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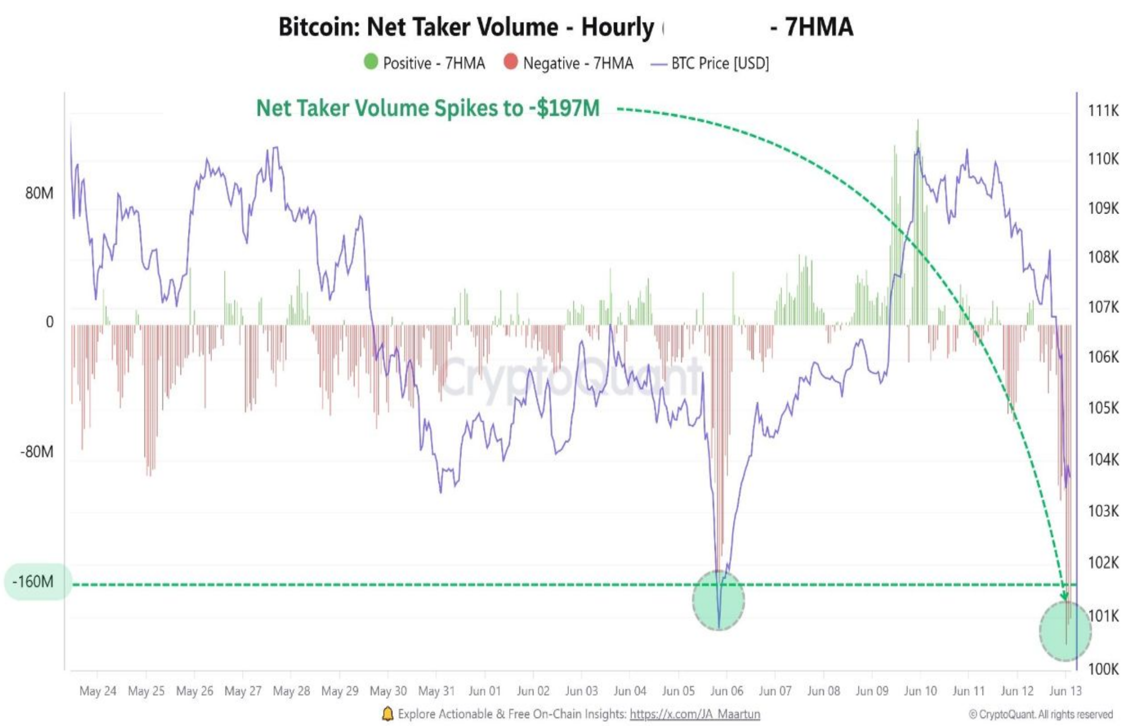
EXECUTIVE SUMMARY

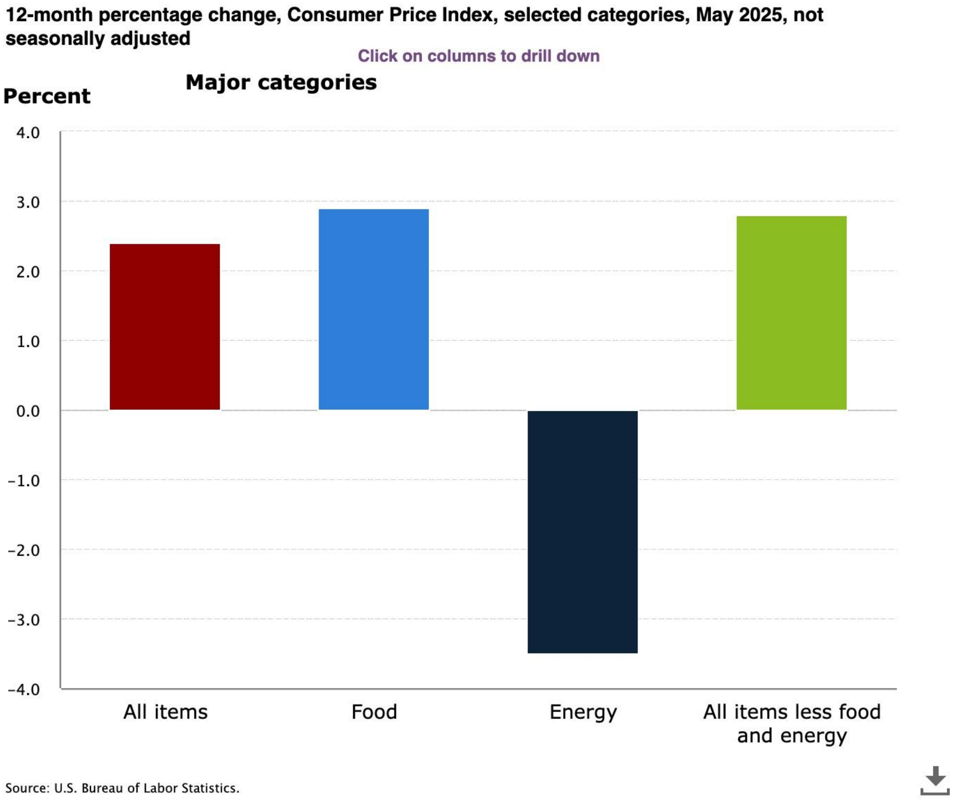
Markets Nervous as BTC Consolidates

Bitcoin started the week (last week) with a promising rebound, climbing 4.7 percent from the weekly open and briefly retesting its prior all-time high of $109,590. But optimism quickly gave way to risk aversion after the unexpected strike on Iran by Israel on June 13 triggered a sharp selloff across global markets. Bitcoin retraced much of its early gains with a 7.33 percent drop, closing the week lower as rising oil prices and macro uncertainty weighed heavily on investor sentiment. This episode underscores how even a strong trend can be swiftly derailed by exogenous shocks, especially when markets are running hot.

