

MONTHLY MARKET INSIGHTS

FEBRUARY 2026

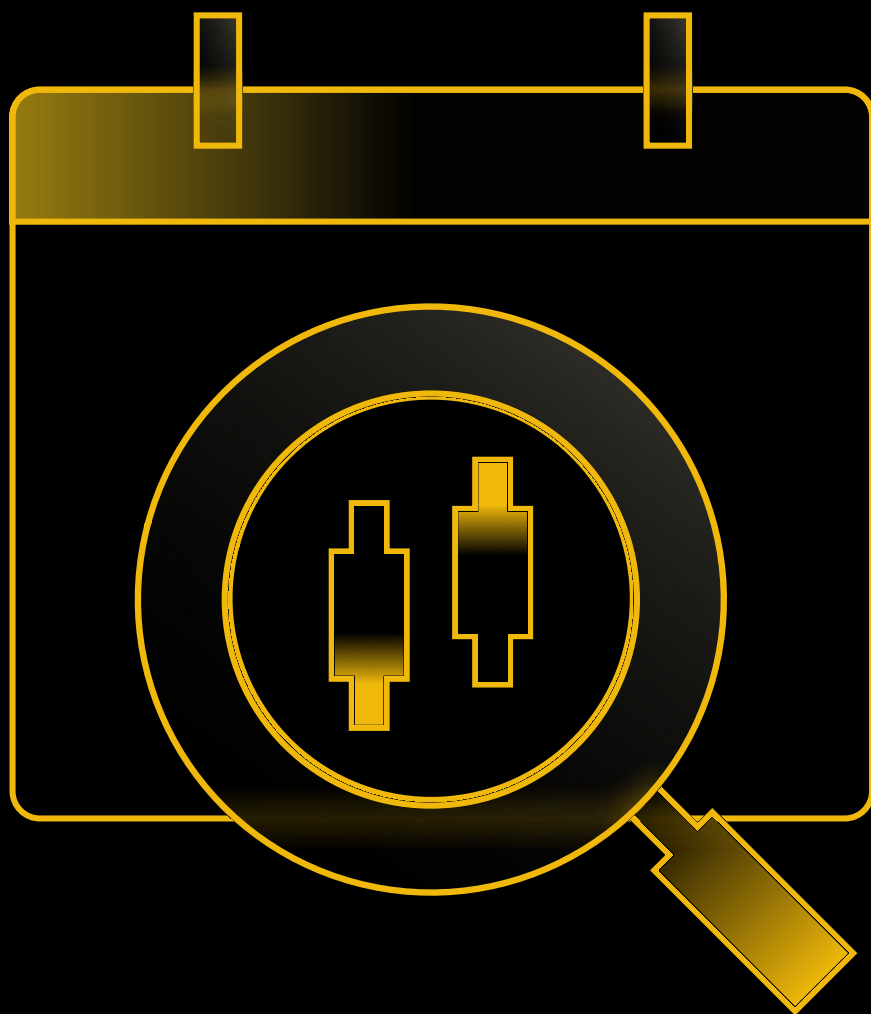


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01 / Key Takeaways

- In January, the cryptocurrency market extended its decline to a fourth consecutive month, driven by macroeconomic shocks and policy uncertainty surrounding tariff developments, the U.S. government shutdown, and the incoming Fed Chair. Looking ahead, markets are increasingly focused on near-term macro clarity following an extended period of muted performance.
- The U.S.-Japan long-term yield spread fell below the crucial 1% level, historically linked to significant Bitcoin price pressure. This narrowing spread signals reduced returns on Yen carry trades, prompting large position unwinds and liquidity tightening in risk assets. Despite this stress, net yen short positions remain below 2024 levels, suggesting the current impact on Bitcoin may be less severe than past episodes.
- Altcoin markets have structurally narrowed, with assets outside the top 10 now accounting for just ~7.1% of total crypto market capitalization, well below prior expansion phases. Capital has remained concentrated in large-cap majors, and stablecoins, reinforced by institutional ETF inflows and a more macro-driven environment. Despite a larger overall market, the investable altcoin universe has contracted, with fewer assets sustaining scale and liquidity as token proliferation fragments attention and flows.
- Ethereum daily transactions climbed to new highs of near ~3M in mid-January following the Fusaka upgrade, supported by steady growth in daily active addresses (exceeding 1M) and sustained stablecoin usage. Elevated on-chain activity continues to be underpinned by Ethereum's role as the primary settlement layer, with stablecoin market capitalization holding around US\$160B since September 2025.
- Crypto card usage surged over fivefold in 2025, dominated by Visa's 84% market share, and now reaching US\$115M in January 2026. Though still small compared to traditional card volumes, blockchain neobanks offer lower costs and higher yields, positioning them for strong growth in the hybrid fiat-crypto market.

