

Monthly Market Recap

August 2026

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Market Performance

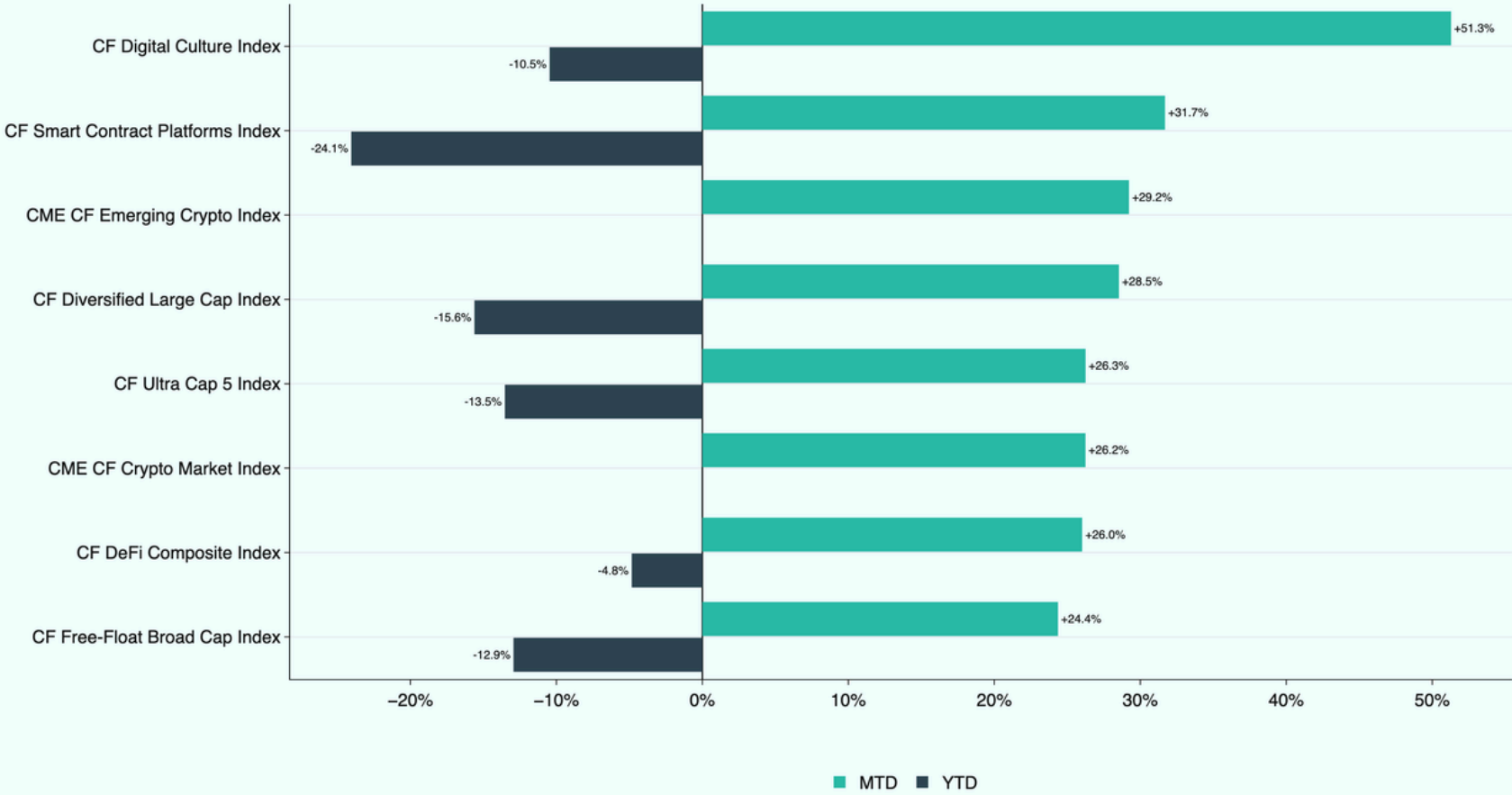
The Debasement Trade is Back On

Market Summary

We read August's rally in digital assets as a debasement trade, not a broad easing in financial conditions. Treasury doubled the cap on long-dated buyback operations to at least \$4 billion starting in September, an attempt to steady a bond market that had faced a buyers' strike in longer-duration debt since late June. Persistent fiscal deficits and elevated interest costs kept the dollar's long term purchasing power in focus. A weak July payrolls print early in the month supported the case for eventual Fed accommodation, though Chair Warsh's Jackson Hole keynote late in August pushed back on that sentiment, calling inflation the Fed's main problem and leaving the door open to a hike. Demand still strengthened for assets viewed as hedges against monetary and fiscal dilution. Bitcoin was the primary beneficiary. Spot ETF inflows accelerated to their strongest month of 2026, totaling 3.4 Billion in August.

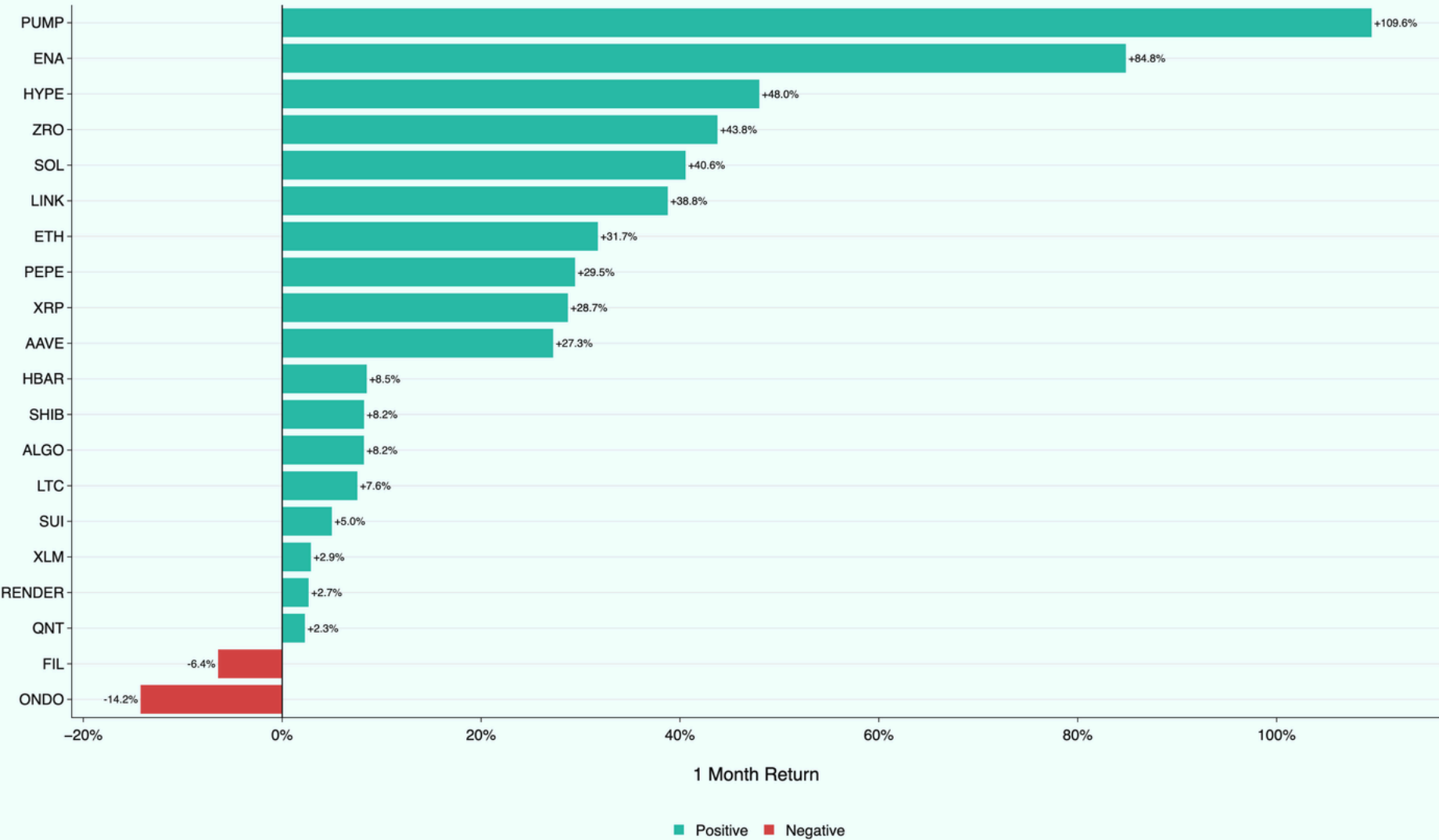
Last month's price action delivered a broad-based advance across the CF Benchmarks indices, with all eight posting double-digit monthly gains. The CF Digital Culture Index led, up 51.3% month-to-date (MTD), followed by the CF Web 3.0 Smart Contract Platforms Index at 31.7% and the CME CF Emerging Crypto Index at 29.2%. The CF Diversified Large Cap Index added 28.5%, the CF Cryptocurrency Ultra Cap 5 Index and CME CF Crypto Market Index both gained 26.3%, and the CF DeFi Composite Index rose 26.0%, with the CF Free-Float Broad Cap Index the laggard at 24.4%. On a year-to-date (YTD) basis, losses narrowed across the board but persisted, ranging from 4.8% for the CF DeFi Composite Index to 24.1% for the CF Web 3.0 Smart Contract Platforms Index; the two CME CF indices lack a full year of history for a YTD figure.

Benchmark Performance



Monthly and year-to-date total returns in USD.
Source: CF Benchmarks, Bloomberg, as of August 31, 2026

Major Crypto-Pairs



Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of August 31, 2026

Leaders

Pump.fun (PUMP) led the major crypto-pairs in August, rising 109.6% month over month (MoM), the largest gain in the group, after an August 7 zero-fee cross-chain trading launch and buybacks that topped \$1 million per day in late August. Ethena (ENA) rose 84.8% after FalconX's August 20 announcement of a \$1 billion warehouse financing facility for USDe-backed institutional loans. Hyperliquid (HYPE) gained 48.0%, hitting an \$86.64 all-time high on August 27 following a mention by the president during the White House crypto summit.

Laggards

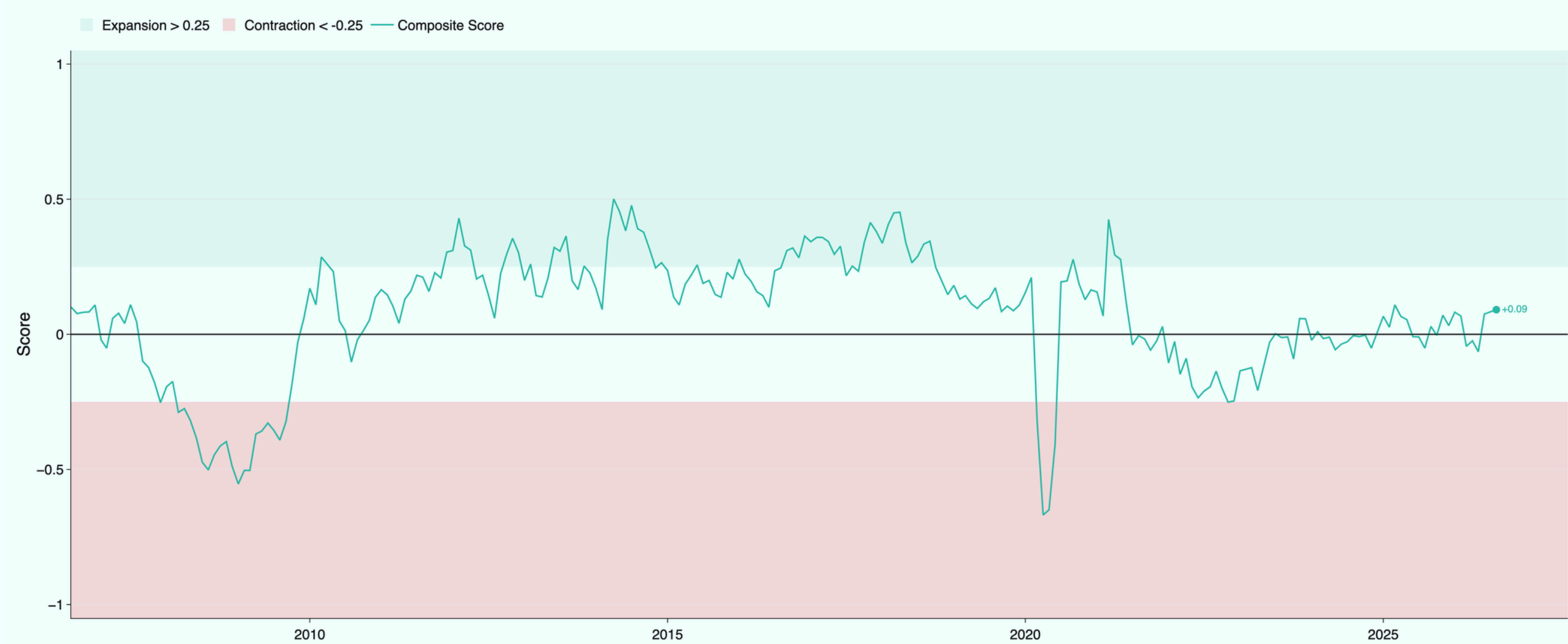
Ondo (ONDO) was the weakest major, down 14.2% MoM, as continued token-unlock supply growth outpaced demand even though the Ondo Stocks product grew to \$1.01 billion in tracked value. Filecoin (FIL) fell 6.4% and traded near its all-time low for much of the month.

Macro Overview

Macro Regime Dashboard

The composite regime score rose modestly to +0.09 from +0.06, still in the neutral zone (expansion above +0.25, contraction below -0.25) and tilting positive but short of a confirmed expansion signal. The cycle still reads flat and late stage. Narrowing credit spreads, firmer equities and cooling headline and core inflation sit on one side; a contractionary reading from the Brave-Butters-Kelley leading index (-0.60), falling labor force participation and softer freight volumes (Cass Freight Shipments, -4.8% year over year) sit on the other.

