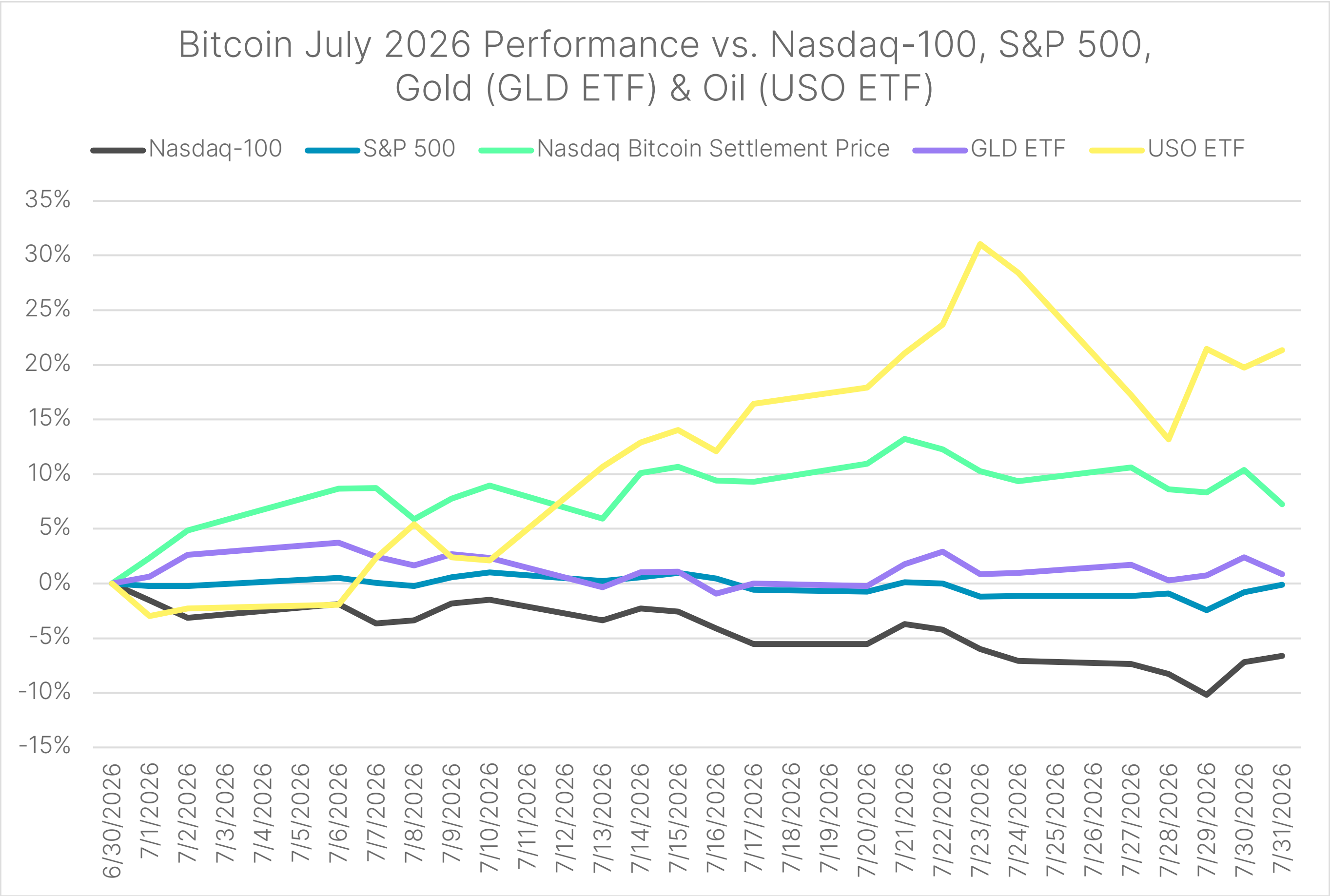
# Monthly Digital Asset Market Report: July 2026

## Overview

In July, digital asset markets experienced a significant rebound after a string of declines earlier this year, while a string of Bitcoin (BTC) ETF outflows flipped to a net inflow, all against a backdrop of escalating geopolitical tensions, surging oil prices and relatively stable global equities.




