Kaiko Research

The Altcoin Market Is Becoming a Stock Picker's Game

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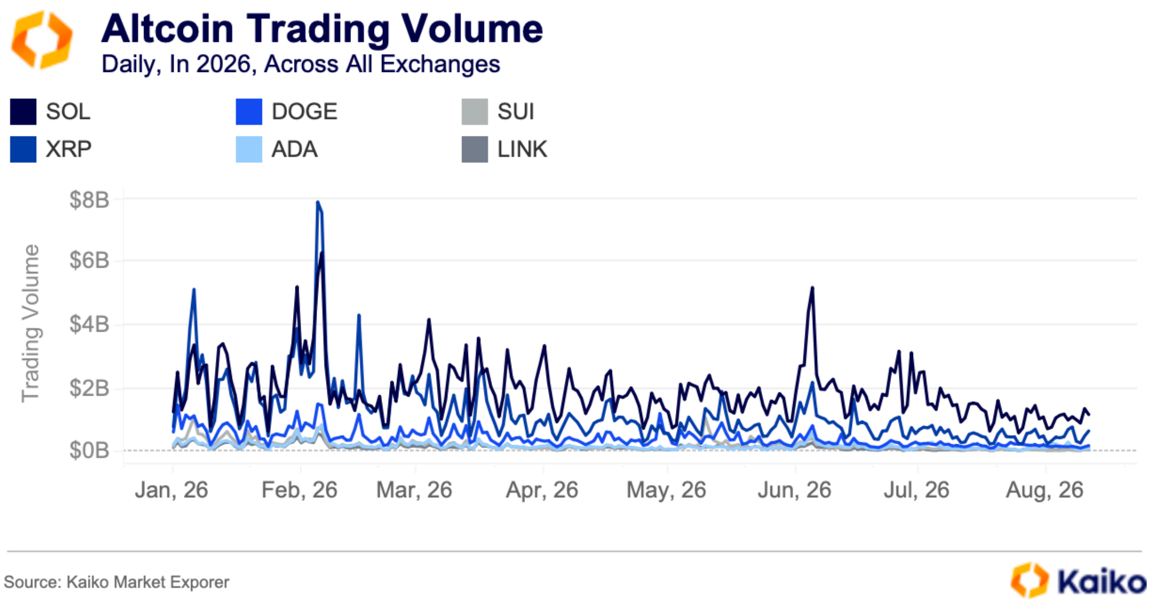
The altcoin market entered a more challenging and selective phase in 2026, marked by cryptos declining trading volumes, lower market capitalization and deeper losses across major assets. As BTC continues to drive broader market sentiment, most altcoins remain highly correlated with its movements. However, the performance of a few tokens shows that assets with clear use cases, strong liquidity or a distinct market narrative can still build momentum and attract capital.

- Altcoins trading volumes, price, and market capitalization are declining as much as BTC's. , with SOL down around 40% and XRP around 45% since January 1.
- Cryptocurrency exchanges have been listing fewer crypto pairs since the start of the bear market, with altcoins taking the brunt of it.
- HYPE, TRX, ZEC and XLM are altcoins that have shown exceptional performance, compared to the rest of the altcoin market.

