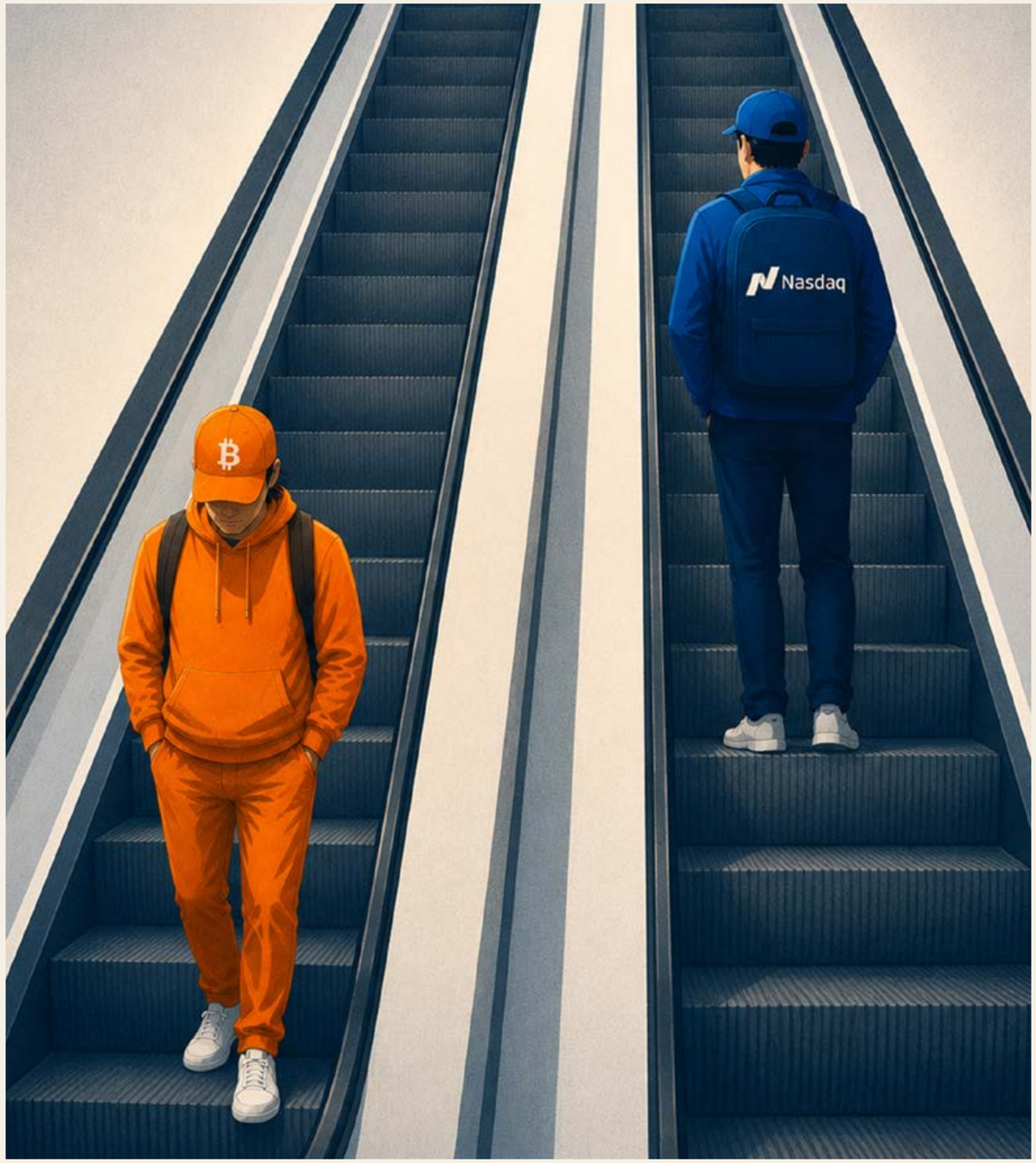
03

Bitcoin Has Diverged from Nasdaq, but Not Decoupled

By Lucas Hogland



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Bitcoin | Market Intelligence | Technical Analysis

Since Bitcoin's high of $124,753 on 6 Oct 2025, the asset has taken an extremely diverse path from US technology stocks. Bitcoin is down 48%. The Nasdaq-100 is up 18% over the same window. One asset has entered a deep drawdown [1], while the other has continued to compound.

The correlation data tells a more nuanced story. Bitcoin has not stopped trading as a risk asset [2]. Measured across the drawdown itself, its daily return correlation with the Nasdaq-100 is 0.49. The two remain exposed to the same broad impulses: liquidity [3] conditions, risk appetite, dollar sensitivity, rates expectations and investor positioning.

Bitcoin has decoupled in performance, not in sensitivity. It is no longer delivering Nasdaq-like returns, but it is still moving with the macro tape.

