SwissBorg

Has Bitcoin Bottomed?

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Executive Summary

October 2026. Bitcoin sits comfortably at $126,000 and life is good. Fast forward 6 months and Bitcoin tanked by half and bombs are flying in the Middle East. It might not be all drama, but it's enough to make investors ask themselves whether there is more to come.

In times like these, it is important to take a step back and remember that markets move in cycles. When sentiment and positioning reach extremes, the probability of a reversal tends to increase.

Macro conditions remain the primary driver of Bitcoin's price. BTC has historically shown strong sensitivity to global liquidity and US real yields, both of which continue to influence risk assets broadly. At the same time, markets and investor sentiment remain volatile, and periods of heightened volatility often create opportunities.

Nobody can predict the markets, but there are important practices that improve your odds. The gradual release of Trigger Orders could not have come at a better time!

Turn off the emotions and turn on your strategy.

The Negative Factors

Let's start with what we believe could have an adverse effect on Bitcoin's price.

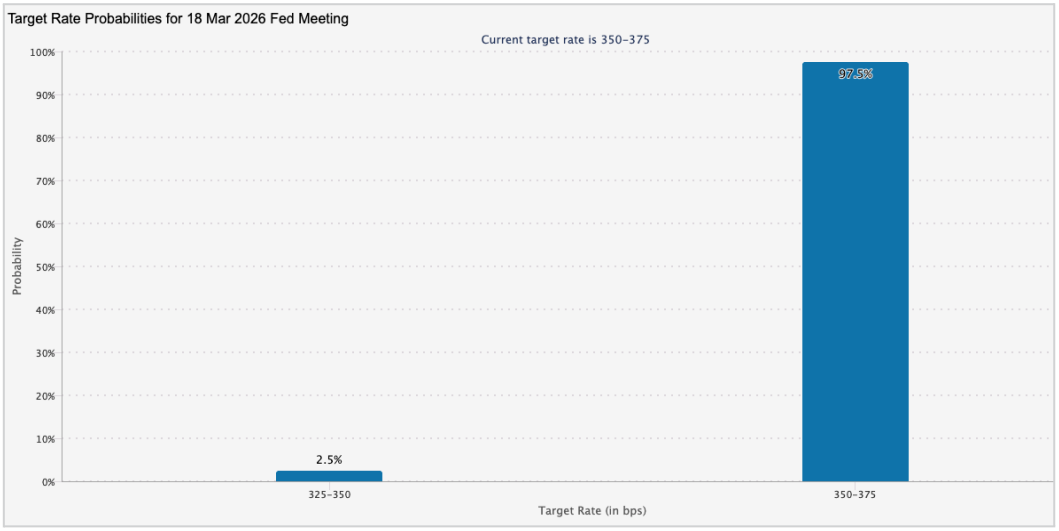
🐻🐻🐻 Middle East Conflict Impact

Last Saturday in February we saw an escalation of conflicts in the Middle East. Bitcoin's price has not seen significant downside, as selling seems to have gotten a bit exhausted in the weeks prior. The attack on Iran has prompted them to close off the strait of Hormuz, a strategically important sea passageway where about 20% of the world's yearly oil consumption goes through.

With Venezuelan oil seized by Trump almost 2 months prior to the attack, the closing of Hormuz strait is not of immediate concern to him. It seems that events on the global chessboard will dictate the tempo in the weeks to come.

The Elephant in the Room

On Monday's market open, the oil price along with the rest of the commodities went up. If the oil price continues to go higher, this would spell higher costs of goods and services, in other words inflation. Higher inflation combined with geopolitical instability would likely push the Federal Reserve toward a more hawkish stance. This means that if the situation persists, the interest rates are likely not going to get lowered any time soon.

