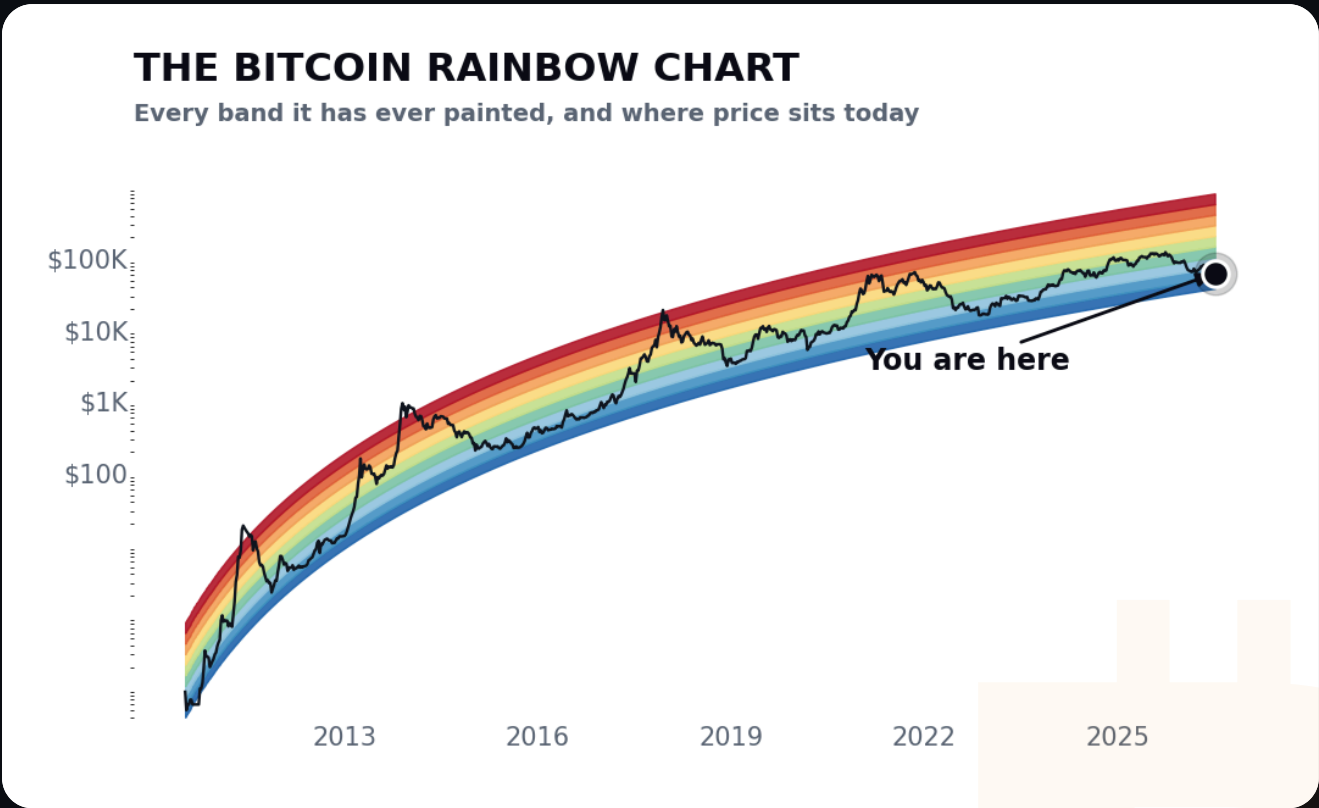


# THE BITCOIN RAINBOW CHART CHEAT SHEET

The most shared chart in crypto, explained in plain English. What the nine colored bands mean, what it gets right, what it quietly gets wrong, and how to actually use it.

**FREE GUIDE**



# WHAT IT ACTUALLY IS

Someone drew a curved line through every Bitcoin price since 2011, then wrapped nine colored bands around it.

Cool blue at the bottom is meant to say cheap. Hot red at the top is meant to say expensive. That is the whole idea, a mood painted onto a price chart.

It was born on Reddit in 2014. A user named azop layered the colored bands onto a curved trendline that another user, Trolololo, had drawn the same year.

Here is the part nobody screenshots. The creators said on their own page that the chart has **no scientific basis** and is a **fun way of looking at long-term price movements**. Most people crop that line out before they share it.

# THE NINE BANDS

From the coldest value zone at the bottom to the loudest alarm at the top.

● <b>Basically a fire sale</b>	The deepest value zone. Price has only visited here near the worst of each bear market.
● <b>BUY!</b>	Still deep value. Historically a cold, fearful place to be, and a good one to have bought.
● <b>Accumulate</b>	Where many long-term holders have started building positions over the years.
● <b>Still cheap</b>	Below the long-term trend, but no longer screaming cheap.
● <b>HODL!</b>	Right around fair value by the chart's own logic. Neither cheap nor expensive.
● <b>Is this a bubble?</b>	Above the trend. The early excitement starts to show up here.
● <b>FOMO intensifies</b>	Well above trend. This is where caution starts.
● <b>Sell. Seriously, SELL!</b>	A late-cycle warning. History has not been kind to buyers up here.
● <b>Maximum bubble territory</b>	The loudest alarm on the chart. Price has never stayed here long.

