MARKET INTELLIGENCE TRADING GUIDE

How to Use Market Conditions for Better Trading Outcomes

Data Period Analyzed: October 17 - November 13, 2025

Sample Size: 320,000+ tokens tracked

Asset Focus: Memecoins (with applications to spot and perpetual trading)

⚠️ CRITICAL DISCLAIMERS:

This guide is for educational purposes only and does not constitute financial advice. Trading cryptocurrencies, especially memecoins, carries extreme risk including total loss of capital. Past performance does not guarantee future results. Market conditions can change rapidly and historical patterns may not repeat. Always conduct your own research and never invest more than you can afford to lose. The authors and publishers of this guide are not responsible for any trading losses incurred from using this information.

NFA - Not Financial Advice. DYOR - Do Your Own Research.

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PART 1: BEGINNER GUIDE

Introduction to Market Intelligence

What is Market Intelligence?

Market Intelligence is using real, historical data to understand how different market conditions affect trading outcomes. Instead of guessing or using arbitrary indicators, we analyze thousands of actual trading results to identify patterns.

Why It Matters:

Traditional trading advice says "bull markets are best for making money." Our analysis of 320,000+ tokens reveals this is FALSE for memecoins. The data shows:

- **NEUTRAL markets:** 21.4% success rate (best)

- **BULL markets:** 15.7% success rate (worse than neutral!)

- **BEAR markets:** 13.7% success rate (worst)

Understanding WHY this happens and HOW to adjust your strategy accordingly is the foundation of intelligent trading.

What You'll Learn:

This guide teaches you to recognize market conditions, adjust your approach, and avoid common mistakes that destroy trading accounts. Whether you're trading memecoins, spot tokens, or using leverage, these principles apply.

SECTION 1: Understanding Market Conditions

What Are Market Conditions?

Market conditions describe the overall mood and direction of the market. Think of it like weather:

- **BULL** = Hot, everyone excited

- **NEUTRAL** = Comfortable, steady

- **BEAR** = Cold, everyone cautious

The Three Conditions Explained

🟢 BULL MARKET

What it looks like:

- Prices rising rapidly (5%+ in 24 hours)

- High trading volume

- Social media very active

- New traders entering

- FOMO (Fear of Missing Out) is strong

What happens:

- Tokens launch at HIGH prices already

- Everyone buying at the same time (peak prices)

- Less room for prices to grow

- Quick pumps but also quick dumps

- Success rate: 15.7% for 2x gains

Real Example: During October 17-25, 2025, the main crypto hit all-time highs. Everyone was excited. But memecoins launched during this time performed WORSE than normal because people were buying at inflated prices.

⚪ NEUTRAL MARKET

What it looks like:

- Prices stable or moving slowly

- Normal trading volume

- Balanced social media sentiment

- Organic, steady interest

- No extreme emotions

What happens:

- Tokens launch at REASONABLE prices

- Natural, organic growth patterns

- More room for prices to grow

- Sustainable pumps

- Success rate: 21.4% for 2x gains ⭐ **BEST CONDITIONS**

Real Example: During November 1-9, 2025, prices consolidated after a drop. No extreme excitement or panic. Tokens that launched during this period had the HIGHEST success rates because entries were fair and growth was organic.

🔴 BEAR MARKET

What it looks like:

- Prices falling (5%+ down in 24 hours)

- Lower trading volume

- Social media quiet or negative

- Traders leaving

- Fear and uncertainty

What happens:

- Very little liquidity (money to buy tokens)

- Instant selling pressure

- Quick "rugs" (developers selling out)

- Shortest pump durations

- Success rate: 13.7% for 2x gains

Real Example: During November 10-13, 2025, prices crashed 25%. Almost no tokens pumped because everyone was selling, not buying. Trading during this period had the worst outcomes.

Why NEUTRAL Beats BULL (The Surprising Truth)

Common Belief: "Bull markets are best for making money"

Reality: Bull markets create these problems:

1. **Late entries** - You're buying after prices already pumped

2. **FOMO buying** - Emotional decisions at peak prices

3. **Inflated launches** - Tokens start too expensive

4. **Peak competition** - Everyone fighting for the same trades

NEUTRAL markets avoid these problems:

1. **Fair entries** - Reasonable starting prices

2. **Rational decisions** - Less emotional pressure

3. **Natural launches** - Tokens start at normal prices

4. **Less competition** - Not everyone trading at once

The Lesson: The best time to make money is when conditions are GOOD but not EXTREME.

SECTION 2: Position Sizing for Beginners

What is Position Sizing?

Position sizing means deciding HOW MUCH money to risk on each trade. This is one of the most important skills in trading.

