



June 2025 Webinar

Canary Digital Fund

Decoding The Next Market Phase

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Fund Strategy

- Discretionary **risk-managed** trading of crypto instruments and crypto companies available through traditional finance as well as trading native digital assets on Kraken & Coinbase
- Opportunistically accumulate shares of digital asset funds with **heavy discounts** to NAV
- Actively manage positions for risk based on macroeconomic factors and technical analysis
- Seek **advantageous** short-dated US treasuries for cash management with de-risked capital



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Portfolio Management Team



STEVEN MCCLURG
Chief Executive Officer

- 7 years combined experience: MD and PM at Guggenheim Partners
- Former MD at Galaxy Digital
- Founder of Theseus Capital (acquired by Galaxy Digital)
- Former CIO Valkyrie Investments

Macro Outlook

**Fundamental &
Technical Analysis**



JOSH OLSZEWICZ
PM, Trading

- Over 10 years of digital asset trading experience
- Former crypto team lead at BraveNewCoin
- Former PM at Techemy Capital, a boutique digital asset manager
- Former PM and Head of Research at Valkyrie Investments



Today's Discussion

Macro

- Powell's Replacement
- Rate Expectations
- Inflation Expectations
- Unemployment & YC
- Dollar Weakness
- GDP, Debt & BBB
- Global Liquidity

Bitcoin & Alts

- BTC vs Benchmarks
- Seasonality & Cycles
- ETF Flows & CoT Data
- Upside Expectations
- Trend TA & MSTR
- Alt Coin Correlations
- Bitcoin Dominance



Drama & Palace Intrigue

President Trump's Opinion on Fed Chair Jerome Powell

Fed Chair term ends in May 2026

Adjectives Trump has used to describe Jerome Powell:

- Stupid
- Terrible
- Hardheaded
- Numbskull
- Dumb
- Fool
- Stubborn
- Mule
- Unbelievable
- Major loser
- Low IQ
- "Not a smart person"
- "Done a poor job"
- "Too late"



Cut Rates to the Bone

Rate Cut Probabilities Throughout 2025 & 2026

Rate probabilities show expectations for **three 25bp cuts this year**, down from four cuts earlier this year.

Despite cooler inflation prints, the Fed is focused on **historically low unemployment**.

The Fed is continuing to take a **wait and see approach** and needs data justification to move.

CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES											
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
7/30/2025						0.0%	0.0%	0.0%	0.0%	20.7%	79.3%
9/17/2025						0.0%	0.0%	0.0%	18.9%	74.3%	6.8%
10/29/2025						0.0%	0.0%	13.3%	58.0%	26.7%	2.0%
12/10/2025					0.0%	0.0%	10.6%	48.8%	33.1%	7.1%	0.4%
1/28/2026						9%	28.4%	41.5%	21.0%	4.0%	0.2%
3/18/2026	0.0%	0.0%	0.0%	0.0%	3.0%	19.2%	36.4%	29.0%	10.6%	1.7%	0.1%
4/29/2026	0.0%	0.0%	0.0%	0.9%	8.0%	24.6%	34.1%	23.3%	7.8%	1.2%	0.1%
6/17/2026	0.0%	0.0%	0.5%	4.6%	16.6%	29.5%	28.5%	15.3%	4.4%	0.6%	0.0%
7/29/2026	0.0%	0.2%	1.8%	8.5%	20.8%	29.2%	24.2%	11.8%	3.2%	0.4%	0.0%
9/16/2026	0.0%	0.7%	3.9%	12.4%	23.5%	27.6%	20.3%	9.0%	2.3%	0.3%	0.0%
10/28/2026	0.1%	1.0%	4.8%	13.5%	23.9%	26.9%	19.1%	8.3%	2.1%	0.3%	0.0%
12/9/2026	0.2%	1.3%	5.4%	14.2%	24.1%	26.3%	18.4%	7.9%	2.0%	0.2%	0.0%

Trump 6/27/25
I'm going to appoint someone as Federal Reserve chair who wants to cut rates to 1%

Source: CME FedWatch



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Subtly Rising Inflation

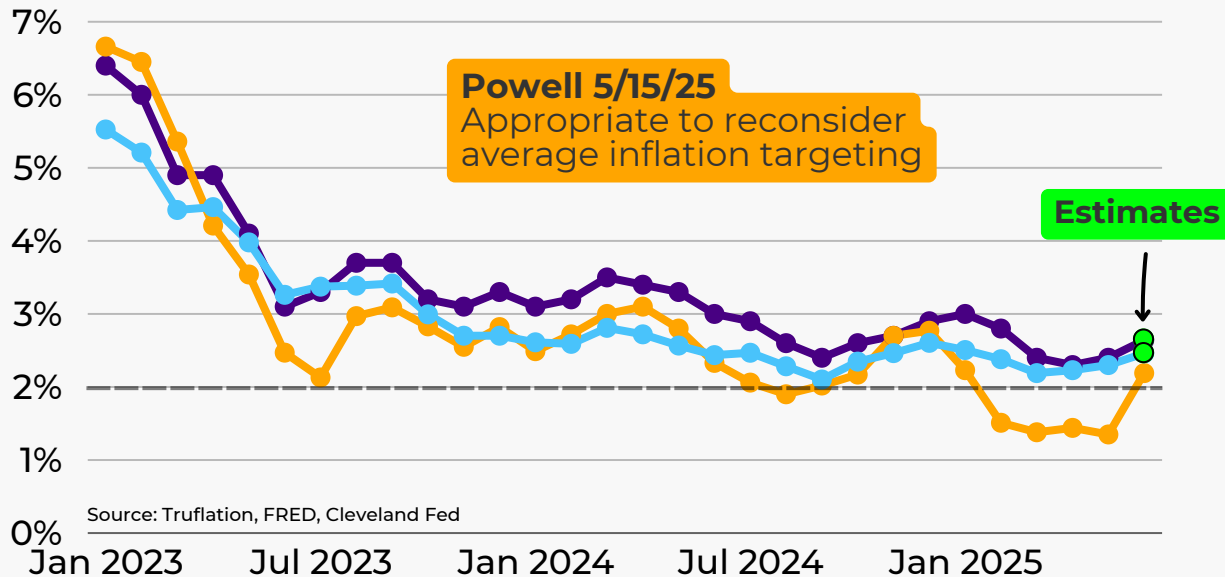
CPI and Truflation Hold a Tight Correlation

