

# Monthly Market Recap

May 2026

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# Market Performance

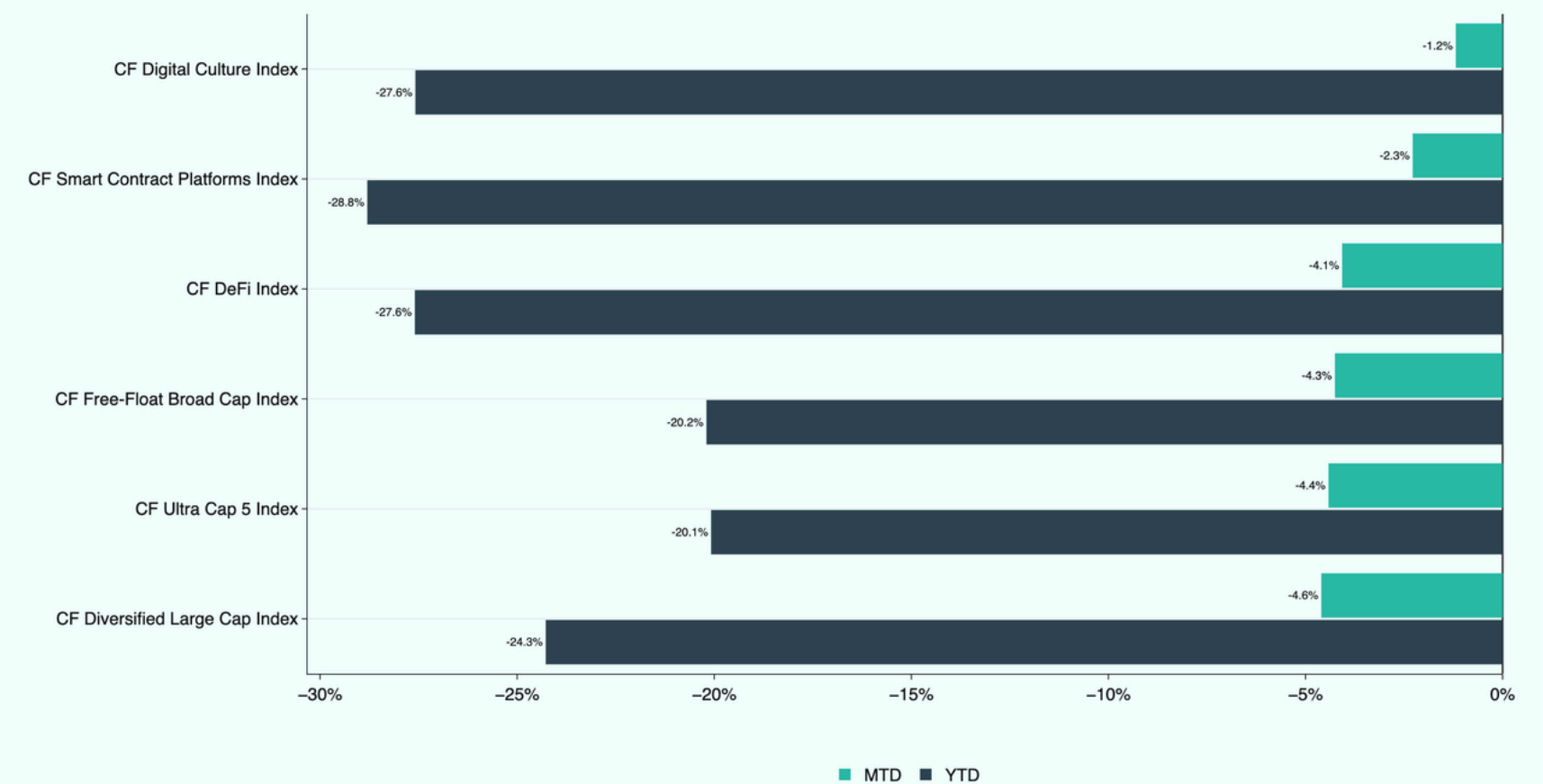
# Sticky Inflation, a Hawkish Fed, and a Broad Pullback

## Market Summary

Macro and policy crosscurrents in May centered on a hawkish repricing as inflation re-accelerated and the Federal Reserve's tone hardened. April CPI, released May 12, rose 3.8% year over year, the highest reading since May 2023 and above the 3.7% consensus, as the lingering oil shock from the Iran conflict fed into energy and shelter. Minutes from the April 28-29 FOMC meeting, released May 20, showed officials ready to raise rates if inflation stayed elevated, with the policy rate held at 3.50% to 3.75%. The Senate confirmed Kevin Warsh as the next Fed chair on May 13 by 54 to 45, the closest vote in the modern era. Spot Bitcoin (BTC) ETFs saw their largest monthly outflow of 2026, roughly 2.4 billion dollars, even as a 60-day U.S.-Iran ceasefire framework pulled crude down almost 19%. As rate-cut hopes gave way to rate-hike risk, investors turned defensive while the energy premium eased.

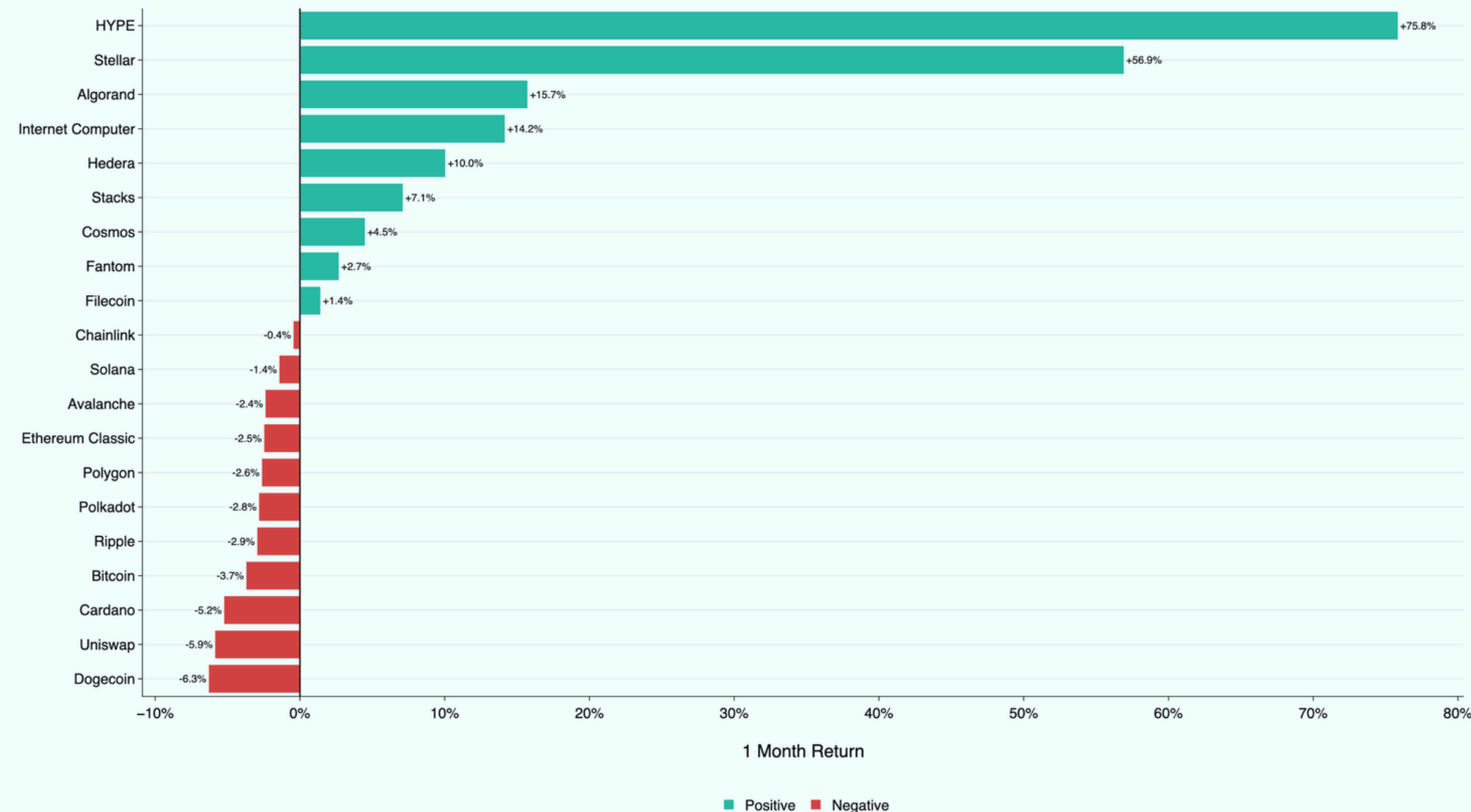
May reversed April's rebound, with every CF Benchmarks index posting a negative monthly return. Defining month-to-date (MTD) as the month's return and year-to-date (YTD) as the change since December 31, the CF Digital Culture Index was most resilient, off 1.2% MTD, followed by the CF Smart Contract Platforms Index at a 2.3% decline. The CF DeFi Index fell 4.1%, the CF Free-Float Broad Cap Index 4.3%, and the CF Ultra Cap 5 Index 4.4%, while the CF Diversified Large Cap Index lagged at 4.6%. Year-to-date drawdowns deepened to a 20% to 29% range, with the CF Smart Contract Platforms Index down the most at 28.8%.

## Benchmark Performance



All index performance is rebased to 100.  
Source: CF Benchmarks, Bloomberg, as of May 31, 2026

# Major Crypto-Pairs



Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of May 31, 2026

## Leaders

Hyperliquid (HYPE) led the major crypto-pairs in May, rising 75.8% month over month (MoM), the largest gain in the group, after the first U.S. spot HYPE ETFs launched mid-month (21Shares' THYP on May 12, Bitwise's BHYP on May 15). Stellar (XLM) followed at 56.9%, also a gain beyond 20% MoM, lifted by a May 27 announcement that DTCC would connect its tokenized securities platform to the Stellar network. Algorand (ALGO) rose 15.7% after listing on Robinhood for U.S. users on May 19.

## Laggards

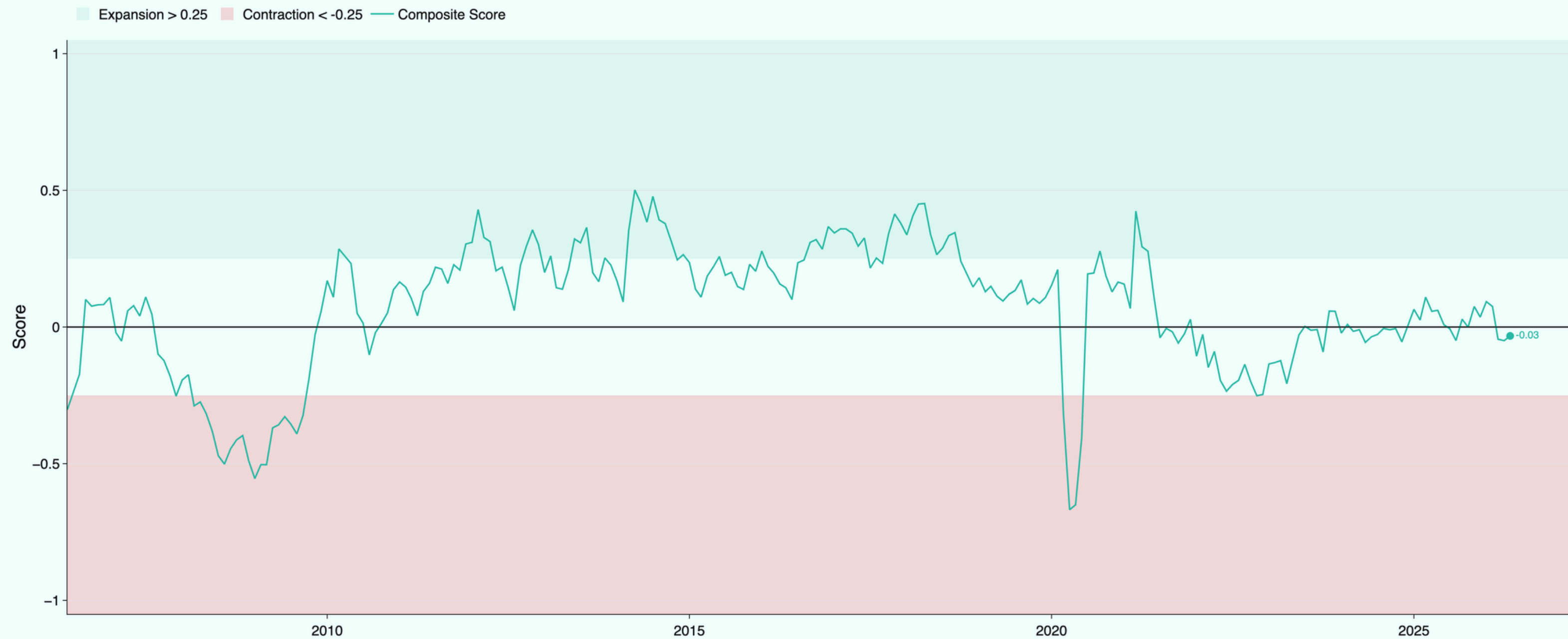
Dogecoin (DOGE) was the weakest major in the top 20, down 6.3% MoM, as institutional flows rotated away from large-cap names and its spot ETFs drew effectively no inflows. Uniswap (UNI) fell 5.9% after the U.S. government transferred roughly 1.9 million dollars of UNI to Coinbase on May 27, which prompted sell-off speculation. Cardano (ADA) declined 5.2% after a treasury funding proposal for 7.8 million ADA fell short of approval, reaching 65.21% against the 66.67% threshold.

