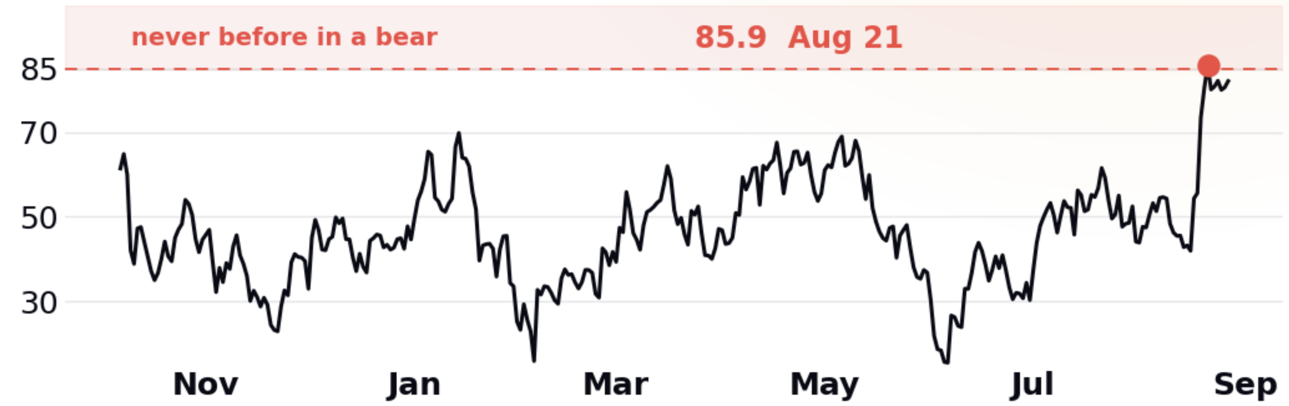
THE TURBULENCE LAW

Bitcoin's daily RSI crossed 85 this month, for the first time ever inside a bear market. In 13 years of data that reading has appeared in 14 distinct overheated periods.

All 14 were hit with a drawdown of at least 21% within 90 days, winners included. This is the full study, both sides, with every period shown.



Bitcoin daily RSI through this bear market, October 2025 to today

14 of 14
overheated periods hit with a 21%+ drawdown

-36%
median fall within 90 days, wick to wick

day 7
of the current 90-day window

Educational, not financial advice. Every number is reproducible from public Bitstamp data, the construction is disclosed on the next page, and the one methodology choice that matters, deduplication, is explained rather than hidden.

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THE SETUP

WHAT WE MEASURED, EXACTLY

RSI, the relative strength index, scores the speed of recent price gains against recent losses on a 0 to 100 scale. We use the standard 14-day construction on daily Bitstamp closes, the same math your charting app uses. Above 70 is conventionally called overbought. Above **85** is rare air. Bitcoin's daily RSI has closed there in only about 5% of all days since 2012, almost always in full bull markets.

Finding the episodes takes one honest extra step. Overheated readings cluster, a hot month can print 85 three times in six weeks, and counting each print separately would count the same crash three times. So consecutive episodes within 90 days of each other are chained into one PERIOD, and only the hottest print of each period is kept. That leaves **14 distinct overheated periods** since 2012, plus the live one that began August 21.

For each period we measured two things. Where price stood 30, 60 and 90 days later, and the worst peak to trough fall inside the 90-day window, measured on intraday wicks because that is the pain a real holder actually felt.

THE FIRST

One number to keep in mind before the table. The current episode printed 85.9 on August 21, inside a bear market. The other 14 all happened in bull markets or right after a confirmed bottom. This configuration has never existed before.

THE RECORD

ALL 14 PERIODS, PLUS OURS

Here is every time Bitcoin's daily RSI ran this hot, what price did over the next 90 days, and the worst fall inside that window.

