

KEY TAKEAWAYS

- DOJ probes Powell; Trump pushes for lower rates amid macro events
- Metals and crypto rise; CPI this week may help drive crypto higher
- XMR hits new ATH; BTC eyes a long trade from \$93K–\$103K if no new lows

DIGITAL ASSET COMMENTARY

Federal Reserve independence was called into question again Sunday night after reports surfaced that the Department of Justice is investigating Fed Chair Jerome Powell, who was allegedly served with a criminal indictment last Friday. Although Powell’s term as FOMC chair ends in a few months, President Trump appears to be accelerating pressure for his removal, implicitly pushing for lower interest rates. In a brief response, Powell framed the situation as a renewed threat of political interference in monetary policy. This development comes amid a busy macro backdrop, including a Supreme Court IEEPA tariff decision expected Wednesday.

Metals moved higher on the news alongside modest gains in digital assets, while legacy equity indices remain at all-time highs. The crypto market may need a catalyst for a shove higher, which could arrive with this week’s CPI release. A downside surprise could further shift rate-cut expectations, though a cut at the January FOMC meeting remains unlikely. Notably, real-time inflation data from Truflation has fallen below 2.0%, and Fed inflation nowcasts show month-over-month declines in PCE, the Fed’s preferred inflation gauge, dating back to October.

Most of the crypto market continues to consolidate, but Monero (XMR) reached a new ATH over the weekend, breaking out of a decade-long consolidation range. Launched in 2014, Monero prioritizes privacy by default, making transactions effectively untraceable. Other privacy-focused chains have also performed well recently, most notably Zcash (ZEC), which surged more than 1,500% in Q4 of last year.

The lingering concern remains BTC’s four-year cycle, which presents an uncomfortable possibility: if the rally continues, it would mark the first time a bull market extends meaningfully beyond the typical ~1,000 days from the cycle low. Perhaps this time is different, but markets are now operating in uncharted territory relative to historical cycle expectations. From a technical perspective, BTC still supports a move from \$93K toward \$103K, provided no new lower lows are established.

CHART 1: PRIVACY COIN MONERO HITS AN ALL-TIME HIGH

Ascending triangle breakout after a decade long consoilidaton



CHART 2: BITCOIN RETURN MULTIPLE - TROUGH TO PEAK

A continued bull trend without a further retracement would be atypical

| Trough | | Peak | | Return | Duration |
|---------|----------|---------|-----------|----------|----------|
| Date | Price | Date | Price | Multiple | Days |
| 11/2011 | \$2 | 11/2013 | \$1,242 | 621.0 | 742 |
| 1/2015 | \$152 | 12/2017 | \$19,892 | 130.5 | 1,068 |
| 12/2018 | \$3,129 | 11/2021 | \$69,000 | 22.1 | 1,061 |
| 11/2022 | \$15,460 | 10/2025 | \$126,219 | 8.2 | 1,147 |

Source: TradingView