# Bitcoin Phase Analysis *(2011-2024)*

BEAR - PRE BULL - 1ST BULL - 2ND BULL

Empirical Verification of Bear, Pre-Bull, and Bull Phases

This presentation aims to explore and prove the existence of the phases experienced by Bitcoin from 2011 to 2024. Based on the analysis compiled by Rekt Capital, Bitcoin goes through three main phases in each market cycle, namely the Bear, Pre-Bull, and Bull phases. By utilizing historical data of Bitcoin's price movements during the period, I will verify the pattern of this cycle and see how the phases occur consistently across periods, as well as predict the direction of future market movements.
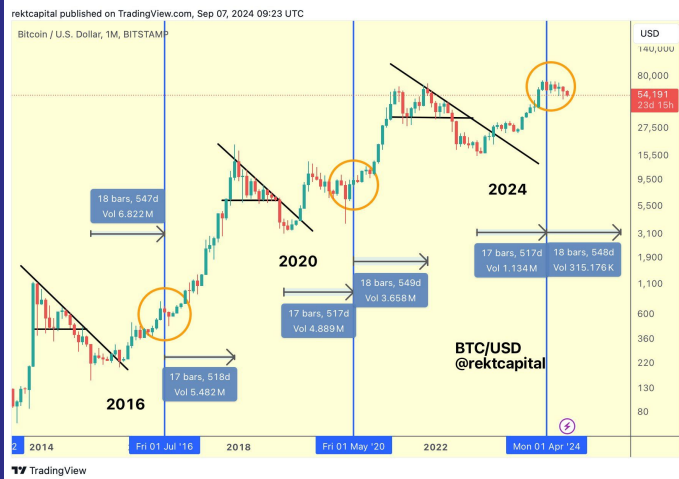
Source: https://x.com/rektcapital

Definition of Bitcoin Phases

The Bear phase is characterized by a significant and prolonged price decline. In this phase, the Bitcoin market experiences great selling pressure, where prices tend to decline drastically over a long period of time. This is usually caused by macroeconomic events, regulations, or internal market factors that cause negative sentiment among investors. This phase often creates pessimism in the market.

The Pre-Bull phase is the period where Bitcoin price starts to stabilize after the Bear phase. At this stage, the market shows signs of consolidation and accumulation. This phase is often considered a time for large investors to accumulate assets at lower prices before a larger price increase occurs. Although volatility is still present, the price direction begins to move more steadily with an uptrend.

In every cycle, there are two Bull phases: **1st Bull and 2nd Bull.** The 1st Bull phase occurs after the Pre-Bull phase, where prices start to show significant increases and market optimism begins to form. The 2nd Bull phase usually occurs after a short consolidation between two increases, where prices reach a new high and take Bitcoin to the highest price level in that market cycle. This phase is driven by high demand and positive sentiment in the market.

Data Used to Analyze Bitcoin Phases

Data Source: The Bitcoin price data used in this analysis is taken from trusted sources such as CoinMarketCap, which provides historical Bitcoin price data since its inception. This data covers daily Bitcoin prices from 2010 to 2024, including the open, close, high, and low prices for each day.

Data Collection Method: To ensure accuracy in analyzing the identified phases, the data is collected through a daily scraping technique. Every day, Bitcoin's open and close price data is scraped to see daily price fluctuations. This data is then processed to obtain an annual trend that reflects Bitcoin's movement over a certain period.

Yearly Analysis: This analysis will use annual price data from 2011 to 2024. We will extract the price trends and patterns from these years to visually identify when Bitcoin entered the Bear, Pre-Bull, and Bull phases. With this historical data, we can see if the price cycles identified by Rekt Capital actually occurred.

First Bear Phase (2011-2012)

This chart shows that Bitcoin experienced a very significant price increase in mid-2011, where the price jumped from around $1 in January 2011 to a peak of around $30 in June 2011. However, after reaching the peak, the price experienced a drastic decline and entered a Bear phase that lasted until the end of 2011 and continued into 2012.

This decline marked the first Bear phase in the Bitcoin cycle, where the price fell more than 90% from its peak, which is a characteristic of the Bear phase. The cause of this decline was likely a major market correction after the rapid increase, coupled with low trading volume and the very early development of the Bitcoin ecosystem.

