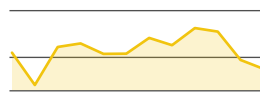




TRENDING

Survey: Is the Bitcoin Community Just Young, White and Male?

BITCOIN PRICE INDEX (24H)



USD -0.54%

\$242.08

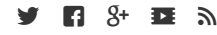
EUR €225.39

CNY -0.79%

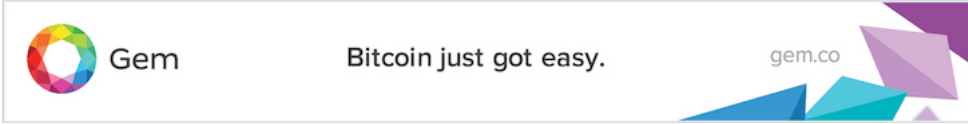
¥1,499.59

GBP £163.54

- NEWS GUIDES PRICE & DATA EVENTS JOBS RESEARCH DEALS



Search input field



EXCHANGES • FEATURES • PRICES

# Whale Club: The Trading Room That Loves Bitcoin Price Declines

Pete Rizzo (@pete\_rizzo\_) | Published on March 17, 2015 at 20:23 BST

FEATURE

- Twitter 607 Facebook 100 Google+ 13 LinkedIn 15 Reddit 7 Email

“How much is he dumping?”

The phrase comes to surface amid a collection of voices, most discussing the unknown trader. The room focuses on his (or her) observable market influence, dissecting how and why he closed all his short positions for signs of strategy.

“He was defending that position,” one of the voices says with authority. “That price should have gone up on the ratio, it didn't. I think it was him dumping.”



Whether he's Clowncontrol, Gregcron or Barry White, or one of a host of other usernames that dot the screen, is unclear.

Salacious talk aside, it's a boring day in the Whale Club trading room. Bitcoin is trading at \$250, up from \$230 days before. The rise has been the first jolt in an otherwise “choppy” cycle for the price of bitcoin, weeks of ups and downs with no clear trading patterns to yield profits.

“It's been out since Monday,” one of the traders interjects amidst sudden silence, clearly bored by bitcoin's stability. Debate ensues over the hit Netflix series House of Cards.

For a moment, it could be any Wall Street break room.

“Look at this one-minute candle, holy [expletive]!” exclaims another voice. Just as quickly, Whale Club is back to business.

## Open secret

Though the rise of a secretive group may be business as usual for the bitcoin community, Whale Club has built up an unusually polarizing reputation.

The informal club of traders is at once reviled in public for its perceived shadowy market practices and heralded in private by exchanges for knowledgeable product insights.

At any given time, traders can be heard on Whale Club's TeamSpeak channel, discussing market movements and strategy. Notable members of the exchange industry, including Bitfinex's Phil Potter and BitMEX's Arthur Hayes, are known to stop by to get a gauge on market activity.

Others like soon-to-be-incarcerated bitcoin entrepreneur Charlie Shrem have made special appearances.

## DAILY BITCOIN NEWS

Don't miss a single story - subscribe now!

Email Address

SUBSCRIBE

## FEATURES



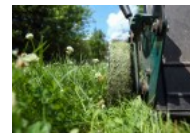
Exclusive: Silk Road Agent Gave Bitcoin Tax Advice Prior to Arrest



ProTip App Proposes Bitcoin Solution for Center Monetization



Fred Wilson on the Proposed BitLicense Regulations



Spare Change-to-Bitcoin Service Lawnmower Aims for Main Street Investor Appeal

Bitcoin in the Headlines:



