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Decode The Market Code

Crypto Trading Basics

BTCUSD & ETHUSD

How crypto's **24/7 market structure** differs from equities, and the same technical toolkit applied to Bitcoin and Ethereum.

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Chart Code Academy — Stock Market Training Institute

Deepak Kevadia — Founder & Mentor, BSE NISM Certified

Boisar · Dahanu · Palghar · Maharashtra, India

www.chartcode.in | +91-95121 00588 | chartcode.in@gmail.com

About This Guide

Crypto trades **24 hours a day, 7 days a week**, with no exchange open or close, and Bitcoin (BTCUSD) and Ethereum (ETHUSD) each respond to their own mix of institutional, macro and regulatory drivers. This guide covers the basics of the always-open market, then how the familiar structure and liquidity toolkit still applies.

By the end of this guide you will know:

- Why a market with no closing bell changes the usual rhythm of session-based trading
- What specifically moves Bitcoin and Ethereum, and how the two usually correlate
- How structure and liquidity concepts carry over to crypto charts
- Why regional trading hours still matter, and how to size risk for larger swings
- How Indian residents can legally access and are taxed on crypto, and the mistakes to avoid

Crypto Trading Basics: BTCUSD & ETHUSD

Quick Answer: What Should You Know Before Trading Crypto?

These terms cover most of what you need to know. Each is explained in full later in the guide.

Term	Meaning
The 24/7 market	Crypto exchanges run continuously with no single opening or closing bell, so a chart never gets the clean daily reset a stock market gets. Volume and volatility still cluster by region even though trading never technically stops.
What moves Bitcoin (BTCUSD)	Institutional adoption and ETF-related flows, broader macro risk sentiment, the halving cycle, and regulatory developments from major economies.
What moves Ethereum (ETHUSD)	Ethereum has its own drivers alongside its usual correlation with Bitcoin, so the two often move together but not always by the same amount.
Applying structure and liquidity to crypto	Swing highs and lows, break of structure and liquidity resting at obvious levels apply to crypto the same way they apply to equities or forex, since they describe general price behaviour rather than one asset class.
Volatility and risk management	Crypto's price swings are typically larger than equities, which calls for adjusted position sizing rather than using the same risk per trade as a stock.
Legal access and tax in India	Gains from Virtual Digital Assets, including cryptocurrencies, are taxed at a flat 30% rate with an additional 1% TDS on qualifying transactions. Trading through platforms registered with India's Financial Intelligence Unit is the compliant route.

1. Why Crypto Deserves Its Own Playbook

A trader who has spent time on Indian equities or forex arrives at a crypto chart with useful instincts already in place: structure, liquidity, and risk management still apply. But crypto also breaks some assumptions those other markets rely on: there is no fixed opening bell, no scheduled close, and no weekend pause. That single difference changes more about how price actually behaves than it might first appear.

This cheat sheet covers the basics: how the always-open market works, what specifically drives Bitcoin and Ethereum, how the familiar structure and liquidity toolkit still applies, and what is different about risk management and legal access.

2. How to Actually Use This Cheat Sheet (Before You Trade Crypto)

The most common mistake moving from equities or forex into crypto is assuming the market takes a break the way those instruments do. Crypto simply doesn't, and that has real consequences for how positions, risk and attention need to be managed. Before trading BTCUSD or ETHUSD, run it through three quick filters:

- **Am I comfortable holding through a market that never closes?** Overnight and weekend gaps that other instruments have simply don't exist here.
- **Do I know which driver is dominant right now?** A macro risk-off day, an ETF flow story, and a regulatory headline each call for a different read.
- **Have I adjusted risk for crypto's typical volatility?** This is usually the single most important adjustment coming from a calmer instrument.

3. Why Crypto Trades Differently: The 24/7 Market

Core Concept



Visualising it: equities have fixed hours and close daily, while crypto trades 24/7 and never closes.

Cryptocurrency exchanges operate continuously, with no fixed opening or closing time and no weekend pause. That removes concepts that shape a lot of thinking around equities, such as an overnight gap or a Monday-morning reaction to weekend news, since price is always live and can be reacted to the moment news breaks, at any hour, on any day.

HOW TO READ IT

Holding an open crypto position means genuinely being exposed around the clock, unlike an equity position that is shielded from new information between the previous close and the next open.