Beneath the surface, trader behaviour revealed mounting stress. Bitcoin's Net Taker Volume plunged to −$197 million (see chart below), its lowest since June 6—signalling that sellers had seized control, aggressively offloading BTC at market prices. This selling however, combined with a spike in liquidations, resembles past capitulation—style setups that often mark local bottoms. If Bitcoin can hold the $102,000–$103,000 zone, it may suggest that selling pressure is being absorbed and that the market could be primed for recovery—assuming geopolitical risks don't intensify further.



Notably, the scale of the correction has been modest, especially compared to past bull market drawdowns. A 9 percent peak-to-trough pullback is well within normal volatility bands for Bitcoin, with nearly half of all trading days in the current cycle having seen deeper drawdowns. In addition, the rapid slide in the Fear and Greed Index into "Fear" territory, despite a relatively mild decline, suggests market psychology remains fragile. This reflexive fear, however, may actually reduce downside risk, as positioning remains cautious and susceptible to quick reversals if demand reasserts. For now, Bitcoin is navigating a classic consolidation within an uptrend—volatile, but not broken.



US inflation showed a mild increase in May, with the Consumer Price Index rising just 0.1 percent thanks to falling energy prices. However, this relief may be short-lived as trade tariffs and heightened geopolitical tensions raise the risk of renewed inflation through global supply chain disruptions and energy market volatility. Labour market signals are also turning cautious; jobless claims rose to 248,000, approaching levels associated with recession risks, while continuing claims hit their highest since 2021—suggesting it's taking longer for displaced workers to find new jobs. Against this backdrop, the Federal Reserve is expected to hold rates steady at its upcoming meeting this week, balancing recent inflation softness with energy-driven price pressures and fragile job market trends. With inflation expectations still elevated and global uncertainties mounting, policymakers are likely to adopt a wait-and-see approach before committing to any rate cuts.

The crypto sector is witnessing a strategic pivot as major players embrace treasury deployment and regulatory recalibration to drive ecosystem growth. The Blockchain Group, positioning itself as Europe's version of Strategy, unveiled a €300 million at-the-market equity program to expand its Bitcoin reserves—signaling growing investor appetite for BTC-backed equity vehicles amid regulatory clarity under MiCA. Meanwhile, Cardano is considering a $100 million diversification of its ADA treasury into native stablecoins and Bitcoin, aiming to deepen liquidity and strengthen its DeFi infrastructure without relying on external funding. In parallel, the US Securities and Exchange Commission has withdrawn several Gensler-era proposals targeting DeFi exchanges and custody frameworks, reflecting a broader shift toward more innovation-friendly regulation under Acting Chair Paul Atkins. Together, these developments highlight a new phase where blockchain foundations are actively leveraging capital to accelerate adoption, while regulators begin aligning with the decentralised nature of Web3 finance.

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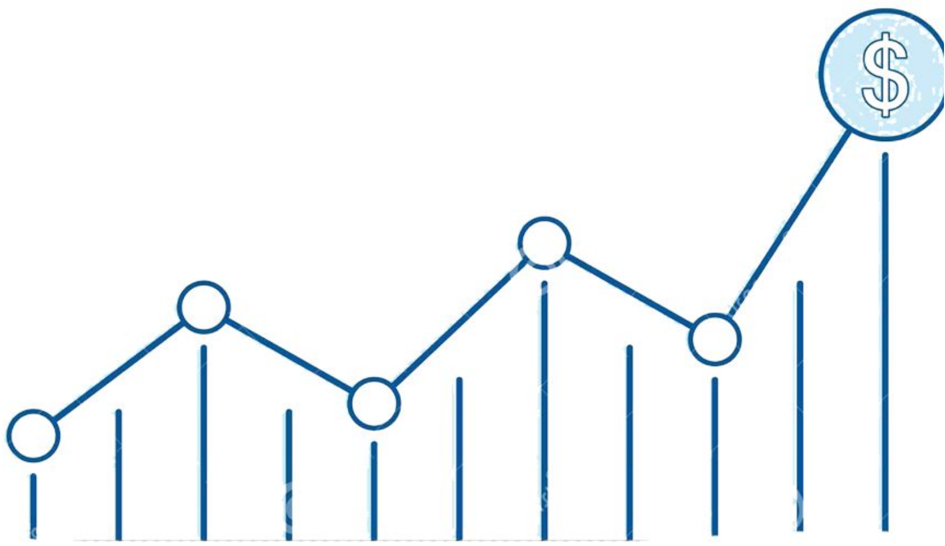

MARKET SIGNALS

War Headlines Triggers Fall in Bitcoin but Bottom Should Be Close

Bitcoin began the week, last week, with a strong rebound, recovering from earlier lows , and reclaiming key support levels to retest the January 2025 all-time high of $109,590. This move marked a 4.7 percent gain from the weekly open, supported by improving market sentiment and a temporary pause in profit-taking activity.

However, renewed geopolitical tensions in the Middle East triggered a sharp wave of de-risking across global markets. Bitcoin responded with a 7.33 percent peak-to-trough decline, retracing much of its early-week gains. The heightened uncertainty, coupled with rising oil prices and broader risk-off flows, pressured the market lower into the weekend.

Figure 1. BTC/USD 4H Chart. (Source: Bitfinex)

As a result, Bitcoin closed the week down flat at 0.09 percent, despite the initial strength earlier in the week. The swift reversal highlights the market's fragility in the face of exogenous shocks, and underscores how quickly sentiment can shift even during strong trend conditions. Heading into this week, all eyes are on the macro newsflow and whether BTC can maintain support above the $103–105K region.

Bitcoin's Net Taker Volume, a key metric that tracks the balance between market buys and sells, has dropped to −$197 million, marking its most negative reading since June 6. This suggests a wave of sell-side pressure, with traders choosing to offload BTC at market prices rather than waiting with passive bids. The seven-hour moving average of this metric has remained negative since June 12, reinforcing the current bearish short-term momentum.