Macro Regime Composite Score



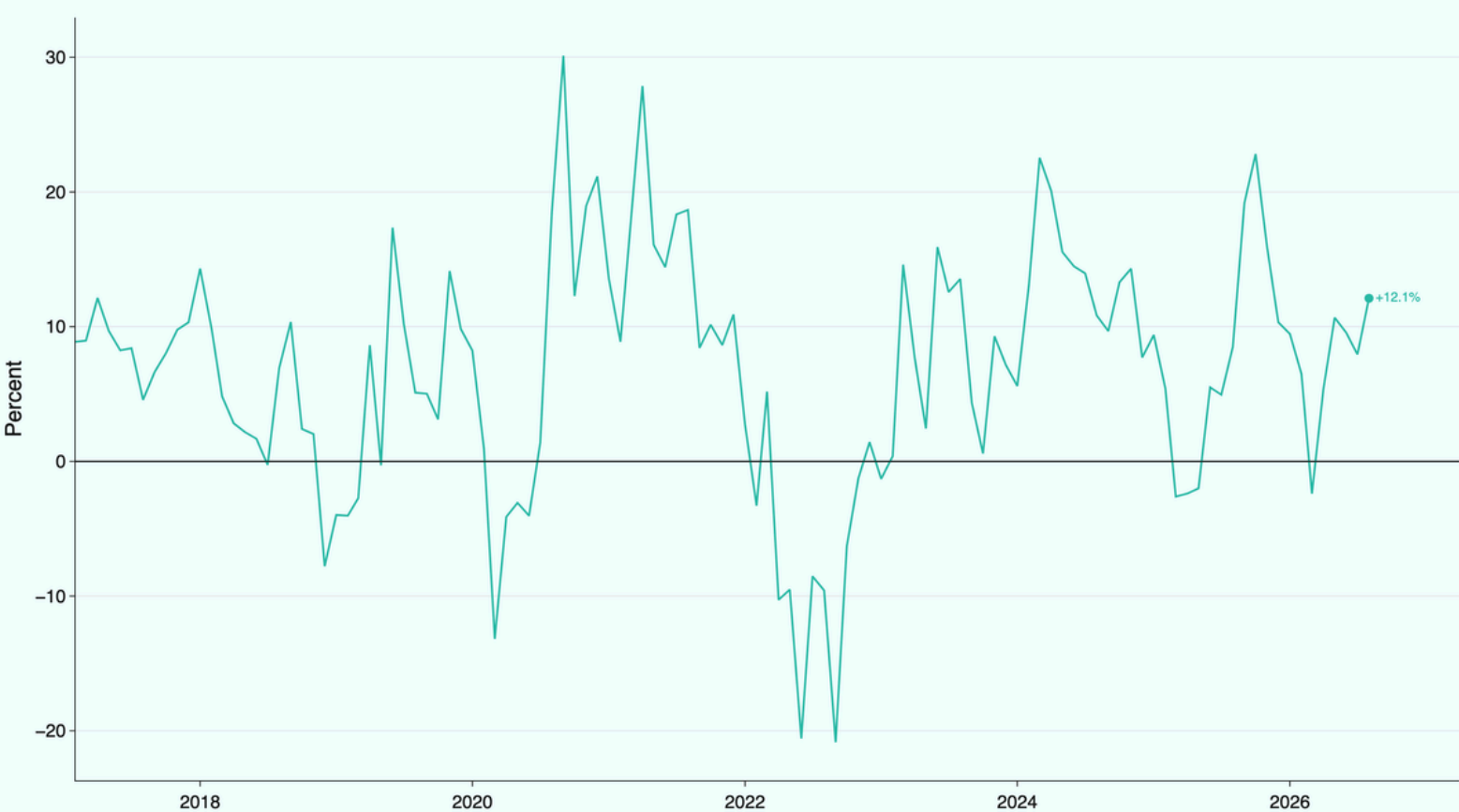
Source: CF Benchmarks, FRED, as of August 31, 2026

Macro Regime Overview - Improving

ICE BofA High-Yield OAS



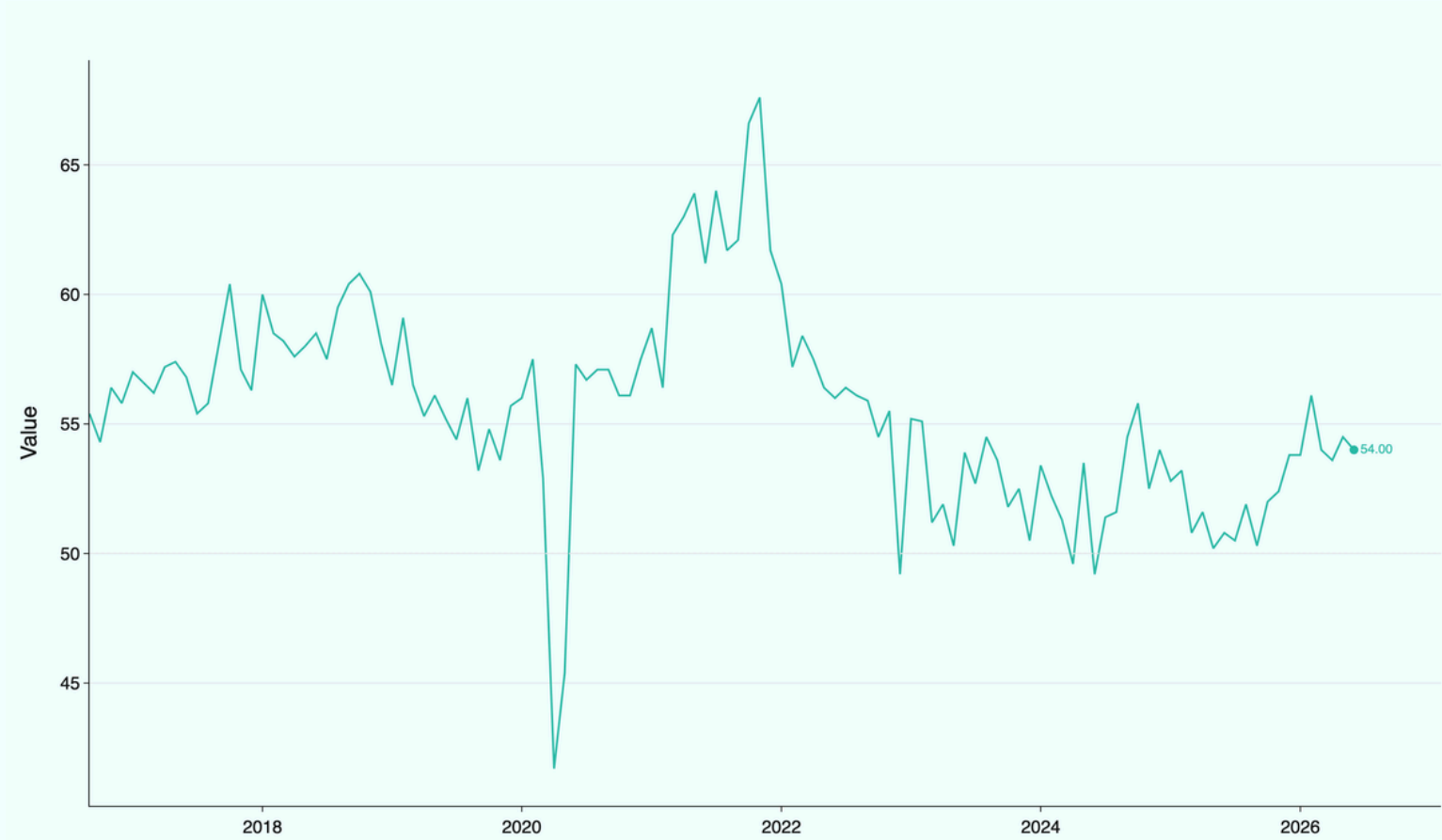
S&P 500 (6mo % change)



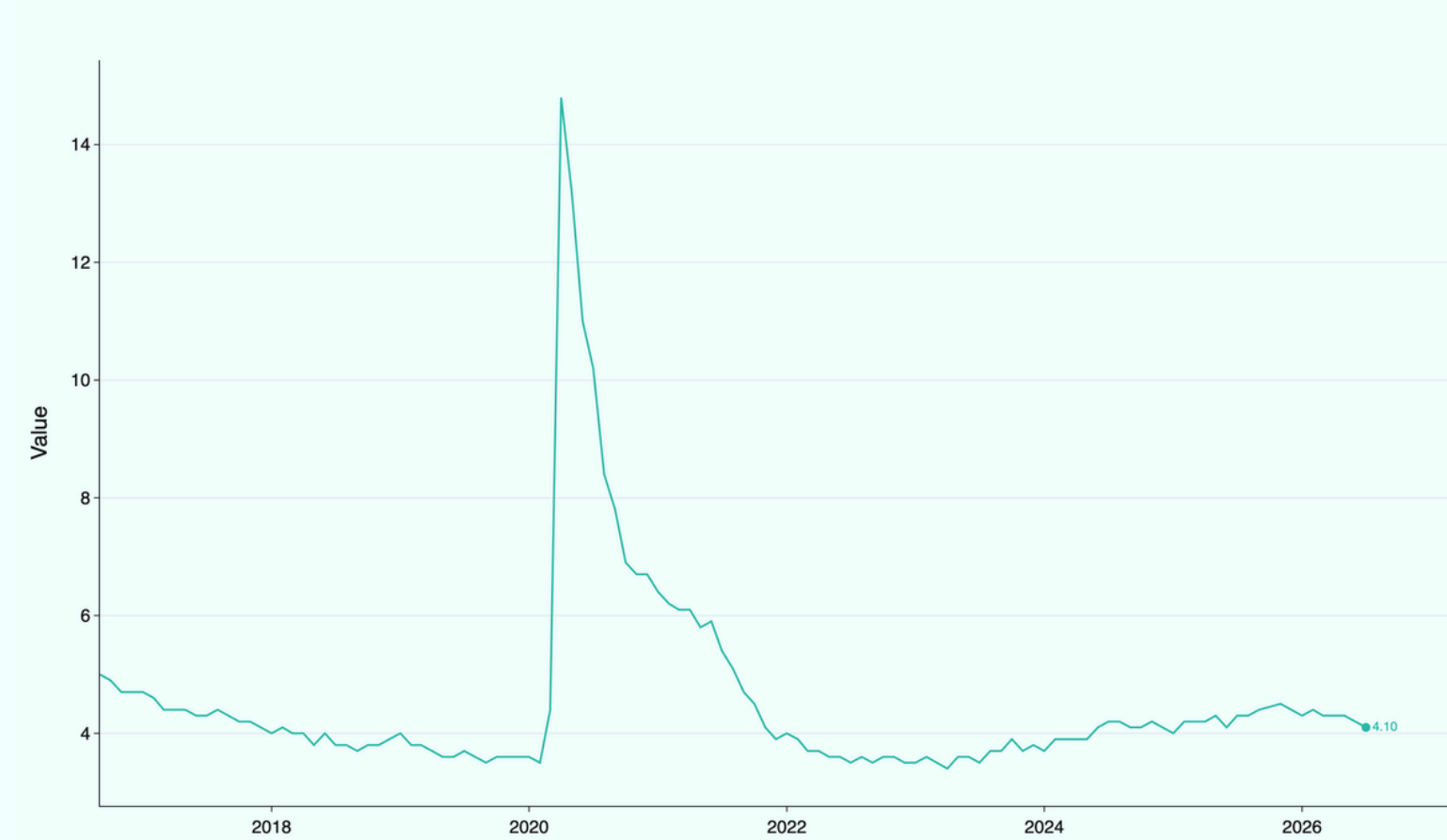
Financial conditions remain relatively loose and continue to support the economy. The ICE BofA High Yield option-adjusted spread narrowed to 2.60% from 2.85%, a move of 0.25 percentage points (pp) that leaves credit markets pricing little stress and is the strongest reading in the leading panel this month. The S&P 500's six-month change firmed to +12.1% from +7.9%, up 4.2 pp month over month (MoM). Together they reflect easier financial conditions and a positive wealth effect that continues to support consumer and business activity.

