

March 2020







Issue #1

This week:

Volatility in financial markets in tandem with the monthly close have made for a much-updated issue of TechnicalRoundup to kick off the month of March.

In this week's issue we analyse Bitcoin/Dollar following a breakdown from the mid-\$9000s area and offer a critical view of the current bounce. We also look at Ethereum/Dollar and paint a slightly more positive image as all the high time frames converge around the \$200 price level. We round up this week's issue with analysis of the Altcoin/Bitcoin majors, and discuss flight-to-quality as Ethereum/Bitcoin remains rangebound.

The market at a glance:

 Bitcoin	BTC	\$160,679,579,485	\$8,804.38	18,249,950 BTC	\$41,774,648,547	-0.90%	-0.07%	-7.32%
 Ethereum	ETH	\$25,099,458,116	\$228.30	109,942,142 ETH	\$19,896,065,255	-1.28%	0.64%	-11.02%
 XRP	XRP	\$10,302,181,683	\$0.235320	43,779,512,655 XRP *	\$2,541,598,091	-1.02%	-0.25%	-10.38%
 Bitcoin Cash	BCH	\$6,045,623,418	\$330.17	18,310,525 BCH	\$29,107,699,528	-1.33%	1.60%	-8.97%
 Bitcoin SV	BSV	\$4,562,219,293	\$249.20	18,307,640 BSV	\$2,961,482,408	-1.02%	4.68%	-6.44%
 Litecoin	LTC	\$3,926,928,731	\$61.16	64,210,600 LTC	\$5,427,844,306	-1.44%	1.61%	-16.33%
 EOS	EOS	\$3,362,086,118	\$3.65	920,613,433 EOS *	\$4,821,124,130	-1.09%	0.76%	-10.98%

<https://coinmarketcap.com/coins/views/all/>

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Editors' Note

Dear reader,

Thank you for subscribing to TechnicalRoundup. We are grateful for your readership and hope that you stay with us for many future issues.

The premise behind this newsletter is simple: you get all your high time frame charts for the most important digital assets in one place. Same place, same time, every week.

Whether you are a short-term trader looking for a bias heading into the week, or a cautious investor trying to get a sense for this new asset class, we are confident that there is something you will find valuable in the coming pages.

We are not a signals service. That much is obvious. What we can offer you, however, is something better: a logical framework, a consistent method, and robust analysis. Every week.

We are not perfect. We will get things wrong. When we do, you will know because we will discuss them thoroughly. If the markets are unclear or uninteresting, we will not force out analysis that we do not believe to be compelling. Whilst we can not promise perfection, we will do our utmost to be honest and transparent.

Enough text, you must want to see some charts at this point!

We hope you enjoy TechnicalRoundup.

If for any reason you do not, or have feedback for us of any kind, it will be graciously received via email at letters@technicalroundup.com.

Best regards,

A stylized, handwritten signature in black ink, appearing to be the initials 'AS' with a large loop.

Suad Akhundov

A handwritten signature in black ink that reads 'David Hackl' in a cursive script.

David Hackl

1. Bitcoin/Dollar

Monthly



<https://www.tradingview.com/x/5hI9pkUH/>

Note: Price levels are rounded and are not intended to be exact. Data feeds differ. This is applicable to all data in the newsletter.

Resistance levels

\$13860 – Highest monthly close that preceded Bitcoin's first significant sell-off, acted as resistance and formed the top of the 2019 rally

\$10760 – Trend resistance

\$9240 – First monthly lower high that formed the weekly range low

Current price – \$8760

Support levels

\$7730 – Last up move (resistance) that preceded the bear market

\$6380 – Broken range low support

\$4340-\$4740 – Cluster preceding record high price

Summary

Bias: Bearish.

Current price action: Closed below \$9240 level.

Awaiting: Test of support at \$7730.

Invalidation: Close above \$9240 would shift bias from bearish to bullish.

Analysis

Following February's close, our monthly bias for Bitcoin/Dollar is bearish.

