Twitter Thread by Miles Deutscher



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To make the biggest gains in crypto, you need to position yourself in the strongest narratives.

Some of the trends outlined in this thread still have potential to generate 50x opportunities.

■: 8 crypto narratives I'm eyeing right now. ■

These are the trends that I'm currently trading, or closely monitoring.

I believe all 8 of these narratives have potential to perform strongly.

This list in no particular order.

Remember: When it comes to narrative trading, you're identifying and betting on relative strength.

So although in some cases these projects can perform against broader market movement, most altcoins still adhere to general $BTC price action.

This means if there's a major #Bitcoin rally - the strongest narratives will tend to elicit the best gains.

And in many cases, will also be least affected by price dumps as there's enough demand-side pressure to mitigate sell-offs.

But treat each project on an individual basis.

1. ZK

Ahead of the zkSync and StarkNet token releases, in conjunction with the upcoming Polygon zkEVM launch - ZK-related protocols have been performing strongly.

It's undeniable that ZK is the future of scaling Ethereum.

ZK-rollups help alleviate congestion by 'rolling up' transactions into batches that are executed off-chain.

I did an in-depth thread on my favourite ZK projects a few weeks ago.

https://t.co/zUJWkwN9p8

> 2023 is the year of ZK-rollups.
>
> ZK is the future of scaling Ethereum, and with the upcoming token launches of @zksync, @Starknet and @0xPolygon's zkEVM - the narrative is starting to heat up.
>
> \U0001f9f5: Here are the best released (and unreleased) ZK projects to keep your eye on. \U0001f440\U0001f447
>
> — Miles Deutscher (@milesdeutscher) February 1, 2023

2. LSDs

Liquid staking derivatives allow you to earn yield on crypto assets like $ETH, whilst maximising capital efficiency.

This trend is currently being driven by 2 catalysts:

1. The upcoming Shanghai upgrade
2. The SEC's regulatory crackdown on centralised staking

As we approach the Shanghai upgrade, LSDs like $LDO, $FXS and $RPL are gaining momentum.

Shanghai will be a major driver of aggregate $ETH staking, as it will finally allow redemptions of staked ETH from the Beacon chain.

Also on the regulatory front, the SECs inclination to clamp down on centralised staking services (like Kraken) is, in my opinion, a huge catalyst for decentralised staking adoption.

Although I am wary of intervention on this front.

https://t.co/XcIsPD1GAZ

> If the SEC continues to crack down on staking amongst centralised exchanges, where is that liquidity going to flow?
>
> Liquid staking.
>
> The upcoming Shanghai upgrade was already a strong catalyst for LSDs, but regulatory FUD is another reason to watch $LDO, $FXS, $RPL, $ANKR etc.
>
> — Miles Deutscher (@milesdeutscher) February 10, 2023

3. Perp DEXs

This has been one of the strongest performing sectors over the last 6 months.

$GMX led the way, followed by competitors such as $GNS, and now newer iterations are coming along, like $VELA.

But, I believe there are still opportunities in this space.

Long term, it's highly likely that other DEX models like AMMs and order-books start to play a more significant role in this space.

But at least in the short-medium term, oracle-based DEXs like $GMX have a distinct UX advantage.

One also can't understate the brand recognition these protocols have been able to generate.

The $GMX and $GNS brand identity will presumably enable them to pivot in the future if need be.

The go-to-market and onboard users quickly approach is something we've seen work well.

I'm always on the lookout for new DEXs, as I believe that this is the single biggest growth vertical in DeFi over the next few years.

4. Real Yield

There has been a monumental and much needed shift in the way DeFi yield models are perceived by both developers and investors.

Through the trials and tribulations of 2021-22, reliance on emissions has decreased in favour of tangible revenue distribution.

Whenever you approach a DeFi investment, ask yourself: Where is the yield coming from?

If the answer is "from protocol fees", then you're on the right path.

But be careful, some projects claim to be "Real Yield" despite employing shady mechanisms to manipulate data.

In many ways, Real Yield could be considered a research perquisite as opposed to a pure "narrative".

I wrote a thread on it last year, which includes more information and project picks.

Since then we've also seen many more quality DeFi projects pivot.

https://t.co/dysPJEAUU2

> There's a hot new narrative brewing in DeFi.
>
> It's called "Real Yield", where protocols pay out yield to users based on revenue generation.

\U0001f9f5: My TOP 10 picks to capitalise on this growing sector, and how they could become the pillars of the next cycle. \U0001f447

— Miles Deutscher (@milesdeutscher) August 9, 2022

5. Decentralised stable coins

We've recently seen the SEC crackdown on BUSD, and there continues to be ambiguity surrounding the regulation of other centralised stables like USDC and USDT.

The need for a truly decentralised stablecoin is clear.

