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Posted by
Darren Chu, CFA
Founder
Tradable Patterns



VIX (VX) Testing 76.4% Fib Retrace of March Surge

The VIX (VX) is in today's Asia morning trying to form its 2nd straight green daily candle, bouncing off descending wedge support (on the weekly, daily and 4hr chart). Significantly, a break above the same descending wedge's resistance dramatically increases the odds for the VX to reclaim, in the week or so after, the 61.8% Fib retrace of the surge that began late February to its record high. A decisive move will likely need to wait until at least following Thursday's highly anticipated FOMC. Congratulations to premium readers warned March 17th (as [seen here](#) of the pending slide in the VX, one day before its record high on the front month contract) and who've profited. The weekly RSI, Stochastics and MACD continue to slope down, weighing on the bottomish daily equivalents, suggesting risk:reward is not great currently in either direction. I will look to go long in the green zone (of the daily chart), targeting the red zone for Monday. The amber/yellow zone is where I might place a stop if I was a swing trader (although in my personal account with which I seldom hold overnight I sometimes set my stops tighter).

VIX (VX) Weekly/Daily/4hr



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Also seen on **FT (Financial Times), Interactive Brokers, ICE Futures Singapore, Inside Futures, Amazon, CNA, Liquid (Quoine), SuperCryptoNews, Alphien, EXMO** and **Zerohedge, Tradable Patterns publishes 3 newsletters: Today's Top 3 Trades, Equities & ETFs and Crypto Weekly Outlook.**

Today's Top 3 Trades offers technical analysis on a subset of 3 CME/ICE commodity/index futures or spot FX markets (with coverage for 2 markets from a designated asset class(es) for each weekday as seen in the **Watchlist**), plus the top trade idea for the day from any asset class. All 3 markets covered are selected based on their likelihood to exhibit trend reversal or continuation during the week that begins on the day of coverage, based on technical analysis and news flow. For instance, Monday coverage is on 2 Agris (and potentially 1 Index), while Tuesdays are devoted to 2 Indices (and potentially 1 Soft).

S&P500 (ES) Weekly/Daily/4hr

The S&P500 (ES) is slowing in its ascent in today's European morning as it bumps up against upchannel resistance (on the 4hr chart) and ascending wedge resistance (on the daily chart). Significantly, although the ES is nearing its record high, the ES is at increasing risk of seeing its rally abruptly ending due to the looming completion of the daily chart ascending wedge. A decisive move will likely need to wait until at least following Thursday's highly anticipated FOMC. Congratulations to premium readers warned February 18th one day before the record high in the ES (as [seen here](#) of the pending slide in the S&P500) and who profited. The weekly RSI, Stochastics and MACD are deceptively rallying or consolidating recent gains, weighed somewhat by the overbought daily Stochastics. I will look to go short in the red zone (of the daily chart), targeting the green zone for Monday. The amber/yellow zone is where I might place a stop if I was a swing trader (although in my personal account with which I seldom hold overnight I sometimes set my stops tighter).

Equities & ETFs is the most recently launched weekly newsletter providing technical analysis on monthly and weekly charts of 25 industry leaders and ETFs either at/near 5 plus year lows or which offer high dividend yields.

Crypto Weekly Outlook covers crypto industry fundamentals and technicals/fundamentals Sundays on Bitcoin, Ethereum and Ripple.

For less experienced traders, *tutorials* and *workshops* are offered online and throughout Southeast Asia.

Tradable Patterns content does not constitute an advisory and does not make recommendations, but can supplement your own analysis. Please do your own due diligence ahead of any trades.



Soybean (ZS) Weekly/Daily/4hr

Soybean (ZS) is consolidating for a 3rd straight day ahead of Thursday's highly anticipated monthly WASDE. Significantly, ZS is testing what could become 2.5 month downchannel resistance (on the daily chart), with Thursday's/Friday's candle potentially becoming the 2nd data point of this downchannel resistance. ZS is also bumping up against horizontal resistance (on the weekly chart) defined by the May 2019 low. The weekly and daily RSI, Stochastics and MACD are bottomish, rallying or consolidating recent gains. I am looking to go long in the green zone (of the daily chart), and am targeting the red zone for Monday. The amber/yellow zone is where I might place a stop if I was a swing trader (although in my personal account with which I seldom hold overnight I sometimes set my stops tighter).



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Bitcoin commentary

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Bitcoin (BTC/USD) Consolidating <10k Post-Halving June 4

- Bitcoin (BTC/USD) edged higher this week as its healthy consolidation since the halving appears to be entering its late stages. Significantly, BTC/USD remains within a day or so of volatility of the psychologically key 10k level as it finds bouncing off its closer support on the daily chart.
- BTC/USD appears ready to resume its push higher from downward resistance on the weekly chart, with reduced odds for another sell-off similar to March. This despite an increased probability of a risk-off environment in the next several weeks. The weekly RSI, Stochastics and MACD are rallying or consolidating recent gains, but hampered by a downward sloping daily MACD.
- Bitcoin's 3rd halving completed May 11, with the global hash rate down 25% from the May 11 level by May 30. This reflects a decreasing amount of miner investment and processing power used in producing Bitcoin post-halving, as a result of halved block validation rewards.
- 15-20% of mining machines (particularly older, less cost-efficient models) will be turned off due to their sudden unprofitability. The May 23 low in hash rate was below the low observed on the March 20 low.
- With Bitcoin rewards (per data block validation on the Bitcoin network) going to miners now half what they were going into May 11, holders are closely monitoring the increase in transaction fees to gauge the impact on production.
- Bitcoin's transaction activity for 2019, was at a record high. Although of times benefiting from inflows due to BTC/USD's provided safe haven status during geopolitical tensions, devaluation pressures on fiat currencies may be a primary driver for Bitcoin demand for the balance of 2020.
- Related to the fiat currency devaluation pressures are the ongoing currency wars and roughly 30% of global fixed income markets yielding negatively. BTC/USD's correlation with gold continues to fluctuate due to other factors more specific to regulatory pressures, competitive threats from CBDCs and a greater perception of BTC/USD being a speculative market.
- Actual use of BTC/USD for micropayments has fallen since March 2019 on the Lightning Network, as incentives for those that operate network nodes (which requires tying up their bitcoin) are negligible, causing node operators to leave for Proof of Stake (PoS) blockchains.
- Increasingly, Bitcoin is being tied more to the Ethereum network for DeFi (Decentralized Finance) projects than for the Lightning Network, where smart contracts can digitally represent Bitcoin.

NYSE Bitcoin Index 5yr (Monthly Chart)

