

October 2021

Issue #3

This week:

In this week's issue we review the high time frame breakouts in Bitcoin and Ethereum.

For altcoins, our focus is on a likely outlier, Solana.

The newsletter concludes with a review of the futures market.

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$1,185,200,400,520	\$62,859.20	18,854,843 BTC	\$32,812,513,967	-0.17%	0.04%	1.01%
 Ethereum	ETH	\$498,545,569,907	\$4,222.00	118,082,860 ETH	\$15,354,606,536	-0.05%	2.09%	11.02%
 Binance Coin	BNB	\$81,386,339,015	\$487.92	166,801,148 BNB *	\$1,330,240,131	0.11%	0.73%	-0.18%
 Cardano	ADA	\$71,848,550,355	\$2.18	32,992,068,778 ADA	\$2,577,396,295	-0.12%	1.62%	2.52%
 Tether	USDT	\$69,681,639,835	\$1.00	69,663,609,914 USDT *	\$69,732,705,055	-0.02%	-0.06%	0.05%
 Solana	SOL	\$62,661,559,205	\$208.21	300,959,140 SOL *	\$4,094,808,618	-0.55%	0.23%	32.65%
 XRP	XRP	\$52,431,681,790	\$1.12	46,946,349,017 XRP *	\$3,145,358,489	-0.22%	2.53%	2.79%
 Polkadot	DOT	\$43,574,309,785	\$44.12	987,579,315 DOT *	\$1,223,381,301	0.22%	1.25%	7.74%
 Dogecoin	DOGE	\$35,995,606,772	\$0.273	131,848,066,198 DOGE	\$2,681,040,845	1.23%	4.00%	10.75%

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

Table of Contents

- 1. Bitcoin Taps All-Time High, Closes Above \$60000**
- 2. Ethereum Triple Top Taken**
- 3. Solana Breakout from Multi-Week Range**
- 4. Overview of Crypto Futures**

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.

1. Bitcoin Taps All-Time High, Closes Above \$60000



<https://www.tradingview.com/x/oeAstK2o/>



<https://www.tradingview.com/x/JQcZJdP8/>

Bitcoin/Dollar closed above all meaningful resistance structures and made a new all-time high before pulling back slightly.

At the risk of stating the obvious, it makes sense to be a bull when a market is around all-time high prices.

Price closed above the weekly range high at \$58000. That entire area (multi-time frame range between \$56000 and \$58000) is now expected to act as support.

While the market simply moving higher is an entirely reasonable scenario given the proximity to all-time highs, we must at least have a plan to deal with a failed breakout.

First, if the market offers a shallow pullback, the first high time frame area of support is the aforementioned \$56000-\$58000 range. This would have to hold on a weekly close basis for the breakout-into-retest structure to play out smoothly.

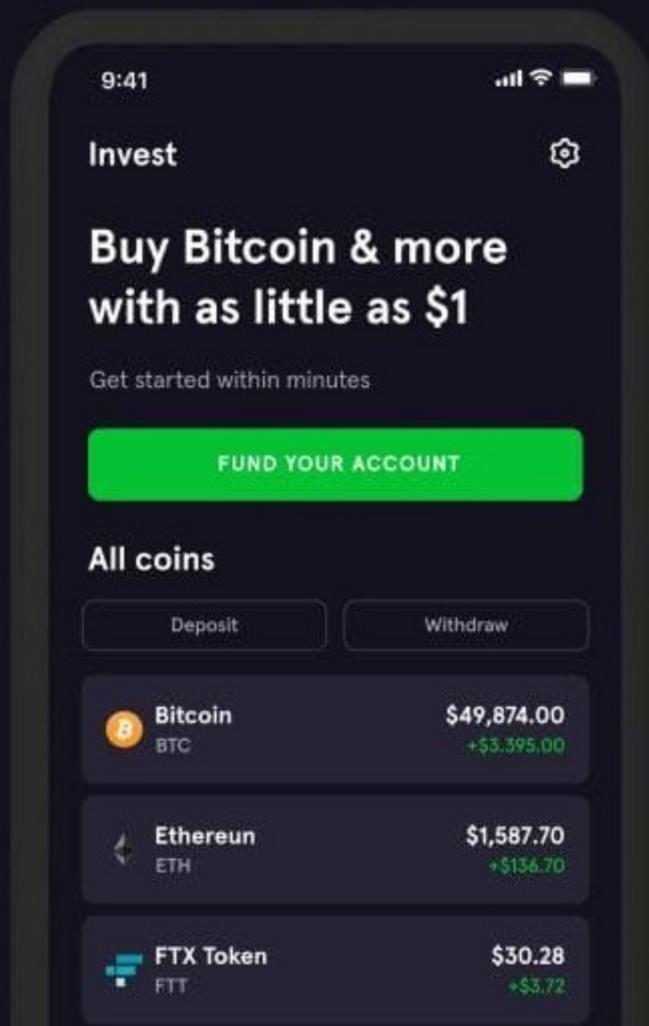
Second, if the shallow pullback isn't enough and the market loses support at \$56000-\$58000, it would be rough in the short-term but potentially constructive in the medium-term. In that case, one could wait for a reclaim of \$56000-\$58000 for a high probability continuation setup towards new highs, or bet on bullish weekly market structure remaining intact via a higher low around the \$50000 handle.