Bitcoin Price in 2011
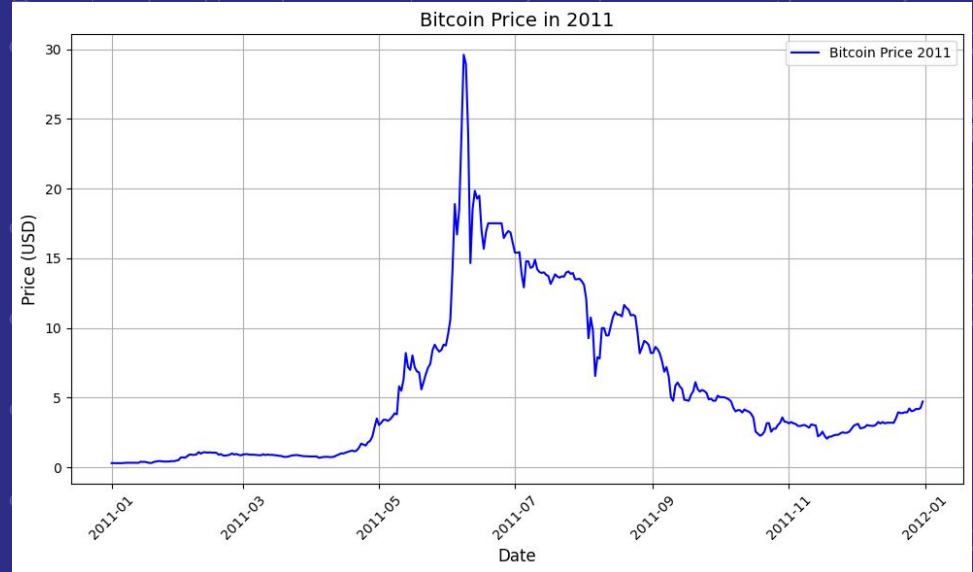
Pre-Bull Phase (2012-2013)

In 2012, we can see a significant consolidation phase where Bitcoin prices ranged between $4 and $6 for the first few months of the year. This period indicated that the market was going through an accumulation phase, where large buyers may have started to re-enter the market after the drastic price drop in 2011. The chart also shows that volatility was decreasing compared to the previous year, indicating a stabilization in demand and supply.

However, as we entered the middle of 2012, prices began to increase slowly but steadily, showing signs of the market reviving into the next Bull phase. This upward pattern continued through the end of the year, with significant spikes in November and December 2012, which was a strong signal that the Bitcoin market was preparing to enter the next Bull phase in 2013.

Bitcoin Price in 2012
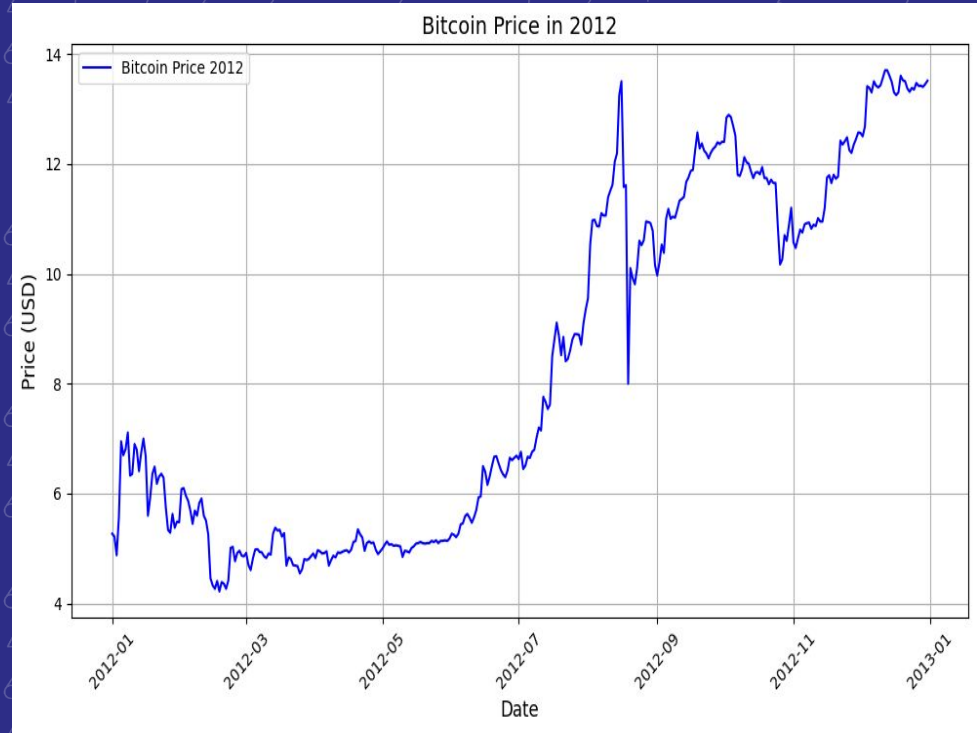
First Bull Phase (2013) #1

The chart shows that 2013 was a monumental year for Bitcoin. The price of Bitcoin soared from around $13 in early 2013 to over $1,100 by the end of the year. This price increase represented an increase of over 8,000%, marking the first significant bull run in Bitcoin's history.

This price increase was driven by several factors, including wider adoption among investors, mass media attention to Bitcoin, and the entry of several major payment platforms into accepting Bitcoin as a means of payment. The increase that occurred in November 2013 was particularly significant, with the price increasing sharply in a short period of time from $200 to over $1,000.

