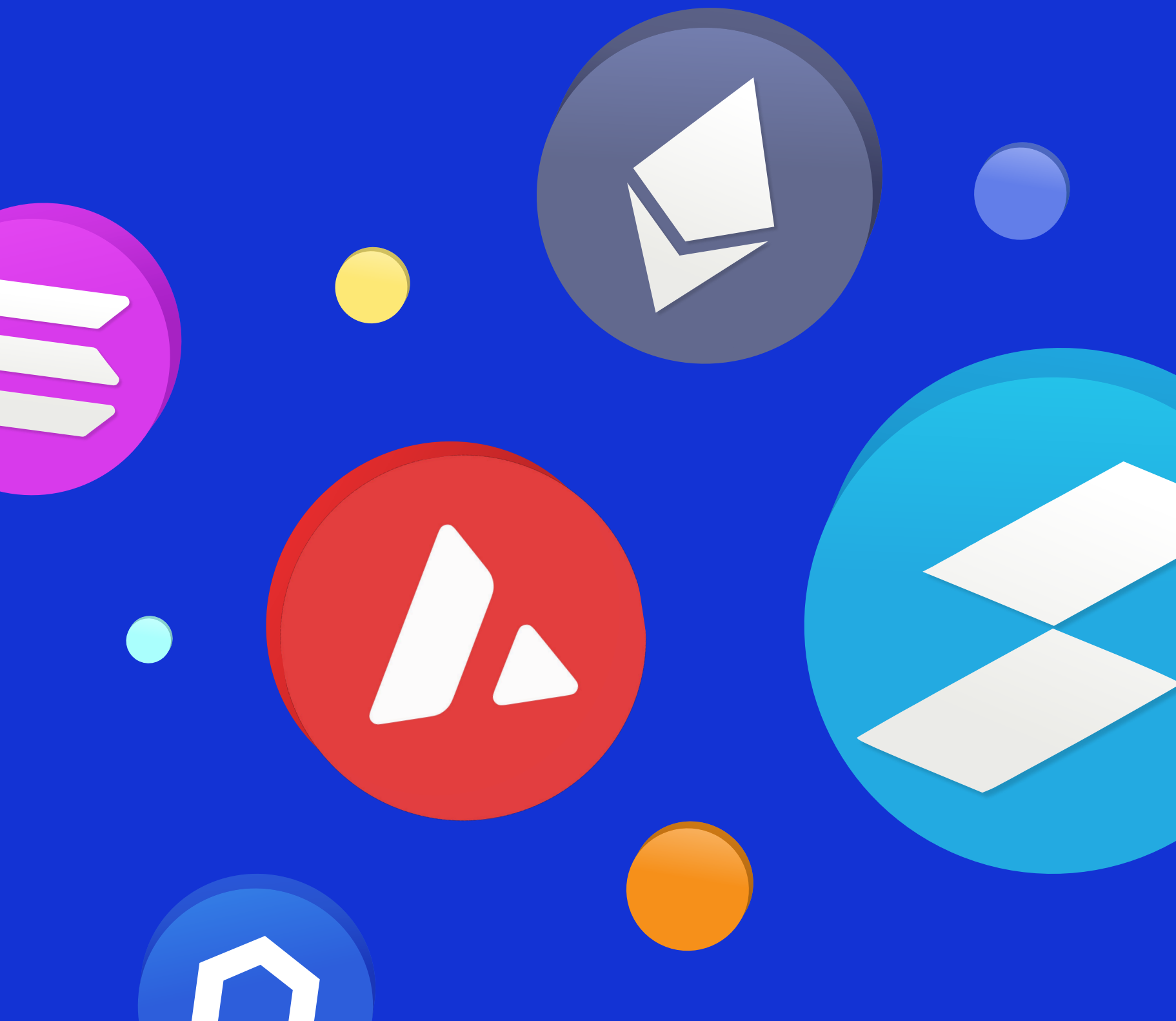




Understanding Alt Season



Key Takeaways

- 1** Alt season is a market phase where altcoins outperform Bitcoin, driven by shifting capital and sentiment.
- 2** Signs include declining Bitcoin dominance, rising altcoin trading volumes, and widespread enthusiasm for altcoins.
- 3** Alt season often follows a Bitcoin rally or period of stability, typically occurring near the peak of market cycles.

