Weekly Crypto Market Wrap

25 May 2026

ZEROCAP

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This is not financial advice. As always, do your own research.

🔦 Zerocap Update

Zerocap is very proud to have participated in Project Acacia alongside the Reserve Bank of Australia, Digital Finance Cooperative Research Centre (DFCRC) and a broad group of leading industry participants - exploring the future of tokenised financial markets in Australia.

As part of the pilot, Zerocap worked closely with Ripple's decentralised exchange to demonstrate the **end-to-end lifecycle of a tokenised Australian Government Bond digital twin** on blockchain infrastructure, covering issuance, secondary trading, redemption, and stablecoin settlement workflows.

The findings from the RBA's final report reinforce what we believe will become one of the defining structural shifts in financial markets over the coming decade: the **tokenisation of real-world assets (RWAs)** and the convergence of traditional finance with digital asset infrastructure.

Tokenisation has the potential to fundamentally improve settlement efficiency, liquidity mobility, programmability, transparency, and market accessibility across global capital markets. Critically, these technologies are no longer theoretical - they are now being tested by central banks, global institutions, and market infrastructure providers in live environments.

At Zerocap, we believe the future financial system will increasingly operate on **interoperable, (24/7) digital rails**. We continue to invest in the infrastructure, liquidity, and institutional workflows required to support this transition.

We thank the RBA, DFCRC, Ripple and all participating organisations for their collaboration on this important initiative.

Read the Full Article

🗞️ Week in Review

- U.S. spot BTC ETFs saw ~US$1.26B in outflows; ETH ETFs saw ~US$215.9M in outflows.
- HYPE token sets new record high above US$60 amid rising Wall Street demand for Hyperliquid
- Vitalik Buterin says Ethereum Foundation will be a 'smaller ship,' sell less ETH amid researcher exodus
- OKX, ICE partner on oil perps as NYSE-parent pressures US regulators to rein in Hyperliquid
- Ethereum leads US$65 billion RWA race as blockchains compete for institutional tokenization flows

🏛️ Technicals & Macro

Markets

Zerocap — Trading & macroeconomic update — 25 May 2026 (Australia EOD)

CRYPTO

ASSET	LEVEL	CHG (WK)
BTC	US$76,616	-1.5%
$1B BTC ETF outflows wk — largest since Feb		
ETH	~US$2,140	-1.7%
ETH ETFs -$255m. BTC dominance 60.3%		

FX

PAIR	LEVEL	CHG (WK)
DXY	~98.0	-0.4%
EUR/USD	~1.168	+0.4%
GBP/USD	~1.358	+0.4%
USD/JPY	~156.5	-0.6%
AUD/USD	~0.717	+0.7%

RATES / VOL

US 10yr	~4.50%	-8bp
Eased from 4.58 high		
VIX	16.70	-9%

EQUITIES (FRI CLOSE)

INDEX	FRI CLOSE	CHG (FRI)	CHG (WK)
S&P 500	7,473	+0.4%	+0.9%
8 straight wk + — longest since Dec 2023			
Dow Jones	50,580	+0.58%	+2.1%
Intraday ATH. Reclaimed 50k			
Nasdaq	26,344	+0.2%	+0.5%
7th up week in 8. NVDA -1.86% Fri (after blowout)			
Russell 2000	2,869	+0.9%	+2.5%
ASX 200	~9,180	+0.3%	+0.3%
Nikkei 225	~57,400	+0.4%	+0.5%
Kospi	~8,050	+0.2%	+0.6%
DAX	~24,420	+0.3%	+0.5%
FTSE 100	~10,680	+0.2%	+0.6%

NVDA Wed: $81.6B rev (+85% YoY), Q2 guide $91B, dividend +25x, +$80B buyback. Merck +5.64% Fri. Iran peace talks progressing. Empire Mfg 19.6 (4-yr high).

COMMODITIES

ASSET	FRI CLOSE	CHG (WK)
WTI	~US$95/bbl	-7.5%
Iran peace progress, demand fears		
Brent	US$100.21/bbl	-9.3%
Below $101 first time in 6 wks		
Gold	US$4,523/oz	-0.5%
Copper	~US$12,750/t	+0.4%
Iron ore	~US$109/t	+1.0%

HEADLINE EVENTS

NVDA blowout

$81.6B rev, Q2 $91B guide, $20B returned to shareholders Q1. AI infrastructure cycle intact.

Iran progress

Mideast peace talks advancing. Hormuz status improving. Oil -8% on the news.

