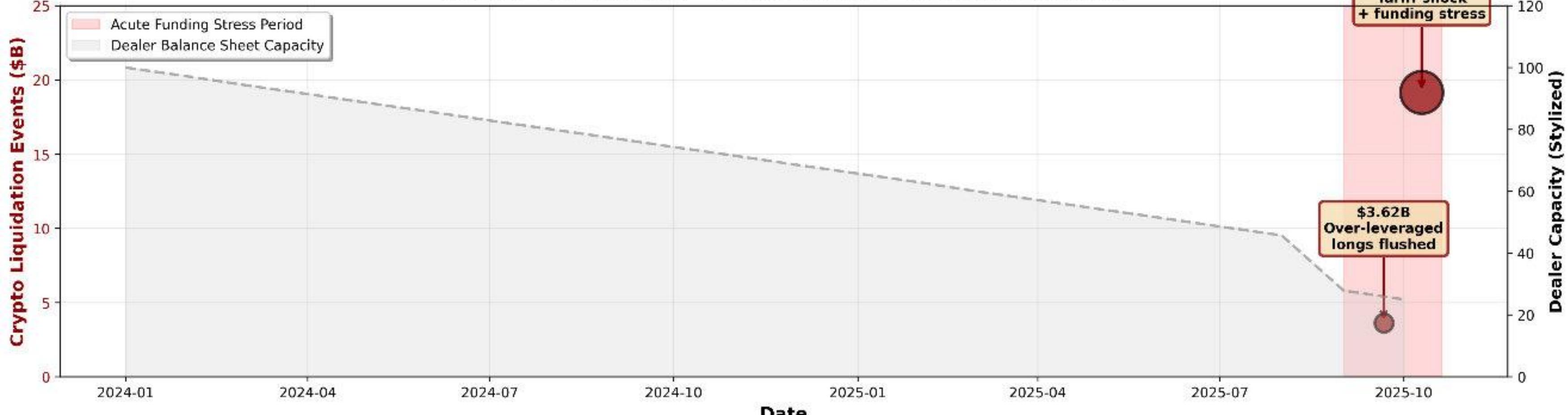


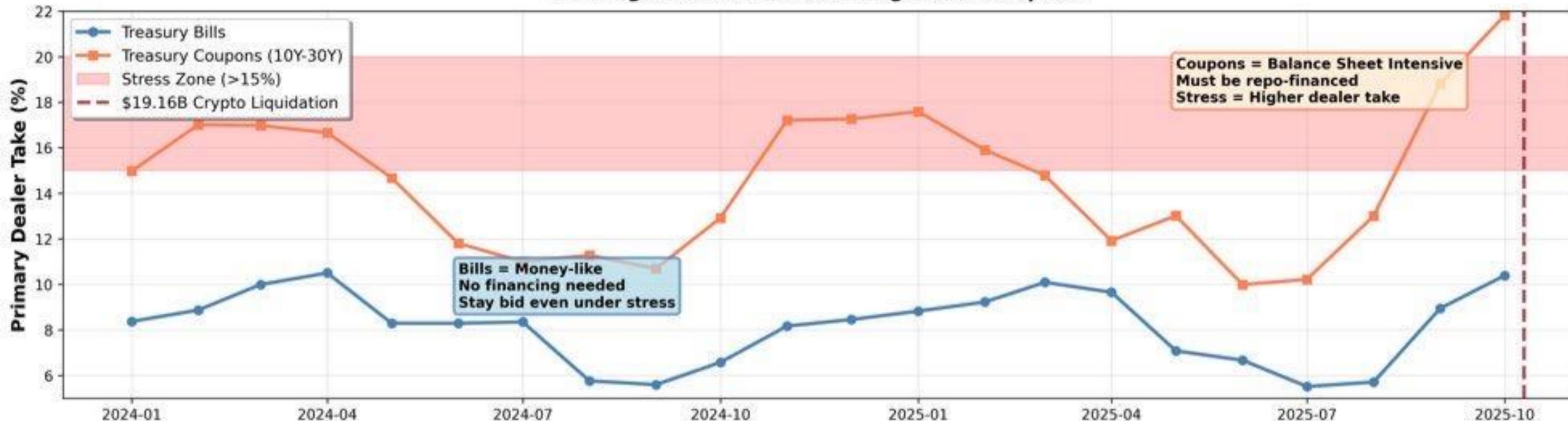
When Dealer Capacity Shrinks, Crypto Leverage Gets Tested

