

The Bridge

"Crypto Cycle Continuation"

Cycle Swings

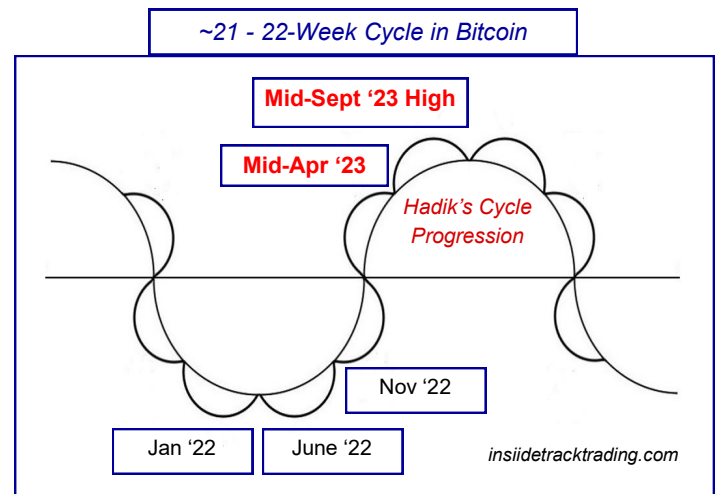
06-19-23 - June 14/15 likely timed a critical low in Cryptos and another shift in the overall, evolving 'Currency War' that continues to play out. Some key aspects of this date back to June '22 and Nov '22 - when Ether and then Bitcoin set multi-month lows and began new upward cycles (see previously-published charts on page 3).

They fulfilled their first upside objectives in Feb '23 with Bitcoin reaching its initial multi-month upside target near **25,000/BT** (which is now decisive *support*). That led to a sharp drop to **~20,000/BT** and a new signal that projected a surge to **~30,000+/BT**.

At the same time, the weekly *21 MAC* was turning decidedly bullish (see chart on page 2) and setting the stage for future rallies... one of which is poised to take hold after the *21 Low MAC* was just tested.

Bitcoin reached that upside objective in mid-April '23 as it fulfilled a *~21- 22-wk/~5-month low-low-low-(high) Cycle Progression* and signaled a 1 - 2 month peak and projected focus to future time frames. (The next phase of that cycle is in **mid-Sept '23** and could time a subsequent, 1 - 2 month peak.)

From that time forward, wave targets and multi-month support levels focused on **~25,000/BT** as the ideal downside target for Bitcoin to reach, hold, and reverse higher from (see quotes on page 7).



Bitcoin has just fulfilled that while maintaining its intra-year uptrend AND preventing the weekly trend from turning down... *a trio of bullish indicators*. That is a powerful signal that argues for a new rally to begin this week - **June 19 - 23** - after Bitcoin tested **~25,000/BT** on **June 14/15** and rallied back above it on the weekly close... *confirming a multi-week low*.

That type of weekly buy signal portends - at the very least - a rally back to the previous high (the April '23 peak around **31,000/BT**).

It also signals the onset of a new 1 - 2 month rally

The Bridge Publications: In an effort to provide a more comprehensive, balanced & holistic perspective on the markets, and to add necessary context to cyclic and technical outlooks, these publications are periodically added to *bridge* current events with prior analysis, to *bridge* fundamental events with technical patterns, or to simply add related analysis to markets that do not normally receive primary coverage in the **Weekly Re-Lay**. *The Bridge* Publications are currently provided to **Weekly Re-Lay** subscribers as a value-added bonus for any subscription of two months or longer.

