



# Macro Market Report

January 2026

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# Executive Summary

January 2026 marks a transition point in digital asset markets. The Federal Reserve has entered a measured policy stance following three rate cuts in late 2024/2025, and regulatory frameworks are moving from proposal to implementation.

## Key Signals:

- **Fed Pause:** Policy rate at 4.25%—4.50% after three cuts in late 2024/2025; January FOMC expected to hold
- **Institutional Infrastructure:** Bitcoin spot ETF cumulative net inflows **\$57.9B** since launch; AUM **\$150.8B**
- **Settlement Layer Expansion:** Stablecoin market cap reached ATH of **\$310.426B**
- **RWA Acceleration:** Total sector value **\$23.23B** (+11.53% 30d); tokenized U.S. Treasuries **\$9.33B**; 656,444 asset holders
- **Regulatory Implementation:** GENIUS Act (signed July 2025) enters implementation; MiCAR fully enforced in EU

**The Divergence:** While macro uncertainty (Fed pause, tariff concerns) creates near-term volatility, structural adoption indicators continue strengthening. Markets are transitioning from "beta-driven speculation" to "infrastructure-driven adoption."

# Global Macro Backdrop

## TradFi Performance Table

Metric	Current	MoM Change	YTD
S&P 500	6,978.03	-0.94%	-0.94%
Nasdaq	23,857.45	+0.2%	+0.2%
Gold (XAU/USD)	\$4,500/oz	+7.1%	+7.1%
DXY (Dollar Index)	109.07	+0.42%	+0.42%
10-Year Treasury	4.24%	+15 bps	+15 bps
2-Year Treasury	3.59%	+5 bps	+5 bps

**10Y-2Y Spread:** ~65 bps (steepening trend)

## Federal Reserve & Monetary Policy

The Federal Reserve reduced the policy rate three times during late 2024 and 2025, bringing the Federal Funds Rate to **4.25%—4.50%**. Market pricing for 2026 indicates potential for one to two additional rate adjustments, contingent on inflation trajectory.

**January 28-29 FOMC (upcoming):** Hold decision expected. Vice Chair Jefferson noted the resilient labor market as a factor supporting measured policy adjustments.

**Implication for Digital Assets:** The pause removes rate-cut tailwinds that supported late-2025 risk asset appreciation. However, stable rates create predictable conditions for institutional treasury management—a key driver for tokenized yield-bearing instruments.

# Global Macro Backdrop

## Inflation Environment

December 2025 CPI: 2.7% YoY (headline) | 2.6% YoY (core)

January 2026 Nowcast: 2.34% YoY (Cleveland Fed)

### Persistent Components:

- Housing: 3.2% YoY (one-third of CPI weighting)
- Food: 3.1% YoY
- Energy: 2.3% YoY

**Strategic Context:** "Higher for longer" inflation supports the case for yield-bearing real assets (tokenized treasuries, private credit) over zero-yield stablecoin holdings.

## M2 Money Supply & Liquidity

US M2 (December 2025): \$22.4T (all-time high)

MoM Change: +\$100B (from \$22.3T in November 2025)

**Trajectory:** Resumed expansion after the 2022—2023 contraction cycle

Bitwise and Fidelity emphasize M2 Money Supply as a primary Bitcoin price driver, visualizing BTC as a "liquidity sponge." Global liquidity expansion historically correlates with risk asset appreciation. M2's return to all-time highs following the post-2022 contraction confirms that the liquidity environment is shifting from restrictive to neutral. The Fed pause following three late-2024/2025 rate cuts stabilizes the M2 trajectory, creating predictable conditions for institutional treasury allocation into yield-bearing digital assets.

## Geopolitical Factors

Trade policy discussions involving US-EU tariffs contributed to mid-January volatility. Bitcoin declined ~3-4% during tariff announcement before stabilizing.

# Digital Asset Performance

## BTC & ETH vs TradFi Asset Classes

Asset	Market Cap	MoM	YTD
Bitcoin	~\$1.83-1.86T	-3.2%	-3.2%
Ethereum	~\$380-390B	-2.8%	-2.8%
Total Crypto	~\$3.1-3.2T	-2.5%	-2.5%
S&P 500	~\$62T	-0.94%	-0.94%
Gold (XAU/USD)	~\$31T	+7.1%	+7.1%

ETH/BTC Ratio: 0.0344

Q3 2025 Reference: ETH +65% vs BTC +6%

## Cross-Asset Correlation Matrix

### Short-Term Correlations (30-Day, Mid-January 2026)

Pair	30-Day Correlation	Percentile (1Y)	Signal
BTC vs S&P 500	0.18	9th	Decoupling — lowest since Oct 2025
BTC vs Gold	0.28	80th	Strengthening safe-haven co-movement

### Structural Correlations (2020—2024 Average)

Pair	Correlation	Signal
DXY vs USDT	0.02	Near-zero — stablecoins behave independently of dollar strength
DXY vs USDC	0.13	Weak — confirms settlement utility over FX speculation

# Digital Asset Performance

**Key Insight:** The January data shows two simultaneous signals. First, Bitcoin is decoupling from equities (30-day BTC—S&P correlation at 0.18, near one-year lows) while strengthening its co-movement with gold (0.28, 80th percentile). This supports the narrative that Bitcoin is beginning to trade as a **macro hedge** rather than a pure risk-on asset. Second, the multi-year near-zero DXY—stablecoin correlations confirm that stablecoins function as settlement infrastructure, not speculative FX instruments — a structural characteristic that underpins their growing role in institutional treasury management.

