

Cardano: 70% of ADA holders in the red - What comes next?

Description

ADA has been experiencing a **bearish trend** recently, marked by consistent **lower highs** and multiple **double-top formations**. The volatility in ADA's price seems to be low, with tight **Bollinger Bands** and a flat **MACD** indicating stability. Despite a weak performance in the past month, Cardano [ADA] has shown signs of strong support according to on-chain data.

Additionally, the network has seen a rise in **total value locked (TVL)** in **DeFi** applications, reaching levels twice its peak during the 2021 bull market. However, only 30% of ADA holders are currently in profit, indicating that a significant portion of the market is facing losses. With 28% of ADA held by large investors, there is a moderate level of **whale control** in the token, which could influence price stability and potential manipulation risks. The recent high volume of large transactions suggests active engagement from institutional or large-scale investors.

Despite the declining trend in ADA's price, there is potential for a slight **bullish sentiment** as indicated by the **RSI** oscillating between 50 and 60.

Vocabulary Insights

- 1. **Bearish trend** /?b?r?? tr?nd/ (noun): A period in which the prices of securities are falling or are expected to fall.
- 2. **Lower highs** /?lo??r ha?z/ (noun): A pattern in technical analysis where each successive peak is lower than the previous one, indicating a downward trend.
- 3. **Double-top formations** /?d?b?l t?p f?r?me???nz/ (noun): A bearish technical reversal pattern where an asset's price reaches a high, pulls back, and then tests that high again before falling.
- 4. **Bollinger Bands** /?b?l?nd??r bændz/ (noun): A technical analysis tool defined by a set of trendlines plotted two standard deviations (positively and negatively) away from a simple moving average of a security's price.
- 5. **MACD** /mæks?d?d/ (noun): Moving Average Convergence Divergence, a trend-following momentum indicator that shows the relationship between two moving averages of a security's price.
- 6. **Total value locked (TVL)** /?to?tl ?vælju l?kt/ (noun): The overall value of assets deposited in a DeFi protocol.
- 7. **DeFi** /?di?fa?/ (noun): Decentralized Finance, financial applications in cryptocurrency or blockchain that aim to disrupt financial intermediaries.
- 8. **Whale control** /we?l k?n?tro?l/ (noun): The influence exerted by large holders of a cryptocurrency, known as whales, on its price and market dynamics.
- 9. Bullish sentiment /?b?l?? ?s?nt?m?nt/ (noun): A market sentiment that indicates that prices will rise.
- 10. **RSI** /??r?s?a?/ (noun): Relative Strength Index, a momentum oscillator that measures the speed and change of price movements.



Vocabulary List:

- 1. Bearish trend /'bɛrɪʃ trɛnd/ (noun): A period in which the prices of securities are falling or are expected to fall.
- 2. Bollinger Bands /'ba:lindʒər bændz/ (noun): A technical analysis tool defined by a set of trendlines plotted two standard deviations away from a moving average.
- 3. Whale control /weil kənˈtroʊl/ (noun): The influence exerted by large holders of a cryptocurrency on its price and market dynamics.
- 4. Bullish sentiment /'bʊlɪ['sɛntɪmənt/ (noun): A market sentiment that indicates that prices will rise.
- 5. Total value locked (TVL) /'toʊtl 'vælju lokt/ (noun): The overall value of assets deposited in a DeFi protocol.
- 6. Relative Strength Index (RSI) /'rɛlətɪv strɛŋk θ 'ɪndɛks/ (noun): A momentum oscillator that measures the speed and change of price movements.

Comprehension Questions

Multiple Choice

s.COM 1. What type of trend has ADA been experiencing recently?

Option: Bearish Option: Bullish Option: Sideways Option: Indecisive

2. What indicates stability in ADA's price according to the given information?

Option: Tight Bollinger Bands

Option: High volatility

Option: Double-top formations Option: Increasing MACD

3. What percentage of ADA holders are currently in profit?

Option: 30% Option: 50% Option: 70% Option: 10%

4. What percentage of ADA is held by large investors?



Option: 28% Option: 40% Option: 15% Option: 8%

5. What does the RSI indicate about ADA's price sentiment?

Option: Slight bullish sentiment Option: Strong bearish sentiment Option: Stable price movement

Option: High volatility

6. What kind of engagement is suggested by the recent high volume of large transactions?

Option: Institutional or large-scale investors

Option: Retail traders Option: Market makers

Option: Whales

Answer

IS.COM Multiple Choice: 1. Bearish 2. Tight Bollinger Bands 3. 30% 4. 28% 5. Slight bullish sentiment 6. Institutional or large-scale investors

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is provided to compensate an individual for their efforts or losses?

