

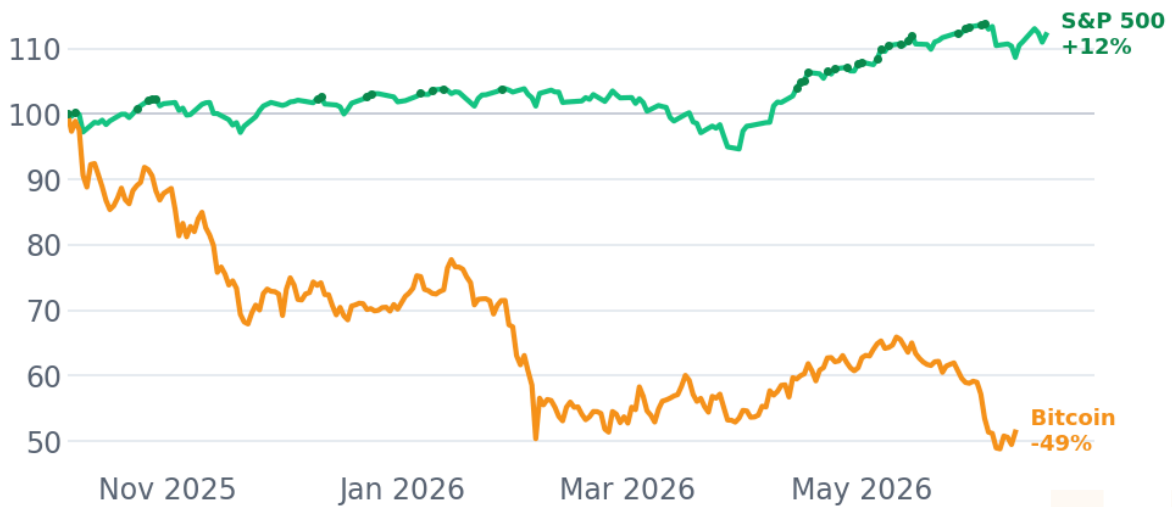
BITCOIN IS NOT A STOCK

A record-high stock market and a Bitcoin cut in half are not a contradiction. Here is the real, measured relationship between Bitcoin and the S&P 500, and the rules that actually apply. No hype, just the receipts.

FREE GUIDE

STOCKS MADE NEW HIGHS. BITCOIN FELL IN HALF.

both starting at Bitcoin's October 2025 peak (= 100)



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THE MAP EVERYONE USES

"Bitcoin is just a high-octane tech stock. When stocks rip, it rips harder. When they fall, it falls harder."

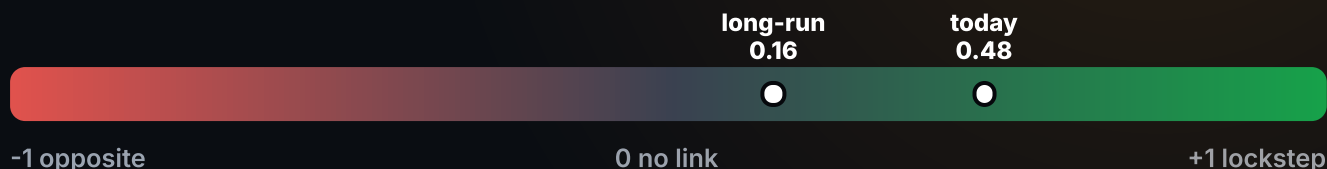
This map is not crazy. For stretches of 2021 and 2022, Bitcoin and the stock market really did trade like the same asset, rising and falling almost in step. So people locked in the rule: watch the stock market, and you know where Bitcoin is going.

Then 2026 broke the map. The S&P 500 has printed **24 new all-time highs** this year. Over those same months, Bitcoin fell to about **49% below its own record**. Same economy, same months, opposite directions.

