Bitwise®

Monthly Bitcoin Macro Investor – July 2025

The Global Liquidity Pulse: Implications for Bitcoin in a Slowing US Economy

bitwiseinvestments.com/eu
July 2025

Your top-down guide to the most important macro themes for Bitcoin & Cryptoassets

Table of Content

Authors

André Dragosch, PhD

Director, Head of Research — Europe

André Dragosch is an expert in digital assets and blockchain technology. He has been working for more than 10 years in the German financial industry, mostly in portfolio management and investment research. He also holds a PhD in financial history from the University of Southampton, UK. André has been a private crypto asset investor since 2014 and has been gaining institutional crypto asset experience since 2018.

Ayush Tripathi

Research Analyst

Ayush Tripathi is a digital assets strategist specializing in DeFi, institutional adoption, and on-chain analytics. He has been actively involved in the crypto space throughout his time at Bocconi University, where he founded a research startup focused on blockchain and digital assets. He currently leads Bitwise's research into programmable blockchains, analyzing infrastructure developments, investment trends, and market opportunities.

Ayush has worked as a consultant for family offices and institutional investors, advising on digital asset strategies, treasury management, and on-chain analysis. His expertise

About Bitwise

Bitwise is one of the world's leading crypto specialist asset managers. Thousands of financial advisors, family offices, and institutional investors across the globe have partnered with us to understand and access the opportunities in crypto. Since 2017, Bitwise has established a track record of excellence managing a broad suite of index and active solutions across ETPs, separately managed accounts, private funds, and hedge fund strategies—spanning both the U.S. and Europe.

In Europe, for the past four years Bitwise (previously ETC Group) has developed an extensive and innovative suite of crypto ETPs, including Europe's largest and most liquid bitcoin ETP.

This family of crypto ETPs is domiciled in Germany and approved by BaFin. We exclusively partner with reputable entities from the traditional financial industry, ensuring that 100% of the assets are securely stored offline (cold storage) through regulated custodians.

Our European products comprise a collection of carefully designed financial instruments that seamlessly integrate into any professional portfolio, providing comprehensive exposure to crypto as an asset class. Access is straightforward via major European stock exchanges, with primary listings on Xetra, the most liquid exchange for ETF trading in Europe.

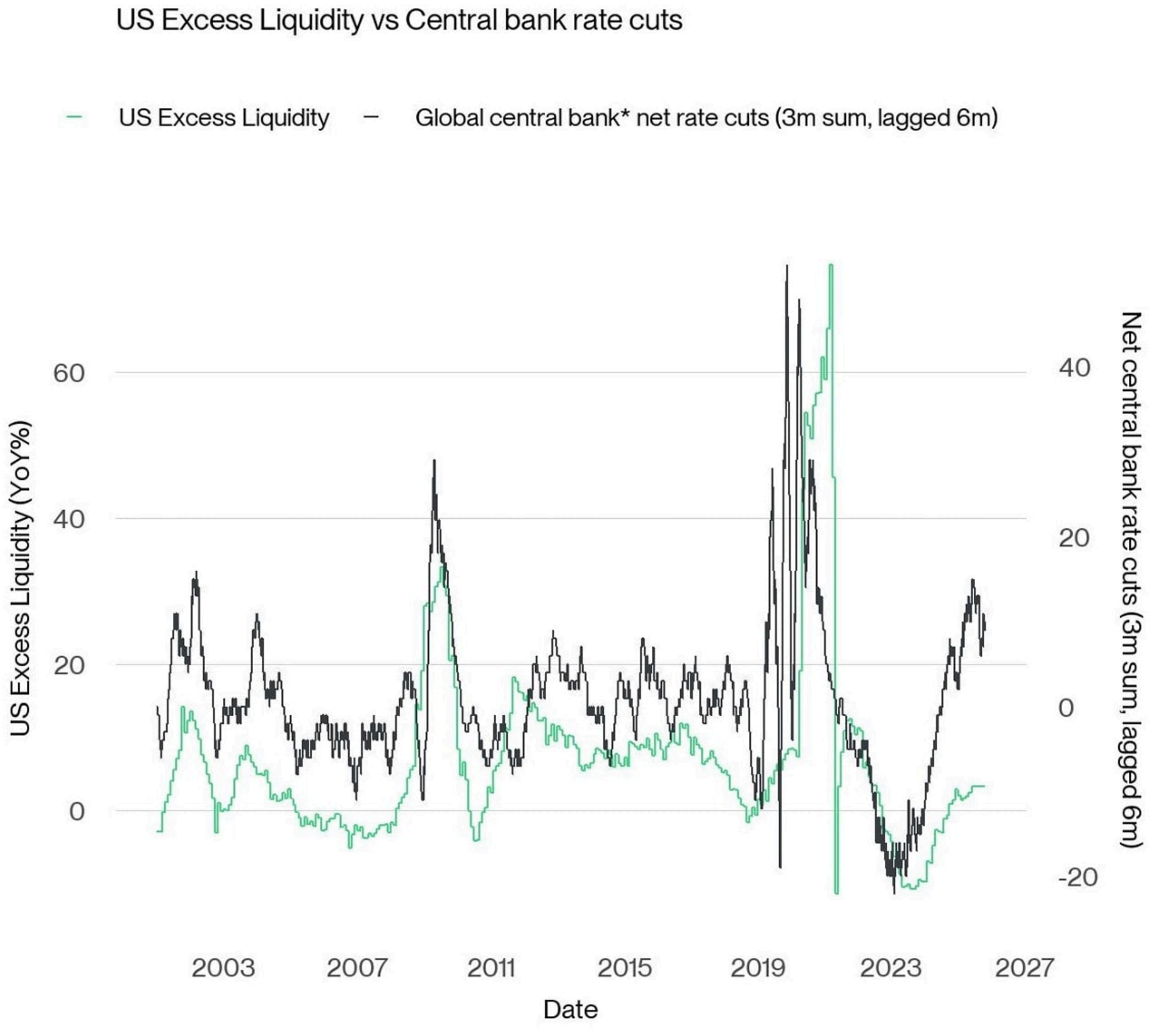
Retail investors benefit from easy access through numerous DIY/online brokers, coupled with our robust and secure physical ETP structure, which includes a redemption feature.

Executive Summary

- **Performance:** Bitcoin remained relatively resilient despite high economic policy uncertainty and heightened geopolitical risks in the Middle East. Bitcoin's realized volatility remained below those of major equity indices such as the S&P 500. Despite transient consolidations and geopolitically driven drawdowns, the month's data underscore two enduring drivers: (1) robust institutional demand - via ETPs and corporate treasuries - continuously drawing down supply, and (2) heightened macro-risk headwinds steering investors toward scarce, decentralized "portfolio insurance." As trade-policy clarity and Fed easing loom, these tailwinds set a constructive backdrop for bitcoin heading into July.
- **Macro:** Heightened Middle East tensions and growing US recession risks have increased market risk aversion, yet historical data indicate such geopolitical crises are often followed by significant bitcoin rallies. Meanwhile, sustained US dollar weakness, driven by capital repatriation, de-dollarization pressures, coupled with an outsized number of global rate cuts and re-steepening yield curves, is re-accelerating global liquidity and reinforcing a bullish macro tailwind for bitcoin. A continuation of the Fed's cutting cycle in July would be another bullish wild card in this environment.
- **On-Chain:** Corporate adoption remains the primary demand driver, with the number of public companies holding bitcoin nearly doubling to 134 in just six months and providing a stable, price-agnostic structural bid alongside institutional ETP inflows. All in all, our main bull thesis for bitcoin of a pervasive demand overhang / supply deficit remains very much intact. However, weak accumulation across wallet cohorts and slowing on-chain demand suggest continued short-term consolidation until broader buying activity resumes.

Chart of the Month

Rate cuts imply increasing excess liquidity growth



Bloomberg, Bitwise Europe;*G20 including SNB

Performance

The performance in June was characterised by consolidation in the price of bitcoin due to an increase in geopolitical risks in the Middle East.

Over the past month, bitcoin and broader crypto markets traversed a familiar pattern of post-all-time-high consolidation, sentiment-driven swings, and ultimately renewed inflows, underpinned throughout by strong on-chain demand from institutions.

After touching fresh all-time highs, bitcoin spent the opening weeks of June in a digesting phase. With the year's largest Bitcoin conference in Las Vegas concluding without any truly market-moving announcements, the absence of new catalysts - despite headlines like Pakistan's plan for a Strategic Bitcoin Reserve and Paris Saint-Germain adding bitcoin to its treasury - drove a short-term "bull fatigue." Meta's shareholders voting down a similar treasury proposal only reinforced the pause.

Yet underlying on-chain fundamentals remained constructive: US spot-ETF inflows and corporate treasury purchases continued to drain exchange supply, while retail holders provided the bulk of sell-side liquidity.

As cross-asset risk appetite surged, cryptoassets outpaced traditional markets. Bitcoin reclaimed the $110k level, nearing its prior peak, while sentiment readings in both crypto and broader financial markets reached decisively bullish territory.

This optimism held even amid elevated US policy uncertainty - highlighted by the public spat between Elon Musk and former President Trump over fiscal policy and DOGE's role - underscoring that market mood drove prices more than headlines. Credit-default swap spreads on US Treasuries, at roughly 50 bps over one year, remained elevated, yet models valuing bitcoin as sovereign-debt insurance pointed to a theoretical fair value near $230k, reflecting both rising sovereign risk premia and bitcoin's growing scarcity.

Late in the month, escalating Middle East tensions - culminating in US military engagement and Iran's parliamentary vote to close the Strait of Hormuz - triggered a classic flight-to-safety into gold and bonds.

Bitcoin and Ethereum underperformed equities briefly, though still outpaced many risky assets amid a weaker dollar. Historical analysis of the top 20 geopolitical shocks shows bitcoin averaging +31.2 % over 50 days post-event, suggesting these pullbacks often become buying opportunities.

Indeed, our sentiment index dipped into negative territory before rebounding, and stronger-than-expected Fed rate-cut expectations (priced in between 2-3 cuts by year-end) lent additional support via dollar depreciation. Ethereum ETP flows also accelerated, attracting $577 mn versus $1.04 bn into bitcoin ETPs.

Bitcoin remained remarkably resilient as its realized volatility remained below those of major US equity indices such as the S&P 500, NASDAQ 100 or the Magnificent 7 index as highlighted in one of our weekly reports.

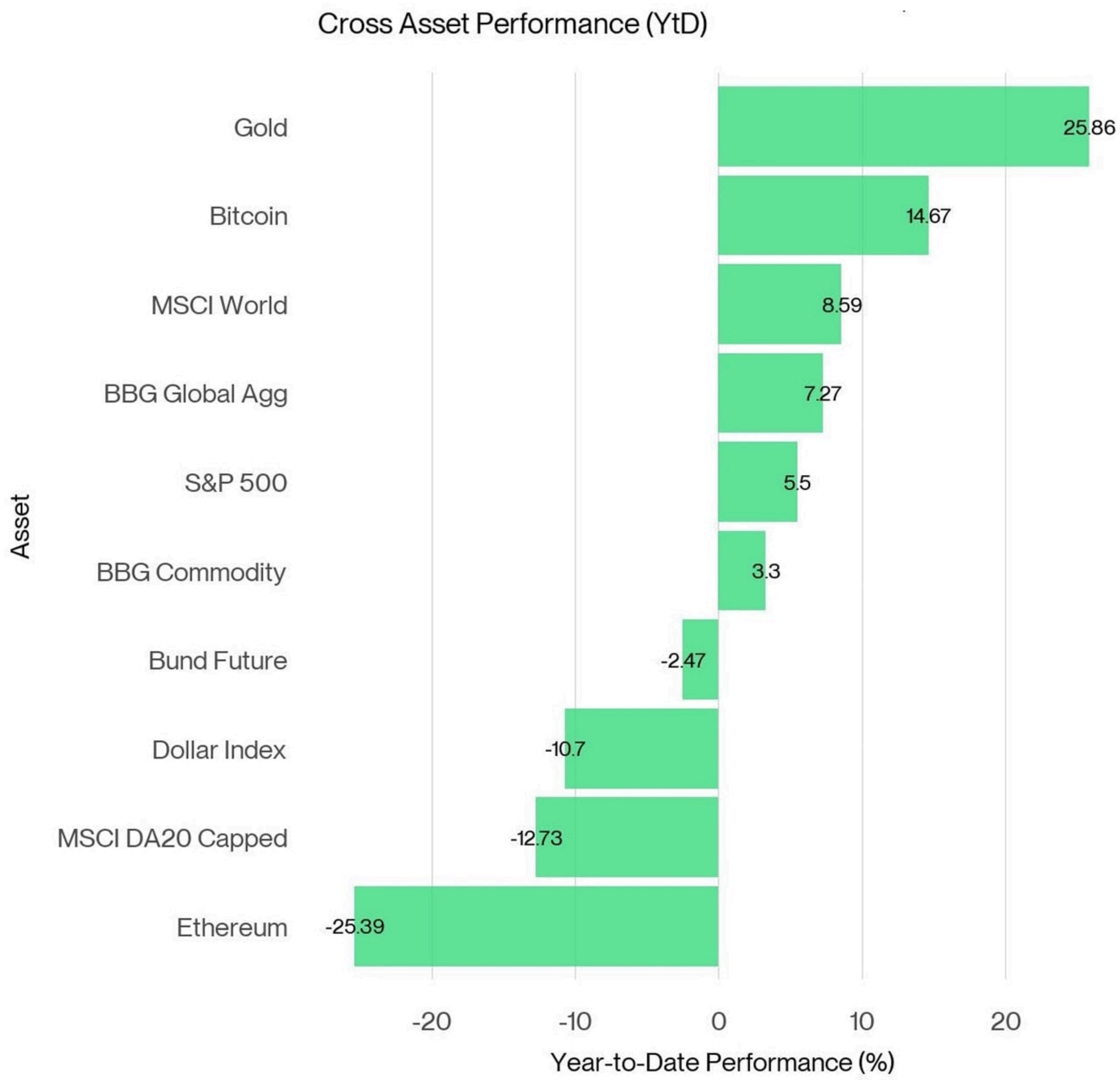
Our macro thesis is that bitcoin and cryptoasset markets remain resilient on account of rising excess liquidity growth which tends to support the business cycle and above all asset price inflation.

In fact, although the Fed is still on hold, other major central banks around the globe have delivered the most rate cuts since 2008/09 which implies a continued acceleration in excess liquidity growth (Chart-of-the-month).

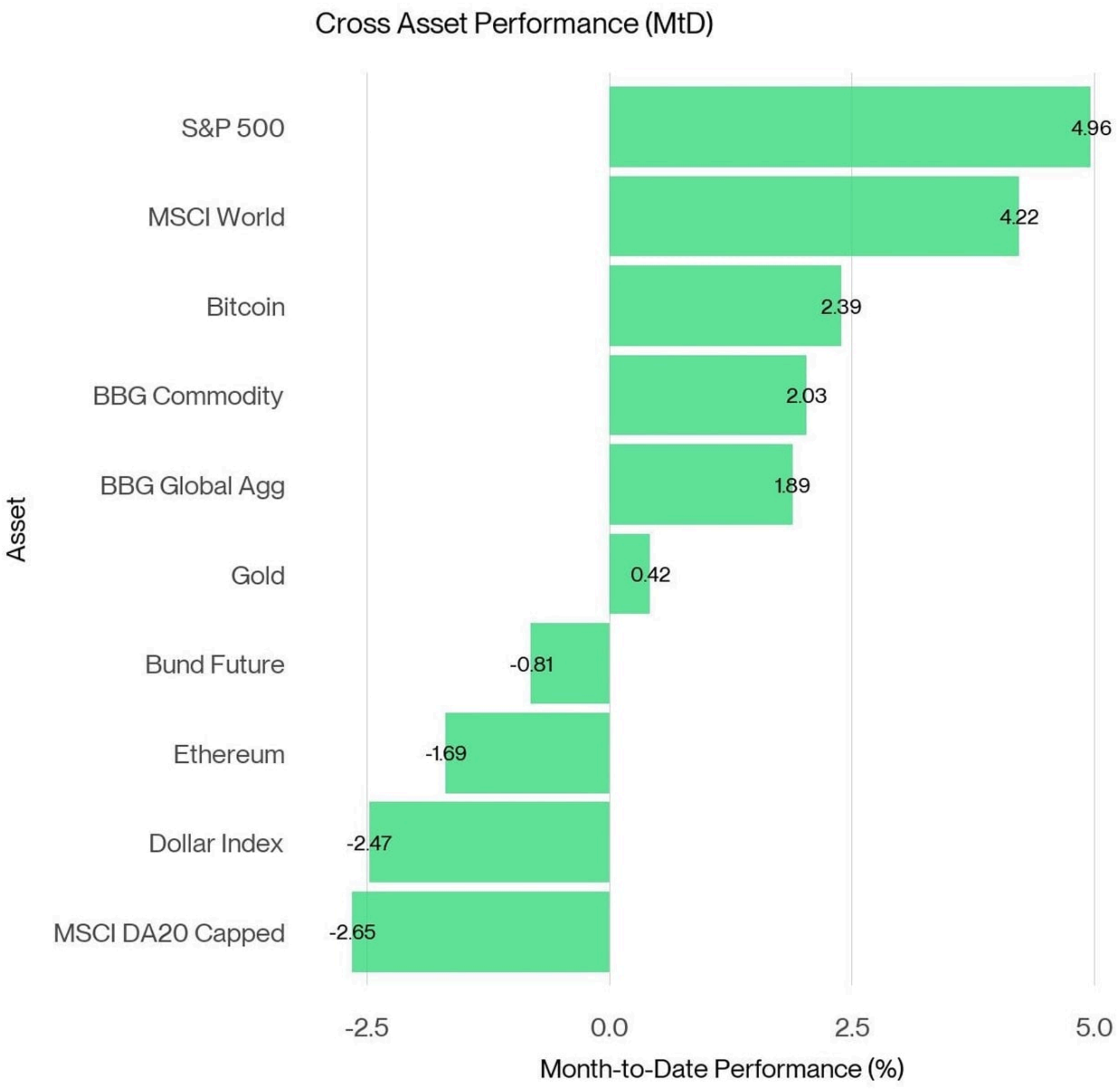
In this environment it is no surprise that institutional demand for bitcoin proved remarkably steady. Public companies (led by Strategy's continued acquisitions) and US-listed spot-ETF vehicles consistently outbought weekly new issuance of bitcoins. Corporate treasury activity extended beyond the usual names: Japan's Metaplanet added +5,550 BTC to reach 13,350 BTC, and Texas enacted Strategic Bitcoin Reserve legislation following Arizona and New Hampshire.

In the final week, macro uncertainty ebbed as prospects for major US trade agreements rose and the US-Iran dynamic moderated. Fed commentary increasingly flagged July rate cuts as contingent on easing tariff risks. Global bitcoin ETPs recorded $2.2 bn of net inflows over five consecutive weeks, taking year-to-date totals to $14.3 bn, while US spot ETFs logged a potential record streak of positive days. Our sentiment index climbed to its highest level since May, aligning with a broad return of risk appetite.

Despite transient consolidations and geopolitically driven drawdowns, the month's data underscore two enduring drivers: (1) robust institutional demand - via ETFs and corporate treasuries - continuously drawing down supply, and (2) heightened macro-risk headwinds steering investors toward scarce, decentralized "portfolio insurance." As trade-policy clarity and Fed easing loom, these tailwinds set a constructive backdrop for bitcoin and cryptoassets heading into July.



Source: Bloomberg, Coinmarketcap; performances in USD except Bund Future



Source: Bloomberg, Coinmarketcap; performances in USD except Bund Future

A closer look at our product performances reveals that cryptoasset markets generally remained relatively resilient despite high US economic policy uncertainty and elevated geopolitical risks in the Middle East. A weaker Dollar weighed on the performances in Euro-terms of the ETPs in June.

