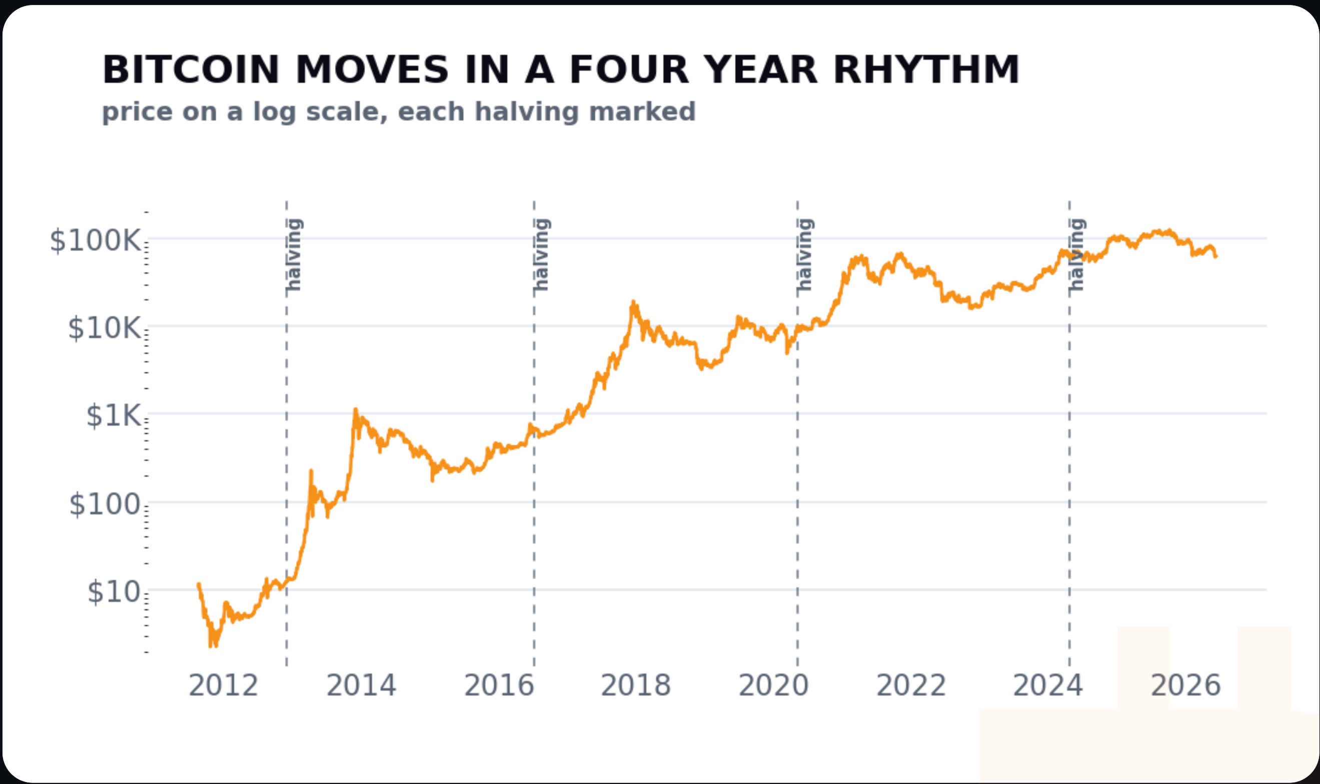
BITCOIN DAILY

BITCOIN'S FOUR-YEAR CYCLE

Is it the halving, the business cycle, or the money printer? I tested all three suspects. Here is what actually drives Bitcoin's boom and bust, and how to spot the charts people use to fool you.

FREE GUIDE



Bitcoin Jae
@bitcoin.daily

THE LINE YOU ALWAYS HEAR

"It's not the halving. It's the business cycle."

Bring up Bitcoin's four-year cycle and someone always hits you with that. The halving is old news, they say. The real driver is the economy, or the money printer, or global liquidity. They use it to argue the cycle is dead, or extended, or about to send Bitcoin to the moon.

