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Crypto Outlook: Adoption may define the next cycle

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Key Takeaways

- Crypto is moving from narrative to numbers. Stablecoins, tokenised assets and decentralised applications are turning long-standing promises into measurable volumes, fees and economic activity.
- Institutions are shifting from owning crypto to using it. Blockchain is increasingly becoming infrastructure for payments, tokenisation, custody and capital markets; not simply another asset to hold.
- Look beyond bitcoin scarcity to network activity. Solana’s growing role in on-chain trading, stablecoins and tokenised assets highlights the potential value of networks positioned to capture rising blockchain-based financial activity.

The first half of 2026 has shown that digital asset markets remain highly cyclical. What looks different this time is what has happened beneath the surface.

Prices have fallen sharply from their 2025 highs, yet the structural adoption thesis has continued to strengthen.

- Regulation has become clearer.
- Institutional participation has accelerated.
- Real-world adoption has continued to expand.

While prices have weakened, fundamentals have continued to improve. That divergence may prove to be one of the most important features of the current cycle.

More importantly, the nature of adoption is changing. Previous cycles were dominated by investors buying digital assets. Increasingly, financial institutions are also using blockchain infrastructure to move money, issue assets and deliver financial services.

From narratives to measurable economic activity

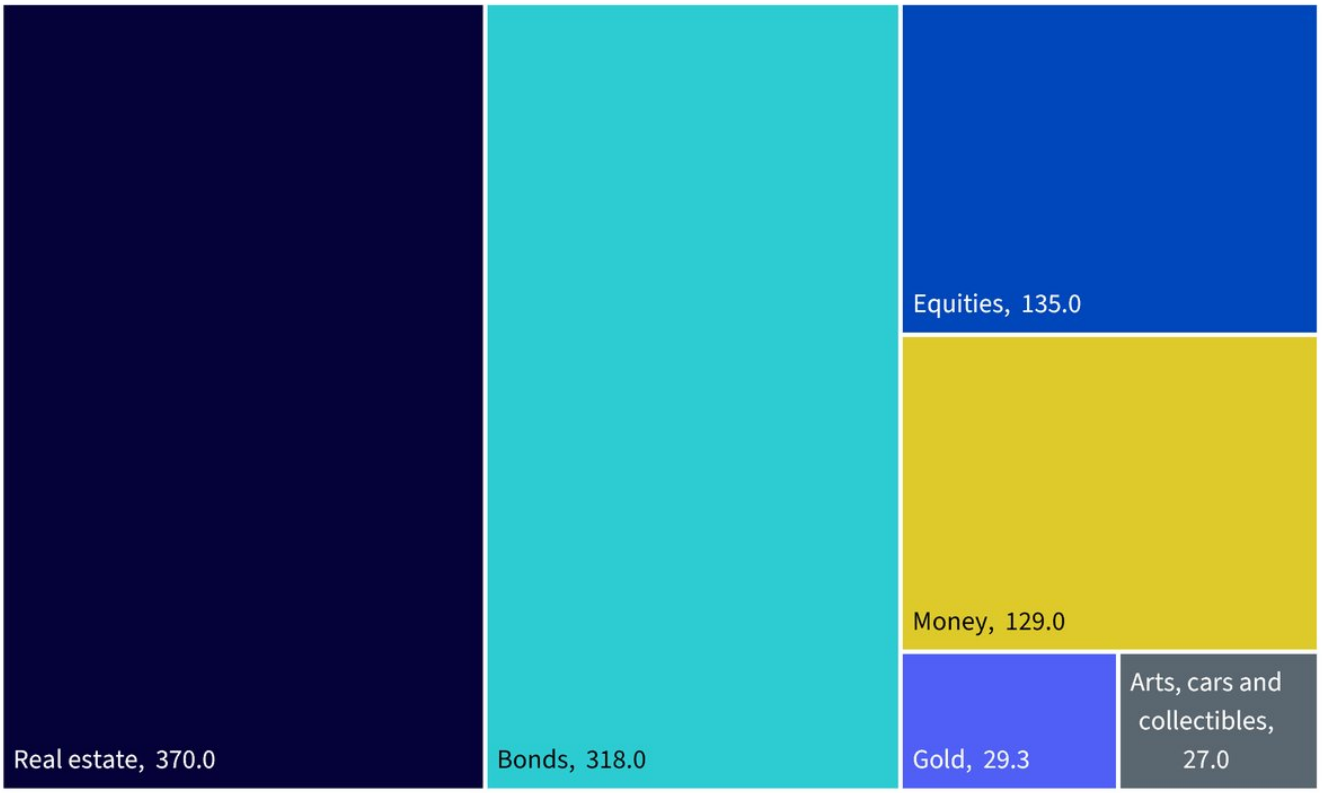
Crypto's early investment case was built largely around ambitious narratives.

