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INDUSTRY ANALYSIS

STRC Reaches $100 Without New Issuance

Diagnosing the recovery and the company’s repurchases to set criteria for a restart of issuance

PUBLISHER
Bitplanet Research Lab

DATE
2026 · 11 · 11

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EXECUTIVE SUMMARY

$100 regained, outside demand unconfirmed

WHAT HAPPENED

STRC, Strategy's variable-rate perpetual preferred stock, hit an intraday high of $100 and closed at $99.98 on November 4[1]. This closed most of the $25.43 gap between the June 26 close of $74.57 and the $100 stated amount on which dividends are calculated (our estimate)[1]. Between July 20 and November 1, Strategy repurchased 23,072,543 STRC shares for a total of $2,251.4 million (sum of weekly disclosures, Appendix ③). However, new STRC issuance, halted since May, had not resumed as of the November 2 filing[2][3].

WHY IT MATTERS

INTERPRETATION A price recovery does not mean the ability to raise capital by issuing securities has returned to normal. The recovery falls into two phases. In the early phase through August 21, 85.0% of the initial discount closed. Comparable preferreds also rose 14–36% over this period, so a broad market rebound coincided with the company's market intervention. In the final phase, when the close rose another $3.80, average weekly repurchases grew from $96.68 million to $176.8 million, and the company's share of total trading volume rose from 15.8% to 22.7%. The total return gap with STRF, a comparable the company did not buy, was only about 0.4 percentage points. Because STRC is structured with limited upside, however, this simple comparison cannot settle how effective the repurchases were. According to public filings, the size of new demand from outside investors, excluding the company's own purchases, has not yet been established. The $100 level is both the stated amount used to calculate dividends and the minimum issue price under the company's current policy, and reaching it is merely a precondition for resuming issuance[4].

WHAT TO WATCH

We will track STRC issuance and repurchase volumes, company cash and common stock issuance through upcoming weekly Form 8-K filings, and review the December dividend rate announcement. We will revisit our view that outside demand remains unconfirmed only if all of the following conditions are met. First, net issuance (net issuance proceeds minus repurchases) must continue for four consecutive weeks with no direct company purchases. Second, cumulative net issuance must reach about $707.2 million or more. Third, every weekly close must stay at or above $99. The dollar threshold is four weeks of average weekly repurchases in the final phase. It is a check condition for this analysis, not a statistically established threshold (Chapter 05, Appendix ②).

$99.98
STRC close
(as of November 4, 2026)
[1]

$2.25B
Total disclosed repurchases
(cumulative, July 20–
November 1)
[2]

22.7%
Company share of total volume
in final phase (our estimate)
[2] [1]

Data as of: prices November 4, repurchases November 1 (written November 5, 2026)

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01 THE $100 BENCHMARK

The structural meaning of $100 as the dividend base and minimum issue price

For STRC, $100 carries two financial meanings. First, it is the per-share stated amount used to calculate dividends[5]. Second, it is the minimum issue price the company has set under its current policy[4]. STRC is perpetual preferred stock with no maturity. Dividends are calculated by multiplying the stated amount by the annual dividend rate and accrue on a cumulative basis[5]. The issuer sets the dividend rate at the board's discretion, and the rate stood at 12.00% per year at the end of September[5].

Table 1. Strategy preferreds with different dividend structures and liquidation priority

Security	Annual dividend rate	Cumulative	Liquidation priority (of 4)	Key feature
STRF	10% fixed	Cumulative	1	Most senior among fixed-dividend issues
STRC	Variable (12%)	Cumulative	2	Issuer right to redeem at $101
STRK	8% fixed	Cumulative	3	Convertible into 0.1 common share
STRD	10% fixed	Non-cumulative	4	Undeclared dividends do not carry forward

Note: Dividend rates as of September 30, 2026. The stated amount is $100 for all four securities. A lower number indicates higher priority; the euro-denominated STRE is excluded from the comparison[5]. SATA, also compared, is a variable-rate perpetual preferred issued by Strive, a different issuer.

Dividend rate adjustments face formal limits. In any month, the company may cut the rate by no more than 25bp (0.25 percentage points) plus the decline in SOFR (Secured Overnight Financing Rate) two months earlier. It also cannot set the rate below monthly SOFR[5]. The company has said it can adjust the dividend rate flexibly to encourage STRC to trade in a range of $99 to $100[5]. At the same time, it disclosed as a potential risk that it may cut the rate as far as the rules allow, regardless of the effect on price stability[5].

$100 is not a level at which principal is guaranteed. The company has warned that, depending on market conditions, trading may not settle in its targeted range[5]. Holding a repurchase authorization does not obligate the company to buy any particular number of shares[6]. The company has the right to redeem

STRC early at $101[5]. STRC is also not directly collateralized by the company's bitcoin holdings and has only a preferred claim on residual assets in liquidation[7].

INTERPRETATION STRC's real value depends on a mix of factors beyond the bitcoin price: the sustainability of dividend payments, the issuer's credit, market interest rates, liquidity in the secondary market and outside investor demand. The bitcoin price affects STRC's value indirectly, through the company's asset value and funding conditions. The company's right to redeem at $101 acts to limit how far STRC can trade above its stated amount. Because of these structural features, STRC is closer to a credit instrument with indirect exposure to bitcoin than to the crypto asset itself.

In practice, bitcoin and STRC prices moved differently depending on the period. From June 26 to November 4, the cumulative gains were similar: 34.1% for STRC and 34.0% for bitcoin (our estimate)[1][8]. By contrast, on November 4 alone bitcoin jumped 4.0%[9][8], while STRC's close rose by only $0.05 (our estimate)[1].

INTERPRETATION Rather than feeding directly into STRC's price, the rise in bitcoin may have led to STRC's recovery by improving the company's overall funding conditions. Around the period from August 7 to 21, when bitcoin rose 20.7%, net proceeds per common share increased from about $99 in the week of August 3–9 to about $133 in the week of August 24–30 (our estimate)[2][8]. A substantial part of the cash raised this way went to fund STRC repurchases (see Chapter 04). Filings, however, show only when funds were raised and how they were spent; they do not make clear the qualitative intent of management behind each issuance decision.