Our argument throughout February was that price closing above \$9240 was bullish and continuation was the more probable route. Our invalidation criterion, namely a close below \$9240, materialised at the end of last month. Accordingly, our bias on this time frame is now bearish.

Monthly support rests at \$7730. This level remains untested from when price reentered and broke out of the monthly range at the end of January.

\$9240 remains an important level, not least due to its multi time frame confluence. In our view it is still the clearest technical level for invalidation. A close above \$9240 would revert our bias to bullish.

Weekly

TechnicalAnalysisCharts published on TradingView.com, March 03, 2020 14:07:49 UTC
CONBASE (BTCUSD, 1W \$775.40 Y -159.00 (-1.79%) D 11322.30 H 10715.40 L 10087.33 C 8775.40
Binance / U.S. Dollar, 1W, CONBASE



<https://www.tradingview.com/x/wSQUzCAI/>

Resistance levels

\$11470 – Range high

\$10590 – Range midpoint

\$9600 – Range low

\$8730 – Range midpoint

Current price – \$8760

Support levels

\$7860 to \$8050 – Range low

Summary

Bias: Bearish.

Current price action: Closed below support (\$8730).

Awaiting: Test of support (\$7860–\$8050).

Invalidation: Close above \$8730 would shift bias to neutral.

Analysis

Our weekly bias is bearish following a close below support (\$8730) after the breakdown from major support at \$9600.

In last week's issue our bias was bullish on this time frame as Bitcoin/Dollar closed the week above \$9600. This view was invalidated following a loss of support at that level. Moreover, failure to establish support at \$9600s also means that the higher high on the weekly time frame resulted in a failed breakout. This is a compelling sign of weakness.

At the time of writing, price is bouncing from an area of support in the mid-\$8000s. There are a couple of good reasons to be cautious. First, price closed below support (\$8730) in this area. Until it is reclaimed on the weekly time frame, the more probable outcome is that it will act as resistance before the weekly close. Second, \$8730 is the closest level of support on this time frame below \$9600. As per the preceding paragraph, the broader context is bearish following a loss of support at \$9600. In our view, when price loses a key level and finds support after an impulsive move, the first level of support is seldom trend reversing i.e. it is more likely to lead to a lower high or short-term bounce rather than completely reverse the bearish impulse.

Invalidation on this time frame is twofold. First, closing above \$8730 would shift our bias from bearish to neutral. Reclaiming support would be a sign of strength, or a retracement at the very least. Should there be bullish continuation in those circumstances, reclaiming \$9600 would shift our bias from neutral to bullish.

Daily

TechnicalAnalysisCharts published on TradingView.com, March 03, 2020 14:08:12 UTC
CONBASE (BTCUSD, 1D \$750.47 Y -345.53 (-1.85%) D \$713.21 H \$757.45 L \$737.80 C \$750.47
Bitcoin / U.S. Dollar, 1D, CONBASE



<https://www.tradingview.com/x/aPWSKMA/>

Resistance levels

\$10940 – Range high

\$10170 – Short-term range high

\$9470 – Multi-touch support/resistance flip level

\$9164 to \$9280 – Cluster

\$8910 – Multi-touch support/resistance flip level

Current price – \$8760

Support levels

\$8590 – Range high

\$7860 – Range low

\$6910 – Range low

Summary

Bias: Bearish.

Current price action: Closed at resistance (\$8909).

Awaiting: Price to respect resistance in confluent \$9000 area.

Invalidation: Close above \$9280 would shift bias to bullish.

Analysis

Our daily bias is bearish following a loss of support at \$9470 and subsequent close below resistance at \$8909.

In last week's issue our bias was neutral as there was growing evidence of weakness at support. It is worth briefly discussing this idea. TechnicalRoundup's approach is conservative. We will largely presume that levels will do their job until proven otherwise. In the absence of such evidence, the most we can shift our bias is from bullish at support to neutral at support, for example. We do not cater for bearish outlooks at levels of support with our approach.

