

Monthly Market Recap

September 2026

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Market Performance

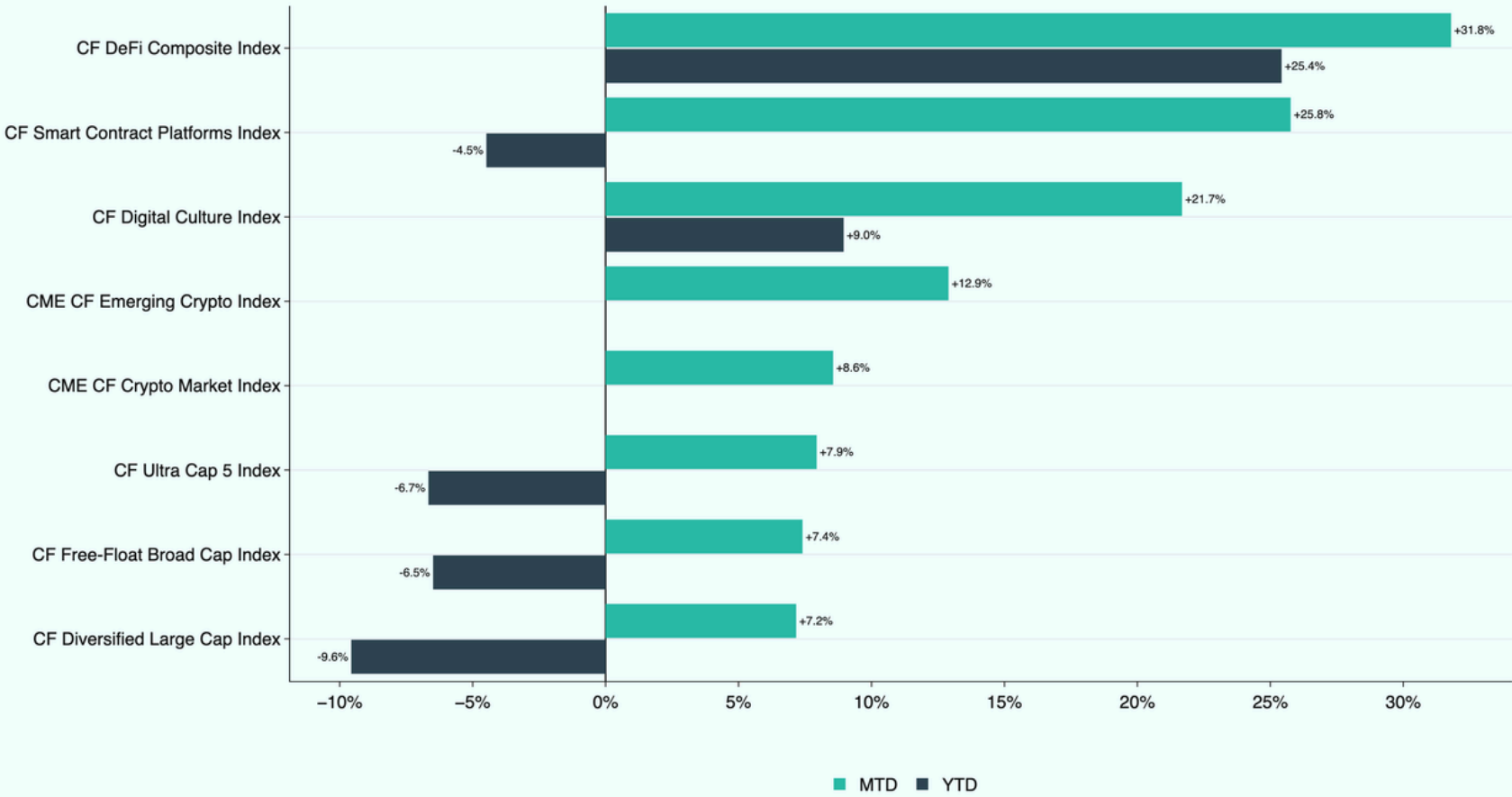
Crypto Rallies After The CLARITY Act Stalls

Market Summary

The Federal Reserve raised its policy rate by 25 basis points to 3.75% to 4.00% on September 16, its first hike since July 2023, in a unanimous 12-0 vote, with Chair Warsh saying inflation had been too high for too long. The data gave mixed support: August payrolls rose 162,000 against a 53,000 consensus, headline CPI held at 3.4% year over year while core CPI eased to 2.4%, its lowest since March 2021, and core PCE was 3.0%. Long-dated Treasuries sold off, with the 10-year yield climbing above 5.25% even after the Treasury tripled its long-dated buyback to \$6 billion on September 10. Gold fell and the dollar firmed, while renewed U.S.-Iran strikes lifted Brent to \$107 on September 28. In Washington, the CLARITY Act failed a Senate cloture vote 49-50 on September 15. Equities were mixed, with the S&P 500 down 0.5% and the Nasdaq Composite up 1.9%. Digital assets extended their rally regardless, and Bitcoin funds drew \$2.5 billion of inflows.

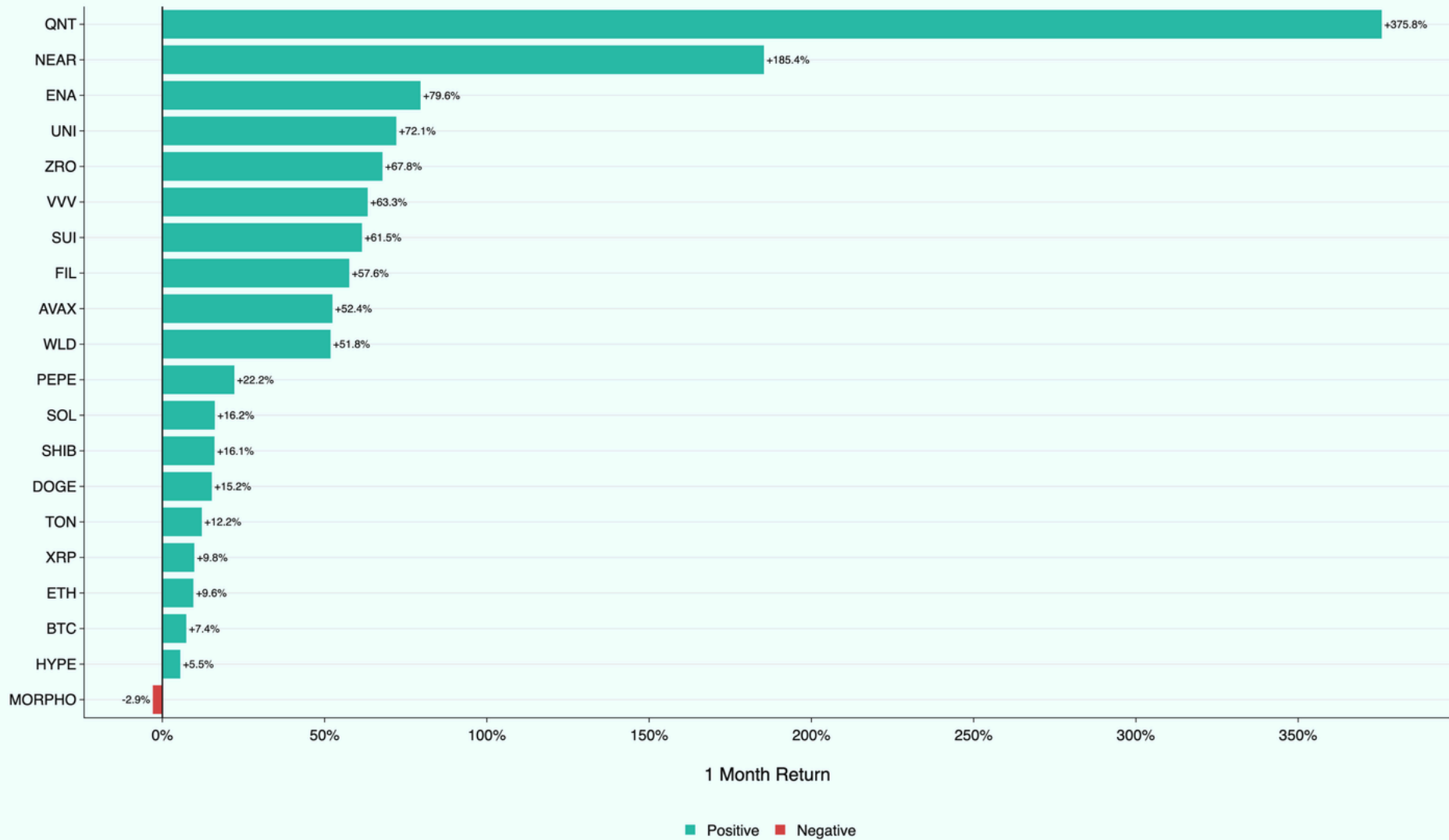
Last month's price action delivered gains across all eight CF Benchmarks indices. The CF DeFi Composite Index led, up 31.8% month-to-date (MTD), followed by the CF Web 3.0 Smart Contract Platforms Index at 25.8% and the CF Digital Culture Index at 21.7%. The CME CF Emerging Crypto Index added 12.9% and the CME CF Crypto Market Index 8.6%, while the broader benchmarks trailed: the CF Cryptocurrency Ultra Cap 5 Index rose 7.9%, the CF Free-Float Broad Cap Index 7.4% and the CF Diversified Large Cap Index 7.2%. On a year-to-date (YTD) basis, the CF DeFi Composite Index (25.4%) and the CF Digital Culture Index (9.0%) turned positive, while the other four ranged from a 4.5% loss for the CF Web 3.0 Smart Contract Platforms Index to a 9.6% loss for the CF Diversified Large Cap Index.

Benchmark Performance



Monthly and year-to-date total returns in USD.
Source: CF Benchmarks, Bloomberg, as of September 30, 2026

Major Crypto Pairs



Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of September 30, 2026

Leaders

Quant (QNT) led the major crypto pairs in September, rising 375.8% month over month (MoM), the largest gain in the group, with the advance accelerating after The Clearing House selected Quant on September 24 as the interoperability layer for its tokenized-deposit initiative. NEAR Protocol (NEAR) rose 185.4% after the September 17 launch of confidential perpetuals and NYSE Arca's approval of the Bitwise staked NEAR ETF listing late in the month. Ethena (ENA) gained 79.6% following a September 25 partnership with Binance to back USDe with tokenized stocks.

Laggards

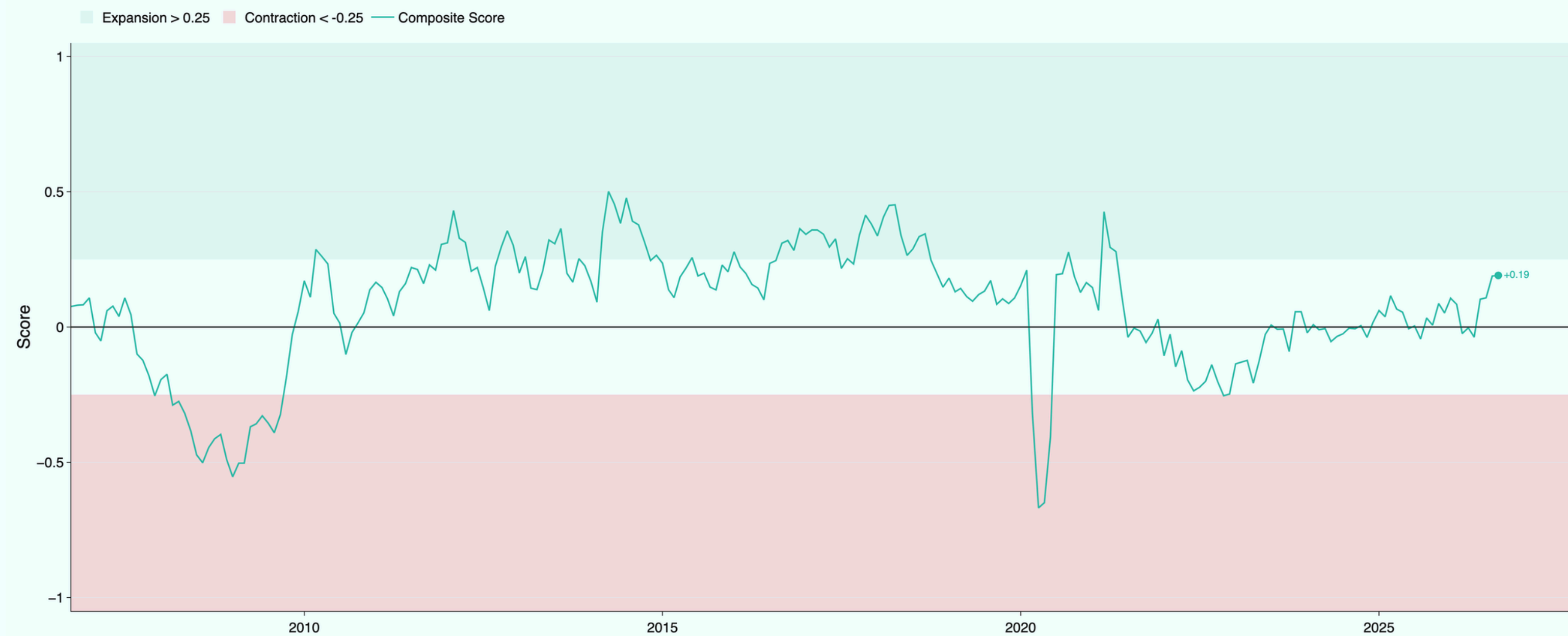
Morpho (MORPHO) was the only Broad Cap constituent to decline, down 2.9% MoM, after giving back a mid-month gain. Hyperliquid (HYPE) rose 5.5%, fading into month-end after a \$95.97 all-time high on September 21, and Bitcoin (BTC) gained 7.4% while Bitcoin funds drew \$2.5 billion of inflows.

Macro Overview

Macro Regime Dashboard

The composite regime score held at +0.19, essentially unchanged from August, whose reading was revised up from +0.09 as late-month releases arrived. It remains in the neutral zone (expansion above +0.25, contraction below -0.25), tilting positive but short of a confirmed expansion signal. Of the 38 indicators, 12 improved, 18 were stable and 8 deteriorated on the month. Firmer services activity, rising labor force participation and stronger capital goods orders sit on one side; wider high-yield credit spreads, weaker consumer sentiment and fewer job openings sit on the other.

