



# Crypto Assets Monitor

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## CRYPTO ASSETS MONITOR HIGHLIGHTS: Q1 2026

**Crypto markets weakened and entered a correction phase since Q4 2025.** After reaching an all-time high of USD 4.4 trillion in October 2025, global crypto market capitalization declined by over 40 percent to roughly USD 2.4 trillion in end-March. Bitcoin also experienced a 40 percent price decline from its October peak over the same period. The market downturn was likely driven by a broader shift to risk-off sentiment after the announcement of the U.S. tariffs on Chinese imports last fall. Moreover, the automated closures of leveraged positions triggered liquidation cascades in crypto derivatives markets, further depressing prices and amplifying the market decline. These developments highlighted the excessive use of leverage and the absence of circuit breakers during episodes of extreme volatility. Persistently thin liquidity and constrained leverage capacity continued to weigh on the crypto market's recovery through Q1 2026.

**Crypto asset capitalization now represents approximately 4 percent and 8 percent of the U.S. equity (S&P 500) and treasury markets, respectively.** Bitcoin remained the largest crypto asset by market capitalization, with its share broadly stable at 56 percent (since Q3 2025). Aggregate assets of crypto exchange-traded products (ETPs) declined by almost one-half. Holdings in the five largest Bitcoin ETPs have fallen from their mid-2025 peak, driven mainly by pullbacks from investment advisors and brokerages.

**Corporate Bitcoin holdings declined by 30 percent from their September 2025 peak, with 91 percent held by U.S. firms, followed by Japan and China.** Corporate Bitcoin holdings provide investors with indirect exposure to Bitcoin through equity holdings. The largest BTC treasury company, Strategy, continued to increase its Bitcoin holdings in Q1 2026, despite reporting significant unrealized losses during this period.

**The stablecoin market capitalization held steady at around USD 0.3 trillion in Q1 2026, representing around 13 percent of the crypto market cap.** The two USD-pegged stablecoins – Tether (USDT) and USD Coin (USDC) – continued to dominate, together accounting for most of the total stablecoin market (approximately 87 percent). Together, USDT and USDC held two percent of all outstanding U.S. treasury bills. Non-USD denominated stablecoins, such as gold- or Euro-pegged stablecoins, experienced rapid growth in market cap, despite small market shares. While stablecoin activity remained largely concentrated in crypto trading, real-world payment use cases accounted for a small but rapidly growing market segment. Regional composition of the cross-border flows was largely unchanged, with Asia Pacific receiving the largest share.

**Decentralized Finance (DeFi) activity declined as Total Value Locked (TVL) fell to below USD 100 billion in Q1 2026.** This reflected a broader crypto market correction and risk-off sentiment. Falling prices, especially Ether, reduced the value of assets locked in DeFi protocols. Additionally, deleveraging across lending and staking activities led to withdrawals, further amplifying declines in TVL. Meanwhile, centralized exchanges (CEXs) remained the primary venues for crypto trading. Decentralized exchanges (DEXs) have expanded their footprint, with market share doubling over the past two years.

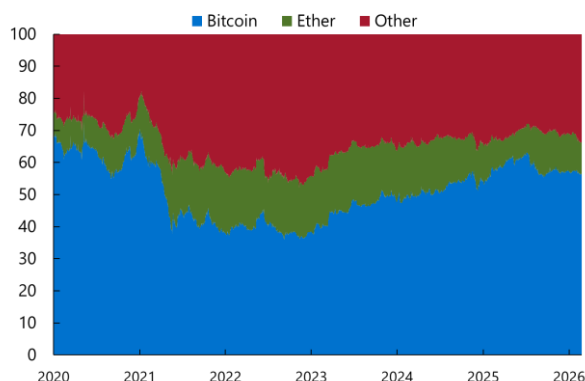
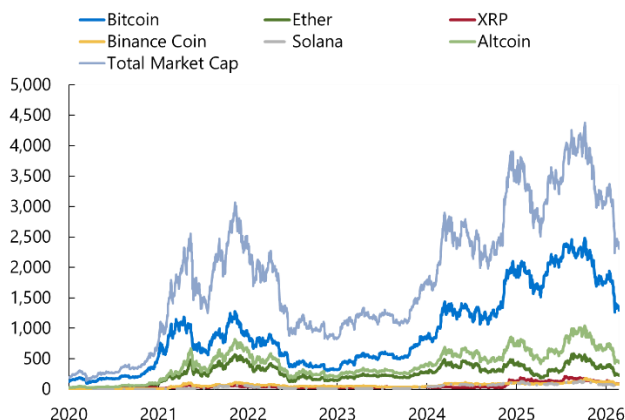
## Market Update

Total crypto assets market cap declined substantially.

