



ChainBridge

Crypto Market Outlook and Scenario Report

Featuring: Solana, Sui, Cardano, Ondo



Financial Advice Disclaimer:

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Introduction and Macro Backdrop

Liquidity as the Primary Driver of Crypto Cycles:

Crypto markets are best understood through liquidity rather than narratives. While technology, regulation, and adoption matter at the asset level, the direction of the overall market is largely determined by financial conditions.

One of the most useful indicators for assessing liquidity is M2 money supply. M2 measures the amount of cash and near cash assets circulating within the financial system. When M2 expands, financial conditions loosen. Credit becomes more accessible, volatility compresses, and capital moves outward along the risk curve.

Historically, Bitcoin has shown a strong relationship with changes in global M2, often with a lag of roughly two to three months. This relationship is not constant and should not be treated mechanically. However, across multiple cycles, periods of sustained M2 expansion have aligned with major crypto bull markets, while contractions have coincided with prolonged drawdowns.

The transmission mechanism is straightforward. Bitcoin is typically the first beneficiary of excess liquidity. Once Bitcoin establishes a trend and volatility declines, capital rotates into higher beta assets. Large cap altcoins follow, then more thematic or narrative driven assets as risk appetite broadens.

For this report, the macro base case assumes improving liquidity conditions relative to 2024 and early 2025. If M2 continues to expand, crypto assets should benefit broadly. Relative performance, however, will be determined by adoption, regulatory access, and institutional credibility.



Solana (SOL)

Spot price: approximately 129 USD

Investment Overview:

Solana is one of the clearest beneficiaries of a liquidity driven crypto expansion. It combines high throughput, low transaction costs, and visible consumer adoption. In bull markets, Solana has historically traded as a high beta version of Bitcoin, with additional upside driven by ecosystem growth.

As liquidity expands, markets reward infrastructure that is already being used at scale. Solana fits that profile better than any other high throughput layer one.

Network Adoption and Usage:

Solana continues to lead in consumer facing crypto activity. Wallet usage, decentralized exchange volume, and application engagement remain elevated. Importantly, the network has matured operationally, reducing concerns around stability and downtime.

Fee revenue remains low per transaction but meaningful in aggregate due to volume. This suggests usage is not purely speculative but distributed across multiple applications.

Regulation and Institutional Access:

The launch of regulated Solana futures and multiple US spot ETF filings represent a structural shift in how Solana is perceived. Solana is increasingly treated as allocatable infrastructure rather than a speculative alternative.

A US listed spot ETF would materially expand the buyer base to include advisors, discretionary portfolios, and long only institutional capital.

Scenario and Price Framework:

Bear Case: 90 to 110 USD

Liquidity expansion fails to gain traction and Bitcoin remains range bound. ETF approvals are delayed and risk appetite fades. Solana holds value due to adoption but fails to re-rate.

Base Case: 280 to 360 USD

Liquidity expands steadily and Bitcoin enters a sustained uptrend. Capital rotates into scalable infrastructure with real usage. Solana benefits from ecosystem maturity and improving market access.

Bull Case: 500 to 650 USD

A full liquidity cycle unfolds. M2 growth accelerates, risk appetite surges, and Solana becomes a primary beneficiary of altcoin rotation. ETF approval introduces structural demand and Solana re-rates as core crypto infrastructure.



Sui (SUI)

Spot price: approximately 1.47 USD



Investment Overview:

Sui is a high convexity layer one asset. In strong liquidity environments, markets reward future adoption more than current scale. Sui is positioned as a next generation chain focused on speed, parallel execution, and consumer experience.

Sui's upside is driven by expectations of adoption rather than current dominance, making it more sensitive to liquidity and sentiment.

Network Adoption and Usage:

The Sui ecosystem continues to expand across DeFi, gaming, and consumer applications. Adoption is early but improving. The key variable remains whether usage persists through token unlock periods, which would confirm organic demand.

Developer activity and user retention are the most important indicators to monitor.

Regulation and Institutional Access:

Sui has moved quickly in gaining institutional legitimacy. US spot ETF filings and existing European exchange traded products have made Sui institutionally legible earlier than most comparable networks.

This does not guarantee flows, but it reduces friction once demand emerges.

Scenario and Price Framework:

Bear Case: 1.00 to 1.30 USD

Liquidity conditions remain uneven and unlock related supply caps upside. Adoption slows and Sui underperforms more established layer ones.

Base Case: 4.50 to 6.00 USD

Liquidity expansion supports risk seeking behaviour and Sui adoption compounds through unlock periods. Institutional credibility improves and valuation reflects growth expectations.

Bull Case: 10.00 to 14.00 USD

A strong macro driven bull market fuels demand for next generation layer ones. Sui demonstrates accelerating user growth and application traction. Regulatory clarity or ETF approval triggers sharp multiple expansion.



