

Twitter Thread by The DeFi Edge ■



The DeFi Edge ■

[@thedefiedge](#)



Playing Poker will give you an unfair advantage in Crypto.

But you don't have to play thousands of hands to reap the rewards.

Here are 17 most important lessons:

The Whales have an Edge

Whoever has the most chips at the table can bully everyone.

Crypto:

■ can bully you w/o you realizing it.

- Early access to deals.
- Easier access to insider info.
- They can move the markets of small caps.

This is NOT an equal game.

The Whales have an Edge pt. 2

You might've seen this first hand a few weeks ago.

Whales were playing games /w [@Wonderland_fi](#) and caused liquidation cascades.

The whales made out with ■

Everyone else got fucked.

Even the people who didn't use leverage.

Ulterior Motives

You'll hear a lot of advice at the Poker table:

"I'd fold if I were you bro"

Do they have your best interest at ♥■?

Crypto:

Be careful who you're taking advice from.

What's their incentive?

"This coin will 100x ■ ■"

Proceeds to dump on you later

PVP Mentality

Poker is player vs. player. Someone has to lose for you to win.

Crypto:

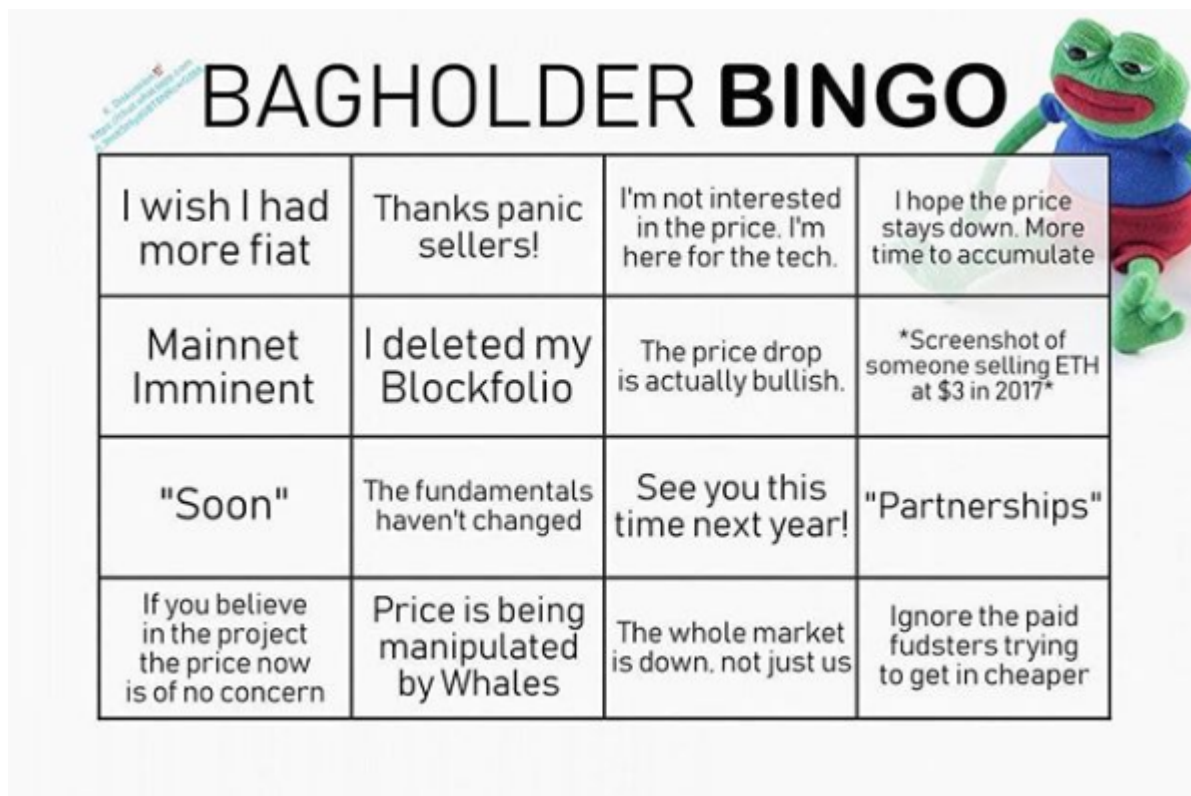
You're underestimating how PVP Crypto can be.

It's NOT WAGMI.

Sometimes...

By the time you've heard about a protocol, the early players are dumping.

And you're left holding the bags.



BAGHOLDER BINGO

I wish I had more fiat	Thanks panic sellers!	I'm not interested in the price. I'm here for the tech.	I hope the price stays down. More time to accumulate
Mainnet Imminent	I deleted my Blockfolio	The price drop is actually bullish.	*Screenshot of someone selling ETH at \$3 in 2017*
"Soon"	The fundamentals haven't changed	See you this time next year!	"Partnerships"
If you believe in the project the price now is of no concern	Price is being manipulated by Whales	The whole market is down. not just us	Ignore the paid fudsters trying to get in cheaper

Don't Play Too Many Hands

New players get addicted to action.