● CPI ● Truflation ● PCE

CPI & PCE prints are expected to **rise slightly**, as Truflation increases.

Inflation metrics remain above the Fed's **2.0% inflation target**.

Inflation expectations have surged in response to **tariff uncertainty**.



10Y/2Y Yield Curve Surging

The Unemployment Rate Remains Below 5.0%



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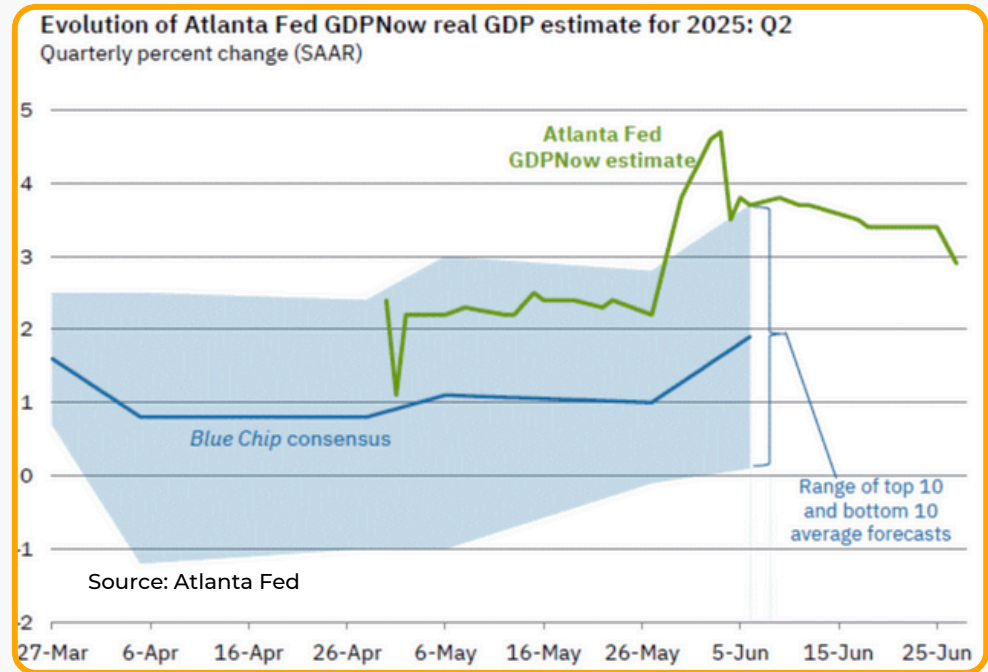
Strongly Positive GDP for Q2

US Atlanta Fed GDP Estimates for Q2 2025

Atlanta Fed GDPNow is projecting an approximate GDP of 2.9%.

A negative Q2 GDP print is far from expectations.

Consecutive quarters of negative GDP growth, indicating a recession, do not seem likely.



Debt to Such Great Heights

Debt to GDP Set for New All-time Highs

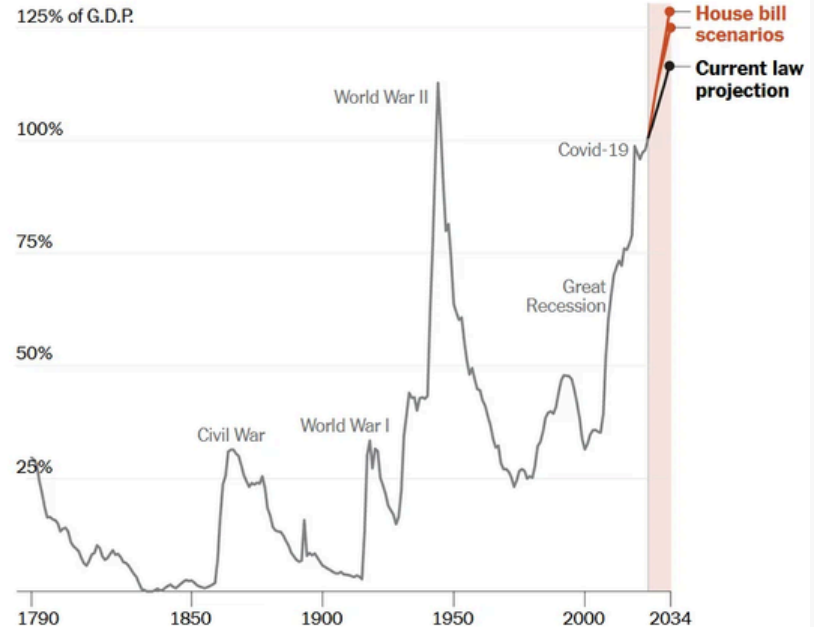
Despite the promises and efforts of DOGE, Trump's BBB will increase federal debt to GDP projections.

