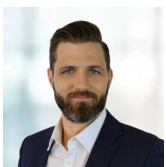


QRA ON 11/4 COULD ACCELERATE OPERATION TREASURY TWIST, MSCI LIKELY TO APPROVE ANTI-DAT FRAMEWORK THIS WEEK, WATCHING STRC VOLUMES FOR DEMAND INTO EX-DIVIDEND



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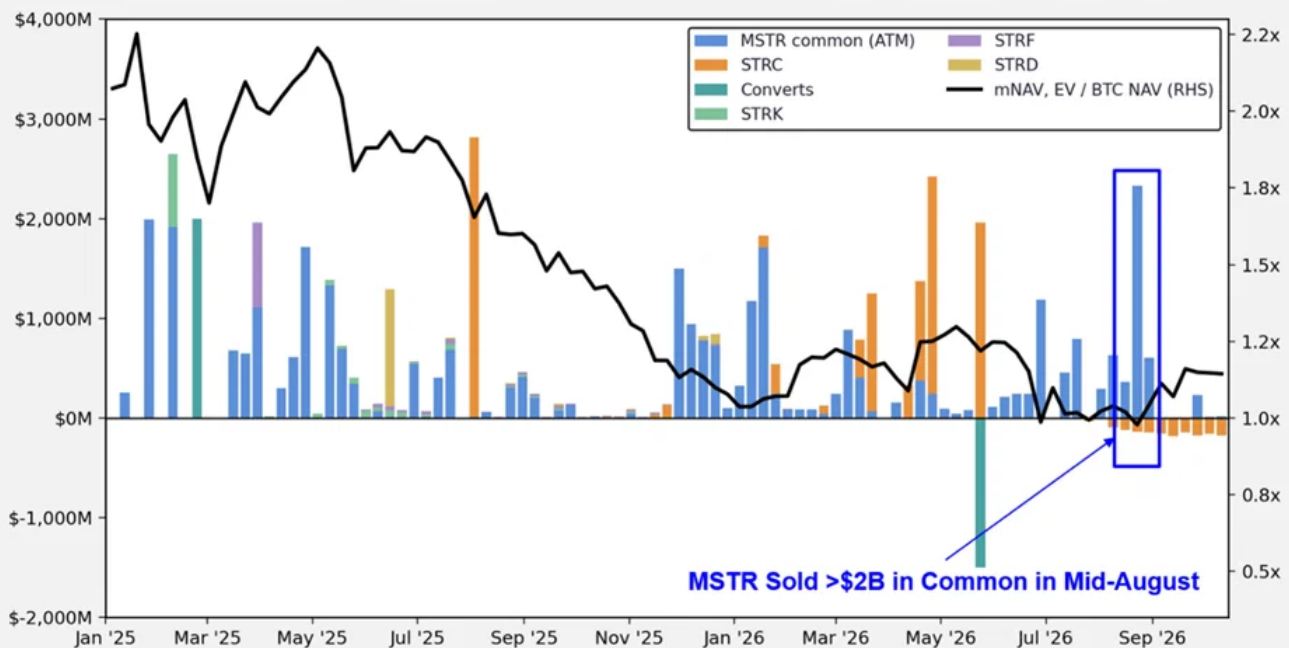
- We received an interesting development over the weekend, as a Citi report suggested Treasury could reduce longer-duration issuance at the next QRA. Citi sees the possibility of smaller 20Y and 30Y auction sizes and even floated eliminating the 20Y altogether. Stop me if you have heard this before. This fits

squarely with the broader thesis we have been discussing since Treasury increased long-duration buybacks in August. In a regime defined by elevated debt and deficits, I continue to think the path of least resistance involves some combination of above-trend inflation and financial repression, which should be constructive for monetary debasement hedges. A more aggressive shift away from long-duration issuance would be another step in that direction and would work to counter some of the tightening coming from the Fed. The next QRA is November 4th, which I think could be an important catalyst.

- The near-term market setup remains choppy. Crypto gave back Sunday's rally, BTC is down roughly 2%, and weakness has been more pronounced farther out on the risk curve. Broader risk also softened today, with the QQQs lower and defensive areas beginning to outperform. I would not call those red flags, but they are additional yellow flags at a time when the altcoin complex is already working through a leverage reset.
- The MSCI decision is probably the most obvious near-term overhang. MSCI is expected to announce the results of its consultation on non-operating companies by October 16th, and based on the framework they laid out, Strategy and other DATs appear likely to be excluded from relevant indices. The important point is that this is not new information. The consultation has been public since August, the criteria are fairly explicit, and the market has had plenty of time to contemplate the outcome. Any negative headline could still pressure MSTR, and likely BTC to some extent, tactically, but I would view the decision as at least partly a risk-clearing event.
- The potential passive outflow is meaningful, but I do not think it presents the type of reflexive risk that the headline number might imply. According to Strategy, roughly 13M MSTR shares are held across MSCI-linked products, or around \$2B at current prices. For context, Strategy itself sold more than \$2B of common stock into a much weaker and less liquid crypto market in August. MSTR is also still trading at 1.13x mNAV, while the company has built a USD reserve sufficient to cover ~38 months of preferred dividends. In other words, there is considerably more margin for error in the capital structure today than there was earlier in the year. So we probably do see some weakness on the news, but I do not think the broader impact on the stock or the Strategy complex will be especially deleterious.

