ABL Digital Cryptoglobal Weekly

Cross-Exchange Crypto Analytics | week ending 2026-09-07

15 majors + derivatives, options & flows | BTC dominance 59% | 1827 days

REGIME: Risk-on

EXECUTIVE SUMMARY

The tape is risk-on and we are leaning that way, but with less conviction than the headline suggests. The Markov filter puts an 80.6% posterior on Risk-on with only 5.3% on Risk-off, and the composite risk-appetite scorecard reads +0.39, carried almost entirely by alt appetite (+1.17) and suppressed equity vol (+0.70) rather than by breadth, which is actually negative (-0.27). That combination — strong alt appetite, weak underlying breadth — describes a narrow, rotational alt bid rather than a broad melt-up. With BTC dominance at 59.1% and 64% of majors beating BTC over 30 days, this is a mixed tape tilting alt-side: favour the momentum names that are also not yet stretched on fair value (LINK +55% 30d but only +0.9% rich, DOGE cheap -43.9% vs BTC on a 0.55 R^2) and fade what the models flag as expensive (SOL +18.5% rich vs ETH after +36% in 30 days).

Three developments matter this week. First, BTC returned 0.3% over 7 days while DOT ran +27.4%, NEAR +19.4% and LINK +13.7% — BTC is the anchor, not the engine, so beta belongs in alts, not in spot BTC. Second, the fair-value model has BTC -35.8% cheap against equities, dollar and rates on a 0.76 R^2, the strongest-fit residual in the book: that is a structural argument for holding BTC as ballast even as alts carry the return. Third, Fear & Greed jumped 62 → 71 and BTC 25-delta skew sits at +9.8, meaning calls are bid and the crowd is already positioned for continuation — the cheap hedge is now downside.

The biggest risk is that this is a positioning-driven rally with thin macro support. Watch BTC 73,000 (max-pain, 8% below spot 79,269), a DVOL break above the mid-40s from 38.8, and stablecoin supply stalling from its +0.6% weekly pace. If dominance climbs back above 62% while alts stay bid on falling breadth, or the DCC BTC~Nasdaq correlation at +0.47 pushes toward +0.7, the alt tilt should be cut.

Crypto Dashboard

Market state and the week's key readings across majors, options and flows.

REGIME	BTC DOM	BTC DVOL	FEAR&GREED
Risk-on	**59%**	**39**	**71**

MAJORS (price | 7d | 30d | 90d)

BTC	78,788.23	+0.3%	+21.4%	+27.8%
ETH	2,470.16	+0.1%	+29.0%	+50.8%
SOL	103.15	+0.1%	+35.8%	+58.8%
BNB	734.39	+6.3%	+22.3%	+23.9%
XRP	1.38	+0.2%	+33.1%	+21.5%
DOGE	0.09	+7.2%	+26.1%	+4.7%
ADA	0.22	+9.6%	+8.8%	+31.2%
AVAX	8.05	+11.4%	+24.3%	+21.3%
LINK	12.87	+13.7%	+55.0%	+64.2%
TRX	0.33	+0.4%	+1.5%	+3.5%
DOT	1.07	+27.4%	+31.5%	+11.7%
NEAR	2.29	+19.4%	+41.9%	+6.0%
LTC	55.34	+14.0%	+20.4%	+28.7%
BCH	259.00	+4.9%	+19.9%	+27.3%
SUI	0.80	+10.7%	+16.1%	+7.3%

ETH/BTC 0.03135 | alt-breadth 64% of majors beating BTC (30d)

CRYPTO CROSS-ASSET SCORECARD

Crypto risk appetite and the macro (equity/dollar/rates) backdrop that drives it

CRYPTO RISK APPETITE

Risk-on score +0.39

risk-off (-1.5) (+1.5) risk-on

coin breadth	-0.27
btc trend	+0.15
low concentration	+0.20
alt appetite	+1.17
equity vix	+0.70

MACRO BACKDROP (equity/dollar/rates)

Neutral backdrop score +0.31

headwind (-1.5) (+1.5) supportive

equity momentum	+0.88
weak dollar	+0.78
low us rates	-1.13
low equity vol	+0.70

Each component is a multi-year z-score, sign-aligned so higher = risk-on / more supportive; the headline is their average. The macro backdrop reads equity momentum, the dollar, US rates and equity volatility — crypto's key drivers.

WHAT CHANGED THIS WEEK

Week-over-week moves and how the market-state readings shifted · 2026-09-07

TOP GAINERS

ARB	+47.5%
UNI	+29.6%
DOT	+27.4%
FIL	+24.4%
ICP	+20.2%
NEAR	+19.4%
APT	+18.2%
OP	+16.5%

TOP DECLINERS

MKR	-0.6%
DXY	-0.5%
S&P 500	+0.1%
ETH	+0.1%
SOL	+0.1%
XRP	+0.2%
BTC	+0.3%
TRX	+0.4%

KEY LEVELS — week-over-week

BTC	78,788.2	+0.3%	Gold	4,476.6	+1.0%
ETH	2,470.2	+0.1%	DXY	98.9	-0.5%
SOL	103.2	+0.1%	VIX	15.3	+0.4
XRP	1.4	+0.2%	US 10Y	4.8	+0.1
Nasdaq	26,507.0	+0.4%	S&P 500	7,718.6	+0.1%

MARKET-STATE READINGS — now vs prior report

Regime	prior: R+	->	**Risk-on**
Risk appetite	prior: +0.37	->	**+0.39**
Macro backdrop	prior: +0.25	->	**+0.31**
PC1 share	prior: 48	->	**48%**

The fastest orientation: what actually moved and how the headline state shifted since last week. VIX/rate/spread increases are shown as adverse (red).

Cryptoglobal Analysis

Executive Summary

The tape is risk-on and we are leaning that way, but with less conviction than the headline suggests. The Markov filter puts an 80.6% posterior on Risk-on with only 5.3% on Risk-off, and the composite risk-appetite scorecard reads +0.39, carried almost entirely by alt appetite (+1.17) and suppressed equity vol (+0.70) rather than by breadth, which is actually negative (-0.27). That combination — strong alt appetite, weak underlying breadth — describes a narrow, rotational alt bid rather than a broad melt-up. With BTC dominance at 59.1% and 64% of majors beating BTC over 30 days, this is a mixed tape tilting alt-side: favour the momentum names that are also not yet stretched on fair value (LINK +55% 30d but only +0.9% rich, DOGE cheap -43.9% vs BTC on a 0.55 R^2) and fade what the models flag as expensive (SOL +18.5% rich vs ETH after +36% in 30 days).

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Regime, Scorecard & Market State

The regime model is unambiguous in its classification and worth reading carefully for what it does not say. An 80.6% Risk-on posterior with 14.1% Neutral and 5.3% Risk-off is a high-confidence read on BTC's own return-volatility signature, and over 1,827 days of history this regime has been persistent enough to be tradeable. But the regime describes BTC's statistical state, not the market's internal health, and the scorecard is where the two diverge.

The composite risk-appetite score of +0.39 sits in Risk-on territory but is a weak +0.39, not a +1.0. Decompose it and the picture sharpens: alt appetite contributes +1.17 and equity vix +0.70 — those two are doing all the work. Low concentration adds +0.20 and BTC trend a thin +0.15. Coin breadth is negative at -0.27. That is the tell. A genuinely healthy risk-on tape has breadth confirming appetite; here, appetite is running ahead of participation, which is the signature of rotation into a shrinking set of names rather than a rising tide. The practical implication is that the alt bid is real but concentrated, and it will not tolerate a BTC drawdown gracefully.

The macro backdrop scores +0.31 and is correctly labelled Neutral, not supportive. Equity momentum (+0.88) and a weak dollar (+0.78) are genuine tailwinds, and low equity vol (+0.70) removes a headwind. But US rates score -1.13, the single largest negative in either scorecard. Rates are not low, and that is the constraint on how far this can run without a policy shift. Crypto is currently being carried by the equity and dollar legs while the rates leg drags; if equity momentum fades before rates ease, the backdrop flips negative quickly.

Fear & Greed at 71 (Greed), up from 62 a week ago, confirms sentiment has caught up to price. That is not a sell signal at 71 — the extremes that matter are above 80 — but it does mean the easy sentiment repricing is behind us. Total market cap at $2.67tn with the 90-day returns spread across BTC +28%, ETH +51%, SOL +59% and LINK +64% shows a market that has already delivered a strong quarter. Late-stage risk-on is where position sizing matters more than direction.

Bitcoin Dominance & Alt-Season

BTC dominance at 59.1% against ETH at 11.3% and an ETH/BTC ratio of 0.0314 describes a market where Bitcoin still sets the terms but is no longer capturing the marginal flow. The 30-day returns make this concrete: BTC +21%, ETH +29%, SOL +36%, XRP +33%, LINK +55%. Every one of those alts outpaced BTC over the month, and alt breadth confirms it at 64% of majors beating BTC over 30 days.

But 64% is a moderate reading, not an alt-season reading. True broad alt-seasons run breadth above 75-80% with dominance falling through 55%. At 59.1% dominance and 64% breadth, this is a partial rotation: roughly two-thirds of majors are participating and one-third are being left behind. The negative coin_breadth component in the scorecard (-0.27) is measuring exactly this shortfall — appetite for alts is high but the participation base is not widening to match.

The weekly numbers make the point more sharply than the monthly ones. Over 7 days BTC returned 0.3%, ETH 0.1%, SOL 0.1% and XRP 0.2% — the large caps went flat. Meanwhile DOT ran +27.4%, NEAR +19.4%, LTC +14.0%, LINK +13.7% and AVAX +11.4%. That is not a broad-risk tape lifting everything; it is a narrow, high-velocity rotation through mid-cap names while the majors consolidate. Note also that DOT's +27.4% week sits against a +12% 90-day return and NEAR's +19.4% against +6% over 90 days: these are catch-up moves in laggards, not continuation of established trends. Catch-up rotations are the shortest-lived phase of an alt cycle.

For an investor, the read is that this is a BTC-anchored tape with an alt overlay, not a BTC-led rally and not a genuine alt-season. Dominance at 59.1% is the level to watch in both directions. A sustained break below 57% with breadth pushing past 70% would upgrade this to a real alt-season and justify adding beta. Dominance recovering above 62% while the mid-cap moves fade would signal the rotation has exhausted itself and alt exposure should be reduced toward BTC, which the fair-value model separately says is the cheap asset here.

