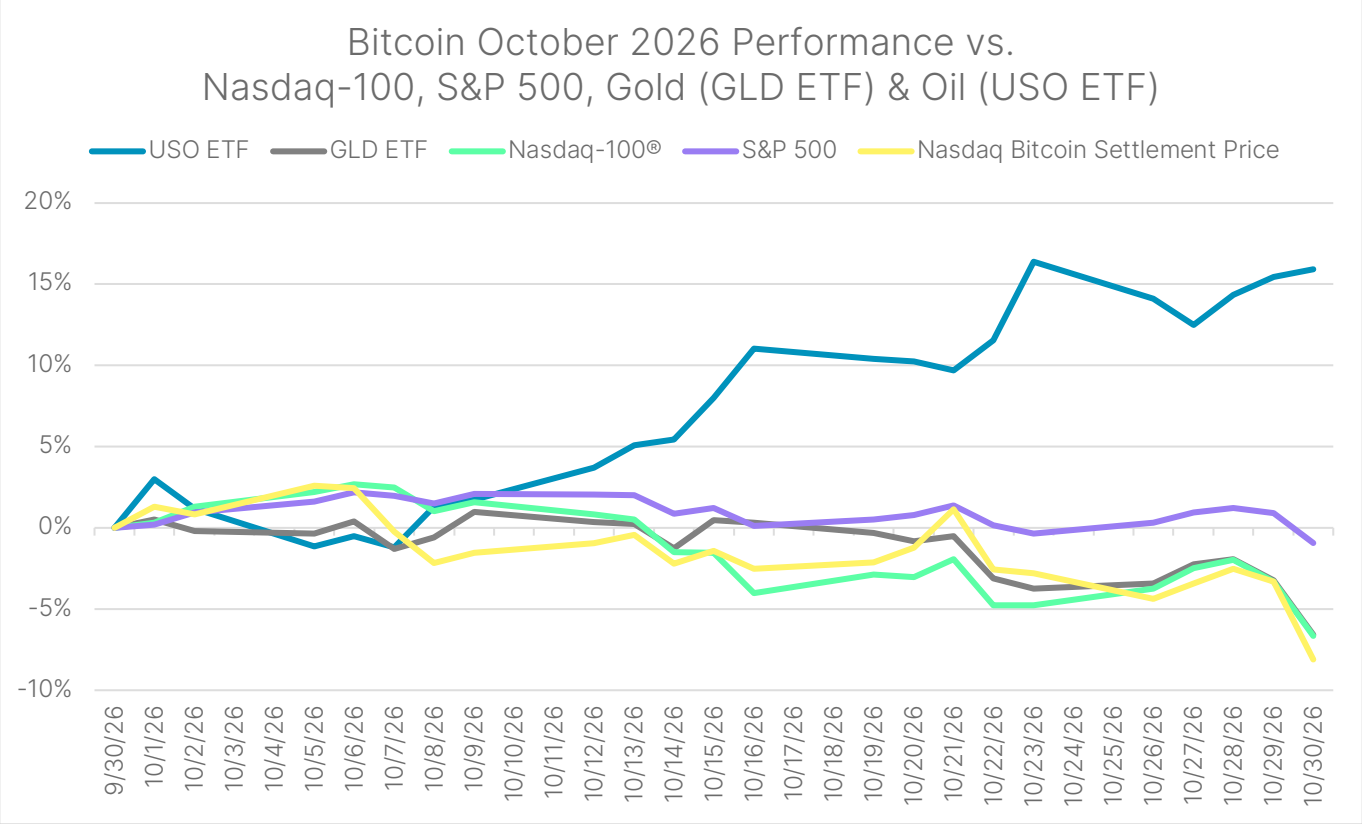
Monthly Digital Asset Market Report: October 2026

Overview

In October, digital asset markets and market sentiment declined against a backdrop of Bitcoin (BTC) ETF outflows, while oil increased by over 15%, gold decreased, and stocks remained stable. In late October, digital asset exchange Binance experienced the largest theft in crypto in history, with ~$6.4 billion in digital assets stolen.[1]



Market

The total digital asset market capitalization started the month of October at ~$2.89 trillion and ended the month at ~$2.61 trillion, representing a -10% decrease.[2] Over the first quarter of 2026 the digital asset market capitalization declined -21%[3] and over the second quarter it declined -13%.[4] The third quarter saw a massive

[1] Chainalysis
[2] CoinMarketCap Charts, 9/30/26 – 10/31/26
[3] CoinMarketCap Charts, 12/31/25 – 3/31/26
[4] CoinMarketCap Charts, 3/31/26 – 6/30/26

rebound with a 41% return.[5] October's total digital asset market capitalization fell as low as ~$2.57 trillion and experienced a high of ~$2.94 trillion on October 4.[6]