4. What Moves Bitcoin (BTCUSD)

Core Concept

BTC / USD

68,420

illustrative price

Driver	How It Affects BTC
Institutional / ETF Flows	Large inflows or outflows from major funds can shift price meaningfully
Macro Risk Sentiment	Bitcoin often trades as a "risk-on" asset alongside broader equity sentiment
Halving Cycle	A periodic reduction in new supply, historically associated with longer-term cycles
Regulatory Developments	Major-economy policy news can trigger sharp, fast reactions

HOW TO READ IT

Bitcoin's drivers span both macro market sentiment and crypto-specific structural factors, so a full read of "why" price is moving often needs to check both categories, not just one.

5. What Moves Ethereum (ETHUSD) & the BTC Dominance Relationship

Core Concept



Visualising it: ETH usually tracks BTC but diverges on its own news.

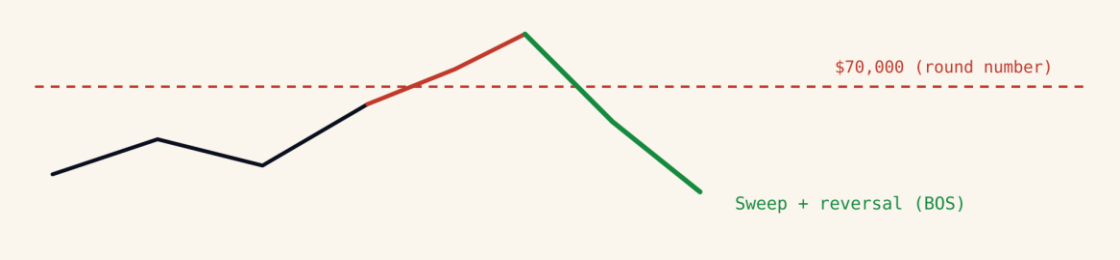
Ethereum tends to move in the same general direction as Bitcoin most of the time, since both often respond to the same broad crypto market sentiment. But Ethereum also has its own specific drivers (network upgrades, activity on decentralised finance (DeFi) applications built on it, and ETF-related developments specific to ETH) which can cause it to outperform or underperform Bitcoin over shorter stretches, a relationship often tracked through the **ETH/BTC ratio**.

HOW TO READ IT

Watching whether ETH is strengthening or weakening relative to BTC, not just its dollar price alone, gives a clearer read on whether Ethereum-specific news is actually driving its recent moves.

6. Applying Market Structure & Liquidity to Crypto

Core Concept



Visualising it: price sweeps above the $70,000 round number, then reverses and breaks structure.

Swing highs and lows, break of structure, liquidity resting at obvious round numbers: every core concept covered earlier in this series applies to BTCUSD and ETHUSD charts in the same way it applies to equities or forex, because these ideas describe general price behaviour rather than something unique to one asset class.

HOW TO READ IT

Round numbers matter especially on crypto charts, similar to gold. Clean levels like $70,000 on BTC or $3,500 on ETH tend to attract the same kind of liquidity-driven reactions covered in our liquidity guide.

7. Crypto "Sessions": Why Regional Trading Hours Still Matter

Practical Reference



Visualising it: volume still clusters by region, even though the market runs 24/7.

Even though the market never closes, trading volume and volatility still noticeably rise and fall across the day as different regions become most active. Asian trading hours, European hours, and US hours each tend to bring their own characteristic pickup in activity, echoing the session patterns covered in our forex and gold guides.

HOW TO READ IT

A trader watching crypto around the clock will often notice the quietest stretches falling in the gap between major regions winding down and the next one becoming active.

8. Volatility & Risk Management for Crypto

Core Concept



Visualising it: a typical equity needs a tighter stop, while crypto needs a wider stop and so a smaller position size.

Crypto has historically shown considerably larger typical price swings than most equity instruments, and often larger than gold or major forex pairs too. Applying the position sizing formula from our position sizing guide, using a stop distance genuinely appropriate for crypto's typical range and checked against its recent volatility, naturally results in a noticeably smaller position size for the same rupee risk compared to a calmer instrument.

HOW TO TRADE IT

Leverage offered on many crypto platforms can be very high, which makes disciplined position sizing even more important than usual. High leverage combined with high volatility compounds risk quickly if sizing isn't deliberately controlled.

9. How Indian Traders Can Legally Access Crypto

Practical & Regulatory

Aspect	Current Position for Indian Residents
Legality of Holding/Trading	Legal: cryptocurrencies are treated as Virtual Digital Assets (VDAs), not banned
Tax Treatment	Flat 30% tax on gains, plus 1% TDS on qualifying transactions
Compliant Platforms	Exchanges registered with India's Financial Intelligence Unit (FIU-IND)

HOW TO READ IT

Using an exchange registered with the relevant Indian authority is the compliant route. Relying purely on unregistered overseas platforms can create separate reporting and compliance considerations worth checking with a tax professional. Tax and regulatory rules can change, so confirm the current position before trading.