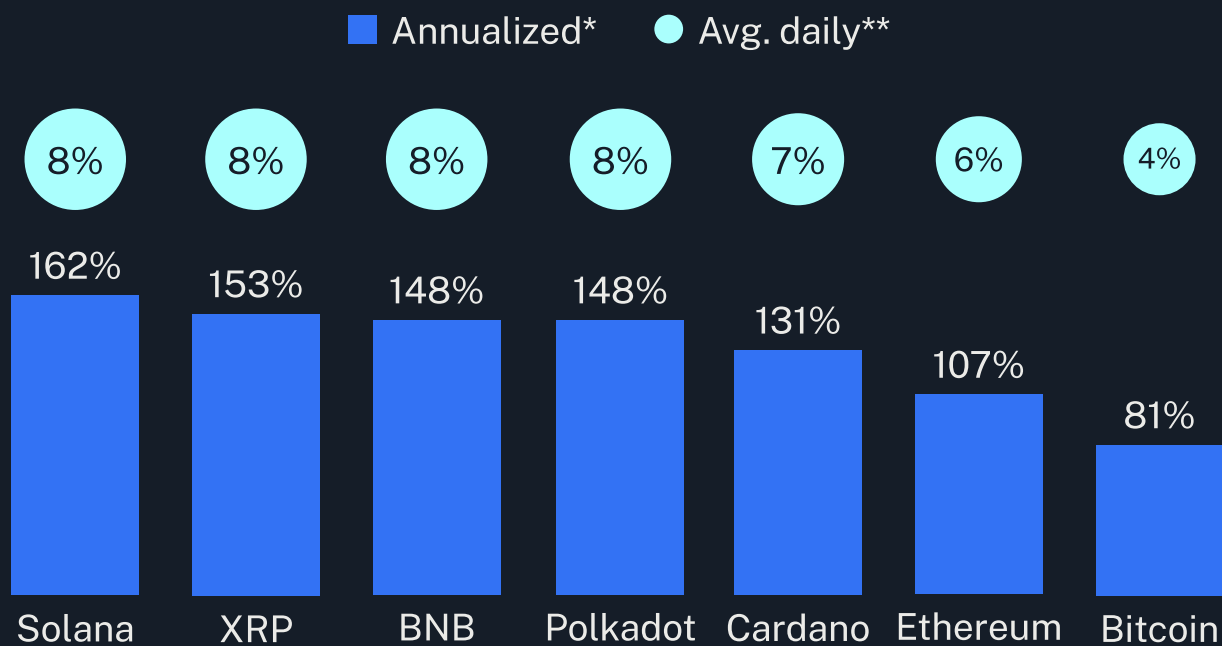
What Is Alt Season?

Alt season is a phenomenon in the cryptocurrency market when alternative cryptocurrencies, or altcoins, experience price growth that outpaces Bitcoin. This typically occurs when investors move funds from Bitcoin into altcoins, seeking higher returns due to their smaller market capitalisations and greater price volatility.

During this time, altcoins often see sharp price volatility as traders speculate on the next big opportunity. Historically, alt season coincides with growing enthusiasm and speculative behaviour in the market, often amplified by social media and community-driven narratives. It is seen as a hallmark of the latter stages of bullish crypto market cycles.

The Varying Volatility of Cryptocurrencies

Annualized and average daily price volatility of selected cryptocurrencies in 2021



* Daily volatility of each coin scaled for a one-year period.

