

MAY 2026

# The Institutional Bridge: Digital Assets and Corporations



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This report is a product of Teroxx Research, a research team within Teroxx, the leading provider of financial services in the digital assets, cryptocurrency, and blockchain technology sector. Teroxx Research provides top-tier market commentary, thematic views, tactical insights, and deep protocol research.

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# Executive Summary

## Executive Summary

Three months on from our February 2026 edition, the digital asset market has transitioned from a period of consolidation into one of measured recovery. The downturn that characterized the early part of the year, with Bitcoin (BTC) trading in the high \$60,000 range and ETF (Exchange-Traded Fund) outflows continuing for four consecutive months, shifted in March toward a return of structural buying. At the time of writing, Bitcoin trades near \$81,000 after dipping to \$73,750 amid the geopolitical tensions of mid-April, and the institutional access channels that helped absorb the late-2025 volatility are once again drawing capital into the asset class.

A central dynamic of this period has been the steadiness of institutional demand. April recorded the strongest single month for U.S. (United States) spot Bitcoin ETF inflows so far in 2026, with \$2.44 billion of net subscriptions and BlackRock's IBIT (iShares Bitcoin Trust) alone accounting for roughly \$1.71 billion of that figure. Cumulative lifetime inflows across the spot Bitcoin ETF complex have now crossed \$58.5 billion, and combined assets under management have stabilized close to \$102 billion. On the corporate balance sheet side, Strategy Inc. took advantage of softer prices to expand its holdings steadily, raising \$11.68 billion in equity year-to-date, the largest single-issuer equity programme in the U.S. capital markets in 2026, and increasing its position from 714,644 BTC at the time of our previous report to 818,869 BTC as of early May.

The other three pillars have continued to grow. Tokenized real-world assets crossed the \$30 billion mark in distributed value, a milestone that translates into roughly 57% growth in three months. Stablecoin supply moved from \$307 billion to a new high above \$320 billion, with USDT (Tether) and USDC (USD Coin) maintaining their combined share near 85% of the market, while Mastercard's \$1.8 billion acquisition of stablecoin infrastructure firm BVNK signalled that the largest payment networks now view on-chain settlement as a strategic capability rather than a research project.

Regulation has progressed from discussion to formal rulemaking. The OCC (Office of the Comptroller of the Currency) issued its proposed rule for the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins Act) on 25 February, the FDIC (Federal Deposit Insurance Corporation) followed in early April, and four further rulemakings from the NCUA (National Credit Union Administration), Treasury, and the FinCEN-OFAC (Financial Crimes Enforcement Network and Office of Foreign Assets Control) tandem completed what attorneys describe as one of the most active periods of banking rulemaking in recent years. The Digital Asset Market Clarity Act, after a January markup that was postponed, reached a working compromise on stablecoin yield language at the start of May; the bill is now widely expected to be marked up in the Senate Banking Committee within weeks, ahead of a procedural deadline tied to the November midterms.

What the period of February through May 2026 will likely be remembered for is a shift away from a familiar pattern. In prior cycles, drawdowns of this size tended to push institutions to the sidelines and slow the regulatory pipeline. This time the drawdown was accompanied by a sizeable equity-financed Bitcoin acquisition programme, the publication of a federal stablecoin framework, the convergence of the SEC (Securities and Exchange Commission) and CFTC (Commodity Futures Trading Commission) on a shared definition of digital commodities, and a 50% quarterly increase in tokenized real-world asset value. The bridge between digital assets and traditional finance is moving steadily beyond negotiation and into construction.

# The ETF Recovery: From Capitulation to Renewed Inflows

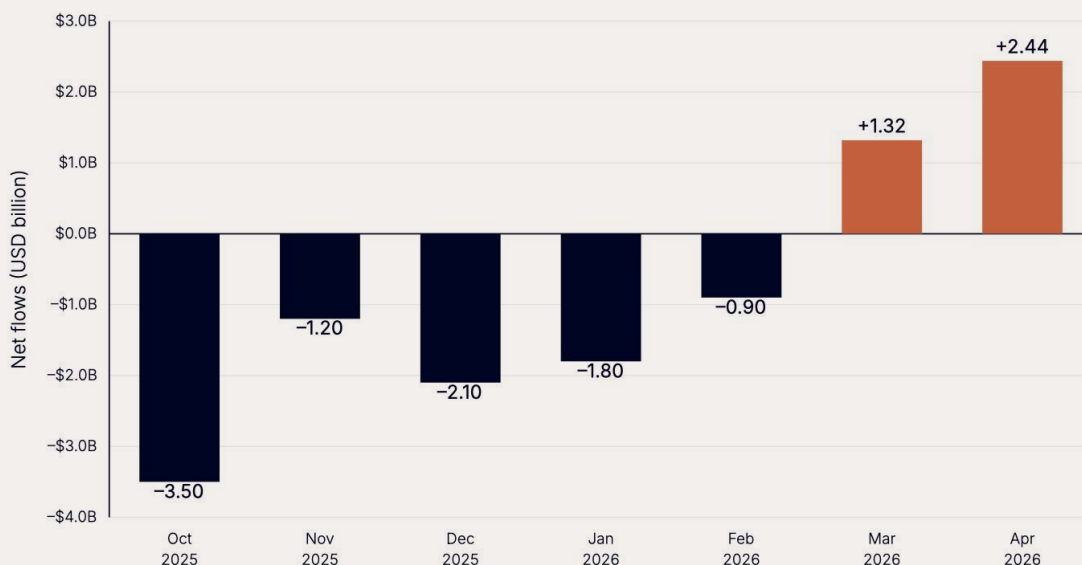
## The ETF Recovery: From Capitulation to Renewed Inflows

The U.S. spot Bitcoin ETF complex enters the second quarter of 2026 in a fundamentally different posture than the one described in February. At that time, the dominant story was a four-month outflow streak, an underwater investor base with an average buy-in price near \$83,000, and a market structure clearly moving in favour of corporate treasuries that could withstand mark-to-market drawdowns. Three months later, the picture has reversed.

March broke the outflow trend with \$1.32 billion of net subscriptions, and April compounded the recovery with \$2.44 billion of inflows, the strongest single month of the year. The cumulative inflow figure since the January 2024 launch of the funds now stands at \$58.5 billion, while combined assets under management have stabilized at approximately \$108.6B billion. The April inflow was concentrated in an eight-trading-day window between 14 and 23 April, during which the ETF complex absorbed roughly \$2.1 billion of net buying as Bitcoin moved from \$68,000 to \$77,000. Daily prints during that window ranged from \$150 million to \$380 million without a single negative day, a pattern more consistent with sustained allocation than with episodic positioning.



