

## KEY TAKEAWAYS

- Macro uncertainty rises on tariff drama and mixed economic data.
- AI data center demand continues to compete with Bitcoin mining.
- BTC miners likely to remain hedged or net sellers in the near term.

## DIGITAL ASSET COMMENTARY

The macro landscape remains highly uncertain. Last week, a 6–3 Supreme Court decision overturned President Trump’s tariffs. In response, Trump announced a 10% global tariff, followed shortly by a 15% global tariff. Equity markets have declined on the news, while gold and silver have rallied. The process for issuing tariff refunds to those who have already paid remains unclear.

Recent economic data has reinforced the Fed’s current stance. A stronger-than-expected jobs report and hotter-than-expected PCE inflation suggest that “no cut” odds for the March FOMC meeting are unlikely to change materially. The February jobs report, due next week, could further shape the rate outlook for the coming months. NVDA earnings this week may also contribute to elevated market volatility.

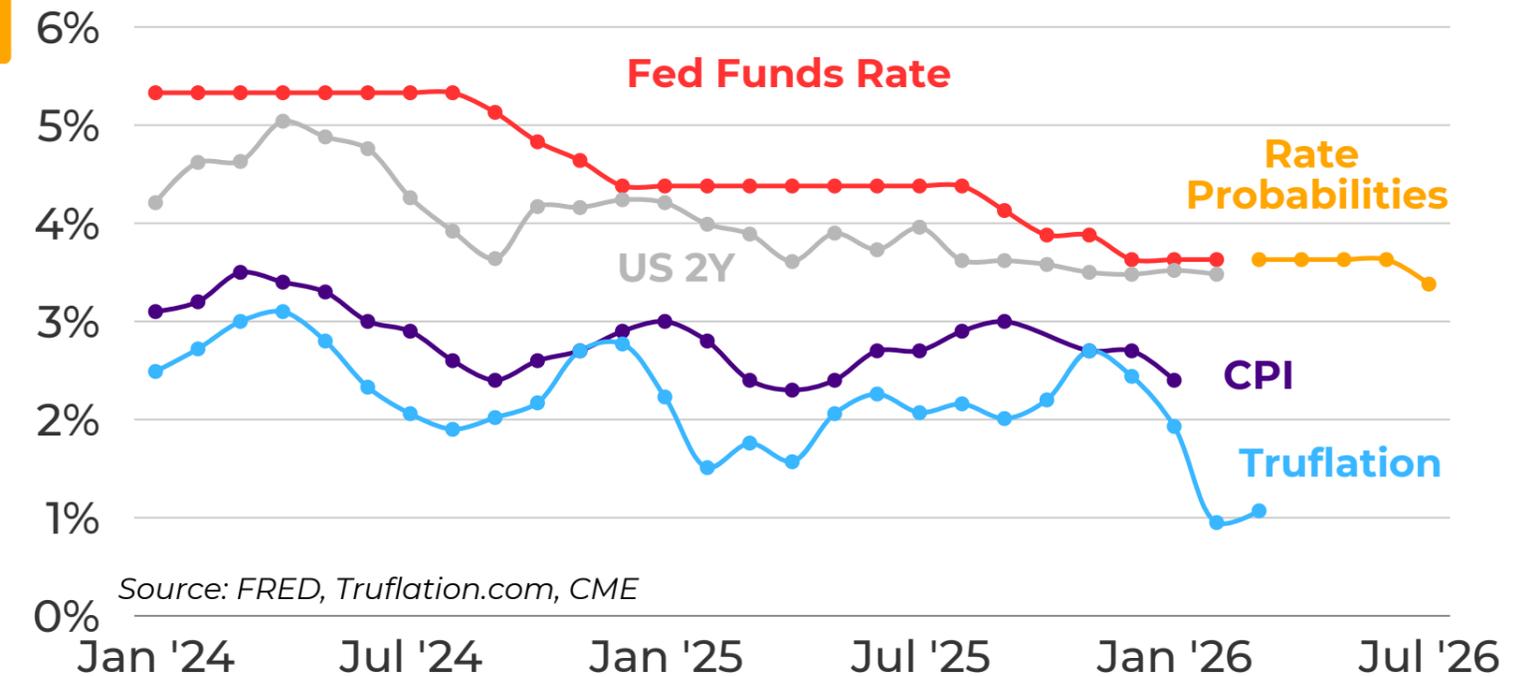
Crypto markets remain under pressure as AI data center demand increasingly competes with Bitcoin mining. Bitdeer, a Singapore-based Bitcoin miner, recently announced the sale of 1,000 BTC to help fund AI/HPC expansion. Historically, BTC prices have tended to find bear market bottoms near estimated production costs. Key inputs into production cost include electricity prices, hardware efficiency, network difficulty relative to hash rate, block rewards and transaction fees, hardware depreciation, facility expenses, and labor and overhead.

Hashprice, an index calculated by Luxor Technologies that measures expected miner revenue per unit of hash rate, sits near an all-time low. Additionally, the 30-day moving average crossing below the 60-day moving average on hash rate is a bearish signal. Together, these indicators suggest miners are under financial strain and are likely to remain net sellers of BTC in the near term. Commitment of Traders (CoT) data further shows commercial traders positioned heavily net short.

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## CHART 1: REAL-TIME INFLATION GAUGES MOVE LOWER

Inflationary metrics are easing despite the recent stronger than expected PCE



## CHART 2: BITCOIN MINING COST OF PRODUCTION

The average cost to mine one Bitcoin has often served as a price floor

