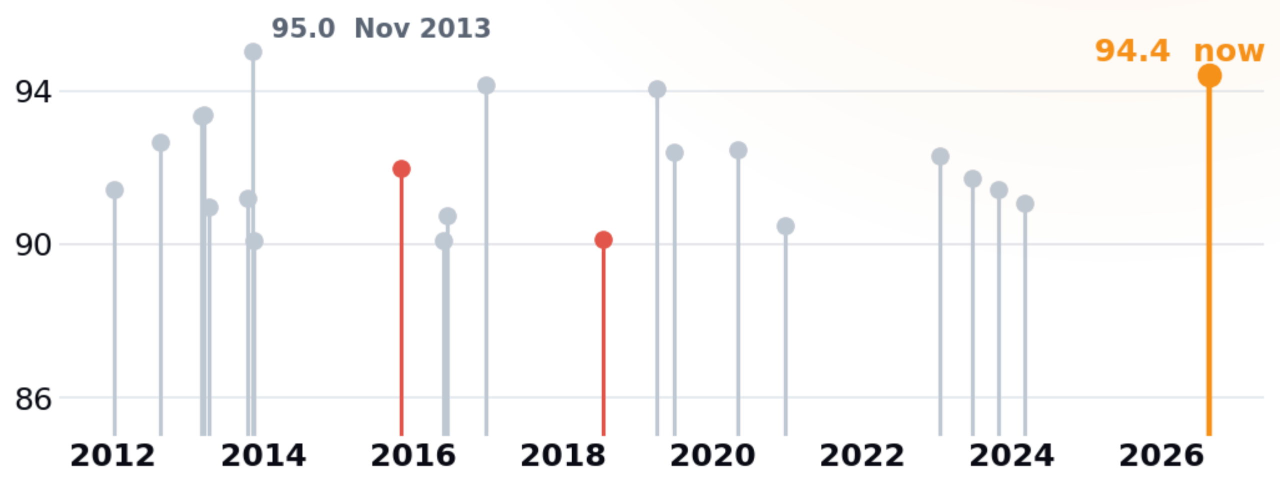
THE OVERBOUGHT STUDY

Bitcoin's 4-hour RSI just printed 94.4. What that number has meant every other time, split by the kind of market it fired in.

13 years of 4-hour bars, 60 overbought readings, and a result that depends entirely on one thing.



every time the 4-hour RSI crossed 90 since 2012 (red = bear market year)

94.4
the live print, 21 August 2026

60
readings above 85 since 2012

8 of 8
bear-year readings lower 3 months later

Educational, not financial advice. Every figure is computed from daily and 4-hour closing prices and reconciles with the charts in this guide. Where the data is thin or the answer is mixed, the guide says so.

Bitcoin Jae
@bitcoin.daily

THE NUMBER

WHAT 94 ACTUALLY MEANS

RSI, the relative strength index, scores how fast and how one-sided a move has been, on a scale from 0 to 100. It compares the size of recent up-moves against recent down-moves over the last 14 bars. Above 70 is conventionally called overbought. Above 90 is rare. Above 94 has happened a handful of times in Bitcoin's life.

On the 4-hour chart, a reading in the mid 90s means price went one direction, hard, for several days, with almost no pullback. That can happen for two very different reasons, and telling them apart is most of the work.

Reason one is demand. A wall of real buyers arrives and keeps arriving. **Reason two is force.** Traders who bet on lower prices with borrowed money get closed out automatically as price rises, and closing a short means buying. That buying lifts price, which closes out the next tier, which buys again. Nobody in that chain chose to buy.

This week was overwhelmingly reason two. More than **$4 billion** of short positions were wiped out, about **$3 billion of it in a single day**, which reporting describes as the largest short liquidation event in at least five years. Forced buyers cannot pause. That is what pins an oscillator near its ceiling.

THE WHOLE QUESTION

An extreme reading tells you the move was unusual. It does not tell you which way it resolves. Everything that follows is about working out which.

WHERE IT RANKS

ONLY ONE READING HAS EVER BEEN HIGHER

Every 4-hour bar since 2012, scored with the standard 14-period RSI. The table shows each distinct episode where the closed bar crossed 90, what price was, and what happened next.

