Weekly Crypto Market Wrap

31 August 2026

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🗞️ Week in Review

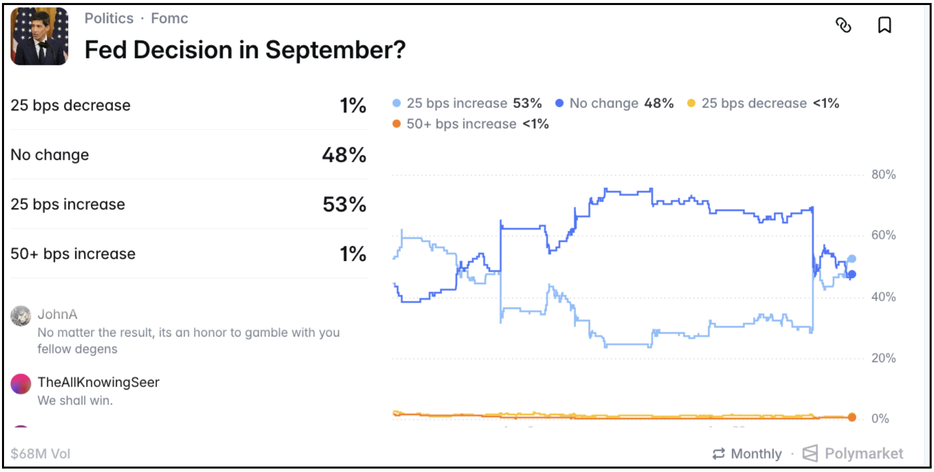
- US spot crypto ETFs recorded a broad-based inflow week, with BTC and ETH funds taking in approximately US$1.75B combined; Ethereum products added US$824M for their strongest week since October 2025, while SOL (US$154M) and XRP (US$110M) both set 2026 records.
- Fed Chair Warsh used his first Jackson Hole keynote to recommit to the 2% PCE target as "a firm, fixed target", noting PCE at 3.7% over twelve months and 4.1% annualised over six; CME pricing for a September hike rose from 35% to 60% on the remarks.
- Australian July CPI came in at 3.5% y/y, above consensus near 3.2%, with the trimmed mean unchanged at 3.6%; NAB moved to call a hike to 4.60% at the 28–29 September RBA meeting.
- Charles Schwab said it will add SOL, AVAX and LINK to Schwab Crypto, extending retail access beyond BTC and ETH across its 39.9 million accounts, on the same day Solana voted on SIMD-0550 and SIMD-0553 to cut future emissions and raise burns.

🏦 Technicals & Macro

Markets

Chair Warsh used his first Jackson Hole keynote to close off the dovish interpretation that had been building since the July inflation data. Speaking on Friday, he observed that while the summer's PCE and CPI readings came in better than expected, they do not tell him that underlying trends have meaningfully improved. He reiterated that inflation remains too high, that price stability will be the Fed's predominant focus, and that he will continue to withhold forward guidance.

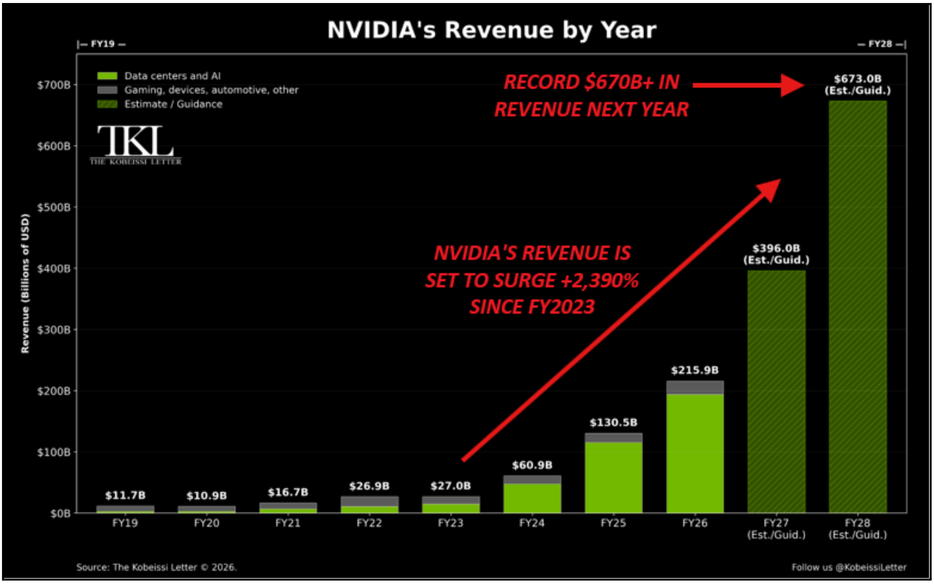
Markets read the address as hawkish, lifting the implied probability of a September rate increase to 60 percent, the highest of the cycle and a complete reversal from the position after the July payrolls report, when a September move had been priced out altogether.



