Bitcoin Historical Cycles Compared

Four boom-and-bust cycles, side by side — what actually rhymed, what only looked like it did, and why each repetition told a quieter story than the last.

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AT A GLANCE

2011 CYCLE PEAK
~$30–32 · drawdown ~93%

2013 CYCLE PEAK
~$1,150 · drawdown ~83–86%

2017 CYCLE PEAK
~$19,800 · drawdown ~84%

2021 CYCLE PEAK
~$69,000 · drawdown ~77%

RECURRING RHYTHM
Halving, then a top roughly 12–18 months later

THE HONEST CAVEAT
Three to four cycles is a small sample

Bitcoin has now lived through four widely recognized boom-and-bust cycles, and the temptation to line them up like tree rings is almost irresistible. Each one followed a similar arc — a long, quiet accumulation, a halving that cut the supply of new coins, a euphoric run to a new all-time high, and then a brutal drawdown, meaning a peak-to-trough decline, that erased most of the gains. Laid out side by side, the pattern looks less like coincidence and more like a heartbeat. This report compares those four cycles honestly: what genuinely repeated, what merely resembled a repeat, and why the strongest version of the pattern — ever-shrinking returns — is also the one most likely to disappoint anyone hoping the next cycle will simply photocopy the last.

01 — What we mean by a “cycle”

A Bitcoin cycle, in the market sense, is one full rotation from a bear-market low through a new all-time high and back down to the next major bottom. Analysts usually anchor these cycles to the halving, the roughly four-year event that cuts the block reward — the fresh

bitcoin paid to miners — in half. Because the halving is the one hard, scheduled, unarguable event in Bitcoin's calendar, it became the natural stake in the ground around which everything else gets measured. Our explainer on the four-year crypto market cycle walks through why that rhythm took hold in the first place. The key thing to hold onto is that a "cycle" is a descriptive frame, not a law of physics — it is a story we drew around the data after the fact.

There is also a quiet disagreement about how to even date a cycle. Some analysts measure bottom to bottom, treating the deepest bear-market low as the true boundary; others measure halving to halving, using the scheduled supply event as the marker. The two framings do not perfectly overlap, because tops and bottoms have never landed the same number of months after each halving. That ambiguity is worth naming up front, because a great deal of confident-sounding cycle analysis quietly depends on which starting line the author chose — and moving the starting line can make a pattern look tighter or looser than it really is.

02 — The 2011 cycle: the wild proof of concept

The first real cycle belongs to a market almost no one was watching. Bitcoin climbed from cents to roughly $30–32 in June 2011, a run driven by early adopters and the first wave of media curiosity. Then it collapsed, losing something like 93% of its value and grinding down to around $2 by late that year. A word of caution that separates careful analysts from careless ones: some charts show a momentary print near $0.01 during a 2011 exchange hack, but that glitch on a single venue was not the market bottom — the honest trough is the ~$2 area. The 2011 cycle matters less for its precise numbers, which were thin and unreliable, and more for establishing the template: parabolic rise, then a drawdown deep enough to convince most observers the experiment was over.

03 — The 2013 cycle: two peaks and the first halving

The 2013 cycle is the one people most often remember incorrectly, because it had two distinct surges. Bitcoin ran to roughly $260 in April 2013, corrected hard, and then staged a second, larger climb to around $1,150 by December. Sitting underneath that year was the first-ever halving, in late November 2012, which cut the reward from 50 to 25 coins per block. The lag between that halving and the December top — roughly twelve to thirteen months — became the seed of the "halving leads to a peak about a year later" heuristic that every later cycle would be measured against. The subsequent bear market was severe, an

83–86% decline that dragged on into 2015. To understand why the halving carried such symbolic weight, our note on the Bitcoin halving and why it matters lays out the supply mechanics in plain terms.

04 — The 2017 cycle: the one that went mainstream

If 2013 introduced the pattern, 2017 broadcast it to the world. Following the second halving in July 2016, Bitcoin spent a year building before exploding through 2017 to a peak just under $20,000 — roughly $19,800 — in December. This was the cycle of retail mania, of exchange sign-up queues and dinner-table conversations, and it produced the template drawdown everyone now cites: an 84% collapse to around $3,100–3,200 by December 2018. The halving-to-top interval again landed in the familiar twelve-to-eighteen-month window. Crucially, 2017 also delivered the first clean look at diminishing returns: the percentage gain from bottom to top, while still enormous, was measurably smaller than the almost absurd multiples of the two cycles before it.

> The recurring rhythm across cycles is not "halving, then price goes up." It is subtler: a halving, then a build-up, then a top somewhere in the following twelve to eighteen months, then a drawdown of roughly 75–95%. The *timing* rhymed more reliably than the *magnitude*.

