

CRYPTO TOKEN



Episode 135: Kunal Desai on Crypto Trading

Kelley: Welcome to Crypto Token Talk, a crypto 101 podcast exploring how blockchain applications like Bitcoin, Ethereum and other crypto assets could change the world. Learn from blockchain experts, thought leaders and founders of some of the most innovative companies, and world changing ideas of our time. I'm your host, Kelley Weaver, CEO of Melrose PR, a leading blockchain communications agency. Thanks for joining us today.

Today I'm here with Kunal, who is from the Bulls of Crypto Street. Welcome.

Kunal: Hey, how are you? Thank you for having me.

Kelley: You are a crypto millionaire. I'm super excited to have this conversation. I'm sure our audience is really eager to hear your backstory and how you got into this crazy industry. Tell us a little about who you are, and what led you to crypto.

Kunal: Awesome. I'm Kunal and I have been trading stocks professionally for the last 10 years. I've been in the trading game since college. I'm 35 years old and this is all I've ever done. Trading stocks has always been my go-to thing, that's what I was obsessed about, and spent my life studying and teaching people how to trade. Low and behold a couple years ago, one of my students that I had been coaching on trading stocks had approached me and said, "Hey Kunal, I'm making a lot of money trading Bitcoin and Ethereum." I'm like, "Come on. Get out of here. A digital money? What is that, a PayPal? I have a PayPal. Why would I want to trade Bitcoin?" He's like, "No, it's the future."

I totally just brushed him off. I said, "You know, not my thing." I looked at it, I couldn't understand it. You're just sitting there, reading about mining and this and that, it was all so daunting, the terminology of it. He came back to me a few months later and said, "Kunal, I'm really killing it. You got to look at it." I said, "Look, I don't have the time learn this." He said, "No. You do because it's the same stuff that you do in the stock market. It's just a little bit different terminology. You've got to get used to it."

He was telling me, he goes, it's like in the 1990s when people were talking about the internet. They didn't really understand what the internet was. What do you go on? AOL and dating chat rooms? That's all we really thought it was. We didn't really know what we would use the internet for, but that lexicon started to come out and people were already starting to make money on. He was telling me this could be the new frontier, this new type of revolution. I said, "Okay. What do I do?" He said, "You're gonna trade it the same you do stocks, you just got to learn the lingo and some of the nuances."

I put pen to paper and I started studying it. I started looking at how these things move around. It was like, holy crap, this is just trading, but it's something that's new and ground breaking where you could get in, in the beginning. Like if you were buying Netscape or AOL in 1995, that's where we were at with it. I started just digging in, opened a few accounts and I started trading. I realized, wow these things really move well, and boy there's a lot of potential.

Once I made my first few trades and got my feet wet, I really started studying more 'cause now I get excited. I'm like, "What is really all this stuff about?" That's when it really hit me. I started going to some conferences and speaking to people. You could just see the passion, the excitement that these people that were trading this stuff and investing in this stuff, really had. That just got the ball rolling.

I started just trading it day in and day out. The market is 24 hours. I'd be up 'til three, four in the morning, trading Bitcoin, trading Ethereum. It just snowballed from there. Then last year it really started becoming the forefront of peoples' minds. It started showing up on CNBC, and magazines, and people started talking about Bitcoin. You started to see that price rise.

My student, David, he was right. Like, holy crap, we might be in the beginning of something that's really awesome. It might be the beginning of what could be a major trend for the next 10, 15, 20 years. Who knows? That's what's exciting about it, is that we don't really know. It's hard to put a finger on what it is, and where it can go, and how high, and what the potential is because it's all new. That's what gives us opportunity.

Kelley: You said it was about two years ago that you first took David's advice and got involved, started trading? Was that about the timeline?

Kunal: Yeah.

Kelley: What was the price of Bitcoin and Ethereum around then? Do you remember?

Kunal: Oh boy, this would have been ... Ethereum would have been at \$10, \$15. Bitcoin was under 1,000.

Kelley: What sites were you using to make your first trades?

Kunal: At that moment, there were only a few places where you could actually make these types of purchases. You had Coinbase, you had Bittrex, and you had Bitfinex if you were outside of the U.S., where you would have to use ... If you are a U.S. based company, you'd have to use a VPN and do all sorts of stuff to open an account there. There was only handful of places.

