

MONTHLY MARKET INSIGHTS

MAY 2026

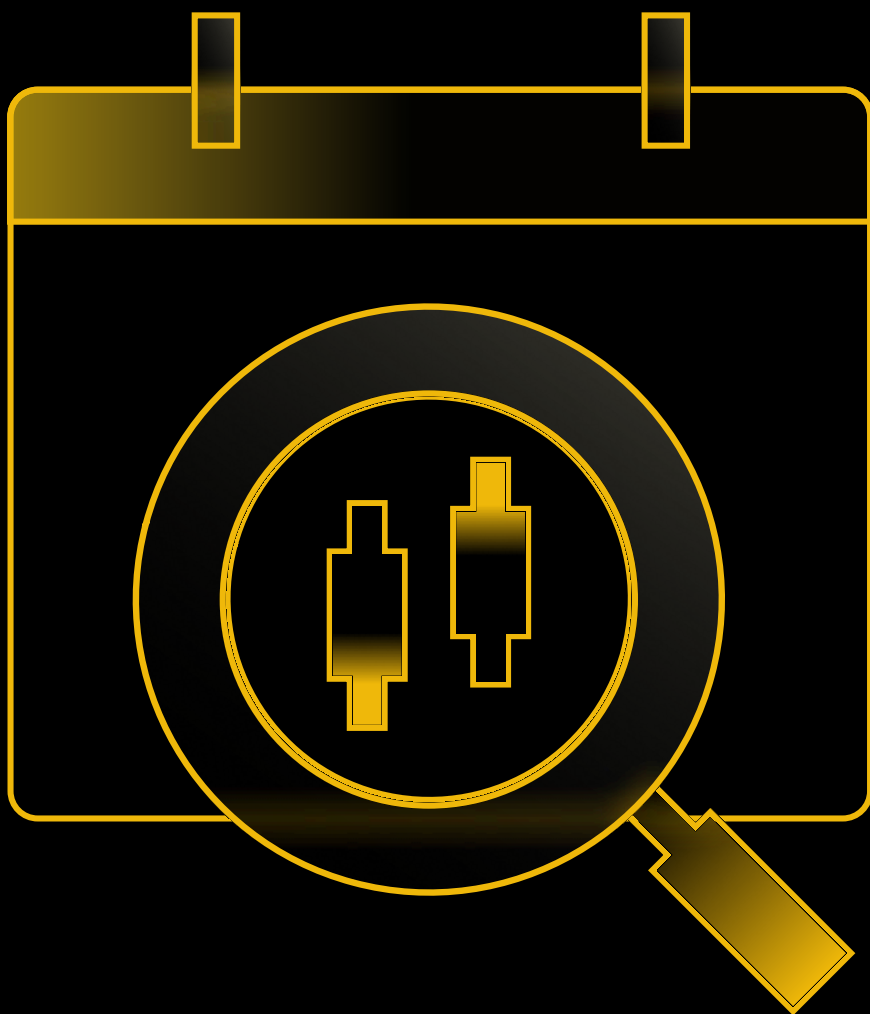


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01 / Key Takeaways

- The crypto market rose more than 8% to US\$2.6T amid a temporary US–Iran ceasefire. BTC short squeeze drove prices toward US\$80K, while the prolonged war continues to fuel stagflation risks. ETF inflows doubled with sentiment in neutral territory. Looking ahead, CPI and PCE remain key watchpoints, with the post-FOMC dump pattern and equity cooldown as near-term caveats.
- April's defining paradox: Hormuz never reopened, Brent closed above \$110, yet equities hit all-time highs and BTC best gain in 12 months as markets priced the war as permanent background noise. However, semiconductors were the outlier, with SOXX posting its best month on record (+37%), driven by AI infrastructure demand that proved immune to geopolitical friction. Beneath the surface, Warsh's Senate confirmation and the impending death of the dot plot introduced a new uncertainty regime – one that may quietly make BTC's sovereign-independent narrative more relevant.
- April saw US\$635.24M in crypto exploit losses, 3.8x the total from Q1 2026, with higher incident frequency than last year. The KelpDAO incident showed how quickly stress can spread through DeFi's collateral, lending, liquidity, and leverage layers, with TVL falling US\$99.5B to US\$82.7B from the time of the hack to month-end. This has brought renewed focus to how DeFi risk is priced, and how response mechanisms, backstops, insurance, and protocol-level controls may need to evolve as more capital moves on-chain.
- Pre-IPO perps surged in late April, introduced by Ventrals and anchored by exposure to SpaceX, OpenAI, and Anthropic. While still nascent when compared to TradFi perps' ~US\$8B daily volume, on-chain rails are unlocking retail access to private markets for the first time.
- Vault-style borrowing has grown from effectively 0% to an all-time high of 24% of total DeFi borrowing, holding firm despite the broader DeFi slowdown since the October 2025 peak and the major capital flight in April 2026 triggered by the KelpDAO exploit. The rise is driven by three converging forces: organic native demand from DeFi looping strategies, the "DeFi Mullet" pattern of abstracting on-chain credit behind clean front ends, and the institutional preference for entering DeFi with control and configurable risk parameters that pooled money markets structurally cannot offer.

02 / Crypto Market Performance

In April, the total cryptocurrency market capitalisation rose more than 8% to US\$2.6T, driven by a temporary US–Iran ceasefire, with digital assets showing remarkable resilience amid prolonged geopolitical uncertainty.

