

## Simplicity: Buy, Uncertain, Sell

Unlike "fundamental analysis," which leaves much to human interpretation, Charts never lie as "**price is what it is**"

CryptoCurrencies, including Bitcoin, have provided fantastic returns over recent years, but they are very volatile with large swings in price.

The Investmentimer Solution-\$Bitcoin provides far less volatility with excellent outperformance against \$Bitcoin, by way of the colour-coded **Buy**, **Sell** and **Neutral** panels employed.

A **sister** service, Currencytiming, provides a similar solution for the major currency pairs, whereas the Investment Timing Service looks after five major stock indices for the US, UK, Japan, Europe X UK and Asia X Japan, plus the \$Gold price. A "Bespoke" service offers the same template for any other quoted security, be it a stock-index, individual share, bonds, fund, or commodity.

A 1-year daily data chart and a 10-year monthly data chart include the colour-coded **Buy**, **Sell** and **Neutral** panels, moving averages, momentum indicators and Fibonacci ratios, which provide likely support levels for price corrections.

These indicators are explained at the end of this report and although they are of interest to most of our clients,' by far the most important guide is the colour-coded signal panels, which historically have provided excellent buy and sell entry and exit points.

Any change to these **Buy**, **Sell** and **Neutral** signals intra-month will be notified to you by email.

### Report as at 1<sup>st</sup> August 2021:

Table of Indiices	Close	Price% 1 week ago	Price% 1 month ago	Price% between 31/12/20 and 1 trading day ago
BTC/USD - US Dollar per Bitcoin	42,238 ▲	25.48 ▲	20.47 ▲	38.1

