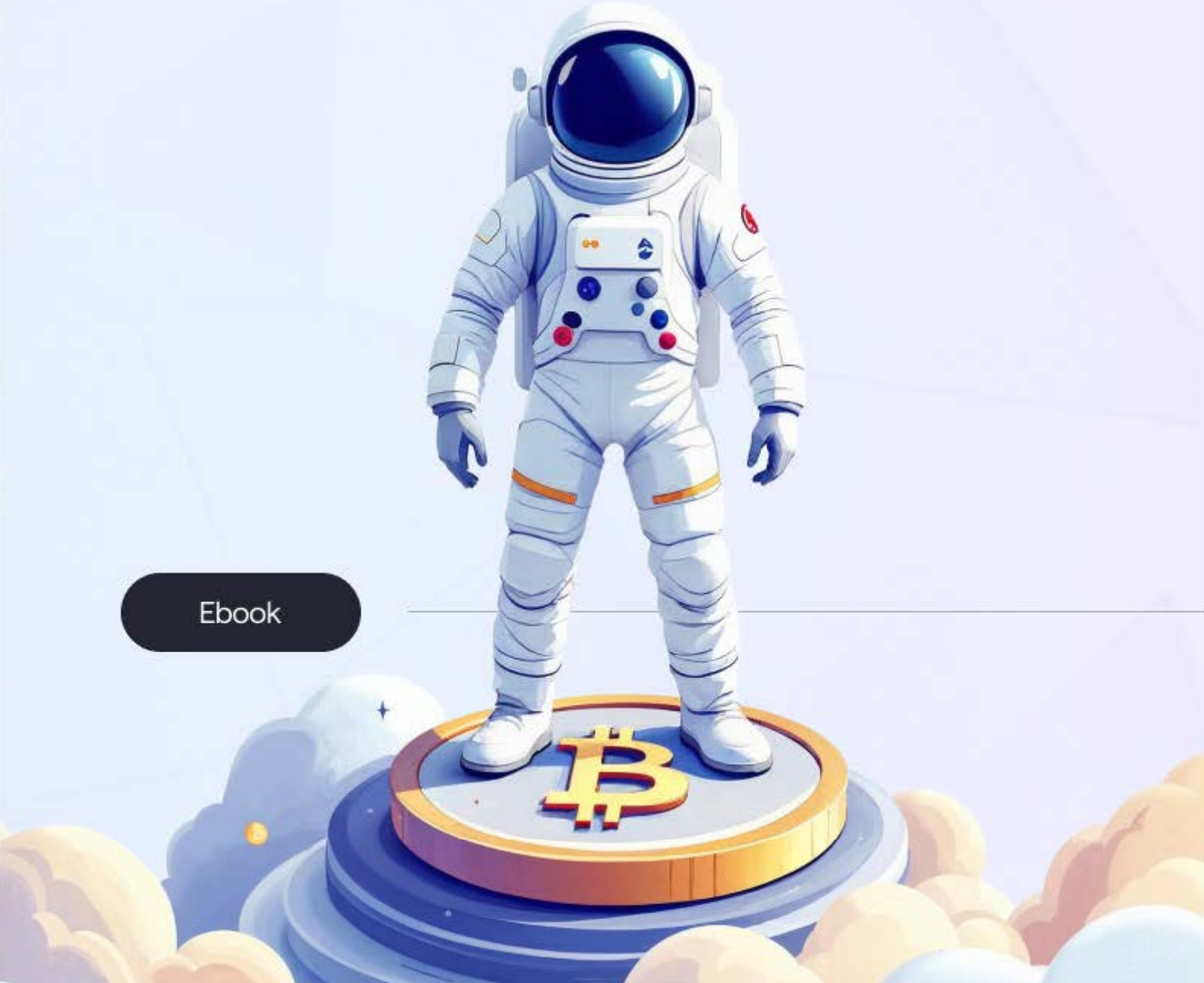
TOKERO

Strategic Alignment in an Atypical Crypto Cycle

Mastering strategic investing and staying ahead of volatility traps.