- Bitcoin aspired to become digital gold.
- Blockchain promised to reinvent payments.
- Tokenisation aimed to modernise capital markets.
- Decentralised finance sought to rebuild financial services without traditional intermediaries.

While those ideas have not developed at the same pace, several are increasingly translating into measurable economic activity.

The question is therefore becoming less about whether digital assets belong in the financial system and more about how much financial activity ultimately moves on-chain.

Figure 1: Blockchain technology is targeting some of the world's largest financial markets



Source: WisdomTree, newhedge. In US $ trillions. 17 July 2026. **Historical performance is not an indication of future performance, and any investment may go down in value.**

This does not imply that blockchain technology will capture these markets wholesale. It almost certainly will not.

Instead, the comparison illustrates the scale of the opportunity. Even modest penetration across payments, financial infrastructure, capital markets and reserve assets could support substantial long-term growth from today's base.

Crucially, that penetration is becoming increasingly measurable.

- Stablecoins are evolving towards a broader settlement rail, increasingly connecting public blockchains with traditional payment networks.
- Tokenised financial assets are expanding as institutions experiment with bringing money-market instruments, government bonds and other securities on-chain.
- Decentralised applications are processing significant volumes and generating meaningful fees.

The industry's original narratives are gradually becoming measurable.

This potentially changes the nature of the investment case. Investment products generate demand for digital assets. Financial infrastructure generates recurring economic activity.

Regulation is becoming an adoption catalyst

For much of crypto's history, regulation was one of the industry's largest constraints. Banks, asset managers and other institutions could recognise the potential of blockchain technology while remaining reluctant to commit meaningful capital without clearer rules.

That constraint is beginning to ease.

Across major financial centres, policymakers have moved beyond debating whether digital assets should be regulated. The focus has increasingly shifted towards constructing the regulatory architecture required to integrate them into the mainstream financial system.

Figure 2: Global regulation is opening the door to institutional adoption

Source: WisdomTree. July 2026. SEC = Securities and Exchange Commission. CSSF = Commission de Surveillance du Secteur Financier. UCITS = Undertakings for Collective Investment in Transferable Securities. MiCA = Markets in Crypto-Assets.

The significance extends well beyond making crypto easier to buy.

Clearer regulation gives traditional financial institutions greater confidence to build products and services using blockchain infrastructure. That matters because the next stage of adoption may be driven not simply by investors allocating capital to digital assets, but by financial institutions using public blockchains to move money and assets.

Regulation, in that sense, is shifting from being primarily a risk factor to becoming an enabler of adoption.

Institutional adoption is moving from ownership to infrastructure

Perhaps the clearest evidence that digital assets have entered a different phase is the identity of the participants and what those participants are doing.

Bitcoin illustrates the first stage of institutionalisation. Exchange-traded products (ETPs), public companies, governments, private companies and decentralised finance collectively account for almost one-fifth of bitcoin's maximum 21 million supply1.

Today, institutional participation increasingly extends beyond owning bitcoin.

- Financial institutions are issuing tokenised assets.
- Payment companies are integrating stablecoin settlement into existing networks.
- Custodians are building digital asset services.
- Investment banks are experimenting with on-chain capital markets.

This represents an important evolution.

Previous cycles were driven predominantly by asset adoption: more investors buying crypto.

The emerging cycle increasingly includes infrastructure adoption: companies using blockchain technology to deliver financial products and services.

The distinction is critical. Investment demand can be highly cyclical and sentiment driven. Infrastructure adoption has the potential to create recurring economic activity because it is linked more directly to commercial utility.

