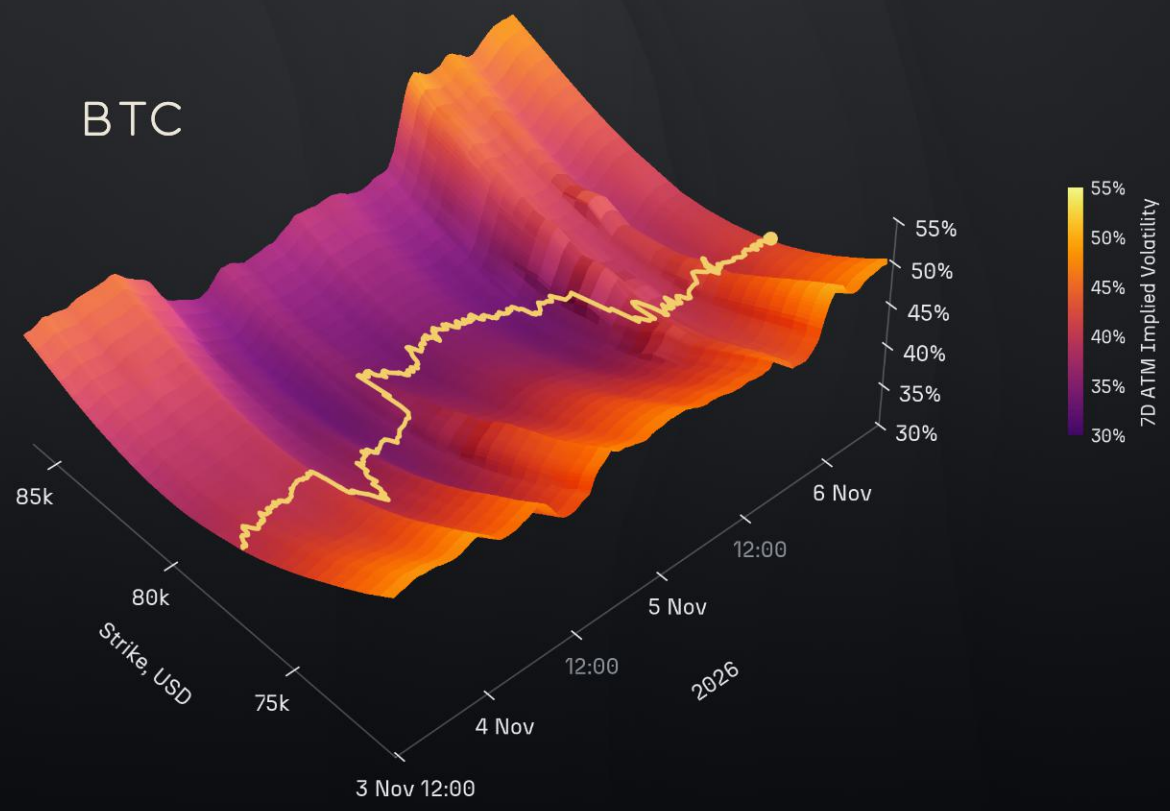
SOUNDINGS

THE CRYPTO-OPTIONS POSITIONING

ISSUE 04 · 7 NOVEMBER 2026

CALM BETWEEN TWO STORMS

DERIBIT'S BOOK CHARGED FOR THE US MIDTERM ELECTION, THEN SAT AT ITS CALMEST THE HOUR BEFORE BTC FELL 6%.



HALCYON WATERS

ISSUE 04

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THE EVENT

THE READ.

Tuesday night America voted. By Wednesday morning the Democrats held both chambers of Congress and by Wednesday afternoon BTC was 4.2% higher. On Thursday it gave all of that back and more, falling to 75,196 USD while the S&P 500 lost 4.36%, its worst day since April 2025. Two storms in three days with eighteen hours between them in which almost nothing happened.

That quiet is the story of this issue. We read Deribit's BTC options book every ten minutes through the whole of it. The book was never calmer than in the hour before it was hit. Its cheapest front-week volatility and its flattest skew both arrived late on Thursday morning, after the vote had been priced and paid for and before crypto turned at 12:33 UTC. Its widest contango came at 14:30, when the slide had already begun and the real fall had not.

We follow it in order. First what the book charged for the election and how fast it let the premium go. Then the rally, the lull and the fall, minute by minute. Then the positions under it: two ways of counting dealer gamma, a put bought six days early and the sellers of election volatility who were nearly wiped out before they were rescued.

It starts on Tuesday evening, with a book that knew exactly what it was waiting for. →

BTC ON THE VOTE RALLY, 4 NOV

+4.2%

at the high, from the election-day close

S&P 500, 5 NOV

-4.36%

worst day since April 2025

BTC 7-DAY ATM IV, THURSDAY MORNING

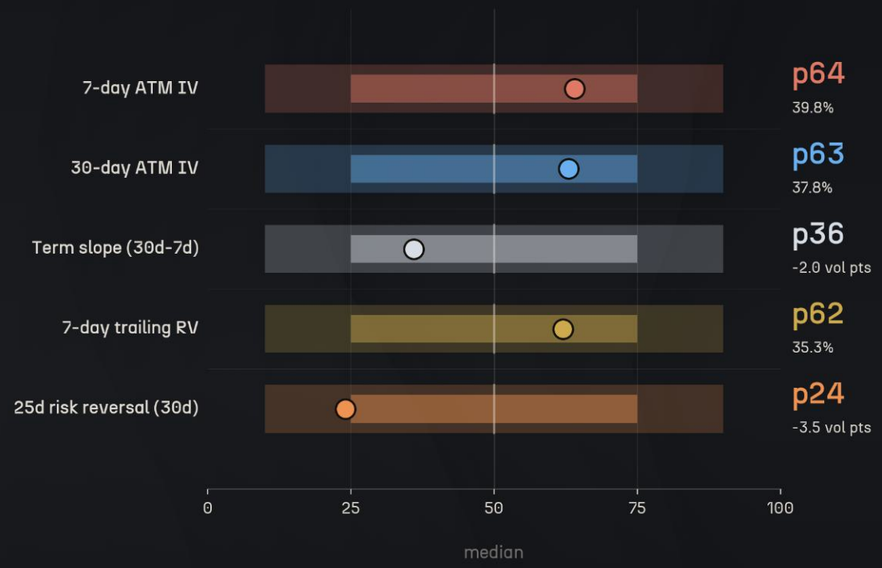
33.2%

the calm between the storms

WHERE THE WATER SAT

BTC GOING INTO THE VOTE.

