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Digital Assets - Comments

November 9, 2026

CRYPTO LAGS THE EQUITY REBOUND, BUT THE DIVERGENCE IS NOT INHERENTLY BEARISH



Sean Farrell AC

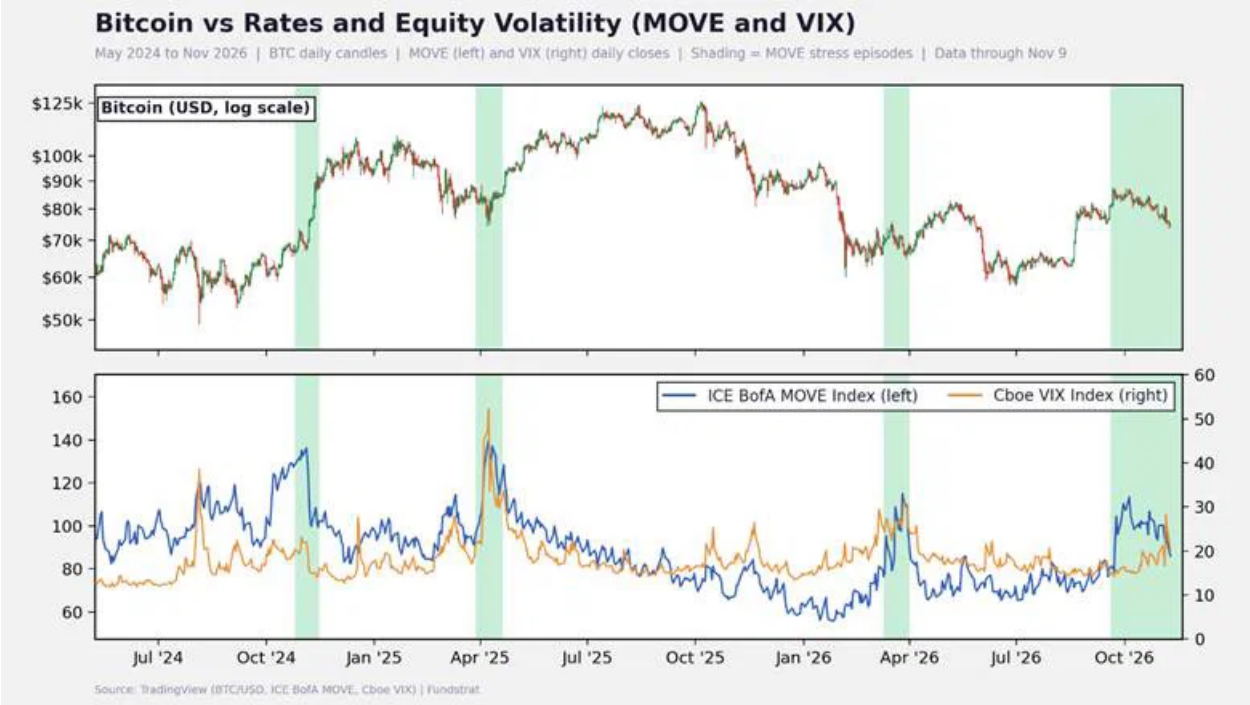
HEAD OF DIGITAL ASSET STRATEGY



- Equities staged a strong, broad-based rebound today, but crypto did not participate. Tech led the move higher, with the QQQ up >3% and the S&P 500 up >2%, while the majors were largely flat. That divergence is understandably frustrating for crypto investors, particularly after last week's volatility.
- Part of the explanation may be positioning. Many of the tech names leading today's rebound were crowded shorts and likely saw sharp short covering. BTC did not have the same positioning to unwind, and it fell less than the QQQ during the

selloff (roughly -8% vs. -11% from the Oct 28 high), so it is not surprising that it failed to keep pace with the highest-beta names. The less comfortable point is that BTC set a lower low over the weekend, after equities had bottomed on Thursday, and has yet to show a rebound of its own.

