



CryptX Deep Dives — 1/11/26

From CJ Reichel

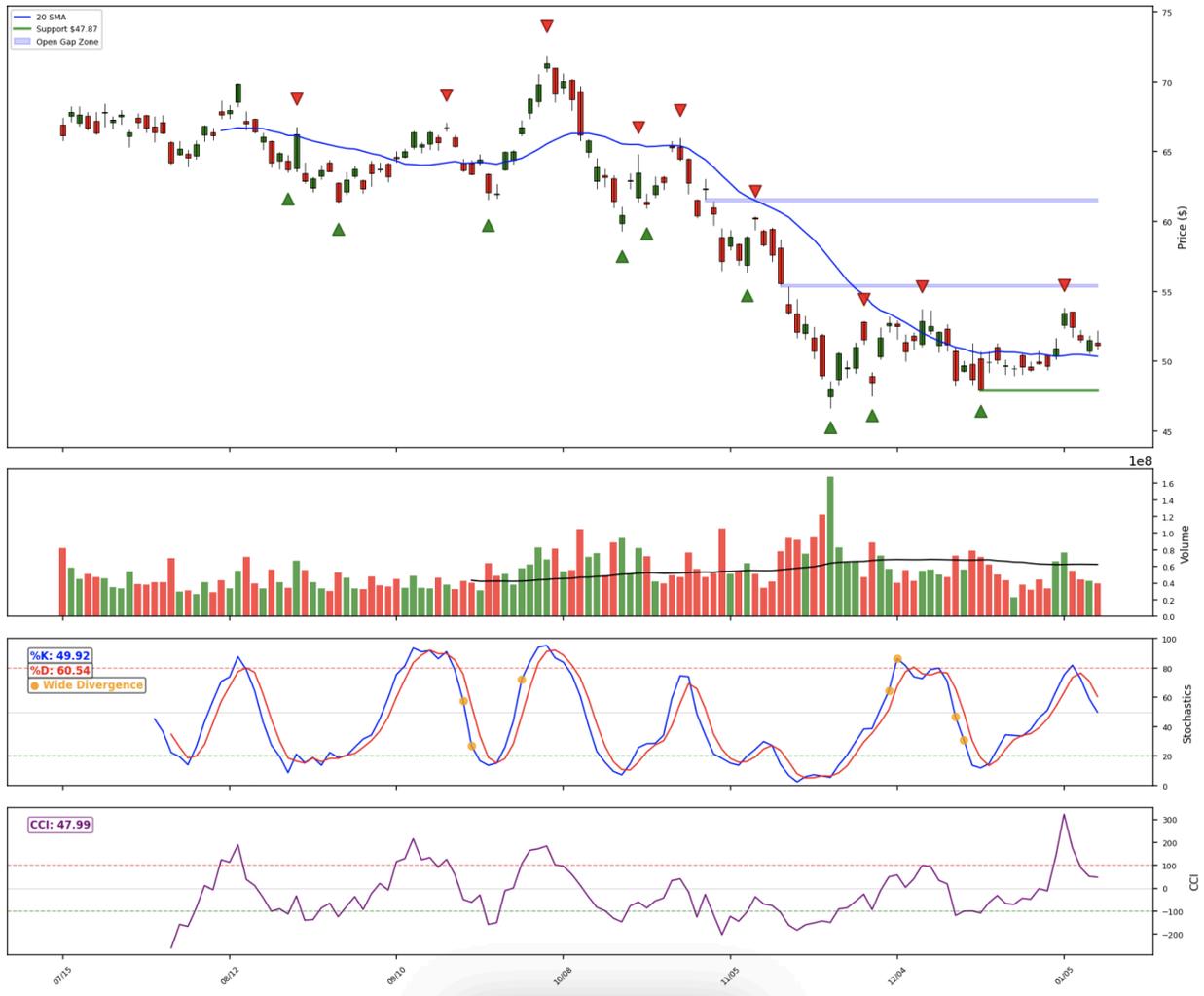
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Brief:

- ❖ BTC continues a neutral consolidation. Large speculators are exiting longs and giving up on a relief rally.
 - ❖ The US Dollar outperformed in the first week of the midterm year.
 - ❖ Large Speculators are 'max long' DOW Futures.
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Bitcoin's Technical Highlights



BTC 1D

Bitcoin continues to consolidate above the 20d moving average. Traditionally this should be bullish, however Bitcoin failed to rally with the S&P making all-time highs on Friday.