Kelley: Given your background, that's so cool because you were able to parlay that knowledge into the act of trading. Whereas for most people who don't have that background, it's a little bit more clunky to get on and start actively trading.

- Kunal: It is a little bit clunky. The way you just got to think about it is that it's just the terminology that's a little bit different. The stock market is like, you want to open an account, you go to Ameritrade. It takes five seconds. You put in your bank account. You know the terms of stock, and you know the stocks that you're interested in, Apple, Google, things like that when you're new.
- In cryptos, it's the terminology that doesn't really make any sense. But once you get past that road block, that initial, "Huh, I've never heard these words before," then it's relatively simple. It's just, whenever something is new, it feels confusing because it is. But you could get over that in a hot second, just like you would if you were learning anything.
- Kelley: I love your enthusiasm. Where else did you ... When you first got this tip from David, where did you go to learn more about what Bitcoin was specifically?
- Kunal: You just really got to go on Google. You just start Googling stuff. There's a handful of bloggers, YouTubers, like Tone Vays, people out there that were posting about this stuff and talking about it. For me, I was coming in as the sole purpose of making money on this via trading. I didn't really care about necessarily the underlying pinnings of the technology because I was still learning what it all was and trying to figure out how it was gonna make an impact.
- Well what I could do is read the price and read the trends, and figure out how to make money on it. I just delved right in while I started to supplement that with the background knowledge of what the heck all this stuff really is.
- Kelley: Yup. Flash forward to today, I'll let you say the title of the Bulls on Crypto Street. Tell us a little bit about what that is.
- Kunal: Bulls on Crypto Street is a website that is basically just a one-stop shop for everything cryptocurrency related. You get your news, blogs, information. But also, we have trading classes, like a cryptocurrency bootcamp that's designed to take somebody that doesn't know anything about cryptos, and show them how to make money from it. Not just from investing, but actually trading it. You can go out and day trade it, or do longer term investments. It goes from everything, from where to open your account, to what type of software to use. Anything you can think of.
- On top of that, I have a chatroom where I'm trading in front of my student live every day, giving them the picks, and what I'm getting into, and what I'm getting out of.
- Kelley: That's awesome. Really cool. Where were you teaching before? You said David was your student. Where were you teaching before?
- Kunal: I have a company called Bulls on Wall Street which is about stocks. I've had that business since 2008. In the bubble of the real estate crash, I opened that business as I was day trading stocks. I've been day trading stocks using these strategies that I actually used in crypto since I can remember.

Kelley: Wow. So cool. What advice do you have outside of coming to your site to learn more? How can people get started in this crazy industry? What are the first steps that you recommend?

Kunal: When you're thinking about cryptocurrency, it just seems so daunting at first, but the biggest thing is really to just start diving in head first. Read about it. Just read about it. You put that thing in Google, start reading some blogs on what the heck blockchain is, what the heck cryptocurrency is, and just get yourself familiar with the terms. Then at that point, what you want to do is just start watching it.

What I mean by watching it is, most traders use charts, and chart patterns to really figure out where something has been, and where it can go. I use, it's a free charting platform, it's called Trading View. I use Trading View and you could start plugging in the tickers. Put in Bitcoin, put in Ethereum, put in Litecoin, put in all the 20 major coins. You can find a list of the 20 major coins on coinmarketcap.com, which lists every single coin that's out there, and then it gives you the stats of them, what the price is, where you can trade it, basic financial stats, and links for information so that you could dig in more about that particular coin. It's kind of like your one-stop shop of figuring out information on a particular coin.

But look at the 20 major coins. Those are the ones that are gonna move around the most in the [inaudible 00:10:52]. Put them in your Trading View platform and then start watching it. Start watching it. Start to actually feel how these things move, and then it's really just about applying certain patterns to figure out when and where to get into it.

Kelley: Yeah. Great advice. Where do you usually look at the price constantly?

Kunal: I use Trading View to always monitor all my different positions, but also different things that I'm interested in. Then I'll input the actual trades, meaning, if I want to buy something, I use a handful of the major exchanges. Coinbase, which is the easiest out of all of the crypto exchanges, to open an account, probably the easiest and the quickest. But that's also gonna be a new person's hub, because that's the exchange where you can hook up your bank account, hook up your credit cards, all that type of stuff, so that you have everything there and you can fund an account.

From there, it's really easy to open accounts at some of the other exchanges, and so I do the majority of my trading at Coinbase, at Binance, at Bittrex and then Kraken. I got four that I play around with.

