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Digital Gold Institute Quarterly Report Q2 2026

Market correction and Italy's first MiCAR licences

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Executive summary

The second quarter of 2026 confirms a broad but orderly correction across the crypto market. Bitcoin ended the quarter down 14%, while the total market capitalisation of the sector declined by 18%. The downturn extends the movement that began after the all-time highs recorded in October 2025 and marks Bitcoin's third consecutive quarter of negative returns. The drawdown from the peak has therefore reached 53%, a significant level, but still lower than the deepest corrections recorded in Bitcoin's history.

However, the fall in prices did not translate into a deterioration in liquidity. Trading volumes across the leading crypto-assets and stablecoins remained at historically high levels, indicating that the correction primarily affected valuations rather than market depth. The risk profile also shows signs of progressive normalisation: Bitcoin's volatility continues to decline, moving closer to that of the leading US technology stocks, while its correlation with traditional assets remains limited. The quarter therefore confirms two parallel trends: Bitcoin is experiencing a period of price weakness, while retaining relevant characteristics in terms of liquidity, relative risk and portfolio diversification.

Signals from institutional demand remain mixed. US-listed spot Bitcoin ETFs recorded net outflows of approximately $4 billion in June, the highest monthly figure since these products were launched, bringing total net outflows for the quarter to approximately $5 billion. This suggests a rebalancing of demand rather than a broad decline in institutional interest. During the same period, other developments confirmed the gradual convergence between traditional finance and the crypto sector: Intesa Sanpaolo significantly increased its exposure, while the Qivalis consortium strengthened its MiCAR-compliant euro stablecoin project, reaching 37 participating banks.

From a regulatory perspective, the second quarter marked an important transition for the European market and, in particular, for Italy. The end of the transitional period on 30 June brought the MiCA Regulation into full application. At the end of the quarter, the European register included 283 authorised operators, while Italy had issued its first MiCAR authorisations, with eight CASPs and one bank permitted to operate. The introduction of the new regime has already produced tangible consequences, including for major market participants: having failed to obtain authorisation within the required timeframe, Binance began the orderly wind-down of its activities in the European Economic Area. The case demonstrates that MiCAR does not merely introduce new formal obligations, but effectively determines which operators are allowed to access the market.

However, the European framework continues to evolve. In May, the European Commission launched a consultation on stablecoins, CASPs, DeFi, staking and lending, signalling that MiCA is already considered an initial framework requiring further development. The prospect of a revision, informally referred to as MiCAR 2.0, is emerging within an increasingly competitive international environment, in which crypto-asset regulation is also becoming a strategic positioning tool for Europe and the United States.

Overall, the quarter portrays a market undergoing a contraction, but not a structural break. Pressure on prices and ETF outflows indicate a rebalancing of demand; the resilience of trading volumes, the stability of stablecoin liquidity, the evolution of the regulatory framework and the growing involvement of traditional intermediaries instead suggest that the sector's institutional infrastructure continues to consolidate even during a period of price weakness.

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Market

CHAPTER 1

Performance

The aggregate capitalisation of the crypto market declined from $2.61 trillion to $2.15 trillion between the end of the first and second quarters of 2026, representing an 18% contraction. Bitcoin's market capitalisation fell from $1.39 trillion to $1.21 trillion, while the rest of the sector declined from $0.98 trillion to $0.75 trillion. The correction therefore affected the entire market, although its impact was relatively more limited for Bitcoin.

However, the fall in prices was not accompanied by a deterioration in market depth. Average daily trading volumes across the sector remained high, both for the leading crypto-assets and for stablecoins. The correction therefore affected valuations without undermining the market's overall liquidity.

Return dispersion remains wide, despite a broadly shared negative trend. Bitcoin ended the quarter at $58,668, down 14%; Ether at $1,573, down 25%; XRP at $1.04, down 23%; Solana at $73.58, down 11%; and Tron at $0.31, with a limited decline of 1% and the best performance among the five largest crypto-assets by market capitalisation. Bitcoin dominance stood at approximately 56%, down from the peaks recorded in October 2025, but still at historically high levels, confirming the asset's central role within the crypto market.