Bitcoin market share stayed roughly the same.

1. Selected Crypto Assets Market Cap (in USD billions)

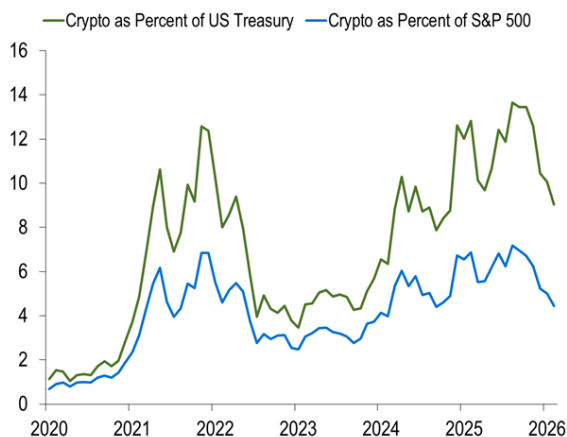
2. Selected Crypto Assets Market Share (in percent)



- Crypto assets experienced a sharp market downturn and continued to weaken throughout the period. Total market capitalization fell to approximately USD 2.4 trillion around end-March 2026, representing over 40 percent decline from its October 2025 peak of USD 4.4 trillion.
- Bitcoin price declined by approximately 43 percent from its October peak to around USD 70,000, reducing its market capitalization to about USD 1.4 trillion.
- The sell-off was primarily triggered by the October 2025 U.S. tariff announcement on Chinese imports, which sparked a global risk-off move and led to automated liquidations of crypto-derivatives positions. An estimated [USD 19 billion](#) in leveraged positions were liquidated on October 10–11, 2025—the largest liquidation event in crypto asset according to CoinGlass. Persistently thin liquidity and constrained leverage capacity continued to weigh on the crypto market’s recovery through Q1 2026.
- While the overall crypto market shrank, Bitcoin’s share of the crypto market stayed roughly the same since Q3 2025 at 56 percent.
- Ether’s share, however, dropped slightly from 13 percent to 10 percent in the same period, replaced by the increasing share of altcoins.

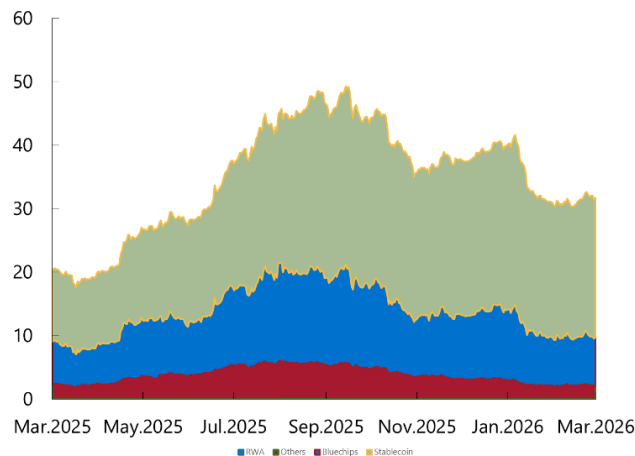
The market cap of crypto assets amounted to 4 and 8 percent of that of U.S. equity and debt markets, respectively.

**3. Market Cap of Crypto Assets Relative to the S&P 500 and U.S. Treasury Debt Markets (in percent)**



Loans backed by tokenized assets declined significantly, in line with crypto market declines

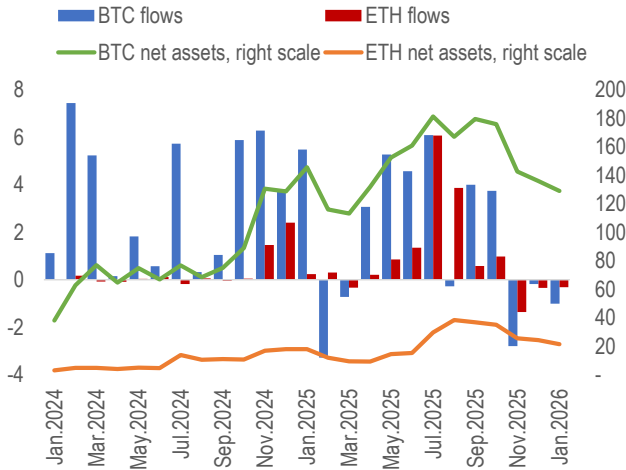
**4. DeFi Loans Backed by Tokenized Assets (in USD Billions)**



- With declines in market cap, crypto assets are now equivalent to around 4 percent of the market cap of the S&P 500.
- The crypto assets market cap reached 8 percent of the U.S. Treasury debt market in March 2026, down from 13 percent in Q3 2025.
- Market capitalization of tokenized asset-backed loans (DeFi loans only) declined from USD 50 billion in October 2025 to USD 30 billion as of March 2026. Stablecoins were the dominant form of collateral in the market for loans backed by tokenized assets.
- Loan interest rates (based on Allium data) spiked to around 20-30 percent during the sharp market correction in October 2025, but moved back in Q1 2026 to their typical 3-7 percent range across multiple platforms.

