SEBAL CAPITAL

January, 2026

Monthly Research Report January 2026

Contact Us:

Info@sebalcapital.com

www.sebalcapital.com

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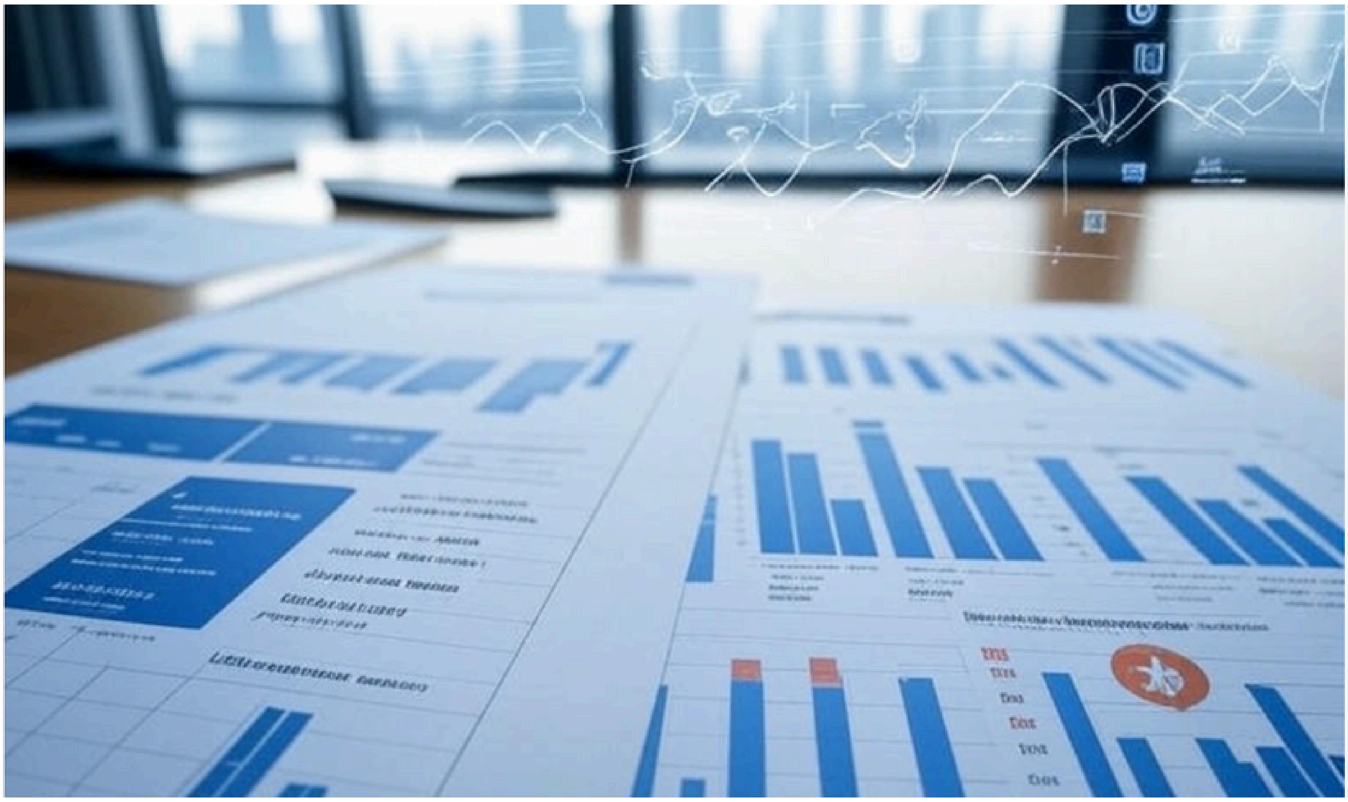

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Executive Summary

December 2025 marked a period of consolidation and caution in the cryptocurrency markets, characterized by holiday-thinned liquidity, range-bound trading, and year-end de-risking. Bitcoin, the sector's benchmark, traded primarily between $85,000 and $90,000, closing near $87,000–$90,000 after failing to sustain breaks higher. The broader market capitalization stabilized around $3.03–$3.06 trillion, reflecting subdued volatility and limited directional conviction amid macro policy shifts.

Bitcoin exhibited narrow price swings, with market makers executing liquidity grabs on both sides, resulting in modest net downside by month-end. The overall crypto sector mirrored this consolidation, lacking major catalysts for breakouts, as institutional and retail participants prioritized capital preservation in a low-volume environment.

Macro events shaped the backdrop: the Federal Reserve's December 10 rate cut of 25 basis points to 3.5%–3.75% affirmed a gradual easing trajectory, potentially supportive for risk assets longer-term. The Bank of Japan's December 19 hike to 0.75%, a 30-year high—underscored global policy divergence, influencing yen flows but contributing to the month's range trading amid thinned liquidity.

Spot ETF flows reflected heightened caution, with Bitcoin products recording significant outflows, exceeding $800 million in peak weeks, and Ethereum ETFs facing $500–$850 million in net redemptions, totaling over $1 billion combined mid-month. This dynamic highlighted temporary tax-loss harvesting and holiday positioning, rather than a structural shift in demand.