The pros know it's better to wait for a solid hand.

Crypto:

It's better to be patient and wait for good projects before you invest.

FOMO will cost you money.

You're investing - not playing a video game.

Play SOLID

On TV, you'll see pro poker players BLUFF and win with shit hands.

Those are what get the eyeballs and attention, but that's NOT good poker.

Crypto:

Are you new? Stick to solid projects at first.

Stop chasing HIGH APY's.

There's no free lunch in this game.

Outcome Bias

You can play the hand perfectly and STILL lose.

But that doesn't mean you should change the way you play.

The process is MORE important than the outcome

Crypto:

Just because someone 10x a shitcoin doesn't mean you should copy

Skill beats luck in the long run.

Table Selection

Would you rather play at a table with drunk billionaires or poker pros?

Find games you can beat.

Crypto:

I don't "get" art + culture, so I don't try to flip NFT's.

I'm good with numbers + economics - that's why I focus on DeFi.

What are you good at?

Table Selection pt 2.

Most of you won't be able to win in Crypto

You're not dumb: You're at a disadvantage with a smaller bankroll + full-time jobs.

Maybe the best table is to keep it simple.
Dollar-cost average into blue chips and wait.

Better to play an easier game and win

The Small Wins Adds Up

Some ppl obsess with "big hands." - the crazy all-ins.
It's easy to underestimate how the small wins add up.

Crypto:

Don't obsess over finding the 10x plays.

The stablecoin farmers and blue-chip stockers often outperform the shitcoin chasers.

Be the Tight Aggressive Player

I was a patient player.
I waited for a good hand, and then I'd go beast mode.

I maximized my W's, and minimized my L's.

Crypto:

I invest in far fewer projects than most people.
But when I have conviction, I'll go HARD.

Zoom Out

Profits go up, and profits go down.

Don't get tunnel-visioned on what happens day to day - what matters is the long term.

Crypto:

Stop checking your portfolio 25x a day.
You're psyching yourself out.

Bank Roll Management

No matter how good you play, there will be swings and variance.

Managing your bankroll is how you prevent yourself from going busto (broke).

Crypto:

No matter how good a project is, there are black swans such as rug pulls and exploits. Bet appropriately

Bank Roll Management pt 2

This INCLUDES money outside of Crypto.

- I have an emergency fund with 6 months of living expenses.
- I have investments OUTSIDE of crypto such as index funds.

I'm NOT all in Crypto.

This means I'm cool as a cucumber whenever there's a dip.

Pot Sizing

You have to wage the appropriate amount of money for each hand.

Crypto:

Don't bet the house on a risky and unknown project.
Pot size = portfolio allocation.

My Bets:

Max size for a protocol is 15%
Max size for a degen bet for me is 5%

This keeps me safe.

Know When to Cut Your Losses

Pocket AA's.
You land Trips on the flop.

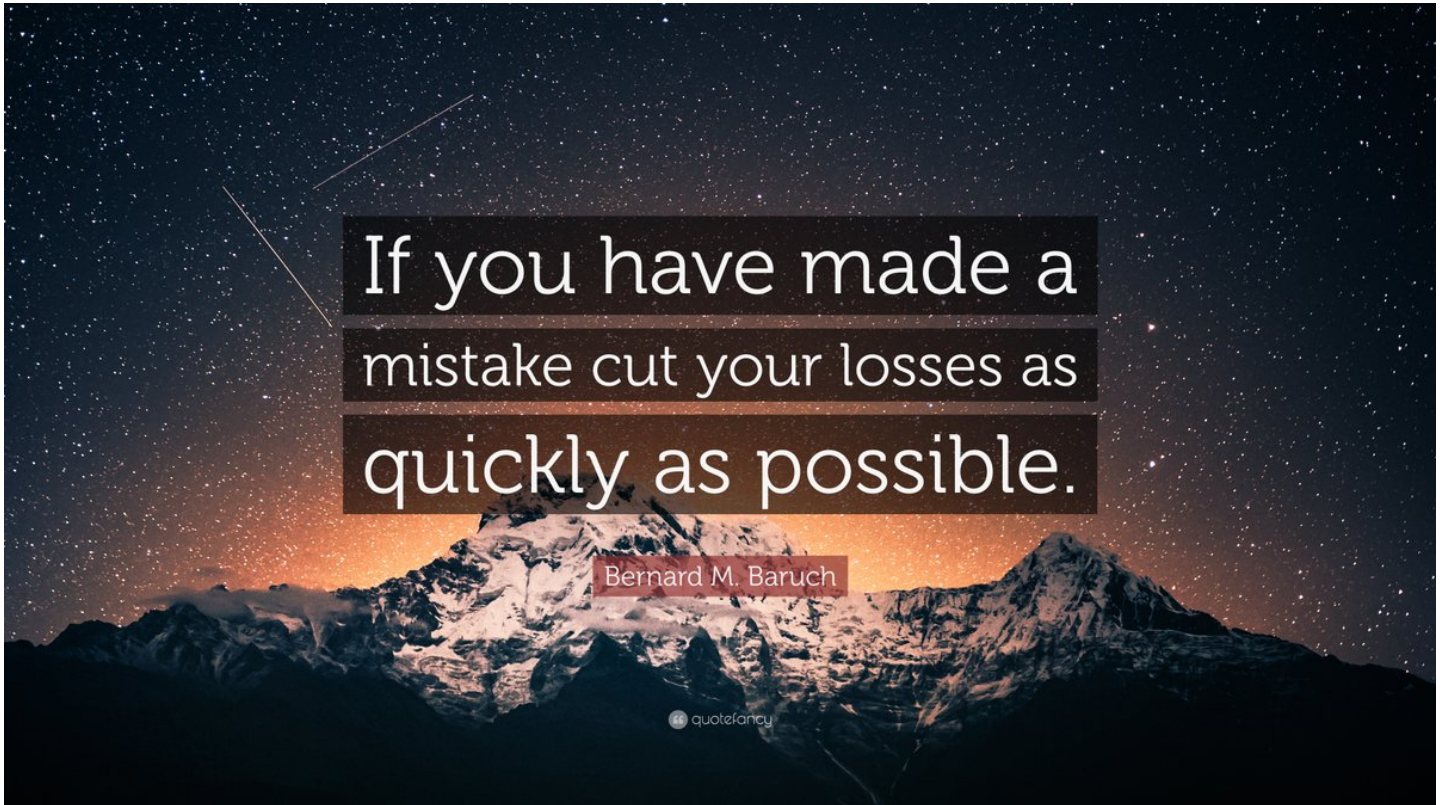
But there's the threat of a FLUSH later, and several ppl go ALL IN.

