SwissBorg

CRYPTO 2026

"HOCUS POCUS"

SUMMARY OF 2025

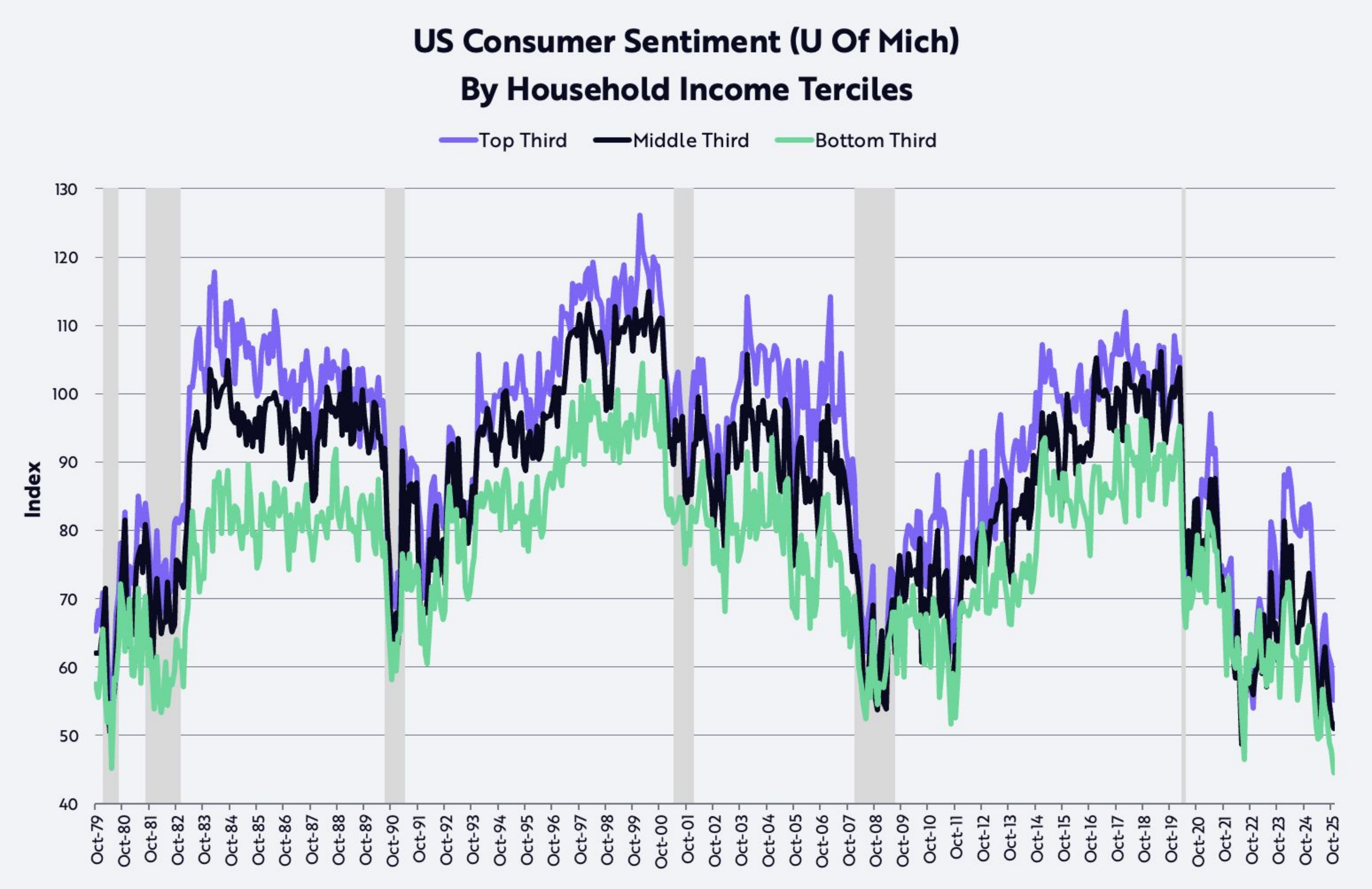
2025 Delivered strong returns but for traditional assets...

- Markets sold off in spring as tariffs and inflation fears rose, then rebounded
- The S&P 500 finished up ~18% with 39 new all time highs
- Europe and emerging markets outperformed the U.S.
- **Gold rose +66.6% to be the best performer** while oil fell -18.3% on oversupply and demand shifts
- Crypto sold off again in mid October, diverging from broader risk assets

▲	YTD 2025	2024	2023	2022	2021	2020	2019
1	Gold 66.61%	Bitcoin 121.05%	Bitcoin 155.42%	Crude Oil 8.74%	Bitcoin 59.67%	Bitcoin 303.16%	Bitcoin 92.20%
2	MSCI Europe 33.06%	Gold 25.53%	Nasdaq 100 53.81%	US Dollar 7.84%	Crude Oil 52.88%	Nasdaq 100 47.58%	Nasdaq 100 37.96%
3	MSCI EMs 32.85%	S&P 500 25.02%	S&P 500 26.29%	Gold 0.44%	S&P 500 28.71%	Gold 24.61%	S&P 500 31.49%
4	MSCI Japan 22.71%	Nasdaq 100 24.88%	MSCI Japan 25.89%	MSCI Japan -6.62%	Nasdaq 100 26.63%	MSCI EMs 18.69%	MSCI Europe 24.59%
5	Nasdaq 100 19.91%	MSCI Japan 18.49%	MSCI Europe 20.66%	MSCI Europe -14.53%	MSCI Europe 16.97%	S&P 500 18.40%	Crude Oil 21.90%
6	S&P 500 17.51%	MSCI EMs 8.05%	Gold 14.59%	S&P 500 -18.11%	MSCI Japan 11.43%	US Treasuries 10.98%	MSCI EMs 18.88%
7	US Treasuries 8.01%	US Dollar 7.01%	MSCI EMs 10.27%	US Treasuries -19.28%	US Dollar 6.70%	MSCI Japan 6.55%	Gold 18.43%
8	Bitcoin -5.62%	MSCI Europe 2.43%	US Treasuries 3.32%	MSCI EMs -19.74%	MSCI EMs -2.22%	MSCI Europe 5.93%	MSCI Japan 15.97%
9	US Dollar -9.30%	Crude Oil -2.93%	US Dollar -2.04%	Nasdaq 100 -32.97%	Gold -4.33%	US Dollar -6.69%	US Treasuries 10.08%
10	Crude Oil -18.25%	US Treasuries -3.15%	Crude Oil -10.37%	Bitcoin -64.27%	US Treasuries -4.58%	Crude Oil -21.67%	US Dollar 0.23%

Geopolitical events kept volatility elevated

- Middle East: The Gaza ceasefire broke in March, and the Israel Iran “Twelve Day War” in June briefly pushed oil to $90 per bbl before OPEC+ increased supply
- China and supply chains: China’s rare earth export curbs to the U.S. (April and October) disrupted supply chains and briefly pressured emerging markets, before MSCI EMs rebounded +32.9%
- Ukraine Russia: The ongoing war kept tensions elevated and added volatility across energy and grains
- **University of Michigan data shows consumer sentiment is at multi decade lows, weakest since the early 1980s, and potentially primed for a rebound.**

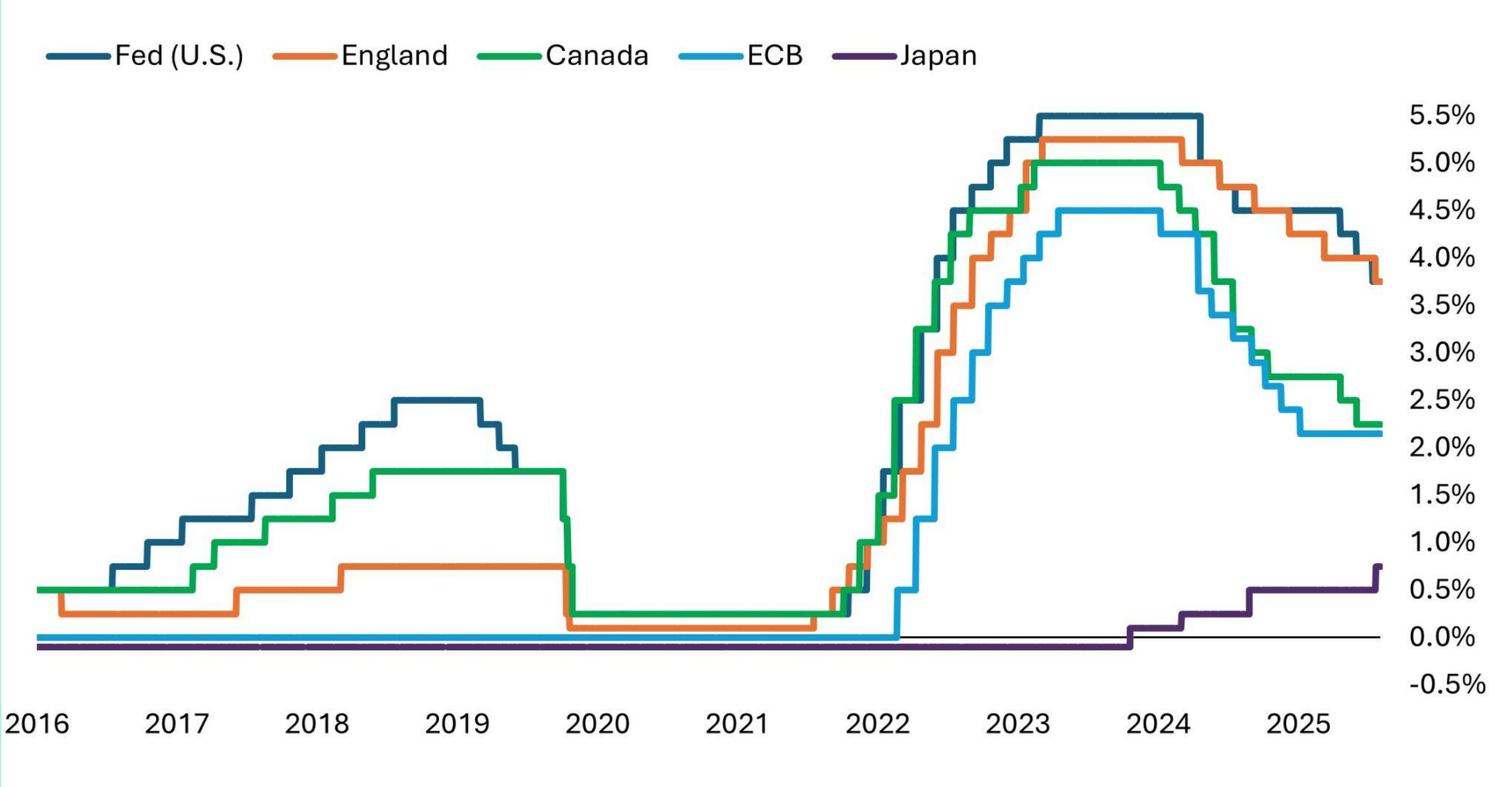


Policy shocks, led by U.S. tariffs, were a key driver of volatility

- **New governments introduced major policy changes, with U.S. tariffs a major source of uncertainty and inflation risk**
- January to April: Trump's return brought an immediate tariff rollout (10% baseline, up to 125% on China)
- Inflation fears rose, with CPI peaking 6.7% in April, while the dollar weakened -9.3%
- September to October: A second wave of the tariff war with China brought new restrictions and retaliation, raising uncertainty
- U.S. government shutdown reduced non essential activity and increased uncertainty around budgets and public spending