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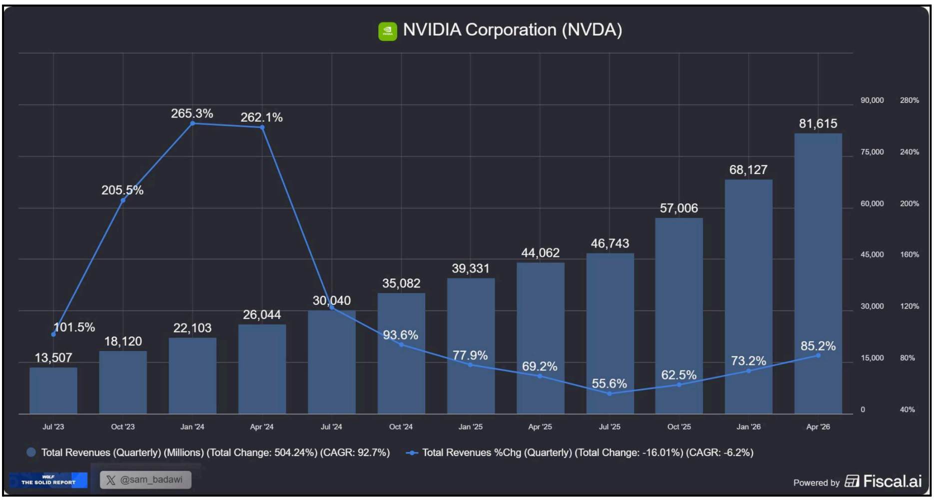
Markets last week were primarily focused on NVIDIA earnings and further geopolitical developments surrounding the Iran conflict. The S&P 500 closed Friday at 7,473 (+0.4% on the day, +0.9% on the week), extending its winning streak to eight consecutive weeks, the longest since December 2023. The Dow Jones Industrial Average gained 294 points on Friday to close at 50,580, reaching a fresh intraday all-time high and reclaiming the 50,000 level, while the Nasdaq Composite added 0.5% on the week. Equity sentiment was supported by stronger-than-expected Nvidia earnings and improving diplomatic rhetoric surrounding Iran, which helped push Brent crude back below the US$101/bbl level and eased some near-term inflation concerns.



Source: X @sam_badawi

Nvidia delivered Q1 FY27 revenue of US$81.6bn, beating consensus expectations of approximately US$78.8bn and posting 85% year-on-year growth. Q2 revenue guidance of US$91bn also exceeded the street estimates, while Data Centre revenue surged 92% YoY to US$75.2bn. The company additionally announced an US$80bn share repurchase authorisation alongside a 25-fold increase in its quarterly dividend from US$0.01 to US$0.25 per share. Total capital returned to shareholders during the quarter reached a record US$20bn, while free cash flow rose to approximately US$48.6bn. Importantly, management noted that Q2 guidance assumes no China data centre compute revenue, implying underlying demand remains exceptionally strong despite export restrictions. Overall, the result reinforced the broader AI capex and infrastructure build-out narrative that continues to underpin large-cap growth equities.

The macro backdrop was constructive but mixed. US 10-year Treasury yields eased modestly to around 4.50% from the prior week's ~4.58% highs as declining oil prices provided some relief to inflation expectations. Economic data continued to indicate resilience, with the Empire State Manufacturing Index rising to 19.6 and jobless claims remaining broadly stable. Markets also continued to adjust to the transition from Jerome Powell to Kevin Warsh ahead of the June

16–17 FOMC meeting. Interest rate markets continue to price a relatively restrictive policy path through 2026, although the recent decline in energy prices has marginally improved the probability of a late-year easing cycle should the disinflation trend continue. The next major macro catalyst will be the May CPI release in mid-June, which may provide the first meaningful indication of the inflation impact from lower energy prices.