TAB.1
Leading crypto-assets by market capitalisation

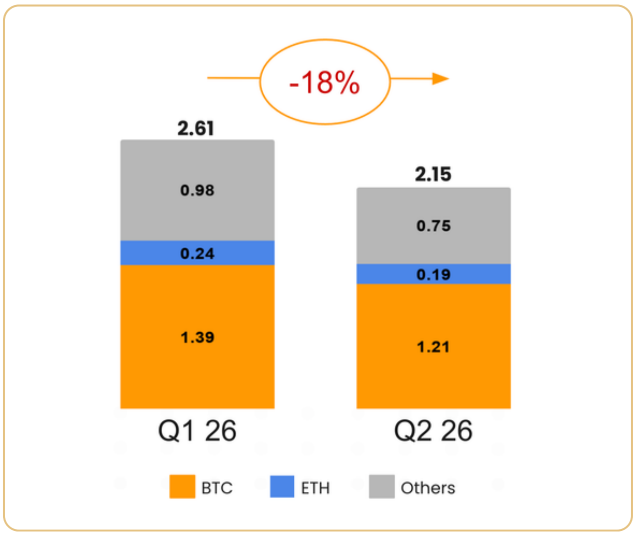
Coin	Price at 30/06/26	Q2 performance
Bitcoin	$58,668	-14%
Ether	$1,573	-25%
XRP	$1.04	-23%
Solana	$73.58	-11%
Tron	$0.31	-1%

Source: Digital Gold Institute 2026, CoinGecko

On an annual basis, Bitcoin is down 43%; since the beginning of the year, the decline stands at 33%. The correction follows the all-time highs reached in October 2025 and marks Bitcoin's third consecutive quarter in negative territory, after a 23% decline in the fourth quarter of 2025 and a 24% decline in the first quarter of 2026.

Following the further decline recorded in June, the drawdown from the $124,000 peak has reached 53%.

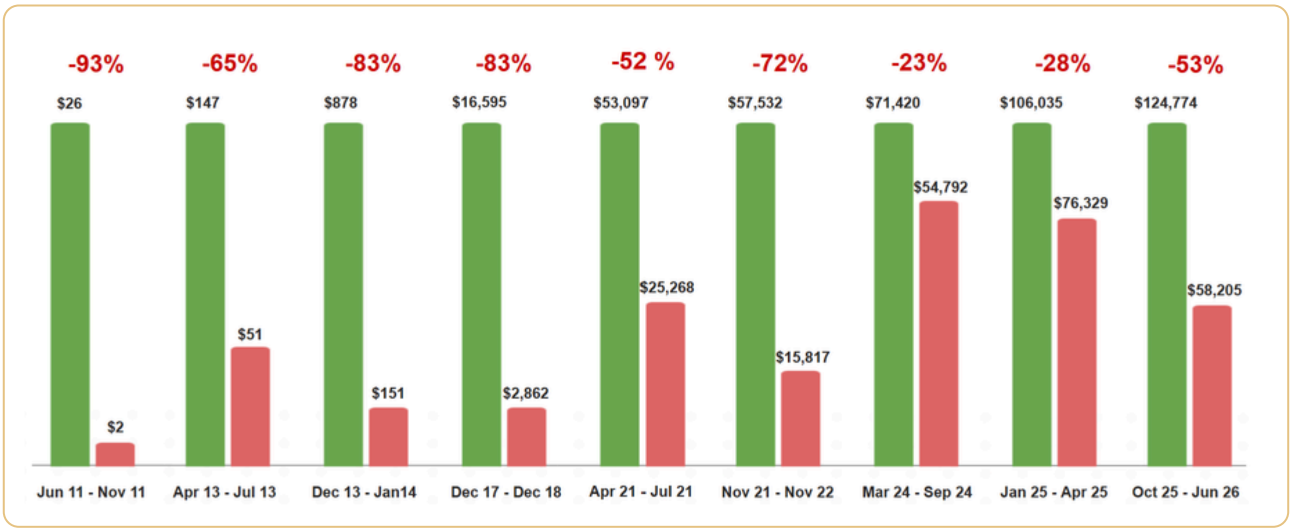
This is a significant correction, but it remains well below the most severe downturns in Bitcoin's historical series: -93% in 2011, -83% between 2013 and 2014 and between 2017 and 2018, and -72% between 2021 and 2022. In each of these episodes, the price subsequently recovered its previous highs, providing useful context for assessing the current phase.