DATE	RSI	PRICE	+30 DAYS	+90 DAYS	CONTEXT
2012-01-03	91.4	$5	+16%	-10%	2012 run-up
2012-08-17	92.6	$15	-22%	-28%	2012 spike
2013-03-06	93.3	$48	+193%	+159%	2013 run
2013-03-20	93.4	$65	+79%	+61%	2013 run
2013-04-08	91.0	$193	-41%	-64%	April 2013 top
2013-10-14	91.2	$138	+164%	+540%	2013 final run
2013-11-08	95.0	$327	+117%	+139%	2013 final leg
2013-11-19	90.1	$685	-21%	-10%	days before the 2013 top
2015-11-04	92.0	$483	-25%	-22%	2015 spike
2016-05-27	90.1	$476	+37%	+21%	2016 breakout
2016-06-13	90.7	$693	-4%	-10%	2016 spike
2016-12-23	94.1	$911	+3%	+14%	2016 breakout
2018-07-18	90.1	$7,459	-14%	-14%	2018 bear rally
2019-04-02	94.0	$4,779	+12%	+129%	2019 breakout
2019-06-26	92.4	$13,838	-29%	-39%	2019 top
2020-04-30	92.5	$9,293	+1%	+18%	covid recovery
2020-12-17	90.5	$23,352	+61%	+135%	2020 breakout
2023-01-14	92.3	$20,969	+4%	+47%	exit from the 2022 bear
2023-06-21	91.7	$30,127	-1%	-10%	ETF filing
2023-10-24	91.4	$34,537	+8%	+18%	ETF run
2024-02-28	91.1	$62,512	+12%	+9%	pre-ATH melt-up
2026-08-21	94.4 (live)	$76,710			today

Today's closed bar read 93.7; the live print on the founder's chart was 94.4. The only closed reading above it is November 2013 at 95.0.

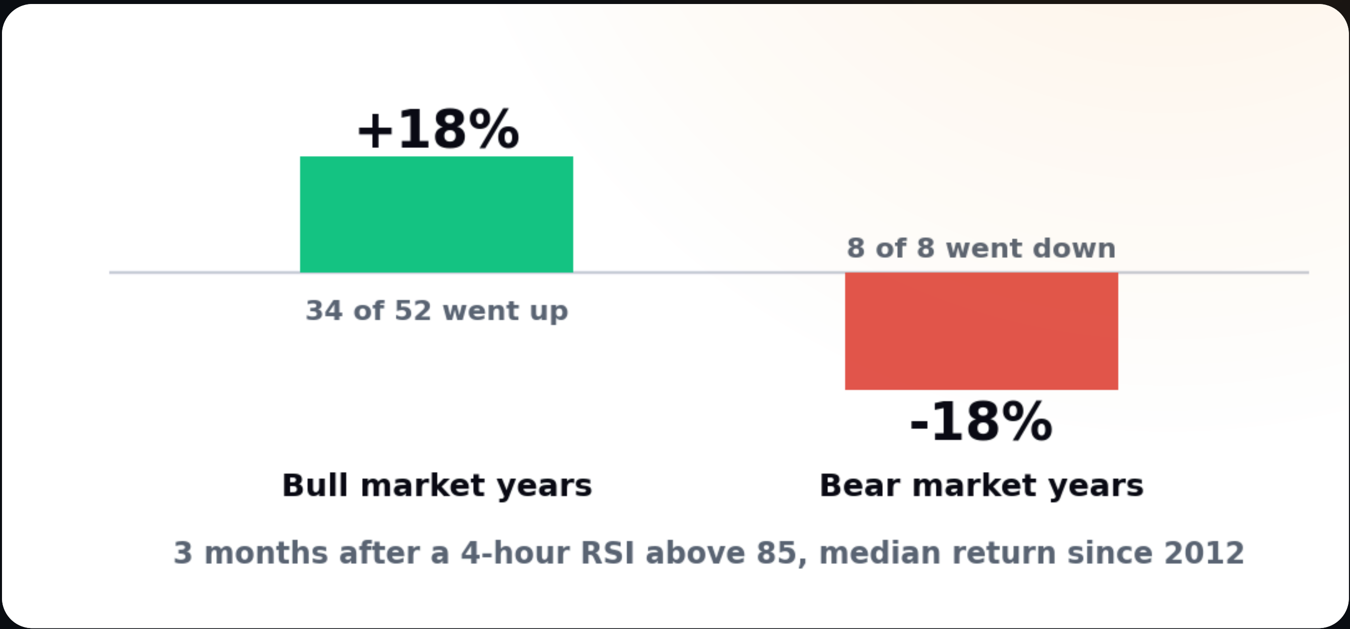
Two things stand out. The entire 2020 to 2021 bull market never produced a reading above 92.5. And the 2024 ETF melt-up topped out at 91.1. What happened this week is more one-sided than any leg of the last bull run.

