RV Pro

Deep Dives

with Jamie Coutts, Chief Crypto Analyst

BITCOIN (BTC)

Bitcoin at the Break — volatility compression, liquidity and the next regime

August 13, 2026 Helios Analytics Real Vision Pro v2.0

Executive Summary

I have not materially added to Bitcoin since buying near the bottom in 2022 & Q1 23, even though a growing number of the network, valuation, positioning and capitulation measures I follow have moved back into what I consider the value zone since February this year. The reason is simple: the technicals and the macro backdrop have still not given me enough permission. Real yields remain restrictive, the dollar is unresolved, and the global liquidity impulse is fading even as more claims compete for balance-sheet capacity. And now, volatility has collapsed as well. On August 11th, 90-day realized volatility was 34.63%, only the 8th percentile of its trailing four-year history. The 180-day close range was at the 12th percentile, while DVOL was around the 5th percentile. Bitcoin has entered a genuinely unusual state.

I have seen these volatility setups before, so I wanted to go back through the history and see what, if anything, we could learn from them. My takeaway is fairly simple. Extreme compression usually tells us that Bitcoin is approaching a transition, often within the next one to two months, but the compression itself is not the edge. Once price leaves the range, upside breaks have historically been much more reliable than downside breaks. From there, whether I trust the move depends heavily on the macro backdrop, particularly real yields, the dollar and the direction of global liquidity.

I am not trying to force Bitcoin into an old cycle pattern. History gives me a baseline; price, trend and relative strength tell me when that baseline is no longer useful. My Bitcoin trend filter, the weekly Trend Chameleon regime and Bitcoin's relative strength against the Nasdaq, S&P 500 & gold are therefore just as important as the pattern itself. If Bitcoin starts outperforming equities while liquidity is still tightening, that would be an extraordinary signal. That, however, is not my base case. The macro backdrop suggests Bitcoin could still experience another leg lower.

My current stance

Bitcoin-specific indicators show Bitcoin is in its accumulation zone, but the macro regime is not yet clean. At around 37%, Bitcoin is still by far my largest position, but I still hold deployment cash of around 8%. I want price, trend, and relative strength to determine whether I add into weakness, follow an upside break, or materially change the macro thesis.

The Setup: Value Meets Macro Risk

Bitcoin is sending two different messages. Across MVRV, NUPL, Puell, derivatives leverage, holder selling, SOPR, and the February realized-loss and liquidation event, the market has reset materially. I have covered those measures in previous work, so I won’t revisit them here. The important point is that Bitcoin has entered this compression range from a much cleaner internal position than the equity complex has. But its position relative to macro forces remains challenging.

Figure 1. Bitcoin Fundamentals Z-Score Composite. The composite shows the broad reset across valuation, holder profitability, production, and leverage measures entering the current volatility compression.



Source: Helios Analytics, CryptoQuant | Jamie Coutts, CMT

Bitcoin/crypto is not immune to a cross-asset shock, but it also enters this setup from a cleaner starting point. A major leverage purge has already taken place, while traditional equity leverage remains elevated and, on some measures, is still reaccelerating. In last week's Alpha Crypto Pulse, I described margin debt as a fragility indicator rather than a sell signal. Three-month annualized margin-debt growth had rebounded to 129% in June, its highest reading since 2007, while the equity trend remained intact. The risk is not the leverage by itself, but the leverage rolling over after the market has become dependent on continued growth.

The bigger problem is balance-sheet capacity. Government refinancing, deficits, AI infrastructure, grid and power investment, data centers, and strategic industrial policy are all competing for capital. The AI race matters here because some of those claims are becoming strategic and politically difficult to defer. More claims are competing for the same marginal liquidity. And liquidity, by most metrics, is not growing as fast as debt.

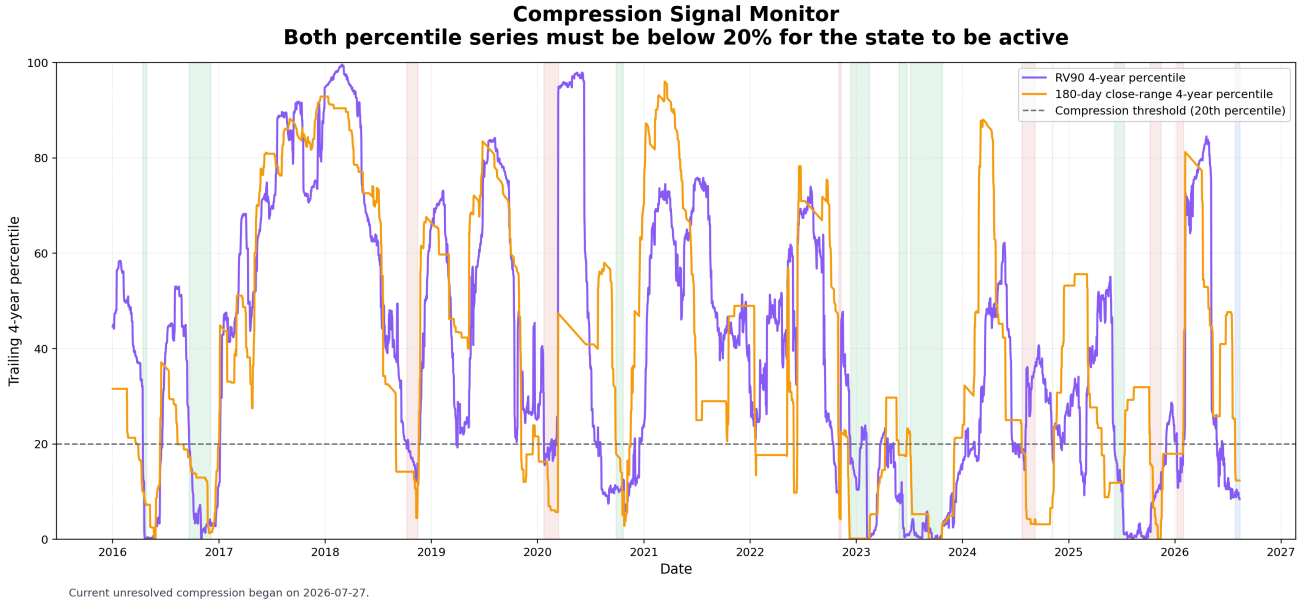
If this turns into real market stress, it will show up first in the plumbing: reserves, repo and funding conditions, disorderly moves in the long end, credit spreads and Treasury-market functioning. At some point, that stops being an equity-market problem and becomes a balance-sheet problem. Targeted interventions can buy time, but sufficiently severe market-functioning stress would raise the probability of a larger central bank balance-sheet response.

The recent coordinated intervention to support the yen is a good example of policymakers acting before a conventional collapse or systemic crisis. While ostensibly a move to support an ally's currency, it was a necessary move to support the US Treasury market. The broader conclusion: yen, JGB and Treasury-market dynamics are tightly connected, and authorities are already willing to use unusual tools when those linkages threaten stability.