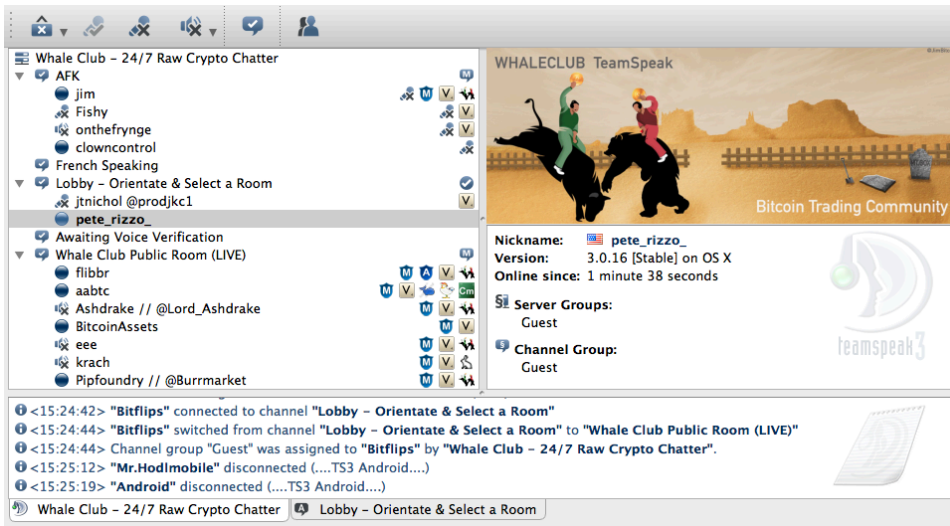
Wall Street Goes 'Nuts'







Advertisement for NeuCoin: Bitcoin faces high transaction fees in the future. Proof-of-stake can keep fees low. NeuCoin logo.

MUST READ

MOST POPULAR

Caribbean Bitcoin Exchange Launches Following a \$1.5 Million Raise



-  **Federal Agents Face Arrest for Alleged Silk Road Bitcoin Theft**
  -  **Australian Treasury: Bitcoin a Threat to Tax Collection**
  -  **Only 2.3% of Americans in Survey Trust Bitcoin Transfers Overseas**
  -  **Financial Watchdog Rethinks AML Guidance for Banks and Bitcoin**
  -  **Bitcoin's 'First Felon' Charlie Shrem Begins Year Sentence**
-  Got a news tip or guest feature?

Group leaders like BTCVIX and Flibbr are aware of its more negative reputation, but believe that much of this sentiment has been an unfair byproduct of its name (the term 'whale' denoting traders that are large enough to move markets for their own benefit), as well as what they deem a lack of education in the bitcoin community about market dynamics.

As for how the group is viewed by exchanges, the answers differ based on the company. Some are fans and members, while others downplay any relationship.

Bitcoin derivatives exchange BitMEX is a vocal advocate, with CEO Arthur Hayes and CTO Sam Reed both defining themselves as members. Calling the community a "very important segment of the market", Hayes and Reed confirmed that they use Whale Club's insights to shape decisions.

OKCoin indicated that while employees may be associated with the group, it doesn't have any formal relationship with Whale Club.

Zane Tackett, OKCoin's former community outreach director, said that though he has been in contact with the group, no special emphasis was put on its feedback during his tenure.

"I would say the thing that makes them more noteworthy would simply be they seem to reach out to exchanges and trading services on a much more regular basis," he said, adding:

*"They can be abrasive I guess. And they also are quite vocal."*

### Bone to pick

If there's one thing that bothers the traders behind Whale Club, it's the one-directional discussion about bitcoin price, and their views on the subject may paint a picture of why they sometimes offend the sensibilities of the general market.

Contrary to what you may read in the media, bitcoin's volatile price is one of its biggest benefits to certain subsections of the community.

Apart from its use as a spending tool, bitcoin is an asset class, meaning it trades on the open market. Exchanges have spent the last year moving to offer an increasing variety of tools for traders, and this includes the ability to short or long the market. Whichever direction it goes, there's money to be made.

"It was like I was given a second birthday in the same year," Flibbr, 29, recalls, talking about the digital currency's stunning year-over-year decline, and its more recent "capitulation", falling under \$200 at the [start of 2015](#).

"The downtrend has been fantastic for profits," he boasted.

"People have made a lot of money on the up run, I've made more with leverage on the downtrend," he adds, not quite hiding his excitement with a giddy tone. "The initial run from \$800 down was insane, but then we went all the way up to \$700 and repeated the whole process again!"

### A BEGINNER'S GUIDE TO BITCOIN

Bitcoin is a digital currency that is being used increasing all over the world. Find out more about how it works and how you can use it with our straightforward guides.

