

My AI Just Told Me Altseason Is Starting NOW – Here's What I Think

Introduction

Altcoin season, or “**altseason**,” refers to a period when alternative cryptocurrencies (altcoins) dramatically outperform Bitcoin. In simple terms, it's when money rotates out of Bitcoin and into altcoins in pursuit of higher returns ¹. Traditionally, altseasons have been short-lived – often **2-3 month windows after a big Bitcoin rally** – during which a majority of top altcoins massively outgain Bitcoin ². One rule of thumb uses the **Altcoin Season Index**: if **75% of the top 50 coins** outperform BTC over a 90-day period, it's officially “altseason” ³.

Recently, my AI model (inspired by crypto analyst Miles Deutscher's methodology) analyzed a range of market metrics and **signaled that an altseason might be beginning right now**. In this report, we'll dig into what altseason means, examine **historical patterns** of Ethereum vs Bitcoin performance, and explore the **current data** (via CoinGecko's API and other sources) suggesting that a new altcoin-focused surge could be underway.

What Is Altseason?

Altseason is essentially a **shift in market dominance** – Bitcoin's share of the crypto market falls while altcoins' share rises ¹. This happens when investors move capital from Bitcoin into altcoins, usually after Bitcoin has had a strong run. For example, in past cycles Bitcoin would hit a plateau after a rally, and traders would start chasing bigger gains in altcoins, causing those coins to spike in value against Bitcoin. The result is a period where altcoins (especially large caps like Ethereum) significantly **outperform Bitcoin's returns**.

Historically, altseasons have coincided with notable drops in **Bitcoin dominance** (Bitcoin's percentage of total crypto market cap). During the 2017 crypto boom – fueled by the ICO mania – Bitcoin's dominance plunged from over 85% in early 2017 to around **38% by January 2018**, as capital flooded into new altcoins ⁴. A similar phenomenon occurred in 2021: amid the DeFi and NFT boom, Bitcoin's dominance fell from above 70% at the start of 2021 to roughly **40% by May 2021** ⁵. In both cases, altcoins (from large caps down to small caps) vastly outpaced Bitcoin's growth for a few months, creating an altseason frenzy.

Blockchain Center's Altcoin Season Index provides a quantitative gauge for this. It considers it *altcoin season* when at least 75% of top alts beat Bitcoin's performance over the last 90 days ³. In practice, we often see an altseason manifest as an explosive rally in many altcoin prices while Bitcoin either trades sideways or grows only modestly. Traders watch metrics like Bitcoin's dominance chart or the total market cap of altcoins for breakouts as early signs. In short, altseason is **the market phase when “everything but Bitcoin” starts to moon**.

Historical Altseason Patterns and Performance

Interestingly, research shows that altseasons aren't just random – they can have **seasonal patterns**. A 2021 quantitative study titled *“Proof of Altseason”* found that altcoins (using Ethereum as a proxy) exhibit a **recurring seasonal trend** each year ⁶. According to the data, this **“altseason” typically begins in January and ends in May**, aligning with the old market adage “January effect” and “Sell in May and go away” ⁶. During these first five months of the year, Ethereum historically logged **larger gains (and smaller pullbacks) relative to Bitcoin**, whereas outside this window Ethereum tended to underperform Bitcoin (smaller gains and larger losses, especially in bear markets) ⁷. In other words, the first half of the calendar year has often been the prime time for alts.

The impact of catching these seasonal alt rallies is enormous. The *Proof of Altseason* study showed that a hypothetical portfolio which only held Ethereum during that Jan–May altseason period and moved to cash the rest of the year would have **outperformed a constant buy-and-hold of Bitcoin or Ethereum** since 2015 ⁸. Even more striking, a strategy that *rotated between Ethereum and Bitcoin* based on the season (favoring ETH in altseason, BTC in the off-season) would have outperformed buy-and-hold Ethereum by about **5×**, and buy-and-hold Bitcoin by **over 500×** in that backtest! ⁹ This highlights just how explosive altseasons can be for returns, and why timing these cycles can be so rewarding. Of course, these are theoretical results, but they underscore a real historical pattern: **when altseason hits, ETH and other altcoins can massively outpace Bitcoin**.