Ebook

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What is an **atypical crypto cycle?**

An atypical crypto market cycle doesn't follow the usual boom (bull market) and bust (bear market) pattern. Typically, crypto cycles last several years, characterized by massive gains followed by sharp corrections. An atypical cycle stands out with behaviors like Bitcoin's increased dominance without triggering a significant "altcoin season," as recently observed when BTC reached about 60% market dominance without notable altcoin growth. Other atypical factors include institutional adoption and major external events. The 2022-2025 cycle, for instance, featured unique phenomena such as local or targeted growth in ecosystems like Solana, AI Agents trends, or developments within Bitcoin's Ordinals space.

2017-2018

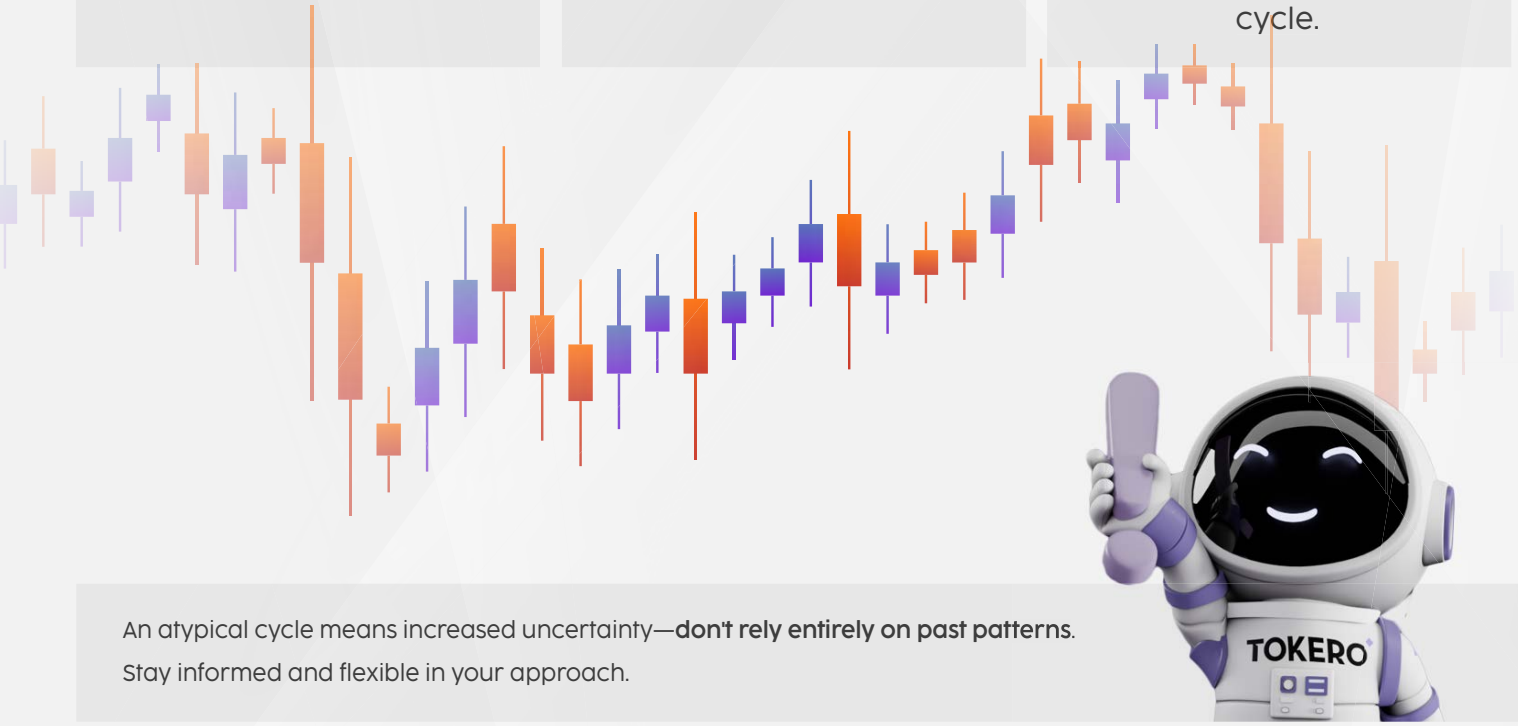
Strong bull market (Bitcoin ~ $20k), followed by an 85% bear market drop in 2018. Classic cycle.

2022-2023

Severe bear market in 2022 (BTC below $16k), then gradual recovery in 2023. The 2024-2025 cycle appears atypical due to BTC dominance dynamics and delayed altcoin rallies.

