

The Digital Fort Knox Shock: Assessing Valuation Sensitivity in Firms with Varying Crypto Exposure

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Abstract

This study investigates the equity valuation effects of the U.S. executive proposal to establish a strategic national cryptocurrency reserve, a watershed policy signal that fundamentally recalibrated the risk-return profile of the digital asset ecosystem. We posit that such sovereign-level intervention acts as a formal legitimization mechanism, effectively narrowing the information asymmetry gap and mitigating idiosyncratic regulatory discounts applied to blockchain-integrated firms. Utilizing an event-study framework on a cross-section of publicly traded companies with heterogeneous crypto-exposure, we document a starkly bifurcated market response. Pure-play entities, specifically cryptocurrency miners and institutional-scale digital asset holders, captured substantial value, yielding cumulative average abnormal returns (CAARs) of approximately 9.24% and 21.38%, respectively, over a 6-days window. In contrast, firms with peripheral involvement (blockchain and crypto services providers, crypto as a secondary business, and firms with passive treasury allocations) exhibit negligible or non-positive valuation sensitivities. These findings suggest that sovereign policy shocks catalyze a process that prioritizes operational crypto beta and structural integration over incidental or speculative treasury exposure. Our results contribute to the growing literature on digital finance by demonstrating how the institutionalization of decentralized assets into sovereign balance sheets facilitates targeted market revaluation based on the depth of firm-level commitment to the underlying technology.

Keywords

Crypto companies, Crypto strategic reserve, event study, United States.

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1. Introduction

The rapid integration of digital assets into the traditional financial ecosystem has rendered what was once a fringe asset class, characterized by speculative retail interest, into a strategic component of corporate balance sheets, institutional portfolios, and national economic discourse (Baur et al., 2018). This transformation reached a critical juncture in 2024, as digital assets shifted from the periphery of financial markets to the center of sovereign policy debates, catalyzed in part by the shifting regulatory landscape following the 2024 U.S. elections (Rogers et al., 2024).

The March 2025 Executive Order institutionalized a formal federal digital asset strategy by establishing a Strategic Bitcoin Reserve for long-term retention alongside a Digital Asset Stockpile (also referred to as “Strategic Crypto Reserve”) for the systematic governance of diverse tokens like ETH, SOL, XRP, and ADA. This framework utilizes a budget-neutral approach, capitalized primarily through existing government forfeitures, to manage current holdings while paving the way for the integration of additional cryptocurrency products into the federal government balance sheet (The White House, 2025).

While prior research has extensively documented the high volatility of cryptocurrencies and their shifting correlations with traditional assets (Garanina et al., 2022; Liu & Tsyvinski, 2021), as well as their dynamics around trading fee related news (Galati, 2024), political events (Borri & Shakhnov, 2020; Pirazzi Maffiola & Sevim, 2026), policy announcements (Babalos et al., 2025; Myeong & Kim, 2025), social media (Maître et al., 2025) and firm blockchain related announcements (Cahill et al., 2020), the systemic implications of sovereign-level crypto reserves remain under-explored. Specifically, it remains unclear how state adoption affects the underlying asset and, crucially, the financial stability of equity markets and crypto-dependent listed firms. Whether sovereign institutionalization catalyzes equity risk is an open empirical question.

We contribute to the digital asset finance literature (Pagnotta & Buraschi, 2018) by examining how equities reacted to the U.S. President’s March 2, 2025, X tweet regarding a Strategic Crypto

Reserve (Hunnicut, 2025). This policy shift affects a diverse array of listed firms, ranging from pure-play crypto operations to conglomerates holding digital tokens as treasury assets (Financial Times, 2025) or inflation hedges (Bouri et al., 2017). We hypothesize that this sovereign-level commitment serves as a validation mechanism that reduces idiosyncratic regulatory risks and information asymmetries (Gorton & Zhang, 2023), lowering the risk premium and stabilizing price discovery for firms with business model centered around the crypto ecosystem. Specifically, we anticipate that firms with primary crypto business models (Le, 2025), such as miners, dedicated holding companies, and blockchain-centered entities, will experience positive valuation shifts. Our findings document a validation effect where sovereign reserve declarations act as a catalyst for core crypto-related operations, whereas business models centered on blockchain services exhibit no statistically significant impact.

This research is particularly timely as index providers adopt an array of approaches toward digital asset firms. While S&P is integrating these entities through its Digital Markets 50 Index (S&P Global, 2025), MSCI is exploring the exclusion of companies with digital asset holdings exceeding 50%, categorizing them as investment vehicles rather than operational businesses (Howcroft, 2025). These index inclusion criteria introduce valuation risks that may complicate corporate demand for digital assets, leaving market participants to weigh the relative benefits of equity-based exposure versus direct asset ownership (Brière et al., 2015). Consequently, the establishment of a U.S. Strategic Reserve serves as a significant policy shock that may provide institutional validation for the corporate reserve model, even as some traditional indices move toward a more cautious stance. This environment creates a unique experimental setting to analyze how markets reconcile these varied institutional signals and to test the efficiency of information impoundment in equity prices (Fama, 1970).

Our research is motivated by three primary gaps in financial literature. First, while the impact of central bank digital currencies and standard monetary policy on stock markets is well documented (Auer et al., 2022), the influence of sovereign reserve policy on decentralized, unbacked assets

remains underexplored. Second, existing event studies focus on token-level data (Babalos et al., 2025; Chen et al., 2023; Myeong & Kim, 2025; Pirazzi Maffiola & Sevim, 2026; Yen et al., 2023) or the price impacts of crypto acquisitions by listed firms (Gimenes et al., 2023), while, to our knowledge, no study has examined the market’s pricing of positive sovereign crypto integration signals across listed firms with crypto exposure. Third, we address the empirical gap regarding crypto-native policy spillovers, the direct transmission of digital asset regulatory shocks to traditional equity valuations, by conducting an event study on the Strategic Crypto Reserve declaration to quantify the market impact of this policy.

