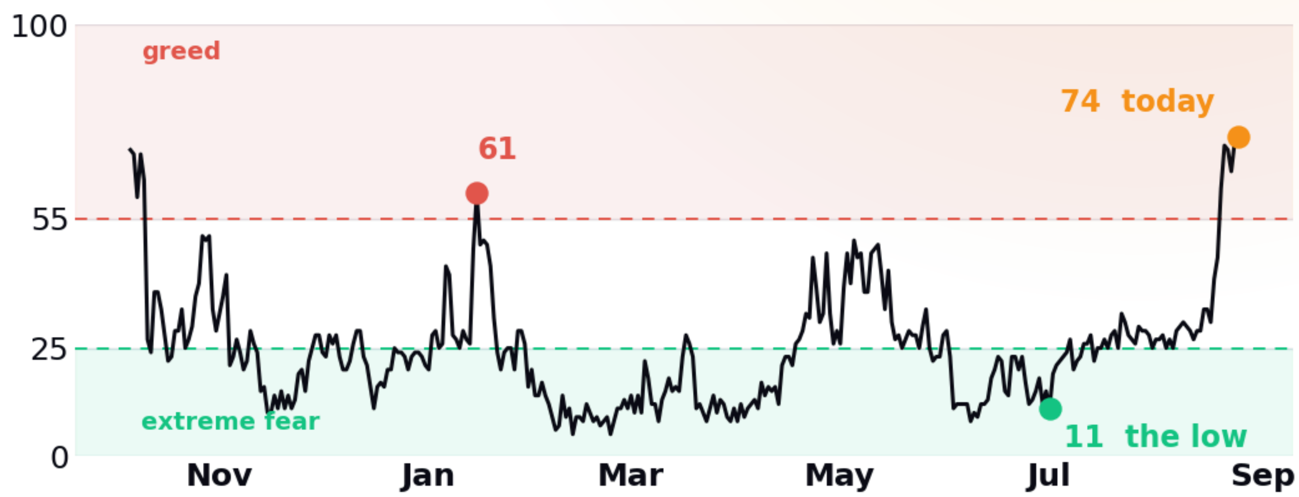
THE GREED TRAP

The Fear & Greed index just printed 74, the highest reading of this entire bear market. Higher than at the top itself.

Every greed reading inside a bear market has been followed by a new low. All six of them. This is the full record, both sides of the dial.



Fear & Greed through this bear market, October 2025 to today

74
the print this morning, a bear-market high

11
the print at the July 1 low

6 of 6
in-bear greed readings followed by a new low

Educational, not financial advice. The index only exists since February 2018, which gives two complete bear markets. Every claim in here states that sample size instead of hiding it.

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THE GAUGE

WHAT THIS NUMBER ACTUALLY MEASURES

The Fear & Greed index compresses crowd mood into one number from 0 to 100. It blends market volatility, momentum and volume, social media activity, surveys, Bitcoin's share of the crypto market, and search trends. Under 25 is labelled extreme fear. Over 55 is greed.

It is not measuring value, adoption, or anything about Bitcoin itself. It measures how the crowd feels about price action that already happened. That is exactly why it is useful, and exactly why it is dangerous. Feelings follow price, and inside a bear market, price rallies are routinely violent, convincing, and doomed.

The round trip this bear just produced is the whole setup. At the July 1 low, with Bitcoin at $57,735, the index printed **11**. Extreme fear, deeper than most readings in Bitcoin's history. Fifty five days later, with price 37% higher but still far below the October top, it printed **74**. The crowd is now more euphoric than it was at $124,728.

THE QUESTION

A sentiment gauge at an extreme tells you what the crowd is feeling. The question this guide answers is what happened next, every time it was measured.