2020-2021

Explosive growth post-halving (BTC peaked at $64k in April 2021), followed by a correction and a new peak in November 2021 ($69k). Atypical double-peak cycle.



An atypical cycle means increased uncertainty—**don't rely entirely on past patterns**. Stay informed and flexible in your approach.

01 How to manage emotions in volatility

Emotions significantly impact crypto investing decisions. Volatile markets can swiftly shift you from excitement to fear, sometimes within the same day! Successful investors master their emotions:

Avoid FOMO or panic

When prices rise, FOMO (Fear of Missing Out) pushes you to buy high; conversely, panic can force selling at lows. Stay calm and recall your long-term plan.

Understand the emotional cycle

Investors commonly shift from disbelief at the start of a rally, to euphoria at the top, and capitulation during downturns. Recognizing these stages helps prevent impulsive actions driven by temporary emotions.

Set realistic expectations

Crypto volatility is normal. Anticipate large fluctuations without being discouraged by initial downturns. Confidence in your strategy prevents emotional reactions to market movements.

Self-control rules

Define clear rules upfront, such as, "If a coin drops X%, I won't panic sell but calmly reassess," or "I won't invest more than I can comfortably lose." These principles maintain your balance amid market hysteria (whether euphoric or pessimistic).

Friendly advice

Take breaks! There's no need to monitor the market continuously. If you're feeling overwhelmed, close the charts for a day and return with a clear mind. Emotional discipline builds over time—with each cycle you experience, you'll become a more confident investor. At TOKERO, we're by your side throughout this journey, providing the support you need to develop emotional discipline and make informed decisions.

02 Investment Strategies

There are several strategies you can use to approach crypto investing, and your choice depends on your available time, knowledge, and risk tolerance. Here are a few popular strategies explained simply:

DCA (Dollar-Cost Averaging)

Periodic Investing (Dollar-Cost Averaging - DCA). How does it work? You select a fixed amount (e.g., $100) and regularly buy Bitcoin or another cryptocurrency (weekly, monthly), regardless of the current price. The advantage is that you smooth out your purchase price over time—buying during both downturns and upswings—thus avoiding the difficulty of trying to perfectly time the market peaks. DCA is a passive strategy, excellent for beginners or anyone looking to accumulate long-term without stress. You're not concerned about market timing; instead, you accumulate steadily, trusting that over the long term, the market will trend upward.

Swing Trading

Profit from medium-term price movements. Here, you aim to buy low and sell high over intervals of days or weeks, taking advantage of market volatility waves. For example, if Ethereum fluctuates between $1,500 and $1,800, a swing trader might buy near $1,500 and sell near $1,800, repeating the process. This strategy requires greater involvement: you'll need to regularly monitor price charts, identify support and resistance levels, and potentially use technical analysis tools. Caution: swing trading carries higher risks and demands quick decisions, so it's crucial to have a clear plan (e.g., "sell if it drops by X% to limit losses" or "take profit at Y% gains").

Fundamental Analysis

Choose projects you believe in. This means thoroughly researching a project (coin/token), understanding its purpose, practical utility, the team behind it, community support, partnerships, and more.
Essentially, you're evaluating the project's underlying value—whether it solves real-world problems or offers tangible utility. For example, if you strongly believe in the future of DeFi, you might buy and hold coins like ETH, DOT, or ADA for the long term, ignoring short-term market fluctuations. Fundamental investing requires patience, as prices might remain stagnant for extended periods until the project's potential is fully realized. But if you've made the right choice, the reward arrives when solid fundamentals lead to wider adoption, and the market price eventually reflects its true value.

Technical Analysis

Decision-making based on charts and indicators. This approach relies on the science of trends and patterns in price charts. Common indicators include moving averages (MA), the RSI index (used to identify overbought or oversold conditions), among others. For example, a technical analyst might notice that Bitcoin has crossed an important moving average or is forming an “ascending triangle”—signals that a price increase may follow. Conversely, spotting a “Head & Shoulders” pattern might suggest a decline is ahead, prompting a preventive sell.
Technical analysis can be complex at first, but there are accessible tools and resources—like TradingView—where you can learn gradually. Many investors combine technical and fundamental analysis: for instance, they believe in a project fundamentally, but wait for a technically sound entry point based on the chart.