Infrastructure segments continued to mature resiliently: DeFi TVL held steady near $118 billion with protocol consolidation, stablecoin supply expanded to record levels around $310–$313 billion, and real-world assets (RWAs) emerged as a standout, surging to $17–$19 billion TVL—driven by tokenized Treasuries and private credit, surpassing traditional categories like DEXs in growth.

In our assessment as leaders in digital assets, December's pause signals a healthy reset after 2025's rallies, positioning crypto for renewed momentum with improving macro tailwinds and regulatory clarity. We see undervalued opportunities in RWAs and layer-1 scaling solutions, advising selective accumulation while maintaining vigilance on geopolitical risks, reinforcing our conviction that strategic patience will yield asymmetric returns in this evolving asset class.

Bitcoin Monthly returns(%)

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Share

BTC | Daily returns(%) | Weekly returns(%) | Monthly returns(%) | Quarterly returns(%)

Time	January	February	March	April	May	June	July	August	September	October	November	December
2026	[redacted]											
2025	+9.29%	-17.39%	-2.3%	+14.08%	+10.99%	+2.49%	+8.13%	-6.49%	+5.16%	-3.69%	-17.67%	-2.97%
2024	+0.62%	+43.55%	+16.81%	-14.76%	+11.07%	-6.96%	+2.95%	-8.6%	+7.29%	+10.76%	+37.29%	-2.85%
2023	+39.63%	+0.03%	+22.96%	+2.81%	-6.98%	+11.98%	-4.02%	-11.29%	+3.91%	+28.52%	+8.81%	+12.18%
2022	-16.68%	+12.21%	+5.39%	-17.3%	-15.6%	-37.28%	+16.8%	-13.88%	-3.12%	+5.56%	-16.23%	-3.59%
2021	+14.51%	+36.78%	+29.84%	-1.98%	-35.31%	-5.95%	+18.19%	+13.8%	-7.03%	+39.93%	-7.11%	-18.9%
2020	+29.95%	-8.6%	-24.92%	+34.26%	+9.51%	-3.18%	+24.03%	+2.83%	-7.51%	+27.7%	+42.95%	+46.92%
2019	-8.58%	+11.14%	+7.05%	+34.36%	+52.38%	+26.67%	-6.59%	-4.6%	-13.38%	+10.17%	-17.27%	-5.15%
2018	-25.41%	+0.47%	-32.85%	+33.43%	-18.99%	-14.62%	+20.96%	-9.27%	-5.58%	-3.83%	-36.57%	-5.15%
2017	-0.04%	+23.07%	-9.05%	+32.71%	+52.71%	+10.45%	+17.92%	+65.32%	-7.44%	+47.81%	+53.48%	+38.89%
2016	-14.83%	+20.08%	-5.35%	+7.27%	+18.78%	+27.14%	-7.67%	-7.49%	+6.04%	+14.71%	+5.42%	+30.8%
2015	-33.05%	+18.43%	-4.38%	-3.46%	-3.17%	+15.19%	+8.2%	-18.67%	+2.35%	+33.49%	+19.27%	+13.83%
2014	+10.03%	-31.03%	-17.25%	-1.6%	+39.46%	+2.2%	-9.69%	-17.55%	-19.01%	-12.95%	+12.82%	-15.11%
2013	+44.05%	+61.77%	+172.76%	+50.01%	-8.56%	-29.89%	+9.6%	+30.42%	-1.76%	+60.79%	+449.35%	-34.81%
Average	+3.95%	+13.12%	+12.21%	+13.06%	+8.18%	-0.14%	+7.60%	+1.12%	-3.08%	+19.92%	+41.12%	+4.16%
Median	+3.21%	+12.21%	-2.30%	+7.27%	+9.51%	+2.20%	+8.20%	-7.49%	-3.12%	+14.71%	+8.81%	-2.97%

