

# The Bridge

## “Crypto Currency War Continues”

### Bitcoin Blow-off?

**01-11-24 - The Battle Rages On!** The Dollar remains under pressure and Gold has been consolidating, leaving room for Bitcoin to shoot up to its 3 - 6 month extreme target near **48,000/BT**.

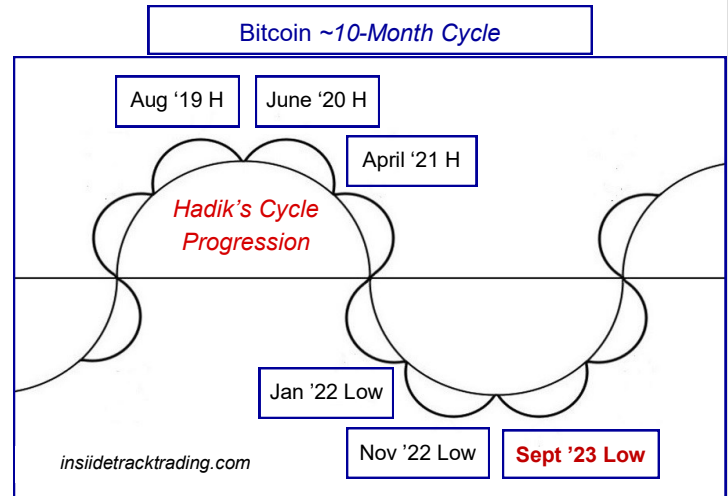
As detailed since early-December:

**12-06-23 Weekly Re-Lay Alert** - “Bitcoin has nearly reached its multi-month upside target - at **~45,000/BT** (see Oct., Nov. & Dec. '23 *INSIIDE Tracks*) - and could spike up to **47 - 48,000/BTC** before a peak is seen.”

On January 8th, Bitcoin spiked up to **~48,000/BT** - fulfilling this extreme upside objective - and set its highest daily close at **47,985/BTH (47,108/BTC)**. That fulfilled multi-month buy signals from mid-Sept '23 & mid-October '23 while reaching extreme upside targets for this phase of the crypto rally... the ideal setup for liquidating some longs.

Now that it has reached that precipice, it is probably time for some consolidation - and/or correction - ushering in the opportunity for Gold to move higher, in line with its related expectations (see pages 6 - 7 for reminder of the intriguing correlation between movement in metals, cryptos, and the US Dollar).

There are two other factors that support the potential for an intermediate top in Bitcoin this week...



### BTE, STR

The recent rise in Bitcoin has been closely linked to *expectations* for SEC approval of Bitcoin ETFs. Much of this surge has been speculators *'buying the rumor'* or *'buying the expectation'*. This expectation has been met with the launch of several Bitcoin ETFs, which begs the question: *'Who is left to buy?'*

In many cases, this is the time when savvy investors take some profits by liquidating some of their holdings since the frothy upside move has likely been overdone... at least when placed in the perspective of current valuation.

*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.

