Ahead of the curve
Market Update

Digital Assets
Signals from the market

Vetle Lunde
Head of Research
vetle@k33.com
+47 416 07 190

Oil spill
Oil market volatility spilled into broader financial markets, including bitcoin, which retraced from around $75,000 to lows near $67,000 after a sharp weekend selloff. BTC later rebounded on signs of constructive US–Iran talks but still closed the week down 6%. At the same time, markets interpreted the latest FOMC as hawkish, with rising yields and falling equities as the Fed emphasized persistent inflation and energy-related risks, reducing expectations for near-term rate cuts.

Geopolitical tensions, particularly in the Middle East, continued to drive market movements. Rising oil prices reinforced inflation concerns and pressured equities, pushing Nasdaq futures to multi-month lows, while gold saw a sharp drop before recovering. Shifting expectations now point toward little to no monetary easing, with even a small possibility of further rate hikes as energy-driven inflation risks remain elevated.

Nothing new under the sun in derivatives
CME traders remain passive, with open interest holding relatively flat throughout the week and no clear directional positioning despite elevated volatility. Institutional investors continue to avoid taking on meaningful risk, reflected in subdued exposure and compressed yields after BTC's failed move above $75k. The front month basis stabilized around 5%, while longer dated contracts trade at a shallow contango, highlighting limited conviction and low willingness to extend exposure further out the curve.

In perpetual swaps, positioning remains similarly cautious, with open interest drifting toward yearly lows below 260,000 BTC as traders hesitate to add directional exposure. This lack of conviction is reinforced by persistently negative funding rates, with both 7 day and 30 day averages signaling weak demand for long positions and marking the softest funding environment since late 2022.

Structural selling complete?
Bitcoin ETF flows have turned mildly positive since late February, suggesting the heavy distribution phase from October to February may be ending. Earlier selling was driven by profit-taking during a downtrend while many investors remained in gains, creating a feedback loop of supply. As prices fell, this incentive weakened. ETF data shows outflows briefly spiked when prices dropped below cost basis, but demand soon stabilized and total BTC ETP holdings recovered above 1.5 million BTC.

A similar pattern is visible among long-term holders, where selling pressure has eased and supply held for over six months is rising again. With BTC trading below $100,000, fewer investors are willing to sell at lower levels, leading to consolidation between $60,000 and $75,000. Ongoing geopolitical uncertainty has limited new inflows, but this sideways behavior is often associated with market bottoms, suggesting BTC may be attractively priced for medium to long-term investors around the low $70,000 range.

By the numbers

BTCUSD $70,241
7d: **-6%**
30d: **4%**

ETHUSD $2,139
7d: **-9%**
30d: **9%**

Open Interest (BTC futures and perps)
$33.2bn
474,000 BTC (**0.4%** last seven days)

Average daily BTC spot volume
$3.2bn (**-17%** last seven days)

BTC 90-d correlations (One Week change included)

ETH	Gold	S&P 500	DXY
0.94 (0.00)	0.29 (0.01)	0.53 (0.00)	-0.12 (-0.03)

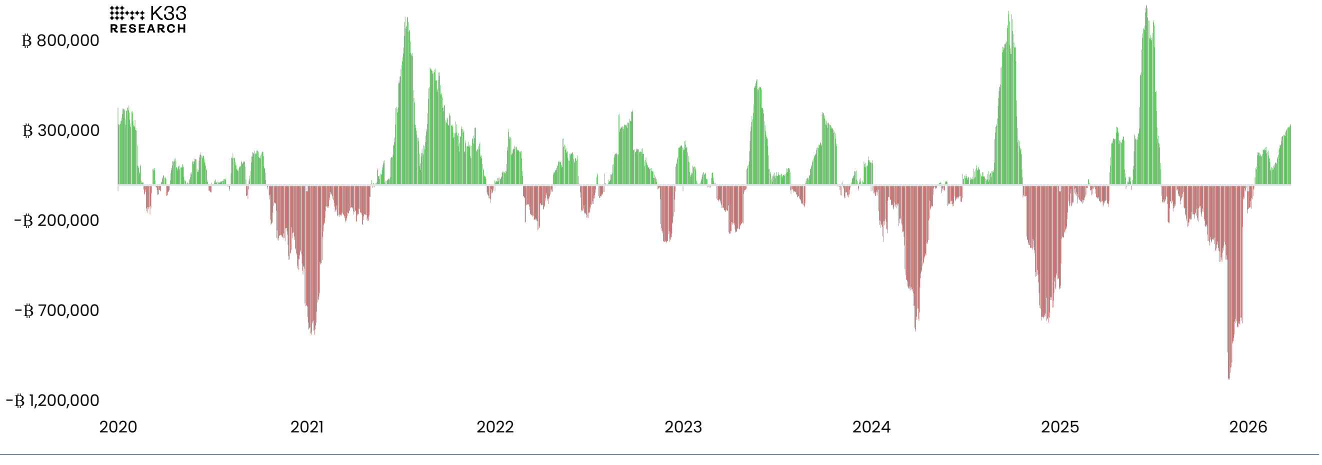
Percentage of Total Market Capitalization
One week change in percentage points

BTC	ETH	Stablecoins	Rest
58.3% (0.0%)	10.7% (-0.4%)	11.0% (0.6%)	20.0% (-0.2%)

Last week of top 50 by market cap

	Ticker	7d	YTD
Gainers			
1	TAO	11%	40%
2	LEO	4%	-1%
3	TRX	2%	9%
Losers			
1	MNT	-16%	-27%
2	ZEC	-16%	-56%
3	DOT	-12%	-22%

