The psychology of perma-bulls

Why the targets are always higher ... and the bottom is always in.

Something I find interesting about a lot of traders and analysts in crypto is not necessarily how often they get things wrong ... but the direction in which they get things wrong. When BTC goes up, their targets are usually much higher than what the market actually delivers. When BTC goes down, their targets are not low enough and somehow every support becomes the bottom.

So why is the error so often in the same direction? If it was just a bad model or a lack of experience, I would expect to see mistakes on both sides. When the mistakes are consistently optimistic, I think there is something else worth looking at.

Optimism bias ... the market they want to see

When BTC is at 100k, they see 150k, 200k or even 300k. When it drops to 80k, it is a healthy correction. At 70k, the bottom is in. At 60k, apparently the market is giving us another generational buying opportunity ... quite a generous market, considering how many generations we seem to go through in a few weeks.

Optimism bias makes favorable outcomes feel more probable than they really are. The same bias that makes someone overestimate the upside can make them underestimate the downside. The direction of the market changes ... their psychological exposure to it does not.

Motivated reasoning ... finding evidence for a conclusion

There is a difference between looking at data and forming an opinion, and having an opinion and looking for data to support it. If every bullish indicator is confirmation and every bearish indicator is manipulation, then what exactly would invalidate the analysis?

A person can genuinely believe they are being objective while selectively giving more weight to information that supports what they want to happen. It does not necessarily mean they are lying to anyone ... sometimes they are the first person they convince.

Anchoring ... when 200k becomes a reference point

Once someone has convinced themselves that BTC should be worth 200k, 100k looks cheap, 80k looks extremely cheap and 60k looks ridiculous. The problem is that the 200k valuation was never necessarily correct in the first place. They are measuring the market against their own expectation instead of reassessing the expectation against the market.

This is also why a lower price does not automatically make a bullish thesis better. Sometimes the price is lower because the thesis itself is becoming weaker. A discount on a wrong assumption is still a wrong assumption.

Ego, cognitive dissonance and public reputation

It is relatively easy to change your mind when nobody knows what you thought yesterday. It becomes a bit more complicated when you have spent six months telling thousands of people that BTC is going to 200k and built part of your reputation around it.

Admitting that the analysis was wrong creates a conflict between the evidence and the image someone has of themselves. Cognitive dissonance can be reduced by changing the belief ... or by finding a new explanation for why the belief is still correct. Moving the target, extending the timeframe and blaming manipulation are all convenient ways of doing the latter.

And the more publicly committed someone is, the more expensive admitting a mistake can feel. Not necessarily in dollars ... sometimes the ego has a bigger position than the actual trading account.

The need to be the one who called the bottom

Calling a 5% move correctly and managing risk is not particularly exciting on social media. Calling the exact bottom of a cycle is. There is a social reward attached to being the person who saw something before everyone else.

So we get a bottom at 80k, another at 75k, another at 70k and eventually one of them will be right. That last call gets a screenshot, a victory lap and possibly a new subscription offer. The previous calls seem to have a much shorter life expectancy.

This is selective reporting. If we only look at the successful prediction and ignore the failed ones, we are not evaluating the ability of the analyst ... we are evaluating their ability to select screenshots.

The business model behind the optimism

A trader and a person who makes money talking about trading do not necessarily have the same incentives. A trader can sit out of the market for weeks. A content creator needs something to talk about tomorrow morning. A trader can make money from a short. A creator with an audience full of BTC holders might lose engagement by being bearish.

Hope sells quite well, especially to people who already own the asset. A target of 250k gives them something to look forward to. A discussion about probabilities, invalidation and position sizing is probably less exciting ... even if it is more useful.

This does not mean every bullish influencer is deliberately misleading people. Some may simply learn over time which opinions get rewarded by their audience. The result can be the same even when the intention is different.

What I would actually look at

I would look at the entire history of their calls, not just the ones they repost. What was the target, what was the timeframe, what would invalidate it, and what did they do when that invalidation happened? Were the errors consistently bullish? Did they change their view before the move or explain it afterwards?