Bitcoin Price in 2013
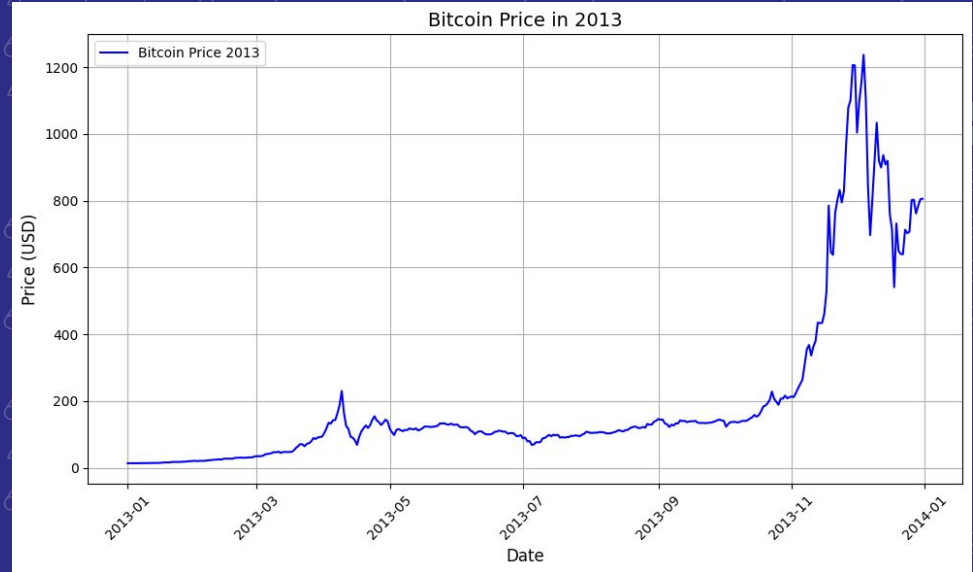
First Bull Phase (2013) #2

This huge increase created euphoria in the market, and encouraged more investors to come in. This surge also made Bitcoin more widely known in the global financial world. However, this too rapid increase also raised concerns about a price bubble, which eventually triggered a sharp decline in late 2013 to early 2014.

The chart shows that this price surge is a typical sign of the first Bull phase, where the Bitcoin price reaches new highs and experiences exponential growth in a relatively short period of time. This pattern is consistent with the Bull market cycle which is characterized by an accumulation phase followed by a rapid and drastic price increase.
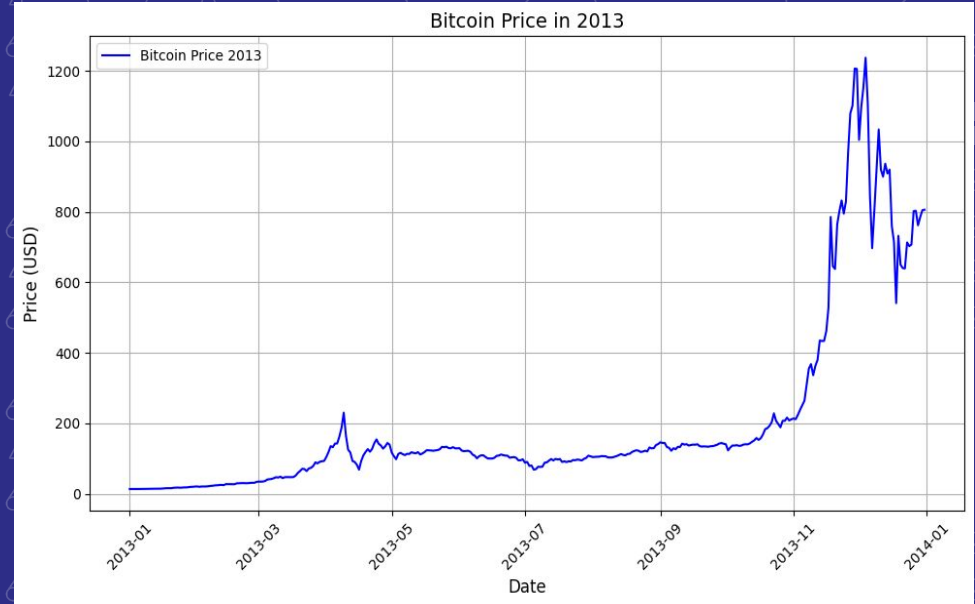
Next Bear Phase (2014-2015)

After a remarkable surge in late 2013, Bitcoin entered its second bear phase in 2014. From a peak of over $1,000 in early 2014, Bitcoin prices fell sharply to around $200 to $300 by the end of the year.

This decline was an expected market correction after such a rapid rise, and reflected the decline in investor sentiment that often follows a particularly strong bull cycle. A number of factors contributed to the decline, including the closure of several major Bitcoin exchanges such as Mt. Gox, security concerns in the crypto ecosystem, and a sudden withdrawal of investment after the 2013 hype.


