Weekly Crypto Market Wrap

3 August 2026

ZEROCAP

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🗞️ Week in Review

- US spot Bitcoin ETFs recorded US$61.5M in net outflows for the week to July 31, snapping a streak of inflows; Ethereum ETFs outperformed with US$27.4M added, extending their run to four straight positive weeks.
- A firmware flaw in Coldcard hardware wallets let an attacker drain more than US$70M in Bitcoin from 1,196 wallets in a 41-minute window, without ever touching a device.
- Storj Labs filed for Chapter 11 bankruptcy, extending a heavy month for crypto failures that also included BitMEX's permanent shutdown and Movement Labs' bankruptcy filing.
- The Senate shelved the CLARITY Act ahead of its August recess, prioritising a Russia sanctions bill; Polymarket odds of passage in 2026 fell to 37%.

- Strategy extended its Bitcoin buying pause to a fifth straight week, instead raising US$544.5M through MSTR share sales to bolster its cash reserves.

Technicals & Macro

Markets

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Trading and macroeconomic update, 3 August 2026 (Australia EOD)

Two events defined the week. The Fed held at 3.50-3.75% with three dissents, all for a 25bp hike, and Warsh again stripped forward guidance from a near-unchanged statement. The market answered at the long end: the 30yr spiked to 5.25%, highest since 2007, while the 2yr fell to ~4.24% and the dollar had its worst week of the year. Separately, Situational Awareness collapsed from $45B to ~$10B and sold its entire public book to Citadel, which reframes much of the recent chip and AI weakness as mechanical rather than fundamental.

CRYPTO (MON 11AM JKT)

ASSET	LEVEL	CHG WK
BTC	~US$62,750	-1.6%
Rejected at $65k. Still +7.5% for July. Dominance 56%		
ETH	~US$1,865	+1.1%
XRP $1.06, HYPE $52.06. Total mcap $2.25T		

FX

PAIR	LEVEL	CHG WK
DXY	100.3	-1.5%
Worst week of the year. Breakout failed at 101.59		
EUR/USD	~1.155	+1.2%
GBP/USD	~1.345	+1.1%
USD/JPY	~157.0	-1.3%
AUD/USD	~0.697	+1.3%

RATES AND VOL

US 30yr	5.25%	+26bp
Highest since 2007		
US 10yr	~4.72%	4.73% intraday
US 2yr	~4.24%	-10bp
Sept hike	~58-66%	priced
BTC DVOL	pull live	pre-send

EQUITIES (FRI JUL 31 CLOSE)

INDEX	CLOSE	CHG WK
S&P 500	7,489.72	+1.0%
+0.7% Fri, but still south of the 50-day MA		
Nasdaq	25,373.85	+1.6%
Thu +2.8%, snapping a six-day losing streak		
Dow Jones	52,485.03	+1.0%
+0.7% in July, fourth straight winning month		
Russell 2000	~2,975	+0.8%
ASX 200	~9,060	+0.7%
Nikkei 225	~54,200	+0.7%
Kospi	~7,050	+1.4%
DAX	~24,100	+0.8%
FTSE 100	~10,500	+0.5%

Amazon +15% Friday on an earnings beat and expanding chip business. Apple sank on its own print. Dissenters were Hammack, Kashkari and Logan. Situational Awareness ran reported leverage up to 400% and held $8.46B notional chip puts at Q1, including $2B vs SMH and $1.6B vs NVDA, alongside large compute and memory longs. Cramer: forced selling may signal a bottom for the AI trade.

COMMODITIES

ASSET	LEVEL	CHG WK
Brent	~US$88/bbl	-8%
But +24% in July, best month since March		
WTI	~US$84/bbl	-4%
Up about 20% in July. $8 intraweek range		
Gold	~US$4,180/oz	+0.7%
Copper	~US$12,400/t	+0.8%
Iron ore	~US$104/t	+1.0%

WHAT TO WATCH

RBA Tue
August board meeting lands tomorrow off the Q2 CPI print. AUD just had its best week in months.