Being wrong is part of trading. Being bullish is not a problem either. The problem is when the same directional error keeps repeating and nothing in the process changes. Of course, without a complete record of calls we cannot know whether the pattern is statistically real, and we cannot diagnose someone or establish their intentions from their forecasts alone.

My conclusion

Experience does not automatically make someone objective. Sometimes ten years of experience just gives someone ten years worth of tools to justify the same bias.

For me the difference is quite simple ... an objective analyst changes his opinion when the market contradicts it. A biased analyst changes his interpretation of the market so he can keep the same opinion.

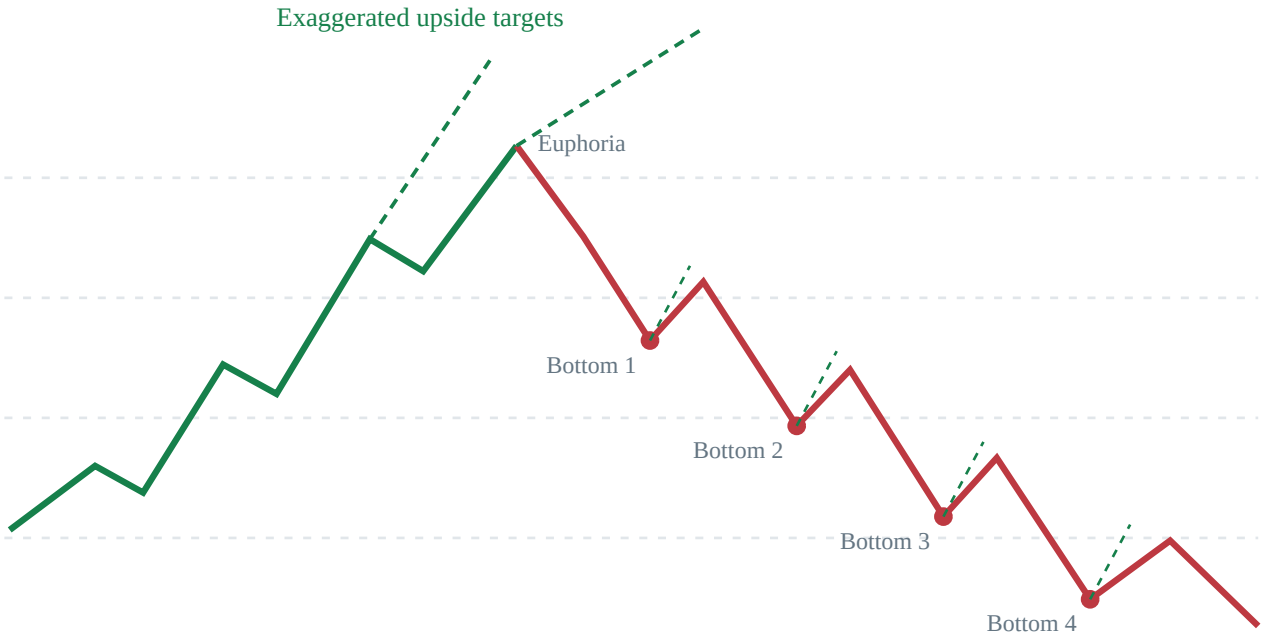
One is trying to understand what the market is doing ... the other is trying to prove what the market should be doing.

Different incentives ... different results

A trader gets rewarded for managing risk and making money. An influencer can get rewarded for attention, even when the analysis is wrong. One can afford to say nothing ... the other has a video to upload tomorrow.

Trading for performance	Creating content for attention
Profitability and risk management	Engagement and subscriptions
Probabilities and invalidation	Certainty and moving targets
Can stay out of the market	Needs a new narrative
Results matter	Hope can sell

The psychological cycle ... the bottom is always in



Illustrative price path, not actual BTC data.

On the way up we get greed and overconfidence. On the way down we get denial, hope and a refusal to invalidate the thesis. Every bounce becomes a confirmation ... every lower low becomes an even better opportunity. Eventually the market does put in a bottom, which is quite convenient when you have been calling one every week.