

Can Altcoins Recover?

One year after the \$19 billion liquidation: a market reshaped around the majors, and the conditions for an altcoin recovery

Conflict of Interest Disclosure The publisher of this report is a listed company that holds bitcoin as a treasury asset and is pursuing businesses in digital assets and AI and data center infrastructure. It may have interests that bear on the choice of topic and on the interpretation. This issue does not analyze the publisher directly. Because an interpretation of a market centered on the majors relates to the publisher's business, this report also covers the rebound in some altcoins and the differences among the major coins.

EXECUTIVE SUMMARY

Key Findings

WHAT HAPPENED

On October 10, 2025, a confluence of negative factors, including the tariff dispute with China, forced the liquidation of about \$19 billion (about KRW 26 trillion) of positions within just 24 hours, an unprecedented event^{[12][10]}. A year after this mass liquidation (the 10/10 crash), the recovery in liquidity across altcoins remains slow. According to CoinDesk Research data, the value of buy and sell orders within 1% of the bitcoin (BTC) price was up about 30% from the start of the year as of October 7, 2026 (our estimate)^[1]. Dollar depth for the surveyed altcoin basket, by contrast, is still below the peak it set in January 2025^[1]. CoinGecko data likewise show solana (SOL) depth within 2% of the price down about 29% from Q2 2025 (our estimate)^[2]. The order book recovery has not lined up with price performance, though. Year-to-date in 2026, BTC has returned -6.5% and ether (ETH) -17.9%, while HYPE, NEAR, ZEC and other tokens with U.S. spot exchange-traded funds (ETFs) have gained 145–236% (as of October 20–21)^{[3][4][5]}.

WHY IT MATTERS

INTERPRETATION Relatively healthy trading conditions in major assets such as bitcoin and ether do not automatically translate into high investment returns. Ether saw large outflows from spot ETFs in October despite deep order books^[6], and returns diverged sharply even among altcoins that have spot ETFs^{[5][4]}. The fact that more orders sit near the current price cannot, on its own, tell an active inflow of market-making capital apart from a broader process of risk reduction. It is therefore hard to conclude from bitcoin and ether trading-condition indicators alone that the two assets will lead returns on a sustained basis.

WHAT TO WATCH

INTERPRETATION Our base case is a phase in which institutional demand and order book liquidity stay concentrated in a few large assets and the gaps between assets become entrenched. When assessing bitcoin's leverage burden, watch whether the ratio of open interest to order book depth starts rising again. We use the pre-crash average of 73.5x^[7] only as a historical reference point, not as an absolute crisis threshold. For altcoins, with the coverage universe and methodology held constant, the test is whether dollar 5% depth and spot volume rise together for two consecutive quarters. Whether net inflows into spot ETFs spread to a wider range of tokens is the other yardstick for a market-wide liquidity recovery.

+30%

BTC depth within 1% of price
(2026-01-01 to 2026-10-07,
our estimate)

[1]

-29%

SOL depth within 2% of price
(Jul. 6-Sep. 3, 2026 vs. Q2
2025, our estimate)

[2]

-35%

Kaiko avg. 1% depth, 5 altcoins
(incl. ETH)
(March 2026 vs. pre-crash,
our estimate)

[8]

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01 ORDER BOOK DEPTH

Liquidity polarization between majors and altcoins

Order book depth is the total value of buy and sell orders resting within a set price range around the current market price. Depending on the outlet or institution, it is measured either by adding up both sides of the book or by counting one side only. The larger the orders, the smaller the price impact of a large trade. Depth gauges the liquidity that market makers routinely supply to the order book, but it has a limitation: those orders can be pulled all at once when a sudden shock hits the market.

Since the start of 2026, bitcoin and ether order books have deepened, while the recovery in altcoins has been gradual. In an article published on October 10, 2026, CoinDesk Research compared changes in depth across major centralized exchanges^[1]. Bitcoin depth within 1% stood at about \$11.7 million as of October 7, up about 30% from about \$9 million at the start of the year, on January 1, 2026 (our estimate)^[1]. Ether 1% depth also reached about \$5.3 million, above the readings for January 2025 and January 2026^[1]. Dollar depth for the surveyed altcoin basket, on the other hand, peaked on January 1, 2025 and has stayed below that level ever since^[1].

