



crypto.com

Market Update

February 2026

Research and Insights

Crypto.com Research and Insights Team

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Executive Summary

- **Overall Market Performance:** Global markets saw a deepening divergence driven by an "AI scare" and escalating geopolitical tensions. Digital assets suffered a sharp retreat: Bitcoin plunged -21.7% and Ethereum dropped -28.5%. Traditional safe-haven assets rallied: Gold surged +8.7%, continuing its "safe-haven supercycle." Emerging Markets (+5.4%) and Global Real Estate (+7.9%) showed resilience.
- **G20 Macro Environment:** Central bank policies diverged: the Reserve Bank of Australia (RBA) raised its cash rate while the European Central Bank (ECB) and Bank of England (BoE) held steady. Trade tensions escalated after a new U.S. 10% tariff on global imports prompted the European Union to pause its trade deal with the U.S. Global financial conditions are in a period of risk reassessment with new concerns appearing around AI investments.
- **Crypto Market Dynamics:** DeFi categories decreased in February, led by Lending and Oracles. U.S. spot BTC ETFs recorded a net outflow of \$207 million, and spot ETH ETFs saw a net outflow of \$370 million, marking the fourth consecutive month of outflows for both.
- **Crypto Regulatory Developments:** U.S. crypto regulation advanced with ongoing CLARITY Act talks and new stablecoin proposals from the Office of the Comptroller of the Currency (OCC) and National Credit Union Administration (NCUA). The U.S. State of Indiana approved crypto ETF investments for public retirement plans. The People's Bank of China (PBOC) banned unauthorized RMB-pegged stablecoins and tokenized real-world assets. The Hong Kong Monetary Authority (HKMA) prepares to issue stablecoin licenses in March. The ECB plans for a 2027 digital euro pilot.
- **Equity Market Trends:** U.S. markets fell on "risk-off" sentiment, geopolitics, and a tech re-evaluation, despite positive Consumer Price Index (CPI) and Nonfarm Payroll data. European markets hit record highs on a rotation into cyclicals/energy. Asian markets varied: Japan and South Korea surged, while China, Hong Kong, and India decreased or remained flat.
- **New Developments in Crypto and TradFi:** Trump Media & Technology Group announced a partnership with Crypto.com to distribute digital tokens to shareholders. Crypto.com received conditional approval for a Virtual Asset Service Provider (VASP) license from the Cayman Islands Monetary Authority. The New York Stock Exchange (NYSE) plans to launch a blockchain-based platform for 24/7 tokenized stock and ETF trading in late 2026.
- **Outlook on Key Projects and Tokens:** Bitcoin saw increased investor accumulation via accumulator addresses after a price dip. Ethereum announced 2026 priorities: scaling, UX, and Layer-1 (L1) security — alongside a 2029 "strawmap" targeting transaction finality in seconds.



1. Overview

February 2026 was defined by a deepening divergence in global markets. An "AI scare" and escalating geopolitical tensions triggered a sharp retreat in high-growth tech and digital assets. Markets were further jolted by U.S. President Trump introducing new global tariffs, escalating tensions in the Middle East, and a reinforced "risk-off" rotation.

Digital assets faced their most challenging month in years, with BTC plunging -21.7% and ETH dropping -28.5%. In stark contrast, the "safe-haven supercycle" continued for Gold (+8.7%) as investors sought protection against conflict and currency debasement. Emerging Markets (+5.4%) and Global Real Estate (+7.9%) also showed notable resilience.

Asset	Jan	Feb	YTD
BTC	-4.8%	-21.7%	-25.5%
ETH	-9.0%	-28.5%	-35.0%
S&P 500	1.4%	-0.9%	0.5%
Nasdaq Composite	0.9%	-3.4%	-2.5%
MSCI World Index	2.2%	0.8%	2.9%
MSCI Emerging Markets	8.8%	5.4%	14.7%
Gold	12.3%	8.7%	22.1%
FTSE EPRA Nareit Global Real Estate Index	1.5%	7.9%	9.5%
Bloomberg Commodity Index	10.0%	0.8%	10.9%
Bloomberg Global Aggregate Bond Index	0.2%	-0.3%	-0.1%

1.1 Macro of the G20 Economies

February was characterized by a divergence in central bank policies, new developments in global tariff policies, and a broad reassessment of financial conditions.

