



Dear [REDACTED]

The title says it all doesn't it? :) Well let's just say nothing under false pretenses ;)

To describe feelings of excitement, anticipation and...potentially **the final phase of the bull market.**

September has **historically** been a **RED** month in Crypto's (7 out of 10 last years) and this applies to the **traditional markets** as well. Some logical reasons could be people coming back from August holidays + low interest in trading.

Therefore, it was also not surprising that there was a negative news event of which the **Evergrande** story was most prominent.

For a short moment there was a systemic risk, but of course China bailed them out in the end. Afterwards there was also more FUD coming out of China (one of the world's largest Bitcoin holders let's not forget), that they are banning Bitcoin (surprise surprise).

So the stories seem cyclical and by now this should come as no surprise to you, as an avid Awariefy reader.

It's actually ironic that data suggests bad news on Crypto from China tend to indicate the exact local bottom prices for Bitcoin.

The most important question however which you all want to know is the **\$100,000 thesis, supported by the Stock-to-Flow Model.**

As of now there are only three months left until **Christmas** and for Bitcoin to reach this price level.

But since the markets never do that which everyone thinks (isn't that nice), maybe \$100,000 is **NOT gonna happen.**

For this reason alone, my bet would be that either it will just **fall short of this target**, or exceed it **significantly.**

Please find my full analysis below and hope it helps you make **L(W)IFE changing money!**

Yours,

Faro

MACRO - S&P 500 - PART 1



S&P 500 Futures Market

Why the futures you might ask? Well, to get a better indication what the global markets will do.

This time, the DXY, Bonds and Metals are left out to focus on the most important indications to forecast the next step for Bitcoin and Crypto's. Due to the correlation the thesis of \$100,000 by Christmas **cannot be realized if the S&P would be going down.**

Taking the optimistic perspective, the S&P futures are giving the Bulls hope that markets can support a rally into Q4, after the Evergrande news faded away.

MACRO - S&P 500 - PART 2



S&P 500 Spot

While the S&P futures are suggesting a good start of this important week, they could also be misleading. Therefore we need to have a look at both the futures and the spot, and you can see that the chart looks slightly different.

The good news is that the odds of going up is **larger than going down (>55%)**. However, there could be a final "shake-out" (Scenario B) in the next few days before the markets would finally break up.

Ofcourse Scenario C cannot be ruled out just yet, but odds of this have decreased after last week. IMO, this would require an external geo-political event to happen.

The FED are not going to raise interest rates and inflation is rising by the day so probabilities favor **the Bulls**.

BITCOIN - BIG PICTURE



Bitcoin - Weekly Chart

Arguably the best looking chart, when we look at BTC zoomed out on the longer timeframe, the play becomes very clear.

In reality, there are in fact three scenario's but until the current pattern becomes invalidated I'll leave that out for now and focus on the main two high probability scenario's.

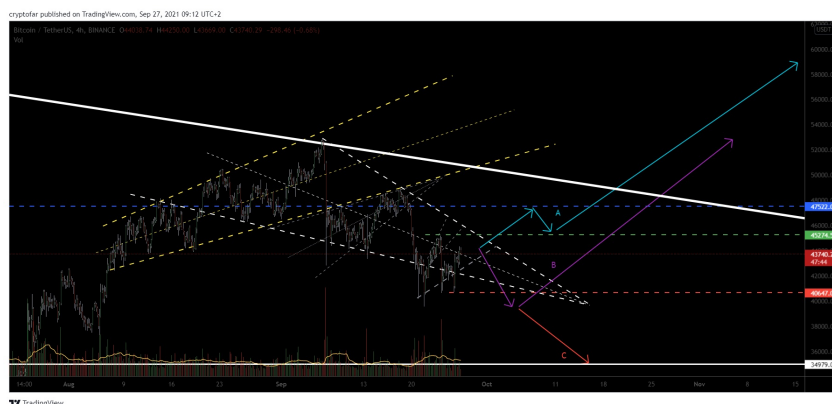
Before going further, I should mention that scenario C (which would mean BTC breaking \$30K and going back to \$20K and lower) will only realistically happen if we would see a global market correction. Hence, a close look is required on the **S&P 500 at all times.**

