WEEKLY MARKET REVIEW - AUGUST 31ST, 2026

KEY TAKEAWAYS

- Macro: Hawkish Fed tone, geopolitical risk, rising oil prices, and seasonal headwinds.
- Technicals: BTC & ETH consolidating at post-breakout levels, bullish continuation likely.
- Flows: Institutional BTC & ETH demand remains strong as measured by ETFs and DATs.

DIGITAL ASSET COMMENTARY

After Warsh's hawkish tone on Friday at Jackson Hole, markets now price a 68% chance of a rate hike at the September meeting, which would be highly unusual ahead of the midterms. Geopolitical risk has also picked up again, with the US threatening further kinetic action against Iran, pushing oil prices higher. September seasonality for equities and crypto is typically poor, which has historically been followed by a much stronger Q4. Of note, ETH/BTC seasonality is particularly bearish, with ETH/BTC posting negative returns in September for the past six consecutive years. Midterm-year seasonality is also generally bearish. However, September tends to perform much better for equities when the broader trend is already bullish, as measured by the 200DMA, which is currently the case. Meanwhile, bonds continue to sell off, with the US 10Y yield reaching 4.76%, its highest level since January 2025.

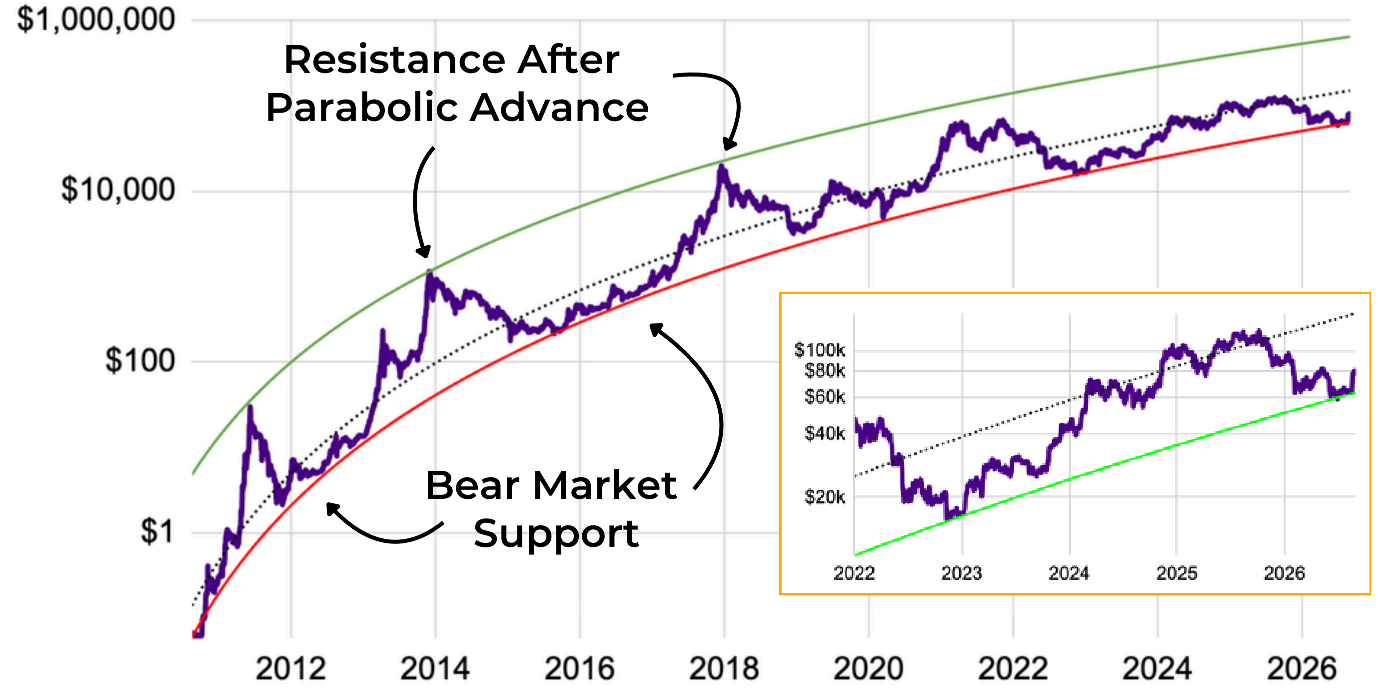
BTC and ETH have held their breakout levels and established tight trading ranges, so far largely unperturbed by Warsh's hawkish comments on Friday. Historically, range consolidation following a breakout tends to favor continuation, which could bring BTC above $85K and ETH above $2,700. If the post-consolidation continuation fails, BTC could fall to $80K and ETH to around $2,200.