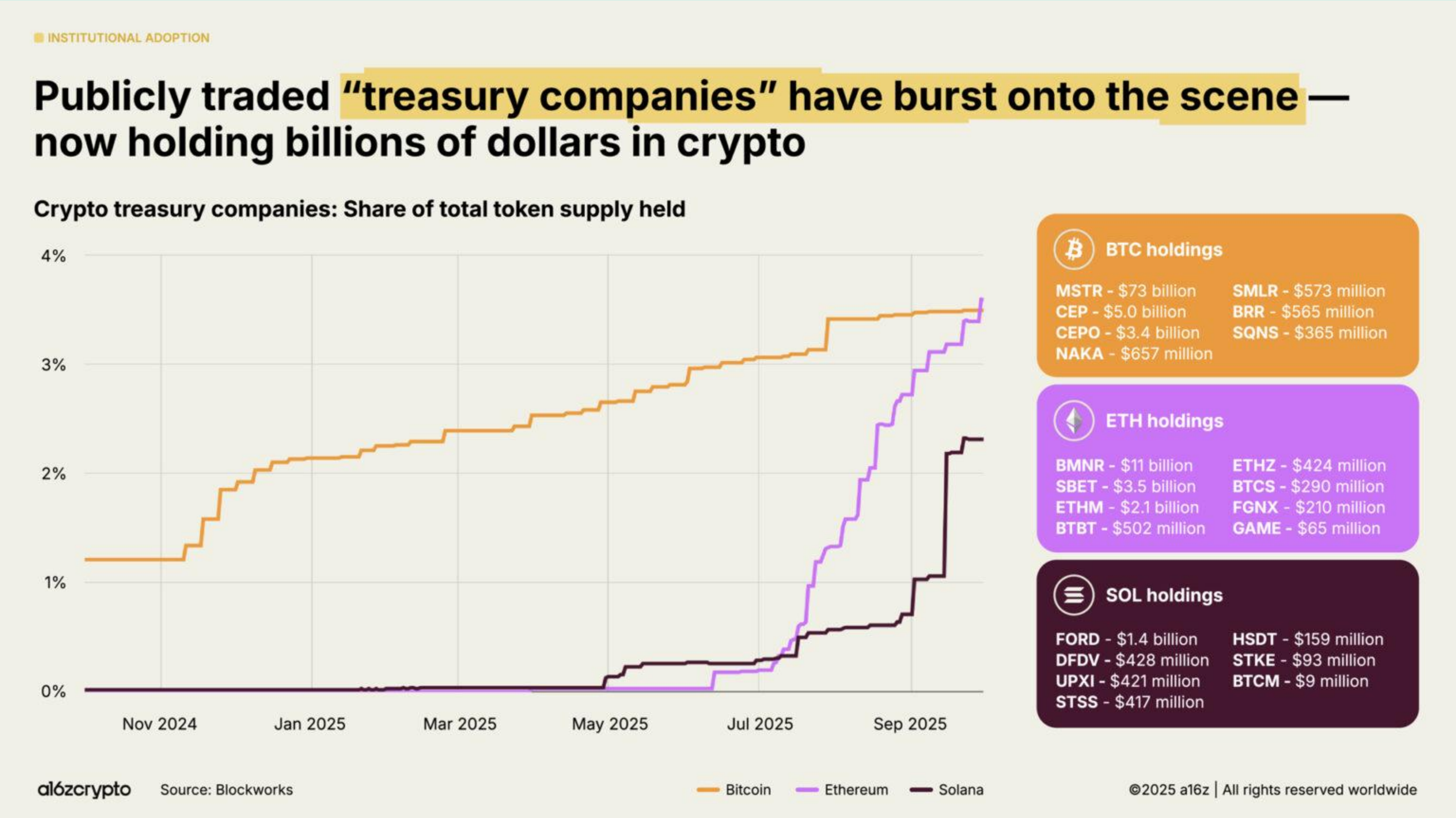
Central banks shifted from pause to gradual easing

- Inflation slowed (U.S. CPI ~2.8% average), but tariffs added uncertainty
- January to March: The Fed kept rates unchanged for the 5th straight meeting, with inflation still “somewhat elevated”
- U.S. Treasuries rose (+8.0%) as markets priced a slower growth backdrop and a more supportive policy path
- May to July: The Fed stayed on hold, while the BoJ ended negative rates and MSCI Japan rose +27.7%
- **September to December: The Fed cut 25bps in September, October, and December (total 75bps in H2 vs 100 expected)**
- The ECB moved to 2.0%, and the Fed slowed and then stopped balance sheet runoff



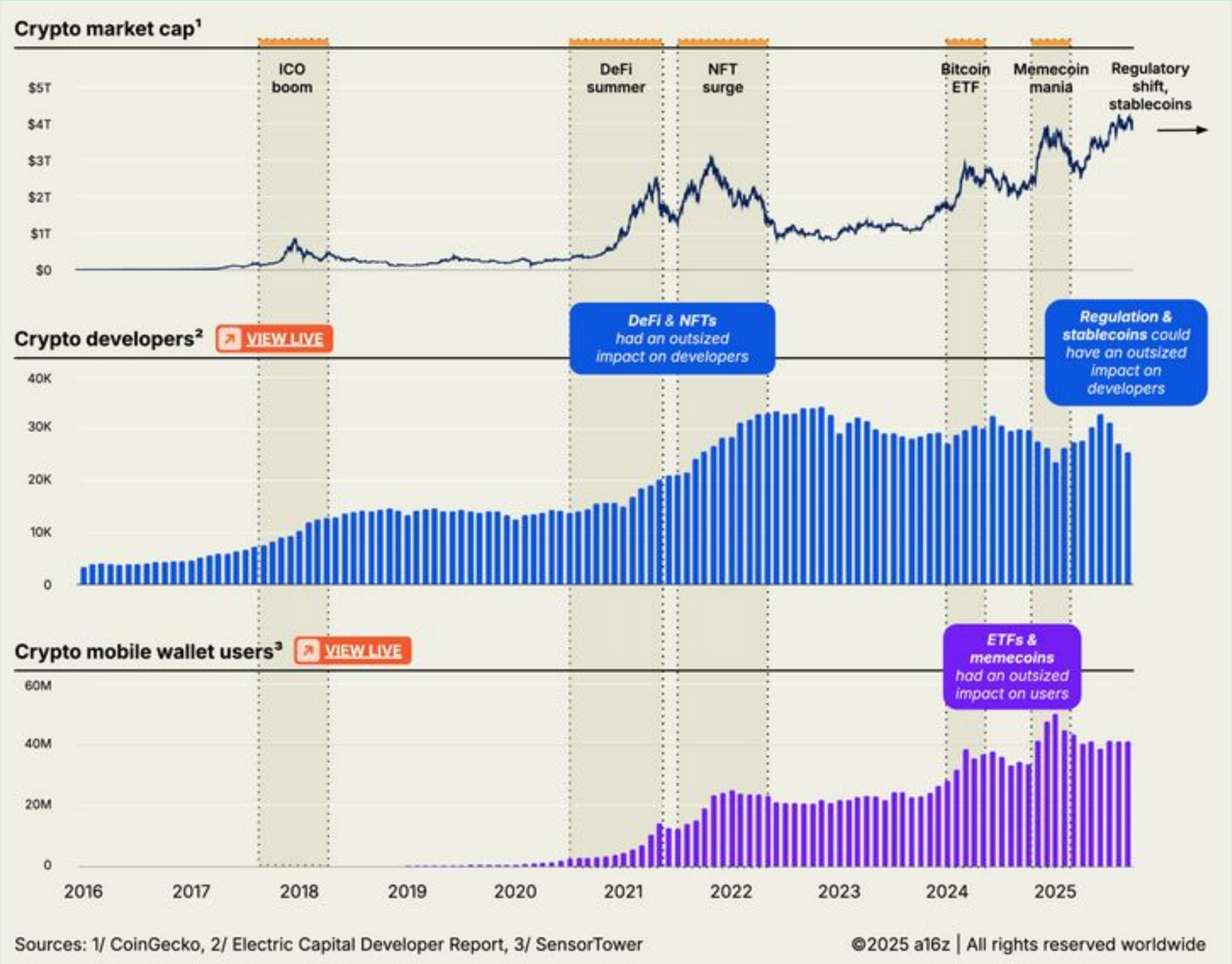
AI led 2025, crypto infrastructure caught up in H2

- DeepSeek hit Nvidia for $589B in one day, then a $500B U.S. AI spend (April) helped drive a rebound. Nvidia ended up +40% with a $5T valuation
- AI stayed dominant through major launches (Tesla robotaxi, OpenAI GPT 5) and large M&A
- Circle IPO: Raised $1.05 billion at $31, valued at about $18 billion, and closed the year at $79.3
- **Digital Asset Treasury Companies scaled**: combined with exchange traded products, they now hold around 10% of BTC and ETH token supply
- **Prediction markets scaled: volumes are up nearly 5x since early 2025**



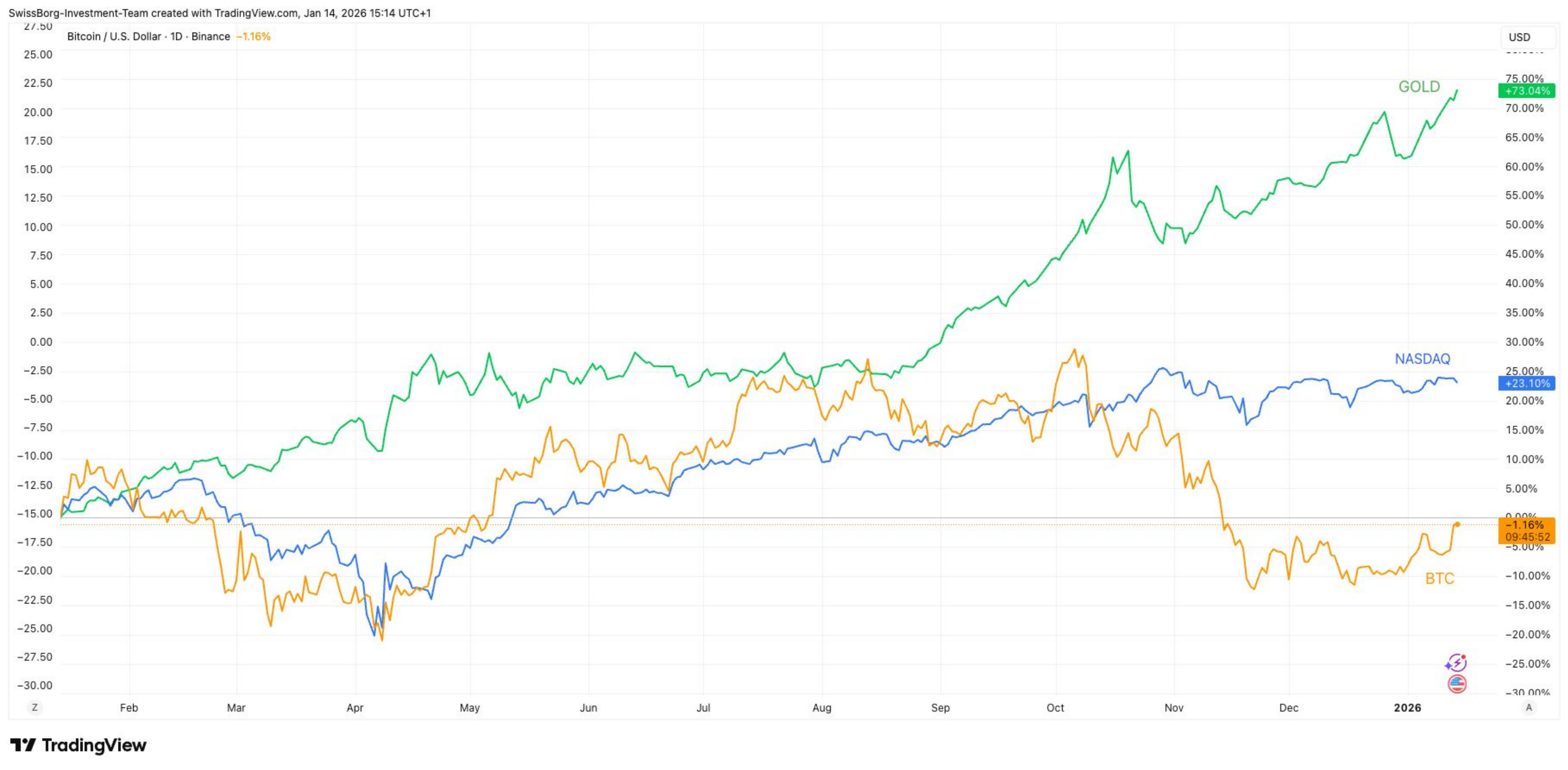
Consolidation with a shift toward real usage and revenue

