



SEASONALITY & BITCOIN.

WILL BTC RALLY IN Q4 AGAIN?

Seasonality and bitcoin - it's something we may have heard about but perhaps have not paid much attention to. Everyone would like to know when the perfect time to buy bitcoin is, and whilst that is, sadly, not possible, we have discovered that there may be certain times of the year which are more favourable than others. As we know, there are several factors that affect the price of bitcoin, and arguably seasonality is one of the most consistent. Let's take a look at the numbers from mid 2013 to present.

Back in 2013 when bitcoin was to many a mere whisper from a friend of a friend, we saw one of the strongest bull runs and movements in the price. This took place in the 4th quarter (Q4) of the year. From the beginning of October to the end of November the price of bitcoin went up more than 850%. It would be another three years before bitcoin reached this price again.



The year following the peak in November 2013, bitcoin suffered a drop of over 82%, falling under \$200 in January 2015.

↑ 850%
OCT → NOV 2013

↓ 82%
DROP IN VALUE
BY JAN '15



The 2nd quarter (Q2) has typically been a strong quarter for bitcoin and arguably more consistent than any other. Even during the bear markets of 2014 and 2018 we saw a rise of over 50% and over 40% respectively, and a move in price above 60% in 2016.



The first quarter (Q1) has shown to be the worst performer for bitcoin, taking the bottom spot in 2014, 2015, 2017 and 2018. The third quarter (Q3) narrowly taking worst performer place in 2016 and 2019. Drilling down even further, January and February appear to be the weakest two months of the year. A possible reason being that investors are waiting for the new tax year to take profits.

On the flip side, when it comes to the most profitable time of year for bitcoin, Q4 stands head and shoulders above the rest. The explosive run in 2013 was followed by gains of nearly 100% between October and November 2015, and again between October 2016 and beginning of January 2017. Over the past six years, it has only been in 2014 and 2018 that we have seen negative Q4 periods, albeit with significant drops of 33% and 52% respectively.

POSITIVE & NEGATIVE QUARTER 4 PERFORMANCE





2017 deserves a special mention as it was an exceptional year for bitcoin. It was the year that people really started to take notice. By the end of 2017 the price had increased by more than 2400% and bitcoin, along with cryptoassets as a whole, had made it to almost every dinner table conversation in the country.

It was again during this rally that we saw Q4 outshine the rest with gains of 360% from October to mid December, followed by strong Q2 gains of over 160%. However, subsequent to that unprecedented run, 2018 proved to be a vicious bear market with the price crashing over 80%.

Although within Q2 bitcoin returned nearly 50% between April and early May and nearly 40% in July, the long term downward trend continued and finally bottomed out in December 2018.



Some believe the bear market finished at the end of 2018 and the current price may support that theory. And just looking at the performance of bitcoin in Q2 this year returning gains of over 200% (only surpassed by Q4 2017 and Q4 2013) they may be right. But many are not convinced. So what of Q4 2019? Will we see a strong Q4 and a push back toward \$20k bitcoin or will it buck the trend?

Time as always, will reveal all.

2019 IN NUMBERS SO FAR

↑ **BITCOIN PRICE UP**
128%
YEAR TO DATE

↓ **BITCOIN CURRENTLY TRADING**
34%
LOWER THAN 2019 HIGH



CRYPTOASSETS ARE VOLATILE INSTRUMENTS WHICH CAN FLUCTUATE WIDELY IN A VERY SHORT TIMEFRAME AND THEREFORE ARE NOT APPROPRIATE FOR ALL INVESTORS. OTHER THAN VIA CFDS, TRADING CRYPTOASSETS IS UNREGULATED AND THEREFORE IS NOT SUPERVISED BY ANY EU REGULATORY FRAMEWORK. YOUR CAPITAL IS AT RISK.

PRICES, FIGURES AND RATES ACCURATE AS OF 10.10.19.