

Bullish momentum in Bitcoin as multiple key levels broken

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Key highlights

- » Bitcoin breaking \$11,100 resistance with \$12,000 in sight
- » Bitcoin on a 6-day win streak, as interest from large entities flow in
- » MVRV displaying strong support, which could put Bitcoin above \$15,000










Bitcoin corrects on macro correlation

Bitcoin had a massive rally this week as it broke out and closed above multiple key levels that traders were eyeing. However, the same could not be said about its physical asset counterpart gold which is lagging its digital version over the past week.

Bitcoin's price rose 6.8% and broke both the 0.5 and 0.382 fib level, before rejecting the 0.236 level. This move also saw the breaking up of an ascending triangle formation since early September's decline and has now recovered above the \$11,000 handle flipping the resistance to support. With Bitcoin currently trading above the 10, 50 and 100 MAs and above the \$11,000 resistance zone, we can further expect bullish momentum as long as this support holds.

We further view that a re-positioning is occurring in the market with a possible shift in the economic climate, as futures volumes and open interest are starting to recover. Our eyes are peeled on the \$12,000 key resistance level, as we expect further consolidation around current levels going into the elections before breaking into the upside going forward.

7 Day Performance

Name	Price	Change
 Bitcoin	\$11395	▲ 6.8%
 Ethereum	\$377	▲ 10.7%
 XRP	\$0.24	▲ 0.1%
 Bitcoin Cash	\$257	▲ 15.7%
 Litecoin	\$49.5	▲ 6.5%
 Bitcoin SV	\$167	▲ 2.9%
 EOS	\$2.6	▼ -1.4%
 Binance Coin	\$30.6	▲ 11.0%
 Tezos	\$2.27	▲ 9.8%



Bitcoin posting 6-day win streak amidst interest from large entities

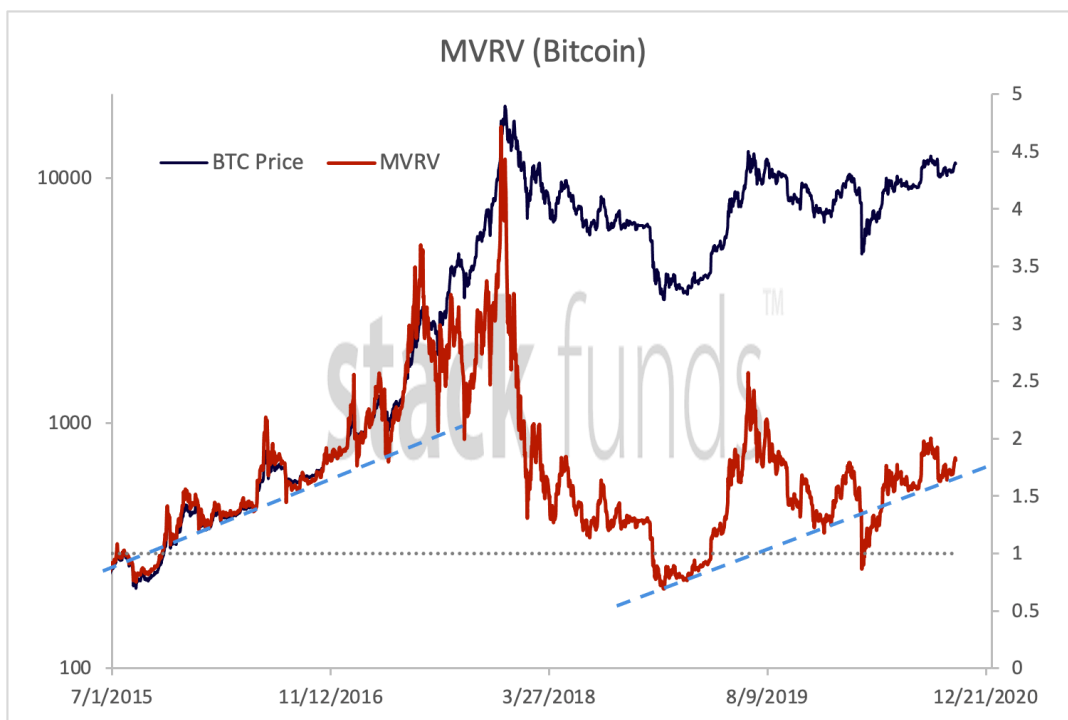
MVRV displaying strong support, trending towards 2.5 that could put Bitcoin above \$15,000

Bitcoin posted 6 days continuous winning streak over the past week with waves of large companies such as Square, and Stone Ridge announced they invested \$50m and \$115m respectively into the digital asset, alongside 20 other institutional investors who have a similar vested interest.

As we observe more prominent investors entering the sector, we turn towards a metric that provides some insights to value an asset capitalization in terms of investors cost-basis. The MVRV (market value to realized value) ratio, similar to P/B (price to book ratio), is a metric our analysts regularly track. It allows us to identify if the asset is over or undervalued as well as investors expectations by identifying the MVRV trend of the particular digital asset.

The previous time we discuss this ratio was back in May, where MVRV was trading around 1.5. Our expectations of MVRV to breach the 1y median of 1.6 came to fruition. In addition, MVRV touched just shy of the 2.0 handle, which increased our confidence of an uptrend momentum building.

The current MVRV ratio is at 1.8, and is purportedly well supported by the trendline where bitcoin bottomed back in late 2018. The trend is also painting a similar trajectory as it did back in the 2017 bull run, with a steady growth inclination that tested an identical support trendline multiple times. Given the strength in support, we are expecting a significant break of 2.0 in the near term as it looks to retest the 2019 peak at 2.5, which will put Bitcoin price above the \$15,000 level.



Source: Coinmetrics

About the Analyst

Lennard Neo, CFA - Head of Research, Stack Funds

Lennard specializes in fundamental and technical analysis in digital asset investments. He became acquainted with blockchain, cryptocurrency and ICOs in 2016, and recently decided to take a meaningful step away from traditional banking to join this industry.

Previously, Lennard spent 3 years with an investment bank in Forex and Debt Capital Markets. Companies he worked for include Commerzbank AG, DBS Bank, Bloomberg, and Fidelity. Prior to this, he also had entrepreneurship experience with an e-commerce startup and a local social enterprise.

Lennard completed the CFA program and graduated with a master's degree in Applied Finance. He is fluent in English, Chinese with a basic in Korean.

***With assistance from Travis Chua*

About Stack Funds

Stack Funds is an issuer of Cryptocurrency Access Products (CAPs) including trackers, indexes and structured vehicles for institutions.

Our investment funds have been structured according to institutional standards, taking into account the highest degree of security, flexibility and compliance in our delivery of digital asset based products.

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