The remainder of this paper is organized as follows. Section 2 provides the study background. Section 3 describes the data collection and firm categorization. Section 4 details the empirical method. Section 5 presents the results and robustness checks, and Section 6 concludes with policy implications and future research directions.

2. Literature background and hypotheses development

2.1. The Evolution of Corporate and Sovereign Digital Asset Integration

The transition of digital assets from speculative retail instruments to strategic institutional components represents structural maturation at the intersection of blockchain protocols and corporate finance. Early scholarly discourse primarily examined Bitcoin through the lens of idiosyncratic volatility, evaluating its properties as a speculative medium of exchange or as a nascent inflation hedge (Baur et al., 2018). However, as the regulatory environment matured, the integration of these assets into the balance sheets of publicly listed entities catalyzed a more complex market structure. This evolution has resulted in a heterogeneous spectrum of exposure, ranging from pure-play infrastructure providers to firms that utilize digital assets solely as treasury reserve components (Sedliačik & Ištók, 2023).

Consequently, the valuation dynamics of these stocks have likely decoupled from traditional equity market benchmarks and become increasingly sensitive to the specific risks inherent in

blockchain-centric business models. This shift suggests that the market now prices digital assets not merely as peripheral commodities but as fundamental determinants of corporate solvency and growth potential. Within this framework, the transition from passive holding to active operational integration dictates how equity markets discount future cash flows and unravel the price discovery process. The market applies a lower risk premium to firms where the validation of the asset class directly stabilizes their core business models.

2.2. *Hypotheses Development*

The introduction of sovereign reserves for decentralized, unbacked assets represents an uncharted frontier in financial literature, distinct from the well-documented impacts of Central Bank Digital Currencies (CBDCs) and standard monetary policy. The U.S. President's declaration on March 2, 2025, to establish a Strategic Bitcoin Reserve constitutes a watershed moment that bridges sovereign fiscal policy with the digital asset ecosystem (Krause, 2025). Unlike previous regulatory signals that focused on restrictive oversight, this policy acts as a "validation signal" by generating a permanent demand floor and reducing the perceived idiosyncratic risk of the asset class.

From the perspective of market efficiency, such a sovereign-level shock provides a unique laboratory to test how equity markets absorb high-level institutional validation of assets that still need to discover a unified valuation technique. While prior research by Babalos et al. (2025) and Myeong & Kim (2025) explored price discovery following spot ETF approvals, the Digital Fort Knox announcement is distinct in its top-down validation of the corporate reserve model. Hashemi Joo et al. (2020) find that announcement effects in these markets often trigger complex, multi-stage price discovery phases, as evidenced by the technical corrections and volatility excursions (DVOL) observed in March 2025. technical correction on Monday March 3, 2025, of almost -9% following the initial weekend increase in Bitcoin price and volatility (as the price of the digital asset rose by 9.52% on Sunday March, 2 and Deribit's option implied volatility index (DVOL) experienced an excursion from a low to a high daily value of 8% on Friday February 28, and of 7% on Sunday March 2.

As Anadu et al. (2025) emphasize, systemic crypto shocks now possess the capacity to influence broader financial stability. This validation effect implies a transmission mechanism where institutional signals function as a fundamental re-rating catalyst. Specifically, sovereign integration likely yields disparate valuation impacts, de-risking firms with core, crypto-native operations while leaving peripheral entities unaffected. Drawing on the framework of institutional validation, we hypothesize that sovereign reserve announcements trigger positive cumulative abnormal returns (CAR) for crypto-centric firms during the $[0, 6]$ day event window. To test the granularity of this effect, we propose the following hypotheses across specific crypto-centric business models:

H.1.: The Strategic Crypto Reserve announcement is linked with positive abnormal returns for Crypto Miners.

H.2. The Strategic Crypto Reserve announcement is linked with positive abnormal returns for Crypto Vaults.

H.3. The Strategic Crypto Reserve announcement is linked with positive abnormal returns for Blockchain and Crypto Service Providers.

3. Data

3.1. Sample selection

The sample was constructed through a multistage selection process designed to capture U.S.-listed firms with significant direct and indirect exposure to digital assets. We relied on CoinGecko's corporate treasury database to identify a global universe of 138 companies that hold Bitcoin (BTC), Ethereum (ETH), or Solana (SOL). Narrowing this selection to publicly traded firms in the U.S. reduced the sample to 59. To ensure a comprehensive representation of the digital asset ecosystem, we supplemented this list with specialized crypto-mining firms identified using BitcoinMiningStock.io. This led to the inclusion of 7 additional U.S.-listed firms that were not included in CoinGecko's database, bringing the total sample to 66 companies. To ensure a robust estimation, we required 150 days of continuous pre-event price data, resulting in a final sample of 55

firms with business models around crypto, of which 29 with business model centered around crypto and the remainder with crypto exposure but as a secondary or tangent business objective. Daily stock prices and daily market index prices were retrieved from LSEG.

Following standard event study methodology (MacKinlay, 1997), we designated Monday March 3, 2025, as the primary event date ($t = 0$). Although the formalization of the Crypto Reserve through a signed Executive Order occurred on Thursday March 6, 2025, (The White House, 2025), the initial information shock was disseminated via social media on Sunday, March 2, 2025. By utilizing the first subsequent trading day (Monday March 3, 2025), we account for the weekend market closure and capture the market's immediate price discovery phase.

We are aware that the crypto asset market is also active during the weekend; therefore, the first reaction on the underlying asset is visible directly on Sunday March 2, whereas the effect presented in the equity market in the following day is intended as a combined result of a brand-new price discovery process on the firms and cross-asset reaction from the previous and current day's activity in the digital asset market.

3.2. Definition of the classification of crypto companies

To empirically investigate the differential market effects of corporate crypto exposure, we developed a multi-step, rule-based classification scheme to categorize the 55 firms in our final sample into mutually exclusive groups. This mapping distinguishes companies based on the centrality of digital assets to their business models and their revenue streams. We conduct a manual review of LSEG (Refinitiv) business descriptions and corporate web pages to verify the strategic intent of each firm's crypto engagement. This mapping process led us to classify the following five distinct clusters based on the nature of a firm's crypto involvement which are presented in Appendix 1. The first three clusters are related to firms with business models centered around crypto:

1. **Crypto Miners:** firms focused on the validation of blockchain transactions and the generation of new digital units.