## Bitcoin Dominance

**Current BTC Dominance: ~57-58%**



BTC Dominance serves as a "Risk On/Off" indicator within crypto markets. Rising dominance signals flight to quality; declining dominance signals altcoin rotation.

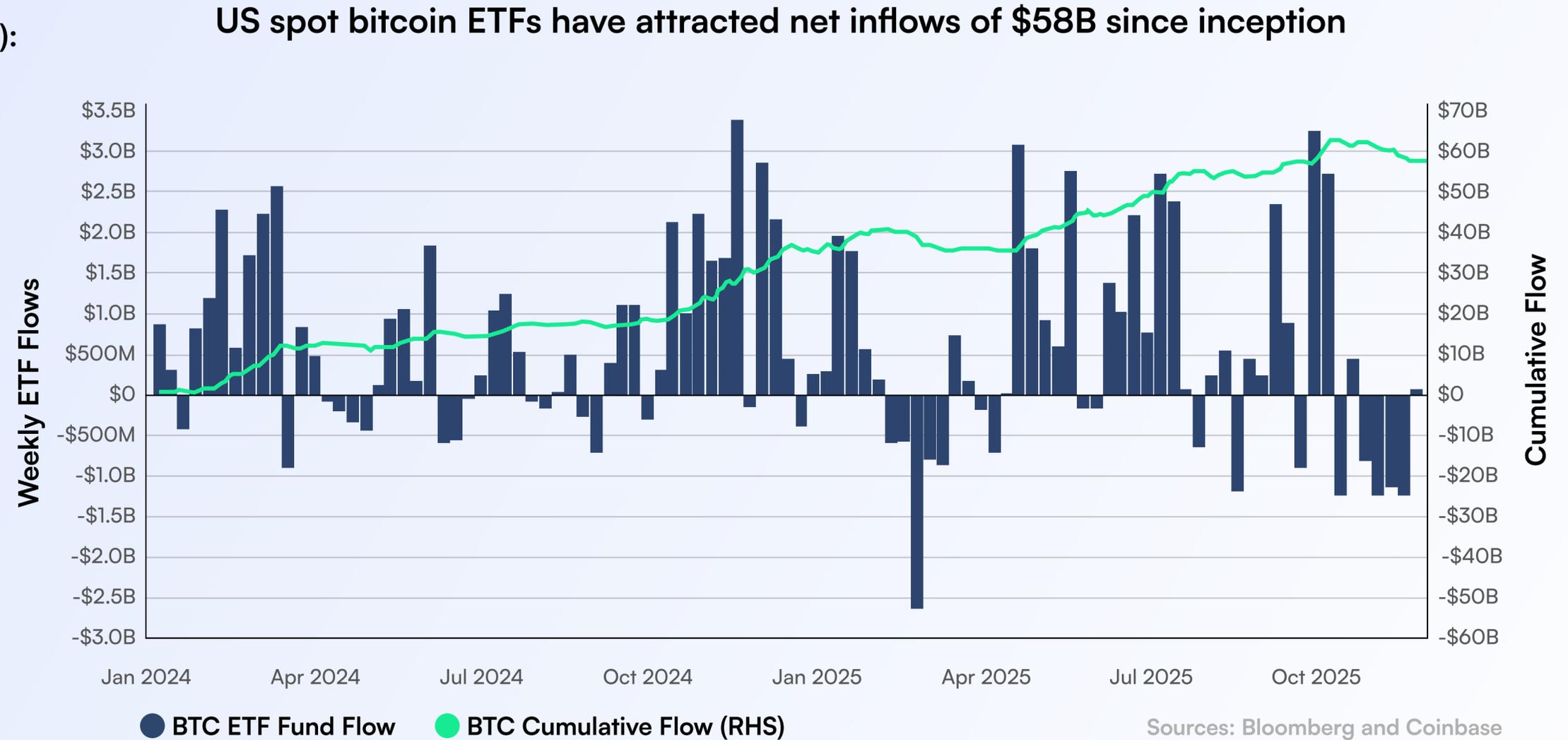
# Institutional Flows & Market Structure

## ETF Monitor

Cumulative Net Inflows (Jan 2024 — Jan 2026):  
**\$57.9B**

Assets Under Management: **\$150.8B**

Weekly Net Inflows (Mid-Jan 2026): **\$1.42B**



**Interpretation:** ETF flows represent institutional allocation decisions by pension funds, endowments, and RIAs. The \$57.9B cumulative inflow milestone with \$150.8B in AUM validates Bitcoin as an emerging institutional asset class. Despite episodic outflows during 2025, the cumulative trajectory implies sustained institutional allocation interest.