Metric	2025-01-01	2025-10-10	2026-01-01	2026-10-07
BTC 1% depth	~6.9M	~6.7M (our estimate)	~9.0M	~11.7M

Metric	2025-01-01	2025-10-10	2026-01-01	2026-10-07
BTC 5% depth	Similar to Oct. 2026	Not stated in article	Not stated in article	~24M
ETH 1% depth	Below Oct. 2026	~3.0M (our estimate)	Below Oct. 2026	~5.3M
CoinDesk altcoin basket 5% depth	~3.1M (peak)	~1.5M	~2.6M	~2.3M

Table 1. CoinDesk Research. (Note: the October 10, 2025 BTC and ETH 1% depth figures are back-calculated from the “roughly 75% increase” cited in the article. Altcoin figures are readings from the accompanying chart.) (Unit: USD)^[1]

A Sherwood News report citing Kaiko data also found that altcoin depth had not recovered to pre-crash levels. Average 1% depth across five assets (ETH, XRP, SOL, SUI and LINK) fell about 35%, from about \$2.6 million before the crash to about \$1.7 million in March 2026 (our estimate)^[8]. Spot volume for six assets, those five plus dogecoin (DOGE), also plunged 60% after the crash^[8]. CoinDesk and Kaiko cover different assets and measurement dates, so their figures cannot be swapped for one another, but both datasets show altcoin liquidity stuck in a chronic slump.

Measured in tokens, the picture looks different. Token-denominated depth for CoinDesk's altcoin basket was highest on January 1, 2026 and has edged down since^[1]. When an asset's price falls, the same dollar amount buys more tokens, so token-based measures alone cannot capture the shrinking amount of capital actually committed to the market, the analysis notes^[1].

Large-cap altcoins also diverged sharply from one another. CoinGecko compiled daily order book data from 8 centralized exchanges between July 6 and September 3, 2026 and compared it with Q2 2025. Solana (SOL) depth within 2% of the price fell about 29% on a one-sided basis, from about \$28 million to about \$20 million (our estimate)^[2]. XRP depth within 2% held at about \$30 million, a level similar to 2025^[2]. Ether's depth, which had been more than 60% of bitcoin's in a comparable price range, slipped to 35–45%^[2].

Bitcoin's gains in depth were concentrated close to the current market price. While 1% depth reflects near-term trading conditions in a narrow price range, 5% depth shows the total orders resting across a wider band. Bitcoin 5% depth was about \$24 million, close to its January 2025 level^[1]. Yet when selling pressure arrived between October 7 and 8, 2026, bitcoin 1% depth dropped about 12% in a single day^[1]. Deeper books in normal conditions are no guarantee that orders will stay in place during a sharp sell-off.

Assessing bitcoin's dollar depth also means accounting for changes in its price. According to a report citing Kaiko data, bitcoin spot depth in September 2026 was 27% below its pre-crash level^{[7][9]}. Bitcoin's price fell about 33% over a similar stretch, from an intraday high of \$122,574 on the day of the crash to

\$81,653 on October 20, 2026 (our estimate)^{[10][13]}. The observation periods for the two measures do not match exactly.

INTERPRETATION The decline in dollar depth includes the effect of lower asset prices. Kaiko has not clearly published its pre-crash measurement period or the corresponding prices, however, so the decline cannot be cleanly split into a pure price effect and a withdrawal of order quantity. The 27% drop therefore cannot be read directly as the amount of capital that left, nor can we conclude that bitcoin order quantities were fully maintained.

CoinGecko data also show bitcoin depth near the current price increasing. Depth within \$100 above and below the price rose about 50% from Q2 2025^[2]. In the same dataset, solana depth fell and XRP was unchanged^[2]. These results cannot be linked directly to CoinDesk's 5% depth or Kaiko's 1% depth, because the exchange samples, the comparison dates and the price ranges all differ.

INTERPRETATION Orders can cluster near the current price when investment capital concentrates in the majors, and also when market makers narrow their quotes to limit their exposure to price swings. Nor can we rule out a combination of the two. Public order book data show only how recovery speeds differ across assets; they cannot separate in any detail where inflows came from or how risk limits changed across market participants.

02

OCTOBER 10 LIQUIDATION

Market shock from depleted order books and cascading liquidations

Even before the 10/10 crash, altcoin trading volume was concentrating in a small number of large assets. According to Kaiko data for July 2025, the top 10 altcoins by market capitalization accounted for 63% of altcoin volume, up from about 50% a few months earlier^[11]. About 90% of altcoin volume took place on offshore venues^[11]. In Q2 2025, the maximum drawdown in altcoin 2% depth reached -31.3%, far deeper than bitcoin's (-18.05%)^[11].

