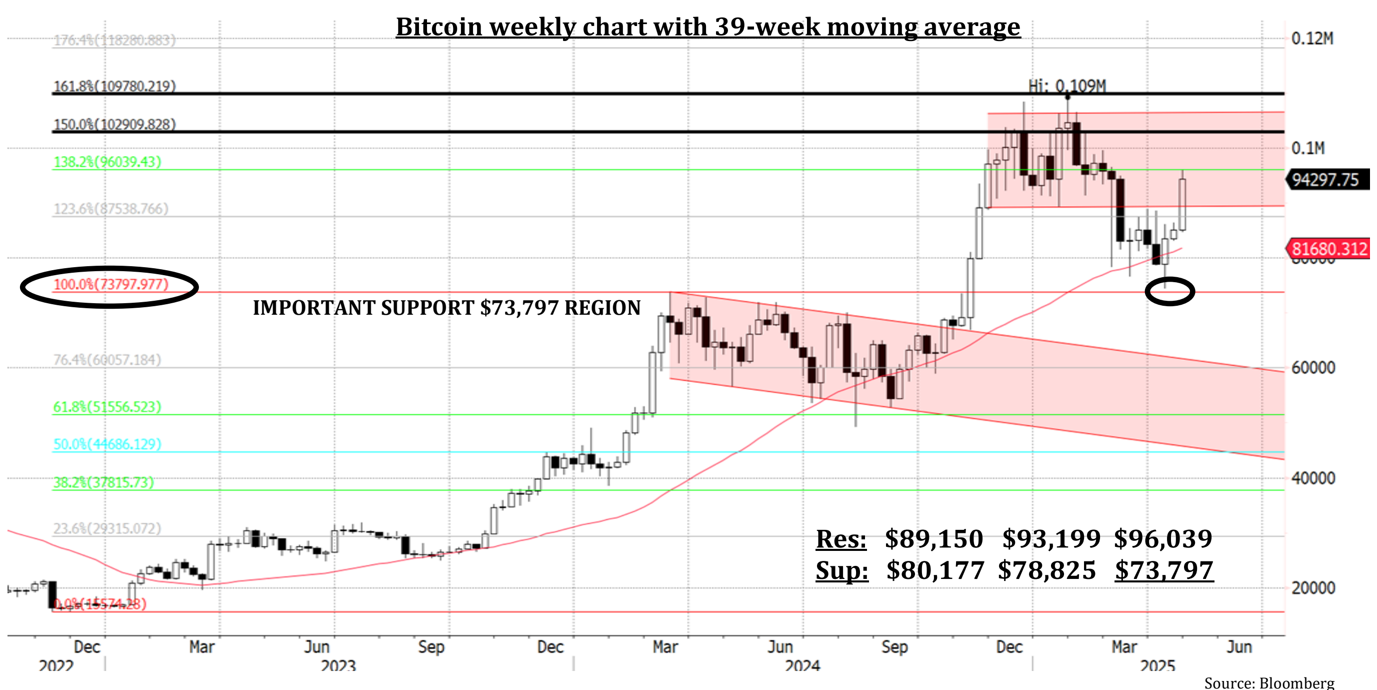
In this edition of Laser Focus:

- Bitcoin outpaced stocks in its biggest weekly gain since the US election.
- Ethereum ETFs recorded their first positive week of net inflows since February.
- Can Solana (SOL) make a comeback?
- **MACRO FOCUS** – We don't subscribe to the mantra on stocks to "sell in May and go away". We expect the S&P 500 tech sector to rebound in May. The US dollar is likely to get a short-term breather from recent weakness, but we see positioning overall cutting US dollar longs. The U.S. bond market witnessed wild moves in April: the 5s30s curve narrowed for the first time since February, but 5.0% for 30s is not the key level to watch.

Bitcoin outpaced stocks in its biggest weekly gain since the US election

The average gain in April since 2013 for Bitcoin is +12.98%, and as we mentioned in our last report, seasonally, April has been a positive month for the cryptocurrency. Up until April 25th gains for the month were at +15.68%, beating the monthly average as per our call to $84,000+, which has now been surpassed, reaching $95,000 on Friday. Bitcoin has had its biggest weekly increase since Donald Trump's US presidential election victory, jumping ~12% since last week alone.

