

# THE EASY WAY TO JUMP INTO THE CRYPTO- MARKET

Financial Advice 101





# BABY STEPS

WE WILL GUIDE YOU THROUGH THE CRYPTOCURRENCY MARKET. UNDERSTAND THE PROS AND CONS ABOUT IT

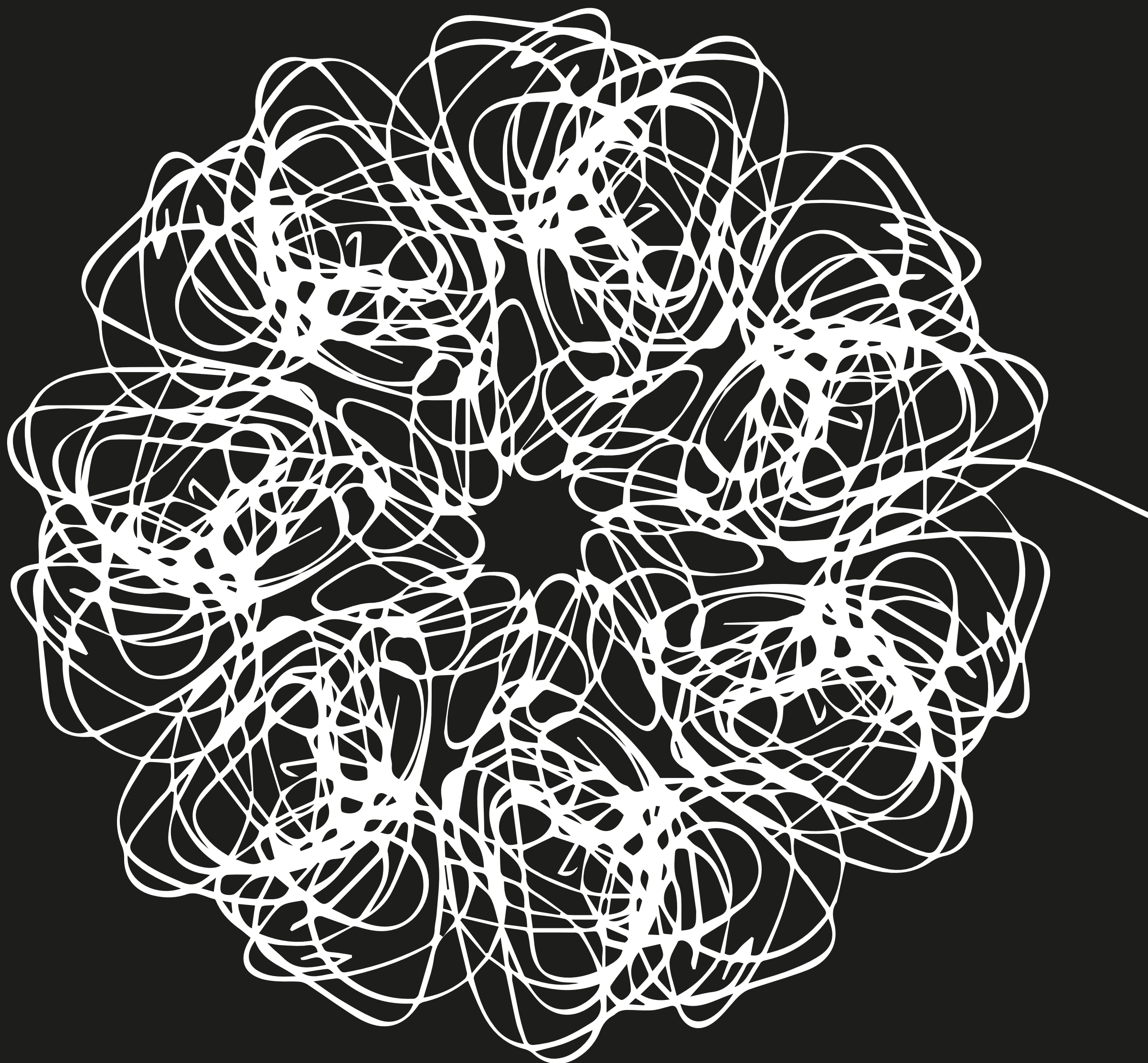
Even though you may have experience in trading, you still should get familiar with how this specific market works.

## BASICS

A cryptocurrency is a form of digital asset encrypted based on a network that is distributed across a large number of computers. This market is decentralized.

The advantages of cryptocurrencies include cheaper and faster money transfers and decentralized systems that do not collapse at a single point of failure.