# Institutional Flows & Market Structure

## Derivatives

- **Open Interest:** CME Bitcoin futures represent ~30% of total open interest, indicating sustained institutional participation
- **Funding Rates:** Near-neutral (0.005-0.01% daily), indicating balanced positioning without excessive leverage

**Why It Matters:** Neutral funding rates and elevated CME participation signal measured institutional positioning rather than overleveraged retail speculation.

## Stablecoin Supply (Liquidity Proxy)

**Total Stablecoin Market Cap:** \$310.426B (ATH, January 2026)

**Fiat-Backed Stablecoins:** \$224.9B (+76% YoY)

**Growth Trajectory:** From \$233.16B (2025) to \$272.28B (projected 2026)

Stablecoin	Market Cap	Share
USDT (Tether)	\$187B	60.3%
USDC (Circle)	\$75.7B	24.4%
DAI (MakerDAO)	\$6.3B	2.0%
USDS/USDe	\$3.73B	1.2%
Others	\$37.73B	12.1%

**Signal:** Growth from \$296.5B (October 2025) to \$310.426B (January 2026) during moderate price volatility indicates stablecoin demand is driven by **settlement utility**, not speculative positioning. The \$224.9B in fiat-backed stablecoins (+76% YoY) represents deepening institutional treasury management adoption.

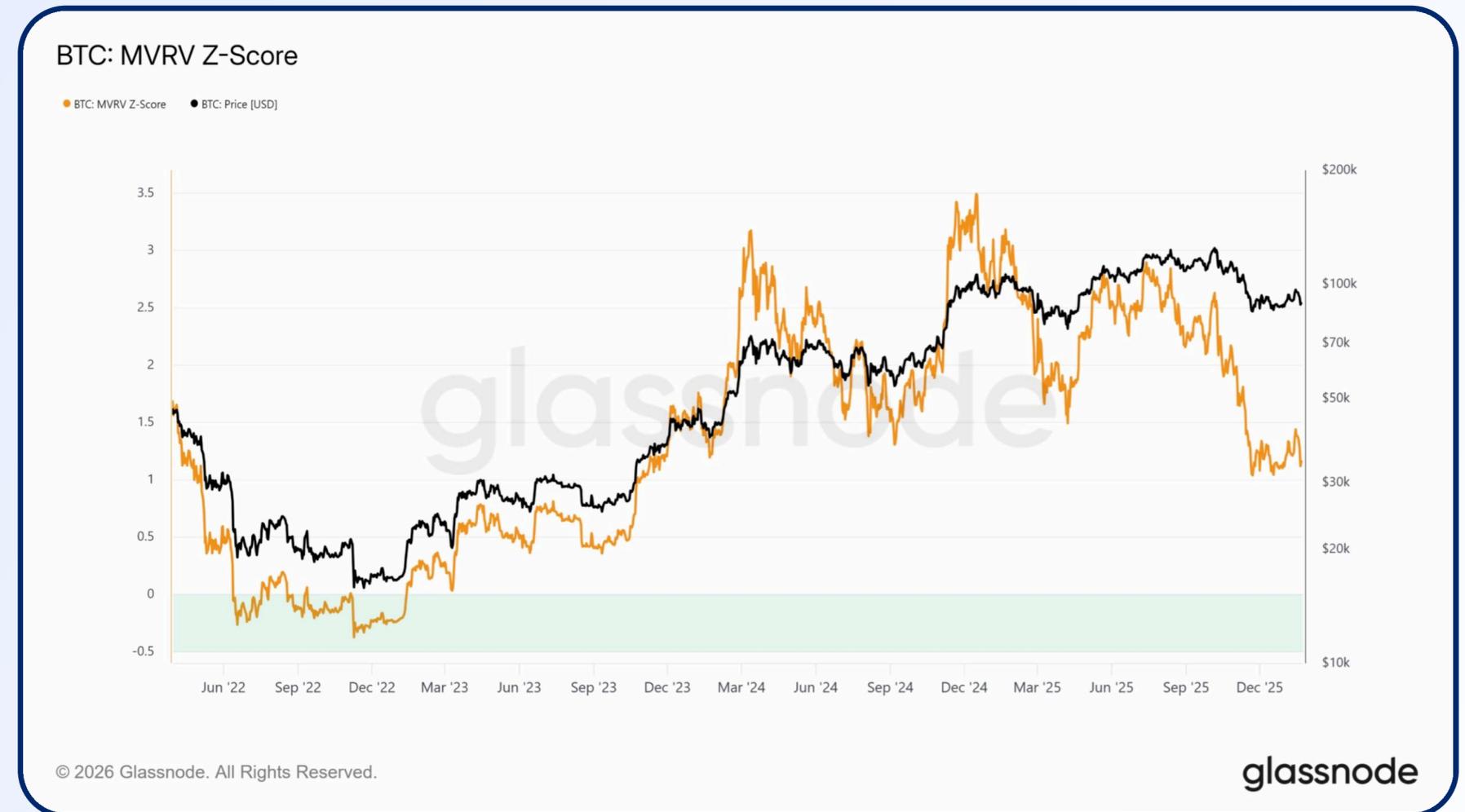
# Onchain Fundamentals

## Valuation: MVRV Z-Score

### Interpretation

An MVRV Z-Score of **~1.19** places Bitcoin in a **low-neutral valuation regime**. In the Glassnode series, the cycle's overheated conditions typically occur when Z-Score rises materially higher (multi-sigma readings), while the **green-shaded region below 0** marks historically depressed valuation periods.