PEAK MONTH	RSI	REGIME	90D LATER	WORST FALL IN 90D
2012-08	91	bull	-18%	-57%
2013-04	97	bull	-68%	-83%
2013-11	95	bull	-7%	-67%
2015-10	89	post-bottom	+16%	-41%
2016-06	91	bull	-14%	-40%
2016-12	90	bull	+13%	-34%
2017-05	92	bull	+83%	-39%
2017-12	94	bull	-40%	-70%
2019-04	89	bull	+118%	-31%
2020-08	86	bull	+15%	-21%
2021-01	89	bull	+43%	-31%
2023-01	89	bull	+46%	-23%
2023-10	88	bull	+16%	-22%
2024-02	87	bull	+9%	-23%
2026-08	86	BEAR	open	-8% so far

Hottest print per period. Falls are peak to trough on Bitstamp daily wicks inside the 90-day window.

Read the last column first. It is the study's whole finding. Not one period escaped a 21% fall, and the median was -36%. The forward returns column, meanwhile, is all over the place, and that contrast is the law.

THE HONEST BULL SIDE

OVERBOUGHT IS NOT A SELL SIGNAL

Start with the myth this study kills, because it cuts against our own bearish lean. An RSI this hot did NOT reliably mark tops. Ninety days later, the 14 periods were higher more often than lower, with a median gain of +14%. In the modern era, 2019 onward, it is **6 for 6 higher** with a median of +29%.

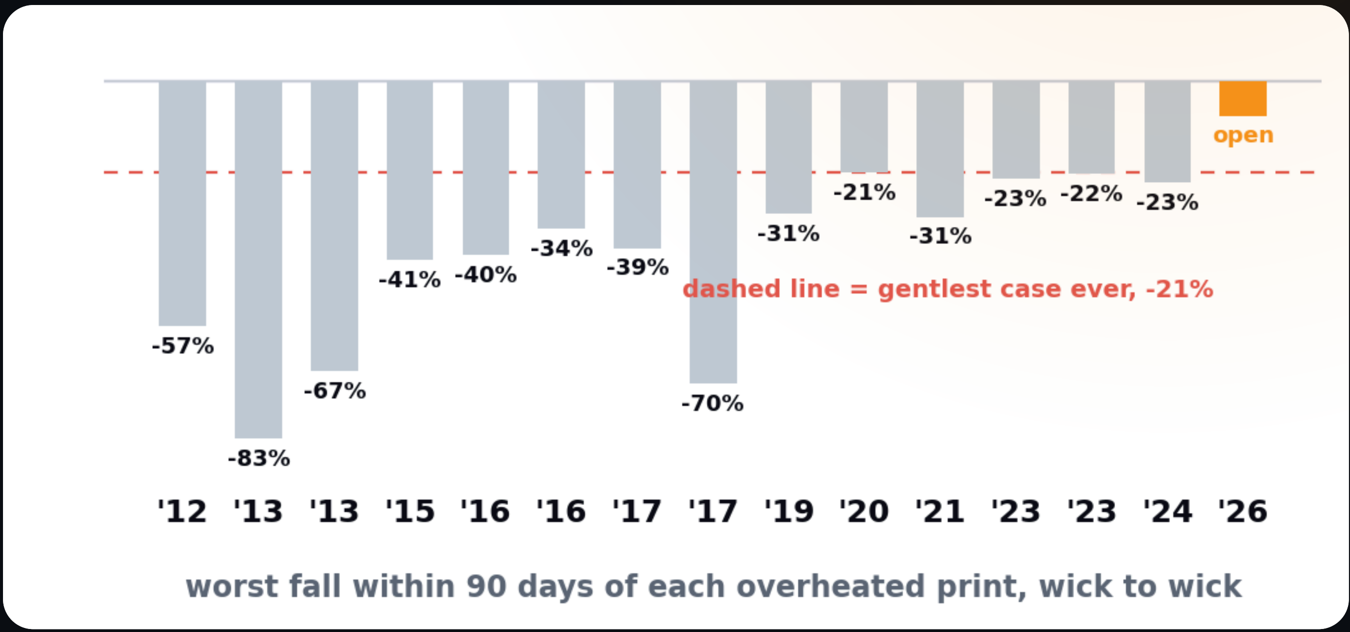
The mechanism is simple. Momentum this extreme requires enormous real buying, and enormous real buying mostly happens in strong markets. April 2019 printed 88.7 and price was up 117% ninety days later. January 2023 printed 89.3 at the ignition of the entire last bull run. Anyone who shorted purely because RSI crossed 85 has been run over for a decade.