Macro Regime Overview - Stable

ISM Services PMI



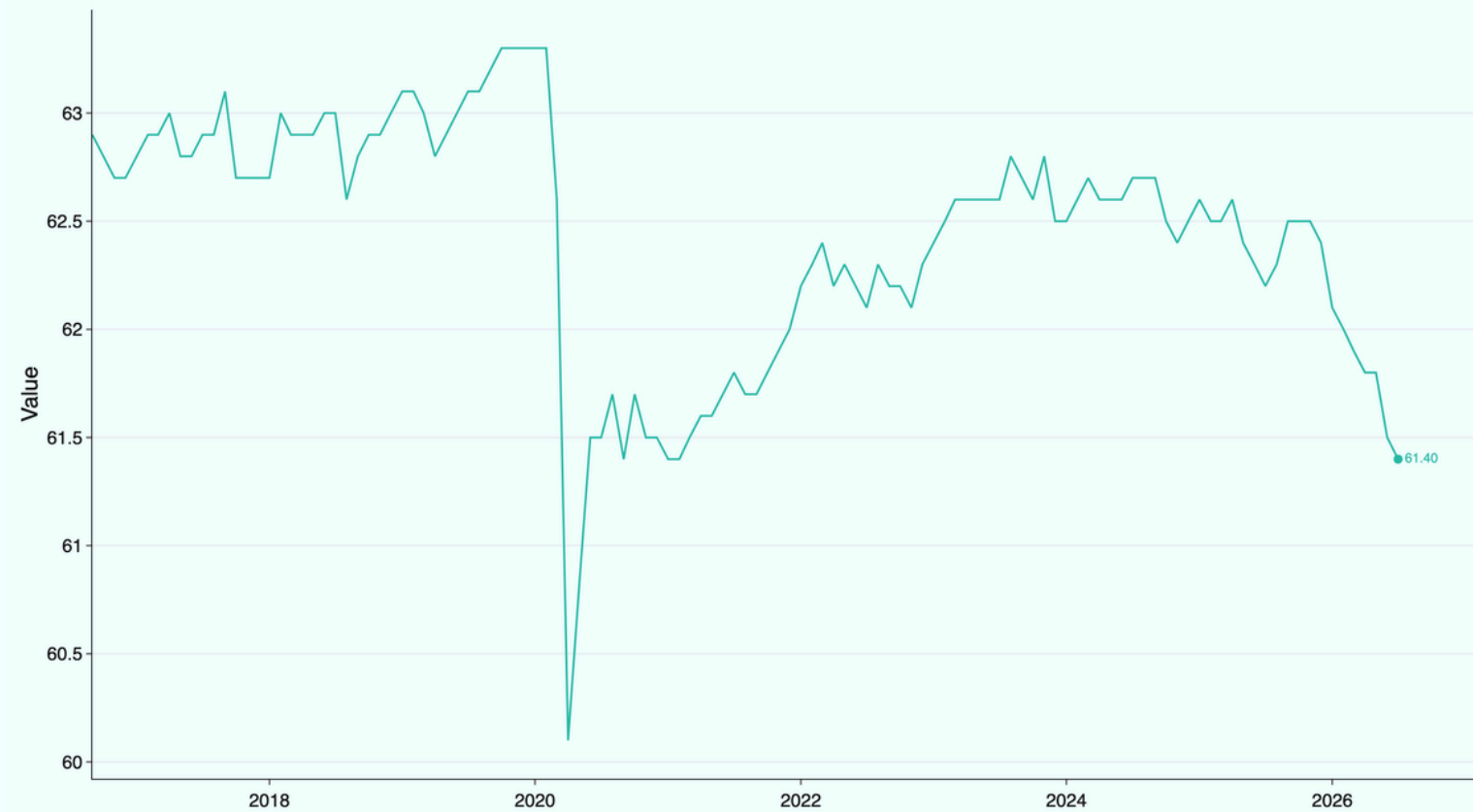
US Unemployment Rate



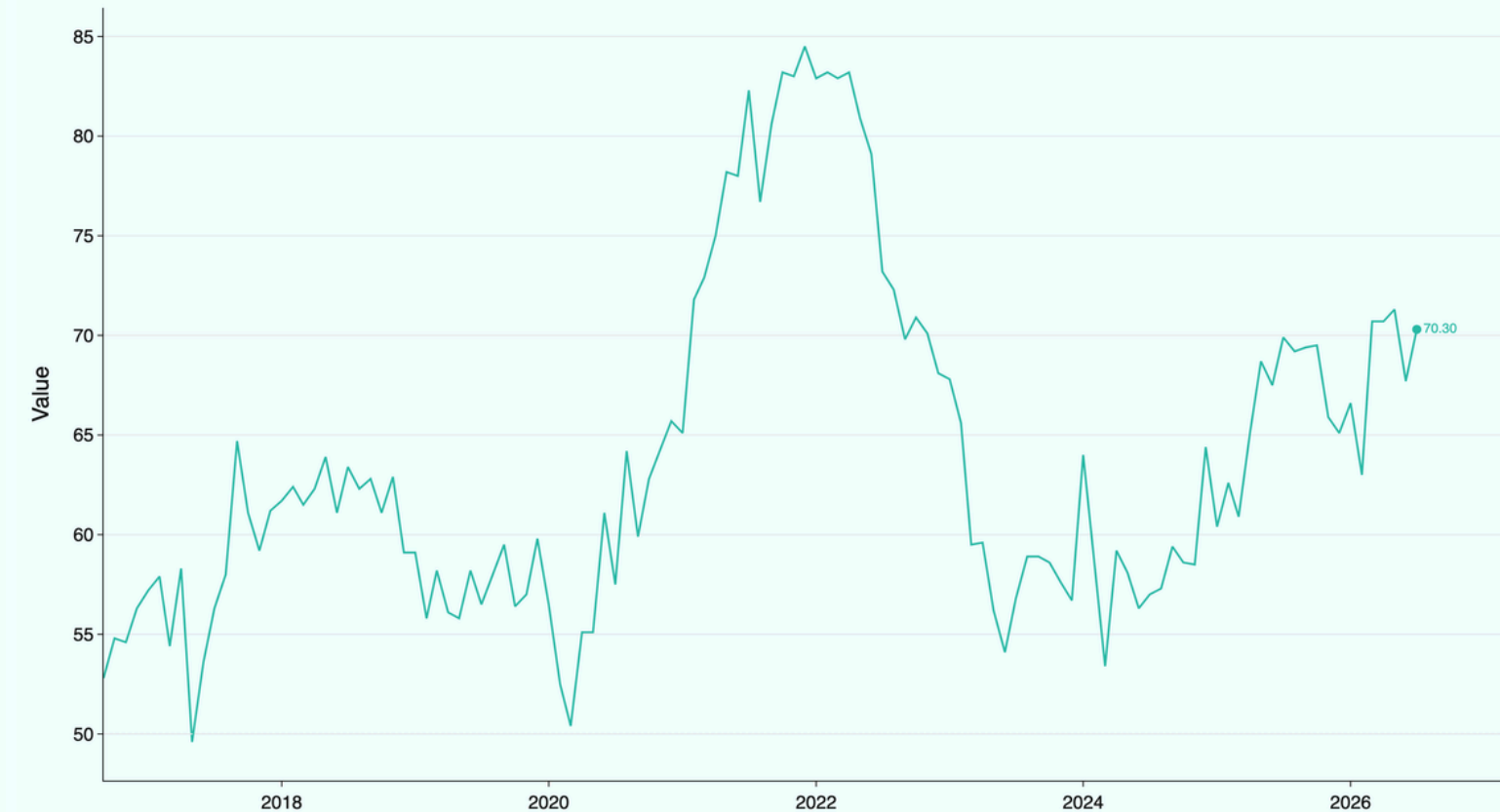
Employment conditions are holding steady while services activity remains in slight expansion. The unemployment rate eased to 4.1% from 4.2%, a decline of 0.1 percentage points (pp) that keeps the labor market on firm footing without signaling acceleration. The ISM Services PMI held at 54.0, down slightly from 54.5 a month earlier but still above the 50 expansion threshold, so the services sector continues to grow, just at a marginally slower pace. Neither series is turning; the read is stability rather than momentum in either direction.

Macro Regime Overview - Deteriorating

Labor Force Participation Rate



ISM Services Prices Paid



Labor force participation is declining while services-sector input costs trend higher, a combination that points to fraying breadth beneath a still-low headline unemployment rate. Labor force participation slipped to 61.4% from 61.5%, a decline of 0.1 percentage points (pp) that leaves fewer workers actively engaged even as the unemployment rate itself holds steady. ISM Services Prices Paid rose to 70.3 from 67.7, up 2.6 points month over month (MoM), signaling renewed input-cost pressure that could feed through to consumer prices.

What We're Watching

We are watching the core inflation measures closely, as any pickup in these could solidify the Federal Reserve's hawkish stance following Chair Warsh's tone at Jackson Hole. Core PCE inflation, the Fed's preferred gauge, was flat at 3.3% year over year (YoY), unchanged month over month (MoM) and still more than a percentage point above the 2% target. Core CPI eased to 2.5% YoY from 2.6%, a 0.1 percentage point (pp) decline that keeps the disinflation trend intact for now. A print that moves either measure back toward its recent highs would corroborate the hawkish repricing already underway.

Core PCE



Source: CF Benchmarks, FRED, as of August 31, 2026

Core CPI

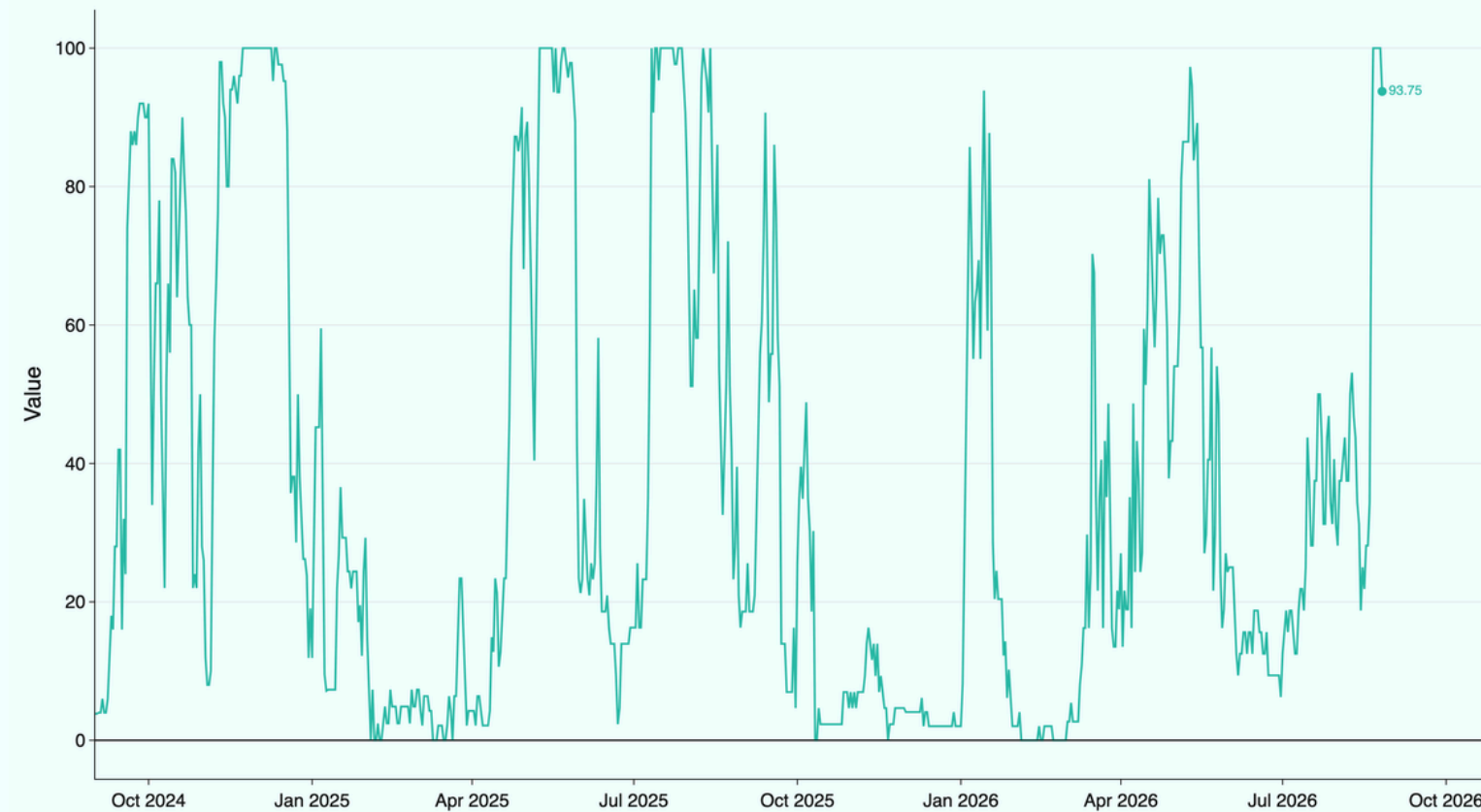


Source: CF Benchmarks, FRED, as of August 31, 2026

Technical Overview

The August Rally Saw Broad Participation

Percent of Broad Cap Constituents Above 50-Day Moving Average



Percent of Broad Cap Constituents Above 200-Day Moving Average



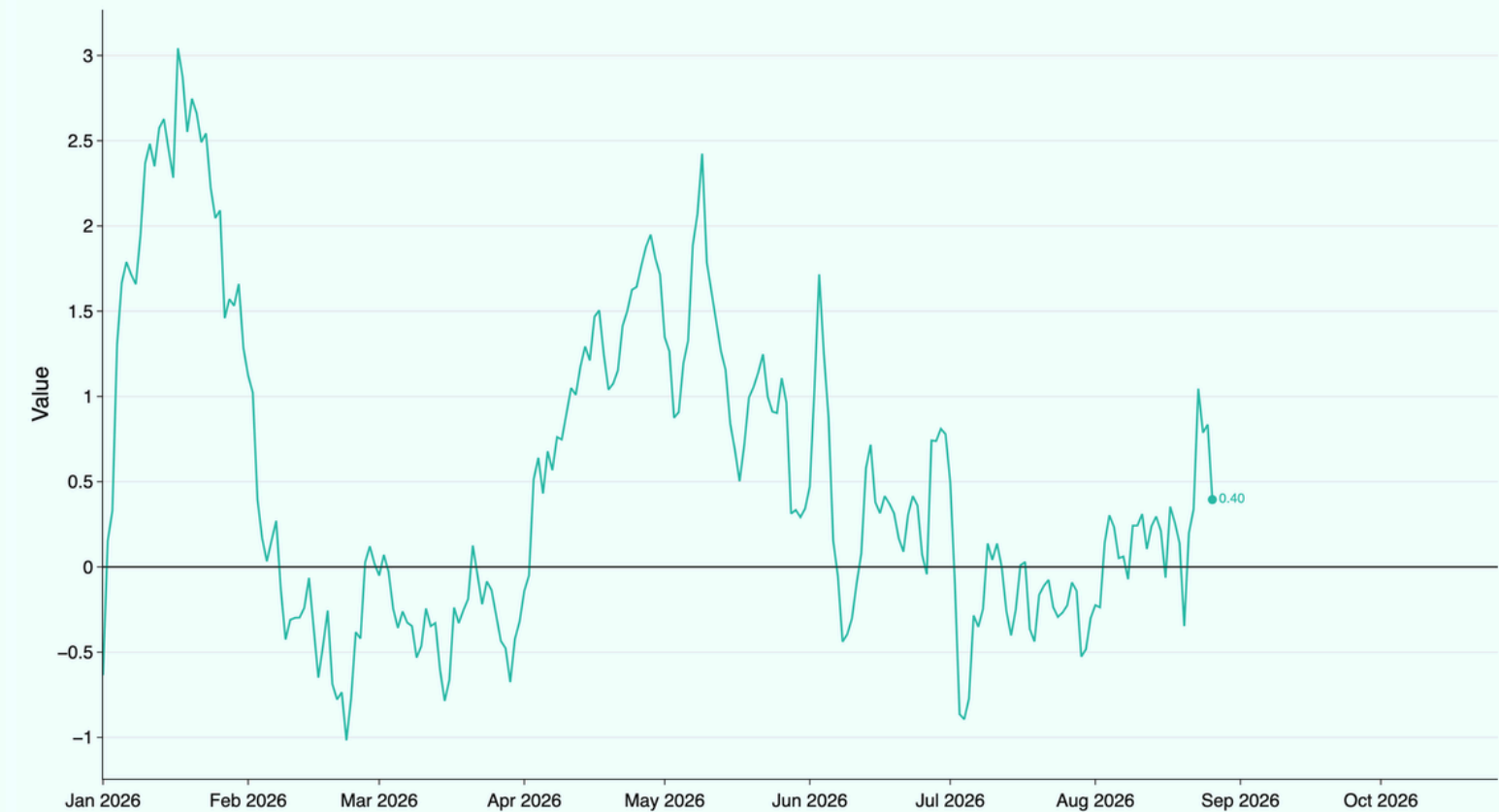
Both measures of market breadth turned decisively higher after mid-August. The share of Broad Cap constituents trading above their 50-day moving average surged from 12.5% on August 16 to 100% by August 21, the first 100% reading since August 13, 2025, before easing to 93.8% into month-end. The 200-day measure climbed to a monthly high of 65.6% on August 23-24, its first print above 50% since October 2025, before pulling back to 46.9% as the rally cooled. Unlike prior rallies led by a handful of large caps, this advance carried most of the Broad Cap universe with it.