As with the weekly chart, the broader context is that key resistance failed to act as support. Specifically on the daily chart, the uptrend was characterised by prior levels of resistance acting as support. This price pattern has been firmly violated following failure at \$9470. This is good evidence of trend reversal.

Bitcoin/Dollar is currently sandwiched between support and resistance. Resistance is the level at \$8909. We have titled this as the first trouble area or 'FTA'. In other words, it is the nearest resistance to price. Support is the old range high at \$8590, which has also been a pivotal level. The most recent daily candle in Bitcoin/Dollar closed right at resistance, with slight differences across different data feeds. As before, in order for us to shift bias at a level, we like to see decisive breaks which are suggestive of imbalance at the level. Given price closed at resistance, our daily bias is bearish. Additionally, as explained in the upcoming paragraph, a break of FTA is not enough to form a bullish bias.

Invalidation is tricky on this time frame. Purely technically, breaking FTA is usually a good sign of bullish continuation. In other words, a close above \$8909 would be bullish. However, there is multi-time frame resistance as early as \$9200 (monthly and daily resistance). There is not much space for price between breaking FTA and reaching high time frame resistance. Accordingly, a close above \$8909 would shift our bias from bearish to neutral given the break of FTA, but we would not be rushing to get positioned in the mid-\$9000s area given the confluence of resistance just above.

Conclusion

Bitcoin/Dollar is in an area of high time frame support but the broader technicals look weak following a loss of support in the mid-\$9000s area. The preceding uptrend was characterised by higher highs, higher lows, and levels of previous resistance acting as support. This structure was firmly invalidated in the past week when support at \$9500s was broken. This is good evidence of trend reversal. Price is currently reacting to the first area of support in the mid-\$8000s area following a steep decline, but the high time frame candle closes (specifically monthly close below \$9240 and weekly close below \$8730) have not been favourable.

As comforting as claims regarding Bitcoin being uncorrelated may seem, it is also worth watching global financial markets (specifically U.S. equities) heading into this week. Bitcoin and even Gold sold off alongside equities, likely suggesting that investors are willing to liquidate other investments to keep their equities positions afloat. Markets rallied on Monday at the open, but if selling continues into the week then we expect Bitcoin/Dollar to show weakness as well.

Time frames are reasonably aligned in our Bitcoin/Dollar analysis. February's monthly close was bearish after closing below \$9240. The weekly chart is bearish, having lost a key technical support level (\$9600) after a higher high, which can now be interpreted as a failed breakout. Price also closed below weekly support at \$8730. The daily chart is bearish until resistance at \$9280 is broken. With regards to invalidation, the most conservative view would be to treat anything less than a weekly close back above \$9600 as bearish. This is reasonable in our view and somewhat analogous to Bitcoin/Dollar's \$6000 floor i.e. below it the technicals are suggestive of weakness and uninteresting, but bullish continuation above the level is likely.

To conclude, the \$9600 breakdown is a very technically significant event and a bearish one at that. Bitcoin/Dollar is in an area of support, but more must be done to convince us that rallies are trend-reversing as opposed to counter-trend bounces. The clearest proof would be price reclaiming \$9600 on the weekly time frame, with the more aggressive daily version being a reclaim of \$9164-\$9280.

2. Ethereum/Dollar

Monthly



<https://www.tradingview.com/x/KxkqwqBdl/>

Resistance levels

\$268 to \$290 – Range high

\$200 – Range midpoint

Current price – \$227

Support levels

\$106 to \$131 – Range low cluster

Summary

Bias: Bearish.

Current price action: Closed below range high (\$268–\$290).

Awaiting: Test of range midpoint (\$200).

Invalidation: Close above range high (\$268–\$290) would shift bias to bullish.

Analysis

Our monthly bias is bearish following a test and rejection from the range high (\$268-\$290).

Ethereum/Dollar has moved from one side of the monthly range to the other, and resistance has been respected. This further supports our argument that Ethereum/Dollar is building a range, defined by support at \$106-\$131, resistance at \$268-\$290, and a midpoint at \$200.