# Macro Overview

# Macro Regime Dashboard

The composite regime score sits essentially at zero, near -0.03, in the neutral zone (expansion above +0.25, contraction below -0.25). The cycle reads flat and late stage. Firmer goods activity and accommodative financial conditions sit on one side; softening labor breadth, a contractionary reading from the Brave-Butters-Kelley leading index that now anchors the leading panel, and a renewed inflation impulse sit on the other.

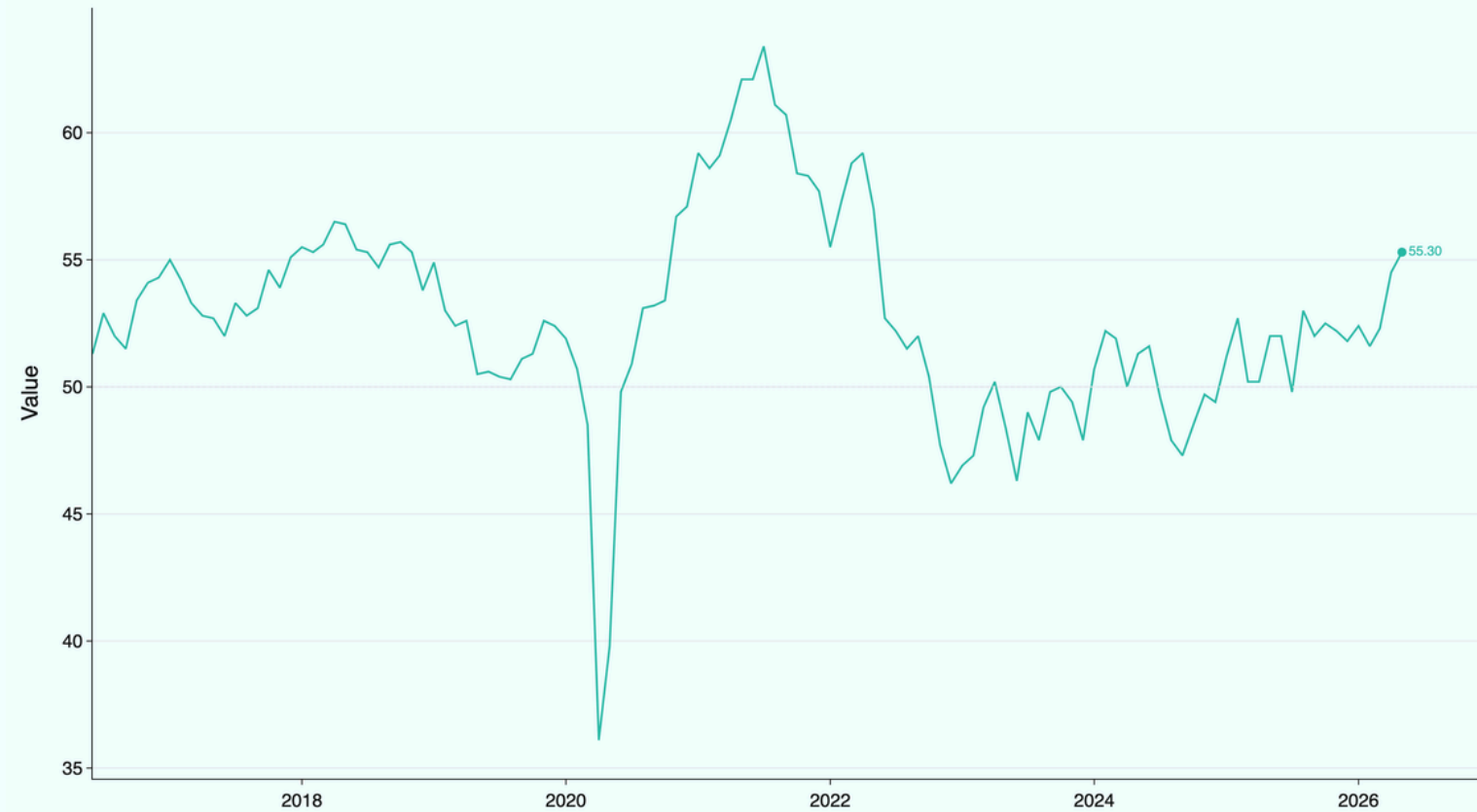
## Macro Regime Composite Score



Source: CF Benchmarks, FRED, as of May 31, 2026

# Macro Regime Overview - Improving

## ISM Manufacturing PMI



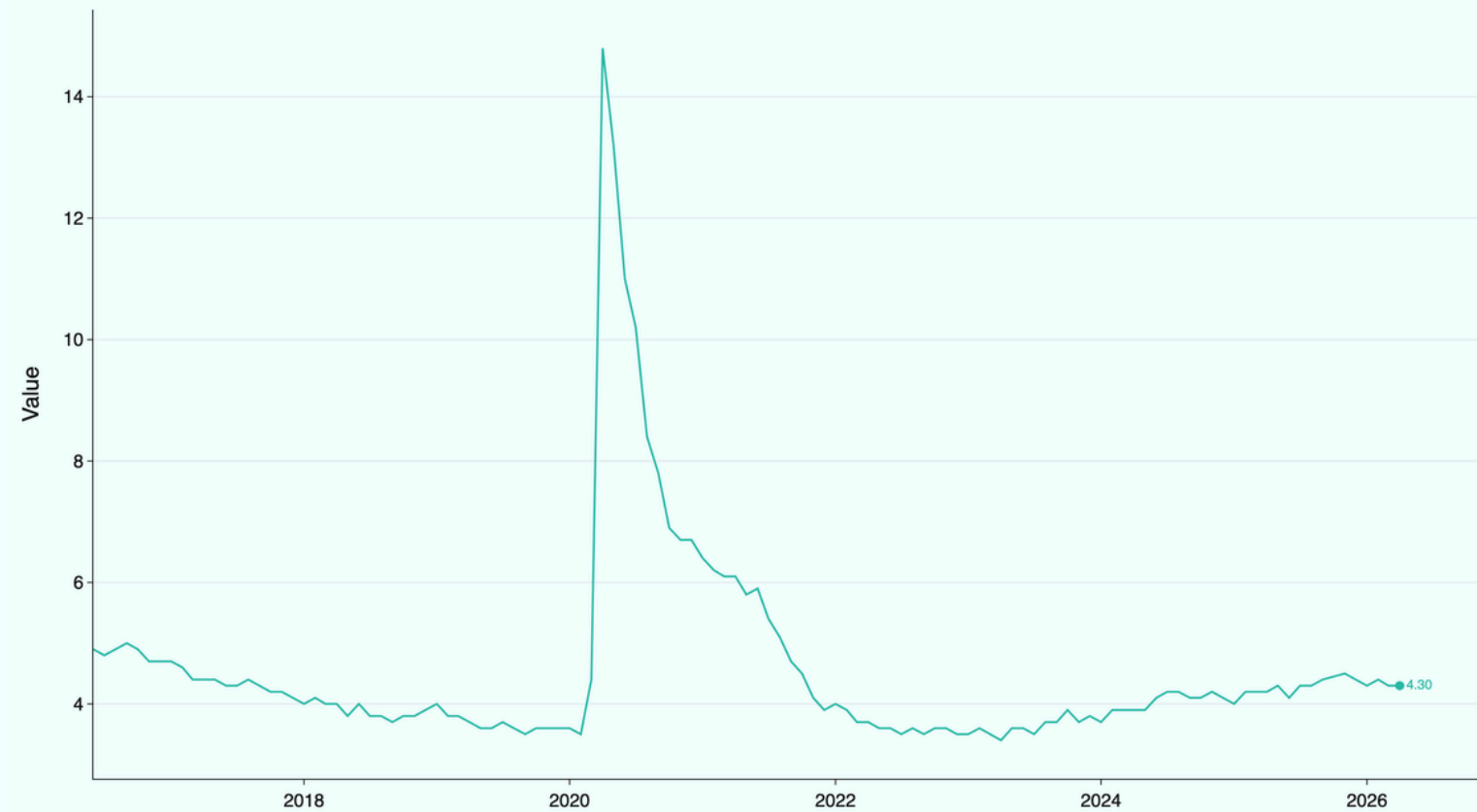
## Durable Goods Orders



Both price gauges point to renewed inflationary pressure. The ISM Manufacturing Prices Paid index rose to 84.6 in April from 78.3 in March, a month-over-month (MoM) increase of 6.3 points and its highest reading outside the 2021 to 2022 episode, pointing to a broad pickup in manufacturers' input costs. The University of Michigan one-year inflation expectations reading climbed to 4.7%, up 0.9 percentage points (pp) MoM from 3.8%, indicating that households are again bracing for faster price increases. As leading inflation indicators, both readings sit firmly in the deteriorating column and are consistent with the month's reacceleration in headline CPI.

# Macro Regime Overview - Stable

## Unemployment Rate



## 10Y-2Y Yield



The labor market and the financial plumbing are holding rather than turning. The unemployment rate was unchanged at 4.3%, initial jobless claims were steady near 215,000, and job openings were little changed at roughly 6.9 million. The yield curve stayed positively sloped, with the 10 year minus 2 year spread at +0.47 and the 10 year minus fed funds spread at +0.83, and the Chicago Fed National Financial Conditions Index at -0.51 still reads as accommodative. The Chicago Fed National Activity Index three month average at 0.03 sits right at trend, and the ISM Services PMI held in expansion at 53.6. The signal here is the absence of deterioration as much as the absence of acceleration.

# Macro Regime Overview - Deteriorating

## U. Michigan Consumer Sentiment



## Labor Force Participation



Two adverse threads run through the deteriorating column. The first is a softening at the margin in labor breadth and demand: the U-6 underemployment rate rose to 8.2%, the participation rate slipped to 61.8%, consumer sentiment fell to 49.8, C&I loan demand dropped sharply, housing starts and core capital goods orders both declined, and the manufacturing orders to inventories spread compressed from 3.23 to 0.82. The second is a renewed pickup in price pressure: headline CPI re-accelerated to 3.78% year over year, core PCE held at 3.29%, the ISM manufacturing prices paid index jumped to 84.6, and households' one year inflation expectations rose to 4.7%. The labor headline rate is steady, but the breadth beneath it and the inflation trajectory are the month's clearest negatives.

# What We're Watching

Both price gauges point to renewed inflationary pressure. The ISM Manufacturing Prices Paid index rose to 84.6 in April from 78.3 in March, a month-over-month (MoM) increase of 6.3 points and its highest reading outside the 2021 to 2022 episode, pointing to a broad pickup in manufacturers' input costs. The University of Michigan one-year inflation expectations reading climbed to 4.7%, up 0.9 percentage points (pp) MoM from 3.8%, indicating that households are again bracing for faster price increases. As leading inflation indicators, both readings sit firmly in the deteriorating column and are consistent with the month's reacceleration in headline CPI.

## ISM Manufacturing Prices Paid



Source: CF Benchmarks, FRED, as of May 31, 2026

## U. Michigan Inflation Expectations (1Y)



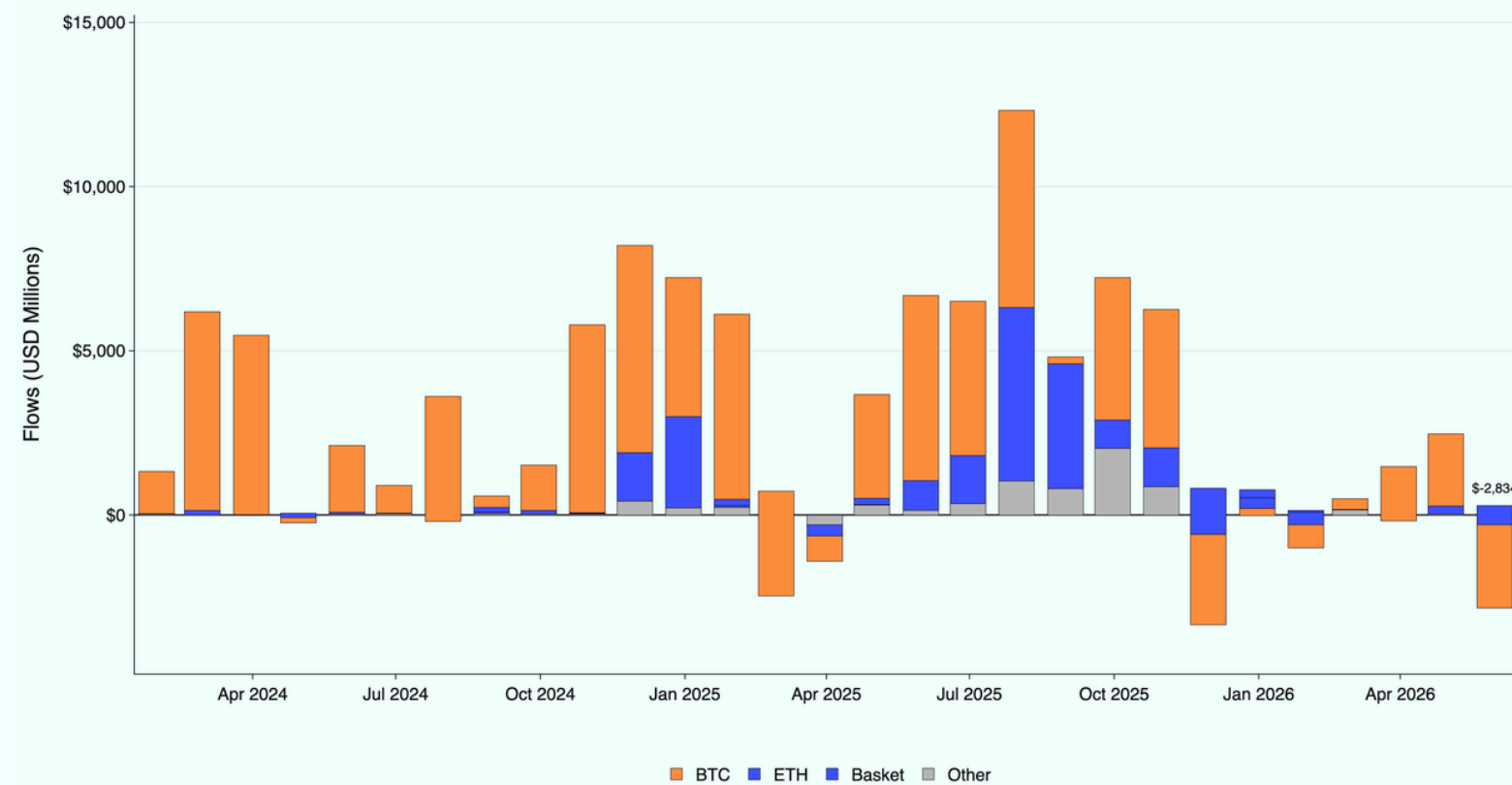
Source: CF Benchmarks, FRED, as of May 31, 2026