Bad Position Sizing = Blown Account
Good Position Sizing = Survive and Profit

Basic Position Sizing Rules

NEUTRAL Market (Best Conditions):

- Risk: 2-3% of your total trading capital per trade

- Example: $1,000 account = $20-30 per trade

- Reason: Historical data shows best outcomes, so slightly larger positions are acceptable

BULL Market (Worse Than Expected):

- Risk: 1-2% of your total trading capital per trade

- Example: $1,000 account = $10-20 per trade

- Reason: FOMO entries often fail, so reduce exposure

BEAR Market (Worst Conditions):

- Risk: 0.5-1% of your total trading capital per trade

- Example: $1,000 account = $5-10 per trade

- Reason: Fast rugs and low success rates demand minimal exposure

- Consider: Not trading at all

The Math Behind It

Let's say you have $1,000 to trade:

NEUTRAL Market:

- 10 trades at $25 each ($250 total risked)

- If 2 succeed (20% rate, close to historical 21.4%)

- 2 trades x 2x return = $100 profit

- 8 trades lost = -$200

- Net: Break even or small profit

- *Key: You survive and can keep trading*

BEAR Market:

- 10 trades at $25 each ($250 total risked)

- If 1 succeeds (10% rate, below historical 13.7%)

- 1 trade x 2x return = $50 profit

- 9 trades lost = -$225

- Net: -$175 loss (17.5% of account)

- *Key: You're hurting, might quit*

The Difference: Adjusting position size based on conditions protects you when outcomes are bad and lets you capitalize when outcomes are good.

Psychology of Position Sizing

Common Beginner Mistake: "I'll risk big to make back my losses faster"

Reality: This destroys accounts. When you're losing (usually in BEAR), you should risk LESS, not more. Revenge trading with big positions in bad conditions = account death.

Correct Mindset: "I'll risk small until conditions improve, then increase size"

SECTION 3: Entry & Exit Timing Basics

Understanding the Token Lifecycle

Every memecoin goes through stages:

1. **Launch** (0-5 minutes) - Token appears, early buyers enter

2. **Initial Pump** (5-30 minutes) - Price rises as people discover it

3. **Peak** (varies) - Highest price reached

4. **Dump/Rug** (varies) - Price crashes as sellers overwhelm buyers

Your Goal: Enter during Launch or early Initial Pump, exit before Peak turns to Dump.

Entry Timing by Market Condition

NEUTRAL Market (Best):

- *Entry Window:* 0-15 minutes after launch

- *Why:* Organic growth means you have time

- *Market Cap Range:* $10,000 - $30,000 entry sweet spot

- *Strategy:* Can be patient, wait for confirmation

- *Success Pattern:* Pumps last longer, more predictable

BULL Market (Tricky):

- *Entry Window:* 0-5 minutes after launch (faster required)

- *Why:* FOMO creates instant pumps but also instant dumps

- *Market Cap Range:* May launch above $50,000 (already expensive)

- *Strategy:* Must be very quick or skip entirely

- *Success Pattern:* Fast pumps, fast dumps, unpredictable

BEAR Market (Dangerous):

- *Entry Window:* 0-3 minutes after launch (or don't trade)

- *Why:* No liquidity means instant death

- *Market Cap Range:* Often never leaves $10,000-20,000

- *Strategy:* Avoid trading or extreme caution only

- *Success Pattern:* Rarely pumps, rugs very fast

Exit Timing by Market Condition

NEUTRAL Market:

- *Target:* 2x-3x gains

- *Time Horizon:* Can hold 30-90 minutes

- *Exit Strategy:*
  - 50% at 2x (secure initial investment back)

  - Hold 50% for 3x or stop loss at 1.5x

- *Why:* Historical data shows 21.4% hit 2x, 9.3% hit 3x

BULL Market:

- *Target:* 1.5x-2x gains (lower targets!)

- *Time Horizon:* 10-30 minutes max

- *Exit Strategy:*
  - 75% at 1.5x (take most off fast)

  - Hold 25% for 2x or stop loss at 1.2x

- *Why:* Fast dumps after quick pumps, don't be greedy

BEAR Market:

- *Target:* 1.2x-1.5x gains (even lower!)

- *Time Horizon:* 5-15 minutes max

- *Exit Strategy:*
  - 100% at 1.3x+ (exit completely and quickly)

- No holding, no "let it ride"

- *Why:* Rugs happen in minutes, not hours

The "Take Profits" Rule

Critical Concept: A 2x gain that you don't sell becomes a 0x loss when it rugs.

What this means:

- Token pumps to 2x your entry? SELL SOMETHING.

