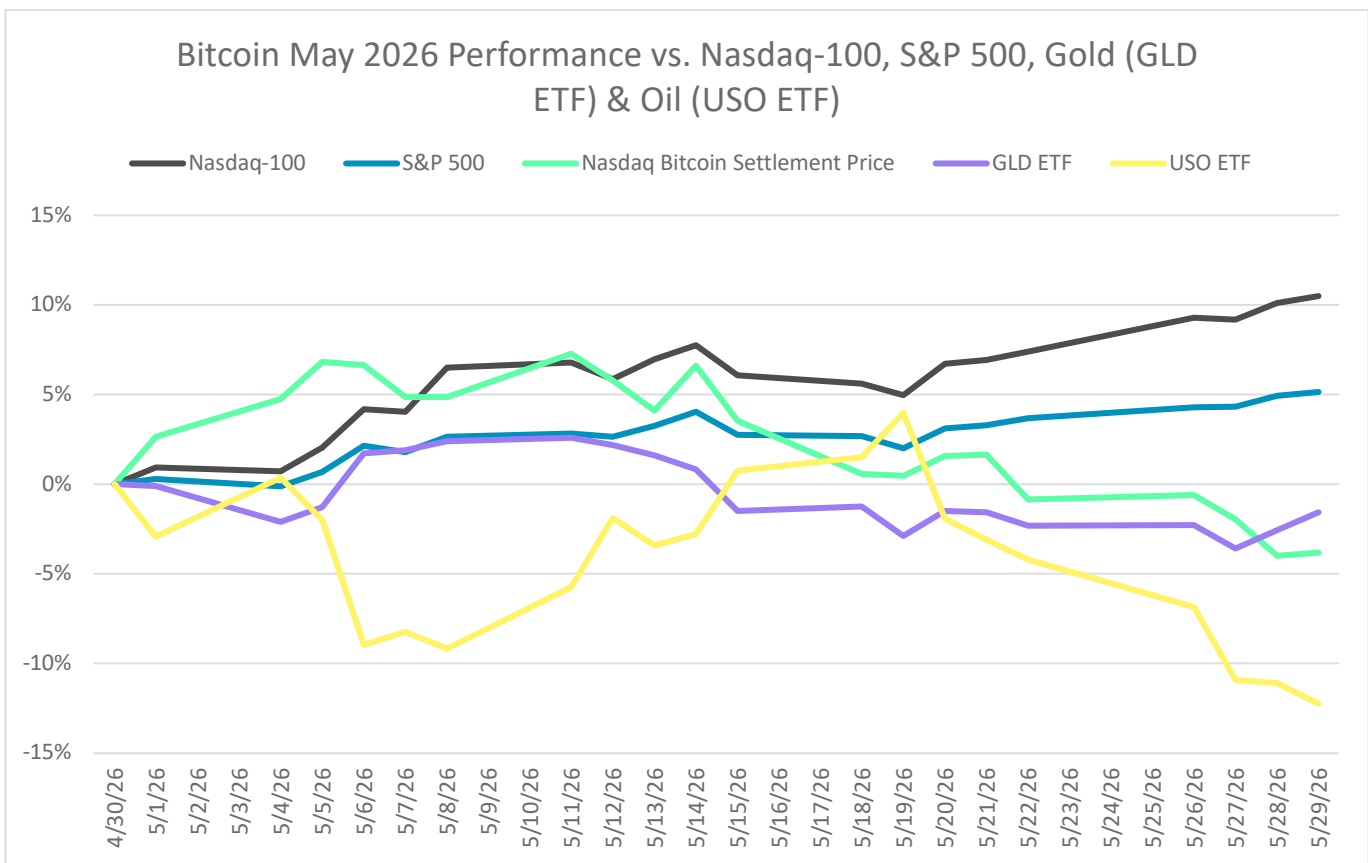


Monthly Digital Asset Market Report: May 2026

Overview

In May, digital asset markets experienced a modest decline and significant Bitcoin (BTC) and Ether (ETH) ETF outflows against a backdrop of continued geopolitical negotiations, volatile oil prices and rising global equities.



