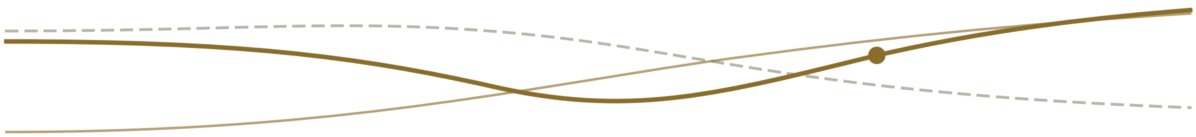
TON618 Capital

THEMATIC RESEARCH NOTE
AS OF AUGUST 25, 2026
V1.0

EQUITIES (DASHED) · GOLD (THIN) · BITCOIN (BOLD) — THE RE-PAIRING, ABSTRACTED



THEMATIC RESEARCH · BITCOIN, MACRO & MARKET STRUCTURE

The Rally That Changed Partners

Bitcoin's +24% week, the two catalysts behind it, and the numbers that decide whether a new bull market has started

TON618 CAPITAL RESEARCH · AS OF AUGUST 25, 2026 · BTC ≈ $78,500 AT WRITING ·

Every number in this note comes from a saved, re-runnable script (listed in Sources & Method), from primary announcements, or from dated public reporting. We keep facts ("the data shows...") separate from our own inferences ("we think..."). This is a follow-up to our July note "Structural, or Just Winter?", which argued the 2026 bear was a cyclical winter rather than a permanent impairment — a call this rally is now testing. The note has no price target, and per house policy it states no expected return for Bitcoin.

THE BOTTOM LINE

The bottom line, up front

What happened is not in dispute. Bitcoin rose 24.4% in the week ending Friday, August 21 — $62,975 to $78,326 — off a June 30 cycle low of $58,525. The extension reached $81,300 on Monday night — 1.2% shy of the test level defined below — before fading to roughly $78,500 as this draft closes Tuesday evening. Two catalysts landed on the same day, Wednesday, August 19: the Treasury announced a doubling of its long-end debt buybacks, and the White House hosted crypto-industry leaders to push the CLARITY Act toward a September signing.

Our first finding is which catalyst did the work. Gold does not care about a Roosevelt Room crypto meeting — yet gold rose 3.8% and the dollar fell 0.9% on announcement day. The macro catalyst dominates; the crypto meeting explains, at most, why Bitcoin outran gold. And the tape graded the buyback within 48 hours: the long-bond relief rally fully round-tripped by Friday, while gold and Bitcoin **kept the entire bid and extended it**. The same announcement produced two opposite verdicts — the bond market rejected the mechanism; the hedge assets priced the intent. That asymmetry is this note's centerpiece.

Our second finding is that this rally has a different trading partner than the last cycle's. Measured on 60-day daily-return correlations, Bitcoin has spent 2026 migrating from an equity proxy toward a gold-adjacent, anti-dollar asset: correlation to the S&P has fallen from 0.64 to 0.32 since December; to gold it has doubled from 0.27

to 0.59; to the dollar it has deepened from roughly zero to −0.43. The rally week is the cleanest single exhibit of the new regime.

What we do not conclude is that a new bull market has started. The consensus says it has; the historical base rates say most rallies that look exactly like this one failed. Both camps, we will show, are leaning on evidence from regimes that may not bind. What makes this situation unusual — and worth publishing now, mid-test — is that the market has scheduled its own adjudication: a specific price level being tested as we write ($82,257), a golden cross that is mechanically near-inevitable around September 10, the first upsized Treasury buyback operation on September 9, and an ETF-flow confirmation window this week. This note is the test board, stated before the results are in.

Where we land. We think this rally is more likely real than hollow — the buyer is different, the configuration is safe by this regime's standards, and nothing we trust is flashing stress. But we hold that view lightly and on conditions, for two reasons the body of this note makes precise: the bullish tilt in our own signal stack rests on its weaker-evidenced leaves while the single best-evidenced one dissents, and price has not yet closed above $82,257 — the line where the last rally of this bear died. The burden of proof sits with the bear above that line and returns to the bull below $67,000; between the two — where price sits now — the burden is ours: the lean is provisional, and Test 2 alone can revoke it. We have pre-committed, in Section 7, to letting the tests overrule us either way.