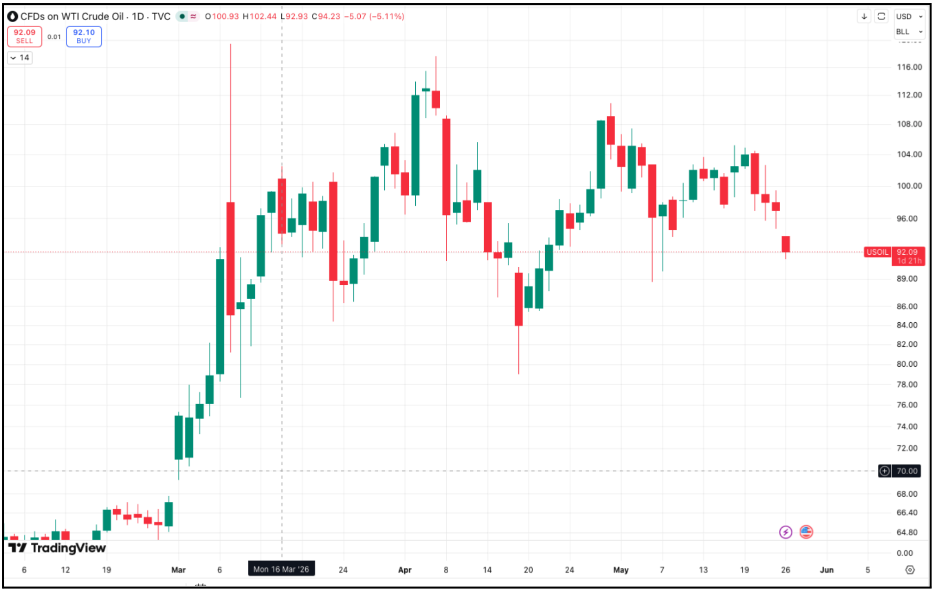
Fixed Income

Source: TradingView

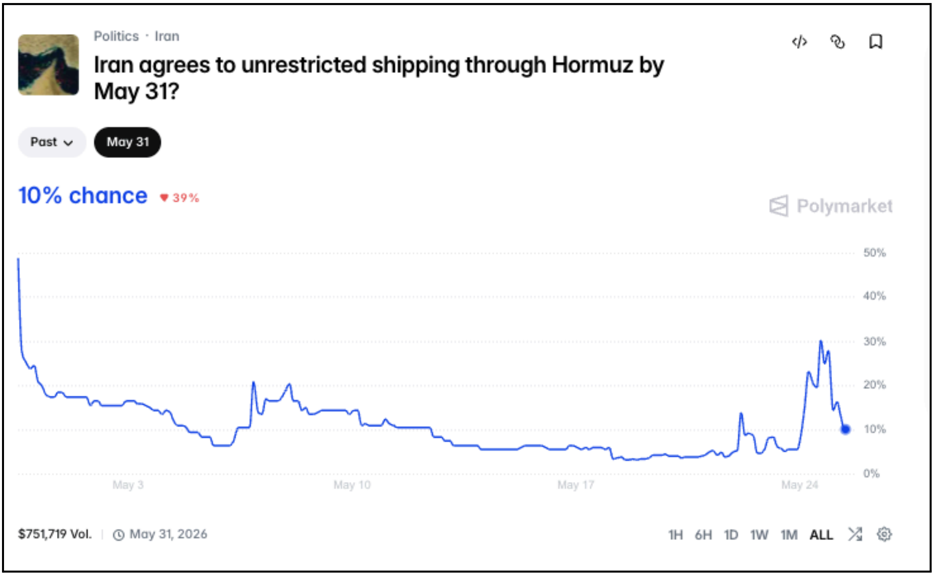
The US 10-year Treasury yield settled around 4.50% (-8bp on the week), retreating from the prior Friday's ~4.58% highs as the decline in oil prices provided some relief to inflation expectations. The 2-year yield remained relatively stable near 3.95%. Rate markets continue to price a restrictive policy environment through 2026, although softer inflation breakevens and easing energy prices have reduced the near-term probability of additional Fed tightening. Overall, the rates market is increasingly pricing an extended holding pattern rather than a renewed hawkish repricing cycle.

Attention now turns to Kevin Warsh's first FOMC meeting as Chair on June 16–17. Markets will focus closely on commentary around the policy rate path, balance sheet strategy, and the Fed's evolving inflation outlook, with the updated dot plot and Summary of Economic Projections likely to carry heightened significance given the leadership transition. While Jerome Powell remains on the Board of Governors through 2028, limiting the scope for an abrupt policy shift, investors will be watching for any indication that the Committee intends to move toward either a more restrictive or more accommodative stance into H2.

Commodities



Oil prices moved sharply lower during the week as the geopolitical risk premium partially unwound. Brent crude settled at approximately US$100.21/bbl (-9.3% on the week), falling below the US$101 level for the first time in six weeks, while WTI declined toward the mid-US$90s. The move was driven by improving diplomatic rhetoric surrounding Iran and growing market expectations that tensions in the Gulf region may gradually de-escalate. Reports of potential progress toward easing shipping disruptions through the Strait of Hormuz also contributed to the decline, with energy markets increasingly pricing the possibility that constrained supply flows could begin to normalise over the coming weeks rather than months.