Market

The total digital asset market capitalization started the month of May at ~\$2.54 trillion and ended the month at ~\$2.48 trillion, representing a -2% decrease.¹ Over the first quarter of 2026 the digital asset market capitalization declined -21%² followed by a rebound in April of 9%. May's total digital asset market capitalization

¹ [CoinMarketCap](#) Charts, 4/30/26 – 5/31/26

² [CoinMarketCap](#) Charts, 12/31/25 – 3/31/26

fell as low as ~\$2.45 trillion towards the end of the month and experienced a high of ~\$2.73 trillion earlier in the month.³

U.S. Spot Bitcoin ETFs experienced significant net outflows in May, with a total ~\$2.43 billion leaving the ecosystem. This is a departure from the inflows seen in March and April, where ~\$1.32 billion and ~\$1.97 billion was added respectively. Prior to March and April, ETFs invested in digital assets experienced monthly outflows from November 2025 through February 2026.⁴ ETFs invested in BTC and ETH remained relatively stable throughout May in terms of assets under management (AUM), hovering around ~\$120 billion. AUM reached an intramonth high of ~\$122.89 billion on May 6, but this did not surpass the peak AUM of 2026 observed in January at ~\$143.66 billion.⁵ The AUM of ETFs holding BTC reached a high of ~\$108.73 billion and a low of ~\$102.62 billion in May, and ranged from 6.5% to 7.0% of BTC market capitalization throughout the month.⁶ ETFs holding BTC or ETH reached a high of ~\$122.89 billion in early May, up slightly from April's high of ~\$119.29 billion in AUM, where BTC represented ~88% and ETH ~12%. May ended with BTC or ETH ETF AUMs at ~\$119.11 billion, marking a slight overall increase from April's final AUM of ~\$115.45 billion.⁷

U.S. crypto market sentiment dropped in May after starting the month with a score of 46 representing "Neutral" as measured by the CMC Crypto Fear and Greed Index produced by CoinMarketCap, where a score of 0 represents maximum fear and 100 represents maximum greed.⁸ Over the course of May, the CMC Crypto Fear and Greed Index ranged in score from 31 to 52, ending the month with a score of 31, which is considered "Fear". The similar Fear and Greed Index produced by The Block (max fear at 0, max greed at 100) scored the beginning of May at 26 and the end of the month at 28, with an intramonth high score of 50 on May 5.⁹

As backdrop to this market activity and sentiment, May was a month of continued negotiations to end the war with Iran, which started between the U.S. and Iran in late February.¹⁰ On April 16, a 10-day ceasefire in Lebanon was announced and the following day the Strait of Hormuz was declared open to commercial vessels, though it was subsequently closed again amid continued tensions over Iran's Nuclear program.¹¹ The Strait of Hormuz is an important shipping route for vessels transporting oil and other materials in the Persian Gulf, where disruptions have broader impacts on the global economy.¹² The New York Times reports that a small number of shipping vessels were guided through the Strait of Hormuz in May by U.S. forces, though most vessels remain stranded¹³ until an agreement is reached that might reopen the Strait. Towards the end of May, the White House communicated that a memorandum of understanding between the two countries is in progress.¹⁴

Global oil prices were volatile in May before dropping at the end of the month, possibly in reaction to hopes for an Iran peace deal,¹⁵ after hitting \$120 per barrel in April which marked a four-year high.¹⁶ Gold prices rose towards the beginning of the month before slightly declining, and the S&P 500 gained 5% in May¹⁷ marking nine straight weeks in the green, the longest streak since 2023.¹⁸ The booming U.S. stock market is juxtaposed by a sinking share of gross domestic income (GDI) for labor, with the Wall Street Journal reporting that labor's share of GDI sank in May to 51%, the lowest on record since 1947.¹⁹ The digital asset

³ [CoinMarketCap](#) Charts

⁴ [SoSoValue](#) Total Bitcoin Spot ETF Net Inflow Chart

⁵ [CoinMarketCap](#) ETF Charts

⁶ [CoinMarketCap](#) ETF Charts

⁷ [CoinMarketCap](#) ETF Charts

⁸ [CoinMarketCap](#) Fear and Greed Index

⁹ [The Block](#) Fear and Greed Index

¹⁰ [New York Times](#)

¹¹ [New York Times](#)

¹² [New York Times](#)

¹³ [New York Times](#)

¹⁴ [New York Times](#)

¹⁵ [CNBC](#)

¹⁶ [New York Times](#)

¹⁷ [Yahoo Finance: SPX](#), 4/30/26 – 5/29/26

¹⁸ [Market Watch](#)

¹⁹ [Wall Street Journal](#)

space did not rise along with equities markets in May, but experienced a -2% decline in overall market capitalization.