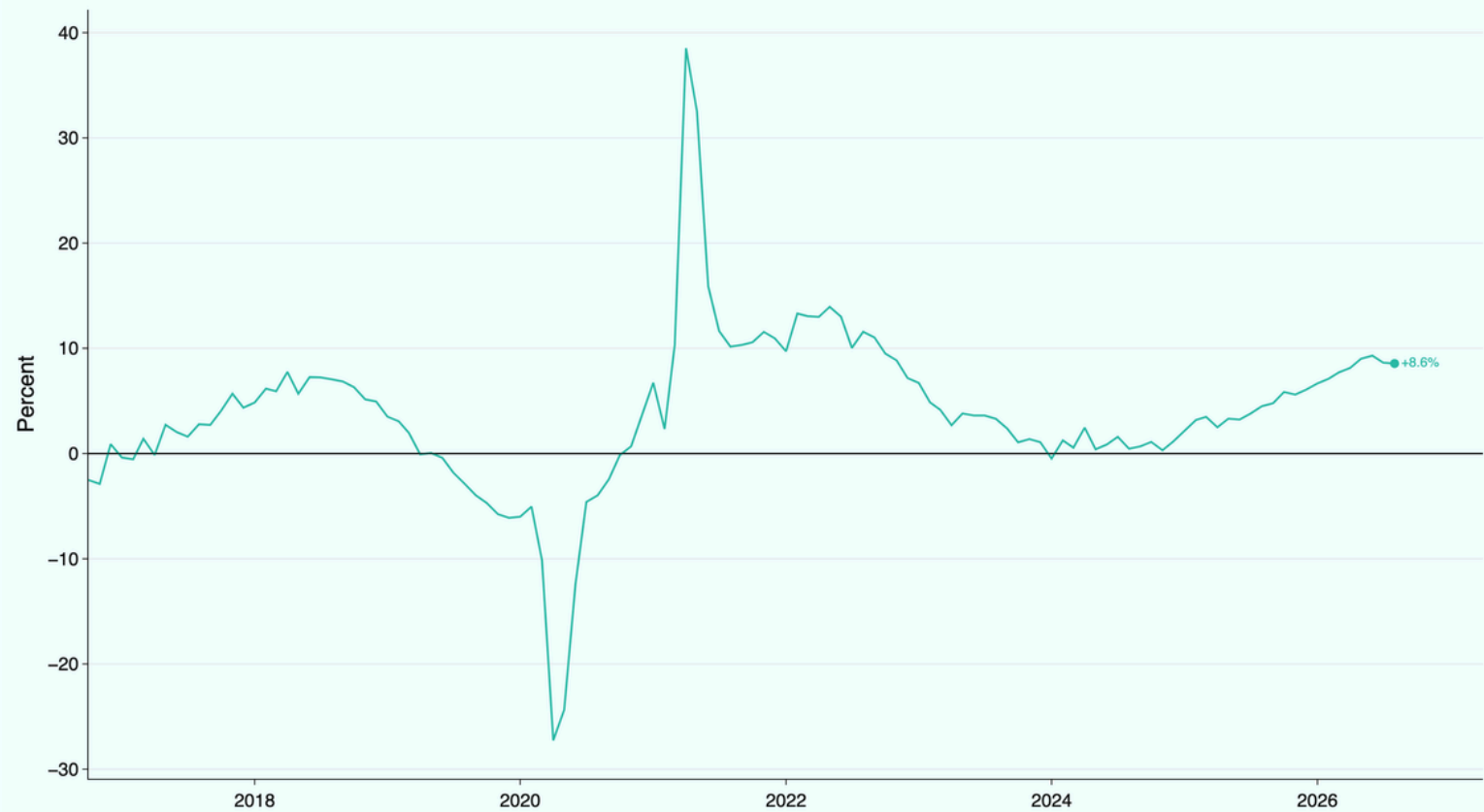
Macro Regime Composite Score



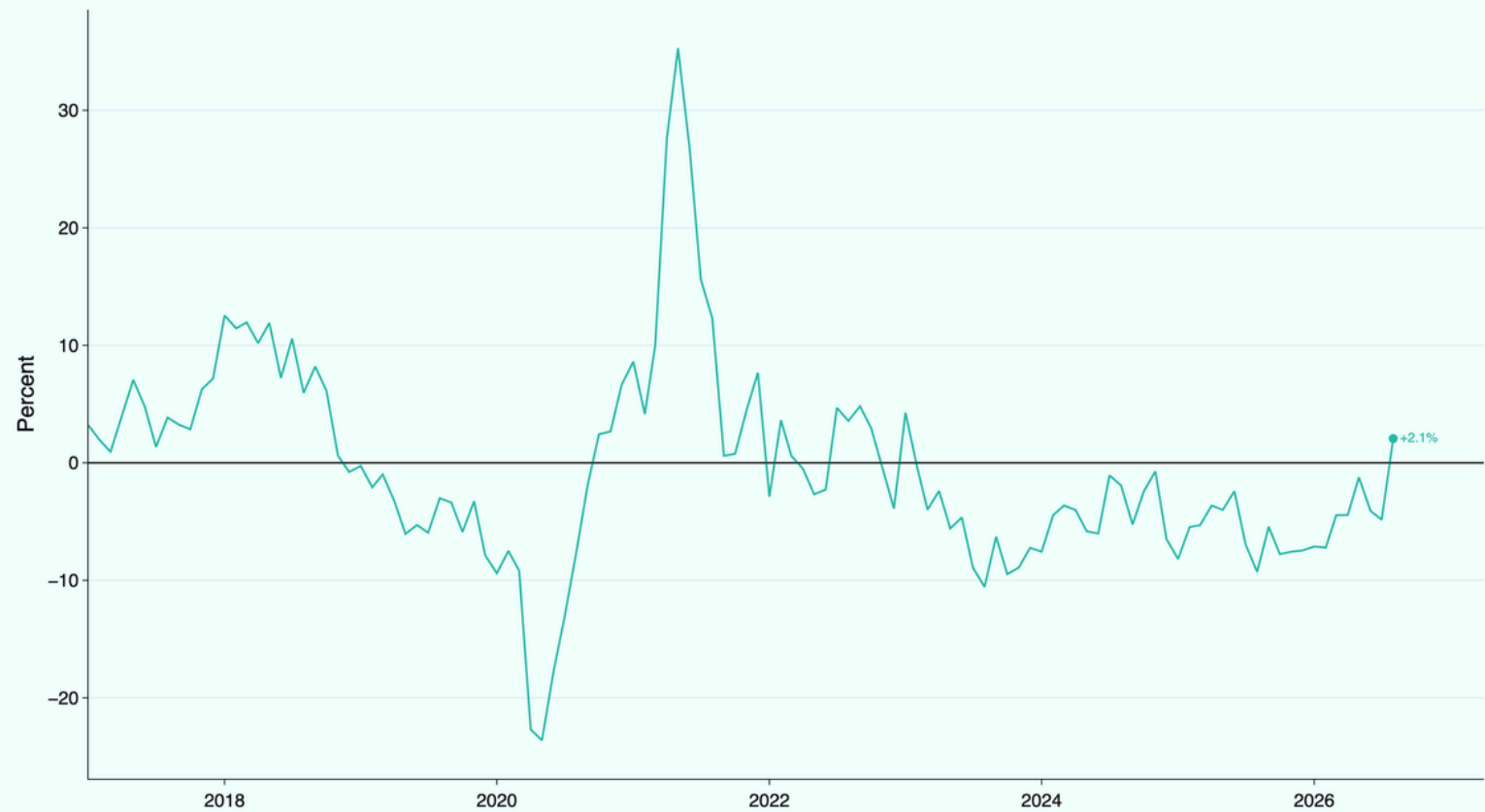
Source: CF Benchmarks, FRED, as of September 30, 2026

Macro Regime Overview - Improving

Durable Goods Shipments (YoY)



Cass Freight Shipments (YoY)



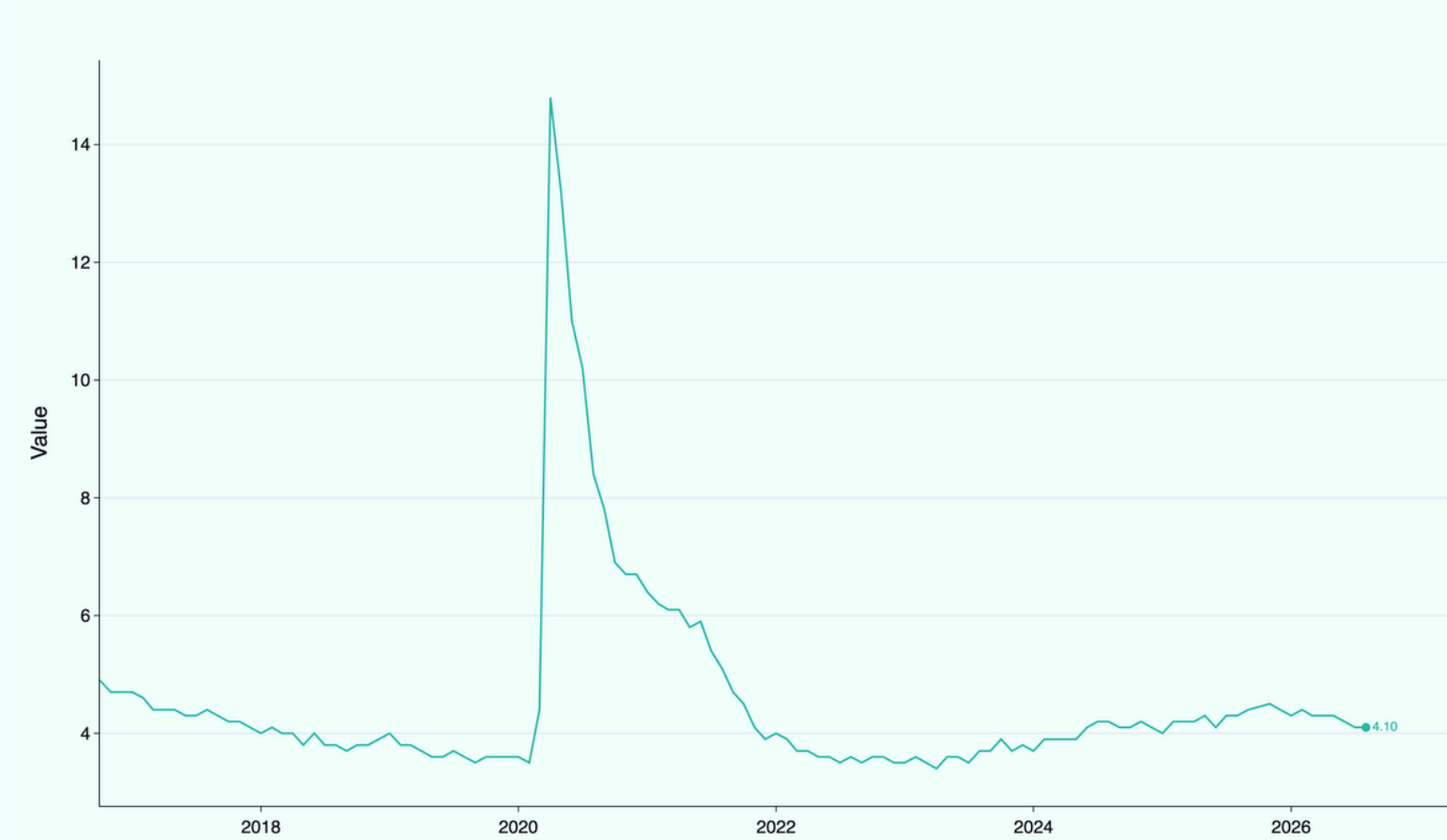
Goods demand is firming. Durable goods shipments were \$333.8 billion in August, up 8.6% year over year (YoY), and eased 0.2% month over month (MoM) from July's record after eight straight gains, as transportation equipment fell 1.8%. Core capital goods shipments rose 11.4% YoY, pointing to solid business equipment spending. Cass freight shipments rose 5.6% MoM and 2.1% YoY, the first annual gain since January 2023, ending a record 42-month downturn. Cass and ACT Research attribute the turn to inventory restocking as ocean volumes rise and tariff refunds arrive, helped by a soft base after a 9.3% YoY drop in August 2025.

Macro Regime Overview - Stable

Initial Jobless Claims (4-Week Average)



US Unemployment Rate



Labor market slack is holding steady. The unemployment rate was unchanged at 4.1% in August, keeping the labor market on firm footing without signaling either tightening or a turn. The four-week average of initial jobless claims eased to 197,000 from 204,000, a decline of 7,000 that keeps layoffs subdued. Neither series is turning; the read is stability rather than momentum in either direction.

Macro Regime Overview - Deteriorating

Yield Curve: 10-Year Minus 2-Year Treasury



ISM Services Prices Paid



The yield curve flattened and services input costs climbed. The 10-year minus 2-year Treasury spread ended September at 0.41%, but only after compressing to 0.20% on September 21, its narrowest since March 2025, as the 2-year yield rose faster than the 10-year following the Fed's September 16 rate hike. The spread has narrowed from 0.74% at the end of January. ISM Services Prices Paid rose to 72.6 from 70.3, up 2.3 points month over month (MoM), signaling persistent input-cost pressure that could feed through to consumer prices.

What We're Watching

We are watching core inflation closely after the Federal Reserve's September hike and Chair Warsh's warning that inflation has been too high for too long. Core PCE inflation, the Fed's preferred gauge, was 3.0% year over year (YoY) in August, little changed from a July reading revised down to 3.0% from 3.3%, and still a full percentage point above the 2% target. Core CPI eased to 2.4% YoY from 2.5%, its lowest reading since March 2021. A renewed move higher in either measure would reinforce the further tightening the September dot plot already signals.