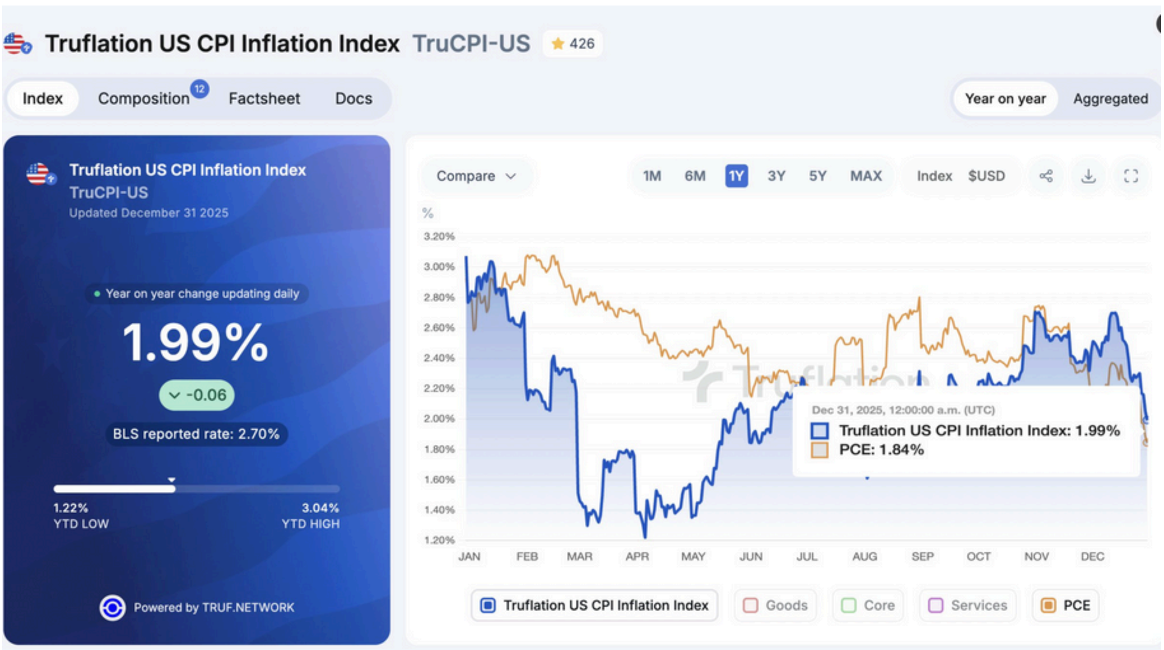
Macroeconomic & Market Overview

Macroeconomic picture

December 2025 brought relative calm to global markets. Holiday-thinned liquidity dominated, with muted volatility and year-end positioning. Central bank actions offered direction amid softening U.S. growth signals. Crypto prices stayed range-bound, reflecting broader risk asset caution.

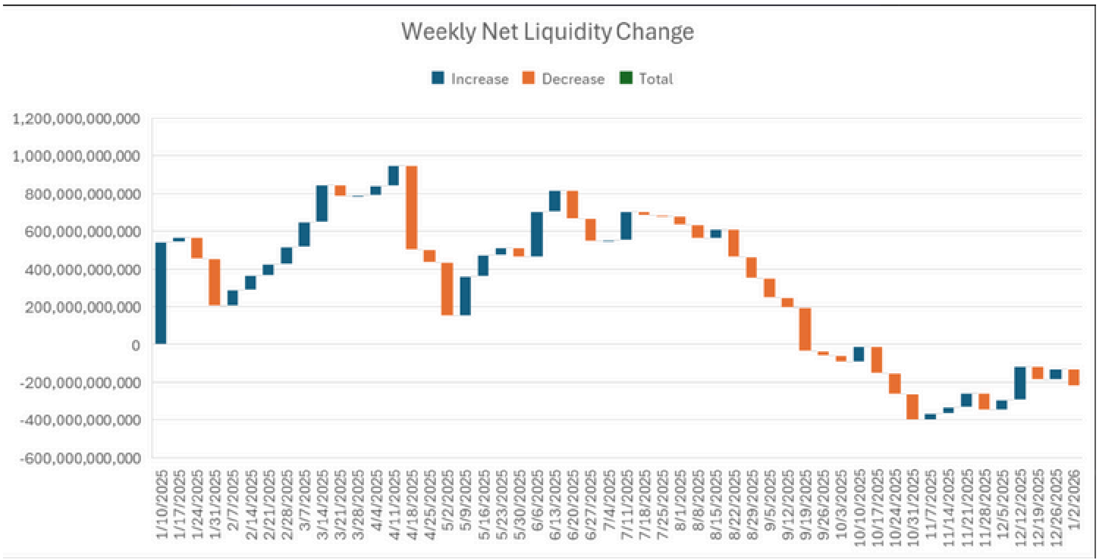
United States – Policy, liquidity, and growth dynamics:

The U.S. economy demonstrated continued resilience amid headwinds, with Q4 GDP growth estimated at 3.0% annualized, building on Q3's robust 4.3% expansion, though annual 2025 forecasts hovered around 1.9%. Consumer spending tempered slightly due to tariff concerns and high prices, but remained supportive, fueled by steady wage growth and a softening labor market. Inflation eased modestly, with CPI dropping to 2.7% YoY in December, the lowest since July, while PCE held at 2.8% in September, signaling progress toward the Fed's 2% target but with sticky core pressures. Consumer confidence declined for the fifth straight month to 89.1, reflecting pessimism over future economic conditions and potential policy shifts post-election. Overall, the Fed's measured easing path, combined with divergent global policies, positioned U.S. growth as a stabilizing force for risk assets



Liquidity Conditions

Liquidity conditions stabilized in December after November’s tightening, supported by the Fed’s 25 bps rate cut on December 10 to 3.5%–3.75%, its third consecutive cut, signaling a slower easing pace amid uncertainty. Globally, policy divergence remained evident as the Bank of Japan raised rates by 25 bps to 0.75%—a 30-year high, though holiday conditions muted near-term spillovers. Lingering effects from the earlier government shutdown continued to weigh on data quality and momentum, while Global Liquidity Index readings reflected subdued pressures, with M2 around $97 trillion. As quantitative tightening tapered, liquidity remained broadly accommodative, though risks of a liquidity “air pocket” heading into 2026 persisted.



