Bitcoin price nearly hits $60K but traders still see bearish September

Bitcoin’s early comeback may last just one week as the ninth month of the year also portends problems for gold.

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Bitcoin traded near $59,000 on Sept. 3 after a last-minute comeback delivered 3.2% daily gains.

BTC/USD 1-day chart. Source: TradingView

BTC price: “Green” first week could be September outlier

Data from Cointelegraph Markets Pro and TradingView showed promising Bitcoin (BTC) price action before the week’s first United States trading session.

Weakness around the monthly and weekly close did not last long, as despite a US market holiday, BTC/USD spiked to highs of $59,800 overnight.

“Constructive closes & confirmations, looking pretty good now,” popular trader Skew summarized in his latest analysis of the four-hour chart on X.

BTC/USDT 4-hour chart. Source: Skew

Skew noted that the price needed to complete various prerequisites to confirm upward continuation, among them a reading above 50 on the four-hour relative strength index (RSI). At the time of writing, this was at 48.9.

“Going forward would want to see the monthly open bought by passive buyers on pullbacks,” he added.

BTC/USD 4-hour chart with RSI data. Source: TradingView

Having started off in classic style, traditionally “red” September now began to look more interesting to market participants.

Fellow trader Daan Crypto Trades thus considered the odds of a mixed month ahead.

“So consensus is: September Bad, Q4 Good. What if: September insanely good, Q4 more chop/bleed. Now that would be pretty typical for this cycle,” part of an X post read.

In further analysis, he nonetheless acknowledged that “even in the bad months, the first week was green more often than not.”

BTC/USD 1-week chart. Source: Daan Crypto Trades

Others saw standard behavioral patterns, albeit with a bullish outcome waiting in the wings.

“Dull market, which is usually the end stage before the party begins,” Michaël van de Poppe, founder and CEO of trading firm MNTrading, continued.

“Regarding price action on $BTC: You'd really need to get a breakout above $61K to get the momentum back in the markets, otherwise, we continue to have this downward trend for a while.”

BTC/USDT 1-day chart. Source: Michaël van de Poppe/X

Bitcoin, gold face familiar challenge

In its latest market bulletin to Telegram channel subscribers, trading firm QCP Capital warned that gold, which set a new all-time high in August, may join crypto heading downward.

Related: A classic ‘Rektember?’ 5 Things to know in Bitcoin this week

This status quo could remain in place until October, which has historically been much more bullish.

“September is typically a bearish month not just for crypto but across all asset classes (with bonds lower in 8 out of the last 10 Septembers and Gold lower every year since 2017),” it wrote.

“October, however, has the strongest bullish seasonality, with BTC showing positive returns and an average gain of 22.9% in 8 out of the last 9 Octobers.”

QCP concluded that “if this pattern plays out again this year, it would be strategic to accumulate during the September dip and take profits in October or toward the year-end.”

This article does not contain investment advice or recommendations. Every investment and trading move involves risk, and readers should conduct their own research when making a decision.

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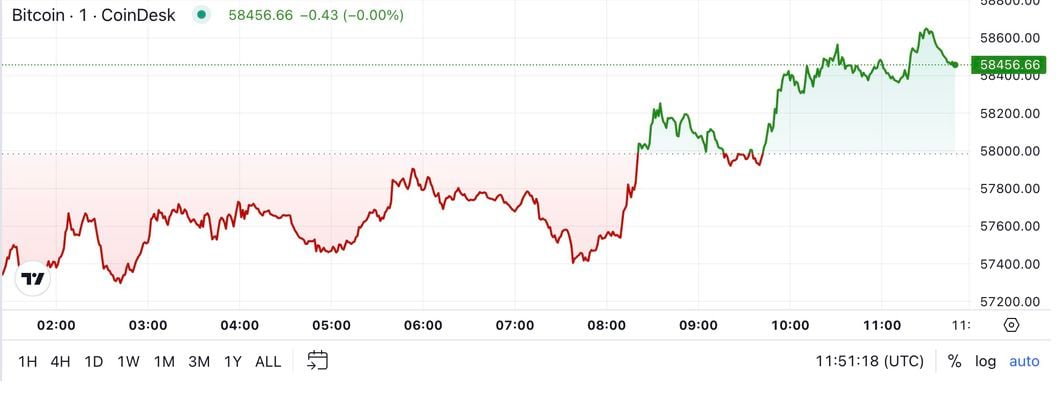
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**First Mover Americas: Bitcoin Sits Around $58.5K at Start of Historically Bearish September**

**The latest price moves in crypto markets in context for Sept. 2, 2024.**

By [Jamie Crawley](https://www.coindesk.com/author/jamie-crawley/)