The 10/10 crash hit a market whose liquidity was already fragile. In the 24 hours after the announcement of a 100% tariff on Chinese imports, about \$19 billion of positions were liquidated (CoinGlass data)^{[12][10]}. Perpetual futures open interest (OI, the notional value of contracts not yet closed out) across major exchanges fell 43% in a single day, from \$217 billion to \$123 billion^[12]. CoinDesk Research found that as market makers rapidly withdrew their bids, the visible liquidity in major assets' order books evaporated^[12]. In a November 2025 report from the same organization, 1% depth for a basket of 4 tokens (SOL, XRP, ATOM and ENS) shrank overnight during the crash, from about \$2.5 million to about \$1.3 million^[13].

Auto-deleveraging (ADL) also kicked in as the liquidations unfolded. ADL forcibly reduces profitable positions on the opposite side of the positions being liquidated, to stop losses from spreading. According to an analysis by Tarun Chitra, ADL closed \$2.1 billion of positions on Hyperliquid in just 12 minutes^[14]. On Binance, USDe, which was being used as collateral, briefly fell to \$0.65^[12]. Leveraged liquidations, a collapse in collateral values and forced liquidations by exchanges fed on one another and amplified the shock.

INTERPRETATION With trading concentrated in a few assets, the withdrawal of market makers' bids further weakened the market's capacity to absorb forced selling. Falling prices triggered more liquidations, and the liquidated positions pushed prices lower again in a vicious circle. Altcoins, whose order books were thin, took a crippling blow in the process. The 10/10 crash can be seen as the point at which the existing liquidity gap between assets widened further^{[12][11]}.

Since the crash, bitcoin's leverage has shrunk more than its depth. The ratio of open interest to order book depth reported by TokenPost fell from 73.5x before the crash to an average of 58.9x in August–September 2026^[7]. Expressed as depth relative to open interest, that is an increase of about 25% (our estimate). In other words, the value of orders resting on the book has grown relative to total open interest.

INTERPRETATION On this ratio, bitcoin's leverage burden has eased since the crash. Over the same period, however, Binance's share of bitcoin perpetual futures open interest rose from 38% to 51%^[7]. If a similar shock hits the market, risk could concentrate in a single exchange's liquidation process.

03

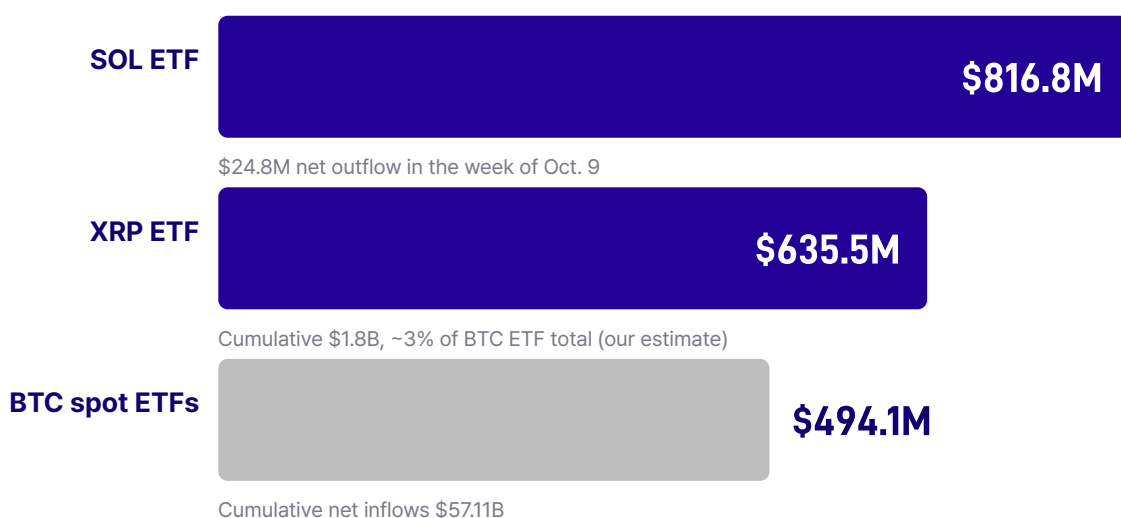
INSTITUTIONAL FLOWS

Institutional inflows that have not reached the altcoin market

As of early October 2026, year-to-date cumulative net inflows into spot ETFs were larger for solana and XRP than for bitcoin. According to a report citing SoSoValue data, 2026 net inflows into spot bitcoin ETFs totaled \$494.1 million as of the week of October 9^[15]. On the same basis, spot solana ETFs took in \$816.8 million and spot XRP ETFs \$635.5 million^[16]. Combined, the two altcoin ETFs drew \$1,452.3 million, about 2.9 times as much as the bitcoin ETFs (our estimate)^{[15][16]}. Cumulative net inflows into XRP ETFs (\$1.8 billion), though, amount to only about 3% of the cumulative total for bitcoin ETFs (\$57.11 billion) as of the same week (our estimate)^{[15][16]}.