§1 · THE TAPE

One week, four assets: Bitcoin rallied against risk, not with it

The facts first. Daily moves, aligned across assets (crypto trades weekends; cross-asset rows use joint trading days):

DAY	BTC	GOLD (GLD)	DOLLAR (UUP)	LONG BONDS (TLT)	S&P (SPY)
Tue 8/18	+0.3%	−1.7%	+0.14%	+0.4%	−0.7%
Wed 8/19	**+7.1%**	**+3.8%**	**−0.92%**	**+1.7%**	+0.2%
Thu 8/20	+5.4%	+0.3%	+0.11%	−0.8%	−0.8%
Fri 8/21	+7.3%	+2.0%	−0.04%	−0.4%	+0.4%

Weekly totals (8/14 → 8/21): **Bitcoin +24.4%. Gold +5.4% — a monster week for gold in its own right. The dollar −0.75%. The S&P −1.4%.** Bitcoin did not rally with risk assets; it rallied against them, alongside gold, into a falling dollar.

For context on how large the Bitcoin move is: against trailing-one-year weekly volatility (5.9 percentage points), +24.4% is a four-sigma week — which mostly tells you trailing volatility had gone quiet, not that the move was impossible. Empirically, weeks of ±20% or more are rare but recurring events in Bitcoin's history.

§2 · THE CATALYSTS

The bond market called the bluff; the hedges priced the intent

Catalyst one: the Treasury steps toward the long end. On Wednesday, August 19 — after a week in which the 30-year Treasury yield hit a 19-year high — the Treasury announced it would more than double its buyback operations in the 10-to-20-year and 20-to-30-year sectors: individual operations from a $2 billion maximum to a **$4 billion minimum**, effective with the September 9 operation. (Treasury's own release changed operation *size* only and deferred an updated operation schedule to a later date; press claims of an operation-frequency change are not supported by the primary document and are excluded here.) Yields fell on the day (the 10-year −5.7bp to 4.647%, the 30-year −9bp to 5.196%), and Secretary Bessent said the next day the program could go "more than $4 billion" per operation.

Catalyst two: the White House pushes CLARITY. The same day, the President hosted crypto-industry executives (Coinbase, Ripple, and Nasdaq among them) with the SEC and CFTC chairs present, pressing Congress to deliver the CLARITY Act for signature by September. It came one day after the SEC proposed exemptions for certain token offerings; the CFTC's first Innovation Advisory Committee meeting followed on the 20th. The Senate vote is on the calendar: a cloture vote on September 15, needing 60 votes — roughly seven Democratic crossovers.

The tape's attribution (our inference, from the table above). Three observations separate the catalysts:

1. *Gold and the dollar moved with Bitcoin on announcement day.* A crypto-policy meeting has no channel to a +3.8% gold day or a −0.9% dollar day. The cross-asset move belongs to the buyback announcement.
2. *The long-bond relief died in 48 hours; the hedge bid did not.* TLT gave back its entire Wednesday gain by Friday — the bond market's judgment that $4 billion per operation is small against the long-end float. Gold and Bitcoin kept rising anyway. We read this as the market pricing the *regime signal* (the Treasury is now openly in the business of leaning on long rates — the fiscal-dominance read) rather than the operation itself.
3. *Bitcoin's margin over gold is the policy leg plus mechanics.* Bitcoin's +24.4% against gold's +5.4% is the residual the crypto catalysts — and the market structure below — have to explain.

The mechanical amplifier (fact, from house options data). Our Deribit walls feed shows the largest call-strike open interest of the near expiries sat at **$70,000** (roughly 18,700 BTC of call OI at the strike as of August 23). Spot went through that level on the 19th–20th and now trades some $11,000 above it; max pain has chased price from $78,000 to $80,000 in two daily refreshes. A market that breaks through its largest call wall forces dealer hedging and short covering to buy into strength — one-shot fuel that amplifies magnitude without saying anything about durability. We attribute the *size* of Bitcoin's week to the macro impulse run through this squeeze amplifier; the durability question is taken up in Section 7.

+24.4%

Bitcoin, in the week ending August 21 — while the S&P 500 fell 1.4%, gold rose 5.4%, and the dollar sank. The week Bitcoin changed partners.