Figure 1: Rolling 30-day change to BTC supply aged 6mths or more



Source: K33

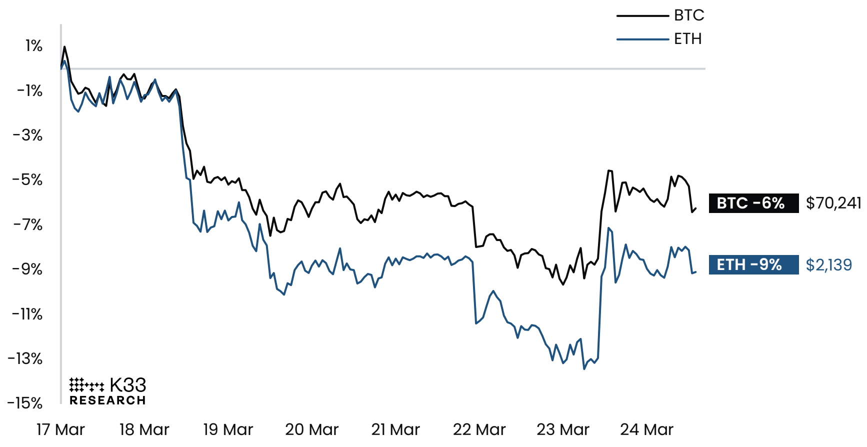
Spot Market

Iran situation dictates market direction
Extreme volatility in oil markets continues to spill over into other assets, including BTC, prompting a retracement from $75k mid week last week. BTC tested lows near $67,000 following a sharp weekend sell off, before rebounding on constructive signals of talks between the U.S. and Iran, ultimately closing the week down 6%.

Markets interpreted last week's FOMC as hawkish, with equities declining, yields rising, and Powell emphasizing persistent inflation and energy related risks that pushed back expectations for near term easing. Rate cut expectations were revised lower as the Fed signaled roughly one cut in 2026 and highlighted upside inflation risks, leading markets to question even that limited path. Since then, a sharp rise in oil prices linked to geopolitical tensions has reinforced these concerns, shifting expectations toward little to no easing and even a small probability of further hikes.

The situation in the Middle East continued to drive market momentum across assets over the past week. Higher oil prices pressured equities through inflation expectations, pushing Nasdaq futures to levels not seen since September, while gold experienced a sharp sell off, dropping to $4,080 before recovering after Trump stated that the U.S. and Iran had productive discussions and instructed the Department of War to delay attacks on energy infrastructure for five days.

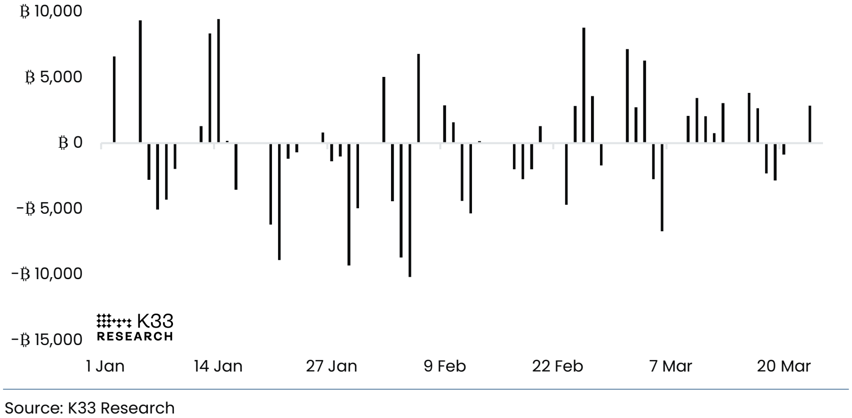
Figure 2: Last Week's Performance BTC and ETH



Source: Tradingview, (Coinbase, Binance)

Stagnant week in ETPs
A flat week for BTC ETPs globally, with net outflows of 514 BTC since last Tuesday. The market remains highly sensitive to developments in the Middle East, with a few days of outflows breaking the 7-day streak of net inflows seen last week. That said, it is encouraging that flows remain relatively muted. There are still no signs of elevated sell side pressure in ETFs, as discussed on page 6.

Figure 3: Daily Global Net BTC ETP Flows



Source: K33 Research

Headlines last week

[Strategy expands ATM programs across stock lines to fund ongoing bitcoin buys]

[Fidelity urges SEC to refine rules for broker-dealers handling crypto assets]

[NYSE exchanges complete industry-wide removal of crypto ETF options caps]

[Morgan Stanley advances bitcoin ETF application with amended S-1 filing]

[SEC approves Nasdaq tokenized equities trading pilot]

[CFTC staff details how crypto firms can use digital assets as derivatives collateral in new FAQ]

Calendar

Thursday, Mar 26
- U.S. Initial Jobless Claims

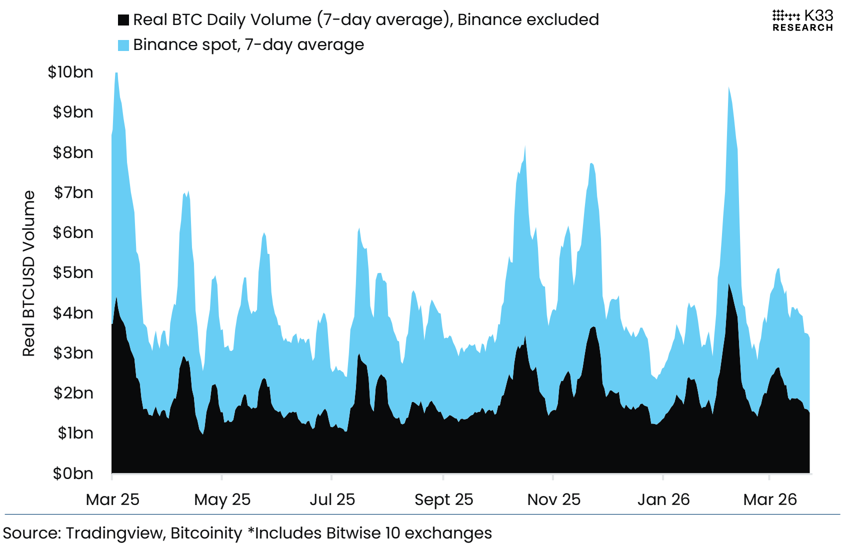
Spot Market

Fear and Greed

Now: 11 (Extreme Fear)
Last week: 28 (Fear)
Last month: 8 (Extreme Fear)

Volumes trending lower
Despite elevated volatility driven by spillovers from the highly uncertain situation in the global oil trade, 7 day bitcoin spot volumes fell 17% to an average daily volume of $3.2bn over the past week, marking the lowest level since February.

