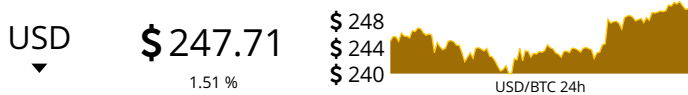


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**Bitcoin (BTC)**  
SHA256 ALGORITHM  
HASHRATE: 312.2 Ph/s

powered by  
whatmine

HEIGHT: 350310  
DIFF: 46.72 Bln

**Bitcoin (BTC)**  
MARKET CAP: \$ 3,469,003  
VOLUME (24H): \$ 23,339.8

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Author **Tone Vays**

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**Note From the Author:** Please follow me on Twitter (@Tone\_LLT ([https://twitter.com/Tone\\_LLT](https://twitter.com/Tone_LLT))) for additional updates to the state of Bitcoin's price volatility

### Last Week's Review

Just a few days ago we concluded (<http://cointelegraph.com/news/112892/bitcoin-analysis-week-of-nov-9-intro-to-fibonacci>) with the following:

*We remain slightly Bearish long-term though **acknowledge that the price may be breaking our descending trend line**. Still pretty Bearish intermediate term unless we see prices move back into the US\$400 range but we are a little optimistic short-term as this up move continues to break small resistance points one by one but now we are going to start approaching more established resistance. We are expecting this move to take a decent pause between now and the 50 day SMA currently around US\$375.*

*We will also remain diligent of the following situation*

**Bullish:** *If the short-term trend has been reversed we would see resistance broken one hurdle at a time, which currently stand at US\$375, US\$400, US\$420. The moment we can get above US\$420 it would turn around most of the views on our charts, until then we will not rush to judgment and follow what the larger trends indicate.*

### Amid Double Taxation, Austra Govt Now Links Bitcoin to Corporate Tax Evasion

In the latest hurdle to beset the cryptocurrency sphere in Australia, new government tax paper has list Bitcoin among the methods which

(/news/113824/amid-double-taxation-australia-govt-now-link-bitcoin-to-corporate-tax-evasion-2015-03-30 by William Suberg

### University Professor to Canada Senate: Bitcoin Users Must 'Get Their Money Back'

Continuing its open ear policy towards digital currency, the Canada Senate last week held an in-depth Q&A with an industry spokesperson...

(/news/113822/university-professor-to-canada-senate-bitcoin-users-must-get-their-money-back-2015-03-30 by William Suberg

### MAR 30 DIGEST: SOCOM monitoring Bitcoin for Terrorism Funding, T-Mobile Poland gets own BTM

The United States SOCOM has outlined how it views Bitcoin, admitting to monitoring and tracking transactions. A proposal for a decentralized...

(/news/113823/socom-monitoring-bitcoin-for-terrorism-funding-t-mobile-poland-gets-own-btm-2015-03-30 by Charlie Richards

### iNation Joins Forces with the IBREA to Put Deeds on the Blockchain

iNation and the International Bitcoin Real Estate Association (IBREA) are joining forces to allow real estate deeds to be copied to the blockchain...

(/news/113825/ination-joins-forces-with-the-ibrea-to-put-deeds-on-the-blockchain)

