

OUTLOOK 2026

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Preface

2025 will go down as the year crypto under-delivered on price but over-delivered on fundamentals.



Dominic Weibel
Head of Research
Bitcoin Suisse

Bitcoin rallied to new highs only to fade into year-end, while equities and gold marched to records. AI absorbed the marginal dollar of global risk appetite. Tariff shocks re-priced trade expectations, and the October liquidation reminded investors that even institutional cycles still have teeth. Yet beneath that frustrating tape, the digital-asset landscape evolved more in twelve months than prices suggest.

Looking at 2025 through the rear-view mirror, stablecoins shattered settlement records and, crucially, decoupled from crypto's cyclical heartbeat for the first time. Prediction markets crossed firmly into mainstream relevance and proved after the elections that they are far from a one-hit wonder. On-chain asset management gained substantial traction, crypto rails became tailwinds for neobanks, the tech stack improved across throughput, UX, or cost, and privacy resurfaced as a first-order design requirement rather than a fringe concern. The ecosystem absorbed October's volatility with a level of resilience that was unthinkable even two years ago.

It was also a year of competing liquidity magnets. The AI mania, a historic gold rally, and DAT-linked crypto equities drew in capital that did not end up in crypto markets directly, capital that once fueled notorious altcoin rotations. And while ETF and DAT flows dominated for most of the year, both channels visibly cooled into autumn. As a response, crypto markets struggled under that absence of marginal buyers, revealing how dependent this cycle had been on institutional flow mechanics rather than retail reflexivity.

If 2025 was the year the market misread its own strength and surprised to the downside, 2026 might reasonably become the year where fundamentals eventually translate into upside. The macro environment turns materially more supportive. QT ends and balance-sheet expansion resumes, a more dovish Fed board will likely tilt policy toward a steeper cutting path. With it, political incentives into the midterms align with a liquidity-friendly backdrop as crypto opens the year with the strongest fundamental footing of any prior cycle. On the demand side, ETF flows will enter their second act as major wirehouses finally open distribution, retirement accounts will become a structural bid unlocked by a recent executive order, and early sovereign allocators test the waters, together forming a deeper, slower, and more durable demand base that crypto never enjoyed before. Basel's softening stance on crypto capital treatment and the anticipated U.S. market-structure bill add

another layer of support, signalling that institutional rails will likely thicken further in 2026.

In the pages ahead, we evaluate how these conditions feed into themes and forward-looking calls that anchor our 2026 Outlook. As such, we expect the stablecoin duopoly to soften as regulated issuers and yield-sharing models gain ground, passive vehicles to absorb a growing share of BTC and ETH supply, and market breadth to gradually return as application-layer assets benefit from clearer revenue structures and improving regulatory scaffolding. And while views on quantum risk remain split as doomers rush the clock, while optimists keep dragging it, the coming year marks the beginning of a more sober industry-wide push toward credible post-quantum readiness. And, true to form, we included our price targets knowing full well that nothing tests humility like forecasting levels in a market that refuses to behave linearly.

As the year winds down, the pace of markets usually softens into the familiar hush of the holidays. Screens dim, calendars hopefully clear, and conversations migrate from trading desks to crowded kitchens and dinner tables. Between conversations about travel plans and family news, someone will eventually ask whether now is the moment to buy crypto. With equities and gold near highs and digital assets resetting after a volatile year, it may be the most reasonable question at the table. If that conversation finds you, we hope this Outlook and our work throughout the year helps frame an answer. After all, crypto appears to be one of the few asset classes still trading at a discount.

Before turning the page to the year ahead, I want to extend my sincere gratitude to Matteo Sansonetti, Wolfgang Amadeus Vitale, Luca Gnos, and Denis Oevermann for their outstanding research contributions, and to our Marketing team for bringing this report to life.

Most of all, we want to thank you, our readers, partners, friends, and long-standing supporters for the trust you continue to place in our research year after year. It is a privilege to accompany you through another year of this evolving landscape. As you gather with loved ones and reflect on the year behind us, we wish you a season filled with rest, warmth, and good conversations and maybe, these pages serve as a conversation starter of their own. We continue the journey in 2026.

Dominic Weibel
Head of Research, Bitcoin Suisse


PREDICTION #1

The Fed's cutting path steepens with rates tracking down to 2.0%

\$104B

U.S. interest payments in October

3.88%

Current FFR

2.0%

2026 projection

For now, the Fed's outlook continues to assume a slow, and gradual easing cycle. The September dot plot places the policy rate near 3.4% in 2026 and gliding toward ~3% thereafter. Markets are only marginally more dovish. We think that is the wrong risk distribution. In our view, that entire framework underestimates both the fiscal constraint and the political realignment now converging on monetary policy.

The budget math is becoming impossible to ignore. Net interest outlays have surged toward the \$1.24T mark YoY, already exceeding defense spending and climbing faster than any major federal budget category. October alone saw a record \$104B in interest payments. With debt near \$38T and a debt-to-GDP ratio breaching 125%, refinancing at today's yields pushes the U.S. toward a point where the interest burden begins to cannibalize discretionary spending. Historically, when sovereigns cross this threshold, the adjustment mechanism is not austerity, it's negative real rates and nominal growth that erode liabilities over time.

Meanwhile, global policy has already turned decisively. Central banks worldwide have delivered more than 300 rate cuts over the past two years which is more than during the Great Recession and it marks the most synchronized easing cycle in 25 years. The ECB, SNB and multiple EM central banks have moved deep into cuts, making the U.S. the lone outlier holding real rates high into a weakening global cycle.

If we blend in politics, outcomes shift even further. 2026 delivers routine but strategically meaningful openings within the FED. One vacant governor seat early in the year (Stephen Miran filled that unexpired term in September), Powell's Chair term expiring in May, and the five-year terms of all twelve regional presidents rolling over by February. These replacements are part of the standard process for term expirations, thus none of this grants the administration unusual powers since it's by design. But with a Republican Senate, confirmations move quickly. By mid-2026, Trump can plausibly seat one or two new governors, install a new Chair drawn from the board, and indirectly influence regional reappointments. That tilts the median voter on the FOMC toward a more growth-oriented, debt-sensitive stance even if Powell remains on the Board and hawkish voices persist and even if the Chair's influence fragments as recent dissenting FOMC votes suggest the median voter on the Committee will skew more dovish.

Markets are already starting to price this shift. Polymarket assigns a rising probability to Kevin Hassett taking the Chair. Hassett has repeatedly argued that rates remain structurally too high, and called for faster, deeper cuts. His appointment would again anchor policy closer to the administration's growth-first posture. There is also a secondary dimension that matters

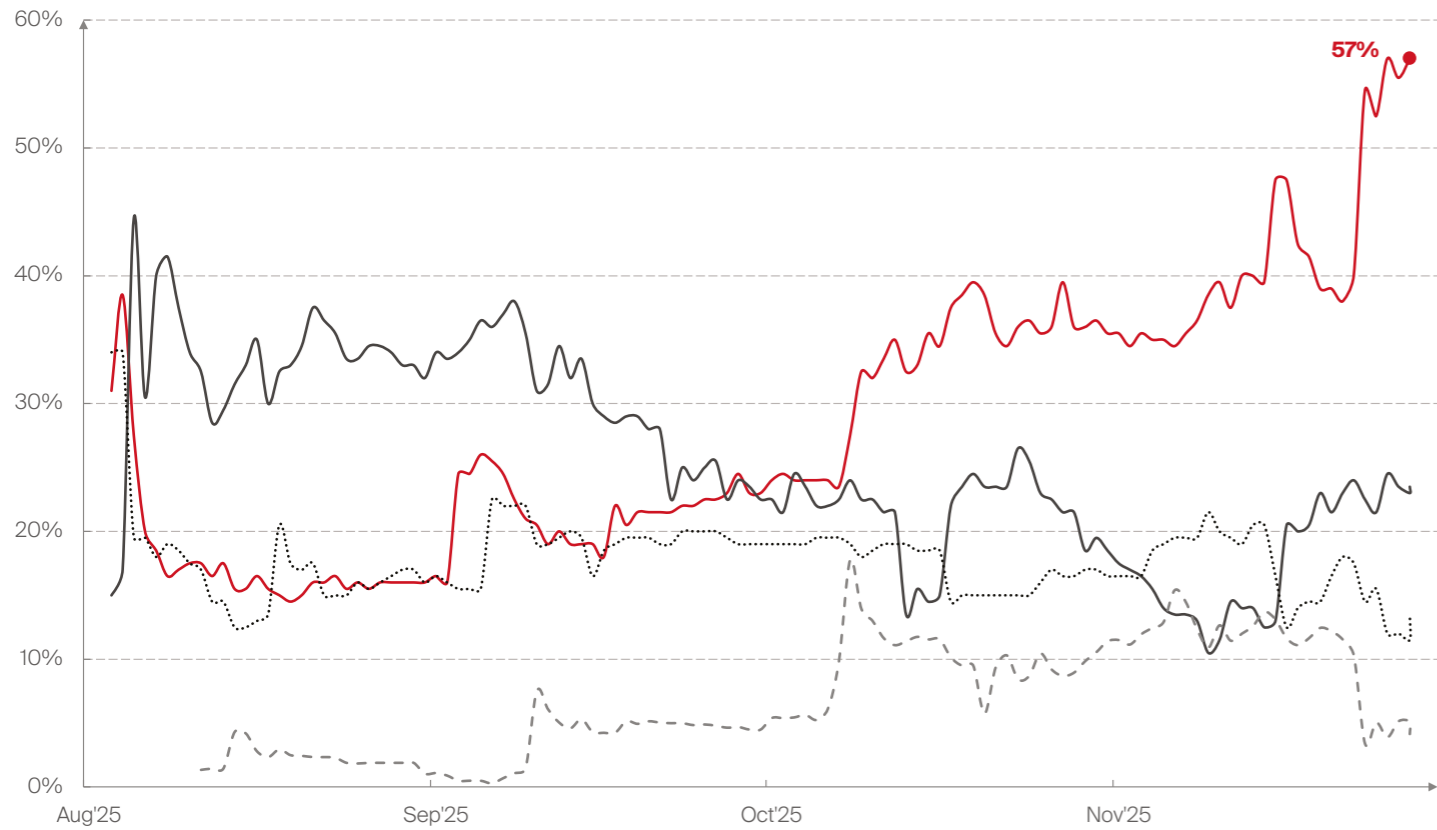
for crypto. Hassett previously led the White House digital asset working group, pushed for structured federal frameworks, and served on Coinbase's advisory board. A Hassett-led Fed would not only be more tolerant of reflation and liquidity expansion but also institutionally friendlier to digital asset market structure. Banks seeking to custody tokenized assets, stablecoin issuers pursuing master accounts, and money-market desks interfacing with tokenized T-bills would face a neutral or even constructive environment rather than resistance.

While far from the base case, a Fed chaired by Hassett also widens the Overton window around digital reserves. The idea of the Fed one day holding a small Bitcoin hedge shifts from unthinkable to a low probability but discussable tail scenario. The practical implication however is simpler.

The message from the White House is explicit. High rates are incompatible with the fiscal program, the political calendar and the rolling refinancing needs of a \$38T debt stock. Hence, we project that the fed funds rate tracks to 2.0% by year-end 2026, regardless of whether inflation has fully returned to target especially if tariffs keep it sticky. A policy rate with a 2-handle, set against mid-2s inflation, recreates the macro mix that historically lifted hard assets such as gold and Bitcoin as well as risk assets.

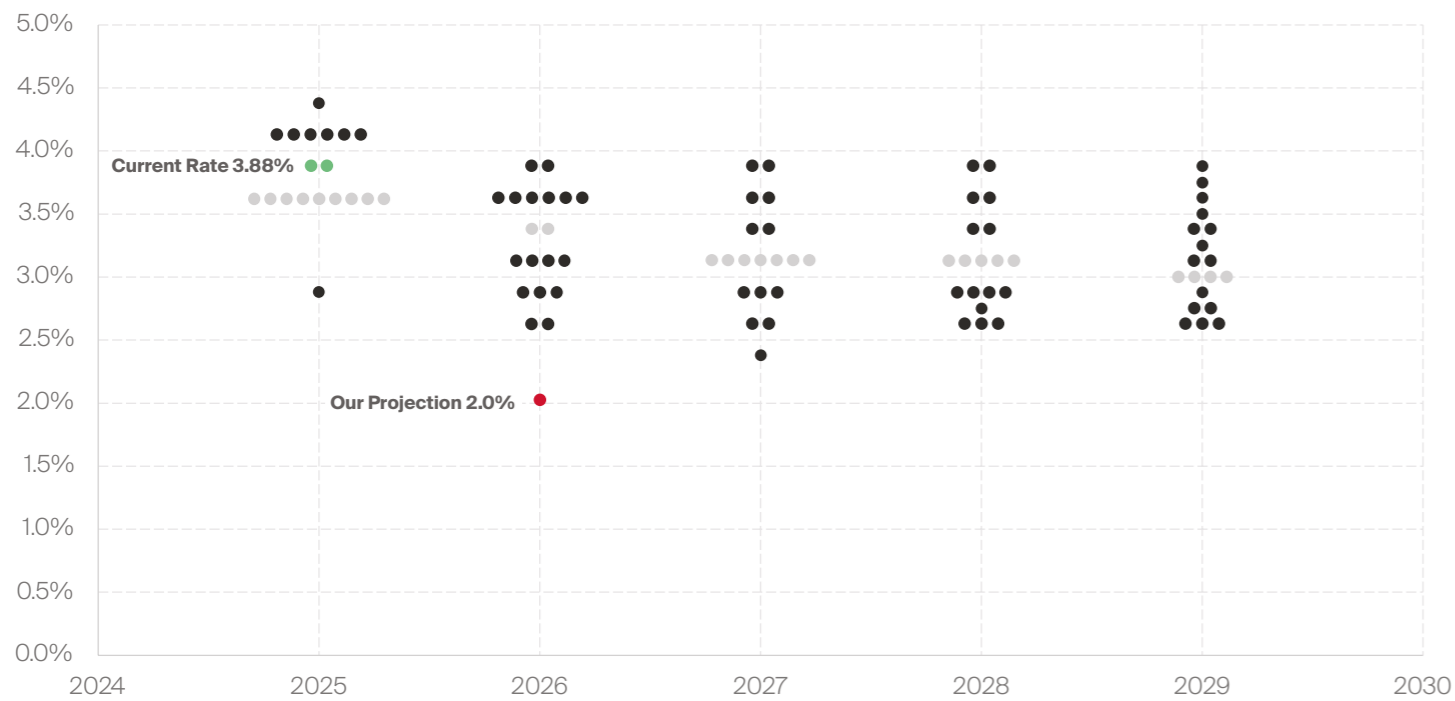


Polymarket odds for the upcoming FED leadership shift



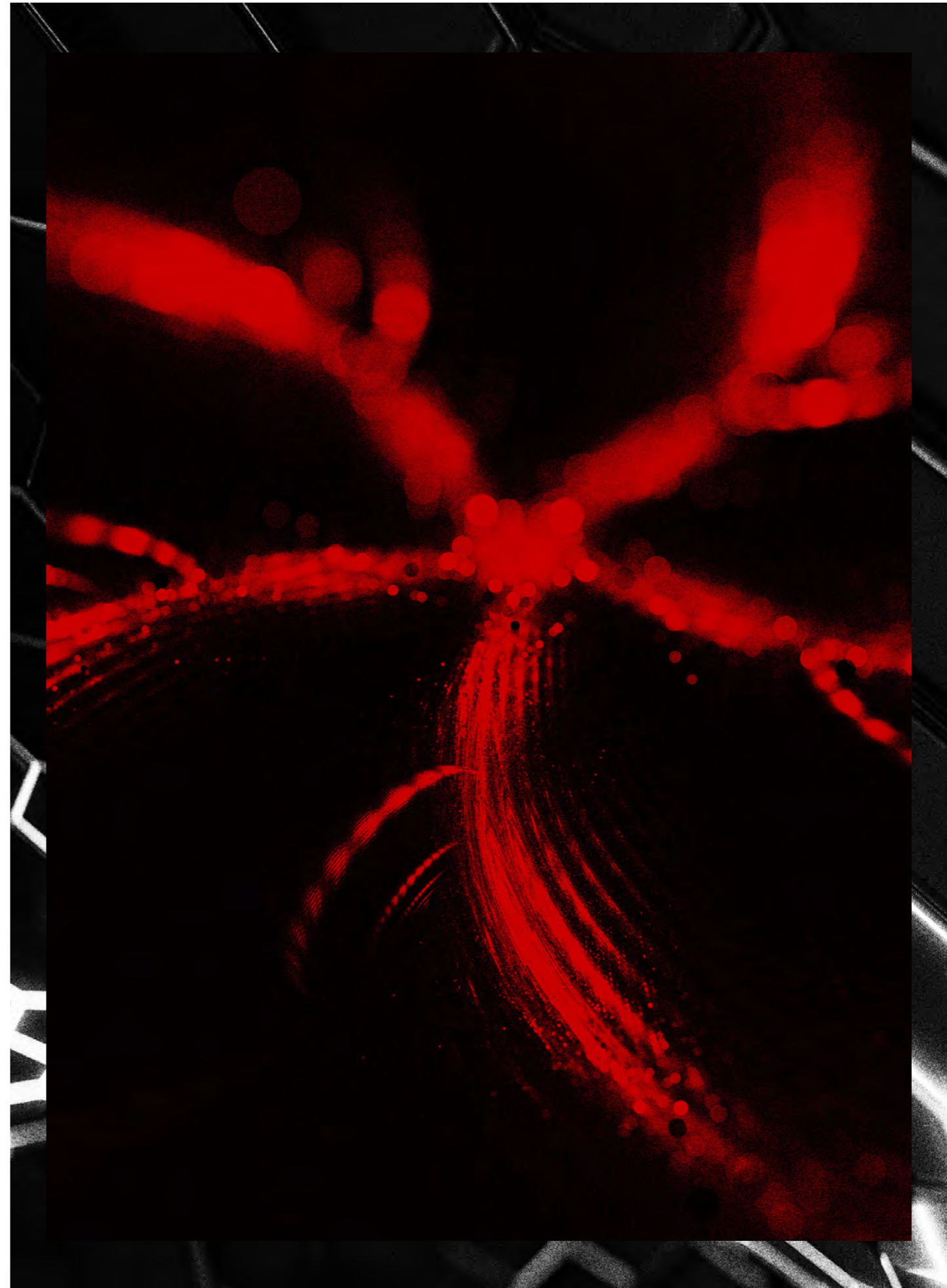
■ Kevin Hassett ■ Christopher Waller ■ Kevin Warsh ■ Rick Rieder Source: Bitcoin Suisse, data: Polymarket, data as of November 30, 2025

Federal Reserve dot plot including our target rate for 2026



Each black and grey circle indicates the value (rounded to the nearest 1/8 percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run.

Source: Bitcoin Suisse, data: CME Group FedWatch, data as of November 29, 2025



Economic activity is set to accelerate in 2026 as the global macro regime transitions into its most supportive configuration since 2022. The end of the Federal Reserve's four-year quantitative tightening (QT) regime on December 1 marks a decisive shift in monetary conditions. While full scale quantitative easing is unlikely to resume immediately, the cessation of QT removes a persistent liquidity restriction that has weighed on risk assets since early 2022. Easing cycles typically transmit with a lag, and 2026 is positioned to reflect that effect as balance sheet runoff stops and reinvestment policies gradually begin to loosen liquidity.