FIVE READINGS OF THE BTC BOOK AT THE US CLOSE ON ELECTION DAY, EACH AGAINST ITS OWN 90 DAYS



Inner band p25-p75, outer p10-p90. BTC, 90-day baseline 5 Aug to 3 Nov 2026.

At 21:00 UTC on 3 November the polls were closing and BTC traded near 77,800 USD. Nothing in the options book looked extreme: the 7-day at-the-money implied volatility, hereafter ATM IV, sat in the middle of its own past, as did the realized volatility of the previous week, hereafter RV.

Two readings leaned, both in the same direction. The curve was inverted: the week holding the vote cost more than the month around it. And the 30-day risk reversal, a call's implied volatility minus a put's at the same distance from spot, said protection already cost a little more than usual. The book was ready for an event, with a price on Tuesday night and nothing beyond it.

How much was the vote worth and for how long did the market keep paying for it? →

7-DAY ATM IV

39.8%

64th percentile of 90 days

CURVE, 30-DAY MINUS 7-DAY

-2.0

vol points, the front week dearer

30-DAY RISK REVERSAL

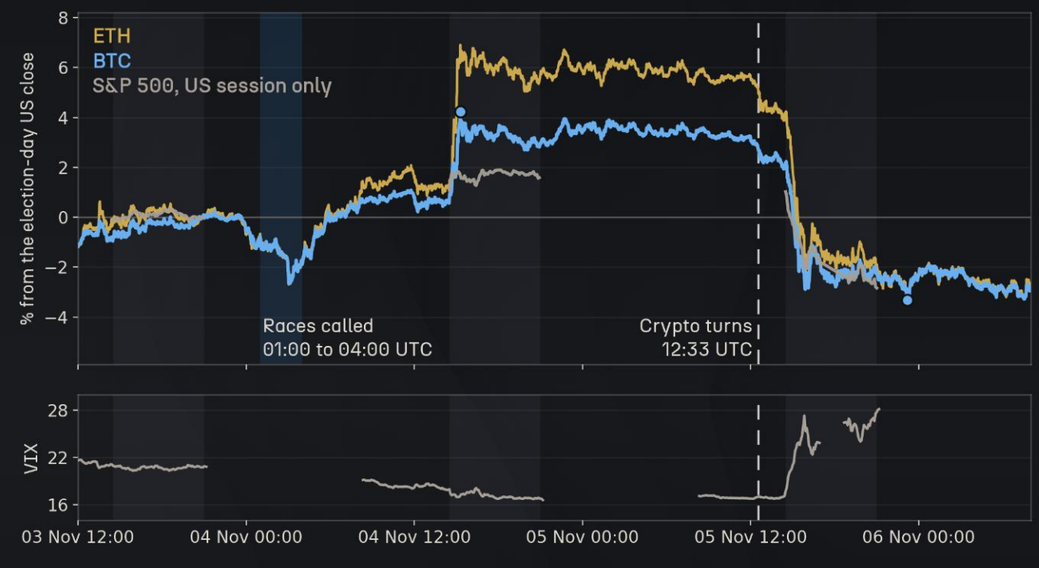
-3.5

vol points, the 24th percentile

SEVENTY-TWO HOURS

01 THE EVENT ON ONE CLOCK.

EVERY MOVE MEASURED FROM THE US CLOSE ON ELECTION DAY, 21:00 UTC 3 NOVEMBER



Shaded: US cash sessions, 14:30 to 21:00. No public index quotes 17:10 to 18:50 on 5 Nov. UTC.

Here is the whole thing on one clock before we take it apart. The races were called between 01:00 and 04:00 UTC and BTC did not like the first hours of the count, slipping 2.6% by 03:00. Then the US open on Wednesday lit the rally: BTC up 4.2% at its high, ETH up 6.9%, the S&P 500 closing 1.6% higher.

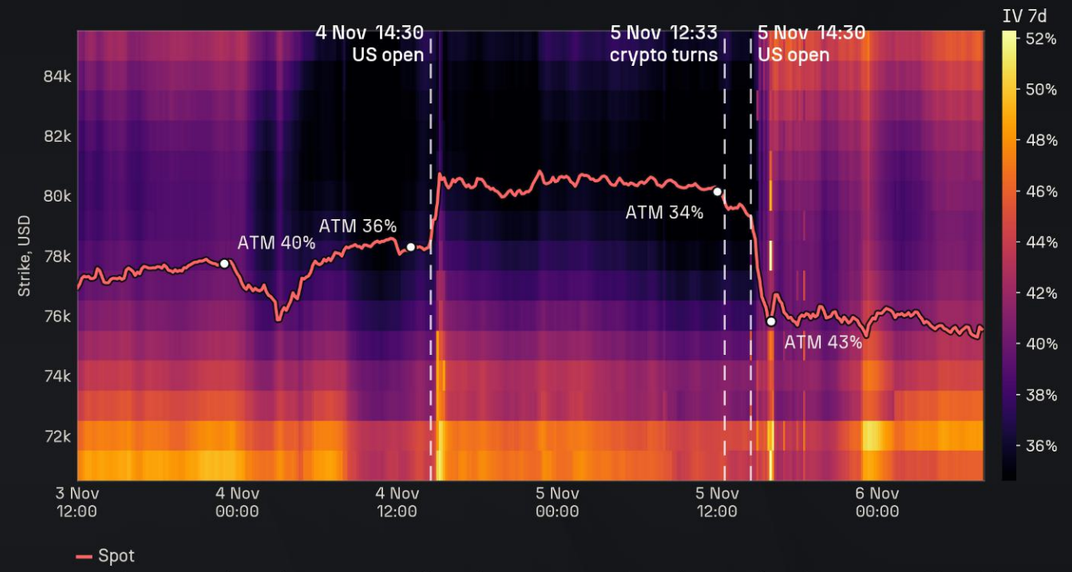
For a day the board stayed green, until on Thursday crypto turned first, at 12:33 UTC, two hours before New York opened. By the close the S&P 500 stood 2.8% below its election-day close and BTC fell 3.3% below its own at the low. The VIX tells it in one line, 16.57 on Wednesday's close and 28.15 on Thursday's.

Prices only tell you what happened. The options tell you what people expected. On election night they expected something very specific. →

ELECTION NIGHT

02 THE PREMIUM, AND HOW FAST IT LEFT.

BTC 7-DAY IMPLIED VOLATILITY BY STRIKE, CONSTANT TENOR, 3 TO 6 NOVEMBER, SPOT IN RED



Constant 7-day tenor IV by strike, % annualised | Total-variance interpolation | 10-min | Spike 23:10 5 Nov filtered | UTC

On election night the whole front of the surface was lit. The 7-day ATM IV read 40.4% at 23:00 UTC, 2.6 vol points above the 30-day. That is what an event looks like when it sits inside one expiry: the market charges for that week and not for the month around it.

