

The GENIUS Act Pattern Just Repeated -- and Bitcoin Has Not Priced It Yet

GENIUS Act Committee to \$124K. CLARITY Act Calendar No. 423. Galaxy \$10M Institutional Prediction Market Bet. The Run-Up Is the Trade. -- Q2 2026

On May 14, 2026, the Senate Banking Committee passed the Digital Asset Market Clarity Act -- formally H.R. 3633 -- in a 15 to 9 bipartisan vote. All 13 Republicans on the committee voted in favor, joined by Democrats Ruben Gallego of Arizona and Angela Alsobrooks of Maryland. Committee Chairman Tim Scott stated: today, the Banking Committee showed the American people that Washington can still work together. On June 1, 2026, the CLARITY Act was officially entered onto the United States Senate Legislative Calendar as Calendar Number 423 -- the administrative completion of the committee-to-calendar process that makes the bill formally eligible for a full Senate floor vote whenever leadership schedules one. The calendar placement does not set a floor vote date. It does not mean the bill has passed. The remaining steps are full Senate debate and amendments, a Senate floor vote requiring 60 votes to overcome a filibuster, potential House-Senate reconciliation given changes made since the House passed its version by 294 to 134 in July 2025, and presidential signature. What the calendar placement does mean -- specifically, precisely, and consequentially for Bitcoin investors who understand the GENIUS Act precedent -- is that the CLARITY Act has now reached the same legislative stage at which the GENIUS Act produced a 53% Bitcoin price appreciation from approximately \$81,000 to \$124,000. The GENIUS Act cleared its Senate Banking Committee markup vote in May 2025. Bitcoin was trading near \$81,000 at that point. By the time the GENIUS Act was signed into law on July 18, 2025, Bitcoin had reached approximately \$124,000. The committee-to-signature run-up produced 53% appreciation. The GENIUS Act was one piece of a two-bill crypto legislative framework. The CLARITY Act is the second piece -- and in the assessment of market analysts who have studied the structure of both bills, it is the more commercially significant of the two by a factor of five to ten. Galaxy Digital placed a \$10 million institutional prediction market trade on the CLARITY Act passing in 2026 through Galaxy's institutional OTC prediction market offering with Arca. Coinbase described the bill as very close to getting done. Senator Lummis stated the United States is closer to a functioning digital asset market structure than at any point in history. And Bitcoin, at the time the calendar placement was confirmed on June 1, was trading below \$68,000 -- down 14% from its pre-outflow-streak levels -- having just completed the longest ETF outflow streak in its institutional history. The pattern repeated at the exact moment when institutional sentiment was at its weakest point in months. That is not a coincidence. That is the setup.

01 -- THE GENIUS ACT PRECEDENT: WHAT ACTUALLY HAPPENED FROM COMMITTEE TO SIGNATURE

Establishing the GENIUS Act precedent precisely requires going beyond the headline numbers to understand the specific mechanism by which legislative catalysts translate into Bitcoin price appreciation -- because the mechanism is more important than the percentage return for understanding whether the CLARITY Act pattern can repeat.

The GENIUS Act -- the Guiding and Establishing National Innovation for US Stablecoins Act -- began its Senate Banking Committee markup process in the first quarter of 2025. The bill established the regulatory framework for payment stablecoins: requiring dollar-for-dollar reserve backing in high-quality liquid assets, monthly attestation of reserves, a prohibition on paying yield directly to token holders, and federal licensing requirements for stablecoin issuers with market caps above \$10 billion. When the Senate Banking Committee advanced the GENIUS Act in May 2025, Bitcoin was trading near \$81,000.

The price appreciation from \$81,000 toward \$124,000 between the May 2025 committee passage and the July 18, 2025 signing did not happen in a straight line. There were setbacks -- Democratic amendments that temporarily threatened the bill's bipartisan coalition, banking lobby objections to stablecoin yield provisions, procedural delays that pushed back the floor vote timeline. Each setback produced temporary price pullbacks. Each resolution of a setback produced a resumption of the appreciation trend. The 53% cumulative appreciation from the committee stage to the signing was not experienced uniformly -- it was distributed across a legislative timeline that included uncertainty, headlines both positive and negative, and multiple moments where the outcome was genuinely unclear.