US July jobs Fri
First read since Warsh said the labour market is fine. A hot print hardens the September hike.

Jackson Hole Aug 27-29
Warsh speaks. With no forward guidance, this is now the main signalling channel. FOMC Sept 15-16.

AI deleveraging
Watch for sympathy unwinds in other levered AI books, and whether BTC front-end vol stays bid.

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The Fed held and the bond market voted no confidence. Wednesday's FOMC left the funds rate at 3.50 to 3.75 percent, but the meeting was defined by two things: three dissents, all from officials who wanted a 25 basis point hike, and a statement that once again told markets nothing. Cleveland's Hammack, Minneapolis' Kashkari and Dallas' Logan all voted against the hold in favour of tightening. Warsh's second statement was near-identical to June's, containing no forward guidance and no breakdown of how members voted, both fixtures under Powell.

The Dow fell more than 840 points during and after the press conference, closing over 2 percent lower on the day. Warsh's argument is that stripping guidance lets markets price the economy rather than parrot the Fed, and that inflation can be beaten without a recession, or even hikes, via AI-driven productivity gains. The pushback was immediate and pointed: the statement's claim that capex and productivity are strong sits against Q1 productivity growth of 0.3 percent annualised and roughly 1 percent tracking in Q2, and Employ America's Skanda Amarnath publicly called the characterisation a factual inaccuracy. Trump offered a curious defence, saying Warsh is fantastic but constrained by what he called a political board that wants to keep rates up.

The market's answer came at the long end, and it is the single most important development of the week. The 30-year Treasury yield spiked to 5.25 percent by Friday, its highest level since 2007, while the 10-year topped 4.7 percent and touched 4.73 percent, the highest since January 2025. Critically, the 2-year moved the other way, falling to around 4.24 percent. A curve that steepens with the front end falling and the long end surging is not a growth trade or a hike trade, it is a credibility trade: investors are demanding more term premium because they are less confident in both US Government credit and US inflation. The dollar told the same story, dropping roughly 1.5 percent for its worst week of the year even as yields rose, which is the classic tale when a central bank loses the market rather than leads it. Equities looked past all of it, and the reason why turns out to be as much about a hedge fund blowup as about the Fed. With no FOMC forward guidance on offer, the Jackson Hole Economic Symposium on 27 to 29 August is now the primary signalling channel into the 15 to 16 September meeting - where markets currently price a near 60 percent chance of a hike.

Stock Markets

Situational Awareness, the AI-focused fund founded by former OpenAI researcher Leopold Aschenbrenner in 2024, collapsed from a peak of roughly US$45 billion in assets earlier this month to around US$10 billion by Thursday. The fund was forced to sell its entire book of public stock positions to Citadel at a discount after mounting losses on AI infrastructure names including SK Hynix and CoreWeave. It had been working with prime brokers at Bank of America, Goldman Sachs and JPMorgan to meet margin calls or wind positions down in an orderly way. Reported leverage ran as high as 400 percent.

The scale of what was unwound is worth appreciating. The fund had grown from a few hundred million at launch to more than 20 billion by June, up roughly 270 percent in 2026 through May and more than 1,000 percent since inception after fees, with Jane Street among its investors and the Stripe founders as early backers. Its Q1 13F showed US$8.46 billion dollars of notional put exposure against chipmakers, including US$2 billion against the SMH semiconductor ETF and US$1.6 billion against Nvidia, alongside puts on Broadcom, Oracle, AMD, Micron, ASML, Intel and TSMC, while simultaneously running large longs in compute, memory and data centre infrastructure. That is an enormous, highly levered, two-sided book concentrated in exactly the names that have driven index-level volatility since June.

The SOX falling into a bear market, the US$790 billion dollar Magnificent Seven drawdown, the SK Hynix ADR dislocation, the semiconductor weakness that persisted even through Intel's blowout beat. A levered fund liquidating a concentrated book into a thin summer tape produces this pattern. It also explains Thursday's violent reversal, which lines up closely with the completion of the

Citadel transaction. The fund's remaining assets are largely private positions, so the public-market pressure should now be behind us. The caveat is that we do not know how much sympathy deleveraging is still working through other levered AI books, and that is the risk into this week.