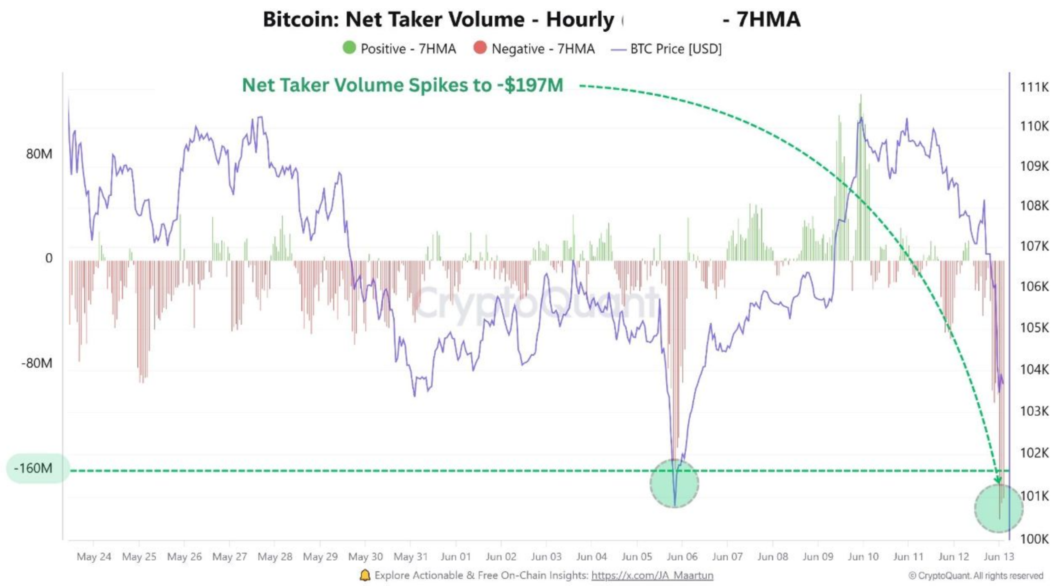

Figure 2. Bitcoin Net Taker Hourly Volume Smoothened Using Seven Hour Moving Average (Source: CryptoQuant)

This spike in selling was triggered by an unexpected escalation in geopolitical tensions, following Israel's military strike on Iran early Friday, June 13. As global markets reacted to the news, risk assets sold off broadly. Crypto, being one of the most liquidity-sensitive and high-beta asset classes, experienced immediate liquidation pressure. Leveraged long positions were unwound, accelerating the downside move in Bitcoin. Historically, such extreme readings in Net Taker Volume, particularly below –$160 million, have aligned with local bottoms, as panic selling exhausts weaker participants and opens the door for larger players to accumulate.

The current conditions also resemble prior capitulation-driven setups which usually result in Bitcoin reversing course shortly after aggressive selling. If BTC can hold above the $102,000–$103,000 region for a sustained period, it would suggest that the market is absorbing the selling pressure effectively.

Figure 3. Scene of an Explosion in a Residence Compound in Tehran, Iran, Friday, June 13, 2025. (AP News /Vahid Salemi)

While some downside risk still lingers due to macro volatility and the fragile geopolitical backdrop, this environment now reflects a high-risk, high-reward opportunity for upside continuation if buyer confidence returns.

Another reason we expect the ultimate drawdown to be less severe than what current sentiment or typical summer seasonality pullbacks might suggest—such as the ~30 percent correction observed last year—is the behaviour of the market itself. Despite Bitcoin only pulling back modestly to a low of $102,660 last week, the Fear and Greed Index briefly dipped into the 'Fear' zone on June 13th. This is a notable overreaction for such a shallow correction and points to a market that remains emotionally fragile and reactive.

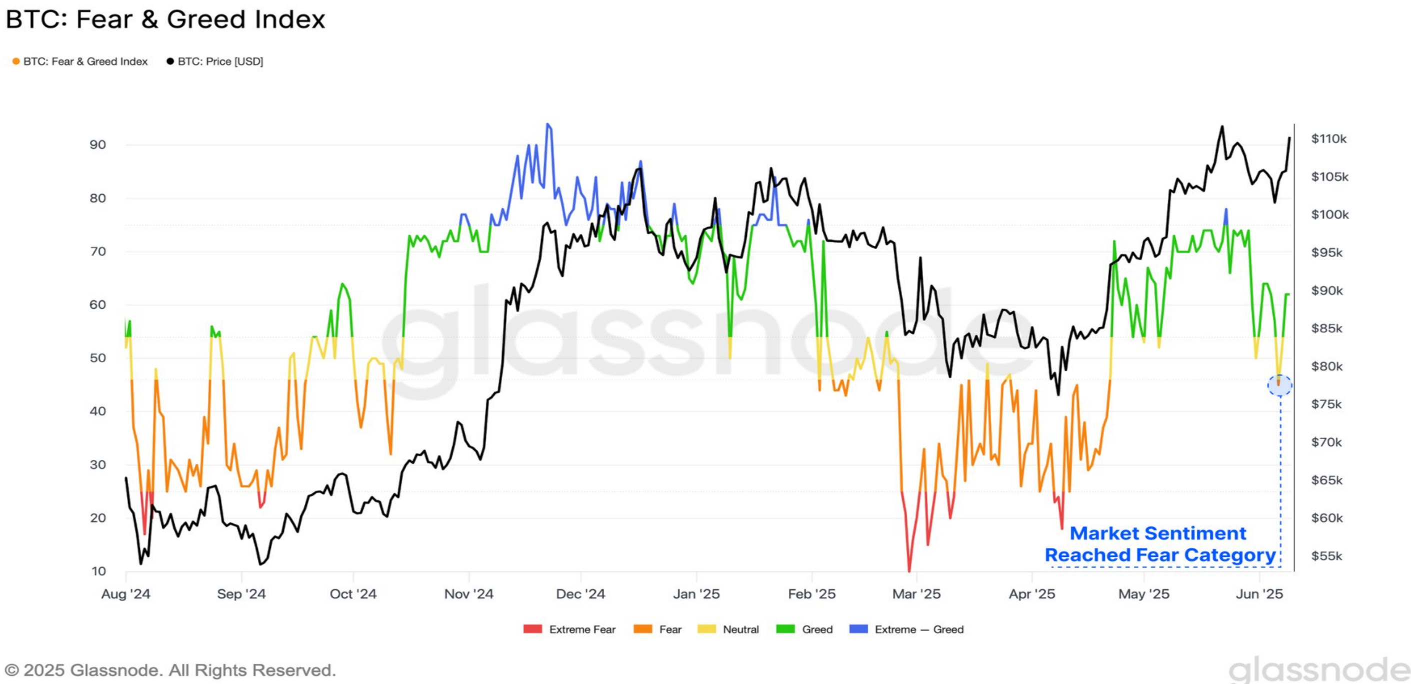

Figure 4 Bitcoin Fear and Greed Index. (Source: Glassnode)