So if someone tells you this reading means a crash is coming, they have not run the data. And if someone tells you it means the coast is clear, they have not run it either. What it actually predicted, every single time, is on the next page.

THE LAW

14 FOR 14. THE DRAWDOWN ALWAYS CAME

Every one of the 14 overheated periods, the winners included, was hit with a peak to trough drawdown of at least **21%** within 90 days of the hot print. Fourteen for fourteen, no exceptions in 13 years. The median fall was **-36%** across the whole era, and **-23%** in the calmer modern era, 2019 onward, where it is still 6 for 6.



The gentlest case in the entire record is August 2020, a 21.2% fall that resolved into the great 2020 bull run. That is the BEST outcome anyone who bought an 85+ print ever got. Overbought does not pick a direction. It guarantees turbulence, and it has never once been wrong about that.

THE RECEIPTS

EVEN THE BIGGEST WINNERS PAID FIRST

January 2023. RSI 89.3 at the ignition of the last bull market. Anyone who bought the print was down 23% peak to trough within the window, including the March banking-crisis flush, before the +46% resolution arrived.

October 2023. RSI 87.8 as the ETF rally began. A 22% shakeout inside the window, then the run to new highs. **February 2024.** RSI 87.3 in full ETF mania. Price was 23% lower at the April low than its March peak, then recovered.

And August 2020, the gentlest ever at 21.2%, still handed a one-fifth haircut to anyone who chased the print before the bull run paid them back.

WHAT IT MEANS

The pattern is not that the rally dies. It is that the price you pay at peak heat has been beaten by a 20% cheaper price within 90 days, every single time. Patience has never lost this bet.

THE REGIME TWIST

THERE HAS NEVER BEEN A BEAR CASE. UNTIL NOW

Here is what makes the current episode genuinely new. All 14 prior periods happened in bull markets, or in one case right after a confirmed bottom, October 2015, which still drew down 41% on wicks before the trend carried. **Zero happened inside an unbroken bear market downtrend.** August 21, 2026 is the first.

The closest cousins the record offers are the overheated summer rallies of **2014 and 2018**, which pushed the daily RSI to 83.5 and 77.2, just short of the 85 bar. Both rolled over within 90 days, fell 24% to 29% from the print, and went on to make new bear market lows. In bulls, the drawdown was a reset. In bears, it was the trap springing.

So the current episode has exactly two historical scripts. The bull script, a 21% to 23% class shakeout followed by continuation. The bear script, a 24% to 29% rollover into new lows. There is no third script in the data where the drawdown simply never arrives.

THE WINDOW, AND THE LIMITS

DAY 7 OF 90, AND WHAT WOULD BREAK THE LAW

We are on day 7 of the current window. The deepest shakeout so far is **8%**, the August 21 flush itself, against a 21% historical floor. From this rally's high near **$81,255**, the gentlest repeat in the record touches about **$64,029**, and the modern-era median lands near $62,566. Almost the entire window is still ahead.

The honest limits. Fourteen periods is fourteen periods, and a perfect record on n of 14 is a base rate, not a law of physics. The old-era drawdowns, 40% to 80%, belong to a wilder Bitcoin than today's. The dedup choice, chaining episodes within 90 days, is a judgment call we disclose because without it the record double-counts crashes and overstates itself. And the law says nothing about timing inside the window. Day 8 and day 88 both count.

What would break it. If this window closes without a 21% peak to trough fall, the law takes its first loss on record and we will publish that scoreboard ourselves. And note what the law does NOT depend on. It makes no exception for trend breaks, new local highs, or how strong the rally looks. Every one of the 14, full bull markets included, took the shakeout anyway. The current window is scored the same way, no matter where price travels first.

Daily RSI, Wilder 14, on Bitstamp daily closes since 2012. Drawdowns on Bitstamp daily wicks. Episodes at 85 or above collapsed within 14 days, chained within 90 days, hottest print kept. Data pinned 28 August 2026. Re-scored publicly on @bitcoin.daily.

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