



crypto.com

Market Update

January 2026

Research and Insights

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Contents

Contents	3
Executive Summary	4
1. Overview	5
1.1 Macro of the G20 Economies	5
1.2 Crypto Market	6
1.3 Crypto Regulatory Updates	9
1.4 Equity Market	11
1.5 Performance Correlation	13
2. New Developments	13
2.1 Crypto.com News	13
2.2 TradFi	14
3. Outlook	16
3.1 Projects and Tokens	16
3.2 Token Unlock Calendar	17

Executive Summary

- Overall Market Performance:** January was defined by a divergence in asset performance, as a 'safe-haven supercycle' pushed gold and commodities to record highs while many digital assets underwent a re-evaluation. Gold surpassed \$5,000 per ounce while silver surged beyond \$120; BTC declined -4.8% and ETH fell -9.0%.
- G20 Macro Environment:** January was characterised by a 'wait-and-see' approach from major central banks. The UN Trade and Development (UNCTAD) Global Trade Update reported a projected slowdown in trade growth to 2.6% for the year, amid pressures from geopolitical tensions, and trade tariffs.
- Crypto Market Dynamics:** DeFi categories were mixed in January. RWA and AI increased, while the DEX category led the market capitalisation (MC) decline. BTC ETFs drew US\$1.6 billion in net outflows, ETH ETFs drew \$343 million in net outflows, XRP ETFs saw \$15 million in net inflows, and SOL ETFs saw \$104 million in net inflows.
- Crypto Regulatory Developments:** The US Senate Agriculture Committee advanced the crypto market structure bill after a party-line vote. The US Commodity Futures Trading Commission (CFTC) is joining efforts with the Securities and Exchange Commission (SEC) on Project Crypto. Hong Kong's financial regulators intend to submit a draft framework for digital assets in 2026. The European Commission will send notices to 12 EU Member States for failing to implement crypto tax rules.
- Equity Market Trends:** US equities maintained a cautious upward trajectory, as investors balanced positive earnings against a 'strategic pause' from the Federal Reserve (Fed). European markets showed robust momentum, except for France's CAC 40. Asian equity markets exhibited strong momentum.
- New Developments in Crypto and TradFi:** Trump Media & Technology Group (DJT) announced plans to distribute digital tokens to shareholders in partnership with Crypto.com. Crypto.com received conditional approval for a Virtual Asset Service Provider (VASP) licence from the Cayman Islands Monetary Authority (CIMA). The New York Stock Exchange (NYSE) plans to launch a blockchain-based platform for 24/7 trading of tokenised stocks and ETFs later this year.
- Outlook on Key Projects and Tokens:** Ethereum raised its blob target from 10 to 14 and its blob limit from 15 to 21 in a scheduled Fusaka Blob Parameter Only (BPO) fork. Tether launched the USAT stablecoin. Ripple launched Ripple Treasury to help companies manage their cash and digital assets. Chainlink expanded its Data Streams service to provide 24/5 coverage for US stock and ETF markets.

1. Overview

January 2026 was defined by a divergence in asset performance, as a 'safe-haven supercycle' pushed gold and commodities to record highs while many digital assets underwent a re-evaluation. Gold emerged as the standout performer, surging +12.3% to surpass \$5,000 per ounce while silver rose beyond \$120; BTC declined -4.8% and ETH fell -9.0%.

Markets grappled with a 'wait-and-see' approach from the Federal Reserve and the nomination of Kevin Warsh as the next Fed Chair. Overall market direction continued to be shaped by earnings-led resilience in the US, alongside evolving expectations around geopolitical tensions and economic policy.

