

Strong support observed as Bitcoins get scooped up at \$30,000

Thursday 23 June 2021

Key highlights










- » Fed hawkish shift lifted market sentiments
- » Has Bitcoin price bottomed out in this wave?
- » Strong bids taking out sell pressure as markets continue to consolidate

Bitcoin fails to break range high

The Fed hawkish shift has lifted investors sentiments this week as they play down inflation concerns. US equities climbed after Powell's remarks, with S&P 500 paring losses and closing up slightly over the week. Gold, on the other hand, declined 4.5% for the week after shooting past \$1,900.

Bitcoin, too, closed lower, diving down 28% after failing to break \$42,000 late last week. The digital asset has since regained some ground after a short squeeze in prices yesterday and is currently trading around the \$34,000 handle. Our macro view remains the same as we expect Bitcoin to establish ground on further consolidation.

7 Day Performance

Name	Price	Change
 Bitcoin	\$34046	▼ -15.6%
 Ethereum	\$2020	▼ -21.1%
 XRP	\$0.61	▼ -29.8%
 Chainlink	\$18.5	▼ -25.2%
 Bitcoin Cash	\$474	▼ -24.8%
 Binance Coin	\$290	▼ -21.4%
 Polkadot	\$16.4	▼ -31.9%
 Litecoin	\$129	▼ -26.2%
 Bitcoin SV	\$125	▼ -26.5%

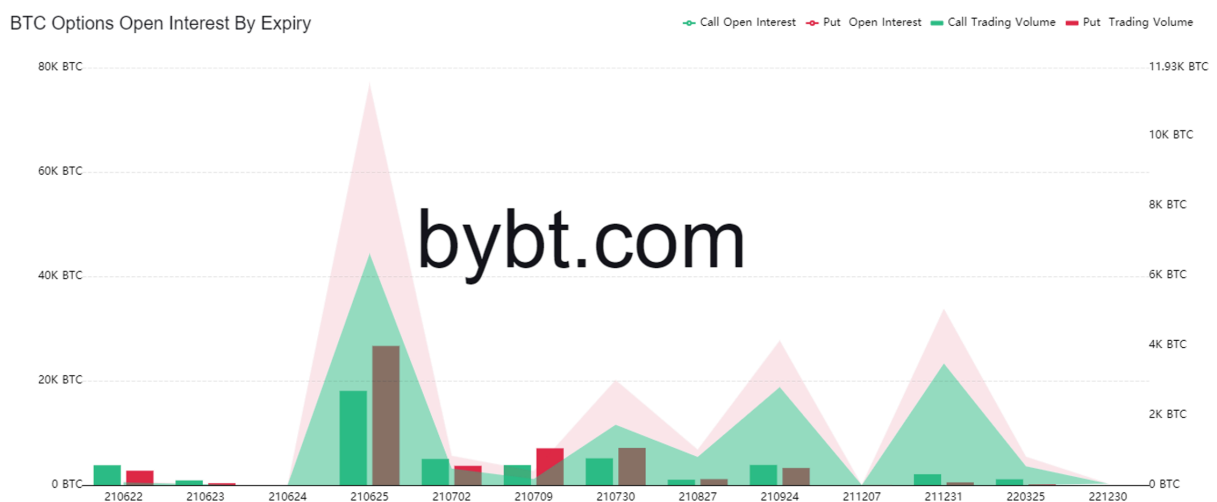


Has Bitcoin price bottomed out in this wave?

Whales are re-entering as risk appetite returns

After leaving Bitcoin miners scrambling to relocate, [China once again came out strongly with their next steps to crack down on crypto](#). Meetings held with representatives from its biggest banks reiterates their efforts to prohibit crypto-related transactions as they seek to close any loopholes related to money laundering.

Intensifying the uncertainty is \$2.3b end of quarter Bitcoin options, which is set to expire this Friday — partially attributing to the added volatility in the markets. Despite that, we believe most expectations have been priced into the markets, and we should expect a relatively quiet session going into the next couple of days.



The question most investors are asking – has Bitcoin price bottomed out in this wave?

Let us try to put things into perspectives.

We have observed a meltdown in long liquidations (7D MA) over the past few weeks. This coupled with the Leverage ratio (grey line) falling to a 2-year low after dipping below that of March 2020 levels, provide evidence that traders are more cautious in taking positions.

Inflows for Bitcoin have skewed to spot accumulation as opposed to speculation, as investors match their expectations towards a longer-term horizon – signalling less propensity to sell.

In the face of the recent sell-off, we also see significant support levels around the \$30,000 handle, with substantial bids coming in to fill up the offers. The strength comes on the back of [Microstrategy accumulating more Bitcoins](#), and we have noticed that Whales are also re-entering the market as risk appetite returns. Short squeeze hunters have also begun waning away in the near term as markets continue to establish ground on a consolidation phase.

Putting all these factors together, we believe Bitcoin is very close to the bottom, at least in this current wave. We will keep a close eye on Bitcoin's price post options expiry, and it will be interesting to see how this will unfold in the first week of July, the start of Q3.



Source: [CryptoQuant.com](https://cryptoquant.com)

About the Analyst

Lennard Neo, CFA - Head of Research, Stack Funds

Lennard specializes in fundamental and technical analysis in digital asset investments. He became acquainted with blockchain, cryptocurrency and ICOs in 2016, and recently decided to take a meaningful step away from traditional banking to join this industry.

Previously, Lennard spent 3 years with an investment bank in Forex and Debt Capital Markets. Companies he worked for include Commerzbank AG, DBS Bank, Bloomberg, and Fidelity. Prior to this, he also had entrepreneurship experience with an e-commerce startup and a local social enterprise.

Lennard completed the CFA program and graduated with a master's degree in Applied Finance. He is fluent in English, Chinese with a basic in Korean.

About Stack Funds

Stack Funds is an issuer of Cryptocurrency Access Products (CAPs) including trackers, indexes and structured vehicles for institutions.

Our investment funds have been structured according to institutional standards, taking into account the highest degree of security, flexibility and compliance in our delivery of digital asset based products.

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