

CryptoCurrency Technical Report

*Based on Elliott Wave Theory

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Welcome!

Welcome to our first issue of a CryptoCurrency report where we will represent you a technical outlook from an Elliott Wave perspective. I know that there are a lot of new traders in financial world thanks to Crypto-mania that is going on. So before you will dig-in into our analysis it's good that you understand what Elliott Wave theory is all about.

Elliott Wave theory is advanced market tool to track market swings. Theory describes that market will move based on investors mood, or crowd psychology, between optimism and pessimism in natural cycles. These cycles repeat over and over again through history, so no matter if market is different the psychology is the same that's why theory works on cryptocurrencies as well. In fact, we noticed it works even better with clearer market moves than in any other market for the past year or so, and its because of directional trend.

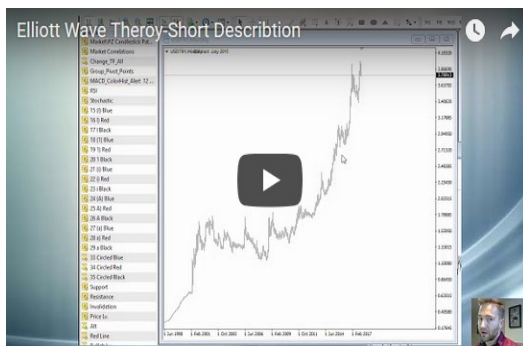
Ralph Nelson Elliott who discovered the Elliott Wave theory found out that those psychological market swings, called patterns, are repeatable and it's visible in price movements at any degree of trend. He found out that there 13 of these patterns that occurs in the middle of a price move, or trend. I will not go into details of each pattern because that may be too complex for some, especially for new traders, but we will do our best to try to educate you through our analysis.

All what you need to know is that market can move sharp (impulse) and slow (correction, or pause) and we will try to identify those patterns which will give us an idea where price is likely to move next.

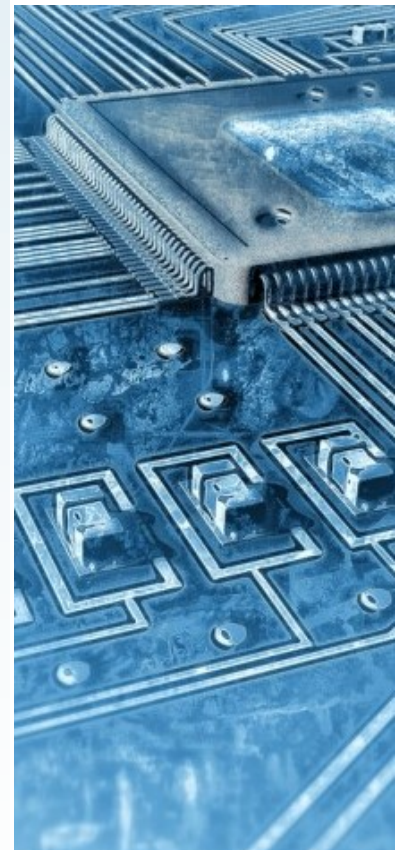
For easier understanding I also prepared one short video. [You can watch it on youtube.](#)

If you want more advanced knowledge about EW principle we also have on-line video material. Send us an email to info@ew-forecast.com for more details.

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Before you continue to read our analysis, please make sure to read through the Disclaimer at the next page!



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Contact: info@ew-forecast.com

DISCLAIMER

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“Bitcoin is likely headed for a deeper correction”

[Price Levels For Current Structures](#)

Important Supports :
7200-8000

Important Resistance:
16000-18000

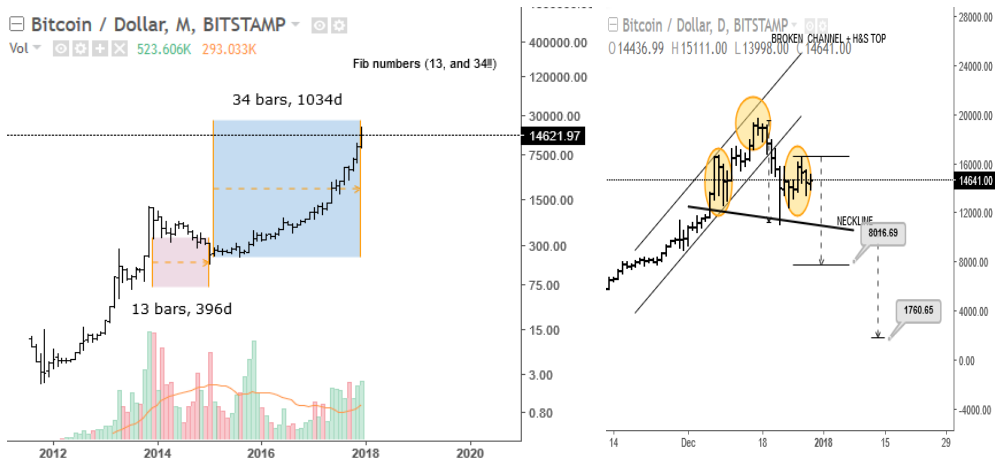
[Technical EW Bias](#)