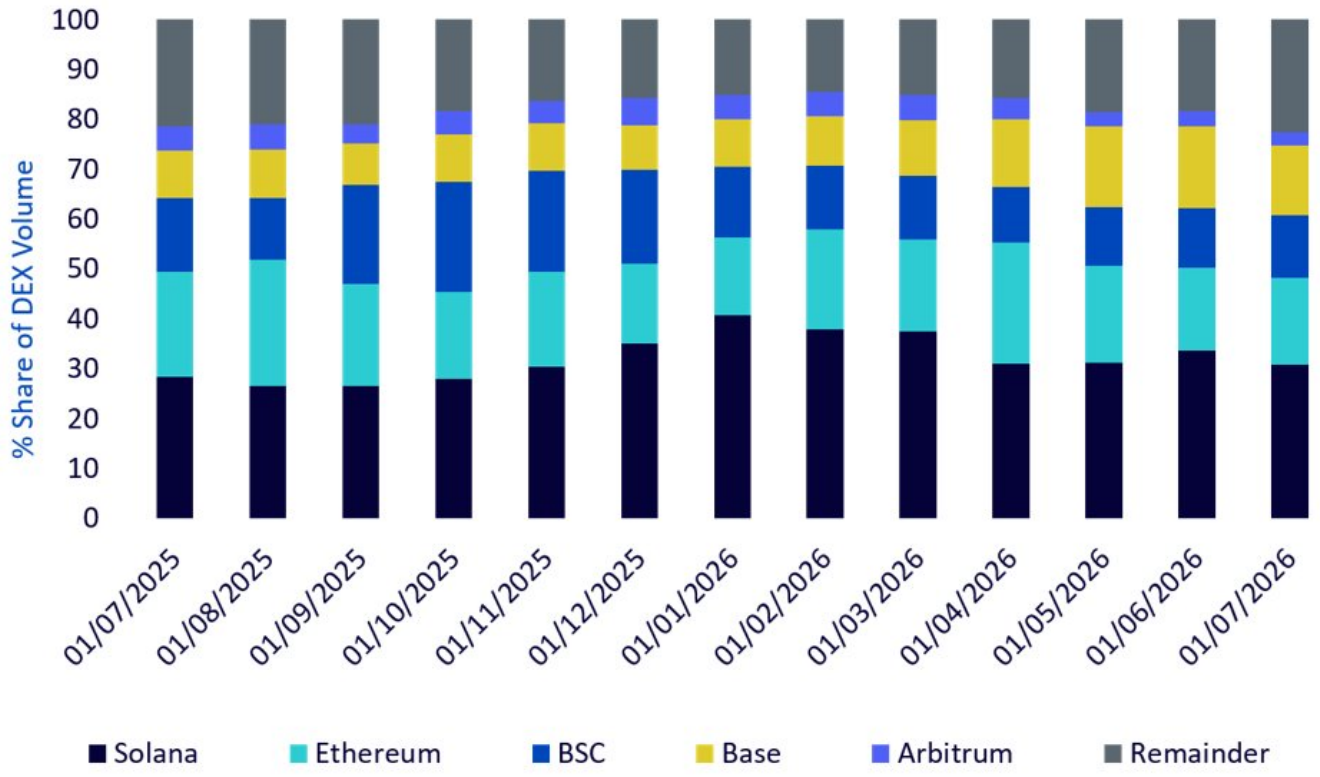
Solana stands out among smart contract platforms

Where bitcoin derives value primarily from monetary scarcity, Solana's investment case is linked more directly to economic activity occurring on the network.

It therefore offers a different type of exposure: participation in the growth of blockchain-based financial activity.

Several structural characteristics have supported that position. Solana combines high throughput, low transaction costs and rapid settlement, making the network particularly well suited to payments, decentralised finance and tokenised assets.

Figure 3: Solana has become the leading smart contract platform for on-chain trading



Source: DefiLlama. 21 July 2026. **Historical performance is not an indication of future performance, and any investment may go down in value.**

Institutional engagement is also deepening.

Payment providers including Visa and Stripe have integrated Solana into stablecoin initiatives, while financial institutions have explored tokenised products on the network. Real-world asset issuance, stablecoin balances and developer activity have continued to expand despite weaker token prices.

That divergence is important. If network activity can continue expanding during periods of weaker token prices, it provides evidence that usage is becoming less dependent on speculative market conditions.

Adoption may define the next cycle

Market sentiment, liquidity and macroeconomic conditions can dominate returns over shorter horizons, as the past year has demonstrated. But beneath that volatility, the structural adoption of digital assets continues to advance.

The key shift is not simply that more investors are owning digital assets. It is that more financial activity is beginning to use blockchain infrastructure.

That distinction matters. Investment demand can rise and fall with market sentiment. Adoption driven by payments, tokenisation and financial infrastructure has the potential to create more persistent economic activity.

For investors with a strategic allocation horizon, the question is therefore shifting from whether crypto can generate another speculative cycle to whether growing adoption can support more durable value creation.

We believe it can. Increasingly, adoption is becoming the fundamental factor that matters.

Digital assets remain highly volatile and investors may lose some or all of their investment. Greater blockchain adoption does not necessarily translate into higher token prices or investment returns. Networks compete for users, developers, liquidity and economic activity, and today's leading platforms may lose market share as technologies and market preferences evolve. Regulatory frameworks also continue to develop and may restrict the use, distribution or accessibility of certain digital assets and services. Smart contract platforms such as Solana are additionally exposed to technological, operational, cybersecurity and network-specific risks. As a result, growth in stablecoins, tokenisation or on-chain activity should not be viewed as assurance of future investment performance.

1 Source: WisdomTree, Bitcoin Treasuries. 15 July 2026.

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