Private Briefing

kraken | VIP

Week of
July 20, 2026

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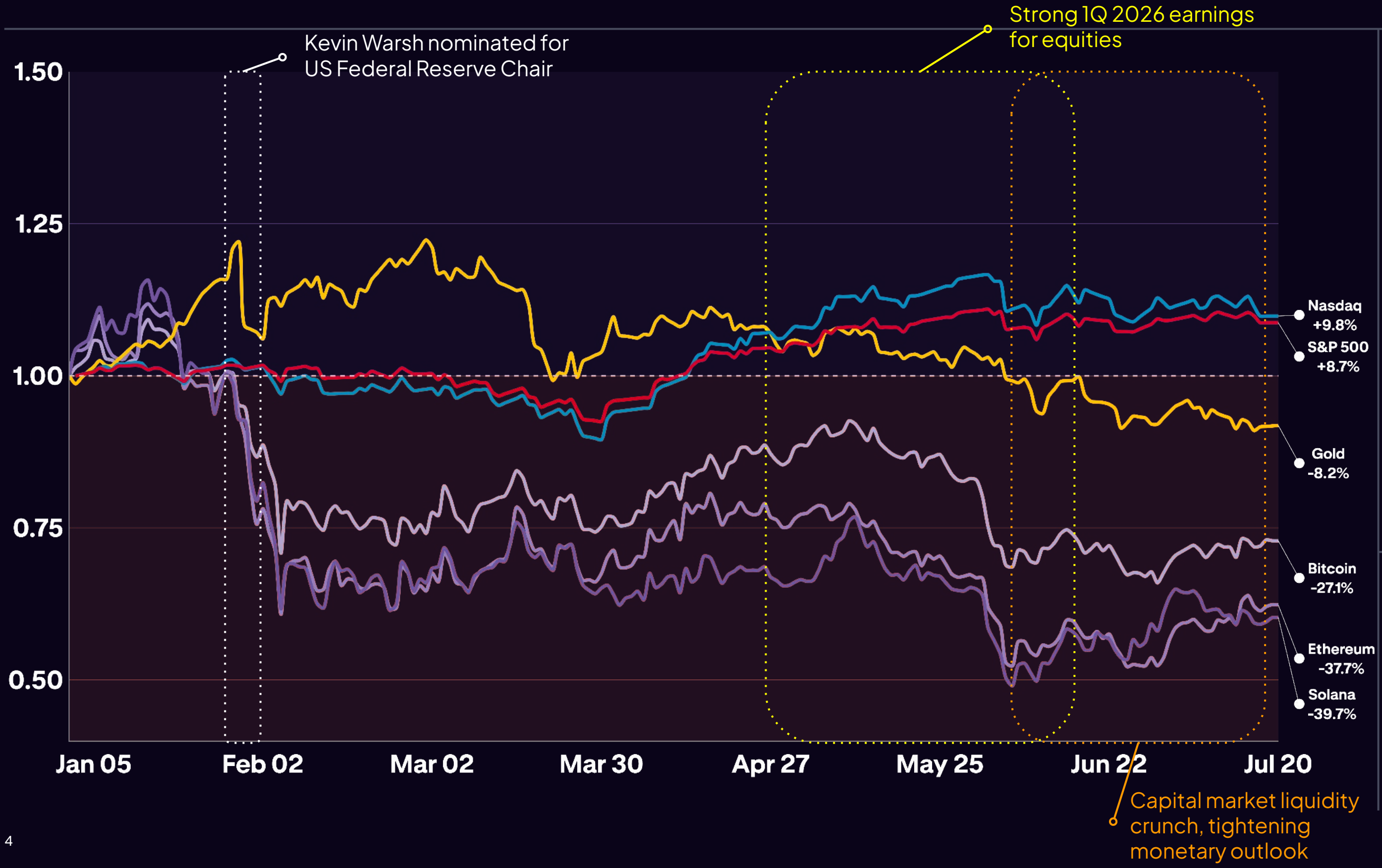
Key Charts

Crypto slides to fresh YTD lows as equities grind higher and gold slips.



The cross-asset tape is split three ways in 2026: equities are up double digits, gold has given back a modest amount, and crypto sits alone at the bottom.

Bitcoin (-27.1%), Ethereum (-37.7%) and Solana (-39.7%) are deeply negative on the year, while the S&P 500 (+8.7%) and Nasdaq (+9.8%) have pushed to double-digit gains.

The relative damage is starkest against equities: Bitcoin now trails the Nasdaq by roughly 37 percentage points, among the widest crypto-vs-equity gaps of the cycle.

- Bitcoin
- Ethereum
- Solana
- S&P 500
- Nasdaq
- Gold

Notes

YTD performance indexed to 100 at the start of the year; data from Kraken and FMP.

Equity correlations ease off their 2026 highs but stay firmly positive.

Bitcoin's rolling correlation with risk assets reached peak extremes early in 2026 relative to historical averages and have since cooled.

Bitcoin's positive correlation with US equity indices spiked above +0.70 early in the year and has since eased to +0.55 (2026 average +0.50), still well within risk-on territory.

Bitcoin's correlation with crude oil (-0.13) and the US dollar index (-0.51) sits sharply negative, reflecting the shift in the monetary-policy outlook that followed the US–Iran conflict.

- Bitcoin vs. S&P 500
- Bitcoin vs. Crude Oil
- Bitcoin vs. US Dollar Index

Notes

Correlation is calculated on a 30-day rolling window of the logarithmic price change during mutual market open days; data from FMP, Kraken.

Bitcoin trades right at its 200W MA — historically a strong support level.

Bitcoin's current price of $64,700 is +$1,700 (+2.6%) relative to its 200W MA of $63,000 — effectively sitting on the line.

Historically the 200W MA has served as a cycle-floor reference. During the 2020 COVID crash and the 2022–23 bear cycle, Bitcoin broke below for stretches before recovering. During the 2018–19 market cycle, the moving average held as the exact support — Bitcoin came within 0.4% during the December 2018 trough without closing below.

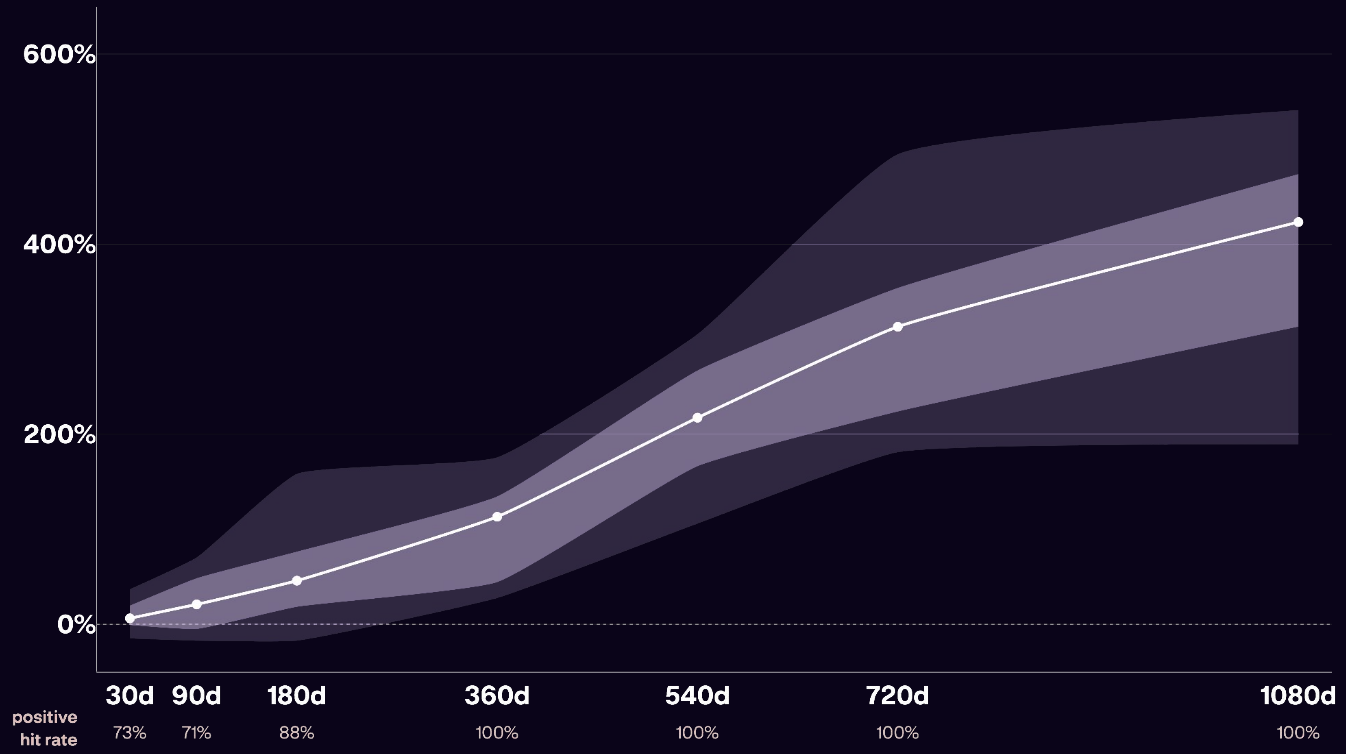
Today's reading places Bitcoin in a historically "deep value" zone.

Notes

200W Moving Average (200W MA) is calculated by taking the average of the weekly closing price over a rolling 200-week period; data from Kraken.

Not investment advice

Allocating below the 200W MA historically delivers exceptional returns.



Since 2017, Bitcoin's daily price closed below the 200W MA on 339 sessions (~10.4% of total days).