Core PCE



Source: CF Benchmarks, FRED, as of September 30, 2026

Core CPI



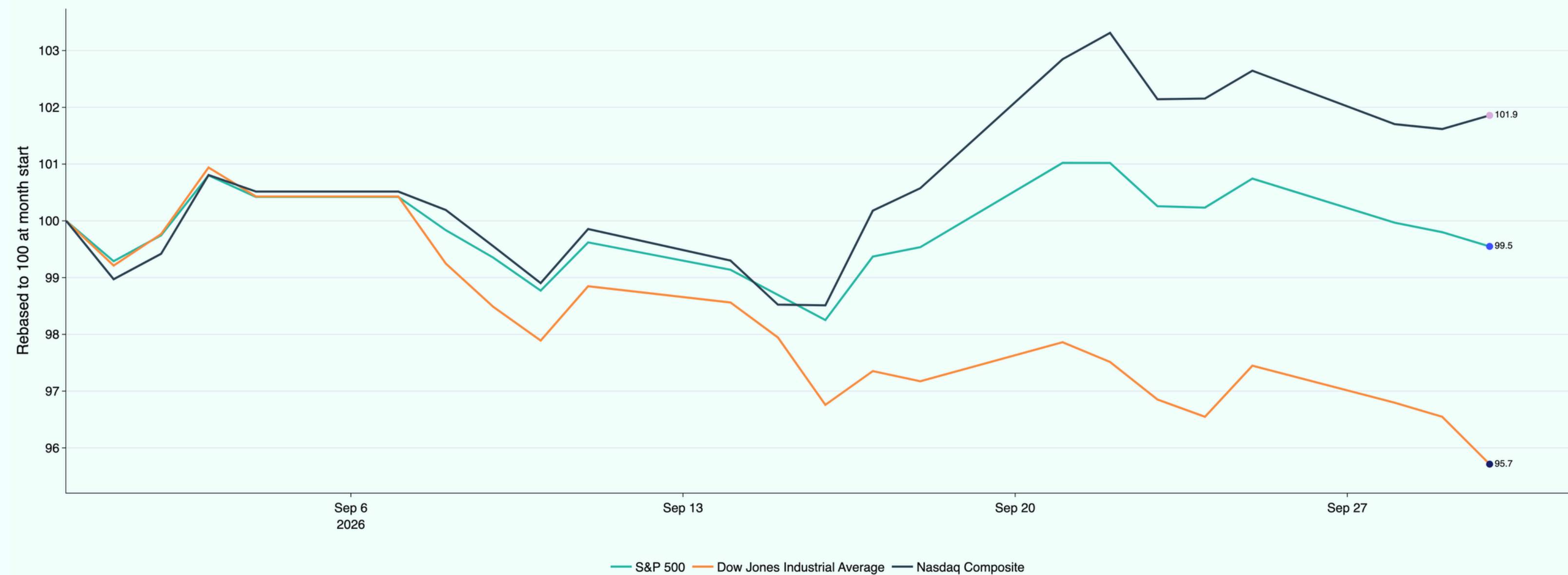
Source: CF Benchmarks, FRED, as of September 30, 2026

Equity Overview

Equity Dashboard

US equity indices diverged in September. The Nasdaq Composite rose 1.9% to 26,861.06, while the S&P 500 slipped 0.5% to 7,651.54 and the Dow Jones Industrial Average fell 4.3% to 50,906.05. The S&P 500 and Nasdaq both bottomed on September 16, the day of the Fed's rate hike, before rebounding, with the Nasdaq up as much as 3.3% on September 22. The Dow did not recover and closed at its monthly low. Year to date, the Nasdaq is up 15.6%, the S&P 500 11.8% and the Dow 5.9%.

September Index Returns



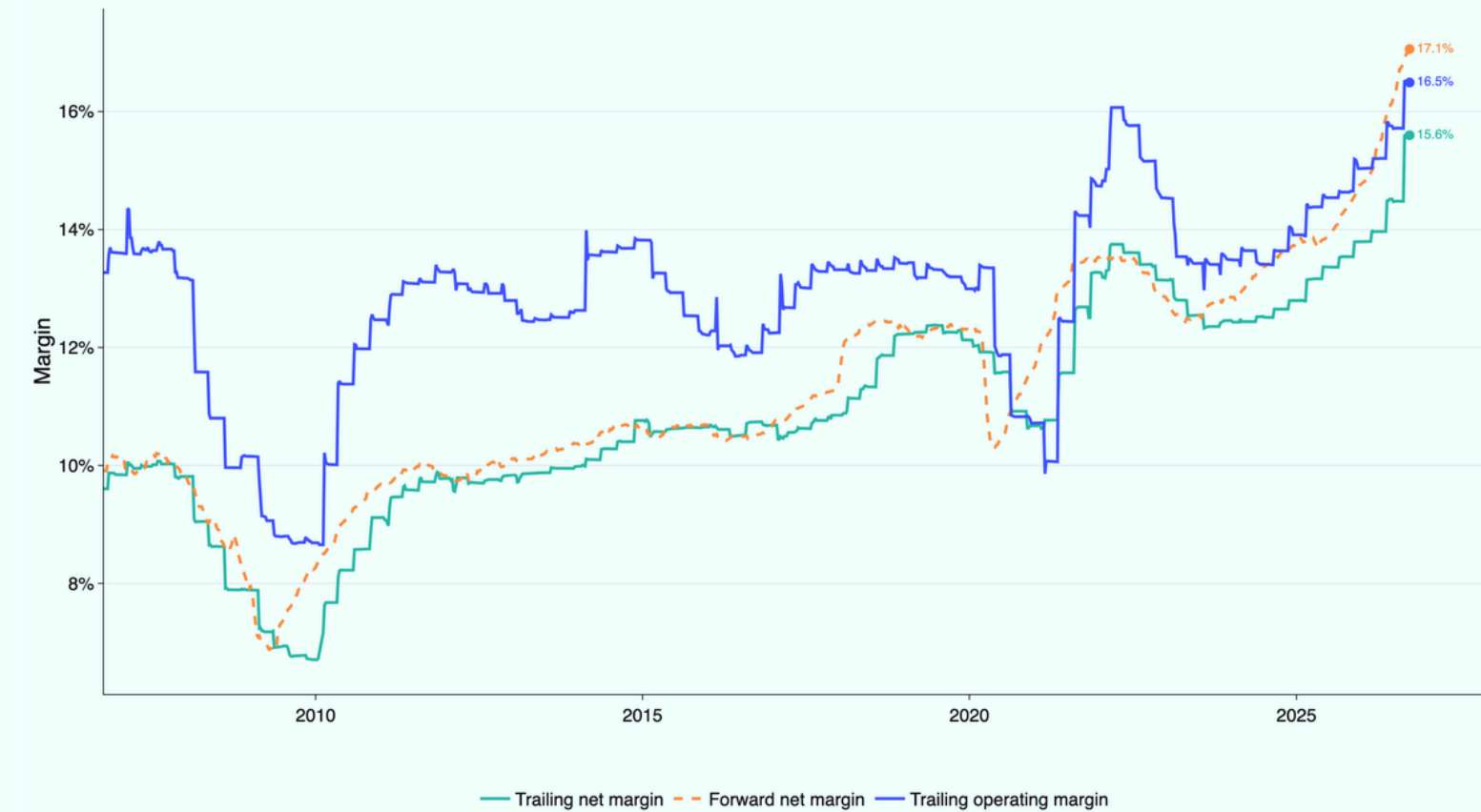
Source: CF Benchmarks, Bloomberg, as of September 30, 2026

Valuations Elevated, Margins Climb

NTM S&P 500 P/E



S&P 500 Margins



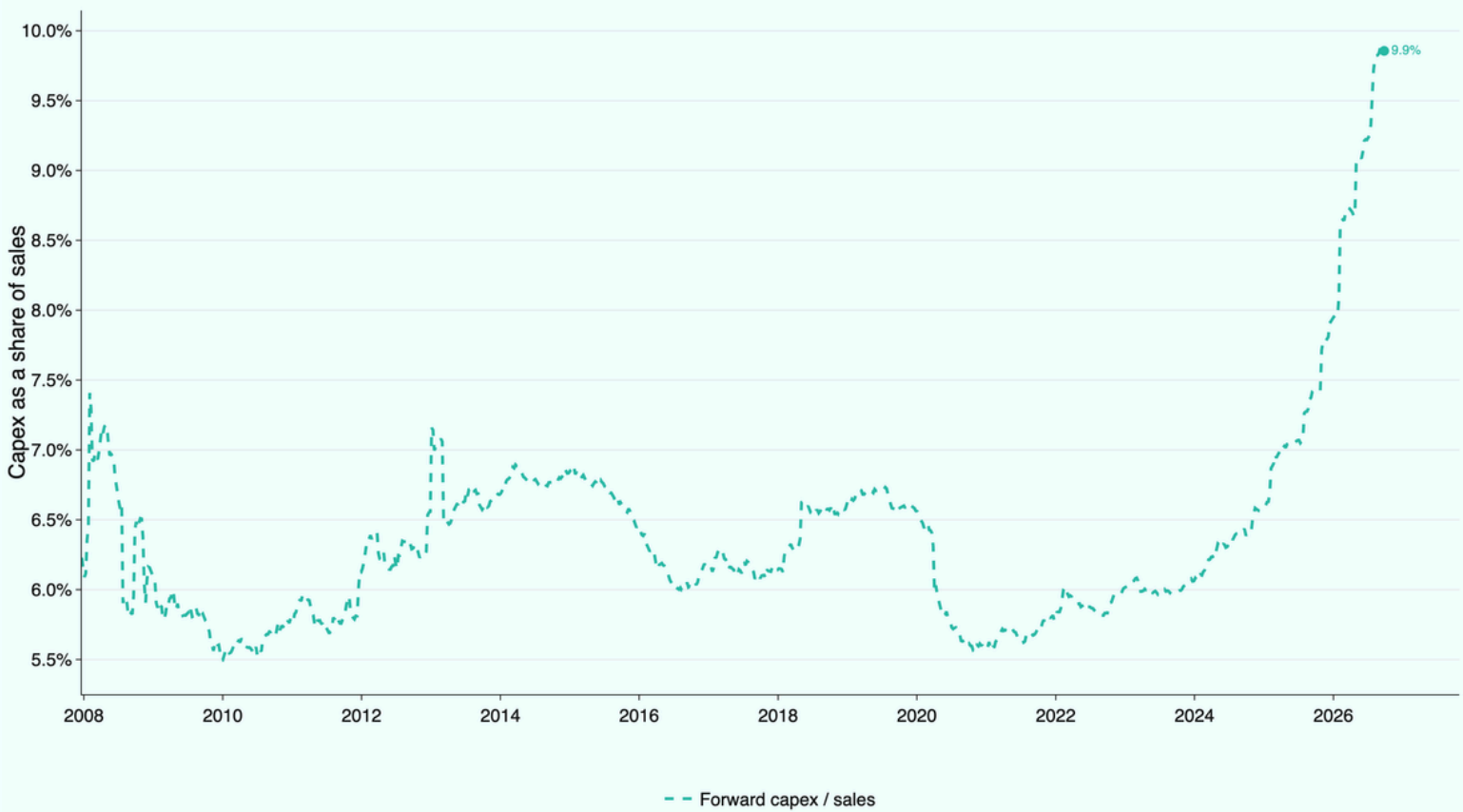
Valuations eased slightly in September but remain rich. The S&P 500 forward price-to-earnings ratio slipped to 19.3x on September 25 from 19.6x at the end of August, as next-twelve-month earnings estimates rose 1.9% to \$402.01 while the index was little changed. That leaves the multiple just below its +1 standard deviation band of 19.9x and well above its 20-year average of 16.7x. Margins continued to set records: the forward net margin climbed to 17.1% from 16.9%, the highest since the series began in 2006, while trailing net and operating margins held at or near their highs at 15.6% and 16.5%.

FCF Yields Fall As Capex Balloons

TTM S&P 500 FCF Yield vs US 10Y Yield



S&P 500 Capex as a Percentage of Sales



Equity cash flow yields compressed further against rising Treasury yields. The trailing S&P 500 free cash flow (FCF) yield edged down to 2.87% on September 25 from 2.89% at the end of August, while the 10-year Treasury yield jumped 44 basis points to 5.16%, its highest weekly close since July 2007. The gap between the two widened to -2.29 percentage points from -1.83, the deepest since February 2008. Forward capex intensity held near its record at 9.86% of sales, up from 9.84% at the end of August and close to the 9.89% peak set on September 11, almost double its 2010 low of 5.5%.