Monthly Net Flows into U.S. Spot Bitcoin ETFs (Oct 2025 - Apr 2026)



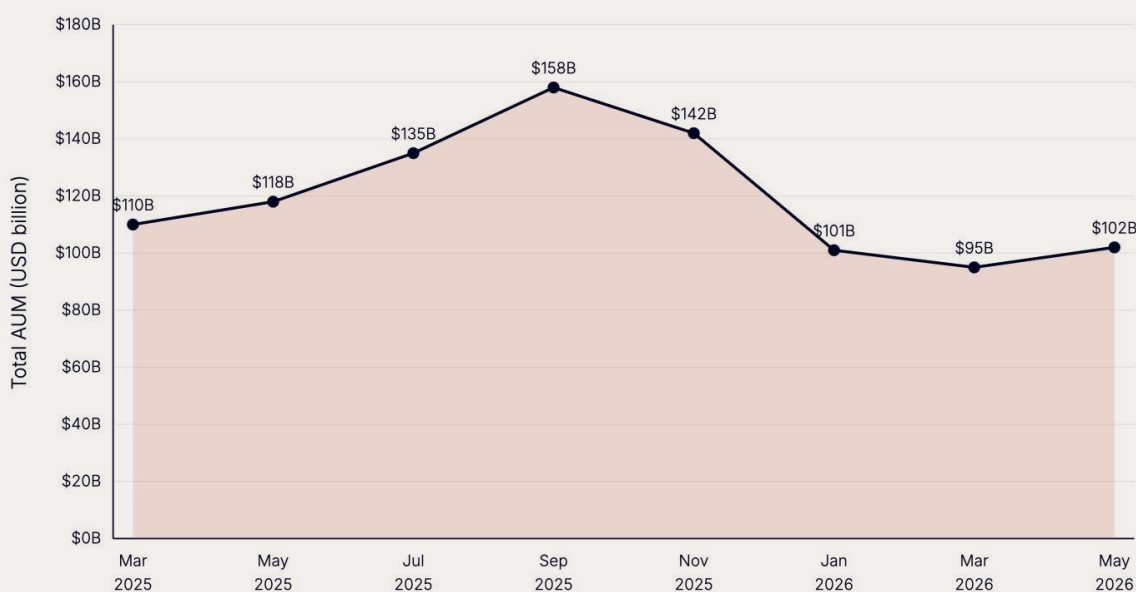
Source: Coinglass, Terroxx Research

The concentration of flow into BlackRock's IBIT has become a defining microstructural feature of this market. Of the \$2.44 billion of April net inflows, \$1.71 billion, or roughly 70%, was absorbed by IBIT alone. Fidelity's FBTC took \$213 million; the remaining issuers split approximately \$516 million. IBIT now holds 818,147 000 BTC, valued near \$65 billion, an inversion that crystallised the moment an exchange-traded vehicle first overtook Strategy as the single largest concentrated holder of Bitcoin in U.S. capital markets. Strategy currently sits back on top with 818,869 BTC, but the lead has been changing hands on a near-weekly cadence ever since, as its continued accumulation and renewed ETF inflows take turns tipping the scales.

What is striking about IBIT's behaviour is that during the first quarter of 2026, while Bitcoin fell roughly a quarter peak-to-trough, BlackRock's vehicle still pulled in over \$8 billion of net inflows. Long-duration capital appears to be using ETF wrappers in a manner closer to a programmatic asset allocation than to a tactical trade. This pattern of sustained allocation through drawdowns is consistent with what we would expect from registered investment advisors, defined-contribution sub-advised mandates, and a small but growing cohort of state pension and sovereign wealth allocators that BlackRock has publicly described as the marginal incremental buyer.



### Total Assets Under Management Across U.S. Spot Bitcoin ETFs



Source: Coinglass, Terroxx Research as of May 11th 2026

On the Ethereum ETF side, April delivered an additional \$356 million of net inflows, a recovery from the structural outflows that defined the first quarter but a fraction of the Bitcoin product flow. The relative weakness reflects both the wider ETH price drawdown, with the asset trading near \$2,300 against an August 2025 peak of \$4,953, and the still-pending question of staking-enabled ETF structures, which several issuers have re-filed for under the new generic listing standards introduced by the SEC in late 2025.

Beyond Bitcoin and Ether, the altcoin ETF pipeline that we previewed in February has materially advanced. The joint SEC-CFTC interpretive release of 17 March, which classified XRP as a digital commodity under the framework already used for Bitcoin and Ethereum spot products, removed the principal regulatory obstacle to the seven outstanding XRP spot filings. XRP-tracking products had already been live for several months and ended Q1 with cumulative inflows of approximately \$1.44 billion. Solana, Litecoin, Dogecoin, Cardano, Polkadot, Hedera and Avalanche filings remain in queue under the new generic listing standards, and consensus among the Bloomberg ETF analyst desk and the major issuers is that the question is no longer whether these products will list but in what order.

The CLARITY Act provisions which would treat any token included in a registered exchange-traded product as a non-ancillary asset for federal disclosure purposes have entrenched this expectation, even as the underlying legislation continues its passage through the Senate.

### Bitcoin Spot Price (Oct 2025-May 2026)



Source: Coinglass, Teroux Research

The price action in the underlying asset has been consistent with the flow story. Bitcoin retraced from its October peak of \$126,198 to a \$68,000 floor in early February, traded sideways through the first half of March, and then retraced again to a year-to-date low near \$73,750 on 19 April after the rejection of a U.S.-led peace proposal by Iran reignited Strait of Hormuz volatility. The recovery from that low has been notably orderly, with Bitcoin reclaiming \$80,000 by 5 May and trading above the technical level represented by the 100-day exponential moving average. We note that the asset has spent most of 2026 below its 200-day simple moving average, a regime that historically corresponds with recovery rather than expansion phases. The orderly nature of the recovery, supported by the ETF flow data, suggests an institutionally-anchored bid rather than a speculative one.