- What is Bitcoin?** >  
:s a decentralized digital currency >
- Why Use Bitcoin?** >  
:s fast, cheap to use, and secure >
- How Can I Buy Bitcoins?** >  
:rom an exchange or an individual >

Perhaps as a nod to its reputation, Flibbr first quips that the group requires users to hold [500 BTC](#) (\$143,000 at press time). It takes him a few seconds to note the joke doesn't resonate.

"We're zero barrier to entry," BTCVIX, a former hobbyist options trader, counters. "We call it Whale Club, which has this allure of being very exclusive, but we're very open. If people want to come in, they can join."

## Whale Club's origins

Despite claiming 200 traders from 30 countries, Whale Club has only been around for about a year. First connecting on stock and forex chart analysis site [TradingView](#), future members began to look toward alternatives that would provide the feeling of a real trading room floor.

BTCVIX credits the 2009 documentary [Floored](#) as part of the inspiration, calling it "a story of the dying breed of floor traders who can't make the transition to the desk".

Still, he believes the TeamSpeak channel is about more practical matters than nostalgia. "In a profession where information processing and dissemination is king, the fastest medium wins," he said.

Today, Whale Club says it has no idea as to its own influence in the market, citing this as a testament to the anonymity the group offers. "Some people are on there playing with bitcoin dust, 0.25 BTC or 0.5 BTC, but there are other traders with hundreds or thousands of bitcoins," BTCVIX said.

The group has a [Vaughn Live](#) TV channel, as well, allowing anyone access to its TeamSpeak room, factors they say make them open to the public.

"We're not all betting the same way," he said.

## Controversy follows

It wasn't long before this attitude raised eyebrows and spurred accusations. Still, BTCVIX and Flibbr dismiss criticisms of the community, attributing the backlash to the relative newness of trading to younger bitcoin owners.

"They've taken the trade, they're wrong on the trade and their ego is not able to process being wrong, so rather saying 'Hey I was wrong' ... they instead lash out and want to blame people," BTCVIX argues.

Indeed, the group's worst critics have sought to associate Whale Club with [market manipulation](#), a charge that the group also dismisses due for similar reasons. It also fires back, in its own tongue-in-cheek way, naming its various chat channels "Collusion room" or "Conspiracy room" in nods to controversies.

Both BTCVIX and Flibbr attest to doing "very well" as full-time bitcoin traders, though they are hesitant to provide details.

On a good week, such as when bitcoin plunged in January, BTCVIX attests to earning 100 BTC (about \$20,000). This sum, he said, can outpace what he's likely to earn over the next two or three months, during the "choppier periods" when the market has no direction.

Flibbr admits to keeping small positions of about 50 BTC (\$10,000 at press time) to "keep himself occupied", but also spoke out against the idea that trading is an easy occupation.

"Trading bitcoin is incredibly hard work, it's 24/7. You have Asia open, you have London hedge fund kill zone. You have New York, East Coast, West Coast, so you're constantly sleeping with price alarms set," he said.

This active work has turned Whale Club into a kind of thriving community of friends. Flibbr and BTCVIX admit to becoming more than acquaintances based on "the sheer amount of time" they spend on TeamSpeak.

At the very least, the group shares a sense of commonality, describing their influence as follows when asked about their interests beyond bitcoin.

"Degenerate gamblers aspiring to get rich, quit their jobs, drive Lambos and bang [expletive]. I tried to dress it down but the room agreed unanimously on that description," BTCVIX said, adding that other interests of members include, UFOs, swans and Asian fetishes.

## Liquidity boost

In contrast to the perception of their critics, BTCVIX and Flibbr both look at themselves as bitcoin enthusiasts.

The two suggested that they are limited in programming talent, and are simply helping bitcoin by contributing to a more liquid market in a way that best uses their skills and background.

The members of Whale Club, he asserts, aren't separate from the bitcoin ecosystem. Flibbr claims to have lost money in the [Mt Gox collapse](#), and BTCVIX said he is sympathetic to the calls from the community for decentralised alternatives to the current exchanges.

However, he said that Whale Club and any active traders who love bitcoin's volatile market will be willing to trade no matter the solution.