Bitwise Europe Product Performance Overview (%)

	Year-to-Date	1 month	3 months	6 months	1 year	3 years	5 years
Bitwise MSCI Digital Assets Select 20	-12.8	-2.8	20.6	-12.8	30.2	-	-
Bitwise Physical Bitcoin	11.2	1.2	27.3	11.2	72.4	432.1	956.7
Bitwise Core Bitcoin	12.4	1.7	28.9	12.4	75.4	-	-
Bitwise Diaman Bitcoin & Gold ETP	-	0	6.5	-	-	-	-
Bitwise Physical Ethereum	-28.7	-6.3	32	-28.7	-29.3	129.4	-
Bitwise Ethereum Staking	-27.5	-5	34.6	-27.5	-27.2	-	-
Bitwise Physical Solana	-24.1	-6.3	18.7	-24.1	5.3	347.8	-
Bitwise Solana Staking	-21.7	-6	20.8	-21.7	-	-	-
Bitwise Physical Litecoin	-19.1	-5.6	1.8	-19.1	14.5	56.1	-
Bitwise Physical XRP	1.8	-0.5	2.3	1.8	347.2	535.2	-
Bitwise Physical Cardano	-36.2	-20.6	-15.3	-36.2	40.1	18.7	-
Bitwise Aptos Staking	-45.2	-4.3	-9.9	-45.2	-	-	-
Bitwise Web 3.0 UCITS ETF	7.1	11.4	29.8	7.1	22.5	114.7	-

Source: Bloomberg, Bitwise Europe; Performances in EUR; all information are subject to change; past performance not indicative of future returns; Data as of 2025-06-30

Performance dispersion among altcoins has remained relatively low as most altcoins remained highly correlated to the performance of bitcoin in June. Altcoin outperformance generally remained low in the month of June although it has recently started to increase a bit. However, Bitcoin's market cap dominance continued to trend higher in June to 64.5%, up from 63.5% in May.

Bottom Line: Bitcoin remained relatively resilient despite high economic policy uncertainty and heightened geopolitical risks in the Middle East. Bitcoin's realized volatility remained below those of major equity indices such as the S&P 500. Despite transient consolidations and geopolitically driven drawdowns, the month's data underscore two enduring drivers: (1) robust institutional demand - via ETPs and corporate treasuries - continuously drawing down supply, and (2) heightened macro-risk headwinds steering investors toward scarce, decentralized "portfolio insurance." As trade-policy clarity and Fed easing loom, these tailwinds set a constructive backdrop for bitcoin heading into July.

Macro Environment

The macro environment in June was characterized by heightened risk aversion due to the escalation of the conflict between Iran and Israel in the Middle East.

Although the outcome of this escalation still remains uncertain, a general rule-of-thumb is to use major geopolitical risk events as potential buying opportunities for bitcoin. One of the key reasons is related to the fact that major geopolitical risk events were historically followed by significant price bitcoin appreciations.

The table below complies the list of the top 20 major geopolitical risk events and bitcoin's subsequent performance indexed to 100 at the time of the event:

Top 20 Geopolitical Risk Events and Bitcoin Performance

Date	GPR_Index_Reading	Event_Description	Day_0	Day_5	Day_10	Day_20	Day_50
2022-03-01	540.8274	Zelenskiy urges EU for support during Russian invasion.	100	87	88	93	93
2020-01-07	413.4557	Iran launches missiles at US bases, retaliating Soleimani killing.	100	100	109	109	108
2015-11-17	354.0519	HRW criticizes Philippine detention of street children before APEC.	100	96	106	117	128
2024-04-16	340.5443	IDF kills Hezbollah coastal commander Ismail Yusuf Baz.	100	102	100	99	112
2023-10-19	338.8517	Hezbollah fires rockets from Lebanon into northern Israel.	100	118	120	124	154
2018-04-12	296.5214	Macron cites Assad chemical-attack proof ahead of airstrikes.	100	100	111	116	95
2022-01-25	291.5824	Russia holds large military exercises near Ukraine border.	100	103	112	115	111
2017-06-05	276.6095	Saudi-led Gulf states sever diplomatic ties, blockade Qatar.	100	108	90	93	95
2025-03-19	275.5689	U.S. says Gaza ceasefire bridge proposal on table amid violence.	100	101	95	88	119
2025-05-28	273.8211	Putin demands written pledge to halt NATO enlargement for peace.	100	98	98	97	NA
2019-08-06	270.9353	Turkey and Libya sign maritime boundaries deal amid energy dispute.	100	100	90	90	74
2011-05-03	269.1929	Syrian forces sweep Baniyas, crushing pro-democracy protests.	100	114	241	209	527
2022-04-14	265.6560	France evacuates citizens from Sudan amid escalating violence.	100	104	99	99	74
2016-09-19	255.7278	Magnitude 7.1 Puebla earthquake strikes central Mexico, killing hundreds.	100	99	100	101	117
2019-09-17	253.3421	OPEC agrees production cuts amid global oil-demand slump.	100	98	81	81	91
2017-09-04	253.0951	Hurricane Irma devastates Barbuda, leaving island largely uninhabitable.	100	100	75	85	127
2019-05-14	248.6772	Houthi drones strike Saudi oil stations, raising Gulf tensions.	100	103	100	103	150
2024-11-18	245.9111	U.S. permits Ukraine deep-strike attacks inside Russia with missiles.	100	108	106	112	107
2016-03-23	245.3754	WHO publishes Zika knowledge-attitudes surveys resource pack.	100	101	101	102	109
2024-01-09	241.2697	U.S. Navy conducts additional strikes on Houthi positions in Yemen.	100	91	90	94	136

Source: Glassnode, Bitwise Europe; matteoiacoviello.com; Results based on top 20 geopolitical risk events since July 2010-today

Out of these 20 major geopolitical risk events, bitcoin was trading higher 13 times 50 days after the respective event. This implies a skewed probability distribution to the upside.

Ongoing uncertainty induced by these geopolitical events could tip the US economy into recession as the underlying growth momentum still remains relatively weak. As we have mentioned in previous reports already, the US housing market remains very weak and the latest data even imply a continued increase in housing inventories across the US which is starting to exert pressure on home prices. According to data from Zillow, 62% of US counties experienced declining home values in May 2025.

Construction activity tends to be key cyclical indicator to watch to assess the health of the overall economy as it tends to feed through other sectors such as manufacturing and ultimately to employment. Add to this the fact that import tariffs are increasing pressure on the outlook for imported goods from abroad as can be seen in the latest ISM manufacturing imports sub-component which has plummeted to the lowest level since Covid. Combined with the strong increase in ISM manufacturing inventories this paints a picture very weak domestic manufacturing activity over the coming months.

In fact, the latest regional Fed manufacturing surveys point towards a severe decline in capex intensions that have fallen to Covid lows as well. This tends to be a leading indicator for US manufacturing activity and still implies that recession risks still remain elevated.

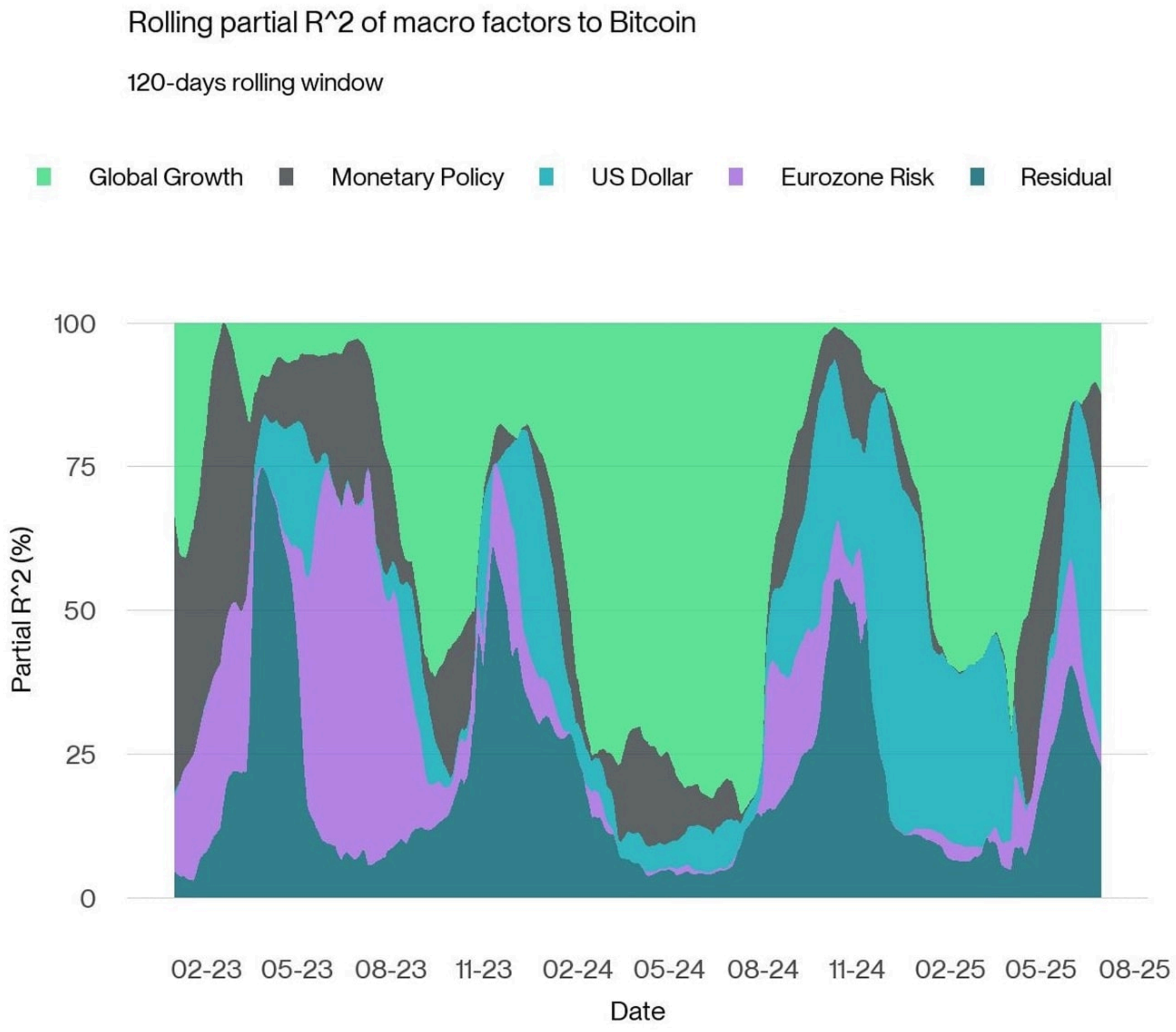
Some alternative high-frequency indicators in the US are already pointing towards a decline in overall employment which would be a clear recession signal.

There is a case to be made that the US might already be in a “quietcession” – a quiet recession which is not reflected in official hard data, yet.

It is worth noting that official hard data tend to be published with a lag and are usually subject to significant revisions, especially employment data. This makes this hypothesis even more likely considering the weakness in a broad set of leading indicators from housing to manufacturing.

That being said, our macro factor model still impies that a recession might not be as bad for bitcoin as widely feared.

How much of Bitcoin's performance can be explained by macro factors?



Source: Bloomberg, Bitwise Europe

The US Dollar factor has been the major driver of bitcoin's performance over the past 6 months, which is closely associated with global money supply growth as outlined in one of our previous monthly reports.

The recent weakness in the Dollar seems to be related to increased capital repatriation from foreigners, as demonstrated here. A key conversation among traditional investors is related to the fact that the One Big Beautiful Bill Act Section 899 disadvantages foreign investors investing in US assets.

This poses a risk to the Dollar as foreign investors are incentivised to repatriate parts of their capital from the US. It is no surprise that the Dollar continues to be under pressure and has just recently touched the lowest level since March 2022.

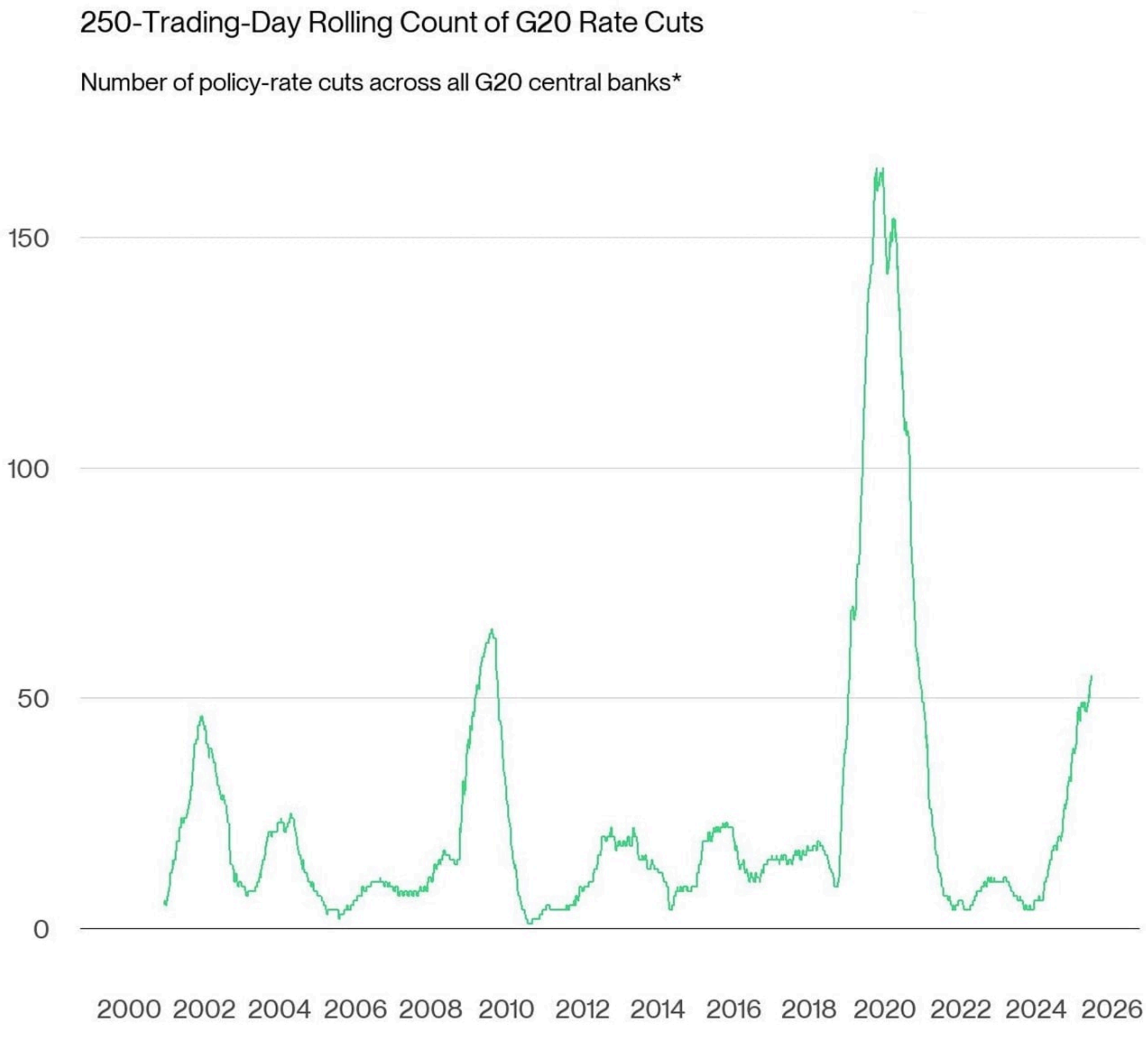
But what is even more conerning is the fact that the Dollar has been behaving increasingly like a risk-on currency, i.e. depreciating amid rising economic uncertainty which is highlighted here.

This implies that the US Dollar is gradually losing its safe-haven status.

We have outlined why an acceleration in De-Dollarization is potentially bullish for bitcoin in our monthly report in May 2025 as well.

The accelerating depreciation of the Dollar is even more interesting in light of ongoing easing efforts by other central banks worldwide. In fact, the G20 central banks have performed 54 rate cuts over the past 12 months – the highest amount of rate cuts since 2008/09.

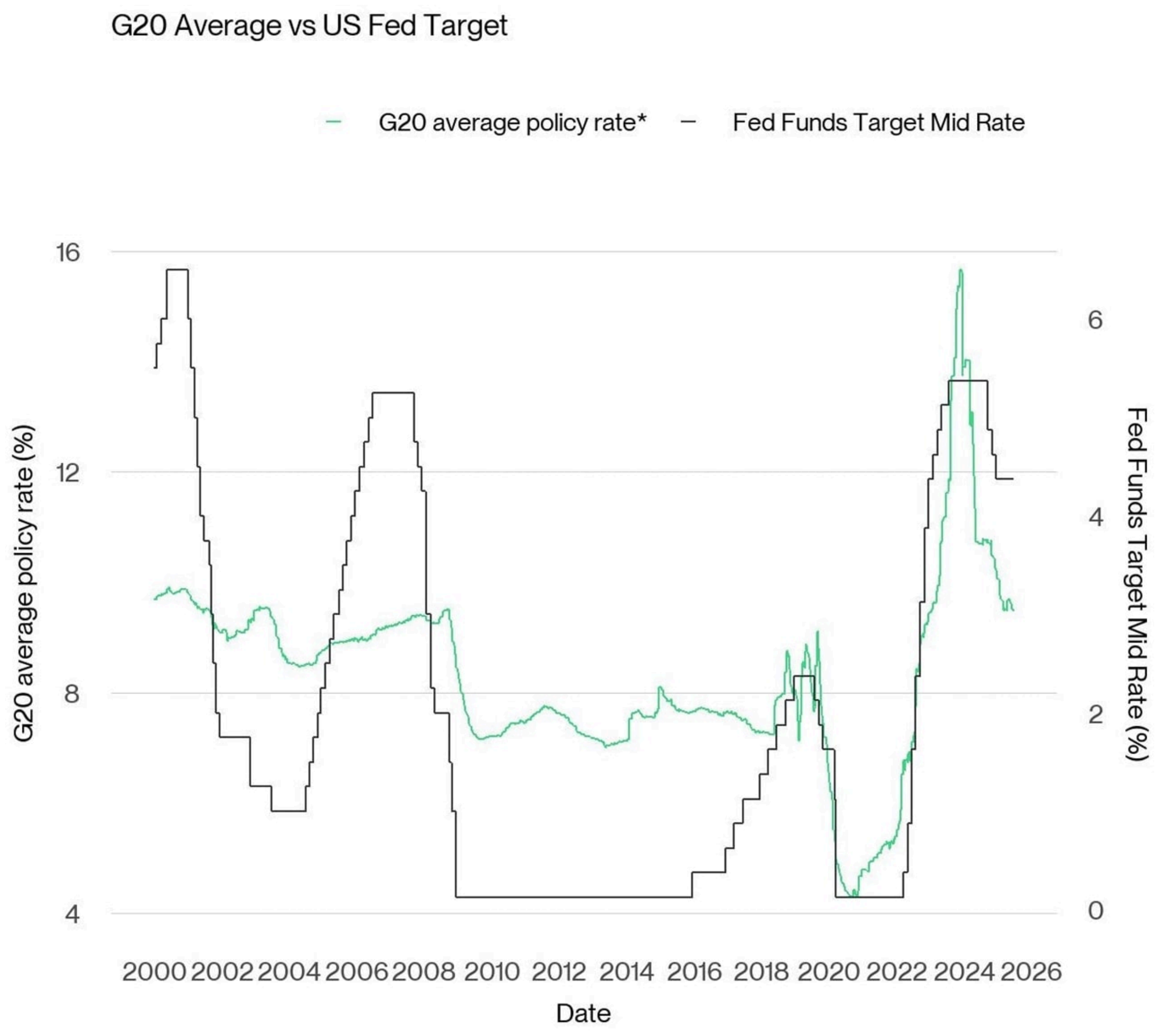
Global central banks are already cutting rates the most since 2008



Source: Bloomberg, Bitwise Europe; *including the Swiss National Bank

While the Fed remains on hold since December 2024, other major central banks have continued to lower rates – the ECB has cut its key policy rate four times in 2025 already, and both the Bank of England and the Swiss National Bank two times. Although the Fed tends to lead other major central banks during rate cutting cycles, the Fed is now clearly lagging behind other central banks this time around.

Other central banks continue to cut rates aggressively



Source: Bloomberg, Bitwise Europe; *including the Swiss National Bank

Meanwhile, both inflation indicators and employment indicators in the US have actually become increasingly more supportive of further rate cuts. In fact, a standard Taylor rule implies that a Fed Funds Target Rate of close to 3.5% is warranted against a mid point target rate of 4.375%. It is hard to disprove the fact that both inflation and employment metrics have deteriorated even more in a standard Taylor rule since the Fed stopped cutting rates in December 2024.