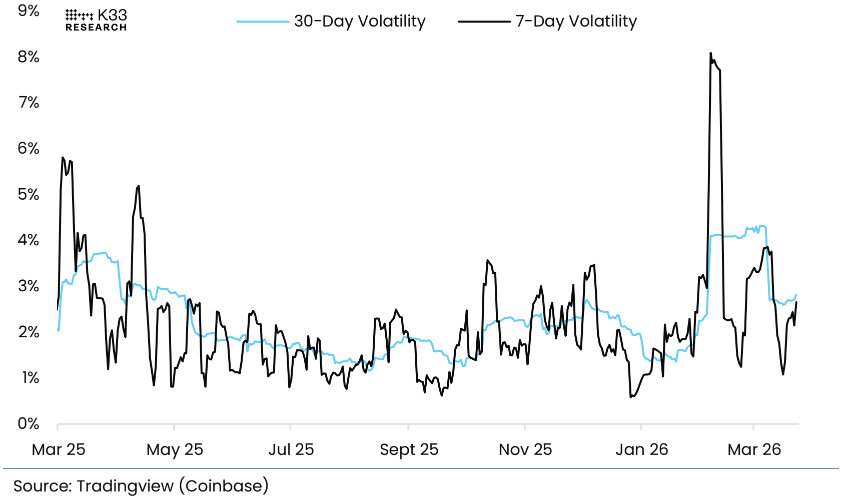
Figure 4: Real BTCUSD Daily Volume* (7-day average)



Source: Tradingview, Bitcoinity *Includes Bitwise 10 exchanges

7-day volatility climbs back above 2%
Bitcoin's steady grind higher was followed by a sharp reversal, resulting in a week marked by significant daily price swings, with highs near $76,000 and lows around $67,000. Volatile moves, largely driven by reactions to the ongoing war in Iran, have pushed 7 day volatility back above 2%.

Figure 5: BTC-USD Volatility



Source: Tradingview (Coinbase)

Derivatives
CME, Futures and ETFs

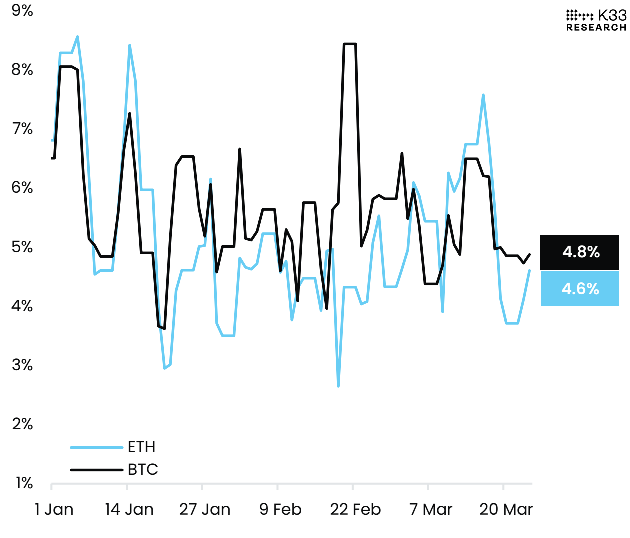
CME traders maintain a passive stance in the market, with exposure remaining modest alongside subdued yields.

Open interest in CME bitcoin futures stayed flat over the week, ranging from lows of 115,130 BTC to highs of 119,035 BTC, and closing yesterday at 116,490 BTC. Overall, this reflects a passive investment pattern in BTC despite elevated intraweek volatility and ongoing global uncertainty, indicating that institutional investors continue to refrain from taking directional risk on either the long or short side.

Yields compressed following BTC's failed breakout above $75k, with the front month basis declining and stabilizing around 5% on March 19, and remaining in this range for the rest of the week. ETH premiums followed BTC over the same period, though with wider fluctuations depending on shifts in market sentiment.

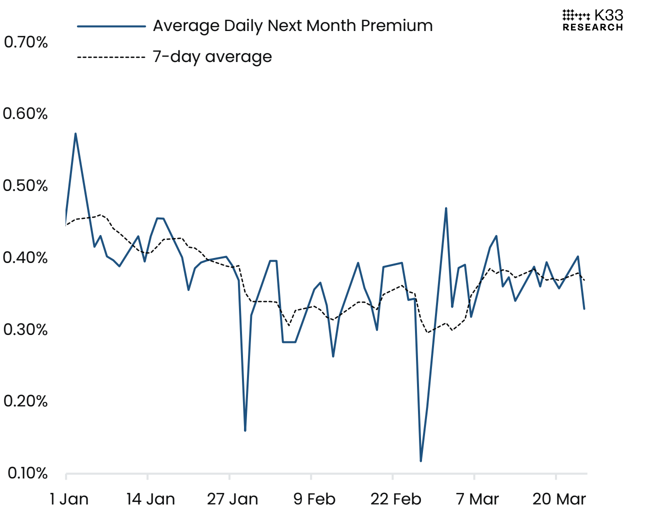
Low commitment and limited willingness to add exposure in longer dated contracts remains a consistent theme, with next month contracts trading at a shallow contango of 0.4%.

