

# June 2021

## Issue #5

### This week:

The majors are once again moving from high time frame support levels.

In this week's issue we discuss the range low bounce in Bitcoin/Dollar.

We discuss a similar setup in Ethereum/Dollar around the \$2000 handle.

For altcoins, we analyse the DeFi Index bounce as it approaches resistance.

We have also included a section outlining why a Bitcoin-led recovery is preferable to an altcoin-led recovery.

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$677,159,553,158	\$36,125.62	18,744,581 BTC	\$37,511,248,029	-0.23%	3.65%	11.56%
 Ethereum	ETH	\$257,310,283,782	\$2,208.88	116,489,274 ETH	\$26,176,663,580	-0.44%	3.81%	15.22%
 Tether	USDT	\$62,491,425,086	\$1.00	62,454,526,907 USDT *	\$64,090,191,639	-0.01%	0.03%	-0.08%
 Binance Coin	BNB	\$47,319,810,592	\$308.41	153,432,897 BNB *	\$1,949,859,232	-1.10%	3.52%	14.25%
 Cardano	ADA	\$44,363,445,521	\$1.39	31,946,328,269 ADA	\$2,741,095,620	-0.72%	3.80%	13.11%
 Dogecoin	DOGE	\$34,335,543,508	\$0.2637	130,228,392,047 DOGE	\$2,135,288,453	-1.49%	1.98%	32.39%
 XRP	XRP	\$32,767,416,377	\$0.7101	46,146,927,647 XRP *	\$3,247,446,998	-1.08%	9.29%	21.87%
 USD Coin	USDC	\$25,406,717,811	\$1.00	25,402,793,057 USDC *	\$2,448,852,755	-0.01%	0.00%	-0.10%
 Polkadot	DOT	\$15,887,133,627	\$16.62	955,884,381 DOT *	\$1,321,059,744	-0.69%	5.80%	6.71%
 Uniswap	UNI	\$10,828,745,529	\$18.82	575,233,677 UNI *	\$332,812,212	-0.55%	4.91%	13.47%

<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).

# 1. Bitcoin - No Fish for Weekly Bitcoin Bears

TechnicalAnalysisCharts published on TradingView.com, June 29, 2021 13:53:31 UTC  
COMBINE BTCUSD, 1W, 80209.99 A -1300.77 (a5-28N) Q:34706.13 R:34570.13 L:31664.99 C:34299.99



<https://s3.tradingview.com/snapshots/5/5fSpilyY.png>

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<https://s3.tradingview.com/snapshots/n/nIwz6wwh.png>

Another week, another close above the weekly range low (\$32300).

The “crab” market continues. Weekly support is intact, and price is currently around the midpoint between the bottom of the range (\$32300) and the top of the range (\$38200).

We added the aforementioned weekly range midpoint (\$34800) as a daily level. It has been tested once before. Closing above it would form a higher high on the daily time frame and suggest acceptance above the weekly range midpoint. Both of these are indicative of a move towards the range high (\$38200).

The market made a real effort to break the \$30000 floor. This was also visible by the prolonged negative funding in Bitcoin/Dollar perpetual swaps, which is evidence of aggressive positioning on the short side of the swap, keeping its price below the index price. The breakdown didn’t materialise, and now the market is moving in the opposite direction.