Given that the range high has been respected, we await a test of the range midpoint. This would be the logical technical outcome following a move from range low to range high without a breakout from the range. It takes some time to materialise given we are dealing with monthly candle closes, but it is nonetheless important to have it predefined. Invalidation takes two forms. First, a close above \$290 on the monthly time frame would shift our bias from bearish to bullish. Second, Ethereum/Dollar pulling back to the range midpoint (\$200) and finding support would shift our bias from bearish to neutral.

Weekly

TechnicalAnalysisCharts published on TradingView.com, March 03, 2020 16:42:35 UTC
CONRAD ETHUSD, 1W 225.13 ▼ -8.59 (-3.81%) O 217.18 H 234.50 L 215.75 C 225.13
Ethereum / U.S. Dollar, 1W, CONRAD



<https://www.tradingview.com/x/e26QnsAG/>

Resistance levels

\$360 – Broken swing low support turned resistance

\$274 – Support/resistance flip level

\$212 to \$223 – Cluster

Current price – \$227

Support levels

\$212 to \$223 – Cluster

\$189 – Multi-touch support/resistance flip level

\$140 to \$151 – Cluster

\$106 – Higher low formed around psychological \$100 level

Summary

Bias: Neutral.

Current price action: Pulled back to cluster support (\$212-\$223) and closed below cluster top.

Awaiting: Close through either cluster boundary (\$212, \$223).

Invalidation: Bias will be derived from cluster (\$212-\$223) breakout or breakdown.

Analysis

Our weekly bias is neutral following a pullback and close within cluster support (\$212-\$223).

In last week's issue our bias was neutral and we argued for a pullback to support following a close at resistance (\$274). This has materialised and Ethereum/Dollar is trading within a very important technical structure.

The reason we are neutral as opposed to bullish on this pullback is based on the weekly close. As mentioned *passim*, we essentially use clusters as range boundaries. In this case, price closed above the range low (\$212 cluster bottom) but below the range high (\$223 cluster top).

Given its technical significance, invalidation remains premised on this \$212-\$223 weekly structure. A close above the cluster top (\$223) would shift our bias from neutral to bullish. This would be good evidence of bullish continuation from support. Alternatively, a close below the cluster bottom (\$212) would shift our bias from neutral to bearish.

Daily



<https://www.tradingview.com/x/YgoJwkqk/>

Resistance levels

\$241 to \$249 – Cluster

\$231 – Multi-touch support/resistance flip level

Current price – **\$227**

Support levels

\$199 – Broken range low

\$158 – Multi-touch support/resistance flip

Summary

Bias: Bearish.

Current price action: Closed at resistance (\$231).

Awaiting: Test of support (\$199).

Invalidation: Close above \$231 would shift bias to neutral.

Analysis

Our daily bias is bearish following a close at resistance (\$231).

In last week's issue we largely deferred to the weekly time frame, and the bearish impulse from high time frame resistance has since materialised. Price did not make a higher high (meaning our neutral bias remained intact) and the \$231 pullback level is currently acting as resistance.

As before, the mid \$200s is quite technically congested. Last week was a good example of navigating those circumstances by focusing on higher time frames.

Our current view is that a bearish daily bias is reasonable as long as resistance (\$231) is intact. Resistance holding would be suggestive of a deeper pullback to a clean technical level at \$199.

As with Bitcoin/Dollar, daily bearish invalidation in Ethereum/Dollar may not be terribly helpful. Even if resistance at \$231 is broken, while it would technically shift our bias to neutral, there is good technical resistance at \$241-\$249. In our view, pullbacks present much better risk-defined opportunities than continuation setups in the mid-\$200s.

Broader context is also important. Namely, Ethereum/Dollar has moved from monthly range low (\$106-\$131) to monthly range high (\$268-\$290). In these instances we like to take a step back and let the dust settle at least one time frame lower i.e. the weekly before getting a clear read. In our view, deferral to the weekly time frame is wise.