Inflation and Monetary Policy

Monetary policy diverged across central banks. The latest U.S. FOMC minutes revealed officials remained [divided](#) on the future interest rate pathway, particularly whether to prioritize fighting inflation or supporting the labor market. The Reserve Bank of Australia (RBA) [raised its cash rate by 25 basis points to 3.85%](#), while the [European Central Bank \(ECB\)](#), [Bank of England](#), and [Reserve Bank of New Zealand \(RBNZ\)](#) held rates steady.

Trade and External Pressures

On February 20, the U.S. Supreme Court invalidated tariffs that Trump had imposed using the [International Emergency Economic Powers Act \(IEEPA\)](#). However, trade tensions remained as Trump subsequently imposed a [new 10% tariff](#) on global imports, which led the European Union to [pause](#) its trade deal with the U.S. Meanwhile, the [UNCTAD Global Trade Update](#) suggested that the recent tariff increases have made market access more restrictive and uneven.

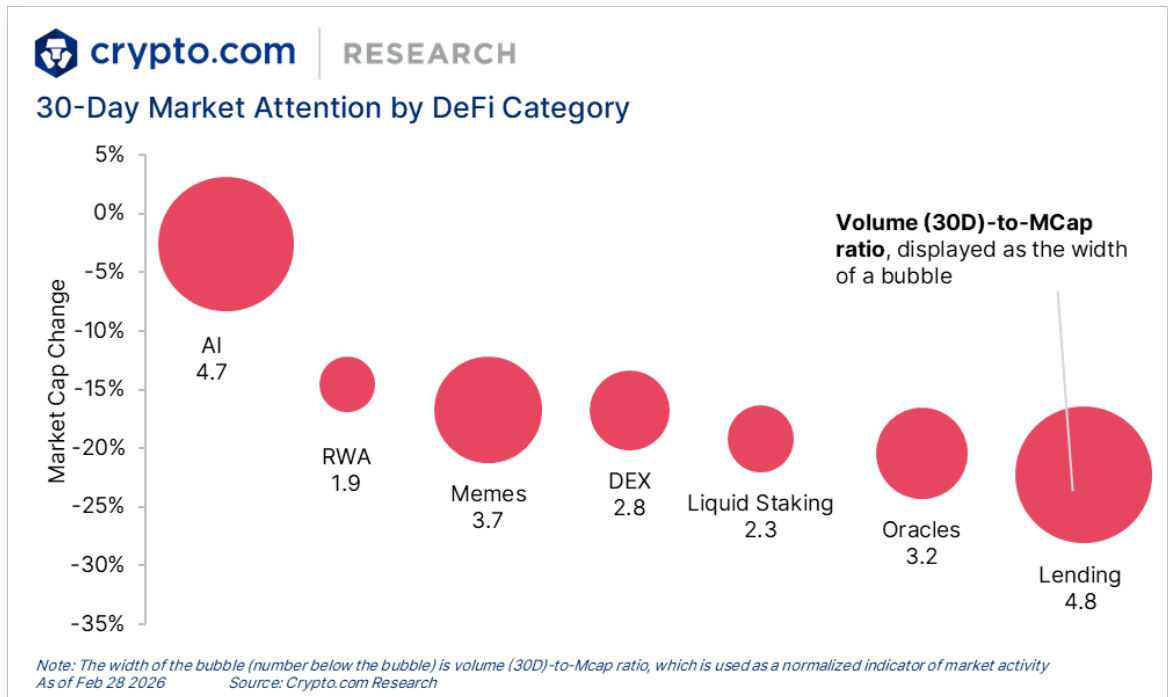
Outlook

The [World Bank Group's February report](#) noted that while global economies remain resilient, there are early signs of softening in some countries. Global financial conditions are in a period of risk reassessment as concerns regarding AI investments appeared during the month.