Source: Polymarket

Gold continued to consolidate around the US$4,500/oz region (-0.5% on the week), caught between a weaker USD on one side and easing inflation breakevens on the other. Copper firmed modestly alongside improving equity sentiment and growth optimism, while iron ore extended its recent recovery toward the low-US$100s on stronger Chinese steel demand signals.

The decline in oil prices remains one of the most important macro variables for broader risk assets. The sharp reversal in Brent Crude from recent highs has materially eased near-term inflation concerns and contributed to the pullback in long-end Treasury yields and inflation breakevens. If sustained, lower energy prices could provide meaningful relief to headline inflation over coming months and reduce pressure on central banks to maintain an increasingly restrictive policy stance.

Cryptocurrency

The divergence between equity markets and crypto assets became more evident during the week. While the S&P 500 extended its rally to an eighth consecutive weekly gain, BTC closed Friday near US$76,600 (-1.5% on the week), failing to meaningfully participate in the broader risk-on move. ETH also weakened modestly, trading near

US$2,140 (-1.7% on the week), with continued relative underperformance versus BTC.

Spot digital asset ETF flows also softened materially. US spot Bitcoin ETFs recorded approximately US$1bn in net outflows during the week of 11–15 May, with redemption pressure continuing into the following week. Spot Ethereum ETFs also experienced additional net outflows of approximately US$255m. Combined BTC and ETH ETF outflows therefore exceeded US$1.25bn over the period, marking a notable reversal from the prior multi-week accumulation trend that supported BTC's recovery into early May. Flow activity was concentrated in larger, lower-fee products including BlackRock's IBIT and other major spot vehicles, while select institutional products continued to see modest inflows, suggesting ongoing portfolio rotation and profit-taking rather than broad-based capitulation.

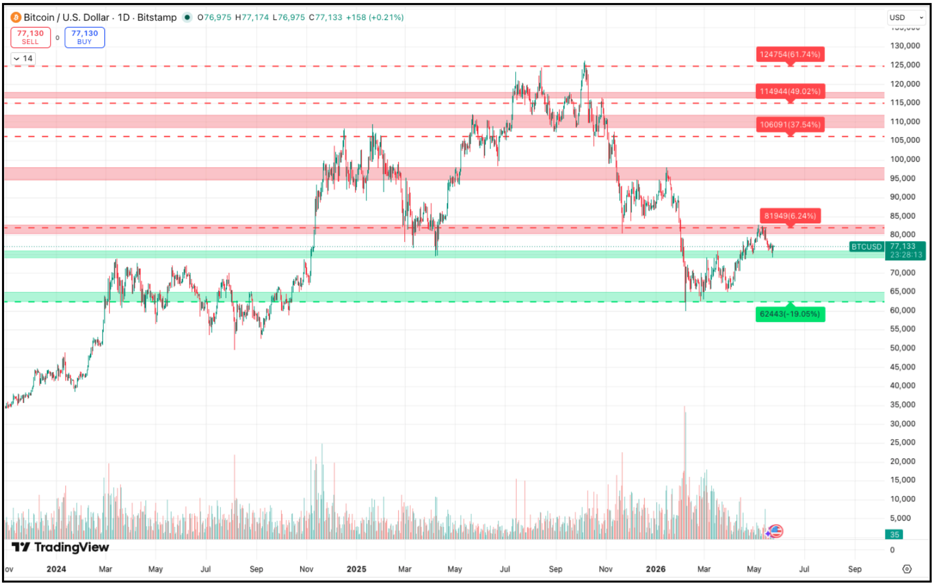
Date	Total	IBIT	GBTC	FBTC	AR
Total	*$255.2m*	*$1.12b*	*-$202.1m*	*-$381.8m*	-$
May 22 '26	-$105.2m	-$68.9m	$0m	-$36.3m	$
May 21 '26	-$100.9m	-$103.7m	$0m	$0m	$2
May 20 '26	-$70.5m	-$61.5m	$0m	-$10.1m	$
May 19 '26	-$331.1m	-$325.6m	$0m	-$1.7m	$
May 18 '26	-$648.6m	-$448.4m	$0m	-$63.4m	-$
May 15 '26	-$290.4m	-$136.2m	-$43.6m	-$39.6m	-$
May 14 '26	$131.3m	$144.1m	-$31.6m	$3.5m	-$
May 13 '26	-$630.4m	-$284.7m	$0m	-$133.2m	-$
May 12 '26	-$233.2m	-$32.9m	-$17.6m	-$86.1m	-$
May 11 '26	$27.2m	-$7.4m	$0m	-$3.6m	$

Source: Velo.xyz

The ETF flow data warrants nuanced interpretation. Improving diplomatic rhetoric surrounding Iran and the sharp decline in oil prices are incrementally supportive macro developments for crypto assets through their impact on inflation expectations and broader liquidity conditions. However, the simultaneous strength in US equities - particularly within the AI and semiconductor complex following Nvidia's earnings - appears to have diverted marginal risk capital toward traditional growth equities rather than digital assets.