The global rate cutting cycle is now broad based, with more than 300 rate cuts across major economies over the past two years, accompanied by renewed stimulus programs and accommodative credit conditions. The U.S. enters 2026 with substantial fiscal firepower, including ongoing infrastructure spending, proposed \$2'000 stimulus checks, expanding industrial subsidies, and structurally rising AI focused capital expenditure. These measures operate as both demand and supply side accelerators. With the fiscal trajectory remaining highly expansionary – a deficit of more than six percent of GDP and roughly \$9T in refinancing needs in 2026 – structural pressure for lower rates

and additional liquidity support remains firmly in place.

Underlying monetary trends reinforce this constructive backdrop. Global M2 has reached almost \$100T, supported by fiscal outlays and expansionary credit creation. Yet financial market liquidity tightened over the past four years as global net liquidity contracted by almost \$8T despite a \$10T expansion in global M2. This divergence constrained asset markets even as broad money grew. With QT ending, the liquidity impulse is set to turn positive, allowing financial market liquidity to expand more freely and support economic activity.

Concerns of a steep recession are reduced by the controlled nature of the economic cooling phase, resulting in a textbook soft landing thus far. While several indicators might historically align with early recession conditions – moderation in inflation, higher unemployment, and ISM PMI recovering from lows – the underlying dynamics differ starkly from past downturns. Previous recessions were preceded by rapid and aggressive rate cutting cycles eliminating more than 80% of the peak policy rate within a year. In this cycle, the peak policy rate of 5% has been reduced by only about 20% since easing began in 2024, with markets implying a gradual path toward roughly 3%

next year, down 40% relatively only. Inflation remains above target but has not reaccelerated, and tariff driven inflation fears have not materialized. Unemployment (UE) has risen modestly from 3.4% to 4.4% (+30%) over more than two years. Comparably, past cycles' contractions saw UE rise by >50-100% within one year. Financial conditions, as measured by the NFCI, have eased consistently since 2022, and ISM PMI has turned upward, signaling stabilizing business activity and sentiment.

Short term volatility may persist in early 2026, driven by tariff negotiations and yen carry trade unwind effects. Yet the trajectory ahead remains constructive. As rate cuts continue, liquidity expands, and economic activity strengthens, the backdrop favors a shift from defensive positioning toward pro-growth exposures. Markets typically respond with a lag of several months once easing cycles are underway, and we expect this pattern to repeat. Barring a sharp reacceleration in inflation, the policy mix entering 2026 supports rising business activity, stabilizing labor markets, and improving forward earnings expectations. The soft-landing scenario has played out with textbook accuracy, the liquidity impulse is turning, and the balance of indicators points toward a broad-based economic re-acceleration through 2026.



PREDICTION #2

Economic activity will accelerate

300+

Global Rate cuts over the past two years

\$9T

U.S. debt refinancing in 2026

>6% of GDP

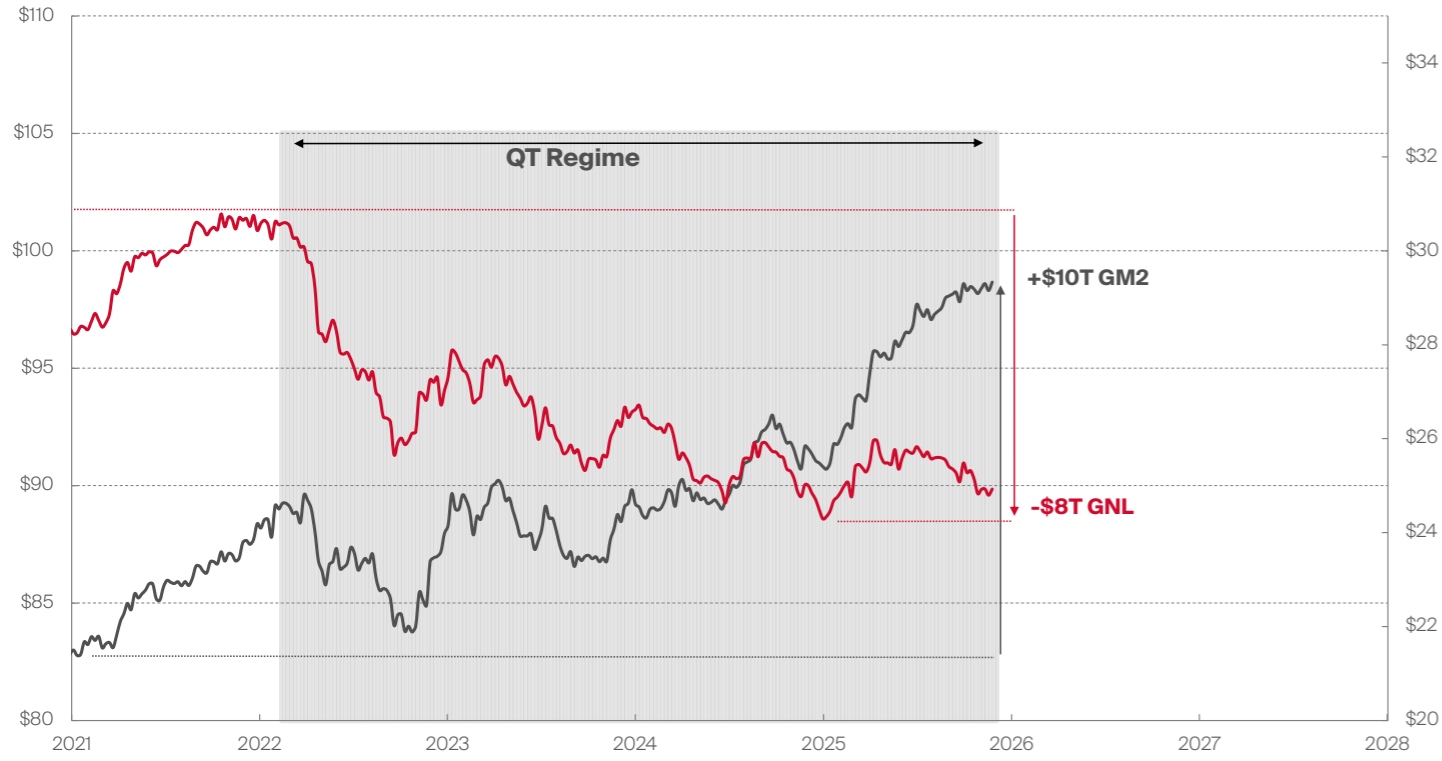
U.S. deficit

\$600B

Annual MAG7 AI CapEx



While Global M2 expanded, Global Net Liquidity contracted amidst 4.5 years of QT



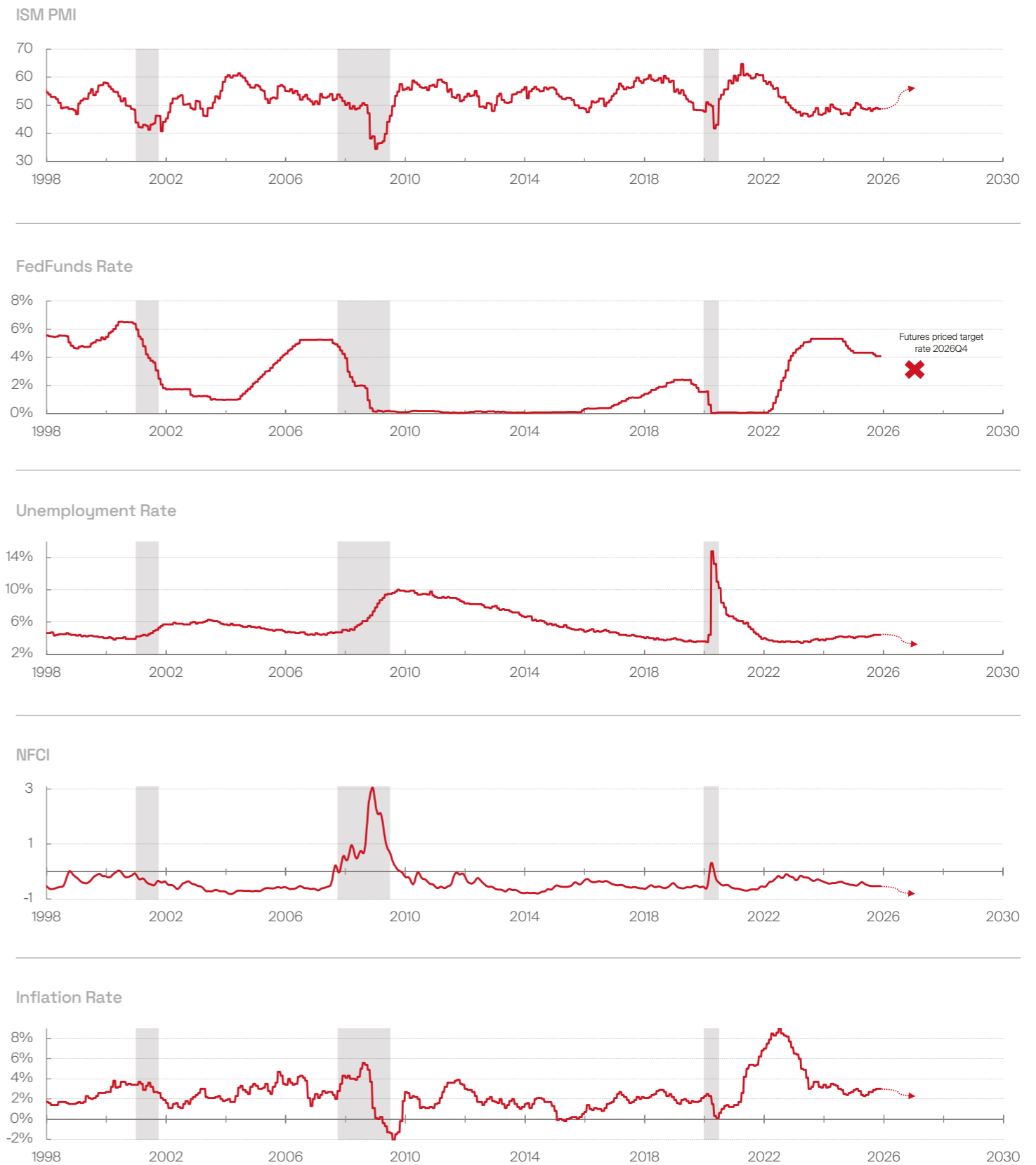
Source: Bitcoin Suisse, data: Bitcoin Suisse, data as of November 30, 2025

Global Net Liquidity captures the entirety of global central banks' asset purchases and balance-sheet expansions, representing direct financial-system liquidity and a primary driver of marginal flows into risk assets. Contractions in GNL typically coincide with market drawdowns, while expansions support economic activity and broad uptrends in asset prices. Global M2 reflects the aggregated global "broad money" supply — including cash, checking deposits, savings, and money-market balances — and measures systemic monetary expansion across economies. Unlike GNL, which has high sensitivity to financial markets due to its direct impact on asset buying, GM2 represents broader monetary growth and therefore exhibits a more muted and delayed influence on financial-market performance.

“I think 2026 is gonna be a blockbuster year”

U.S. Treasury Secretary Scott Bessent

Fundamental economic indicators are easing while the labor market is softening



Source: Bitcoin Suisse, data: TradingView, data as of November 30, 2025

ISM PMI tracks U.S. manufacturing and services activity, with rising readings signaling expanding business activity and improving economic sentiment; the fed funds rate represents the Federal Reserve's policy interest rate and is the primary tool used to tighten or ease monetary conditions; the unemployment rate measures labor-market slack and overall economic health, with lower levels indicating stronger employment conditions; and the NFCI (National Financial Conditions Index) reflects the tightness or ease of financial conditions, where declining values indicate easing liquidity in the financial system, and rising values signal tightening conditions.



“If quantum computing becomes a threat to Bitcoin’s elliptic curve cryptography, an inviolable property of Bitcoin will be violated one way or another.”

Jameson Lopp, Cypherpunk

\$600B

Value at long-exposure quantum risk

1M BTC

Bitcoin in Satoshi’s UTXOs

2030

NIST-planned ECDSA deprecation year



PREDICTION #3

Bitcoin takes first steps towards post-quantum resistance

Progress in quantum computing is a threat to protocols relying on elliptic curve cryptography. Bitcoin relies on elliptic curves for digital signatures (ECDSA). One relies on ECDSA to prove ownership of their coins. Breaking ECDSA means breaking Bitcoin’s property rights. This is known and acknowledged since the early days of Bitcoin, but it was hardly seen as an urgent issue due to how far quantum computing technology was, in practice, from reaching threatening levels of scale. We predict this is going to change soon.

By the end of 2026 there will be social consensus on upgrading Bitcoin towards post-quantum resistance, formalizing plans for a soft fork. The fork will likely include either BIP-360 (P2QRH: Pay to Quantum Resistant Hash) or Pay to Taproot Hash (P2TRH).

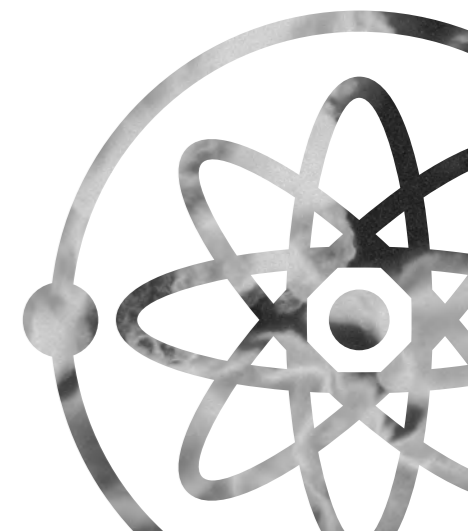
Currently, 6.7M BTC (worth \$600B) are vulnerable to a cryptographically relevant

quantum computer (CRQC), either because stored in unsafe UTXO types or because of address reuse. We define CRQC as a device capable to run Shor’s algorithm at a scale sufficient to break ECDSA, extracting private keys from exposed public keys. The fork will facilitate the migration of vulnerable coins to quantum-resistant output types.

Quantum readiness is the most complex upgrade in Bitcoin’s history. In addition to technical topics (e.g. on post-quantum signature schemes), it requires consensus on social and economic questions on migration logistics and “lost coin” management.

Owners of BTC vulnerable to CRQCs can already migrate them to a safe address type. The problem is that some of them lost their private keys, leaving their BTC available to CRQCs. It is believed that most of the 1.7M BTC stored in unsafe P2PK outputs is lost, including Satoshi’s coins.

The impact of Satoshi’s 1 million BTC being available as a “quantum bounty” sparked discussions on whether unmigrated coins should be “burned” (made unspendable after a deadline), “recycled” (burning and re-issuing a corresponding amount e.g. for extending miner subsidy) or left available to CRQCs.





Despite rising market capitalization, a significant portion of BTC remains vulnerable due to reused or unsafe address formats, underscoring ongoing security gaps.

Due to the complexity of this upgrade, it is likely to be split in multiple soft forks. BIP-360 is a good candidate for the first fork, as it accelerates quantum readiness while keeping options open on post-quantum signature schemes, migration logistics and lost coin management. In addition, like P2TRH, it addresses the quantum vulnerability of Taproot and it reuses most of its code.

Still, it will be challenging to find an agreement by next year. Bitcoin naturally tends to ossify, and no fork comes for free. We believe that further progress on CRQCs will help triggering a risk mitigation strategy.

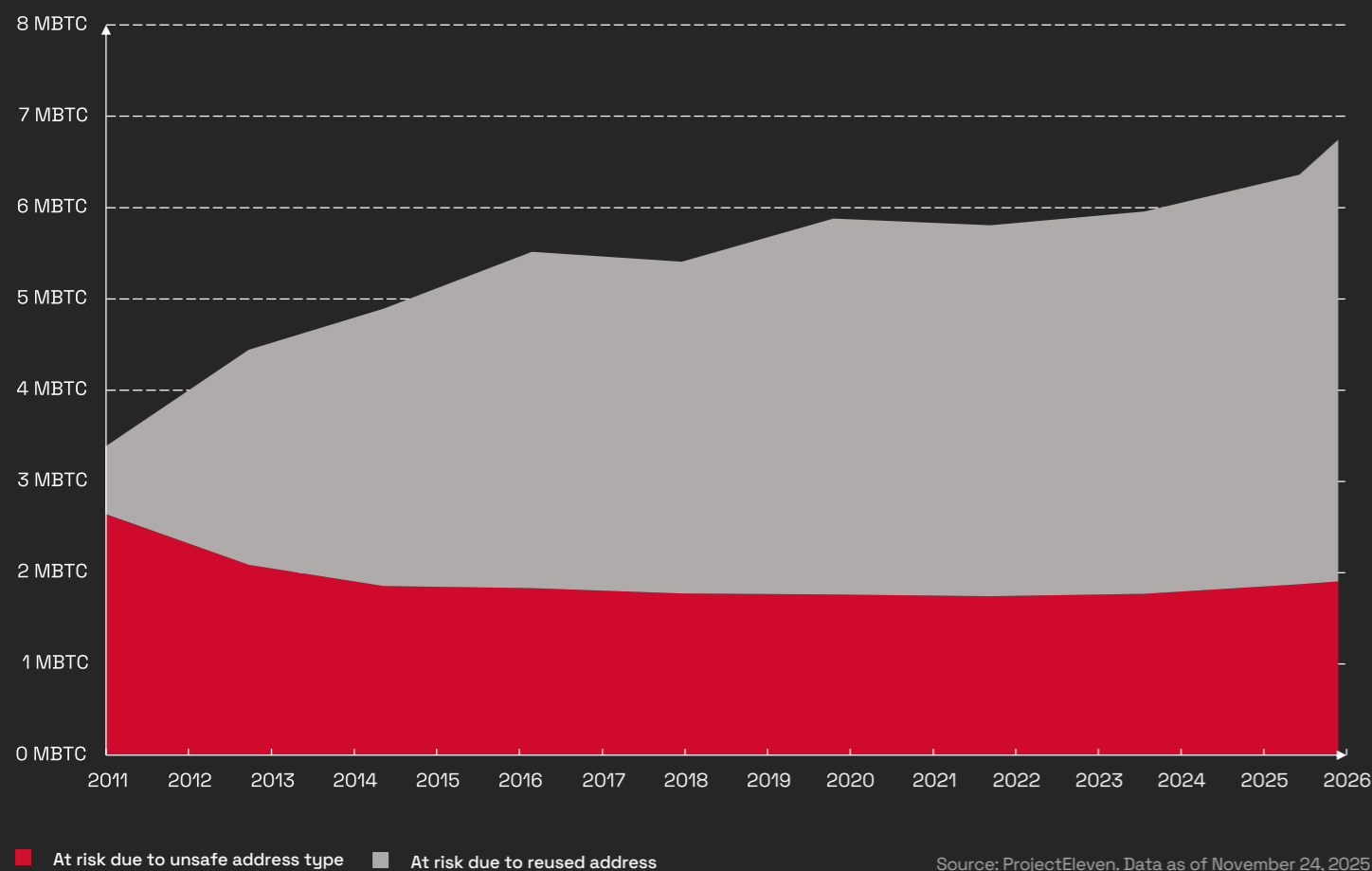
We are moving on from the noisy era of quantum computing to a path towards fault tolerance. Investment in quantum computing keeps accelerating. Multiple companies demonstrated break-even

quantum error correction, providing a basis for their ambitious roadmaps towards CRQCs. Importantly, there is effort on different physical qubit technologies and fault-tolerant schemes. If one approach to scaling will find unexpected roadblocks, others will still have opportunity to succeed. At this point, the main question is not if, but when we will see devices with hundreds of logical qubits and logical error rate low enough for running deep circuits (millions of gates). Companies with good clarity of disclosure and track records align their roadmaps around 2029-2030 for this milestone. Even though that would still be insufficient to break ECDSA, Bitcoin can't afford to arrive at that point unprepared. Agreeing on a migration strategy will take time. The migration itself, limited by Bitcoin's throughput, will require at least one year, ideally multiple years if it is decided to burn unmigrated coins. We can't afford to wait

for public evidence of aggressive scaling in logical qubit circuits to start taking any action, as that will inevitably lead to panic, rushed decisions and contentious chain splits with confusion in the market dealing with multiple versions of BTC.