In the next year;

- US is projected to reissue \$7.6 trillion of interest-bearing debt
- Represents about 31% of all outstanding US government debt
- Issuance levels not seen since early 2021
- Strategic debt maturity issuance

U.S. Federal Debt as a Share of the Economy Since 1790

Source: CBO, NYT



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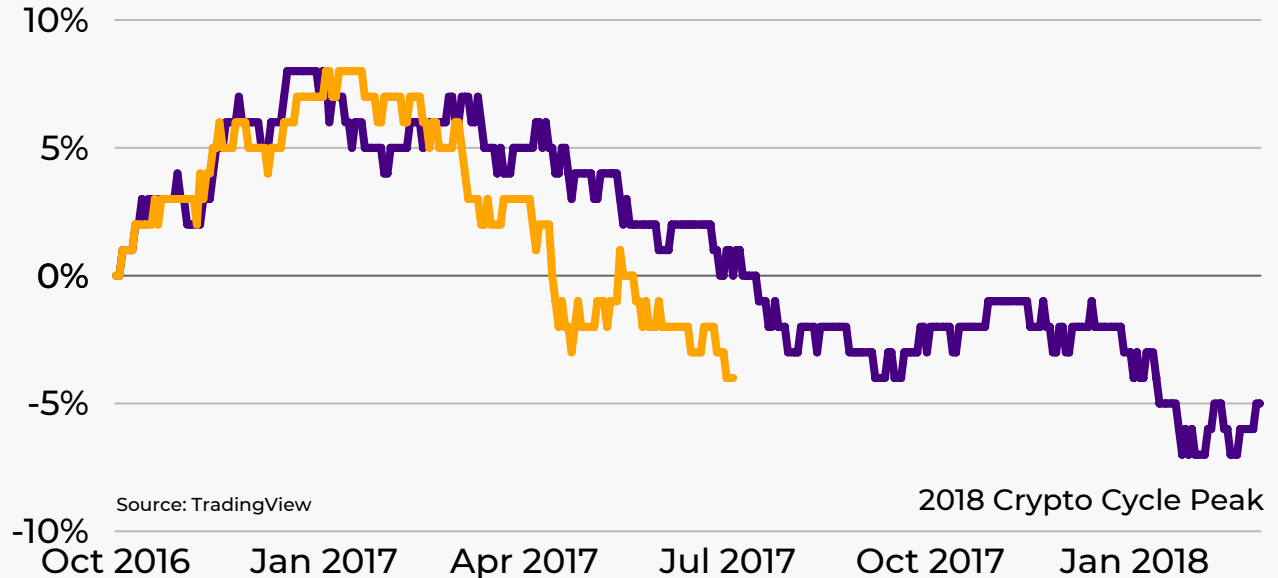
USD Weakness Continues

DXY Index Comparison - 2017 vs Now

● Trump '45 ● Trump '47

Digital asset strength in 2025 will likely occur **inverse** of DXY weakness.

Trump's previous term **weakened USD** almost immediately after coming into office.



Source: TradingView

2018 Crypto Cycle Peak



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Global Liquidity Continues to Rise

Global Liquidity Typically Leads Bitcoin Price

GLI has continued to push higher.

GLI, Bitcoin & Gold have historically held a **lead-lag relationship**.

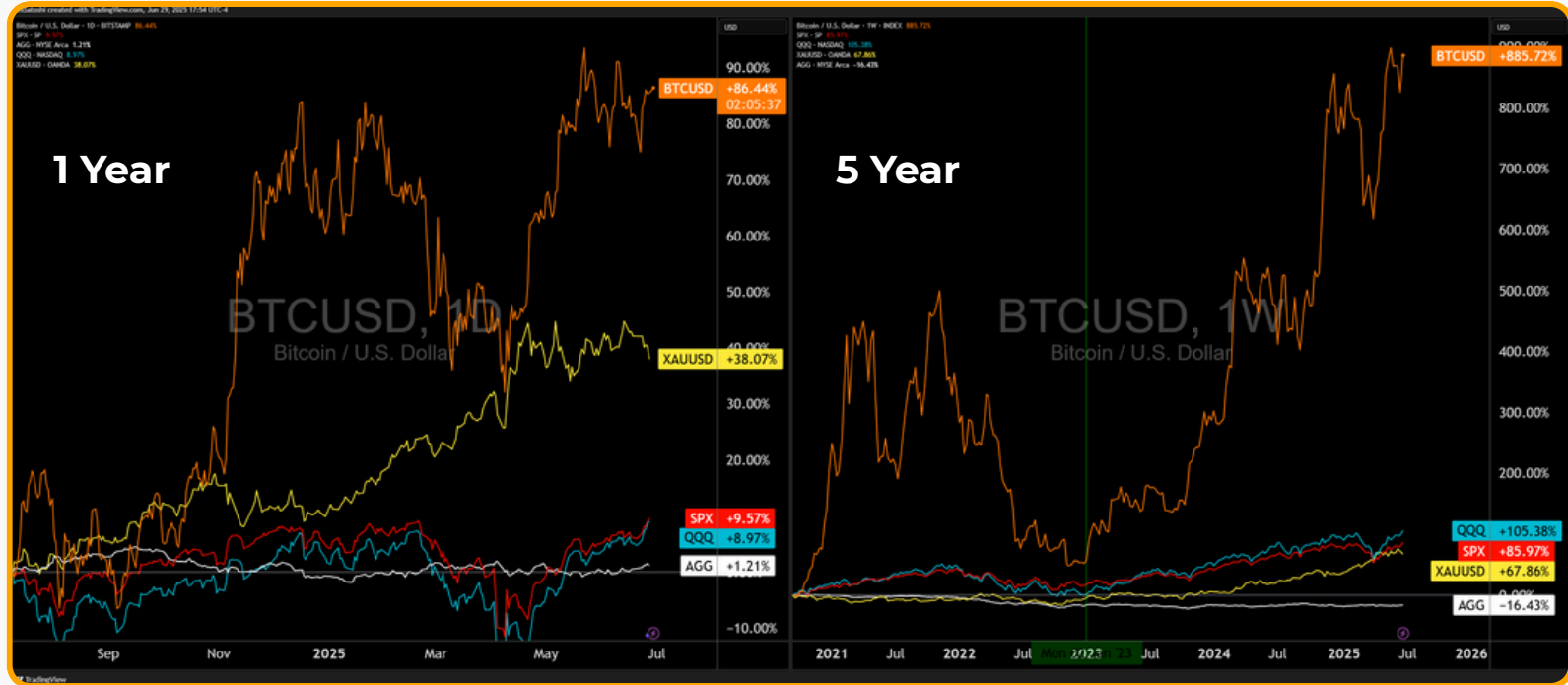
Bitcoin has lagged GLI around 50-100 days.



