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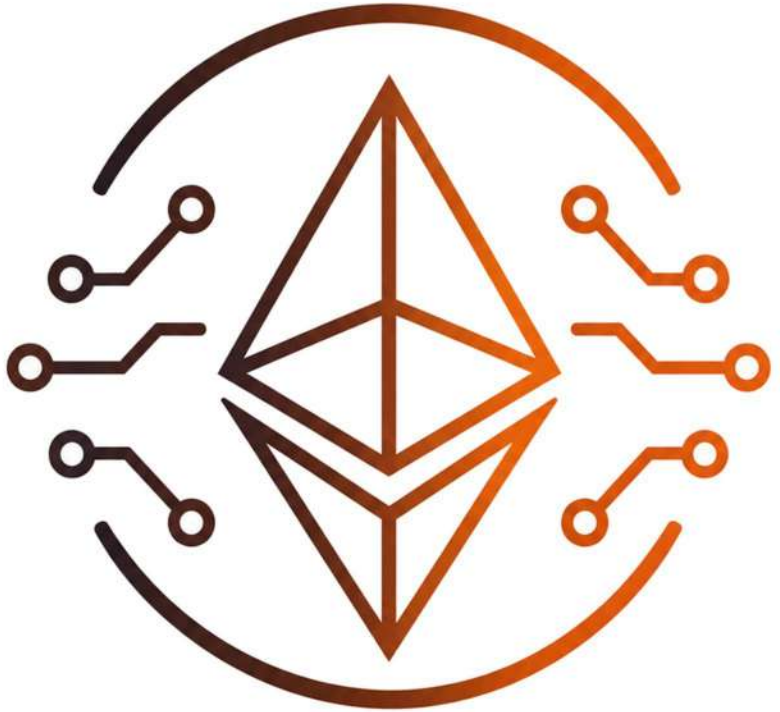
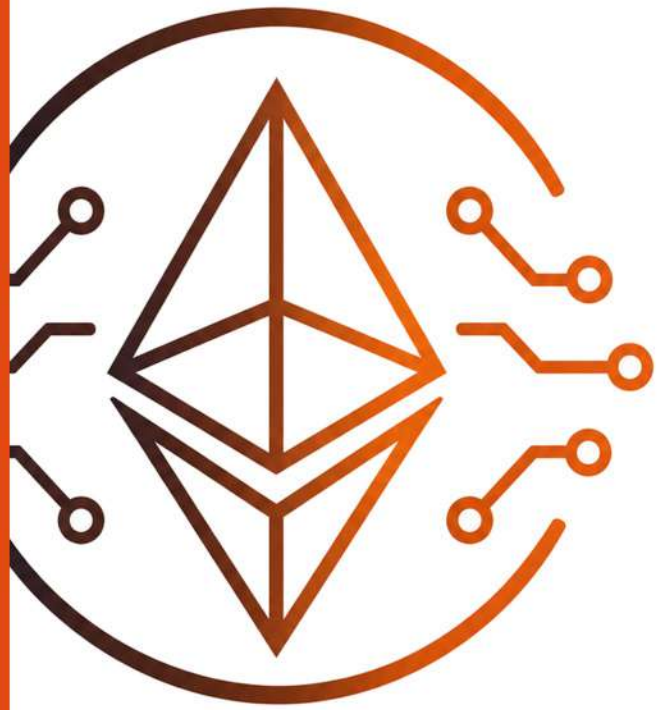
ETHEREUM

