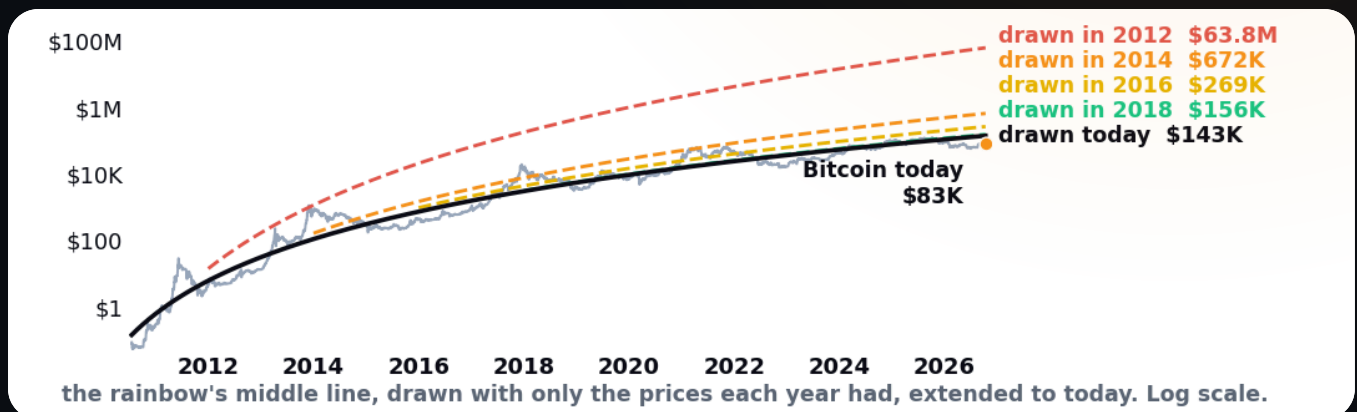


THE RAINBOW CHART TEST

The Bitcoin Rainbow Chart looks like it called every top and every bottom. I drew it the honest way, with only the prices that existed each year, and asked every version what Bitcoin should be worth today.

Eight versions of the same line, from \$63.8 million to \$143,000, the November 2022 redraw, and where Bitcoin sits today against each one.



\$63.8M

today's fair price, by the line
drawn in 2012

\$143,039

today's fair price, by the line
drawn today

-42.2%

Bitcoin today against today's
line

Educational, not financial advice. The rainbow is a set of colored bands around one line, a straight line on a chart of log price against log time. This test refits that kind of line with only the data that existed on each date.



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WHY IT LOOKS PERFECT

DRAWN THROUGH THE PAST

The rainbow you see today is drawn today, through every price Bitcoin has already printed. A line drawn that way will run close to every old low and every old high, because those prices are what it was drawn through. Here is the bottom band of today's line, a band set so that 95% of all days sit above it, at each famous low.

EVENT	BITCOIN'S PRICE	TODAY'S BOTTOM BAND THEN	PRICE VS THE BAND
The 2011 low	\$2.11	\$2.18	-3%
The 2015 low	\$176	\$143	+23%
The 2018 low	\$3,185	\$2,407	+32%
The March 2020 crash	\$5,628	\$4,677	+20%
The 2022 low	\$15,778	\$15,776	+0%

Bottom band = the line fitted through all of Bitcoin's history today (slope 5.64), shifted down to where 5% of days fall below it. Coin Metrics daily closes.

Every low sits on the band or within about a third above it, and on a chart that spans a millionfold move that looks like a perfect touch. That is not a prediction coming true. It is the line describing what already happened.

