

November 2021

Issue # 1

This week:

In this week's issue we discuss the slow but steady breakouts in Bitcoin and Ethereum.

We also reiterate our view on altcoins at this market juncture.

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$1,206,318,948,703	\$63,955.98	18,861,706 BTC	\$36,155,263,388	0.74%	3.97%	2.71%
 Ethereum	ETH	\$531,214,883,378	\$4,495.01	118,178,745 ETH	\$19,123,696,261	-0.05%	3.47%	7.77%
 Binance Coin	BNB	\$93,357,088,644	\$559.69	166,801,148 BNB *	\$2,580,681,990	0.25%	4.39%	16.28%
 Tether	USDT	\$70,617,702,260	\$1.00	70,545,760,761 USDT *	\$119,357,437,416	0.01%	0.00%	0.09%
 Cardano	ADA	\$66,117,482,818	\$1.99	33,270,336,758 ADA	\$2,476,951,369	0.29%	1.08%	-7.81%
 Solana	SOL	\$62,876,093,142	\$208.93	300,937,910 SOL *	\$2,055,954,861	2.14%	2.85%	1.61%
 XRP	XRP	\$52,558,499,467	\$1.12	47,015,237,181 XRP *	\$3,240,174,649	0.28%	2.39%	1.21%
 Polkadot	DOT	\$50,919,979,763	\$51.56	987,579,315 DOT *	\$4,628,964,211	0.50%	6.66%	18.01%
 SHIBA INU	SHIB	\$37,289,478,273	\$0.00006791	549,095,509,738,353 SHIB *	\$4,423,610,431	-2.06%	-3.64%	44.84%
 Dogecoin	DOGE	\$35,940,020,216	\$0.2724	131,943,568,830 DOGE	\$2,199,205,559	-0.32%	0.71%	2.75%

<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. Clear Skies for Bitcoin (Mostly)



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



<https://www.tradingview.com/x/zPqDQ4Xg/>

Bitcoin/Dollar hasn't really budged since last week's newsletter.

The market retested and closed above the all-important weekly support at \$58000. The technicals are bullish.

In terms of targets for a move higher, your guess is as good as ours. Round numbers seem like a decent place to start (\$70000, \$80000, et cetera) or you could choose to be reactive based on futures data. Another option is to simply wait for price to develop more structure (even if it's intraday) and use that for a trailing stop, thus removing the need for an outright target.

On a quick note, the S&P 500 is steadily making new highs, so the likelihood of correlated weakness as a result of traditional markets tumbling is reduced.

While the lack of momentum has some participants concerned, it's hard to be bearish above support and at the all-time high. We will change our minds if the evidence changes.

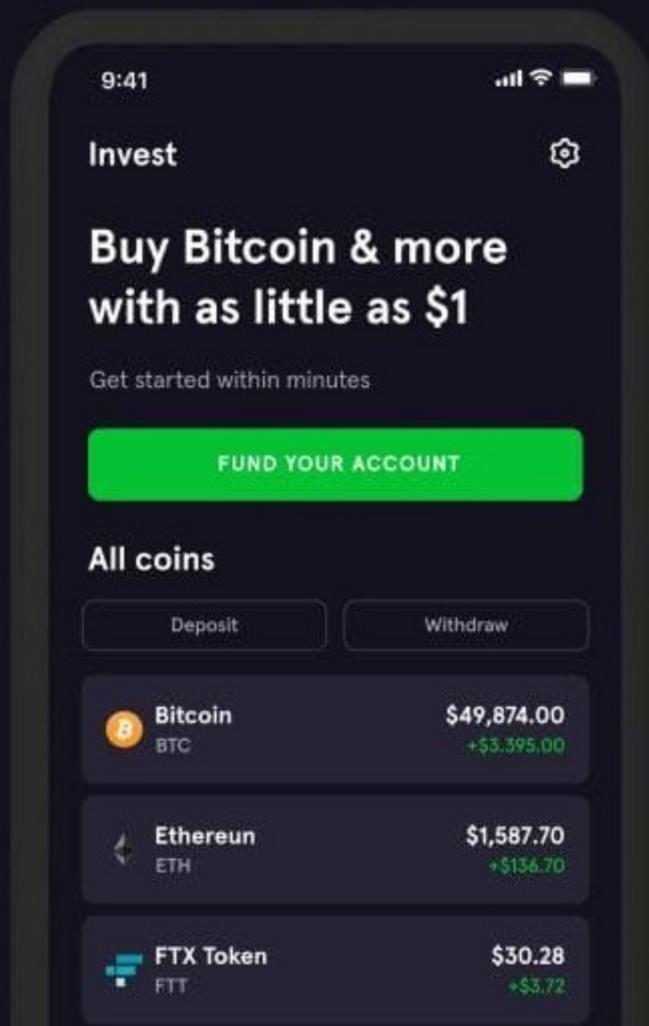
As argued previously, even in the 'worst' case scenario that this breakout doesn't stick, it makes sense to us to look for strength around \$50000 for a higher low.

