



CryptX Deep Dives — 4/12/26

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Brief:

- ❖ Conflict in the Middle East remains on-going with Crude closing at 96 on Friday.
 - ❖ The Dollar and Crude Oil remain the two critical assets pressuring stocks.
 - ❖ Stocks bounced back to close the week on low volume at critical resistance.
 - ❖ The Druckenmiller Recession Cocktail continues - higher rates, higher oil, higher DXY. When all three are trending higher, it puts immense stress on corporate margins, earnings, and overall valuations.
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Bitcoin's Technical Highlights



BTC 1D - 7pt Trading Checklist

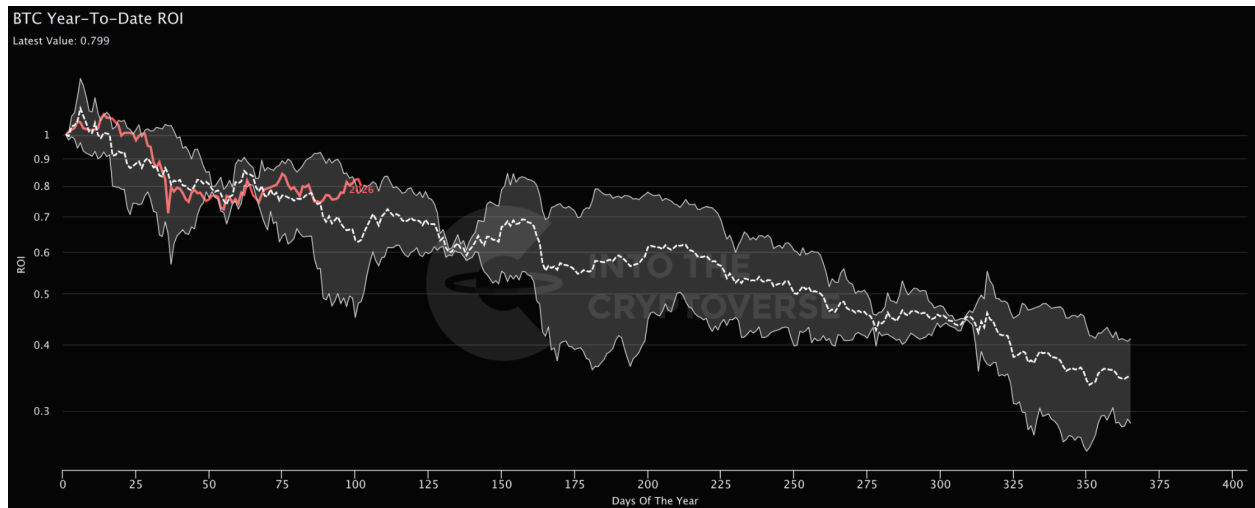
Thursday on LiveWire, we discussed the bearish setup in BTC. The CCI was/is pivoting down from overbought territory at a key resistance level. I have a short term target of 67k for BTC.



BTC 1D - 2022 CCI Examples

It's worth acknowledging, every time the CCI pivoted down from overbought territory in the last bear market, BTC returned to the 20 SMA 12/12 times. I don't see a reason to mix up the approach given the similarity of fundamental conditions between 2022 and now. Oil is at the same levels, geopolitical uncertainty is still dampening risk appetite, the US Dollar and interest rates are all moving higher. Therefore, BTC should continue a macro downtrend. And the CCI helps us identify high probability turning points throughout trending markets.

BTC With Average Midterm Performance in White, with Bollinger Bands.



The red line is Bitcoin in 2026, while the white line represents the average performance in midterm years with a 1 standard deviation bollinger band. I am currently preparing for the next leg down in Bitcoin. If history repeats like the last three cycles, we should expect lower lows sometime in April/May.



