

CRYPTOCURRENCY TRADING 101



HOW YOU CAN PROFIT IN
VASTLY CHANGING TIMES

HOW TO BUY, HOLD,
SELL, AND TRADE
YOUR FIRST BITCOIN

A STEP-BY-STEP GUIDE
TO HELP YOU SUCCEED

CREATED BY

CHARLES T. STANHOPE

COPY WRITE NOTICE

Copyright © 2017 by Charles T. Stanhope,
www.cryptocurrencytrading101.com, Portland, Maine.

The author and publisher have provided this eBook to you for your personal use only. You may not make this e-book publicly available in any way. Copyright infringement is against the law. If you believe the copy of this e-book you are reading infringes on the author's copyright, please notify the publisher.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher.

If not cited directly, all images used in this eBook are the property of Charles T. Stanhope, or are otherwise available online for free commercial use.



DISCLAIMERS

Limit of Liability/Disclaimer of Warranty

While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor the author shall be liable for damages arising here from.

Earnings Disclaimer

Results may vary and any testimonials are not claimed to represent typical results. All testimonials are real. These results are meant as a showcase of what the best, most motivated and driven clients have done and should not be taken as average or typical results.

DISCLAIMERS

Investment Disclaimers

NOT FINANCIAL ADVICE – The Information in this book is provided for education and informational purposes only, without any express or implied warranty of any kind, including warranties of accuracy, completeness, or fitness for any particular purpose. The Information contained in or provided from or through this report or related services is not intended to be and does not constitute financial advice, investment advice, trading advice, or any other advice. The information in this report and provided from or through our website is general in nature and is not specific to you the User or anyone else. You should not make any decision—financial, investment, trading, or otherwise—based on any of the information presented in this eBook without undertaking independent due diligence and consultation with a professional broker or financial advisory. You understand that you are using any and all information available in this document at your own risk.

RISK STATEMENT – The trading of bitcoin and alternative cryptocurrencies has potential rewards, and it also has potential risks involved. Trading may not be suitable for all people. Anyone wishing to invest should seek his or her own independent financial or professional advice.

Charles T. Stanhope and associated companies hold no responsibility in any losses readers may suffer due to their investments.

DISCLAIMERS

Date and Location Details Disclaimer

Many references in this book refer to United States related matters. Please adapt this information for your local and current laws. I hope you gain value from this document and much of the content is globally relevant.

Although the ideas, philosophies, tips, and concepts in this book may always stand true, one must consider the fast paced and changing times we are in, especially in the cryptocurrency space. That being said, while reading this book, make sure to always consider the time and place it was published. Specific elements of this book can and will change depending on the date you are reading. Markets are always changing. Charts are always changing. New exchanges will come to life, and some will die. New coins will come to life, and some will die. Although this book attempts to give a broad perspective on cryptocurrency trading, details within this book do change rapidly in this space and this must always be considered.



TABLE OF CONTENTS

Copy Write Notice	
Disclaimers	
Introduction.....	10
About the Author.....	14
Bitcoin.....	16
What is Bitcoin?.....	17
Distributed Ledger.....	19
Supply and Demand.....	20
What Makes Bitcoin Different?.....	22
What is Blockchain?.....	24
Cryptocurrency Market.....	26
Market Cap.....	27
Market Growth.....	29
Market Crash?.....	31
Price Predictions.....	36
Buy.....	37
Acquire Money.....	38
Savings.....	39
Allocate Income.....	40
Improve Spending Habits.....	41
Steemit.....	42
Credit Card / Loans.....	44
Scams.....	45

TABLE OF CONTENTS

Borrowing Money.....	47
Where to Buy Bitcoin.....	49
Buy Ethereum / Litecoin / Bitcoin Cash / Neo	50
Hold.....	52
Cryptocurrency Wallets.....	54
Hardware Wallets.....	57
Paper Wallets.....	58
Software / Desktop Wallets.....	59
Mobile Wallets.....	61
Online Wallets.....	63
Sell.....	65
Trade.....	70
Exchanges.....	72
Binance Exchange.....	73
Kucoin Exchange.....	75
Start Trading.....	77
How to Trade.....	82
Charts.....	84
Limit Vs. Market Orders.....	85
Stop-Limit Orders.....	86
Trading Strategy.....	87
Invest and Trade Smart.....	89

TABLE OF CONTENTS

Do Your Own Research.....	90
Set Goals.....	91
Use Caution.....	94
Diversify.....	95
Trading Psychology.....	96
Technical Analysis.....	98
Bulls and Bears.....	100
Regret.....	101
Noise Vs. Signal.....	102
News.....	104
Volatility.....	106
Luck.....	107
Making Mistakes.....	108
Patience.....	109
Going Forward.....	112
A Step Back.....	114
Protect Yourself.....	115
Pay Your Debts.....	116
Fiat Savings.....	117
Buy Property.....	118
Secure Yourself.....	119
Invest in Yourself.....	120
Be Humble.....	121
Give Back.....	123

TABLE OF CONTENTS

Closing Thoughts.....	124
Thank You.....	125
Donations.....	126
Social Media.....	127



INTRODUCTION

INTRODUCTION



You're probably here because more than one friend has texted you "buy bitcoin, thank me later," or because your crazy cousin at Thanksgiving dinner this year wouldn't stop talking about bitcoin, or because more and more posts about cryptocurrency have been sliding into your Facebook newsfeed. Or, you're one of my Uber drivers, who beg me for my phone number the second I mention bitc...

Regardless of who or what sent you here, I'm sure you have looked into it enough by now to know that bitcoin and other cryptocurrencies are on the rise in an astronomical way, and have been over the last few months and years. I'm sure you know that investing a measly few bucks into bitcoin a handful of years ago would have made you a multimillionaire today. But that's besides the point. We can't go back and invest then. But we can invest now. It's not too late. This is *just the beginning*. So many early adopters and eager investors will rush out to get their foot into the early cryptocurrency door. The herd is coming. Don't get left behind.

INTRODUCTION



Every person wanting to get involved in the cryptocurrency space is advised to conduct ample amounts of research and self education to understand this new technology which is not going away any time soon.

This guidebook is for the eager early adopter, the beginner trader, who doesn't know how or where to begin, and feels confused and overwhelmed in this new world of buying and trading cryptocurrency. It's okay, we all start somewhere.

This is an intro course to everything you need to know about starting out in the cryptocurrency space.

That said, this book is also for those who may already own some bitcoin and know a *bit* about it, but would like to diversify into other cryptocurrencies and get involved with trading for profit.

Regardless of your trading or holding strategies, if you are brand new to cryptocurrency, or have already been trading a little and want to learn more, this book is for you.

INTRODUCTION



In the following pages you will learn:

- What bitcoin, cryptocurrency, and blockchain technology are;
- Cryptocurrency market and investment basics;
- How and where to *buy* your first cryptocurrency;
- How to *hold* your cryptocurrency;
- How to *sell* your cryptocurrency;
- How to *trade* your cryptocurrency;
- Cryptocurrency trading basics and strategies;
- How to avoid scams;
- How to protect yourself against losses/risk management;
- Technical analysis—worth it?;
- The psychology of trading;
- What to do going forward after profits

So, follow me along in this book, and I will teach you everything you need to know to get started and to become a successful cryptocurrency trader.

Class is open. Let's have some fun.

ABOUT THE AUTHOR



I was born and raised in New England. Since childhood, I have always tried to think outside the box, and do things my own way. I've caused my fair share of trouble and my authoritative father has been there every step of the way to remind me "Charles, you CAN'T. BEAT. THE SYSTEM." So I got a job where he worked (*for* the system—I designed for a company that builds Navy Destroyers).

I was young and the cubicle life wasn't quite for me. So I went to college and got a bachelors degree in Philosophy and Creative Writing—all the while trying to beat the system and studying computers and code in my spare time. If I could go back, I probably should have done things the other way around. Alas.

After graduating college, I decided to leave the bitter cold and move to Maui, Hawaii. Aloha. On Maui, I worked full time as a Technical Writer for the U.S.