02 / Crypto Market Performance

In January, total cryptocurrency market capitalization declined by a further 1.0%, driven by macroeconomic shocks and policy uncertainty surrounding tariff developments, the U.S. government shutdown, and the incoming Fed Chair. This marked an unprecedented fourth consecutive month of decline since 2021. The downward momentum was mainly driven by massive spot ETF outflows totalling over US\$1.5B from mid to late January, which more than offset the inflows recorded earlier of this month.

Bitcoin prices remained volatile as liquidity continued to drain from the crypto market, with total trading volume falling to its lowest level since October 2024. On the other hand, metal prices rose and Japan government bond (JGB) yields increased, reflecting a broader risk-averse market sentiment. Although widely expected, the Federal Reserve left interest rates unchanged at its latest policy meeting

Bitcoin market dominance at 59.1% remained the same as last month, while Ethereum's dropped slightly to 11.8%, showing no obvious rotation due to limited liquidity, and continued large-cap concentration. Despite recent market uncertainties, Strategy and Bitmine continued accumulating, with Bitmine also having staked approximately 1% of total Ethereum supply.

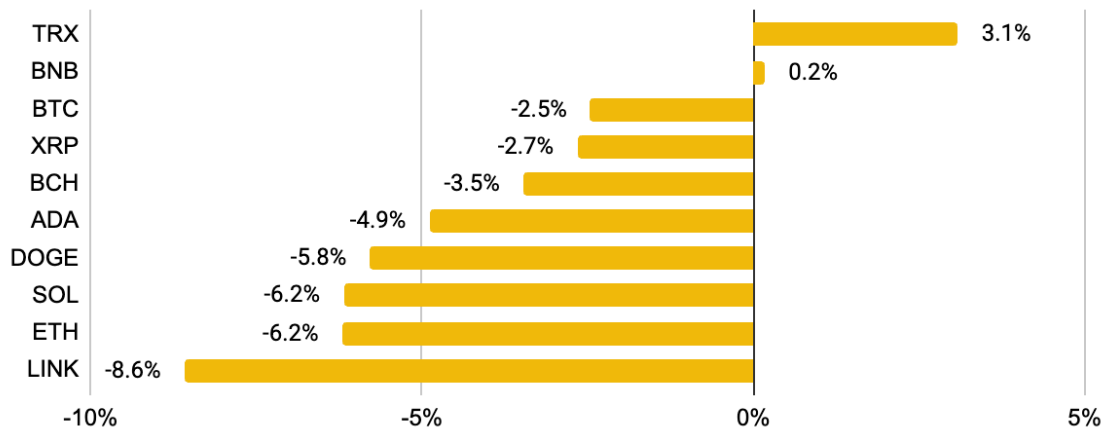
Looking ahead, February could be crucial, as it is always associated with volatility surrounding the pre- and post-Chinese New Year effect. Given the past four months of negative performance, markets are increasingly seeking clearer signals across the macroeconomic factors contributing to the current uncertainty.

Figure 1: Monthly crypto market capitalization decreased by 1.0% in January

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2026	-1.0											
2025	4.3	-20.2	-4.4	10.8	10.3	2.6	13.3	-1.7	4.3	-6.1	-15.4	-3.8
2024	0.4	40.0	16.3	-11.3	8.6	-11.4	5.6	-12.4	8.0	2.8	39.9	-4.5
2023	30.4	3.4	9.3	3.2	-6.0	3.3	1.0	-8.8	2.6	19.0	11.0	15.2
2022	-22.6	-0.3	25.3	-18.1	-25.2	-31.7	21.8	-11.4	-2.1	7.2	-18.0	-4.5
2021	33.9	39.6	31.1	11.4	-25.7	-5.9	12.5	25.2	-9.9	42.9	-1.0	-15.0

