

# Monthly Market Recap

February 2026

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# Market Performance

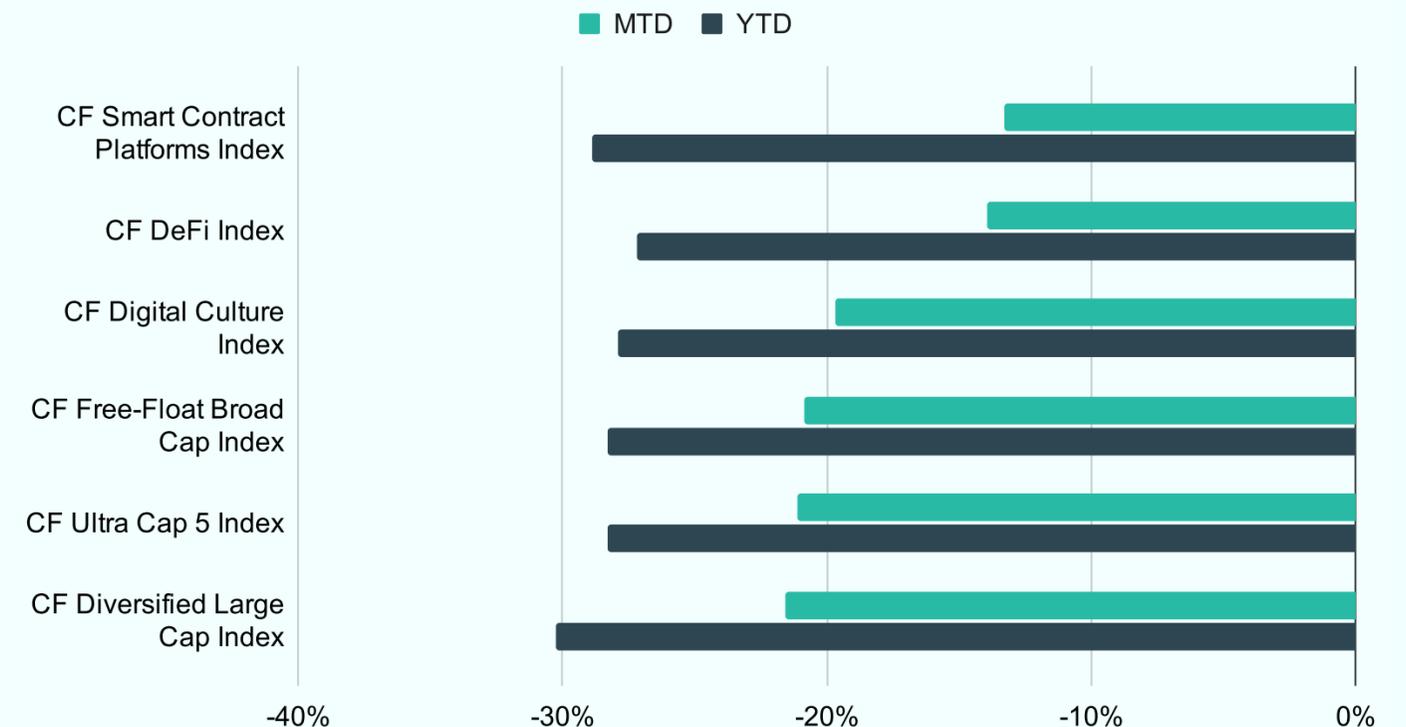
# Regulatory Gridlock and Geopolitical Shock

## Market Summary

Macro, regulatory and geopolitical uncertainty intensified in February, triggering a wave of liquidations across digital assets as risk appetite deteriorated sharply. The Senate confirmation process for Kevin Warsh, widely viewed by markets as a surprisingly hawkish pick for Fed Chair, faced early headwinds after Senator Tillis vowed to block the nomination until a DOJ investigation into the Fed was resolved. Regulatory momentum stalled as the CLARITY Act languished in the Senate after the Banking Committee postponed its January markup amid industry pushback over a stablecoin interest payment amendment; two White House-brokered sessions in early February failed to bridge the divide. Bitcoin sold off sharply early in the month, temporarily breaching the \$60,000 level before stabilizing in the mid-\$60,000 range. The severity of the move was underscored by the CME CF Bitcoin Volatility Index (BVX), which registered a four-standard-deviation spike amid the liquidation cascade. Geopolitical risk escalated further as coordinated U.S.-Israeli military strikes on Iran on February 28 spiked uncertainty across a region critical to global oil markets. With legislative progress frozen and geopolitical tensions reinforcing a risk-off posture, liquidity thinned and higher-beta tokens bore the brunt of the sell-off.

The result was a deepening of the 2026 drawdown, with digital assets broadly lower for a second consecutive month. The CF Smart Contract Platforms Index was the relative outperformer, falling 13% month-to-date, while the CF DeFi Index declined 14%. The CF Digital Culture Index lost 20%, and both the CF Ultra Cap 5 and CF Free-Float Broad Cap indices fell approximately 21%. The CF Diversified Large Cap Index trailed at -22%. On a year-to-date basis, losses widened materially, with the Diversified Large Cap down over 30% and most other indices down around 28%.

## Benchmark Performance

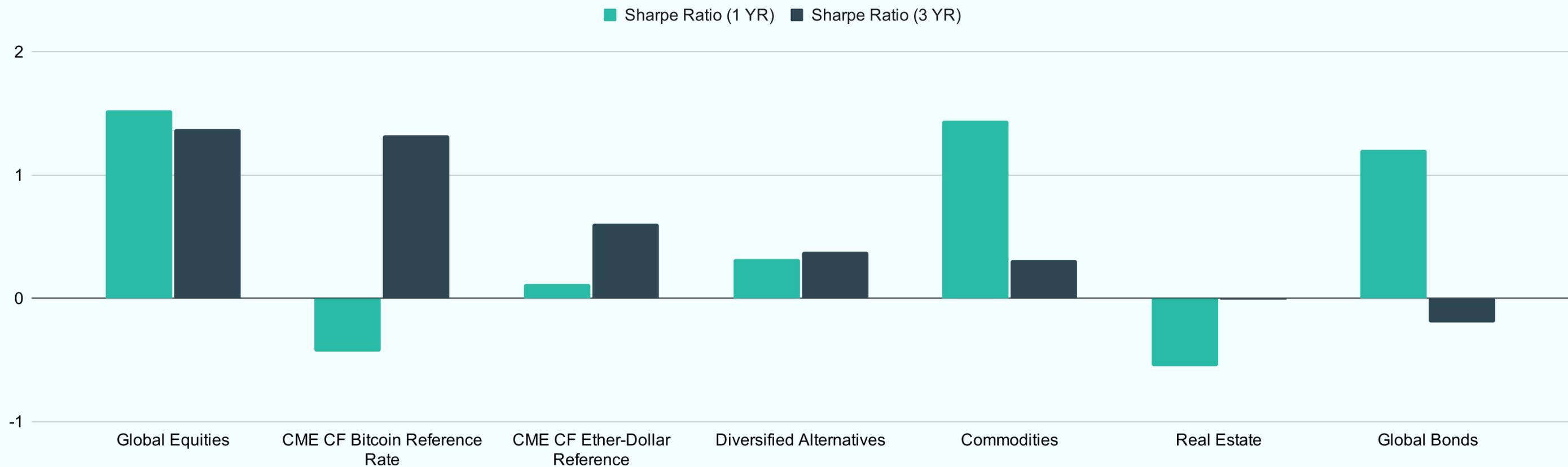


All index performance is rebased to 100.  
Source: CF Benchmarks, Bloomberg, as of February 28, 2026

# Trailing Risk-Adjusted Returns

The Sharpe ratio measures the return of an asset relative to the risk taken. Both Bitcoin and Ether currently demonstrate strong risk-adjusted performance over a longer, three-year horizon, positioning them favorably relative to many traditional asset classes.

## Sharpe Ratio



Source: CF Benchmarks, Bloomberg, total return indices are referenced in USD, as of February 28, 2026