- Don't "hope" for 3x when you already have 2x

- Historical data: Only 9.3% reach 3x in NEUTRAL (best conditions)

- That means 90%+ of tokens NEVER hit 3x

- Secure profits, don't dream about them

SECTION 4: Risk Management Fundamentals

What is Risk Management?

Risk Management is protecting yourself from catastrophic losses. It's not about making money - it's about NOT LOSING IT ALL.

Reality Check: In trading, you WILL have losing trades. Many of them. Your job is to survive the losses to be around for the wins.

The Three Rules of Risk Management

Rule 1: Never Risk More Than You Can Afford to Lose

What this means:

- Only trade with "risk capital" - money you'd be okay losing completely

- Not rent money, not bill money, not savings for emergencies

- If losing this money would hurt your life, DON'T TRADE IT

Rule 2: Position Size Limits (Covered Earlier, But Critical)

Review:

- NEUTRAL: 2-3% per trade

- BULL: 1-2% per trade

- BEAR: 0.5-1% per trade (or zero)

Why it's critical:

- Losing 10 trades in a row at 1% each = -10% account (survivable)

- Losing 3 trades in a row at 10% each = -30% account (devastating)

Rule 3: Use Stop Losses (Mental or Automatic)

What is a stop loss:

- A predetermined price where you will exit to prevent further losses

How to use:

- Before entering: "If this goes down X%, I'm out"

- Stick to it, no exceptions

- Example: Enter at $10k market cap, stop loss at $7k (-30%)

Daily Loss Limits

Protect yourself from tilt (emotional trading):

Set a daily loss limit based on market conditions:

- **NEUTRAL:** Stop trading after losing 5% of account in one day

- **BULL:** Stop trading after losing 3% of account in one day

- **BEAR:** Stop trading after losing 2% of account in one day (or don't start)

Why this matters: When you're losing, you make worse decisions. Stopping prevents blow-ups.

Application to Other Trading Styles

Spot Trading (Buying and holding tokens):

- Same position sizing rules apply

- Longer time horizons don't eliminate risk

- NEUTRAL conditions still favor entries

Perpetual Trading (Leverage/Futures):

- Cut all position sizes in HALF due to leverage risk

- BEAR markets are especially deadly with leverage

- Many traders go to 0x position size (no trading) in BEAR

- Liquidation risk means even stricter discipline required

SECTION 5: When NOT to Trade

The Hardest Lesson: Doing Nothing

Key Insight: Not trading IS a position. Sometimes the best trade is no trade.

Clear "Don't Trade" Signals

1. BEAR Market Conditions

Clear signs:

- Prices down 5%+ in 24 hours

- Low trading volume across all tokens

- Social media sentiment very negative

- Your recent trades all failing

Action: Stop trading. Wait for conditions to improve.

Why: Historical data shows 13.7% success rate - that means 86%+ of trades lose. The odds are terrible.

2. Personal Emotional State

Don't trade when you're:

- Angry about a recent loss (revenge trading)

- Overly excited about a win (overconfidence)

- Tired, drunk, or distracted

- Feeling FOMO (Fear of Missing Out)

- On tilt (making emotional decisions)

Why: Your emotions override your system. Bad decisions follow.

3. After Hitting Daily Loss Limit

Already covered, but critical:

- If you've lost your daily limit, STOP

- No "one more trade to make it back"

- Come back tomorrow with a clear head

4. When You Don't Understand the Token

Warning signs:

- No idea what the token is about

- Unclear on why it's pumping

- Just following someone else's call

- Don't understand the risk level

Why: Blind trading is gambling, not strategy.

Recognizing Market Condition Changes

How to know when it's safe to start trading again:

Watch for these signs after a BEAR period:

- Prices stabilize (stop falling)

- Volume returns to normal

- Social media sentiment improves

- Your backtesting/monitoring shows improved outcomes

Be patient. Missing the first day of recovery is fine. Losing money in BEAR conditions is not.

SECTION 6: Psychology & Emotional Control

The Mental Game of Trading

Hard Truth: Most traders lose because of psychology, not strategy.

You can have the perfect system, but if you can't control your emotions, you'll lose money.

Common Psychological Traps

1. FOMO (Fear of Missing Out)

What it looks like:

- Token is pumping, you feel like you MUST get in

- "Everyone else is making money, I'm missing out!"

- Entering late, at peak prices

How to fight it:

- Remind yourself: Most pumps end in rugs

- Check the data: You're seeing the 10% that succeed, not the 90% that fail

- Stick to your entry rules (timing and market cap)

Reality check: In NEUTRAL markets (BEST conditions), 21.4% hit 2x. That means 78.6% DON'T. FOMO makes you chase the 78.6%.

