

# Bitcoin pared losses but remained supported at \$10,000

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## Key highlights

- » Strong technical indicators to augur Bitcoin price support
- » Hash Rates broke new highs, as miners' sentiment on bitcoin remain strong
- » September Bitcoin price decline could be attributed to seasonal factors from mining

## BTC maintains a strong price floor










A week of induced volatility saw equities, gold and crypto markets recording losses led by falling tech stocks on 3rd September. Bitcoin pared losses of 20% after touching a yearly high of \$12,486. Currently, the digital asset is seeking stability around the \$10,000 level, known as the previous resistance-turned-support level back in June.

This support level is further extended by the 200 Daily EMA and a price rejection from the 0.786 fib handle. Similar price actions can be seen from the other markets where both the S&P 500 and gold are being supported by the 50 Daily EMA.

However, even though the mid and long-term narrative remains, some analysts are expecting the current CME gap at \$9680 to be filled in the coming days to come before a bullish continuation as can be seen from the options and futures positioning.

Bitcoin fundamentals remain positive as hash rates at all-time highs coupled with strong indications of technical supports in the markets currently – we believe this is a current correction that is due. Moving forward, should price stabilize above \$10,500, which coincides with the 0.618 fib, a bullish continuation can be expected.

## 7 Day Performance

	Name	Price	Change
	Bitcoin	\$10278	▼ -9.9%
	Ethereum	\$356	▼ -18.7%
	XRP	\$0.24	▼ -12.3%
	Bitcoin Cash	\$225	▼ -14.5%
	Litecoin	\$48.6	▼ -16.3%
	Bitcoin SV	\$169	▼ -7.4%
	EOS	\$2.78	▼ -10.3%
	Binance Coin	\$24.8	▲ 0.6%
	Tezos	\$2.61	▼ -17.4%



# Robust hash rates to shift Bitcoin's technical floor price upwards

## Hash power remains strong despite Bitcoin's decline

Bitcoin uncertainty resurfaced once again during the month of September, which is known for its negative returns based on historical data. Despite the recent decline in price over the past week, miners remain undeterred and are keeping their strength together for the longevity of the entire Bitcoin network.

Mining hash rate has now broken new highs, with the 7d trailing hash rate touching shy of 130 Exahashes (EH/s), up 42% from the lows post-halving in May. It did not take long for miners to regain this confidence from the Halving event, which saw many miners shutting down their old machines in lieu of profitability.

In addition, the rate of change of hash rates has also been stabilising near single-digit percentages after posting large swings in March and May earlier this year. A stable and positive rate of change tends to bode well for the digital asset price, providing a more sustainable outlook as miners' sentiments converge towards the longer horizon.

The September slump could also be due to seasonal factors, as the month coincides with the monsoon season in China – the region that dominates 65% of the global market share of bitcoin mining. Heavy rainstorms, which tends to peak in mid-august and through early September, could lead to floods and power outages that affect bitcoin mining operations. However, hash rates remained strong and could continue upward after the rainy season.

Overall, the robust hash rates further support the fundamental basis and will enhance bitcoin's network security; shifting Bitcoin's technical floor price upwards.



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*

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