- Supportive tailwinds helped, but high leverage and volatility triggered several major liquidations, with the largest in October erasing $19B
- Total market cap briefly hit $4T in Q3, then erased $1T in Q4
- Fewer hacks overall, but losses rose to $3.4B, including Bybit's $1.4B loss
- **Applications captured nearly 90% of all crypto fees, while base blockchains took less than 10%.**
- Fundamentals strengthened: DeFi TVL neared $165B, RWAs tripled to $24B on chain, and Layer 2s, stablecoins, and tokenization became key pillars for institutional integration



Bitcoin institutionalized and ETFs shape short term moves

- BTC opened at $93,425 and closed at $88,429 on December 31, down 5.3% for the year, after peaking at $126,198 on October 6.
- ETF AUM rose from around $109 billion to $119.6 billion (up ~10%), with around $6 billion of net inflows in July and around $3.5 billion of outflows in November, reaching 6.7% of total market cap.
- **Bitcoin treasuries expanded**: 34 entities (governments and public companies) hold 1,716,316 BTC.
- Forced liquidations on BTC perpetuals rose about 70% versus 2024, reaching $154 billion.
- **H2 saw increased selling from older large holders**, consistent with late cycle distribution (IPO style distribution).



Ethereum scaled and institutional adoption grew

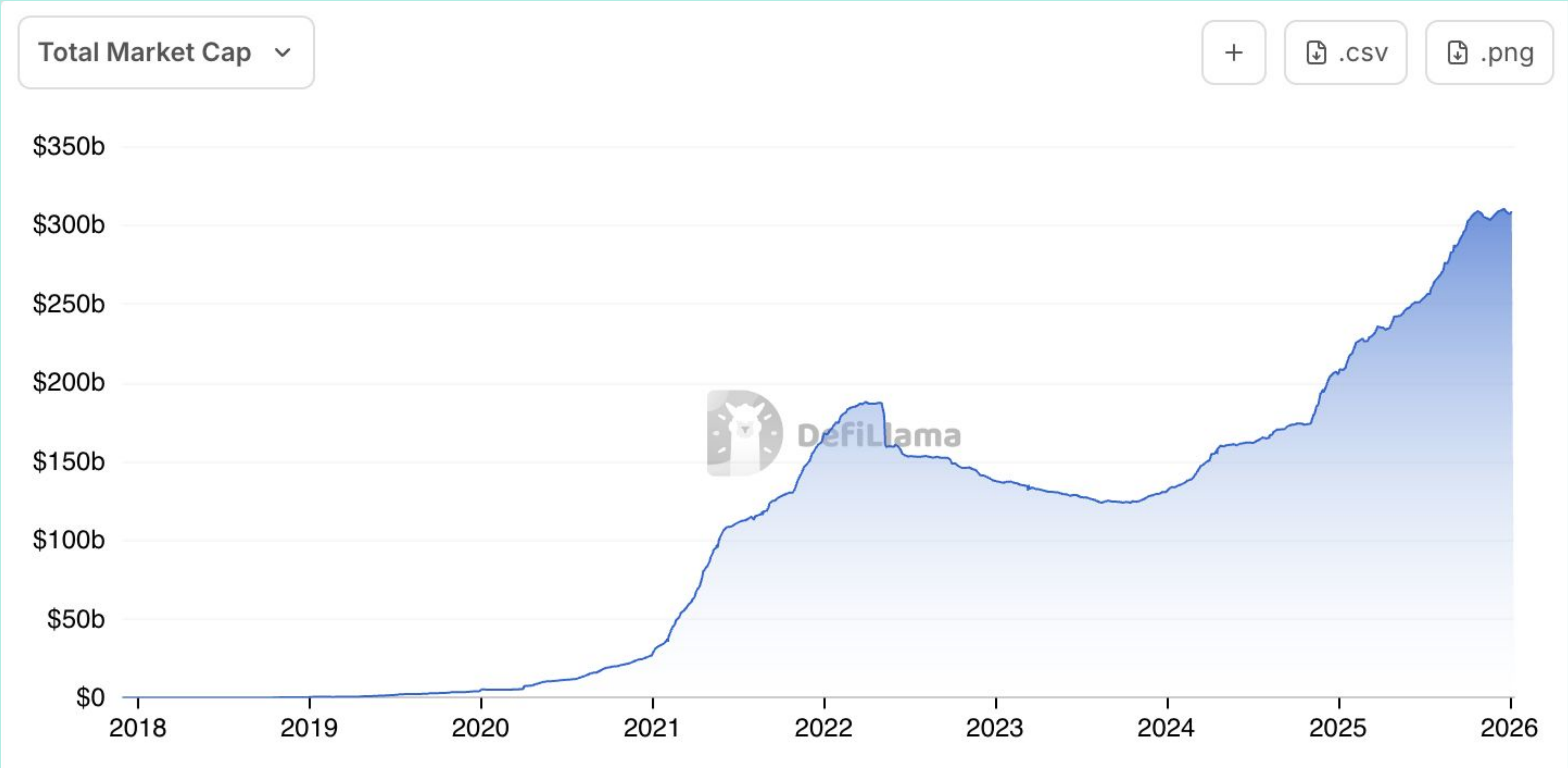
- ETH opened at $3,332 and closed at $2,971 on December 31, 2025, down 10.8% for the year, after peaking at $4,956 in August.
- ETF AUM rose from around $12.1 billion to $17.1 billion (~41%), with around $4.86 billion of net inflows in July and around $1.42 billion of outflows in November, reaching 4.8% of total market cap.
- **ETH treasuries expanded: 28** entities (governments and public companies) hold 6,114,695 ETH.
- Protocol upgrades: Pectra in early 2025 targeted network efficiency, and Fusaka in December targeted higher scalability.
- **Network usage hit records** by year end, with over 244 million unique active wallets and peak daily transactions reaching 2.2 million.

Solana hit new adoption records

- SOL opened at $189 and closed at $125 on December 31, 2025, down 33.9% for the year, after a high of $294.33 in January.
- U.S. Solana ETFs launched on October 28, reaching $1.02 billion in AUM by year end.
- **SOL treasuries expanded**: 18 entities (governments and public companies) hold 18,306,349 SOL.
- The chain focused on throughput and resiliency, including Firedancer, Alpenglow, a 25% increase in compute units per block, and a doubling of block space.
- **Usage hit records**: apps generated $2.39 billion in revenue (Pump.fun around 23%), 1 billion new wallets were created, and DEX volumes reached $1.57 trillion.

Stablecoins became a defining growth pillar

- **More than $90 billion of net new issuance** lifted total stablecoin market cap by roughly 45%, about $18 billion more growth than in 2024
- Growth was driven by perpetual futures activity, institutional adoption, and prediction markets
- Leadership stayed concentrated: USDT reached $176.3 billion (58%) and USDC reached $74 billion (24.5%)
- Issuance broadened across chains: Solana stablecoin supply grew 159% YTD, with $4.5 billion in new USDC mints in the first 23 days
- On Ethereum, activity shifted to Layer 2s as TVL peaked above $97.5 billion
- **Stablecoin transfer volume surpassed Visa and Mastercard combined**



Altcoin season ?? still waiting…

- **No broad altcoin season materialized** as capital stayed concentrated in high liquidity assets, limiting rotation into high beta tokens
- Meme coins, a volatility driven sector, peaked above $150B, then saw sharp volume declines, with dominance falling from 11% to 3.2% (TRUMP peaked near $14B before falling to ~$1B)
- Pump and Dump activities, rug pulls, and frauds proliferated, with cases such as $LIBRA, $CAR, and $HAWK reinforcing the need for DYOR and risk management
- Privacy coins stood out in H2, led by Zcash as demand for privacy increased
- Launchpad activity surged, with market value share rising from 1.5% to 20.5% and daily volumes hitting $1.2B by November

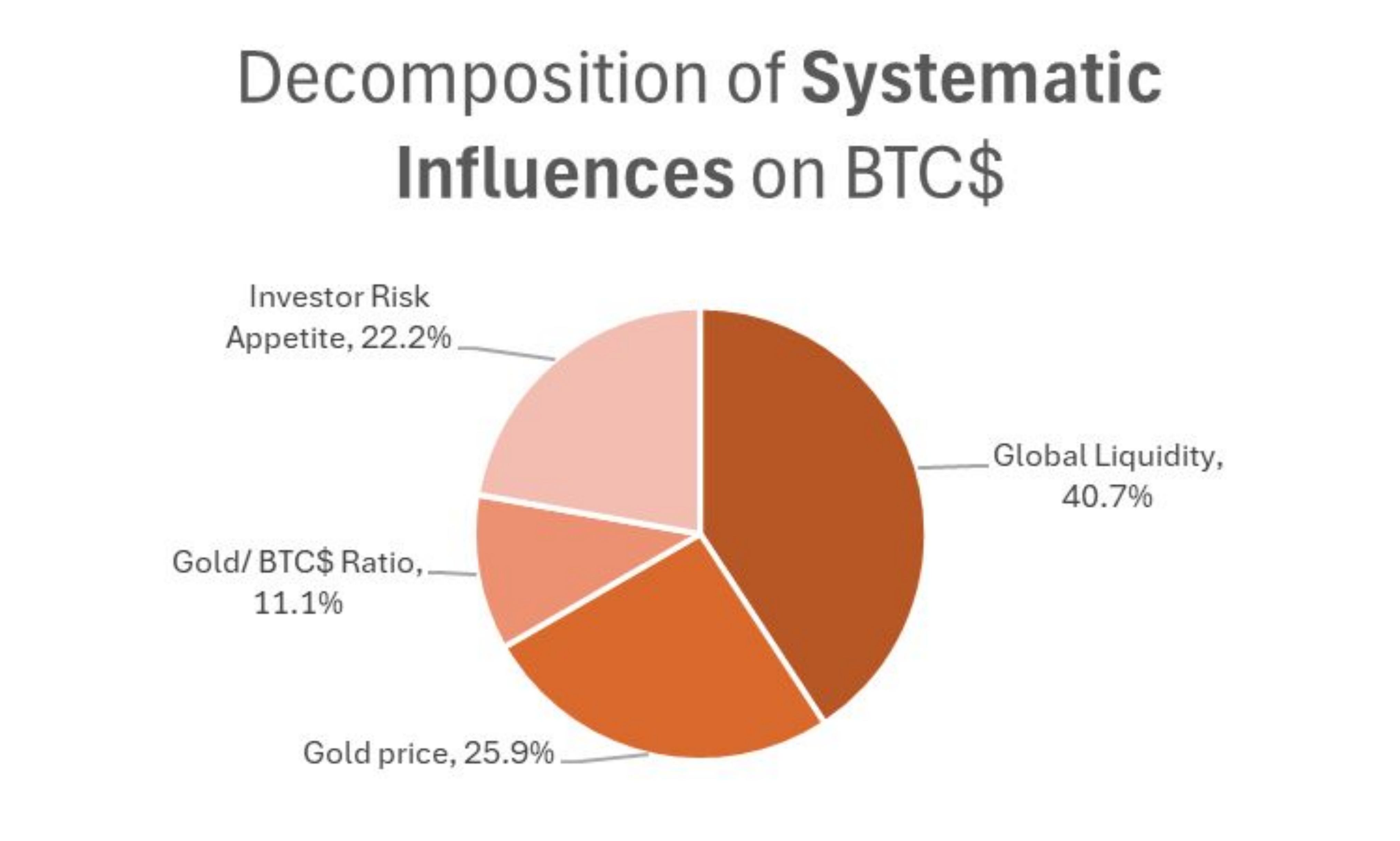
Symbol	Description	Value	Chart	Change	Top 3 Assets	# Assets
GMCI30	Top 30 tokens	162.09		↘ -13.49%	ETH, BTC, XRP	30
GMMID	Mid Caps	36.21		↘ -67.82%	POL, ICP, WLD	50
GMSMALL	Small Caps	28.46		↘ -74.71%	JASMY, fartcoin, PENDLE	70
GML1	Layer 1 tokens	153.43		↘ -9.89%	SOL, BNB, ETH	5
GML2	Layer 2 tokens	25.33		↘ -61.87%	POL, ARB, MNT	8
GMMEME	Top Meme Tokens	142.14		↘ -63.7%	SHIB, DOGE, PEPE	10
GMDEFI	Top DeFi tokens	51.34		↘ -55.12%	LINK, HYPE, WLFI	17
GMDEPIN	Top DePIN tokens	37.37		↘ -64.18%	TAO, RENDER, FIL	12
GMGM	Top Gaming tokens	12.38		↘ -83.14%	GALA, IMX, AXS	13
GMAI	Top AI tokens	67.61		↘ -63.44%	RENDER, TAO, VIRTUAL	10