The current reading implies Bitcoin is **not exhibiting the statistical overextension** associated with prior cycle tops. Instead, valuation sits closer to the middle of the historical range, suggesting price appreciation to date has been accompanied by a rise in realized value rather than purely speculative repricing. In macro terms, this supports a base case where upside continuation remains possible without the market yet signaling “late-cycle” conditions via MVRV.



Source: Glassnode

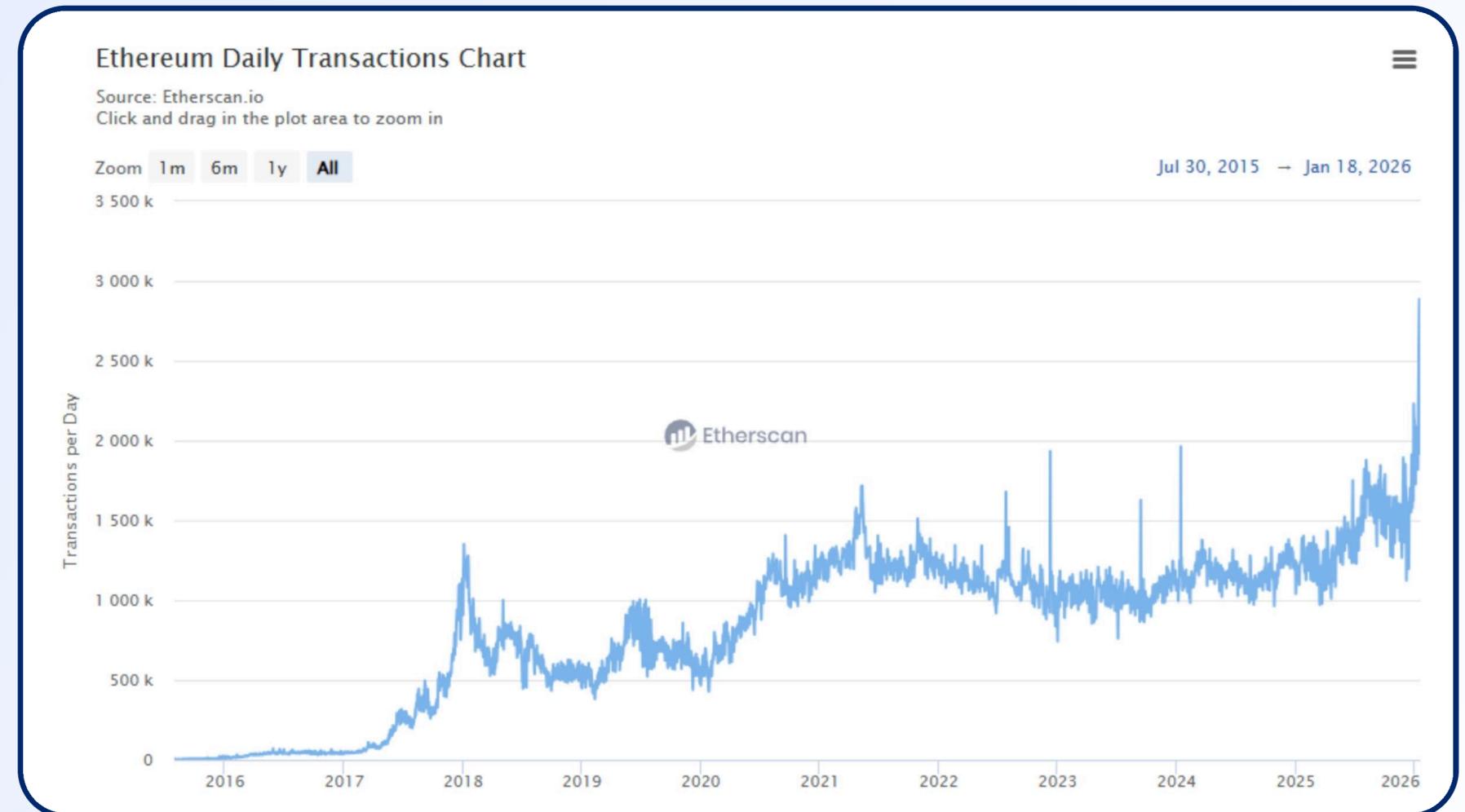
# Onchain Fundamentals

## Network Activity

**Ethereum L1 Usage (Daily Transactions):** The Etherscan “Ethereum Daily Transactions” series shows a sustained long-term uptrend in L1 throughput, with daily transactions rising materially into early 2026 and printing new highs toward the end of the window.

