

# October 2023

## Issue #3

### This week:

This week we discuss the aftermath of Bitcoin/Dollar's fake news pump.

We also discuss the continued weakness in Ethereum and altcoins.

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$555,414,581,693	\$28,458.79	19,516,450 BTC	\$16,845,487,123	-0.36%	0.92%	3.92%
 Ethereum	ETH	\$188,754,526,213	\$1,569.54	120,260,916 ETH *	\$5,383,738,432	-0.59%	-0.53%	0.41%
 BNB	BNB	\$32,101,010,688	\$211.60	151,705,691 BNB *	\$374,242,476	-0.38%	-0.78%	1.81%
 XRP	XRP	\$26,243,840,533	\$0.4911	53,441,027,384 XRP *	\$789,327,586	0.08%	-0.39%	-1.20%
 Solana	SOL	\$10,025,725,036	\$24.08	416,320,978 SOL *	\$583,183,424	-0.44%	2.44%	10.55%
 Cardano	ADA	\$8,716,469,330	\$0.2475	35,218,628,519 ADA *	\$140,414,490	-0.20%	-1.44%	-0.38%
 Dogecoin	DOGE	\$8,335,089,174	\$0.05893	141,450,586,384 DOGE	\$161,864,739	-0.43%	-1.58%	0.25%
 TRON	TRX	\$7,823,603,470	\$0.08798	88,922,882,406 TRX *	\$175,599,313	-0.22%	-0.51%	1.70%
 Toncoin	TON	\$6,962,240,011	\$2.03	3,431,892,088 TON *	\$23,131,235	-0.12%	4.51%	0.92%
 Polygon	MATIC	\$4,838,508,779	\$0.5203	9,299,803,031 MATIC *	\$260,332,914	-0.55%	-1.05%	1.19%

<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](mailto:letters@technicalroundup.com).



Bitcoin/Dollar has a big wick.

For those living under a rock: a crypto publication tweeted that Blackrock's spot ETF application was approved and the market rallied sharply as a result. The news turned out to be false, and the market gave back a good chunk (technical term) of the move.

It is tempting to label this move as a scam pump and expect it to retrace fully given that it took place on false information. Considering recent price action, it is hardly uncommon for Bitcoin/Dollar to bleed lower after sharp rallies higher.

To be clear, the magnitude of the move is a function of aggressive buying into illiquidity i.e. an empty sell-side of the order book. Specifically: market buys on news + market buys/top of book limit buys from shorts being liquidated + executing at the same time + sellers removing all their resting orders (i.e. no liquidity for buyers) = big wick.

However, our preferred approach with these types of moves is to let the market settle and see which levels the market can hold on to on a higher time frame closing basis.

If the move was only a scam and nothing more, then the market should have no issue bleeding back below the \$28100 daily level.

The counter-argument to that is some version of 'if a fake news pumped it that hard, imagine how hard real news would pump it'. Or more formally, the reaction to the news could serve as a wake up call of sorts to participants expecting an easy entry if the ETF is approved.

Rather than debating the second and third order implications of the fake news pump, why don't we just let the market inform our view?

Fake news or not, \$28100 is a great daily pivot for medium-term bias.

If it holds, we'll assume that the market will move towards 'filling' the daily wick.

Below \$28100 on the daily, and especially below \$27600 on the weekly, our view will quickly shift to the spike being an unsupported scam with lower prices being more likely.

In summary: just pretend the wick isn't there and assess the high time frame levels on their own merits.



- Best execution. +
- Aggregated liquidity. +
- Maximum transparency. +

# Stop making compromises

x.woo.org



# 2. Ethereum/Bitcoin Threatens Weekly Breakdown



<https://www.tradingview.com/x/7th4akxf/>



<https://www.tradingview.com/x/L9cZwNE4/>

Ethereum has unsurprisingly struggled to keep up with the Bitcoin-centric volatility.

The USD pair is still in the middle of nowhere on the weekly time frame. It has also fully retraced the one decent green week that it enjoyed during the purported futures ETF narrative.

Any bullish argument must be made with reference to the BTC pair, which is finally testing the 0.055 level.

For the first time in months, Ethereum/Bitcoin is at a relevant level (or extremity at least) which makes it at least somewhat interesting.

On technicals alone, it'd be nice to get either a strong weekly close from here or some sort of larger wipeout and subsequent reclaim. Aggressive price action at an extremity generally highlights attractive areas to do business.

The main obstacle is still Bitcoin strength.

Especially with the next batch of Bitcoin ETF-related deadlines looming (Grayscale case victory follow up, spot ETF decision dates) it is difficult to make a case for Ethereum stealing the spotlight.

Perhaps if the market had more retail punters, inflows etc. then one could make a 'rising tide lifts all boats' type of argument, but there are so few of us alive and kicking that the best we can seemingly focus on is one large cap narrative at any one time.

The sadistic fantasy would be something like spot ETF approval → BTC moons → ETH/BTC goes to 0 → BTC hits resistance/consolidates → rotate into ETH and garbage vapourware → big bounce in ratio + alts.

Notwithstanding, our view is that Bitcoin dominance will persist until the market moves past this season of Bitcoin spot ETF speculation.

# 3. Extreme Outcome Pontification

Let's indulge in some more far-fetched fiction.

Most of our newsletter content is conservative, measured, and based on high time frame swing trading levels.

Price reaching a relevant level of support or resistance makes us cautious, even if we might think that the level has a decent chance of breaking.

In this section, we will entertain a moon case and a doom case.

These do not represent our base case for the market (reality is often much more bland) but these aren't completely detached from reality.

First, the moon case.

Bitcoin/Dollar continues to climb as we approach the next batch of spot ETF deadlines. Ticks the range high at \$29000-\$30000 and brings in a bunch of hedges and technical shorts. ETF approved. Colossal candle - larger than the fake news pump - that breaks into mid-\$30000s. Resulting technical view is a reclaim of the 2021 range low. Price increase + existence of a regulated product + marketing push from ETFs to attract inflows + halving meme = climb through \$30000s wall of worry towards \$40000. Ethereum and altcoins get battered on the impulse higher but as Bitcoin volatility drops off above mid-\$30000s, traders pile in to the 'risk on'/catch up trade via Ethereum and altcoins. Net outcome: macro \$30000 range reclaim, flexible narrative of ETF + halving + price is up, net inflows via ETF punters + retail coming back to chase, and finally enough volume for risk to disperse and trickle into Ethereum and vapourware tokens.

Now, the doom case.

Bitcoin/Dollar bleeds out after the fake news pump. SEC keeps kicking the ETF can down the road and the market gets 'ETF fatigue' and generally unwinds longs. Macro weakness spills over and acts as an additional headwind. November seasonality meme traders (recently a weak month) also derisk. Market breaks \$25000 range low and accelerates. Ethereum relative pair and altcoins eat dirt. Participants 'forget' about the ETF narrative and are overcome with short-term price action concerns closer to \$20000. More bleakly, the ETF is denied (less likely in our view but not impossible) and the entire thing turbo nukes into \$20000, likely wicking below.

Thanks for reading!