The disadvantages of cryptocurrencies include their price volatility, high energy consumption for mining activities, and use in criminal activities.



# KEY TAKEAWAYS YOU SHOULD UNDERSTAND BEFORE JUMPING

A beginner's guide to Cryptocurrency

## CRYPTO

Refers to the various encryption algorithms and cryptographic techniques. Basically is a decentralized digital money that is used on the internet. Cryptocurrency operates through distributed ledger technology, known as blockchain. As assets, cryptocurrencies are generally stored in digital wallets, commonly a blockchain wallet, which allows users to manage and trade their coins

## BLOCKCHAIN

Is a chain of blocks that contain information. In other words, a set of connected blocks or an online ledger. Each block contains a set of transactions that have been independently verified by each member of the network.

## TYPES

### COINS

This form of Cryptocurrency are built on their own blockchain and they're intended as a form of currency, example: Ether is the cryptocurrency based on the Ethereum blockchain.

### TOKENS

They are also built on an existing blockchain, but they aren't considered currency but rather programmable assets that allow for the creation and execution of unique smart contracts. Tokens can represent units of value.

## PROS

- Personal Information Privacy
- Instant and Secure Transfer
- Anti-Inflation Characteristics
- No Mediatory
- Self-Managed and Regulated
- Trades around the clock
- Potential for High Rewards

## CONS

- High Loss Risk
- Highly Volatile Market
- Risk of Cyber Hack
- No Refund Policy
- Takes time and effort to understand

## LINGO

### ALTCOIN

Any cryptocurrency other than Bitcoin

### CRYPTOCURRENCY EXCHANGES

Buy and sell online-only and are open 24 hours a day, seven days a week.

### LIMITS

Most exchanges do not set limits or restrictions on the number of cryptocurrency trades

### SHORTING

Betting on the price going down rather than up.

### FORKS

A split in a blockchain where two separate blockchains are created.

### ICO

Initial coin offering where new cryptos are sold to investors for the first time

### MARGIN TRADING

Investors borrow money to increase their bet on a cryptocurrency



# 7 FUNDAMENTAL STRATEGIES

KEY FACTORS to have in mind if you want to be profitable investing in this emerging asset class

**Automate purchases** It can help to automate your crypto purchases to take advantage of pound-cost averaging. That takes the stress out of trying to time the market.

## Harness volatility

Daily volatility is normal and healthy for the crypto market . Following the news and all related blockchain updates as well as historical charts will help to identify emerging patterns.

## Prioritize liquidity

The market moves fast, so crypto traders need to move in and out of positions quickly. In order to estimate liquidity it can be helpful to look at recent trading volume of a crypto asset.

## Dollar cost average

DCA, is an investing strategy that involves investing a certain amount of money on a consistent basis rather than piling in all at once. By taking a DCA approach, you're investing a set amount during bull and bear markets.