Agreeing on BIP-360 by next year will reduce the decision load on the migration and act as a strong signal that Bitcoin can react and evolve when challenged at its core. We don't expect the progress in quantum computing to have a strong effect on BTC during 2026, even when fuelled by aggressive roadmap updates towards CRQCs, but it could be taken as an opportunity from other chains further ahead in their post-quantum roadmap. Bitcoin doesn't need rushed decisions, Bitcoin doesn't need to compete with other chains, but it is time to acknowledge the clock is ticking and Bitcoin deserves a plan.

Bitcoin supply vulnerable to Shor's algorithm



Potential impact of long-exposure quantum attacks, depending on Bitcoin development

Scenario	Supply at risk	Market impact
No change	>30% of BTC supply vulnerable. Most BTC in unsafe address types is likely to be lost, BTC in reused addresses likely to increase or stay stable.	Risk of massive liquidation event in case an entity knowingly acquires CRQC capability long before others. Extreme loss of trust in BTC as store of value, especially if the risk was downplayed (rather than accepting CRQC "quantum mining").
Post-quantum ready output (P2QRH)	The availability of an output type explicitly made for quantum resistance and attention to the matter will cause a reduction in the supply at risk. Still, lost coins remain vulnerable.	Same as above. Faster path to quantum readiness, but re-establishing BTC as a store of value remains unlikely.
Vulnerable output rate limit (P2QRH + Hourglass)	Same as above.	Risk of massive liquidation prevented by limiting how many legacy outputs can be spent per block.
Burn (P2QRH + PQMLSS)	A migration plan including a deadline is set to ensure that all vulnerable coins (including lost coins) become unspendable, verifiably reducing the max supply.	Despite criticism of the burn, seen as loss of property rights, the market ultimately validates the quantum readiness efforts. Market crash for coins originated from contentious forks due to disagreement on the burn.
Redistribution (freeze + recovery and/or burn + emission)	In addition to the migration deadline, measures are set in place to preserve the 21M max supply, modifying the emission schedule and/or allowing recovery through zk-proof of ownership of the seed used to generate private keys (not possible for all address types).	Same as above. We don't expect long-lived chain splits on redistribution vs burn.

Source: ProjectEleven. Data as of November 24, 2025



PREDICTION #4

The Tether and Circle duopoly will weaken as yield and distribution reshape the stack

For the first time, stablecoin adoption is being catalyzed more by utility than speculation. Supply pushed through the \$300B mark, and transaction volumes decoupled from crypto cycles. Tokenized dollars now process multi-trillion-dollar in annual settlement, rivalling or even surpassing card networks such as Visa and far outpacing PayPal and traditional remittance rails. What began as plumbing for exchanges is turning into a neutral, always-on settlement layer for trade, payroll, B2B flows and savings especially in emerging markets where domestic banking is slow, expensive, or politically fragile.

So far, this transformation was largely carried by just two issuers. Tether and Circle together still account for roughly 85–90% of outstanding supply, a dominance that no other stablecoin has seriously challenged over the last decade. Their business model is brutally simple. Issue tokenized dollars,

“Crypto is finally at a stage where it is fast, low-cost, secure, and built for scale.”

Sebastian Siemiatkowski, CEO Klarna

invest reserves in short-term Treasuries, gold, BTC, bank deposits, keep almost all of the carry. With front-end yields elevated and aggregate reserves north of \$250B, the profit pool runs in the high single-digit to low double-digit billions per year. Per employee, these are some of the most profitable financial institutions in the world.

That profitability is precisely why we believe that the duopoly is unlikely to last. They are

now being squeezed from two directions at once. On one side, a new cohort of yield-bearing stablecoins (YBS), including on-chain T-bill and managed strategy wrappers, or synthetic basis products is growing much faster than traditional payment stablecoins. These tokens explicitly pass through part of the underlying yield. TVL in such products already moved into the double-digit billions, with protocols like Ethena, Maker’s new sUSD variants, and Ondo’s U.S. Dollar Yield Token leading the pack. The backdrop is a global deposit system that still pays almost nothing. Here, FDIC data shows that average U.S. savings rates range around 0.4%, and while short-term Treasuries yield roughly ten times as much, trillions of deposits are earning 0%. For users who understand that opportunity cost, the trade is obvious and it translates to substantial tailwinds for any yield bearing stablecoin.

On the other side, traditional owners of distribution such as Stripe realized that they are giving away a major source of revenue. Neobanks, remittance players such as Western Union, large fintechs, and banks now see the same opportunity Tether and Circle captured. Thus, we observe an explosion of “house stablecoins” ranging from Hyperliquid and MegaETH on the crypto-native side to Klarna, PayPal, SocGen, and other global names. Even Walmart and Amazon are exploring their own stablecoins, and even Kyrgyzstan is launching a gold backed stablecoin. It’s clear by now that more traditional players want to own more layers of the stablecoin value chain.

Interestingly, regulation is acting as an accelerant rather than a brake. GENIUS and MiCA formalize payment stablecoins as fully reserved, supervised instruments. Yet, they crucially ban direct yield to retail holders to avoid deposit flight with a twofold outcome. First, it legitimizes USD stablecoins as

86%

Stablecoin market share of Tether and Circle

\$1.9T

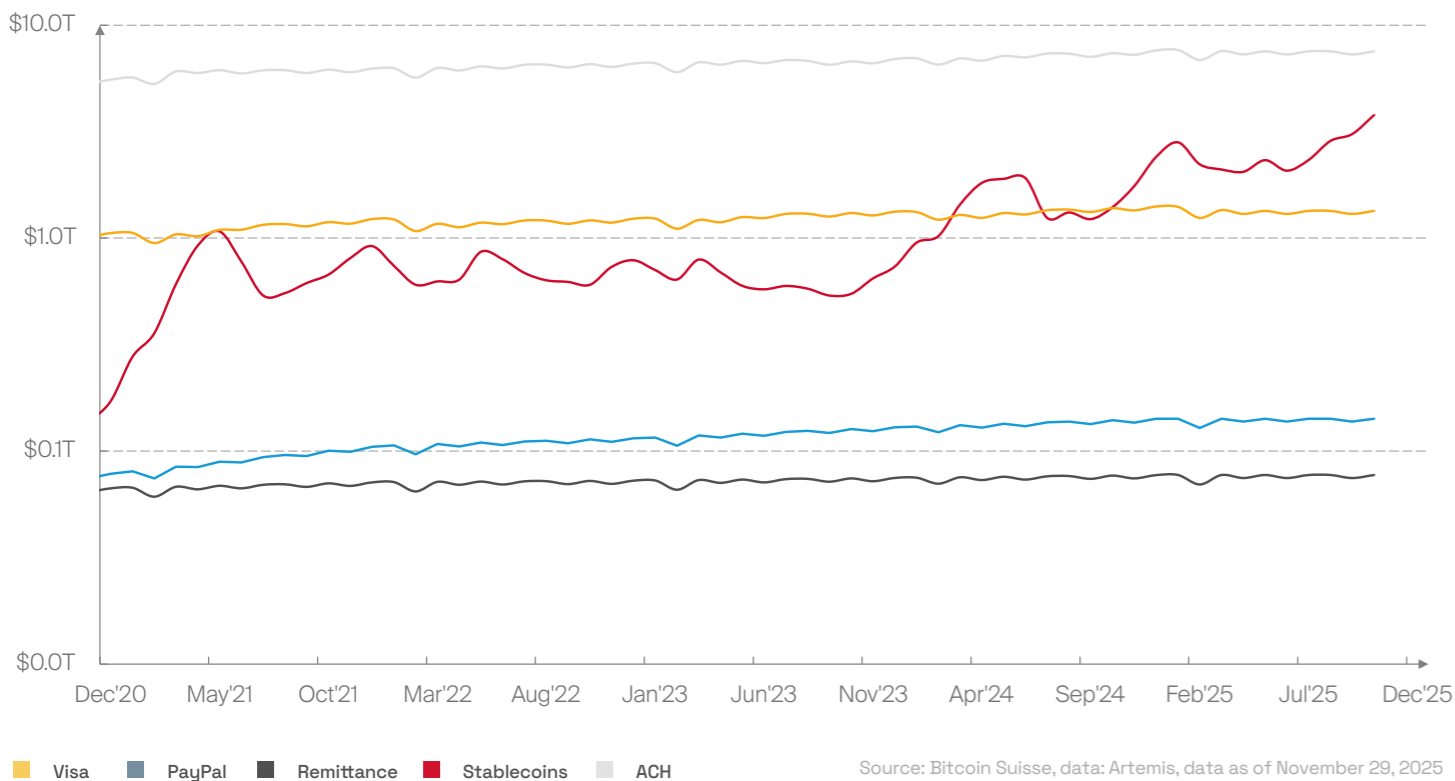
Base case estimate for stablecoin supply by 2030 (Citi)

\$12.9B

(4.3% market share): Yield bearing stablecoins



Transaction volumes across various settlement networks



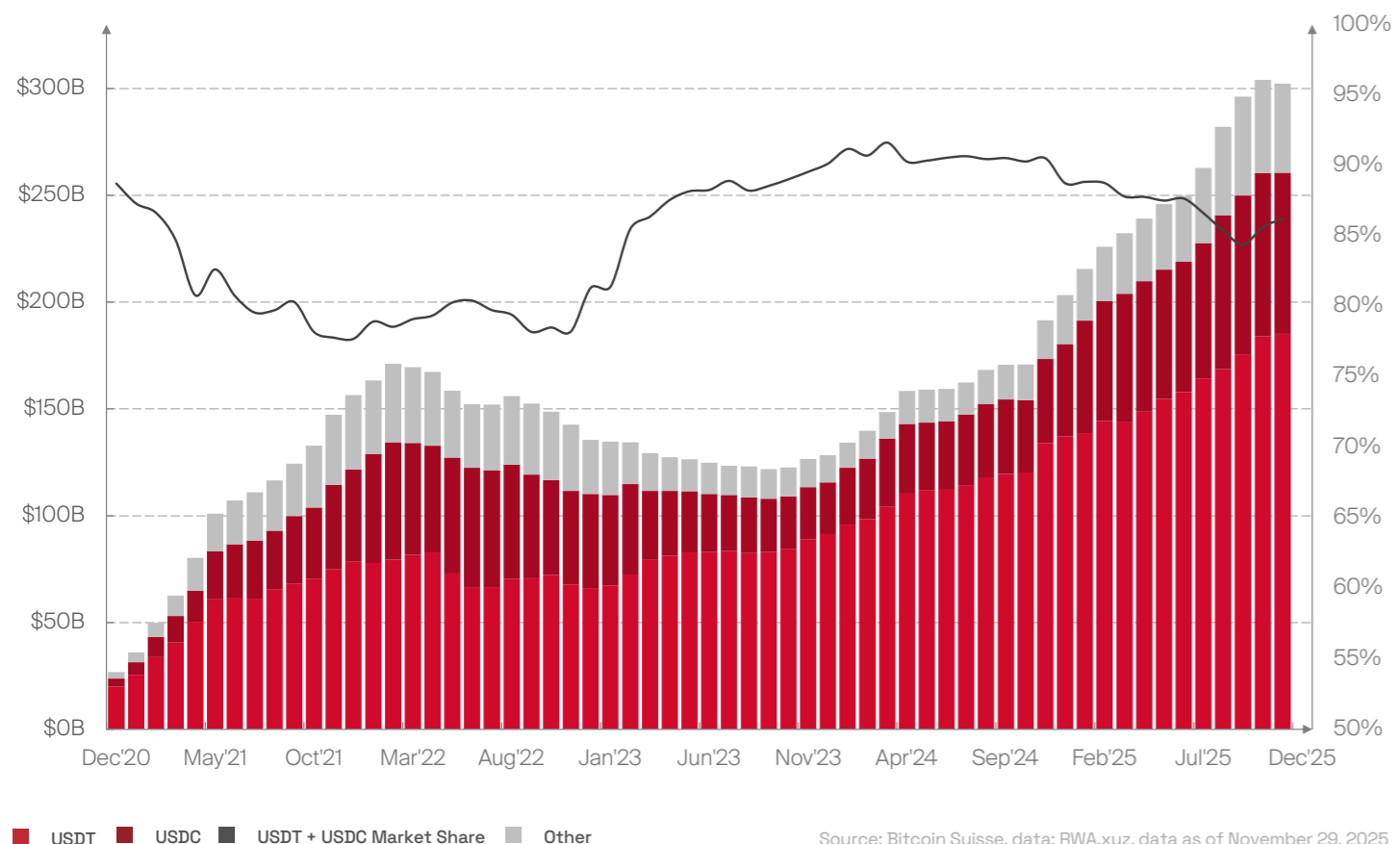
“Open protocols beat closed systems. Email killed postal monopolies. TCP/IP killed telco cartels. HTTP killed CompuServe. Now: stablecoins kill banking rails.”

Alex Thorn, Head of Firmwide Research at Galaxy

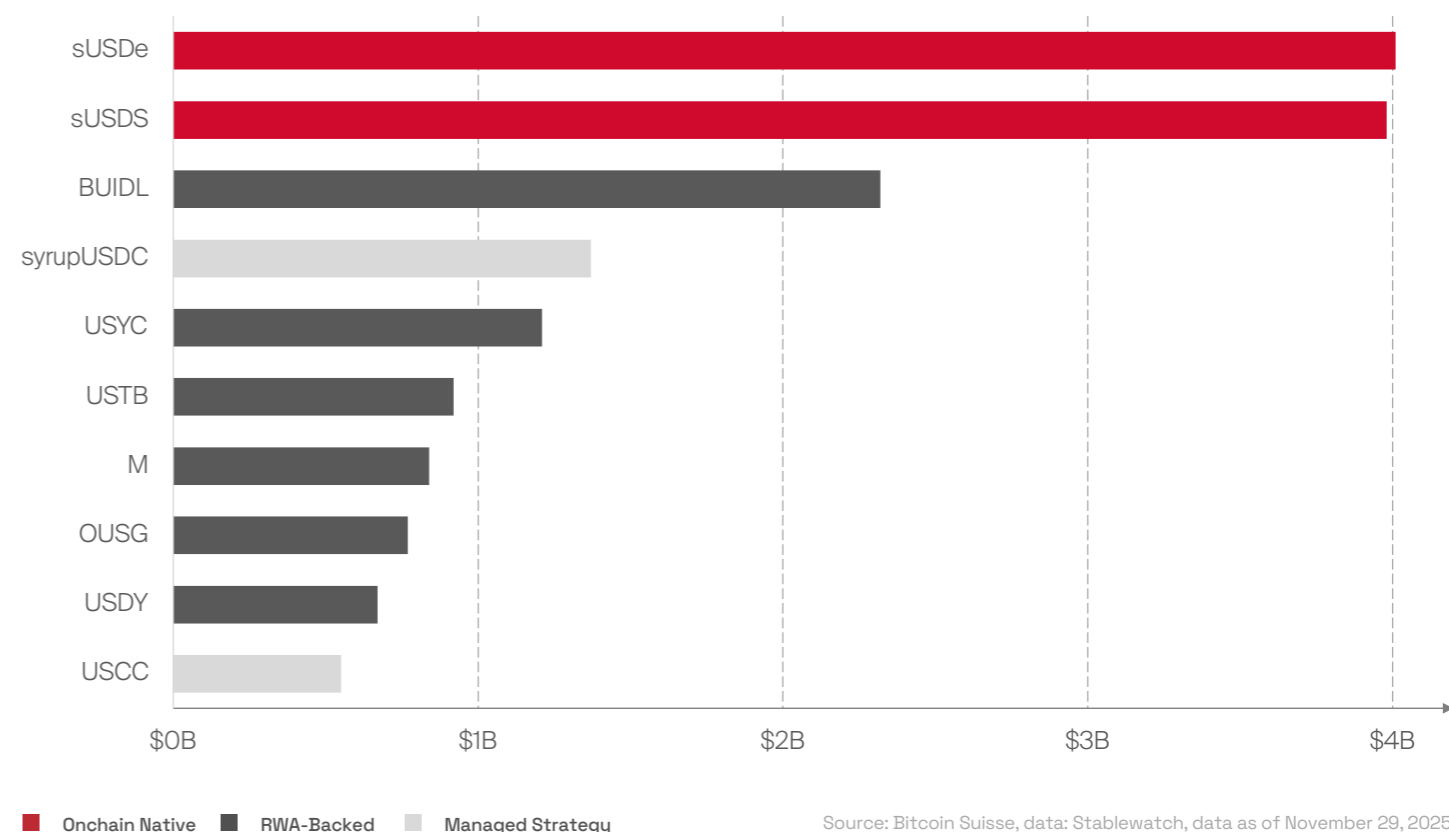
strategic funding tools for the U.S., channeling global savings into fresh Treasury demand without touching the domestic banking system. Second, by forcing payment coins to zero-yield, regulators carve the market into two lanes, namely compliant dollars and offshore or securities-wrapped yield dollars. This constraint will likely redirect innovation, and the players who solve yield within the ruleset will likely win the next leg of adoption.

In 2026, the narrative shifts from Tether vs. Circle to a three-way contest between offshore issuers, regulated payment coins and yield-bearing dollar wrappers, all competing on the same public settlement rails. Our call is that the USDT, USDC duopoly finally softens, with combined market share slipping below 75% as new issuers come to market. With global stablecoin supply now projected to reach \$2T by 2030 in base-case estimates, we expect the market to outpace the limits of a duopoly. Thus at least one bank- or fintech-anchored USD stablecoin will break the \$10B mark while yield-bearing products continue to compound faster than vanilla payment tokens. And as the global easing cycle will compress front-end yields, the traditional “collect the carry, pay nothing” model becomes less defensible, pushing issuers and intermediaries toward more on-chain, programmable designs that share economics with users.

Tether and Circle Duopoly in stablecoin supply

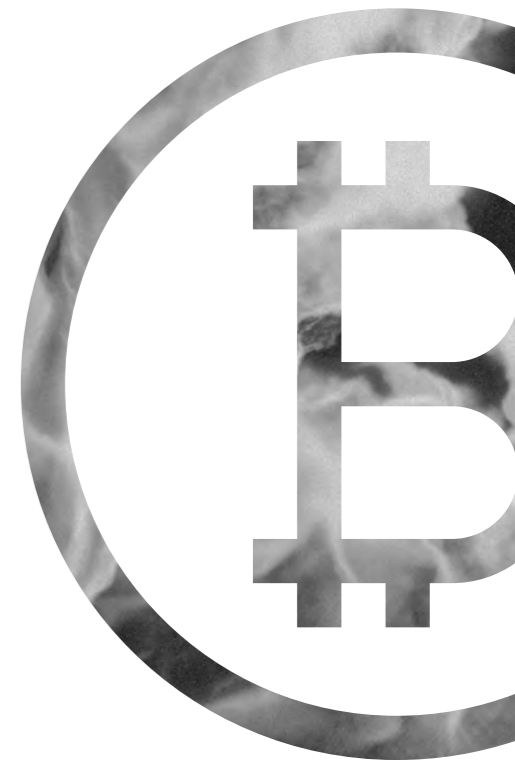


Supply of yield bearing stablecoins across major categories



“If you’re frightened about debasement or local political instability, you have an international instrument called Bitcoin to overcome those fears [...] We could see \$500K, \$600K, \$700K per BTC.”