Balance Sheet Scarcity → Funding Stress → Forced Liquidations



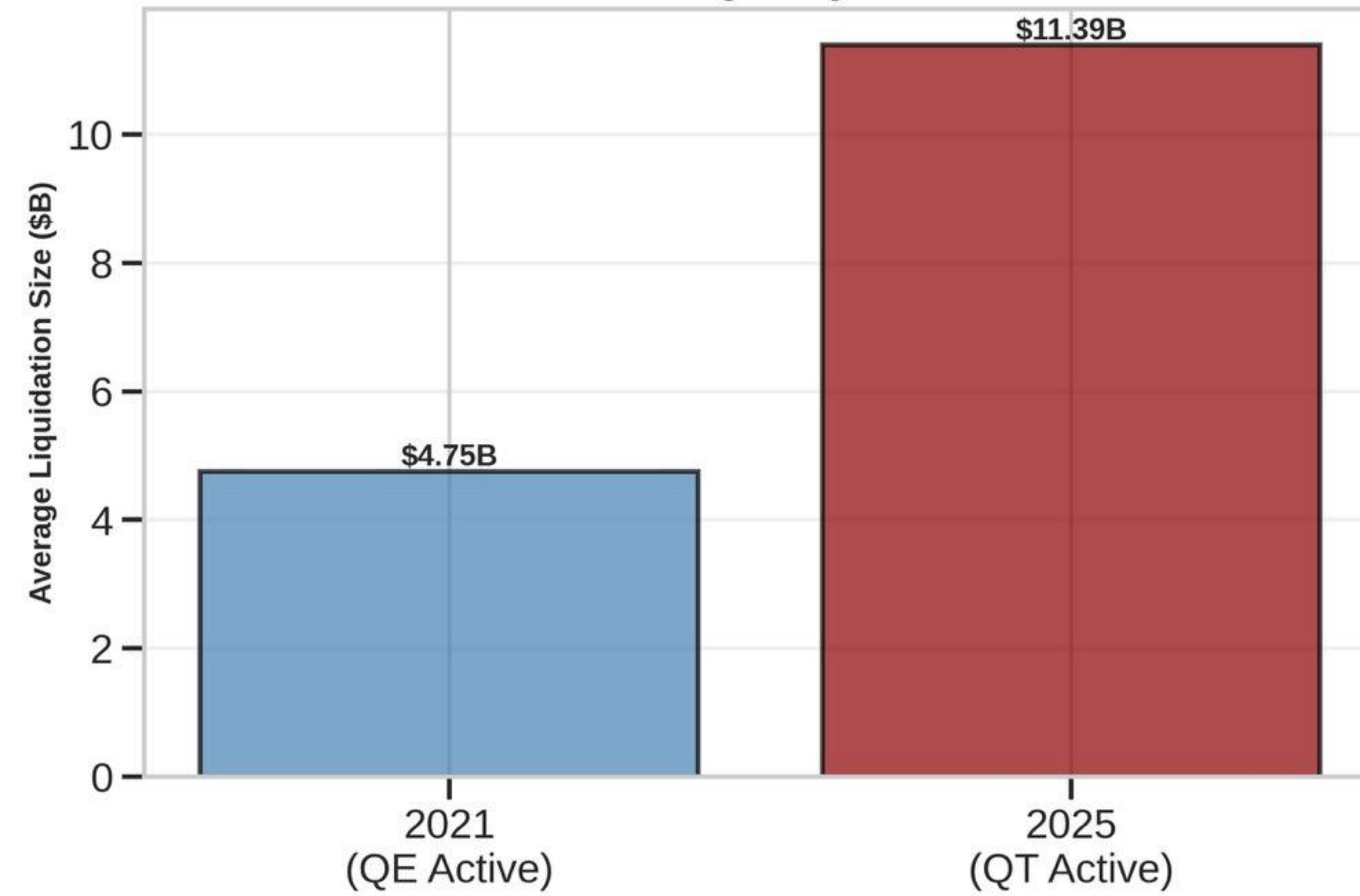
The Plumbing Cascade: Bills Trade Like Money, Coupons Require Premium, Crypto Liquidates