Notable Events

- In May, the SEC granted Paxos temporary registration as a clearing agency for its blockchain settlement business, allowing the company to provide clearing and settlement services for eligible securities in the U.S.²⁰
- The SEC sued a Texas man, alleging that he raised ~\$12.3 million from investors for a crypto trading scheme, diverted a portion of funds for personal use, and made false representations.²¹
- On May 29 the CFTC gave approval for Kalshi, a prediction market and registered exchange,²² to list and trade U.S. bitcoin perpetual futures contracts.²³
- An industry group called the Transparency Alliance launched in May, which aims to “establish transparency around tokens via standardized disclosures, market integrity, and the adoption of the Token Transparency Framework (TTF).” Founding members include crypto exchanges, custodians, market makers, venture funds, launch platforms, and stablecoin issuers. Blockworks originally launched the Token Transparency Framework in June 2025, which provides a standardized way for projects to put material information on record.²⁴
- In May, Galaxy Digital and Mastercard were granted New York BitLicenses. New York introduced the BitLicense in 2015, which is a license for digital asset activities requiring that organizations meet a strict set of standards.²⁵

Regulation & Policy

In March, the SEC issued an interpretation to clarify how U.S. federal securities laws apply to certain crypto assets and crypto-related transactions²⁶. The Commodity Futures Trading Commission (CFTC) joined the interpretation, which outlines a token taxonomy, addresses “non-security crypto assets”, and clarifies the application of federal securities laws to airdrops, protocol mining, protocol staking, and the wrapping of non-security crypto assets.

The CFTC has been involved in pushing back on several U.S. states including New York, Arizona, Illinois, Connecticut, Wisconsin and most recently Minnesota²⁷ regarding the oversight of prediction market businesses. Some states have been suing prediction markets businesses over concerns around potential unlicensed gambling, which the CFTC views as interference with federal law regulating financial markets and CFTC jurisdiction²⁸. In May the CFTC sued the state of Minnesota over their new law that bans prediction market sites like Kalshi and Polymarket from operating in the state starting August 1, 2026.²⁹ Kalshi followed with their own lawsuit against the state.³⁰

Meanwhile, the Digital Asset Market Clarity Act (the CLARITY Act), which aims to establish a U.S. regulatory framework around digital assets and clarify the jurisdictions of federal oversight, continues to be debated by banks and crypto industry leaders who are primarily at odds over the issue of stablecoin rewards³¹. The Senate

²⁰ [Yahoo Finance](#)

²¹ [Coindesk](#)

²² [Coindesk](#)

²³ [CFTC.gov](#)

²⁴ [Blockworks](#)

²⁵ [Coindesk](#)

²⁶ [SEC](#)

²⁷ [Coindesk](#)

²⁸ [Coindesk](#)

²⁹ [NPR.org](#)

³⁰ [Coindesk](#)