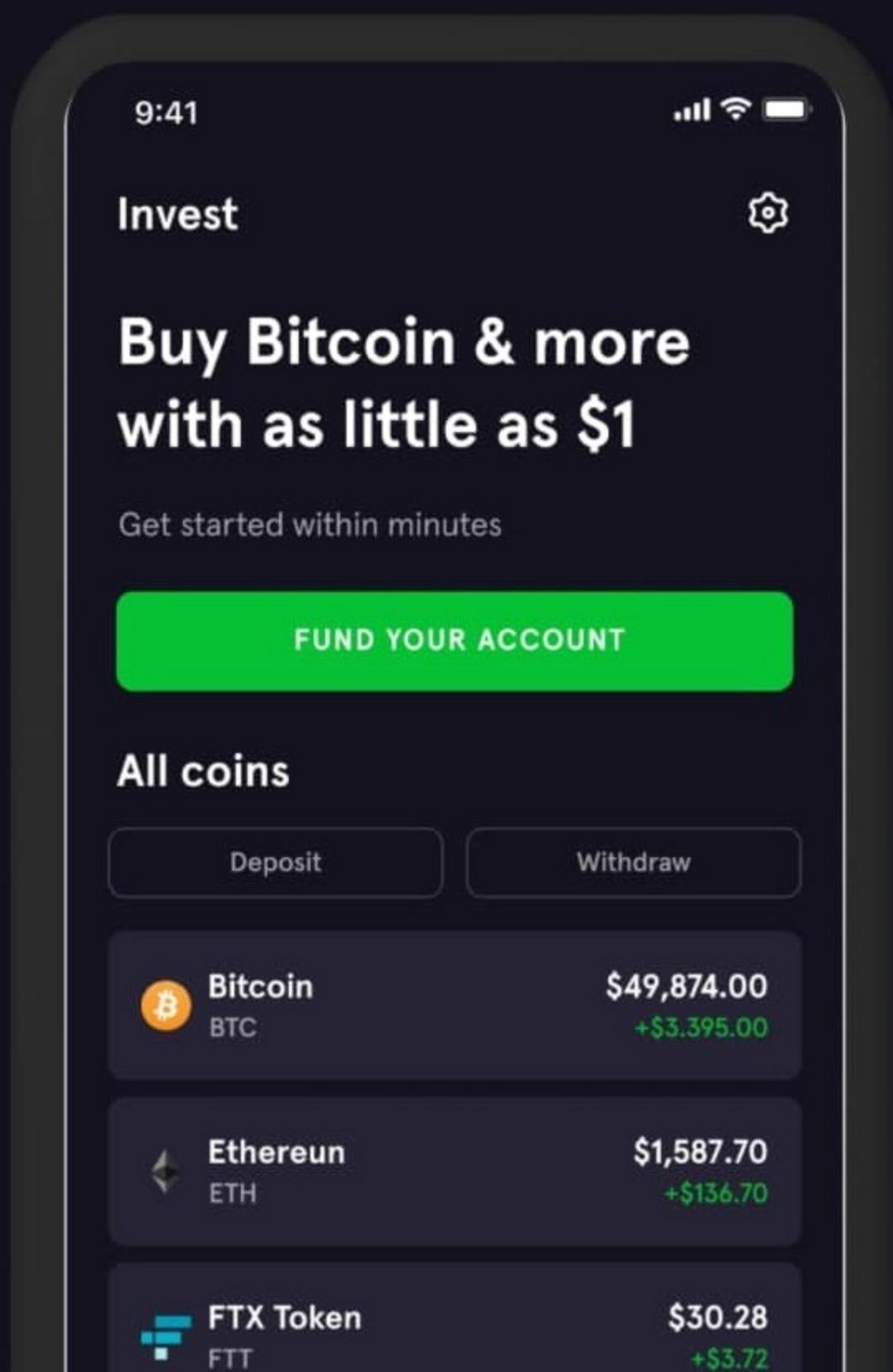
When high efforts yield no results, a move in the opposite direction usually follows. That is what we are currently seeing in Bitcoin/Dollar.

Fundamental narratives are still largely unchanged, but the market has been much better at absorbing the bad news than in the recent past. This is a positive development.

In terms of trade ideas, we have a couple on our radar. First, an aggressive pullback to the bottom of the range would provide a reasonable setup in the “bounce now or die forever” camp. Trading close to invalidation is a luxury, even if it’s uncomfortable. Second, while a bullish continuation trade from the range midpoint (\$34800) to the range high (\$38200) makes sense structurally, trading in the middle of a move is less compelling than the extremes. Passable, but not planning to lose sleep over it.