Source: CoinGecko
As of January 31, 2026

Figure 2: Monthly price performance of the top 10 coins by market capitalization



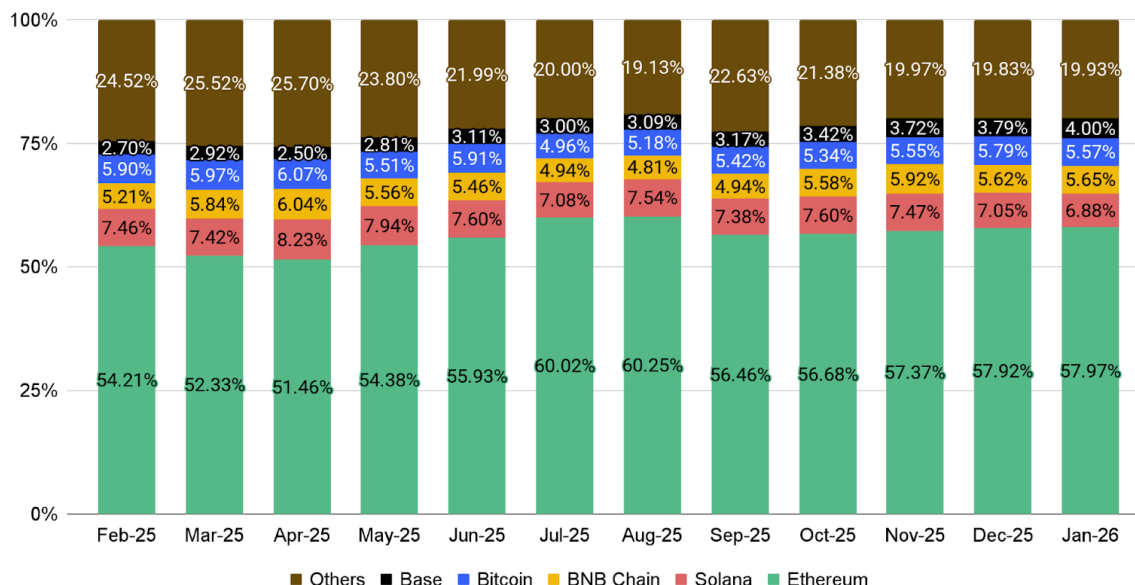
Source: CoinMarketCap
As of January 31, 2026

In descending order of performance:

- ◆ TRX outperformed among top 10, supported by various ecosystem developments, such as a US\$8M investment in River and renewed attention on Tron's stablecoin infrastructure.
- ◆ BNB's price remained relatively steady, with sentiment supported by Grayscale's spot ETF filing, even as broader market conditions remained mixed.
- ◆ In January, BTC experienced a surge to US\$98K before pulling back and finding support around the low-to-mid US\$80Ks, ending the period down ~2.5%.
- ◆ XRP fell by 2.7% as XRP ETFs recorded outflows on January 7 and 20, breaking a 35+ day streak of consecutive inflows.
- ◆ BCH is down by 3.5%, and ADA declined by 4.9% with the broader markets.
- ◆ DOGE declined by 5.8%, alongside the launch of third spot DOGE ETF by 21Shares this month.
- ◆ SOL and ETH both dropped 6.2%. However, SOL ETF inflows continued to outpace ETH, while Ethereum's validator entry queue remained significantly larger than its exit queue, signaling sustained staking demand.
- ◆ LINK pulled back by 8.6%, the largest in this group. Chainlink recently expanded its Data Streams for TradFi assets, helping address pricing gaps during U.S. equity and ETF premarket hours.

2.1 Decentralized Finance (DeFi)

Figure 3: TVL share of top blockchains



Source: DeFiLlama
As of January 31, 2026

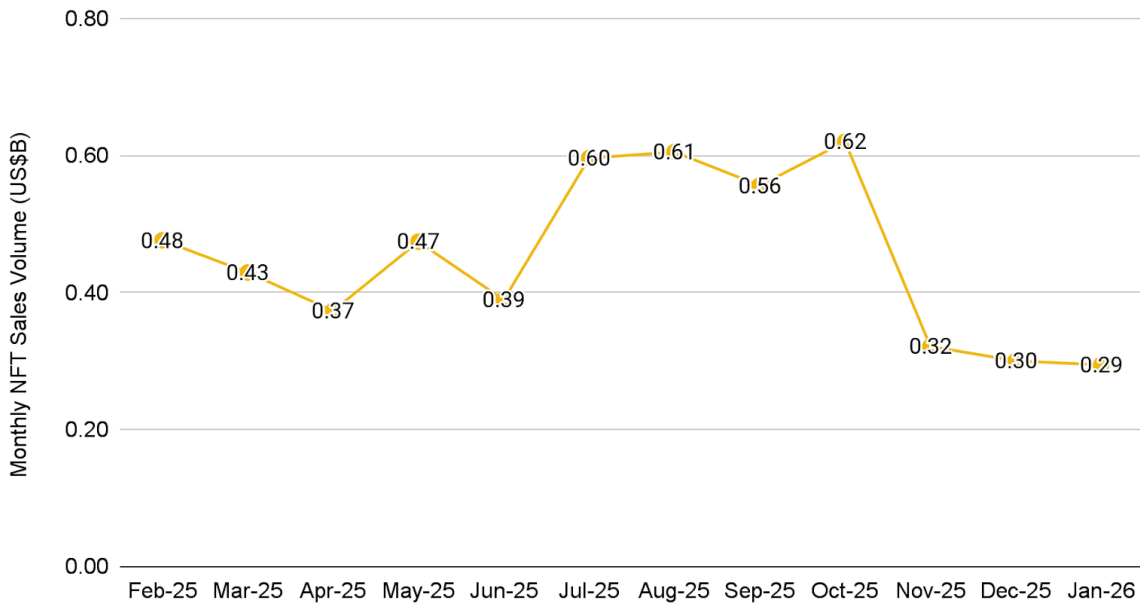
In January 2026, DeFi Total Value Locked (TVL) stood at approximately US\$111.9B, declining slightly by 0.35% month-on-month (MoM). Among the top five DeFi ecosystems, only Solana and Bitcoin recorded modest decline in market share this month. Other ecosystems have shown steady growth, and the top five together accounted for over 80% of TVL for three consecutive months.