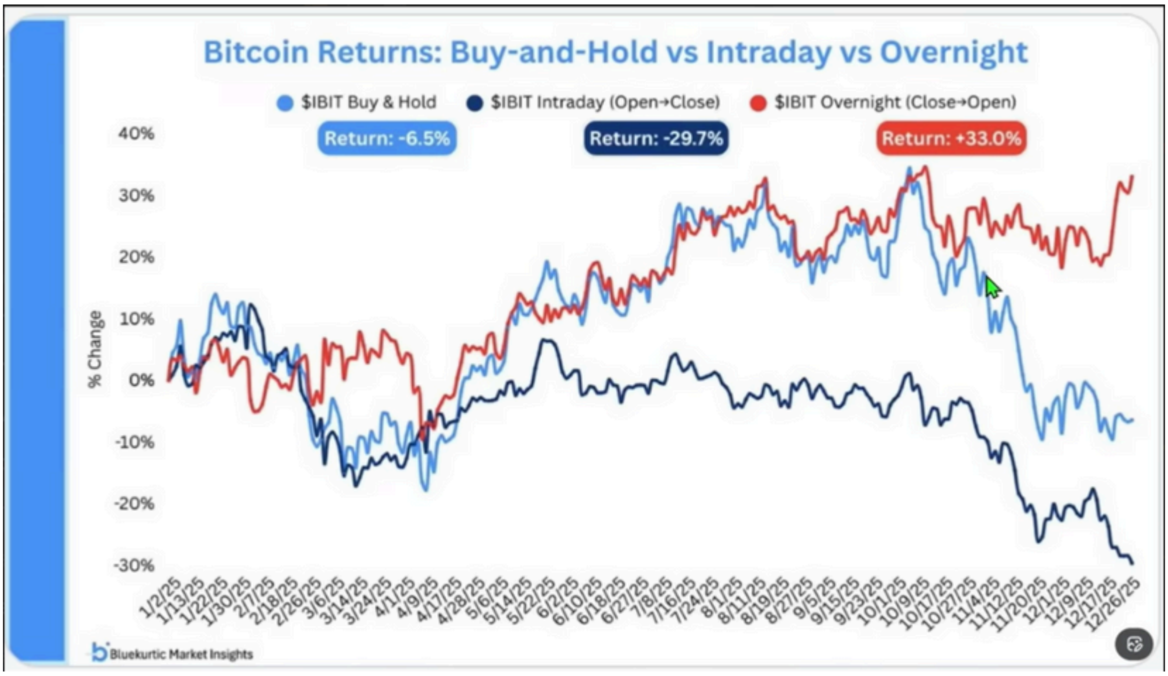
Sentiment and Market Reaction:

SSentiment remained cautious, with the Crypto Fear & Greed Index plunging to 23 (Extreme Fear) by December 30, reflecting year-end de-risking and macro uncertainties, though it briefly exited extreme fear at 29. Investors adopted a wait-and-see approach amid holiday thinness, leading to a 23% crypto market cap contraction from a mid-month peak of $3.91 trillion to $3.00 trillion by year-end. Bitcoin shed 17.3% to below $90,000, erasing late-2025 gains in a deleveraging cascade amplified by low volumes, which cratered 27% to $1.59 trillion. This trough, distinct from November's narrative, highlighted crypto's maturation ties to traditional drains, setting a reset for potential 2026 rebounds.

Bitcoin's Returns Are Increasingly Concentrated Outside U.S. Trading Hours

Over the observed period, Bitcoin's return profile shows a pronounced concentration of performance during the overnight trading window rather than during regular market hours. A passive buy-and-hold exposure to $IBIT generated a -6.5% return, while intraday positioning (open-to-close) proved materially negative at -29.7%, reflecting persistent daytime volatility and drawdowns. In contrast, the overnight session (close-to-open) delivered a +33.0% return, accounting for the entirety of net positive performance.

This return asymmetry suggests that Bitcoin price appreciation is increasingly driven by global liquidity flows, macro-driven positioning, and ETF-related demand that emerge outside U.S. market hours, rather than through traditional intraday price discovery. For institutional portfolios, the implication is clear: return capture in Bitcoin is highly sensitive to exposure timing, reinforcing the role of overnight risk premia as a dominant driver of performance and supporting more selective, structure-aware allocation frameworks.



Macro Crypto Developments & Regulations

Regulatory Landscape December Developments: December reinforced crypto's transition from a cycle-driven asset to a macro-sensitive risk instrument tied to liquidity, rates, and fiscal credibility. The Federal Reserve delivered a 25 bps rate cut, its third since September 2024, bringing cumulative easing to 175 bps, but a rare 9–3 split vote highlighted growing internal policy fracture amid lingering inflation risk. Alongside the cut, the Fed initiated $40B per month in reserve market purchases, effectively re-injecting liquidity to stabilize strained funding markets as Treasury issuance continues to expand. Despite easing, long-end yields rose, signaling bond-market skepticism and reinforcing liquidity, not crypto-native fundamentals, as the primary driver of price action. Bitcoin tracked rates, yields, and Nasdaq performance through the month, underscoring its evolution into a high-beta macro asset. On the regulatory front, U.S. progress on stablecoin frameworks and advancing MiCA implementation in Europe continued to quietly reduce institutional friction ahead of a more supportive liquidity regime.