Technical Overview

Breadth Peaked as Momentum Cooled

Percent of Broad Cap Constituents Above 200-Day Moving Average



Breadth Momentum (200-Day Breadth Thrust Z-Score)



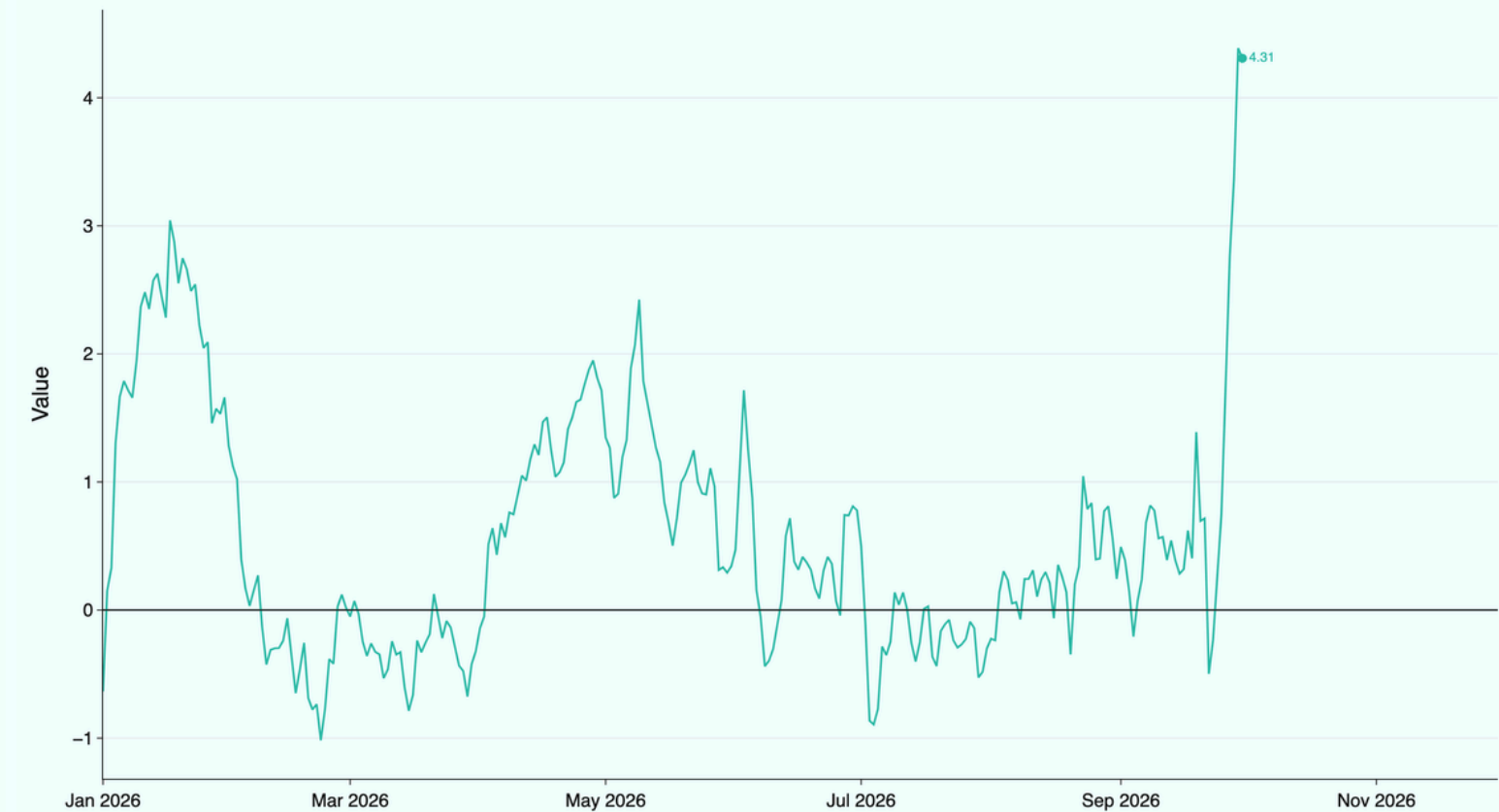
Participation broadened sharply in September, but momentum faded. The share of Broad Cap constituents above their 200-day moving average more than doubled, from 40.6% at the end of August to 91.4% on September 23, the highest reading since the series began in April 2023, before closing at 88.6%. Breadth momentum, the 1-year z-score of the 21-day change in that share, set a series high of 7.7 on August 22 and turned negative from September 11 to 17, a stretch that included the Fed's rate hike. It rebounded to 3.0 on September 23 and faded to 1.0 by month-end as the gains in participation slowed.

Smaller Caps Extended Their Lead

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



Size Factor 1-Year Z-Score



Smaller constituents widened their lead over the majors in the second half of September. The Free-Float to Diversified Broad Cap ratio z-score, which rises when the largest constituents lead, fell from 0.25 at the end of August to -1.54 on September 25, its lowest since January 2025, and closed at -1.42. The size factor's z-score climbed from 0.24 to 4.39 on September 29, the highest reading since the series began in January 2026, and finished the month at 4.31. Both moves line up with the outsized gains in smaller Broad Cap names such as Quant (QNT) and NEAR Protocol (NEAR).

Price Extended as Sentiment Cooled

Broad Cap vs. 100-Day Moving Average (% Distance)



Broad Cap Fear & Greed Index



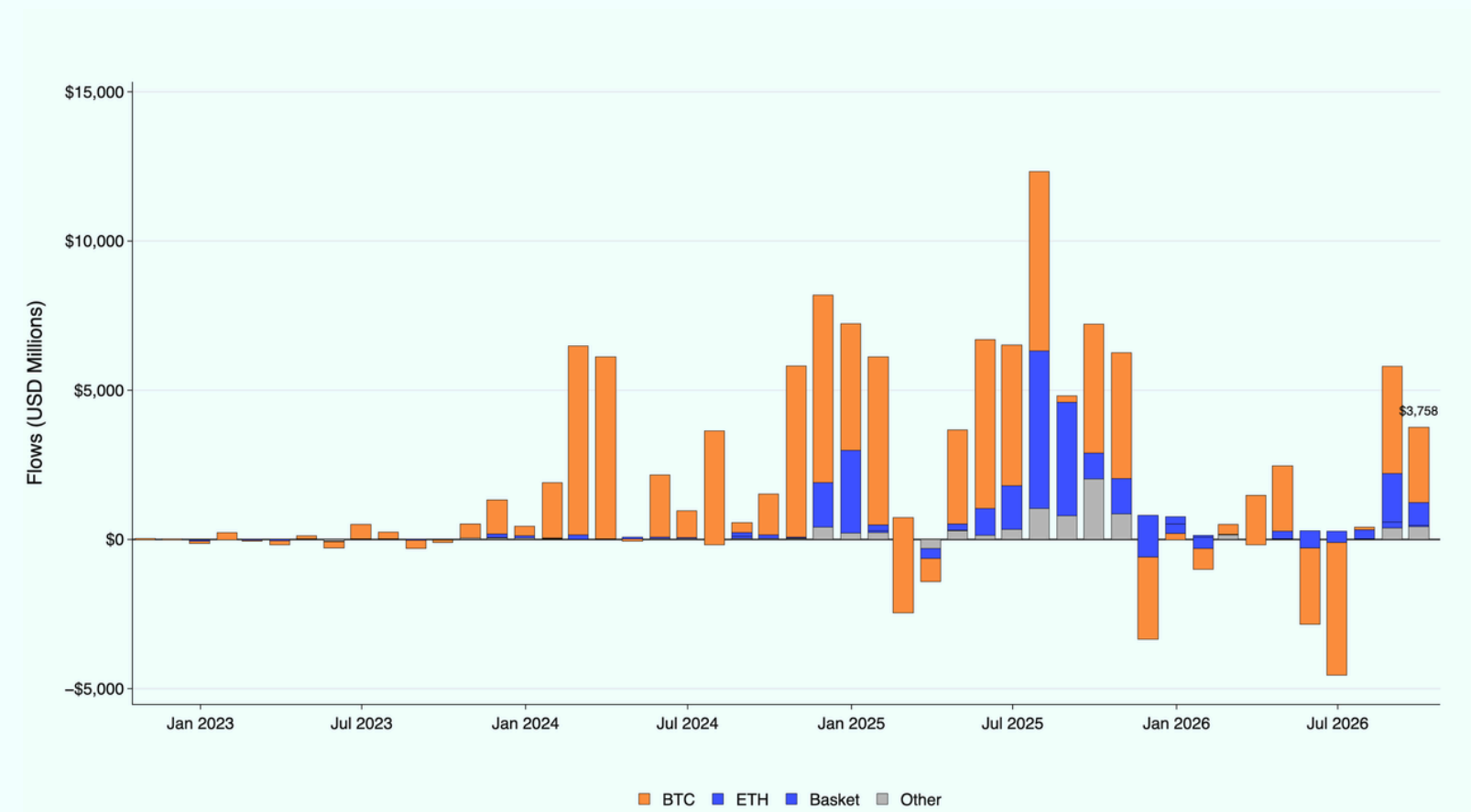
The rally left Broad Cap stretched well above trend. The index's distance above its 100-day moving average widened from 21.0% at the end of August to 28.6% on September 22, the widest gap since December 2024, after briefly narrowing to 13.2% on September 16, the day of the Fed's rate hike. It closed the month at 21.8%. Sentiment did not follow price higher. The Broad Cap Fear & Greed index, scaled from 0 to 1 with 0.5 as neutral, slid from its 2026 high of 0.85 on August 30 to 0.60 on September 20 and ended at 0.67, still in greed territory. The late-month extension came with cooler, not hotter, sentiment.

Investor Activity & Sentiment Positioning

Fund Flows

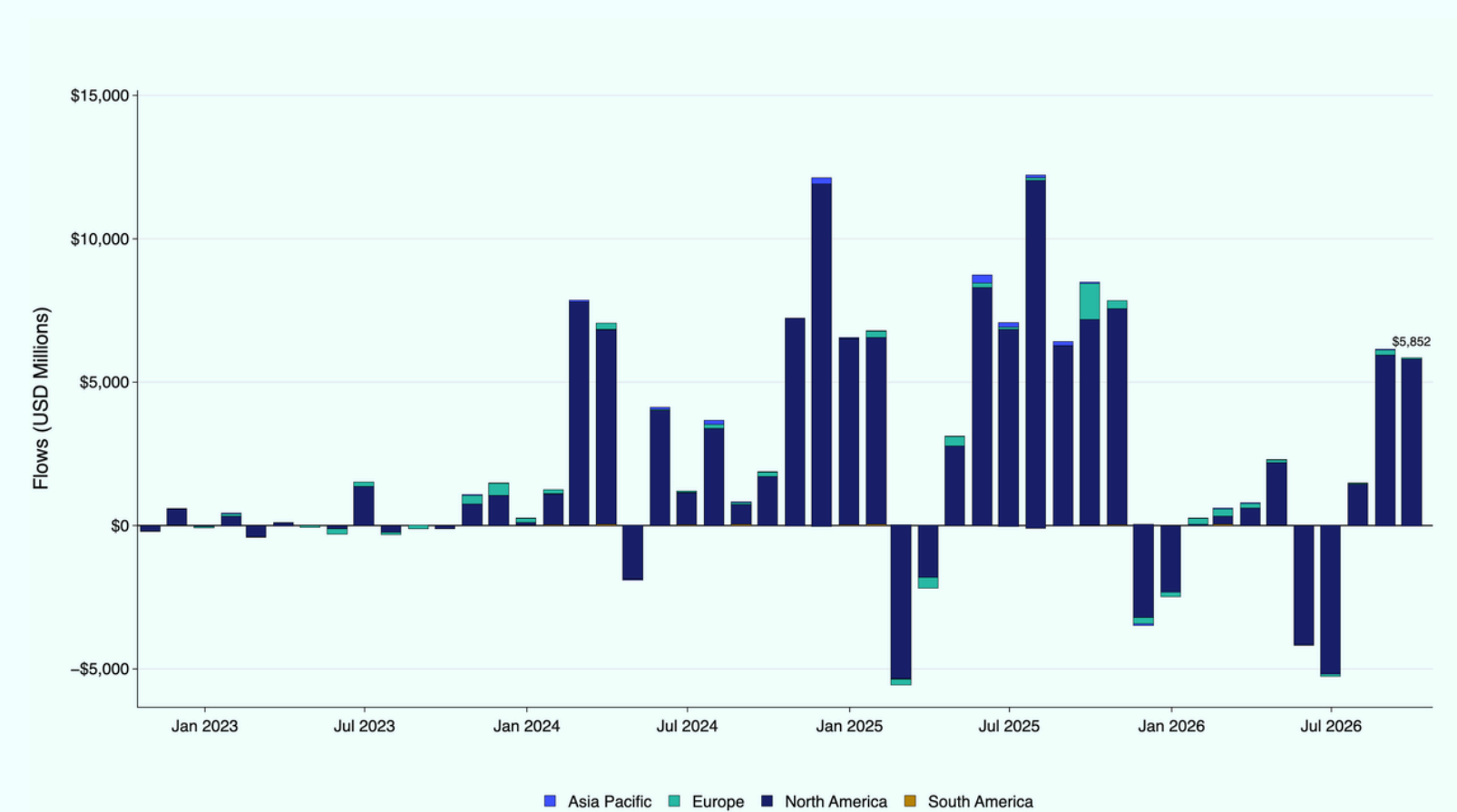
Digital asset funds drew \$3.8 billion of net inflows in September, a third straight month of inflows, though down 35.3% from a revised \$5.8 billion in August. Bitcoin funds led with \$2.5 billion, down 29.9% from \$3.6 billion, and Ether funds added \$762 million, less than half of August's \$1.6 billion, while Other Single Crypto funds rose to \$429 million from \$382 million and Basket funds slowed to \$44 million. Regional flows, which cover a broader fund universe and do not sum to the headline figure, were again led by North America at \$5.8 billion, close to August's \$6.0 billion, with Europe adding \$42 million and Asia Pacific and South America little changed.