2. **Crypto Vaults:** firms whose primary line of business is the management of a cryptocurrency portfolio as a core financial asset (identified as at least 50% of the total assets of the firms in crypto investments).
3. **Blockchain and Crypto Services Providers:** companies deriving revenue from brokerage, exchange platforms, custody services, or other blockchain-related technologies (products or services).

While the following clusters are related to firms where crypto is not the central business model of these firms:

4. **Crypto as a Secondary Business Firms:** diversified companies where cryptocurrency activities or holdings constitute a deliberate, reported segment but are not the primary source of revenue or holding (includes only firms with less than 50% of total assets in crypto investments).
5. **Non-Crypto Firms:** companies that maintain cryptocurrency holdings as treasury assets while their core operations remain unrelated to the crypto ecosystem.

Classifications 1, 2, and 3 have their core business deeply related to the digital asset world whereas classifications 4 and 5 do not.

Additionally, we show a separate category for the company Strategy (MSTR). Given its outsized Bitcoin holdings and distinctive Bitcoin-first corporate treasury strategy, MSTR represents an idiosyncratic case, a cluster of its own, that differs materially from standard treasury holders (Financial Times, 2025).

4. Methodology

4.1. Event Study Methodology

Our empirical analysis follows the standard Event Study Methodology formalized by MacKinlay (1997). We employ the market model to estimate the expected returns ($E[R_{i,t}]$), which assumes a stable linear relationship between the security return and the market return. This model is preferred over the constant mean return model because it reduces the variance of the abnormal return by

removing the portion of the return that is related to the variation in the market's return, thus increasing the ability to detect significant event effects. For each firm i , the abnormal return on day t is calculated as:

$$AR_{i,t} = R_{i,t} - E[R_{i,t}] = R_{i,t} - \hat{\alpha}_i - \hat{\beta}_i R_{m,t} \quad (1)$$

where $R_{i,t}$ and $R_{m,t}$ denote the daily logarithmic returns of security i and the market index, respectively. The primary benchmark is the Russell 3000, which we selected over the S&P 500 because nearly none of the securities in our sample were constituents of the S&P 500, yet estimated betas between the two indices were closely aligned. We also verified that a market model based on Bitcoin was uninformative, as a preliminary correlation analysis showed no economically meaningful relationship.

The parameters $\hat{\alpha}_i$ and $\hat{\beta}_i$ are estimated using an estimation window of $[-150, -10]$ trading days relative to the event date ($t = 0$). This 140-day window provides a robust baseline for expected performance and is aligned with established practices in event studies in both traditional finance and crypto asset research (Armitage, 1995; Pirazzi Maffiola & Sevim, 2026). The estimation window ends ten days before the event to ensure that the parameter estimates are not contaminated by information leakage or anticipation effects.

To assess the aggregate market reaction to the announcement, we calculate the Daily Average Abnormal Return (AAR_t), which represents the cross-sectional mean of individual abnormal returns for all firms in the sample considered during a single day.

$$AAR_t = \frac{1}{N} \sum_{i=1}^N AR_{i,t} \quad (2)$$

To capture the total impact over a specific event window, we calculate the Cumulative Average Abnormal Return ($CAAR$) as:

$$CAAR_{t_1, t+n} = \sum_{t=t_1}^{t+n} AAR_t \quad (3)$$

By estimating the Cumulative Average Abnormal Returns (CAARs) and confirming their general statistical validity for the five firm categories identified, we can empirically test whether the market's response was uniform or if specific corporate business models related to crypto experienced significantly different valuation-related impacts around the Crypto Reserve's announcement date.

4.2. Regression Estimation Methodology

To further validate our findings, we supplement our event study with multivariate regression analysis. We estimate a set of cross-sectional regressions for the Cumulative Abnormal Returns (CARs) across multiple event windows, specifically $[0, 1]$, $[0, 2]$, $[0, 6]$, $[0, 30]$, and $[0, 60]$ trading days, and estimate them as follows:

$$CAR_i = \sum_{t=0}^{t+n} AR_i \quad (4)$$

Where $t = 0$ is the event day, and $t + n$ is the final trading day of the selected window. To account for the hierarchical nature of our data and the potential for unobserved firm-specific heterogeneity, we employ a panel random-effects model with robust standard errors.

This specification is particularly appropriate for our dataset, as it allows us to generalize the findings across the broader population of crypto-exposed firms while efficiently handling the time-invariant nature of our categorical dummies.

The primary independent variables of interest are categorical dummies representing the three firm clusters related to firms with primary business models centered around crypto defined in our mapping.

This approach isolates the marginal effect of a firm's specific crypto-engagement strategy on its CARs. Equation (5) presents the model.

$$\begin{aligned} CAR_i(0, t + n) & \\ &= \alpha_0 + \alpha_1 Cat_1 + \alpha_2 Cat_2 + \alpha_3 Cat_3 + \alpha_4 MKTcap_i + \alpha_5 ROA_i \\ &+ \alpha_6 MTB_i + \alpha_7 Lev_i + \varepsilon_i \end{aligned} \quad (5)$$

Where Cat_1 , Cat_2 , Cat_3 are the mutually exclusive dummy variable that identifies each firm i with one of the five categories of crypto involvement mapped by the authors. To ensure the robustness of these estimates, we include a suite of firm-level controls, including the natural logarithm of market value, $MKTcap_i$, Return on Assets, ROA_i , the Market-to-Book (MTB) ratio, MTB_i , and the debt-to-equity ratio, Lev_i . The descriptive statistics for the variables employed in the regression analysis are presented in Appendix 2.

5. Results

5.1. Event Study Results

The event study results reveal a significant divergence in how the five identified corporate categories price the Strategic Crypto Reserve announcement. Appendix 3 outlines the daily returns across the event window for the sample employed, while Table 1 outlines the Cumulative Average Abnormal Returns (CAARs) across the event window.