10. Common Crypto Trading Mistakes to Avoid

1. **Treating crypto stop distances like equity stop distances:** Using a tight stop sized for a calmer instrument on crypto often leads to being stopped out by completely normal volatility.
2. **Ignoring the weekend and overnight exposure:** Forgetting that a crypto position stays fully exposed to news around the clock, unlike an equity position shielded by market close, can lead to unexpected overnight moves.

3. **Using excessive leverage on a volatile instrument:** Combining crypto's typical volatility with very high leverage can turn an ordinary price swing into an outsized loss quickly.
4. **Assuming ETH will always move exactly like BTC:** Trading Ethereum purely off Bitcoin's chart, without checking its own specific news, misses the periods where the two genuinely diverge.
5. **Overlooking the tax and compliance side:** Trading actively without accounting for the applicable tax treatment can create complications well after the trades themselves are closed.
6. **Chasing every headline in real time:** Because the market never closes, it is easy to feel pressure to react to every piece of news instantly, a habit that tends to produce impulsive, poorly-planned trades.

NEXT STEP

Applying structure and liquidity concepts to a 24/7 market is a skill of its own. That is what we build hands-on in our Global Markets course at Chart Code, offline in Boisar or live online anywhere in India.

11. Your Crypto Trading Confirmation Checklist

Before trading any crypto setup in this guide, run through this five-point check:

- **Driver Identified** — Do you have a reasonable idea of what's driving the current move: macro sentiment, flows, or a specific headline?
- **Comfortable With Round-the-Clock Exposure** — Are you comfortable holding this position through hours you won't be actively watching?
- **Stop Distance Sized for Crypto** — Is your stop-loss distance genuinely appropriate for this instrument's typical volatility?
- **Leverage Checked** — Have you confirmed the leverage in use won't compound crypto's volatility into an outsized risk?
- **Defined Risk** — Do you know exactly where you'd be proven wrong, and have you sized the position accordingly before entering?

EDUCATIONAL CONTENT ONLY

This guide is for education only. It is not investment advice or a recommendation to buy or sell any cryptocurrency. Crypto markets are highly volatile and lightly regulated compared with equities, tax and regulatory rules can change, and no explanation of a driver guarantees future price behaviour. Trading involves risk of loss, and many retail traders lose money, so always use a predefined stop-loss, trade only through compliant platforms, and risk only what you can afford to lose.

12. Frequently Asked Questions

Why does crypto trade 24 hours a day, 7 days a week?

Unlike traditional stock exchanges, which operate through a centralised exchange with fixed hours, cryptocurrency exchanges run continuously as decentralised or globally-distributed platforms with no single opening or closing bell, allowing trading to continue around the clock, every day of the week.

What are the main factors that move Bitcoin's price?

Bitcoin's price is influenced by institutional adoption and ETF-related flows, broader macro risk sentiment (how investors feel about risk assets generally), the halving cycle (a periodic reduction in new Bitcoin supply), and regulatory developments from major economies.

Do market structure and liquidity concepts apply to crypto the same way they do to stocks?

The same core ideas (swing highs and lows, break of structure, liquidity resting at obvious levels) apply to crypto charts in the same way they apply to equities or forex, since they describe general price behaviour rather than something specific to one asset class. What differs is the market's continuous, 24/7 nature, which changes how accumulation and session-based patterns tend to form.

If crypto never closes, do trading sessions still matter?

Yes. Even though the market never technically closes, trading volume and volatility still tend to cluster around when major regions (Asia, Europe, and the US) are most active, producing recognisable patterns of higher and lower activity across the 24-hour cycle.

How is cryptocurrency trading taxed and regulated in India?

Under current Indian tax law, gains from Virtual Digital Assets (VDAs), including cryptocurrencies, are taxed at a flat 30% rate, with an additional 1% TDS deducted on qualifying transactions. Trading through platforms registered with India's Financial Intelligence Unit is the compliant route; using unregistered or purely overseas platforms can raise separate compliance concerns.

Verify rules with official sources such as the SEBI Investor Website (investor.sebi.gov.in), NSE India (www.nseindia.com), BSE India and NISM.

Get in Touch

CHART CODE ACADEMY

Website: www.chartcode.in
WhatsApp / Phone: +91-95121 00588
Email: chartcode.in@gmail.com
Address: Boisar, Palghar, Maharashtra 401501

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