Since late last year, there have been pronounced capital outflows from Bitcoin and Ether funds, likely driven by institutional investors.

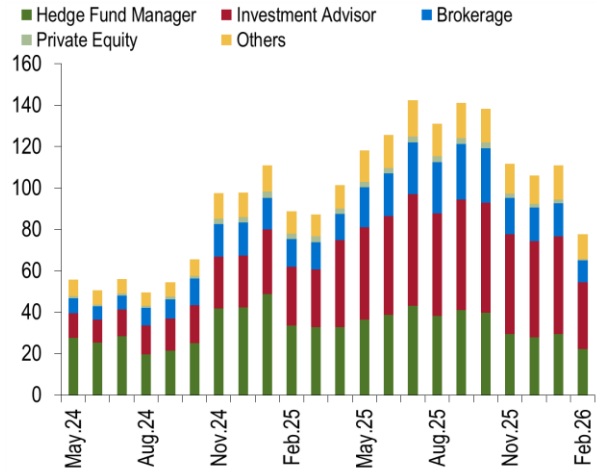
**5. Monthly Bitcoin and Ether Fund Flows (in USD billions)**



- Flows to crypto-asset-focused funds have been negative since November, partially offsetting earlier inflows.
- The crypto sell-off appeared to be led by institutional investors (Figure 18)
- Higher-frequency data, however, suggests that flows are beginning to turn positive.
- Note: these crypto-asset-focused funds directly invest in Bitcoin or Ether, or in futures contracts.

Holdings in major Bitcoin ETPs declined as investment advisors and brokerages led the pullback.

**6. Total Assets of Major Bitcoin Exchange-Traded Products (ETP) by Investor Type (in USD billions)**



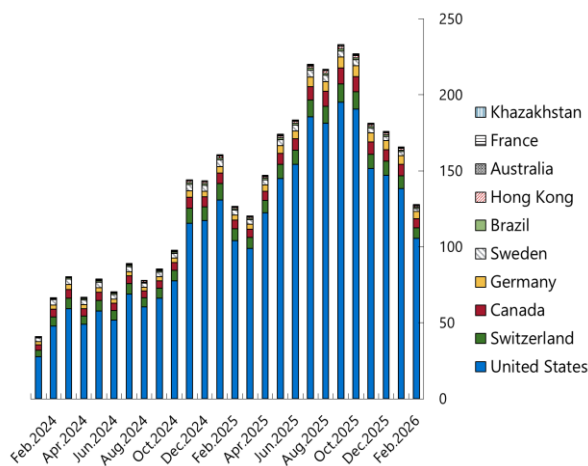
- Holdings in the five main Bitcoin exchange-traded products (ETPs) have declined from their mid-2025 peak, with the pullback concentrated among investment advisors and brokerages, which had previously driven much of the growth.
- By late-2025 and early-2026, the investor base remained diversified, but overall positioning moderated, suggesting some cooling in institutional demand after the earlier surge, even as participation from hedge funds, private equity, and other investors remained relatively stable.

## Crypto Adoption

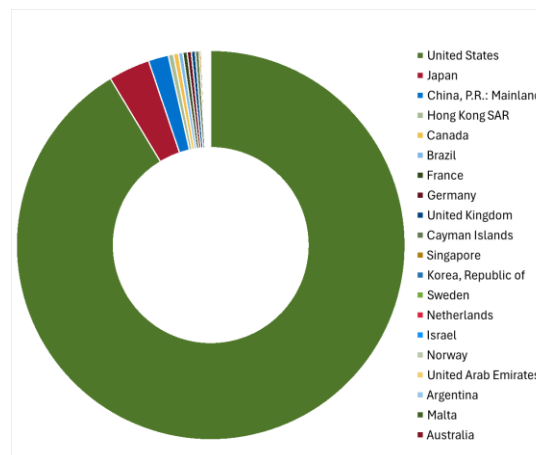
Aggregate assets of crypto ETPs declined sharply.

Total value of corporate Bitcoin holdings declined by 30 percent since September 2026, with the U.S. remaining the largest host country.