A key driver of this abrupt sentiment deterioration appears to be growing anxiety around a potential double-top formation, drawing parallels to the 2021 cycle. During that period, Bitcoin broke all-time highs mid-year only to retrace sharply soon afterwards, triggering a prolonged consolidation and selloff. Investors today are understandably cautious, with many conditioned by the memory of that pattern. However, the fact that fear has returned so quickly in response to a relatively modest pullback may actually be constructive as it shows that complacency is not yet embedded and that positioning may be cleaner than it seems. In such cases, downside may be more limited, and drawdowns can resolve more quickly if underlying demand remains intact.

When measuring the recent market correction as a percentage drawdown from the all-time high, the decline over the past two weeks amounted to just -9 percent from peak to trough. To put this into perspective, 384 out of 928 trading days in the current cycle—or 41.4 percent—have experienced a larger drawdown on a rolling basis. This places the recent pullback well within the bounds of normal volatility for this cycle.

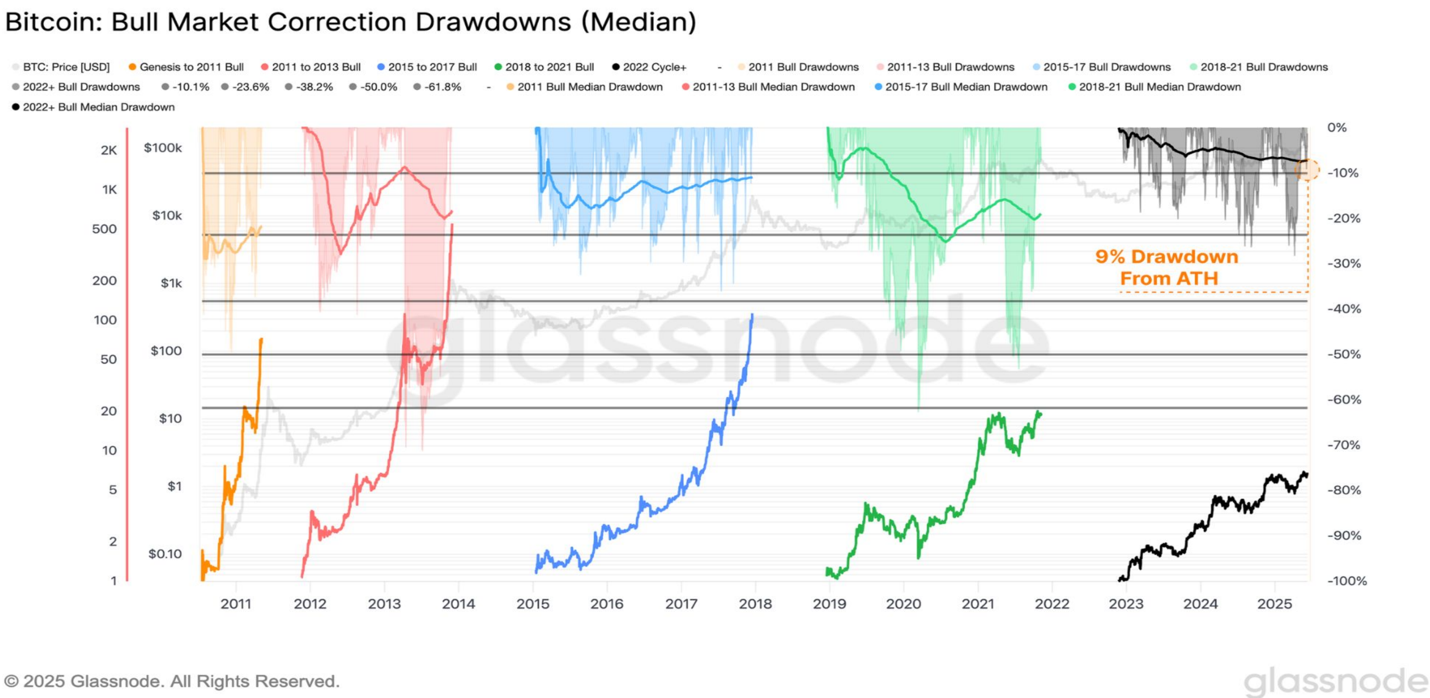

Figure 5. Bitcoin Bull Market Correction Trajectories and Drawdowns. (Source: Glassnode)

Moreover, the magnitude of this decline closely matches the cycle's median drawdown of approximately 7 percent, reinforcing the view that, from a purely price-based standpoint, the correction was neither extreme nor anomalous. It reflects a healthy consolidation phase within an ongoing uptrend rather than the start of a deeper structural breakdown. Such context is important to maintain perspective, especially when sentiment temporarily deteriorates despite relatively routine price action.

GENERAL MACRO UPDATE

US Inflation Softens in May, but Trade Tariffs Signal Bumpy Road Ahead

FIgure 6. President Donald Trump

US consumer prices rose less than expected in May, offering a brief reprieve to households amid falling gasoline prices. However, the broader outlook remains clouded by inflationary pressures stemming from trade tariffs and, more recently, escalating geopolitical risks that threaten to disrupt global markets and supply chains.

Figure 7. Consumer Price Index, Month-over Month Change (Source: Bureau of Labor Statistics)

The Consumer Price Index (CPI), a key gauge of inflation, increased by just 0.1 percent in May, below the consensus forecast of 0.2 percent. This mild rise follows a 0.2 percent increase in April, according to the Consumer Price Index Summary, released last Wednesday, June 11th. A sharp 2.6 percent drop in gasoline prices and a 1 percent decline in overall energy costs played a significant role in containing inflation, temporarily easing the burden on consumers already wary of higher costs from trade disruptions.