2. Revenge Trading

What it looks like:

- Just lost money, want to make it back immediately

- Increasing position sizes to "recover faster"

- Trading more frequently, less carefully

How to fight it:

- Accept that losses are part of trading

- Stick to your daily loss limit

- Walk away when you're emotional

- Review: "Is this trade following my system, or am I just angry?"

3. Overconfidence After Wins

What it looks like:

- Hit a 3x gain, feeling like a genius

- Increasing risk because "I'm on a hot streak"

- Ignoring market conditions ("I can trade through BEAR, I'm good")

How to fight it:

- Remember: Your wins often include luck

- The market conditions contributed to your success

- Stick to your position sizing rules

- Success in NEUTRAL doesn't mean success in BEAR

4. Paralysis by Analysis

What it looks like:

- Watching tokens pump while you "gather more information"

- Missing entries because you can't decide

- Overthinking simple decisions

How to fight it:

- Have clear entry criteria (market condition + timing + market cap)

- If criteria met, enter. If not, skip.

- Accept you'll miss some winners (that's okay)

Building Good Trading Habits

Pre-Trade Checklist (Use Every Time):

1. What are current market conditions? (BULL/NEUTRAL/BEAR)

2. What is my position size for this condition?

3. Am I within my daily loss limit?

4. What is my entry price/market cap?

5. What is my exit target?

6. What is my stop loss?

7. Am I emotionally calm and focused?

If ANY answer is wrong, don't trade.

Keeping a Trading Journal

Why it helps: Track every trade with:

- Date and time

- Market condition

- Entry and exit prices

- Outcome (profit/loss)

- Emotional state during trade

- What went right/wrong

After 30 days, review:

- Which conditions were profitable for you?

- Which emotions led to losses?

- Where did you violate your system?

This data makes you better.

Quick Reference Guide (Beginner)

Market Condition Recognition

Condition	Price Action	Volume	Sentiment	Success Rate
🟢 BULL	+5% in 24h	High	Excited/FOMO	15.7% (2x)
⚪ NEUTRAL	Stable/-5 to +5%	Normal	Balanced	21.4% (2x) ⭐
🔴 BEAR	-5%+ in 24h	Low	Fear/Panic	13.7% (2x)

Position Sizing Quick Guide

Your Account Size	NEUTRAL (2.5%)	BULL (1.5%)	BEAR (0.75%)
$500	$12.50	$7.50	$3.75
$1,000	$25	$15	$7.50
$2,500	$62.50	$37.50	$18.75
$5,000	$125	$75	$37.50

Entry Timing Cheat Sheet

Condition	Entry Window	Market Cap Range	Strategy
NEUTRAL	0-15 min	$10k-$30k	Patient, wait for confirmation
BULL	0-5 min	Any (often high)	Very fast or skip

Condition	Entry Window	Market Cap Range	Strategy
BEAR	0-3 min	Low range	Avoid entirely

Exit Strategy Quick Guide

Condition	First Target	Time Limit	Exit Strategy
NEUTRAL	2x	30-90 min	50% at 2x, hold 50% for 3x
BULL	1.5x	10-30 min	75% at 1.5x, hold 25% for 2x
BEAR	1.3x	5-15 min	100% exit immediately

Daily Loss Limits

Condition	Stop Trading After Losing
NEUTRAL	5% of account
BULL	3% of account
BEAR	2% of account

When NOT to Trade

❌ BEAR market conditions

❌ Feeling emotional (angry, overly excited, tired)

❌ After hitting daily loss limit

❌ Don't understand the token

❌ Missed your entry window (late FOMO)

❌ Token already above your market cap range

PART 2: ADVANCED GUIDE

Introduction for Experienced Traders

Assumptions:

- You understand basic trading terminology

- You've traded memecoins for at least 3 months

- You have an existing trading system

- You're familiar with market dynamics

If you need term definitions, refer to the Anubis Memecoin Glossary.

What This Section Offers: A data-driven framework for integrating market condition intelligence into your existing edge. This isn't about replacing your system - it's about enhancing it with an additional layer of context that statistically improves outcomes.

The Core Insight: Market conditions aren't just "nice to know" - they're a quantifiable edge. Our analysis of 320,482 tokens shows market condition is as predictive as any technical indicator, yet most traders ignore it entirely.

Your Advantage: Understanding that NEUTRAL outperforms BULL by +36% on 2x rates gives you an edge that 99% of traders don't have. They trade the same way regardless of conditions. You won't.

SECTION 1: Market Condition Analysis & Application

Beyond Basic Recognition

You already know how to spot BULL/NEUTRAL/BEAR. Now we'll discuss how to use this knowledge tactically.

