

Bitcoin's next 15,000-point move will be decided THIS WEEK

Research | Strategy

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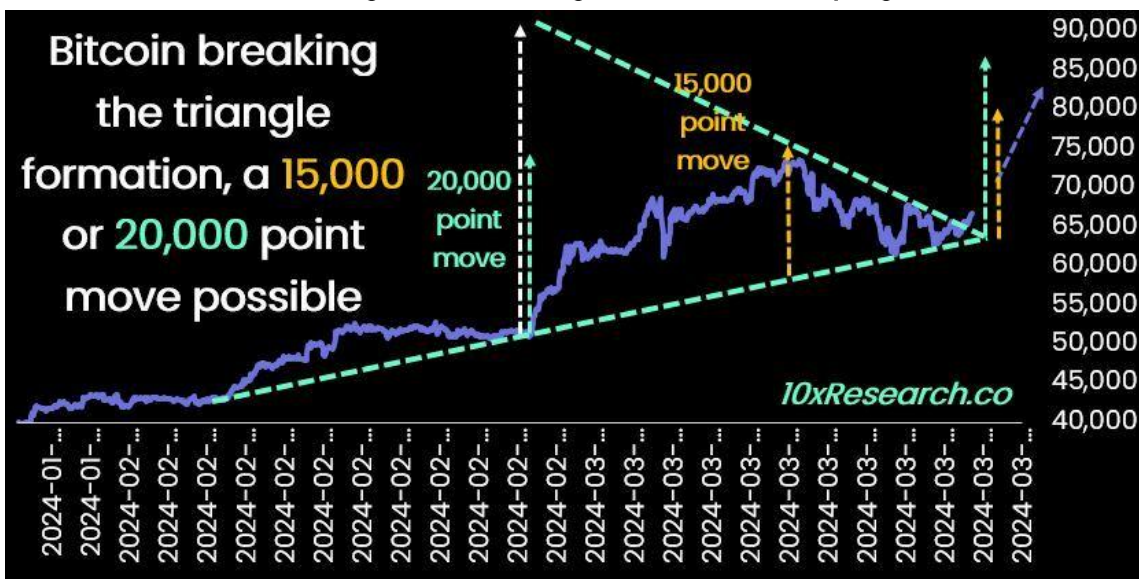
There are enough reasons to be bearish. Bitcoin ETF flows have turned negative for five consecutive days. Altcoin and meme coin volumes have collapsed, notably in Korea, where altcoin volumes have sharply declined from \$16bn to \$3bn. We noticed this [two weeks ago](#), and this signaled that the upside momentum was losing steam, translating into lower funding rates for Bitcoin, and a correction was likely.

But there are also plenty of bullish arguments, notably central banks turning dovish, the halving and potentially reversing ETF flows as the marginal rate of change indicates, and a still bullish risk-assets environment.

Bitcoin has run into a narrowing triangle formation, and a break to either side will determine the direction of the next 15,000 price move. Depending on where this triangle formation is being measured, the next implied move can be 10,000, 20,000, or 30,000 points higher or lower from the moment of the break – which will occur this week.

Although we expected a correction during the last two weeks, and our first downside target of 63,000 was hit (and retested several times), our second downside target of 59,000 fell short (low approx. 60,500). It appears that Bitcoin is trying to break higher, and our upside targets of 83,000 and 102,000 could slowly be at play – if we break higher, which we are leaning towards.

Exhibit 1: Bitcoin is breaking out of its triangle formation – likely higher



Source: 10x Research

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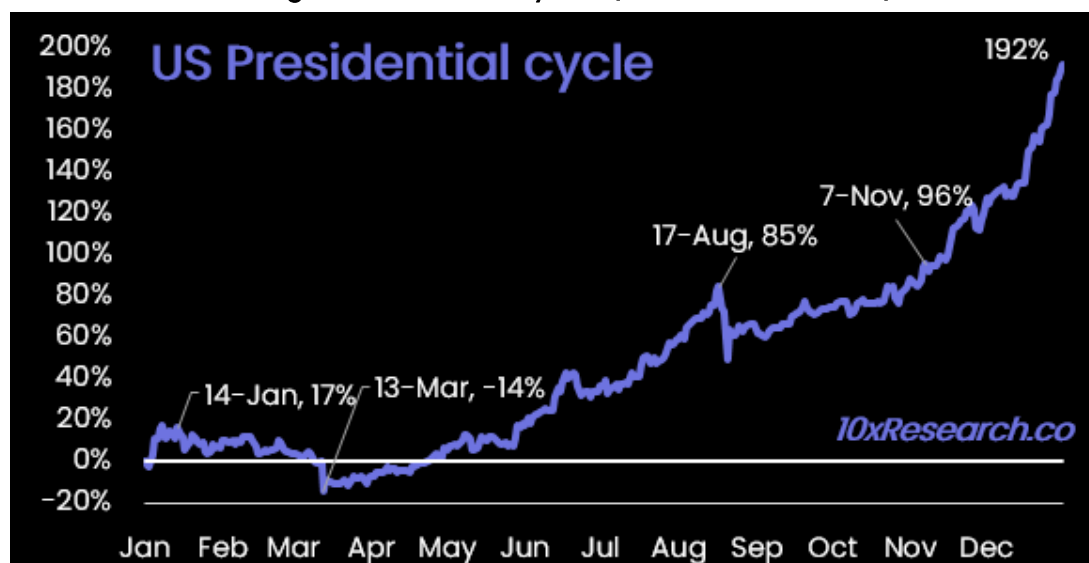
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This would not be our first or last controversial prediction, but on November 6, 2023, when Ethereum traded at 1,900, the triangle formation break predicted a 1,000 move higher to 3,000, as we wrote in our report back then. Contrary to anybody else's expectations, Ethereum traded at 4,000 with its latest move.