What Is the Volatility Profile?

This is what the current low volatility range looks like. The set-up requires both 90-day realized volatility and the 180-day close range to fall below the 20th percentile of their own trailing four-year histories. Once armed, the state remains active until Bitcoin closes outside the prior 180-day range. That produces 14 completed episodes since 2016 and one unresolved episode, which is live today.

Figure 2. Bitcoin compression signal monitor. Both realized volatility and the 180-day range must sit below the 20th percentile for the state to be active.



Source: Helios Analytics, CryptoQuant | Jamie Coutts, CMT

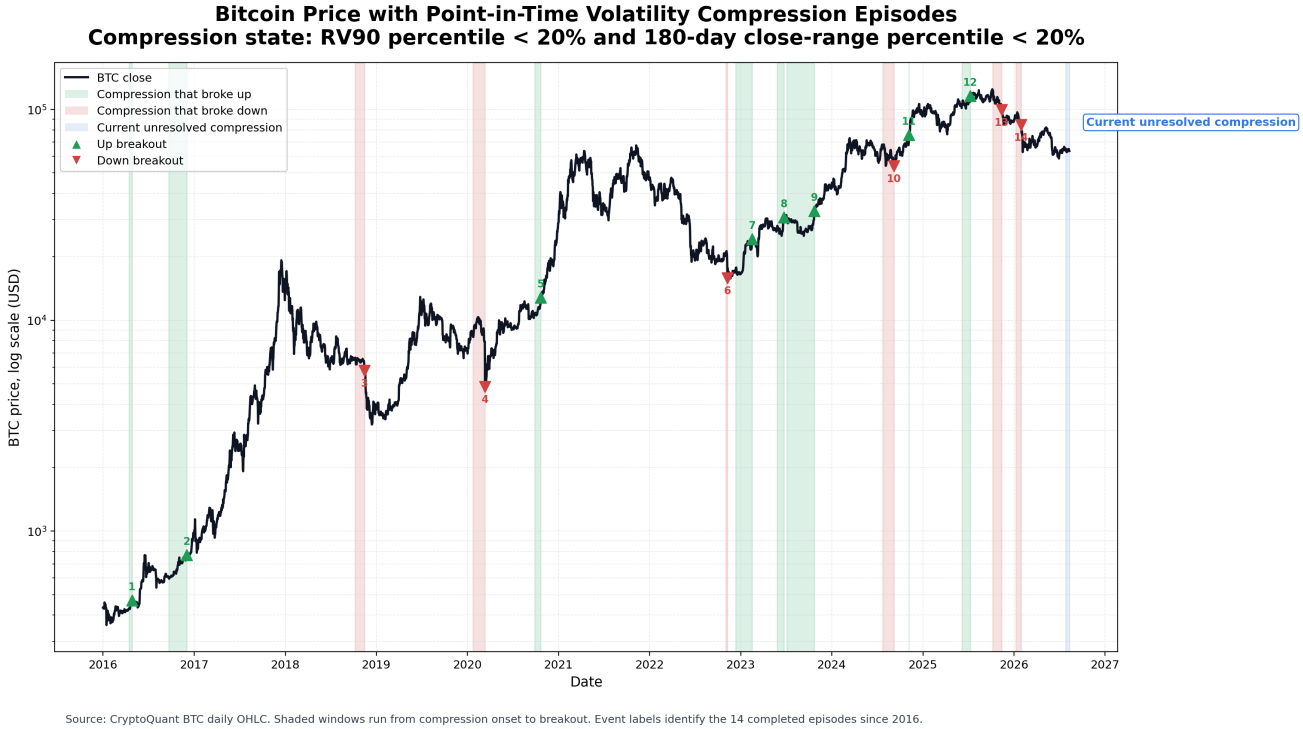
The current state began on 27 July. At the research snapshot on 11 August, Bitcoin closed at $63,533. RV90 was 34.63%, the 180-day close range was 40.42%, and the formal range boundaries were roughly $58,535 and $82,196. Deribit's implied volatility Index (DVOL) closed at 36.15 on 12 August. Those are fairly extreme readings by Bitcoin's standards. The question is whether "unusual" necessarily means "predictive".

First Insight: Compression Is Not the Edge

The intuitive idea is obvious: when Bitcoin gets this quiet, a volatility burst should follow. Across the 14 completed events, the median peak expansion in 30-day realized volatility over the following 60 days was 1.329x. So yes, volatility usually did expand, but in my testing the difference versus a random sample was much smaller than I had expected. The effect is also concentrated in Bitcoin's earlier history and largely disappears in the modern sample.

Second Insight: The Break Matters More Than the Compression

Figure 3. Bitcoin price with every completed point-in-time volatility-compression episode since 2016.



Source: Helios Analytics, CryptoQuant | Jamie Coutts, CMT

More useful historical information emerges once price leaves the range. Of the 14 completed episodes, eight broke higher, and six broke lower. Of the eight upside breaks, seven were still positive 90 days later, and seven remained positive 180 days later. The exceptions were June 2023, when Bitcoin fell 13.6% over the next 90 days before recovering to gain 42.0% by 180 days, and July 2025, when Bitcoin was still up 6.3% after 90 days but had fallen 19.3% by 180 days. The historical pattern is clear: upside breaks have generally produced durable follow-through.

Downside breaks have been much less reliable. Three of the first four were effectively capitulation events, where the initial move lower either marked or came very close to a major low, while the September 2024 break also reversed strongly. Only the two most recent downside breaks, in late 2025 and early 2026, have delivered persistent negative follow-through.

Figure 4. Forward returns and path metrics after every completed compression break. Green indicates positive outcomes and red negative outcomes.

Bitcoin Compression Event Ledger and Forward Performance

Event	Breakout	Direction	Days to breakout	30D return	60D return	90D return	180D return	90D MFE	90D MAE	Outcome
1	2016-04-26	▲ Up	12	-3.4%	+42.3%	+39.2%	+38.4%	+63.5%	-7.6%	Delayed upside
2	2016-12-02	▲ Up	73	+29.3%	+25.6%	+62.9%	+193.9%	+62.9%	-2.6%	Major upside trend
3	2018-11-14	▼ Down	37	-44.5%	-38.6%	-37.2%	+34.9%	+44.5%	+2.4%	Downside → reversal
4	2020-03-12	▼ Down	49	+42.0%	+76.8%	+104.1%	+109.2%	-4.1%	-110.8%	Immediate downside reversal
5	2020-10-21	▲ Up	24	+45.7%	+83.2%	+180.4%	+334.7%	+216.8%	+1.0%	Exceptional upside
6	2022-11-09	▼ Down	7	+7.9%	+7.9%	+46.4%	+74.1%	+0.5%	-49.5%	Downside failure
7	2023-02-15	▲ Up	65	+12.4%	+24.6%	+11.1%	+20.9%	+25.2%	-17.4%	Modest upside
8	2023-06-23	▲ Up	27	-1.9%	-15.3%	-13.6%	+42.0%	+2.6%	-18.2%	Delayed upside
9	2023-10-23	▲ Up	109	+13.2%	+33.1%	+25.7%	+96.5%	+42.0%	+2.5%	Sustained upside
10	2024-09-06	▼ Down	45	+16.4%	+28.5%	+79.7%	+67.8%	-0.3%	-83.3%	Downside failure
11	2024-11-06	▲ Up	0	+32.0%	+30.0%	+29.3%	+25.5%	+40.3%	+0.3%	Clean upside
12	2025-07-10	▲ Up	33	+0.4%	-3.4%	+6.3%	-19.3%	+7.5%	-6.6%	Upside failure
13	2025-11-13	▼ Down	37	-9.4%	-8.5%	-32.7%	-19.2%	+37.0%	+2.7%	Persistent downside
14	2026-01-29	▼ Down	21	-20.9%	-21.2%	-10.5%	-24.6%	+25.8%	+0.6%	Persistent downside