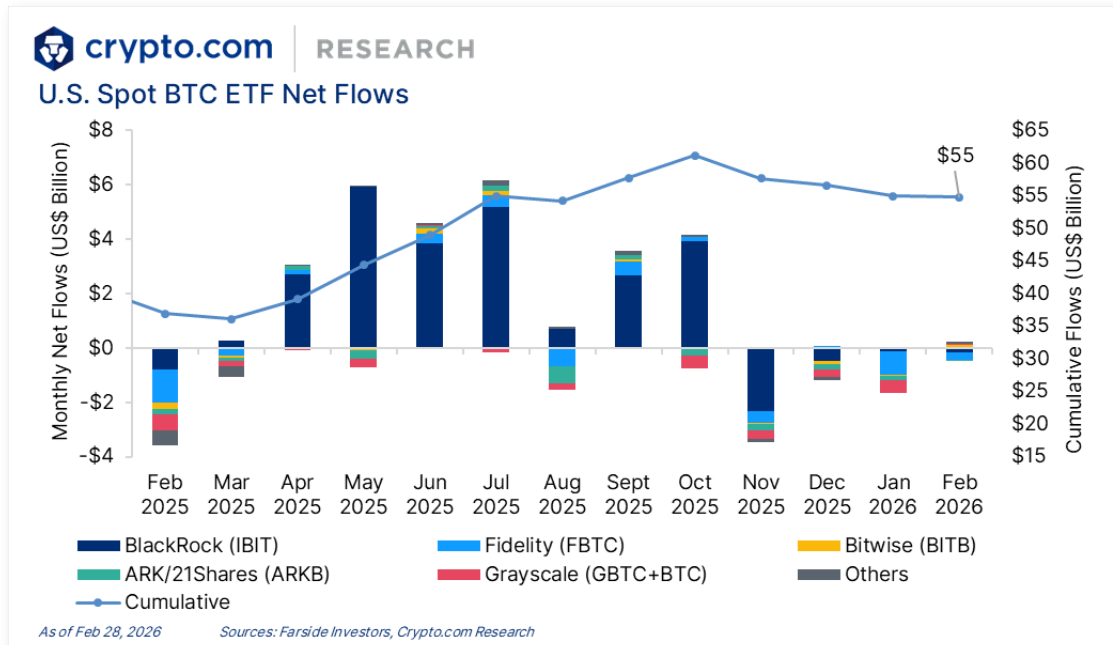
1.2 Crypto Market

DeFi categories decreased in February, with Lending and Oracles leading the market capitalization (MC) decline.