** Average difference between the price on a given day and the average price in 2021.

Source: Statista Digital Economy Compass

Daily volatility measured for prominent cryptocurrencies during the alt season in 2021. [Source](#)

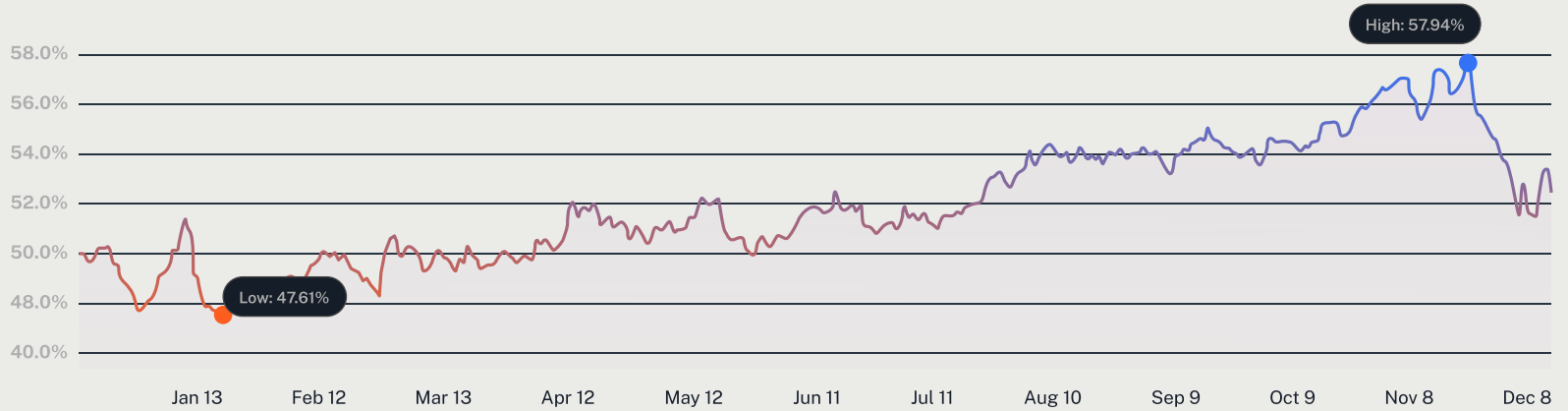
Signs of Alt Season

Indicators of alt season include a decline in Bitcoin dominance, which signals capital moving toward altcoins. Typically, during the bear market and early stages of a bull market, Bitcoin's dominance increases. Once this trend reverses and dominance begins to decrease, it indicates that money is rotating out of Bitcoin and into riskier assets.