# Investor Activity & Sentiment Positioning

# Fund Flows

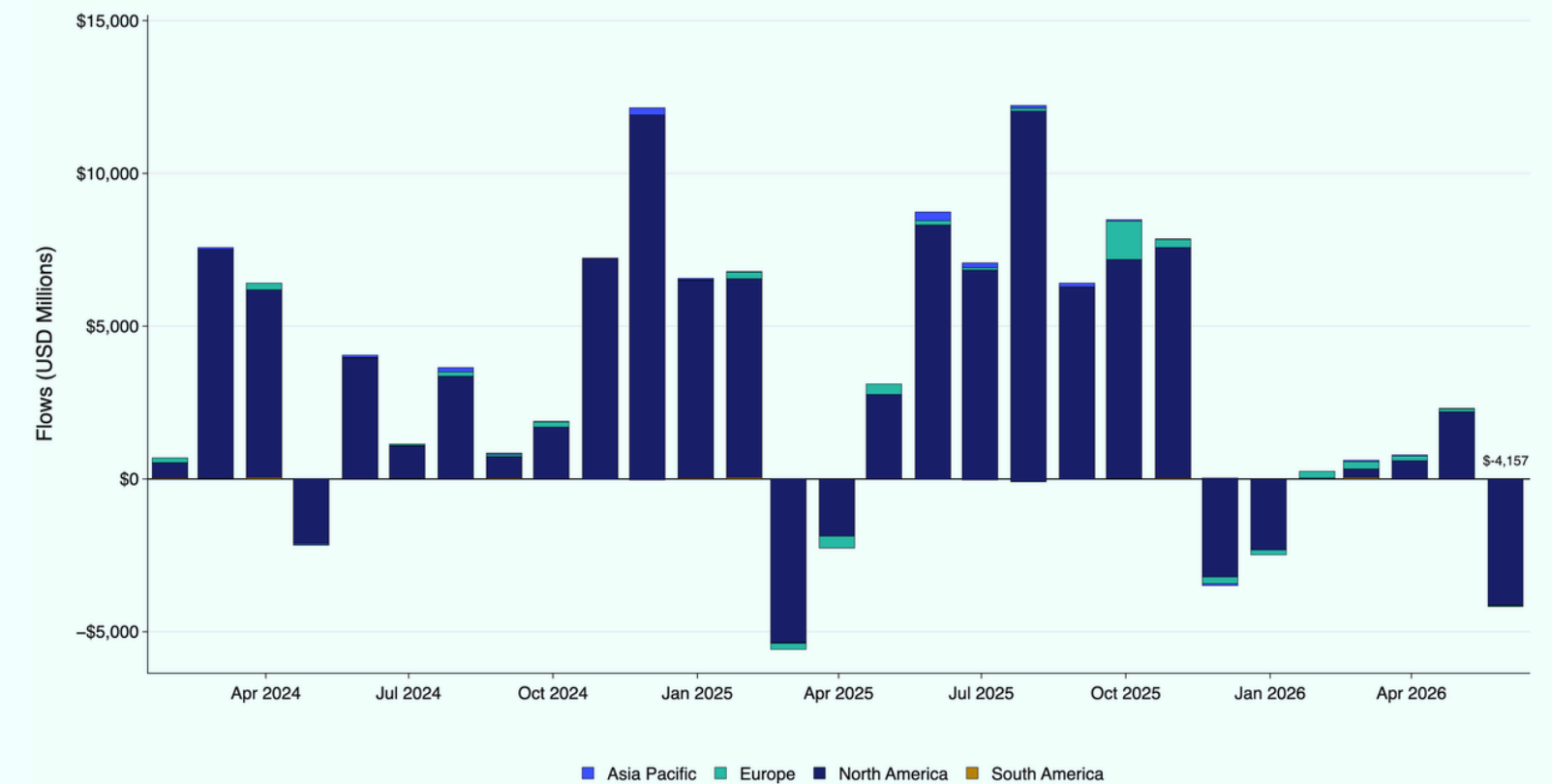
Digital asset funds swung to net outflows in May, shedding \$2,833.9 million after net inflows of \$2,469.5 million in April. Bitcoin funds led the reversal with \$2,541.8 million of outflows and Ether funds lost \$586.6 million, while Other Single Crypto funds drew \$294.2 million and Basket/Index funds were flat at \$0.3 million. By region, the selling was concentrated in North America at \$4,169.9 million of outflows, partly offset by \$50.0 million of inflows into Europe.

### Fund Flows by Asset (\$m)



Source: CF Benchmarks, Bloomberg, as of May 31, 2026

### Regional Fund Flows (\$m)

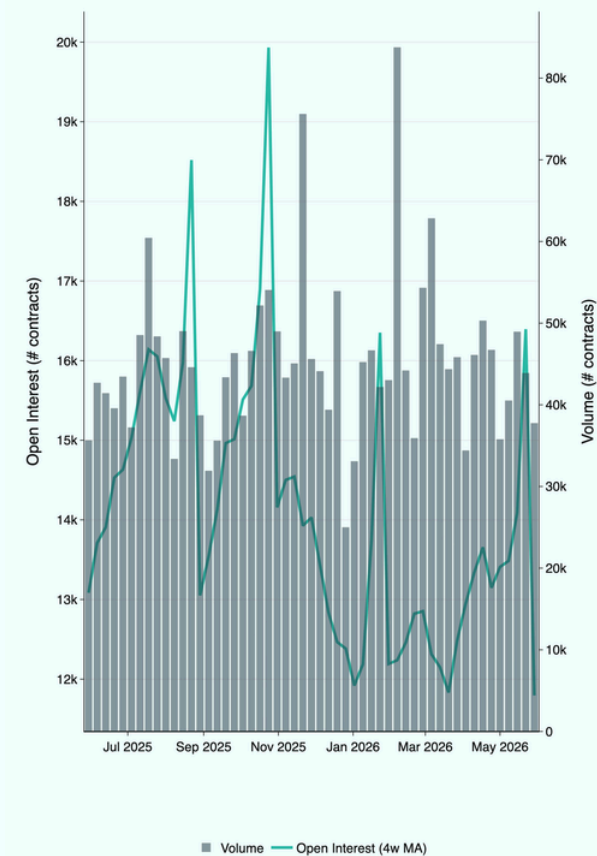


Source: CF Benchmarks, Bloomberg, as of May 31, 2026

# Futures Positioning and Open Interest

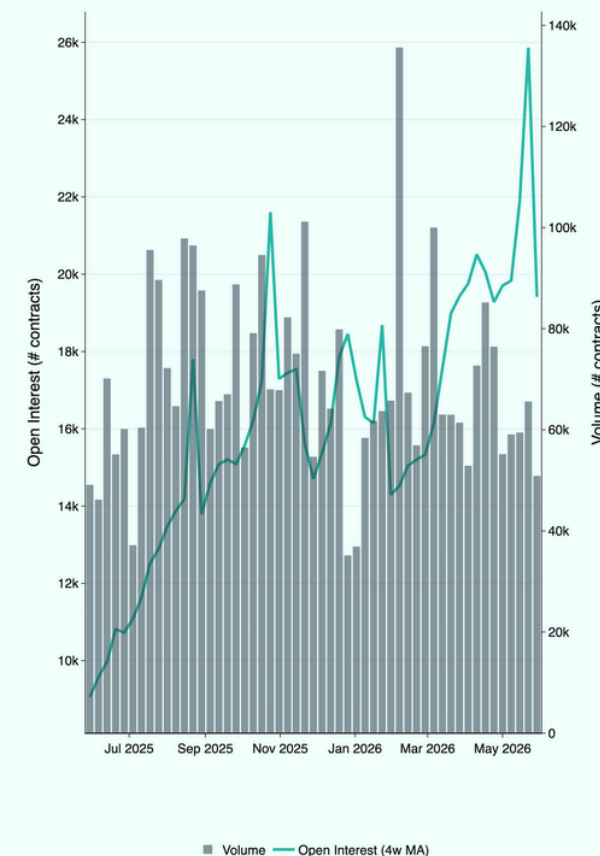
CME futures positioning cooled in May. On a four-week moving average basis, CME Bitcoin (BTC) open interest eased 10.3% month over month (MoM) to roughly 11,799 contracts and Solana (SOL) open interest fell 21.4% to about 8,558 contracts, the steepest drop in the group, while CME Ether (ETH) held near 19,412 contracts and XRP was little changed at 5,431 contracts. Peak weekly volumes also moderated from April, with BTC at 48,935 contracts, ETH at 65,564, SOL at 18,988, and XRP at 11,737.

### CME Bitcoin Volume and Open Interest



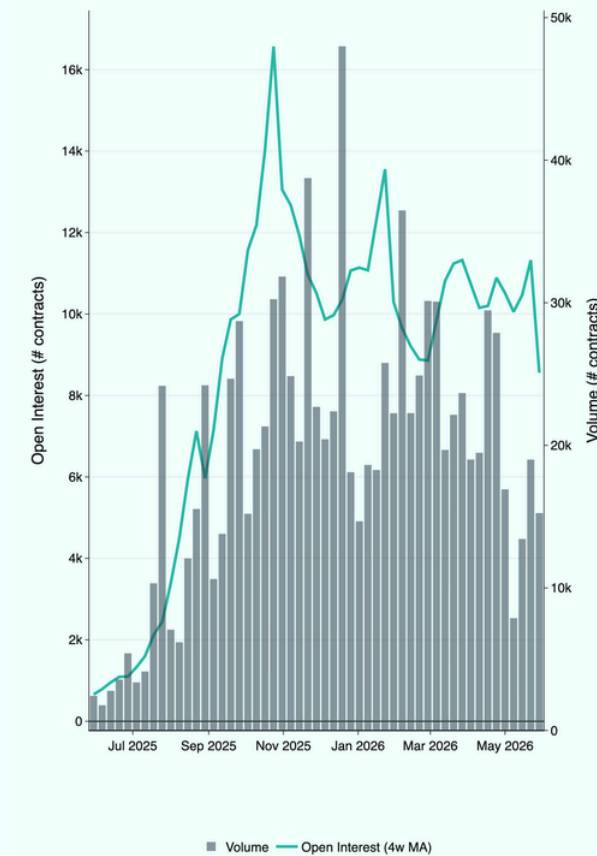
Source: CF Benchmarks, CFTC, Bloomberg, as of May 31, 2026

### CME Ether Volume and Open Interest



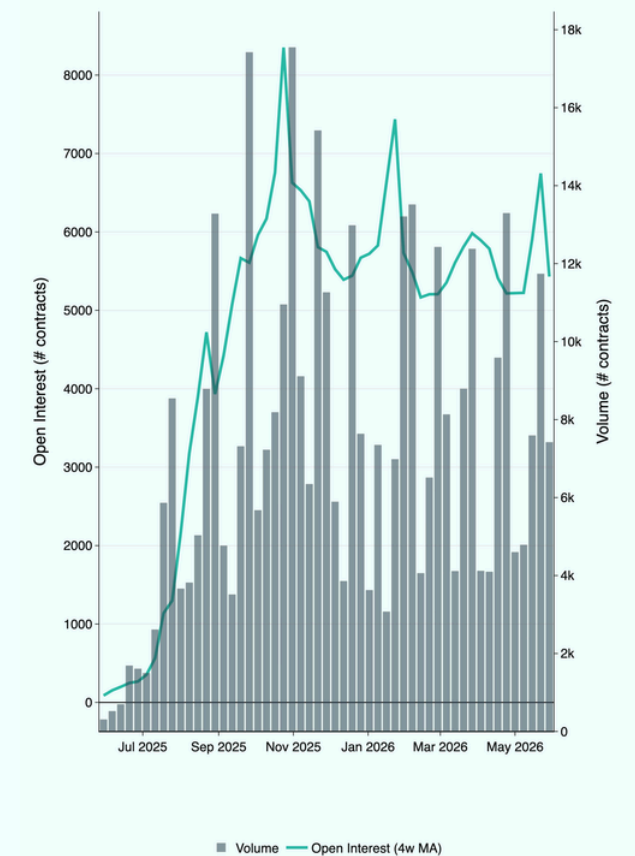
Source: CF Benchmarks, CFTC, Bloomberg, as of May 31, 2026