Department of Defense on an IT project similar to what I like to call the "military's Ethereum" (a virtual environment that was used by other U.S. DoD contracts to build applications to be used on the frontlines). That project's contract ended so I returned to Maine where I was hired as a Technical Writer by another group of engineers.

ABOUT THE AUTHOR



I had heard about bitcoin plenty in the past but never thought more about it than *well that sounds like a cool idea*. A number of times I thought about maybe buying some for the hell of it (*what are you talking about? I've never heard of Silk Road...*), but back then the process was much more complicated than it is now and, well, I was just lazy about it, so I never did. If I only knew...

Fast forward, I quit my job, stopped everything else, and dedicated myself to the cryptocurrency and blockchain space. Things only get more and more exciting every day. I no longer have stressful morning and evening commutes. I no longer have to deal with sucking up to bosses and coworker small talk. I asked myself *how can I contribute to this space?* So I'm writing this book. I'm now able to use my technical and creative writing skills and my enthusiasm for cryptocurrency and open blockchains together. Working for myself is a dream come true, and I'm never looking back.

I am here to tell you what has worked for me and what has not worked for me. I started trading with zero guidance and am 100% self-taught. If I had had a book like this one, I would have saved so much time figuring all this out on my own. I have been researching and trading cryptocurrency day in and day out and now I am here to help guide you and get you started in this incredibly exciting new world of cryptocurrency. Thanks for being here.

- Charles T. Stanhope



BITCOIN

WHAT IS BITCOIN?



“Saying bitcoin is about money is like saying the internet is a fancy telephone.”

- Andreas Antonopoulos, *The Internet of Money*

So, let's talk about *bitcoin*.

First of all, bitcoin is not *just* money. Bitcoin is an incredibly sophisticated, disruptive, and revolutionary way of building trust on a platform. Bitcoin is probably the most important invention in computer technology in the last twenty years. Money is just *one* of the applications. But this is *Cryptocurrency Investing 101*, not *How to Start a Revolution* (although maybe that will be my next book), so let's talk about money.

As a digital currency, bitcoin (BTC) (*note: going forward, I will be using a capital letter B when referring to the Bitcoin protocol, and a lower case b when referring to bitcoin as a currency*) may one day replace money as we know it. Bitcoin and most other alternative coins (*altcoins* – alternative to bitcoin) are what's known as cryptocurrencies. These are online currencies that, unlike the dollar or gold, have no physical counterpart and are stored electronically. Cryptocurrency is the *least tangible* currency in history. As everything in our lives moves online physical cash becomes obsolete. Cryptocurrencies are traded and used in digital transactions. You can even mine your own bitcoin, but that is for another book, another day.

WHAT IS BITCOIN?



Unlike other currencies such as the US dollar, Bitcoin is completely decentralized. In other words, no single financial institution manages the Bitcoin network.

... Wait, but who invented Bitcoin? Oh, I'm glad you asked. Bitcoin was invented in 2008 by a mysterious entity known as Satoshi Nakamoto. To this day no one knows who—or what—Satoshi Nakamoto is. Satoshi Nakamoto could be a single person, a group of people, or for the more imaginative bunch, I have heard people speculating robots and/or extraterrestrial entities. Let's go with that.



DISTRIBUTED LEDGER



Distributed Ledger

Cryptocurrencies store all information on what's called a *distributed ledger*, a sort of record book that millions of computers have copies of. This means if someone tried to hack the record book, there's a million computers that will spot the inconsistency, and prevent the change.

Due to this *distributed* nature, it's very hard and nearly impossible to hack cryptocurrencies. This is because you would not just have to hack your bank's server, but at least more than half the computers in the entire system, and do it *really* fast. To make it even better, every transaction is heavily encrypted (that's where the *crypto* in crypto-currency comes from.) Because no one can temper with the Bitcoin system, you don't need to trust anyone *but* the system, because the Bitcoin system is incorruptible.

We all know how much the government loves printing money. This constantly leads to currency inflation; devaluation around the globe. Notice how every year your \$100 spent at the grocery store gets you less and less? Many cryptocurrencies like bitcoin however have a limited quantity that will never be increased. In fact, every time someone loses any bitcoin (have you heard about the guy that has been digging through dumps trying to find a hard drive he tossed out that had over \$5 billion in bitcoin saved on it!?), the total circulation of bitcoin effectively *decreases*.

SUPPLY AND DEMAND



Supply and Demand

This is where basic economics comes in. We have a very powerful solution everyone will eventually want (high demand), but with a low and even decreasing supply. Generally speaking, this is literally opposite of what happens to federally backed currencies, and also why your once-broke, nerdy cousin now has a bunch of money. That *bastard*.

I know what you're thinking: *if it's not regulated whatsoever, and no one person or entity controls it, what is to prevent people from making more and more of them and having infinite access to money?* Well, there are a set of rules and regulations known as the *bitcoin protocol*. In this protocol, it states that only a maximum of 21 million bitcoins can ever be created. Period.

SUPPLY AND DEMAND



But, *like* the U.S. dollar and other fiat currencies, bitcoin can be divided into smaller amounts. The smallest amount is known as a *Satoshi*. More on this later.

However, *Unlike* the U.S. dollar, which is based on gold (or was, at least), bitcoin is based on a mathematical formula. The software used to calculate the value of bitcoin is open sourced, meaning its free for anyone to analyze, and produces a mathematical formula which anyone can check at any time.



WHAT MAKES BITCOIN DIFFERENT?



What makes bitcoin different from other currencies?

First of all, Bitcoin is completely independent. As stated before, the Bitcoin network is free of governmental or financial institution control. It *beats the system*. See a lot of negative bitcoin attention in mainstream media? This is likely why.

The network is made up of a number of machines that work together to process transactions and mine extra bitcoins where it feels necessary. Even if the network goes offline the currency still remains fully operational.

Secondly, anyone can set up a bitcoin address. There are no fees and no questions asked whatsoever about your identity, your income, your assets, etc. Compare this to what it takes to set up a personal or business account with a bank. This is why bitcoin is so appealing to so many people around the world.

WHAT MAKES BITCOIN DIFFERENT?



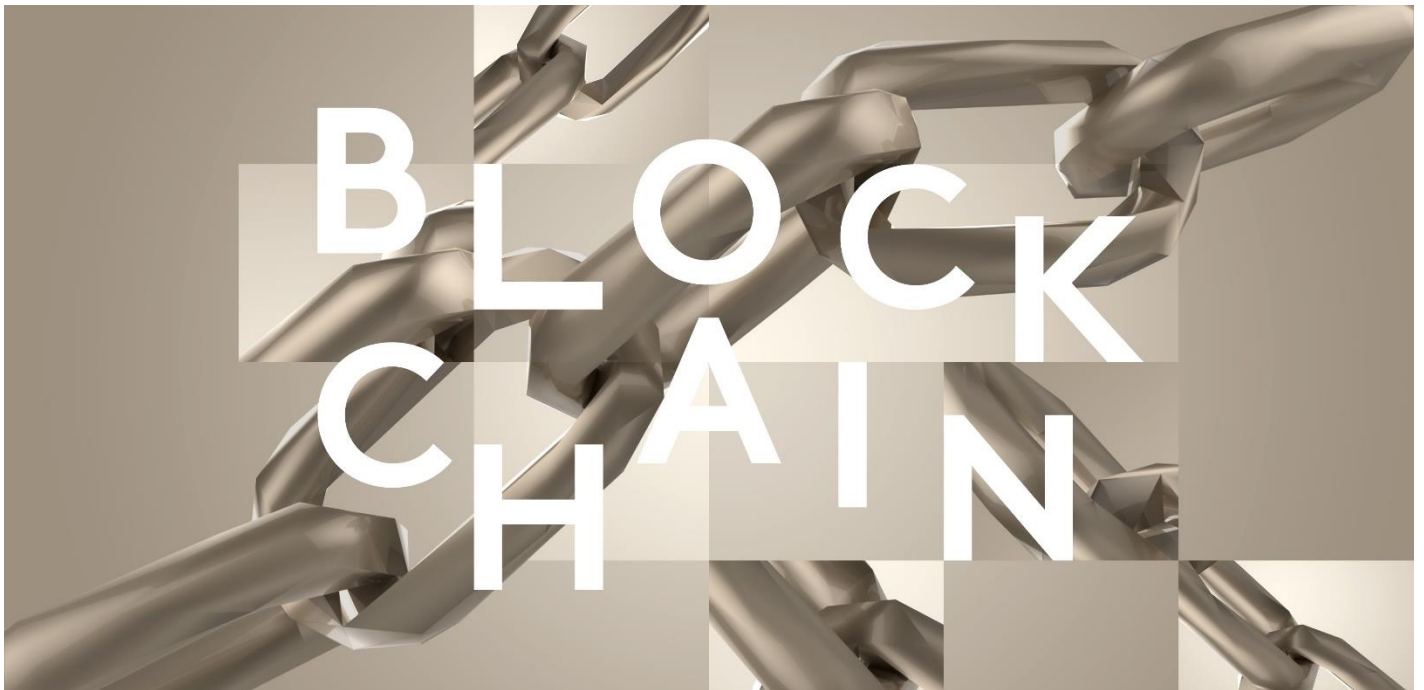
That leads me to its next appealing quality: users remain *anonymous*. Bitcoin users can have any amount of accounts he or she desires, none of them being linked at all to *any* personal information.

