

Coinbase and the Struggle to Escape Crypto Beta

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Crypto-linked equities such as COIN (Coinbase) and CRCL (Circle Internet Group) have remained under pressure in 2026, even as broader U.S. equities and tech stocks have moved higher. Listed exchange stocks have continued to behave more like crypto market proxies than traditional equities, with price performance very closely tied to Bitcoin. At the same time, the crypto exchange industry is consolidating, as weaker activity and rising competition increase the importance of scale, liquidity and diversified revenue streams.

- Exchange stocks remain negative in 2026, with Gemini (GEMI) down nearly 60%, Bullish (BLSH) around 40% and Coinbase (COIN) around 36%.
- Coinbase is more correlated with BTC than with the SPX, as the latest data shows BTC correlation reaching 0.76 versus around 0.33 for the SPX.
- In a lower volume environment, scale, liquidity and revenue diversification are becoming key differentiators.

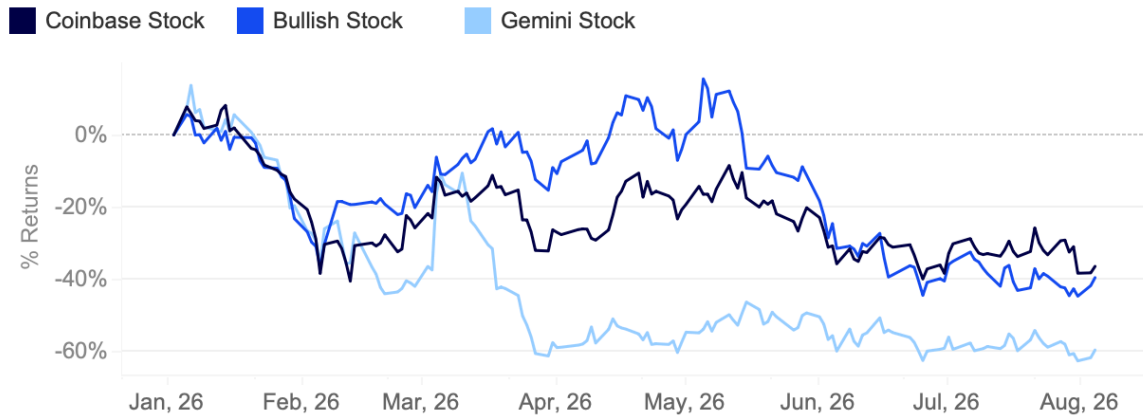
Crypto Exchange Stocks Move More Like Bitcoin Than U.S. Equities

Most listed exchange stock prices have followed a similar trajectory since the beginning of 2026. Coinbase, Bullish and Gemini have gone through the same major market phases, with a sharp decline starting in late January, a partial rebound in the spring, and renewed decrease from June onward. However, the magnitude of the moves varies across stocks. Gemini has been the weakest performer, down nearly 60% from its January 1, 2026 level, compared with around 40% for Bullish and approximately 36% for Coinbase. Despite these differences, the overall structure remains similar. This synchronization reflects the fact that these stocks are primarily following broader crypto market trends, rather than being driven by company-specific factors. It suggests that investors still perceive listed exchanges as vehicles for exposure to the crypto market. This is quite a surprising fact, given that exchanges once focused solely on crypto have already started diversifying their revenue streams and asset coverage into traditional asset classes, going far beyond crypto.



Performance Evolution Exchange Stock Prices

Daily, In 2026



Source: Investing.com



This reading is confirmed by the comparison between Coinbase, Bitcoin and the SPX. While the SPX is up around 12.8% since the beginning of the year, Coinbase and Bitcoin remain clearly in negative territory, with BTC down 27.31% and Coinbase posting an even larger decline, as mentioned earlier. Coinbase's divergence from traditional U.S. equities shows that the stock has not fully benefited from the positive momentum in equity markets nor from their own fundamentals. Conversely, its phases of decline and rebound remain much closer to those of Bitcoin.