THE QUIET BEFORE THE MOVE





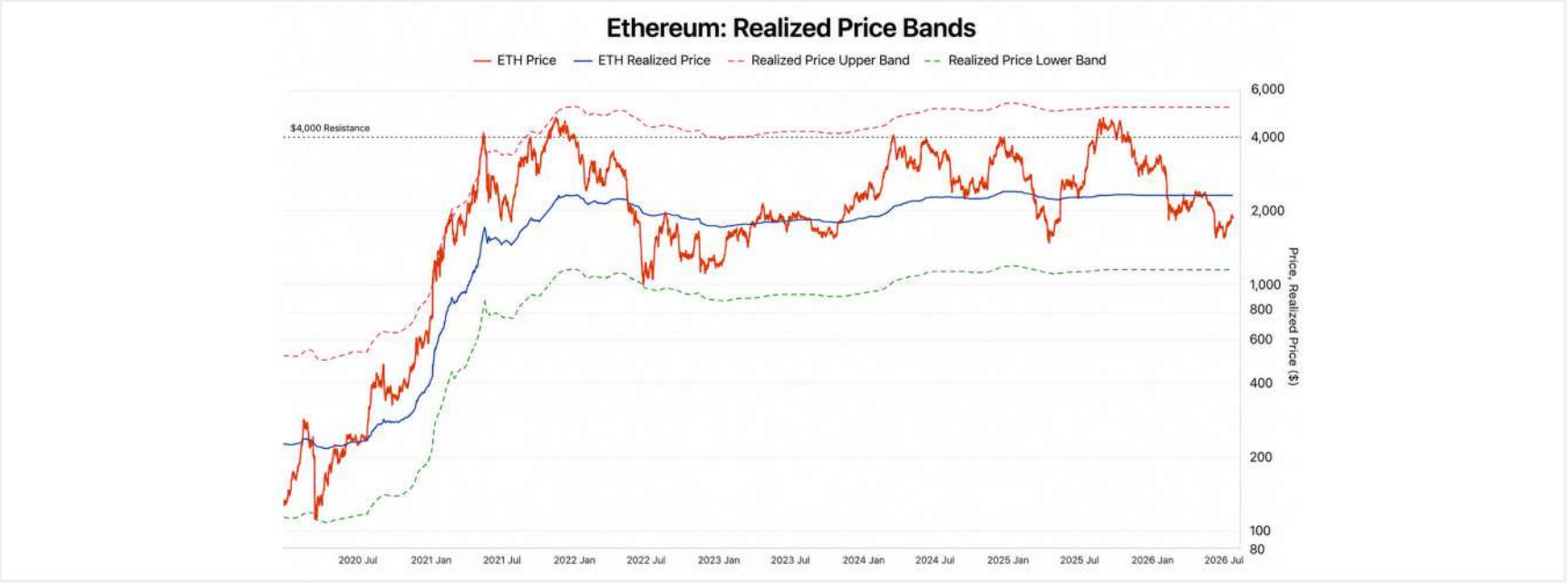
A SCENARIO FRAMEWORK FOR A POTENTIAL ETHEREUM VALUATION ZONE

Every cycle, the same question is asked: Has ETH bottomed yet?

The evidence reviewed in this report does not yet confirm that a durable market bottom has formed. However, current on-chain valuation and market-structure conditions justify examining a potential downside valuation range. This report combines cost-basis metrics, derivatives positioning, and historical price structure to explain that range, the supporting historical context, and its limitations. The analysis is intended to provide a structured valuation framework rather than a prediction of future price movements or investment advice.

THE COST BASIS ARGUMENT

The simplest way to understand ETH's valuation relative to its historical cost basis is through the price at which circulating ETH last moved on-chain. Realized price represents the aggregate cost basis of ETH based on its last on-chain movement. When ETH trades below this level, it indicates that the market is trading below its aggregate on-chain cost basis, although this metric alone does not confirm seller exhaustion. Fig. 1 The middle line tracks ETH's realized price, the volume-weighted price at which circulating ETH last moved on-chain. The outer bands represent historical deviations around this cost basis. ETH has traded below or near realized price during several major correction phases, highlighting periods of historically lower valuation. The lower band represents a deeper historical valuation region that has coincided with previous cycle lows, but it should not be interpreted as a guaranteed bottom indicator. At the time of this report, ETH remains below or near its aggregate realized price, suggesting a historically discounted valuation relative to its on-chain cost basis. However, trading below realized price alone does not confirm that a market bottom has formed.



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WHY WE ARE NOT CALLING IT DONE

A market bottom is typically assessed using several partly related indicators drawn from different analytical categories, including valuation, derivatives positioning, and price structure. Fig. 2 presents ETH's MVRV Z-Score, which standardizes the difference between Ethereum's market capitalization and realized capitalization using the historical standard deviation of market capitalization. The metric is calculated as (Market Capitalization − Realized Capitalization) ÷ Standard Deviation of Market Capitalization. At the report's market-data snapshot, the MVRV Z-Score had entered the green valuation band shown in Fig. 2, a region that has historically coincided with previous Ethereum cycle lows. While this provides additional valuation context, a single indicator is not sufficient to confirm that a market bottom has formed. Historically, multiple valuation, derivatives-positioning and price-structure observations have aligned during major market lows, although no individual indicator or combination of indicators can guarantee that a cycle bottom has been established.

