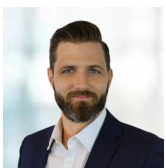


REMAINING PATIENT TACTICALLY, BUT BTC STRENGTH AMID TODAY'S CHAOS WAS NOTABLE, AI CAPEX STRESS HITS MINERS



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HEAD OF DIGITAL ASSET STRATEGY



- CPI came in hot this morning, but that ultimately was not the most important development of the day. Both headline and core exceeded expectations. Energy drove a meaningful portion of the headline increase, but there were also signs of firmness underneath the surface, particularly in rents and core goods. The latter is worth watching given the possibility that higher producer prices are beginning to

filter through to consumers. That said, one print does not make a trend. Core inflation breadth has expanded somewhat over the past couple of months, but longer-term momentum measures still look considerably better than they did earlier in the inflation cycle.

- More interestingly, yields ultimately retraced despite the hot inflation print, as stress across the AI CapEx complex became the bigger story. Over the past several sessions, we have seen meaningful weakness across AI infrastructure and financing-sensitive names. CoreWeave unsecured debt has been one of the clearest examples, with yields moving above 15%, while debt across other parts of the AI ecosystem has also come under pressure. The market is increasingly questioning whether the economics at the frontier-model layer can support the amount of capital currently being committed downstream.
- The underlying concern is not that compute demand is disappearing. It is that the economics of supplying that compute are changing quickly. GPU rental prices and token-generation costs have fallen significantly, while compute demand remains strong. In theory, lower prices should stimulate enough incremental usage to offset margin compression, but so far token prices appear to be falling faster than demand is rising. Competitive open-weight models are part of the reason. They are increasingly good enough for a large portion of consumer and enterprise workloads at a much lower cost, which puts pressure on the frontier labs' ability to simply raise prices to defend economics.

Compute Rental Costs Have Rebounded As Token Prices Have Declined H100 GPU Rental Price vs Silicon Data Token Price Expenditure Index

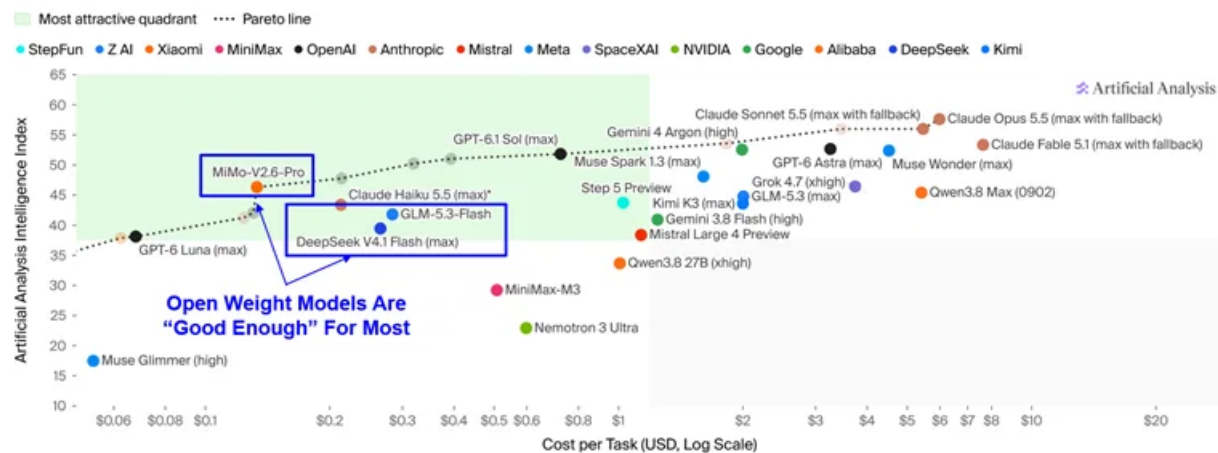


Source: Ornn, Silicon Data, Bloomberg, as compiled by Citadel Securities, data as of Aug 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

Source: Citadel Securities

Intelligence Index vs. Cost per Intelligence Index Task

Artificial Analysis Intelligence Index - Weighted average cost (USD) per Artificial Analysis Intelligence Index task



Source: Artificial Analysis, Fundstrat

- The reported Anthropic numbers added to that debate. The figures circulating after its investor day imply a very large revenue base in absolute terms, but the market is weighing that against a prospective valuation approaching \$2T, slowing sequential growth, and an enormous committed CapEx burden. We are still working from partial reporting and will need to see additional detail before drawing firm conclusions, but the initial read-through has clearly been negative for the broader AI CapEx receiver complex.
- That matters for several of the miners in our crypto-equities portfolio, which at this point increasingly trade as AI/HPC data-center plays. The fundamental demand story around inference compute still looks strong, which is what makes this setup difficult. The more immediate risk is financing. If the frontier labs face pressure on margins, valuation, or access to capital, that can flow downstream into the financing available for data-center build-outs and, at the margin, increase counterparty risk for infrastructure providers. After the damage over the past several sessions, I think a meaningful amount of fear is already reflected in these stocks, so I am not inclined to remove them here. But I do think they could remain dead money following any bounce if financing conditions continue to remain murky.
- As a reminder, the MSCI decision should arrive tomorrow or Friday, and I continue to view this as a largely known overhang rather than a new source of systemic risk. Based on the framework MSCI laid out, Strategy and most other DATs appear likely to be excluded from the relevant indices. The associated selling could amount to roughly 13M MSTR shares, or about \$2B at current prices. That is meaningful, but the consultation has been public for months, passive flows tend to be front-run, and Strategy itself sold more than \$2B of common equity into a considerably weaker crypto tape in August. The company also has a meaningful USD reserve, while STRC continues to trade relatively well, which gives me additional confidence that we are not looking at the type of reflexive balance-sheet problem the headline number might initially suggest. We probably get some weakness on the announcement, but all else equal, I would be inclined to buy that weakness.