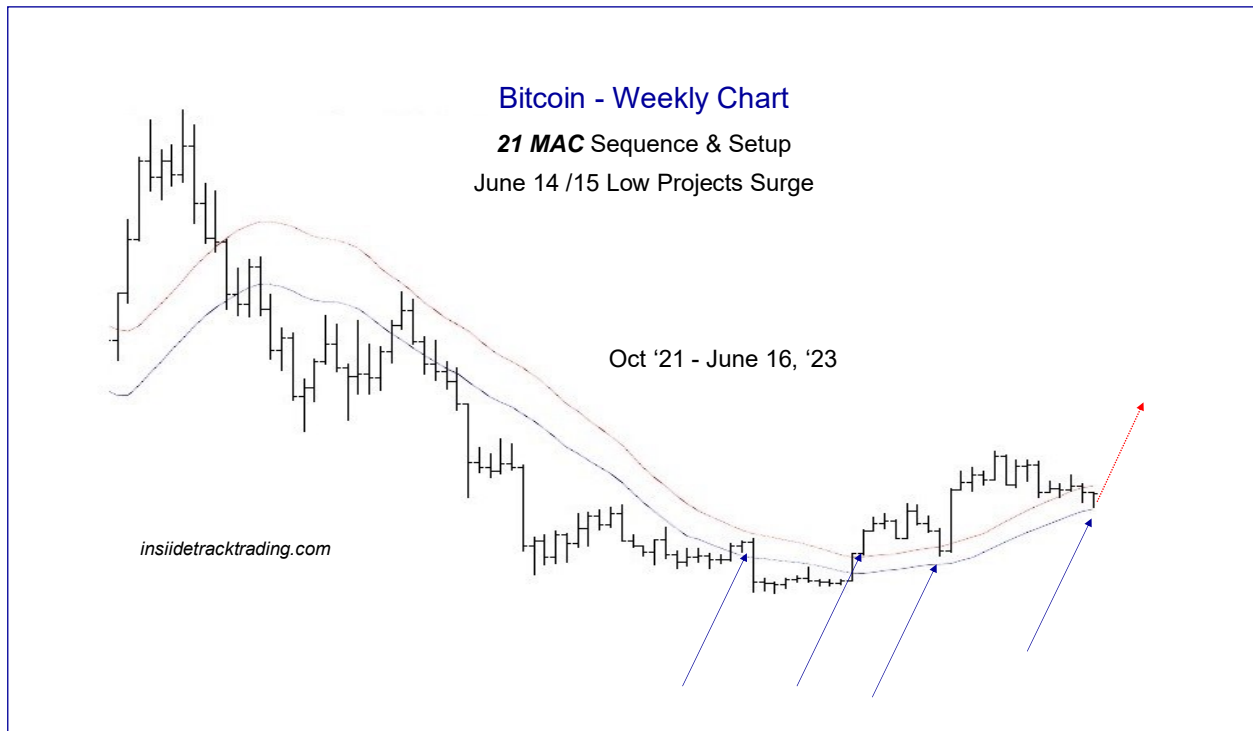
Please Note: Currently, there is not a specific publication schedule. That allows *The Bridge* publications to be compiled at any time - when markets or current events warrant additional coverage. Also, markets addressed in *The Bridge* are not signaling the beginning of regular coverage. In some cases, a particular market might only be addressed one time - due to a unique set of circumstances.

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that could easily match the magnitude of the most recent rally (Mar/Apr '23).

If Bitcoin fulfilled that potential, it would rally to **~36,200/BT**... just above the **~35,000/BT** target that has been in place throughout 2023. If it matched the magnitude of its initial (Nov '22 - Feb '23) rally, an equally-likely objective, Bitcoin would peak around **34,500/BTC** - also near the **~35,000** target.

~36,000/BT is also where the monthly **21 High MAC** currently resides. In July '23, it will likely be a bit lower than that. (The next potential upside target - above that **~36,000** resistance - is at **42,200 - 43,300/BT**. *More on that later.*)

Bitcoin Review

Since some of the key aspects of Bitcoin's analysis have already been laid out (drop to **25,000/BT**, subsequent rally into **mid-July '23**, overall advance

to **~35,000/BT**), this issue is to reiterate that analysis, include corroborating charts & diagrams, and reiterate the unique battle continually unfolding between hard currency (Gold, etc.), fiat currency (Dollar, etc.) and digital currency (Bitcoin, et al).