Key December Macro and Regulatory Milestones

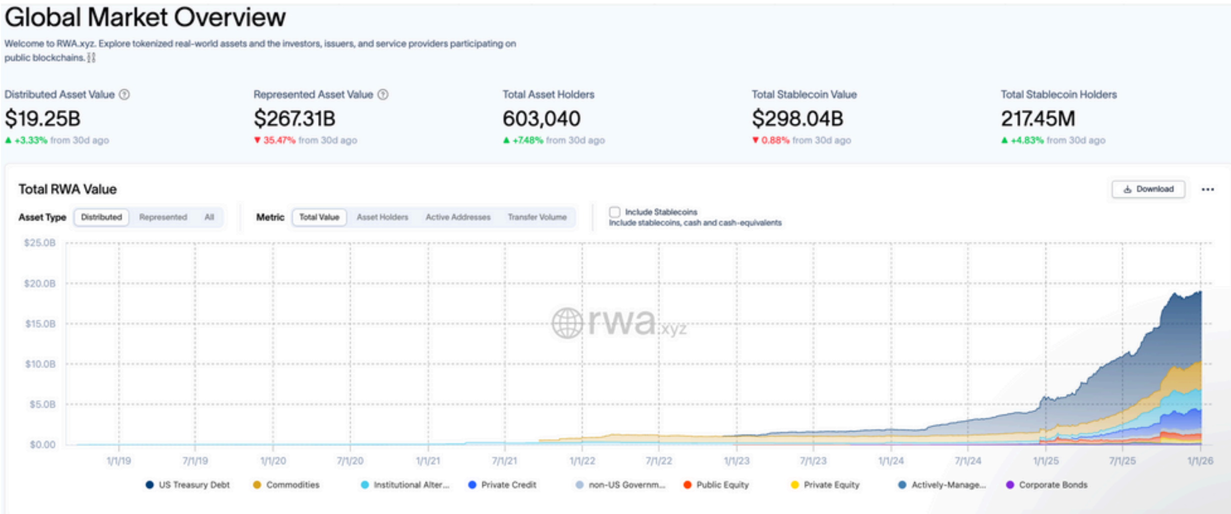
- Federal Reserve cuts rates by 25 bps, marking 175 bps of cumulative easing since September 2024; decision passes on a rare 9–3 split vote, highlighting internal policy fracture
- Fed initiates $40B/month reserve market purchases, effectively re-adding liquidity to support repo and Treasury funding markets amid balance-sheet strain
- 10-year Treasury yields rise despite rate cuts, signaling bond-market skepticism and the early re-emergence of "bond vigilantes" focused on fiscal sustainability and inflation risk
- U.S. stablecoin and crypto legislation advances, with multiple bills progressing toward a comprehensive framework aimed at institutional adoption by 2026
- MiCA transition accelerates across Europe, reinforcing predictable issuance, reporting, and custody standards for digital assets and tokenized products

Stablecoins & Tokenization (RWA) Adoption

Stablecoins and RWAs showed strength in range trading. Market cap hit $308B, up YTD, led by fiat-backed like USDT (60.72% dominance). RWAs reached $19.06B by month-end, up 4.59% MoM, driven by Treasuries and credit. Stripe boosted payments; tokenized funds AUM rose 110% YTD to $8.6B. This reflects Wall Street integration amid regs

December data points:

- Stablecoin market cap: $308B (minor 7d dip of 0.05%)
- Monthly stablecoin transfers: $6.7T (+ high MoM)
- RWA value on-chain: $19.06B (+4.59% MoM)
- Tokenized Treasury products grew, with JPMD enabling $500M+ cross-chain settlements.



Implications:
December's macro backdrop, a fractured Fed with a split 9-3 vote on the 25bp rate cut (total 175bp easing since September), $40B/month reserve purchases, and rising bond vigilantes amid sticky inflation above 3%, amplified crypto's role as an uncertainty hedge, with gold/silver surging while BTC consolidated. Yet, regulatory progress quietly reintroduced permissions, risking centralization in access despite decentralized tech. This dynamic, amid stalled U.S. legislation and global frameworks, suggests crypto's maturation but warns of policy errors entrenching inflation, potentially boosting RWAs while pressuring speculative assets.

