Once Upon A Bull

What I wish I knew before joining this space 9 months ago

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I joined this space 9 months ago, and it has been nothing short of amazing. However, like everyone, I’ve made my fair share of mistakes, and some of it has cost me 6 figures worth of monetary value. Here are the lessons I’ve learnt, and if you’re new to this space I hope you can learn from my mistakes. Alongside it are also things I believe I executed well which I’m grateful for.

1. Ladder In, Ladder Out

Selling is harder than buying for me. I find it difficult to let go of coins at their peak, which has caused me to roundtrip my most profitable coins. I’ve since learned to develop a system of laddering out - taking 10% of profits at certain price points.

2. Understanding Timeframes

Crypto is a reflexive space, driven by catalysts and raw emotion. It’s important to understand key events that you believe will drive prices up, and your timeframe for holding the bag.

Don’t be a conviction bag holder - once the first pump has subsided, you may have to wait weeks / months for the next. The opportunity cost of this can be extremely painful as you’re forced to watch the token crash -50% while other people who sold the top rotate their profits to other projects.

3. Alts are higher beta BTC/ETH

This one’s simple - no matter what anyone says, your alt won’t solve global hunger, nor will it be the L1 to end all L1s. All alts come crashing down during the winter (as we’re seeing right now). So no matter how good of a marketing stunt they pull, always remember that they’ll be worthless in the long run.

Dump it.

4. Sizing your bets

Sizing is something most beginners don’t do - they tend to go all in on one coin and when it doesn’t work out they’re forced to leave.

It’s important to size your portfolio early on ; there are many templates on this online, but it normally looks something like this:

4 figs: NFTs / shitcoins (I prefer NFTs because it’s easier)

Mid 5 figs - Low 6 figs: 20% Stables, 20% ETH, 20% Bluechips, 40% Degen Fund

So on and so forth. Obviously this should be tailored to market conditions (for example, I’m now 70% stabled). The key idea is to size your bets so that when one goes south, you’re not forced to retire and can live on to fight another day.

A rule that I’ve since learnt to follow is that I’ll put in 5% of my portfolio for risky bets, and 15%

for higher conviction ones.

5. Always prepare for winter

The best time to stock up for a bear market is during the bull run. NEVER get complacent, and always take profits.

Likewise, the best way to prep for a bull run is in the midst of bear.

6. Learn to do the opposite of human emotion

As humans we're wired to extrapolate - and that's why we always buy at the top, because when something has the trend of going up we think it's going to go up further.

A good emotional tip I use to keep in check is to examine what I feel, break down why I feel that way, and if I feel it's irrational, I'll remember these words and force myself to feel the exact opposite.

It's worked for me, maybe it'll work for you.

And now for the part where I pat myself on the back - these are the skills that got me to where I am today (not being kicked out of the game).

1. Prioritise your survival

I'm pretty good at cutting losses - I've endured -50% drawdowns but forced myself to cut my positions, which was good because the token went another -50% the following week.

Many people have issues with taking profits on their most profitable positions and with cutting losses of their losing ones. Learn to fix it - having some money is better than no money at all.

> Survive, and live to fight another day.
>
> The most important rule in crypto is: Don't. leave.

2. Research, analyze and calculate

I was pretty good at researching and building my conviction on certain projects, and examining the Risk/Reward ratio for them, alongside other factors like their tokenomics and vesting schedules. When I found a good project with a high reward to low risk ratio, I was able to buy in with conviction.

Conviction is important because it enables you to weather the storm before the pump - e.g Jewel from $2 to $20.

Well, that's all I have for you today. One last thing: JOURNAL. Many people don't do this, but over time we forget what we learn… and if you forget, it'll come back to haunt you again.

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