Twitter Thread by Altcoin Sherpa

Altcoin Sherpa
@AltcoinSherpa

Big #Altcoin thread for $ALTS: Where are we at in the cycle, how long do we have, is this #ALTSEASON, what are the relationships like, all of that. $BTC #Bitcoin $ETH $LINK #Altcoins



First: What is #Altseason? The true altszn was seen in 2017/2018, where $BTC fell off a cliff and $ALTS were the 'safe haven' from btc dumping. ALTS went literally 1000%+ (many much higher). Since that time we have seen many #Altcoin pumps, starting primarily in late Q4 each year

These Altcoin pumps are usually 20-1000% gains on nearly the ENTIRE #Altcoin market. This is awesome to see and genius season- you can't lose. Dips are bought up quickly and both ALT/USD and ALT/BTC pairs pump HUGE. Are we currently in that environment? I'm not quite sure tbh.

I think that $BTC still has a little more gas in the tank, which would result in ALT/BTC pairs suffering IMO. You can see more of my thoughts on #Bitcoin below, but I think that we could see 1 more shakeout + then we could see a big run starting in December 2020 for $ALTS

As an #Altcoin trader, you need to understand several things for the environment in which to trade $ALTS successfully:
- $BTC PA
- $BTC.D
-Seasonality
- $ETH
- and much more

IMO, the easiest way to figure out what the altcoin environment is like is by looking at $BTC.D, aka #Bitcoin dominance. Many notes on the charts, please read them. In short: BTC.D going up = altcoins down. This is mostly in referral to ALT/BTC pairs for the most part.



As you can see, $BTC.D goes down in Q4s each yr, starting in December. The last 3 Decembers have been quite nice for #Altcoins and I don't expect this to change personally. We see pump in Dec-January, cooling off in February, and then a springtime pump for $ALTS.

Another important thing to note is altszn is also characterized by ALT/BTC pairs doing extremely well (more than ALT/USD pairs). Generally, ALT/USD will go up with BTC/USD.

BTC up= ALTBTC -/ ALTUSD +
BTC down= ALTBTC -/ALTUSD-

BTC range = ALTBTC+/ALTUSD+

Always exceptions ofc

Right now we're seeing ALT/USD go up more than ALTBTC (for the most part) when BTC is going up. If BTC starts to range, I expect ALTBTC pairs to catch up personally. More on $BTC thoughts below:

What are the drivers for #Crypto? $BTC and $ETH are the biggest market caps. Here is #Bitcoin first and the price action and what I expect. Check out this thread that I wrote before:

https://t.co/v9pvOOEWsK

> $BTC: Here is a timeline of what I think is going to happen over the next 6 months. While I try as hard as I can to trade level to level, trading #Altcoins is like being a seasonal worker sometimes and thinking ahead is important. Short thread below $ALTS #Bitcoin #XBT pic.twitter.com/bggdjfjMjJ
>
> — Altcoin Sherpa (@AltcoinSherpa) October 15, 2020

$BTC has had 3 different types of price action in the winter the last 3 years. I think that this one will look mostly like 2018 winter (heading into 2019).



$ETH: #Ethereum has a stronger pump than $BTC in December generally (in terms of %) the last few years. December sparks off a strong $ETHUSD run and I wouldn't be surprised to see this hit $800 in the next few months.



#Ethereum is also a leader in the #Altcoin market generally and $ETHBTC is also an important pair to watch. This one has been consolidating and you can argue it's been in the same range since 2018! This 1 also has strong gains in December (not as much as USD pair).



What does the total #crypto market cap look like? It looks pretty good IMO, higher today than any point since early 2018. I think that means that we should see some good gains in terms of ALT/USD pairs. These are good for macro views of the market IMO.



What are the #Altcoins that I expect to pump? As I've said many times before, I think that you should think about $ALTS in terms of groups or classes. These groups will typically pump together due to FA relationship or similar market cycles.

Some examples are: #IEO coins, #DeFi coins, majors ($LTC $XRP $BCH), old ERC-20 coins ($REP $GNT $ICX), new shiny coins ($INJ $AXS), and many more. For the most part, I expect all of these to pump in both alt/usd and alt/btc pairs.

Which #altcoins should do best? I think that the newest coins will do the best.

-No old bag holders (resistance)
-New technology and new hype
-Price discovery easily attainable and not -90% price history
-Lots of new hype



I think that stuff like $DOT $INJ, many of the #DeFi coins, and new coins will do better than older coins like $ICX or $STRAT personally. $LINK should also do very well.



Ok, so I think that $ALTs are going to pump big in the coming months. What is the timeline on our altcoin pump? I think that we see a strong December/January, price to go down in Feb and then pump again in March/April, followed by Alt destruction after that.