"Ultimately it's about price discovery and liquidity. If the idealists want to have their Amazon accepting bitcoin, they're going to need a very liquid market," BTCVIX said, adding:

*"We can't just snap our fingers and have it be that way."*

Image via Whale Club

[Bitcoin Trading](#) [Exchanges](#)



### FROM THE WEB

Sponsored Links by Taboola

**Buffett Admits This Is A "Real Threat"**  
The Motley Fool

**50% Stock Market Collapse Looming (Prepare!)**  
Newsmax

**The payments ecosystem: the players and trends that are reshaping the industry**  
Business Insider

**15 Of The Rarest (And Most Mind Blowing) Photographs In History**  
LOLWOT

**Restore Your Vision To 20/20 With This Nifty Trick**  
Vision Protocol Guide

**15 Most Beautiful Women in the World**  
RaveBin

**15 Richest Women in the World**  
ThrivingLifestyle

**These 24 photos will change your life.**  
4D Magazine

**Numerology: Understanding Your Name Is The Key To Your Destiny**  
Numerology Report

[PREVIOUS ARTICLE](#)

[NEXT ARTICLE](#)



Overstock Reveals Items Most Often Bought With Bitcoin

Coinapult Claims \$40k Lost in Hot Wallet Compromise

RELATED STORIES



Mar 19, 2015 at 15:25 | Pete Rizzo

Coinigy Raises \$100k to Boost Bitcoin Trading Suite

Coinigy has raised \$100,000 in private seed funding to expand its suite of professional bitcoin and cryptocurrency trading tools.

NEWS IN BRIEF

Mar 16, 2015 at 15:27 | Pete Rizzo

Former OKCoin Product Manager Joins Bitfinex



NEWS

Mar 5, 2015 at 23:06 | Pete Rizzo

Deutsche Bank Veteran Starts Institutional Bitcoin Exchange in Brazil

Nine-year Deutsche Bank veteran Marcelo Miranda is launching FlowBTC, an institutional bitcoin exchange for Brazil tomorrow.



NEWS

Mar 4, 2015 at 14:28 | Jon Southurst

BitVC Swaps 'Socialized' Futures Losses for New Risk System

Huobi's bitcoin futures trading platform BitVC has replaced the unpopular socialized losses risk system with 'automatic counterparty deleveraging'.

Best Market Liquidity, with the cheapest cloud mining contract in the world:

**HASHNEST** 0.4 BTC/TH/s

100% backed by Real hardware from BITMAIN

AROUND THE WEB

CB Radios: Obsolete Tech or Underused Failsafe? Web2Carz.com

VIDEO: In the Gym With Roy Hibbert Stack

How India Can Achieve Financial Inclusion WSJ Custom Studios Narratives

5 Jobs You'll Make \$300k/yr From Home WorthyTrend

ALSO ON COINDESK

Secret Service Agent: Digital Currencies Fueling Cybercrime 70 comments

Bitcoin's 'First Felon' Charlie Shrem Begins 2-Year Sentence 57 comments

Overstock Invests \$5 Million in Peernova in First Bitcoin Investment 5 comments

Fred Wilson on the Proposed Bitlicense Regulations 15 comments

WHAT'S THIS?

34 Comments

CoinDesk

Login

Recommend

Share

Sort by Best



Join the discussion...



FreeJack · 15 days ago

Good article, interesting stuff...there have been many groups dedicated to trading, some focusing on pumping and dumping low-liquidity, low-volume altcoins, but others like the Whale Club that focus on profiting from the moves of Bitcoin or Litecoin, where there is sufficient liquidity to make money consistently. This is what people fail to understand...smart traders make money on the way down, using leverage, as well as on the way up. But they are all in it primarily to realize a fiat profit.

Until volume and liquidity get a whole heck of a lot higher than they are now, these kinds of

groups can and do wield more influence over the markets than they probably should...but these are pretty much still 100% unregulated markets and so they are free to profit off of the less-informed.

