canary capital

WEEKLY MARKET REVIEW - AUGUST 24TH, 2026

KEY TAKEAWAYS

- BTC surged 20%+ last week on Treasury intervention, ETF inflows, and short covering.
- Treasury buybacks signal a potential shift toward more accommodative policy.
- Oversold RWA assets could outperform BTC as the rally broadens.

DIGITAL ASSET COMMENTARY

Bitcoin has surged more than 20% over the past week, driven by fundamental catalysts, powerful market dynamics, and a technical breakout from historically compressed conditions. Fundamentally, the rally was catalyzed by the Treasury's intervention in the long-end Treasury market and renewed political support for Bitcoin, including President Trump's call for the U.S. government to buy BTC.

Market dynamics amplified the move: Bitcoin had become increasingly undervalued relative to global liquidity and traditional markets since October, while significant short covering and more than $2 billion of spot ETF inflows this week added substantial marginal demand. On Technicals, the move came after record-low volatility, with BTC trading around its 200-week moving average and below its 2-year moving average, making the subsequent breakout particularly significant.

Going forward, key headwinds include bearish September seasonality, the approaching midterm elections, potentially higher oil prices, and further escalation of conflict in the Middle East. However, Bessent has indicated that Treasury buybacks are not a one-time intervention and could ultimately be conducted at even larger sizes. This suggests continued support for hard assets such as BTC as investors increasingly question the durability of the traditional financial system.

Altcoins also saw significant gains last week, with ETH and XRP rising more than 30% and 50%, respectively. Altcoins, particularly those with real-world-asset (RWA) exposure, could see outsized rallies if the BTC move broadens further, as many remain significantly more oversold relative to BTC after underperforming since October. The combination of improving liquidity, renewed institutional demand, and depressed positioning could therefore create a favorable setup for a broader crypto catch-up trade.

CHART 1: SELECT BTC PERFORMANCE SINCE 2020

BTC weekly closes above +20% have recently led to further upside.

Date	Week % Change	Fwd Week	Fwd Month	Fwd 3 Month	Fwd 6 Month	Fwd Year
12/14/20	22.51	11.84	52.57	144.38	51.59	99.00
12/28/20	26.04	15.34	0.13	75.88	6.64	42.99
2/8/21	25.19	18.15	21.24	-4.53	-3.37	-13.54
1/9/23	21.95	8.78	4.32	45.21	44.85	99.75
3/13/23	26.11	-0.18	8.11	-6.09	-5.40	143.75
2/26/24	22.08	9.29	12.94	7.30	-9.18	49.36
8/17/26	23.68	1.95				

CHART 2: SOL/BTC RELATIVE PAIR REVERSAL?

A potential iHS bottom has formed on SOL/BTC pointing to 0.0015.