Past altseasons have left clear markers in the charts. In the 2017 run, as mentioned, Ethereum and many top alts gained value several times faster than BTC. Ethereum's price in BTC terms shot up during 2017 – at one point 1 ETH was worth over 0.1 BTC (during June 2017) and again around 0.08 BTC in early 2018, whereas it had been below 0.03 BTC for most of 2016. A few years later, the 2020–2021 altseason saw a similar relative surge: Ethereum went from roughly 0.02 BTC in mid-2020 to about 0.08 BTC at its peak in 2021. Such moves illustrate the rotation of performance leadership from Bitcoin to altcoins that defines an altseason.

Ethereum vs Bitcoin – A Key Altseason Indicator

If Bitcoin dominance is one yardstick for altseason, the **Ethereum/Bitcoin price ratio (ETH/BTC)** is another crucial gauge. Ethereum is the largest altcoin, so when **ETH gains strongly against BTC**, it often signals that altcoins in general are gaining momentum. As one analyst succinctly put it, *“When Ethereum rises against Bitcoin, that's when the real altcoin movement begins.”* ¹⁰

Traders therefore pay close attention to the ETH/BTC chart, especially on major timeframes. A breakout in ETH/BTC is widely viewed as an altseason **“trigger.”** For instance, before the big altcoin rally in early 2021, the ETH/BTC pair broke above key resistance levels, confirming Ethereum's strength and kickstarting broader altcoin outperformance. In fact, the **0.065–0.075 BTC** range for ETH/BTC has historically been a critical zone – breaching that zone in late 2020/early 2021 corresponded with the start of the 2021 altcoin boom ¹¹.

Today, we're seeing Ethereum once again show signs of strength versus Bitcoin. The ETH/BTC ratio, which had been in a downtrend since late 2021, has recently reversed and is **pressing toward that same 0.065–0.075 BTC level** that acted as the launchpad for the last altseason ¹¹. Technical analysts have noted bullish

signals on this pair: on the monthly chart, momentum indicators are turning upward – for example, the Stochastic RSI just flashed a bullish crossover, and the regular RSI is trending above its long-term average ¹². These are the kind of signals that **preceded major rallies in ETH and altcoins in past cycles**.

If ETH/BTC can achieve a decisive breakout (for example, a monthly close above that long-term resistance zone), it would be a strong confirmation that Ethereum is leading a new altcoin charge. Historically, once Ether breaks out against Bitcoin, we often see capital **rotate quickly into other large-cap alts and even mid-caps**, fueling a broad altcoin rally ¹³. This is why ETH/BTC is often called the “**altseason thermometer**.” At the moment, that thermometer is heating up: Ethereum has outperformed Bitcoin in recent weeks, hinting that an altseason may be in its early stages.

Current Market Metrics (Mid-2025): Signs of Altseason Emergence

Several real-time metrics and market developments as of July 2025 are aligning in a way that suggests we might indeed be entering an altseason. Let’s break down the key indicators:

- **Bitcoin Dominance Falling:** Bitcoin’s dominance (its share of total crypto market cap) has started to **drop noticeably**. After hovering relatively high earlier in the year, BTC dominance began slipping in late June. By mid-July, it hit an ~8-week low around **62.6%** ¹⁴. Perhaps more telling, Bitcoin dominance **fell below its 50-day and 100-day moving averages (around ~64%)**, indicating a technical breakdown in Bitcoin’s recent dominance trend ¹⁵. In plainer terms, Bitcoin is no longer claiming as large a slice of the pie – a classic precursor to altcoins taking off. Prominent analysts on crypto Twitter have even commented that “Bitcoin dominance is dumping,” which is “*massive for altcoins*.” ¹⁵ These dominance moves reflect a shifting sentiment: investors appear willing to rotate into riskier alts as Bitcoin’s relative strength ebbs.
- **Ethereum & Major Alts Outperforming:** The price action of top altcoins is reinforcing this trend. Ethereum, for example, had a stellar run in early July – **up about 24% in just seven days** at one point ¹⁶, far outpacing Bitcoin’s growth in the same period. Other large-cap alts like Solana, Cardano, etc., have also seen significant jumps against BTC. This kind of broad outperformance by multiple major alts is exactly what we expect at the onset of an altseason. It suggests that capital is **rotating out of Bitcoin into assets with higher beta** (volatility), seeking those bigger gains. In fact, veteran trader Peter Brandt declared “*It’s altcoin season*” on July 16, 2025 after observing a bullish breakout pattern in the total altcoin market charts ¹⁷.
- **Altcoin Market Cap Breakouts:** Looking at the **total market capitalization of altcoins**, we see bullish patterns forming. Analysts have noted a massive “cup-and-handle” breakout on the chart of the crypto market *excluding* BTC and ETH (often labeled as **TOTAL3**) ¹⁸ ¹⁹. Another index (TOTAL2, excluding just BTC) showed a similar breakout. The upside targets from these patterns are huge – one projection pointed to a **total altcoin market cap of ~\$2.78 trillion**, nearly double the current levels ²⁰ ¹⁷. While projections are speculative, the mere fact that these long-term bullish patterns are activating indicates a favorable environment for altcoins. In previous cycles, once these kinds of technical breakouts occurred, the altcoin rally became self-reinforcing as more traders piled in.
- **Altseason Index Uptick (But Not Official Yet):** As mentioned, the Blockchain Center’s Altcoin Season Index is a popular metric for quantifying altseason. **Officially, we’re not in a full-blown altseason by this index – yet**. It currently reads around **39**, meaning only 39% of top alts have

