

# Profitable INVESTING Tips

## Stock Market Investing Tips, Techniques, and Resources



## Will Bitcoin Follow the Nasdaq Back Up?

By: [www.ProfitableInvestingTips.com](http://www.ProfitableInvestingTips.com)

As the crypto winter became increasingly dreary, we noted that Bitcoin has been following the Nasdaq market up at times and mostly down. The sole exceptions have been when another major crypto exchange has [collapsed](#), filed for bankruptcy, or been [charged with fraud](#). Now, with the markets expecting the Federal Reserve to ease up on interest rate increases the Nasdaq had risen by about 10% over the last month and Bitcoin followed suit. Will Bitcoin follow the Nasdaq back up to its previous glory? Or are there factors to consider that could keep crypto and, for that matter, the stock market down in the dumps?

## Why Have Nasdaq and Bitcoin Traded in Tandem?

Nasdaq noted well over a year ago that Bitcoin and the Nasdaq market were [performance correlated](#). The growing interconnectedness of crypto and traditional financial markets has institutions like the IMF (International Monetary Fund) concerned in that a run on crypto could spread to world stock and other financial markets. But why is Bitcoin, which has nothing to do with stocks like Apple, Microsoft, or Amazon.com that trade on the Nasdaq, trading in sync with a group of stocks dominated by those high tech companies? If one expects the stock market to recover and head back up then one might also expect Bitcoin to go up too. It would be reassuring to understand the connection between Bitcoin and Nasdaq in order to be prepared.

## Market Sentiment vs Intrinsic Value of Stocks or Bitcoin

In the stock market traders send prices up and down based on short term [market sentiment](#). Over the long run it is the fundamental or [intrinsic value](#) of a company that determines its stock price. To the extent that the same investors and traders are holding shares of an ETF that tracks the Nasdaq as well as Bitcoin it seems plausible that they are simply trading these assets the same, buying or selling on news of the economy, [Fed rate increases](#), or the war in Ukraine. In regard to fundamentals it becomes less clear, at least for us, how folks who buy and sell Amazon.com based on its earnings are buying and selling Bitcoin which has no earnings. The likely answer is that those who have profited over recent years in the stock and crypto markets are simply trading, buying, and selling the Nasdaq or stocks in it and Bitcoin at the same time and in response to the same cues.

## Is the Nasdaq Going Up or Not?

The Nasdaq is filled with tech stocks. Tech companies are now in the process of laying off workers whom they hired during the Covid Pandemic and K-shaped recovery where tech did great and sectors like transportation and hospitality did awful. The Fed announced a 0.25% rate increase after their January 2023 meeting of the Open Market Committee. The comments that came with that increase said that they expected to continue rate increases in that range (0.25%) until inflation is down at 2%. At the news the Nasdaq immediately fell, spiked up, and fell again as traders digested the news. The problem for stocks is that the US Federal Reserve is going

to keep raising rates until they depress the economy sufficiently to slow inflation. That means companies earning less, layoffs, people not being able to pay their rent, increasing credit card debt and all of the things that generally lead to low stock prices.

### Will Bitcoin Go Up or Down?

Bitcoin responded to the Fed announcement with exactly the same downward movement, upward spike, and downward movement. In the very short term Bitcoin followed the Nasdaq. Now the question is whether Bitcoin will stay in sync with the Nasdaq as the country slides toward a recession, soft landing or not, and the market slides down with it.

For more insights and useful information about investments and investing, visit [www.ProfitableInvestingTips.com](http://www.ProfitableInvestingTips.com).

## Educational Resources

**Click the links below to get your  
FREE training materials.**

### **Free Weekly Investing Webinars**

**Don't miss these free training events!**

<http://www.profitableinvestingtips.com/free-webinar>

### **Forex Conspiracy Report**

**Read every word of this report!**

<http://www.forexconspiracyreport.com>

### **Get 12 Free Japanese Candlestick Videos**

**Includes training for all 12 major candlestick signals.**

<http://www.candlestickforums.com>

**Disclaimer:** Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as

financial, trading, or investing advice. All information is intended for educational purposes only.