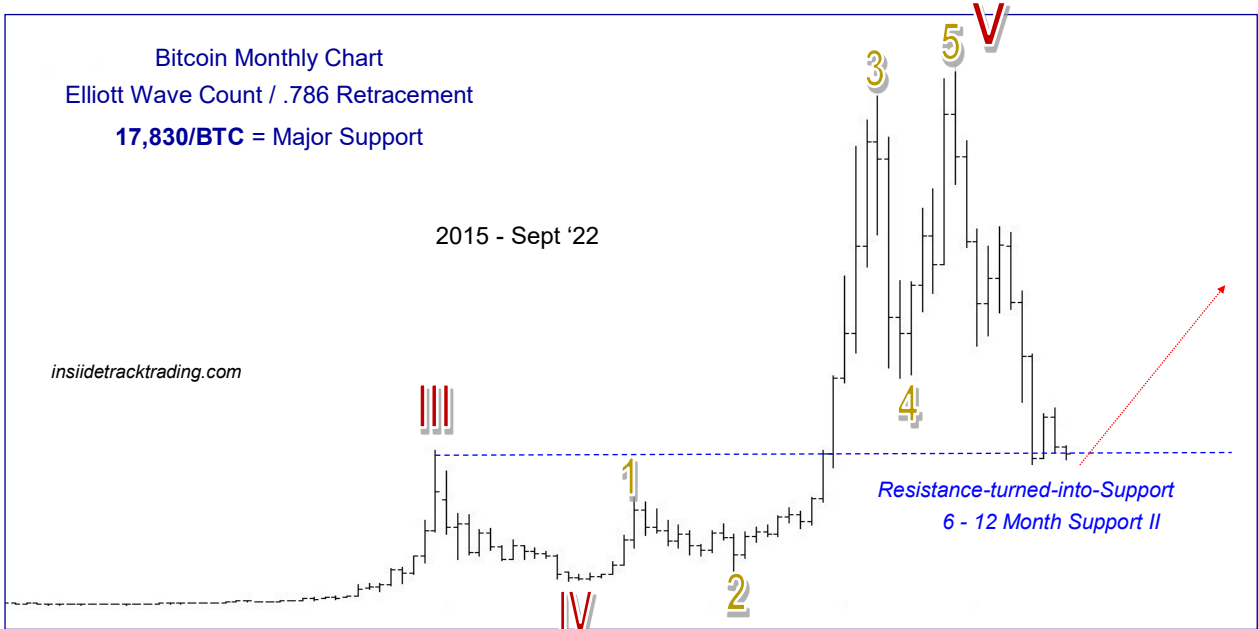
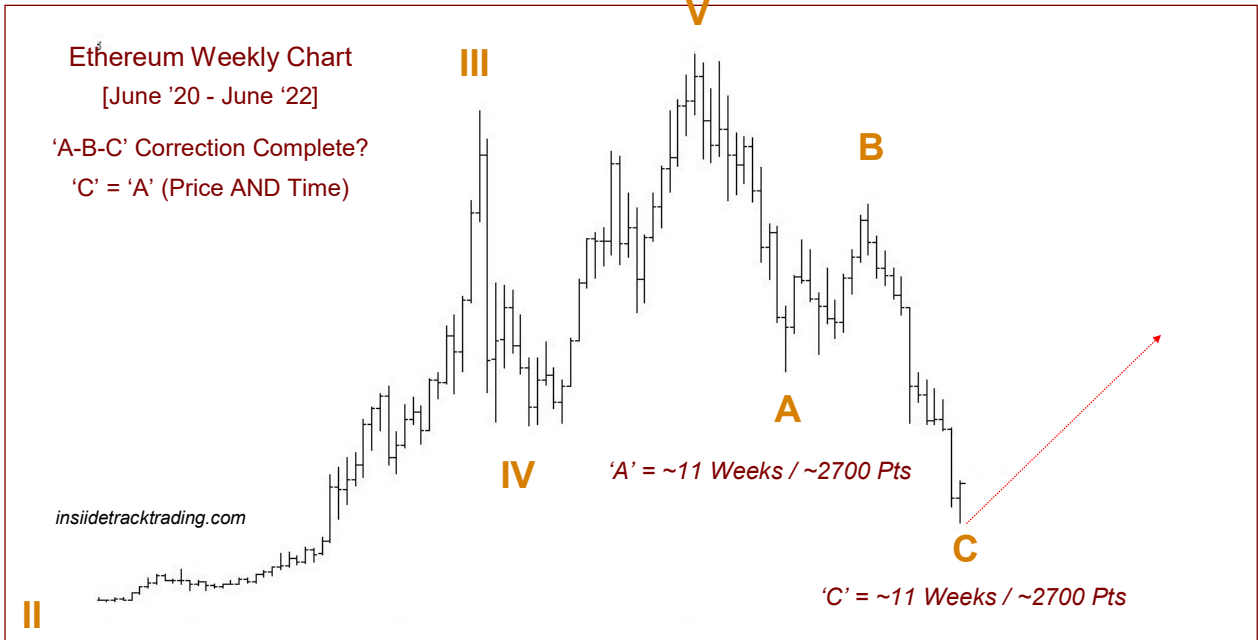
It is intended as an update and an archive that compiles some key factors in Bitcoin's 2023 outlook together... so that readers can quickly access and assess that analysis in a slightly broader context.