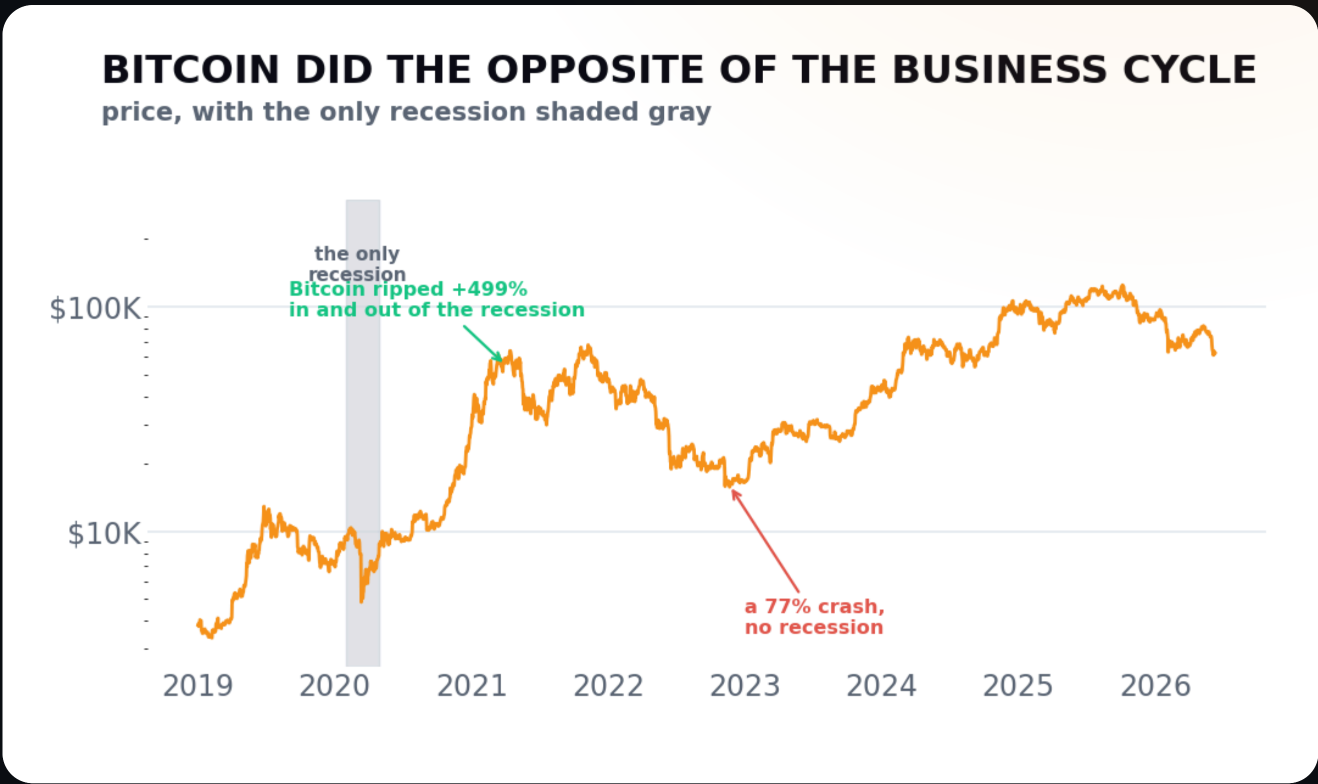
It is a fair challenge, so I took it seriously. There are three suspects for what really runs the cycle. The business cycle, the money cycle, and the halving. I lined Bitcoin up against all three.

What I found does not fully flatter anyone. Here it is, suspect by suspect.

SUSPECT 1, THE BUSINESS CYCLE

First, what is the business cycle? It is the economy's boom and bust loop. Growth heats up, peaks, falls into a recession, then recovers. You measure it with jobs, growth, and recessions.

The claim is that Bitcoin booms when the economy booms and busts when it busts. So I checked the two biggest turns in Bitcoin's life.