# Major Crypto-Pairs

Name	Category	Sub-Category	Segment	1 Month	3 Month	1 Year	30 D Volatility
Maker	Sectors	Finance	Stablecoin Issuance & Management	24.0%	21.8%	1.6%	157.33
Polkadot	Settlement	Programmable	General Purpose Smart Contract Platforms	6.9%	-28.2%	-65.5%	128.25
Hedera	Settlement	Programmable	General Purpose Smart Contract Platforms	2.6%	2.6%	2.6%	60.12
Internet Computer	Settlement	Programmable	General Purpose Smart Contract Platforms	2.0%	2.0%	2.0%	93.44
Avalanche	Settlement	Programmable	General Purpose Smart Contract Platforms	-1.0%	-1.0%	-1.0%	81.09
Uniswap	Sectors	Finance	Trading	-1.8%	-37.7%	-48.9%	112.34
Cardano	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.3%	-34.4%	-55.9%	95.35
Stacks	Services	Infrastructure	Computing	-4.5%	-4.5%	-4.5%	74.76
Stellar	Settlement	Non-Programmable	Store Of Value And Payment	-5.2%	-5.2%	-5.2%	63.54
Filecoin	Services	Utility	Information & Data Management	-5.6%	-36.9%	-69.5%	99.03
Aave	Sectors	Finance	Borrowing & Lending	-6.9%	-6.9%	-6.9%	76.44
Bitcoin Cash	Settlement	Non-Programmable	Store Of Value And Payment	-6.9%	-17.3%	43.2%	85.53
Litecoin	Settlement	Non-Programmable	Store Of Value And Payment	-7.6%	-35.2%	-57.6%	74.90
Dogecoin	Settlement	Non-Programmable	Store Of Value And Payment	-8.5%	-36.9%	-53.5%	97.77
EOS	Settlement	Programmable	General Purpose Smart Contract Platforms	-9.2%	-58.1%	-85.2%	91.98
Cosmos	Settlement	Programmable	General Purpose Smart Contract Platforms	-10.0%	-24.9%	-58.3%	69.15
Chainlink	Services	Utility	Oracles	-10.3%	-33.8%	-40.4%	87.36
Ethereum Classic	Settlement	Programmable	General Purpose Smart Contract Platforms	-10.3%	-38.2%	-56.1%	87.94
Vechain	Settlement	Programmable	General Purpose Smart Contract Platforms	-12.0%	-12.0%	-12.0%	76.23
Fantom	Settlement	Programmable	General Purpose Smart Contract Platforms	-12.6%	-56.4%	-93.0%	132.43
Curve DAO Token	Sectors	Finance	Trading	-13.0%	-39.5%	-44.3%	93.73
Bitcoin	Settlement	Non-Programmable	Store Of Value And Payment	-14.7%	-26.8%	-20.8%	70.23
Ripple	Settlement	Non-Programmable	Store of Value and Payment	-14.9%	-37.0%	-35.9%	119.04
Decentraland	Sectors	Culture	Vr And Ar	-15.0%	-39.6%	-67.2%	90.14
Algorand	Settlement	Programmable	General Purpose Smart Contract Platforms	-15.1%	-35.6%	-63.0%	79.05
Solana	Settlement	Programmable	General Purpose Smart Contract Platforms	-18.2%	-38.3%	-42.8%	95.14
Ether	Settlement	Programmable	General Purpose Smart Contract Platforms	-19.0%	-35.2%	-11.9%	84.71
Synthetix	Sectors	Finance	Derivatives	-21.9%	-43.2%	-44.4%	80.48
Tezos	Settlement	Programmable	General Purpose Smart Contract Platforms	-24.0%	-22.4%	-50.0%	62.83
Apecoin	Sectors	Culture	Social	-28.4%	-61.0%	-84.0%	89.35
Polygon	Services	Infrastructure	Scaling	-41.1%	-41.1%	-59.9%	209.08

Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of February 28, 2026

## Leaders

Maker (MKR) led February's major crypto performers with a 24.0% gain, driven by strong DeFi lending activity and protocol revenue growth. Polkadot (DOT) followed at +6.9%, supported by interoperability developments and ecosystem expansion. Hedera (HBAR) held resilient with +2.6%, buoyed by enterprise adoption momentum and steady network growth.

## Laggards

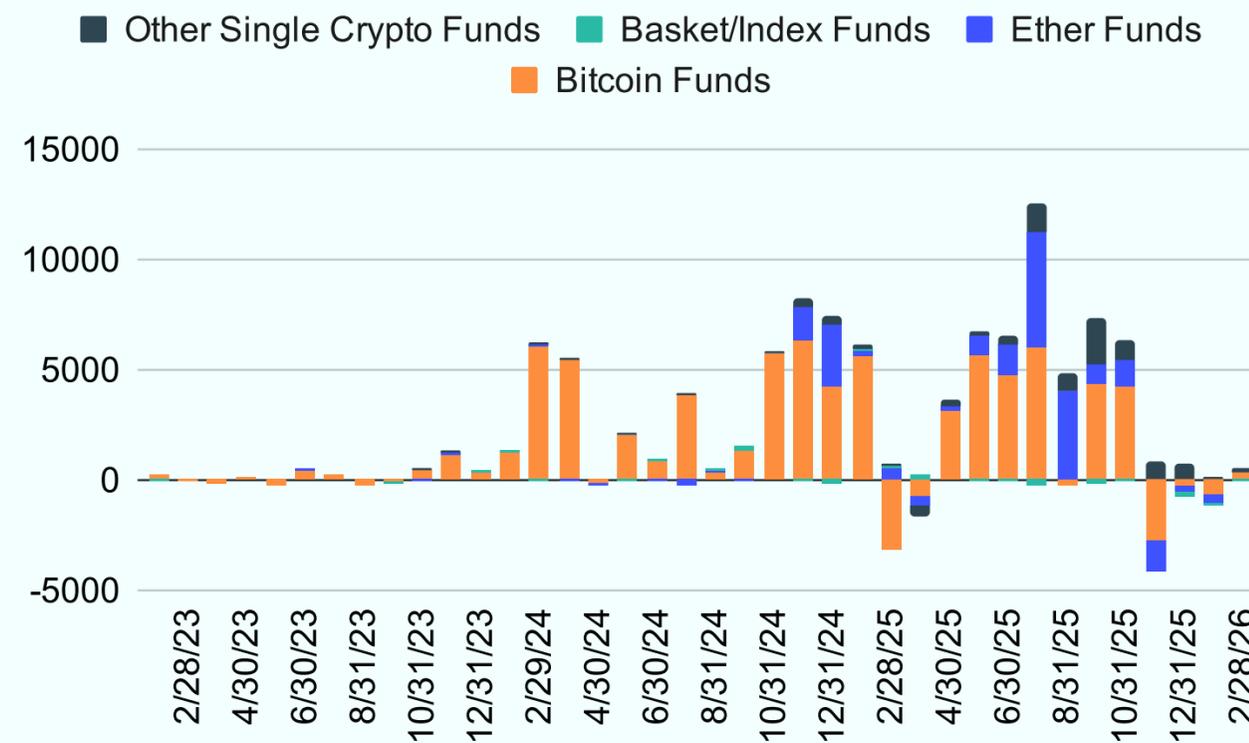
Polygon (POL) trailed February's majors with a -41.1% plunge, hit by competitive pressure from alternative Layer-2 solutions. Apecoin (APE) followed at -28.4%, pressured by continued NFT and metaverse apathy. Tezos (XTZ) rounded out the laggards with -24.0%, suffering from ecosystem stagnation and declining developer activity.

# Investor Activity & Sentiment Positioning

# Fund Flows

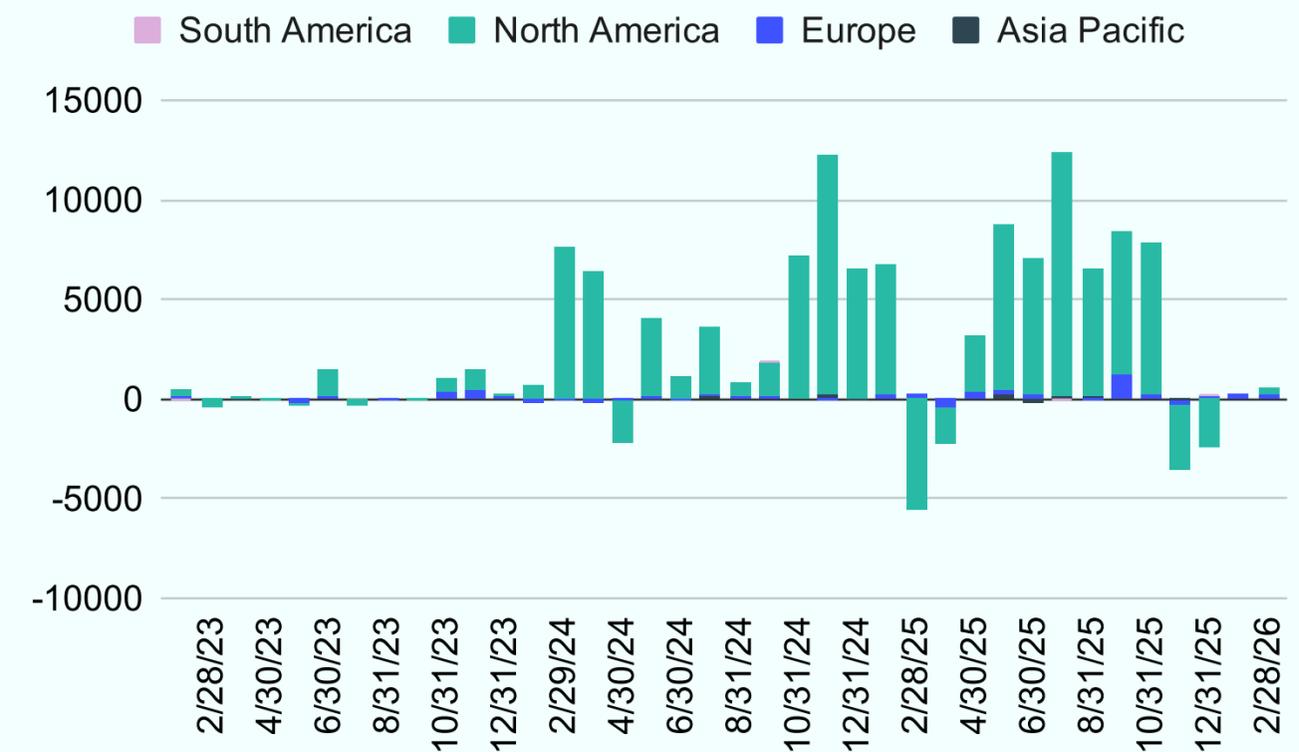
February marked a notable reversal in fund flow dynamics, with digital asset funds recording approximately \$484 million in net inflows after January's \$1.0 billion in outflows. Bitcoin funds led the recovery with \$327 million in inflows, while other single crypto funds attracted \$195 million. Ether funds saw modest inflows of \$5 million, while Basket/Index funds recorded \$43 million in outflows. Regionally, inflows were broad-based, with North America contributing \$271 million, Europe adding \$240 million, South America at \$43 million, and Asia Pacific at \$38 million.