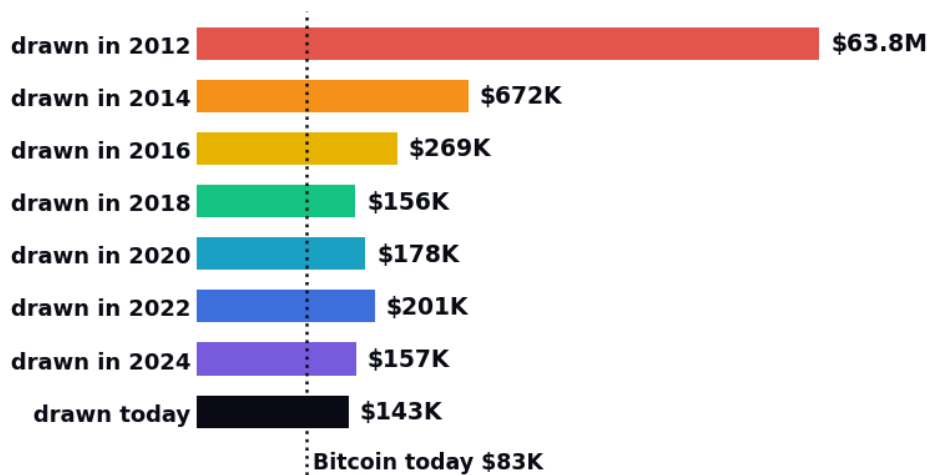
THE HONEST VERSION

SAME LINE, DRAWN BACK THEN

LINE DRAWN WITH DATA UP TO	SLOPE	FAIR PRICE IT GIVES FOR TODAY	BITCOIN TODAY VS THAT LINE
2012	8.60	\$63,782,027	-99.9%
2014	6.55	\$672,001	-87.7%
2016	6.03	\$269,408	-69.3%
2018	5.73	\$156,340	-47.1%
2020	5.80	\$177,907	-53.5%
2022	5.89	\$201,124	-58.9%
2024	5.71	\$157,235	-47.4%
Today	5.64	\$143,039	-42.2%

Each line is fitted with only the prices that existed up to its date, then extended to 12 October 2026. Bitcoin today = \$82,702.

Drawn in 2012, the line said Bitcoin would be worth about \$63.8 million today. Each time it was redrawn with more data the slope came down, because Bitcoin kept growing slower than the line expected. It is not a straight fall. The 2020 and 2022 versions ticked back up, then the line came down again. The version you see today is just the latest redraw.



what the rainbow's middle line said Bitcoin should be worth today, by the year it was drawn. Log scale.

IT ALREADY HAPPENED

WHEN THE PRICE BROKE THE CHART

This is not only a math exercise. In November 2022, after the FTX collapse, Bitcoin fell below the original rainbow's lowest band for the first time. The chart was then revised into a second version with a new fit, one that sits lower than the original.

That is the pattern this test shows, happening in public. A chart that only works after it is redrawn cannot tell you what happens next. It can only tell you what already happened.

Sources for the November 2022 revision: tokentax.co/blog/bitcoin-rainbow-chart and bitcoinmagazine.com/markets/bitcoin-rainbow-chart-fire-sale. Reports of a second break in 2026 disagree on the date and are not used here.

T O D A Y

CHEAP OR EXPENSIVE, DEPENDING ON THE LINE

Bitcoin at \$82,702 is 42% under today's line, 69% under the line drawn in 2016 and 99.9% under the line drawn in 2012. On the 2012 version it would look like a 99.9% fire sale. On today's version it looks like an ordinary bear market.

Same chart idea, same coin, same day. The answer to 'is Bitcoin cheap' changes with the year you drew the line. That is the reason not to trade off the colors.

THE READ

Use the rainbow as history, not as a buy or sell signal.

THE HONEST LIMITS

WHAT THIS TEST DOES NOT SAY

It is the same kind of line, not the exact published formula. The published rainbow uses its own fixed fit and band widths. This test refits a line of the same family, log price against log time, so every year gets a fair version of the chart it could have drawn.

Early years are thin. The 2012 line is built on about 18 months of prices, which is why it is so far off. Later lines are steadier, and still moved by tens of thousands of dollars.

A long-run trend is still real. Bitcoin has grown roughly along a line like this for 15 years. The test does not say the trend is fake. It says the exact line, and the colors drawn around it, are only known in hindsight.

Data pinned to 12 October 2026. Coin Metrics daily closes, PowerLaw/btc_daily.csv. Scripts: LogCurve/rover_audit.py, LogCurve/rb_charts.py, BTCDaily/updates/threads/rb_guide.py. This is education, not financial advice.

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