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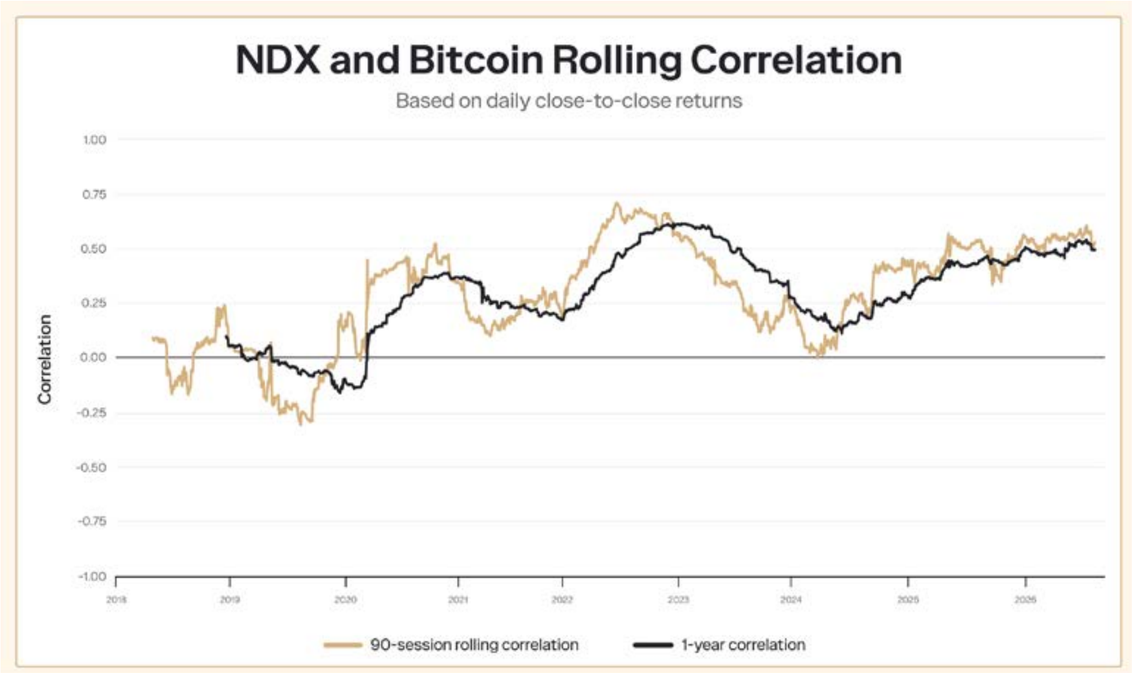
Correlation has remained firm

The relationship has not weakened as the gap has widened. Across the 194 trading days since the October high, the return correlation is 0.49, and the 90-day rolling measure has not fallen below 0.40 at any point in the drawdown. That is the striking part. Bitcoin has diverged from the Nasdaq-100 by 66 percentage points, while continuing to move with it day to day.

Correlation measures whether two assets move together over short intervals, not whether they end up in the same place. It is a normalized statistic: it deliberately discards the size of the moves. Two assets can co-move on most days and still finish a year in entirely different positions.

To see why, the relationship has to be decomposed rather than correlated.



Source: Tradingview, Sandmark

The beta is intact, the alpha is not

Regressing Bitcoin's daily returns on the Nasdaq-100's over the drawdown gives a beta [4] of 1.11. Bitcoin moves 1.11% for every 1% move in the index. That is the profile of an amplified technology stock, and it is precisely what a risk asset is supposed to look like.

The same regression gives an alpha of -0.43% per day. That is the portion of Bitcoin's return the Nasdaq-100 does not explain, and it compounds to roughly -66% over a year.

Split the drawdown into those two components, and the picture is unambiguous. The Nasdaq relationship contributed +20 percentage points to Bitcoin's return since October. Bitcoin's own drift contributed -56. Together, they model a 48% decline, against an actual decline of 48%.

The macro relationship has not hurt Bitcoin. It has helped. Everything else has overwhelmed it.

The regression also sets the limit on how much the comparison can explain. The Nasdaq-100 accounts for roughly a quarter of the variance in Bitcoin's daily returns over this period. Three quarters of what Bitcoin does day to day has nothing to do with US technology stocks at all.

Sell-offs are not the mechanism

The intuitive explanation for the gap is asymmetry: that Bitcoin falls harder on bad days than it rises on good ones. The data does not support it.

Splitting the same window by the direction of the index, bitcoin's beta on Nasdaq-100 up days is 1.09. On down days it is 1.11. Within noise, the response is symmetric. Bitcoin is not being punished disproportionately when equities fall.

The underperformance is not a reaction to the macrocycle at all. It is a constant idiosyncratic bleed that runs at roughly the same rate whatever the index does. Crypto-specific selling, leverage unwinds and flow reversals are subtracting from the return every day, in rising markets and falling ones alike.

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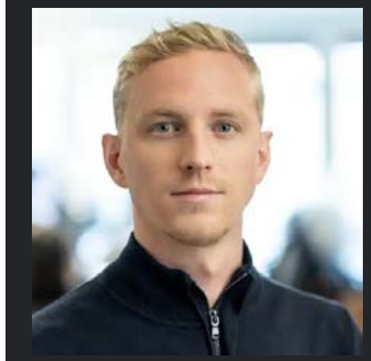
That distinction is significant for anyone sizing the position. An asset with an asymmetric beta is a bet on the macrocycle turning. An asset with a symmetric beta and a negative alpha is not: the cycle turning does not fix it.