The specific mechanism connecting legislative progress to Bitcoin price is not the bill's direct impact on Bitcoin supply or demand. The mechanism is institutional capital recalibration of Bitcoin's risk-return profile in response to permanent regulatory clarity. When regulated financial institutions can predict with confidence that stablecoins will be legally authorized, reserve requirements will be defined, and the CFTC will have explicit commodity jurisdiction over Bitcoin and Ethereum, they can underwrite larger Bitcoin allocations without the residual tail risk that a hostile regulatory reversal could produce. Each legislative step that reduces regulatory tail risk increases the addressable market of institutional capital that can allocate to Bitcoin under mandate constraints. The GENIUS Act's passage brought that institutional recalibration to the stablecoin market. The CLARITY Act's passage will bring the same recalibration to the entire digital asset market structure.

The 53% appreciation from \$81,000 to \$124,000 during the GENIUS Act run-up is the documented institutional response to the elimination of regulatory tail risk for one segment of the crypto market. The CLARITY Act eliminates regulatory tail risk for every segment simultaneously -- the five-category digital asset taxonomy, the digital commodity broker-dealer framework, the DeFi safe harbor, the on-chain capital formation rules, the tokenized securities framework. The commercial scope of the CLARITY Act's regulatory clarity is broader than the GENIUS Act's by every measurable dimension.

GENIUS ACT PRECEDENT: Senate Banking Committee passage May 2025. Bitcoin near \$81,000. GENIUS Act signed July 18 2025. Bitcoin reached approximately \$124,000. Committee to signature appreciation: 53 percent. Mechanism: institutional capital recalibration of Bitcoin risk-return profile in response to permanent regulatory tail risk elimination. CLARITY Act cleared the same committee stage May 14 2026.

02 -- CALENDAR NUMBER 423: WHAT THE SENATE LEGISLATIVE CALENDAR ACTUALLY MEANS

The June 1, 2026 placement of the CLARITY Act on the Senate Legislative Calendar as Calendar Number 423 is being misread by the majority of media coverage in two opposite directions simultaneously. Some coverage is treating calendar placement as equivalent to passage -- a serious analytical error. Other coverage is dismissing calendar placement as merely procedural with no investment significance -- an equally serious analytical error in the opposite direction.

The Senate Legislative Calendar is the official queue of bills that have completed committee review and are eligible for full Senate floor consideration. A bill that is not on the Senate Legislative Calendar cannot be scheduled for a floor vote regardless of how much support it has. A bill that is on the Senate Legislative Calendar can be scheduled for a floor vote by Senate leadership at any time. Calendar Number 423 is not an outcome. It is an eligibility status. The CLARITY Act now has the eligibility status that the GENIUS Act had when Bitcoin began its run from \$81,000 to \$124,000.

The five remaining steps between Calendar Number 423 and a presidential signature are: Senate leadership scheduling floor debate, full Senate floor debate and potential amendments, a Senate floor vote requiring 60 votes to invoke cloture and overcome a filibuster, House-Senate reconciliation to resolve differences between the Senate version and the House version passed 294 to 134 in July 2025, and presidential signature. The White House target for the presidential signature remains July 4, 2026 -- seven weeks from the June 1 calendar placement. That timeline is aggressive given the 60-vote filibuster threshold and the reconciliation requirement. But it is not impossible, and the political dynamics that produced the 15 to 9 bipartisan committee vote are the same dynamics that produced the GENIUS Act's path to passage.

The 60-vote filibuster threshold is the most significant remaining legislative risk. All 53 Senate Republicans are expected to vote yes. Seven Democratic votes are needed. Gallego and Alsobrooks voted yes at committee. Five additional Democratic floor votes are needed. The Van Hollen ethics amendment -- which would have barred senior government officials from holding certain crypto business interests and failed 11 to 13 in committee -- remains the most politically charged unresolved issue heading to the floor. How Senate leadership handles the ethics provision on the floor will determine whether the five additional Democratic votes can be secured.

03 -- WHY THE CLARITY ACT IS FIVE TO TEN TIMES MORE IMPORTANT THAN THE GENIUS ACT

The analytical case for the CLARITY Act being five to ten times more commercially significant than the GENIUS Act rests on a straightforward comparison of what each bill actually does and how large the addressable institutional market affected by each bill is.