# Institutional Strategic Positioning: The Digital Asset Treasury Companies Perspective

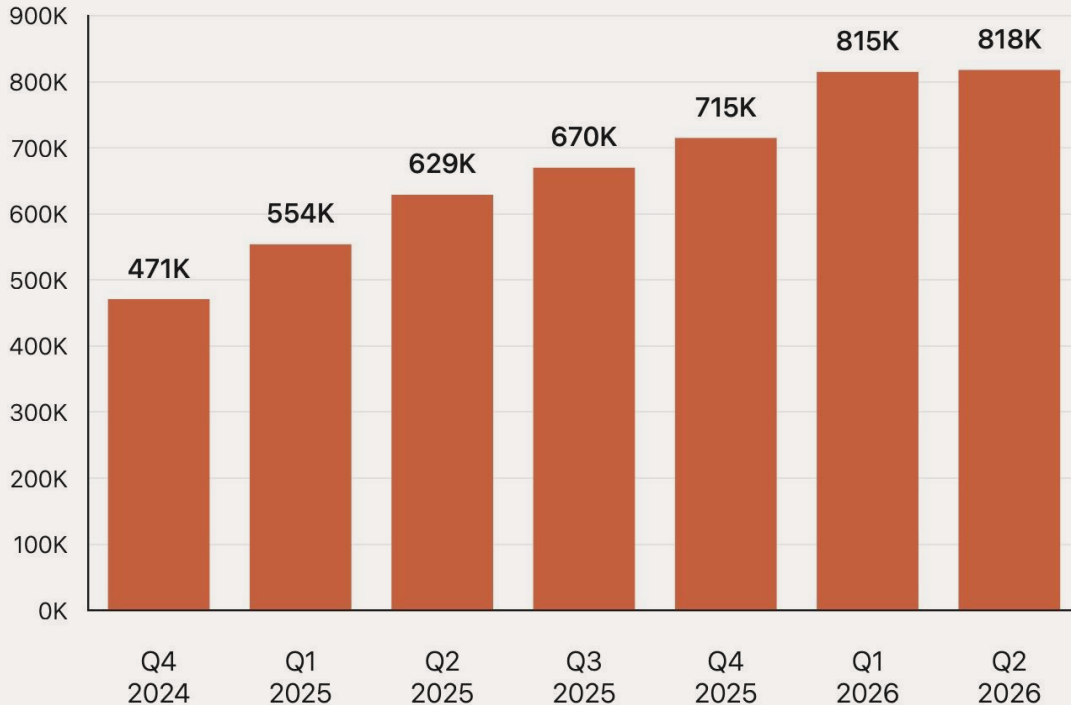
## Institutional Strategic Positioning: The DAT Perspective

The digital asset treasury company segment has been among the most active operational fronts in the digital asset ecosystem during the February-to-May window. In our previous report we described a segment in defensive recalibration, with Strategy carrying \$17.4 billion in unrealized fourth-quarter losses and the broader cohort facing mNAV compression. The intervening three months have not delivered a price recovery sufficient to resolve those mark-to-market positions, but they have produced something arguably more useful: evidence that the leading operators have continued to deploy capital into weakness.

Strategy disclosed weekly Bitcoin acquisitions through most weeks of the period. The cumulative result is a position of 818,869 BTC as of 26 April, up 22% year-to-date and acquired at a blended cost basis of \$75,537 per coin. The market value of those holdings closed in April at \$64.14 billion, narrowly above cost, after a quarter in which the company posted a \$12.54 billion mark-to-market net loss, the largest single-quarter loss in its corporate history. The same quarter saw the largest U.S. equity issuance of 2026 across all sectors: \$11.68 billion was raised through a combination of common-stock at-the-market sales and the perpetual preferred equity programmes branded as STRC, STRF and STRK. The average BTC yield, the company's preferred metric for capital efficiency, came in at 9.4% year-to-date.

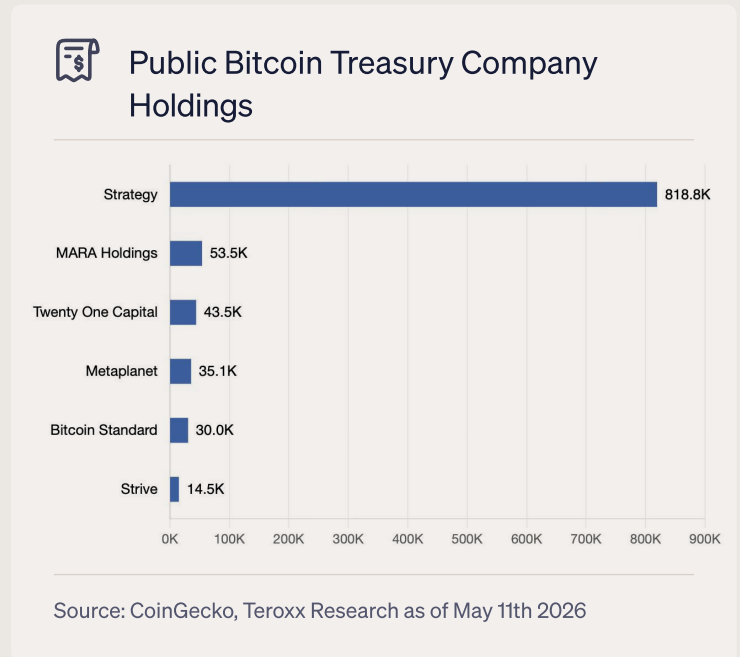


Strategy Inc. Quarterly Bitcoin holdings (Q4 2024 to Q1 2026)

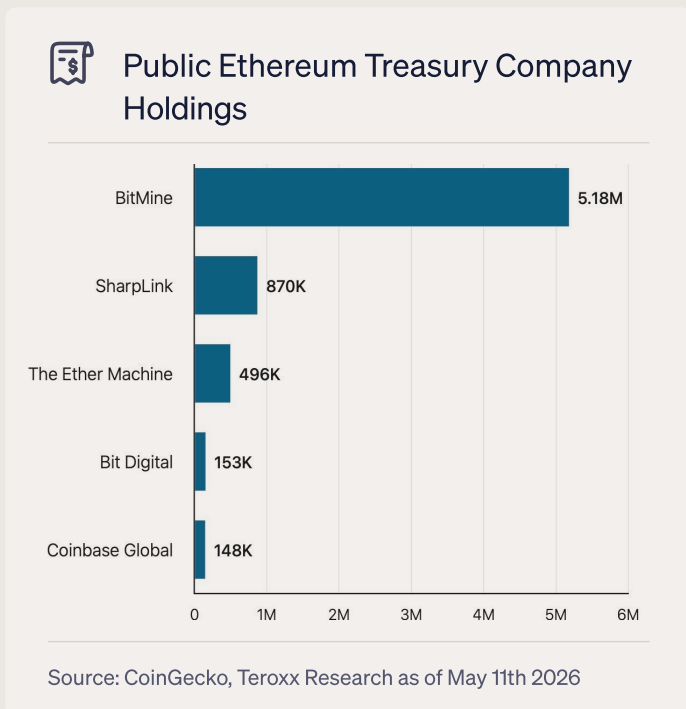


Source: BitcoinTreasuries.net, Teroux Research as of May 11th 2026

The strategic implication of this campaign is more important than any individual purchase. Strategy has transitioned from a balance-sheet vehicle that warehouses Bitcoin to a permanent equity-issuance machine whose liabilities are denominated in dollars and whose assets are denominated in BTC. With \$26.47 billion of remaining capacity authorised under the existing common-stock at-the-market programme, the company effectively functions as a structural bid on the underlying asset, calibrated to its share-price premium relative to net asset value. This is the dynamic that the mNAV-diluted metric was designed to capture, and the metric remains the single most important diagnostic for the segment.