### 7. Assets of Crypto Exchange-Traded Products by Country (in USD billions)



### 8. Corporate Bitcoin Holdings by Country



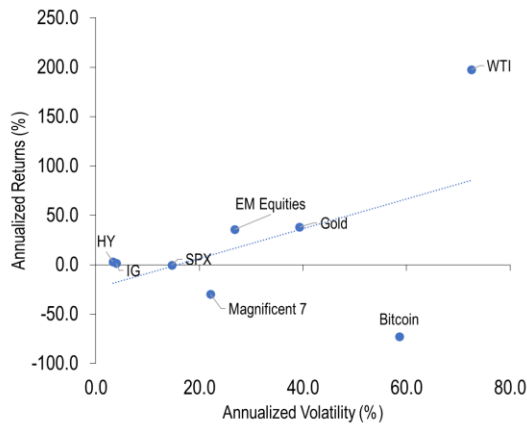
- Total assets of crypto ETPs reached a peak of USD 230 billion in September 2025, before declining through Q4 2025 and Q1 2026. Aggregate assets fell by around 45 percent, to USD 127 billion in February 2026, relative to the September peak.
- The U.S., Switzerland, and Canada remained the three largest markets for crypto ETPs, with market shares of 83 percent, 5 percent, 4 percent respectively.
- Germany’s market share increased to 4 percent while Brazil’s rose moderately to 1 percent. In contrast, market shares of Sweden and Hong Kong have declined since Q3 2025.
- Note: crypto ETPs include ETPs linked with Bitcoin, Ether, Solana and other major crypto assets. Country classification of crypto ETP markets is based on the legal domicile of the funds.

- Corporate Bitcoin holdings—Bitcoin reserves that companies hold on their balance sheets—provide investors with indirect exposure to Bitcoin when holding the stock of these corporates. When Bitcoin holdings represent a substantial fraction of the balance sheets of these corporates, holding the stock of these companies is similar to holding Bitcoin ETFs.
- Globally, the total Bitcoin holdings by public companies declined by over 30 percent, to USD 126 billion, from their September peak, largely due to price declines.
- 91 percent of corporate Bitcoin holdings originate from companies in the U.S., followed by Japan and China.
- The largest corporate Bitcoin holder, Strategy, increased its Bitcoin purchases in Q1 2026, despite reporting a USD 14.46 billion unrealized loss on its Bitcoin holdings during the same period.

## Crypto Interconnectedness

WTI, Gold and EM Equities have outperformed Bitcoin from a risk-return perspective since the start of 2026.

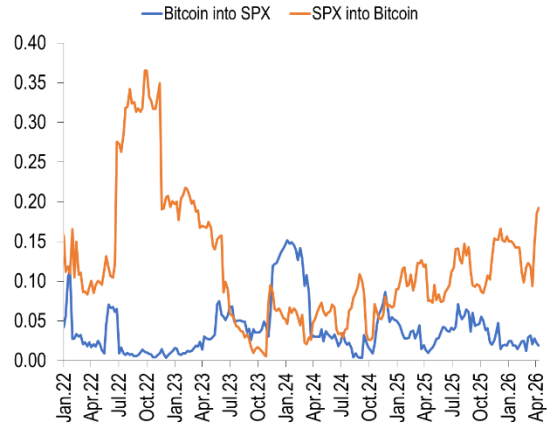
**9. Returns vs. Risk Since January 1, 2026** (in percent)



- Since January 2026, all assets have outperformed Bitcoin from a risk-adjusted returns perspective.
- WTI oil, Gold, and EM Equities were the clear outperformers since the start of the year.

Spillovers from the S&P 500 into Bitcoin have increased to levels not seen since 2023

**10. Spillover Analysis: Decomposition of Forecast Error Variance** (in percent)

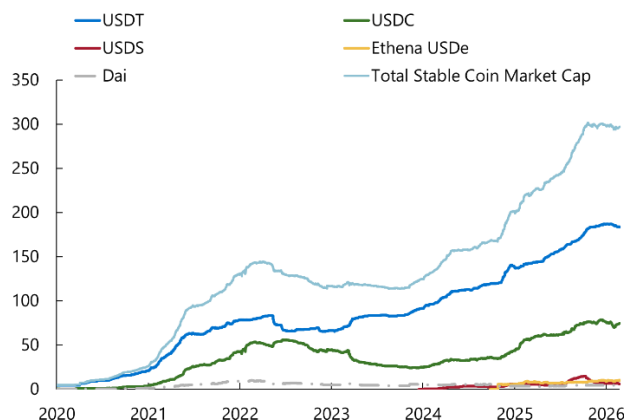


- Shocks originating in the S&P 500 appear to spill over to Bitcoin to a higher degree than the other way around.
- Spillovers from the S&P 500 into Bitcoin have increased to levels not seen since 2023
- Spillovers from Bitcoin into the S&P 500 have been relatively subdued in 2026.
- This analysis follows the methodology in April 2025 Global Financial Stability Report.

