

Market Pulse: February 2026

Digital Assets, Traditional Finance & Macro Outlook

Teroux | Digital Assets Research

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Executive Summary

January 2026 was defined by Bitcoin's resilient attempt to reclaim higher territory, initiating a promising rally toward \$97,000 before a strategic realignment pushed the asset to a drawdown near \$78,000 toward the end of the month. While Bitcoin surrendered its earlier aggressive gains, this movement reflected a foundational retesting of support, as the market built a leaner base to eventually decouple from a complex global narrative.

The trading month was characterized by a convergence of unprecedented geopolitical shifts that tested market fortitude. Despite a tense diplomatic impasse in Greenland and intense international developments involving Iran and Venezuela, Bitcoin demonstrated maturity by absorbing these shocks within an established trading channel rather than facing a total collapse. These events, even with the late-month dip to the mid-70s, reinforced the asset's structural resilience, setting the stage for digital asset fundamentals to take center stage once the broader defensive posture eases.

Against this backdrop, the Federal Reserve's decision to maintain interest rates in the 3.5% to 3.75% range provided a much-needed anchor of predictability. This stance signaled a deliberate pause in monetary shifting, offering a stable environment for institutional accumulation despite the temporary price compression. While these steady rates and the shift to \$78,000 limited immediate speculative liquidity, they established a firm floor for the opening of 2026, preserving the market's long-term integrity as it prepares for its next phase of price discovery.

Key Takeaways:

- **Fed Stability:** Rates held at 3.5%–3.75% provide a stable liquidity foundation for 2026.
- **Gold & Scarcity:** Despite retreating to \$4,926 after record highs, gold's surge reinforces the case for scarce assets like Bitcoin.
- **IPO Supercycle:** BitGo's NYSE debut marks the first of several 2026 digital asset IPOs, proving institutional demand for regulated infrastructure.
- **Regulatory Path:** The CLARITY Act remains a key milestone to establish a definitive U.S. federal framework for digital assets.

The Golden Rally

After shattering the historic \$5,500 barrier in January 2026, gold has recently retreated to the \$4,659 level. This correction stems from a stronger U.S. Dollar and a systemic "de-risking" trend following the nomination of Kevin Warsh to the Federal Reserve. Warsh is perceived as hawkish, with markets expecting him to enforce strict monetary discipline during his mandate.

Despite this pause, gold's 27% year-to-date surge underscores its role as a premier refuge against global instability. While geopolitical tensions in Greenland and Iran continue to drive a flight to quality, the recent price dip provides a strategic entry point as the market digests these macroeconomic shifts and persistent global debt.

Gold Price USD (Dec2025-Jan2026)



Sources: Investing.com, Teroux

Market Performance – January Review

Equities - Volatility Outlook

The most recent trading period was defined by a significant structural shift, as digital assets faced a corrective phase while traditional equities maintained a cautious but positive trajectory.

January Performance Summary:

- BTC: -10.17%
- ETH: -25.9%
- S&P 500: +0.52%
- NASDAQ: +0.36%

Key Insight

The market exhibited a sharp divergence between traditional finance and digital assets as risk appetite recalibrated across all sectors. While the S&P 500 and NASDAQ remained resilient, gaining 0.5% and 0.3% respectively, this stability was largely supported by a 1.2% decline in U.S. 10-Year Treasury yields, which provided a much needed anchor for equity valuations. In contrast, digital assets underwent a period of substantial de-leveraging and structural re-testing. Bitcoin corrected by 14.16%, while Ethereum faced significantly steeper selling pressure with a 29.7% decline, signaling a temporary rotation away from high-beta assets toward traditional liquidity.

¹ Source: TradingView, Terorxx

Asset Performance by Key Asset Classes

Digital Asset Majors	Market Cap	Current Price	7D Change	30D Change
BTC	\$1.5 tn	\$75,128	-14.16%	-17.1%
ETH	\$264.3 bn	\$2,198	-24.9%	-29.7%
SOL	\$55.9 bn	\$99	-20.5%	-21.3%

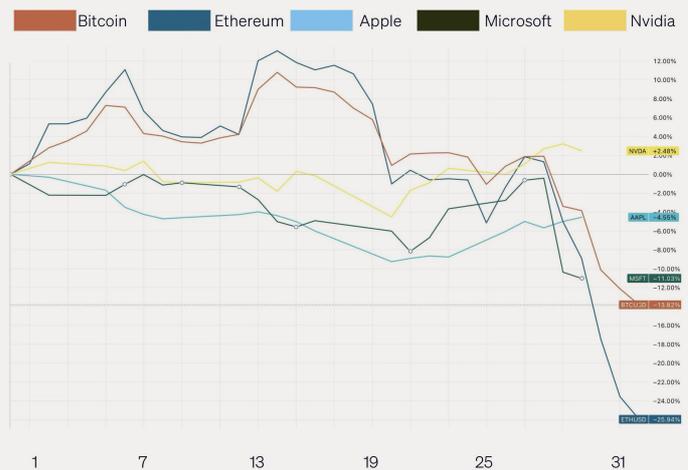
Equities	Market Cap	Current Price	7D Change	30D Change
S&P 500 (\$)	~58.0 tn	6,916	-0.16%	0.5%
NASDAQ (\$)	~49.0 tn	23,501	-0.59%	0.3%
DAX40 (€)	~2.4 tn	24,851	-1.58%	-1.3%