- STRC, meanwhile, does not look like it will provide the near-term BTC flow catalyst I was watching for into tomorrow's ex-dividend date. It has traded well, but it has not returned to par, and without a stronger demand signal it is difficult to underwrite meaningful new preferred issuance here. I would revisit this toward month-end, when there is expected to be a vote on moving STRC from bi-monthly to daily dividends. It is somewhat left-curved, but I do think that structure could broaden demand, help pin the preferred closer to \$100, and potentially reopen the capital-markets flywheel that creates incremental BTC buying.



- Farther out on the risk curve, I still think patience is warranted. We have cleared a decent amount of leverage and many alts have retraced a substantial portion of their gains from the August lows, which is healthy. But positioning remains relatively one-sided. The Hyperliquid long/short trader ratio is at its highest level since last October, suggesting investors are still relatively one-sided in their posture towards this market. Sentiment does appear to be normalizing, but absent a stronger bid in BTC and the majors, I do not think this is the best setup to get overly adventurous in alts yet.



Source: Coinglass

- That is why BTC's relative strength today stands out and is somewhat encouraging. We had a hot CPI print, weakness across broader risk, stress in the AI complex, and continued pressure farther out on the crypto risk curve, yet BTC held up relatively well. On one side, Treasury-driven liquidity conditions should become more supportive if the duration-management thesis we have been discussing continues to play out. On the other, if weaker AI expectations begin to pull down long-end yields and inflation expectations, that could eventually create more room for monetary support as well. This is one data point, and there are obviously paths where broader risk weakness overwhelms that setup (correlations rise, everything sells off, etc), but the fact that BTC is showing some relative strength amidst today's carnage is worth paying attention to.
- **Bottom Line:** The tactical setup remains mixed. I am encouraged by BTC's relative strength, but AI financing concerns and one-sided positioning in crypto argue for patience farther out on the risk curve. The MSCI decision should hit the tape in the coming days, but it seems largely priced.

Portfolios

Crypto Equities Portfolio - October 14, 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	143.24	5%	52%	-6%
PURR	9/22/26	6.0%	DAT	HYPE	9.47	-20%	40%	166%
CYPH	9/22/26	2.0%	DAT	ZEC	2.62	2%	2%	61%
COIN	9/22/26	1.0%	Financial Services	Super App	172.89	-10%	8%	-24%
HOOD	9/22/26	2.5%	Financial Services	Super App	101.08	-12%	-5%	-11%
BTGO	9/22/26	1.0%	Financial Services	Infrastructure	6.27	-20%	28%	-57%
GLXY	9/22/26	3.5%	Financial Services	AI Compute	17.93	-26%	-20%	-20%
FIGR	9/22/26	2.0%	Crypto-Enabled Services	Tokenization	25.05	-30%	-30%	-18%
CLSK	9/22/26	1.5%	BTC Mining	AI Compute	9.23	-30%	-28%	-9%
WULF	9/22/26	1.5%	BTC Mining	AI Compute	11.54	-25%	-36%	0%
IREN	9/22/26	1.5%	BTC Mining	AI Compute	30.56	-29%	-12%	-19%
BTDR	9/22/26	1.5%	BTC Mining	AI Compute	8.18	-30%	-27%	-27%
HUT	9/22/26	1.5%	BTC Mining	AI Compute	74.87	-18%	-19%	63%
HIVE	9/22/26	1.5%	BTC Mining	AI Compute	2.24	-25%	-22%	-13%
KEEL	9/22/26	1.5%	BTC Mining	AI Compute	2.55	-26%	-35%	9%
CORZ	9/22/26	1.5%	BTC Mining	AI Compute	13.51	-20%	-36%	-7%
CIFR	9/22/26	1.5%	BTC Mining	AI Compute	9.94	-36%	-44%	-33%
RIOT	9/22/26	1.5%	BTC Mining	AI Compute	15.10	-28%	-20%	19%
MARA	9/22/26	1.5%	BTC Mining	AI Compute	8.23	-28%	-28%	-8%
GSOL	9/22/26	5.5%	Spot Token	SOL	7.87	1%	38%	-14%
ETHA	9/22/26	9.0%	Spot Token	ETH	18.30	-5%	29%	-18%
BITB	9/22/26	19.0%	Spot Token	BTC	44.31	3%	27%	-7%
Cash	9/22/26	30.0%	Cash	Cash	1.00	0%	0%	0%
Returns							ITD	YTD
BTC							173%	-7%
ETH							29%	-18%
S&P 500							76%	13%
Crypto Equities Portfolio							255%	6%

Source: Bloomberg, Artemis, Fundstrat

Core Strategy Portfolio - October 14, 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	81,689	4%	28%	-7%
ETH	9/22/26	10.0%	Alt. Major	SCP	2,419	-4%	30%	-18%
SOL	9/22/26	7.0%	Alt. Major	SCP	104	2%	38%	-16%
HYPE	9/22/26	7.0%	Altcoin	DeFi	81	1%	34%	218%
ZEC	9/22/26	2.0%	Altcoin	Currency	1,137.28	-2%	116%	196%
USDC	9/22/26	30.0%	Stablecoin	Cash	1.00	0%	0%	0%
Returns							ITD	YTD
BTC							292%	-7%
ETH							56%	-18%
S&P 500							93%	13%
Core Strategy Portfolio							239%	10%

Source: Bloomberg, Artemis, Fundstrat

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

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