Sep 2, 2024 at 8:25 a.m. EDT

(CoinDesk)

***This article originally appeared in*** [***First Mover***](https://www.coindesk.com/newsletters/first-mover/)***, CoinDesk’s daily newsletter, putting the latest moves in crypto markets in context.*** [***Subscribe to get it in your inbox every day***](https://www.coindesk.com/newsletters/first-mover/)***.***

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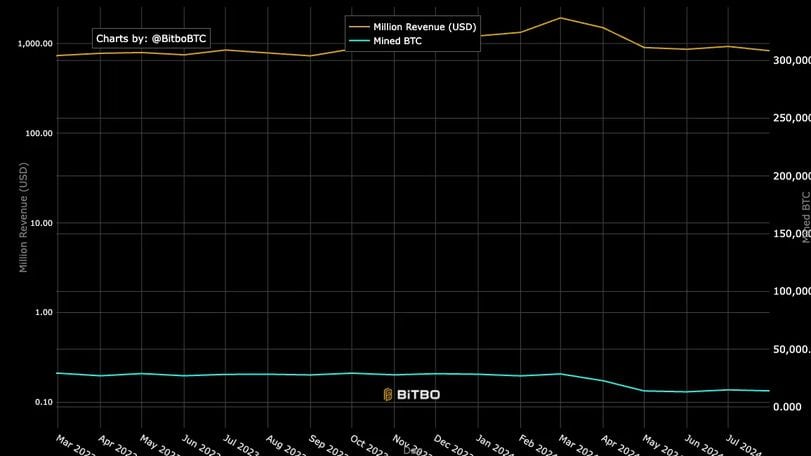
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**Bitcoin fluctuated** [**around the $58,000 mark**](https://www.coindesk.com/price/bitcoin/) **amid a generally sedate market on Labor Day in the U.S.** The largest cryptocurrency was trading around $58,600 at the time of writing, about 1% higher in 24 hours. The broader digital asset market has risen 0.9%%, according to CoinDesk Indices data, with ETH and SOL gaining around 1.9% and 0.5%, respectively. U.S.-listed exchange-traded funds (ETFs) tracking BTC posted total net outflows of $175 million on Friday, extending a losing streak to four days. Ether ETFs had zero net inflows or outflows despite $173 million in trading volume, data tracked by SoSoValue shows.

**Some traders noted that** [**September is generally one of bitcoin's most bearish months**](https://www.coindesk.com/markets/2024/09/02/bitcoin-drops-toward-575k-extends-weekly-loss-to-10-at-start-of-seasonally-bearish-september/)**, but said that an interest-rate cut by the Fed could break the trend.** “September is a historically negative month for bitcoin, as data shows it has an average value depletion rate of 6.56%,” Innokenty Isers, founder of crypto exchange Paybis, said. “Should the Feds cut the interest rate in September, it might help bitcoin rewrite its negative history as rate cuts generally lead to excessive US dollar flow in the economy – further strengthening the outlook of bitcoin as a store of value.”

**Election punters on Polymarket are** [**favoring Republican candidate Donald Trump again**](https://www.coindesk.com/markets/2024/09/02/donald-trumps-harris-on-polymarket-once-again/) **as Democrat Kamala Harris’ odds slipped to 47% over the weekend from even odds earlier.** Harris’ appeal has drifted lower in the past weeks among traders on Polymarket, while Trump’s has gradually climbed back over 50%. He is again in the lead after nearly two weeks of even odds. Traders have placed $99 million in on-chain bets on Trump winning the election, with over $95 million put on Harris. Harris’ odds have slipped amid outcry for a proposal to tax unrealized gains for people worth over $100 million. Meanwhile, Trump’s odds have increased as he promotes a forthcoming decentralized finance project that could offer “high yields” for crypto users.

**Chart of the Day**

(Bitbo)

* The chart shows that bitcoin miners' revenue fell in August to the lowest level since September 2023.
* This was accompanied by an increase in the bitcoin mining difficulty and decrease in the number of BTC mined.
* This highlights the challenge that miners face in adapting to the post-halving world.
* Source: Bitbo

*- Jamie Crawley*

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Bitcoin prices may drop by up to 20% if Fed cuts interest rates: Bitfinex

Sabrina Toppa

Tue, Sep 3, 2024, 2:28 PM EDT2 min read

If the U.S. Federal Reserve slashes interest rates for the first time in four years later this month, bitcoin analysts at Bitfinex forecast the price of the world’s largest cryptocurrency may potentially drop by up to 20%.

“This is because the positive correlation with traditional asset classes, such as U.S. equities, indicate that global economic conditions will continue to influence bitcoin’s price for now,” the firm told TheStreet Crypto.