## Stablecoins

Total stablecoin market cap hovered around USD 300 billion, marking a stabilization after strong growth.

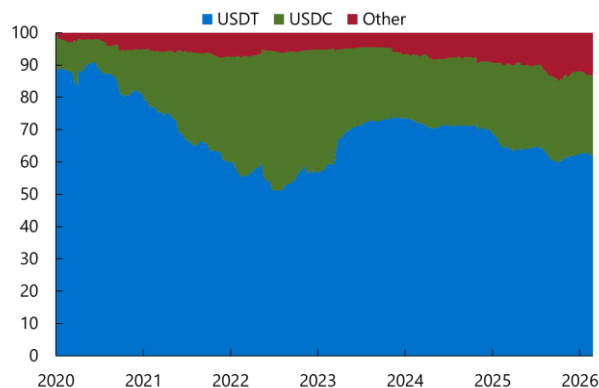
### 11. Selected Stablecoin Market Cap (in USD billions)



- Despite the October 2025 crypto market crash, the aggregate stablecoin market capitalization remained broadly stable. Market stress was more concentrated in non-traditional and synthetic stablecoins; in particular, the yield-oriented synthetic stablecoin USDe temporarily de-pegged, falling to around USD 0.65 from par.
- In January 2026, Tether announced the official launch of [USA₴](#), the USD-backed stablecoin developed specifically to operate within the United States' new federal stablecoin framework established under the GENIUS Act. USA₴ is issued by Anchorage Digital Bank and is available to institutions and platforms such as Robinhood. As of April 2026, USA₴ has a market cap of around USD [38 million](#).

USDT and USDC continued to dominate.

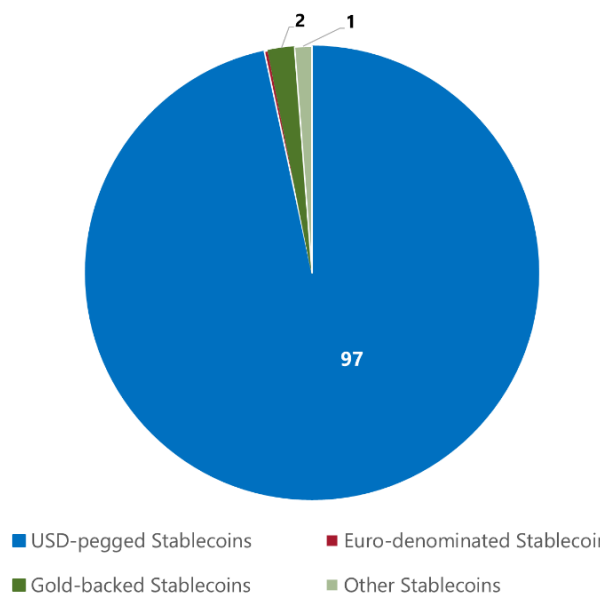
### 12. Selected Stablecoin Market Share (in percent)



- USDT remained the dominant stablecoin globally while its market share (60 percent) stayed around the same as in Q3 2025. Similarly, USDC's market share remained stable at 25 percent.
- Stablecoin issuers faced renewed U.S. policy uncertainty amid CLARITY Act due to disagreements between the banking sector and the crypto industry about remuneration of stablecoin holdings. Yet overall, the industry views legislation as a major reduction in legal risk for issuers, exchanges, and institutional users.

USD-denominated stablecoins dominated the market. Non-USD stablecoins represented a small and rapidly growing segment.

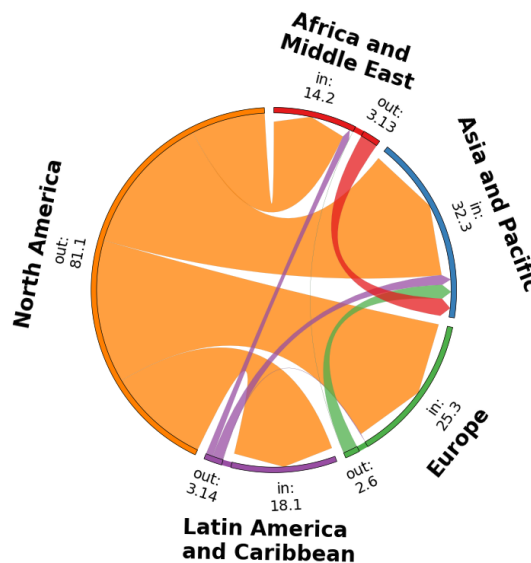
13. Breakdown of Stablecoin Market (in percent)