Conclusion

Ethereum/Dollar found support at a critical weekly level (\$212–\$223) following a rejection from monthly resistance (\$268–\$290). The monthly close below resistance is suggestive of a test of the range midpoint (\$200). Overall, it is important for Ethereum/Dollar to establish a base around the \$200 price mark. It is a confluent area of support, and any bullish arguments become significantly less forceful if the monthly midrange (also at \$200) is lost, as that would indicate a move towards the monthly range low (\$106–\$131).

Time frames are reasonably aligned in our Ethereum/Dollar analysis. While the monthly time frame is bearish given the range high rejection, the logical target for the move i.e. the range midpoint (\$200) would essentially keep lower time frame support structures intact. The weekly chart closed above cluster support (\$212) but did not break out of the cluster itself (\$223), which would be a bullish trigger and serve as strong evidence of continuation from weekly support. The daily chart is technically bearish following a close at resistance (\$231) but, as before, the weekly time frame is clearer than the rest.

To conclude, Ethereum/Dollar looks slightly stronger than Bitcoin/Dollar purely in terms of structure given it held its major weekly support (\$212–\$223) whereas Bitcoin/Dollar closed through support this week. The daily time frame may offer further chop as price has not impulsively broken through any structure, but higher time frames converge around \$200. If that area, which is the monthly midrange and weekly support, stays intact then our bias will be neutral or bullish. Price has made its way from range low (\$106–\$131) to range high (\$268–\$290) and support has held on the pullback. As before, we like to avoid getting too directional immediately after a macro move is complete and prefer to wait for further clues.

3. Ethereum/Bitcoin

Weekly



<https://www.tradingview.com/x/fWqkW7Ue/>

Resistance levels

฿0.0393 to ฿0.0409 – Long-standing cluster

฿0.03139 – Range midpoint

Current price – ฿0.026

Support levels

฿0.0244 – Long-standing, multi-touch support/resistance flip level

฿0.0161 – Range low

฿0.0096 to ฿0.0107 – Cluster that preceded the lowest low

Summary

Bias: Bullish.

Current price action: Reclaimed range low (฿0.0244) and testing it as support.

Awaiting: Move towards range high (฿0.0393–฿0.0409).

Invalidation: Loss of support at ฿0.0244 would shift our bias to bearish.

Daily



<https://www.tradingview.com/x/bwPQVPTH/>

Resistance levels

฿0.0280 – Range high

Current price – ฿0.026

Support levels

฿0.0251 – Range low

฿0.0225 – Range high

฿0.0210 – Range low

฿0.0192 – Range high

฿0.0175 to ฿0.0180 – Cluster – Multi-touch support/resistance flip level

Summary

Bias: Bullish.

Current price action: Testing support (฿0.0218).

Awaiting: Test of resistance (฿0.0280).

Invalidation: Loss of support (฿0.0218) would shift bias to bearish.

Analysis

Our Ethereum/Bitcoin weekly and daily biases are aligned and bullish following a close above the key weekly level at \$0.0244.

Since inception, we have argued that \$0.0244 is the best technical level on the Ethereum/Bitcoin chart. Moreover, we have maintained that reclaiming that level on the weekly time frame would shift our bias from bearish to bullish and we would expect a significant swing higher given a macro range reclaim after a long period of consolidation. This materialised in the past week, and that level is aligned on the daily and weekly time frames, hence our bullish bias on both.

Ethereum/Bitcoin not only shows relative strength of Ethereum against Bitcoin, but it is also used as a proxy indicator for strength in Altcoin/Bitcoin pairs. As long as \$0.0244 support is held, we expect strength in this pair to translate to strength in Altcoin/Bitcoin pairs more broadly. This argument will be developed further in our Altcoin/Bitcoin conclusion section.

Given that the weekly range low (\$0.0244) has been reclaimed, we expect a move towards the weekly range high (\$0.0393–\$0.0409). The nearest meaningful weekly barrier between the range boundaries is the range midpoint at \$0.03139.