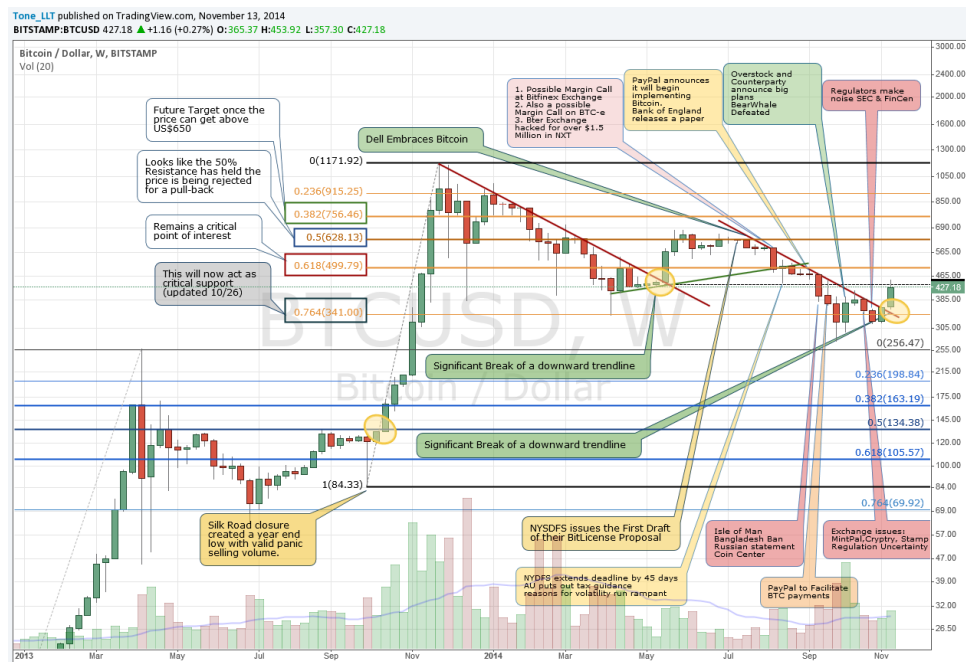
**Bearish:** We may have established a new visible low at US\$315, if so then it's a great sign. That is now our new line in the sand; any reversal at these levels needs to stay above that value. If US\$315 cannot hold up the prices, we may see this year's lows revisited.

Clearly, all those resistance hurdles mentioned in the Bullish alternate view were not expected to break all at once as they did yesterday. Additionally, if you look back at Monday's post you will see the following sentence in the second paragraph:

*Of all the times this analyst hopes to be wrong is right here and we fly back up and past US\$420 this week due to some of the news events that are happening at the moment.*

So to all the people that are simply holding on to Bitcoins, this has been a good week, to those sitting with fiat currencies on exchanges or those that were short via Futures trading like 796 (<https://796.com/>), OKCoin (<https://www.okcoin.com/future/market.do?symbol=0>) and soon to go live BitMEX (<http://trade.bitmex.com/>) this would have been a disastrous day. Hindsight will always be 20/20 and now that we had one of biggest single day moves we've seen in a long time, all we can do is look forward and re-analyze the situation. As regular readers know this series is not meant to influence traders, it is meant to educate, so if any traders took a substantial hit today on their short positions, you need to significantly re-evaluate your position size going forward. Perhaps that will be discussed in future 'Educational' sections.

Let's take a look at the long-term chart. Last week, just as the Analysis came out, we had broken the downward trend-line by the smallest of margins, but now it looks like the downward trend has fully broken.



Notice the similarity in the weekly candle that took place in Mid-May the last time we broke a declining trend line. That week the price had gone up from US\$440 to US\$560, so a similar move this time would close out the week just under US\$500. We can now start to consider where resistance is since we have clearly broken through everything in one day. There is small resistance right here at US\$440-450 zone, as it was the level of the previous major breakout and also equal to the high reached after the PayPal announcement. Beyond that we are looking at a Fibonacci retracement line at US\$500 followed by one more at US\$630.

### Observation (Pre-Running Trades in Future Markets)

On Tuesday just before the start of the rally, something interesting occurred on the 796 Futures Exchange (<https://796.com/>). To those not familiar with this exchange or the other two mentioned above, they provide the ability to place leverage bets (up to 20x in some cases) in either up or down direction on the price of Bitcoin. Normally the size of trades that take place are in double digits like 10-50 and occasionally triple digits like 200-300, but take a look at the screen shot below, which was taken just before it was about to go off screen hence the headers are not there but you can find them here: <https://796.com/weeklyFutures/market>

2015-03-30 by Ian DeMartino

### BitPay Announces World's First Bitcoin Miner Powered by Car Braking

With bitcoin's price volatility causing a lot of cryptocurrency start-ups to pivot, the world's leading bitcoin processor BitPay has already...

(/news/113843/bitpay-announces-worlds-first-bitcoin-miner-powered-by-car-braking 2015-04-01 by Cecile Baird



(<https://796.com/weeklyFutures/market>).