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§3 · THE MIGRATION

Changed partners: equity beta out, gold beta in

The week's cross-asset signature is not a one-week fluke. Rolling 60-day correlations of daily returns:

BTC 60D CORRELATION VS	DEC 2025	JUN 2026	AUG 21, 2026
S&P 500 (SPY)	0.64	0.44	**0.32**
Gold (GLD)	0.27	0.25	**0.59**
Dollar (UUP)	−0.03	−0.23	**−0.43**

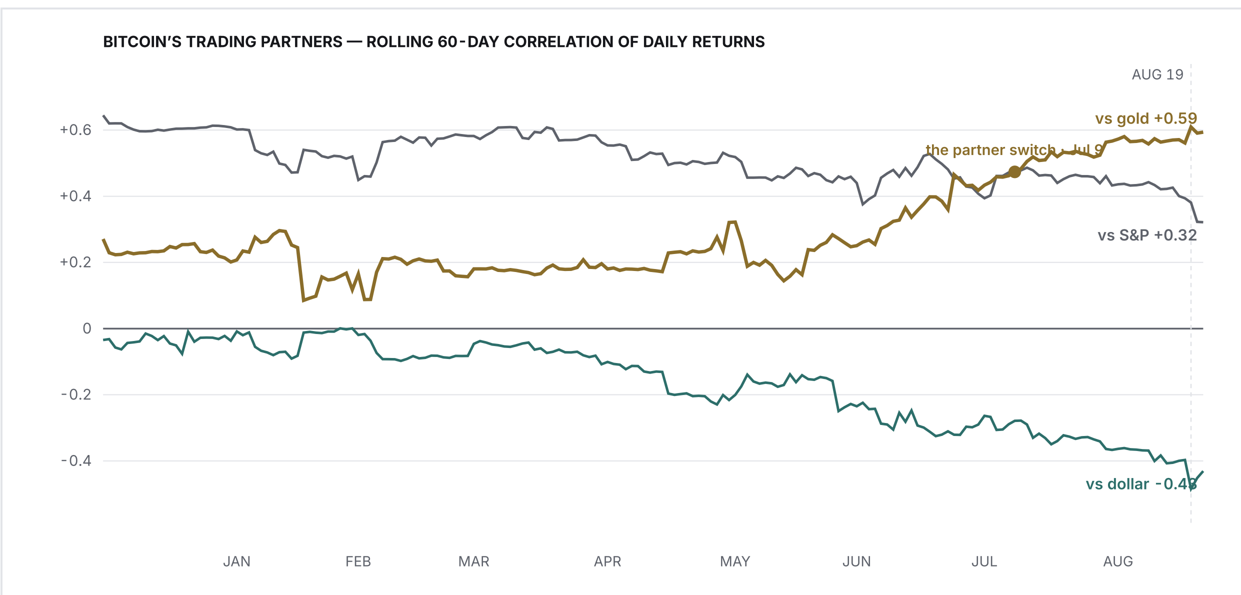
DEC 2025
gold +0.27 · S&P +0.64

JUN 2026
gold +0.25 · S&P +0.44

AUG 2026
gold +0.59 · S&P +0.32

The gap meter: Bitcoin's 60-day correlation to its old partner (S&P, gray) and its new one (gold — its stroke carries the dot). By August, the pair has switched.

Through the 2026 winter, Bitcoin quietly changed trading partners: equity correlation halved, gold correlation doubled, and an inverse-dollar beta appeared where none existed.



Our inference on mechanism: this is what a market repricing fiscal-dominance risk looks like. The marginal Bitcoin buyer of 2026 is buying the same thing the marginal gold buyer is buying — insurance against a government that must cap its own borrowing costs — and the August 19 announcement was that thesis's loudest data point to date. It is also why this note treats the buyback catalyst, not the crypto meeting, as the load-bearing one.

Two disciplines on this finding. Sixty-day rolling correlations are noisy and regime-dependent; we show the migration across three snapshots precisely because a single reading proves little. And correlation migration is *evidence about the buyer*, not proof of a bull market — the identity of who is buying tells you nothing, by itself, about whether they keep buying.

§4 · STEELMAN — THE BULL

The case that a new bull market has started, at full strength

We take the consensus seriously before testing it. Its strongest form:

The regime that matters is the ETF era, and the ETF era's numbers are one-sided. Spot ETFs launched January 11, 2024, and this house has itself flagged the ETF-era structural break as doctrine-relevant. Cut every statistic to that era (956 days) and the picture brightens materially: weeks of −12% or worse are 2.4% of ETF-era weeks (versus 7.5% across all history, on the same overlapping-window basis); the era's seven overlapping instances of a ≥+20% week were followed by a median next week of **+6.0% and a worst next week of +1.9%** — follow-through has never once failed in this regime, and it is on script again as we write. The era's two prior ≥15% corrections (−26% in 2024, −28% in 2025) both resolved to new all-time highs within months.