**Ethereum L1 Median Tx Fee:** ~\$0.15

**Layer 2 Median Tx Fee (Base, Arbitrum):** typically <\$0.01 in normal conditions



Source: Etherscan.io

**Strategic Implication:** The combination of rising **baseline demand** (higher daily transactions on L1) and **cost-efficient execution layers** (L2s) strengthens the case that blockchain settlement is moving from experimentation to production-grade infrastructure. For tokenized assets, lower transaction costs on L2s improve the unit economics of smaller notional actions (subscriptions, transfers, attestations), supporting more practical fractionalized ownership workflows without fees dominating transaction value.

# Onchain Fundamentals

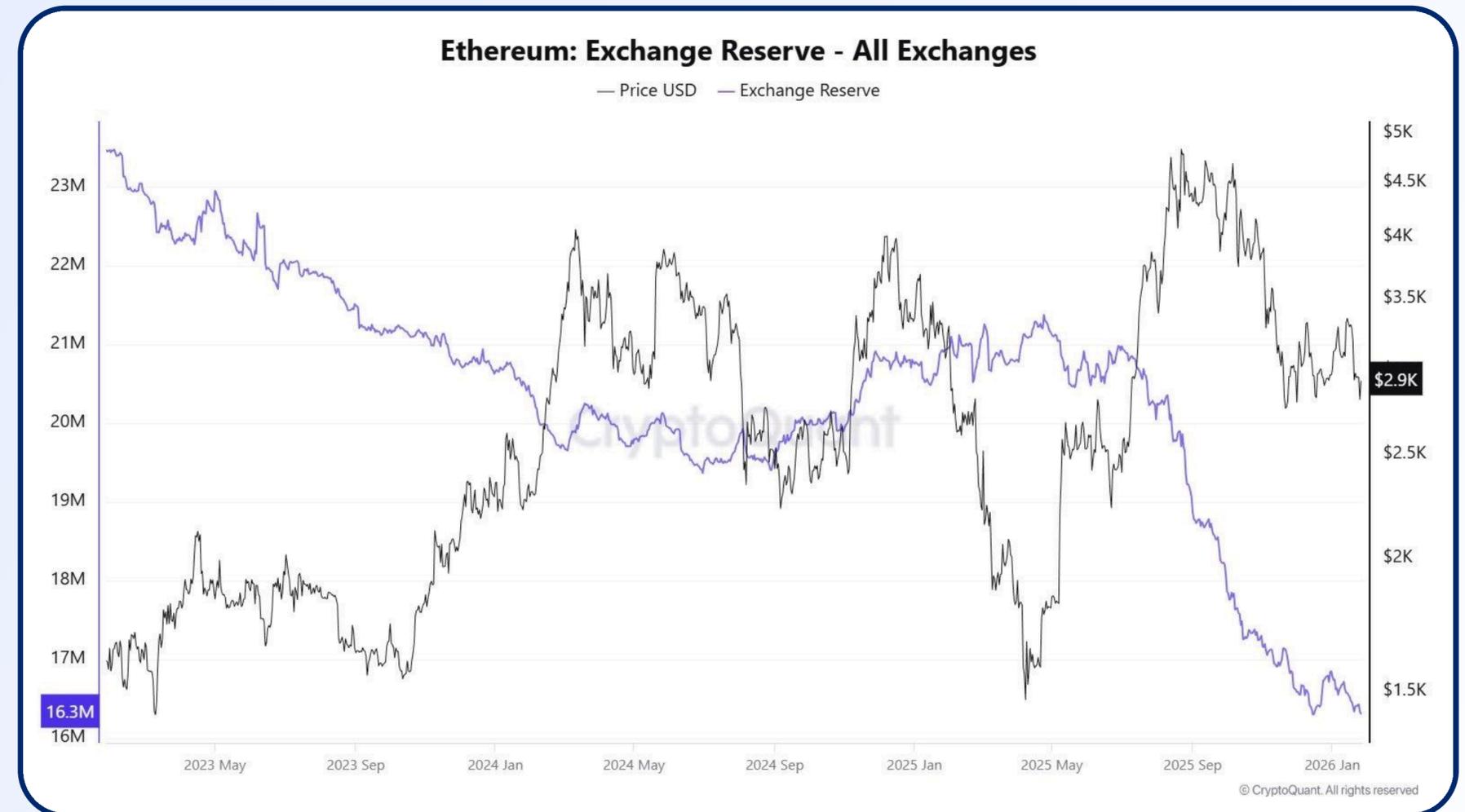
## Supply Dynamics: Liquid Float vs Locked Supply

### Ethereum (exchange availability):

CryptoQuant data indicates **ETH exchange reserves are ~8% of total supply**, consistent with a multi-year low and a reduced volume of ETH sitting in readily tradable venues.

### Additional supply constraints (separate indicators):

- **ETH staked:** >30% of total supply (staked supply removes inventory from immediate circulation)
- **Institutional ETH holdings:** ~3.9% of circulating supply (institutional custody / balance sheet holdings reduce free float)
- **Bitcoin long-term holder supply:** ~70% of circulating supply held by addresses inactive for 155+ days (higher holder duration typically reflects lower near-term spend propensity)



Source: CryptoQuant

**Signal:** Taken together, these indicators point to a **tighter liquid float** across majors. With less supply positioned for immediate sale, the market can experience **lower reflexive selling pressure** from “hot” inventory, even if spot price action remains range-bound in the near term.

