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# Market Pulse

## May 2026

Digital Assets, Traditional Finance  
& Macro Outlook



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## Digital Assets, Traditional Finance & Macro Outlook

Teroux | Digital Assets Research

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### Executive Summary

April 2026 opened against a backdrop of heightened geopolitical sensitivity, as a fragile ceasefire between the United States and Iran was reached on April 8th, briefly easing the regional pressures weighing on global markets. The relationship along the Strait of Hormuz nonetheless remained delicate, and following the breakdown of the Islamabad Talks, the United States imposed a naval blockade on Iranian ports starting April 13th, creating a dual blockade dynamic that kept energy markets on edge throughout the period.

Despite this complex external environment, the digital asset space displayed notable resilience, with Bitcoin establishing a firm floor above \$75,000 and recovering toward the \$77,000 to \$80,000 corridor by month end. The crypto landscape received strong support from renewed institutional demand, as US spot Bitcoin ETFs attracted approximately \$2.44 billion in net inflows, nearly double March's total and the strongest monthly result since October 2025. This structural bid absorbed supply well above daily mining output, providing a meaningful counterweight to headline driven volatility and reinforcing the maturing profile of the asset class.

On the macroeconomic front, the Federal Reserve opted to maintain the target range for the federal funds rate at 3.50% to 3.75% at its April 29th meeting, fully in line with market expectations. The decision marked the third consecutive pause and signaled a watchful approach amid elevated inflation pressures linked to global energy prices, in what was likely Chair Powell's final meeting at the helm. Even against this layered backdrop, the steady consolidation of digital assets and the renewed strength of ETF flows point to an optimistic underlying trend and a strengthening foundation for the long term.

### Key Takeaways:

- **Morgan Stanley MSBT Launch:** Morgan Stanley debuted MSBT on April 8 as the first spot Bitcoin ETP from a major U.S. bank, with the lowest fee in the market at 0.14% and over \$100M in inflows during its first week.
- **GENIUS Act Implementation Advances:** The FDIC approved a proposed rulemaking on April 7 to implement the GENIUS Act framework for stablecoin issuers, while the CLARITY Act gained momentum with a Senate Banking Committee markup targeted for mid-May.
- **Oil Price Spike:** Brent crude briefly touched \$126.41 per barrel on April 30, a four-year high, as the Strait of Hormuz remained effectively shut despite the U.S. and Iran ceasefire reached earlier in the month.
- **Fed Holds Amid Historic Dissent:** The FOMC kept rates at 3.50% to 3.75% on April 29 in Powell's likely final meeting, with the 8 to 4 vote split marking the most dissents since 1992, ahead of Kevin Warsh's expected confirmation as the next Fed Chair.

### The Saylor Conviction

Michael Saylor's Strategy has continued to expand its Bitcoin treasury at a remarkable pace, reaching 818,334 BTC as of April 26, 2026. The latest tranche added 3,273 BTC for approximately \$255 million at an average of \$77,906 per coin, lifting cumulative investment to roughly \$61.81 billion at a blended cost basis of \$75,537 per bitcoin and delivering a BTC Yield of 9.6% year to date.

The accumulation reinforces Saylor's long term conviction at a moment when markets have been navigating geopolitical uncertainty and a Bitcoin floor in the mid \$70,000 range. By continuing to acquire through volatility, Strategy signals that corporate treasury adoption remains a structural driver of demand, with balance sheets increasingly viewing Bitcoin as a strategic reserve asset rather than a speculative position.

Strategy's Bitcoin Acquisitions (Aug 2020 - Apr 2026)



Sources: DefiLlama, Teroux Research

# Market Performance – April Review

The recent trading period reflects a clear divergence between traditional equities and digital assets, as markets recalibrate around the maturing artificial intelligence cycle and a more constructive macroeconomic backdrop.