U.S. Spot Bitcoin ETFs experienced net outflows in October, with a total ~$515.03 million leaving the ecosystem.[7] The assets under management (AUM) of ETFs invested in BTC and ETH ended the month at ~$117 billion. The AUM of ETFs holding BTC reached a high of ~$111.35 billion in October and ranged from 6.4% to 6.9% of BTC market capitalization throughout the month.[8] The AUM of ETFs holding BTC or ETH reached a high of ~$126 billion in October, where BTC represented 88% and ETH represented 12% of the total.[9]

U.S. crypto market sentiment declined in October after favorable September numbers. Sentiment started the month with a score of 67, indicating "Greed" 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.[10] Over the course of October, the CMC Crypto Fear and Greed Index ranged in score from 36 to 70, and ended the month with a score of 36, which is considered "Fear". The similar Fear and Greed Index produced by The Block (max fear at 0, max greed at 100) scored the beginning of October at 74 and the end of the month at 30.[11]

In October, digital asset exchange Binance experienced what Chainalysis describes as the largest theft in crypto history and one of the single-largest financial crimes of all time.[12] Unauthorized transfers totalling ~$6.4 billion began leaving Binance wallets on October 29th, following which the exchange began implementing freezes.[13] The hack affected multiple blockchains and types of digital assets. While assets like BTC and ETH cannot be frozen due to their decentralized design, certain stablecoins can be frozen by issuers. Hackers attempted to convert stolen stablecoins under their control into non-freezable assets, before investigators, stablecoin issuers and law enforcement could freeze them. According to blockchain intelligence firm Chainalysis (which conducts intelligence assessments based on onchain activity and participated in the investigation), approximately $2.8 billion of the stolen digital assets had been frozen as of the date of its report.[14]

Chainalysis attributes the hack to a North Korean cybercrime group, which they believe was also responsible for a $387 million hack in September from the Bitget exchange. The Federal Bureau of Investigation (FBI) issued a statement on October 31 advising that North Korea is responsible for the theft and urging private sector entities and other virtual asset service providers to "block transactions with or derived from addresses TraderTraitor actors are using to launder these stolen assets."[15] Binance announced that "Binance will absorb the financial impact of the stolen funds, not our users. We have already set aside more than 100% of the funds required to cover the loss."[16]

[5] CoinMarketCap Charts, 6/30/26 – 9/30/26
[6] CoinMarketCap Charts
[7] SoSoValue
[8] CoinMarketCap ETF Charts
[9] CoinMarketCap ETF Charts
[10] CoinMarketCap Fear and Greed Index
[11] The Block Fear and Greed Index
[12] Chainalysis
[13] Chainalysis
[14] Chainalysis
[15] FBI
[16] Binance via X

Notable Events

- In October, digital asset exchange Binance experienced the largest theft in crypto history and one of the single-largest financial crimes of all time when ~$6.4 billion was stolen.[17]
- Polygon and Solana are working together to connect Polygon's payment infrastructure with Solana's stablecoin activity to allow businesses expanded payment functionality on both networks.[18]
- Google announced plans to launch a security product called Google Multi-Party Compute (MPC) which aims to help financial institutions safeguard and transfer digital assets. The product is currently in private preview and being tested by partner institutions.[19]
- The U.S. Office of the Comptroller of the Currency (OCC) approved Ripple's National Trust Bank. The banking license allows Ripple to run a specialized bank under U.S. Federal supervision.[20]
- The U.S. Office of the Comptroller of the Currency (OCC) encouraged community banks to develop payment stablecoin capabilities in order to "help shape the future of payments."[21]
- The Canadian government launched a 60-day consultation regarding a framework for stablecoin regulation. The consultation ends December 23, 2026.[22]
- Mastercard and BVNK announced the launch of a platform that provides modular infrastructure for banks, fintechs and enterprises to create multi-currency accounts where "fiat and stablecoins can sit side by side, with conversion between the two through a single API."[23]
- Coinbase published a blog post on Bitcoin and post-quantum computing readiness, outlining their perspectives and technical approach.[24]
- Visa released a survey on stablecoin awareness and consumer sentiment in Asia Pacific, showing growing interest in everyday spending, travel and cross-border money movement and other practical uses. Limited understanding and concerns around trust remain barriers to broader use.[25]

Regulation & Policy Tracker

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, has been debated by banks and crypto industry leaders who have been primarily at odds over issues of stablecoin rewards,[26] legal responsibilities related

[17] Chainalysis
[18] Coindesk
[19] Coindesk
[20] Coindesk
[21] OCC via X
[22] Government of Canada
[23] Mastercard
[24] Coindesk
[25] Visa
[26] Coindesk

to illicit finance,[27] and limiting senior government officials' ties to the industry.[28] On September 15, 2026, the Senate failed to invoke cloture on the motion to proceed to consideration of the CLARITY Act by a vote of 49–50, short of the 60 votes required. The procedural vote left the legislation stalled in the Senate.[29] While lawmakers are looking to establish a regulatory framework around digital assets in the U.S., the bill's details surrounding ethics stood at the center of the debate.[30]