Asset	Jan	2025
BTC	-4.8%	-4.5%
ETH	-9.0%	-11.6%
S&P 500	1.4%	16.4%
Nasdaq Composite	0.9%	20.4%
MSCI World Index	2.2%	19.5%
MSCI Emerging Markets	8.8%	30.5%
Gold	12.3%	61.5%
FTSE EPRA Nareit Global Real Estate Index	1.5%	-4.5%
Bloomberg Commodity Index	10.0%	11.1%
Bloomberg Global Aggregate Bond Index	0.2%	1.5%

1.1 Macro of the G20 Economies

January was characterised by a 'wait-and-see' approach from major central banks. While 2025 ended with rate cuts and trade surges, January saw policymakers' concerns around inflation, uncertain trade policies, and geopolitical tensions intensify.

Inflation and Monetary Policy

The **US Federal Reserve** (Fed) held rates steady as expected, citing elevated inflation. President Donald Trump announced that he will nominate former Fed Governor Kevin Warsh as the next Fed Chair. US core Consumer Price Index (CPI) in December [rose](#) 2.6% year-on-year, 0.1% lower than expectations. The **Bank of Canada (BoC)** and the **Bank of Japan (BoJ)** also held rates steady at 2.25% and 0.75%, respectively.

Trade and External Pressures



The UN Trade and Development (UNCTAD) [Global Trade Update](#) reported a projected slowdown in trade growth to 2.6% for the year, amid pressures from slower growth, geopolitical tensions, and trade tariffs. This deceleration follows a period of 'front-loading' ahead of tariff increases. US President Trump said he would impose [10% tariffs](#) on eight European economies in mid-January, and subsequently stepped back, stating that he has a 'concept of a [deal](#)' over Greenland.

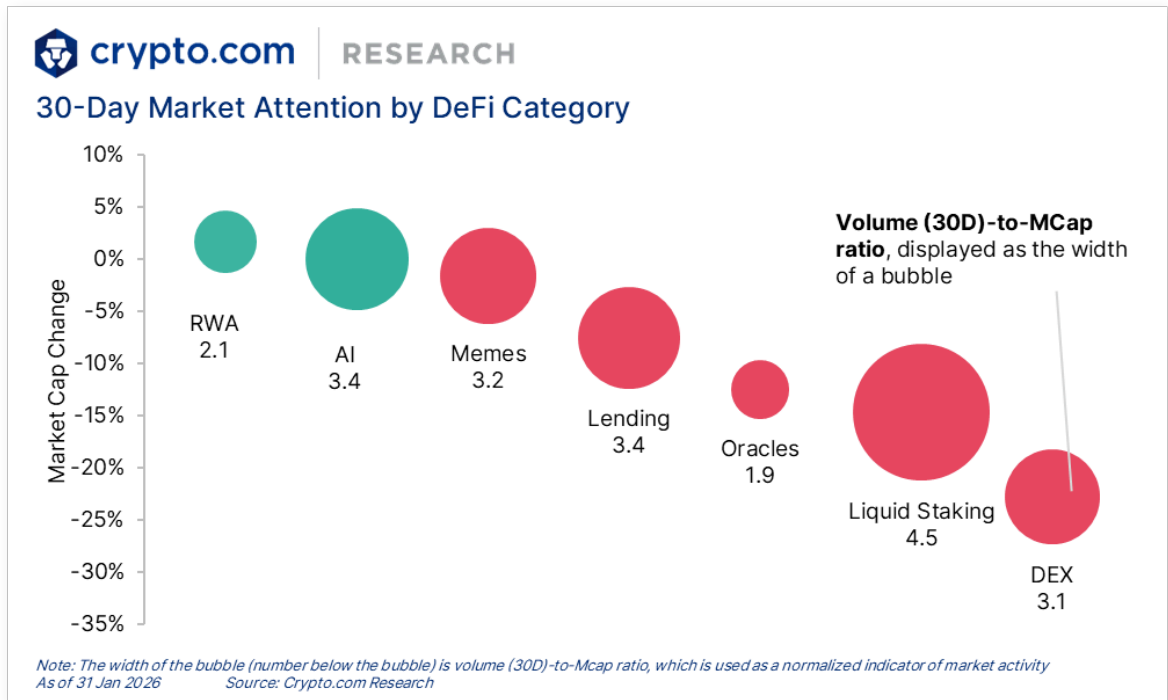
Outlook

The International Monetary Fund (IMF)'s [World Economic Outlook Update](#) slightly raised its global growth projection for 2026 to 3.3%, citing resilience in technology investment and fiscal and monetary support. However, the World Bank warned that downside risks remain in relation to the re-evaluation of AI productivity gains and geopolitical tensions.

