



The title is dramatic but talking from 5+ years of market experience in Cryptos and human psychology, this is the moment most of you are going to fuck up, the same way you probably fucked up FOMO'ing into Crypto +\$60K.

Actually probably, you are still fucking up and have been for the last 9 months, holding heavy bags of Altcoins.

These are all facts that saddens me to say that probably applies to you.

Don't like the language? Hurt feelings? I don't give a shit, you are free to unsubscribe at any point. You're reading this newsletter for educational purpose and to make money.

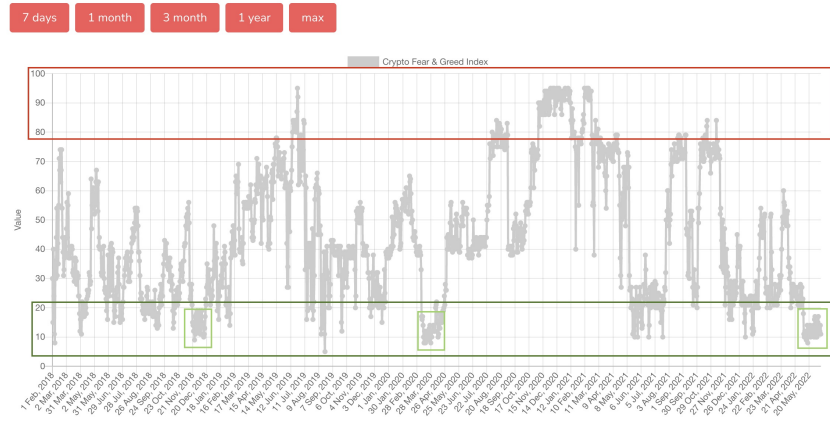
Now that your attention is hopefully gazed in this shit 5 seconds attention span society, let's look at the analysis.

A lot work went into making this, at this point I should be charging you for it but as a humble and nice guy I won't so hope you enjoy.

Crypto Exclusive

Crypto Fear & Greed Index Over Time

This is a plot of the Fear & Greed Index over time, where a value of 0 means "Extreme Fear" while a value of 100 represents "Extreme Greed".



Fear and Greed Index

Support Level: 10-20

Resistance Level 1: 50-60 (midline/neutral zone)

Resistance Level 2: 80+ (long-term peak)

For this week's newsletter, we'd like to start by looking at the classic Fear & Greed Index for different cryptos.

This is intended to serve as both a reminder and to shed light on what the typical actions are associated with the respective levels.

We know for a fact, as you sure do as well, that most people buy the tops and sell the bottoms simply because of our human emotions. However, the human eye is trained well to recognize patterns, both in nature and in data.

With that being said, the last two times when the F&G Index found itself between the 10 and 20 levels, in a similar cluster (see the light green boxes for reference), at the end of 2018 and during the March 2020 Covid market crash, a subsequent rally occurred within a few weeks. Based on that, the odds increase for a move back to the neutral zone (50-60) for a relief rally.



Bitcoin USD - High Time Frame

Support Level 1: \$20,000 - \$21,000

Support Level 2: \$12,000 - \$15,000

Resistance Level: \$29,000 - \$30,000

Bitcoin on the high time frame chart shows a clear view of how things stand currently in the crypto market and where the mid-term bias should be for an investor.

Breaking the "Summer low of 2021" was a critical occurrence after the price broke the key \$30K level.

In addition to the head and shoulders pattern which already performed (see the last three Weekly Smart Reviews for reference), breaking the \$30K level triggered another H&S pattern. The slightly tricky part is determining the neckline as it could be slightly ascending as well as horizontal.

Taking the “more optimistic” ascending neckline gives us a target of \$15K for BTC and possibly lower if the second neckline target would also perform.

The latter would make sense as it would bring the price to roughly between \$12K and \$15K, where there would be a confluence of different support levels, including the lower band of the large parallel channel.

As a final remark on this chart, it is also worth noting that the RSI on a weekly level is now the lowest it has been in some time, lower than the 2018 bear market levels.