Choosing the Right Crypto Investment Strategy

There’s no one-size-fits-all strategy. Before investing, clearly identify your risk profile and choose an approach that fits your lifestyle. If you’re cautious and value stability, a conservative strategy like DCA may be ideal. If you have a higher risk tolerance and enjoy actively monitoring the market, swing trading or active trading might suit you better. Success comes from tailoring your strategy to your personality, availability, and risk appetite. Whatever path you choose, stay mindful and disciplined—this is key to making rational decisions and feeling confident in your investments.

03 Common Mistakes

Even experienced investors have fallen into classic crypto market traps. Here are some of the most common mistakes—and how you can avoid them:

01.

Peak FOMO (Buying at the Top Without Research)

Many newcomers discover Bitcoin or another coin just as it's making headlines after a massive price surge. Excited, they throw in money without understanding what they're buying—right when the "bubble" is near its peak. Then the market corrects, and they're stuck holding assets at inflated prices.

How to avoid it: Don't buy just because "everyone's talking about it" or the price keeps climbing. Do your homework! Wait for a potential pullback or analyze the project to determine whether the growth is truly organic and backed by solid fundamentals.

02.

Panic Selling (Selling at the Bottom Out of Fear)

The opposite of FOMO—when the market crashes, some investors panic and sell near the bottom, just before prices start to recover. This kind of capitulation locks in losses permanently, making it much harder to buy back at better prices later. In some cases, the market may never return to that low again. For instance, if you bought BTC at $65,000 in November 2021 and sold at $16,600 in November 2022 out of fear it would keep falling, you locked in a significant loss and missed the chance for a future rebound.

Tips: Set a plan in advance. If you bought a coin with a long-term view, don't sell impulsively just because it dropped 30% in a week—volatility is part of crypto. Remind yourself why you invested in the first place. If nothing has fundamentally changed, it's most likely just a temporary fluctuation.

03.

Lack of a Strategy

Some people dive into crypto without any real plan—they buy whatever pops up on TikTok, sell a day later if the price doesn't spike, then chase the next tip they see online. This chaotic approach quickly drains capital through poor decisions and unnecessary fees.

Solution: Define a clear strategy from the start, based on your risk profile. It could be monthly DCA, swing trading on 2–3 carefully chosen coins, or any other approach you trust and can stick to consistently. The key is having a plan—and not jumping from one idea to another every day.

04. Overconfidence / Excessive Greed

Two common scenarios:

- You land a great trade and double your money—suddenly, you feel like an expert and take bigger risks on the next trade, only to lose it all.
- Your portfolio grows significantly during a bull market, but instead of taking partial profits, you convince yourself prices will keep rising forever—then the market reverses and your gains vanish.

How to avoid it: Stay grounded and always approach the market with a dose of humility. Set clear profit targets in advance (e.g., "I'll sell [redacted] if the coin doubles in value"). Don't let greed blind you—no one ever went broke by taking profits consistently.

05. Not Storing Private Keys/Seed Phrases Securely

A tragic but common mistake—**especially among beginners**—is failing to properly write down and store their wallet's seed phrase or private key. If you lose access and **don't have a backup**, your funds are gone forever. Others keep all their coins on a single exchange and r**isk losing everything** if that platform experiences issues.

Solution: Write down your seed phrases and passwords offline (on paper, stored very securely). Enable 2FA (two-factor authentication) on all your accounts. Be cautious with links and attachments—phishing attacks are rampant! In short, be your own responsible banker.

06. Chasing Every Scheme or Memecoin

The crypto space is full of shady projects, guaranteed profit promises, and obscure tokens hyped as "the next Bitcoin." Falling for these illusions can lead you to scatter your money across highly speculative coins—many of which will likely go to zero.

How to avoid it: If something sounds too good to be true (like "1% guaranteed daily profit" or "guaranteed pump"), it probably is—a scam or Ponzi scheme. In crypto, patience and healthy skepticism can save you from major losses.

We learn from mistakes—but ideally, we learn from others' mistakes, not with our own money. Be aware of the traps mentioned above and do your best to avoid them. If you do fall into one, don't get discouraged: pick yourself up, objectively analyze what went wrong, and adjust your investment behavior moving forward. In crypto, experience becomes your greatest teacher.