Issuance stalled as the premium returned: buybacks now outrun the ATM

Weekly net issuance/(retirement) by security (\$M, LHS; common implied from share-count changes, preferred/converts from notional) vs mNAV (RHS)



Source: Strategy daily data, Forms 8-K | Fundstrat · Dec 2024-10/11/2026 weekly · preferred at par notional, booked the week the 8-K posts; common approximate; negatives = buybacks/retirements

mNAV rebuilt to 1.13x as the stock outran bitcoin by 22 points

Strategy mNAV (EV / BTC NAV) · Dec 2024-10/12/2026 · 0.98x on 8/21 · mcap basis 0.72x → 0.92x · EV nets USD Cash from 8/24



Source: Strategy daily data (20261012 batch; 10/12 is a same-day Monday print) | Fundstrat

- The quieter, potentially positive catalyst may actually be STRC. After roughly \$1.5B of repurchases since mid-July, STRC has recovered meaningfully and is trading just below \$99 ahead of its October 15th ex-dividend date. I do not see a

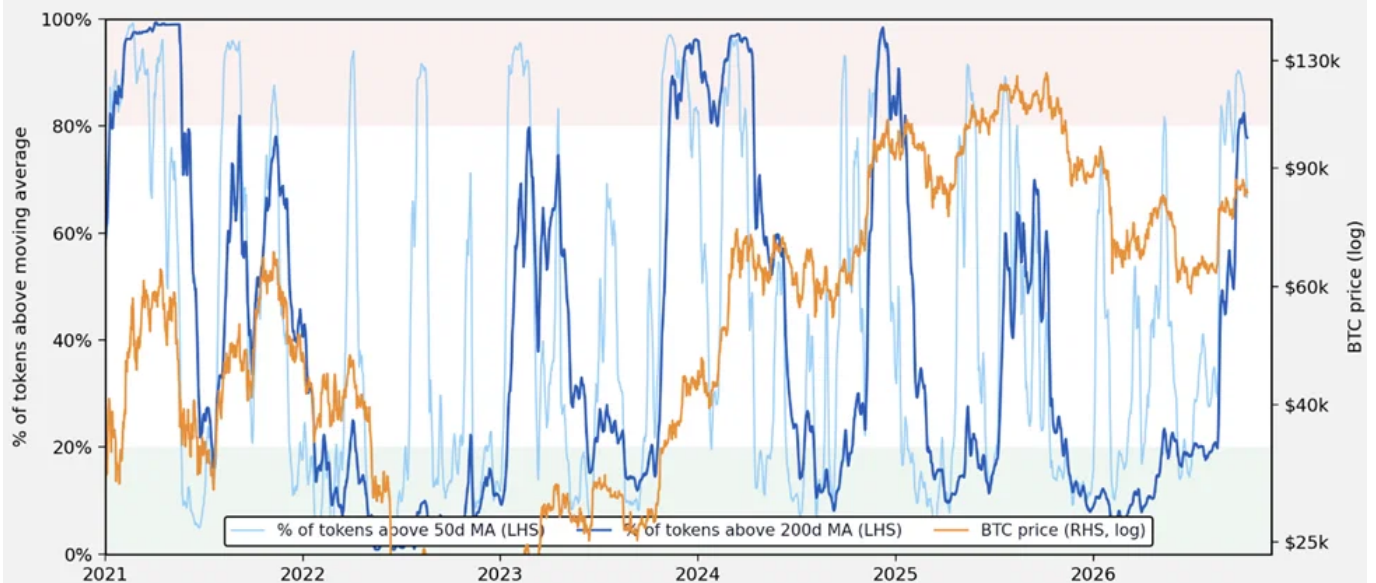
lot of people focused on this right now. If, and it is a big if, demand for STRC emerges around the ex-date and the preferred can hold or reclaim par, that would improve Strategy's ability to issue additional preferred capital and reintroduce incremental BTC demand. At that point, the market could begin front-running those flows again. Let's watch STRC volumes closely over the coming days.



