Inside the July 2026 crypto index rebalance

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Key Takeaways

- Litecoin replaced Avalanche in the July 2026 CoinDesk 10 Capped ex Bitcoin Index, reflecting changes in the investable crypto market rather than a judgement on either asset's long-term potential.
- The rebalance highlights how institutional crypto markets increasingly reward liquidity, accessibility, market depth and operational resilience alongside technical innovation.
- Avalanche remains a constituent of the broader CoinDesk 20 Index, demonstrating that rules-based index changes reflect relative market positioning rather than the quality of individual blockchain networks.
- Quarterly rebalances enable rules-based crypto indices to adapt automatically to changing market leadership, helping investors maintain diversified exposure to the largest eligible digital assets.
- For investors, rules-based crypto indices provide a transparent and systematic approach to portfolio construction, reducing the need to predict individual winners in a rapidly evolving asset class.

At the end of July 2026, Litecoin (LTC) replaced Avalanche (AVAX) in the CoinDesk 10 Capped ex Bitcoin Index, the benchmark tracked by WisdomTree Physical Crypto Altcoins (WALT).

On the surface, this looks like another routine quarterly rebalance.

In reality, it highlights a broader shift underway across digital assets. Crypto markets are entering a new phase in which institutional capital increasingly rewards assets that combine technological capability with liquidity, accessibility and operational resilience, not simply those with the newest innovations.

Importantly, this change affects only the CoinDesk 10 Capped ex Bitcoin Index. Avalanche remains a constituent of the broader CoinDesk 20 Index, meaning investors in WisdomTree Physical CoinDesk 20 (WCRP) continue to retain exposure to the network.

Figure 1: July 2026 CoinDesk index constituents and weightings

Symbol	Name	CoinDesk 20	CoinDesk 10 Capped ex Bitcoin	CoinDesk 5	CoinDesk 5 Equal Weight
BTC	Bitcoin	30.00%	--	76.06%	20.00%

ETH	Ethereum	20.00%	28.57%	12.28%	20.00%
BNB	BNB	16.02%	25.23%	4.69%	20.00%
XRP	XRP	14.12%	22.24%	4.13%	20.00%
SOL	Solana	9.71%	15.30%	2.84%	20.00%
XLM	Stellar Lumens	1.45%	2.28%	--	--
ADA	Cardano	1.24%	1.95%	--	--
LINK	Chainlink	1.19%	1.87%	--	--
BCH	Bitcoin Cash	0.91%	1.43%	--	--
LTC	Litecoin	0.71%	1.12%	--	--
HBAR	Hedera	0.68%	--	--	--
SUI	Sui	0.63%	--	--	--
AVAX	Avalanche	0.62%	--	--	--
CRO	Cronos	0.55%	--	--	--
NEAR	Near	0.49%	--	--	--
TAO	Bittensor	0.48%	--	--	--
UNI	Uniswap	0.37%	--	--	--
DOT	Polkadot	0.30%	--	--	--
AAVE	Aave	0.28%	--	--	--
ICP	Internet Computer	0.26%	--	--	--

Source: CoinDesk Indices Announces Final July 2026 Reconstitution Results for the CoinDesk 20 Index Family.

Crypto leadership is entering a new phase

Crypto has always evolved quickly.

For much of the industry's history, technological innovation alone was often enough to propel projects higher up the market-cap rankings. New Layer 1s[1], novel consensus mechanisms and rapidly growing ecosystems frequently translated into investor enthusiasm.

Today's market looks increasingly different.

As institutional participation expands, capital is becoming more selective. Investors still value innovation but increasingly ask whether the asset can be owned efficiently at institutional scale.

That requires more than compelling technology. It requires deep liquidity, regulated custody, broad exchange support and resilient market infrastructure. In other words, crypto market leadership is becoming increasingly defined by investability, not just innovation.

Index rebalances provide an objective snapshot of this transition. Rather than attempting to predict tomorrow's winners, they systematically capture how today's investable universe has evolved according to transparent rules.

Why Litecoin entered the index

Litecoin is one of the oldest digital assets.

Launched in 2011 as a complementary payments network to Bitcoin, it has spent more than a decade building a reputation for stability, liquidity and operational reliability rather than continual reinvention.

While Litecoin rarely dominates industry headlines, its institutional profile remains unusually strong, and several characteristics continue to differentiate it:

- More than a decade of uninterrupted network operation.
- Deep liquidity across global exchanges.
- Broad support from custodians and trading venues.

Together, these characteristics strengthen its position within the investable crypto universe.

At the July 2026 review, Litecoin ranked among the ten largest eligible crypto assets after applying the methodology's investability requirements, allowing it to enter the CoinDesk 10 Capped ex Bitcoin Index, which comprises the ten largest eligible assets with bitcoin removed.