If Bitcoin were simply a leveraged stock, a stock market at record highs should be dragging it **up**, not cutting it in half. So either the map is wrong, or something bigger is steering the wheel. A gap that big has a reason. Let's measure it, step by step.

FIRST, ONE SIMPLE TOOL

To test how linked two things are, analysts use one number called **correlation**. You do not need the math, just the scale.



+1 means two things move in perfect lockstep. **0** means knowing one tells you nothing about the other. **-1** means they move in exact opposite directions.

THE ONE TRICK THAT MATTERS

To turn a correlation into something useful, **square it**. That gives you the share of one thing's moves the other can actually explain.

So a correlation of 0.48 sounds strong, but squared it is only about **23%**. Even at its most linked, the stock market explains only a fraction of Bitcoin. The rest, the large majority, is Bitcoin being Bitcoin.

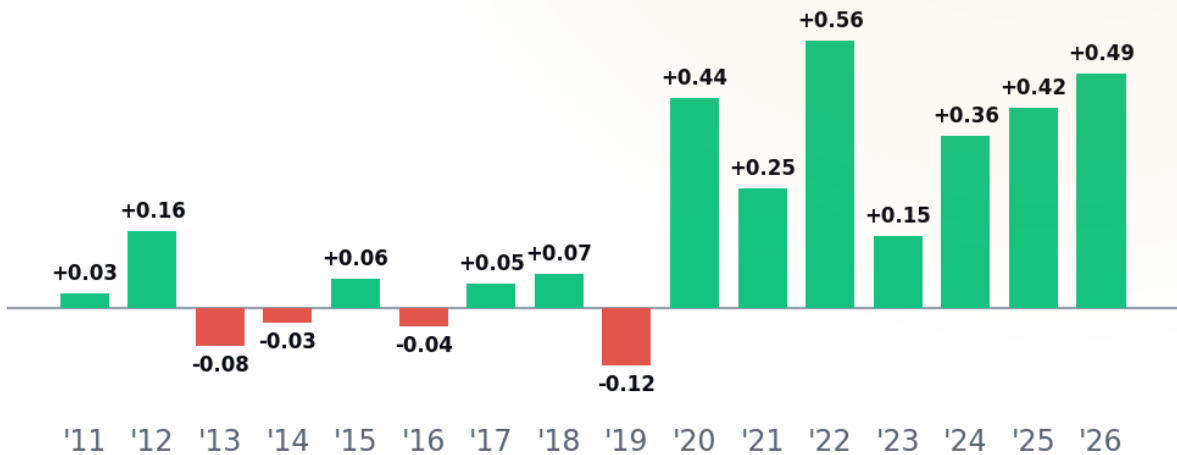
Keep that one trick in your pocket. It is about to do all the heavy lifting.

FINDING 1: THE LINK IS **SMALL AND UNSTABLE**

Year by year, Bitcoin's correlation to stocks is all over the map.

BITCOIN'S CORRELATION TO STOCKS, BY YEAR

+1 = move together, 0 = no link, -1 = opposite



It has swung from about **-0.12 in 2019** (basically moving opposite) to about **+0.56 in 2022** (their tightest year ever). A relationship that flips from negative to strongly positive is not a rule you can lean on. It is a mood that changes with the market.

0.16

long-run correlation (about 3% of Bitcoin explained by stocks)