Figure 6: Basis pushing toward range highs
CME BTC and ETH Futures Annualized Rolling 1mth Basis



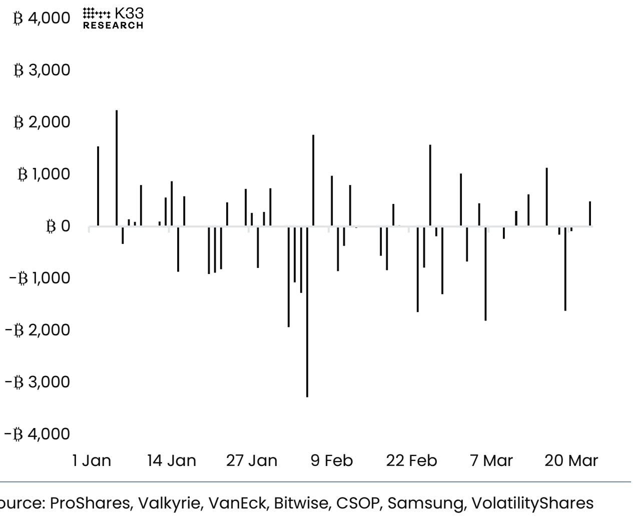
Source: Tradingview

Figure 7: Term structure stays flat
CME BTC Futures: Average Daily Next Month Premium



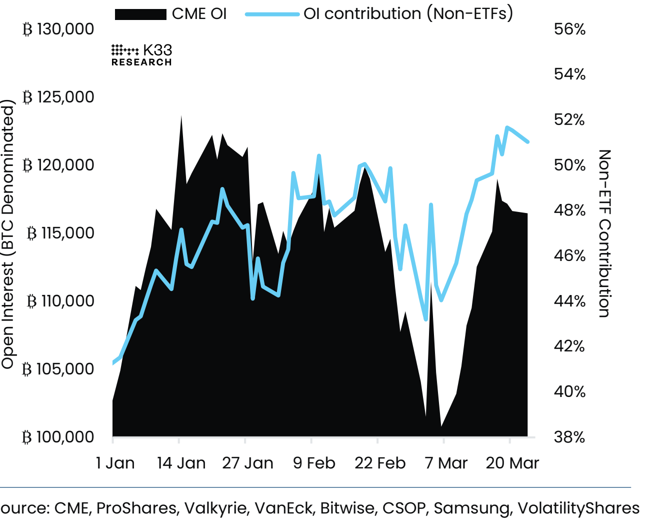
Source: Tradingview

Figure 8: Slow week in futures ETFs
Futures-based ETFs: Net Flow – BTC Equivalent



Source: ProShares, Valkyrie, VanEck, Bitwise, CSOP, Samsung, VolatilityShares

Figure 9: CME OI stabilizing
CME BTC Futures: Open Interest



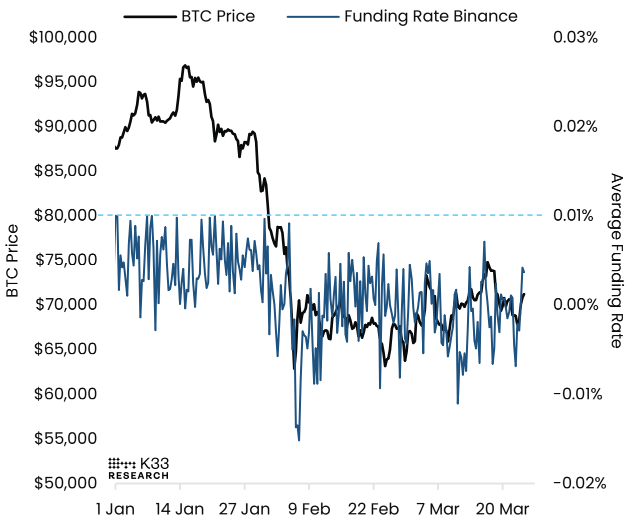
Source: CME, ProShares, Valkyrie, VanEck, Bitwise, CSOP, Samsung, VolatilityShares

Derivatives
Perpetual Swaps and Options

Perpetual swaps
The picture in perpetuals remains largely unchanged from last week. Open interest has declined toward yearly lows, currently hovering below 260,000 BTC, as traders remain hesitant to add directional exposure amid broad global uncertainty.

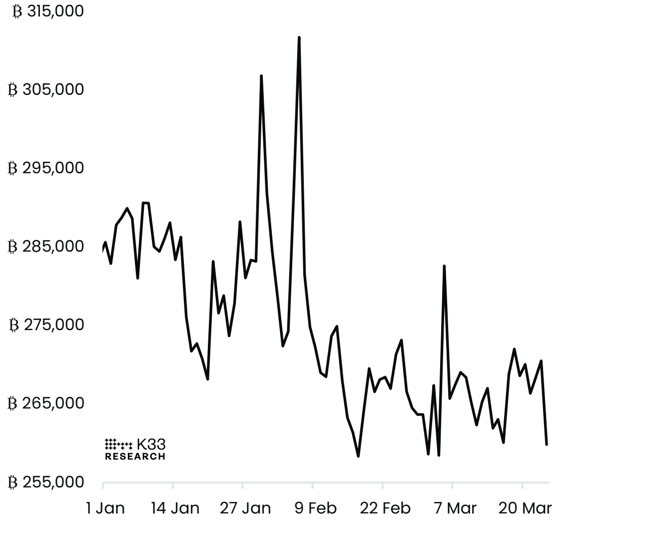
This reluctance is also evident in funding rates, which continue to signal limited appetite for long BTC exposure. Weekly funding rates have remained negative, with 7 day average annualized funding at -1.38% and the 30 day average at -0.89%, marking the lowest 30 day average since December 2022.