4 ^ | v · Reply · Share ›

**BTCVIX** → FreeJack · 14 days ago

We aren't any formalized or coordinated group -- we are essentially just what a group of traders standing in the trading pit would be doing -- conversation tangents during sideways and talk gets heated and direc during volatile periods. We are after all just a public group on TeamSpeak

6 ^ | v · Reply · Share ›

**Deepak** · 14 days ago

I followed the advice from someone on WhaleClub and got margin called like 5 times

2 ^ | v · Reply · Share ›

**linacostaa** → Deepak · 11 days ago

< WEREN . I see what you mean... Teresa `s st0rry is inconceivable... on friday I bought a brand new Mercedes sincee geting a check for 4406 this last 4 weeks and-over, \$10,000 this past-month . it's by-far the nicest-work I have ever done . I started this 7-months ago and almost straight away began to make over \$71 per-hr . have a peek at this web-site>

-----><www.work-tribune.C.m>

1 ^ | v · Reply · Share ›

**Alejandro De La Torre** → Deepak · 13 days ago

lol

^ | v · Reply · Share ›

**Bitception** · 14 days ago

TO THE MOON! Come on to TS.WHALECLUB.CO on Teamspeak and speak to one of us. Friendly accepting community of people ranging from professional traders, miners, Bitcoin corporate types and Idealists. :)

2 ^ | v · Reply · Share ›

**Orchideric** · 14 days ago

I listen often and you're right... they do more betting on the downward trends than anything.

Many cool folks, and bright minds there ready to vulture in-on the next spike to short-off whatever gets bought. I can't wait for the day market shorters caught with their pants down as BTC creeps upward and never looks back.

2 ^ | v · Reply · Share ›

**Bitcoin Trezor** · 13 days ago

Very nice article.

1 ^ | v · Reply · Share ›

**Brenda Fernández** · 13 days ago

What the think they do "Man I feel like a real trader, this is so serious business".

<http://i.imgur.com/oPZinXq.jpg>

1 ^ | v · Reply · Share ›

**Brenda Fernández** · 13 days ago

Teamspeak? Really? :D

1 ^ | v · Reply · Share ›

**Huobi** · 14 days ago

This is a great article. It gives some valuable insight into an important part of the bitcoin world.

1 ^ | v · Reply · Share ›

**Truth101** · 14 days ago

Traders are making a ton of fiat money off of Bitcoin enthusiasts. Pump it up, short/dump it down, put dollars/yuen in their bank accounts. Pump it up, short/dump it down, put dollars/yuen in their bank accounts.

Once Bitcoin "hopefuls" or "hopefools" realize this sham and stop putting their money in, the whole thing collapses and the traders go trade something else. Bitcoin is making a few people rich, at the expense of the majority. Wake up.



1 ^ | v · Reply · Share ›

**vortex** → Truth101 · 14 days ago  
 There will always be those that make money off the markets on both the up and down, this does not mean bitcoin fails as a technology. In fact it has been very successful as a technology at one point facilitating a \$10billion economy. Infrastructure continues to be built with the hundreds of millions of dollars of VC coming in so that next time bitcoin price rises to such heights it will be because of actual use instead of just speculation.

1 ^ | v · Reply · Share ›

**Pat SayJack** → Truth101 · 13 days ago  
 Anything over 5 cents is overpriced. Short at will.

^ | v · Reply · Share ›

**Bitcoin Error Log** · 14 days ago  
 Here's to the liquidity providers!

1 ^ | v · Reply · Share ›

**Umi** · 14 days ago  
 Flibbr is awesome!

1 ^ | v · Reply · Share ›

**wonky tonky** · 15 days ago  
 :)

1 ^ | v · Reply · Share ›

**Haa N** · 14 days ago  
 What a pathetic non life people. They will die someday and the only missing thing will be a name in a chat room.. and nobody will give a \*\*\*\*

1 ^ | v · Reply · Share ›

**Bitception** → Haa N · 14 days ago  
 lol butthurt?

4 ^ | v · Reply · Share ›

**Haa N** → Bitception · 14 days ago  
 Why? I have a job, yuan, dollars and euros in few accounts. BTC could go to 0 and i wouldn't mind. It just that when i was focusing on my job too much i lost time with my girl and now i regret of working few extra hours per day and not enjoying more. And reading this i think OMG what a poor people.. all what they do or have depends on a volatile market and being slaves all day of red or green candles.. Such a poor people. I earn my thousands of usd per week just easy working between 6 and 8 hours and i go out and enjoy. So no butthurt at all.. just said what i was thinking.. sorry if that makes you feel bad but maybe u wake up and start having a life.