Option: Advance payment

Option: Prominent

Option: Total value locked (TVL)

Option: Institutional

2. Who typically provides capital to businesses with the expectation of future profits or returns?

Option: Compensate Option: Bearish trend Option: Venture Option: RSI

3. What are used to measure and assess the performance or progress of a business?



Option: Lower highs

Option: Total value locked (TVL)

Option: Bollinger Bands Option: Compensate

4. What term is used to describe a state of confusion or instability in the market?

Option: Compensate

Option: Total value locked (TVL)

Option: MACD

Option: Whale control

5. What term describes something that is absolutely necessary or extremely important?

Option: Prominent

Option: Advance payment

Option: Total value locked (TVL) Option: Double-top formations

6. What word is used to describe funds that are set aside for a particular purpose or project? NEWS.CC

Option: RSI

Option: Controversial

Option: Meteor

Option: Compensate

7. What happens when an argument or theory is proven to be incorrect or invalid?

Option: Decline

Option: Compensate

Option: Prominent

Option: Numerous uncertainties

8. What term is used to describe situations where outcomes are unpredictable or not guaranteed?

Option: Bollinger Bands

Option: MACD

Option: Total value locked (TVL)

Option: Compensate

9. What term describes a part or share of a whole?

Option: Compensate Option: Bearish trend Option: Compensate Option: Three times

10. Where do buyers and sellers come together to trade goods and assets?

Option: Harrowing



Option: Compensate Option: Whale control Option: Venture

$\mbox{\sc Gap-Fill}$ ($\mbox{\sc Fill}$ in the blanks with the correct word from the vocabulary list.)

11	_ figures in the industry	can sway market sentiment with their actions.
12. The company's growth		has been steadily increasing over the past year.
13. Investors show optimism	n and confidence in the r	market during periods of
14. When a single entity holds significant control over a market this is known as		
15. The	indicator is used b	by traders to assess the strength of a trend in the
market.		NS.COM
16. Technical analysts watch	n for	as a potential signal of a trend reversal.
17. A	is characterized by a	a downward movement in prices over a period of time.
18. Decentralized Finance al	so known as	operates independently of traditional
financial systems.		
19	_ investors often have m	nore resources and make large investments in various
assets.		
20. The Moving Average Cor	nvergence Divergence o	r is a popular technical
analysis tool.		
Matching Sentences (Match each definition to the correct word from the vocabulary list.)		
21. The sudden and unexpected announcement caused a stir in the industry like a appearing out of the blue.		
22. The company paid a to the salesperson for each successful deal closed.		



- 23. The results of the study revealed a improvement in the efficiency of the new process.
- 24. The team's effort and dedication towards completing the project on time was truly.
- 25. To secure the booking the hotel requested an from the guests before arrival.
- 26. Technical analysts observed a pattern of forming in the stock price chart indicating a potential downtrend.
- 27. The decentralized platform reported a record high in last week attracting more participants to the ecosystem.
- 28. Traders utilize to identify potential price breakouts and trends in the market.
- 29. Companies often use stock options to employees for their performance and loyalty.
- 30. The funds were specifically for the research and development of new products.

Answer

Multiple Choice: 1. Advance payment 2. Venture 3. Total value locked (TVL) 4. MACD 5. Prominent 6. Controversial 7. Decline 8. Compensate 9. Three times 10. Venture

Gap-Fill: 11. Prominent 12. Trajectory 13. Bullish sentiment 14. Whale control 15. RSI 16. Double-top formations 17. Bearish trend 18. DeFi 19. Institutional 20. MACD

Matching sentence: 1. Meteor 2. Commission 3. Significant 4. Commendable 5. Advance payment 6. Lower

highs 7. Total value locked (TVL) 8. Bollinger Bands 9. Compensate 10. Earmarked

CATEGORY

1. Business - LEVEL3

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