### CME Solana Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg, as of May 31, 2026

### CME XRP Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg, as of May 31, 2026

# CF Bitcoin Volatility Index (BVX)

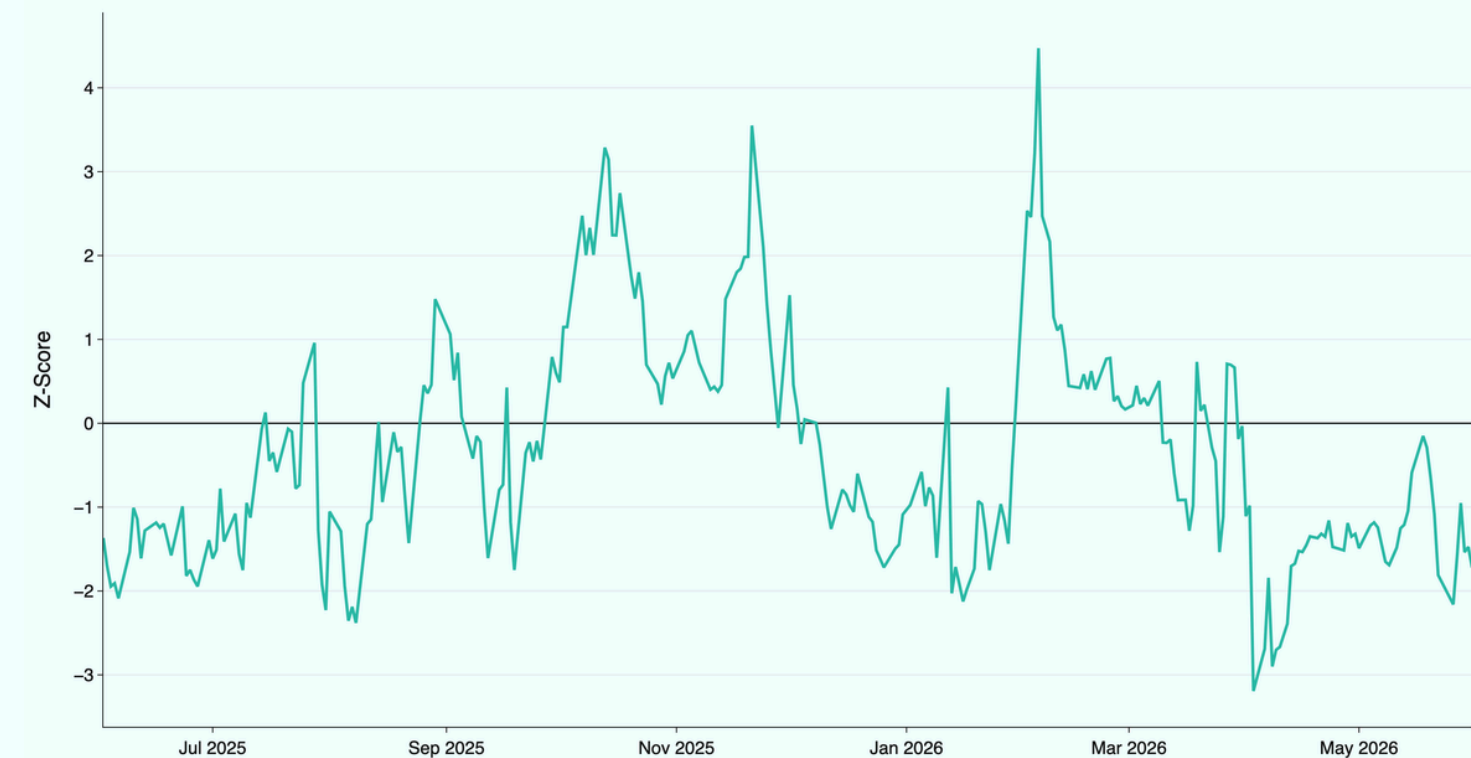
The CF Bitcoin Volatility Index Settlement Rate (BVXS) is a daily benchmark that provides a forward-looking, 30-day constant-maturity measure of implied volatility, derived from CFTC-regulated Bitcoin option contracts traded on the CME. The BVX reflects the fair strike of a variance swap. The BVX eased further in May, trading in a 36.17 to 41.42 range and closing the month at 36.52, down from 40.50 at the end of April and near the low end of its trailing-year range. The rolling 30-day z-score finished at -1.72 and stayed negative throughout the month, ranging from -2.16 to -0.15, indicating implied volatility held below recent norms.

## BVX Index



Source: CF Benchmarks, Bloomberg, as of May 31, 2026

## Rolling 30-Day Z-Score



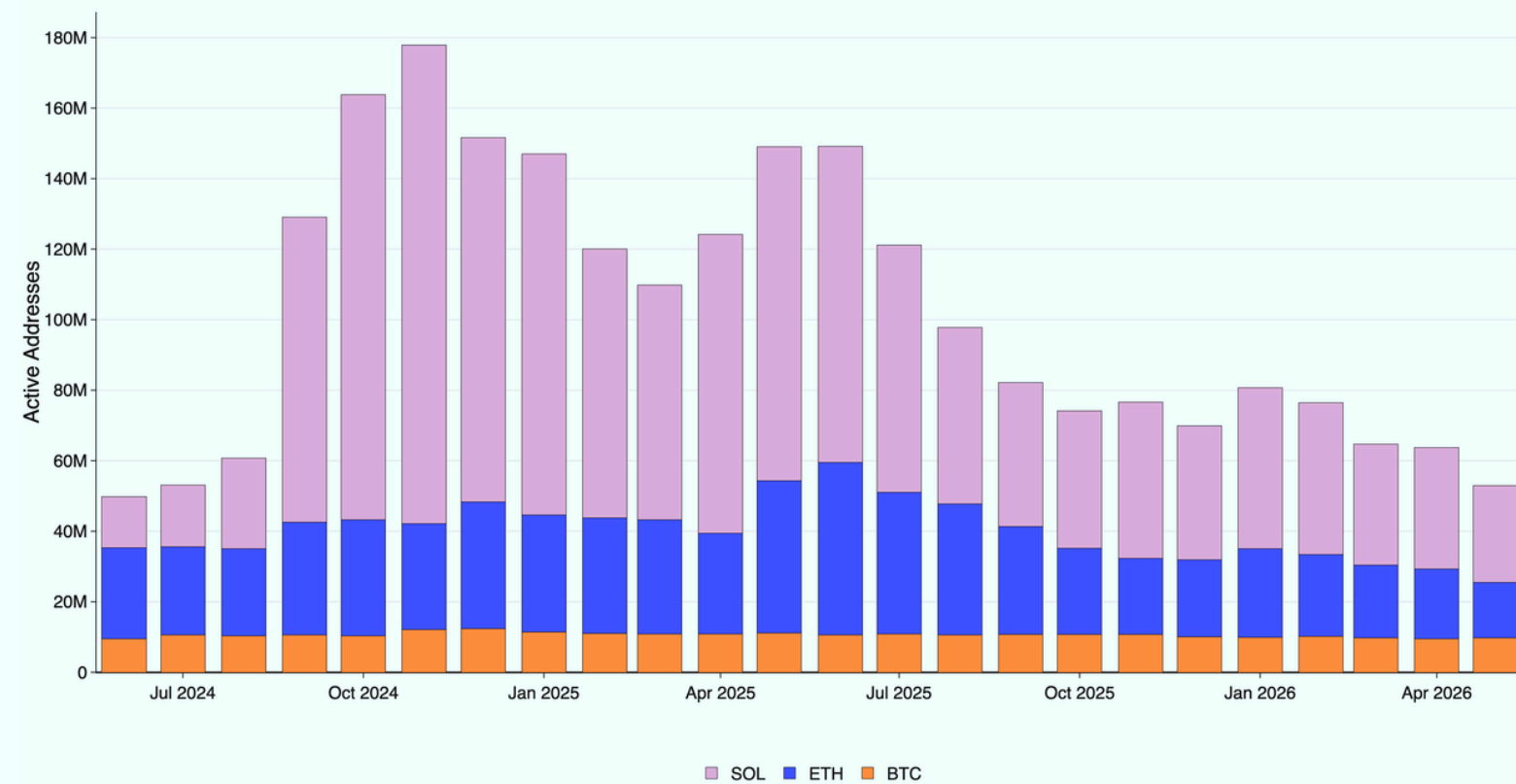
Source: CF Benchmarks, Bloomberg, as of May 31, 2026

# Network Fundamentals & Reward Rates

# Monthly Active Addresses

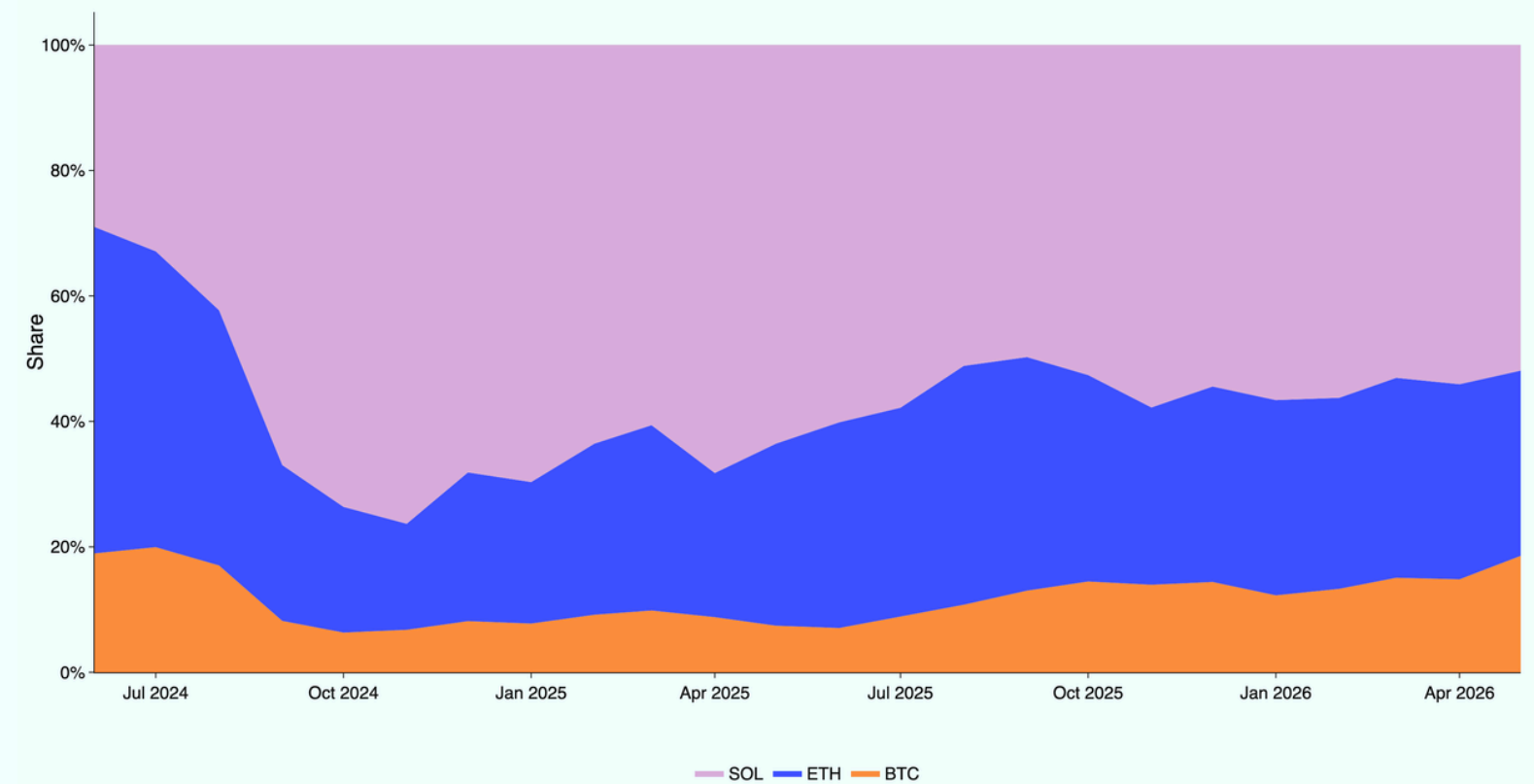
Monthly active addresses fell to 53.0 million across the three tracked networks in May, down 16.9% month over month (MoM) from 63.7 million. The decline was led by Ethereum (ETH), where active addresses dropped 21.1% to 15.6 million, and Solana (SOL), down 20.2% to 27.5 million. Bitcoin (BTC) bucked the trend, rising 4.2% to 9.8 million.

