Coinbase Global, Inc. (COIN)

Equity research update | Prepared 25 August 2026 | Previous note 5 August 2026

WATCHLIST
Reaffirmed — but for the opposite reason

Last close (24 Aug 2026)	**$179.48**
Change since the 5 Aug note	**+19.1%**
Forward P/E on FY27 consensus	**~35.0x**
Probability-weighted fair value	**$163.50**
Price relative to fair value	**9.8% above**

What Has Moved Since the Last Note

A great deal, and none of it from the company. Coinbase closed at $179.48 on 24 August against $150.73 on 4 August, a gain of 19.1%. Almost all of it arrived in three sessions: the shares closed at $146.23 on 18 August and $186.49 on 21 August, a rise of 27.5%, on volume that reached 22.7 million shares against a fifty-session average near 8.4 million. The previous note argued that the crypto market was the variable that had to change before anything else could. In the intervening three weeks, it changed.

Bitcoin rose approximately 22.7% over seven days to trade near $77,500 on 24 August, having climbed from roughly $64,900 a month earlier, and reclaimed both its two-hundred-day moving average and the so-called bull market support band in the same week. Ether rallied harder still, up roughly 29.6% over seven days. United States spot Bitcoin exchange-traded funds drew net inflows of approximately $1.92 billion over the week, the largest since October of last year, including $606 million on 20 August alone, with Ether funds adding a further $221 million. That is the first broad, flow-backed advance in the asset class since this coverage began.

Two company-specific items accompanied it. Coinbase received regulatory approval in Abu Dhabi Global Market to build an international tokenisation hub issuing fully backed tokenised securities carrying full shareholder rights, on which the shares rose about 2.3%. And commentary through the period continued to reference the second-quarter operating disclosures, in particular the third consecutive record in crypto trading volume market share, at 10.3%. Neither is new financial information. The company has reported nothing since 30 July, and the next opportunity to observe monthly transacting users, the metric the previous note identified as decisive, is the third-quarter release in late October.

Do the Published Levels Still Hold?

The previous note named its triggers precisely, which makes this assessment uncomfortable but clear. Neither upgrade condition has been satisfied, and the price has moved a long way in the meantime.

Condition published 5 Aug 2026	Status at 24 Aug 2026	Assessment
Evidence that monthly transacting users have stopped declining would justify a Buy	No new user data; Q3 results are not due until late October	Untested. The crypto rally is a proxy for it, not a substitute
The shares breaking below the $139 low on capitulation volume, with market share and subscriptions still improving, would justify a Buy	The opposite occurred: the low was $139.11 in July and the price is now 29.0% above it	Void. That entry is no longer available
A downgrade to Avoid would require users falling for a second consecutive quarter while trading market share also declines	No evidence; market share was at a record in the last disclosure	Untested, and directionally less likely than three weeks ago
Probability-weighted fair value $147.50, ~2.1% above the price	Restated at $163.50, ~9.8% below the price	Fair value has risen, and the price has risen more than twice as much

The rating is reaffirmed at Watchlist, and the honest description is that it is being held in place by a different argument than the one that put it there. Three weeks ago the objection was that the cycle had not turned and the price only partly reflected the damage. Today the cycle has produced its first credible evidence of turning, and the equity has priced considerably more of that than the evidence yet supports. The rating has not moved; the reason for it has moved entirely.

Has the Cycle Actually Turned?

This is the question the whole position rests on, and it deserves to be argued rather than assumed in either direction.

The case that it has is the strongest in more than a year. A 22.7% weekly advance is not a drift; reclaiming the two-hundred-day average is the single most-watched trend signal in the asset class; and $1.92 billion of net exchange-traded fund inflows is real money from allocators rather than leverage inside the crypto system. Flows of that character have historically preceded sustained recoveries rather than accompanied bounces. For Coinbase specifically, the mechanics are direct and favourable: platform assets, which fell 42% to $245.9 billion at the second-quarter balance sheet date, rise mechanically with prices, and volatility of this magnitude drives trading volume, which is the company's largest revenue line. A third quarter reported into this backdrop should look materially better than the second on both assets and volumes without the company doing anything at all.

