



## Compression Then Volatility

From my side of the room I could hear the ball bouncing up and down as the room collectively held its breath.

While I couldn't see the board through a haze that only a poorly ventilated room of chainsmokers could produce, I could tell what was happening.

"No more bets!" the Atlantic City casino pit boss barked.

I was in town for the local MMA show, and one misadventure after another had dropped me in the underbelly of degeneracy.

And while it was 10 years ago, this memory is anything but hazy to me.

As I inched closer to the roulette table my assumption was verified after a quick count - the table was loaded with high rollers. It was no wonder why things got so quiet. The professional degenerates of Atlantic City were betting big.

I remained on the fringe of the onlookers with both fascination and detachment that only the amalgamation of the moment could provide.

And as the ball bounced about, popping in and out of color coded slots, anxious gamblers were hyper focused in ways that would put a day trader watching a Jerome Powell presser to shame.

The stillness of the room seemed to alter physics as time slowed just as the ball settled into its mark.

"Double Zero - Green!"

The lone spot on the board where nobody had any action.

The pit boss proceeded to collect the chips without a shred of empathy.

One gambler got up and left, cursing his fate loudly as he stumbled towards the exits, while the eyes of the others met in silent communion as they waited for the next round to begin.

*That's the way she goes.*

## The House Wins

I couldn't help but think back on that story as things have been playing out in all too similar a fashion in the Bitcoin options market.

Each week millions of dollars pour into directional bets, then price skips around a bit, only to end the week back near the max pain point.

*Double zero.*

Last week was no different, we opened Monday up above \$65,000, only for price to ultimately land under \$63,000 before options expired.

Directly where “the house” needed it to be.

As you’ll see below, the max pain point on the recent expiry was \$62,000 on over \$1 billion of notional interest, the majority of which expired worthless.

Readmore

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