## Active Addresses



Source: CF Benchmarks, Token Terminal, as of May 31, 2026

## Share of Active Addresses

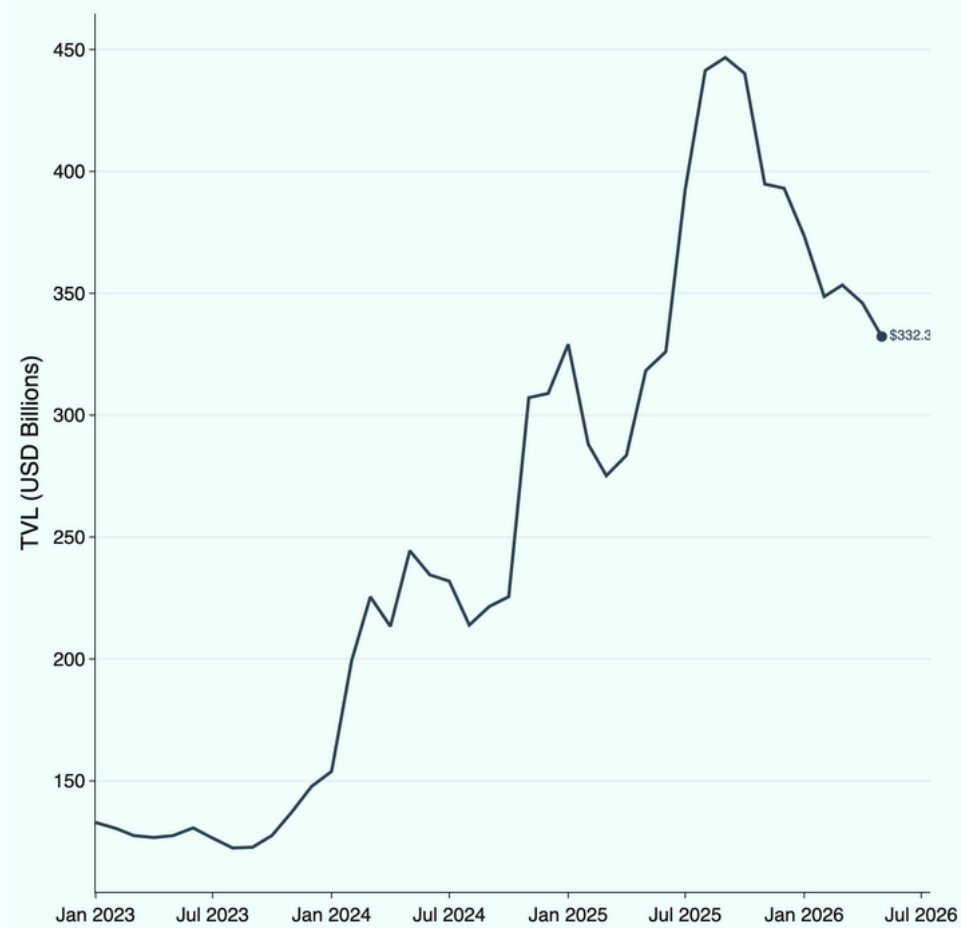


Source: CF Benchmarks, Token Terminal, as of May 31, 2026

# Total Value Locked (TVL) in DeFi Protocols

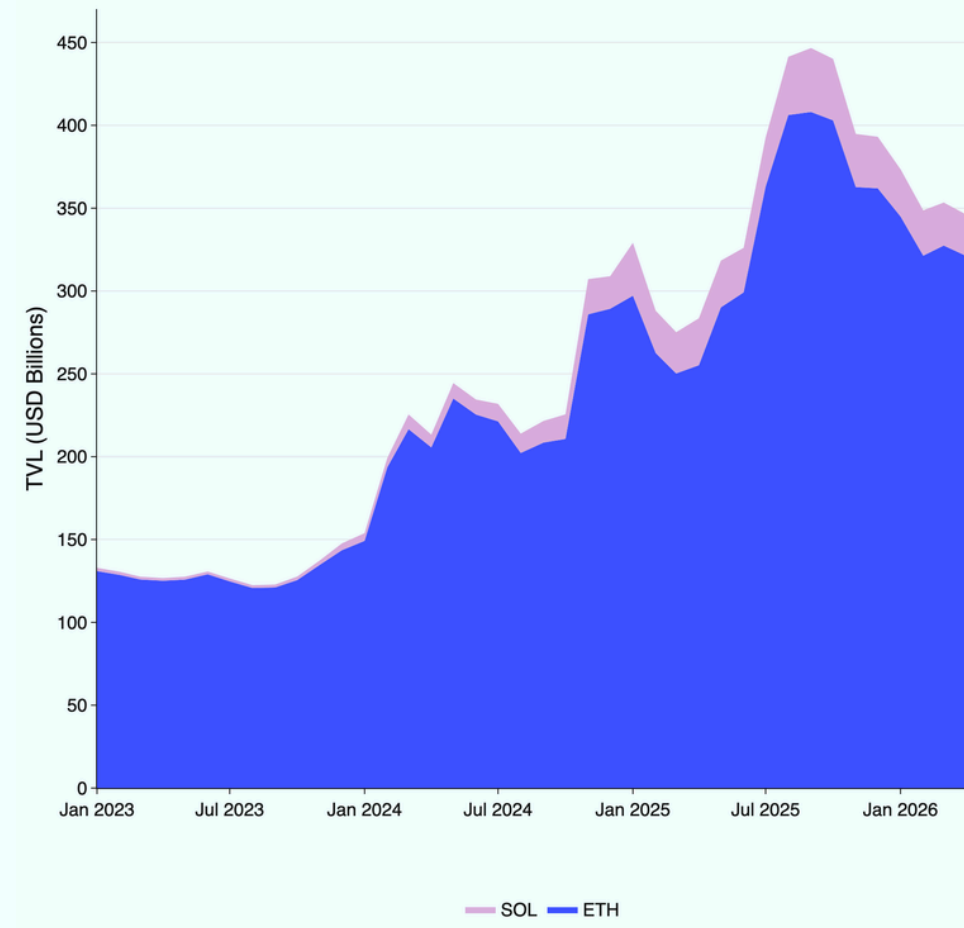
Total Value Locked (TVL) in decentralized finance (DeFi) represents the aggregate value of assets deposited across DeFi protocols, expressed in U.S. dollars. It serves as a key indicator of the sector's overall health and growth. Total Value Locked declined 4.0% in May to \$332.3B, down from \$346.0B in April. Ethereum TVL fell to \$306.7B (-4.5%) while Solana TVL edged up to \$25.5B (+2.3%), leaving Ethereum at roughly 92% of the tracked total.

### Total TVL



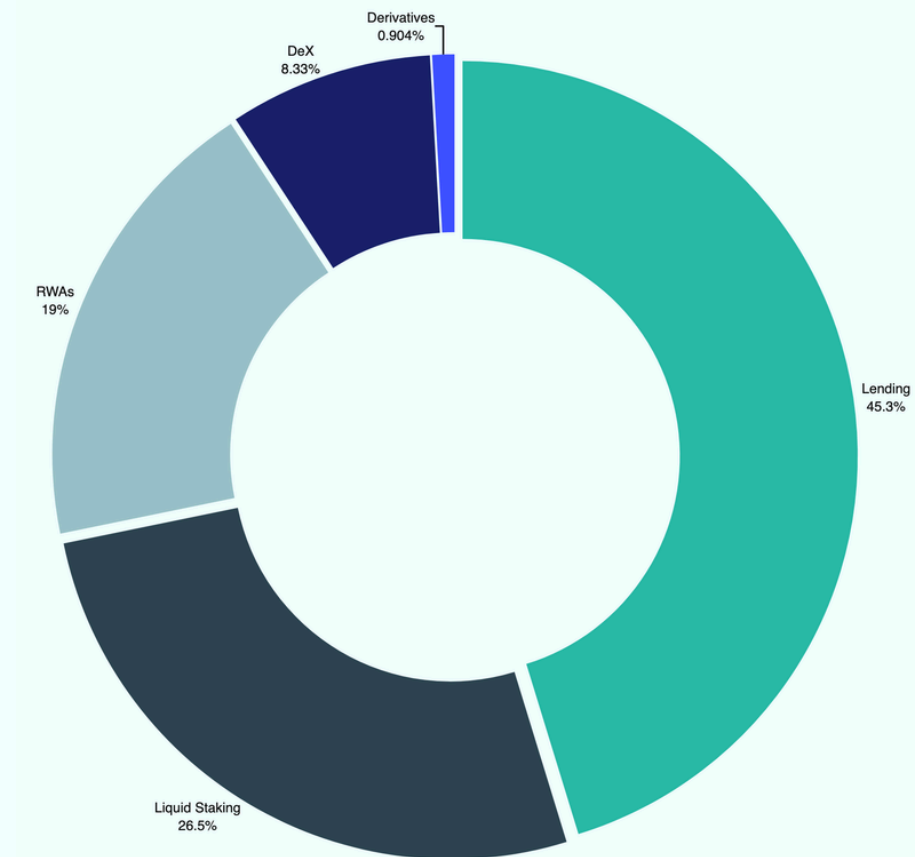
Source: CF Benchmarks, Token Terminal, as of May 31, 2026