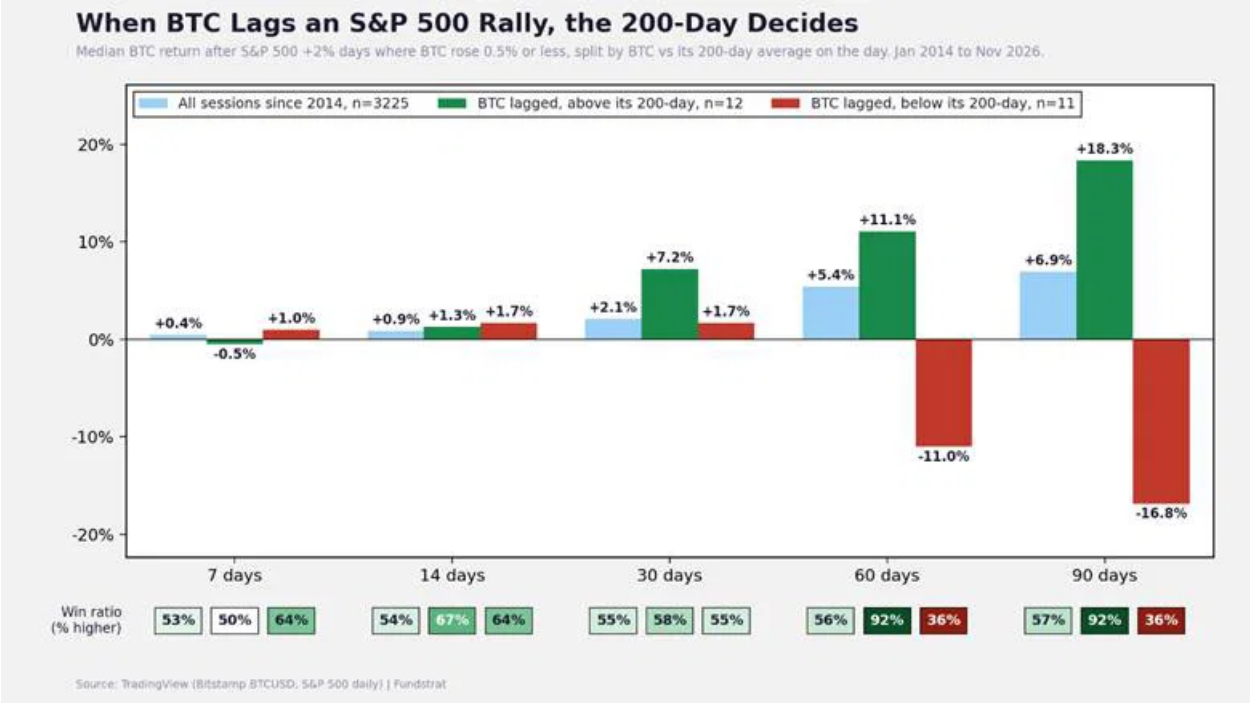
- Risk measures did move in the right direction. The VIX fell from ~25 to just below 20, while the MOVE Index dropped below 90. Both remain somewhat elevated relative to the calmer conditions we saw earlier in the year, but the direction is constructive. For BTC, a continued decline in both equity and rate volatility would be an important positive because it should support liquidity conditions and broader risk appetite.



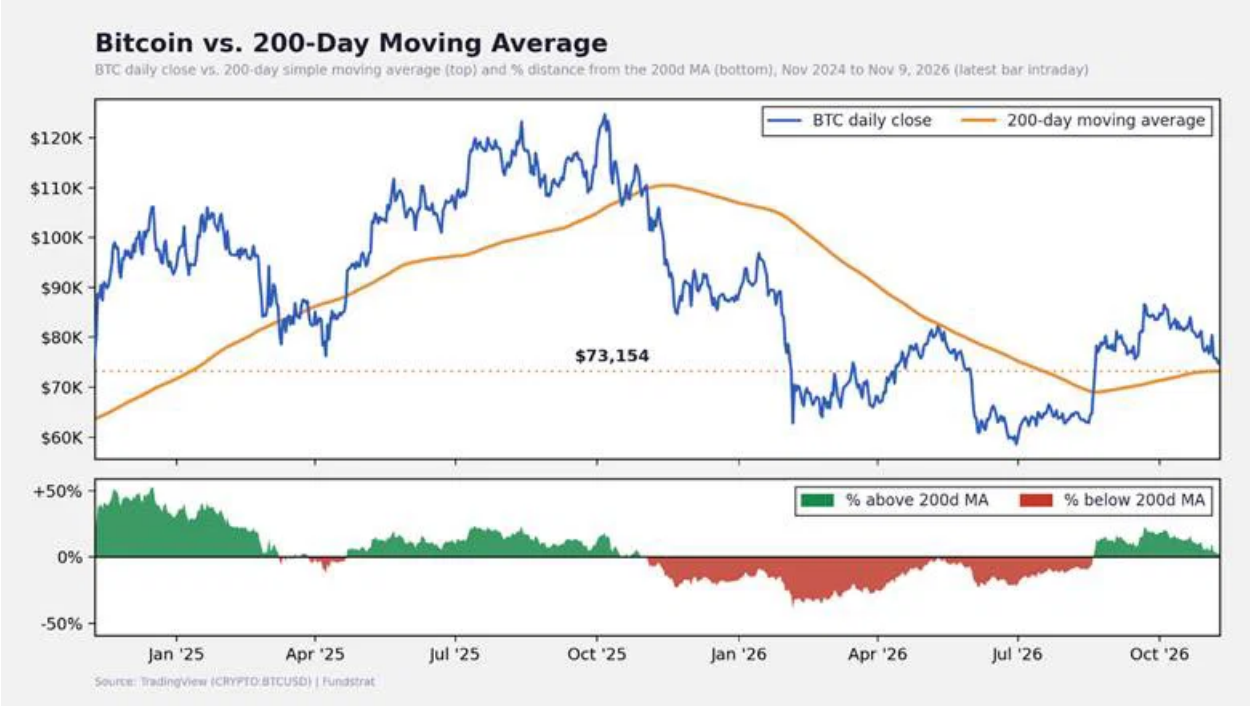
- Historically, BTC lagging a strong equity rally has not been a bearish signal on its own. Since 2014, there have been 23 prior sessions where the S&P 500 rose at least 2% while BTC gained 0.5% or less, during both bear markets and strong bull-market advances. BTC's median 90-day return afterward was +16%, similar to sessions where BTC joined the rally (+14%) and well above the +7% median across all days. The divergence itself does not tell us much in isolation.