Factor Structure & Systemic Risk

The PCA is the most important structural read in this briefing and it cuts against the diversification story. Across 39 instruments, PC1 — Ethereum/BTC beta — explains 48% of total variance. PC2, equity risk proxied by Nasdaq, explains 9%. PC3, US rates inverted, 6%. PC4, gold, 4%. Restricted to the majors alone, PC1 explains 64% of variance. Put plainly: roughly half of everything that moves in this 39-instrument universe is one factor, and among the majors it is closer to two-thirds.

The investor implication is direct and often ignored. Holding BTC, ETH, SOL, XRP and BNB is not five positions; it is approximately one position with tracking error. Anyone who has spread capital across majors believing they have diversified within crypto has instead built a leveraged expression of a single factor. The residual 36% of majors' variance — the coin-specific component — is where genuine differentiation lives, and it is precisely where the fair-value and relative-value models below are aimed. If you want diversification, it must come from sizing the single factor deliberately and taking coin-specific risk knowingly, not from counting tickers.

That PC2 (equity) captures only 9% and PC3 (rates) only 6% is also informative. Crypto's macro sensitivity is real but second-order relative to its own internal beta. Macro sets the level; the crypto factor sets the variance. A macro shock will move the complex, but on any given week the dominant driver is crypto's own risk appetite.

The multivariate DCC-GARCH systemic gauge reads average pairwise conditional correlation of +0.32 across twelve assets, which is exactly where it stood a year ago — a rare stability. Persistence is 0.8941, meaning correlation shocks decay but slowly; a stress event that lifts pairwise correlation will hold it elevated for weeks, not days. At +0.32 the complex is moderately, not maximally, co-moving. This is neither a crisis reading (where pairwise correlation runs toward +0.7 and everything falls together) nor a decorrelated stock-picker's market. It leaves genuine room for relative-value expression, which is the constructive read: pair trades and cross-sectional positioning have live edge right now in a way they would not if the gauge were at +0.6.

The pairwise DCC-GARCH detail matters too. ETH~BTC sits at +0.87 with persistence 0.9112 and SOL~BTC at +0.83 with persistence 0.9999 — that SOL figure is effectively a unit root, meaning SOL's correlation to BTC does not mean-revert on any useful horizon. SOL is a permanent high-beta BTC expression, not an independent asset, and should be sized as such.

Cross-Asset Correlation & Lead-Lag

The cross-asset table contains this week's most under-appreciated signal: crypto's macro identity is shifting. BTC~Nasdaq is +0.42 over 365 days but only +0.25 over 90 days, and the DCC-GARCH conditional estimate reads +0.47 now with persistence 0.7042. Meanwhile BTC~Gold has inverted the usual ordering — +0.20 over 365 days but +0.54 over 90 days. And BTC~DXY has strengthened its negative relationship from -0.20 on the year to -0.47 over 90 days.

Read together, that is a market trading BTC less as a leveraged Nasdaq proxy and more as a dollar-debasement asset. The 90-day realised correlation to equities has halved while correlation to gold has more than doubled and the inverse dollar relationship has more than doubled. This is the decoupling narrative showing up in the data rather than in commentary. For an investor it means two things: BTC's diversification value against an equity book has improved materially over the last quarter, and BTC is now more exposed to dollar direction than to earnings season. The weak_dollar +0.78 component in the macro scorecard is therefore a more load-bearing input than it would have been a year ago.

The caveat is the DCC estimate. The conditional correlation to Nasdaq at +0.47 is higher than the 90-day realised +0.25, which means the model — which weights recent observations and accounts for time-varying volatility — sees the equity link as currently tighter than the simple rolling window suggests. Persistence of 0.7042 is the lowest of the three DCC pairs, so this relationship is the most mobile. Treat +0.47 as the live number and the decoupling as directional but not yet structural. If that conditional correlation pushes toward +0.7, crypto has re-coupled to macro risk assets and the standalone case weakens considerably.

Rates and the curve barely register: BTC~US10Y is -0.04 on the year and -0.13 over 90 days. Duration is not currently a first-order driver of spot, notwithstanding the -1.13 rates drag in the macro scorecard, which is measuring level rather than correlation.

The Granger network identifies net leaders as US 10Y, Nasdaq, BNB and VIX, with followers XRP, DOGE, BTC and DXY. The honest framing here is essential: weekly Granger-causality predictive skill is modest. These are statistical lead-lag relationships estimated over a long sample with low R^2 on any single-week horizon, and they should inform where you look first, not what you trade. That said, the structure is coherent. Macro variables — 10Y, Nasdaq, VIX — lead crypto, which confirms that the macro impulse propagates into crypto rather than the reverse. That BTC appears as a follower rather than a leader is notable and consistent with the current tape, where BTC has gone flat (+0.3% on the week) while alts move. BNB leading is unusual and worth flagging; BNB's own +6.3% week against a flat majors complex suggests it is carrying idiosyncratic information. XRP and DOGE as followers is consistent with their character as high-beta, retail-flow-driven names that react rather than anticipate.

The actionable use of this network is monitoring, not signal generation: watch VIX and the Nasdaq for the impulse, and expect XRP and DOGE to transmit it with a lag.

Relative Value & Fair Value

The fair-value residual models give the clearest cross-sectional guidance in the briefing, and the R^2 values determine how much weight each deserves.

The strongest-fit model is Bitcoin against equities, dollar and rates: R^2 0.76, residual -35.8% cheap, z-score -1.58. That is a high-explanatory-power model saying BTC is trading more than a standard deviation and a half below where its macro drivers imply. A -1.58 z is meaningful without being extreme

— it is not the two-sigma dislocation that demands immediate action, but it is a substantive valuation cushion. Combined with the fact that BTC has gone nowhere for a week while alts ran, this is the argument for holding BTC as the core rather than rotating out of it entirely. The residual says the macro backdrop already justifies a higher BTC price than spot $79,269.

Chainlink against ETH and BTC has the highest R^2 in the book at 0.78, and reads +0.9% rich with a z of +0.04 — effectively perfectly fair. This deserves emphasis because LINK is the strongest performer in the table (+13.7% week, +55% month, +64% quarter). A best-fit model with 0.78 explanatory power saying the best performer is at fair value is a genuinely useful finding: LINK's rally has been earned by its factor exposures, not by speculative overshoot. That is a materially better setup than a momentum name trading rich, and it means the position does not carry mean-reversion risk on top of directional risk.

Solana against ETH is the opposite case: R^2 0.71, +18.5% rich. The z-score is only +0.37, which tempers the conclusion — the residual is large in percentage terms but not statistically extreme against its own history, so this is a "fade the marginal dollar" signal rather than a "sell the position" signal. Still, SOL is up 36% in 30 days and 59% in 90 days, carries the highest tail risk in the book (ES5 -29.4%), sits at a 60% current drawdown from its high, and has a DCC correlation to BTC with persistence of 0.9999. Expensive, high-beta, permanently correlated: that is the least attractive risk-adjusted profile among the majors right now.

Ether against BTC and equities reads +7.5% rich at z +0.33 on R^2 0.61 — modestly expensive, not alarming, and consistent with ETH's +29% month. ETH/BTC at 0.0314 remains historically depressed even after the outperformance, so the rich residual is measuring recent velocity rather than an absolute stretch.

Dogecoin against BTC is the largest dislocation: -43.9% cheap, z -1.75, R^2 0.55. The z-score is the most extreme in the book. The R^2 of 0.55 is the weakest among the well-fit models, so the confidence band is wider, and DOGE's -43.9% cheapness has to be set against its 90-day return of just +5% — it has lagged badly and the model is measuring that lag. This is a genuine value signal but a low-quality-of-earnings one: DOGE has no fundamental catalyst mechanism, and the Granger network flags it as a pure follower. It is a beta-catch-up trade that works if and only if the risk-on regime persists.

The composite relative-value trade the models support is long the cheap-and-well-modelled (BTC), hold the fairly-priced momentum (LINK), and fund it from the rich high-beta (SOL). That expresses a view on the residual 36% of variance that PC1 does not explain, which is where the edge actually is.

Derivatives, Options & Volatility

The derivatives complex is telling a clean story: leverage is low, volatility is cheap, and positioning is complacently long.

Start with funding. BTC perpetual funding is +0.002% per 8 hours, ETH +0.003%, SOL actually negative at -0.001%. Annualised, BTC funding runs roughly 2% — essentially flat. Basis is negative across all three: BTC -4bp, ETH -4bp, SOL -5bp. Negative basis alongside near-zero funding means there is no crowded leveraged long in perps. This is genuinely constructive. The most common way a risk-on tape ends is a funding-driven long liquidation cascade, and that fuel is simply not present. Open interest of $8.5bn in BTC and $5.7bn in ETH is substantial in absolute terms but is not being financed at punitive rates. Negative SOL funding after a 36% month is particularly notable — shorts are paying to be positioned against the strongest recent performer, which is a squeeze setup, not a crowded-long setup.

The options market is where the complacency shows. BTC DVOL at 38.8 is low, and the IV term structure is in steep contango: 28 for 8 September, rising through 32, 34, 35 and reaching 37 by 18 September. Front-end vol at 28 against a 30-day implied around 37-39 means the market is pricing almost nothing happening in the next 48 hours and progressively more risk thereafter. Buying near-dated optionality is cheap here in both absolute and relative terms.

Put/call ratio at 0.54 means roughly two calls open for every put. Combined with a 25-delta skew of +9.8

— calls trading nearly ten volatility points above equivalent puts — the positioning is emphatically long-call. That skew figure is the single clearest positioning signal in the briefing. When calls are this bid relative to puts, the market has already bought the continuation, and it means downside protection is the cheap side of the book. An investor holding alt beta after a 30-day run of 20-55% across the complex can hedge with BTC puts at an unusually favourable relative price.

Max pain at $73,000 against spot $79,269 places spot 8.6% above the pain point. Max pain is a weak signal on its own and should not be traded directly, but it does confirm that call open interest is concentrated well below spot and that dealers are short gamma into strength — which mechanically amplifies moves higher and, more importantly, amplifies moves lower once spot falls back toward the strike concentration.