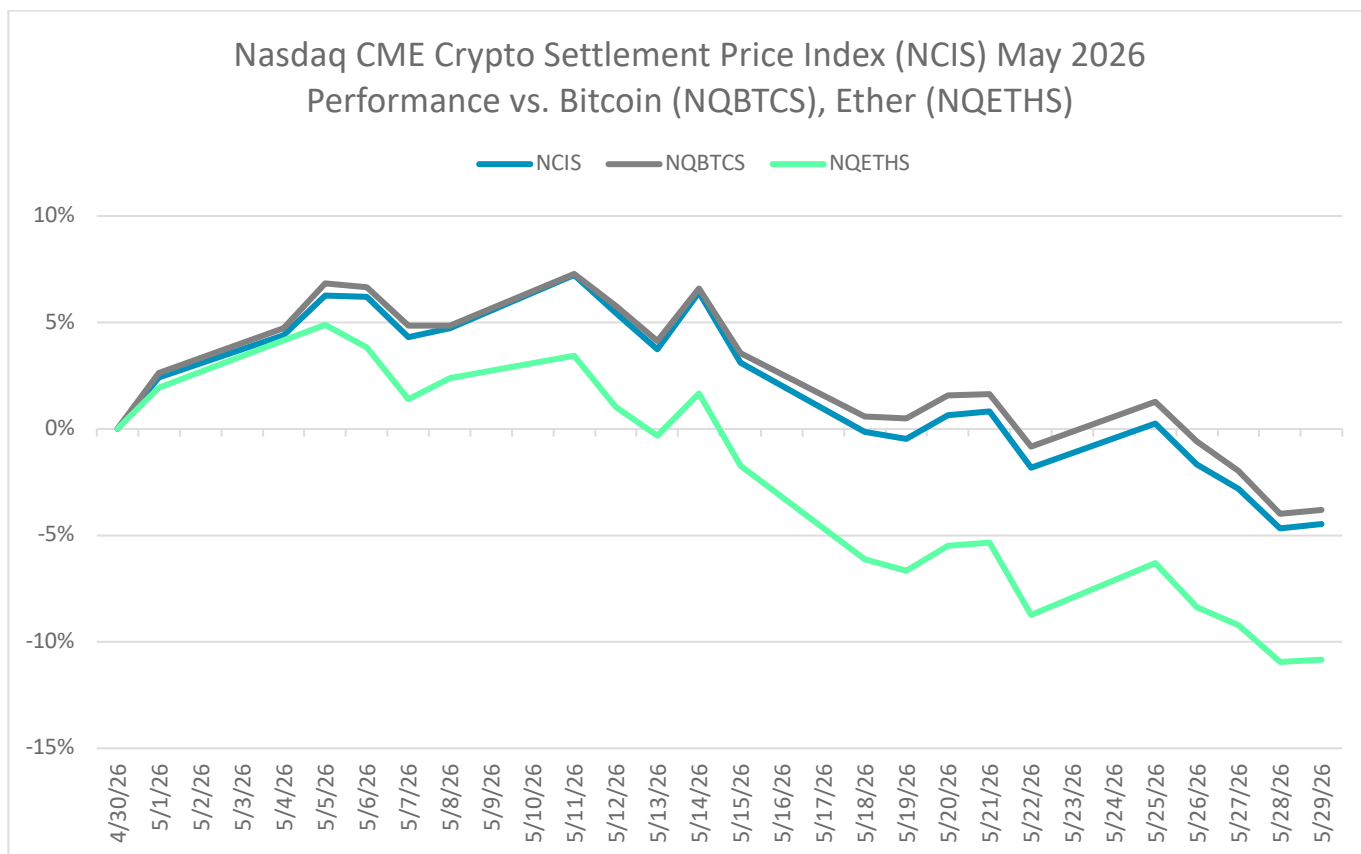
³¹ [Coindesk](#)

Banking Committee and Senate Agriculture Committee have advanced, and are in the process of merging, their versions of the bill before a Senate review.³²

The European Union has plans to centralize crypto oversight under the European Securities and Markets Authority (ESMA), which is the EU’s financial markets regulator and supervisor. EU regulators believe that uniform market rules for crypto assets will support market integrity and improve consumer protections. ESMA is instituting The Markets in Crypto-Assets Regulation (MiCA) framework, which requires crypto companies to obtain licenses from the national authority in order to operate in the European Union, amongst other rules. While MiCA entered into force in June 2023, there has been a transitional period during which crypto companies operating in the EU may obtain licenses, with July 1, 2026 as the final compliance deadline. The island of Malta, which has long attracted crypto companies after being the first European country to introduce their own crypto regulatory framework and tax policy in 2018, is pushing back against ESMA’s oversight initiatives³³. The European Commission launched a [public consultation in May seeking feedback on MiCA](#), which is open until August 31, 2026.

Nasdaq CME Crypto Index (NCI)

Nasdaq’s flagship crypto index, the NCI, measures the performance of a basket of the most actively traded digital assets and provides a benchmark for institutional investment in the asset class. The NCI represents a real-time index that is calculated every second throughout a 24-hour trading day. The Nasdaq CME Crypto Settlement Price Index (NCIS) measures the same constituents but is calculated once a day with a settlement time at 4:00:00 PM New York Time. Over the month of May 2026, the NCIS returned -4.47%.³⁴ Its two biggest constituents, as tracked by the Nasdaq Bitcoin Settlement Price™ Index (NQBTCS™) and Nasdaq Ethereum Settlement Price™ Index (NQETHS™), returned -3.81% and -10.85%, respectively.



³² [Coindesk](#)

³³ [Bloomberg](#)

³⁴ [Nasdaq GIW](#)

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