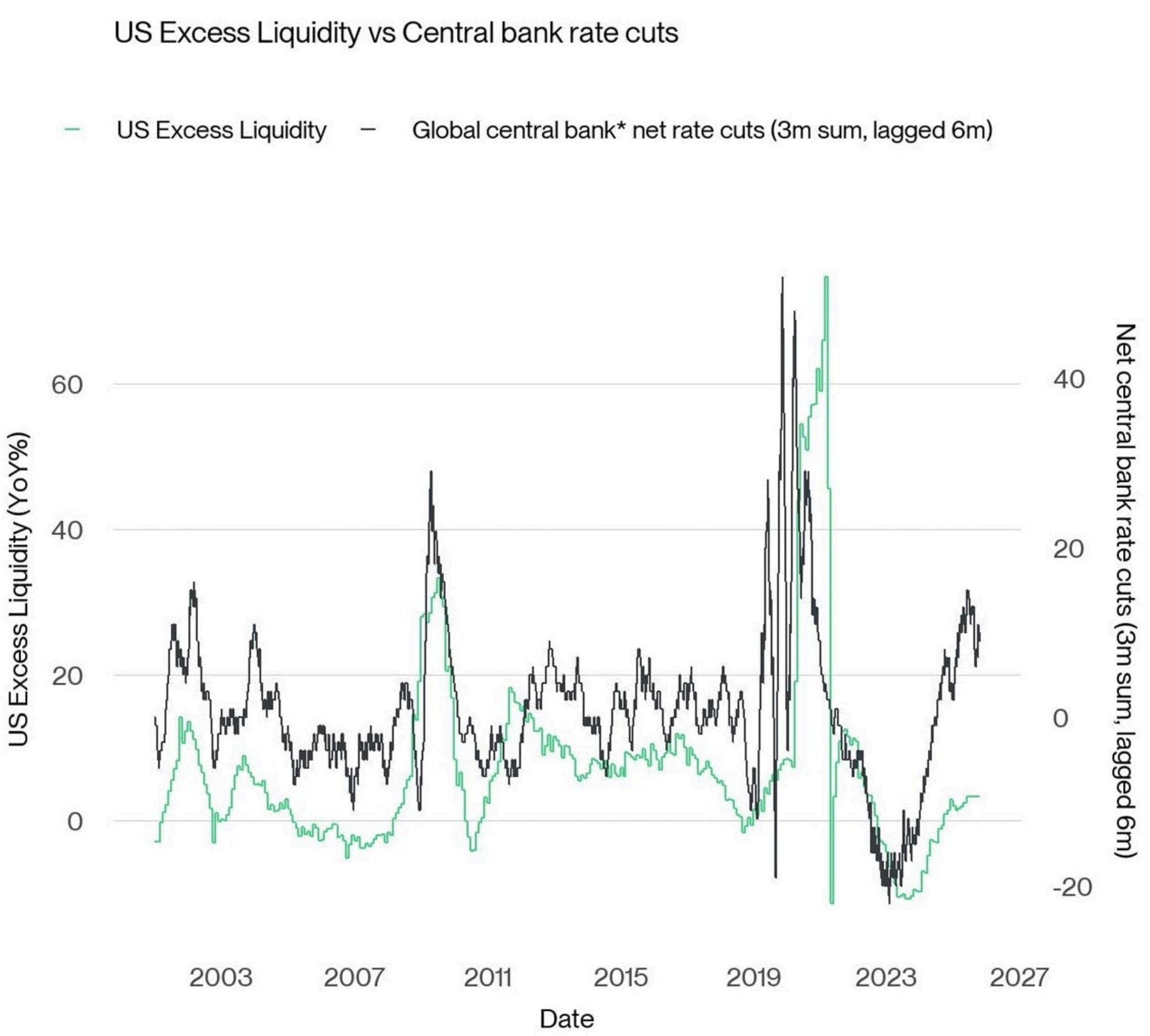
This implies that the Fed continues to be “behind the curve” especially relative to its global central bank peers. It is no surprise that calls for Jerome Powell’s suspension within the current US administration are getting louder.

However, rates traders don't believe in a significant change in course by the Fed anytime soon. At the time of writing this report, Fed Funds Futures still only price in 2-3 additional rate cuts until the end of 2025 which has been expected essentially since the beginning of the year. That being said, the "risks" are tilted to the downside as macro indicators continue to favour lower rates which is also supported by recent commentary by Powell himself.

Belated Fed rate cuts should also continue to drive the US Dollar lower, which would also fuel further global money supply expansion via a Dollar depreciations – a key tailwind for bitcoin. Global money supply is already at new all-time highs and continues to accelerate.

In the context of global liquidity, it is important to highlight that these preceding rate cuts have already led to a re-acceleration in excess liquidity – i.e. liquid money supply growth in excess of underlying economic momentum. This tends to be highly supportive for both the business cycle and above all asset price inflation.

Rate cuts imply increasing excess liquidity growth



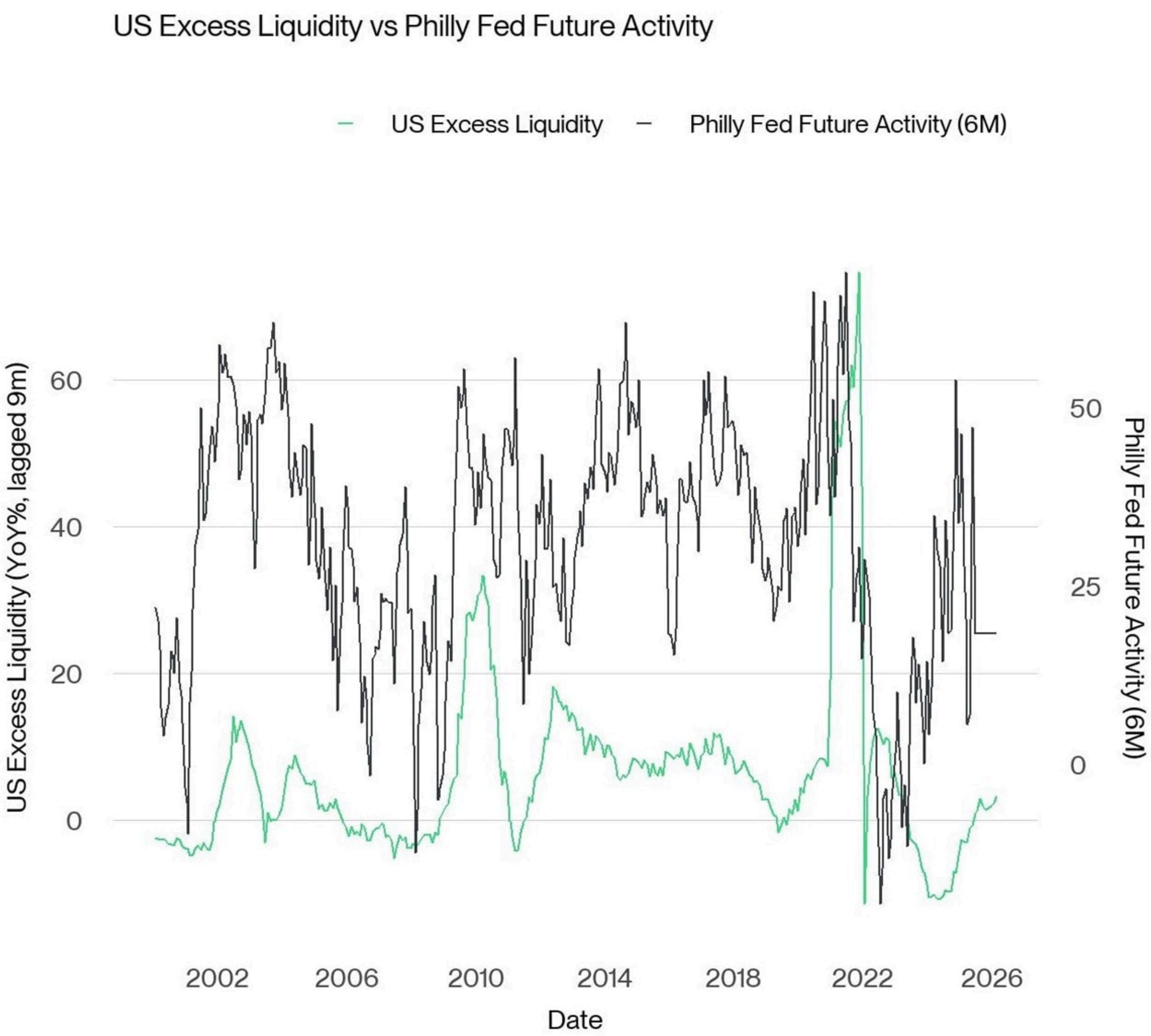
Source: Bloomberg, Bitwise Europe;*G20 including SNB

In fact, these rate cuts by other central banks already imply an acceleration in excess liquidity growth at least until the end of the year 2025 and well into 2026 as well which should bode well, for bitcoin and other cryptoassets.

This has pushed more forward-looking expectations over the next 6 months ("animal spirits") in some surveys like the Philly Fed manufacturing survey sharply higher which also corroborates the recent recovery we have seen across risky assets more broadly.

In general, excess liquidity growth tends to lead future expectations for manufacturing activity as well. We are already seeing an improvement in high-frequency macro indicators such as raw industrial commodity prices or copper-gold ratio that suggest a global recovery is already underway.

Increase in excess liquidity will likely support the recovery in US manufacturing activity



Source: Bloomberg, Bitwise Europe

Our expectation is that global liquidity growth will continue to accelerate due to the preceding rate cuts and on account of the ongoing re-steepening of yield curves across the globe, which will most likely rekindle commercial bank lending and money supply growth.

Commercial banks are increasingly incentivised economically to extent loans when the yield curve steepens because of an increase in net interest rate margins – Banks perform so-called “maturity transformation” – borrowing on the short end and lending on the long end of the yield curve.

The resteepening of yield curves is not confined to the US (US Treasury curve) alone but also observable in regions like the Eurozone (Bund curve), UK (Gilt curve), and Japan (JGB curve). We have demonstrated the link between M2 money supply growth and the steepness of the US Treasury yield curve in our last monthly report as well.

Bottom Line: Heightened Middle East tensions and growing US recession risks have increased market risk aversion, yet historical data indicate such geopolitical crises are often followed by significant bitcoin rallies.

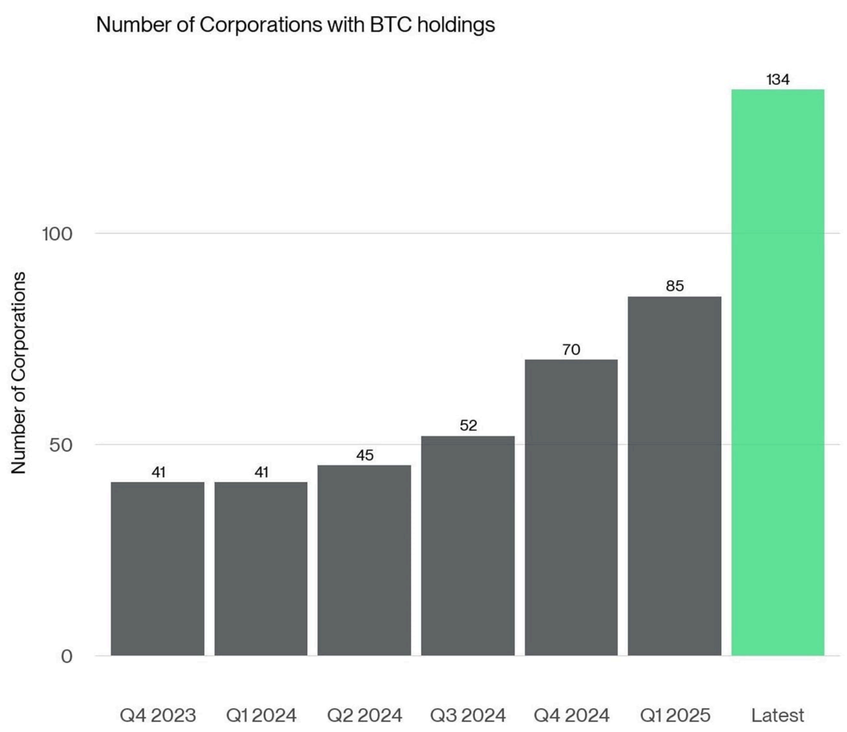
Meanwhile, sustained US dollar weakness, driven by capital repatriation, de-dollarization pressures, coupled with an outsized number of global rate cuts and re-steepening yield curves, is re-accelerating global liquidity and reinforcing a bullish macro tailwind for bitcoin.

A continuation of the Fed’s cutting cycle in July would be another bullish wild card in this environment.

On-Chain Developments

Corporate adoption remains the key demand driver in 2025. What is more is that this trend continues to accelerate. At the time of writing this report at the end of June 2025, the number of public companies that hold bitcoin on their balance sheet has almost doubled from 70 to 134 companies (+91%) within half a year.

Rolling correlation: 10yr UST Future



Source: Bloomberg, Bitwise Europe

It implies that more bitcoin treasury companies will be adding bitcoin to their balance sheets in 2025 alone than during the previous years since bitcoin's genesis combined.

Next to the classical holder cohort of so-called "shrimps" (holdings < 1 BTC), the cohort of corporate buyers is adding stability to the market by limiting drawdowns on account of their price-agnostic buying behaviour. In general, we expect that the structural bid from corporations will likely reduce short-term downside risks during this bull cycle.

In general, there are the following major groups of spot bitcoin buyers:

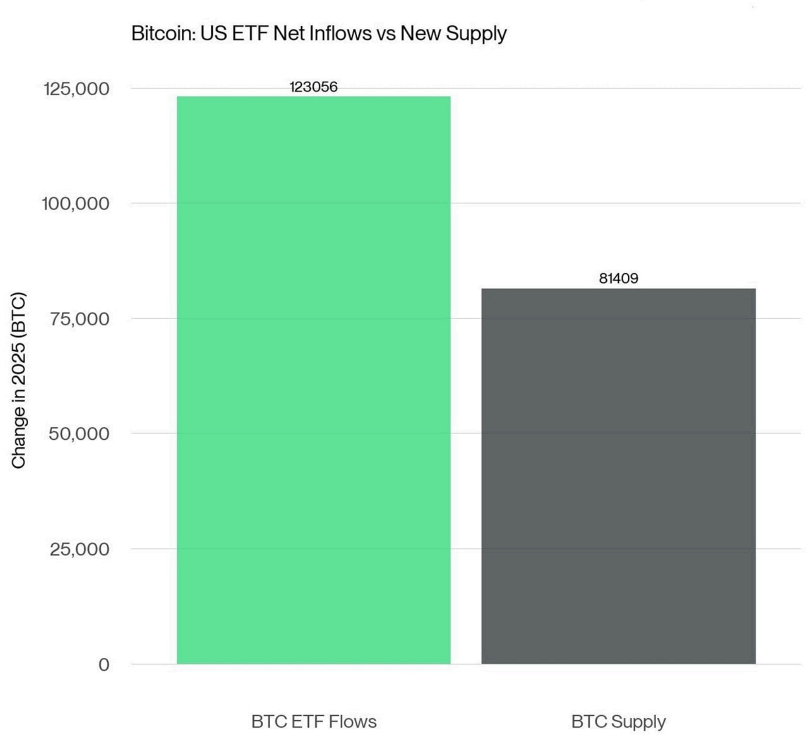
- Exchange Retail (short-term holders below 1 BTC = so-called „lettuce hands“): highly pro-cyclical
- Exchange whales (short-term holders, >1k BTC): pro-cyclical
- ETPs/ETFs: Retail-dominated, structural bid but also pro-cyclical (100 BTC – 1,000 BTC cohort)
- Corporations: Price agnostic, increasing structural bid (1,000 BTC – 10,000 BTC cohort)
- Exchange “Shrimps” (<1 BTC): accumulation addresses - Price agnostic, increasing structural bid, Dollar cost averaging (DCA)
- Crypto hedge funds: Increasingly counter-cyclical

The structural bid from corporations as well as institutional ETP investors is likely going to dampen volatility as well. In fact, we have already seen lower realized volatility in bitcoin relative to other major equity indices despite record high uncertainty as demonstrated in one of our weekly reports.

Bitcoin ETP demand has also been quite positive – US spot bitcoin ETFs have been recording net inflows for 15 trading days straight at the time of writing this report.

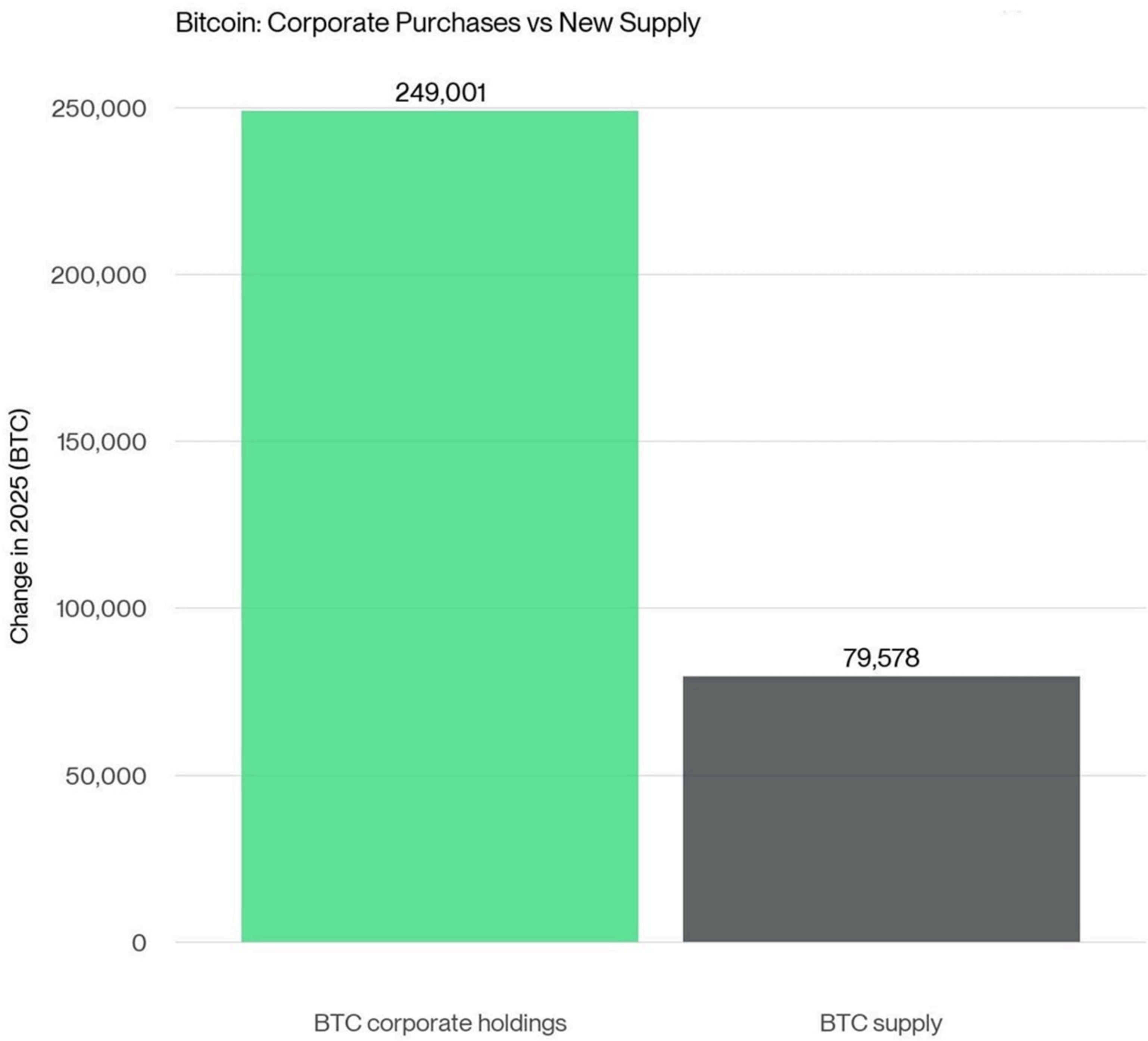
All in all, both corporations and ETPs continue to soak up bitcoins in multiples of the new annual mined supply.

