What actually moves crypto

> **THE CRYPTO DRIVERS**
>
> Four forces, in rough order of speed: leverage cascades - derivative liquidations forcing spot moves in minutes; flows - money entering and leaving the whole asset class; narratives - the stories that reprice entire sectors of tokens; and the macro linkage that arrived with the institutions. No cash flow, no valuation anchor - so the drivers are flow, leverage and story all the way down, which module 5 will call crypto's honest analytical condition.

A coin has no earnings to miss and no supply story of barrels - so what moves it is not any prior track's drivers. It is flow, leverage and narrative, and the fastest of those is the one most readers underestimate.

The four forces

Leverage cascades, the fast one: perpetual and futures liquidations force market buying or selling of spot in minutes - a move triggers liquidations, which push the move, which trigger more; module 3 explains the funding mechanics, module 4 the liquidation prices, and this lesson names the effect: derivatives most readers cannot trade routinely move the spot they can.Flows: capital entering or leaving the asset class as a whole - the tide that lifts or drops most coins together, driven by sentiment, on-ramp access and the institutional wrappers module 5 dates.Narratives: crypto reprices on stories - a sector's thesis, a protocol's promise, a coin's meme - to a degree no other market matches, because with no valuation anchor the story IS the valuation until it is not.The macro linkage: since the institutions arrived, crypto trades increasingly with risk assets and against the dollar and rates - a linkage that strengthens in institutional regimes and loosens when retail dominates, which module 5 makes a dated, regime-aware read.

The decomposition, crypto-shaped

The equity track split a move into market, sector and name. Crypto's version: the whole-market flow layer (most coins move with the tide), the sector-narrative layer (thematic baskets move together), the coin-specific layer (its own news), and - unique to this asset class - the leverage layer, which can dominate all three for minutes at a time and belongs to none of them. Reading a crypto move means asking which layer moved it, exactly as five tracks taught - with the leverage layer as the new, fast, often-decisive fourth.

The honest condition

Stated now, formalised in module 5: with no earnings and no anchor, crypto analysis cannot be the causal work commodities allowed - it is flow-reading, narrative-reading and positioning-reading, which is the FX track's crowd-reading with the volume turned up and the anchor removed. That is not a criticism; it is the asset's nature, and analysis that pretends otherwise - valuing a coin as if it had cash flows - is the category error module 5 exists to prevent.

Check your understanding

1. Why can derivatives most readers cannot trade still move the spot they hold?

a. Spot and derivative prices are unrelated

b. Leverage cascades: liquidations force market buying or selling of spot in minutes, and the move triggers more liquidations - the fast, often-decisive layer

c. Exchanges copy derivative prices to spot

Answer: b. Liquidations are forced spot transactions. The leverage layer belongs to no other, can dominate for minutes, and is why derivative structure is taught even where access is barred.

2. What is crypto's 'honest analytical condition'?

a. Cash-flow valuation, like equities

b. Flow, narrative and positioning reading - crowd-reading with no valuation anchor - because there are no earnings to analyse; valuing a coin as if it had cash flows is the category error

c. Supply-and-demand balance sheets, like commodities

Answer: b. No anchor means the story is the valuation until it breaks. Module 5 formalises this - the FX crowd-reading at maximum, stated as the asset's nature rather than a flaw.