

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



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



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



GBTC (GRAYSCALE BITCOIN TRUST) DAILY (SEP 2019 - TODAY)



Long term outlook: bullish scenario still in play. Intermediate view: consolidation. Intraday: Signs of absorption on BTC, ETH

THE BIG PICTURE

After a significant market correction in the crypto market [1], volatility is contracting, a bullish sign. Last week we have announced a prolonged period of consolidation. All the crypto assets are trying to recover on **diminished demand signature** and **increased spread** to the upside, a bullish sign for the short term outlook.

Leadership coins, like Chainlink (LINK), have already retested the all time high, while the majority of the assets is consolidating at lower levels [2]. On Ethereum we want to see a quick recovery at least to downsloping resistance (light blue line) that would suggest that an apex consolidation in play.

The long term outlook for crypto markets is still very bullish, but in the short term we need to fully absorb the supply emerged in mid-February. Intraday timeframes suggests that a short term rotation of capitals from leadership to laggards (Ethereum, Bitcoin) is in play until the current buying wave is exhausted.

More generally, crypto assets are holding around significant levels in a period marked by heavy volatility in the stock market.

The **Grayscale Bitcoin Investment Trust (GBTC)**, an important institutional proxy that is by nature more sensitive to market corrections, presents short term signs of absorption too, but we still need a confirmation signal for the completion of the potential Phase C of the round formation started in October. The high of the last significant downbar (light blue line) is an important level to retest. A failure to commit above this level would invalidate the bullish scenario.

SHORT TERM STRATEGIES

Long term campaigner need more confirmation signals to add to their long term position. Bitcoin is still underperforming, while leading assets like ChainLink are currently at short term overbought levels, and we want to wait at least for another low volume reaction in the context of the major Backing Up Action. In the current environment, **intraday trades** within the consolidation can offer profitable opportunities and very low risk.

In the next pages we will analyze the short term perspective on the 4hr timeframe.

A CLOSER LOOK AT ETHEREUM

3D CHART
LAST WEEK



TODAY



The consolidation area that we have identified last week is working nicely. Look at the short term bullish reversal candle. Let's analyze now the short term scenarios for the consolidation.

ETHEREUM (ETHUSD)

4HR



WYCKOFF STORY

[1] [2] [3] High volume on the top indicates institutional selling. After the quick run from \$120 to \$290, profit taking has occurred.

[4] After a HL, the rally fails to commit above the high of the last significant downbar. Bearish signal

[5] Synchronicity to the downside. Increasing spreads and volume. Demand is deteriorated, and supply is now able to produce a result to the downside. The downtrend is in play.

[6] Supply signature throughout the downtrend is average. Sellers were active on the top. Price stops on the long term support trendline, around the level of the previous absorption.

[7] - [8] - [9] are analog bars. Effort to the upside decreased, but result to the upside is bullish. Sign of absorption.

We have seen the same pattern on Bitcoin in late December- early January.

[10] Price pivots up on low volume: ease of movement to the upside. Look at the upspread: the rally has bullish character.

[11] A HL confirm the absorption.

WHAT'S NEXT - SCENARIO

Intraday PnF counts suggest a stopping action around the \$260 level. The significant downbar at point [12] represents an important supply level. The downsloping resistance offers an interesting area of confluence too. A failure on the red zone followed by a Higher low reaction on decreased volume and spreads would suggest that absorption is in play. We want to closely observe the next weeks. In the meanwhile, we raise our stop loss using the Significant Bar technique to extract the maximum profit from this intraday rally.

BITCOIN (XBTUSD)
4HR (FEB 2019- TODAY)



Bitcoin's short term price action is very similar to Ethereum. The weak rally at point [2] fails to commit above the mid point of the last significant supply bar [1], a bearish indication (In the WyckoffAnalytics special *Beyond Spring and Upthrusts* you can find several techniques combining Upthrusts and significant bars). Demand deteriorates and price falls on narrow downsreads and average supply signature [3]. Absorption occurs on the oversold trendline of the down channel, and the analog bars [4] [5] [6] indicate ease of movement to the upside (up effort <<, up result >>). A rally with good upsreads and HL confirm the absorption. The supply zone in red coincide with the overbought line of the trend, suggesting a pause. A rally from [4] to [9] would be a Change of Behavior in the current downtrend.

REPUBLIC PROTOCOL (RENUSD)
DAILY(DEC 2019- TODAY)



DO IT AGAIN, REN!

Republic Protocol has been one of the leader of the 2019 bull season in the crypto market. The classic accumulation range at point [1] presents a horizontal structure with low volatility. Look the unbelievable x7 bull run that follows in just 2 months. After an hypodermic top [2], the asset is now under accumulation. The Upthrust action in phase B, followed by a low volume reaction, is an element of strength. A low volume spring is followed by a bullish rally on expanding volume and spreads.

It is important to notice that REN is starting to **outperform** the market again. Low priced cryptocurrencies can generate huge Point and Figure counts in few months. In the next report we will include the targets for this promising crypto asset.

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