Fund Flows by Asset (\$m)



Source: CF Benchmarks, Bloomberg, as of September 30, 2026

Regional Fund Flows (\$m)

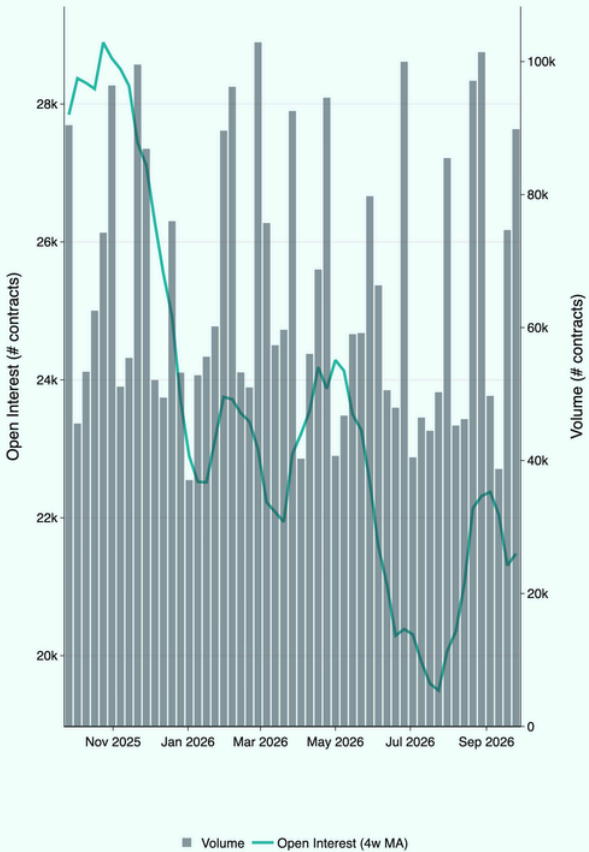


Source: CF Benchmarks, Bloomberg, as of September 30, 2026

Futures Positioning and Open Interest

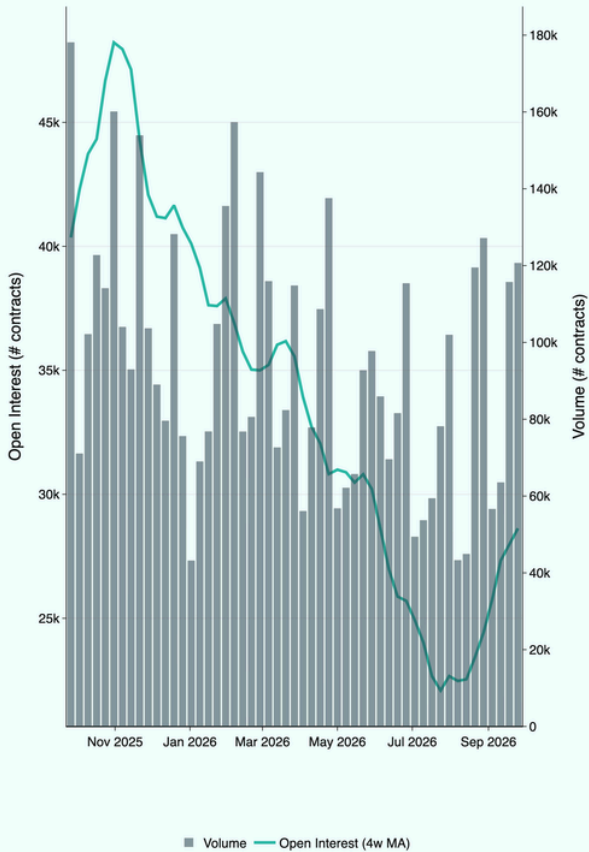
CME futures positioning was mixed in September. On a four-week moving average basis, XRP open interest rose 43.6% to roughly 47,302 contracts, a move of more than 20% on the month, and Ether (ETH) rose 17.2% to about 28,625 contracts, while Bitcoin (BTC) eased 3.7% to roughly 21,481 contracts and Solana (SOL) edged up to about 58 contracts. Peak weekly volume was highest in Ether at 120,663 contracts, ahead of XRP's 107,966 and Bitcoin's 89,815.

CME Bitcoin Volume and Open Interest



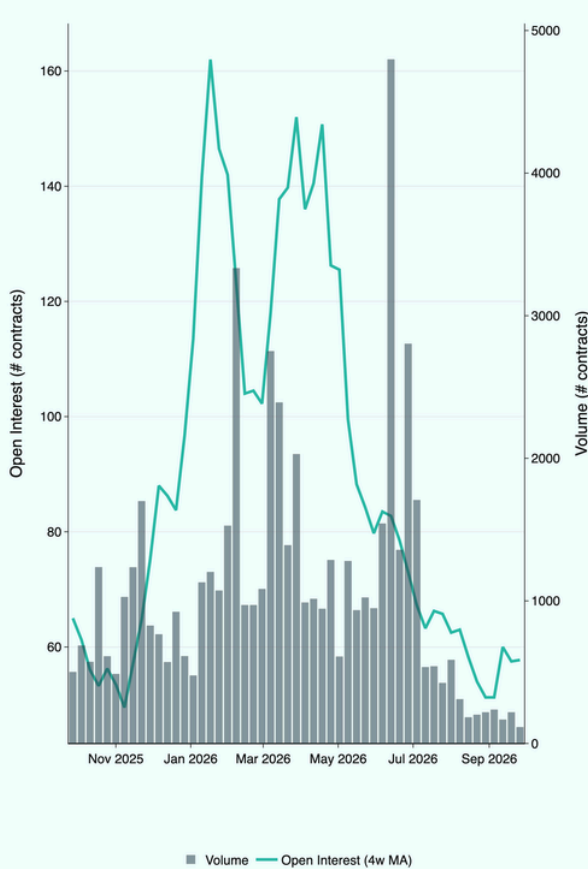
Source: CF Benchmarks, CFTC, Bloomberg,
as of September 30, 2026

CME Ether Volume and Open Interest



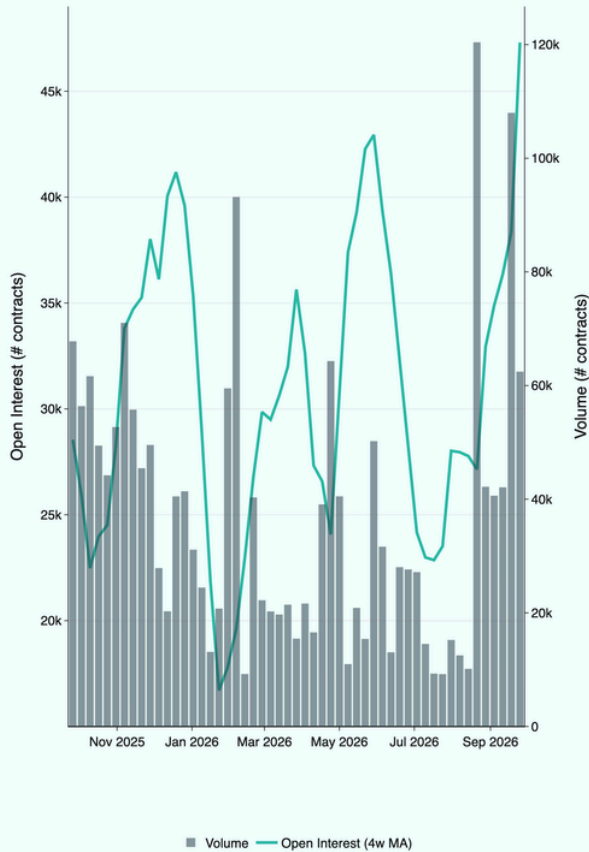
Source: CF Benchmarks, CFTC, Bloomberg,
as of September 30, 2026

CME Solana Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg,
as of September 30, 2026

CME XRP Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg,
as of September 30, 2026

CF Bitcoin Volatility Index (BVX)

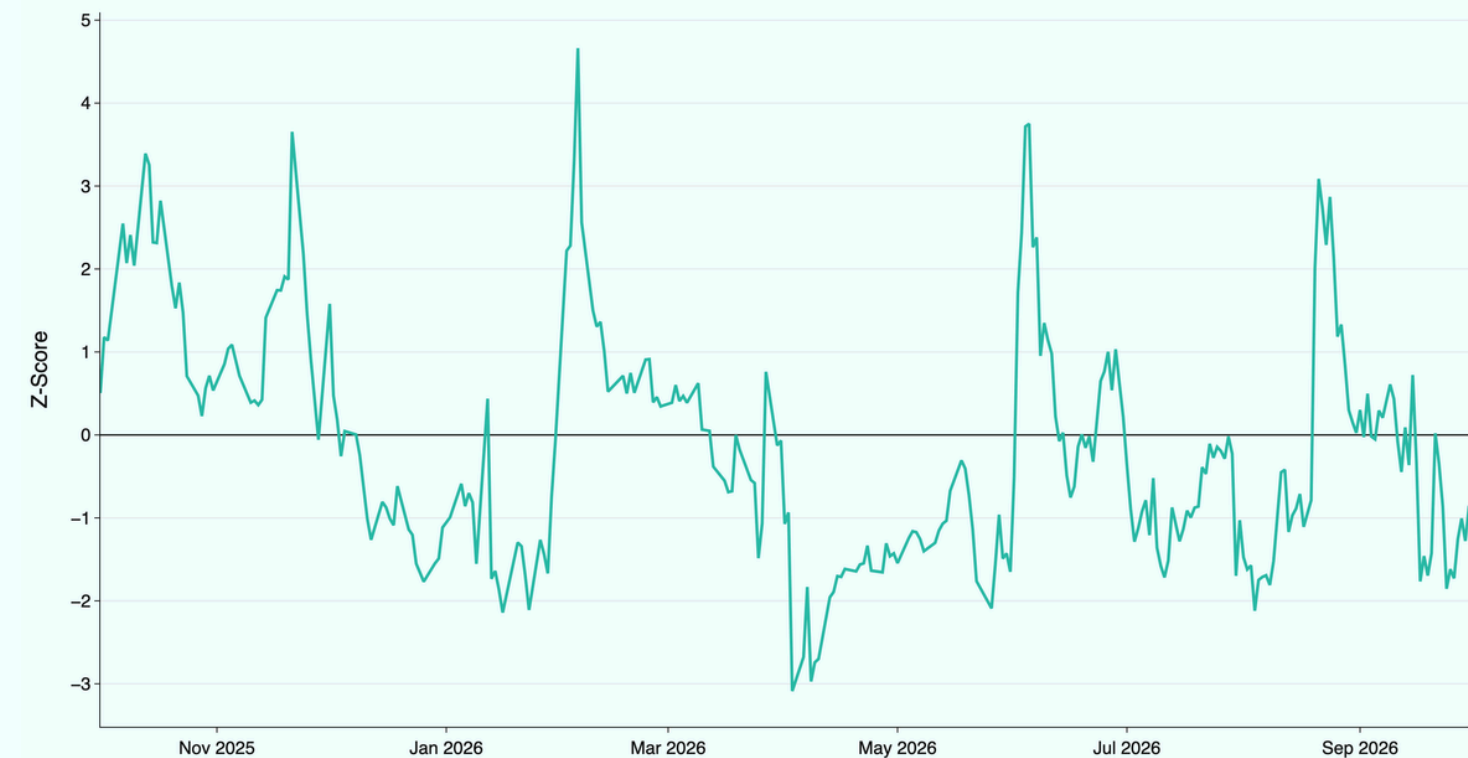
The CF Bitcoin Volatility Index Settlement Rate (BVXS) is a daily benchmark that provides a forward-looking, 30-day constant-maturity measure of implied volatility, derived from CFTC-regulated Bitcoin option contracts traded on the CME. The BVX reflects the fair strike of a variance swap. The BVX eased in September, trading in a 36.58 to 42.33 range and closing the month at 37.54, down 3.1% from 38.75 at the end of August and in the 13th percentile of its trailing-year range. The rolling 30-day z-score ended the month at -0.85, after ranging between -1.85 and 0.72 during September.

BVX Index



Source: CF Benchmarks, Bloomberg, as of September 30, 2026

Rolling 30-Day Z-Score



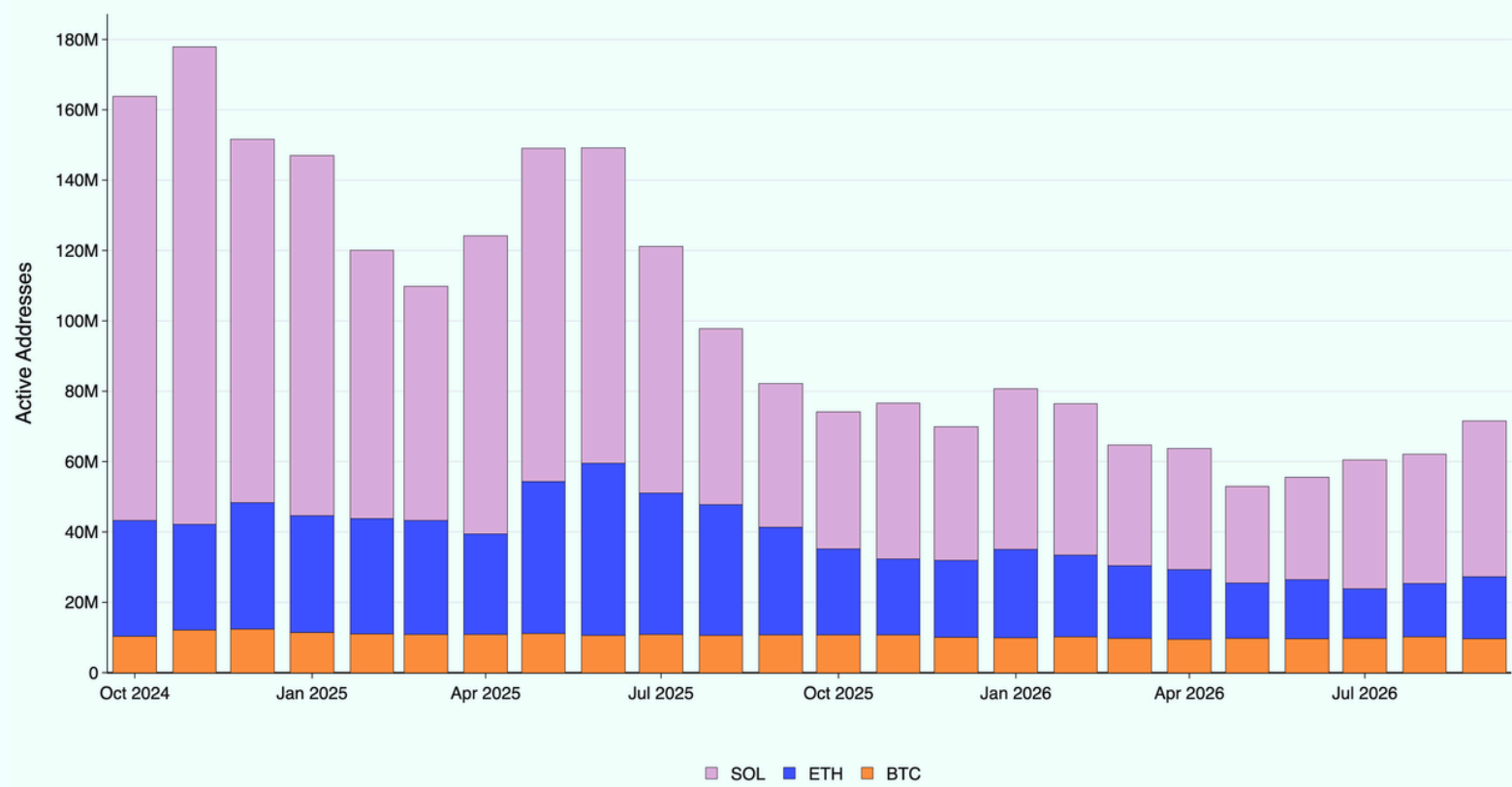
Source: CF Benchmarks, Bloomberg, as of September 30, 2026

