

TR TECHNICAL ROUNDUP







January 2023 Issue #4

This week:

In this week's newsletter we focus on the majors.

We primarily discuss the momentum continuation that took place in the past week and potential obstacles in the coming weeks.

We conclude with a quick note on momentum and macro.

| Name | Symbol | Market Cap | Price | Circulating Supply | Volume(24h) | % 1h | % 24h | % 7d |
|--|--------|-------------------|-------------|-----------------------|------------------|--------|--------|--------|
|  Bitcoin | BTC | \$440,526,596,215 | \$22,859.42 | 19,271,118 BTC | \$27,450,595,251 | -0.54% | -0.08% | 7.68% |
|  Ethereum | ETH | \$198,171,126,461 | \$1,619.39 | 122,373,866 ETH * | \$8,436,856,282 | -0.57% | -0.73% | 3.17% |
|  BNB | BNB | \$49,357,894,498 | \$312.58 | 157,903,051 BNB * | \$822,771,693 | -0.50% | 2.49% | 3.56% |
|  XRP | XRP | \$21,374,324,409 | \$0.4208 | 50,796,877,639 XRP * | \$1,515,256,969 | -0.50% | -1.34% | 8.32% |
|  Cardano | ADA | \$12,972,321,599 | \$0.3752 | 34,572,231,146 ADA * | \$381,971,605 | -0.43% | -0.51% | 6.58% |
|  Dogecoin | DOGE | \$11,724,342,861 | \$0.08837 | 132,670,764,300 DOGE | \$571,391,445 | -0.48% | -0.32% | 5.12% |
|  Solana | SOL | \$8,986,347,979 | \$24.20 | 371,342,622 SOL * | \$870,384,927 | -1.29% | -0.79% | 3.15% |
|  Polygon | MATIC | \$8,741,201,095 | \$1.00 | 8,734,317,475 MATIC * | \$481,000,867 | -1.33% | -0.42% | -1.02% |
|  Polkadot | DOT | \$7,483,343,526 | \$6.45 | 1,159,878,979 DOT * | \$452,959,630 | -0.79% | 0.75% | 6.87% |
|  Litecoin | LTC | \$6,477,750,470 | \$89.81 | 72,125,091 LTC | \$564,259,236 | -0.30% | -1.21% | 2.16% |

<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 Continues Higher, Teases Monthly Resistance



<https://www.tradingview.com/x/5sePuvfa/>



<https://www.tradingview.com/x/48XfXWfh/>

Bitcoin/Dollar moved higher for another week.

In last week's newsletter we argued that the summer range reclaim was a big deal and that it made sense to give the breakout some room to breathe.

This week, we wanted to go back to our bread and butter – the monthly chart.

For Bitcoin/Dollar, there are three key areas.

First, support at \$19400–\$20000. This is a very clear level for directional bias. Above it, one can be justifiably bullish on account of the reclaim of the summer range breakdown. Below it, everything looks like garbage. It's the best (and only) large pullback support worth paying attention to.

Second, resistance at \$23300. This is the last visible monthly structure before the old range closer to \$30000. If there is going to be a visible pullback in the coming week(s), it will most likely be as a result of a reaction to or a failed breakout from the top of that range.

Last, the 2021 range low at \$35000–\$37000. More conservatively, the \$30000 handle. This is a logical target for a sustained range breakout and massive counter-trend move.

As far as ideas go, we'll have more to say in the coming weeks as we get some monthly and weekly time frame resolution to the current high time frame range.

Generally speaking, the most impactful signals would be losing \$19400–\$20000 (we're screwed) or finding acceptance above \$23300 (we're back). A failed breakout above \$23300 would land us firmly at “we're sort of screwed, pray for \$20k”.

2. Ethereum Tempts Fate With Double Top



<https://www.tradingview.com/x/5WSbnuoq/>



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

Ethereum/Dollar also participated in the broader breakout continuation.

The BTC pair has been moving lower, albeit still within its larger range.

Overall, this is actually a positive development in the medium term.

Bitcoin/Dollar strength is a positive precursor to a more sustainable trend, whatever the duration.

Generally, Bitcoin/Dollar is bid, ALT/BTC pairs suffer, Bitcoin/Dollar consolidates, and some of those profits trickle down into higher risk and lower market cap assets, rinse and repeat. That's a gross oversimplification, but gets the gist across.

As far as the USD pair goes, not a lot has changed.

Our short-term focus is the double top around \$1680. It'd be strange for the market to leave that there, clean as it is, without a poke and prod to see what lies beyond it.

Bigger picture, the larger pullback level is around \$1400 and the larger continuation level is closer to \$1800.

The \$1500-\$1700 is rather messy on high time frame charts and far less interesting.

Overall, majors are pushing towards range highs on higher time frames. The breakout trade ideas and invalidations are clear, the larger pullback trade ideas and invalidations are clear, but piling in at the top of the range without consideration for either of those is far less clear.

3. Momentum and Macro

One of the more popular reasons to fade this rally from the outset is that macro sucks.

To paraphrase the argument, the claim is essentially that it doesn't make sense to be long risk assets because the coming recession will provide significantly discounted prices relative to where they are now.

This argument isn't absurd on its face, but it is not as ironclad as it may seem.

First, it is not entirely clear to us how anyone could operate with any meaningful degree of certainty when it comes to the macro environment. Just about the entire market was caught blindsided by the shift in early 2022, so that at least gives some reason to be sceptical that the same people are now correct about macro just a year later.

Second, even if one were to (for argument's sake) concede the premise of terrible macro and even that the worst is yet to come, that doesn't mean that counter-trend momentum ideas are automatically off the table. This is a form of category error. In most cases, macro/recessionary consequences are expected to take place over, say, 6-12 months. On the other hand, momentum-oriented ideas are by definition more narrowly constrained by both price and time. It's not unreasonable for both to be true e.g. things will suck within 6-12 months, but I think there's room for upside for 1-6 weeks.

2022 presented a clear case for macro being important for crypto assets. It's still important. But one mustn't forget that the long-term considerations that are derived from macro aren't incompatible with shorter-term counter-trend ideas.

If you have good setups with clear invalidations, take them. That's more likely to be your edge, not multi-month prognostication.