



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** /bɛərɪʃ trɛnd/ (noun): A period in which the prices of securities are falling or are expected to fall.
2. **Lower highs** /loʊər haɪz/ (noun): A pattern in technical analysis where each successive peak is lower than the previous one, indicating a downward trend.
3. **Double-top formations** /dʌbəl tɒp fɔːrmeɪʃnz/ (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** /bɒlɪŋɡər 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** /mæksɪd/ (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)** /toʊtəl vælju lɒkt/ (noun): The overall value of assets deposited in a DeFi protocol.
7. **DeFi** /diːfaɪ/ (noun): Decentralized Finance, financial applications in cryptocurrency or blockchain that aim to disrupt financial intermediaries.
8. **Whale control** /weɪl kəntrɒl/ (noun): The influence exerted by large holders of a cryptocurrency, known as whales, on its price and market dynamics.
9. **Bullish sentiment** /bʊlɪʃ sɛntɪmənt/ (noun): A market sentiment that indicates that prices will rise.
10. **RSI** /rɪsɪ/ (noun): Relative Strength Index, a momentum oscillator that measures the speed and change of price movements.



Vocabulary List:

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

Comprehension Questions

Multiple Choice

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

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?



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- 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?
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
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- Option: Compensate
- Option: Whale control
- Option: Venture

Gap-Fill (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 and confidence in the market during periods of _____.
14. When a single entity holds significant control over a market this is known as _____.
15. The _____ indicator is used by traders to assess the strength of a trend in the market.
16. Technical analysts watch for _____ as a potential signal of a trend reversal.
17. A _____ is characterized by a downward movement in prices over a period of time.
18. Decentralized Finance also known as _____ operates independently of traditional financial systems.
19. _____ investors often have more resources and make large investments in various assets.
20. The Moving Average Convergence Divergence or _____ 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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