**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.