Bitcoin Price in 2014

This Bear phase is consistent with the market cycles identified by Rekt Capital, where each Bull run is followed by a period of significant price decline or correction. A decline of more than 80% from the 2013 peak is a classic sign of a Bear phase, where the market experiences a long, slow decline before a consolidation and accumulation phase that will prepare for the next Bull cycle.
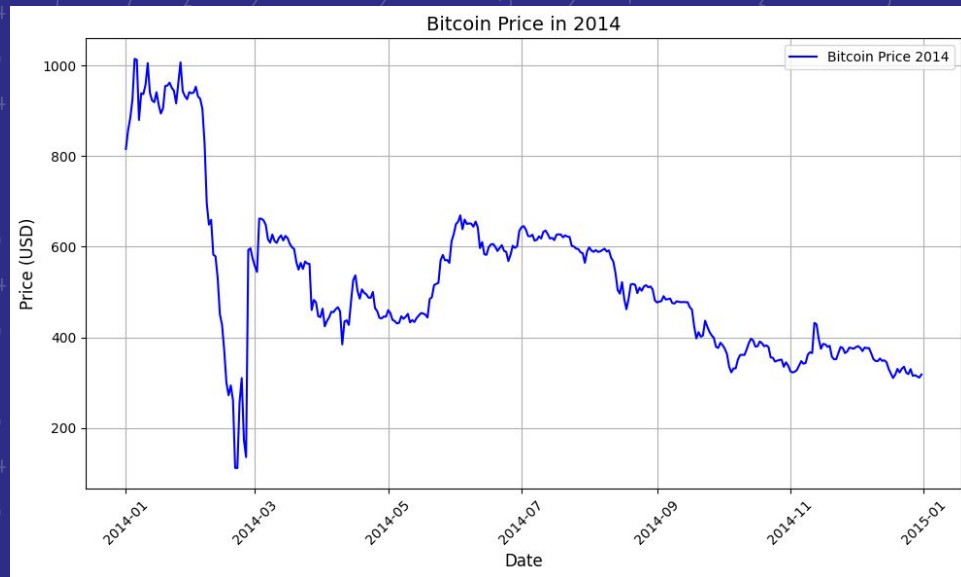
Pre-Bull Phase (2015-2016) #1

In 2015, we can see that after the drastic drop in 2014, the Bitcoin price began to enter a period of consolidation. The Bitcoin price moved in a relatively stable range between $200 to $300 for most of 2015. This indicates an accumulation phase, where large investors began to accumulate Bitcoin at lower prices, preparing the market for the next bull run.

This accumulation period was important in preparing for the next Bull phase, where momentum began to build in late 2015. The price began to increase sharply in the last quarter of 2015, reaching almost $450 by the end of the year. This was an early indication that the market was preparing to enter a major Bull phase in 2016 and beyond.

Bitcoin Price in 2015
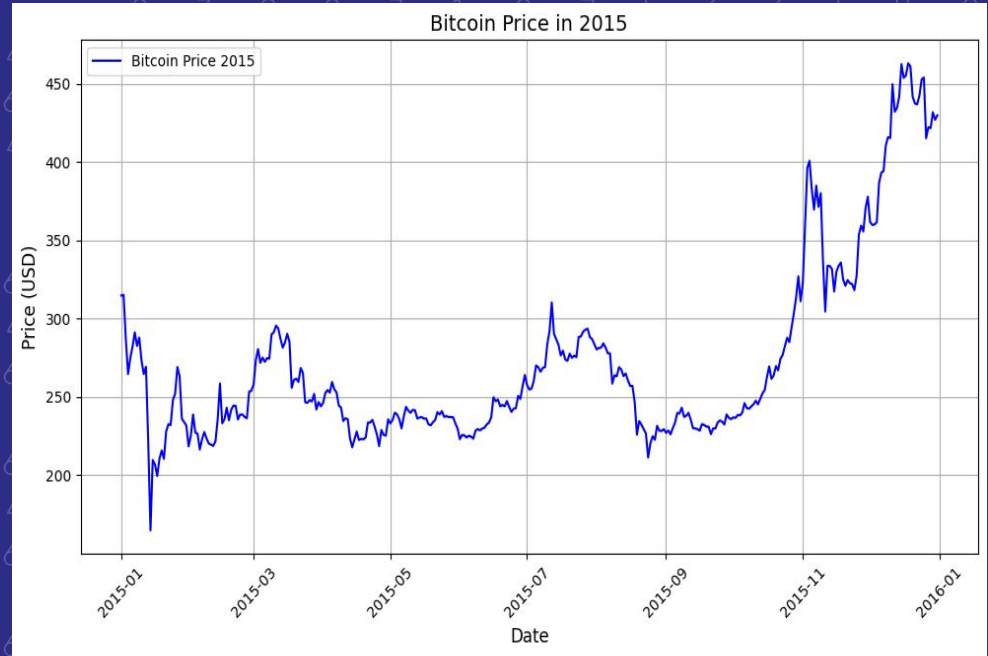
Pre-Bull Phase (2015-2016) #2

