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Crypto Report

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By Manuel Blay, Editor of TheDowTheory.com

Bitcoin Breakout Setup: Bullish Pattern Targets \$138,500

Over **80 companies** have adopted Bitcoin treasuries, collectively holding ca. 3.4% of the total BTC supply. Notable recent adopters include GameStop (booked \$500 million in BTC) and Trump Media (planning a \$2.5 billion BTC raise).

Additionally, **spot Bitcoin ETFs** assets surged from ca. \$91 billion in early April to ca.\$132 billion by mid-June.

The steady institutional adoption of Bitcoin continues, and, at least for now, this is a bullish sign. My only question is what would happen if the mood reversed and institutions became sellers? Would the small investor be willing to take the buy side? Could it become a crowded trade?

I don't know, what I do know is that the trend now for Bitcoin and the crypto space is bullish.

Let's look at the Bitcoin/Ethereum chart.

Following the 5/22/25 highs at 112,017.68, Bitcoin declined for 20 days until 6/23/25 to 99,696. Ethereum reached its most recent highs on 6/11/25 at 2880.12 and only dropped 5 days until 6/23/25 at 2,315.75. Therefore, the **time requirement for a secondary reaction has not been fulfilled**, and the most recent pullback does not even qualify as a secondary reaction.

So, the primary and secondary trends for Bitcoin are bullish.

The chart below shows the most recent price action for BTC and ETHE. The grey rectangles highlight the most recent pullback, which did not qualify as a secondary reaction. A breakup of the 5/22/25 and 6/11/25 highs for Bitcoin and Ethereum, respectively, would reaffirm the primary bull market.

July 1st, 2025



The **pattern** that has taken shape on Bitcoin's chart in 2025 is **bullish**, as the chart below shows:



You may observe an inverted head-and-shoulders pattern. The **left shoulder** formed in January, the **head** reached its low in April at **78,341**, and the **right shoulder** developed between May and June.

The line connecting the shoulders' highs (the "neckline") lies around 108,400. The vertical distance from the head low to the neckline is **30,059**. By projecting this distance upward from the neckline, we arrive at a **measured target of 138,459**, which is the next price objective for Bitcoin **once it breaks up and makes a higher high**.

You know I also pay attention to the chart of BLOK (Blockchain technology companies) and miners to gauge the underlying health of the crypto space. Confirmation matters, and strength in the rest of the crypto world is a tailwind for Bitcoin.

July 1st, 2025



WGMI is ETF that invests in stocks of companies operating across information technology and bitcoin mining operations. As with BLOK, it is bullish and even a tad overbought short term:



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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