## Year-to-Date (YTD) Performance Summary:

- BTC: -12.1%
- ETH: -23.3%
- SOL: -32.7%
- S&P 500: +5.1%
- NASDAQ: +7.1%
- DAX40: -1.0%



## Asset Performance by Key Asset Classes

| Digital Asset Majors | Market Cap  | Current Price | 7D Change | 30D Change | YTD Change |
|----------------------|-------------|---------------|-----------|------------|------------|
| BTC                  | \$1.5 tn    | \$76,948      | -0.6%     | 13.01%     | -12.1%     |
| ETH                  | \$ 274.7 bn | \$2,275       | -1.7%     | 6.38%      | -23.3%     |
| SOL                  | \$ 48.2 bn  | \$84          | -2.8%     | 3.08%      | -32.7%     |

| Equities     | Market Cap | Current Price | 7D Change | 30D Change | YTD Change |
|--------------|------------|---------------|-----------|------------|------------|
| S&P 500 (\$) | ~58.0 tn   | 7,209         | 0.61%     | 9.64%      | 5.1%       |
| NASDAQ (\$)  | ~49.0 tn   | 24,892        | 0.22%     | 13.97%     | 7.1%       |
| DAX40 (€)    | ~2.4 tn    | 24,292        | 0.68%     | 4.26%      | -1.0%      |

| Currencies  | Current Price | 7D Change | 30D Change | YTD Change |
|-------------|---------------|-----------|------------|------------|
| Euro (€/€)  | \$1.17        | -0.09%    | -1.23%     | 0.1%       |
| Pound (£/£) | \$1.36        | 0.58%     | 2.78%      | 1.0%       |
| Yen (\$/¥)  | ¥156          | -2.13%    | -1.65%     | -0.5%      |

Source: Artemis Terminal, Google Finance, Investing.com, TradingView, Terroxx Research

## Key Insight

Equity markets have moved back into positive territory year-to-date, with the S&P 500 up 5.1% and the NASDAQ leading at 7.1%, supported by a strong 30-day rally of 13.97% in tech-heavy benchmarks. This reflects a market that is increasingly rewarding companies with tangible AI-driven productivity gains and clearer earnings visibility, rather than broad thematic exposure. The DAX40, modestly down 1.0% YTD, illustrates how regional dynamics and sectoral composition continue to shape relative performance across developed markets.

Digital assets, while still negative on a year-to-date basis, are showing meaningful signs of stabilization. Bitcoin has recovered 11.8% over the past 30 days, narrowing its YTD drawdown to 12.1%, while Ethereum and Solana remain under more pressure at 23.3% and 32.7% respectively. The pattern suggests that liquidity is rotating selectively back into the asset class, with Bitcoin reasserting its role as the primary store of value within the digital ecosystem and altcoins lagging as investors prioritize quality and depth.

In currency markets, the picture remains balanced: the Euro and Pound are essentially flat to modestly positive YTD, while the Yen continues to weaken at ¥156 per dollar, reinforcing the role of U.S. dollar-denominated assets as a relative anchor. Taken together, the environment encourages a measured and selective posture — one that recognizes the broad-based recovery underway in equities while acknowledging that digital assets are still in the early stages of repricing toward their next equilibrium.

# Story of the Month

## The S&P 500 Caps a Record-Breaking April

The S&P 500 surged 10.4% in April, its best month since November 2020, when breakthroughs on Covid-19 vaccines lifted the index 10.75%. The benchmark closed the month at a record 7,209.01, breaking above the 7,200 threshold for the first time ever, capping a rally that defied geopolitical headwinds tied to the U.S. and Iran conflict and a sharp spike in oil prices.

The advance was powered by resilient corporate earnings and an accelerating AI infrastructure cycle. Semiconductor stocks led the charge, climbing roughly 37% on the month, while the so-called "Magnificent Seven" cohort gained over 16%, with Alphabet alone adding about 34% on blowout Google Cloud and Waymo results. The strength extended across the major averages: the Nasdaq rose 15.3%, its best month since April 2020, and the Dow advanced 7.1%, its strongest monthly performance since November 2024.

## The Hyperscaler Capex Boom Reaches \$725 Billion

Capital expenditures across the four largest U.S. hyperscalers (Alphabet, Amazon, Meta, and Microsoft) are set to reach roughly \$725 billion in 2026, up 77% from last year's record \$410 billion and nearly five times their combined 2022 spending. The figure was revised sharply higher after April earnings, as each of the four crossed \$100 billion in annual capex for the first time, with capital intensity climbing to historically unthinkable levels of 45 to 57% of revenue.

