

February 2022











Issue #2

This week:

In this week's newsletter we analyse the bullish continuation in Bitcoin/Dollar towards multi-time frame resistance at \$46000.

We also revisit Ethereum/Dollar, which is retesting its breakdown point.

The last section is a reminder of our framework in rangebound markets.

Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
 Bitcoin	BTC	\$830,963,413,033	\$43,845.71	18,951,987 BTC	\$35,211,378,396	-0.29%	2.68%	14.06%
 Ethereum	ETH	\$370,426,492,667	\$3,099.95	119,494,185 ETH	\$17,570,182,490	-0.50%	1.09%	12.32%
 BNB	BNB	\$70,311,037,806	\$425.83	165,116,761 BNB *	\$2,033,017,718	-0.07%	-0.09%	11.13%
 XRP	XRP	\$40,890,490,256	\$0.8549	47,832,461,678 XRP *	\$5,923,580,893	-0.73%	10.73%	37.62%
 Cardano	ADA	\$40,135,691,207	\$1.20	33,579,921,329 ADA	\$2,594,032,634	0.52%	1.40%	13.23%
 Solana	SOL	\$36,191,154,046	\$114.05	317,331,954 SOL *	\$2,776,026,963	-0.07%	-2.88%	7.23%
 Terra	LUNA	\$22,768,284,403	\$56.74	401,301,467 LUNA *	\$2,265,627,892	-0.20%	-1.14%	8.57%
 Polkadot	DOT	\$21,397,451,339	\$21.67	987,579,315 DOT *	\$1,630,555,258	-0.60%	-3.13%	10.76%
 Dogecoin	DOGE	\$21,121,361,455	\$0.1592	132,670,764,300 DOGE	\$1,850,158,876	-0.27%	1.68%	11.83%
 Avalanche	AVAX	\$21,116,119,033	\$86.12	245,204,967 AVAX *	\$1,729,595,604	-4.39%	4.80%	22.75%

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

Table of Contents

1. Bitcoin Testing Significant Resistance

2. Ethereum Reaches \$3000 Retest

3. Rangebound Market Rulebook

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 Testing Significant Resistance



<https://www.tradingview.com/x/9B9bK5Ep/>



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

Bitcoin/Dollar is approaching multi-time frame resistance in the mid-high \$40000 area.

Just like there was a lot of support overlap in the low-mid \$30000s, there is resistance overlap in the mid-high \$40000s.

Specifically, \$46000-\$47000 is the midpoint of the monthly range. It is also the weekly cluster and pre breakdown point. Finally, the slow-moving trend metrics we look at from time to time (21-week moving average, 50-week moving average, and 200-day moving average) are all clustered around \$50000.

This market is still rangebound until proven otherwise. At the time of writing, the market has bounced from support and is now approaching resistance.

We were inherently optimistic at support, and we are inherently cautious at resistance.

The price action has been very one-sided, in typical Bitcoin fashion. Up, sideways, up, sideways, and so on, all while offering barely visible pullbacks. It's a tough trend to join from a high time frame perspective, but choosing to do so as the market is pushing into resistance is probably unwise.

Even if this move results in the market reaching the range high (\$56000-\$60000), our view is that positioning for that by buying the underside of confluent resistance is one of the least compelling ways to get on board. At the very least, our base case is some churn, chop, and slowdown as some derisking takes place at these high time frame levels.