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BTC vs Benchmarks

One-Year and Five-Year Lookback Periods



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July Has Been a Bullish Month

Post-COVID Bitcoin Monthly Seasonality - % Change

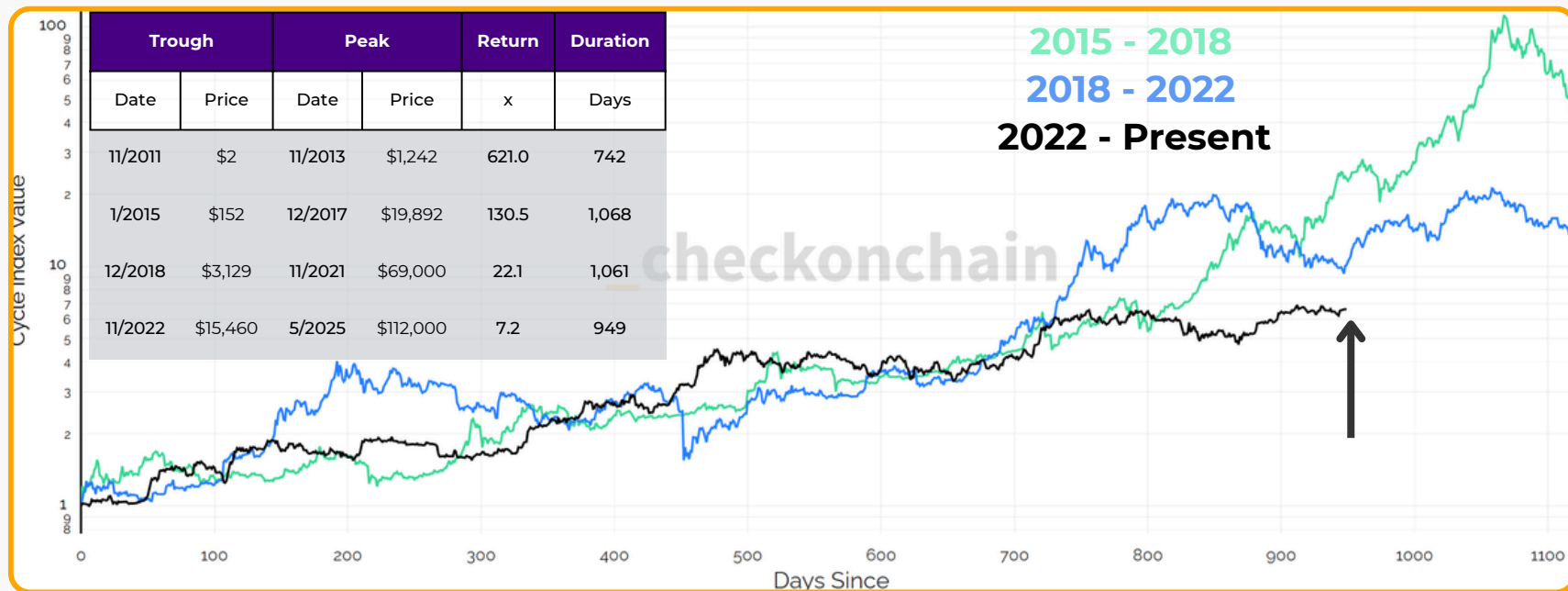
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2025	9.29	-17.39	-2.30	14.08	10.99	2.80						
2024	0.62	43.55	16.81	-14.76	11.07	-6.96	2.95	-8.60	7.29	10.76	37.29	-2.85
2023	39.63	0.03	22.96	2.81	-6.98	11.98	-4.02	-11.29	3.91	28.52	8.81	12.18
2022	-16.68	12.21	5.39	-17.30	-15.60	-37.28	16.80	-13.88	-3.12	5.56	-16.23	-3.59
2021	14.51	36.78	29.84	-1.98	-35.31	-5.95	18.19	13.80	-7.03	39.93	-7.11	-18.90
2020	29.95	-8.60	-24.92	34.26	9.51	-3.18	24.03	2.83	-7.51	27.70	42.95	46.92
Average	12.89	11.10	7.96	2.85	-4.39	-6.43	11.59	-3.43	-1.29	22.49	13.14	6.75
Median	11.90	6.12	11.10	0.42	1.27	-4.57	16.80	-8.60	-3.12	27.70	8.81	-2.85
Up/Down	5/1	4/2	4/2	3/3	4/2	2/4	4/1	2/3	2/3	5/0	3/2	2/3