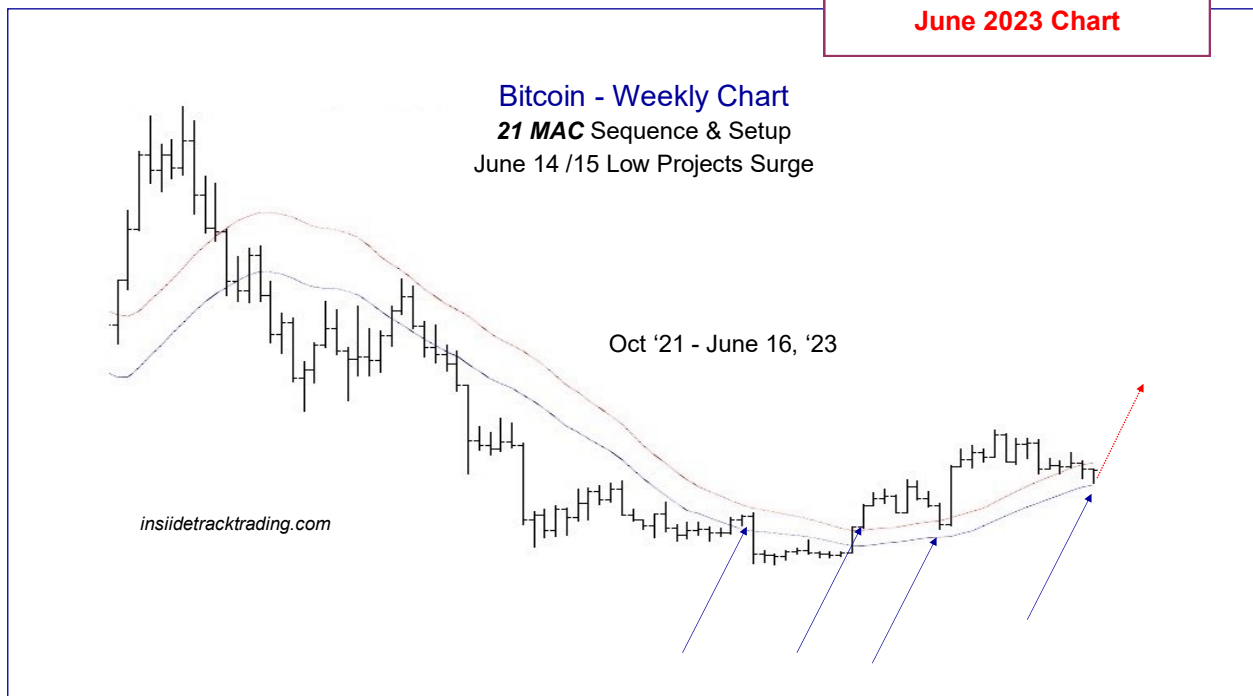
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June 2023 Chart



In that case, it is when they ‘*sell the fact*’ or ‘*sell the realization*’ (of that *expectation... bte, str*).

### 5 of III

The other factor involves price action and wave structure. The chart on this page was originally published in June 2023 - explaining how Bitcoin had retraced to multi-month support and was preparing for an accelerated advance - the third (III) wave of an overall bull market that began with the late-2022 low in Bitcoin (and June 2022 low in Ether).

Wave I lasted 18 - 20 weeks and stretched from November ‘22 into April ‘23 (the same duration as the ~20-week rally from June into November 2021).

The ensuing ‘flat’ ‘a-b-c’ correction lasted ~20 weeks from April ‘23 into late-August/early-Sept 2023 when multiple buy signals were generated.

The subsequent advance has now lasted 18 - 20

weeks (when timed from lowest weekly close and/or intra-week low spike) and has now traced out 5 waves within that overall wave III advance.

From a price and timing perspective, that also identifies the current time and price as the ideal level for an intermediate peak and the onset of a multi-week correction.

Based on monthly cycles, this could spur a multi-week pullback followed by another rally (waves IV & V of the overall advance from November ‘22) into cycle highs in **February/March ‘24**.

That is all part of the larger cycles, including the *4-Year Cycle* that helped pinpoint the November ‘21 peak and which next comes into play in **late-2025**. Related charts and diagrams follow.

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

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### Bitcoin Target at 47,000 - 48,000/BT

**09-29-23** - “Bitcoin & Ether spiked lower into Sept 11, perpetuating a ~3-month low (Mar 10 - 14) - low (Jun 10 - 14) - (low; **Sept 10 - 14**) Cycle Progression while adhering to the wave structure and weekly/monthly trend setup that has been described since the mid-July '23 peak.

Following that peak, price action projected a drop below the mid-June '23 lows in Ether and a drop to - but not below - the mid-June '23 lows in Bitcoin. That is exactly what transpired... From a price and wave perspective, that is a bullish setup which perpetuates the range trading and wave structure that has prevailed in Bitcoin.

On a lower magnitude, Ether mimicked what it did in 2022 with another pair of equal-magnitude and equal-duration declines ('c = a' wave structure) from its mid-April '23 peak. Both sell-offs lasted ~9 weeks or about ~2 months and both dropped ~450/ETH (high close - low close) or ~500/ETH (high - low) into the Sept 11, '23 low.