The spending is overwhelmingly tied to AI infrastructure: roughly 75% of aggregate hyperscaler capex now funds data centers, GPUs, and networking gear. Microsoft set 2026 capex at \$190 billion, citing \$25 billion in incremental memory costs alone, while Alphabet lifted its guide to \$190 billion and flagged "significantly increased" spend in 2027. Meta raised its range to as high as \$145 billion, even as Barclays projects the company's free cash flow could fall nearly 90% this year.

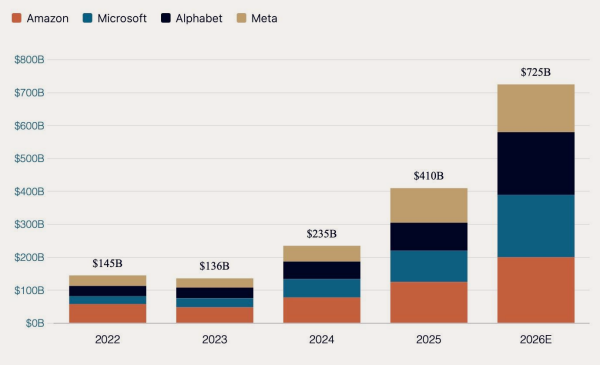
 S&P 500 Performance Returns (April 2026)



Source: Trading View, Teroxx Research

 Big 4 Hyperscaler Capex (2022- 2026)

Annual capital expenditures, in \$ billions. 2026 reflects April 2026 earnings guidance.



Source: Financial Times, CNBC, Epoch AI, CreditSights, Teroxx Research

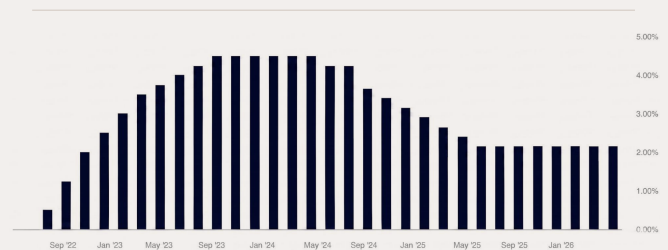
# Macro Outlook & Monetary Policy

The April monetary policy cycle confirmed a synchronized hold across the most influential central banks, signaling that global policymakers are prioritizing inflation containment over growth stimulus amid renewed geopolitical pressure from the Middle East conflict. On April 29, the Federal Open Market Committee voted to maintain the federal funds rate in the 3.50% to 3.75% range, in what was Chair Jerome Powell's final meeting at the helm.

The decision was anything but unanimous, with an 8 to 4 split that marked the highest number of dissents since 1992. Governor Stephen Miran preferred a 25 basis point cut, while three other members opposed the inclusion of an easing bias in the statement. Markets had assigned a near 100% probability to the hold, as persistent inflation, elevated by global energy prices linked to the Iran war, removed any near term path toward easing.

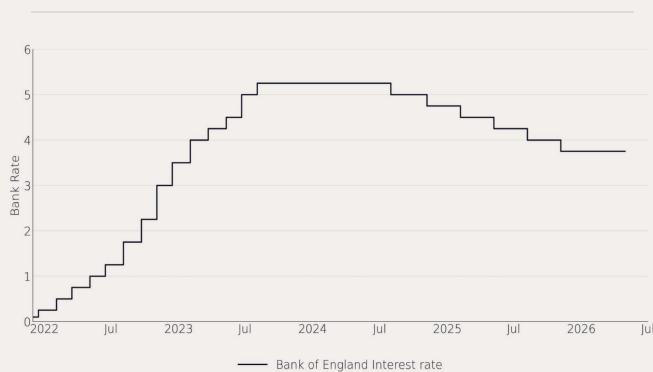
The Bank of England followed the same direction on April 30, with its Monetary Policy Committee voting 8 to 1 to keep the Bank Rate at 3.75%. Chief Economist Huw Pill was the sole dissenter, advocating an increase to 4% to counter UK CPI inflation running at 3.3%, well above the 2% target. Hours later, the European Central Bank held its deposit facility rate at 2% for the third consecutive meeting, with eurozone inflation accelerating to 3 percent in April and first quarter GDP growth slowing to 0.8%. President Christine Lagarde acknowledged that upside inflation risks and downside growth risks have intensified, framing the eurozone within a stagflation narrative.

