

September 2021

Issue #4

This week:

In this week's issue we discuss the \$40000 retest in Bitcoin/Dollar.

We also discuss a similar retest in Ethereum/Dollar just below \$3000.

There's a follow-up discussion regarding the S&P 500.

For 'Caught Our Eye', we share a thread by crypto market making firm mgnr on their recent social experiment.

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$781,708,809,423	\$41,516.92	18,828,681 BTC	\$31,728,347,031	-0.86%	-4.13%	-2.46%
 Ethereum	ETH	\$336,489,623,417	\$2,858.64	117,709,853 ETH	\$17,521,664,388	-1.93%	-6.60%	-4.74%
 Tether	USDT	\$68,565,258,610	\$1.00	68,543,095,825 USDT *	\$68,753,643,574	0.00%	-0.08%	0.02%
 Cardano	ADA	\$66,526,045,931	\$2.08	32,038,100,544 ADA	\$2,808,791,362	-2.00%	-5.69%	-2.07%
 Binance Coin	BNB	\$56,485,810,091	\$335.95	168,137,036 BNB *	\$1,486,525,697	-1.83%	-2.79%	-8.70%
 XRP	XRP	\$42,851,993,093	\$0.9173	46,717,640,571 XRP *	\$2,821,479,757	-1.56%	-3.34%	-0.79%
 Solana	SOL	\$39,399,650,224	\$132.47	297,417,028 SOL *	\$2,502,124,115	-1.18%	-8.92%	-3.66%
 USD Coin	USDC	\$31,320,364,808	\$1.00	31,307,863,899 USDC *	\$3,266,180,880	0.01%	-0.05%	0.02%
 Polkadot	DOT	\$26,837,332,977	\$27.17	987,579,315 DOT *	\$1,544,343,303	-2.23%	-5.38%	-5.11%
 Dogecoin	DOGE	\$26,110,907,357	\$0.1986	131,473,964,269 DOGE	\$843,682,191	-0.82%	-2.37%	-5.71%

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

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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 Rangebound Following \$40000 Bounce



Bitcoin/Dollar entered a period of reduced volatility after finding support at \$40000.

The technicals are largely unchanged from last week. \$38000-\$40000 support, \$45000 resistance. That is the trading range at the moment.

When it comes to time frames, the weekly chart is least flattering of all. Price closed below support at \$45200, but unlike the daily time frame, hasn't yet reached support at \$38200.

Normally that doesn't matter too much given levels aren't meant to be surgically accurate, but weekly levels staying untested (especially when price is trading so close to them) is rather uncommon. That may be suggestive of a test later this week (or Cred is coping).

Commentary aside, 2 trades seem reasonable to us.

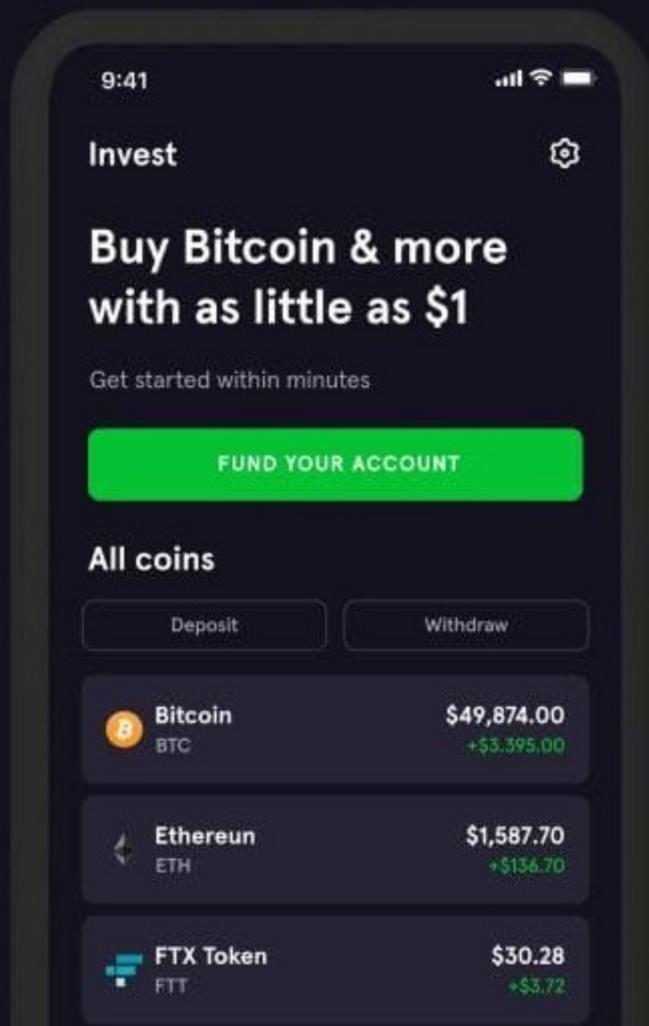
If you're conservative, a \$45000 reclaim would be a good sign for trend continuation higher. \$50000 would be the first trouble area, but there's a good chance that it would break quite early and pave the way towards \$54000-\$59000 (the pre-breakdown range).