Coinbase Stock Price Evolution vs. BTC & SPX

Daily, In 2026



Source: Kaiko Fair Market Value, Investing.com



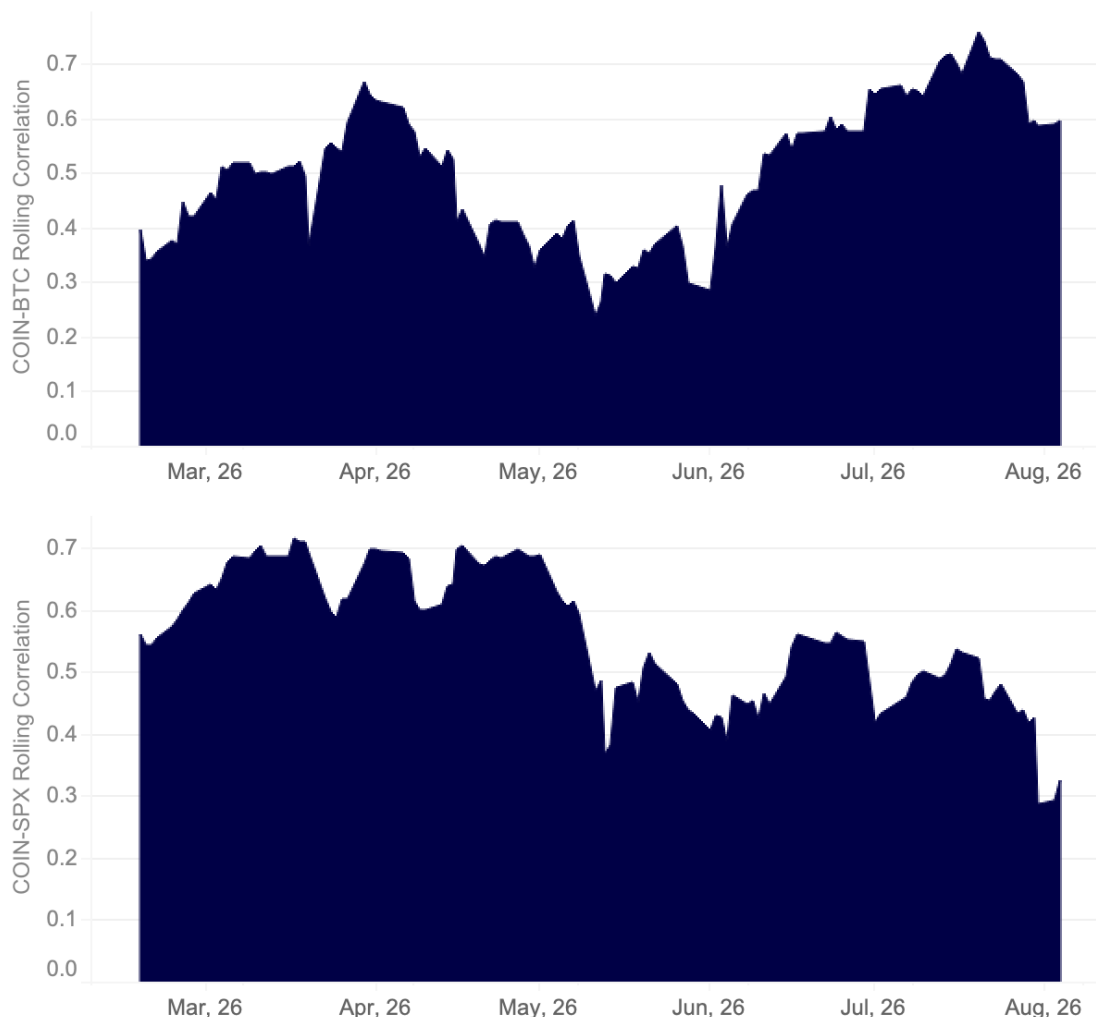
The 30-day rolling correlation between Coinbase and Bitcoin is positive throughout the period and strengthens significantly from June onward, reaching 0.76. The correlation between Coinbase and the SPX is also positive, but it weakens over the course of the year,

falling from elevated levels in the spring to around 0.33 in August. Coinbase remains sensitive to the macro environment and equity risk, but its main driver appears to come from the crypto market itself.



Coinbase Stock / BTC & SPX Correlation

30-Day Rolling Correlation



Source: Kaiko Fair Market Value, Investing.com



Exchange revenues remain closely tied to trading activity, and therefore to volumes and appetite for crypto risk. When crypto prices fall or volumes contract, investors mechanically anticipate pressure on exchanges. Conversely, phases of crypto market rebound improve expectations for platform activity. In this context, investing in crypto exchange stocks still largely means gaining exposure to crypto beta, rather than to traditional equity beta.

Coinbase Highlights the Importance of Scale in Crypto Exchanges

This dependency on crypto market dynamics makes Coinbase a particularly relevant case, as its recent results provide a clearer view of how a leading exchange is positioned in a more competitive and consolidating market.

Coinbase's stock has been penalized by the weakness of the crypto market in 2026, but its [Q2 2026 results](#), published on July 30 2026, show a solid trajectory. The company reported its 14th consecutive quarter of positive Adjusted EBITDA, highlighting its ability to remain profitable on an adjusted basis despite weaker market conditions. This performance also reflects continued cost discipline (including a layoff of 14% of its workforce), with Coinbase reducing and narrowing its FY 2026 adjusted expense range. However, it appears that this has had no major impact on the share price, which continues to follow bitcoin's price very closely.