Source: Digital Gold Institute 2026, CoinGecko

TAB.2
Total market capitalisation · $bn

TAB.3
Bitcoin drawdowns



Source: Digital Gold Institute 2026, CoinGecko

Risk, volatility and correlations

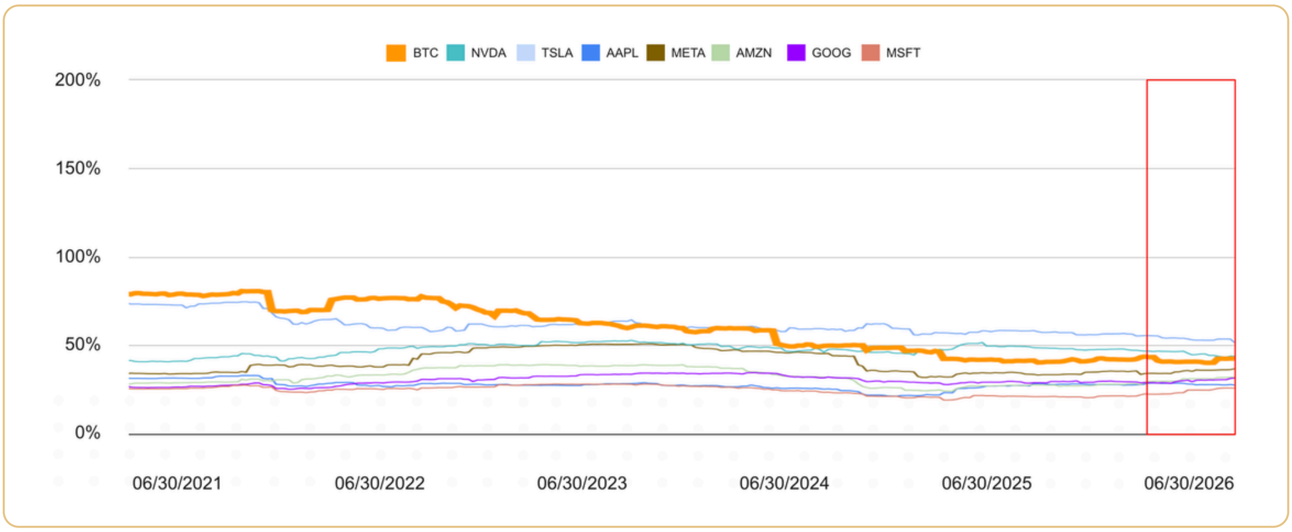
Bitcoin's volatility consolidated the downward trend observed in recent years during the quarter, confirming the progressive normalisation of the asset's risk profile. Within the crypto market, Bitcoin continues to lead this process, maintaining lower volatility than the leading crypto-assets. A comparison with the major US technology stocks instead shows levels that are now broadly aligned.

The correlation picture remains more complex. Within the crypto market, Bitcoin continues to move closely in line with Ether, XRP, Solana and Dogecoin, with coefficients consistently within the 70–80% range. The scope for diversification within the sector therefore remains limited.

Its relationship with traditional assets remains limited, supporting the use of Bitcoin as a diversification component within a multi-asset portfolio. Its relationship with the Federal Reserve's policy rates also remains broadly inverse, consistent with Bitcoin's nature as an asset sensitive to liquidity conditions.