Source: Polymarket

The rates market responded as one would expect, with short-dated yields leading. The 10-year finished four basis points higher at 4.72 percent and the 30-year two basis points higher at 5.21 percent, the latter having eased from the 5.33 percent nineteen-year high recorded the prior week. What makes the repricing notable is not its size but its speed: a single speech has restored a September hike to a coin flip in a market that had written it off six weeks earlier, which is the practical consequence of a Fed that no longer publishes forward guidance.

The equity reaction was orderly rather than disruptive, and in our assessment the more useful signal lies in the dispersion beneath the index level. All three major indices finished the week higher despite Friday's decline, but the Russell 2000 fell 1.39 percent on the session for a weekly loss of 1.5 percent, the clearest expression of the repricing given small-cap sensitivity to funding costs. Gold fell 2.88 percent on Friday, a sharp reversal for an asset that had spent several weeks bid on fiscal concern.

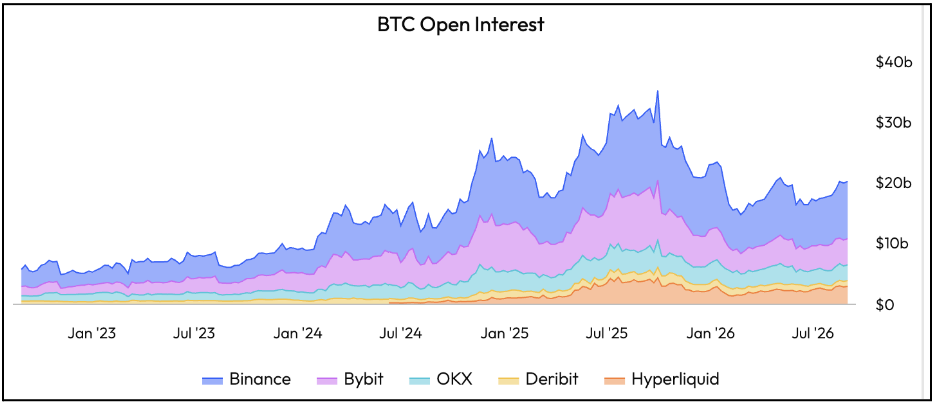


Source: x.com @KobeissiLetter

Semiconductors produced the week's most instructive divergence. Nvidia reported strong results and guidance and rose close to 9 percent on Thursday, only to surrender 4.45 percent on Friday and finish the week up little more than 1 percent, while the VanEck Semiconductor ETF fell more than 3 percent over the same period. That a sector-defining earnings beat failed to lift the complex points to positioning rather than fundamentals as the binding constraint.

Against that backdrop, digital assets did precisely what a healthy market does after a violent move, which is very little. Digital assets consolidated the prior week's breakout rather than extending it. Bitcoin pushed to US$81,400 on Thursday, its highest level since mid-May, before Warsh's remarks reversed the move and left it closing near US$77,800, broadly flat on the week but well off the highs. It remains up approximately 24 percent for August. Ether is near US$2,320.

We regard that consolidation as constructive.. Following a 22 percent weekly gain driven by a record $2.7 billion of short liquidations, the mechanically probable outcome was a retracement toward the origin of the move. Instead the market has held the upper portion of the range, with support established at $78,000, the $77,436 weekly baseline beneath it, and the medium-term trend boundary at $72,800 well clear of spot. Spot ETF flows over the trailing thirty days remain positive at $3.29 billion notwithstanding a $201 million outflow on Friday. A leverage-driven advance subsequently absorbed by spot demand, without giving back ground, is the more durable configuration.



Source: Velo.xyz

Two qualifications are warranted. Sentiment has travelled a long way in a short period, with the Fear and Greed Index at 67 against a thirty-day average of 43, having read 24 and extreme fear when Bitcoin traded near $64,664. Exchange deposits also rose into the failed $80,000 break and open interest remains elevated, so a third attempt at that level carries more supply overhead than the first two. Set against that, Bitcoin absorbed a hawkish Jackson Hole and a jump in September hike pricing to 60 percent without material damage, in direct contrast to gold's 2.88 percent single-session decline. For an asset class whose principal constraint through this cycle has been the opportunity cost of holding a non-yielding instrument, that is a genuine change in behaviour and the most encouraging feature of the week.