Net inflows into US spot Bitcoin ETFs have outweighed new supply in 2025



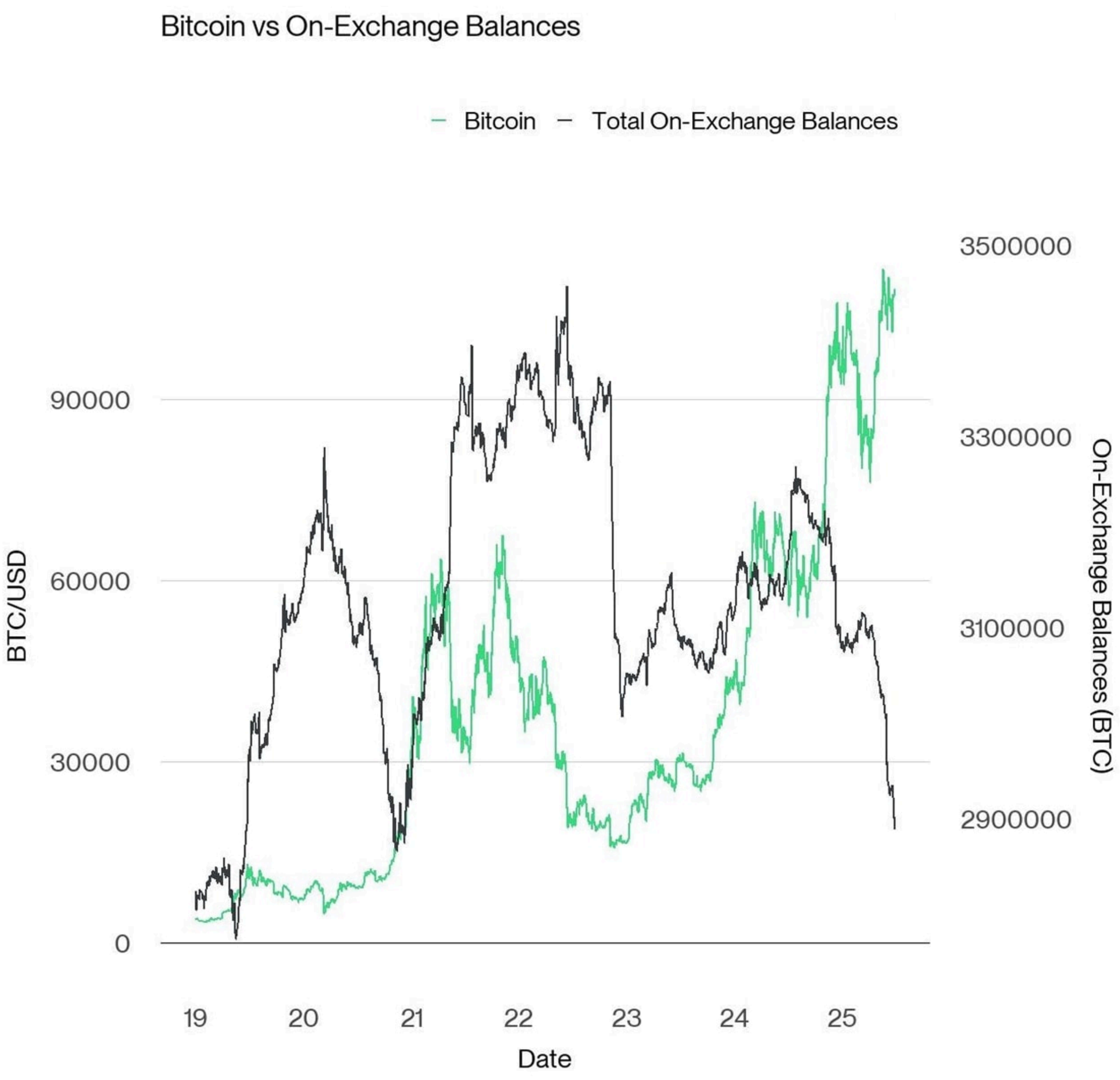
Source: Glassnode, Bloomberg, Bitwise Europe; latest data as of 2025-06-30

Corporate Bitcoin purchases have outweighed new supply in 2025



Source: Glassnode, bitcointreasuries.net, Bitwise Europe; latest data as of 2025-06-26

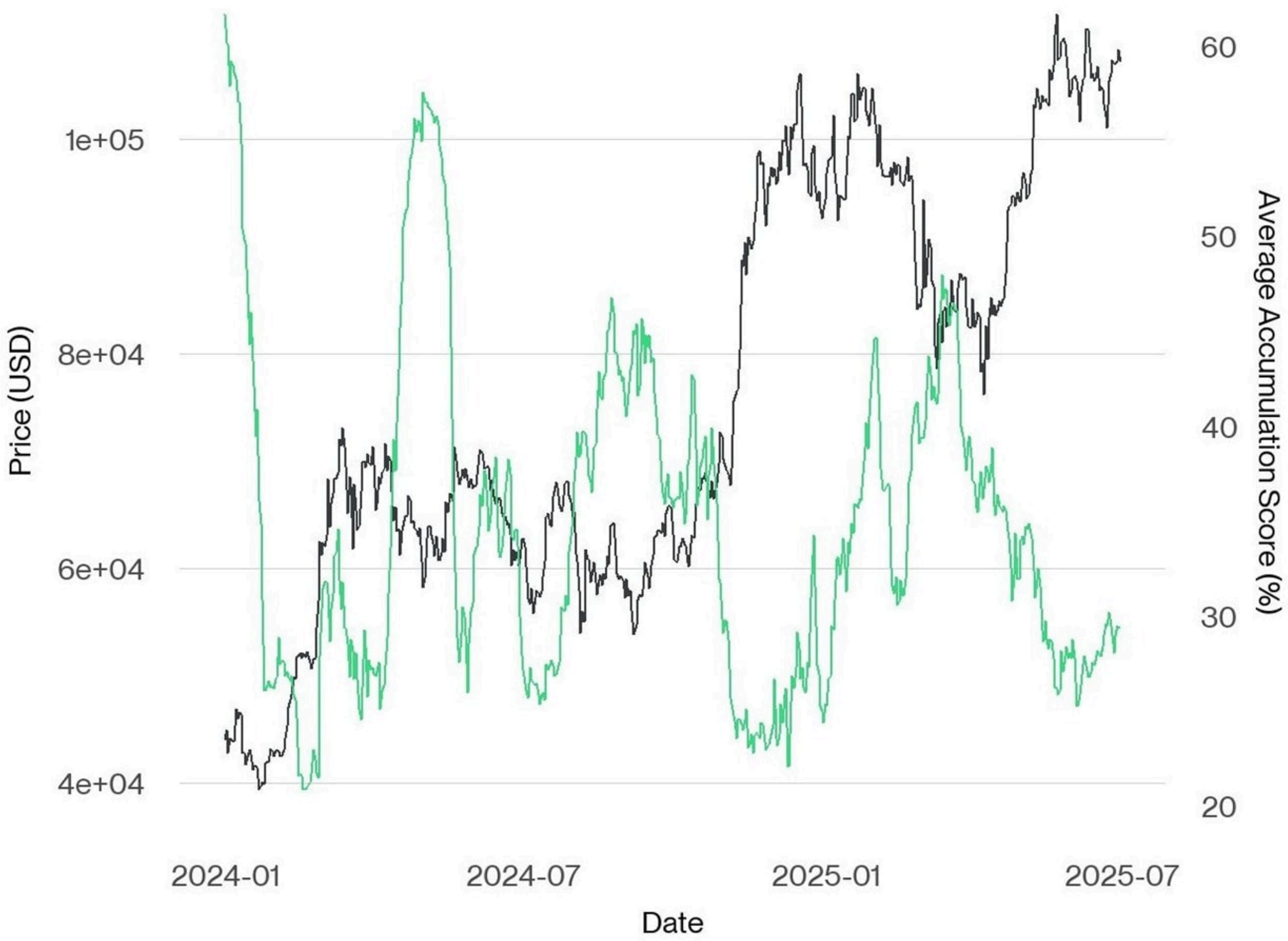
These structural demand drivers also continue to deplete bitcoin exchange balances which suggests that our main bull thesis of a pervasive demand overhang/supply deficit on exchanges still remains intact.



Source: Glassnode, Bitwise Europe

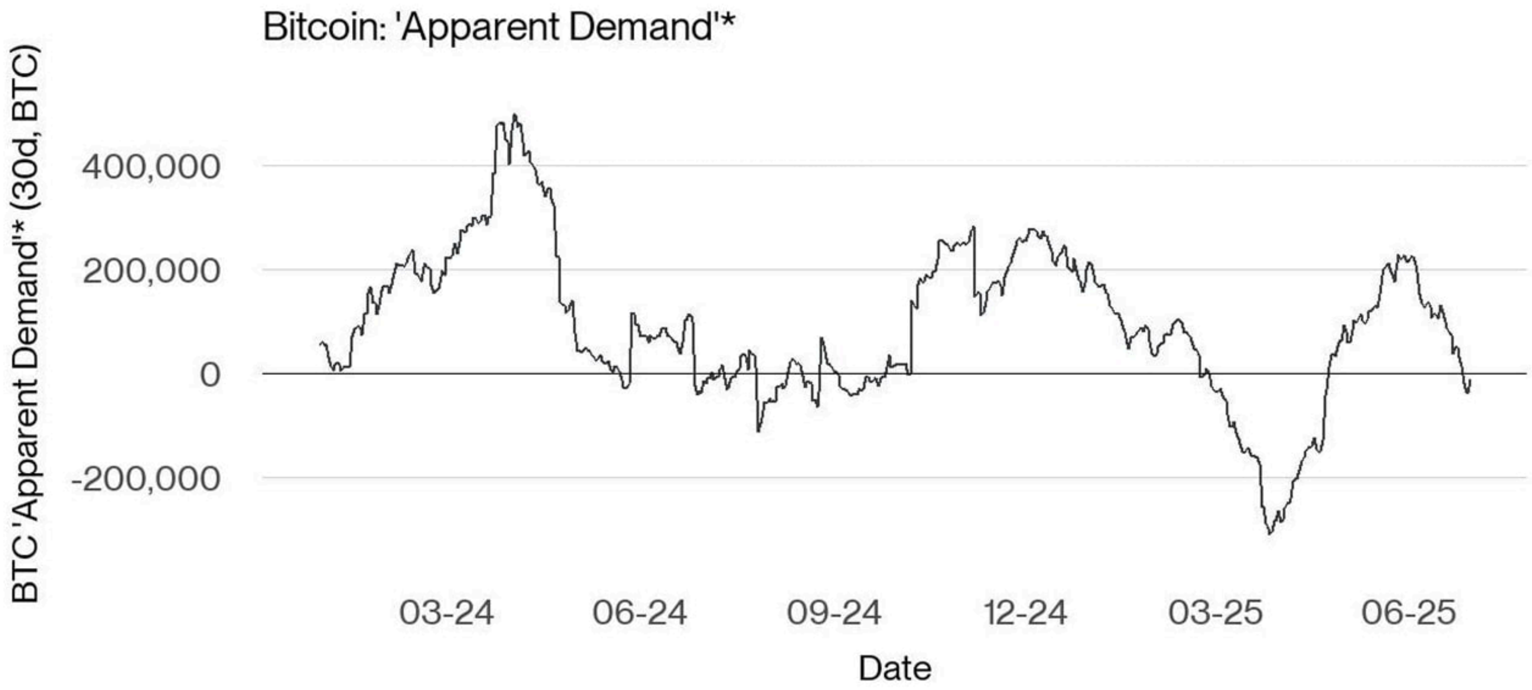
That being said, we have seen relatively weak accumulation activity more recently across all bitcoin wallet cohorts. The average accumulation score shown below measures the change in holdings across all bitcoin wallet cohorts and currently indicates only a slow increase in holdings over the past month:

Bitcoin: Price vs Average Accumulation Score



Source: Glassnode, Bitwise Europe, Own calculations

Another indicator which points towards ongoing consolidation is "apparent demand" – it is slowing again and implying lower prices in the short term.



Source: Glassnode, Bitwise Europe; *mined supply - supply last active 1+ years

We are seeing similar developments in terms of whale exchange outflows which have recently slowed down and also general on-chain capital flows into bitcoin and other major cryptoassets that have been decelerating over the past 2 weeks.

Based on these observations, despite an overall bullish trend, it is quite likely that bitcoin will continue to consolidate in the short term until we see a renewed pick-up in accumulation activity and demand across different cohorts.

Bottom Line: Corporate adoption remains the primary demand driver, with the number of public companies holding bitcoin nearly doubling to 134 in just six months and providing a stable, price-agnostic structural bid alongside institutional ETP inflows. All in all, our main bull thesis for bitcoin of a pervasive demand overhang / supply deficit remains very much intact. However, weak accumulation across wallet cohorts and slowing on-chain demand suggest continued short-term consolidation until broader buying activity resumes.

Bottom Line

- **Performance:** Bitcoin remained relatively resilient despite high economic policy uncertainty and heightened geopolitical risks in the Middle East. Bitcoin's realized volatility remained below those of major equity indices such as the S&P 500. Despite transient consolidations and geopolitically driven drawdowns, the month's data underscore two enduring drivers: (1) robust institutional demand - via ETPs and corporate treasuries - continuously drawing down supply, and (2) heightened macro-risk headwinds steering investors toward scarce, decentralized "portfolio insurance." As trade-policy clarity and Fed easing loom, these tailwinds set a constructive backdrop for bitcoin heading into July.
- **Macro:** Heightened Middle East tensions and growing US recession risks have increased market risk aversion, yet historical data indicate such geopolitical crises are often followed by significant bitcoin rallies. Meanwhile, sustained US dollar weakness, driven by capital repatriation, de-dollarization pressures, coupled with an outsized number of global rate cuts and re-steepening yield curves, is re-accelerating global liquidity and reinforcing a bullish macro tailwind for bitcoin. A continuation of the Fed's cutting cycle in July would be another bullish wild card in this environment.
- **On-Chain:** Corporate adoption remains the primary demand driver, with the number of public companies holding bitcoin nearly doubling to 134 in just six months and providing a stable, price-agnostic structural bid alongside institutional ETP inflows. All in all, our main bull thesis for bitcoin of a pervasive demand overhang / supply deficit remains very much intact. However, weak accumulation across wallet cohorts and slowing on-chain demand suggest continued short-term consolidation until broader buying activity resumes.