The only other headwind to consider is that positioning in altcoin futures is very aggressive again. There is still a lot of leverage in that part of the market. While our ideal scenario would be a Bitcoin/Dollar move up that forces selling in altcoins, that relationship hasn't always been clear. For example, Bitcoin/Dollar looked strong when it first broke above \$50000 in early September, but that move got faded as altcoins nuked (taking the rest of the market with them).

To summarise, Bitcoin/Dollar still looks good. It is above support and there is no technical resistance. If it stops looking good, \$50000 is the final area to bet on an uptrend. If that goes, the uptrend is broken.



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2. Ethereum Prints New Highs



<https://www.tradingview.com/x/c93tyTgf/>



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

Ethereum/Dollar has joined the fray and made a new all-time high.

The market chopped above its previous high at \$4000 for a few days but now that area looks to have acted as support before continuation higher.

Regarding targets, we have the same tools at our disposal as outlined in the Bitcoin/Dollar section i.e. round numbers and futures. We're not ready for the Fibonacci extension tools quite yet. Another useful chart may be Ethereum/Bitcoin. Rotating or derisking Ethereum holdings at key Ethereum/Bitcoin resistances could be useful in an environment where the USD pair has no resistance levels left.

At the time of writing, the market is already 15% (and counting) above the \$3900 weekly breakout level. The further that price travels away from that breakout, the less acceptable it is for it to be retested.

In other words, the clear setups are either failed breakouts that stick close to the breakout level (punt the higher low pullback, and go home if it doesn't work), or breakouts that simply don't come back. The middle ground, a strong breakout that comes back to retest relatively soon after, is far less attractive.

To summarise, Ethereum also looks good. An unsurprising conclusion given the new all-time highs. If it keeps ripping, we do not want to see a retest of \$4000 any time soon.

3. Altcoins Are Expensive, Narratives Unclear

Our attitude towards altcoins is lukewarm at best given the majors are on the move.

We expect Bitcoin and Ethereum volatility to create a liquidity vacuum of sorts among altcoins, at least in the short-term.

Long altcoins = short Bitcoin/Dollar (and Ethereum/Dollar) volatility. Therefore, in our view, positioning for strength in altcoins as the majors are making new all-time highs is not the most attractive bet in the market.

This caution is compounded by the fact that positioning in altcoin futures is still aggressive, as per last week's issue. This means funding rates on perpetual swaps are high, making it expensive to hold longs. That's fine if you have a clear thesis for an up side move, but that is not immediately obvious to us. Generally, the greater the transaction cost, the bigger the edge required to warrant paying it. In this instance, with funding being the transaction cost, we do not have a correspondingly compelling thesis to justify positioning bullishly.

There are clear exceptions to this. Two come to mind. First, if you already have well-researched, entrenched ecosystem plays in the market, it probably doesn't make sense to puke those to chase the majors. Second, there will always be outliers that show strength, even in an unfavourable environment. You can trade those, or just make a note of what they are so they're high on your list of stuff to punt when the altcoin market is primed.

To summarise, our focus is on the majors for now. Keep an eye on names you like and on the altcoin sector more broadly to get a sense of where relative strength is. That shortlist will be useful later.