Bitcoin is also completely *transparent*. Although none of your personal information is linked to any account, every single bitcoin transaction is detailed and saved on the *blockchain*. You remain anonymous, but there is no gray area as to where all the bitcoin is around the world.

And finally, it can be cheaper to send bitcoin internationally than to transfer money through a bank. At the time of writing this, each bitcoin transaction fee costs \$6.00 USD. International bank transfers can cost upwards of \$30.00 USD sometimes.



WHAT IS BLOCKCHAIN?



Blockchain Technology

Now, let's get into how this *blockchain* works. The blockchain acts as a permanent database for bitcoin transactions around the globe. A *block* is the up to date part of a blockchain and records the transactions. Once the block is complete, or full of data, it gets added to the *chain*. Once a block is finished, a new block is started. Each block is linked on the chain in chronological order. Imagine a blockchain as a database containing every transaction that has ever taken place.

A new block appears on the Bitcoin blockchain on average about every ten minutes. One worry people have about the blockchain though is its growing size.

WHAT IS BLOCKCHAIN?



Lately, because of how big the blockchain is getting, and how many transactions are taking place every second, transaction fees and times have been increasing, steering some people away from investing in bitcoin. However, there are currently efforts being put forth to change this, called *Segregated Witness (SegWit)* and the *Lightning Network*. The lightning network will slowly become more and more integrated and bugs fixed throughout 2018. Many of the altcoins right now are trying to solve the problem of Bitcoin's scalability. Once SegWit and the lightning network are fully integrated, though, most of these save-the-day altcoins will be rendered obsolete.

A visualization of blockchain data showing a list of transactions with their heights and associated information. The text is displayed in a yellow, monospace font on a black background, resembling a terminal or data log.

00.119771	INFO	Height	150000	of 36
01.984086	INFO	Height	151000	of 36
02.490697	INFO	Height	152000	of 36
03.490697	INFO	Height	153000	of 36
04.212279	INFO	Height	154000	of 36
05.447010	INFO	Height	155000	of 36
06.880196	INFO	Height	156000	of 36
07.373995	INFO	Height	157000	of 36
08.132626	INFO	Height	158000	of 36
09.674327	INFO	Height	159000	of 36
10.852458	INFO	Height	160000	of 36
			161000	of 36
			162000	of 36



CRYPTOCURRENCY MARKET

MARKET CAP



Market Cap

A coin's *market cap* is the total amount of dollars a coin or set of coins is worth all together. Each cryptocurrency has its own market cap. If you take a specific coins market cap, and divide it by the amount of coins in circulation, you will get the individual coin's price.

$$\frac{\text{Market Cap}}{\text{Coins in Circulation}} = \text{Price of each coin}$$

The higher the market cap/the lower the number of coins that are in circulation, the higher the price each individual coin will be. And vice versa: the lower the market cap/the higher the number of coins that are in circulation, the lower the price each individual coin will be.

<http://www.coinmarketcap.com> is a great resource to reference.

COIN MARKET CAP



Cryptocurrency Market Capitalizations

Source: coinmarketcap.com snapshot 11/23/2017

On the date of writing this, the current total market cap as noted on <http://coinmarketcap.com> in ALL cryptocurrency is \$255,589, 439, 343.00. That's right. 255 billion. And climbing. I guarantee by the time you are reading this the market cap has already increased tremendously.

There have been huge upswings before in both bitcoin, and in the general cryptocurrency market, but those have often preceded major crashes too.

However, there is a feeling as more and more institutionalized investors join the digital currency hype that these cryptocurrencies may be *maturing* and becoming less risky. The guys on wall street are starting to catch on, and they are coming fast. Bitcoin futures are now available. Things are getting more and more interesting every single day.

MARKET GROWTH



\$8,300.00

BITCOIN PRICE



Source: *coinbase.com* snapshot 11/21/2017

Market Growth

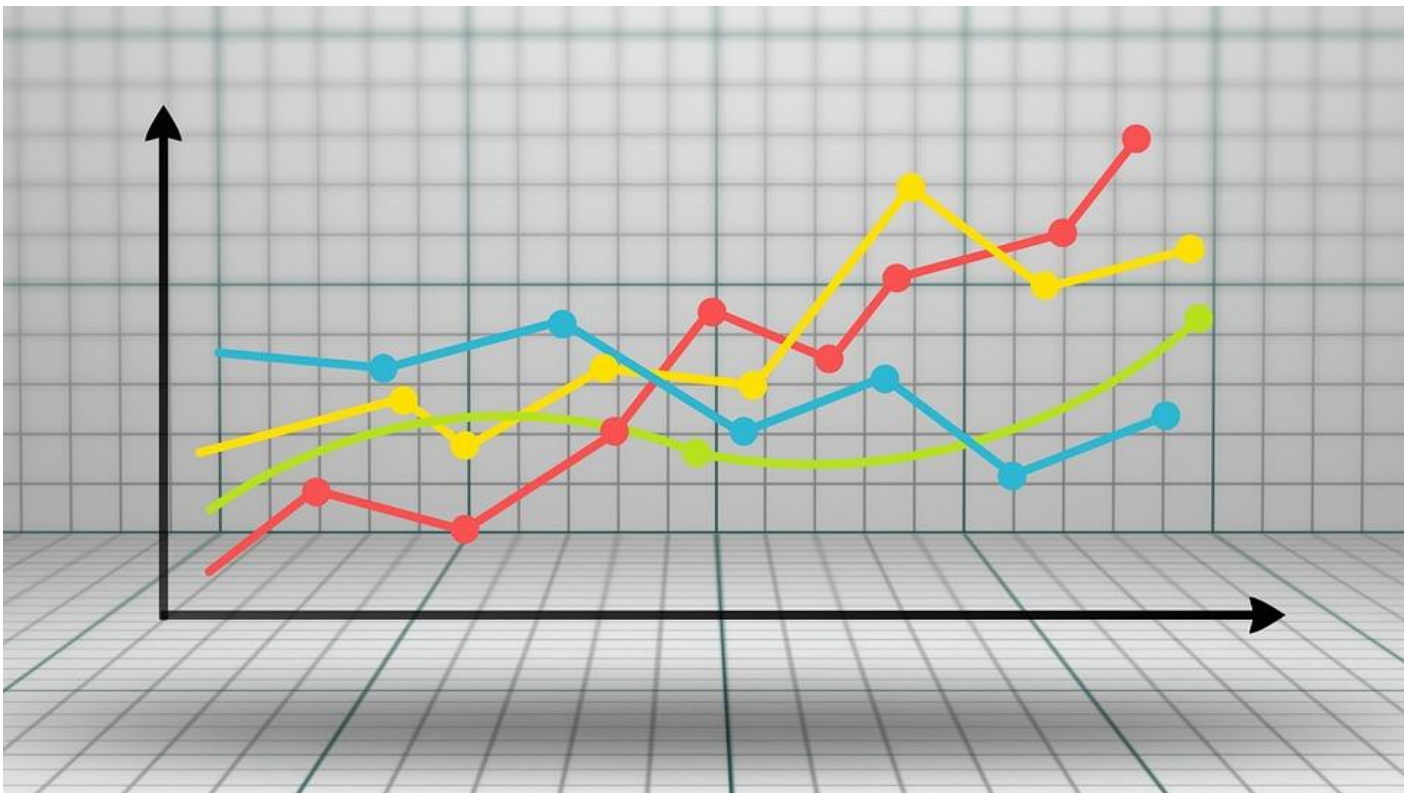
If you had invested twenty bucks into Bitcoin just 6-7 years ago, that sum would be worth a few *million* dollars at the time of writing this, depending on the day you bought it. At the time of writing this, the total cryptocurrency market cap went up nearly 1000 percent in just in 2017 alone, of which bitcoin accounts for about half.

