BULLS, BEARS, AND MARKET WEATHER

Vajgrt Labs - Education - Lesson 13 of 72 - 5 min read - Updated Oct 21, 2026

TL;DR

- Bull market = a rising market; bear market = a falling one; a range = sideways between two shelves. Weather words, not magic ones.

- You'll hear 'bear market' defined as a 20% fall from a high (and bull as 20% up from a low) - a newsroom convention, not a law of physics.

- Regimes are clearest in hindsight and useless as orders: they tell you what kind of game you've been playing, not what happens next.

THE TAKEAWAYS

- Uptrend (bull weather): higher highs and higher lows - each push up goes further than the last, and each dip stops sooner. One day's positioning - where SPY sits between the Sheet's walls and its tipping line - is the same idea in miniature; a regime is that idea over weeks and months.

- Downtrend (bear weather): lower highs and lower lows. Rallies are shorter, dips are deeper, and 'cheap' keeps getting cheaper - the trap Stage 3 teaches you to respect.

- Range (sideways): price bounces between a floor and a ceiling. Markets spend much of their time here - including Oct 15, 2026: no clean trend, stairs pointing both ways.

- The 20% convention: news outlets often declare a bear market at -20% from a high. Useful shorthand, declared late by construction - the fall has already happened when the label arrives.

RULE: Name the weather before you plan the trade - but trade the plan, not the label. A regime tells you the game's recent rules, never its next play.

COMMON MISTAKES

- Treating 'bear market declared' as a sell signal. The declaration trails the move it describes.

- Fighting the stairs: buying every dip in a downtrend because 'it's cheap now.'

- Assuming a range lasts forever. Corridors end - and the exit from a range is where Stage 3 starts paying attention.

- Confusing a one-day drop with a regime. Weather is a pattern of highs and lows over weeks, not a single candle.

DO IT - CALL THE WEATHER

Open a 6-month SPY chart in your app. In your journal, write today's weather (stairs up, corridor, or stairs down) and the two highs and two lows that prove it. Repeat every Friday for a month. You're building the top of the chart routine that Stage 3 formalises.

Education only - not financial advice. SPY fund facts: State Street SPDR S&P 500 ETF Trust page, checked Oct 15, 2026. SPY Sheet figures: vajgrtlabs.com/spy, Oct 15, 2026. Vajgrt Labs - Education.