Larry Fink CEO of BlackRock



PREDICTION #5

Bitcoin will make new all-time highs and approach \$180'000

Bitcoin enters 2026 with its secular bull market intact, despite what will retrospectively be viewed as an unusually complex and sentiment disrupting year in 2025. While Bitcoin consistently claimed new all-time highs throughout the year, with a peak at \$126K in early October, and consolidating above \$100K for more than 180 days, it is set to close the year 2025 negative on a year-to-date basis. An outcome starkly contrasted by record highs across most major asset classes. This divergence created the impression of a hidden crypto-bear market year, within an otherwise constructive macro environment. Our assessment is that these dynamics and the recent correction have substantially reset leverage, positioning, and investor sentiment to levels that now underpin a strongly asymmetric upside profile for 2026.

Two full corrective phases defined Bitcoin's trajectory in 2025. The April decline of roughly 30% brought BTC down to \$75K, followed by the November drawdown of about 35% to \$81K. Both events pulled BTC into historically depressed price and onchain valuation zones - usually only seen after prolonged bear-markets of 12-18 months - and firmly reset lower bound trend structures while eliminating excess momentum. Importantly, neither correction violated the structural bull market threshold, currently priced at around \$75K, a level we continue to view as the key marker for cycle health and continuation. Above this level, Bitcoin's long term bullish structure remains firmly intact. A sustained break below would be the first meaningful indication

of a disruptive cycle breakdown, which we currently see as unlikely.

The October to November 2025 sell off was driven by an unusually dense cluster of short-term pressures acting at once. President Trump's unexpected tariff announcement on Chinese imports triggered a \$19B single day crypto liquidation cascade, with real OI dropping even \$50B, and set the initial tone for forced de-risking. This shock was amplified by tightening conditions in U.S. Dollar funding markets during the longest government shutdown in history of 43 days. Simultaneously, a hawkish repricing of expected Fed rate cuts amidst a lack of economic data releases had markets "flying blind". Additional pressure came from clustered profit taking and collateral adjustments by corporate holders, renewed activity from long dormant wallets heavily distributing supply into weakness, and a wave of perpetual futures liquidations once prices fell below the \$100K mark. Yet the capitulation phase prompted substantial institutional accumulation amidst heavy re-distribution of more than 400K BTC, with a rough notional value of \$50B, within a mere 30 days. Harvard's endowment executed one of its largest digital asset allocations to date, sovereign allocators including Abu Dhabi meaningfully increased their reserves, and the state of Texas conducted its first strategic Bitcoin purchase. These developments signal that while short term sentiment was capitulating, and fear was at all-time-highs, long horizon capital was actively increasing exposure.

-30%,
-35%

Major BTC corrections in April and November 2025

\$150K

Minimum price target for BTC in 2026

\$125K

Current onchain fair valuation price implied for BTC

+\$26B

2025 Net-Inflow into BTC-ETFs



Throughout 2025, \$417 billion in realized profit taking was absorbed.

Our proprietary Bitcoin Dynamic Cycle Risk Metric and Bitcoin Dynamic Cycle Onchain Risk Metric both sit at favorable levels, indicating a low risk regime with forward returns skewed substantially to the upside, particularly with BTC firmly below \$100K. Onchain valuation bands reinforce this view. Bitcoin is currently trading well below its fair value trend band, which it tracked closely for the past two years, and currently trending around \$125K. Historically, such deviations have represented undervalued entry zones. Extending our onchain implied valuation framework, based on realized price, balanced price, and terminal price dynamics, suggests that the upper bound valuation for this cycle

aligns with BTC approaching \$180K to \$200K. We expect Bitcoin to reclaim \$100K heading into year end, retest all-time highs in early Q1 2026, and build momentum into its projected cycle peak later in the year. 2026Q2 should see a full continuation of the bull market structure, followed by a volatility induced reset around the U.S. midterm elections in Q3, historically a period of macro uncertainty and elevated cross asset volatility.

We anticipate a strong year for Bitcoin ahead and expect Bitcoin dominance to bottom in 2026. This indicates that while BTC will perform strongly, the broader crypto market may outperform on a relative basis before Bitcoin regains structural leadership thereafter.



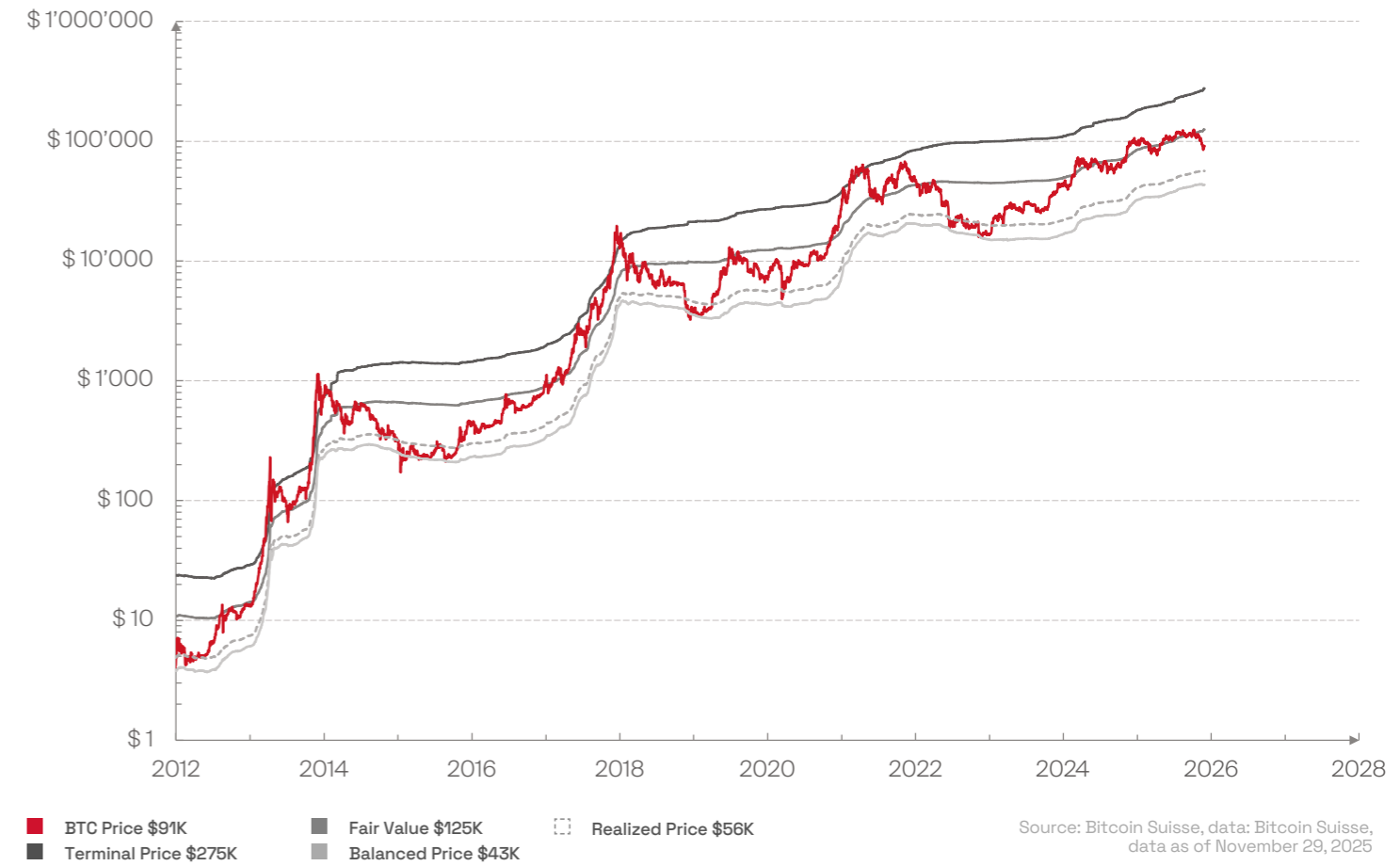
Bitcoin Dynamic Cycle Price Risk and Bitcoin Dynamic Cycle Onchain Risk



Bitcoin Dynamic Cycle Price Risk Metric: The Bitcoin Dynamic Cycle Risk Metric is Bitcoin Suisse’s proprietary tool for evaluating the relative risk of Bitcoin’s price levels by analyzing key factors such as momentum, trend strength, and inter-crypto cycle dynamics. It adapts to market conditions, maintaining stable risk during moderate price increases while decreasing risk during sideways or declining movements.

Bitcoin Dynamic Cycle Onchain Risk Metric: The Bitcoin Dynamic Cycle Onchain Risk Metric is Bitcoin Suisse’s proprietary tool for assessing the relative risk of Bitcoin’s onchain activity by analyzing a multitude of individually optimized and adjusted onchain risk metrics. Each metric is specifically designed to incorporate intercycle dynamics and is capable of independently signaling market tops and bottoms. The Dynamic Cycle Onchain Risk Metric adapts dynamically to market conditions, with risk decreasing during periods of subdued activity and increasing during heightened onchain activity.

Bitcoin dynamic onchain valuation bands



Realized Price, Balanced Price, and Terminal Price framework: The realized price, balanced price, and terminal price framework defines Bitcoin’s dynamic valuation bands. The realized price reflects the average onchain acquisition cost, acting as a long-term floor. The balanced price blends realized and transferred capital flows, representing BTC’s minimum fair value equilibrium. The terminal price models cyclical valuation peaks by adjusting for cumulative network profitability and supply. Together, these levels outline Bitcoin’s lower, fair, and upper value bounds across market cycles.



PREDICTION #6

A tug of war emerges as passive flows anchor the top while applications drive market breadth

For most of its history, crypto rallied on market breadth. When liquidity hit the system, everything went north. In our view, that era is ending. In 2026, crypto's market structure will shift decisively toward index-like concentration as passive flows converge on single underlying assets such as BTC and ETH while applications, capturing the lion's share of economic activity, are primed to reprice higher.

Crypto enters the new year with a market structure defined by a striking duality. At the top, the ecosystem is more concentrated than the Nasdaq during the height of the Magnificent 7. Bitcoin, Ethereum, and a handful of high-conviction assets dominate aggregate market cap with a seemingly immovable weight. Excluding BTC, the rest of crypto mirrors the Nasdaq's concentration profile almost one to one, effectively bifurcating the space into Bitcoin as digital gold with large capital density and a tech-index-like universe of application and infrastructure assets beyond.

The top-heaviness is sticky and more pronounced in crypto than in most other markets. The ETF era transformed BTC and ETH into benchmark assets for institutional allocators. Unlike historical crypto inflows that are known to be cyclical, price-sensitive, and discretionary, the new flows are price-insensitive, recurring, and benchmark-agnostic. These flows behave like passive equity flows in TradFi, even though they track single assets instead of diversified indices. They form a gravitational anchor at the top of the market. In equities, passive flows naturally channel ever more capital into the largest names, yet crypto starts from an even more skewed baseline. With the onset of spot ETFs, crypto is now rhyming with that structure. Instead of diversified ETF baskets however, passive exposure arrives almost entirely through single-asset vehicles. We expect these flows to accelerate as major wirehouses including Vanguard, long the most stubborn holdout, open their platforms to crypto ETFs, the August executive order opens the door for retirement accounts, and sovereign allocators increasingly use ETF

rails for incremental exposure. Our estimate is that by end of 2026, these passive vehicles will soak up 10% of BTC and 8% of ETH supply, and in turn consolidate top skew.

Yet a new dynamic emerges that sets the stage for a broadening of leadership among application-layer assets. As we demonstrate, the economic engine of the ecosystem did invert substantially, and with it, the revenue architecture of crypto is unambiguously clear. Applications now generate nearly 90% of all fees, while blockchains and infrastructure, despite commanding the majority of market cap, capture barely 10%. Historically, this mismatch could persist because regulatory ambiguity blocked revenue distribution, buybacks, or tokenized equity mechanics. That barrier is now weakening. The GENIUS framework for payment tokens and the Clarity Act coupled with the White House's alignment toward equity-like treatment for compliant tokenized cash flows reopens the door for regulated, revenue-bearing tokens to exist.

After years of experimentation, the application layer consolidated into hubs with revenues, liquidity retention, moats and strong user aggregation. These platforms increasingly operate like early-stage, high-margin fintech businesses whose fundamentals have simply not yet been priced as such. As buybacks and revenue distribution become legally viable, the market will begin to revalue these tokens not as governance abstractions, but as growth-equity instruments with tangible unit economics.

The result is a structural tug-of-war. Passive flows keep the top of the market firmly anchored, limiting rotational volatility and reinforcing BTC and ETH dominance. At the same time, fundamental value accrues at the application layer, creating the first genuine breadth revival in years. A revival that is more economically anchored than in any previous cycle and a revival that is rooted in earnings rather than reflexive narratives. The implication is profound, and it will likely compress the L1 premium in favor of tokens with cash flow. Applications with fees will finally get the valuation credit they deserve.

93% vs 71%

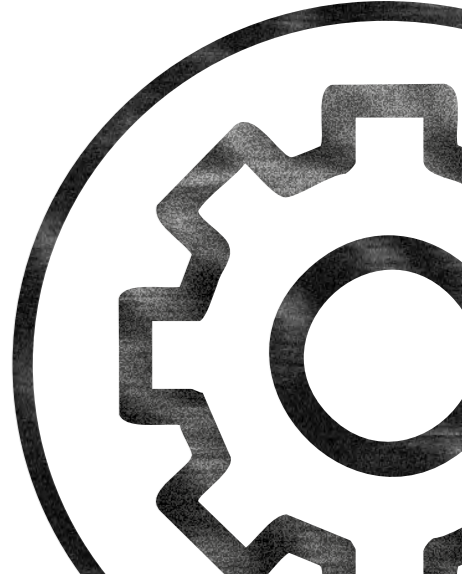
MCAP dominance of the top 10 crypto assets (excluding stablecoins) vs Index dominance of the top 10 titles in NASDAQ

10% of BTC & 8% of ETH

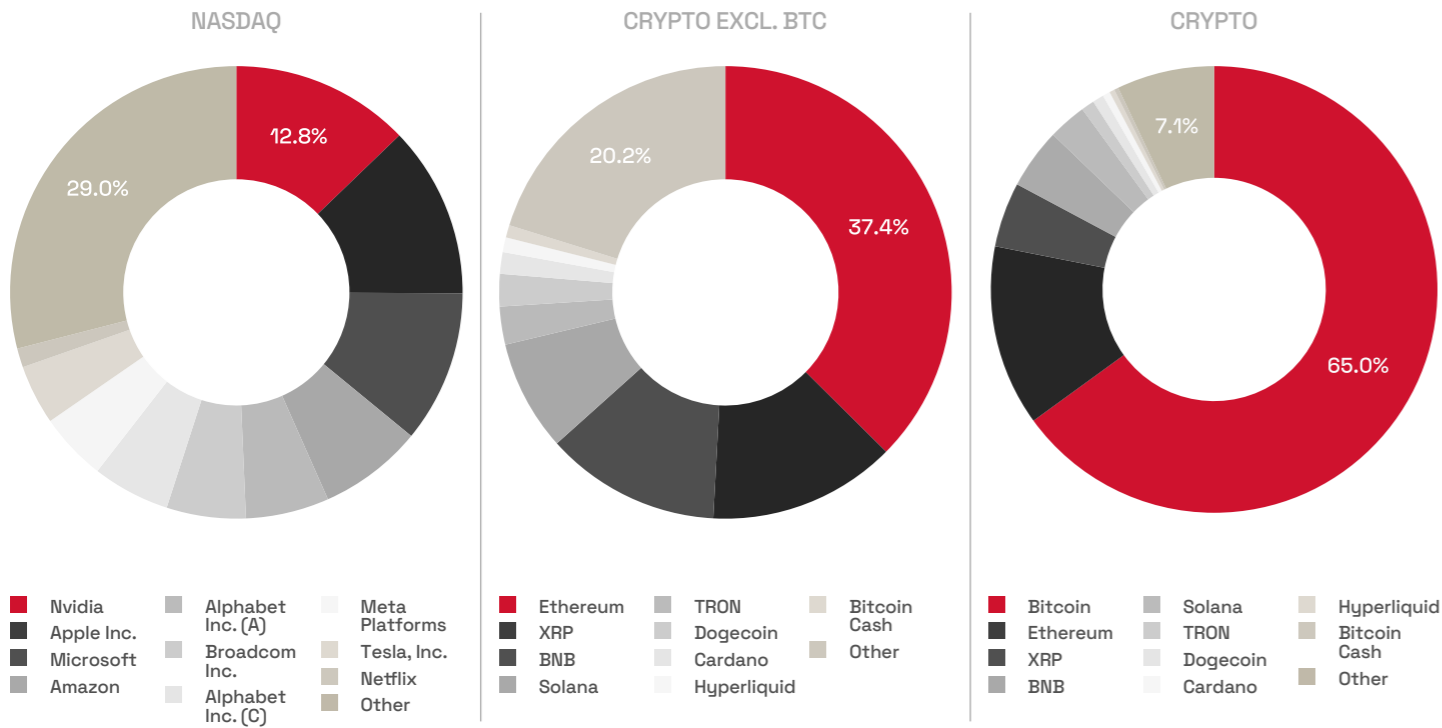
Supply held estimate in ETFs by end of 2026

89% vs <10%

Share of application fees vs. share of application market capitalization



Structural market skew in tech equities and crypto

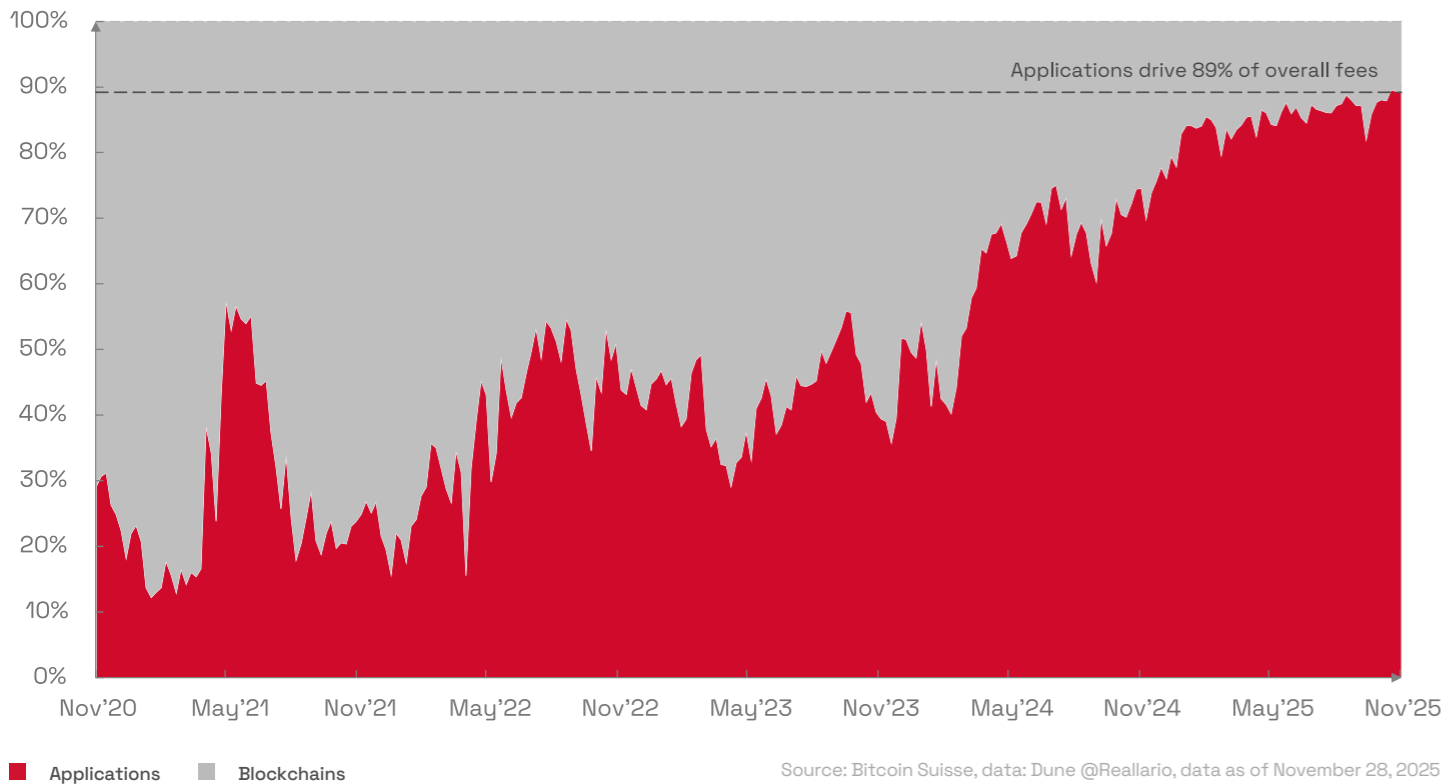


Source: Bitcoin Suisse, data: Slickcharts, CoinMarketCap, data as of November 30, 2025

“If we look back, the real winner in every tech cycle has been user aggregation. Whoever owns the user relationship has the greatest leverage. No reason for this to change.”

