

KEY TAKEAWAYS

- Geopolitics: Oil falls as Hormuz tensions ease.
- Markets: AI momentum cools; healthcare gains appeal.
- Crypto: Bullish divergences emerge; July seasonality favors risk assets.

DIGITAL ASSET COMMENTARY

Peace negotiations between the US and Iran remain active but fragile, with both sides signaling a temporary pause in hostilities while technical discussions continue over nuclear issues and freedom of navigation through the Strait of Hormuz. As shipping traffic gradually returns to normal, concerns over a prolonged supply disruption have eased, contributing to a sharp decline in oil prices from roughly \$100 to \$70 over the past month. Lower energy prices should provide some relief at the gas pump while reducing a key macro headwind for both consumers and financial markets.

Momentum in risk assets appears to be slowing, particularly across AI, semiconductor, and hyperscaler stocks, where many charts are showing meaningful bearish divergences. By contrast, healthcare (XLV), biotech (XBI), insurance (IAK), and long-duration Treasuries (TLT) appear to offer more attractive risk-reward profiles. As AI adoption expands beyond infrastructure, healthcare may emerge as one of the next major beneficiaries of the technology.

Crypto markets continue to struggle, with many digital assets trading near multi-month lows. However, most coins are displaying a bullish divergence, with prices making lower lows while RSI forms higher lows, a pattern that often signals weakening downside momentum and the potential for a trend reversal. MSTR also announced plans that could generate up to \$1.25B for its USD reserve through a BTC monetization program, alongside a \$1B repurchase authorization for digital credit securities. The company's USD reserve stood at \$2.55B as of June 28.

Seasonality remains supportive, with July historically producing favorable returns for equities and BTC, even during US midterm election years. Among major cryptocurrencies, SOL has displayed notable relative strength over the past week, outperforming BTC and ETH despite the broader weakness across digital assets.

CHART 1: BTC BULLISH RSI DIVERGENCE

Weakening bearish momentum based on RSI

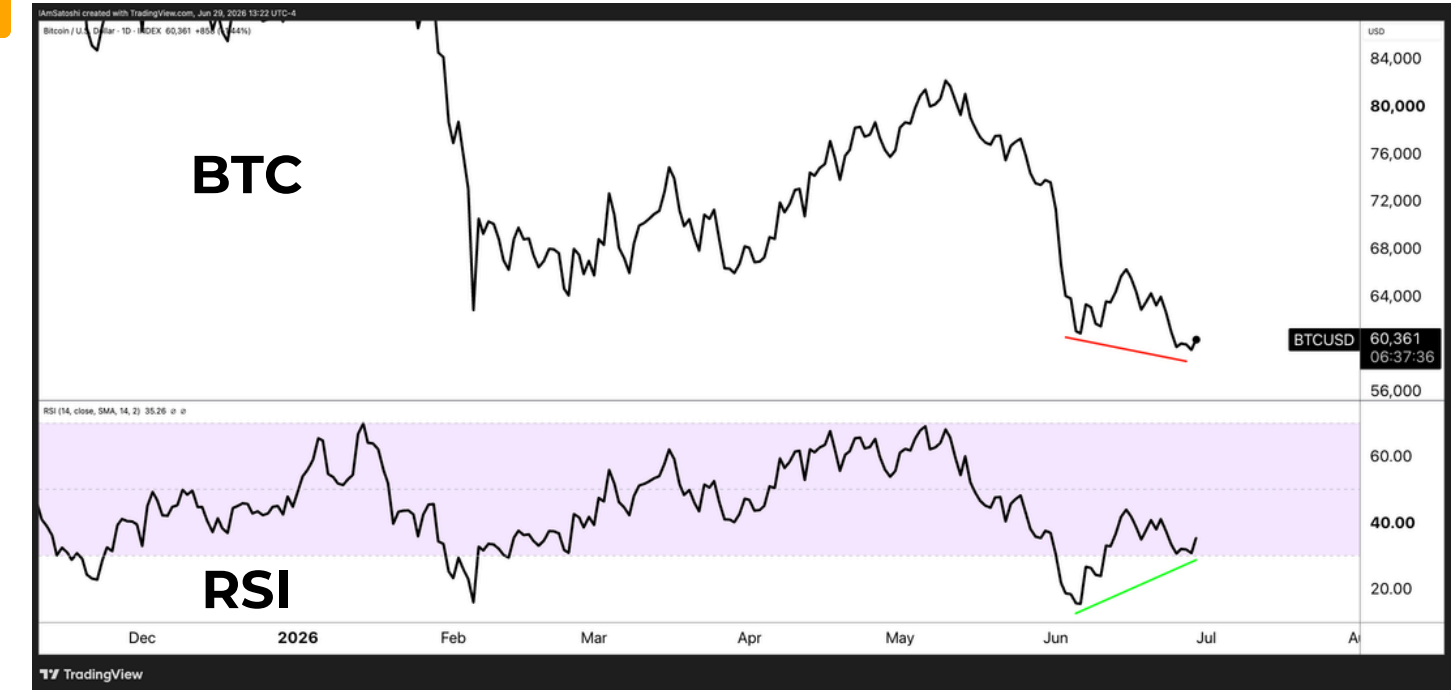


CHART 2: SOL OUTPERFORMANCE IN RECENT WEEKS

SOL has turned higher relative to BTC and ETH in recent days