In prior cycles, representing 323 sessions, forward returns on a 30-, 90-, and 180-day holding period realized positive hit rates between 73% to 88%. Holding periods beyond 1-year returned a median of +113% with a 100% hit rate.

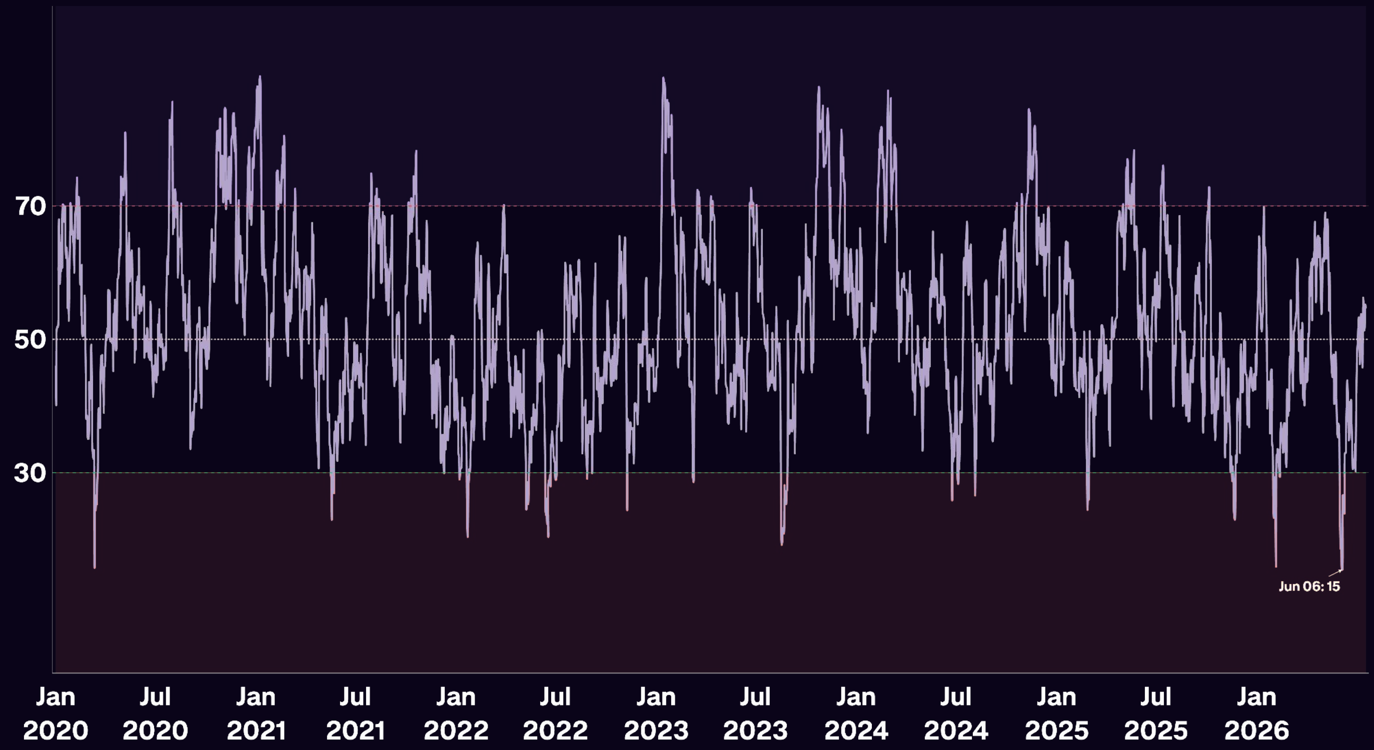
Worst case drawdowns were between -22% to -27% for holding periods under 180-day stretches.

Note: this signal triggered briefly in the 2018/19 cycle and prominently reflects the 2022/23 cycle.

Notes

200W MA computed as a 1400-day trailing daily SMA and forward returns computed at fixed calendar-day offsets; data from Kraken.

Bitcoin RSI recovers to neutral after June's multi-year-low washout.



Bitcoin's early-June drawdown on Jun 06, 2026 drove the RSI deep into oversold territory (15.4) — a multi-year low.

It has since recovered: Bitcoin is now back in neutral territory with an RSI of 54.6 (59th percentile).

Notes

The Relative Strength Index (RSI) measures 14-day price momentum to indicate overbought and oversold market conditions; data from Kraken.

Ethereum sits at a deep discount to its 200W MA.

Ethereum's current price of $1,870 is -$603 (-24.4%) relative to its 200W MA of $2,473.

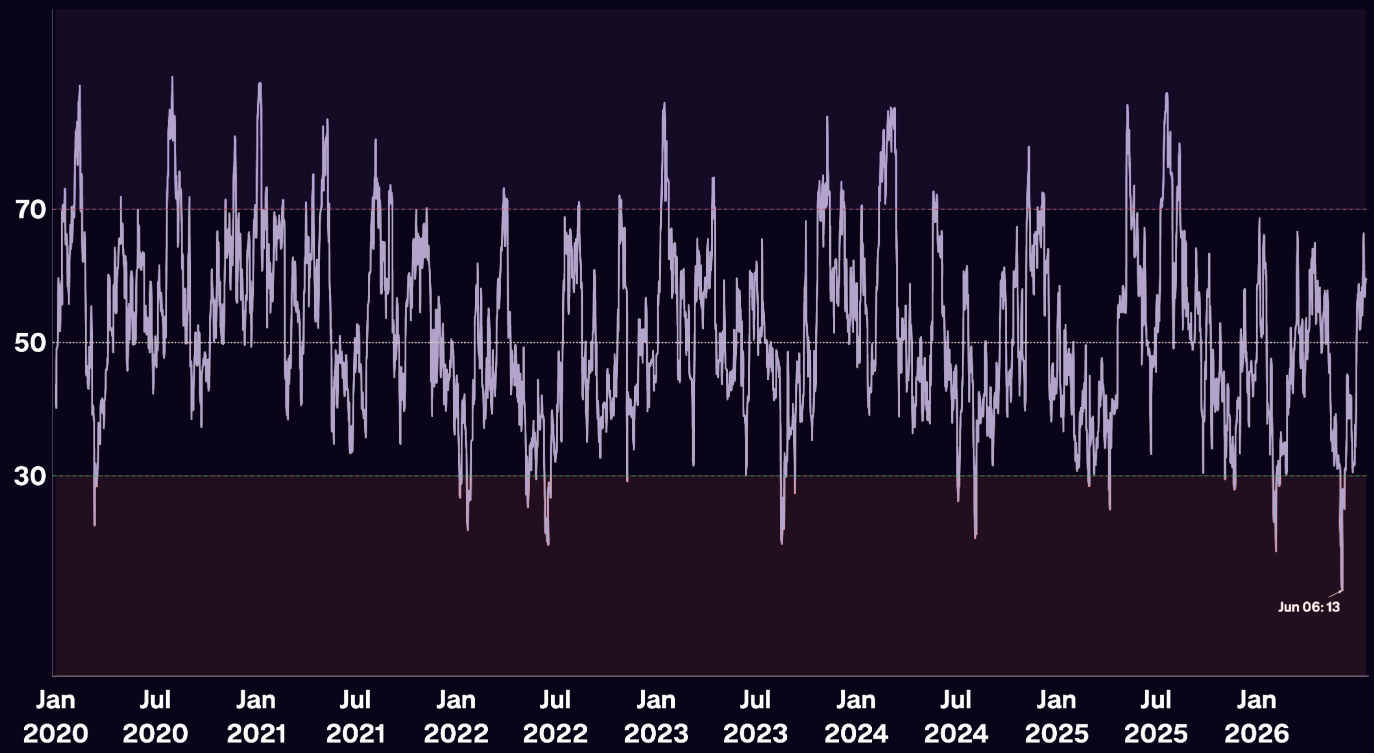
Ethereum has a mixed relationship with the 200W MA. Despite strong performance in crypto markets during 1H 2025, Ethereum traded well below its 200W MA up until the emergence of digital asset treasury companies like Bitmine (BMNR) during 3Q 2025.

After falling below the 200W MA in 2026, Ethereum has yet to reclaim the level as support.

Notes

200W Moving Average (200W MA) is calculated by taking the average of the weekly closing price over a rolling 200-week period; data from Kraken.

Ethereum RSI rebounds to the upper half of neutral after a multi-year low.



