Digital Assets - Comments

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ZEC ENTERS PRICE DISCOVERY, BTC 50-WEEK MA BREAKOUT GENERALLY PRECEDES RAPID CONTINUATION, HOOD CATALYSTS STARTING TO GET RECOGNIZED BY THE MARKET

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- Crypto snapped sharply higher today, with BTC gaining roughly 5% and crypto equities outperforming alongside a meaningful, albeit temporary, reversal lower in yields. We also saw the dollar move lower on the back of a strong rally in the yen, possibly the result of additional policymaker intervention (no confirmation on that though).

- The monetary-policy backdrop became somewhat more constructive over the past couple of days. Fed President John Williams said yesterday that he does not currently see a reason to hike, while Governor Waller indicated today that he remains biased toward holding rates steady, conditional on incoming August data. That represents a welcome change in tone following several weeks of increasingly hawkish Fed rhetoric.
- September hike probabilities had approached 70% yesterday, meaning we were getting close to “peak” hawkishness from a positioning perspective. Tomorrow's jobs report is an obvious macro catalyst, although Chair Warsh's Jackson Hole comments suggest the Fed may place less weight than usual on weak headline job creation given slower labor-force growth and a lower employment breakeven.
- ZEC was the standout today, gaining ~17% and breaking above $900. Outside of the immediate post-launch period, this represents the privacy coin’s highest level since 2018 and effectively puts ZEC into price discovery. I would not pretend the path higher will be linear, particularly after today's move, but as long as ZEC can hold this breakout, I think the risk/reward remains attractive and would not be looking to take chips off the table yet.
- The broader ZEC thesis remains relatively straightforward. BTC offers unmatched digital scarcity but very little financial privacy. Zcash combines a similar fixed-supply framework with optional privacy at a time when concerns around financial surveillance appear to be increasing. It also retains more of the original cypherpunk ethos that has arguably been diluted by BTC's institutionalization. I do not view ZEC as a replacement for BTC, but rather as a potential complementary store-of-value asset for investors who place a premium on privacy. One simple way to conceptualize the upside is through the ZEC/BTC ratio. At roughly 1.2% today, moving toward just 2% of BTC would imply a ZEC price above $2,000 assuming BTC reaches $115K. These are not price targets, but they illustrate that ZEC does not require heroic relative-value assumptions to generate substantial upside from current levels.

ZEC Price Sensitivity

ZEC / BTC	BTC Price: 70,000	85,000	100,000	115,000	130,000	145,000	160,000
1%	700	850	1,000	1,150	1,300	1,450	1,600
2%	1,400	1,700	2,000	2,300	2,600	2,900	3,200
3%	2,100	2,550	3,000	3,450	3,900	4,350	4,800
4%	2,800	3,400	4,000	4,600	5,200	5,800	6,400
5%	3,500	4,250	5,000	5,750	6,500	7,250	8,000
6%	4,200	5,100	6,000	6,900	7,800	8,700	9,600
7%	4,900	5,950	7,000	8,050	9,100	10,150	11,200
8%	5,600	6,800	8,000	9,200	10,400	11,600	12,800
9%	6,300	7,650	9,000	10,350	11,700	13,050	14,400
10%	7,000	8,500	10,000	11,500	13,000	14,500	16,000

ZEC Returns Sensitivity

ZEC / BTC	BTC Price: 70,000	85,000	100,000	115,000	130,000	145,000	160,000
1%	-28%	-13%	3%	18%	33%	49%	64%
2%	44%	74%	105%	136%	167%	198%	228%
3%	116%	162%	208%	254%	300%	346%	393%
4%	187%	249%	311%	372%	434%	495%	557%
5%	259%	336%	413%	490%	567%	644%	721%
6%	331%	423%	516%	608%	701%	793%	885%
7%	403%	511%	618%	726%	834%	942%	1050%
8%	475%	598%	721%	844%	967%	1091%	1214%
9%	547%	685%	824%	962%	1101%	1239%	1378%
10%	618%	772%	926%	1080%	1234%	1388%	1542%

Source: Artemis, Fundstrat

- Cypherpunk Technologies (CYPH), which we added to the Crypto Equities portfolio alongside ZEC last week, gained roughly 35% today and broke out of its recent consolidation. At first glance, CYPH can look expensive at more than 2x mNAV if investors value only its ZEC treasury. That misses the mining business. CYPH currently controls ~18% of Zcash network hash rate and is mining nearly 8,000 ZEC per month.

