

Circle Internet Group, Inc. (CRCL)

Coverage review · NYSE: CRCL · Stablecoin and blockchain financial infrastructure · 18 September 2026 · Price of record \$85.09 (close, 17 September 2026) · Previous note 29 August 2026 at \$87.14

RECOMMENDATION	INVESTMENT SCORE	WEIGHTED FAIR VALUE	HORIZON
WATCHLIST	52 / 100	\$83.75	Evidence-led

PRICE \$85.09 -2.4% since 28 Aug	MARKET CAP \$21.6bn 253.9m shares	VS WEIGHTED FV +1.6% was +4.0%	POLICY RATE 3.75-4.00% raised 16 Sep	ATR(14) 8.1% of the share price
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1. Do the published levels still hold?

They do, and unusually little effort is required to establish it. The 29 August report reaffirmed Watchlist at \$87.14 against a probability-weighted fair value of \$83.75, published five upgrade triggers, and declined to reset a valuation reset zone of \$45 to \$55 on the grounds that moving a level up to keep it within reach of the market is marking the analysis to the price. Twenty days later the shares closed at \$85.09, 2.4% lower. The price has moved from 4.0% above fair value to 1.6% above it, which is an improvement of no consequence. The \$45 to \$55 zone is not reset here either, for the reason given last time: it was derived from an enterprise value near twenty times annualised second-quarter EBITDA, and the earnings base has not changed because the company has not reported.

What has happened is that three of the dated events this coverage was waiting on all landed inside seventy-two hours, and they did not point the same way. That, rather than the price, is the substance of this review.

Upgrade trigger	29 August status	Status now
Circulation stabilises	Not met; no data since the 4.8% sequential fall	Unchanged. The Q3 float figure is due in early November and nothing before it answers the question
Platform revenue inflects	Not met; 4.9% of Q2 revenue	Moved, not met. Arc is live and Tazapay is being acquired, but neither has disclosed revenue
Take rate defended against Open USD	Largely met; needs endurance	Unchanged. No new disclosure
Valuation reset into \$45-55	Further away at \$87.14	Marginally nearer at \$85.09, and still ~41% below the market
Rate path clarity	Not met; reserve return rate ~3.5% and falling	Met in direction. The Committee raised rates on 16 September with more signalled
Technical repair	Met on price; 50/100 death cross intact	Reversed. Price has lost the 20-day and the 200-day; the death cross is still intact

Levels assessed against the confirmed close of \$85.09 on 17 September 2026. Moving averages are recomputed in code from a 300-session daily series; the previous note was built on a 100-session window and could not derive a 200-day average.

2. What has actually moved

Arc went live on 16 September, on the date management committed to. The mainnet launched with more than a hundred institutions operating as validators, BlackRock, Visa and Mastercard among them, having processed over 700 million transactions in its pre-launch phase. Delivering a named date with that validator cohort is a genuine execution result and the most institutionally credible launch the category has produced. It is also, so far, an asset rather than a revenue line: no fee structure or monetisation schedule has been disclosed, so the platform-revenue trigger has moved

without being met. The market sold it, taking the shares down 6.77% on the day of the launch before a 5.77% recovery on 17 September.

The CLARITY Act failed a Senate cloture vote on 15 September, 49-50, well short of the sixty required. This is the more consequential of the two crypto-specific events and it runs directly against the previous report's reasoning. That note argued a US policy environment moving toward statutory clarity was the single most plausible route by which a contracting float resumes growth, and was careful to call policy a condition rather than a result. The condition has now weakened rather than firmed, and the sector traded accordingly, with Bitcoin sliding from near \$80,000 on the vote. The August re-rating that carried Circle from \$63.28 to \$87.14 was built in part on an expectation that has just been deferred.

The Federal Open Market Committee raised its target range 25 basis points to 3.75%-4.00% on 16 September, unanimously, with at least one further increase in the projections. For almost every company under this coverage that is a headwind. For Circle it is the opposite, and the distinction matters more here than anywhere else in the book. Roughly 95% of revenue is the product of the USDC float and the yield earned on the reserves backing it, so the policy rate is a revenue input rather than a discount rate. The previous report recorded a reserve return rate of approximately 3.5%, down 66 basis points year on year, and made a rate path that stops that decline an explicit upgrade trigger. A tightening cycle does that. The benefit is shared with distribution partners under the revenue-less-distribution-cost arrangement rather than falling wholly to Circle, and one meeting does not make a cycle, so the trigger is recorded here as met in direction rather than met.

