

Bitcoin ETF flows and basis: how to read them from filings

A bitcoin fund's flows show up as changes in its share count, and the basis is the gap between futures and spot prices.

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1. How to read it / Where it misleads

A bitcoin exchange-traded fund, or ETF, is a fund whose shares trade on a stock exchange and that holds bitcoin. Its flow is the money moving in or out of the fund over a period, measured by how many new shares it creates and how many it retires. The basis is the gap between the price of a bitcoin futures contract, an agreement to buy or sell bitcoin at a set later date, and the price of bitcoin today.

Both have clear limits. A dollar of inflow does not mean a dollar of fresh bitcoin buying that day: the large dealers who create shares can hand the fund bitcoin they already hold, and some inflows can be paired with futures sales in the basis trade described below, which leaves the combined position with little exposure to the price. Each fund posts the prior business day's NAV and its holdings once a day (sources 1, 4), and annual filings arrive months after the year ends (source 2).

Flow figures are also estimates. Funds report the number of shares outstanding, and the dollar flow is worked out from the change in that count times the value of each share, so different sources can land on slightly different totals.

This explains how a metric is calculated. It is not a signal, forecast or recommendation, and past readings do not predict prices. Le Coin does not publish live readings of this metric.

2. How shares are created and redeemed

New fund shares are not sold one at a time. The iShares Bitcoin Trust ETF prospectus says the trust "issues and redeems Shares only in blocks of 40,000 or integral multiples thereof" and that "A block of 40,000 Shares is called a 'Basket.'" It adds: "These transactions take place in exchange for bitcoin or cash" (source 1).

Only approved dealers can do this. The prospectus says only registered broker-dealers that sign a contract with the sponsor and trustee, called "Authorized Participants," may purchase or redeem Baskets, and that "Market prices for the Shares may be different from the NAV" (source 1). NAV, or net asset value, is what the fund's holdings are worth per share. The trust values its bitcoin using a benchmark price from CF Benchmarks unless the sponsor judges it unreliable (source 1).

3. The formulas

Net share flow = shares created minus shares redeemed = change in shares outstanding

Dollar flow, estimated = change in shares outstanding x NAV per share, added up day by day

Baskets = change in shares outstanding / basket size

Basis = futures price minus spot price

Annualized basis = (futures price / spot price minus 1) x (365 / days until the contract expires)

Annualizing turns the gap into a yearly rate, so a contract that expires in one month can be compared with one that expires in three. A positive basis, where futures cost more than spot, lets a trader buy bitcoin or fund shares and sell futures at the same time to collect the gap. That pairing is known as the basis trade.

The Commodity Futures Trading Commission, the US futures regulator, defines basis as "The difference between the spot or cash price of a commodity and the price of the nearest futures contract for the same or a related commodity (typically calculated as cash minus futures)" (source 3). This guide uses the reverse sign, futures minus spot, so a positive basis means futures cost more than spot.

4. Example data

The figures below are invented to show the arithmetic and do not describe any real fund. Fund Z creates shares in baskets of 40,000, and its NAV is \$50 a share.

Input	Day 1	Day 2
Shares outstanding	100,000,000	100,400,000
NAV per share	\$50	\$50

From those inputs, the flow works out in three steps.

Output	Calculation	Result
Net share flow	100,400,000 minus 100,000,000	400,000 shares
Baskets created	400,000 / 40,000	10
Estimated inflow	400,000 x \$50	\$20,000,000

For basis, suppose the spot reference price is 100,000 and a futures contract expiring in 30 days trades at 100,800.

Output	Calculation	Result
Basis	100,800 minus 100,000	800
Annualized basis	$(100,800 / 100,000 \text{ minus } 1) \times 365 / 30$	about 9.73%

In an annual report, the same pieces sit in set places. The management discussion explains the year's change in shares outstanding as the shares and baskets created minus those redeemed, the financial statements carry a statement of changes in net assets, and Item 5 covers the fund's redemptions of its own shares (source 2). A reader can rebuild the flow from those lines with the arithmetic above.

5. Who publishes it and how definitions differ

The fund itself is the primary source for flows. Its filings with the Securities and Exchange Commission, the US securities regulator, give the basket size and the share counts for each reporting period (sources 1, 2). Each issuer publishes for its own fund, independently of the others: the iShares trust's website carries the prior business day's NAV and the trust's daily holdings (source 1), and the Fidelity trust's website, www.fidelity.com, carries the same two items for its fund (source 4).

The definitions differ in what counts as spot. A fund values its holdings with its chosen benchmark (source 1), while a trader may compare futures with whatever spot price they use, so two people can quote different basis numbers for the same contract. Basket sizes also vary by fund, so the basket count applies only to the fund whose prospectus sets it. The Fidelity Wise Origin Bitcoin Fund prospectus says that when the trust "sells or redeems its Shares, it will do so in blocks of 25,000 Shares (a 'Basket')" (source 4), against 40,000

for the iShares trust (source 1). Its mechanics are similar: a subscription is paid in "either bitcoin represented by the Basket being created or cash needed to purchase the amount of bitcoin represented by the Basket being created," and on a redemption the sponsor arranges for the bitcoin "to be either distributed in kind or sold and the cash proceeds distributed" (source 4).

In Le Coin's view, a flow figure is worth trusting only when you can trace it back to a share count the fund published.

6. Where the definitions come from

Neither measure was coined by one person. Creation and redemption in baskets is set out in each fund's prospectus filed with the SEC (source 1), and basis is a standard futures market concept.

7. What it means

In Le Coin's view, flows and basis describe how money moves through these funds and how futures are priced against spot, not where prices go next. Check the share counts in the filing before comparing any two flow figures.

Sources

- 1

iShares Bitcoin Trust ETF, prospectus (Form 424B3), July 31, 2025, SEC EDGAR, https://www.sec.gov/Archives/edgar/data/1980994/000143774925024228/bit20250731_424b3.htm, accessed 2026-10-16, 9:47 p.m. ET.
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