Rates	Yield	7D Change	30D Change
U.S 10-Year Treasury	4.24	2.77%	-1.2%
10-Year Bund	3.07	1.13%	-1.8%

Currencies	Current Price	7D Change	30D Change
Euro (€/€)	\$1.19	0.18%	-1.0%
Pound (£/\$)	\$1.37	-0.04%	1.5%
Yen (\$/¥)	¥155	0.35%	-1.2%

Sources: Artemis Terminal, Google Finance, Investing.com, TradingView, Terorxx

Asset Performance by Key Asset Classes (Jan-2025)



Source: TradingView, Terorxx

Story of the Month

The Story of Decoupling

This month's chart captures a striking and decisive decoupling in the store of value trade, effectively dismantling the recent correlation between Bitcoin and Gold. The performance gap has widened dramatically since the start of 2025, with Gold staging a historic ascent of +71% and Silver delivering an extraordinary +160%, while Bitcoin has contracted by 20% over the same period. This structural divergence signals a shift in allocation where the trusted liquidity of physical precious metals has served as the primary shield for capital during prolonged macro distress.

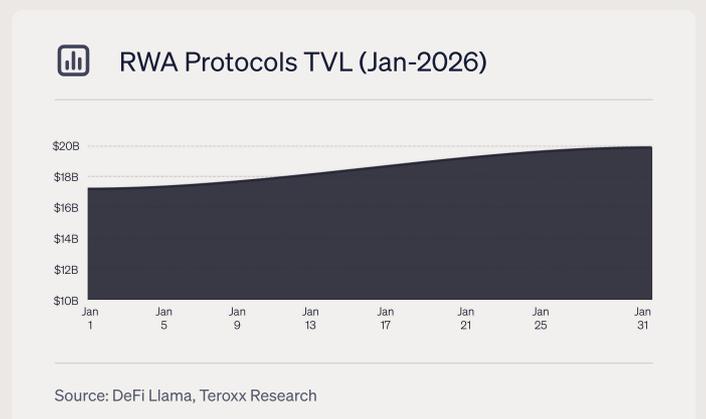
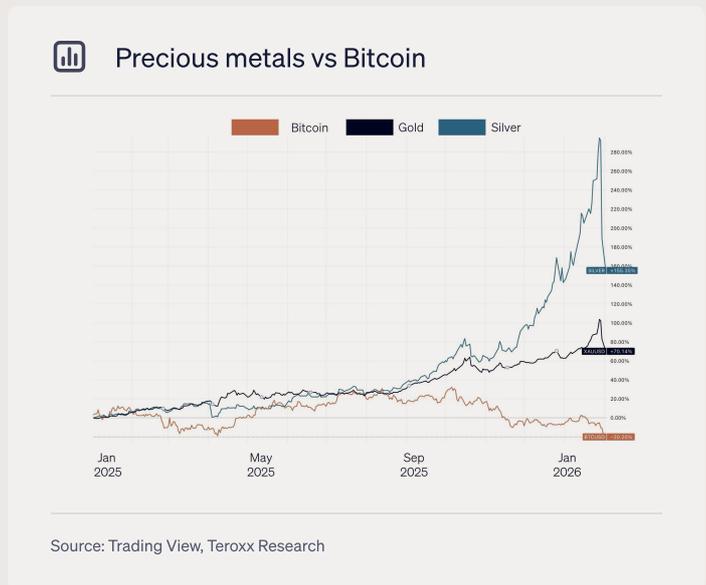
In January, this trend reached a fever pitch as Gold decisively shattered expectations, surging past the record \$5,500 threshold. However, in line with the broader de-risking observed across all hard assets, both metals have seen a recent retreat, with Gold currently consolidating at \$4,549.99.

Despite this technical pullback, precious metals like Gold and Silver have remained the standout performers of the cycle, maintaining their dominance over digital counterparts in the flight to safety. The visual widening of this spread illustrates the market's current preference for traditional safety when faced with acute unpredictability, though the recent correction in these metals may now offer a strategic realignment for diversified portfolios.