### TVL by Chain



Source: CF Benchmarks, Token Terminal, as of May 31, 2026

### TVL By Segment

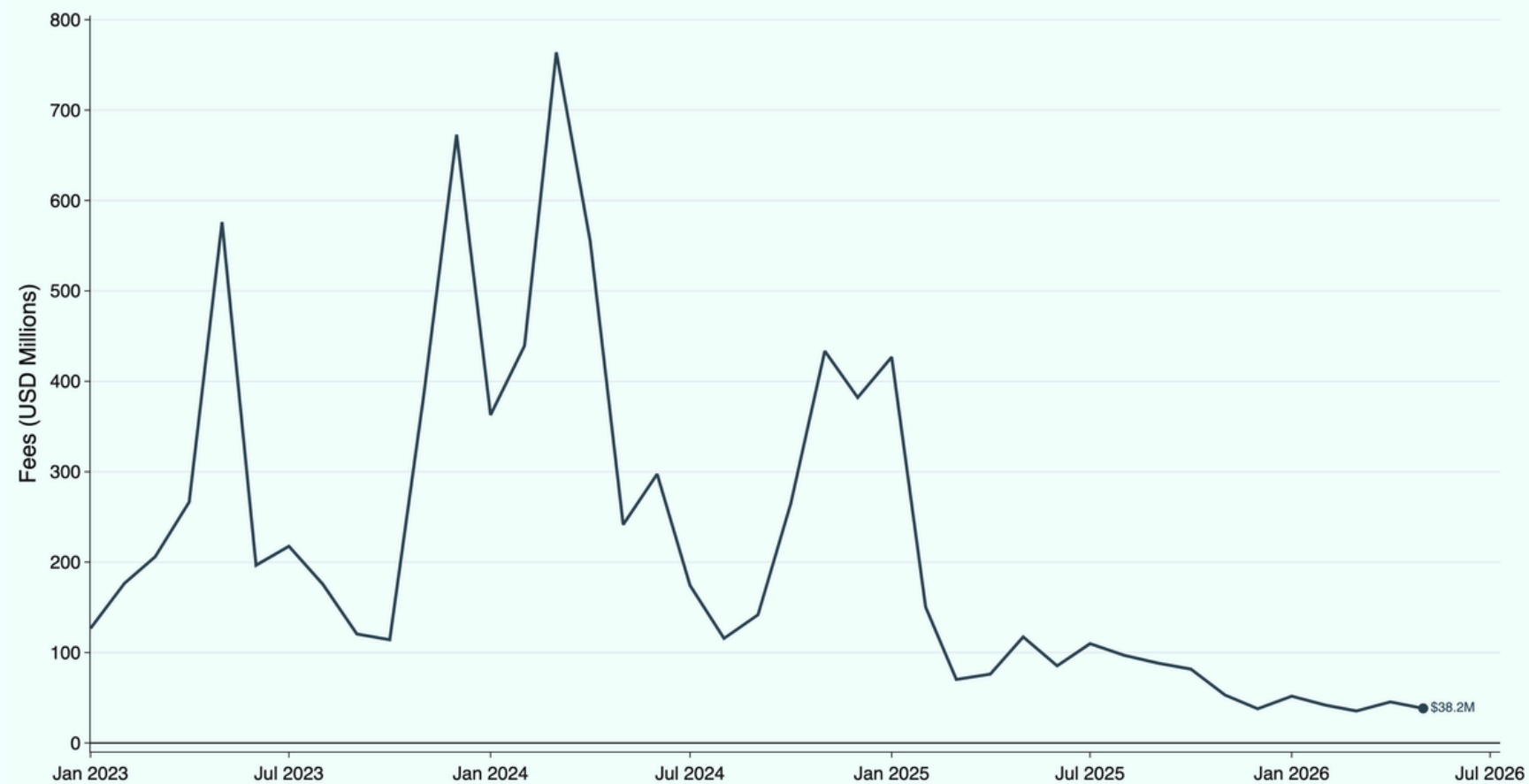


Source: CF Benchmarks, Token Terminal, as of May 31, 2026

# Layer-1 Fee Overview

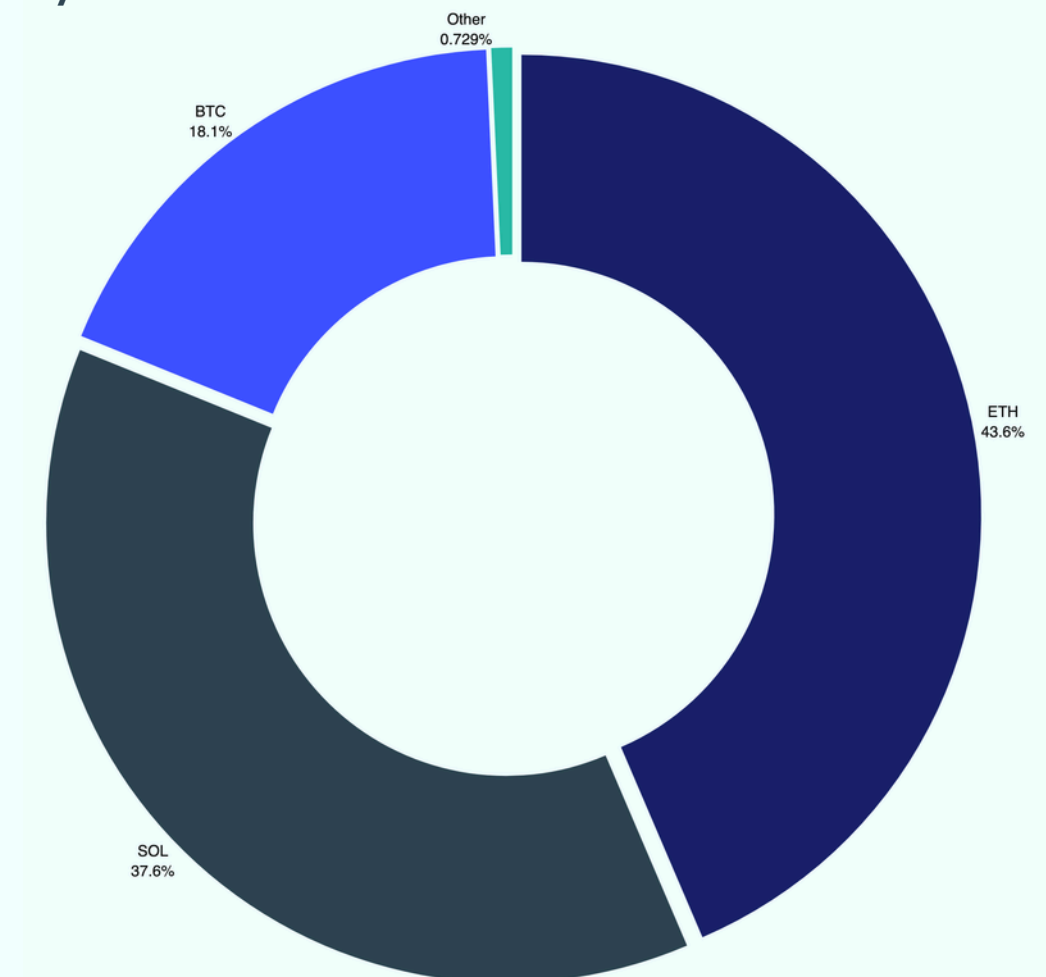
Fees are the charges users pay to record transactions and data on a blockchain and act as a gauge for demand to use these networks. They tend to rise when there is an influx of new users on-chain and can fall when activity wanes or scaling upgrades reduce costs. Total Layer-1 fees fell 15.9% month-over-month in May to \$38.2M from \$45.5M in April. Ethereum led with \$16.7M (43.6% of the total) despite a 32.1% drop, followed by Solana at \$14.4M (37.6%, down 5.4%) and Bitcoin at \$6.9M (18.1%, up 27.3%).

### Monthly L1 Fees Paid



Source: CF Benchmarks, Token Terminal, as of May 31, 2026

### Share of Layer 1 Fees

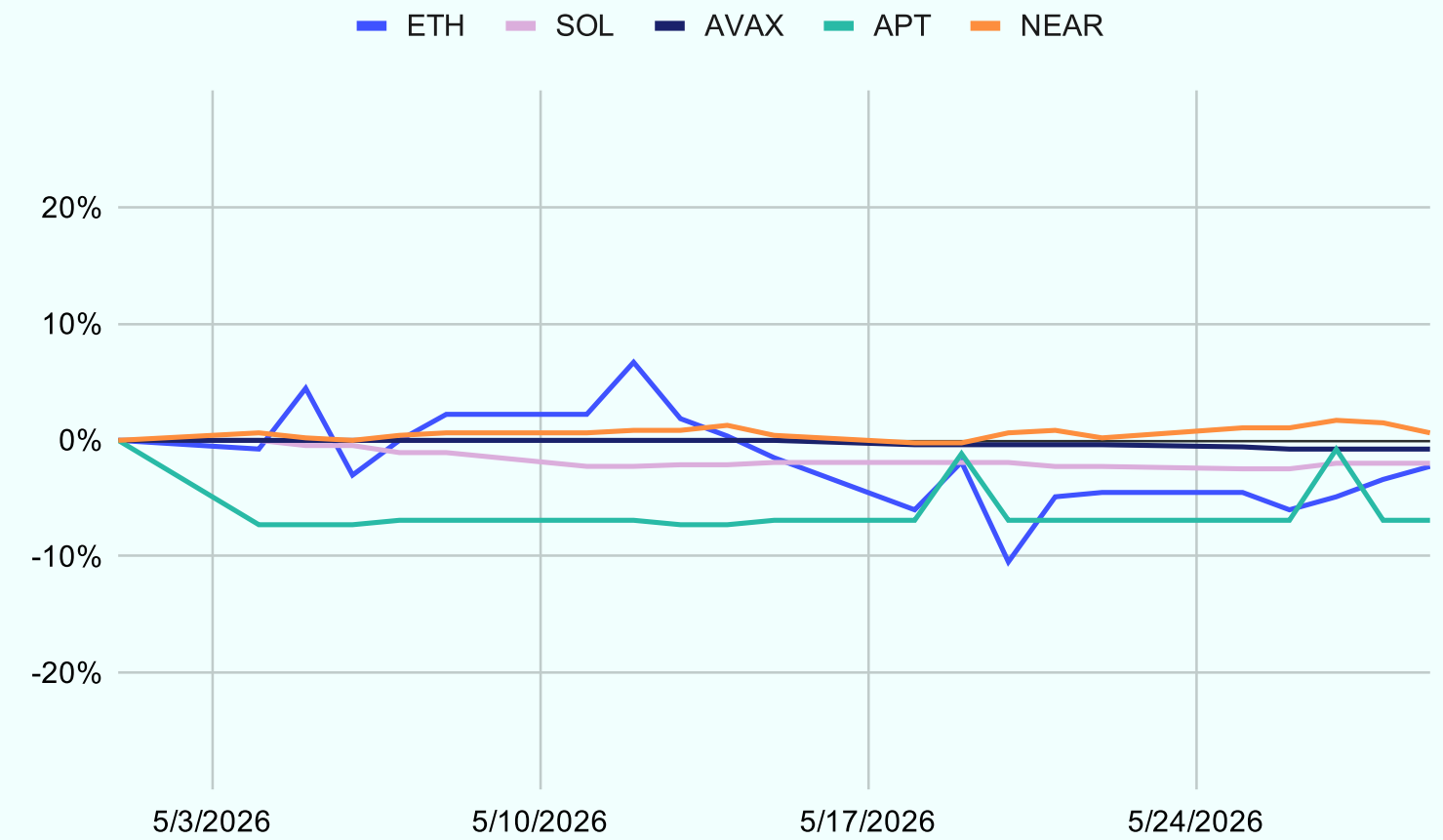


Source: CF Benchmarks, Token Terminal, as of May 31, 2026  
"Other" Represents the sum of the fees on Cardano, DOGE, Sui, and XLM

# Staking Rewards & Inflation Rates

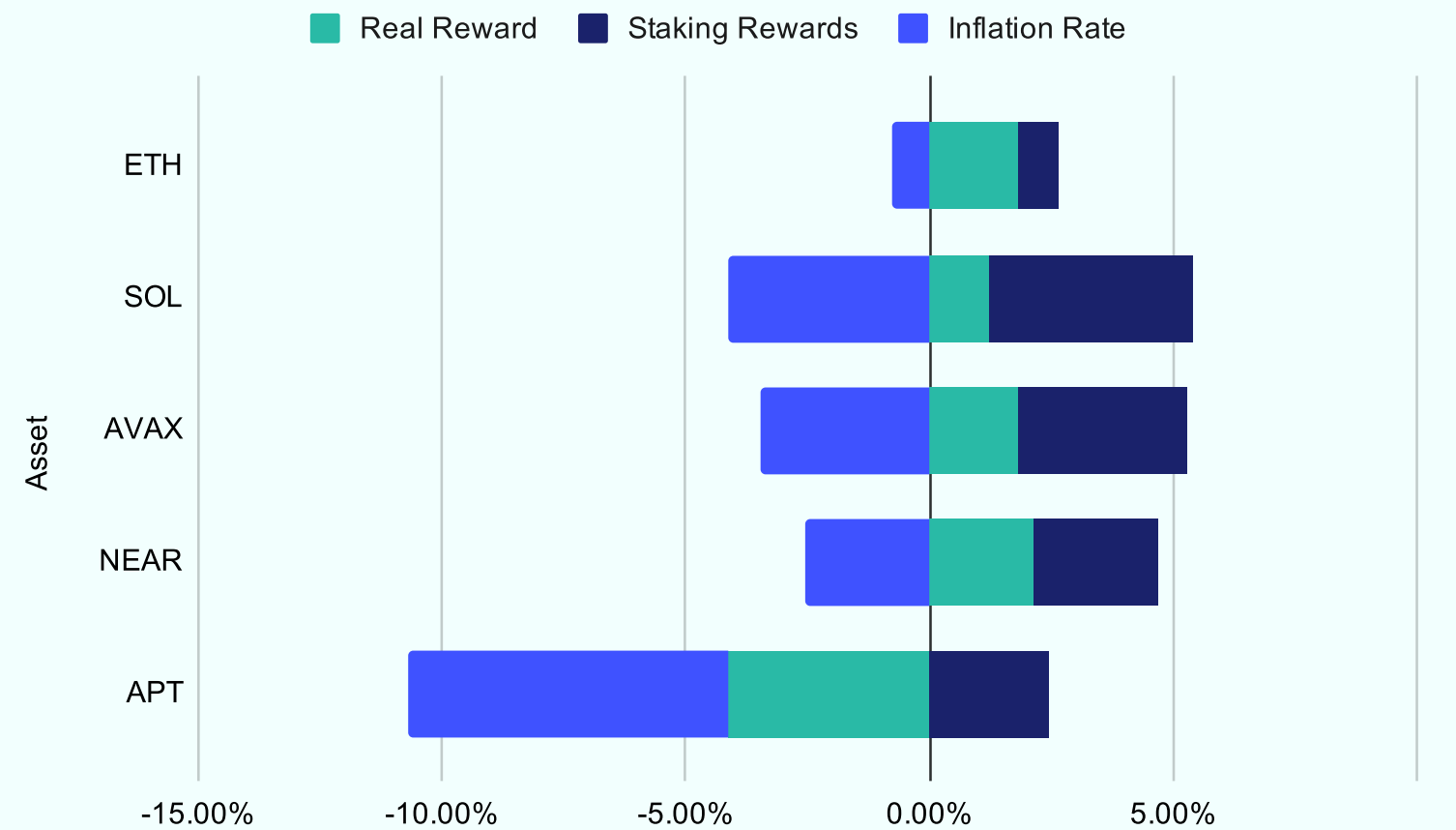
The reward rate in a Proof-of-Stake (PoS) blockchain is the annual return validators earn for staking, typically expressed as a percentage. It depends on factors such as total staked tokens, network yield, and protocol incentives. Inflation and staking participation strongly influence real returns: higher inflation raises nominal rewards but dilutes token value, while greater staking participation reduces individual yields yet strengthens network security and decentralization.