Trading with the cycle, not compounding with it

The relationship with the Nasdaq-100 has not disappeared. Bitcoin remains exposed to the same risk-on/risk-off framework it has traded within for years, with a beta slightly above one and a correlation near the upper end of its range.

But unlike previous bullish [5] phases, that exposure has not been rewarded. Bitcoin is carrying the sensitivity of a high-beta technology asset without any of the compounding because a separate and larger force is working against it in the opposite direction.

For now, Bitcoin is trading with the macrocycle but failing to compound with it. Until the drift stops, the weakness should be framed as a performance divergence rather than a true decoupling. It should also not be framed as a macro problem. The macro is the only part currently working.



Lucas Hogland

Crypto Research Analyst

Lucas Hogland is a crypto research analyst with a top-down approach to digital asset markets. He was introduced to Bitcoin in 2017 and was drawn early to its technology, volatility, and open, non-sovereign design. After beginning his career in traditional finance, he shifted fully into crypto-focused research in early 2022.

Glossary

[1] Drawdown
A drawdown (or peak-to-trough decline) is the drop in an asset's price from its most recent peak to its lowest point before a recovery, usually expressed as a percentage.

[2] Risk Asset
A risk asset is an investment that tends to increase in value during periods of economic optimism (risk-on) and decline during periods of uncertainty or pessimism (risk-off).

[3] Liquidity
Liquidity refers to the ease with which a digital asset can be bought or sold without significantly affecting its price.

[4] Beta
Beta is a measure of how sensitive an asset is to movements in a broader market or benchmark.

[5] Bull Market
A bull market refers to a sustained period of rising prices across the market, typically characterized by strong investor confidence, high trading volumes, and a positive market outlook.

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04

Whales Were Feeding Where It Never Got Cheap

By Yassine Chebbi



Published on: 10 July 2026 - 14:00 CEST

Bitcoin's largest holders sat through a 53% drawdown [1] and came out the other side holding more than they started with. The question the tape now poses [2] is not whether they accumulated. It is whether they accumulated too early.

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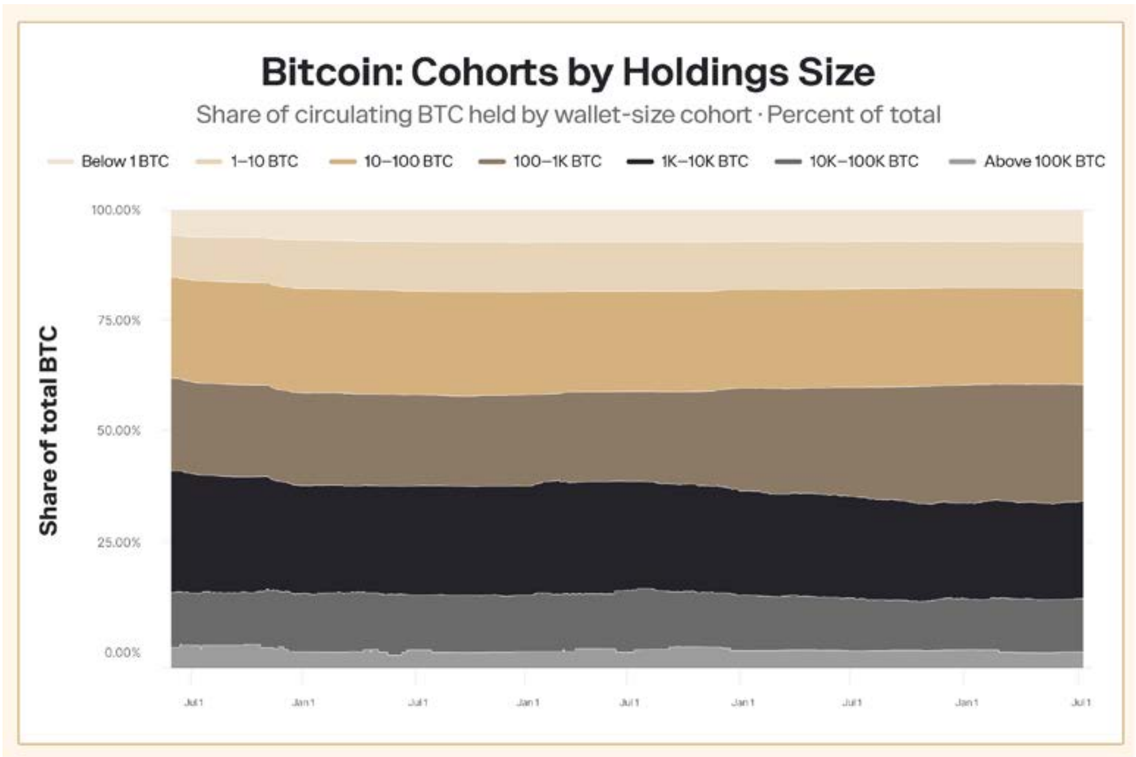
The 62% share that wouldn't move

Wallets[3] holding 100 bitcoin (BTC) or more control 61.9% of circulating supply[4] today. They controlled 61.9% at the start of the year, and roughly 61.6% at the 2022 cycle bottom. Price has done the travelling. The metric has stayed anchored.