2026 net inflows: SOL and XRP ETFs ahead of BTC spot ETFs

Unit: USD; 2026 net inflows, as of the week of Oct. 9



Source: The Block^[15], BeInCrypto^[16], SoSoValue data

BITPLANET

2026 net inflows: SOL and XRP ETFs ahead of BTC spot ETFs · data table

Item	Value	Note
SOL ETF	\$816.8M	\$24.8M net outflow in the week of Oct. 9
XRP ETF	\$635.5M	Cumulative \$1.8B, ~3% of BTC ETF total (our estimate)
BTC spot ETFs	\$494.1M	Cumulative net inflows \$57.11B

The launch dates of the products matter when interpreting this 2.9x gap in net inflows. U.S. spot bitcoin ETFs were approved in January 2024^[17]. The solana product BSOL, by contrast, began trading on October 28, 2025, and the XRP product XRPC on November 13 of the same year^{[18][19]}. Solana and XRP ETFs have shorter track records than bitcoin ETFs. ETF net assets as a share of total market capitalization were also lower for solana (2.63%) and XRP (1.82%) than for bitcoin (6.38%) and ether (5.01%) (as of October 20–23)^{[20][21][5]}.

INTERPRETATION Even when spot buying comes in through spot ETFs, the orders resting on exchange order books do not necessarily thicken in proportion. Market makers allocate capital first to assets that trade actively and are easy to hedge. With altcoin spot volume down 60% through March 2026^[8], market makers have less incentive to quote aggressively. Indeed, even solana and XRP, which drew strong ETF inflows, did not show the same improvement in depth. In CoinGecko's Q3 2026 data, solana depth was lower than in Q2 2025, and XRP stalled at a similar level^[2].

Performance also diverged within the majors. Ether's monthly ETF flows swung sharply even though its depth was relatively healthy. Net inflows were \$832 million in September 2026, but flows reversed to net outflows of \$1.08 billion between October 1 and 20^[6]. It is therefore hard to read the deep order books in bitcoin and ether as a direct signal that both assets will strengthen together.

The persistence of inflows into altcoin ETFs has also weakened. Solana ETFs lost \$24.8 million in the week of October 9, ending a 14-week run of net inflows^[16]. XRP ETFs saw their 13-week inflow streak end the following week, and then took in only \$4.3 million of net inflows over October 19–22^[22]. The 2 U.S. spot ETFs holding HYPE, on the other hand, raised \$54 million in their first 7 trading days after listing in May 2026^[23], and their cumulative net inflows reached \$309.21 million as of October 23^[5]. Within the altcoin ETF market, too, flows are sharply polarized by token.

The over-the-counter (OTC) market for institutional investors shows a similar pattern. According to Wintermute's 2025 annual report, bitcoin and ether's share of its OTC notional volume fell from 54% in 2023 to 49% in 2025^[24]. The data include stablecoins and wrapped assets, and the assets that gained share were also mostly large-cap tokens^[24]. The report concluded that capital from spot ETFs and from digital asset treasuries (DATs), companies that buy and hold tokens in bulk, did not spread into a broad range of small and mid-cap tokens^[24]. The average altcoin rally in 2025 lasted only about 19 days, far shorter than the 61 days of 2024^[24].

Bitcoin dominance, bitcoin's share of total crypto market capitalization, also rose. According to a report citing CoinMarketCap data, BTC dominance stood at 60.1% on October 20, 2026, above the previous week's 59.4%^[25].