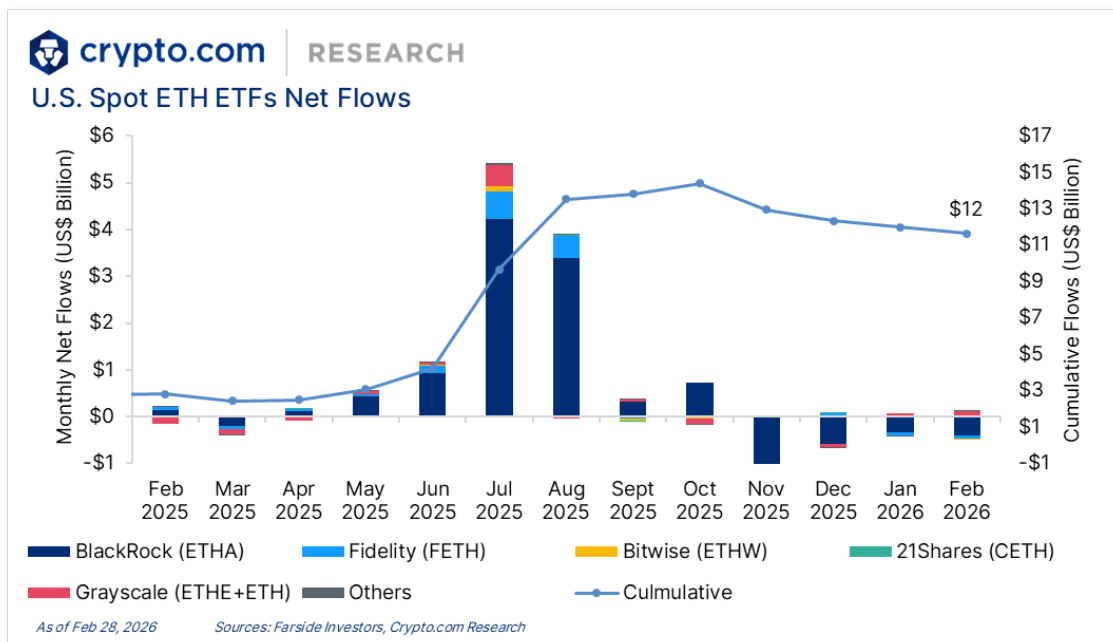
The Lending decrease was led by Kamino (-42%) and Euler (-37%). Anchorage Digital, Kamino, and Solana announced an [integration](#) to expand Atlas collateral management, enabling native borrowing on Solana using natively staked SOL. Oracles decrease was led by UMA (-30%) and DIA (-24%).



U.S. spot BTC ETFs recorded a net outflow of \$207 million in February, lower than the \$1.6 billion in January. This marked the fourth consecutive month of outflows.



Meanwhile, U.S. spot ETH ETFs saw a net outflow of \$370 million in February, higher than the \$343 million in January — but also marking the fourth consecutive month of net outflows.



1.3 Crypto Regulatory Updates

Country	Crypto Regulatory Updates
United States	<ul style="list-style-type: none"> • White House officials met with industry representatives to discuss the CLARITY Act, including stablecoin yield. This came after the Senate Banking Committee postponed its markup. • The OCC issued a proposal on rulemaking requirements under the GENIUS Act, including reserve , registration, and custody requirements for U.S. stablecoin issuers. • Indiana approved a bill allowing digital asset and spot crypto ETF investments in public retirement and saving plans. The state's governor is expected to sign it into law soon. • The California Department of Financial Protection and Innovation (DFPI) confirmed a July 1 deadline to enforce the Digital Financial Assets Law (DFAL). Crypto businesses serving California residents must obtain a license, file an application, or qualify for an exemption. • The National Credit Union Administration (NCUA) proposed licensing rules for payment stablecoin issuers operating through subsidiaries of federally insured credit unions, including a requirement to obtain an NCUA permitted payment stablecoin issuer (PPSI) license. • The Commodity Futures Trading Commission (CFTC) expanded payment stablecoin criteria to include national trust banks as eligible issuers, allowing them to issue fiat-pegged stablecoins.
China	<ul style="list-style-type: none"> • People's Bank of China (PBOC) and other Chinese regulatory agencies banned unauthorized issuance of RMB-pegged stablecoins and tokenized real-world assets by domestic and foreign issuers. • The Hong Kong Securities and Futures Commission (SFC) is developing a framework for trading platforms to offer perpetual contracts for professional investors and brokers to provide crypto margin financing, with BTC and ETH initially eligible as collateral. • The Hong Kong Monetary Authority (HKMA) expects to begin granting the first batch of stablecoin issuer licences in March, starting with a small number of applicants and focusing on risk management frameworks as well as backing assets.
European Union	<ul style="list-style-type: none"> • The ECB announced plans to launch a digital euro pilot in 2027, with payment service providers to be selected in early 2026. The pilot will run within a controlled Eurosystem environment involving real-world transactions. • The European Parliament voted to back the ECB's development of the digital euro, describing the project as

	essential to strengthening the EU's monetary sovereignty.
United Kingdom	<ul style="list-style-type: none">• The UK Financial Conduct Authority (FCA) named four firms to test stablecoins in its Regulatory Sandbox for use cases in payments, wholesale settlement, and crypto trading.
Canada	<ul style="list-style-type: none">• The Canadian Investment Regulatory Organization (CIRO) formalized an interim crypto custody framework outlining dealer obligations for safeguarding client holdings, including custody limits and reporting.
South Korea	<ul style="list-style-type: none">• Bank of Korea (BOK) renewed its push for bank-led, Korean won-pegged stablecoins, arguing that privately-issued tokens may undermine monetary policy.