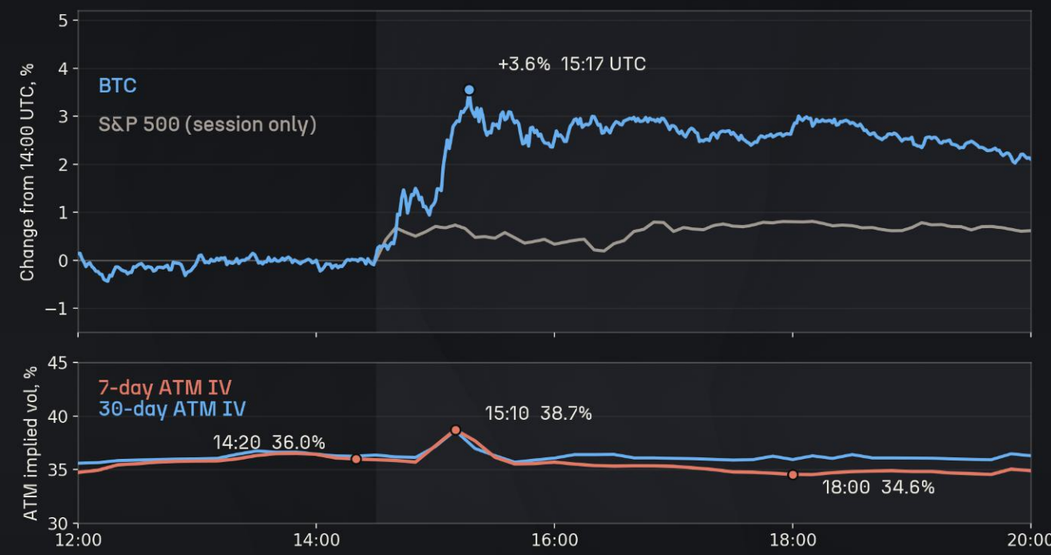
Then it let go, earlier than you might think. By 13:00 UTC on Wednesday, ninety minutes before the open, the 7-day stood at 35.8%. The premium had left before the rally rather than because of it. Look at the dark band under the red line on Thursday morning: that is the 7-day at 33.2%, the cheapest it would be all week. The put wing barely moved through any of this, about 11 vol points over ATM at a 90% strike on both nights.

The vote was paid for and the premium was gone. Then New York opened on Wednesday and gave the book something it had not charged for. →

ACT ONE

03 THE RALLY ON THE US OPEN.

BTC AND THE S&P 500 FROM 14:00 UTC, 4 NOVEMBER, WITH BTC'S CONSTANT-TENOR ATM IV BELOW



Spot: 1-min Deribit index. IV: total-variance interpolation. Shaded: US session. UTC.

The rally waited for New York. BTC drifted through the European morning and moved with the US open at 14:30 UTC, 3.6% from 14:00 to 81,072 USD at 15:17. The S&P 500 added about 0.7% in its first half hour and held it.

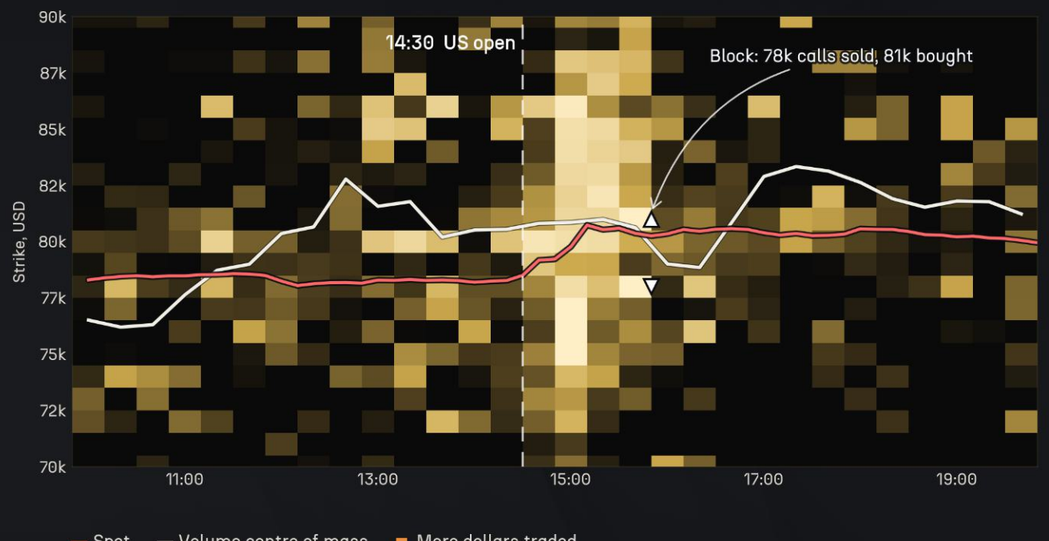
Options bought the first leg of the move and sold the rest of it. The 7-day ATM IV rose from 36.0% at 14:20 to 38.7% at 15:10, the familiar crypto pattern of volatility rising with the price. By 18:00 it was 34.6%, lower than before the move began. Whoever wanted upside bought it in forty minutes and the rest of the afternoon belonged to the sellers.

A forty-minute burst of buying and then quiet for the rest of the day. Where did the money actually go, strike by strike? →

ACT ONE

03 WHERE THE MONEY WENT ON THE WAY UP.

TRADED BTC OPTION NOTIONAL BY STRIKE, EVERY TWENTY MINUTES, 4 NOVEMBER 10:00 TO 20:00 UTC



Traded option notional per 1,000-USD strike, every twenty minutes, log scale. Deribit trade history.

The rally drew one bright column of trading on the US open and little after it. Over those ten hours BTC options traded 2.85 billion USD of notional and less than a third of it was in puts. On this day the money went to calls.

The largest trade of the afternoon was not a bet on more upside. At 15:49 UTC, half an hour after the high, one block sold 1,000 of the 7 November 78,000 calls, already in the money, against 1,500 of the 13 November 81,000 calls bought, for a net credit of about 0.42 million USD. The profit was banked and the upside kept a week further out. At 15:10 UTC trades in the largest size class Cayø Largo tracks printed 60.3% of BTC option volume, above every ten-minute reading of the previous sixty days.

Then the afternoon went quiet and stayed quiet for eighteen hours. That is exactly when the book did something odd. →

THE CALM BETWEEN

04 OPTIONS PRICED BELOW THE WEEK JUST PAID.

7-DAY ATM IV AGAINST THE REALIZED VOLATILITY OF THE PREVIOUS SEVEN DAYS, BTC



RV: sqrt(365/7 x sum_r2), 1,008 10-min returns. IV: constant-tenor, spike-filtered. UTC.