<<<<< Insert Table 1 >>>>>

Our baseline analysis, which is presented in Table 2, documents a robust, albeit lagged, market reaction for Crypto Miners and Crypto Vaults. While the results are insignificant at $t = 0$ (i.e., Monday March 3, 2025), these clusters yield positive and significant returns in the $[0, 2]$ and $[0, 6]$ windows. Specifically, Crypto Miners reached a CAARs of 5.29% (p-value < 0.01) in the $[0, 2]$ window and 9.24% (p-value < 0.01) in the $[0, 6]$ window, which provides empirical support for H.1. Crypto Vaults exhibit 12.68% (p-value < 0.05) in the $[0, 2]$ window and 21.38% in the $[0, 2]$ window, which supports H.2. The $[1, 2]$ and $[1, 6]$ windows provide further empirical evidence that investors identify these pure-play entities as the primary beneficiaries of the institutionalization of crypto asset demand.

<<<<< Insert Table 2 >>>>>

The analysis also reveals that the Blockchain and Crypto Services Providers cluster exhibits a statistically insignificant response to the Strategic Crypto Reserve announcement. Specifically, across

the [0, 2], [0, 6], and [0, 30] windows, as the CAARs are statistically indistinguishable from zero. Consequently, we find no significant evidence to support H.3. These findings suggest that the market prioritizes firms with direct balance-sheet or mining exposure and those with a higher operational beta to the crypto asset industry, while ancillary service providers face a more skeptical valuation environment during this policy shift.

The lack of significance for service providers might also be read as a sign of the maturation of the digital asset market. As the U.S. government joins the ranks of crypto holders, digital assets benefit from stable and institutional demand in the following years, encouraging wider adoption by less risky and more traditional investors. On the one hand, going mainstream for digital assets could increase the potential revenues for blockchain and crypto service providers; on the other hand, it would certainly lure strong competition from technological and financial firms. The second effect may overcompensate for the first (Shiva Sankari & Kavitha, 2025).

The additional results that we show for firms that have peripheral exposure to crypto were not significantly affected by the event. Short-term CAARs for these groups remained near zero; for instance, the Non-Crypto Firms category yielded a -0.95% return ($p\text{-value} > 0.10$) in the [0, 2] window and declined to -7.01% ($p\text{-value} < 0.05$) in the [0, 6] window. This indicates that incidental crypto exposure was insufficient to trigger a positive revaluation and may have even faced selling pressure as capital rotated into pure-play entities. Similarly, the Secondary Business cluster experienced weakly significant negative pressure in the [0, 6] window (-13.65%, $p\text{-value} < 0.10$).

On the event date ($t = 0$), the entire sample exhibited negative abnormal returns, which reached statistical significance for the Non-Crypto Firms category and Crypto as a Secondary Business only. This initial reaction, seemingly at odds with the bullish nature of the news, is an artifact of market microstructure, specifically the friction caused by differing trading calendars. Because digital asset exchanges operate 24/7 while equity markets observe weekend closures, a lead-lag relationship emerged. The fundamental bullish signal was processed by the crypto market in real-time on Sunday, March 2, causing Bitcoin to surge 9.52%. By the time equity markets opened on

Monday, March 3, the news was already stale in the crypto world, which had entered after the overreaction a correction of 8.55%. Consequently, on the first available equity trading day, the sample reflects a complex cross-asset price discovery process and a technical over-reaction rather than a fundamental rejection of the sovereign signal.

On the longer-term horizon $[0, 60]$ a positive price discovery process for the most exposed firms is present, however it should be treated carefully as it could be confounded by additional events related to trade policies and other crypto related government level policies. Miners maintained significant upward momentum, reaching CAARs of 36.11% ($p\text{-value} < 0.05$), signaling a shift in the long-term perceived demand floor. Crypto Holding Companies exhibited the most pronounced persistence in positive returns, with CAARs exceeding 200% over the sixty-day horizon.

Strategy (MSTR) serves as the definitive case study for our empirical strategy. By exhibiting significantly high positive CAARs across nearly all horizons, notably an 18.32% abnormal return in the $[0, 02]$ window ($p\text{-value} < 0.01$) and 30.35% in the $[0, 30]$ window ($p\text{-value} < 0.01$) MSTR confirms that dedicated corporate holding strategies are perceived by the market as highly sensitive, regulated conduits for crypto-institutionalization.

Finally, as presented in Table 3, our baseline results related to hypothesis testing remain robust to the employment of the S&P 500 as an alternative market model benchmark.

<<<<< Insert Table 3 >>>>>

5.2. *Regression Analysis Results*

To corroborate the event study evidence, we employ a cross-sectional regression analysis of the Cumulative Abnormal Returns (CARs) across the five firm clusters. This analysis serves as a robustness test to confirm the different responses of the market to the Strategic Crypto Reserve announcement, allowing us to control for firm-specific characteristics and isolate the impact of operational exposure.

As shown in Table 4, the price discovery process stabilizes by March 4 ($t+1$), when coefficients for the most crypto-sensitive categories turn positive. Within the $[0,6]$ window, Crypto

Miners (coeff: 0.219; p-value < 0.01) and Crypto Vaults (coeff: 0.367; p-value < 0.01) maintain significant positive coefficients, corroborating the baseline findings for H.1. and H.2. These results suggest that the sovereign declaration acted as a formal legitimization signal, fundamentally recalibrating the sector's risk premium. For these entities, the Strategic Crypto Reserve serves as an institutional backstop that mitigates long-term regulatory uncertainty and provides a perceived demand floor. This signal justifies the capital-intensive nature of their operations and lowers the cost of equity by increasing projected breakeven stability.

<<<<< Insert Table 4 >>>>>

In contrast, as shown in Table 4 the coefficients for firms in the Blockchain and Crypto Services Providers, Crypto as a Secondary Business Firms, and Non-Crypto Firms clusters are statistically indistinguishable from zero. This lack of significance implies that for firms where crypto exposure is peripheral, the sovereign signal fails to fundamentally alter the underlying corporate risk profile or the market discount rate.