- At current ZEC prices, holding both network share and spot price constant implies roughly $67M of mining revenue over the next 12 months. Assuming an ~80% EBITDA margin (possibly favorable), that translates to roughly $55M of EBITDA. Applying a relatively conservative 4x multiple would value the mining business at more than $200M, materially reducing CYPH's effective mNAV premium once the operating business is incorporated. I expect CYPH's share of network hash rate to decline as higher ZEC prices attract additional competition, but given CYPH's ability to grow ZEC per share and its position as one of the only publicly traded high-beta expressions of ZEC, I continue to think there is additional upside despite today's move.

Cypherpunk Technologies (CYPH): mNAV Snapshot

Capitalization	$ / value
Share price	$2.26
Diluted shares (M)	307
Market capitalization ($M)	$693
Less: cash incl. warrant exercise proceeds ($M)	$38
Plus: debt ($M)	-
Enterprise value ($M)	**$655**

Crypto Net Asset Value	$ / value
ZEC held	323,394
ZEC spot price	$946
ZEC value ($M)	$306
Other investments at cost ($M)	$5
Total NAV ($M)	**$311**

mNAV	$ / value
Headline mNAV (EV / ZEC value)	**2.14x**
mNAV incl. other investments (EV / total NAV)	2.11x

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Adjusted for Mining (spot-based)	$ / value
Year-1 gross production (ZEC)	70,530
Mining revenue at spot ($M)	$67
Less: cash mining costs ($M)	$12
Mining EBITDA at spot ($M)	$55
EBITDA multiple	4.0x
Implied mining value ($M)	$219
EV ex-mining ($M)	$436
mNAV ex-mining (EV ex-mining / total NAV)	**1.40x**

Source: Cypherpunk website & filings, Tradingview, Fundstrat

- BTC is also testing an important technical level. Today's move appears likely to take BTC above its 50-week moving average, a level that has historically marked meaningful support, resistance, and broader regime changes. Looking at the prior four comparable upside breaks in our sample, BTC was higher across every forward window from three through 20 days, with a median gain of roughly 28% after 20 days. The sample is obviously small given the duration of this moving average, and I would want to see the breakout hold for several days before calling it confirmed. However, history suggests that once these breaks are confirmed, BTC can move very quickly. With that in mind, I think it remains difficult to take too much risk off the table here despite tomorrow's jobs report and continued uncertainty around yields and crude.