BTC swung upward as the short squeeze continued, with the OI-weighted funding rate remaining deeply negative even as prices trended higher, pushing BTC from ~US\$66K toward the US\$80K level. Meanwhile, equities kept hitting all-time highs as Brent snapped back to over US\$100, keeping inflation fragile amid stagflation concerns.

The Fed kept rates unchanged at 3.5%–3.75% at its April FOMC meeting, with four dissents – the most since October 1992. Notably, three dissenters favored removing the easing bias from the statement, a hawkish signal consistent with market pricing of no cuts through year-end amid persistent, energy-led inflation. The ongoing Hormuz disruption continues to weigh on global oil and supply chains, with the shrinking Strategic Petroleum Reserve (“SPR”) and lagged supply effects as key tail risks markets appear to be underpricing. On Polymarket, Hormuz traffic normalisation has been deferred to the end of May at ~39%, while a permanent US–Iran peace deal stands at only 28%.

BTC ETF monthly net inflows reached ~US\$1.97B, almost doubling from ~US\$1.2B in March, with the Coinbase Premium Index remaining positive throughout, suggesting sustained spot demand. ETH ETF monthly flows also turned positive at ~US\$492M, and the Fear & Greed Index recovered to the neutral zone at 41.

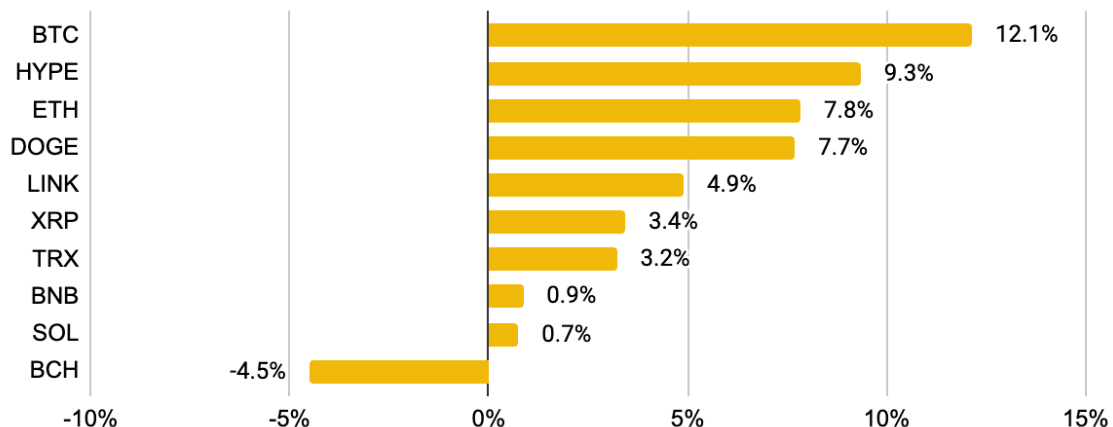
Looking ahead, CPI and PCE remain the key macro watchpoints as the prolonged conflict leaves room for the macro backdrop to deteriorate.

Figure 1: Monthly crypto market capitalization rose over 8% in April

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2026	-1.0	-22.6	1.8	8.3								
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, Binance Research
As of April 30, 2026

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



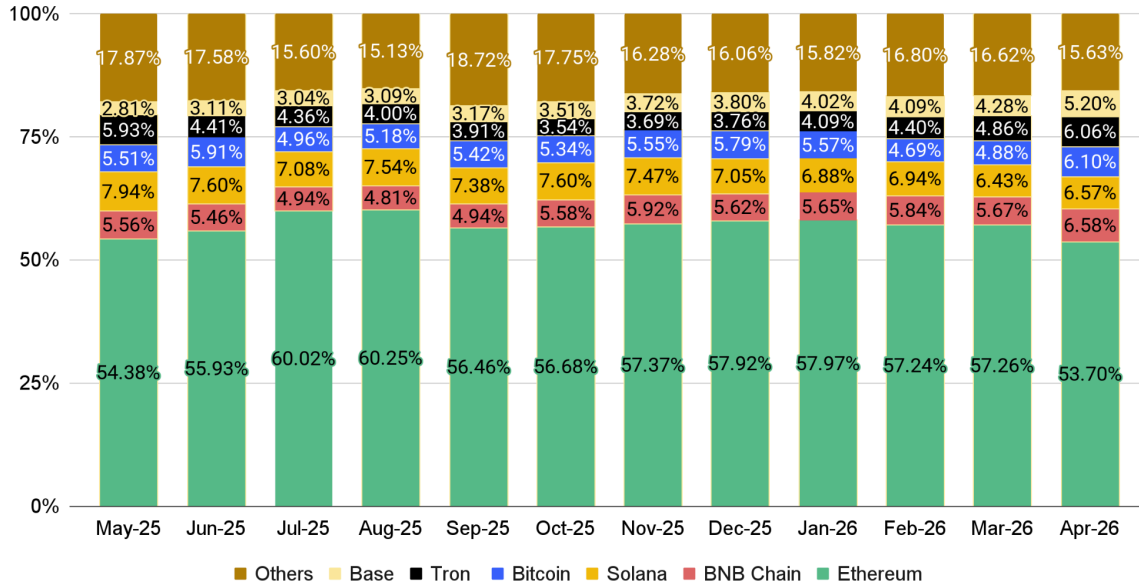
Source: TradingView, Binance Research
As of April 30, 2026