Cryptocurrency

Crypto ended a constructive month on a softer note. BTC trades around US$62,750, down roughly 1.6% on the week after being rejected at US$65,000 and falling 3.25% on 1 August. ETH proved relatively resilient, holding around US$1,865 and finishing the week up roughly 1%, while XRP traded near US$1.06 and HYPE around US$52.06. Total crypto market capitalisation sits near US$2.25 trillion, with BTC dominance steady around 56%. The weekly pullback should not overshadow the broader picture: BTC finished July up roughly 7.5-8%, having absorbed a hawkish repricing in rates, weakness across AI-linked equities, renewed strength in oil and a security incident involving hardware wallet manufacturer Coldcard. Against that backdrop, July represented a relatively constructive month for digital assets.

ETF flows continue to paint a mixed picture. US spot Bitcoin ETFs recorded US$61.5 million of net outflows during the week to 31 July, ending a three-week inflow streak. Friday alone accounted for approximately US$265 million of redemptions, led by BlackRock's IBIT (around US$122.7 million), followed by Fidelity's FBTC (US$54.8 million) and Grayscale's GBTC (US$52.6 million). The monthly trend, however, improved materially. July finished with approximately US$172 million of net inflows, marking the first positive month since April and breaking two consecutive months of sizeable redemptions, which collectively removed almost US$7 billion from the products.

Despite the improvement, spot Bitcoin ETFs remain roughly US$5.3 billion in net outflows year-to-date, with assets under management near US$76.3 billion. Ethereum ETFs continued to stabilise, attracting approximately US$27 million during the week and recording their second consecutive positive month, while Solana ETFs saw modest inflows and HYPE ETFs experienced moderate outflows.

The macro backdrop remains challenging. With the 30-year Treasury yield around 5.25% and the 10-year near 4.72%, the opportunity cost of holding non-yielding assets remains the highest of the current cycle. Crypto's weakness into Friday largely reflected that move higher in yields, alongside renewed strength in oil earlier in the week. The counterpoint remains unchanged: the US dollar weakened materially through July as investors questioned the Federal Reserve's inflation credibility. Historically, periods of declining confidence in fiat purchasing power have ultimately been supportive for scarce assets such as Bitcoin, although that thesis has yet to re-emerge convincingly in institutional flow data.

Technically, BTC continues to trade within a well-defined descending channel below its 20-day moving average, with RSI near 44. According to Glassnode, both exchange flows and ETF demand remain subdued, while spot continues to consolidate within the major realised-cost cluster between US$62,000 and US$68,000, helping explain the recent range-bound price action. Initial support sits around US$61,400, followed by the June low near US$59,070, while liquidation clusters around US$62,000 and US$65,000 could amplify any directional move. A break below US$63,050 would likely trigger additional selling pressure, although months of deleveraging have substantially reduced the risk of cascade liquidations. On the upside, reclaiming US$64,567 would challenge channel resistance, followed by US$67,172, with US$69,000 remaining the key level required to signal a more durable trend reversal. ETH continues to display relatively stronger technical structure, holding above its ascending trendline with RSI near 51, supported around US$1,807 and US$1,717, while US$2,029 remains the first major resistance. Into the week ahead, the desk will be focused on three themes: whether July's improvement in ETF demand extends into August, US payrolls as the next major rates catalyst, and the Jackson Hole Economic Symposium, which now represents the next meaningful opportunity for guidance from a Federal Reserve that has become noticeably less communicative.

Emir Ibrahim, Analyst

🖥️ Spot Desk

Digital assets proved comparatively resilient over the week, with the Federal Reserve's decision to leave rates unchanged remaining the dominant macro driver. The FOMC held the policy rate at 3.50–3.75% for a fifth consecutive meeting on a notably divided 9–3 vote, with three officials dissenting in favour of a hike. Long-end Treasury yields moved sharply higher following the decision, and equities weakened in response, but crypto held up relatively well by comparison. Desk flows reflected that resilience unevenly: BTC recorded a modest net selling skew, while ETH activity was heavily one-sided on the ask. Participation across the broader altcoin complex remained subdued, with limited interest in larger-cap alternative assets.