Treasury Auction Stress: Bills Stay Bid, Coupons Clear With Premium
Funding Stress Evident in Long-End Absorption

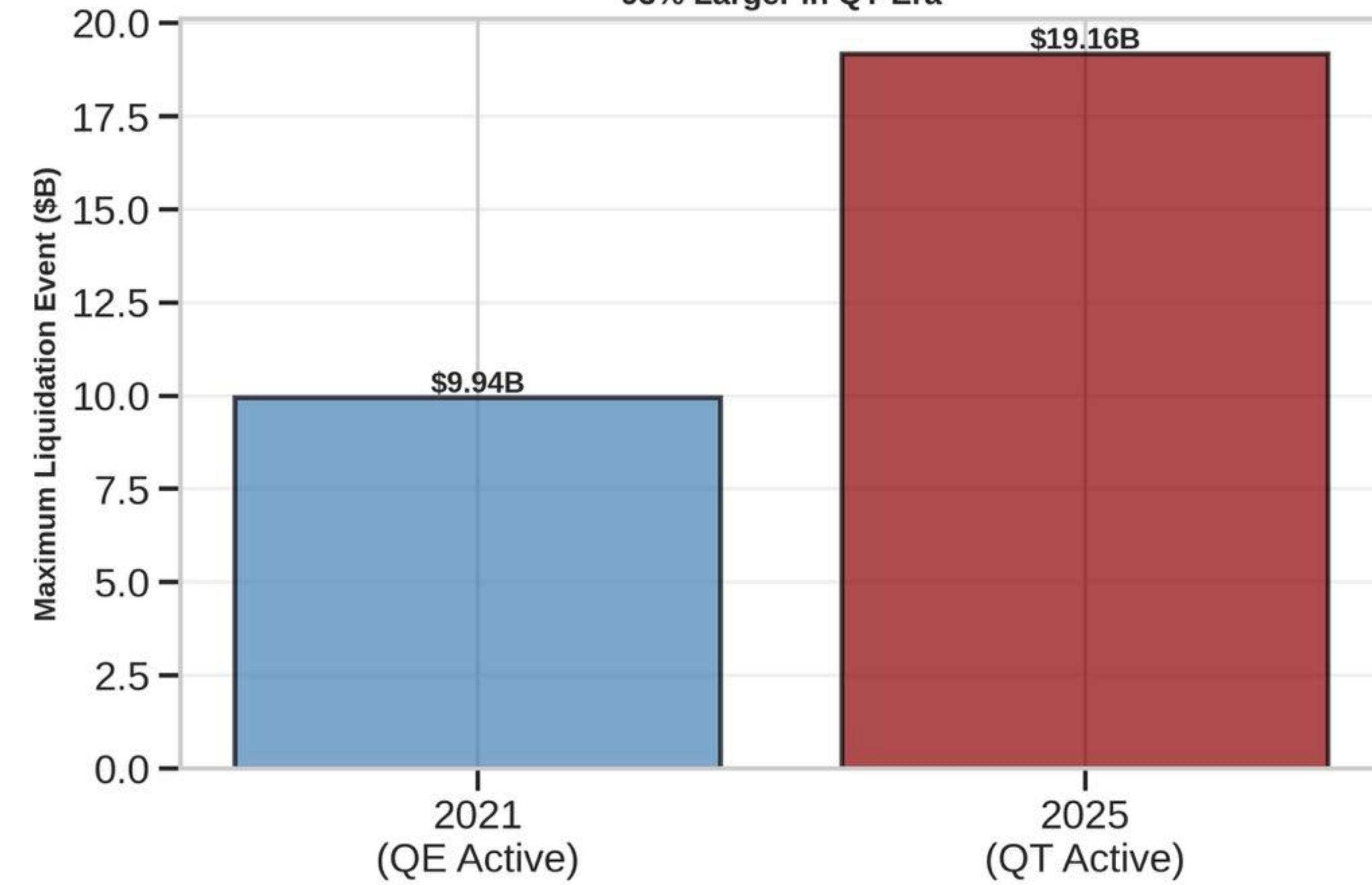