4334.71	0.23	357.00	386.18	1.00	2008.06	23:45:20	369.02	2.42
4364.71	30.00	356.86	386.20	10.00	2018.06	23:45:20	369.02	20.00
4418.33	53.62	356.60	387.00	5.00	2023.06	23:45:16	369.02	57.04
4527.33	109.00	356.50	387.99	40.00	2063.06	23:45:14	369.01	200.00
4529.33	2.00	356.10	388.00	40.00	2103.06	23:45:09	369.01	39.04
4581.79	52.46	356.00	388.20	10.00	2113.06	23:45:02	369.01	9.64
4621.79	40.00	355.60	388.75	1.00	2114.06	23:45:02	369.03	0.60
4677.79	56.00	355.23	389.24	14.13	2128.19	23:45:00	368.99	239.92
4737.79	60.00	355.13	390.20	10.00	2138.19	23:44:43	369.23	10.00
4739.79	2.00	355.11	390.61	50.00	2188.19	23:44:43	369.35	2.06
4789.79	50.00	355.07	392.50	5.00	2193.19	23:44:39	369.49	110.00
4792.79	3.00	355.01	392.99	60.00	2253.19	23:44:39	369.50	2244.44
4937.52	144.73	355.00	395.99	40.00	2293.19	23:44:36	369.50	6580.88
4942.52	5.00	354.63	402.00	20.00	2313.19	23:44:21	369.50	20.00
4944.52	2.00	354.10	404.40	13.02	2326.21	23:44:11	369.50	16.00
4946.52	2.00	354.04	424.11	6.00	2332.21	23:43:59	369.50	40.00
4946.76	0.24	354.00	426.13	6.00	2338.21	23:43:42	369.50	9.72
4951.76	5.00	353.47	427.13	5.00	2343.21	23:43:36	369.50	4.00

As you can see that is an unusually high purchase especially during a time when the price was pretty stable. What it means is that someone (or a group of people) put in an order to go long (buy) over 9,000 BTC at a price of US\$369.50 at 23:44 (which is 10:44 am ET), though not the entire order got filled.

Then just after 11:00 am ET (within the hour of that large purchase) a pretty big order hit Bitfinex that had a quick shake up with a \$15 range (watched it live), which was possibly used to defend the low for the day at US\$360. Then, around 7 hours later the price began to take off as large number of orders started to come in. You can see this below.



So what does that all mean? This concept is very important because the 9000 btc purchase set to a limit buy order on 796 was most likely an entry in preparation for a rise in prices. This is all speculation of course, without additional data since no one is able to just watch the market continuously across multiple exchanges, so it's possible it was an arbitrage play again another futures exchange like OKCoin. However the ability to control 9,000 BTC at 20x leverage with 5% down, means you only need to risk 450 bitcoins, but then a properly placed 2,000 bitcoin market buy order on Bitfinex can make the price jump over \$20. The profits in futures exchange can be substantial in that even alone. In this case, there was continuous buying and without additional data, we can't say when or if the 9,000 bitcoin position on 796 has been liquidated by now or whether something similar occurred on OKCoin as well to maximize the gains even more; but there are definitely people that made a lot of money. More data is also needed to see if additional large leveraged bets took place during the 7-hour gap.



The one thing to keep in mind before anyone reading this runs out and opens accounts with these exchanges is that trading in these markets is incredibly risky and is not recommended unless you have experience trading in traditional futures markets. This is an unregulated space and while many might object to what just happened and scream “manipulation” or utter the infamous words “the government and regulators should do something about this”, cooler heads must prevail because this is not the same thing as say, profiting massively by shorting the airlines pre-9/11 Trade Center attacks (<http://911research.wtc7.net/sept11/stockputs.html>). This is all very new and everyone trades at their own risk, not only with their directional decisions but also by giving up the possession of your bitcoins. The tools are still primitive and eventually new exchanges will come along that will mitigate these kinds of set ups, but the beauty is, that that if someone with a day job can spot this live, that has to say something about transparency in this market unlike everything that goes on behind closed doors on Wall Street.

*“In my opinion, this entire move was trader initiated and is not a result of any big news or fundamentals.”*

*-Tone Vays*

However, once the price begins to take off to the moon or crash, panic sets in and the crowd gets on board. This can last for quite a while, but if all this was trader driven as suspected, it can go down as fast as it went up so keep your eyes open and never risk wealth you are not willing to lose.

One additional thing that must be noted about exchanges like OKCoin and 796 is that the exchanges themselves do not incur any losses, so if there was a massive position that caused all the shorts to go bust with margin calls, those losses will be socialized across the winners and at the end of the week we'll see if the winner was able to walk away with all they expected: <https://796.com/weeklyFutures/settle> (<https://796.com/weeklyFutures/settle>)

In a future article, we will also discuss how these futures exchange can be used to hedge your current position in order to protect against a sudden price fall in your bitcoin value.

