

KEY TAKEAWAYS

- US-Iran talks show progress but no deal, keeping Strait of Hormuz risk elevated.
- AI crypto leads while BTC/ETH lag with outflows and weak momentum.
- HYPE hits new highs on ETF inflows; WTI DEX pair gains broader attention.

DIGITAL ASSET COMMENTARY

Over Memorial Day weekend, US-Iran negotiations aimed at ending their February conflict and reopening the Strait of Hormuz generated cautious optimism, but no deal. On Saturday, Trump said an agreement was “largely negotiated,” sending oil prices lower, before both sides tempered expectations by Monday. The proposed framework would unfold in two phases: first reopening the strait, followed by a 30–60 day window to address the more difficult nuclear issues. Iran’s foreign ministry captured the stalemate bluntly, saying the two sides are simultaneously “very far and very close” to an agreement. With the strait still effectively closed, energy markets remain on edge, inflation remains elevated, and the Fed may be forced to respond, making any breakthrough, or breakdown, a key market-moving event to watch this week.

In digital assets, much like in broader markets, AI-related tokens continue to lead. TAO, NEAR, AKT, RENDER, FET, and VVV have all outperformed, or begun outperforming, BTC, ETH, XRP, and SOL over the past several weeks. Meanwhile, BTC and ETH have seen notable ETF outflows, while CME Commitment of Traders positioning continues to show commercials, historically the more directionally accurate cohort, significantly net short. BTC technicals remain neutral-leaning, with price still below the key 200-day moving average, while ETH has yet to show a meaningful momentum breakout. A BTC daily close above \$79K would mark the first sign of strength since the prior attempt in early May.

Outside of AI, Hyperliquid’s DEX token HYPE has seen strong inflows tied to newly launched ETFs while reaching fresh all-time highs. Supporting that move is growing interest in 24/7 commodity markets, particularly WTI, which has drawn increasing attention not just from crypto participants but from traditional finance as well.

CHART 1: BTC & ETH SPOT ETF WEEKLY NET FLOWS

ETF flows flipped strongly negative for BTC & ETH recently

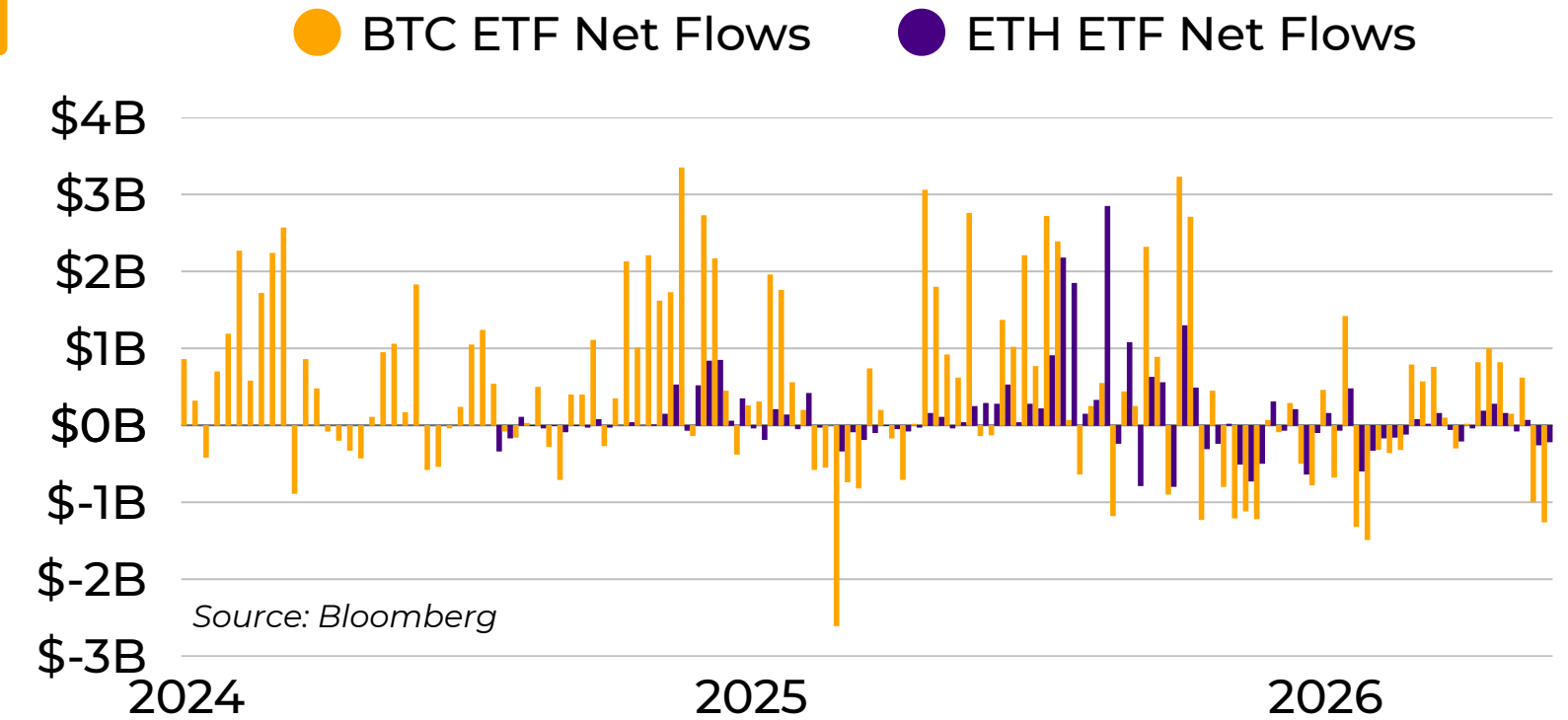


CHART 2: HORMUZ TANKER TRAFFIC VS OIL PRICES

Now closed for 86 days, the Strait of Hormuz may re-open on new US-Iran deal