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



Source: CF Benchmarks, Bloomberg, as of February 28, 2026

### Regional Fund Flows (\$m)

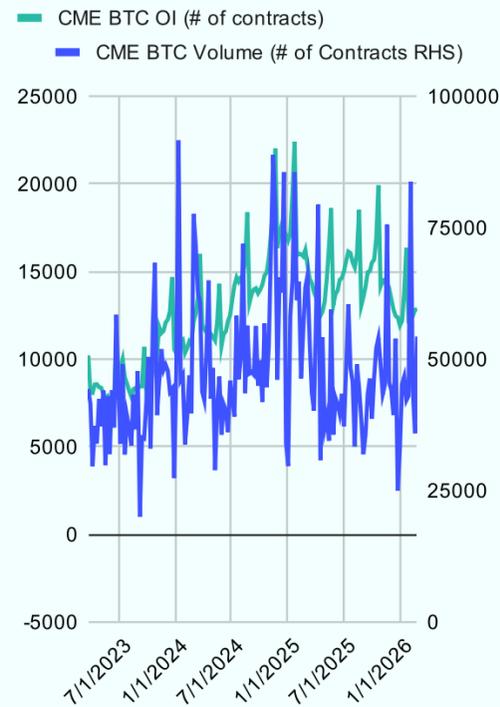


Source: CF Benchmarks, Bloomberg, as of February 28, 2026

# Futures Positioning and Open Interest

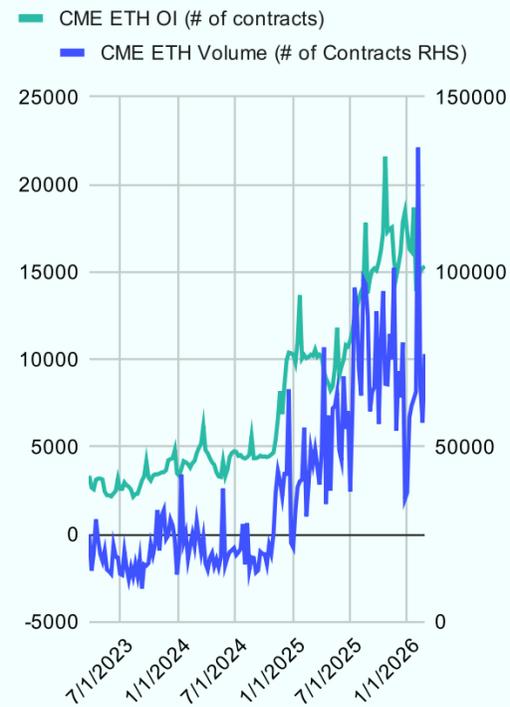
In February, open interest rose for Bitcoin (+5.4% to 12,853) and Ether (+6.4% to 15,330), while Solana (-13.9% to 8,880) and XRP (-9.2% to 5,207) declined. Peak volumes were recorded in early February: Bitcoin with 83,749 contracts, Ether 135,580 contracts, Solana 36,467 contracts, and XRP 13,515 contracts, coinciding with the peak volatility during the period.

## CME Bitcoin Volume and Open Interest



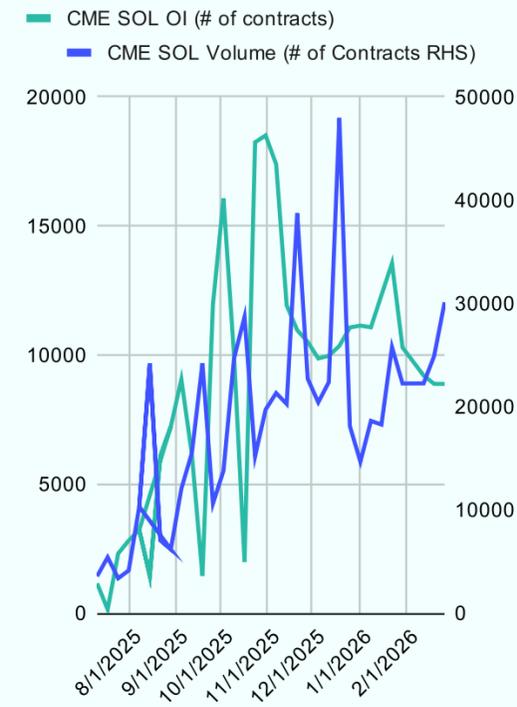
Source: CF Benchmarks, CFTC, Bloomberg, as of February 28, 2026

## CME Ether Volume and Open Interest



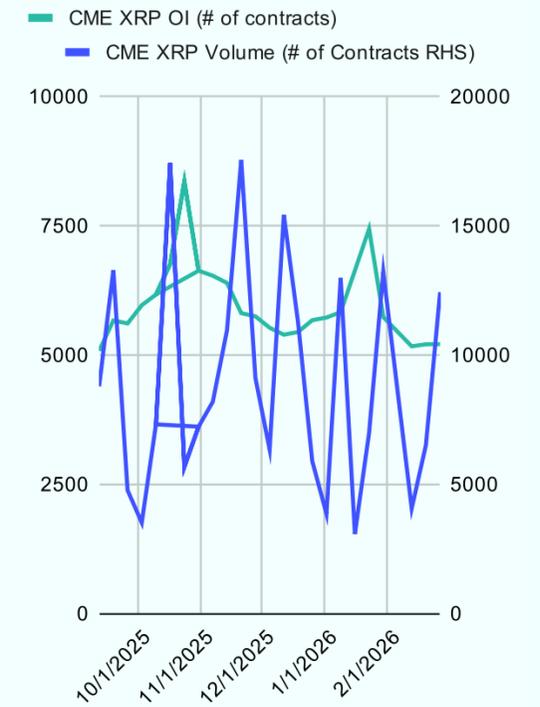
Source: CF Benchmarks, CFTC, Bloomberg, as of February 28, 2026

## CME Solana Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg, as of February 28, 2026

## CME XRP Volume and Open Interest



Source: CF Benchmarks, CFTC, Bloomberg, as of February 28, 2026

# CF Bitcoin Volatility Index (BVX)

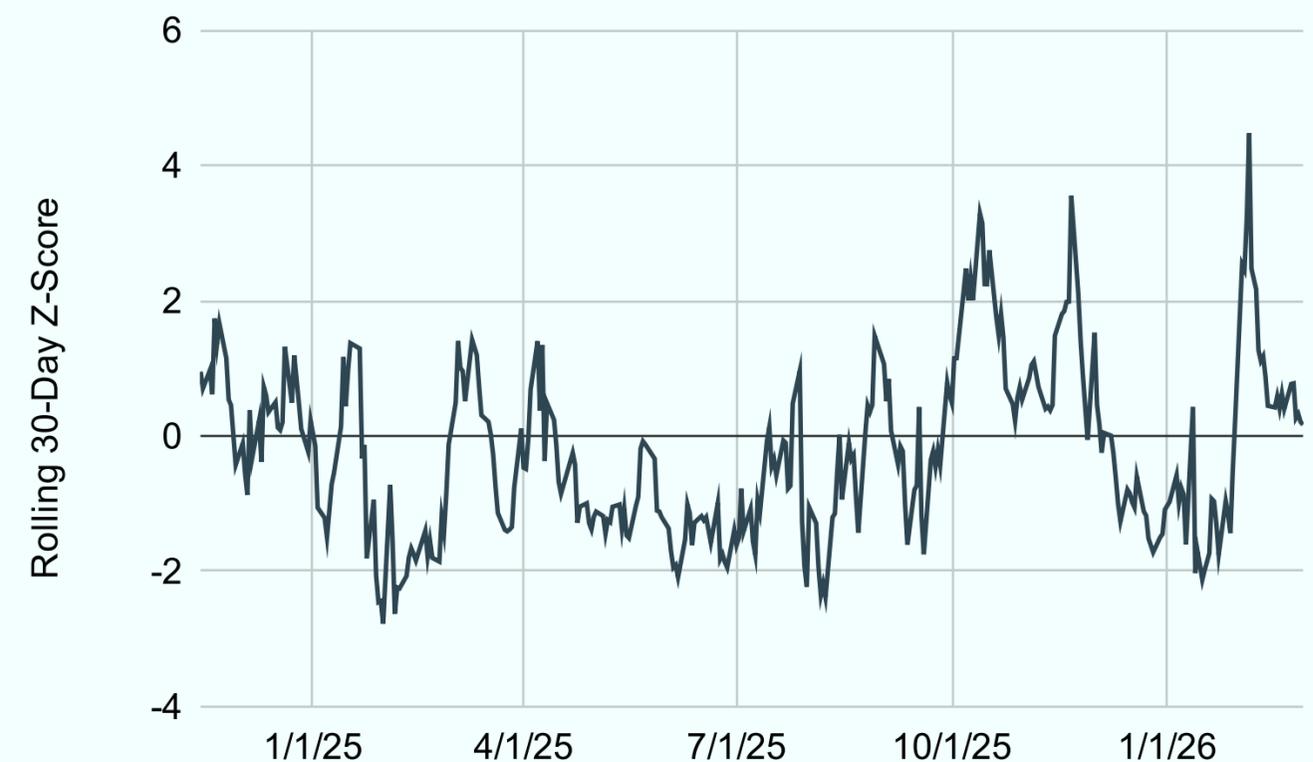
The CF Bitcoin Volatility Index Settlement Rate (BVXS) is a daily benchmark that provides a forward-looking, 30-day constant-maturity measure of implied volatility, derived from CFTC-regulated Bitcoin option contracts traded on the CME. The BVX reflects the fair strike of a variance swap. The BVX ranged from 49.07 to 76.60 in February, closing the month at 53.55. The z-score peaked at +4.47, indicating elevated volatility relative to historical norms as markets sold off sharply before stabilizing into month-end.