ETH options tell a different and more balanced story. DVOL at 52.7 is 14 points above BTC's, which is a wide spread and reflects ETH's genuinely higher realised volatility. But 25-delta skew is flat at -0.0 — no directional bias in the ETH options market at all, in sharp contrast to BTC's +9.8. Put/call at 0.55 mirrors BTC. ETH max pain at $2,200 against spot $2,476 is 11% below. The flat ETH skew alongside steeply positive BTC skew is an inconsistency worth noting: either BTC calls are over-owned or ETH calls are under-owned, and the cleaner expression of upside is arguably through ETH, where you are not paying a skew premium.

The ETH IV term structure also runs steeply upward — 35, 41, 43, 44, 49 — with 18 September at 49 against a front-end 35. Something is being priced into mid-September across both books. That is the date to have a view on.

Flows, Stablecoins & the OTC Question

Be direct about the limitation first: true OTC volume is not observable. Over-the-counter desks do not publish, and any specific number attached to OTC crypto flow is an estimate built on partial data or an outright guess. What follows is a proxy read from stablecoin supply and on-chain flow, and it should be treated as directional evidence about capital availability, not as a measurement of OTC activity.

Stablecoin supply stands at $311bn, up 0.6% over seven days. That is the dry-powder gauge — capital that has entered the crypto system and is sitting in dollar-denominated form, available to be deployed. The absolute level is healthy and supports the current market cap of $2.67tn; a stablecoin-to-market-cap ratio near 11.6% indicates the system is not stretched relative to its cash base. But the growth rate is the more informative number, and +0.6% weekly is modest. It is positive — new capital is arriving — but it is not the accelerating inflow that accompanies the early stage of a durable leg higher.

That modest inflow rate is the quiet constraint on this rally. The 30-day returns across the complex have been substantial (BTC +21%, ETH +29%, SOL +36%, LINK +55%), and stablecoin supply has not expanded at anything close to a matching pace. The implication is that this move has been driven largely by rotation of capital already inside the system rather than by new money entering it. Rotational rallies are real and can run, but they redistribute rather than expand, and they are more fragile than inflow-driven moves because the marginal buyer eventually runs out of things to sell. This is the same story the negative breadth component (-0.27) is telling from a different angle.

DeFi TVL at $88bn, up 2.2% over the week, is the more encouraging flow reading. TVL growing at nearly four times the rate of stablecoin supply means capital already in the system is being put to work rather than sitting idle — an increase in risk-taking and velocity within the existing capital base. That is consistent with the alt rotation observed in prices and with the +1.17 alt appetite score. It confirms engagement, but again it is redistribution, not expansion.

On the OTC question specifically, the honest inference is limited. Stablecoin supply growing while spot flows stay orderly is weakly consistent with accumulation happening away from exchanges — large buyers using OTC desks would source stablecoins without generating visible order-book impact. But this is inference from absence of evidence, not evidence. The +0.6% weekly stablecoin growth is equally consistent with routine issuance and no unusual OTC activity at all. Anyone quoting a precise OTC volume figure is fabricating it. What can be said with confidence is that $311bn of dry powder exists, it is growing slowly, and its rate of change is the flow variable most worth monitoring — an acceleration to 2-3% weekly would be a genuine confirmation signal for the risk-on view.

Tail Risk & What to Watch

The tail metrics deserve more attention than they usually get in a risk-on regime, because they are calculated across the full 1,827-day history and do not care about the current 80.6% posterior. Expected shortfall at the 5% level is -16.6% for BTC, -22.8% for ETH and -29.4% for SOL. Those are the average losses conditional on being in the worst 5% of outcomes. An equal-weight position across those three carries roughly a -23% conditional tail, and the systemic co-movement gauge at +0.32 with 0.8941 persistence means that in a genuine stress event those losses arrive together and stay correlated for weeks rather than days.

Current drawdowns add necessary context and cut against complacency. BTC sits 36% below its high, ETH 49%, SOL 60% — despite 90-day returns of +28%, +51% and +59%. This is a recovery rally within a larger drawdown, not a market at new highs. That distinction matters for how the current strength should be interpreted: much of the 90-day return is retracement of prior losses rather than fresh advance, and the overhead supply from investors who bought higher has not been cleared. SOL's 60% drawdown alongside the highest tail risk in the book and a +18.5% rich fair-value residual makes it the position most worth trimming on a risk-adjusted basis.

The signals to watch, in order of how much they would change the view:

The BTC~Nasdaq conditional correlation, currently +0.47 on the DCC-GARCH estimate against a 90-day realised +0.25. If this pushes toward +0.7, the decoupling thesis is dead, BTC becomes a leveraged equity proxy again, and the diversification argument for holding it as core ballast fails. Persistence of 0.7042 is low enough that this can move quickly. Conversely, a decline toward the +0.25 realised level while BTC~Gold holds above +0.50 would strengthen the debasement-asset case considerably.

BTC dominance at 59.1% against alt breadth at 64%. These need to move in the same direction for the alt tilt to remain valid. Dominance falling below 57% with breadth above 70% upgrades this to a genuine alt-season and justifies adding beta. Dominance recovering above 62% while breadth deteriorates below 55% means the rotation has failed and exposure should consolidate into BTC, which the R^2 0.76 fair-value model says is the cheap asset at -35.8%.

Funding and basis. Currently benign at +0.002%/8h for BTC with -4bp basis. A move to sustained funding above 0.05% per 8 hours across BTC and ETH, combined with basis flipping positive, would mean leveraged longs have crowded in and the liquidation-cascade risk that is absent today has returned. That is the specific condition under which the low-volatility, low-leverage constructive picture inverts.

BTC DVOL at 38.8 with front-end IV at 28. A break above the mid-40s would signal the market repricing realised volatility higher and would validate buying the currently cheap front-end optionality. The +9.8 25-delta skew is the complementary signal: if skew compresses toward zero or inverts while spot holds, the crowded call positioning has unwound and the tape has become more resilient rather than less.

Spot levels. BTC $79,269 against max pain at $73,000 — the 73,000 area is where open interest concentrates and where dealer hedging would amplify weakness. A break below it would be mechanically as well as technically significant. ETH spot $2,476 against max pain $2,200 is the equivalent level.

Stablecoin supply at $311bn growing +0.6% weekly. Acceleration above 2% weekly confirms new capital entering and would upgrade the constructive view from rotational to inflow-driven. A stall to flat or negative growth removes the fuel and would argue for reducing alt exposure regardless of what price is doing.

Finally, the mid-September options term structure. Both BTC (37 on 18 September against 28 front-end) and ETH (49 against 35) price meaningfully higher volatility into that date. Whatever is being anticipated is a known unknown to the options market and should be treated as a scheduled risk event rather than a surprise.

PART I

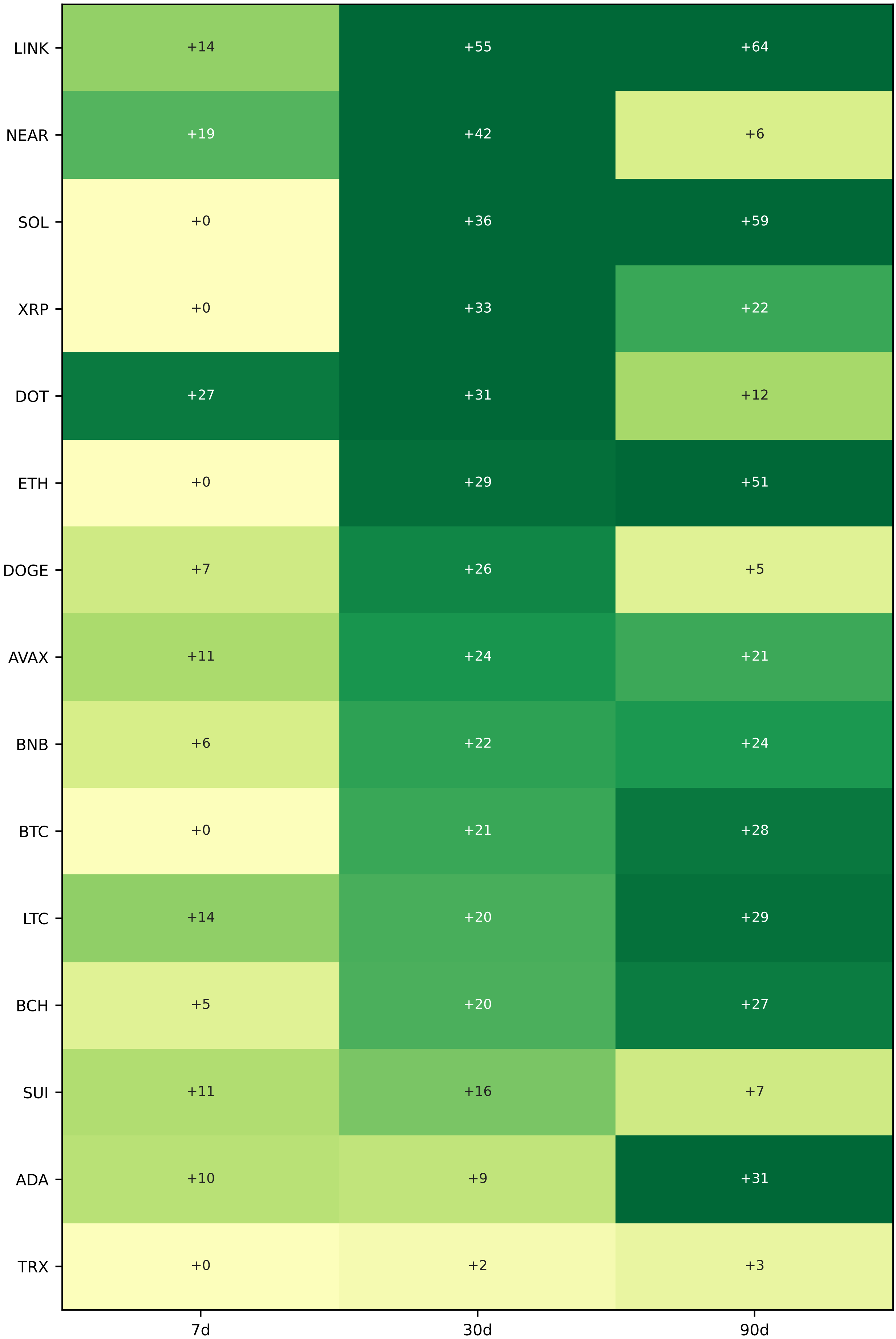
Market, Derivatives & Flows

The crypto tape, positioning and on-chain/derivatives internals.