Long-term (12 months): Bullish

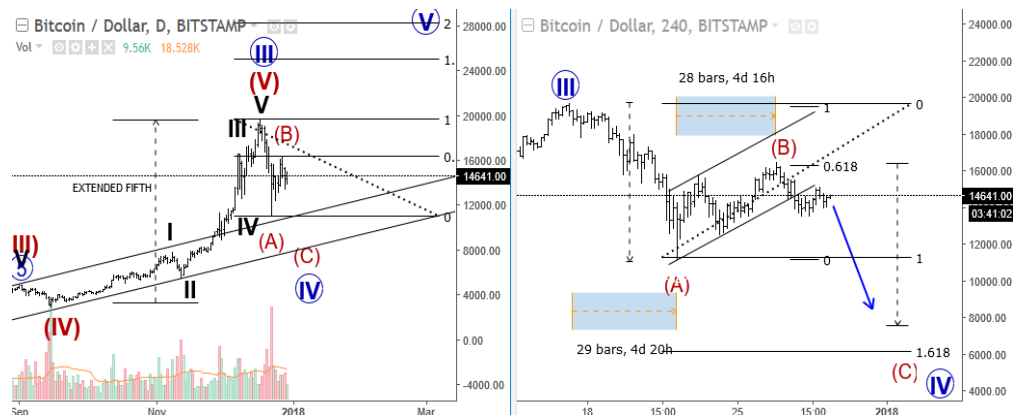
Short-term(1-4 weeks): Bearish for deeper correction

BitCoin has turned sharply lower this month, a deep pullback which has been expected to occur based on two different factors; 1 EW model that showed an increase in optimism at the end of wave three, 2 it was 34 month of rise since market turned up in 2015 so timing was perfect.

Now the question is how deep pullback will be, is it done yet? Well, if you are familiar with EW theory then you know that pullbacks are in three waves, A-B-C. But leg down from Dec 17 looks like only wave A, then wave B up so new leg down is again expected to send prices lower. It can be a correction, called a zigzag. The main reason why we think price may see lower levels is also recent three wave recovery within wave B, that looks like a contra-trend move in the middle of incomplete decline. Another technical bearish approach is broken channel and H&S pattern. So all factors suggests drop below 11k, maybe even to 8k, projected end of wave C. I would be interested to see what happens there as new bounce may occur early next year.



On a daily chart below we see price in wave four that may also see a support at that lowest black trend-line of a channel. On lower, 4h chart, there was a broken channel in wave B that supports idea of incomplete weakness or at least sideways corrective pattern in wave four.





“Ethereum remains trapped in consolidation”

Price Levels For Current Structures

Important Supports :
600, 450

Important Resistance:
800

Technical EW Bias

Long-term (12 months): Bullish

Short-term(1-4 weeks):
Sideways or bearish
within corrective pull-back

Eth is doing quite well for the last few trading days, just chopping around 700 level so we assume that pullback may not be so deep than on BTCUSD, but it's still incomplete correction we believe. There was a weekly reversal candlestick formation that suggests a potential longer pause before price again moves higher. That longer pause can also be a triangle if we consider that first two legs were in made in three legs, but still there is room for 600 minimum. Longer-term speaking, we suspect that 1000 can be seen at the start of 2018, but after a complete correction.



“BTC may stay under pressure compared to others, but be aware of pullbacks”

Price Levels For Current Structures

ETH/BTC: Bullish after recently broken channel. Support at 0.04

DASH/BTC: Bullish if 0.097 is broken (daily close above that price)

LTC/BTC: Bullish, support at 0.012

XRP/BTC: Bullish, support at 0.00014

We are also looking at some BTC crosses, and what we can see is sharp move up since start of December with room for more upside. So at the moment it can suggest two things, will a pullback on BTCUSD be deeper and more volatile, or will BTCUSD stay sideways while others may break to a new high. We somewhat suspect that if wave C down on BTCUSD will occur that traders will try to run into other cryptos which may support XXX/BTC pairs.