In any case, if the breakout doesn't stick, it would not be a death sentence.

To summarise, the market looks strong because it closed above everything relevant. If that's not enough to moon it, there are shallow and deep retracement scenarios that are worth considering. At the very least, don't force yourself into a position where you're powerless or at risk of great losses if the market doesn't teleport upwards immediately.



Earn up to 8% on all
crypto and fiat you deposit



2. Ethereum Triple Top Taken



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



<https://www.tradingview.com/x/5J5N9RYv/>

Ethereum/Dollar closed above its weekly range high at \$4000.

Similar to Bitcoin/Dollar, it makes sense to be bullish when the market is breaking out of ranges at its all-time high.

Price closed above \$4000 on a weekly basis and has found daily support there as well. As long as that breakout-into-retest sticks, green candles are likely.

As always, there is no guarantee of teleportation. The market moving straight up is fine and probable, but it would be remiss of us not to consider the implications of a failed breakout. Being prepared doesn't cost anything.

Put simply, if the market pulls back, multi-time frame support in the low-mid \$3000s must hold. If it doesn't, that would mean losing round number support and would result in a weekly lower low, signifying a bearish shift in market structure. Wicks are fine, but that area must hold on a closing basis.

To summarise, the \$4000 breakout is technically significant. If it doesn't stick, then the next area to do business is around \$3000. Losing the pullback support post breakout would be bearish.

3. Solana Breakout from Multi-Week Range



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

Solana goes up a lot. When it's not going up a lot, it moves sideways. But then it goes up a lot again when the sideways ends.

On the USD pair, the market looks to be shifting from a sideways period to an up period.

This is evidenced by a weekly close through its 2-month range high at \$174.

We're still not sold on altcoins generally (outside of outliers) given the majors are at massive inflection points, but if there are going to be outliers that are to some extent immune or at least outperform during choppy periods, Solana is a prime candidate.

If this breakout sticks, that would mark a new all-time high and continued price exploration. Your target guesses are as good as ours, but pulling out the round numbers tends to be a decent guide i.e. \$200.

Any weekly closes back below the breakout level at \$174 would morph the chart into a failed breakout and invalidate the bullish idea until it is reclaimed.

To summarise, Solana/Dollar breakout good. Unless it loses the breakout, in which case, not good.

4. Overview of Crypto Futures



<https://ibb.co/ykjo2QD>

Perpetuals (1 Day Change) (1 Hour Funding) (*Click on instrument for further details)

Margin
 Index Price
 Price
 Change
 Basis
 Funding
 APR
 Next Funding
 24h Volume
 Open Interest
 OI Change
 Realized Vol