Figure 2: Eligible crypto assets ranked by market capitalisation

Rank by market cap	Name	Market cap in US $ billions
1	Bitcoin	1,203.07
2	Ether	194.16
3	BNB	74.15

4	XRP	65.48
5	Solana	44.93
6	Stellar	6.71
7	Cardano	5.74
8	Chainlink	5.50
9	Bitcoin Cash	4.21
10	**Litecoin**	**3.30**
11	Hedera Hashgraph	3.12
12	Sui	2.90
13	**Avalanche**	**2.88**
14	Cronos	2.57
15	Near	2.35
16	Bittensor	1.94
17	Uniswap Protocol Token	1.73
18	Polkadot	1.40
19	Aave	1.26
20	Internet Computer	1.19

Source: Artemis Terminal, WisdomTree. 01 July 2026. **Historical performance is not an indication of future performance, and any investment may go down in value.**

Avalanche remains an important Layer 1

Avalanche's removal from the CoinDesk 10 Capped ex Bitcoin Index should not be interpreted as a negative assessment of the network.

It remains one of the industry's leading Layer 1 ecosystems, combining rapid transaction finality, high throughput, application-specific Layer 1s (formerly subnets) and full Ethereum Virtual Machine compatibility. It continues to support a growing ecosystem spanning decentralised finance, tokenisation and enterprise blockchain applications.

Instead, the rebalance demonstrates how competitive institutional crypto has become.

Ethereum continues to execute its scaling roadmap. Solana has consolidated its market position. Other Layer 1 ecosystems have expanded rapidly. As a result, competition for institutional capital has intensified.

Index methodologies do not judge technology. They simply measure relative market leadership.

At this review, Avalanche ranked 13th by market capitalisation, outside the top 10, while remaining comfortably within the broader CoinDesk 20 Index.

What this means for investors

The July rebalance reflects how institutional participation is reshaping crypto markets.

Specifically, market leadership increasingly depends on characteristics that institutional investors require: liquidity, accessibility, operational resilience and investability alongside technological innovation. That has important implications.
Rather than relying on investors to anticipate which protocols will lead the next cycle, index methodologies systematically reflect where institutional capital can be deployed most efficiently.

For investors, this provides several advantages:

- Exposure remains aligned with today's investable opportunity set.
- Portfolio changes follow transparent methodology rather than sentiment.
- Constituents reflect meaningful market scale and accessibility.
- Portfolios evolve alongside the broader digital asset ecosystem.

The challenge for investors is no longer simply identifying the most innovative blockchain. It is identifying the projects that can translate innovation into lasting institutional adoption. Rules-based indices help bridge that gap by systematically reflecting where market leadership is actually emerging.

WisdomTree’s crypto basket ETP range

WisdomTree offers four physically backed crypto basket exchange-traded products (ETPs), each tracking a different CoinDesk index and providing exposure to distinct segments of the digital asset market. Together, they enable investors to access diversified crypto exposure through transparent, rules-based index methodologies.

- WisdomTree Physical CoinDesk 20 (WCRP): tracks the CoinDesk 20 Index, providing the broadest crypto market exposure.
- WisdomTree Physical Crypto Mega Cap (BLOC): tracks the CoinDesk 5 Index, focusing on the five largest digital assets by market capitalisation.
- WisdomTree Physical Crypto Mega Cap Equal Weight (MEGA): tracks the CoinDesk 5 Equal Weight Index, allocating equal weights across the five largest digital assets.

- WisdomTree Physical Crypto Altcoins (WALT): tracks the CoinDesk 10 Capped ex Bitcoin Index, providing diversified exposure beyond bitcoin.

Figure 3: WisdomTree crypto basket ETPs by investment objective



Source: WisdomTree. 30 June 2026. MER = Management Expense Ratio. [1]Staking enabled.

Only WALT changes following the July rebalance. The remaining three products are unchanged, and Avalanche continues to be represented within WCRP through its continued inclusion in the CoinDesk 20 Index.

The bottom line

The July 2026 rebalance tells a broader story than a routine constituent change.
It illustrates how crypto is maturing into an increasingly institutional asset class.

Innovation remains essential, but it is no longer the only determinant of market leadership. Assets that combine technological capability with liquidity, accessibility and operational resilience are increasingly attracting institutional capital.

Litecoin's addition to the CoinDesk 10 Capped ex Bitcoin Index reflects that evolution. Avalanche remains an important Layer 1 ecosystem, but at this review its market-cap ranking slipped to 13th, placing it outside the narrower ex-bitcoin universe.

For investors, this is precisely how a rules-based index should behave.
Rather than anchoring portfolios to yesterday's leaders, it systematically adapts to today's investable market, helping investors maintain exposure to the assets that institutional markets increasingly recognise as the foundations of the next phase of crypto adoption.

[1] A Layer-1 is the underlying blockchain network that processes transactions and secures the system.

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