04

ALTCOIN RECOVERY

Selective altcoin rebounds and the conditions for a structural recovery

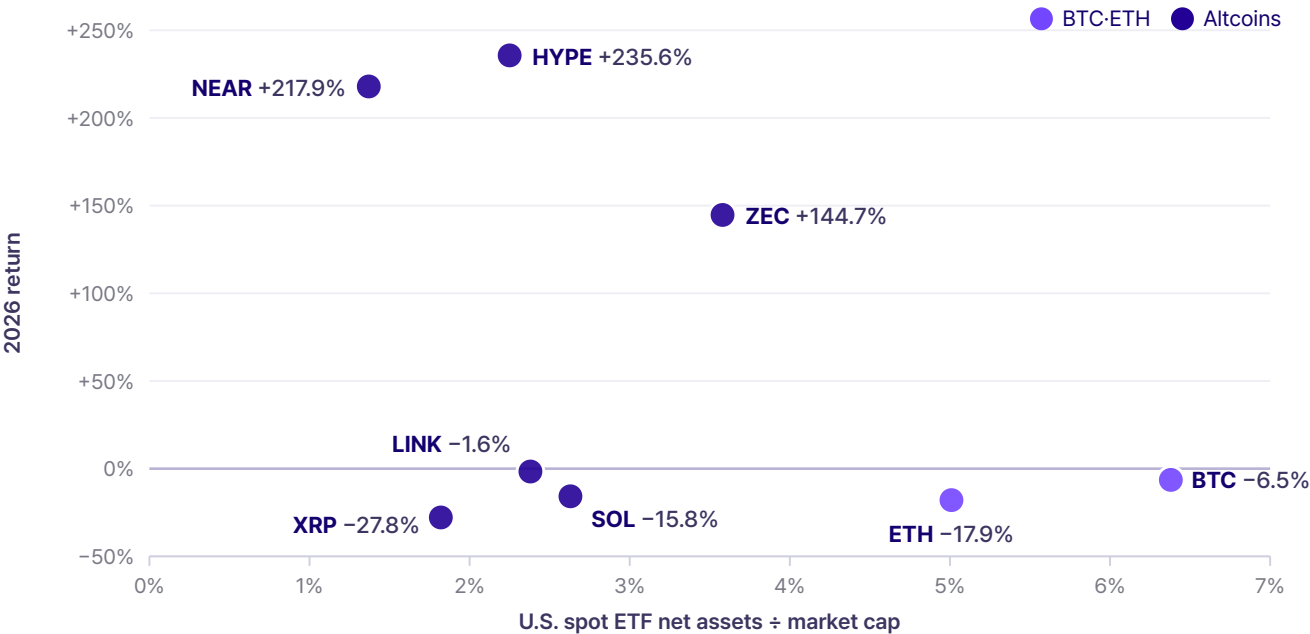
Some individual altcoins posted striking price gains in 2026. Blockchainreporter compared the performance of the top 40 coins by market capitalization using CoinMarketCap data, and as of October 21 the year-to-date 2026 returns were about 236% for HYPE, about 218% for NEAR, about 163% for QNT and about 145% for ZEC^[4]. On the same day, ether stood at –17.9%, solana at –15.8% and XRP at –27.8%^[4]. The CoinDesk 20 ex Bitcoin Index was also down 11.23% year-to-date as of September 30, 2026^[26]. Past returns on individual tokens do not guarantee future performance.

Whether gains have spread across the altcoin market can be gauged with CoinMarketCap's Altcoin Season Index. The index compares the trailing 90-day returns of the top 100 coins by market capitalization, excluding stablecoins and wrapped tokens, with bitcoin's. It defines “Altcoin Season” as a

period in which at least 75% of the top 100, ether included, outperform bitcoin^[27]. The index stood at 57 on October 20, 2026, down from its year-to-date high of 64 on September 27^[25].

Divergent 2026 returns despite spot ETFs

X: ETF net assets/market cap (Oct. 20–23) · Y: YTD return (Oct. 20–21)



Source: TokenPost[3][5][20][21], Blockchainreporter[4], CoinGecko[2]

BITPLANET

Divergent 2026 returns despite spot ETFs · data table

Asset	ETF net assets ÷ market cap	ETF cumulative net inflows	2026 return	Change in depth (Jul. 6–Sep. 3, 2026 vs. Q2 2025)
BTC	6.38% (Oct. 20)	\$57.43B (Oct. 20)	-6.5% (Oct. 20)	Up ~50% within ±\$100 of price
ETH	5.01% (Oct. 20)	\$12.81B (Oct. 20)	-17.9%	Ratio to BTC fell from 60%+ to 35–45%
SOL	2.63% (Oct. 23)	\$1.52B (Oct. 23)	-15.8%	Within 2%, one side: down from ~\$28M to \$20M
XRP	1.82% (Oct. 23)	\$1.81B (Oct. 23)	-27.8%	Within 2%: ~\$30M, similar to 2025
ZEC	3.58% (Oct. 23)	\$203.78M (Oct. 23)	+144.7%	Not covered