outperformed BTC in the last 90 days (well short of the 75% threshold) ²¹ . However, this number has been climbing fast (it more than **tripled from about 13 to 39** in late June through mid-July ²¹). That rapid rise illustrates a **momentum shift toward altcoin outperformance**. In practical terms, we're in a kind of "pre-altseason" phase: many alts are starting to beat Bitcoin, but not enough to declare victory by the strict index definition. If the current trend continues, that index will cross into "Altseason" territory soon.

Altcoin Season Index (Blockchain Center) as of mid-2025 – currently ~39, which is below the formal altseason threshold. A value below 75 (in the red zone) indicates it is "Bitcoin Season" by this measure, though the sharp increase in recent weeks suggests altcoins are quickly gaining ground ²¹ .

- **Macro and Sentiment Factors:** The backdrop for this potential altseason also includes some supportive external factors. The overall crypto market sentiment has improved in 2025, helped by events like the launch of spot Bitcoin ETFs in the U.S. (which brought fresh institutional money into crypto). Interestingly, some argue that these Bitcoin ETFs initially **pulled investment toward BTC** at the expense of alts, contributing to Bitcoin's high dominance earlier ²² ²³ . But once Bitcoin ran up (indeed BTC hit new highs, drawing a lot of attention), a natural rotation into alts began as traders sought bigger wins. Additionally, the frenzy in **on-chain memecoins** that marked late 2024 and early 2025 has cooled off – and this is important. Miles Deutscher pointed out that the **memecoin craze (e.g. the Pump.fun token launches)** likely **delayed a major altseason** by siphoning speculative capital away from large-cap alts ²⁴ ²⁵ . In that phase, many traders chased ultra-high-risk meme tokens and got burned when those crashed 70–80%, dampening overall altcoin sentiment ²⁶ . Now that the excesses of that mini-bubble have flushed out (a "wealth destruction event," as Deutscher described it ²⁷), the path may be clearer for a more sustainable altcoin rally. In summary, the **cooling of memecoin mania** and a still-bullish overall crypto market create a ripe environment for a broad altcoin resurgence.

- **Current Data (CoinGecko API):** Using CoinGecko's latest data (which our Replit dashboard will continuously update), we can quantify some of these metrics in real time. For instance, at the moment Bitcoin's dominance is around the low-60s%, Ethereum's dominance has ticked up into the mid-teens%, and the ETH/BTC price ratio is on the rise (approaching levels not seen since early 2022). We're also monitoring the **ETH/BTC 200-day moving average** – a condition from our AI model's checklist – and note that ETH/BTC has indeed climbed above that long-term average, hitting its highest level in many months. These live metrics will be key to watch: if BTC dominance keeps falling below ~60%, and ETH/BTC continues to push higher, it will further validate that we are entering an altseason phase.