Whether STRC recovers to $100 is directly tied to its role in raising capital through STRC issuance. According to CryptoSlate, Bitwise's André Dragosch estimated that, as of the June 22 report, about 55% of 2026 bitcoin purchases had been funded by STRC issuance[10]. Unchained reported that there had been no new STRC issuance through at-the-market (ATM) offerings since the week that included May 11[3]. The path by which STRC's price reached its stated amount can be analyzed in two broad phases.

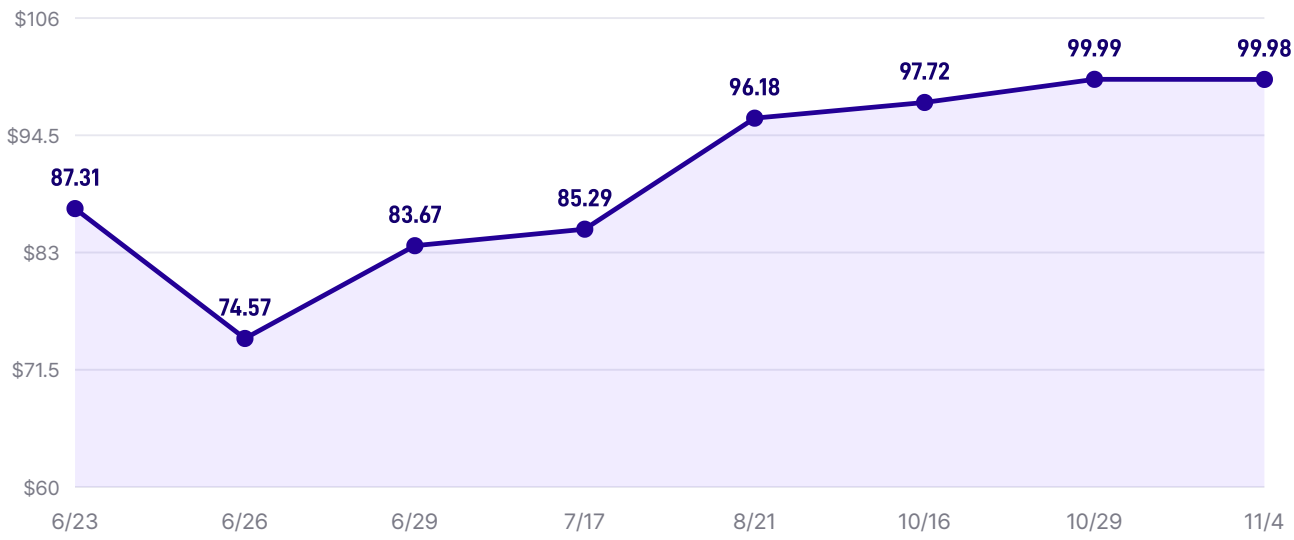
02 EARLY RECOVERY

An early recovery phase lifted alongside comparable preferreds

The discount is the difference between the $100 stated amount and the actual close. The recovery divides into an early phase (June 26–August 21, a $21.61 gain) and a final phase (August 21–November 4, a $3.80 gain). We split the early phase into Period 1 and Period 2, before and after the company began repurchasing. Period boundaries follow the reporting windows of the weekly filings.

STRC close recovering to near $100 after a sharp drop

Unit: $, closes at key dates (prices as of November 4); horizontal spacing not proportional to dates

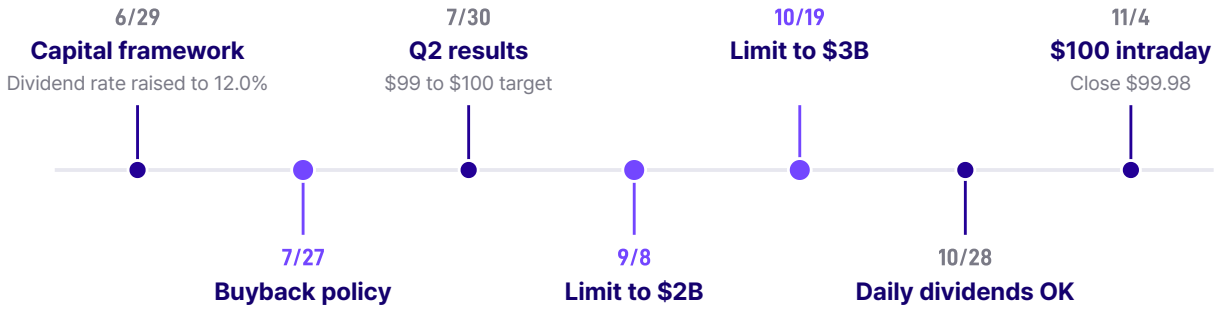


Source: Nasdaq[1]

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Company announcements and policy changes during the recovery

Period: June 29 to November 4, 2026; dates are announcement or filing dates



Source: Strategy filings[2][11][6][4][12], Nasdaq[1]

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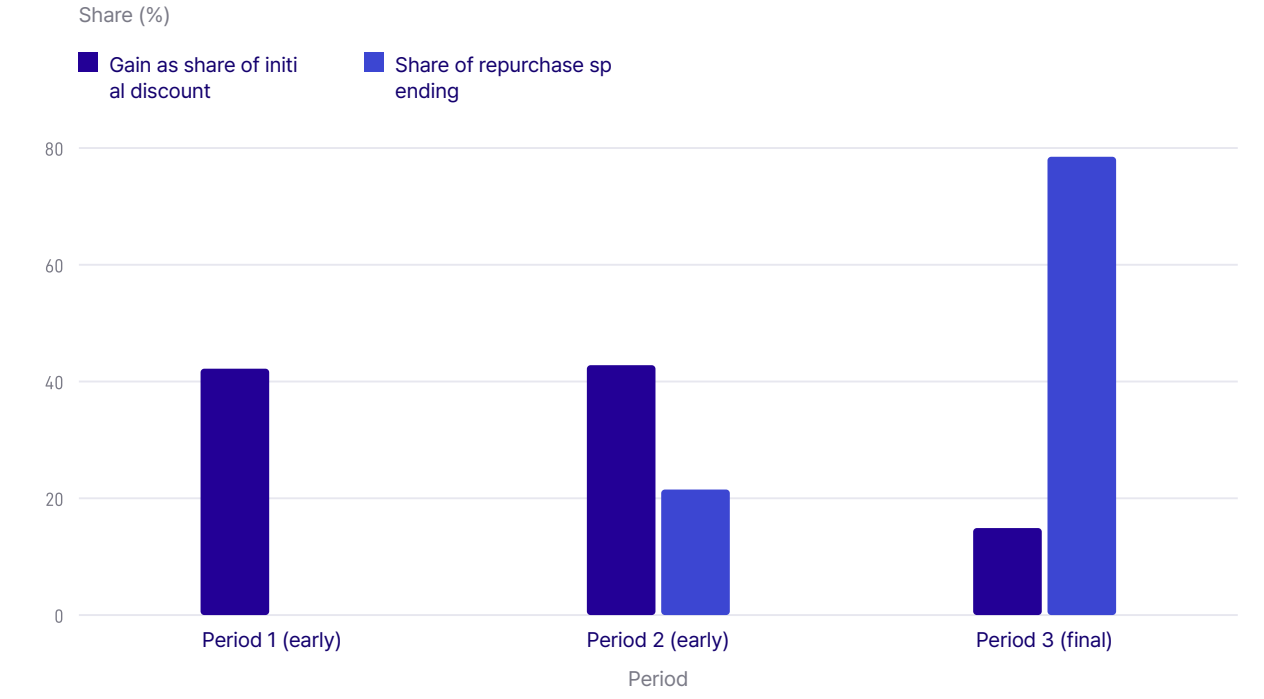
Table 2. Final phase taking 78.5% of repurchase spending