Altcoins Led The Rally

Free-Float to Diversified Broad Cap Ratio 1-Year Z-Score



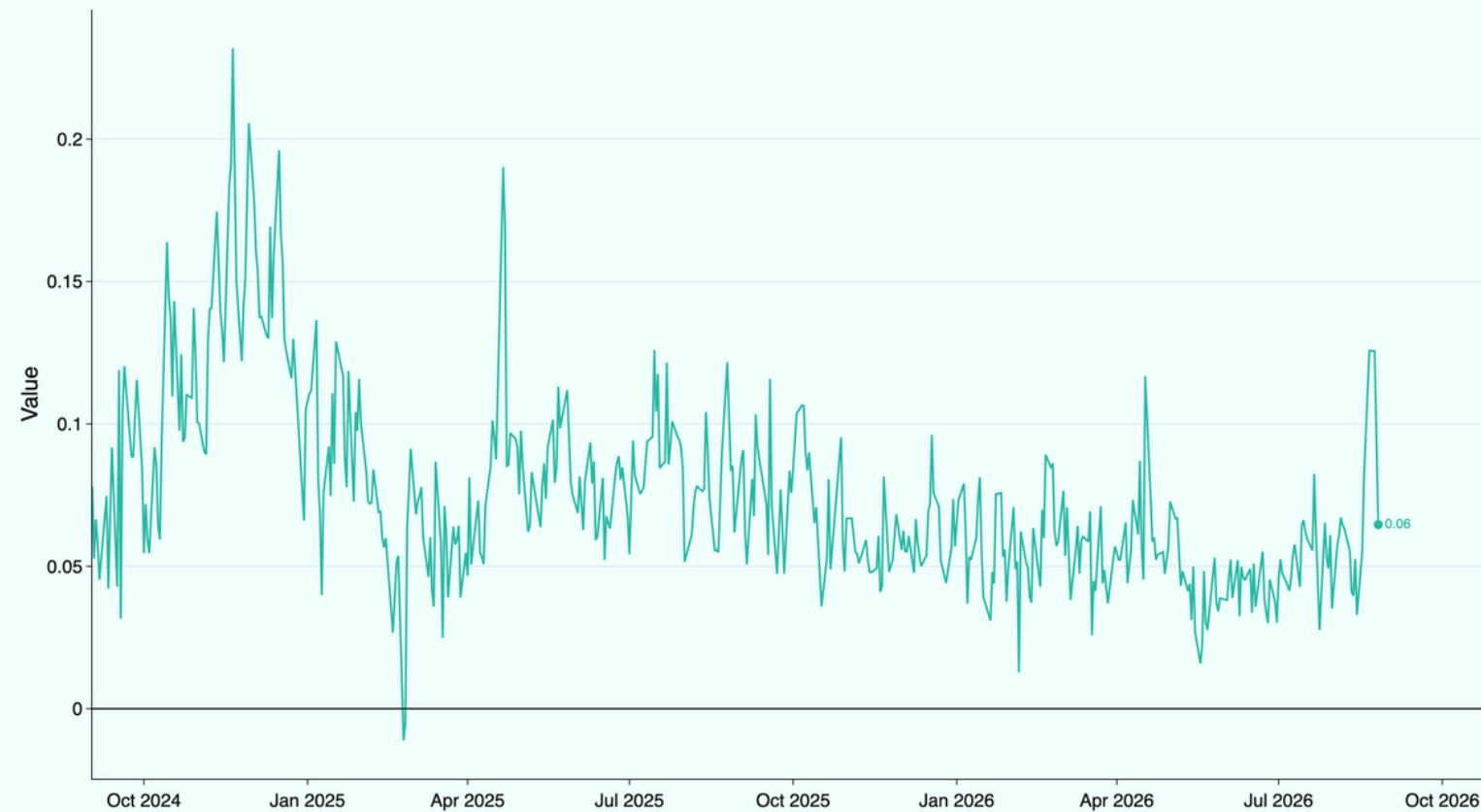
Size Factor 1-Year Z-Score



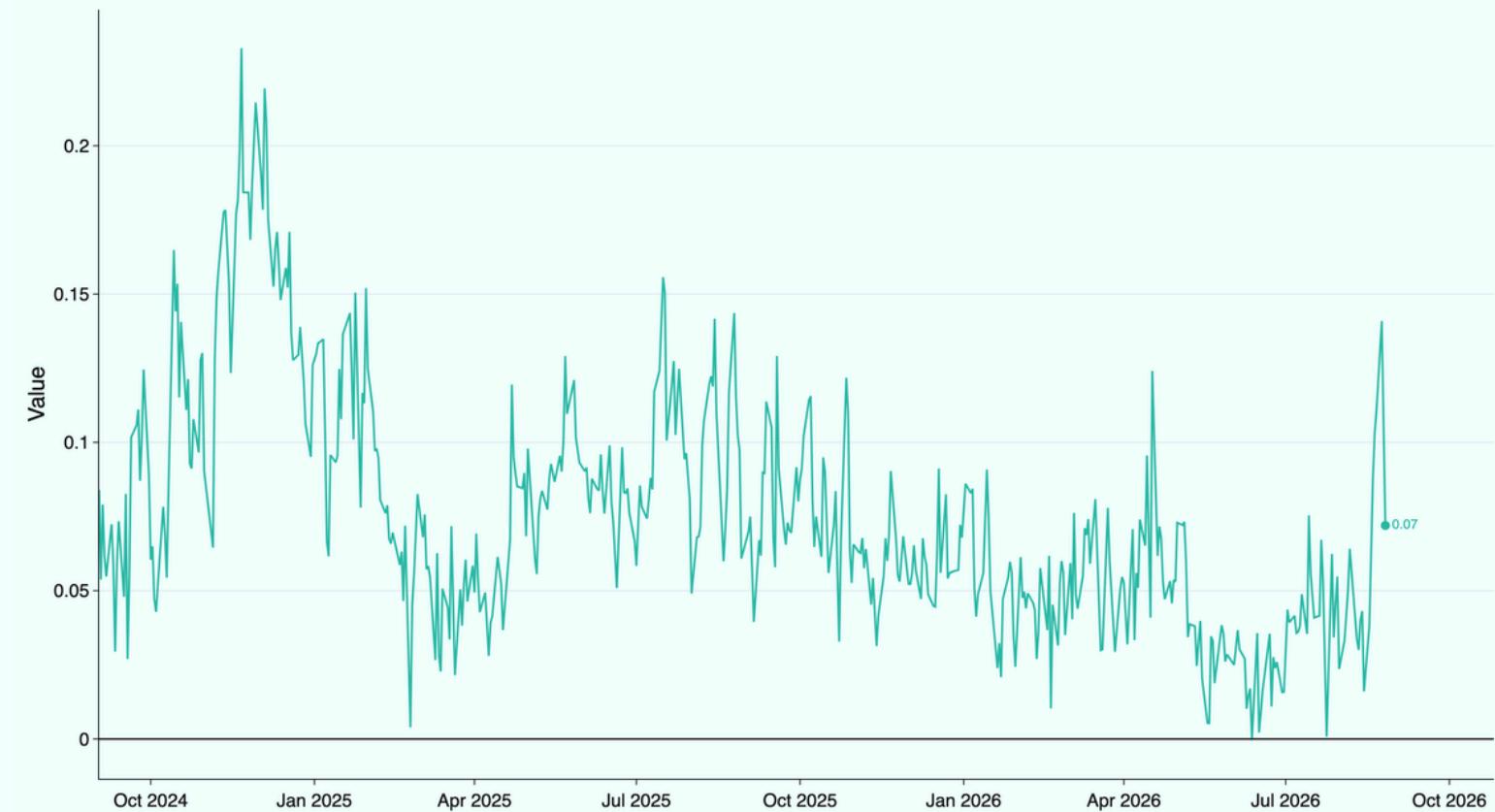
The rally was led by altcoins rather than Bitcoin. The Free-Float to Diversified Broad Cap ratio, which favors the largest constituents when it rises, fell from a z-score of 1.35 on August 18 to -0.15 by August 23 before steadying near 0.27, as smaller constituents outpaced the majors. The size factor's z-score moved in sympathy, rebounding from -0.06 to 1.05 over the same week, one of its sharpest short-term reversals since the market's spring sell-off, before easing to 0.40 into month-end.

CME Basis Expanded to 2026 Highs

CME Bitcoin Basis (Front-Month Contract)



CME Ether Basis (Front-Month Contract)

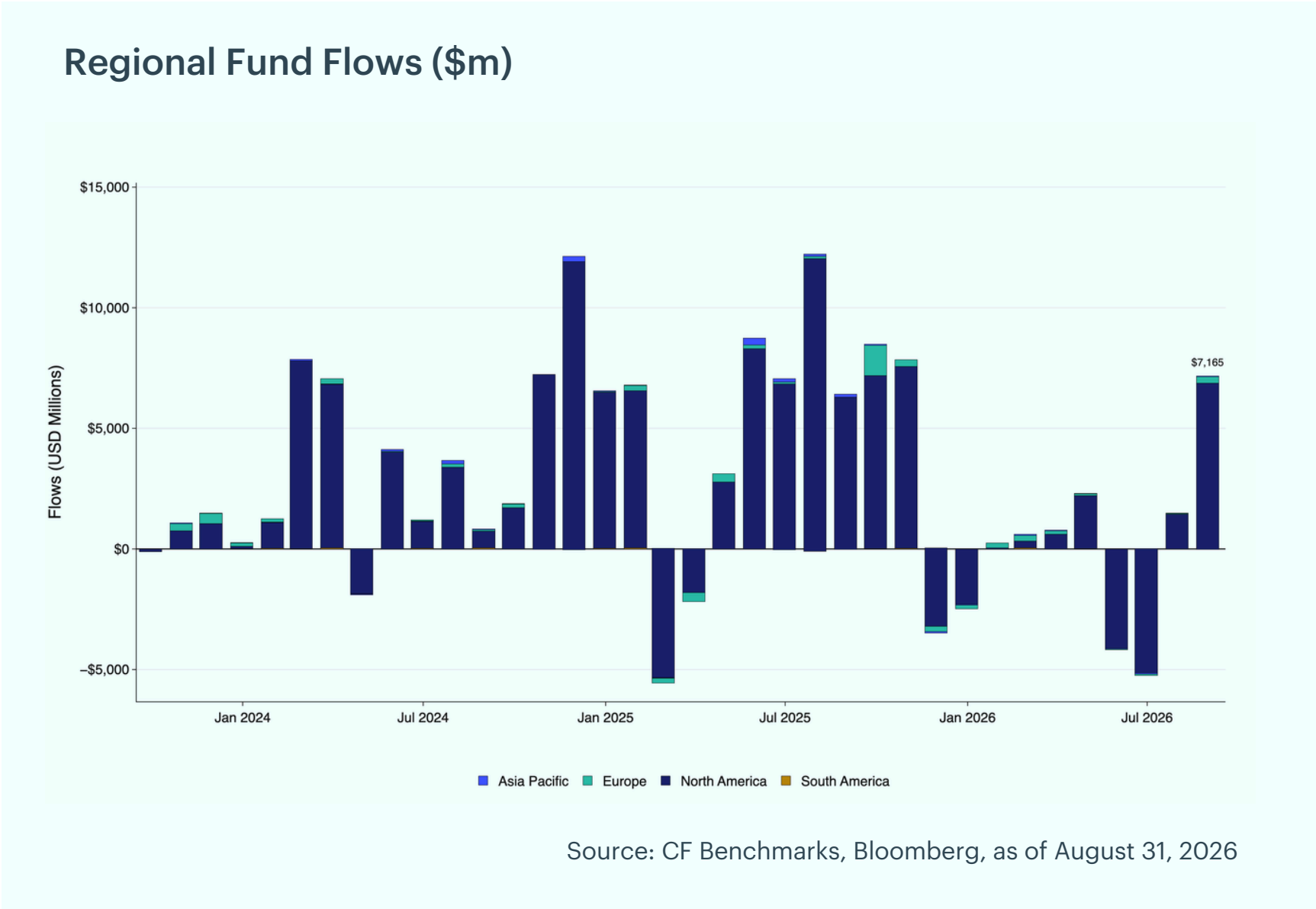
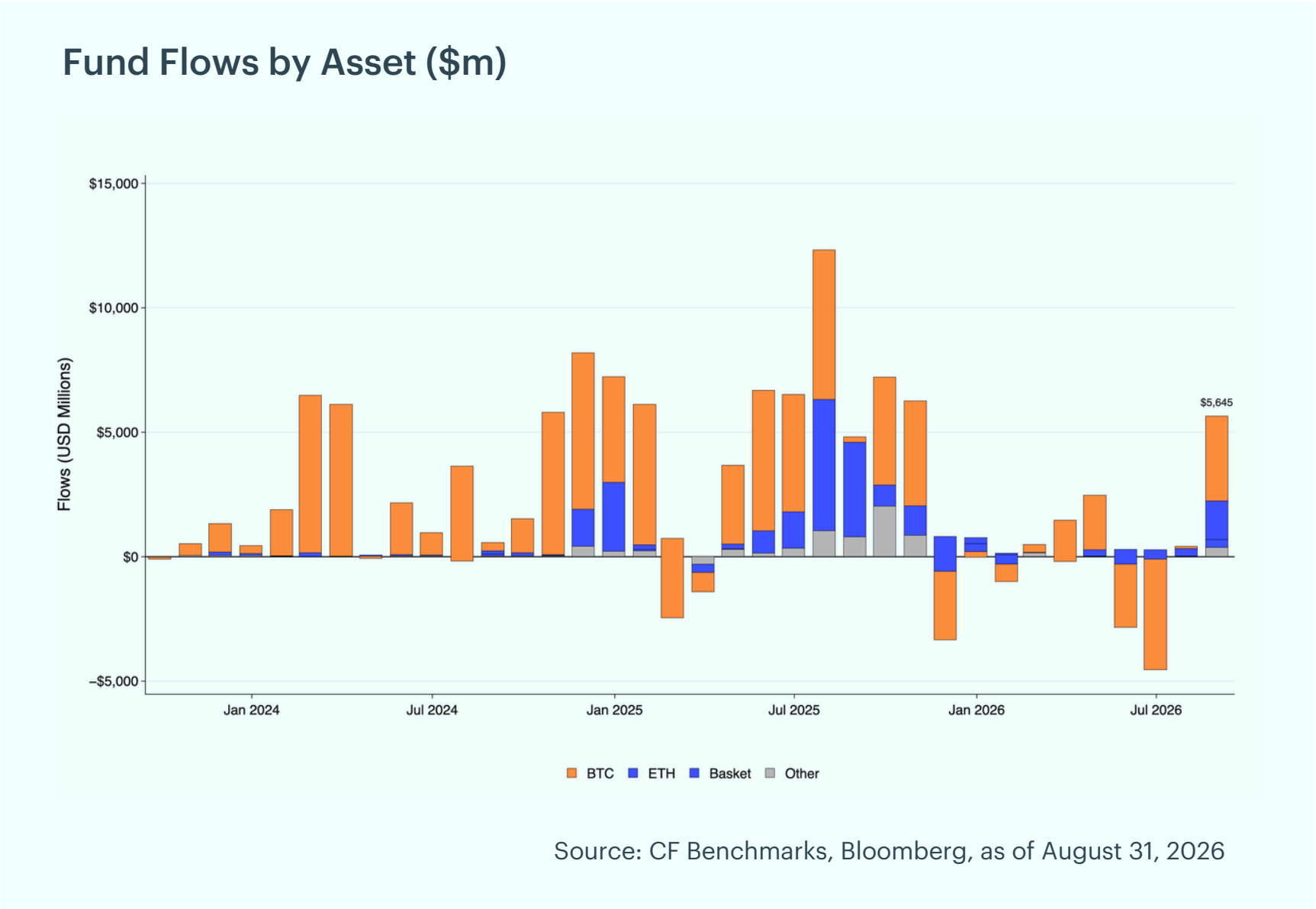


CME futures basis expanded sharply as the rally took hold, consistent with rising leverage demand and pointing to a more durable advance as buyers used derivatives markets to add exposure. The Bitcoin front-month basis widened from roughly 5.5% annualized on August 17 to a 2026 high of 12.6% on August 21, before easing to 6.5% by month-end. Ether's basis followed the same path, expanding from 3.8% to a 2026 high of 14.1% on August 24, before narrowing to 7.2% into month-end.