Last week, several central banks turned dovish. The Fed signaled that they are willing to accept higher inflation for longer and are eager to slow down quantitative tightening. Fed Chair Powell appears to be more tolerant of higher inflation and changed the Fed's view from a stringent inflation target to a relatively loose definition. The Fed has realized that although inflation is higher than their initial 2% target, it is supply-side issues that higher interest rates can not alter.

Beautifully, this plays into the typical election cycle rally, which has caused 100-200%+ Bitcoin rallies in the last three election years: 2012, 2016, and 2020. We should, therefore, expect to buy dips instead of necessarily sell rallies. While a dip towards 59,000 would have been the perfect buying opportunity, we assume that the market will take these dovish comments from the Fed and turn on the bullish sentiment again.

Exhibit 2: Bitcoin during US Presidential Cycles (2012, 2016, and 2020)



Source: 10x Research

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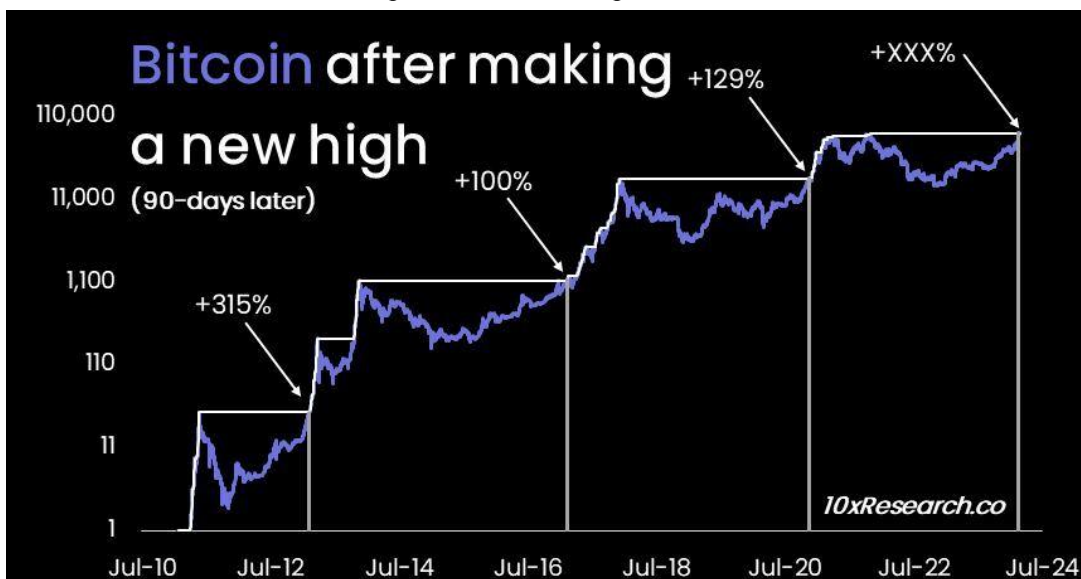
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The Bank of Japan and the Swiss National Bank also surprised on the dovish side, and with it, Gold kept rallying. Bitcoin should also benefit from this dovish tilt and the rally in Gold. Last year, we published our analysis of Bitcoin's performance after the Fed went on a hiking cycle and then paused. The result was a big rally in Bitcoin—as we have seen.

However, when the Fed started to cut after the 2018/2019 hiking cycle, Bitcoin dropped 30% (after the July 2019 cut). This was because the Fed cut because of lower growth, contrary to this rate-cutting cycle, where the Fed will likely cut despite being optimistic about growth. This is then a very bullish scenario for risk assets - including Bitcoin.

If Monitoring which side Bitcoin breaks is critical. If it is higher (as we suspect), another important level is 68,300, around when Bitcoin made a new all-time high for the first time in this cycle. Historically, once this level is retested and broken once more, Bitcoin has tended to put in significant rallies. This week will be pivotal, one way or another, but be ready to travel with the break of the triangle.

Exhibit 3: Bitcoin after making new all-time highs



Source: 10x Research

**all charts are provided by 10x Research PTE. LTD. based on various external data sources, which can include, Coingecko, Investing, Coinalyze, Stelareum, Token Terminal, YahooFinance, amongst others.*

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