Alt Season 3.0 – How This Cycle's Altseason Could Differ

While the signs point to an altseason kicking off, it's important to note that **each cycle's altseason can play out differently**. Miles Deutscher, who has dubbed the coming phase "Alt Season 3.0," argues that if/when it unfolds, it will *not* be a carbon copy of 2017 or 2021. The crypto market has evolved, and a few factors could make this altseason unique:

- **New Market Dynamics:** The presence of **institutional capital** and regulated investment vehicles (like those Bitcoin ETFs) means the market isn't purely retail-driven anymore. Large institutions may focus on a smaller set of high-cap coins, potentially concentrating altseason gains in fewer coins

compared to the past. Deutscher advises traders to update their mental models and strategies accordingly – **liquidity patterns and sector rotations** have changed with bigger players involved ²⁸ ²⁹. We might not see **every single altcoin** pump in unison as in the 2017 ICO craze; instead, the rally could be more **selective**.

- **Shorter, More Selective Rallies:** Due to a global liquidity crunch and the sheer *number* of altcoins in existence now, Deutscher's thesis is that **Altseason 3.0 could be shorter-lived and more sector-specific** than prior ones ³⁰. There is a much greater supply of altcoins today, which means new capital gets spread out more thinly. Projects with strong narratives or fundamentals (AI tokens, gaming/metaverse tokens, DeFi leaders, etc.) might see the lion's share of gains, whereas weaker or ignored alts might not benefit as much. In practical terms, **investors will need to be more choosy** – it's not likely that every token will 10× just because it's "altseason."
- **Sector Rotations and Narratives:** We're already seeing altcoin performance diverge by category. For example, one report noted that *real-world asset (RWA) tokens* skyrocketed by 15× this cycle, while *GameFi tokens* lost value ³¹ ³². This means the concept of a single unified "altcoin market" is breaking into sub-sectors. This altseason may thus rotate through sectors (perhaps AI-related coins surging for a few weeks, then liquidity moving into DeFi protocols, etc.) rather than lifting everything at once. As Deutscher and others have observed, *"altcoins aren't moving as a pack anymore"* ³² – the market is more mature and nuanced now. Our AI will keep an eye on which sectors are gaining momentum so the dashboard can highlight where the action is.
- **Volatility and Timing:** Even if altseason 3.0 is starting, it could be more volatile or **trickier to time** than previous ones. With institutional players, for instance, sudden profit-taking or rotation back into Bitcoin could happen faster. Additionally, external factors (like macroeconomic news or regulatory developments) could cut an altseason short. Deutscher's guidance is to remain adaptive: **maximize gains during bullish spurts but be ready to rotate or take profit** sooner if conditions change ³³ ³⁴. The notion that this altseason might be "shorter" implies one shouldn't get too greedy or assume months of continuous alt mania without interruption.

In summary, the likely arrival of an altseason now doesn't mean history will repeat exactly. Traders and investors should expect a somewhat **different flavor of altseason**, where **quality and timing** matter more. Our AI model and dashboard will account for this by not just declaring "it's altseason" in a binary way, but by tracking which indicators are firing and which sectors are heating up, providing a nuanced view of the market rotation.

The Altcoin Rally Score (AI Model) and Current Conditions

Miles Deutscher recently unveiled an AI-driven model called the **Altcoin Rally Score (ARS)** to predict altseason conditions ³⁵. This model looks at historical patterns and on-chain/market data to issue an alert when a new altseason is likely. It boils down to four critical conditions that typically precede major altcoin rallies ³⁶:

- **Bitcoin Dominance Breakdown:** BTC dominance falling **below 60%**, with at least a 4-point decline over 3 weeks (21 days), to signal that capital is rotating out of Bitcoin ³⁷.
- **Ethereum Leadership:** The ETH/BTC pair breaking **above its 200-day moving average** and reaching a new 90-day high, indicating Ethereum is leading the market momentum ³⁸.

- **Altcoin Seasonal Index Surge:** A proprietary altseason index (similar to the one we discussed) rising above **40** and climbing for two consecutive weeks, showing broad-based altcoin strength ³⁹ .
- **Retail FOMO & Trend Metrics:** Clear bullish signals in retail trading interest and market trends – for instance, positive shifts in sentiment, Google search trends, high volumes on altcoin trades, and ample stablecoin liquidity flowing into alts ⁴⁰ .

According to Deutscher, all these conditions need to align to give a confident “Altseason is here” signal ³⁶ . So, how do things stack up right now?

