Truflation

Truflation Total Crypto Market Cap Index (TruCMC)

Methodology

January 14, 2025

Contents

1. Executive Summary

As of early January 2026, the global cryptocurrency market capitalization exceeds $3.2 trillion. Considering that cryptocurrencies have existed for only around 15 years, this scale is remarkable and underscores the rapid acceleration of adoption and capital allocation across the digital asset ecosystem.

Measuring cryptocurrency market capitalization is essential because it provides a clear, standardized view of the overall size and health of the market. The crypto landscape is highly fragmented, with reported market cap figures often varying widely across data providers due to differences in methodologies, asset coverage, and data quality. A consolidated market capitalization index helps reduce this noise by establishing a single, reliable reference point.

Accurate and consistent measurement enables investors and institutions to track market trends, assess risk, compare performance over time, and allocate capital with greater confidence. It also supports the development of financial products, benchmarks, and research, while enhancing transparency and accountability across the crypto market. In short, measuring total crypto market capitalization transforms fragmented data into actionable market intelligence.

However, measurement of the total cryptocurrency market can vary significantly, and often materially. Discrepancies arise from differences in asset inclusion criteria, circulating supply calculations, treatment of illiquid or inactive tokens, handling of stablecoins, and the timing and sourcing of price data. Some providers prioritize broad asset coverage, while others emphasize liquidity or data quality, leading to divergent results even on the same day.

These inconsistencies make it challenging for investors, analysts, and institutions to rely on any single data source for an accurate view of the market. The Truflation Total Crypto Market Capitalization Index (TruCMC) addresses this challenge by providing an institution-grade benchmark that reduces provider-specific discrepancies and delivers a more reliable representation of the overall crypto market. By aggregating market capitalization data from leading sources through a carefully weighted methodology that reflects data reliability and depth, TruCMC offers a dependable daily benchmark for tracking and understanding the evolving value of the global cryptocurrency market.

2. Truflation Total Crypto Market Cap Index Framework

The primary objective of the Truflation Total Crypto Market Cap Index is to construct a composite, dynamically updated measure of the cryptocurrency market that:

- Provides an accurate representation of the total cryptocurrency market capitalization using verifiable, diversified data sources.
- Reduce anomalies and minimize manipulation risk from any single provider through a robust, weighted methodology.
- Enable consistent daily performance tracking and long-term trend analysis across the entire digital asset ecosystem.

The construction of the index is a result of the following steps:

Step 1: Defining the Crypto Market
The Truflation Total Crypto Market Capitalization Index is a comprehensive measure of the total value of the cryptocurrency market. It includes all digital assets, ranging from major cryptocurrencies and stablecoins to smaller altcoins and accounts for both liquid and inactive tokens. By encompassing the full spectrum of tokens and weightings of each provider according to assets covered and market capitalization, the index offers a standardized and transparent benchmark for tracking the performance and trends of the entire crypto ecosystem.

Within this definition, Truflation sources data from five (5) eligible providers that include Coingecko, CoinMarketCap, CryptoRank, CoinPaprika and CoinStats, who track total market capitalization across thousands of crypto assets. Truflation ensures that each provider meets strict eligibility criteria, which are reviewed quarterly. They are:

- Provide real-time total market capitalization data
- Track at least 500 active cryptocurrencies
- Offer open access or API endpoints

Quality criteria are applied to each data provider, with automated scripts continuously screening incoming data for formatting errors, non-positive values, and extreme outliers. Providers whose data repeatedly fails these checks may be placed under review or removed from the index. Outliers are identified using a 5% deviation threshold from peer data, ensuring the index remains accurate and consistent.

Providers are reviewed every quarter and may be removed if they fail to meet quality or data consistency benchmarks.

Step 2: Data Collection

Every day at 23:59 UTC, the TruCMC extracts the market capitalization data, which includes circulating supply and its market prices from the eligible provider. A weighted average of these values is then computed to produce the most representative total crypto market capitalization for that day.

Step 3: Weighting Scheme

Each eligible data provider is assigned a weight based on the proportion of cryptocurrencies they track relative to total coverage. The TruCMC value is calculated using a weighted methodology that is fixed for a quarter, ensuring stability while reflecting market representation. Each provider is assigned a minimum weight of 10%. The final weighting as of January 2026 is highlighted in Exhibit 1.

Exhibit 1 - Current Weighting (below numbers are based on January 2026 numbers)

Eligible Provider	Crypto currencies tracked	Initial weighting	**Final weighting (min weight of 10%)**
Coingecko	18,976	27.10%	**26.24%**
CoinMarketCap	8,960	12.79%	**12.39%**
CryptoRank	4,948	7.07%	**10.00%**
CoinPaprika	12,656	18.07%	**17.50%**
CoinStats	24,495	34.98%	**33.87%**

Historical Weights

Historical weights are maintained and published in tabular form (Exhibit 2) to ensure transparency and enable longitudinal analysis of structural shifts within the TruCMC ecosystem.

Exhibit 2 - Historical weights

Eligible Provider	Coingecko	CoinMarket Cap	CryptoRank	CoinPaprika	CoinStats
Sep 5, 2025	24.40%	12.73%	10.00%	19.08%	33.79%
Jan 1, 2026	26.24%	12.39%	10.00%	17.50%	33.87%

Step 4: Rebalancing Frequency

The index is rebalanced quarterly, on the 15th (or prior) of each quarter i.e. January, April, July, October with the rebalanced data applied retrospectively to the 1st day of the quarter. This is based on the proportion of cryptocurrencies tracked by each provider.