Network Fundamentals & Reward Rates

Monthly Active Addresses

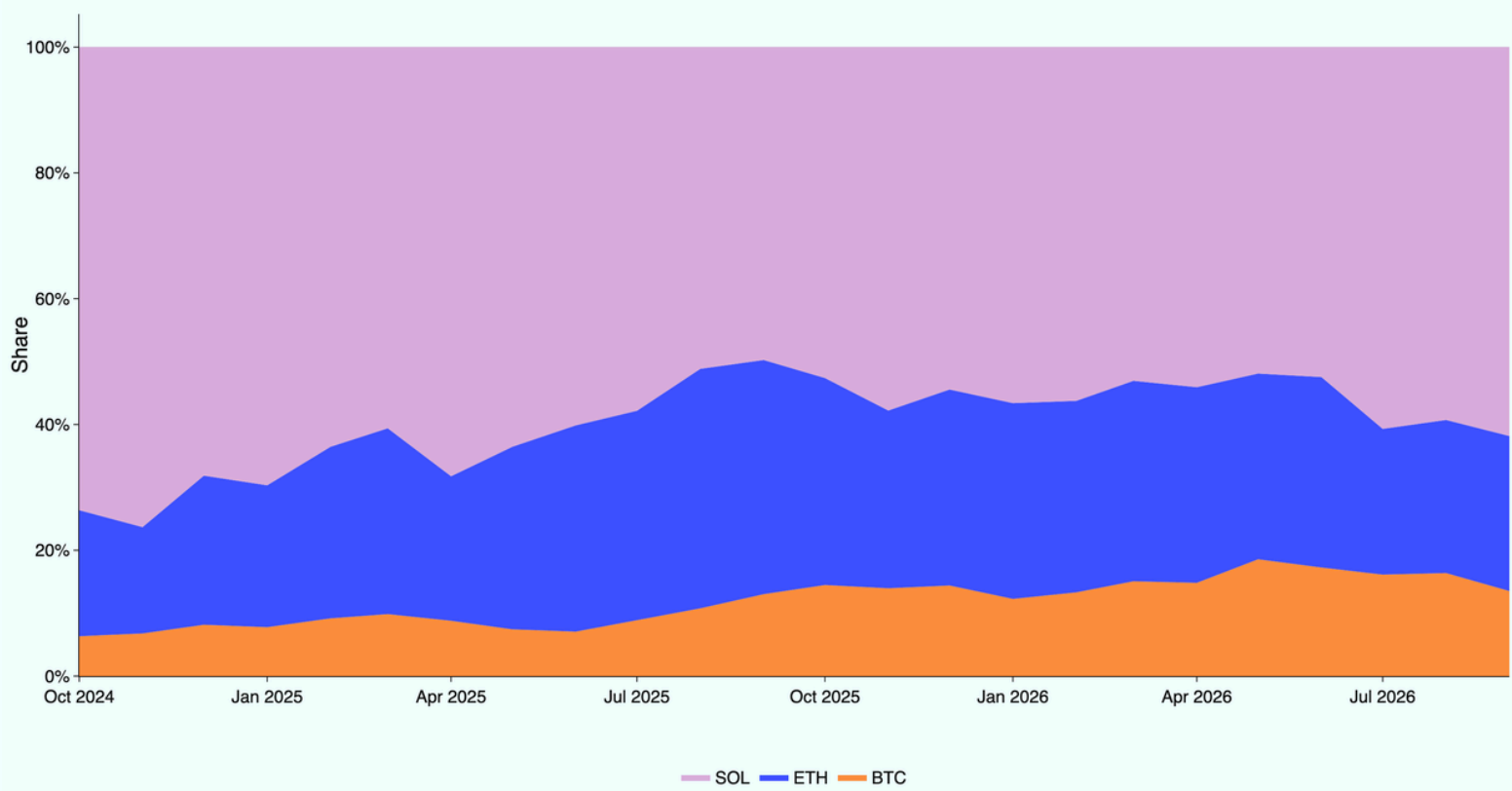
Monthly active addresses rose to 71.6 million across the three tracked networks in September, up 15.2% month over month (MoM) from 62.1 million. Solana (SOL) drove the gain, climbing 20.2% to 44.3 million, a move of more than 20% on the month, and rose to roughly 62% of the tracked total, while Ethereum (ETH) added 16.6% to 17.6 million. Bitcoin (BTC) was the exception, slipping 4.9% to 9.7 million.

Active Addresses



Source: CF Benchmarks, Token Terminal, as of September 30, 2026

Share of Active Addresses

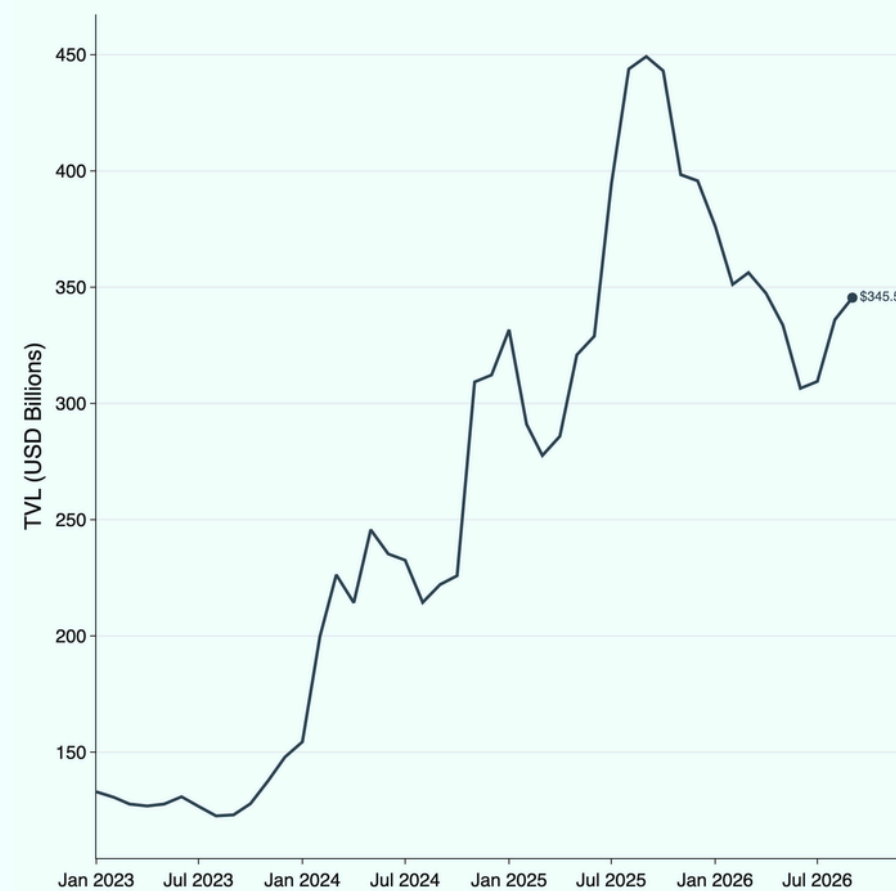


Source: CF Benchmarks, Token Terminal, as of September 30, 2026

Total Value Locked (TVL) in DeFi Protocols

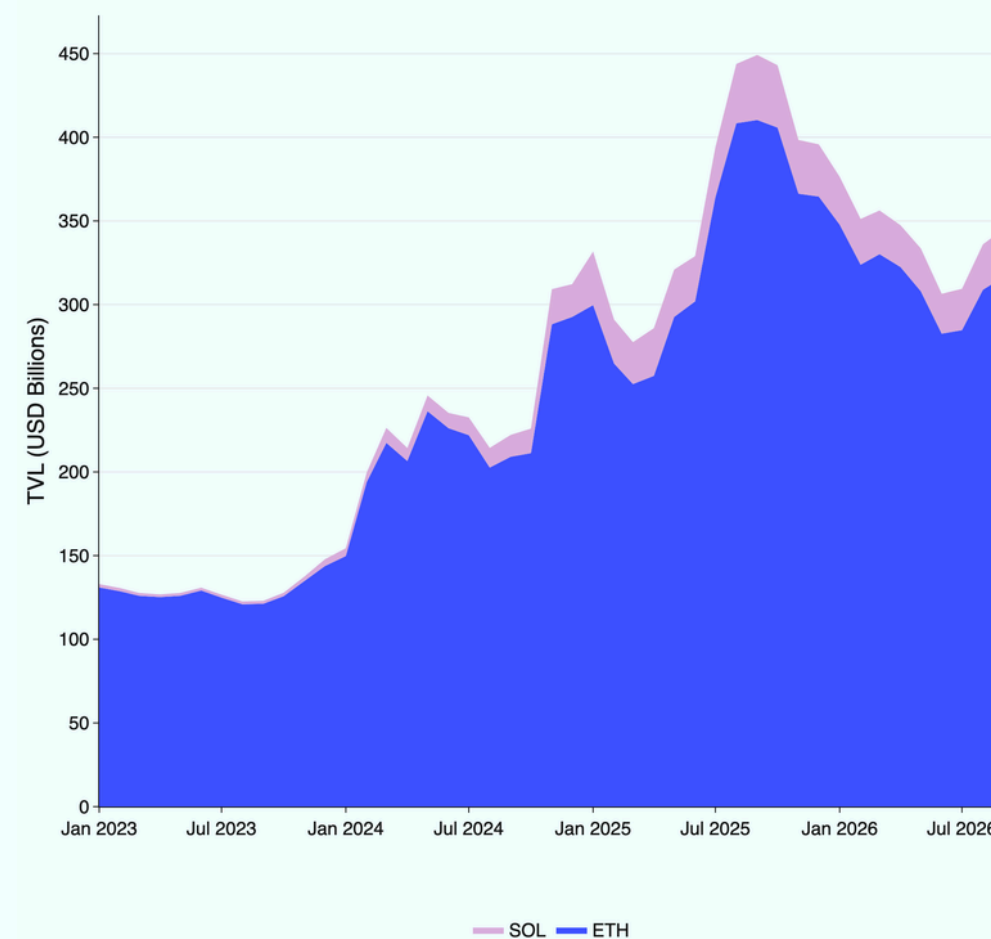
Total Value Locked (TVL) in decentralized finance (DeFi) represents the aggregate value of assets deposited across DeFi protocols, expressed in U.S. dollars. It serves as a key indicator of the sector's overall health and growth. Total Value Locked rose 2.8% in September to \$345.5B, up from a revised \$336.0B in August. Ethereum TVL rose to \$316.7B (+2.5%) while Solana TVL rose to \$28.8B (+6.0%), leaving Ethereum at roughly 92% of the tracked total.

Total TVL



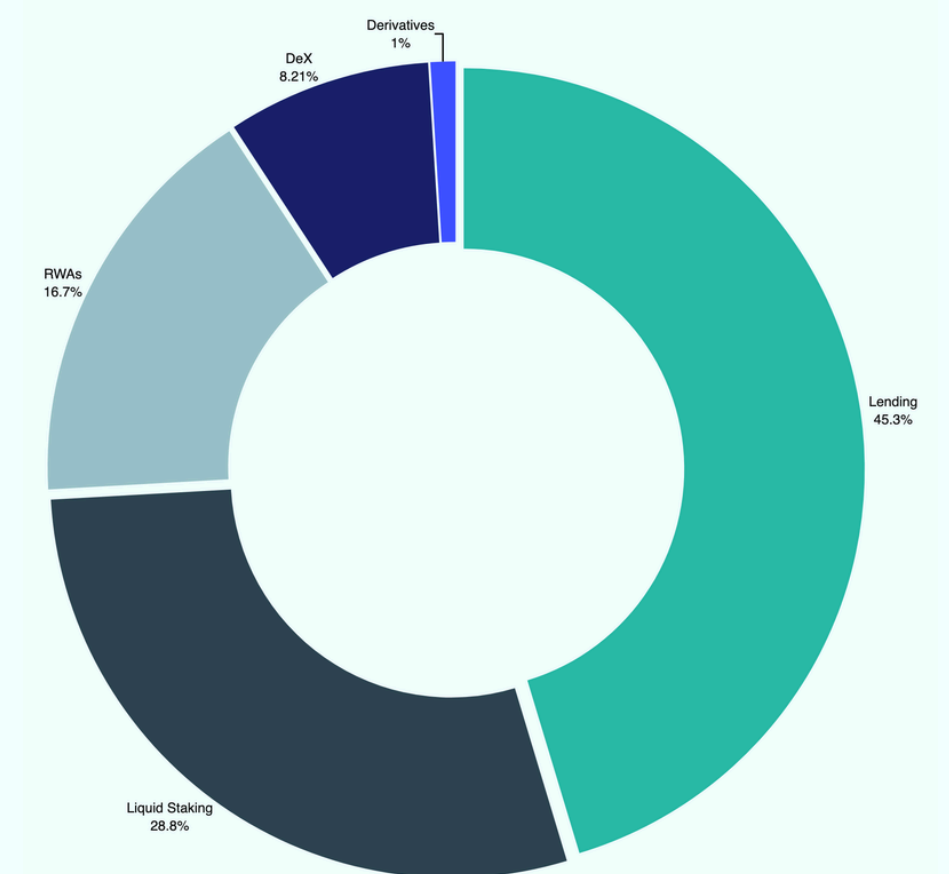
Source: CF Benchmarks, Token Terminal,
as of September 30, 2026