The GENIUS Act addressed one market segment: payment stablecoins. The total stablecoin market at the time of the GENIUS Act's passage was approximately \$250 billion in outstanding supply. The institutional capital flows that the GENIUS Act unlocked were primarily flows into stablecoin reserve

management -- banks and OCC-chartered entities entering the stablecoin market to capture the Treasury bill yield on stablecoin reserves. This is a large and commercially important market. It is also a defined and limited one.

The CLARITY Act addresses every market segment that the GENIUS Act did not address. The five-category digital asset taxonomy covers every token in existence and assigns it a regulatory classification. The digital commodity broker-dealer framework authorizes every CFTC-registered bank and broker-dealer to trade the 16 named digital commodities including Solana, XRP, Cardano, Avalanche, Chainlink, and Polkadot -- assets that collectively represent hundreds of billions of dollars in market capitalization that institutional investors cannot currently access through regulated channels. The DeFi safe harbor protects software developers building decentralized protocols from securities law classification -- unlocking the entire DeFi ecosystem for institutional participation. The on-chain capital formation framework -- Regulation Crypto Infrastructure -- creates the compliant token issuance pathway that every blockchain project needs to raise capital from US investors. And the tokenized securities framework -- combined with the March 5, 2026 Federal Reserve, FDIC, and OCC technology-neutral capital treatment ruling -- creates the regulatory foundation for the entire RWA tokenization buildout that the Alain AI Lab research series has documented across DTCC, BlackRock, JPMorgan, and the XRP Ledger.

The addressable institutional capital that the CLARITY Act unlocks is not the \$250 billion stablecoin market. It is the combined institutional allocation potential of every investment mandate that currently excludes digital assets because regulatory classification uncertainty creates compliance risk. Pension funds, insurance companies, sovereign wealth funds, endowments, and family offices that have been waiting for statutory commodity classification before making large-scale digital asset allocations have a combined AUM that runs into tens of trillions of dollars. The CLARITY Act is the statutory event that unlocks that capital for the first time. The GENIUS Act was a warm-up. This is the main event.

SCALE COMPARISON: GENIUS Act addressed \$250B stablecoin market. CLARITY Act addresses: all 16 named digital commodities including Solana XRP Cardano Avalanche Chainlink Polkadot, all DeFi protocols, all tokenized securities, all on-chain capital formation. Addressable institutional capital: tens of trillions. Five to ten times more important is analytically conservative.

04 -- THE PRICE THESIS: THE RUN-UP IS THE TRADE, NOT THE SIGNING

The most important investment insight in the GENIUS Act precedent is one that is consistently misapplied by retail investors who wait for confirmation before acting: the 53% appreciation from \$81,000 to \$124,000 was distributed across the run-up period from committee passage to signing -- not concentrated at the signing event itself. The signing of the GENIUS Act into law on July 18, 2025 was, as crypto market structure analysts documented at the time, the sell event rather than the buy event.

The buy the rumor, sell the news dynamic is one of the most consistent patterns in Bitcoin's response to regulatory catalysts. The Bitcoin ETF approval in January 2024 was preceded by months of price appreciation that began when the SEC's approval probability crossed meaningful thresholds. The GENIUS Act produced its 53% appreciation during the legislative process -- not after the signing. The

investors who waited for the GENIUS Act to be signed before increasing their Bitcoin exposure bought at \$124,000 and experienced the post-signing correction rather than the pre-signing appreciation.

The CLARITY Act run-up dynamic is complicated by the current macro environment in a way that the GENIUS Act run-up was not. The GENIUS Act ran from \$81,000 to \$124,000 during a period of relatively benign macro conditions -- no Iran conflict, no 3.8% CPI print, no 11-day record ETF outflow streak. The CLARITY Act's committee passage and calendar placement occurred during the most stressed Bitcoin institutional sentiment environment in months. Bitcoin at \$68,000 during the calendar placement is approximately 15% below where it was trading when the GENIUS Act process began.

The macro headwinds -- Iran conflict, Fed higher-for-longer, AI equity rotation -- are the same temporary catalysts that produced the 11-day ETF outflow streak analyzed in the previous report in this series. Each of these headwinds has a resolution pathway. The Iran conflict has a ceasefire pathway. The Federal Reserve has a rate cut pathway as inflation data improves. AI equity outperformance is a quarterly rotation phenomenon rather than a permanent structural shift. When these headwinds resolve simultaneously with the CLARITY Act advancing toward a floor vote, the combination of macro tailwind restoration and legislative catalyst advancement creates the setup for the most concentrated positive Bitcoin price catalyst since the January 2024 ETF approvals.