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COINBASE:ETHBTC, 1W 0.06138 ▲ +0.00094 [+1.56%] O:0.05717 H:0.06200 L:0.05697 C:0.06138



Ethereum held weekly support on both pairs.

On the BTC pair, price closed above the bottom of the range at \$0.055. The daily time frame is into resistance following a small bounce, but higher time frame support is intact. We will discuss the implications of this in the next section.

As for the USD pair, price is very close to “confirming” a daily time frame setup at weekly support. Last week we argued that \$1800–\$1940 is weekly support and that a daily close through the daily cluster above it (\$1940–\$1960) would be good evidence of weekly support doing its job.

At the time of writing, the most recent daily candle closed inside resistance (\$1940–\$1960) but the current daily is above it and trading at around \$2200. Any strong daily close through resistance (\$1940–\$1960) would be good evidence of a bullish range reclaim setup with the next level of resistance resting at \$2750–\$2900.

To summarise, Ethereum/Bitcoin looks fine as long as \$0.055 holds.

Ethereum/Dollar looks good if the cluster at \$1940–\$1960 is reclaimed (and acts as support).

### 3. DeFi Index Bounce



<https://s3.tradingview.com/snapshots/c/cSEqJBih.png>

The market is up, and altcoins haven't been left behind.

In fact, altcoins are (somewhat predictably) bouncing harder than Bitcoin. This is the normal relationship between Bitcoin and altcoins that we've written about on several occasions, whereby altcoins are "leveraged Bitcoin" i.e. they dump harder when Bitcoin dumps and pump harder when Bitcoin pumps (with some exceptions and caveats).

In terms of relative strength, the bounce hasn't outperformed the rest of the market. The DeFi Index is more or less tracking Ethereum (despite being composed of smaller market cap assets) and is, at the time of writing, performing worse than FTX's Altcoin Index i.e. high market cap altcoins.

While the composition of the DeFi Index is a bit dated, it still trades quite cleanly when it comes to technicals.

This market-wide rally has taken price to daily resistance at \$7140. This area (not so much a line in the sand) was the last support before the most recent breakdown. The weekly level at \$7400 falls into this area as well.

If this low-mid \$7000 area is reclaimed impulsively, there is plenty of space to punt continuation towards the other side of the range at \$1100.

Like many other setups, the higher probability long is through resistance, not into it from the underside (especially when there is so much space to occupy once the market is bullish).



## 4. DonAlt's Altcoin-Led Market Recovery Jitters

For an alleged permabear, DonAlt has an unhealthy obsession with pressing the green button.

He recently [bought the Bitcoin dip](#) in the \$33000s. He cut the trade in the mid \$34000s. This spawned some [reasonably humorous memes](#) from Cred.

More interestingly, DonAlt outlined his reasoning for closing the Bitcoin long. His argument was that Ethereum and altcoin-led bounces are riskier than Bitcoin-led bounces. In other words, the best evidence of risk reversal comes in the form of Bitcoin up and Bitcoin dominance up alongside it.

It's a conservative position, but one worth considering.

Given the absence of strong arguments for an altcoin decoupling, Bitcoin remains the premier "safe haven" asset in the crypto ecosystem (obviously excluding stablecoins). Accordingly, a healthy market is somewhat contingent on Bitcoin performing well and then capital flowing down from Bitcoin to assets that are "riskier" i.e. altcoins.

As the market kindly reminded us before the crash, weak Bitcoin + strong (garbage) altcoins = very frothy conditions made up of retail speculation.

In other words, for higher time frame risk reversal, you want to see Bitcoin put in a floor first (price up and dominance up) at the expense of altcoins.

An altcoin-led rally is a symptom of "normies" continuing to speculate as opposed to real strength entering the market. It is somewhat reminiscent of 2018, where altcoins kept us plebs entertained while Bitcoin pulled the rug.