At the same time, Stablecoin market capitalization remained stable near its all-time high, hovering around US\$308B since October 2025. The marginal decline in DeFi TVL appears to be driven primarily by broader market conditions and underlying asset price depreciation, rather than meaningful net capital outflows.

Among all protocol categories, the RWA sector witnessed explosive growth, with TVL increasing by 14.4% MoM to US\$19.5B. This growth was supported by the integration of Ondo Finance on Solana, following launches on Ethereum and BNB Chain last year. The integration enabled 24/7 access to over 200 tokenized stocks and ETFs. Since launching on January 21, Ondo Finance has surpassed US\$2.5B in TVL, marking an approximately 18% growth within one week.

2.2 Non-Fungible Tokens (NFTs)

Figure 4: Monthly NFT trading volume



Source: CryptoSlam
As of January 31, 2026

In January 2026, the NFT market sales volume fell further by 2%, continuing the gradual decline after plummeting by 48% from October to November in 2025.

Ethereum-based NFTs saw a decline of 11.58% in sales volume MoM, while the top three collections by market cap – CryptoPunks, Bored Ape Yacht Club (BAYC), and Pudgy Penguins – all recorded growth in sales. This divergence shows that capital is prone to concentrate on projects with strong communities during market cooling periods. A notable development during the period was Nike's sale of RTFKT, its NFT studio, to an anonymous buyer.

In contrast, Bitcoin-based NFTs saw a sharp 97.47% MoM increase in sales volume, driven primarily by a renewed pickup in BRC-20 activity. This occurred despite an overall downtrend in NFT sales across the top five blockchains.

03 / Charts of the Month

Shrinking U.S.-Japan Yield Gap Raises Red Flags for Bitcoin

Figure 5: U.S.-Japan long-term yield spread falls below 1% key threshold, historically signaling heavy BTC pressure



Source: Tradingview, Binance Research
As of January 30, 2025

In January 2026, global financial markets exhibited notable macro dynamics: **a sharp surge in major sovereign bond yields, a steep decline in the U.S. Dollar**, and a strengthening of non-U.S. currencies such as the Euro, Yen. These movements primarily stem from uncertainties in U.S. trade policy (including recurring tariff threats), the Federal Reserve's cautious response to inflation data, and intensified global capital competition driving bond supply pressures.

This environment reflects a continued theme of “leveraging up,” where governments sustain deficits through debt issuance, pushing long-term yields higher while eroding the dollar's global reserve currency premium. For example, the 10-year U.S. Treasury yield approached 4.19%, while Japanese Government Bond yields retreated after hitting historic highs, highlighting the tension between extreme policy measures and fundamental economic forces such as foreign financing demand. This episode is not isolated but a continuation of the structural dollar pressure that unfolded in 2025. The DXY index declined by 9.2% in 2025 and weakened further by 3.1% in the first month of 2026.

Historically, the U.S.-Japan long-term yield spread (we use US 10Y minus JP 30Y as proxy) serves as a key indicator for global yen carry trades. A narrowing spread signals the disappearance of risk-free returns from borrowing yen to invest in dollar assets, forcing the unwinding of trillion-dollar positions and draining liquidity from global risk assets, potentially affecting Bitcoin.

Past episodes in 2011/2014/2021 show that rapid declines in this spread have coincided with significant BTC price pressure, **especially when breaching the critical 1.0% psychological threshold.** Currently, the spread has dropped sharply from a 2025 peak of 2.46% to 0.6% this month, exerting notable market stress. However, it is worth noting that net Yen short positions remain well below 2024 levels, suggesting that despite current pressures, the market impact may be considerably less severe than the Yen panic experienced in the summer of 2024.

Altcoin Market Is Increasingly Top-Heavy

Figure 6: Altcoin market share outside the top 10 continues to decline, now at 7.1%



