



Bitcoin BullBear Price Update for 1/13/2015

Market Commentary (BTC):

As we awoke to a new day of bitcoin price action, we can't say we were very surprised by the complete breakdown that occurred overnight once 240 \$ was taken out on volume. As selling accelerated, it seems to have hit a crescendo as price broke 230 \$ on its way to a local low of 226.1 \$. At this time we have no reason to think that this is the end of the bear market, especially given that chop near the lows has characterized consolidative periods that occur prior to major dumps, and is happening again now.

While we do think the market could range around from 225 to 240 \$ over the next 24 to 48 hours as extremely oversold conditions get cleaned, we would not be taking long positions yet. We still believe that the 205 to 215 \$ range will be tested to see if things need to go even lower.

We have mentioned the 130 - 150 \$ range multiple times since this latest round of selling began a few weeks ago, although prior to today it was an outlying scenario in our book. Now that outcome is beginning to look more and more reasonable as weakness persists, and bounces are anemic to say the least. Volume profile also continues to say lower prices need to be explored prior to a trend reversal. We need to see what miners start doing sub-200 \$.

Despite the fact that we think prices are going lower, we still think that trying to take trades in this environment brings with it extra risks as bear market rallies are the most violent of them all. That being said, dynamic resistance stands in the 245 to 250 \$ range, so we would be very surprised to see the kind of strength that would be needed to get through those levels given the current sentiment and technicals.

****BullBear ProTrade**:** Get short at 240 \$ with a stoploss at the 250 \$ level, and an initial target of 226 \$, followed 216 \$.

Happy Trading! Have a great BITday!

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