Across the wider Bitcoin treasury cohort, the period saw both consolidation and new entry. Strive, the asset-management firm chaired by Vivek Ramaswamy, accumulated 14,557 BTC by 24 April and emerged as the most operationally similar follower of the Strategy playbook. Combined public-company Bitcoin holdings now exceed 1.2 million BTC, equivalent to approximately 5.5% of the total circulating supply and worth roughly \$96 billion at the prevailing price. The persistent presence of mNAV discounts at certain operators, in particular Twenty One Capital which traded near 0.74 in our February report, continued to compress through the period as some balance sheets deleveraged and others re-rated on improved capital structures.



The Ethereum side of the treasury sector has produced an even more striking pattern of accumulation. BitMine Immersion Technologies, chaired by Tom Lee, expanded its Ethereum treasury from 4.30 million ETH at the time of our February report to 5.18 million ETH by early May, a 20% increase that brings the company within reach of its publicly stated 5% target of the total ETH supply. BitMine has now achieved approximately 86% of that target. Approximately 3.3 million ETH of the company's holdings are staked on the consensus layer, generating an estimated annualised yield of \$297 million at current participation rates, with the firm projecting that yield could expand toward \$352 million on full deployment. Total crypto and cash holdings stand at \$14 billion.

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SharpLink, the second-largest Ethereum treasury operator, now holds approximately 870,000 ETH and continues to differentiate itself by staking close to 100% of its position and by reporting an ETH-per-share metric to its equity holders. The Ether Machine holds approximately 496,000 ETH. Public-company Ethereum positions in aggregate now control around 5.2% of the circulating supply, a measurable concentration that will become more material if and when staking-enabled spot ETFs are approved for U.S. distribution, since the cohort would be structurally positioned as a yield-generating warehouse rather than a passive holder.

Two structural observations frame the treasury segment as it enters the second half of 2026. First, the Bitcoin and Ethereum treasury archetypes are converging on a single capital-markets template: equity issuance into the asset, on-chain yield generation where available, transparent per-share reporting, and explicit supply-percentage targets. Second, the funds-raised, BTC-acquired, ETH-staked numbers reported by these companies during a quarter in which both underlying assets were in drawdown demonstrate that the segment is no longer dependent on a rising tape for its capital cycle. The model now functions counter-cyclically, which is precisely what investors should expect from a long-duration warehouse strategy.

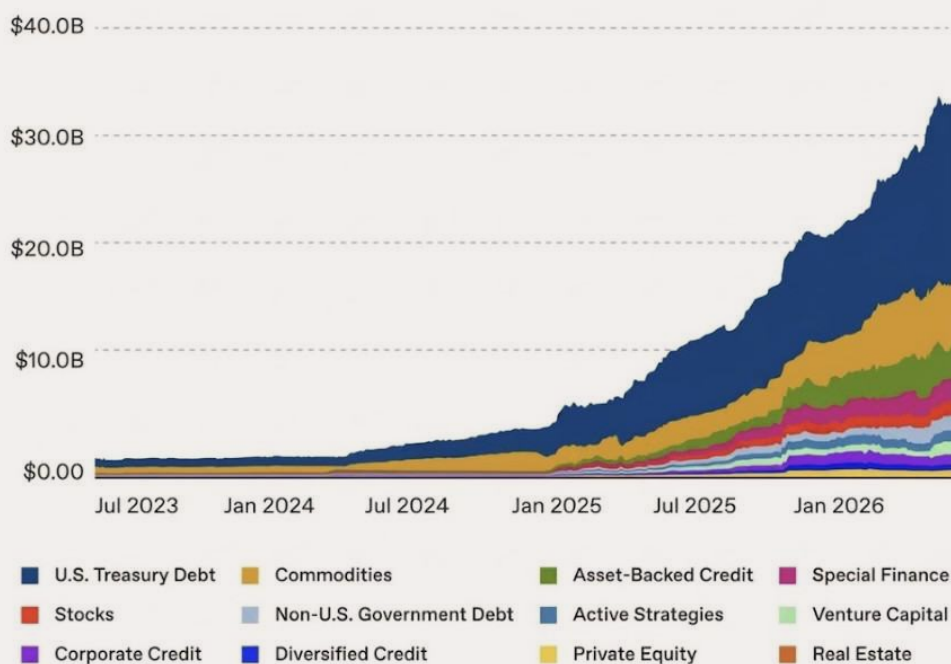
# Real-World Asset (RWA) Tokenization Crosses \$30 Billion

## Real-World Asset (RWA) Tokenization Crosses \$30 Billion

Tokenization of real-world assets has been the most consistent compounding theme of 2026 so far. In our February report the on-chain RWA market stood at \$19.7 billion in distributed value with year-to-date growth of 14.5%. As of the first week of May, distributed RWA value has reached \$30.96 billion, an increase of approximately 57% in three months. Total holders have grown to 740,857, up from approximately 485,000 at the start of the period. The \$30 billion threshold matters less in absolute terms than as a milestone of credibility: it places tokenized real-world assets ahead of several established DeFi sectors by total value and signals that the underlying institutional pipeline has converted from announcement to execution.



