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Community of Cryptocurrency Traders,
Educators, & Believers

WHALE GUIDE to the G20 MANIPULATION

18 - 20 March 2018

Special update with education, speculation, evaluation, and preparation.

Education : how emotion and news are used as trading tools against us

Speculation : how the G20 fiasco might play out & how the markets react

Evaluation : what position are we in & what are the options moving forward

Preparation : understand the situation, plan out each scenario & anticipate curve balls

EDUCATION

The News Is A Tool

What are we seeing? Indecision in the market short term. Waiting game.

Speculation about an event (G20) that really won't make a difference.

In time we will all find it easier to accept that the news is a tool used by the big money moving the price, to:

- 1) move the price where they want it and
- 2) keep the public content while they do it

Why Is This Happening To Me?!

By giving you/me/us a reason for the price action that we see on the charts, the news pacifies us. The proverbial chill pill. We think we know the reason so we are better able to accept the situation and move forward - human nature.

We have all at some point heard someone desperately repeating

"Why oh why is this happening to me?!"

Did breaking the bad news make it go away?

Nope. But it facilitates one of the important steps to moving forward - **acceptance**.



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EDUCATION (cont.)

Interview Re-Tweeted Around The World

Any rulings or effects from the G20 summit will take months to go into play. Then does it matter? Sadly yes. The 13 second audio snippet or interview from one 77 year old regulator who doesn't know how to set the alarm on his cell phone will mutter something that will echo over Twitter for weeks. But will it still matter? Bear market, bad news hits hard. Bull market, great news hits hard. But overall the market has its pressures and we tend to find the news that gives us comfort and understanding.

You And Me Baby Ain't Nothing Like Whales

Right now here's the 2 stories playing out between the rich and not so rich.

The public:

- FUD-ed to the brim
- Bleeding bags of altcoins
- Basically out of more fiat to spend
- Screwed on paying bills
- Need money very soon
- Cursing they didn't cash out at 19k
- Praying for an out
- Brainwashed that G20 on 3/20 is that out

SUMMARY - Emotional



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EDUCATION (cont.)

The whales:

- Cashed out at 15-19k
- Sitting calm, collected, stress-free
- Plenty of disposable income available
- Happy to sit on an investment for months/years
- Calculating their next move - aka how to best take our money
- Waiting for our emotions to become their assets

SUMMARY: Logical



SPECULATION

What Would A Whale Do?

Alright, I've got 17,000BTC, overnight whale. Let's see if I can make that 27,000BTC by Tuesday. How do we do it? How do I use your emotions, bleeding portfolio, and tight financial situation to make you do what I want you to?

1) As a whale, what do I want?

- Buy Bitcoin cheap
- Make Bitcoin soar
- Dump on the small investor
- Repeat



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SPECULATION (cont.)

Extra considerations as a whale:

Preference (for short-term profits) : **Bitcoin**

Preference (for long-term profits) : **Bitcoin & some Altcoins**

- For short-term, some altcoin play may happen too, but you can't buy & dump \$2 million into ONT like you can BTC you get stuck holding
- For long-term, altcoin play does happen, but if whales have significant funds they are buying discount ICO and pre-ICO prices - they are not waiting for a bottom/dip like we are
- Long-term for altcoins they may support coins they already own during a BTC bull run, but focus is likely more geared towards BTC

Rigging the Chess Board

2) As a whale, how might I set this all up?

- Emotions : I introduce mass fear, uncertainty, despair in the short-term & long-term
- Short-term play (and fast acting) :
 - first** : drop your BTC price with no warning or reason (you panic)
 - second** : provide news for your dropping BTC price (you calm down)
- Long-term play (slowly bleed you) :
 - slowly drop the BTC price lower and lower
 - slowly bleed your altcoin portfolio lower and lower
 - make you watch that red portfolio everyday (depress you)
- Now I give you hope with a date, an event - **Yes! G20 3/20 Will Be AMAZING!**
- Continue to provide you with uncertainty -
 - thus letting me drop BTC to 10k, 9k, 8k, & 7k
- Force you to believe & accept that 6-7k is going to happen as I bleed you more
- Ride down to 6-7k happens with little resistance
 - as you've already come to terms with it



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SPECULATION (cont.)

Let The Games Begin

3) Game time - Want to bet I can screw you even more?

