

Up nearly 70% in Q1, Bitcoin shows signs of exhaustion

Bitcoin is at risk of 'exhaustion' near the end of the first quarter of 2024 with a 65% price increase. In an update on March 29, trading firm QCP Capital warned that the exponential growth trend could cause problems in the coming quarter.



Bitcoin price slows after 'exponential' increase in Q1

Bitcoin market observers are focusing on the weekend when several key candles – weekly, monthly and quarterly – close at the same time.

After a volatile start to the year, BTC price action continues to hover around all-time highs while struggling to flip these levels into new support.

However, for QCP Capital, the outlook for the second quarter remains 'very optimistic'. QCP Capital summarizes:

'For Q2, there are enough catalysts to form a very optimistic view:

1. Spot Bitcoin ETF Demand Continues
2. BTC Halving
3. London Stock Exchange ETN
4. Ability to approve Ethereum ETH spot.

Even so, the level of growth since the beginning of the year – including the launch of a Bitcoin spot exchange-traded fund (ETF) in the United States in January – has made it possible for bulls to continue their momentum there.

'At the same time, the exponential price surge in Q1 showed signs of exhaustion,' QCP explains.

Additionally, they also noted bearish sentiment towards the largest altcoin by capitalization, ETH, and persistently high funding rates on exchanges.

Update concludes: 'While we remain bullish, we are cautious on leverage and also prepared to capture some value at large downside levels.'

Bitcoin's monthly chart appears to match the record

The latest live data from TradingView and monitoring resource CoinGlass confirms BTC has returned 65.4% year-to-date. This level is competitive with the first quarter of 2023, with only a 6% gap between the two quarters. Meanwhile, closing above \$61,000, BTC will form its 7th consecutive monthly green candle – seen only once before in its history in 2012.

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