2021 vs 2025: How QT Changed Liquidation Dynamics

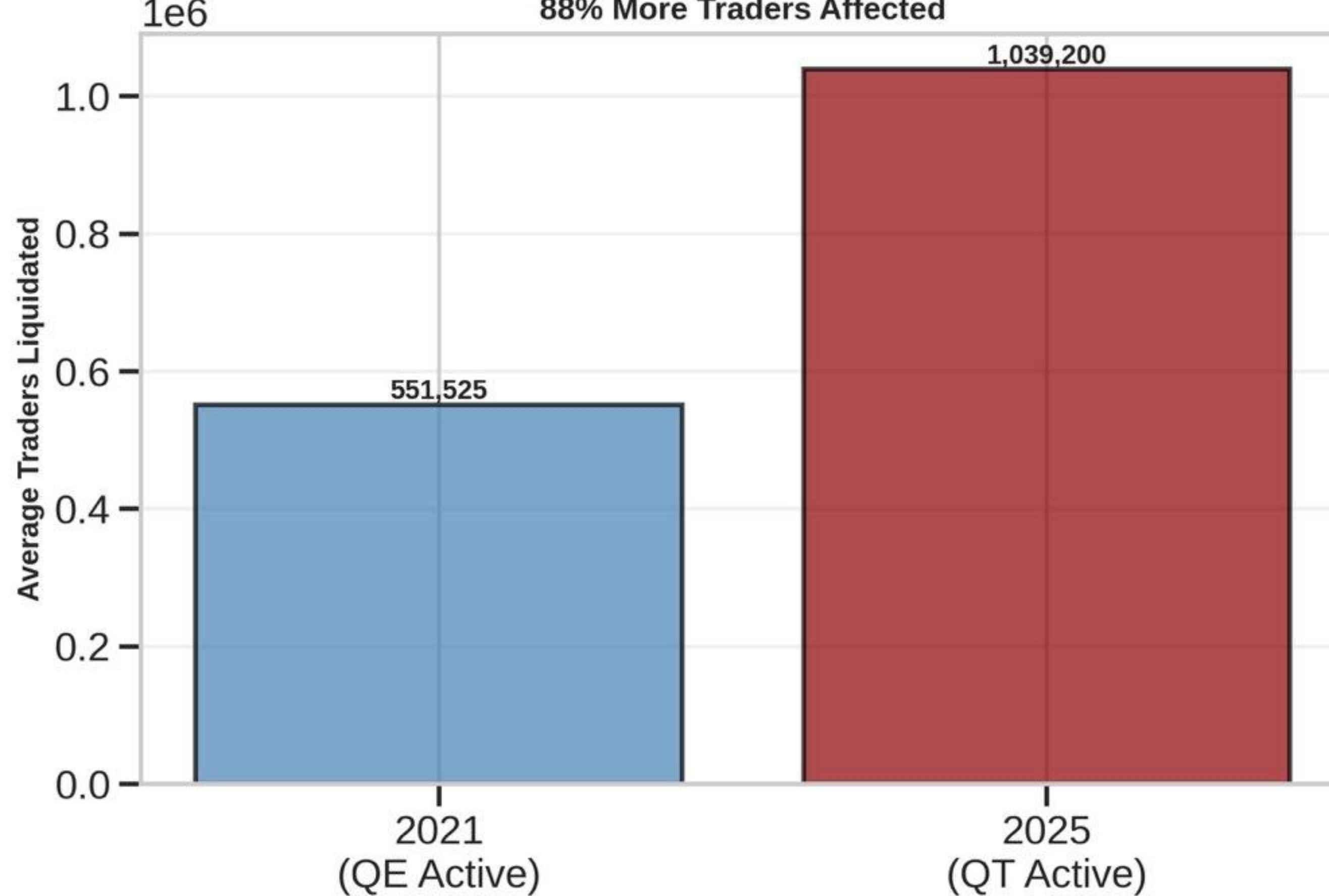
Average Event Magnitude
2.4x Larger in QT Era



