

Dear {{ contact.FIRSTNAME }},

Phase III of the market refers to potentially the final phase of the current bullmarket. With May just around the corner and a historically good month for Crypto's and the markets in general, there's a lot at stake.

At the same time, with more participants in Crypto's, new joiners and increased adoption curve, the game (as always) is dynamic, but the rules and psychology of fear and greed never change.

Will it be a classic tale of: "Sell in May and go away"? or perhaps the story "will be different this time"?

Yours sincerely,

Faro

Cryptocurrencies Total Market Cap



Total Cryptocurrencies Market Capitalization

We are currently operating within the parallel channel, where the green trendline acts as support and the red as resistance. Within this channel we have a falling wedge type of pattern that technically has broken to the upside and indicates a target of around \$2.4 Trillion market cap for all the cryptocurrencies combined.

Then we also still have the larger target of \$2.8 Trillion that is still outstanding. In hindsight, the \$2 Trillion mark was a more significant key level than anticipated, as we had a fake break-out, that took the market back to around \$1.7 Trillion.

Bull Scenario:

As we are now back above \$2 Trillion, it should serve as good support. If it manages to stay above this level, expect it to reach the next targets in May and look to take profits at the target levels and the potential trendline resistance, as indicated in the charts, once the markets reaches there.

Bear Scenario:

Another fake-out, taking us back to \$1.7 Trillion and potentially below \$1.65 Trillion. Although the probability of this scenario is low, if it occurs I would be looking to take significant risk off, potentially 50% or more exposure from crypto's.

Bitcoin Market Dominance



Bitcoin Market Dominance - BTC.D

The Bitcoin dominance level is near a critical level, which is **the 50%**. In the past, this level has acted as both support and **resistance** several times. Furthermore, there is reason to be cautious and selective with picking the right altcoins as we are also approaching the bullflag target from the breakdown of the 60% level. Then there is also the **1.618** fibonacci level and the purple trendline, all in close proximity to each-other. This creates a **conflux of targets and key levels** and increases the risk of two scenario's that are both not good for altcoins...

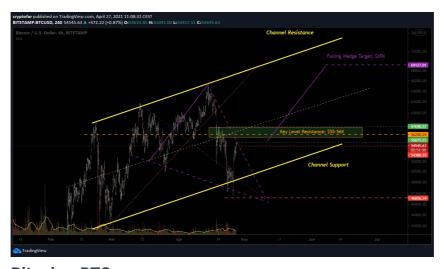
For the bull scenario: that bitcoin will take off and leave the altcoins behind (thus you will gain \$ value but actually lose bitcoin value in your portfolio which you don't want).

Or for the bear scenario: that the entire crypto market will decrease in value and people will look to take profits from their altcoins into bitcoin (thus potentially losing both bticoin and \$ value).

My forecast: we could return to the 55-57% bitcoin dominance level before continueing the trend down to 35% or lower (where I expect the bullmarket to end, in similar fashion as in 2017).

My recommendation: although we are still in an altcoin cycle, take risk off by increasing your bitcoin holding and only stay invested in quality altcoins, whilst also having some USD stablecoins to invest if prices do come down.

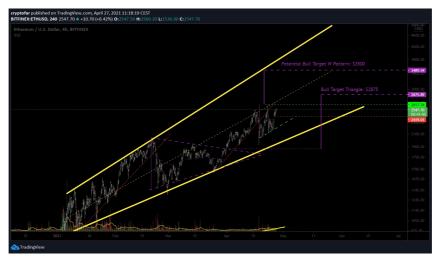
Bitcoin USD



Bitcoin - BTC

Bitcoin is currently still in the falling wedge pattern and reaching a key price level that acts as resistance, since it has fallen bellow this level (**between \$55-\$57K**). There is a good chance that the price will stall here for a bit or either retrace back before breaking above to it's outstanding price target of \$69K, which is the target of the falling wedge and comes near the top line of the parallel channel. Therefore, if you are not in bitcoin currently and waiting to enter. I would wait for the price to break \$57K or to come down in the vicinity of the yellow trendline that forms the bottom of the parallel channel to enter.

Ethereum USD



Ethereum - ETH

Ethereum has been outperforming Bitcoin in recent weeks and is looking like it will continue to do so. However, with the bitcoin dominance reaching a critical level, there is more reason to be cautious than otherwise. Because history revealed time after time, that when Bitcoin retraces, it takes the altcoins down with it and destroys even good technical setups. For this reason alone, I would caution in being over-leveraged in altcoins right now, but if you would be in any, then ethereum would be a good place, as the chart is showing a potential W-pattern with a target of \$3500 which alligns perfectly with the top of the channel in yellow. Then there is also an outstanding price target to be met from the symmetrical triangle which broke out from \$1900, which is \$2875 that also needs to be reached still.

Macro and Altcoins

The macro picture on the DXY and the SPX is left out of this week's newletter as there are no major changes there. And the altcoins are out of scope.



Dear {{ contact.FIRSTNAME }}

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Wish you a great week ahead.

Cheers!









URL: https://www.awareify.com **E-mail:** info@awareify.com



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