



before the news comes out start buying. Finally, after price goes up they then sell. Technical traders might be seeing into these sorts of behaviors.

There is another phenomenon that also happens. In this case, the market may be, for example, in an uptrend. In this case, the most terrifying and miserable news might come out, and nothing happens price just goes sideways, and the slightest positive news will drive the price to new heights. Conversely, when the market is bearish positive news will have little effect and negative news even a false rumor will result in price declines. If you listen to the analysis of price movements it always sounds like perfect cause and effect. Price went down because such and such happened, or price went up because... While, in fact, this is nearly as illogical as superstitious reasoning. What may be going on is a bull or bear market, and technical traders know this which is why they look at technical's.



(<https://www.cryptocoinsnews.com/wp-content/uploads/2014/03/Bear-Market.png>)

Bitcoin may be in a bear market phase

Like it or not, Bitcoin is now in a Bear market phase. This phase is due to break at any time, but we cannot guess exactly when. Consider the fact lots of good news has been coming out. It looks more and more like Bitcoin will be adopted nearly everywhere. There have been reports of many Bitcoin ATMs going into service, promising technologies such as multiple signatures and so on, but none of that seems to be affecting price that much, but look at how much a false rumor about the Bank of China (<https://www.cryptocoinsnews.com/2014/03/21/fake-china-bitcoin-ban-pushes-btc-price-below-600/>) affected price even after it was reported that the rumor was

peak to trough as I mentioned in another article (<https://www.cryptocoinsnews.com/2014/03/03/bitcoin-technical/>). In that article I was a bit more bullish and price did immediately go up. Now I think we are headed for an encounter, at some point, with the channel bottom, though that could even occur at a higher price as the channel is going upwards.

*Updated: March 23, 2014 at 3:23 pm CET.*

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