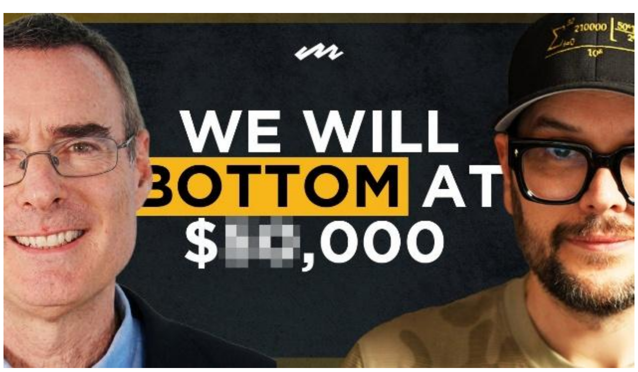
By Manuel Blay, Editor of TheDowTheory.com

How low could Bitcoin go?

The June 1st Crypto report had the telling title “A Bull Market on Probation”, and it gave the key price level that Bitcoin had to surpass for me to become fully bullish. Alas, Bitcoin, instead of breaking out the level that would have indicated a solid bull market, pierced its last recorded bear market lows of 62,300.04 for Bitcoin and 1,803.82 for Ethereum on 6/5/26 and 6/3/26, respectively, and the trend shifted to bearish. In such a report, I also said, “*the statistical backdrop is not yet overwhelmingly favorable, and Bitcoin could still experience additional weakness before a more sustained advance develops*”.

As of this writing, the bearish trend shows no signs of easing. Today, 6/30/26, Bitcoin made a lower low, and on 6/26/26, Ethereum did the same.

The obvious question is how low Bitcoin could go. At what price levels should we conclude that the current bearish trend has likely run its course, paving the way for the next bull market?



I recently had the pleasure of joining Maurizio on his YouTube channel to discuss precisely this question. During our conversation, we examined the technical outlook for both Bitcoin and Ethereum, reviewed the key support levels, and identified the price targets I am monitoring most closely. If you would like a more visual walkthrough of my analysis, I believe the interview provides a valuable complement to this report.

Turning to the charts, the most obvious support level for Bitcoin lies between **$52,000 and $54,000**, roughly corresponding to the lows recorded in May, July, August, and September 2024.

I have highlighted this area with a dark red rectangle, as I believe it represents both a price magnet and the zone where Bitcoin is most likely to establish a durable bottom.

While all fundamental thinking, including mine, should be taken with a grain of salt because price action, not opinions, is king, I think Bitcoin is caught in a battle between two powerful and opposing forces.

On the bearish side, the two great engines of demand that fueled the previous cycle have stalled simultaneously. ETFs are experiencing net outflows, while Strategy's mNAV has fallen below 1.0 (currently around 0.67x on a basic basis). This is far more than a cosmetic detail. Below parity, Saylor's flywheel shuts down almost mechanically, because issuing new shares below NAV destroys, rather than creates, Bitcoin per share. The price-insensitive corporate buyer that helped propel Bitcoin throughout 2024 and 2025 is effectively sidelined, just as the other major pillar of demand is also retreating.

Yet beneath the surface, an equally powerful bullish force is quietly building. Exchange reserves have fallen to roughly 2.7 million BTC, their lowest level since late 2020. Wallets holding more than 100 BTC have reached record highs, and long-term holders have distributed far fewer coins than they did during the 2021 cycle. Supply has been relentlessly absorbed, even as demand has temporarily gone silent.

The result is a tightly compressed spring. For now, there is simply not enough buying pressure to release it. But when meaningful demand returns to a market this illiquid, the move could be swift and violent.

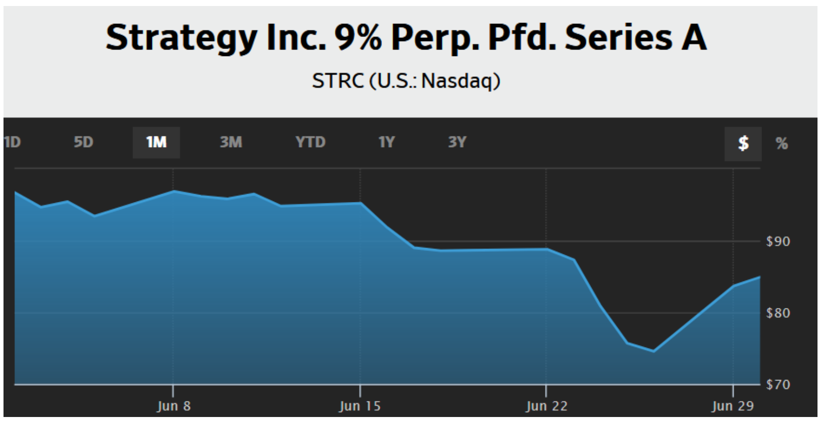
The key level I am watching is $76,000, approximately Strategy's average acquisition cost. A sustained move above that level would push mNAV back above 1.0, reactivating the corporate buying flywheel. Combine that with a return to positive ETF flows, and the two engines that powered the last bull market could once again begin working in tandem.