The case that it has not is that one month is one month. Bitcoin at roughly $77,500 remains far below the levels that supported a $402 share price, and the same combination of signals that fired this week failed to mark a bottom in 2018 while succeeding in 2019 and 2023. More to the point for an equity investor, none of this reaches the metric that actually settles the question. The previous note chose monthly transacting users deliberately, because prices are outside the company's control and users are the closest available leading indicator of whether customers are returning. Users fell 12.6% to 7.6 million in the second quarter. Whether the August rally brought any of them back is unknowable until late October.

The reasonable conclusion is that the probability of a genuine cycle turn has risen materially and is not yet established. That is reflected below by moving ten points of probability from the bear case into the bull case while leaving the fair-value estimates themselves untouched, because a one-month price rally does not change fiscal 2027 earnings estimates and none of the third-party forecasts cited previously have been revised.

Valuation

At $179.48 across roughly 287 million diluted shares, Coinbase carries a market capitalisation near $51.4 billion. The company remains loss-making on current earnings, so the only available multiple is a forward one. On the fiscal 2027 consensus of $5.13 per share cited in the previous note and not since revised, the shares now trade at approximately 35.0 times, against 29.4 times three weeks ago. That estimate already embeds a crypto recovery. Paying 35 times for it means paying for the recovery twice: once in the estimate and once in the multiple.

Metric	5 Aug 2026	25 Aug 2026	Comment
Share price	$150.73	$179.48	+19.1% over fourteen sessions
Market capitalisation	~$43.2bn	~$51.4bn	~287m diluted shares
Forward P/E on FY27 consensus ($5.13)	~29.4x	~35.0x	The estimate is unrevised; only the price moved
Decline from 52-week high ($402.16)	-62.5%	-55.4%	Less of the cycle is now priced
Premium to 52-week low (~$139)	+8.3%	+29.0%	The capitulation entry has gone
Gross profit margin	85.5%	85.5%	Structural; survives the downturn
Beta	3.35	3.35	Among the highest in coverage
Probability-weighted fair value	$147.50	$163.50	Price moved from 2.1% above it to 9.8% above

The asset-based framing from the previous note still applies and is the fairer way to look at this business: an 85.5% gross margin platform holding the largest crypto custody position in the industry, with record trading market share, subscription penetration at an all-time high, a layer-two network processing $32 trillion of annual stablecoin transfer volume, and now a regulated tokenisation venue in Abu Dhabi. Those assets are not impaired by low crypto prices and are worth considerably more if the cycle turns. The difficulty is that the market has just paid 19% more for exactly that optionality over fourteen sessions, and the evidence supporting it consists of one month of price action in an asset class with a beta above three.

Risks

Risk	Probability	Severity	Change since 5 August
The rally proves to be a bear-market bounce	Medium	High	Newly the dominant risk. The 2018 precedent failed on the same signals
Extreme share volatility	High	High	Unchanged in kind. Beta 3.35; a 27.5% three-session move cuts both ways
Buying after the move	High	Medium	Elevated. The price is 29.0% above the 52-week low, versus 8.3% three weeks ago
User attrition continuing	Medium	High	Unchanged and unobservable until the Q3 release in late October
Estimate risk on the FY27 consensus of $5.13	High	Medium	Unchanged; nine analysts cut after the Q2 release and none have restored
Crypto cycle deepening again	Low-medium	High	Reduced; ETF inflows and the reclaimed 200-day average argue against it
Leadership turnover	Medium	Medium	Unchanged
Regulatory and competitive pressure	Medium	Medium	Marginally improved; the ADGM tokenisation licence is a small positive

Technical Position

The technical reversal is the most dramatic in current coverage. On 4 August the shares sat below every computable moving average with a MACD histogram of -1.39 in an established downtrend. They now sit above every one of them, with the histogram at +4.01 on a clean bullish crossover and the relative strength index at 61.7. The moving averages themselves are still stacked bearishly, with the twenty-day below the fifty-day below the hundred-day, which is the normal state of affairs at the earliest stage of a reversal: price turns first and the averages follow, or it does not and the price falls back through them.