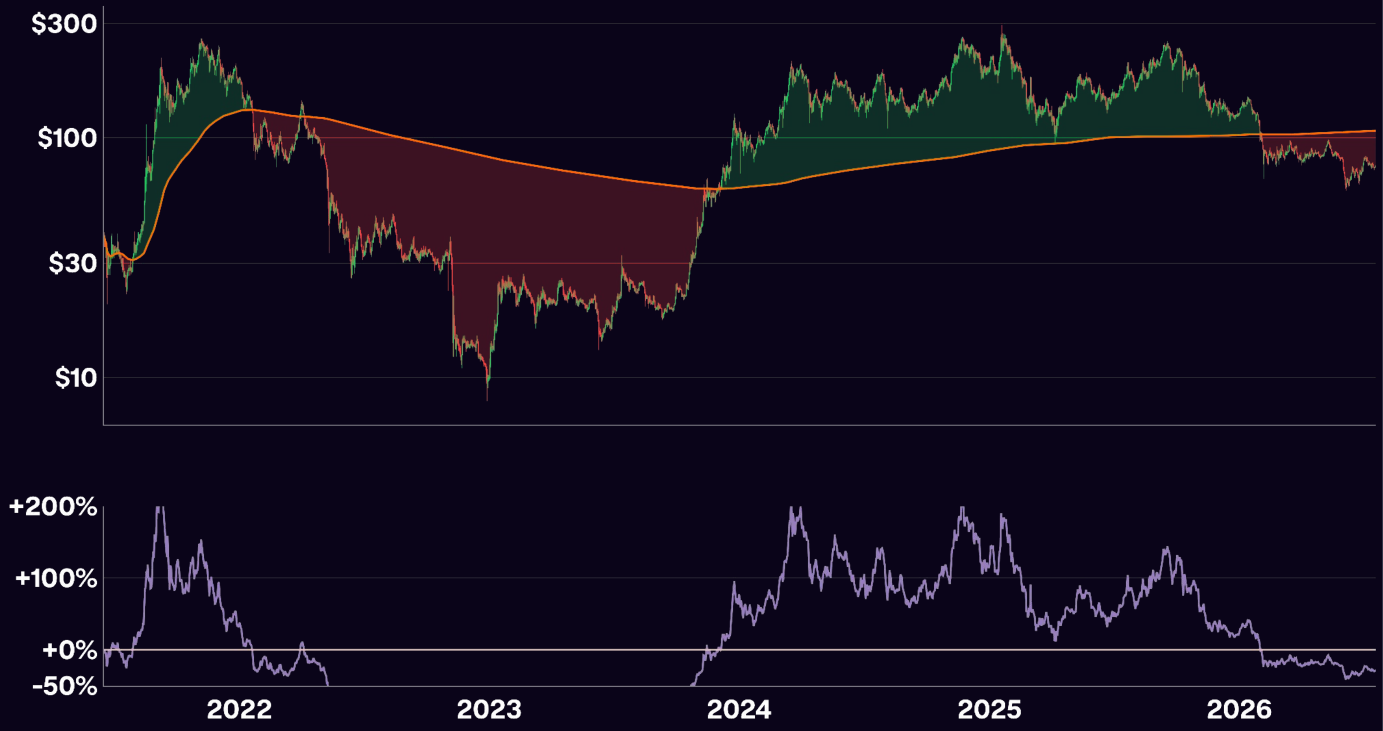
Ethereum's early-June sell-off drove its RSI to a fresh multi-year low (12.8 on Jun 06, 2026), surpassing the February 2026 washout.

It has since rebounded into the upper half of neutral territory, with an RSI of 59.3 (72nd percentile).

Notes

The Relative Strength Index (RSI) measures 14-day price momentum to indicate overbought and oversold market conditions; data from Kraken.

Solana trades at its weakest level relative to the 200W MA in 2026.



Solana's current price of $76.77 is -$30.34 (-28.3%) relative to its 200W MA of $107.11.

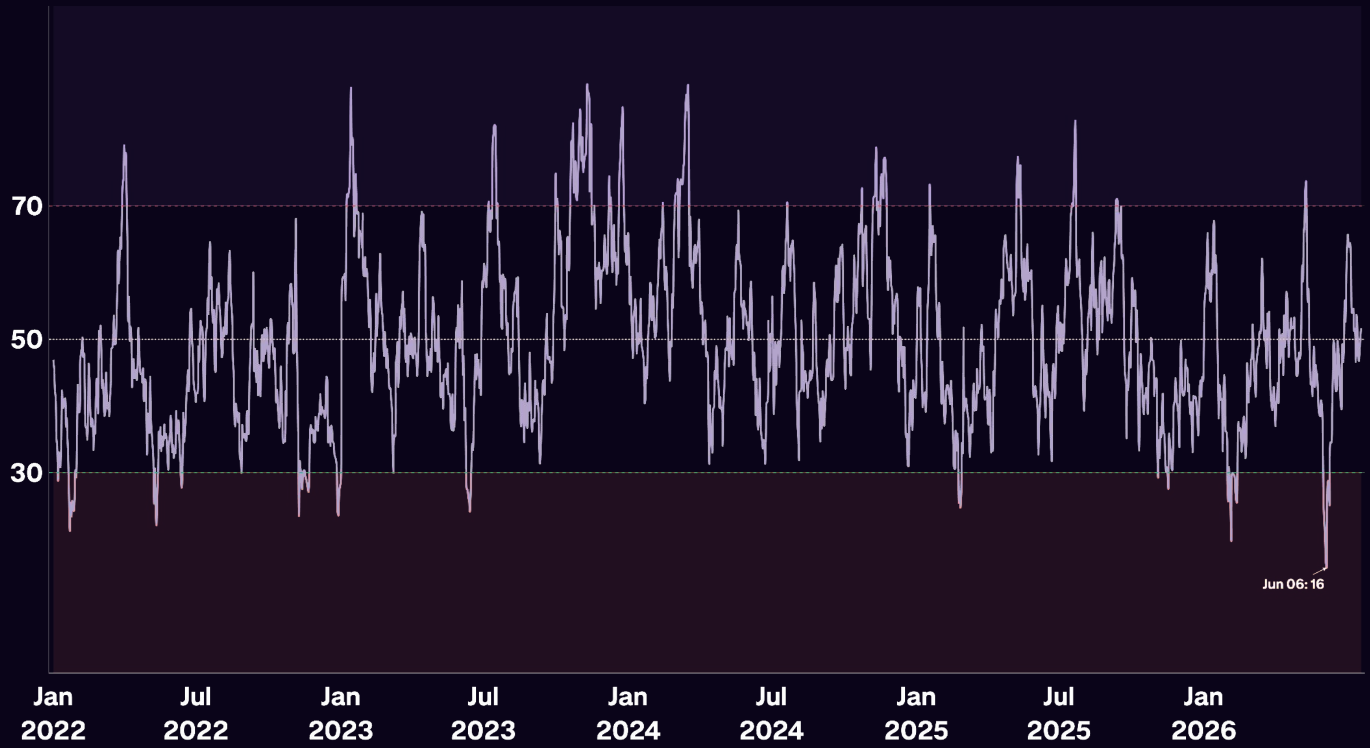
Solana, similar to Ethereum, broke through its 200W MA early in 2026 and has failed to reclaim it as support.

Solana's current discount to the 200W MA is among the deepest since the 2022/23 bear-market cycle.

Notes

200W Moving Average (200W MA) is calculated by taking the average of the weekly closing price over a rolling 200–week period; data from Kraken.

Solana's RSI leads the majors' rebound off June's multi-year low.



Solana's early-June sell-off drove its RSI to a multi-year low (15.7 on Jun 06, 2026).

It has since staged the strongest rebound of the majors: Solana's RSI is back up to 51.7 (58th percentile) — the top of the neutral band.

Notes

The Relative Strength Index (RSI) measures 14-day price momentum to indicate overbought and oversold market conditions; data from Kraken.

Crypto sectors trade in unison — sector selection offers little shelter.

Leveraging CF Benchmarks' Digital Asset Classification Structure (DACS), the top-4 sectors fell in lockstep.

Pairwise correlation of daily returns is +0.86 (90-day), while cross-sector dispersion — the difference between the worst and best performer — sits around the middle of its historical range (30th percentile since May 2025).

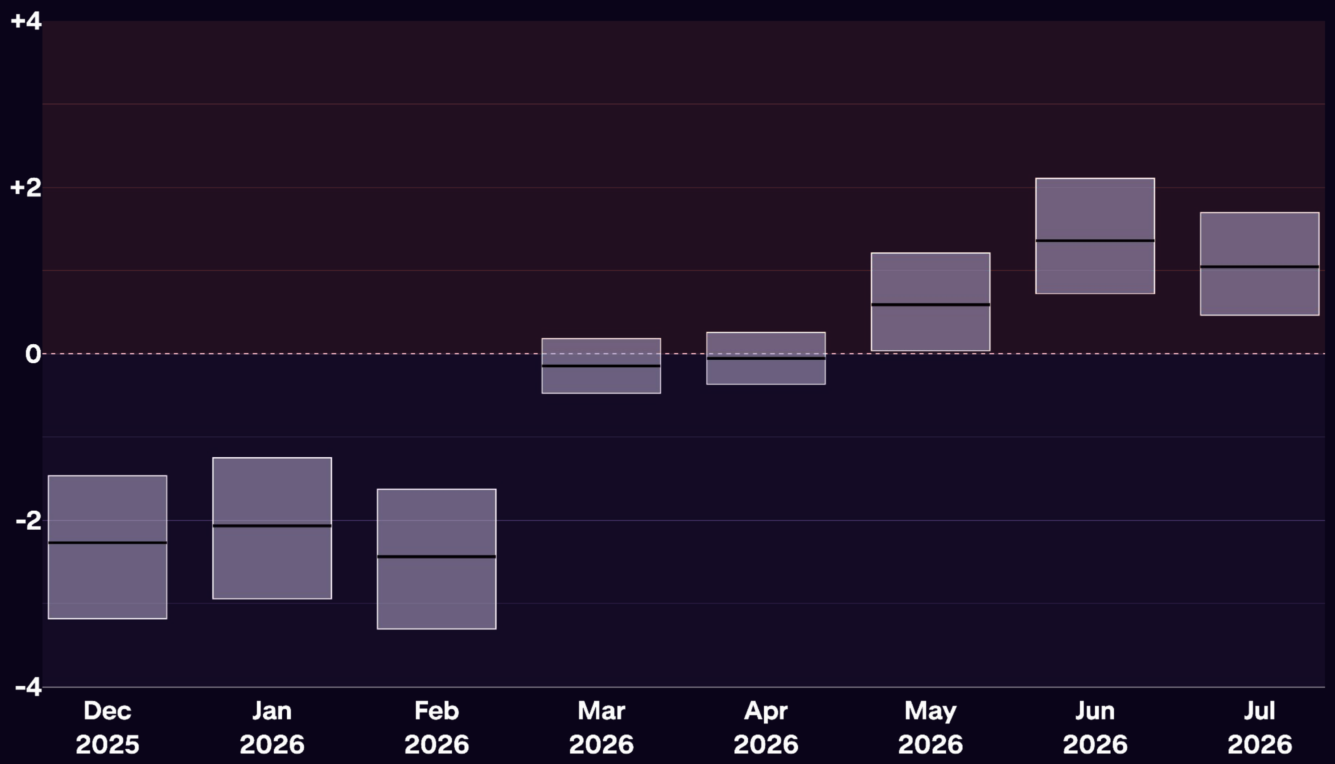
Digital Culture (-42.2%) was the clear laggard, likely driven by underperformance in meme coins.