TVL by Chain



Source: CF Benchmarks, Token Terminal,
as of September 30, 2026

TVL By Segment

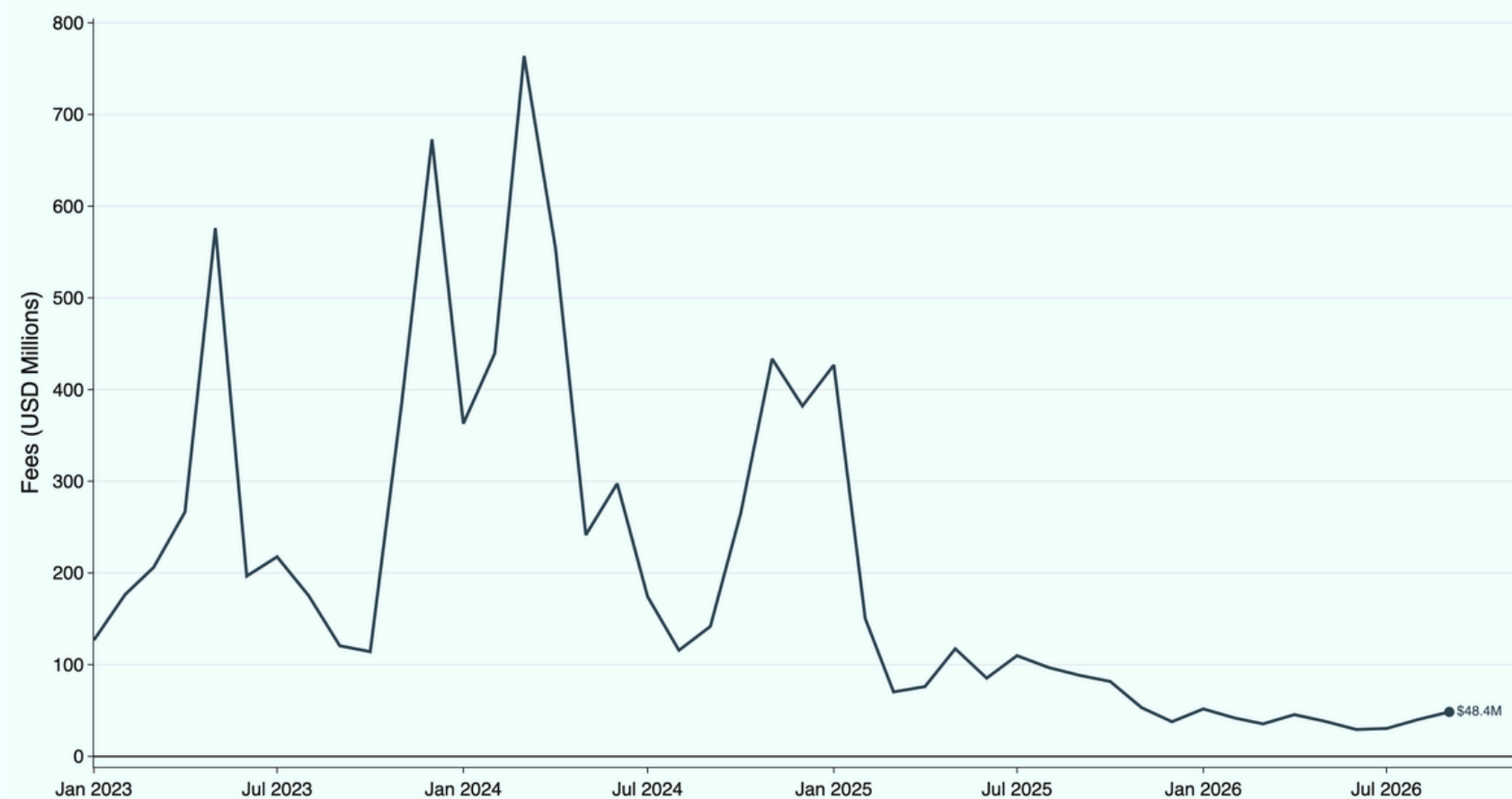


Source: CF Benchmarks, Token Terminal,
as of September 30, 2026

Layer-1 Fee Overview

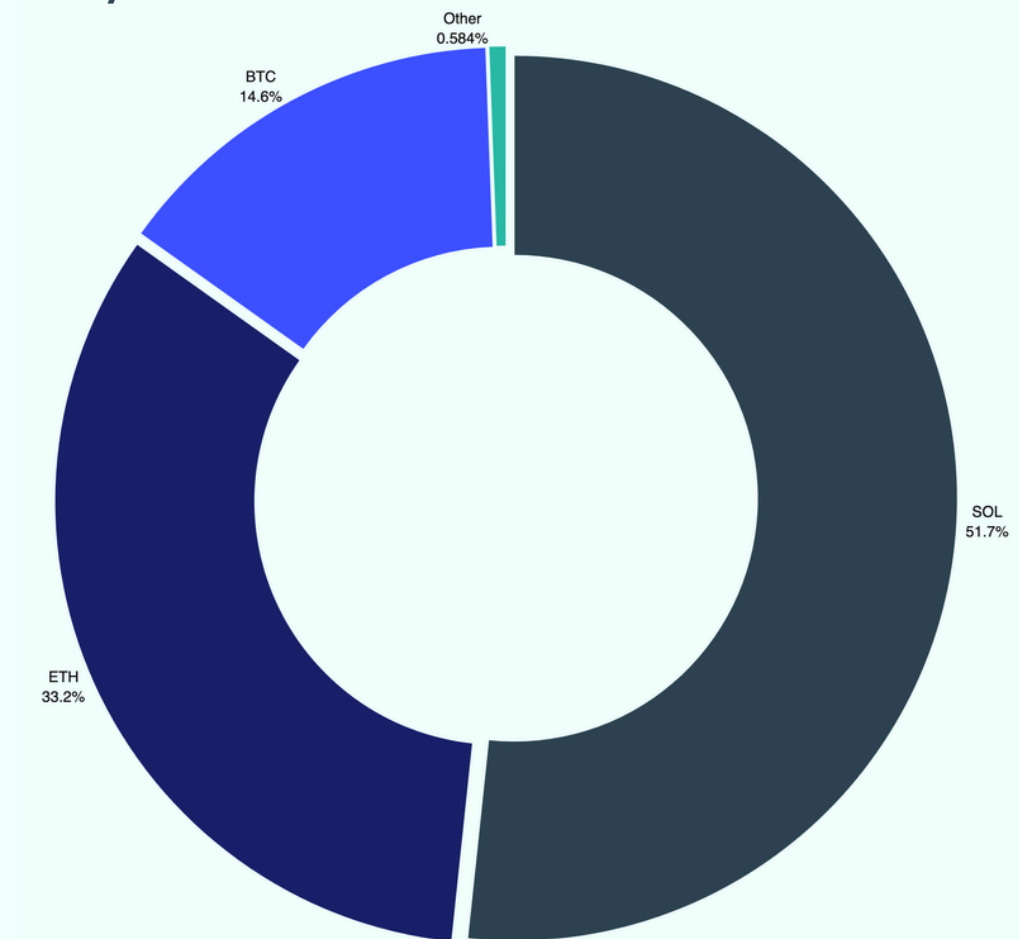
Fees are the charges users pay to record transactions and data on a blockchain and act as a gauge for demand to use these networks. They tend to rise when there is an influx of new users on-chain and can fall when activity wanes or scaling upgrades reduce costs. Total Layer-1 fees rose 20.7% month over month in September to \$48.4M from \$40.1M in August, a move of more than 20% on the month. Solana led with \$25.0M (51.7%) on a 12.6% increase, followed by Ethereum at \$16.1M (33.2%, up 47.1%, also more than 20%) and Bitcoin at \$7.0M (14.6%, up 3.6%).

Monthly L1 Fees Paid



Source: CF Benchmarks, Token Terminal, as of September 30, 2026

Share of Layer 1 Fees

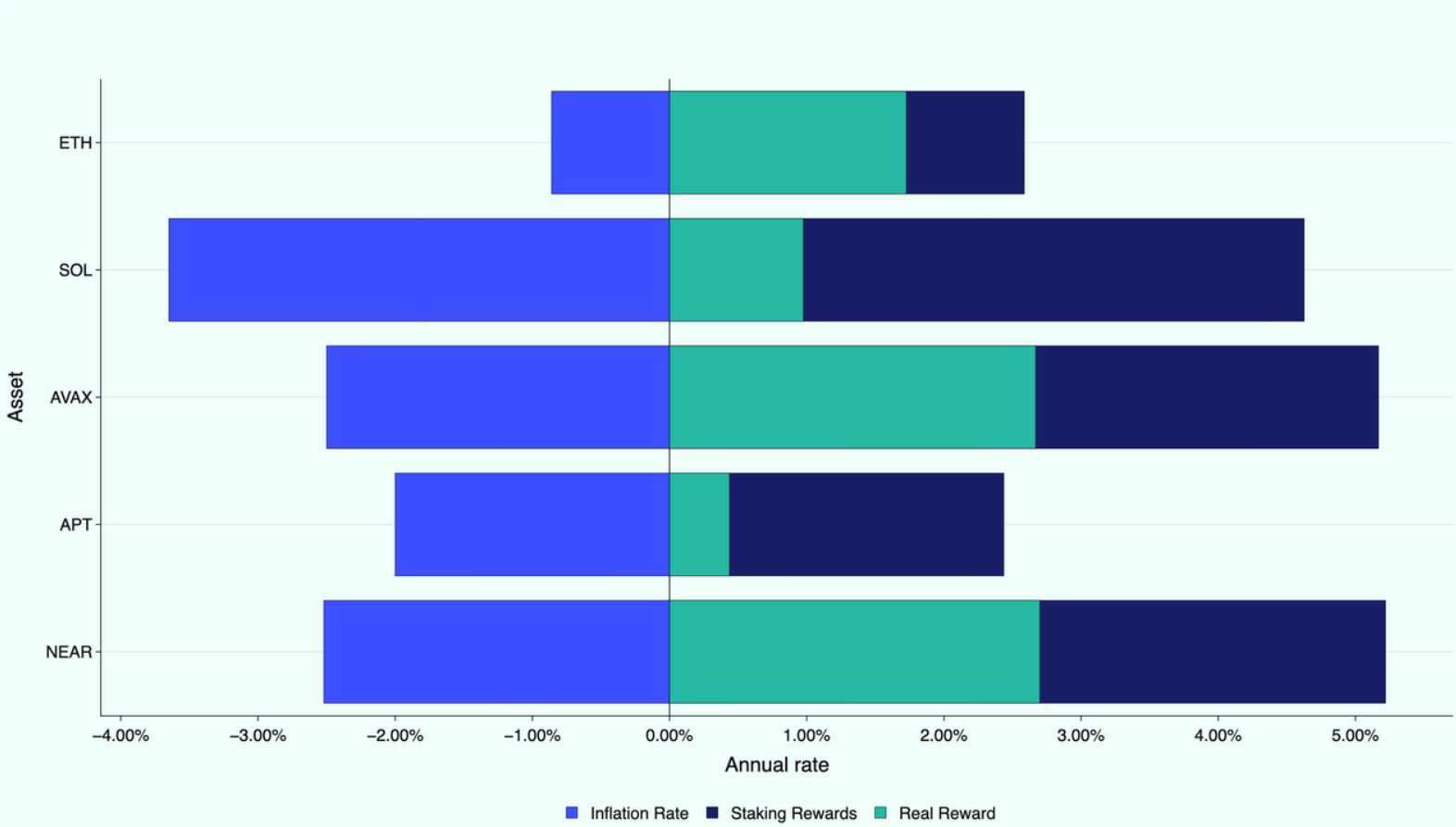


Source: CF Benchmarks, Token Terminal, as of September 30, 2026
“Other” Represents the sum of the fees on Cardano, DOGE, Sui, and XLM

Staking Rewards & Inflation Rates

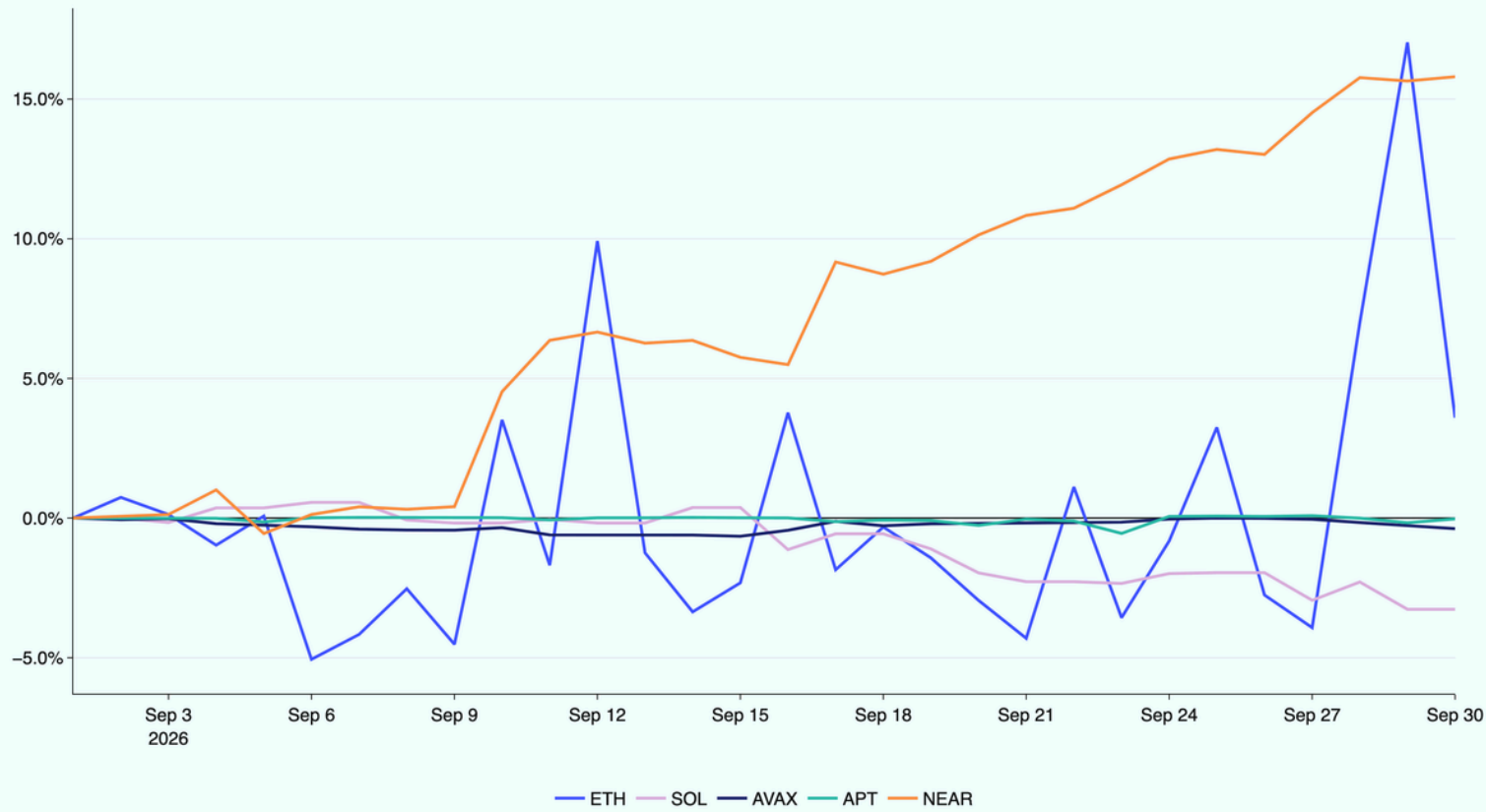
The reward rate in a Proof-of-Stake (PoS) blockchain is the annual return validators earn for staking, typically expressed as a percentage. It depends on factors such as total staked tokens, network yield, and protocol incentives. Inflation and staking participation strongly influence real returns: higher 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 September 30, 2026