I'm sure you can think of at least a hundred dollars you could have easily done without—that extra beer at the bar, going one year newer and one make higher on your new car, that fancy ironing board (you know the one), — whatever it is, you get the point. Well those little things could have made you millions today. I know, I know. It's tough to predict stuff like that. Alas.

MARKET GROWTH



The good news is, it's not over. While slowly most people have at least *heard of* bitcoin, few know what it is, and very few (in the grand scheme of things) have invested in it, or would even know how or where to start. So congratulations! You've come this far. Now let's keep going.



MARKET CRASH?



Market Crash?

But, is cryptocurrency in a *bubble*? And will it all burst? Are cryptocurrencies a good investment?

A *bubble* in the investing world is basically an asset driven by unwarranted, but exuberant, market behavior. It is basically a spike in price that has resulted in a lie or *false truth* about the actual value of an asset, and therefore signals a massive sell-off. There are still speculators who look at the figures, and see such rapid growth that equates to almost a doubling in the cryptocurrency market cap once a month this year, and heavily fear a bubble.

So, are we in a bubble? Well, the internet might be brimming with people referring to bitcoin as a bubble. They are spreading fear, uncertainty, and



doubt (FUD) every chance they get. They believe bitcoin's high price will lead to disaster for many, but their criticisms move beyond mere skepticism. It seems like they just hate cryptocurrency. Yet many of these doomsayers do not fully grasp bitcoin, let alone even know what it is at all.

MARKET CRASH?



The sharp gains in cryptocurrency have been likened to the tech and .com booms where people were throwing money at companies just to be in on the ground floor. There is also a likening to the harsh correction felt by the stock market in 2000.

Listen. Bitcoin is unusually special. It is not a company that could lose profitability and fail. It is certainly not some kind of speculative real estate scam that could crumble as a result of government and bank-induced manipulation and deception. Bitcoin is another animal. Many would say bitcoin is *not* a bubble; bitcoin is the *pin*.



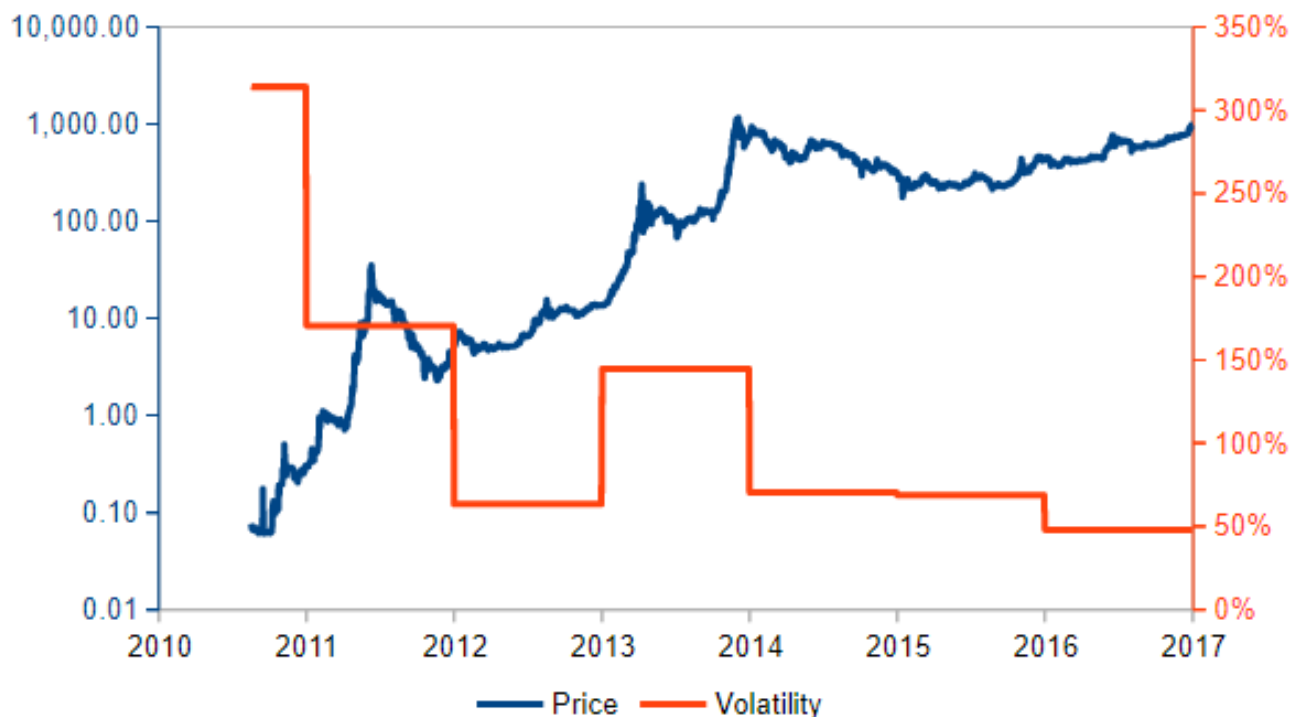
MARKET CRASH?



Bitcoin's value is not increasing because of marketplace lies. It is increasing because it is a life-changing financial invention. It is increasing because more people are adopting it. This is called the *network effect*.

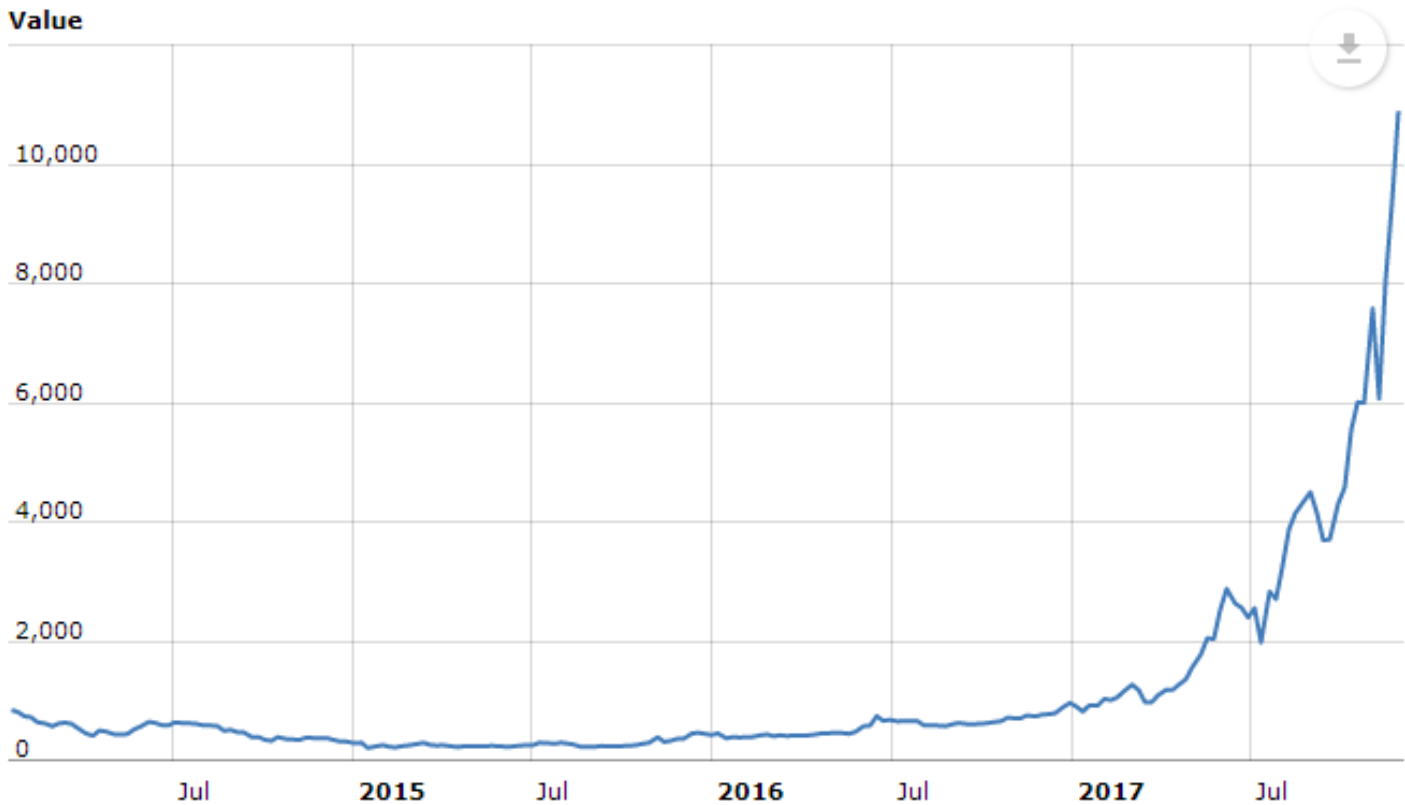
It is true investors are eager to get on board and this excitement is causing bitcoin's price to explode, but do not confuse this with an artificially inflated bubble based on a *false truth*. In accordance with the network effect, the more people that continue to get involved with bitcoin, the higher the price will climb.