Source: TradingView, Binance Research
As of January 30, 2026

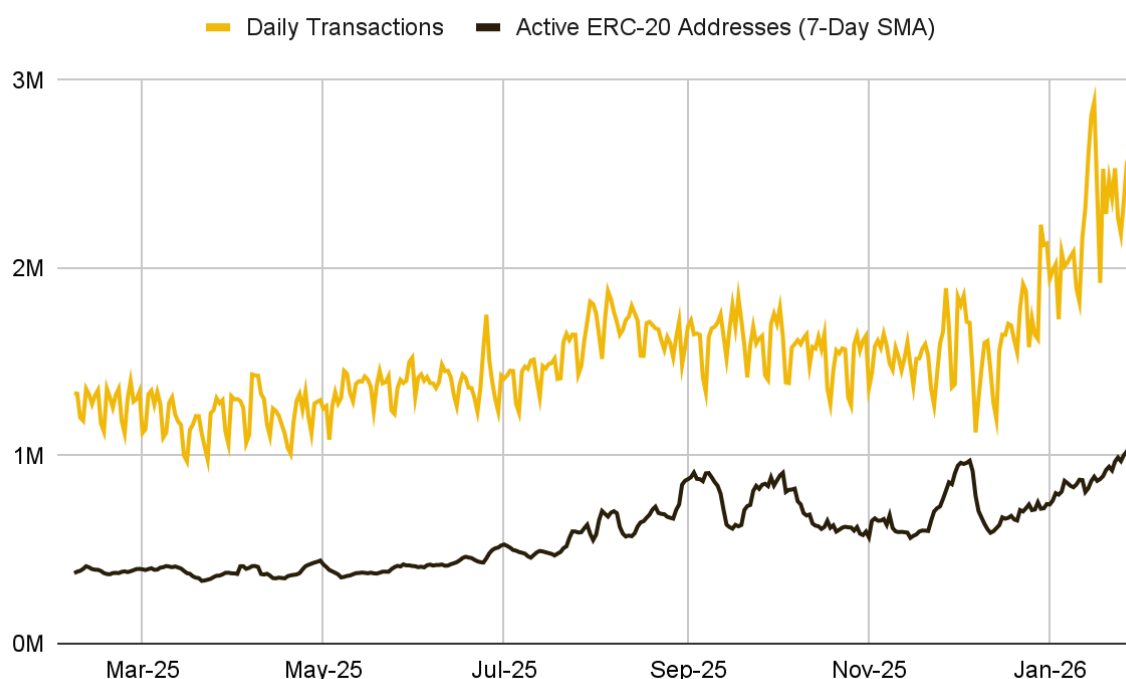
Altcoin market participation has continued to narrow, with the **share of market cap outside the top 10 altcoins falling to ~7.1%**, well below prior expansion phases. This reflects a sustained decline since the 2022 peak, with only brief and short-lived rotations. Unlike earlier cycles, capital has not diffused meaningfully into mid- and small-cap tokens during risk-on periods. Instead, the current cycle has remained concentrated in a small set of large, established assets.

This trend reflects a broader shift in crypto market structure. BTC dominance has remained near ~60%, supported by inflows via spot ETFs that favor long-duration exposure. More macro-driven conditions have also favored major digital assets and stablecoins (supply US\$300B+), absorbing capital that previously rotated into altcoins. In parallel, token proliferation via launchpads has increased competition for liquidity and attention, fragmenting flows and shortening rotation cycles.

Despite a larger aggregate altcoin market, **the pool of large, investable assets has shrunk**. The number of altcoins with market caps US\$1B+ has fallen from over ~100 in 2021 to roughly ~50 today, even as the total altcoin market cap remains near US\$1T. Liquidity has become increasingly concentrated in fewer names, with returns favoring scale and durability, while smaller tokens struggle to sustain momentum. Overall, the market has become more selective and structurally concentrated. While the universe of tokens continues to expand, alongside broader access points (altcoin ETFs), capital is gravitating toward assets with clearer utility, deeper liquidity, and stronger institutional pathways. Any future altcoin rally may therefore be narrower and more selective than past cycles.