BTC dominance held near 60.3%, remaining close to cycle highs and reinforcing the view that capital entering the sector continues to favour BTC over broader altcoin exposure. At the margin, select non-BTC products including XRP and SOL linked ETFs continued to attract modest inflows even as BTC and ETH products experienced net redemptions, suggesting institutional crypto allocations may be gradually broadening despite continued rotation within the asset class.

On the regulatory front, attention remains focused on the proposed Digital Asset Market Clarity Act, with Senate Banking Committee discussions expected through late May and early June. Stablecoin legislation also continues to progress through US legislative channels, contributing to a gradually more constructive long-term regulatory backdrop for digital assets.



From a technical perspective, the US$75k-76k region now represents the key near-term support zone for BTC. A sustained break lower would likely shift focus toward the US$70k-72k area, while a successful hold through the Memorial Day holiday-shortened week - particularly if geopolitical tensions continue to ease - could support a retest of the US$80k resistance region.

Derivatives positioning remains relatively subdued. Perpetual funding rates have drifted back toward neutral following the post-CPI positioning reset, while BTC 3-month annualised basis remains mid ~2%, consistent with a broadly de-risked market structure. Current positioning therefore appears to contain limited fuel for either disorderly deleveraging or an aggressive upside squeeze. Ongoing corporate treasury and structured allocation activity, including continued focus on Strategy, remains a secondary influence on broader sentiment, although not yet a dominant driver of price action.

More broadly, the market continues to resemble a consolidation phase rather than a directional trend environment, with structurally constructive long-term narratives offset by still-restrictive macro liquidity conditions and an absence of a clear near-term catalyst.

For any pricing needs, please get in touch with the Zerocap desk.

Emir Ibrahim, Analyst

🖥️ Spot Desk

Markets largely traded as a function of shifting expectations around US-Iran negotiations and the implications for energy prices, inflation, and broader financial conditions over the past week. Digital assets continued to trade primarily as a high-beta extension of macro risk sentiment rather than on crypto-specific catalysts.

Early in the week, renewed geopolitical escalation concerns following President Trump's return from China triggered a broad risk-off move as crude oil rallied and rising energy prices renewed concerns around inflation persistence. Equities softened, Treasury yields moved higher across the curve, and the USD strengthened materially. Sentiment improved into the second half of the week as diplomatic rhetoric surrounding Iran became increasingly constructive, driving a reversal of earlier moves as crude retraced sharply and broader risk assets stabilised.

BTC and ETH traded with a modest downside bias for much of the week as tighter financial conditions and USD strength weighed on broader risk appetite. On the desk, activity remained concentrated in

BTC and SOL, although flows displayed a more defensive tone relative to prior weeks. BTC recorded a modest net selling skew, ETH participation was limited, and SOL remained the primary source of altcoin activity while retaining a clear buy-side bias.

Domestically, market attention remained focused on Australia following the release of the RBA meeting minutes and weaker-than-expected labour market data on Thursday. AUD remained under pressure through much of the period as softer employment data and a higher unemployment rate prompted markets to scale back near-term tightening expectations. AUD/USD traded within a 0.7079–0.7184 range before closing the week at 0.7129.

Stablecoin activity on the desk remained one-directional, with continued net selling pressure across both USDT and USDC as clients off-ramped major stablecoins into USD. USDT flows were particularly significant and materially exceeded broader digital asset flow volumes during the week. AUDD also remained offered, although overall participation was comparatively light.

Across FX flows, USD demand remained exceptionally strong on the back of sustained off-ramping activity, despite some moderation in broader DXY strength later in the week. NZD also saw notable demand, while AUD flows maintained a net bid profile despite softer domestic economic data. EUR remained consistently offered and continued its recent pattern of net selling, while GBP participation was negligible.

The OTC desk continues to provide tailored cryptocurrency liquidity solutions and competitive pricing across major digital assets, stablecoins, selected altcoins, and key fiat currency pairs. With T+0 settlement capability, the desk continues to facilitate efficient execution and settlement across client flows.