- 3/20/18 hits, deafening silence, BTC sitting comfortably at 6-7k
- Anxious at the start of the fight, your finger on the trigger, the bold already buying in early
- Left jab - I throw you a giant green candle: BAM...you FOMO
- Right jab - I throw you a giant red candle: NO...you freeze
- Left jab - I throw you a second giant red candle: NO....not again
- I step-back to bring the pain & give you sideways motion for 2hrs
- Torture in your eyes, as you scour the news for answersheart beating frantically
- Right hook - giant red candle: The Triple FFF (FUCK! FULL FUD!)
- Left hook - giant red candle: They were right about \$2,000!panic sell!
- I call my buddy and tell him "told you I could get BTC for 5k again, ready for the finishing move?"
- Right uppercut! Green candle.
- Left hook! Green candle.
- Right hook! Sexy G20 news.
- Greeeeeeeeeeeeeeen.

Moral of the Story:

They toyed with your emotions left and right, using price drops, news and all else that was available to control you. Emotions cloud your judgement and freeze your ability to trade successfully.

They used news and events to convince you to accept certain prices, to incorrectly anticipate certain price changes, to poorly plan, and to poorly predict future events.



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SPECULATION (cont.)

Possible G20 Outcomes

Now from this bit of G20 news there are a number of routes we can go. If we understand the basics however we will have at least some direction. What we can't plan for is exact timing, duration, and rate of change. Remember our whales from above, they want cheap BTC now which they want to sell for much more, so they can do it again later. (You don't think we're hitting 30k, 40k, 50k and then right to 100k do you? Bitcoin will die 17 more times and hit 20k, 10k, 5k again so they can shake you for even more money once you've grown that portfolio! But this, we can come back to another time.) So, after we hit the peak of the G20 scenario and they already bought their cheap Bitcoin, now they can take things any way they want. We may see things play out as we're guessing in the whale scenario above or take a completely different route altogether.

So post-G20 there are 3 options now, they:

- 1) start pumping Bitcoin's price (to start building profits)
- 2) sink Bitcoin down further (to continue accumulating cheaper)
- 3) wait wait wait and we have range-bound Bitcoin
(why? no idea at this point but its a possibility)



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EVALUATION

What's The Story Morning Glory?

Before we move forward we need to assess the position we are in and the options before us. Above we detail (speculate on) potential outcomes of the G20 fiasco, or said more truthfully "how the G20 summit news has been and will be used to manipulate Bitcoin prices." The other large component of this evaluation is our portfolio: BTC holdings, Altcoin holdings, extra Fiat stashed away & credit card bills we're avoiding. We take those bits and pieces, try to predict the future, and then pick the future that leaves each one of us walking away with the biggest gains. Sounds simple enough.

Ok so our 2 part evaluation process looks like this:

- 1) consider where we stand financially & with our portfolios
- 2) consider the potential outcomes given the probably Bitcoin trend for this week

Part One - The Really Red Sea of Bleeding Altcoins

Do try to imagine how many of your fellow traders will embarrassingly admit to being stuck in this situation. Despite promising ourselves we wouldn't be over-extended in the Altcoins after what happened from September to December in 2017, unfortunately we're pretty sure way too many of us are exactly at this point.

The unsung montra of the 2017/2018 Bitcoin Bull Run sadly went something like this "so many choices, so many Altcoins, not enough Bitcoin!" But ok, we've admitted it, there were lots of exciting new coins and everything flying up 300% so we just had to sample everything. But now let's think how to rescue the situation.

Lucky for us it's an easy answer for the time being - for the moment it isn't about the exact coins, it's about the general market trend. Since many of these altcoins are bleeding heavily getting rid of them might only mean locking in significant losses. Once things move upward it'll be easier to select the individual coins to keep, and depending on our individual investment strategies we can assess the options later.

So to move forward from here, calculate your:

- overall altcoin holdings
- total Bitcoin holdings
- extra Fiat holdings



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EVALUATION (cont.)

Part Two - If Bitcoin Goes Up/Down, Altcoins Go Left/Right

Depending on if Bitcoin pumps, dumps, or stays range-bound we need to have an understanding of how that affects our portfolio as well as possible future purchases. Essentially we need to examine the relationship that Bitcoin has with the Altcoins.

Things seems to follow one trend back in the early years of crypto, but recently since the addition of newer more eager investors the rules have changed.