Item	Period 1 (early)	Period 2 (early)	Period 3 (final)
Dates (closing basis)	June 26–July 17	July 17–August 21	August 21–November 4
Closing price	$74.57→$85.29	$85.29→$96.18	$96.18→$99.98
Price gain	$10.72	$10.89	$3.80
Gain as share of initial discount	42.2%	42.8%	14.9%
Disclosed repurchases	None	$483.4 million	$1,768.0 million
Share of repurchase spending	0%	21.5%	78.5%

Note: Our estimates. Period 2 repurchases cover July 20–August 23 and Period 3 covers August 24–November 1. Prices run through November 4, but repurchases in the last three trading days are not included. Moving the Period 2/3 boundary anywhere between July 31 and October 2 changes the final period's share of repurchase spending to a range of 35.5–95.3% (see Appendix ①). Closing prices [1], repurchases [2].

Discount closing early, repurchase spending concentrated late

Unit: %, closes June 26 to November 4; repurchases through the November 1 filing



Source: Nasdaq[1], Strategy 8-K[2], our estimates (Appendix ②)

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The Period 1 rebound came right after a three-day plunge. STRC fell from $87.31 on June 23 to $74.57 on June 26, and its July 17 close ($85.29), on the last trading day before the first repurchase, was still $2.02 below the June 23 close[1]. On June 29, when the rebound began, Strategy formally announced its Digital Credit Capital Framework[6]. Its main elements were to build the USD Reserve, held for dividend and interest payments, to at least 12 months of expected payments, to raise the dividend rate from 11.5% to 12.0%, and to authorize $1 billion each for repurchases of preferred and common stock[6]. STRC closed at $83.67 that day, up 12.2%[1].

INTERPRETATION It is hard to attribute this rebound entirely to the company's repurchase measures. No repurchase had been formally disclosed through July 19[2]. During the same Period 1, the comparable STRF, STRK and STRD also rose 12.2–14.8%, and Strive's SATA gained 11.4% (see Table 3).

Table 3. Period returns for Strategy preferreds and SATA

Period	STRC	STRF	STRK	STRD	SATA	Bitcoin
Period 1 June 26–July 17	+14.4%	+13.9%	+14.8%	+12.2%	+11.4%	+6.5%
Period 2 July 17–August 21	+12.8%	+3.6%	+17.1%	+20.8%	+2.3%	+22.6%
Early phase total	+29.0%	+18.0%	+34.3%	+35.6%	+14.0%	+30.5%
Period 3 August 21–November 4	+4.0%	+3.2%	-2.0%	-1.4%	-2.0%	+2.7%
Period 3 total return (incl. dividends)	+6.2%	+5.7%	+0.7%	+2.0%	+0.6%	Not applicable

Note: Our estimates. Figures other than the total return row are on a closing-price basis. Total return adds dividends with ex-dates from the day after the start date through the end date, and excludes reinvestment income, taxes and transaction costs. Moving the end date forward to November 3 widens the declines in STRK, STRD and SATA (see Appendix ①). Sources [8] [1] [13].

STRC's gain in Period 2 coincided with the company's major policy announcements. From July 27 to August 7, STRC rose $6.69, accounting for 61% of the entire Period 2 gain, while bitcoin rose 1.9% over the same span[1] [8]. During this window, the company formalized its repurchase policy on July 27 and reported second-quarter results on July 30[11] [4]. In its earnings release, the company set a target of keeping STRC trading in a range of $99 to $100[11]. By contrast, from August 7 to 21, while bitcoin jumped 20.7%, STRC rose only $1.17[1] [8].

Repurchases and reserve building ran in parallel during this period. Repurchases in the August 3–9 reporting week were $108.6 million, only 4.8% of the total, yet the August 7 close was $5.55 above the July 31 close[2] [1]. Over the same period, the USD Reserve grew from $4.0 billion to $4.65 billion[2]. Across

the early phase as a whole, the four comparable preferreds rose 14–36%, and STRK and STRD posted larger gains than STRC (see Table 3).