Bitcoin's correlation with the Nasdaq 100 index remains high, despite not being subject to tariffs, and has traded like other risky assets in recent years. Bitcoin was created to be independent of the mainstream financial system but has maintained a high positive correlation with the Nasdaq 100 since the Covid-19 pandemic.



We suggested dips near $73,797 would be a fresh long play for April, which worked out very well, with $95,000 being printed last week. Holding above $96,039 is the 138.2% Fibonacci projection resistance level and would encourage gains to build towards $102,900, another Fib level (150%).

Our target for this year is new highs somewhere near $118,280, around +25.75% from current levels.

It is worth highlighting that last Thursday, the Federal Reserve revoked its guidance for banks that required them to inform the regulator before engaging in any cryptocurrency-related activity. The Fed will monitor banks' cryptocurrency activities through the regular supervisory process. The Fed also pulled back its 2023 supervisory letter related to the bank's engagement with dollar-backed stablecoins.

Fed Chair Jerome Powell acknowledged the increasing mainstream acceptance of cryptocurrencies and emphasized the need for a clear regulatory framework, especially around stablecoins.

Ethereum ETFs recorded their first positive week of net inflows since February

Ethereum ETFs recorded weekly net inflows of $157.1 million last week, their first positive week since February. The institutional buying may be attributed to President Trump's perceived softening talk on China tariffs, alongside Paul Atkins assuming the role of SEC Chair last week.

The weekly inflow was dominated by Fidelity's FETH, BlackRock's ETHA and Grayscale's ETH. Ethereum ETFs recorded net inflows of $104.1 million on Friday — their highest daily inflow since February 4, according to SoSoValue data.

Ethereum in USD daily chart with 20 v 60-day moving averages

Spot Ethereum in USD terms stalled on the downside in early April at 138.2% Fibonacci projection support around $1,382. Forming a bullish outside day key reversal signal, namely a lower low, higher high, higher settle than the session before. Technically it's an important signal for a trend change or a counter move, backed up by the fact that it occurred at the Fibonacci support projection level.

The more immediate test is now to overcome the 60-day moving average that has held since early January, now marked around $1,880. A sustained move holding above this resistance would encourage a move to test key resistance at $2,135 the 100% Fibonacci level and seen as a polarity level between being bearish and turning more constructive medium-term, representing about +18.5% gains from current levels.

Remember, Ethereum is still the second-largest cryptocurrency by market cap. Because Ethereum was the first blockchain with smart contract functionality, it became the default launching pad for blockchain projects. Five years ago, if you wanted to create your own crypto token or mint a non-fungible token (NFT), you were probably going to use Ethereum. It was also home to practically all the major decentralised finance (DeFi) applications. At the end of 2020, Ethereum was

responsible for 96% of the total value locked (TVL) into DeFi protocols, according to data from DeFiLlama.

As popular as it is, Ethereum's blockchain performance has never been that exciting. It only processes about 15 to 20 transactions per second (tps). Average gas fees (transaction fees) are currently $0.39, but they fluctuate with network congestion, so they can be much more expensive. Last year, for example, gas fees occasionally surpassed $10.

Performance issues and high costs have given other blockchains the opportunity to take some of Ethereum's market share, with Solana (SOL -2.40%) being the most notable example. Where Ethereum processes 15 to 20 tps, Solana regularly processes over 4,000, and with an average transaction fee of just $0.00025.

So, while Ethereum used to be responsible for 96% of the TVL in DeFi protocols, that's now down to 53%. And while Ethereum was the most popular blockchain network for new developers from 2016 through 2023, that honour went to Solana in 2024.

Can Solana (SOL) make a comeback?

Solana (SOL), the native token of the Solana blockchain, has lost ~50% from its high in January this year. That's about double the drop in the gauge of the top 100 cryptocurrencies.

Solana Return vs S&P 500 (up to April 21st 2025)

	1 year	5 year	5 year annualised	Since IPO
SOL	+4.09%	+23,486.32%	+198.22%	+15,660%
S&P	+9.44%	+94.77%	+14.25%	+100%

Chains like Solana in particular are arguably at risk to emerging quantum computing (it has a long way to grow but we see it becoming more relevant over the next couple of years). Solana's holders might face a challenge if quantum computing technology evolves faster than anticipated. Solana's vulnerability to quantum computing threats is not a reason to shun the coin but something to consider in the bigger picture.