Investor Activity & Sentiment Positioning

Fund Flows

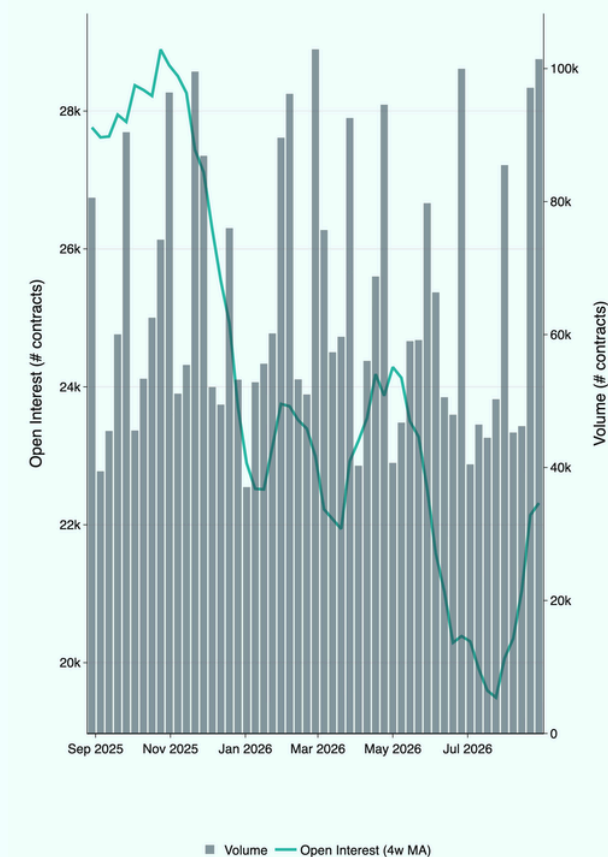
Digital asset funds extended their rebound in August, taking in \$5.6 billion after \$409 million of inflows in July. Bitcoin funds led with \$3.4 billion, the largest monthly figure in this series, up from \$90 million in July. Ether funds drew \$1.6 billion, up from \$297 million, while Basket funds added \$311 million and Other Single Crypto funds added \$379 million. Regional flows, which cover a broader fund universe and do not sum to the headline figure, were led by North America at \$6.9 billion, up from \$1.4 billion in July, with Europe adding \$259 million and Asia Pacific and South America little changed.



Futures Positioning and Open Interest

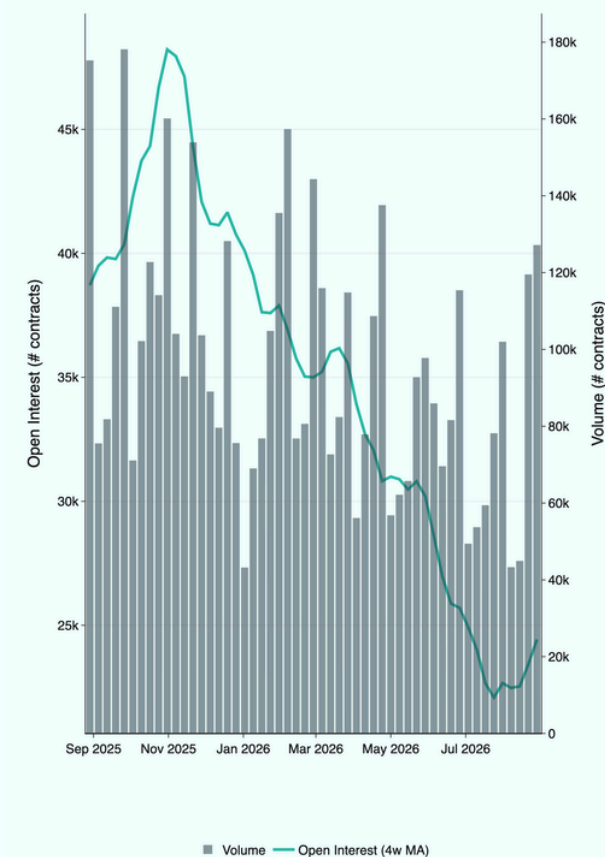
CME futures positioning rose broadly in August. On a four-week moving average basis, XRP open interest rose to roughly 32,936 contracts from 28,021, the largest gain in the group, and Ether (ETH) rose 7.8% to about 24,430 contracts, while Bitcoin (BTC) added 11.2% to roughly 22,315 contracts and Solana (SOL) eased to about 51 contracts. XRP's single-week open interest also jumped 87.8%, from 27,606 to 51,835 contracts. Peak weekly volume was highest in Ether at 180,410 contracts, ahead of Bitcoin's 147,056 and XRP's 120,373.

CME Bitcoin Volume and Open Interest



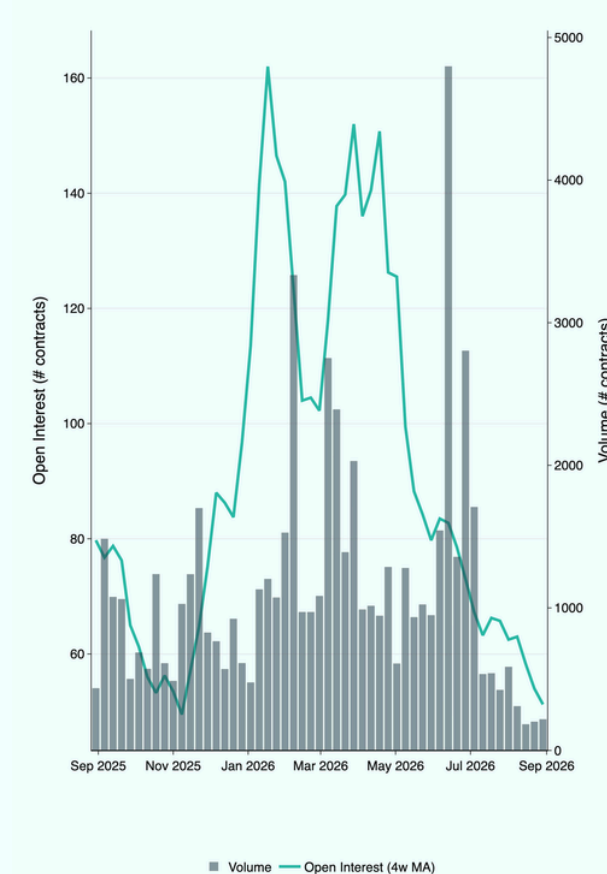
Source: CF Benchmarks, CFTC, Bloomberg,
as of August 31, 2026

CME Ether Volume and Open Interest



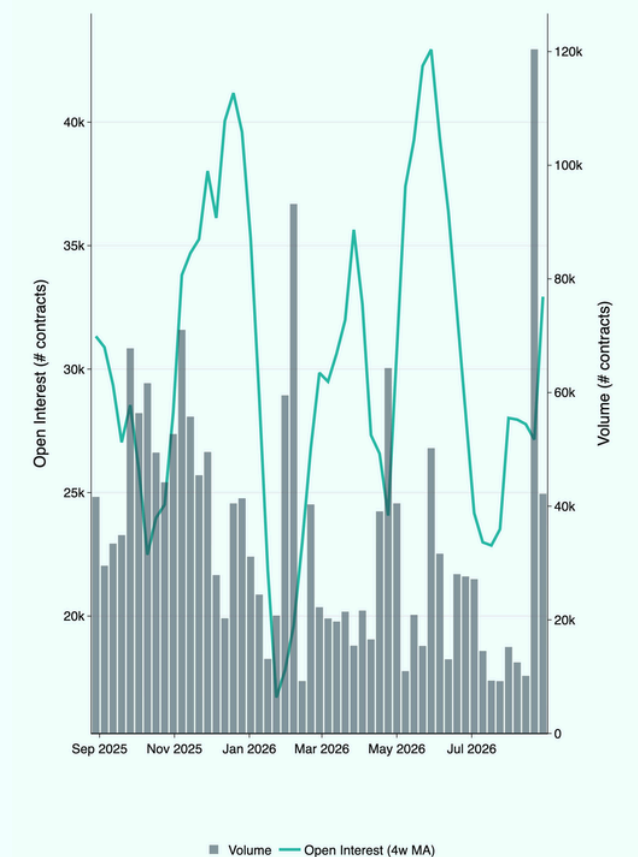
Source: CF Benchmarks, CFTC, Bloomberg,
as of August 31, 2026

CME Solana Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg,
as of August 31, 2026

CME XRP Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg,
as of August 31, 2026

CF Bitcoin Volatility Index (BVX)

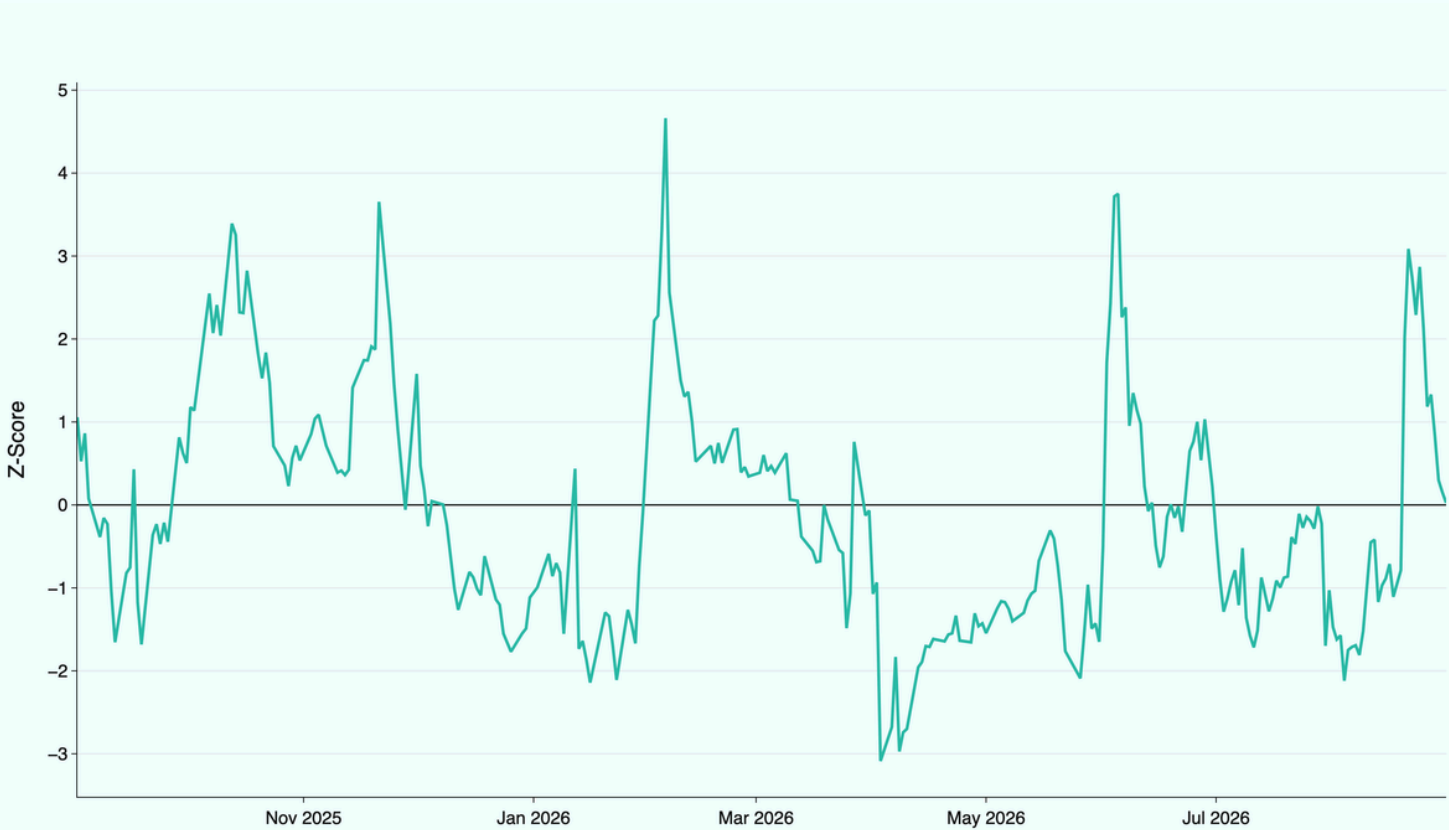
The CF Bitcoin Volatility Index Settlement Rate (BVXS) is a daily benchmark that provides a forward-looking, 30-day constant-maturity measure of implied volatility, derived from CFTC-regulated Bitcoin option contracts traded on the CME. The BVX reflects the fair strike of a variance swap. The BVX rose in August, trading in a 35.49 to 46.31 range and closing the month at 38.75, up 2.2% from 37.90 at the end of July and in the 22nd percentile of its trailing-year range. The rolling 30-day z-score ended the month near neutral at 0.03, after swinging between -2.12 and 3.09 during August.

