

MARKET

The market capitalization plummeted this past week. The market capitalization today (01/22/22) sits at **1.68** trillion USD down almost 500 billion USD. Bitcoin dominance ticked up to 40.26% with the price of Bitcoin (BTC) falling to around \$35.7K per coin.

Good article – [JPMorgan Executive Says Crypto Is in the 'Napster' Phase of Its Life Cycle: Report](#)



Choose your coins wisely!

IT'S A BLOODBATH

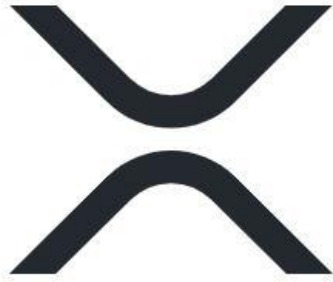
Having been in this space since 2016 I've seen the ugly side. Market drops of this magnitude are normal. This is a new asset class that is extremely volatile.

What causes these extreme swings?

I have two theories on why these huge market swings occur:

1. Whales (i.e., large holders of a coin) want to obtain more coins at a better price. So, what does they do? They sell a large position at say \$1.00 per coin. This large sale will trigger a sell off and many holders will panic and sell their position. Once the price drops to say \$.60, the Whales will buy back in at a lower price obtaining more coins. That is why you will hear the term “diamond hands” referring to someone who holds their position as this happens.
2. My second theory is around margin calls. This space has many young retail investors that buy on margin. How does margin accounts work? Marginable investments in a portfolio provide the collateral for your margin loan. Remember, too, that while the value of that collateral fluctuates according to the market, the amount you borrowed stays the same. If your coin declines to the point where they no longer meet the minimum equity requirements for your margin loan—usually 20% to 25% depending on the particular coin you own, the firm will send you a margin call notice (also known as a maintenance call). When this happens, your firm will ask that you immediately deposit more cash into your account to meet the minimum equity requirement. If you cannot meet this requirement your account is liquidated. It is a self-fulfilling prophecy as more accounts are liquidated the price falls further and further.

Remember, it usually pays to go against the crowd.



RIPPLE (XRP)

The price of Ripple (XRP) was down significantly this week currently trading at \$.61 USD. **HODL**

HEADLINE NEWS

- [XRP Was Deemed Not a Security By SEC Legal Team in 2018, So What Changed in 2 Years? –Fox Business Journalist](#)
- [👉 XRP Army - Have no Fear - They will call us "Lucky" - Generational Wealth Ahead - Patience 🗣️😊](#)

XRP is the 6th ranked cryptocurrency in terms of market cap.

Contact Us

MonieStorm

3223 Vickery Drive

Marietta, Georgia 30066

Telephone: 770-378-9353

Email: tom@moniestorm.com

Website: www.moniestorm.com

Twitter: <https://twitter.com/MonieStorm>

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