One convention has to be fixed before the cohort numbers mean anything. These bands measure balances sitting in wallets, denominated in native units, and coins [5] migrate between wallets and between custodial structures constantly. A tier's net change carries redistribution and custody mechanics alongside genuine buying and selling.



Source: CoinMetrics

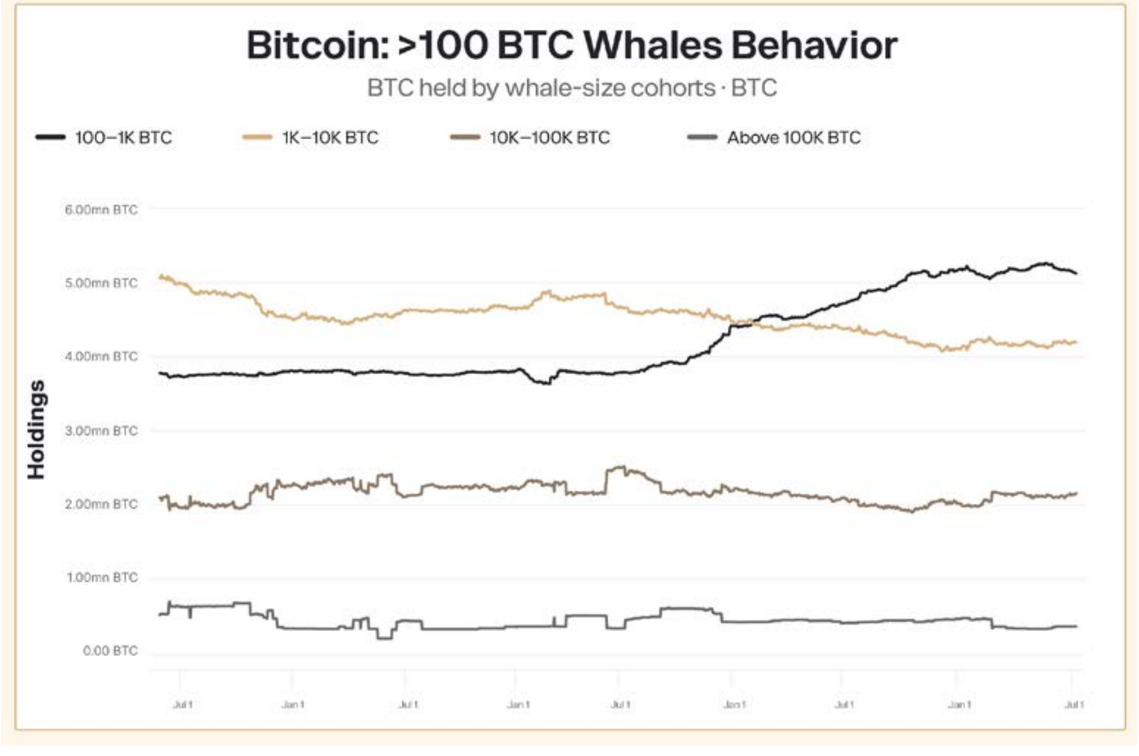
From October's $124,824 all-time high to June's $58,525 low — a 53% decline spanning two separate crashes — the aggregate whale cohort never turned into a supplier. It added a net 53,216 BTC in the first half of 2026 and 137,380 BTC since the November selloff. Supply changed hands between wallet tiers, rarely out of them. Whatever fear moved through the price, it did not move through the ownership base, and a holder base that deepens into a halving [6] of price is not behaving like one bracing for lower.

What the giants shed, the whales absorbed

The aggregate hides a transfer of size, and reading it demands the right ruler. Wallets holding 100k BTC or more shed 104,047 BTC year-to-date, most of it in a single 99,518 BTC February drop. Read that as selling, and you most likely misread the plumbing.

These are balances in native units, and a wallet is a container, not a conviction. When one 100k+ address slips below the threshold, its entire balance reclassifies downward in a single print — which is precisely the February signature. The mega-cohort fell 99,518 in the same month as the 10k–100k band — large enough to be institutional, small enough to sit below the mega-custodian tier — rose 140,848.

The largest addresses in Bitcoin belong to exchanges and ETF [7] custodians, and the in-kind creation and redemption now live in the US spot funds shuttle coins between custodial wallets without a sale ever crossing an exchange. The ≥100k decline is more likely to be a custody reshuffle wearing the costume of distribution. The coins did not leave. They changed rooms.



