

Investments - Flash

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CRYPTOCURRENCY CRASH?

Dollar rebound triggers profit-taking

Since the market bottomed out in April, the Bitcoin Index has risen 63% while the dollar index has stabilized after a 12% correction at the beginning of the year. The inverse correlation often observed could once again put pressure on cryptocurrencies as the dollar finally appears to be recovering. The Fed's monetary policy could well prove to be more restrictive than investors anticipate and favor a revaluation of the dollar. On the technical side, many indicators suggest extreme levels that justify a need for markets to pause or take a breather, which could quickly turn into a correction. After such a rise in Bitcoin, the temptation to take profits a few weeks before the end of the year seems natural, especially among small investors. However, we are already seeing clear profit-taking movements among the largest investors. Downward pressure has only been evident for a few weeks and, in our

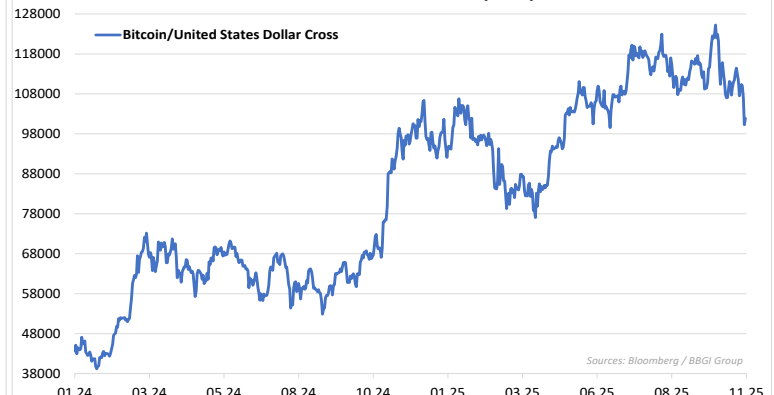
view, is likely to continue and intensify. While the Ethereum Index has already broken through theoretical support levels (\$4,000), the Bitcoin Index is following a similar trend and has today broken through its support level of \$133,000. It also appears that transfer volumes to exchange platforms are on the rise, suggesting that sales are imminent. We believe that this trend, occurring in a highly speculative market with leverage effects, could trigger a liquidation of positions and forced sales that are likely to amplify the current decline. Renewed interest in the dollar, supported by the Fed's policy, and Treasury CDs once again close to their lows for the year will undoubtedly amplify the correction that has just begun on cryptocurrencies. A correction of 30% for Ethereum and -25% for Bitcoin seems likely and largely unexpected.



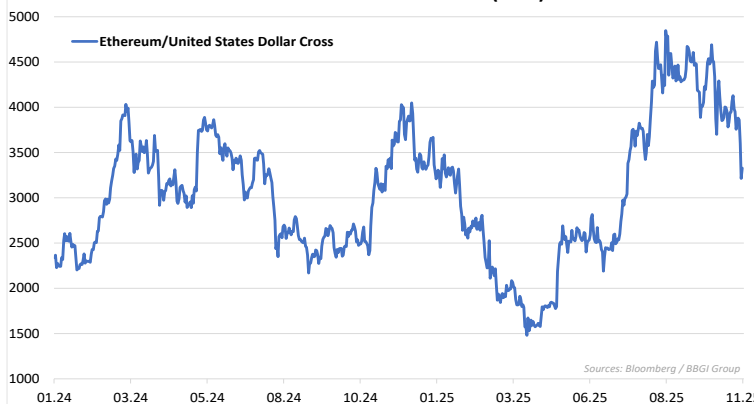
Evolution of the Dollar index (2021-2025)



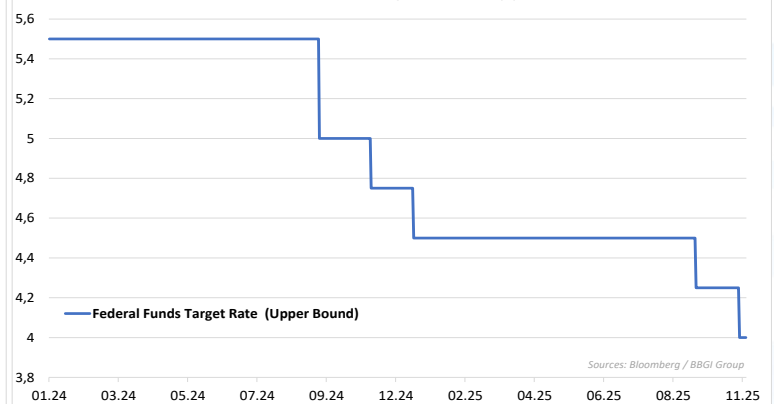
Bitcoin Price Evolution (USD)



Euthereum Price Evolution (USD)



Federal Funds Target Rate (Upper Bond)



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