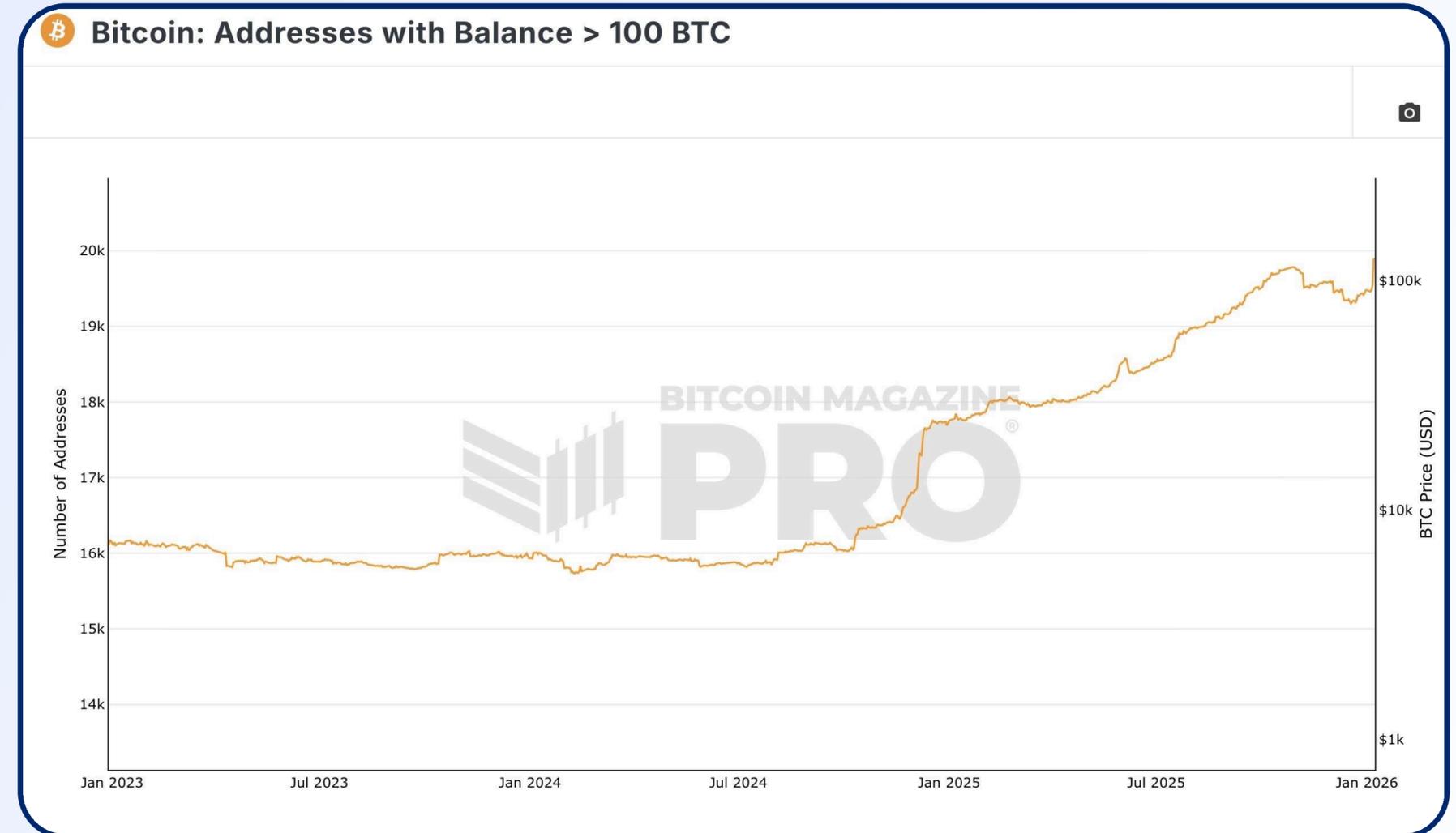
# Onchain Fundamentals

## Whale Activity

Addresses holding 100+ BTC reached new highs in January 2026, reinforcing a broader accumulation signal among larger holders.

**Interpretation:** Growth in 100+ BTC addresses is typically associated with **reduced marginal sell pressure** and stronger balance sheet conviction during consolidation phases. In the context of mid-month volatility, the continued rise in large-holder counts suggests dip-buying and strategic positioning rather than broad-based distribution.

**Macro Relevance:** When whale accumulation persists alongside steady institutional flow channels (ETFs) and elevated stablecoin liquidity, it can act as a stabilizing market structure input, even if price action remains range-bound in the near term.