Theme	Current Signal (Dec)	Why It Matters
Liquidity & Funding	Fed adds $40B/month reserves; repo rates creep higher	Biggest crypto tailwind in 2026; every $100B drop = one Fed cut equivalent
Institutional Flows	Record ETF outflows, then rebound signals	Classic capitulation; inflows resume on volume recovery
Stablecoin Base	First contraction in months, but supply hits $225B	Temporary risk-off; supply re-accelerates with lower rates
Regulatory Momentum	MiCA live, UAE VARA clarified, UK regs submitted	Removes excuses for institutions on sidelines
Cross-Asset Correlation	BTC tracks Nasdaq + yields; gold/silver diverge	Crypto has graduated; treat it like high-beta tech/risk asset

Performance of Key Cryptocurrencies

December 2025

December marked a transition month for crypto markets, shifting from sharp November deleveraging into consolidation as macro forces continued to dominate price action. Elevated bond yields, ongoing liquidity tightness, and cautious risk sentiment capped upside across digital assets, while forced selling pressures eased meaningfully into year-end. Overall, December reflected consolidation rather than trend reversal, setting the stage for liquidity-driven moves in early 2026.

Bitcoin (BTC) – The Digital Store of Value

Performance: Bitcoin spent December consolidating after failing to sustain an early-month breakout above $94,000. The asset experienced renewed volatility mid-month, with downside probing into the mid-to-high $80,000s before stabilizing and closing the year near $88,000–$89,000. Price action remained choppy due to holidays month.

Key Drivers:

- Long-end yields rose ~55 bps since the start of the Fed's easing cycle, pressuring BTC despite policy rate cuts and reinforcing macro-driven price sensitivity
- December saw a sharp slowdown in derivatives liquidations versus November, signaling leverage reset and improving market structure
- BTC traded sideways in the range of 85K to 90K.

Outlook: Bitcoin remains the liquidity anchor for digital markets. With leverage largely cleared and downside defended, BTC is positioned to respond asymmetrically to improving liquidity conditions. Sustained yield stabilization or easing funding stress would be the key catalyst for renewed upside into Q1 2026.

Ethereum (ETH) – The Growth Engine of Digital Finance

Performance: Ethereum underperformed Bitcoin in December, failing to sustain an early-month rally above $3,300 before retracing sharply into the $2,800–$2,900 range and consolidating into year-end near ~$3,000. Volatility remained elevated relative to BTC, reflecting continued sensitivity to risk-off macro conditions and rotation away from higher-beta assets.

Key Drivers:

- ETH/BTC continued to trend lower through December, signaling ongoing relative underperformance amid macro-driven risk reduction
- Spot ETH ETF flows remained muted versus BTC, with limited incremental institutional demand during the month
- Layer-2 activity growth continued to divert fee revenue from L1, pressuring near-term ETH value capture
- Selling pressure accelerated mid-month alongside rising yields, with ETH breaking key support levels before stabilizing

Outlook: Ethereum remains a core infrastructure asset, but near-term performance is likely to lag BTC until macro conditions improve and relative demand reasserts. A stabilization in yields and renewed risk appetite would be required to catalyze ETH outperformance in early 2026.

Solana (SOL) – High-Performance Blockchain

Performance: Solana underperformed majors in December, declining from early-month highs near $145 to a mid-month low around $118 before stabilizing and closing the month near $124–$125. Price action reflected sharper downside volatility than BTC and ETH, consistent with SOL's higher beta profile during macro-driven risk-off conditions.

Key Drivers:

- SOL experienced deeper drawdowns as investors continued rotating out of high-beta assets amid elevated yields and tight liquidity
- Derivatives positioning unwound materially mid-month, amplifying downside moves relative to BTC
- Ecosystem activity remained resilient, but token price lagged as speculative positioning reset following strong prior-year performance
- Support emerged in the $120 zone, where selling pressure abated and prices consolidated into year-end

Outlook: Solana remains a structurally strong Layer 1 with sustained developer and user activity, but near-term performance is likely to remain sensitive to broader risk sentiment. We anticipate continued momentum, with SOL likely to outperform in 2026 as mobile and gaming dApps scale, eyeing $150+ on favorable regs.

XRP – Cross Border Payment Solution

Performance: XRP traded defensively in December, declining from early-month levels near \$2.20 to a mid-month low around ~\$1.80 before stabilizing and closing the month near \$1.84. While the asset experienced downside pressure alongside broader risk assets, drawdowns were more contained relative to other high-beta altcoins, reflecting XRP's lower volatility profile.

Key Drivers:

- XRP continued to trade with reduced correlation to broader crypto volatility, supported by regulatory clarity and a payments-focused use case
- Spot trading volumes remained steady through the mid-month selloff, indicating limited forced liquidation compared to SOL and ETH
- XRP outperformed many altcoins on a relative basis as investors rotated toward assets with clearer regulatory positioning

Outlook: XRP remains positioned as a lower-beta digital asset with asymmetric upside tied to regulatory and institutional adoption catalysts. While near-term performance remains influenced by macro conditions, relative resilience suggests XRP could continue to outperform higher-risk altcoins in volatile market environments**.**

Summary (Sebal Capital - December 2025)

After November's violent deleveraging, December transitioned into consolidation as leverage cleared, volatility compressed, and macro forces, not crypto narratives, dictated price action. Rising long-end yields capped upside despite Fed easing, while liquidity remained tight into year-end. Bitcoin stabilized as the market's liquidity anchor, Ethereum and Solana lagged amid continued high-beta rotation, and XRP quietly outperformed on a relative basis. The market didn't rally, but it grew structurally healthier.