Source: CoinMetrics

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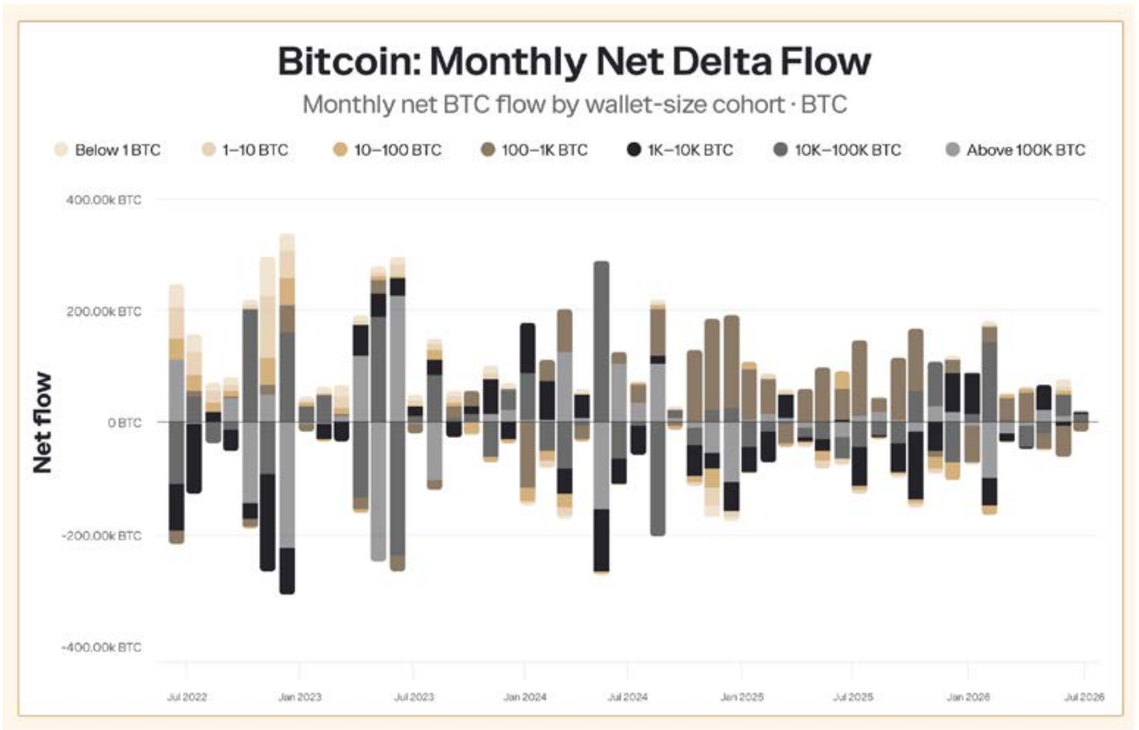
That reshuffle inflates the band beneath it. Most of the 140,848 BTC that landed in the 10k–100k tier in February are the mega-wallet's own coins arriving one threshold down, not fresh buying. Measure supply held above 10k BTC and the distortion vanishes because a wallet slipping across the 100k line stays inside that total and leaves it untouched. The real February accumulation was 41,330 BTC. The 10k-and-up cohort added 48,604 across 2026 and 102,460 since November, roughly a third of what the band advertises but all of it the better-suited proxy for genuine accumulation.

February's bid, June's exit

The two crashes were not met the same way, and the second one flipped the roles. February was a clean smart-money bid. As spot broke to $63,495 and market value to realized value (MVRV) [8] compressed to 1.15, whales [9] added 20,261 BTC into the weakness while retail wallets below 100 BTC shed 7,015. The mid-tier 100–1k band then accumulated into every recovery month from February through April, buying the bounce it had bought the bottom of.



Source: CoinMetrics

June flipped the retail side of that trade. Wallets below 100 BTC turned aggressive buyers into the $58,525 low, absorbing 24,881 BTC, and for the first time this year the whale universe printed a net sale, down 11,672 on the month. Yet, the sale was shallow and it was local. The 10k-and-up core never joined it, adding 49,059 BTC in June, its single strongest month of accumulation all year. The leak to retail came from the mid-tier wallets thinning at the margin, not from the large accumulators changing their minds.

The 10k-and-up cohort met February with +41,330 and June with +49,059, its two heaviest bids of the year landing precisely on the two deepest breaks. It handed back a net 41,785 BTC across the months between, the selling concentrated in the March-to-April bounce, which is how roughly 90,000 BTC of crash-buying settles at 48,604 on the year. This is not a cohort holding by inertia. It is one buying weakness and selling strength, and its heaviest buying arrived at the lowest prices Bitcoin has printed this cycle.

Deeper low that drew less

The historical comparison inverts the intuition entirely. The 2022 bottom was the real thing on every valuation axis; MVRV at 0.75, spot at $15,758 trading 25% beneath the aggregate cost basis, the market submerged below realized price for 179 days. Into that generational low, whales sold. The ≥100 cohort shed 251,493 BTC in the six months after the November 2022 print, post-FTX deleveraging forcing size out of the biggest wallets regardless of how cheap the coin had become.

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Source: CoinMetrics

Of that, 2026 is the photographic negative. MVRV bottomed at 1.10 in June, spot never once closed below realized price, and the market spent zero days under an MVRV of 1.10 across the entire year. By the single metric that defined the last bottom, this one hardly registers as one. And yet the whale universe bought it, absorbing 137,380 BTC in the decline since November against the 251,493 it distributed after 2022's capitulation. A deeper low drew persistent selling. A shallower one drew a persistent bid.