**Index: \$US Bitcoin - 1<sup>st</sup> August 2021**

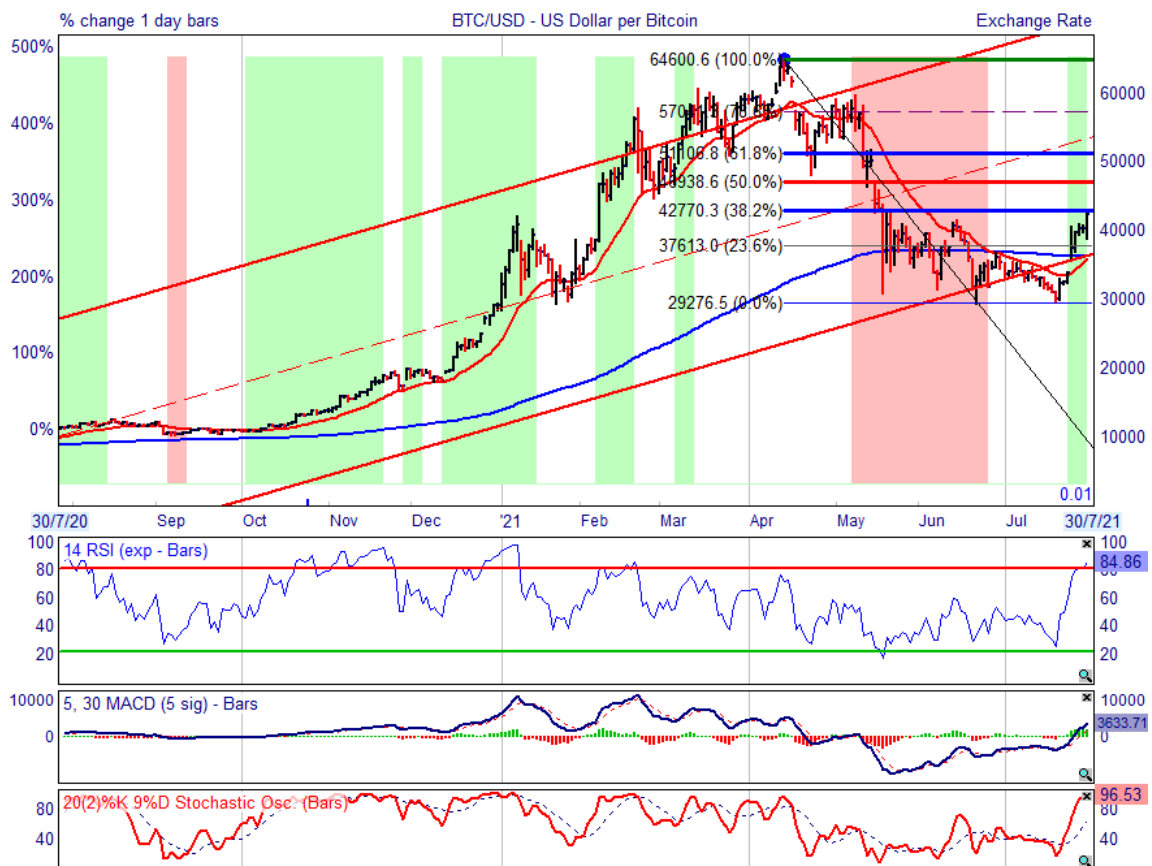
**Price: - 42238**

### Short Term Trend

Last indicator **BUY** @ the \$38280 level on the 27th July 2021

Trend is sideways

Guides:            **Green/Pink**            =        **BUY/SELL Panels**  
                      **Red**                                =        **Current Trend Channel**  
                      **Blue Red**                            =        **200 & 21 Day Moving Average**

