



Weekly Altcoin Market Analysis

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It was another heavy week for the cryptomarket last week, with news of the Chinese government's plans to ban the trading of cryptocurrencies hitting the wires on Tuesday, seeing Bitcoin slide to Tuesday morning low \$5,920.72.

The news turned out to be fake news, with the PBoC releasing a statement that it had been the victim of a hack. With Bitcoin and the cryptocurrencies bouncing back on Tuesday in response to the news, there is more reason for governments and regulators to be concerned, with hackers not only able to steal coins from exchanges, but also able to manipulate the markets with such emails that provide significant earning potential, both short and long.

Focus for the cryptomarkets remains on regulatory chatter and there has been plenty through the first 6-weeks of the year, in stark contrast to last year, where only China and South Korea seemed particularly interested in regulating the cryptomarket.

By the end of the week, Bitcoin had rallied 50% from Tuesday's lows, with money returning to the table, though there are still plenty of investors on the side lines, when looking at the current total market cap of \$420.06bn.

The PBoC's clarification was not the only positive news for the markets last week, with the SEC and CFTC also taking a softer approach towards the cryptomarket, though it will ultimately boil down to the Senate Committee looking into the cryptomarket, on how restrictive new regulations will be.

Ripple, Ethereum and Bitcoin Cash

While Bitcoin dominance continued to hover at around the 34-35% level through the week, gaining 8.5% for the week, Bitcoin Cash found more support than big brother, rallying 13% Monday through to Friday's \$1,308 close, with Bitcoin Cash recovering from a Tuesday morning low \$758.61.

Bitcoin Cash may have received plenty of publicity of late, with crypto experts forecasting a stellar year for Bitcoin Cash but, with the likes of Litecoin looking set to become Bitcoin's main competitor, a lack of progress by the Bitcoin Cash team to gain traction in the real world as an alternative to fiat money may limit any major upside for Bitcoin Cash in the near-term, with Bitcoin Cash falling behind its peers through Monday's rally this week.

Ethereum is also beginning to struggle with all of the negative chatter on initial coin offerings, with Ethereum having been unable to recover to \$1,000 levels since a 2nd February high of \$1,035.77.

Ethereum tumbled to a Tuesday low \$555.56 last week in response to the PBoC hack and, while Ethereum was able to end the week up 7.7% to \$889.71, how the initial coin offering market evolves will be considered key to the direction of Ethereum, as governments look to press hard from a regulatory perspective to stamp out fraudulent activity.

Of the three, Ripple's future certainly looks the brightest when considering the fact that Ripple's blockchain tech is already out in the real world and being used by some of the largest financial institutions to facilitate cross-border payments.

Last week 21% rally, Monday through Friday, was an impressive one, as was Ripple's recovery from Tuesday's \$0.573 low, with Ripple being amongst the more volatile of the cryptomarket's front runners.

A weekend \$1.234 high will be a reminder for those sitting out the current uncertainty that a move may well be on the cards and it will likely move swiftly, with a regulated market unlikely to be too damaging to Ripple and the team.

The Best of the Rest

Amongst the major cryptocurrencies, the trends through the week were somewhat aligned, with Ardano (ADA), Stellar Lumen (XLM), Litecoin (LTC) and NEO (NEO) all making solid gains last week, Litecoin leading the way, ending the week up 14.09%, while Ardano gained just 3.12%.

Tuesday's slump was perhaps the most telling sign of how investors feel about the respective cryptos, with NEO seeing the largest bounce back from Tuesday morning's sell-off, rallying 81.56% from Tuesday's low to Friday's close.

Litecoin's 62.4% surge was also an impressive one, while Stellar Lumen and Ardano lagged with gains of 53.6% and 50.8% respectively.

Interest in Litecoin will be on the rise in the coming weeks following the team's announcement that LitePay will be rolled out on 26th February. While Bitcoin is already out there, issues with transaction speeds and high fees continue to limit its use. If LitePay does what it says on the package, it could be the first real alternative to fiat money and Litecoin could trailblaze the market, as long as the launch is successful.

The weekend and the start of the week has been a choppy one across the board, with the cryptomarket ending the weekend in the red, following what had been a promising early part of the day on Saturday. Following gains across the cryptocurrencies on Monday, the markets have been in reverse again this morning, with regulatory uncertainty continuing to hold back any rallies and test resistance levels.