BTC Weekly Chart

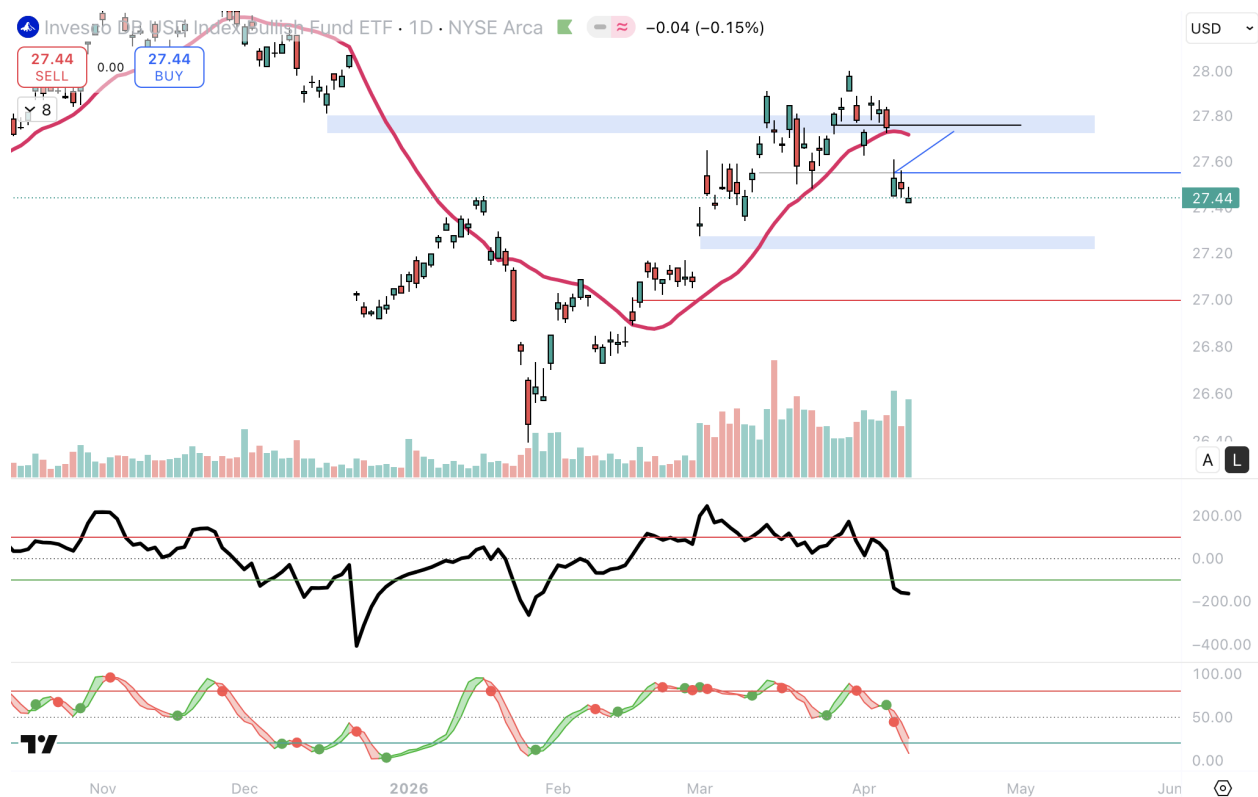
Bitcoin is still trading below the bear market resistance band which sits at about 75k. In 2022, the bear market resistance band was an optimal place to sell/derisk Bitcoin. Sometimes price

would briefly exceed the bear market resistance band, however it still proved as an optimal place to sell BTC.



US Dollar Average Return Combined (2014, 2018, 2022)

After getting overextended, the US Dollar has retraced to the midterm year average. I bought UUP last Wednesday and published a trade idea for the CryptX matrix. So far, price has consolidated with not much upward movement.



UUP 1D Chart

I published a long trade insight in UUP because of the following technical setup:

- CCI oversold.
- Stoch oversold.
- Price is testing a key support/resistance level.
- There's now a significant gap above price.
- Price has a wide divergence from the 20d moving average.