Distributed Value of On-Chain Real-World Assets (Jan 2025 -May 2026)

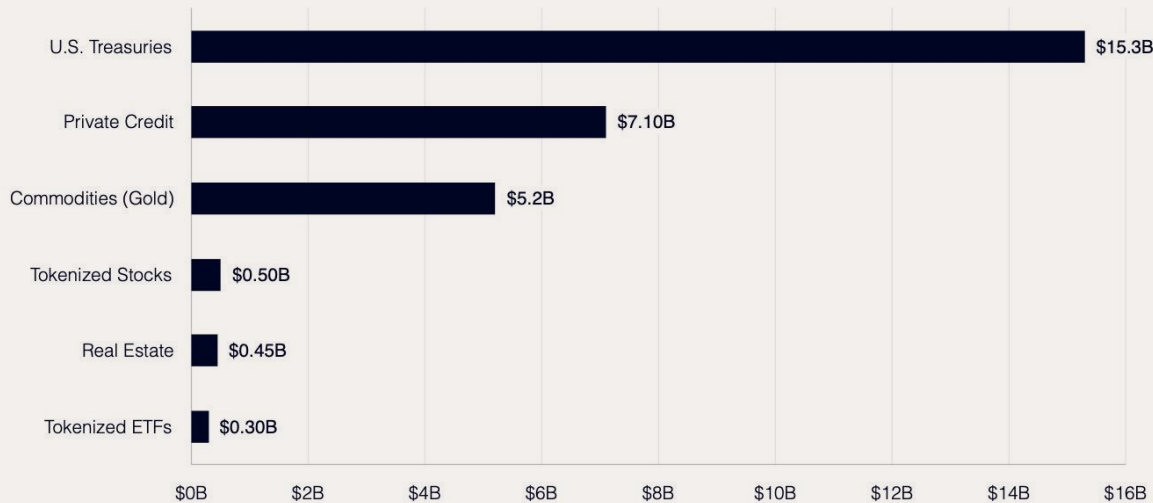


Source: CoinGecko, Teroxx Research as of May 11th 2026

The composition of this growth confirms the pattern we identified in February. Tokenized U.S. Treasury products remain the largest individual category, with a total distributed value of approximately \$15 billion, up from roughly \$9.3 billion at the start of the year. BlackRock's BUIDL fund continues to anchor the segment, with assets of more than \$2 billion deployed across multiple networks. Ondo Finance, Franklin Templeton's BENJI, and Circle's USYC have each captured material share of new institutional flows, and the category as a whole is now growing at over 100% year-on-year. These products operate as functional shadow-T-Bill exposures that institutions can custody, transfer, and pledge in the regulated digital asset stack without leaving the regulatory perimeter that applies to the underlying paper.

Tokenized commodities, dominated by gold-backed tokens such as XAUT and PAXG, have grown to approximately \$5.2 billion. The category has experienced the sharpest behavioural shift since our previous report. Spot trading on tokenized gold reached \$90.7 billion in the first quarter of 2026, surpassing the \$84.6 billion of trading volume recorded for the entirety of 2025. This is the first quarter on record in which tokenized gold has traded with a volume profile materially correlated with traditional gold proxies, suggesting that the user base for these instruments has shifted from a crypto-native cohort toward investors who treat the tokenized form as a fungible alternative to the ETF or unallocated bullion line.

### Distributed RWA Value by Asset Class



Source: Token Terminal, Teroxx Research as of May 11th 2026

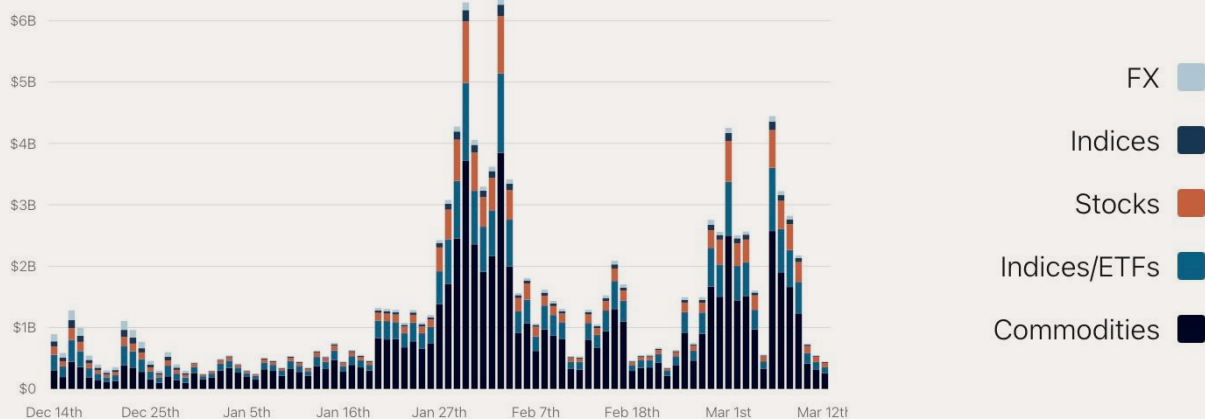
Private credit tokenization continues to expand in the lower-liquidity segment of the market and now represents between \$5 billion and \$7 billion in distributed value depending on whether platform-locked positions are included. The category remains structurally different from tokenized Treasuries and commodities in that secondary-market liquidity is thin, lockups are common, and credit performance dispersion is wider. The March 2026 stress in the broader private-credit market translated into measurable price action on certain tokenized instruments, and we view this as a healthy development insofar as it demonstrates that the tokenized wrapper transmits underlying credit information transparently rather than obscuring it.

The most significant institutional signal of the period was Morgan Stanley's 16 April announcement that real-world asset tokenization is one of its top global business focus areas for 2026. The firm has confirmed that an institutional digital wallet, capable of holding tokenized traditional investments alongside direct cryptoassets, will be launched in the second half of the year. The implication is straightforward: when a wirehouse with Morgan Stanley's footprint commits to building an in-house infrastructure for tokenized assets, the marginal cost of institutional adoption falls for every other major bank that competes for the same client base.

Two further data points underline the institutional character of this growth. Tokenized stocks, a category that did not meaningfully exist before mid-2025, scaled to approximately \$0.5 billion during the first quarter of 2026, with technology tickers leading. Spot trading volume in this category reached \$15.1 billion in Q1 2026, surpassing the \$14.8 billion of trading volume across the entire second half of 2025. Real-world asset perpetual contracts, which provide synthetic exposure to traditional assets without requiring on-chain custody of the underlying, traded \$524.8 billion in cumulative volume during Q1 2026, more than the \$313 billion recorded during the whole of 2025.

The longer-term implication of these numbers is the same as the one we drew in February but with a stronger evidence base. The tokenization theme is no longer a thesis about future financial infrastructure. It is a market with measurable inflows, identifiable institutional sponsors, established regulatory pathways, and a growing user base that for the first time in this cycle includes addresses created specifically to hold tokenized assets rather than to trade native cryptocurrency. RWA wallets are increasingly the on-ramp rather than the destination.