BVX Index



Source: CF Benchmarks, Bloomberg, as of August 31, 2026

Rolling 30-Day Z-Score



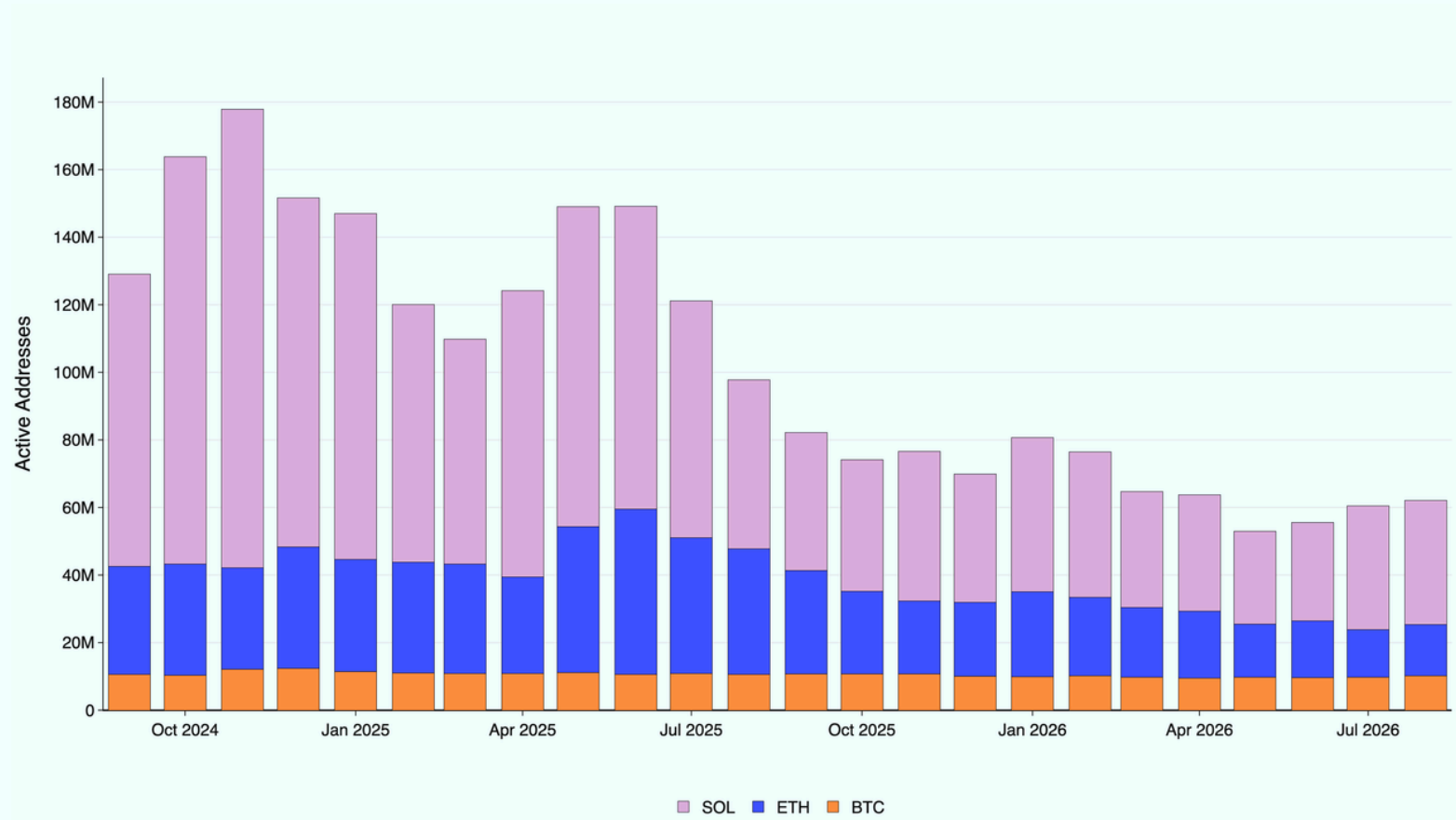
Source: CF Benchmarks, Bloomberg, as of August 31, 2026

Network Fundamentals & Reward Rates

Monthly Active Addresses

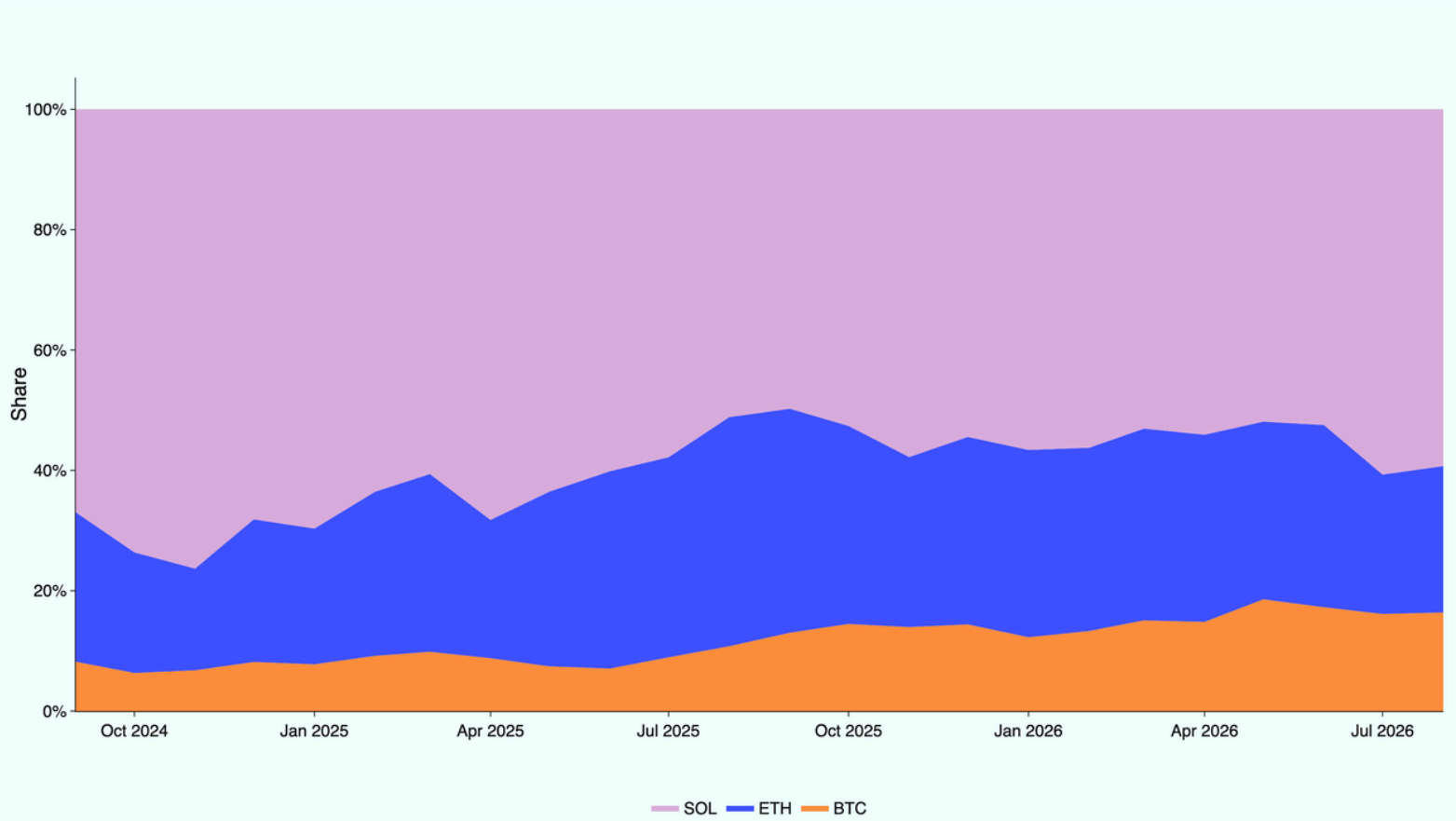
Monthly active addresses rose to 62.1 million across the three tracked networks in August, up 2.7% month over month (MoM) from 60.5 million. The gain was driven by Ethereum (ETH), where active addresses climbed 7.8% to 15.1 million, with Bitcoin (BTC) adding 4.3% to 10.2 million. Solana (SOL) was little changed at 36.8 million, up 0.3%, and remained roughly 59% of the tracked total.

Active Addresses



Source: CF Benchmarks, Token Terminal, as of August 31, 2026

Share of Active Addresses

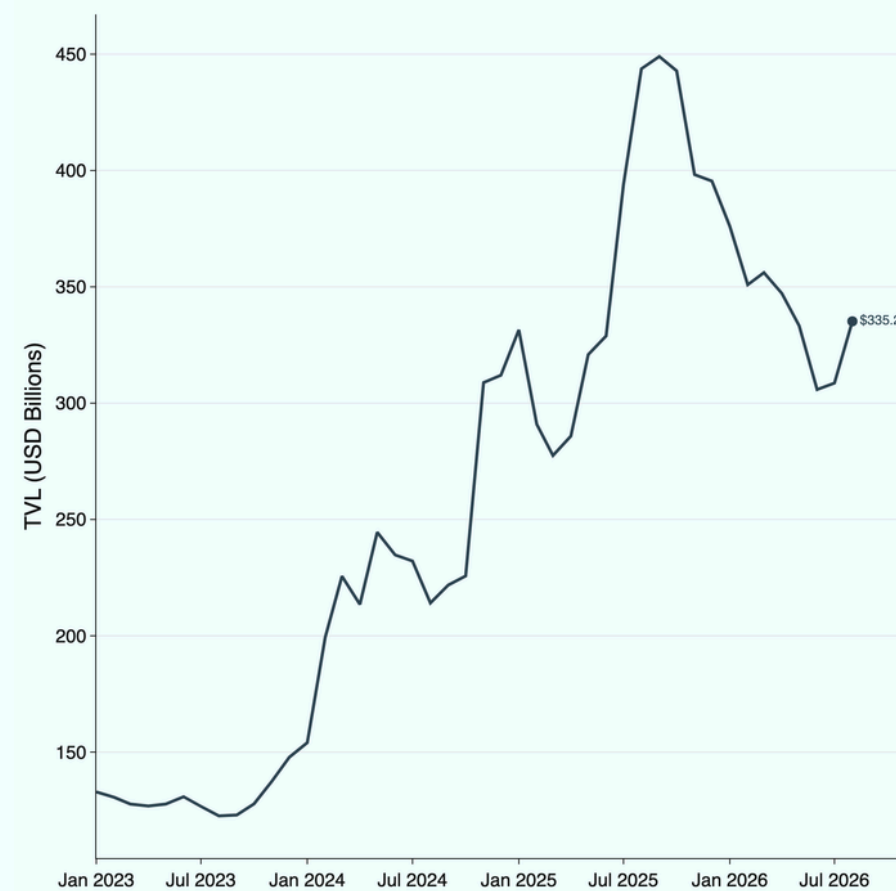


Source: CF Benchmarks, Token Terminal, as of August 31, 2026

Total Value Locked (TVL) in DeFi Protocols

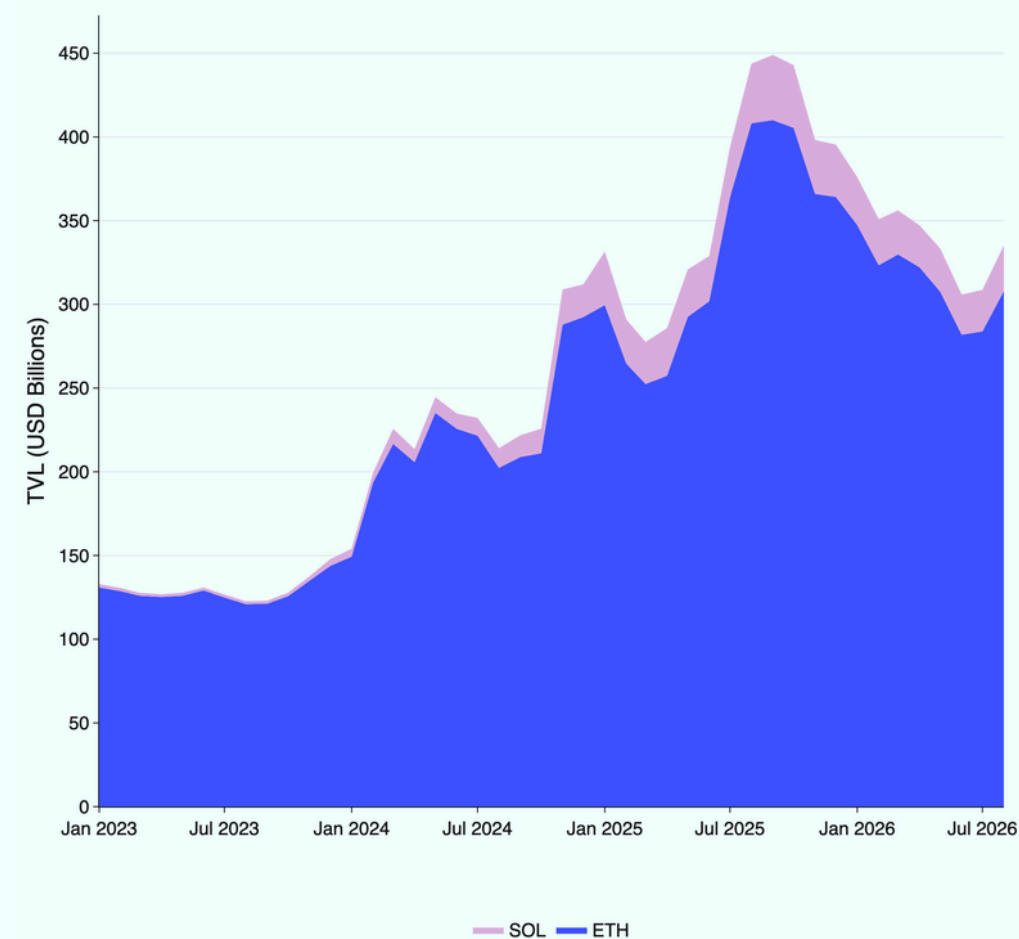
Total Value Locked (TVL) in decentralized finance (DeFi) represents the aggregate value of assets deposited across DeFi protocols, expressed in U.S. dollars. It serves as a key indicator of the sector's overall health and growth. Total Value Locked rose 8.6% in August to \$335.2B, up from \$308.6B in July. Ethereum TVL rose to \$307.9B (+8.5%) while Solana TVL rose to \$27.3B (+9.8%), leaving Ethereum at roughly 92% of the tracked total.

Total TVL



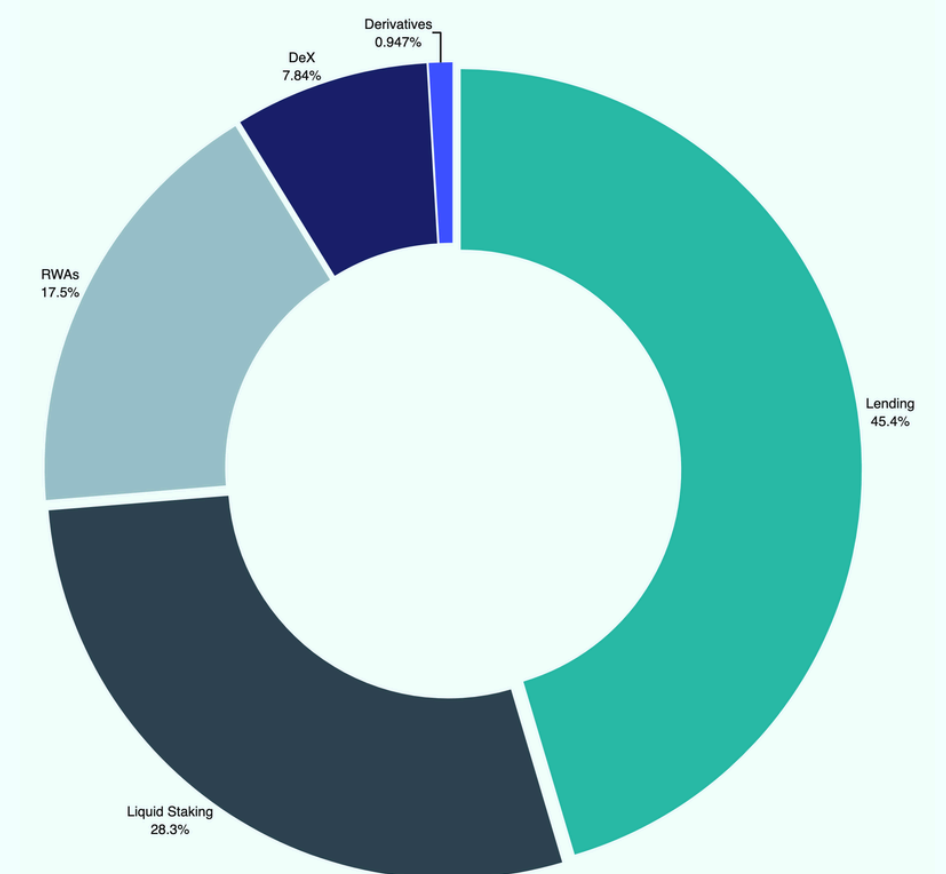
Source: CF Benchmarks, Token Terminal,
as of August 31, 2026