Condition-Based Edge Calculations

Your Personal Success Rate Matters:

Generic data shows:

- NEUTRAL: 21.4% hit 2x

- BULL: 15.7% hit 2x

- BEAR: 13.7% hit 2x

But YOUR results may vary. Track your personal win rates by condition over 100+ trades to find YOUR edge.

Example calculation: If your personal stats are:

- NEUTRAL: 25% hit 2x (better than average)

- BULL: 12% hit 2x (worse than average)

- BEAR: 8% hit 2x (worse than average)

Conclusion: You have a strong NEUTRAL edge, weak BULL/BEAR performance. Adjust accordingly.

Market Microstructure Considerations

NEUTRAL Market Characteristics:

- Order book depth: Moderate (enough liquidity for entries/exits)

- Slippage: Predictable

- Rug timing: Slower (30-90 minutes typical)

- Whale activity: Balanced (neither extreme accumulation nor distribution)

Application:

- Can use limit orders

- Scaling in/out is viable

- Multiple position sizes work

BULL Market Characteristics:

- Order book depth: High initially, then collapses suddenly

- Slippage: Extreme on both sides

- Rug timing: Fast (10-30 minutes typical)

- Whale activity: High distribution (selling into your buy)

Application:

- Market orders only (speed critical)

- All-in/all-out (no scaling)

- Single position sizing approach

BEAR Market Characteristics:

- Order book depth: Shallow (thin liquidity)

- Slippage: Severe

- Rug timing: Instant (5-15 minutes typical)

- Whale activity: Minimal (everyone exited)

Application:

- Avoid trading entirely

- If you must: Smallest possible positions, fastest possible exits

Cross-Market Correlation Strategies

How Main Market Affects Memecoins:

When main crypto markets (BTC, ETH, SOL) show certain patterns:

Main Market BULL → Memecoin conditions:

- Often creates memecoin BULL

- But leads to worse outcomes (FOMO entries)

- Your edge: Fade the excitement, reduce size

Main Market NEUTRAL → Memecoin conditions:

- Creates memecoin NEUTRAL

- Best outcomes historically

- Your edge: Increase size, longer holds

Main Market BEAR → Memecoin conditions:

- Creates memecoin BEAR

- Worst outcomes

- Your edge: Don't trade memecoins, or trade main markets with different strategies

Advanced Timing: Condition Transitions

The Golden Window:

The 4-12 hours AFTER a transition from BEAR→NEUTRAL or BEAR→BULL often provides the best entries:

Why:

- Fear still lingers (entries still reasonable)

- Liquidity returning (can execute properly)

- Momentum building (pumps more likely)

The Danger Zone:

The 4-12 hours AFTER a transition from NEUTRAL→BULL:

Why:

- FOMO peaking (worst entries)

- Late money entering (you're the exit liquidity)

- Peak unsustainability (crash coming)

Action: Reduce or stop trading during danger zones.

SECTION 2: Dynamic Position Sizing Strategies

Beyond Fixed Percentages

You know basic position sizing. Now we'll optimize it.

Kelly Criterion Adaptation

Standard Kelly Formula:

```
f = (bp - q) / b
where:
f = fraction of capital to bet
b = odds received (e.g., 2 for 2x gain)
p = probability of winning
q = probability of losing (1 - p)
```

Applied to Market Conditions:

NEUTRAL (p = 21.4%, b = 2):

```
f = (2 × 0.214 - 0.786) / 2
f = (0.428 - 0.786) / 2
f = -0.179 (negative Kelly means don't bet)
```

Wait, what? Even in the BEST conditions, pure Kelly says don't trade.

Why: Kelly is designed for positive expected value. Memecoins have negative EV overall.

The Adaptation: Fractional Kelly for entertainment/risk capital

Use 1/10th Kelly as maximum:

- NEUTRAL: -0.179 × 0.1 = 1.79% (round to 2%)

- BULL: Worse odds, use 1%

- BEAR: Much worse, use 0.5% or zero

This aligns with beginner guide but provides mathematical justification.

Volatility-Adjusted Sizing

ATR-Based Adjustments:

In highly volatile periods (even within a condition), reduce size further:

Formula:

$$\text{Adjusted Size} = \text{Base Size} \times (\text{Average Volatility} / \text{Current Volatility})$$

Example:

- Base size in NEUTRAL: 2%

- Average 24h volatility: 10%

- Current 24h volatility: 20% (double)

- Adjusted size: $2\% \times (10/20) = 1\%$

Why: Higher volatility = higher risk of stop-out before profit.

