DBS

Crypto Digest

Clarity Stalls but Regulations Proceed

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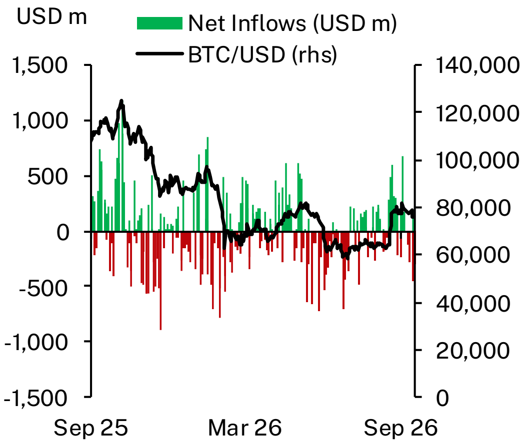
- *Strong ETF inflows and institutional purchases have supported the August rebound in cryptos.*
- *The CLARITY Act failed to advance in the Senate, delaying comprehensive U.S. crypto legislation.*
- *SEC rulemaking offers a narrower, though much more achievable, pathway toward near-term regulatory clarity.*

Renewed ETF inflows supported BTC rebound

BTC: US ETF daily net inflows and price



Source: Bloomberg, DBS

The CLARITY Act failed its Senate test. On 15 Sep, the Senate failed to advance the landmark market structure bill after it fell short of the required 60 votes, stalling comprehensive crypto legislation ahead of the U.S. midterm elections. The bill was intended to clarify the division of oversight between the SEC and CFTC. Democrats did not support the bill, opposing federal officials holding crypto interests, on top of concerns over stablecoin rewards and deposit outflows risks.

Despite the legislative setback, crypto demand remains firm after its August resurgence. Bitcoin slipped by just 4% after the Senate vote, holding to the bulk of its 22% gain in August, which was its strongest month since Nov 2024. Likewise for Ether, which rose 28%. For August, U.S. spot Bitcoin ETFs attracted over USD3bn of net inflows, their best month in 2026, and Ether ETFs drew ~USD1.7bn, bringing YTD flows back to positive territory. Strategy also resumed accumulation, purchasing USD370mn of BTC at an average price of USD80,318. The purchase was funded through common share issuance, underscoring that corporate treasury demand has become more dependent on capital market conditions.

SEC rules provide an alternative to legislation. On August 18, the SEC proposed "Regulation Crypto Assets," a tailored securities-offering regime covering investment contracts for digital assets. It includes exemptions permitting offerings of up to USD5mn over four years and USD75mn within any 12-month period (subject to disclosure and ongoing reporting requirements). It also introduces a conditional safe harbour allowing qualifying crypto assets to no longer be treated as an investment contract. US capital raising via digital assets could be feasible when implemented. However, without legislation, agency rules cannot resolve the SEC-CFTC jurisdictional divide, and rules remain exposed to future political or legal reversal.

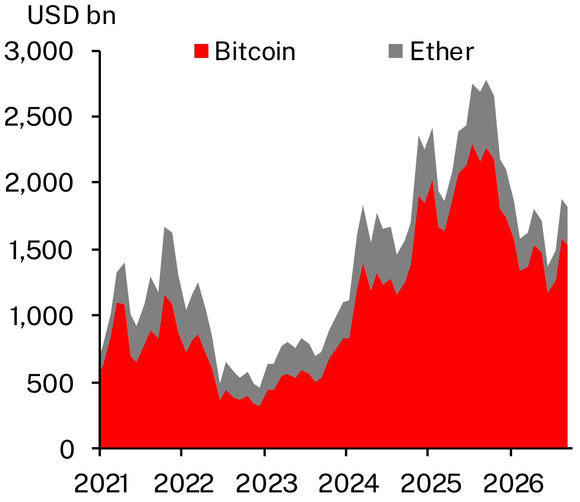
ASSET MARKET RETURNS

Market prices, capitalization, and returns

Market metrics (in USD)	Bitcoin	Ether	S&P500	Gold
Price*	76,082	2,414	7,552	4,264
Market capitalization (trn)	1.5	0.3	67.4	28.6
Monthly return (%)	-3.1%	-2.1%	-1.7%	-3.9%
Year-to-date return (%)	-13.1%	-18.7%	10.3%	-1.3%
1Y return (%)	-33.2%	-41.7%	12.9%	10.5%
5Y return (%)	73.8%	-19.6%	75.3%	142.7%