It's a little bit different than the stock market. A stock market you can open an account at one broker, Ameritrade, E-trade, wherever, and you can trade anything. Well in crypto, currency is very segmented. Certain coins are only listed at certain places. Each one of these exchanges ... Because it's all new they're not as sophisticated as an Ameritrade or an E-trade platform. You need a few to spread out your risk, but also have the ability to trade different coin. On Coinbase, you only have four coins you can trade. Or on Binance, you could have 100. You have to have a few different ones to be

able to trade the major coins, but also a lot of the smaller coins that really have the volatility and a bigger investment potential.

Kelley: Yeah. How do you find out about more obscure altcoins, or other coins outside of the major few? Have you had success with those?

Kunal: Yes. Some of my biggest trades have been on the altcoin market, because those are the ones that are gonna be smaller. They're not gonna be recognized as much. When they start getting the ball rolling, they have bigger potential to give you those larger returns. Where if you were trading Bitcoin, well it's already in the thousands, so how high can it go? Maybe it goes up 20%, down 20%, so on and so forth. But some of these altcoins are gonna be 50 cents or a dollar. They're really gonna be more volatile, more risky, but also a little bit more fun.

I'm always going on Coin Market Cap to see what are the coins that are moving around. You can put a filter on, a percentage gain filter, so you can see on any given day what's moving around. Then I'll start digging into them, all your different exchanges.

Say I'm trading in Binance. When you're on your Binance application, you can run filters on the app to see what's getting volume, which just means interest in buying, or what's moving around in price. I start putting those on a list and start doing research into them, to see if any of these might be something worth playing.

Kelley: Yeah. Really smart, really cool. Do you ever use other exchanges than the four you listed? Like decentralized exchanges? I know some of these altcoins aren't listed on the major exchanges.

Kunal: If they're not listed on the major exchange, I'm not interested in them. Not yet. The reason is just it's super risky. The decentralized exchanges, the idea of a decentralized exchange is awesome. But there's not really any decentralized exchanges yet that offer any volume or ease of buy.

As an investor and trader, if I buy something, I need to know on a moment's notice if I got to get out of this thing. There's an emergency, I got to leave or I have a financial trouble, I need to liquidate this position to get the cash back. I need to be able to do it easily. On a decentralized exchange, you may not be able to have the liquidity to be able to get out of your position quickly. Then you still got to transfer it back to your wallet, then transfer that Bitcoin back to Coinbase. It's a huge convoluted process to get your cash out. That's one of the things that's holding back the cryptocurrency market right now, is nobody can really figure out if you're a layman, how to get money in, and then how to get money out.

The easiest way is to just keep it really simple, stick to the big exchanges because they have tons of coin. If there's some random obscure coin that somebody's talking about, but it's random and obscure and that's all it is, it might not be ready for prime time yet. I don't want to be interested in it.

Kelley: Yeah. Great points. Do you ever buy and hold as a strategy? Or are you mostly actively trading?

Kunal: I am actively trading for about 3/4 of my moves, but I also have a handful of coins that I invest in when I see opportune time.

You've got to play it both ways. How I look at it is always trading is something that you do for income. It's something that you do to pay your bill. But your investments and cryptocurrency stuff that you get at the right price, at the right time, if you can catch it and it's trending to the upside, those are great for wealth generation. I trade for income, but invest for wealth generation.

Kelley: Interesting. Really cool. Obviously back this past fall when we had a crazy bull market, everybody felt like they were gonna make money and things were going up on the daily. What happens when there's a bull market pullback like there is now? How does that change your strategies? How does that change your day-to-day?

Kunal: First of all, amazing question. This is not just a bull market pullback, this is a full blown crash. It's bear market, it's nasty, it's depressing. It makes you really rethink life for a lot of people.

I've talked to literally, hundreds of people. I speak all over the world about cryptocurrency. Even when I was in Tokyo and I was at a conference speaking about ICOs, you could literally see people pulling their hair out. Just like, oh my gosh. What did I get myself into? I'm holding a bunch of these random coins that I can't get rid of, that are all under a penny. In reality, I have no clue what they do. But also in reality, those coins also do nothing, which 99% of coins right now have no function and do nothing.

A lot of coins, and this is part of the reason this bubble can even happen is, most of the coins that do ICOs, they take the money and then they build out the project. They don't even have their projects built for the most part. That's where you've got something that's really kind of ass backwards. Hey, let's raise money and then build our company. Where traditionally, you build your company and then you go out and raise more money. In cryptos we've done it totally backwards. That becomes really nasty.