Indicator (24 Aug 2026)	Value	Reading
Close	$179.48	Above every computable moving average
SMA20	$156.40	Price 14.8% above; was 5.9% below
SMA50	$158.89	Price 13.0% above; was 7.3% below
SMA100	$172.47	Price 4.1% above; was 14.8% below — first support
SMA200	not computed	Insufficient history in the 100-session series; not estimated
EMA20 / EMA50	$160.37 / $161.80	Price 11-12% above both — extended
RSI(14)	61.7	Firm, not overbought; was 43.6
MACD / signal / histogram	+3.19 / -0.82 / +4.01	Bullish crossover; was -2.88 / -1.49 / -1.39
ATR(14)	$10.28 (5.7% of price)	Still the widest daily range in coverage
Volume, 20-day vs 50-day average	9.7m vs 8.4m	Expanding — the move is participating

Indicator (24 Aug 2026)	Value	Reading
100-session range	$139.11 - $222.35	Price back in the middle of the range

Indicators computed from 100 daily OHLCV sessions (1 April to 24 August 2026). The 200-day average could not be derived from that window and has deliberately not been estimated. The moving-average sequence remains inverted; price has recovered ahead of the averages rather than alongside them.

One detail argues for patience over pursuit. On 24 August the shares opened at $188.75, reached $191.84 and closed at $179.48, a fall of 6.4% from the intraday high and a close well below the open, immediately after a 27.5% three-session advance. A reversal of that shape at the end of a vertical move is where short-term buyers get hurt. The $172 area, where the hundred-day average now sits, is the first level at which the new trend can be tested rather than assumed.

Scorecard

Category	Score		Comment
Business quality		**6**/10	85.5% gross margin and record market share, against revenue that fell 18.5%
Financial strength		**6**/10	Current ratio of 2.14 and no liquidity concern, but a loss-making quarter
Competitive advantage		**7**/10	Largest crypto custodian, record trading share, Base, and now a regulated ADGM tokenisation venue
Management		**6**/10	Diversification executed well; a very large miss and several senior departures
Growth potential		**7**/10	The contracting backdrop has improved: crypto assets up sharply lifts platform assets and volumes (was 6)
Valuation		**3**/10	~35.0x an unrevised FY27 consensus after a 19.1% rally; 9.8% above fair value (was 5 at ~29.4x)
Risk (10 = lowest risk)		**3**/10	Beta 3.35, 5.7% daily ATR, users still unobserved, and the entry is now 29% off the low
Technical setup		**7**/10	Above every computable average on a MACD crossover with expanding volume (was 3)

Scored 1–10, where 10 is always best, including Risk. Weightings: risk 16, valuation 16, growth 14, business quality 14, competitive advantage 12, financial strength 12, management 11, technicals 5. Previous note scored 53/100. The technical and cycle improvements are almost exactly offset by the valuation deterioration, which is why the composite barely moves. Unrounded total 53.5.

Overall Investment Score: 54 / 100

The previous note already scored Risk on the convention used here, with a higher number meaning a safer business, so no restatement was required to compare the two scorecards. This remains the lowest overall score in current coverage.

Scenario Analysis

Scenario	Prob.	Path	Fair value	Conditions
Bull	35%	FY27 EPS ~$7.00	$245	The August turn holds, share gains compound into a recovering market, Base and stablecoin economics re-rate as infrastructure (was 25%)
Base	45%	FY27 EPS ~$4.50	$135	Market stabilises without recovering strongly; diversification offsets but does not reverse the decline; multiple near 30x
Bear	20%	FY27 EPS ~$2.00	$85	The rally proves a bounce, user attrition continues, restructuring costs persist and estimates keep falling (was 30%)

Probabilities sum to 100%. Probability-weighted fair value: $163.50, approximately 9.8% below the 24 August close of $179.48. Previously $147.50. The fair-value estimates are deliberately unchanged: one month of price recovery in the underlying asset class does not revise fiscal 2027 earnings, and none of the third-party estimates cited in the previous note have been raised. Only the probabilities have moved, ten points from bear to bull. The distribution remains unusually wide even by the standards of this coverage universe.