BVX Index



Source: CF Benchmarks, Bloomberg, as of February 28, 2026

Rolling 30-Day Z-Score



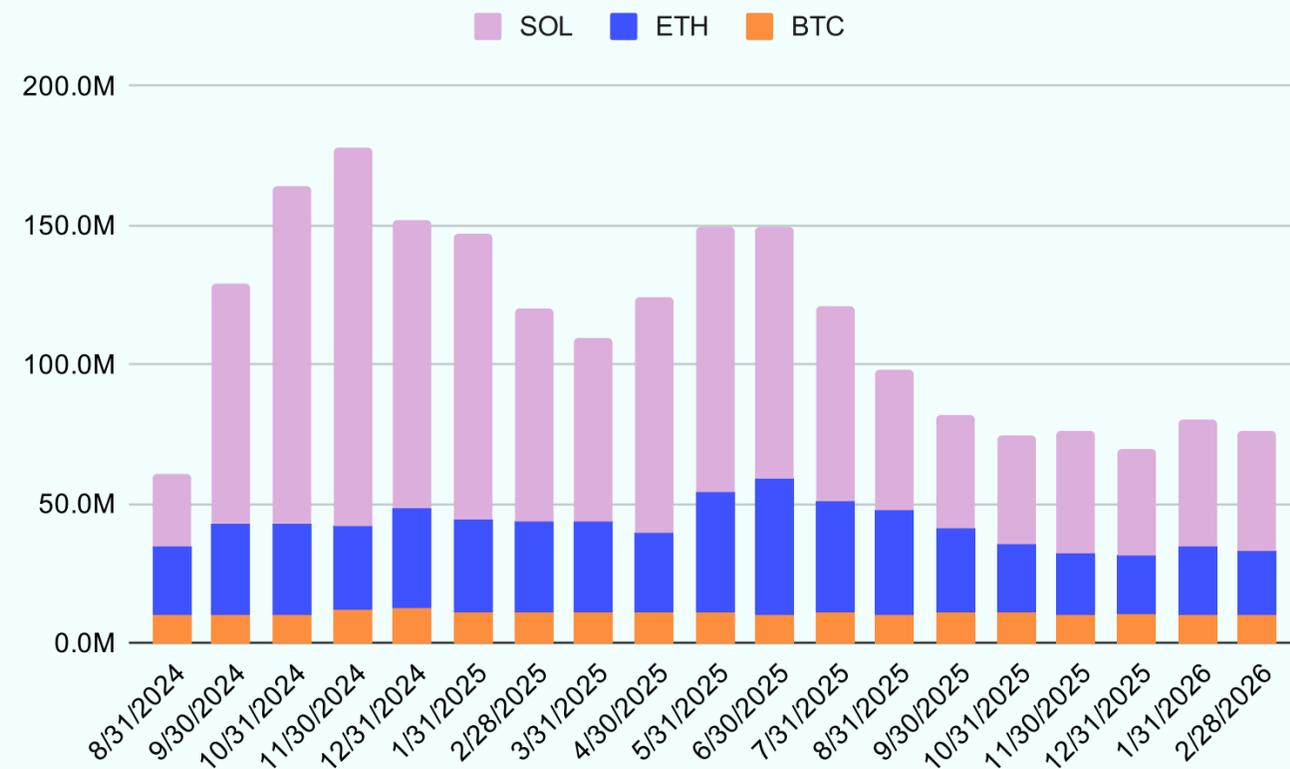
Source: CF Benchmarks, Bloomberg, as of February 28, 2026

# Network Fundamentals & Reward Rates

# Monthly Active Addresses

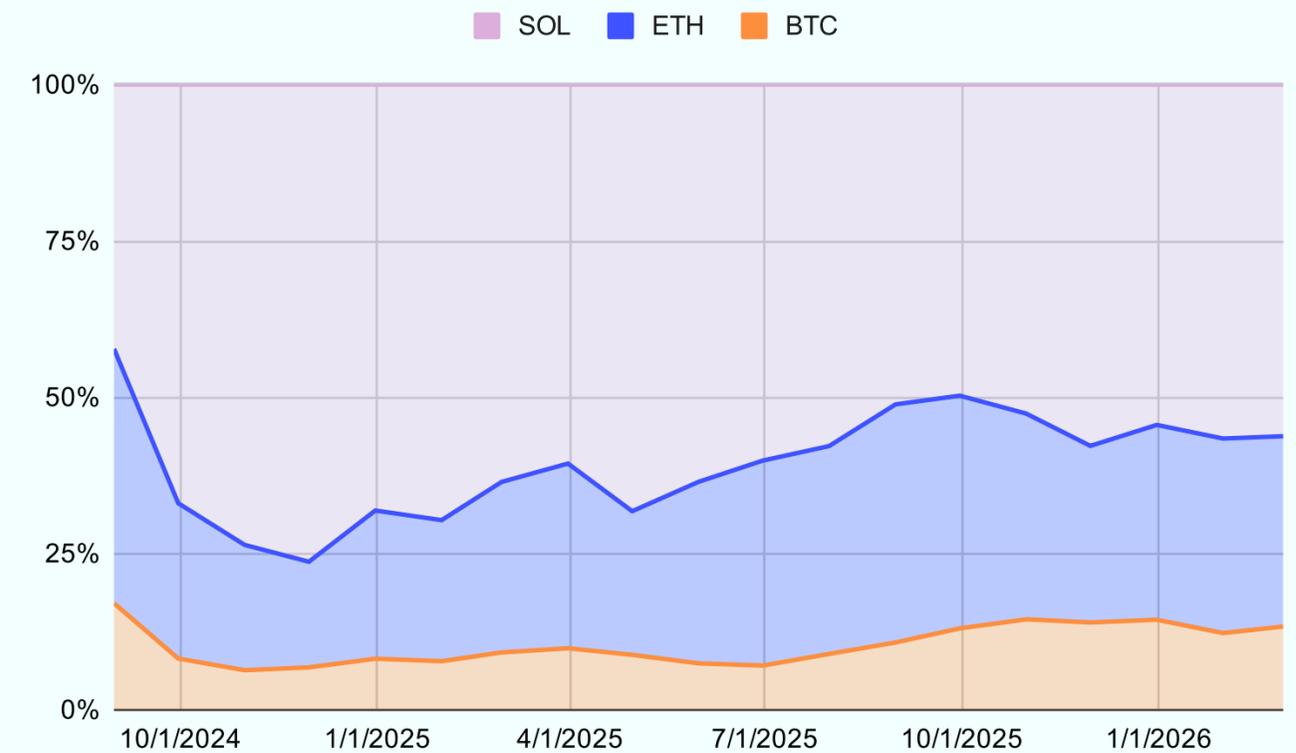
Active addresses were mixed in February. Bitcoin rose 2.9% to 10.2M, while Ethereum fell 7.2% to 23.3M and Solana declined 5.8% to 43.0M. The divergence reflects the Bitcoin network's resilience despite broader market weakness seen across the Ethereum and Solana ecosystems.

## Active Addresses



Source: CF Benchmarks, Token Terminal, as of February 28, 2026

## Share of Active Addresses



Source: CF Benchmarks, Token Terminal, as of February 28, 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 6.2% in February to \$346.1B, down from \$369.0B in January. The pullback reflects broader market weakness across DeFi protocols, with reduced user activity and lower asset valuations weighing on TVL across major chains.

### Total TVL



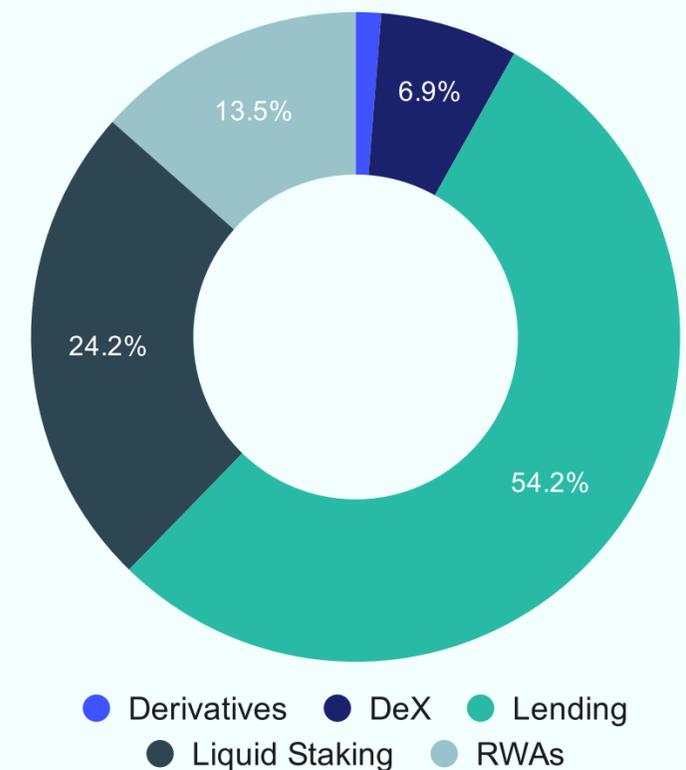
Source: CF Benchmarks, Token Terminal, as of February 28, 2026