Data is Bitstamp BTC/USD 4-hour closes from 2011 to today, 32,890 bars with no gaps. Bitstamp's first months in 2011 are excluded as illiquid launch data (16 hours of identical prints, a $4.39 to $15.00 to $2.70 sequence inside 8 hours). Other exchanges will read a few tenths differently; the ranking does not change.

THE SPLIT THAT MATTERS

BULL YEARS AGAINST BEAR YEARS

Dropping the threshold to 85 gives a sample worth splitting, **60 readings** since 2012. Sort them by the kind of year they fired in. Bear-market years are 2014, 2015, 2018 and 2022, the calendar years that followed the 2013, 2017 and 2021 cycle tops. Everything else is a bull or recovery year.



KIND OF YEAR	READINGS	30 DAYS LATER	90 DAYS LATER
Bull years	52	median +6%, 17 of 52 down	median +18%, 18 of 52 down
Bear years	8	median -15%, 6 of 8 down	median -18%, 8 of 8 down

In bull years, overbought is momentum. 34 of 52 were higher three months on, median up 18%. **In bear years, it is the opposite.** All 8 were lower three months on, median down 18%. Same indicator, opposite result. The regime decides what the number means.

WHERE WE ARE

2026 is a bear year. Today is the 9th reading.

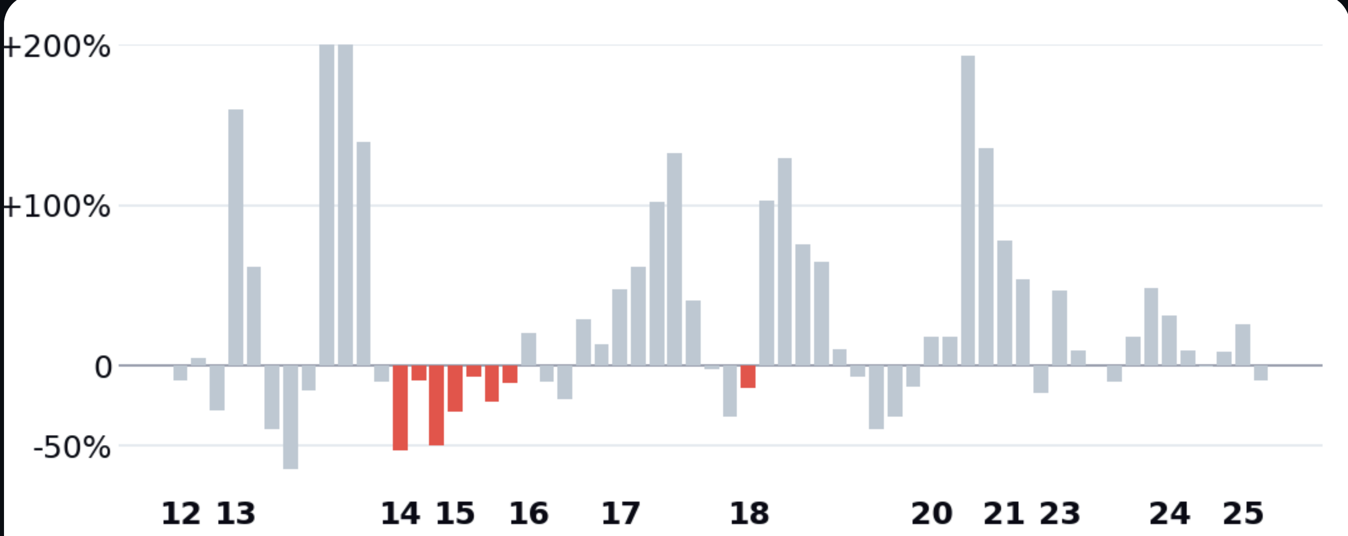
THE BEAR CASES, ONE BY ONE

ALL EIGHT OF THEM

A claim like eight for eight deserves to be shown in full, not summarised.

