

CHAINLINK (LINKUSD) 3D (MAY 2019 - TODAY)



ETHEREUM (ETHUSD) 3D (SEP 2018- TODAY)



BITCOIN (XBTUSD) 3D (JUL 2019 - TODAY)



ALGORAND (ALGOUSD) 3D (AUG 2019 - TODAY)



Crypto markets in reactionary mode. Supply is present, we expect consolidation. Look for signs of absorptions.

CRYPTO MARKET IN REACTIONARY MODE

Currently, the crypto market is experiencing a significant correction after reaching important overbought levels. Last week we have highlighted the long term supply levels on the most popular crypto assets [1]. In line with the stock market, supply has come in aggressively in the last days.



Extreme volatility in the S&P. Do not panic, study the market!

The supply signature on the reaction at point [2] is high, indicating that we are likely going to experience a **prolonged period of consolidation**.

is not in jeopardy, **but both campaigners and swing traders should wait for a significant decrease of volatility**. Cryptocurrencies are characterized by quick and aggressive moves followed by long period of institutional inactivity. We want tailor our trading strategy to **prevent an inefficient use of our capital**.

A SYNOPTIC VIEW

Chainlink (LINK) confirms once again its leadership in the crypto space. After overcoming the all time high -a potential major sign of strength- supply came in aggressively, but the high volume upbar at point [3] suggests the presence of value buyers. We want to see a retest of the reaction on decreased volume and spread. Only then, we can add to our long term position.

The chart of **Ethereum (ETH)** shows two significant supply and demand areas. We will discuss these two levels in the next pages.

Several low cap altcoins like **Algorand (ALGO)** are experiencing a complex correction after a potential MSOS [2]. Remember, the profit taking after such an aggressive MSOS can potentially lead price to very low levels. Bitcoin is continuing to underperform the main altcoins.

ETHEREUM (ETHUSD) 3D (SEP 2018- TODAY)