1.4 Equity Market

U.S.

U.S. equities faced a turbulent February 2026 as "risk-off" sentiment took hold, driven by geopolitical escalation in the Middle East and a re-evaluation of the technology sector's growth trajectory. While the Dow Jones managed a slight gain, the broader market was weighed down by a correction in the Nasdaq Composite as investors pivoted away from high-growth tech.

S&P 500	-0.87%
Dow Jones	+0.17%
Nasdaq Composite	-3.38%

Key Drivers of the U.S. Stock Market:

- Macro Updates:** January CPI rose [2.4% year-on-year](#), cooling more than the 2.5% estimate. Conversely, January Producer Price Index (PPI) rose 0.5% monthly, exceeding the 0.3% Dow Jones forecast. Nonfarm Payrolls for January surged by [130,000](#), significantly outperforming the consensus estimate of 55,000.
- Geopolitical and Tariff Pressures:** Market volatility surged following escalating geopolitical tensions in the Middle East and Trump's announcement of new global import tariffs.
- AI Skepticism:** Despite strong earnings, investors grew increasingly cautious about the sustainability of massive capital expenditures in the tech sector, leading to the Nasdaq's 3.38% decline.
- Sector Rotation:** Utilities (+10.4%) and Energy (+9.4%) were the standout performers, supported by a spike in oil prices. Consumer Discretionary (-5.4%), Communication Services (-5.1%), and Information Technology (-3.9%) led the decrease.

Europe

European markets showed robust momentum overall, with the STOXX Europe 600 and UK's FTSE hitting record highs in the month.

Europe	EURO STOXX 50	+3.20%
Europe	STOXX Europe 600	+3.74%
UK	FTSE	+6.72%
Germany	DAX	+3.04%

France	CAC	+5.59%
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Primary Market Drivers:

The ECB held interest rates steady, confirming that inflation should stabilize near its medium-term target and the economy remains resilient. The UK's FTSE 100 hit record highs, coinciding with a favourable sector mix during the rotation away from AI, coupled with UK inflation figures falling to a one-year low of 3.0% in January. Similar to U.S. equities, escalating geopolitical tension in the Middle East added to market volatility and benefitted energy stocks.

Sector Rotation: Similar to January, February saw rotation toward "hard assets" and cyclicals and away from technology.

Asia

Asian equity markets showed divergent performance in February with strong gains in North Asian markets offset weakness in China and India.

China	CSI 300	+0.09%
Hong Kong	HSI	-2.76%
India	Sensex	-1.19%
	Nifty 50	-0.56%
Japan	Nikkei 225	+10.37%
South Korea	KOSPI	+19.52%
Singapore	STI	+1.83%
Australia	ASX 200	+4.78%

Hong Kong

The Hang Seng Index (HSI) declined as technology stocks weakened on AI sustainability concerns and continued pressure on China's service sectors.

Japan

The Japanese stock market entered a historic "new era," with the Nikkei 225 breaching the [59,000 mark](#) for the first time in February. This rally marked a shift from a deflationary mindset to a structural growth phase, driven by several key catalysts:

- **The "Takaichi Trade":** Prime Minister Takaichi's [reflationary stance](#) and new Bank of Japan (BoJ) board nominations suggested a "lower-for-longer" rate environment, boosting domestic sentiment.



