



CryptX Deep Dives — 12/21/25

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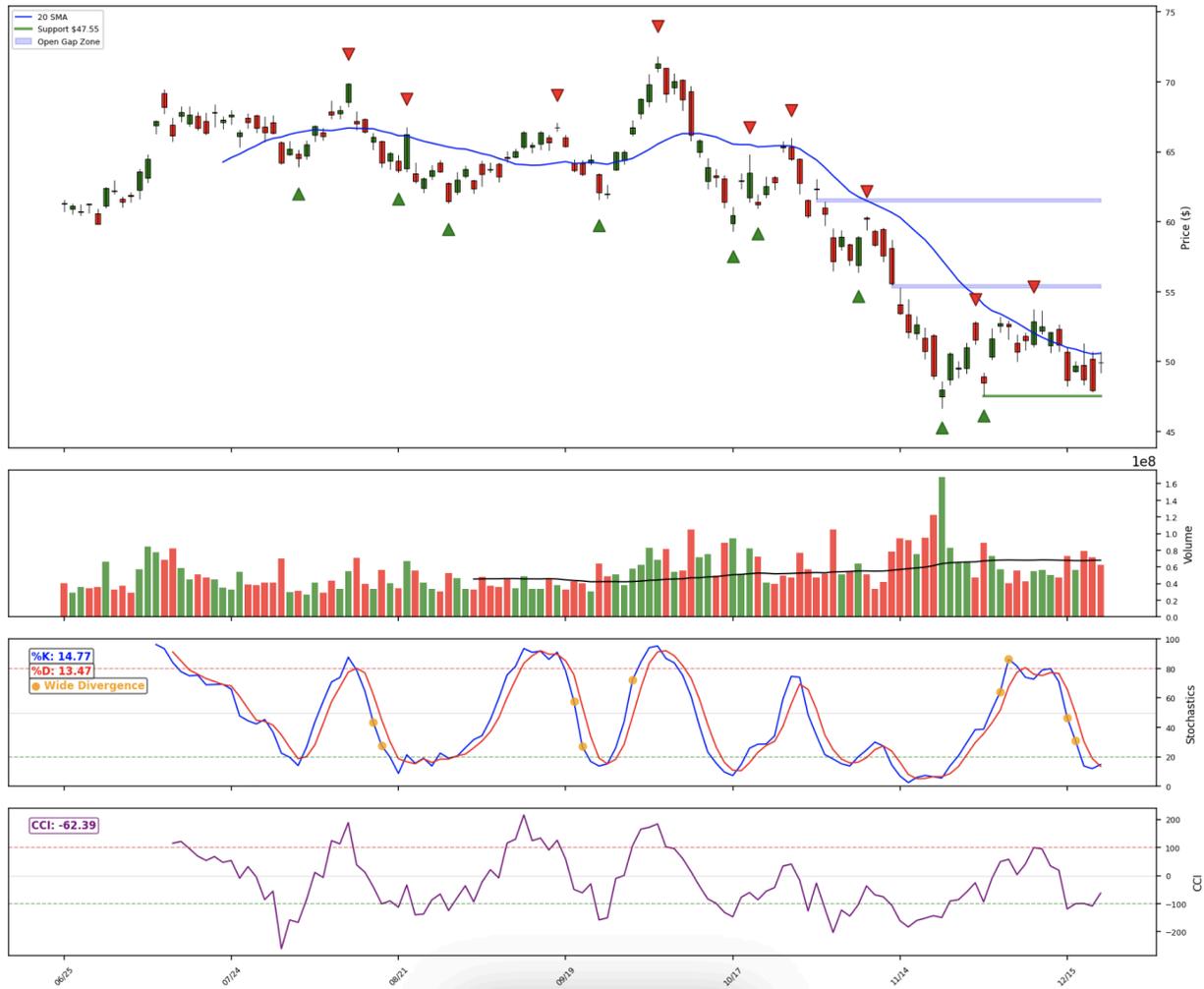
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Brief:

- ❖ BTC continues its neutral consolidation and is 6/7 bullish on the 7pt trading algo.
 - ❖ The average annual return of the S&P 500 in the 12 months before a midterm election is 0.3%—significantly lower than the historical average of 8.1% (2026).
 - ❖ The S&P 500 has historically outperformed the market in the 12-month period after a midterm election, with an average return of 16.3% (2027).
 - ❖ The Santa Claus Rally is a seasonal stock market trend where prices often rise during the last 5 trading days of December and the first 2 of January, with the S&P 500 historically gaining ~1.3% about 79% of the time since 1950.
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Bitcoin's \$IBIT Technical Highlights: 7pt Trading Algo



BTC 1D

Bitcoin is currently hitting 6/7 bullish checkpoints on the 7pt trading algo.

- ❖ Pattern Recognition: Doji Candle
- ❖ Bearish Volume Dropping
- ❖ No significant deviation from the 20d SMA
- ❖ Unfilled gap above price
- ❖ CCI pivoting higher
- ❖ Stochastics oversold with pivot
- ❖ Support at 82k

Bitcoin Weekly Chart



BTC 1W

Bitcoin is currently hitting 6/7 bullish checkpoints on the 7pt trading algo weekly chart.

- ❖ Pattern Recognition: Doji Candle
- ❖ Bearish Volume Dropping
- ❖ Significant deviation from the 20d SMA
- ❖ CCI pivoting higher
- ❖ Stochastics oversold with pivot
- ❖ Support at 82k

Sentiment and technicals align well for Bitcoin to reach the 200d moving average at roughly 105k. But price has yet to close above critical levels like 90k and the 20d SMA. Our longer term targets remain at the 200w SMA (65k) in 2026.