Sequential Sizing (Martingale Variants)

Traditional Martingale: Double bet after loss (DON'T DO THIS)

Anti-Martingale (Reverse Martingale):

- Increase size after WINS

- Decrease size after LOSSES

Application:

In NEUTRAL conditions:

- Start: 2% base

- After win: 2.5% next trade (increase 25%)

- After loss: 1.5% next trade (decrease 25%)

- Reset to base after 3 trades

Why it works:

- Capitalizes on hot streaks (real momentum)

- Reduces exposure during cold streaks (variance)

- Psychological benefit (winning begets winning)

Critical: Only use in NEUTRAL. In BULL/BEAR, stick to fixed sizing.

SECTION 3: Precision Entry & Exit Execution

Advanced Entry Techniques

Layer Entry Strategy (NEUTRAL only):

Instead of single entry, split into 3 tranches:

Example with $100 position:

1. **First tranche:** $30 at launch (0-2 minutes)

2. **Second tranche:** $40 at confirmation (3-5 minutes, if pump continues)

3. **Third tranche:** $30 at breakout (5-10 minutes, if momentum strong)

Why:

- Reduces impact of bad timing on single entry

- Allows adjustment based on price action

- Average entry price often better

Risk:

- May miss entire position if price runs immediately

- Only works in NEUTRAL (BULL/BEAR too fast)

Exit Optimization

Tiered Exit Framework:

NEUTRAL (2x/3x targets):

Result:

- Even if only 1.5x reached: $37.50 return on $100 (-62.5% loss, but less than -100%)

- If 2x reached: $87.50 return (-12.5% loss)

- If 2.5x reached: $150 return (+50% gain)

- If 3x+ reached: Potentially +100%+ gain

BULL (1.5x/2x targets):

```
Position: $100
├── 50% at 1.3x = $65 (fast profit taking)
├── 30% at 1.5x = $45 (secure more)
└── 20% at 2x or stop at 1.2x = varies (small runner)
```

BEAR (1.3x target):

```
Position: $100
└── 100% at 1.3x = $130 (all out immediately)
```

Stop Loss Placement

Volatility-Based Stops:

Formula:

```
Stop Distance = 2 × Average True Range (ATR)
```

In memecoins, ATR is often 20-30% in first 30 minutes.

Application:

- Entry at $10k MC

- ATR: 25%

- Stop: $2 \times 25\% = 50\%$ down

- Stop loss: $5k MC

Alternative: Time-Based Stops:

NEUTRAL: Exit if no profit after 30 minutes
BULL: Exit if no profit after 10 minutes
BEAR: Exit if no profit after 5 minutes

Why: If it hasn't pumped in these timeframes given the condition, it likely won't.

SECTION 4: Advanced Risk Management

Portfolio-Level Risk

You're not just managing single trades - you're managing a portfolio of positions.

Maximum Concurrent Exposure

Rules by Condition:

NEUTRAL:

- Max 3-5 positions open simultaneously

- Max 10% of account across all positions

- Example: $1,000 account = 5 positions × $20 each = $100 total exposure (10%)

BULL:

- Max 2 positions open simultaneously

- Max 5% of account across all positions

- Example: $1,000 account = 2 positions × $25 each = $50 total exposure (5%)

BEAR:

- Max 1 position at a time

- Max 2% of account

- Example: $1,000 account = 1 position × $20 = 2% exposure

Why: Correlated risk. Multiple positions in same condition often all fail together.

Drawdown Management

Define Max Drawdown:

Per Day:

- NEUTRAL: 5% max

- BULL: 3% max

- BEAR: 2% max

Per Week:

- NEUTRAL: 10% max

- BULL: 7% max

- BEAR: 5% max

Per Month:

- Any condition: 20% max

Action When Hit:

- Daily limit: Stop trading for the day

- Weekly limit: Stop trading for 3 days

- Monthly limit: Stop trading for 1 week, review entire system

Expected Value Calculations

Know Your EV:

$$EV = (Win\ Rate \times Avg\ Win) - (Loss\ Rate \times Avg\ Loss)$$

Example NEUTRAL:

- Win rate: 21.4%

- Avg win: +100% (2x)

- Loss rate: 78.6%

- Avg loss: -100% (total rug)

$$EV = (0.214 \times 1.0) - (0.786 \times 1.0)$$
$$EV = 0.214 - 0.786$$
$$EV = -0.572 \text{ (negative EV)}$$

Interpretation: Even in BEST conditions, memecoins are negative EV.

Why Trade Then?

1. Your personal win rate may be higher (skill edge)

2. Your avg win may be higher (better exits)

3. Your avg loss may be lower (better stops)

4. Entertainment/risk capital allocation

Action: Track YOUR personal EV. If it's positive, you have edge. If negative, adjust or quit.

SECTION 5: Market Selection & Opportunity Filtering

Filtering Framework

Not all tokens are created equal. Filter opportunities based on market conditions.