TAB.4

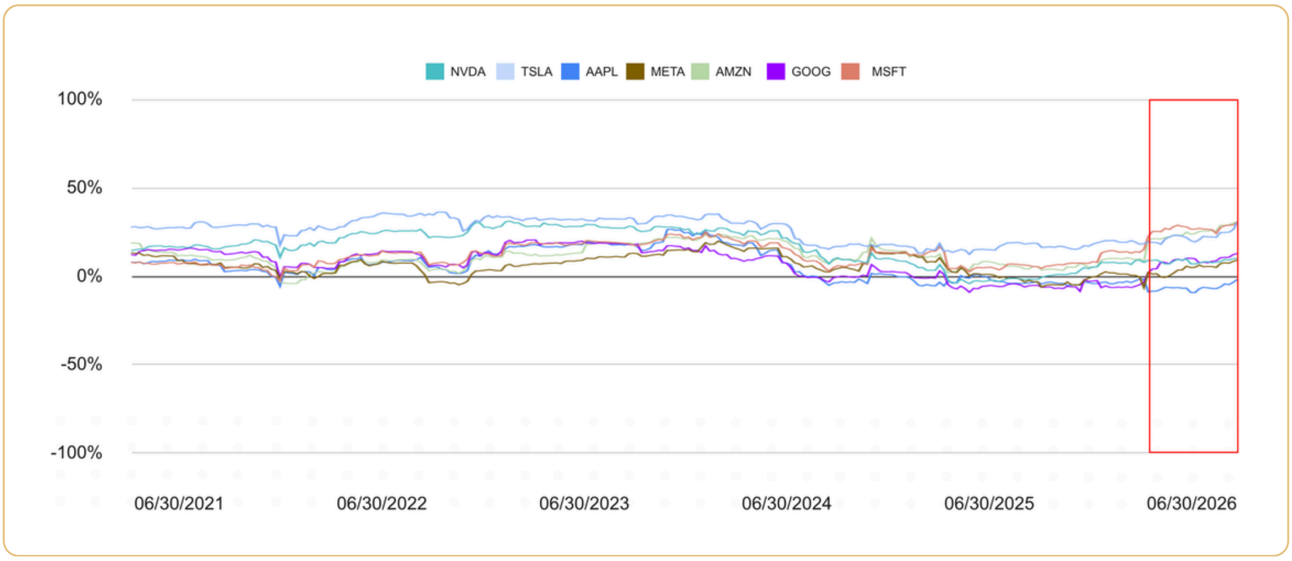
BTC and MAG 7 volatility · 2-year rolling window, weekly logarithmic returns



Source: Digital Gold Institute 2026, CoinGecko, Yahoo Finance

TAB.5

BTC correlation with the MAG 7 · 2-year rolling window, weekly logarithmic returns



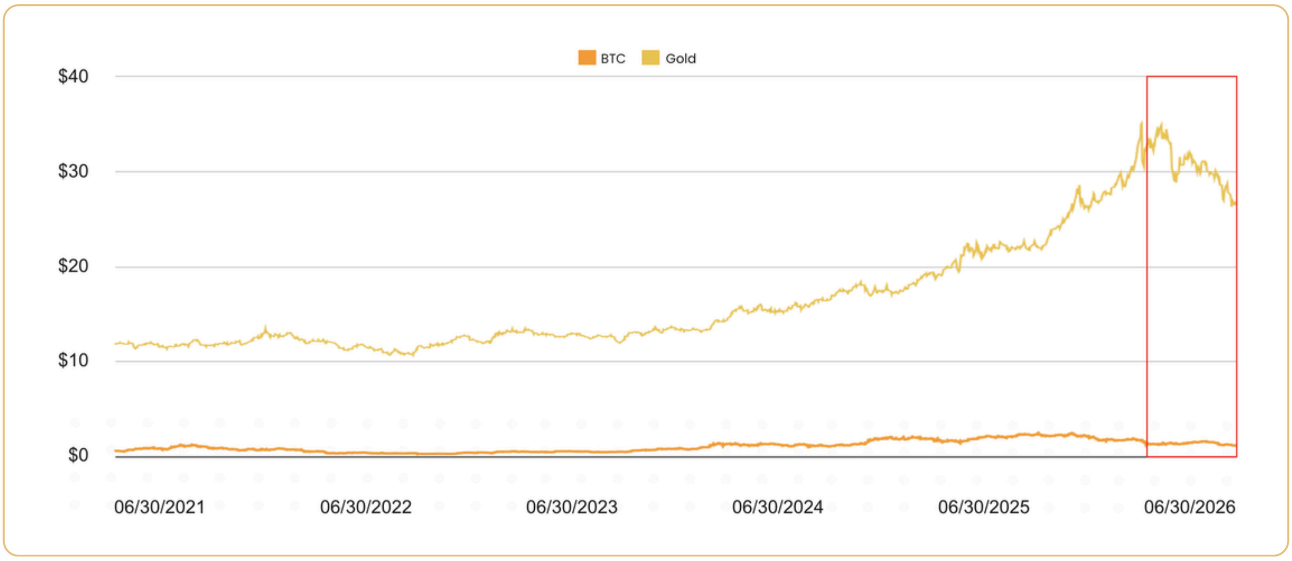
Source: Digital Gold Institute 2026, CoinGecko, Yahoo Finance