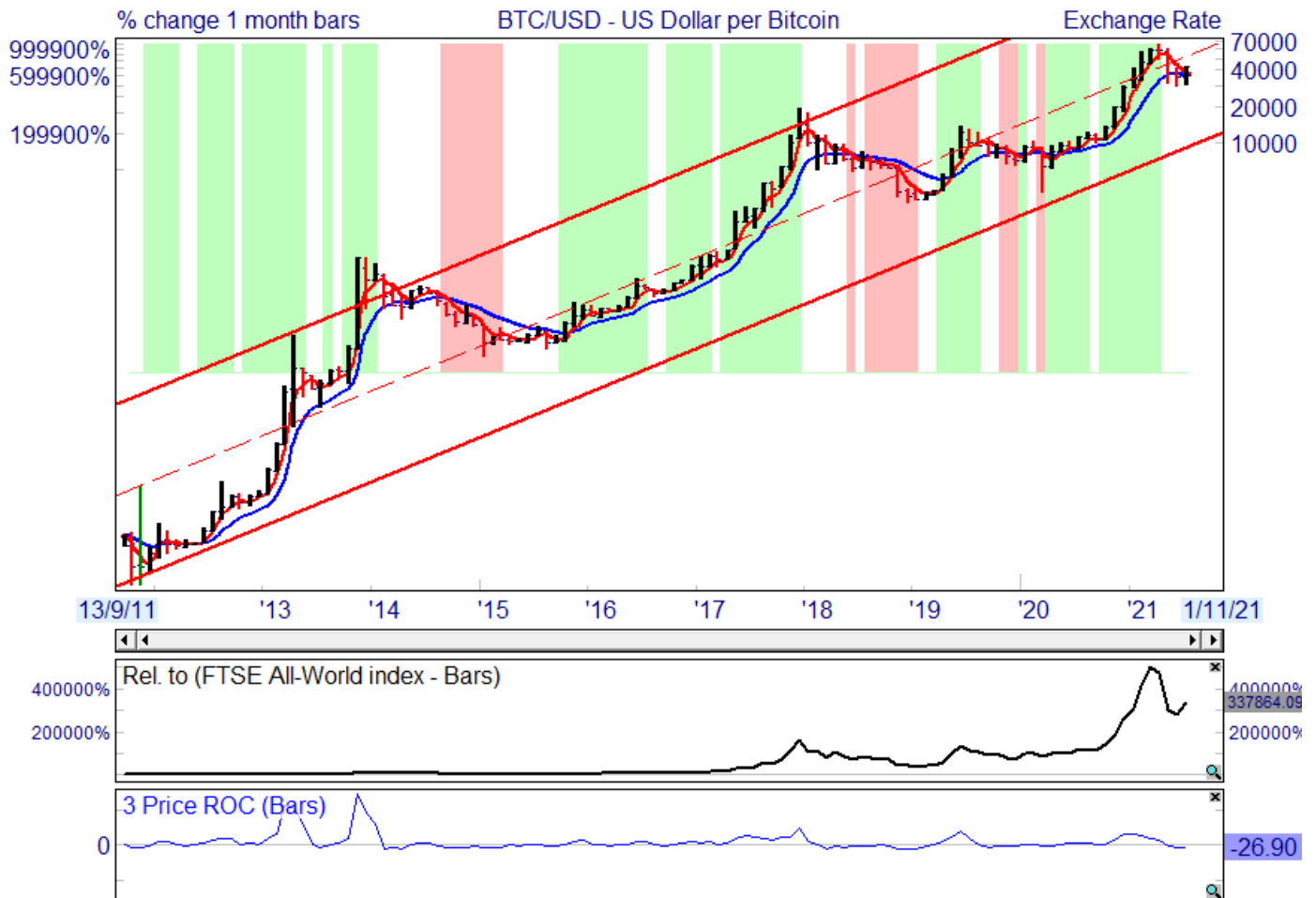


### Observations

1. The price gained 20.5% over the month, changing to a **Buy** signal.
2. Price has "gapped" above both MAs, but needs the **21** above the **200**.
3. The momentum indicators jumped higher, bullish but over-bought ST.

## Long Term Trend

### Red 50 & Blue 200 Day MAs on the Monthly Chart



## Observations

1. The price is above both MAs, bullish but the LT signal remains as *Neutral*.
2. The ROC momentum indicator is falling, uncertain.
3. Longer term support is at 34950 with resistance at 48550.

## Conclusion

1. Price is bullish ST and uncertain LT.
2. Longer term support is at 34950 and needs to hold it.
3. **BUY** until an e-mail alert

## Guidance notes on indicators used:

### Within the main body of the chart:

#### Moving Averages (MAs):

Moving averages smooth the price data to form a trend following indicator. They do not predict price direction, but rather define the current direction with a lag.

We use a **21-Day** and a **200-Day** Exponential Moving Average (EMA) within the 1-year chart and a **50-Day** and **200-Day** EMA within the 10-year monthly chart.

Price ideally should be **above** both MAs, with the shorter term MA **above** the longer term MA in a "**bull phase**," rising index or security price and **below** both MAs, with the shorter term MA **below** the longer term MA in a "**bear phase**," falling index or security price.

When a shorter term MA crosses **above** a longer term MA, it is known as a "**Golden Cross**," which confirms a move higher for the index or security price, whereas a shorter term MA crossing **below** a longer term MA is known as a "**Death Cross**," confirming a move lower for an index or security price.

#### Fibonacci Retracements or Extensions:

Fibonacci Retracements are ratios used to identify potential reversal levels. These ratios are found in the Fibonacci sequence. By taking two extreme points (usually a major peak and trough) on a chart price the key Fibonacci ratios of 23.6%, 38.2%, 50%, 61.8%, 78.6% and 100% are shown.

These ratios are used to identify potential reversal levels, during corrections within the main price trend and by Fibonacci Extensions as assistance to projecting a price target within the trend.

### Within the lower panels of the charts:

#### 1-Year Daily Chart:

#### Relative Strength Index (RSI):

An RSI is a momentum indicator that compares the magnitude of recent gains and losses over a specified time period to measure speed and change of price movements of a security (we use 14 daily and monthly periods.) Momentum is akin to slowing down in a car before you consider either stopping or going into reverse, and although an RSI can remain either overbought (**above 80**) OR oversold (**under 20**) for longer than you expect, it does provide a useful guide of when an index or security is overvalued and/or undervalued. Also look for any divergences against price.

#### Moving average convergence divergence (MACD)

This is a trend-following momentum indicator that shows the relationship between two moving averages of prices, the 13 and 26, plus a MACD Histogram is used to anticipate signal line crossovers, the signal line being a 9-day EMA.

#### Stochastic Oscillator

Is a momentum indicator used to generate overbought and oversold trading signals, utilizing a 0-100 bounded range of values. A faster complimentary signal to the MACD.

## 10-Year Monthly Chart:

### Price Relative to the FTSE World Stock Index:

Simply put it shows the price movement of the index or security against a bench-market of the World Stock Index, a measure of every quoted stock in the world. If it is rising, the measured index or security is out-performing the world index OR vice-versa under-performing the world index if falling.

### 3 month Rate of Change (ROC):

This is another momentum measure, in our case over a rolling 3-month period, which assists with identifying trend turning points. It is also used to flag "diversification," against the index or security price trend. In plain English, if price is going one way and the ROC the other, it is a warning that the price trend will likely change.

### Average True Range

The average true range is a market volatility indicator typically derived from the 14-day simple moving average of a series of true range indicators. It complements the ROC momentum.

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