For eighteen hours BTC sat between 80,000 and 80,600 USD and the options book relaxed with it. Over the ten days on this plate the 7-day ATM IV usually sat above the volatility the market had just delivered, by a median 5.0 vol points. That cushion is how an option seller gets paid for the risk of being wrong. Some of the cheapness was mechanical: the vote had just left the front week. A front week fresh out of an event usually sheds premium.

On Thursday morning it went the other way. At noon the 7-day ATM IV read 33.29% against a trailing RV of 39.75%: options were priced 6.5 vol points below the week just lived, almost the lowest reading of the ten days. That trailing week includes the election night and the rally, which is exactly the point: the market had just moved hard and the book was priced as if it had not. A seller collecting premium at noon was being paid less than Monday to Wednesday had paid out. Half an hour later the market turned.

MEDIAN IV MINUS RV, 28 OCT TO 6 NOV

+5.0

vol points, the usual cushion

NOON, 5 NOVEMBER

-6.5

vol points, options cheap

TRAILING 7-DAY RV AT NOON

39.7%

the week just delivered

ACT TWO

05 THE BREAK BEGAN BEFORE WALL STREET.

SIX COINS AND THE S&P 500, % FROM THE 11:00 TO 12:00 UTC AVERAGE, 5 NOVEMBER



Spot: 1-min Deribit index forward-filled. S&P 500: 5-min, session only, baseline at session open. UTC.

The sell-off started in crypto. At 12:33 UTC the coins slipped together and by 14:30 they were about 1% lower, while the US cash market was still closed. It was a slide rather than a fall, until the open turned it into one.

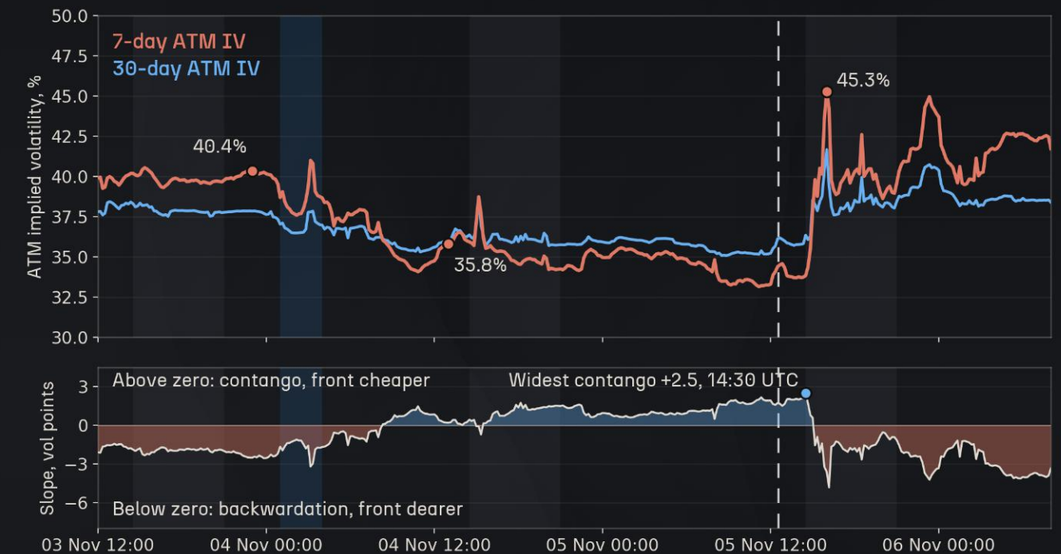
From 14:30 every coin except TRX dropped in step and every one of them made its low in the same minute, 15:54 UTC. BTC was down 5.9% from its morning level, XRP 6.1%, AVAX 7.0%, ETH and SOL 7.5%. TRX, which trades on its own rhythm, lost less than 1% all afternoon.

Spot fell for two hours before the options noticed. What did the curve look like at the very minute New York joined in? →

ACT TWO

05 THE CURVE FLIPPED IN FORTY MINUTES.

THE CURVE'S SLOPE, 30-DAY MINUS 7-DAY ATM IV, IN VOL POINTS



Tenors interpolated in total variance. Slope: 30-day minus 7-day. Shaded: US sessions. Blue: races called. UTC.

At 14:30 UTC on Thursday the slope reached +2.5 vol points. That was the widest contango of the whole event, the front week at its cheapest relative to the month. BTC had been falling for two hours while the book was still priced as if nothing was happening.

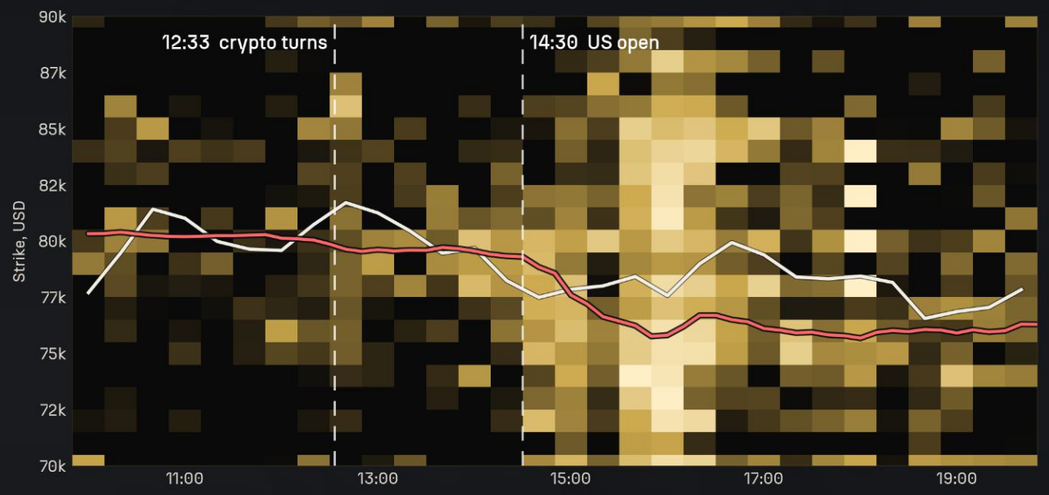
Forty minutes later the book knew. The slope crossed zero at 15:10 and the 7-day ATM IV hit 45.3% at 16:00, 12 vol points above its morning low. The curve did not anticipate the fall: it caught up with it in four ten-minute cycles.