- Services
- DeFi
- Settlement
- Digital Culture

Notes
YTD performance indexed to 100 at the start of the year, correlations and dispersion measured using daily returns for 4 DACS sectors; data from CF Benchmarks.

Macro

Dec-2026 FOMC expectations flipped from 2+ cuts to 1+ hike in 1H 2026.



Entering 2026, CME futures priced 2 to 3 rate cuts in the US, totaling 37-80bps by year-end. That dovish stance held through Feb 2026 before collapsing in March, following the outbreak of the US-Iran conflict.

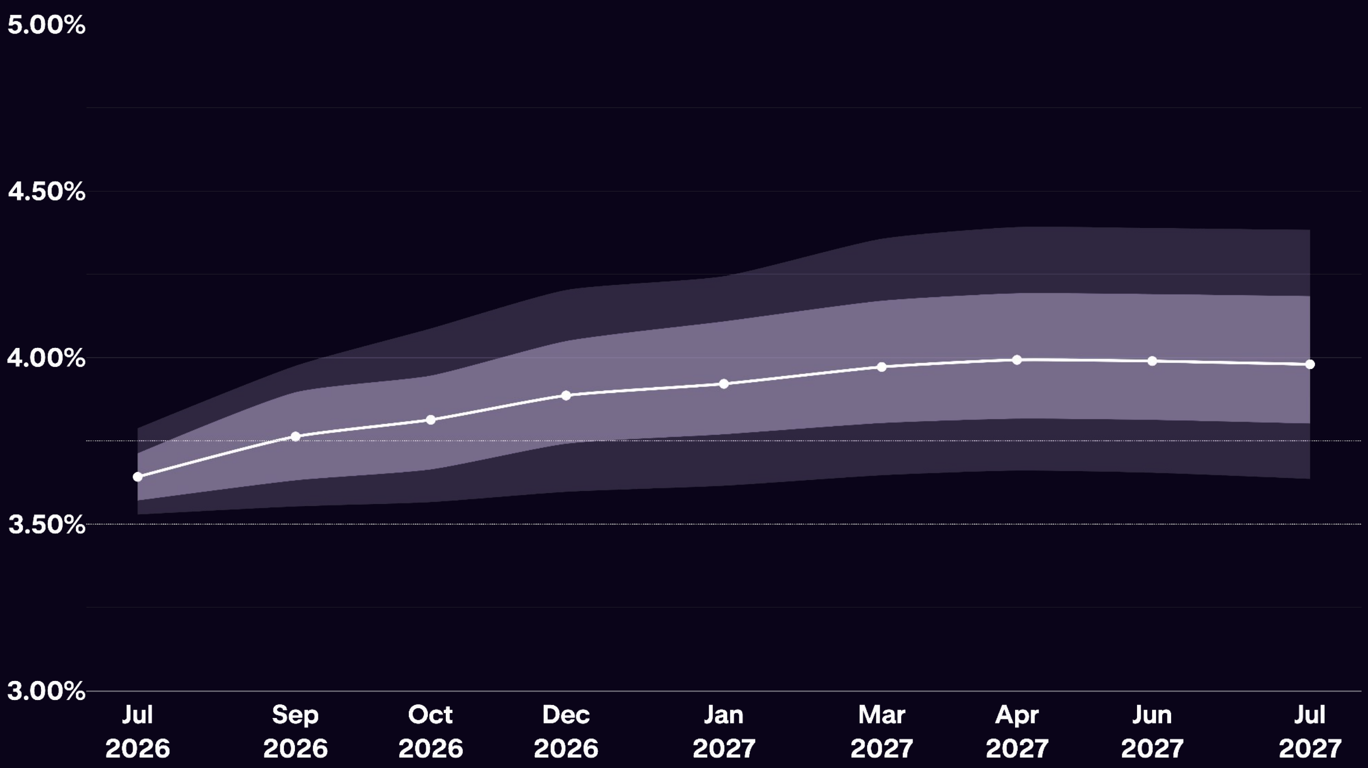
The rise in crude oil prices re-accelerated inflation to multi-year highs. By April, the dovish outlook further deteriorated with Powell's announcement that he would remain on the Board of Governors after his term as chairman expired, breaking a nearly 80 year tradition.

As of now, median expectations call for 1 rate hike by year-end — a +83bps swing in six months.

Notes

Boxes represent the IQR of implied interest rate distribution while the line represents the median measure; data from CME FedWatch.

The forward curve prices a full hike into 2027 — with little real relief after.



As of Jul 16, 2026, the median forward curve for US interest rates climbs to a peak in Apr 2027 (3.99%) and then only drifts marginally lower into mid-2027 (Jul 2027 at 3.98%) — still well above today's setting.

The dispersion band is noteworthy: the IQR stays tight near-term but widens to nearly 75bps (10–90 envelope) by Jul 2027. The market is pricing near-certainty that the US is tracking toward a rate hike, but lacks confidence on whether it stops at 25bps or goes materially higher.

This pattern speaks to the path dependence and volatility of the moment.

Notes
Bands represent the 10–90 probability range and the IQR while the segmented line represents the median expectation; data from CME FedWatch.

Inflation stays above target across DMs — recent prints cool at the margin.

The US, UK and EU are all running consumer inflation above their 2% target (US 3.5%, EU 2.8%, UK 2.8%), with the US the clear outlier.

The US remains hot and is still accelerating (-0.7pp MoM, +0.8pp YoY), and its latest print landed in line with consensus. Europe, by contrast, is cooling at the margin — EU CPI eased -0.4pp MoM and the UK was flat (+0.0pp MoM) — and the most recent EU, UK and Japan releases all came in below expectations.

The EU pivoted to raising interest rates for the first time since 2023, with Japan following shortly after.

Notes
Headline consumer price index (CPI) YoY changes for US, EU, UK, and JP with indicators reflecting whether the publication was below, in-line, or above consensus expectations; data from FMP.

Quantitative tightening largely stalled, but did not reverse in 1H 2026.

Global central bank balance sheets tightened by -$0.7T YTD 2026 to $28.7T, representing a -2.3% change.

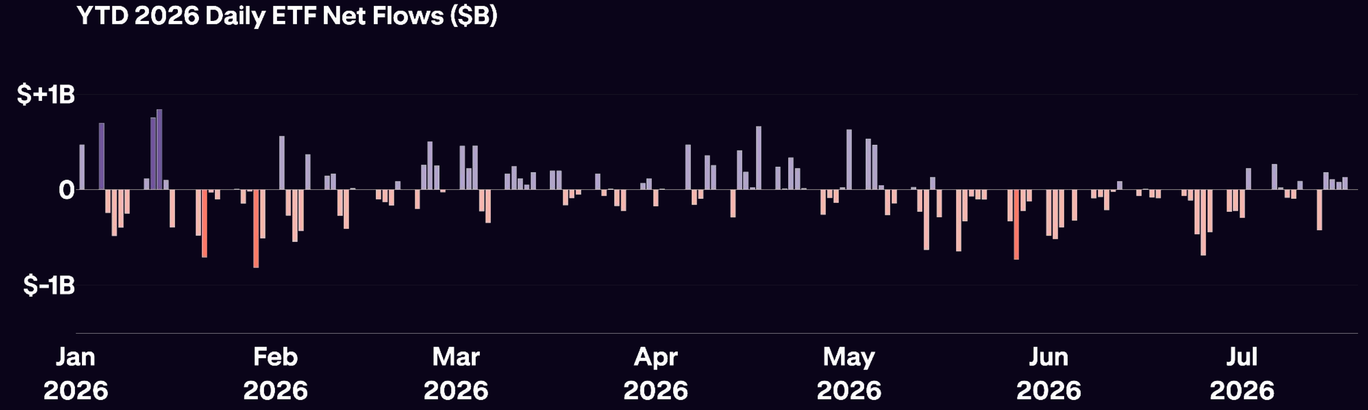
Expansion in China (+0.3T) and the US (+0.1T) was largely offset by tightening in the EU (-0.6T) and Japan (-0.4T).

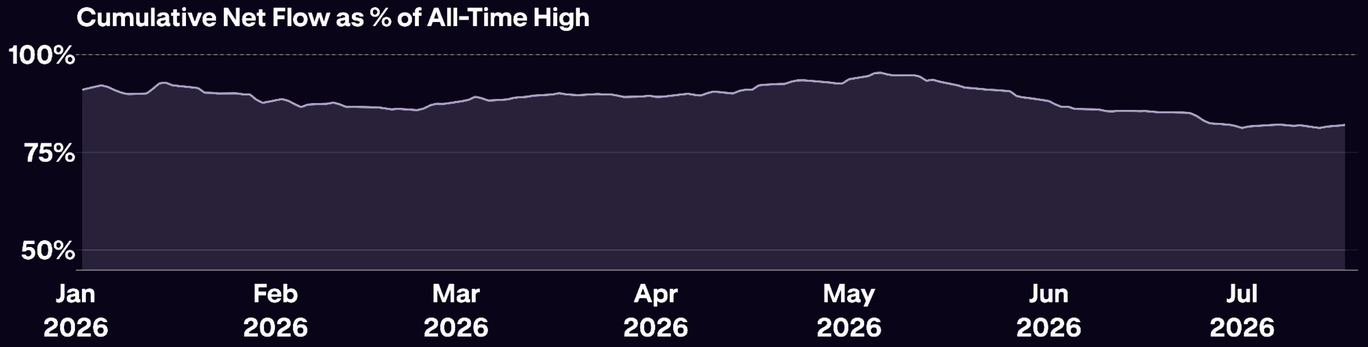
Liquidity conditions in capital markets also reflect the conservative posture of central bank balance sheets, with long-term sovereign yields in the US, EU, UK and Japan reaching multi-decade highs during 1H 2026.

