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FTT Crypto Price Prediction - Is It Safe to Buy the Dip?

Original:

<https://www.btcc.com/en-US/academy/research-analysis/ftt-crypto-price-prediction-is-it-safe-to-buy-the-dip>

Abstract:

- In 2019, the value of an [FTX](#) Token hit a record low not seen since 2020.
- A bank run has put FTX on the verge of insolvency.

As the parent company's issues persisted, the price of the [FTX](#) token plunged. At its nadir, FTT was trading at \$2.82, its lowest price since December 2020. Its market worth has dropped from about \$597 million to just over \$597 million after falling by almost 95% from its all-time high. More than \$9.6 billion was placed on FTT at its high point.

What Causes FTT to Crash?

Following a story on FTT holders published by CoinDesk over the weekend, FTX saw a media blitz. The article states that Alameda Research was the largest investor in the scarce token.

There were worries about the status of the secretive corporation that had just raised billions of dollars. The cryptocurrency industry's "bank of last resort," FTX, has established itself.

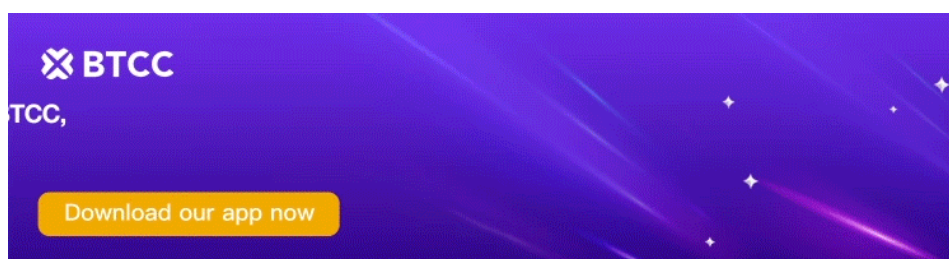
The news report caused widespread fear. In the first place, Binance has sold approximately \$500 million in FTT tokens. Nexo also reported on Monday that it had pulled more than \$100 million from FTX.

In the aftermath, FTX faced a bank run that recalls most investors of the fall of Lehman Brothers. When there are more withdrawals than deposits, only the most resilient financial institutions have made it through.

Binance is now conducting a thorough investigation of FTX to determine if it is a good business to acquire. Both its decision to proceed with the purchase and the total price it is willing to pay remain unknown at this time.

There are two primary reasons why FTX's crash is significant. First, the corporation has been acquiring failing crypto companies like Voyager Digital and BlockFi. Whether or not Binance will also buy them out is unknown at this time. A second issue is that it is not known how much money investors have lost.

Now, where does the FTX token go from here? There is always a chasm between centralized exchanges (CEX) and its tokens, as I predicted in my FTT article on Monday. For example, VGX pricing has experienced some rises despite the company being bankrupt. Therefore, a bear market rally cannot be ruled out.



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FTT Crypto Price Prediction

As the daily chart illustrates, the FTT price plummeted on Tuesday as FTX had a severe liquidity problem. It's now below key psychological support and resistance levels of \$10, \$5, and \$13. Since the Stochastic Oscillator has crossed below the oversold level, it is likely that the coin will bounce back from its current low price.

Consequently, as bad news floods the market, the FTX token has nowhere to go but down. If this occurs, the critical support/resistance level to keep an eye on is at \$2.73, or about 36% below where we are now.

However, as was previously said, there is always the possibility that investors may buy the dip and spur a relief rally for the coin.