The curve repriced in forty minutes. The tape tells us who did the repricing and what they bought. →

ACT TWO

05 WHERE THE MONEY WENT ON THE WAY DOWN.

TRADED BTC OPTION NOTIONAL BY STRIKE, EVERY TWENTY MINUTES, 5 NOVEMBER, SAME COLOUR SCALE AS PAGE 8



Spot · Volume centre of mass · More dollars traded

Traded option notional per 1,000-USD strike, twenty minutes, log scale | Colour scale identical to 4 November

Put this next to page 8 and the difference is the story. The fall drew a wider and longer burst than the rally, across strikes from 70,000 to 87,000 and for two hours after the open. Over the same ten hours BTC options traded 3.56 billion USD of notional and half of it was in puts, against under a third the day before.

Our own archive lost about half the trades between 14:44 and 15:38 UTC, so the counts below use Deribit's public trade history for the whole ten hours. Between 15:00 and 15:20 UTC takers bought 826 puts net while calls were roughly flat. Between 15:20 and 15:40 they sold 512 calls net, 300 of them in one block of the 27 November 80,000 calls. The other coins moved with BTC throughout: ETH and SOL fell 1.2 to 1.3 times as far, minute by minute.

Puts were bought hard only once the fall had started. Before it, protection had been getting cheaper. →

NOTIONAL TRADED, 10:00 TO 20:00

3.56 BN USD

46,468 contracts

SHARE IN PUTS

51%

against 31% on Wednesday

NET PUTS BOUGHT, 15:00 TO 15:20

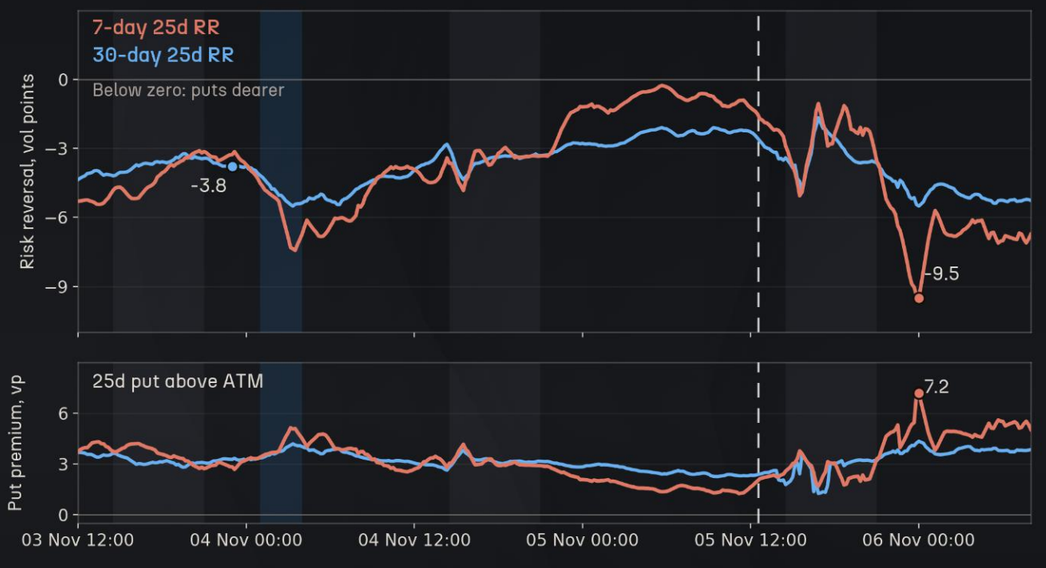
826

contracts

ACT TWO

05 PROTECTION WAS CHEAPEST AT NOON.

25-DELTA RISK REVERSAL AND PUT PREMIUM OVER ATM, CONSTANT 7-DAY AND 30-DAY TENOR, BTC



TV-interpolated in total variance. Wing-smoothed. Shaded: US sessions. Blue: election calls.

A 25-delta risk reversal is the implied volatility of a 25-delta call minus that of a 25-delta put. Below zero, protection costs more than upside. On election night the 7-day read -3.1 vol points, an ordinary amount of fear.

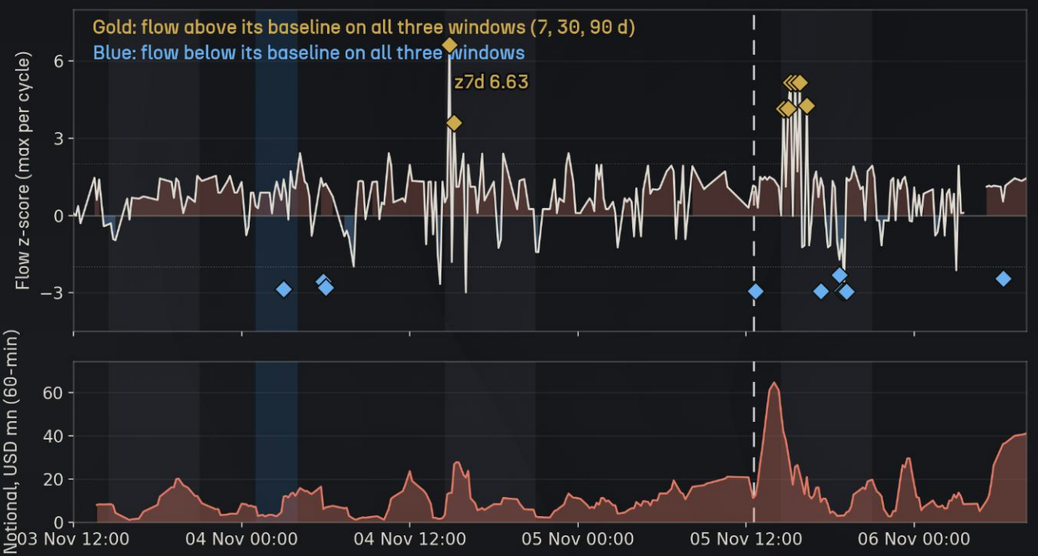
Then, through the lull, the fear drained out. At noon on Thursday the 7-day risk reversal reached -0.9 vol points, its flattest reading of the event. A 25-delta put cost only 1.4 vol points more than ATM. The cheapest insurance of the week was on sale half an hour before it was needed. The book paid for puts after the move instead: -7.5 vol points by 23:00 UTC and about -9.5 around midnight.

If the options flow was calm before the fall, was anything in the book unusual at all? One measure was, twice. →

ACT TWO

05 FLOWS BEYOND EVERY BASELINE. WITH THE MOVE.

OPTIONS FLOW BY COHORT, Z-SCORE AGAINST ITS OWN 7-DAY BASELINE, BTC



Max 7d flow z-score per cycle. Excess base rate: 0.59% (22 of 3,753 cycles, 60d). UTC.

