

# Technical analysis on Bitcoin

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Hey guys, what's going on? We're going to be doing a little bit more shorter term technical analysis on Bitcoin and the cryptocurrency markets guys. And in today's video I also want to show you guys how you can properly and effectively trade these markets that are fluctuating so much.

They keep changing direction and we're not exactly sure which direction Bitcoin is going to go in, or at least we can't say which direction we think Bitcoin is going to go in with a whole lot of confidence. So today's video, I'm going to be giving you guys some basic tips on how to actually trade these markets.

Effectively, safely and profitably. We're going to be going ahead and getting right on into the video. If you do enjoy today's video, what I want you to do is go ahead and smash that like button guys. Like I said a couple of videos ago that like button was being a non too kind to me.

Also, make sure if you're new here, hit that subscribe button and the notification about like cracked stupid jokes and make cryptocurrency technical analysis videos every single day here on the YouTube. So without further ado, guys, let's go ahead and get a ride on it. Do it. The first thing I want to do here is go ahead and recap what has happened here to Bitcoin over the last week. So and kind of use that to build into our technical analysis and then also use this market that we're looking at right here.



## The first thing I want to talk about is this crash on Bitcoin here.

Bitcoin had been rallying for about four months, and finally we reached all the way up to about \$13,900 and had a massive sell off. We actually happened to be live streaming during it. This sell off Bitcoin crashed \$2,000 and three minutes.

It was ridiculous. And when you see something like that happen, that is obviously going to be a longer term sign of bearishness. Clearly the bears are in control. Now, a lot of that had to do with the thin order books and Bitcoin did just kind of fall through the floor. But part of the reason the order books were so thin and there weren't as many buy orders on exchange with because people realize that Bitcoin was getting into overbought territory.

That's something that we talk about in the Bitcoin Academy is the gut feeling of kind of getting an idea of where, uh, what the market is doing, why it's doing it, and having that feeling inside of you. Without having to rely on technical indicators. The entire point of technical indicators, in fact as a little bit of a tangent, is to give you guys kind of an

aura and a feeling about what the market is going to do.

You're supposed to trade off of what multiple of them say and what the bigger picture each of these technical indicators is contributing. To paint says they are telling you something about the market and your gut can tell you the exact same thing from your previous experience.

## **That's a very important part of trading Bitcoin.**

Like I said, that's why we talk about that in the cryptocurrency technical analysis Academy. Anyway, from there, Bitcoin continued trending to the downside, and this was very clearly a bearish trend. One of the things you're going to hear me say a couple of times in this video is the trend is your friend right up until it ends, guys, but trend is your friend, right?

Until . It's very important that you remember that because normally the market when it's moving is not going to be in the Mo. In the, in the, in the business of trend reversal, what is normally going to be doing is this in the business of continuing the same trend that it's already in. For example, here guys, Bitcoin up made a one high two highs, three highs.

Or five bef a six before it finally made a higher high. It was in the business of a downtrend right here. We didn't see one, two, three, four, five, six, seven trend reversals. You saw one, two, three, four, five, six, seven, lower highs. So typically, trends are going to happen.

Here to a level of support that we talked about around \$11,500 to \$11,700 it's a bit of a zone right in here, but this is the line we're going to work with. Just know that there is a little bit of margin for error there.



## Bitcoin made a higher low here.

Now this is interesting. Bitcoin made a higher low here and we're going to talk about some RSI divergence over here in a second. But Bitcoin made a higher low here and that is one of the early warning signs that a trend is about to reverse. Notice that we have. Same Lowe's over here and we have lower highs.

We were actually in fact in a descending triangle pattern, which we did break and bearish out of. But when we start seeing higher highs, or excuse me, higher lows, guess what happened next? Saw higher high, then we saw higher high from that and a higher low.

This very well may be the reversal of a trend right here, but we want to wait and see on that and we're going to get to that in a little bit. Yeah. Anyway. From there, Bitcoin did continue this upwards trend. We did have a lower low right here, which could be an early warning sign of a downtrend. Buddy very well and may not be.

We want to give that a little bit more time to develop. Anyway, guys, now we're kind of caught up on up to speed on what Bitcoin has done here over the last few days or so. Now I want to go in here and cherry pick a couple of different trades that you could have made.

## **Bitcoin has still yet to have a bearish reversal.**

- Unfortunately, I wasn't able to at the time because I was busy with their important things, but nevertheless, I was looking for Bitcoin to break out of this. I was talking about right when this was happening, was right about here, and I was looking for this breakout saying,

okay, I'm pretty sure the big one's about to break to the upside.

- You know, we're in a bullish trend. We have an ascending triangle pattern. Bitcoin has still yet to have a bearish reversal. If Bitcoin does break out and then break bearish, I'll have like a 0.5% stop loss. There's nothing but profit here. I was going to come in here long with probably five X leverage or more and ride this up up here somewhere, and I was probably gonna ride that.
- Probably Joe around \$13,500 or so before I actually topped out. I didn't have a exact price target. I was going to kind of just go with the flow and see what happened, but I want to put a buy order in here because this was a good place to buy. Let me explain exactly why I think this is a good place to buy and long.
- The reason for that. Part of what part of it is what I just said. Bitcoin was already in an uptrend. This is an ascending triangle pattern. One, that's a consolidation pattern there normally trend continuing patterns. If you see Bitcoin goes into a consolidation pattern, normally the trend that entered the pattern is going to be the same one that exits the pattern.

## **They're much more drained because Bitcoin was moving much faster.**

You can see these last two couple of candlesticks and move much quicker than these other ones. They're much more drained because Bitcoin was moving much faster. And we did see a volume spike down here. Everything was indicating that we were probably about to see a bullish breakout and guys, I'll be honest with you, there's not as much evidence that this was going to be a breakout to the upside as there is with a couple of these other trades.

But the thing is you don't actually always need evidence of what the trend is going to do for your trade. You have to manage your risk and reward. If you're in the cryptocurrency technical analysis Academy. I know hundreds, nearly a thousand of you guys are now, I hear you talk about all the time when we do live streams, the first video on the technical analysis portion of the cryptocurrency technical analysis Academy.

Deals with risk and reward and what you need to do when you're trading. And we talk about that in a very next video here. Uh, excuse me, the S the video after that is how to, uh, how to plan and execute profitable trades. We talk about in that video that you want to mitigate your risk while maximizing your reward.

If there is a five to one chance that five times you're going to actually have a, you're going to make money, but one time you're going to lose money. But the one time you lose money, you're going to lose 10 times the money than if you had a one. Then you're actually at a negative risk to reward ratio.

**This was a very obvious place that Bitcoin was going to bog.**

Now, with that said, had I been able to enter this trade because this trade completely developed and finished while I was asleep. Han, I have been able to, uh, work with this trade. I probably would have taken some profits here at \$11,500.

Kind of the governing level of support and resistance that Bitcoin's been respecting for awhile of \$11,500 and remember that we are not looking at the market as it is now. When we're talking about this, we're looking at the market as it is right here. This is what we're looking at. And a lot of people will say, Oh, well that's so easy to say.