- The stablecoin market remained dominated by USD-pegged stablecoins, with a 97 percent market share.
- While still a small segment, gold-backed stablecoins represented around 2 percent of total stablecoin market cap. The leading gold-pegged tokens, Tether Gold (XAUT) and Pax Gold (PAXG), have expanded rapidly, with their combined market cap now exceeding USD 5.4 billion, after growing more than three-fold over the past year. [Analysts](#) suggest that this growth may be linked with gold price surges, a growing investor interest in tokenized precious metals, and [tax-related advantages](#) in certain jurisdictions.
- Despite a market share below 1 percent, the Euro-pegged stablecoins experienced more than 50 percent growth over the past year, exceeding USD 900 million in market cap (compared to 35 percent growth of USD stablecoins over the same time).

The U.S. was a dominant provider of stablecoins to other regions, most notable Asia and Europe.

14. Net stablecoin flows in 2025 (in USD billions)

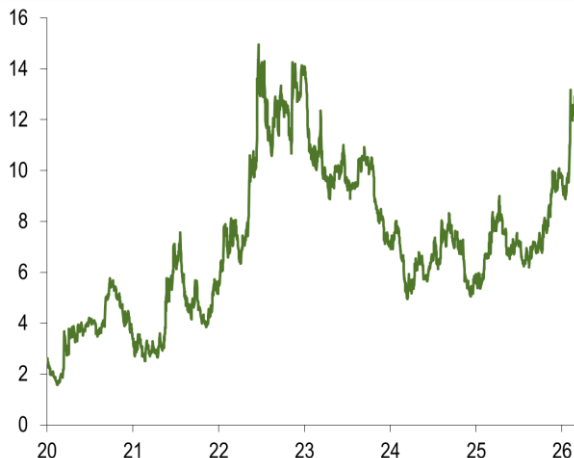


- Regional composition of stablecoins flows remained stable: Asia-Pacific continues to dominate with net inflows close to USD 32 billion in 2025, with Europe remaining in the second place.
- USD-denominated stablecoins dominate the market, with majority of flows originating from the U.S. This provides investors from emerging markets an indirect access to USD-denominated assets, such as US treasuries. If lent via platforms, stablecoins may earn interest to their holders, though such lending is subject to counterparty, rehypothecation and platform risks.
- Note: Updated estimates are based on the methodology from Reuter (2025).

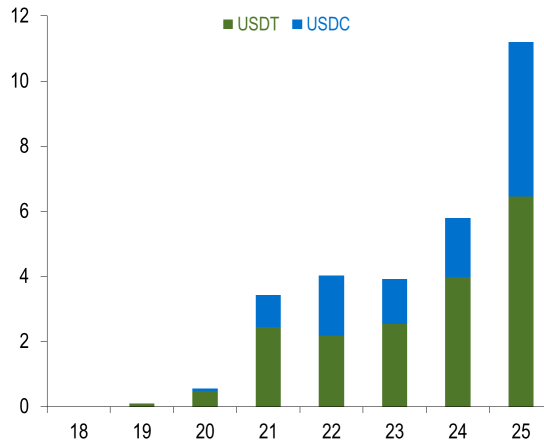
Stablecoins reached 13 percent of total crypto market cap in Q1 2026.

Large-value transfers dominated stablecoin transactions, while retail-sized transactions accounted for less than one percent of total transaction volume. Use cases remained concentrated in crypto trading. Real-world payments are a small but rapidly growing market segment.

**15. Stablecoin Share in Total Crypto Market Cap**  
(in percent)



**16. Stablecoin transaction volume** (in USD trillions)

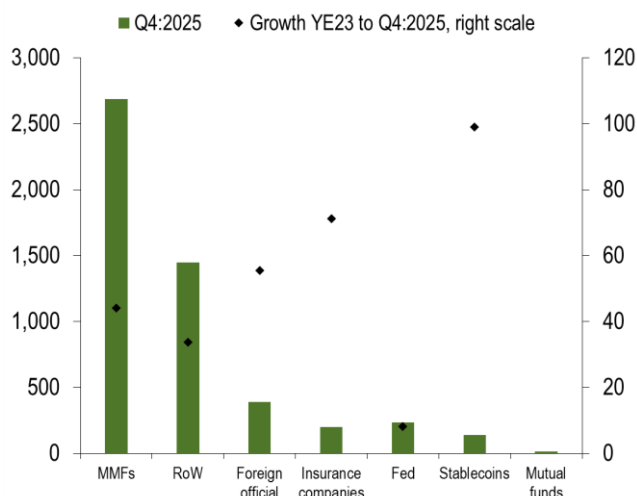


- While the stablecoin market capitalization itself has remained relatively stable, much of the fluctuation in this ratio appears to be driven by changes in the overall crypto market capitalization.

