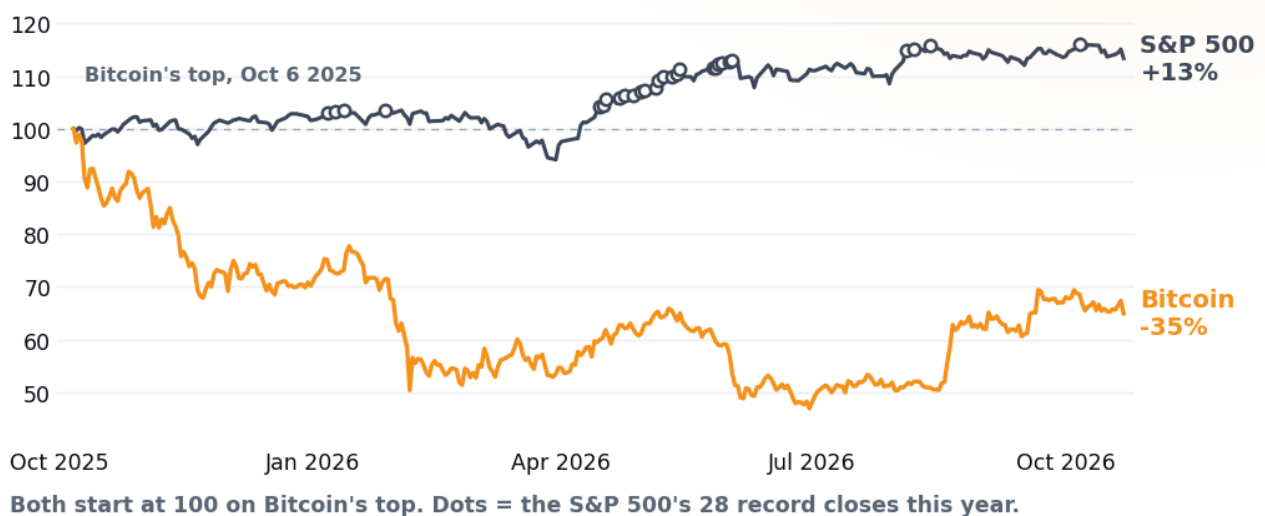


THE STOCK CRASH STUDY

US stocks set record after record this year while Bitcoin spent it in a bear market. This study asks two questions. How likely is a US bear market from here? And if one comes, what does Bitcoin do?

Every S&P 500 bear market since 1954 and the odds after record highs, green streaks and big runs. Then every US stock bear market in Bitcoin's lifetime, what Bitcoin did during it, and what it did after.



1 in 5

rough odds a US bear market starts in the next 12 months

4/4

US bear markets where Bitcoin fell further than stocks

4/4

times Bitcoin bounced harder in the 6 months after the stock low

Educational, not financial advice. A bear market here is a daily close 20% or more below the all-time closing high, counted once until a new all-time high. Stocks are Yahoo daily closes, price only. Bitcoin is Bitstamp daily closes. Prices as of October 22, 2026.



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HOW OFTEN

ONE EVERY 6.6 YEARS

RECORD HIGH	FIRST CLOSE 20% DOWN	LOW	FALL	BACK TO A RECORD
Aug 3, 1956	Oct 21, 1957	Oct 22, 1957	-21.5%	Sep 24, 1958
Dec 12, 1961	May 28, 1962	Jun 26, 1962	-28.0%	Sep 3, 1963
Feb 9, 1966	Aug 29, 1966	Oct 7, 1966	-22.2%	May 4, 1967
Nov 29, 1968	Jan 29, 1970	May 26, 1970	-36.1%	Mar 6, 1972
Jan 11, 1973	Nov 27, 1973	Oct 3, 1974	-48.2%	Jul 17, 1980
Nov 28, 1980	Feb 22, 1982	Aug 12, 1982	-27.1%	Nov 3, 1982
Aug 25, 1987	Oct 19, 1987	Dec 4, 1987	-33.5%	Jul 26, 1989
Mar 24, 2000	Mar 12, 2001	Oct 9, 2002	-49.1%	May 30, 2007
Oct 9, 2007	Jul 9, 2008	Mar 9, 2009	-56.8%	Mar 28, 2013
Feb 19, 2020	Mar 12, 2020	Mar 23, 2020	-33.9%	Aug 18, 2020
Jan 3, 2022	Jun 13, 2022	Oct 12, 2022	-25.4%	Jan 19, 2024

Every S&P 500 bear market since September 1954, when the index finally closed above its 1929 high. Daily closes, price only.