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Cyclical Relative Underperformance

Bitcoin Cycle Comparison From Cycle Low



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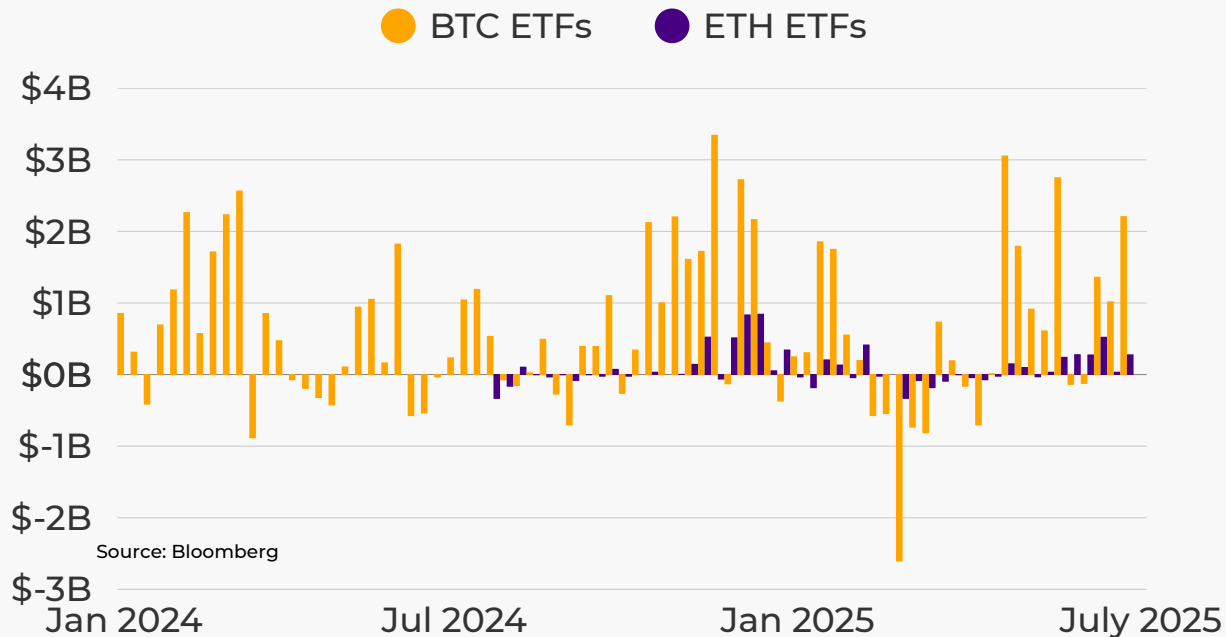
US Weekly ETF Net Flows

Flows Have Begun Rising Again

Flows for US spot BTC ETFs have roared back.

Flows for US spot ETH ETFs remain have jumped up slightly.

Some inflows have been related to basis trade arbitrage opening.



