"The market is a pendulum that forever swings between unsustainable optimism and unjustified pessimism." — Benjamin Graham

Are We in a Bull or Bear Market? How to Read the Signs of Crypto’s Four-Year Cycles

Crypto markets can feel chaotic. Prices swing wildly, news headlines shift daily, and it’s easy to get lost in short-term noise. But step back, and you’ll notice a repeating rhythm: crypto often moves in clear bull and bear cycles, roughly aligned with Bitcoin’s four-year halving schedule.

Understanding these cycles can help investors avoid panic, manage risk, and spot opportunities before the crowd. Here’s a clear guide to how these cycles work, what signs to look for, and how to position your portfolio.

The Basics of Bull and Bear Markets

• A bull market is a period of rising prices, strong momentum, and investor optimism. In crypto, bull runs often bring explosive growth, new projects, and media hype.

• A bear market is the opposite: falling prices, fear, and reduced trading activity. These periods can be painful, but they also reset the market, clearing weak projects and creating long-term opportunities.

Unlike traditional markets, crypto cycles are shorter and sharper. The reason lies in Bitcoin’s halving event, which reduces block rewards every four years, cutting new supply and historically triggering price rallies.

The Four-Year Bitcoin Cycle

Most analysts agree that Bitcoin’s halving is the heartbeat of the crypto market. The cycle looks roughly like this:

• Post-Halving Bull Phase (Year 1–2)

• Supply shock after the halving (fewer new Bitcoins mined).

• Demand increases as awareness and adoption grow.

• Prices break previous all-time highs.

• Blow-Off Top (Year 2–3)

• Speculation peaks, retail investors flood in.

• Media hype fuels unsustainable price rises.

• Market often overshoots, leading to corrections.

• Bear Market (Year 3–4)

• Prices crash 70–90% from the peak.

• Weak projects collapse, scams are exposed.

• Investors lose interest, trading volume declines.

• Accumulation Phase (Pre-Halving, Year 4)

• Smart money and institutions quietly accumulate at low prices.

• Volatility decreases, markets stabilize.

• The cycle prepares for the next halving.

While timing isn’t exact, this pattern has repeated since Bitcoin’s creation. For example:

• 2012 halving → bull run in 2013 → crash in 2014 → accumulation in 2015.

• 2016 halving → bull run in 2017 → crash in 2018 → accumulation in 2019.

• 2020 halving → bull run in 2021 → crash in 2022 → accumulation in 2023.

Key Signs of a Bull Market

How do you know if we’re in a bull? Look for these indicators:

• Price action: Bitcoin and Ethereum consistently setting higher highs and higher lows.

• Volume growth: Trading activity expands across exchanges.

• Retail inflows: More new wallet addresses, app downloads, and search trends.

• Media coverage: Crypto dominates headlines, celebrities talk about tokens, and mainstream FOMO (fear of missing out) appears.

• Innovation boom: New narratives emerge (NFTs, DeFi, AI tokens, real-world asset tokenization).

In bull markets, optimism grows rapidly, often leading to overvaluation.

Key Signs of a Bear Market

On the flip side, a bear market reveals itself through:

• Sharp corrections: Coins dropping 70% or more from their peaks.

• Declining activity: Fewer new wallets, lower volumes, less social media chatter.

• Investor sentiment: Fear, despair, and apathy dominate. People lose interest.

• Project failures: Weak tokens die off, exchanges face liquidity issues, scandals are exposed.

• Focus on building: Developers and serious investors keep working, laying foundations for the next cycle.

While painful, bear markets are when long-term investors quietly accumulate.

Why These Cycles Repeat

Crypto cycles are not just random. They repeat because of three drivers:

• Bitcoin’s fixed supply: Halvings cut new issuance, creating scarcity.

• Human psychology: Greed and fear amplify price movements, leading to bubbles and crashes.

• Liquidity cycles: Global macro factors, like low interest rates, increase risk appetite. Tightening drains liquidity and deepens bear markets.

Practical Steps for Investors

Rather than guessing whether it’s a bull or bear market, smart investors follow simple principles:

• Dollar-Cost Averaging (DCA): Invest fixed amounts at regular intervals, avoiding the need to time tops and bottoms.

• Diversification: Spread across multiple assets, not just Bitcoin or altcoins. Include stablecoins or yield strategies.

• Risk management: Use stop-losses, hedging with futures or options, or keep a cash reserve.

• Cycle awareness: Recognize when prices look overheated (bull mania) or depressed (bear despair).

• Long-term mindset: Treat crypto like a marathon. Survive bear markets to thrive in bull markets.

How Moolah Capital Uses Cycle Insights

At Moolah Capital, we structure funds with cycle-awareness built in.

• Moolah Capital Market Index Fund provides broad exposure during accumulation and bull phases, mirroring the overall crypto market.

• AlphaGlobal Momentum Fund thrives in bull markets, riding strong upward trends.

• Yield and DeFi Leaders Funds generate steady returns even in sideways or bear markets.

• GenAI Funds adapt dynamically, using AI models to reallocate across phases based on sentiment and on-chain flows.

• Special Situations Fund captures event-driven opportunities like token unlocks or governance shifts, often independent of the broader cycle.

By combining these strategies, we aim to smooth returns and reduce volatility across the unpredictable swings of crypto cycles.

Final Thoughts

Crypto’s volatility can be intimidating, but the market isn’t random. Its rhythm follows a four-year cycle anchored by Bitcoin’s halving and amplified by human psychology and liquidity conditions.

Bull markets reward boldness but tempt investors into overconfidence. Bear markets test patience but reward discipline. The investors who do best aren’t those who chase tops and panic at bottoms, but those who understand cycles, diversify wisely, and stay consistent.

Whether you’re a long-term holder or an active trader, keeping an eye on where we are in the cycle can give you an edge. Remember: cycles don’t repeat perfectly, but they do rhyme. Learning to read the signs will help you navigate crypto’s ups and downs with greater confidence.

"In the short run, the market is a voting machine but in the long run, it is a weighing machine." — Benjamin Graham