- **Wage Growth Momentum:** [The 2026 "Shunto" negotiations](#) are tracking toward a third year of major pay hikes at firms like Hitachi, fueling a virtuous cycle of consumption.
- **Capital Efficiency:** FSA reforms are forcing companies to deploy [\\$840 billion in cash](#), with annual share buybacks projected at a record 20 trillion yen.
- **AI Infrastructure:** Global demand for AI chips has kept Japan's semiconductor supply chain — led by Information & Communication heavyweights — at the forefront of the rally.

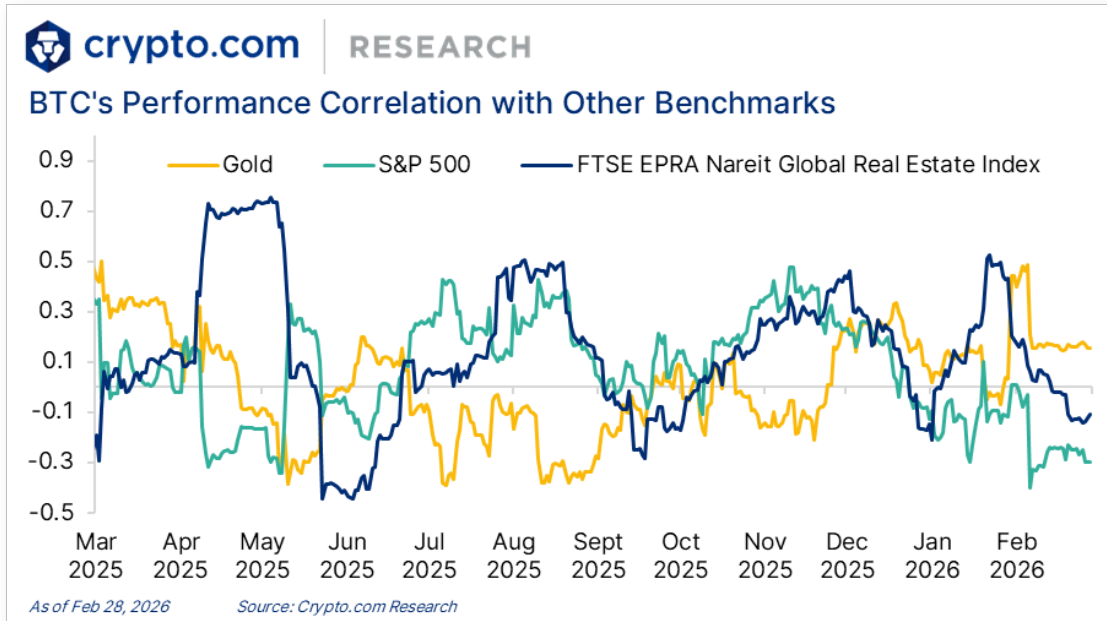
South Korea

In February 2026, the South Korean stock market entered a historic "6,000 era," driven by a massive semiconductor supercycle and aggressive corporate reforms. The benchmark KOSPI index shattered psychological barriers, surging past the [6,000-point mark](#) on February 25 — a remarkable [climb](#) of 1,000 points in just over a month. Main market catalysts included:

- **Semiconductor Dominance:** Record-breaking demand for AI infrastructure propelled exports [up 29% year-on-year](#). Chip sales alone jumped [160.9%](#), with SK Hynix crossing 1 million won and Samsung Electronics hitting the "200,000 won" milestone.
- **"Value-Up" Success:** The government's [Corporate Value-up Program](#) gained significant traction, with 177 firms unveiling enhancement plans. The dedicated Value-Up Index outpaced the broader KOSPI, rising 135% since its inception to combat the "Korea Discount."
- **Monetary Stability:** The BOK held interest rates steady at [2.50%](#) in February. While the bank [upgraded](#) its 2026 GDP growth forecast to 2.0%, it remains cautious regarding global tariff uncertainties and Middle East tensions.

1.5 Performance Correlation

BTC's rolling 30-day return correlation turned negative with S&P 500 and FTSE EPRA Nareit Global Real Estate Index, and decreased with Gold.