Question is who stuck around through this whole slump and who is going to be putting money back in once things turn around - the answer to that will give an idea of which trend we follow.

2016/17 - Bitcoin/Altcoin Correlation: Meh

In the days of the past, take 2016 and much of 2017 as an example, when BTC pumped the Altcoins dumped. Why? Everyone wanted to be on the moving rocketship to the moon. If it sounds like the behavior of a 4 year old you're probably right. The only toy a 4 year old wants to play with is of course the one everyone else is suddenly interested in. So it went like this, there was only \$100 in ALLLLL of cryptoworld, then they spent it. We bought Bitcoins and Altcoins, so many coins oh my. Then Bitcoin had amazing news, you knew it would go up so you sold your Altcoins to buy Bitcoin. Sure enough, BTC up 10%, Altcoins down 10%. A week later, "Country #72 Plans on Banning Bitcoin" news comes out, you knew BTC would go down so you sold it and bought Altcoins. BTC down 10%, Altcoins up 10%.

Then the game changed, someone said,
Hey kid, here's another crisp \$100, go crazy on those tooth fairy coins!
Holy smokes! You mean now I can buy both toys?
Yeah, but don't shoot your eye out kid.
Enter late 2017 and early 2018.



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EVALUATION (cont.)

2017/18 - Bitcoin/Altcoin Correlation: Woah

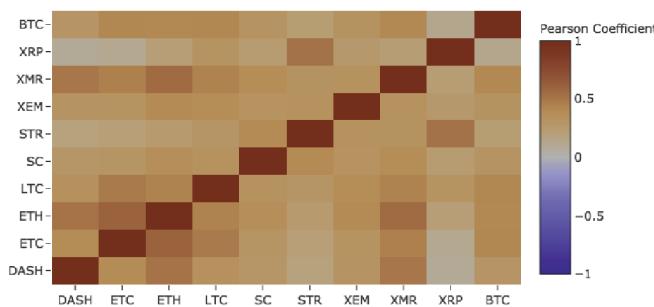
Recent data has been pointing to the increasingly closer tie between the trends of Bitcoin and the Altcoins. Meaning, they go up together and down together! Recent data regarding the value of the total market cap for all of cryptocurrency points to a massive increase since late 2017. Riveting discovery here, you give me quadruple the money and there's surprise that I can now buy all of everything instead of picking just one toy.

But wait there's more, it's been studied!

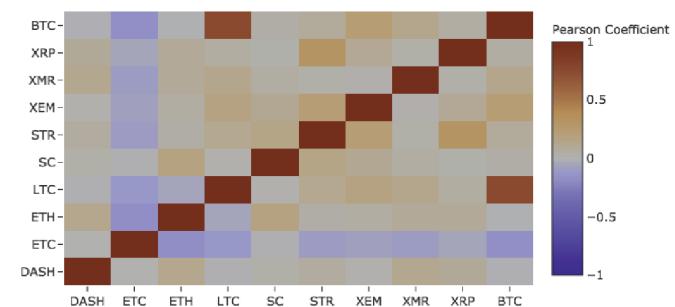
"Altcoin prices are also increasingly correlated with Bitcoin prices. This is shown in the two figures below, where reds indicate a positive correlation and blues indicate an inverse correlation. The top figure shows the correlation in prices across cryptos in 2016, and on the bottom in 2017, demonstrating the increasing positive correlation. As a consequence of greater coin correlation, the Bitcoin price decline rippled across all cryptocurrencies. Bitcoin was the leading indicator and declined first after 17 December, with the rest of the cryptocurrencies beginning to fall on 20 December."

(<https://medium.com/chainalysis/the-great-bitcoin-price-dip-its-causes-and-a-way-forward-1199e9360adf>)

Cryptocurrency Correlations in 2017



Cryptocurrency Correlations in 2016





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PREPARATION

Size Up the Competition & Predict Each Play

We now have a better understanding of what we are up against.

We know what the big whale money wants - more money. Meaning they want cheap Bitcoin now, then expensive Bitcoin later. We know they will use anything available to them to get their desired prices: #fakenews #fomo #fud and we fall right for the traps. We now hopefully understand the price relationship of Bitcoin:Altcoins and don't want to be reminded of all the red numbers in our portfolio balances.