There are a few promising players in this space, from $AAVE and their upcoming GHO stable, to $CRV and CRVUSD, $FXS and more.

The protocol that nails the decentralised stablecoin model, and integrates it effectively - will be a big winner.

6. AI

After ChatGPT became the fastest application in history to hit a million users, prompt investments by the likes of Microsoft and Google were made into the AI sector.

This resulted in AI altcoins exploding, as speculation ran rampant.

But, the important thing to recognise here is that AI and crypto is EXTREMELY early, and much of the recent price action is being driven more by speculation than fundamentals.

@avichal explained this in an interview I did with him a couple weeks ago.

https://t.co/L35iBECDnA

9. AI is the future, but AI + crypto isn't here *yet*.

"I think crypto + AI is a little bit early right now."

But "10 years from now, I think these worlds absolutely converge." pic.twitter.com/B0Km0BDmmu

— Miles Deutscher (@milesdeutscher) February 7, 2023

This is an extremely news-based narrative. So despite frothiness, it becomes very difficult to short due to the propensity of news to have a short-term positive effect on prices.

https://t.co/XXNO48dp6f

AI narrative reminds me of the gaming run in 2021.

1. Big company (FaceBook/Microsoft invests)
2. Speculation increases, prices skyrocket
3. Hype dies down, major drawdowns
4. The best projects in the niche with real utility keep building and succeed long term

— Miles Deutscher (@milesdeutscher) January 24, 2023

The important thing to note is that strong trends tend to outperform during expansionary periods.

So if #Bitcoin exhibits bullish price action, it's hard to ignore an explosive narrative like AI.

This thread includes nice explanations of 16 AI projects.

https://t.co/7q6QDfHkth

> The crypto #AI narrative is a firestorm!
>
> 50x overvaluations in the next bull run are likely
>
> Research now and find the next AI $ETH OR $BTC
>
> \U0001f9f516 AI projects that are on FIRE right now\U0001f447 pic.twitter.com/d1cTWsLqiP
>
> — Crypto in Black (@thehiddenmaze) February 8, 2023

7. GambleFi

The theory behind decentralised gambling is extremely similar to DEXs: People love to gamble, and need places to do so on-chain.

We haven't really seen many quality gambling projects launch yet, but I believe they're coming.

@LouisCooper_ has been doing a great job researching and providing updates on this sector.

https://t.co/MqvmcShfjl

> We've made huge X's on our recent GambleFi projects...
>
> But there are still more gains to come.
>
> I've aggregated more important updates & projects so you don't miss the remaining gains \U0001f3b2 \U0001f9f5 pic.twitter.com/h1VjjTO3Rk
>
> — Louis Cooper (\U0001f499,\U0001f9e1) \U0001f344 (@LouisCooper_) February 16, 2023

8. Chinese Coins

The following factors have been recent contributors behind many of these coins pumping:

• Chinese monetary stimulus
• Hong Kong crypto legalisation
• Increased Asian open interest

There is a lot of alpha in the Asian Twitter community, and due to the language barrier a lot of it flies under the radar.

Here are some of the top creators to follow (make plenty use of the Twitter translate button).

https://t.co/jBPkQj1jVw

> Chinese #FF for financial freedom@NoodleofBinance @diamondhandjs @RaccoonHKG@YeruiZhang @tiabitcoin @0xzhujun@spark_ren@RebaseMMT@HalfWS@CryptoYunqi @wolongkm
>
> Did I forget anyone? / \u6211\u5fd8\u4e86\u4efb\u4f55\u4eba\u5417
>
> — Garid (@Garid_Trades) February 17, 2023

Here's a list of Chinese coins that I'm watching.

Note: This is purely from a trading perspective, and any entries/exits will align with technicals.

The fundamentals on many of these are dubious, and many don't fit my framework for long-term positions.

https://t.co/qHfVu22YXw

> Don\u2019t fade the Chinese coins.
>
> Here\u2019s my watchlist: pic.twitter.com/9ZDI9r2vQB
>
> — Miles Deutscher (@milesdeutscher) February 18, 2023

I didn't want to focus on EVERY narrative in this thread (as there are many), but if you're interested in learning about more - this is a great thread.

https://t.co/CrOUTmwRjH

> To make 10x to 100x in the next 2 years, you need to ride the right narratives.
>
> An exhaustive list of Top 20 narratives in crypto! (Plus top tokens for each)
>
> Long thread \U0001f9f5 pic.twitter.com/s3vAYQG22b
>
> — Crypto Koryo (@CryptoKoryo) February 15, 2023

I'll be posting updated threads on some of these narratives in the future, as well as covering new ones as I identify them.

Follow me @milesdeutscher to stay up to date.

Also, Like/Retweet the first tweet below if you can. ■ https://t.co/uBdxD2erAz

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