Figure 10: Funding rates stay firmly negative
Bitcoin Perpetuals: Funding Rates vs BTC Price



Source: Binance, Laevitas

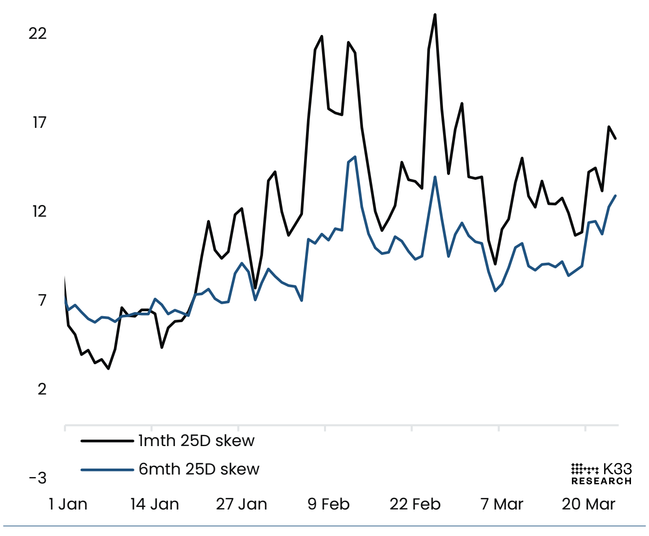
Figure 11: Perp OI revisits yearly lows
Bitcoin Perpetuals: Open Interest



Source: Laevitas

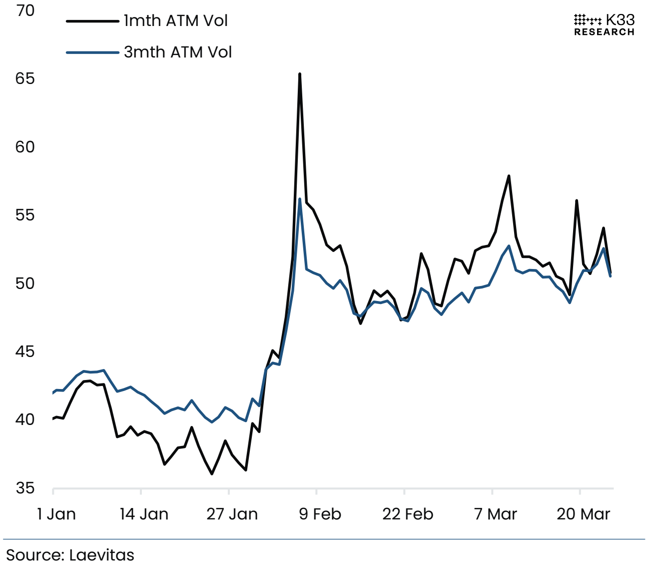
Options
Heightened volatility in financial markets, together with increased uncertainty following mixed signals from the U.S. and Iran regarding the ongoing war, has sparked a renewed defensive shift in options, pushing skews to one month highs as traders seek downside protection.

Figure 12: Skews climb amid hiked Iran uncertainty
BTC Options - 25D Skew (1mth + 6mth)



Source: Laevitas

Figure 13: IVs stays above 50
BTC Options – Implied Volatility



Source: Laevitas

A deeper dive

Less selling from OGs and ETF owners

Bitcoin ETF flows have been mildly positive since the end of February, suggesting that the large supply distribution from October through February may be coming to an end.

Mechanically, we point to similar drivers behind ETF sales and long-term holder selling. In a pronounced downtrend, but in a period where price levels are in an area where many remain in profit, the incentive to lock in gains can create a self-reinforcing wave of selling. As prices decline further, these incentives weaken. For long-term holders, technical levels such as the 200 week moving average or prior all-time highs may act as reference points, while for ETF investors, the average entry price or cost basis likely defines where selling becomes less attractive.

ETF holdings data suggests this dynamic may have helped reduce selling pressure from this segment. Sharp outflows, indicating some degree of panic, appeared briefly after prices moved below the cost basis, but in the following weeks flows turned positive, with demand stabilizing. This has lifted total global BTC ETP holdings back above 1.5 million BTC.

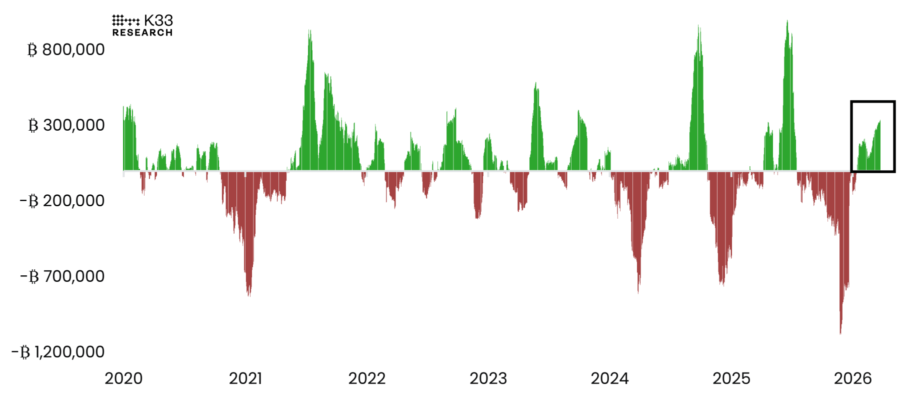
Figure 14: BTC ETPs Globally, BTC under management

Source: K33

Same story seen among long-term holders
This supply distribution dynamic matters for long-term holders in much the same way as it does for ETF investors. Unless selling is necessary, there is little incentive to exit BTC at levels below those seen in 2024–2025, or even prices briefly reached during the 2021 peak. In recent months, supply aged six months or more has increased materially, in sharp contrast to the steep decline observed in Q4 2025. Selling pressure from experienced BTC holders appears to have eased, with BTC trading below $100,000.

Reduced selling pressure from both long-term holders and ETF investors has allowed prices to consolidate between $60,000 and $75,000 over the past eight weeks, rather than extending the prior downtrend. Hesitation to add exposure amid persistent uncertainty linked to the war in Iran has resulted in a prolonged and directionless consolidation phase. The constructive takeaway is that such behavior is often seen near broader market bottoms, and while the range may persist, BTC still appears attractively priced for medium to long-term investors in the lower $70,000s.