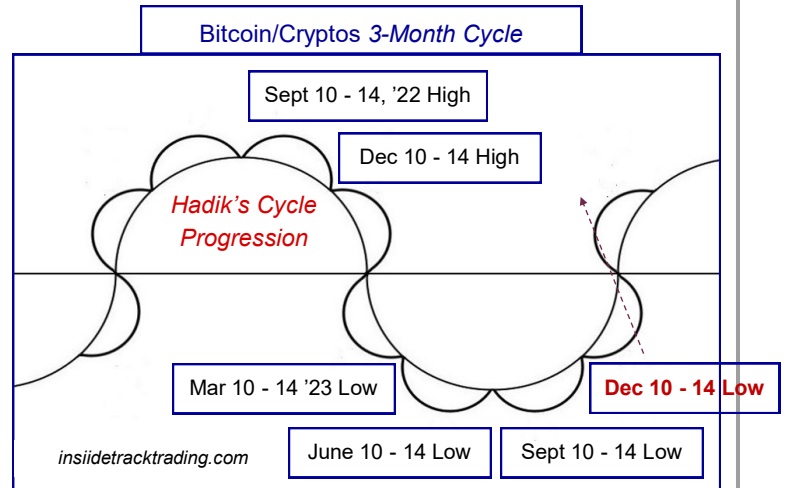
As a result, these cryptos may have completed their corrections... Bitcoin needs a weekly close above **27,500/BTC** to turn its weekly trend up and validate that. It just generated a weekly 2 Close Reversal Combo buy signal that should help spur new buying.

Bitcoin is adhering to its range trading in ~5,000/BT increments, setting a pair of lows near 25,000/BT (after setting successive highs near 25,000/BT in Aug '22 & Feb '23). If it can hold this support and head back to ~**30,000/BT**, Bitcoin would likely break above that level and surge to ~**35,000/BT** as part of this next multi-month advance... that **35,000/BT** level could be broken and lead to a surge to ~**45,000** in 2024.”

**10-31-23** - “Bitcoin & Ether surged after setting another round of divergent lows (higher low in Bitcoin, lower low in Ether) on Oct 11/12, 1 month from the more significant Sept 11, '23 low. While setting that previous (Sept 11) low, Bitcoin perpetuated a ~3-month low (Mar 10 - 14) - low (Jun 10 - 14) - (low; Sept 10 - 14) Cycle Progression while adhering to the wave structure and weekly/monthly trend setup that has been described since the mid-July '23 peak.

As reiterated last month, Bitcoin had triggered a 2 - 4 week buy signal (at ~26,900/BTC) that should spur a surge to ~35,000/BTC... and possibly spike as high as **45,000** in the coming months... There is a decent chance that 35,000/BT level could be broken and lead to a surge to ~**45,000** in 2024.

The Sept 29 buy signal reinforced a similar weekly buy signal on Sept 15, creating a more powerful weekly 2-Step Reversal buy signal on Sept 29. It has already surged to ~35,000/BT and could spike as high as 40,000/BTC in the near term... Both cryptos are likely to advance into the first half of Nov '23 - fulfilling a ~4-month/~18-week low-low-high-



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(high) Cycle Progression... Ether is showing that it could extend its next multi-month peak into **Feb '24** - the convergence of ~5-month & ~10-month related cycles.”