From a risk-adjusted return perspective, the quarter saw a deterioration in Bitcoin's Sharpe ratio and Sortino ratio, both of which moved into negative territory. However, this deterioration should be considered within a broader context: gold and the S&P 500 also recorded a sharp decline in the same metrics, while remaining in positive territory. The figures therefore point to a general decline in risk-adjusted returns rather than a deterioration specific to Bitcoin's relative profile.

The comparison with gold provides the most immediate quantitative benchmark for assessing the digital gold thesis. The metal's market capitalisation remains approximately 25 times larger than Bitcoin's, highlighting the broad theoretical scope for appreciation should the asset progressively assume a comparable role as a store of value. Gold's outperformance during the quarter affects the short-term comparison without altering the structural perspective.

TAB.6

Bitcoin market capitalisation vs. gold market capitalisation · $tn



Source: Digital Gold Institute 2026, CoinGecko, Yahoo Finance

ETFs and institutional demand

US-listed spot Bitcoin ETFs recorded net outflows of approximately $5 billion in the second quarter of 2026. Of these, approximately $4 billion was concentrated in June alone, marking the largest monthly figure since the products were launched in January 2024 and exceeding the previous record set in February 2025. BlackRock's IBIT alone accounted for approximately 75% of monthly outflows, confirming its role as the main driver of movements across the segment.

The outflows occurred within a broader capital reallocation environment. On the one hand, growing interest in high-growth private companies, particularly SpaceX, absorbed liquidity that might otherwise have been directed towards the crypto-asset class. On the other hand, expectations regarding Federal Reserve interest rates encouraged a tactical shift towards lower-risk instruments.

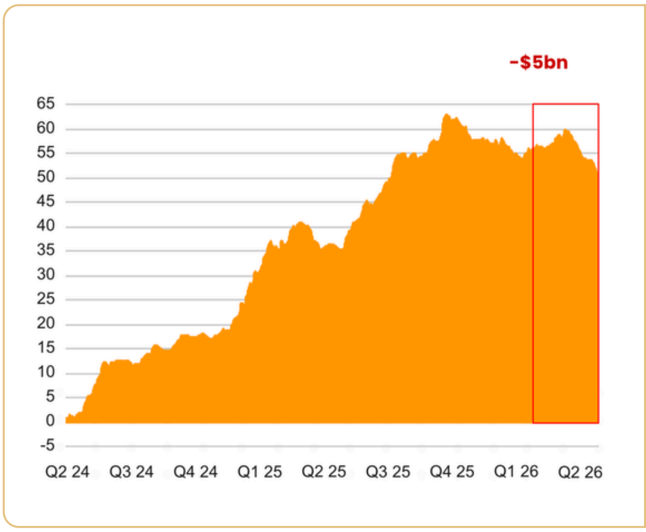
The cumulative effect pushed net flows for the year into negative territory, an event not previously recorded since the launch of these products.