The Tokenization Trend

January 2026 kicked off with a powerful surge in Tokenization as the TVL of Real-World Asset (RWA) protocols jumped from \$17.2B to \$19.9B. This represents a sharp 15.7% increase in just one month and establishes a strong momentum that is expected to intensify throughout the year.

This rapid expansion signals that RWA is no longer just a niche experiment but has become a cornerstone of the digital asset landscape. The market is increasingly prioritizing the migration of traditional financial instruments into on-chain environments, ensuring that the infrastructure remains resilient even amidst global macroeconomic shifts. As institutional adoption matures, the steady growth in these protocols confirms that tokenized credit, treasuries, and private equity will remain a dominant and aggressive trend for the rest of 2026.



Macro Outlook & Monetary Policy

The Bank of Japan has opted to maintain its policy rate at 0.75% in January to navigate a period of severe volatility in domestic sovereign debt. The market is currently grappling with heightened fiscal risks following Prime Minister Sanae Takaichi's announcement of snap elections and pledges for unfunded tax relief. This shift toward fiscal expansionism has triggered a sharp sell-off in government bonds, driving 40-year yields above 4% and pushing the 10-year benchmark to its highest level since 1999.

This dislocation in Japanese fixed income presents a material risk to global capital markets. As Japanese investors remain the largest foreign holders of US Treasury securities, the sudden rise in domestic yields narrows the yield differential and potentially incentivizes a repatriation of capital. Such a reversal threatens to unwind the yen carry trade and exert upward pressure on US borrowing costs. We view the fiscal developments in Tokyo as a primary driver of the recent steepening in global yield curves.

In parallel, the U.S. Federal Reserve maintained its benchmark interest rate in a range of 3.50% to 3.75% at its January 28 meeting, pausing its recent rate-cutting trend. This decision to hold rates steady was widely expected by Wall Street and was already fully priced into the market. Fed Chair Jerome Powell cited a "solid" pace of economic growth and a stabilizing labor market as reasons for the pause, despite ongoing political pressure for deeper cuts.

 Bank of Japan Interest Rates Policy (Jan 2021 - Jan 2026)



Source: CME Group, Teroxx Research

Macro Outlook & Monetary Policy

Japan 10Y Bond Yield (Jan2026)



Source: CME Group, Teroxx Research

Despite these headwinds, we remain skeptical regarding the prospect of a wholesale liquidation of foreign assets by Japanese institutions. The domestic government bond market lacks the necessary depth and liquidity to absorb the sheer volume of capital currently deployed in US Treasuries. The structural mismatch between the vast size of outstanding US debt and the relatively thinner trading volumes in Japan makes a massive capital rotation impractical. Furthermore, the elevated volatility in JGBs is likely to deter a rapid return of funds, limiting the scope of immediate capital flight.

Digital Asset Market Performance – Intersection with TradFi

As January 2026 concluded, 'crypto' equities exhibited sharp volatility and a significant decoupling from the underlying assets. While Bitcoin saw a -10.1% correction, infrastructure stocks faced a fractured landscape where individual narratives outweighed broad market trends.

Performance Summary & Key Insights

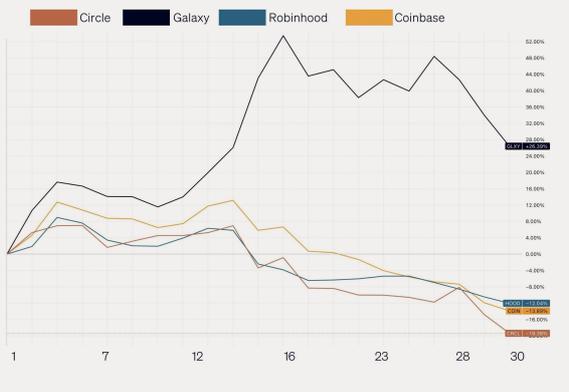
- Galaxy Digital (GLXY): Emerged as the sector's standout outlier, surging +26.39%.
- Sector Lag: Other majors faced steeper declines than Bitcoin, with Robinhood (HOOD) at -12.04%, Coinbase (COIN) at -13.89%, and Circle (CRCL) dropping -19.38%.
- Fundamental Shift: The breakdown in correlation suggests investors are now prioritizing specific corporate catalysts over general market beta.

Performance of "Crypto" Equities (January 2026)

Ticker	January Return
GLXY	+26.3%
HOOD	-12.0%
COIN	-13.8%
Circle	-19.38%

Sources: TradingView, Teroux

Performance of "Crypto" Equities (January 2026)



Source: TradingView, Teroux

The Galaxy Digital Catalyst

The abrupt rise in Galaxy Digital was primarily driven by the nomination of Kevin Warsh as the next Federal Reserve chair. Given Warsh's previous professional ties as a consultant for Galaxy, the market anticipated a uniquely favorable regulatory path for the firm. This political catalyst allowed the stock to decouple entirely from the downward pressure affecting its peers.