Asset	ETF net assets ÷ market cap	ETF cumulative net inflows	2026 return	Change in depth (Jul. 6–Sep. 3, 2026 vs. Q2 2025)
LINK	2.38% (Oct. 23)	\$179.23M (Oct. 23)	–1.6%	Not covered
HYPE	2.25% (Oct. 23)	\$309.21M (Oct. 23)	+235.6%	Not covered
NEAR	1.37% (Oct. 23)	\$88.26M (Oct. 23)	+217.9%	Not covered

INTERPRETATION Whether a token has a U.S. spot ETF, and how large it is, does little on its own to explain the differences in returns among individual altcoins. The top performers HYPE, NEAR and ZEC have U.S. spot ETFs, but so do SOL, XRP and LINK, which posted negative returns, and net assets ranged from 1.4% to 3.6% of market capitalization^[5]. If anything, XRP (–27.8%), whose depth held steady, did worse than solana (–15.8%), whose depth declined^{[2][4]}. Year-to-date returns also cover the period before the ETFs listed, however, so a simple cross-sectional comparison cannot establish the direct effect of the ETF launches.

For the recovery to spread across many tokens, the regulatory uncertainty that holds back digital asset listings has to be resolved. The U.S. market structure bill (CLARITY Act) cleared the Senate Banking Committee in May 2026^[29], but on September 15 of that year a procedural vote to proceed to floor consideration failed to invoke cloture^[28]. This should be clearly distinguished from a final defeat of the bill itself. Regulation Crypto Assets, proposed by the U.S. Securities and Exchange Commission (SEC) in August, includes two exemptions from securities registration for investment contracts involving crypto assets. It also includes a conditional safe harbor under which a crypto asset that meets certain conditions would be deemed not to be subject to an investment contract under the securities laws^[32]. In a comment letter to the SEC, wallet infrastructure company Vault12 argued that the proposed protections alone do not give centralized exchanges confidence that they would be fully free of legal liability risk after listing a token^[30].

INTERPRETATION Even with a clearer regulatory framework, liquidity can expand structurally only if exchange listings and market makers' quotes actually follow. Policy hopes for the bill's passage will not, by themselves, generate the resting orders needed to absorb large sell volumes.

Token supply schedules also need to be monitored. A token unlock is the release onto the market of tokens that had been subject to transfer restrictions. In an October 3, 2026 report, TokenPost said one-time and linear unlocks scheduled over the following month were worth more than \$1.935 billion^[31]. The figure combines one-time unlocks of more than \$10 million each and linear unlocks totaling more than

\$10 million over the month^[31]. The list includes HYPE, ZEC and NEAR, which are among the top year-to-date performers of 2026^{[31][4]}. Because the schedule of future supply and the period over which past returns were realized do not overlap, however, this case alone makes it hard to draw any general conclusion about whether supply pressure has driven prices.

INTERPRETATION As new token supply expands, it is important to watch closely whether genuine buying demand is there to absorb it. Diagnosing a genuine altcoin recovery means looking beyond simple supply figures to whether spot volume and dollar depth rise together, and whether buying demand proves durable.

Rebounds in some altcoins, and the risks

Despite selective rebounds in some altcoins, the underlying assessment that liquidity across the altcoin market is recovering slowly still holds^{[1][8]}. Money has flowed into solana and XRP ETFs, and HYPE and NEAR have rallied^{[16][4]}, but this should not be stretched into a market-wide virtuous cycle of liquidity. Bitcoin's 5% depth also remains at its January 2025 level, and its order book thins quickly under selling pressure^[1], so it is hard to regard even the majors as fully insulated from the risk of a sharp drop.

C CONCLUSION

Differences in trading conditions and diverging performance across assets

INTERPRETATION Two seemingly contradictory things are happening at once in the altcoin market: price rebounds in some individual tokens and weak liquidity across the market as a whole. Bitcoin's depth near the current price has improved, yet the top year-to-date performers of 2026 include HYPE, NEAR and ZEC^{[1][4]}. Solana and XRP, which drew heavy ETF inflows, remain below their prices at the start of the year^{[4][16]}. Relatively healthy trading conditions in the majors do not allow us to predict that bitcoin and ether will keep leading returns.