Source: Kaiko Fair Market Value, Investing.com

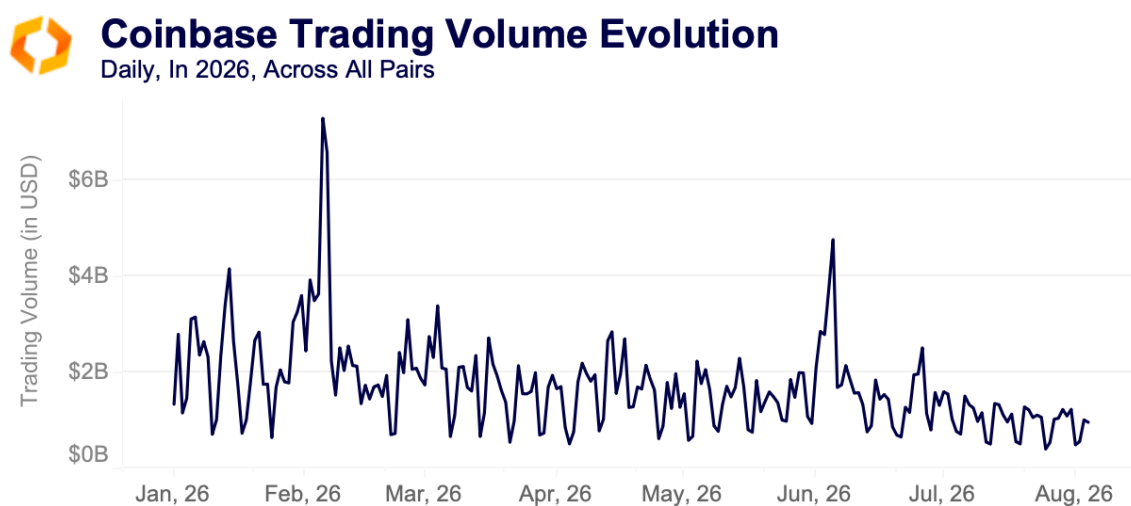


Despite being weighed down by a contracting market, Coinbase's infrastructure enables it to stay afloat and survive very tight market conditions. Long-term, as long as Coinbase's share price remains closely tied to Bitcoin and trading activity, the company's ability to demonstrate operational resilience becomes central. Strong infrastructure, liquidity and diversified revenue streams are therefore the conditions needed for exchanges to eventually build a narrative that is less dependent on short-term crypto market movements.

This is where the broader exchange market context matters. The announced closures of BitMEX, [Bit.com](#) and BitMart point to growing pressure on platforms that lack sufficient scale. The sector is facing declining volumes, margin compression, high operating costs,

and rising requirements in terms of compliance. In this environment, larger players benefit from network effects, as they concentrate more liquidity and are better positioned to attract market makers and institutional investors.

This consolidation is taking place against a backdrop of significantly weaker trading activity, with the main volume spikes increasingly associated with sell off events, rather than sustained market expansion. Coinbase is no exception. Its trading volumes have declined throughout the year and now stand at around \$1B per day. This makes the quality of the platform's infrastructure even more important, as lower volumes put pressure on transaction-based revenues and make it harder for smaller exchanges to remain competitive.