The paradox is the thesis. Whales are buying a bottom markedly less cheap than the one they spent months selling. Either their cost-basis discipline has collapsed, or the thing that made 2022 cheap, a forced-seller overhang with no structural bid beneath it, has been engineered out of the market.

Line at realized price

Two readings survive contact with the data, and they diverge on one number. The constructive case holds that the ETF era has drained the forced-seller reservoir that manufactured 2022's capitulation, and that with realized price anchored near $53,000 and a standing bid from fund flows and the 10k–100k cohort, Bitcoin no longer has to trade on a cost basis to clear. On that logic, the $58,525 June low is the floor, printed a deliberate 10% above the aggregate entry, and the accumulation is neither early nor brave, merely correct.

The cautious case notes that MVRV at 1.20 is a mid-range, not a low, and that every prior cycle demanded compression towards or beneath 1.0 before the durable bottom formed. If that history still binds, the whale bid here is front-running [10] a low that has not yet arrived, and the $53,000 realized-price line, the level where MVRV crosses 1.0, is the test the market has managed to avoid all year.

The whales have already voted, and they have voted in size. Whether that vote proves early or right is decided at a realized price, and Bitcoin has not yet been forced to visit it.

Yassine Chebbi
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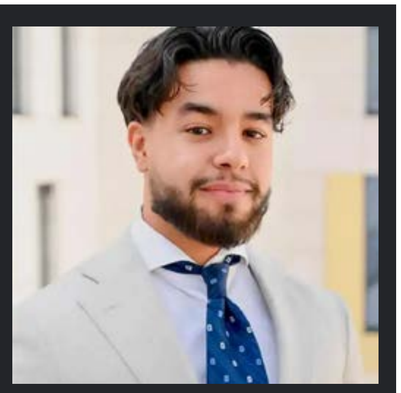
Yassine Chebbi trained as a cross-asset investment professional with expertise spanning traditional finance and digital assets. He built strong institutional research foundations at Edmond de Rothschild, Luxembourg, as a Discretionary Portfolio Manager across equities and fixed income.



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Glossary

[1] Drawdown
A drawdown (or peak-to-trough decline) is the drop in an asset's price from its most recent peak to its lowest point before a recovery, usually expressed as a percentage.

[2] Proof of Stake (PoS)
Proof of Stake (PoS) is a blockchain consensus mechanism that selects validators to create new blocks and confirm transactions based on the amount of cryptocurrency they "stake" or lock up as collateral.

[3] Wallet
A crypto wallet is a digital tool that allows users to securely store, send, receive, and manage cryptocurrencies.

[4] Circulating Supply
Circulating supply refers to the total number of cryptocurrency coins or tokens that are currently available and actively circulating in the market — meaning they can be traded, used, or held by the public. It excludes coins that are locked, reserved, or otherwise unavailable.

[5] Coin
A coin is a digital currency created by a blockchain protocol and used to facilitate transactions, incentivize network security, or support decentralized applications (dApps) on its platform.

[6] Halving
In cryptocurrency, halving is an event where the block reward given to miners is reduced by 50%, effectively slowing the rate at which new coins are created.

[7] Exchange-Traded Fund (ETF)
An Exchange-Traded Fund (ETF) is a regulated investment vehicle that tracks the price of an underlying asset or group of assets and is traded on traditional stock exchanges, such as the NYSE or NASDAQ.

[8] MVRV
Market Value to Realized Value (MVRV) is a metric used in cryptocurrency analysis that compares an asset's current market value to its realized value, which represents the average price at which coins were last moved on-chain.

[9] Whale
In cryptocurrency, a whale refers to an individual or entity that holds a large amount of a particular cryptocurrency, typically enough to influence market prices, liquidity, or trading behavior through their buying or selling activity.

[10] Front-Running
Front-running is the practice of placing a trade based on advance knowledge of a pending transaction that is likely to move the market price. The goal is to profit from the expected price change before the larger trade is executed.

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05

The New Economics of Crypto Treasury Companies

By Jona Jaupi

The plunge in the price of crypto is causing treasury companies to face their first real test as investors ask whether simply holding digital assets[1] is a good use of their funds in a down market.

