



CryptX Deep Dives — 2/14/26

From CJ Reichel

Contents:

- ❖ BTC Technical Highlights
 - ❖ BTC Macro Trend Charting
 - ❖ BTC Cycle History
 - ❖ BTC YTD ROI Compared to the Average Midterm Year
 - ❖ QQQ & SPY Distribution
 - ❖ DJI Cycles
 - ❖ Conclusion
-

Brief:

- ❖ BTC has found temporary support at 68k.
 - ❖ Gold had its highest weekly close in history.
 - ❖ Sentiment remains negative despite the recent rebound in BTC.
 - ❖ Equity indices are at critical support.
-

Bitcoin's Technical Highlights



BTC 1D - 7pt Trading Checklist

After multiple weeks of selling, BTC has stabilized around 70k. Bitcoin is fulfilling 7/7pts on the trading checklist and qualifying for a long setup:

- ❖ Bullish harami candle close on the 13th.
 - ❖ Declining bearish volume since the selling vol climax on the 5th.
 - ❖ Wide divergence from the 20d SMA.
 - ❖ CCI pivoting higher from oversold territory.
 - ❖ Stoch pivoting higher from oversold territory.
 - ❖ Previous resistance at 68k is now acting as support.
 - ❖ Upside IBIT gap fill target at 75k.
-

Bitcoin's Higher Timeframe: The Bigger Picture



BTC 1W Chart

The weekly chart also has a lot of bullish indicators lining up:

- ❖ Bullish hammer candle.
- ❖ Wide divergence from 20w SMA.
- ❖ CCI pivoting higher from oversold territory.
- ❖ Stoch pivoting higher from oversold territory.
- ❖ Previous resistance at 68k is now acting as support.

Based on cycle theory, my longer term target remains 37-40k in October of 2026. Being said, every bear market has counter-trend rallies. Based on the current technicals, I would look for a short-term gap fill target at 75k with invalidation on a break below 66k. Sentiment is horrible and late shorts might still get squeezed.

Here are some statistics on the four year cycle and what we might expect for the rest of 2026:

Bitcoin Cycle History:

We're currently 19 weeks into the BTC bear market.

Post 2017 (20k)

-19 weeks after the 2017 highs (20k), price fell **-60%** (8k).

-53 weeks after the 2017 highs (20k), price fell **-85%** (3k) macro bottom.

Post 2021 (69k)

-19 weeks after the 2021 highs (67k), price fell **-46%** (37k).

-53 weeks after the 2021 highs (67k) price fell **-78%** (15k) macro bottom.

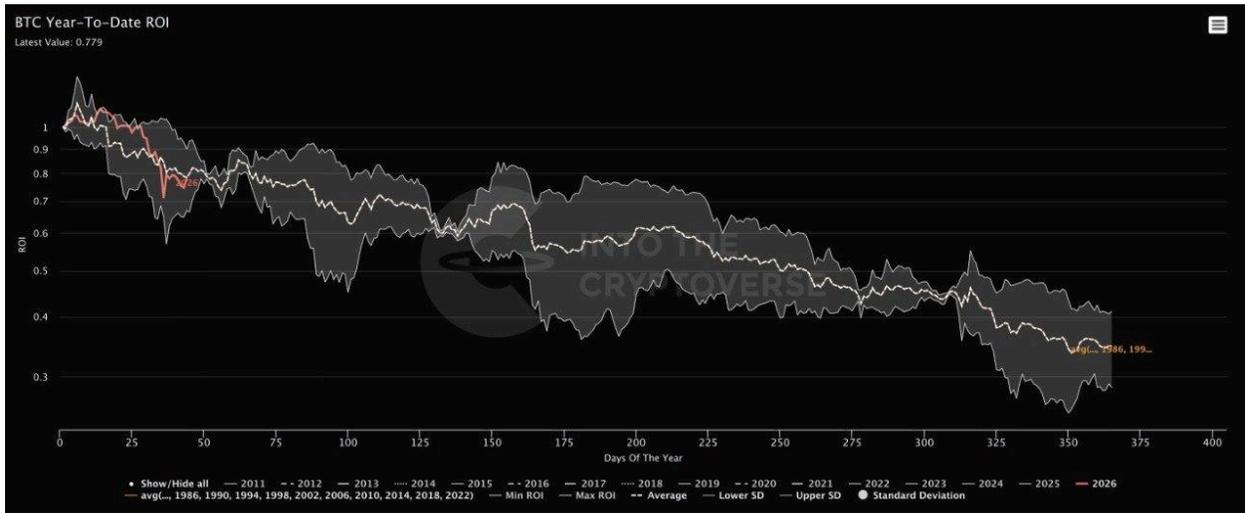
Post 2025 (126k)

-19 weeks after the 2025 highs: **-45%** (69k).

-53 weeks after the 2025 highs, historic decline would be **-70%** (37k) macro bottom?

TLDR: BTC cycle history suggests price should bottom at roughly 37k in October, 2026.

BTC YTD ROI Compared to the Average of Prior Midterm Years: With 1 Standard Deviation



We are still very early on in the bear market based on Bitcoin's historic price action. If midterm cycle history repeats, we should expect a fairly consistent downtrend with mild counter-trend rallies. Most notably, the average midterm year has historically experienced a slight counter-trend rally in the upcoming weeks. It's interesting to see this seasonal pattern aligning with our 7pt trading technical checklist.