Emir Ibrahim

🖥️ Spot Desk

Client activity picked up materially into the back half of the week, and the direction was more informative than the volume. Where the previous fortnight saw clients trimming into strength, last week's flow ran the other way, with buying concentrated in the majors and the long tail almost uniformly offered. Spot ETF demand tells a similar story.

US spot products took in approximately US$1.75bn across BTC and ETH, with Ethereum funds recording US$824m, their strongest week since October 2025, alongside 2026 records for SOL at US$154m and XRP at US$110m.

Desk activity was inline with the institutional bid rather than against it. Bitcoin recorded a decisive net buying skew and dominated notional crypto turnover, with sell-side interest almost entirely absent through the Friday reversal. Ether was two-way on balanced volume for a modest net buying skew. XRP was the more interesting print: clients were net buyers even as spot fell roughly 8% to US$1.38 after rejecting US$1.70, mirroring the accumulation-into-weakness evident in the ETF data. Breadth beyond that was thin and one-directional. TRX attracted a small net bid, while SHIB, DOGE, ADA, SOL, XLM, NEAR, QNT, BCH and 1INCH were offered without meaningful buy interest, albeit in limited size.

Stablecoin activity reinforced the preference for operational dollar liquidity, and more emphatically than in recent weeks. USDT and USDC were both net off-ramped, while USD recorded heavy net buying. The Australian side was one-way: AUD was materially net sold, with AUDD and AUDM offered throughout and no buy interest against them.

That rotation ran directly into a firmer domestic rates story. July CPI on Wednesday was the week's most consequential local print. Headline inflation eased to 3.5% y/y from 3.8%, but the composition was hawkish: prices rose 1.0% in the month in original terms and 0.6% seasonally adjusted, the annual rate landed well above the roughly 3.2% consensus, and the trimmed mean held at 3.6% rather than easing as expected, with housing contributing 5.0%. AUD/USD traded down to 0.7140 on Tuesday, rallied through the CPI to a twelve-week high just under 0.7200, then gave back 0.45% on Friday as Warsh firmed the USD, closing at 0.7163 and broadly unchanged on the week. Q2 GDP on Wednesday and US payrolls on Friday are the next inputs.

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

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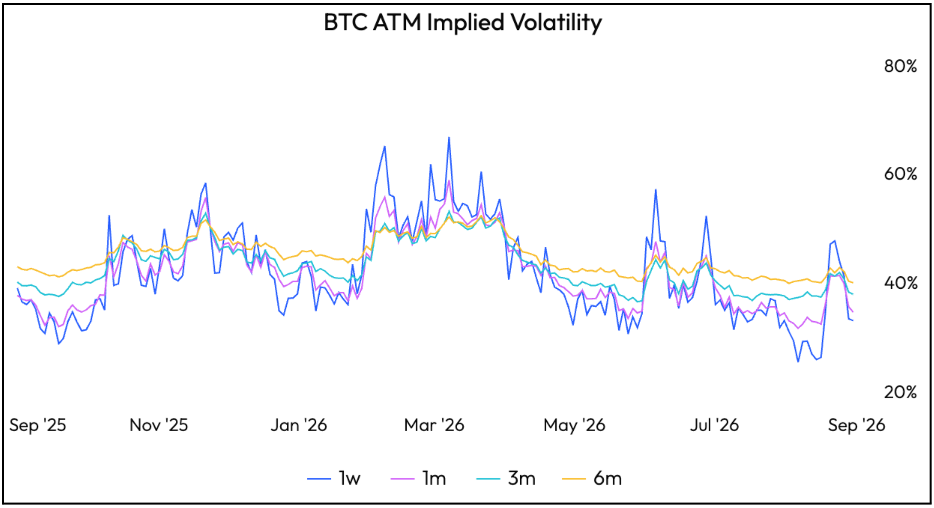
The derivatives market completed something close to a full sentiment round-trip last week. Treasury’s expanded bond-buyback programme and renewed CLARITY Act momentum initially drove BTC through $80k and ETH materially higher, with the move strong enough to flip BTC options skew decisively toward calls. By Thursday, Block Scholes was showing call premium across BTC tenors out to 90 days — one of the few occasions this year where bullish skew had extended meaningfully beyond the very front end. Funding was positive and the futures curve had inverted as traders paid up for immediate exposure.