## Invest what you can afford

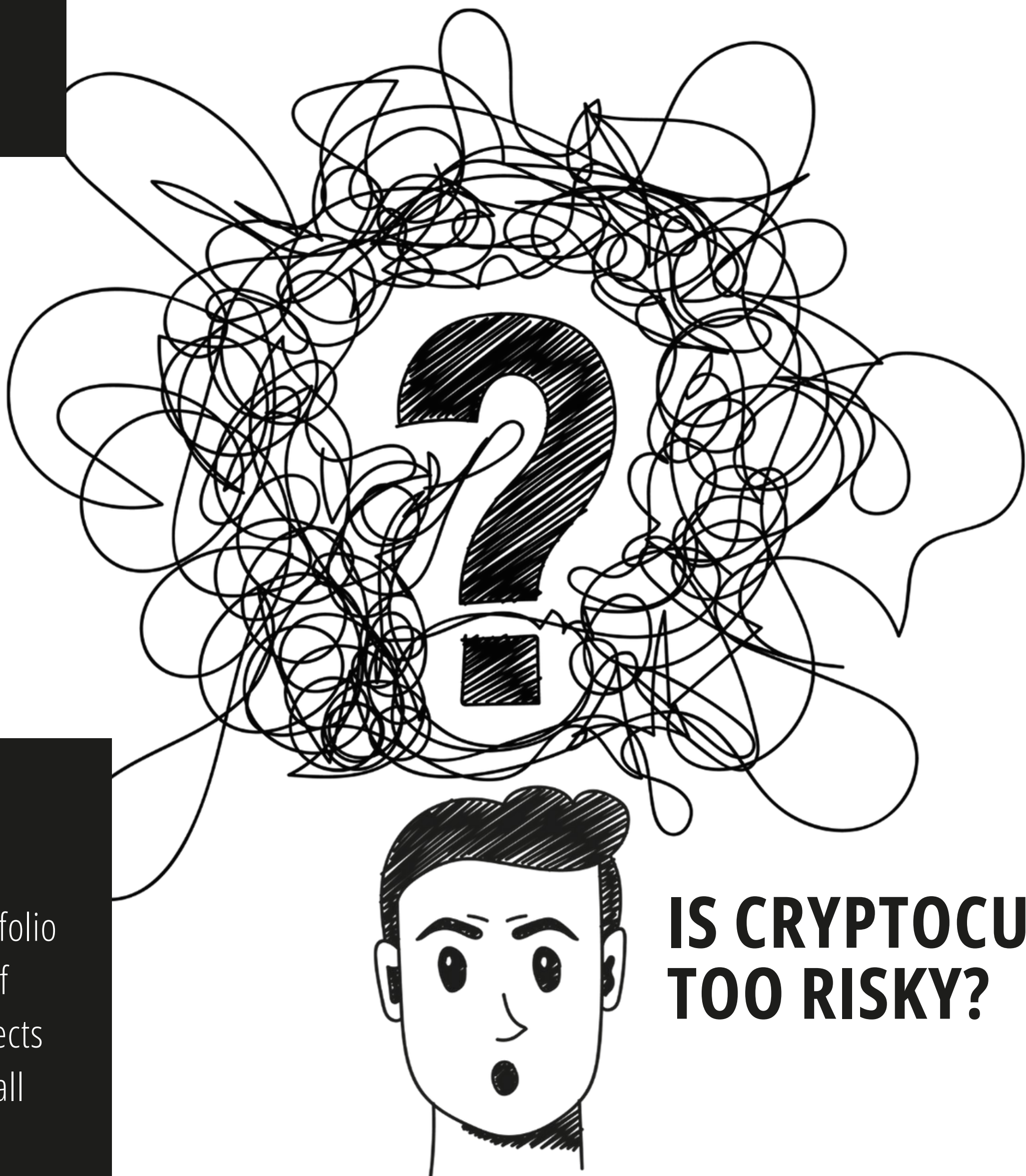
Invest in the crypto market only what you can afford to lose. If you are not able to withstand the potential full loss of your crypto investment, that means you cannot afford the risk of investing the amount you are considering

## Take your gains

A best practice is to store gains in your hardware wallet. Regular profit-taking smooths out this risk over time.

## Diversify

Have your crypto portfolio invested in a variety of coins and crypto projects can reduce their overall risk profile.



**IS CRYPTOCURRENCY TOO RISKY?**



# 5

## LARGEST CRYPTOCURRENCIES BY MARKET CAP



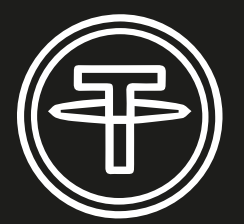
**BITCOIN**  
\$808 billion  
CREATED 2009

Established the basic system of cryptography and consensus. Designed to be independent of any government or central bank. Instead it relies on blockchain technology.



**ETHERIUM**  
\$360 billion  
CREATED 2013

Programmable blockchain that finds application in numerous areas, including DeFi, smart contracts, and NFTs. Ethereum's value comes from what its network can create.



**TETHER**  
\$81 billion  
CREATED 2014

Known as a "Stablecoin" cryptocurrencies that are tied to the value of a specific asset, in this case the U.S. Dollar. They move across the blockchain but its goal is to mitigate price risk.



**BINANCE  
COIN**  
\$67 billion  
CREATED 2017

A utility cryptocurrency that operates as a payment method for the fees associated with trading on the Binance Exchange as well as be used for purchasing various goods and services.



**USD COIN**  
\$53 billion  
CREATED 2018

A stablecoin pegged to the dollar, its value should not fluctuate. Its goal is to make transactions faster and cheaper. It's backed by fully reserved assets that are held in accounts with regulated U.S. institutions

# 404 OOPS!

## COMMON CRYPTO MISTAKES

### Buying just because the price is low

Low prices do not always represent bargains.

### GOING ALL-IN

Use a certain proportion of your investing capital and always keep an emergency cash fund.

### Thinking crypto is 'easy money'

Making money through trading any kind of financial asset is a complete and serious challenge.

### Forgetting your crypto keyphrase

Without your keyphrase, all your cryptos will be irretrievable.

### Falling for scams

Fake coins, malicious wallet software, inflate or deflate the price, are some of those crypto scams you could be careful of.



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