Two smaller items complete the period. Circle agreed to acquire Tazapay, a Singapore-based payments infrastructure company, on 8 September, with terms undisclosed. It sits on the correct axis, which is owned recurring platform capability rather than token recognition, but an undisclosed price and no disclosed revenue cannot be scored. And the sell side stayed split: TD Cowen raised its target to \$92 from \$87 on 17 September while maintaining Buy, Goldman Sachs remained at Hold on 9 September, Bernstein carried a Buy from 1 September and Wolfe Research holds an Underperform with a \$65 target. Consensus across 28 analysts is Buy with a \$104.28 target. An officer sold \$2.68m of stock on 9 September, and the Form 4 and 144 filings show continued routine disposals through the month.

3. Valuation

The four operating facts that drove the last two downgrades of the growth lever are all unchanged, because Circle has not reported since 5 August. USDC in circulation was \$73.3bn at the end of June against \$77.0bn at the end of March. On-chain transaction volume was \$14.8tn against \$21.5tn. The reserve return rate was approximately 3.5%. Non-reserve revenue was 4.9% of the quarter's total, and the doubled full-year other-revenue guidance of \$310m to \$330m explicitly incorporates recognised revenue from the ARC Token presale, a financing event that will not repeat. Every valuation multiple below therefore rests on the same earnings base as the previous report, and moves only because the price moved.

Measure	29 Aug (at \$87.14)	Now (at \$85.09)	Read
Market capitalisation	\$22.1bn	\$21.6bn	253.9m shares
EV / annualised Q2 adj. EBITDA	~36x	~35x	Earnings base unchanged; the move is price alone
Trailing P/E	48.4x	47.3x	On \$1.80 of trailing GAAP earnings per share
Forward P/E, next twelve months	65.9x	68.2x	Higher on a marked-down forward estimate, not a higher price
Price / trailing revenue \$2.91bn	7.6x	7.4x	Revenue +37.2% year on year
Consensus target	Buy, \$103.29 (27)	Buy, \$104.28 (28)	Essentially static across a month
Probability-weighted fair value	\$83.75 (+4.0% price)	\$83.75 (+1.6% price)	Fair values carried forward; the gap closed on price

Share count, market capitalisation, trailing figures and consensus from StockAnalysis.com as at 17 September 2026. Enterprise value, EV/EBITDA, forward multiples and all percentage changes are this analysis's own calculations from the cited inputs and are not company-disclosed measures. Adjusted EBITDA of \$143m is the Q2 FY2026 reported figure.

The macro variables that matter here. One dominates, and it is not the one that dominates the rest of this coverage. Circle's revenue is the float multiplied by the yield on short-dated reserves, so the front end of the curve is a revenue driver and the long end is close to irrelevant. The federal funds target now stands at 3.75%-4.00% after the 16 September increase, the two-year Treasury yield closed 17 September at 4.67%, and the Committee's projections carry at least one more move this year. That reverses the direction of the single input that had been eroding the revenue line all year. The second variable is regulatory rather than monetary, and it moved the other way when the CLARITY Act failed its cloture vote, because statutory clarity is what brings regulated institutions into holding and settling in USDC and therefore what grows the float. Rates set what each dollar of float earns; policy sets how many dollars of float there are. The first improved this month and the second did not.

4. Technical position

The repair described in the previous report has given way. That note recorded price above the 20-, 50- and 100-day averages for the first time since the June collapse, with the MACD histogram at +1.95 and relative strength at 60.8. Price now sits 6.5% below a 20-day average of \$91.05 and 0.8% below a 200-day average of \$85.80, with the MACD histogram at -1.97 and relative strength back to a neutral 49.3. The August advance has been given back in an orderly rather than violent fashion, which is worth saying plainly: the stock has not broken, it has stopped rising.

Two structural points carry over. The 50-day average at \$76.14 remains below the 100-day at \$85.01, so the June death cross is intact and the technical-repair trigger is still unmet on the terms it was published in, although the gap between the two averages has narrowed from roughly eighteen percent to ten. And the 200-day average is computable for the first time in this coverage, at \$85.80, because the series used here runs to 300 sessions rather than the 100 the previous note was limited to. Price sits fractionally beneath it. That is the level the market is currently arguing about, and it is the first one worth watching. Average true range of \$6.86 is 8.1% of the share price, up from 6.9%, so any position sizing has to reflect a share that routinely moves eight percent in a session.

Indicator	28 Aug note	Now (17 Sep)	Read
Close	\$87.14	\$85.09	-2.4% over twenty days
SMA20 / EMA20	\$76.04 / \$79.46	\$91.05 / \$87.70	Price 6.5% below the 20-day; lost on the CLARITY vote
SMA50 / EMA50	\$70.41 / \$76.92	\$76.14 / \$82.90	Price 11.8% above the 50-day; still rising
SMA100	\$86.00	\$85.01	Price 0.1% above; effectively at the average
SMA200	not computed	\$85.80	Now computable on a 300-session series; price 0.8% below
RSI(14)	60.8	49.3	Neutral; the firmness has drained out
MACD / signal / histogram	6.04 / 4.09 / +1.95	2.92 / 4.89 / -1.97	Crossed below signal; momentum has rolled over
ATR(14)	\$6.01 (6.9%)	\$6.86 (8.1%)	Wider daily range than at the last note
Volume, 20d vs 50d	14.7m vs 14.0m	16.5m vs 14.2m	Participation up 16%; the selling has been well attended
52-week range	\$49.90 - \$159.47	\$49.90 - \$159.47	Price sits in the lower half

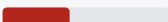
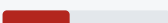
All averages are computed in code from one 300-session series so the distances between them are comparable, and none is carried forward from the previous note. Technicals inform entry timing only and do not override the fundamental and valuation conclusions.