If you're aggressive, the market looks like shit on a weekly close below \$38200. Accordingly, if it starts to turbo nuke sub-\$40000 (and into the mid-\$30000 for a wick), that is where your risk-to-reward is maximised given the proximity to invalidation. If there's no bounce and/or the bounce is weak and still closes below \$38200, the bullish case is likely cooked and the probability that the preceding rally was a complacency bounce becomes very high.

In summary, above \$45000 and below \$40000 are the areas to look to do business on the long side. Everywhere else is less risk-defined and quite choppy.



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2. Ethereum Mirrors Bitcoin at \$3000 Support



<https://www.tradingview.com/x/Vmc8otHT/>



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

Another week filled with similarities between Bitcoin and Ethereum.

Price reached key support (daily \$2750-\$2890) and bounced. The bounce didn't get terribly far, and the market is more or less at the same level.

DonAlt's thesis here is sound. Essentially: Ethereum outperformance and moon as long as Bitcoin doesn't doom.

In the moon scenario, trend continuation setups will likely emerge above resistance at \$3500. That specific flip would be particularly attractive given the proximity to the former all-time high; it would almost certainly get smashed (or, at least, an all-time high triple top is significantly less probable).

If candles stay red and knife-catching is on the agenda, there's multi-time frame support at \$2300 or around the \$2000 handle more broadly (we've all seen how far wicks can go on this market).

Much like Bitcoin/Dollar, we don't want the triple/quadruple bottom at \$1900 to be tested, or at least for price to stay there. Revisiting those lows would likely signal a breakdown more so than yet another support test.

In summary, above \$3500 and below/around \$2300 are the areas to look to do business on the long side. Other levels are less clear to us.

3. S&P 500 Stays Shaky



<https://www.tradingview.com/x/rVmqMQP7/>

S&P 500 selling is still acting as a headwind against crypto’s progress.

The bounce that materialised over the past week is being sold into, and risks forming into a lower high following a lower low i.e. bearish market structure continuation.

Again, our views on this market are pedestrian at best, but it’s also not something we want to ignore, especially for bigger moves.

A move above 4485 would be welcome, as it would signal a higher high and thus a bullish break in market structure. The 50-day moving average, another helpful proxy for trend, would also be reclaimed in that case.

Whatever combination of Evergrande/taper/inflation/debt ceiling/supply chain crisis/fuel shortage/technical correction/[insert narrative here] that may be the ‘cause’ of this move lower, the impact on crypto is quite noticeable. If this risk-off environment persists, we do not expect crypto to decouple from it in the short to medium term.

The good news is that the S&P 500 has been enjoying a secular uptrend since its inception, so bullish trend continuation is a ‘when’ question, not an ‘if’ question.

4. Caught Our Eye - mgnr Psyops

A leading market making firm created a 'fake' project and documented the entire experience.

It's fascinating and speaks for itself, with no added commentary.

Read it [here](#).