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Voracious Demand of IBIT

IBIT AUM vs Other Popular ETFs

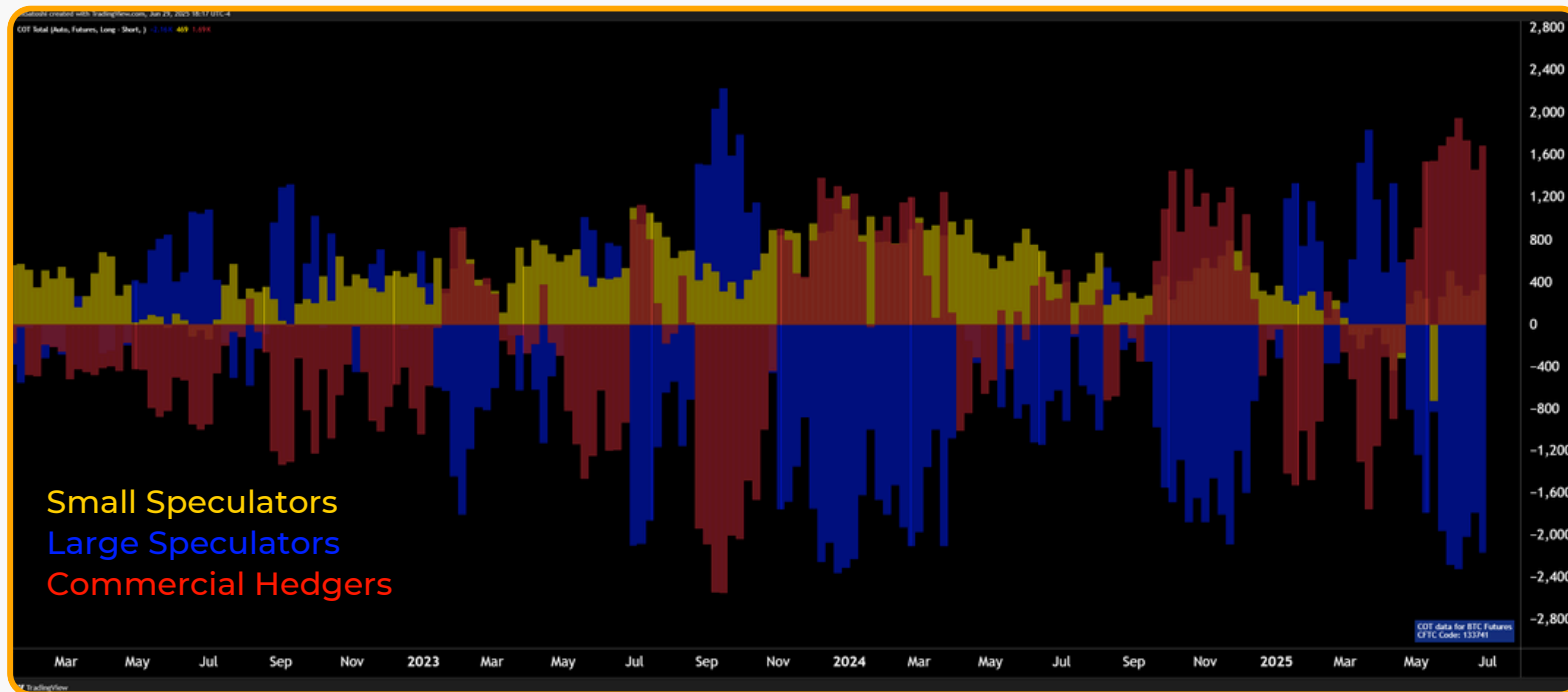
BlackRock's BTC ETF IBIT is the fastest ETF to reach \$70 billion in AUM.

"It might make sense just to get some in case it catches on."
— Satoshi Nakamoto on Bitcoin in 2009



Commitment of Traders Signal

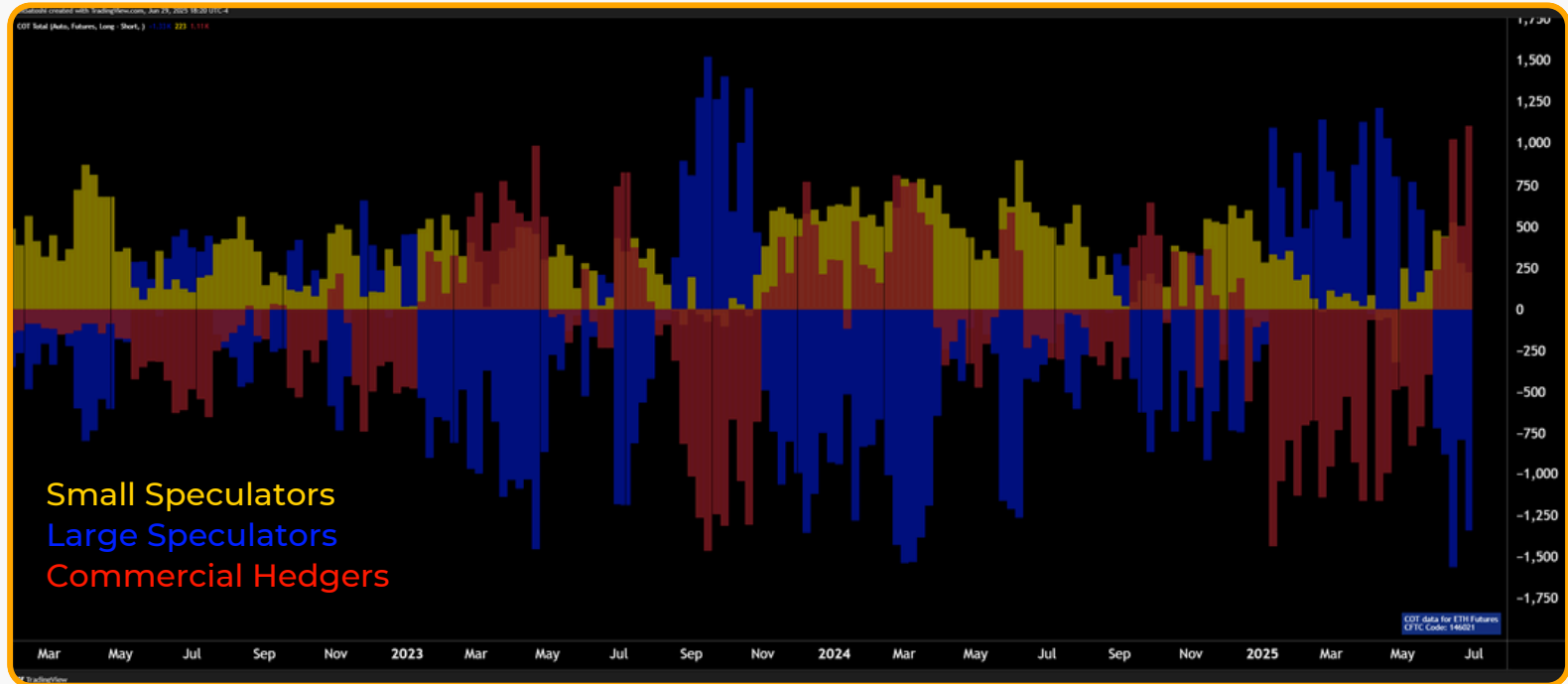
CoT Positioning Favors Bullish Continuation



