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Stablecoin law bites, Fusaka cheapens the rollups, and miners defect to AI

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ABSTRACT

This Briefing covers six developments across crypto and digital assets: (1) the GENIUS Act June-July 2026 rulemaking deadlines force a structural reset on who can issue a dollar stablecoin; (2) Circle's Q1 print shows the USDC business growing on volume even as the rate cycle squeezes the spread; (3) Ethereum Fusaka upgrade and back-to-back blob forks collapse Layer-2 fees and reprice the rollup economy; (4) spot BTC and ETH ETFs snap a record outflow streak, exposing how flow-dependent the majors have become; (5) tokenized US Treasuries cross the low-teens of billions and turn into collateral plumbing rather than a yield novelty; and (6) a softening hashrate and a steep difficulty drop confirm listed miners are defecting to AI/HPC.

Keywords: GENIUS Act, stablecoins, USDC, Circle, CRCL, Ethereum, Fusaka, PeerDAS, Layer 2, Bitcoin ETF, IBIT, tokenized treasuries, RWA, BUIDL, Ondo, bridge exploit, Bitcoin mining, hashrate, MARA, Coinbase, COIN, MicroStrategy, MSTR

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The GENIUS Act stops being theory: the \$10B threshold and interest ban redraw the stablecoin map

What's new / why now. The GENIUS Act — the first US federal framework for payment stablecoins, signed July 18, 2025 — reaches its binding implementation window this summer. The joint FinCEN-OFAC AML proposal closed for comment on June 9, 2026, and the implementing rules take full effect July 18, 2026, completing the one-year runway from enactment [1]. Two provisions do the real work: a hard ban on issuers paying interest directly to holders, and a requirement that any issuer above \$10B in market cap move to OCC federal oversight within 360 days [1]. Japan FSA separately activated rules for foreign stablecoins on June 1, 2026, signalling the framework is going global, not just domestic [2].

The evidence. Total stablecoin supply exceeded \$240B by May 2026, with Tether's USDT holding roughly 67% share and Circle's USDC about 27% [1][2]; other tallies put the aggregate at a record \$320-323B with USDT near \$184B [2]. Both leading issuers sit far above the \$10B OCC trigger, so the federal-oversight transition is mandatory, not optional. The 1:1 reserve mandate — cash, insured deposits, and short-dated Treasuries only — is now the law's structural core [1].

THE TAKE:

The interest ban is mis-read as a constraint on issuers; it is really a subsidy to them. By making it illegal to pass reserve yield to holders, the law lets compliant issuers keep the entire float spread — at ~4-5% short-Treasury yields on a ~\$300B base, that is on the order of \$12-15B/yr of net interest the law explicitly walls off for issuers rather than users (Chain Reaction estimate: supply times prevailing T-bill yield). The competitive war therefore moves off yield and onto distribution: whoever rents the most wallets, exchanges, and merchant rails wins, because the product itself is now legally commoditized. Expect value to migrate to the distributor (exchanges, neobanks) that can charge for placement — not the issuer holding the float.

Market read. CRCL (NYSE) — Hold · conviction Medium · 12–24 mo — the law entrenches USDC as a compliant rail but caps the moat at distribution, which Circle does not fully own. COIN (NASDAQ) — Add · conviction Medium · 12–24 mo — Coinbase captures USDC distribution economics and is structurally long the "distributor wins" thesis.

Circle's Q1 shows the stablecoin business is now a volume story, not a rate story

What's new / why now. Circle's first full quarter as a public company under the new regime (reported May 11, 2026) is the cleanest read yet on stablecoin unit economics. The headline tension: circulation and on-chain usage are compounding while net income shrinks, because reserve yield is rate-sensitive and operating costs are climbing post-IPO [3].

The evidence. Q1 2026 total revenue and reserve income was \$694M, up 20% YoY, beating the ~\$677M consensus; reserve income was \$653M (94% of the total), up 17% YoY; adjusted EBITDA was \$151M (24% YoY, ~53% margin) [3]. But net income from continuing operations fell 15% YoY to \$55M as post-IPO stock-based comp lifted opex [3]. USDC in circulation ended the quarter at \$77.0B, up 28% YoY but roughly flat sequentially, while on-chain USDC transaction volume surged 263% YoY to \$21.5T [3]. Separately, Circle raised \$222M in a presale of ARC tokens at a ~\$3B fully-diluted network valuation, backed by a16z, Apollo, ARK, and BlackRock [3].

THE TAKE:

The 263% jump in transaction volume against flat sequential circulation is the most important number Circle printed, and it is bullish on use but bearish on the stock's current valuation logic. It means velocity is rising faster than float — USDC is being used, not parked — yet Circle monetizes the *parked* float, not the *flow*. Until the ARC chain and the transaction/subscription lines (still only ~6% of revenue) scale, Circle remains a leveraged bet on the front end of the yield curve: a Fed cutting cycle would compress reserve income materially even as usage booms (Chain Reaction estimate: each 100bp of rate cut trims roughly \$650-770M of annualized reserve income on a ~\$77B reserve base). The bull case requires the revenue mix to shift off reserves before rates fall.