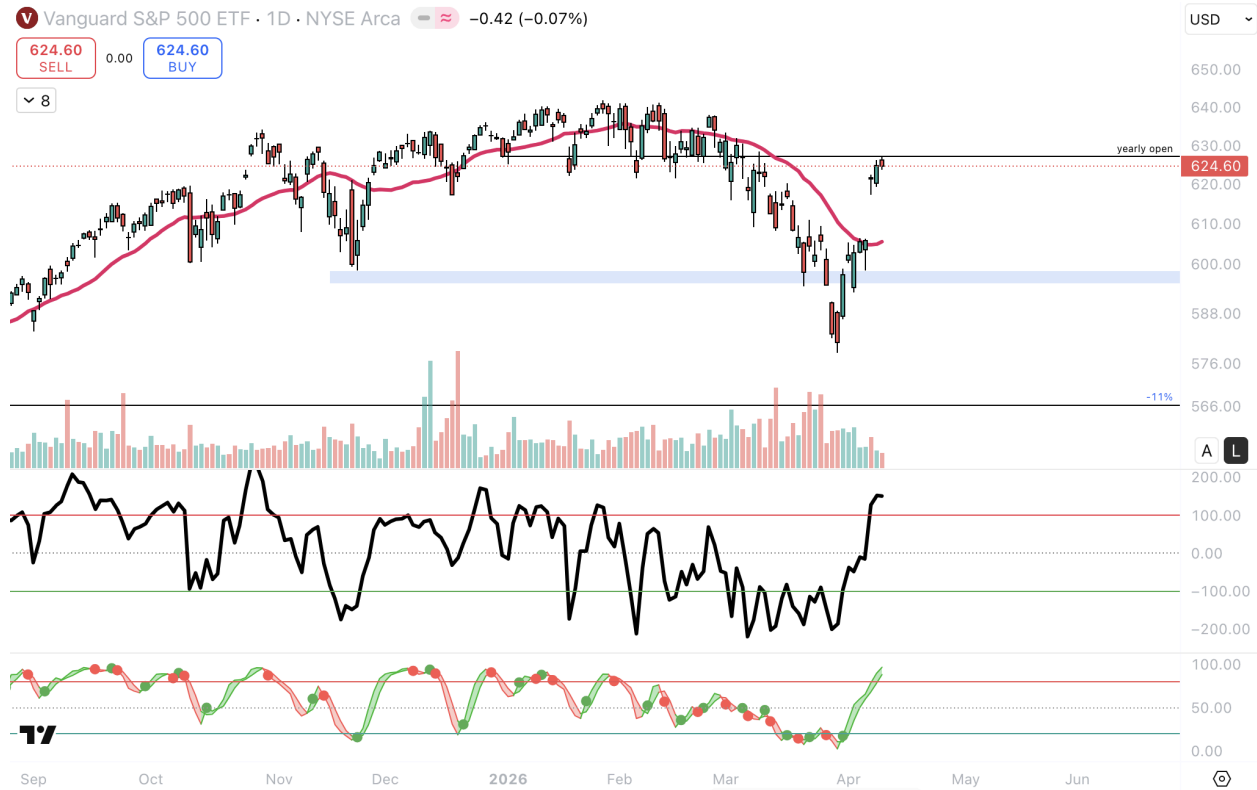
From a fundamental perspective, I still think UUP has more upside based on the probability of interest rates continuing higher into the end of 2026. The longer oil remains above 90-100, the more likely rates will need to go up to combat inflation at the expense of the labor market. The geopolitical conflict the US started has significant tradeoffs. If the war continues and oil trends to 120-150, the chances of a US / global recession are basically 100%.



TNX - US 10y Yield

Crude Oil futures closed at 96 Friday, marking the sixth week in a row price has remained above 90. We published an article in ZeroHedge articulating our view of how [‘Oil Above 90 Will Trigger a Recession’](#). If Oil does not mean revert, then inflation expectations will rise and remove the Fed’s ability to cut rates. The TNX is a direct reflection of this fact.

From a technical perspective, the TNX has now come back to support and is rallying from a key support level. If this economic cocktail persists, it will put pressure on risk assets and certainty create a hangover for the broader economy and labor market.



(SPX) \$VOO Vanguard S&P500 ETF 1D Chart

From a 7pt trading checklist perspective, S&P is lining up as a textbook bearish setup:

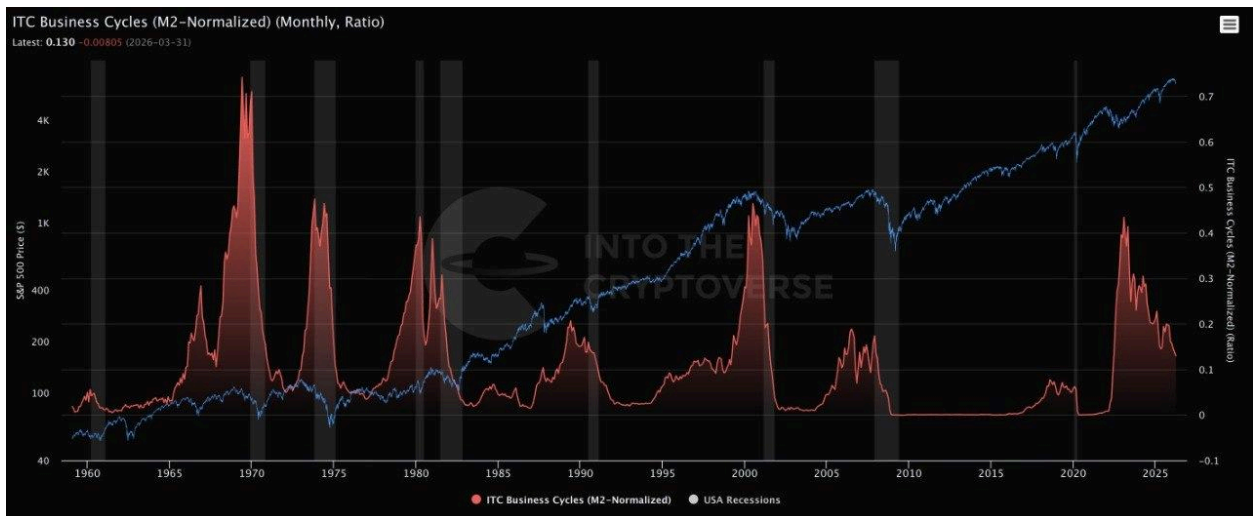
- CCI pivoting lower from overbought territory.
- Stoch pivoting lower from overbought territory.
- Bullish volume is massively declining.
- Gaps below price.
- Price is at a key resistance level.
- Dark cloud cover candle at the top of an uptrend.
- Price is widely diverged from the 20d SMA.

None of these factors suggest a long setup in the short term. Based on this technical setup, I would look for the gap around 610 to fill in the coming weeks. The 7pt trading algo is lining up

6/7 bearish conditions for VOO.

7-Point Technical Checklist			
Technical Indicator	Bullish	Bearish	Analysis Details
1 Pattern Recognition			—
2 Volume Analysis		✓	Volume Dropping
3 SMA Deviation		✓	Price is extended above 20-SMA
4 Gap Analysis		✓	Unfilled gap below current price
5 Stochastics		✓	Stochastics Overbought with Hinge
6 CCI		✓	CCI Overbought with Pivot
7 Support/Resistance		✓	At or beyond extension resistance

S&P & Natural Business Cycles



Last week, we discussed the business cycle indicator with M2 normalized. Historic business cycles are represented by the red lines spiking and declining. When the red line spikes, it's indicative of a high liquidity environment while the declining red line indicates tightening liquidity

conditions. The blue line in the background is the S&P 500 and the white highlighted areas are US recessions.

In 2000 and 2008, we were ending a business cycle into a spiking oil price which eventually led to recessions. Now we have tightening liquidity conditions, a weak labor market, and oil prices spiking which is reflecting higher future CPI prints. All of these factors are a significant predictor of recessions.

I am very concerned the US is on its way into another recession based on the four year cycle in stocks and now the inflation cycle is also coming back with the elevated prices of crude. My macro portfolio remains in yield accounts, DXY, and USD with an overall emphasis on capital preservation until Q4 of 2026. Depending on how the price opens up I may also short BTC and ETH next week.



SETH (Short Ethereum 1x ETF)

One of my favorite bullish patterns is beginning to form on SETH - a bullish divergence. Price has made a lower low, but the CCI is close to forming a higher low. This indicates declining

bearish momentum and the probability of a potential reversal is increasing. I am just waiting on a technical reversal candle before buying SETH next week.

Conclusion: Bringing it all together

Looking at the Iran conflict over the last few days, here are the major updates:

- Peace talks failed with no resolution, ceasefire fragile.
- The Strait of Hormuz disruptions are still a risk.
- Global policymakers are now treating this as a major energy shock.
- Oil and defense companies are benefiting, but the broader economy is not.

This is the key framework we've been repeating over the last month:

War → Oil spike → Inflation → Higher rates / Lower Corporate Margins → Lower Valuations

We're essentially seeing a replay of 2022 (Ukraine) but potentially worse because actual oil supply is being removed. Overall, I see it as a good time to be flat or trading with a bearish bias until markets are fully obliterated. Right now, I see the market participants are still in a state of complacency and underappreciating the severity of the macro environment. If I couldn't touch my account for two months and I had to have two positions they would be:

- Long US Dollar
 - Short Bitcoin and or Ether
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