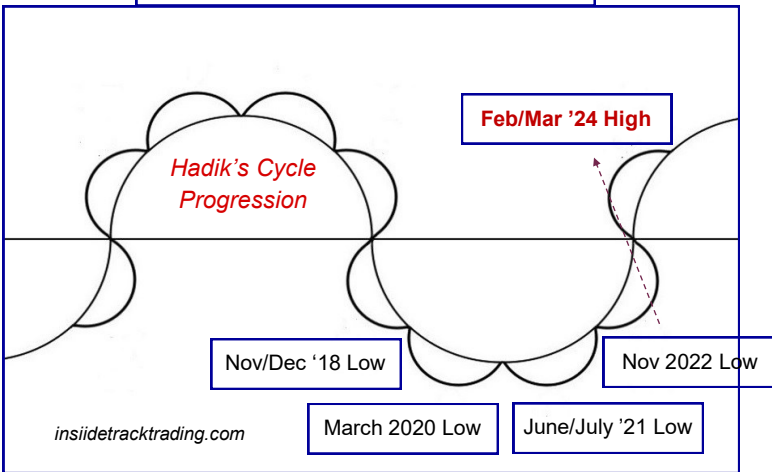
**11-30-23** - “Bitcoin & Ether continue to surge, fulfilling Bitcoin’s September ‘23 cycle low and buy signal. While setting that low, Bitcoin perpetuated a ~3-month low (Mar 10 - 14) - low (Jun 10 - 14) - (low; Sept 10 - 14) Cycle Progression while adhering to the wave structure and weekly/monthly trend setup that had been described since mid-July ‘23... and lead to a surge to ~**45,000** in 2024.

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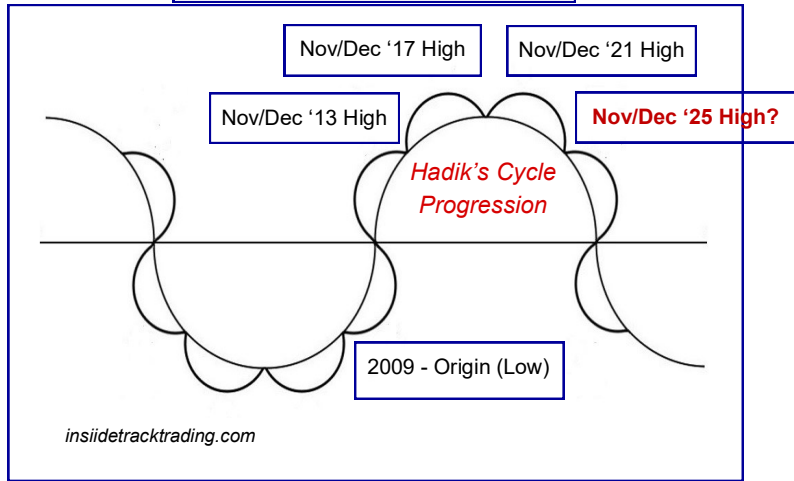
**12/05/23** *INSIIDE* Track Update and **12-06-23** & **12-09-23** *Weekly Re-Lays* - “Bitcoin has nearly reached its multi-month upside target - at ~**45,000/BT** (see Oct., Nov. & Dec. ‘23 *INSIIDE* Tracks) - and could spike up to **47 - 48,000/BTC** before a peak is seen.”