In descending order of performance:

- ◆ BTC outperformed among the top ten tokens, rising 12.1%, supported by Strategy's aggressive accumulation of ~56K BTC in April – including a single lump-sum purchase of ~34K BTC on April 20, the largest single purchase year-to-date.
- ◆ HYPE and ETH also kept pace, gaining 9.3% and 7.8% respectively. Meanwhile, Bitmine now holds ~4.21% of total ETH supply after accumulating ~244K ETH in April, including a single purchase of ~101K ETH on April 20, moving toward its stated goal of holding 5% of circulating supply.
- ◆ DOGE outperformed other large-cap altcoins, rising 7.7% in April. Open interest surged ~57% in the final week of the month, signalling a build-up of leveraged positions and potential for heightened volatility ahead.
- ◆ LINK rose 4.9%, with on-chain data recording its largest exchange outflow since early December at ~US\$9M in 24 hours, pointing to ongoing accumulation as exchange supply tightens.
- ◆ XRP and TRX edged up 3.4% and 3.2% respectively.
- ◆ BNB and SOL both saw no significant price movement, though SOL was notably included alongside BTC and ETH in GSR's newly launched Core3 ETF ("BESO") — the first US multi-asset crypto ETF offering actively managed exposure across the three assets.
- ◆ BCH declined 4.5% against the broader market, underperforming on weaker relative momentum and the absence of asset-specific catalysts.

2.1 Decentralized Finance (DeFi)

Figure 3: TVL share of top blockchains



Source: DeFiLlama, Binance Research
As of April 30, 2026

In April 2026, DeFi TVL declined to US\$82.7B, marking a 10.7% MoM drop, driven by a series of hacks totalling ~US\$635.24M – the largest monthly total since the Bybit exploit (~US\$1.4B) in February 2025.

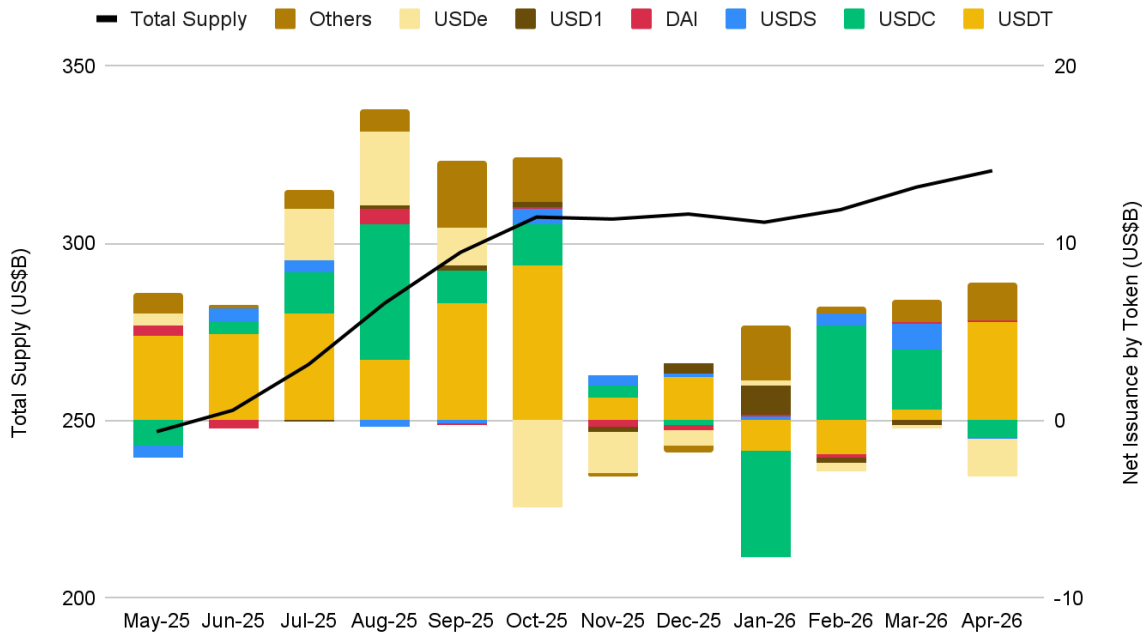
DeFiLlama recorded 28 hack events, the highest single-month count on record. On April 1, Drift Protocol was drained of ~US\$285M in under 12 minutes, as attackers leveraged a six-month social engineering operation, Solana's durable nonces to obtain pre-signed governance transactions, and a CarbonVote Token ("CVT") with manipulated oracle pricing to seize admin control.

On April 18, Kelp DAO's LayerZero bridge was exploited for ~US\$293M. Attackers compromised internal RPC nodes and fed fraudulent cross-chain messages to a single-point-of-failure ("SPOF") verifier, releasing 116.5K rsETH without any corresponding assets locked on the source chain.

Aave bore the contagion as attackers used unbacked rsETH as collateral to borrow real ETH, generating ~US\$230M in bad debt and causing Aave's TVL to drop from ~US\$26B to ~US\$14B. In response, Aave founder Stani Kulechov led the DeFi United relief effort, raising ~US\$303M from Arbitrum, Mantle, Consensus, etc – marking one of the most coordinated cross-ecosystem recovery efforts in DeFi history.