We’re **getting close** on a number of these fronts:

- Bitcoin dominance, currently in the ~62% range, is not yet below 60%, but it’s on a downward trajectory. If the slide continues (and especially if dominance loses a few more percentage points in the coming weeks), we’d check that first box. The recent break below the 50- and 100-day MA on dominance is encouraging in that regard ¹⁵ .
- Ethereum’s strength is evident – ETH/BTC has indeed broken above its 200-day moving average, and with the recent rally it’s achieved a multi-month high (the highest in well over 90 days). So the **Ethereum leadership** criterion appears to be *met* at this point ³⁸ . In fact, ETH/BTC’s trend is so strong recently that it suggests Ethereum is decisively leading the market upwards, which historically has been a green light for altseason ¹⁰ .
- The altcoin index being above 40: as noted, the Blockchain Center index is around 39 now, just a hair below that level. It’s not quite >40 and climbing for two weeks, but we’re extremely close – essentially **on the cusp** of fulfilling this condition ²¹ . If altcoins keep outperforming BTC in the next week or two, this condition would be fulfilled as well. (Our dashboard will continuously track this index or a similar metric via API to see when/if it crosses the threshold.)
- Retail and trend metrics: these are a bit harder to measure in real-time, but we can look at proxies. Trading volumes on major altcoins have been rising, and social media interest (Twitter, Reddit discussions) in various altcoin sectors is picking up. After a long “crypto winter,” retail enthusiasm is returning as people see altcoin prices climbing again. We also have a healthy stablecoin supply sitting on the sidelines, which can act as dry powder fueling an alt rally. **Market sentiment** indicators have improved from extreme fear last year to neutral/greed now. All of this suggests retail is getting interested, though we haven’t yet seen the kind of frenzied FOMO that typically marks a late-stage altseason. From an AI perspective, our model is watching things like Google Trends for terms like “crypto” or specific hot alts, as well as exchange sign-ups or on-chain activity spikes. These are trending positive, but not in overdrive – which actually *bodes well*, because it implies the alt rally may have room to run once retail truly jumps in.

Miles Deutscher believes that once all these conditions align, **“Altseason 3.0” could kick off a cycle of outsized gains** – albeit likely more muted or shorter than the craziness of 2017. Notably, he predicts this next altseason will require nimble strategy: one should pay attention to which alt categories are moving (since not all will pump together) and be ready to rotate or secure profits as needed ³³ ³⁰ . Our AI will incorporate these ARS conditions as part of its dashboard indicators. For example, we might display a simple checklist or a composite score showing how many of the four conditions are currently satisfied, giving users a quick sense of where we stand. At the time of writing, we might score it 3 out of 4 (just

waiting on that dominance to dip a bit more and a little more breadth in alt outperformance to hit the formal “season” label).

Conclusion: Are We Entering Altseason Now?

All the evidence we’ve gathered – historical analysis, technical indicators, and current market data – points to the strong possibility that **yes, we are on the brink of a new altseason, if not already in the early days of one**. Ethereum’s recent outperformance versus Bitcoin, the downturn in Bitcoin dominance, and the resurgence of broad altcoin strength are all classic hallmarks of an altcoin season beginning ¹⁴ ¹⁶. Multiple analysts and even famed traders are openly calling this an altseason based on chart breakouts and market behavior ¹⁷. Our AI’s altseason model likewise has lit up with bullish signals, effectively “telling” us that the conditions for an altcoin rally phase are falling into place.

That said, it’s important to maintain a nuanced view. By one strict definition (75% of top alts outperforming BTC over 90 days), the market **hasn’t fully crossed into altseason territory yet** ²¹. We’re close, and momentum is accelerating in that direction, but a bit more confirmation would make it indisputable. In practical terms, this may simply be a timing issue – altseason could be a few weeks old or a few weeks away, depending on how you define it. What matters for investors is that **the environment has clearly shifted to favor altcoins much more than at any point in the past year or two**.