Monthly Change in Reward Rate



Source: CF Benchmarks as of September 30, 2026

CF Staking Reward Rates as of September 30th

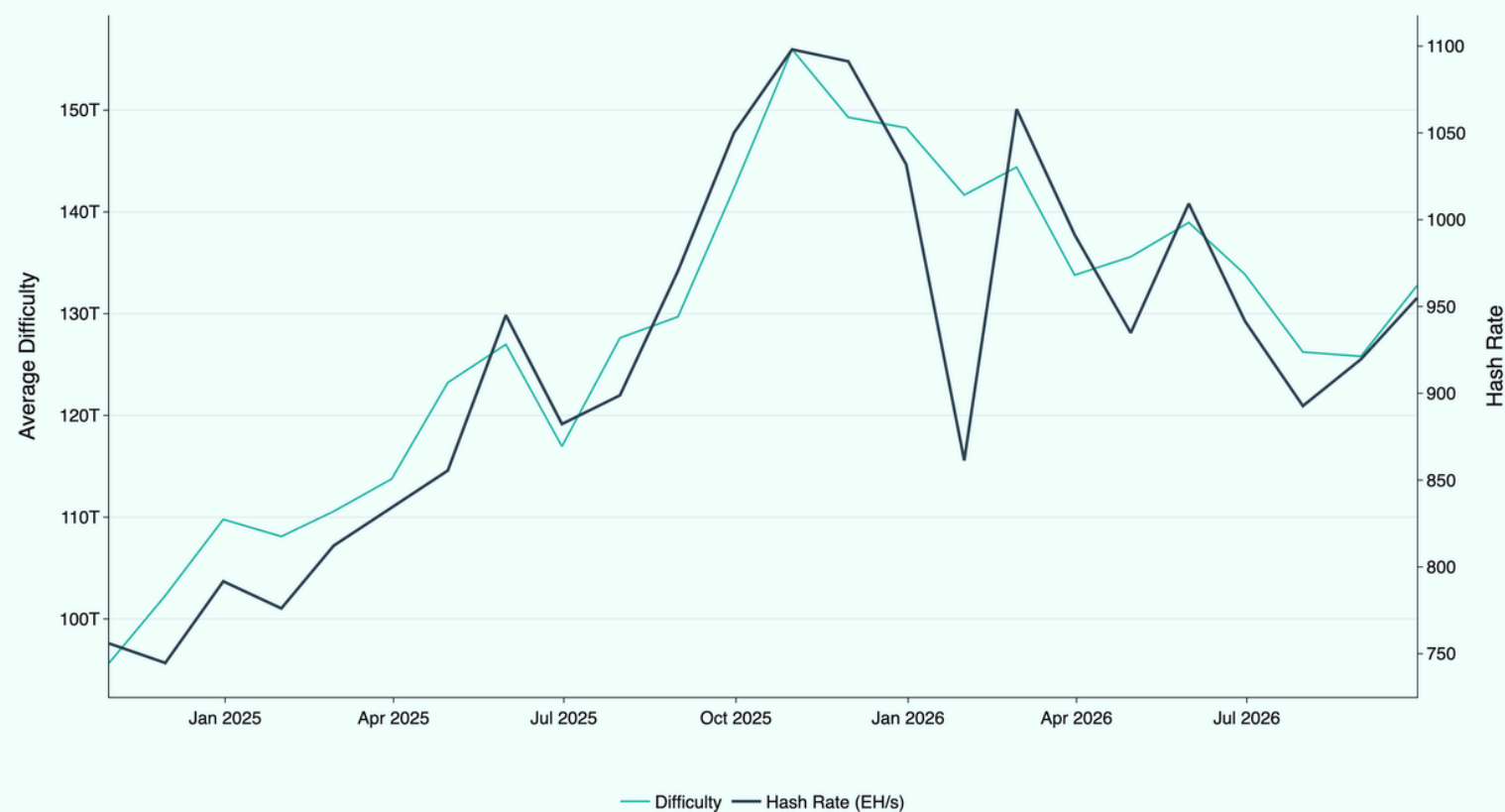
ETH	SOL	AVAX	APT	NEAR
2.59%	4.63%	5.17%	2.44%	5.22%

Bitcoin's Hash Rate & Mining Revenue

Bitcoin's hash rate rose 3.8% in September, climbing to 954.9 exahashes per second from 919.6 EH/s at August's end, and ranged between 881.7 and 954.9 EH/s during the month, finishing at its monthly high. Mining difficulty, which measures the computational effort required to mine a new block and adjusts to maintain consistent block times, rose 5.5% to 132.8T as hash power climbed.

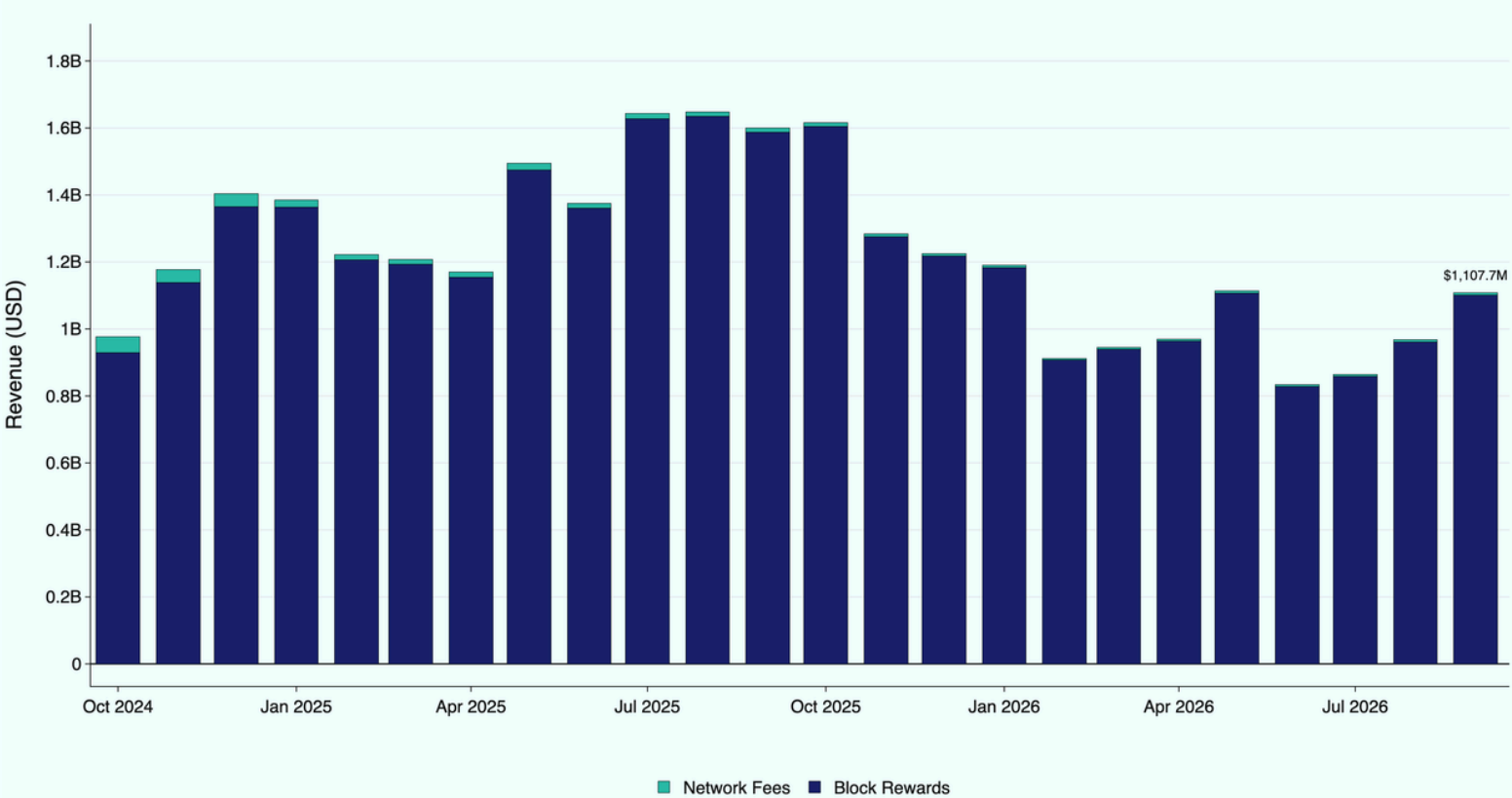
Bitcoin miners saw a 14.4% increase in revenue in September, with total mining revenue of \$1,107.7 million. Of the total rewards earned during the month, 0.6% came from transaction fees, with block rewards totaling \$1,100.6 million and fees contributing \$7.0 million. Revenue rose alongside a 3.8% gain in hash rate and a 7.4% rise in Bitcoin's price through the month.

Hash Rate and Difficulty



Source: CF Benchmarks, Dune Analytics as of September 30, 2026

Bitcoin Mining Revenues by Month



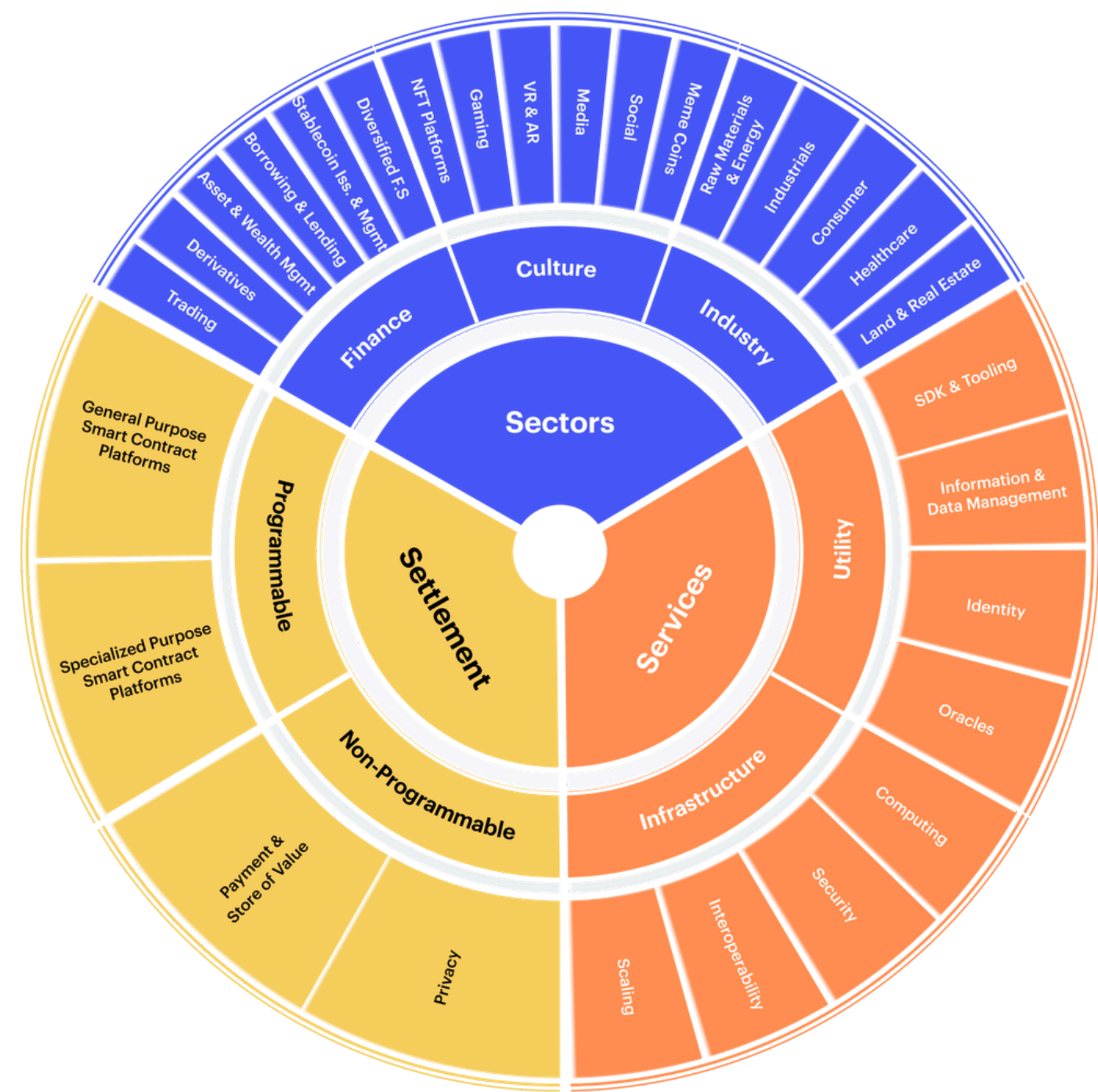
Source: CF Benchmarks, Dune Analytics as of September 30, 2026

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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Have a question or would like to chat? If so, please drop us a line to:

info@cfbenchmarks.com

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