Cayø Largo groups the BTC book into cohorts by strike from deep below spot to far above it and by expiry from the front week to the long dated. It then scores the flow of each cohort against its own baseline on three windows at once: seven, thirty and ninety days. A cohort above all three at the same moment is rare, 0.59% of readings over the previous sixty days.

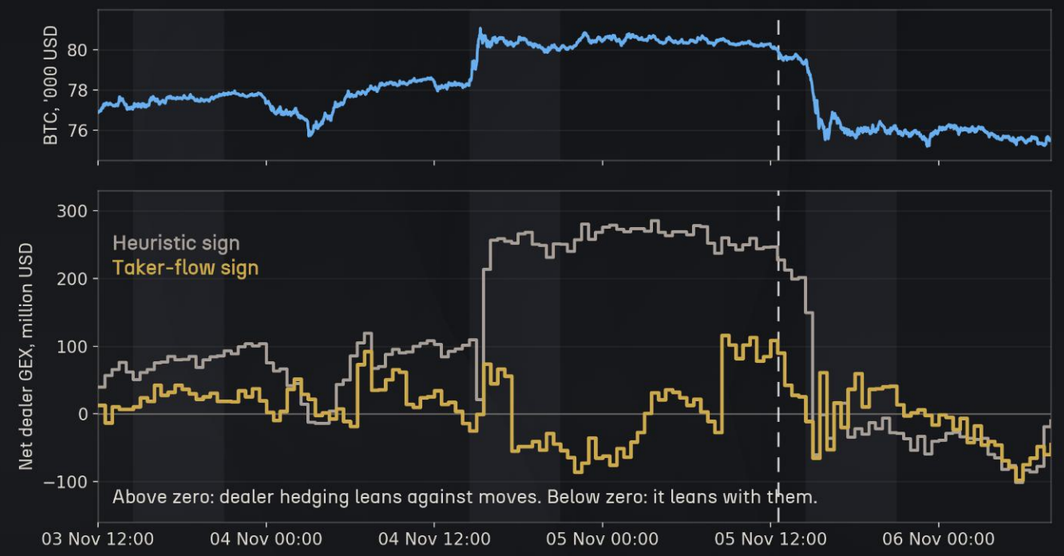
Over these three days it happened eight times where that rate predicts fewer than two. Once at 14:50 UTC on Wednesday as the rally broke out, with a 7-day z-score of 6.6. Then in a cluster of five inside ninety minutes from 15:10 UTC on Thursday, as the fall ran. Both clusters came with the move. Neither came before it, which is the honest reading of this plate.

The flow was loud during both storms. Who was on the other side of it, braced or not? →

THE TERRAIN

06 TWO DEALER SIGNS, TWO DIFFERENT BOOKS.

NET DEALER GAMMA EXPOSURE (GEX), BTC, EVERY STRIKE AND EXPIRY, UNDER TWO SIGNS



Every strike and expiry, every 30 minutes. Shaded: US sessions. Dashed: crypto turns, 12:33 UTC.

Dealer gamma exposure, hereafter GEX, says how much hedging dealers must do as spot moves. Positive, they buy dips and sell rallies, a cushion under the price. Negative, they chase the move. It all depends on who is short each option. The usual convention assumes dealers are short all of them, while Cayø Largo also reads the dealer side strike by strike from the trades that built the open interest.

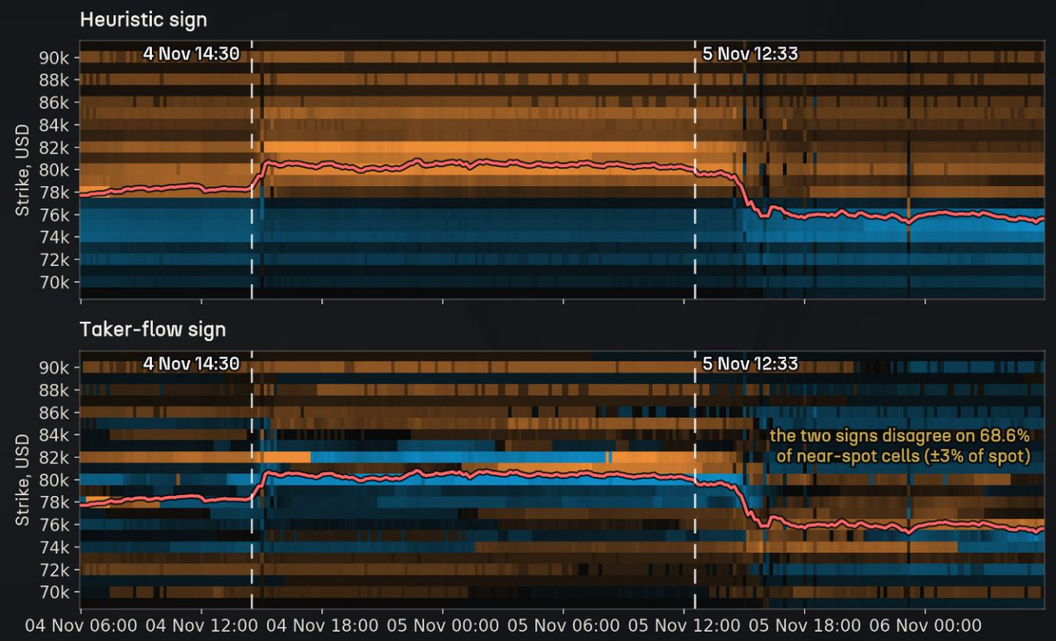
The two agreed on barely a third of strikes. On the plateau the convention showed dealers long about 250 million USD of gamma. The trade-signed book showed between −27 and +116 million USD, close to flat. The cushion on a conventional chart was not there.

A total can hide a lot. Strike by strike, the two books look even less alike. →

THE TERRAIN

06 GAMMA BY STRIKE UNDER THE DROP.

DEALER GEX BY STRIKE OVER TIME, BTC, 4 TO 6 NOVEMBER: CONVENTIONAL SIGN ABOVE, TAKER-FLOW SIGN BELOW



Net dealer GEX per 1,000-USD strike bin, all expiries summed. Same strikes and cycles in both panels, one shared scale.

The same book drawn twice. In the upper panel every option is assumed to be held short by dealers and the picture is tidy: dampening gamma below spot, amplifying gamma above it, the textbook pin. In the lower panel the dealer side comes from the trades at each strike and the tidiness disappears into a patchwork of both signs.

Within 3% of spot, where hedging actually matters, the two disagree on the sign in 68.6% of strike-cycles. Neither panel is a measurement of dealer inventory, which nobody outside the dealers has. That is why we show both and lean on neither.

