

## 132\_Phases of a market cycle

How does the crypto market work (according to DowTheory)

If you are wondering how the crypto market works, you will get many answers. The so-called Dow theory, which divides the crypto market into 3 phases, offers an explanation. We would like to present them now

(only for video graphics - not as voiceover @Lorenz: Please insert the graphic here)

### 1. Accumulation phase.

During bear markets here, experienced traders and investors position themselves and get ready to buy. Price movements are slow and without large swings in one direction or the other

### 2. Mark-up phase (participation phase)

More and more people are joining the trend and buying, driving up the price. The longer the trend lasts, the more investors get in.

### 3. Distribution phase

Warning: origin and the initial phase in a downtrend. This is the most dangerous phase. Uninformed traders still believe in further price increases - mistake. This phase is difficult for beginners to recognize. Prices need to be looked at carefully.