Ethereum Daily Transactions Hit New Highs

Figure 7: Ethereum daily transactions reached an all-time high in mid-January



Source: SoSoValue, Binance Research
As of January 31, 2026

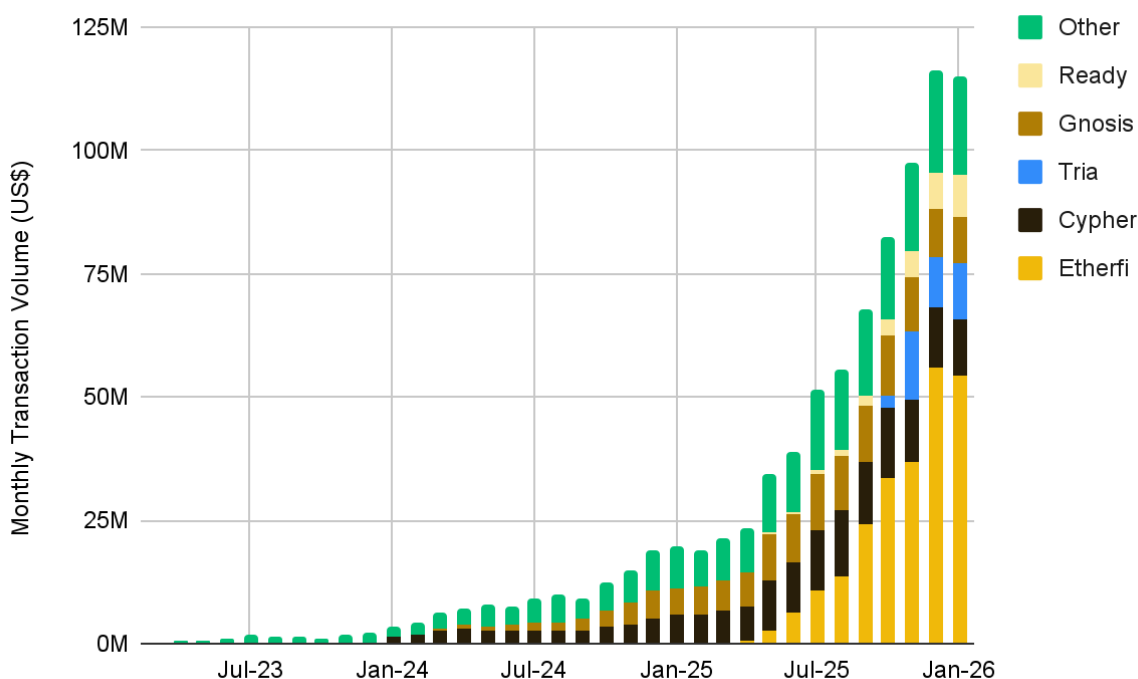
In January 2026, Ethereum experienced a short-term boost following the Fusaka upgrade's deployment on December 3 last year, which implemented PeerDAS and expanded blob capacity to enhance data availability. This drove **daily transactions to a peak of nearly 3M** on January 16.

This surge was supported by steady growth in daily active addresses, which also rose steadily post-Fusaka and surpassed 1M by the time. Additionally, stablecoin market capitalization on Ethereum has maintained a high level at around US\$160B since September 2025, with stablecoin transaction volume hitting US\$1T by the end of 2025. According to real-world asset (RWA) data, over 65% of tokenized assets are built on its network, far exceeding other major blockchains.

A major concern for Ethereum is whether it can sustain this momentum as activity spreads across Layer 2 (L2) solutions, especially Base, which generated nearly 70% of total L2 revenue this month. Base's seven-day DEX volume, by January 22, once flipped Ethereum, ranking second only to Solana.

Crypto Card Spends Top US\$100M Per Month

Figure 8: Crypto card spending volumes are on the rise, after growing over 5x in 2025



Source: Paymentscan, Binance Research
As of January 31, 2026

The crypto neobank product is taking off, as crypto-natives are increasingly empowered to spend on-chain crypto balances via Visa or Mastercard-issued cards. **EtherFi accounts for the largest market share** by spending volume at 49%, facilitating ~US\$47M in spends for the first month of 2026.

Crypto card spending activity has been in a steady uptrend throughout 2024 and 2025, reaching a **new peak of ~US\$116M** in December 2025, over five times the volumes we saw at the beginning of 2025.

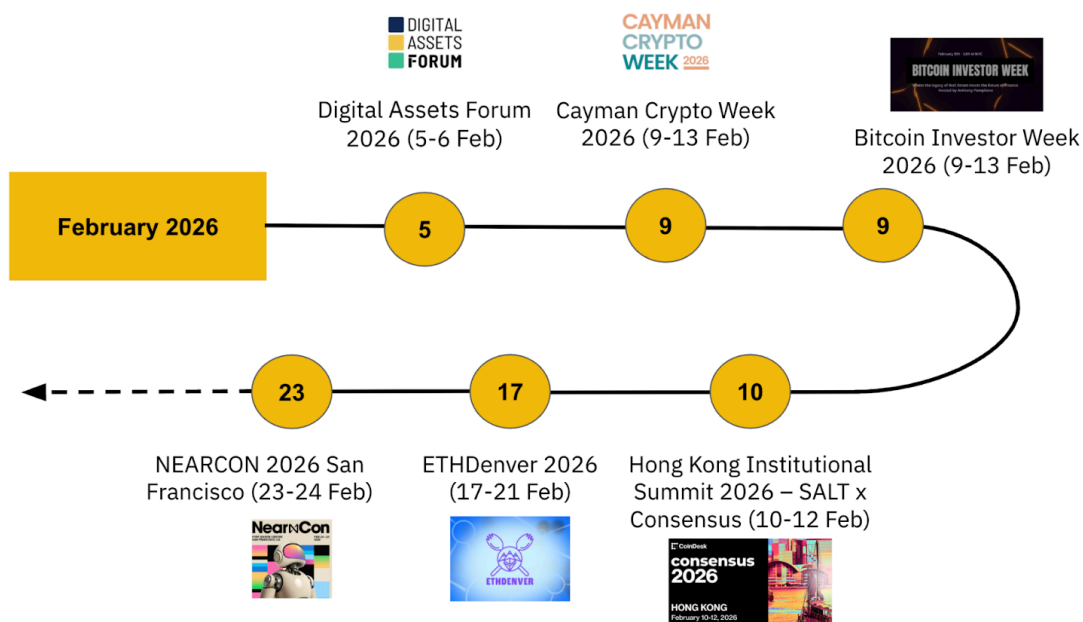
Of the more prominent projects, most use Visa (e.g., EtherFi, Cypher, Tria, Gnosis Pay), while others rely on Mastercard (e.g., Ready, MetaMask). **Visa currently dominates** this niche, **accounting for ~84%** of volumes.