-77%

the 2022 crash, with no recession and unemployment at a 50-year low

+499%

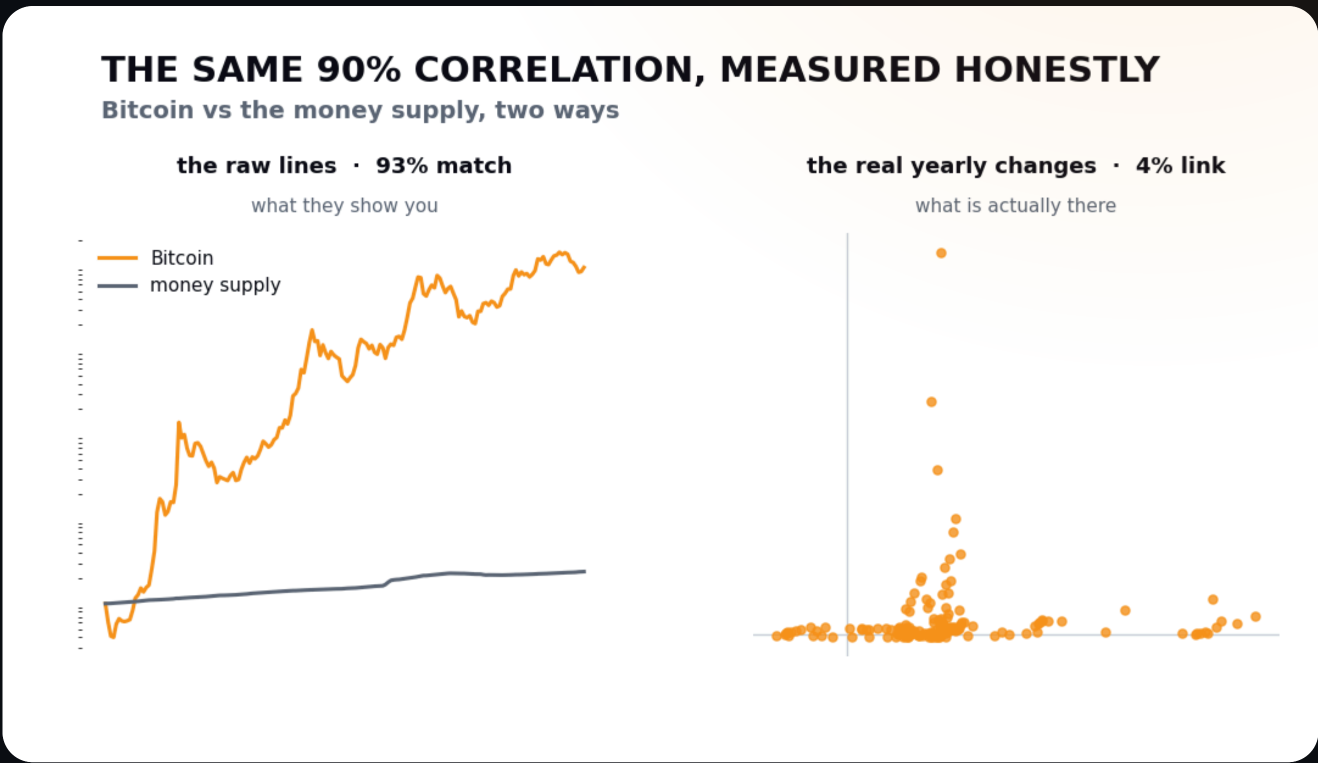
the 2020 bull run, which started inside the only recession

Bitcoin crashed in a strong economy and ran in a recession. At the two moments that matter most, it did the exact opposite of the business cycle. **Suspect 1 is out.**

SUSPECT 2, THE MONEY CYCLE

Corner someone on the business cycle and they switch to this one. It is not the economy, they say, it is liquidity, money printing, the size of the money supply.

And they bring a killer chart. Bitcoin and the money supply, side by side, matching about 93 percent. It looks airtight.



HOW A CHART FOOLS YOU

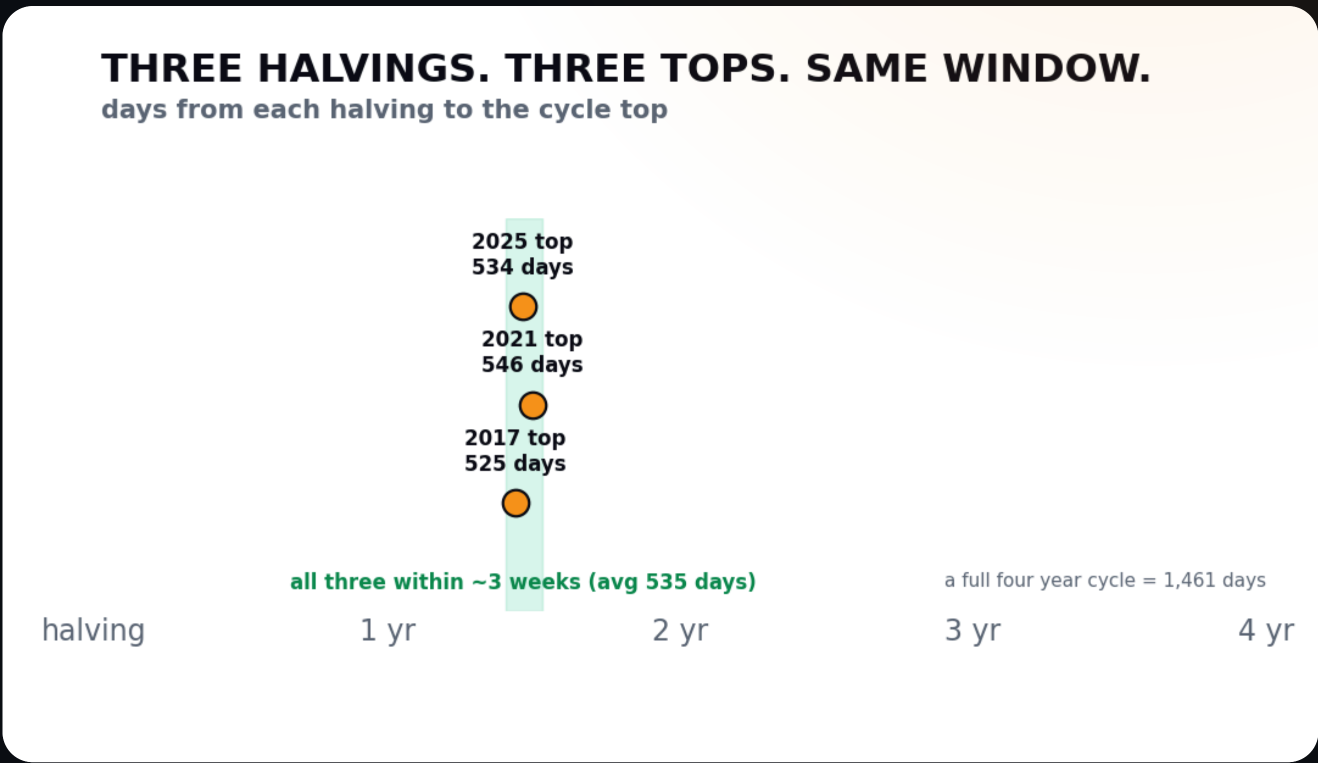
That 93 percent only exists because both lines drift upward for years. Almost anything that trends up will look 93 percent linked to anything else that trends up. It is the oldest trap in statistics.