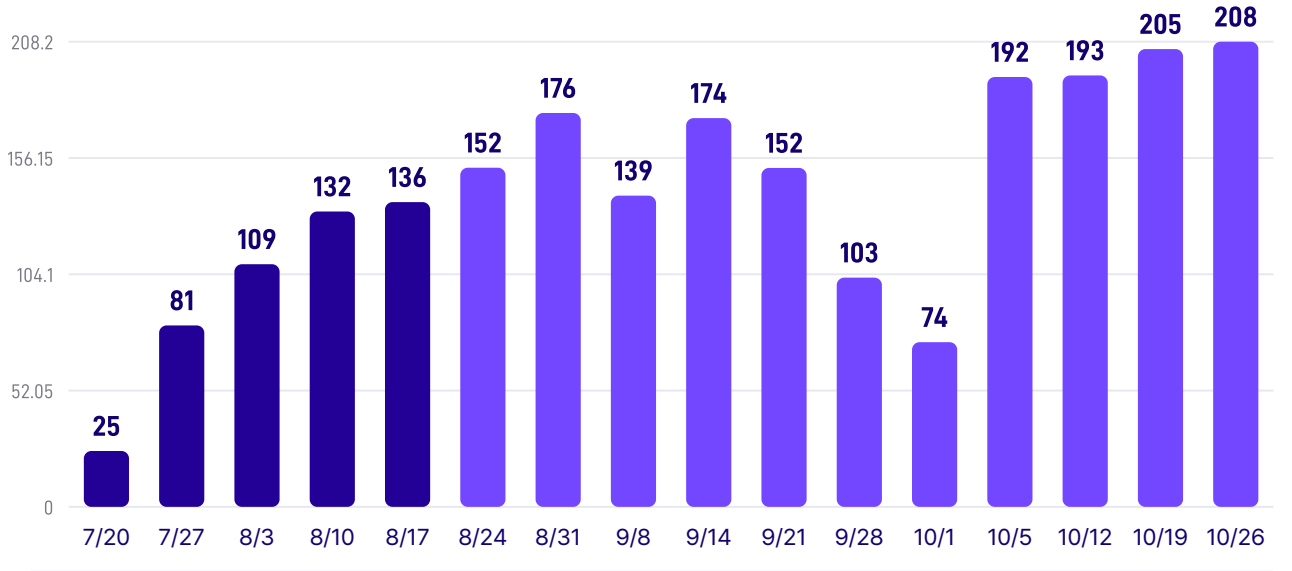
03 FINAL STRETCH

A further $3.80 gain as weekly repurchases grew 1.8 times

In the final phase, both cumulative repurchases and the average weekly pace of buying increased. Period 3, however, spans 10 reporting weeks, twice the five weeks of Period 2, so comparing cumulative repurchases alone can overstate the intensity of buying. Average weekly repurchases rose 1.8 times, and the company's direct purchases as a share of total trading volume in each period rose 6.9 percentage points.

Weekly repurchases growing as STRC neared $100

Unit: $ million, 16 reporting windows to November 1; purple = Period 3. Weekly avg: P2 96.7, P3 176.8



Source: Strategy 8-K[2]

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Table 4. Weekly repurchases and volume share both rising in Period 3

Item	Period 2	Period 3
Reporting weeks	5 weeks	10 weeks
Average weekly repurchases	$96.68 million	$176.8 million
Average purchase price	$93.45	$98.77
Company share of volume	15.8%	22.7%
STRC average daily volume	1.31 million shares	1.62 million shares

Note: Our estimates. Volume share is shares repurchased in each reporting week divided by total Nasdaq volume for the same weeks. Average daily volume covers Period 2 (7/20–8/21) and Period 3 (8/24–11/4). [2][1].

In its July 27 announcement, the company said it expected the pace of repurchases to be generally greater at deeper discounts and to taper as STRC approached $100[4]. The actual execution, however, shows that 43.3% of total repurchase spending ($974.9 million) was executed in reporting windows with an average purchase price of $99 or higher (our estimate). CryptoSlate also pointed out in September that weekly spending had grown, rather than shrunk, as the discount narrowed[14].

INTERPRETATION Because the company kept discretion to adjust the size of purchases to market conditions, the fact that execution departed from the initial guidance does not by itself establish a breach of the stated policy. That repurchases grew near $100, however, suggests that holding that price level may have required more cash. According to Keyrock's analysis cited by CryptoSlate, liquidity in STRC tended to thin as it moved away from its stated amount even before the repurchases began[15].

There were also instances of the price rising right after major policy announcements while repurchases were under way. In the five trading days after the July 27 repurchase policy announcement and the October 19 filing that raised the repurchase authorization, STRC rose 3.0% and 1.7%, respectively. Over the same windows, STRF, STRK and STRD, which the company did not buy directly, all fell, while Strive's SATA rose 0.3% and 1.2%, respectively (see Table 5).

Table 5. Two windows after the repurchase policy and authorization increase in which only STRC rose among Strategy preferreds

Announcement date	Event	STRC	STRF	STRK	STRD	SATA	Change in STRC average daily volume
June 29	Capital framework, dividend rate increase	+18.8%	+15.7%	+17.1%	+16.8%	+11.2%	5.32M→4.14M shares
July 27	Repurchase policy announced	+3.0%	-2.5%	-1.7%	-3.8%	+0.3%	1.06M→1.31M shares
September 8	Repurchase authorization $2 billion	+1.2%	0.0%	-2.7%	-0.7%	0.0%	1.62M→1.43M shares
October 19	Repurchase authorization $3 billion	+1.7%	-2.3%	-2.7%	-1.6%	+1.2%	1.99M→1.50M shares

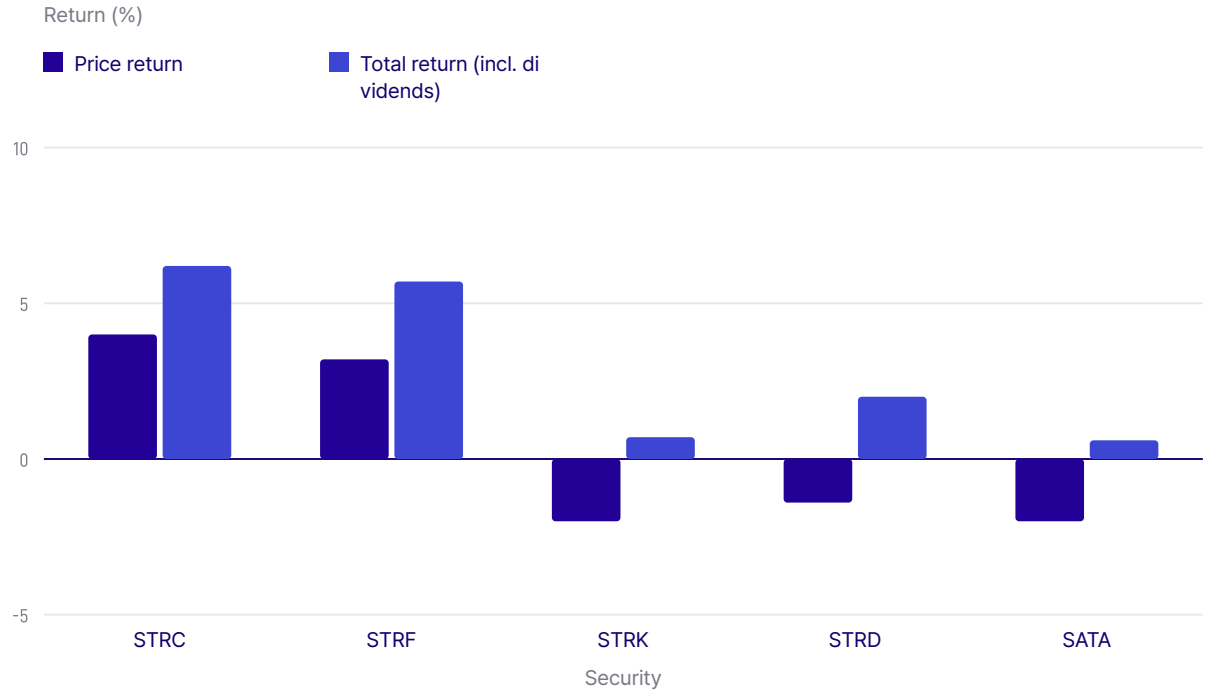
Note: Our estimates. Based on the close on the fifth trading day, counting the announcement day, versus the close on the last trading day before the announcement. Volume is the average over five trading days before and after each announcement. The repurchase authorization covers all preferred stock, but actual repurchases were concentrated in STRC[2][6][4][1].