Crypto Vaults demonstrate even more pronounced long-term sensitivity, showing a coefficient of +170.20% (p-value < 0.01) in the [0, 60] window. Given that the direct regulatory framework for digital assets is still evolving, investors appear to treat these firms as highly liquid, regulated vehicles for capturing the underlying asset's institutionalization premium. These findings confirm that the market views establishing a crypto reserve as a fundamental revaluation catalyst, but only for firms whose balance sheets or core revenues are deeply tied to the digital asset ecosystem, and which face no imminent competition from major tech or financial players.

6. Summary and Conclusions

The announcement of a Strategic Crypto Reserve marks a transformative shift in federal fiscal policy, formally bridging the gap between sovereign reserves and digital assets. This study provides the first systematic empirical assessment of how such an institutional information shock propagates through the equity market. Utilizing an event study framework coupled with a firm-level

classification of the type of crypto company, we demonstrate that the market does not view corporate cryptocurrency engagement as a monolithic risk factor. Instead, investors exhibit a sophisticated capacity to differentiate between firms based on their digital asset exposure's operational centrality and strategic depth.

Our findings suggest that the sovereign declaration serves as a fundamental equity risk reduction mechanism primarily for cryptocurrency miners and crypto-dedicated holding companies. The significant and persistent abnormal returns, reaching approximately 9% and 21% respectively over six-day windows, confirm that institutional validation effectively reduces the perceived idiosyncratic risk and information asymmetry surrounding these asset-heavy clusters. For miners, the policy signals a stabilized long-term demand floor; for crypto holding companies, it provides the legitimacy necessary to validate the corporate treasury model.

In contrast, we find no significant market reaction for service providers or firms with peripheral blockchain involvement. This suggests a critical investor perspective, where the perceived regulatory benefits of ancillary services are largely offset by anticipated compliance costs and operational opacity. Crucially, while the market rewards direct structural integration, it remains skeptical of incidental exposures. For sustainable valuation, investors appear to prioritize firms whose balance sheets are inextricably linked to blockchain infrastructure, effectively discounting peripheral or speculative treasury allocations.

Although this study offers robust evidence of categorical revaluation, it is subject to specific constraints. Our sample is limited to U.S.-listed firms, the primary cohort impacted by the American Executive Order. Future research should investigate contagion in international markets to determine whether foreign jurisdictions experience similar spillover effects. Finally, as the Strategic Crypto Reserve transitions from a proposal to an active treasury operation, examining the long-term impact on the corporate cost of capital for crypto-first firms remains a vital avenue for exploring the structural institutionalization of digital finance.

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Tables and Figures

Table 1 – Descriptive Statistics of daily CAARs over the event study window

Category name	Mean	Standard deviation	Min.	Max.
Entire Sample	0,50%	3,05%	-8,10%	8,58%
Crypto Miners	0,36%	4,72%	-21,27%	16,45%
Crypto Valuts	2,57%	13,29%	-18,94%	79,10%
Blockchain and Crypto Services Providers	0,52%	7,66%	-21,76%	39,10%
Crypto as Secondary Business Firms	0,01%	4,25%	-7,03%	17,45%
Non-crypto Firms	0,05%	2,06%	-4,10%	9,62%
Strategy	0,87%	8,73%	-22,01%	37,95%

Table 2 - Event Study with market model estimated on the Russell 3000

Entire Sample			Crypto Miners			Crypto Vaults			Blockchain and Crypto Services Providers			Crypto as Secondary Business Firms			Non-Crypto Firms			Strategy		
CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.
Event window before the event (excluding the event day)																				
[-10;-1]	-8,52%	- 1,09		-10,65%	- 4,77 ***	-21,14%	- 2,32 **		40,90%	0,70		-27,39%	- 3,84 ***		-7,00%	- 2,39 **		-24,21%	- 22,11 ***	
Pre- and post-event window																				
[-1;-1]	-1,98%	- 3,05 ***		-1,20%	- 1,05		-0,61%	- 0,26		-0,54%	- 1,07		-3,98%	- 2,10 **		-2,41%	- 3,16 ***		9,60%	3,41 ***
[-1;1]	-1,63%	- 1,15		3,01%	1,94 *		4,35%	1,03		-0,20%	- 0,09		-8,50%	- 1,94 *		-4,10%	- 3,31 ***		13,70%	4,61 ***
[-1;0]	-2,63%	- 2,43 **		-0,45%	- 0,29		-0,28%	- 0,08		1,45%	0,48		-6,15%	- 2,06 **		-5,09%	- 4,11 ***		5,64%	1,64
[0;0]	-2,23%	- 3,63 ***		-1,20%	- 1,05		-2,55%	- 1,57		-0,54%	- 1,07		-3,98%	- 2,10 **		-2,41%	- 3,16 ***		-3,96%	- 0,84
Event windows after the event (including the event day)																				
[0;1]	0,36%	0,29		4,21%	2,76 ***		4,96%	1,67 *		0,33%	0,13		-4,52%	- 1,10		-1,69%	- 2,22 **		4,10%	1,25
[0;2]	0,67%	0,41		5,29%	2,94 ***		12,68%	2,50 **		-5,74%	- 0,90		-6,07%	- 1,65 *		-0,95%	- 0,81		18,32%	6,82 ***
[0;6]	-0,67%	- 0,22		9,24%	3,38 ***		21,38%	3,11 ***		-8,12%	- 0,76		-13,65%	- 1,69 *		-7,01%	- 2,12 **		-3,02%	- 1,74 *
[0;30]	-3,74%	- 0,48		11,80%	2,03 **		-12,39%	- 0,41		2,41%	0,06		-30,01%	- 1,74 *		5,95%	1,43		30,35%	40,59 ***
[0;60]	44,35%	2,93 ***		36,11%	2,13 **		203,29%	3,89 ***		-4,25%	- 0,14		28,02%	0,71		10,78%	1,21		86,01%	161,39 ***
Event windows after the event (excluding the event day)																				
[1;2]	1,32%	0,94		4,54%	3,32 ***		12,35%	2,35 **		-7,72%	- 1,31		-3,91%	- 1,73 *		1,74%	1,98		22,28%	7,56 ***
[1;6]	-0,03%	- 0,01		8,49%	3,83 ***		21,06%	3,65 ***		-10,10%	- 0,96		-11,48%	- 1,75 *		-4,32%	- 1,52		0,94%	0,55
[1;30]	-3,09%	- 0,40		11,05%	2,18 **		-12,71%	- 0,42		0,43%	0,01		-27,84%	- 1,77 *		8,63%	1,93		34,31%	45,55 ***
[1;60]	45,00%	3,03 ***		35,36%	2,16 **		202,97%	3,86 ***		-6,23%	- 0,21		30,19%	0,80		13,47%	1,46		89,98%	169,15 ***