If the chain fails to integrate far more robust protections against quantum attack vectors over the next couple of years, it could only be a few more years after that before its vulnerabilities are exploited. Be on the watch for a new strategy for quantum resistance for Solana in the medium-term.

Source: Bloomberg

The rebound since April 7th lows occurred around the 161.8% Fibonacci projection of the January decline as the impulse measure. The recent price activity has managed to rebound above the 60-day simple day moving average but has a lot of work to do to improve the prospects of a lasting rebound. Namely the $176.18 region marks the 100% Fibonacci region

but importantly has proved itself to be a reliable pivotal level in the sense that it worked as a support in late January. Once broken it reversed its role to become resistance (polarity old resistance becomes support). Still, even getting up there for a test would represent +18.15%.

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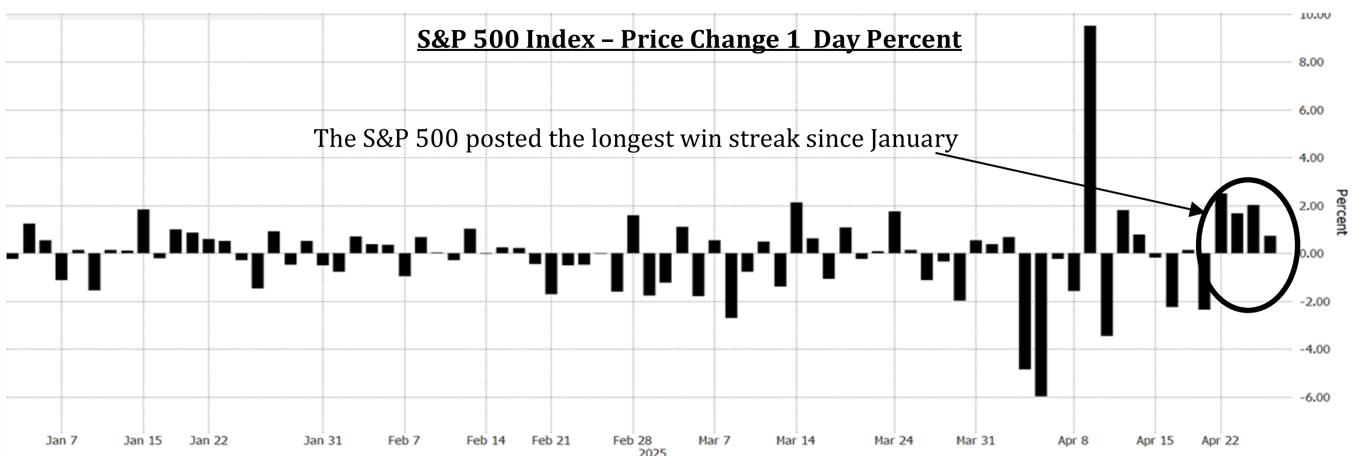
There's been plenty of volatility in all asset classes since Trump's Liberation Day tariffs were announced. But in the end, the S&P 500 posted its longest winning streak since January. Despite the noise about trade negotiations, megacaps managed to lift the market, helped by Tesla and Alphabet. Tesla was +9.8% and Alphabet results were good enough to give the market some much-needed relief.

US consumer sentiment had one of the lowest readings on record, while long-term inflation expectations are the highest since 1991. We do not subscribe to the mantra "sell in May and go away" when it comes to stocks, since findings indicate that a buy-and-hold strategy generally outperforms the seasonal approach. This suggests that while the seasonal pattern exists, it may not be advantageous for investors to attempt to time the market based on this adage.



Source: Bloomberg

The track record for tech stocks, particularly in recent years, is historically impressive. A hypothetical $100,000 invested in the S&P 500 Communications Services and Information Technology index on December 31, 2018, grew to a value of more than $391,000 by mid-December 2024. While some of those gains were relinquished in early 2025, the accumulated value still far surpasses the return on the same amount invested in the S&P 500 over the same period.

The tech sector bounced +7.93% last week even though the index for this sector is still down over 11% ytd. We think assuming news stories do not deteriorate in coming weeks another 5%-6% rebound could be looming for the sector.