Invalidation would take the form of losing support at \$0.0244. This would signify a failed weekly range reclaim and shift our bias from bullish to bearish. Given that weekly and daily levels are aligned, a daily close below \$0.02512 would be early (and thus more tentative) evidence that the weekly range reclaim has not been successful. Confirmation, as mentioned, would take the form of a weekly close back below \$0.0244.

4. Litecoin/Bitcoin

Weekly



<https://www.tradingview.com/x/ugxHJht5/>

Resistance levels

฿0.00995 – Long-standing, multi-touch support/resistance flip level

฿0.00705 – Long-standing, multi-touch support/resistance flip level

Current price – ฿0.00696

Support levels

฿0.00614 to ฿0.0054 – Cluster that preceded the lowest low

฿0.00478 – Last up move before the lowest low

Summary

Bias: Bearish.

Current price action: Closed below support ฿0.00705.

Awaiting: Test of support (฿0.00614–฿0.0054).

Invalidation: Close above ฿0.00705 would shift bias to bullish.

Daily



<https://www.tradingview.com/x/rXw85eCJ/>

Resistance levels

₺0.00781 – Range high

Current price – ₺0.00696

Support levels

₺0.00710 – Multi-touch support/resistance flip level

₺0.00643 – Multi-touch support/resistance flip level

₺0.00617 – Range low

Summary

Bias: Bearish.

Current price action: Closed below support (₺0.00710).

Awaiting: Test of support (₺0.00643).

Invalidation: Close above ₺0.00710 would shift bias to bullish.

Analysis

Our Litecoin/Bitcoin bias is bearish following a loss of weekly support (฿0.00705).

In last week's issue, our bias was bullish as price remained above the ฿0.00705 key weekly level. We have argued in previous issues that this level is essentially the sole determinant of our high time frame view. Litecoin/Bitcoin closed below it last week, thus shifting our bias from bullish to bearish.

This weekly weakness was reflected on the daily time frame as price lost support within its daily range following a close below ฿0.00710, which has since acted as resistance. This loss of support is the reason for our bearish daily bias.

Invalidation is also premised on the ฿0.00705 level. Closing above it on the weekly time frame would shift our bias from bearish to bullish. This would also mean a daily reentry back into the range that worked well in the past few weeks.

5. XRP/Bitcoin

Weekly



<https://www.tradingview.com/x/6LktskBf/>

A sat (short for Satoshi) is a one hundred of a millionth of ₿1 or ₿0.00000001

Resistance levels

₿0.00004322 to ₿0.00004650 – Broken cluster support

₿0.00003273 – Range high

₿0.00002981 – Range low

Current price – ₿0.00002678

Support levels

₿0.00002193 – Weekly candle open that preceded a violent rally

₿0.00001527 – Weekly candle close that preceded a violent rally

Summary

Bias: Bearish.

Current price action: Testing lows following rejection from 2981 satoshi level.

Awaiting: Test of weekly support at 2193 satoshi.

Invalidation: Reclaim of range low (2981 satoshi) would shift our bias from bearish to neutral.

Daily



<https://www.tradingview.com/x/ps2BoOKG/>

Resistance levels

฿0.00003391 - Multi-touch support/resistance flip level

฿0.00003060 - Multi-touch support/resistance flip level

฿0.00002743 - Multi-touch support/resistance flip level

Current price - ฿0.00002678

Support levels

Support structures are clearer on higher time frames. Please refer to our weekly analysis.

Summary

Bias: Bearish.

Current price action: Closed below support (2743 satoshi).

Awaiting: Test of weekly support at 2193 satoshi.

Invalidation: Close above 2743 satoshi would shift bias from bearish to neutral.

Analysis

Our XRP/Bitcoin weekly bias remains bearish following rejection from resistance at 2981 satoshi. Our daily bias is bearish following a loss of support at 2743 satoshi.

