Digital Assets - Comments

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TREASURY UPSIZES BUYBACKS TO $6B BUT MARKETS WANT MORE, CYPH REVERSAL SUGGESTS POSSIBLE CONSOLIDATION REQUIRED

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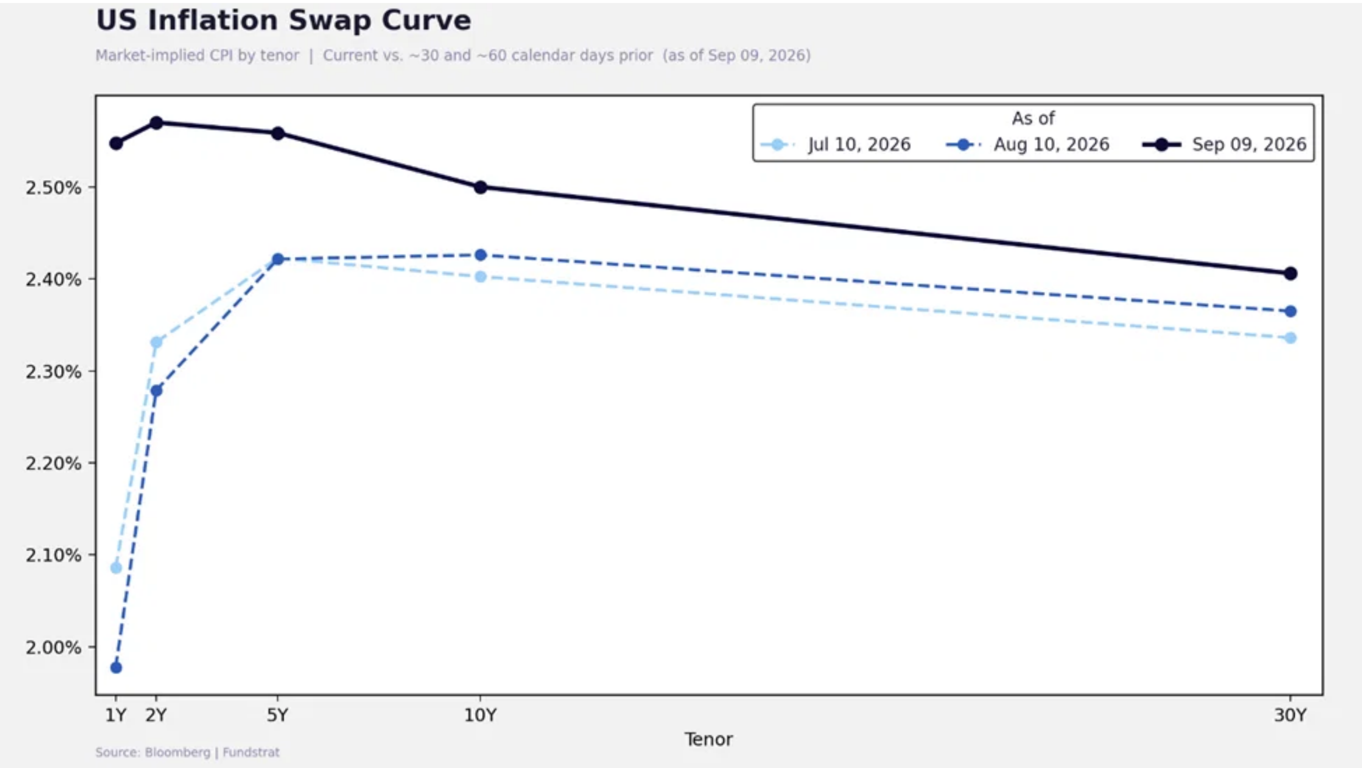
- The big catalyst today was the Treasury's announcement of a $6B long-end liquidity support buyback, above the $4B level indicated in August. Recall that the mid-August move off the crypto lows coincided with Treasury signaling a more active approach to duration management, what we have characterized as a

Treasury Twist or "YCC-lite." The basic idea is to actively remove duration from the market while financing more heavily through short-dated bills. Today's announcement further confirms that this regime remains in place and, tactical price action aside, I continue to view that as constructive for liquidity conditions, risk assets, and particularly monetary debasement hedges like BTC and gold.

- That said, the market clearly wanted more than $6B. BTC initially bounced on the announcement before reversing lower, while gold showed a bit more fight but ultimately suffered a similar reversal. Treasuries also sold off sharply, with the 10-year yield moving above 4.85% to a new YTD high and closing near the highs of the day. Given that Treasury had previously characterized $4B as a floor and Bessent had suggested additional firepower was available, expectations had clearly migrated above the announced amount.
- Some of the weakness may simply reflect positioning getting cleared after investors built exposure ahead of the catalyst. BTC open interest had risen into the announcement and has since come back down, which I actually view as a healthy development. Still, negative price action on ostensibly positive news is something worth respecting. For investors managing risk on very short time horizons, particularly those using leverage or sitting further out on the risk curve, today's reaction warrants some attention.

Source: velo.xyz

- I would distinguish that tactical warning from the intermediate-term policy signal. I have a hard time viewing Treasury increasing long-end buybacks from $4B to $6B as fundamentally negative for risk assets. Rather, today's announcement further confirms a shift toward active duration management. The question now is whether $6B per operation is enough to stem the rise in long-term yields against the current fiscal, inflation, and geopolitical backdrop. Today's move in the 10-year suggests the bond market is, at least for now, asking Treasury for more.
- The next major tests come quickly. PPI is due tomorrow and CPI on Friday, and both take on additional importance given the recent rise in commodity prices. Inflation expectations have moved higher across the swap curve, with the increase particularly pronounced across the 1- to 5-year tenors. Cooler or even sufficiently benign inflation data could help reverse some of today's move in yields and potentially generate a healthy bounce in the assets that sold off following the Treasury announcement.