### RWA Perps Volume by Asset Class

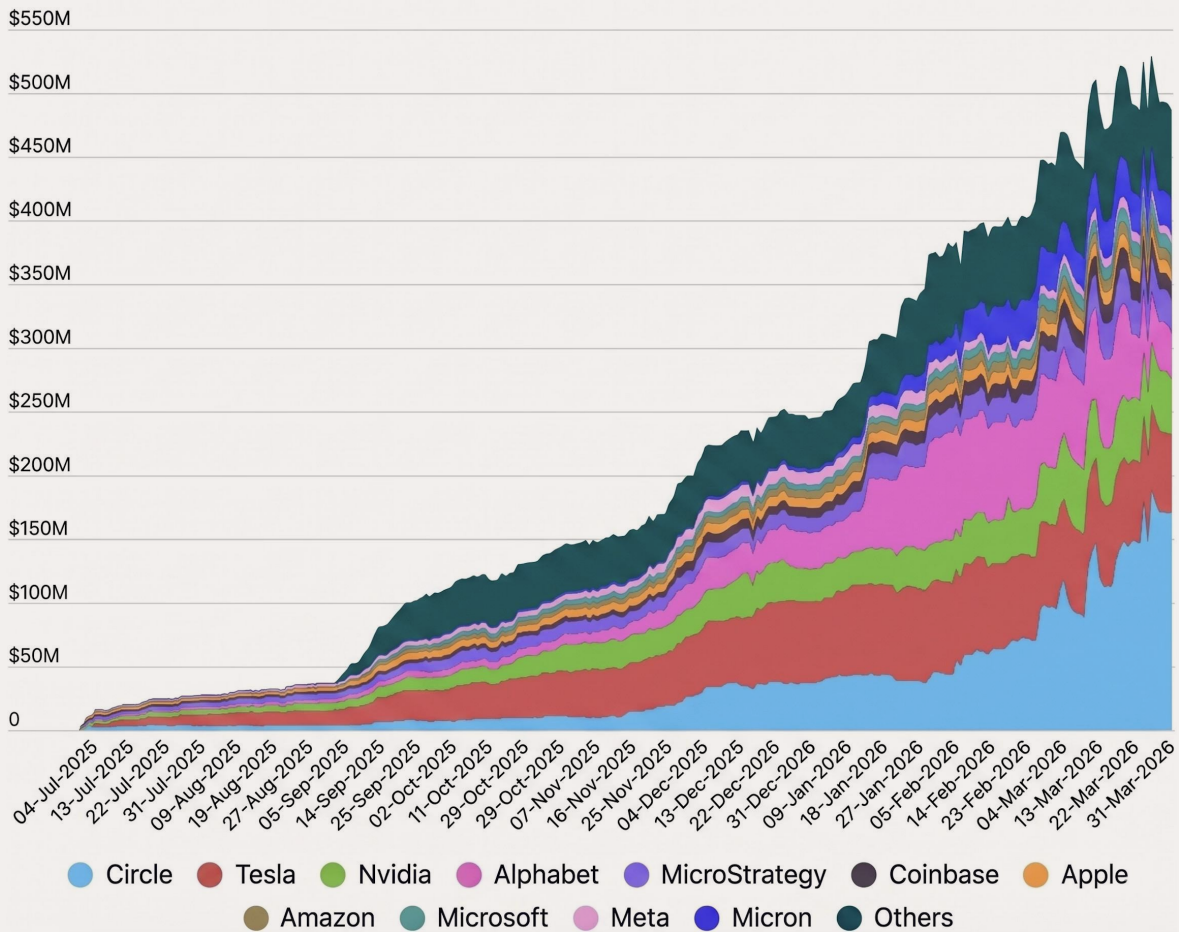


Source: CoinGecko, Teroxx Research as of May 11th 2026

The RWA Perps Volume by Asset Class chart tracks daily trading volume on perpetual futures contracts referencing tokenized real-world assets, broken down across five categories from mid-December through mid-March. For most of the window, daily volume stayed below \$1.5 billion, suggesting a relatively quiet baseline of activity. That pattern shifted in late January 2026, when several sessions moved into the multi-billion-dollar range, including two days that reached roughly \$6.2 billion, likely reflecting a period of heightened trader interest in the category. A second, somewhat smaller cluster of elevated volume followed in late February and early March, with daily totals settling in the \$4 billion range. Across the full period, Commodities consistently make up the largest share of volume, Indices and ETFs sit as a clear secondary layer, and Stocks become more visible on the busier days, while Indices and FX remain a modest presence throughout.

The Tokenized Stocks Market Cap chart looks at the other side of the same ecosystem, showing the total market capitalization of tokenized equity instruments (representations of traditional stocks issued on chain) from July 2025 through March 2026. The category grew gradually through the summer, picked up pace in October 2025, and continued to expand into the first quarter of 2026, ending the window above \$500 million in combined market cap. Circle emerges as the leading individual issuer over time, accounting for close to a third of the total, followed by Alphabet, Tesla, and the aggregated Others bucket. A longer tail of names, including Nvidia, MicroStrategy, Apple, Microsoft, and Micron, makes up the remainder. Read together, the two charts offer complementary views of the tokenized real world asset space in early 2026, with episodic bursts of derivatives activity on one side and a steadier expansion of the underlying tokenized equity float on the other.

 Tokenized Stocks Market Cap (Jan 2025 - Mar 2026)




Source: CoinGecko, Teroxx Research as of May 11th 2026

# Stablecoins: From \$307B to \$322 B and the Settlement Build- Out

## Stablecoins: From \$307B to \$322 B and the Settlement Build-Out

Stablecoin supply has continued its near-linear march upward, having grown from roughly \$138 billion in January 2024 to approximately \$322 billion by May 2026, an expansion of about 2.3X in just under two and a half years. From the \$307 billion total reported in our February work, the sector has expanded to a new record above \$320 billion by mid-April, with a total stablecoin value of approximately \$322 billion as of the first week of May. The total stablecoin holder count has grown to 248 million addresses, an increase of more than 6% over the period. Stablecoin transfer volume reached approximately \$28 trillion in the first quarter of 2026, a figure that exceeds the cumulative gross written premium of the global property and casualty insurance industry and that begins to bear realistic comparison to the daily settlement volumes of the largest U.S. payment networks.