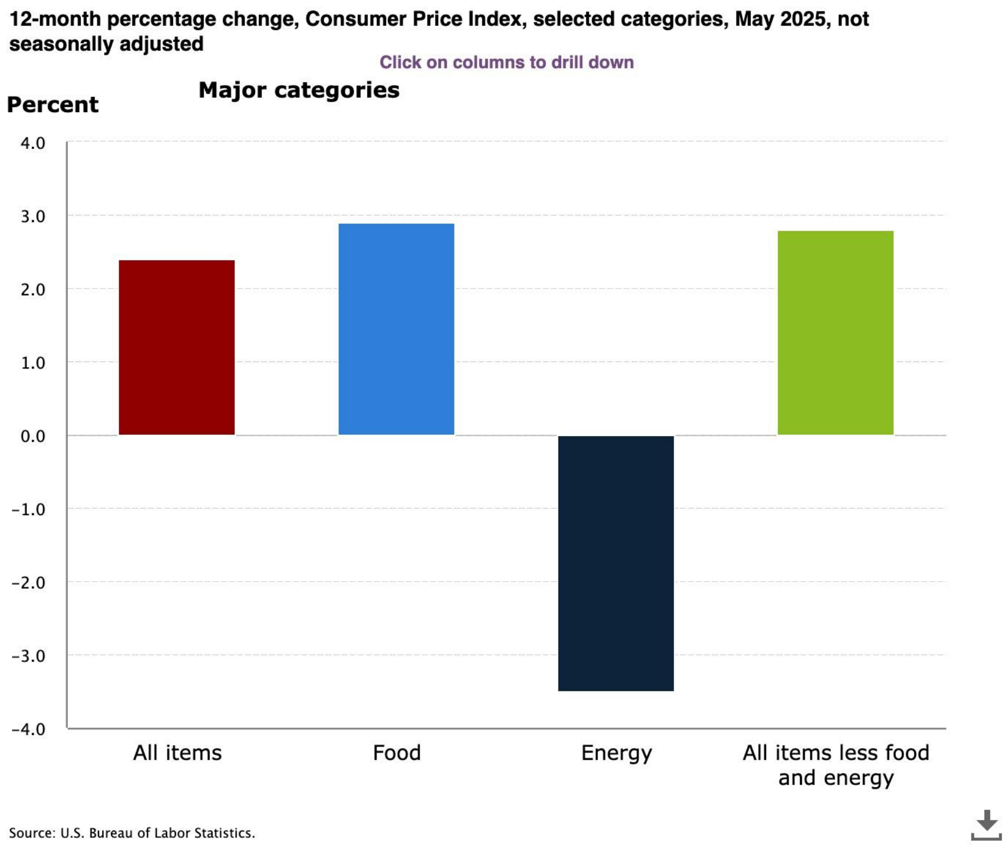

Figure 8. Consumer Price Index Category (Source: US Bureau of Labor Statistics)

Beneath the surface, however, subtle shifts indicate inflationary pressures are brewing. While headline inflation was restrained, service prices rose 0.2 percent for the month and are up 3.6 percent compared to a year ago. Housing costs climbed 0.3 percent in May and 3.9 percent over the past 12 months, with rent and owners' equivalent rent—an estimate of the cost of owning a home—each rising 0.3 percent monthly and around 4 percent annually. Food prices also crept up by 0.3 percent in May and 2.9 percent year-over-year.

Core inflation, which excludes food, energy, and shelter—the most volatile components—was up just 0.1 percent for the month, and 2.8 percent from a year earlier. This suggests that the core price environment remains relatively stable, at least for now. Still, that stability masks deeper shifts tied to the Trump administration's trade policies.

With an effective tariff rate now at 15.6 percent and the dollar weakening by more than 10 percent this year, cost pressures are intensifying. Consumer goods most exposed to tariffs—such as apparel, electronics, and toys—have already registered price increases since the start of the year.

Figure 9. US Dollar Index , DXY (Source: TradingView)

Figure 10. Damage in Tehran following Israeli Strikes.
Photo Source: Fatemeh Bahrami/Anadolu via Getty Images

Overlaying these domestic concerns is a sudden resurgence in geopolitical risk. On June 12th, Israel conducted military strikes against Iranian nuclear facilities and its military leadership, sparking fears of broader conflict in the Middle East. This development rattled global markets, with investors shifting toward traditional safe-haven assets. The S&P 500 fell, gold rose and crude oil prices surged, as market anxiety increased over potential energy supply disruptions.