## Monthly Change in Reward Rate



Source: CF Benchmarks as of May 31, 2026

## Staking Real Yields



Source: CF Benchmarks, stakingrewards.com as of May 31, 2026

## CF Staking Reward Rates as of May 31st

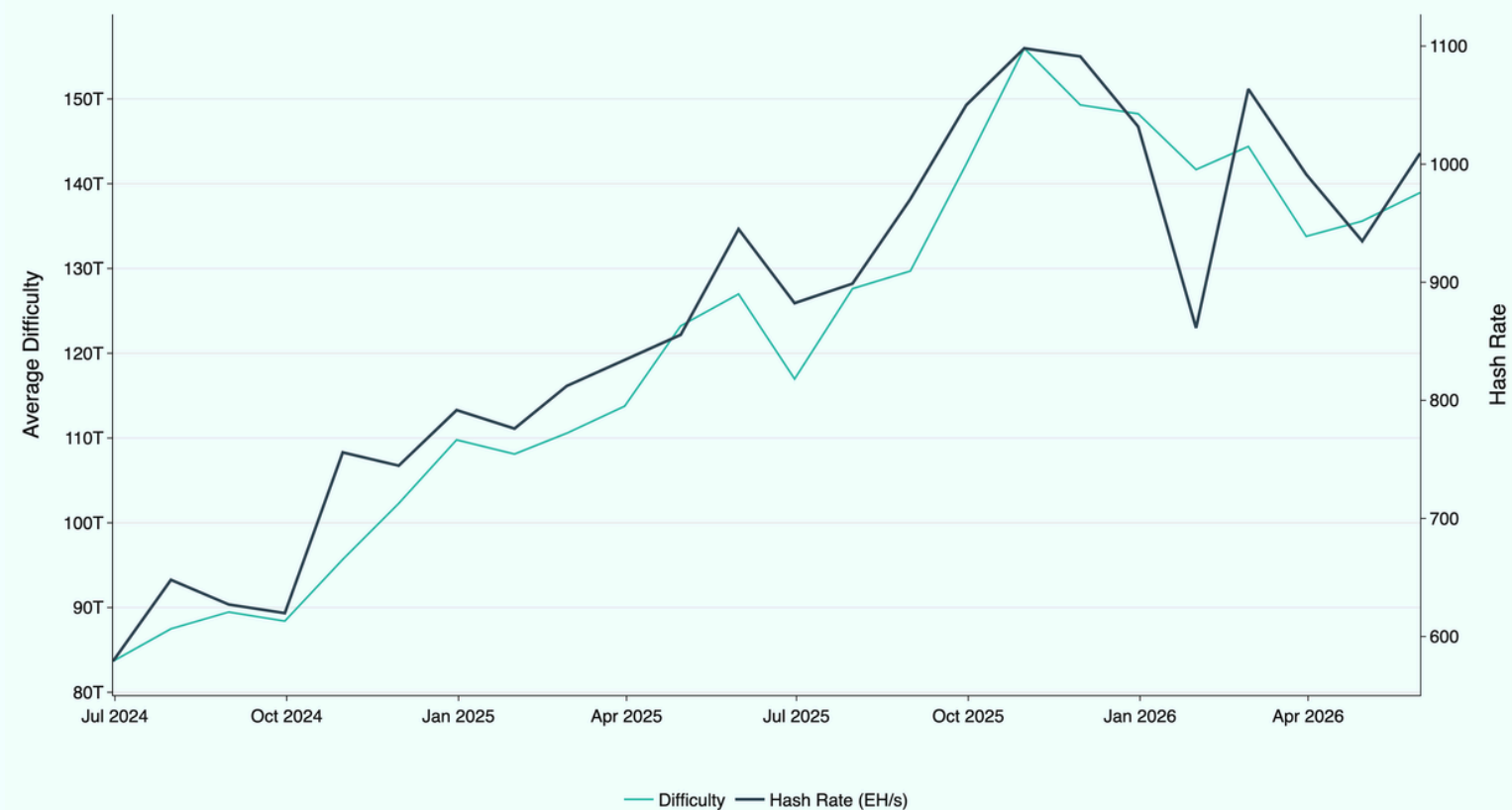
ETH	SOL	AVAX	APT	NEAR
2.62%	5.38%	5.30%	2.44%	4.67%

# Bitcoin's Hash Rate & Mining Revenue

Bitcoin's hash rate rebounded 8.0% in May, rising to 1,009 exahashes per second from 935 EH/s at April's end. Mining difficulty, which measures the computational effort required to mine a new block and adjusts to maintain consistent block times, increased 2.5% to 139.0T as the network tightened to absorb the recovery in hash power.

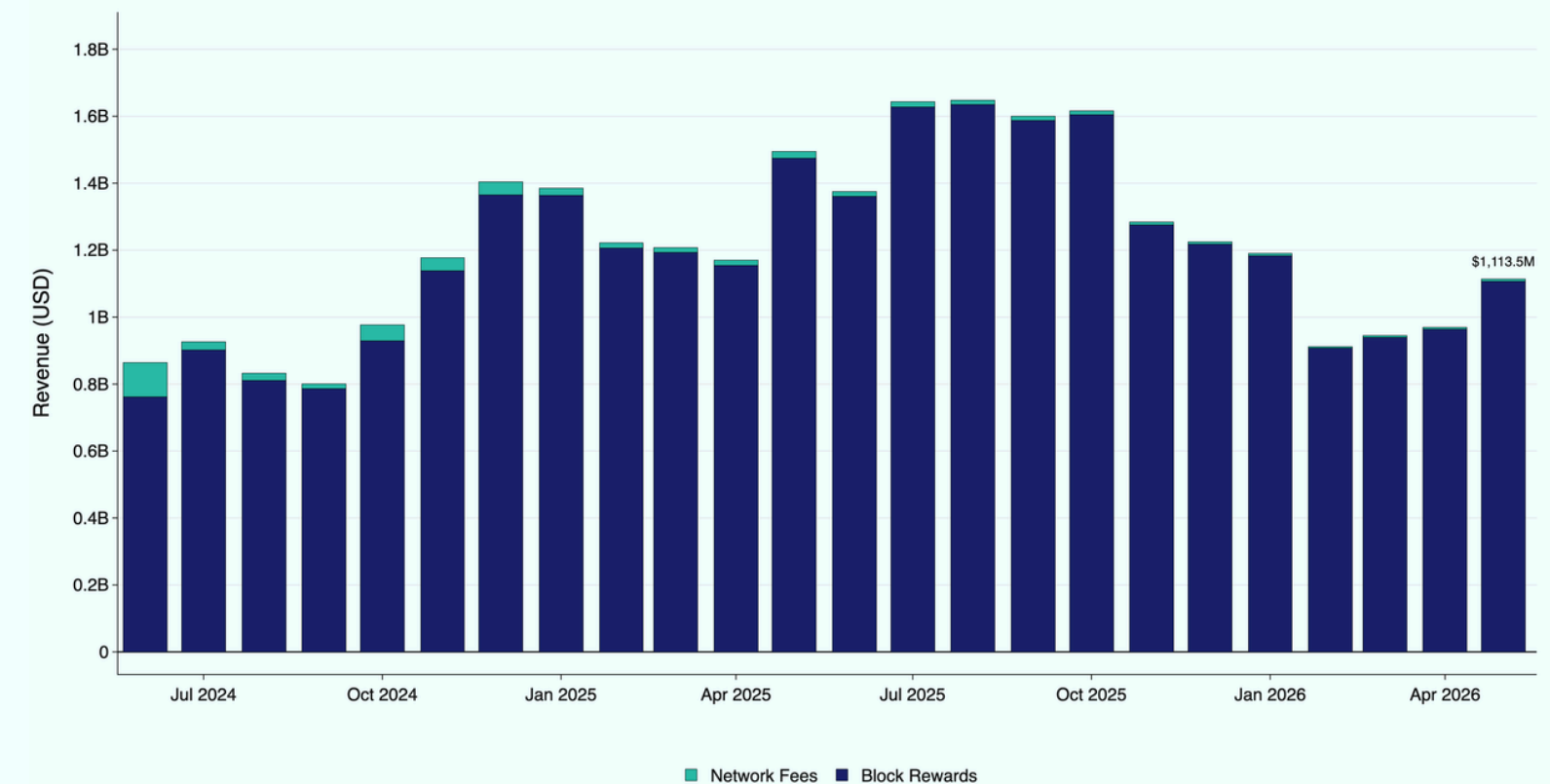
Bitcoin miners saw a 14.9% increase in revenue in May, with total mining revenue of \$1,113.5 million. Of the total rewards earned during the month, 0.6% came from transaction fees, with block rewards totaling \$1,106.5 million and fees contributing \$6.9 million. The gain was driven by the rebound in network hash rate alongside firmer Bitcoin prices through the month.

### Hash Rate and Difficulty



Source: CF Benchmarks, Dune Analytics as of May 31, 2026

### Bitcoin Mining Revenues by Month



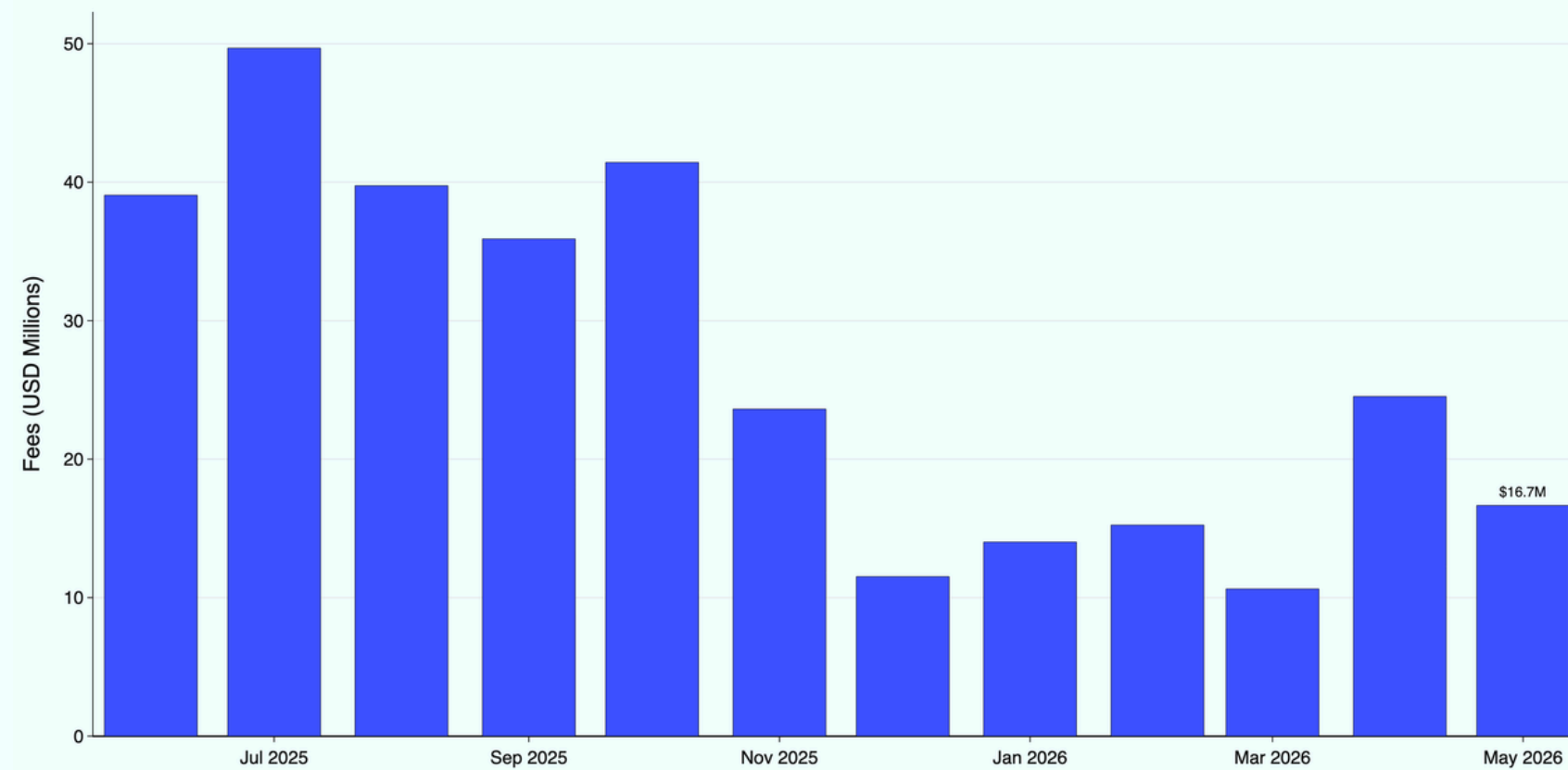
Source: CF Benchmarks, Dune Analytics as of May 31, 2026

# Network & On-chain Updates

# Ethereum Revenue Dashboard

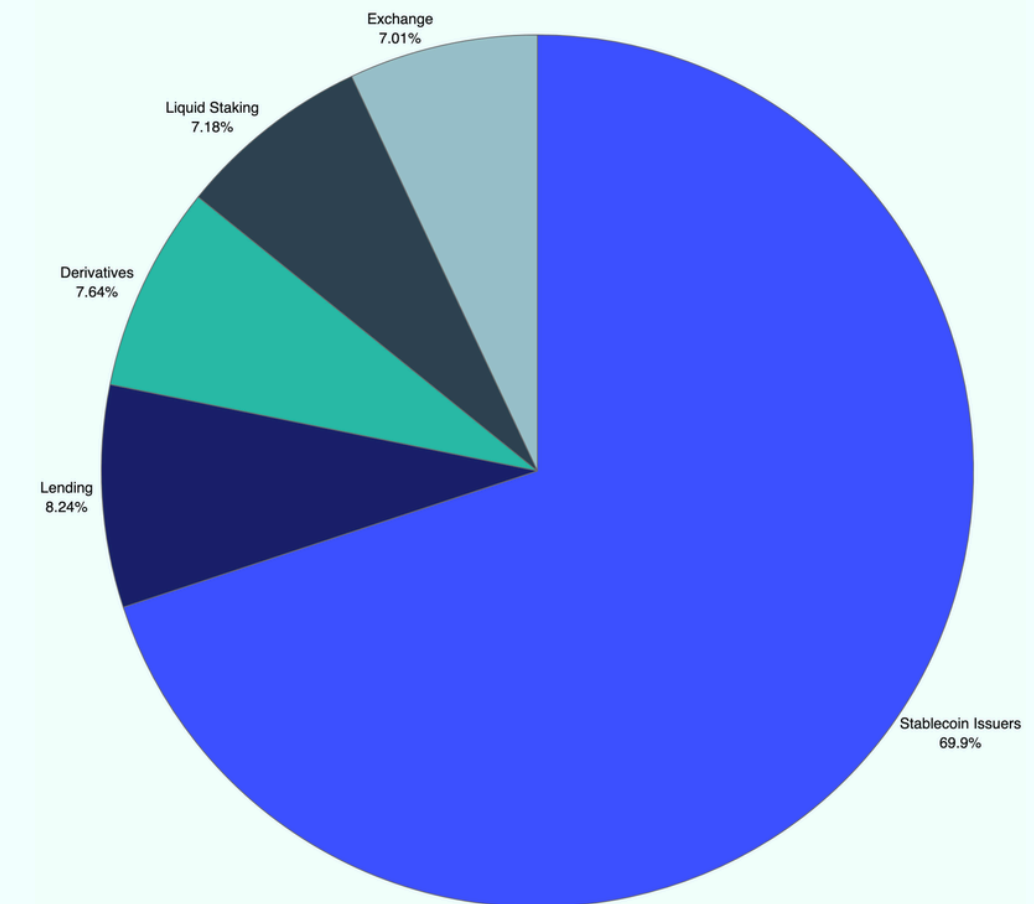
Analyzing Ethereum's total fees and their sector composition provides insight into the use cases driving network revenue. Ethereum layer-1 fees fell 32.1% month-over-month in May to \$16.7 million from \$24.5 million in April as on-chain activity cooled alongside softer prices. Based on the latest sector breakdown, stablecoin transfers accounted for the largest share of network revenue at 62.8%, followed by lending at 7.4%, derivatives at 6.9%, liquid staking at 6.4%, and exchange activity at 6.3%.