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WHY WE ARE NOT CALLING IT DONE

Over the past six months (February–July 2026), the ETH funding rate chart suggests that funding conditions remained mostly close to neutral, with occasional positive and negative spikes, as shown in Fig. 3. Funding is a useful indicator of leverage positioning, but it should not be viewed as a standalone signal for identifying market bottoms. During the same period, ETH experienced significant price volatility, declining sharply, recovering, and then falling again before a partial rebound. The displayed period does not show sustained, broad-based negative funding across exchanges; instead, it shows mostly near-neutral conditions with isolated positive and negative spikes. Because this chart does not compare current funding with previous Ethereum cycle lows, it is used here only as a contemporaneous leverage-positioning indicator and not as historical bottom confirmation.

THE TAKEAWAY

ETH is below realized price and inside a historically low MVRV region. Capitulation has not yet been confirmed across all major indicators simultaneously. This does not necessarily indicate further downside, nor does it confirm that a market bottom has formed. Instead, it highlights the importance of evaluating multiple related signals and historical context when assessing the current market environment.

METHODOLOGY & LIMITATIONS

This analysis uses historical price, on-chain valuation and market data, with data cutoffs stated throughout the report. Historical comparisons cover two completed ETH cycles, while monthly-candle windows were manually defined and only completed down-closing candles were counted. Volume analysis uses Bitstamp ETH/USD only, representing a single-exchange dataset. The $1,050–$1,350 range is an analyst-defined synthesis based on historical valuation, drawdown behaviour and long-term price structure; it is not a precise price target. Historical observations do not guarantee future outcomes.

This report was prepared independently by the Foxian research team. As with any research involving cryptoassets, readers should be aware that potential conflicts of interest may exist and should conduct their own independent research before making any decisions.

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WHY WE ARE NOT CALLING IT DONE

Fig. 4 shows that previous Ethereum market cycles included extended correction-and-recovery phases before major directional moves developed. In the two completed historical examples shown, price moved through broad correction, recovery, and expansion phases before stronger directional trends emerged. Where volume figures are displayed, they represent Bitstamp ETH/USD market volume only and should not be interpreted as total Ethereum market volume. These observations provide historical context rather than evidence of a fixed or repeating cycle, and the market structure observed at the time of this report shares some visual similarities with those historical periods but historical analogies should not be interpreted as evidence that the current cycle will follow the same timeline or produce the same outcome.

Price was trading above this support zone at the time of the report's market-data snapshot. This area is important because it aligns with the broader region where ETH found support near its 2022 cycle low and later revisited the area with a long lower wick during the 2025 correction before recovering, as shown in Fig. 5. These historical reactions suggest that this has been a meaningful support area during previous market declines. The proposed $1,050–$1,350 downside valuation range overlaps with this historical support region and should be considered alongside the valuation and historical observations discussed throughout this report rather than as a precise prediction of future price behaviour.

