HOULIHAN CAPITAL

Valuation & Financial Advisory | Investment Banking

INDUSTRY UPDATE CRYPTO & DIGITAL ASSETS Q3 2026



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STATS AT A GLANCE

Q3 2026

CRYPTOCURRENCY

Total Cryptocurrency Market	Total Altcoin Market[1]
• Market Cap: $2.86 trillion	• Market Cap: $1.18 trillion
• QoQ growth: 40.6%	• QoQ growth: 37.4%
• 24-Hr Trading Volume[2]: $108.3 billion	• 24-Hr Trading Volume[2]: $73.3 billion
• Bitcoin Dominance: 58.6%	• Ethereum % of Altcoin Market: 27.7%

VENTURE CAPITAL (ALL SECTORS)

Deal Count	Deal Value
• Total deals: 3,640	• Total deal value: $98.4 billion
• QoQ growth: -12.3%	• QoQ growth: -40.0%
• YoY growth: -2.6%	• YoY growth: 41.3%

[1]All cryptoassets excluding Bitcoin
[2]As of September 30, 2026

Source: Pitchbook, Messari, CoinMarketCap

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CRYPTO MARKET TIMELINE

Q3 2026

July 1
Bitcoin fell to $57,950, its lowest level in 652 days, after a 20% June decline driven by U.S. spot Bitcoin ETF outflows.

July 10
The OCC granted Circle final approval to open Circle National Trust, a national trust bank that puts the USDC issuer under direct federal oversight, with management of USDC reserves planned as a later capability.

August 18
The SEC proposed Regulation Crypto Assets, including a startup exemption for offerings of up to $5.0M over four years and a fundraising exemption of up to $75.0M per year, with public comment open until October 20.

August 19
The U.S. Treasury doubled the maximum size of its long-end buyback operations from $2.0B to $4.0B. This helped propel the industry, as total crypto market cap rose 21.8% in August while spot BTC ETFs experienced net inflows during the month.

September 15
The U.S. Senate failed to advance the Digital Asset Market Clarity Act in a 49-50 cloture vote, 11 votes short of the 60 required, effectively ending the bill's prospects for 2026.

September 21
Bitcoin hit an eight-month high near $87.0K on the largest single-day U.S. spot Bitcoin ETF inflow since October 2025, as total crypto market cap peaked at $3.03T.