DATE	RSI	PRICE	+30 DAYS	+90 DAYS
2014-01-06	86.4	$968	-17%	-53%
2014-05-22	86.3	$522	+12%	-9%
2014-11-13	90.0	$443	-21%	-50%
2015-01-26	88.5	$308	-23%	-29%
2015-06-16	86.1	$248	+11%	-7%
2015-11-04	92.0	$483	-25%	-22%
2015-12-12	86.9	$466	-3%	-11%
2018-07-18	90.1	$7,459	-14%	-14%

Every 4-hour RSI reading above 85 that fired in a bear-market year, 2012 to 2025.



90-day return after each reading above 85 since 2012, red = bear year

The chart above is every one of the 60 readings in date order, with the bear-year cases in red. The red bars sit below zero without exception, and they are surrounded by grey bars that mostly do not. That is the whole study in one picture.

TRYING TO BREAK IT

THREE WAYS TO DRAW THE LINE, ONE ANSWER

A finding this clean should be attacked before it is trusted. Here is what it survived, and the one place it gets muddier.

DEFINITION OF 'BEAR'	CASES	LOWER 90 DAYS LATER
Bear-market calendar years, RSI above 85	8	8 of 8
Bear-market calendar years, RSI above 90	2	2 of 2
Inside the first 12 months after a cycle top, RSI above 85	4	4 of 4
Price more than 30% below its all-time high, RSI above 85	36	17 of 36

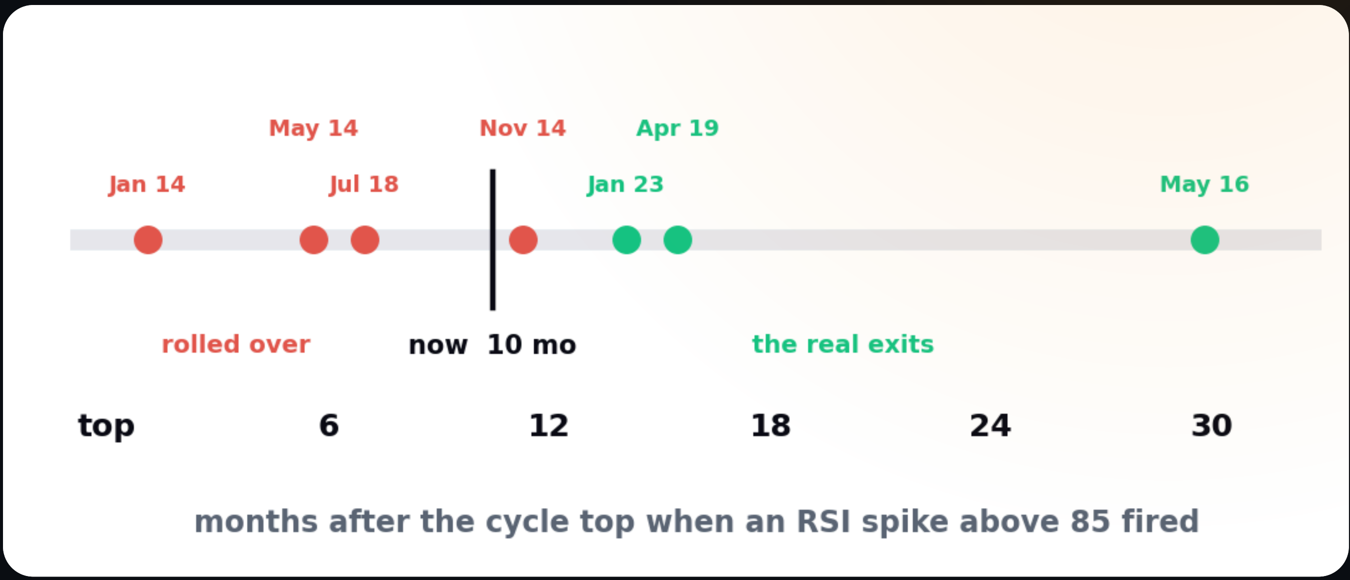
The first three agree. Whether bear is defined by calendar year, by a stricter threshold, or by distance from the cycle top, every overbought spike inside a bear rolled over within three months.