Notes
The sum of reported central bank balance sheets (total assets) across the 10 largest central banks globally, converted into USD and measured in trillions; data from MacroMicro.

Market

Cumulative Bitcoin ETF flows fell to 82% of the Oct 2025 high water mark.





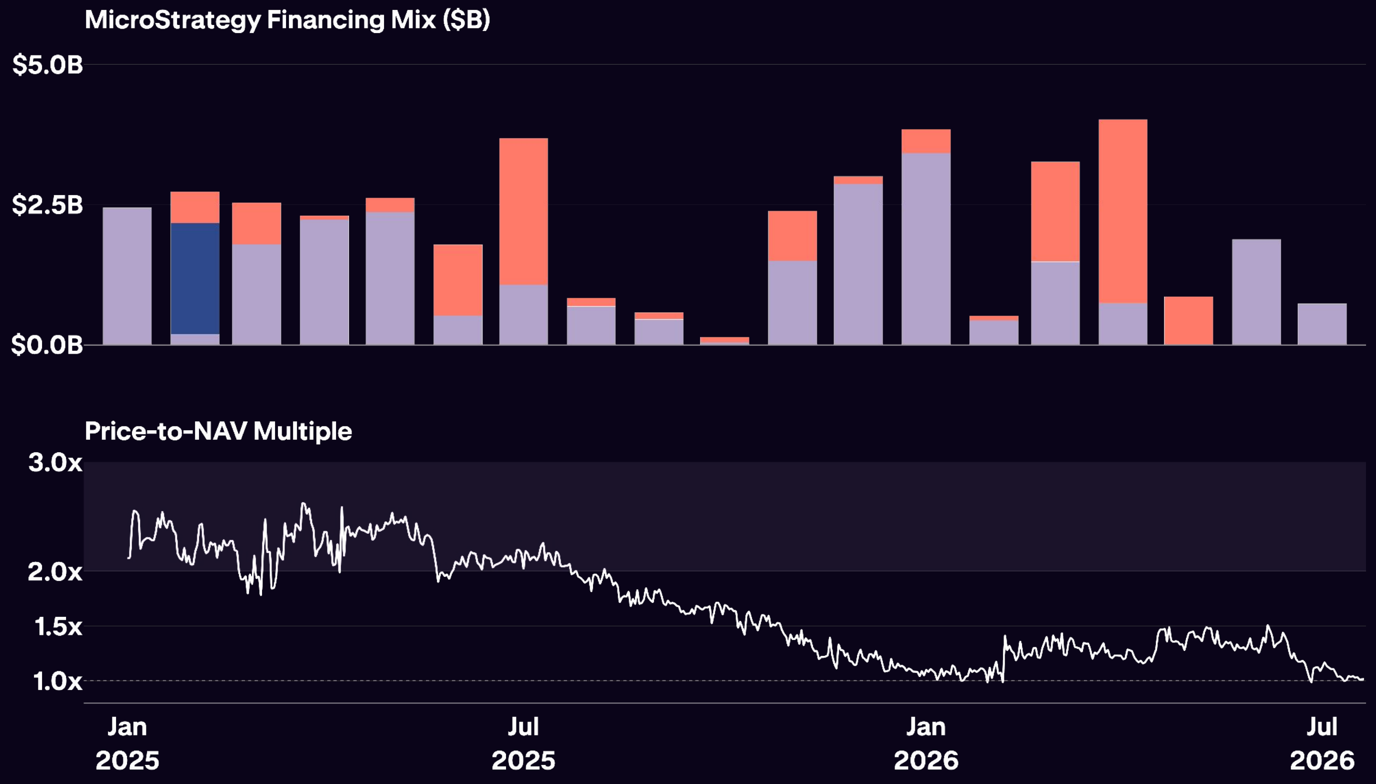
Bitcoin ETF flows during 1H 2026 flipped negative, totaling -$5.2B, with only 45% of trading sessions posting inflows.

The period beginning mid-May and through June 2026 proved particularly painful. Against a tighter monetary policy outlook and significant capital markets activity in AI-themed investment narratives, ETFs shed -$7.3B of Bitcoin with only 11 of 43 trading sessions (26%) seeing meager inflow activity.

Cumulative net flows since inception are currently 82.1% of the high water mark of $63.1B set on Oct 09, 2025.

Notes
Daily ETF net flows represent ETF redemptions and creations, a proxy for spot Bitcoin purchases and sales; data from CoinGlass.

MicroStrategy's cost of capital shifts higher during 1H 2026.



During 2025, MicroStrategy raised $16.1B (64% of its $25.0B total capital raise) via their at-the-market (ATM) facility. This generated significant accretion to net asset value (NAV) due to their stock trading as high as 2.62x price-to-NAV.

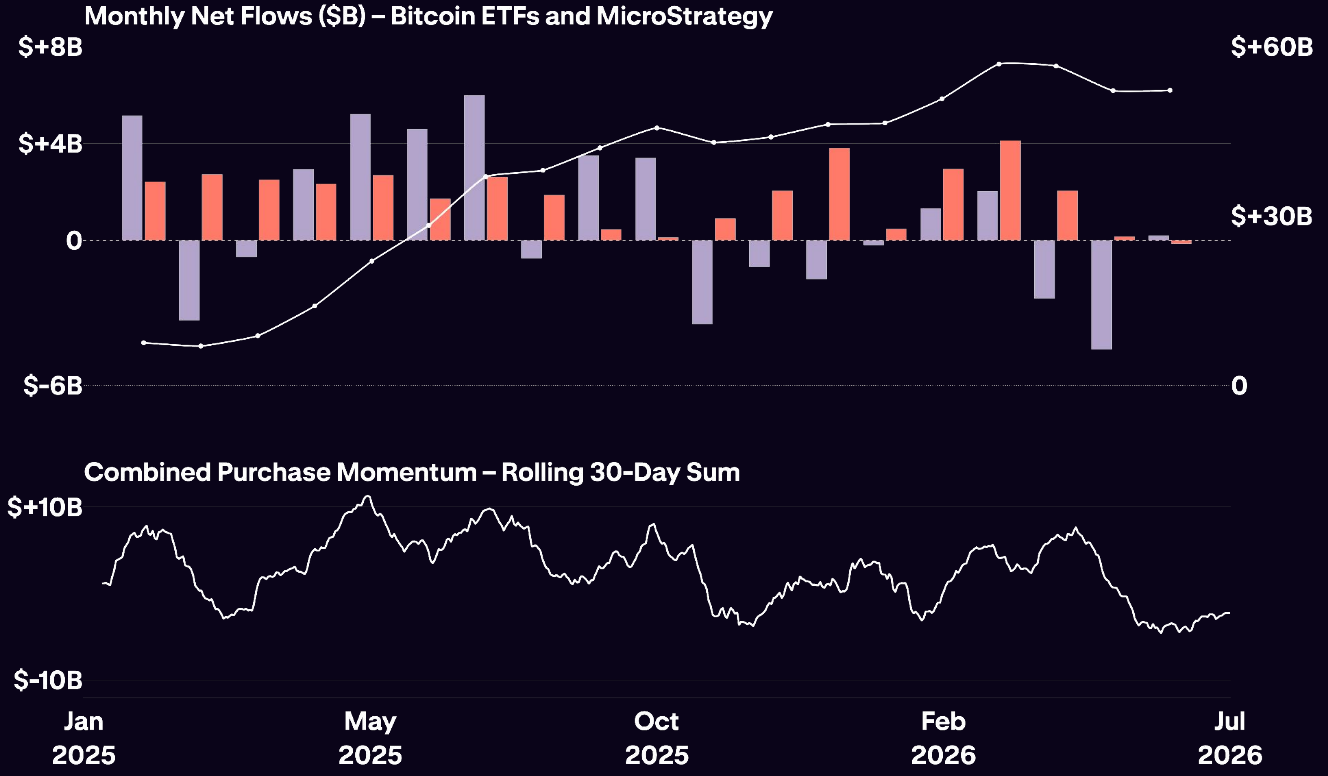
During Mar 2026 – May 2026, MicroStrategy's capital raising shifted towards higher cost preferred equity, representing 56% of capital raised. The common equity price-to-NAV is currently ~1.01x.

- Common Equity
- Preferred Equity
- Convertible Debt

Notes

Price-to-NAV multiple measures the diluted market capitalization divided by Bitcoin held, less preferred equity at liquidation value and convertible debt, using treasury stock method; data from FMP, MicroStrategy.

Bitcoin ETFs swung to net outflows while MicroStrategy kept stacking.



US equity market demand for Bitcoin between ETFs and MicroStrategy peaked during 2Q 2025 and decayed to a multi-year low of $-4.35B in Jun 2026.

