Market correction and Italy's first MiCAR licences

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.