Recommendation: Watchlist (reaffirmed, with the triggers rewritten)

The rating is unchanged at Watchlist. What has changed is which side of the argument is doing the work, and the previous triggers need replacing because the market has overtaken one of them.

The upgrade condition based on capitulation is void. The shares did not break $139 on heavy volume; they rose 29.0% away from it, and that entry no longer exists. The remaining upgrade condition, evidence that monthly transacting users have stopped declining, is intact and is now the only one that matters. It is reportable at the third-quarter release in late October, into a quarter that will have captured the August rally in both platform assets and trading volumes. A stabilising or rising user count reported alongside a fourth consecutive record in trading market share would justify a Buy, and would justify it at a higher price than today's.

Replacing the void trigger: a retreat into the $160-172 area, where the hundred-day average and the pre-rally consolidation band sit, would return the shares to roughly fair value and would offer a materially better entry into the same optionality. That is 4% to 11% below the current price and would not, on its own, invalidate the August turn.

The downgrade condition is unchanged and remains distant: users falling for a second consecutive quarter while trading market share also declines would indicate the problem had moved from cyclical to competitive. Nothing in the last three weeks points that way. The realistic bad outcome here is not a broken franchise but a false dawn, in which case a stock with a beta of 3.35 and a 5.7% average daily range gives back the 19% faster than it took it.

Final Verdict

The previous note ended by saying the crypto market was the variable that had to change first. It changed, and the correct response is neither to declare victory nor to ignore it.

Bitcoin rose 22.7% in a week to around $77,500, reclaimed its two-hundred-day average, and drew $1.92 billion of exchange-traded fund inflows, the most in ten months. For a business whose platform assets fell 42% on price declines and whose largest revenue line is trading, that is a direct and mechanical improvement to the third quarter that is already in progress. The probability that the cycle has turned is genuinely higher than it was three weeks ago, and the bear case is correspondingly less likely.

The problem is that Coinbase equity rose 19.1% in fourteen sessions, and 27.5% in three of them, which is more than the underlying evidence has yet earned. The forward multiple has gone from 29 to 35 times an estimate nobody has raised. The stock now sits 9.8% above a probability-weighted fair value that itself already assumes a more favourable cycle. And on the most recent session the shares gave back 6.4% from their intraday high, which is what pursuit looks like when it runs out.

This is the same judgement as three weeks ago arrived at from the opposite direction: a good company, a market that may finally be improving, and a price that does not compensate for what is still unknown. The one number that settles it is monthly transacting users, and it arrives in late October. Until then, watchful and small remains the right posture, and $160-172 is where this becomes interesting again.

Sources

Alpha Vantage — daily OHLCV series, 1 April to 24 August 2026 (single call) • Coinbase Global, Inc. — Q2 2026 shareholder letter and results, investor.coinbase.com, 30 July 2026 • CoinDesk — live market coverage, 20 and 24 August 2026 • Bloomberg — Bitcoin ETFs see biggest weekly inflow in ten months, 24 August 2026 • KuCoin — Bitcoin surges 22.7% in one week, spot ETF inflows reach $1.92bn • Yahoo Finance — Coinbase shares surge as crypto optimism and regulatory momentum build • StocksToTrade and Timothy Sykes — COIN tokenisation and regulation coverage, 20-21 August 2026

August 2026 and may subsequently change. No earnings call has taken place since the 30 July 2026 Q2 2026 call, whose transcript was obtained and reviewed via Investing.com for the previous note; there is consequently no new transcript to review for this update. Forward earnings estimates cited are third-party analyst consensus figures carried forward from the previous note, not company guidance; Coinbase does not issue quarterly guidance. Cryptocurrency prices cited are drawn from the market coverage listed above and move continuously.