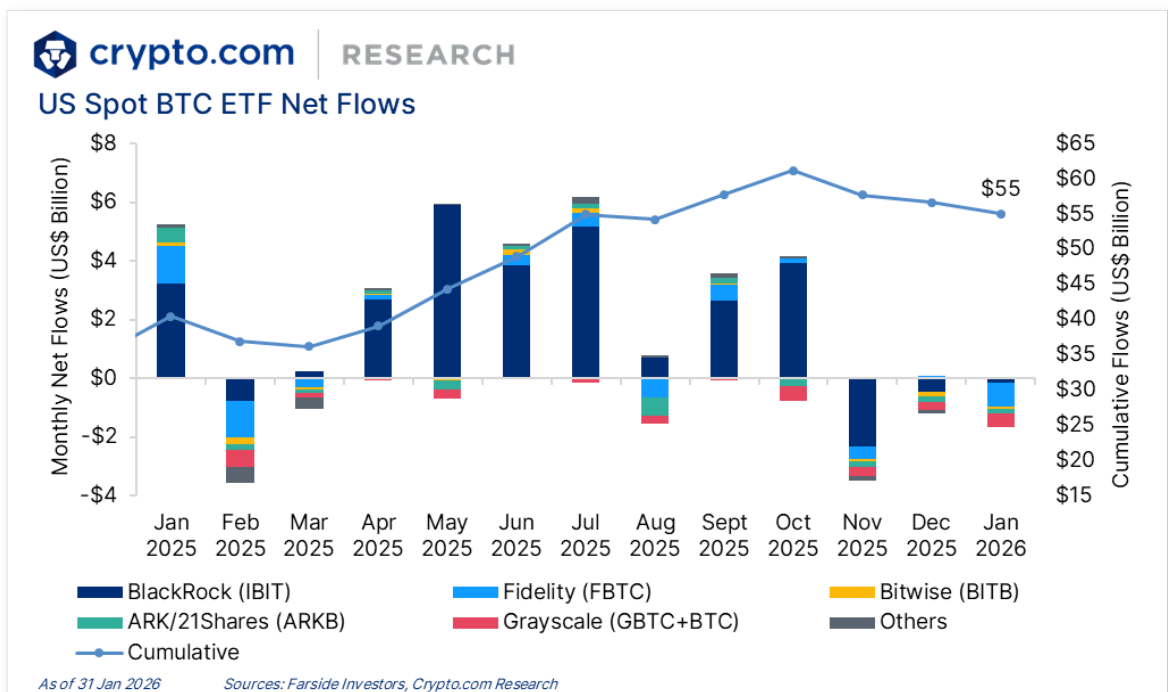
1.2 Crypto Market

DeFi categories were mixed in January. RWA and AI increased, while the DEX category led the market capitalisation (MC) decline.