5. Risks

Risk	Probability	Severity	Comment
Circulation contraction continues	Medium	High	The float fell 4.8% sequentially in the last reported quarter and there is still no data. 95% of revenue is the product of float and yield, and only one of those two has improved
Valuation compression	High	High	35x annualised EBITDA and 68x forward earnings that themselves lean on non-recurring token revenue. The multiple was expanded by sector flow in August and that flow has reversed
Regulatory timetable slips further	Elevated	High	The CLARITY Act failed 49-50 on 15 September. Each deferral pushes back the institutional adoption on which the bull case depends
Arc fails to monetise	Medium	Medium	A hundred institutional validators is an asset, not a revenue line. No fee structure has been disclosed and the platform trigger requires recurring revenue near 15% of the mix
Reserve yield benefit accrues to partners	Medium	Medium	The rate increase is shared under the revenue-less-distribution-cost arrangement. The gross tailwind is larger than the net one
Share price volatility	Occurring	Medium	An 8.1% average true range makes a fair-value gap of 1.6% meaningless as a trading signal in either direction

6. Scorecard

Four scores move and the composite rises 3.2 points, which deserves an explanation because the rating does not change. Competitive Advantage and Management both rise a point on Arc: shipping a layer-one network on the committed date, with BlackRock, Visa and Mastercard validating it, is execution and it is an asset no competitor has. Valuation rises a point because the price fell toward fair value on an unchanged earnings base. Technical Setup falls two because the repair the previous report scored has unwound. The business scored better this month and the shares did not become a buy, which is the ordinary condition of a company whose price already reflects more than its evidence supports.

Factor	Score	Weight	Basis
Business Quality		6/10 12%	Unchanged. Strong franchise; revenue mix remains ~95% interest income
Financial Strength		7/10 10%	Unchanged. Net cash, no meaningful debt, trailing GAAP EPS positive at \$1.80
Competitive Advantage		7/10 14%	Raised from 6. Arc live with 100+ institutional validators including BlackRock, Visa and Mastercard
Management		8/10 8%	Raised from 7. Delivered the 16 September Arc date as committed; Tazapay adds owned payments infrastructure
Growth Potential		5/10 13%	Unchanged. A better rate path and a worse policy path offset; the float is still unmeasured since June
Valuation		4/10 20%	Raised from 3. ~35x annualised EBITDA; price 1.6% above fair value against 4.0%
Risk (10 = lowest risk)		3/10 18%	Unchanged. Two earnings inputs uncertain, 8.1% daily range, CLARITY Act deferred
Technical Setup		4/10 5%	Cut from 6. Lost the 20-day and the 200-day; MACD crossed below signal; death cross intact
Investment Score	52 / 100	100%	Weighted sum of the factor scores above; was 49.1 on 29 August. The change is 49.1 to 52.3

Scored 1-10, where 10 is always best, including Risk. A long bar is always the favourable outcome. Weightings: valuation 20, risk 18, competitive advantage 14, growth 13, business quality 12, financial strength 10, management 8, technicals 5, unchanged from the previous report. That report's Risk score already ran in this direction, so no restatement was required. The composite was computed in code and matches the figure printed here.

7. Recommendation

Verdict: Watchlist, reaffirmed. Three dated events landed in one week and none of them answers the question this coverage has been unable to settle, which is whether the June contraction in USDC circulation was a cycle low or the start of a structural drain. Arc is live and impressive and has no disclosed revenue model. The rate path has turned favourable for the yield half of the revenue equation and hostile for nothing Circle does. The CLARITY Act failure has deferred the policy clarity that the float half depends on. Netted out, the business is in a marginally better position than it was three weeks ago and the shares still trade above this report's estimate of what they are worth.

The consideration of a downgrade to Avoid is again rejected, and again not on price. The third-quarter circulation figure is due in early November and is the one disclosure that settles the argument. Taking a negative position seven weeks before it, on a share with an 8.1% average daily range and a rate backdrop that has just turned in the company's favour, would be impatience rather than analysis. The rating means what it has meant for three reports: no position, and a defined list of things that would change that.