Figure 15: Rolling 30-day change to BTC supply aged 6mths or more



Source: K33

A deeper dive

Still behaving solidly

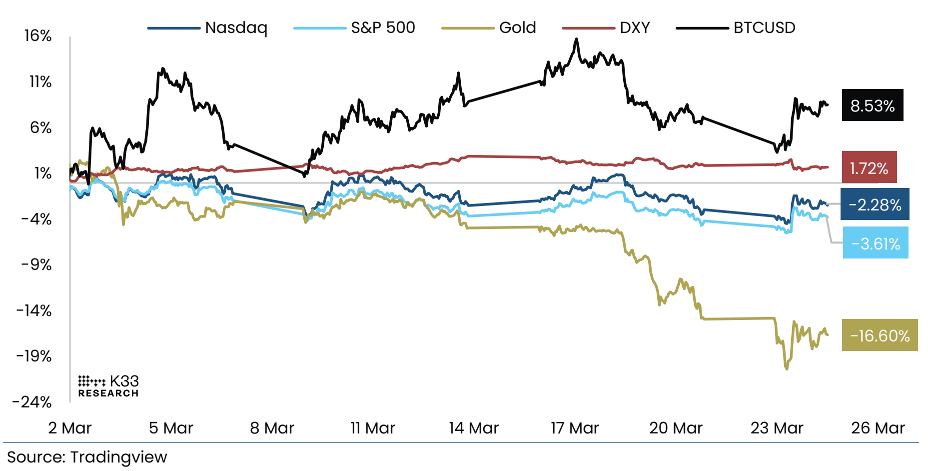
While bitcoin is trading lower this week, the overall price action remains constructive. As discussed on the previous page, ETF outflows have slowed considerably, and the derivatives data clearly shows that risk appetite remains subdued. This combination has resulted in a period of equilibrium, with BTC ranging and moving sideways in the 60–75k area, a scenario we outlined as likely back in February.

We continue to monitor BTC relative to other assets following the escalation of conflict in Iran. The surge in oil prices has triggered broad de-risking across most risk assets, and even gold has experienced a notable sell-off, now down 16.6% since the February 27 futures close. In contrast, bitcoin has delivered positive returns over the same period, gaining 8.5%.

That said, the daily correlation between BTC and equities remains elevated. Bitcoin is not trading independently of global financial markets, but it is currently demonstrating persistent relative strength.

It is important to stress that this strength is not driven by capital rotating into bitcoin. Instead, it reflects the conditions leading into the event. BTC had already declined by 50%, institutional allocations were significantly reduced, and market sentiment had deteriorated sharply. After such a drawdown, the scope for additional de-risking becomes limited. Long-term holders are generally unwilling to sell after a 50% decline, and although new participants remain cautious, this dynamic creates a solid foundation for a potential bottom to form.

Figure 16: Bitcoin vs. other assets, from February 27 market close

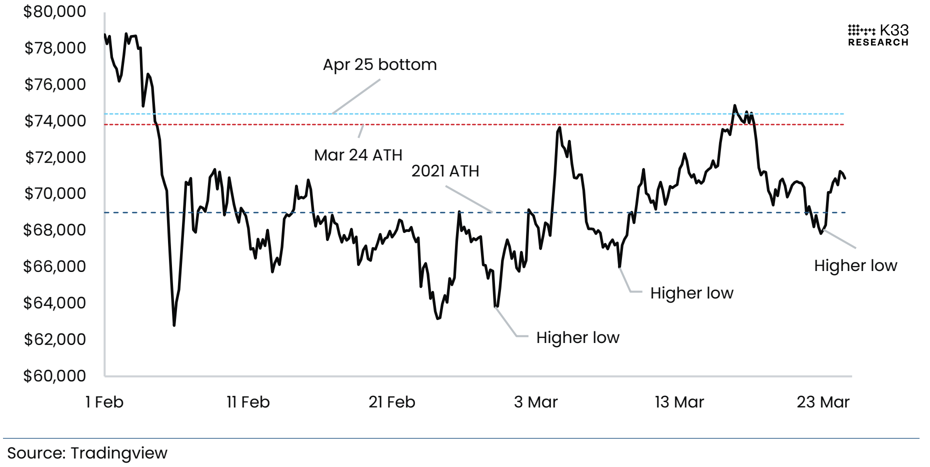


Source: Tradingview

Positive trend

While the current consolidation range is tedious and market participation remains low, a constructive trend is emerging with higher lows throughout March, as BTC consolidates between former support and resistance levels. BTC has encountered resistance at the 2021 ATH of $69k, the March 24 ATH at $73,836, and the April 25 bottom at $74,420. It has briefly pushed above these levels, followed by quick reversals to higher lows, indicating underlying demand for BTC exposure alongside relatively subdued selling pressure.

Figure 17: BTCUSD

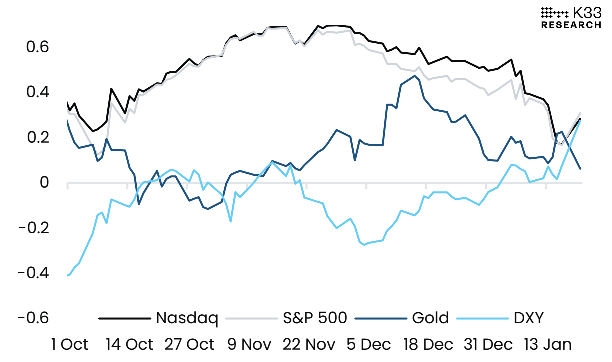


Source: Tradingview

Market Related Charts

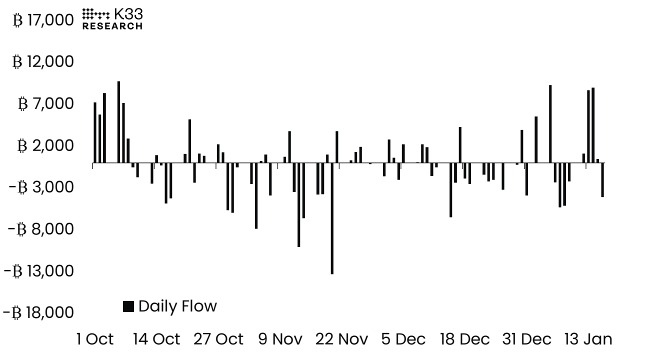
Data updated Tuesday, March 24, 2026

Figure 19: BTC 30-d correlations*



Source: Tradingview *Pearson

Figure 20: Daily Flows (BTC ETFs)