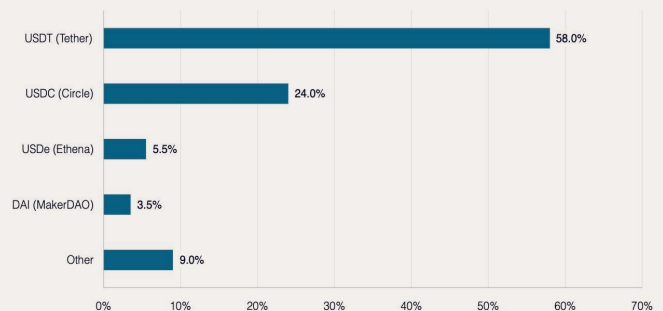
 Total Stablecoin Market Capitalization (Jan 2024 -May 2026) as of May 11th 2026



Source: DeFiLlama, Teroxx Research as of May 11th 2026

The market structure has continued to consolidate around the two principal U.S.-dollar issuers. As of 1 May, Tether's USDT carried a market capitalization of approximately \$189.5 billion, a 58% share of total supply, against \$78.2 billion for Circle's USDC at a 24% share. The combined position of approximately 85% of the market is unchanged in proportional terms from February, although both issuers grew in absolute supply during the period. Ethena's synthetic-dollar USDe has continued to capture share among the long tail of issuers, growing toward a 5.5% market share. The remaining 12% of supply is fragmented across MakerDAO's DAI, PayPal's PYUSD, FDUSD, and an expanding cohort of bank-issued and white-label products.

 Stablecoin Market Share by Issuer




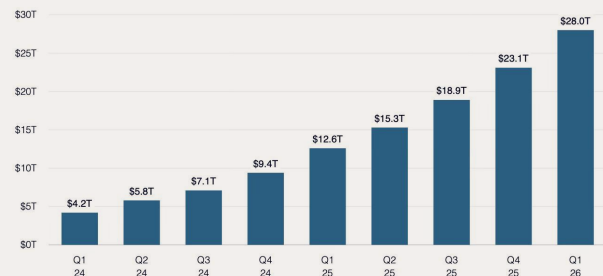
Source: CoinGecko, Teroxx Research as of May 11th 2026

The most consequential development of the period was Mastercard's \$1.8 billion acquisition of stablecoin infrastructure firm BVNK, announced in late April. This transaction, the largest stablecoin-related acquisition on record and significantly larger than Stripe's \$1.1 billion purchase of Bridge in 2024, places one of the two leading U.S. card networks directly into the institutional stablecoin settlement layer. The strategic logic is straightforward: card networks are aware that on-chain settlement at scale would re-architect the economics of cross-border merchant settlement, and Mastercard has chosen to lead that architecture rather than respond to it. JPMorgan's internal payment stablecoin, JPMD, is now reported to be processing more than \$1 billion daily for institutional clients, an order of magnitude consistent with serious corporate-treasury usage rather than internal proof-of-concept.

The institutional adoption pattern that we identified in February has therefore intensified rather than slowed. The arguments in favour of stablecoin settlement, namely the elimination of card-network interchange fees, the compression of cross-border settlement times from days to minutes, and the elimination of bank holiday and cutoff-time friction for tightly managed working-capital cycles, are now being deployed at the largest payment networks rather than at niche fintech operators. The 24/7 settlement profile, which we described in February as a structural advantage, has become an explicit business case in earnings commentary at multiple Tier-1 banks during the most recent reporting cycle.

The forward-looking question for stablecoins is not whether the sector will continue to grow but whether the regulatory framework that will govern it can be settled before issuer behaviour outpaces it. The OCC's notice of proposed rulemaking under the GENIUS Act, the FDIC's parallel proposal, the NCUA's licensing framework, and Treasury's evaluation of foreign-issuer comparability all converge on a similar substantive standard: full reserve backing in segregated cash and short-dated U.S. Treasury bills, prohibition of yield paid solely for holding, bank-style supervisory oversight for permitted issuers, and a tightly defined set of permissible activities. The next section examines how these proposals interact with the broader market structure debate.

 Quarterly Stablecoin Transfer Volume (Q1 2024 to Q1 2026)



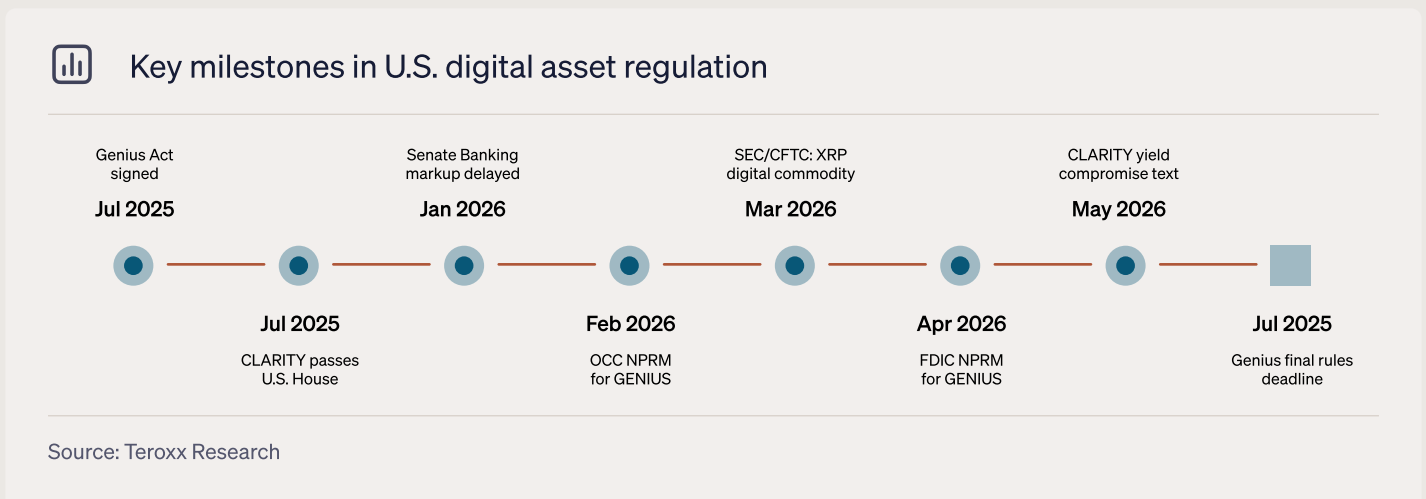
Source: DefiLlama, Teroxx Research as of May 11th 2026

# Regulatory Frontiers: GENIUS in Implementation, CLARITY at the Gate

## Regulatory Frontiers: GENIUS in Implementation, CLARITY at the Gate

The Digital Asset Market Clarity Act of 2025, commonly called the Clarity Act, is the bill that would settle which federal regulator oversees which crypto asset: the SEC (Securities and Exchange Commission, the securities regulator) or the CFTC (Commodity Futures Trading Commission, which regulates derivatives and commodities). It complements the GENIUS Act, signed in July 2025, which already covers stablecoins and is now being implemented through proposed rules on a calendar that produces an effective regime in the first half of 2027.

