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Crypto Report

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Setup for *potential* primary bull market completed on 3/27/26. Time to observe closely.

After many months in a bear market, which we correctly identified, the technical situation is gradually improving and becoming more positive.

The starting point is that **it is still a bear market**. So, nobody should jump the gun. The bear remains in force.

However, we are now under a secondary (bullish) reaction against the still-existing bear market. Secondary reactions are not tradable (at least not for me), but they show that something could change. Furthermore, the setup for a *potential* new primary bull market has been completed.

The table below spells out what happened:

Step		BTC		ETHE	
# 1	Market Lows	2/5/2026	62,300.04	2/24/2026	1,803.82
# 2	Volatility-adjusted bounce(*)	3/17/2026	74,914.69	3/17/2026	2,358.50
		27 trading days	20.24%	15 trading days	30.75%
# 3	Volatility-adjusted Pullback(**)	3/27/2026	65,518.33	3/27/2026	1,970.41
	by <u>ONE</u> ETF	8 trading days	12.54%	8 trading days	16.45%
# 4	Break-down or break up		N/A		N/A
	by two ETFs				
	*Sec. Reaction completed on 3/16/26				
	** Setup for <i>potential</i> Bear mkt signaled on 3/27/26				
	Volatility-adjusted min movement		11.09%		15.89%

Off the 2/5/26 and 2/24/26 lows for Bitcoin and Ethereum, respectively (Step #1 in the table below), both cryptos rallied until 3/17/26 (Step #2). Such a rally clearly met the **time and extent requirements for a secondary reaction**. So, the secondary trend is now bullish.

More importantly, the pullback that followed until 3/27/26 (Step #3) lasted ≥ 2 days and exceeded the Volatility-Adjusted Minimum Movement (VAMM, more about it [HERE](#)), completing the setup for a *potential* primary bull market signal.

So, now we have **two options**:

1. If the 3/17/26 highs (Step #2) are **jointly surpassed** by Bitcoin and Ethereum, a new **primary bull market** will be signaled.
2. If the bear market lows (Step #1) are **jointly breached**, the primary **bear market** will be **reconfirmed**.

Therefore, **the lines in the sand you must monitor** to know whether a new bull market has been signaled are the following:

Key prices to monitor for a bullish breakout

BTC		ETHE	
3/17/2026	74,914.69	3/17/2026	2,358.50

The charts below highlight the current secondary reaction (Step #2, blue rectangles), and the pullback (Step #3, brown rectangles) that completed the setup for a *potential* bull market. The blue horizontal lines highlight the secondary reaction highs (Step #2), which are the key prices that would shift the trend from bearish to bullish upon breakout. The red lines showcase the bear market lows (Step #1).



Let's look at the "environment" surrounding Bitcoin.

Sentiment remains depressed, which will be bullish once a rally emerges. When all the bears turn bulls, we have fuel for a rally.

Another key chart to observe to discern whether there is underlying strength for Bitcoin is the Bitcoin (IBIT)/Gold (GLD) chart (red line in the chart below). We observe that since 2/23/26, the ratio has been timidly marching higher, suggesting the tides may be shifting in favor of Bitcoin. For Bitcoin to really fire, it needs to outperform gold. Digital gold should become stronger than the physical one to have a strong bull market.

That said, there has been **notable technical damage to the ratio**. You may notice that the ratio (red line) is well below the 200-day moving average of the ratio (blue line), and the blue line is trending downward. So, while there is some improvement in the ratio supporting Bitcoin, it needs to advance further for Bitcoin to reassert itself. The first key milestone for Bitcoin would be the ratio exceeding its 0.1067 level, and the second would be breaking out of the 0.1308 ratio level, as showcased in the chart below.



A final technical note: In the [March 1st Crypto Report](#), I mentioned the development of a "line," and I wrote, "when such a line is pierced on a confirmed basis, it signals a shift in the secondary trend". In other words, when we don't have the privilege of having a proper secondary reaction, the breakout of a line indicates a shift of the **secondary** trend from bearish to bullish. Now that we have a proper secondary reaction, we don't need to wait for the breakout of the line. Now, **our focus is on whether the secondary reaction highs (Step #2) on the table on page 1 are jointly broken out.**

To sum up:

1. The **bearish trend** that was signaled in October 2025 **remains intact.**

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2. We are now under a **secondary (bullish) reaction** against the primary bear market, and the **setup for a potential new primary bull market** has been completed.
3. If the **secondary reaction highs** (Step #2 in the table on page 1) are **jointly surpassed**, the primary **trend will shift** from bearish to **bullish**.
4. I would be more convinced of a new bull market if Bitcoin keeps gaining strength against gold.
5. Sentiment remains negative, which is bullish once price action decides to move higher.

That is all for this month.

With my best investment wishes,



DISCLAIMER

These monthly updates on crypto are meant to provide a helpful overview of their status from a technical analysis point of view. **When events unfold after the monthly Letter is published, it is incumbent on the reader to follow his/her own positions.** In the future, we plan to follow these markets on a timelier basis, just as we currently do with the American stock market.

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