Source: K33 Research

Figure 21: BTC Dominance

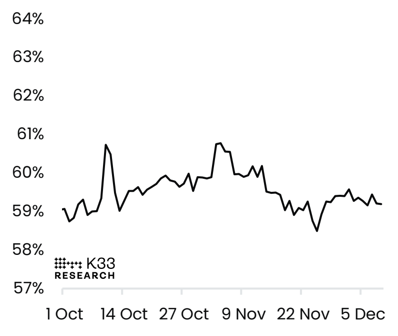


Figure 22: BTC + Stables Dominance

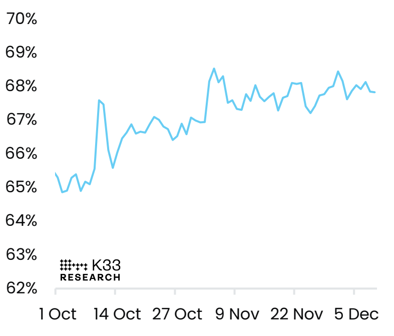
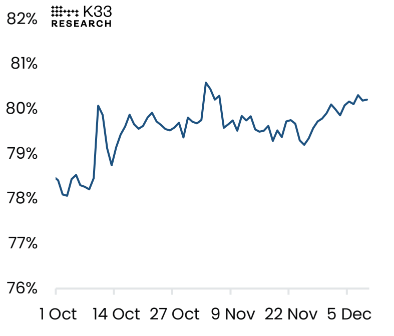
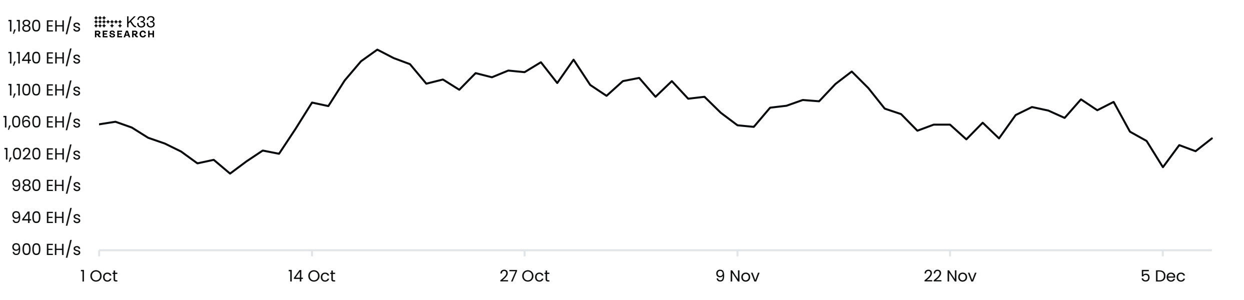


Figure 23: BTC + Stables + ETH Dominance



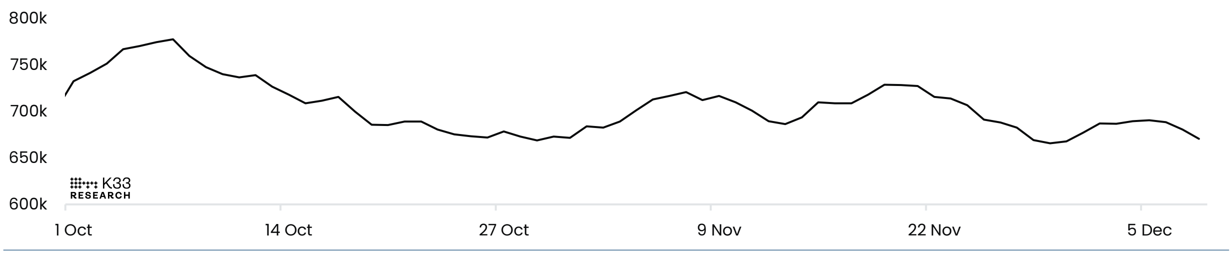
Source: Tradingview

Figure 24: Bitcoin Hashrate (7-day average)



Source: Coinmetrics

Figure 25: Active Addresses (7-day average)



Source: Coinmetrics

Why we choose the charts we do

Heavy Bitcoin focus
The crypto market is heavily correlated. Movements in BTC tend to be reflected by sharper moves in altcoins. In many ways, BTC is the lower beta exposure alternative to crypto and the definite market leader. However, don't worry – whenever we find a topic, a coin, or some tendencies worth drilling deeper into – we will. This report will get you the most important information from the crypto market.

Market by the numbers
We highlight the most critical market data by numbers in this table. A glance at these data should be sufficient to assess the state of the market superficially.

Open interest is an essential underlying market driver. Crypto tends to be very volatile, and leverage exacerbates volatility. We have had frequent massive liquidation cascades throughout the last years, mostly towards the downside, but we've periodically seen short squeezes emerge. During the March 12th collapse in 2020, cascading liquidations were the root cause of the absolute carnage in the market. You should always pay close attention to open interest if you aim to be an active participant in the market. Our derivatives pages will contribute to delivering you a directional assessment of the data.

The spot volume is an efficient way to gain an overview of the general activity in the market.

Correlations have been growingly important in the last year due to the complicated macro picture post-COVID. It's important to be aware of BTC's, for now, close relationship with U.S. equities and its inverse relationship with the dollar strength index (DXY). However, the current correlation regime is unlikely to be as strong as today forever. Through awareness of correlation trends, you may be able to execute trading strategies before the market catches up to correlations breaking.

The simplified market cap distribution box allows you to assess the general risk sentiment in the market quickly. In general, the "Rest" category may be used as a proxy for risk aversion in the market. Currently, BTC, ETH, and stablecoins represent nearly 75% of the crypto market, which is telling for a risk-averse crypto market.

The two charts on the first page illustrate the two most interesting topics covered in our market analysis. A more thorough examination of these charts is found in the last section of the report, where we dive deeper into two topics that currently seem to drive the market.