Since September 1954 the S&P 500 has had 11 bear markets, one every 6.6 years on average. Pick any day in that stretch and look 12 months ahead. A new bear market started inside that window 15% of the time.

The gaps are uneven. The shortest was 2.3 years, from 2020 to 2022. The longest was 13.4 years, from the 1987 crash to March 2001. The last one started in June 2022, 4.4 years ago. Nothing about the calendar says one is due.

The 20% line is a convention, and it matters. Four more falls stopped just short of it, in 1990 (19.9%), 1998 (19.3%), 2018 (19.8%) and 2025 (18.9%). Count those too and a fall of about 20% has come roughly every 4.8 years.

THE ODDS NOW

NOT DUE. ABOUT 1 IN 5.

SITUATION	DAYS	A BEAR STARTED WITHIN 12 MONTHS
Any day since 1954	17,892	15.5%
A record-high close	1,328	14.7%
Within 5% of a record	8,320	15.1%
Within 5% of a record, after a 3-year run of 50%+	2,457	22.2%
Within 5% of a record, after a 3-year run of 70%+ (today)	1,108	20.7%
Within 5% of a record, after a 3-year run of 80%+	859	20.5%

S&P 500 daily closes since 1954. Days overlap heavily, so these are rough odds, not precise ones. Today the S&P 500 is 2% below its October 6 record after a 75% rise over 3 years.

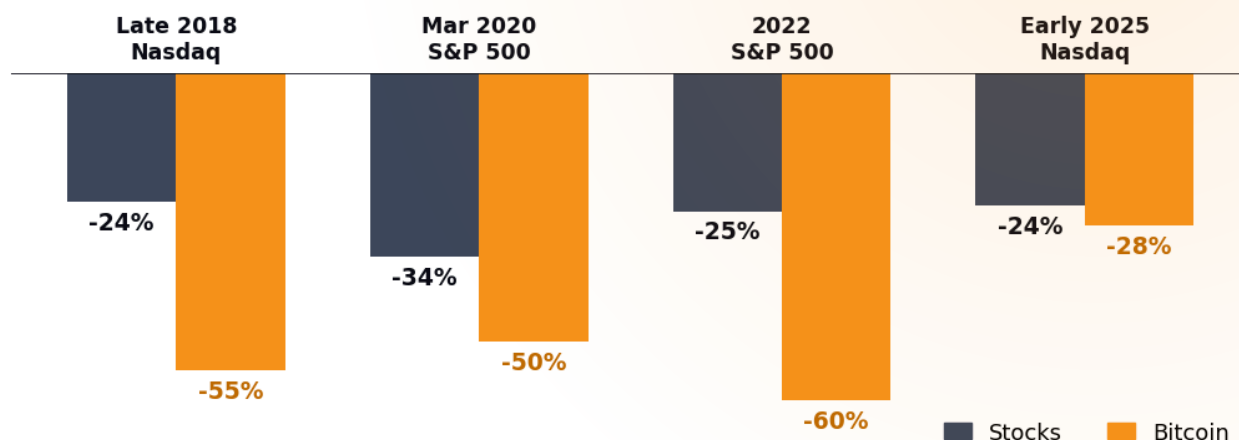
Record highs on their own mean nothing. A record-high day has had the same odds as any other day, about 15%. Records come in bunches during bull markets, and most bull markets keep going for a while.

Big runs raise the odds a little. When the S&P 500 sat near a record after a 3-year run like this one, a bear market started within 12 months about 21% of the time. The cutoff does not matter much. Runs of 50%, 70% and 80% all land between 20% and 22%.

Lots of records. In years with 25 or more record closes, a bear market started the next year 6 times out of 23. 2024 had 57 records and 2025 had 39, and neither was followed by one.

Green streaks. After 3 straight green years, the fourth year had a bear market 4 times out of 10 (1957, 1966, 1973, 2022). 2026 is that fourth year, and with two months left it is up about 12% and close to its record. If it ends green, that makes 4 straight, which has happened only 3 times since 1954. The year after was green all 3 times (1986, 1999, 2007), but each time a bear market followed within about two years (October 1987, March 2001, July 2008). Three cases is far too few to lean on.

EVERY US BEAR IN BITCOIN'S LIFETIME BITCOIN FELL FURTHER **EVERY TIME**



From the day stocks peaked. Bitcoin = its lowest close before stocks bottomed.