Source: Bitcoin Magazine

# Sector Spotlight: RWA

## Global Market Overview

**\$23.23B**

Distributed Asset Value

**\$355.17B**

Represented Asset Value

**656,444**

Total Asset Holders

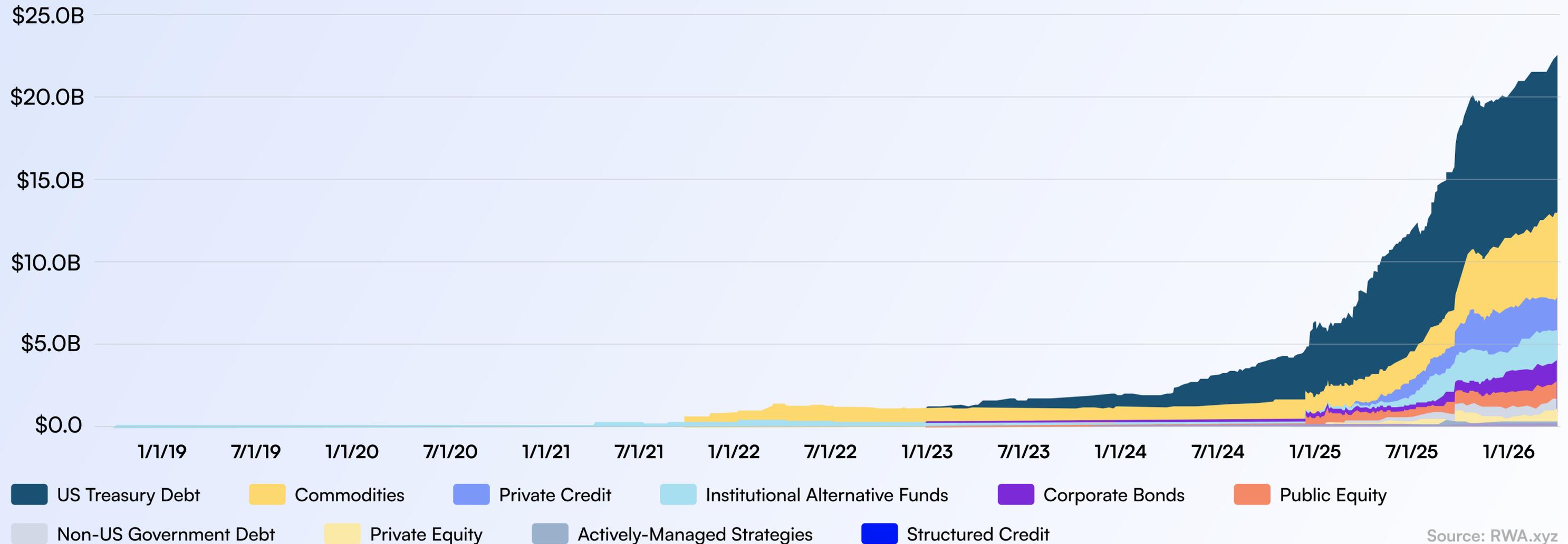
**\$296.39B**

Total Stablecoin Value

**223.87M**

Total Stablecoin Holders

### Total RWA Value



Source: RWA.xyz

# Sector Spotlight: RWA

## Sector Overview

Total RWA TVL: \$23.23B (+11.53% 30d)

Distributed Asset Value: \$23.23B

Represented Asset Value: \$355.17B

Asset Holders: 656,444

Stablecoin Infrastructure: \$296.39B

Stablecoin Holders: 223.87M



Fiat-backed Stablecoins

**\$224.9B** +\$97.4B(+76%)



Commodity-backed Stablecoins

**\$1.9B** +\$773.9B(+68%)



Tokenized Treasuries

**\$5.5B** +\$4.7B(+539%)



Private Credit Active Loans

**\$558.3M** +\$97.3M(+21%)

RWA supply by category, excluding stablecoins (January 2026)

**Key Insight:** Private Credit and U.S. Treasuries are the two dominant RWA categories, comprising an estimated 81.9% of distributed asset value per [RWA.xyz](#) category data. (Note: The \$17.4B—\$19B range cited in the Private Credit section reflects represented value — total cumulative originations — which is distinct from the smaller distributed value used in category share calculations. See the Private Credit section below for the represented vs. active value distinction.)

# Sector Spotlight: RWA

## Tokenized US Treasuries — \$9.33B

Protocol	TVL	Chain
BlackRock BUIDL	\$1.718B	Ethereum
Circle USYC	\$1.465B	Ethereum
Franklin Templeton BENJI	\$881.5M	Stellar, Polygon
Ondo USDY	\$860.7M	Multi-chain
Ondo OUSG	\$770.4M	Multi-chain

**Why They Lead:** Tokenized treasuries provide onchain access to the risk-free rate (4-5% yields) with 24/7 liquidity and smart contract composability. They serve as foundation for yield-bearing stablecoins and DeFi collateral.

## Private Credit — \$17.4B to \$19B

**Private Credit Active Loans:** \$558.3M (+21% growth)

**Active Loans (Currently Deployed):** \$558.3M (+21% growth)

Platform	Represented Value	Focus
Figure Markets	\$18.48B	HELOCs, personal loans
Centrifuge	\$636M	Supply chain, RE debt
Maple Finance	\$272M	Institutional crypto credit

**Note:** Represented value reflects cumulative loan originations over time. Active loans (\$558.3M) represent capital currently deployed and earning yield. Figure Markets' \$18.48B represented value is predominantly composed of HELOC originations, the majority of which have been repaid or matured — explaining the gap between represented value and active deployment.