## Market

The total digital asset market capitalization started the month of July at ~$2.04 trillion and ended the month at ~$2.16 trillion, representing a 6% increase.[1] Over the first quarter of 2026 the digital asset market capitalization

[1] CoinMarketCap Charts, 6/30/26 – 7/31/26

declined -21%[2] and over the second quarter it declined -13%.[3] July's total digital asset market capitalization fell as low as ~$2.08 trillion at the beginning of the month and experienced a high of ~$2.27 trillion on July 21.[4]

U.S. Spot Bitcoin ETFs experienced modest net inflows in July, with a total ~$172.43 million entering the ecosystem.[5] The assets under management (AUM) of ETFs invested in BTC and ETH ended the month at ~$93 billion. The AUM of ETFs holding BTC reached a high of ~$81.42 billion in July, and ranged from 5.7% to 6.4% of BTC market capitalization throughout the month.[6] The AUM of ETFs holding BTC or ETH reached a high of ~$95.20 billion in July, where BTC represented 86% and ETH represented 14% of the total.[7]

U.S. crypto market sentiment rose slightly in July after starting the month with a score of 21 representing "Fear" as measured by the CMC Crypto Fear and Greed Index produced by CoinMarketCap, where a score of 0 represents maximum fear and 100 represents maximum greed.[8] Over the course of July, the CMC Crypto Fear and Greed Index ranged in score from 21 to 40, ending the month with a score of 32, which is still considered "Fear". The similar Fear and Greed Index produced by The Block (max fear at 0, max greed at 100) scored the beginning of July at 11 and the end of the month at 25.[9]

As backdrop to this market activity and sentiment, July was a month of escalated conflict between the U.S. and Iran after a war began between the two countries in late February.[10] On April 16, a 10-day ceasefire in Lebanon was announced and the following day the Strait of Hormuz was declared open to commercial vessels, though it was subsequently closed again amid continued tensions over Iran's Nuclear program.[11] The Strait of Hormuz is an important shipping route for vessels transporting oil and other materials in the Persian Gulf, where disruptions have broader impacts on the global economy.[12] Another ceasefire was announced in June, but fighting escalated in July between the U.S. and Iran which led to further disruptions in the Strait of Hormuz.[13]

Global oil prices surged in July, while gold prices and equities remained relatively stable at the broad index level, despite substantial dispersion across sectors and individual companies. The S&P 500 returned -0.13%[14] while the digital asset space saw an increase of 6% in overall market capitalization.[15]

## Notable Events

- The Crypto Council for Innovation (CCI), an industry alliance organization of crypto exchanges, asset managers, infrastructure providers, institutional investors, stablecoin issuers, banks, and fintech companies, released a report in July: Why Digital Asset Market Structure Legislation is Needed Now. In it, they argue that crypto is a globally important market, and that without clear regulatory regimes, the industry's center of gravity is shifting outside the United States.[16]
- Stablecoin issuer, Circle, announced that it has secured a limited purpose trust charter from the New York Department of Financial Services (NYDFS) to "enhance the safety and regulatory oversight of the USDC Reserve, while enabling Circle to offer fiduciary digital asset custody and related services to institutional customers." [17]

2 CoinMarketCap Charts, 12/31/25 – 3/31/26
3 CoinMarketCap Charts, 3/31/26 – 6/30/26
4 CoinMarketCap Charts
5 SoSoValue
6 CoinMarketCap ETF Charts
7 CoinMarketCap ETF Charts
8 CoinMarketCap Fear and Greed Index
9 The Block Fear and Greed Index
10 New York Times
11 New York Times
12 New York Times
13 New York Times
14 Yahoo Finance: SPX, 6/30/26 – 7/31/26
15 CoinMarketCap Charts
16 Crypto Council for Innovation Report
17 Coindesk