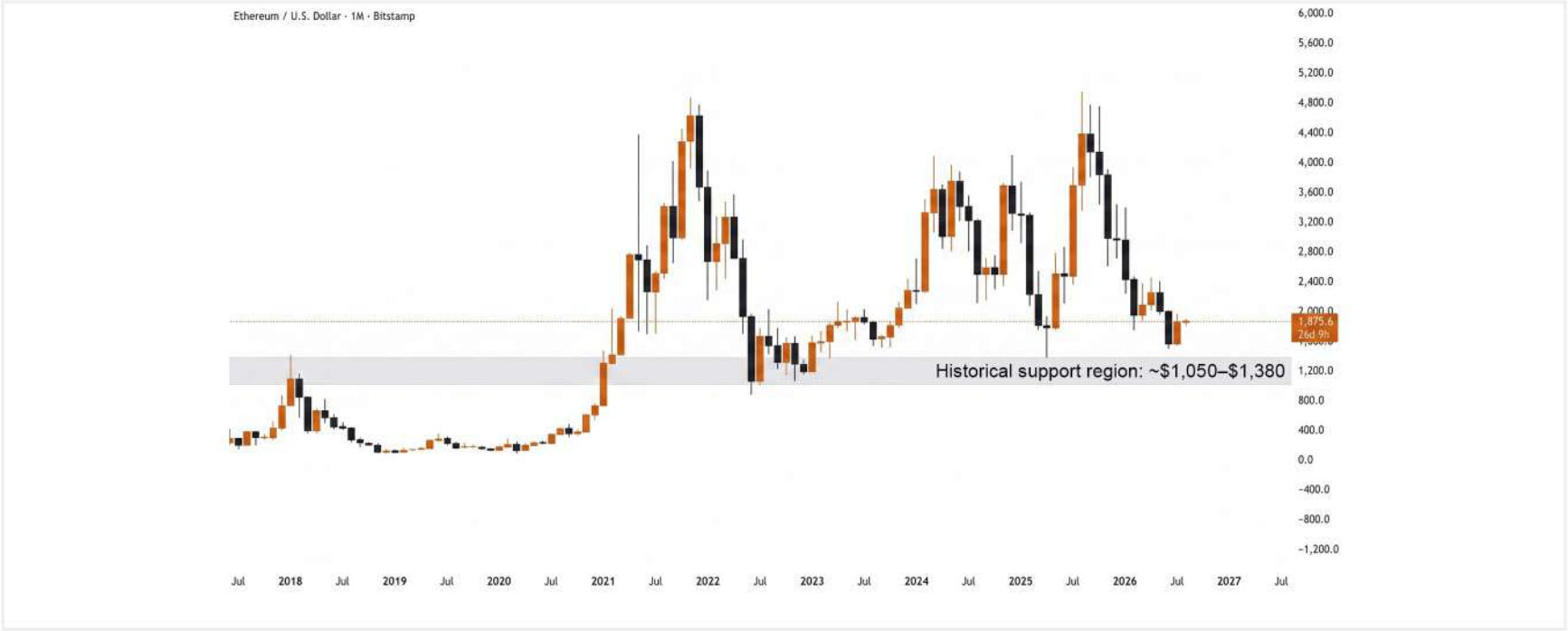


Fig. 6 counts down-closing monthly candles within manually defined bear-market periods, excluding any positive months in between. The two previous bear-market periods each produced nine such candles before eventually turning, while the current period has produced eight so far, as of the report's market-data cutoff. Historically, this is close to where the prior two cycles stood shortly before their reversal, which makes it a useful reference point when assessing how far the current correction has progressed though it is not a guarantee that this cycle will behave the same way. The candle count is one part of the broader picture built throughout this report, alongside the $1,050–$1,350 downside valuation range, and should be read together with those observations rather than in isolation.

