

After Bitcoin's poor performance since its peak in 2017, crypto bulls are getting excited again after Bitcoin surged 75% from its December lows. In order to help determine if this bullish trend has legs, Bitcoin hopefuls should watch the \$6,000 resistance level that is just overhead. That \$6,000 resistance levels was an important support level for much of 2018 until Bitcoin sliced below it in November and promptly dropped nearly 50%. If Bitcoin can manage a convincing close above \$6,000, further gains are likely. On the other hand, if Bitcoin bumps its head at \$6,000, it may fall back down and re-test the lows of the past few months.



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The weekly chart shows the significance of Bitcoin's \$6,000 level:



For now, I am waiting to see if Bitcoin can stage a decisive close above \$6,000. I personally believe in having a small amount of Bitcoin as a diversifier and a hedge against a monetary crisis, but I've been skeptical of the high prices in the last two years. I'm not entirely convinced that the late-2017 bubble is fully unwound, but a solid breach above \$6,000 would make me more confident.