July | August | September

Source: Pitchbook, Press Releases

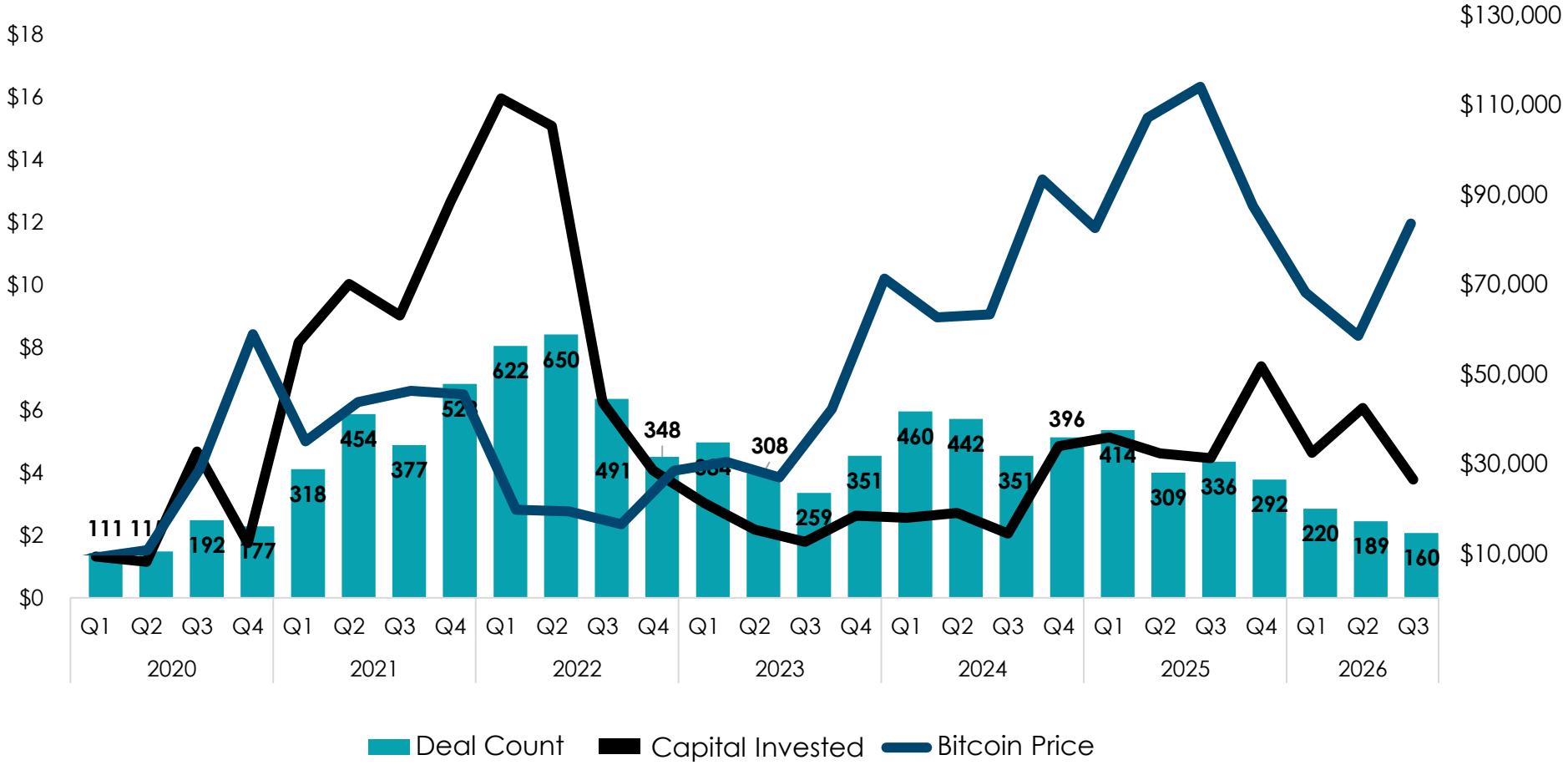
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CRYPTO VC TRENDS

Capital Invested, Deal Count

Crypto VC investment fell in Q3 2026, dropping from $6.1 billion to $3.8 billion across 160 deals, a 37.7% decrease in capital and a 15.3% decrease in deal count from Q3 2026. Average round size shrank from $32.1 million to $23.6 million even as Bitcoin rose 42.7% over the quarter, as capital returning to crypto flowed mainly into liquid assets rather than private companies. Meanwhile, venture managers struggled to raise new money, closing only three new crypto funds, the fewest in any quarter since Q3 2019.