The price surge in late 2015 signaled that the market was starting to come back to life after a long period of consolidation. Trading volumes began to increase, and positive sentiment towards Bitcoin began to emerge again among investors. The combination of long price stabilization, accumulation by large players, and sharp price increases were typical signs that the market was entering a Pre-Bull phase, which would then be followed by a larger Bull Run phase in 2016.
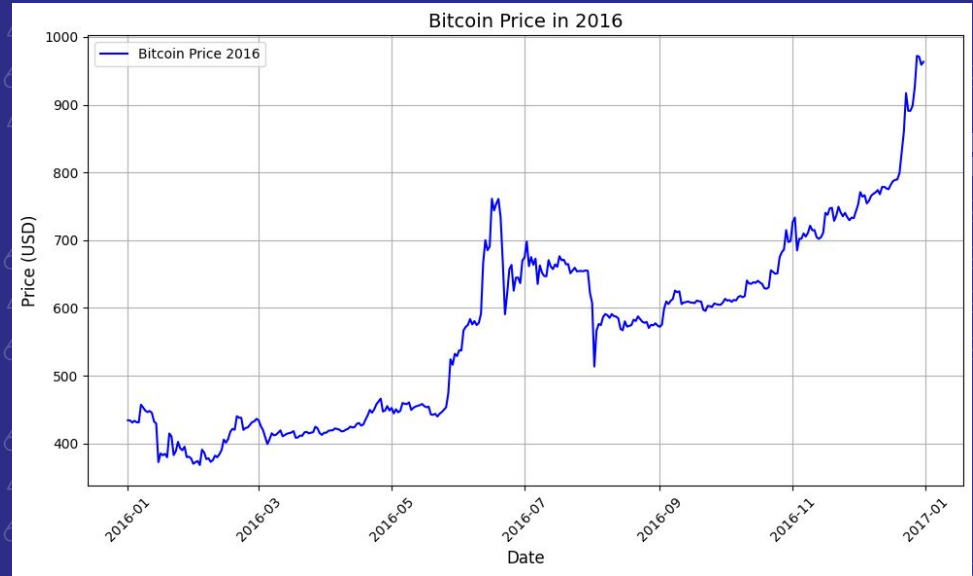
Second Bull Phase (2017)

2017 was one of the most historic years in the crypto world, especially for Bitcoin. Bitcoin's price skyrocketed from around $1,000 at the beginning of the year to nearly $20,000 in December 2017. This increase represents an increase of more than 1,900% in one year, a very significant increase and reflects a strong second Bull phase.

This massive increase is typical of a Bull phase in the Bitcoin cycle. As seen in the previous Bull phase (2013), the 2017 Bull phase also showed a pattern where prices rose sharply, followed by euphoria in the market, with many new investors coming in looking for quick profits.
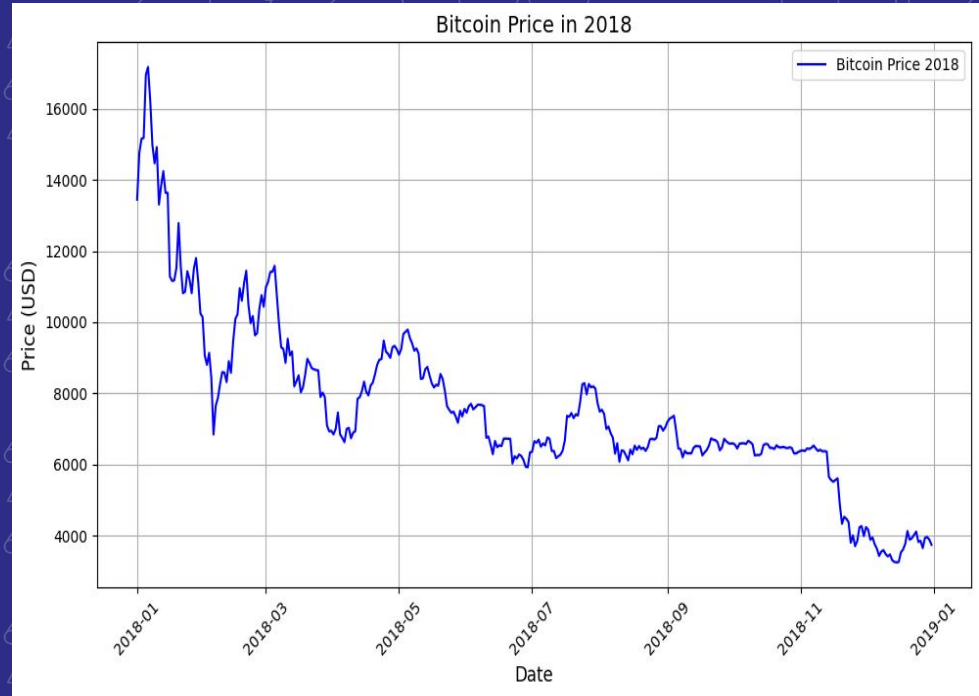