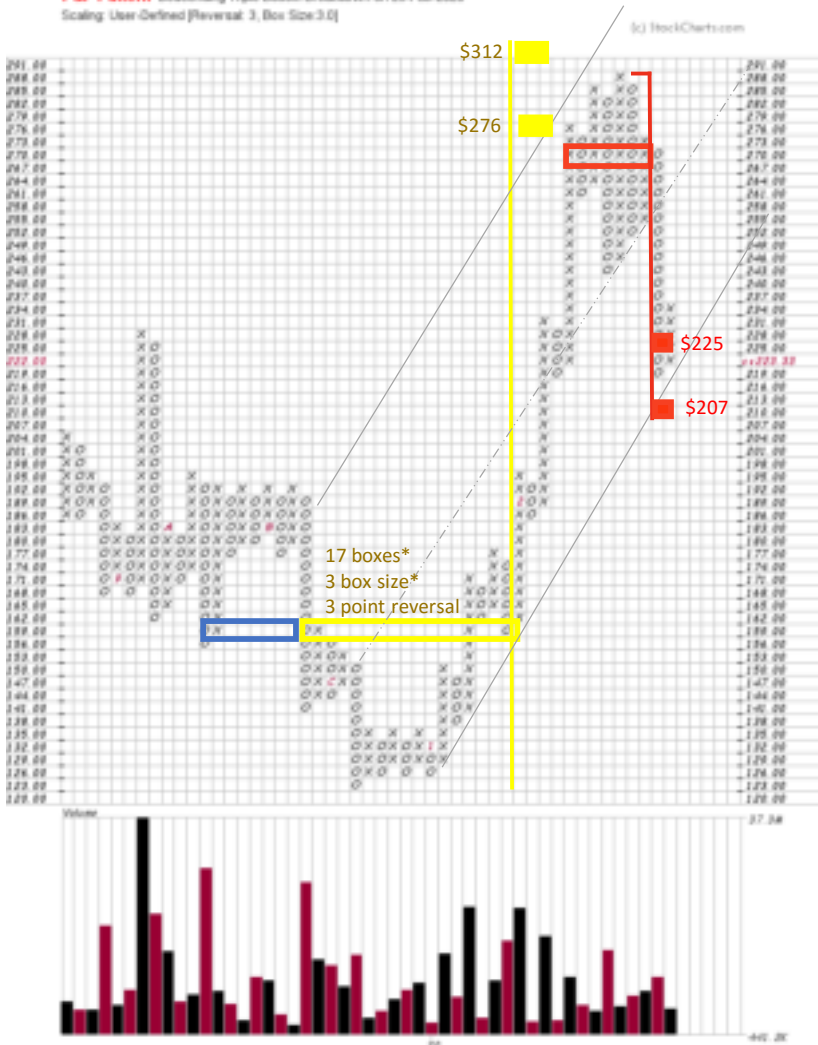


THE LONG TERM SCENARIO

After a prolonged reaction on very low volume, Ethereum has quickly reached the supply zone in red. In the previous reports, we have identified the rally at point [1] as a potential SOS (Phase D). In order to confirm this scenario, we want to see signs of absorption of the supply emerged in the last week. The price level highlighted in yellow offers a significant demand level. After a quick upmove, price tends to come back to the area of the initial **emergence of the momentum** [3]. Price can potentially consolidate between these two areas. A fall below the yellow area on increased volume area would invalidate the Phase D scenario.

ETHEREUM (ETHUSD) JUNE 2019- TODAY

ETHUSD Ethereum to US Dollar - CNY1FT
28-Feb-2020, 15:18 ET, daily, O: 227.57, H: 234.77, L: 214.00, C: 223.33, V: 441264, Chg: -4.26 (-1.87%)
PAF Pattern Descending Triple Bottom Breakdown on 28-Feb-2020
Scaling: User-Defined (Reversal: 3, Box Size:3.0)



HOW MUCH FUEL IN TANK?

Let's analyze the price action of the last 5 months on the Point and Figure Chart (Scaling: User Defined. Box size \$3. 3 Point Reversal).

The quick rally to \$291 has fulfilled the segment highlighted in yellow (17 boxes* 3 box size * 3 point reversal). The first target from the low of the formation is \$276. The second target is \$312. Price stopped in the \$276-\$312 range.

The last reaction has fulfilled the first target of the local distribution count at \$225.

Let's look now at the big picture. The blue segment of the original accumulation area offers additional horizontal count, raising the price target to \$384 (25 boxes*\$3 box size*3 point reversal, countline \$159). A potential rally to \$384 would overcome the high of June 2019, a Major Sign of Strength, validating the long term bullish scenario. In the short term, we expect consolidation.

**BITCOIN (XBTUSD)
DAILY (JUN 2019- TODAY)**



BITCOIN UNDERPERFORMING

Bitcoin is still underperforming the crypto market. Supply has emerged around the \$10K significant level. Last week we have analyzed both the absorption and reactionary scenarios bar by bar. The downbar at point [1] has increased spread and volume. At point [2] price is rejected by the oversold line of the uptrend, another warning signal. At this point, a test as a higher high on decreased volume would suggest some absorption in play, but the next downbars on increasing volume and spreads negate this short term scenario. Bitcoin is currently in reactionary mode and we are revisiting the lows of the round formation. The demand zone highlighted in yellow is very important.

**BITCOIN (XBTUSD)
4HR (DEC 2019- TODAY)**



A CLOSER LOOK

The reverse trendlines help us to the define the pace trend. Rally at point [1] shows shortening of the upward thrust. Selling comes on the way up at point [2]. The rally at point [3] has high effort, but poor result: price barely upthrust the high of the last significant downbar. Looks bullish, but it is bearish. Price falls and break the trend at [4]. There is some buying in the selling on the big downbar, but the rally cannot commit above the midpoint of the last significant downbar. In order to see absorption, at least temporarily, price should revisit the low of [4] on low volume and decreasing spread. Instead, the spread and volume increase, confirming the start of the downmove. Currently, price is in the oversold short term condition.

GBTC - SPY



AN HISTORICAL WEEK FOR TRADERS

Volatility and supply have emerged in the Grayscale Bitcoin Trust. The current price action invalidates the phase D scenario. The consolidation continues. Is GBTC in the making of a low in Phase C? It's extremely important to observe bar by bar the price action of the next days. This was truly an historical week in the S&P. In the next days we will see if a low in the market will coincide with a low in GBTC.

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