Source: CryptoRank, Galaxy Research, Tiger Research

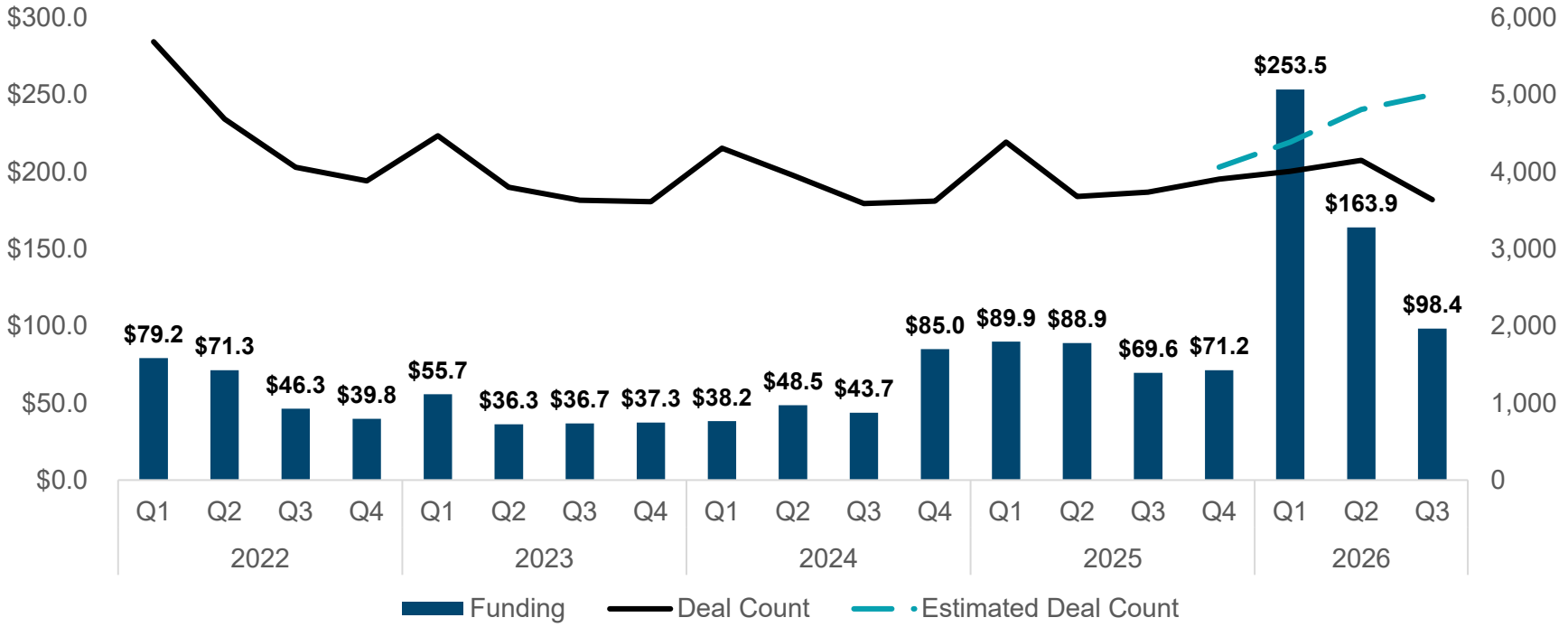


VENTURE CAPITAL (ALL SECTORS) TRENDS

Deal Count, Capital Invested

Funding fell roughly 40% quarter-over-quarter to $98.4 billion in Q3 2026, as the frontier-lab megadeals that drove the first half did not repeat. Reported deal count fell 12.3% quarter-over-quarter, from 4,151 to 3,640, though PitchBook estimates about 5,003 deals closed once late-reported rounds are included, up from an estimated 4,809 in Q2. More deals but fewer dollars shows how much of H1's volume came from a handful of outsized rounds.

Venture-growth deal value dropped from $84.3 billion to $29.7 billion, and AI's share of deal value fell from 84.1% to 65.9%. Funding stayed concentrated: deals of $100 million or more, about 5% of deal count, accounted for 75% of Q3 deal value.