## Fundamentals & News

The news on Russia was discussed in depth in the Analysis published Monday, so we won't get into it here. The word on the street is that is the driver, but that seems unlikely because the volume was more indicative of traders. Also, if people were moving their money to avoid government they would not be doing so on KYC exchanges and would look to acquire bitcoins by other means.

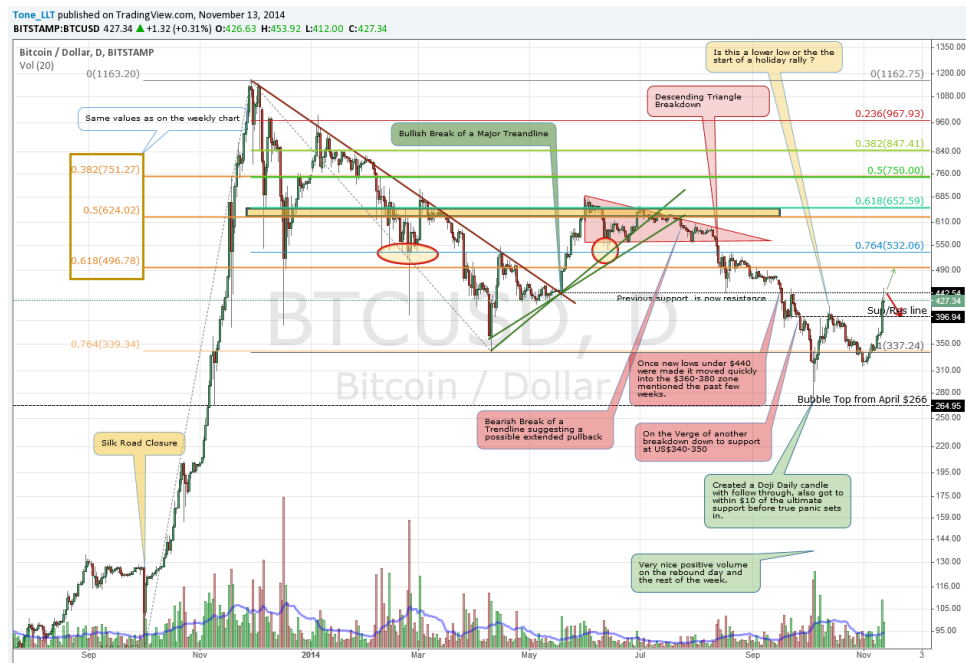
Interesting news out of Argentina this yesterday, when over 70 financial institutions got raided by Tax Authorities (<http://www.bbc.com/news/world-latin-america-30014214>). That is definitely a trend to keep an eye on. Just like Russia, Argentina's currency is in disarray and Bitcoin should definitely begin to thrive there. However, these countries just don't have the middle class wealth to change the fundamental shift in the price and initiate the next wave of mass adoption. That is something that needs to come out of a more western country and the primary suspects are Italy, Spain and to a lesser degree Portugal. Also keep a close eye on the home of Marxism, occasionally known as France. If anyone attempts to pull off an 80% Tax rate on anyone with a reasonable job before the US does, it would most likely be them. Of course it would never be announced like that as everyone would cheer thinking it would only affect the rich backed up by statistics compiled with tax money (<http://armstrongeconomics.com/?s=piketty&submit=Search>).

One more recent development to keep an eye on is the removal of daily conversion limits between the Hong Kong Dollar and the Yuan (<http://www.reuters.com/article/2014/11/12/us-china-hongkong-yuan-idUSKCN0IW0CK20141112>). Whether this will or won't affect the Bitcoin space is still not clear, but since China is a major driver of prices through their high volume exchanges, free flow of capital between regions (or lack their off) will always be considered as a catalyst as laws and regulations change.