- Large-value transactions (greater than 250 USD) still dominate the market while retail-sized transfers accounted for less than one percent of total volume, according to [Visa Onchain Analytics Dashboard](#).
- Among retail use cases, major card companies such as Visa and Mastercard have accelerated partnerships with wallets and fintech firms on stablecoin-linked initiatives. Additionally, Mastercard's recent acquisition of BVNK for USD 1.8 billion makes it the first large publicly listed traditional payments firm to use M&A deals to enter the stablecoin infrastructure market. So far, based on Allium estimates, only 250,000 stablecoin-backed cards are issued worldwide, with Taiwan, Hong Kong, Indonesia and Mexico representing the largest share of the issuance.
- Recent data and research from [BCG](#) and [McKinsey](#) show that the majority of stablecoin activity is concentrated in crypto trading, derivative collateral transfers, protocol mechanics, and intermediary routing. Real-world payments remained a small portion of total stablecoin activity. Yet, they are growing rapidly ([55 percent y-o-y](#)) and expanding use cases, such as B2B and C2C flows.

Stablecoin holdings represented only 2 percent of total outstanding U.S. treasury bills despite strong growth in holdings.

**17. Ownership of U.S Treasury Bills (T-bills)**  
(in USD billions and percent)

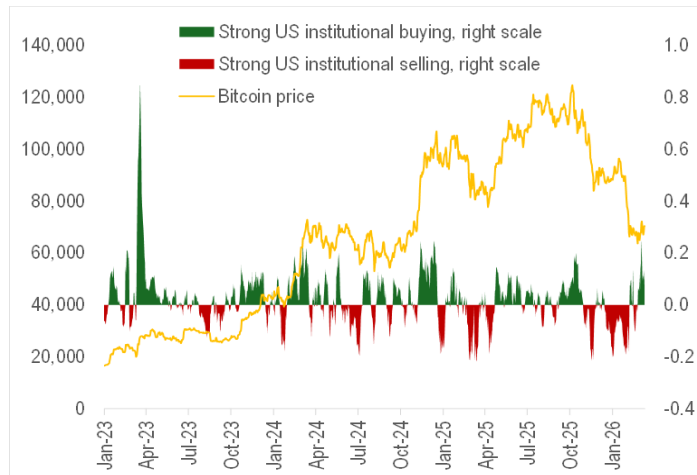


- In 2025, holdings of T-bills by the two largest stablecoins (USDT and USDC) grew by almost 100 percent y-o-y, while other major holders recorded a modest growth in comparison. The growth was facilitated mostly by increased issuance of USD-backed stablecoins.
- Nevertheless, those stablecoin issuers hold a small fraction (2 percent) of total outstanding T-bills. Meanwhile, MMFs tower over other holders (41 percent).
- Analysts speculate that in 2026, the stablecoin market could grow by another USD 150-200 billion as regulatory clarity improves across jurisdictions. This would potentially add to the demand for short-term T-bills.

Bitcoin on- and off-shore price spread suggest that U.S. institutional investors likely led the selloff since late last year.

**18. Bitcoin Price and US On-/Off-shore Spread**

(in US dollar, left scale; percent, log price difference, right scale)

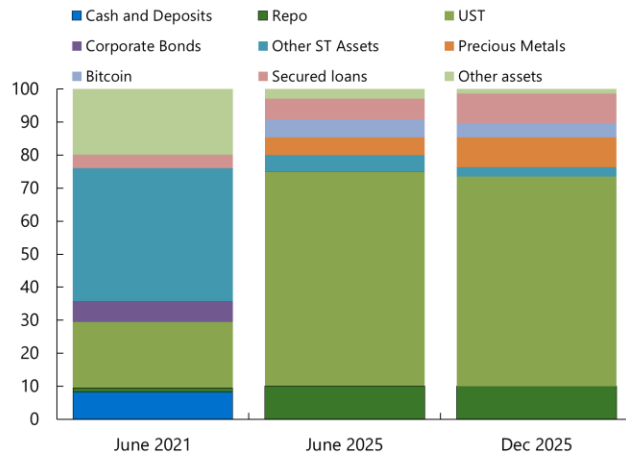


- U.S. institutional investors were effectively confined to U.S. on-shore or U.S.-regulated trading venues, and therefore, on-/off-shore price spread was commonly interpreted as a proxy for US institutional demand.
- Persistently negative spread since late last year indicated that U.S. institutional investors likely led the recent selloffs, unwinding long positions accumulated during the post-2024 U.S. presidential election rally.
- The spread has turned positive since late February, suggesting that U.S. institutional investors have gradually resumed accumulating long positions.

