

● PROTAGONIST *art*

Q3 2026 · QUARTERLY BRIEF

THE Q3 2026 DIGITAL ART *Brief.*

Summer 2026 picture. Secondary volume +18% YoY, institutional buyers returning, AI-art question stabilizes. The collector-grade vs. speculative-noise bifurcation continues.

BRIEF

Q3 2026

BRIEF. Q3 2026 OUTLOOK · PROTAGONIST RESEARCH

Q2 2026 NFT secondary volume was \$1.4B, up 18% YoY. Institutional collectors (defined as wallets with \$100k+ aggregate holdings 3+ years) accounted for 42% of buy-side volume — the highest institutional share in category history. The AI-art question has stabilized: AI-generated work occupies a small, durable share (4%) of institutional collecting; the larger AI-speculation moment has passed. The generative segment continues to outperform; the long tail continues to be sluggish.

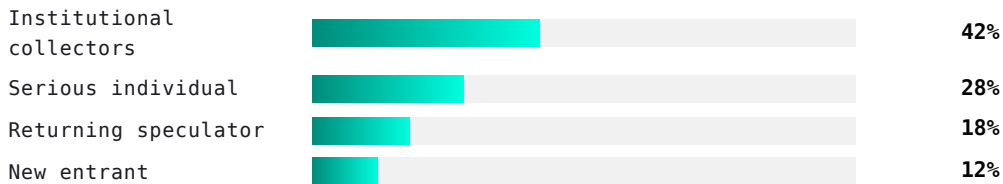
§ I · THE HEADLINE

\$1.4B AND STRUCTURALLY HEALTHY.

Q2 2026 closed at \$1.4B of NFT secondary volume, +18% year-over-year and +6% sequentially against Q1 2026. The number is small compared to the 2021 peak (~\$5B per quarter) but the composition matters more than the magnitude. **The buyer base is fundamentally different.** The category has stopped being a speculative product and started being a collecting category.

FIGURE 1 · BUY-SIDE COMPOSITION · Q2 2026

INSTITUTIONAL COLLECTORS ARE 42% OF BUY-SIDE — CATEGORY RECORD



SOURCE: PROTAGONIST AGGREGATION · WALLET CLASSIFICATION · INSTITUTIONAL = \$100K+ AGG · 3YR+.

§ II · THE AI-ART QUESTION

WHAT'S RESOLVED.

The 2024 AI-art moment has resolved into a smaller, more durable category position than the speculative peak suggested. AI-generated work now accounts for ~4% of

institutional collecting (vs. the ~18% peak in late-2024 trading volume). The institutional buyer has settled on a small number of AI-art names (Refik Anadol, Helena Sarin, the recent Mario Klingemann series) and the rest of the AI-generated supply has fallen out of the institutional segment.

The pattern is consistent with the prior cycles: the category absorbs new mediums by canonizing a small number of names within them and treating the rest as production. This is healthy. *The market did not collapse on AI art; it sorted it.*

§ III · THE GENERATIVE SEGMENT

CONTINUED OUTPERFORMANCE.

Generative art continued to outperform other segments in Q2. Secondary volume in the segment was +26% YoY against the category's +18%. The hold rates we documented in Paper 02 continue to compound; the holder base continues to deepen; the institutional acquisition activity continues to favor generative.

"The story of 2026 in digital art is the institutional buyer's return — not in volume, in posture. The buyer who is back is a different buyer than the one who left in 2022."

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§ IV · WHAT WE'RE WATCHING

Q3 WATCH LIST.

- **The first museum acquisitions of post-2023 generative work.** Several institutional acquisitions are quietly in process; if they close in Q3, the cultural-resonance dimension of the Investability Score should be re-weighted.
- **The on-chain storage migration.** A meaningful number of older institutional collections are migrating from centralized URL storage to on-chain or permanent decentralized storage. This is unambiguously good for the category.
- **The premium short-form moment.** Like the audiobook category (see C3POE Research), digital art may be entering its own premium short-form moment — single-edition works at \$5-25k that occupy the institutional sweet spot. We are watching this band closely.

Q3 VERDICT · PROTAGONIST HOUSE VIEW

THIS IS THE BEST MARKET FOR SERIOUS DIGITAL ART COLLECTING IN *five years*.

Institutional buyers are back. The speculative noise has cleared. The hold rates are durable. The infrastructure is mature. **This is the window when a collection built on institutional discipline will compound over the next decade.**

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