In no way is this an imminent reversal signal, but rather a potential indication of the start of an accumulation phase and the increased possibility of an imminent relief rally.



Bitcoin USD - Short Time Frame

Support Level: \$20,000 - \$22,000

Resistance Level: \$29,000 - \$30,000

The Bitcoin low time frame chart is the more interesting chart for dedicated traders as the low preceding volatility and ranging of price around the \$30K level was indicative of an expansive move of which the bias on direction should have been to the downside.

Although the initial triangle pattern failed, the ascending triangle performed its target of \$23K at the time of writing.

We can see that as soon as the candles started closing outside of the pattern and below \$30K, the move started to accelerate to the downside.

Although the second pattern performed, given the current momentum and fear amongst retail, the move could slightly over-perform by going lower. However, as mentioned previously, a relief rally across the market is very much due.



Ethereum USD - Long Time Frame
Support Level : \$900 - \$1100
Resistance Level: \$2000 - \$2400

When looking at Ethereum on the high time frame, the first thing worth noting is that it has already gone below its previous cycle top of \$1420, whereas Bitcoin hasn't yet.

This shows the relative weakness of ETH against BTC, which is common during the bear phase of the market cycle.

By further comparing this chart against BTC, we can see that instead of an H&S pattern, a better pattern would be the ascending wedge on ETH.

The reason for that is the higher degree of angle on the trendline the price went down from (~\$2600). This gives a downside target of ~\$965 with a chance of the price going lower if it finds its way to the long black trendline support from late 2016.

As for BTC, the RSI on ETH is also at a lower level than in 2018.



Ethereum USD - Short Time Frame
Support Level : \$900 - \$1100
Resistance Level: \$2000 - \$2400

When we look closer at the same ETH chart discussed above, the resistance and support levels should become clear. Although the pattern on ETH has not yet performed its target of \$965 and is still expected to do so in the medium-term (weeks), it is interesting to look at the Risk vs Reward.

In the short term, the odds are becoming higher for a

position to the upside, knowing where the next levels of resistance are. This should make a trade easier to manage with proper risk management.



Ethereum / Bitcoin (ETH/BTC)
Support Level: 0.045 - 0.05
Resistance Level: 0.065 - 0.07

Before breaking down the ETH/BTC chart, we'd like to remind you that there is more than one road that leads to Rome.

In the same spirit, we can look at different charts that give us a different perspective but which all bring us to the same conclusion.

Applying this to Ethereum, we can look at both BTC and ETH against USD and come to the conclusion that ETH has been weaker recently (and is expected to be for the time being), or we can look at ETH/BTC directly.

For a few weeks now, we have been expecting ETH to underperform based purely on the technicals. Knowing that the merge was taking place increased the odds of a "sell the news" type of event.

Looking at its chart, the price bounced from the key level of 0.05 Sats, where there's also the first trendline support. However, its downside target of 0.045 is still outstanding, and although it is expected for the price to get there, it doesn't have to do so immediately.

Finally, some of you probably noticed that the pattern on ETH/BTC is an H&S pattern and that the pattern of ETH/USD is a rising wedge. Although it's better to be congruent, in this case, it doesn't change the measured target of the pattern.



Bitcoin Dominance (BTC.D)

Support Level: 44 - 45

Resistance Level 1: 48 - 49

Resistance Level 2: 50 - 53

In addition to the ETH/BTC chart, let's look at the Bitcoin Dominance chart, which has given us a bearish bias ever since breaking out from its falling wedge pattern.

Knowing that the target of ~53.8% is still outstanding and has some ways to go, we clearly see that a strong initial rejection has taken place at the 48% level.

Therefore, we marked with a blue line a potential trajectory which would make the most sense. Although it's just a projection (and should be closely monitored), a return move often takes place after breaking a large pattern.

The price then tests the respective break-out area as support to confirm its trajectory to the upside, which in this case would confirm our bearish medium-term outlook on cryptos.



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