Teng Yan, Research at Chain of Thought

Fee distribution across the crypto stack



Source: Bitcoin Suisse, data: Dune @Reallario, data as of November 28, 2025

30D Revenue distribution across top applications

Rank	Protocol	30D Holder Revenue
#1	Hyperliquid	\$94.66M
#2	Pump	\$33.99M
#3	Jupiter	\$14.27M
#4	Aerodrome	\$12.16M
#5	ORE Protocol	\$10.22M
#6	Sky	\$8.73M
#7	PancakeSwap	\$4.89M
#8	Aave	\$3.53M
#9	Apex	\$3.24M
#11	Ether.fi	\$3.03M

Holder Revenue is a subset of revenue tracked by Defillama that is distributed to Token Holders by means of buybacks, burns, or direct distribution.

Source: Bitcoin Suisse, data: Defillama, data as of November 29, 2025



PREDICTION #7

2026 will deliver a cross-asset class bull run



“The crypto cycle is not nearing a peak but entering a longer, more powerful expansion that can run well into 2026, driven by a global liquidity uptrend tied to government debt dynamics.”

Raoul Pal, Global Macro Investor



The investment landscape entering 2026 presents one of the most constructive cross-asset configurations since the early 2010s. The liquidity regime is shifting from restriction toward expansion, global rate cuts are underway, and fiscal policy remains supportive. As a result, performance dispersion within and across asset classes is expected to narrow, with leadership broadening rather than concentrating. The current setup marks a transition of regimes in terms of relative performance dynamics of assets, with major trend turnarounds expected, driven by improving liquidity, stabilizing macro indicators, and renewed risk appetite.

Equities remain at the center of this dynamic. Megacap technology will continue to benefit from AI infrastructure spending and strong balance sheets, but 2026 is likely the first year in which the rally meaningfully broadens beyond a narrow leadership cohort. Valuation gaps between the Nasdaq-100 and the rest of the market have compressed, creating room for a healthier distribution of earnings growth. S&P 500 profitability is set to reaccelerate as fiscal incentives, tax adjustments, and rising industrial and automation spending filter through and accelerate economic productivity. Small caps Russel2000 (RTY) enter the year at their largest discount to large caps since the late 1990s. As deregulation, rate cuts, tax cuts, and easing financial conditions take hold, this segment stands to benefit disproportionately from improving liquidity and a shift in investor positioning toward cyclical exposure.

Duration assets also move into a more favorable regime. After a multi-year bear market in bonds, driven by increasing rate

policy, long-term yields appear to have peaked in 2025. With further policy easing expected, especially mid-to-long-duration Treasuries offer asymmetric upside from generationally attractive real yields. As QT ends and balance-sheet policy turns more neutral, the impulse for bond prices becomes clearly supportive, allowing both income and capital appreciation to contribute to returns. Commodities reflect a similar transition from defensiveness to cyclical strength. Gold continues to enjoy central bank demand and its role as a late-cycle hedge, yet relative performance is likely to increasingly tilt toward silver as industrial demand accelerates. The turning of the silver/gold ratio traditionally signals a shift toward growth-driven market regimes, consistent with rising economic activity and recovering cyclicals. Broader industrial metals, as captured by the copper/gold ratio, show similar basing dynamics that typically align with equity market expansion.

Crypto assets continue to increasingly behave as part of the macro framework rather than as isolated alternatives. Bitcoin and Ethereum now respond directly to liquidity cycles, rate expectations, and institutional flows, benefitting from ETF penetration and accelerating sovereign accumulation. As liquidity improves and risk appetite rises, crypto is positioned to act as a high-beta expression of the broader bull market.

Across the major asset classes, 2026 presents a rare alignment: liquidity improving, breadth increasing, and risk assets re-synchronizing. This combination supports a broad-based bull market and marks the onset of a new, multi-asset expansion cycle.

3.2% → 3.1%

Projected global real GDP stabilization in 2026 as per IMF, OECD and World Bank

\$3.4T

Estimated U.S. Fiscal budget deficit caused by “One Big Beautiful Budget Act” as per CBO

75bps

Average central bank rate cuts priced for 2026 across majors (Fed/ECB/BoE/PBOC/BoJ)

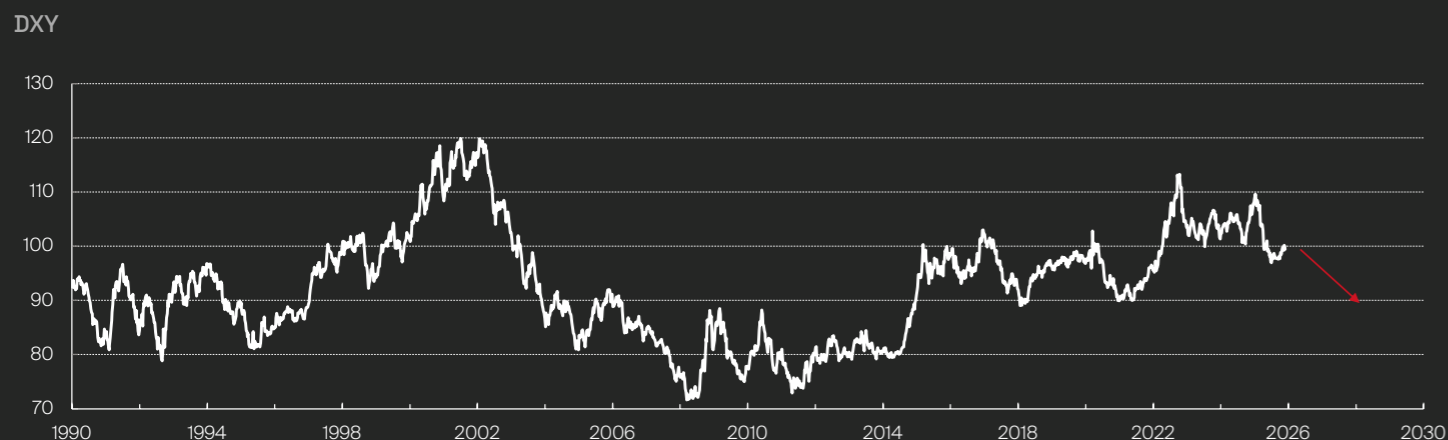
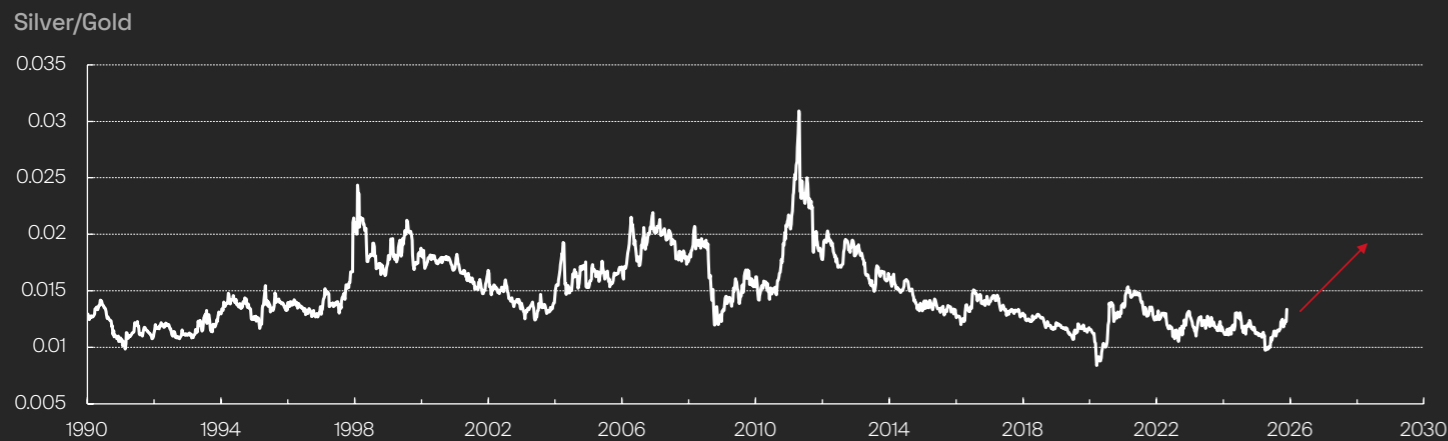
Asset class performance outlook comparison and narratives in 2026

Asset Class	Nov 2025 Level	2026 Target Range	Expected Return	Drivers and Narratives in 2026
ETH	\$3'000	\$7'000 - \$9'000	70 - 200%	Institutional integration and adoption, staking ETF narrative
BTC	\$91'000	\$150'000 - \$180'000	50 - 120%	ETF inflows, institutional / sovereign accumulation, QE debasement trade
RTY	2'500	2'900 - 3'100	15 - 25%	Small-cap outperformance on deregulation, rate cuts and risk-on return
NDQ	25'400	29'000 - 30'500	15 - 20%	AI / tech leadership persists but rally broadens, relative valuations compress
SPX	6'850	7'700 - 8'000	10 - 15%	AI CapEx boom broadens, fiscal tailwinds from OBBBA tax cuts
Silver	\$56	\$65 - \$75	15 - 30%	Industrial demand acceleration, gold-beta-play, supply deficit
Gold	\$4'200	\$4'800 - \$5'000	10 - 20%	Tether and central bank buying, late-stage stagflation hedge trade continues
DXY	99.5	95-90	-3 - 10%	Fed easing, QT → QE regime shift, tariffs offset diminishing

DXY: US dollar index; NDQ: Nasdaq-100 equity index; SPX: S&P 500 equity index; RTY: Russell 2000 small-cap equity index; OBBBA: "One Big Beautiful Budget Act" – Trump's proposed fiscal stimulus and corporate tax-cut package; QT: quantitative tightening (balance-sheet reduction); QE: quantitative easing (liquidity expansion); CapEx: corporate capital expenditures supporting productivity and earnings cycles.

Source: Bitcoin Suisse, data: TradingView, data as of November 30, 2025

Relative cross-asset pair valuations trajectories



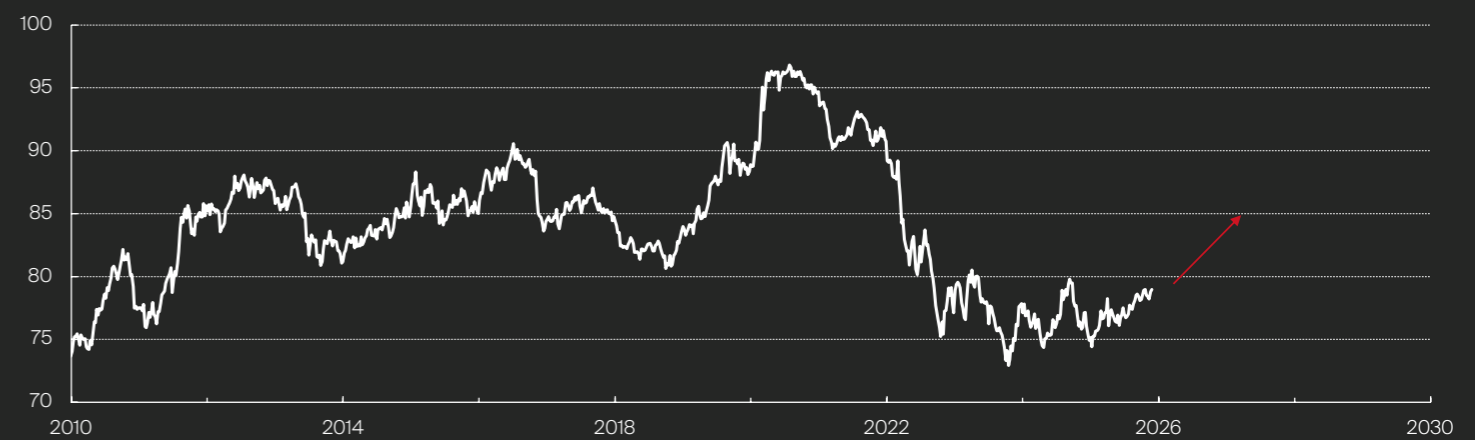
RTY/SPX



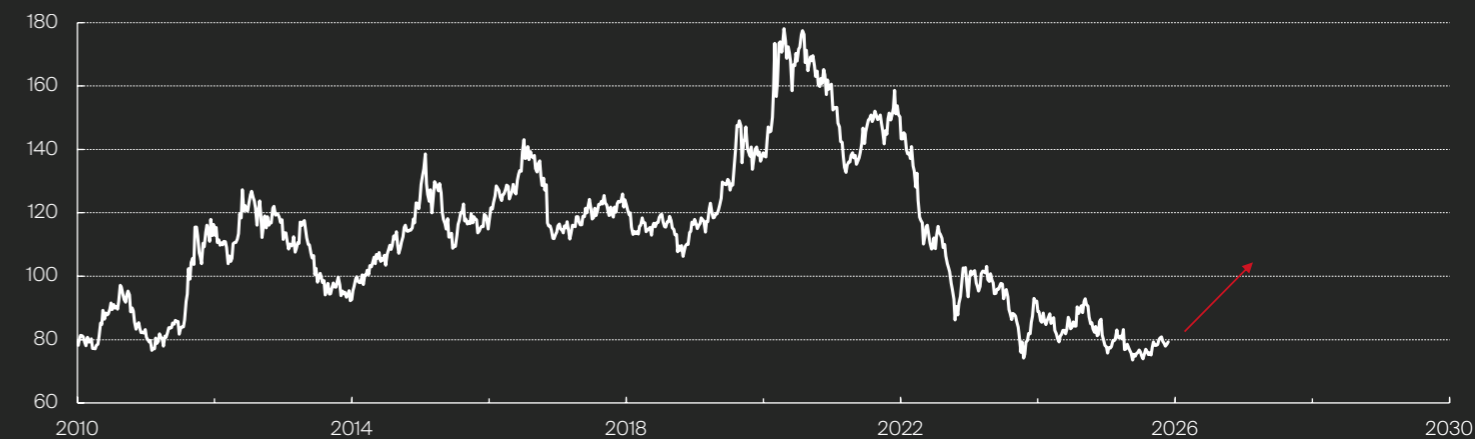
SPX/NDQ



T3Y-T10Y Bonds



T20Y + Bonds



DXY reflects the U.S. dollar index against major global currencies; SPX/NDQ shows the relative performance of the S&P 500 versus the Nasdaq-100; RTY/SPX measures small-cap (Russell 2000) versus large-cap (S&P 500) leadership; T3-T10Y bonds represents intermediate-term U.S. Treasuries, using IEF (iShares 7-10 Year Treasury Bond ETF) and VGIT (Vanguard Intermediate-Term 3-10 Year Treasury ETF) as proxies; T20Y+ bonds captures long-duration U.S. Treasuries via TLT (iShares 20+ Year Treasury Bond ETF) and ZROZ (PIMCO 25+ Year Zero Coupon Treasury ETF). Source: Bitcoin Suisse, data: TradingView, data as of November 30, 2025



PREDICTION #8

Digital asset option volume will increase by 50%, reaching 5% of overall market volume



Crypto markets have shown a rising correlation with traditional markets; however, the two differ in their most-traded instruments. Perpetual futures dominate crypto trading volume, while post-COVID, traditional markets favor options. This trend may evolve in the coming year. During 2026, the market could experience turbulence driven by liquidity dynamics in the midterm and the potential end of the crypto bull cycle. This uncertainty further supports the continued growth of the options market, potentially reinforcing its upward trend and increasing its share from roughly 3.5% of the crypto market in 2025 to 5-6% in 2026.

The expansion of the options market is driven by factors beyond simple market maturation. Echoing how traditional markets developed, we expect growth to originate from multiple sources. Current relatively high volatility and low liquidity create arbitrage opportunities, which are likely to attract market participants and increase trading volume. As these opportunities are exploited, liquidity will improve, further supporting option market growth. Additionally, maturation will be facilitated by the development of crypto-specific option pricing models. Although academic work in this area remains limited, adapting volatility-based models such as Heston, Bates, or Merton Jump-Diffusion to digital assets could bring options quoted prices closer to fair value. This would in turn reduce arbitrage distortions, attract fresh, less speculative institutional capital, and support the broader growth of the market.

Another potential avenue for options market expansion is the development and adoption of on-chain options protocols. Similar to the success of perpetual futures in the crypto environment, some protocols are experimenting with this sub-type of options, that never expire. These instruments do not have a fixed strike price, instead, they adjust dynamically according to market averages. Although liquidity in these protocols remains low and none have gained sufficient traction yet, to demonstrate success, their non-rolling structure combined with the native crypto narrative, could attract investment from crypto-focused participants.

The expansion of options in crypto is likely to outpace traditional finance because the market now benefits from decades of derivatives expertise. Institutions already understand these instruments. And while demand for hedging and leverage is well established, digital asset markets have embraced derivatives early. As traditional investors ramp up participation, this familiarity and existing infrastructure should further accelerate crypto's options growth.

Potential market swings in 2026, driven by liquidity dynamics and the crypto cycle, may create favorable conditions for options growth. Combined with factors such as arbitrage opportunities, improvements in crypto-specific pricing models, the entry of new participants in traditional options, and the emergence of perpetual on-chain options, these elements are likely to further increase the overall options market share. Taken together, these dynamics suggest that options could continue their upward trajectory, capturing a larger portion of the crypto derivatives market in the next year.