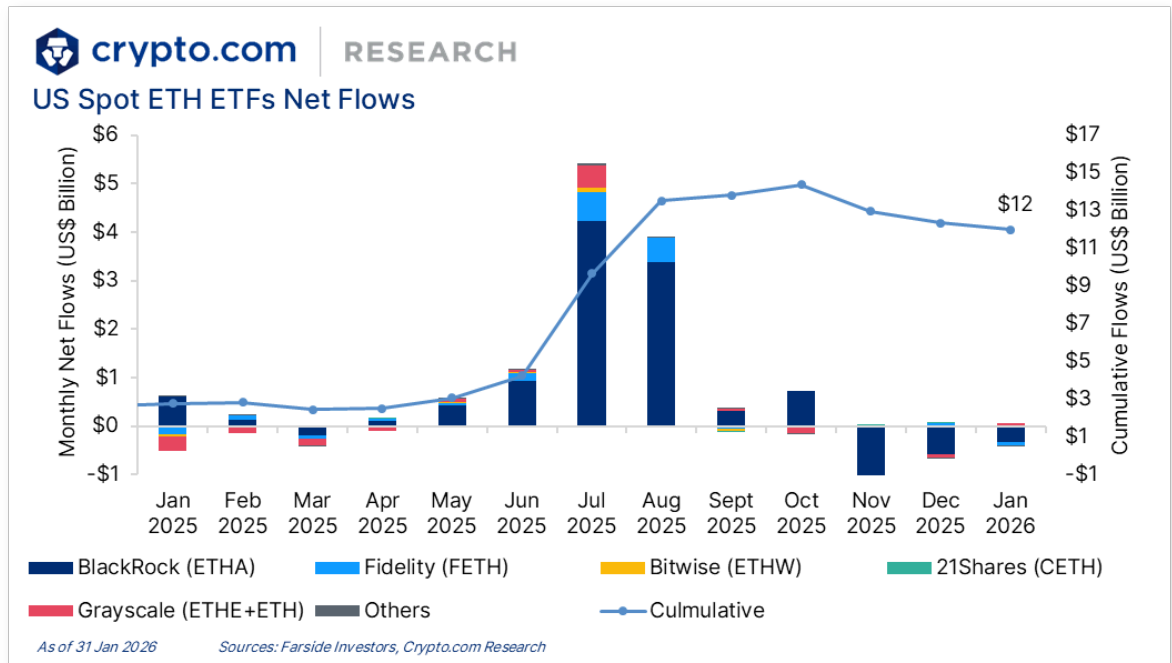
The RWA increase was led by Ondo Finance (+28%) and Sky (+6%). Ondo Finance is bringing [tokenised US stocks](#) and ETFs to Solana. The DEX decrease was led by Uniswap (-27%) and Balancer (-24%). Uniswap's [Continuous Clearing Auctions](#) (CCA) was deployed on the Uniswap web app in February.



US spot BTC ETFs recorded a net outflow of \$1.6 billion in January, higher than the \$1.1 billion in December, marking the third consecutive month of outflows.



Meanwhile, spot ETH ETFs saw a net outflow of \$343 million in January, lower than the \$616 million in December, also marking the third consecutive month of net outflows.



1.3 Crypto Regulatory Updates

Country	Crypto Regulatory Updates
United States	<ul style="list-style-type: none"> • The US Senate Agriculture Committee advanced the crypto market structure bill after a party-line vote, though it still requires Democratic support in the full Senate. The White House also plans to meet with crypto and banking representatives to address concerns over how stablecoin rewards should be treated under law. • The US Commodity Futures Trading Commission (CFTC) is joining efforts with the Securities and Exchange Commission (SEC) on Project Crypto, an initiative launched in 2025 to establish clarity on digital asset regulation. This aims to remove duplicative requirements and fragmentation on oversight. • The US SEC clarified that tokenised stocks are regulated under traditional securities and derivatives rules. It also stated that only issuer-sponsored tokenised securities confer true equity ownership, while third-party tokenised stocks represent a custodial entitlement or synthetic exposure.
China	<ul style="list-style-type: none"> • Hong Kong's financial regulators intend to submit a draft framework for digital assets in 2026. Additionally, the Hong Kong Monetary Authority (HKMA) began processing licence applications for stablecoin issuers. • Hong Kong Monetary Authority is preparing to issue the first batch of stablecoin licences within the first quarter of 2026, after its new stablecoin licensing regime took effect in August 2025.
European Union	<ul style="list-style-type: none"> • The European Commission will send out notices to 12 European countries for failing to implement the crypto tax rules. The rules were intended to tackle tax frauds, tax evasion, and avoidance.
United Kingdom	<ul style="list-style-type: none"> • Bank of England will focus on advancing frameworks for systematic stablecoins and tokenised collateral, as well as expanding the Digital Securities Sandbox in 2026. These aim to shape the UK's digital financial future. • UK Financial Conduct Authority expects crypto asset service providers (CASPs) will be able to apply for crypto licences starting in September 2026. This will allow providers to apply before the regime goes live, which is expected in October 2027.
South Korea	<ul style="list-style-type: none"> • South Korea's National Assembly approved an amendment to the country's crypto licensing regime, tightening entry requirements for virtual asset service providers and shareholders, and broadening applicant background checks to include vets for major shareholders and additional red flags. • South Korea's Financial Services Commission (FSC) will reportedly end its nine-year ban on corporate crypto