Souce: https://www.theblock.co/indices?selected=41&range=1Y

MACRO VIEW FOR 2026

What Drives Bitcoin?

- In Howell's framework, **global liquidity is the main driver of Bitcoin**, with the strongest historical link when liquidity leads BTC by roughly 11 to 13 weeks
- The next driver is investor risk appetite (22.2%), with the remainder explained by gold dynamics, split between the gold price and the gold/BTC ratio
- When the gold/BTC ratio deviates too far from its range, relative performance tends to adjust and pull the ratio back toward its prior zone
- Gold and Bitcoin behave more like monetary inflation hedges than consumer inflation hedges



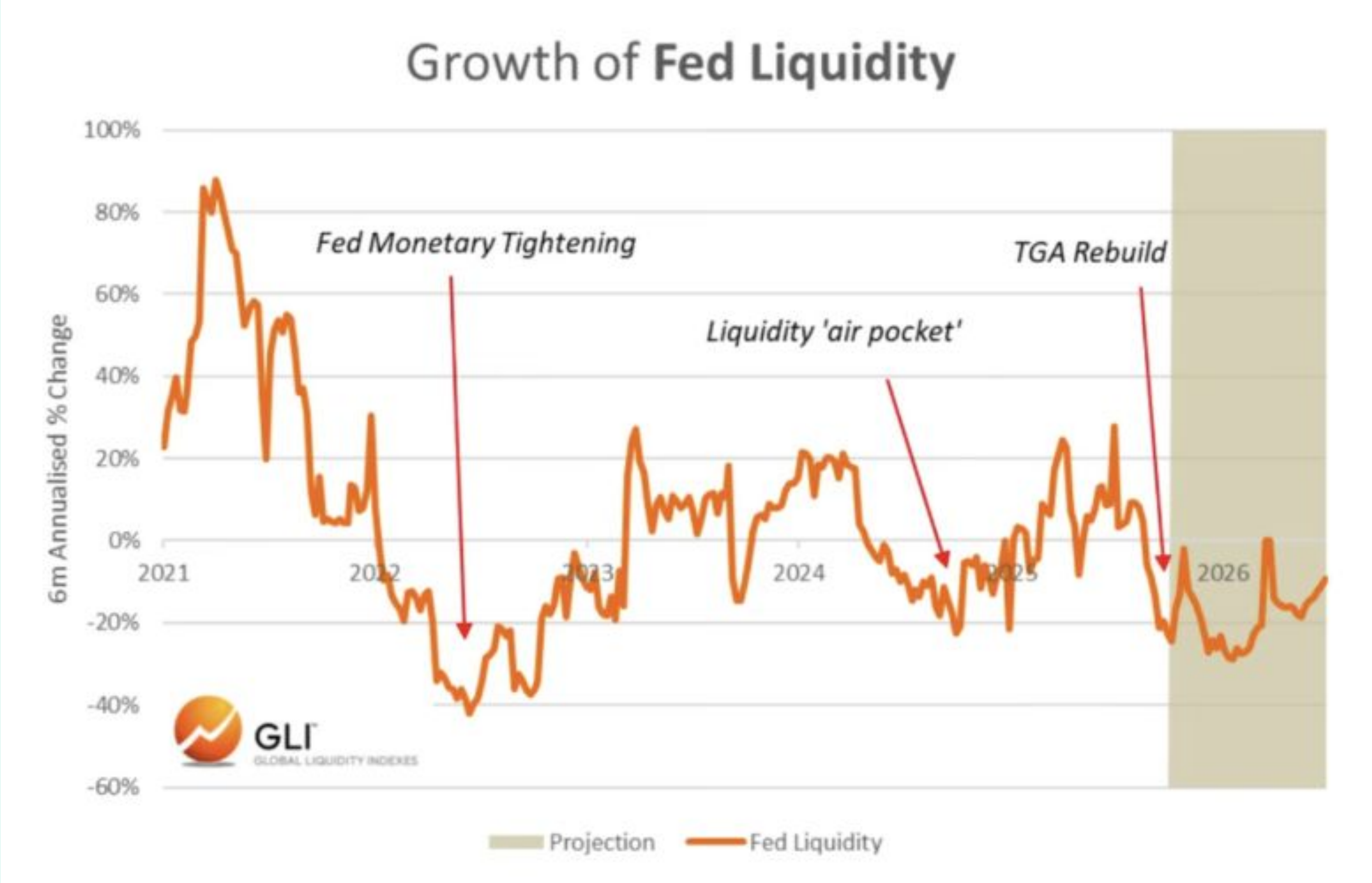
Souce: https://capitalwars.substack.com/p/what-drives-bitcoin

2025 had sentiment and catalysts, but not the liquidity

- Explosive crypto rallies typically require surplus liquidity circulating within financial markets
- When liquidity is absorbed by refinancing needs or real economy financing, less remains for riskier assets
- In 2025, activity indicators improved, but financial market liquidity stayed constrained and often negative
- **In 2026, a large refinancing wall increases the likelihood of policy actions that inject liquidity to keep markets functioning**
- Parabolic phases still need additional tailwinds: ISM above 50, ETF inflows, rising stablecoin issuance, and accelerating DAT purchases

Strong H1 is plausible, but H2 is more fragile

- **The 2026 outcome depends on how much liquidity remains for markets after refinancing absorbs funding capacity**
- Base case (60–70%): net liquidity turns positive, supportive H1, more fragile H2, potential peak in Q3–Q4; BTC likely does better than 2025, with higher caution into year end
- Mid case (20–30%): liquidity is largely absorbed by rollover needs, resulting in choppy and uneven markets; BTC likely behaves more like 2025
- Tail risk (5–10%): a funding accident triggers forced liquidity response; in this unlikely scenario, BTC likely underperforms 2025

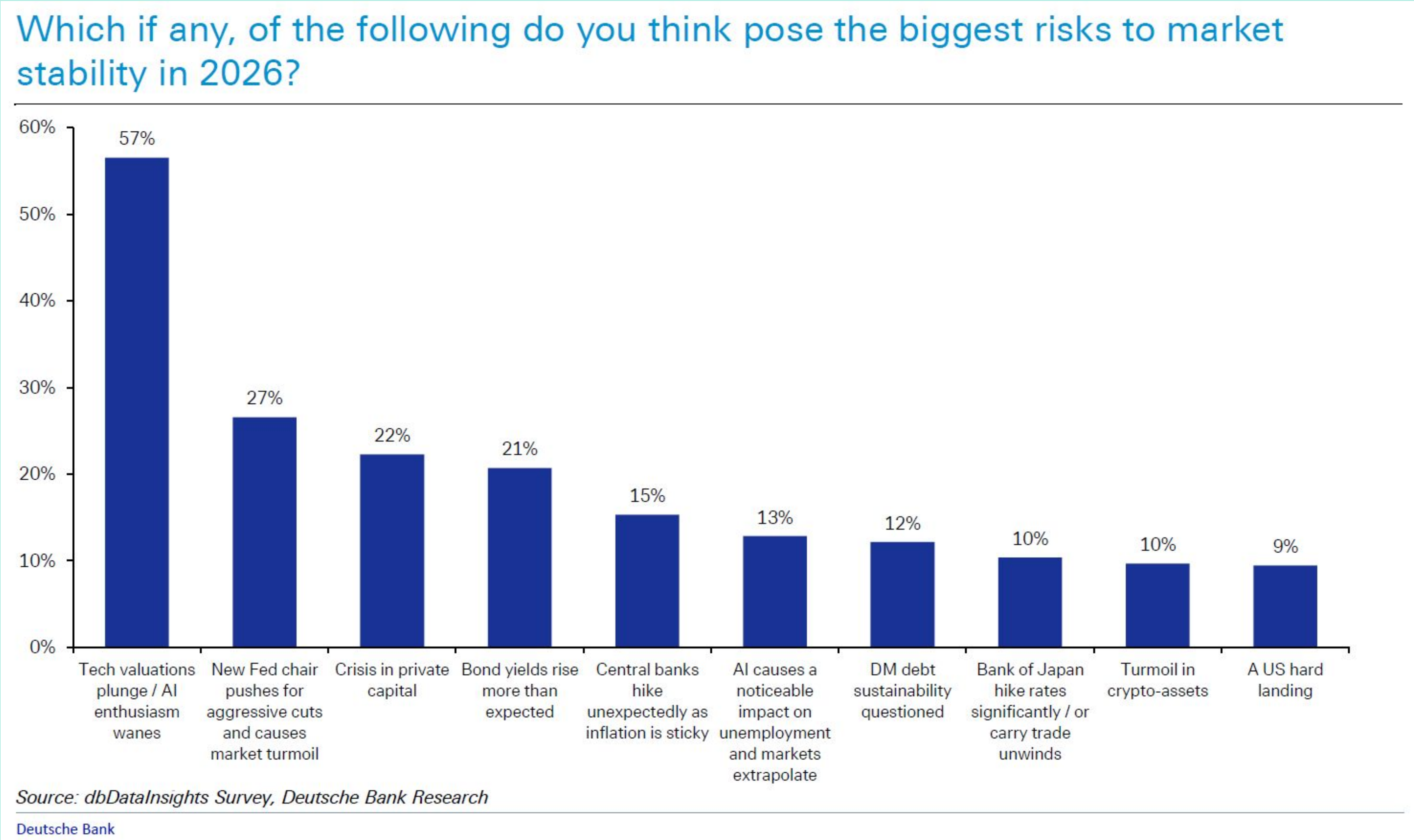


AI
AND AUTONOMOUS AGENTS

AI is scaling into infrastructure and agents are the next wave

Investors have never before been in such agreement about the biggest market risk but...