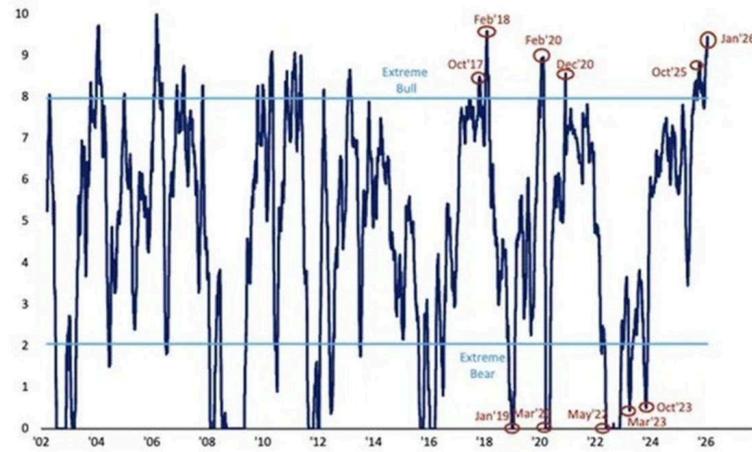


Gold 1W

Gold had its highest weekly close in history. Its strength is undeniable and the trend is making higher lows despite the recent volatility.

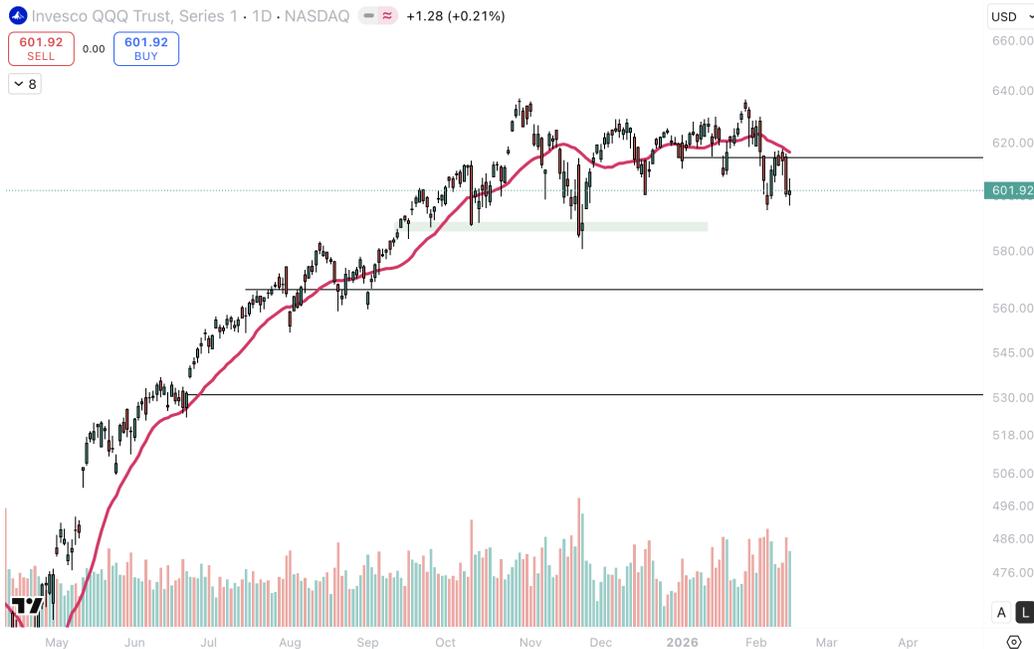
Chart 24: BofA Bull & Bear Indicator

BofA Bull & Bear Indicator since 2002



Source: BofA Global Investment Strategy, EPFR Global, FMS, CFTC, MSCI.

Even though sentiment is at all-time highs, NQ hasn't made a new high since November. In theory, Nasdaq should lead a 'healthy' bull market. Instead, it formed a lower high this week. Support needs to hold for the Qs in order to maintain the uptrend. It wouldn't be unreasonable for price to fill the 530 gap target if QQQ merely repeated the average midterm year drawdown.





Equal Weight SPY ETF 1d

The bull market has broadened out into smaller names and the equal weighted S&P index has been the best indication of this. Maybe it keeps going up, but we saw a heavy reversal candle on Thursday.

A lot of market wizards talk about the 'junk rally' at the end of bull markets (this is essentially the same concept as alt season). Once the leaders begin to lag and the 'junk' rallies, the end of a trend is near. This concept could be completely unrelated to our current circumstances. But it's something to watch for.

Potential Risk in Dow Jones Industrial Cycles



Dow Jones Industrial Average ETF 1w

Again we continue with the theme of midterm years.

- ❖ DJI topped in early 2018 and 2022 (midterm years).
- ❖ From early 2018 to early 2022, DJI increased 37%.
- ❖ From early 2022 to early 2026, DJI is up 37%.
- ❖ A 20% drop is what happened in prior cycles (excluding pandemic and tariff sell off).

From positioning data from the Commitments of Trader's Report, we see commercials have been distributing every US equity index since late November. Therefore, in my view, US equities have been showing signs of distribution since late November in both price and positioning.

Conclusion: Bringing it all together

US equity indices have been showing signs of distribution but have not yet broken the trend. Bitcoin is in a sweet spot area where the 7pt trading checklist is setup bullish with seasonal midterm year patterns also confirming the bullish setup. It seems reasonable to expect a gap to fill higher at 75k with invalidation below 66k. Equity indices breaking critical support remains the biggest risk to broader markets such as crypto and metals.

When looking at Bitcoin through the lens of a longer term trader, I want to be patient and execute the strategy of following the blueprint of the midterm election year cycle (while expecting variance). Once our macro indicators and sentiment align for a buy setup, I will deploy. Patience is required for this strategy because the cycle view suggests we simply aren't there yet. Overall, it's promising to see Bitcoin is on track with historical correlations.