Midterm Election Years & Post Midterm Election Years

Stock market performance during midterm election years can be separated into two categories: pre-midterm election and post-midterm election.

Pre-midterm election stock market performance. The S&P 500 Index has historically underperformed in the year leading up to midterm elections. The average annual return of the S&P 500 in the 12 months before a midterm election is 0.3%—significantly lower than the historical average of 8.1%.

Post-midterm election stock market performance. The post-midterm election period is a very different story. The S&P 500 has historically outperformed the market in the 12-month period after a midterm election, with an average return of 16.3%. This is especially true for the one- and three-month periods following midterm elections, which historically have significantly outperformed years with no midterm election.

From this data, consensus, and positioning, I will wait till q4 2026 to make significant investments in BTC, QQQ, and other high growth assets we find.

Midterm election year stock market performance since 1962

Year of midterm	President	Party	President's party: House seats	President's party: Senate seats	Before-midterm S&P 500 price performance Nov. 1–Oct. 31 (12 months)**	S&P 500 price performance Nov. 1–Jan. 31 (3 months)	S&P 500 price performance Nov. 1–Apr. 30 (6 months)	S&P 500 price performance Nov 1.–Oct. 31 (12 months)
1962	John F. Kennedy	D	-4	+3	-17.6%	17.1%	23.5%	30.9%
1966	Lyndon Johnson	D	-47	-4	-13.2%	8.0%	17.2%	17.1%
1970	Richard Nixon	R	-12	+2	-14.4%	15.1%	24.8%	13.0%
1974	Gerald Ford (Nixon)	R	-48	-5	-31.8%	4.2%	18.1%	20.5%
1978	Jimmy Carter	D	-15	-3	0.9%	7.3%	9.2%	9.3%
1982	Ronald Reagan	R	-26	+1	9.7%	8.7%	23.0%	22.3%
1986	Ronald Reagan	R	-5	-8	28.5%	12.3%	18.2%	3.2%
1990	George Bush	R	-8	-1	-10.7%	13.1%	23.5%	29.1%
1994	Bill Clinton	D	-52	-8	1.0%	-0.4%	9.0%	23.1%
1998	Bill Clinton	D	5	0	20.1%	16.5%	21.5%	24.1%
2002	George W. Bush	R	8	+2	-16.4%	-3.4%	3.5%	18.6%
2006	George W. Bush	R	-30	-6	14.2%	4.4%	7.6%	12.4%
2010	Barack Obama	D	-63	-6	14.2%	8.7%	15.2%	5.9%
2014	Barack Obama	D	-13	-9	14.9%	-1.1%	3.3%	3.0%
2018	Donald Trump	R	-40	+2	5.3%	-0.3%	8.6%	12.0%
2022	Joe Biden	D	-9	+1	-22.1%			
Average seat change:			-22	-2				
Midterm average:					-1.1%	7.3%	15.1%	16.3%
Non-midterm average*:					11.2%	2.9%	4.2%	6.4%

Flip to Republican control
 Flip to Democrat control

Data source: Bloomberg data, Oct. 31, 1961 to Oct. 3, 2022.

* The average monthly price return of the S&P 500 in three-month, six-month and 12-month increments, starting in the month of November of every year since 1963 where there wasn't a midterm election held in that November.

** The average 12-month price return of the S&P 500 in the 12 months preceding a midterm election, where the last date of the price close as of Oct. 31 is several days before the November midterm election. 2022 as of October 3.

DXY, Positioning, & News Failure

The Dollar had an interesting week given the low CPI print and the ECB raising inflation targets for the Euro. Notably, the dollar should have gone down on both of these news releases, but it remained resilient and continued its bullish reversal. Additionally, positioning reports are coming in from the CFTC and large speculators are significantly long the Euro. If the Dollar remains resilient and continues its melt up, large speculators will be forced to cover their Euro longs and Dollar shorts. When positioning in the futures markets is asymmetric, it can lead to potentially 3-1 or even 5-1 return on risk trades. I think we are starting to see the potential of one developing here for a DXY long or Euro short.

Conclusion: Preparing for the Santa Claus Rally

The Santa Claus Rally is a seasonal stock market trend where prices often rise during the last 5 trading days of December and the first 2 of January, with the S&P 500 historically gaining ~1.3% about 79% of the time since 1950.

Given the current technical setup in BTC, this would be an ideal time for a rally back to the 200d moving average before a questionable 2026.

Current Positions:

- ❖ Long BTC from 92.8k. Stop at 81,000 (75bps risk).
- ❖ Short ZEC from 400. Stop at 483 (100bps risk).

Weekly Report Trade Blotter. Since CryptX Launch:

Ticker	Long/Short	Entry Date	Exit Date	Stop Loss	Entry Price	Exit Price	Loss/Win	Account Risk	Trade % Return	Direction	Trade Return	Overall
FXY	Long	11/25/25	12/2/25	58.21	58.93	58.99	Win	1.00%	0.11%	Bullish	0.11%	0.11%
ZEC	2x Short	11/25/25	12/1/25	770.00	485.00	337.73	Win	1.00%	60.72%	Bearish	0.6072%	0.71%
BTC	8x Long	12/10/25		81,192	92,862.90			0.75%		Bullish		
ZEC	10x Short	12/14/25		483.00	400			1.00%		Bearish		