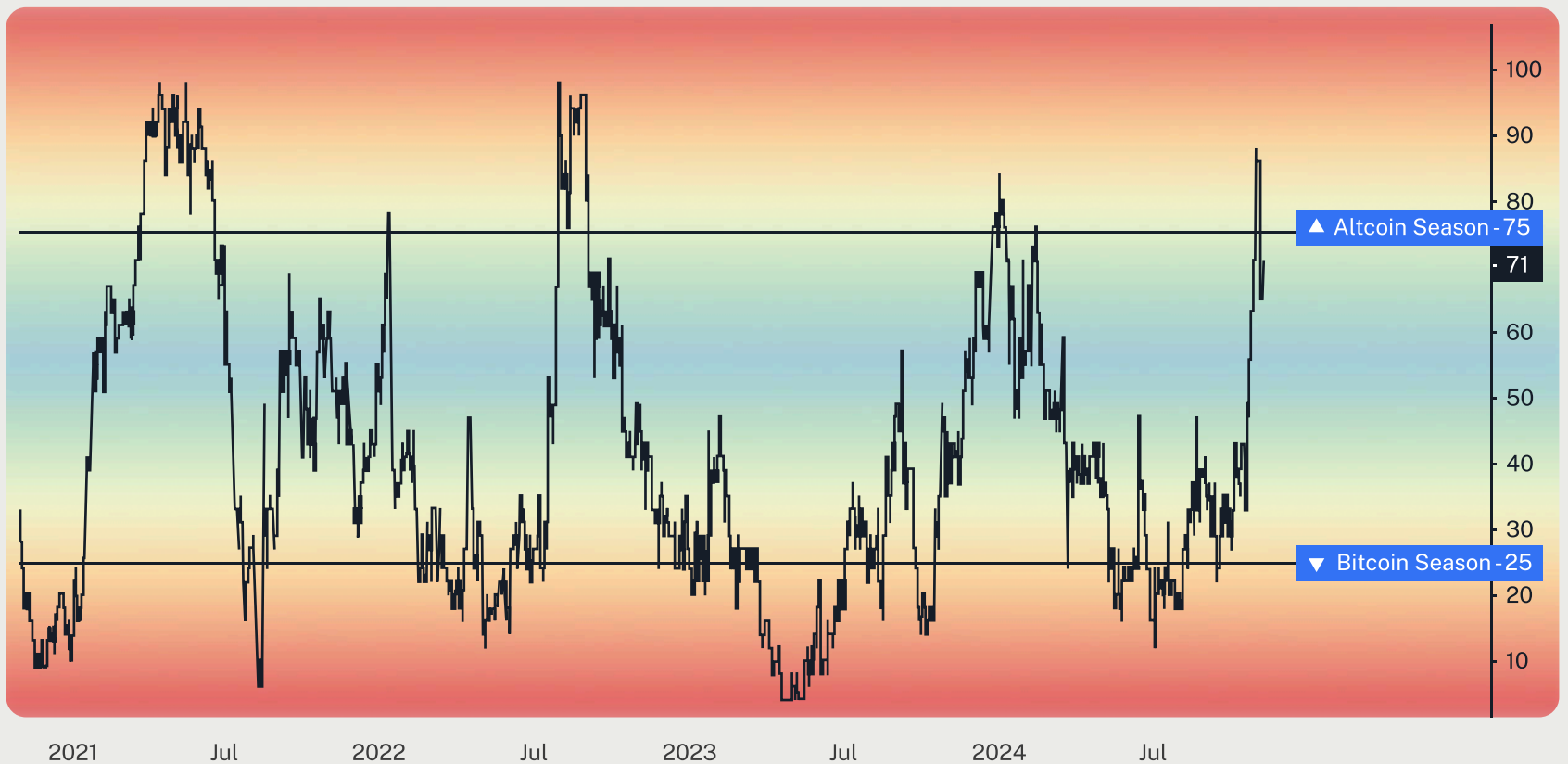
BTC Dominance Chart

52.6% ▲ 0,21%



Bitcoin dominance has been decreasing since the November high, indicating alt season. [Source](#)

Another useful metric is the Altcoin Index, which measures the performance of the top 50 altcoins relative to Bitcoin over the past 90 days. If 75% of these altcoins outperform Bitcoin during this period, it signals alt season. Stablecoins (e.g. USDT, DAI) and asset-backed tokens (e.g. WBTC, stETH) are excluded from the calculation to ensure accuracy. This index provides a data-driven confirmation of shifting market momentum toward altcoins.



Altcoin Index is a data-driven indicator for when alt season is in effect. [Source](#)

Alt season often follows a Bitcoin rally or a period of consolidation when Bitcoin stabilises. Historically, it tends to begin 1–3 months after Bitcoin's price surge as capital flows into higher-risk altcoins. The duration of alt season can vary but often lasts between a few weeks and a few months, depending on the market conditions and the broader cycle dynamics.

However, while these indicators provide insights, there is no guarantee that all altcoins will perform well. Given the abundance of altcoins in today's market, it's possible that only a select few will perform exceptionally well.

How to Maximise Opportunities During Alt Season

Large returns are possible during alt season, but not every coin is guaranteed to benefit. Below is a graph comparing the overall performance of altcoins from 2020–2021 to the potential 2024–2025 movement. However, this reflects the market as a whole, not the performance of individual tokens.



Maximising gains during alt season involves careful preparation. Timing it perfectly is very difficult, so expectations of what is achievable need to be managed. Identifying which coins will outperform will depend on thorough research and following the narratives that have captured market attention. Setting realistic profit targets is also critical for securing returns.

Despite its potential, alt season carries significant risks. Rapid price swings can make this period difficult to navigate, and many altcoins lack long-term sustainability, making them vulnerable to sharp declines. For many, chasing these gains may not be worth the time and effort required, and remaining in the major coins may be a more suitable approach.

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