**Why It Scales:** Private credit tokenization offers 8-12% APYs, fractionalized access to structured debt, and onchain transparency for loan terms and repayment history.

# Sector Spotlight: RWA

## Regulatory Framework Status

Jurisdiction	Framework	Status
United States	GENIUS Act	Signed July 2025; regs due July 2026; enforcement Jan 2027
European Union	MiCAR	Fully applicable Dec 30, 2024; transitional through July 2026
Hong Kong	Stablecoin Issuer Regime	Effective August 1, 2025
UAE	VARA DLT + CBUAE	Payment Token Services Regulation active June 2025
UK	BoE Stablecoin Consultation	Closes Feb 10, 2026; guidance expected H1 2026

**Key Signal:** Regulatory landscape is no longer a barrier—it's a catalyst. Jurisdictions with clear frameworks are attracting capital.

## Institutional TradFi Launches

- **Societe Generale:** Integrated EURCV/USDCV stablecoins into Morpho and Uniswap (Sept 2025)
- **UBS:** Launched uMint tokenized fund on Ethereum (Nov 2025)
- **JPMorgan Kinexys:** Expanded into carbon credit and supply chain tokenization; >\$1B repo transactions in 2025

# Sector Spotlight: RWA



## Toyow Lens

### What This Means for Multi-Category Marketplaces

The January data reinforces the thesis behind Toyow's positioning:

- 1. Regulatory clarity is accelerating institutional entry.** GENIUS Act implementation and MiCAR enforcement are creating a compliance moat that benefits platforms built for regulation from day one—not retrofitted after the fact.
- 2. Multi-category diversification matters.** While treasuries and private credit dominate current RWA TVL, the infrastructure being built (sub-cent L2 fees, standardized compliance frameworks, institutional custody rails) applies equally to real estate, commodities, film/IP, and collectibles. First movers in multi-category access will capture the breadth of demand as tokenization expands beyond fixed income.
- 3. The "access" narrative is winning.** Institutional reports increasingly frame RWAs as "democratized access to previously illiquid assets"—exactly Toyow's value proposition. The shift from speculation to ownership validates the compliance-first, primary marketplace model.

# 30-Day Outlook

## Macro Events Calendar

Date	Event	Chain
Jan 28-29	Fed FOMC Meeting	Hold expected at 4.25-4.50%
Jan 28	Bank of Canada Decision	Expected hold at 3.25%
Feb 5	ECB Monetary Policy	Potential 25 bps cut to 2.75%
Feb 5	Bank of England Meeting	Hold expected at 4.75%
Feb 6	US Employment Report	Jobs data informs Fed path
Feb 11	US CPI Release	Key risk: >3.0% would delay cuts

## Crypto Events

- **CLARITY Act:** Pending in Senate following House passage; would establish digital asset market structure framework
- **Pectra Upgrade Effects:** May 2025 upgrade doubled blob capacity; L2 scaling benefits ongoing
- **MSCI DATCOs Decision:** Digital Asset Treasury Companies remain eligible for index inclusion (consultation concluded Dec 2025)

## Risk Watch

Risk	Trigger	Impact
Sticky Inflation	CPI >3.0% in Feb	Delays Fed cuts; risk-off across assets
Tariff Escalation	US-EU trade tensions	Short-term volatility; flight to BTC
Mt. Gox Distributions	Scheduled releases	Potential supply overhang

Interested in compliant access to tokenized real estate, films, commodities, and more?

Visit [toyow.com](https://toyow.com) to learn how Toyow is building the multi-category RWA marketplace.

# Appendix

## Toyow Strategic Note

**Positioning Advantage:** Toyow's compliance-first, multi-category marketplace approach aligns with the regulatory clarity trend. As GENIUS Act enforcement begins (Jan 2027) and MiCAR matures, compliant platforms gain market share.

**Infrastructure Timing:** The convergence of (a) sub-cent L2 transaction costs, (b) tokenized treasury products providing onchain yield, and (c) regulatory frameworks enabling institutional participation creates conditions for RWA marketplace scale.

**Narrative Shift:** The value proposition is no longer speculative upside, but access, liquidity, and compliance.

## Glossary

Term	Definition
Base	L2 scaling network on Ethereum by Coinbase; sub-cent tx costs
GENIUS Act	US federal framework for payment stablecoins (signed July 2025)
Layer-2 (L2)	Scaling frameworks on base blockchains enabling lower costs
MiCAR	EU's comprehensive regulatory framework for digital assets
MVRV	Market Value to Realized Value ratio; valuation metric
RWA	Real-World Assets tokenized on blockchain
TVL	Total Value Locked; adoption/liquidity proxy

## Data Sources

**Regulatory:** [Congress.gov](https://www.congress.gov) (GENIUS Act), EU MiCAR, HKMA, CBUAE

**Market Data:** Farside Investors, CoinDesk, CoinGecko, DeFiLlama

**Onchain:** Etherscan, CryptoQuant, The Block, Glassnode

**RWA Sector:** [RWA.xyz](https://www.rwa.xyz), RootData, Chainalysis

**Macro:** US Treasury, FRED, BLS, Cleveland Fed

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