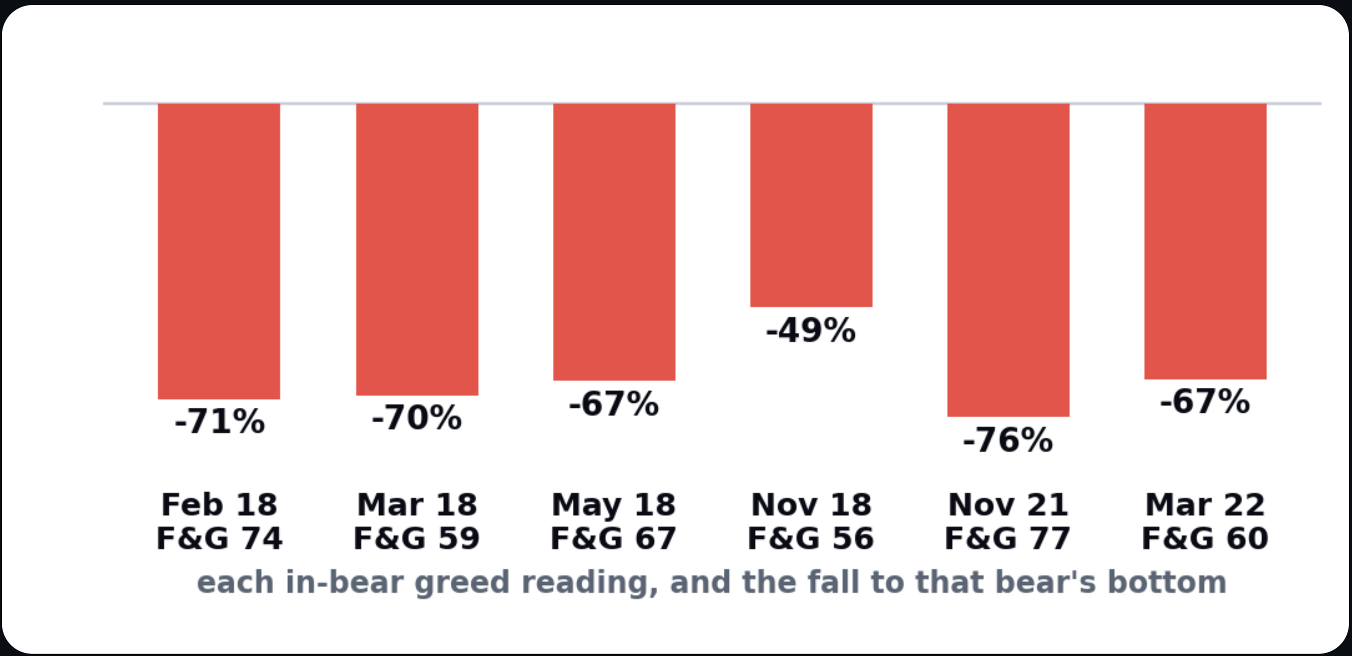
THE RECORD

SIX GREED READINGS, SIX NEW LOWS

Since the index launched there have been two complete bear markets, 2018 and the 2021 to 2022 cycle. Inside those windows, the index reached greed exactly six times. Here is each one, with the two facts that matter. Did price make a new low afterwards, and how far below did that bear's final bottom sit.

BEAR	GREED PEAKED	F&G	PRICE	NEW LOW AFTER?	FALL TO THE FINAL BOTTOM
2018	17 Feb 2018	74	$11,101	yes	-71%
2018	06 Mar 2018	59	$10,724	yes	-70%
2018	06 May 2018	67	$9,624	yes	-67%
2018	13 Nov 2018	56	$6,261	yes	-49%
2022	11 Nov 2021	77	$64,821	yes	-76%
2022	28 Mar 2022	60	$47,152	yes	-67%

Greed = index at 55 or above, episodes collapsed within 5 days, peak print shown.



Six for six. Not one greed reading inside a bear marked the bottom. Every single one was followed by a lower low, and the bear's eventual bottom sat 49% to 76% below the price on the day the crowd felt good.

THIS BEAR

EPISODE THREE PRINTED THIS MORNING

This bear market has now produced three greed episodes of its own.

DATE	F&G PEAK	PRICE	WHAT IT WAS
06 Oct 2025	71	$124,728	the cycle top
15 Jan 2026	61	$95,577	fell 39% to the July low
25 Aug 2026	74	$78,986	live, printed this morning