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Commitment of Traders Signal

ETH CoT Positioning Favors Bullish Continuation



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Bullish Continuation Chart Pattern

BTC Cup & Handle



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Bullish Multi-Year Channel

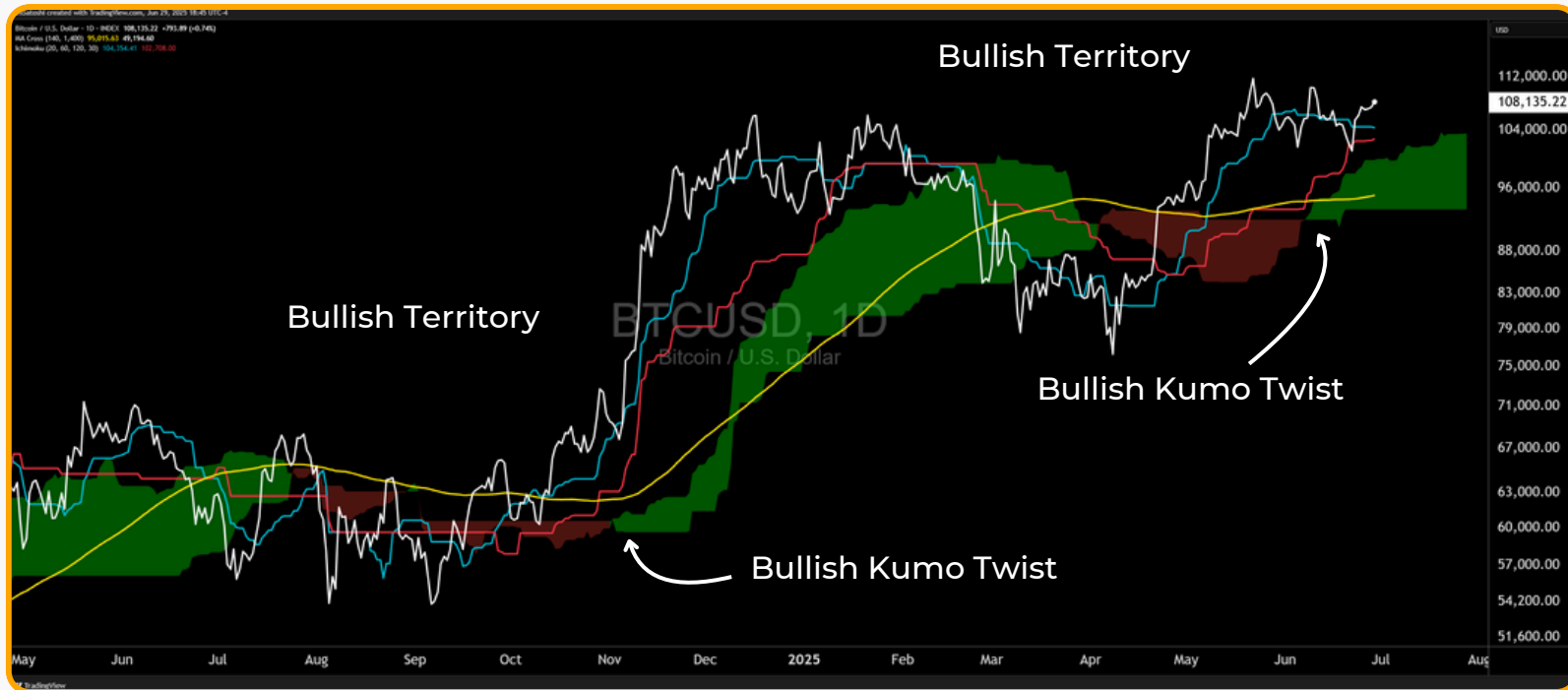
BTC Remains in Bullish Territory



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Trend Cloud Remains Bullish

Bullish Momentum Held in June



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MSTR Poised for Breakout?

