The macro linkage that arrived

> **THE MACRO REGIME**
>
> Crypto's relationship to traditional markets is regime-dependent and dated: retail-dominated in its early years, it traded on its own logic; as institutions arrived after 2020, it increasingly traded with risk assets and against the dollar and rates. What moves crypto now is not what moved it in 2017 - the seed's phrase - and reading the linkage means knowing which regime the market is in, held to the platform's regimes-with-dates standard.

The seed asked this lesson to distinguish what moves crypto now from what moved it in 2017 - and the answer is a dated regime change: the institutions arrived, and brought their macro with them.

The two regimes, dated

In the retail-dominated era - through roughly 2017 - crypto traded largely on its own narratives and flows, weakly connected to traditional markets; a crypto rally could happen while everything else fell, because the participants were a separate crowd. As institutional capital arrived, mainly from 2020 through the regulated wrappers of module 1, crypto increasingly traded as a risk asset: rising when equities rose, falling when the dollar and rates rose, moving with the macro cycle it had once ignored. The linkage strengthened in institutional regimes and loosened when retail dominance returned - a dated, regime-aware relationship, not a constant.

Reading the current regime

The correlation is the tell: crypto's rolling correlation to risk assets and to the dollar says which regime is active - high correlation means the macro-linked institutional regime, low means the self-driven retail one.The participant mix drives it: institutional dominance brings the macro linkage, retail resurgence loosens it - module 1's cast, read as the regime's cause.Neither regime is permanent: the platform's regimes-with-dates standard applies - the linkage that held for a stretch can loosen, and a crypto read that assumes the macro connection through a retail-dominated phase is using the wrong regime's map.

The honest read

What moves crypto now is measurable, dated and changeable: measure the current correlation to know the regime, attribute it to the participant mix, and hold it loosely because it has changed before and will again. In the institutional regime, crypto analysis must include the macro that the retail era let it ignore - the rates, the dollar, the risk cycle; in the retail regime, those matter less and the narratives more. The lesson the seed asked for, stated as a regime with dates: crypto's drivers are not fixed, and reading it means reading which market it is currently pretending to be.

Check your understanding

1. How does what moves crypto now differ from 2017?

a. It does not - crypto is constant

b. Regime change: retail-dominated crypto traded on its own logic through ~2017; institutional arrival from 2020 made it trade with risk assets and against the dollar and rates

c. It is now purely technical

Answer: b. The institutions arrived and brought their macro. A dated regime change - the seed's phrase, held to the platform's regimes-with-dates standard.

2. How does a reader know which regime crypto is in?

a. By the price level

b. The rolling correlation to risk assets and the dollar: high means the macro-linked institutional regime, low means the self-driven retail one

c. By the calendar year

Answer: b. The correlation is the tell, the participant mix the cause. Neither regime is permanent - a read assuming the macro link through a retail phase uses the wrong map.