INTERPRETATION That only STRC rose among Strategy preferreds after the July 27 and October 19 announcements is consistent with a direct effect from company repurchases. However, the second-quarter results overlapped the window after July 27, and the October 19 filing came on the trading day right after STRC fell to $97.72[2][1]. It is difficult to cleanly separate a technical rebound from the prior decline from the effect of the repurchases.

Market interest rates also moved during Period 3, as the comparable preferreds diverged. Over Period 3, the US two-year Treasury yield rose from 4.24% to 4.58%, and the 10-year yield from 4.74% to 4.90%[16]. Yet STRF, which pays a fixed dividend, also rose, which suggests the price differences across securities are more consistent with differences in liquidation priority and product structure than with rate moves. STRF, the most senior issue and one the company did not buy directly, rose 3.2% on a price basis and 5.7% on a total return basis. The total return gap with STRC, calculated from unrounded figures, was only about 0.4 percentage points (see Table 3). The standard deviation of daily closing returns was also similar, at 0.56% for STRC and 0.61% for STRF (our estimate)[1].

STRC total return close to that of unrepurchased STRF

Unit: %, Period 3 (August 21 to November 4); total return is a simple sum of dividends by ex-date



Source: Nasdaq[1][13], our estimates (Appendix ⓩ)

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INTERPRETATION This comparison has limits as a precise measure of the pure effect of the repurchases. STRC started from $96.18, and with the $99 to $100 trading target and the $101 redemption right, its upside was capped at roughly 4–5%. Securities with limited upside usually show lower volatility as well. The small return gap with STRF therefore cannot by itself establish whether the effect of the repurchases was small or large. It should also be kept in mind that STRF, as the most senior security in liquidation, is not a perfect control.

STRC's price kept moving up and down even while the company kept buying. Since September 28, STRC closed above $99 on 24 of 28 trading days (our estimate)[1]. On October 30, the trading day after the third-quarter results, it closed at $99.13, down $0.86 from the previous day[1]. It had already closed at $99.99 on October 29, five days before the US midterm elections, and its regular-session close on Election Day, November 3, was $99.93[1].

INTERPRETATION The intraday move to $100 on November 4 is hard to explain as an election effect alone. Attributing it to the start of daily dividends is also a stretch. Shareholder approval came on October 28 and the first daily dividend record date was November 1[12][5], but STRC was already trading in the $99 range before then.

04 COST AND FUNDING

Lighter dividend burden, depleting cash

INTERPRETATION These repurchases ease the cash outflow from future dividend payments while directly drawing down the company's available cash. The average purchase price was $97.58, a discount to the stated amount of about $55.9 million (2.4%). Assuming the 12% annual dividend rate is maintained, the annual dividend savings on the repurchased shares come to about $276.9 million, or 12.3% of total repurchase spending (our estimate). This is simply an estimate converting the next year's dividends; it is not a realized saving. Because the dividend rate is reviewed monthly and payment depends on formal board declaration, it cannot be treated as a fixed, confirmed saving[4].

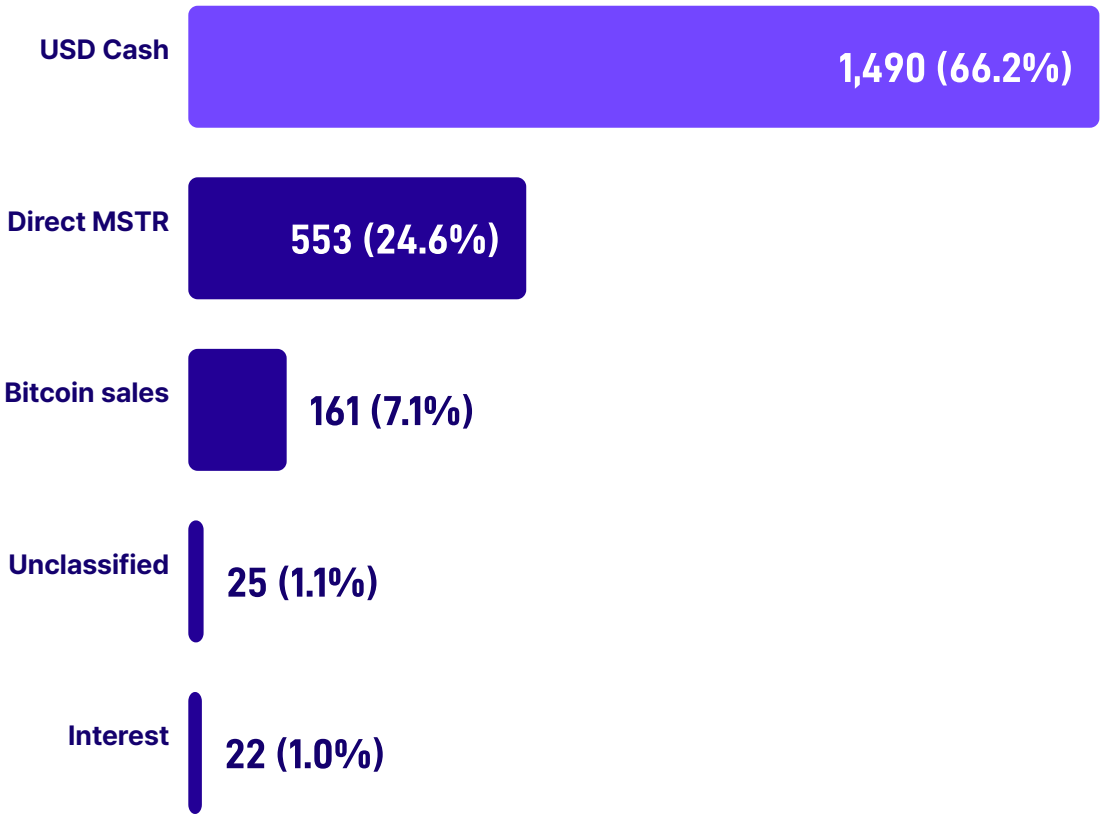
Table 6. Effects and funding sources of the repurchases