The dangerous configuration is absent. The mechanical screen for Bitcoin's current configuration — above the daily 200SMA, more than 15% below the running all-time high — returns 43 episodes of a −12%+ forward week across full history. Thirty-six of them sit in 2011–2019; the cut at 2020 is a choice, disclosed here, and it is the same era argument Section 6 makes — the pre-2020 episodes come from the retail-venue tape this note argues no longer binds. From 2020 on the screen returns seven clusters (the two February–March 2020 clusters are one event: COVID). Two began within weeks of a standing all-time high — May 2021 (29 days) and November 2021 (20 days) — and are excluded as post-peak states, the "no cycle peak recently set" condition. That leaves **four** modern mid-recovery episodes: COVID, the September 2020 macro flush, the September 2021 flash crash (a derivatives-leverage cascade, five months past the April peak), and SVB week (March 2023) — three exogenous macro shocks and one leverage unwind. In the ETF era: zero. From this setup, crashes have come from external shocks and leverage cascades, not from the configuration itself.

A golden cross is mechanically locked in. The 50-day SMA sits 5.6% below the 200-day, but the arithmetic is already decided: even at flat prices the cross prints in roughly 18 trading days (≈ September 10), and averting it now requires an immediate, sustained collapse below roughly $67,000–68,000 — an event with a mid-single-digit weekly probability even on generous assumptions. Golden crosses have a 9-of-12 positive record at the 180-day horizon, and the late-2015 and early-2023 crosses printed on the far side of terminal lows — confirmation, in both cases, of bottoms already in (the 2023 cross came three months and roughly 47% above the actual low).

The house's own stack is clean. Our regime composite reads +0.22 ("Lean bullish"); the dedicated blow-off-top detector has not triggered (its event sample is thin — see Section 8); the divergence detectors show no negative divergence; the high-trust valuation cluster is mid-range, nowhere near topping territory; the macro nowcast sits in Goldilocks with zero recession flags; the Markov model has Bitcoin in a confirmed Bull state.

And the macro mechanism is durable. Debt arithmetic does not resolve in a quarter. If the Treasury has crossed into managing the long end — and August 19 plus "more than $4 billion" says it has — the debasement-hedge bid has a multi-year sponsor, and the correlation migration of Section 3 is the market front-running that regime, with CLARITY as a September accelerant for the crypto-specific leg.

§5 · STEELMAN — THE BEAR

The case that this is rally #15, at full strength

The steelman, stated before the test, as the most thoughtful bear would state it:

Base rates. Since 2013 there have been fourteen rallies of ≥20% (close-basis) inside Bitcoin bear markets before this one. **Eleven failed to a lower low; three marked the terminal bottom.** Magnitude carries no signal at all — the failures ranged from +28% to **+83%** (April–June 2014). A +24% week proves volatility, not regime change. On the raw base rate, the prior that this rally is the bottom is roughly one in four.

This cycle already ran this exact play — three months ago, in this regime. February 5 to May 10, 2026: $63,495 → $82,257, +30% over three months, with the ETF bid and the policy tailwinds fully in place — and it failed to a new low. That failure is ETF-era evidence, and it is the single strongest datum the bear holds: the sample restriction the bull relies on in Section 4 does not exclude it. Until this week the current rally had not even reclaimed that failed rally's high: **$82,257 is the lower-high line, and it is being tested as this draft closes.**

The cycle clock says the June low came too early. In the three completed cycles, terminal lows arrived 11.9–13.5 months after the peak, at drawdowns of −76.5% to −84.3%. June 30 is month 8.8 at −53%. On the historical template, the terminal-low window is **October–November 2026** — and the analog is uncomfortably specific: the June–August 2022 rally (+28%, "the worst is over") preceded the November 2022 terminal low by three months.

The catalysts are intent, not flows — and one was graded immediately. The bond market round-tripped the entire buyback relief within two sessions. CLARITY is a hoped-for signature, not law. The rally's magnitude ran through a short-covering / call-wall amplifier — one-shot fuel by construction. And this house's own published finding (617 ETF trading days) is that the marginal ETF buyer *chases* price with a one-day lag — peak cross-correlation at k = −1, yesterday's return predicting today's flow: inflows arriving now are next-day echoes of the move, not independent information. The same money printed a record $4.5 billion monthly outflow in June.