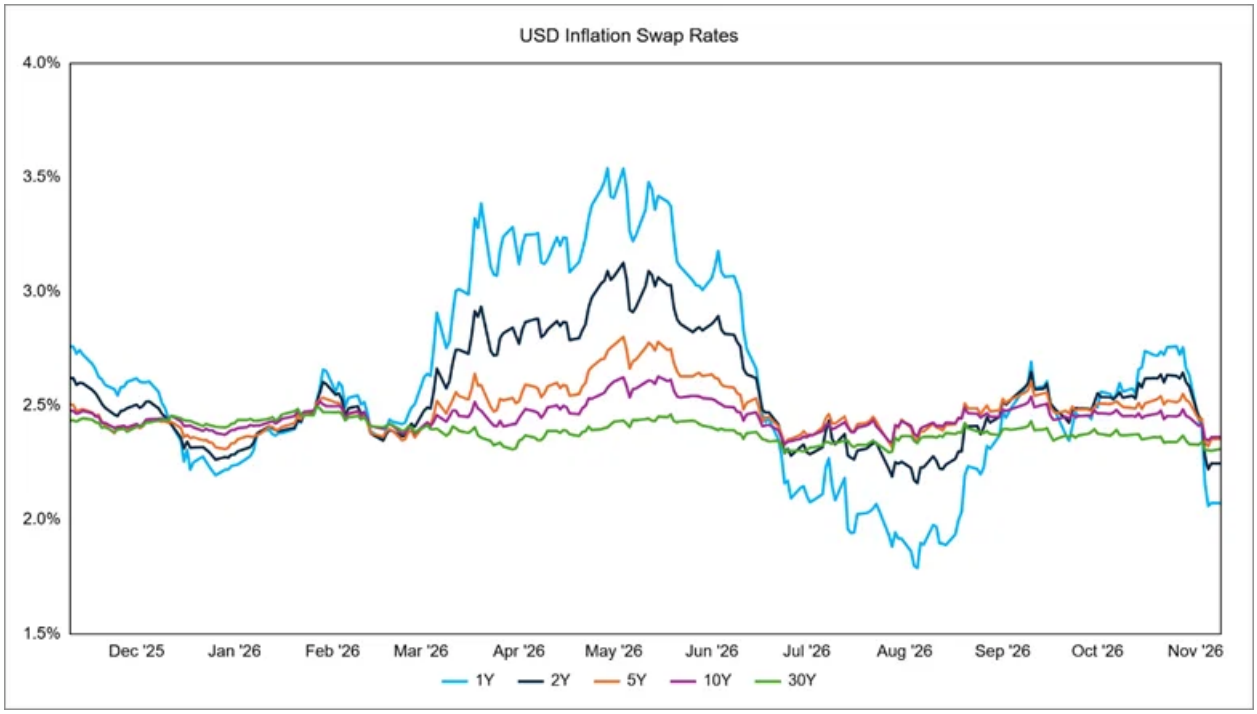
- What has mattered more is where BTC sits relative to its 200D moving average. When these events occurred with BTC above its 200D, the median 90-day return was +18%, with 11 of 12 instances positive. When BTC was already below its 200D, the median was -17%, with only 4 of 11 positive. The sample is small, but the split is stark. Today's instance falls in the above-200D group, though only barely. In other words, context matters more than the divergence itself.



