



2026-02-07 - EXTREME FEAR (6)

Crypto Market Sentiment Daily

In-depth sentiment analysis with comprehensive driver breakdown and historical context.

Data Source: Bloomberg, CoinDesk, Coinglass, Glassnode, Alternative.me

01 | MARKET SENTIMENT & FIVE DRIVERS

Quantified sentiment score with detailed factor analysis.

MSS

6

/ 100

Extreme Fear

Extreme Fear Zone (0-20)

⚠ Reading: MSS reading of 6 is the lowest since Terra collapse (which hit 7). Historically, Fear & Greed readings below 15 have ALWAYS preceded major cycle bottoms with 6-18 month returns of +130% to +1,600%.

Five Key Drivers - Detailed Analysis



Tape & Structure

Weight: 25%

V-Shape Recovery - Historic Low Tested

5



EVIDENCE FROM TODAY'S NEWS

- BTC crashed to \$60,008 on Feb 5 - lowest since November 2024, a single-day drop of 13% (steepest since FTX collapse).
- V-shaped recovery on Feb 6: +11% single-day gain to \$71,000+, largest daily gain since early 2023.
- Currently trading at \$68,567, up 4.91% in 24h. ATH drawdown remains -46% from \$126,272 (Oct 2025).
- Total market cap lost ~\$800B from peak. 7-day change: -20.9%.

IN-DEPTH ANALYSIS

The Feb 5-6 crash-recovery sequence is remarkable: a 13% crash followed by an 11% rebound within 24 hours. Weekly RSI dropped below 21 - the third-lowest oversold reading in BTC history. Critical support zone at \$60K-\$65K held.

CONCLUSION

V-shape recovery speed signals market maturation. However, -46% ATH drawdown suggests bottom formation process, not confirmed bottom.



Leverage & Liquidations

Weight: 20%

Historic Deleveraging - 10th Largest Ever

4

EVIDENCE FROM TODAY'S NEWS

- \$2.6 billion liquidated in 24 hours on Feb 5-6 - the 10th largest single-day liquidation event EVER per Coinglass.
- 84%+ were long positions (\$2.2B longs vs shorts). BTC liquidations: \$860M, ETH: \$420M.
- Open interest fell below \$100B for first time since March 2025.
- Feb 6 rebound triggered \$120M+ short liquidations in just 1 hour.

IN-DEPTH ANALYSIS

This \$2.6B liquidation ranks in the top 10 ever, approaching FTX-era levels. The 84%+ long liquidation ratio indicates extreme overleveraged bullish positioning was flushed. Put premium over calls reached 20+ points.

CONCLUSION

Historic liquidation events of this magnitude have historically preceded major bottoms.
Deleveraging is healthy long-term.



Institutional / On-chain

Weight: 25%

12

Critical Divergence - ETF Panic vs Corporate Diamond Hands

EVIDENCE FROM TODAY'S NEWS

- US BTC ETFs cumulative outflows since Nov 2025: \$6.18B - longest sustained outflow streak since launch.
- IBIT record trading volume on Feb 5: \$10.7B (mostly selling). Single-day outflow: \$528M.
- ETF average cost basis: \$87,830 - 62% of holdings now underwater.
- COUNTER-SIGNAL: 190+ companies hold 956K BTC collectively. Strategy (MSTR) holds 713,502 BTC - NOT selling.

IN-DEPTH ANALYSIS

Critical divergence: regulated channels (ETFs) show panic selling while corporate treasuries maintain conviction. MSTR faces no margin call until ~\$8K. Tether minted ~\$2B USDT in 48 hours - liquidity injection.

CONCLUSION

Classic divergence: retail/ETF panic vs institutional/corporate accumulation. Historically the strongest long-term bullish signal.



Macro & Risk Events

Weight: 15%

8

Multi-Front Macro Storm - Cross-Asset Selloff

EVIDENCE FROM TODAY'S NEWS

- Silver crashed 30% single-day - worst since March 1980. Gold down 12%. Broad commodity selloff.
- Kevin Warsh nominated as Fed Chair successor - markets interpret as hawkish, triggering risk-off.
- US-Iran geopolitical tensions elevated, adding uncertainty.
- Michael Burry ("Big Short") warns BTC has "no organic use case."

CONCLUSION

Multi-front macro pressure with no clear catalyst for relief. However, extreme positioning often creates snapback rallies.



Social & Narrative

Weight: 15%

6

Historic Fear - Lowest Since Terra/Luna Collapse



EVIDENCE FROM TODAY'S NEWS


- Fear & Greed Index crashed to 6 - lowest since June 2022 (Terra collapse, which hit 7).
- Only comparable readings: Terra (7), FTX (10), 519 Crash (11), COVID Crash (12).
- Polymarket: 56% odds BTC hits \$70K or below in February.
- Market participants report "fear and fatigue" - classic capitulation language.

CONCLUSION

Extreme fear readings at 6 have historically marked generational buying opportunities. Timing uncertain but risk/reward favorable.

02 | HISTORICAL EVENT RETROSPECTIVE

Similar historical events with detailed context and aftermath.