- Returns, dominance & alt-season, derivatives (funding/OI/basis)
- Options (DVOL, put/call, skew, max-pain), stablecoins & DeFi TVL flows

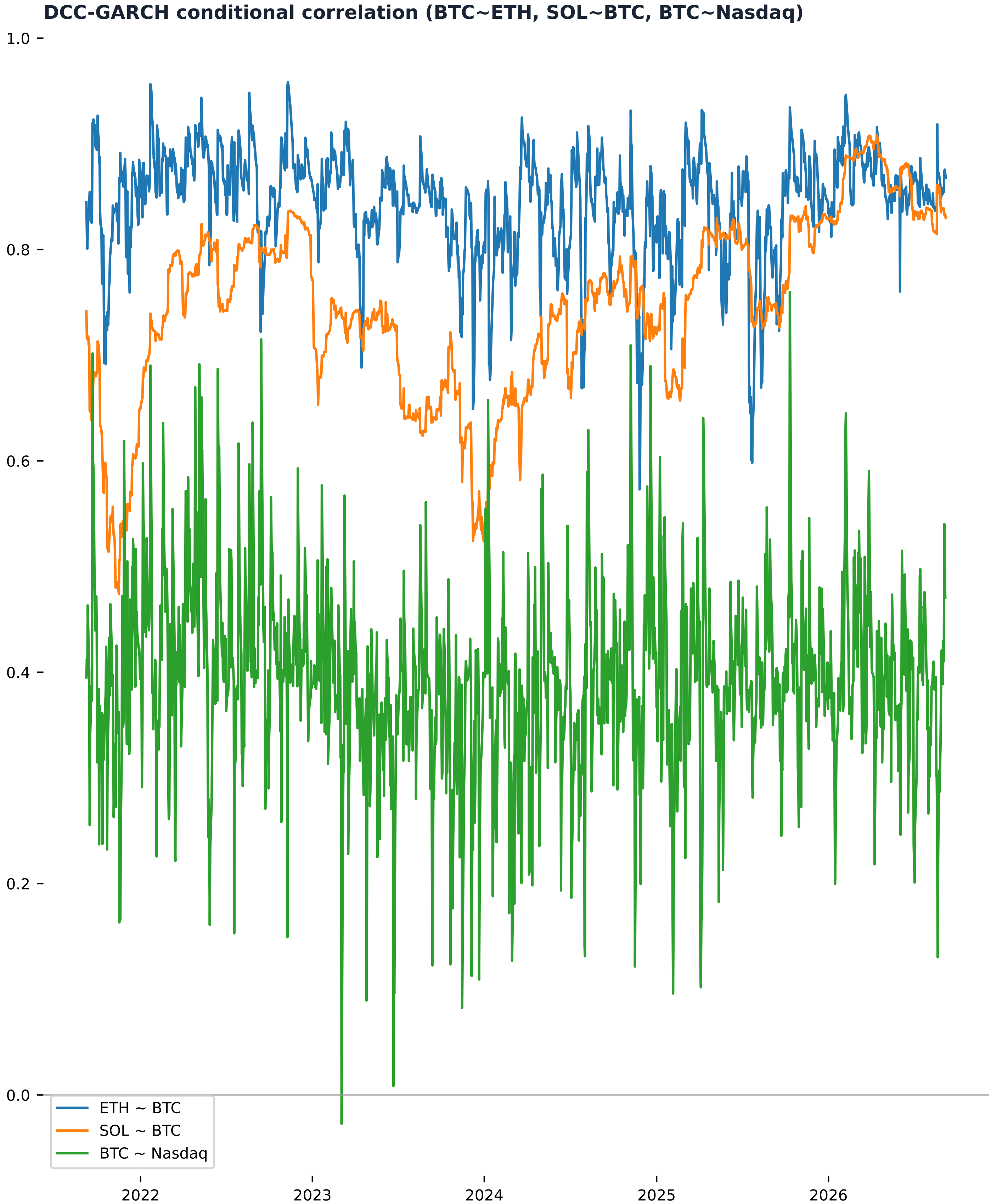
Returns Heatmap

Price return (%) by coin over 7 / 30 / 90 days.



Regime & Conditional Correlations

Markov-switching regime on BTC: Risk-on. Posterior: Neutral 0.14, Risk-on 0.81, Risk-off 0.05



Now: ETH ~ BTC +0.87, SOL ~ BTC +0.83, BTC ~ Nasdaq +0.47. A rising BTC~Nasdaq correlation = crypto trading as a macro risk-asset.

Perpetual Derivatives & Positioning

Binance USD-M perps: funding (leverage/sentiment), basis, open interest. Positive funding = longs pay shorts (crowded long).

COIN	FUNDING %	BASIS (bp)	OI ($bn)
BTC	+0.002	-4	8.50
ETH	+0.003	-4	5.67
SOL	-0.001	-5	0.81

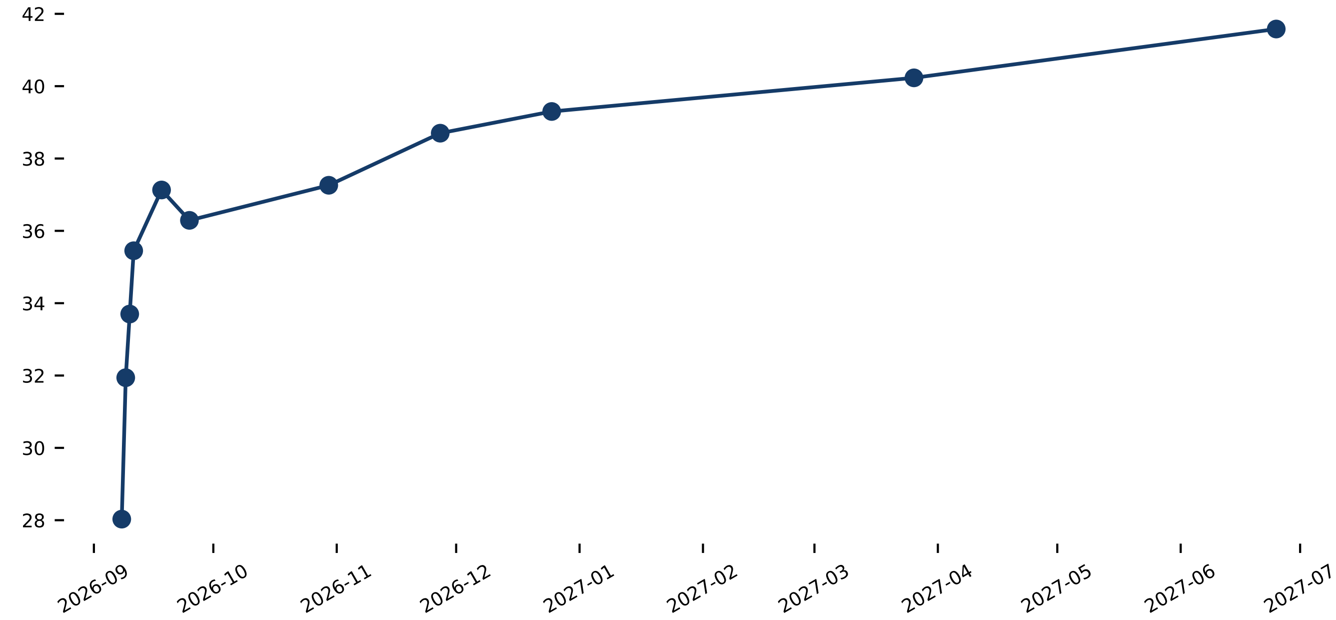
Options & Volatility (Deribit)

BTC & ETH options: DVOL, open interest, put/call, max-pain, 25d skew and the implied-vol term structure.

BTC

DVOL 38.8 | OI 427,687 BTC | put/call 0.54 | max-pain 73,000 (spot 79,269) | 25d skew +9.8

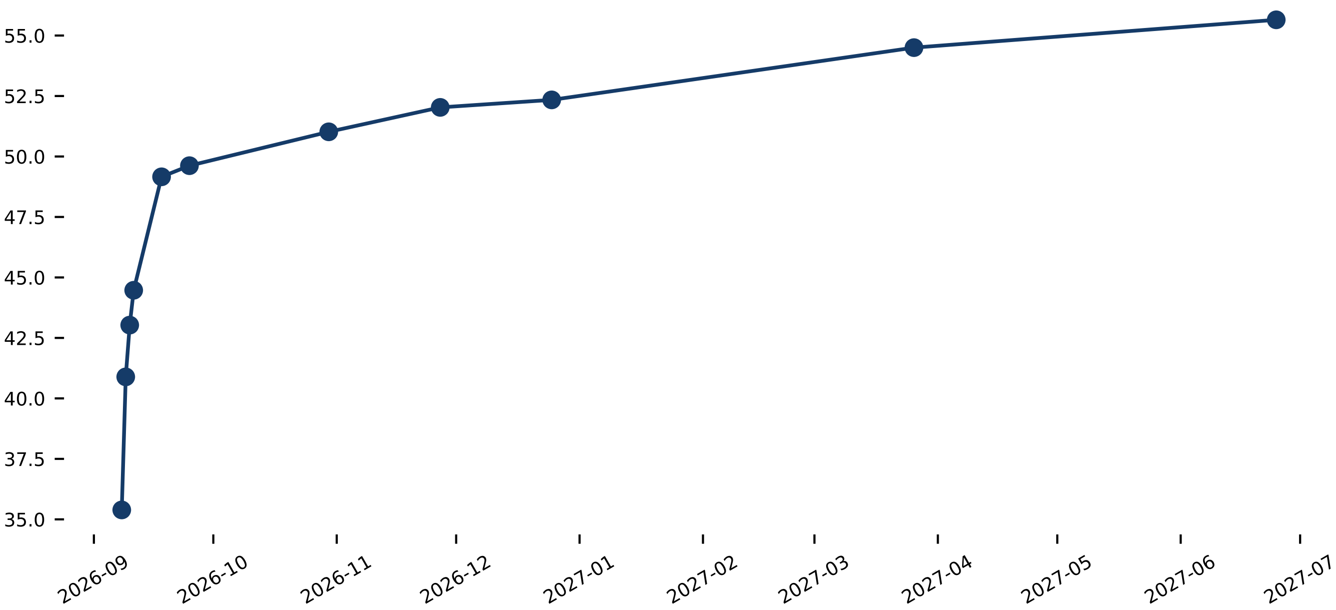
BTC implied-vol term structure (ATM %)



ETH

DVOL 52.7 | OI 1,718,303 ETH | put/call 0.55 | max-pain 2,200 (spot 2,476) | 25d skew -0.0

ETH implied-vol term structure (ATM %)



Flows, Stablecoins & the OTC Question

Stablecoin supply = fiat 'dry powder'; DeFi TVL = on-chain risk appetite. True OTC volume is opaque (private, off-order-book) and is PROXIED by these on-chain flows - there is no clean OTC tape.