35.9%

Median annual option trading volume growth

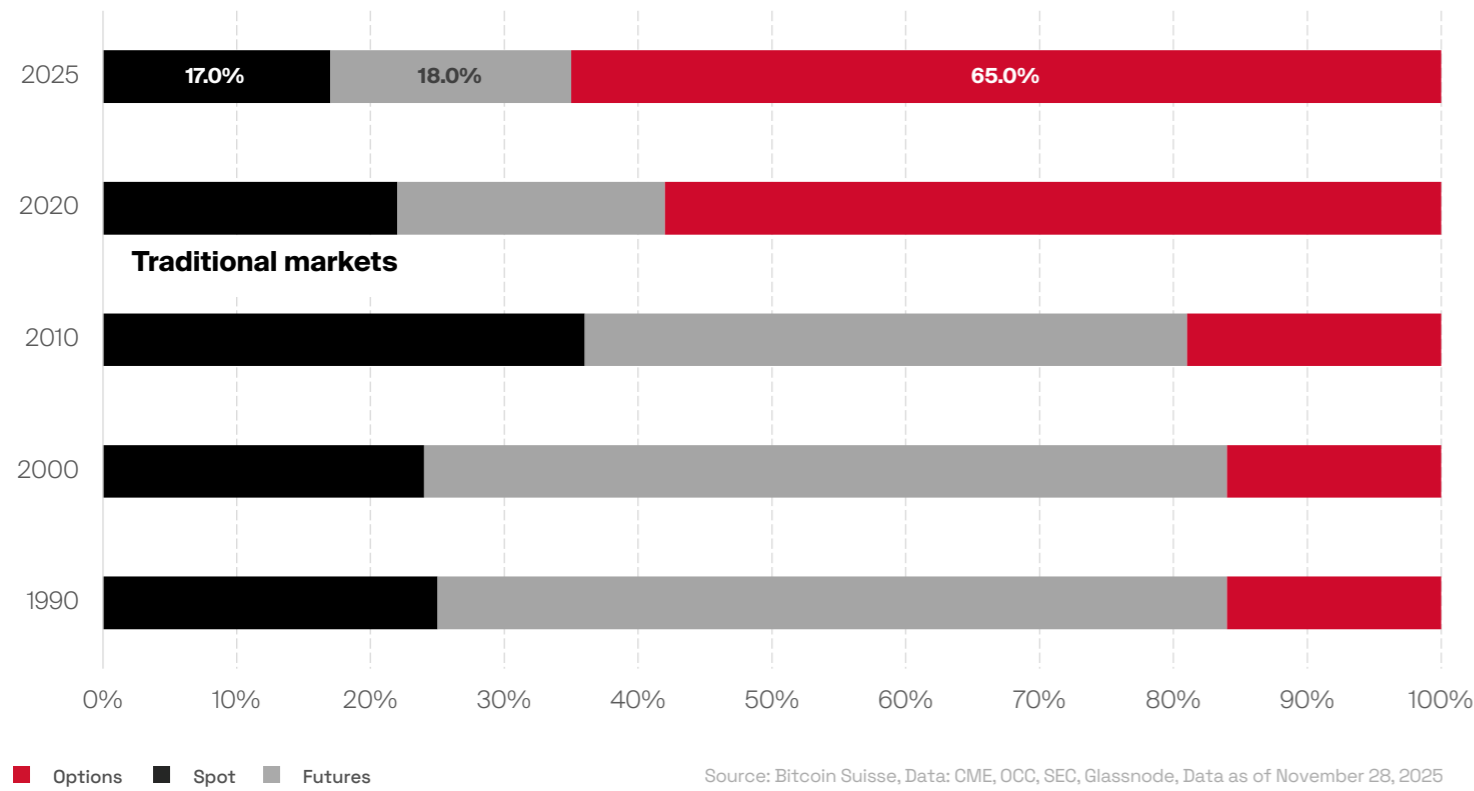
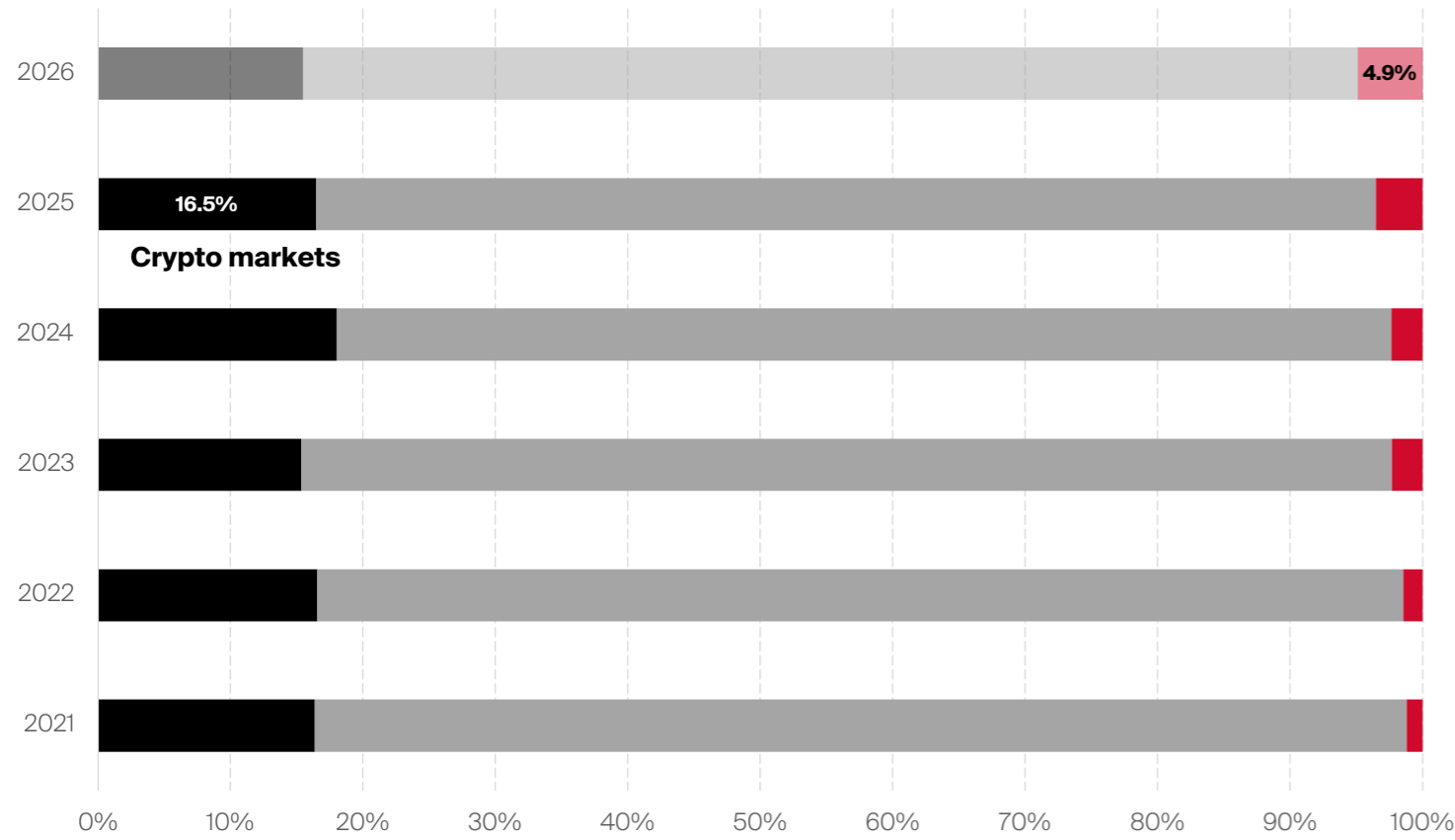
\$250B

Highest monthly volume reached in October 2025

\$1.2T vs \$277B

Annual crypto option market volume 2025 vs 2023

Crypto versus TradFi volumes market share distribution



We considered the U.S. equity market's spot, options, and futures distribution as a proxy for the overall TradFi market.

BTC & ETH represent 90% of the total crypto option market, hence they are considered as a proxy of the digital assets option market. In DeFi, perpetual futures are the dominant derivative instrument, whereas in TradFi, the closest functional equivalent is the expiring futures contract. Although these products differ structurally, for the purpose of this comparative analysis, the instruments are treated as economic equivalents, allowing their presentation in a unified market-share distribution across spot, futures, and options.

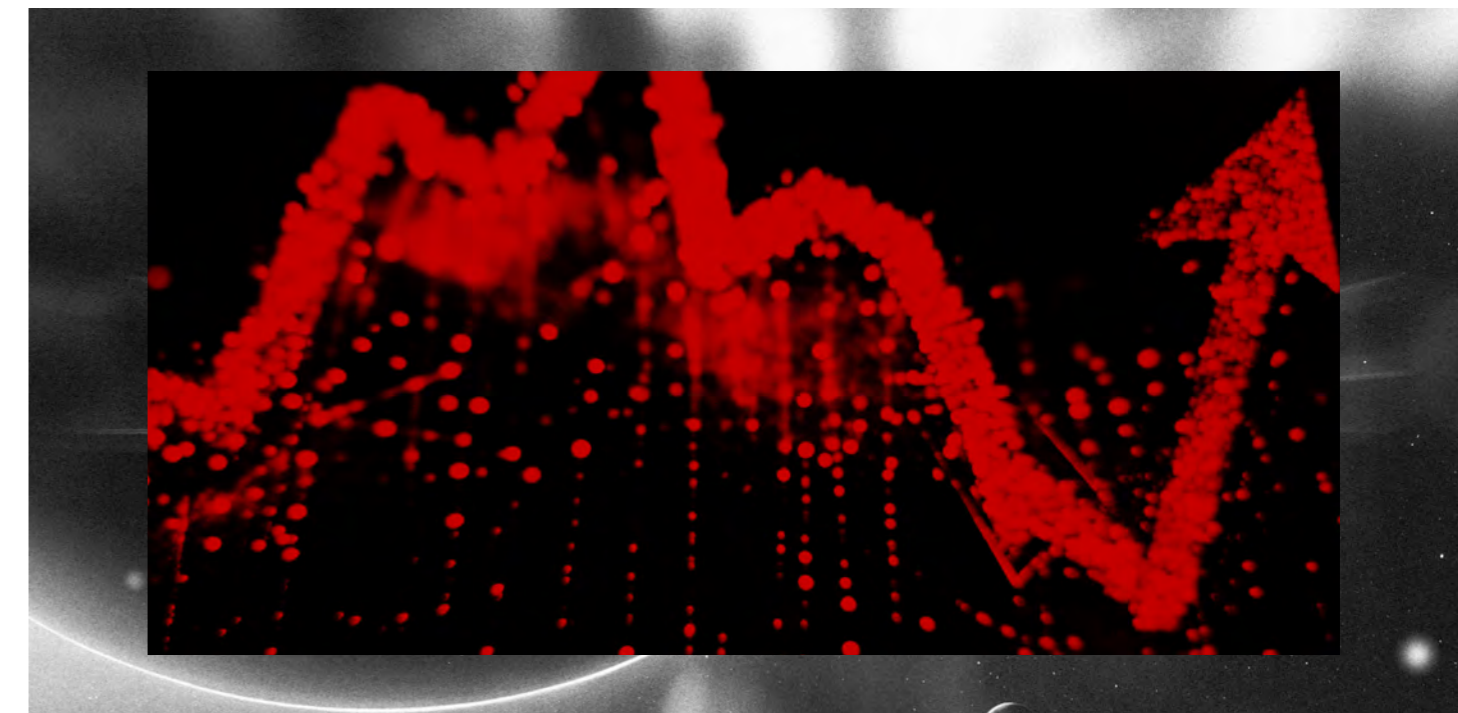
Comparative growth of spot, futures, and options in digital asset markets



Options Spot Futures

Source: Bitcoin Suisse, data: CBOE, OCC, and CME, Glassnode, data as of November 30, 2025

Data collection begins with the introduction of options on the main platform (Deribit) in the crypto market in 2021. Instrument values have been standardized to 100 to enable a consistent comparison. Perpetual futures and spot markets exhibit relatively stable shares, whereas options show a notable relative increase over time. Also in this case, BTC & ETH are considered a proxy for the whole digital assets.





PREDICTION #9

The U.S. entry will catalyze Polymarket as the clear market leader in prediction markets

\$36.3B

YTD total volume on Polymarket and Kalshi

98%

Polymarket and Kalshi volume dominance across prediction markets

\$2.3B vs \$1.5B

Total funding to date by Polymarket vs. Kalshi



Prediction markets moved from a crypto-native niche into the mainstream during the 2024 US presidential election. Many predicted the trend would fade, like many before it, yet the opposite happened. Prediction markets are expanding rapidly.

Most market volume is now roughly split between Polymarket and Kalshi. By late 2024, Polymarket had a clear head start, but momentum shifted toward Kalshi following its Robinhood partnership in early 2025. Kalshi isn't alone in securing high-profile partnerships. Polymarket has also announced major collaborations, including X, Google, the NHL, and the UFC. One stands out in particular: a strategic \$2B investment from Intercontinental Exchange, owner of the New York Stock Exchange (NYSE). This is especially notable because Polymarket remains blocked in the US, while Kalshi has held a CFTC license since 2020.

Kalshi's 2025 catch-up run to Polymarket was driven by its regulatory-first approach under the Biden administration, securing quick US sports betting traction while Polymarket remained offshore. The US accounts for nearly a quarter of global sports betting revenue, positioning Kalshi for an early lead in capturing share from legacy operators such as DraftKings. Polymarket, for its part, continues to dominate real-world events betting. But now, with Polymarket cleared for

re-entry into the US, the tide is turning in its favor.

We believe Polymarket will find it far easier to gain traction in the US sports betting market than Kalshi will in achieving outsized growth in categories such as politics or crypto. While US sports betting still has room to grow, real-world events betting offers significantly greater long-term potential. We expect Polymarket to double its sports betting volume following its US entry, regaining market share from Kalshi while maintaining its lead in all other markets, amid potential integrations with registered brokers and institutions such as the NYSE.

In 2026, Polymarket is on track to reclaim the majority of all prediction market volume. It remains to be seen how much of its market share Kalshi can defend once Robinhood exits their partnership and redirects over half of Kalshi's volume to its own prediction market, a move that appears to be a matter of when, not if.

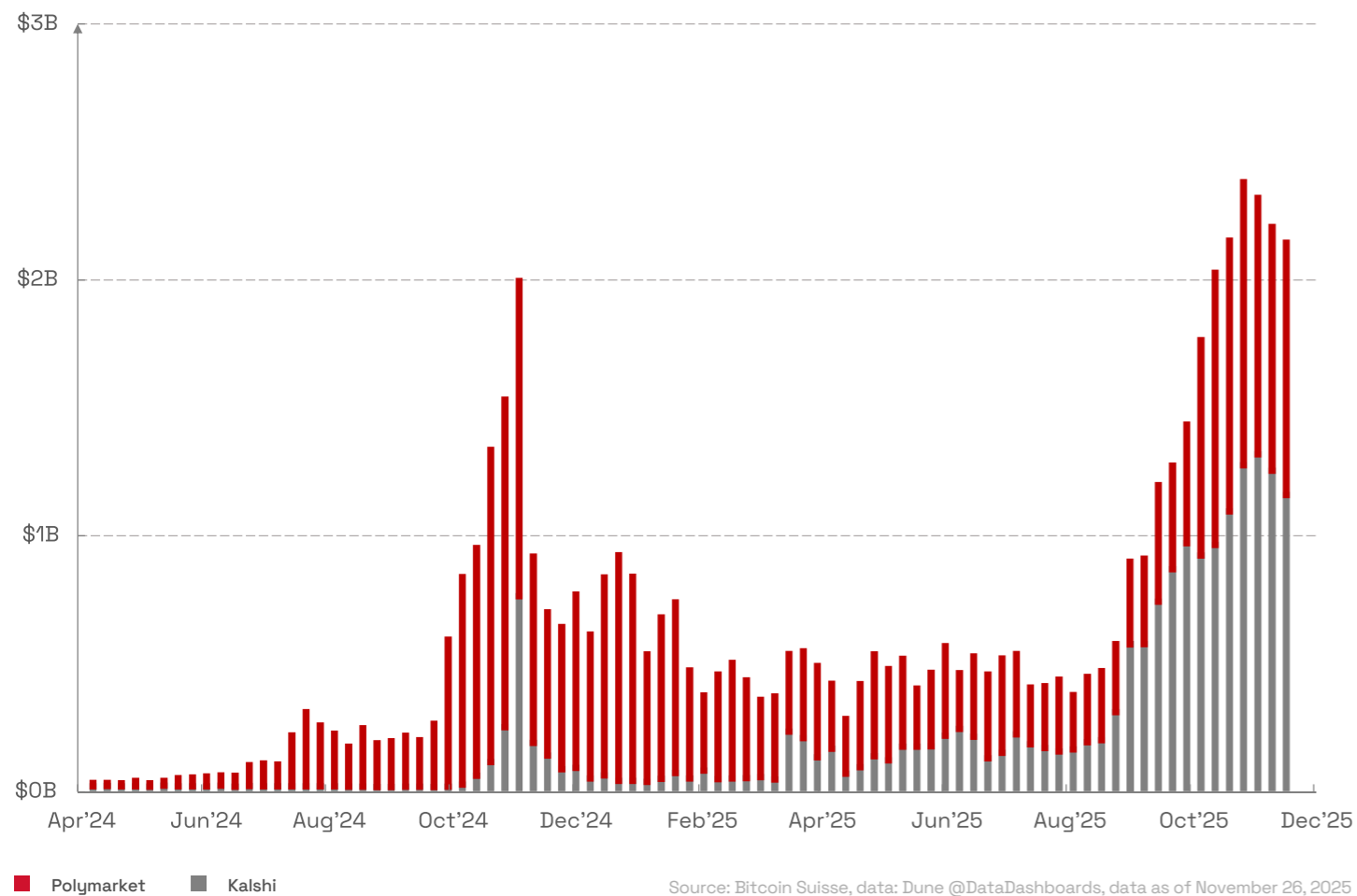
Today, the clear majority of onchain prediction market volume flows through Polymarket, and we believe that is unlikely to change. The platform continues to compound its network effects, backed by a household name and crypto-native experience. Polymarket runs fully onchain: settlement and payouts are automated via smart contracts and UMA's

Optimistic Oracle, while decentralized and DeFi integrations enable users to earn yield on long-dated positions, just to name a few examples.