2.2 Stablecoins

Figure 4: Monthly net issuance for stablecoins



Source: DeFiLlama, Binance Research
As of April 30, 2026

In April 2026, stablecoin supply edged up to ~US\$320B, marking a ~1.4% growth MoM. USDT added ~US\$5B to reach an all-time high of ~US\$189.6B, supported by Tether's announcement of a Big Four audit in March.

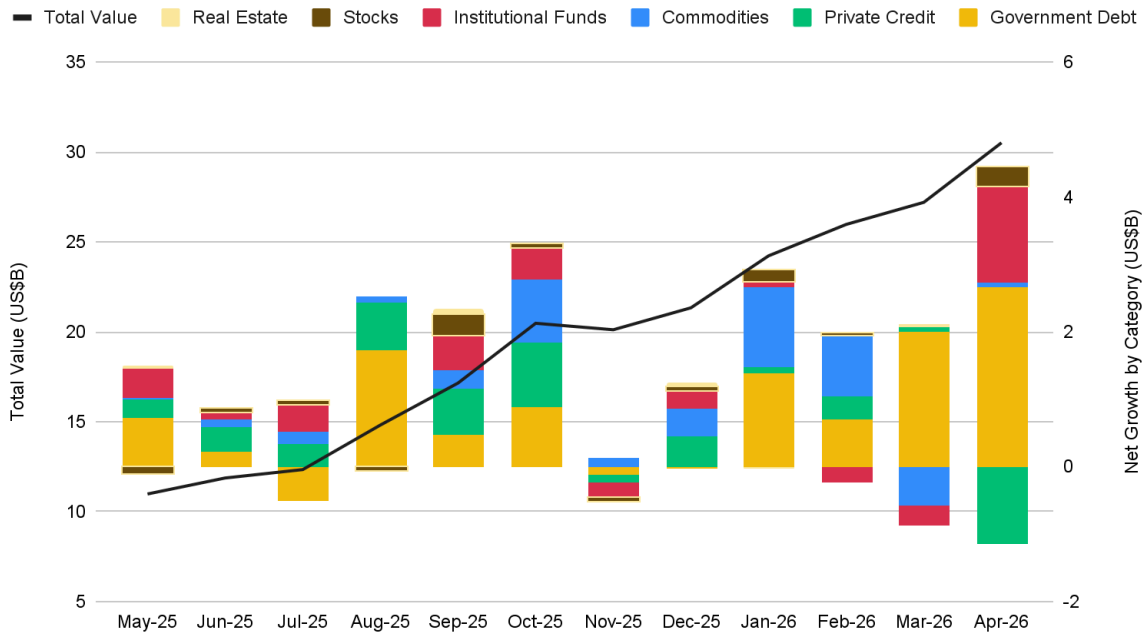
At a private Mar-a-Lago event, Trump reaffirmed his push for the CLARITY Act. The bill remains stalled in the Senate, and a markup delay past mid-May would meaningfully narrow the path to enactment, as legislative bandwidth compresses ahead of the summer recess and the 2026 midterm cycle.

Within the ideal time window, the most plausible sequence runs through a committee markup in early-to-mid May, a full Senate floor vote by June, and a final cross-chamber reconciliation or conference process broadly pegged to the same period, making the coming weeks critical for the legislative trajectory.

For a deeper dive on the CLARITY Act and its implications for stablecoins, see our recent commentary [here](#).

2.3 Tokenized Real-World Assets (RWAs)

Figure 5: RWA net monthly growth by category



Source: RWA.xyz, Binance Research
As of April 30, 2026

Total RWA asset value reached approximately US\$27.1B, increasing ~4% MoM. The government debt sector continues to dominate the growth, adding ~US\$3B in inflows, with Circle's USYC and Blackrock's BUIDL growing ~11% and ~15% MoM respectively.

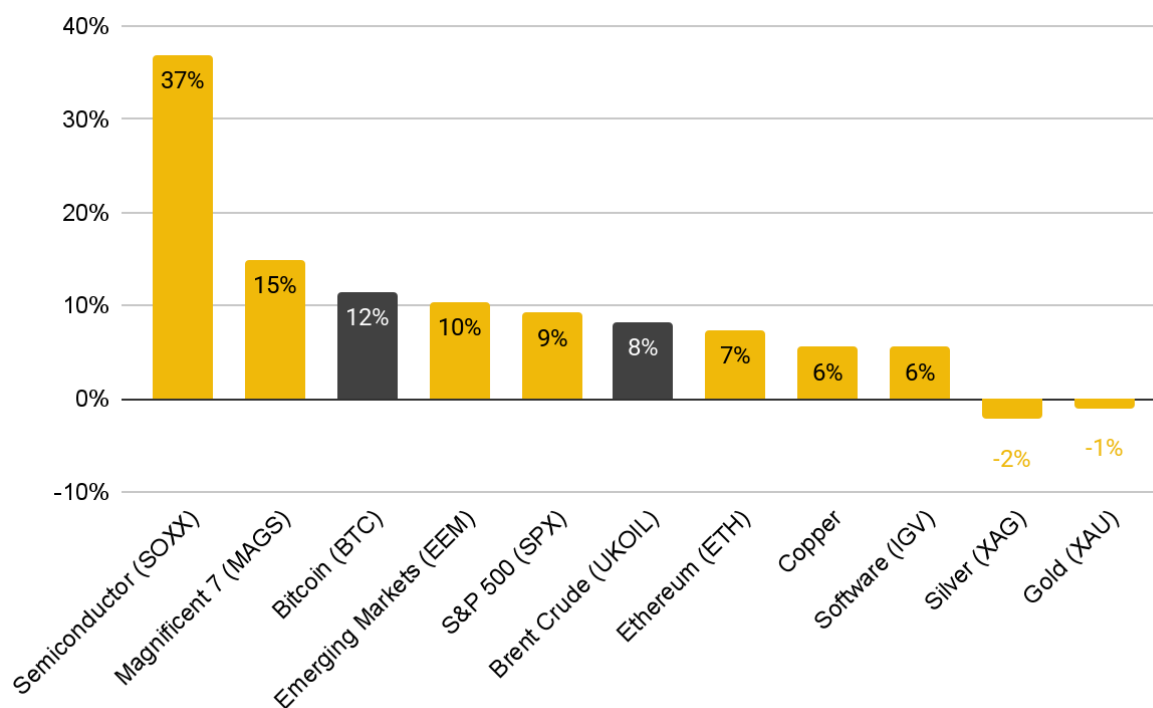
Ondo's USDY grew ~32% MoM, supported by a partnership with Broadridge Financial Solutions that enables holders of 250+ tokenized stocks and ETFs to submit voting preferences for shareholder events via Broadridge's ProxyVote platform using crypto wallets. This integration narrows the communication gap between issuers and on-chain investors, combining the convenience of blockchain ownership with traditional governance rights.