The charts on page 3 are reprints from multiple previous publications that detailed why and where major lows were expected in Bitcoin & Ether. The May/June '21 reprints on pages 4 - 6 are provided to reiterate one of the ways in which the overall 'Currency War' is perceived.

The **Weekly Re-Lay** will continue to update short- and intermediate-term analysis related to Bitcoin.

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5/19/21 Weekly Re-Lay Analysis

Currency Wars: 2016 - 2021

Rock, Paper, Scissors (Bitcoin Bubble?) and 4WoLD

05-19-21 - Currency Wars Heat Up

Once again, the three primary 'currencies' - roughly categorized by fiat (paper, debt-backed), hard (metals) and digital (cryptos) - are swinging in close synchronicity when viewed from a broader vantage-point.

Over the past several years, this overall perspective has been described using two analogies.

The first is viewing the battle between the Dollar, Gold & Bitcoin (crypto-currency) like a game of 'Rock, Paper, Scissors' where only one of the three can have a major rally at a time.

Often one is sitting on the sidelines (in congestion or trading sideways) while the other two battle it out.

In many ways, it is a three-way battle for currency supremacy... although there are many nuances that need to also be considered.

The second analogy is that of an algebraic equation of 'a x b = c' where each factor needs to be adjusted - up or down - when one of the others is moving in a convincing trend.

(The '=' or equal sign demands this. If you had an equation where a = b and you multiplied the 'a' side by 3, you must also multiply the 'b' side by 3 to maintain its 'equal' status... otherwise, it is not an **equation**.)

While not a perfect analogy, try to view the battle between the Dollar and its alternatives in this type of scenario.

For this example (for illustrative purposes only), the Dollar is given a value range of 1 - 10. As a re-

sult, the product of its competitors must also equal 1 - 10 (when they are multiplied together), depending on the Dollar's trend.

A powerful trend would be a 10, while a congested, non-existent (sideways) trend would be a 1... and so on. The direction of that trend must also be factored in since the market in the strongest trend is usually trading inversely to both the other 'currencies'.

So, if cryptocurrency takes off and is basically a 10, and the Dollar is dropping sharply (also a 10), then Gold must only be a 1 ($10 \times 1 = 10$).

If Gold began to move toward a 4 as the Dollar was still in a solid downtrend, cryptos would have to scale back to a 2.5 ($4 \times 2.5 = 10$)... and so on. (And, yes, this analogy also falters in some key aspects.)

Except in a case where the Dollar is in an all-out freefall, Gold & cryptocurrency would be in competition for the attention of anti-Dollar investment funds.

This is a good time to reiterate - this analogy is only for illustrative purposes and is not a perfect science. More than anything, its discussion is to challenge those that mistakenly believe there is a consistent correlation or inverse correlation between any two of these factors.

In the first quarter of 2021, Bitcoin surged - keeping a lid on rallies in Gold and the Dollar.

In April, however, the Dollar & Bitcoin plateaued as Gold bottomed. The Dollar began to sell off and then Bitcoin followed suit - leaving a window of opportunity for Gold to rally during the precise time (April/May '21) that cycles have projected for many months.

That is what has transpired.