Actually, at the time of writing this, as the bitcoin price increases, the volatility *decreases*:



Source: data collected at blockchain.info

MARKET CRASH?



Source: worldcoinindex.com snapshot 12/2/2017

With that said, this does not mean Bitcoin is *guaranteed* to succeed. The price could be affected if something bad were to happen to the protocol that underlies it. If this kind of event ever occurred, people would certainly lose faith in bitcoin and its price would collapse.

Every so often bitcoin does dip, that is, drop in price temporarily, only to go back up to new all time highs shortly thereafter.

MARKET CRASH?



What you also have to remember is, most of the other cryptocurrencies are tied to bitcoin's value. If bitcoin plummets, the chances of all of these other coins' values plummeting with it are extremely high.

For instance, let's say I wanted to buy a coin called Iota. At the time of writing this, in order to buy Iota, I would need to buy bitcoin, and trade it for Iota. Although the USD value of Iota changes, it's price is always tied to bitcoin's value. When you trade in and out of other coins, nine times out of ten you have to trade them all in and out of bitcoin. That's why when you make trades, as long as you remain in the market, its value in *satoshis* (bitcoin decimals) outweighs the importance of it's value in USD, etc., because generally speaking, you are trading in and out of bitcoin, *not* USD. Your coin's price could rise dramatically *in USD*, but if it falls in *satoshis*, that was actually a bad trade because you use those satoshis for other trades. That in and of itself screams wonders for bitcoin, and why many and most consider bitcoin the *king* of this space. Many will even say the only reason to invest in altcoins at all is to get more bitcoin.

So, if bitcoin *were* to crash, it would be the result of a technological or community failure, would likely take a lot of the altcoins with it, but this would not be a market failure. Like anything, Bitcoin is susceptible to failures and crashes. It is just that these potential crashes are not the result of a bubble. They would occur because the community failed to make bitcoin economically viable.

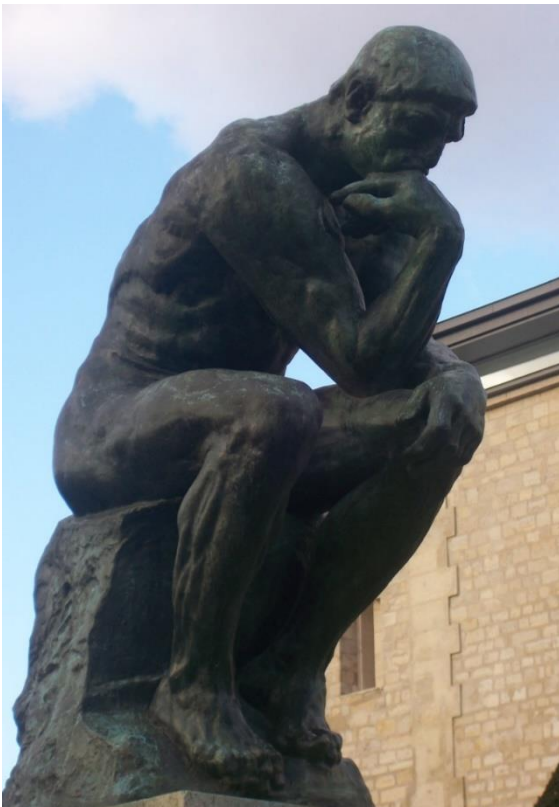
PRICE PREDICTIONS



Price Predictions

Do yourself a favor and don't get too preoccupied with price predictions. It is impossible to perfectly price a new technology in its early stage, but bitcoin and other cryptocurrencies could definitely continue to grow and will likely continue to double, triple, and in time increase ten- and hundreds-fold.

Companies, banks, and governments are starting to use and collaborate with these cryptocurrency networks (blockchains). Traditional investors and investment firms (big money) have started investing into these companies, allowing funding to build true innovations that have intrinsic value.



Cryptocurrencies are not yet available on major traditional exchanges/brokerages. The fewer exchanges a currency is on the more potential it has yet to grow as it becomes available to the mainstream. If bitcoin or another cryptocurrency becomes the world currency, the global demand matched with its limited supply will drive the bitcoin market cap likely into several trillions, meaning one bitcoin could be worth over \$50,000 (not tomorrow, but this year or next year, perhaps).



BUY

ACQUIRE MONEY



Acquire Money

Now, obviously in order to buy bitcoin, there is one thing you are going to need: *money*. I know, it sounds simple, but you would be surprised how many people do stupid things when excited about investing in cryptocurrency for the first time or at all times. More on this later.

Hopefully you have some in savings or know how you are going to get it. Yes, if you've got a couple hundred bucks and want to invest it and let it ride and only grow your investment by profiting on that, you can definitely do that. But, let's face it. The bigger the investment, the higher your profits will be.



Invest from your Savings

One way to invest is to pull funds from your savings. However, putting your *life savings* into cryptocurrency isn't the best idea as there are clear and definite risks involved. One good rule of thumb: *only invest what you can afford to lose*. An even better rule: *Plan* on losing any money you invest. Consider your gains a bonus.

I'm sure you have heard of friends going *all in*. I don't advise you do this, but I bet your friends are really glad and really lucky they did. Maybe they had done a lot of research which they based the decision on, but in the end, they still also got extremely lucky. That could have resulted with their hands empty, and their minds burdened for a long time.



ALLOCATE INCOME



Allocate Income

Investing from your savings is investing money that you already have. Easy stuff. Another way you could start out is by allocating some of your income. Each week, every other week, or each month, you could set aside a specific amount of percentage of your paycheck with which you will buy bitcoin or other coins with. *Pro tip:* don't forget about your income tax returns! I could be wrong, but I personally think the astronomical boom we saw in Quarter 1 2017 had something to do with people getting their tax returns at that time.



IMPROVE SPENDING HABITS



Improve Spending Habits

A third way to get money to invest in bitcoin, is you can improve your spending habits. Tighten up that budget a bit, and spend that money growing your investment instead. Skip the Starbucks a few times a week, stop going out to eat so much, or instead of hitting the bars this weekend, research some solid coins and put that money into them. Not only have I made good money in this space, but it has also cleaned a lot of bad habits out of my life.