Now, here's **the good news**. Even if BTC fails to make \$100K by Christmas, the odds become bigger of it having a rally at the start of 2022 heading into April/May - similar to this year. In that case, it should go **well above \$100K** and

we can look at the **Fibonacci levels for price target indications**, of which the most important levels are the 1.618 level at **\$87,200** and the 2.618 level at **\$123,300**.

On the other hand, **the bad news** is that if we see BTC by \$100K this year still, chances become high that this will in fact be **the final part of the bull market** where we should see a **blow-off top** and the most crazy price actions since start of 2020.

BITCOIN - THE BATTLEGROUND



Bitcoin

This is currently where **all the action happens**.

This chart determines our entry levels and gives us the best chance to be early in the moves, to then be able to pivot into the strong Alts and to give us the green light to use leverage with a good Risk to Reward (R:R).

After BTC retraced from the 0.618 Fib level around **\$50K** and dropped to **\$40K** (the low was **\$39,500** to be precise). I do think that it was **THE low** and believe that we are in the **final stage of the current retracement**.

As I mentioned in our [Telegram channel](#), this recent price action is similar to July when BTC was at **\$28K** and was making lower lows with dissipating volatility until it broke out and started a 8 week only green rally.

What we see now is a **falling wedge pattern (=bullish)** which is currently completing it's 3rd wave (=final part). The break of this wedge pattern to the upside (**\$ level to break is \$45,300**), is going to be your low risk entry and **THE key level** I'm currently looking at. Once above this level, **safe positions can be taken in Altcoins**.

You will also have a clear price level that will tell you **if you're wrong**, which is if price goes **below the low of \$39,500** (max risk of 13% after you have entered at **\$45,300**). This will give you a **Risk to Reward Ratio of around 1:10**.

The chance to double your money or lose 13%.
Read that again.

BITCOIN DOMINANCE



Bitcoin Dominance

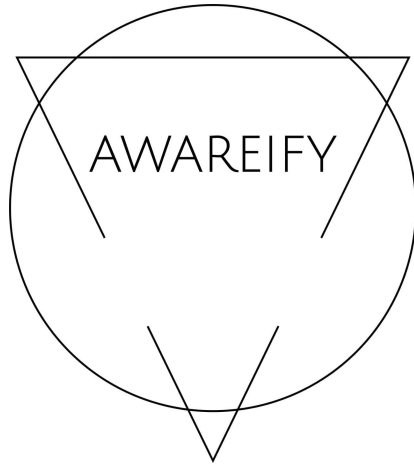
This is where things get more complicated. **Bitcoin or Alts and more importantly, which Alts?** The final phase of the bull market won't be as easy as the beginning where you can just pretty much blindly put your money in some low-cap degen coin and expect a 10X return.

Well maybe you can, but that's also the fastest route to lose all your money. That's where **risk mgmt** comes into play and knowing when it's safe to be in Alts, and getting in and out at the right time and all that good stuff (sounds easy? Good). It isn't.

Looking at BTC dominance, realistically you should be prepared for anything. After reaching 40% dominance, we could well see Bitcoin rally into all-time highs leaving altcoins behind at first, and then see Altcoins rally (this is usually the case).

However zooming in on what the chart is telling - there is pretty much a 50/50 chance of of dominance going **either to 37.5% first or 46%**. Although the downward channel is broken, the triangle would still suggest **a slightly larger % of continuation of trend rather than reversal**. For this reason, I'm still comfortable holding quality Alts at this point still - as long as BTC holds ground.

AWAREIFY CAPITAL INDEX



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Index Elaboration

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Trust the universe, you get what you give!

Yours faithfully,

Faro



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