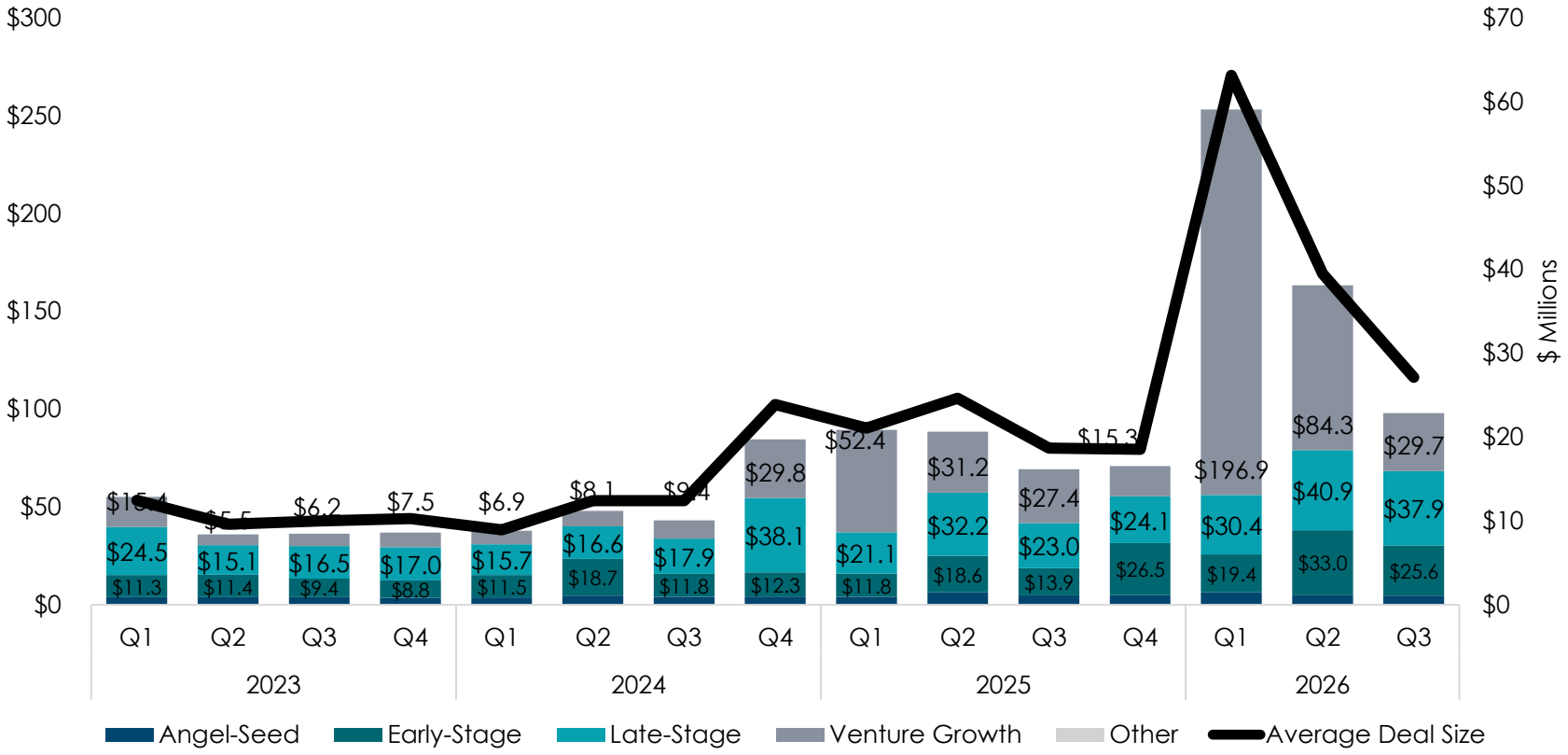
Source: Pitchbook.com



VC DEAL ACTIVITY BY DEAL STAGE & DEAL SIZE

As of Q3 2026

In Q3 2026, venture capital funding totaled approximately $98.4 billion, down 40.0% from $163.9 billion in Q2 as the venture growth surge faded. Venture growth funding fell 64.8% quarter-over-quarter to $29.7 billion, early-stage declined 22.5% to $25.6 billion, and late-stage held relatively steady, down 7.2% to $37.9 billion, making it the largest stage for the quarter. Average deal size fell 31.3% to approximately $27.1 million.