Item	Value	Remarks
Total repurchases	$2,251.4 million	July 20–November 1, 23,072,543 shares
Discount to stated amount	About $55.9 million	2.4% of stated amount
Estimated annual dividend reduction	About $276.9 million a year	Assumes 12% maintained, unrealized estimate
USD Cash used	About $1,490.4 million	General-purpose dollar cash, includes some balance-based estimates
Direct MSTR funding	$552.8 million	Common stock ATM proceeds
Bitcoin sale funding	$160.9 million	Executed July 27–August 9
Interest income funding	$22.2 million	Interest on cash equivalents and short-term investments
Unclassified funding in first repurchase week	$25.0 million	Amount not classified by source in initial filing

Note: Our estimates and totals. [2][5]. There is a rounding difference of $0.1 million between the sum of funding sources and total repurchases. Of USD Cash used, $192.4 million in October 5–11 is an estimate equal to the decline in the balance minus bitcoin purchases.

General-purpose cash funding two-thirds of repurchases

Unit: $ million, funding mix July 20 to November 1 (total 2,251); share of total in parentheses



Source: Strategy 8-K[2], our estimates (Appendix ⓘ)

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The company's general-purpose cash (USD Cash) also fell sharply over the repurchase period. USD Cash dropped from $1.59 billion on August 23 to $132.7 million on November 1[2]. USD Cash is available cash for general operating and investment purposes, whereas the USD Reserve is a dedicated reserve for dividend and interest payments. The USD Reserve, at $4.79 billion, is to be maintained at 12 months or more of expected payments, and going below that level requires board approval[2][6]. Under current financial policy, the USD Reserve cannot be used to fund STRC repurchases[4].

The funding flows tied to STRC also changed. According to Bitwise's estimate and remarks by the CEO, new STRC issuance was the main source of funding for bitcoin purchases before May[17][10]. Since July, however, STRC repurchases have been funded mainly with proceeds from common stock (MSTR) ATM offerings. The company said USD Cash was funded primarily through sales of class A common stock under its ATM program[5]. Direct MSTR funding and USD Cash used together amount to about 90.8% of total repurchases (our estimate), but that figure does not directly prove that the entire combined amount came from common stock issuance. In the week of August 17, about $1,570.1 million of net common stock proceeds flowed into the USD Cash account[2]. Of MSTR's net proceeds of $3,886.7 million over the five reporting weeks from July 27 to August 30, only $369.7 million (9.5%) went to bitcoin purchases, with the rest allocated to the USD Reserve and STRC repurchases, among other uses[2]. Over this time the

USD Reserve grew from $2.55 billion on July 5 to $4.79 billion on November 1[2]. From July 24 to October 25, when this fundraising was concentrated, MSTR class A common shares outstanding rose 10.5%, from 364.59 million to 402.71 million (our estimate)[18][5].

INTERPRETATION When proceeds from common stock offerings go to building preferred reserves and repurchasing STRC, existing common shareholders are diluted, and the capacity to buy more bitcoin with those funds shrinks accordingly. In exchange, future fixed dividend obligations fall in proportion to the STRC shares retired. The increase in share count tallied above, however, includes issuance for a range of purposes, so not all of it can be characterized as dilution from STRC repurchases.

Sustaining large-scale repurchases requires additional external funding. MSTR's remaining ATM capacity is $18,621.4 million, and the remaining preferred repurchase authorization is $748.6 million[2]. These limits are issuance capacity on paper, not cash on hand, so actual execution must be accompanied by further market funding or cash allocation. In the latest reporting week, another $98.5 million of MSTR proceeds flowed into USD Cash[2].

Compared with earlier periods when STRC traded near $100, today's dividend rate and amount outstanding differ considerably.

Table 7. November dividend rate 100bp higher than in January

Point in time	Dividend rate	Cumulative company repurchases	Remarks
January 2026, reached $100	11.0%	None	Recovered after falling to about $90 from November 2025
May 2026, before falling below $100	11.5%	None	Stated amount outstanding about $10.5 billion (June 22 report)
November 2026, reached $100	12.0%	$2,251.4 million	Stated amount outstanding about $8.2 billion (our estimate)

Note: [2][19][10][20]. The November stated amount outstanding is calculated by deducting the latest reporting week's repurchases from about $8.4 billion as of October 25.

INTERPRETATION When STRC returned to $100 in November, the dividend rate was 100bp (1.0 percentage point) higher than in January, and the amount outstanding had shrunk by about $2.3 billion. In January, STRC regained $100 at an 11.0% dividend rate without direct company purchases, and AMBCrypto reported that VanEck's Matthew Sigel cited the case of ATM issuance resuming afterward[21][20]. According to the earnings call transcript published by The Motley Fool, the chief executive officer

(CEO) said that raising the dividend rate further would not meaningfully increase new investor demand[17]. The company plans to recommend keeping the 12% annual dividend rate until sustained trading near $100 is confirmed[12].

The company's earnings materials offer a partial view of outside investor holdings. According to the third-quarter materials, from March 17 to September 30 the share held by high-net-worth individuals (individual accounts holding $1 million or more) rose from 24% to 29%, and the institutional share rose from 21% to 23%[19]. The end-September classification covers about 90% of shares outstanding[19]. These figures alone, however, cannot clearly show whether new investor demand increased on a net basis or whether the mix changed as shares moved among existing holders. investingLive also noted that price support by the issuer alone makes it difficult to judge whether solid outside demand is coming in[22].