	<p>investment. Listed companies and professional investors will be allowed to invest up to 5% of equity capital in digital assets after the final guidelines are released.</p> <ul style="list-style-type: none"> • South Korea plans to allow spot BTC ETFs in 2026. It is also drafting a Digital Asset Act to regulate stablecoins and planning to digitise public funds with deposit tokens. • South Korea's financial authorities are reportedly considering allowing regulators to preemptively freeze crypto accounts suspected of laundering potentially illicit gains. This would mirror existing measures for stock markets.
UAE	<ul style="list-style-type: none"> • Dubai Financial Services Authority (DFSA) banned privacy-focused cryptocurrencies from trading, promotion, and fund activities in the Dubai International Financial Centre (DIFC), citing risks related to anti-money laundering and sanctions compliance. • Dubai's DFSA shifted responsibility for crypto token suitability assessments to licensed companies within the DIFC. The DFSA will no longer maintain or publish the list of recognised crypto tokens.

1.4 Equity Market

US equities maintained a cautious upward trajectory in January, as investors balanced positive earnings against a 'strategic pause' from the Federal Reserve. Nasdaq lagged slightly compared to the other two indices, as investors worried whether heavy investments in AI will pay off for mega-cap tech companies.

S&P 500	+1.37%
Dow Jones	+1.73%
Nasdaq Composite	+0.95%

Key Drivers of the US Stock Market:

- Fed Policy Pause:** The Federal Reserve held interest rates steady at 3.5%–3.75% during its January 28 meeting. Markets shifted focus to the [nomination of Kevin Warsh](#) as the next Fed Chair and the potential impact on future Fed policies.
- Macro Updates:** US core Consumer Price Index (CPI) in December [rose](#) 2.6% year-on-year, 0.1% lower than expectations. US nonfarm payrolls [rose](#) by 50,000 in December, lower than the Dow Jones estimate of 73,000, while the unemployment rate dropped to 4.4%.
- Earnings Resilience:** Earnings-led optimism remained a core pillar, with [77%](#) of S&P 500 companies that have reported Q4 2025 earnings beating analyst expectations.
- Sector Rotation:** Energy was the best-performing sector in the month (+14.4%), followed by Materials (+8.7%). Eight out of the eleven sectors gained in the S&P 500.

Europe

European markets showed robust momentum overall, except France's CAC 40 that recorded a slight drop month-on-month.

Europe	EURO STOXX 50	+2.62%
Europe	STOXX Europe 600	+3.07%
UK	FTSE	+2.94%
Germany	DAX	+0.20%
France	CAC	-0.28%

Primary Market Drivers:

European markets were supported by resilient macroeconomy, including annual inflation of 1.9% in December 2025, down from 2.1% in November, as well as a seasonally adjusted Eurozone GDP growth of 0.3% in Q4 2025, higher than the consensus expectation of 0.2%. In the UK, despite an unexpected December inflation uptick to 3.4%, the FTSE 100 hit record highs as rising precious metal prices benefited the metals and mining companies.