STEEMIT



Steemit

There is also a website called Steemit (<http://www.steemit.com>). Now, I could write an entire book on Steemit but that's for another time. Briefly: Steemit is a social media website similar to Reddit, however, for your upvotes and for sharing other's posts (resteeming), you get *paid* in cryptocurrency (Steem and Steem Dollars), which you can then trade for bitcoin, etc. Make good content = get more bitcoin. Proof of Brain. Good deal, right? Imagine how much you would have if Facebook or Twitter paid you for your posts. I recommend signing up and *getting paid* for your time spent on social media. If you do, make sure you follow me:

@stanhopeofficial

STEEMIT



You can post literally anything you want on Steemit, but I highly recommend you keep your content original and your commenting sincere.

I post all kinds of stuff, including plenty of cryptocurrency-related news, original music, original fiction writing, and so on. I know it kind of sounds like a bit of a scam or waste of time (more on scams later), but I assure you, it's not. Some of the videos I post which show me playing my original music earn me over \$200.00 each! And posts by other popular users payout \$1000.00 + *each*, and a lot of those guys post *every day*. And if STEEM then doubles, 10x's in value... you get the idea.

Each post you can label with up to 5 tags so they are easier to find when people browse through those tags. Start with an introductory post with the tags *introduceyourself* and *introducemyself*.

I don't think Steemit is going anywhere except upwards and I highly recommend adding it to your arsenal of gaining more cryptocurrency. (Be right back, posting on Steemit about this book right now).



CREDIT CARDS / LOANS



Another way you can invest is with credit cards and/or loans. I *do not* advise this, however it can be done. I've heard a few stories of people making out *big time* by taking out mortgages on their house to invest in bitcoin, spending all their student loans on bitcoin, etc. That's always awesome to hear, but remember this is a *very* risky move and could turn out horribly, putting you in massive debt with nothing to pay it back with. That sounds like a double-lose to me, especially because a lot of this debt would have interest rates attached. Triple lose.

If I took out a massive loan and put it into bitcoin even just a few *weeks* ago, would I have made a ton of money? Yes. I would have. But you never know what could happen even just tomorrow. I'm personally still in debt with



student loans. I achieved my degree and I learned a hell of a lot, but I came with a ball and chain that can't be ignored. Luckily because of cryptocurrency I am paying that back now.



Beware of Scams

The cryptocurrency “community” is littered with people trying to scam you. *Do not fall for any of it.* These scammers are all over Facebook, Twitter, Craigslist, Reddit. They’re in your emails. They pop up on the first page of your Google searches. They are everywhere you look and don’t look.

My first (cliche but true) rule is: *if it sounds too good to be true, it is too good to be true.* Always. Anyone telling you that you can “get X amount of free bitcoin a day” is scamming you. Anyone telling you that you can get rich quick if you first send them X amount of bitcoin is scamming you. Stay legitimate in your investments and stay the course. Don’t be fooled into any of these schemes. They will only ever make you wish you hadn’t, to say the least, and could make you go entirely broke. Buy bitcoin with real money and watch your investment grow. Don’t try to take shortcuts because you *will* get burned.

SCAMS



Also another important thing to note is to make sure the links you do click on are exactly what they should be. Some scam artists have been changing one letter in a URL, giving money to google to put their scam site on the google front page of searches (blttrex.com looks a hell of a lot like bittrex.com if you aren't paying attention). Then, once you click it and put in your login information, they use that information to log in to your actual account and bam. Your money's all gone. One easy way to avoid this is by not using Google at all to get to your exchanges. Type in the correct URL yourself every time, or at least do it once, make sure it is the right one, and then favorite it.

Don't. Get. Scammed.



BORROWING MONEY



Borrowing Money

Last and *definitely least*, you could borrow money from other people. I highly recommend you *do not* do this. Again, cryptocurrency is not a guaranteed profit. No one knows what will happen in two years, next week, or even 30 seconds from now (I admittedly made a trade once when I was first starting out that cut my money in half within 30 seconds. *Ouch.*). If you borrow money, bragging about how you can make money for the both of you because you “know what you’re doing,” you *could* make some great gains. BUT you *could* lose that money, and possibly lose that friend, or make the next thanksgiving dinner really quite awkward, to say the least. It’s not worth it. Take your *own* risks.

BORROWING MONEY



If you lose your own money, you have no explaining to do but to yourself, and often times in cryptocurrency trading, losing money also means gaining knowledge. Trust me, I've done it. But If you lose someone else's money, you put them in a bad situation, a bad mood, and could hurt your reputation amongst your friends and/or family too. No one wants to live with guilt like that. Don't. do it. Use your own money, take your own losses, and make your own gains.



WHERE TO BUY BITCOIN



So. Congratulations. It's time to buy some bitcoin. First of all let me get this out again: You don't have to buy a whole bitcoin. You can buy *any* dollar amount of bitcoin you want. Remember, bitcoin is broken into decimals called *Satoshis*. A Satoshi is the smallest fraction of a bitcoin that can currently be sent: 0.00000001 BTC, that is, a hundredth of a millionth BTC. In the future, however, the protocol may be updated to allow further subdivisions, should they be needed. Good. Glad we cleared that up.

coinbase

To initially buy bitcoin there are a few options but Coinbase is the best because of it's high volume and easy process. Coinbase hit 13.3 million user at the end of October 2017. This means stability and liquidity.

Free Bonus When you spend \$100 or more of any currency with this link (copy and paste it into your URL), you get \$10.00 of bitcoin free:

<https://www.coinbase.com/join/5939a7046bfea636084d7ecc>

(Obviously you don't have to use this link, but if you do, you and I both get \$10.00 of free bitcoin, which is pretty nice and I'd appreciate the tip!)

You can link your bank to your Coinbase account or simply use your credit/debit card.

BUY ETHEREUM / LITECOIN / BITCOIN CASH



ethereum

You can also buy ether (Ethereum) (ETH) on Coinbase, which you can send to and trade in and out of on certain exchanges just like you can with bitcoin. Some people prefer this as it involves faster transaction times and lower fees. However, there aren't nearly as many ETH trading pairs—which coins you can trade for—as there are trading pairs with bitcoin. So do some research first if you plan on trading with ETH.



Additionally, you can buy litecoin (LTC) on Coinbase, however at the time of writing this, you can't trade in and out of LTC other than for BTC, ETH, tether (USDT, which is supposed to always be 1:1 with USD) and on specific smaller exchanges, Neo (NEO).

BUY ETHEREUM / LITECOIN / BITCOIN CASH



Bitcoin Cash

Bitcoin Cash is also available for purchase on Coinbase. Bitcoin Cash is a fork off of bitcoin which took place on August 1, 2017 (bitcoin forks are for another book, another time). Similar to litecoin, at the time of writing this, you can't trade in and out of bitcoin cash other than for bitcoin, ethereum, tether, and on specific smaller exchanges, Neo (NEO).



NEO
smart economy

On the Kucoin exchange (more on Kucoin later), they offer trading pairs with Neo (NEO). You can't buy NEO on Coinbase. To acquire NEO you would buy BTC or ETH on Coinbase, create an account on Kucoin, send your BTC or ETH to an exchange that offers NEO (more on *sending* shortly), and then trade for it.



HOLD

HOLD



Hold

After buying bitcoin, ethereum, litcoin, and/or bitcoin cash, if you want to simply hold and let it grow, you still have a few choices to make:

One option is you can keep it right where it is and let it grow right on Coinbase.

I've personally never had a problem with it, nor do I know anyone who has, but once in a blue moon hacking can and does occur on exchanges, and money can be lost. This is why most people keep their cryptocurrency in *cryptocurrency wallets* when holding longer term.



CRYPTOCURRENCY WALLETS



Cryptocurrency Wallets

Think of a cryptocurrency wallet as very similar to the wallet in your back pocket which holds your cash, but for your cryptocurrency. Cryptocurrency wallets can be *online wallets*, or *cold storage wallets* such as *paper wallets* or *hardware wallets*. Keep in mind, no single method is 100% secure. Hardware wallets can be lost, computers can catch viruses, exchanges can be hacked, passwords can be forgotten. So just be extra cautious and careful. I've personally never had a problem, but that doesn't mean problems don't happen. They happen all the time.