Stablecoin supply	**$311 bn**	+0.6% 7d
DeFi TVL	**$88 bn**	+2.2% 7d
Fear & Greed	**71 (Greed)**	vs 62 a week ago
BTC dominance	**59.1%**	
Total crypto mcap	**$2.67 T**	

Deeper on-chain (exchange net-flows/reserves, whale wallets, NUPL/SOPR) needs a paid on-chain key (Glassnode/CryptoQuant) - the free build uses stablecoin & TVL flows as the accumulation/distribution proxy.

PART II

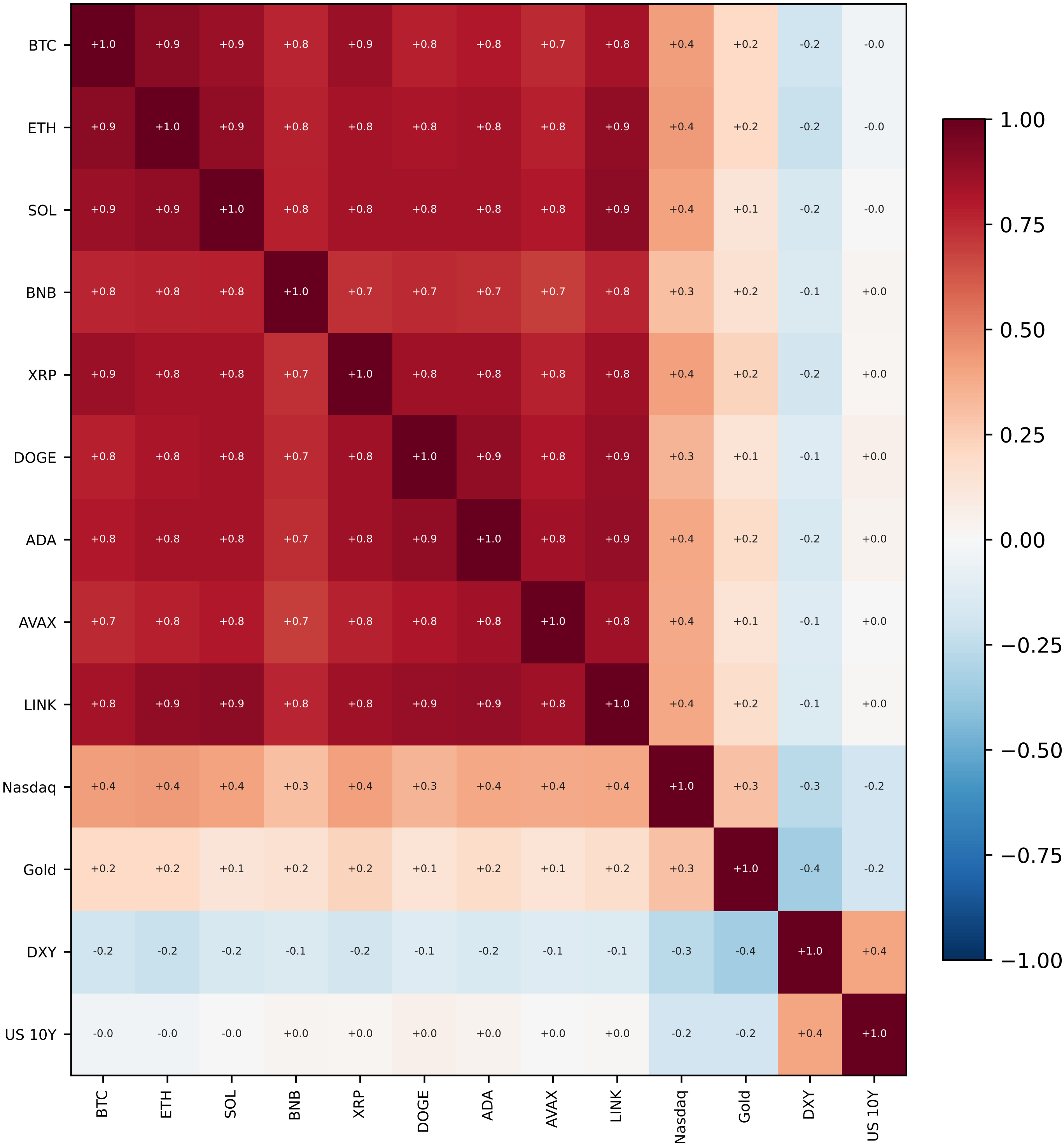
Cross-Asset Structure

How the coins and macro move together — factor structure, systemic co-movement, directional lead-lag and relative value.

- PCA factor model & multivariate DCC conditional-correlation
- Correlation, wavelet coherence, Granger causality & cointegration

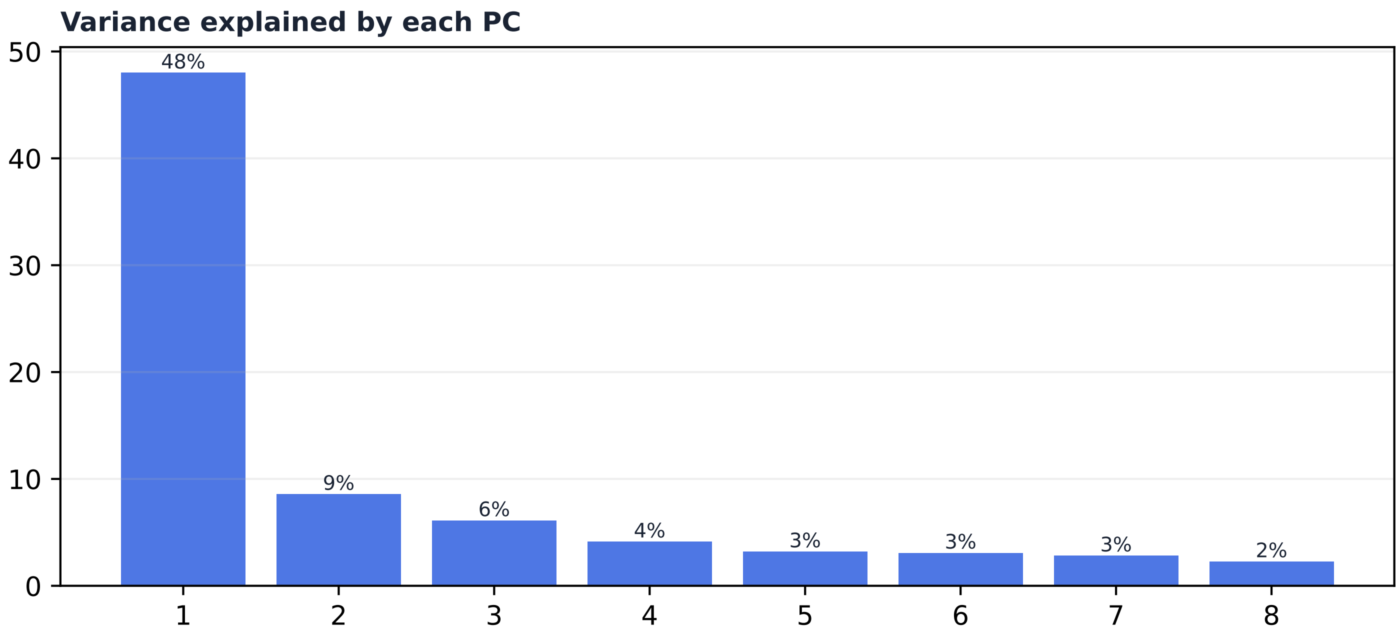
365-Day Correlation (daily returns)

Crypto majors + macro risk context.