2. New Developments

2.1 Crypto.com News

- **Yorkville America Equities**, which is tied to Truth Social, [filed with the U.S. SEC to launch two crypto ETFs: Truth Social Bitcoin and Ether ETF and Truth Social Cronos Yield Maximizer ETF](#). The former will provide exposure to BTC and ETH, while the latter will invest in and stake CRO.
- **Crypto.com** [received conditional approval from the OCC to charter Crypto.com National Trust Bank](#). This positions the company as a federally regulated qualified custodian offering custody, staking, and trade settlement services.
- **The U.S. CFTC** [announced the Innovation Advisory Committee](#), which includes top crypto executives and will advise on modernising regulations. Crypto.com co-founder Kris Marszalek is among the members.
- **Crypto.com co-founder and CEO Kris Marszalek** launched ai.com, a new AI platform, through its [commercial broadcast premiere](#) during Super Bowl LX on NBC. It allows users to generate a private, personal AI agent, and users can [sign up now](#).

- **Crypto.com's** EU MiCA-regulated entity [was granted a limited Financial Institutions license by the Malta Financial Services Authority \(MFSA\)](#), allowing it to continue offering stablecoin services across the EU.
- **Crypto.com** became the [first digital asset platform to achieve ISO/IEC 42001:2023 certification](#), the international standard for an Artificial Intelligence Management System (AIMS), highlighting its commitment toward security and responsible AI.
- **Crypto.com** launched OG, [enabling users to trade on real-world event probabilities](#), including a comprehensive range of CFTC-regulated sports event contracts and events across finance, politics, culture, and entertainment.
- **DraftKings Inc. (Nasdaq: DKNG)** announced an agreement with **Crypto.com | Derivatives North America** to [broaden the prediction markets available on DraftKings Predictions](#). The expansion marks the first player-specific sports event contracts offered on DraftKings Predictions for both the NFL and NBA.
- **Diamond Pigs** [partnered with Crypto.com through the Fast Connect integration](#), enabling users to sign up for Diamond Pigs and securely connect their Crypto.com wallets directly during onboarding. Users can allocate funds to Diamond Pigs' automated investment strategies, powered by advanced trading bots.

2.2 TradFi

Assets Allocation

The following assets were used to construct the TradFi portfolio, with returns were compared against adding BTC and ETH:

Asset Class	Selected Asset	Rationale	Weight
Equities	S&P 500 Index Funds	Broad market exposure and for long-term growth potential	47.50%
Bonds	U.S. Treasury Bonds (iShares Core U.S. Aggregate Bond ETF)	Stability and regular income	28.50%
Commodities	Gold	Hedge against inflation and economic uncertainty	9.50%
Alternatives	Real Estate (S&P REIT Index Fund)	Income generation and diversification	9.50%

Crypto	BTC and ETH	Largest coins by market cap, with relatively lower volatility	BTC: 2.50% ETH: 2.50%
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- **Morgan Stanley** [applied to the OCC for a national trust bank charter](#) to custody digital assets and offer staking and trading to clients. It is also reportedly [exploring bitcoin lending and yield products](#).
- **UBS Group's CEO** announced plans to offer [tokenized deposits for corporates and crypto access for individuals](#). This follows reports that the bank will offer crypto investing to selected clients in Switzerland.
- **Citi** [plans to launch institutional bitcoin custody services](#) this year, aiming to "make bitcoin bankable" and integrate it into the same control frameworks as traditional assets.
- Banking giant **Barclays** [is reportedly looking into tokenized deposits and stablecoin payments](#), requesting information from technology suppliers to explore blockchain utilization.

3. Outlook

3.1 Projects and Tokens

Bitcoin (BTC)

Bitcoin monthly accumulator addresses increased their holdings to new highs of around 360,000 BTC on February 21, growing by over 135% since early January 2026. This potentially suggests that investors are taking advantage of recent price decline to accumulate BTC.