Sector Rotation: Rotation towards hard assets' and cyclicals like mining and energy, driven largely driven by a rally in precious metals and further supported by geopolitical tensions.

Asia

Asian equity markets exhibited strong momentum in January 2026, characterised by historic breakouts in North Asia while India faced a monthly correction.

China	CSI 300	+1.65%
Hong Kong	HSI	+6.85%
India	Sensex	-3.46%
	Nifty 50	-3.10%
Japan	Nikkei 225	+5.93%
South Korea	KOSPI	+23.97%
Singapore	STI	+5.57%
Australia	ASX 200	+1.78%

Hong Kong

The Hang Seng Index saw a strong rally in January, reaching four-and-a-half year high earlier in the month. Momentum coincided with a strong IPO market comprising AI and semiconductor firms, as well as reports that China would [drop](#) the 'three red lines' debt caps on the property sector.

Japan

The Nikkei 225 reached a record high above 54,000 in mid-January. Japan's Lower House was dissolved and election voting will take place on 8 February. Bank of Japan maintained its interest rates in the month, but policymakers [debated](#) pressures from a weak yen and inflation.

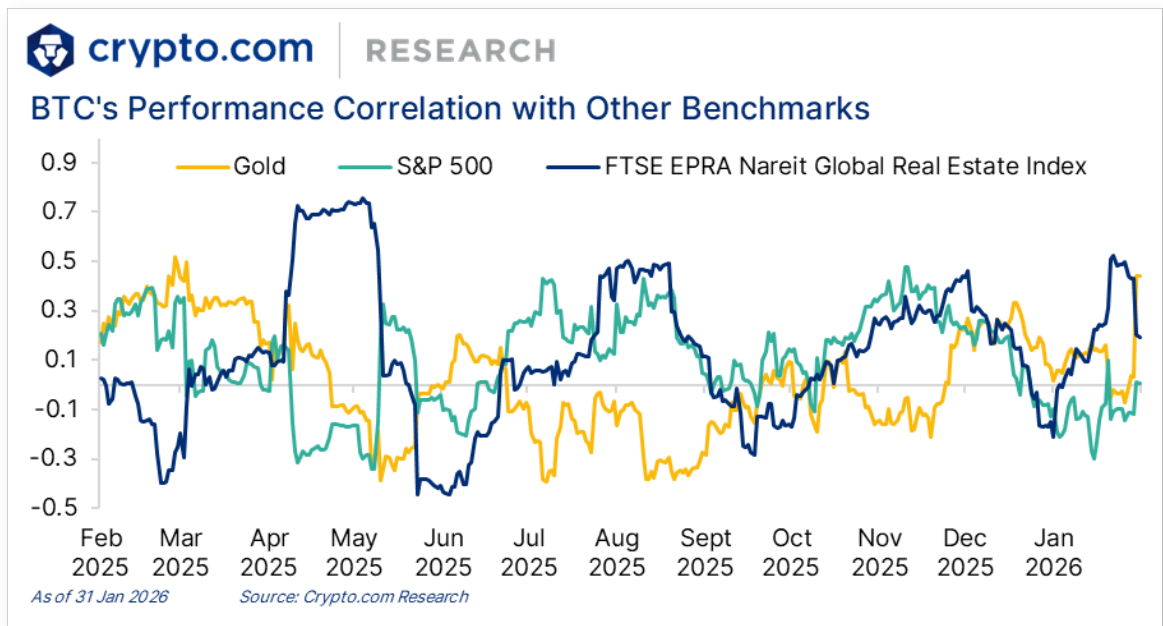
South Korea

The KOSPI surged past the historic 5,000-point milestone for the first time, supported by continuous strength in semiconductor and chip stocks.