Our consistent stance in XRP/Bitcoin has been, and remains, that its old weekly range is a crucial support/resistance structure. This range is defined by support at 2981 satoshi and resistance at 3272 satoshi. Both of these levels are currently resistance as price is below them. Not much has changed on the weekly time frame since price was rejected from resistance at 2981 satoshi. As long as price respects resistance at 2981 satoshi on a closing basis, our bias will remain bearish.

Our daily bias is bearish as price closed below support at 2743 satoshi. In last week's issue we were neutral at support (technically the most bearish we can get at support within our methodology) as the level was being tested following a weekly time frame rejection. The level failed and has since acted as resistance. Our daily bearish bias will be invalidated if 2743 satoshi is reclaimed, but even in such cases rallies have been short-lived and price has been effectively capped by weekly resistance (2981 satoshi).

To summarise, the weekly time frame is in charge and it remains technically bearish below 2981 satoshi. A weekly reclaim level would shift our bias from bearish to bullish. We are bearish on the daily time frame as support at 2743 satoshi has failed.

6. Bitcoin Cash/Bitcoin

Weekly



<https://www.tradingview.com/x/CuHQsHD5/>

Resistance levels

\$0.0681 – Broken support that preceded the lowest low

\$0.0483 – Broken support that preceded the most recent sell-off

Current price – \$0.0376

Support levels

\$0.0324 to \$0.0355 – Cluster

\$0.0247 – Lowest low that preceded a violent up move

Summary

Bias: Neutral.

Current price action: Reached support (\$0.0324-\$0.0355).

Awaiting: Nothing compelling as boundary to boundary move complete. Awaiting break of support (\$0.0324-\$0.0355) or continuation through resistance (\$0.0483) to derive a clear view.

Invalidation: As above, break of weekly structure will shift bias in the direction of the break.

Daily



<https://www.tradingview.com/x/UalS5xxz/>

Resistance levels

฿0.05381 – Range low

฿0.04294 – Multi-touch support/resistance flip level

Current price – ฿0.0376

Support levels

฿0.0321 to ฿0.03320 – Multi-touch support/resistance flip level

฿0.03006 – Range midpoint

฿0.0265 – Range low

Summary

Bias: Neutral.

Current price action: Price reached weekly support (฿0.0324–฿0.0355).

Awaiting: Evidence of direction from the weekly time frame.

Invalidation: To be derived from the weekly time frame.

Analysis:

Our Bitcoin Cash/Bitcoin weekly and daily bias has shifted to neutral as price is at weekly support (฿0.0324-฿0.0355) following a significant swing from weekly resistance (฿0.0483).

In last week's issue our weekly bias was bearish and we argued for a deeper pullback to support at ฿0.0324-฿0.0355. This materialised in the past week and price has tested and closed above ฿0.0355. Consistent with our methodology, now that price has completed a significant swing move from resistance to support (just under 30%) our bias is neutral. The clearest portion of the swing is complete. From here, we wait for further evidence of direction. This takes the form of price retesting and breaking resistance at ฿0.0483 (which would offer a bullish bias) or a break of support at ฿0.0324-฿0.0355 (which would offer a bearish bias).

The daily time frame is neutral in deference to the weekly time frame. Having captured a sizeable swing from one weekly level to the next, we are waiting for further evidence of direction from the weekly time frame in the manner described.

7. EOS/Bitcoin

Weekly



<https://www.tradingview.com/x/ZeSuCqAh/>

Resistance levels

฿0.00073880 – Support that preceded the most recent sell-off

฿0.00055800 – Broken multi-touch support

฿0.00044820 – Cluster top

Current price – ฿0.00041560

Support levels

฿0.00040310 – Cluster bottom

฿0.00032100 – Cluster top

฿0.00024860 – Untested cluster bottom

Summary

Bias: Neutral.

Current price action: Bounced from cluster bottom (40310 satoshi) but closed below cluster top (44820 satoshi) once again.

Awaiting: Ranging between cluster top (44820 satoshi) and cluster bottom (40310 satoshi).

Invalidation: Close back above cluster top (44820 satoshi) would revert our bias from bearish to bullish.