What This Means

The market is no longer trading crypto equities as a monolith. Returns are increasingly driven by political connectivity and specific corporate developments, marking a new phase where stock-specific fundamentals are the primary driver of performance.

February Outlook & Portfolio Strategy

A Healthy Retest Following the January Correction

January 2026 concluded with a -10.17% correction, a sharp contrast to the +9.29% rally seen in January 2025. While this retracement is more pronounced than initial mid-month estimates, it remains a strategic retest of established support levels. The current price action signifies a significant flushing of leveraged positions, which is essential for establishing a leaner market structure and a more sustainable foundation for future growth.

Bitcoin Monthly Returns %

Time	January	February	March	April	May	June	July	August	September	October	November	December
2026	-10.17%	-4.16%										
2025	+9.29%	-17.39%	-2.3%	+14.08%	+10.99%	+2.49%	+8.13%	-6.49%	+5.16%	-3.69%	-17.67%	-2.97%
2024	+0.62%	+43.55%	+16.81%	-14.76%	+11.07%	-6.96%	+2.95%	-8.6%	+7.29%	+10.76%	+37.29%	-2.85%
2023	+39.63%	+0.03%	+22.96%	+2.81%	-6.98%	+11.98%	-4.02%	-11.29%	+3.91%	+28.52%	+8.81%	+12.18%
2022	-16.68%	+12.21%	+5.39%	-17.3%	-15.6%	-37.28%	+16.8%	-13.88%	-3.12%	+5.56%	-16.23%	-3.59%
2021	+14.51%	+36.78%	+29.84%	-1.98%	-35.31%	-5.95%	+18.19%	+13.8%	-7.03%	+39.93%	-7.11%	-18.9%
2020	+29.95%	-8.6%	-24.92%	+34.26%	+9.51%	-3.18%	+24.03%	+2.83%	-7.51%	+27.7%	+42.95%	+46.92%
2019	-8.58%	+11.14%	+7.05%	+34.36%	+52.38%	+26.67%	-6.59%	-4.6%	-13.38%	+10.17%	-17.27%	-5.15%
2018	-25.41%	+0.47%	-32.85%	+33.43%	-18.99%	-14.62%	+20.96%	-9.27%	-5.58%	-3.83%	-36.57%	-5.15%
2017	-0.04%	+23.07%	-9.05%	+32.71%	+52.71%	+10.45%	+17.92%	+65.32%	-7.44%	+47.81%	+53.48%	+38.89%
2016	-14.83%	+20.08%	-5.35%	+7.27%	+18.78%	+27.14%	-7.67%	-7.49%	+6.04%	+14.71%	+5.42%	+30.8%
2015	-33.05%	+18.43%	-4.38%	-3.46%	-3.17%	+15.19%	+8.2%	-18.67%	+2.35%	+33.49%	+19.27%	+13.83%
2014	+10.03%	-31.03%	-17.25%	-1.6%	+39.46%	+2.2%	-9.69%	-17.55%	-19.01%	-12.95%	+12.82%	-15.11%
2013	+44.05%	+61.77%	+172.76%	+50.01%	-8.56%	-29.89%	+9.6%	+30.42%	-1.76%	+60.79%	+449.35%	-34.81%
Average	+2.81%	+11.88%	+12.21%	+13.06%	+8.18%	-0.14%	+7.60%	+1.12%	-3.08%	+19.92%	+41.12%	+4.16%
Median	+0.29%	+11.68%	-2.30%	+7.27%	+9.51%	+2.20%	+8.20%	-7.49%	-3.12%	+14.71%	+8.81%	-2.97%

Source: Coinglass, Teroux

Absorbing the Volatility

The volatility observed throughout the month reflects a broader New Year reset, as global portfolios rebalanced amid shifting macroeconomic expectations. Despite the 10.17% decline, the underlying market structure remains resilient, characterized by a notable transfer of supply from short-term speculators to long-term institutional accumulators. By defending the \$77,000 to \$78,000 range, the market is demonstrating that the support levels identified late last year are holding firm against intense selling pressure.

Outlook: Positioning for the Next Phase

The macro environment in 2026 continues to evolve as Bitcoin decouples from traditional risk assets. This monthly pullback has provided a significantly de-risked entry point for sidelined capital that missed previous rallies. As the market successfully absorbs this correction and liquidations stabilize, the focus shifts toward the resumption of liquidity inflows and the resolution of recent geopolitical uncertainties. This is not a structural breakdown; it is the market consolidating energy before its next move toward price discovery.

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