~77%

of Bitcoin's moves are still its own, even today

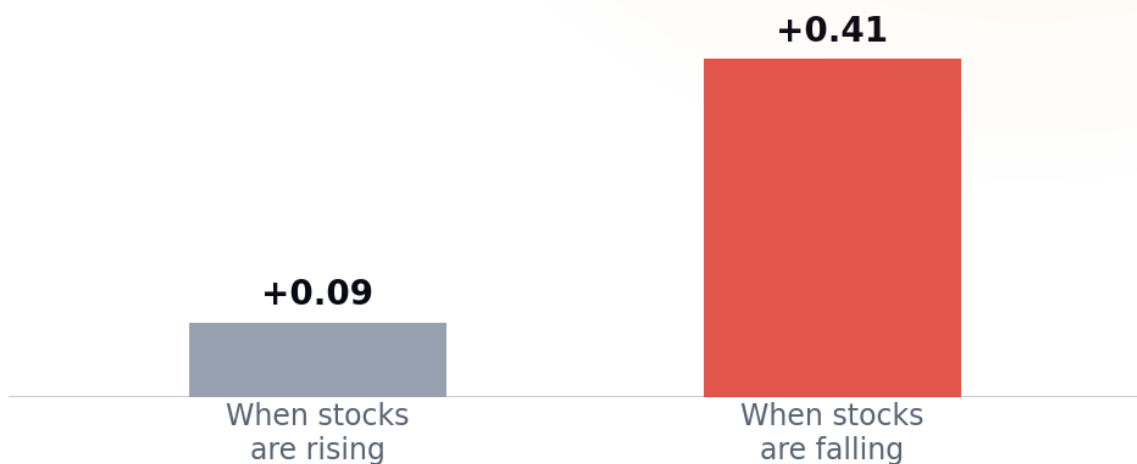
Across the full record the link averages just **0.16**. That is the honest baseline: stocks and Bitcoin drift in the same general direction, weakly, and only sometimes.

FINDING 2: IT HOLDS HANDS **ONLY ON THE WAY DOWN**

This is the part that cracks the whole thing open. The link is not just small. It is lopsided.

BITCOIN ONLY TRACKS STOCKS WHEN THEY FALL

its correlation to the S&P, by market regime



Split every day by what the stock market was doing. When stocks are **rising**, Bitcoin's correlation to them is about **+0.09**, almost nothing. When stocks are **falling**, it jumps to about **+0.41**.

WHY THIS HAPPENS

In a real panic, everyone sells everything at once to raise cash. Stocks, Bitcoin, even gold drop together for a few weeks. For that moment everything is "the same trade." That is the crisis reflex, and it is what pulls the down-number up.

When the panic clears, Bitcoin goes back to trading on its own story. The stock market is not invited to that conversation.

The practical version: a stock market crash can still drag Bitcoin down with it, but a stock market rally will not carry it up. You get the downside tag-along, not the upside.

FINDING 3: THE MATH THAT SETTLES IT

Put a number on the link, then see what it predicted.

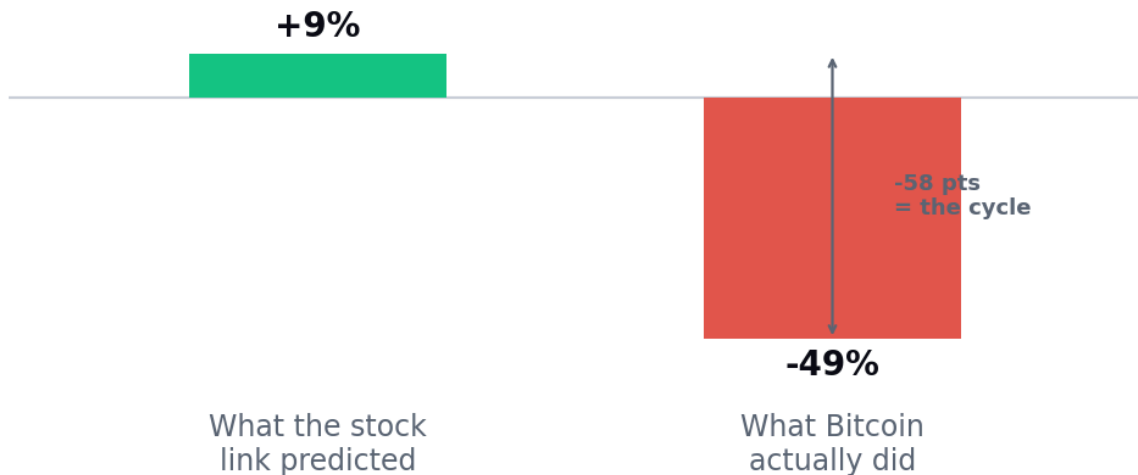
WHAT IS BETA

Beta is just how much Bitcoin has moved for each 1% the stock market moves. Bitcoin's beta to the S&P is about **0.76**. So if you only knew the stock market, that is your best guess for Bitcoin.