Semiconductor exports increased by [102.7%](#) year-on-year, driven by global AI demand.

1.5 Performance Correlation

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



2. New Developments

2.1 Crypto.com News

- Trump Media & Technology Group (DJT)** announced plans to [distribute digital tokens to shareholders in partnership with Crypto.com](#). Trump Media expects that each owner will soon be eligible to receive one of the new digital tokens per whole share of DJT, with other rewards available throughout the year.
- Crypto.com** receives [conditional approval for Virtual Asset Service Provider \(VASP\) license from the Cayman Islands Monetary Authority \(CIMA\)](#). This approval makes Crypto.com among the first digital asset firms to receive conditional authorisation to operate as a VASP in the Cayman Islands, and follows Crypto.com previously securing its VASP

registration from CIMA in August 2022.

- For prediction markets, **Plae** partnered with **Crypto.com | Derivatives North America (CDNA)** to [deliver institutional-grade, CFTC-compliant prediction market technology infrastructure available now in the US](#). **High Roller Technologies, Inc.** (NYSE: ROLR) entered into a binding Letter of Intent with **CDNA** for an exclusive partnership to [launch an event-based prediction markets product in the US](#).
- **Crypto.com Exchange** expanded its partnership with **CryptoStruct** to deliver [advanced high-frequency trading solutions](#). It also integrated with **Lynq** to enable [institutional clients of the Crypto.com Exchange to fund their accounts directly through Lynq's settlement platform](#).
- For crypto payments, **Crypto.com** and **Stripe** announced [product updates to help businesses accept crypto payments more easily](#). **Yuno**, a global financial infrastructure platform, partnered with **Crypto.com** to [promote Crypto.com Pay across Yuno's 1,000+ payment method network](#).
- **Emirates Coin Investment LLC**, the UAE's first virtual asset trading platform licensed by the Securities and Commodities Authority (SCA), [signed a Memorandum of Understanding \(MoU\) with Crypto.com](#) to explore new ways for EmCoin users to access and trade digital assets. The partnership will consider integrating Crypto.com's institutional solutions to enhance liquidity on EmCoin's platform.
- **Crypto.com** and **Changer.ae**, a virtual asset service provider regulated by Abu Dhabi Global Market (ADGM), signed a MoU to [expand access to regulated digital asset services in the UAE](#). This includes integrating Crypto.com's institutional solutions to simplify and support liquidity for Changer's cryptocurrency-fiat conversion services.
- **Crypto.com** signed a Memorandum of Understanding (MoU) with **Kyobo Lifeplanet Life Insurance** to [accelerate digital asset adoption in Korea](#). This includes expanding digital-first financial experiences through referral and point-exchange programmes.

2.2 TradFi

Assets Allocation

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

Asset Class	Selected Asset	Rationale	Weight
Equities	S&P 500 Index Funds	Broad market exposure and potential for long-term growth	47.50%
Bonds	US Treasury Bonds (iShares Core US 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	The largest coins by market cap, with relatively less volatility	BTC: 2.50% ETH: 2.50%



- [NYSE plans for a blockchain-based platform for 24/7 trading](#) of tokenised stocks and ETFs later this year. The system will enable tokenised trading, instant settlement, and stablecoin-based funding.
- [UBS is preparing to offer bitcoin and Ethereum trading services](#) to select private banking clients starting in Switzerland, with a potential roll out to Asia Pacific later.
- **Morgan Stanley** filed with the US SEC to launch a [spot BTC ETF, a Solana trust, and an Ethereum trust](#). The Ethereum trust is expected to distribute staking rewards to investors. The company is also planning to introduce a [digital asset wallet in 2026](#) to support crypto and real-world assets.

3. Outlook

3.1 Projects and Tokens

Bitcoin (BTC)

Historically, bitcoin's average monthly returns in February have been higher than in January, at around +12% since 2013. US Fed policy signals, alongside global macroeconomic and geopolitical updates, remain key indicators to watch during the month.