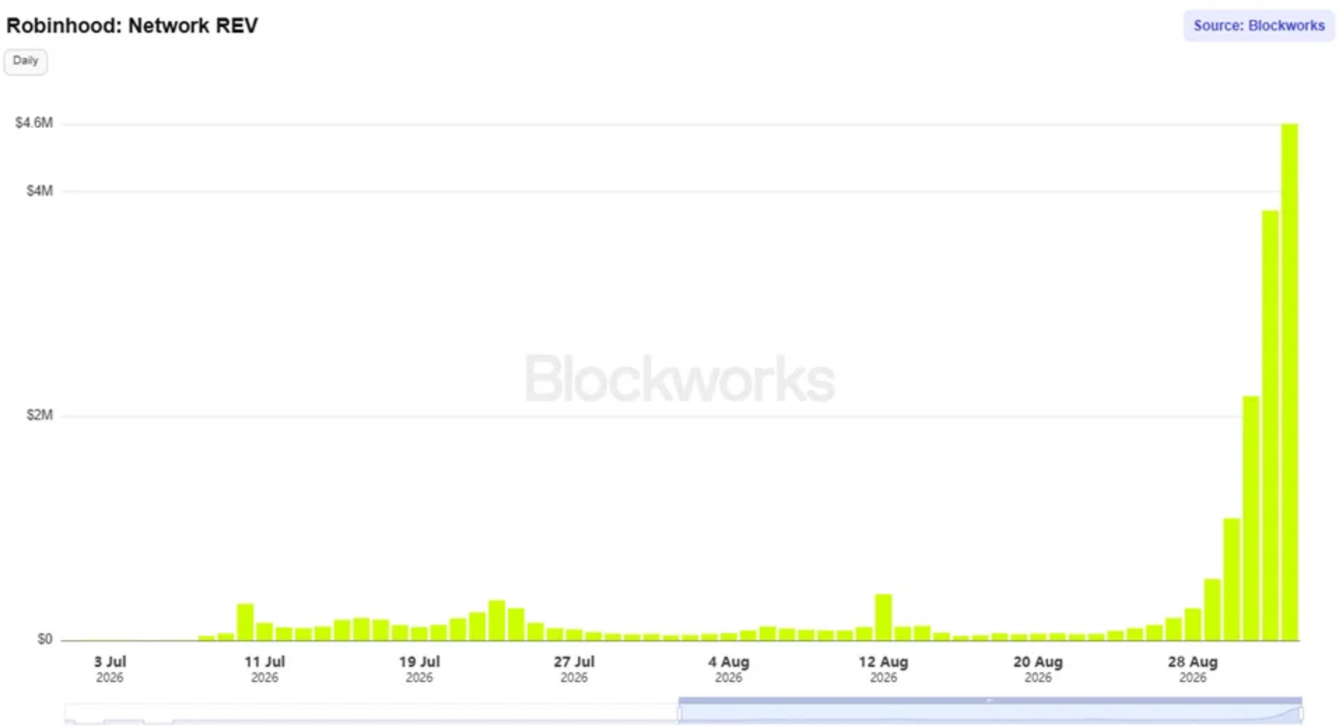
BTC Conclusive Breaks Above the 50-Week MA: Short-Horizon Forward Returns

Break = first daily close above the 50W MA (after 30+ closes below) that held: 5 straight closes above with at most 2 consecutive closes back below.
Failed pokes preceding the break (Apr 23, 2019; Feb 20, 2023) are excluded. Returns from the break close, calendar days. Max gain/loss = best/worst close in the next 10 day

Break date	Break close	50W MA	1d	3d	5d	7d	10d	15d	20d	Max gain (10d)	Max loss (10d)
Oct 17, 2015	$270	$266	-3.3%	+0.2%	+1.9%	+4.7%	+9.4%	+20.6%	+38.7%	+9.4%	-3.3%
May 03, 2019	$5,658	$5,420	+1.9%	+0.5%	+5.0%	+12.1%	+38.0%	+28.3%	+39.3%	+38.0%	+0.5%
Apr 29, 2020	$8,790	$8,732	-1.9%	+2.2%	+1.1%	+4.1%	+8.6%	+11.4%	+11.3%	+13.8%	-1.9%
Mar 13, 2023	$24,209	$23,130	+2.2%	+3.5%	+11.4%	+14.9%	+17.1%	+12.7%	+16.4%	+17.1%	+0.7%
Median			+0.0%	+1.3%	+3.4%	+8.4%	+13.3%	+16.6%	+27.5%	+15.4%	-0.7%
Average			-0.3%	+1.6%	+4.8%	+9.0%	+18.3%	+18.3%	+26.4%	+19.6%	-1.0%
Win ratio			50%	100%	100%	100%	100%	100%	100%	100%	

Source: TradingView (Bitstamp / CRYPTO index) | Fundstrat

- Finally, the HOOD thesis continues to strengthen. The Street appears to be beginning to recognize both the acceleration in activity on Robinhood Chain and the potential event-contract tailwinds we have highlighted this week. The commencement of football season should provide a natural catalyst for sports-related event contracts, while the midterms add another potentially significant source of activity into Q4.
- Robinhood Chain is also beginning to generate enough revenue to matter at the margin. Annualizing the past seven days would imply roughly $660M of revenue, which I do not think is an appropriate run-rate assumption this early in the game. However, I think it is increasingly reasonable to contemplate Robinhood Chain becoming a $100M+ ARR business. That would represent a meaningful new revenue stream that I doubt is currently embedded in Street estimates.



Source: Blockworks

- **Bottom line:** Today's move adds another piece of evidence to the broader regime-change thesis. Macro conditions became somewhat more supportive as Fed rhetoric softened, ZEC has entered price discovery, CYPH continues to offer levered exposure to that theme, and BTC is now challenging a technical level that has historically been followed by rapid continuation. Near-term macro risks remain, but I continue to think the greater risk at this stage is becoming too defensive during a market that increasingly appears capable of moving quickly higher.