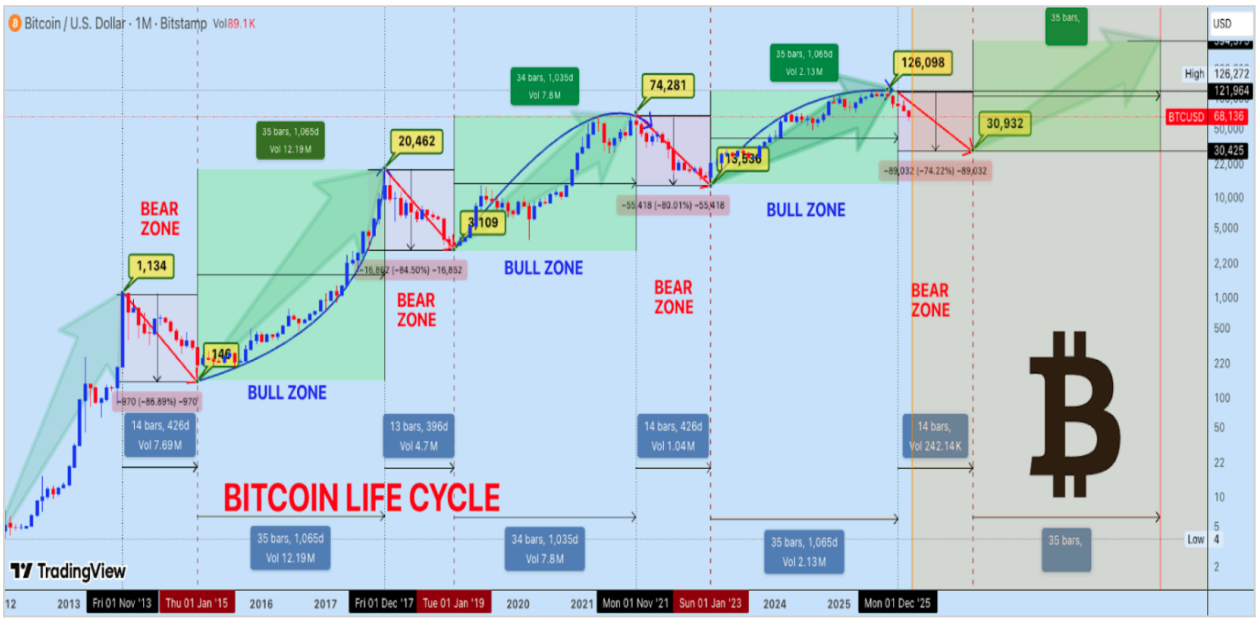


97.5% expectation we're not going to see FED rate cut in March.

🐻🐻 Seasonality

Since its inception, Bitcoin has historically exhibited cyclical market behavior, with extended bull phases typically followed by prolonged corrective periods. About 34-35 months the number goes up, followed by about 13-14 months of downtrend.

History does not exactly repeat, but it seems clear by now that we're in one of the bear zones, however long it might last.



The Bitcoin cycle repeats itself.
Source: *@weslad on TradingView*

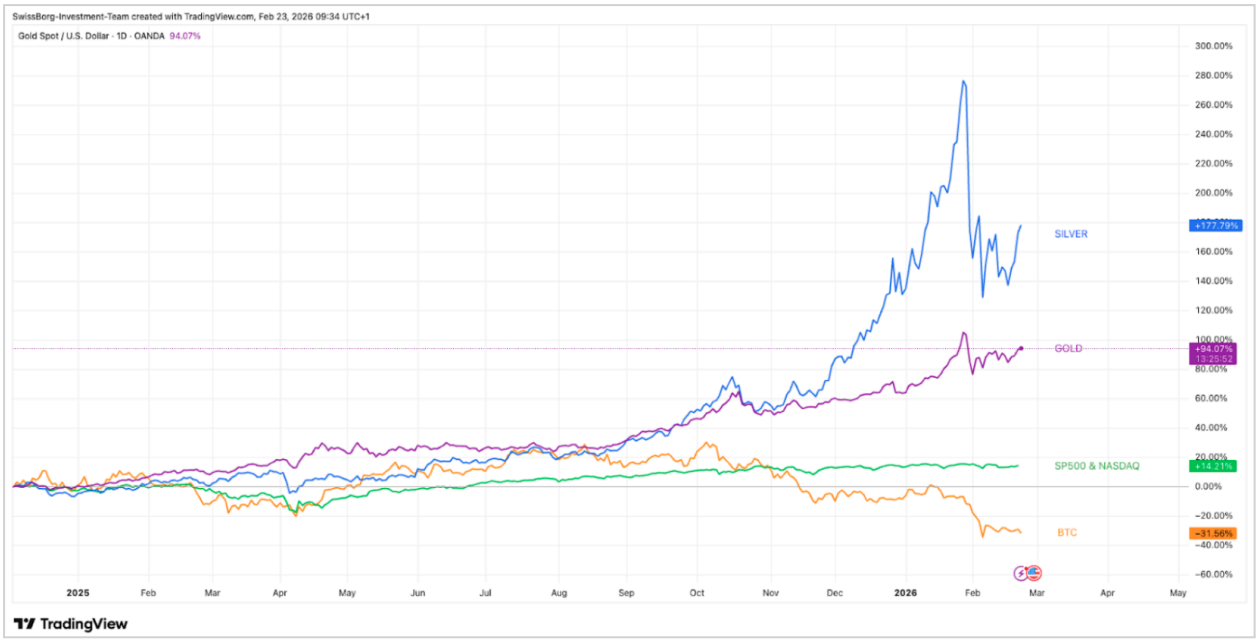
Mid November last year, Bitcoin's 50-day moving average fell below the 200-day one, which is also known as death cross. The last time it happened was in 2022. From top to bottom, Bitcoin did -77% and the ordeal lasted for about 14 months.