### Trailing Twelve Month Fees, ETH



Source: CF Benchmarks, Token Terminal, as of May 31, 2026

### Fees by Sector

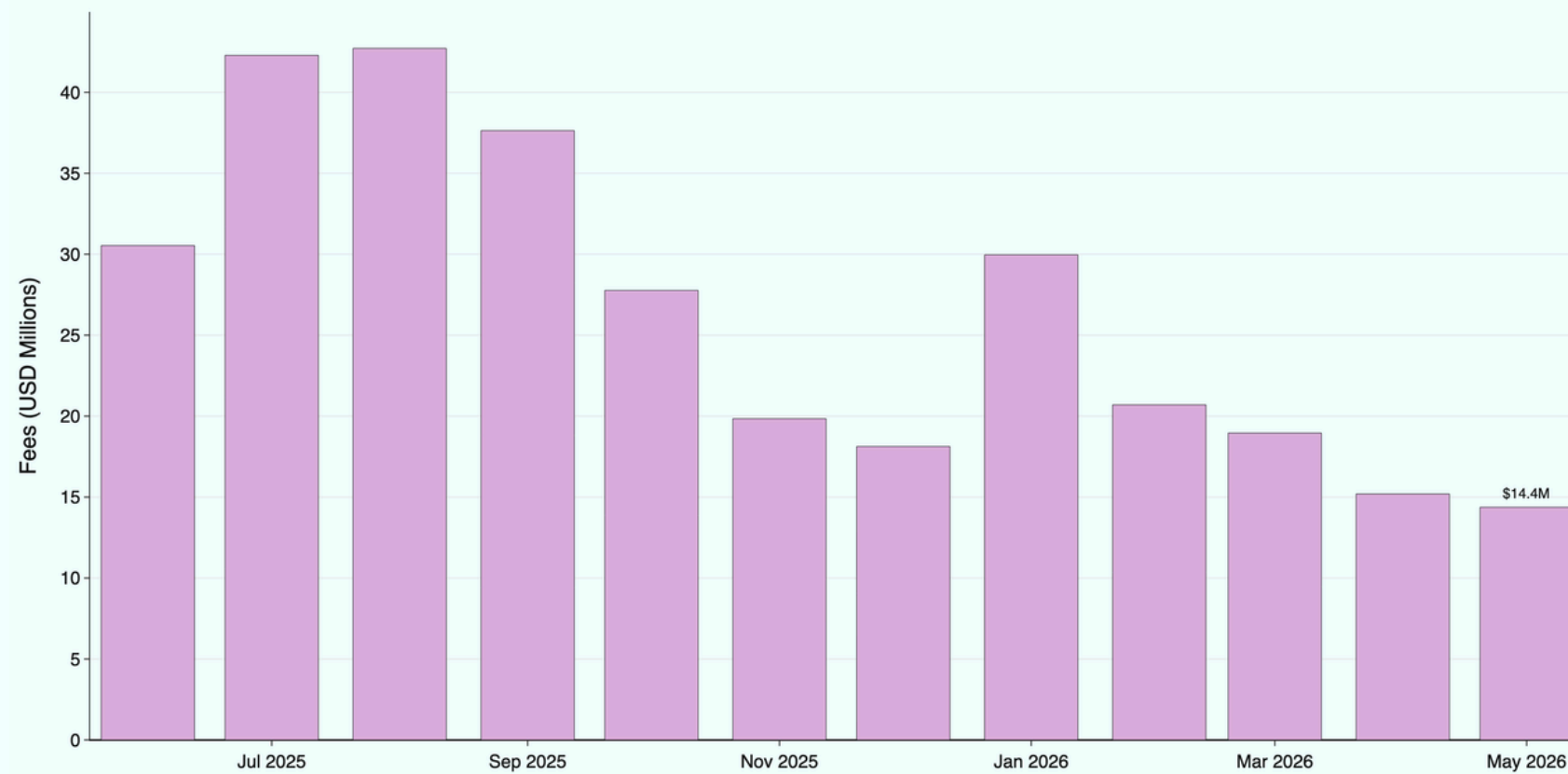


Source: CF Benchmarks, Token Terminal, as of May 31, 2026

# Solana Revenue Dashboard

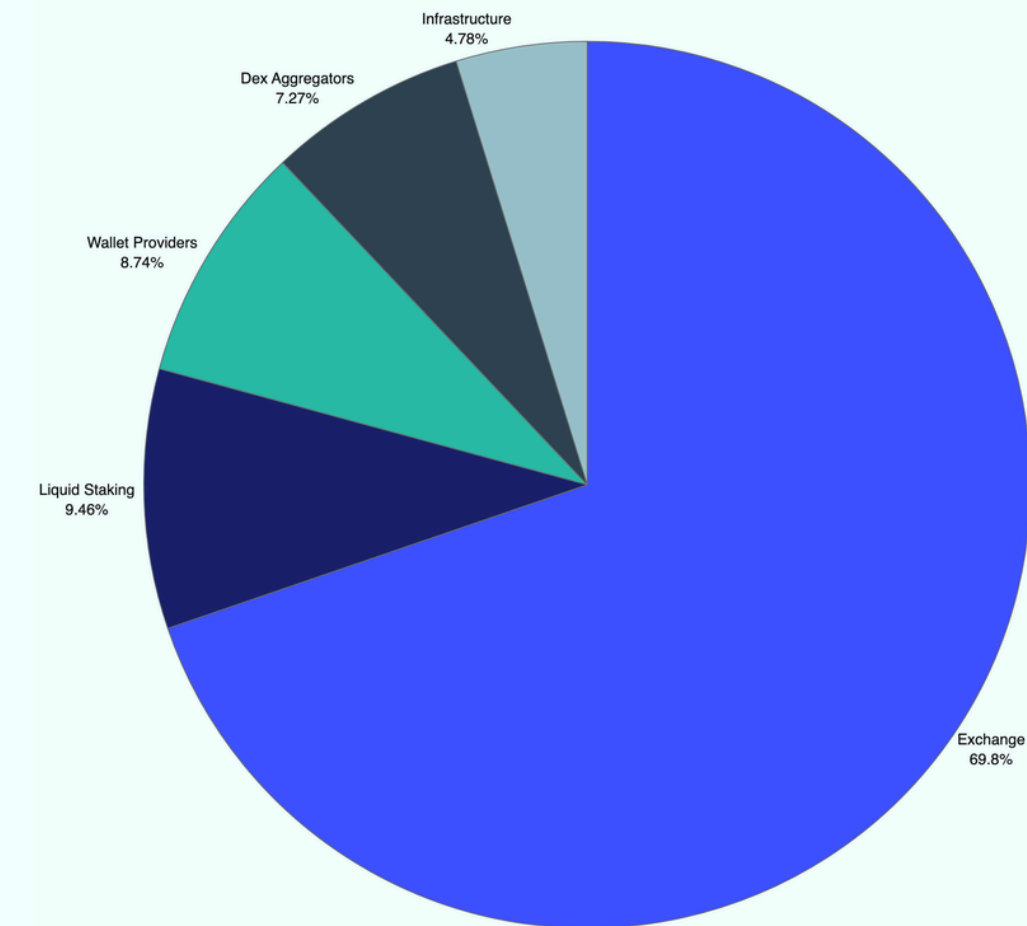
Similar to Ethereum, examining Solana's fee revenue and its sector composition helps identify the applications driving network demand and value capture. In May, Solana's layer-1 fees declined 5.4% to \$14.4 million from \$15.2 million in April, a fourth consecutive month of softening fee generation. Based on the latest sector data, exchange activity dominated network revenue at 55.9%, followed by base-layer transactions at 17.3%, liquid staking at 7.6%, wallet providers at 7.0%, and DEX aggregators at 5.8%.

## Trailing Twelve Month Fees, SOL



Source: CF Benchmarks, Token Terminal, as of May 31, 2026

## Fees by Sector

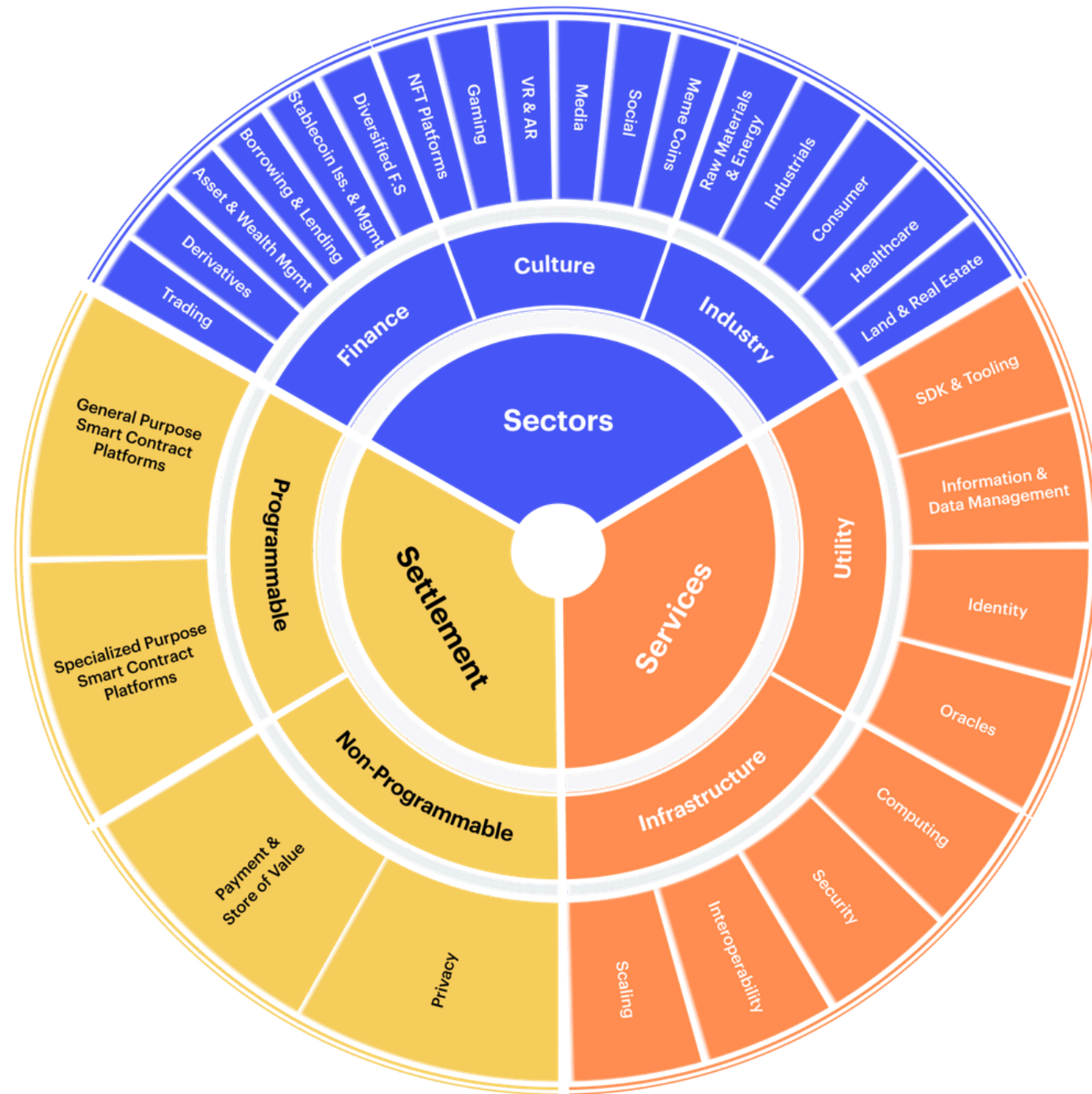


Source: CF Benchmarks, Token Terminal, as of May 31, 2026

# Appendix

# CF Digital Asset Classification Structure

## CF Digital Asset Classification Structure



The CF Digital Asset Classification Structure (CF DACS) classifies coins and tokens based on the services that the associated software protocol delivers to end users, grouping assets by the role they play in delivering services to end users. The CF DACS powers CF Benchmarks' sector composite and category portfolio indices and allows users to perform attribution analysis to better understand the fundamental drivers of returns within their digital asset portfolios.

# Additional Resources

## Index Resources

For more information about our CF Benchmark indices and our methodologies, please visit the respective web links below:

- [CF Diversified Large Cap Index](#)
- [CF DeFi Composite Index](#)
- [CF Web 3.0 Smart Contract Platforms Index](#)
- [CF Digital Culture Composite Index](#)
- [CF Cryptocurrency Ultra Cap 5 Index](#)
- [CF Broad Cap Index Market Cap Weight](#)
- [CF Broad Cap Index Diversified Weight](#)

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