Bitcoin Price in 2017
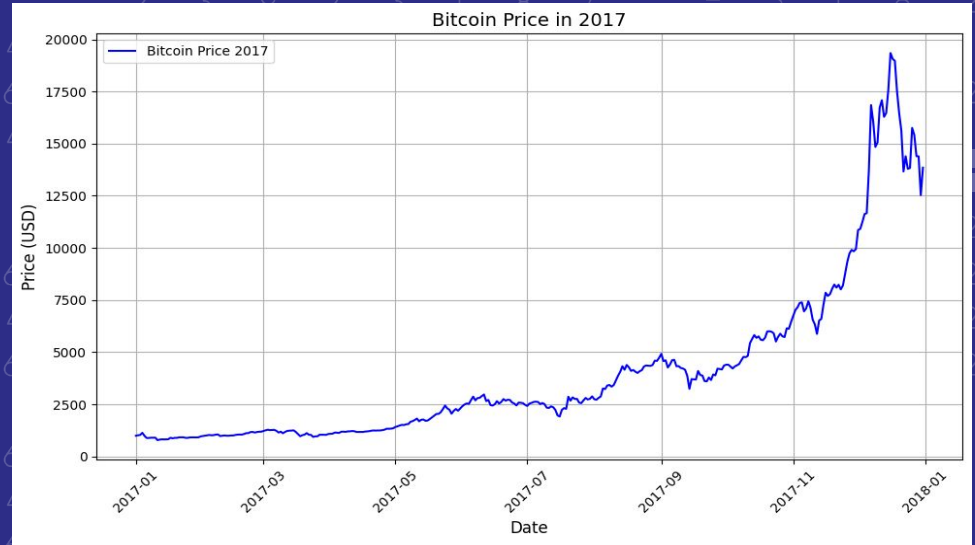
However, the negative impact of this increase is also starting to be felt, where Bitcoin is facing significant pressure after reaching its highest peak. A very rapid price surge is usually followed by a sharp decline, which occurred immediately after the new year 2018 began, marking the beginning of the next Bear phase. This is a pattern that is consistent with the observed market cycle, where the Bull phase is always followed by a correction phase (Bear).

Bear Phase (2018-2019)

2018 was marked by a sharp decline in the price of Bitcoin, which began a Bear phase after the massive surge that occurred in 2017. The price of Bitcoin dropped drastically from a peak of around $20,000 in December 2017 to less than $4,000 in late 2018, marking a decline of more than 80% from its peak.

This pattern of decline is very typical of the Bitcoin market cycle, where a strong Bull phase is always followed by a long and stressful Bear phase. The price decline in 2018 was caused by several factors, including Natural market correction after a very rapid price increase, Declining interest from retail investors who felt they had lost money after buying at the highest price, Regulatory pressure that began to emerge in various countries to limit crypto activities.

Bitcoin Price in 2018

The pattern that occurred in 2018 is very similar to the Bear phase that occurred after the 2013 Bull Run. In that phase, Bitcoin also experienced a drastic decline of more than 80% from its peak. This shows that Bitcoin's price cycle tends to repeat itself, where large price spikes are followed by long periods of correction.
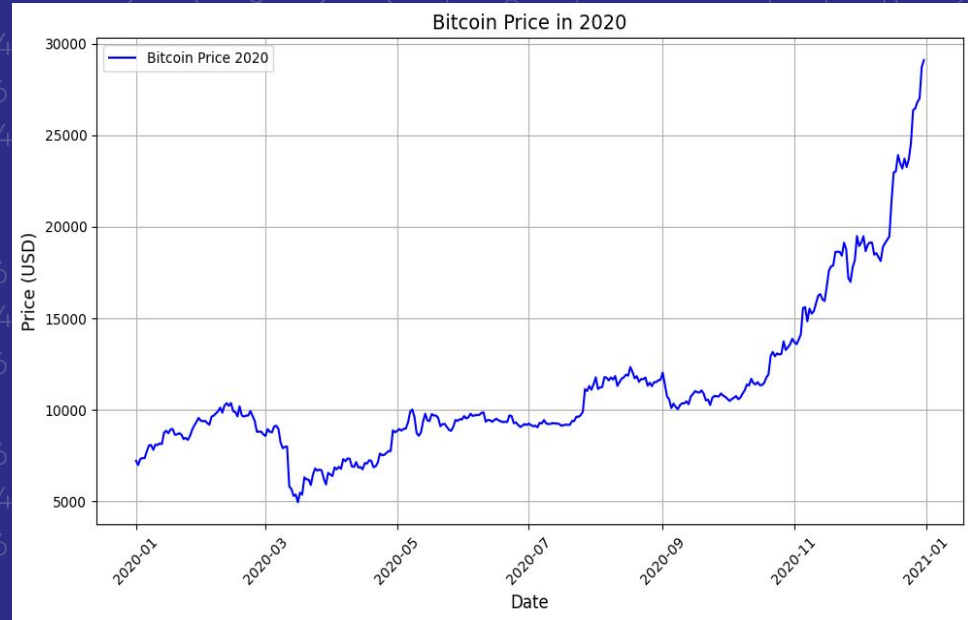
Pre-Bull Phase and Bull Run (2020-2021) #1

2020 marked a significant transition from the Pre-Bull phase to a strong Bull phase. In early 2020, Bitcoin prices were relatively stable in the range of $7,000 to $10,000, reflecting an accumulation and consolidation phase that showed a more stable upward trend compared to previous years. However, in the fourth quarter of 2020, Bitcoin began to experience a very significant price increase.