With regard to the composition of institutional Bitcoin holders, ETFs represent the largest single category, accounting for 6.70% of the maximum supply of 21 million units. Listed companies follow with 5.75%, and governments with 2.46%. Two years after their launch, ETFs therefore remain the main channel for institutional exposure to the asset.

In the derivatives market, futures and options volumes declined during the quarter in line with the fall in prices, but the market structure remains unchanged: futures continue to dominate options by a wide margin, with CME leading the futures market and Deribit leading the options market, confirming that demand remains predominantly directional.

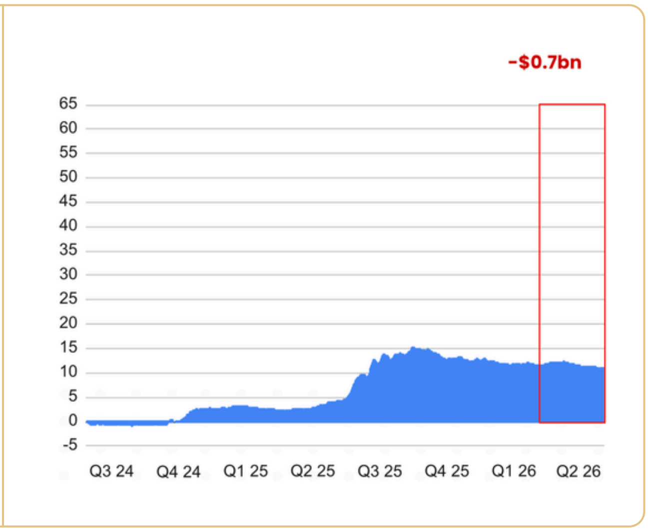
TAB.7.1

Cumulative Bitcoin ETF flows · $bn



TAB.7.2

Cumulative Ether ETF flows · $bn



Source: Digital Gold Institute 2026, Farside Investors

TAB.8

Bitcoin held in treasuries

Category	# of BTC	Value at 30/06/26	% of 21m
ETFs	1,407,534	$86.5bn	6.70%
Public companies	1,208,479	$74.3bn	5.75%
Countries	518,526	$31.9bn	2.46%
Private companies	441,792	$27.2bn	2.10%
DeFi	267,236	$16.4bn	1.27%
BTC mining companies	106,849	$6.6bn	0.50%

Source: Bitbo

Ecosystem

CHAPTER 2

The quarter confirms the progressive expansion of traditional financial institutions' participation in the crypto market. Intesa Sanpaolo more than doubled its disclosed crypto exposure, rising from approximately $100 million in the fourth quarter of 2025 to approximately $235 million at the end of the first quarter of 2026, according to the 13F filing submitted to the SEC. The increase, primarily concentrated in Bitcoin and accompanied by initial exposure to Ether and XRP, is part of a broader transition among European banks, which are increasingly moving beyond an observational role and becoming more directly involved through exposure, infrastructure and regulated experimentation.

In the area of corporate treasuries, Strategy carried out its first net Bitcoin sale since December 2022 at the end of May, for a total value of approximately $2.5 million, corresponding to 32 BTC and approximately 0.004% of its overall treasury. The proceeds were used to pay the dividend on its perpetual preferred shares. The amount is marginal, and management confirmed its intention to continue making net Bitcoin purchases, but the episode carries symbolic significance: for the first time, the "never sell" principle associated with the company's treasury strategy has been at least partially reconsidered.

The Qivalis consortium, which is developing a MiCAR-compliant euro stablecoin, expanded its membership to 37 banks across 15 countries. New members include Intesa Sanpaolo and BPER Banca, joining UniCredit and Banca Sella, which were already participating in the project.

With four participating banks, Italy has one of the largest national delegations in the consortium, alongside Spain. The initiative confirms the growing interest of European intermediaries in regulated stablecoins, tokenised payments and euro-denominated market infrastructure.