December Performance Snapshot

Asset	Dec Start	Dec End	Return	Intramonth Low
BTC	$94,000	$88,500	-5.9%	$86,500
ETH	$3,250	$2,980	-8.3%	$2,800
SOL	$145	$124	-14.5%	$118
XRP	$2.20	$1.84	-16.4%	$1.80

Key Takeaways

- Volatility collapsed after November's liquidation event; consolidation replaced capitulation.
- Bitcoin held structural support in the high-$80Ks, confirming its role as liquidity anchor.
- High-beta assets (ETH, SOL) continued to underperform amid tight financial conditions.
- XRP proved relatively defensive, trading with lower volatility and contained drawdowns.
- The market didn't reward risk but it stopped punishing patience.

We stayed disciplined, protected core exposure, and let volatility work for us. No hero trades. No panic. Same plan , calmer tape.

Sebal Capital Strategies

When Markets Go Quiet, Discipline Matters More

December offered a reminder that not all market environments are meant to be traded aggressively. Holiday-thinned liquidity, reduced participation, and heightened market-maker dominance resulted in choppy, directionless price action across major crypto assets. Breakouts repeatedly failed, ranges compressed, and short-term price moves were driven more by positioning and liquidity grabs than by fundamentals or macro signals.

In this type of regime, activity does not equal opportunity. Capital preservation, patience, and structural preparation become the edge.

Our Approach in Low-Conviction Markets

Rather than forcing exposure during an illiquid and noisy tape, our focus remained on risk calibration and strategy design. December reinforced why unprotected directional exposure can be costly in range-bound markets and why structured strategies exist to smooth outcomes across full cycles, not just trending phases.

Periods of consolidation are when downside protection, yield frameworks, and predefined risk boundaries matter most. They allow investors to remain engaged without relying on timing precision or short-term momentum.

Strategy Framework

Downside-Protected Structures (Defined Risk)
Designed to cap drawdowns during periods of volatility compression and false breakouts, these structures convert Bitcoin’s open-ended downside into a known, contractual range. In environments like December, where prices moved violently intraday but went nowhere directionally, defined risk is a feature, not a cost.

Yield-Focused Strategies (Range-Bound Markets)
Choppy markets with suppressed follow-through historically favor income-generating approaches. By harvesting volatility rather than chasing direction, yield strategies are built to monetize exactly the type of slow, two-sided price action seen through year-end.

Sebal Capital Strategies

Bottom line: December did not reward speed or conviction; it rewarded restraint. Markets dominated by liquidity games and holiday conditions are where process is tested, not returns. Our strategy philosophy remains unchanged: protect capital first, monetize volatility when appropriate, and deploy directional risk only when market structure justifies it.

Sometimes the best trade is preparation.

Forward Outlook - Q1 2026

Q1 2026 opens with a cleaner and more stable market structure than late 2025. The November deleveraging reset positioning, funding rates remain normalized, and excess speculative risk has not returned. While December was constrained by holiday liquidity, early Q1 historically brings the return of institutional capital and rebalancing flows. With sentiment reset and structural demand intact, the setup for selective risk-taking has improved.

The focus now shifts from the conclusion of quantitative tightening to the timing of policy easing. Even incremental improvement in liquidity expectations, rather than realized rate cuts, has historically supported risk assets and reduced tail risk. As a result, Q1 is less about chasing momentum and more about re-engaging under defined risk parameters.

Key Drivers We Are Watching

- **Liquidity & Policy Expectations:** Markets increasingly look toward mid-2026 easing; rates and funding conditions remain the dominant macro inputs.

- **Institutional Repositioning:** Cleaner positioning increases the likelihood that new inflows translate into price rather than being absorbed by forced selling.

- **Derivatives Structure:** Futures basis, funding, and open interest remain subdued, supporting a more balanced risk environment.

- **Adoption Signals:** Settlement activity, tokenization, and stablecoin usage continue to grow beneath the surface.

Our Take: Q1 2026 is unlikely to resemble the reflexive, momentum-driven rallies of prior cycles. Instead, we expect a more measured environment where price discovery is driven by liquidity normalization, institutional participation, and macro alignment.

Key implications for the year-end

- **Bitcoin:** Benefits from cleaner derivatives positioning and the return of institutional flows; lower probability of forced selling supports tighter downside.
- **Ethereum:** Positioned to stabilize as settlement activity and infrastructure usage continue to grow, with upside tied to broader risk appetite.
- **Solana:** Remains a higher-beta expression of improving liquidity conditions; likely to outperform in periods of renewed risk-on behavior but with greater volatility.

Risks & Conclusion

Key Risks to Monitor

- **Liquidity Gaps in a Post-QT Environment:** While quantitative tightening has concluded, reserve dynamics and Treasury issuance remain fluid. Temporary liquidity air-pockets may still emerge as markets adjust to a new steady state, particularly during periods of heavy issuance or weak dealer balance-sheet capacity.