At the network level, XRP Ledger ("XRPL")'s total RWA value climbed ~66% MoM to ~US\$537M. Notably, Ripple unveiled a four-phase quantum-resistance roadmap targeting 2028, including an emergency Q-day migration plan leveraging zero-knowledge proofs, positioning XRPL ahead of the anticipated cryptographic threat.

03 / Charts of the Month

The Market That Learned to Live With the War

Figure 6: Performance of major assets over April 2026



Source: Tradingview, Binance Research
As of April 30, 2026

April's most striking **paradox** is the fact that the Hormuz situation never actually resolved, yet certain assets appreciated. The month traced a full arc – ceasefire, reversal, closure, stalled talks – and on April 28, culminating in Brent crude closing above \$110 on April 28 – the first time since the conflict. Yet the S&P 500 surged 9% to a record 7,178, while BTC and ETH gained +12% (best since Apr '25) and +7%(best since Aug '25) respectively.

Equities, crypto, and oil rising in tandem upends conventional logic. What this appears to reflect is a market that has largely finished pricing in a "new normal" of chronic disruption – blockade as background noise rather than acute crisis. Tail risk hasn't disappeared, but the probability of escalation has been substantially repriced lower. Markets aren't ignoring the war; they've learned to live with it.

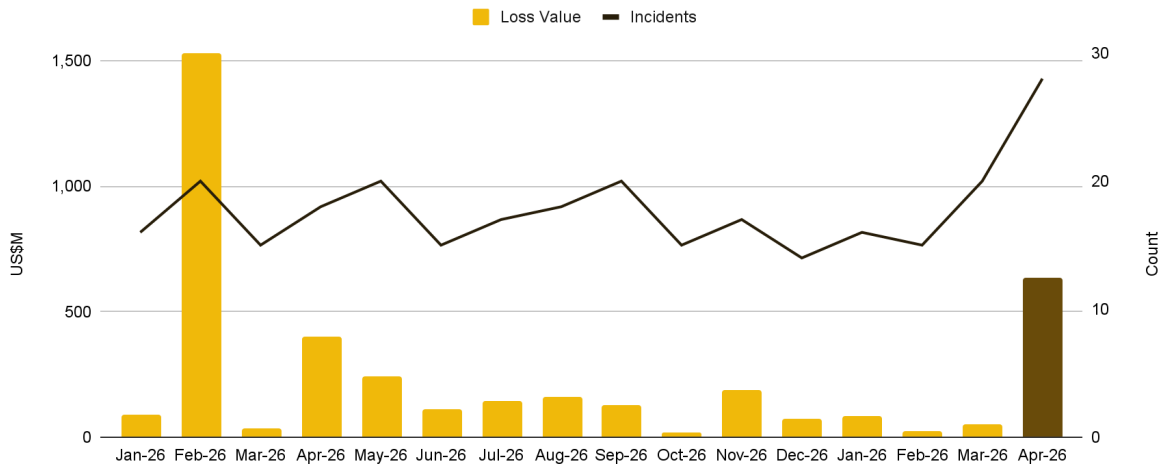
Semiconductors and AI were April's standout winners. SOXX posted its highest single-month return on record at +37%, decisively breaking away from the broader asset pack. The driver was a confluence of persistent AI hyperscaler demand and a concentrated earnings cycle in which major tech companies validated their infrastructure investment theses in real time.

Precious metals told a quieter story. Gold and silver both slipped modestly, consistent with a partial unwinding of the geopolitical risk premium. However, gold holding near \$4,622 – still at historic highs – signals orderly profit-taking rather than a trend reversal, with the floor remaining elevated.

One structural shift worth watching: Warsh cleared the Senate Banking Committee vote this month, making the elimination of the dot plot in June near-certain. In an environment where the Fed's forward guidance framework is effectively being dismantled, the market's ability to price certainty premiums into rate-sensitive assets becomes structurally impaired. For BTC – an asset whose narrative is explicitly sovereign-currency-independent – this may quietly strengthen its relative appeal as a regime-uncertainty hedge.