Notes: *** denotes a statistical significance at a p-value < 0.01, while ** and * denote a statistical significance at a p-value of respectively <0.05 and <0.10. The daily ARs sample analysis has been winsorized at the 5th and 95th percentile thresholds by the authors.

Table 3 - Event Study with market model estimated on the S&P500 returns

Entire Sample			Crypto Miners			Crypto Valuts			Blockchain and Crypto Services Providers			Crypto as Secondary Business Firms			Non-Crypto Firms			Strategy		
CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.	CAARs	T-test	Sign.
Event window before the event (excluding the event day)																				
[-10;-1]	-9,45%	- 1,22		-12,55%	- 5,57 ***	-21,80%	- 2,42 **		40,15%	0,69		-27,84%	- 4,01 ***		-7,55%	- 2,52 **		-24,30%	- 22,19 ***	
Pre- and post-event window																				
[-1;-1]	-1,98%	- 3,05 ***		-1,24%	- 1,10		-0,51%	- 0,22		-0,59%	- 1,19		-3,90%	- 2,05 **		-2,47%	- 3,26 ***	10,02%	3,56 ***	
[-1;1]	-1,95%	- 1,40		2,36%	1,54		4,09%	0,97		-0,45%	- 0,22		-8,68%	- 1,99 **		-4,27%	- 3,50 ***	13,54%	4,55 ***	
[-1;0]	-2,88%	- 2,69 ***		-0,97%	- 0,62		-0,42%	- 0,13		1,23%	0,40		-6,23%	- 2,11 **		-5,26%	- 4,31 ***	5,77%	1,68 *	
[0;0]	-2,24%	- 3,66 ***		-1,24%	- 1,10		-2,55%	- 1,57		-0,59%	- 1,19		-3,90%	- 2,05 **		-2,47%	- 3,26 ***	-4,25%	- 0,90	
Event windows after the event (including the event day)																				
[0;1]	0,03%	0,02		3,60%	2,41 **		4,60%	1,56		0,15%	0,06		-4,79%	- 1,17		-1,81%	- 2,43 **	3,52%	1,07	
[0;2]	0,45%	0,27		4,89%	2,73 ***		12,43%	2,45 **		-5,87%	- 0,93		-6,25%	- 1,70 *		-1,02%	- 0,87	17,92%	6,67 ***	
[0;6]	-1,35%	- 0,44		8,00%	2,96 ***		20,60%	3,00 ***		-8,48%	- 0,81		-14,24%	- 1,77 *		-7,22%	- 2,22 **	-4,42%	- 2,54 **	
[0;30]	-5,35%	- 0,68		8,70%	1,51		-13,95%	- 0,46		1,36%	0,03		-31,15%	- 1,84 *		5,24%	1,21	28,38%	37,96 ***	
[0;60]	43,43%	2,87 ***		34,37%	2,03 **		202,32%	3,87 ***		-4,81%	- 0,16		27,30%	0,69		10,42%	1,16	84,55%	158,64 ***	
Event windows after the event (excluding the event day)																				
[1;2]	1,34%	0,96		4,61%	3,37 ***		12,34%	2,35 **		-7,69%	- 1,30		-3,92%	- 1,74 *		1,77%	2,01 **	22,17%	7,52 ***	
[1;6]	-0,46%	- 0,17		7,72%	3,50 ***		20,50%	3,53 ***		-10,30%	- 0,98		-11,91%	- 1,82 *		-4,43%	- 1,58	-0,17%	- 0,10	
[1;30]	-4,46%	- 0,58		8,42%	1,67 *		-14,04%	- 0,46		-0,46%	- 0,01		-28,81%	- 1,86 *		8,04%	1,73 *	32,62%	43,32 ***	
[1;60]	44,32%	2,98 ***		34,09%	2,08 **		202,23%	3,84 ***		-6,63%	- 0,22		29,64%	0,79		13,22%	1,42	88,80%	166,94 ***	
Notes: *** denotes a statistical significance at a p-value < 0.01, while ** and * denote a statistical significance at a p-value of respectively <0.05 and <0.10. The daily ARs sample analysis has been winsorized at the 5th and 95th percentile thresholds by the authors.																				

Table 4 - Regression results

	(1)	(2)	(3)	(4)	(5)
	CAR[0;1]	CAR[0;2]	CAR[0;6]	CAR[0;30]	CAR[0;60]
Crypto Miners	0.087*** (2.903)	0.109*** (3.727)	0.219*** (3.524)	0.307** (2.169)	0.221 (0.853)
Crypto Valuts	0.071* (1.830)	0.193*** (3.253)	0.367*** (3.484)	0.065 (0.176)	1.702*** (2.840)
Blockchain and Crypto Services Providers	0.043 (1.023)	-0.001 (-0.009)	0.061 (0.520)	0.237 (0.561)	-0.285 (-0.649)
ROA	-0.000 (-0.121)	-0.000 (-0.102)	-0.000 (-0.706)	0.000 (0.270)	-0.002 (-0.866)
Nat. Log. Market Value	0.005 (0.999)	0.012* (2.004)	0.015 (1.306)	0.030 (1.107)	-0.064 (-1.199)
MTB Value	0.001 (1.572)	0.001** (2.475)	0.003*** (3.585)	0.007* (1.913)	-0.003 (-0.432)
Debt to Equity Ratio	-0.000 (-0.720)	-0.000 (-0.746)	0.000 (0.463)	-0.000 (-0.337)	0.000 (0.876)
Constants	-0.061 (-1.161)	-0.107** (-2.029)	-0.209* (-1.920)	-0.320 (-1.380)	0.438 (0.858)
Observations	55	55	55	55	55
R-squared	0.196	0.371	0.354	0.095	0.371
Std. Errors	Robust	Robust	Robust	Robust	Robust
Sample	All	All	All	All	All