The total crypto card spending volumes remain **a drop in the ocean (~0.005%)** compared to those of Visa and Mastercard, which came in at an average of ~US\$1.39T and ~US\$0.86T over the course of 2025.

Blockchain-based neobanks **hold key advantages over traditional ones**: lower infrastructure and intermediary costs enable higher deposit yields, reduced fees, and more competitive offerings. These efficiencies position them to attract users in a hybrid fiat-crypto landscape, with potential for further disruption through seamless on-chain spending as adoption grows in 2026 and beyond.

04 / Upcoming Events and Token Unlocks

Figure 9: Notable Events in February 2026



Source: Cryptoevents, Binance Research

Figure 10: Largest token unlocks in US\$ term

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
	RAIN	373M	11%	11 February
	SUI	77M	1.42%	2 February
	ASTER	50M	3.2%	18 February
	PUMP	31M	1.7%	15 February
	RIVER	25M	1.84%	23 February
	APT	17M	1.48%	13 February
	ENA	16M	1.18%	3 February
	ARB	15M	1.59%	17 February
	SEI	10M	1.44%	16 February
	PENGU	7M	1.12%	18 February

Source: CryptoRank, Binance Research

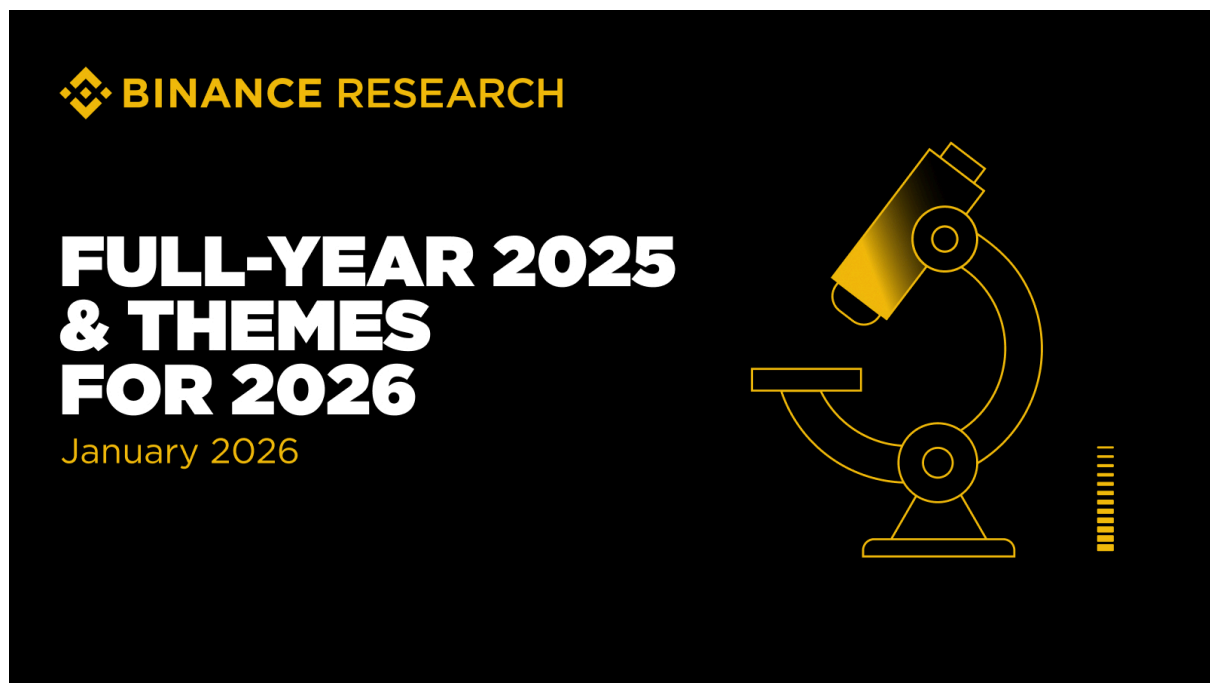
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06 / New Binance Research Reports

Full-Year 2025 & Themes For 2026 [Link](#)

A crypto-centric review of 2025



Monthly Market Insights - January 2026 [Link](#)

A summary of the most important market developments, interesting charts and upcoming events



About Binance Research

Binance Research is the research arm of Binance, the world's leading cryptocurrency exchange. The team is committed to delivering objective, independent, and comprehensive analysis and aims to be the thought leader in the crypto space. Our analysts publish insightful thought pieces regularly on topics related but not limited to, the crypto ecosystem, blockchain technologies, and the latest market themes.