April's Crypto Hacks Puts DeFi Risk Pricing Back in Focus

Figure 7: Crypto exploit losses spiked in April, registering both the highest monthly incident count on record and the largest monthly total since February 2025



Source: DeFiLlama, Binance Research
As of April 30, 2026

April marked a sharp step-up in crypto security incidents, with **US\$635.24M lost across 28 incidents**, 3.8x the total from Q1 2026. Two events accounted for the majority of losses, pushing year-to-date (YTD) theft to US\$803.84M, already running ahead of 2025 on an adjusted basis when excluding the Feb 2025 Bybit hack. The pace also matters: April alone produced more incidents than the entire first quarter, **making it the highest-incident month on record**, with the 62 YTD total more than double the 28 incidents recorded over the same period last year.

What stands out is not only the scale of losses, but how quickly they translated into market stress. Following the KelpDAO incident, DeFi TVL fell by roughly US\$13B within 48 hours. From the time of the hack to month-end, TVL declined from around US\$99.5B to US\$82.7B and has yet to fully recover. Aave absorbed the largest share of the outflows, with TVL falling by around US\$12B.

This highlights a key feature of today's DeFi market structure. Large exploits are no longer just isolated protocol events. In a **composable system**, stress can move quickly through collateral assets, lending markets, liquidity pools, and leverage positions. When confidence in one major asset or venue weakens, the impact can spread across protocols that are only indirectly exposed. April's incidents also cut across **several risk layers**, including protocol, infrastructure and wallet-related factors, broadening the security question beyond code audits to the full operating stack.

This also reflects a broader shift in exploit patterns. Incidents have become **more frequent but smaller on average**, while **losses are increasingly driven by a handful of large events**. Excluding each year's top three incidents, the average loss per incident has fallen from around US\$20.7M in 2021 to roughly US\$3M in 2026 YTD. At the same time, the top three incidents now account for 77% of annual losses, up from 40% in 2021, with the

largest losses tied mainly to operational compromises such as keys, multisigs, and bridges rather than smart contract bugs. April followed this pattern: 26 of the 28 incidents averaged just US\$2.2M, while Drift and Kelp accounted for US\$578M of total losses.

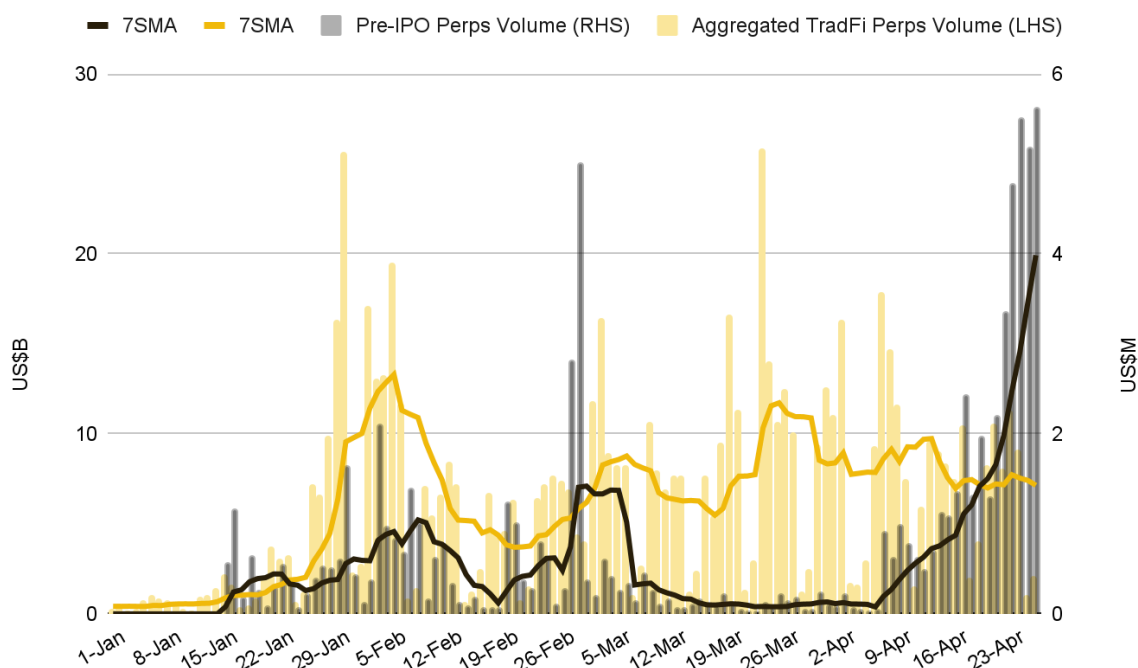
Recovery outcomes add another layer to the risk discussion. As a reference point, PeckShield data showed total crypto losses rising from US\$3.01B in 2024 to US\$4.04B in 2025, while recovered or frozen funds fell from US\$488.5M to US\$334.9M. This implies that the recovered or frozen share declined from roughly 16% in 2024 to about 8% in 2025, reinforcing the need for improved post-incident response, and recovery mechanisms as containment windows narrow.

The key implication is around **how risk is being priced**. Despite a shift in loss distribution and continued growth in attack frequency, yield spreads across DeFi have not meaningfully adjusted. This raises broader questions around whether current return profiles adequately reflect operational risk, particularly as the advent of AI lowers the opportunity cost for attackers and the ecosystem scales in complexity.