Altcoin trading was concentrated in a handful of tokens even before the crash, and during the 10/10 crash the shock was magnified as market makers pulled orders en masse just as forced liquidations hit^[11]^[12]. The recovery since then has been highly uneven. Depth for CoinDesk's altcoin basket remains below

its January 2025 peak, and Kaiko's March 2026 data also show depth below pre-crash levels^{[1][8]}. In CoinGecko's data, solana depth declined and XRP stalled^[2]. Within the majors, ether's depth relative to bitcoin has fallen, and its ETF flows turned to net outflows in October^{[2][6]}.

That said, the measurement dates and sample coverage differ across indicators such as returns, depth and ETF flows. Piecing together fragments of data is not enough to pin down a single root cause for the gaps in returns across assets. The objective observation that the majors enjoy relatively better trading conditions should also be kept strictly separate from any optimistic view of future price gains.



INTERPRETATION

Key Conclusion

Whether altcoin liquidity is recovering should not be judged from isolated price rebounds or news of new ETF listings. An objective diagnosis requires holding the coverage universe and data methodology constant and confirming whether dollar 5% depth and spot volume rise together for two consecutive quarters. It also means continuing to check whether net inflows into spot ETFs broaden across many tokens. The “two quarters” is the minimum observation period this report sets to distinguish a temporary technical bounce from a structural, lasting recovery. Until such visible changes show up in the data, selective rebounds in a few high-quality assets are likely to coexist with chronically weak liquidity in most altcoins for some time.

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[23]	Hyperliquid ETFs attract record \$25.5 million in net inflows https://www.theblock.co/news/defi/2026-05-20-hyperliquid-etfs-25-million-inflows-402120	The Block	2026-05-20 (U.S. Eastern Time)
[24]	Wintermute's OTC Markets 2025 Report Shows Crypto's Upper Tier Becoming an Established Asset Class as Liquidity Concentrates Primary https://www.prnewswire.com/news-releases/wintermutes-otc-markets-2025-report-shows-cryptos-upper-tier-becoming-an-established-asset-class-as-liquidity-concentrates-302659976.html	PR Newswire(Wintermute)	2026-01-13
[25]	Altcoin season index slips to 57 as Bitcoin dominance holds above 60% https://www.tokenpost.com/news/investing/35642	TokenPost	2026-10-20

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[26]	CoinDesk 20 ex Bitcoin Index Factsheet (as of 2026-09-30) Primary https://downloads.coindesk.com/cd3/CDI/CoinDesk-20-ex-Bitcoin-Factsheet.pdf	CoinDesk Indices	2026-09-30
[27]	CMC Altcoin Season Index https://coinmarketcap.com/charts/altcoin-season-index/ (index methodology, accessed 2026-10-26)	CoinMarketCap	2026-10-26 (accessed)
[28]	Senate Floor Activity - Tuesday, September 15, 2026 Primary https://www.senate.gov/legislative/LIS/floor_activity/09_15_2026_Senate_Floor.htm	U.S. Senate	2026-09-15
[29]	Chairman Scott, Senate Banking Committee Advance CLARITY Act in Historic Bipartisan Vote Primary https://www.banking.senate.gov/newsroom/majority/chairman-scott-senate-banking-committee-advance-clarity-act-in-historic-bipartisan-vote	U.S. Senate Banking Committee	2026-05-14
[30]	Comment on Regulation Crypto Assets (File No. S7-2026-27) Primary https://www.sec.gov/comments/S7-2026-27/s7202627-1100479-3879107.pdf	Vault12 (comment letter submitted to the SEC)	2026-10-20
[31]	Token Unlocks Reported Above \$1.935 Billion Over the Next Month https://www.tokenpost.com/news/investing/26522	TokenPost	2026-10-03
[32]	SEC Proposes New Regulation Crypto Assets Primary https://www.sec.gov/newsroom/press-releases/2026-76-sec-proposes-new-regulation-crypto-assets	SEC	2026-08-18

A APPENDIX

Data Limitations and Calculation Basis

① Limitations

- ◆ **Differences in coverage:** CoinDesk Research's November 2025 article, its October 2026 article and Kaiko's data differ in measurement dates and in the assets covered. Their scope also differs, for example per-exchange averages versus totals across all exchanges, so we did not splice the figures together and compared only the direction of change within each dataset. In the body text, "majors" refers to BTC and ETH, but Kaiko's altcoin data include ETH. CoinGecko's data compare the median of daily snapshots from July 6 to September 3, 2026 with Q2 2025, and the price range differs by asset.