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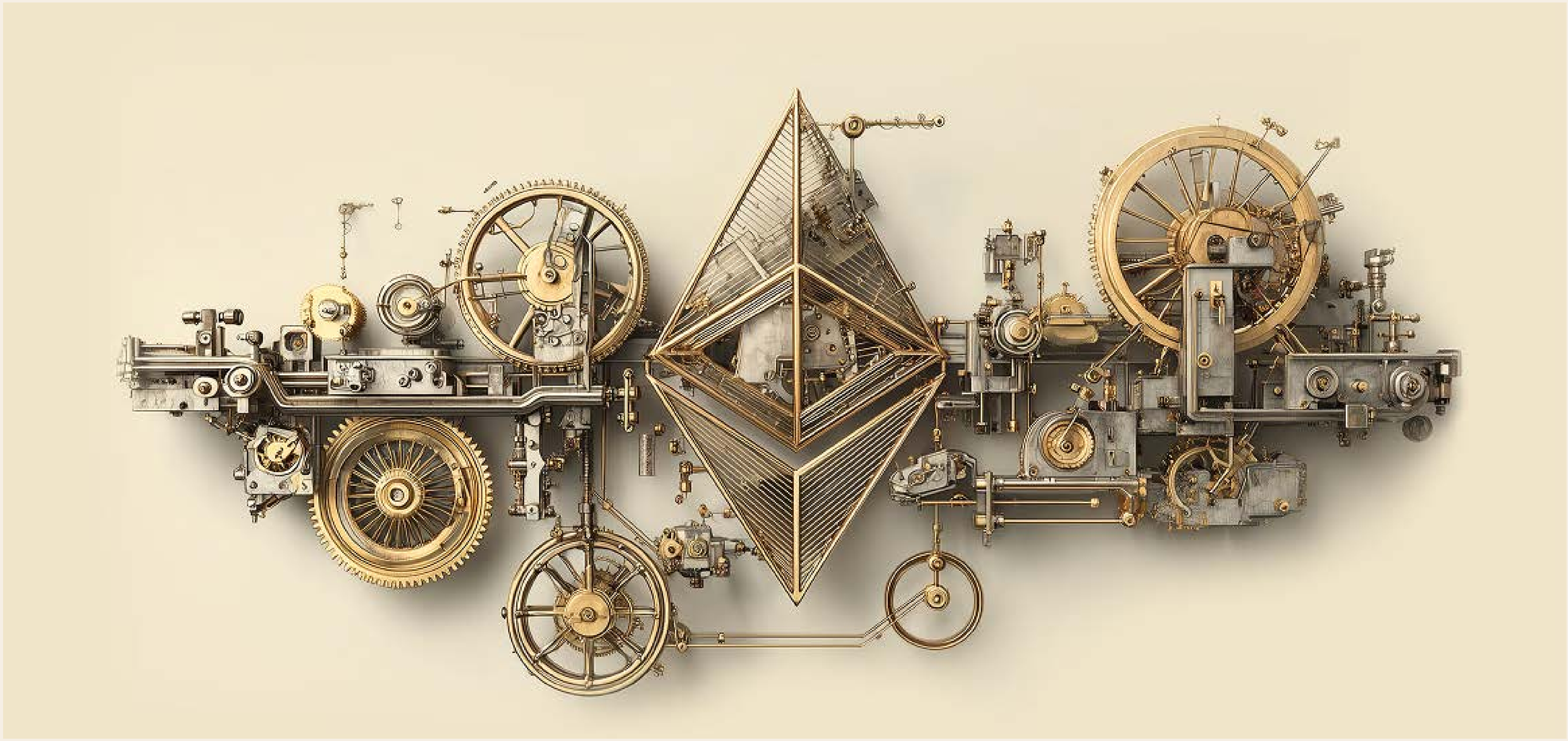

On 1 Jul, Nasdaq-listed FG Nexus — the ninth-largest corporate holder of Ether (ETH) with just over 40,000 ETH on its balance sheet — announced plans to exit its digital asset business to focus on real estate investments, becoming the latest digital asset treasury[2] company to retreat from the strategy.

Meanwhile, Strategy, Inc. — the company that pioneered the corporate crypto treasury strategy and the world's largest corporate holder of Bitcoin (BTC), with more than 847,000 BTC on its balance sheet — recently approved a plan allowing it to sell as much of the asset as it needs to keep the company afloat and paying dividends.

The move, aimed at building cash reserves, funding dividends and buying back shares, marked an abrupt turnaround from its long-standing 'never sell' approach.

Another sign of that pressure came from The Ether Machine's failed attempt to go public, illustrating how difficult it has become for newer crypto treasury companies to convince investors to back listed vehicles built around holding digital assets.

In some ways, digital asset treasury companies seem to be taking a path already taken by many listed crypto miners, which increasingly pivoted toward AI and high-performance computing when falling Bitcoin prices and weaker mining[3] economics crushed their valuations. Some, such as Core Scientific, moved aggressively away from mining to AI infrastructure, while others, including IREN and HIVE adopted hybrid models that kept crypto exposure but added AI revenue streams.

The risk for treasury companies is that public markets may prove just as unforgiving to single-asset crypto exposure when more lucrative narratives are on offer.

Public listings stall

Several publicly traded crypto treasury companies are already trading below the value of the digital assets they hold. FG Nexus, for instance, trades at about 0.28x its modified net asset value[4] (mNAV), while Strategy trades at about 0.84x. This means both companies trade below the value of the digital assets on their balance sheets.

That backdrop helps explain why several crypto treasury companies, including The Ether Machine and ReserveOne, abandoned plans to go public this year.

The Ether Machine was pitched as a public vehicle for institutional Ether exposure, combining a large ETH treasury with staking[5], restaking and decentralized finance[6] (DeFi) strategies designed to generate additional yield.

The company had planned to go public through a merger with special purpose acquisition company (SPAC) Dynamix Corp., with more than $1.5bn in committed financing, including over $800mn from investors such as Blockchain.com, Kraken, Pantera Capital and Electric Capital, alongside $170mn held in Dynamix's trust account.