Not everyone was caught unhedged. Six days earlier someone had bought 2,000 puts at a strike that looked far away. →

THE 74,000 PUT

07 BOUGHT SIX DAYS EARLY.

BTC AND THE 13 NOVEMBER 74,000 PUT: OPEN INTEREST AND MARK, 28 OCTOBER TO 6 NOVEMBER



Block trades (gold): 2×1,000 on 29 Oct, 75 on 5 Nov. Entry premium ~$2.45M. Mark is spike-filtered.

On 29 October BTC had just lost 3.2% in an hour. Three hours later, at 23:44 and 23:46 UTC, two blocks bought 1,000 contracts each of the 13 November 74,000 put, 5% below spot, at about 47% implied volatility. Together they paid 2.43 million USD. Open interest at that strike went from 132 contracts to over 2,000 overnight.

For a week the trade looked wrong. At the rally top on Wednesday the 2,000 puts had lost about 73% of their value. The fall brought them back to roughly what was paid. By Friday morning open interest had grown to 4,204 contracts, so others had joined at the same strike. The puts expire on 13 November and we will know then.

A put buyer who waited. And the traders who sold the election volatility everyone said was overpriced? →

PREMIUM PAID, 29 OCT

2.43M USD

2,000 contracts

AT THE RALLY TOP

-73%

of the premium

OPEN INTEREST, 6 NOV

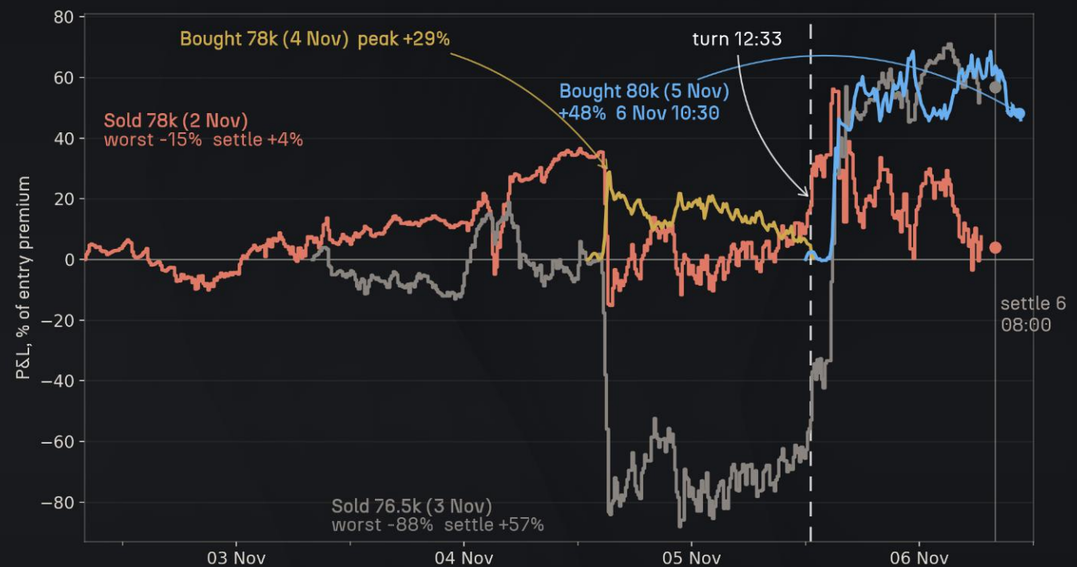
4,204

from 132 on 28 Oct

WHO GOT PAID

08 THE VOTE SELLERS. RESCUED BY THE FALL.

PROFIT AND LOSS OF FOUR AT-THE-MONEY STRADDLES, % OF THE PREMIUM PAID OR RECEIVED



P&L as % of entry premium. 3-cycle median spike filter. Settlement from TWAP delivery price 75,504.63.

Before the vote several practitioners argued that election volatility was overpriced and should be sold. We took them at their word and ran the trade. A seller of the 6 November 76,500 straddle at 08:00 UTC on 3 November collected 2,308 USD per BTC. By 22:40 UTC on Wednesday the rally had taken that position to -88% of its premium.

Then the fall rescued it. BTC settled at 75,504.63 USD on Friday morning, close enough to the strike for the seller to keep 57% of the premium. A day earlier the same trade had been nearly dead. The buyers fared the other way round: the 13 November straddle bought at 13:00 UTC on Wednesday was flat a day later, while the one bought at noon on Thursday was up 48% by the next morning.

All that money moved through a book that bent badly for one hour. How badly? →

SOLD 76,500, WORST MARK

-88%

at 22:40 UTC, 4 Nov

SOLD 76,500, AT SETTLEMENT

+57%

of the premium kept

BOUGHT NOON 5 NOV

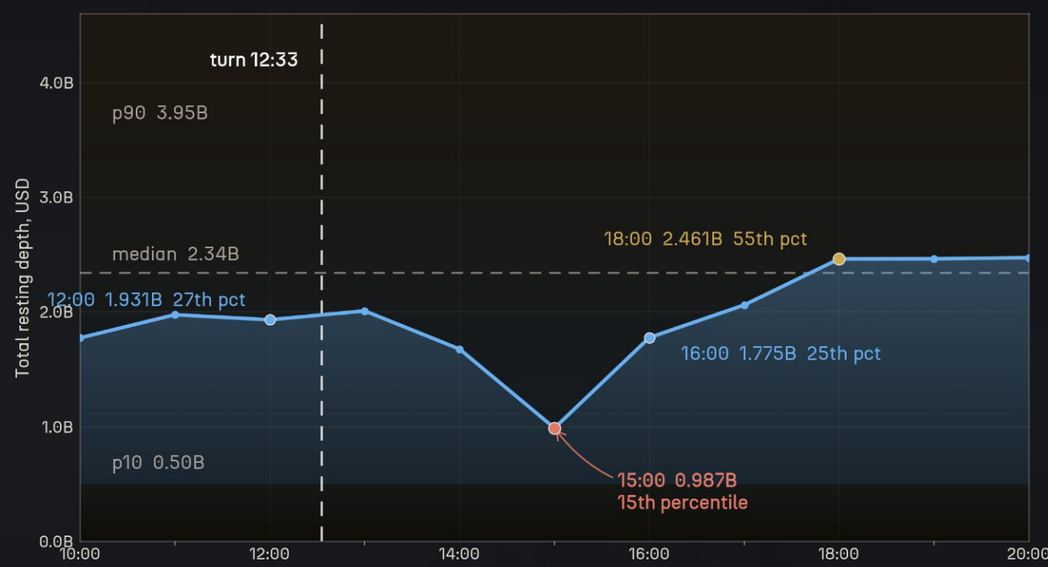
+48%

by 10:30 UTC, 6 Nov

LIQUIDITY

09 THE BOOK THINNED. THEN CAME BACK.

TOTAL RESTING DEPTH IN BTC OPTIONS UP TO 30 DAYS, HOURLY, AGAINST ITS 90-DAY RANGE



Total resting depth, BTC options DTE ≤30, 5 Nov UTC. Band = 10th–90th percentile of 90-day history to 4 Nov.