ETFs, representing price-sensitive demand, were strong net sellers during January, May, and June. MicroStrategy offset much of this weakness, driving a relief rally in the back half of March through early-May once ETFs flipped back to net buyers.

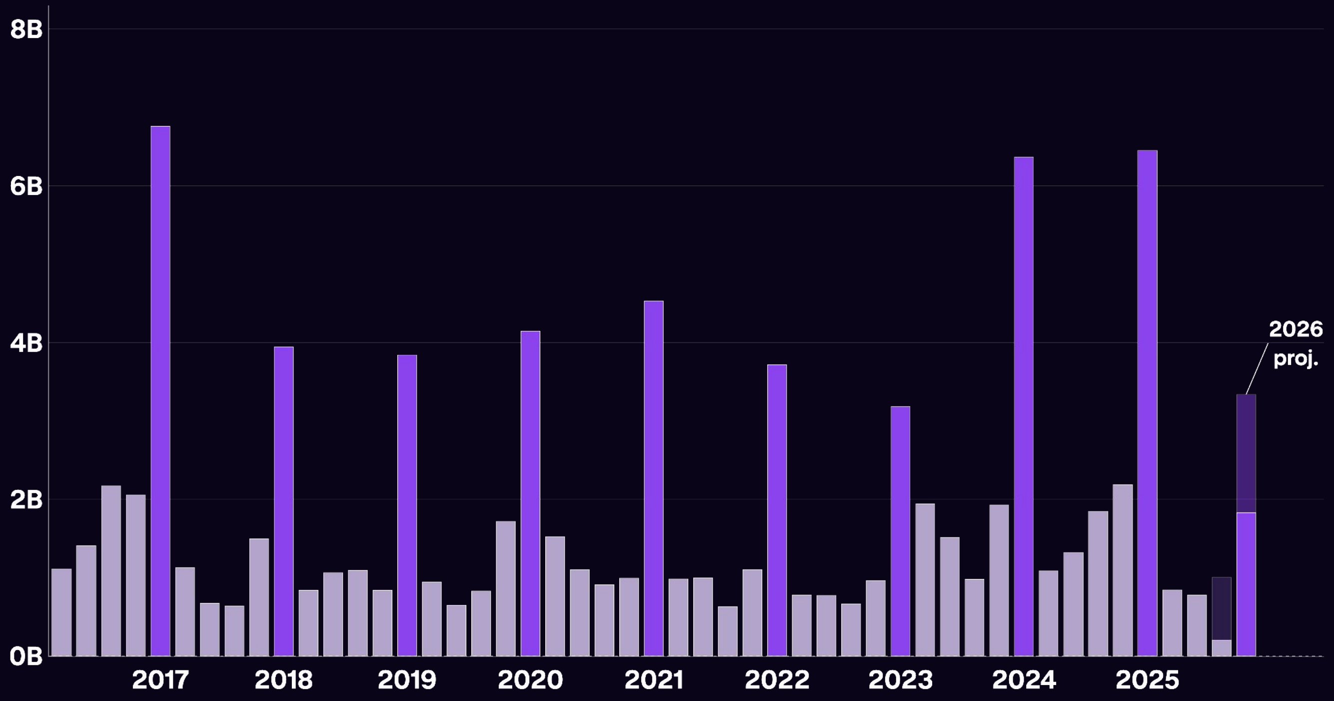
During 1H 2026, ETFs set new records for sequential sessions of outflows.

Bitcoin ETFs
MicroStrategy

Notes

Net flows represent the aggregate sum of Bitcoin ETF daily flows versus reported purchase activity from MicroStrategy; data from CoinGlass, MicroStrategy.

Bitcoin coin days destroyed tracks toward a multi-year low.



Coin days destroyed (CDD) — the age-weighted measure of dormant bitcoins moving on-chain — spiked to 6.4B in 2024 and 6.5B in 2025, the heaviest back-to-back years of long-term holder distribution since the 2017 peak (6.8B).

Based on 1H 2026 activity, 2026 is projected to realize a -48% YoY decline (projected 3.3B).

Historically, this level of activity coincides with bear market accumulation and consolidation of supply into lower prices.

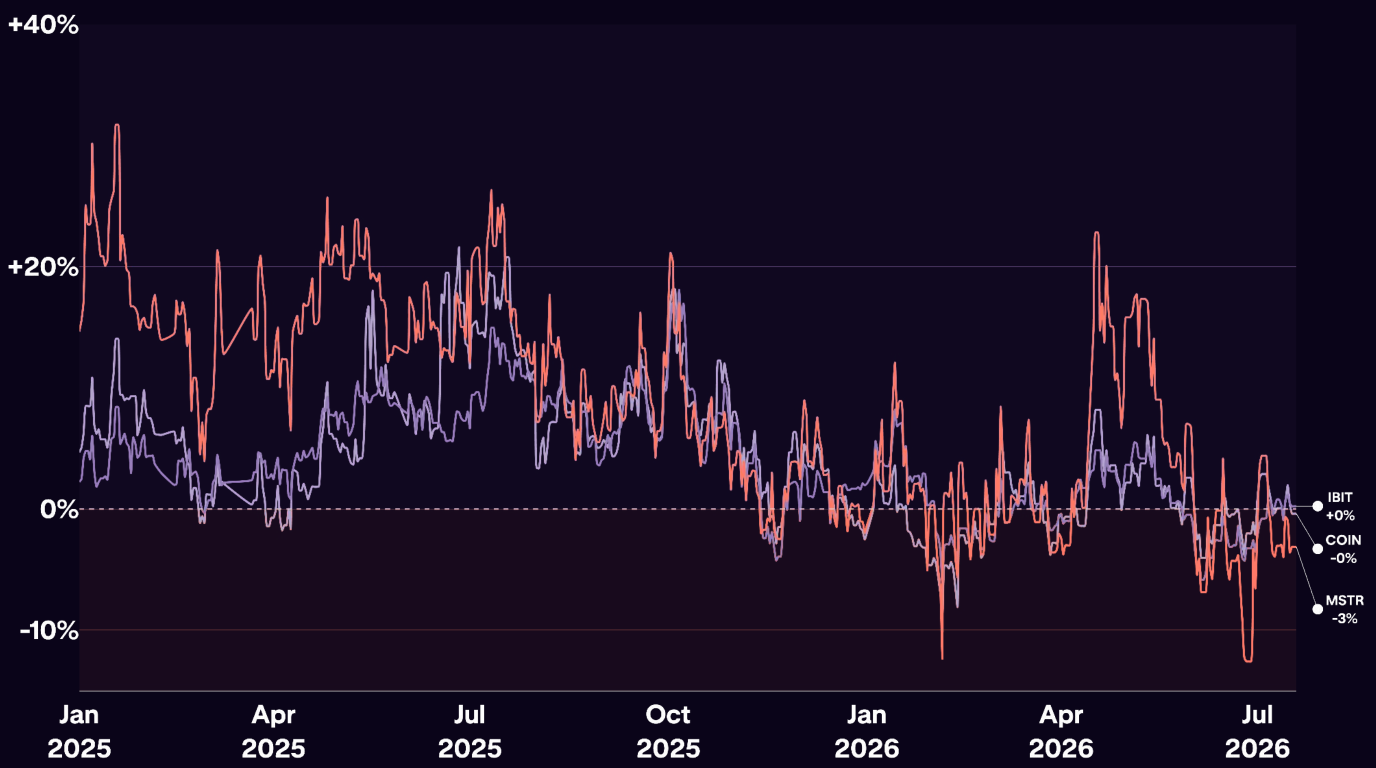
Quarterly Period

Annual Period

Notes

Bitcoin coin days destroyed (CDD) in billions of days, transparent areas are linear projections for the associated period; data from Blockchair.

Crypto-equity options positioning claws back to neutral after a bearish 1H.



Synthetic net-long positioning in options on crypto-themed equities peaked during mid-2025 and October 2025, alongside record capital flows and asset prices.