This is a bear market. Right now, it's about protection, protection, protection. Don't buy something unless you know that you've got a real product, a real team, a real chance at this coin succeeding. Then don't buy without knowing what your max pain is on a particular coin. If I go in with an investment, most of the time I'm saying, "Okay, I have a max pain of 20%." If it goes below that, I've got to get out. I can always re-enter back.

But we want to always be really liquid and managing our risk, because these things can drop 75%, 80%, 90%. What most people don't realize is if you have something that drops 50%, they think that they just have to make the 50% back to break even. If you're down 50%, your coin has to double to get your money back, and so the math is against you. You've got to always be thinking, "Risk management. Risk management."

When the market's like this, I invest very little. I short, meaning betting on things to go down with the trend. As I'm raising funds and being patient for when the rebound starts, I trade with the trend. The trend for the last couple months has been down on Bitcoin and Ethereum, so I actually bet against these bad boys. It doesn't mean I'm against the technology or the future, but if I know for the next 60 days this thing is going down from 1,000 to 400, why would I buy and hold it? I want to make money, which means I have to bet on it to go down.

Then usually what I do is I take those profits from my trading with the trend, which is on the downside, and I'm building a bank roll to invest in things that are gonna be at really good prices, so that when the rebound happens, I've got a huge war chest of cash that I can put towards my favorite coin. In trading, you never want to be a victim, which means you have to take an active stance in your finances. Which means, you don't do a pull and pray. This is not prom night. You've got to go in and really build a business plan or a trading plan around your money.

People always forget because we all are motivated by the same thing. We want to take care of our kids, buy nice things, take care of our families, so on and so forth. When we get faced with something we think we can make a lot of money, we just let all our sensibility go to hell. But we've got to come in. I always tell my students, "If you're gonna take a trade, you better have a plan for it." How much are you gonna buy? What's your risk? What's the ideal price zones where you could purchase this where it's low risk? You've got to really come out with an actual plan for this thing. That way, whether it goes your way or goes against you, you've already thought about what you're going to do.

Guess what, if the market crashes, you've got a plan for this. You know how to protect yourself because you've actually thought about it. Because what happens when the market crashes and you haven't thought about it, you have that deer in the headlights look. You freeze. You're like, "Holy crap, I'm down 30% what do I do? Oh I'm down 40%, what do I do? I'm down 50%, what do I do?" At some point you're like, "Ah, I'll just hold it." Now you're just stuck on a bag of junk. You've got to come up with a plan before you enter any trade.

Kelley: You probably look at trends for this, but do you have a threshold where if Bitcoin or Ethereum get to a certain price, you're gonna start investing for a buy and hold strategy? Or is it you're just constantly looking at the way the market's moving, and then once you see it start to trend back up, that's when you decide this is a good time?

Kunal: What I'll do when I look at a chart for Bitcoin, or Ethereum, or any coin, I start creating levels. Where are levels of support, where demand [inaudible 00:23:15] come in for the ticker, into the coin.

We're getting closer to the bottom than we definitely are at the top, because we've fallen so much. Now I'm on alert, like we're getting toward some levels where I think the reward to risk is in my favor, where I can make multiple of what I'm risking. We are starting to get towards those levels, and most likely yeah, we're getting closer to the bottom.

But, I won't just buy just to buy. What I want to see is a bottoming process. I want to start to see the selling level off. I want to see some sideways movement in Bitcoin or Ethereum that tells me no longer is this thing going down. 'Cause I don't want to just buy it and to hold. Meaning if it's just going down every day, and I just buy, well what's gonna happen tomorrow? It could go down a little bit more. I want to see that evening out before I start jumping into some type of investment.

Kelley: Right. Smart. Really smart. Now on Bulls on Crypto Street, are there different classes for different levels of expertise? Or is it just ... Who is your target student?

Kunal: Whether you are somebody that has traded before, or you're brand new to this, I start everybody off at step one, the foundation. Because whether you know something about crypto currency or not, or trading or not, doesn't matter. Most people have a weak foundation, which means you can't build a good house. I like to start everybody off at the dead beginning, and start brick by brick, building them up with proper knowledge so that by the time we get to the end of class, you have a really solid foundation of not just knowledge, but more importantly good habits also, so that when you start to trade those present themselves in your trades.