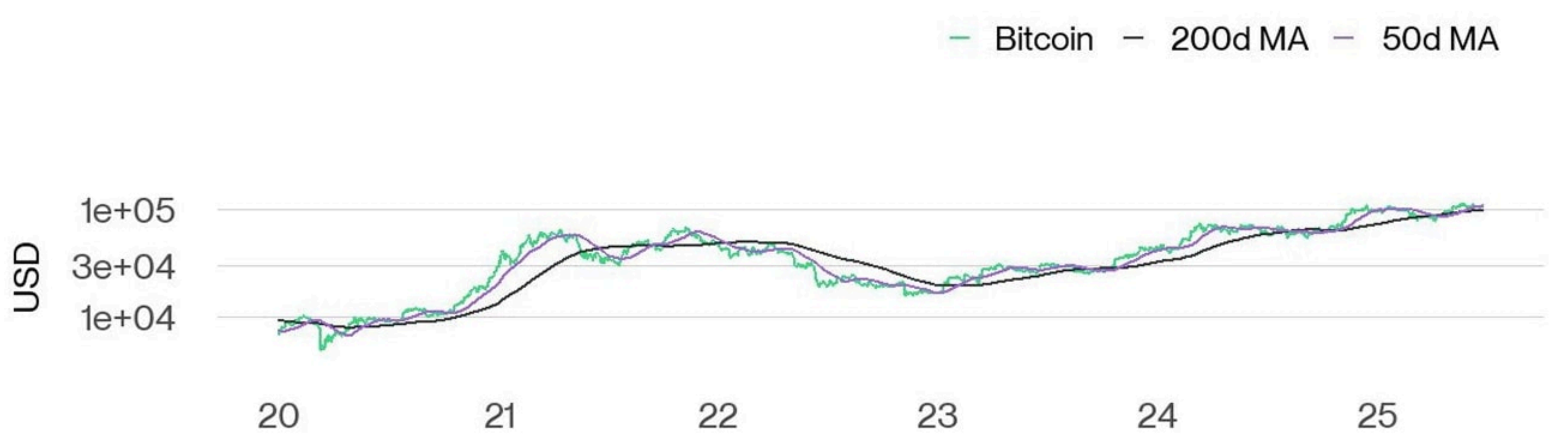
Appendix

Cryptoasset Market Overview

Global Cryptoasset Market Caps

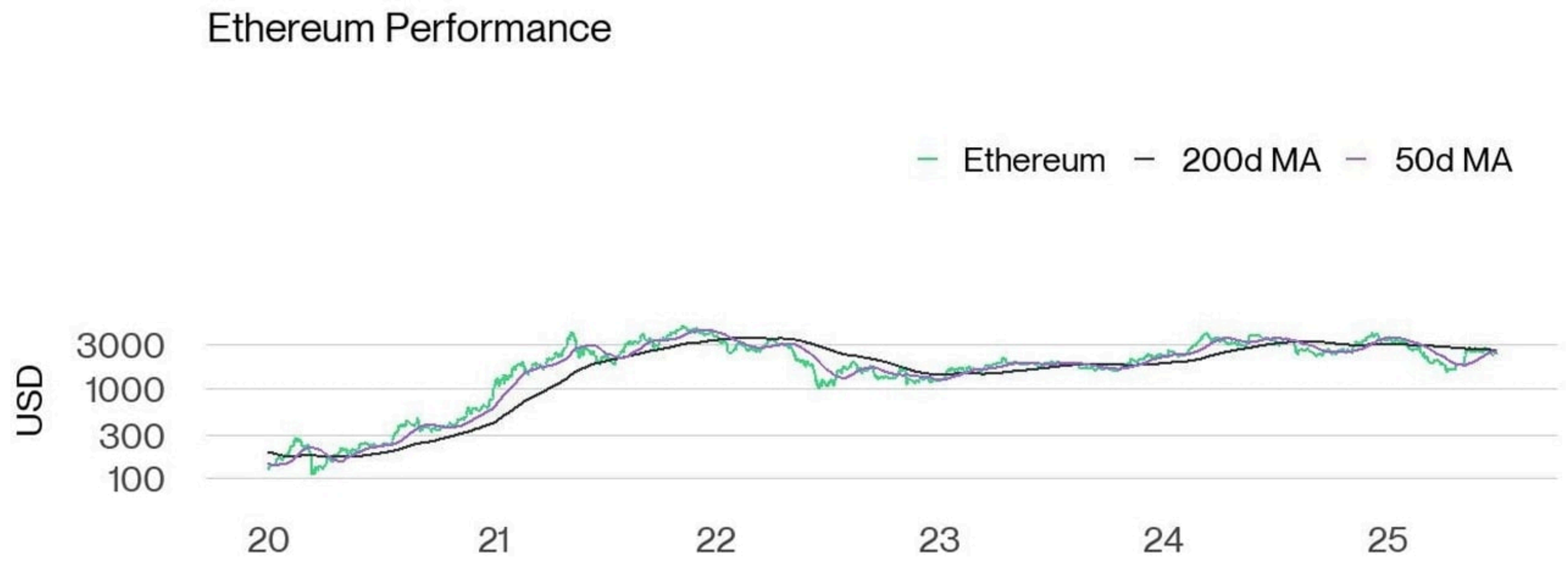
Source: Glassnode, Bitwise Europe

Bitcoin Performance



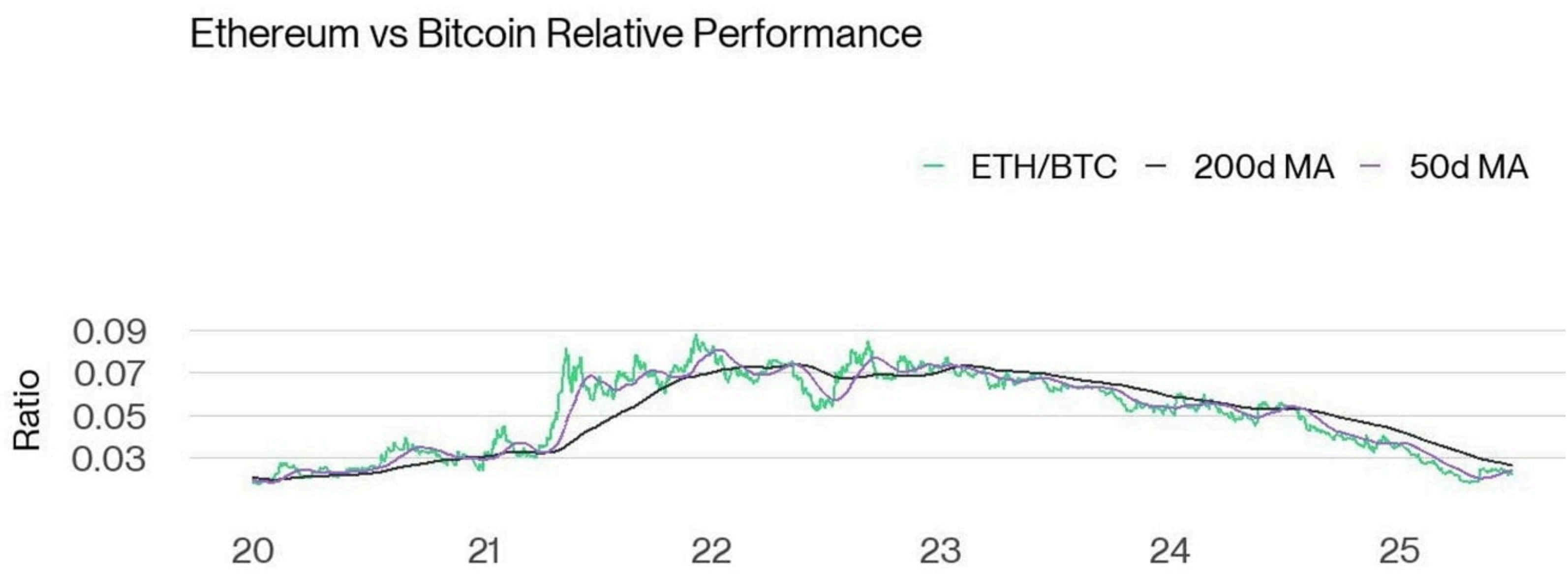
Source: Glassnode, Bitwise Europe

Ethereum Performance



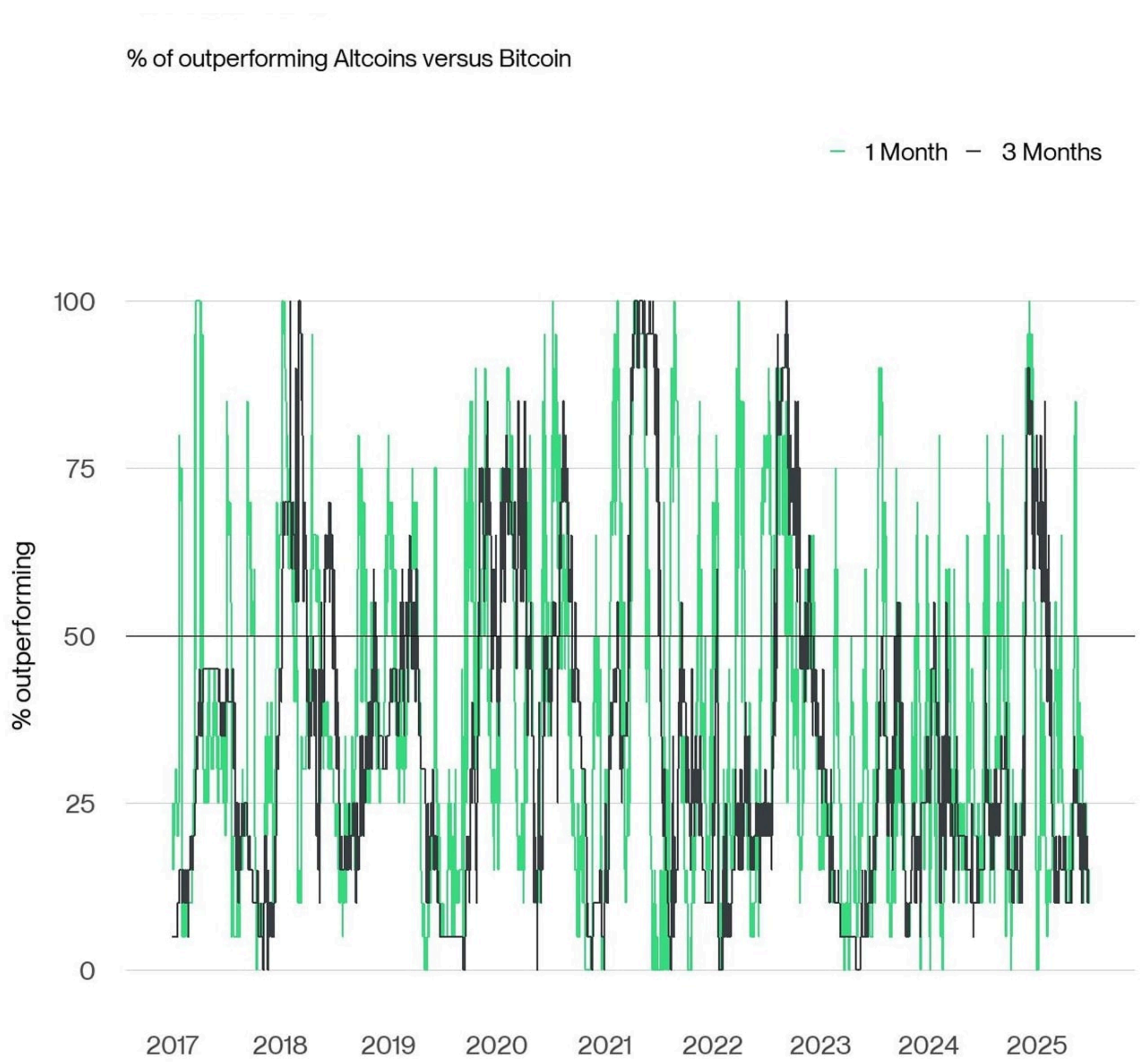
Source: Glassnode, Bitwise Europe

Ethereum vs Bitcoin Relative Performance



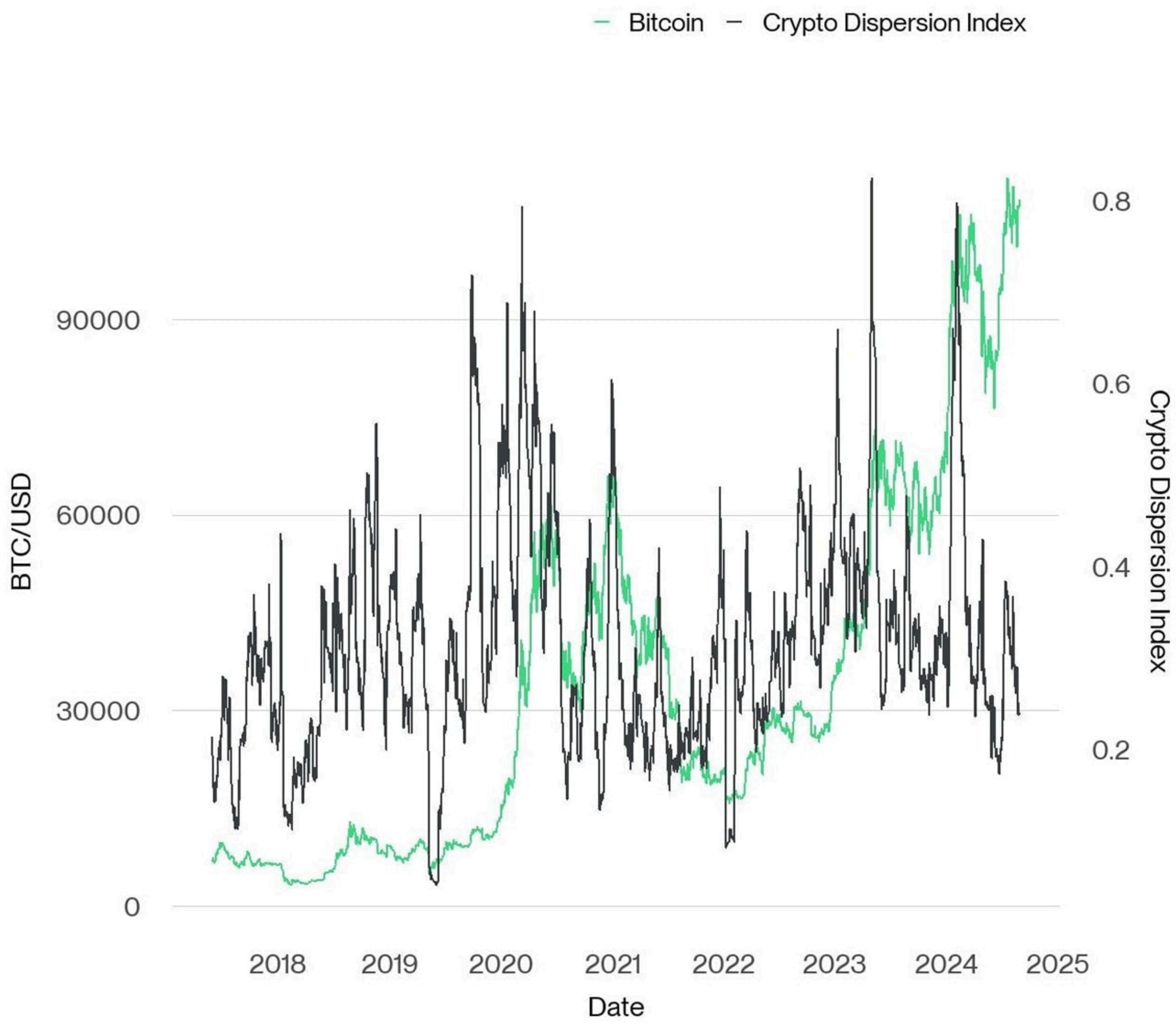
Source: Glassnode, Bitwise Europe

Altseason Index



Source: Coinmetrics, Bitwise Europe

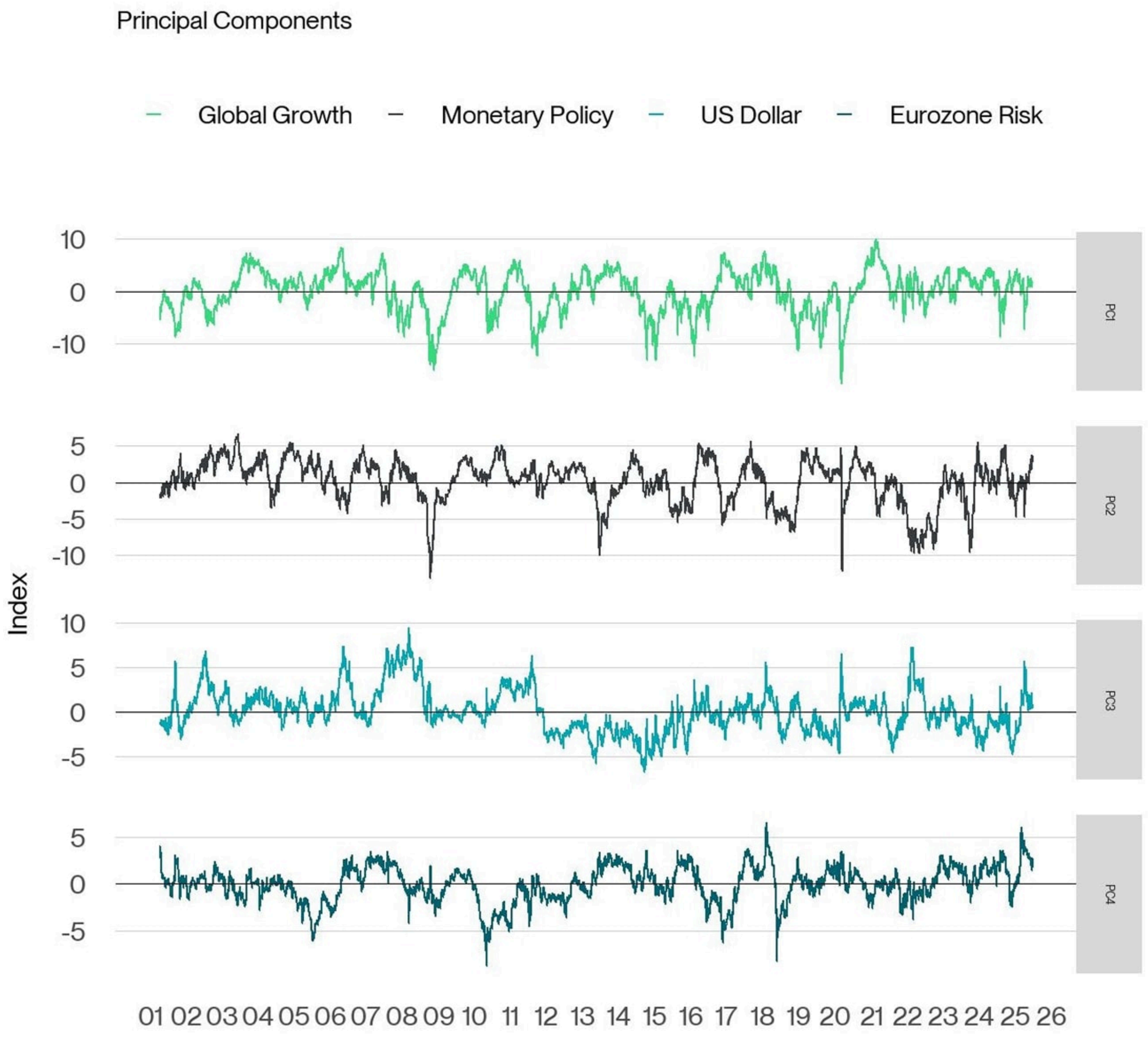
Bitcoin vs Crypto Dispersion Index



Source: Glassnode, Coinmetrics, Bitwise Europe; Despersion = (1 - Average Altcoin Correlation with Bitcoin)

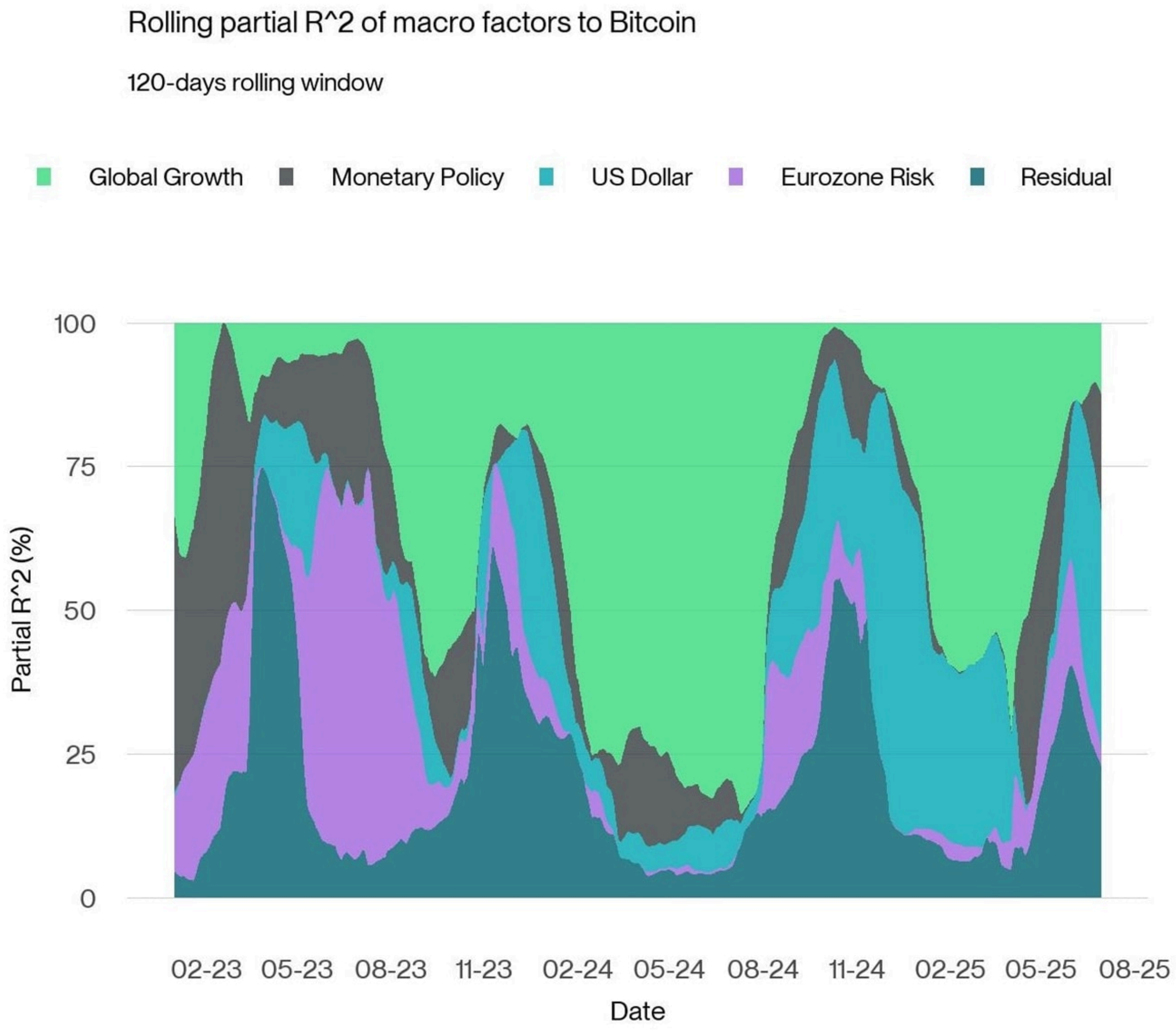
Cryptoassets & Macroeconomy

Macro Factor Pricing



Source: Bloomberg, Bitwise Europe

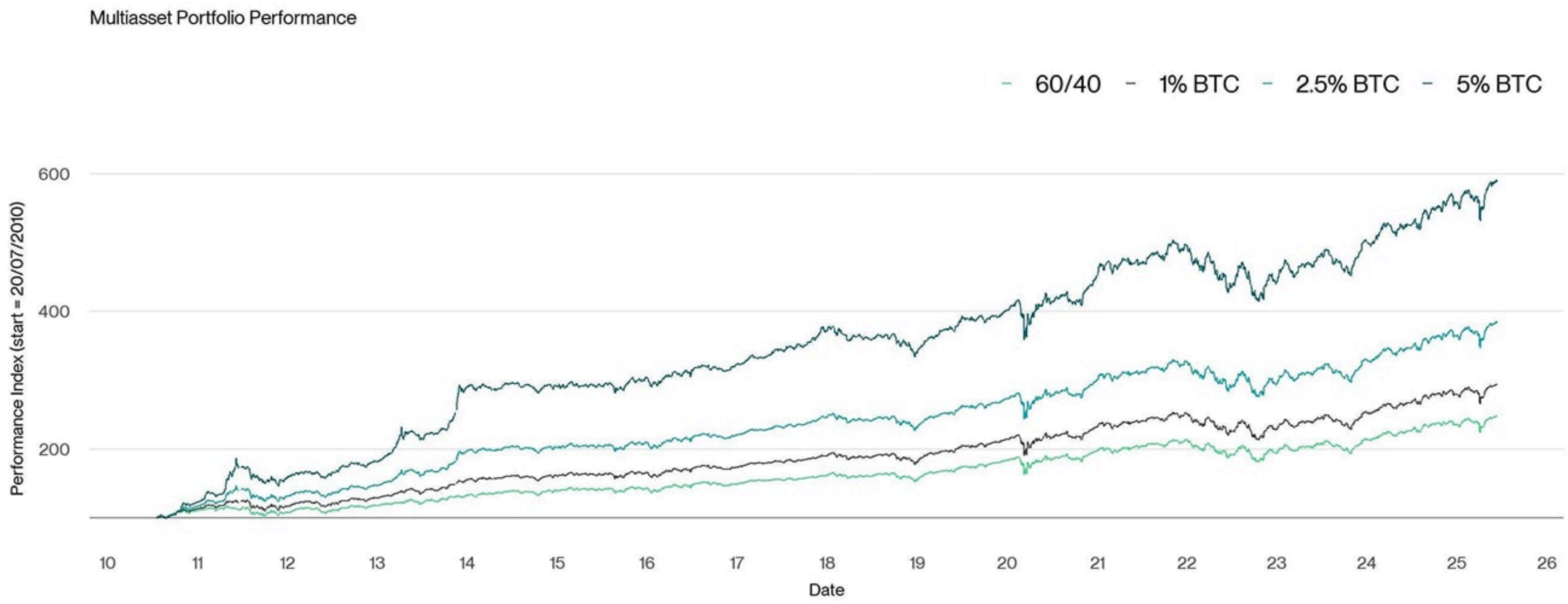
How much of Bitcoin's performance can be explained by macro factors?