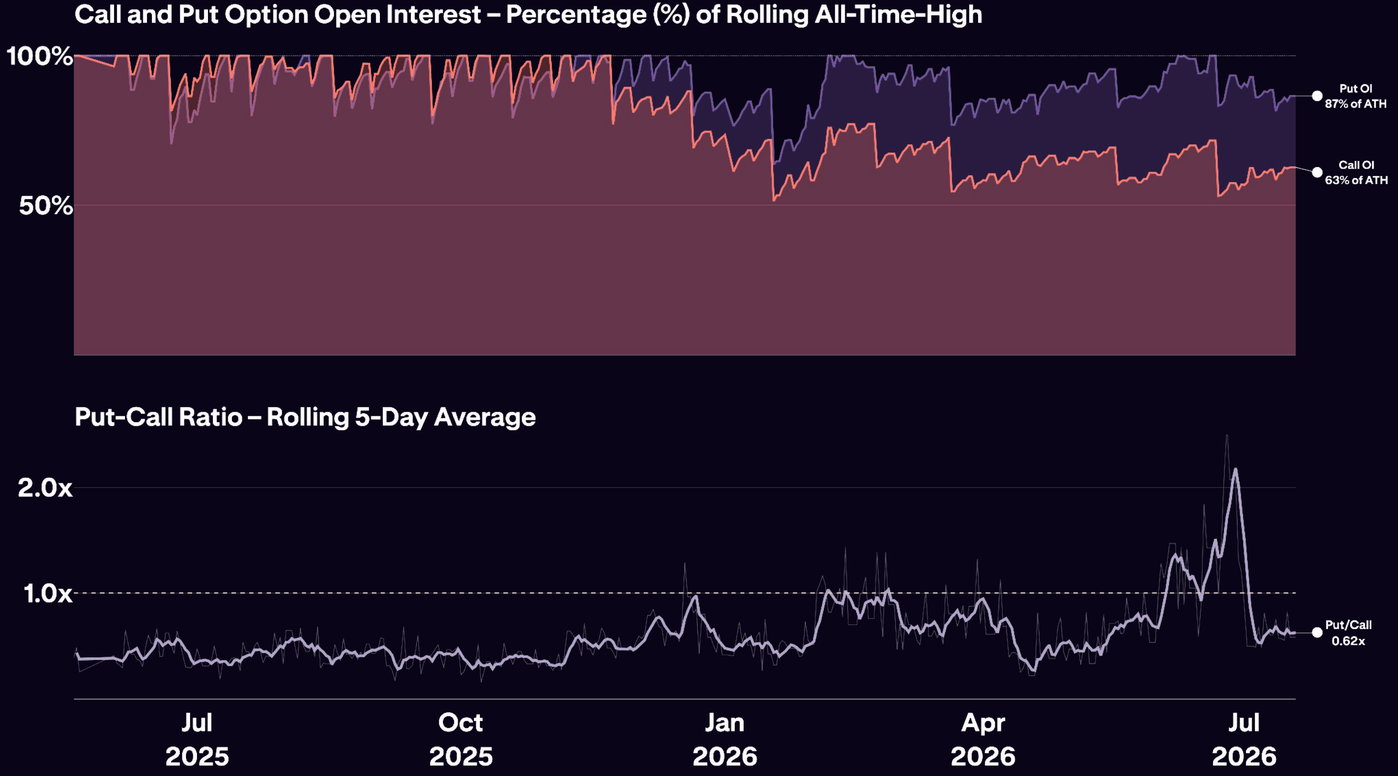
Positioning then flipped bearish into 1H 2026, bottoming out during the early-June sell-off. It has since recovered: COIN (-0.4%) and IBIT (+0.2%) have clawed back to roughly flat, while MicroStrategy (-3.1%) remains modestly net short.

- Coinbase (COIN)
- Blackrock Bitcoin ETF (IBIT)
- MicroStrategy (MSTR)

Notes

Option positioning represents net total open interest, calculated using the delta-adjusted notional value, and presented as a percentage of market capitalization ; data from FMP, the OCC.

IBIT positioning turns defensive — calls fade while puts hold near records.



Call option open interest drew down to 63% of its all-time-high during 1H 2026.

Conversely, put option open interest set multiple all-time-highs in February and June of 2026 (peak 3.1M).

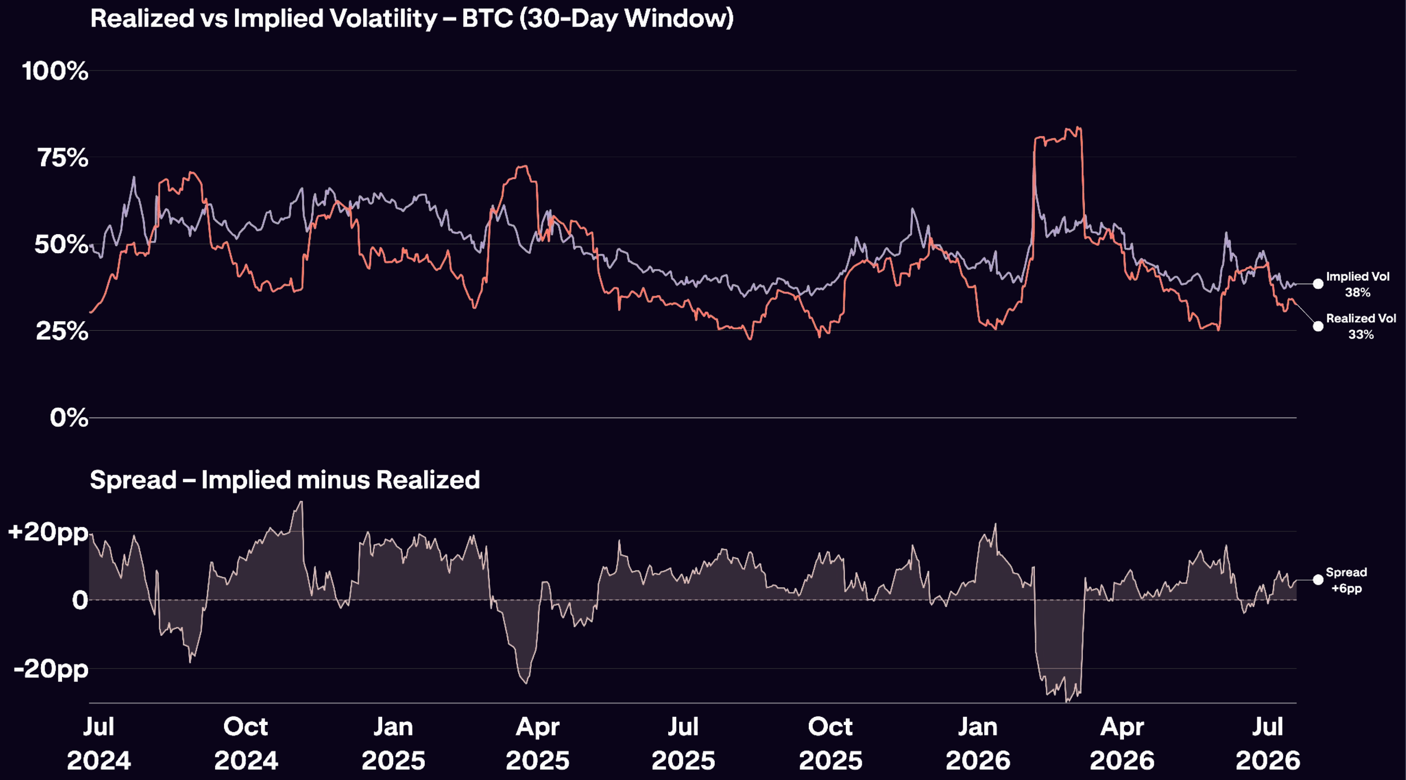
Positioning turned very defensive earlier in the year, with the put-call ratio pushing records above 2.18x (5-day rolling).

The average put-call ratio in 2026 YTD grew +65% to 0.76x versus 0.46x during 2H 2025.

Notes

Open interest as a percentage of all-time-high (top panel) and put-call ratio with 5-day rolling average (bottom panel); data from the OCC.

Bitcoin realized and implied volatility normalize after tapping YTD lows.



Both Bitcoin realized and implied volatility rose to multi-year highs through the early-Feb 2026 sell-off.

Both have since cooled, with realized and implied volatility averaging 45% and 47% in 2026 YTD, respectively. Realized vol now sits at 31% against implied of 37%.

During this period, the spread between implied and realized volatility widened to multi-year highs — a pattern seen in prior macro-unwind events, e.g. the August 2024 Japan carry-trade and April 2025's Liberation Day.

- Realized Volatility
- Implied Volatility (BVXS)

Notes

Realized volatility measured over a 30–day rolling basis and implied volatility references BVXS; data from Kraken, CF Benchmarks.

Catalyst Calendar

Near-term events to keep an eye out for.

North America		Consensus	Prior Report
July 20, 2026	Canada Inflation Data (June 2026)	+3.00% (YoY)	+3.20% (YoY)
July 29, 2026	US Federal Reserve FOMC Decision	3.50% to 3.75% (+/- 0bps)	3.50% to 3.75% (+/- 0bps)
July 30, 2026	US GDP Data (2Q 2026)	+1.10% (QoQ)	+2.10% (QoQ)
July 30, 2026	US Core PCE Index (June 2026)	+0.30% (MoM)	+0.30% (MoM)

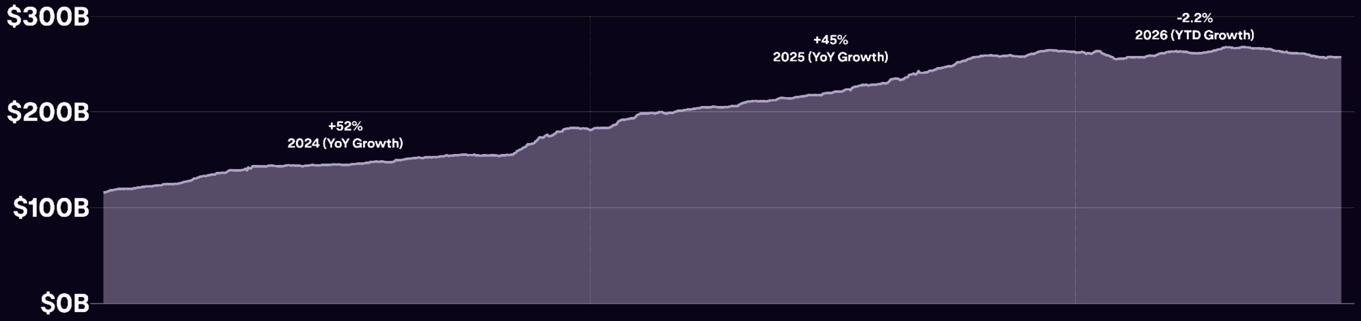
Europe		Consensus	Prior Report
July 22, 2026	UK Inflation Data (June 2026)	+2.70% (YoY)	+2.80% (YoY)
July 23, 2026	EU ECB Interest Rate Decision	2.25% (+/- 0bps)	2.25% (+25bps)
July 30, 2026	EU GDP Data (2Q 2026)	+0.70% (YoY)	+0.30% (YoY)

Asia Pacific		Consensus	Prior Report
July 23, 2026	Japan Inflation Data (June 2026)	+1.70% (YoY)	+1.50% (YoY)
July 31, 2026	Bank of Japan (BOJ) Interest Rate Decision	1.00% (+/- 0bps)	1.00% (+25bps)
Aug 3, 2026	China S&P Global Manufacturing PMI (July 2026)	51.5	51.7

Fundamentals

Stablecoin growth stalls in 2026 while tokenized equities surge, then cool.