TVL by Chain



Source: CF Benchmarks, Token Terminal,
as of August 31, 2026

TVL By Segment

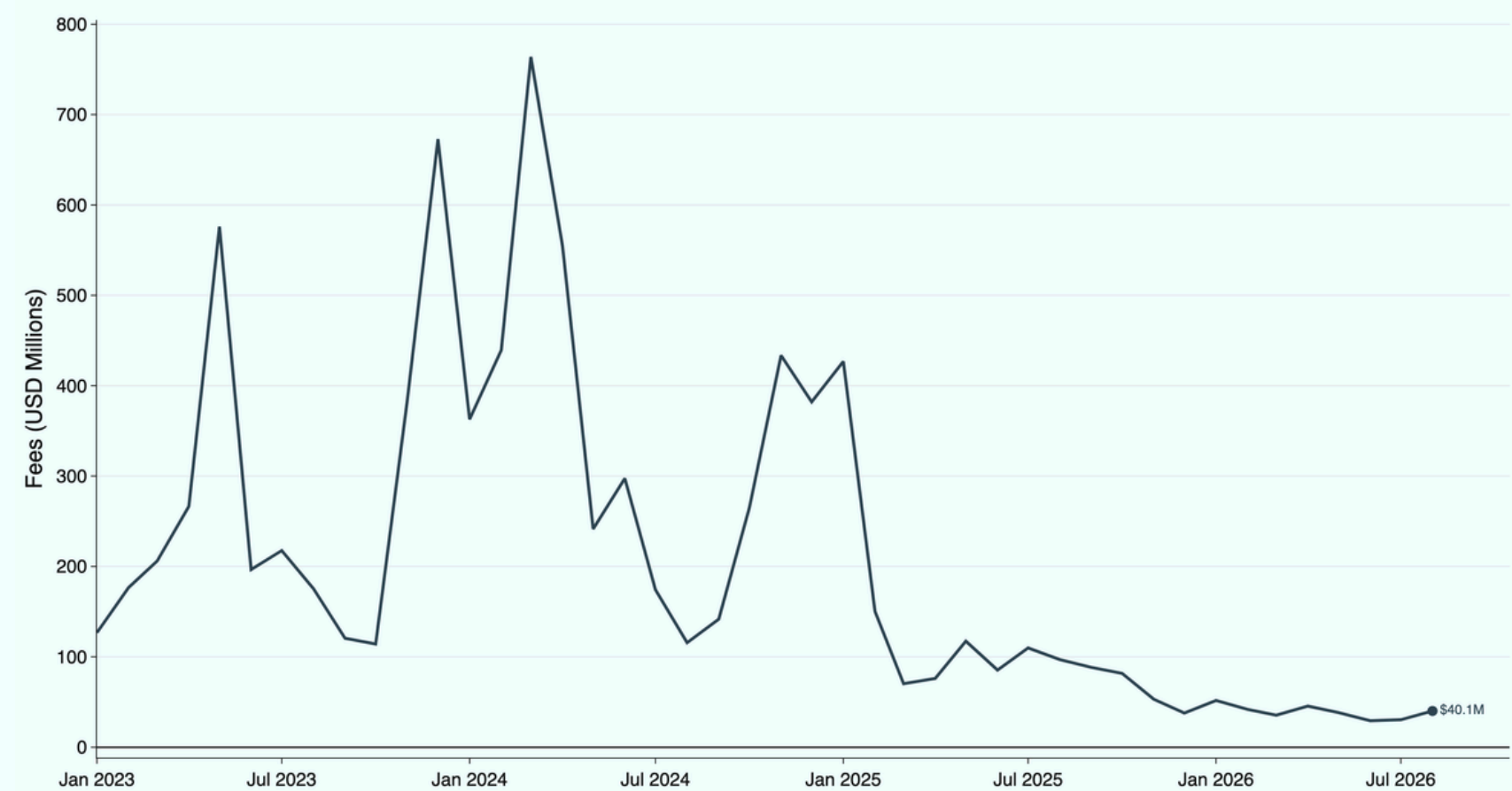


Source: CF Benchmarks, Token Terminal,
as of August 31, 2026

Layer-1 Fee Overview

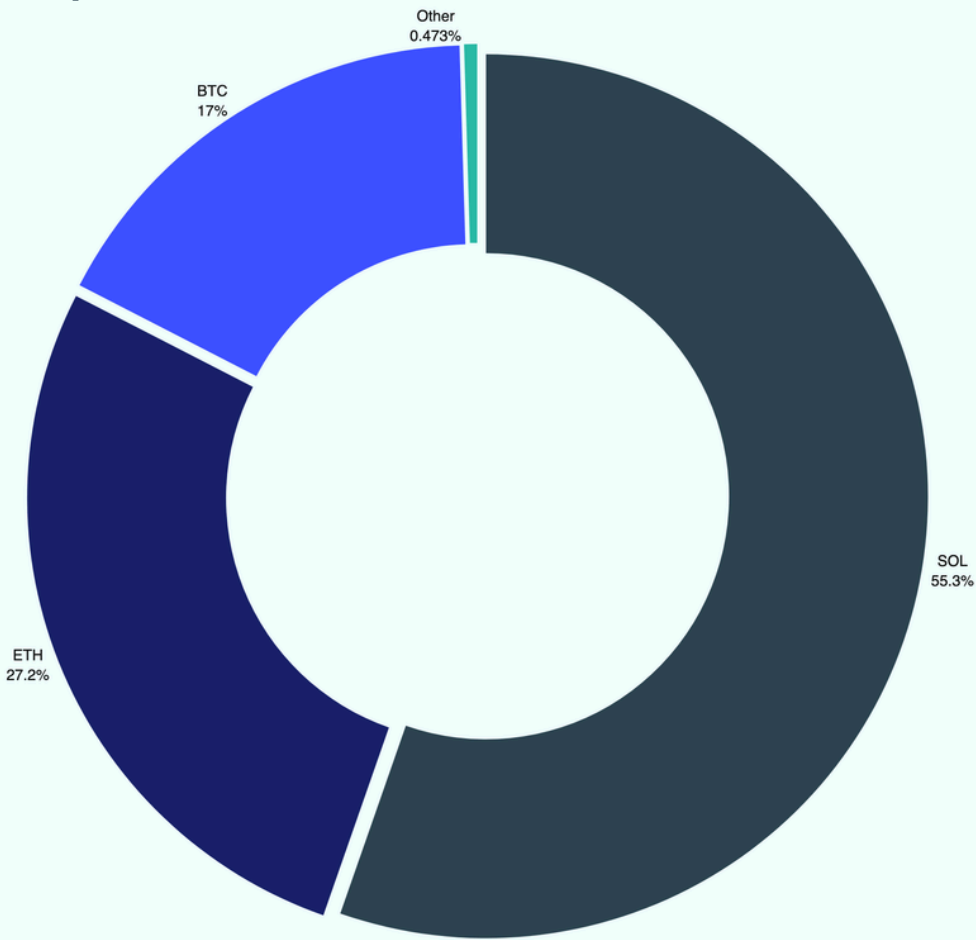
Fees are the charges users pay to record transactions and data on a blockchain and act as a gauge for demand to use these networks. They tend to rise when there is an influx of new users on-chain and can fall when activity wanes or scaling upgrades reduce costs. Total Layer-1 fees rose 32.1% month-over-month in August to \$40.1M from \$30.3M in July, a move of more than 20% on the month. Solana led with \$22.2M (55.4%) on a 40.9% increase, followed by Ethereum at \$10.9M (27.2%, up 29.6%) and Bitcoin at \$6.8M (17.0%, up 13.6%).

Monthly L1 Fees Paid



Source: CF Benchmarks, Token Terminal, as of August 31, 2026

Share of Layer 1 Fees

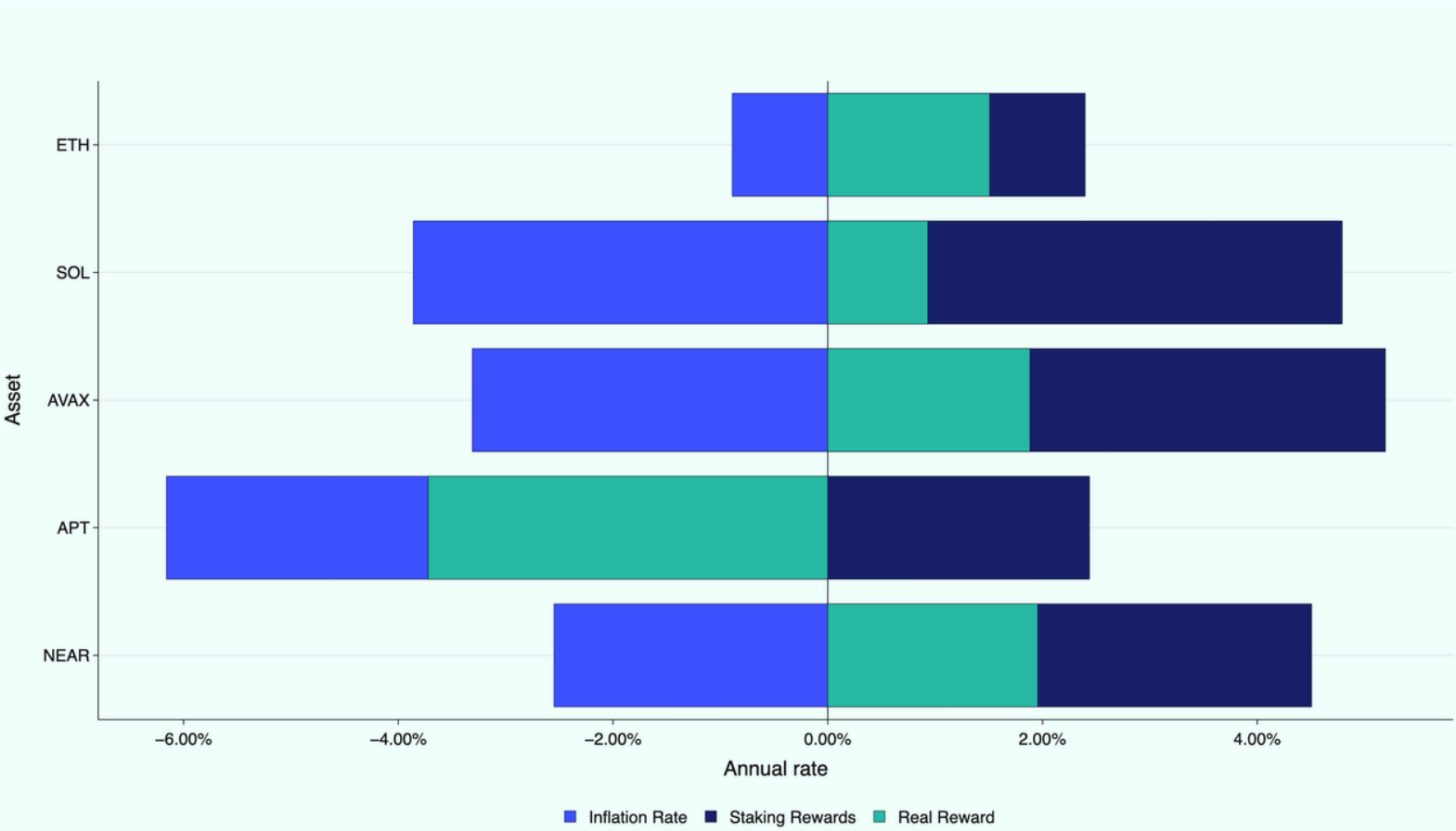


Source: CF Benchmarks, Token Terminal, as of August 31, 2026
“Other” Represents the sum of the fees on Cardano, DOGE, Sui, and XLM

Staking Rewards & Inflation Rates

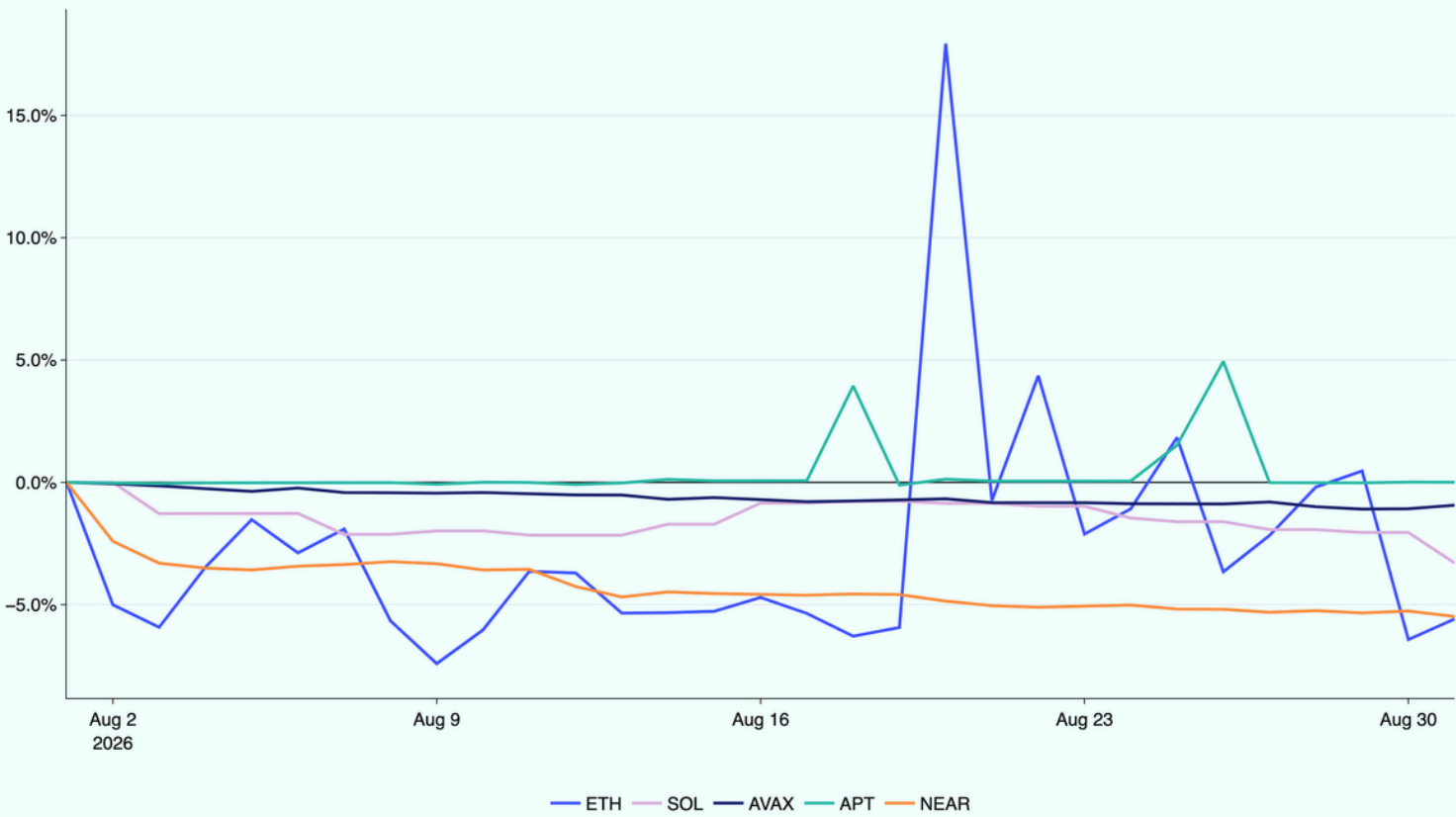
The reward rate in a Proof-of-Stake (PoS) blockchain is the annual return validators earn for staking, typically expressed as a percentage. It depends on factors such as total staked tokens, network yield, and protocol incentives. Inflation and staking participation strongly influence real returns: higher inflation raises nominal rewards but dilutes token value, while greater staking participation reduces individual yields yet strengthens network security and decentralization.