This is a thread that highlights more of that timeline. Summers have been painful for $ALTS in 2018 and 2019 (2020 was an exception due to DeFi IMO).

https://t.co/HY5g8HFrW5

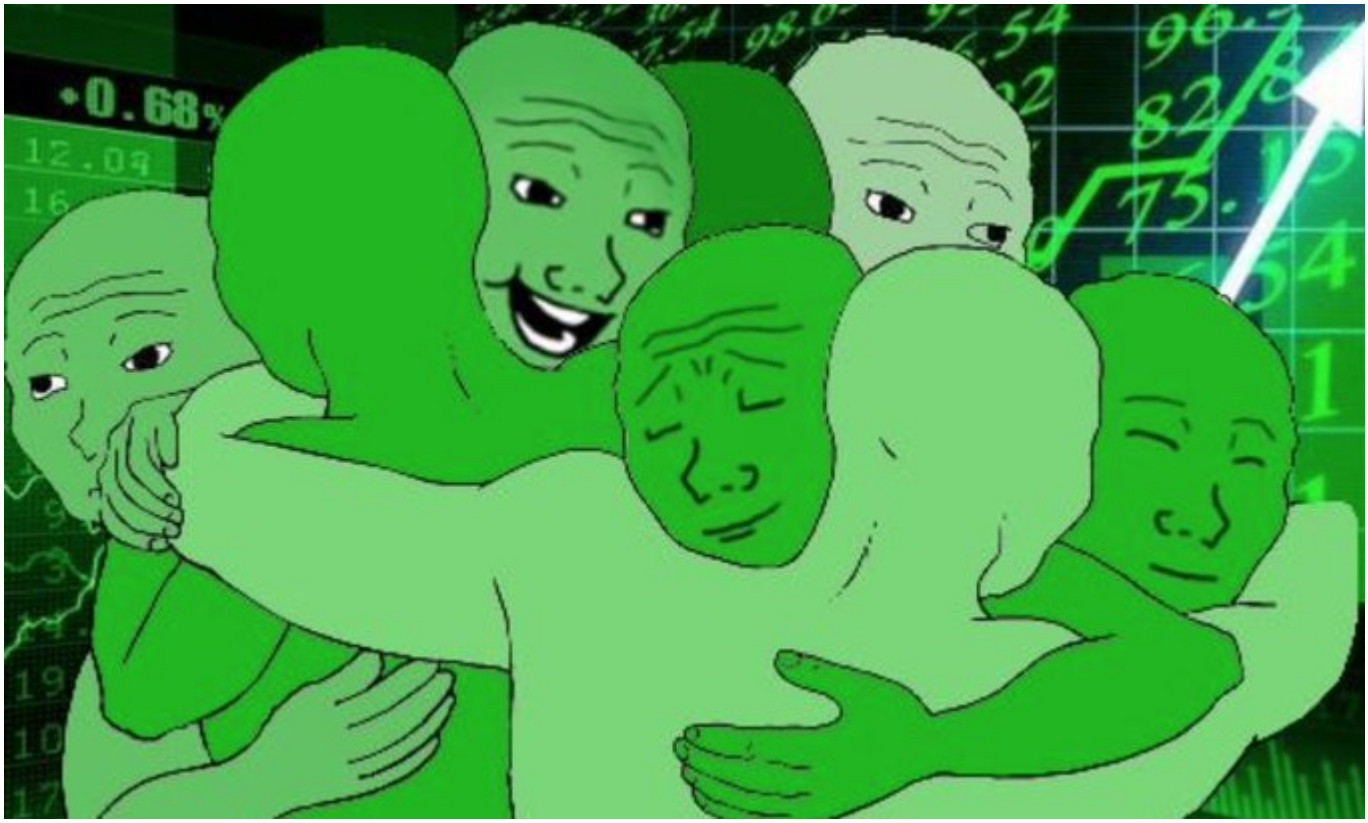
> Big #Altcoin thread: How much longer do we have for $ALTS? Will the summer be hard for the #ALT market like it has the last 2 years or will it be different? #Bitcoin $BTC #Crypto pic.twitter.com/C5DBDEkqng
>
> — Altcoin Sherpa (@AltcoinSherpa) June 15, 2020

What are some reasons why this all might be wrong? If $BTC keeps going to all time high levels in the coming months I think that this entire thread will be wrong and ALT/BTC pairs will get smashed. This is entirely possible given the market structure IMO.

Furthermore, given the #DeFi summer, alts might need to cool longer and maybe March is when they start the run. Some of these coins might need longer accumulation periods.

Tl;dr: I think that #Altcoins are going to pump solidly in December. I am not sure if we are currently in altszn right now, I am waiting for $BTC to finish its current run. I am scaling into several that I like ($LINK $YFI $AAVE $ETH $DOT) and I plan on swing trading these ones.

Always remember to: Take profits, keep your stop losses, never FOMO, always DYOR, never go all in. I am expecting a very nice end of 2020 for all of us. Good luck and stay safe!


+0.68%
12.09