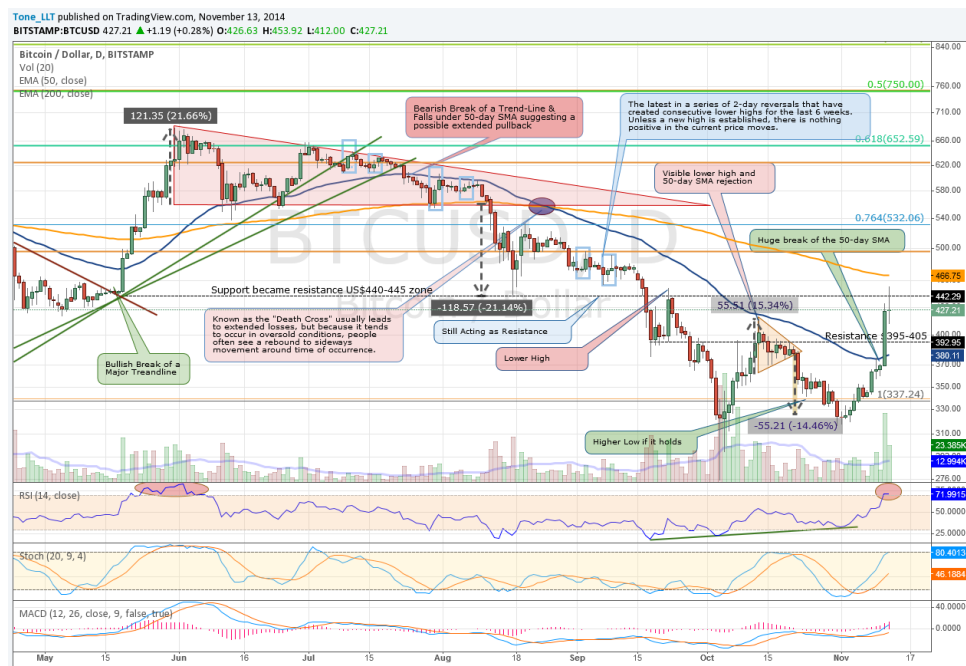
## Daily Overview



No reason not to continue looking at the same graphs, so here we are



Looks like there is nothing stopping this market and as we are sitting here at US\$440 we are looking at the next level of resistance at US\$500 and then the US\$630-650 zone. What was once support will now become resistance, so if the prices do reverse any minute, which they easily can, look for US\$400 then US\$375-380 as reasonable pull backs for entries to pick up some more bitcoins.



In the short-term view, you will notice that we have busted right through the 50-day SMA, which was being used as very strong resistance not expected to be broken this week. We are now coming up on the 200-day SMA that should be an even stronger barrier, but it is also clear that the Bitcoin market does not follow traditional signals of Technical Analysis most of us are used to. You will also notice that the daily RSI is in overbought territory for the first time since the highs back in June, and even though it remained there for several weeks driving the price up an additional US\$100 or so, we proceeded to lose over 50% over the following 4 months. The Stochastic is also approaching overbought but until it runs and crosses there is not much to worry about, while the MACD is looking good with plenty of space to run up.

### Conclusion:

As we said over the last few weeks, a break of US\$420 turns all of our time frames Bullish, but not only was that not expected in a one day, it went beyond and even broke one additional level of resistance at US\$440. It is never wise to do anything rash either in a crash or in a rally so the current advice to those that dare follow, is to do nothing and let things settle. If you already have some bitcoins, which every reader should, just be happy the price is finally going up. If you do not and were waiting for the perfect time, right now is as good as any other if you believe in Blockchain Technology.

What to look for going into the weekend:

**Bullish:** the continuation of momentum with the next levels of resistance at US\$500, US\$550 (minor since the triangle broke down a while back), \$630-650 zone and US\$700 for a new recovery highs.

**Bearish:** Since we have turned Bullish across all time frames, look for pull backs in order to pick up decent entries starting with US\$400, US\$375-380 and to a lesser extent US\$330-350. If the price falls back under US\$375 we would have to flip-flop once again from an overall Bullish stance to a Bearish one.

**Reference Point:** Thursday Nov 13 9:00 am ET, Bitstamp Price US\$430

#### About the author

Tone Vays (<http://www.linkedin.com/pub/toner-vays/99/438/a52/>) is a 10 year veteran of Wall Street working for the likes of JP Morgan Chase and Bear Sterns within their Asset Management divisions. Trading experience includes Equities, Options, Futures and more recently Crypto-Currencies. He is a Bitcoin believer who frequently helps run the live exchange (Satoshi Square) at the NYC Bitcoin Center and more recently started speaking at Bitcoin Conferences world wide. He also runs his own personal blog called LibertyLifeTrail (<http://libertylifetrail.com/>).