### TVL by Chain



Source: CF Benchmarks, Token Terminal, as of February 28, 2026

### TVL By Segment

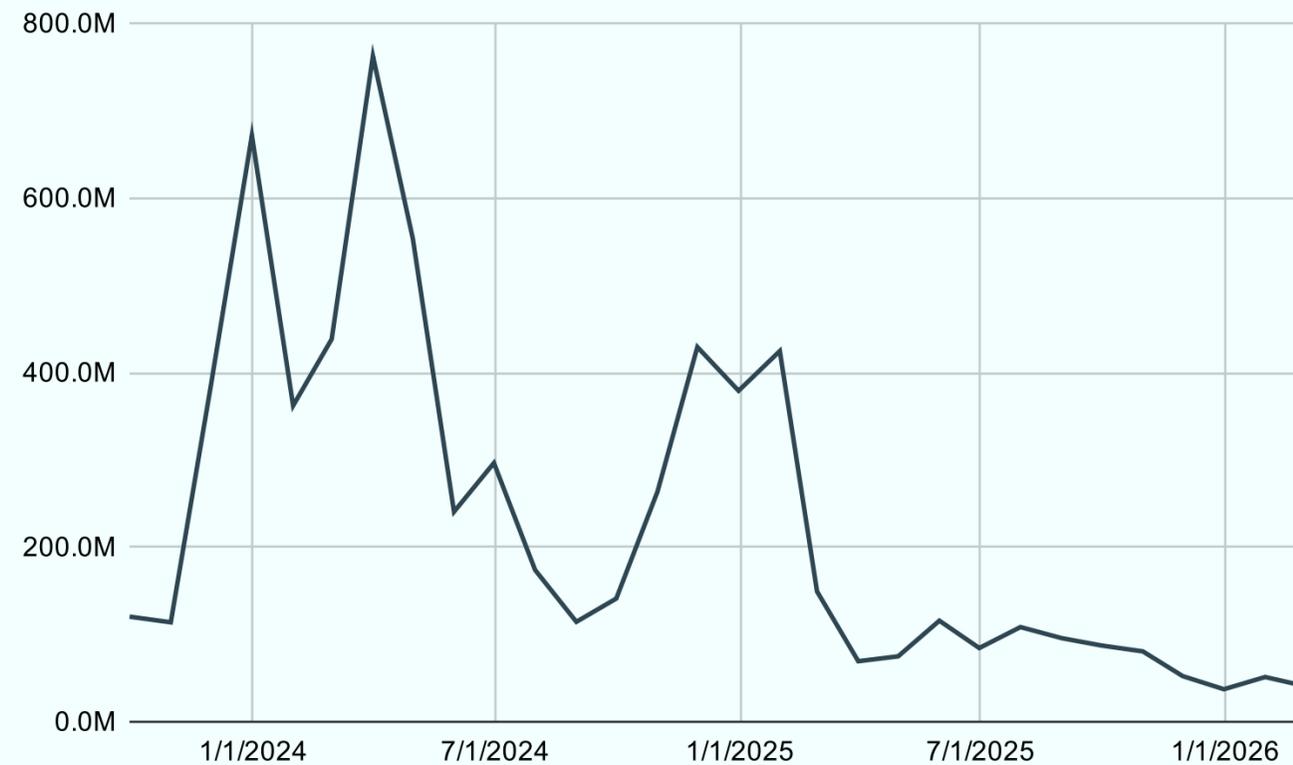


Source: CF Benchmarks, Token Terminal, as of February 28, 2026

# 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 L1 fees declined to \$41.5M in February from \$51.2M in January. Solana led with \$20.7M (49.9%), followed by Ethereum at \$15.2M (36.8%) and Bitcoin at \$5.5M (13.3%). The drop was driven primarily by lower activity on Solana.

### Monthly L1 Fees Paid



Source: CF Benchmarks, Token Terminal, as of February 28, 2026

### Share of Layer 1 Fees

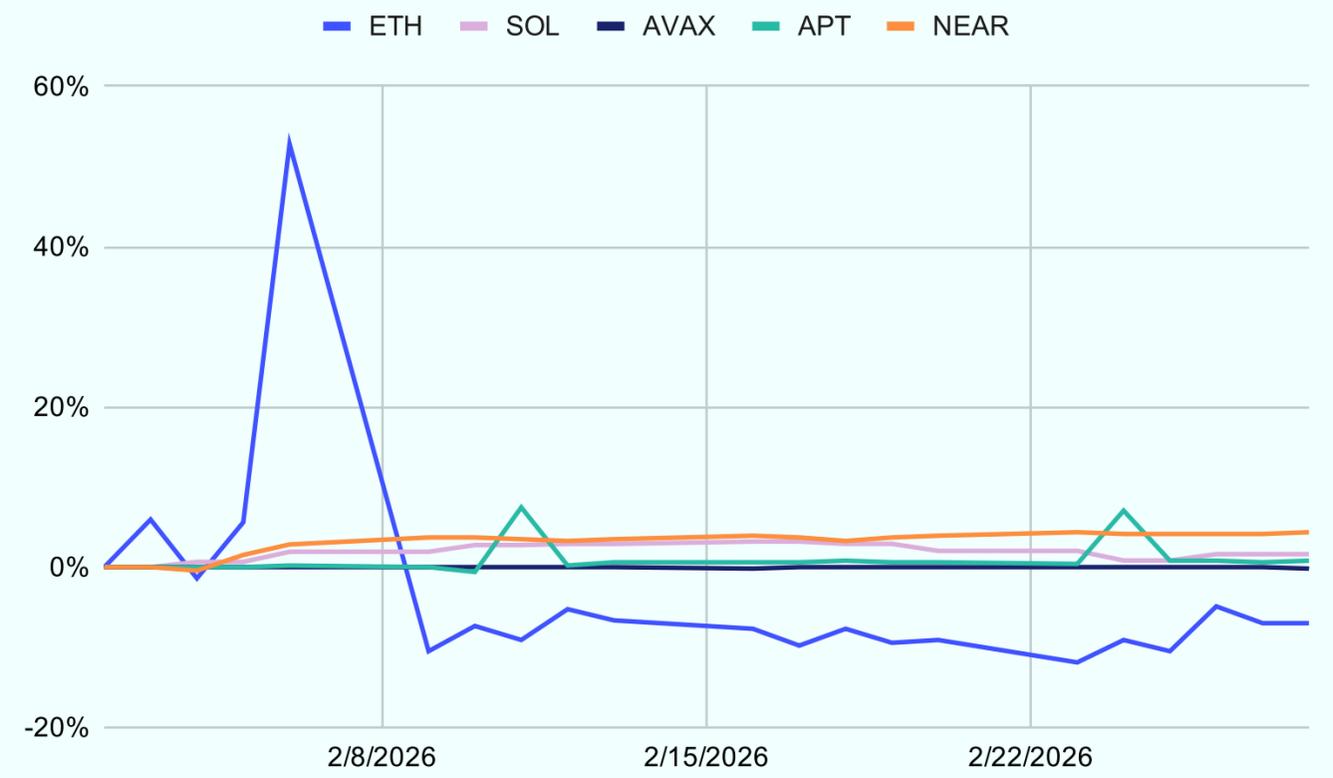


Source: CF Benchmarks, Token Terminal, as of February 28, 2026  
"Other" Represents the sum of the fees on Cardano, DOGE, Sui, and XLM

# Staking Rewards & Inflation Rates

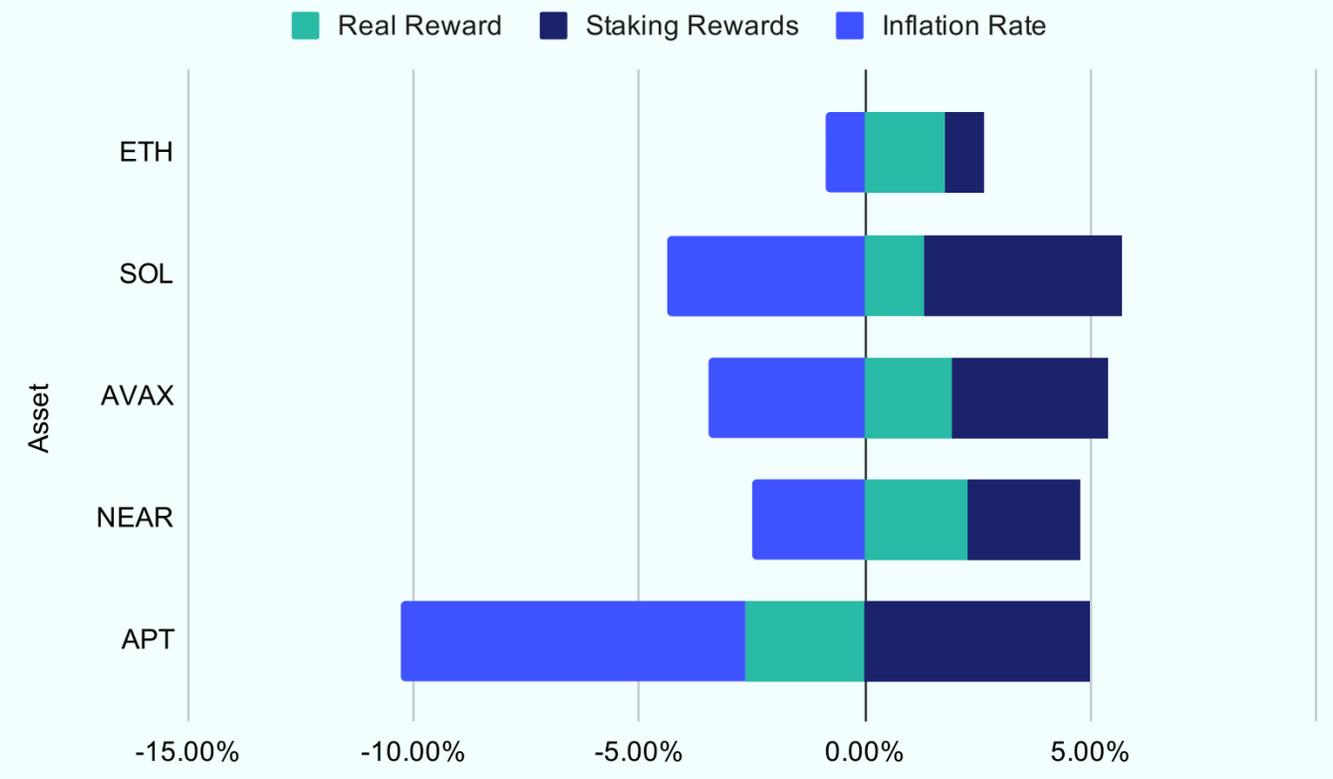
The reward rate in a Proof-of-Stake (PoS) blockchain is the annual return validators earn for staking, typically expressed as a percentage. It depends on factors such as total staked tokens, network yield, and protocol incentives. Inflation and staking participation strongly influence real returns: higher 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 February 28, 2026