Forward returns from breakout close. MFE and MAE are directional 90-day excursions. Outcome labels compress the subsequent path; red/green return shading is symmetric around zero.
Source: Helios Analytics, CryptoQuant | Jamie Coutts, CMT, Helios Analytics, Real Vision

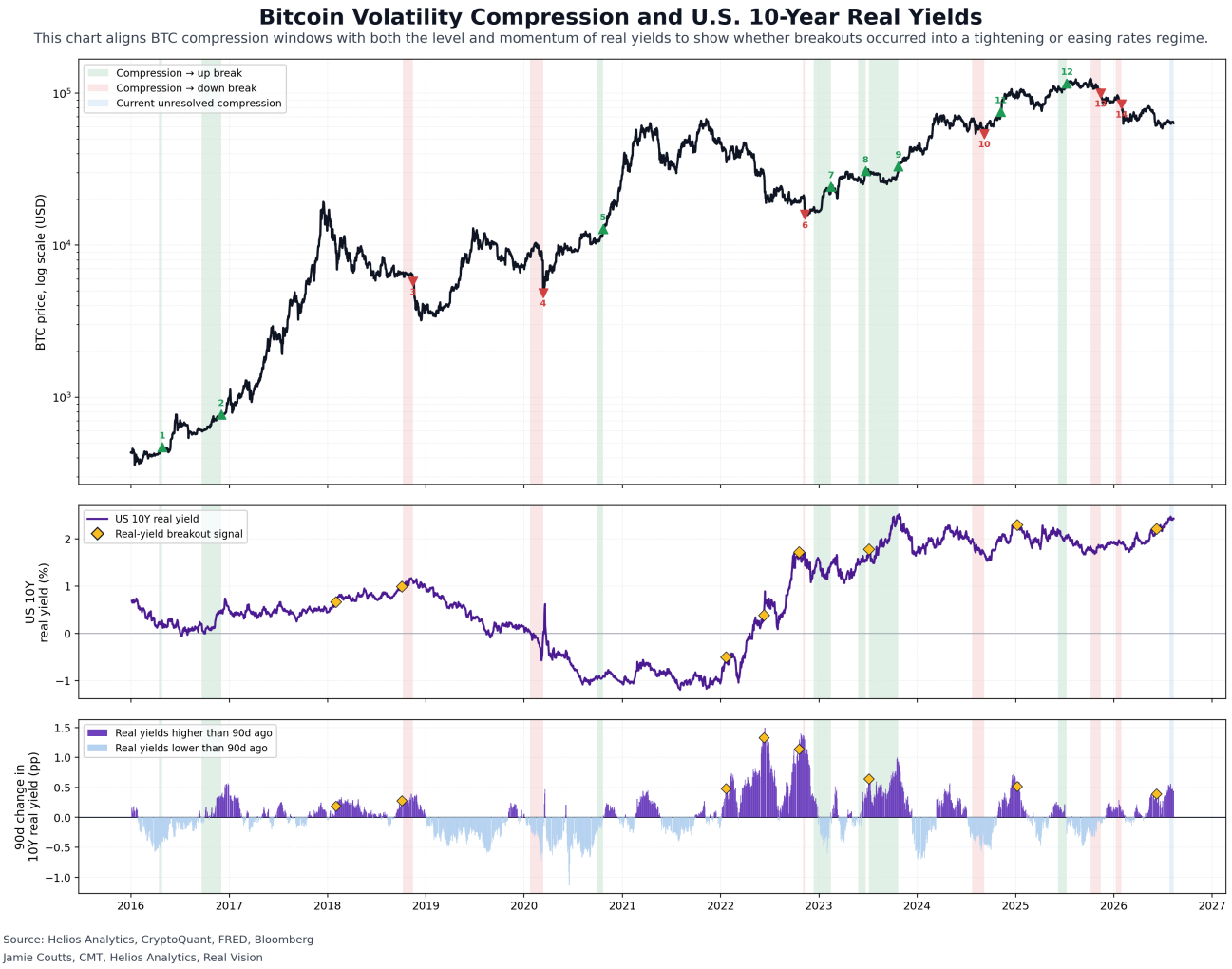
Source: Helios Analytics, CryptoQuant | Jamie Coutts, CMT

Regime Dependency: What Kind of Break Is This?

Once the range breaks, I care less about Bitcoin being compressed and more about the regime it is breaking into. I use three metrics which I have been writing about recently here: real yields, the dollar, and global liquidity. None is a standalone timing signal, but together they tell me whether price is moving with or against the prevailing financial conditions.

Real Rates: Still the Clearest Constraint

Figure 5. Bitcoin compression, the U.S. 10-year real yield and the 90-day real-rate impulse.



Source: Helios Analytics, CryptoQuant, FRED, Bloomberg | Jamie Coutts, CMT

One part of the macro setup that still bothers me is real rates. US 10-year real yields remain elevated, and the latest breakout above the prior one-year high keeps the discount-rate backdrop restrictive. I hear the argument that inflation is softening and the Fed is unlikely to hike again. But if markets are genuinely worried about inflation becoming entrenched, the counterintuitive response may be that the cleanest way to settle that concern is for the Fed to tighten again and reassert its credibility.

What interests me most is the sequence of the real-rate signals. In both 2018 and 2022, they appeared repeatedly as the Bitcoin bear market developed, with the final signals arriving around the last major leg lower. In 2018, the downside compression break coincided with a roughly 44% fall over the following 30 days, but that move quickly became the cycle capitulation. In 2022, the real-rate move was far more aggressive, with several breakout signals as yields repriced sharply higher. The final signal arrived around the November FTX selloff, which ultimately marked the cycle low.

This distinction is useful today. If real yields keep accelerating and we see repeated breakout signals while Bitcoin remains below trend, the setup starts to look more like 2022, and the downside risk becomes much larger. If the current move proves more moderate and begins to roll over, the comparison is closer to 2018, where the final downside break was part of the capitulation process rather than the start of another prolonged leg lower.