An Altcoin Market Under Pressure, still Dependent on Bitcoin

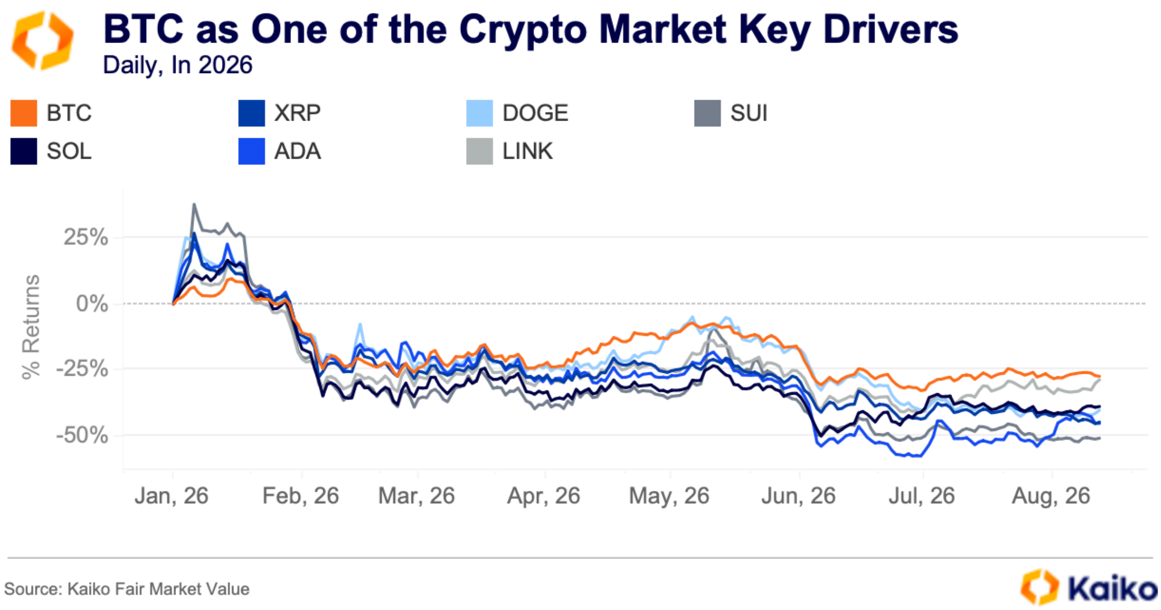
The altcoin market has been going through a period of contraction since the beginning of 2026. This weakness is first visible in the trading volumes of the main assets. Despite several occasional activity spikes, which primarily correspond to sell-off episodes, average volumes have gradually declined over the months. The market therefore appears less deep, with activity increasingly concentrated in a limited number of liquid and well-established assets.

The market capitalization of the main altcoins is following the same trajectory. It gradually contracted and remains significantly below its initial level. This decline is also reflected in asset performance. SOL and XRP are now down by around 40% and 45% respectively compared to their level on January 1. The trend deteriorated particularly from June onward, when most major altcoins deepened their losses, swept along by Bitcoin, which fell following the announcement of the sale of BTC by Strategy.



The combination of lower volumes, declining market capitalization and negative performance reflects a more challenging environment across the market. Investors appear to be reducing their exposure to riskier assets and favoring tokens with greater liquidity and stronger recognition. This shift weighs more heavily on smaller assets, which have less market depth and find it more difficult to attract new capital.

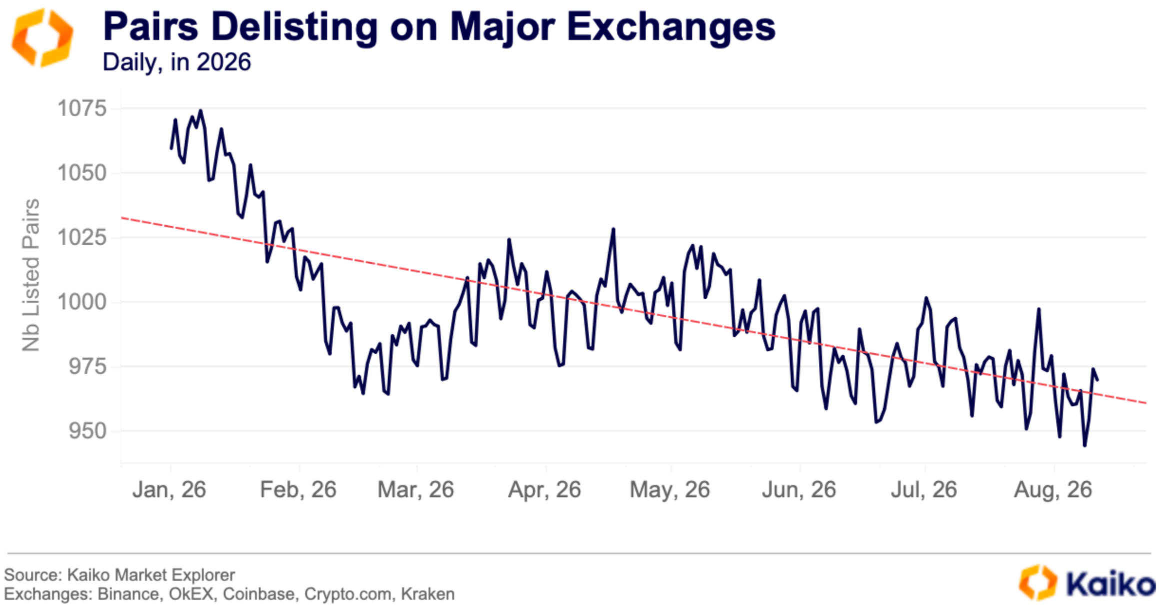
The situation for altcoins also remains closely linked to that of Bitcoin. When BTC struggles to advance or enters a declining phase, the market as a whole is generally affected. The main altcoins largely move in the same direction as Bitcoin, but their fluctuations are often more pronounced. In a bearish environment, BTC dominance therefore weighs on risk appetite and limits the ability of altcoins to attract new investment.



