



HOT & COLD Cryptos

- ***HOT***: ZEC (4.65%) – Zcash successfully released their Sapling network upgrade last night at block 419200. We expect ZEC to outperform for the remainder of Q4. Read more [HERE](#)
- ***HOT***: ZRX (6.94%) – 0x was successfully added to Coinbase last week. Price jumped to \$1.10 on the night of the addition. Price has fully retraced to \$0.78, the price prior to the announcement. On a risk/reward basis, we view this as a great opportunity.
- ***COLD***: DOGE (4.94) % – Dogecoin has come off of its highs, \$0.016, over the past month. It has began to retrace the run it had on the announcement of Dogetherium, a bridge of Dogecoin to create a smart contract. It is currently trading \$0.0038 and we expect prices to remain in a range of \$0.0025 - \$0.0040.

Market Overview

- BTC/USD testing key support \$6200-5950, a break below opens up 5500, and 5000
- BTC/USD sold off sharply during the US session, on the break of 6380.
- BTC/USD expected to be in a range of 6000-6400 for the remainder of the week
- Canadian exchange was “hacked” and all funds lost, spread some fear across the market
- End of month rebalancing also had some influence on the price decline
- ETH/USD support levels: \$194, \$188, \$165; resistance levels: \$225, \$250, \$285
- ETH/USD SHORTS are on the rise and we remain bearish ETH, it is expected to underperform on a relative basis
- Alt-coins near all time lows, finding weak support across the board
- Select alts looking good on a risk/reward basis: ZRX, ZEC, XLM, XRP, XMR
- Trading volumes are below average and we expect volumes to remain muted until Bitcoin chooses a direction
- RVN and DCR were listed on Binance this month and have provided decent opportunities long and short



Market Overview Continued

- Last week Fidelity announced it will be moving into the cryptocurrency markets in Q1-Q2 2019; providing services to its institutional and retail clients
- Rumors are out that Northern Trust and State Street (large custodians) may be moving into the cryptocurrency space this quarter or early 2019
- BTC dominance has stagnated around 54% over the last week. We expect BTC dominance to remain in a range of 48% - 58% for the near future
- Alt-coin market has risen from \$85bln to \$105bln. We are watching this closely to determine direction
- We expect alt-coins to outperform Bitcoin during this rally.

What We're Reading

- Institutions Are Coming for Your Crypto. See more [HERE](#)
- The Race to Replace Tether (In 3 Charts). See more [HERE](#)
- UK Government Says It Will Update Crypto Tax Guidance By Early Next Year. See more [HERE](#)
- Privacy Crypto Zcash Goes Live With 'Sapling' Network Hard Fork. See more [HERE](#)
- UK: Gov't Taskforce Proposes Crypto Regulation Changes, Questions Crypto Definition?. See more [HERE](#)
- Crypto Exchange Bitstamp Acquired by Belgian Investment Firm in 'All Cash Deal'. See more [HERE](#)
- China's Bitcoin Mining Dominance Imperils US Companies and the Government Is Worried. See more [HERE](#)
- Binance CEO Lauds Fidelity Investments Move into Crypto Market. See more [HERE](#)
- Crypto Exchange OKEx Delists Over 30 Trading Pairs for Weak Volume. See more [HERE](#)



Charts of the Week

BTC/USD (4HR Candles) - <https://www.tradingview.com/x/1DnAnH1K/>



- BTC/USD test significant support and trend line at \$6,200; if this breaks we expect a test of \$5850-5950. We are slightly bearish short-term.