So far, the current real-rate impulse looks closer to the latter than to the extraordinary tightening of 2022. The move is meaningful, but the rate of change is nowhere near as extreme.

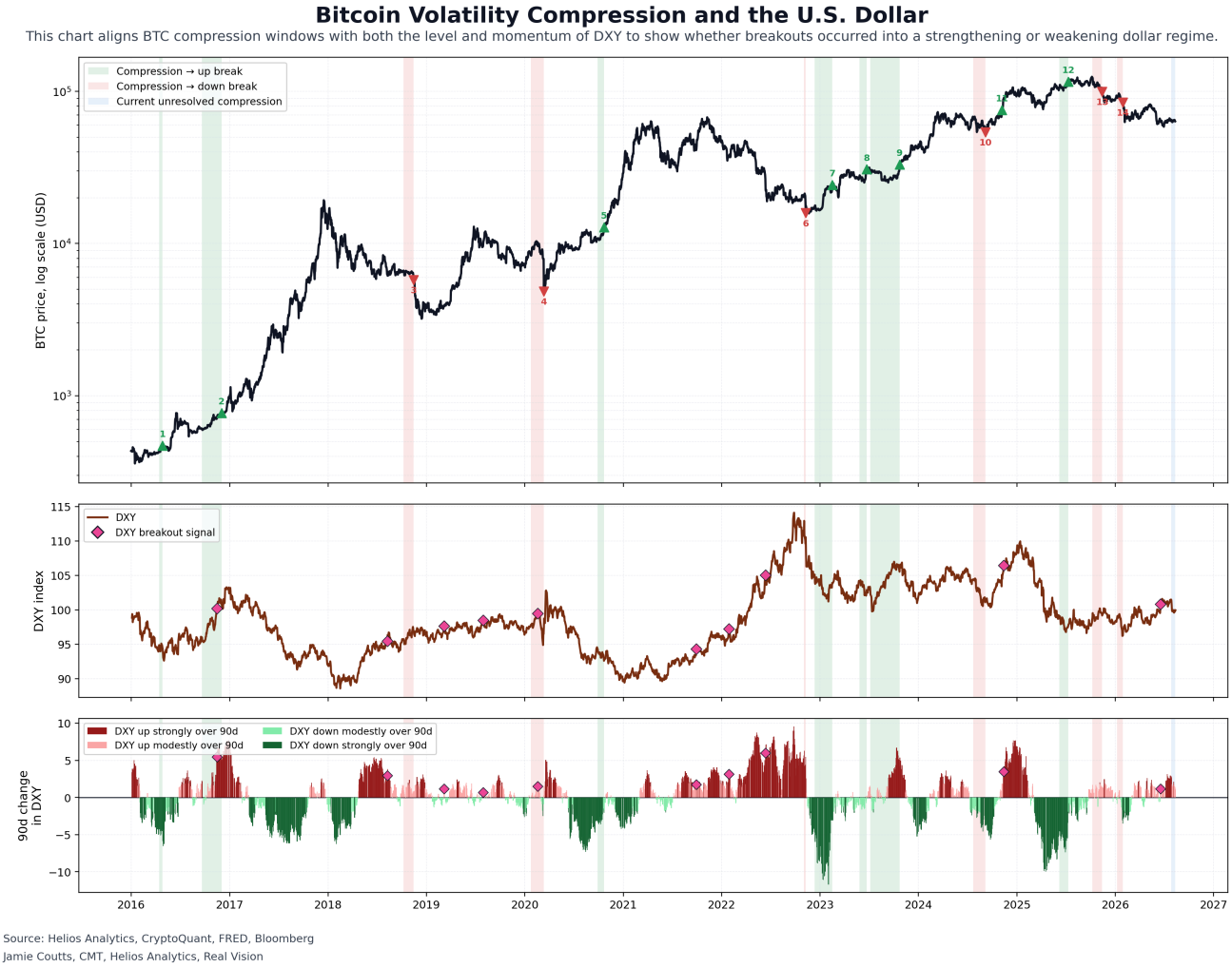
The 2023 signal is the useful counterexample. By then, Bitcoin had already transitioned out of its bear market. Price had reclaimed the 160-day filter, the daily structure had improved, and the weekly Trend Chameleon was back in a bullish regime. Bitcoin was absorbing tighter rates from a position of strength.

That is why I think it's useful to apply technical overlays to macro signals. Real yields tell me how much pressure is being applied. Bitcoin's trend tells me whether the market is absorbing that pressure or beginning to buckle under it.

The risk today is not simply that real yields have broken higher. It is whether the tightening impulse persists and accelerates while Bitcoin remains below trend. If the real-yield move fades and Bitcoin reclaims trend, the probability that we have already moved through the worst of the bear market rises materially.

The Dollar: Important, but Not Yet Confirming

Figure 6. Bitcoin compression, the DXY level and the 90-day dollar impulse.



Source: Helios Analytics, CryptoQuant, Bloomberg | Jamie Coutts, CMT

The dollar remains one of the most important swing variables for Bitcoin and risk assets more broadly. The chart makes the contrast clear. In 2022, the rapid acceleration in DXY acted like a wrecking ball across global markets, compounding the pressure from rising real yields and tightening liquidity. The dollar also strengthened during the 2018 Bitcoin bear market, but the move was far more gradual, and the cross-asset damage was much less severe.