^ | v · Reply · Share ›

**YesWeScan** → Haa N · 13 days ago  
 You obviously never traded or invested your own money in the financial markets.

1 ^ | v · Reply · Share ›

**Haa N** → YesWeScan · 12 days ago  
 Ofc i did.. i have 10 btc which i bought at 210 usd.. about 7-10 days of work invested there..Reading.. someone said 200 usd would be the floor and well.. at the end it was 166.. but i dont care.. im fine.. planning to sell at 500 or more if the day arrive.

^ | v · Reply · Share ›

**Bitcoin Error Log** → Haa N · 14 days ago  
 So treu!

^ | v · Reply · Share ›

**Mridul Seth** · 11 days ago  
 Can anyone tell me what the server name is for the club on teamspeak ?

^ | v · Reply · Share ›

**BTCVIX** → Mridul Seth · 10 days ago  
 ts.whaleclub.co

^ | v · Reply · Share ›



**terlerps** · 13 days ago

Shorting and buying is the breathing in and exhaling of the market. All the while building a fatter stack that is there to provide more liquidity ready in the future. Occasional mistakes spread wealth to others and the cycle continues as Bitcoin slowly floats up like a hot air balloon over time.

I just worry about the security of Teamspeak. I could see Operation Onymous all up in that. Those that think your friend is who he says he is could actually be an FBI agent collecting data. A somewhat creepy thought.

^ | v · Reply · Share ›



**YesWeScan** · 13 days ago

You can find some pretty smart and knowledgeable investors there. I discuss business ideas with people that already made a shitton of money there. I love it and value the input of the traders there, mostly the mods who seem to watch the price movements like a hawk.

^ | v · Reply · Share ›



**LakeBTC** · 13 days ago

Volatility is an understatement of a non-liquid market, communities like the Whale Club is a good thing, it's not as scary as it sounds to the professionals, plus liquidity boost is always a good thing for the long term development of the bitcoin ecosystem. LakeBTC has something similar but less scary as the Dark Pool Orders , minimum order size is 50 BTC.

^ | v · Reply · Share ›



**BTCVIX** → [LakeBTC](#) · 12 days ago

Stop by WhaleClub on TeamSpeak sometime would love to chat as I heard of LakeBTC for quite some time but have yet to speak with anyone there. Enter sever: [ts.whaleclub.co](http://ts.whaleclub.co)

1 ^ | v · Reply · Share ›



**Philip Dangler** · 14 days ago

Sheer.

Flibbr and BTCVIX admit to becoming more than acquaintances based on “the shear amount of time” they spend on TeamSpeak.

^ | v · Reply · Share ›



**Lucas** · 14 days ago

Real whales don't hang out on a TeamSpeak server.

^ | v · Reply · Share ›



**BTCVIX** → [Lucas](#) · 14 days ago

actually they do -- they just don't make it known to many people especially those in the main room -- I value my relationship with both the whales and up-and-coming exchange operators that wish to remain quiet observers. If you think this is strange you need to think critically for a moment about the BTC markets -- if you are an exchange this a prime area to drive retail order flow to your site -- if you are whale it is the best place to gauge trader sentiment (not r/bitcoin that is constantly long delusional).

With that said we are the only game in town currently -- others have tried to manufacture this kind of environment through specific curation and have failed miserably

2 ^ | v · Reply · Share ›



**YesWeScan** → [Lucas](#) · 13 days ago

Are you sure? Even in this article, exchange owners and CEOs admit that they are members.

^ | v · Reply · Share ›



**chrisw42** · 14 days ago

Nice article.

Funny thing about the Conspiracy Room is that it didn't come from conspiracies about the price manipulation. The Conspiracy Room is actually a lot more serious than that. There's a lot more serious conspiracies.

^ | v · Reply · Share ›



 [Subscribe](#)

 [Add Disqus to your site](#)

 [Privacy](#)

---

© **CoinDesk 2015** [About](#) [Press](#) [Events](#) [Editorial policy](#) [Comments policy](#) [Terms & conditions](#) [Privacy policy](#) [Jobs](#) [Advertising](#) [Contact](#)