CRYPTOCURRENCY WALLETS



Bitcoin wallets store the private keys that you need to *access* a bitcoin address and spend your funds. They come in different forms, designed for different types of devices and use cases. If you want, you can even use paper storage to avoid having them on a computer at all. Of course, it's important to secure and back up your bitcoin wallet.

Bitcoin is a modern equivalent of cash and, every day, more and more businesses accept bitcoin as payment.



CRYPTOCURRENCY WALLETS



So, how is bitcoin stored? Well, you don't technically store bitcoin anywhere. What you *do* store are the *secure digital keys* aka *private keys* used to access your public bitcoin addresses and sign transactions. This information is stored in a bitcoin wallet. The wallet itself acts more like a *window* to the *blockchain* which is where you bitcoin actually is stored.

Bitcoin wallets come in a variety of forms. There are five main types of wallet: hardware, paper, desktop, mobile, and web.

HARDWARE WALLETS



Hardware Wallets

Generally speaking, bitcoin hardware wallets are the most secure form of bitcoin wallets. However, unlike most software or online wallets, they cost money. If you're serious about securing your bitcoin, go for a bitcoin wallet that uses a physical piece of hardware in order to operate and keep it more secure. Examples of hardware wallets are TREZOR, LedgerWallet and Keepkey.

A hardware wallet is usually more secure since it's considered to be a form of cold storage. If however you're only storing a small amount of cryptocurrency you may want to use a free software or online wallet. If you are looking to trade for other coins for long term holds, do some research on which hard wallet can hold which coins before buying one.

PAPER WALLETS



Paper Wallets

In the most specific sense, a paper wallet is a paper document containing all of the data necessary to generate any number of Bitcoin private keys, forming a wallet of keys. However, people often use the term to mean any way of storing bitcoin offline as a physical document.

Storing bitcoins on paper wallets is not safe *unless* very strict security measures are undertaken during their initial preparation.

Proper paper wallets are generally a very secure way of holding bitcoin, since they are not ordinarily exposed to malware. They can also be easily stored securely in safes. However, it may be more difficult to securely *backup* paper wallets, and due to the current sub-optimal software support, it may be easier to make a mistake that causes loss of bitcoin.



SOFTWARE / DESKTOP WALLETS



Software/Desktop Wallets

Software/desktop wallets are wallets which are installed on a laptop/desktop computer and provide users with complete control of their assets.

Desktop wallets enable users to create a bitcoin address for sending and receiving bitcoin. They also allow the user to store private keys.

SOFTWARE / DESKTOP WALLETS



These wallets are bitcoin applications that sit on your computer's hard drive and allow you complete control and great security, because each bitcoin you hold is only accessible on your own computer.

When your software wallet is installed, it creates a wallet.dat file that holds the data that relates to your personal bitcoin wallet.

A few known desktop wallets are Armory, Bitcoin Core, Exodus, Hive OS X, MultiBit, and Electrum.



MOBILE WALLETS



Mobile Wallets

Desktop wallets are great, but they aren't very helpful if you are out and about, trying to buy your grande peppermint mocha latte or whatever at Starbucks (which you should be skipping anyway, but alas.). This is where mobile wallets comes in handy. Mobile wallets run as an app on your smartphone, and can store the private keys for your bitcoin addresses, which enables you to pay for things directly *from* your phone, so to speak.

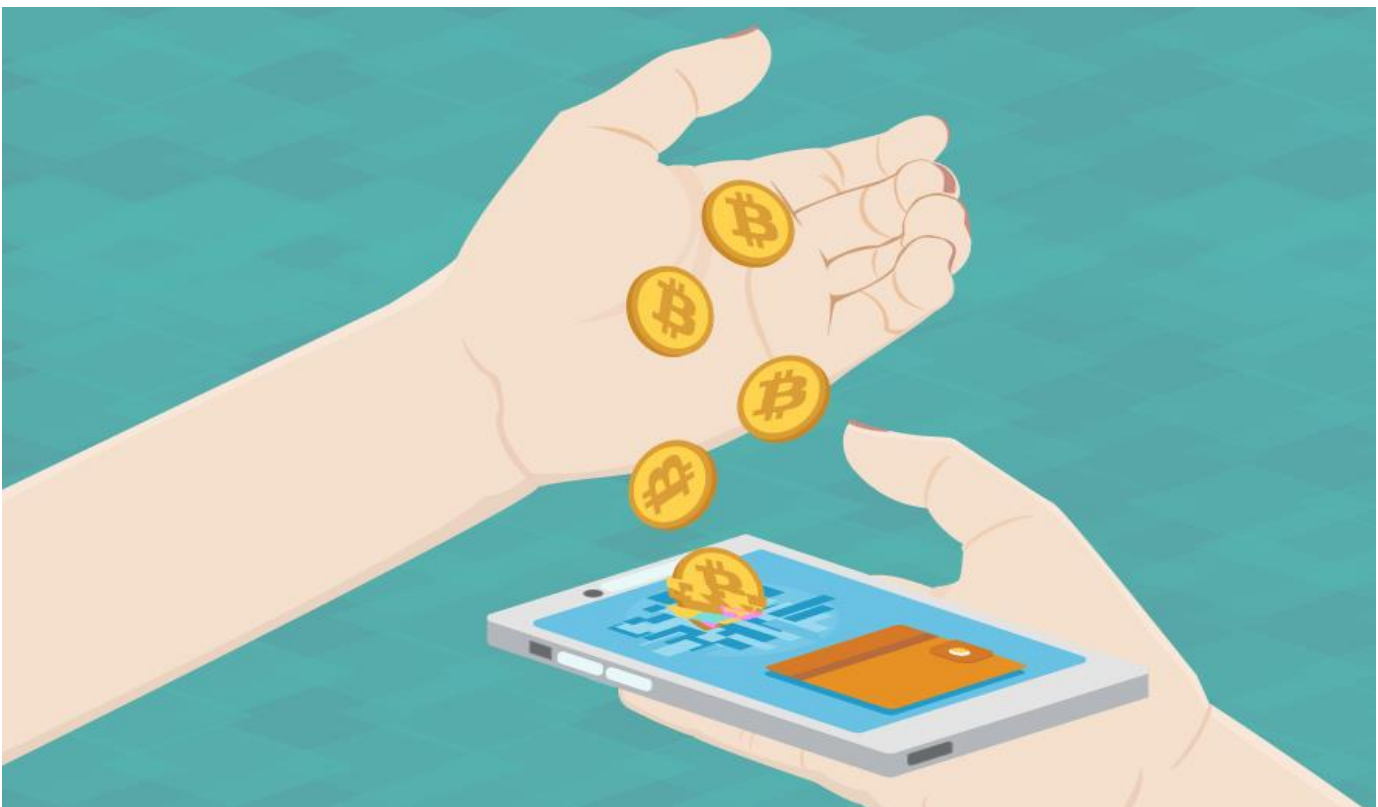
In some cases, a bitcoin wallet will even take advantage of a smartphone's near-field communication (NFC) feature by use of QR code, enabling you to tap the phone against a reader and pay with bitcoin without having to enter the information yourself.

MOBILE WALLETS



Most of the time, mobile wallets are not *full* bitcoin clients. A full bitcoin client has to download the entire bitcoin blockchain, which is always growing and is multiple gigabytes in size. That would probably *please* your mobile service provider, though, who will be all too happy to send you a substantial bill for downloading it! Most phones wouldn't be able to hold all that data in their memory anyhow.

Instead, these mobile wallets are frequently designed with simplified payment verification (SPV) in mind. They download a very small piece of the blockchain, and rely on other, trusted nodes in the bitcoin network to ensure that they have the right information.



ONLINE / HYBRID WALLETS



Online/Hybrid Wallets

Web-based wallets store your private keys online, on a computer controlled by someone else and connected to the Internet. Numerous online wallets are available, some of which also link up to mobile and desktop wallets, replicating your addresses between your devices. One advantage of online wallets is that you can access them from anywhere, regardless of which device you are using. However, they also have one major drawback: they can put the organization running the website in charge of your private keys, basically taking your bitcoin out of your control. That's pretty scary, especially if/when you begin to accrue hefty amounts of bitcoin. Online wallets may be convenient for smaller amounts of bitcoin, however.