NEUTRAL Market Filtering

Acceptable:

- Any market cap $10k-$50k

- Any dev tier (if other factors good)

- Any meta category

Prefer:

- $15k-$30k market cap (sweet spot)

- First-time devs (clean slate)

- Trending meta categories

- Moderate volume (not too high, not too low)

Avoid:

- Copycats of recent rugs

- Serial rugger devs

- Extreme low liquidity (<$5k)

BULL Market Filtering

Acceptable:

- Only $10k-$25k market cap (avoid FOMO prices)

- Only proven dev tiers (reduce risk)

- Only top meta categories

Prefer:

- Extremely fast entries (<1 minute)

- Strong initial volume

- Clear narrative/trend following

Avoid:

- Anything above $30k MC (already too expensive)

- New devs (higher risk)

- Complex tokens (need quick decisions)

BEAR Market Filtering

Acceptable:

- Essentially nothing

If You Absolutely Must Trade:

- Only sub-$15k MC

- Only proven devs with recent success

- Only top meta category

- Only if you can enter in first 60 seconds

Strongly Recommend:

- Zero memecoin trades

- Wait for NEUTRAL return

Opportunity Cost Analysis

Question to ask: "Is this token better than waiting?"

NEUTRAL: Usually yes (good conditions, take shots)
BULL: Maybe (fast opportunity but risky)
BEAR: Almost never (better to wait)

Calculation:

$$\text{Expected Return This Trade} = \text{Position Size} \times \text{Win Rate} \times \text{Avg Win}$$

$$\text{vs}$$

$$\text{Expected Return Next NEUTRAL Period} = \text{Position Size} \times 21.4\% \times 2x$$

If current trade expected return is lower, skip and wait.

SECTION 6: Mindset, Discipline & Edge Maintenance

The Professional Trader Mindset

You're not gambling. You're running a business. The business is risk management.

System Discipline

Your System is Non-Negotiable:

1. Define your rules

2. Follow your rules

3. Track adherence

4. Adjust rules based on data only

When you violate your system:

- 90% of the time, it results in loss

- 10% of the time, it results in win

- 100% of the time, it degrades your edge

Why: Your system is built on aggregate data. Individual trades are noise. Trust the process.

Managing Tilt

You will experience tilt. How you handle it determines success.

Tilt Recognition:

- Increasing position sizes

- Taking lower-quality setups

- Trading outside your conditions

- Thinking "this time is different"

Tilt Response Protocol:

1. Close all positions

2. Stop trading immediately

3. Close trading interface

4. Do something else for minimum 2 hours

5. Review: "What triggered tilt?"

6. Resume only when calm

Edge Decay & Maintenance

Your edge erodes over time because:

1. Market conditions change

2. Strategies get crowded

3. You get complacent

4. Your psychology shifts

Maintenance Checklist (Monthly):

Review Performance:

- Win rates by condition (compare to baseline)

- Average wins/losses (are they changing?)

- System violations (am I following rules?)

- Emotional patterns (what triggers bad trades?)

Update System:

- If conditions changed materially, adjust rules

- If personal performance changed, adjust sizing

- If new patterns emerged, incorporate learnings

Continuous Learning:

- Review losing trades (what could I have seen?)

- Review winning trades (was it skill or luck?)

- Study current market dynamics

- Read about other traders' experiences

The Long Game

Reality: Most traders quit within 6 months.

Why You Won't:

- You use data, not emotion

- You adjust to conditions, not fight them

- You manage risk, not chase gains

- You track everything, not rely on memory

Your Goal: Survive long enough to compound small edges into substantial gains over years, not days.

Perspective:

- A 5% monthly return = 79% annually

- A 10% monthly return = 214% annually

- Consistency >> home runs

Quick Reference Guide (Advanced)

Market Condition EdgeMap

Condition	Sample Size	2x Rate	3x Rate	Avg Hold	Optimal Sizing	Priority
NEUTRAL	145,177	21.4%	9.3%	30-90m	2-3%	⭐⭐⭐

Condition	Sample Size	2x Rate	3x Rate	Avg Hold	Optimal Sizing	Priority
BULL	41,962	15.7%	6.9%	10-30m	1-2%	⭐
BEAR	133,193	13.7%	5.6%	5-15m	0-1%	🚫

Position Sizing Formula

Base Size (%) = Min(Account_Size × Risk_Tolerance, Condition_Max)

Where Condition_Max:
- NEUTRAL: 3%
- BULL: 2%
- BEAR: 1%

Adjust for volatility:
Adjusted = Base × (Avg_Vol / Current_Vol)

Execution Playbook

NEUTRAL Market:

Entry:
├── Tranche 1: 30% at 0-2 min
├── Tranche 2: 40% at 3-5 min (if confirming)
└── Tranche 3: 30% at 5-10 min (if momentum)

Exit:
├── 25% at 1.5x
├── 25% at 2x
├── 25% at 2.5x
└── 25% at 3x or stop 1.8x

BULL Market:

Entry:
└── 100% at 0-2 min or skip

Exit:
├── 50% at 1.3x
├── 30% at 1.5x
└── 20% at 2x or stop 1.2x

Entry:
└─ Don't

Exit:
└─ N/A (no position)

Risk Management Checklist

Pre-Trade:

☐ Current condition identified

☐ Position size calculated

☐ Under daily loss limit

☐ Under max concurrent exposure

☐ Stop loss defined

☐ Target exits defined

☐ Emotionally neutral

Post-Trade:

☐ Log entry price/time

☐ Log market condition

☐ Log emotional state

☐ Update concurrent exposure

☐ Update daily P&L

Daily Close:

☐ Review all trades

☐ Calculate daily P&L

☐ Check loss limit

☐ Emotional assessment

☐ Plan for tomorrow

Red Flag Checklist (Don't Trade If...)

❌ BEAR market conditions

❌ Hit daily loss limit

❌ Feeling emotional

❌ Don't understand the token

❌ Entry missed (price ran)

❌ Above max concurrent exposure

❌ Recent system violation

❌ Can't define stop loss

❌ Can't define target exit

❌ "This time is different" thought

Performance Benchmarks

Track these monthly:

Win Rate Targets:

- NEUTRAL: 25%+ (above historical 21.4%)

- BULL: 18%+ (above historical 15.7%)

- BEAR: Should not trade

R:R (Risk:Reward) Targets:

- NEUTRAL: 1:2 minimum (risk $1 to make $2)

- BULL: 1:1.5 minimum

- BEAR: N/A

Sharpe Ratio Target:

- Overall: 0.5+ (indicates positive risk-adjusted returns)

Max Drawdown:

- Month: <20%

- Quarter: <30%

Condition Transition Playbook

BEAR → NEUTRAL (Opportunity):

- Wait 4-12 hours after transition

- Start with 50% normal position sizes

- Gradually increase to full size over 3 days

- Watch for failed transition (back to BEAR)

NEUTRAL → BULL (Caution):

- Reduce position sizes by 25%

- Tighten stops

- Faster exits

- Increase selectivity

BULL → BEAR (Danger):

- Close all positions immediately

- Stop trading

- Wait minimum 24 hours

- Reassess before resuming

NEUTRAL → BEAR (Shutdown):

- Exit positions within hour

- Stop new entries

- Move to cash

- Wait for NEUTRAL return

Application to Other Markets

Spot Trading (Non-Memecoin Tokens)

How Conditions Apply:

NEUTRAL: Best for accumulation

- Dollar-cost average into positions

- Longer time horizons viable

- Less volatility risk

BULL: Risky for new positions

- Often buying near tops

- Consider taking profits on existing holdings

- Wait for pullbacks

BEAR: Opportunity if selective

- Quality tokens at discounts

- But requires patience (may go lower)

- Only with risk capital, not essential funds

Key Difference: Spot allows holding through conditions. Memecoins force quick exits.

Perpetual/Leverage Trading

How Conditions Apply:

Critical: Leverage amplifies everything. Cut all position sizes in HALF.

NEUTRAL:

- Most viable for leverage

- But still only 1-1.5% account risk with 2-3x leverage max

- Longer holds possible (hours, not days)

BULL:

- Very dangerous with leverage

- 0.5-1% account risk max

- Tight stops essential

- Volatility can liquidate even winning trades

BEAR:

- Extremely dangerous

- Strong recommendation: Zero leverage

- If must trade: 0.25% account risk, 1-2x leverage only

- Shorting can work but requires expertise

Key Difference: Liquidation risk means even "safe" conditions become dangerous with leverage.

Final Thoughts

Trading is a marathon, not a sprint.

The traders who succeed aren't the ones who make 10x in a week. They're the ones who make 2% weekly for years.

Use market condition intelligence as one tool in your arsenal:

- It provides context

- It adjusts your edge

- It keeps you out of bad situations

But it's not magic:

- You'll still have losing trades

- You'll still experience drawdowns

- You'll still need discipline

Your edge comes from:

1. Understanding conditions (now you do)

2. Adjusting to conditions (now you can)

3. Managing risk (always critical)

4. Maintaining discipline (hardest part)

Trade smart. Risk small. Survive long.

This guide is for educational purposes only and does not constitute financial advice. Always conduct your own research and never risk more than you can afford to lose.

NFA. DYOR.