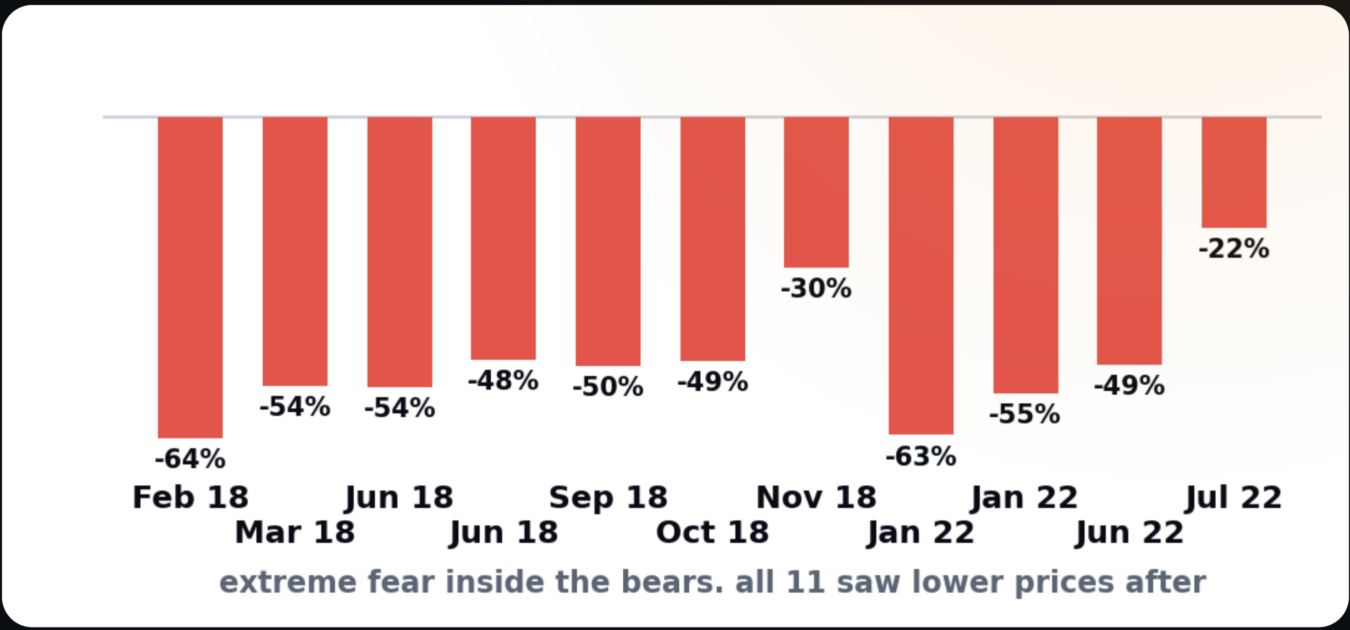
The January episode is this bear's own receipt. The index hit 61 on 15 January with price near $95,577, greed with the downtrend fully intact. Price then fell **39%** to the July low. Anyone who read returning greed as safety in January paid for it within weeks.

This morning's **74** is the highest reading of the entire bear, above even the 71 printed at the October top with price at $124,728. The crowd's mood has fully recovered. Price has recovered about a third of the fall.

THE OTHER SIDE OF THE DIAL

EXTREME FEAR WAS EARLY ELEVEN TIMES

To be fair to the index, you have to test both ends. If greed inside a bear is a trap, is extreme fear inside a bear a buy signal? The record says mostly no, and this is the part sentiment traders skip.



Inside the two bears, the index printed extreme fear, 15 or lower, in **11 distinct episodes**. Price went on to trade lower after **all 11**. The final bottoms sat 22% to 64% below the fear prints. Panic was not the bottom signal either. Panic fired constantly, for months, the whole way down.

The genuine bottoms did print extreme fear, 11 in December 2018 and 21 in November 2022. But so did eleven head-fakes before them. Extreme fear told you which ZONE you were in. It never told you which day.

HONEST BOTH WAYS

The July 1 low printed 11. If that turns out to be the bottom, it will be the first extreme-fear reading in the index's history to have marked one. Worth knowing before anyone, including us, leans on it.

