

KEY TAKEAWAYS

- Greenland tensions and tariff threats are pressuring risk assets amid thin liquidity
- Global bond yields are surging, signaling capital flight and financial-statecraft risk
- Metals rally while crypto sells off; BTC range at risk until uncertainty clears.

DIGITAL ASSET COMMENTARY

Markets are navigating an increasingly crowded geopolitical landscape. President Trump has intensified pressure around a potential acquisition of Greenland, despite firm pushback from NATO allies. From Washington's perspective, Greenland holds outsized strategic value: it functions as a front-line sensor and defense node, constrains Chinese and Russian expansion in the Arctic, and anchors missile early-warning systems, space surveillance, and undersea security. Climate change has further elevated its importance by opening new shipping lanes and enabling access to rare earths, uranium, and other critical minerals, as well as future undersea cable and energy routes. Trump's renewed threats of tariffs against opponents have unsettled risk markets, a move amplified by thin liquidity over a long holiday weekend.

Adding to market unease is the global bond selloff, with yields continuing to rise. The move has been most pronounced in Japan, where long-end yields have rapidly reached historic levels. US, U., and eurozone government bonds have followed suit, suggesting international investors may be reducing exposure to US assets. This form of financial statecraft, or debt-market coercion, is unlikely to have any immediate effect on curbing Trump's Greenland push unless equity markets, particularly the S&P 500, experience meaningful downside.

Precious metals have benefited from geopolitical uncertainty and rising yields, with both gold and silver reaching new all-time highs. Bitcoin, often marketed as a safe haven, has behaved more like a risk asset, selling off sharply alongside broader markets. Now down nearly 7% over the past week, BTC's multi-month consolidation appears increasingly vulnerable. With digital asset markets open around the clock and liquidity thin during holiday periods, crypto often bears the brunt of risk aversion. Based on prior episodes of tariff-driven uncertainty, BTC is likely to hold its range at best, or make new yearly lows at worst. Until the Greenland issue is resolved, digital assets are unlikely to see sustained bullish tailwinds.

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CHART 1: A TALE OF TWO ASSET TYPES - METALS VS CRYPTO

Crypto saw a swift meltdown on tradfi futures open Sunday night

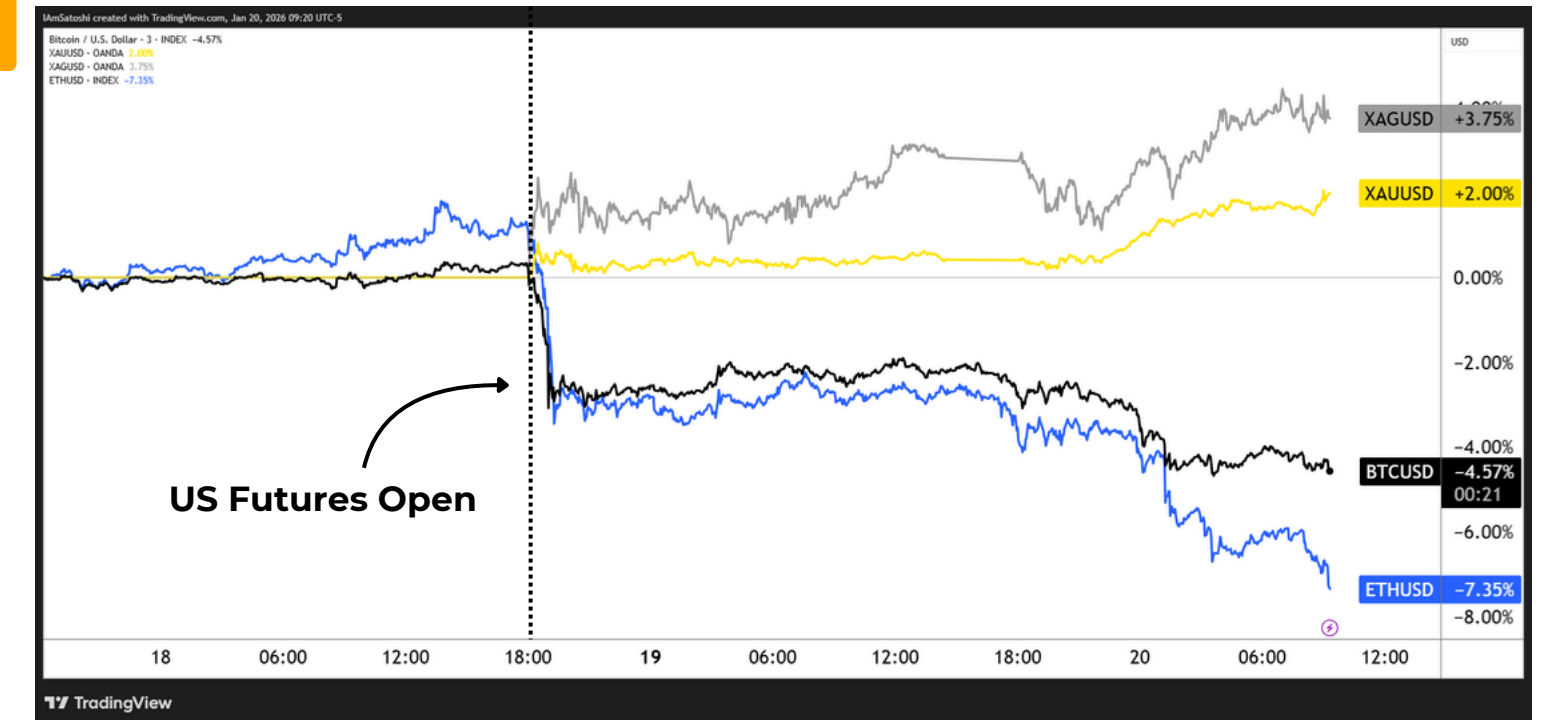


CHART 2: 10Y-2Y YIELD SPREAD REACHING FOR CYCLE HIGHS

Most US recessions have occurred with a swift increase in the 10Y-2Y spread