Ethereum (ETH)

Ethereum [raised](#) its blob target from 10 to 14 and its blob limit from 15 to 21 in a scheduled Fusaka Blob Parameter Only (BPO) fork. Ethereum members including Vitalik Buterin are using unclaimed funds from the 2016 DAO hack to establish a [\\$220 million DAO security fund](#). The Ethereum Foundation formed a [post-quantum team](#) and declared it a top strategic priority.

USDT (USDT)

Tether launched the [USAT stablecoin](#), issued by Anchorage Digital, designed specifically for the US market and compliant with the GENIUS Act.

XRP (XRP)

Ripple launched [Ripple Treasury](#) to help companies manage their cash and digital assets, allowing cross-border transactions with its RLUSD stablecoin in three to five seconds. Ripple, through its UK subsidiary, [obtained](#) UK FCA registration under money laundering regulations. This allows it to conduct certain crypto-related activities in the UK.

Chainlink (LINK)

Chainlink [expanded its Data Streams service](#) to provide 24/5 coverage for US stock and ETF markets. This enables decentralised trading platforms to price markets outside regular trading hours.

World Liberty Financial (WLF)

World Liberty Financial, a DeFi project linked to the Trump family, [launched World Liberty Markets](#), a crypto lending platform centred on its USD1 stablecoin and WLF governance token, enabling users to borrow and lend digital assets.

Ondo Finance (ONDO)

Ondo Finance is bringing [tokenised US stocks](#) and ETFs to Solana, extending its Ondo Global Markets platform beyond existing chains, including Ethereum.

Optimism (OP)

Optimism [approved](#) a proposal for the Optimism Foundation to allocate 50% of net Superchain sequencer revenue to OP token buybacks for 12 months. This aims to link the OP token more closely to the Superchain's economic performance. Optimism also announced [OP Enterprise](#), which aims to provide infrastructure for companies to build native blockchains.

Pendle (PENDLE)

Pendle will replace its [governance token](#) vePENDLE, due to long locks and complexity. The new liquid token, sPENDLE, will feature a 14-day withdrawal or instant option with a fee.

3.2 Token Unlock Calendar

Date	Name	Symbol	No. of Tokens	USD Amount	% of Market Cap
5 Feb	Ethena	ENA	172M	\$24M	2.2%
8 Feb	Stable	STABLE	889M	\$26M	5.1%
9 Feb	ADI	ADI	7M	\$16M	7.2%
9 Feb	Movement	MOVE	163M	\$4M	5.1%
10 Feb	Linea	LINEA	1140M	\$5M	5.9%
12 Feb	Aptos	APT	11M	\$14M	1.5%
15 Feb	StarkNet	STRK	128M	\$7M	2.4%
16 Feb	Arbitrum	ARB	94M	\$14M	1.6%
16 Feb	Zebec Network	ZBCN	1020M	\$2M	1.0%
17 Feb	ZKsync	ZK	173M	\$4M	2.0%
17 Feb	ApeCoin	APE	15M	\$2M	1.9%
17 Feb	Pudgy Penguins	PENGU	704M	\$5M	1.1%
20 Feb	LayerZero	ZRO	25M	\$43M	12.2%
20 Feb	Kaito	KAITO	26M	\$9M	10.7%
21 Feb	Seeker	SKR	100M	\$2M	1.8%
23 Feb	Zora	ZORA	141M	\$4M	3.1%
23 Feb	Meteora	MET	7M	\$2M	1.4%
25 Feb	Humanity	H	131M	\$14M	7.2%
25 Feb	Plasma	XPL	89M	\$9M	4.9%

28 Feb Grass	GRASS	32M	\$7M	6.7%
28 Feb Optimism	OP	32M	\$7M	1.7%
28 Feb Jupiter	JUP	53M	\$10M	1.6%

Source: icodrops



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