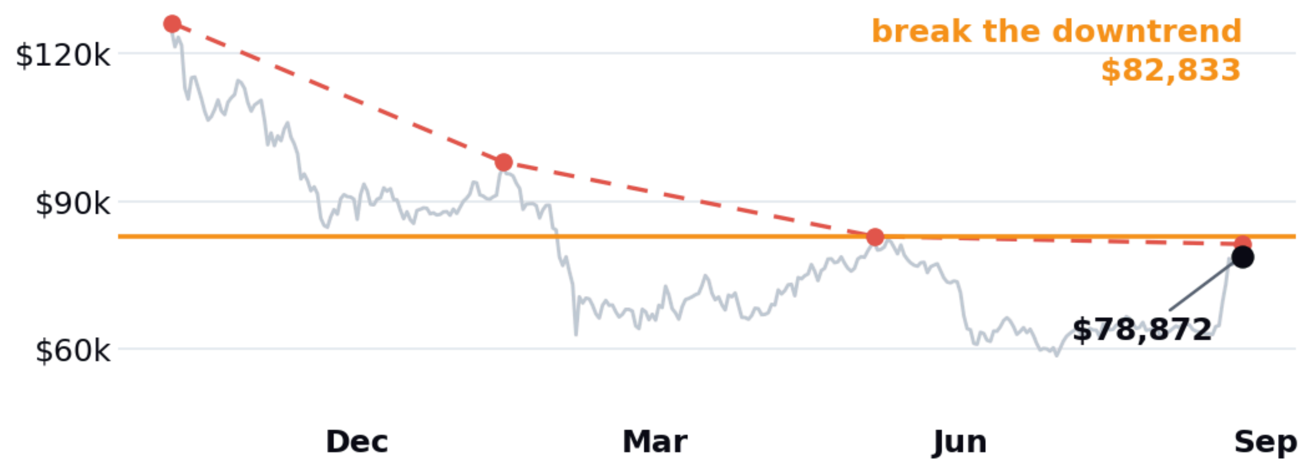
TRAP GREED AGAINST RECOVERY GREED

THE TEST THAT ACTUALLY SEPARATES THEM

Greed also returned after the real bottoms, 65 days after the 2018 low and 67 days after the 2022 low. We are 55 days past July 1, so on timing alone, this morning's print fits the recovery script almost as well as the trap script. Anyone who tells you the timing settles it is guessing.

What separates the two in the record is simple. **After every trap-greed print, the bear's running low was undercut. After the recovery-greed prints, it never was.** Six undercuts out of six on one side, zero out of two on the other.

That converts the question into something watchable instead of arguable. The July low is $57,735. The trend line that has capped every rally is $82,833, with zero daily closes above it. Between those two prices, both stories remain alive, and this guide refuses to pick for you. What it will say is that the crowd has already picked, at 74, with the trend unbroken, and that exact configuration has a six for six record of ending badly.



every high since October has been lower than the last

BEHAVIOUR

USING THE DIAL WITHOUT BEING USED BY IT

Invert the instinct. The index's value is not that it tells you what to do. It is that it tells you what everyone else is already doing. At 11, the selling that could happen mostly had. At 74, the buying that could happen mostly has. Extremes describe exhausted fuel.

Respect the zone, distrust the day. Extreme fear inside this bear will likely mark the bottom's neighbourhood, as it did in 2018 and 2022. It fired eleven early false alarms across those bears. If the July low breaks, expect single-digit prints again, and expect them to be early again.

Never act on sentiment against structure. Every costly greed episode in this record shared one feature. The crowd's mood improved while the sequence of lower highs stayed intact. Mood is a passenger. Structure drives.

And write your levels down in advance. Ours are public. Above $82,833 on a daily close, the trend is broken and the bearish framing gets retired, not defended. Below $57,735, the trap sprang again, exactly as it did six times before.

THE HONEST LIMITS

WHAT THIS STUDY DOES NOT SAY

Two bears is two bears. The index was born in February 2018, so six in-bear greed episodes across two bears is the entire universe. Six for six is a perfect record on a small sample, and small samples break. This is a base rate, not a law.

The index is a vendor's recipe. Its components and weights belong to alternative.me, they are not fully public, and they can change. We treat the published number as given. A different sentiment gauge could read differently.

Sentiment is a passenger, and we said so. Nothing here claims the index causes anything. It summarises the crowd that provides the fuel. The causal story in this bear, forced short covering handing over to late buyers, is covered in The Pullback Playbook.

And the timing fork is real. Day 55 fits the recovery script nearly as well as the trap script. If price closes above $82,833, this morning's greed print was the recovery kind, this guide's warning was wrong for this cycle, and we will say exactly that.

Index data from alternative.me via the daily collection task, February 2018 to this morning. Prices are Bitstamp daily closes, with the July low quoted at the intraday wick per house convention.

BITCOIN DAILY

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BD

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