Oliver Davis, OTC Trader

📈 Derivatives Desk

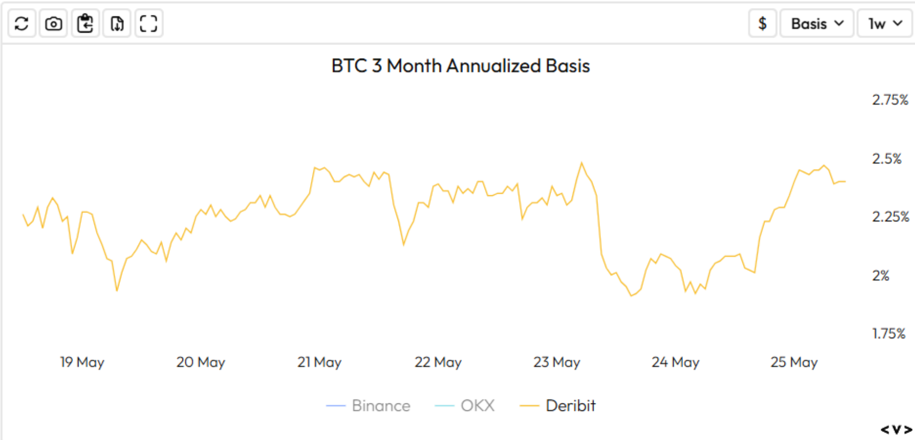
BTC options markets stabilised materially into the weekend as the earlier rates-driven volatility impulse began to fade. Front-end implied volatility compressed sharply from the mid-30s back into the low-30% range, with 1-week ATM BTC implied volatility trading around ~30–32% by Friday after briefly moving into the mid-30s during the CPI and rates repricing earlier in the week.

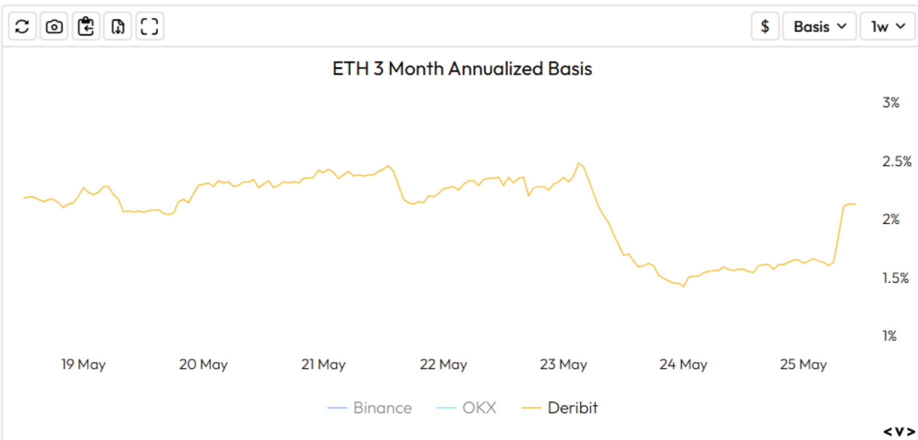
The subsequent volatility compression alongside BTC's rebound and the retracement in Treasury yields suggests markets increasingly interpreted the move as a macro-driven liquidity adjustment rather than the beginning of a broader deleveraging cycle. Term structure remained relatively flat through the 1–3 month sector, while skew stayed only modestly put-biased despite the earlier selloff, reinforcing the view that downside hedging demand increased but never approached panic or forced-deleveraging conditions.

Funding and basis markets also remained resilient throughout the week. BTC perpetual funding stayed broadly neutral across major venues, while 3-month annualised basis held largely within the ~2–4%

range. The absence of meaningful basis compression or funding stress suggests leverage conditions remain relatively clean, with positioning still driven primarily by spot and ETF-related flows rather than aggressive speculative expansion.

Overall, the derivatives complex continues to point toward consolidation rather than stress. With US 10-year yields easing from recent highs, oil prices retracing lower alongside improving geopolitical rhetoric, and front-end volatility compressing rapidly, crypto derivatives markets appear increasingly positioned for a lower-volatility range environment rather than a disorderly downside regime.





Source: Velo.xyz

👀 What to Watch

Tues: JP BoJ Core CPI (YoY)

Wed: AU CPI (YoY)

Thu: US Core PCE Price Index (MoM & YoY), US GDP (QoQ), US Initial Jobless Claims

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