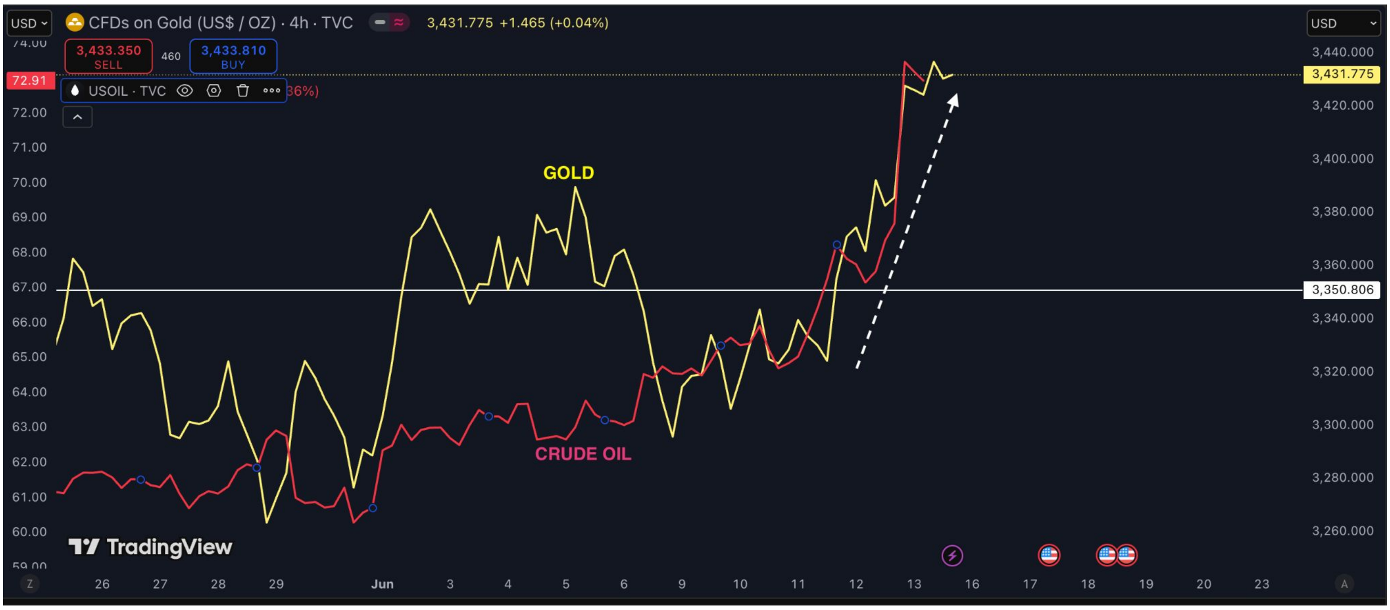

Figure 11. CFD's on Gold and US Crude Oil (Source: TradingView)

In a departure from typical risk-off behaviour, US Treasury yields however moved higher instead of falling—indicating concerns that rising oil prices could reignite inflation and make the Federal Reserve more hesitant to lower interest rates, despite recent tame inflation readings. The two-year Treasury yield, closely tied to rate expectations, rose 0.07 percentage points to 3.97 percent, suggesting that investors now see fewer rate cuts ahead.

If the conflict between Israel and Iran escalates, the economic impact could mirror that of Russia's invasion of Ukraine in 2022, which sparked a global energy shock and compounded supply chain issues still lingering from the pandemic. While markets are not currently pricing in severe long-term disruption, the situation adds to an already volatile environment shaped by trade disputes and uneven global growth.

Figure 12. US 2-Year Treasury Yield (Source: TVC)

The Federal Reserve is expected to maintain its cautious stance in the near term. At its June 18th meeting, policymakers are unlikely to revise interest rate projections to reflect recent geopolitical or tariff-related developments. Instead, the central bank will likely continue to monitor how inflation evolves as businesses work through tariff-buffered inventories and assess whether conflict-driven energy shocks become persistent.

While May's inflation data suggests momentary relief, underlying economic pressures remain formidable. With trade tariffs gradually feeding into prices and geopolitical tensions threatening new energy shocks, inflation risks are shifting into higher gear. For the Fed and financial markets, this means staying vigilant in an increasingly complex and fragile global environment.

Jobless Claims Rise Again, but Is a Recession Imminent?

New applications for unemployment benefits in the US climbed to 248,000 last week, according to the latest [Unemployment Insurance Weekly Claims] report, and puts it just shy of the 250,000 threshold commonly associated with rising recession risk. That said, we caution against jumping to conclusions.

Much of the uptick appears to be tied to seasonal fluctuations rather than a clear sign of weakening economic fundamentals. Historically, initial claims for jobless benefits have spiked during the summer months, particularly in June and July, despite the data being seasonally adjusted. This year's increase follows a familiar pattern, with California and Minnesota once again accounting for a large share of new claims—just as they have during this period over the past two summers.

However, there are important differences in the backdrop this year. The labour market is notably softer compared to previous years. Hiring momentum has slowed, in part due to lingering trade uncertainty, which is causing businesses to adopt a more cautious stance. This slower pace of job creation means that even temporary bumps in unemployment claims could become more significant if they persist.

