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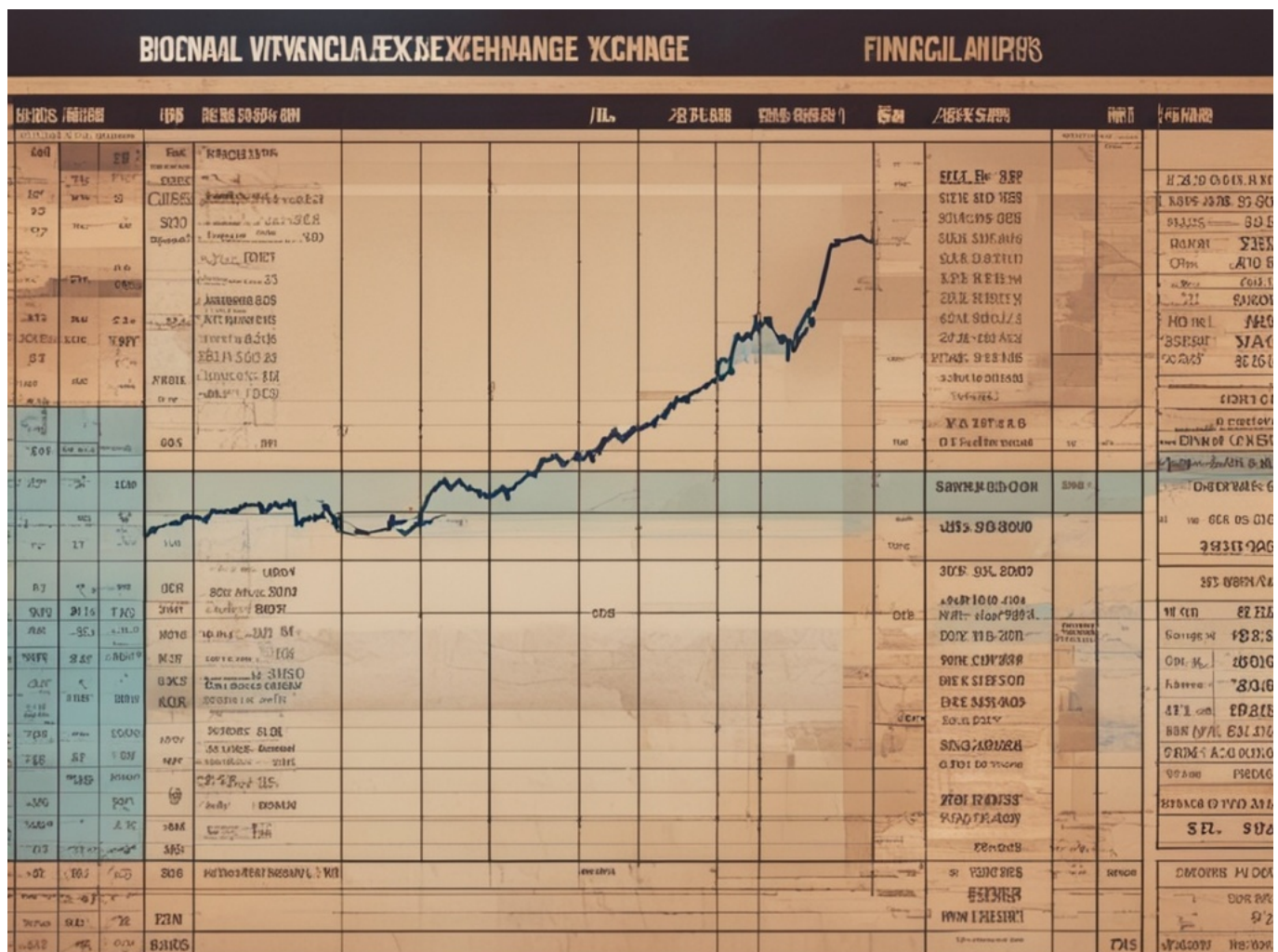
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Dogwifhat (WIF) Price Recovery: Is It Safe After Dropping Below \$1?



Dogwifhat (WIF), Solana's top meme coin by market cap, saw a significant price drop to \$1.05 on August 5th, igniting rumors that its value might slip below the \$1 mark for the first time since March.

Despite this, [WIF](#) has mounted a remarkable comeback, surging 16.94% in the past 24 hours and

currently trading at \$1.41.

With this analysis, we delve into the reasons behind the potential brevity of this rebound, urging investors to approach the recent price fluctuations with caution.

Catalogs

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Dogwifhat Lacks Adequate Support: Experts Warn

Despite a recent bounce, the cryptocurrency dogwifhat may still face challenges in maintaining its upward momentum, as indicated by the Money Flow Index (MFI).

The MFI, a technical indicator that gauges buying and selling pressure using price and volume data, currently reads 9.31 on WIF's daily chart. This suggests that the token is still oversold, even after experiencing a bounce.

The current buying pressure appears insufficient to sustain WIF's price surge. Unless there is a significant influx of capital into the WIF cryptocurrency, pushing its price towards \$2 may prove to be a challenging task.

Investors and traders should closely monitor the MFI and other relevant indicators to assess the strength of the buying pressure and make informed decisions about their positions in dogwifhat. In a market where cryptocurrencies are highly volatile, it is crucial to stay vigilant and react quickly to changing market conditions.

Derivatives traders are bullish on WIF's price prospects, contrary to earlier bearish sentiment. This shift in market perception is reflected in the Funding Rate, a key indicator representing the disparity between a cryptocurrency's spot and perpetual prices.

Earlier in August, the Funding Rate dipped into negative territory, signaling a prevailing bearish sentiment among traders who anticipated a price decline. Now, however, the situation has reversed, as evidenced by recent data.

The Funding Rate and WIF's price have both risen, indicating that traders holding long positions are now being rewarded. If this upward trend persists, long-position traders stand to profit further from favorable price movements.

Yet, it's crucial to remember that any unrealized gains could be partially or fully erased if the price takes a downward turn. In this dynamic market, traders must stay vigilant and adapt their strategies to capitalize on opportunities and mitigate risks.

Will WIFI Price Continue to Rise or Face Threats of Decline?

The Directional Movement Index (DMI) signals indicate that WIF, despite recent price hikes, remains predominantly in a bearish trend. The DMI is a valuable tool for gauging the strength and trajectory of cryptocurrency prices.

Typically, a higher positive DMI (marked in green) points to an upward price movement. However, the current chart reveals that the negative DMI (in red) stands significantly above the positive DMI, hinting at a possible downward spiral for WIF in the near future.

This assessment is further bolstered by the Average Directional Index (ADX), which measures directional momentum. Currently, the ADX (shown in yellow) aligns with the negative DMI, emphasizing a stronger downward trend.

If this pattern persists, WIF's price could potentially regress towards the \$1.04 mark. Nevertheless, a significant influx of capital into the WIF market could potentially reverse this trend, sustaining the upward momentum of the token.

Investors and traders are advised to closely monitor these indicators for any shifts in the market dynamics of WIF.

WIF Price Prediction: Potential for Further Gains, But Threats Loom