Ethereum (ETH)

Ethereum Foundation [outlined](#) its 2026 protocol priorities, focusing on three tracks: scaling (e.g., raising the gas limit towards 100 million), UX (e.g., native account abstraction and interoperability), and L1 security (e.g., censorship resistance). It also [unveiled](#) an ambitious "strawmap" through 2029, outlining seven hard forks and five key goals, including a faster L1 with "transaction finality in seconds."

XRP (XRP)

Ripple [secured](#) a full electronic money institution license from Luxembourg's financial regulator, enabling faster rollout of Ripple Payments across the EU. Additionally, it partnered with [Aviva Investors](#) to tokenize traditional investment funds on the XRP Ledger, aiming to improve settlement times and lower operational costs.

World Liberty Financial (WLF)

World Liberty Financial [proposed](#) a 180-day staking requirement for WLF voting rights, and created "Node" and "Super Node" tiers, offering large stakers access to subsidized USD1 stablecoin conversions. It is also launching [World Swap](#), a foreign exchange and remittance platform designed to challenge traditional players by offering lower costs and a simplified user interface. Additionally, World Liberty Financial [partnered](#) with Apex Group to pilot the use of its USD1 stablecoin in traditional fund operations, including subscriptions, redemptions, and distributions.

Uniswap (UNI)

BlackRock made a [strategic investment](#) in the Uniswap ecosystem and will make shares of its USD Institutional Digital Liquidity Fund (BUIDL) tradable on the platform.



NEAR Protocol (NEAR)

NEAR Protocol is launching [Near.com](#), a crypto “super-app” and wallet featuring confidential transactions and integrated AI, allowing users to manage their assets across blockchains in one place.

Aave (AAVE)

BGD Labs, a core technical provider, [announced](#) that it will not seek renewal and cease contribution to Aave from April 1. It cited a change in the DAO’s organizational plans as Aave Labs shifts from a multi-product company to a central contributor for V4 and other products. Aave Labs also proposed the “[Aave Will Win](#)” governance proposal to direct all Aave-branded product revenue to the DAO. This is part of a broader strategy tied to its V4 upgrade.

Morpho (MORPHO)

Apollo Global Management [partnered](#) with Morpho to support on-chain lending infrastructure, and may acquire up to 90 million Morpho tokens over four years (9% of the 1 billion total supply).

3.2 Token Unlock Calendar

Date	Name	Symbol	No. of Tokens	USD Amount	% of Market Cap
Mar 5	Ethena	ENA	172M	\$18M	2.1%
Mar 8	Stable	STABLE	889M	\$29M	4.3%
Mar 9	ADI	ADI	7M	\$23M	7.2%
Mar 9	Movement	MOVE	163M	\$3M	4.9%
Mar 10	Linea	LINEA	1140M	\$3M	5.0%
Mar 12	Aptos	APT	11M	\$11M	1.4%
Mar 15	StarkNet	STRK	128M	\$5M	2.3%
Mar 16	Arbitrum	ARB	94M	\$9M	1.6%
Mar 16	Zebec Network	ZBCN	1020M	\$2M	1.0%
Mar 17	ApeCoin	APE	15M	\$1M	1.9%
Mar 17	ZKsync	ZK	173M	\$3M	1.9%
Mar 17	Pudgy Penguins	PENGU	704M	\$5M	1.1%
Mar 20	LayerZero	ZRO	25M	\$45M	12.2%
Mar 20	Kaito	KAITO	18M	\$6M	7.3%
Mar 21	Seeker	SKR	100M	\$2M	1.8%
Mar 23	Zora	ZORA	141M	\$2M	3.1%

Mar 23	Meteora	MET	7M	\$1M	1.4%
Mar 25	Humanity	H	131M	\$16M	7.2%
Mar 25	Plasma	XPL	89M	\$9M	4.9%
Mar 28	Grass	GRASS	32M	\$8M	5.8%
Mar 28	Jupiter	JUP	53M	\$9M	1.5%
Mar 31	Optimism	OP	32M	\$4M	1.5%

Source: icodrops



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