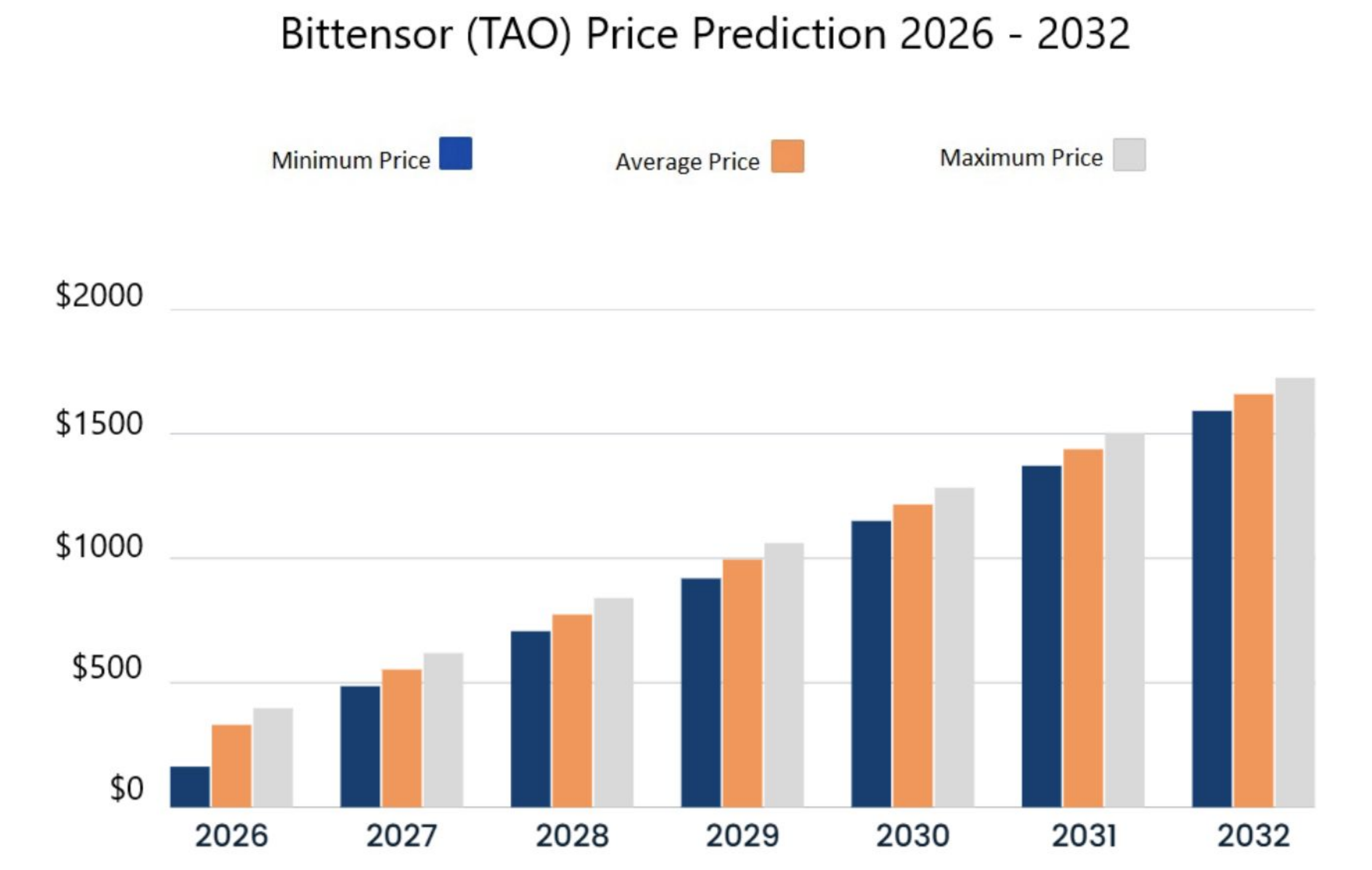
- **2025 marked the first major expansion of agentic AI,** executing tasks autonomously based on user intent
- Usage is surging, lifting demand for compute, high quality data, and infrastructure across chips, data centers, and energy
- Capital still favors centralized AI, but **decentralized models are no longer only theoretical**
- x402 enables internet native client to server payments, supporting real time agent payments



AI Platforms are the base networks of the AI crypto stack

AI platforms are shared rails for building and coordinating AI services, reducing reliance on centralized providers

- Bittensor (TAO): open network for AI development, aiming to keep AI services accessible via a global market
- Near (NEAR): L1 positioning itself as a blockchain for AI, using intents and chain abstraction to let users and agents transact across chains at scale
- Artificial Superintelligence Alliance (FET): agent focused platform where autonomous agents coordinate actions and exchange value via micro payments

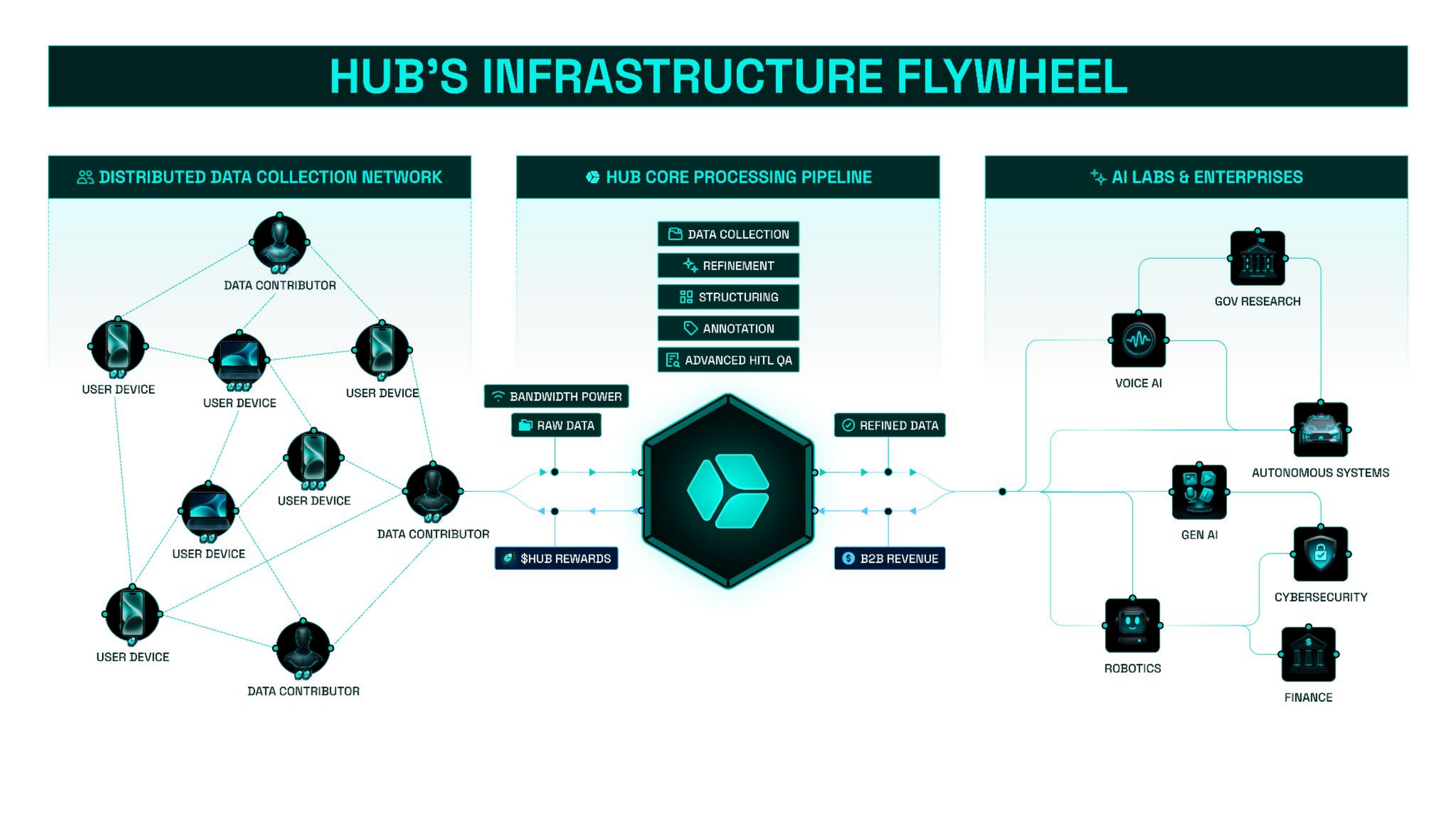


Bittensor (TAO) price prediction 2026-2032. Source: Cryptopolitan

Data and compute are the bottleneck

This subsector provides AI data and compute by pooling resources from many contributors instead of one provider, reducing reliance on incumbents

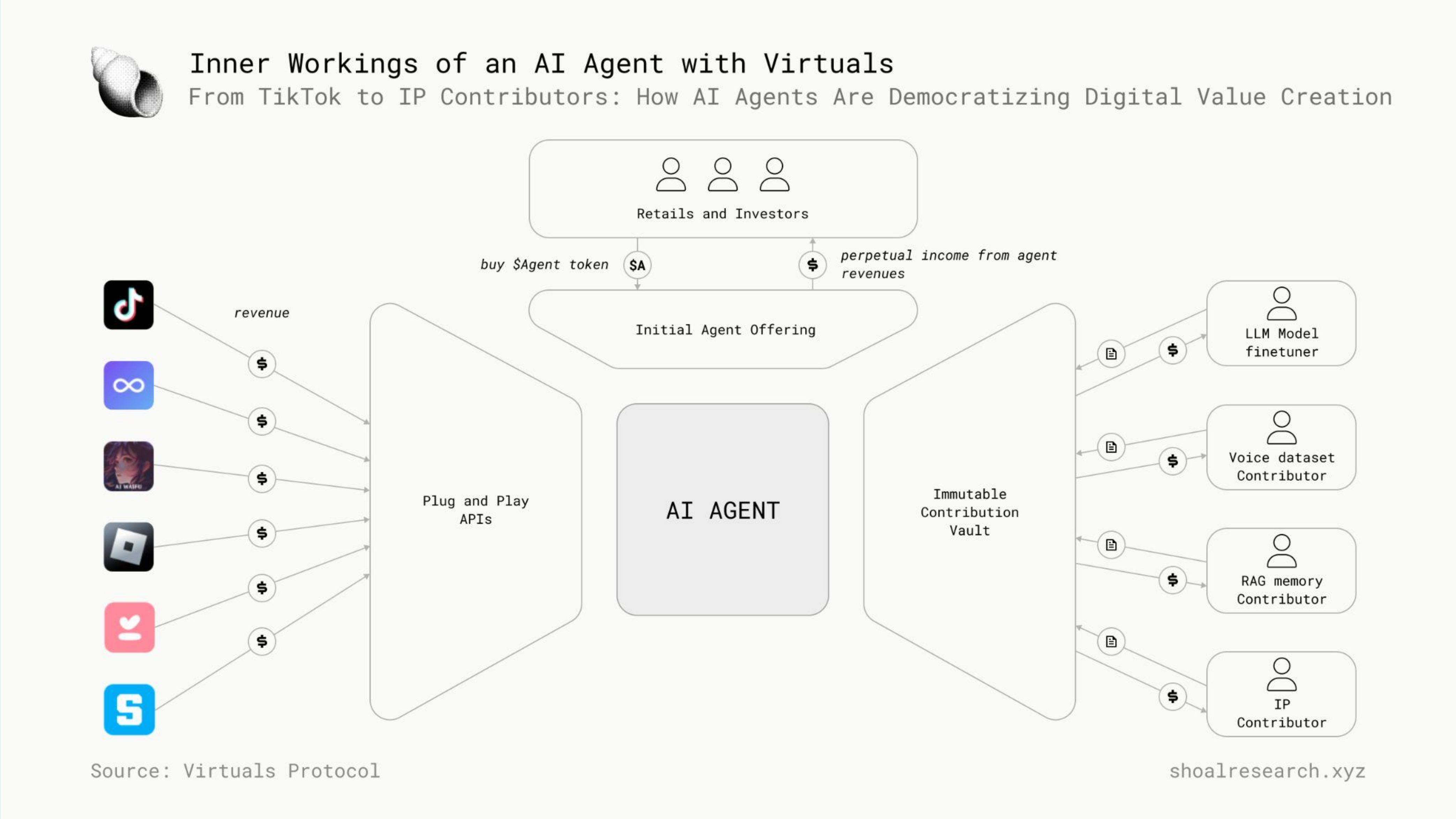
- Grass (GRASS): decentralized web data via contributors, monetizing idle bandwidth, similar to HUB.xyz (SwissBorg Alpha Deal)
- Akash (AKT): decentralized compute marketplace aggregating idle resources, targeting GPU demand for AI workloads
- Render (RENDER): decentralized GPU compute network used for rendering and AI workloads