The fourth is muddier, and it is worth understanding why. Being far below the all-time high includes the recovery years, 2015 into 2016, 2019, 2020 and 2023, when price was still deep in a drawdown but the bear was already over. Those are where the great exits live, and they pull that bucket back to a coin flip. Which raises the obvious question. How do you know whether you are still in the bear year or already in the recovery? That is the next page.

TIMING AFTER THE TOP

NO EXIT HAS EVER COME THIS EARLY

Measure each spike by how many months after the cycle top it fired. The genuine exits, the readings that kicked off the next bull, cluster late. The traps cluster early.



DATE	RSI	MONTHS AFTER THE TOP	+90 DAYS
2014-01-06	86.4	1	-53%
2014-05-22	86.3	6	-9%
2014-11-13	90.0	11	-50%
2018-07-18	90.1	7	-14%

Every reading above 85 inside the first 12 months after a cycle top.

The real exits came **14 months** after the 2021 top (January 2023), **15 months** after the 2017 top (April 2019), and about **30 months** after the 2013 top (May 2016). Inside the first year, 4 spikes fired and 4 rolled over.

THE TIMING VERDICT

Today is about 10 months after the October 2025 top. In 13 years of data, nothing that early has ever been the exit.

WHAT DID NOT WORK

FEAR AND GREED, TESTED

A natural idea is that the sentiment reading at the moment of the spike should separate the traps from the exits. I tested it. The Fear and Greed index only exists from February 2018, which leaves nine prior episodes above 90 to work with.

DATE	RSI	FEAR & GREED	+90 DAYS	WHAT IT WAS
2018-07-18	90.1	42	-14%	bear rally, trap
2019-04-02	94.0	60	+129%	breakout
2019-06-26	92.4	95	-39%	top
2020-04-30	92.5	44	+18%	recovery
2020-12-17	90.5	92	+135%	breakout
2023-01-14	92.3	46	+47%	exit
2023-06-21	91.7	59	-10%	fade
2023-10-24	91.4	66	+18%	run
2024-02-28	91.1	82	+9%	melt-up

The honest result is that it does not separate them. Spikes that fired in fear went both ways. Spikes that fired in greed went both ways. Nine cases is too few to say more, and I would rather report a null than manufacture a pattern.

What the sentiment series does show is the speed of this week's flip. Fear and Greed printed **11** at the July low, **46** two days ago, and **72** today. Extreme fear to greed in seven weeks. That is not evidence of a bottom on its own. It is a description of the crowd rotating from one side of the boat to the other, which is the precondition for the next squeeze, in either direction.

WHAT DECIDES IT

STRUCTURE, BOTH SIDES STATED

The indicator cannot settle whether this is a bear-market rally or the start of the next bull. Structure can, and it currently says two things that cut against each other.

289 days
below the 200-day average before this week's reclaim

-39%
from the October 2025 high

+7%
to the $82,833 line

For the bulls. Price closed back above its 200-day moving average this week for the first time in 289 days. That is a genuine change, and it is worth noting that the 2018 trap fired with price well below its 200-day while the 2019 and 2023 exits fired above it.

For the bears. Every major high since October has been lower than the one before it. $126,272, then $97,939, then $82,833, then this week's high. A downtrend is a sequence of lower highs, and one green week does not end it.

THE LINE

The sequence breaks on a daily close above $82,833, the May high. If that happens, the right response is not to argue with it. It is to re-evaluate and accept that the market is changing. Until then, this is a rally inside a bear, and it is the 9th of its kind.

THE HONEST LIMITS

WHAT THIS STUDY DOES NOT SAY

It does not say price goes down from here. Eight for eight is a base rate across eight cases. Base rates describe the odds, not the outcome, and the ninth case is free to be the first exception.

It does not say the July low will break. Rolling over after a spike and making a new low are different claims. Of the eight bear-year cases, the median three-month outcome was down 18%, which from today's level would not reach the July low.

It does not settle which year 2026 is. The calendar says bear year. Structure agrees for now. A close above $82,833 would be the market telling us otherwise, and at that point this study's framing would need to be retired, not defended.

And it is one indicator on one timeframe. The 4-hour RSI was chosen because it is what produced this week's headline number, not because it is the best lens on Bitcoin. Treat it as a single witness whose testimony happens to agree with the structure, not as a verdict.

All returns are from the episode bar's close to the close 30 and 90 days later. Forward returns for today's reading do not exist yet, which is the point.

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