

# November 2021

## Issue #4

### This week:

In this week's issue we look at the somewhat perilous range high retest in Bitcoin and the relative strength Ethereum. We discuss the required conditions for continued strength in altcoins generally.

For altcoins specifically, we look at the prominent L1 trades (Solana, Avalanche).

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$1,073,338,996,294	\$56,847.12	18,881,150 BTC	\$36,548,410,715	0.19%	-2.71%	-6.57%
 Ethereum	ETH	\$497,778,097,994	\$4,202.14	118,458,182 ETH	\$20,455,231,861	0.63%	-1.29%	-2.79%
 Binance Coin	BNB	\$98,813,341,729	\$592.40	166,801,148 BNB *	\$2,728,496,622	1.30%	2.13%	0.25%
 Solana	SOL	\$65,104,494,174	\$214.32	303,777,540 SOL *	\$2,507,282,855	0.41%	-2.50%	-4.83%
 Cardano	ADA	\$59,362,330,615	\$1.78	33,313,246,915 ADA	\$1,562,626,691	0.25%	-1.70%	-7.19%
 XRP	XRP	\$49,431,685,819	\$1.05	47,158,974,920 XRP *	\$2,977,024,060	0.34%	-1.08%	-5.14%
 Polkadot	DOT	\$39,631,231,800	\$40.13	987,579,315 DOT *	\$1,196,893,264	1.93%	-0.80%	-4.12%
 Dogecoin	DOGE	\$30,709,279,789	\$0.2322	132,236,148,897 DOGE	\$1,810,743,962	2.66%	3.64%	-4.71%
 Avalanche	AVAX	\$28,464,181,512	\$127.16	223,853,465 AVAX *	\$2,667,824,115	0.88%	-4.66%	39.04%
 Terra	LUNA	\$16,714,604,810	\$41.89	398,985,869 LUNA *	\$669,373,252	1.17%	0.65%	-6.65%

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

# Table of Contents

- 1. Bitcoin Closes Within Weekly Support**
- 2. Ethereum Stronger**
- 3. Solana Above Trend Support**
- 4. Avalanche High Time Frame Pullbacks Are Absent**

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](mailto:letters@technicalroundup.com).

# 1. Bitcoin Closes Within Weekly Support



<https://www.tradingview.com/x/8eeMuyxd/>



<https://www.tradingview.com/x/2NSmlKrQ/>

Bitcoin/Dollar offered a relatively ambiguous close following the all-important retest of weekly structure at \$55800-\$60000.

One way to interpret that structure is by viewing it as a range. The lower boundary (\$55800) is the range low and the upper boundary (\$60000) is the range high. Price closed above the range low but below the range high. That is neutral at best, and not exactly what we wanted to see at this inflection point.

Like any other range, reclaiming the range high (\$60000) would be good evidence of bullish continuation. Losing the range low (\$55800) would be bearish towards \$50000.

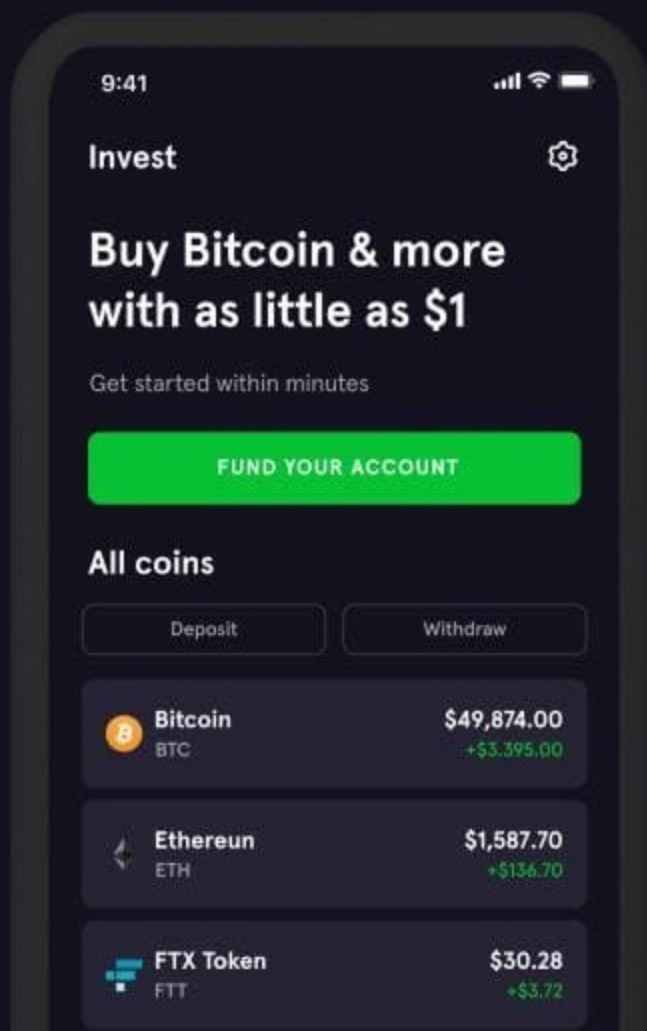
As you can tell, it's an annoying close. We're essentially forced to write 'up or down' because the weekly close didn't offer much signal. If you're conservative, reducing exposure until such a time that the range high (\$60000) is reclaimed is not unreasonable. It's not that far away, either.