Galaxy Digital's \$10 million institutional prediction market trade on the CLARITY Act passing in 2026 is the most credible institutional signal of legislative probability available. Galaxy is not a retail investor making a directional bet. It is a publicly listed digital asset financial services company with the research infrastructure to assess legislative probabilities with institutional rigor. A \$10 million trade at current prediction market odds represents Galaxy's institutional assessment that the CLARITY Act passage probability is high enough to justify meaningful capital commitment. That signal, at a moment when Bitcoin is trading at \$68,000 during peak institutional bearishness, is the clearest possible indication that the institutional money that understands the legislative timeline is already positioning.

05 -- THE MATH: WHAT THE PATTERN IMPLIES ACROSS DIFFERENT SCENARIOS

The price projection exercise for the CLARITY Act using the GENIUS Act precedent requires three explicit inputs and two explicit scenario assumptions. The inputs are: Bitcoin price at committee stage, GENIUS Act appreciation percentage, and CLARITY Act relative commercial importance. The scenarios are: CLARITY Act mirrors GENIUS Act exactly, and CLARITY Act performs at a fraction of its theoretical maximum due to macro headwinds and the fact that some institutional capital was already deployed during the GENIUS Act run-up.

Scenario one -- CLARITY Act mirrors GENIUS Act appreciation exactly. Bitcoin was trading near \$68,000 at the time of the calendar placement on June 1, 2026. A 53% appreciation from \$68,000 produces a price target of approximately \$104,000. This is the conservative scenario that assumes the CLARITY Act produces exactly the same institutional demand response as the GENIUS Act despite being five to ten times more commercially significant. It also assumes Bitcoin's starting price at the CLARITY Act calendar stage -- \$68,000 -- rather than the higher level at which the GENIUS Act process began. The 53% scenario is analytically conservative for two reasons: the CLARITY Act is larger in

commercial scope, and \$68,000 represents a lower and arguably more attractive entry level than the \$81,000 starting point of the GENIUS Act run.

Scenario two -- CLARITY Act produces appreciation proportional to its commercial significance relative to the GENIUS Act. If the CLARITY Act is five times more commercially significant than the GENIUS Act, and if the institutional demand response scales proportionally with commercial significance, a 5x multiplier on the 53% GENIUS Act appreciation produces approximately 265% upside. A 265% appreciation from \$68,000 produces a price target of approximately \$248,000. A 10x multiplier produces approximately \$748,000. These numbers are the theoretical maximum of the proportional scenario and should be understood as upper bounds rather than central estimates -- not because the CLARITY Act is not five to ten times more commercially important than the GENIUS Act, but because markets have already partially priced some regulatory progress, institutional capital deployment during the GENIUS Act run-up cannot be redeployed at the same scale, and macro headwinds will dampen the appreciation rate even if the direction is correct.

The central estimate that reconciles the conservative and proportional scenarios is a CLARITY Act run-up that exceeds the GENIUS Act's 53% in percentage terms but does not approach the theoretical 5x to 10x multiplier. An appreciation in the range of 80% to 150% from the \$68,000 calendar-placement level -- implying a price range of approximately \$122,000 to \$170,000 by the time the CLARITY Act is signed -- is consistent with a bill that is two to three times more commercially significant than the GENIUS Act while operating in a macro environment that partially offsets the legislative catalyst's full demand impact.

PRICE SCENARIOS: Conservative -- 53 percent mirror of GENIUS Act from \$68K base implies \$104K. Proportional to 5x importance -- implies \$248K. Central estimate reconciling both -- 80 to 150 percent appreciation implies \$122K to \$170K by signing. All scenarios assume the run-up is the trade. The signing is historically the sell event.

06 -- THE REMAINING RISKS AND THE FULL LEGISLATIVE PICTURE

The CLARITY Act investment thesis is not without risks, and an institutional research report that presents only the bull case without mapping the genuine legislative and macro risks that could prevent the GENIUS Act pattern from repeating would be analytically incomplete.