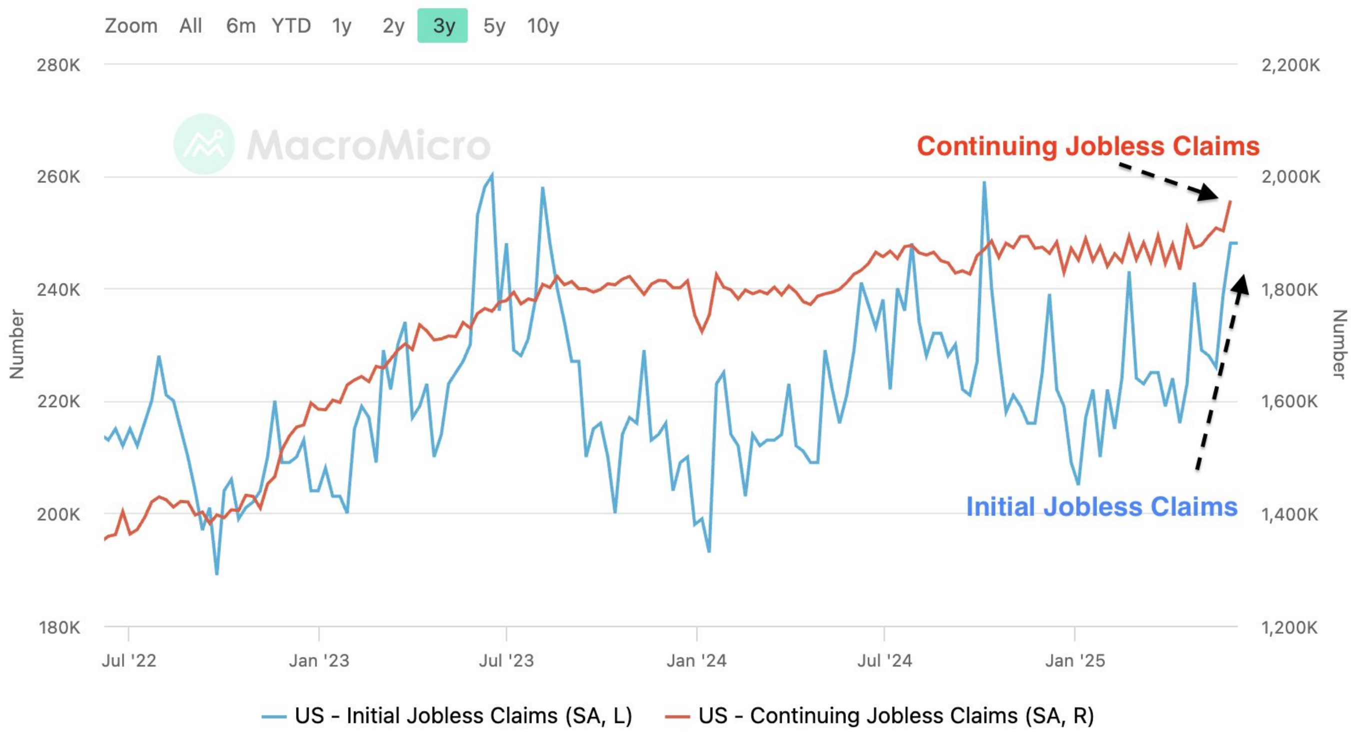

Figure 13. Initial and Continuing Jobless Claims (Source: Macromicro)

Of greater concern is the rise in continuing claims—the number of people who remain unemployed and are still claiming benefits. These climbed to 1.956 million last week, marking the highest level since November 2021. This figure may indicate that people who lose their jobs are having a harder time finding new employment. Contributing to this is a wave of federal worker layoffs, which, combined with a less accommodating job market, is pushing more individuals into longer-term unemployment.

If continuing claims continue their upward trend, it could point to growing stress in the labour market. For now, the recent increases in weekly jobless claims might not yet warrant alarm. But they do serve as an early signal worth watching closely, especially as economic uncertainty and weaker hiring conditions begin to test the resilience of the US workforce.

While current jobless claims remain just below the threshold that suggests a recession is approaching, and some of the rise may be seasonal, underlying signs point to a cooling labour market. If these trends persist, particularly in continuing claims, policymakers and market watchers may soon have more serious reasons for concern.

The Fed at a Crossroads: Inflation Risks, Energy Shocks, and Policy Patience

As the Federal Reserve prepares for its next policy meeting on June 17-18th, it finds itself navigating a landscape shaped by global uncertainties and steady, if fragile, domestic fundamentals. With rising energy prices and trade-related inflation pressures looming, we expect the Federal Open Market Committee (FOMC) to hold interest rates steady in the 4.25 –4.5 percent range. Still, the evolving environment will demand strategic patience and careful messaging from the central bank.

Inflation risks are being driven by a dual shock: the imposition of new tariffs in early April and growing instability in the Middle East. Though the US has significantly reduced its reliance on foreign energy—becoming a net exporter since 2019—it remains vulnerable to global pricing dynamics.

Roughly one-fifth of the world's oil and natural gas supply transits the strategically sensitive Strait of Hormuz, where ongoing conflict threatens to disrupt trade. Oil price increases ripple through the economy. Historically, a $10 rise in crude oil tends to nudge inflation up by 0.2 percentage points and trim GDP growth by 0.1 percent.

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
6/18/2025					0.0%	0.0%	0.0%	0.0%	3.1%	96.9%
7/30/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	21.5%	77.9%
9/17/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	14.4%	58.6%	26.7%
10/29/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	7.4%	36.6%	42.5%	13.3%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.1%	4.8%	26.0%	40.4%	23.9%	4.8%
1/28/2026	0.0%	0.0%	0.0%	0.0%	1.8%	12.3%	31.1%	34.5%	17.2%	3.1%
3/18/2026	0.0%	0.0%	0.0%	0.9%	6.7%	21.0%	32.7%	26.5%	10.6%	1.7%
4/29/2026	0.0%	0.0%	0.1%	1.7%	8.7%	22.7%	31.8%	24.2%	9.3%	1.4%
6/17/2026	0.0%	0.1%	1.0%	5.8%	16.8%	27.9%	27.4%	15.6%	4.8%	0.6%
7/29/2026	0.0%	0.3%	2.1%	8.2%	19.3%	27.8%	24.8%	13.2%	3.8%	0.5%
9/16/2026	0.0%	0.4%	2.6%	9.1%	19.9%	27.6%	23.9%	12.5%	3.6%	0.4%
10/28/2026	0.2%	1.4%	5.5%	13.9%	23.3%	25.9%	18.8%	8.5%	2.2%	0.2%
12/9/2026	0.2%	1.2%	5.0%	12.9%	22.3%	25.6%	19.6%	9.7%	2.9%	0.5%

Figure 14. Conditional Meeting Probabilities (Source: CME FedWatch Tool)

While markets currently assign a 70 percent chance of a rate cut in September and 60 percent in December, these odds are highly sensitive to further economic data and headline risk. Until inflation shows consistent signs of easing, the Fed is unlikely to shift its stance prematurely.

Energy Independence Provides Some Cushion

America's shift to net energy exports since 2019 has strengthened its position among developed nations. When crude oil prices rise above $65 per barrel, domestic producers are generally incentivised to boost output, helping to counteract foreign supply shocks.

That said, higher fuel costs often reach consumers swiftly, typically within days—affecting inflation readings almost immediately. Recent increases in oil prices suggest that inflation could rise modestly in the coming weeks, depending on the conflict's trajectory.

Investors are adjusting their expectations accordingly. Yields on the 10-year Treasury recently rose to 4.41 percent, a reflection of heightened inflation concerns and risk aversion.

The Fed's upcoming post-meeting statement is expected to soften its characterisation of growth, moving from "solid" to "moderate," a signal that officials recognise headwinds but are not yet ready to pivot decisively. The Fed is in a holding pattern. While rate cuts remain on the table later this year, the path forward is clouded by energy volatility and elevated inflation expectations. Policymakers are likely to wait for clearer signals before taking action—especially if new price shocks threaten to destabilise consumer sentiment.