Another point to note is that futures, specifically open interest, didn't budge much on this move down. In fact, open interest stayed relatively even as the market made lower lows. Whatever your short-term interpretation of that relationship may be, it would've been quite nice to see a big open interest flush right into/through weekly support. Alas, we're left wanting on that front.

To summarise, at best, Bitcoin/Dollar is ranging between \$55800-\$60000. The close through either boundary will likely dictate mid-term trend. In the interim, one of the better outcomes to this consolidation would be Bitcoin/Dollar chop into altcoin moon. It likely wouldn't be long-lived, but the opportunities that arise in those circumstances are very attractive (and much better than the alternative of Bitcoin/Dollar nuking and taking everything with it).



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



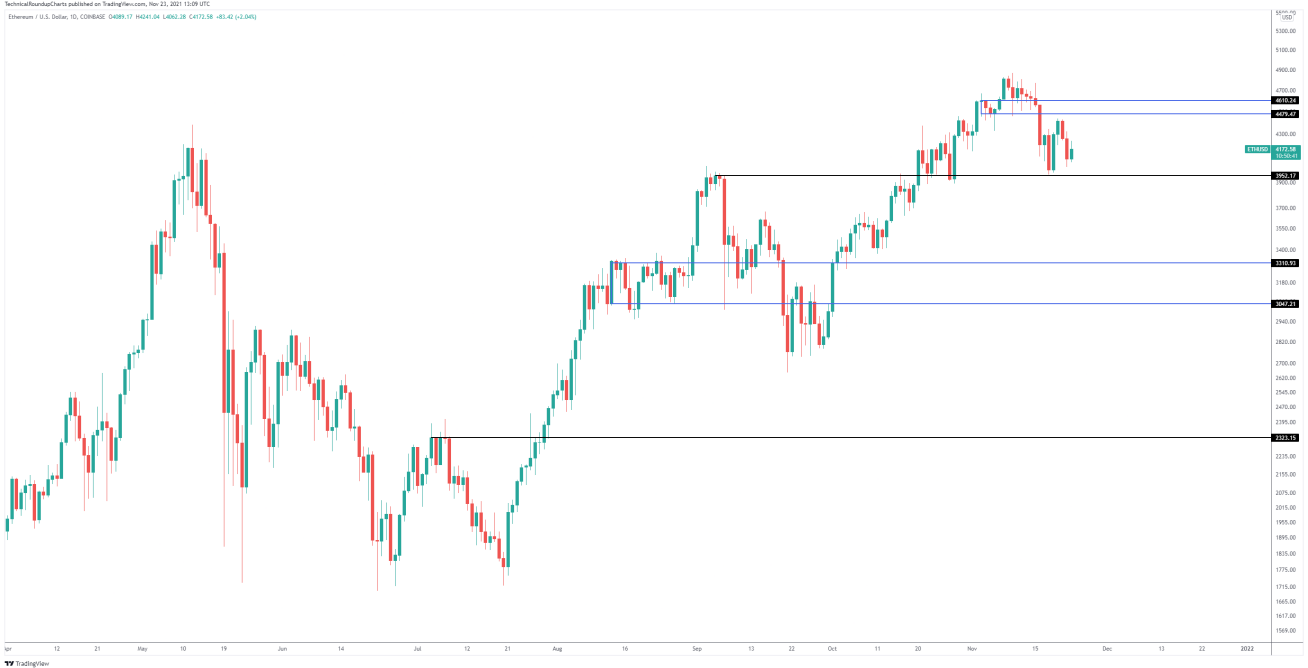
# 2. Ethereum Stronger

TechnicalAnalysisCharts published on TradingView.com, Nov 23, 2021 13:09 UTC  
Ethereum / U.S. Dollar, 1M, COMBINE 04261.04 H4222.26 L4824.45 C4171.24 -91.25 (-2.14%)



<https://www.tradingview.com/x/OMvjU9I5/>

TechnicalAnalysisCharts published on TradingView.com, Nov 23, 2021 13:09 UTC  
Ethereum / U.S. Dollar, 1D, COMBINE 04891.17 H4241.04 L4824.28 C4172.18 -83.42 (-2.04%)



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

Ethereum looks stronger than Bitcoin. The USD pair held the \$4000 range high on a closing basis and Ethereum/Bitcoin is moving towards its multi-month range high.