Some of the factors driving this transition include increased institutional adoption as large corporations and institutional investors, such as MicroStrategy and Square, began buying large amounts of Bitcoin as a reserve of value, driving up demand.
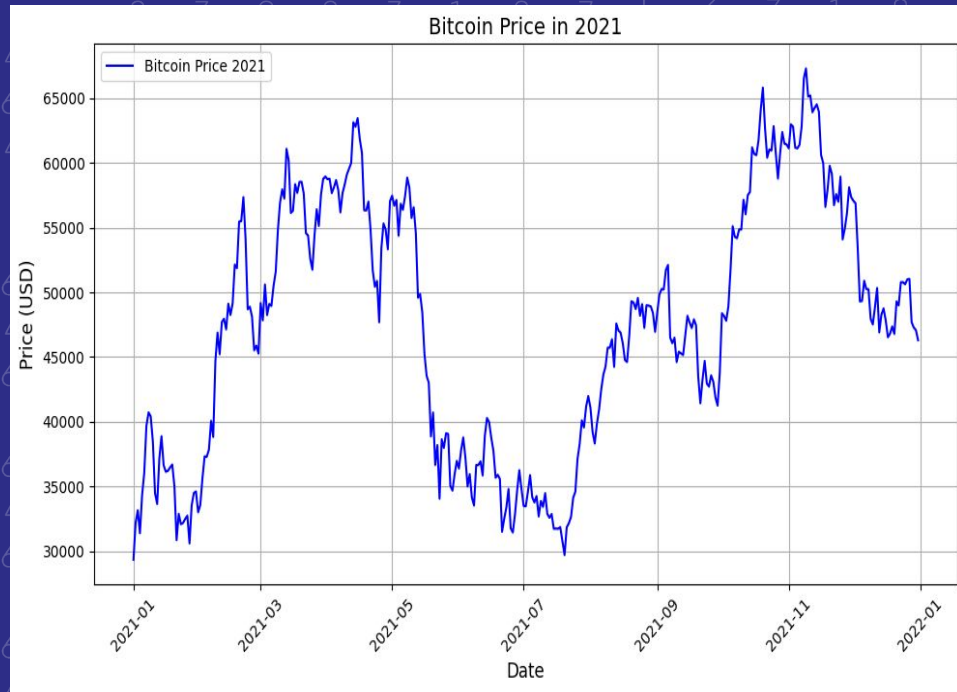

The strengthening of the Bitcoin narrative as digital gold during the COVID-19 pandemic strengthened the belief that Bitcoin is a hedge against inflation, especially amidst global monetary easing policies. A surge in retail and media interest has led to renewed interest in Bitcoin from many in the retail community due to the continued rise in price, coupled with significant media coverage.

Pre-Bull Phase and Bull Run (2020-2021) #2

After years of Bear and Pre-Bull phases, 2020 marked the beginning of a new, stronger Bull Run. By the end of the year, Bitcoin's price reached $30,000, surpassing its previous peak set in 2017 ($20,000). The strong momentum in late 2020 continued into 2021, where Bitcoin continued to reach new highs, solidifying its status as one of the leading assets in the digital financial world.

The transition from Pre-Bull to Bull phase in 2020 shows a recurring cyclical pattern in Bitcoin's price movement. After several years of consolidation and accumulation, the Bitcoin market is back in a Bull phase driven by institutional adoption and broad positive sentiment, resulting in an unprecedented price increase.

Rekt Capital VS Me

Rekt Capital

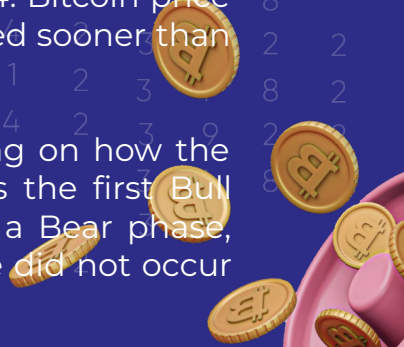| BEAR	PRE-BULL	1ST BULL	2ND BULL
2011	2012	2012	2013
2014	2015	2016	2017
2018	2019	2020	2021
2022	2023	2024	2025

Difference Between Bull and Bear Phases: My Analysis vs Rekt Capital

2012 Phase Shown Twice: In Rekt Capital's analysis, the 2012 phase is shown twice in its cycle, indicating a possible repetition of the phase. However, in my analysis, each year is treated uniquely according to the actual price pattern. In the 2012 phase, I conclude that this is a one-time Pre-Bull phase.

