



Crypto Exclusive



Bitcoin USD - Weekly

BTC on the weekly chart is currently on its 9th consecutive weekly red candle, which raises the probabilities of a bounce to the upside in the short-term.

The H&S (head & shoulders) target of \$27,000 was reached after the price broke down from its neckline at \$42,000.

This means that for now we have a localised low of **\$25,362** where the price had a strong initial bounce from so far.

Typically multiple revisits of the lows happens during bottoming formation, but that doesn't always have to be the case.

The **\$30K** level is both a key and a psychological level. Closing a weekly candle above this area will increase probabilities of some upside to come in the short-term.



Bitcoin USD - Short Time Frame

In the immediate short-term BTC is potentially preparing for a large up move if the triangle formation is to play out.

The bullish target of the triangle to the upside is **~\$36,200** and the bearish target is **\$24,500**.

The apex of the triangle is the *30th of May*, meaning the move (if it materialises) should play out by the end of this month.

Taking a closer look at the chart, we can observe that the price is currently hovering around the psychological level of \$30,000 trying to establish support.

Using the Volume by Price premium indicator on Tradingview, it gives us a potential clue as to where our direction should be biased.

We can see that most of the price action is occurring below the \$30K level, indicating that this level at the moment is more resistance than support and that our bias for direction should be to the downside.

One factor which could be bullish would be the **funding rates** which are negative across the board on the crypto futures market. This could lead to a short-squeeze to the upside despite our downside bias.

Dedicated traders might take a swing at this trading opportunity, otherwise awaiting a clear resolution and a better structure could potentially be the smarter move in the long-term.



Ethereum / Bitcoin (ETH/BTC) - Long Time Frame

Which asset could be a better indication that we can take for Altcoins besides the BTC.D than the Queen of Alts itself, ETH.

Whilst also having the upcoming ETH merge update in the

back of our minds, focusing purely on the technicals we see a potential interesting setup forming that is in line with our view on the BTC Dominance which is expected to increase (= Bearish for Altcoins in relative strength).

The ETH/BTC is within an upward rotated parallel channel, but within this channel we can also observe a Complex Head & Shoulders pattern forming, where the price is leaning rather heavy on the upward grinding support line after having had a momentum break to the downside.

This line is currently acting as *support and neckline* where the H&S can be potentially triggered.

If this happens, a downside move of ~33% would be triggered that should bring ETH/BTC back to the ~ 0.043 level where it broke out in Spring of 2021.

Bonus Content



DXY (US Dollar) - Long Time Frame

We know that the Crypto market is heavily correlated with Equities, the S&P and Nasdaq indices in particular.

However, one of the most relevant charts to always keep an eye on is the DXY (US Dollar), also known as the “King of Fiats”.

Whilst we love the idea that one day soon Crypto’s will decouple from traditional markets, for the time being the data is showing us otherwise.

Looking at the inverse DXY chart (meaning upside down) it is showing that in the short to mid-term (each candle represents two weeks), we could have a potential reversal.

Looking at the momentum indicators, we can see that the RSI is in oversold territory but the MACD hasn’t crossed yet (see May 2015 for reference). Therefore, we don’t have a conclusive reversal yet.

Also, because the price is above the key level of 100. As long as the price hasn’t closed below this level (remember the chart is upside down), it is still in a constructive bullish posture and set for continuation to the upside (=Bearish for Cryptos).

The key event to be looking out for on this chart would be a weekly candle **close above the 100 level**. Until then, our biased for Cryptos will remain to the downside.



Dear {{ contact.FIRSTNAME }},

Thank you for your support!

Stay grinding and if you need any help, contact me freely.

Cheers,

Faro



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