While it could be that sellers have exhausted themselves in the short-term, it seems that the bears are still in charge of things. Before any trend-reversal can occur, we need to see the bulls challenge them with conviction.

Six months in and with -55% from top to bottom, it seems that neither the duration nor the magnitude of the average historical bear cycle appears fully completed.

🐻🐻 Capital Rotation Into Commodities

Last year, we saw a strong capital rotation, particularly into commodities. Gold (+94%) and especially silver (+177%) stole the show, equities (+14%) posted decent gains and Bitcoin (-31%) declined sharply.



Commodities stole the show last year.

As the business cycle enters its later stage, commodities have historically tended to outperform other asset classes. However, the recent strength in gold and silver is not only cyclical, it has also been driven by macroeconomic forces such as inflation expectations, geopolitical tensions, and shifts in monetary policy.

As part of its de-dollarisation strategy, China has reduced its exposure to U.S. Treasuries while increasing gold holdings, significantly increasing demand. Meanwhile, the biggest growth factor for silver has been the boom in AI, EV, and solar technologies.

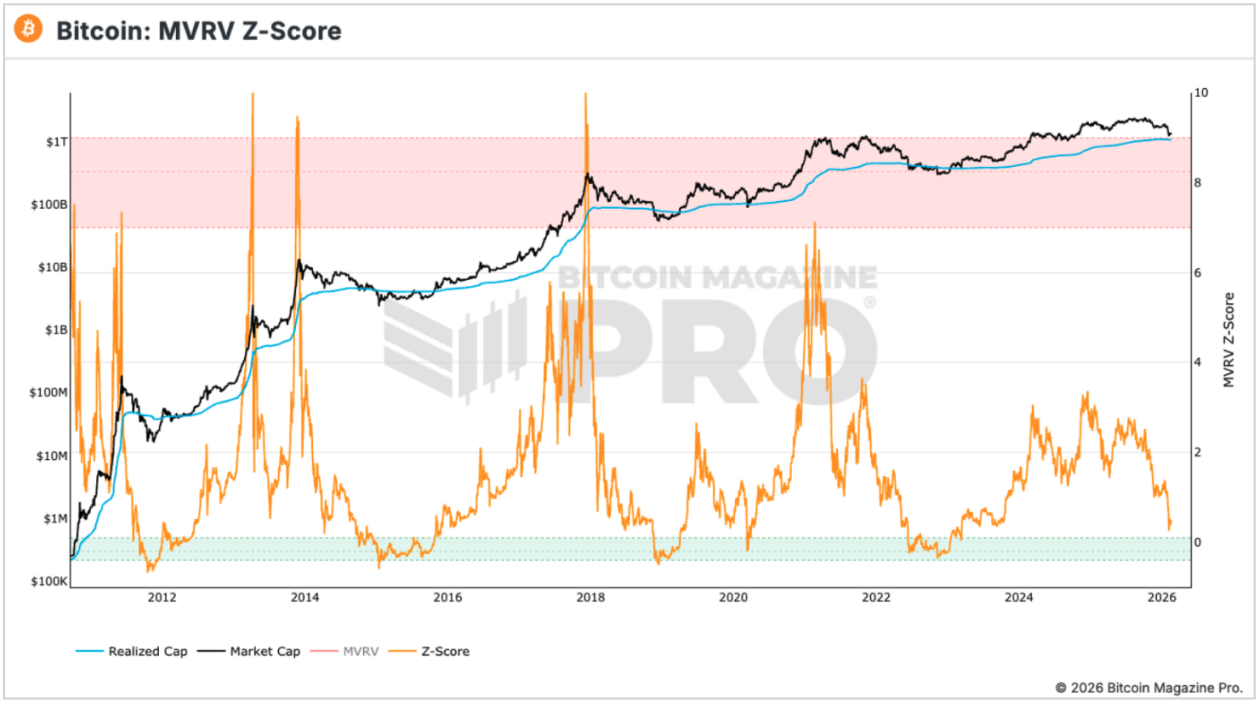
In 2026, we expect commodities to continue their uptrend, albeit with lower intensity than 2025, given the point of the cycle we are in. Periods of macro uncertainty and inflation risk historically support commodity demand as investors diversify toward real assets.