My base case is therefore a broad trading range between roughly $55,000 and $78,000. A durable recovery over the next six months will likely require three conditions: ETF flows turning positive again, Strategy's mNAV recovering above 1.0, and Bitcoin reclaiming the $76,000 level.

The recent behavior of Strategy's preferred shares, trading under the ticker **STRC**, offers another telling sign that **investor confidence in Bitcoin and Bitcoin-related securities has deteriorated sharply**.

In theory, these preferred shares were expected to trade close to their par value of **$100**. Instead, the chart tells a very different story. Over the past few weeks, STRC has fallen dramatically, **bottoming at $74.57 on 6/26/26** before staging a partial recovery.

The rebound did not occur because sentiment toward Bitcoin suddenly improved. Rather, Strategy changed its strategy—no pun intended—by modifying the terms of the security, including increasing the frequency of dividend payments and more buybacks aimed at buying the preferred shares when they fall below “fair” value, making the preferred shares more attractive to investors. Even so, STRC continues to trade well below its theoretical par value.



To me, this sends a clear message. When investors are asked to commit real capital, confidence in Bitcoin and Bitcoin-related securities remains weak. Indeed, I would go one step further: the prevailing mood still appears to be decidedly bearish.

To sum up:

1. The primary trend for Bitcoin and Ethereum is bearish; the secondary trend is also bearish.
2. I would not be surprised to see Bitcoin falling to the $52K-$54K area, notably if in the decline it is joined by Ethereum (you know, confirmation matters).
3. Sentiment is sour toward Bitcoin and, in general, crypto. But sentiment can remain depressed longer than many expect, so it is not a contrarian signal at this time.

That is all for this month.

With my best investment wishes,

Manuel Blay

DISCLAIMER

Purpose of These Crypto Reports

These monthly crypto updates are meant to provide a helpful overview of their status from a technical analysis perspective. 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.

Nature of the Analysis

The Dow Theory and the indicators discussed throughout these reports are forms of technical market analysis designed to identify major market trends and changes in market behavior.

Technical analysis is interpretative by nature. Different analysts may apply similar principles differently and may therefore reach different conclusions.

Any opinions expressed in these reports reflect the views of the editor at the time of publication and are subject to change without notice.

No Personalized Investment Advice

These crypto reports are provided strictly on an "as is" basis for informational and educational purposes only.

The editor is under no obligation to provide additional explanations or answer questions regarding the interpretation of the reports.

Nothing contained in these reports should be interpreted as personalized financial advice, investment recommendations, tax advice, legal advice, or a solicitation to buy or sell any security, cryptocurrency, or financial instrument.

The strategies, opinions, and market observations discussed may not be suitable for all investors.

Subscribers should consult with qualified financial, tax, or legal professionals before making investment decisions.

Risk Disclosure

All investments involve risk, including the potential loss of principal.

Subscribers expressly acknowledge and agree that errors may occur, including but not limited to typographical mistakes, incorrect prices, inaccurate data, charting errors, delayed information, calculation mistakes, omissions, misinterpretations, software issues, publishing errors, or incorrect market assessments.

The editor and publisher shall not be liable or responsible for any direct, indirect, incidental, consequential, financial, trading, investment, tax, legal, or other losses or damages arising from the use of, reliance upon, or interpretation of these reports, regardless of whether such losses result from negligence, human error, typographical mistakes, incorrect information, flawed analysis, inaccurate interpretations, or any other mistake or omission whatsoever.

All investment and trading decisions are made solely at the subscriber's own risk and discretion. Subscribers are fully responsible for conducting their own independent research, verification, due diligence, and risk assessment before making any financial or investment decision.

By reading or using these reports, subscribers acknowledge that they assume full personal responsibility for all investment outcomes and expressly waive any claim against the editor, publisher, website, affiliates, contributors, or associated parties arising from reliance on the contents of these reports.