 Eurozone Interest Rate Decision (Sep 2022-Apr 2026)



Source: Teroxx Research, CNBC

 Bank of England Interest rate (Jan 2022 - Apr 2026)



Source: Teroxx Research, CNBC

The fixed income sector serves as a primary indicator for these shifting expectations with Treasury bonds reflecting a transition toward a sustained interest rate environment. The 10 year Treasury yield recently reached 4.46 percent, its highest level since last July, as investment portfolios adjust to account for a more hawkish central bank stance. This movement in yields indicates that the market is pricing in a period of structural stability rather than anticipating the rapid easing cycles predicted earlier in the year.

At the shorter end of the curve, the 2 year Treasury yield has reached 4 percent, reinforcing the expectation of a prolonged period of elevated rates. It is notable that these yields have diverged from recent commodity trends where West Texas Intermediate crude remained relatively flat with a decline of less than 1 percent over a ten day period while Brent crude lost 3 percent. This divergence suggests that the bond market is prioritizing the Federal Reserve's long term reaction function and broader inflationary risks over temporary volatility in the energy sector.

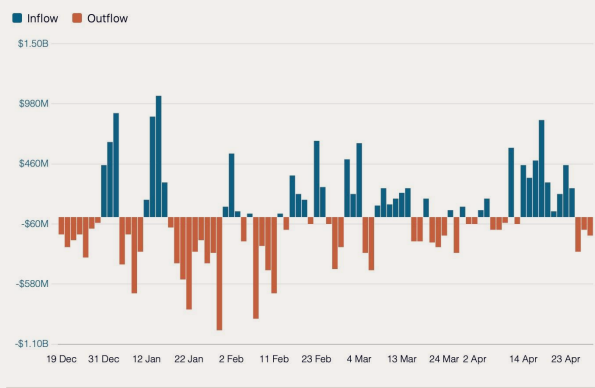
# Digital Asset Market Performance – Intersection with TradFi

## The Quiet Rebuilding of Bitcoin ETF Demand

After recording more than \$6 billion in net outflows between November 2025 and February 2026, the longest sustained outflow period since spot Bitcoin ETFs launched in January 2024, institutional flows turned positive. March was the first positive month of 2026 with \$1.32 billion in net inflows, and April more than doubled that figure, posting \$2.44 billion as nine consecutive days of inflows from April 14 to April 24 delivered the strongest stretch since mid-January.

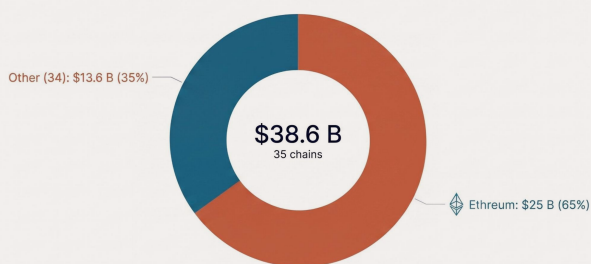
BlackRock's iShares Bitcoin Trust (IBIT) absorbed more than 70% of April's net inflows, lifting its AUM to roughly \$62 billion, while Morgan Stanley's MSBT, launched on April 8 as the first spot Bitcoin ETF from a major U.S. bank, pulled in \$163 million with zero recorded outflows. Total spot Bitcoin ETF assets under management now stand at approximately \$102 billion, with cumulative net inflows of \$58.5 billion since the January 2024 launch.

**Spot Bitcoin ETFs Net Inflows (Dec 2025-Apr 2026)**



Source: TradingView, Teroxx Research

**Ethereum's Dominance of Tokenized Asset Market**



Source: TradingView, Teroxx Research

## Ethereum Now Captures 65% of Tokenized Asset Market

April 2026 has confirmed that the institutional race for real-world asset (RWA) tokenization is effectively an "Ethereum-first" story. As of this month, Ethereum has solidified its position as the premier infrastructure for the sector, capturing 65% of the \$38.6 billion market across 35 chains. The network now hosts approximately \$25 billion in tokenized funds, stocks, and commodities, a figure that more than triples the combined value of all other competing blockchains.