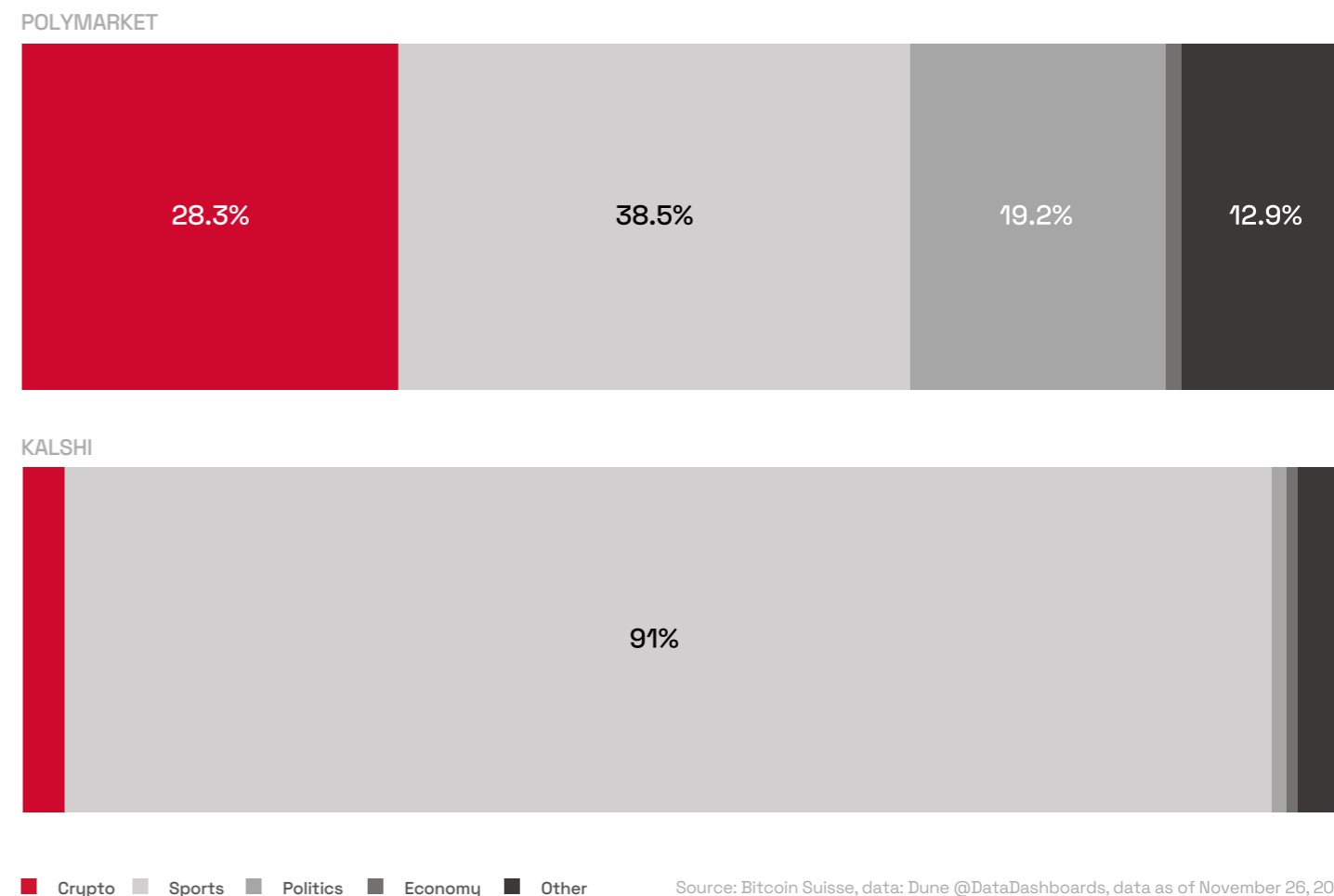
Of course, Kalshi is also trying to bridge into this world, but it remains fundamentally a centralized platform competing against a fully onchain ecosystem. Hence, in our view, Kalshi will not be able to catch up any time soon. Polymarket also has an additional ace up its sleeve: the token. A token with sound fundamentals, utility, and revenue flywheels can unlock significant potential for the platform and its users. As Hyperliquid showed, it can unify a community and drive strong user retention. Given Polymarket's flawless track record, we expect the POLY token to land far from the usual slop. It is worth noting that some of today's volume is likely driven by airdrop farmers.

We expect the entire prediction market sector to grow this year, but Polymarket is set to outpace Kalshi and end its catch-up phase. With its imminent US entry, clear lead in real-world events betting, and fully onchain, crypto-native design, Polymarket is primed for outperformance. Its blockchain architecture also allows it to scale far faster than its centralized competitor, since settlement, liquidity, and user activity can expand permissionlessly without the bottlenecks of a centralized model.

Weekly Prediction Market Volume on Polymarket and Kalshi



Weekly Volume by Category on Polymarket (Week of Nov 17)



“One of the Ethereum applications that has always excited me the most are prediction markets.”

Vitalik Buterin, Co-Founder of Ethereum



The baseline execution throughput (gas target/slot time) of Ethereum has doubled during 2025, from 1.25 Mgas/s to 2.5 Mgas/s. The previous doubling took more than 3 years. We expect this trend to accelerate, with Ethereum running above 5 Mgas/s in 2026, potentially up to 7.5 Mgas/s. This increase in throughput will be made without compromising on safety or modifying trust assumptions for the average user. Ethereum will protect its strong safety and decentralization pillars, while taking larger strides towards reaching the performance required for bringing finance onchain.

Since June 2025, scaling execution is explicitly a strategic goal of the Protocol R&D teams at the Ethereum Foundation (EF). We moved from the “rollup-centric roadmap” in which Ethereum was mainly seen as a financial settlement layer for offchain execution, to a renewed focus on increasing onchain processing capability. This is a pivot in terms of prioritization, but the groundwork on making Ethereum an ideal base layer for other chains is still valuable and part of the lean Ethereum vision: scaling Ethereum L1 up to 1 Ggas/s over the next decade, keeping it as the best option for applications requiring the strongest security guarantees with minimum trust assumptions, and at the same time supporting Ethereum L2s for horizontal scaling up to 1 Tgas/s.

We believe that this is very ambitious but not impossible, especially after the progress on all fronts observed this year: shipping Pectra and Fusaka, collaboration among clients to improve performance, and drastically reducing zkEVM proving cost and latency. But we must go even faster, starting from an ideal 3x in execution throughput by the end of 2026. Aggressive L1 scaling without taking shortcuts is a challenging task requiring time, effort and cooperation among multiple teams. The goal is to identify and remove performance and bandwidth bottlenecks, while mitigating history and state growth issues.

The key enabler for scaling in 2026 is the next hard fork, Glamsterdam. While the full scope and expected activation date are still to be defined, the focus on scaling L1 is clear. The headliner proposals, ePBS and BAL, will respectively give more time to validators for processing blocks without delaying consensus, and enable more efficient processing via parallel execution. It is also

likely that repricing proposals will be included, eliminating the threat of worst-case blocks acting as bandwidth usage bottlenecks (keeping block size below 10 MiB).

Considering that a post-Fusaka increase to ~4.15 Mgas/s is already mostly considered safe. We can expect Ethereum validators to pump up the gas to a level in the 5-7.5 Mgas/s range by the end of 2026, depending on Glamsterdam activation date. Scheduling FOCIL (improved censorship resistance) for inclusion in the fork would postpone it towards the end of the year, and the throughput increase will be split in at least two steps.

Long-term, Ethereum nodes will require “real-time” (i.e. within a block) validity proving to replace re-execution. The impressive progress in proving efficiency shown by zkEVM teams this year provides confidence in accelerating L1 scaling towards the Ggas/s era.

2025 was a transition year for Ethereum: new leadership at the EF, restructured R&D teams, refocus on building on L1. We expect a relatively strong 2026 for ETH, rewarded by the market for actively working on long-term goals (viable decentralization, security budget, post-quantum readiness) while being able to move swiftly in the short term without losing track of safety and decentralization as non-negotiable pillars, and closing the gap to high-performance chains.

“Let’s pump L1 gas with the exponential snark curve. Starting in months, not years. To me it all points to 10K TPS, the gigagas frontier. Dream bigger dreams for L1. Believe in something.”

Justin Drake, Ethereum researcher



PREDICTION #10

Ethereum L1 scaling goes exponential

2x

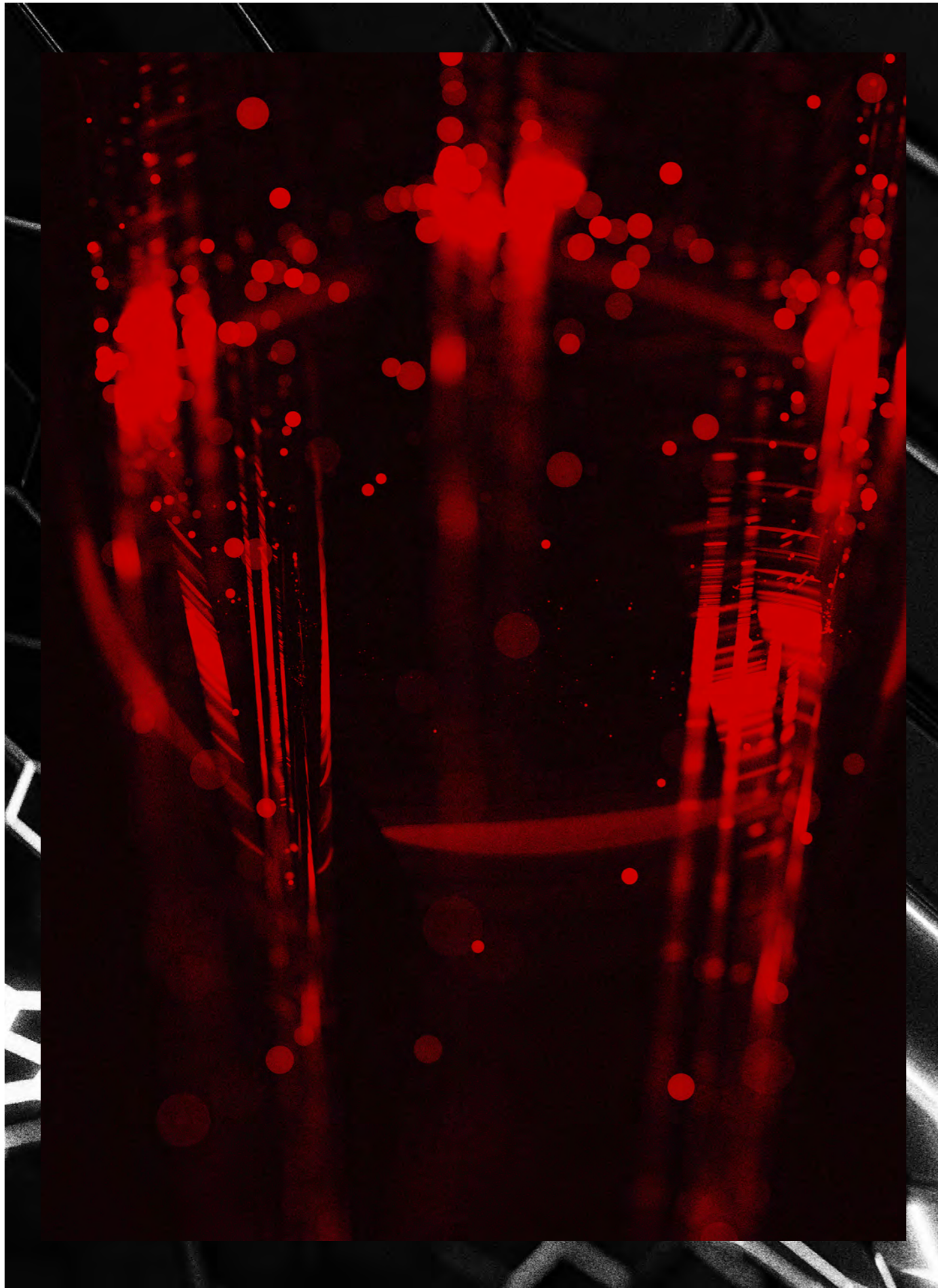
Increase in gas processed in 2025

\$0.01

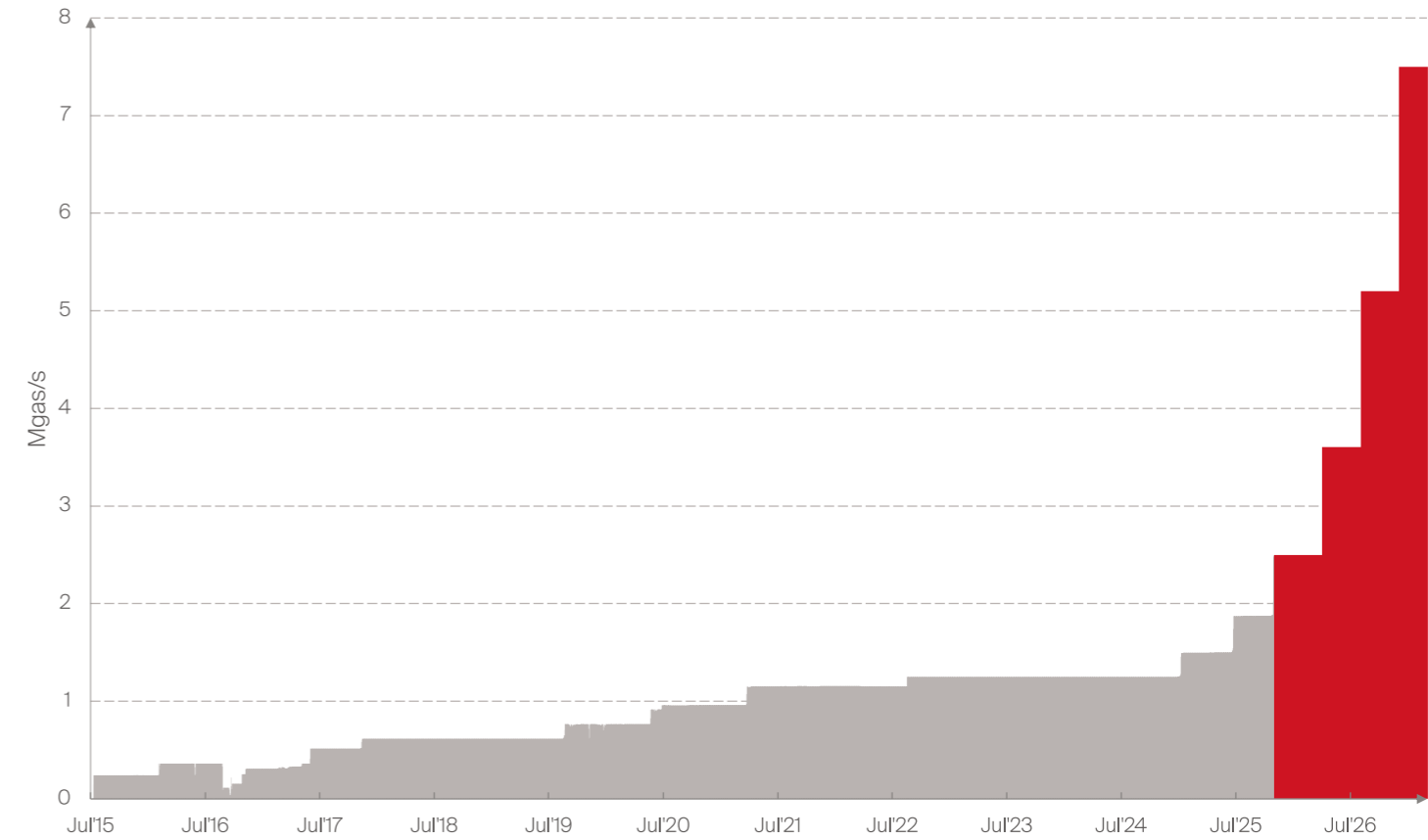
Post-Fusaka average transaction fee (order of magnitude)

10K TPS

Long-term target for scaling Ethereum L1



Ethereum average execution throughput



■ Throughput target (3x per year)
■ Throughput

Source: Bitcoin Suisse, data: Etherscan, data as of November 30, 2025

Pre-merge throughput uses a ~13s average block time. Pre-London throughput: block gas limit / block time. Post-London throughput: block gas target / block time.

L1 scaling enablers in 2026

Upgrade	Activation	Impact
EIP-7732: Enshrined proposer-builder separation (ePBS)	Scheduled for Glamsterdam	ePBS removes execution from the attestation critical path. Execution payloads can be larger as validators have more time to process and broadcast during a slot.
EIP-7928: Block-level Access Lists (BAL)	Scheduled for Glamsterdam	Block builders include access lists and state diffs into blocks, enabling deterministic parallelism and so reduced processing time.
EIP-2780: reduce intrinsic transaction gas	Likely in Glamsterdam	Reduces the intrinsic cost of transactions while introducing a consistent gas accounting model for operations related to state access and/or growth. It enables higher transactions per second on average.
EIP-7904: general repricing	Likely in Glamsterdam	Fixes mispricings for operations whose computational complexity wasn't correctly reflected in their gas cost, enabling safe increase of gas limit.



PREDICTION #11

ETH will make new all-time highs in 2026 and approach \$8'000

Ethereum enters 2026 with one of the strongest structural, fundamental, and institutional setups it has exhibited in any prior cycle. After reclaiming its former cycle all-time highs in 2025 and exceeding them slightly with a peak at \$4'950, ETH now trades substantially below its fair value trend band despite revisiting price levels last seen in 2021 and 2022. This stands in stark contrast to the prior cycle, when ETH traded far extended beyond its fair value at similar nominal prices, underscoring how derisked the asset currently is from an onchain and market structure perspective.

2025 validated Ethereum's ability to reset deeply without compromising its long-term uptrend. ETH fell to \$1'400 in April during the tariff induced volatility spike, completing a full trendline reset. The recovery that ETH staged subsequently was remarkable. Within four months ETH rallied more than 3 times from its lows, pushed through former cycle highs, and reestablished leadership across multiple structural metrics. This rebound was supported by ever accelerating ETF inflows. ETH spot ETFs attracted more than \$12B in YTD net-inflows, with iShares alone accounting for roughly \$8B. For the first time, ETH ETFs outpaced BTC ETF inflows since Q2. Institutions overweighted ETH by more than 2.5 times relative to its market neutral allocation in 2025, compared to BTC's mild 1.1 times overweight, signaling a decisive institutional preference. This implies, that investors chose to deviate from a beta neutral, or market-cap-weighted allocation, into active overweighting of more than twice the market-efficient weight for ETH.

The approval of staking yield enabled ETFs further cemented ETH's positioning and substantially enhanced its appeal. With ETH ETFs now offering an embedded yield

of roughly 3 to 4% through native staking rewards, ETH is turned into a yield bearing settlement asset and the de facto "digital oil" of global crypto infrastructure, available through the most wide-spread and liquid investment vehicle. As rate cuts enter the macro landscape, this yield utility becomes increasingly attractive for institutional allocators seeking structural carry.

Our Ethereum Dynamic Cycle Risk Metric and Dynamic Cycle Onchain Risk Metric confirm that ETH has reset fully to low-risk territory after the late summer extension in August. ETH now trades slightly below the \$3'000 mark, yet its risk structure resembles early cycle conditions. Onchain valuation bands reinforce this view. ETH trades far below its implied fair value price of \$4'500 and sits close to its realized price of \$2'500, which represents the true aggregate onchain cost basis of market participants having bought and sold ETH. All valuation models place ETH firmly in deep value territory, at a discount.

Structurally, Ethereum strengthened its dominance as the institutional settlement layer in 2025. Leading banks, asset managers, and tokenization initiatives continued to build predominantly on Ethereum and its layer 2 ecosystem. Furthermore, almost 30% of ETH supply is staked, creating sustained supply compression amidst rising adoption.

We expect ETH to make new all-time highs in 2026 and approach the \$7'000 to \$9'000 cycle target range, with an extended scenario surpassing \$10K. Fair value projections for 2030 near \$25K highlight the long-term potential ahead, attesting ETH's adoption journey is still getting started. We also expect the ETH to BTC ratio to strengthen meaningfully ahead, alongside rising ETH dominance.

\$12.6B

2025 Net-Inflows into ETH-ETFs

\$7'000-\$9'000

ETH Cycle target range

\$4'500

Current onchain fair value price implied for ETH



We expect ETH to make new all-time highs in 2026 and approach the \$7'000 to \$9'000 cycle target range, with an extended scenario surpassing \$10K.