The current state of play is that the Senate Banking Committee has scheduled its markup hearing for Thursday, 14 May 2026 at 10:30 a.m. in the Dirksen Senate Office Building, to consider H.R. 3633. The House passed the bill in July 2025 by a 294 to 134 bipartisan margin, but it stalled at the Senate after a January 2026 markup was postponed over disagreements about stablecoin yield, and after Coinbase publicly withdrew its support that same month. A compromise text brokered by Senators Thom Tillis and Angela Alsobrooks, made public on 1 May, has unlocked the process: yield paid solely for holding a stablecoin remains prohibited, while activity-based rewards and bona fide transactional incentives (loyalty-style mechanics resembling credit card rewards rather than deposit interest) are permitted, with Treasury and the CFTC directed to specify the operational distinction in a joint rulemaking within twelve months of enactment.



The Senate Agriculture Committee, which addresses the CFTC-side provisions, has already advanced its draft. Banking trade associations, including the American Bankers Association, the Bank Policy Institute, the Independent Community Bankers of America, the National Bankers Association, and the Consumer Bankers Association, sent a joint letter to Senators Tim Scott and Elizabeth Warren saying additional work on the text is needed and proposing specific edits, but the scheduling of the markup signals that Senate leadership is prepared to move forward with the compromise text as it stands. Senator Cynthia Lummis has publicly pushed for committee passage on Thursday. Senator Kirsten Gillibrand has indicated she wants an ethics provision barring senior government officials from profiting from digital asset ventures, which may or may not survive into the committee text.

After the 14 May markup, the procedural path is reconciliation between the Senate Banking and Senate Agriculture Committee versions, then a floor vote requiring at least 60 votes for cloture, and finally reconciliation with the House version before a presidential signature.

The White House has reportedly targeted 4 July as a preferred deadline, while industry views the August recess as the practical deadline before the November midterm calendar squeezes legislative bandwidth. Treasury Secretary Bessent and Senator Lummis have both suggested a final law before the recess is achievable but not certain. Polymarket is currently pricing roughly a 75 percent probability that the Clarity Act becomes law this year. If the 14 May markup advances the bill on a clean bipartisan vote, the path to passage before the midterms remains realistic; if the committee splinters or the markup is again postponed, the bill is likely to slip to the next Congress.

Beyond the Clarity Act, the regulatory environment has continued to liberalise through administrative action. The 17 March joint interpretive release by the SEC and CFTC classifying XRP as a digital commodity removed a long-standing source of legal uncertainty for one of the largest non-Bitcoin, non-Ethereum cryptoassets. The SEC has continued to issue no-action relief letters for token issuance structures that meet the Project Crypto criteria, with recent examples including Fuse Crypto Limited and DoubleZero. The new generic listing standards adopted in September 2025 have effectively eliminated the case-by-case 19b-4 process that had bottlenecked altcoin ETFs (exchange-traded funds) through the first three quarters of 2025. The cumulative effect is an environment in which the principal binding constraint on institutional adoption is no longer regulatory uncertainty but the speed at which the Clarity Act clears its final procedural hurdles.

# Conclusion

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## Conclusion

The past three months have produced the strongest single-quarter compounding of institutional digital asset infrastructure that we have observed in this cycle. Bitcoin retraced from its October peak, found support in the high \$60,000 range, and recovered to \$80,000 within the same period during which the largest U.S. corporate Bitcoin holder issued more equity than any other listed company in the country, the largest U.S. banking regulator published its proposed framework for stablecoin issuance, the SEC and CFTC delivered a joint interpretive release on the most economically significant non-Bitcoin altcoin, and tokenized real-world assets crossed an aggregate \$30 billion in distributed value.

Each of these developments individually would have been a significant data point for institutional adoption. Their simultaneous occurrence inside a single drawdown, against the backdrop of a geopolitical shock that touched the underlying price for several days in mid-April, is the more important observation. It suggests that the institutional infrastructure for digital assets has reached a level of maturity at which its rate of progress has been substantially decoupled from the volatility of the underlying asset. The institutional bid through the spot ETF complex absorbed multiples of mining issuance during April. Strategy and the broader treasury cohort accumulated against price weakness using equity and preferred-stock issuance rather than draining cash reserves. The stablecoin sector grew through a quarter in which Bitcoin and Ethereum both delivered negative returns. The regulatory pipeline accelerated even as the political calendar shortened.

Looking forward into the second half of 2026, the constructive case for institutional digital asset infrastructure rests on four propositions, all of which we now consider to be substantially supported by the data presented in this report. First, the spot ETF complex has demonstrated counter-cyclical inflow behaviour and is now the principal regulated channel through which long-duration capital accesses Bitcoin. Second, the digital asset treasury company segment has converted from a tactical balance-sheet vehicle into a permanent equity-issuance tool that compounds underlying asset exposure across cycles. Third, real-world asset tokenization has crossed the threshold of credibility at which large U.S. wirehouses are now committing to in-house infrastructure rather than evaluating the theme from outside. Fourth, the U.S. regulatory architecture is now operationally close to delivery rather than to debate, with implementing rules for stablecoin issuance on a defined statutory schedule and the broader market-structure legislation engaged in active committee process.

The risks that we identified in February have not been resolved but they have been clarified. Macroeconomic and geopolitical volatility continues to drive short-term price action, as the mid-April Iran shock illustrated. The CLARITY Act may or may not pass before the November midterm calendar closes the window, and a delayed passage would extend the current administrative-and-interpretive regulatory regime into 2027. The Ethereum treasury cohort's accumulation pace, if sustained, will at some point produce questions about the concentration of staked supply within publicly-listed entities. None of these risks are new, and all of them are being actively managed inside the framework the market has built over the past three years.

What is genuinely new is the conversion. The themes that defined in February, namely the ETF complex, digital asset treasury companies, real-world asset tokenization, the maturation of stablecoins, and the federal regulatory pipeline, are no longer thematic predictions.

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They are operating businesses, supervised entities, statutory schedules, and on-chain dollar volumes that can be measured in trillions per quarter. The institutional bridge between digital assets and traditional finance, which we described as a project in active construction, has reached the point at which the bridge itself is the relevant fact rather than its construction. The remaining questions are about traffic flow, not about whether the structure will hold.

Teroxx Research will continue to track the principal institutional flow channels, the corporate and sovereign treasury cohort, the tokenization pipeline, the stablecoin sector, and the U.S. and international regulatory frameworks across our forthcoming quarterly publication cycle. We expect the next edition of *The Institutional Bridge* to address the implementation phase of the GENIUS Act final rules, the legislative outcome of the CLARITY Act, the second-quarter ETF flow profile, and the impact of any approved staking-enabled spot Ethereum products on the Ethereum treasury cohort.

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