Stablecoin Market Cap (USDC, USDT)



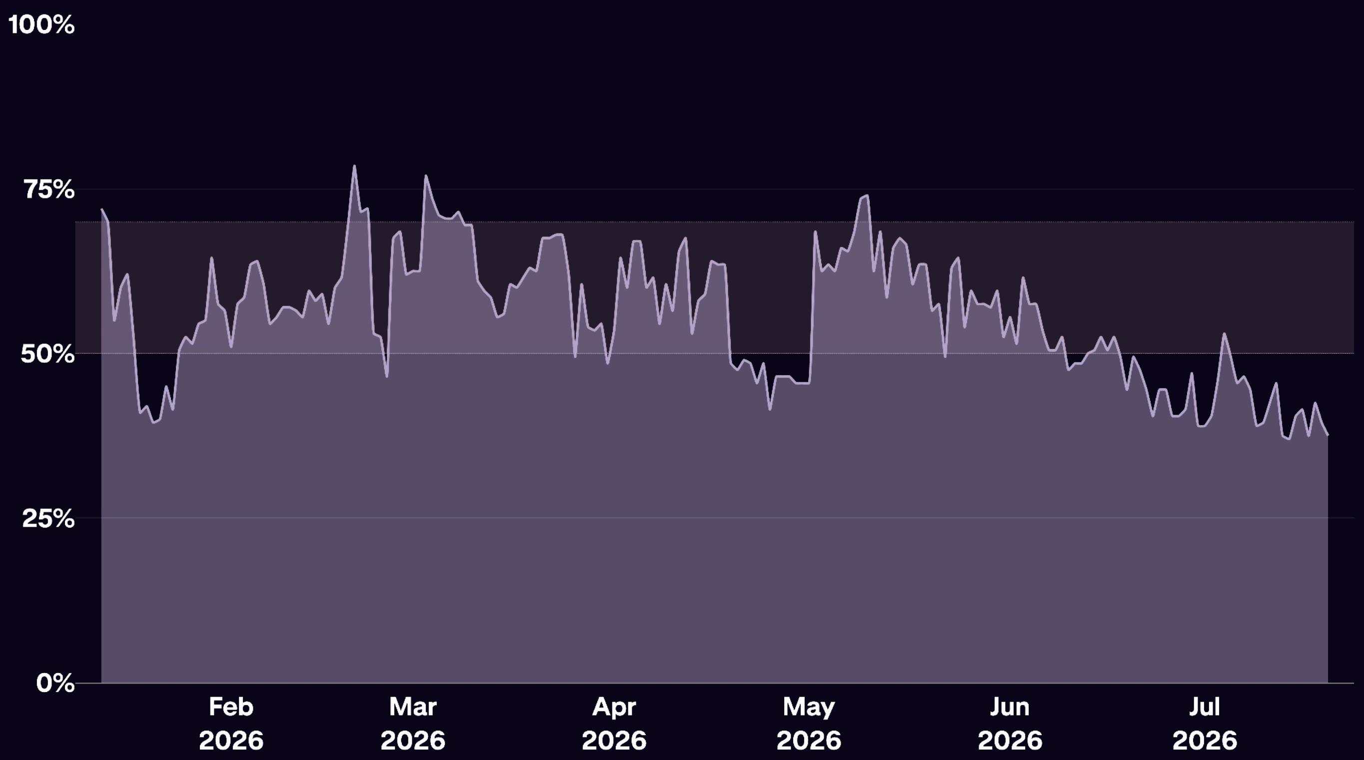
Tokenized Equities (xStocks, Ondo)

The circulating supply of USDC and USDT — a proxy for capital flows into the crypto ecosystem — is down -2.2% YTD 2026, following two years of strong, consistent growth (+52% in 2024, +45% in 2025).

Tokenized equities, in contrast, are in the early stages of finding product-market fit. Combined xStocks and Ondo Global Markets AUM stands at $1,273M as of Jul 20, 2026, off a June 2026 peak of $1,736M — a rapid ramp that has cooled from its highs.

Notes
Stablecoin growth measured as the combined market capitalization of USDC, USDT and tokenized equities represented by xStocks and Ondo Global Markets; data from DefiLlama.

Market turns skeptical on CLARITY Act odds given current timeline.



The CLARITY Act is an important proposed US legislation that will define market structure, regulation, and licensing for operators of US crypto market platforms.

The legislation will delineate the roles of the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC).

Current passage odds sit at 38% as of Jul 20, 2026 — below the typical 50%-70% band that held 63% of YTD observations.

Notes
Historical time series open, high, low, close probability of CLARITY Act passage in 2026; data from Polymarket.

Bitcoin's valuation parity with gold implies a price of $1.4M.

With gold's strong run over the past year, the hurdle for Bitcoin to reach valuation parity has risen to an implied $1.4M per bitcoin, leaving Bitcoin at just 4.5% of gold's market capitalization.

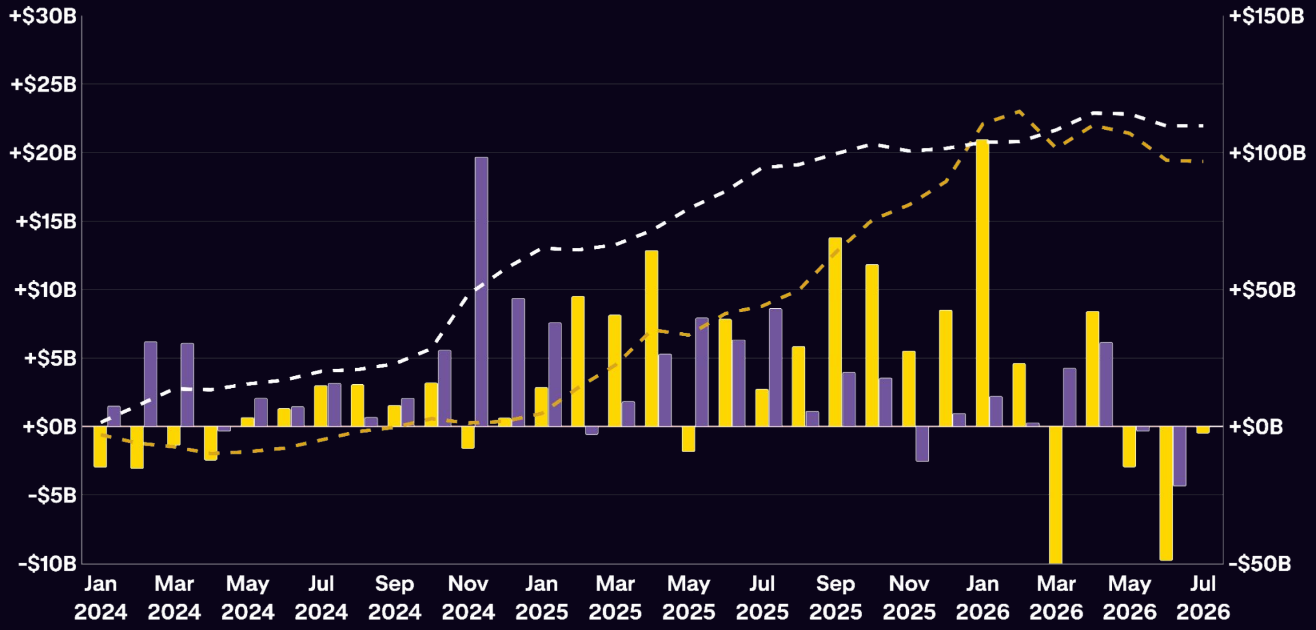
More recently, the conflict with Iran has pushed oil markets, yields and the US dollar higher, driving sharp gold underperformance (-8.2% YTD), narrowing the gap even as the long-run parity hurdle stays elevated.

- Bitcoin Market Price
- Bitcoin Gold Parity Price
- Valuation Gap

Notes

Bitcoin Gold Parity Price is the price required for Bitcoin to achieve valuation parity with the estimated above-ground supply of gold; data from World Gold Council, FMP, and Kraken.

Capital flows into gold and Bitcoin run neck-and-neck since 2024.



Since January 2024, gold and Bitcoin have drawn $+96.7B and $+109.8B of net inflows from equity-market vehicles, respectively — Bitcoin now modestly ahead by $+13.1B.

The composition differs sharply, however: gold's inflows arrived almost exclusively in 2025, signaling a possible rotation out of Bitcoin and into gold during that stretch.

- BTC ETF + MSTR Net Flows
- Cumulative BTC Net Flows
- Global Gold ETF Net Flows
- Cumulative Gold Net Flows

Notes

Monthly flows in US-listed Bitcoin ETFs plus MicroStrategy purchases versus global gold ETFs (LHS) in billions of USD; cumulative net flows (RHS) in billions of USD; data from CoinGlass, MacroMicro, and MicroStrategy.

Thomas Perfumo, CFA is seasoned finance and strategy leader with deep expertise in digital assets and traditional capital markets.

He currently serves as Kraken's Chief Economist. During his 8-year tenure at Kraken he also led Business Operations and Strategy for the company.

Prior to Kraken, Thomas was a Long/Short Equity Analyst at Moore Capital Management, where he developed expertise in event-driven and special situation investment strategies.

Thomas is a Chartered Financial Analyst (CFA) charterholder. He earned a bachelor's degree in Finance & Mathematics from the NYU Stern School of Business.

Thank you