There are a variety of factors leading to the change in bitcoin prices, from signs of cooling inflation, signals of a weakening job market, and a statement last month from Federal Reserve chairman Jerome Powell about the looming cuts. “The time has come for policy to adjust,” Powell said. “The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook and the balance of risks.”

While bitcoin has normally underperformed in September, Bitfinex analysts underscored that a negative outcome was not guaranteed and that positive price momentum was still possible.

“September has traditionally been a volatile month for bitcoin, with an average return of 4.78% and a typical peak-to-trough decline of 24.6%,” Bitfinex analysts said. “This volatility is often attributed to the end-of-the-summer trading lull, as fund managers return from vacation and human-driven trading activity increases. The anticipated rate cut in September adds another layer of complexity, potentially exacerbating the marketʼs volatility.”

“This historical price action for September also aligns with our view of a projected 20% drop in bitcoin prices following a rate cut. However, itʼs worth noting that historical trends also show that when August ends in the red, September has occasionally defied expectations and delivered positive returns,” they added. “This could provide a counterargument to the assumption that September will necessarily be a bearish month for bitcoin.”

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BOGOTÁ, Colombia (AP) — Thousands of Colombians were forced to walk to work on Tuesday, as truckers in major cities blocked highways to protest a recent increase in the price of diesel fuel. Truckers unions have said that plans by the government to eliminate diesel fuel subsidies would push their businesses to the brink of bankruptcy, while the administration of left-wing President Gustavo Petro argues it must phase out subsidies to cut a growing budget deficit and direct more funds to education and health. On Saturday, the government raised the price of diesel fuel to around $2.90 per gallon, an increase of 50 cents, following numerous meetings with truckers unions.

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Bitcoin Could Drop 20% After Fed Rate Cuts in Bearish Case, but Weak September Presents Buying Opportunity: Analysts

Bitfinex suggested bitcoin could fall to as low as $40,000 in a bearish scenario.

By Krisztian Sandor

AccessTimeIconSep 3, 2024 at 12:22 p.m. EDT

Bull and Bear (nosheep/Pixabay)

Bull and Bear (nosheep/Pixabay)

A 25 basis point Federal Reserve cut would be positive for markets, but a higher 50 point move would signal growing concerns of a recession and a deeper correction for risk assets, Bitfinex said in a report.

A September price drop would present a buying opportunity with a seasonally strong period ahead, K33 said.

Worn down by months of lackluster price action, crypto investors were looking forward to the Federal Reserve cutting interest rates in September as a catalyst for a bull move, but escalating recession fears could bring a deeper correction, according to analysts at Bitfinex.

Bitcoin (BTC) could drop as much as 15%-20% following a September rate cut if the easing cycle is paired with a recession, wrote the team. That would translate to a bottom somewhere in the $40,000-$50,000 range.

"Typically, rate cuts are perceived as bullish catalysts for risk assets," they wrote. "A 25 basis point rate cut would likely mark the beginning of a standard rate-cutting cycle, which could lead to long-term price appreciation for BTC as recession fears ease. Such a move would signal the Fedʼs confidence in the economyʼs resilience, reducing the likelihood of a severe downturn."

Alternatively, a larger 50 basis point cut might result in a short-lived 5%-8% spike for BTC only to be erased by growing concerns of an oncoming recession and more pain for asset prices, Bitfinex added.

"This would mirror past instances where aggressive rate cuts initially boosted asset prices, only for the gains to be tempered by rising economic uncertainties," the authors said.

Read more: The Bullish Fed Rate-Cut Play in Bitcoin Is Not as Straightforward as You Think

Seasonal effects aren't in bitcoin's favor either, they said, noting September is one of the weakest months of the year in crypto.

Fed funds rate and bitcoin price since 2015. (Bitfinex/MicroMacro)

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Brighter months after September

All the doom and gloom for the month ahead could present an attractive buying opportunity for investors with more favorable months coming after, crypto analytics firm K33 Research argued in a report.

"Buying blood in September to build exposure for Q4 has historically been the best spot strategy," said Vetle Lunde, senior research analyst at K33.

The period from October to April has been historically the strongest time for bitcoin. "An investor opting to buy the October open and sell the April close would have seen 1,449% returns since 2019, while a trader opting for the opposite strategy would have seen net negative returns," Lunde said

There are also some positive catalysts for a strong year-end, the report added.

The large selling pressure from various government entities and Mt. Gox have mostly abated, while about $14.5 billion of funds will be redistributed to FTX creditors later this year, with bulls hoping a part of that money will be reinvested in the crypto market.

Edited by Stephen Alpher.

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