🐻 Bitcoin Realised Price & MVRV-Z

Bitcoin realised price is the average acquisition price of BTC in circulation and it currently sits around $55,000. The market has not yet confirmed a sustained breakdown well below this level, which could indicate that full capitulation has not yet occurred.

The MVRV Z-Score is an on-chain indicator used to determine whether Bitcoin is undervalued (green zone) or overvalued (red zone). Historically, Bitcoin tends to form market tops when the indicator is in the red zone, and establishes market bottoms when it's in the green zone, an area that typically signals opportunity.

This historically reliable macro bottom indicator has not yet reached the extreme levels observed in previous cycle lows.



Bitcoin is still above the realised price and not yet undervalued.

🐻 Elliott Waves

From a wave structure perspective, the market appears to be forming an extended ABC correction, with Wave A completed after the drop from $126K to around $59K. A potential Wave B recovery toward the $84.8K–$90K resistance zone could occur before sellers regain control.

If this zone holds, Wave C could push BTC toward the $34K–$30K area, a historically strong demand zone. While volatility may persist into 2027, the long-term macro structure still supports a potential expansion toward $200K+ in the next cycle.

The Elliott Waves suggest we can see further downside action.
Source: [@weslad on TradingView]

🐻 Trump Tariffs

Trump's tariffs have historically been an unpredictable source of market volatility, as they can disrupt global supply chains and influence inflation expectations. On February 20, the Supreme Court ruled that under the International Emergency Economic Powers Act (IEEPA) does not authorise the president to impose tariffs. Tariffs are a form of taxation, which the Constitution assigns to Congress.

He terminated the tariffs and immediately imposed a new, temporary, 10%-15% global tariff on most imports from almost all countries. The new tariffs took effect on February 24 for up to 150 days, unless Congress extends it. While Trump can be an unpredictable source of volatility in the short-term, we believe in the long run it will most likely turn out to be just momentary noise.

The Positive Factors

It's easy to get distracted with all the dramatic news headlines in circulation, but it definitely pays to remember that it's not all doom and gloom. Let's take a look at some positive developments for crypto.

🚀🚀🚀 The Clarity Act

For years, the crypto industry has been caught in a regulatory gray zone. Token projects, exchanges and investors have struggled with inconsistent enforcement actions, unclear rules and lawsuits. The Clarity Act represents a major structural shift for the cryptocurrency industry, as it aims to establish a clear regulatory framework for digital assets in the United States. By defining the roles of regulators such as the SEC and the CFTC, the bill reduces the long-standing uncertainty that has slowed institutional participation in the crypto market.