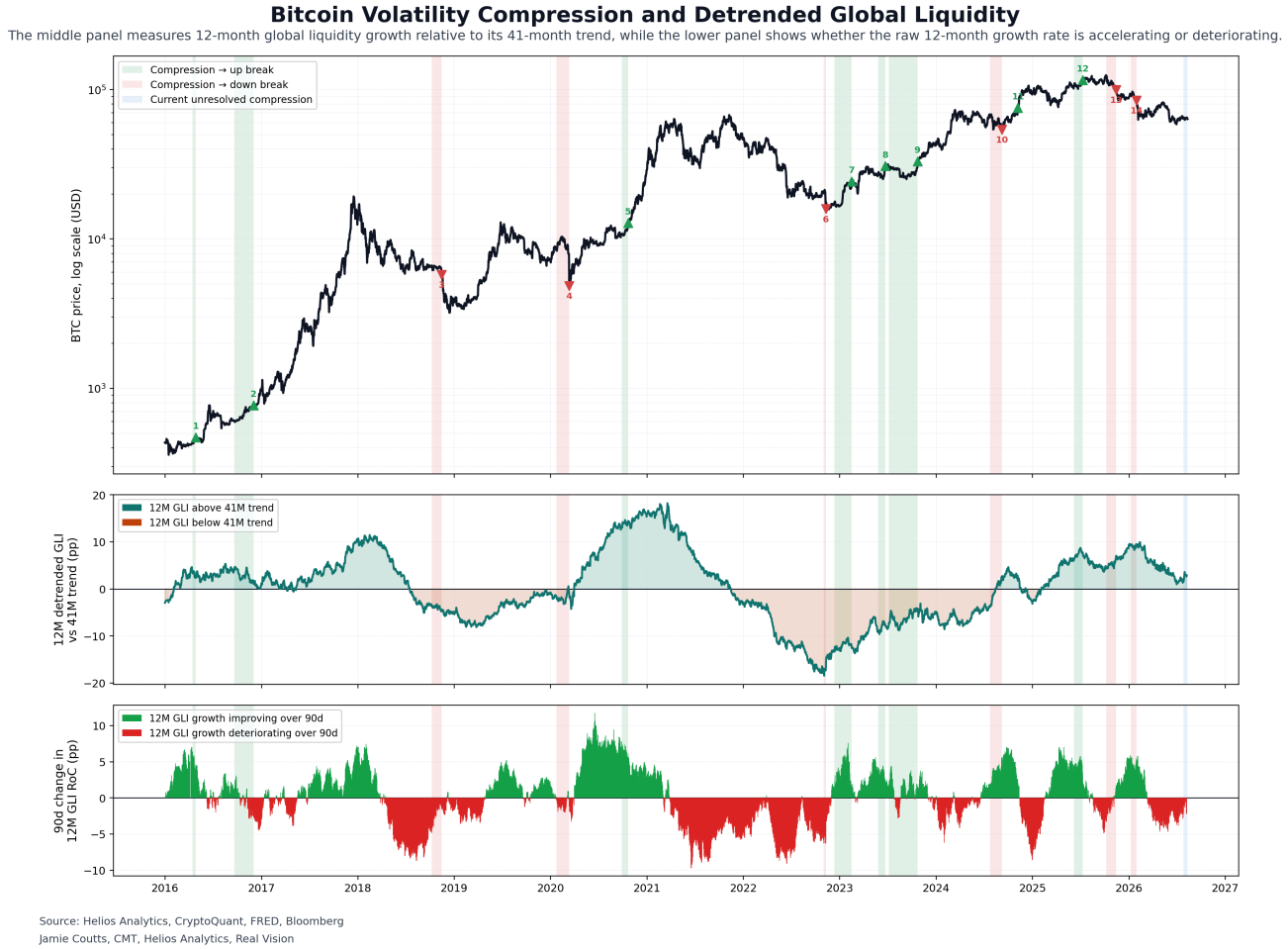
The DXY is now back around 100, but the impulse remains indecisive rather than a clean, renewed tightening shock. Positioning adds an interesting wrinkle: JPMorgan's measure of USD net positioning has surged toward roughly +2 standard deviations, suggesting the long-dollar trade has become crowded. From a contrarian perspective, that raises the probability of a reversal, which would help global liquidity. So far, though, that reversal is not yet evident in DXY itself. A stronger dollar combined with persistently high real yields would materially worsen the backdrop; a sustained rollover would remove one of the system's most important liquidity constraints and push Bitcoin higher.

And just a quick word on the recent yen intervention. This move showed us that policymakers are already willing to intervene in markets — not when equity markets are falling but when they remain near their highs. The lesson is not the size of the intervention itself, but that FX and sovereign bond instability are becoming policy issues before a conventional crisis has arrived.

Global Liquidity: Above Trend, but Fading

This brings me to global liquidity. My GLI sums the global central bank balance sheets and money supply into a single liquidity aggregate. It is far from perfect as it does not capture the shadow-banking system, but it has served as a useful proxy for the broader liquidity cycle. Because global liquidity exhibits a structural upward drift, I use the 12-month rate of change relative to its baseline trend. On that basis, liquidity remains above trend and has even ticked up slightly in recent years. So, the current setup is not yet as hostile as the tightening phases of 2018 or 2022, which naturally line up with strong dollar and real yield phases.

Figure 7. Bitcoin compression, 12-month global liquidity growth relative to its 41-month trend, and the 90-day change in the raw 12-month growth rate.

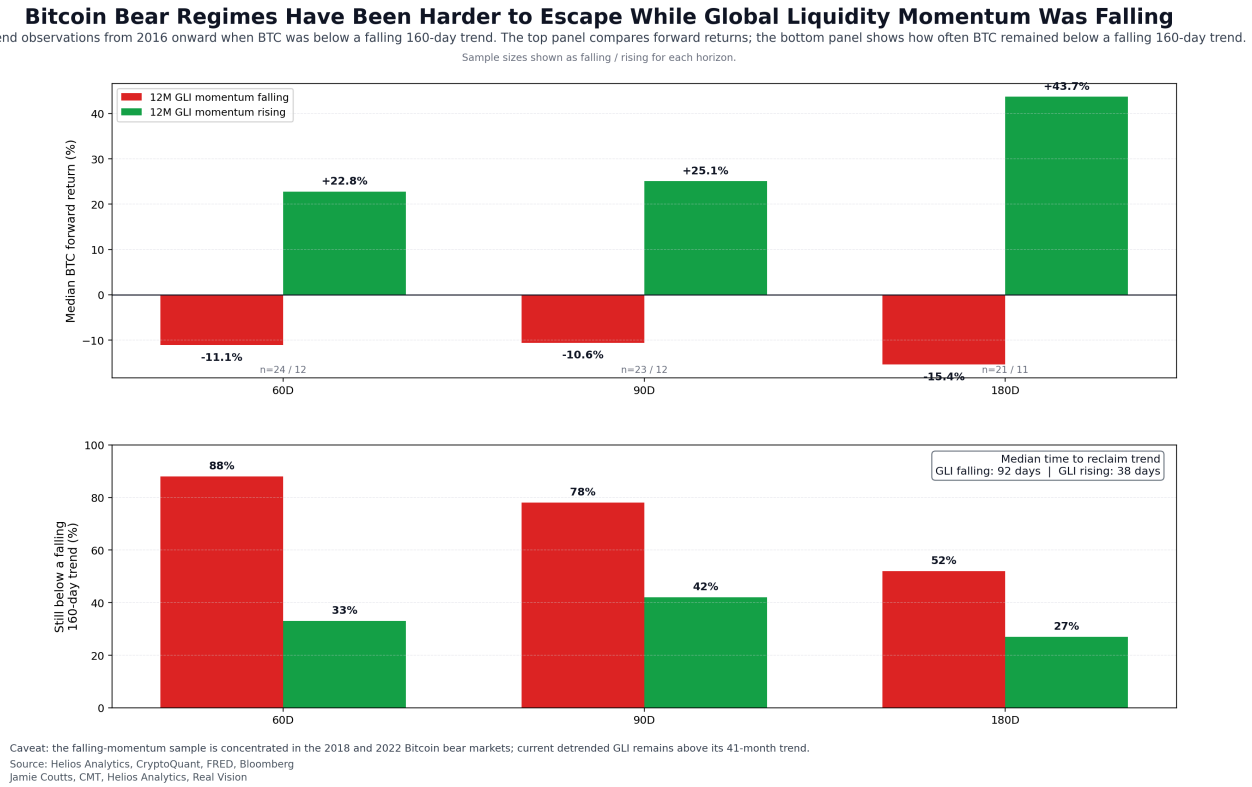


Source: Helios Analytics, CryptoQuant, FRED, Bloomberg | Jamie Coutts, CMT

However, the direction of travel for liquidity is less comfortable. The 12-month rate of change is declining even as claims on liquidity are increasing. The AI capex build-out is becoming more capital-intensive, Treasury issuance remains heavy, and higher bond yields are increasing financing costs across the system. **Liquidity need not contract outright to become restrictive. It only needs to grow more slowly than the claims being made on it**.