Ethereum Dynamic Cycle Price Risk and Ethereum Dynamic Cycle Onchain Risk



- Extremely High Risk
- Very High Risk
- High Risk
- Elevated Risk
- Significant Risk
- Moderate Risk
- Minimal Risk [Dynamics Cycle Onchain / Price Risk]
- Low Risk
- Very Low Risk
- Insignificant Risk

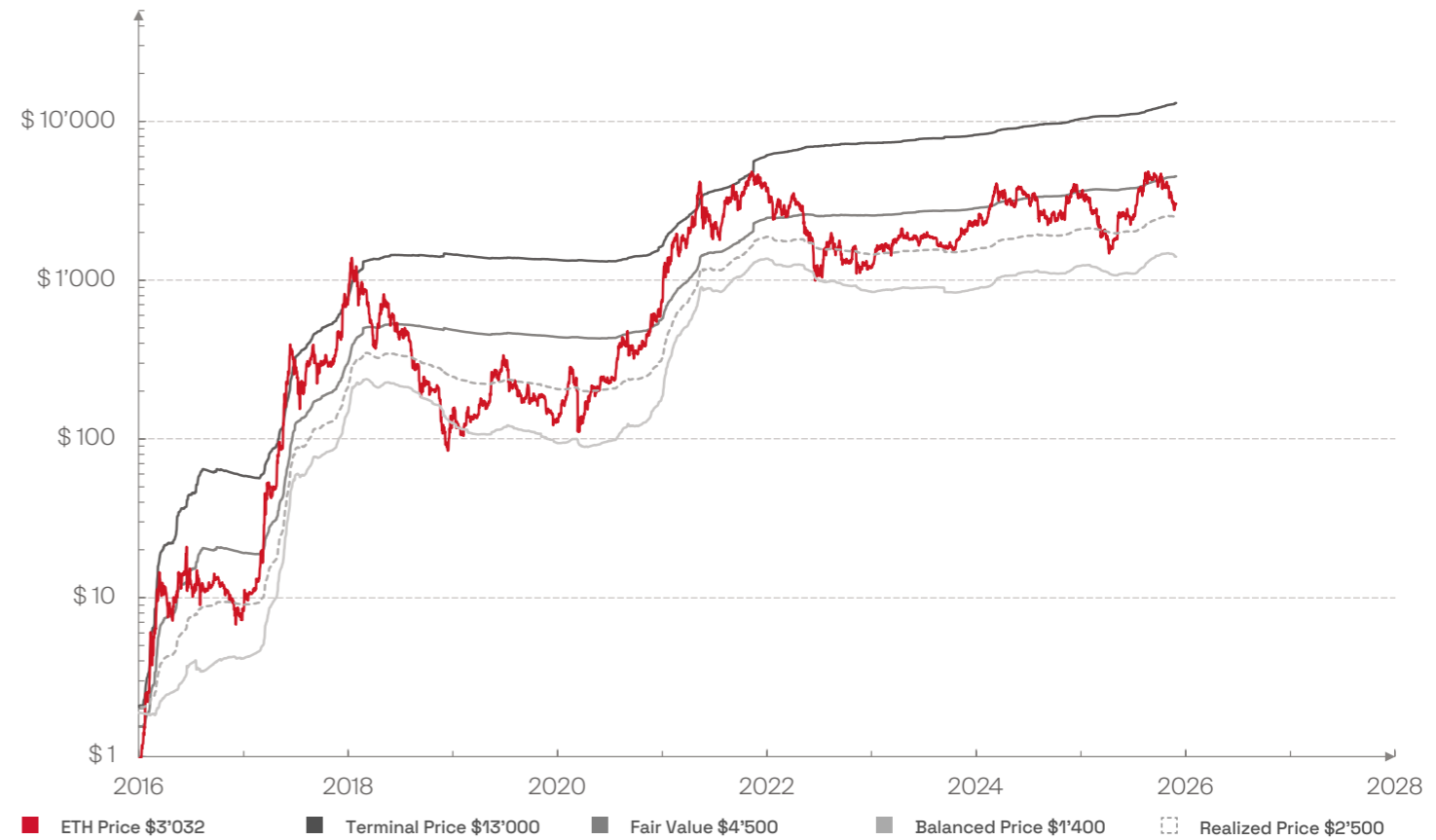
Price color-dot plotted with the Ethereum Dynamic Cycle Risk Metric by Bitcoin Suisse. Bottom oscillator created from the Ethereum Dynamic Cycle Onchain Risk Metric by Bitcoin Suisse.

Source: Bitcoin Suisse, data: Bitcoin Suisse, data as of November 29, 2025

Ethereum Dynamic Cycle Risk Metric: The Ethereum Dynamic Cycle Risk Metric is Bitcoin Suisse's proprietary tool for evaluating the relative risk of Ethereum's price levels by analyzing key factors such as momentum, trend strength, and inter-crypto cycle dynamics. It adapts to market conditions, maintaining stable risk during moderate price increases while decreasing risk during sideways or declining movements.

Ethereum Dynamic Cycle Onchain Risk Metric: The Ethereum Dynamic Cycle Onchain Risk Metric is Bitcoin Suisse's proprietary tool for assessing the relative risk of Ethereum's onchain activity by analyzing a multitude of individually optimized and adjusted onchain risk metrics. Each metric is specifically designed to incorporate inter-cycle dynamics and is capable of independently signaling market tops and bottoms. The Dynamic Cycle Onchain Risk Metric adapts dynamically to market conditions, with risk decreasing during periods of subdued activity and increasing during heightened onchain activity.

Ethereum dynamic onchain valuation bands



Realized price, balanced price, and terminal price framework: The realized price, balanced price, and terminal price framework defines Ethereum's dynamic valuation bands. The realized price reflects the average onchain acquisition cost, acting as a long-term floor. The balanced price blends realized and transferred capital flows, representing ETH's minimum fair value equilibrium. The terminal price models cyclical valuation peaks by adjusting for cumulative network profitability and supply. Together, these levels outline Ethereum's lower, fair, and upper value bounds across market cycles.

Source: Bitcoin Suisse, data: Bitcoin Suisse, data as of November 29, 2025

“There is a downside, maybe, to \$2'500, but that's minor compared to the upside of trying to discount a super cycle.”

Tom Lee, Fundstrat



PREDICTION #12

DATs grow institutional ownership by 20% and expand funding strategies



During Q2 2025, the crypto market entered a full-fledged digital-asset treasuries (DAT) mania. Many distressed or slow-growth companies rebranded as DATs, corporate vehicles designed to accumulate a crypto asset and offer investors alternative exposure. Following the recent price correction, some investors questioned whether DATs could survive once speculative momentum faded. We believe 2026 will instead consolidate DATs as a legitimate, durable crypto-equity sector capable of attracting sustained institutional capital.

Unlike previous cycles, the current DAT boom is driven primarily by institutions. These vehicles enable hedge funds and liquidity-rich TradFi players to run convertible-arbitrage strategies generating 10–20% annualized yields, largely due to elevated intrinsic volatility. These returns meaningfully exceed the traditional risk-free rate, explaining intense professional demand and strengthening the case for DATs' continued relevance.

The institutional playbook is straightforward:

- Buy the convertible note, which combines a bond with an embedded call option.
- Short the DAT equity to hedge delta exposure.

The intrinsic call option convexity premium creates an attractive return profile, amplified through dynamic hedge rebalancing. As a consequence, recent drawdowns align

with institutional expectations, as volatility spikes, sharp corrections, and rapid recoveries all support the arbitrage mechanics described above. The real challenge would be a prolonged bear market, in which only the most resilient DATs would survive.

Looking to 2026, more established DATs will likely broaden their financing mix beyond at-the-market equity issuance. We expect growing use of structured financing, such as convertible notes, preferred equity, and hybrid instruments, which directly align with institutional arbitrage strategies and allow continued asset accumulation even in bear markets, postponing dilution pressure. As a result, we anticipate that leading DATs will gradually converge toward the Strategy-style treasury model.

If DATs are going to enhancing their funding method, they are also likely to narrow the gap with MSTR in institutional ownership and overall market presence, with Bitmine among the first to raise capital through convertible notes and preferred shares. Bitmine already holds a meaningful share of all issued ETH, giving it the scale required to attract sophisticated capital. ETH-based DATs may further benefit by incorporating staking rewards, which can help service or amortize debt more efficiently.

The model is not without risks. The number of DATs more than doubled in 2025, but this

rapid expansion is unlikely to be sustainable. Many smaller vehicles may struggle to raise capital efficiently, often relying on high-cost or highly dilutive structures that leave them vulnerable during periods of stress. If market conditions deteriorate, these DATs could be forced to liquidate assets. Smaller DATs are particularly sensitive to market fluctuations; in the event of a prolonged depreciation of the treasury asset, their mNAV may fall below 1, making them easy targets for acquisition or absorption by larger, better-capitalized treasuries. This consolidation pressure could generate localized market stress and erode confidence across the sector, especially if multiple failures occur simultaneously. At the same time, such conditions could create opportunities for more robust players to strengthen their position, acquiring digital assets at a discount.

Overall, the 2026 outlook for DATs remains constructive. We anticipate continued growth in token holdings, wider adoption of diversified financing structures, and gradual alignment with the Strategy treasury framework. Institutional participation should deepen, reinforcing the emergence of a new "basic trade." Yet long-term sustainability will depend on DATs' ability to satisfy institutional incentives. Those unable to adapt will likely be short-lived, leaving only the most capital-efficient models to endure.

80%

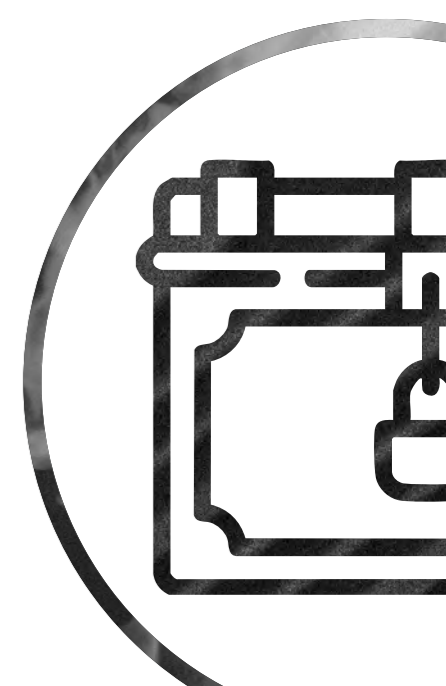
Strategy and Bitmine share of DAT market cap

3.26%

MSTR holds 3.26% of all BTC, and BMNR maintains 3.01% of all ETH in circulation

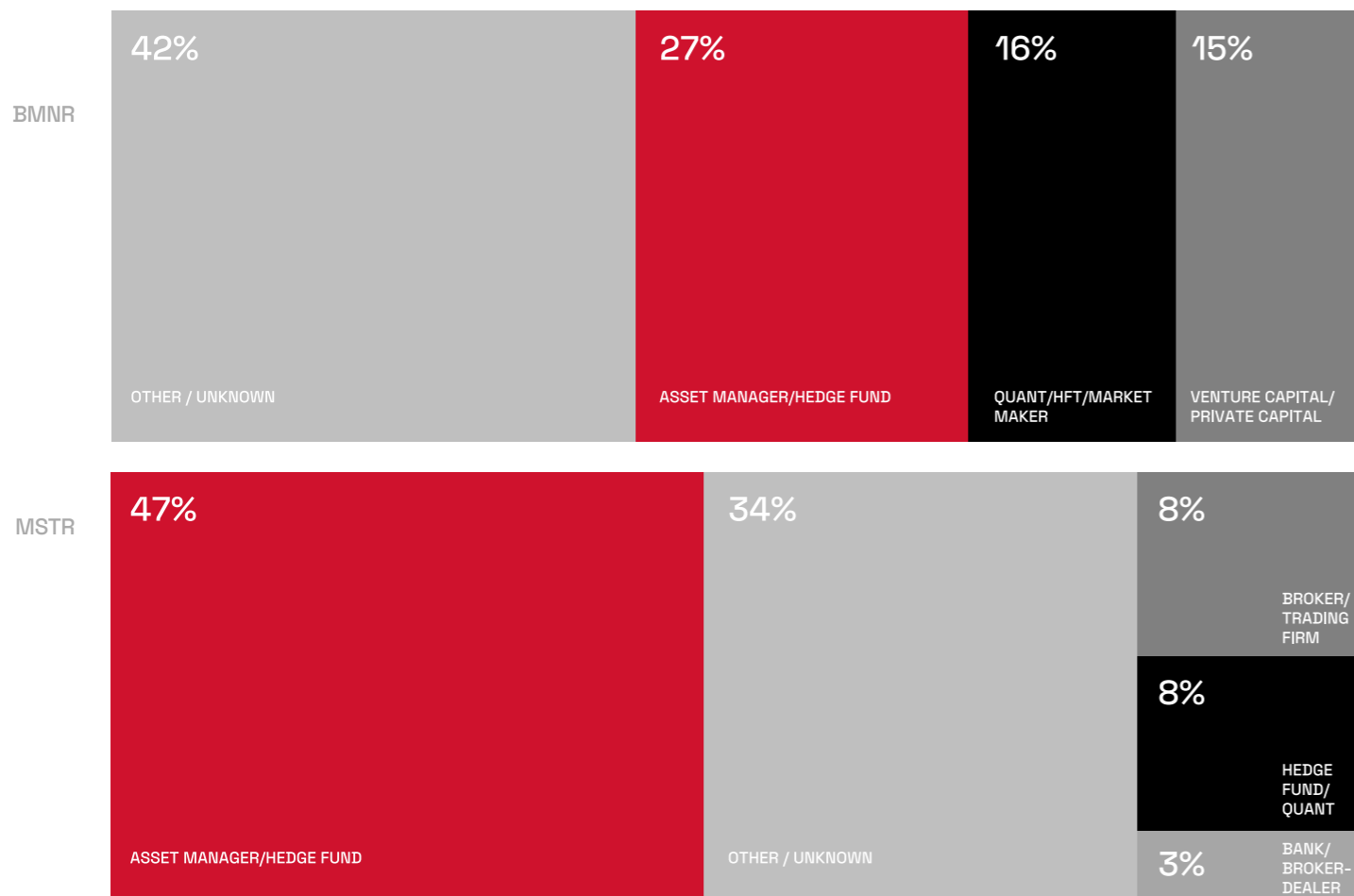
>\$100B

Combined DAT market cap



Strategy shows strong institutional participation, with only 34% classified as “other capital”, unassigned holdings not fitting other categories. Bitmine, by contrast, has a larger “other capital” share and notable VC exposure, reflecting lower institutional presence and a more early-stage ownership structure.

BMNR and MSTR investors share by sector



Source: Bitcoin Suisse, Glassnode, data as of November 30, 2025

Fine Print & Features

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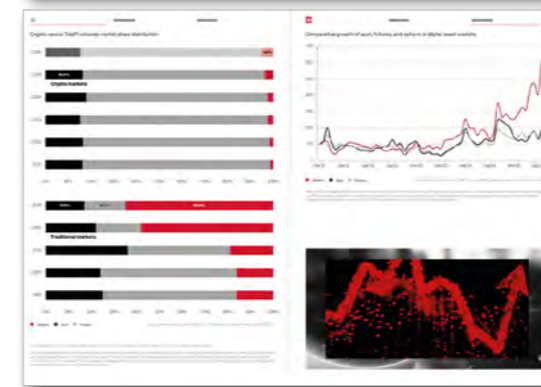


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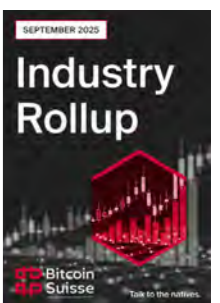


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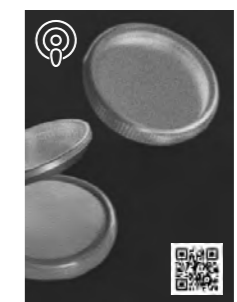
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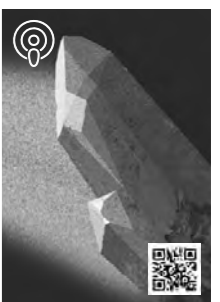
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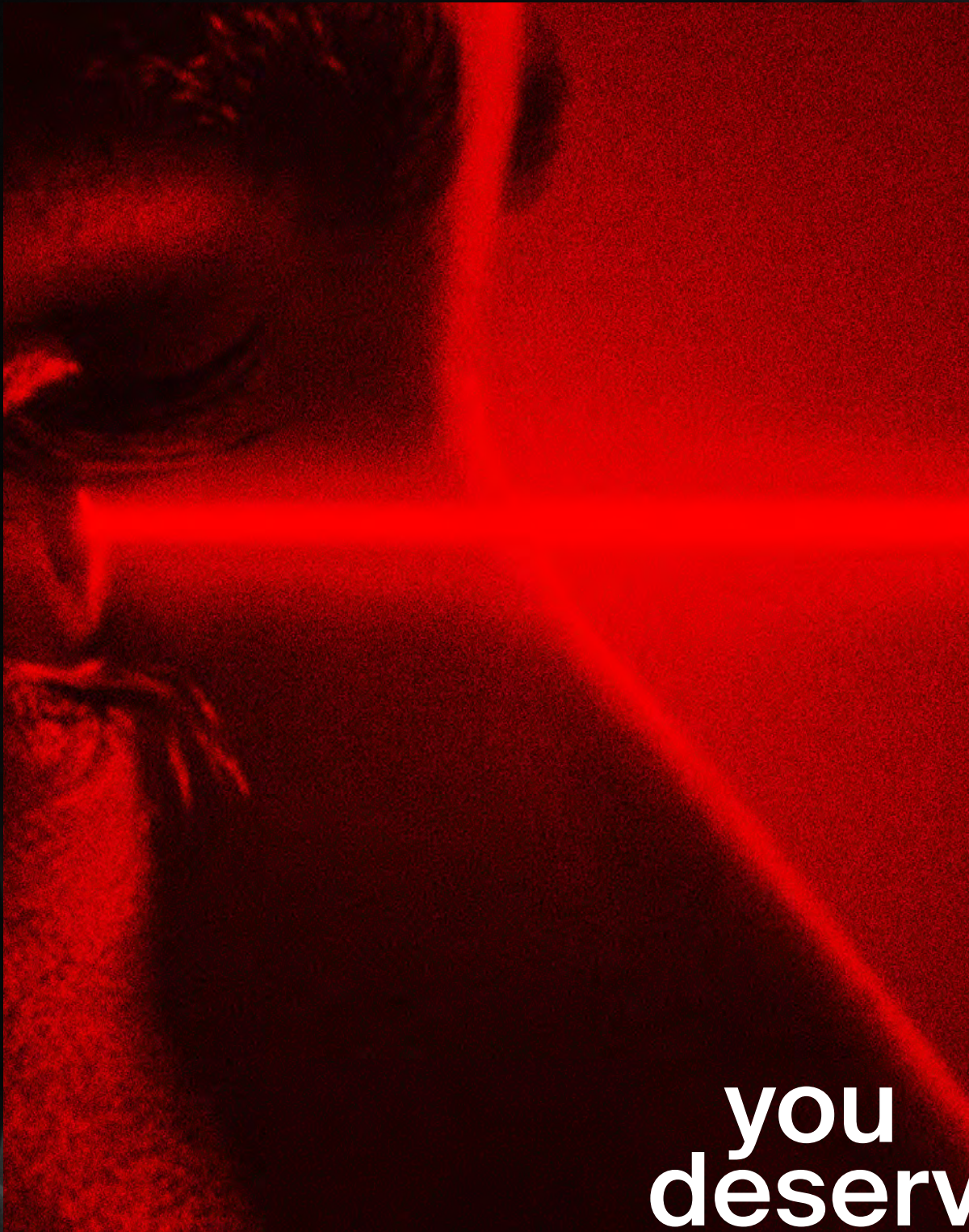
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