Daily



<https://www.tradingview.com/x/ESkHoDFw/>

Resistance levels

฿0.00046960 – Swing high

Current price – ฿0.00041560

Support levels

฿0.00040170 – Range high

฿0.00032870 – Reclaimed range low

Summary

Bias: Neutral.

Current price action: Retesting former range at 40170 satoshi level having been rejected by weekly resistance at 44820 satoshi.

Awaiting: Nothing compelling as the weekly time frame is clearer.

Invalidation: Loss of support at 40170 satoshi would shift our bias from neutral to bearish.

Analysis

Our weekly EOS/Bitcoin outlook is neutral as price is ranging within cluster support (44820 satoshi-40310 satoshi) and our daily bias is neutral following a short-term bounce from daily support (40170 satoshi) into weekly resistance (44820 satoshi).

We are neutral on the weekly time frame as price continues to range within cluster support (44820 satoshi-40310 satoshi). In last week's issue we argued for a test of the cluster bottom (40310 satoshi) following a close below the cluster top (44820 satoshi). This materialised but following a test of the cluster bottom, EOS/Bitcoin retested and once again found resistance at the cluster top. This is not bearish as support (cluster bottom) has not yet been broken, but it is not indicative of strength either as resistance at the range high (cluster top) also remains intact. The breakout or breakdown from the cluster will determine our weekly bias.

Our daily bias is also neutral as price has once again pulled back to support (40170 satoshi) following a rejection from weekly resistance (44820 satoshi). As with XRP/Bitcoin, we are neutral at support because price has pulled back following a higher time frame rejection from resistance. Additionally, this is yet another test of the same level and the first test did not lead to any meaningful bullish continuation. The 40170 satoshi level aligns with the weekly cluster bottom (40310 satoshi). This makes it very reasonable to defer to the weekly time frame for direction, and this is our preferred approach. Losing support at 40170 satoshi on the daily time frame would act as early evidence that weekly support at 40310 satoshi is less likely to hold.

9. Altcoin/Bitcoin Conclusion

Altcoin/Bitcoin majors have largely shown weakness in the face of Bitcoin/Dollar volatility to the downside, and this downward drag has been exacerbated by a rangebound Ethereum/Bitcoin.

Flight-to-quality is something that happens within cryptocurrency markets. This relationship has not always been the case, but in current conditions if speculators believe that Bitcoin/Dollar is going to depreciate they do not use Altcoin/Bitcoin pairs to hedge. Instead, capital is reallocated cash/digital dollars e.g. USDT. It is rare for high market capitalisation Altcoin/Bitcoin majors to be inversely correlated with Bitcoin/Dollar if Bitcoin/Dollar is selling off in volatile fashion.

Another reason for the continued weakness in Altcoin/Bitcoin majors is the lack of bullish continuation in Ethereum/Bitcoin. Our argument in previous issues was that Ethereum/Bitcoin can be used as an Altcoin/Bitcoin strength proxy indicator i.e. if Ethereum/Bitcoin looks bullish, and Bitcoin/Dollar is not bearish, then we expect Altcoin/Bitcoin majors to perform well. Instead, Ethereum/Bitcoin has been rangebound (although, crucially, support at \$0.0244 is still intact). We believe that a range breakdown in Ethereum/Bitcoin would suggest more pronounced weakness in Altcoin/Bitcoin majors.

As has been the case for some weeks now, Altcoin/Bitcoin majors are a mixed bag. Some have held up well or remained unchanged e.g. EOS/Bitcoin still ranging within its weekly cluster (40310 satoshi-44820 satoshi) while others have lost major levels of support e.g. Litecoin/Bitcoin closing below \$0.00705. Periods of time in which Altcoin/Bitcoin majors perform well seem to be decreasing, hence why we believe that one should assess the major pairs on their own terms and seek the stronger instruments as opposed to hoping for a trending environment where the laggards can catch up. This is especially applicable if Ethereum/Bitcoin remains rangebound.