Kelley: Got it. Then your site, is it something that people pay to be involved with? Or it looks like there's free news content on there. How much do you charge for various different services?

Kunal: Our chatroom is a monthly fee. I believe it's \$99 a month, and then we have annual packages. Then our crypto course is \$699. Usually we'll package those together for sale.

Kelley: The chatroom is where people can actively see you trading, right? I think that's so cool.

Kunal: Yeah. I'm trading in there and there's hundreds of other traders that have been trained by me. Most of them are actually pretty good. They know the style, the methodology, and how to actually look at these things.

We work as a team too. We have hundreds of eyes across the market looking for opportunities that we can share. For me personally, as the head trader and the CEO, I'm posting my actual alerts. I'm buying here, this is my max pain. I'll text and email out these trades to everybody once I get an alert. Even if you're not in the chatroom, you'll have them. Our chatroom is mobile, so you could hang out in there from your iPhone and do all sorts of fun stuff.

Kelley: That's awesome. Are most of your students based here in the U.S.? Or do you have a global audience?

Kunal: This is actually global. The stock market is gonna be more U.S. based. In crypto, they're everywhere.

Kelley: Have you given up mostly on the stock market? Or are you still actively trading there as well?

Kunal: No. I'm trading every day in the stock market. That's my bread and butter. There's opportunity everywhere in the market, no matter what industry you're trading in. The stock market still has ... Because it's more established, you don't necessarily have the volatility like you would in cryptocurrency.

But like right now, in crypto everything is just going down, so there's only so much you can do. Having another way of trading to supplement your income ... A lot of my cryptocurrency only traders, last few months they just apply the strategies that they learned from me in crypto and they put them in stocks. A lot of my stock guys apply them to crypto. They're very similar in terms of how things move, it's just more of the terminology is gonna be a little different.

Kelley: Awesome. Well thank you so much. This has been so interesting and you've dropped so many nuggets of great information. I really appreciate it. You recommended a lot of different sites and resources, so we'll link to those in the show notes.

Do you have any others that you wanted to mention before we wrap up?

Kunal: Yes. Guys, right now, it looks nasty out there. I mean, it looks depressing. You almost want to throw up sometimes when you're looking at the crypto market, especially if you bought at the top. But I personally believe, in the next five or 10 years, there's gonna be big opportunities in cryptocurrency.

Whether you've gotten in at the wrong time, or you're wondering if this is the wrong time, there's never a better day, at least to start learning. You don't have to just put money in, but start learning now because whether you choose to learn it, or you're forced to learn it 10 years from now 'cause everybody's in it, it's gonna come across your desk at some point, and you want to arm yourself with knowledge.

This is a job. It's no different than if you were to be a doctor, a lawyer, accountant, and engineer. You have to go with that same process of learning, the same tenacity of learning, but you can learn it. You can make money from it. There's opportunity to do it, you just got to go out and get it.

Kelley: Love it. I can tell you're a great teacher 'cause you're very motivating and so enthusiastic, I just love it.

How can people keep in touch with you?

Kunal: I'm @kunal00 on Instagram, Twitter, everywhere. Bulls on Wall Street and Bulls on Crypto Street are my two websites. I do a YouTube Live every Wednesday at 5:00 p.m., talking about cryptocurrencies. It's open to everybody. Whatever's happening in the cryptocurrency market, things that I'm looking at, I do a free YouTube Live for everybody to come, ask questions and just talk about the markets, learn strategies. I go through my past trades of the week, things that I'm looking at, and where I see the market going so that you always have an ear and an expert that's guiding you so you can have your hand held a little bit.

- Kelley: That's awesome, like a teaser course.
- Kunal: I've been doing it every week for six months. Whatever I have, whatever I'm up, I let people know. We go through step-by-step, these are the things we're looking at. These are things I think could be hot the next, and we talk about them.
- Kelley: Love it. Well thank you so much for taking the time to come on the show. I can't wait to refer people to your site. Love what you're doing, and really appreciate your time.
- Kunal: Hey, thank you so much for having me. Let's do this again.
- Kelley: Love that. Thanks Kunal.
- Kunal: All right. Take care.
- Kelley: That's all for today's episode of Crypto Token Talk. To learn more about blockchain and keep up to date with this fast pace industry, subscribe at cryptotokentalk.io, where you can also find today's show notes.

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