Market read. CRCL (NYSE) — Trim · conviction Medium · 6–12 mo — superb franchise, but the equity is priced as a growth name while the P&L is still a rate-duration trade; a dovish Fed is the asymmetric risk.

Fusaka and the blob forks cut Layer-2 fees by half — and quietly reprice every rollup

What's new / why now. Ethereum shipped Fusaka on December 3, 2025, then executed two "blob-parameter-only" (BPO) forks in quick succession, tripling data-availability capacity inside a month. The combination of PeerDAS data-availability sampling and a higher blob ceiling is now flowing through to live Layer-2 fees in 2026 — the first time scaling gains have shown up directly in user cost rather than in roadmap promises [4][5].

The evidence. BPO1 (Dec 9, 2025) raised the blob target from 6 to 10 and max from 9 to 15; BPO2 (Jan 7, 2026) raised target 10 to 14 and max 15 to 21 — roughly tripling blob capacity [4]. A typical L2 transaction that cost ~\$0.50 in late 2025 fell to ~\$0.20-0.30 in the weeks after Fusaka, with reported first-month fee reductions of 40-60% as PeerDAS activated [4][5]. Fusaka also introduced EIP-7918, putting a floor under the blob base fee by tying it to a fraction of L1 execution cost, so blob space cannot collapse to zero as it scales [5]. Core developers are targeting 48 blobs/block by mid-2026, en route to 128 under full Danksharding [4].

THE TAKE:

Cheaper blobs are being celebrated as a win for Ethereum, but the second-order effect is a transfer of value *away* from ETH the asset and *toward* L2 sequencer franchises. When data-availability cost falls 50%+, the rollup keeps the margin between what it charges users and what it pays L1 — L2s do not automatically pass through the full saving. The EIP-7918 blob-fee floor is the tell: Ethereum's own developers recognized that without it, L1 would capture near-zero data revenue at scale. The investable consequence is that the rollup with the most non-fee-elastic demand (payments, consumer apps) captures the windfall, while ETH's fee burn weakens — a structural headwind to the "ultrasound money" thesis the market has not fully priced.

Market read. COIN (NASDAQ) — Add · conviction Medium · 12–24 mo — Coinbase's Base rollup is a direct beneficiary of falling blob costs and rising on-chain volume; it captures sequencer margin

without ETH-price beta. (No clean public-equity read on ETH itself; treated as an asset, not an equity call.)

Spot ETFs snap a record outflow streak: the majors are now a flow-of-funds trade

What's new / why now. Spot Bitcoin and Ether ETFs ended a record multi-billion-dollar outflow streak in early June 2026 after a sharp risk-off stretch, underscoring how much of the majors' marginal price is now set by a handful of US-listed wrappers rather than by native crypto demand [6]. The reversal followed a punishing May.

The evidence. After \$2.44B of net inflows in April, spot BTC ETFs reversed to \$1.26B of outflows over six straight sessions in May — the third-largest outflow streak of 2026 — with BlackRock IBIT shedding \$448M in a single session [6]. IBIT held roughly \$67B in AUM in early May [6]. Spot ETH ETFs ran a longer 10-session losing streak, with \$216M withdrawn in one week; total ETH ETF assets stood at \$9.78B, or 4.57% of ETH's circulating market cap, on cumulative inflows of \$11.21B since the 2024 launch [6]. BTC traded down to the low-\$60Ks, off roughly 15% from early-June levels and ~45% below the October 2025 peak [3][6].

THE TAKE:

The ETF complex has quietly inverted the old reflexivity. In 2024 the wrappers were a *demand* shock that pulled price up; in 2026 they are a *transmission* mechanism that amplifies macro risk-off into crypto with no lag and no diversifying holder base. The ~4.6% of ETH supply held in ETFs versus a far larger BTC ETF share means ETH is *less* ETF-captured and therefore *less* exposed to wrapper-driven forced selling — a counter-intuitive reason ETH may show lower downside beta than BTC during outflow regimes (Chain Reaction estimate, from the relative ETF-to-market-cap ratios above). The reflexive bid that built the bull case is now a reflexive offer.

Market read. HOOD (NASDAQ) — Hold · conviction Medium · 6–12 mo — retail crypto flow is volatile and ETF-correlated; the franchise is durable but the quarter-to-quarter beta is high. MSTR (NASDAQ) — Trim · conviction Medium · 6–12 mo — see Topic 6 logic; the leveraged-BTC premium compresses exactly when ETF outflows hit, removing the equity's reason to exist.

Tokenized Treasuries cross into collateral plumbing as BUIDL and Ondo scale

What's new / why now. Real-world-asset tokenization passed \$20B of on-chain value in 2026, roughly tripling since early 2025, with tokenized US Treasuries the dominant category. The shift this cycle is qualitative: tokenized T-bills are moving from a yield-bearing novelty to *collateral* used inside DeFi and by institutions for instant settlement [7][8].