CROSS-ASSET FACTOR STRUCTURE (PCA)

Independent forces driving the 39 instruments (156 weeks)



PC1 — Ethereum beta

48.0% of variance (cum 48%) · marker corr +0.85

+ DOT +0.21, ETC +0.20, ADA +0.20, ARB +0.20, VET +0.20
– VIX -0.08, DXY -0.04, US 10Y -0.01, US 2Y -0.01, Gold +0.01

PC2 — Equity risk (Nasdaq)

8.6% of variance (cum 57%) · marker corr +0.76

+ S&P 500 +0.43, EM Equity +0.42, Nasdaq +0.41, Silver +0.34, Gold +0.28
– VIX -0.37, DXY -0.23, US 10Y -0.12, US 2Y -0.12, DOGE -0.09

PC3 — US rates (10Y) (inverse)

6.1% of variance (cum 63%) · marker corr -0.86

+ VIX +0.23, ICP +0.16, FIL +0.15, Gold +0.15, DOT +0.11
– US 2Y -0.57, US 10Y -0.56, DXY -0.23, Nasdaq -0.20, S&P 500 -0.17

PC4 — Gold

4.1% of variance (cum 67%) · marker corr +0.73

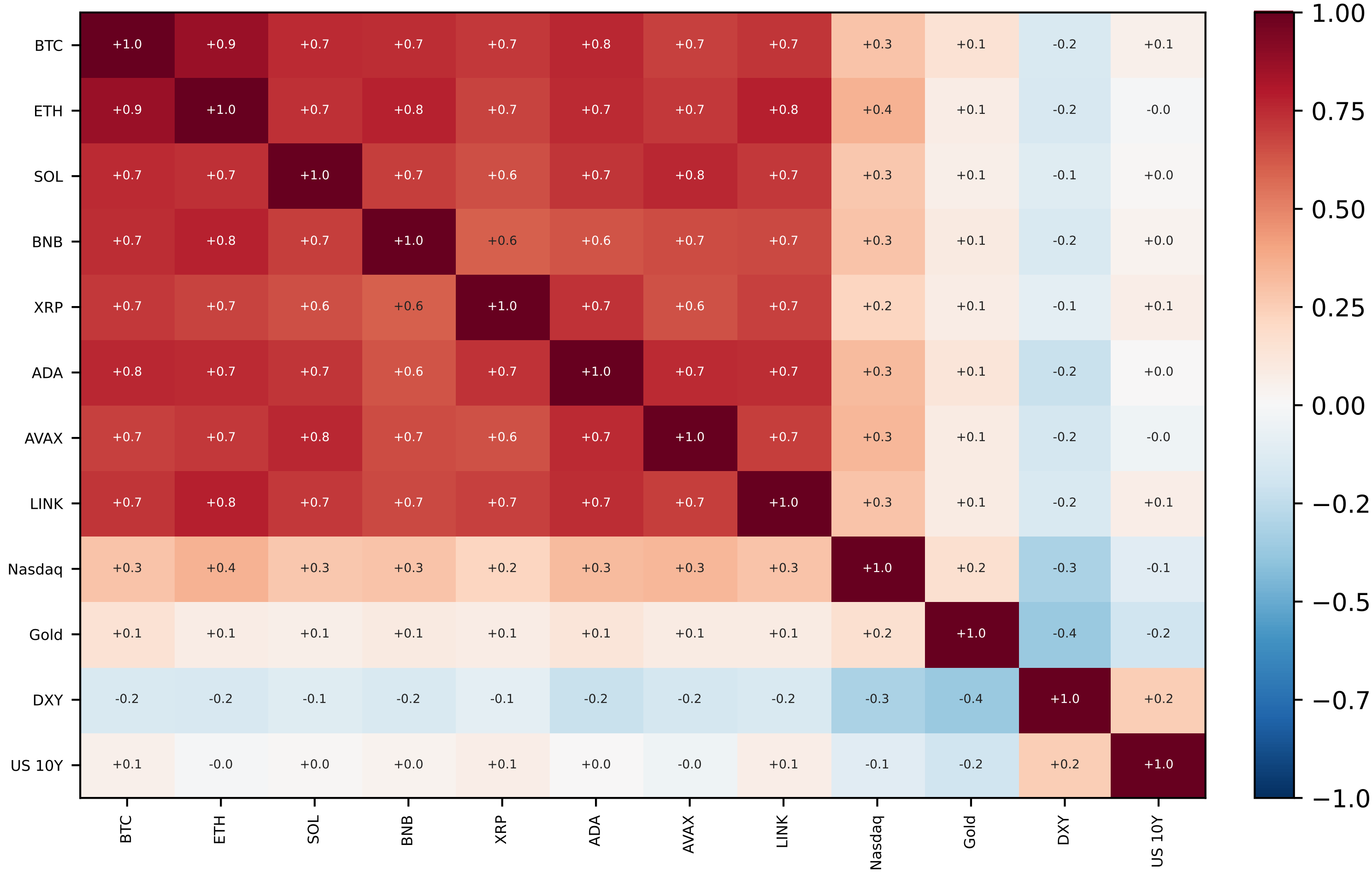
+ Gold +0.58, Silver +0.49, US 10Y +0.24, US 2Y +0.21, VIX +0.20
– S&P 500 -0.26, Nasdaq -0.25, DXY -0.21, TRX -0.13, LTC -0.08

Principal components are the uncorrelated factors explaining the most joint variance. A high PC1 share means one force (usually broad risk) dominates — diversification is thin.

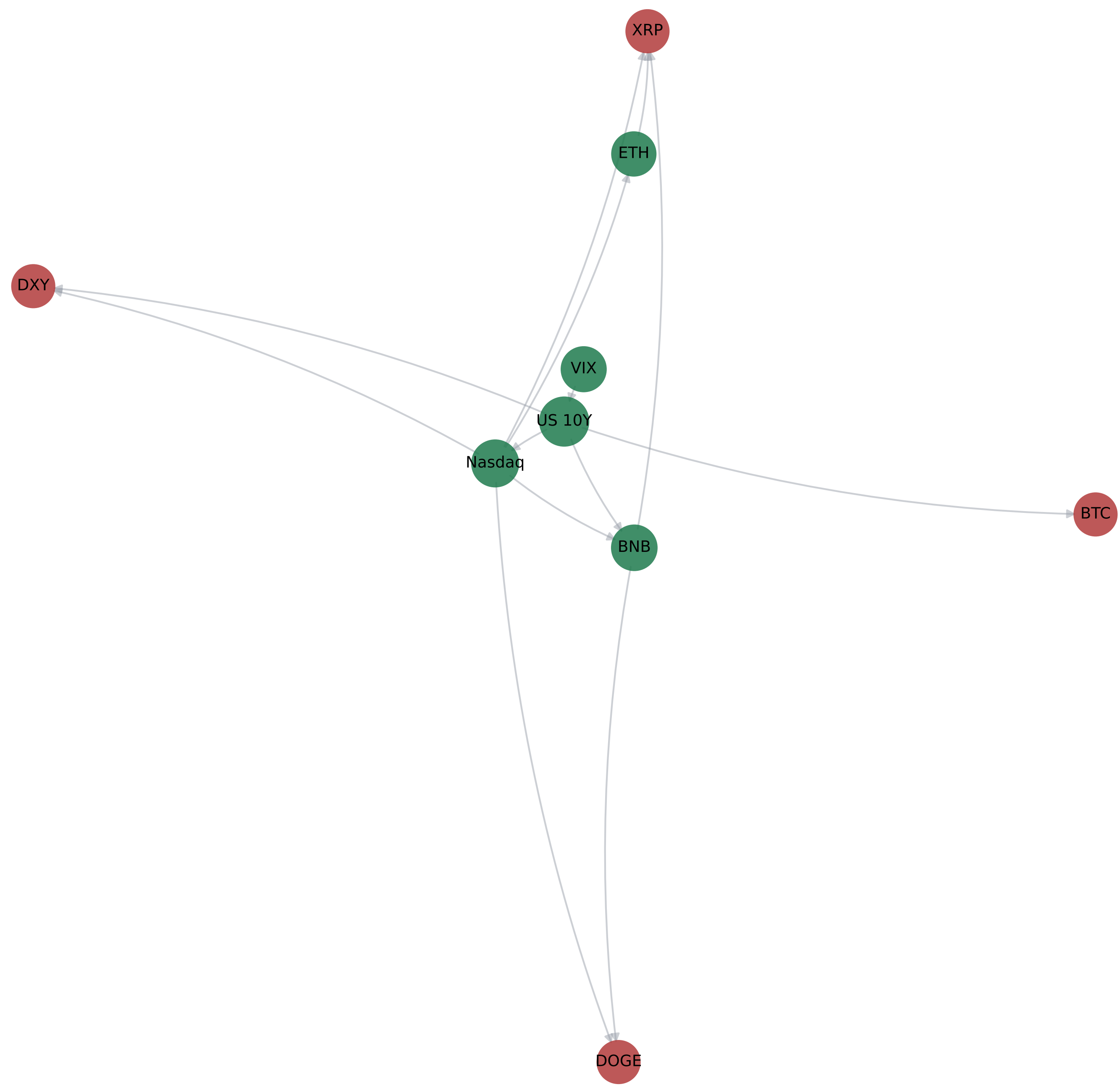
Average pairwise conditional correlation (multivariate DCC-GARCH)

N=12 · persistence 0.8941 · now +0.32 · rising = diversification failing in real time

