

Is there a good time to buy?

There is no general rule when to buy cryptocurrencies. Usually it is not a good idea to buy in at the peak of a bubble, and usually, it is also not a good idea to buy it when it is crashing. Never catch a falling knife, as the trader's wisdom says. Best time might be when the price is stable at a relatively low level.

The art of trading is to decide when a crypto is in bubble mode and when it reached the bottom after falling. What is easy to say in retrospective is a hard question in the present, which can never be answered with absolute certainty. Sometimes a coin starts to raise, and after it passes a mark, where everybody thinks this must be the peak of a bubble, the real rally just begins.

There is only two advice about timing we can give. First, don't compare crypto bubbles with traditional financial bubbles. 10 percent up is not a bubble but can be daily volatility. 100 percent up can be a bubble, but often it is just the start of it. 1,000 percent might be a bubble usually, but there is no guarantee that it pops.

Second, take some time to watch. Don't buy in, because there was a dip. There might be another. And don't buy in, because you fear that it will explode tomorrow. Watch it, get yourself informed, buy it, when you think the timing is good. And, maybe most important: don't be a weak hand. Don't sell too early. Hold. The monetary revolution has just started.

Whether due to historical precedent, a monopoly on investment, or simply an easily swayed investor pool, it seems pretty likely that this recent rise of cryptocurrencies will lead to some sort of drop. However, that doesn't mean cryptocurrencies don't have the potential to be a major player, if not the only player, in the future of finance.