Cardano (ADA)

Spot price: approximately 0.35 USD

Investment Overview:

Cardano is a lower beta large cap asset with strong brand recognition and regulatory relevance. It typically underperforms early bull markets and outperforms later as capital rotates into established names.

In a liquidity expansion, Cardano benefits from familiarity, community strength, and perceived regulatory resilience.

Network Adoption and Usage:

Adoption remains steady rather than explosive. Cardano's progress is incremental, with gradual improvements in DeFi infrastructure, stablecoin liquidity, and interoperability.

The investment case improves if Cardano establishes a clear niche in regulated DeFi or digital identity.

Regulation and Institutional Access:

Cardano remains prominent in regulatory discussions, which supports downside protection and long-term credibility. While ETF catalysts are less transformative than for smaller assets, they broaden access and support valuation stability.

Scenario and Price Framework:

Bear Case: 0.28 to 0.35 USD

Liquidity remains constrained and capital favours Bitcoin dominance. Adoption does not materially accelerate and ADA trades sideways.

Base Case: 1.20 to 1.60 USD

Liquidity expansion lifts large cap altcoins. Retail participation returns and Cardano benefits from brand strength and regulatory comfort.

Bull Case: 2.80 to 3.60 USD

A full scale crypto bull market develops, and capital rotates aggressively into legacy large caps. Clear progress in regulated use cases drives a narrative re rating.



Ondo (ONDO)

Spot price: approximately 0.33 USD

Investment Overview:

Ondo is a real-world asset infrastructure play rather than a general-purpose crypto asset. Its upside is driven by institutional adoption of tokenized finance rather than speculation alone.

As liquidity expands, assets tied to financial infrastructure tend to outperform later in the cycle.

Network Adoption and Usage:

Adoption is measured in assets on chain, not transaction volume. Tokenized treasuries and funds have demonstrated genuine demand, particularly among institutions seeking yield and settlement efficiency.

Growth in assets under management is the key metric.

Also heavily backed by big asset manager BlackRock, who Donald Trump heavily backs as he believes any assets held and supported by Larry Fink turn into 'gold'.

Regulation and Institutional Access:

Ondo's close alignment with securities regulation is a competitive advantage. ETF filings and partnerships with major asset managers position Ondo as a compliant bridge between traditional finance and blockchain infrastructure.

Scenario and Price Framework:

Bear Case: 0.25 to 0.32 USD

Regulatory progress stalls and falling interest rates weaken yield driven narratives. Ondo trades defensively with limited speculative interest.

Base Case: 1.80 to 2.40 USD

Institutional adoption of tokenized assets grows steadily. Regulatory clarity improves and liquidity conditions support re rating.

Bull Case: 4.50 to 6.50 USD

Liquidity expansion coincides with rapid institutional deployment of on chain financial products. Ondo becomes core infrastructure for tokenized capital markets.



Conclusion

ChainBridge Outlook for Q2–Q3 2026:

At ChainBridge, our central view is that the crypto market is approaching a transition from a prolonged accumulation phase into the early stages of a broader liquidity-driven expansion. While short-term volatility is likely to persist, we believe the balance of probabilities increasingly favours a base-to-bull case environment emerging from Q2 to Q3 2026.

This outlook is grounded in macro timing rather than optimism. Liquidity cycles historically unfold with a lag. Improvements in financial conditions and money supply tend to stabilize first before translating into sustained asset price appreciation. Crypto markets, and Bitcoin in particular, have typically responded several months after liquidity conditions begin to improve, not now of the initial policy shift.

As liquidity conditions ease relative to 2024 and early 2025, we expect Bitcoin to continue acting as the primary recipient of excess liquidity. Once Bitcoin establishes a durable trend and volatility compresses, capital historically rotates outward into large-cap altcoins and then into higher beta assets. This rotational dynamic underpins our conviction that Solana, Sui, Cardano, and Ondo are well positioned to benefit in the next phase of the cycle.

Importantly, this cycle differs from prior speculative episodes. Institutional access has improved meaningfully through ETF filings, regulated derivatives, and clearer compliance frameworks. These developments do not guarantee immediate inflows, but they reduce friction and allow capital to scale more efficiently once demand emerges. At the same time, adoption fundamentals across the assets covered in this report are stronger than during previous market peaks, providing a more durable foundation for re-rating.

We do not expect a straight-line move higher. Volatility and periodic drawdowns should be anticipated. However, in a liquidity expansion regime, such pullbacks increasingly represent opportunities for re-accumulation rather than signals of structural weakness.

In summary, ChainBridge views the second half of 2026 as a potential inflection point where improving liquidity, expanding market access, and strengthening adoption converge. In such environments, base cases tend to resolve higher, and bull cases become increasingly plausible outcomes rather than tail risks.