Latest conditional-correlation matrix



Directional lead-lag — Granger causality network

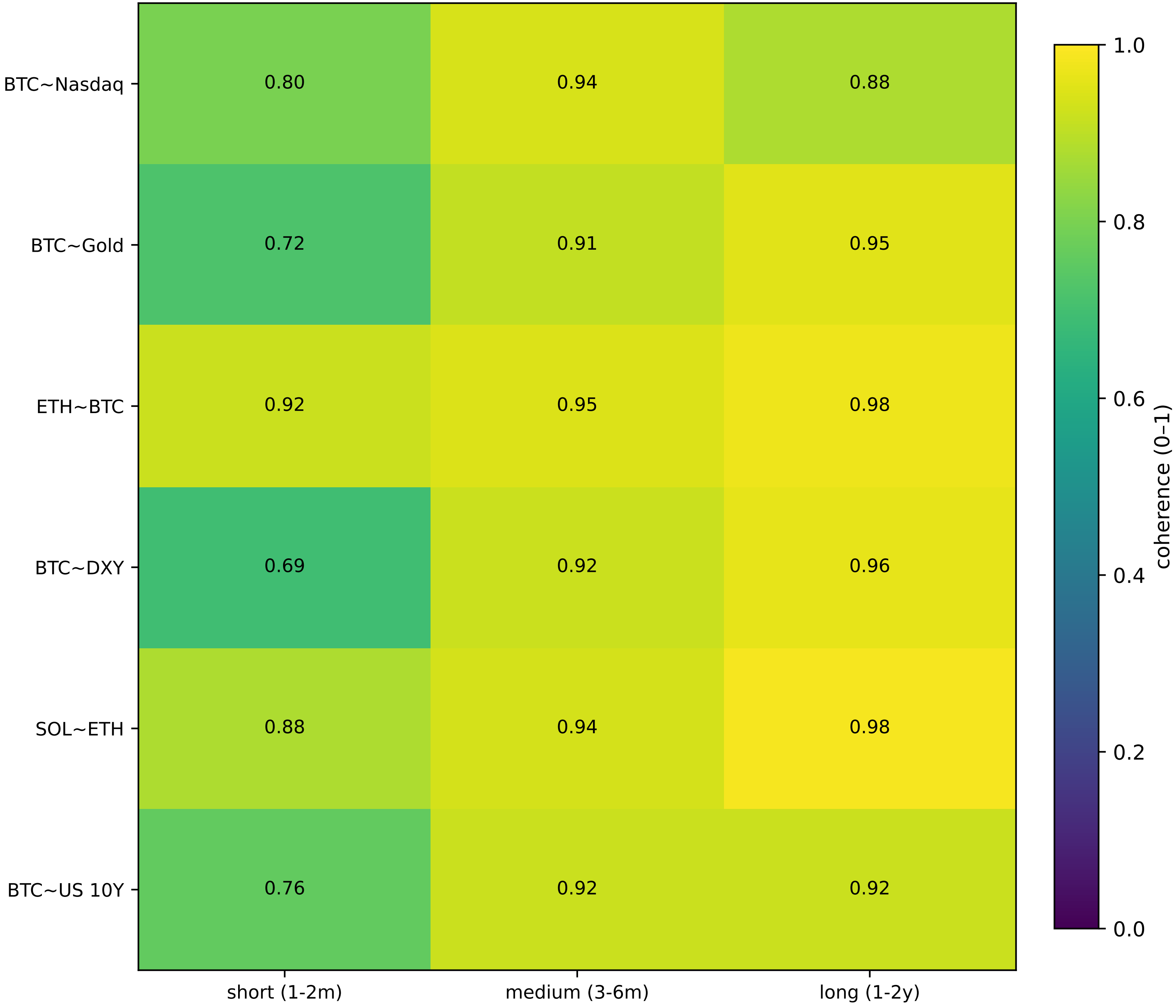


arrow = X Granger-causes Y (p<0.05); green/large = net information EXPORTER (leader)

LEADERS: US 10Y +0.03, Nasdaq +0.02, BNB +0.01, VIX +0.01, ETH +0.00

FOLLOWERS: XRP -0.03, DOGE -0.02, BTC -0.01, DXY -0.01, Gold +0.00

Wavelet coherence by time-scale — short-term or structural?



STATISTICAL RELATIVE VALUE (cointegration)

Mean-reverting crypto spreads and how stretched each is now

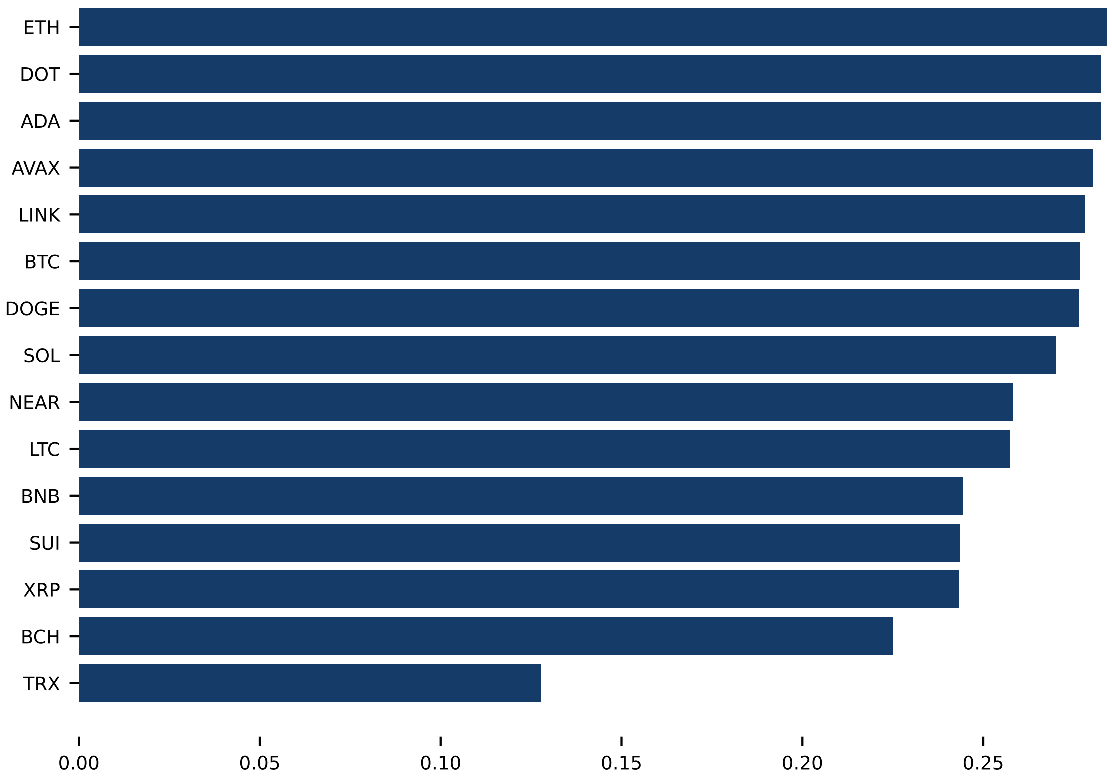
Pair	Coint?	p-val	Hedge	Half-life	Spread z
BTC vs Nasdaq	**no**	0.850	0.40	28w	**+2.28**
SOL vs AVAX	**no**	0.859	0.40	63w	**-1.85**
DOGE vs BTC	**no**	0.796	0.86	43w	**+1.83**
BTC vs Gold	**no**	0.866	0.46	56w	**+1.68**
ADA vs XRP	**no**	0.923	0.37	122w	**+1.18**
ETH vs BTC (ratio)	**no**	0.831	1.18	54w	**+1.02**
BTC vs ETH	**no**	0.327	0.45	16w	**-0.66**
ATOM vs DOT	**no**	0.400	0.98	16w	**-0.59**
ETH vs SOL	**no**	0.259	2.04	16w	**+0.37**
LTC vs BCH	**no**	0.782	0.74	56w	**+0.34**
UNI vs AAVE	**no**	0.546	0.73	23w	**+0.17**
LINK vs ETH	**yes**	0.007	0.69	10w	**-0.10**

Low p-value = the spread is statistically mean-reverting. Half-life = weeks to close half a dislocation. |z|>2 (red) flags a historically wide gap. Pairs shown NOT cointegrated: the long-run link has broken — the z is informational only.

Risk Concentration & Lead-Lag

PCA on majors' daily returns: PC1 explains 64% of variance. High PC1 = the market is one big BTC-beta trade (little diversification w

PC1 loadings (crypto market-factor exposure)



DOES BTC LEAD THE ALTS? (BTC change -> alt next-day change; modest weekly skill)

Alt	Contemp. corr	BTC 1-day lead
ETH	+0.85	-0.01
SOL	+0.74	-0.02
XRP	+0.65	-0.02
DOGE	+0.72	-0.03

PART III

Momentum, Fair Value & Risk

Trend, what is rich or cheap versus its drivers, volatility and downside risk.

- Momentum & trend battery, factor-beta attribution, fair-value residuals
- Realised volatility and tail risk (VaR / expected shortfall, tail dependence)

MOMENTUM & TREND

Time-series momentum, trend state and distance below the 52-week high

Instrument	13w	26w	52w	Score	vs40wMA	<52wHi
BTC	+24%	+11%	-32%	**+0.50**	+7%	-36%
ETH	+48%	+18%	-48%	**+0.50**	+10%	-45%
SOL	+55%	+17%	-57%	**+0.50**	+12%	-57%
BNB	+22%	+12%	-21%	**+0.50**	+9%	-38%
XRP	+22%	-1%	-56%	**+0.00**	-3%	-55%
DOGE	+3%	-7%	-68%	**+0.00**	-9%	-67%
ADA	+28%	-18%	-76%	**+0.00**	-14%	-76%
AVAX	+23%	-17%	-72%	**+0.00**	-11%	-76%
LINK	+64%	+42%	-49%	**+0.50**	+31%	-45%
LTC	+29%	+0%	-53%	**+0.50**	-1%	-54%
DOT	+12%	-27%	-75%	**+0.00**	-17%	-75%
NEAR	+14%	+71%	-18%	**+0.50**	+41%	-27%

Altcoin 26-week relative strength:

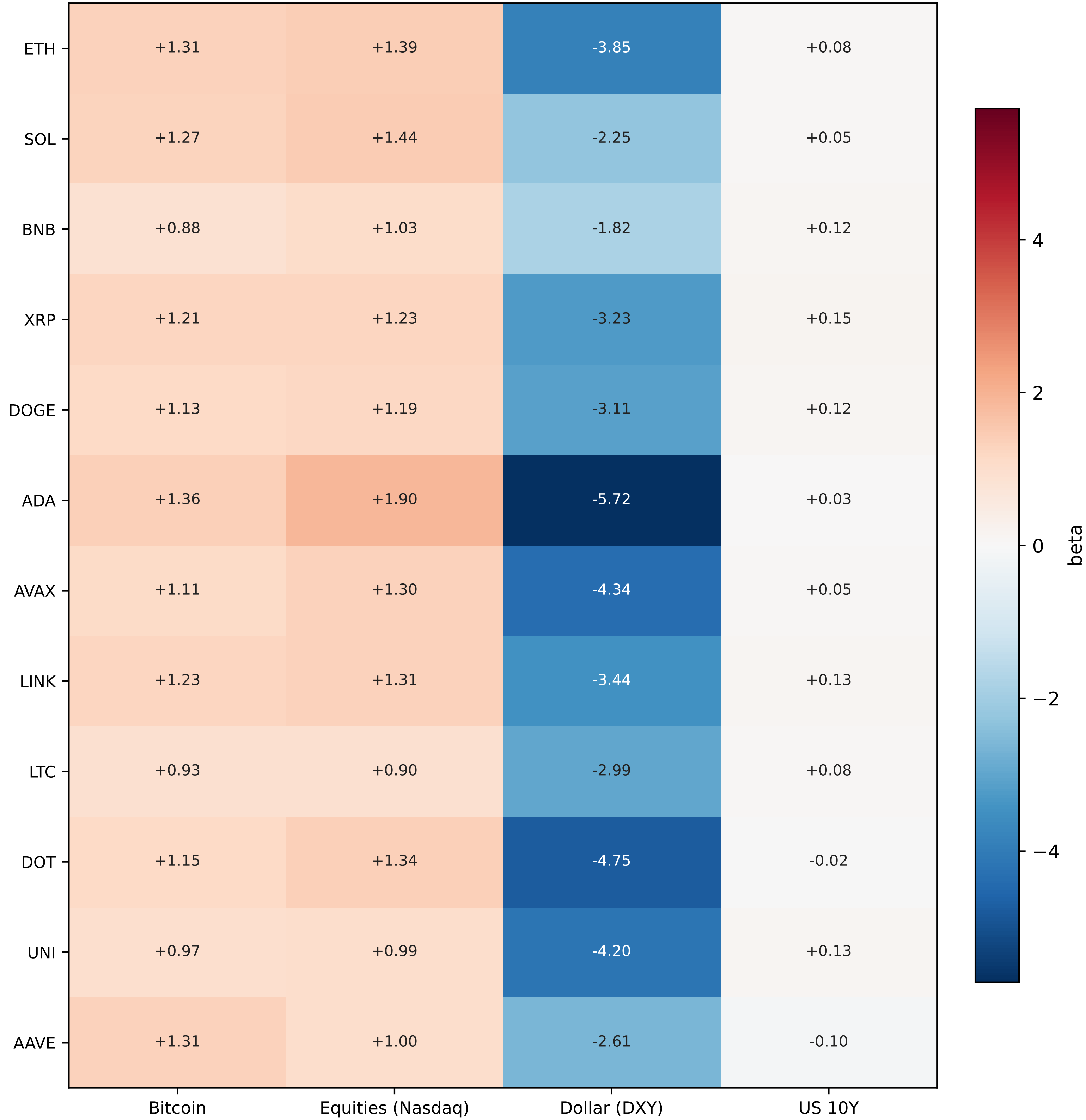
LEADERS: INJ +83%, UNI +69%, ARB +57%, AAVE +16%, XLM +15%, ICP +10%