Bitcoin/Cryptos 15 - 16 Month Cycle

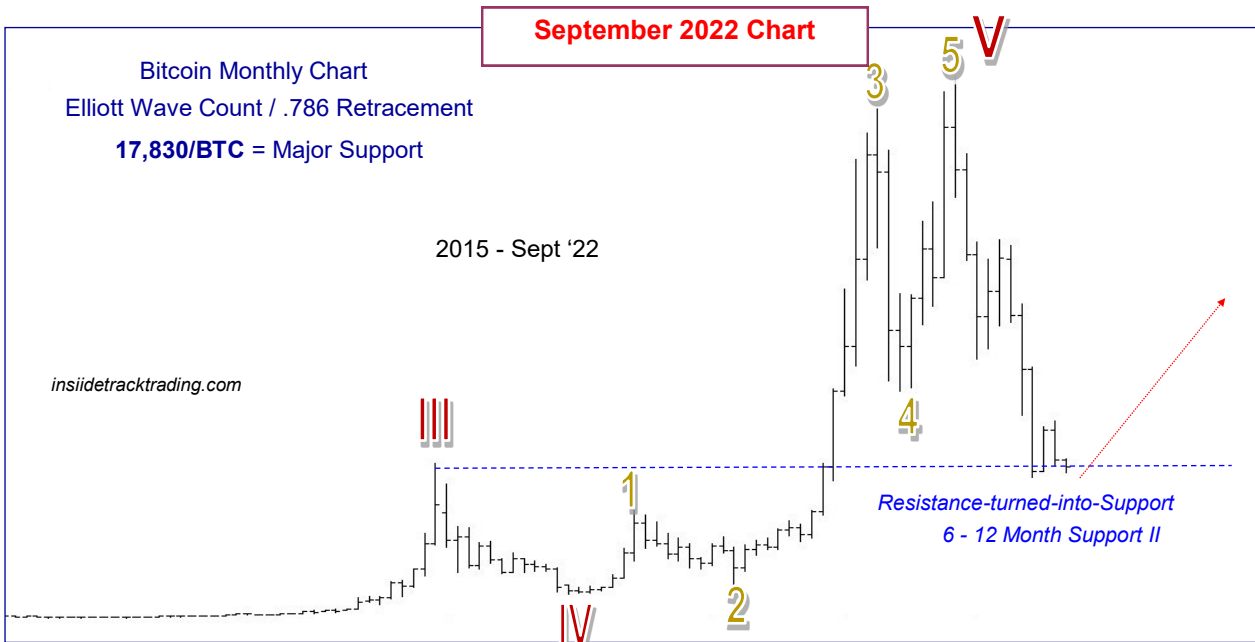
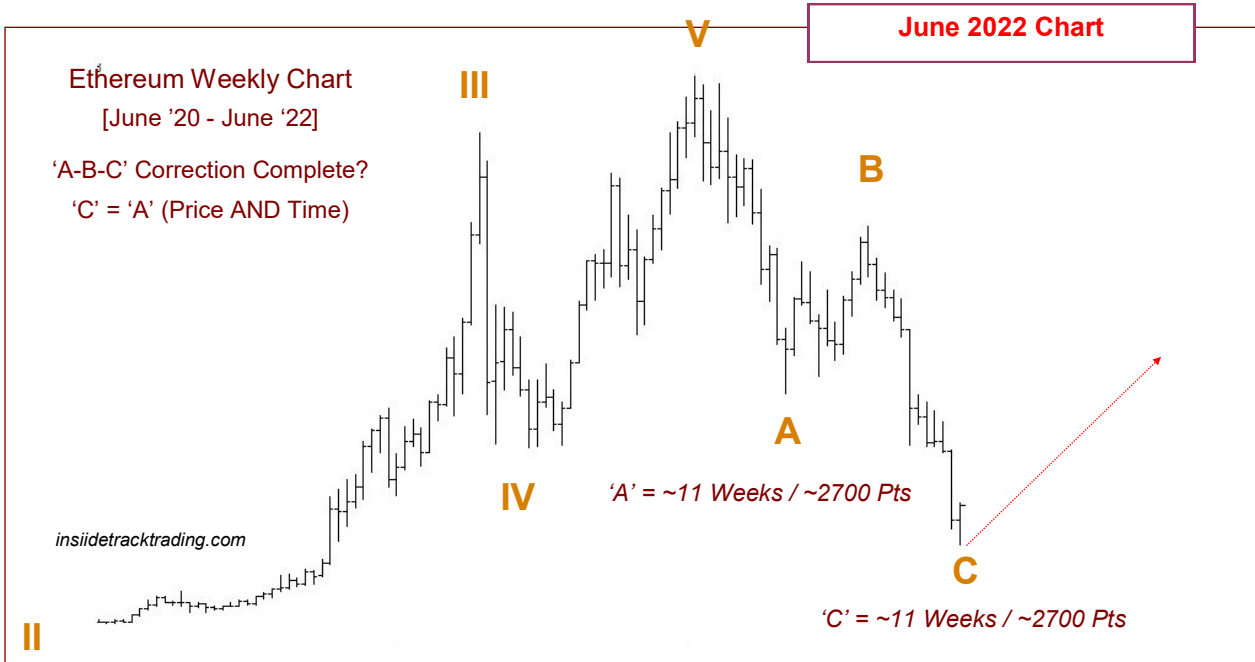


Bitcoin/Cryptos 4-Year Cycle



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**“Crypto Currency War Continues”**





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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...