Source: Bloomberg

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Recent market shocks from tariffs and trade wars were on par with black swan-type events such as COVID-19. Back then, in Feb-April 2020, 20.5 million jobs were lost, the unemployment rate hit 14.7% in the US, and GDP plunged 31.2% in Q2. Six months later the stock market rebounded to new all-time highs and GDP bounced 18.3% on average, proving change can happen fast.

The US dollar is likely to get a short-term breather from recent weakness

April's fast and furious news headlines early in the month led to market uncertainty and a weaker US dollar. At its weakest point the greenback was -6.01%. Our call in the last outlook was for coming weeks to see -8.09% of losses in the DXY (US dollar index), so it worked well for the call to see a much weaker US dollar.

A lot of the recent US survey evidence has pointed lower, but so far, most core data has held up well, including strong US March retail sales and solid employment reports. But it may only be a matter of time before the weaker surveys feed through to core indicators. When that happens, another leg of dollar weakness is likely.

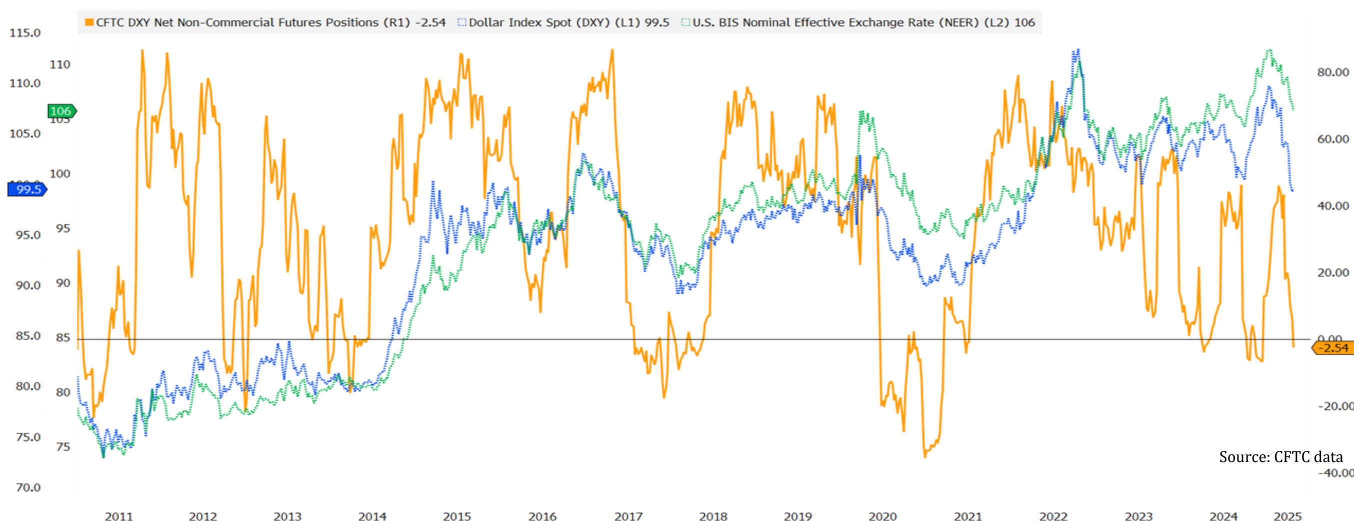
The IMF forecast for US growth is 1.8% for this year and 1.7% for next year, whereas in contrast, although the Euro Area has a 0.8% growth forecast for this year, it rises to 1.2% next year.

A U-turn in tariff policies or progress on fast bilateral trade deals could be a catalyst for the US dollar to bounce. That said, despite the news about de-dollarization, it is still the main reserve currency with no alternative. But if data starts to soften and stagflation risks increase, another wave of US selling pressure is likely. This is why technically we see G10 and EM continue to outperform the US in the coming months. We are bullish the Euro (EUR/USD to 1.1720/1.1900) and Yen strategically, and also Sterling.

Looking historically at moves in the US dollar post an election, we note that the bull view was that consensus at the start of the year has evaporated, and April 23rd was the 118th trading day after President Trump's victory. Looking back to 2016, the pattern suggests another leg of U.S. weakness.

The bottom line is that some short-term bounces may surface in the US dollar right now, but it's probably a fresh opportunity to short it.