But the collapse of its planned public listing in April left the company holding about 496,700 ETH without the stock-market liquidity[7] it had hoped to secure at a time when crypto prices remain under pressure.

ReserveOne followed a similar path. The company had planned to go public through a roughly $1bn SPAC merger as a diversified crypto treasury vehicle, but the deal was terminated in June due to market conditions.

As of 19:33UTC on 2 Jul, ETH is trading at $1,701, down more than 43% since the start of the year.

Experts say the failed mergers highlight a growing challenge for these companies: convincing investors to pay extra for a stock that holds crypto when they can just buy the assets through exchange-traded funds[8] (ETFs) or on their own.

The premium problem

While weaker crypto markets likely played a role, experts say the challenges facing treasury companies run deeper than just market volatility.

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“Pulling a $1.6bn deal on soft tape isn’t investors saying they don’t want ETH exposure. It’s investors saying they won’t pay a premium for it right now,” Ben Nadareski, chief executive and co-founder of Solstice Labs, told *Sandmark*.

Nadareski said many crypto treasury companies trade at a value above the assets they hold. That premium allows them to issue new shares, raise more capital and buy additional digital assets. But when investor enthusiasm fades, that advantage can disappear.

According to Nadareski, falling crypto prices can create a negative feedback loop for treasury companies, making it harder to raise capital just as their underlying assets are losing value. “When a software company’s stock falls, its product still works,” he said. “When a treasury company’s stock falls, it falls alongside the exact asset that’s supposed to back it, and the accretive share issuance that was the entire strategy becomes impossible right when you need it.”

More than just holding crypto

Cancelled IPOs involving crypto treasury companies also highlight regulatory tension: the more they try to differentiate themselves from simple crypto holding vehicles, the harder it may become to avoid being treated as investment companies.

Chanté Eliaszadeh, founding principal of Astraea Counsel, a California-based digital asset law firm, said The Ether Machine is an “interesting case” because it pitched itself as an Ether yield company. While this distinction strengthens its value, it could also place companies under the Investment Company Act of 1940, which imposes stricter regulatory requirements on firms that are engaged in investing.

“A company can be deemed an ‘investment company’ if investment securities are too large a share of its assets, or if it is ‘primarily engaged’ in investing, she said. “If that line is crossed, the company has to register under the 1940 Act, a regime these companies are not built to live under.”

The DAT race continues

Onchain[9] data show public companies and governments collectively held more than 7.6mn ETH worth nearly $13bn on 2 Jul, representing about 6.3% of Ether’s total supply[10].

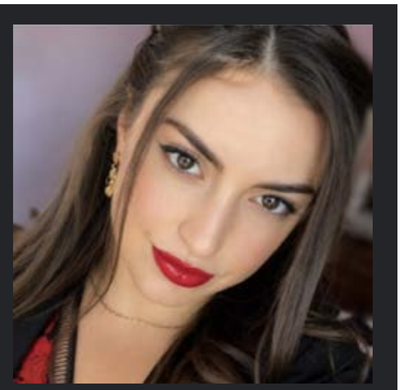
BitMine Immersion is currently the largest holder with more than 5.6mn ETH, followed by SharpLink with roughly 869,000 ETH.

The figures suggest the market is not abandoning ETH treasury companies altogether. Instead, investors are seemingly becoming more selective about which firms can justify a premium over the value of the assets they hold.

“The strategy survives. The marginal entrant doesn’t,” Nadareski said. “The first movers with scale, a real premium, and index inclusion have a durable edge. The tenth ETH treasury company trying to go public through a SPAC in a weak market is a different and worse bet.”

Jona Jaupi

Americas News Correspondent



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Glossary

[1] Digital Assets
A digital asset is anything that exists in digital form and has value or can be owned, transferred, or exchanged electronically.

[2] Digital Asset Treasury
A Digital Asset Treasury (DAT) refers to a publicly listed company that holds large amounts of digital assets.

[3] Mining
Crypto mining is the process by which new cryptocurrency coins or tokens are created and transactions are verified and added to a blockchain ledger.

[4] Net Asset Value
Net Asset Value (NAV) is the total value of an investment fund's assets minus its liabilities.

[5] Staking
Staking in cryptocurrency refers to the process of locking up digital assets to support the operations of a blockchain network.

[6] DeFi (Decentralized Finance)
Decentralized Finance (DeFi) refers to a blockchain-based financial system that allows users to access traditional financial services without relying on banks, brokers, or centralized institutions.

[7] Liquidity
Liquidity refers to the ease with which a digital asset can be bought or sold without significantly affecting its price.

[8] Exchange-Traded Fund (ETF)
An Exchange-Traded Fund (ETF) is a regulated investment vehicle that tracks the price of an underlying asset or group of assets and is traded on traditional stock exchanges, such as the NYSE or NASDAQ.

[9] Onchain
Onchain refers to any data, transaction, or activity that is recorded directly on a blockchain network and becomes a permanent, transparent, and immutable part of the distributed ledger.

[10] Total Supply
Total supply refers to the total number of coins or tokens that currently exist for a cryptocurrency, excluding any that have been burned. It includes all tokens that are in circulation and those that are locked, staked, or reserved by the project team or foundation.

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