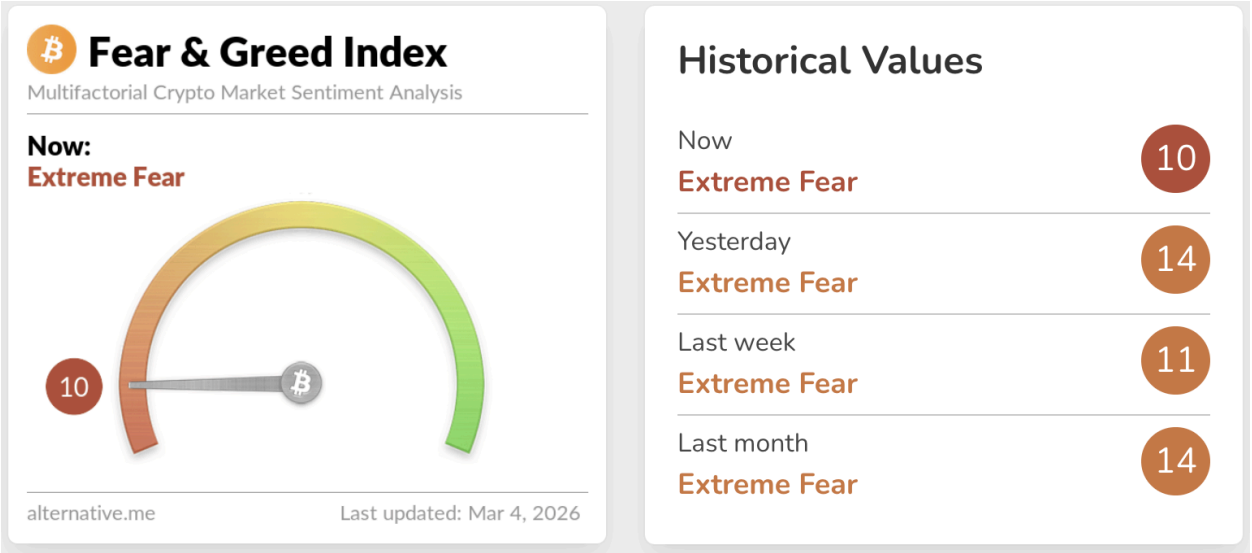
From a market perspective, regulatory clarity is one of the most powerful catalysts for Bitcoin adoption. Clear rules allow institutional investors, banks, and asset managers to allocate capital with greater confidence, knowing how digital assets are classified and regulated. This could significantly accelerate the integration and adoption of Bitcoin into traditional financial markets.

Additionally, the Clarity Act signals a broader political shift toward positioning the United States as a global leader in digital assets, reinforcing long-term confidence in the sector.

🚀🚀 Fear and Greed

The principle of rhythm teaches us that everything in life moves in cycles. The closer we get to an extreme on one end, the higher the probability that momentum will shift towards the other.

Even when the trend is set, you don't see the prices go only in one direction. When the emotions are at extremes, it's better to detach rather than react, which goes for both fear and greed.



The index has been at extreme fear for a while now.

We can see in the picture that the sentiment has been at extreme fear for a while, which can sometimes precede short-term reversals. However even if we bounce from here, we'd need a bigger catalyst to confirm the full reversal of the trend.

🚀 Institutional Positioning

After net outflows of $3.8 billion over five weeks through mid-February 2026, U.S. spot Bitcoin ETFs have shifted to strong inflows in the past days. Over the past 5 days, inflows totaled $1.4 billion, led by BlackRock's IBIT at $882.6 million.

While these institutions can afford to wait, they were quite aggressive over the past few days, showcasing that they might expect some positive price action on Bitcoin in the following weeks.

The SwissBorg Barometer

Anthony Lesoismier, CSO and Co-Founder. While a short-term reversal is possible, I am leaning more towards a bearish price activity on Bitcoin, as at the moment, I don't see a huge catalyst that will drive the demand. The way I see it, the odds are currently skewed towards the negative side.

Jeremy Baumann, COO. Periods of market fear have historically provided opportunities for long-term investors to build positions progressively. While macro conditions will likely continue to dictate short-term volatility, I expect crypto sentiment to improve over the coming 6–9 months.