Looking ahead, the industry discourse is evolving across multiple fronts, from improved monitoring and response coordination to growing discussions around credible backstop mechanisms, recovery frameworks, DeFi insurance, and protocol-level risk controls. As capital continues to move on-chain, how these risks are managed, and priced, will remain central to the next phase of market development.

Pre-IPO Perps Surge Amid TradFi Volume Plateau

Figure 8: Pre-IPO perps 7SMA daily volume surged to ~US\$4M in April



Source: Binance Research
As of April 26, 2026

Pre-IPO perps on crypto exchanges gained notable traction in late April, with daily trading volume surging above ~US\$5M. The growth is anchored by **synthetic exposure to the world's three most valuable private companies** – SpaceX, OpenAI, and Anthropic – whose combined private market valuations represent a **multi-trillion-dollar addressable market** still in the early stages of on-chain penetration.

Ventuals, a protocol offering perpetual futures on pre-IPO companies and beyond, saw open interest nearly double from ~US\$7.9M to ~US\$15M in April, reflecting steady traction in an asset class historically gated behind institutional and venture capital networks.

TradFi perps peaked twice around late January and mid-March before flattening into early maturity at ~US\$8B in daily volume based on 7SMA – a scale pre-IPO perps have yet to match. The late-April surge nonetheless points to a meaningful rotation, as on-chain rails offer what traditional private markets never could: open retail access and continuous liquidity between valuation events.

The Rise of Vault-Style Borrowing

Figure 9: Vault-style share of total DeFi borrowing rose despite slower on-chain activity and significant capital outflows following the KelpDAO exploit



Source: DeFillama, Binance Research
As of April 28, 2026

As institutions onboard blockchain rails, they are increasingly looking to capture DeFi yield – whether on idle stablecoin balances or tokenized RWA holdings. The first step they are stepping into is far from niche: DeFi money markets now stand as the second-largest vertical in DeFi behind liquid staking, accounting for roughly **15% of total DeFi TVL**. Participation, however, hinges on a strict prerequisite: **configurable risk parameters** that can satisfy internal compliance frameworks. In practice, this means custom loan-to-value ratios calibrated to specific investor risk appetites, control over oracle selection, discretion over which collateral assets are permitted, and the ability to deploy permissioned or KYC-gated vaults restricted to whitelisted addresses.

The same architecture also makes it possible to abstract DeFi behind a familiar app interface known as the "**DeFi Mullet**," where users see a clean front end while the credit infrastructure runs on-chain. Names already live on this model include Société Générale-FORGE, Binance, Coinbase, Galaxy, and others.

Pooled money markets, where risk parameters are set by DAO governance and exposures are mutualized across all depositors, structurally cannot meet these requirements. Additionally, vault contracts are typically immutable and battle-tested at the smart contract level, offering a degree of security assurance that governance-upgradeable

pooled markets cannot match. The response has been a clear migration toward vault-style architectures – a category that represented effectively **zero** percent of DeFi borrowing through 2022 and 2023. Beyond institutional demand, vaults have also absorbed strong native flow from DeFi-native users running **looping strategies**, where isolated markets and custom parameters allow for higher capital efficiency and tighter LTVs than pooled venues can safely offer.

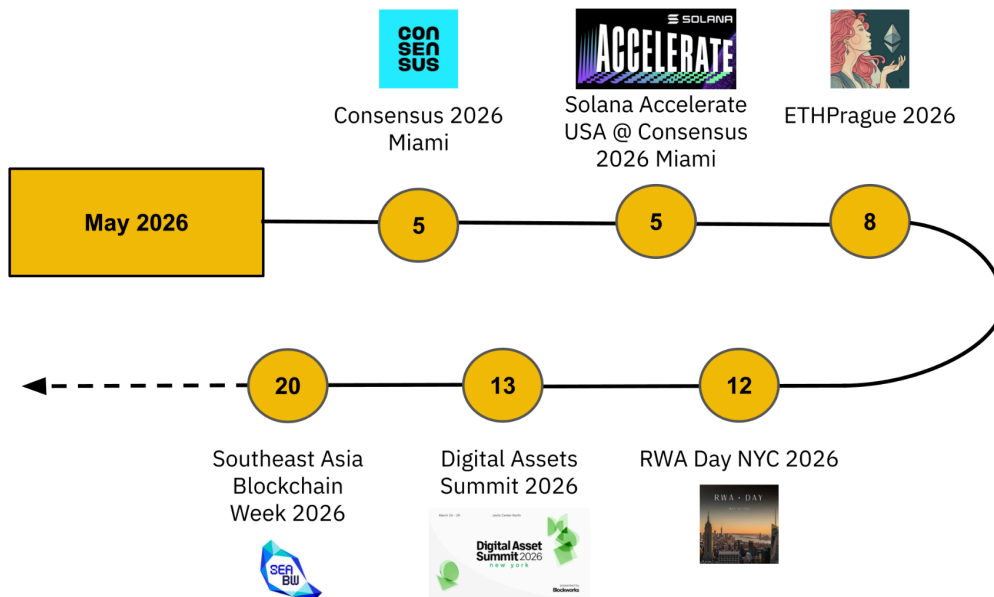
The market data confirms this is a structural shift rather than an anecdotal one. Vault share of total DeFi borrowing has climbed steadily – and notably, the trend held even as broader DeFi TVL and activity peaked in October 2025 before retracing nearly 50%. Across that same window, vault-style share of total borrowing rose from 19% to a fresh **all-time high of 24% recorded in April 2026**.