## Staking Real Yields



Source: CF Benchmarks, stakingrewards.com as of February 28, 2026

## CF Staking Reward Rates as of February 28th

ETH	SOL	AVAX	APT	NEAR
2.66%	5.72%	5.40%	5.00%	4.79%

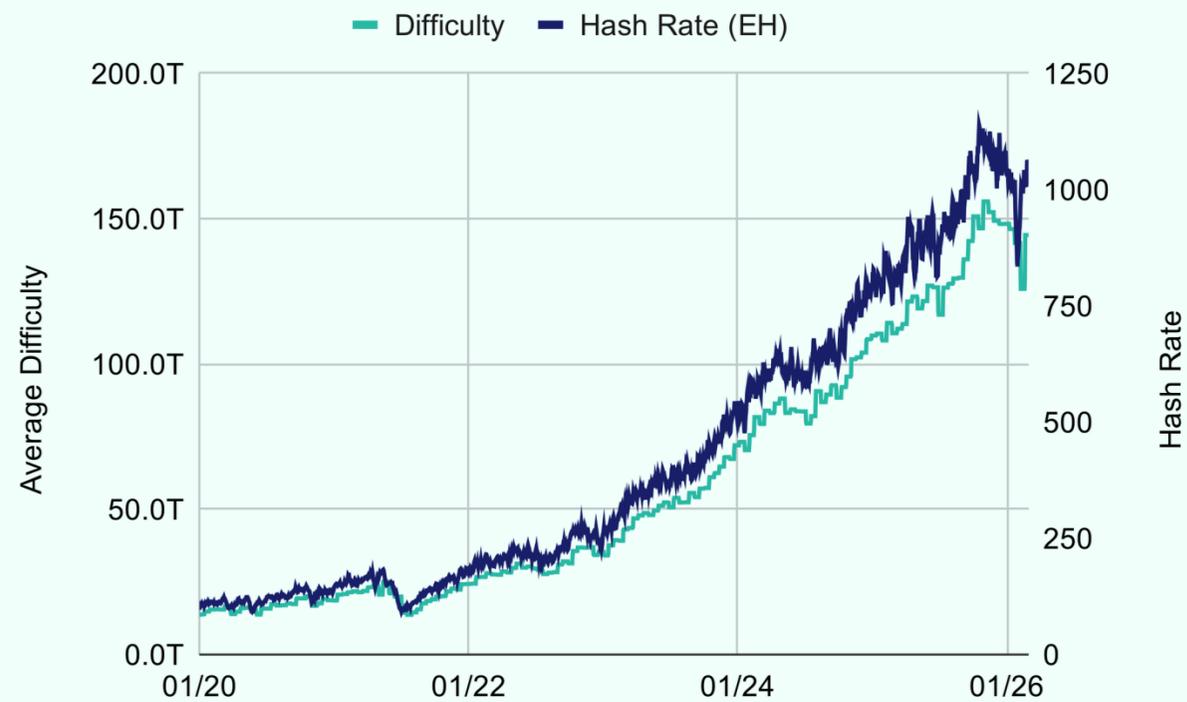
# Mining Metrics

# Bitcoin's Hash Rate & Mining Revenue

Bitcoin's hash rate recovered strongly in February, rising 23.5% to 1,064 exahashes per second from 861 EH/s at January's end. Mining difficulty, which measures the computational effort required to mine a new block and adjusts to maintain consistent block times, increased throughout the month, ending at 144.4T (+1.9%) as more computational power returned to the network following January's decline.

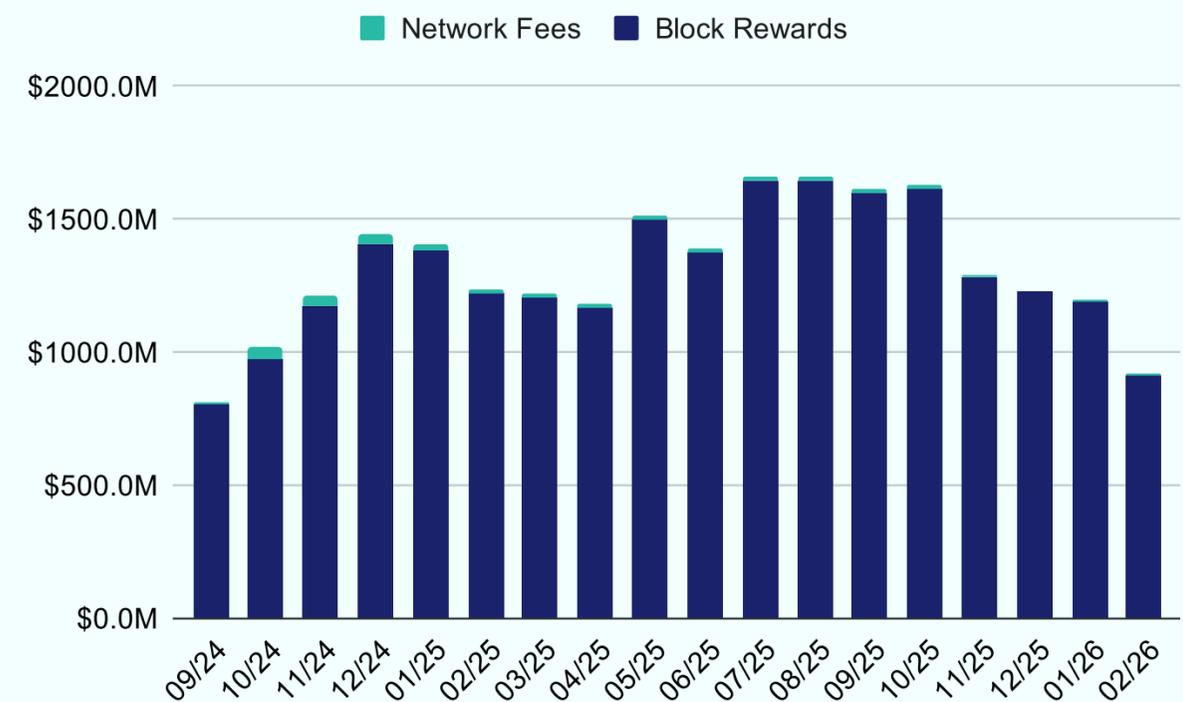
Bitcoin miners saw a 23.3% decrease in revenue in February, with total mining revenue of \$918.0 million. Of the total rewards earned during the month, 0.6% came from transaction fees, with block rewards totaling \$912.5 million and fees contributing \$5.5 million. The sharp decline was driven primarily by lower Bitcoin prices during the period.

## Hash Rate and Difficulty



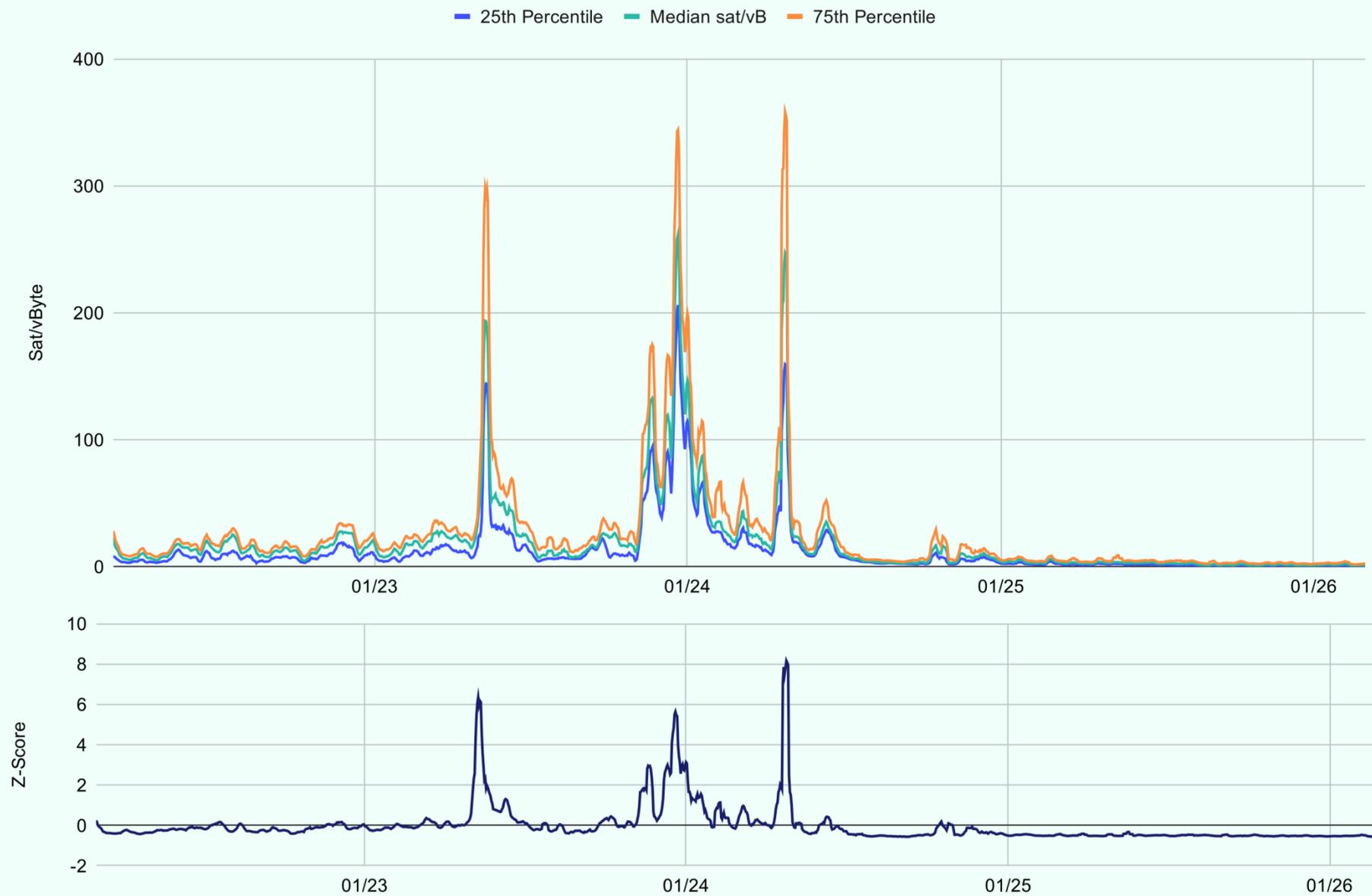
Source: CF Benchmarks, Dune Analytics as of February 28, 2026

## Bitcoin Mining Revenues by Month



Source: CF Benchmarks, Dune Analytics as of February 28, 2026

# Bitcoin Network Fees



Source: CF Benchmarks, Dune Analytics, as of February 28, 2026

- As Bitcoin's block subsidy decreases, network fees make up a larger share of miners' revenue. The behavior of these fees, especially during periods of high demand for block space, can provide insights into the sustainability of fee increases.
- The data shows that during periods of high demand, the 75th percentile transaction fees surge significantly higher than the median and 25th percentile fees, indicating a subset of transactions paying much higher fees to ensure prompt inclusion in blocks.
- When the Z-score of the interquartile range exceeds 2, it signals substantial increases in the 75th percentile relative to the 25th percentile, highlighting times of significant network congestion and temporarily elevated fees.

