



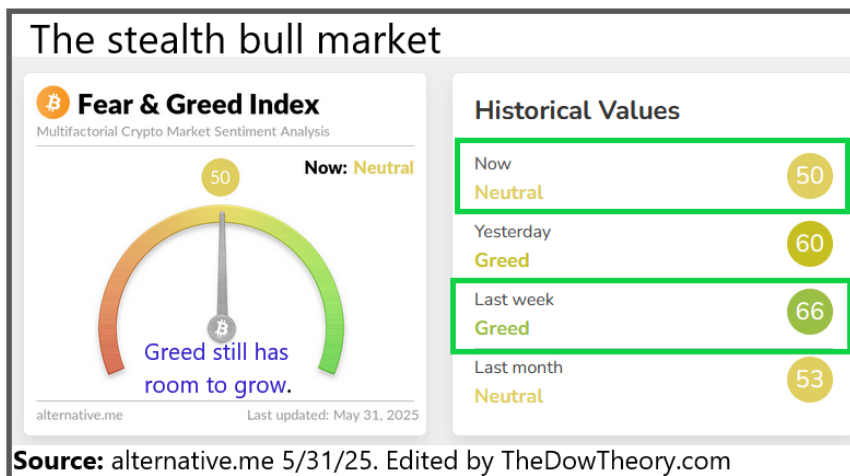
By Manuel Blay, Editor of TheDowTheory.com

Bitcoin Hits New Highs with Little Fanfare: Under the Surface, a Quiet Shift

A lot can change in just a month! Back on May 1st, our [Crypto Report](#) reflected a market in limbo: Bitcoin showed signs of wanting to move higher, and Tether dominance signaled bullish undercurrents. Yet, much of the crypto space remained stagnant. BLOK was the first to stir, followed by Ethereum, which broke above its recent highs, creating a bullish landscape (for details, see our “Mid-month” update email, also included in the June 1st Letter).

Bitcoin reached a fresh all-time high of \$112,509 on May 22, 2025. A milestone, yes. But what was striking was the lack of noise. No mainstream hysteria. No retail mania. It felt, well, uneventful. As someone who has witnessed multiple all-time high (ATH) breakouts, the silence is notable—and perhaps revealing.

The Bitcoin Fear & Greed Index sits at a modest 50, a far cry from the euphoric levels seen during



past peaks. When subdued sentiment meets growing institutional interest, it usually suggests the bull has more room to run. If we examine the different values over the past month, we observe that even at its peak last week, greed was far from stratospheric levels.

Indeed, institutional and even public-sector adoption is accelerating. GameStop

acquired 4,710 BTC, worth over \$500 million. Trump Media & Technology Group is reportedly raising \$2.5 billion to build a Bitcoin reserve. MicroStrategy—now operating under the name

Strategy—has grown its holdings to 580,000 BTC. In Japan, Metaplanet has pivoted entirely into a Bitcoin holding company.

But it's not just corporations making moves. U.S. states are now actively legislating Bitcoin adoption. New Hampshire has approved Bitcoin investments for its state treasury. Texas passed a bill to establish a state-run Bitcoin reserve. Arizona has followed suit, and over 20 other states are considering similar initiatives.

Debt crisis to prop up hard assets

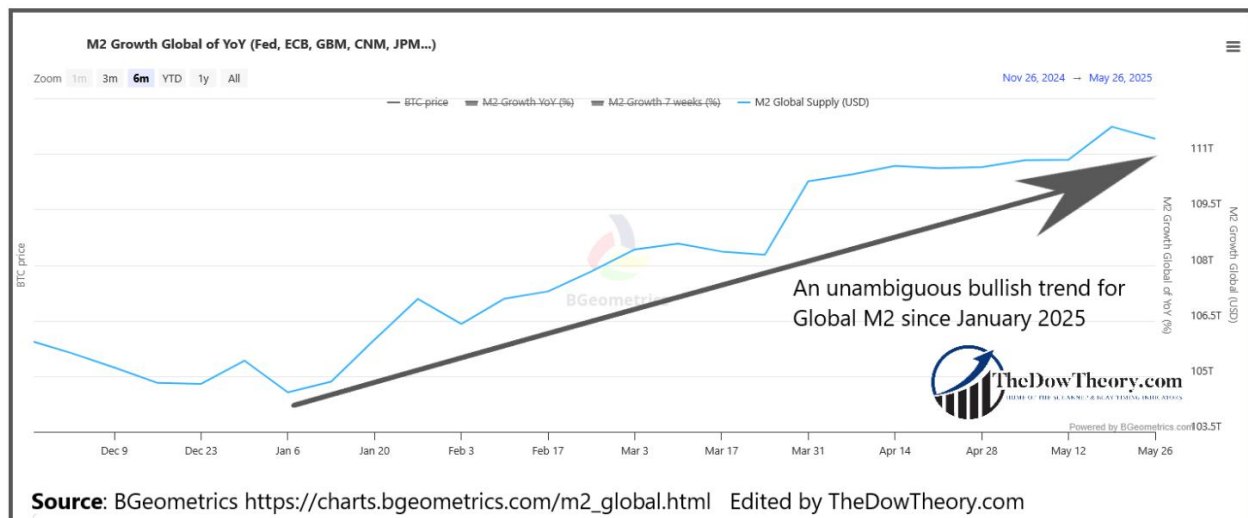
Another long-term (2–3 years) bullish factor for Bitcoin—and to a similar extent, gold and stocks—is the looming debt crisis. Japan's long-term interest rates are surging, which is putting added pressure on the U.S. debt market. Central banks are cornered. If they do nothing, turmoil may erupt across global bond markets, potentially driving capital into non-sovereign stores of value, such as Bitcoin. If they intervene by monetizing the debt, the resultant liquidity injection would also favor Bitcoin and other non-inflatable assets.

This recent [LinkedIn post](#) provides further insights into the looming debt crisis.

This is a clear "*heads I win, tails you lose*" setup: either fiscal inaction creates panic, or intervention boosts liquidity. In both cases, Bitcoin may emerge as a beneficiary.

Global M2 Expansion Points to More Upside for Bitcoin

You know I've been tracking Global M2 for some months, and until now, it has been a great tool to estimate the future trend of Bitcoin. As shown in the chart below, Global M2 continues booming, which is a tailwind for Bitcoin (and also gold and stocks to a somewhat lesser extent).



And what are the charts telling us?

BTC surpassed its 3/24/25 highs on 4/22/25. BLOK was the first to awaken from its slumber, and as I explained in last [month's Report](#) (see the chart at the bottom of page 3), its higher highs on

May 1st, 2025

5/2/25 could have been seen as an early bullish signal. For those still unconvinced, ETHE's breakout on 5/8/25 offered definitive confirmation that the trend had turned bullish.

The most recent drop (highlighted by the gray oval in the chart below) does not qualify as a secondary reaction against the bullish trend.

Therefore, the **primary and secondary trends for Bitcoin and Ethereum are bullish.**



To sum up, muted sentiment, rising liquidity, and multiple confirmations paint a bullish picture for Bitcoin. On top of that, growing demand from companies—and even governments—adds further support. That said, as you know, I focus more on what the market *is* doing rather than what it *should* be doing. I'm bullish because the charts say so, though it's reassuring to see that the broader environment also supports the case.

So that's all for this month.

With my best investment wishes,

Manuel Blay

DISCLAIMER

These monthly updates on crypto are meant to provide a helpful overview of their status from a technical analysis point of view. **When events unfold after the monthly Letter is published it is incumbent on the reader to follow his/her own positions.** In the future, we plan to follow these markets on a timelier basis, just as we currently do with the American stock market.

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