BTC/USD SHORTS (4HR Candles) - <https://www.tradingview.com/x/Sx91Oxja/>

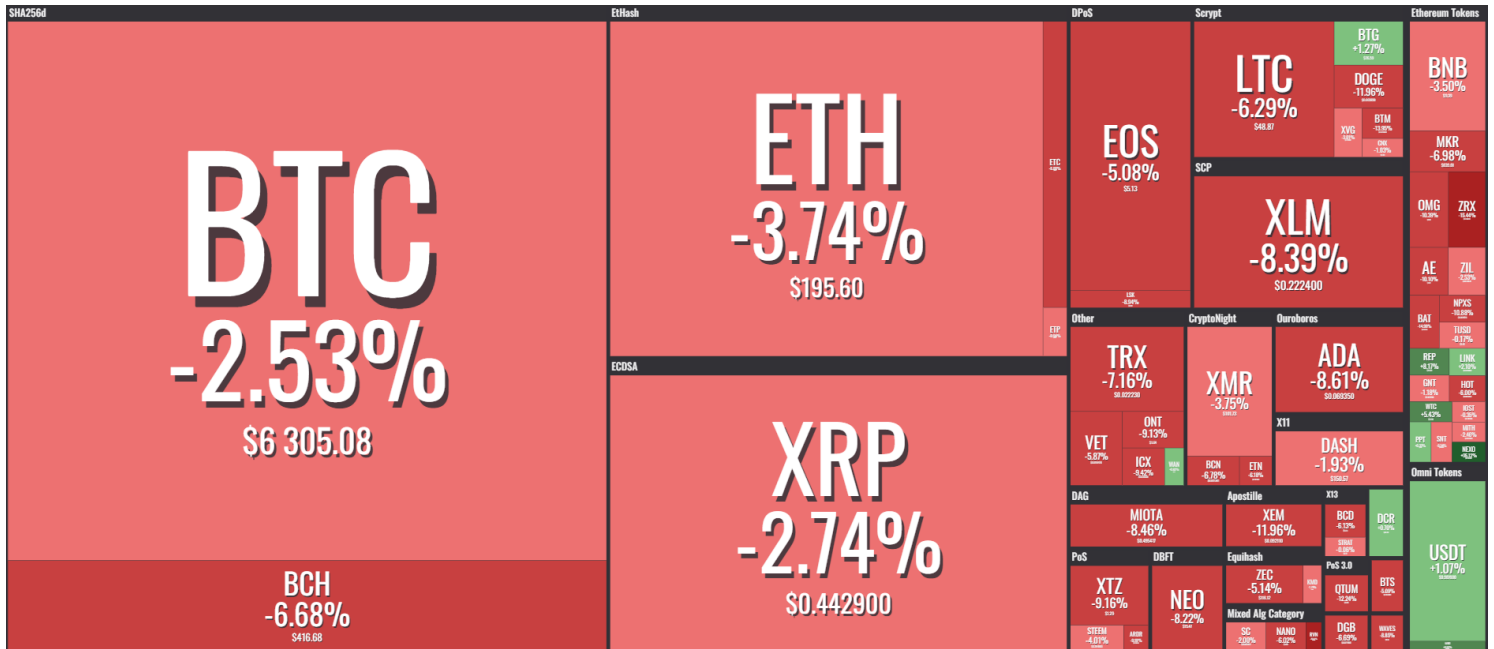


- BTC/USD SHORTS are consolidating and strengthening the wedge. At this point they can break either direction. We are slightly bullish short-term.

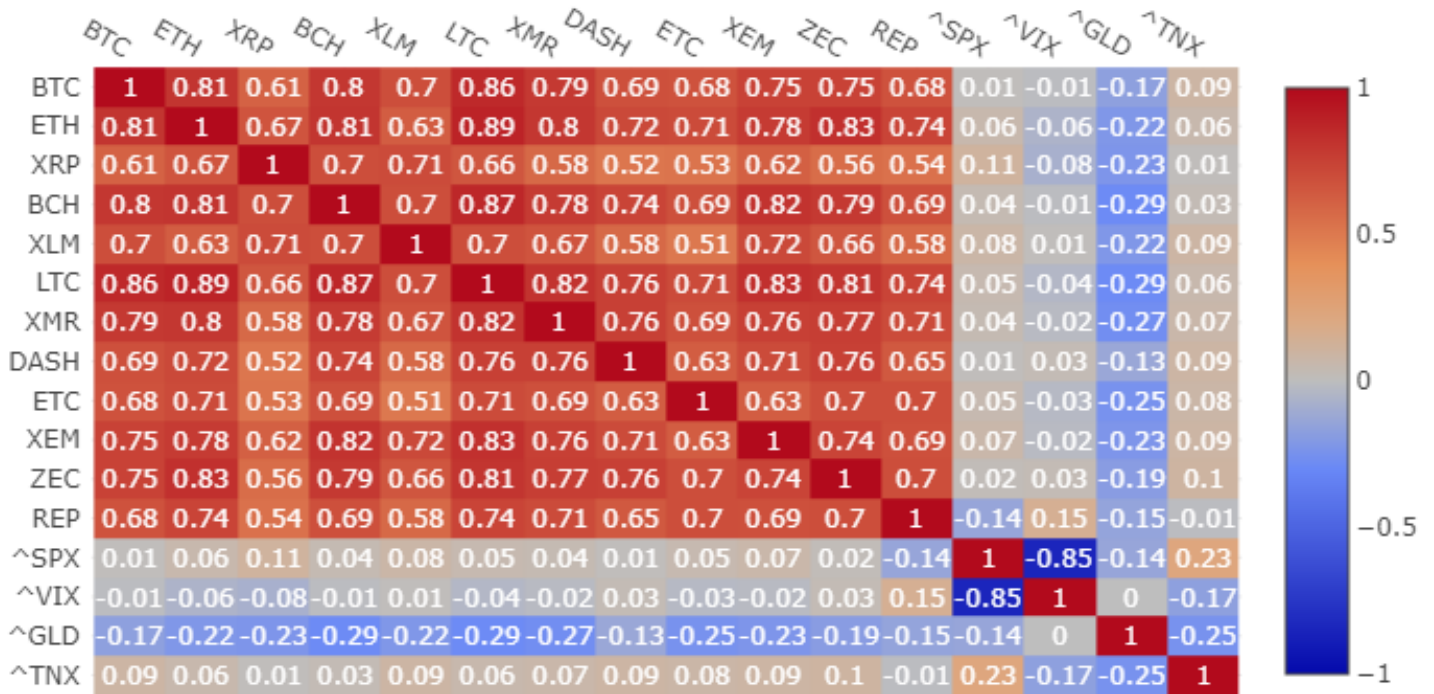


Heatmap of the Week

Cryptocurrency Heatmap (10/22/2018 – 10/29/2018)



Cryptocurrency Correlation Matrix (Last 90 Days)



- Correlations among cryptocurrencies has increased over the last week, signaling uncertainty in the market



Market Research – Weekly Market Primer (10/29/2018)

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