Christophe Diserens, CWO. I believe that sellers may be getting exhausted and the market may be starting to bottom out. ETF flows have just turned positive after five straight weeks of net outflows and the Coinbase premium has flipped back into positive territory after roughly 40 days. These are short-term positive indicators, but we still need a clear catalyst to trigger a sustained reversal.

Aurélien Giraudon, CEO France. BTC can still dip and even make a lower low, but it feels like the heavy de-risking is largely behind us and we're more in a digestion phase, so even if macro is still unclear and headlines can flip fast, I'd start building a position now via DCA and add more on weakness.

Our approach remains focused on long-term conviction: maintaining exposure to core assets such as BTC, ETH, and SOL, and using disciplined strategies like dollar-cost averaging (DCA) to reduce timing risk and accumulate steadily through market cycles.

Key Levels

Key support areas:

- $67,375 – $65,000: Current consolidation range, representing the late-2025 demand zone where buyers have recently stepped in.
- $49,000 – $56,000: Lower boundary of the major consolidation range formed between March 2024 and November 2024.
- $38,000 – $45,000: Historical consolidation and demand zone established in late 2023 and early 2024.

The price can move lower, but we remain confident that sunshine eventually follows every storm, and strong demand zones tend to attract long-term buyers.

Key levels to watch for.

Key resistance levels:

- $74,650 – $76,400: First minor resistance currently capping the price.
- $83,230: Second minor resistance, corresponding to a previous support that turned into resistance after the breakdown.
- $98,000 – $102,000: Major psychological zone where price previously spent significant time consolidating.
- $107,380: Minor resistance marking the lower boundary of the previous market-top consolidation range.
- $126,300: All-Time High (ATH).

In Conclusion

Markets rarely ring a bell at the bottom. What they do instead is transition from panic to digestion before a new trend begins.

Today's environment reflects exactly that.

Selling pressure has been intense, but several indicators suggest the most aggressive phase of de-risking may already be behind us. Institutional demand is returning, ETF flows have turned positive again, and sentiment remains deeply pessimistic.

At the same time, macro uncertainty is still present. Real yields remain elevated, geopolitical tensions persist, and historically reliable bottom indicators such as the MVRV-Z score have not yet reached the extreme levels seen in previous cycle lows.

In other words, the market currently sits in a zone of uncertainty, where both scenarios remain possible: either the bottom is forming now, or the market may still need one final shakeout before the next expansion phase begins.

For long-term investors, this environment is not necessarily a problem. In fact, it is often where the best opportunities start to appear, as volatility creates entry points that rarely exist during the euphoric phases of the cycle.

The key is not to predict the exact bottom, but to position strategically.

What Does This Mean for You?

Like we said in the beginning, nobody can predict the market but there are certain practices that will improve your odds in the long run.

Instead of trying to guess the exact market direction, the more productive question is: how should you position yourself depending on what happens next?

Scenario 1 – Bitcoin Has Already Bottomed

If the market has already completed its correction, the next phase will likely be characterised by gradual recovery followed by acceleration once momentum returns.

In this environment, the priority is building exposure early while the market is still uncertain.

SwissBorg users can approach this by:

- Auto-Invest (DCA)

Gradually accumulate BTC over time, reducing the risk of mistiming the market while building a long-term position.

- Trigger Orders on pullbacks

Use trigger orders to automatically buy during short-term pullbacks within an emerging uptrend.

Scenario 2 — Bitcoin Has Not Bottomed Yet

If the market still has one more leg down, volatility will likely remain elevated and sharp moves in both directions can occur.

In this scenario, the focus shifts toward discipline and patience rather than aggressive positioning.

SwissBorg users can approach this by:

- Trigger Orders on key support levels

Place buy orders at historically strong demand zones identified in this report, allowing the market to come to your price.

- Auto-Invest to smooth entry price

Continue accumulating gradually through dollar-cost averaging rather than attempting to time the exact bottom.

SwissBorg's tools are designed exactly for this type of market environment: volatile, uncertain, and full of opportunity for those who stay systematic.