That April print is particularly telling because it came after material capital flight from Aave triggered by the KelpDAO esETH exploit. The incident left Aave exposed to an estimated US\$230 million in potential bad debt – crystallizing precisely the risk that vault architectures are designed to contain. In a pooled money market, a single compromised collateral asset can cascade across the entire pool; in an isolated vault, that exposure is ringfenced.

Overall, vault-style borrowing is not a trend that is plateauing. It is still accelerating.

04 / Upcoming Events and Token Unlocks

Figure 10: Notable Events in May 2026



Source: Cryptoevents, Binance Research

Figure 11: Largest token unlocks in US\$ term

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF M. CAP	UNLOCK DATE
	RAIN	375M	10.5	10
	SUI	48M	1.32	1
	ZRO	39M	10.2	20
	ADI	28M	7.18	9
	PUMP	18M	1.7	14
	ARB	12M	1.51	16
	ENA	10M	1.08	2
	APT	10M	1.24	12
	PENGU	7M	1.12	17
	SEI	6M	1.41	15

Source: CryptoRank, Binance Research

05 / References

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strategy.com/
cryptoevents.global/
cryptorank.io/

06 / New Binance Research Reports

Weekly: Super Apps Expand Crypto's Pie [Link](#)

Crypto's pie is expanding, moving beyond trading as maturing crypto rails begin to support the next generation of financial super apps.



A Trader's Prompt Playbook [Link](#)

A practitioner's field guide demonstrating precisely how a prompt can be designed for market analysis and trading strategy.



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.



Moulik Nagesh
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.



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.



Lim Kim Thye
Macro Researcher

Kim is a Macro Researcher at Binance. Researching the crypto markets full-time since 2021, he previously served as a Senior Investment Research Analyst at a crypto asset management firm, where he specialised in crypto investment strategy and rigorous asset valuation. Before dedicating his career entirely to the crypto space, he was a financial consultant and a trader at an investment bank.

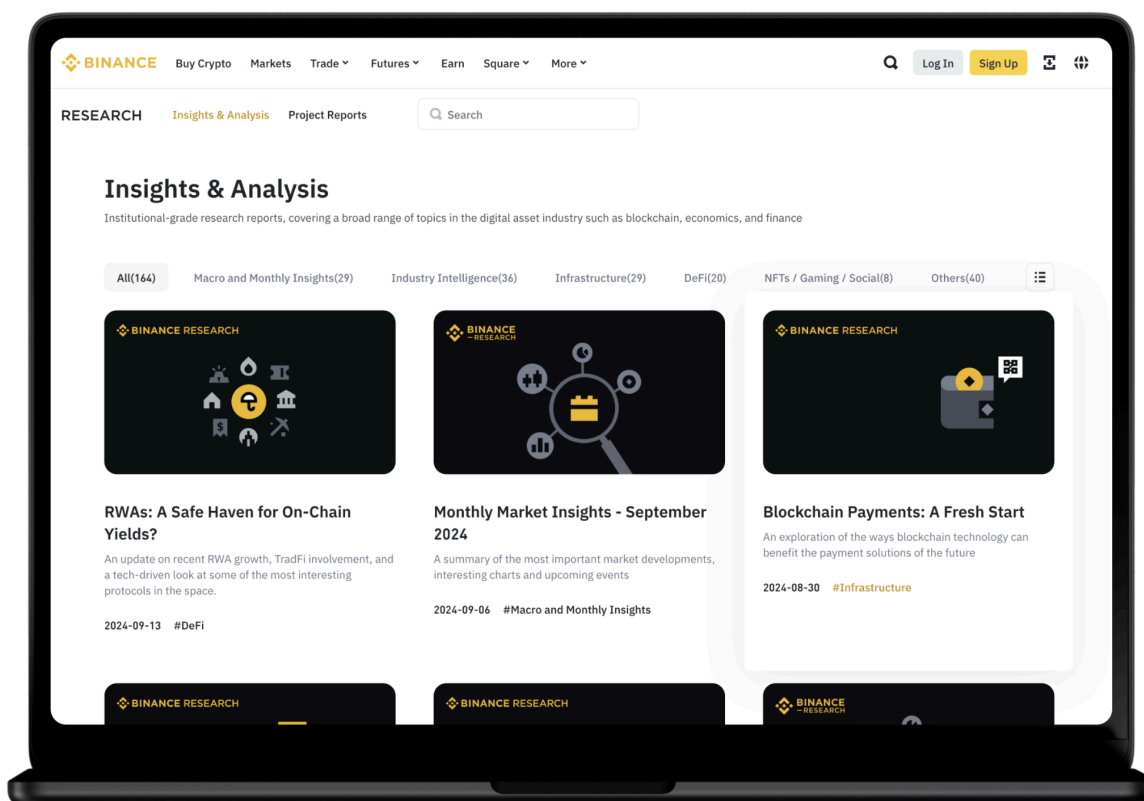


Stefan Chen
Macro Research Intern

Stefan is a Macro Research Intern at Binance. Prior to this, he worked as a software operations intern at a global accounting firm. He holds a Bachelor of Arts in Public Finance from National Chengchi University and has been involved in the cryptocurrency space since 2022, with a focus on macro narratives and data analysis.

Resources

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