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May '21 WR & IT Analysis

Today's action was another perfect example of this algebraic relationship. The Dollar was slightly down and gold slightly up as Bitcoin began to plunge. Very quickly, the Dollar & Gold spiked higher - again confounding the traders that insist the Dollar & Gold must trade in opposite directions.

By the end of the day, Bitcoin had recovered but was still down ~10% for the day... prompting the Dollar & Gold to pull back from their highs. This also brings to mind the *Axiom on Market Correlation*, reprinted above.

In this case, Bitcoin was accelerating to the downside (in an 'extreme phase') - suddenly spurring the Dollar & Gold to trade in opposition to it... in a very synchronized manner.

Some days - when none of the three are in a very strong trend, up or down - the correlation is completely undetectable and could sway from hour to hour or day to day. It is only when one of the three draws a great deal of focus to itself - that the other two will move in close opposition to it.

There are other factors as well and I repeatedly warn AGAINST trading any market based solely on correlations or expected correlations. Each market has its own governing factors and fundamentals as well. And the peaks and troughs rarely occur at the exact same time.

This discussion is to reinforce a pair of important principles in the markets... that can then be applied to hone related analysis. *On to that analysis...*

Bitcoin fulfilled about 97% of the downside expectations it triggered when it fulfilled its major upside target at ~65,000/BT and signaled that a '5th' wave peak was likely.

That was projected to trigger a sharp plunge back toward ~29,000/BT - the 4th wave of lesser degree support (and the 2021 intra-year low and support)."

Currency Wars -

Rock, Paper, Scissors; $a \times b = c$

5-27-21 - The first five months of 2021 have powerfully reinforced the perspective on the current phase of 'Currency Wars' and the ongoing forecast - since 2015/2016 - that Gold and other anti-Dollar vehicles would move higher into 2021 (with accelerated advances projected for 3Q '20 - 2Q '21) as the Dollar corrected into 2021.

At that point, the US Dollar was/is expected to set a multi-year low while Gold, Bitcoin, et al were forecast to set multi-year peaks.

Gold & Silver experienced accelerated surges in March - Aug. '20 while Bitcoin entered a parabolic move up beginning in Oct. '20 - just as precious metals were confirming that a 3 - 6 month peak was intact.

That movement corroborated the ongoing perception of this three-pronged currency war, which has been described in two primary ways.

The first is viewing the battle between the US Dollar (fiat currency), Gold (hard currency) & Bitcoin (crypto-currency) like a game of 'Rock, Paper, Scissors' where only one of the three can have a major rally at a time.

Often one is sitting on the sidelines (in congestion or trading sideways) while the other two battle it out. In 4Q '20, Gold was 'sitting on the sidelines' - after surging into Aug '20 - as the Dollar plunged while Bitcoin entered a parabolic advance.

Even though the Dollar was dropping sharply, Gold could not muster any significant rally since all the 'anti-Dollar' money was flowing into Bitcoin and other cryptos. *Cryptos definitely won that battle.*

More recently, Gold has been surging since late-

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5/27/21 **INSIIDE Track Analysis**

March, the same time that the US Dollar AND Bitcoin peaked. While this was in perfect sync with Gold's weekly & monthly cycle expectations, metals needed cryptos to step to the sideline since the US Dollar was already expected to see another sell-off.

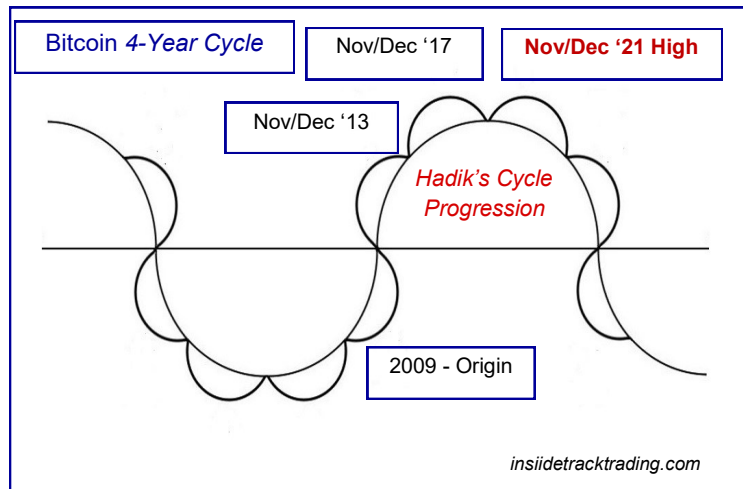
In many ways, it is a three-way battle for currency supremacy... although there are many nuances that need to also be considered.