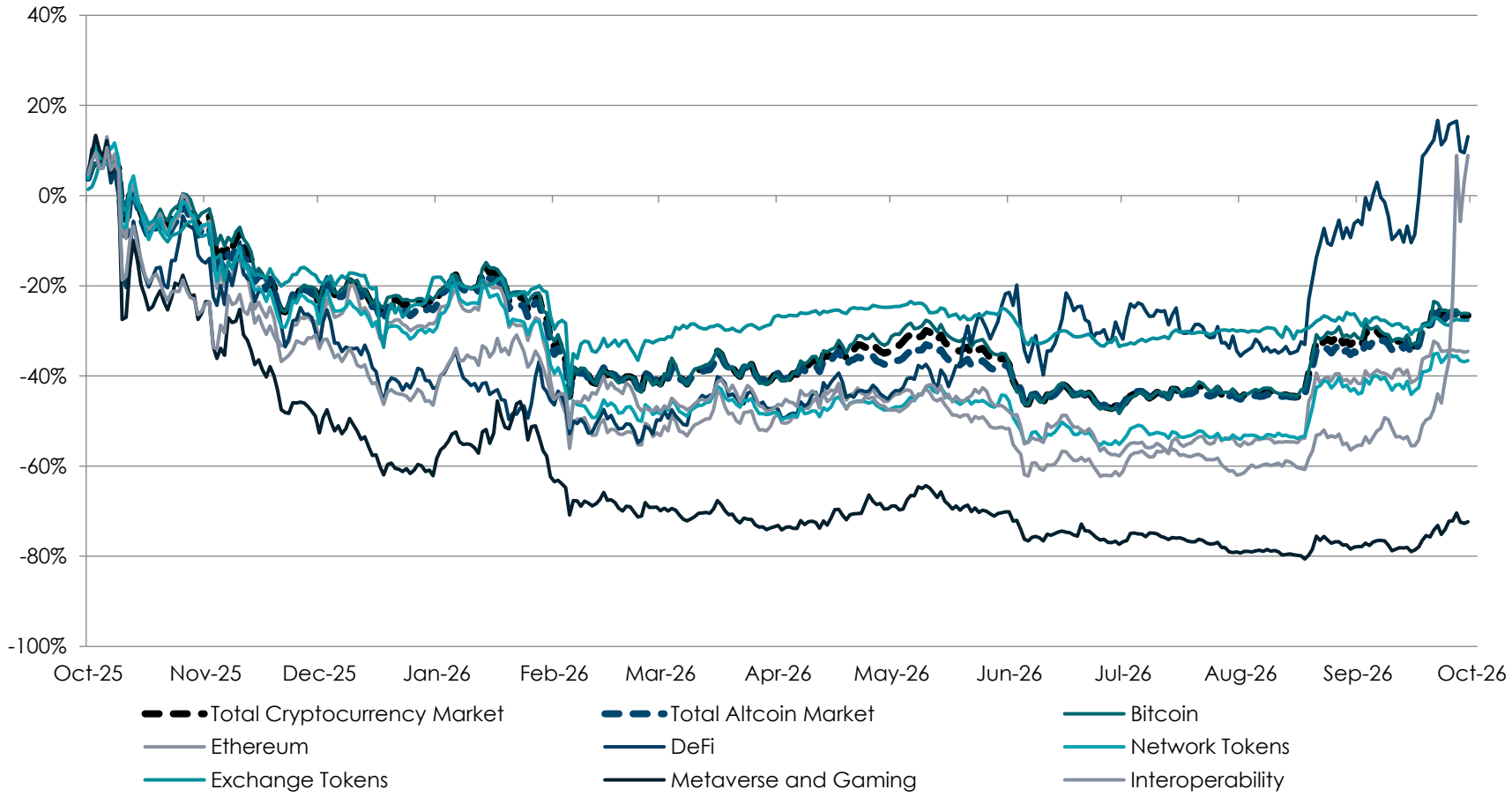


Source: Pitchbook.com



LTM CHANGE IN MARKET CAPITALIZATION BY CRYPTOASSET SECTOR[1]