05 TESTING DEMAND

A framework for testing real outside demand without company repurchases

INTERPRETATION The company's direct purchases put upward pressure on price through two channels: removing shares from circulation and directly adding to bids. Either way, this differs from voluntary new demand from outside investors. Assessing the health of the STRC market therefore cannot rest only on whether the quote has neared $100. It must test whether price and volume hold up after the company scales back or stops repurchasing, and whether the market smoothly absorbs new issuance.

The two price conditions in this analysis differ in nature. The condition of issuing only at $100 or above is the company's current operating policy and can be changed at management's discretion[4]. By contrast, keeping weekly closes at or above $99 is a check condition set by this report, aligned with the bottom of the $99 to $100 trading target the company has disclosed[5]. The four-week window for tracking net issuance is roughly one month, matching the monthly dividend rate cycle. The $707.2 million net issuance threshold is meant to test whether the market can absorb that much new issuance on its own while company purchases are on hold. As supplementary indicators, we also monitor the company's share of volume, the total return gap with the comparable STRF, and average daily volume.

INTERPRETATION We examine the market response after the company scales back direct purchases under three scenarios. The conditions below are classification criteria for identifying each state; they do not imply that any scenario is more likely than another.

- **Outside demand confirmed:** weekly closes stay at or above $99 even in weeks without direct company purchases, and new net issuance continues. In this scenario, preferred issuance proceeds could again fund bitcoin purchases, and the company would gain room to consider adjusting the dividend rate[12].

- **Company repurchases continue:** the price holds, but weekly repurchases keep being executed and no new issuance takes place. With USD Cash already sharply reduced, continuing repurchases would require external funding such as additional common stock issuance, and the funds raised would go to retiring STRC rather than buying bitcoin.

- **Price decline:** the close falls below $99 as soon as repurchases are scaled back, and issuance fails to resume. Under current policy, the company does not issue new shares at prices below $100[4]. The tools the company has disclosed for encouraging STRC to trade near its targeted range include dividend rate adjustments, USD Reserve management, sales of bitcoin and repurchases of STRC[5]. Raising the dividend rate, however, would add further to the company's dividend burden.

C

CONCLUSION

The gap between price recovery and normalized capital raising

INTERPRETATION STRC's market price has returned to around $100, but it is still too early to confirm whether the recovery reflects voluntary outside demand strong enough to fill the gap left by the company's direct purchases. Unlike the early phase, which coincided with a broad market rebound, the final-phase recovery came as the company's repurchases grew.

That outside demand has not been formally established, however, does not mean there is no market demand at all. Even in the final phase, about three-quarters of total trading volume came from trades among general market participants other than the company's direct purchases (see Table 4), and the shares held by high-net-worth individuals and institutions trended higher[19]. Whether these shifts in holdings reflect real new inflows or movements among existing holders cannot be clearly determined from filings alone (see Appendix ①).

INTERPRETATION Strategy's proceeds from common stock offerings have so far gone more toward building preferred reserves and repurchasing STRC than toward buying more bitcoin. If new issuance does not resume, this pattern will continue, and raising funds for bitcoin purchases through preferred issuance will struggle to function.

Key Conclusion

INTERPRETATION STRC's market price has recovered. But judging that its core role of raising capital through securities issuance is also back on track requires follow-up evidence that the general market absorbs new issuance on its own, without direct market intervention by the company.

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A APPENDIX

Data limitations and basis of estimates

① Limitations

- **Period definitions:** Period boundaries are our own choice, aligned with the weekly reporting windows. Moving the Period 2/3 boundary between July 31 and October 2 changes the final period's share of the discount to 41.4–2.2% and its share of repurchase spending to 95.3–35.5%. The concentration of repurchases in the later stage holds, but the specific shares depend on the boundary.
- **End-date sensitivity:** The Period 3 return comparison depends on the end date. Moving the end date forward to November 3 gives STRC 3.9%, STRF 2.5%, STRK -6.3%, STRD -3.1%, SATA -4.5% and bitcoin -1.3%.
- **Reporting lag:** Repurchases on November 2–4 are not included, so Period 3 repurchases may be understated.
- **Causal separation:** Repurchases, the bitcoin price, interest rates, the dividend rate increase, reserve building and rebounds after sharp declines overlapped, and we did not separate the price effect of each. The comparables differ in liquidation priority, dividend structure and issuer and are not a perfect control group, and because STRC's upside is structurally limited, comparing total return and volatility alone can understate or overstate the effect of the repurchases. Some of the five-trading-day comparison windows around announcements also overlap with other events.
- **Data source characteristics:** Daily closes and volume for the preferreds are Nasdaq data retrieved on November 5, 2026. Bitcoin uses Bitstamp UTC daily candles, so its measurement time differs from US stock closes. Total return is a simple sum based on ex-dividend dates and does not reflect reinvestment or taxes.

② Formulas for Our Own Estimates

This section sets out the formula and basis for every figure marked as our estimate in the text.

Metric	Formula	As of	Source
Discount	$100 - close	2026-06-26	[1]
Share of discount	Period price gain ÷ $25.43	Table 2	[1]

Metric	Formula	As of	Source
Share of repurchase spending	Period disclosed repurchases ÷ $2,251.4 million	Table 2	Appendix ③
Period return	End close ÷ start close - 1; bitcoin uses UTC daily candles	Table 3	Table 3 note
Period 3 total return	(End close + dividends in period) ÷ start close - 1; dividends STRC 2.13, STRF 2.50, STRK 2.00, STRD 2.50, SATA $2.6536	2026-08-21~11-04	[13]
Gain over recovery period	STRC 99.98 ÷ 74.57 - 1 = 34.1%; bitcoin 80,434 ÷ 60,019 - 1 = 34.0% (UTC daily candles)	2026-11-04	[1] [8]
Bitcoin gain on November 4	80,434 ÷ 77,345 - 1 = 4.0% (UTC daily candles)	2026-11-04	[8]
Net proceeds per common share	Weekly net proceeds ÷ shares issued. 8/3–9: $653.1 million ÷ 6,585,682 shares = $99.17; 8/24–30: $602.8 million ÷ 4,531,421 shares = $133.03	2026-08-30	[2]
Period 2 detail	7/27–8/7 gain $6.69 ÷ $10.89 = 61%; 7/31–8/7 $5.55; $108.6 million ÷ $2,251.4 million = 4.8%	Table 2	[2] [1] [8]
Average weekly repurchases	Period 2 $483.4 million ÷ 5 weeks = $96.68 million; Period 3 $1,768.0 million ÷ 10 weeks = $176.8 million (9/28–10/4 counted as one week); ratio 1.83x	2026-11-01	Appendix ③
Average purchase price by phase	Period 2 $483.4 million ÷ 5,173,025 shares = $93.45; Period 3 $1,768.0 million ÷ 17,899,518 shares = $98.77	2026-11-01	Appendix ③
Company share of volume	Shares repurchased in reporting weeks ÷ total Nasdaq volume in the same weeks. Period 2 7/20–8/23, Period 3 8/24–10/30	2026-10-30	[2] [1]