Attracting Investors in a More Selective Market

In this bearish context, exchanges are gradually reducing the number of pairs they offer. On the main platforms, the number of listed pairs has fallen from around 1,060 at the beginning of the year to 970 today. This decline reflects a market that has become more selective. Platforms are removing pairs that generate too little volume or no longer meet their criteria for liquidity, demand or commercial viability.

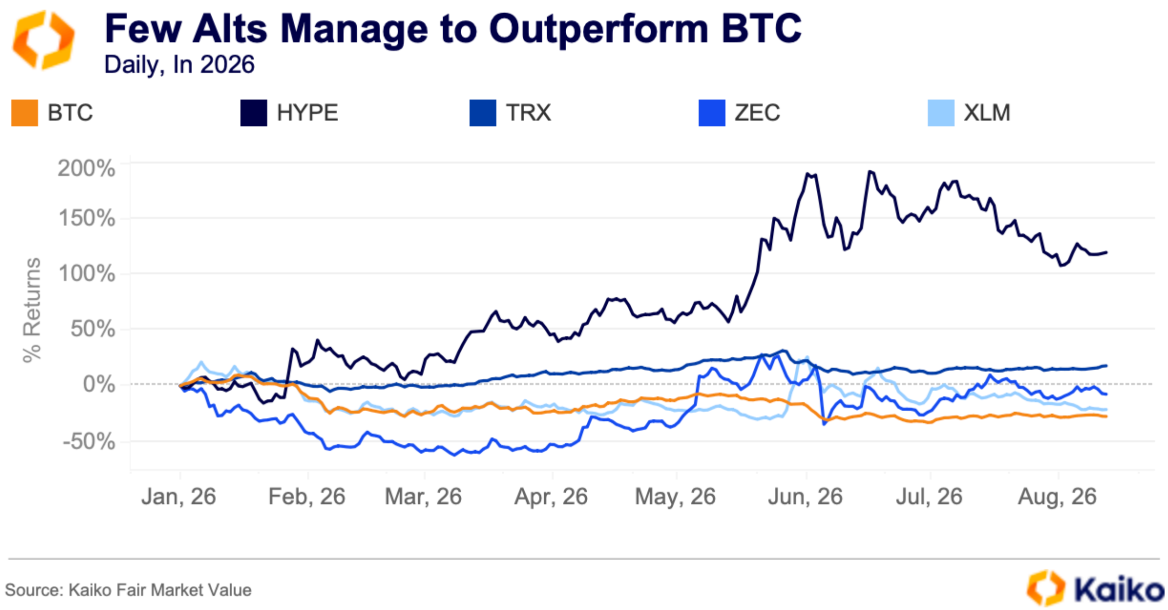
For the projects concerned, a delisting leads to a loss of visibility and reduces access to investors. It can also weaken the token’s liquidity, increase transaction costs and make price movements more pronounced. In this context, obtaining a listing is no longer enough. Projects must demonstrate genuine demand, maintain sufficient liquidity and offer identifiable value in order to remain present on major platforms.



The Altcoins Defying the Market

The performance of certain altcoins nevertheless shows that it is possible to partially decouple from Bitcoin's dynamics. HYPE (Hyperliquid's native token) stands out clearly, with a strongly positive performance for the year, up around 120%, while TRX (TRON's native token) has also maintained performance above that of BTC. Although ZEC (Zcash's native token) and XLM (Stellar's native token) remain in negative territory, they have held up better than Bitcoin. Their relative outperformance indicates that they are benefiting from factors specific to each asset rather than fully following the broader market trend.

These trajectories show that investors continue to take positions in certain assets when they identify a value proposition, a use case or a specific form of momentum. Outperforming Bitcoin does not necessarily mean delivering a positive performance. In the case of ZEC and XLM, it mainly means that the decline is less severe. To attract capital in a difficult market, altcoins must therefore create an independent trajectory supported by clear fundamentals and a lasting ability to differentiate themselves.



Conclusion

The altcoin market remains under pressure, with declining volumes, lower market capitalization and fewer listed pairs reflecting a more selective investment environment. While most tokens continue to follow Bitcoin's direction, the resilience of assets such as HYPE, TRX, ZEC and XLM shows that a few altcoins can still attract capital through strong liquidity, clear use cases or differentiated market dynamics. In this environment, standing out from Bitcoin's broader influence will be essential for attracting and retaining investors.