Differences in 1st and 2nd Bull Phases: According to Rekt Capital, 2013 was the 2nd Bull phase, indicating a major price increase after the 2012 consolidation phase. However, based on my analysis, 2013 was the 1st Bull phase, indicating an initial surge in price after the accumulation phase. In my chart, the 2nd Bull phase occurred only in early 2014, followed by a dominant Bear phase thereafter.

Bear Phase in 2014: In Rekt Capital's analysis, the Bear phase was not seen in 2014, while according to my chart, the Bear phase started after the 2nd Bull peak in early 2014. Bitcoin price experienced a drastic drop after January 2014, indicating a Bear phase that occurred sooner than Rekt Capital predicted.

This difference shows that the interpretation of Bitcoin cycles can vary depending on how the Pre-Bull, Bull, and Bear phases are defined. My analysis suggests that 2013 was the first Bull phase, while 2014 only experienced a second Bull phase briefly before entering a Bear phase, while Rekt Capital states that 2013 was the second Bull phase and the Bear phase did not occur until 2014.
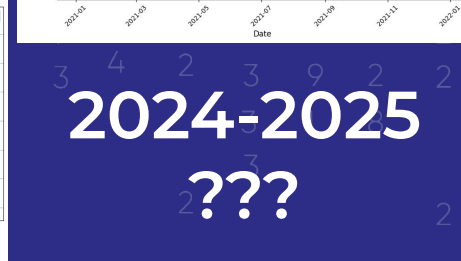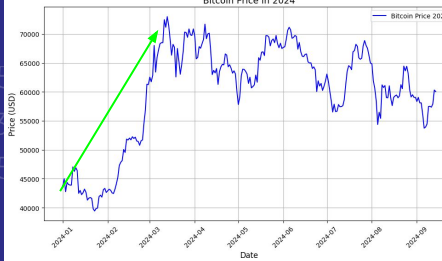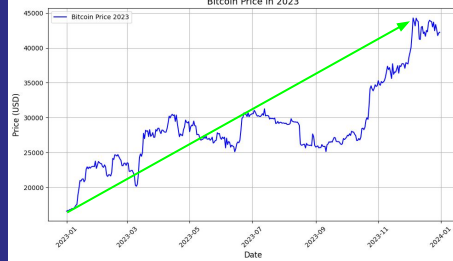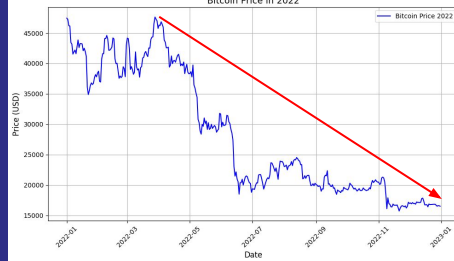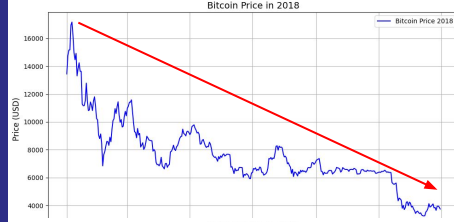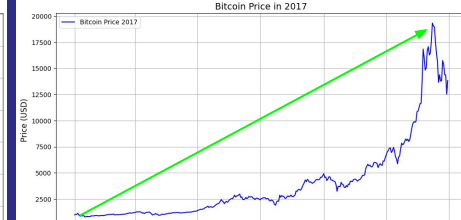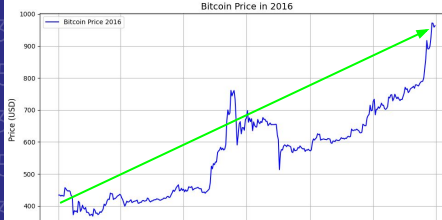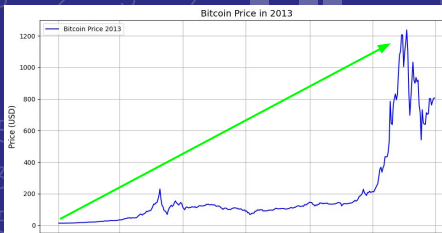
Conclusion

Repeating Cycle: Based on the analysis of Bitcoin historical data from 2011 to 2024, the market cycle consisting of the Bear, Pre-Bull, 1st Bull, and 2nd Bull phases has proven consistent. Each phase shows a repeating pattern, where a significant price increase is always followed by a sharp correction period, and then stabilizes again in the consolidation phase.

Differences with Rekt Capital: Although Rekt Capital's analysis has differences, especially in determining the 2nd Bull phase and the representation of 2013, my analysis results show that the 1st Bull phase occurred in 2013, and the 2nd Bull phase occurred only briefly in early 2014 before the market re-entered the Bear phase.

Future Predictions: Based on the historical cycle, 2024-2025 is expected to re-enter the Bull phase, with the potential for a significant price increase. However, as seen from previous cycles, this sharp increase has the potential to be followed by a strong Bear phase afterwards.

THANKS

Bitcoin is the future of the most honest money.