t-values are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$

Appendix

Appendix 1

Table 4 - Description of the crypto companies' categories

Category name	Description	Number of firms (category)
Crypto Miners	Firms principally engaged in cryptocurrency mining (source: bitcoinminingstock.io).	15
Crypto Vaults	Firms whose core business is holding digital assets, with crypto assets comprising >50% of total assets.	7
Blockchain and Crypto Services Providers	Firms whose primary business model is providing blockchain or crypto-related services (e.g., exchanges, infrastructure).	7
Crypto as Secondary Business Firms	Firms with a primary non-crypto business that have a secondary crypto-related revenue stream or hold crypto-assets (<50% of total assets).	13
Non-Crypto Firms	Firms with no crypto-related primary or secondary business, holding digital assets purely as an investment.	13
Strategy	Strategy Inc. is treated as a unique case due to its singular corporate strategy of aggressive Bitcoin accumulation.	Not applicable

Appendix 2

Table 6 - Descriptive Statistics for cross sectional regression

	N	Mean	SD	p5	p25	Median	p75	p95
<i>Full Sample</i>								
Market Value	55	192,83.242	110,853.71	4.3	11.38	45.05	1,201.66	42,952.91
ROA	55	-47.237	97.816	-257.93	-68.205	-8.815	9.375	30.72
MTB Value	55	4.39	19.928	-2.32	.3	1.27	3.25	10.83
Debt to Equity Ratio	55	18.391	181.315	-218.78	0	3.4	33.2	210.41
<i>Crypto Miners</i>								
Market Value	15	1,198.678	1,599.708	1.54	30.25	571.69	1,565.56	5,229.46
ROA	15	-51.473	121.846	-457.77	-56.06	-15.66	3.71	30.72
MTB Value	15	1.17	2.002	-2.32	.04	1.14	1.76	6.36
Debt to Equity Ratio	15	17.644	104.156	-133.14	-15.78	7.68	33.2	237.41
<i>Crypto Vaults</i>								
Market Value	7	1,396.216	3,536.593	5.36	5.74	32.54	266.09	9,413.66
ROA	7	-78.15	92.66	-210.59	-203.2	-39.78	-1.4	-.63
MTB Value	7	3.023	3.615	-1.85	.51	2.66	6.2	7.96
Debt to Equity Ratio	7	3.576	132.399	-257.6	0	14.88	39.75	188.55
<i>Crypto Service Providers</i>								
Market Value	7	4,833.593	12,597.734	2.14	9.94	23.43	345.64	33,401.21
ROA	7	-43.074	103.413	-257.93	-68	-3.89	15.06	57.46
MTB Value	7	-.794	8.352	-19.18	.13	.75	3.93	5.33
Debt to Equity Ratio	7	-25.13	86.741	-218.78	0	0	1.67	41.2
<i>Crypto as Secondary Business</i>								
Market Value	13	3,792.967	12,343.014	4.3	11.105	24.045	293.785	42,952.91
ROA	13	-47.728	104.904	-317.44	-97.085	6.905	22.755	29.15
MTB Value	13	13.312	38.528	.04	.38	1.78	3.31	135.38
Debt to Equity Ratio	13	96.436	261.791	0	0	.93	35.67	952.56
<i>Non-Crypto Firms</i>								
Market Value	13	73,228.188	226,824.03	5.29	29.07	340.17	4,024.085	789,898.2
ROA	13	-26.198	64.563	-137.82	-75.55	-2.4	11.54	74.1
MTB Value	13	2.508	9.345	-19.17	.3	1.47	9.57	18.26
Debt to Equity Ratio	13	-31.257	207.182	-677.05	.17	7.33	27.895	131.35

Appendix 3

Table 5 - Descriptive statistics for daily returns

	N	Mean	SD	p5	p25	Median	p75	p95	Skewness	Kurtosis
<i>Full Sample</i>	11,337	-.002	.071	-.101	-.033	0	.025	.105	.464	10.736
<i>Miners</i>	2,951	-.001	.067	-.099	-.04	-.001	.033	.109	.236	6.765
<i>Crypto Vaults</i>	1,460	-.003	.092	-.136	-.038	0	.022	.133	.449	9.524
Blockchain and Crypto Services Providers	1,467	-.002	.084	-.117	-.038	0	.027	.13	.666	9.693
Crypto as Secondary Business Firms	2,722	-.001	.067	-.099	-.028	0	.021	.1	.676	10.594
<i>Others</i>	2,737	-.002	.054	-.077	-.024	0	.02	.079	.052	13.23

Appendix 4

Table 7 - Regression results for Crypto Miners

	(1)	(2)	(3)	(4)	(5)
	CAR[0;1]	CAR[0;2]	CAR[0;6]	CAR[0;30]	CAR[0;60]
Crypto Miners	0.073*** (3.837)	0.083*** (3.392)	0.143*** (3.028)	0.233* (1.781)	-0.025 (-0.102)
ROA	-0.000 (-0.635)	-0.000 (-0.178)	-0.000 (-0.831)	0.000 (0.153)	-0.003 (-1.604)
Nat. Log. Market Value	0.004 (0.981)	0.011* (1.751)	0.012 (1.083)	0.029 (1.079)	-0.067 (-1.380)
MTB Value	0.000 (1.079)	0.001** (2.363)	0.002*** (3.002)	0.006* (1.954)	-0.005 (-0.638)
Debt to Equity Ratio	-0.000 (-0.898)	-0.000 (-0.967)	-0.000 (-0.137)	-0.000 (-0.505)	0.000 (0.448)
Constant	-0.037 (-0.965)	-0.067 (-1.260)	-0.115 (-1.139)	-0.255 (-1.063)	0.667 (1.571)
Observations	55	55	55	55	55
R-squared	0.198	0.187	0.148	0.086	0.129
Std. Errors	Robust	Robust	Robust	Robust	Robust
Sample	All	All	All	All	All