Strategy Trend Channel

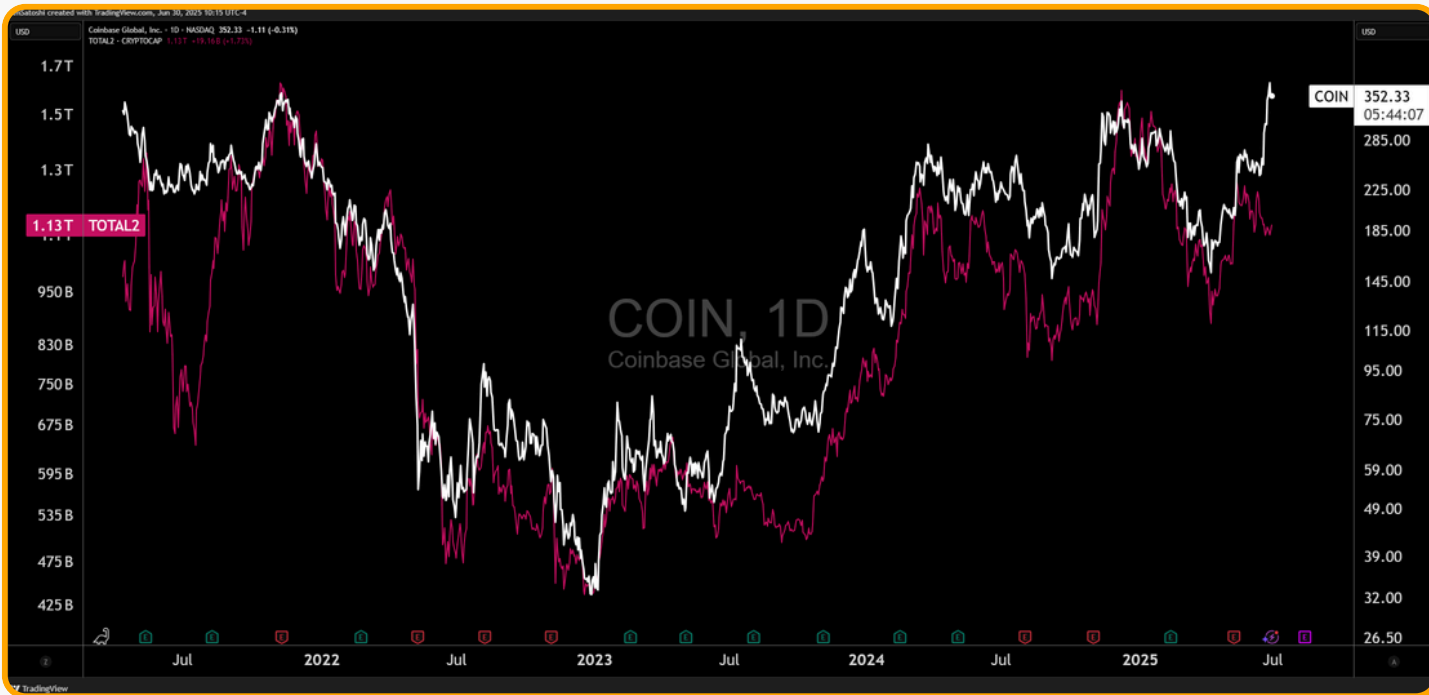


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COIN vs Alts: Which One is Lying?

Coinbase vs Alt Coin Index ex BTC



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ETH vs IWM: Which One is Lying?

Ethereum vs Russell 2000

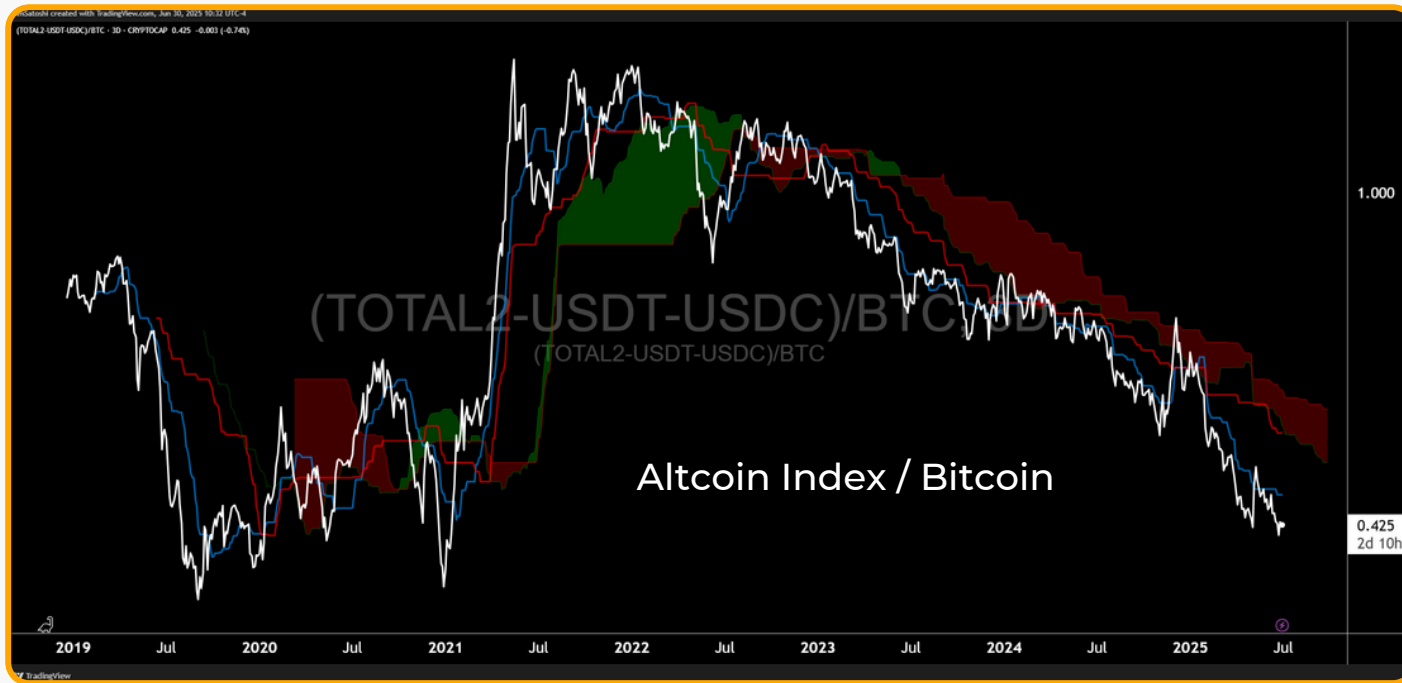


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Alt Coin vs BTC Weakness Continues

Bearish Relative Value Against BTC Since 2022



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