# Bitcoin Mining Matrix

- The following sensitivity table illustrates the revenue a miner will generate per megawatt hour consumed at the current difficulty, considering different levels of miner efficiency and varying Bitcoin prices, providing a comprehensive view of potential earnings under different market conditions. The table is color-coded to reflect profitability based on the 10th percentile industrial electricity rate in the United States of \$64.00 per MWh, as reported by the EIA in December 2025.
- This table helps miners compare revenues under various operational conditions, aiding in evaluating the useful life of their equipment. By comparing projected revenues at different Bitcoin prices to electricity costs, miners can determine whether they can continue running their current fleet or if they need to upgrade to maintain profitability.
- As income per MWh increases, miners are more likely to fund additional capital expenditures, which can increase the overall network hashrate. However, this increase in hashrate can subsequently reduce the income each individual miner earns.

		Bitcoin Price (USD)								
		\$54,345.94	\$57,206.25	\$60,217.11	\$63,386.43	\$66,722.56	\$70,058.69	\$73,561.62	\$77,239.70	\$81,101.69
Efficiency (Watts /TH)	29.5	\$33.62	\$35.39	\$37.25	\$39.21	\$41.28	\$43.34	\$45.51	\$47.78	\$50.17
	24	\$41.33	\$43.50	\$45.79	\$48.20	\$50.74	\$53.27	\$55.94	\$58.73	\$61.67
	21.5	\$46.13	\$48.56	\$51.11	\$53.80	\$56.64	\$59.47	\$62.44	\$65.56	\$68.84
	18.5	\$53.61	\$56.43	\$59.40	\$62.53	\$65.82	\$69.11	\$72.57	\$76.20	\$80.01
	17.5	\$56.68	\$59.66	\$62.80	\$66.10	\$69.58	\$73.06	\$76.71	\$80.55	\$84.58
	15	\$66.12	\$69.60	\$73.26	\$77.12	\$81.18	\$85.24	\$89.50	\$93.97	\$98.67
	13.5	\$73.47	\$77.33	\$81.40	\$85.69	\$90.20	\$94.71	\$99.44	\$104.42	\$109.64
	9.5	\$104.40	\$109.90	\$115.68	\$121.77	\$128.18	\$134.59	\$141.32	\$148.38	\$155.80

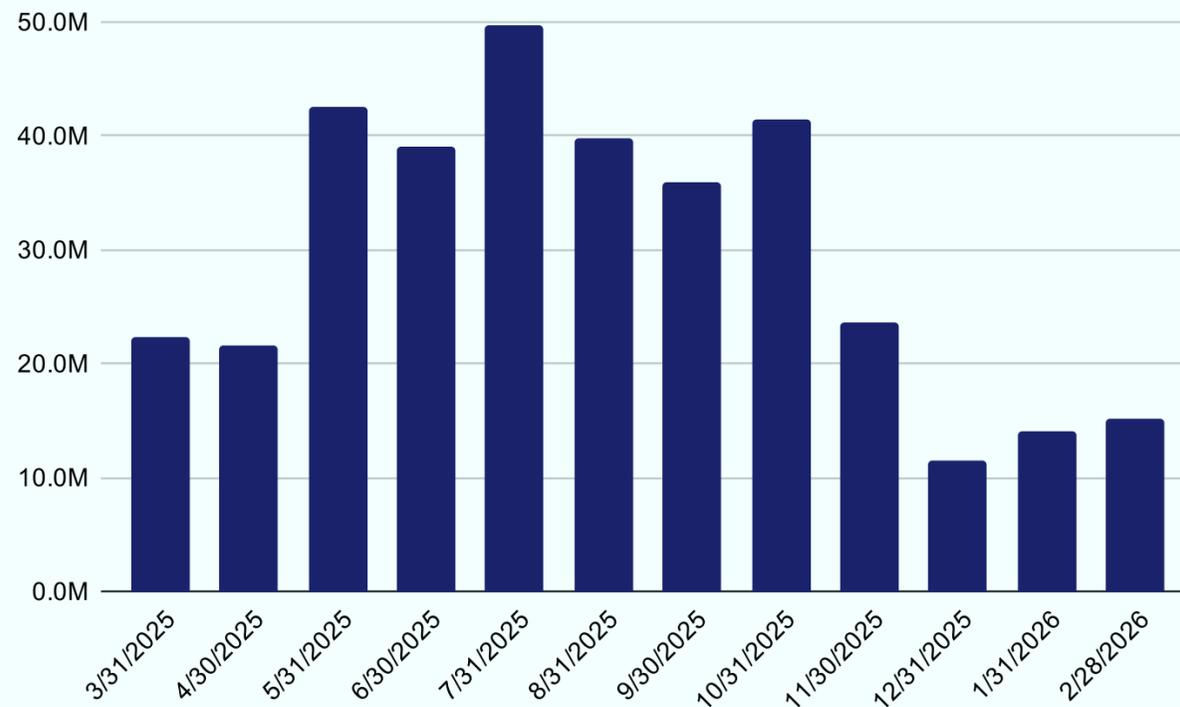
Source: CF Benchmarks, Luxor, as of February 28, 2026  
EIA.gov as of December 31, 2025

# Network & On-chain Updates

# Ethereum Revenue Dashboard

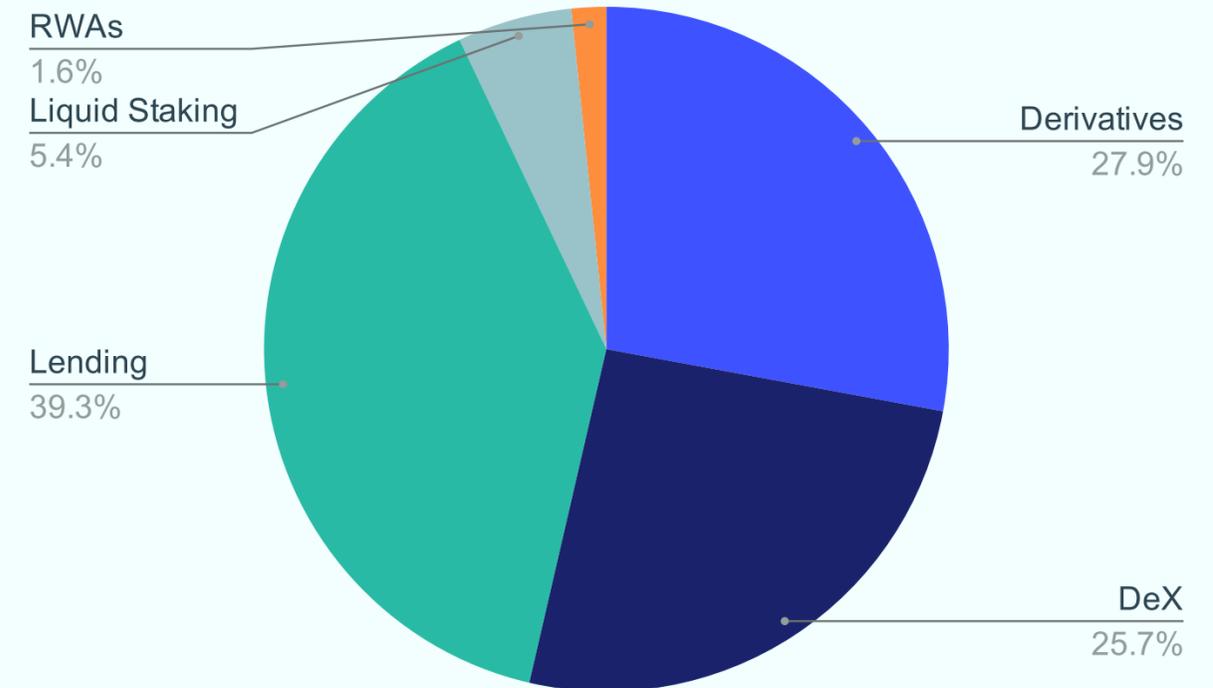
Analyzing Ethereum's total fees and their sector composition provides insight into the use cases driving network revenue. Ethereum layer-1 fees rose 8.8% month-over-month, increasing to \$15.2 million in February from \$14.0 million in January. Lending protocols accounted for the largest share at 39.3%, followed by derivatives at 27.9% and decentralized exchanges at 25.7%. Liquid staking contributed 5.4%, while real-world asset tokenization represented 1.6%.