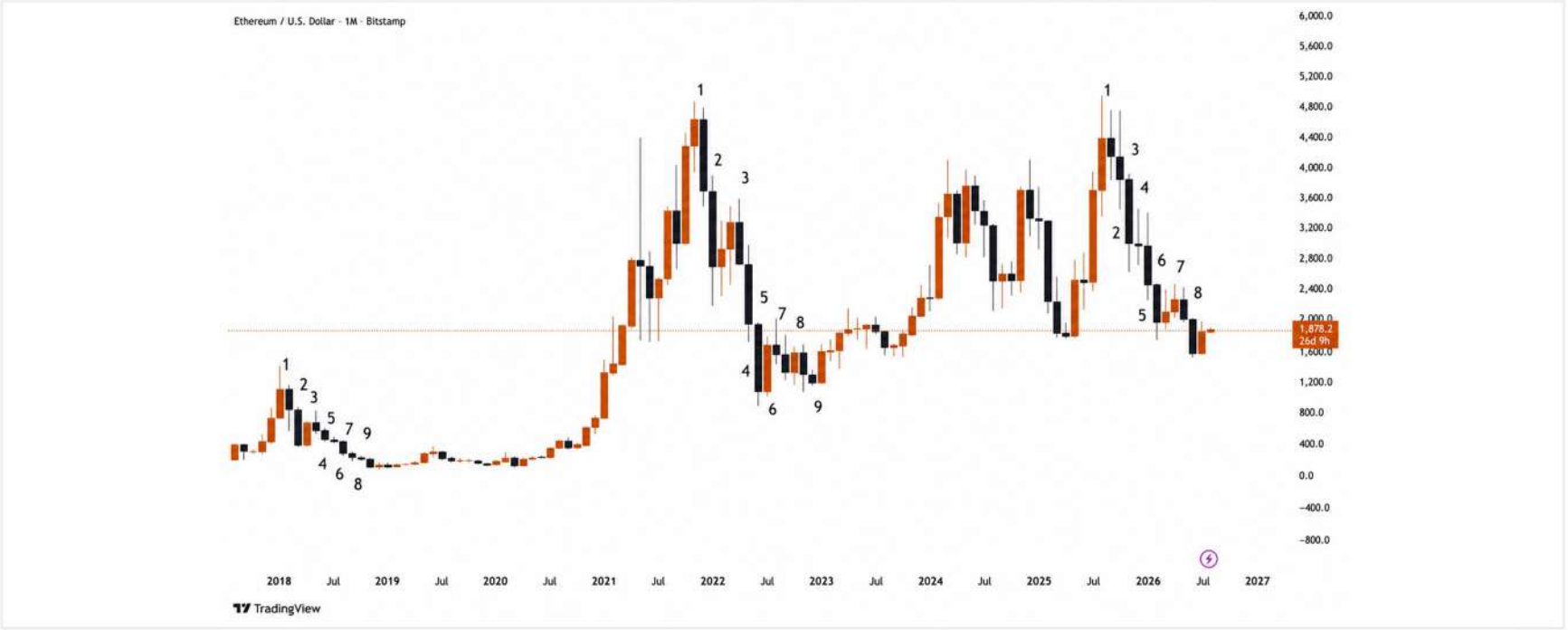
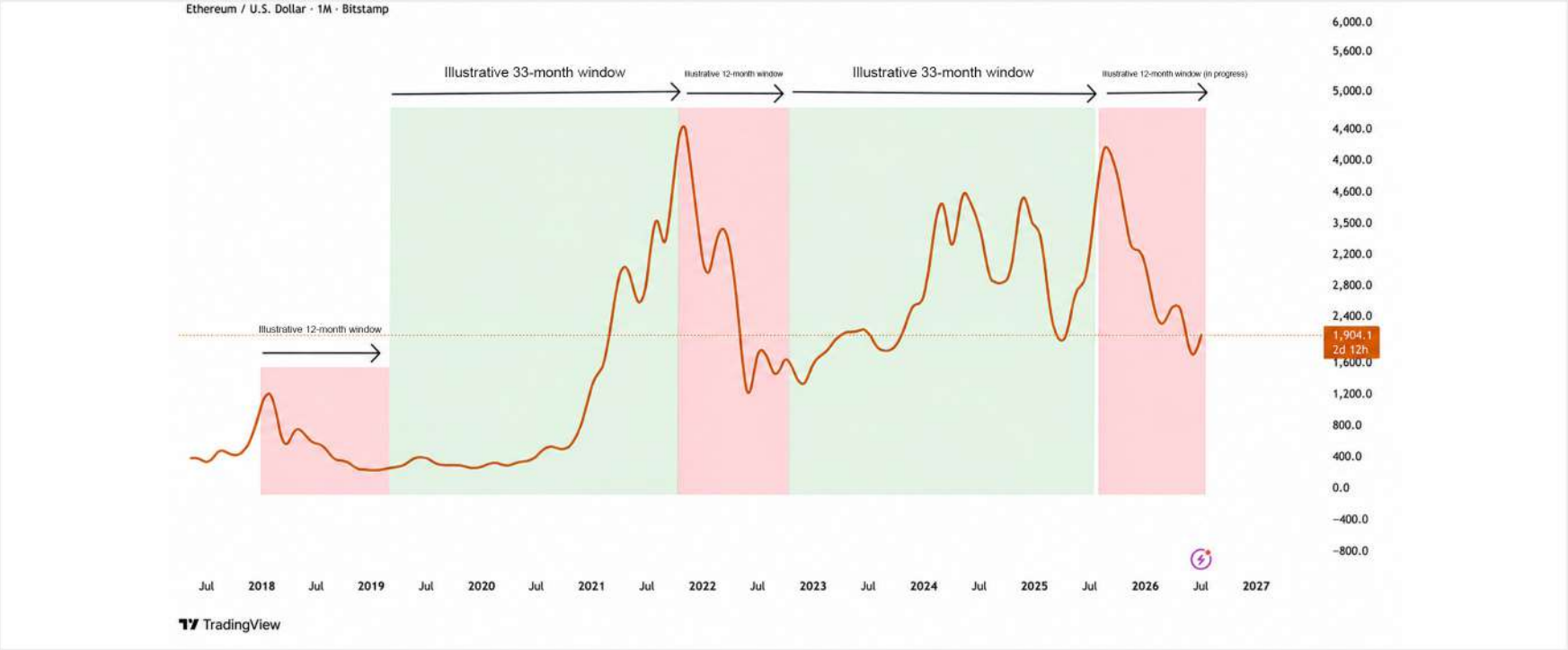