04 Practical Steps for a Winning Strategy

Now that you're familiar with the core concepts, let's bring everything together. Here's a practical 5-step action plan—clear and easy to follow—that will help you build your own personalized crypto investment strategy:

Set Your Goals and Time Horizon

Start by getting clear on why you're investing. Are you saving for a long-term goal (over several years)? Or are you aiming for quicker profits (over months)? The level of risk you can take depends heavily on your time horizon. For example, if you're investing for retirement (20-year outlook), you can afford to ignore short-term volatility and stick to a DCA strategy in Bitcoin or Ethereum. For shorter-term goals, you might consider a mix of swing trades and holding positions. Write down your objective—it'll help you stay focused and committed.

Do Your Research and Build Your Investment "Basket"

Take the time to understand the market. Read up on the top 10–20 cryptocurrencies, their technologies, and follow relevant news and communities. Then decide what you want to invest in. A simple starting tip: build a portfolio that's mostly made up of established projects (like BTC and ETH—the backbone of the market), with a smaller portion allocated to high-potential altcoins (which carry more risk but also higher upside).

For example: 50% BTC, 25% ETH, and 25% split across 3–5 carefully selected altcoins. Diversify—but not excessively. There's no point in holding 50 coins you can't realistically keep track of.

Choose the Right Accumulation or Trading Strategy

Based on your available time and interest level, decide how you'll approach the market:

- If you're busy and prefer simplicity, go with a DCA (Dollar-Cost Averaging) strategy: automated or recurring purchases (some platforms even let you schedule monthly buys). This lets you invest consistently without stress.
- If you're passionate and want to try outperforming the market, you can allocate a portion of your funds for active trading. Set clear rules—for example: "I'll make no more than 1–2 trades per week, only on coins I know well, with a 5% stop-loss and a 10% profit target." Discipline is key to sticking with this approach.
- Regardless of your style, regular rebalancing is essential for efficient portfolio management. For instance, if your initial allocation was 50% BTC, 25% ETH, and 25% across 3 altcoins, but BTC surges and becomes 70% of your portfolio, it might be time to partially sell BTC and redistribute funds to ETH or altcoins to return to your original balance.

  Rebalancing helps you stay aligned with your strategy and reduces the risk of being overexposed to a single asset—allowing you to benefit from market growth without becoming vulnerable to sharp corrections.

Apply Risk Management Rules

From the beginning, build step 4—risk management—into your plan. Write it all down clearly: How much are you investing in total? How will you split it between coins? Where will you store your assets? What's your plan if the market drops 50%?

For example: "I'm investing a total of $10,000 in 2024. I'll allocate 60% to Bitcoin, 20% to ETH, and 20% to altcoins. I'll use a hardware wallet for storage. If the market crashes, I'll continue with monthly DCA purchases (buying at lower prices) instead of selling at a loss, because my time horizon is 5 years." Having a plan like this prepares you mentally for any scenario and helps you make better decisions when panic sets in during market downturns.

Monitor and Adjust Regularly

Once your strategy is in motion, keep track of your portfolio's performance. Not obsessively (not daily), but check in monthly or quarterly to see how things are evolving. Have you reached some of your goals earlier than expected? Reevaluate your price targets—you might want to take some profits and reallocate to projects that still have untapped potential.

Has anything fundamentally changed with a project (e.g., a major security breach or a significant update)? That might be a reason to reconsider holding that asset. Adjustments are part of the process.

In an atypical cycle, fine-tuning may be needed. For example, if altcoins underperform significantly, you might shift more weight to BTC for added security. The key is to stick to your core principles—don't fall into compulsive gambling—and learn from experience. Over time, you'll understand what works for you and what doesn't, refining your plan until your strategy truly becomes a winning one.

Recap

You now know how to structure your investments, manage emotional reactions to volatility, and avoid the classic mistakes that can drain your capital. Navigating an atypical crypto cycle requires both solid knowledge and emotional discipline. We've covered what such a cycle looks like, how to manage emotions, investment strategies, capital protection, and common pitfalls to steer clear of. Finally, we outlined a practical action plan to give you a clear framework for building your own winning strategy.

What's next?

Put what you've learned into action! Define your goals, implement a strategy tailored to your risk profile, and stay consistent. The crypto market is full of opportunities—but lasting success comes from an informed and disciplined approach.

At TOKERO, we're here to guide you on this journey—offering resources, support, and a secure platform for your investments.

Wishing you success in all your investments!

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