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

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### May '21 WR & IT Analysis

well. And the peaks and troughs rarely occur at the exact same time.

#### 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.

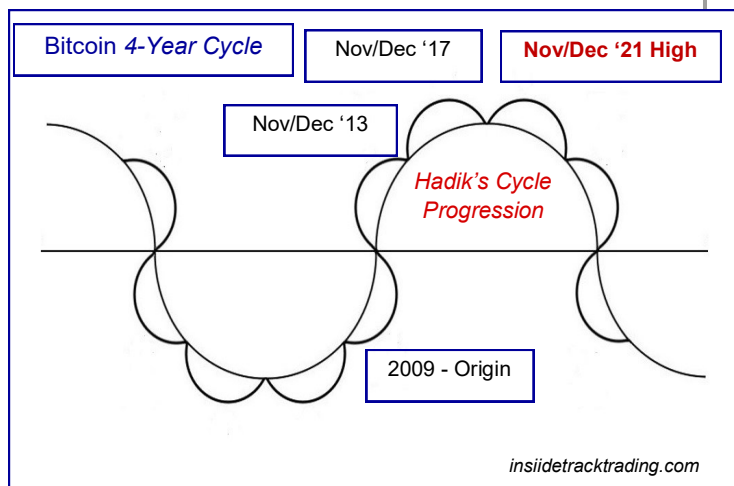
Often one is sitting on the sidelines (in congestion or trading sideways) while the other two battle it out. In 4Q '20, Gold was 'sitting on the sidelines' - after surging into Aug '20 - as the Dollar plunged while Bitcoin entered a parabolic advance.

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-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.

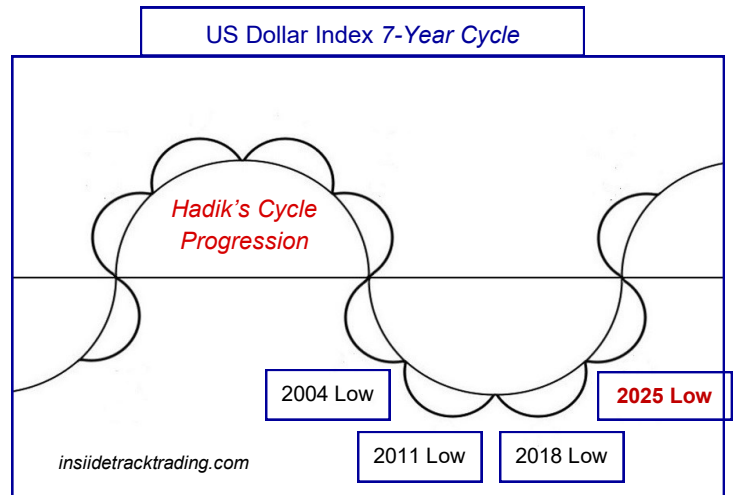
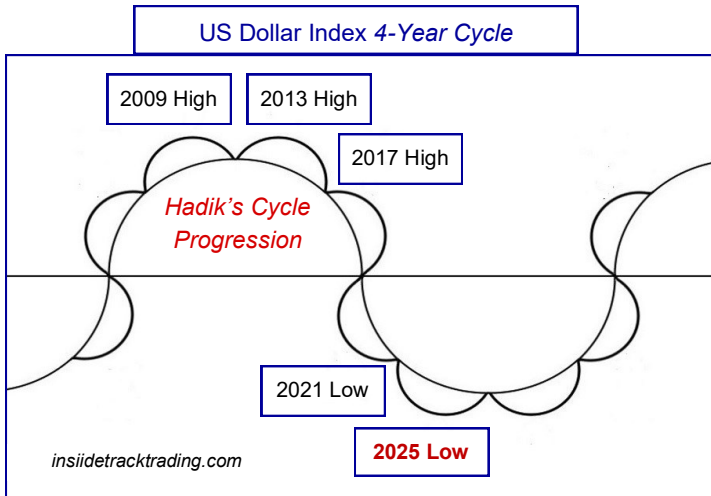
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