- In late July, Anthropic announced that AI Claude Mythos Preview was able to find and exploit vulnerabilities in major cryptographic libraries based on both incorrect implementation of the algorithms, and, more recently, based on mathematical flaws in the algorithms themselves. Cryptographic systems are used routinely in blockchain-based systems and to secure internet activity such as email and online banking. Anthropic's AI was able to improve attacks against a digital signature scheme called HAWK, which is a candidate under consideration by the National Institute of Standards and Technology (NIST) for its potential to remain secure against quantum computers. Anthropic noted that their results do not have a practical impact on today's computer systems and that no production software will have to change as a result.[18]
- In July, The Hong Kong Monetary Authority (HKMA) released a whitepaper: Quantum Preparedness of Hong Kong's Banking Sector in which it explores preparing for the era of quantum computing.[19]
- Nine companies have formed a new group called the Bitcoin Security Consortium. Together they are pledging a total $15 million over three years to support open-source development and advancing Bitcoin's long-term security in anticipation of quantum computing. Founding members include Anchorage Digital, ARK Invest, BlackRock, Block, Blockstream, Coinbase, Fidelity, Galaxy, Strategy.[20]
- Digital asset infrastructure and governance provider, Broadridge, released survey results from their Tokenization Pulse Study in July which engaged with 200 North American financial services organizations. The report states that 84% of firms say that tokenization is strategically important to their organization, and that 68% believe tokenization will partially reshape financial markets within the next three to five years.[21]
- In July, Visa announced a platform for stablecoin minting, movement and management. Visa Stablecoin Platform provides a way to access, store and redeem stablecoins, beginning with Open USD. [22]
- In July, the U.S. Department of the Treasury and HM Treasury jointly published a set of recommendations aiming to deepen cross-border financial activity between the United States and the United Kingdom, including clarity for tokenized financial activity. [23]

## Regulation & Policy

In June, CME Group filed a lawsuit against its primary regulator, the CFTC, challenging the CFTC's decision to allow crypto perpetual futures products ("perps") in the United States. The CFTC first approved Kalshi[24], a prediction market, to list and trade U.S. bitcoin perpetuals ("perps"). These are contracts that allow digital asset price speculation without an expiration date. The lawsuit argues that these products are a diversion from the law.[25]

Meanwhile, the Digital Asset Market Clarity Act (the CLARITY Act), which aims to establish a U.S. regulatory framework around digital assets and clarify the jurisdictions of federal oversight, continues to be debated by banks and crypto industry leaders who are primarily at odds over issues of stablecoin rewards,[26] legal responsibilities related to illicit finance,[27] and limiting senior government officials ties to the industry.[28] As a next step, the bill would need to proceed through the Senate.[29] BlackRock, Fidelity, Franklin Templeton, Goldman Sachs and SoFi have publicly supported the Act.[30]

The European Union has plans to centralize crypto oversight under the European Securities and Markets Authority (ESMA), which is the EU's financial markets regulator and supervisor. EU regulators believe that