One area that remains at an early stage, but could prove transformative, is that of perpetual futures on private companies. Originating within the crypto ecosystem, these instruments are extending the logic of derivatives to segments of finance traditionally reserved for private markets, opening up a new channel for access and price discovery. Volumes linked to SpaceX, OpenAI and Anthropic increased from approximately $2 million in March to approximately $12 billion in June, with Binance alone accounting for more than $10 billion during the month, equal to 83% of the total.

The quarter also brought the relationship between crypto-assets and politics back to the centre of the debate. President Trump's 2025 financial disclosure, published on 30 June 2026, reported more than $1.4 billion in proceeds linked to the crypto sector, out of approximately $2.2 billion in total disclosed income. The disclosure renewed attention on potential conflicts of interest in an environment in which the US administration continues to favour a reduction in the sector's regulatory burden.

Regulation

CHAPTER 3

The end of the quarter coincided with the conclusion of the transitional period under the MiCA Regulation, which began on 30 December 2024. In Italy, Consob and the Bank of Italy confirmed eight companies authorised as CASPs: CheckSig, Conio, CryptoSmart, Hercle, Hodli, Coinflip, RIV Digital and Young Platform. During the same period, Banca Sella completed the notification procedure with the Bank of Italy to begin offering crypto-asset services. From 1 July, operators that had benefited from the transitional regime without obtaining a licence in Italy or in another country of the European Economic Area were required to cease operations in an orderly manner.

At European level, the ESMA register includes 283 authorised CASPs, licensed by 25 national jurisdictions. Germany leads the ranking with 57 authorisations, followed by France with 31 and the Netherlands with 28. The passporting regime also significantly expands the market accessible to Italian clients: 155 operators authorised in other European countries have already notified their intention to provide services in Italy, compared with a still very limited number of domestic operators.

The most significant case of the quarter was Binance, which, having failed to obtain MiCAR authorisation within the required timeframe, began the orderly wind-down of its activities in the European Economic Area on 1 July 2026.

The exchange withdrew its application in Greece on 24 June following an unfavourable assessment by the Hellenic Capital Market Commission, stating that it intended to continue the authorisation process in another Member State.

From 1 July, European clients have no longer been able to open new positions, deposit funds or access staking and yield products; withdrawals and the liquidation of existing positions remain available. The episode confirms the Regulation's effective selectivity, including towards the world's largest operator.

However, the regulatory framework continues to evolve. On 20 May 2026, the European Commission launched a targeted consultation comprising 86 questions to assess the Regulation's adequacy with regard to stablecoins, the regulatory framework for CASPs and areas that are not yet fully covered, such as DeFi, staking and lending. Its timing, shortly before the end of the transitional period, indicates that MiCA is already considered an initial iteration of the European regulatory framework, paving the way for what the market informally refers to as "MiCAR 2.0".

Technology

CHAPTER 4

The quarter highlighted two significant security incidents, reflecting the evolution of operational risk within the crypto ecosystem. On 29 May 2026, a researcher commissioned by Shielded Labs identified a critical vulnerability in Zcash's Orchard shielded pool, which had been present and undetected since the protocol was launched in 2022. The flaw could have allowed the untraceable and potentially unlimited creation of counterfeit ZEC units. The discovery triggered intense market pressure, with the price of ZEC falling by almost 50% in two days. Shielded Labs deployed an emergency hard fork by 1 June, without being able to rule out with certainty the possibility that the vulnerability had been exploited before the fix.
The incident highlights a structural weakness in privacy-focused protocols: the same characteristics that strengthen user confidentiality can make it more difficult to verify the integrity of the system following an incident.

The second incident involved KelpDAO. On 18 April 2026, a group of attackers linked to North Korea's Lazarus Group stole approximately $292 million in rsETH from the LayerZero-based bridge, exploiting the off-chain verification infrastructure rather than a vulnerability in the smart contracts. The attackers compromised the single-verifier configuration to mint unbacked rsETH, which was then used as collateral on Aave to borrow real ETH. The incident forced several lending platforms to freeze their markets and contributed to approximately $13 billion in withdrawals from decentralised finance within 48 hours. The case confirms a progressive shift in risk: away from smart contract code alone and increasingly towards bridges, off-chain infrastructure, operational configurations and governance safeguards.