The 60-vote filibuster threshold is the most significant legislative risk. Seven Democratic floor votes are needed beyond the 53 Republican votes. Gallego and Alsobrooks voted yes at committee but stated their support was conditional and may not translate into floor votes. The five additional Democratic votes needed are uncertain. Senator Elizabeth Warren's opposition to the CLARITY Act has been consistently vocal, and her influence on Senate Democratic caucus positions on financial regulation is significant. If Senate leadership cannot secure 60 votes for cloture, the CLARITY Act cannot proceed to a floor vote regardless of calendar placement.

The Van Hollen ethics amendment -- which failed 11 to 13 in committee -- remains politically charged. The amendment would bar senior government officials from holding certain crypto business interests, targeting the Trump family's involvement in World Liberty Financial and the TRUMP and MELANIA meme coins. Senate Democrats who might otherwise vote for the CLARITY Act on its merits are

conditioning their floor vote support on the ethics provision being included. Senate Republicans and the White House are resisting. The floor vote outcome on this specific amendment may determine whether the 60-vote threshold can be reached.

The House-Senate reconciliation requirement adds a timeline risk. The Senate version includes provisions added during the May 2026 markup that differ from the House version passed in July 2025. Even if the Senate passes the bill before the July 4 target, a conference committee to resolve the differences adds weeks to the timeline. The July 4 signing target from the White House is achievable in the best case but requires the Senate floor vote to occur before mid-June and reconciliation to complete in approximately two weeks -- a compressed timeline that depends on legislative coordination that has not historically characterized the CLARITY Act's progress.

The macro headwinds -- Iran conflict, Fed higher-for-longer, Bitcoin below \$70,000 -- are the same temporary catalysts that produced the 11-day ETF outflow streak. They do not change the structural direction of the CLARITY Act legislative catalyst. But they extend the timeline and dampen the early run-up compared to the GENIUS Act's more benign macro context. Investors who understand the legislative timeline need patience that the GENIUS Act run-up did not require.

07 -- CONCLUSION: THE PATTERN REPEATED. THE MARKET HAS NOT PRICED IT.

The CLARITY Act's placement on the Senate Legislative Calendar as Calendar Number 423 on June 1, 2026 -- following its 15 to 9 bipartisan Senate Banking Committee passage on May 14 -- is the same legislative milestone that the GENIUS Act reached before producing a 53% Bitcoin price appreciation from \$81,000 to \$124,000. The pattern repeated at the exact moment when Bitcoin was trading at its weakest institutional sentiment environment in months, at \$68,000, following an 11-day record ETF outflow streak driven by Iran conflict fear, Fed higher-for-longer confirmation, and AI equity rotation.

The convergence of maximum institutional bearishness and maximum legislative progress is not a contradiction. It is the setup that produces the most significant returns for investors who understand the difference between short-term sentiment and long-term structural catalysts. The short-term sentiment is captured by the ETF outflow data and the Bitcoin price at \$68,000. The long-term structural catalyst is captured by Calendar Number 423 and Galaxy Digital's \$10 million institutional prediction market bet.

The complete picture of Bitcoin's structural environment in June 2026 -- the Strategic Bitcoin Reserve permanent lockup of 200,000 BTC, the Mt. Gox October 31 deadline permanently resolving the creditor overhang, Kevin Warsh chairing a Fed that is one inflation data point away from a rate cut pivot, the CLARITY Act on the Senate calendar with July 4 signing target, and 16 named digital commodities waiting for the statutory commodity classification that unlocks institutional bank trading -- is the most constructive structural setup for Bitcoin since the January 2024 ETF approvals. The institutional sentiment is at its lowest point in months. The structural catalysts are at their highest concentration in the asset's history. The GENIUS Act pattern repeated. The market has not priced it yet.

GENIUS Act committee to signing: Bitcoin \$81K to \$124K, 53 percent. CLARITY Act committee May 14 2026: Bitcoin near \$68K. Calendar Number 423 placed June 1. Galaxy \$10M institutional prediction market trade. The run-up is the trade. The signing is the sell. The

pattern repeated at maximum institutional bearishness. The market has not priced it yet.

intelligencecrypto.org | Alain AI Lab | Institutional Research | June 2026

This report is for informational and educational purposes only and does not constitute financial advice.