Source: Bloomberg, Coinmetrics, DBS *As of 16 Sep 26

Cryptocurrencies Market Capitalization



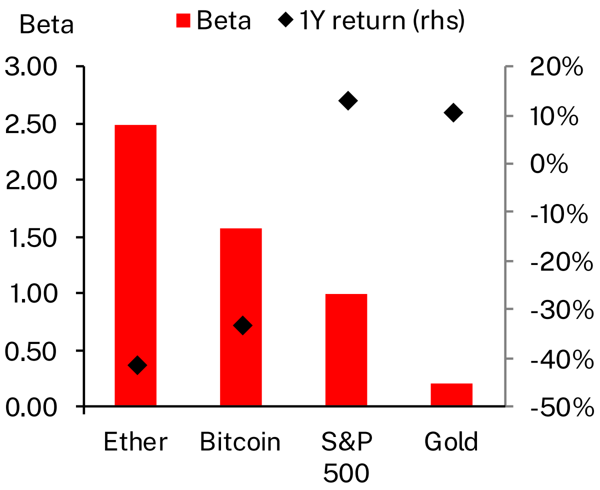
Source: Coinmetrics, DBS

Crypto 5Y return correlations

	Bitcoin	Ether	S&P500	Gold
Bitcoin		0.86	0.52	0.18
Ethereum	0.86		0.57	0.00
S&P500	0.52	0.57		0.18
Gold	0.18	0.00	0.18	

Source: Bloomberg, DBS

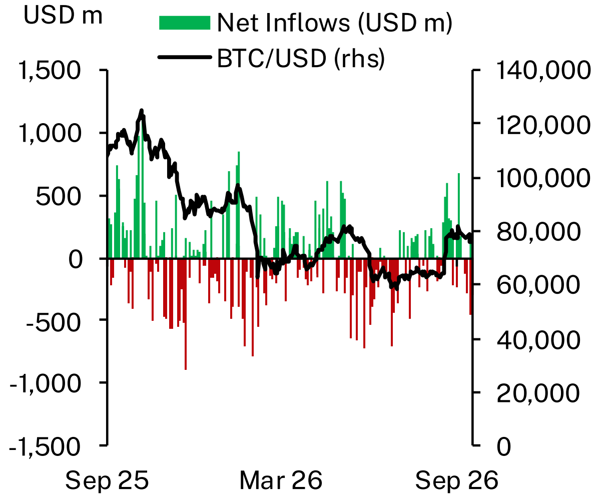
5Y CAPM betas vs 1Y spot return (%)



Source: Coinmetrics, Bloomberg, DBS

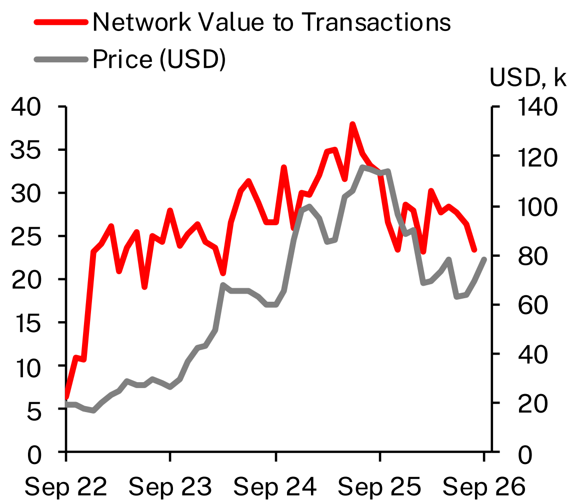
FLOWS & NETWORK METRICS

BTC: US ETF daily net inflows and price



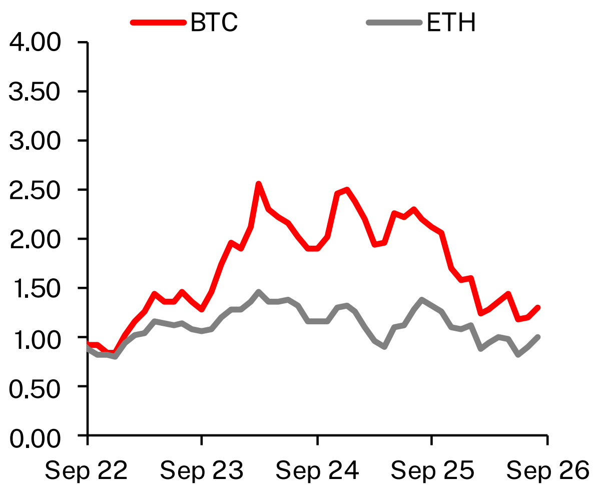
Source: Bloomberg, DBS

BTC: Network value to transactions



Source: Coinmetrics, DBS

Market value to Realized value ratio



Source: Coinmetrics, DBS

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