- CYPH also flashed some tactical warning signs today. Cypherpunk has been in the model portfolio for a couple of weeks and remains one of our preferred high-beta expressions of the ZEC thesis. The stock traded nearly 20% higher intraday before reversing sharply and finishing roughly 7% lower. The reversal occurred on the highest-volume session since the ZEC DAT/miner launched. A large intraday reversal on exceptional volume is often evidence that price has finally encountered meaningful supply and can be characteristic of a short- or intermediate-term top.

- I don't think that necessarily means the broader CYPH move is finished. My expectation remains that the stock can ultimately make another leg higher if the ZEC thesis continues to play out. But based purely on today's price action, CYPH may need a period of consolidation before that happens. One day does not make a trend, and a strong response tomorrow could quickly negate today's signal, but I think the combination of the reversal candle and record volume is significant enough that it would be a mistake not to acknowledge it.
- The encouraging part is that ZEC itself did not exhibit the same degree of exhaustion. ZEC traded off its intraday highs but still made a fresh cycle high, and the technical setup continues to look constructive both against the dollar and relative to BTC. Given that CYPH is fundamentally a levered/beta expression of ZEC, continued strength in the underlying asset makes me marginally less concerned about today's equity reversal than I otherwise would be. For now, I

would characterize this as a tactical warning on CYPH rather than a change in the broader ZEC thesis.

- Bottom line: Today's tape gave us a couple of near-term warning signals without materially changing the intermediate-term setup. The market wanted more from Treasury than the announced $6B buyback, and CYPH's high-volume reversal suggests the stock may need to consolidate after a very strong run. At the same time, BTC positioning has already cleaned up somewhat, ZEC continues to make new cycle highs, and Treasury's larger buyback confirms the broader shift toward active duration management. With PPI tomorrow and CPI Friday, the next 48 hours should provide considerably more information on whether today's weakness represents the beginning of a larger consolidative move or simply a tactical reset within what I continue to view as an improving liquidity regime.

Portfolios

Crypto Equities Portfolio - September 9, 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	132.70	36%	10%	-13%
PURR	8/26/26	6.0%	DAT	HYPE	12.03	82%	42%	238%
CYPH	8/26/26	2.0%	DAT	ZEC	2.45	50%	50%	50%
COIN	8/26/26	1.0%	Financial Services	Super App	174.72	18%	9%	-23%
HOOD	8/26/26	2.5%	Financial Services	Super App	115.28	22%	25%	2%
BTGO	8/26/26	1.0%	Financial Services	Infrastructure	7.51	49%	38%	-48%
GLXY	8/26/26	3.5%	Financial Services	AI Compute	25.15	29%	-24%	12%
FIGR	8/26/26	2.0%	Crypto-Enabled Services	Tokenization	38.12	32%	32%	25%
CLSK	8/26/26	1.5%	BTC Mining	AI Compute	13.28	15%	-18%	31%
WULF	8/26/26	1.5%	BTC Mining	AI Compute	17.13	6%	-32%	49%
IREN	8/26/26	1.5%	BTC Mining	AI Compute	45.37	17%	-20%	20%
BTDR	8/26/26	1.5%	BTC Mining	AI Compute	12.33	42%	-30%	10%
HUT	8/26/26	1.5%	BTC Mining	AI Compute	95.92	12%	-18%	109%
HIVE	8/26/26	1.5%	BTC Mining	AI Compute	3.10	19%	-18%	20%
KEEL	8/26/26	1.5%	BTC Mining	AI Compute	3.71	9%	-33%	58%
CORZ	8/26/26	1.5%	BTC Mining	AI Compute	18.09	-7%	-34%	24%
CIFR	8/26/26	1.5%	BTC Mining	AI Compute	16.90	3%	-25%	14%
RIOT	8/26/26	1.5%	BTC Mining	AI Compute	22.07	14%	-16%	74%
MARA	8/26/26	1.5%	BTC Mining	AI Compute	11.92	25%	-12%	33%
GSOL	8/26/26	4.5%	Spot Token	SOL	7.74	34%	54%	-15%
ETHA	8/26/26	8.0%	Spot Token	ETH	18.58	31%	46%	-17%
BITB	8/26/26	17.0%	Spot Token	BTC	42.43	22%	23%	-11%
Cash	8/26/26	35.0%	Cash	Cash	1.00	0%	0%	0%

Returns

	Since Portfolio Inception (6/22/23)	YTD
BTC	161%	-11%
ETH	32%	-17%
S&P 500	74%	12%
Crypto Equities Portfolio	**282%**	**14%**

Source: Bloomberg, Artemis, Fundstrat

Core Strategy Portfolio - September 9, 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	78,251	22%	23%	-11%
ETH	8/26/26	9.0%	Alt. Major	SCP	2,469	32%	48%	-17%
SOL	8/26/26	6.0%	Alt. Major	SCP	102	35%	53%	-18%
HYPE	8/26/26	7.0%	Altcoin	DeFi	85	55%	45%	236%
ZEC	8/26/26	2.0%	Altcoin	Currency	1,243.22	151%	190%	143%
USDC	8/26/26	35.0%	Stablecoin	Cash	1.00	0%	0%	0%

Returns	ITD (1/16/2023)	YTD
BTC	275%	-11%
ETH	59%	-17%
S&P 500	91%	12%
Core Strategy Portfolio	235%	8%

Source: Bloomberg, Artemis, Fundstrat

Tickers in this video: #BTC #ZEC $CYPH

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