The second analogy is that of an algebraic equation of 'a x b = c' where each factor needs to be adjusted - up or down - when one of the others is moving in a convincing trend.

(This analogy was even in full display on May 19 - when Bitcoin was in freefall. See 5/19/21 **Weekly Re-Lay Alert** for details.)

And, yes, this analogy also falters in some key aspects... it is only intended as an illustration to help traders visualize the correlated and non-correlated movements in these markets.

6-19-23 - This analysis is from the May 19, 2021 **Weekly Re-Lay Alert** & June '21 **INSIIDE Track** - describing the unique relationship between the US Dollar, Gold & Bitcoin (fiat, hard & digital currency). The Dollar entered a strong advance in late-'21 & early-'22, leaving little room for Gold & Bitcoin to rally. That followed multi-year cycle highs in Bitcoin.



In recent weeks, things have changed a bit. The Dollar Index ran up against resistance and reversed lower in **late-May/early-June '23**... just as Gold (which had already signaled a multi-month peak in **early-May '23**) bounced to resistance and turned back down in **early-June '23**.

This has opened up a window of opportunity for Bitcoin and cryptos to rally while both the Dollar Index and Gold are in different phases of congestion.

See **Weekly Re-Lay** and **INSIIDE Track** publications for the most current outlooks and strategies. **IT**

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“Crypto Currency War - Divergence”

25,000/BT Downside Target... Fulfilled!

4-19-23 - Bitcoin & Ether fulfilled the potential to set multi-week peaks on **April 17 - 28, '23** - the latest phase of a ~21 - 22-week/~5-month high (Sept '21) - low (Jan '22) - low (June '22) - low (Nov '22) - (high; **Apr 17 - 28, '23**) *Cycle Progression*. Bitcoin has already turned its daily trend down - indicating that a multi-week top is forming.

4-26-23 - Bitcoin & Ether fulfilled the potential to set multi-week peaks on **April 17 - 28, '23** - the latest phase of a ~21 - 22-week/~5-month low-low-low-(high; **Apr 17 - 28, '23**) *Cycle Progression*. Both are bouncing but could resume recent declines before the end of the week.

5-10-23 - Bitcoin & Ether remain below multi-week peaks set on **April 17 - 21, '23** - fulfilling a ~21- 22-wk/~5-month low-low-low-(high) *Cycle Progression* and appear likely to enter another ('c' wave) decline... If Bitcoin can reach - and hold - **~25,000/BT**, it would be in the ideal position to see a new rally to **~35,000/BT**.

5-13-23 - Bitcoin & Ether remain below multi-week peaks set on **April 17 - 21, '23** - fulfilling a ~21- 22-wk/~5-month low-low-low-(high) *Cycle Progression* and in a likely 'c' wave decline... If Bitcoin can reach - **and hold** - **~25,000/BT**, it would be in the ideal position to see a new rally to **~35,000/BT**.

6-14-23 - Bitcoin & Ether closed last week below their rising weekly *21 High MACs*... likely (a low) for daily cycles converging on **June 14/15**. That also projected a drop toward their corresponding weekly *21 Low MACs* - currently at **~24,670/BT & ~1665/ETH**... cycles converge in **~mid-July '23** and could time a more significant peak IF Bitcoin holds support (on a weekly close basis) near **25,300/BT**.

06-19-23 - Wave targets, previous highs (*resistance turned into support*), and finally the rising weekly *21 Low MACs* converged around **25,000/BT** and provided the ideal downside target for Bitcoin's multi-month corrective phase. **Mid-June '23** cycles should spur a surge into **mid-July '23**. *It's Decision Time! ITTC*

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