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**Djibrilantiuang Damn** · 4 months ago

hard to guess bitcoin , its gonna raising up or even down in just few minutes  
the good side , make trading easy , another side people need to check out the price everytime

^ | ▾ · Reply · Share ▾

**John Cobra** · 5 months ago

bitcoin this week has increased but it seems next week will start to fall again, and I hope that bitcoin is not going down again, because I have a bit bitcoin that I wanted to sell if its rate could be over \$ 500 per bitcoin.

^ | ▾ · Reply · Share ▾

**Indah Pratiwi** · 5 months ago

by being able to analyze price bitcoin like this  
 may be effective not only to affect the traders  
 but also educate them to understand the situation  
 when bitcoin it will go up or down. such analysis is very helpful for traders

^ | v · Reply · Share ›

**Josh Martin** · 5 months ago

bitcoin prices this week have started penetrating \$ 400 per bitcoin, if this is just a test pump or rising dramatically as last year? we'll see the end of this year.

1 ^ | v · Reply · Share ›

**Iqbal Ap** · 5 months ago

unpredictable market fluctuations bitcoin price depends on the level of public confidence, and therefore remove webs scam who in the name of bitcoin

^ | v · Reply · Share ›

**Demit Solomianik Sag** · 5 months ago

This is all speculation of course, without additional data since no one is able to just watch the market continuously across multiple exchanges

^ | v · Reply · Share ›

**Eko Sigit Prastyo** · 5 months ago

I also suspect it's just a market check, and if that is true then the events in 2013 will be repeated in this year.

Go...go. Bitcoin up !!!!

1 ^ | v · Reply · Share ›

**bitcoiner111** · 5 months ago

796.com uses the [Bravenewcoin.com](#) price BNC Index exclusively (from what I can tell on [796.com](#) description). BNC Index is an average from over 60 exchanges or something so this means nobody can manipulate any 1 exchange like bitfinex or bitstamp alone to move the 796 orders. If 796 pegged their price to just 1 or 2 exchanges, I see how this could be manipulated but an average from over 60 makes your argument null and void no?

^ | v · Reply · Share ›



**Tone** → **bitcoiner111** · 5 months ago

Yes they do use the BraveNewCoin Index, but during the week they are still subject to supply and demand forces. So if everyone thinks BTC will rise over the next 24hrs everyone will pile in to one side on the 20x leverage trade and that is how the price on 796 was over \$20 the majority of time in the last few days vs Bitfinex. Usually that does not happen and 796 actually has less volatility then Bitfinex.

So getting back to what the article implied, before the big up move the price on 796 was only about \$5 over the price of Bitfinex. Those with enough cash on an exchange like Bitfinex to move the market can load up on 796 and/or OKcoin then make huge buy orders on Bitfinex to move the market which brings in more buyer on other exchanges as well. at that point not only are all prices going up but 796 is even moving \$20 over the Bitfinex price for additional gains.

Personally as a Free Market Capitalist I do not have a problem with this as there will always be a better fish and no one is forcing anyone to trade. eventually the liquidity will be more spread out and these attempts will be impossible unless regulators get in the way and only allow their approved institutions to pull this off.

As for the connect to the Brave New Coin Index. it comes into play the most at contract expiration which is in about 12 hrs.

^ | v · Reply · Share ›

**bitcoiner111** → **Tone** · 5 months ago

Awesome. Thanks for the explanation

^ | v · Reply · Share ›

**cldg** · 5 months ago

bitcoin looks like just another "pump and dump" altcoin

^ | v · Reply · Share ›

**FreeJack** · 5 months ago

Good analysis. I don't think it's circumstantial that OKCoin let it "slip" that they had taken on a 3 Billion Euro market cap hedge fund client just two days ago, and now we get this manipulation. I'm guessing it was a market check...see to what extent they can manipulate it.

3 ^ | v · Reply · Share ›

[Culinary Traveller](#) · 5 months ago

i wish price bitcoin will be moon and moon again like past years 1btc = 1000\$ amen :D

^ | v · [Reply](#) · [Share](#) ›

[Soliman](#) → [Culinary Traveller](#) · 5 months ago

it will go much higher than \$1000 but i think its not those days maybe early 2015

^ | v · [Reply](#) · [Share](#) ›

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