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## “Foolish” to Deny Bitcoin Could Go Below \$10,000

Original:

<https://www.btcc.com/en-US/academy/research-analysis/foolish-to-deny-bitcoin-could-go-below-10000>

While analysts still focus on \$16,000 as a downside target of Bitcoin, investors need a plan to respond to every eventuality.

[Bitcoin](#) (BTC) retained \$20,000 on another day on June 23, but there are still calls for another 20% drop.

### Bitcoin Below \$10K Not Impossible

Remarks by Federal Reserve chair Jerome Powell had provided only brief volatility. Powell's Congress testimony provided no new information regarding macro policy.

As such, [crypto](#) commentators stuck to previous assertions — the outlook was uncertain, they said, but a potential fresh drawdown may only involve a trip to \$16,000.

“Consolidating \$BTC in a broad range and then going up. MDD (maximum drawdown) is not that big like -20%,” Ki Young Ju, CEO of on-chain analytics platform CryptoQuant, wrote in part of a Twitter post.

Ki retweeted analysis from popular account Il Capo of Crypto, whose BTC takes had long called for price downside.

In a separate post, Ki claimed that “most Bitcoin cyclic indicators are saying the bottom” is in, and that shorting BTC at current levels was therefore ill-advised.

“Not sure how long it would take for consolidation in this range tho. Opening a big short position here sounds not a good idea unless you think that \$BTC is going to zero,” he wrote.

For monitoring resource Material Indicators, however, there was cause to be more risk averse.

“At this stage, nobody can say with certainty whether BTC will hold this range or if it will go to sub \$10K price levels ever again, but it would be foolish not to have a plan for that possibility,” a tweet argued.

**“‘Never’ doesn’t age well in crypto. Plan accordingly.”**



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## **Fed Not Planning to “de-COVID” Balance Sheet**

In fresh macro news, increasing pressure on the Eurozone came in the form of surging natural gas prices on a dwindling supply outlook.

In the United States, meanwhile, Powell delivered fresh comments over the Fed’s monetary tightening policy.

The central bank’s balance sheet reduction, he said in comments reported by media sources at the time of writing, now only planned to shave up to \$3 trillion off its near \$9 trillion of asset purchases.

The Fed’s balance sheet has grown by \$4.8 trillion since February 2020, meaning that it will be higher than pre-pandemic levels even after the drawdown.

Meanwhile, the European Central Bank's balance sheet hit a record high this week despite rampant inflation.