As of Q3 2026

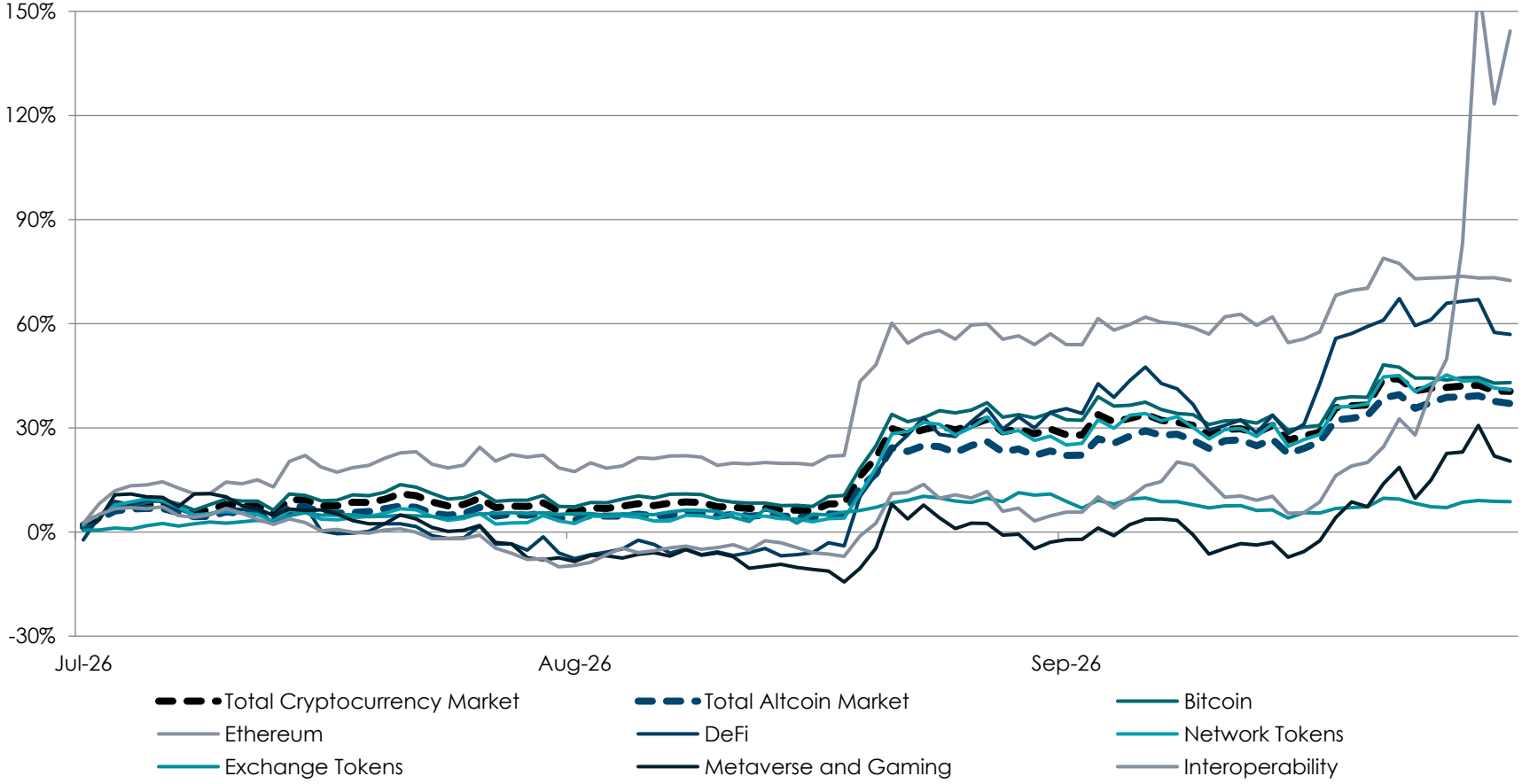


[1]Tokens are grouped by subsector, with the largest in each category identified using data from Messari.io.
Source: Messari.io, Coinmarketcap.com



LAST THREE MONTHS CHANGE IN MARKET CAPITALIZATION BY CRYPTOASSET SECTOR[1]

As of Q3 2026



[1]Tokens are grouped by subsector, with the largest in each category identified using data from Messari.io.
Source: Messari.io, Coinmarketcap.com

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- **Complex & Illiquid Securities (Level 3)**
- **Cryptoasset /Blockchain Valuations**
    - Locked Token Valuations
- **Enterprise Valuations**
    - Fairness & Solvency Opinions
- **SPAC Fairness Opinions**
- **Estate & Gift Valuations Purchase Price Allocation (ASC 805)**
- **Goodwill Impairment Testing (ASC 350) Stock-based**
- **Compensation (ASC 718, IRC 409A)**

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