LAGGARDS: APT -32%, HBAR -15%, RNDR -15%, MKR -14%, ATOM -12%, OP -12%

Score = mean sign of the 4/13/26/52-week returns (+1 = uptrend across all horizons). 'Golden' vs 'death' = 10w vs 40w MA cross.

For inquiries, contact admin@abldigitech.com

Factor betas — 52-week sensitivity to the master factors



FAIR VALUE — RICH / CHEAP vs DRIVERS

Each asset regressed on its economic drivers; the residual is the rich/cheap signal

Dogecoin vs BTC

cheap z -1.75

actual 0.09 · model-fair 0.16 · gap -43.9% · R^2 0.55

Bitcoin vs equities, dollar & rates

cheap z -1.58

actual 78788.23 · model-fair 122766.86 · gap -35.8% · R^2 0.76

Solana vs ETH

RICH z +0.37

actual 103.15 · model-fair 87.01 · gap +18.5% · R^2 0.71

Ether vs BTC & equities

RICH z +0.33

actual 2470.16 · model-fair 2298.50 · gap +7.5% · R^2 0.61

Chainlink vs ETH & BTC

RICH z +0.04

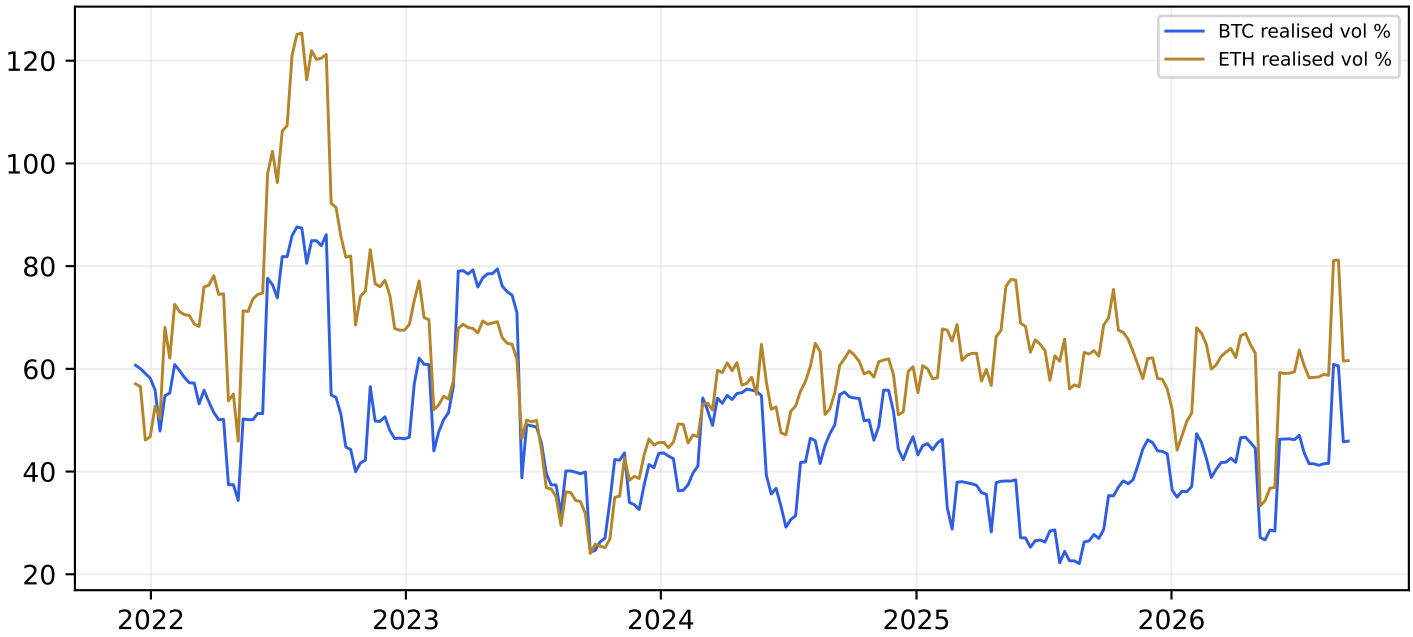
actual 12.87 · model-fair 12.75 · gap +0.9% · R^2 0.78

Model-fair value is what the drivers justify; the gap is how far actual sits from it. |z|>1.5 flags a stretched dislocation. Trust in proportion to R^2 — a low-R^2 model is a weak anchor, stated honestly.

VOLATILITY

Realised volatility of the majors, the equity-VIX backdrop, and the BTC–equity risk linkage

13-week realised volatility (annualised %)



REALISED VOLATILITY (annualised, 5-year percentile)

BTC	46%	54th
ETH	62%	51th
SOL	53%	10th

Equity VIX 15.3 (28th %ile 5y)

BTC–Nasdaq 13-week correlation +0.02 — decoupled from equities

Crypto has no free implied-vol series in the panel (Deribit DVOL is a separate feed); realised vol and its percentile show whether volatility is stretched. A high BTC–Nasdaq correlation means crypto is trading as a macro risk asset.

TAIL RISK

Downside: 5% VaR / expected shortfall, drawdowns and fat-tailedness (5-year weekly)

Instrument	VaR5	ES5	DnVol	MaxDD	CurDD	Skew	Kurt
BTC	-10.2%	-16.6%	37%	-74%	-36%	-0.2	+3.5
ETH	-14.6%	-22.8%	49%	-77%	-49%	-0.5	+2.0
SOL	-20.2%	-29.4%	68%	-96%	-60%	-0.6	+4.1
BNB	-12.5%	-19.1%	41%	-67%	-38%	-0.4	+2.3
XRP	-15.3%	-20.9%	43%	-74%	-60%	+1.2	+5.3
DOGE	-17.1%	-25.6%	53%	-84%	-80%	+0.9	+4.6
ADA	-16.4%	-24.3%	49%	-94%	-90%	+0.4	+2.0
AVAX	-19.8%	-31.8%	64%	-95%	-93%	-0.2	+1.8
LINK	-18.4%	-25.8%	54%	-84%	-62%	-0.0	+1.2
Gold	-3.5%	-4.7%	11%	-23%	-14%	-0.1	+1.5

Lower-tail dependence WITH BTC (P both crash together):

ETH 0.56   SOL 0.59   XRP 0.63   DOGE 0.52   Gold 0.19

VaR5 = the typical bad-week loss (5% quantile); ES5 = the average loss BEYOND it. Lower-tail dependence near 1 = crashes together; near 0 = a genuine diversifier when it matters.

Historical Trend - Key Metrics

Key readings from every weekly report, most recent on the right. Cells are colour-coded green (favourable / risk-on), amber (neutral) and red (adverse / risk-off) so the multi-month trend is readable at a glance.

R+ risk-on / favourable   N neutral   R- risk-off / adverse

	04-10	04-17	04-24	05-01	05-08	05-15	05-22	05-29	06-05	06-12	06-19	06-26
Regime	R+	R+	R+	R+	R+	R+	R+	R+	R-	R+	R+	N
Risk appetite												
Macro backdrop												
BTC.D %	-	-	-	-	-	-	-	-	-	-	-	-
Alt-breadth %	21	7	7	7	21	57	71	57	36	21	36	21
PC1 share												
BTC DVOL	-	-	-	-	-	-	-	-	-	-	-	-
Fear&Greed	-	-	-	-	-	-	-	-	-	-	-	-
BTC 1w %	+9.0	+5.7	+0.4	+0.9	+2.6	-1.4	-4.5	-2.8	-17.0	+4.3	-0.0	-5.5

	07-03	07-10	07-13	07-20	07-27	08-03	08-06	08-10	08-17	08-24	08-31	09-07
Regime	R+	R+	R+	N	N	N	N	N	R+	R+	R+	R+
Risk appetite							-0.14	-0.11	-0.05	+0.37	+0.37	+0.39
Macro backdrop							+0.18	+0.26	+0.26	+0.23	+0.25	+0.31
BTC.D %	-	-	56	56	56	56	57	57	56	59	59	59
Alt-breadth %	7	43	50	50	36	29	36	29	43	57	29	64
PC1 share							48	48	48	48	48	48
BTC DVOL	-	-	38	36	37	36	35	35	34	45	37	39
Fear&Greed	-	-	28	29	30	28	25	30	31	73	62	71
BTC 1w %	+4.2	+2.5	-2.2	+3.2	+0.1	-2.0	-0.4	+2.4	+0.1	+22.7	+1.9	+0.3

Each column is one weekly report - read left (older) to right (latest) for the trend over the past months.