- Meanwhile, the altcoin reset continues, and I think some of it is healthy. The share of tokens trading above their 50D moving average has fallen from roughly 90% a couple of weeks ago to around 67%, while 200D breadth has also started to roll over. Importantly, this is occurring while BTC remains above \$80K. We had highlighted the potential for some of the excess farther out on the risk curve to clear absent a bid in the majors, and that seems to be happening now.

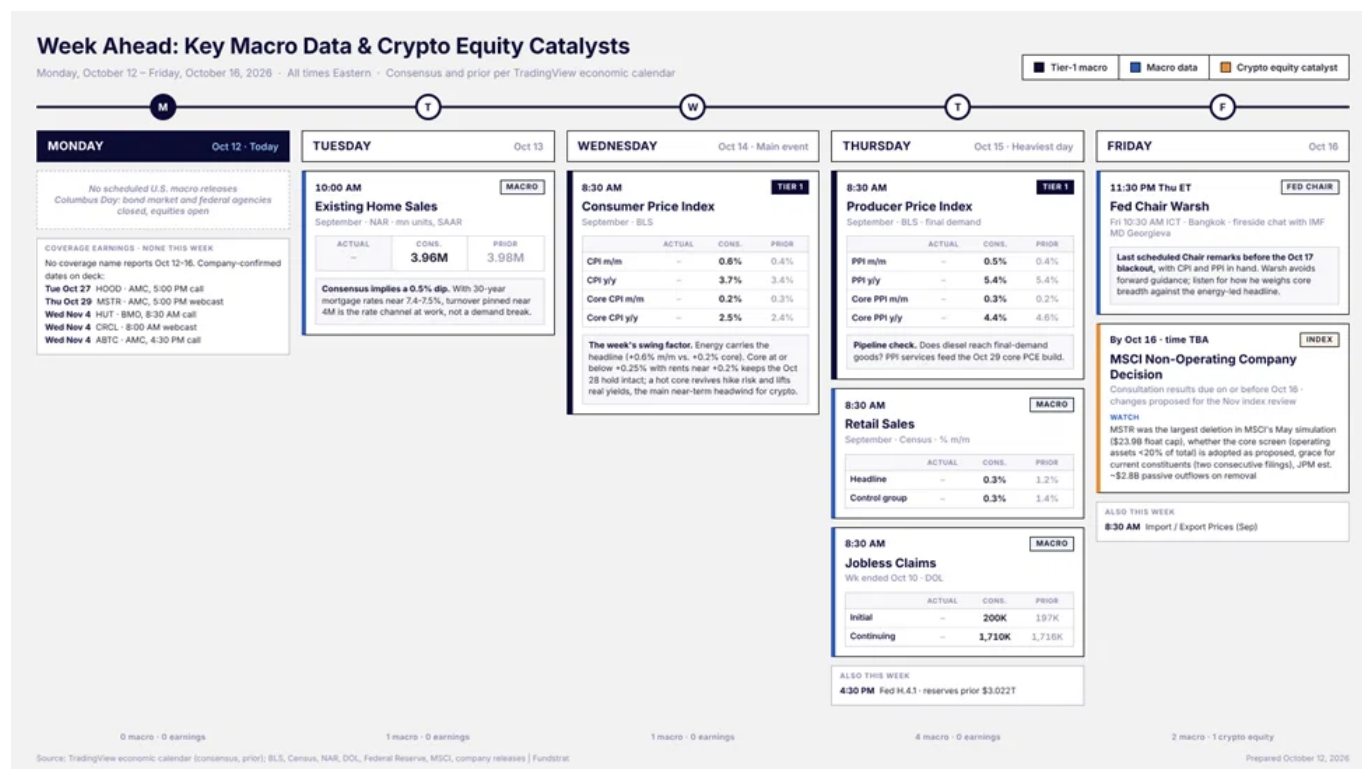
Token breadth rolls over: 50d participation slips to 67% (5d MA) from 90%

Share of tokens above their 50d and 200d moving averages, 5d MA | Top-300 ex-stablecoins & pegged RWAs (298 eligible) | Daily, Jan 2021 – Oct 12, 2026



Universe: CoinGecko top-300 by market cap, ex-stablecoins and pegged/tokenized RWAs (trailing-1y price coefficient of variation < 3%). MAs require full lookback history; breadth smoothed with a 5-day average.
Source: CoinGecko | Fundstrat

- There are other signs that speculative liquidity is getting tired. Over the past few days, we have seen a number of low-quality or effectively dormant tokens rip 30–80% in a session on a new narrative, only to retrace most or all of the move shortly thereafter. These “scam pumps,” for lack of a better term, are often emblematic of a later-stage altcoin rally where the hot ball of money is running out of productive places to go and liquidity is becoming stretched thin. I view that as another reason to remain selective tactically, even if the broader cycle view remains constructive.
- The good news is that there are several potential risk-clearing events directly ahead. CPI is Wednesday, PPI Thursday, Fed Chair Warsh speaks Friday, and the MSCI decision is due by the end of the week. Beyond that, STRC’s ex-dividend date provides a potential flow catalyst, while November 4th could give us an important read on whether Treasury is prepared to lean even further into duration management.