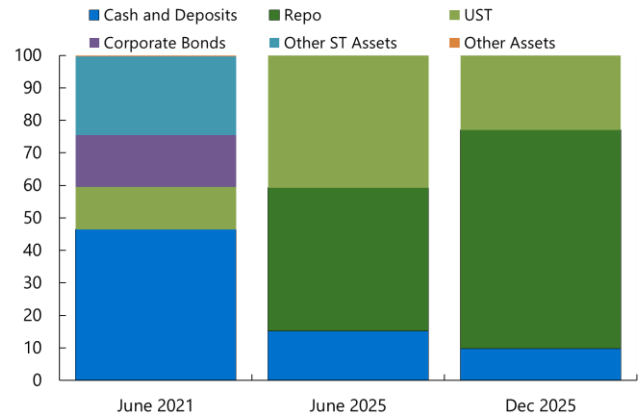
USDT’s backing remained concentrated in U.S. Treasuries and repo, while exposure to precious metals and secured loans grew.

USDC continued to be fully backed by cash, repo, and U.S. Treasuries, with composition changes.

**19. USDT Asset Backing (in percent)**



**20. USDC Asset Backing (in percent)**

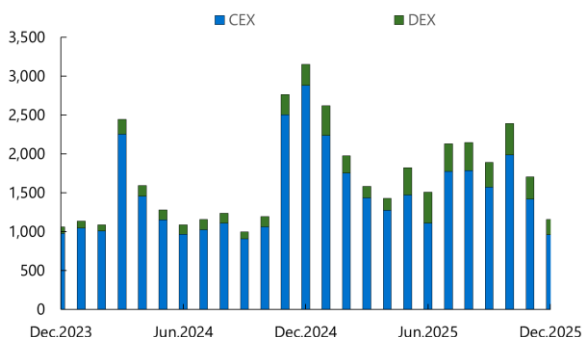


- Over 60 percent of USDT’s backing assets remained to be U.S. Treasuries. Overnight repo continued to account for 10 percent of USDT assets. In total, U.S. Treasuries, repo, and short-term assets declined to 76 percent.
- Meanwhile, the share of precious metals in USDT’s backing assets increased from 5 percent in June 2025 to 9 percent in December 2026. Over the same period, the share of secured loans rose from 6 percent to 9 percent. These other riskier assets are largely not compliant with the new Genius Act.
- As for newly issued USA₯, its backing assets consisted of reverse repos (89 percent), as well as cash and deposits (11 percent).
- Overnight repo, mostly with G-SIBs, accounted for a larger share (67 percent) of USDC’s backing assets. Shares of U.S. Treasuries and cash declined, representing 23 and 10 percent respectively as of December 2025.

## Decentralized Finance (DeFi)

Centralized exchanges (CEXs) remained dominant, even though the market share of decentralized exchanges (DEXs) has doubled over the past two years.

**21. Spot trading volume of centralized exchanges (CEXs) vs decentralized exchanges (DEXs) (in USD billions)**



- The top 10 CEXs and DEXs together recorded USD 22 trillion in spot trading volume in 2025, up 16 percent from 2024.
- CEXs remained dominant in spot trading, while the market share of DEXs has doubled over the past two years. The growth of DEXs was likely driven by meme coin trading and infrastructure upgrades.

The growth of DeFi decelerated in Q4 2025 and early 2026.

**22. Total Value Locked in DeFi (in USD billions)**



- Total value locked (TVL)—total assets deposited in DeFi platforms—declined by almost 40 percent to USD 93 billion from September 2025 to February 2026.
- Since September 2025, the monthly TVL remained elevated in October 2025, before declining gradually in Q4 2025 and Q1 2026.
- Analysts attributed TVL declines to a broader crypto market correction and associated deleveraging. Falling prices of major crypto assets, especially Ether, reduced the value of assets locked in DeFi protocols.
- Ethereum continued to dominate the DeFi landscape, representing around 60 percent of the TVL in the sector.

Sources: Allium, Anchorage Digital, BCG Stablecoin Payments Dashboard, Binance Global, Bloomberg L.P., CoinGecko, Chainalysis, Coinbase, DefiLlama, EPFR, Federal Reserve Bank of Dallas, Crane Data, IMF April 2025 Global Financial Stability Report, BDO Independent Auditors’ Report on the Financials, Figures, and Reserves Report (Tether), Deloitte’s Independent Accountants’ Report (USDC and USA₯), Visa Onchain Analytics Dashboard, and Reuter, M. (2025), *Decrypting Crypto: How to Estimate International Stablecoin Flows*, IMF Working Paper.