Spot Primer

Top 3 coins
We explore the last week's performance of the top 3 cryptocurrencies to asses deviations and opportunities within the safer bracket of digital assets. Currently, BTC, ETH, and BNB represent the three largest. Both ETH and BNB have a thriving DeFi user base and unique drivers of price and demand, which could generate temporary or long-term correlations within crypto to decline as trading opportunities arise or spread trade opportunities.

Indexes
We use the Bletchley Indexes to gauge and assess market activity across BTC and altcoins grouped by market cap size. Documentation for the index weights may be found at through this link.

Volume
The BTC spot volume is an efficient way to communicate the general activity in the market. It may help you identify frantic market bottoms or peaks. Our volume data is based on Bitwise's 10. In 2019, Bitwise explored wash-trading and market manipulation in the spot market, leading to this index. In general, our volume assessment likely underestimates the volume to some degree, as legitimate volumes in other exchanges are excluded. However, the volume estimate is a good proxy for general activity in the market.

We differentiate Binance's volume from the remainder of the exchanges due to Binance's removal of trading fees this summer. We believe a substantial amount of the recent trading volume on Binance is related to "in-organic" trades, i.e., high-volume trading strategies that were not economically feasible prior to fees being removed. Of course, removing fees has likely also contributed to moving traders from alternative exchanges over to Binance.

Volatility
Volatility is a topic well worth paying attention to. In specific periods, such as the current – where BTC trails in a shallow volatility regime, new trading opportunities emerge related to options and straddles. This chart is handy to pay close attention to, as it may help you enhance your ability to act on opportunities in the market when activity is low and options are becoming cheap.

Derivatives primer

Why should you care about derivatives flows?
The crypto market is periodically extremely volatile, and activity in derivatives enhances the market reactions. Crypto derivatives are at the cutting edge of financial innovation, the offshore market is periodically wild, and animal spirits tend to take over. Derivatives more or less always carry a clue of overheating in the market or full-on depression. It's highly actionable and worthwhile understanding if you aim to be an active crypto market participant.

The market is also clearly divided. There are two branches worth monitoring – institutional and offshore. Both components periodically lead the market, and assessing sentiment and general risk aversion in these two provides you the tools to understand dangers or opportunities on the horizon.

CME – The importance of a cash-based futures market in BTC
Institutional traders strongly impact BTCs price discovery, as identified both by Bitwise and by us. However, many institutional traders have limitations regarding access to crypto markets or even related to holding BTC. CME provides the most accessible, most efficient access to crypto markets for those traders. CME also has the added caveat of a familiar clearinghouse structure, leading to fewer barriers to entry for crypto exposure for institutional traders.

We assess institutional sentiment by monitoring the futures basis and contract spreads between the front month (upcoming expiry) and the near month (next expiry). In general, a positive and high futures basis on CME indicates a positive sentiment, whereas a negative basis indicates the opposite. We include Binance's basis to compare offshore and CME premiums to highlight different sentiments between institutional traders and retail. While Binance have institutional traders, they also enable easy access to derivatives for retail, which may provide useful information ahead of periods of distress.

We monitor aggregated ProShares flows, meaning inflows and outflows to both ProShares' long BTC ETF (BITO) and short BTC ETF (BITI) on the CME page. In the chart, inflows to BITI will be calculated as a negative flow impact, while inflows to BITO will be calculated as a positive flow impact. The opposite is true for outflows from the ETFs mentioned above. ProShares are by far the largest U.S. BTC ETF provider, holding a substantial amount of BTC contracts on CME. Retail and institutions have access to BITO and BITI. Periods of strong aggregated flows to BITO may substantially impact CME's basis. An interesting scenario that has yet to emerge would be one scenario with neutral flows but a rising CME basis. In this scenario, one can assume that certain institutional players actively add long BTC exposure.

We further monitor CME's open interest and the contribution of ETFs to the open interest to assess the degree of activity in CME futures.

Perpetual swaps
Perpetual swaps are the most frequently traded derivative in crypto markets. It's an everlasting futures-like instrument, utilizing funding rates to secure that perp prices align with spot markets. There are certain intricate nuances to funding rates, for instance, varying funding intervals and varying neutral funding rate thresholds. In normal conditions, Binance and Bybit's funding rate sits at 0.01% every eight hours – meaning longs pay shorts a fee. This structural element in crypto derivatives may lead to a natural structural contango. They may be utilized for cash and carry strategies (albeit in a non-arbitrage fashion, assuming that funding rates will average around neutral terrain).

During roaring markets, funding rates tend to be pushed towards extreme highs due to enormous demand to go long, leading perps to trade at a substantial premium over spot. By assessing funding rates, you may be able to act on market moves and liquidation cascades prior to a liquidation cascade. Similarly, funding rates may sit in extremely negative terrain during bear markets, foreshadowing potential short squeezes.

We monitor open interest in perps to better gauge the risks of soaring volatility and market instability. We monitor open interest in notional value, i.e., in BTC, to have a clear eye on the relative leverage in the market. Currently, the open interest sits at all-time highs in notional value. This is a dangerous trend, and we view it as likely that this will generate a dramatic reaction when BTC breaks out of its prolonged consolidation. Cascading liquidations may occur in both directions, so the open interest is best used as a proxy for how volatile a spike may be.

Options
We monitor two options charts. The 25-delta skew, which is a metric comparing the implied volatility of a 25-delta put option vs. a 25-delta call option, normalized by at the money implied volatility. Counter-intuitively, when the 25d skew is positive, traders are paying more for puts than calls and may be assessed as cautious/bearish behavior in the options market. The opposite is true when skews are negative. Skews trending in a certain direction may also elaborate on repositioning from options traders and is worth paying attention to. We show the 1-month skew for contracts expiring by the end of the month, and the 6-month skew, for contracts expiring half a year from now to assess differences in positioning across maturities.

The implied volatility illustrates options traders' forward-looking assessment of volatility – or the options pricing. Implied vols in BTC are rarely trailing below 60 for long, and this has previously been a good time to enter straddle strategies.

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- K33 Research is a department within K33 Operations AS, org. 994 608 673, and can be contacted at research@k33com or bendik@k33.com