BEAR	STOCKS, HIGH TO LOW	STOCK FALL	BITCOIN THE DAY STOCKS PEAKED	BITCOIN'S LOWEST CLOSE BEFORE THE STOCK LOW	BITCOIN'S FALL
Late 2018 (Nasdaq)	Aug 29, 2018 to Dec 24, 2018	-23.6%	\$7,033	\$3,180 on Dec 15, 2018	-54.8%
Mar 2020 (S&P 500)	Feb 19, 2020 to Mar 23, 2020	-33.9%	\$9,596	\$4,842 on Mar 12, 2020	-49.5%
2022 (S&P 500)	Jan 3, 2022 to Oct 12, 2022	-25.4%	\$46,440	\$18,466 on Sep 21, 2022	-60.2%
Early 2025 (Nasdaq)	Dec 16, 2024 to Apr 8, 2025	-24.3%	\$106,073	\$76,244 on Apr 8, 2025	-28.1%

The S&P 500 when it crossed 20%, otherwise the Nasdaq. In late 2018 and early 2025 the S&P 500 fell 19.8% and 18.9%, just short of the line.

Four times since Bitcoin started trading, the S&P 500 or the Nasdaq fell 20% or more from its record. Stocks fell 24% to 34%. Bitcoin, measured from its price on the day stocks peaked, fell 28% to 60% at its worst. It fell further than stocks all four times.

The smallest fall came in 2025, the one time Bitcoin went in at its own record high. The biggest came in 2022, when its own bear market was just getting started.

ALREADY IN A BEAR

THE BEAR BEHIND IT DIDN'T PROTECT IT

STOCK BEAR	MONTHS SINCE BITCOIN'S RECORD	BELOW ITS RECORD WHEN STOCKS PEAKED	ITS WORST DROP BEFORE THEN	BITCOIN'S LOW IN THE STOCK BEAR	DID THAT LOW HOLD?
Late 2018	8.4	-63.3%	-69.5%	\$3,180, Dec 15, 2018	Yes, never closed lower
Mar 2020	26.1	-50.0%	-83.4%	\$4,842, Mar 12, 2020	Yes, never closed lower
2022	1.8	-31.3%	-31.6%	\$18,466, Sep 21, 2022	No, broken Nov 2022
Early 2025	0.0	0.0%	0.0%	\$76,244, Apr 8, 2025	No, broken Feb 2026
Today	12.5	-35.0%	-53.1%	not yet	not yet

Bitstamp daily closes. Record = Bitcoin's highest close before each stock peak. Today = October 22, 2026, against the October 6, 2025 record.

Twice, Bitcoin was deep in its own bear market when stocks started falling. In August 2018 it was 63% below its record, eight months after its top. In February 2020 it was 50% below, after a full bear market and a first recovery. It still fell another 55% and 50%.

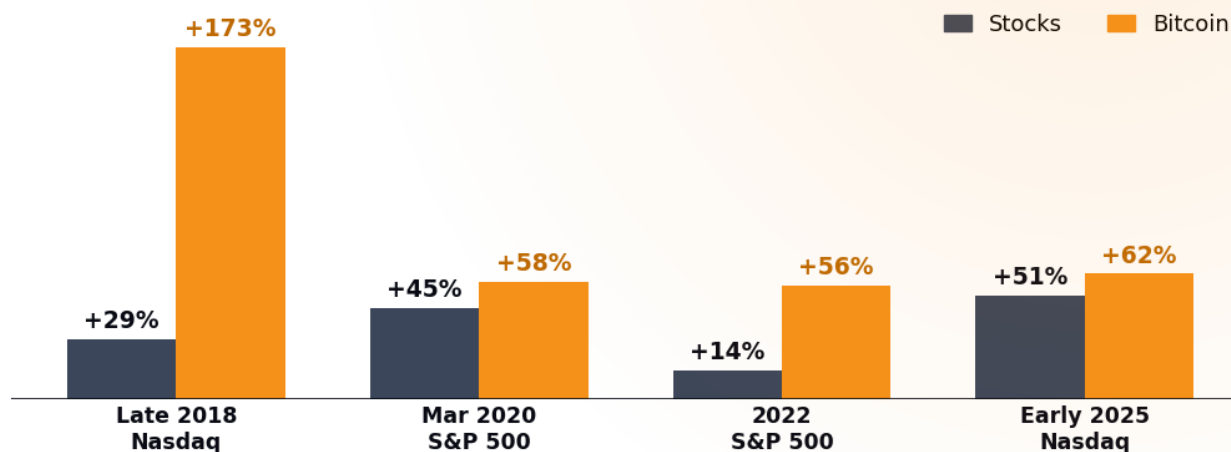
Both times, that fall was the last flush. Bitcoin bottomed 9 days before stocks in 2018 and 11 days before them in 2020, and it never closed lower again. In 2018 the crash broke Bitcoin's June low of \$5,848 and set the cycle low at \$3,180. In 2020 it held well above that low, at \$4,842.