Agents need identity, IP, and payments to operate on chain

This is the user facing layer, from autonomous agents to AI native apps like identity and IP, enabled by fast, low cost, programmable microtransactions

- Virtuals (VIRTUAL): targets an agent economy, framing agents as tokenized entities that coordinate and transact
- Story Protocol (IP): programmable IP infrastructure, aiming to enforce licensing and attribution in generative AI
- Worldcoin (WLD): proof of personhood via World ID, designed to distinguish humans from bots and agents online

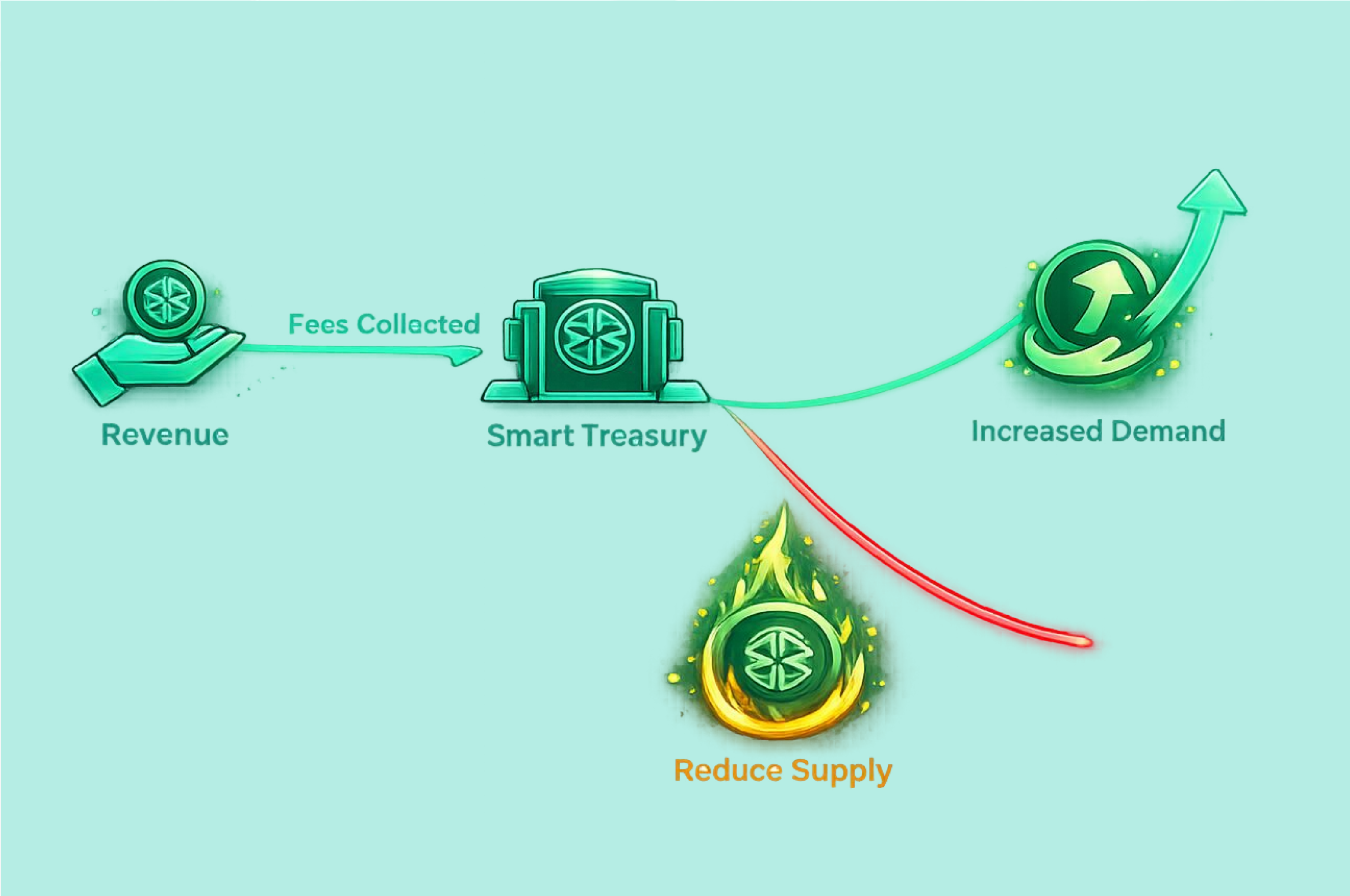


HOW

TOKENS CREATE AND RETURN VALUE

Buybacks have nearly tripled from 2024 to 2025

- In 2025, buybacks and burns became a core tokenomics theme, tying token value more directly to platform revenues rather than governance alone
- **Total buyback and burn spend increased from $9.7 billion in 2024 to $25.36 billion in 2025, led by CEX $22 billion and DEX $3.36 billion**
- The logic is simple: fees fund ongoing buying, burns reduce circulating supply, and rule based execution improves credibility and verifiability

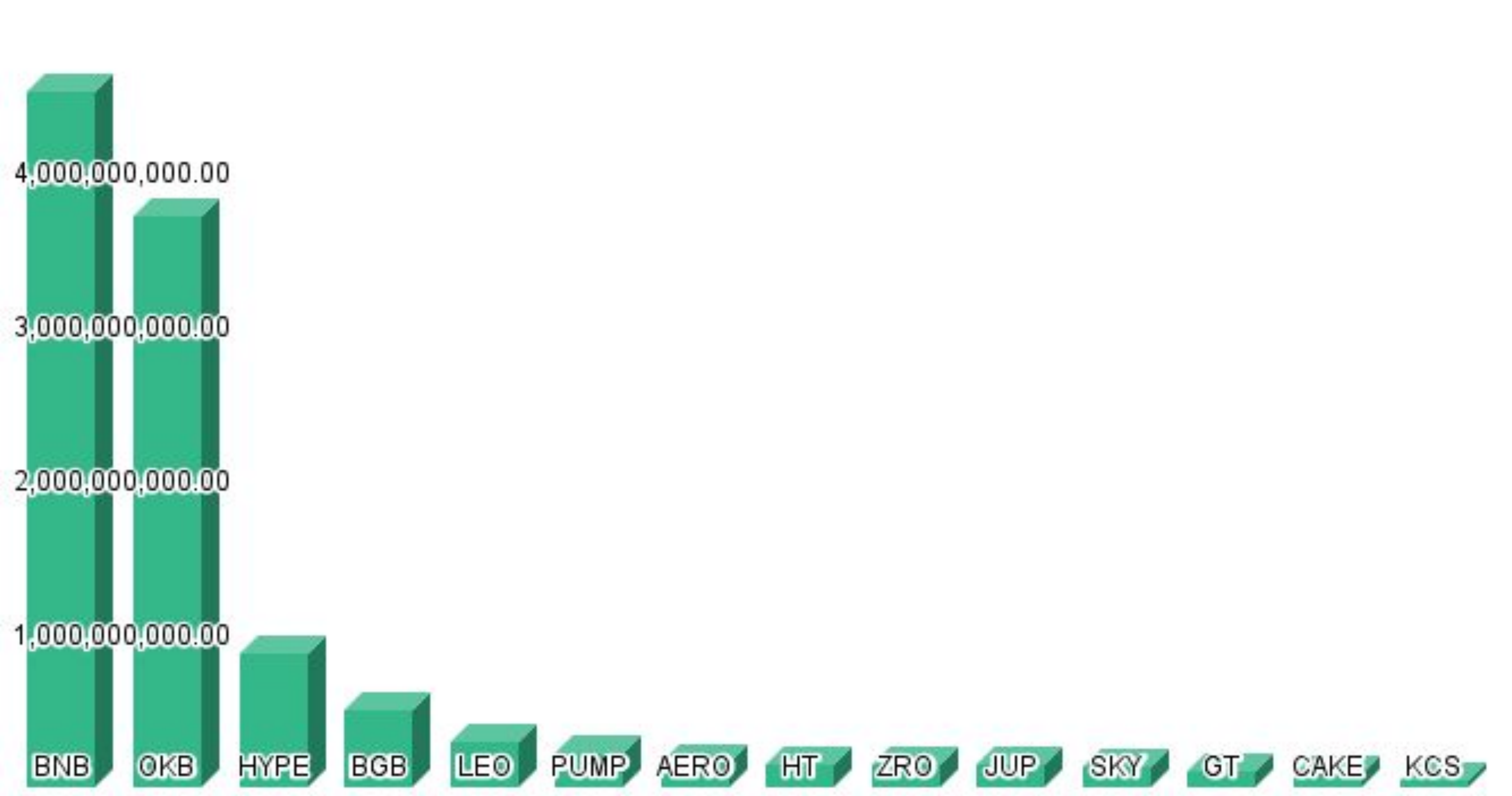


Sources: DefiLlama and official project announcements

Buyback create momentum

SwissBorg reviewed 50 projects with buyback programs (recurring and one off)

- Buybacks often support momentum: 42 out of 50 (84%) matched or exceeded the benchmark's new ATH count
- Buybacks did not reliably improve returns: only 12 out of 50 (24%) beat the benchmark in 2025
- Takeaway: **buybacks can help reach new highs, but do not guarantee market outperformance**
- What to check: recurring vs one off, size vs average liquidity, and rule based vs discretionary execution