Stablecoin activity was the primary source of USD demand during the week. USDT accounted for the majority of turnover and was heavily skewed toward selling, while USDC recorded a modest net buying bias on lighter volumes. Australian stablecoins AUDD and AUDM were predominantly offered, with clients largely rotating into USD-denominated stablecoins or AUD cash balances.

In Australia, Q2 CPI came in softer than expected, with headline inflation at 3.8% y/y (vs. 4.0% expected) and trimmed mean inflation at 3.6% (vs. 3.7% expected). The composition was less benign than the headline suggested: lower fuel prices drove much of the downside surprise, while services inflation accelerated to 4.0% from 3.7%, and the data pre-dated the recent rebound in oil prices. On the desk, the USDT/AUD book ultimately traded as a broadly balanced two-way market, with flow skews alternating between sessions rather than establishing a persistent directional bias. Elsewhere, NZD attracted two-sided interest while EUR remained offered. Looking ahead, markets will focus on the August RBA meeting for any change in tone following the softer CPI print, alongside US labour market data later in the week. With Middle East tensions still unresolved, oil-driven volatility remains a meaningful risk to both the inflation outlook and broader risk sentiment.

The OTC desk continues to provide tailored cryptocurrency liquidity solutions and competitive pricing across major digital assets, stablecoins, selected altcoins, and key fiat currency pairs. With T+0 settlement capability, the desk continues to facilitate efficient execution and settlement across client flows.

Oliver Davis , OTC Trader

📈 Derivatives Desk

WHOLESALE INVESTORS ONLY

The defining feature across crypto derivatives markets this week was the continued resilience of market structure despite an increasingly uncertain macro backdrop. Rising long end US Treasury yields post the July FOMC (as well as firmer real yields) continued to encourage cash allocations into fixed income relative to BTC outright and derivatives. While this remains, high beta crypto allocations continue to sit on the sidelines.

Volatility markets have remained well behaved throughout the week despite the well communicated end of month expiry's near 10% over spot. Front-end BTC implied volatility has now seen the critical FOMC decision, and the month end expiry event and continues to compress, with 1-week at-the-money implied volatility trading back into the mid-30% range, extending the normalisation observed since the June liquidation event. The decline in implied volatility occurred despite a material increase in macro uncertainty surrounding the Federal Reserve, inflation expectations and geopolitical developments, highlighting that options markets are increasingly pricing range-bound trading rather than another disorderly move. Risk reversals remain skewed slightly negative - although for the time being tail-risk demand has moderated meaningfully.

Carry markets remained below US 10yr Treasury bonds. BTC three-month annualised basis held broadly around the 4-4.5% range across major venues, materially above the lows observed during June but still well below levels typically associated with speculative excess. ETH basis remained comparatively subdued, reinforcing the continued preference for Bitcoin over broader crypto beta. Perpetual funding rates remained modestly positive throughout the week, indicating improving market conditions.