Understand the situation : **Check**

Plan for each scenario & anticipate curve balls:

We need to consider what happens if Bitcoin pumps, dumps, or stays range-bound. And then consider what to do if this happens fast, slow, all at once, or not at all. And the implications for our Bitcoin, Altcoins, and Fiat.

Implications on Altcoin Prices Pending Bitcoin Movement:

- Rapid upswing for BTC = Altcoins tank
- Heavy downswing for BTC = Altcoins tank
- Gradual & slow BTC uptrend = Altcoins gain, lagging behind BTC
- Range-bound BTC motion = Altcoins gain & eyes on next BTC move
- Positive Alt news/releases/events = Altcoin is immune to most downward pressures

Portfolio & Fund MGMT:

As stated earlier, for the most part we won't be selling many of our Altcoin holdings given how far down some may be at this point. If the Altcoins we are holding have solid company profiles, we believe in their growth, and we believe that given enough time they will return to previous values, then all other issues aside we can continue to hold.

(cont.)



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PREPARATION (cont.)

We can dig up a table for you later that demonstrates the required returns needed to make up for losses. As a quick example, imagine you buy LTC at \$200 and it goes down to \$100 - this means you're at a 50% loss. If you exit LTC and decide you'll find another way to get that back, you now need to earn \$100. Simple? Try daunting. It's still only \$100 to you, but to the rest of the market you're still gunning for 200% returns. If we keep jumping around like this from coin to coin and all we do is lock in the losses each time but fail to make up with higher profits we're in dangerous territory.

It's much harder to make those gains back if we sell and try to start from scratch. For now we plan to let the market cycle and return back to baseline so these coins can recover. Once we reach that point, we can then decide to unload poor performers for more likely super performers.

And yes there will clearly be various outperformers and others that will be duds and barely move. No one is saying hold onto everything including the dead & decaying for dear life, but let's keep this simple for the moment as there is already plenty to consider. Later on when we have less to focus on we shall weed out what needs to be removed.





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Pre G20 Showdown - What We're Doing With:

1) Negative altcoin positions:

- The large negatives are already there and have been for some time
- We won't be selling just yet otherwise we lock in losses without viable alternative options aka disaster
- Our move: wait and watch

2) Profitable altcoins or ones with negligible losses:

- Less risk involved by sitting in Bitcoin until a trend is established for the week
- Why risk losses that compound each other - you risk losing BTC which may then also be worth less USD
- Our move: decrease profitable altcoins into BTC

3) Bitcoin positions:

- Eventually some of our excess Bitcoin will go towards dollar cost averaging & buying Altcoins on dips
- For now, not yet, not until we know where the trends decides to go or how long they will dip
- Bitcoin is downtrending, technical analysis uncertain but looking gloomy, and fundamentals causing FUD
- We will act conservatively and decrease BTC position by 1/3 into Fiat
- We will use that Fiat for laddered buy orders on BTC in the 5-6k range
- Our move: hold extra BTC, decrease position to Fiat by 1/3

4) Excess Fiat:

- No obvious buy signals for now - still FUD, incoming G20 news, low volume, and a downtrend in the air
- In anticipation of further BTC & Altcoin dips we wait to buy in presently
- We will set laddered buy orders for BTC tentatively placed in the 5-6k range
- Our move: wait to buy, set laddered buy orders



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ACTION IN REACTION: (partial & to be continued...)

Post G20 (Pretend) Apocalypse:

We've now assessed and prepared ourselves mentally for what may come upon us in these next few days. Will we see \$5,000 this week? Will we see \$15,000 this month or the next?

For now those both are serious considerations and in the realm of possibility. As the next few days bring us closer we will assess the situation the continues to evolve before us and we will continue to update on our plan of action.

We leave you with a few thoughts to ponder upon:

- Once Bitcoin closes the door on the G20 events on 3/20 we shall better understand 2 points: the direction and speed at which BTC decides to run
- Two questions will consume our minds at that point: when do we BTTFD for Bitcoin and when for the Altcoins?
- On Buying Bitcoin - good G20 news (aka public reaction to interviews) means this may finally be a possible trend-reversal for BTC and we may start spreading buy orders
- On Buying Altcoins - we will watch for BTC direction & rate of growth - timing will be critical, but given recent BTC/Altcoin trend correlations, most likely we may start buying the Altcoin dips
- On Current Altcoins - we will keep holding & observing - soon we start selecting winners to keep & losers to drop based on price, trend and movement



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End Statement