- **Bond-Market Volatility Spillover:** Rising long-end yields despite policy easing signal increased sensitivity to fiscal and inflation expectations. Renewed bond volatility could tighten financial conditions and pressure crypto alongside other risk assets.

- **Delayed Institutional Re-Engagement:** While positioning is cleaner, institutional capital may re-enter gradually rather than decisively. A slower pace of inflows could prolong range-bound conditions and limit upside momentum in early 2026.

- **Policy and Election-Year Uncertainty:** As markets look toward mid-2026 policy shifts, mixed messaging from central banks or election-related fiscal surprises could reintroduce volatility across macro-linked assets.

- **Premature Risk Re-Expansion:** With volatility compressed, selective re-leveraging has begun. If risk appetite returns faster than liquidity depth, short-term pullbacks could be amplified despite healthier market structure.

Conclusion

December marked a transition, not a turning point. The excesses of late 2025 have been cleared, positioning is materially healthier, and crypto increasingly trades as a macro-linked asset rather than a reflexive cycle trade. While near-term price action may remain uneven, the foundation entering 2026 is more stable than the volatility of recent months suggests. The opportunity set now favors discipline over speed and structure over speculation. As liquidity expectations gradually improve and institutional participation rebuilds, crypto's long-term adoption drivers remain intact, even as short-term volatility persists as the cost of maturation.

Our stance remains measured and opportunistic: protect downside, engage selectively, and allow market structure , not narratives , to dictate exposure.

Appendix - Data Sources & Refrences

This report leverages publicly available market data, macroeconomic indicators, ETF flow trackers, and on-chain analytics. Key reference sources include:

Market Performance & Pricing

TradingView – BTC, ETH, SOL, XRP spot price charts
https://www.tradingview.com

Institutional Flows & ETF Holdings

- CoinMarketCap – BTC & ETH ETF net flows, public-company BTC holdings: https://coinmarketcap.com
- Coinglass – ETF holdings dashboard, institutional tracking: https://coinglass.com

Options & Derivatives

- Coinglass – BTC & ETH options open interest, put/call ratios, liquidations: https://coinglass.com/options

Macro & Liquidity Indicators

- Federal Reserve Economic Data (FRED) – policy rates, money supply,: https://fred.stlouisfed.org
- Federal Reserve Bank of Cleveland – inflation nowcasting & macro signals: https://www.clevelandfed.org

Stablecoins, RWAs & Tokenization

- rwa.xyz – Tokenized U.S. Treasuries, asset holder analytics: https://rwa.xyz

News & Regulatory Developments

- SEC, U.S. Treasury, BIS Innovation Hub releases
- Coinbase Institutional research
- Bloomberg / Reuters digital-asset regulatory coverage

Glossary of Terms

- **AUM (Assets Under Management):** The total market value of assets that an investment firm manages on behalf of clients.
- **Altcoins:** Cryptocurrencies other than Bitcoin, often representing blockchain projects with additional use cases (e.g., Ethereum, Solana).
- **Treasury Holdings (Corporate & Public) –** The BTC or ETH reserves held on balance sheets of companies (e.g., MicroStrategy, Tesla, Coinbase) as part of corporate strategy or treasury diversification.
- **BTC Dominance:** The percentage of the total crypto market capitalization represented by Bitcoin**.**
- **Call Option:** A financial contract giving the holder the right, but not the obligation, to buy an asset at a specific price within a set period.
- **Covered Call Strategy:** An options strategy where an investor holds a long position in an asset and sells call options on that same asset to generate income.
- **ETF (Exchange-Traded Fund):** A tradable investment vehicle that tracks the price of an underlying asset, such as Bitcoin or Ethereum, and is listed on stock exchanges.
- **Liquidity:** The ease with which an asset can be bought or sold without significantly affecting its price.
- **OI (Open Interest):** The total number of outstanding derivative contracts (options or futures) that have not been settled.
- **Options (Calls & Puts):** Derivatives giving investors the right to buy (call) or sell (put) an asset at a predetermined price before expiration.
- **TGA (Treasury General Account):** U.S. Treasury account at the Fed; rising balances often withdraw liquidity, while declines release it.
- **Reverse Repo (RRP):** Facility where money-market funds park capital at the Fed; lower balances generally signal liquidity flowing back into markets.
- **Liquidity Sentiment:** A measure of how abundant or tight financial liquidity is in the system, often impacting risk asset performance such as equities and crypto.
- **Macro Backdrop:** The broader global economic environment (interest rates, inflation, fiscal policy, geopolitics) that influences asset markets.
- **Net Liquidity:** Key macro measure: Fed balance sheet + RRP − Treasury General Account (TGA); closely tied to crypto performance.
- **Rate Cuts:** A reduction in interest rates by central banks to stimulate growth — often supportive for risk assets like crypto.
- **Regulatory Clarity:** Clear and consistent rules provided by governments and regulators, reducing uncertainty and encouraging institutional adoption.

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