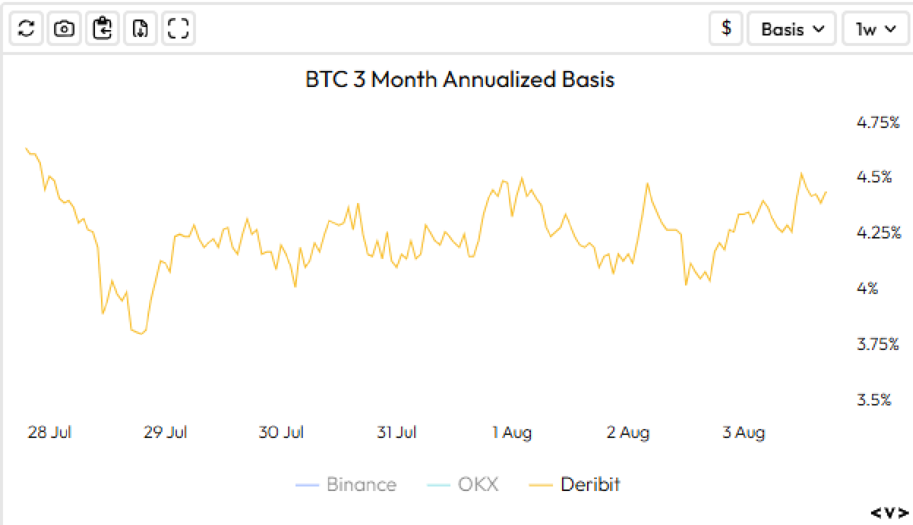
The more notable structural development has been the gradual improvement in positioning without a corresponding acceleration in spot demand. ETF flows have begun to stabilise following the persistent outflows seen through June, while the earlier uncertainty surrounding Strategy's capital structure has become less dominant as an immediate market driver. Nevertheless, institutional participation remains concentrated in Bitcoin.

Higher real US yields continue to raise the opportunity cost of holding non-yielding assets, limiting the willingness of investors to materially increase crypto allocations despite healthier derivatives conditions. It is becoming increasingly more obvious that this relationship has become one of the primary macro drivers of digital asset performance over recent months.

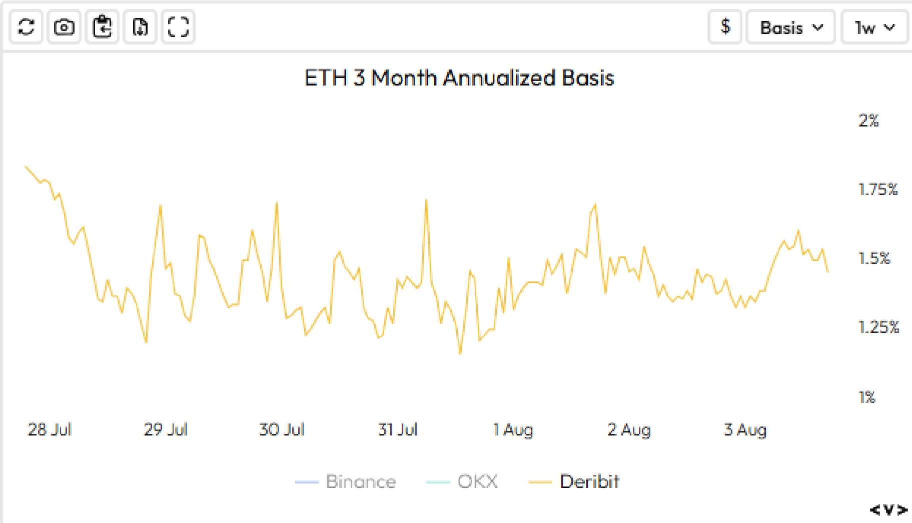
From a technical perspective, BTC continues to consolidate above the June lows while struggling to establish sustained momentum through overhead resistance. Support remains established in the upper US$50,000 region, with the psychologically important US$70,000 level continuing to define the near-term trading range. A sustained break above the low-US$70,000s would likely require a meaningful improvement in institutional spot demand or a moderation in US real yields, while a renewed move higher in Treasury yields would risk another test of the June support zone.

Overall, derivatives markets continue to present a considerably healthier picture than headline price action suggests. Implied volatility has normalised, funding remains balanced, basis continues to offer positive carry and leverage conditions remain well contained.

Rather than signalling stress, derivatives markets increasingly point toward a base within the complex.



Source: Velodata



Source: Velodata

👀 What to Watch

Tue: US ISM Manufacturing PMI

Wed: NZ Unemployment Rate, US JOLTS Job Openings, US ADP Employment Change

Thu: AU Balance of Trade, US ISM Services PMI, US Initial Jobless Claims

Friday: US Non-Farm Payrolls

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