Portfolios

Crypto Equities Portfolio - September 3, 2026								
Ticker	Date of Latest Rebalance	Weight at Latest Rebalance	Subsector/Theme	Subsector/Theme	Current Price	30-Day Return	90-Day Return	YTD Return
MSTR	8/26/26	1.0%	DAT	BTC	144.82	48%	20%	-5%
PURR	8/26/26	6.0%	DAT	HYPE	12.77	88%	50%	259%
CYPH	8/26/26	2.0%	DAT	ZEC	2.27	39%	39%	39%
COIN	8/26/26	1.0%	Financial Services	Super App	192.70	28%	26%	-15%
HOOD	8/26/26	2.5%	Financial Services	Super App	124.72	33%	51%	10%
BTGO	8/26/26	1.0%	Financial Services	Infrastructure	7.52	51%	60%	-48%
GLXY	8/26/26	3.5%	Financial Services	AI Compute	26.50	20%	5%	19%
FIGR	8/26/26	2.0%	Crypto-Enabled Services	Tokenization	36.21	31%	31%	19%
CLSK	8/26/26	1.5%	BTC Mining	AI Compute	12.58	-11%	-19%	24%
WULF	8/26/26	1.5%	BTC Mining	AI Compute	16.23	-14%	-32%	41%
IREN	8/26/26	1.5%	BTC Mining	AI Compute	41.65	2%	-23%	10%
BTDR	8/26/26	1.5%	BTC Mining	AI Compute	11.91	5%	-32%	6%
HUT	8/26/26	1.5%	BTC Mining	AI Compute	88.09	-13%	-22%	92%
HIVE	8/26/26	1.5%	BTC Mining	AI Compute	3.05	5%	-19%	18%
KEEL	8/26/26	1.5%	BTC Mining	AI Compute	3.35	-18%	-35%	43%
CORZ	8/26/26	1.5%	BTC Mining	AI Compute	17.90	-22%	-31%	23%
CIFR	8/26/26	1.5%	BTC Mining	AI Compute	17.37	-15%	-23%	18%
RIOT	8/26/26	1.5%	BTC Mining	AI Compute	21.14	-2%	-14%	67%
MARA	8/26/26	1.5%	BTC Mining	AI Compute	11.60	-1%	-6%	29%
GSOL	8/26/26	4.5%	Spot Token	SOL	7.97	42%	67%	-12%
ETHA	8/26/26	8.0%	Spot Token	ETH	19.02	34%	60%	-15%
BITB	8/26/26	17.0%	Spot Token	BTC	44.37	27%	36%	-7%
Cash	8/26/26	35.0%	Cash	Cash	1.00	0%	0%	0%

Returns	Since Portfolio Inception (6/22/23)	YTD
BTC	171%	-7%
ETH	33%	-16%
S&P 500	77%	13%
Crypto Equities Portfolio	**286%**	**15%**

Source: Bloomberg, Artemis, Fundstrat

Core Strategy Portfolio - September 3, 2026								
Ticker	Latest Rebalance	Last Rebalance Weight	Token Class	Sector	Current Price	30-Day Return	90-Day Return	YTD Return
BTC	8/26/26	41.0%	BTC	Currency	81,179	27%	33%	-7%
ETH	8/26/26	9.0%	Alt. Major	SCP	2,501	34%	58%	-16%
SOL	8/26/26	6.0%	Alt. Major	SCP	104	41%	64%	-16%
HYPE	8/26/26	7.0%	Altcoin	DeFi	87	58%	46%	242%
ZEC	8/26/26	2.0%	Altcoin	Currency	950.63	88%	144%	86%
USDC	8/26/26	35.0%	Stablecoin	Cash	1.00	0%	0%	0%

Returns	ITD (1/16/2023)	YTD
BTC	289%	-7%
ETH	61%	-16%
S&P 500	94%	13%
Core Strategy Portfolio	**238%**	**10%**

Source: Bloomberg, Artemis, Fundstrat

Tickers in this video: #BTC #ZEC $CYPH $HOOD

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