The failure mode is not a crash week — it's 2019. The bear does not need a −12% week (and concedes, per Section 4, that in the modern era such weeks have not occurred from this configuration absent an external shock or a leverage cascade). The April 2019 golden cross obeyed every rule in the bull's Section 4 — cross printed, +86% in 90 days, no crash week from the configuration — and the recovery still died: a −50% fade over six months, without ever breaking the prior cycle low. Stall below the highs and bleed. Weekly-breakdown statistics cannot rule that path out; only the level structure can monitor it.

And the consensus itself is the contrarian tell. "A new bull market is starting" was the consensus in March 2022, July 2022, and May 2026.

[•] §6 · THE ERA QUESTION

Which history binds? Argued in the open

The two cases above are, to an uncomfortable degree, a disagreement about *which sample to consult* — and each side, given its preferred sample, wins. So we argue the choice explicitly rather than smuggling it.

For the ETF-era cut: the structural break is real, and this house flagged it as doctrine before this rally existed. The marginal buyer changed (regulated spot vehicles, options on them, a policy regime being legislated in the asset's favor), and Section 3's correlation migration is live evidence the asset's macro identity changed with it. Pre-ETF base rates describe a market microstructure that no longer exists.

Against dismissing the pre-ETF record: the ETF era is 956 days old and has never completed a single peak-to-terminal-low cycle. It contains exactly two golden crosses (one worked, one failed — a coin flip), one completed bear-market rally (it failed), and zero terminal lows to calibrate depth or duration against. Restricting to the ETF era does not upgrade the evidence; it mostly deletes it — for both sides. The bull loses the "crosses mark bottoms" pattern (2015 and 2023 are pre-ETF). The bear loses the fourteen-rally base rate. What survives the knife, on either side, is thin.

Where that leaves us (inference): the era-dependent evidence nets bullish; the era-independent evidence — this cycle's own tape — is undecided and is the only evidence both sides must accept. That is why this note's weight sits on the current cycle's own levels, which no sample choice can dissolve.

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§7 · THE TEST BOARD

Five scheduled adjudications — stated before the results

The unusual feature of this moment is how much of the adjudication is scheduled. One claim on each side outruns this board's horizon — the bull's multi-year fiscal sponsor and the bear's October–November terminal-low window; the board scores only their first data points, not the claims themselves. Stated prospectively, before results:

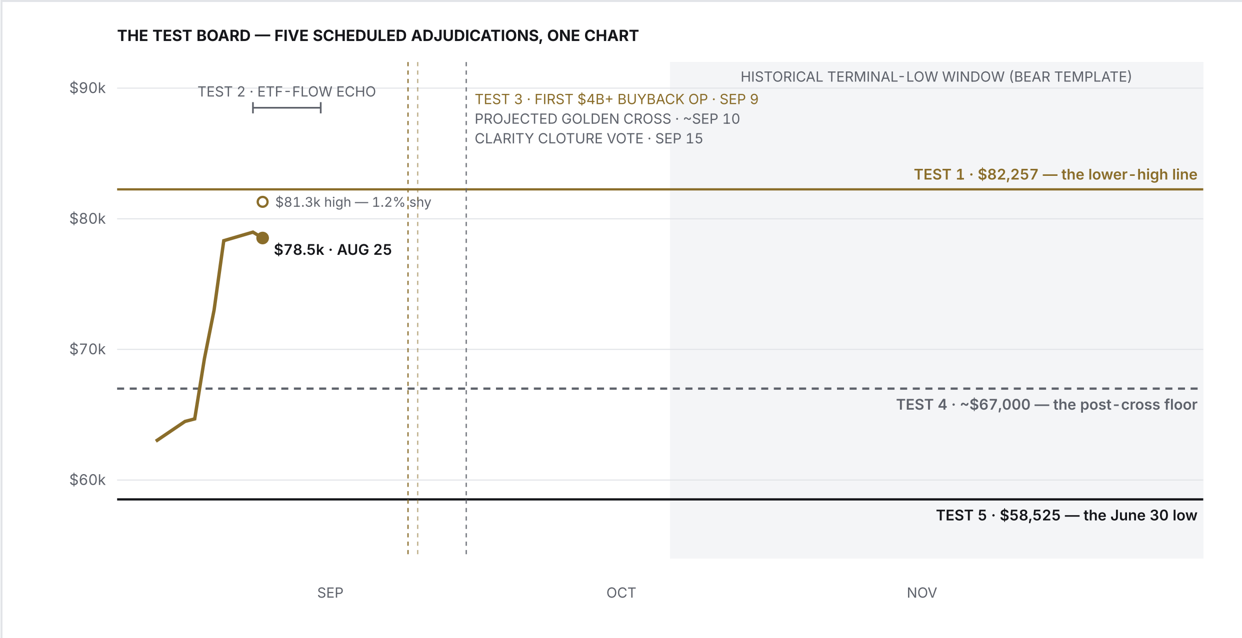
Test 1 — $82,257, live now. The May failed-rally high; the lower-high line. A daily close above it breaks the bear structure of the entire 2026 tape and retires the steelman's sharpest argument. The first approach has already happened: price reached $81,300 late Monday — 1.2% shy of the line — and faded to roughly $78,500 without touching it. A stall short of the line is not a rejection at it; the test remains open in both directions. It is the only test that can resolve *before* the golden cross prints, which is what makes it, not the cross, the near-term event that matters.

