



**Dear Reader,**

**Welcome to our second edition of the Awareify Newsletter!**

First of all we want to thank you for the nice comments and feedback received from you after our first newsletter *last Friday*.

We aim to improve and tailor each issue to your needs. Therefore, your inputs are highly appreciated. It makes us learn about market psychology and hopefully will be of aid to your current and future investments!

Some recommendations will be made in this week's issue, therefore we will caution a warning that investing in crypto's are at **your own risk**.

## Crypto King & Queen Analysis



### BTC - Bitcoin

We start with looking at Bitcoin on the daily. Unfortunately it did technically break the bullish structure. Although a descending triangle is a bearish technical pattern. In a macro bull market, you always need to be biased to the bullish case. We saw BTC breaking **\$34,000** support level with big momentum and this move made it break the uptrend. Probabilities are high that it will either continue to move down in the current downward trending channel it has formed between both purple parallel lines.

In any case, there is a clear range that can be traded both ways, until it breaks either way.

#### **Bull Scenario:**

BTC needs to break out of the current downward trending resistance line (purple top diagonal line) before a continuation of the uptrend can be confirmed to the upside. Price level to watch is **\$38,000**. In that case, we will aim to see BTC go for the **\$50,000** (next psychological resistance).

#### **Bear Scenario:**

BTC will continue to trend downwards and could break the current support at **\$30,000** (horizontal price support and 168% fibonacci support). Our next targets in that case will be: **\$26,500** (the next fibonacci support level), from the current one at \$30,000. For the moment, a retest of **\$20,000** seems *technically unlikely*.



## ETH - Ethereum

Looking at Ethereum, we do still see it showing strength against BTC, which will become more clear when we will look at the ETH/BTC chart in the next section.

Where BTC is in a clear downward channel, ETH is in a clear upward channel in contrast and is therefore **stronger** than BTC right now.

However, if BTC will follow the bearish scenario, the chances are **slim** that ETH will break out. How will we be wrong?

If BTC will continue downwards and ETH breaks out to the upside. This would mean a significant change in market dynamics, indicating that investors are happy to sell their Bitcoin to chase a higher % gain on Ethereum and other altcoins.

### Bull Scenario:

ETH still needs to break a similar downtrend resistance line (purple diagonal line) above **\$1350** and preferably **\$1450 (All-time high price in \$)** with **great momentum** in order to confirm it's move upward and confirmation of "leading the market" as it did throughout Spring of 2020. Until that happens, it will likely follow BTC.

### Bear Scenario:

If it breaks **\$1000** it could see it consolidate there or move further down to \$900 and perhaps further, depending on what Bitcoin does.

We do see **bearish divergence** on the RSI on ETH, where the price does move higher but tends to get weaker in strength, issuing a warning to investors that the current price levels could become harder to sustain.

## Bitcoin vs Ethereum vs Altcoins



## BTC.D - Bitcoin Dominance - Macro

We saw the Bitcoin market dominance break down from the descending triangle formation, which we expected as issued in our previous newsletter. Although it still could trend downwards as it has good momentum and needs to make the 7% target from the triangle, there is a chance it could pause as it sits





## SPX - S&P500

The S&P500, which we use as leading indicator for the global financial markets looks good at the moment. However we want to point a potential bearish signal that we see could form in February. A technical tool we use that helps us time the market indicates a potential top in the S&P. Why do we want to show you this?



## DXY - Dollar Strenght Index

Because it just so happens to coincide with a buy indication for the **US Dollar** in **February**. Perhaps the best chart to trade **the inflation rate**, which is **NOT 2% but around 10%** (see [shadow stats for more info](#)). The media lies in your face, shocking news right? Anyways...

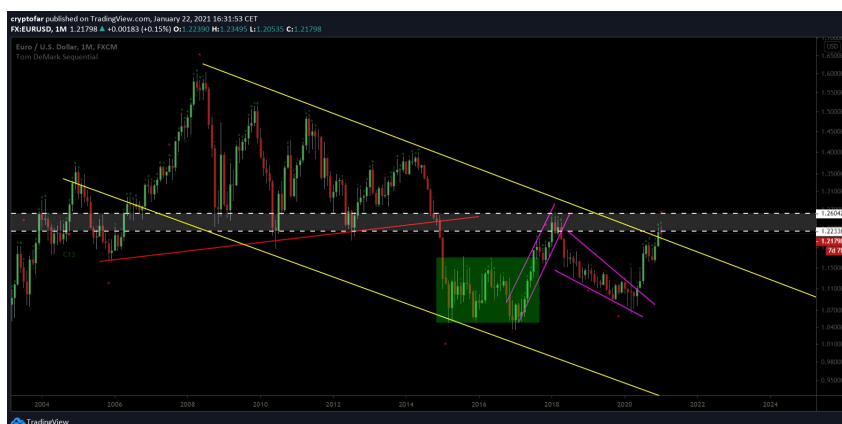
When the DXY goes down in value, generally the value (a.k.a. your purchasing power) goes down the...

We see that despite the massive printing going on, the **DXY is on multiple support currently, technically**.

This coincides with

- A. a potential top in the S&P500 (as they have an inverse relation).
- B. If we bring the Bitcoin Dominance into view on this as well, we do see an interesting thesis forming for an overall top in the markets in a few weeks, sometime in **February**.

We support this thesis further with the general statistics of how Crypto's have behaved since 2017, where it rises during **Spring throughout Summer and end of year**, then **retraces at the start of the year and during Autumn**.



## EUR/USD

Then a icing on the cake, as most of our readers are situated in Europe. We said in our previous issue that the **EUR** was likely going to drop in value

compared to the **US dollar**. All fiat currencies tend to drop in value when the DXY (US Dollar) rises. Therefore, this is a simple conclusion that could save you some money. Historically, the Euro hasn't been above **\$1.25** since **December 2014**.

If it does break above \$1.25, you will know what to do!



### Dear Reader,

Thank you for having subscribed to the Awareify Newsletter! I hope you enjoyed our content and that it was of value to you.

If you are you curious about the Crypto industry and interested in becoming a **guest writer** for us or collaborating in other ways, then do drop us a message!

Wish you a great week!

Cheers!  
**Faro**



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