Source: Kaiko Market Explorer

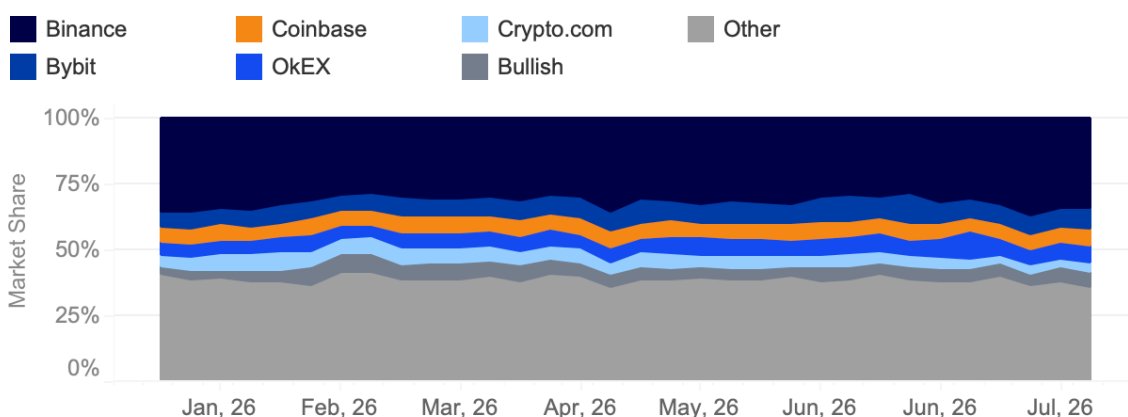


The six largest platforms already account for more than 60% of volumes among the exchanges tracked, while Binance alone represents around 34%. Coinbase's activity also shows a relatively diversified base. BTC-USD (with USD being on the exchange, a combination of fiat and USD-backed stablecoins) remains by far the main pair on the platform, with around \$135B in trading volume in 2026, but ETH-USD, XRP-USD, SOL-USD, ZEC-USD and USDT-USD represent a significant share of activity as well. This depth across multiple assets partially reduces Coinbase's dependence on a single pair, even though Bitcoin remains central to the ecosystem.



Exchange Market Share by Trading Volume

Weekly, In 2026

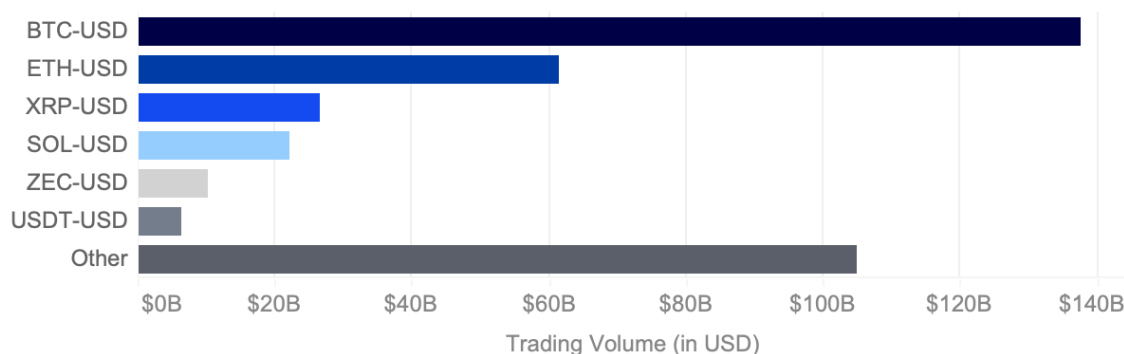


Source: Kaiko Market Explorer
Note: "Other" includes 38 exchanges



Coinbase Main Trading Pair

In 2026



Source: Kaiko Market Explorer
Other: All other pairs listed on Coinbase



Coinbase's diversification now extends beyond spot trading. The company highlights the development of derivatives, prediction markets, staking, custody, institutional services, and stablecoins. In Q2 2026, Coinbase stated that 88% of its net revenue came from activities other than Bitcoin spot trading.

Circle Faces the Challenge of Defending USDC's Position

This focus on diversification is also relevant beyond exchanges, as stablecoin issuers such as Circle face their own competitive pressures and must defend their position in an increasingly strategic segment of the crypto market.

Circle offers a different perspective on crypto-linked equities, and this was reflected in the stock's volatility in the first half of 2026. The announcement of Open USD on June 30, 2026 was an important development, but its market impact should be interpreted

with caution. Circle's stock did decline around that period, but the move was part of a downward trend that had already been underway for several weeks.



The risk for Circle comes from the fact that Open USD directly targets the core of its positioning, namely the market for regulated dollar-denominated stablecoins. USDC currently benefits from a strong footprint, with around \$70B in market capitalization in June 2026, reflecting demand for an institutional, transparent stablecoin integrated into regulated platforms. The stablecoin market remains dominated by powerful network effects, where liquidity, integrations, market maker presence and payment usage create high barriers to entry. USDC and USDT do not dominate simply because they have been around for a long time, but because they are deeply embedded in market infrastructure.

Open USD could nevertheless become a credible threat if it manages to convert its institutional backing into real adoption. Launching a stablecoin is no longer the main technical obstacle. The real challenge is distribution, and if Open USD succeeds on this front, it could weigh on USDC's future growth, and therefore on Circle's valuation. However, at this stage, the market seems to be pricing in a potential competitive risk rather than a change that is already visible in the data.

Conclusion

Crypto-linked equities are still largely priced through the lens of the crypto market, but this exposure is no longer enough to explain the sector's trajectory. As volumes decline and competition intensifies, investors are likely to differentiate more clearly between companies that simply depend on market activity, and those that can build durable

infrastructure, while diversifying their revenue base. The next phase for crypto equities will therefore depend less on market beta alone and more on each company's ability to turn crypto exposure into a sustainable business model.