From a more structural perspective, the Bitcoin network continued to display signs of strength independently of price performance. Although the hash rate declined from recent highs, it remained at historically elevated levels, indicating that the market correction did not translate into weaker network security. The figure confirms the distinction between price volatility and the protocol's infrastructural resilience.

The quarter in perspective

The second quarter of 2026 confirms that the crypto market is undergoing a phase of selection rather than structural discontinuity. Price weakness, ETF outflows and the slowdown in derivatives activity indicate a contraction in demand following the strong expansion of previous quarters. The correction was broad, but it did not result in a general deterioration in the functioning of the market.

The resilience of trading volumes, the stability of stablecoin liquidity and the progressive compression of volatility instead point to a stronger market structure than during previous periods of weakness. The most relevant factor is therefore not merely the scale of the price decline, but the way in which the sector is absorbing it: liquidity remains available, trading continues to be concentrated in the leading assets and there are no signs of systemic stress comparable to those observed during other deep corrections.

Bitcoin's performance also presents a complex picture. The quarterly decline and the drawdown from the peak remain significant, but they are accompanied by progressively lower volatility and a still limited correlation with traditional assets. Bitcoin also continues to demonstrate greater relative resilience than much of the crypto market, confirming its central role within the sector's structure despite a period of clear valuation weakness.

Demand from traditional financial institutions continues to move in a non-linear manner. Spot Bitcoin ETFs recorded significant outflows, indicating a rebalancing of exposures after the sustained growth of previous quarters. At the same time, however, other developments point to increasing participation by traditional finance: some European banks increased their exposure to crypto-assets, while projects such as Qivalis indicate increasingly tangible interest in regulated stablecoins, tokenised payments and new market infrastructure.

The quarter also demonstrates that the sector's evolution no longer concerns only Bitcoin or the leading crypto-assets. The growth of perpetual futures on private companies illustrates how instruments originating in the crypto ecosystem are extending their logic to segments traditionally reserved for private markets. At the same time, the security incidents observed during the period confirm that operational risk is shifting away from smart contract code alone and towards bridges, off-chain infrastructure, operational configurations and governance safeguards.

From a regulatory perspective, the full application of MiCAR substantially changes the conditions for accessing the European market. The end of the transitional period creates a clearer distinction between authorised operators and those that have not completed the required process. Size, liquidity and market recognition are no longer sufficient to guarantee business continuity: the Binance case demonstrates that the new framework is capable of producing tangible consequences even for the largest operators.

However, European regulation remains an ongoing process. The Commission's consultation on stablecoins, CASPs, DeFi, staking and lending indicates that MiCAR is already considered an initial framework requiring refinement. Europe's ability to combine investor protection, competitiveness and innovation will therefore be one of the decisive factors shaping the market's next phase.

Overall, the quarter portrays a sector that remains exposed to deep corrections, but is operating within an ecosystem that is more liquid, more regulated and increasingly integrated with traditional finance. This does not reduce the risks or make the path towards adoption inevitable. It does, however, indicate that the market's evolution will be determined less and less by price dynamics alone, and increasingly by the quality of infrastructure, the strength of operators and the ability of regulatory frameworks to support the sector's development without undermining its competitiveness.

About the Digital Gold Institute

Founded in 2018, the Digital Gold Institute is Europe's leading research centre dedicated to Bitcoin, crypto-assets and blockchain. Through an interdisciplinary approach combining finance, technology and regulation, it analyses the evolution of the crypto ecosystem and its relationship with traditional finance.

The Institute carries out research, advisory and educational activities, supporting financial intermediaries and institutions in understanding digital assets and their economic, operational and strategic implications.

In collaboration with the University of Milano-Bicocca, the Digital Gold Institute is a founding member of the Crypto Asset Lab, a European research initiative.

Together with the European Commission, the Crypto Asset Lab organises the annual Crypto Asset Lab Conference, an academic event bringing together representatives from the financial, institutional and regulatory sectors to explore the evolution of crypto-assets and blockchain.

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