- Composition of the altcoin basket:** The October 2026 CoinDesk article and its accompanying chart do not specify the constituents^[1]. The basket in the November 2025 report consists of 4 tokens: SOL, XRP, ATOM and ENS^[13].
- Sample coverage:** Table 1 compares 4 reference dates from the CoinDesk data. The original altcoin chart also shows a separate value for October 8, 2026. The article does not state the time of measurement on October 10, 2025. Because depth aggregates the orders displayed at a given moment, there is no guarantee those orders will stay in place when a shock hits the market.
- Limits of inference:** Returns are as of October 20–21, 2026, and ETF net assets and cumulative net inflows as of October 20–23. CoinGecko's depth data are observations from July 6 to September 3. A cross-sectional comparison across different periods cannot identify the cause of differences in returns or the effect of ETF launches. Kaiko's reporting also does not specify the exact “pre-crash” measurement period, which makes it difficult to compare changes in BTC price and depth over the same period.
- Characteristics of each source:** Kaiko found that about 90% of altcoin volume took place on offshore exchanges^[11]. Offshore exchanges cannot be equated with unregulated exchanges. Wintermute's figures are based on its own OTC trading.
- Differences across data providers:** Annual cumulative ETF flows and token unlock values vary by data provider and definition. Historical ETF figures and some returns use the aggregates cited in contemporaneous reports, not values fully recalculated from raw data.

② Formulas for Our Own Estimates

The table below sets out the formulas and reference dates for figures marked ‘our estimate’ in the body text. Where methodologies differ or the specific calculation basis is hard to verify, the limitations are noted as well.

Indicator	Formula	Reference date	Source
BTC 1% depth, 2026 growth	$11.7\text{M} \div 9.0\text{M} - 1 \approx +30\%$	2026-01-01 / 2026-10-07	[1]
BTC 1% depth (2025-10-10)	$11.7\text{M} \div 1.75 \approx \$6.7\text{M}$	2025-10-10 (time of measurement not stated)	[1]
ETH 1% depth (2025-10-10)	$5.3\text{M} \div 1.75 \approx \$3.0\text{M}$ (“about three-quarters” increase taken as 1.75x)	2025-10-10	[1]
Kaiko 5-altcoin 1% depth decline	$1.7\text{M} \div 2.6\text{M} - 1 \approx -35\%$	Pre-crash / 2026-03	[8]

Indicator	Formula	Reference date	Source
SOL 2% depth change	$20M \div 28M - 1 \approx -29\%$ (one side of the book)	Q2 2025 / 2026-07-06 to 09-03	[2]
BTC price decline	$81,653 \div 122,574 - 1 \approx -33\%$	2025-10-10 intraday high / 2026-10-20	[10][3]
BTC depth relative to open interest	$73.5 \div 58.9 - 1 \approx +25\%$ (inverse of OI $\div$ depth)	Pre-crash average / 2026-08 to 09 average	[7]
Combined SOL and XRP ETF 2026 net inflows, relative to BTC	$816.8M + 635.5M = 1,452.3M; \div 494.1M \approx 2.9x$	Week of Oct. 9	[15] [16]
XRP ETF cumulative inflows relative to BTC ETFs	$1.8B \div 57.11B \approx 3.2\%$	Week of Oct. 9	[15] [16]

③ Methodology

- ◆ **Source hierarchy:** Official company and regulator materials → primary data and data provider databases → specialist media → syndicated media → community sources, in that order of priority.
- ◆ **Source classification:** Data providers' raw data, official documents from companies and regulators, and research papers are classified as primary sources when we have checked them directly. Information conveyed through news reports is attributed to the outlet that reported it.
- ◆ **Reference and access dates:** Values fixed at a point in time carry their reference date; dashboard figures that change in real time carry the date accessed.
- ◆ **Conflicting figures:** Where different figures exist, both are presented. Where a reference value has to be chosen, we give priority to whether the calculation scope is disclosed, how clear the access date is and whether the components can be separated, over the outlet's profile, and we state the reason for the choice in the text.
- ◆ **Our estimates:** Each of our estimates is presented with its formula, reference date and limitations in Appendix ②.
- ◆ **Legal and regulatory interpretation:** Regulator materials are cited only to explain general structural classifications and potential applicability, and are not stretched into an official classification or approval of any specific product. Descriptions of product structure and regulatory interpretation are kept in separate paragraphs.

- ◆ **Conflict of interest disclosure:** Every report carries the same disclosure text in a fixed position at the top of the document.
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