Test 2 — the ETF-flow echo, immediately. Our flow finding says the ETF buyer chases with a one-day lag — the echo, if it is coming, arrives at once, so the daily flow prints of these first sessions after the move are the adjudicator. "Material" is committed here, not judged later: **cumulative net spot-ETF inflow over the five sessions August 24–28 of at least +12,800 BTC** — the 75th percentile of every rolling 5-session flow sum in the vehicles' history, frozen at its August 24 computation (642 sessions, through the August 20 print; a committed test does not restate its bar mid-window). Below that, the echo is scored as absent, and a squeeze-driven +24% week without it is the hollow-rally signature: mechanics without demand behind them. For the record at publication: the first post-catalyst prints already run above that pace (+7,038 BTC on August 19, +8,297 on August 20) — the echo has begun arriving; the test scores whether it persists through the follow-through week. The echo is the bull's confirmation; its absence is the bear's.

Test 3 — September 9–15, the loaded week. The first upsized ($4B+) buyback operation executes September 9 — the fiscal-dominance mechanism's first hard data point, replacing rhetoric with an operation and results. The golden cross prints on or about September 10 on flat-price arithmetic. And on September 15 the Senate holds its CLARITY cloture vote (60 votes, roughly seven Democratic crossovers needed) — the policy leg's own adjudication, five days behind the macro one. The cross itself, being near-certain, carries almost no information on the day it prints; what carries information is which side of $82,257 price is on when it does. Cross above a reclaimed $82,257 is the 2015/2023 shape (price leads, cross confirms). Cross below a rejected $82,257 is the July 2014 shape — the only golden cross in the record that printed inside a failed bear-market rally, a cross that confirmed nothing and trapped instead. That precedent is cited here for its shape, not its size: it is one case, from the pre-ETF tape this note elsewhere discounts, and its aftermath belongs to Section 5's historical table, not to this board's scenarios.

Test 4 — the first post-cross pullback. The lock-in arithmetic runs both ways: the cross survives only while price holds the mid-$60,000s. A higher low above roughly $67,000 on the first post-cross pullback keeps every bullish reading of Sections 4–6 intact. A break back below it starts un-crossing the cross — and historically three of the twelve golden crosses died within 37–61 days of printing.

Test 5 — $58,525. The June 30 low. A close below it confirms rally #15 failed like the eleven before it and re-opens the October–November terminal-low window at the historical depth template. This is the bear's confirmation level, symmetric to Test 1.



THE TEST BOARD, AS A DOCKET — ALL FIVE OPEN AT PUBLICATION

TEST	TRIGGER	BULL NEEDS	BEAR NEEDS	STATUS
1 · The lower-high line	Daily close vs $82,257	Close above	Rejection below	OPEN
2 · The flow echo	Net ETF flows, Aug 24–28	≥ +12,800 BTC cumulative	Below — hollow signature	OPEN
3 · Sept 9–15	First $4B+ buyback op; cross prints; CLARITY cloture vote	Cross above a reclaimed $82,257	Cross below a rejected $82,257	OPEN
4 · The post-cross floor	First pullback vs ~$67,000	Higher low above it	Break — starts un-crossing	OPEN
5 · The June low	Daily close vs $58,525	Never revisited	Close below — rally #15 failed	OPEN

§8 · THE STACK

Our signals are quiet — with three dissents worth printing

Run fresh for this note (August 24): the regime composite reads **+0.218, "Lean bullish,"** across 29 signal leaves. The reassuring reads are real: the dedicated top detector has not triggered (a fact about the signal, not a certified all-clear — its effective event count is only 13); no negative divergences; the valuation cluster is mid-range; the macro nowcast is in Goldilocks; the Markov state is Bull.