- That makes the 200D moving average (~$73K) increasingly important from here. BTC is only ~2% above it, and the 200D itself has flattened. Just overhead is the 52-week moving average (~$75.7K), which BTC lost on 11/5. I would expect the 200D to attract demand if tested.



- Tomorrow's CPI print will be important, but I do not think it is the only macro variable that matters right now for the monetary policy outlook. In my view, the path of crude and the geopolitical situation, along with the direction of the AI equity complex, are perhaps more important on that front. Inflation expectations are also cooling. Inflation swaps across the curve have moved lower, with one-year inflation swaps now around 2%, roughly in line with the Fed's target.



Source: Bloomberg, Fundstrat

- I am not making any changes to the model portfolios today, and my view is broadly unchanged from Friday. For crypto, the right posture remains patience rather than aggression. Before becoming more tactically constructive, I would like to see continued stabilization in equities, further normalization in the VIX and MOVE, and evidence that today's rebound was genuine re-risking rather than primarily short covering. If it was mostly short covering, BTC's lag is easy to explain. If it was genuine re-risking, BTC should begin to catch up. There is no need to be a hero here, but I also would not panic if we see some additional backing and filling in equities or crypto.
- **Bottom Line:** BTC's failure to participate in today's equity rally is disappointing, but the divergence is not inherently bearish. Historically, the signal has depended on whether BTC was in a healthy or deteriorating trend, which makes the 200D moving average near $73K particularly important from here. For now, I want to see either (1) a more definitive capitulation that creates an attractive tactical entry point, or (2) continued normalization in volatility, follow-through in equities, and a constructive response from BTC before becoming more aggressive.

Portfolios

Core Strategy Portfolio - November 9, 2026

Ticker	Latest Rebalance	Last Rebalance Weight	Current Price	30-Day Return	90-Day Return	YTD Return
BTC	9/22/26	44.0%	74,801	-10%	18%	-15%
ETH	9/22/26	10.0%	2,125	-15%	13%	-28%
SOL	9/22/26	7.0%	86	-21%	13%	-31%
HYPE	9/22/26	7.0%	75	-12%	37%	194%
ZEC	9/22/26	2.0%	1,164	-5%	142%	128%
USDC	9/22/26	30.0%	1.00	0%	0%	0%

Returns

	ITD	YTD
BTC	259%	-15%
ETH	37%	-28%
S&P 500	89%	10%
Core Strategy Portfolio	**150%**	**3%**

Source: TradingView, Fundstrat

Crypto Equities Portfolio - November 9, 2026						
Ticker	Date of Latest Rebalance	Weight at Latest Rebalance	Current Price	30-Day Return	90-Day Return	YTD Return
MSTR	11/4/26	2.0%	125.59	-19%	31%	-17%
PURR	11/4/26	6.0%	8.91	-20%	36%	150%
CYPH	11/4/26	2.0%	2.36	-20%	45%	45%
COIN	11/4/26	1.0%	136.10	-24%	-8%	-40%
HOOD	11/4/26	2.5%	83.32	-24%	-12%	-26%
BTGO	11/4/26	1.0%	5.10	-30%	3%	-65%
GLXY	11/4/26	2.0%	14.51	-29%	-28%	-35%
FIGR	11/4/26	2.0%	24.52	-14%	-12%	-19%
CLSK	11/4/26	2.0%	6.91	-34%	-40%	-32%
WULF	11/4/26	3.0%	12.38	-10%	-26%	8%
IREN	11/4/26	0.5%	21.41	-39%	-46%	-43%
BTDR	11/4/26	2.0%	6.61	-31%	-24%	-41%
HUT	11/4/26	0.5%	56.99	-32%	-36%	24%
CORZ	11/4/26	2.5%	12.72	-17%	-36%	-13%
CIFR	11/4/26	0.5%	6.81	-50%	-60%	-54%
RIOT	11/4/26	1.5%	17.66	5%	-13%	39%
MARA	11/4/26	0.5%	6.64	-31%	-31%	-26%
GSOL	11/4/26	5.5%	6.54	-20%	14%	-28%
ETHA	11/4/26	9.0%	48.06	-14%	13%	-29%
BITB	11/4/26	24.0%	40.58	-9%	18%	-15%
Cash	11/4/26	30.0%	1.00	0%	0%	0%

Returns	ITD	YTD
BTC	150%	-15%
ETH	13%	-28%
S&P 500	72%	10%
Crypto Equities Portfolio	**231%**	**-2%**

Source: TradingView, Fundstrat

Tickers in this video: #BTC $QQQ $SPX

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