Again, the 2018 and 2022 bear markets are useful comparisons. The sample is too small to be statistically significant, but both occurred within broader four- to five-year liquidity cycles and account for much of the historical signal. They also share several features with the current environment: Bitcoin below a falling trend, restrictive real yields, dollar risk, and deteriorating liquidity momentum.

Figure 8. Bitcoin forward returns and trend persistence when 12-month GLI momentum was falling versus rising while Bitcoin was already below a falling 160-day trend.



Source: Helios Analytics, CryptoQuant. Observations overlap, and the independent cycle count is small. | Jamie Coutts, CMT

Across the historical bear-market sample, falling 12-month GLI momentum lined up with weaker Bitcoin returns and a much slower recovery back above trend. The return gap is clear across 60, 90 and 180 days, but I think the lower panel tells the story better. When liquidity momentum was falling, Bitcoin was still below a falling 160-day trend 88% of the time after 60 days and 78% after 90 days, versus 33% and 42% when liquidity was improving. The median time to get back above trend was 92 days, compared with just 38 days when the liquidity impulse was turning higher. The sample is small, but the message is useful: weak Bitcoin trends have historically been much harder to escape while liquidity momentum is still deteriorating.

What Would Change My Mind?

The reality is that historical patterns may not hold. So the idea was that this research would give me a baseline; the trend and relative-strength filters would tell me if and when things have changed.

I start with Bitcoin's trend filter, then the weekly Trend Chameleon, then relative strength against the Nasdaq, S&P 500 and Gold. None will identify every turning point perfectly, but the signal becomes much more useful when they begin to line up.

These are the charts that tell me whether Bitcoin is absorbing the macro pressure or succumbing to it. On the daily chart, Bitcoin is on the precipice, pushing against the trend filter, which is where bear market rallies typically fail.

Figure 9. Bitcoin daily trend state. The 160-day filter remains above spot while the daily Trend Chameleon has improved from the prior sell regime.



Source: Helios Analytics, TradingView | Jamie Coutts, CMT

On the weekly timeframe, Bitcoin is still firmly in a downtrend. There is a bullish divergence on the weekly RSI, which has been hinting at a deceleration in downside momentum, but ultimately the TC regime would need to flip from current bearish to at least neutral (yellow) to indicate an inflection in the supply-demand equation. We would also need to see that on the BTC/NDX ratio chart as well. While not shown in the charts below, bullish divergences (RSI) and DeMark exhaustion counts are appearing. These are signs of trend deceleration, not a definitive bottom.

Figure 10. Bitcoin's weekly Trend Chameleon regime and relative strength versus the Nasdaq, SPX and Gold. A sustained turn higher in BTC/NDX while liquidity remains restrictive would be a key falsification signal.



Source: Helios Analytics, TradingView | Jamie Coutts, CMT

Ultimately, the biggest swing factor is where we are in the liquidity cycle. In previous bear markets, Bitcoin bottomed around the same time the 12-month rate of change in global liquidity bottomed, and in both cases, liquidity had already turned negative. We are not there today. Liquidity is still positive, even if the direction is clearly deteriorating, while the Nasdaq and S&P remain near record highs.

That leaves us in an uncomfortable in-between period. If we are moving toward a deeper liquidity trough over the next year, Bitcoin can still struggle alongside equities before the cycle turns. But if Bitcoin begins to outperform the Nasdaq while liquidity is still tightening, I would pay very close attention. Near a liquidity-cycle low, that would not be unusual. It would suggest Bitcoin is beginning to anticipate the turn before the broader equity market does.

The harder the macro backdrop becomes, the more informative that relative strength would be. A rising BTC/Nasdaq ratio after liquidity has already turned higher would be normal risk-on behavior. A rising BTC/Nasdaq ratio while liquidity is still deteriorating would be one of the most important signals in this report. It would tell me Bitcoin may be starting to anticipate the next regime before the broader market does.

Three Ways This Set Up Can Resolve

Path 1: Tightening First, Policy Response Later

This remains my base case. Claims on liquidity continue to rise, inflation does not fall far enough to take pressure off the long end, and the dollar stays firm enough to keep financial conditions restrictive. That does not require an immediate crisis. It simply leaves markets with less room to absorb bad news.

A conventional 20% to 25% equity correction would become more consequential if it began to impair funding, collateral, or Treasury-market functioning. With deficits already large, a prolonged equity decline would also weaken tax receipts and widen the fiscal hole. If reserves become scarce, repo conditions tighten and long yields turn disorderly, the problem shifts from asset prices to market plumbing. That is where targeted measures may no longer be enough, and the probability of a larger balance-sheet response rises.

My base case is not that Bitcoin decouples before that stress arrives. It is that a more meaningful liquidity response eventually creates the conditions for Bitcoin to rally on an absolute basis and begin outperforming equities again.

Path 2: A Healthy or Fragile Melt-Up

There is a more benign path. Inflation can continue to soften while unemployment rises enough to remove pressure from the Fed. Financial conditions ease at the margin, tech and equities remain well bid, and Bitcoin breaks higher with them.

That is not inherently unhealthy. A melt-up driven by improving fundamentals without another expansion in leverage could be a constructive and more sustainable extension of the cycle. The fragility rises if the rally is accompanied by another acceleration in margin debt and financed exposure. Higher collateral values create more borrowing capacity, which makes the market increasingly dependent on continued price gains.

That is why I will continue to track the upcoming FINRA data rather than treating the margin-debt work as a sell signal. The framework from last week remains the same: leverage is a vulnerability indicator while the trend holds. The more consequential warning would be another loss of momentum after leverage has reaccelerated while equities remain extended.

Path 3: Bitcoin Changes Character Early

The third path is the most interesting and the one that would force me to rethink the framework fastest. Bitcoin begins to outperform the Nasdaq and S&P before liquidity has clearly turned.

If that happens while real yields remain restrictive and GLI momentum is still deteriorating, I would take it seriously. It would suggest Bitcoin is beginning to anticipate the next liquidity regime ahead of equities, or that another driver is becoming more important.

Gold offers one possible template. Scarce monetary assets can respond not only to cyclical liquidity, but also to concerns around sovereign balance sheets and monetary credibility. I do not think Bitcoin has shown enough evidence of that shift yet. If it starts to, the relative-strength charts should make it obvious.