You should cut your losses & fold.

Crypto:

It could've been a good project, but things change.

Cut your losses and fight another day



Fix Your Leaks

A leak is a fundamental flaw in your game. Raising /w too many hands pre-flop can get you exploited.

Crypto:

Look for patterns of why you're failing.

Do you keep getting wrecked chasing high APY's? That's a leak.

Keep getting scammed? That's a leak.

Learn the Math

Math will give you an edge such as calculating Pot Odds and Expected Value.

In Crypto:

Learn the impact of impermanence loss, tokenomics, market caps, etc.

Fall in love with spreadsheets.

Handling Bad Beats

This is where you play with a STRONG hand that is mathematically favored to win, but you end up losing.

It happens, but don't let it cascade.

Crypto:

A bad beat could be a rug pull. You'll be angry, but don't let it lead to worse decisions.

Find Your Edges Pt 1.

Poker is player vs player. You have to find and hone your edges.

This could be getting better at the math aspect or learning how to read people better.

Poker is a game of skill.

You can improve your skills.

Crypto

Here are some skills you can work on:

<https://t.co/hVYT9zpauU>

If you want edges in DeFi, study:

- \u2022 Tokenomics
- \u2022 Game theory
- \u2022 Cryptography
- \u2022 Decision making
- \u2022 Cognitive Biases
- \u2022 Macroeconomics
- \u2022 Trading psychology

And don't be surprised if a 19-year-old YOLO'ing into meme coins outperforms ya.\u2070\u2070

It happens.

— The DeFi Edge \U0001f5e1 (@thedefiedge) [February 14, 2022](#)

Get the Mental Edge

Your success in Poker and Crypto depend on the quality of your thinking.

Do everything you can to get a mental edge.

- Exercise

- Get plenty of sleep
- Don't drink when you play
- Meditate daily

Train your mind like an athlete trains their body.

I'm not trying to come off as pessimistic.

Making money in Crypto is hard.

There are far too many people who make THEIR money, from telling you how easy it is to make money.

So I'm trying to keep you grounded and humble.

The 1st step to winning is to SURVIVE.

Key Takeaways:

- Crypto trading involves more psychology than you realize
- This is an unregulated space. You're underestimating the power of whales.
- Know the math.
- This can be PVP. Tread carefully if you're new.

Anyone can get lucky, but don't confuse it for skill.

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"Bro, your newsletter's the GOAT" - ElonsLostChild69

Also, I'd appreciate it if you could give a like or a retweet below to the 1st tweet.

Let's help our fellow frens not get wrecked.

<https://t.co/epDbfoVVcE>

Playing Poker will give you an unfair advantage in Crypto.

But you don't have to play thousands of hands to reap the rewards.

Here are 17 most important lessons:

— The DeFi Edge \U0001f5e1 (@thedefiedge) February 18, 2022

Disclaimer:

I never played professionally. I played for fun online for a few years before Black Friday.

This thread's written for people so who never played Poker before.

Some of my analogies are oversimplified in order to make the lessons more accessible.