Then Warsh arrived. Friday's Jackson Hole speech pushed the probability of a September Fed hike from roughly 35% to 60%, lifted the 2-year Treasury yield to 4.34%, and knocked BTC back below $80k. At almost exactly the same time, approximately $6.4bn of BTC options expired on Deribit. The result is an unusually useful derivatives setup: the bullish repricing has survived, but some of the excess convexity attached to the initial breakout has now been cleared.

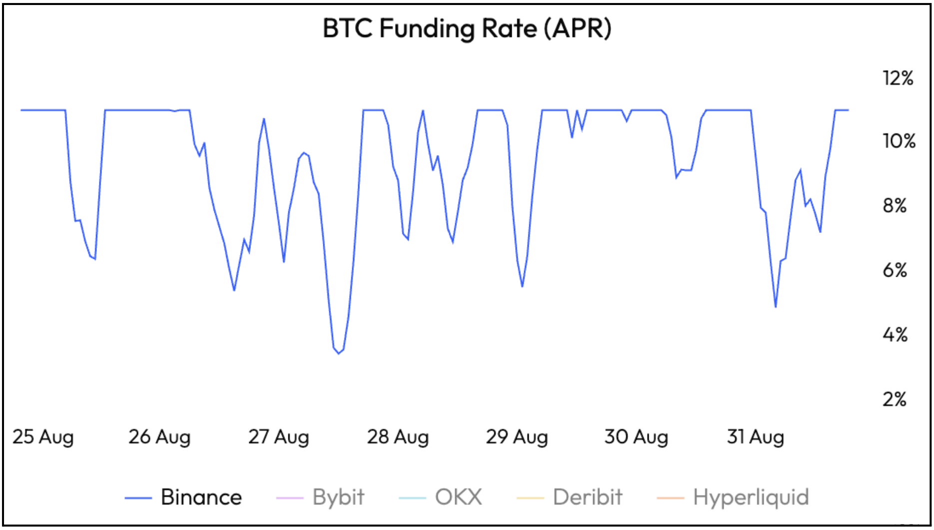
Volatility: the front end has been flushed



Source: Velodata

The biggest move was in short-dated volatility. One-week BTC ATM IV fell 8.75 vol points over the week to 36.57%, while longer-dated IV declined only modestly; the spread between 1-year and 1-week ATM vol steepened to more than 6 vol points. Live Deribit data now has a 30-day DVOL around 36.4%, against BTC spot near $77.8k. A large amount of event premium has been removed following the $6.4bn expiry and Jackson Hole.

Perps: leverage is back, but importantly, not crazy



Perpetual funding is positive across most major venues. High-single-digit annualised carry if sustained. Binance's individual prints have generally run between roughly 5–11% annualised through the latter part of last week.

This is constructive. There is enough demand for leveraged longs that they are willing to pay shorts, but funding has not entered the type of persistent double-digit-to-extreme regime that normally screams crowded positioning. BTC perpetual open interest across major venues currently sits around $40bn, with Binance alone representing roughly $8.5bn - a healthy amount of leverage for a sustained move.

The surface is now saying three things at once: First, the medium-term market has become materially more bullish. Calls dominate the outstanding options book and the August breakout produced one of the strongest positive skew shifts of the year.

Second, traders have stopped treating upside as a one-way bet. The Warsh repricing has brought puts back into the front end and fresh options volume is defensive even while longer-dated positioning remains bullish.

Third, near-term volatility may now be slightly too cheap relative to the number of things that can move the market. We have payrolls on Friday, a Fed meeting in September with hike odds back above 50%, and another escalation in US-Iran tension.

The broad conclusion is constructive: leverage has returned without becoming disorderly, the options book remains structurally bullish, and spot demand is validating the move. But the market has shifted from chasing the breakout to protecting it.

That is a good thing. A bull market that has learned to buy insurance tends to last longer than one that thinks it no longer needs it.

Safe trading out there!

Jon de Wet

CIO

👀 What to Watch

Tue: AU Building Permits, AU Current Account Q2, EA Inflation Rate Flash, US ISM Manufacturing PMI, US JOLTS Job Openings

Wed: AU GDP Growth Rate Q2, US ADP Employment Change, BoC Interest Rate Decision

Thu: US Initial Jobless Claims, US ISM Services PMI, Fed Waller Speech, AU Balance of Trade

Fri: US Non-Farm Payrolls, US Unemployment Rate, US Average Hourly Earnings

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