### Trailing Twelve Month Fees, ETH



Source: CF Benchmarks, Dune Analytics as of February 28, 2026

### Fees by Sector

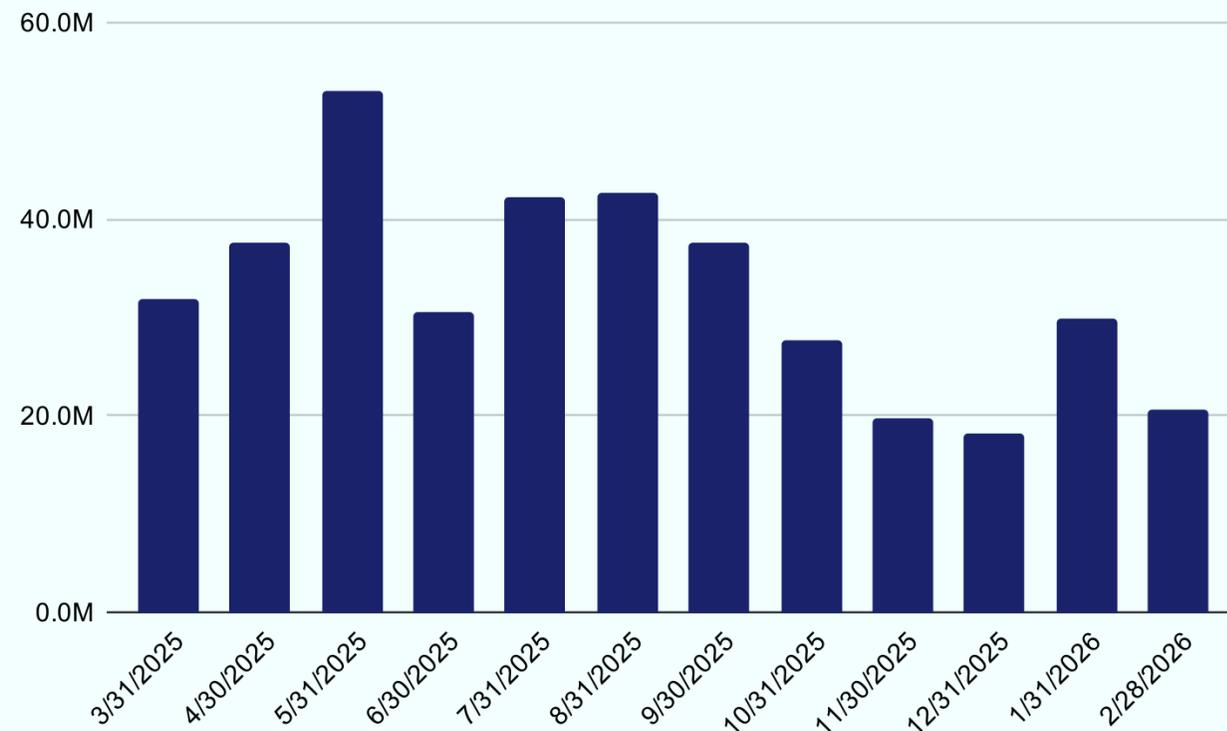


Source: CF Benchmarks, Dune Analytics as of February 28, 2026

# Solana Revenue Dashboard

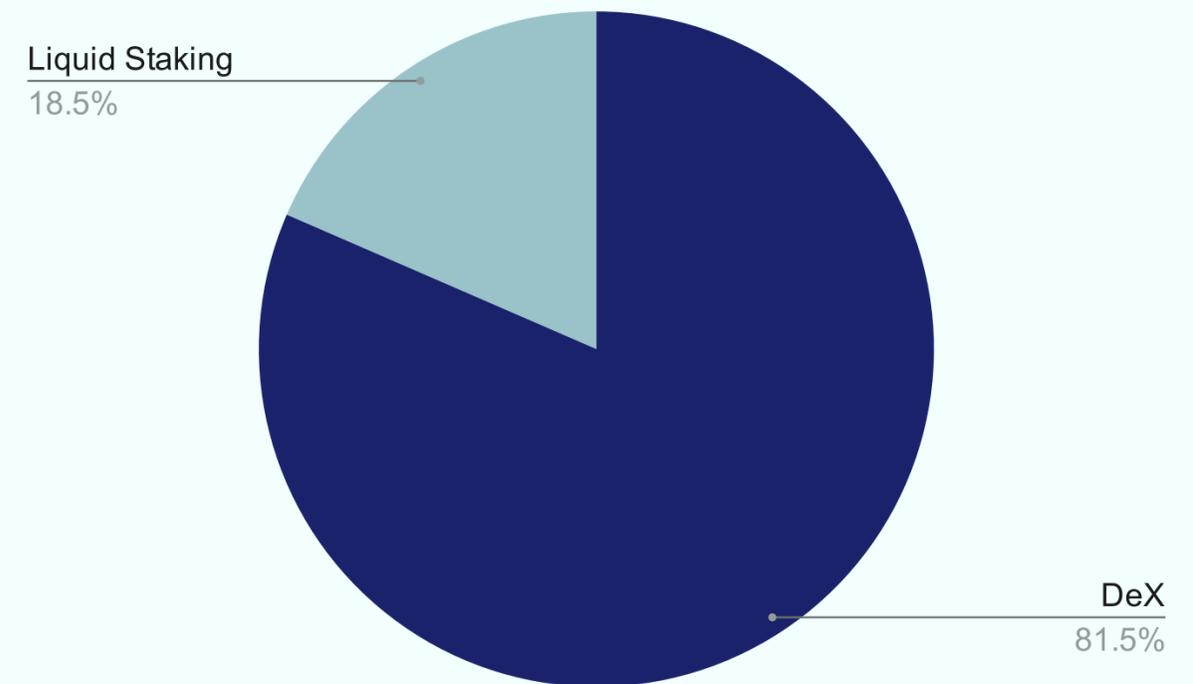
Similar to Ethereum, examining Solana's fee revenue and its sector composition helps identify the applications driving network demand and value capture. In February, Solana's layer-1 fees declined 31.0%, falling to \$20.7 million. Decentralized exchanges continued to dominate fee revenue at 81.5%, while liquid staking contributed 18.5%, reflecting Solana's continued strength as a DeFi hub despite reduced transaction volumes.

### Trailing Twelve Month Fees, SOL



Source: CF Benchmarks, Dune Analytics as of February 28, 2026

### Fees by Sector

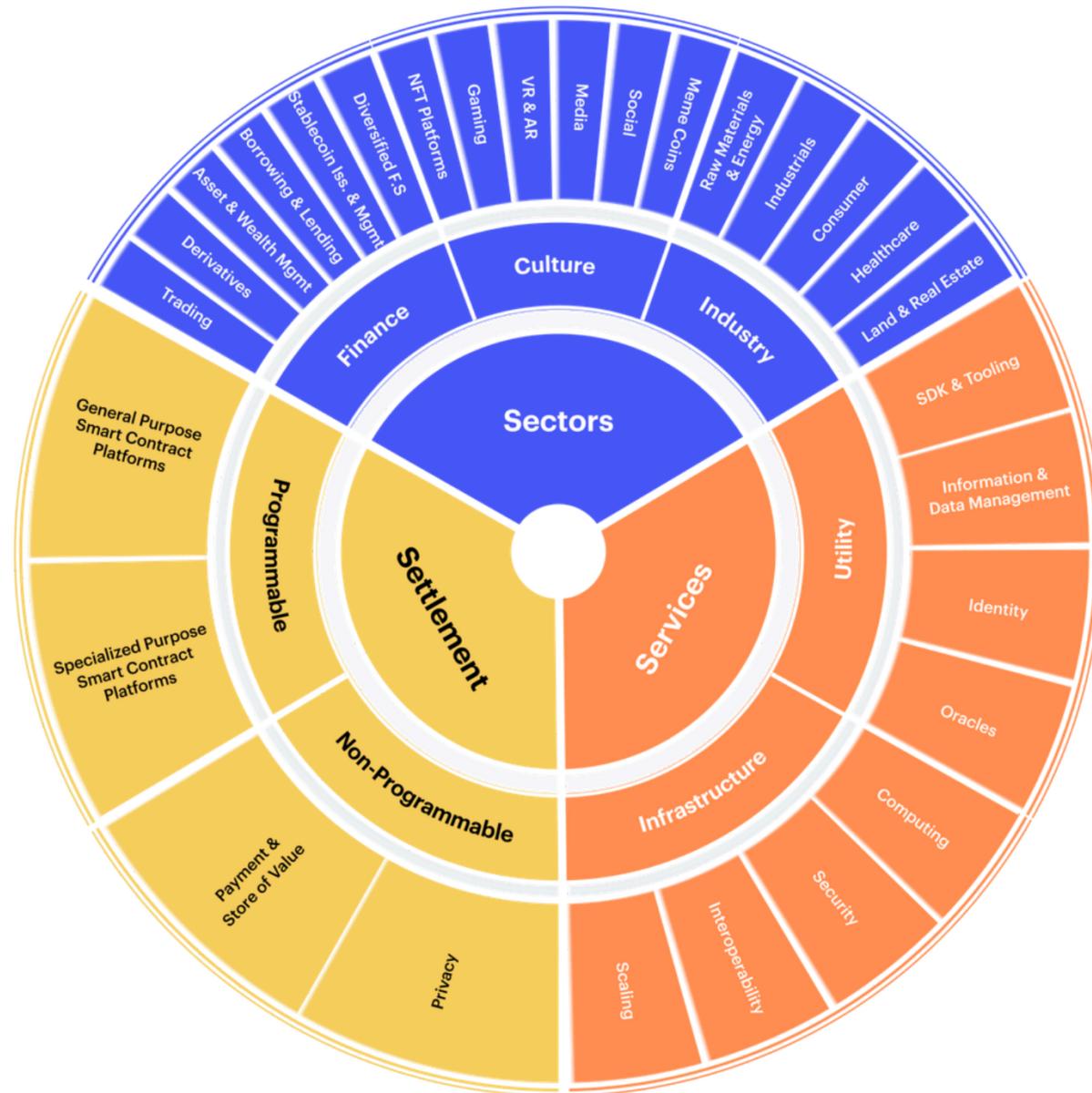


Source: CF Benchmarks, Dune Analytics as of February 28, 2026

# 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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Have a question or would like to chat? If so, please drop us a line to:

[info@cfbenchmarks.com](mailto:info@cfbenchmarks.com)

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