

KEY TAKEAWAYS

- Geopolitical risk persists, yet SPY sits at all-time highs into a heavy earnings week.
- BTC back above key trend levels, with \$85K–\$90K triangle target in play.
- Bearish positioning dynamics offset by strong inflows and institutional buying.

DIGITAL ASSET COMMENTARY

Markets continue to discount geopolitical risk. Despite ongoing uncertainty in the Strait of Hormuz, equities remain at or near all-time highs, with SPY, QQQ and SMH as well as other AI-adjacent names reflecting persistent strength. The divergence in price vs risk suggests continued liquidity support and a market willing to look through macro uncertainty. This week is also pivotal from a fundamental standpoint, as most of the “Magnificent Seven” report earnings and nearly half of the S&P 500 constituents deliver results, which should provide a clearer read on underlying corporate health.

In digital assets, Bitcoin is showing constructive technical improvement. Price is approaching a reclaim of the daily Ichimoku Cloud for the first time since October 2025, while already re-entering the weekly Cloud and holding above the 20-week moving average. The broader structure remains consistent with an ascending triangle, implying a potential move toward the \$85K–\$90K range.

Positioning and historical context make this setup notable. CME futures CoT data is at its most bearish on record, and perpetual futures funding remains negative, both indicative of a crowded short bias. At the same time, BTC has re-entered the weekly Cloud far more quickly than in prior cycles, which typically saw extended downtrends at similar points. Institutional demand also remains supportive, with US spot ETF inflows of approximately \$824m for BTC and \$155m for ETH last week, alongside additional accumulation from MSTR and BMNR of approximately \$255m BTC and \$234m ETH respectively.

This combination suggests either structural maturation, where drawdowns resolve more quickly as volatility compresses, or the potential for a short squeeze driven by asymmetric positioning. In either case, price action is diverging from historical precedent, increasing the probability of a more reflexive move higher.

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CHART 1: BITCOIN ICHIMOKU CLOUD, DAILY

BTC is teasing a breakout above the Cloud for the first time since October.

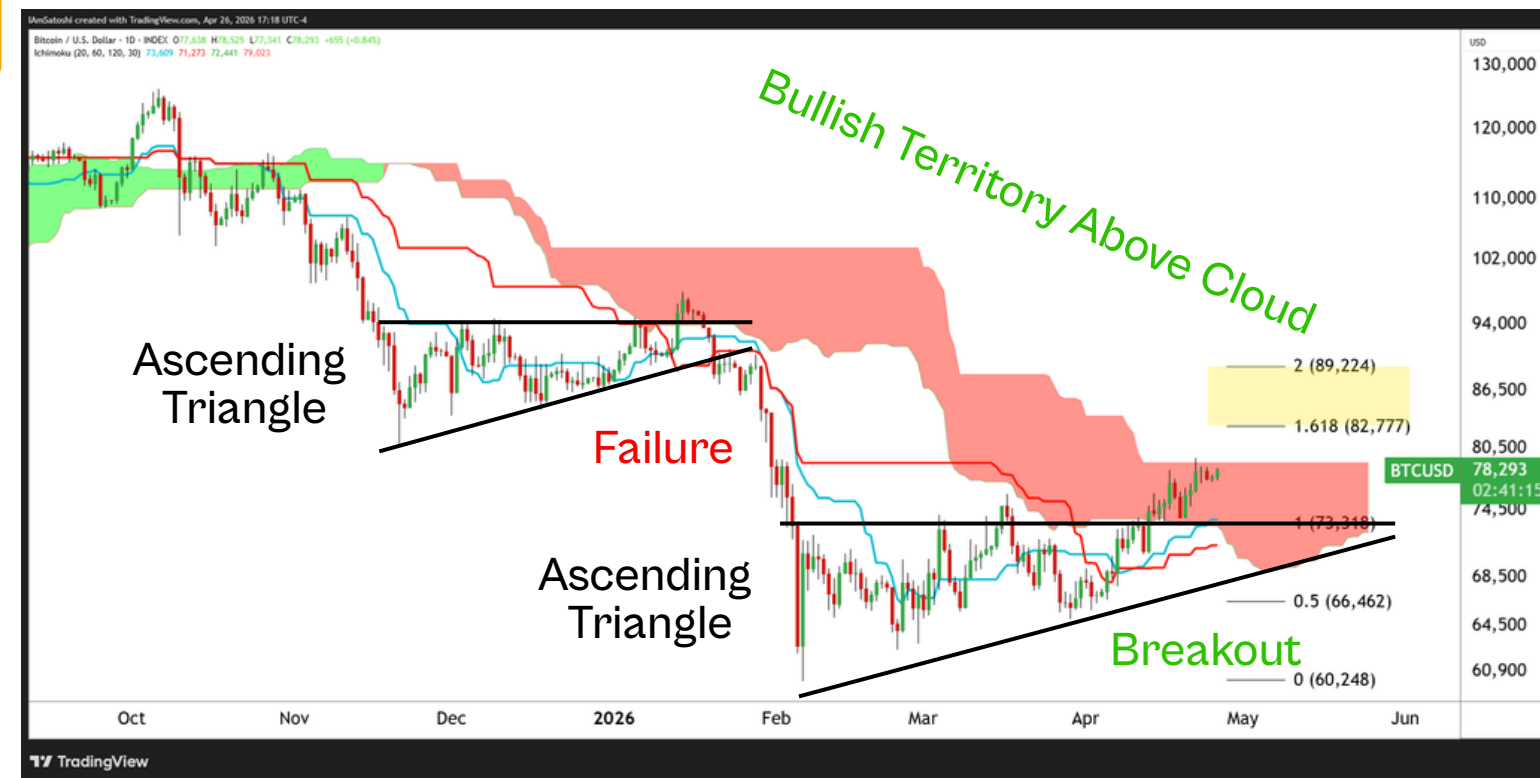


CHART 2: AVERAGE BTC PERPETUAL FUTURES FUNDING RATE

BTC Futures funding flipped aggressively negative in April.

