Crypto · Reading crypto markets · lesson 8 · 6 min read

The public ledger: what on-chain data previews

> **ON-CHAIN DATA**
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> The blockchain is public, so crypto's holdings and movements are readable in a way no other market allows: coins moving to and from exchanges, the age of holdings, the concentration of ownership. It is crypto's positioning data - the COT's granular cousin - previewed here as a reading fact and given its full analytical treatment in module 8, per the seed.

Module 1 said the ledger is public. This lesson names the reading consequence: the one genuinely novel data source crypto offers, where every other market's holdings are hidden and this one's are on a public record.

What the ledger reveals

Exchange flows: coins moving onto exchanges often precede selling (they are positioned to trade), and off exchanges often precede holding (moved to self-custody) - a readable supply signal no equity or commodity market publishes.Holding age: how long coins have sat unmoved - long-dormant coins waking is a genuine event, the previously-committed changing their minds, visible to anyone reading the chain.Concentration: how few addresses hold how much - the whales the market watches, their movements a matter of public record rather than inference.

The honest bounds, previewed

On-chain is powerful and easy to over-read - which is why module 8 gives it a full lesson rather than this preview pretending to. The bounds: addresses are pseudonymous, not identified, so attribution is inference; exchange-flow signals are noisier than their popularity suggests; and the metrics are heavily marketed, with the seasonality-pattern industry's crypto cousin selling on-chain 'signals' of dubious out-of-sample value - module 6's overfitting warning, arriving early. The reading fact for now: the data exists, it is genuinely unique, and it is the third public book crypto offers alongside the tape and the order flow.

Where it sits

Crypto publishes what other markets hide - and hides what other markets publish (there are no earnings, no balance sheets). The on-chain ledger is the compensating transparency: not a valuation anchor, but a positioning-and-flow record of unusual granularity. Module 5 places it in the analysis; module 8 reads it in full; this module notes its existence, because a reading module that ignored crypto's one novel data source would have missed the asset class's most distinctive reading opportunity.

Check your understanding

1. Why is on-chain data genuinely unique to crypto?

a. It is more accurate than price data

b. The ledger is public: holdings, movements and concentration are readable, where every other market's positioning is hidden - the COT's granular cousin

c. It predicts price reliably

Answer: b. Crypto publishes what others hide. The public ledger is the compensating transparency for having no earnings or balance sheets to analyse.

2. What is the honest caution on on-chain metrics?

a. They are always wrong

b. Addresses are pseudonymous so attribution is inference, the signals are noisier than marketed, and an overfit-signal industry sells dubious metrics - module 6's warning, early

c. They are only available to institutions

Answer: b. Powerful and easy to over-read - which is why module 8 gives it a full lesson. The preview names the data and its bounds without pretending to the depth.