Staking Real Yields



Source: CF Benchmarks, stakingrewards.com as of August 31, 2026

Monthly Change in Reward Rate



Source: CF Benchmarks as of August 31, 2026

CF Staking Reward Rates as of August 31st

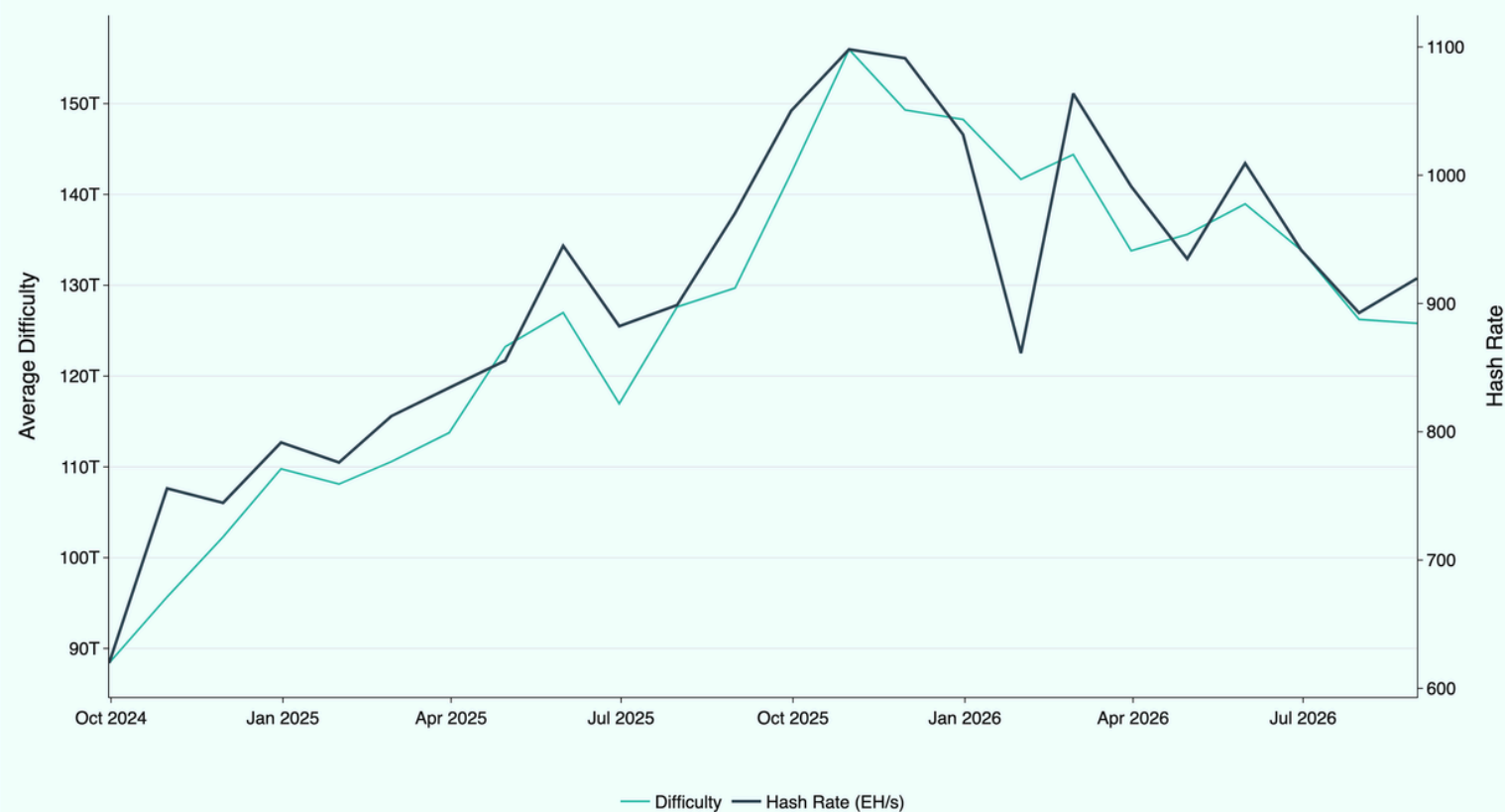
ETH	SOL	AVAX	APT	NEAR
2.40%	4.79%	5.19%	2.44%	4.51%

Bitcoin's Hash Rate & Mining Revenue

Bitcoin's hash rate rose 3.0% in August, climbing to 919.6 exahashes per second from 892.7 EH/s at July's end, and ranged between 845.7 and 938.3 EH/s during the month. Mining difficulty, which measures the computational effort required to mine a new block and adjusts to maintain consistent block times, eased 0.3% to 125.8T, little changed after hash power recovered late in the month.

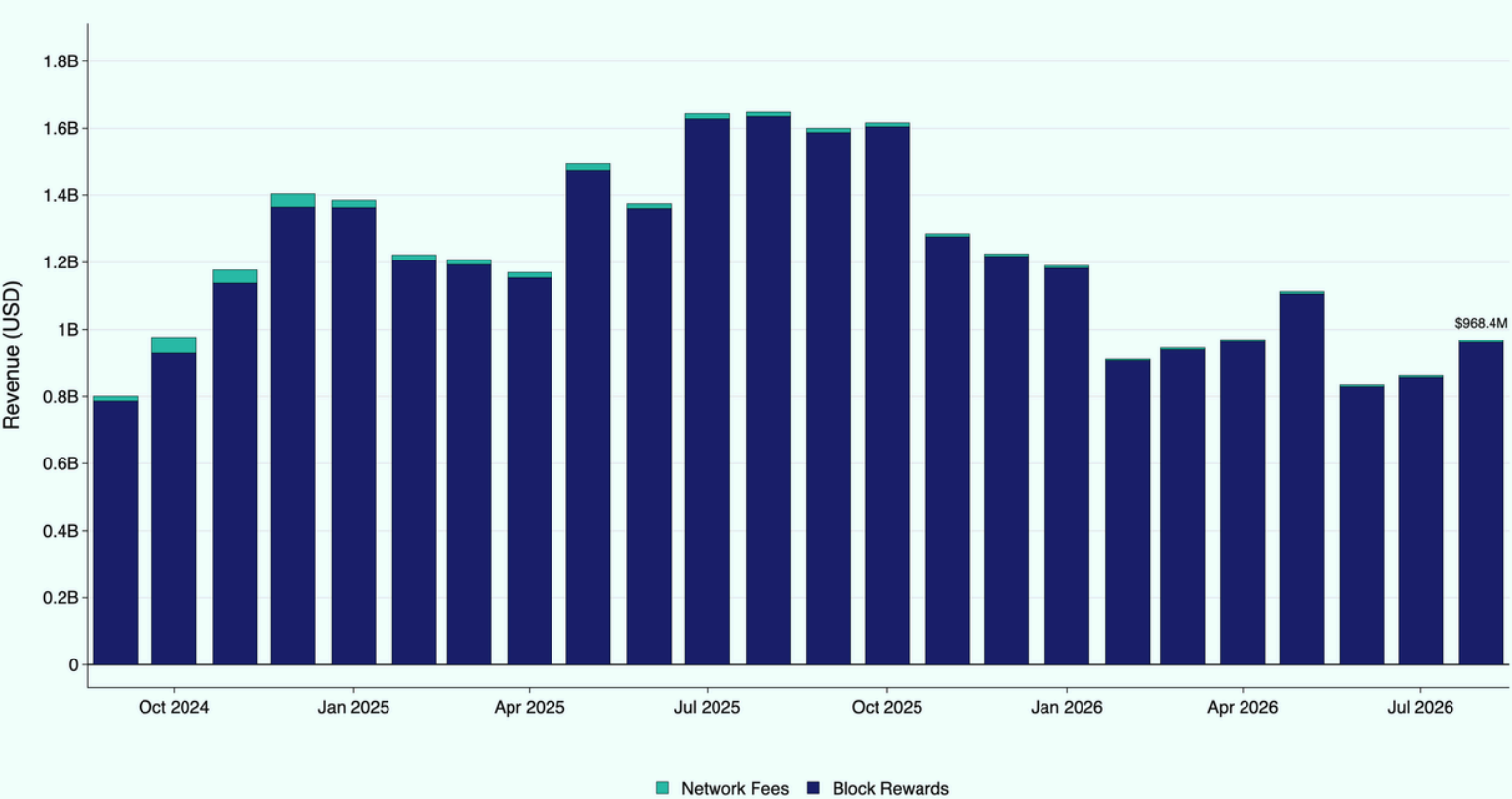
Bitcoin miners saw a 12.1% increase in revenue in August, with total mining revenue of \$968.4 million. Of the total rewards earned during the month, 0.7% came from transaction fees, with block rewards totaling \$961.6 million and fees contributing \$6.8 million. Revenue rose alongside a 3.0% gain in hash rate and a 24.7% rise in Bitcoin's price through the month.

Hash Rate and Difficulty



Source: CF Benchmarks, Dune Analytics as of August 31, 2026

Bitcoin Mining Revenues by Month



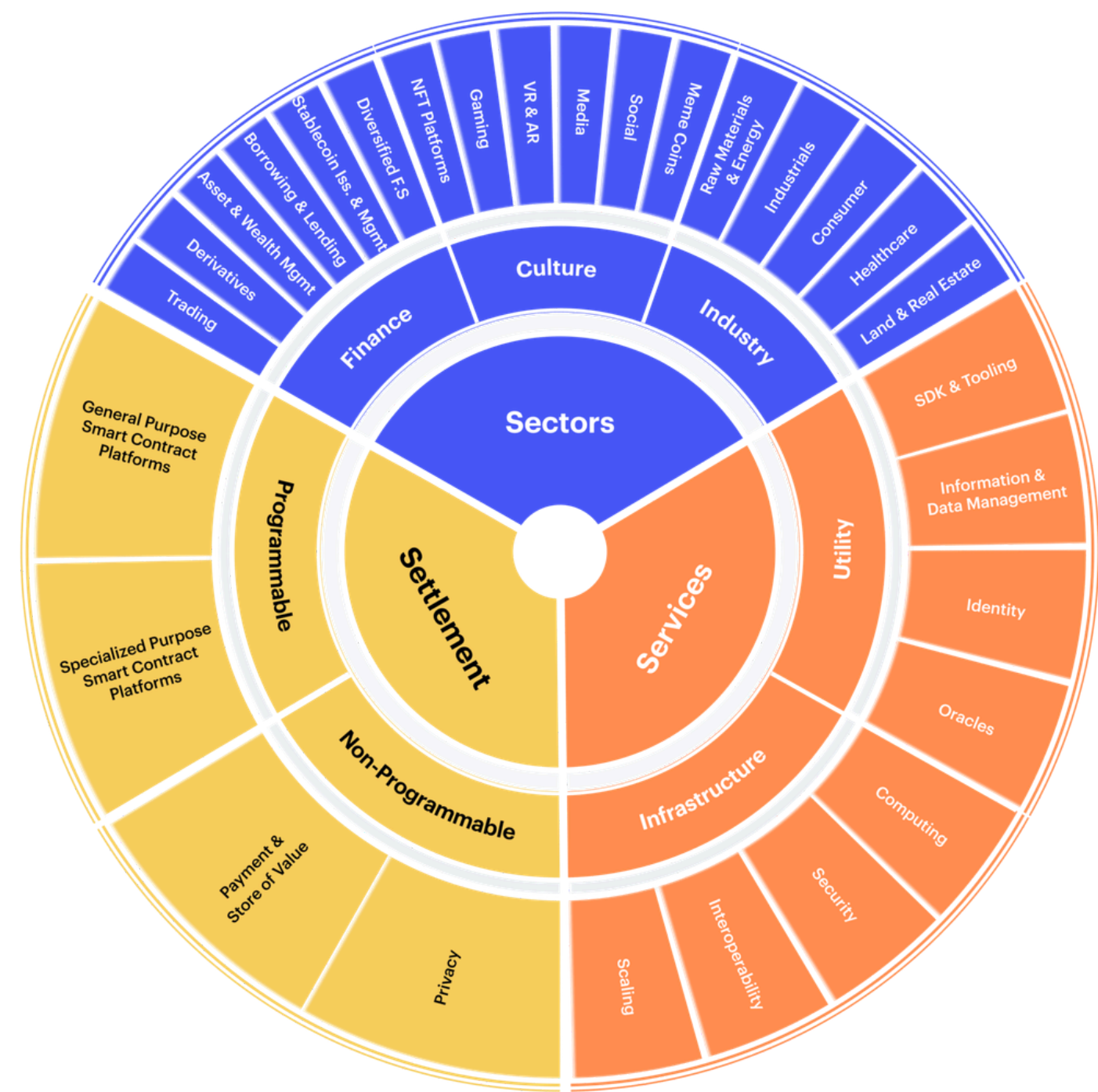
Source: CF Benchmarks, Dune Analytics as of August 31, 2026

Appendix

CF Digital Asset Classification Structure

CF Digital Asset Classification Structure

The CF Digital Asset Classification Structure (CF DACS) classifies coins and tokens based on the services that the associated software protocol delivers to end users, grouping assets by the role they play in delivering services to end users. The CF DACS powers CF Benchmarks' sector composite and category portfolio indices and allows users to perform attribution analysis to better understand the fundamental drivers of returns within their digital asset portfolios.



Additional Resources

Index Resources

For more information about our CF Benchmark indices and our methodologies, please visit the respective web links below:

- [CF Diversified Large Cap Index](#)
- [CF DeFi Composite Index](#)
- [CF Web 3.0 Smart Contract Platforms Index](#)
- [CF Digital Culture Composite Index](#)
- [CF Cryptocurrency Ultra Cap 5 Index](#)
- [CF Broad Cap Index Market Cap Weight](#)
- [CF Broad Cap Index Diversified Weight](#)

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