Bitcoin Positioning Data



BTC 1W

We index positioning data from the Commitment of Traders Report released by the CFTC. This report breaks futures market participants down into three categories: commercials (red), large speculators (blue), and retail speculators (yellow). When large speculators reach 100, it indicates they are in a 'max long' position and have been consistently buying for weeks. The same is true for the inverse, if large specs are at a reading of 0, it indicates they are in a 'max short' position and have been selling for several weeks.

I use this data to fade large speculators at market extremes. If these large speculators are wrong when they are in a crowded position... then the trend has a better probability of significantly moving in the opposite direction because large speculators are being forced to cover their positions.

Last week, large speculators sold the BTC move above 90k while commercials added longs. Retail speculators also added longs. Overall, positioning is moving in the right direction from a bullish perspective, but large speculators are not 'max short' just yet.

ETH Positioning Data



ETH 1w

The commercials in Ethereum have killed it over the last two quarters. Large speculators were squeezed out of their shorts last July only to get max long at 4500. We can also see large speculators begin to close their underwater longs they've been holding since mid 2025. Commercials are not max long yet, but they have been buying over the last month. Positioning is beginning to improve from the long side for both Bitcoin and Ethereum. But positioning isn't everything, and the current underperformance for both BTC and ETH in spite of stocks making ATHs each day is somewhat concerning.

Large Speculators in Silver Added Shorts



SI 1w

The positioning occurring in Silver right now is somewhat unprecedented. Usually large speculators and momentum funds would chase a move higher like this into a blow off top. However, we are seeing the exact opposite. Large speculators in the futures market continue to sell silver and are 'max short' by our definition. However, retail speculators (yellow) have chased the move higher and have added long positions each week for the last five weeks. Retail is now 'max long'. Even though retail traders have a tendency to lose money often, large speculators and commercials are the ones with the capital to drive major trend changes.

US Dollar Index in Midterm Years



DXY 1w

The dollar had a great week after a month of near constant selling. The US Dollar Index has averaged a 15% rally during the previous three midterm election years. Perhaps I am prone to recency bias, but the dollar's price action this week supports the idea that this midterm election year trend may continue.

Conclusion

We remain net long BTC with a short term target of 100k (or the 200d moving average) with a stop loss at 81k. During bear markets such as 2022 and 2018, Bitcoin experienced a counter trend rally to the 200d before forming a macro lower high. I still believe this is the highest probability scenario over the next quarter, but we'll let the market decide. If I am stopped out, there will be plenty of chances in the future.

As I reflect during the new year, so many people are making predictions for 2026. I will be the first to say I have no idea what 2026 will bring. Instead, let's use our technical abilities and emotional discipline to make money regardless of what happens. As traders, our job is not to predict or impose our will on the market. Our job is to listen to what the tape is telling us and position ourselves accordingly. If I have any advice for 2026, it's this:

The secret that forecasting gurus won't tell you is that you don't need to predict the market. You just need to flow with the market. You don't ever master the market, you master yourself. Through patience, humility, reflection, and process. When losses or wins don't bother you, you just take what reality gives you.

We want to reach the point where we no longer trade for excitement. We trade for clarity. When peace of mind is more important than a quick profit. That's when we make real progress. When we stop asking, 'why did I lose?' And start asking 'did I follow my plan?'. Boring trading is profitable.

There's a point where most seasoned traders realize something uncomfortable. You are no longer learning the market, the market is learning you. It studies your habits, your fears, your impatience, it knows when you chase, it knows when you flinch. And when it recognizes that you've stopped reacting when it senses that your emotions no longer betray you, that's when it finally starts to reward you. That's the invisible shift which defines a profitable trader. The market hasn't changed, you have. You've learned to master what most can't even identify: yourself.

The market tests everyone. It tests your ego, your patience, your identity, and most people fail not because they lack skill, but because they lack control.

So each day in 2026, ask yourself, 'am I being disciplined and doing the right thing today? If you can be truthful with yourself, you've already made it further than most ever will.

Current Positions:

- ❖ Long BTC from 92.8k. Stop at 81,000 (75bps risk).

Weekly Report Trade Blotter. Since CryptX Launch:

Market	Ticker	Long/Short	Entry Date	Exit Date	Stop Loss	Entry Price	Exit Price	Loss/Win	Account Risk	Trade %	Return	Direction
Japanese Yen	FX	Long	11/25/25	12/2/25	58.21	58.93	58.99	Win	1.00%	0.11%		Bullish
ZCash	ZEC	2x Short	11/25/25	12/1/25	770.00	485.00	337.73	Win	1.00%	0.61%		Bearish
Bitcoin	BTC	8x Long	12/10/25		81,192	92,862.90			0.75%			Bullish
Zcash	ZEC	10x Short	12/14/25	12/27/25	483.00	400	483.00	Loss	1.00%	-1.00%		Bearish