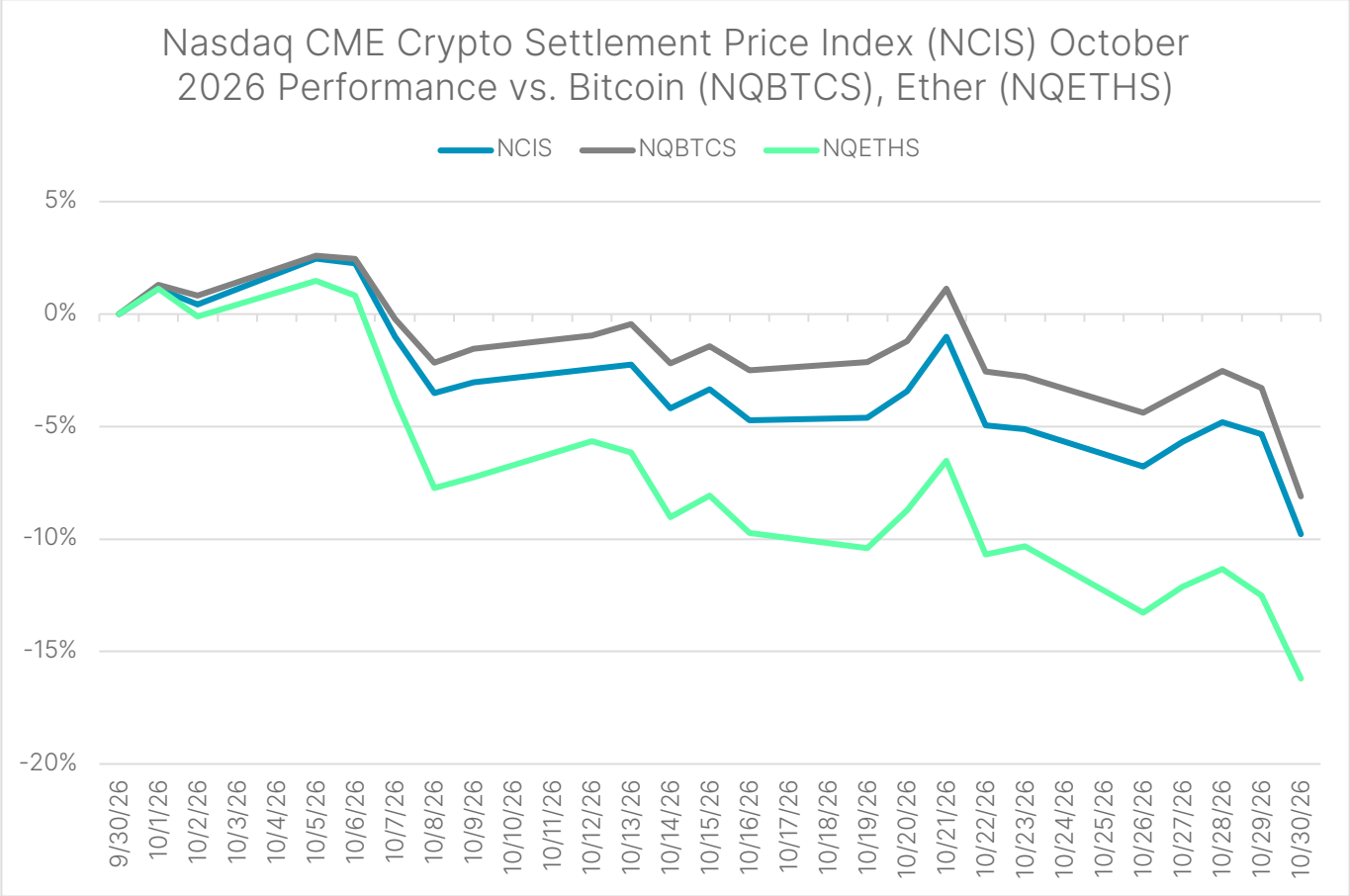
The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, is instituting The Markets in Crypto-Assets Regulation (MiCA) framework, which requires crypto companies to obtain licenses from the national authority in order to operate in the European Union, amongst other rules. ESMA released a report in September detailing strategic priorities that include a Union Strategic Supervisory Priority (USSP) influenced by firms increasingly using AI and tokenized products.[31]

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, with the new rules coming into effect in October 2027.[32] In September, the FCA opened its "authorization gateway," where crypto firms intending to operate in the U.K. have until the end of February 2027 to register.[33]

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 is designed to serve as a benchmark for the digital asset market. 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 October 2026, the NCIS returned -9.78%.[34] Its two biggest constituents, as tracked by the Nasdaq Bitcoin Settlement Price™ Index (NQBTCS™) and Nasdaq Ethereum Settlement Price™ Index (NQETHS™), returned -8.11% and -16.20%, respectively.

[27] Coindesk
[28] Coindesk
[29] Senate.gov
[30] Coindesk
[31] Coindesk
[32] FCA
[33] Coindesk
[34] Nasdaq GIW



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