Last week we argued that daily trend was broken and that it would likely land the market at the \$4000 area. Now that \$4000 is holding, the only obstacle that remains is to reclaim daily trend. For us, this is best defined by the pre-breakout cluster (currently resistance) at \$4480-\$4610.

If that gets reclaimed on the daily time frame, the technicals would reflect a weekly bounce at a do-or-die level into an uptrend reclaim. That would be full steam ahead for bullishness.

Up to a point.

The elephant in the room is that historically, Ethereum and altcoins showing significant strength while Bitcoin/Dollar is on the precipice of a nuke, happens close to cycle tops.

May was the perfect embodiment of this: Bitcoin/Dollar topped, Ethereum doubled, altcoins popped, but they all fell in line once Bitcoin/Dollar nuked and in most cases fared far worse than Bitcoin/Dollar to the downside.

In other words, the 'BTC weak, everything else moon season' often comes at a steep price, and that price is the rest of the market eating shit eventually (if Bitcoin/Dollar doesn't recover).

Still, two arguments make sense to us. First, that if Bitcoin/Dollar shows strength and backs away from the edge of a cliff, the cycle top argument is less compelling. Second, even if Bitcoin/Dollar continues to dance on the edge, there's usually plenty of time and space to make the most of the altcoin environment and book profits before Bitcoin/Dollar snaps us all back to reality.

# 3. Solana Above Trend Support



<https://www.tradingview.com/x/UbITt8xc/>



<https://www.tradingview.com/x/EM3WZSiv/>



The most compelling altcoin narrative has been 'L1 season', which is embodied by Solana and Avalanche.

As argued previously, the best environment for altcoins would take the form of Bitcoin/Dollar chop in the weekly range (\$55800-\$60000). Ethereum would likely continue to outperform as long as Bitcoin/Dollar doesn't accelerate to the downside, and Ethereum strength is to the benefit of the aforementioned L1s.

There is some daily structure at \$190 which is a decent line in the sand for medium-term bias. The reason we aren't focusing heavily on lower time frame charts is that if altcoins pop off, the likelihood of a visible high time frame pullback is quite low. You'll likely be forced to dig into your momentum continuation setup toolbox, and that's broadly beyond the remit of this newsletter (TLDR: similar technicals and rules, just on lower time frames).

Nonetheless, if altcoins get discounted by virtue of Bitcoin/Dollar downside volatility (or some other less obvious catalyst) we wanted to zoom out and provide some context.

There is a weekly cluster in Solana/Dollar that will likely determine high time frame trend. The cluster top is at \$174 and the cluster bottom is at \$136. As long as the cluster is intact, the trend is bullish. As always, the cluster bottom typically offers better risk-to-reward while the cluster top is the faster-moving trigger for continuation. On a final note, if the market shifts, it's probably worth punting around this cluster with one added caveat: price will likely wick through it before bouncing, so keep an eye out for any liquidation-driven discounts.

# 4. Avalanche High Time Frame Pullbacks Are Absent



<https://www.tradingview.com/x/gofsV3p2/>

Avalanche has been in the spotlight given its impressive performance. Even on down days in the market, this red coin hasn't flinched.

The cynical take is that 3AC, not to be outdone by Multicoins, have made their own big bet on an L1. That's a good thing, in our view. Irrespective of your views, with L2 scaling solutions coming slowly out of the gate, and given Solana's success, it's not entirely surprising to see L1 relative value trades rise to the top in this environment.

We last wrote about Avalanche/Dollar as a long when it was retesting the breakout around \$40. Neither of us traded the setup to its full extent, being the couple of bums that we are.

Our premise here is similar to Solana/Dollar.

Namely, if the altcoin-friendly conditions kick off, then the high time frame charts will likely be useless. Momentum continuation is the only game in town in a market that doesn't visibly pull back on anything above the H4 chart.

If the markets nuke, there's a similar 'finally, a visible pullback' type of area in Avalanche/Dollar. We are referring to the weekly breakout level at \$70. As with Solana/Dollar, wicks below it (into the \$60 area) are likely if the move is sharp and liquidation-driven, but that's the first structure that stands out to us on a high time frame trend-retest basis (what a mouthful).

To summarise, BTC chop between \$55000-\$60000 = good for alts = Ethereum, Solana, and Avalanche likely rip up without high time frame retests. BTC nuke below \$55000 = bad for alts = get a chance to buy huge liqs and wicks on charts that have been up only for weeks/months.