*The labels are the creators' own tongue-in-cheek captions. Treat them as mood, not instructions.*

# WHAT IT GETS **RIGHT**

The big picture has worked. Its real gift is that it forces you to zoom out.

Every time price sat in the deep blue bands for months, a bull market eventually followed. Every time it climbed into the red bands, a major top was forming or already in.

The **2013, 2017, and 2021** peaks all landed in the warm to hot bands. The **2015 and 2018** bottoms both touched blue.

If you are panicking over a 5% weekly move, the rainbow reminds you that Bitcoin has always swung between extremes and climbed back out of the cold zones over time. That perspective alone is worth something, even if the chart itself is not precise.

# WHAT IT GETS WRONG

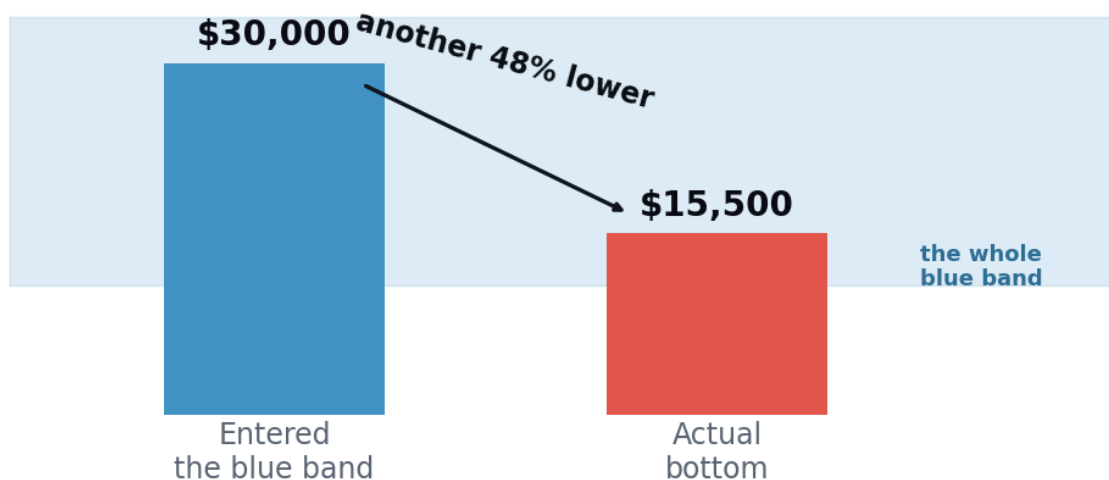
Two cracks. Both matter if you ever try to trade off it.

**First, the center line assumes Bitcoin keeps growing on its old path.** It is not. Growth has slowed cycle over cycle, so the bands now sit too high. Bitcoin hit a new record near **\$126,000** in October 2025 and never even reached the red bubble band. The chart's ceiling kept rising faster than the actual price.

**Second, the bands are wide.** A single band can cover a 50% price range. Being in the blue tells you the market looks historically cheap. It cannot tell you whether the bottom is today, next month, or three months out.

## ONE BAND, A HUGE RANGE

Bitcoin in 2022: cheap on the chart, and still falling



In 2022 Bitcoin entered the blue band around **\$30,000** and kept falling to **\$15,500** before the real bottom arrived. Being in the fire-sale zone and still having another 48% to fall is not a contradiction. It happened.

# HOW TO USE IT

Treat it the way its creators intended. A long-term mood ring, not a trading signal.

- 1 Use it to zoom out, not to time.** The color tells you roughly how cheap or expensive Bitcoin looks against its own history. It does not tell you the day.
- 2 Look for clusters, not single readings.** One chart is noise. When the rainbow says fire sale and other cold signs line up, that is when the signal gets louder.
- 3 Pair it with fear.** Right now the rainbow reads fire sale and the Fear and Greed Index reads Extreme Fear at **22**. Two cold signs together say the market is historically stressed.
- 4 Expect it to give you conviction, never a date.** The people who bought the 2018 blue zone were right in hindsight, but they sat through months of extra pain first.

*The rainbow is blind to shocks. It knows nothing about regulation, exchange failures, or ETF flows. It is a backward-looking trend with paint on top. Nothing here is financial advice.*

# COME FIND ME

This is the kind of breakdown I do every day. The rainbow keeps moving, so I keep a free live version, and I post the honest read while everyone else crops the disclaimer out.



## The live rainbow chart

See exactly where price sits in the bands right now, updated automatically  
[bitcoin-daily.com/charts/rainbow-chart/](https://bitcoin-daily.com/charts/rainbow-chart/)



## YouTube

Deep breakdowns, every claim checked against the data  
[bitcoindailytv](https://www.youtube.com/bitcoindailytv)



## Instagram

Daily charts and the honest read on the market  
[@Bitcoin.daily](https://www.instagram.com/Bitcoin.daily)



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