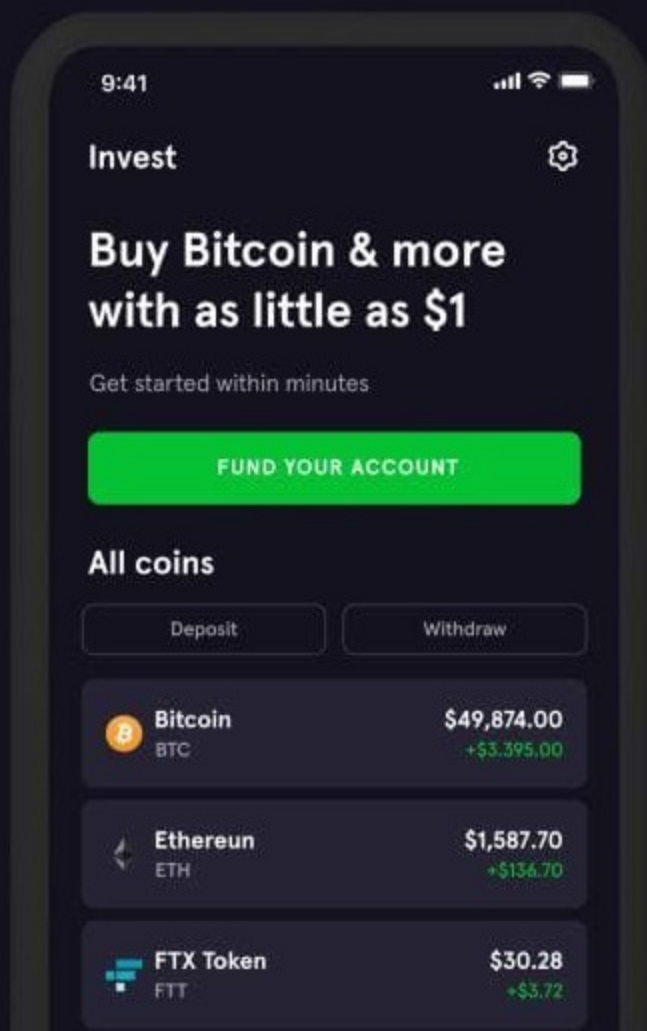
In terms of pullbacks, there is daily structure at \$40500 and some weekly overlap at \$38200. It is a decent area for a shallow higher low if this trend persists.

As for continuation, like with any range, reclaiming the range midpoint suggests a move towards the range high. At the time of writing, the range midpoint (\$46000-\$47000) is resistance.

To summarise, the market has moved from support to resistance. The risk-to-reward of fresh longs is unfavourable here. Momentum continuation would be nice, but it has not yet materialised. A \$38000-\$40000 higher low is potentially on the cards. Both of those are better trades than chasing the next leg up, in our view.



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2. Ethereum Reaches \$3000 Retest



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



<https://www.tradingview.com/x/9PPFr5vj/>

Ethereum/Dollar is retesting its range midpoint at \$3050-\$3310.

The technicals are very similar to Bitcoin/Dollar.

Without paraphrasing the entire section, the main premise is that Ethereum/Dollar is at high time frame resistance.

Above \$3050-\$3310, there is a clear target at \$4000.

If \$3050-\$3310 pulls back, a plausible higher low area may be found at \$2700 on the daily time frame, but the trend would have to be very strong for a pullback level like that to hold. Otherwise, our eye is drawn towards the untested range low at \$1900.

The BTC pair remains uninteresting: resistance (\$0.077) has not been reclaimed and the case for a higher low is increasingly fleeting.

We weren't fans of diddling in the middle (i.e. trading at the high time frame midrange) on the way down, so understandably, we're not jumping at the opportunity to do so on the way down, either.

3. Rangebound Market Rulebook

We've undoubtedly written several versions of this section in the past, but it may be worth revisiting given the current price action.

More important than any technicals or indicators, is identifying what type of mode or regime the market is in.

Is it trending, or is it ranging?

That in itself may seem like a simple test (it isn't) but it is the backbone of building consistent and adaptable trading systems.

When a market is trending, several things should be assumed. Take a clear uptrend. Some principles may be as follows. Breakouts are likely to stick. Pullbacks are likely to be shallow. Support is likely to work, while resistance is less likely to work. Holding on to long entries until they reach (much) higher levels of resistance is reasonable. You get the gist.

Many of these assumptions can be reversed for a ranging market. Breakouts/breakdowns are less likely to stick. Pullbacks are likely to be deeper. Support and resistance are equally likely to work. Holding entries past take profit levels is unreasonable. And so on.

One way to lose money (or leave a lot of it on the table) is by misidentifying the market regime you're in.

If you're trading rangebound setups in a trending market, you will almost always close trades too early, rarely get your picky entries, and likely get burned stepping in front of impulsive moves.

If you're trading trending setups in a rangebound market, you will almost always close trades too late, enter at inopportune moments, and likely get burned holding a position by waiting for an impulse that never comes.

This list is not exhaustive.

All this to say, until proven otherwise, our base case is that the market is rangebound. Rangebound means being picky with entries and conservative with exits.

We're developing our views one level at a time, and for the moment, the nearest relevant price structure is resistance in Bitcoin/Dollar (~\$47000) and in Ethereum/Dollar (\$3050-\$3310).

We were loud enough at support to be able to exercise some patience now.

(Even though Cred didn't get filled and Don sold early lol noobs rekt keep coping about 'resistance' from the sidelines)