Measure the real year to year changes instead, and the link collapses to about 4 percent. The famous correlation was an illusion, and the money supply does not explain Bitcoin's cycle. **Suspect 2 is out too.**

SUSPECT 3, THE HALVING

Now the one everyone dismisses. And here is the honest part. As a supply shock, the halving really is almost dead. New coins are under 1 percent of the supply per year now, far too small to swing a trillion dollar asset.

So I nearly wrote it off. Then I looked at the timing.



The last three cycle tops landed **525, 546, and 534 days** after their halving. That is a three week window on a cycle that runs about four years. A clock that fires that precisely off a fixed, known date is not a coincidence.

FUEL VERSUS SCHEDULE

The halving does not power the cycle, the supply cut is tiny. But it appears to set the schedule the whole thing keeps landing on. It is the metronome, not the fuel.

THE HONEST VERDICT

The business cycle is a red herring. The money cycle does not drive it year to year. The halving is the one thing the timing lines up with.

So the cycle is real, and the halving is the best guess for what sets its clock. But here is the catch almost nobody says out loud.

> **WHY NOBODY CAN BE CERTAIN**
>
> Bitcoin has only had three full cycles, and one recession, in its entire life. The halving and the money cycle have lined up the whole time, never once out of phase. You cannot cleanly separate two things that have always moved together.
>
> So anyone who tells you, with certainty, that this cycle goes higher or that it is finally dead, is selling you a story dressed up as a law. The honest answer is humbler, and far more useful.

The clean test does not exist yet. It arrives the first time a money flood shows up off schedule, or a halving fires into a drought, and we finally see which clock Bitcoin actually follows.

HOW TO SPOT A FAKE CYCLE CHART

The real skill is not picking a side. It is never getting fooled by a chart again. Four checks that catch almost every bad one.

1. **Levels or changes.** If two lines both climb for years they will look linked no matter what. Always ask for the year to year changes, not the raw lines. That is where the 93 percent became 4 percent.
2. **Square the correlation.** A 0.7 correlation sounds strong, but squared it explains only about half. Squaring tells you the share that is actually connected, and most hyped correlations shrink fast.
3. **Count the data points.** Three cycles is not a law, it is three stories. A pattern can look perfect on three points and be pure luck. Ask how many independent times it has really happened.
4. **Ask what would prove it wrong.** A claim that can explain every outcome explains nothing. If liquidity up means moon and liquidity down also means moon, it is not a theory, it is a vibe.

WHAT YOU DO WITH THIS

Judge Bitcoin's cycle by the one clock that actually lines up, and tune out the rest of the noise.

1. **Anchor to the halving schedule,** not to recession headlines or money-supply charts. The economy and the money printer have not driven the turns.
2. **Distrust any "90 percent correlation."** Check whether it is levels or real changes before you believe a word of it.
3. **Stay humble on the size.** Three cycles cannot tell you how big the next move is. Anyone who says they know is just guessing with confidence.

Built from 15 years of daily Bitcoin price and US macro data. Educational, not financial advice. Three cycles is a small sample and past behavior is not a guarantee.

BITCOIN DAILY

COME FIND ME

If this was useful, here is where I go deeper every single day. For the live read, where Bitcoin actually sits in its cycle, tap any one and follow along.

YT

YouTube

Deep analysis and full breakdowns

bitcoindailytv

IG

Instagram

More daily content and charts

@Bitcoin.daily

DC

Discord (7-day free trial)

Trade with me, live calls and day-to-day analysis

bitcoindaily.vip

X

X / Twitter

More data threads like this one

@BitcoinxDaily

Bitcoin Jae

@bitcoin.daily · Educational, not financial advice