

BTC Volatility

Expanding on the weekend data I collected on BTC, I am now going to study what weekends mean for BTC, how volatile BTC is during the week compared to the weekends and what one can extract from that.

According to Google, BTC was brought into existence on the 3rd of January 2009...a Saturday.

Does that have anything to say?

I don't know.

Maybe it was just a random date for Satoshi Nakamoto, maybe it wasn't.

The first pump we had after breaking the ATH at 0.09 started on a Saturday (day of breakout) and ended exactly 4 weeks later on a Saturday (also the first day ever we reached 0.50) after 433.05%.



The first time we broke the ATH after hitting the 1USD mark was on a Sunday.

I could list plenty of things that happened on the weekends and that may seem insignificant for most people, which it totally could be. It could absolutely be that all of those things happened randomly, but for me they hold significance. Even if it's just a little bit. Even if it doesn't affect my trading right now, I think that nothing just happens randomly. Especially not in the markets. They are everything but random. And maybe even this apparently random and insignificant information I show will be linked to anything that happens in the future. I want to find out what we can expect from BTC on the weekends and how to extract edge from that.

So for now, let's get into the serious, detailed data that we can use now and act on it.

In the last study I did on weekend moves, I collected the data from the candle opens to the close, but in this study we are actually comparing BTCs volatility during the week vs. the weekend, so the moves in % terms from top to bottom and vice-versa.

For that, we will start with the very bottom of last year...We start on Monday the 21st November 2022, the bottom after the FTX collapse and will find out how much BTC has been moving in % terms from the lowest point of the week to the highest point of the week since and then compare that to the weekend.

"If the lowest point is before the highest point, we measure from bottom to top and vice-versa. Important note as a move from 15k to 20k is not the same in % terms as a move from 20k to 15k, so important to settle that as I focus on price movements proportionally to the asset, meaning what effect in % terms does the addition or subtraction of a certain price number has on the asset and not just the raw number itself, just like I did in the last study."

Weekly moves (W), Week-end moves (WE)

From Mon 21 Nov 2022 until now (05 Nov 2023), we are going to collect 50 values.

1. W: 8.45%, WE: -1.70%
2. W: 7.88% WE: 1.90%
3. W: -4.11% WE: 1.08%
4. W: -9.90% WE: 1.60%
5. W: 4.55% WE: -0.77%
6. W: -3.66% WE: 0.92%
7. W: 2.88% WE: 1.47%
8. W: 16.87% WE: 7.15%
9. W: 11.48% WE: -4.46%
10. W: 6.64% WE: 4.65%
11. W: 7.77% WE: -3.46%
12. W: -8.40% WE: 2.20%
13. W: 18.12% WE: -3.89%
14. W: -9.53% WE: 4.03%
15. W: -8.27% WE: 2.16%
16. W: -13.39% WE: 10.67%
17. W: 26.72% WE: 6.74%
18. W: -7.73% WE: 3.79%
19. W: 9.95% WE: -3.24%
20. W: 5.67% WE: 2.57%
21. W: 10.15% WE: -1.53%
22. W: -10.91% WE: 2.74%
23. W: 11.28% WE: 3.10%
24. W: 7.31% WE: -4.82%
25. W: -9.90% WE: 2.28%
26. W: -4.72% WE: -2.20%
27. W: -5.84% WE: 6.35%
28. W: -6.83% WE: 1.95%
29. W: 7.99% WE: -4.24%
30. W: -6.28% WE: 2.33%
31. W: 19.61% WE: 2.54%

32. W: 6.12% WE: 1.98%
33. W: -5.54% WE: 1.26%
34. W: 6.22% WE: -1.19%
35. W: 2.97% WE: 2.35%
36. W: -4.10% WE: 1.37%
37. W: 4.88% WE: 0.70%
38. W: 5.37% WE: -0.70%
39. W: -13.56% WE: 1.88%
40. W: 5.60% WE: 0.78%
41. W: -9.96% WE: 1.41%
42. W: 4.14% WE: 1.66%
43. W: 7.87% WE: -1.32%
44. W: 4.15% WE: -2.16%
45. W: 5.02% WE: 4.31%
46. W: -4.92% WE: 1.39%
47. W: -5.21% WE: 1.81%
48. W: 11.45% WE: 2.93%
49. W: 17.49% WE: 2.61%
50. W: 5.55% WE: 3.20%

As you can see, there has only been one week (Mon 22 May 2023 - Sunday 28 May 2023) in the last 50 weeks, where BTC was more volatile (moved more in % terms proportionally to its price) during the weekend than during the week giving it a $(1/50) \times 100 = 2\%$ chance of happening and therefore making it -EV to trade big on weekends.

Calculations:

Average volatility of BTC during the last 50 weekdays:

Sum of % moves / Total of weeks = $422.91/50 = 8.4582\%$

BTC has been moving on average 8.4582% during the week for the last 50 weeks.

Average volatility of BTC during the last 50 weekends.

Sum of % moves / Total of weeks = $137.54/50 = 2.7508\%$

BTC has been moving on average 2.7508% during the weekends for the last 50 weeks.

So, BTCs volatility on the weekends has been almost perfectly $\frac{1}{3}$ of the weeks volatility for the last 50 weeks.

Conclusion:

So, what can we take from that?

I have come up with a very important observation during this study.

Now that we know that BTCs volatility during the weekends is $\frac{1}{3}$ compared to its volatility during the week, you now have very clear key levels and ranges for BTC that give you indications for the weekend and even for the coming week(s).

Let me explain what I mean.