Metric	Formula	As of	Source
Average daily volume	Average of daily volume over the period. Period 2 7/20–8/21, Period 3 8/24–11/4	2026-11-04	[1]
Return around announcements	Close on fifth trading day including announcement day vs. close on last trading day before announcement. SATA post-announcement returns: 7/27 +0.3%, 9/8 0.0%, 10/19 +1.2%. Windows: 6/26→7/6, 7/24→7/31, 9/4→9/14, 10/16→10/23	Table 5	[1]
Standard deviation of daily returns	Population standard deviation of daily closing returns in Period 3. STRC 0.56%, STRF 0.61%, SATA 0.67%, STRD 1.36%, STRK 2.19%	2026-08-21~11-04	[1]
Share in high-price reporting windows	Reporting windows with average price of $99 or higher, $974.9 million ÷ total = 43.3%	2026-11-01	Appendix ③
Average purchase price	Repurchase spending ÷ shares repurchased	2026-11-01	Appendix ③
Discount to stated amount	Shares repurchased × $100 - repurchase spending	2026-11-01	Appendix ③
Estimated dividend reduction	Shares repurchased × $100 × 12%; 12.3% of repurchase spending. Assumes 12% maintained	2026-11-01	Appendix ③
Days closing at $99 or higher	24 of 28 trading days, 9/28–11/4	2026-11-04	[1]
Funding mix	Sum of funding sources stated in 8-Ks. For October 5–11, matches the change in USD Cash balance minus $0.5 million of bitcoin purchases. MSTR + USD Cash = 90.8%	2026-11-01	[2]
USD Cash inflow, week of August 17	Net proceeds $2,006.5 million - repurchases $136.4 million - USD Reserve $300 million	2026-08-23	[2]

Metric	Formula	As of	Source
MSTR allocation	Bitcoin $369.7 million ÷ $3,886.7 million = 9.5%	2026-08-30	[2]
Class A share growth	402,714,357 ÷ 364,585,501 - 1 = 10.5%	2026-07-24~10-25	[18] [5]
Stated amount outstanding	$8.4 billion - shares repurchased in latest reporting week × $100	2026-11-01	[2] [19]
Our check condition	Period 3 average weekly repurchases $176.8 million × 4 weeks = $707.2 million. Net issuance = net issuance proceeds - repurchases; all four weeks with zero repurchases, positive net issuance and weekly closes at or above $99. Not a statistical threshold	2026-11-01	Appendix ③

③ STRC Weekly Repurchase Series

Period	Shares	Repurchases ($ million)	Average price ($)	Cumulative ($ million)	Volume share
July 20–26	288,930	25.0	86.52	25.0	5.5%
July 27–August 2	912,143	81.2	89.02	106.2	13.9%
August 3–9	1,152,020	108.6	94.27	214.8	14.6%
August 10–16	1,388,720	132.2	95.20	347.0	23.6%
August 17–23	1,431,212	136.4	95.30	483.4	20.3%
August 24–30	1,557,177	151.8	97.48	635.2	18.9%
August 31–September 7	1,810,885	176.3	97.36	811.5	22.3%
September 8–13	1,420,467	139.3	98.07	950.8	27.8%
September 14–20	1,771,238	174.0	98.24	1,124.8	22.8%
September 21–27	1,534,530	151.7	98.86	1,276.5	21.5%
September 28–30	1,033,168	102.6	99.31	1,379.1	18.6%*
October 1–4	740,634	73.7	99.51	1,452.8	18.6%*
October 5–11	1,932,145	192.4	99.58	1,645.2	29.6%
October 12–18	1,938,780	193.1	99.60	1,838.3	19.5%
October 19–25	2,068,459	204.9	99.06	2,043.2	27.6%
October 26–November 1	2,092,035	208.2	99.52	2,251.4	23.9%

Note: Only the July 20–26 average price is the company's published figure (per [4]); the rest are our estimates, dividing dollar amounts by shares. Volume share is shares repurchased ÷ Nasdaq volume in the same week; * marks the combined figure for September 28–October 4 treated as one week[1]. CryptoSlate first tabulated the weekly disclosure structure on September 2[14]. Source: [2].

④ Methodology

- **Source priority:** Official materials from companies and regulators come first, followed by primary data and aggregator databases, specialist media, syndicated media and community sources, in that order.
- **Source classification:** Only sources whose original text we checked directly are classified as primary. Content conveyed through press reports is attributed to the reporting outlet.
- **As-of and retrieval dates:** Values fixed at a point in time carry an as-of date; dashboard figures that change in real time carry a retrieval date.
- **Conflicting figures:** Where different figures exist, we present both. Where a reference value must be chosen, we prioritize disclosure of the calculation scope, clarity of the retrieval time and separability of line items over the prominence of the outlet, and state the reason for the choice in the text.
- **Our estimates:** For each of our own estimates, the formula, as-of date and limitations are set out individually in Appendix ②.
- **Legal and regulatory interpretation:** Regulatory materials are cited only to explain general structural classifications and possible applicability, and are not read as an official classification or approval of any specific product. Descriptions of product structure and regulatory interpretation are kept in separate paragraphs.
- **Conflict-of-interest disclosure:** Every report carries the same disclosure in a fixed position at the top of the document.

PUBLISHED BY Bitplanet Research Lab WRITTEN BY Taewon Kim REVIEWED BY Sooyoung Kim

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