Sources: DefiLlama and official project announcements

Recurring Buybacks create momentum and performance

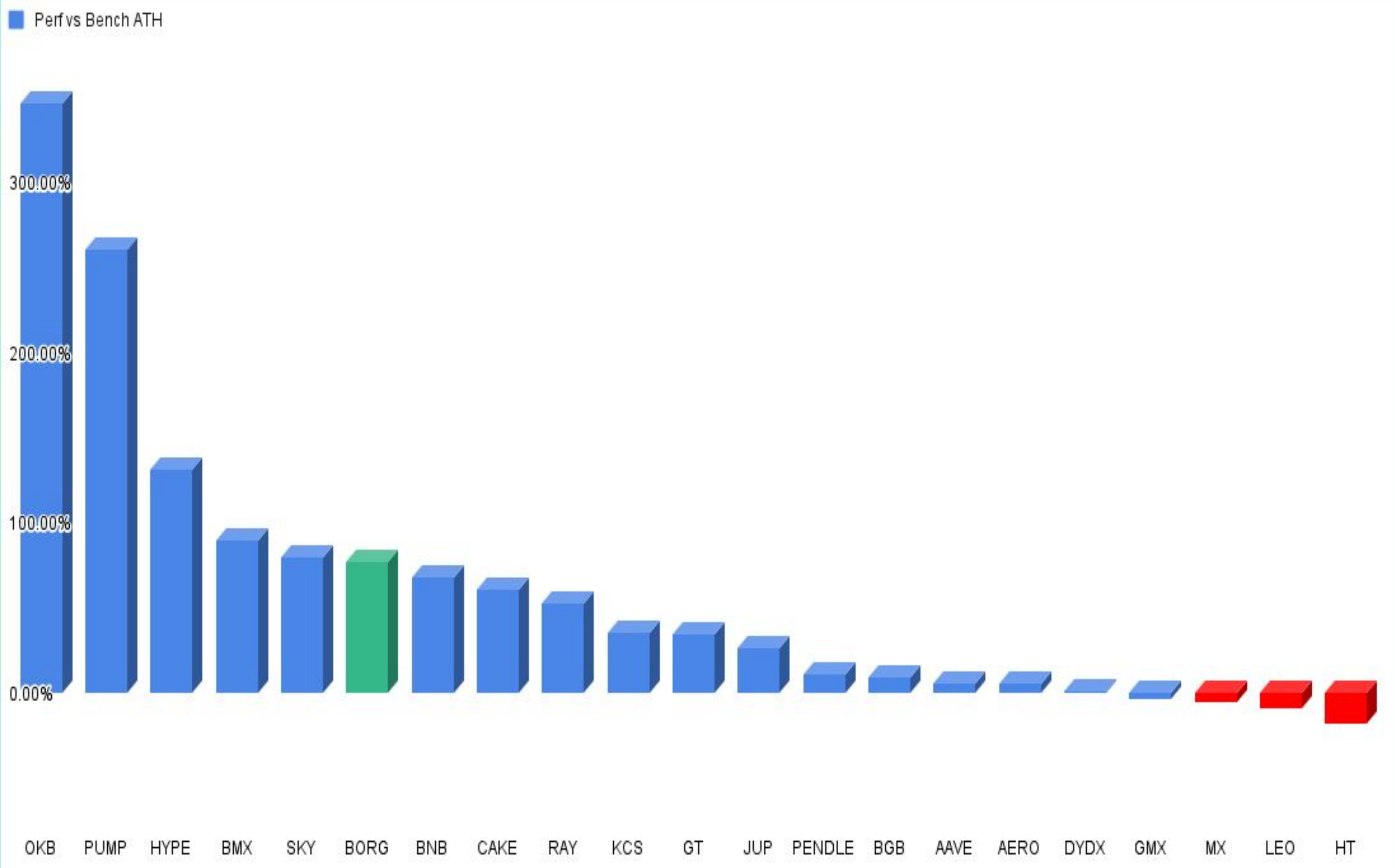
SwissBorg narrowed the sample to projects with large, long running recurring buybacks (CEX and DeFi)

- Recurring buybacks align with momentum and returns: 19 (90%) made more ATH than the benchmark and 17 (81%) outperformed

- Correlation is above 0.5 for both ATH and performance, linking stronger buyback pressure to more new highs and better long term returns

- Takeaway: **for recurring programs, buyback size versus daily liquidity is a useful indicator of potential impact**

- What to check: sustained execution, visible scale versus liquidity, and clear, rule based policies



Sources: DefiLlama and official project announcements

SwissBorg recurring buyback

- Burn
- Burn 2024: 895’000
- Burn 2025: 1’607’415, up +79.60%

Total burned since token launch: 17’747’000

- Buyback
- Buyback 2024: $1.6M
- Buyback total 2025*: $4.7M, up +193.75%

*(Guardian and Paid to Trade)

2026 outlook

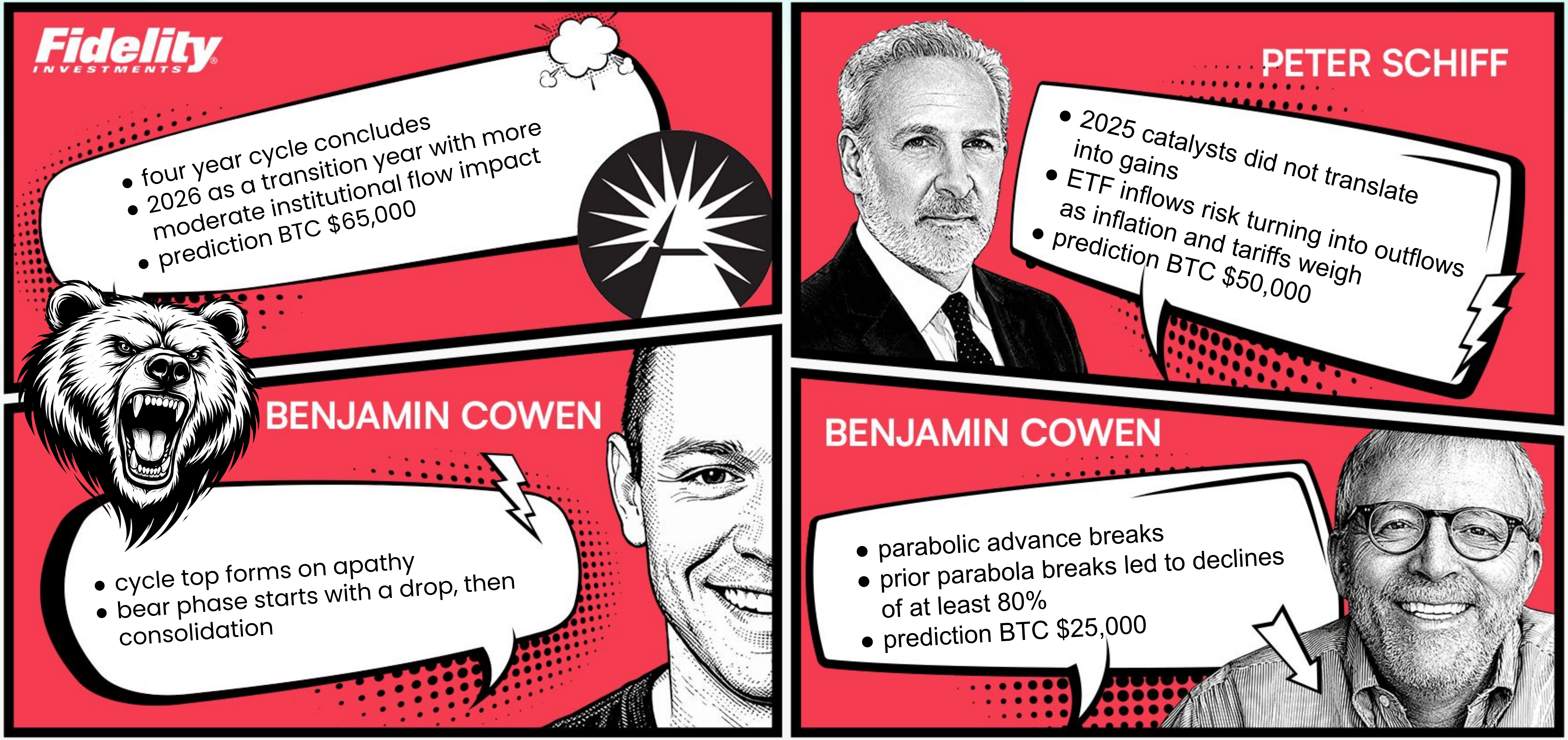
With the current product offering, using the low, average, and high buyback periods observed in 2025 as reference points, we expect:

- Bearish: $9.1M, up +93.62%
- Moderate: $13M, up +176.60%
- Bullish: $20M, up +325.53%

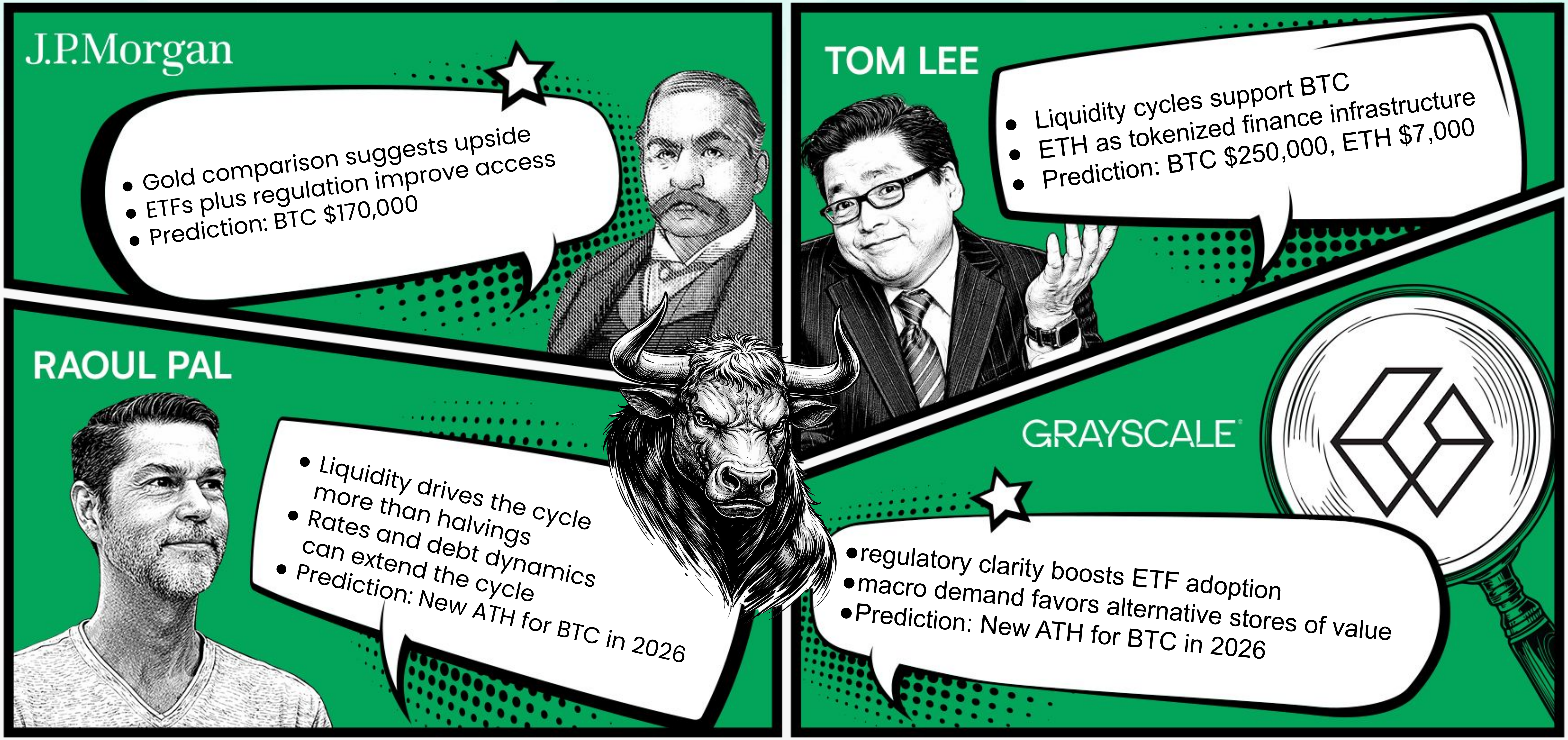
(the BORG thesis will the full roadmap and projection will be release soon)