BTC has also bounced from the lower end of its Power Law Corridor price model, which currently tops out around $650K and will continue to rise over time. Median resistance is around $150K, while support near $60K has held. The Power Law model, along with BTC's 200-week moving average, continues to suggest strong support around the $60K level.

Institutional flows into BTC and ETH have also begun to rise, with US spot ETF inflows of $3.31B and $1.75B, respectively, in August. Last week, Michael Saylor's MSTR acquired $370M of BTC, while Tom Lee's BMNR acquired $130M of ETH. Strive (ASST) also acquired 1,800 BTC last week for $143M as its total holdings reach 23,156 BTC.

CHART 1: BITCOIN POWER LAW CORRIDOR

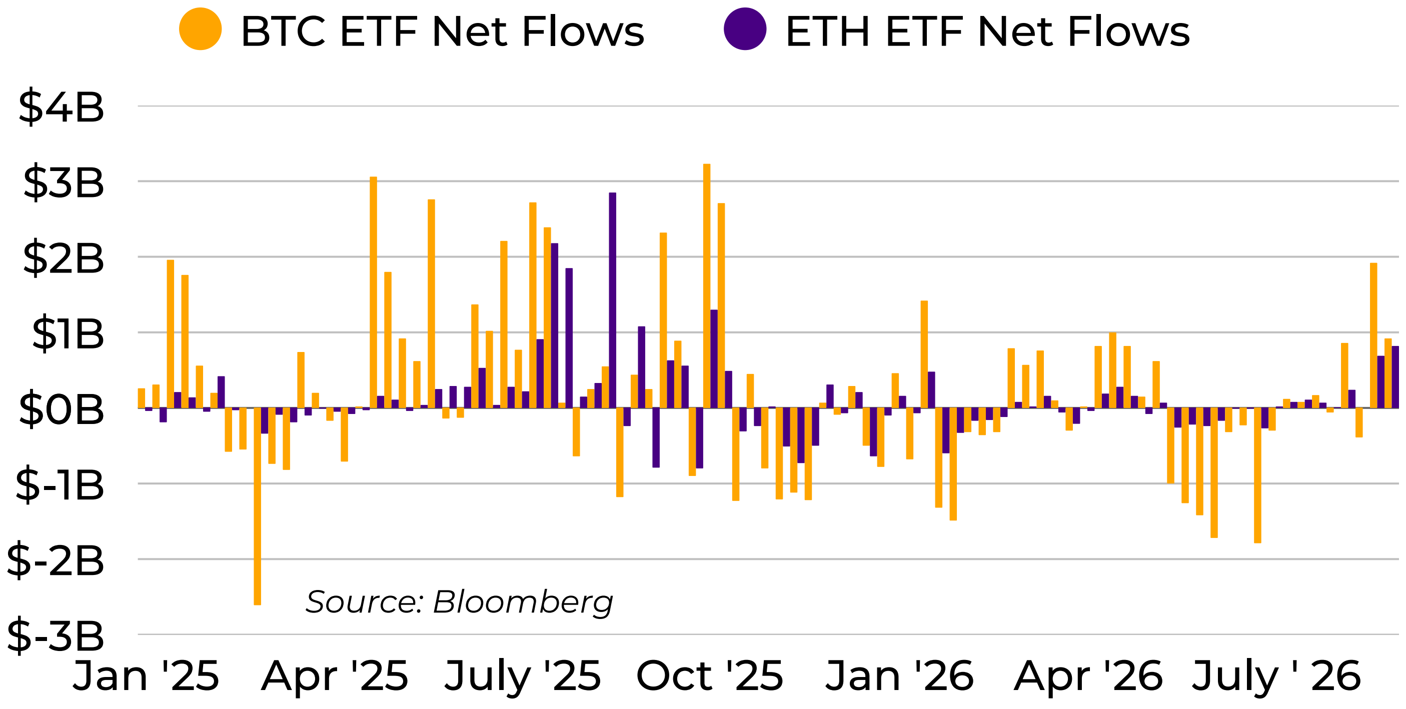
Price model support has been reached and has held for now.



Source: LookIntoBitcoin

CHART 2: WEEKLY ETF BTC AND ETH NET FLOWS

BTC & ETH net flows have increased substantially in recent weeks.



Source: Bloomberg