We do not, however, claim "nothing in our stack indicates risk." Three dissents survive scrutiny and belong in print:

1. **The best-evidenced top driver is the bearish one.** The composite's bullish tilt is carried by leaves whose out-of-sample edge is unconfirmed. The one top-four driver with confirmed, multiple-testing-surviving edge — 13-week net liquidity — reads **bearish**: the fourth-largest contributor by magnitude and by far the largest bearish one. Ranked by evidence quality rather than score, the picture is less comfortable than the headline.
2. **One leaf reads "hollow" directly:** the M2-convergence model has price already ahead of what global-liquidity expansion justifies (strongly negative), sitting beside leaves that read liquidity itself as expanding. Its statistical verdict is "no edge" (small sample), so it is a footnote — but it is the stack's one direct hit on the hollow-rally question, and we prefer to name it.
3. **The Markov model expects its own Bull state to decay:** probability of remaining in Bull falls below 50% by the 20-session mark (with Bear at 26%) as the model converges to its long-run mix. Caveat cutting the other way: this model's verified skill is in regime *magnitude*, not in timing regime *turns*.

Housekeeping flags: cross-leaf agreement is 58.3% — a slim majority for a below-midpoint score — and the miner-positioning leaf is stale (last reading August 5, 19 days before this run), predating the rally entirely.

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§9 · RISK REGISTER

The one channel that has broken this configuration is the one in play

- **The exogenous-shock channel is the live one.** Every modern-era breakdown from Bitcoin's current technical configuration was an external macro shock or a leverage cascade — and this rally is exposed to both: its own catalyst channel (long-end stress) is the first, and the squeeze mechanics of Section 2 are the raw material of the second. A failed auction, a disorderly steepening the buybacks cannot contain, is the scenario in which Bitcoin's remaining +0.31 equity correlation and its leverage both matter at once.
- **Iran.** On August 24 the Treasury Secretary announced a sanctions package intended to "sever every economic lifeline" of Iran, with secondary-sanctions threats implicitly covering its largest trade partners. If it bites oil, the inflation premium pressures the long end — raising the stakes on the exact mechanism this note is about. We flag it as a tail input to the shock channel, not as a thesis.
- **The 2019 fade needs no shock at all.** The slow-bleed failure mode (Section 5) is the risk the weekly statistics cannot see; Tests 4 and 5 are its monitors.
- **Single-venue options data.** The walls feed is Deribit-only; the squeeze attribution in Section 2 is directional, not a full dealer-positioning model.

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§10 · REVERSAL

What would change our view

Symmetric and observable, per house standard:

We would set aside the bear base rates entirely on: a daily close above $82,257 followed by a golden cross printing above that level, plus a material ETF-inflow echo this week. That combination retires the lower-high structure, the hollow-rally reading, and the 2014-analog simultaneously.

We would treat the rally as failed on: rejection at $82,257 followed by a break of $67,000 (which begins unlocking the September cross), and confirmed on a close below $58,525 — at which point the October–November terminal-low window and the historical depth template are back on the table, and this note's successor scores the failure against the fourteen-rally record.

We would revisit the correlation thesis on: the 60-day gold correlation falling back below ~0.35 while equity correlation re-rises above ~0.5 — evidence the "changed partners" regime was a temporary artifact of one policy episode rather than a migration.

And the lean itself has its own fastest tripwire: our "more likely real than hollow" read downgrades to neutral if the ETF-flow echo (Test 2) fails its committed threshold — under +12,800 BTC of cumulative net inflow across August 24–28 — before any price level breaks. A view stated with the tests is only honest if the quickest test can take it away.

[•] APPENDIX

Sources & Method

Price data. Bitcoin daily history (2010-07-18 → present, 5,881 days): house CoinMetrics community-API cache (`btc_daily_cache.xlsx`), used for all historical statistics (base rates, moving averages, volatility, era cuts). Cross-asset daily series (BTC, SPY, GLD, UUP, TLT): Polygon adjusted daily aggregates via the Massive Market Data connector, archived as `data/cross_asset_daily.csv` (pulled 2026-08-24) with `data/cross_asset_stats.py` reproducing the Section 1 week table and Section 3 correlations from that file offline. The two vendors differ by ~$30–100 on some daily BTC closes (e.g., 8/21: 78,326 vs 78,359); no conclusion in this note is sensitive to the difference. Cycle peak/low closes quoted from the CoinMetrics cache ($124,824 on 2025-10-06; $58,525 on 2026-06-30). Live price at time of writing from a real-time brokerage quote (mark $78,414, 2026-08-25 20:15 ET; wide overnight spread — treat as ≈$78,500; the prior evening's quote, $81,146 on 8/24, is archived alongside it in `data/`). Monday/Tuesday session high and closes from Polygon UTC daily bars (high $81,300 on 8/25; closes $78,982 / $78,527). Basis note: all daily closes in this note are UTC-boundary; a brokerage "previous close" anchored to midnight US-Eastern (as in the archived quote files) can differ by four hours of continuous trading — materially so in a fast overnight session — and the two should not be compared directly.