 **KEY INSIGHT:** Fear & Greed at 6 is the lowest since Terra collapse. Historical pattern: such extreme readings (Terra 7, FTX 10, 519 11, COVID 12) have been followed by 6-18 month returns ranging from +130% to +1,600%.

Tape (5) 2022-06

Terra/Luna Collapse - June 2022

BACKGROUND & CONTEXT

Algorithmic stablecoin death spiral triggered broader market contagion. Fear & Greed hit 7 - closest comparison to today's 6.

MARKET CONDITIONS

- BTC fell from \$40K to \$17,600 over several weeks
- Fear & Greed bottomed at 7 - only 1 point higher than today
- \$40B+ in value destroyed across ecosystem

WHAT ACTUALLY HAPPENED AFTER

- Absolute bottom at \$17,600 in June 2022
- Rallied 360%+ to \$74K by March 2024 (18 months)
- **KEY: Fear & Greed at 7 marked THE generational bottom**

Leverage (4) 2022-11

FTX Collapse Cascade - November 2022

BACKGROUND & CONTEXT

FTX collapse triggered massive liquidation cascade. Fear & Greed hit 10. Today's \$2.6B liquidation approaches those historic levels.

MARKET CONDITIONS

- \$10B+ liquidations over the week
- BTC dropped to \$15,500 - cycle low
- Fear & Greed hit 8-10 range

WHAT ACTUALLY HAPPENED AFTER

- Bottom at \$15,479 in November 2022
- Rallied 350%+ to \$74K by March 2024 (16 months)
- **KEY: Historic liquidations marked THE cycle bottom**

Social (6)

2021-05

519 Black Swan Crash - May 2021

BACKGROUND & CONTEXT

China mining ban + Tesla BTC payment halt. Fear & Greed hit 11. Similar waterfall pattern and capitulation sentiment to today.

MARKET CONDITIONS

- BTC fell from \$58K to below \$30K in 48 hours - 48% drop
- \$8B+ liquidated in 24 hours
- Fear & Greed hit 11

WHAT ACTUALLY HAPPENED AFTER

- Bottom found ~\$29K in late June
- New ATH \$69K by November - just 5 months later
- **KEY: Those who panic sold at \$30K missed 130%+ gains**

Institutional (12)

2020-03

COVID Crash & Recovery - March 2020

BACKGROUND & CONTEXT

Global pandemic panic. Fear & Greed hit 12. BTC fell 50%+ in days but recovered fastest among all assets.

MARKET CONDITIONS

- BTC crashed from \$9K to \$3,800 in 48 hours - 58% drop
- Fear & Greed hit 12 - comparable to today's 6
- Cross-asset panic - stocks, commodities all crashed

WHAT ACTUALLY HAPPENED AFTER

- Absolute bottom at \$3,800 in March 2020
- Rallied 1,600%+ to \$69K by November 2021 (19 months)
- **KEY: Extreme fear during liquidity crisis = best entry of the decade**

03 | TODAY'S NEWS BRIEFINGS

Comprehensive briefings with context and market relevance.



BTC Crashes to \$60,008 - Steepest Single-Day Drop Since FTX

price

Bitcoin plunged 13% on February 5, hitting \$60,008 intraday - the steepest single-day decline since the FTX collapse in November 2022.

Market Relevance: CRITICAL - Most severe price drop in 15+ months signals potential capitulation.



V-Shape Recovery: BTC Rebounds 11% on Feb 6

price

In a dramatic reversal, BTC surged from \$60K lows to above \$71,000 on February 6 - an 11% single-day gain, the largest since early 2023.

Market Relevance: CRITICAL - Recovery speed suggests institutional liquidity providing floor.



\$2.6B Liquidated in 24 Hours - 10th Largest Event Ever

liquidation

Per Coinglass, \$2.6 billion in crypto positions were liquidated on Feb 5-6, ranking as the 10th largest single-day liquidation event in history. 84% were long positions.

Market Relevance: CRITICAL - Historic liquidation levels often precede major bottoms.



Fear & Greed Crashes to 6 - Lowest Since Terra Collapse

sentiment

The Crypto Fear & Greed Index hit 6 on February 7 - the lowest reading since June 2022 (Terra collapse at 7).

Market Relevance: CRITICAL - Readings below 15 have historically preceded 130-1600% rallies.



ETF Cumulative Outflows Hit \$6.18B Since November

institutional

US spot BTC ETFs have seen \$6.18 billion in cumulative outflows since November 2025 - the longest sustained outflow streak since launch.

Market Relevance: HIGH - ETF flows create real selling pressure but may be exhausting.



Corporate Treasuries Hold 956K BTC - Not Selling

whale

190+ companies collectively hold 956,000 BTC (4.5% of supply). Despite the crash, corporate treasuries including Strategy (MSTR) are NOT selling.

Market Relevance: HIGH - Corporate diamond hands signal long-term conviction intact.



Silver Crashes 30% - Worst Single Day Since 1980

macro

Silver prices crashed 30% in a single day - the worst daily decline since March 1980. Gold dropped 12%. Broad commodity selloff.

Market Relevance: HIGH - Cross-asset correlation indicates broader risk-off environment.

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Disclaimer: This report is for informational purposes only and does not constitute investment advice. Cryptocurrency investments carry extreme risk.