t-values are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$

Appendix 5

Table 8 - Regression results for Crypto Vaults

	(1)	(2)	(3)	(4)	(5)
	CAR[0;1]	CAR[0;2]	CAR[0;6]	CAR[0;30]	CAR[0;60]
Crypto Vaults	0.025 (0.830)	0.146** (2.650)	0.269*** (2.793)	-0.097 (-0.286)	1.652*** (3.096)
ROA	-0.000 (-0.922)	-0.000 (-0.576)	-0.000 (-1.242)	-0.000 (-0.086)	-0.003 (-1.668)
Nat. Log. Market Value	0.007 (1.314)	0.015** (2.163)	0.019 (1.474)	0.035 (1.186)	-0.048 (-1.025)
MTB Value	0.000 (0.110)	0.000 (1.523)	0.002*** (3.022)	0.005 (1.666)	-0.004 (-0.688)
Debt to Equity Ratio	-0.000 (-1.193)	-0.000 (-1.282)	-0.000 (-0.210)	-0.000 (-0.610)	0.000 (0.880)
Constant	-0.027 (-0.682)	-0.076 (-1.468)	-0.134 (-1.340)	-0.194 (-0.849)	0.377 (1.015)
Observations	55	55	55	55	55
R-squared	0.070	0.222	0.194	0.053	0.363
Std. Errors	Robust	Robust	Robust	Robust	Robust
Sample	All	All	All	All	All

t-values are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$

Appendix 6

Table 9 - Regression results for Crypto service providers

	(1)	(2)	(3)	(4)	(5)
	CAR[0;1]	CAR[0;2]	CAR[0;6]	CAR[0;30]	CAR[0;60]
Blockchain and Crypto Services Providers	-0.009 (-0.274)	-0.080 (-1.325)	-0.089 (-0.839)	0.100 (0.241)	-0.649 (-1.492)
ROA	-0.000 (-0.917)	-0.000 (-0.548)	-0.000 (-1.156)	-0.000 (-0.104)	-0.003* (-1.737)
Nat. Log. Market Value	0.006 (1.185)	0.012* (1.728)	0.015 (1.120)	0.037 (1.292)	-0.078 (-1.433)
MTB Value	0.000 (0.038)	0.000 (0.895)	0.001** (2.257)	0.005* (1.787)	-0.006 (-0.890)
Debt to Equity Ratio	-0.000 (-1.191)	-0.000 (-1.504)	-0.000 (-0.497)	-0.000 (-0.577)	0.000 (0.251)
Constant	-0.021 (-0.487)	-0.032 (-0.631)	-0.066 (-0.644)	-0.235 (-1.073)	0.818* (1.857)
Observations	55	55	55	55	55
R-squared	0.064	0.134	0.080	0.053	0.169
Std. Errors	Robust	Robust	Robust	Robust	Robust
Sample	All	All	All	All	All

t-values are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$

Appendix 7

Table 10 - Regression results for Crypto as Secondary Business

	(1)	(2)	(3)	(4)	(5)
	CAR[0;1]	CAR[0;2]	CAR[0;6]	CAR[0;30]	CAR[0;60]
Crypto as Secondary Business Firms	-0.080	-0.116**	-0.222**	-0.406	-0.304
	(-1.532)	(-2.356)	(-2.093)	(-1.626)	(-0.635)
ROA	-0.000	-0.000	-0.000	0.000	-0.003
	(-0.696)	(-0.242)	(-0.845)	(0.138)	(-1.606)
Nat. Log. Market Value	0.004	0.010	0.010	0.024	-0.076
	(1.099)	(1.451)	(0.812)	(0.795)	(-1.594)
MTB Value	0.000	0.001**	0.003***	0.007**	-0.003
	(1.054)	(2.269)	(3.136)	(2.302)	(-0.401)
Debt to Equity Ratio	-0.000	-0.000	0.000	0.000	0.001
	(-0.505)	(-0.261)	(0.675)	(0.013)	(0.658)
Constant	0.003	-0.013	-0.015	-0.078	0.762**
	(0.127)	(-0.246)	(-0.162)	(-0.338)	(2.094)
Observations	55	55	55	55	55
R-squared	0.160	0.203	0.186	0.115	0.140
Std. Errors	Robust	Robust	Robust	Robust	Robust
Sample	All	All	All	All	All

t-values are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$

Appendix 8

Table 11 - Regression results for Non-Crypto

	(1)	(2)	(3)	(4)	(5)
	CAR[0;1]	CAR[0;2]	CAR[0;6]	CAR[0;30]	CAR[0;60]
Non-Crypto Firms	-0.045** (-2.545)	-0.055** (-2.069)	-0.119** (-2.228)	0.009 (0.092)	-0.288 (-1.534)
ROA	-0.000 (-0.902)	-0.000 (-0.506)	-0.000 (-1.051)	-0.000 (-0.089)	-0.003 (-1.633)
Nat. Log. Market Value	0.008 (1.628)	0.015** (2.220)	0.020 (1.592)	0.035 (1.225)	-0.059 (-1.196)
MTB Value	0.000 (0.062)	0.000 (1.097)	0.002** (2.072)	0.005* (1.704)	-0.005 (-0.658)
Debt to Equity Ratio	-0.000 (-1.308)	-0.000 (-1.466)	-0.000 (-0.464)	-0.000 (-0.601)	0.000 (0.380)
Constant	-0.020 (-0.514)	-0.047 (-0.875)	-0.079 (-0.785)	-0.212 (-0.903)	0.683* (1.690)
Observations	55	55	55	55	55
R-squared	0.099	0.120	0.105	0.050	0.141
Std. Errors	Robust	Robust	Robust	Robust	Robust
Sample	All	All	All	All	All

t-values are in parentheses

*** $p < .01$, ** $p < .05$, * $p < .1$