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Macro Researcher

Moulik is a Macro Researcher at Binance and has been involved in the cryptocurrency space since 2017. Prior to joining Binance, he held cross-functional roles at Web3 and Silicon Valley-based tech companies. With a background in co-founding startups and a BSc in Economics from the London School of Economics and Political Science (LSE), Moulik brings a well-rounded perspective to the industry.



Joshua Wong
Macro Researcher

Joshua is currently a Macro Researcher at Binance. He has been active in the cryptocurrency space since 2019. Prior to joining Binance, he worked as a product manager at a Web3 fintech startup and as a market analyst at a DeFi startup. He holds a Bachelor of Laws (LLB) from Durham University.



Michael JJ
Macro Researcher

Michael is a macro researcher at Binance. Prior to this, he worked as an economist at a U.S. private wealth management firm, focusing on cross-asset allocation. He also served as editor-in-chief at a media company, overseeing cryptocurrency reporting and educational content. Earlier in his career, he was a consultant at Ernst & Young and a crude oil trader at an energy firm.



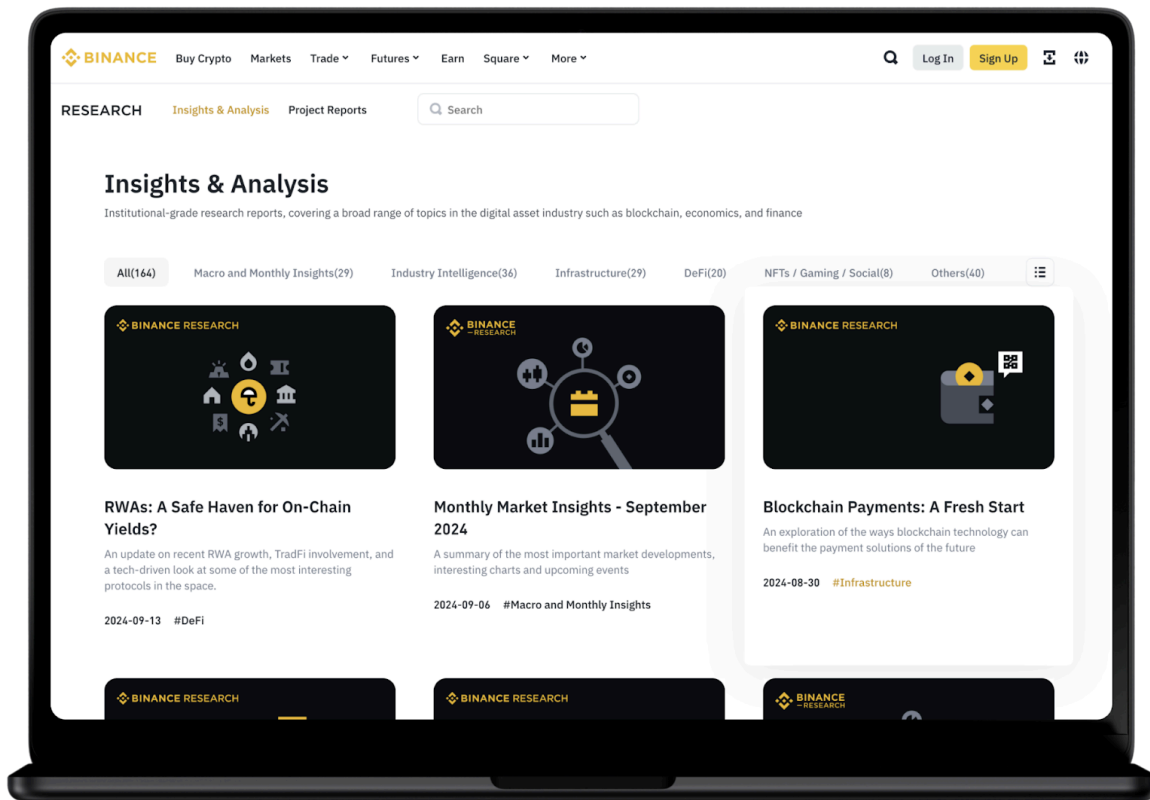
Stefan Chen

Macro Research Intern

Stefan is currently a Macro Research Analyst Intern at Binance. Prior to this, he worked as a software operations intern at Deloitte. He holds a Bachelor of Arts in Public Finance from the National Chengchi University (NCCU) and has been involved in the cryptocurrency space since 2022, focusing on macro narratives and data analysis.

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