Since Bitcoin's peak, the S&P is up about 12%. With a beta of 0.76, the stock link **predicted Bitcoin should be up about +9%**. Instead Bitcoin did **-49%**.

THE STOCK LINK SAID UP. BITCOIN WENT DOWN.

since Bitcoin's October peak: stock-implied vs reality



That **58-point gap** is the whole story. It is the part the stock market cannot explain, no matter how you slice it. It is not stocks. It is Bitcoin's own cycle, overriding everything.

SO WHAT **ACTUALLY DRIVES IT?**

If the stock market is not the steering wheel, what is? Bitcoin's own clock.

- 1 A four-year supply rhythm.** Roughly every four years, the new Bitcoin paid out to the people securing the network gets cut in half, on a fixed schedule written into the code. Bitcoin's biggest booms and busts have tracked that rhythm far more closely than they track stocks.
- 2 Its own long-run trend.** Over 15 years Bitcoin's price has climbed a steady long-term path, with the cycle swinging it far above and far below that line. The stock market is nowhere in that engine.
- 3 An inside clock beats an outside one.** The halving is built into Bitcoin and fires no matter what the economy does. The stock market is driven by earnings, jobs and policy. Using one to time the other is reading the weather to predict a train.

This is why a green stock market tells you so little. Bitcoin is running on a schedule the stock market never sees.

THE PLAYBOOK

Four beliefs that wreck people, and what the data says instead.

WHAT PEOPLE BELIEVE	WHAT THE DATA SAYS
"Stocks are at record highs, so Bitcoin must be healthy."	That leans on the up-link, the weakest one. A green market tells you almost nothing about Bitcoin.
"Stocks are falling, so Bitcoin is the safe place to hide."	The down-link is the strong one. In a real selloff Bitcoin usually falls too, often harder.
"Bitcoin is completely uncorrelated to stocks."	Not true either. It clearly couples with stocks in a crash. Anyone who claims zero is selling you something.
"When stocks bounce, Bitcoin bounces with them."	Bitcoin bounces on its own cycle, not the market's calendar. The timelines do not have to line up.

- 1 Judge Bitcoin by its own cycle**, not by what color the stock market is that day.
- 2 Respect the downside link.** A stock market crash is a genuine risk-off threat to Bitcoin. Size your risk for it.
- 3 Never read a stock rally as a Bitcoin buy signal.** The upside link is too weak to lean on.
- 4 Use stocks as a warning system, not a steering wheel.** Falling stocks raise your guard. Rising stocks give you no information.

WHERE WE ARE RIGHT NOW

The S&P is about 1% from its all-time high. Bitcoin is about 49% below its high, deep in its own bear.

Both facts are true at once, and they do not fight each other. A market at records and a Bitcoin in a drawdown is exactly what you would expect once you stop using the wrong map.

The four findings, in one breath:

- 1 Small.** Across the full record, stocks explain only about 3% of Bitcoin's moves.
- 2 Unstable.** The yearly link swings from -0.12 to +0.56. A mood, not a rule.
- 3 Asymmetric.** About +0.09 when stocks rise, about +0.41 when they fall. It holds hands only on the way down.
- 4 Overridden.** The stock link predicted about +9%. Bitcoin did -49%. The 58-point gap is the cycle.

Built from years of daily S&P 500 and Bitcoin returns. Educational, not financial advice. Every cycle is different and past behavior is not a guarantee.

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.



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