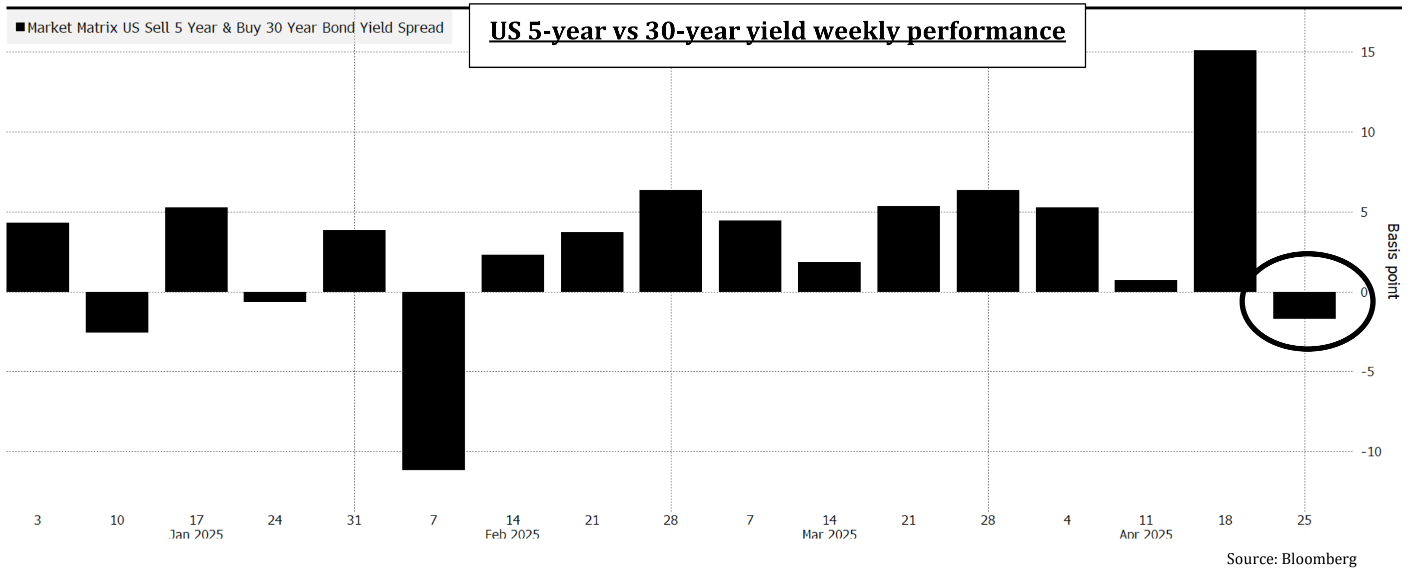
Dollar exposure has remained long for most of the last four years, based on CFTC data. Still, there's been a continued reduction in dollar longs from the extreme levels of early 2022 and an acceleration in this reduction since the start of the year, which is consistent with both bearish price action and our call. The DXY index shows that, as of April 15th, 6.17% of positioning was long dollar vs. almost 40% in early February, before the spot dollar index started to turn.



Source: CFTC data

U.S. bonds moved wildly in April, but 5s30s curve narrowed for first time since Feb

The Treasury market rallied for a second week after having seen 10-year yields go from a low of 3.85% in early April to 4.58% only 5 trading sessions later. Likewise, weakness in the longer part of the curve witnessed 30-year yields flirt with the 5.0% handle, revisiting the January yield highs and representing a 70-basis point move in 4 sessions.



Source: Bloomberg

However, with Trump attempting to de-escalate tensions, bonds have bounced back, driven markedly in the longer end and helping the 5s30s curve to narrow back for the first time since February. Remember curve-steeping trades are bets on slower economic growth, and less foreign demand for US debt increasing budget deficits.

Bets on the yield curve look at different parts of the economy: shorter-dated rates are interest rate sensitive, while longer-dated bonds reflect the health of the economy and growth prospects. The recent talk from certain Fed members has softened in the direction of a potential rate cut in June. There is still a lot of uncertainty out there and -5.0% for 30-year bonds might psychologically be a big deal in players' minds, but technically the real big level is 21 basis points higher than that at 5.21%, the 1.618% Fib projection that gets taken out on the weekly chart, then rising yields could grow and curve steepening accelerate over time. So, despite a little bit of flattening recently, it is tough to get excited about it.

Source: Bloomberg

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