How I Am Positioned

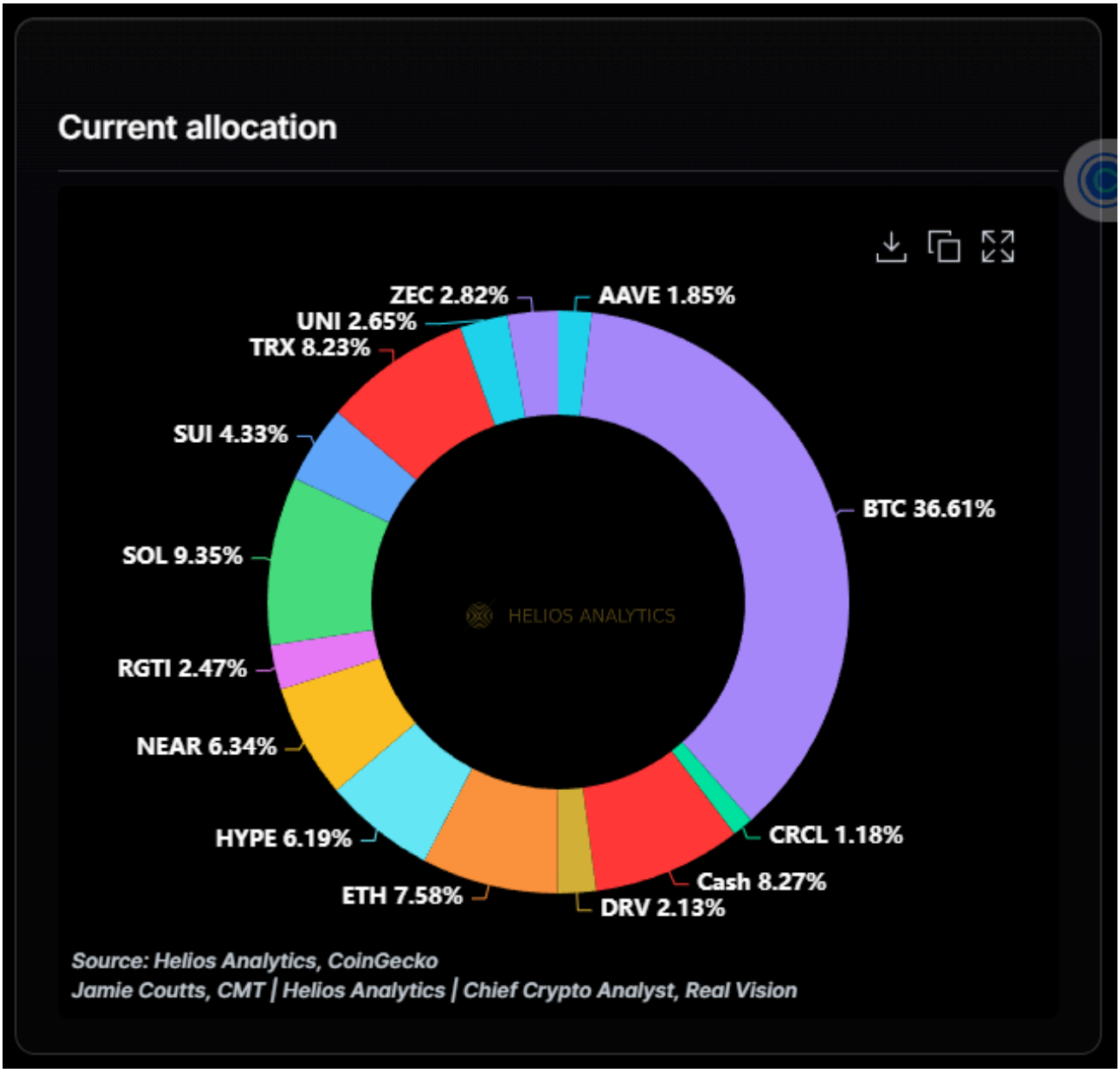
Bitcoin is still the largest position in my portfolio, and I still have cash available to deploy. If Bitcoin breaks below the roughly $59,000 range low and trades into the low $50,000s, I would expect to use that weakness to add to Bitcoin and selected crypto assets. The internal crypto setup is much cleaner than it was at the cycle peak, and another liquidation event into that zone would improve the asymmetry further.

If Bitcoin resolves higher instead, the question shifts from valuation to leadership. I will be watching whether relative performance broadens beyond Bitcoin and whether market breadth improves across the higher-quality assets. My aim is to be mostly or fully deployed once Bitcoin clears its daily trend filter, with a weekly Trend Chameleon regime change providing the higher-conviction confirmation.

I am not trying to buy the exact low. I want to increase exposure when either price offers a materially better entry or trend and relative strength tell me the regime has changed. That gives me two ways to get more aggressive without having to predict the turning point.

I made some important mistakes in Q4 last year by underestimating the severity of the bearish signals appearing in the data. My September call for a roughly 30% Bitcoin correction was directionally right, but badly underestimated both the scale and duration of the decline. I raised cash aggressively in Q1, then began deploying some of it through Q2 and Q3 into DeFi positions including Aave, Uniswap and Derive, alongside Ethereum, Solana and NEAR. I have also taken profits selectively to preserve dry powder if another selloff emerges later this year.

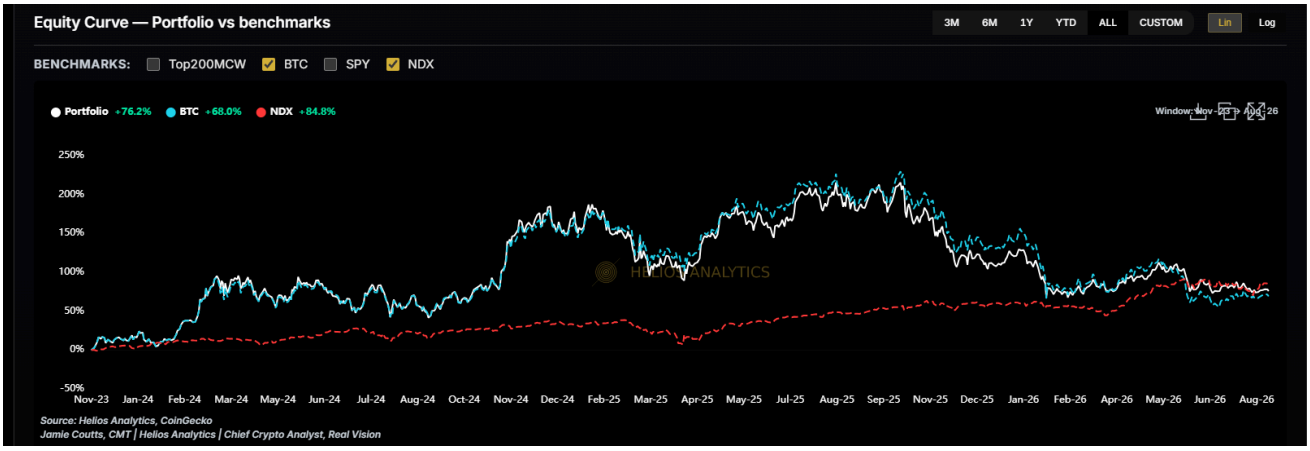
Figure 11. Current Helios Analytics crypto allocation.