2022 shows the other side. Bitcoin was only two months past its top and 31% down when stocks peaked. Its low during the stock bear did not hold. It kept falling for six weeks after stocks bottomed, to \$15,766 in November 2022 as FTX collapsed. In 2022 Bitcoin's bear was just starting. In 2018 and 2020 it was deep into one.

Today Bitcoin is a year past its top, and at the July low it was 53% below its record. That looks more like 2018 and 2020 than 2022. Two cases are not proof, so treat it as a lean, not a rule.

AFTER THE STOCK LOW

BITCOIN BOUNCED HARDER EVERY TIME



Gain in the 6 months after each stock market low, from its price on the day stocks bottomed.

STOCK BEAR	STOCK LOW	BITCOIN, 3 MONTHS	STOCKS, 3 MONTHS	BITCOIN, 6 MONTHS	STOCKS, 6 MONTHS	BITCOIN, 12 MONTHS	STOCKS, 12 MONTHS
Late 2018	Dec 24, 2018	-1.6%	+23.4%	+173.3%	+29.3%	+79.7%	+44.6%
Mar 2020	Mar 23, 2020	+48.2%	+40.0%	+57.6%	+44.7%	+737.2%	+74.8%
2022	Oct 12, 2022	-1.6%	+11.4%	+56.1%	+14.4%	+39.7%	+21.6%
Early 2025	Apr 8, 2025	+42.9%	+33.7%	+61.8%	+50.9%	-6.7%	+48.3%

Change from each one's close on the day stocks bottomed.

Six months after the stock market bottomed, Bitcoin was up 56% to 173% from its price that day, and stocks were up 14% to 51%. Bitcoin did better all four times.

The shorter and longer views are less clean. Three months out, Bitcoin was down 1.6% twice, in early 2019 and early 2023, while stocks were up every time. Twelve months out, Bitcoin was up three times out of four. The exception was 2025, when Bitcoin's own cycle top in October 2025 landed inside the window.

WHAT IT MEANS NOW

IF STOCKS CRACK, WATCH THE JULY LOW

The odds. With the S&P 500 near its record after a 75% run over 3 years, a US bear market has started within 12 months about 1 time in 5. That is not the base case, but it is far from rare.

The size. In the four US bear markets of its lifetime, Bitcoin fell 28% to 60% from its price on the day stocks peaked. From \$81,022 on October 22, 2026, that range runs from about \$58,000 down to about \$32,000. Even the smallest fall lands on the July low (\$58,526 close, \$57,735 intraday).

The two paths. If Bitcoin holds the July low through a stock crash, that is the 2020 path, a higher low. If it breaks it, that is the 2018 path, where the crash set the final low of the cycle. Both times, with a bear already behind it, that low was never seen again.

THE RULE

A US bear market would likely hit Bitcoin hard, harder than stocks. With a bear already behind it, history says that hit was the last flush, not the start of a new bear.

WHAT THIS STUDY DOES NOT SAY

Four is a small number. Bitcoin has lived through only four US stock bear markets, and only two with a bear of its own already behind it. That is a pattern worth knowing, not a law.

The odds are rough. They come from 11 bear markets and from days that overlap, so a figure like 21% means about 1 in 5, not exactly 21%.

The 20% line is a convention. Late 2018 and early 2025 count here because the Nasdaq crossed it, while the S&P 500 stopped at 19.8% and 18.9%. A different line would change the counts.

Closing prices only. Intraday lows were deeper, for Bitcoin and for stocks. Stock indexes are price only, without dividends.

Data: Yahoo Finance daily closes for the S&P 500 (1927+) and Nasdaq Composite, and Bitstamp daily closes for Bitcoin. Scripts StockBears/us_bears.py (the odds), sb_study.py (Bitcoin in each stock bear) and sb_charts.py (the charts). This is education, not financial advice.

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