A secondary potential rebalancing occurs every quarter following a review of eligible data providers, which evaluates the disclosure of tracked cryptocurrencies and the consistency of daily data submission. If no changes are made to the list of providers, the weights remain unchanged.

Step 5: Scaling Factor (Divisor Adjustment)
A scaling factor is applied to maintain index continuity and prevent artificial changes in the index level resulting from structural events. Structural events include constituent additions or deletions, changes in index weights due to scheduled rebalancing, and other methodology-driven adjustments.

The scaling factor is calculated as:
Scaling Factor = Old Weighted Sum / New Weighted Sum

The index level is calculated as:
Index Level = Weighted Sum × Scaling Factor

Prior to a structural event, the scaling factor remains unchanged. On the effective date of a constituent change or weight rebalance, the scaling factor is recalculated so that the index level immediately before and after the event remains consistent. The recalculated scaling factor remains in effect until the next structural event requiring adjustment.

All scaling factor changes are documented with effective dates to ensure transparency, auditability, and historical consistency of the index series.

Exhibit 3 - Historical Scaling factor

Start date	End date	Scaling factor
2024-05-10	2025-12-31	1
2026-01-01		1.000352897

Step 6: Index Calculation
The calculation of the TruCMC is based on the following formula.
- Mi is the reported market capitalization from provider i
- Wi is the fixed weight assigned to provider i

Then the TruCMC for a given day is:

$$\text{TruCMC}t = \sum_{i=1}^{n} (Mi\ x\ Wi)$$

Where:

- n is the total number of eligible providers
- $Wi = 1$

Contingency Calculation Rules

In the event of missing, delayed, or erroneous data from one or more providers:

- Providers with missing data at the time of data extraction (23:59 UTC) are excluded from that day's calculation.
- If a provider's reported market capitalization deviates by more than 5% from the median of all other providers, the data point is flagged as potentially erroneous and excluded
- A log of all exclusions and fallbacks is published with each index release to maintain transparency.

Market Failure Events

If insufficient data is available to calculate the index on a given day:

- The index will not be published for that day.
- The most recent published value will be carried forward and clearly marked with an asterisk (*).
- A notice will be issued on the Truflation dashboard and API to inform users.

3. The Output Metrics

The Truflation Total Crypto Market Cap Index is updated on a daily basis and produces the following indexes:

1. TruCMC Headline market cap in trillions of USD
2. Daily Headline year on year percentage change
3. Each of the eligible data providers market cap in trillions of USD
4. Each of the eligible data providers year on year percentage change
5. Historical time series

The TruCMC Index was launched on May 10, 2024, with historical data available from this date.

In addition to the main TruCMC Index, two sub-indexes have been created to provide deeper insight into market dynamics. These sub-indexes allow investors and analysts to better understand market behavior beyond the largest tokens.

Sub-Indices	Definition / Methodology
Truflation Total Crypto Market Cap ex BTC (TruCMCxB)	This sub index excludes Bitcoin (BTC) to highlight trends in the broader cryptocurrency market.
Truflation Total Crypto Market Cap ex BTC&ETH (TruCMCxBE)	This sub index excludes Bitcoin (BTC) and Ethereum (ETH) offering a view of performance across smaller and emerging digital assets.

The data is published daily on the Truflation dashboard, where users can access historical records and download the full datasets. Additionally, the dashboard allows users to view the data in USD terms or convert it into an Index value for easy comparison and tracking over time.

4. Truflation Total Crypto Market Cap Index Benefits

The TruCMC Index is a key benchmark that reflects the overall health and activity of the cryptocurrency market. It measures the total market capitalization of all tracked digital assets, including major cryptocurrencies, stablecoins, and both liquid and inactive tokens, providing a comprehensive view of market value and investor participation. As market capitalization captures the allocation of capital and the relative confidence of participants in digital assets, changes in the index can offer meaningful insights into market trends, investor sentiment, and the evolving adoption of cryptocurrencies across the global economy. Key advantages of the Index include:

- ***Institution-grade Benchmark:*** By aggregating data from multiple verified providers using a weighted methodology, it provides a reliable and standardized measure of market capitalization encompassing cryptocurrencies, stablecoins and both liquid and inactive tokens.
- ***Accuracy & Consistency:*** The index mitigates risks from errors or anomalies through automated quality checks and outlier detection. The rebalancing adjusts for structural shifts in the market and provider coverage, both ensuring accuracy & consistency.
- ***Faster, Real-Time, High-Frequency Insights:*** Its daily updates and historical dataset enable investors, analysts and institutions to track trends, assess performance and analyze market dynamics over time.
- ***Accessible, Actionable Insights:*** The index is available through Truflation's online dashboard, providing individual investors, journalists, and financial advisors with direct, actionable access to high-quality insights.

5. Summary

The Truflation Total Crypto Market Capitalization Index (TruCMC) is a daily institution grade benchmark measuring the total value of the cryptocurrency market, including currencies, stablecoins and both liquid and inactive tokens. Aggregating data from multiple verified providers with a weighted methodology, TruCMC delivers a reliable, transparent and consistent view of market trends, investor behaviour and the evolving crypto ecosystem.

6. Version History

Version	Date Released	Notes
1.0	May 15, 2025	Genesis of the Truflation Total Crypto Market Cap Index.
1.1	September 5th, 2025	Removal of Santiment as a Data Provider as they stopped providing data and addition of quarterly rebalance
1.2	January 14th, 2026	Quarterly rebalance and Methodology update