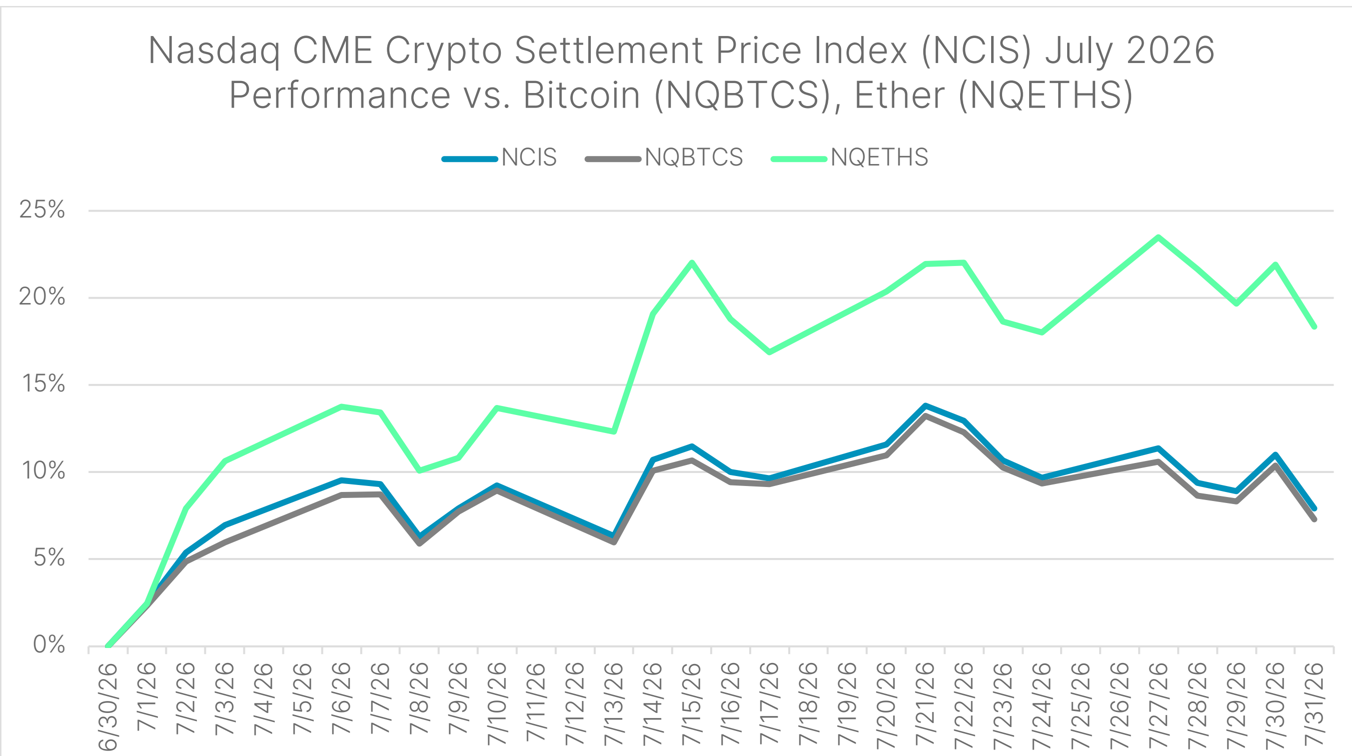
[18] Anthropic
[19] Hong Kong Monetary Authority
[20] Strategy
[21] Broadridge via PRNewswire
[22] Visa
[23] U.S. Department of the Treasury
[24] Coindesk
[25] Coindesk
[26] Coindesk
[27] Coindesk
[28] Coindesk
[29] Coindesk
[30] Coindesk

uniform market rules for crypto assets will support market integrity and improve consumer protections. ESMA is instituting The Markets in Crypto-Assets Regulation (MiCA) framework, which requires crypto companies to obtain licenses from the national authority in order to operate in the European Union, amongst other rules. While MiCA entered into force in June 2023, there has been a transitional period during which crypto companies operating in the EU may obtain licenses, with July 1, 2026 as the final compliance deadline. The European Commission launched a public consultation in May seeking feedback on MiCA, which is open until September 30, 2026.

The United Kingdom's Financial Conduct Authority (FCA) announced plans to introduce a crypto rules framework on July 30, 2026 which addresses market integrity and stablecoins, after legislation in February 2026 expanded the FCA's oversight to include crypto assets, where the new rules will come into effect in October 2027.[31]

## Nasdaq CME Crypto™ Index (NCI™)

Nasdaq's flagship crypto index, the NCI, measures the performance of a basket of the most actively traded digital assets and provides a benchmark for institutional investment in the asset class. The NCI represents a real-time index that is calculated every second throughout a 24-hour trading day. The Nasdaq CME Crypto Settlement Price™ Index (NCIS™) measures the same constituents but is calculated once a day with a settlement time at 4:00:00 PM New York Time. Over the month of July 2026, the NCIS returned 7.93%.[32] Its two biggest constituents, as tracked by the Nasdaq Bitcoin Settlement Price™ Index (NQBTCS™) and Nasdaq Ethereum Settlement Price™ Index (NQETHS™), returned 7.27% and 18.35%, respectively.




[31] FCA
[32] Nasdaq GIW