Source: Bloomberg, Bitwise Europe

Cryptoassets & Multiasset Portfolios

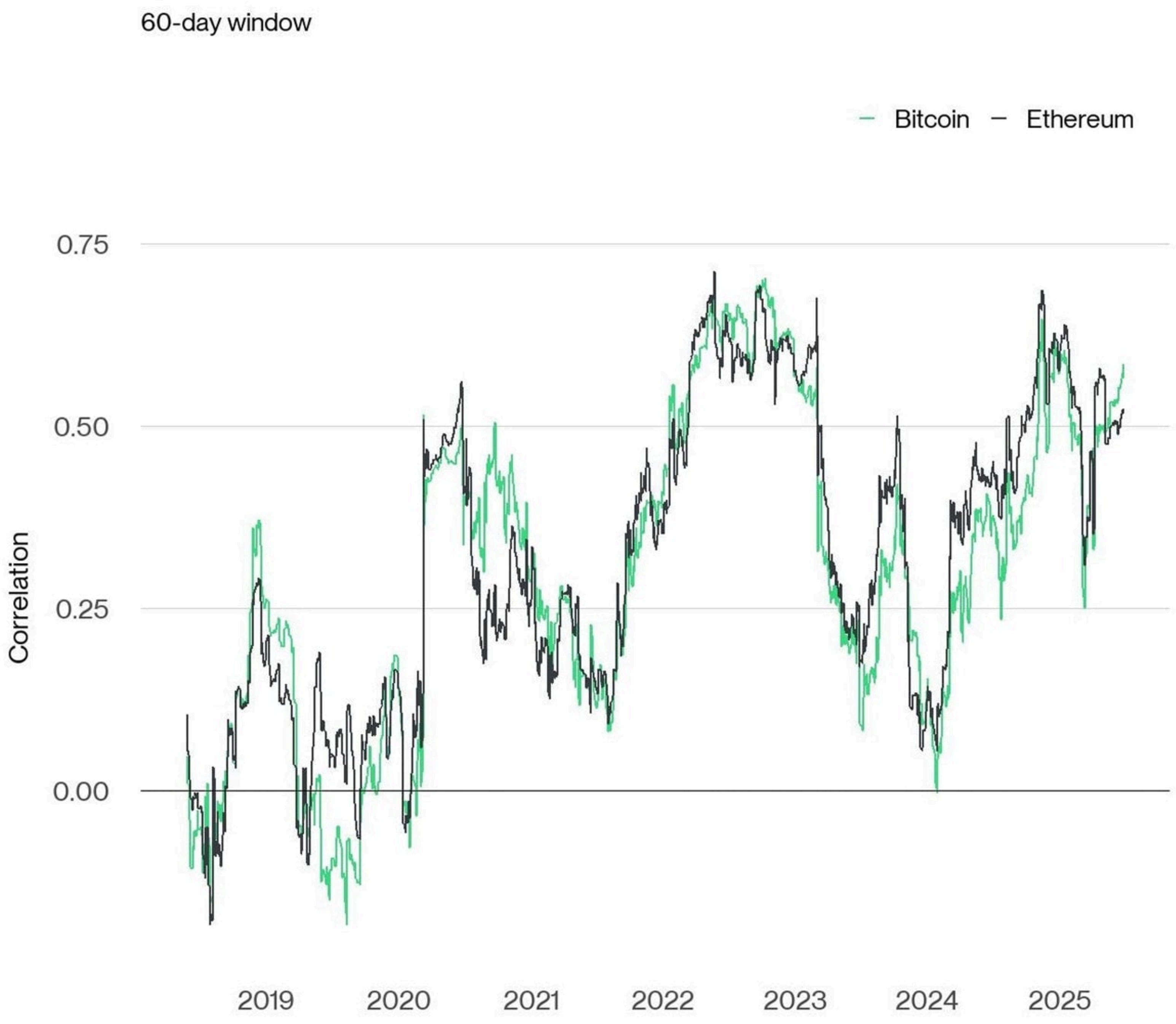
Multiasset Performance with Bitcoin (BTC)



	60/40 Portfolio	1% BTC	2.5% BTC	5% BTC
Cumulative Return (%)	246.5	292.6	382.6	587
Annual Return (% p.a.)	10.5	12.7	16.1	21.8
Volatility (% p.a.)	10.6	10.6	11.1	12.6
Sharpe Ratio	0.85	1.03	1.26	1.5
Sortino Ratio	1.08	1.31	1.63	2.02
Max Drawdown (%)	15.2	15.7	16.4	21.4

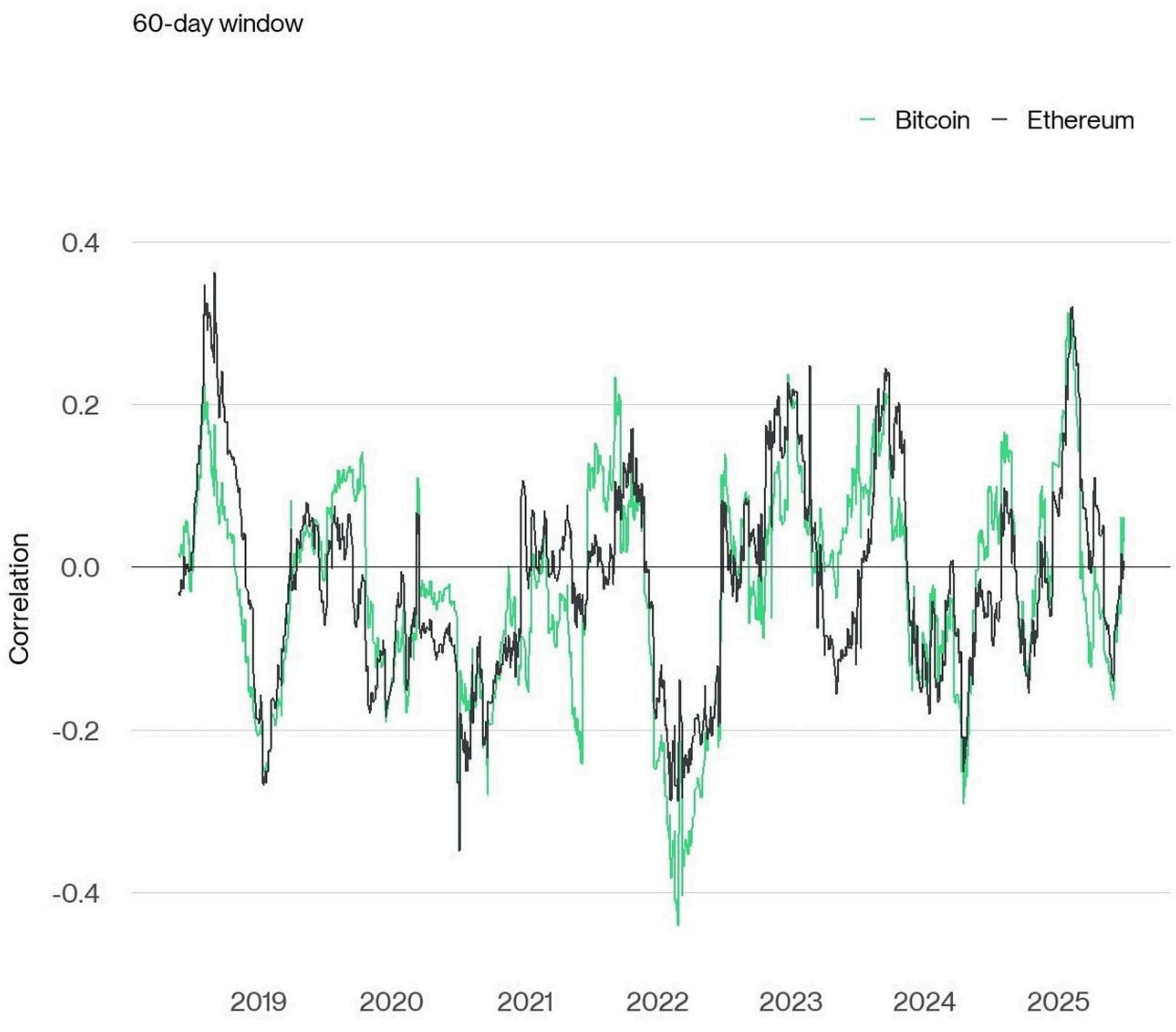
Source: Bloomberg, Bitwise Europe; Monthly rebalancing; Sharpe Ratio was calculated with 3M USD Cash Index as assumed risk-free rate; BTC allocation is taken out of equity allocation of 60%, bond allocation remains at 40%; Past performance not indicative of future returns.

Rolling correlation: S&P 500



Source: Bloomberg, Bitwise Europe

Rolling correlation: Bund Future

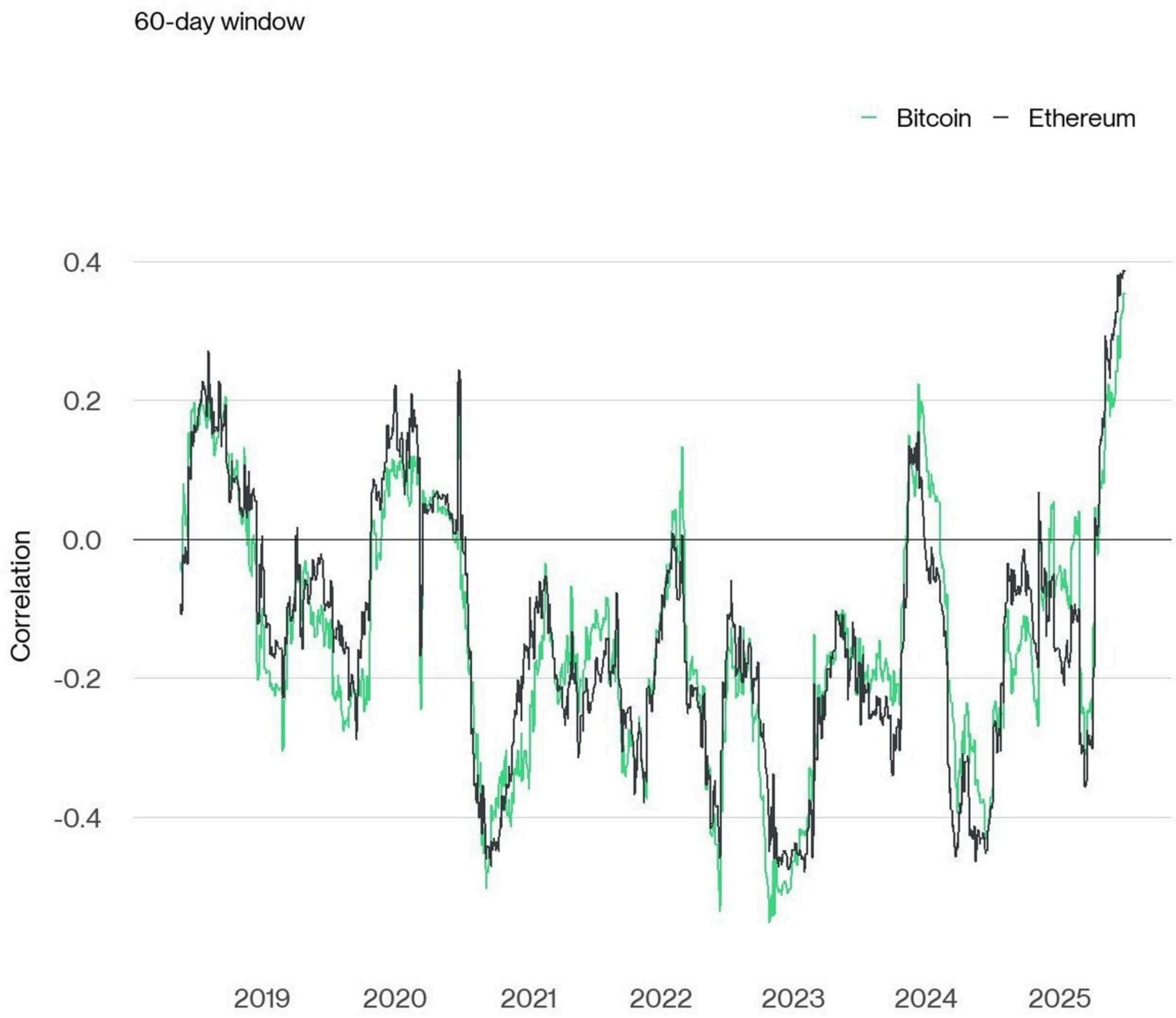


Source: Bloomberg, Bitwise Europe

Rolling correlation: Gold

Source: Bloomberg, Bitwise Europe

Rolling correlation: Dollar Index (DXY)



Source: Bloomberg, Bitwise Europe

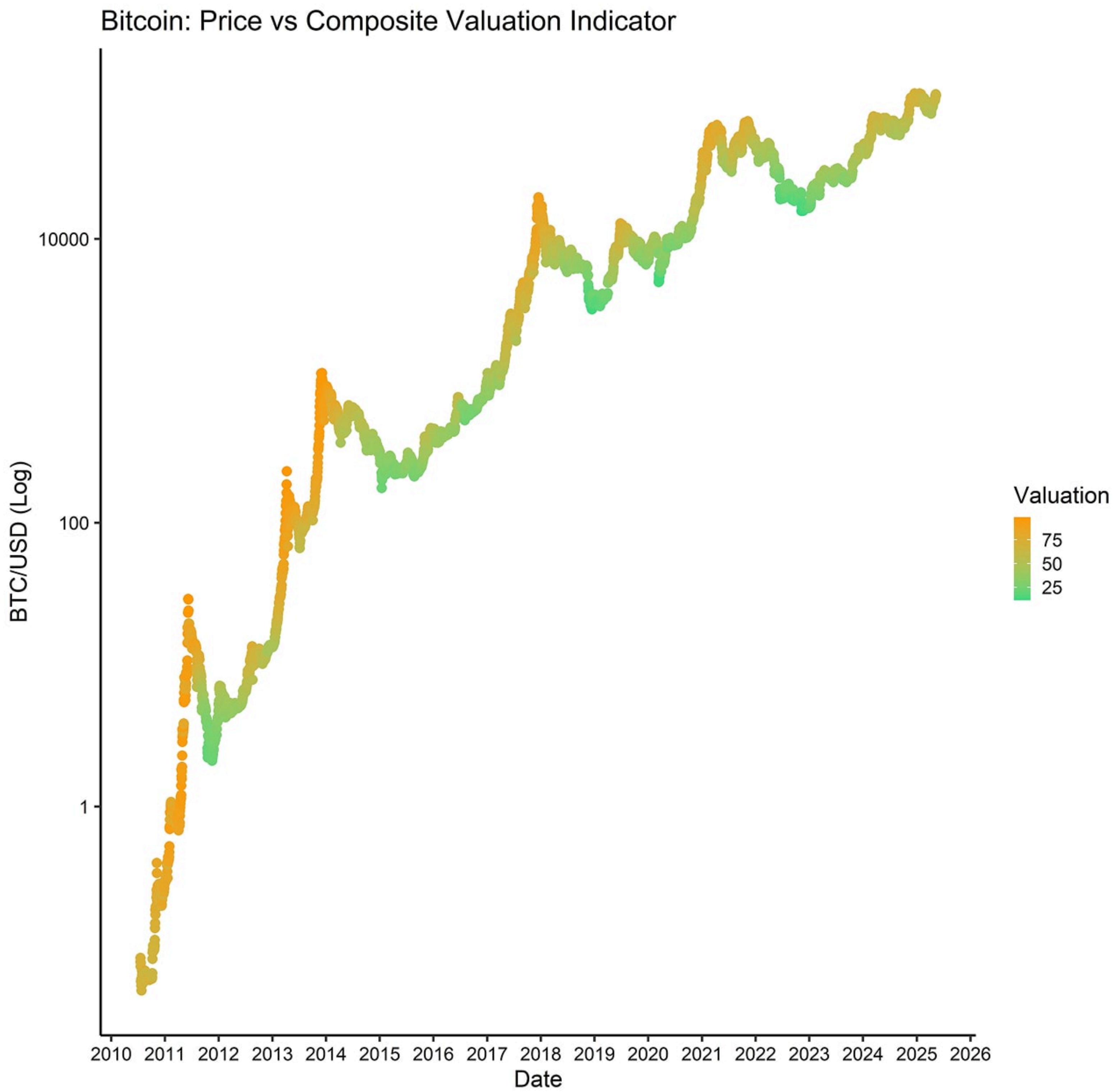
Cross Asset Correlation Matrix

	MSCI World	S&P 500	BBG Global Agg	Bund Future	Gold	BBG Commodity	Dollar Index	MSCI DA20 Capped	Bitcoin	Ethereum	Solana	XRP
MSCI World	1	0.97	0.26	-0.05	0.16	0.42	-0.38	0.32	0.11	0.34	0.22	0.23
S&P 500	0.97	1	0.18	-0.04	0.1	0.37	-0.28	0.28	0.1	0.31	0.21	0.2
BBG Global Agg	0.26	0.18	1	0.54	0.5	0.14	-0.72	0.15	0.08	0.15	0.05	0.08
Bund Future	-0.05	-0.04	0.54	1	0.18	-0.11	0.03	0.06	0.05	0.04	-0.03	-0.02
Gold	0.16	0.1	0.5	0.18	1	0.42	-0.49	0.14	0.08	0.12	0.01	0.05
BBG Commodity	0.42	0.37	0.14	-0.11	0.42	1	-0.33	0.18	0.09	0.19	-0.02	0.17
Dollar Index	-0.38	-0.28	-0.72	0.03	-0.49	-0.33	1	-0.15	-0.07	-0.19	-0.09	-0.13
MSCI DA20 Capped	0.32	0.28	0.15	0.06	0.14	0.18	-0.15	1	0.86	0.89	0.72	0.63
Bitcoin	0.11	0.1	0.08	0.05	0.08	0.09	-0.07	0.86	1	0.8	0.7	0.48
Ethereum	0.34	0.31	0.15	0.04	0.12	0.19	-0.19	0.89	0.8	1	0.51	0.51
Solana	0.22	0.21	0.05	-0.03	0.01	-0.02	-0.09	0.72	0.7	0.51	1	0.42
XRP	0.23	0.2	0.08	-0.02	0.05	0.17	-0.13	0.63	0.48	0.51	0.42	1

Source: Correlations of weekly returns; Source: Bloomberg, ETC Group earliest data start: 2011-01-03; data as of 2025-07-01