The evidence. Total RWA on-chain value surpassed \$20B in 2026; tokenized US Treasuries alone held ~\$12.9B as of early April 2026 [7][8]. BlackRock BUIDL is the largest single fund at roughly \$2.45B AUM (up from a March-2024 launch), with ~\$1.7B cited as of May 2026 [7]. Ondo Finance is the leading RWA protocol with ~\$3B in managed assets as of early April 2026; its OUSG crossed \$500M and USDY crossed \$1B in TVL — and OUSG is itself BUIDL's largest holder, making the two complementary rather than rival [7]. The category is on a path many project toward \$50B+ by end-2026 [8].

THE TAKE:

The most overlooked structural fact is the *circularity*: OUSG holds BUIDL, BUIDL holds Treasuries, and DeFi protocols increasingly accept OUSG as collateral. That stacks a rehypothecation chain — Treasury to tokenized fund to tokenized-fund-of-fund to DeFi collateral — that did not exist 18 months ago and is invisible to bank-style oversight. It is genuinely useful (24/7 settlement, composable yield) but it imports duration and redemption-gate risk into on-chain markets that price collateral as if it were cash. The first stress event will reveal that "tokenized Treasury" is not the same as "Treasury" once it is three wrappers deep. The GENIUS Act's interest ban (Topic 1) also makes tokenized T-bill funds the *only* legal way to earn dollar yield on-chain — a regulatory tailwind that will pull more flow into exactly this chain.

Market read. BLK (NYSE) — Hold · conviction Low · 24+ mo — BUIDL is strategically important but immaterial to BlackRock's ~\$11T base today; optionality, not a near-term driver. COIN (NASDAQ) — Add · conviction Medium · 12–24 mo — as on-chain Treasuries become collateral, the compliant venue/custodian that intermediates them captures fees; Coinbase is best-positioned among US-listed names.

Hashrate softens and difficulty drops ~9% as listed miners defect to AI and HPC

What's new / why now. Bitcoin's network is set for a large downward difficulty adjustment in mid-June 2026, easing pressure on miners squeezed by a sub-\$65K BTC price. The driver is not capitulation but reallocation: a growing list of publicly listed miners is redirecting energy and compute toward AI and high-performance computing as mining margins tighten [9].

The evidence. Network hashrate sat near 979 EH/s in early-to-mid June 2026, hovering just under the 1 ZH/s line after an earlier pullback [9]. The next difficulty adjustment, estimated ~June 14, 2026, was projected to cut difficulty roughly 9% (from ~138.96T toward ~124T) — among the largest drops of the year [9]. BTC traded in the low-\$60Ks, down ~15% from early June and ~45% off the October 2025 high [3][6]. The difficulty relief directly raises revenue-per-exahash for miners who stay pure-play.

THE TAKE:

The AI pivot is being framed as miners diversifying; it is better read as the market repricing what a "miner" is worth. A 9% difficulty drop is a ~9% revenue uplift per unit of hashrate for those who *do not* defect — so the pure-play stayers are being paid, by the defectors, to keep mining. The bifurcation is now investable: names with power, land, and grid interconnects pivoting to HPC should trade on data-center comps (long-duration contracted cash flows), while pure-play hashers should trade on BTC beta. The error the market keeps making is valuing both on the same multiple. The miner with a signed HPC offtake is no longer a crypto stock; the miner without one is more exposed to BTC than ever, because its only relief valve is the difficulty adjustment it cannot control.

Market read. MARA (NASDAQ) — Hold · conviction Medium · 6–12 mo — scale and treasury cushion the margin squeeze, but it remains a high-beta BTC proxy absent a credible HPC pivot. RIOT (NASDAQ) — Add · conviction Medium · 12–24 mo — power assets and interconnect queue give it a real HPC option the pure-play multiple under-prices. CLSK (NASDAQ) — Hold · conviction Low · 6–12 mo — efficient fleet benefits from the difficulty drop, but limited diversification keeps it tied to BTC price.

Market Calls

Company (Ticker)	Call	Conviction	Horizon	Thesis (one line)
Circle (CRCL)	Trim	Medium	6–12 mo	Volume booms but P&L is a rate-duration trade; a dovish Fed is asymmetric downside.
Coinbase (COIN)	Add	Medium	12–24 mo	Wins stablecoin distribution, Base sequencer margin, and RWA custody — multiple structural tailwinds.
Robinhood (HOOD)	Hold	Medium	6–12 mo	Durable retail franchise but high ETF-correlated flow beta.
Strategy / MicroStrategy (MSTR)	Trim	Medium	6–12 mo	Leveraged-BTC premium compresses just as ETF outflows hit; mNAV near 1.0x.
BlackRock (BLK)	Hold	Low	24+ mo	BUIDL is strategic optionality, immaterial to the ~\$11T base today.
Marathon (MARA)	Hold	Medium	6–12 mo	Scale cushions margins but it stays a high-beta BTC proxy without an HPC pivot.
Riot (RIOT)	Add	Medium	12–24 mo	Power/interconnect assets give a real HPC option the pure-play multiple under-prices.
CleanSpark (CLSK)	Hold	Low	6–12 mo	Efficient fleet gains from the difficulty drop but stays tied to BTC price.

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