Analysis scripts (all in `data/`, each re-runnable against the cache): `bear_rally_base_rates.py` (≥20% bear-rally census, zigzag method, close basis), `golden_cross_study.py` (50/200 SMA cross history, forward returns, cross-in-failed-rally overlap), `cross_lockin.py` (avert-threshold search; golden-to-death-cross durations), `weekly_move_sigma.py` (weekly return distribution, conditional follow-through), `etf_era_recut.py` (post-2024-01-11 re-cut; era corrections census), `breakdown_above_200sma.py` (breakdown-from-configuration episode census). ETF flows (Test 2 threshold and the August 19–20 prints): US spot-ETF daily net flows in BTC terms, bitcoin-data.com via the Signal Ledger's verified fetcher, 642 sessions from the 2024-01-11 launch; computation archived as `data/flow_echo_threshold.py`. Regime read: the 29-leaf composite (score, agreement, leaf contributions and verdict tiers, including the Section 8 leaf-level claims) sources from `data/composite_dashboard_2026-08-24.html.txt` (an archived copy, `.txt`-suffixed to mark it as a data artifact rather than a page) — the signal-ledger `btc-regime-composite` engine's full 2026-08-24 output, archived with the note; `data/house_signals.json` is the same harvest's 6-leaf dashboard strip (it does not carry the full leaf table); `regime_result.json` / `regime_edge.json` cover the standalone Markov sub-model only (states, forward probabilities, regime edge). Options walls: `walls_2026-08-23.json` (source of the 18,697-BTC call-OI figure at $70,000) and `walls_2026-08-24.json` (Deribit, top-3 expiries, house 48h-outlook feed).

Catalyst record. Treasury buyback doubling: announced 2026-08-19, per-operation size $2B max → $4B minimum in the 10–20y and 20–30y sectors, first upsized operation 2026-09-09 — primary source: Treasury press release sb0607 and the Q3-2026 tentative buyback schedule, both archived in `data/` (an operation-*frequency* change reported by some secondary outlets is not in the primary release and is not claimed here). Day-of yield moves and Bessent "more than $4 billion": CNBC 8/19–8/20, Bloomberg 8/19; yield round-trip: CNBC 8/21. White House crypto meeting: 2026-08-19, Roosevelt Room (CoinDesk, Washington Times, 8/19); SEC token-offering exemption proposal 8/18; CFTC Innovation Advisory Committee 8/20. Iran sanctions press conference: 2026-08-24 (NPR, CNBC). CLARITY cloture vote: motion filed by the Senate Majority Leader 2026-08-08, vote scheduled 2026-09-15 (The Block, 8/8; multiple confirmations 8/18–8/21). The "three marked the terminal bottom" figure is verified by direct check (the first ≥20% bounce off each of the three historical terminal lows was never followed by a revisit of that low), supplementing the zigzag script, whose windows end at each terminal low by construction.

Definitions. "Bear-market rally": a ≥20% close-to-close advance from a running trough inside a peak-to-terminal-low window; "failed" = the advance's trough was subsequently broken. Completed-bear windows: 2013-11-30→2015-01-14 (−84.3%, 13.5 months), 2017-12-17→2018-12-15 (−83.5%, 11.9 months), 2021-11-09→2022-11-21 (−76.5%, 12.4 months). "Golden cross": 50-day SMA crossing above 200-day SMA, daily closes. Correlations: Pearson, daily returns, 60-day rolling window, joint trading days.

Related TON618 research. This note is the direct follow-up to *Structural, or Just Winter?* (July 2026) — whose "cyclical winter, not permanent impairment" verdict this rally is now testing, and whose ETF flow-chase model supplies Test 2. The fiscal mechanism in Section 2 extends *The Debt Endgame*; the CLARITY thread continues our CLARITY Act series; and the era-selection argument of Section 6 rests on the ETF-era structural break documented in *The MSTR Era vs. the ETF Era*.

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Disclosures

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