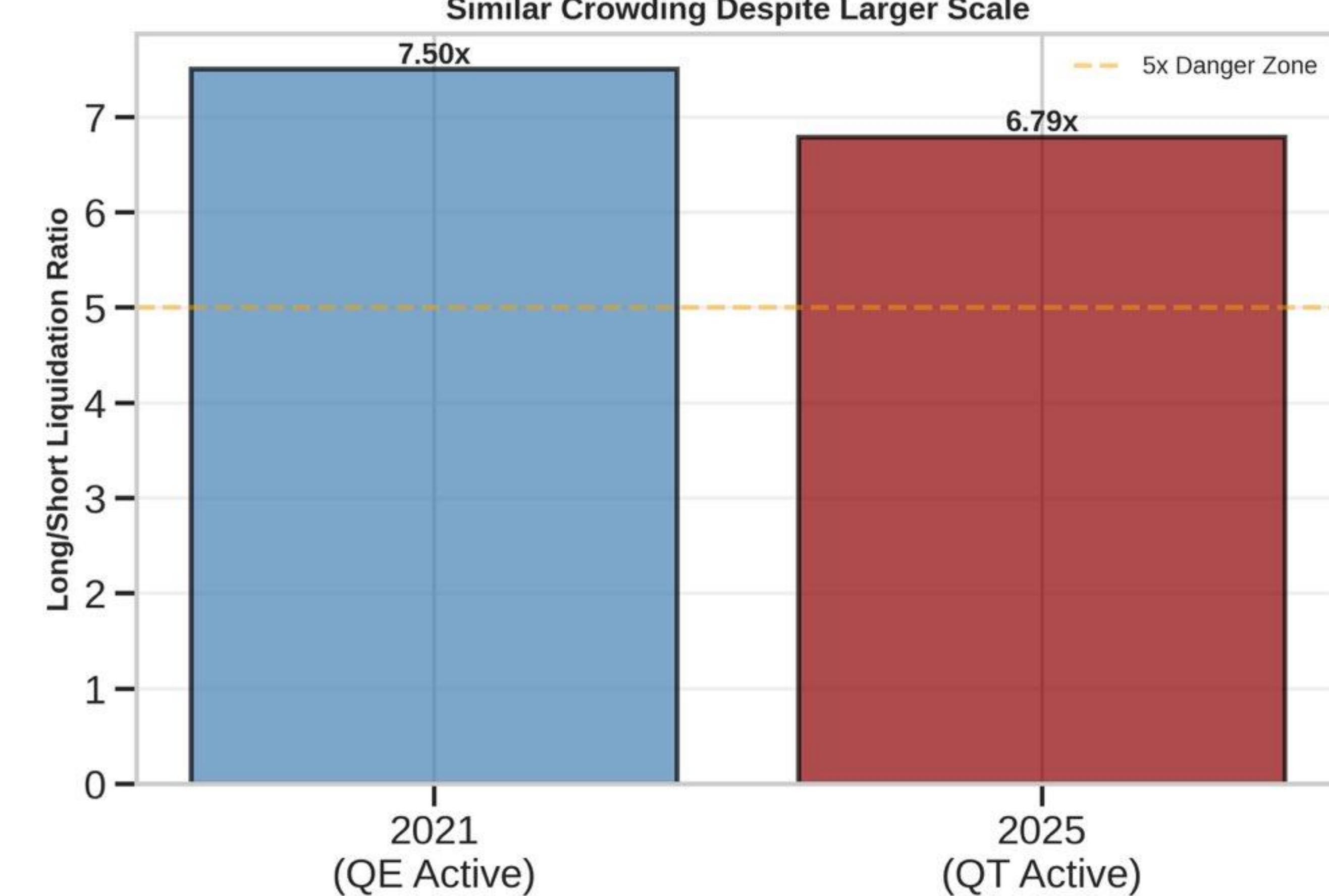
Peak Liquidation Scale
93% Larger in QT Era



Market Participation Scale
88% More Traders Affected



Leverage Positioning
Similar Crowding Despite Larger Scale



— 5x Danger Zone

Liquidation Event Statistics

Metric	October 10, 2025
Total Liquidations	\$19.16B
Long Liquidations	\$16.70B (87.2%)
Short Liquidations	\$2.46B (12.8%)
Traders Liquidated	1,630,000
BTC Price Impact	-17.26%
Long/Short Ratio	6.79x