Fig. 7 applies fixed 12-month and 33-month windows to the ETH/USD monthly chart to compare broad correction, recovery and expansion phases. These windows are illustrative visual segments rather than measurements from exact cycle highs to exact cycle lows. The repeated durations should therefore not be interpreted as evidence of a fixed or recurring Ethereum market timetable. Taken together, the historical support region (Fig. 5), broader market structure (Fig. 6), and fixed-window comparison in Fig. 7 provide historical context rather than evidence of a fixed or repeating cycle. None of these observations independently confirms that a market bottom has formed, nor should they be interpreted as a prediction of future market behaviour.



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WHY WE ARE NOT CALLING IT DONE

No single price can identify an Ethereum market bottom in advance. This report therefore defines an analyst-selected downside valuation range in which several historical valuation and support observations overlap.

ANALYST-DEFINED DOWNSIDE VALUATION RANGE

$1,050–$1,350

The proposed $1,050–$1,350 range is an analyst-defined synthesis of historical valuation references and long-term price structure. It is not the output of a single quantitative model, a confidence interval, or a guaranteed support area. ETH's Realized Price was approximately $2,304, while the Realized Price Lower Band was approximately $1,152. The lower band is used here as a valuation reference rather than as a standalone signal that a market bottom has formed. The proposed range is also informed by long-term market structure. As shown in Fig. 5, the range overlaps the 2022 bottoming and monthly-closing region, although the 2022 intramonth low extended below the shaded range. It also overlaps the lower portion of the 2025 correction. This historical overlap provides context but does not establish that the same support will hold in the future. Figures 4 and 7 provide additional historical context on broad market-cycle and price-structure behaviour. These observations are used as supporting references rather than as direct mathematical calculations of the proposed range. Taken together, these observations support consideration of $1,050–$1,350 as a potential downside valuation range. The lower boundary extends below the cited lower-band reference, while the upper boundary of $1,350 was selected because it aligns with the upper portion of the historical support region shown in Fig. 5, providing a modest buffer below the top of the range while remaining within the observed 2022 and 2025 support zone. The final range should therefore be understood as an analyst-defined scenario, not as a mechanically derived price target. As with all historical analysis, the range is a conditional, judgement-based scenario rather than a probability-based estimate or precise prediction.

METHODOLOGY

Reference	Value
Realized price	$2,304
Realized-price lower band	$1,152
Historical support region	$1,050–$1,380
Final analyst-defined scenario	$1,050–$1,350

Construction: Rounded analyst synthesis of the lower-band reference and the historical support region. It is not generated by a single mathematical formula and should not be interpreted as a guaranteed support area, exact target, confidence interval, or investment recommendation.

HOW TO INTERPRET THIS FRAMEWORK

The $1,050–$1,350 range should be viewed as a potential downside valuation scenario rather than a precise price target. As discussed throughout this report, the range is informed by several related historical observations, including on-chain valuation, historical drawdown behaviour and long-term price structure. Market bottoms rarely form at a single price. They can develop over time, with price moving within, briefly below, or back above important support areas before a sustained recovery begins. For that reason, this range is intended to provide context for interpreting market conditions rather than identifying an exact bottom or implying that price must reverse from this area. The purpose of this analysis is to highlight how several related historical observations point toward a similar downside region. It is designed as a research framework for understanding the current market cycle and should not be interpreted as a prediction of future price movements or a recommendation to take any specific investment or trading action.

FINAL THOUGHTS

None of this is about calling the exact market bottom, because no indicator or analytical framework can do that with certainty. At the report's market-data cutoff, Ethereum remained above the proposed $1,050–$1,350 range. The range therefore represents a materially lower valuation scenario rather than an immediate price level. While valuation metrics point to improving long-term value, the type of broad capitulation that has historically marked definitive cycle lows has not yet been fully confirmed. That distinction between improving value and a confirmed trend reversal remains important. Historical patterns can provide useful context, but they do not guarantee future outcomes. The analysis presented in this report is intended solely for educational and research purposes, offering a structured framework for evaluating current market conditions in the context of previous Ethereum cycles. It should not be interpreted as financial advice or as a recommendation to buy, sell, or hold any asset.

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