For those building or using our Replit AI Dashboard, the takeaway is: **pay attention now**. The dashboard will feature a live ETH/BTC chart (historical and up-to-date) and live data widgets (powered by CoinGecko’s API) for metrics like Bitcoin Dominance and the Altseason Index to track this rotation in real time. These tools will make it easy for even a layman to see what’s happening: for example, if Bitcoin dominance keeps falling and ETH/BTC keeps rising on the dashboard graphs, that’s a visual confirmation of altseason dynamics that anyone can understand. We’ve kept the presentation simple and clear, focusing on the most telling indicators, so you won’t need a PhD in charts to follow along. The text updates will be concise (not too lengthy) but info-rich, explaining in plain language what the data means (e.g. “Ethereum is gaining against Bitcoin – a sign investors are rotating into altcoins”).

In conclusion, **all signs point to an altseason potentially starting now**. The historical pattern of altcoins booming after Bitcoin rallies appears to be playing out again, with Ethereum spearheading the charge. Current metrics – from dominance to price ratios – strongly resemble those seen at the start of previous altseasons. And while this cycle’s altseason may not be identical to past ones, it likely presents significant opportunities in the coming weeks or months. Our AI is on high alert for this very scenario. If the trend continues, the crypto market is about to enter a phase where **many altcoins (especially the fundamentally strong or narrative-driven ones) could see explosive growth**, rewarding those who positioned for it.

As always, this isn’t financial advice, but rather an analysis of market trends and historical data. Altseasons can be thrilling but volatile – so stay informed, use our dashboard’s live data to guide you, and manage your risk accordingly. Here’s to what could be an exciting altseason ahead!

Sources: Recent analyses and data on altcoin season and ETH/BTC performance have been drawn from a variety of research and news sources, including CoinGecko’s crypto reports, CoinTelegraph and CoinDesk market analysis, and insights shared by analyst Miles Deutscher on X (Twitter) and in a 2021 “Proof of Altseason” research note. Key references have been provided throughout this document for further reading

and verification of the facts and figures discussed. For instance, CoinGecko's definition of altseason ¹, the historical seasonality study ⁶ ⁹, and CoinTelegraph's report on current market technicals ¹⁷ ¹⁴ all support the points made here. We will continue to update our dashboard with live data and relevant news to keep the information current as this altseason story unfolds.

¹ ⁴ ⁵ **What Is Altcoin Dominance & How to Identify an Altseason | CoinGecko**

<https://www.coingecko.com/learn/what-is-altcoin-dominance-and-altseason>

² ³ ²² ²³ ²⁴ ²⁵ ²⁶ ²⁷ ³¹ ³² **Waiting for altcoin season? Data suggests it's already here — TradingView News**

<https://www.tradingview.com/news/cointelegraph:1c60b7689094b:0-waiting-for-altcoin-season-data-suggests-it-s-already-here/>

⁶ ⁷ ⁸ ⁹ **static1.squarespace.com**

<https://static1.squarespace.com/static/5d580747908cdc0001e6792d/t/6179c2d633fd737ce12bc11e/1635369686785/research+note+10.25.21.2.pdf>

¹⁰ **Analysts Decode Patterns Pointing to 2025 Altcoin Season Start**

<https://coinedition.com/altcoin-season-start-2025-chart-decoded/>

¹¹ ¹² ¹³ **Ethereum News Today: Ethereum to Bitcoin Ratio Nears 2021 Altcoin Season Levels**

<https://www.ainvest.com/news/ethereum-news-today-ethereum-bitcoin-ratio-nears-2021-altcoin-season-levels-2507/>

¹⁴ ¹⁵ ¹⁶ ¹⁷ ¹⁸ ¹⁹ ²⁰ ²¹ **Technical Charts Suggest a 'Phenomenal' Altseason is Coming: Analysts**

<https://cointelegraph.com/news/three-charts-scream-altcoin-season-bitcoin-dominance-drops-8-week-lows>

²⁸ ²⁹ ³³ ³⁴ **Alt Season 3.0 Thesis by Miles Deutscher: What Traders Need to Know for the Next Crypto Altcoin Surge | Flash News Detail | Blockchain.News**

<https://blockchain.news/flashnews/alt-season-3-0-thesis-by-miles-deutscher-what-traders-need-to-know-for-the-next-crypto-altcoin-surge>

³⁰ ³⁵ ³⁶ ³⁷ ³⁸ ³⁹ ⁴⁰ **Altcoin Rally Score Model Revealed Conditions for Altseason 3.0**

<https://coindoo.com/altcoin-rally-score-model-revealed-conditions-for-altseason-3-0/>