# Bitcoin: What is the ‘death cross’ that heralds the sharp fall of this cryptocurrency?

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For several weeks now, the price of **Bitcoin** has been a true roller coaster, with rapid rises, dizzying drops and unexpected turns. Yesterday, Wednesday, the price of the **cryptocurrency** was about to form the **‘death cross’** , a graph that could anticipate a **sharp drop in its value** .

In mid-March 2020, the price of **Bitcoin (BTC) was** around **$ 5,000** and by December it was already at **$ 19,000** . On January 7, 2021, the cryptocurrency reached **$ 42,000 per unit** , which is **an increase of more than 800% in just ten months** .

Just three days later, on January 11, BTC fell slightly below **$ 30,000** , a loss close to **20%** . Since then, its price has fluctuated between $ **31,000 and $ 35,000** , with **peaks of up to $ 39,000** , but no more.

These fluctuations are reflected in the **graphs** of the cryptocurrency, whose lines were close to forming a figure known to **presage upcoming devaluations** .

## What does the ‘death cross’ mean for Bitcoin?

It is a technical pattern that consists of the **intersection of two lines** , one formed by the **50-day moving average price and**

**the other by the 200-day moving average** price. Analysts see this chart as an indicator that **a sharp decline is coming** .

For example, the **‘death cross’** was observed at the beginning of the **stock market crashes** of 1929, 1938, 1974 and 2008, indicates Investopedia .

The variations of the **Bitcoin** gave rise to that almost a **‘cross of the death’ was formed** in its graphs. This is because **BTC’s 50-day moving average fell from $ 37,616 to $ 33,342** , while **the 200-day moving average rose from $ 28,647 to $ 33,218** .

> *Severe Downside Risks for Bitcoin on Bearish ‘Death Cross’ Appearance https://t.co/2ihd1r3FVk pic.twitter.com/2xSoBvxya0*
>
> *— Cammy Amster (@CammyAmster) January 27, 2021*

# Calm down, it’s not a death sentence

The **‘death cross’** is a bad sign, yes, but it **doesn’t necessarily indicate a significant and steady depreciation over the long term** . In fact, **Bitcoin** experienced this phenomenon in August 2020 and it took almost 2 months to recover.

*“The last cross of death was not the end of the world, but it caused a 15% setback. [Bitcoin] took 50 days to recover its price. From the current level […], a 15% decline would put Bitcoin at **around $ 28,000 ”*** , commented experts from the company TradingShot cited by the Bitcoinist portal.

> *In the past 24 hours #Bitcoin has crashed more than $ 4,500 or about 15%.*
>
> *Less than a year ago #Bitcoin was trading for less than $ 4,500. pic.twitter.com/KI9DZqWcvC*

> — *Bitcoin (@Bitcoin)* *January 22, 2021*

*“In the last 24 hours, #Bitcoin has plunged more than $ 4,500 or about 15%. Less than a year ago, #Bitcoin was trading for less than $ 4,500,”* reads the cryptocurrency’s official Twitter.

# What can we expect from Bitcoin?

This week, the financial **JP Morgan** adjusted its **predictions for Bitcoin** and now they doubt that it will exceed $ 40,000 again , for two factors. The first is the possibility that **investors will withdraw their earnings** , anticipating a decline. The second are the so-called **‘hodlers’** , who are taking bitcoins out of the market to accumulate them, preventing other investors from buying them and injecting capital into the cryptocurrency.

If **JP Morgan’s** projections are met and **BTC** does not return to its all-time high, it will not fall too much, according to specialists.

**Konstantin Anissimov** , CEO of cryptocurrency exchange operator CEX.IO, believes that long-term **investor demand will prevent Bitcoin from falling below $ 31,500** , according to statements collected by the RT portal.

The expert even ventures to predict, not only the **recovery of BTC** , but **another rise in its price** this 2021.

*“Demand is growing, while the production rate of the coin is quite low, which could see the coin **rise to $ 50,000** by the end of the first quarter of this year,”* Anissimov predicted.

https://www.entrepreneur.com/article/364357