05 — The 2021 cycle: institutions, and a double top

The 2021 cycle broke the visual mold slightly. After the May 2020 halving, Bitcoin ran to roughly $64,000 in April 2021, corrected by half over the summer, then made a marginally higher high near $69,000 on November 10, 2021. That twin-peaked shape looked different from the single-blowoff tops of earlier cycles. The drawdown that followed was still cyclical in character — about 77% down to roughly $15,500 by November 2022 — but it was amplified by specific, non-cyclical shocks, most visibly the collapse of a major exchange. This is the cycle where the clean four-year story started to fray at the edges: the presence of institutional capital, futures markets, and macro-driven leverage meant the price was answering to more masters than the halving alone. Our Bitcoin cycle map places the current market against this backdrop.

06 — The one trend that genuinely held: diminishing returns

Of everything the four cycles supposedly share, the most defensible is diminishing returns — the observation that each cycle's percentage gain has been smaller than the last. Illustratively, the multiples compressed from the thousands-of-percent range in the earliest cycles, to something like a 30x move in 2013 and again in 2017, down to a comparatively modest 7–8x in 2021. The mechanism behind this is not mysterious. It is the law of large numbers: a market worth tens of billions cannot repeat the percentage feats of a market worth tens of millions, because doubling a large base requires vastly more incoming capital than doubling a tiny one. Diminishing returns is the rare cycle claim that has both a clear pattern in the data and a sound reason to expect it to continue.

The practical implication is sobering for anyone anchoring on past multiples. If each cycle delivers a materially smaller percentage gain than the one before, then the mental model of "buy the bottom, wait for a 30x" is a description of a market that no longer exists. The same logic cuts the other way on drawdowns, at least in theory: a more mature, more widely held asset with deeper liquidity should, in principle, fall less violently — though as the next section shows, the data on shrinking drawdowns is far thinner than the data on shrinking gains, and treating them as equally proven is a mistake.

07 — Where the pattern gets shakier

Not every apparent regularity survives scrutiny. The idea that each drawdown is getting shallower — 93%, then ~85%, then 84%, then 77% — looks like a trend, but with only four data points the line is loose enough that one more deep bear market would erase it. More fundamentally, the whole edifice rests on a small-sample problem: three to four completed cycles is simply not enough observations to establish a statistical law, no matter how tidy the chart looks. There is also the correlation-versus-causation trap. The halving *coincides* with the start of each bull phase, but coincidence across three or four events does not prove the halving *causes* the rally — global liquidity, adoption curves, and interest-rate regimes all moved in the background and may have done much of the real work.

That last point deserves weight. A popular refinement overlays Bitcoin's cycles on global money supply — specifically M2, a broad measure of the cash and near-cash circulating in major economies — and finds that Bitcoin's biggest rallies tended to arrive when liquidity was expanding and its worst drawdowns when liquidity tightened. The overlay is suggestive rather than conclusive: the correlation is real in some windows and weak in others, which means liquidity may be a co-driver rather than the hidden master key. But it complicates the neat halving story considerably. If a chunk of what looks like a four-year Bitcoin rhythm is

actually the echo of central-bank liquidity cycles, then attributing the whole pattern to the halving is not just imprecise — it points the analysis at the wrong cause entirely.

> A cautionary example lives inside this history: the Stock-to-Flow model, which used halving-driven scarcity to forecast specific prices, gained an enormous following and then failed badly when reality diverged from its projections. Our piece on the four-year cycle is deliberately a frame, not a forecast — the distinction is the whole point.

08 — Is the four-year cycle dead, or just quieter?

By 2024–2026 this became a genuine debate rather than a settled fact. One camp argues the classic cycle is being stretched or dampened — that spot ETFs, deeper institutional participation, and a market increasingly tethered to macro liquidity have muted the halving's once-dominant signal. Another camp holds that the rhythm is still intact, merely playing out with smaller amplitude, exactly as the diminishing-returns thesis would predict. Honestly, the evidence does not yet resolve it. What can be said with confidence is that the cycles are real as history, that their timing rhymed more than their size, and that the single most reliable lesson is the least dramatic one: expect the pattern to keep shrinking and softening rather than repeating at full volume. Treat any model that promises a precise price target from the cycle alone as a story, not a certainty.

"The thing that hath been, it is that which shall be; and that which is done is that which shall be done: and there is no new thing under the sun."

ECCLESIASTES 1:9

METHODOLOGY & SOURCES

This report compares Bitcoin's four widely recognized market cycles (2011, 2013, 2017, 2021) using approximate, rounded price levels and drawdown ranges drawn from long-run price history and halving dates. Figures are presented as ranges rather than false-precision decimals, and known data artifacts — such as the 2011 single-exchange glitch print — are explicitly set aside. Cycle claims are labeled by strength of evidence: diminishing returns is treated as well-supported; shallower-drawdown and precise-timing claims are flagged as looser trends drawn from a small sample. Nothing here is a price forecast.