Item	Level	Basis
Verdict	Watchlist	Reaffirmed. No position. Third consecutive reaffirmation
Valuation reset zone	\$45 - \$55	Unchanged and deliberately not reset. Derived from an enterprise value near 20x annualised Q2 EBITDA, and the earnings base has not moved. Now ~41% below the market, so it requires the bear case rather than a retracement
Nearer marker	\$83.75	The probability-weighted fair value. Price is 1.6% above it. A sustained move below it with the circulation question still open would not by itself earn an upgrade, but it removes the objection that the shares are expensive
First technical level	\$85.80	The 200-day average, computable for the first time in this coverage. Price sits 0.8% beneath it
Take-profit / cut-loss	Not stated	A Watchlist rating carries no position, so neither has anything to act on
Horizon	Evidence-led	The Q3 circulation figure in early November, not a date chosen by this report

What would change the view

Development	Direction	Why it matters
One quarter of flat-to-positive sequential USDC circulation	Upgrade	The single disclosure that settles the red lever. Due early November
A disclosed Arc fee structure with recurring platform revenue toward 15% of the mix	Upgrade	Converts a hundred validator relationships from an asset into an earnings line
The CLARITY Act, or an equivalent, clearing the Senate	Upgrade	Restores the institutional adoption route that the 15 September vote deferred
A further sequential fall in the float alongside a flat reserve rate	Downgrade	Both revenue inputs falling together is the bear case being confirmed rather than feared
The 50-day average crossing back above the 100-day	Upgrade	Closes the June death cross and completes the technical-repair trigger on its published terms

8. Scenario analysis

The three fair values and the probabilities are carried forward unchanged. That is a deliberate choice rather than an omission. The rate increase argues for raising the base case, because it lifts the yield on every dollar of float; the CLARITY Act failure argues for lowering it, because it defers the growth in the number of those dollars. The two are of similar size and opposite sign, neither has been quantified by a disclosure, and marking them both into the model would produce a false precision. They are recorded in the prose and left out of the numbers.

Case	Prob.	Path	12-mo FV	vs \$85.09
Bull	25%	Circulation resumes growth; policy clarity eventually broadens institutional holding; Arc converts validator commitments into settled volume; RLDC margin reaches the top of guidance	\$130	+52.8%
Base	50%	Float roughly flat, reserve rate now supported by a tightening cycle, other revenue hits guidance largely on token recognition; the sector multiple holds but no re-rating on mix	\$80	-6.0%
Bear	25%	Tokenised money market funds and bank-issued deposits keep pulling idle balances; earnings power impaired as the float base shrinks; multiple compresses toward a utility rating	\$45	-47.1%

Probabilities sum to 100%. Probability-weighted fair value: $\$83.75 = 0.25 \times \$130 + 0.50 \times \$80 + 0.25 \times \$45$, which the \$85.09 price sits 1.6% above, against 4.0% above at the previous note. Downside to the bear case is 47.1% and upside to the bull case is 52.8%. A near-symmetric payoff on a share with an 8.1% average daily range is not an edge. These are this analysis's own estimates, computed in code; the stated weighted value matches its inputs.

9. Investment memo

Would this be a personal investment today? No, and for the fourth distinct reason in four reports, which is itself the most useful thing this coverage has established. In June the objection was the price. In August it was the float. Three weeks ago it was that the price had outrun a fair value which had just been marked up. Today it is that the week which was supposed to resolve the argument resolved nothing: the product shipped, the legislation did not, the central bank moved in Circle's favour, and the one number that matters is still seven weeks away.

The case for owning it has genuinely strengthened in one respect that deserves to be stated without hedging. Circle is close to the only company in this coverage for which a tightening Federal Reserve is a revenue tailwind. A reserve return rate that had fallen 66 basis points year on year now has a policy path pushing the other way, and that acts on the whole of the float immediately rather than waiting for a product to monetise. For a business where 95% of revenue is float multiplied by yield, having one of the two multiplicands turn is not a small thing.

It is not enough, because the other multiplicand is the one that broke. USDC in circulation fell 4.8% sequentially in the last reported quarter, there has been no data since, and the legislative route by which regulated institutions would have been brought in to reverse that fell one vote short on 15 September. A higher yield on a shrinking base is a temporary comfort. At 35 times annualised EBITDA and 1.6% above this report's own fair value, the shares are priced for the float question to be answered favourably, and nobody, including management, currently knows the answer.

The single biggest concern is unchanged: the third-quarter circulation figure. If it shows the float flat or growing, the bull case is live, the rate tailwind compounds it, and this rating changes on the evidence rather than on the price. If it shows another sequential decline, a 35x multiple on a contracting earnings base will not survive the quarter, and the \$45 to \$55 zone stops being a theoretical level. That is a genuinely two-sided outcome seven weeks away, and the correct position in front of it is the one this report has held throughout, which is none.

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