NEWS FROM THE CRYPTO-SPHERE

The Blockchain Group Launches Ambitious €300M ATM Equity Program to Accelerate Strategic Bitcoin Treasury Expansion

Figure 15. The Blockchain Group Launches Ambitious €300M ATM Equity Program to Accelerate Strategic Bitcoin Treasury Expansion

- **The Blockchain Group launched a €300 million "At-The-Market" share issuance program to fund further Bitcoin acquisitions, reinforcing its transformation into a European equivalent of MicroStrategy**
- **With 620 BTC on its balance sheet and BTC-focused metrics, the firm aims to grow BTC per share efficiently, attracting institutional backing and positioning itself as a leading Bitcoin treasury proxy in Europe**

Last Monday, June 9th, The Blockchain Group (Euronext Growth: ALTBG), a Paris-based tech company turned Bitcoin treasury operator, announced the launch of a €300 million "At-The-Market" (ATM) share issuance program. This highly flexible equity facility allows the company to issue new shares directly into the market over time, capitalizing on any favourable conditions to raise funds without traditional underwriting constraints. The capital raised will be primarily used to expand the firm's Bitcoin holdings, reinforcing its strategic pivot from a diversified technology company into a European equivalent of the US group Strategy—fully focused on Bitcoin as a reserve asset. Since its transition in late 2023, The Blockchain Group has introduced BTC-native key performance metrics, such as BTC Yield, BTC Gain, and BTC € Gain, emphasising performance based on Bitcoin accumulation rather than conventional profitability. As of Q1 2025, the firm holds approximately 620 BTC, having recently acquired 580 BTC using proceeds from a €48.6 million convertible bond issued in March.

This ATM program builds on that momentum, offering a capital-efficient path to grow BTC per share without significantly diluting existing shareholders. Institutional investors such as Fulgur Ventures and UTXO Management have already backed the firm’s BTC acquisition strategy, and the company maintains partnerships with infrastructure providers like Swissquote and Taurus. With this €300 million initiative, The Blockchain Group further positions itself as Europe’s leading public Bitcoin treasury proxy, catering to investors seeking exposure to BTC through traditional equity markets. This move signals strong conviction in Bitcoin's long-term value, while setting a precedent for the integration of capital markets with decentralised financial assets, in the post-MiCA regulatory environment.

SEC Withdraws Gensler-Era DeFi Exchange & Custody Rule Proposals

Figure 16.SEC Withdraws Gensler-Era DeFi Exchange & Custody Rule Proposals

- **The SEC has withdrawn key Gensler-era proposals targeting DeFi exchanges and crypto custody**
- **Over a dozen other initiatives, including ESG and cybersecurity rules, were also rescinded, reflecting the agency's broader move away from expansive regulation toward more focused rulemaking.**

Last Wednesday, June 12th, in a significant shift signifying a move away from the strict regulatory stance taken by former Securities and Exchange Commission Chair Gary Gensler, the SEC formally withdrew a suite of proposed rules designed to bring decentralised finance (DeFi) platforms under traditional securities exchange registration—namely Rule 3b-16. It also served to impose heightened custody requirements on crypto assets held by investment advisers. These proposals, introduced between March 2022 and November 2023, had drawn strong criticism from crypto stakeholders for being impractical for decentralised protocols and overly burdensome for emerging digital-asset custodians. Under Acting Chair Paul Atkins, the SEC has now signalled a more calibrated, innovation-friendly regulatory philosophy that recognizes the unique architecture of DeFi systems, while also hinting at future, more tailored frameworks. Alongside the DeFi exchange and custody proposals, the SEC rescinded over a dozen other Gensler-era initiatives, including enhancements to ESG reporting and cybersecurity mandates—underscoring its commitment to scaling back expansive regulatory ambitions in favour of targeted rulemaking.

Cardano Mulls $100M Treasury Diversification to Accelerate DeFi Ecosystem Growth

Figure 17. Cardano Mulls $100M Treasury Diversification to Accelerate DeFi Ecosystem Growth

- **Cardano is considering deploying $100 million worth of ADA from its treasury to invest in native stablecoins and Bitcoin, aiming to strengthen its DeFi ecosystem and improve stablecoin adoption**
- **The plan, still under review, proposes a gradual and strategic sell-off to avoid market disruption, signalling a shift toward active treasury management for ecosystem growth**

In a potential turning point for the Cardano ecosystem, founder Charles Hoskinson proposed last Friday, June 13th, allocating $100 million worth of ADA from the Cardano Foundation's treasury toward bolstering the network's decentralised finance (DeFi) infrastructure.

The informal plan, currently under internal review, suggests reallocating treasury assets into a mix of crypto holdings — including Bitcoin and Cardano-native stablecoins such as USDM, USDA, and IUSD. The goal: to inject liquidity into Cardano's DeFi protocols and catalyze the growth of its on-chain stablecoin economy.

According to Hoskinson, the proposal has reached senior levels of discussion within the Cardano Foundation and is being weighed in consultation with community stakeholders. The plan is detailed in a 40-page internal document that has not yet been made public.

The strategic intent behind the move is to align Cardano's ecosystem more closely with DeFi norms by increasing the share of stablecoins in relation to total value locked (TVL). Hoskinson indicated that the current ratio falls short of what's seen in more mature DeFi ecosystems, and boosting this ratio could improve the network's attractiveness to users, developers, and centralised exchanges.

While some ADA holders have raised concerns that a large-scale treasury sell-off could exert downward pressure on ADA's price, Hoskinson pushed back, citing deep market liquidity and the availability of structured trading tools to mitigate volatility. The proposed execution strategy involves spreading the sales over time using methods like time-weighted average prices (TWAPs) and over-the-counter (OTC) transactions.

Community reactions are mixed but largely optimistic. Some Cardano supporters see the move as a proactive step toward long-term sustainability and self-reliance, especially given the lack of institutional support for Cardano-native stablecoins from major issuers like Circle or Tether.

This proposal marks a potential shift in how blockchain foundations approach ecosystem growth — moving beyond passive holdings toward active investment strategies. The Cardano proposal mirrors initiatives seen in Ethereum and other major networks. Should the plan be adopted, it may serve as a blueprint for how public blockchain treasuries can directly support DeFi development without relying on external capital.