Exchange	Symbol	Funding	APR	Next Funding	Open Interest	OI Change
BYBIT	BTCUSD	0.0464	50.81	0.0594	\$2.03B	\$107.30M (5.59%)
BYBIT	BTCUSD	0.0509	55.74	0.0339	\$1.01B	\$-21.01M (-2.03%)
BYBIT	ETHUSD	0.0135	14.78	0.0562	\$901.91M	\$-2.16M (-0.24%)
BYBIT	ETHUSD	0.0309	33.84	0.0193	\$352.38M	\$18.87M (5.66%)
BYBIT	XRPUSD	0.0401	43.91	0.068	\$286.24M	\$-2.52M (-0.87%)
BYBIT	XRPUSD	0.136	149.14	0.105	\$123.11M	\$7.94M (6.9%)
BYBIT	ADAUSD	0.137	150.45	0.0668	\$101.26M	\$4.39M (4.53%)
BYBIT	BITUSD	0.0561	61.43	0.259	\$80.34M	\$-3.20M (-3.83%)
BYBIT	SOLUSD	0.0633	69.31	0.0316	\$78.68M	\$-571.25K (-0.72%)
BYBIT	DOTUSD	0.0686	75.12	0.0748	\$66.99M	\$-129.96K (-0.19%)
BYBIT	DOGEUSD	0.0886	97.02	0.0308	\$48.55M	\$5.34M (12.35%)
BYBIT	LTCUSD	0.138	150.67	0.101	\$42.24M	\$-3.64K (-0.01%)
BYBIT	EOSUSD	0.055	60.23	0.0584	\$38.28M	\$454.89K (1.2%)
BYBIT	LINKUSD	0.084	91.98	0.0788	\$32.62M	\$-1.21M (-3.57%)
BYBIT	FTMUSD	0.107	117.17	0.121	\$26.17M	\$8.22M (45.78%)
BYBIT	BCHUSD	0.112	122.97	0.0946	\$25.37M	\$1.01M (4.15%)
BYBIT	SHIB1000USD	0.225	245.83	0.17	\$25.02M	\$8.29M (49.55%)
BYBIT	AXIUSD	0.01	10.95	0.0166	\$24.93M	\$1.74M (7.5%)
BYBIT	ETCUSD	0.129	140.93	0.0962	\$21.09M	\$150.89K (0.72%)
BYBIT	MATICUSD	0.225	246.48	0.131	\$20.82M	\$6.59M (46.35%)
BYBIT	EOSUSD	0.055	60.23	0.0396	\$19.36M	\$374.73K (1.97%)
BYBIT	XTZUSD	0.145	158.88	0.0889	\$18.99M	\$1.69M (9.77%)
BYBIT	BANUSD	0.0494	54.09	0.061	\$18.12M	\$-2.50M (-12.12%)
BYBIT	AVAXUSD	0.131	143.12	0.0825	\$17.55M	\$2.31M (15.15%)
BYBIT	DOTUSD	0.0469	51.35	0.0791	\$12.34M	\$714.13K (5.66%)
BYBIT	FILUSD	0.177	193.71	0.155	\$10.92M	\$633.31K (6.16%)
BYBIT	NEARUSD	0.169	185.39	0.165	\$10.36M	\$806.82K (8.42%)
BYBIT	LUNAUSD	0.123	135.12	0.11	\$9.75M	\$183.92K (1.92%)
BYBIT	XLMUSD	0.139	152.31	0.0812	\$9.27M	\$218.21K (2.41%)
BYBIT	SUSHIUSD	0.118	128.77	0.0895	\$9.18M	\$979.51K (11.95%)
BYBIT	ICPUSD	0.136	148.81	0.128	\$9.08M	\$990.41K (6.96%)
BYBIT	DYDXUSD	0.185	202.57	0.158	\$8.62M	\$232.00K (2.77%)
BYBIT	ATOMUSD	0.185	202.69	0.154	\$8.57M	\$1.44M (20.26%)
BYBIT	OMGUSD	0.135	147.72	0.122	\$8.05M	\$1.45M (21.85%)
BYBIT	ALGOUSD	0.164	179.91	0.129	\$7.74M	\$977.40K (14.46%)
BYBIT	THETAUSD	0.134	146.95	0.0971	\$7.04M	\$1.03M (17.09%)
BYBIT	COMPUSD	0.102	111.47	0.069	\$6.98M	\$659.19K (10.43%)
BYBIT	UNIUSD	0.01	10.95	0.01	\$6.13M	\$792.00K (14.84%)
BYBIT	TRXUSD	0.127	138.63	0.0805	\$6.04M	\$147.44K (2.5%)
BYBIT	FTTUSD	0.01	10.95	0.0605	\$5.45M	\$21.08K (0.39%)
BYBIT	IOSTUSD	0.182	199.73	0.151	\$4.96M	\$316.17K (6.81%)
BYBIT	AAVEUSD	0.143	156.48	0.0997	\$4.89M	\$462.00K (10.44%)
BYBIT	SRMUSD	0.0962	105.34	0.143	\$4.80M	\$-139.83K (-2.83%)
BYBIT	XEMUSD	0.183	199.95	0.185	\$4.26M	\$356.26K (8.13%)

<https://ibb.co/jj33k4q>

We wanted to provide a brief overview of the futures market and some of the metrics we are tracking.

As a reminder, if you're unfamiliar, read Cred's primer on perpetual swaps [here](#).

First, overall market structure. Open interest is at all-time highs. Price is slightly diverging i.e. hasn't made new all-time highs yet. This isn't too worrisome yet, but ideally this isn't a divergence that sticks. Price making a lower high while open interest makes a higher high suggests that more leverage is being used for a weaker move in price, which isn't great.

Second, there has been a notable absence of liquidations in Bitcoin/Dollar. The 'aggregated liquidations' bar (first chart) being flat makes that very clear. The good news is that this suggests the move up wasn't heavily liquidation-driven, and therefore less likely to mean revert to a large degree. The less good news is that crypto periodically 'flushes' large chunks of open interest before continuing higher, and that hasn't happened yet. The probability of a flush to the downside is high. Where it occurs is less clear. It could form as a product of extreme froth at \$70000-\$80000. It could also form as a result of unrewarded aggression by longs without a corresponding all-time high. In any case, it's 'overdue' and will likely provide for a compelling, high probability mean reversion trade at the very least, regardless of the price itself.

Third, altcoin longs are getting expensive. High funding isn't necessarily a problem. It can simply be a reflection of a bullish market where everyone wants to be long. As long as price moves favourably, the PnL gains offset the cost of holding the position. Problems arise when funding is high but the market isn't mooning (or worse, is moving lower). Even sideways sucks. The cost of keeping longs open eats into one's collateral and those stressed positions are more likely to close or even get liquidated, which can create a knock-on or cascading effect.

To summarise, there's a fair bit of leverage in the system. As long as longs keep printing, it's tolerable. If the majors pull back or altcoins don't moon, an unwind is likely. As we saw at \$52000, frothy alts can inhibit a strong-looking Bitcoin. In any case, the lack of liquidations won't stick around forever. If there's a flush, it may provide one of the best opportunities to punt.