Source: Helios Analytics, CoinGecko | Jamie Coutts, CMT

The opportunity cost has been painful. My crypto portfolio had built a substantial lead over the Nasdaq, only to surrender that lead as the AI capex trade became the dominant expression of global risk appetite. That experience is another reason I am unwilling to ignore trend simply because valuation looks attractive.

Figure 12. Helios Analytics crypto portfolio performance versus Bitcoin and the Nasdaq.



Source: Helios Analytics, CoinGecko | Jamie Coutts, CMT

I do not know whether the portfolio will finish the year in positive territory. What I have greater conviction in is the broader liquidity setup. If tightening eventually forces a more substantial policy response, Bitcoin should be one of the primary beneficiaries. The same could be true for market-leading blockchains and rapidly growing DeFi protocols that remain lightly owned after a long period of relative underperformance. I want to preserve enough cash to take advantage of weakness, while still having a framework that gets me substantially invested if price and trend turn first.

The remaining question is whether I should pay for convexity while I wait for one of those conditions to resolve.

The Trade: Pay for Convexity or Wait?

All this volatility work nearly pushed me into an options trade. I am already long Bitcoin, so I do not feel compelled to add another layer of exposure, but for investors who want to position for a larger move before the direction is known, I think the structure is worth looking at.

At the research snapshot, the current compression had already lasted about 17 days. Historically, episodes that had lasted that long took another 20 days, on median, to break. That waiting period matters because options lose value as time passes if Bitcoin does nothing.

The structure I preferred was the December 56k put / 78k call strangle, costing about 0.0766 BTC in premium. I preferred December to the October 58k / 72k alternative because it gave the trade more time to work, had better liquidity, and carried less time-decay risk while waiting for the breakout.

I have not put the trade on myself. I already have substantial Bitcoin exposure, I trade derivatives far less than I used to, and I am comfortable waiting for either a better spot entry or a trend confirmation. But for investors who are comfortable with options, the December strangle is a reasonable way to express the volatility setup without having to predict the direction of the break.

I would keep the risk small: cap premium at risk at 1.0% of NAV, do not average down, and use a firm time stop rather than simply holding to expiry.

Where Does That Leave Bitcoin?

All in all, Bitcoin is compressed at a point where the evidence is pulling in different directions. The asset-specific setup is much cleaner; the macro liquidity impulse is not. Real yields remain restrictive, DXY is directionless, and global liquidity is above trend but fading.

For me, the sequence is straightforward. Compression tells me a transition is close. The range break gives direction. Macro tells me how much confidence to place in that break, while trend and relative strength tell me when the historical framework is breaking down.

My base case is still for another leg lower in this bear market. That reflects the technical and macro setup, despite a growing number of Bitcoin-specific measures already showing oversold or value-zone conditions. I am long from much lower prices and still highly exposed, so I am comfortable waiting for the market to resolve.

If the range breaks lower into the low $50,000s, or even below, I have a deployment plan. If it breaks higher and the trend turns, I have a deployment plan. If Bitcoin begins outperforming equities while liquidity is still tightening, that would suggest it is starting to anticipate the next liquidity regime earlier than usual, and I would need to rethink the bearish case.

What I Am Watching

- The first confirmed close outside the formal 180-day Bitcoin range, roughly $58.5k to $82.2k, in the current research snapshot.
- Whether Bitcoin reclaims the 160-day trend filter and whether the weekly Trend Chameleon turns constructive.
- Whether BTC/Nasdaq and BTC/S&P begin to improve, especially if liquidity conditions remain restrictive.
- Whether the U.S. 10-year real yield sustains its breakout or rolls over materially.
- Whether DXY accelerates through the 100–101 area or weakens enough to ease global financial conditions.
- Whether detrended 12-month GLI falls below its 41-month trend while the raw 12-month impulse remains negative.
- Whether reserves, repo, MOVE, credit spreads, or Treasury-market functioning begin to show that tightening is becoming a plumbing problem.
- Whether upcoming margin-debt data show a healthy cooling in leverage or another acceleration that increases fragility into the equity trend.

Methodology and Caveats

Compression definition. RV90 is annualized 90-day realized volatility. The range measure is the 180-day close range. Each is converted to a trailing four-year percentile using only information available before the observation. A compression state begins when both percentiles are below 20% and remains armed until Bitcoin closes outside the prior 180-day range.

Sample size. The event study contains only 14 completed compression episodes since 2016. Directional splits and macro-conditioned subsamples are therefore small. The results are useful as descriptive history and base rates, not precise population estimates.

GLI bear-regime robustness. The 60-, 90- and 180-day comparisons use month-end observations from 2016 onward when Bitcoin was below a falling 160-day moving average. Observations overlap through time, so the number of statistically independent cycles is materially smaller than the row count.

Options analysis. Historical structures are normalized model comparisons anchored to causal DVOL observations. Historical smile, full surface bid-ask, slippage, and market depth are unavailable. Live October and December structures use actual Deribit chains, but historical backtest returns should not be interpreted as executable historical P&L.

Trend framework. The 160-day trend filter and Trend Chameleon are used as falsification and portfolio-management tools. They are not presented here as guarantees of future returns.

Sources

Primary data: CryptoQuant BTC daily OHLC; CryptoDataDownload BTC DVOL; FRED DFII10 U.S. 10-year real yield; Bloomberg / Helios Analytics DXY history; Helios Analytics Global Liquidity Index; Deribit option chains.

Prior research: Jamie Coutts, Real Vision Pro, “Not Out of the Woods”, 30 July 2026; Jamie Coutts, Alpha Crypto Pulse, “Bracing While the Trend Holds”, 5 August 2026.

Policy context: Reuters reporting on coordinated U.S.–Japan yen intervention, 1–13 August 2026; Federal Reserve Monetary Policy Report, July 2026.

Disclaimer: For informational purposes only. Not investment advice. Author may hold positions in assets discussed. All data as of August 2026.

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A pioneer in crypto financial analysis and a sought-after speaker, Jamie has transitioned from traditional markets to digital assets, creating research insights for institutions assessing blockchains and digital assets as part of their strategic investment allocations. Jamie's multi-disciplinary approach blends traditional macro, technical, and quantitative techniques with the emerging field of crypto fundamentals.

Jamie's career started as a stockbroker in Australia before roles as an equity trader at a global macro hedge fund and equity sales in Singapore and London. In 2014, Jamie joined Bloomberg Singapore as the senior Asia Buyside equity specialist, where he later led the regional crypto/digital assets sales and product strategy before launching Bloomberg Intelligence's crypto asset research product.

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