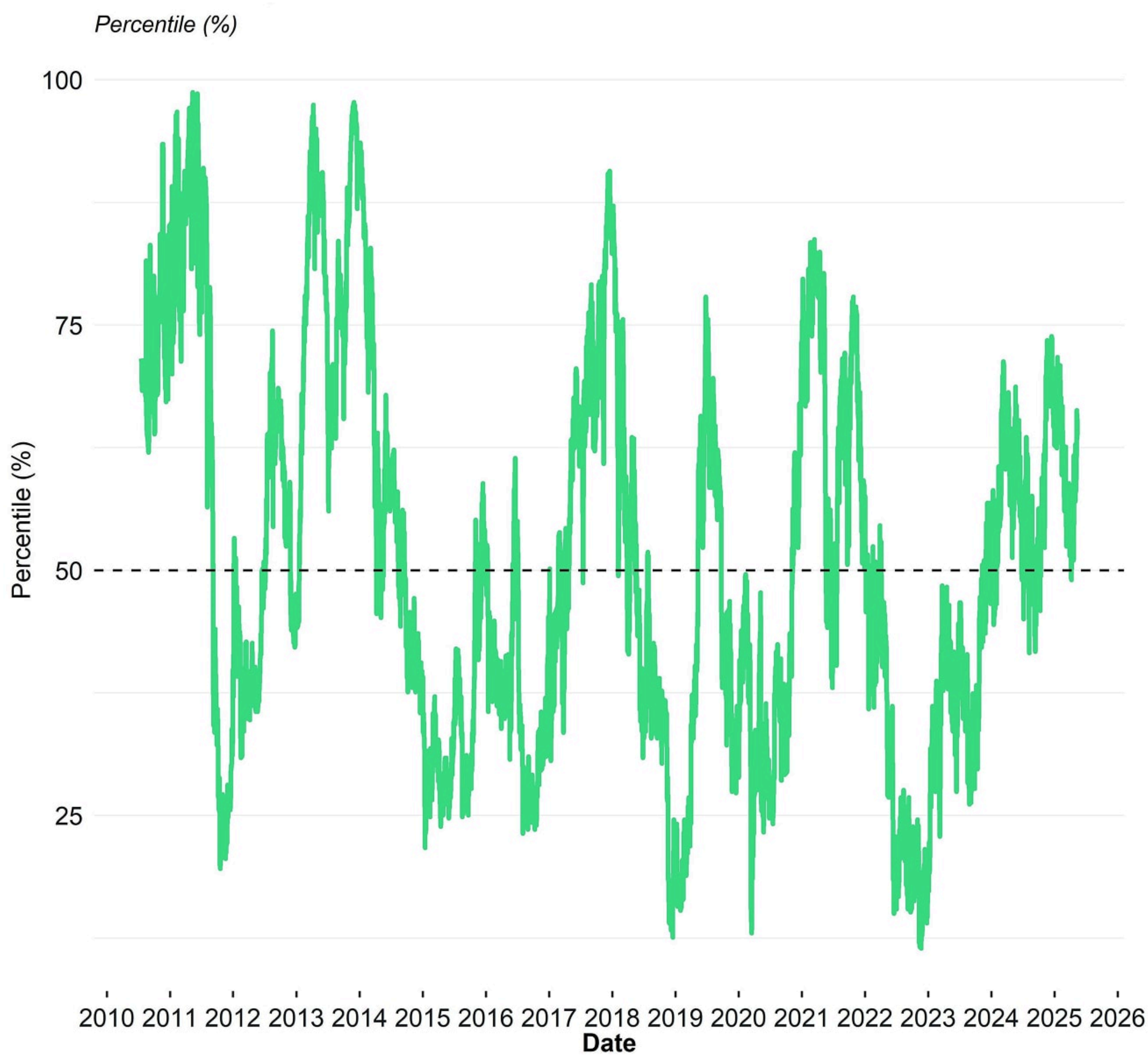
Cryptoasset Valuations

Bitcoin: Price vs Composite Valuation Indicator



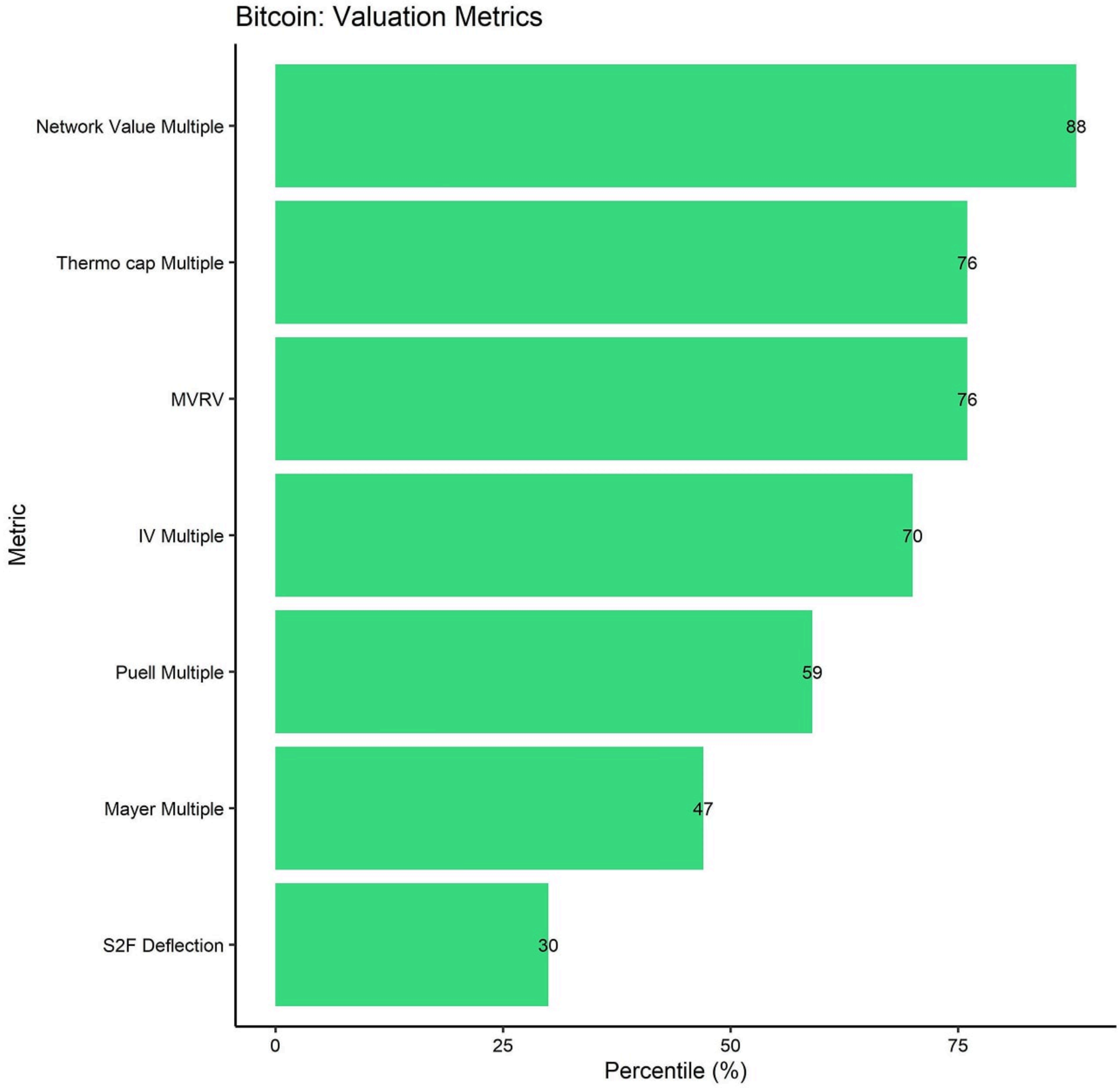
Source: Coinmetrics, Bitwise Europe

Bitcoin: Composite Valuation Indicator



Source: Coinmetrics, Bitwise Europe

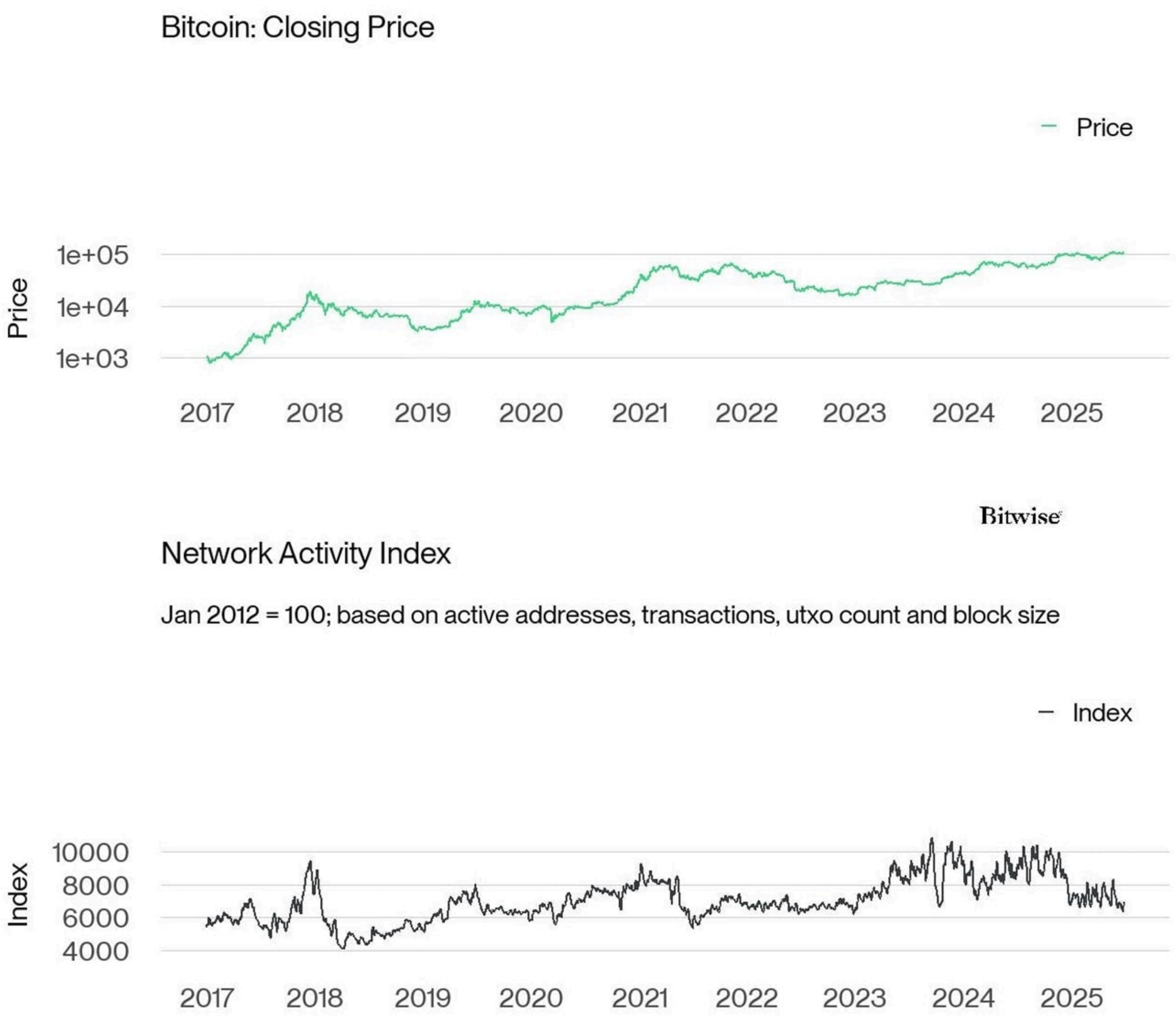
Bitcoin: Valuation Metrics



Source: Coinmetrics, Bitwise Europe

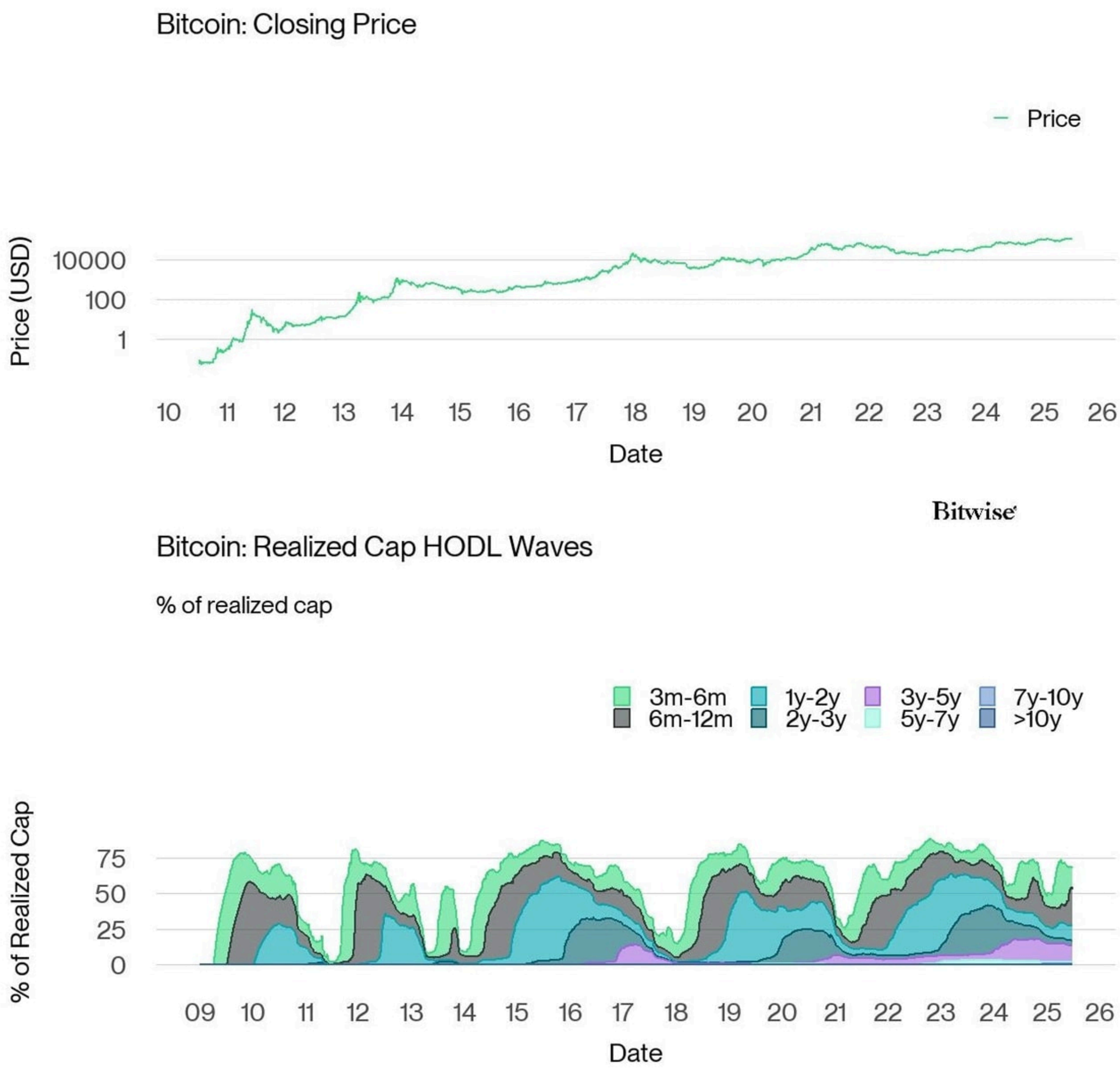
On-Chain Fundamentals

Bitcoin: Price vs Network Activity Index



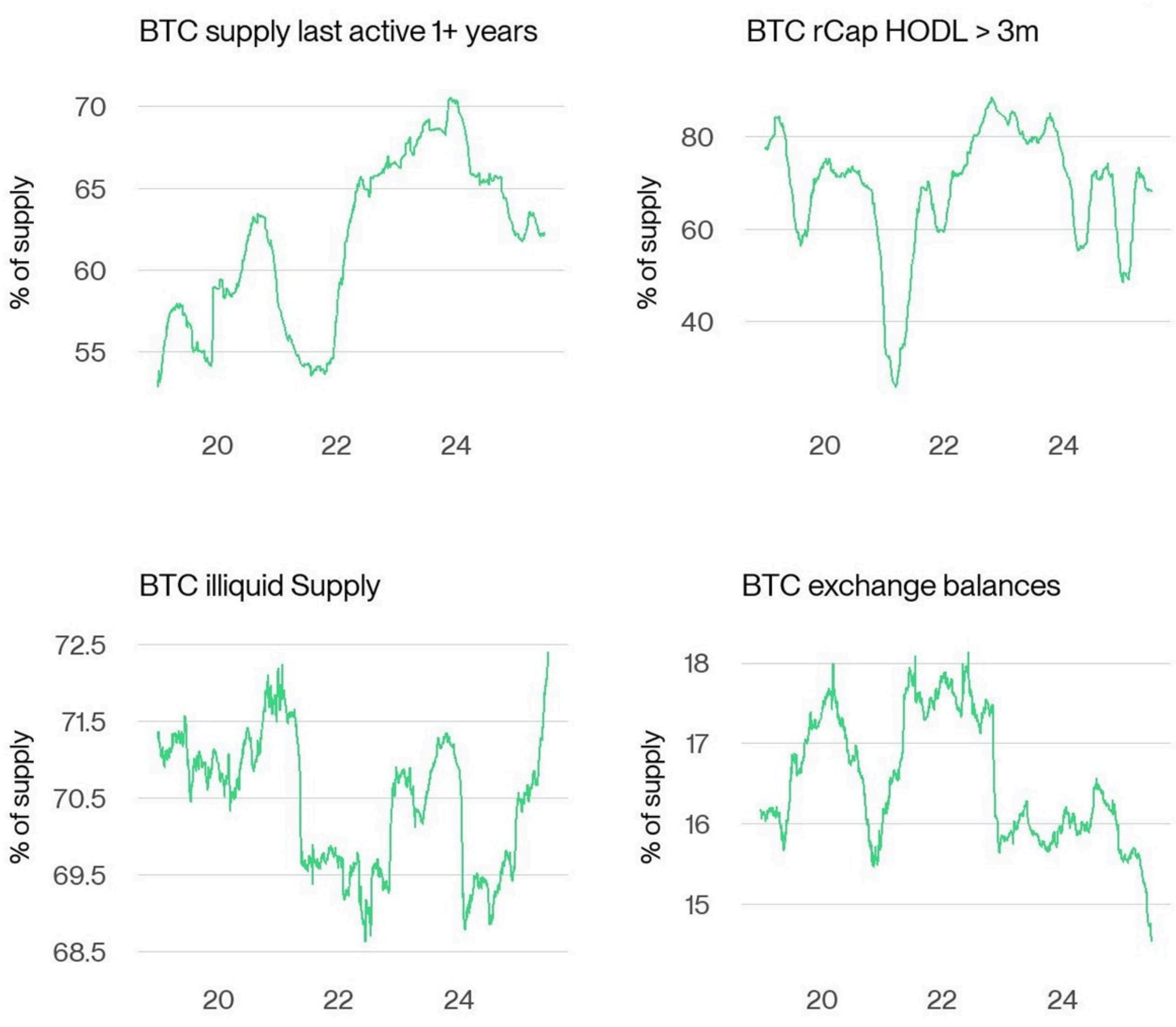
Source: Glassnode, Bitwise Europe

Bitcoin: Closing Price



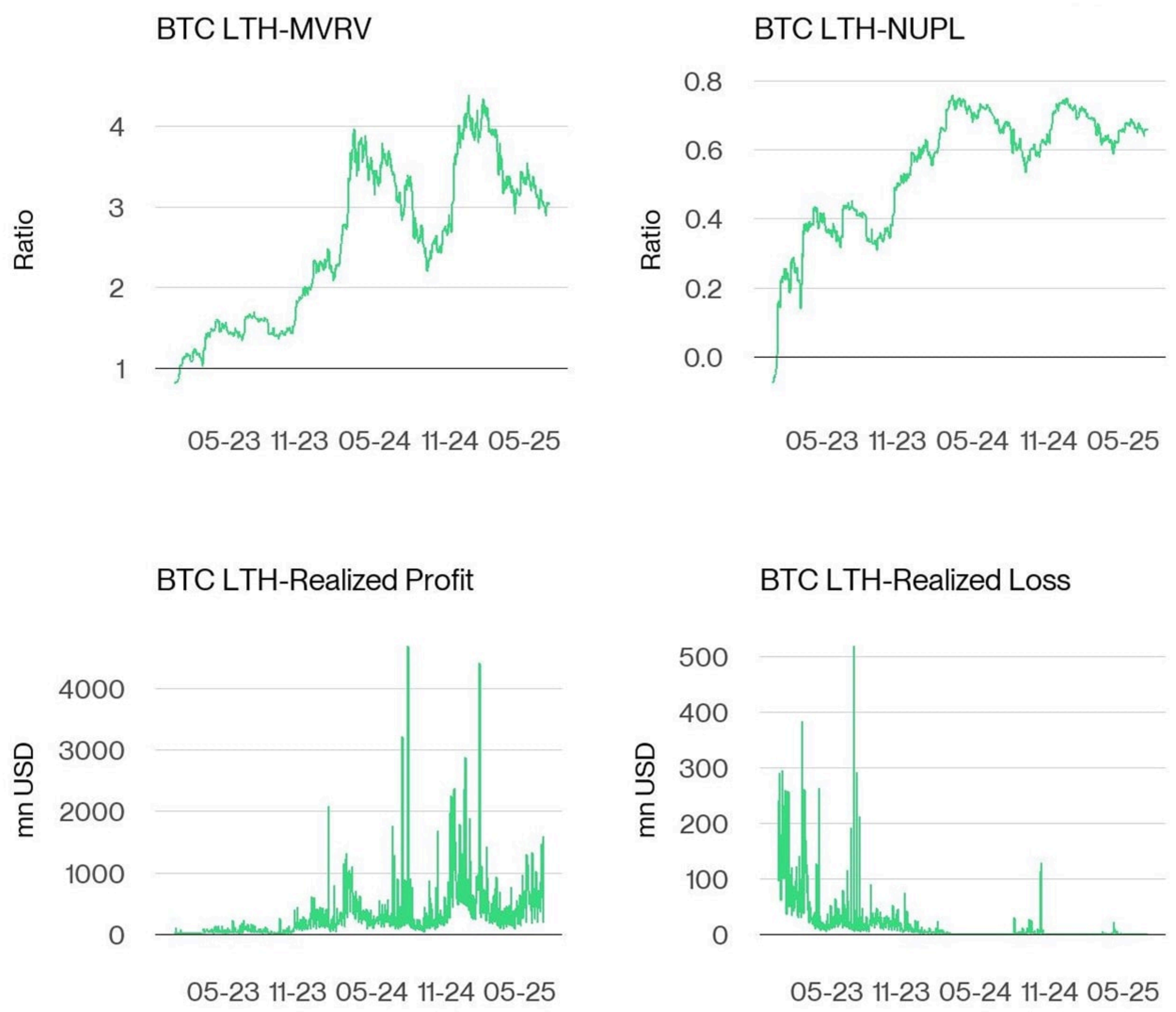
Source: Glassnode

Bitcoin's supply scarcity is more pronounsed that during the last cycle



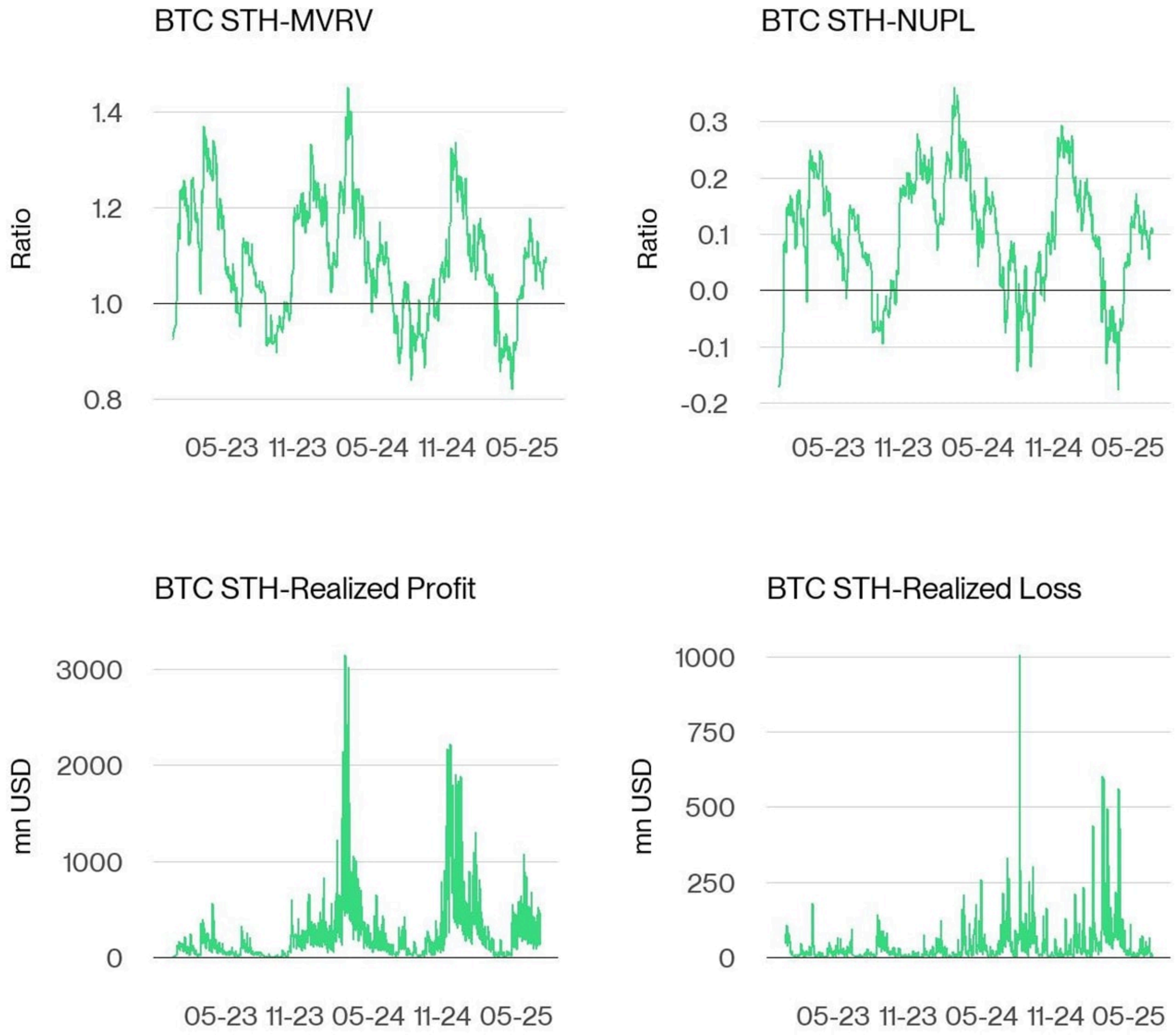
Source: Glassnode, Bitwise Europe

Bitcoin Long-term Holder (LTH) Dashboard



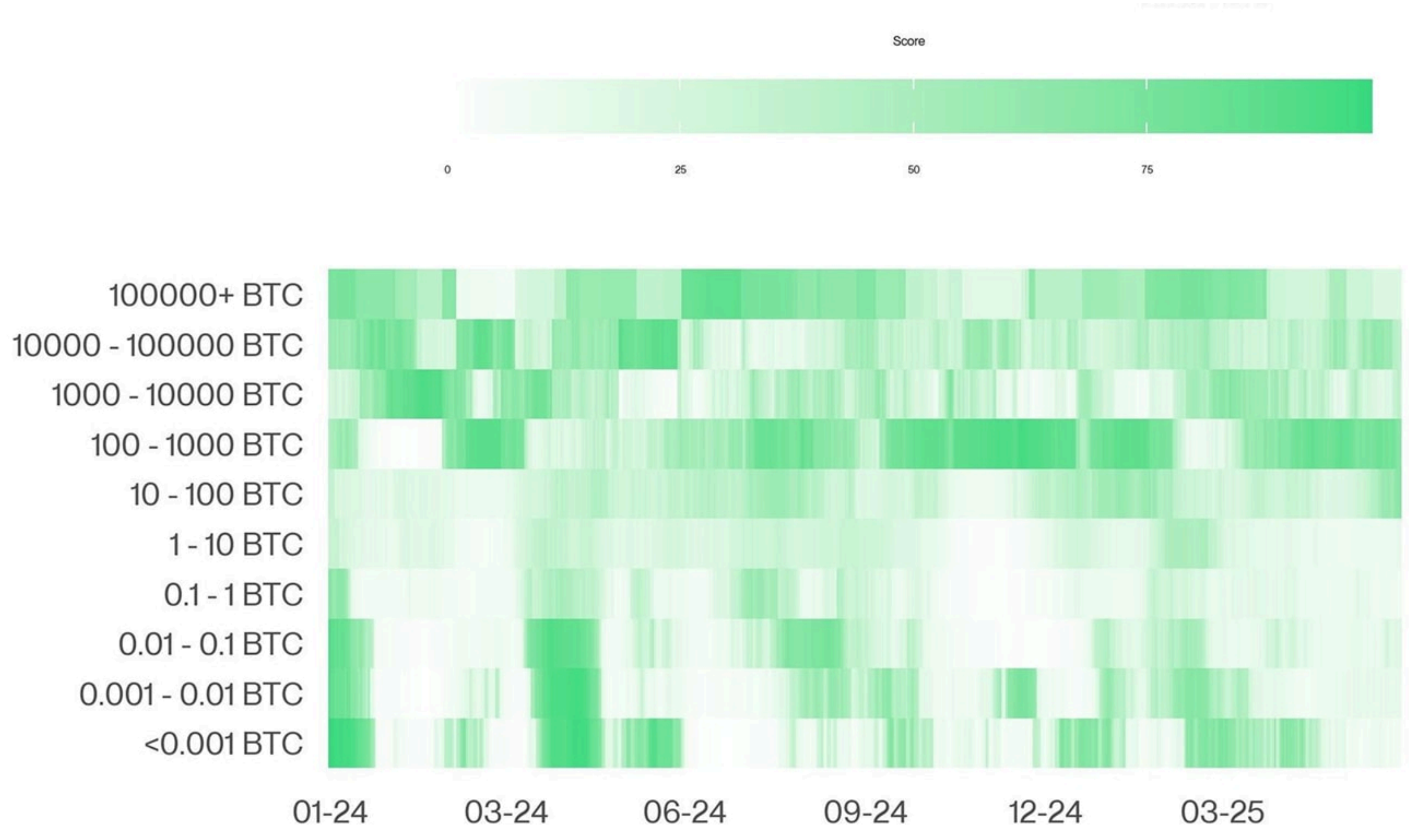
Source: Glassnode, Bitwise Europe

Bitcoin Short-term Holder (STH) Dashboard



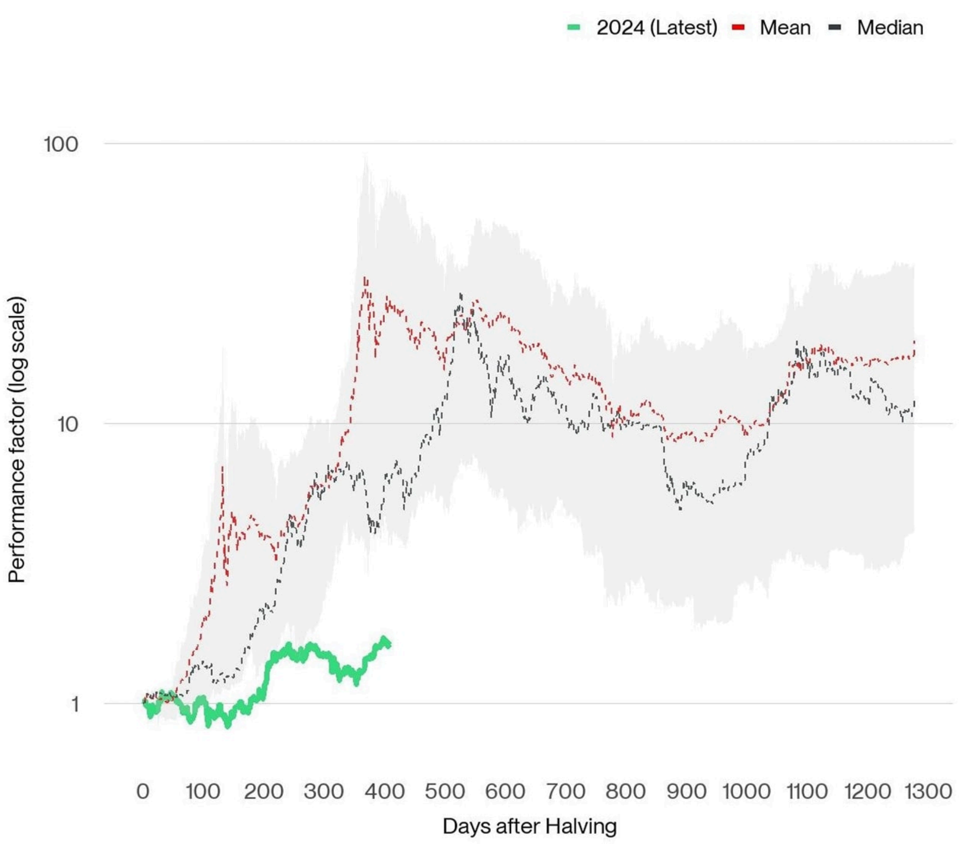
Source: Glassnode, Bitwise Europe

Bitcoin Accumulation Score



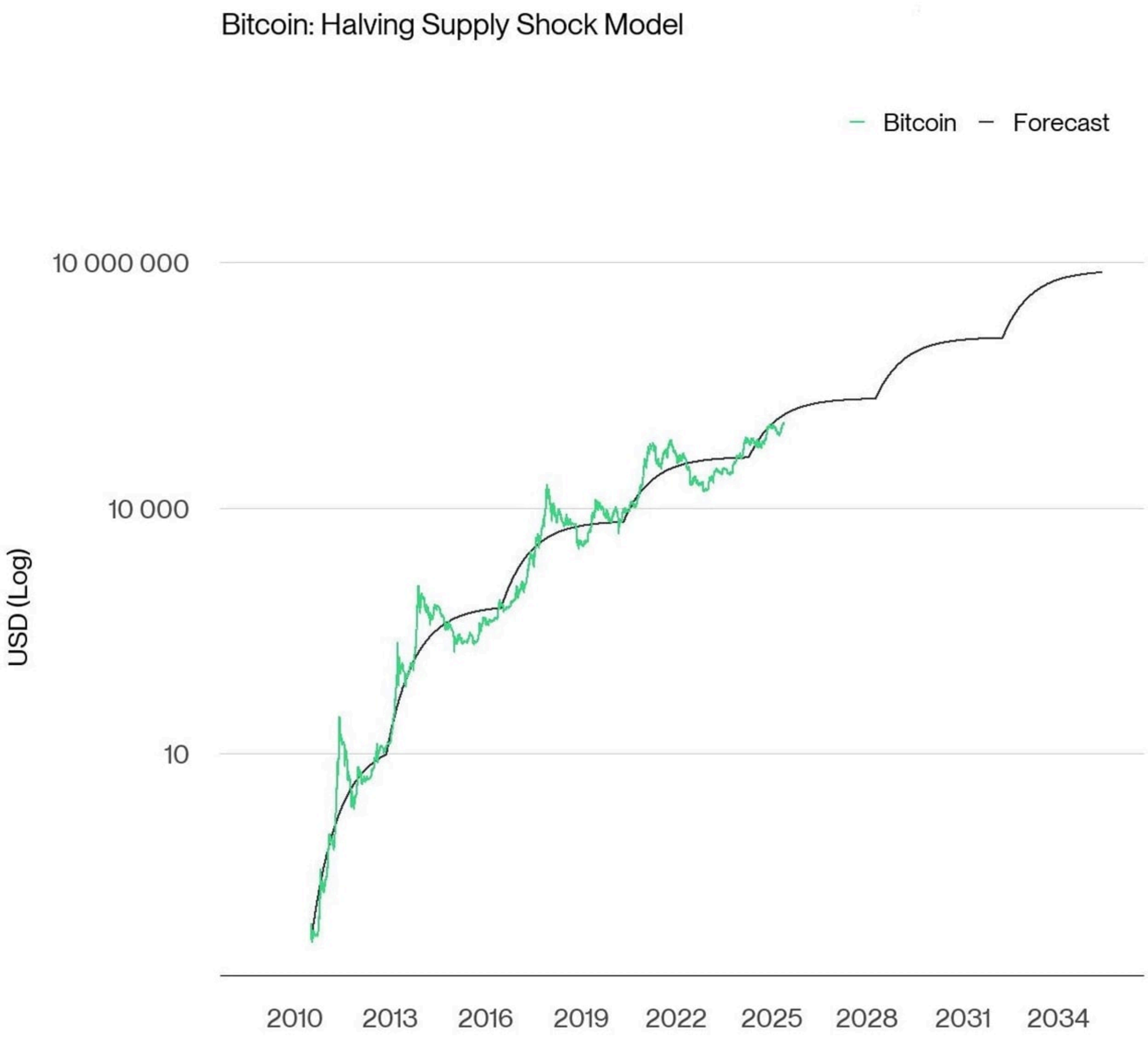
Source: Glassnode, Bitwise Europe

Bitcoin: Post-Halving Performance



Source: Glassnode, Bitwise Europe; Results based on the previous Halvings in 2012, 2016, and 2020

Bitcoin: Steady increase in scarcity will provide a tailwind for price appreciations



Source: Coinmetrics, Bitwise Europe; @ciphernom

Important Information

The information provided in this advertising material is for informative purposes only and does not constitute investment advice, a recommendation or solicitation to conclude a transaction.

This document (which may be in the form of a presentation, press release, social media post, blog post, broadcast communication or similar instrument – we refer to this category of communications generally as a "document" for purposes of this disclaimer) is issued by Bitwise Europe GmbH ("BEU" or "the Issuer"). This document has been prepared in accordance with applicable laws and regulations (including those relating to financial promotions). This document does not constitute investment advice, a recommendation or solicitation of an offer to buy any product or to make any investment. It is provided for illustrative, educational or information purposes only and may be subject to change.

Bitwise Europe GmbH, incorporated under the laws of Germany, is the issuer of Exchange Traded Products ("ETPs") described in this document under a base prospectus and final terms, which may be supplemented from time to time, and which are approved by BaFin. If you are considering investing in products issued by BEU you should check with your broker or bank that such products are available in your jurisdiction and suitable for your investment profile. A decision to invest any amount in an ETPs offered by BEU should take into consideration your specific circumstances after seeking independent investment, tax and legal advice.

You should read the relevant base prospectus and final terms before investing and, in particular, the section entitled 'Risk Factors' for further details of risks associated with an investment. The prospectuses, final terms and other documents relevant to BEU's ETPs are available under the "Resources" section at www.bitwiseinvestments.com/eu. When visiting this website, you will need to self-certify as to your jurisdiction and investor type in order to access these documents, and in so doing you may be subject to other disclaimers and important information.

IF YOU ARE IN THE UK, US, OR CANADA

Information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering in the United States or Canada, or any state, province or territory thereof, where neither the Issuer nor its products are authorised or registered for distribution or sale and where no prospectus of the Issuer has been filed with any securities regulator. Neither this document nor information in it should be taken, transmitted or distributed (directly or indirectly) into the United States.

