

KEY TAKEAWAYS

- Markets strong despite war risk; low VIX supports digital asset bullishness.
- Heavy institutional buying continues via ETFs, MSTR and BMNR.
- MSTR and miners are leading with BTC and ETH lagging at horizontal resistance.

DIGITAL ASSET COMMENTARY

The situation in Iran and the Strait of Hormuz is evolving rapidly, sometimes by the hour. A sustained peace remains elusive, with new talks in Pakistan scheduled for later this week. Despite this uncertainty, oil has held in the \$80–90 range, and traditional markets appear to be looking past geopolitical risks. Both SPY and QQQ have reached new all-time highs alongside several sectors. As long as these markets stay resilient and the VIX remains below 20, digital assets may have room for a near-term bullish move.

Institutional demand for crypto remains strong. US spot ETFs recorded inflows of \$996M for BTC and \$256M for ETH, both the largest weekly inflows since January. MicroStrategy (MSTR) purchased \$2.54B in BTC last week, primarily funded through a STRC raise, while BMNR acquired over \$230M in ETH, marking its largest weekly purchase of 2026.

That said, bullish reversal signals in BTC, ETH, XRP, and SOL continue to be overshadowed by higher-beta plays like MSTR and the bitcoin mining sector (WGMI ETF). Key resistance levels stand at \$79K for BTC and \$2,600 for ETH, with both assets underperforming relative to MSTR and WGMI. Following a +15% move on Friday, MSTR's bullish reversal, driven by an inverted head-and-shoulders pattern, appears to be gaining momentum. WGMI also looks positioned for continued upside after breaking out of a bullish falling wedge.

Notably, bitcoin mining equities are increasingly tied to the data center and AI narrative, as many miners pivot toward AI/HPC initiatives. WGMI is also showing signs of potential outperformance relative to the Mag7 ETF (MAGS).

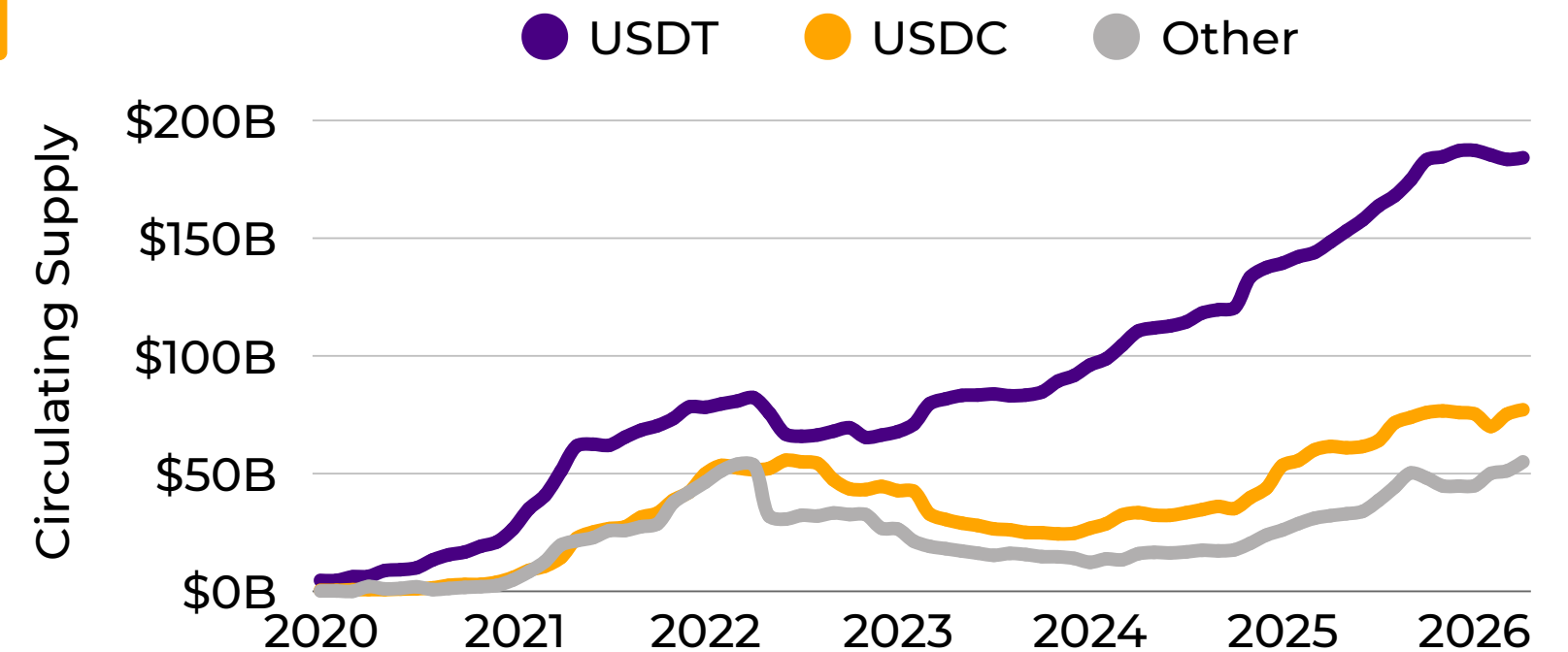
CHART 1: OIL VS BTC SINCE THE START OF THE IRAN WAR

BTC has inversely correlated with oil over the past two months



CHART 2: STABLECOIN CIRCULATING SUPPLY HITS ATH

Total stablecoin market cap now exceeds \$320 billion



Source: DefiLlama