PREDICTIONS FOR 2026

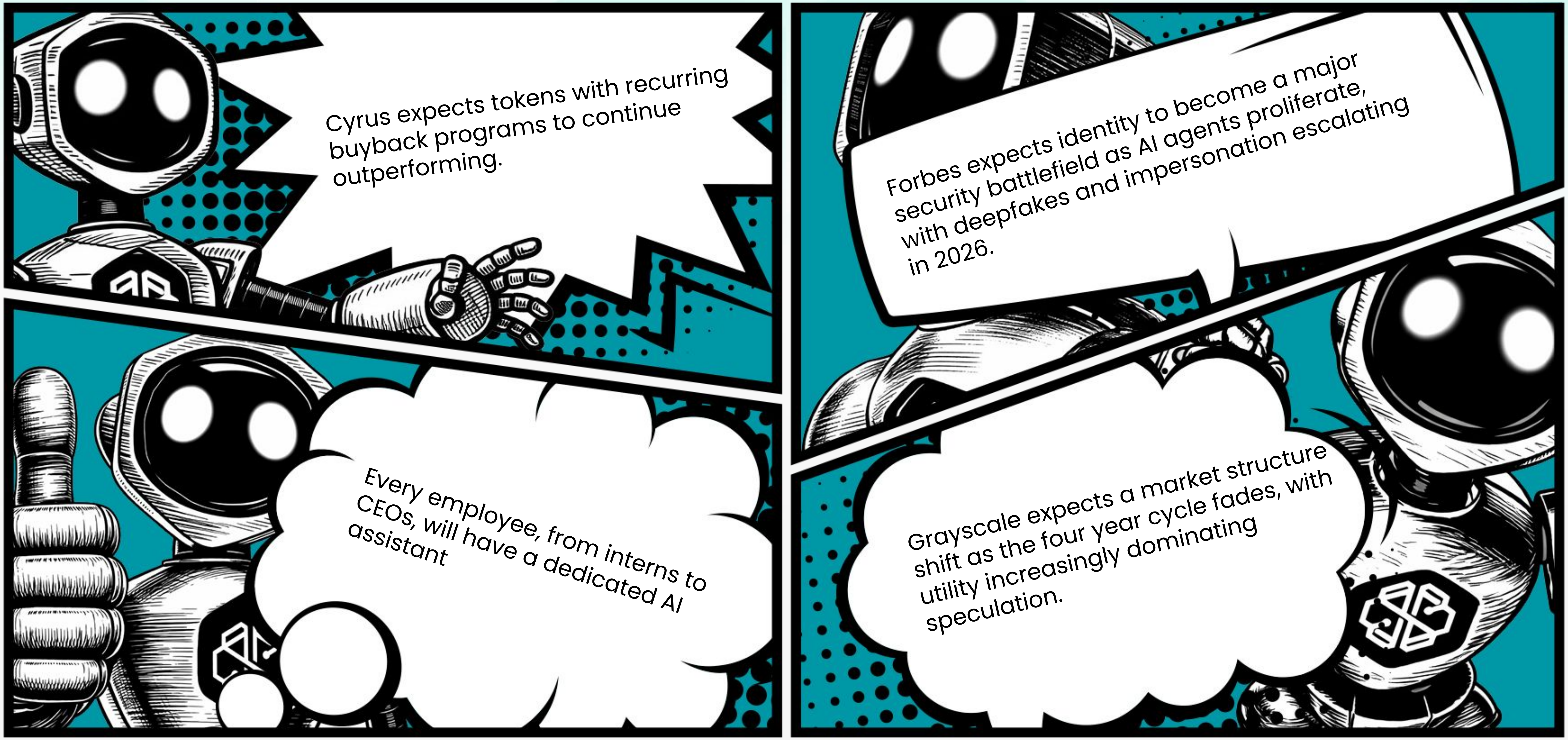
The BEARS PREDICTIONS



The BULLS PREDICTIONS



The GENERAL PREDICTIONS



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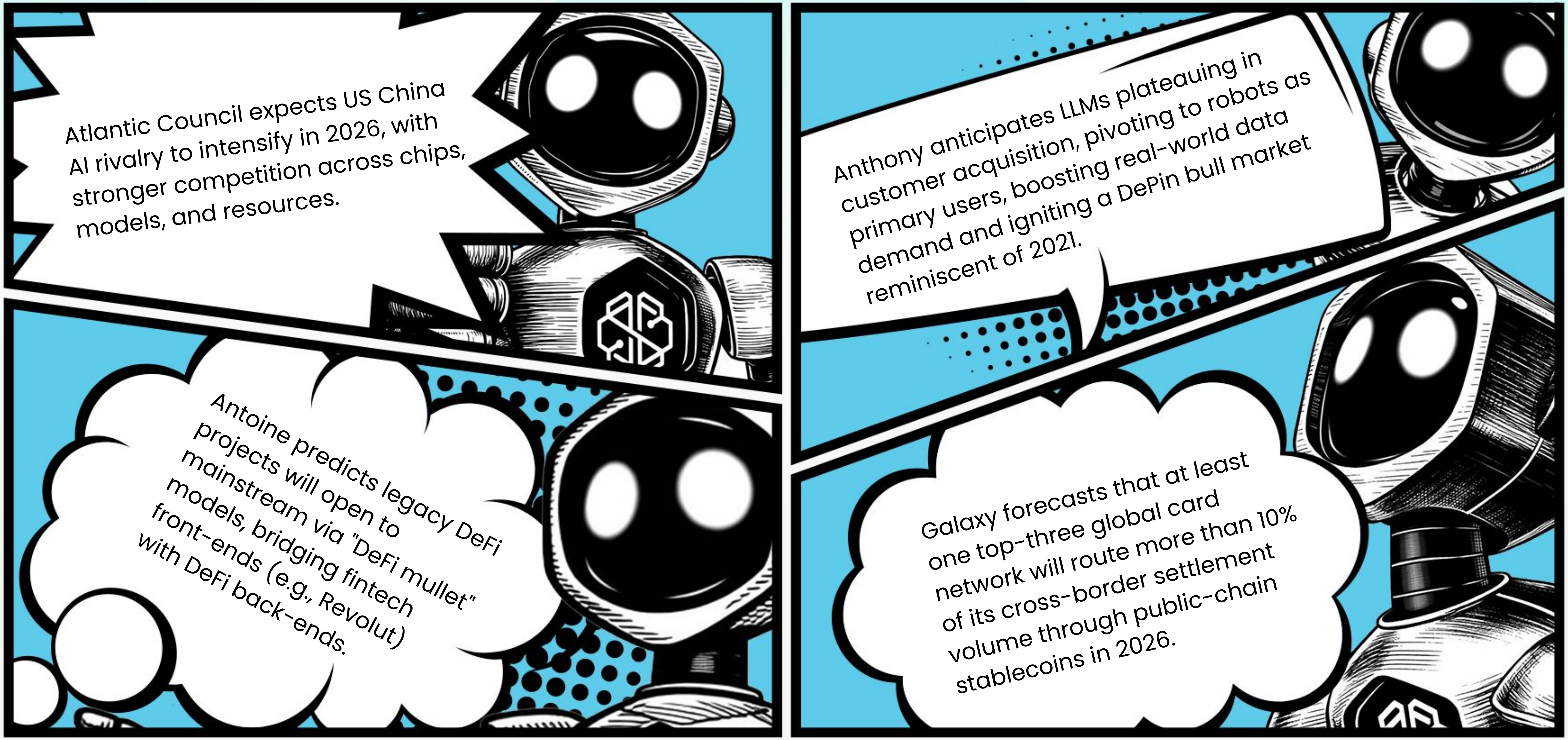

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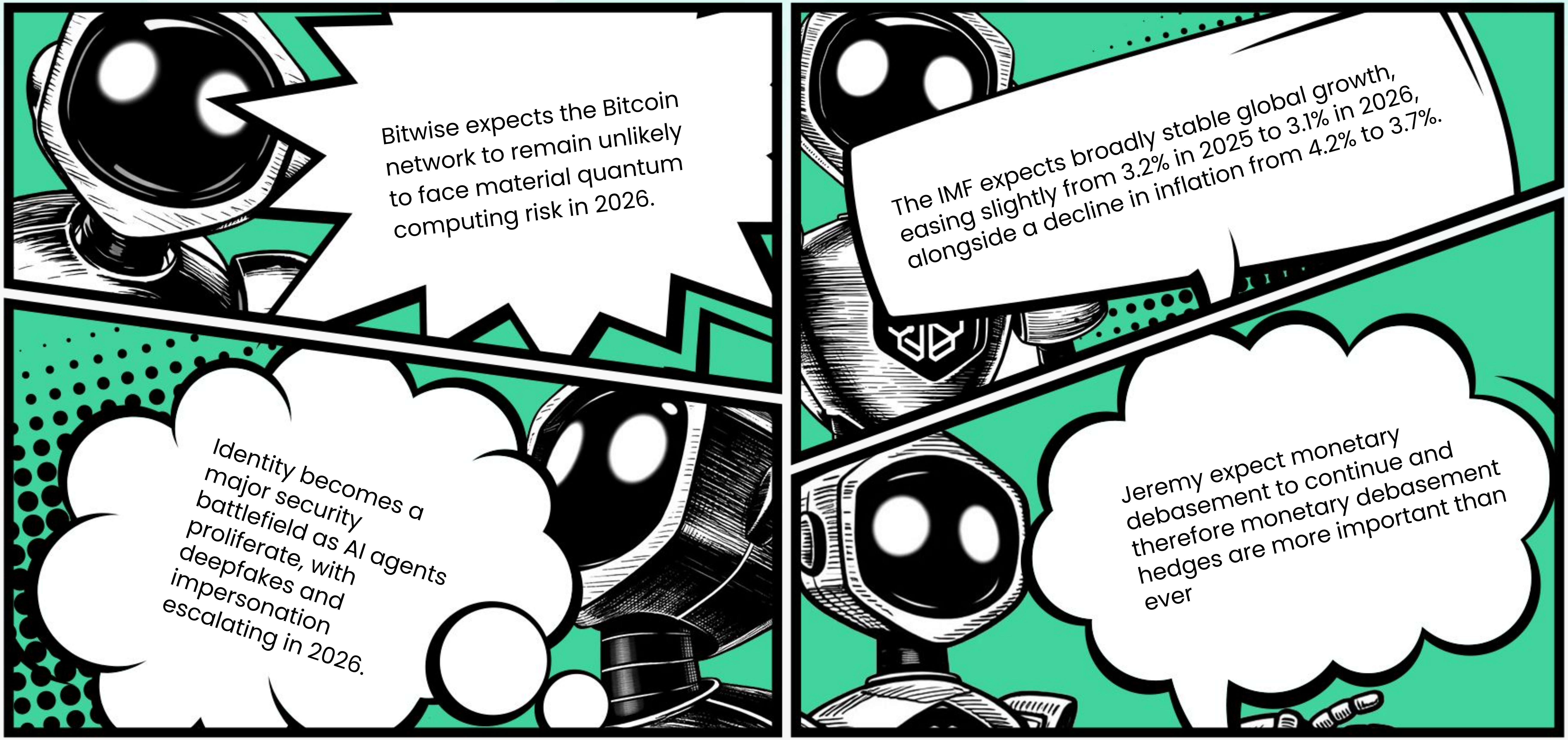

The GENERAL PREDICTIONS

Source and Disclaimer

Most sources used for this report include, but are not limited to:

- https://messari.io/report/the-crypto-theses-2026
- https://obviously.substack.com/p/2026-will-make-this-obvious
- https://www.tbstat.com/wp/uploads/2025/12/20251213_EOY_Report-2.pdf
- https://www.coingecko.com/research/publications/most-profitable-crypto-narratives
- https://99bitcoins.com/news/crypto-market-2025-year-end-review/
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- https://capitalwars.substack.com/
- https://a16zcrypto.com/posts/article/state-of-crypto-report-2025/
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- https://www.ark-invest.com/articles/market-commentary/cathie-woods-2026-outlook?utm_medium=email&_hsenc=p2ANqtz-_y29fDIVL3rq6Nbfq6F3o7IMYmALe3ZEplu_AKZnT3FtVs0cJtgvO6Km4vyY2MCBbm-Q5O2sXCBlI07Frze5DliEnlKg&_hsmi=398820731&utm_content=398820731&utm_source=hs_email
- https://research.grayscale.com/reports/2026-digital-asset-outlook-dawn-of-the-institutional-era
- https://www.cryptopolitan.com/bittensor-price-prediction/
- https://www.bankless.com/podcast/27-crypto-predictions-for-2026-mike-ippolito
- https://www.galaxy.com/insights/research/predictions-2026-crypto-bitcoin-defi

In addition, the report draws on public content and datasets from:

- https://defillama.com/
- https://www.coingecko.com/
- https://coinmarketcap.com/
- https://x.com/
- https://youtube.com/


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