This document does not constitute an invitation or inducement to engage in investment activity. In the UK, this document is provided for information purposes and directed only at investment professionals (as defined under the Financial Services and Markets Act 200 (Financial Promotion) Order 2005 as amended from time to time). It is not intended for use by, or directed at, retail customers or any person who does not have professional experience in matters relating to investment in cryptocurrencies and crypto-backed ETPs. Neither the Issuer nor its products are authorised or regulated by the UK Financial Conduct Authority.

PUBLICATIONS & SOCIAL MEDIA DISCLOSURE

Social media posts (including, but not limited to, LinkedIn and Twitter) ("Social Media") are not, and should not be considered to be recommendations, solicitations or offers by BEU to buy or sell any securities, futures, options or other financial instruments or other assets or provide any investment advice or service. BEU makes all reasonable efforts to ensure that the information contained in documents and on Social Media is accurate and reliable, however, errors sometimes occur. All documents and any materials available on Social Media are provided "as is" without any express or implied warranties. Bitwise Europe does not guarantee, warrant or represent those documents and any materials on Social Media are accurate, valid, timely or complete. Any comments expressed by members of the online community represent those persons' own views and are not endorsed by Bitwise Europe.

RISKS OF ETPS & CRYPTOCURRENCIES

An investment in an ETP backed by one or more cryptocurrencies, such as those issued by BEU, is dependent on the performance of the underlying cryptocurrency, less costs, but it is not expected to match the performance of the underlying asset precisely. Investing in ETPs also involves numerous risks including general market risks relating to underlying, adverse price movements, currency, liquidity, operational, legal and regulatory risks and investors should be prepared to lose some or all of the amount invested.

ETPs backed by cryptocurrencies are highly volatile assets and performance is unpredictable. Past performance is not a reliable indicator of future performance. The market price of ETPs will vary and they do not offer a fixed income. The value of any ETP may be affected by exchange rates and the price movement of its underlying cryptocurrency(ies). Documents may contain forward looking statements including statements regarding Bitwise Europe's belief or current expectations with regards to the performance of certain asset classes. Forward looking statements are subject to certain risks, uncertainties and assumptions, and there can be no assurance that such statements will be accurate and actual results could differ materially. You must not place undue reliance on forward-looking statements or any information contained in documents.

Cryptocurrencies are highly volatile and are known for their extreme and rapid fluctuations in prices. While there may be potential for significant gains, you are at risk of losing part of or your entire capital invested. The price of cryptocurrencies can fluctuate widely and, for example, may be impacted by global and regional political, economic or financial events, regulatory events or statements by regulators, investment trading, hedging or other activities by a wide range of market participants, forks in underlying protocols, disruptions to the infrastructure or means by which crypto assets are produced, distributed, stored and traded. Characteristics of cryptocurrencies and divergence of applicable regulatory standards create the potential for market abuse. The price of cryptocurrencies may also change due to shifting investor confidence in future outlook of the asset class.

For a detailed overview of risks associated with cryptocurrencies and specifically associated with BEU's products, please refer to the prospectus and final terms available on the Bitwise Europe website www.bitwiseinvestments.com/eu.

Bitwise®

Contacts

europe@bitwiseinvestments.com

www.linkedin.com/company/etcgroup-bitwise

www.bitwiseinvestments.com/eu

Product materials, analysis, and due diligence collateral including SFDR information are available upon request.

Issuer

Bitwise Europe GmbH
Thurn-und-Taxis-Platz 6,
60313 Frankfurt am Main
Germany

Bitwise Europe Head Office

Bitwise Europe Management Ltd.
Beyond (4th Floor)
Kingsbourne House
229-231 High Holborn
London WC1V 7DA
United Kingdom