

# Twitter Thread by Yano ■



**Yano** ■

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## 1/ There are 3 stages of a bear market.

### We just entered stage 2 ■

#### 2/ Stage 1: The Unwind

The excitement (and greed) from the bull market still exists.

Mini-narratives pop up for weeks at a time. Assets still have floors. Valuations are cut but companies don't make the tough decisions (kill products, layoffs).

Things seem alright.

#### 3/ Stage 1 doesn't \*feel\* like a bear market.

It feels like prices have pulled back to "realistic" valuations.

Investors continue allocating, builders keep building...

In general, life is good. Only the weak hands sell.

#### 4/ Stage 2: Forced Capitulation

This is where it gets ugly.

Narratives die. Prices fall 90%... then another 90%. Layoffs across the board.

Mainstream media and cynics rise up in Stage 2. They laugh and shout "I told you!"

#### 5/ Luna sent us into Stage 2.

In Stage 2, diamond hands become forced sellers. They sell not because they want to, but because they have to.

Celsius doesn't want to sell – they might have to sell.

There will be more funds, companies, and individuals like Celsius.

6/ In Stage 2, any bounce will be immediately sold into.

The dead cat bounce.

Companies that need high token prices will be crushed. Founders that buy their own tokens to sustain their projects... they'll also get crushed.

7/ The lower prices go, the louder the bears get.

The louder the bears, the lower the price goes.

This creates a vicious cycle. In Stage 2, prices crash violently.

Excitement is replaced by anger.

8/ Stage 3: Bottomless Exhaustion

After max pain comes max exhaustion.

There are no bounces. There are no narratives. Prices consolidate sideways or slowly move down. It's boring.

At the bottoms, anger is replaced by silence.

9/ During Stage 3, you'll want to walk away.

Regulators will kick us while we're down.

Your favorite Twitter degens will go quiet.

Web2 investors will quietly stop allocating.

Talented builders will leave.

Companies will shut down.

You'll question every assumption you had.

10/ Stage 3 is the toughest to survive.

If you're a company, do whatever it takes to get through.

If you're a builder, stay interested. Find other builders. Build with them.

If you're an investor, develop your own theses. Take bets on people you believe in.

11/ Don't lose sight of the big picture.

We're building an open, permissionless world.

It will take decades, not years.

Close the computer, zoom out, go for a walk.

Just don't give up.

12/ This piece by [@fredwilson](#) still rings true:

a) Many talented people left. But those who stayed were rewarded.

b) We will have to hunker down and build value and survive for quite a while to get there. Things will get worse before they get better.

<https://t.co/VYYaGVB3zu>

13/ If you want my expanded thoughts on this market, [@santiagoroel](#) and I are releasing a big episode on [@theempirepod](#) this Friday.

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