The momentum throughout April was driven by a 4% jump in total RWA market cap, with Ethereum-based tokenized Treasuries leading the charge. This growth was anchored by institutional heavyweights; the BlackRock BUIDL fund reached a milestone \$2.39 billion in AUM this month, while the broader tokenized Treasury segment on Ethereum climbed toward \$12.8 billion. While BNB Chain (\$3.8B) and Solana (\$2.0B) maintain their niche positions, they have struggled to erode Ethereum's network effects and deep institutional integration.

This dominance is mirrored in the stablecoin sector, which acts as the liquidity backbone for RWA. Ethereum ended April holding 53% of the global stablecoin market, with its mainnet market cap exceeding \$175 billion. The "stickiness" of this capital is proving to be Ethereum's greatest moat, as new RWA issuers prioritize proximity to existing liquidity over lower fees on alternative chains.

Looking at the mid-term horizon, the consensus remains high. Standard Chartered reiterated its projection this month that the tokenization market could hit \$2 trillion by 2028, with Ethereum as the primary settlement layer. Meanwhile, ARK Invest continues to model an \$11 trillion shift by 2030. April's data suggests we are no longer in the "pilot phase", the migration of global finance to Ethereum is now in full swing.

# March Outlook & Portfolio Strategy

## Confirmation of the Recovery: A Strong April Aligned with Historical Seasonality

April 2026 closed with a robust +11.87% return, marking the second consecutive positive monthly close and decisively confirming the trend reversal initiated in March's +1.81% print. This performance sits comfortably above the historical April median of +9.57% and aligns with the +12.98% historical average, reinforcing that April retains its profile as one of Bitcoin's strongest seasonal months. After the sharp February drawdown of 14.94%, this back to back recovery transforms what was previously a tentative stabilization signal into a confirmed structural shift, with price action moving decisively away from the Q1 lows.

### Bitcoin Monthly Returns %

| Time    | January | February | March    | April   | May     | June    | July    | August  | September | October | November | December |
|---------|---------|----------|----------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|
| 2026    | -10.17% | -14.94%  | +1.81%   | +11.87% | +0.29%  |         |         |         |           |         |          |          |
| 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%  | +11.11%  | +11.47%  | +12.98% | +7.61%  | -0.14%  | +7.60%  | +1.12%  | -3.08%    | +19.92% | +41.12%  | +4.16%   |
| Median  | +0.29%  | +11.68%  | -0.24%   | +9.57%  | +4.90%  | +2.20%  | +8.20%  | -7.49%  | -3.12%    | +14.71% | +8.81%   | -2.97%   |

Source: Coinglass, Teroux Research

## Institutional Flow Restoration in a Complex Macro Environment

The most defining feature of April was the unequivocal return of institutional capital. US spot Bitcoin ETFs recorded \$2.44Bn in net inflows, nearly double March's \$1.32Bn print and the strongest monthly figure of the year, lifting cumulative lifetime inflows above \$58Bn and total assets under management toward \$102Bn. This recovery occurred even as the asset class navigated persistent geopolitical noise and a Federal Reserve maintaining higher policy rates for longer, a stance that historically weighs on digital assets. The market also remains attentive to further clarity around the CLARITY Act, whose progression could unlock an additional layer of institutional participation.

## Outlook: Constructive Phase Validated for Q2

With two consecutive positive monthly closes and renewed institutional buy side activity, the market narrative had transitioned from defensive consolidation to active accumulation. The convergence of ETF inflow strength, alignment with seasonal April performance, and resilience against a demanding macro backdrop validates the current cycle as a constructive phase rather than a relief bounce. Looking ahead, historical seasonality remains supportive into May, which averages +7.61% across the dataset, though traders should expect natural consolidation episodes before any sustained expansion leg. For long term allocators, April's close confirms the signal initiated in March, supporting a continued rebuild of strategic exposure.

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