- Bottom Line: The tactical setup remains somewhat murky, and the continued altcoin deleveraging, defensive equity leadership, and return of “scam pumps” argue for some caution farther out on the risk curve. But I think the next several weeks contain a number of potentially constructive catalysts. The MSCI decision could clear a known overhang for Strategy, STRC is quietly approaching a level where preferred issuance and incremental BTC demand could come back into play, and the November 4th QRA could provide another important confirmation of the Treasury duration-management / financial-repression thesis. For now, I am still inclined to let some of the excess wash out before getting too aggressive in buying dips, but I think the setup becomes increasingly interesting if these catalysts begin resolving in a constructive direction.

Portfolios

Crypto Equities Portfolio - October 12, 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	9/22/26	2.0%	DAT	BTC	152.68	17%	56%	0%
PURR	9/22/26	6.0%	DAT	HYPE	10.40	-10%	41%	192%
CYPH	9/22/26	2.0%	DAT	ZEC	2.90	28%	28%	78%
COIN	9/22/26	1.0%	Financial Services	Super App	180.39	3%	12%	-20%
HOOD	9/22/26	2.5%	Financial Services	Super App	109.22	-3%	-4%	-3%
BTGO	9/22/26	1.0%	Financial Services	Infrastructure	7.16	-6%	38%	-51%
GLXY	9/22/26	3.5%	Financial Services	AI Compute	19.87	-19%	-18%	-11%
FIGR	9/22/26	2.0%	Crypto-Enabled Services	Tokenization	28.46	-18%	-18%	-6%
CLSK	9/22/26	1.5%	BTC Mining	AI Compute	10.30	-25%	-23%	2%
WULF	9/22/26	1.5%	BTC Mining	AI Compute	13.37	-20%	-31%	16%
IREN	9/22/26	1.5%	BTC Mining	AI Compute	34.80	-21%	-10%	-8%
BTDR	9/22/26	1.5%	BTC Mining	AI Compute	9.26	-23%	-25%	-17%
HUT	9/22/26	1.5%	BTC Mining	AI Compute	85.24	-14%	-13%	86%
HIVE	9/22/26	1.5%	BTC Mining	AI Compute	2.40	-21%	-25%	-7%
KEEL	9/22/26	1.5%	BTC Mining	AI Compute	2.95	-17%	-34%	26%
CORZ	9/22/26	1.5%	BTC Mining	AI Compute	15.02	-16%	-32%	3%
CIFR	9/22/26	1.5%	BTC Mining	AI Compute	13.00	-23%	-35%	-12%
RIOT	9/22/26	1.5%	BTC Mining	AI Compute	16.47	-23%	-18%	30%
MARA	9/22/26	1.5%	BTC Mining	AI Compute	9.44	-21%	-22%	5%
GSOL	9/22/26	5.5%	Spot Token	SOL	8.18	6%	41%	-10%
ETHA	9/22/26	9.0%	Spot Token	ETH	18.98	-1%	34%	-15%
BITB	9/22/26	19.0%	Spot Token	BTC	44.91	7%	28%	-6%
Cash	9/22/26	30.0%	Cash	Cash	1.00	0%	0%	0%
Returns							ITD	YTD
BTC							177%	-5%
ETH							35%	-15%
S&P 500							78%	14%
Crypto Equities Portfolio							270%	10%

Source: Bloomberg, Artemis, Fundstrat

Core Strategy Portfolio - October 12, 2026

Ticker	Latest Rebalance	Last Rebalance Weight	Token Class	Sector	Current Price	30-Day Return	90-Day Return	YTD Return
BTC	9/22/26	44.0%	BTC	Currency	83,004	7%	28%	-5%
ETH	9/22/26	10.0%	Alt. Major	SCP	2,521	-0%	33%	-15%
SOL	9/22/26	7.0%	Alt. Major	SCP	109	7%	40%	-13%
HYPE	9/22/26	7.0%	Altcoin	DeFi	84	5%	28%	228%
ZEC	9/22/26	2.0%	Altcoin	Currency	1,237.75	10%	119%	222%
USDC	9/22/26	30.0%	Stablecoin	Cash	1.00	0%	0%	0%

Returns

	ITD	YTD
BTC	298%	-5%
ETH	63%	-15%
S&P 500	95%	14%
Core Strategy Portfolio	245%	12%

Source: Bloomberg, Artemis, Fundstrat

Tickers in this video: #BTC \$MSTR \$STRC \$QQQ

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