In Issue 02 we watched the book empty out as BTC surged in August, to the thinnest reading in our archive. This time it bent and came back. At noon on Thursday resting depth across BTC options up to 30 days stood at 1.93 billion USD. At 15:00 UTC, in the worst hour, it had halved to 0.99 billion USD, the 15th percentile of its 90 days.

By 18:00 it was 2.46 billion USD, above its 90-day median. The makers stepped back for the fall and stepped forward again within three hours.

Options makers came back fast. So did the leverage in futures, which had left before anyone else. →

DEPTH AT NOON

1.93 BN USD

27th percentile

DEPTH AT 15:00

0.99 BN USD

15th percentile

DEPTH AT 18:00

2.46 BN USD

back above the median

LEVERAGE

09 OUT BEFORE. BACK IN AFTER.

BTC PERPETUAL: OPEN INTEREST IN USD AND THE 8-HOUR FUNDING RATE, 1 TO 6 NOVEMBER

Deribit BTC-PERPETUAL, hourly, 1–6 Nov. Funding rate is the 8-hour settlement rate.

Open interest in Deribit's BTC perpetual drifted lower through the plateau, from 663.7 million USD at midnight on Thursday to 631.9 million USD at 13:00, down 4.8% while the price barely moved. We have not measured how often such a drift happens on a quiet day, so we read it as a description, not a signal. After the fall it came back fast, to 712 million USD by 08:00 on Friday.

Funding never turned negative and peaked at 0.0171% per eight hours at 15:00 UTC, in the middle of the fall. Our archive is missing BTC perpetual trades between 14:20 and 15:10 UTC on Thursday, which is why this page reads positioning from open interest rather than from the tape.

Two storms, then. But how big was the second one, measured against everything we have recorded? →

HOW RARE

09 THE DROP WAS RARE. THE RALLY LESS SO.

THE TWELVE SHARPEST 60-MINUTE DROPS AND RISES IN BTC SINCE 26 FEBRUARY 2026

Rolling 60-min close-to-close % changes, episodes at least 6 h apart, end time UTC. BTC, 26 Feb to 6 Nov 2026.

The fall was the second-sharpest hour in our 1-minute archive, which runs from 26 February 2026: -4.15% in the sixty minutes to 15:27 UTC. Only 25 June was worse, at -4.98%. The rally ranks sixth on the way up, +3.56% to 15:17 UTC on Wednesday. Over a full day it was the 31st best of 253.

The two storms were not equal: the rally was merely a good day. The fall was one of the two worst hours BTC has had since February. The options book met it at its calmest.

And after the storm? We read the market's own odds the morning after, strike by strike. →

FALL, 60 MINUTES

-4.15%

2nd of 253 days

RALLY, 60 MINUTES

+3.56%

6th of 253 days

WORST HOUR ON RECORD

-4.98%

25 June 2026

THE BOARD

10 BTC'S ODDS AFTER THE STORM.

THE MARKET'S ODDS OF BTC SETTLING ABOVE EACH STRIKE, FIVE EXPIRIES, 08:00 UTC 7 NOVEMBER

	10 NOV	20 NOV	27 NOV	25 DEC	29 JAN
90,000		1% -0.6	2% -0.9	9% -1.3	16% -0.9
88,000		2% -0.8	4% -1.1	13% -1.1	20% -0.6
86,000		3% -1.0	6% -1.1	17% -0.8	24% -0.2
84,000	0% -0.4	6% -1.1	11% -1.0	22% -0.4	28% +0.3
82,000	1% -0.7	12% -0.9	18% -0.5	28% +0.3	34% +0.9
80,000	3% -1.4	22% -0.8	27% +0.5	36% +1.1	40% +1.5
78,000	16% -1.5	36% +1.6	40% +1.8	44% +2.1	46% +2.3
76,000	52% +1.6	53% +3.4	53% +3.2	52% +3.0	52% +3.0
74,000	85% +3.7	69% +4.7	66% +4.2	61% +3.8	58% +3.7
72,000	96% +2.5	81% +5.8	77% +4.6	68% +4.4	65% +4.3
70,000	99% +1.4	89% +4.6	85% +4.5	75% +4.8	70% +4.8
68,000	100% +0.9	94% +3.9	90% +4.0	81% +4.9	75% +5.1
66,000		96% +3.1	94% +3.4	86% +4.8	80% +5.3

SPOT 76,014

The large figure in each cell is the market's odds of BTC settling above that strike, smile included, as we built them in Issue 03. The small one is how far the smile moves those odds from the textbook's $N(d_2)$, in percentage points.

On the morning of 7 November the board gives BTC 53% odds of settling above 76,000 on 20 November and 40% above 80,000 on 29 January. Below spot the smile adds 3 to 5 percentage points on every expiry beyond a week. Two days earlier protection was cheap. Now the book charges for a further fall more than the textbook would.

The board describes the book this morning and forecasts nothing. What the three days added up to closes this issue. →

Cayø Largo

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HALCYON WATERS

IN SHORT

CALM BETWEEN TWO STORMS.

Tuesday's vote was the storm everyone could see coming and the options book priced it well, in the front week and nowhere else. The premium left before the rally.

Then came eighteen hours of calm, which turned out to be the story. By Thursday noon the 7-day ATM IV was the cheapest of the week, 6.5 vol points under the volatility just delivered, with the flattest skew of the event. The curve kept widening into contango until 14:30, two hours into the slide. When the second storm arrived it was the second-sharpest hour since February. The book repriced after it rather than before.

The second storm came from outside crypto, from a repricing of US equities. Nothing in a crypto book had been charging for it. We looked for an advance signal in the implied level, the curve, the skew, the premium over realized, the cohort flows and the large-lot taker flow. None gave one: the large-lot flow turned bearish at noon, yet that pattern fired 568 times in our archive and preceded a 2% drop within three hours only ten times.

None of this forecasts the next move. It shows how a liquid options book can look most at ease exactly when it has least reason to. The 74,000 puts bought on 29 October expire on 13 November. We will report what they paid.

Sources. Options, futures and spot from Deribit, read by Cayø Largo every ten minutes; BTC option trades for 14:40 to 15:45 UTC on 5 November from Deribit's public trade history; equity indices from public quotes.

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