ONLINE / HYBRID WALLETS



The most popular Bitcoin wallet today, Blockchain.info, allows you to send and/or receive bitcoins through your browser *or* mobile phone. This is what's known as a hybrid wallet, meaning the company stores your wallet online but they do not have access to your private keys. Although, since the wallet is loaded from their servers, *some* trust in the company is still needed. This method is generally recommended for beginners who are trying out bitcoin for the first time.





SELL

SELL BITCOIN



So you want to sell your bitcoin. You have a number of options. Maybe you made great gains that you're happy with and you are ready to leave the cryptocurrency market entirely and cash back out to fiat currency or maybe you just want to scalp some profits. .

Websites that offer this type of selling structure include Coinbase, cex.io, and LocalBitcoins in the US; and BitBargain and Bittylicious in the UK.



coinbase

BITTYLICIOUS

On these sites, you will usually have to register as a seller. This involves verifying your identity. Once you have registered, you can post an offer, indicating that you want to sell, and the website will alert you when a buyer wants to trade with you. From there, your interaction is solely with the buyer, but you use the website to complete your trade.

The process of selling on Bitbargain UK and (moreso) Bittylicious can be quite involved and requires some patience.

Bitcoin users with bank accounts in the United States should consider using Coinbase, cex.io, or Circle, which are all fairly simple.

SELL BITCOIN



coinbase

You can currently buy and sell bitcoin, ethereum, and litecoin on Coinbase in the following countries:

What countries are buys and sells available in?

Nov 01, 2017

Digital currency conversion services are currently available to customers in Australia*, Canada*, Singapore, the United States, the United Kingdom, and the following European countries:

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Finland
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Liechtenstein
- Malta
- Monaco
- Netherlands
- Norway
- Poland
- Portugal
- San Marino
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland

Source: coinbase.com snapshot 12/6/2017

SELL BITCOIN



To sell bitcoin/ethereum/litecoin on Coinbase you simply log in, click the *buy/sell* tab. Then, on the *buy/sell* page, click the *sell* tab, and select the coin you would like to sell, your credit/debit card or bank transfer, and the amount you would like to sell, just as you would if you were buying.

A screenshot of the Coinbase 'Sell Bitcoin' interface. At the top is a blue header with the 'coinbase' logo. Below it is a navigation bar with icons for 'Dashboard', 'Buy/Sell', 'Accounts', 'Tools', and 'Settings'. The main content area has two tabs: 'Buy' and 'Sell', with 'Sell' selected. Under 'Sell From', there is a dropdown menu showing 'BTC Wallet' with a Bitcoin icon and a balance of '0.00000000 BTC' (approximately \$0.00). Under 'Deposit To', there is a dropdown menu showing a bank icon. Below that is the 'Amount' section, which includes a 'Weekly bank limit' of '\$10,000.00 remaining' with a link to 'Increase limits'. The amount input fields show '0.00 USD' on the left and '0.00 BTC' on the right, separated by a double-headed arrow. At the bottom, there is a checkbox for 'Repeat this sell' and four radio button options: 'Daily', 'Weekly', 'Every two weeks', and 'Monthly'. A large blue button labeled 'Sell Bitcoin' is at the very bottom.

Source: *coinbase.com* snapshot 12/6/2017

SELL BITCOIN



From cex.io:

Payment card

You can withdraw funds to your Visa/MasterCard issued in any currency at low commissions. Withdrawals to payment cards are processed automatically and instantly, so that you are able to use withdrawn funds right away.

Bank transfer

In case of large amounts, we recommend withdrawing funds via bank transfer. If your bank account is in another currency, the funds will be converted according to the exchange rate of your bank.

SEPA

If your funds are allocated in EUR, then withdrawals via SEPA at extremely low fees might be the best option for you.



TRADE

TRADE BITCOIN



If you want to trade for other cryptocurrencies, which is probably why you are reading this book after all, you will need to create an account on a cryptocurrency trading exchange.

There are many different cryptocurrency exchanges for you to choose from. Each has its own pros and cons, and any given person will have his or her own opinion on which exchange is best on any given day.

By the way, not every coin is offered on every exchange. If you have done some research and are interested in trading for a particular coin, make sure to check which exchange that coin is offered on first. To make it easier, on any coin's page on <http://coinmarketcap.com>, there is a “markets” link to click on, which will present you a list of the exchanges that coin is traded on.



EXCHANGES



Exchanges

Here is a list of some of the highest volume cryptocurrency trading exchanges. Make sure to research which exchanges are legal to use in your country, and which of those exchanges offer the coins you want to trade with.

- Binance
- Bittrex
- Kucoin
- Bitfinex
- Bitstamp
- Poloniex
- Kraken
- Korbit
- Quoine
- Coinone
- GDAX
- HitBTC
- Gemini
- Shapeshift
- CEX.IO
- Cryptopia
- Bithumb
- Yobit
- Liqui
- EXMO
- BTC-e / WEX
- Gate.io
- Bitflyer
- Voltoro
- itBit
- ACX
- Tidex

BINANCE



Binance Exchange

Binance link: <https://www.binance.com/?ref=10031592>

For cryptocurrency exchanges overall, Binance is a great option. A lot of people recently have moved their trading funds to Binance, and with good reason.. This exchange is user friendly with very few negative reviews or unhappy reports. They also have a nice referral program where you can earn money by referring your friends, family, people on social media, etc. If you want, you can use my referral link above to get started, and then get access to *your* referral link and spread the message!



Binance Referral Program

From binance.com:

Binance Program Details

The commission you receive from the referral program will initially be set at a rate of 50%. This will then be adjusted after a certain period of time based on the situation.

The fee commission will be sent instantly in real-time to your Binance account as your referee completes each trade and will be paid to you in whatever token/cryptocurrency the original fee was paid in.

There is no limit to the number of friends you can refer, although we do reserve the right to adjust or change the referral program rules at any time.

The referee must be signed up through your Referral Link, QR Code or Referral ID.

We will check for duplicate or fake accounts and will not pay out referral bonuses on these accounts. Duplicate or shared finances will result in disqualification.

As well, Binance has its own binance coin: BNB. Holding this asset will give you 50% off trading fees and is highly recommended.

KUCCOIN



Kucoin Exchange

Kucoin link: <https://www.kucoin.com/#/?r=E3eHaT>

Very similar to the Binance exchange, Kucoin is another great option. The trading volume is lower as it is a much newer exchange, however Kucoin offers a lot of the newest coins that binance may not offer. This exchange is also user friendly with very few negative reviews or unhappy reports.

And just like Binance, Kucoin has a great referral program where again, you can earn money by referring your friends, family, people on social media, etc. If you want, you can use my referral link above to get started, and then get access to your referral link and spread the message!



Kucoin Bonus Plan

What is the Kucoin Bonus? To be simple, Kucoin rewards Kucoin Shares (KCS) holders. Like Binance, 50% of trading fees are eliminated as the bonus to reward all the KCS holders on the exchange.

Kucoin Bonus formula: $24\text{H trading fees} * 50\% * (\text{the amount of KCS you hold} / \text{current total supply of KCS})$ Note: current total supply of KCS is 100,000,000.

For example, user Joe holds 10000 KCS in his account on our exchange.

Someday the 24H volume of our entire exchange is 100,000,000 KCS.

According to our current fee rate 0.1%, the trading fee Kucoin collects per day is $100,000,000 * 0.001 * 2 = 2,000,000$ KCS. So Joe will get $2,000,000 * 50\% * (10,000/100,000,000) = 100$ KCS per day. That's a pretty big deal.



START TRADING

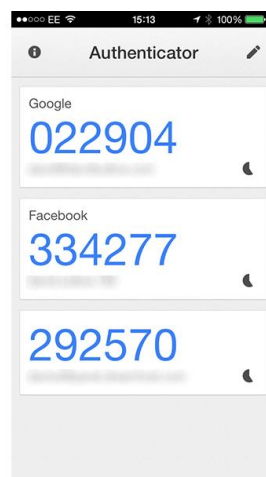
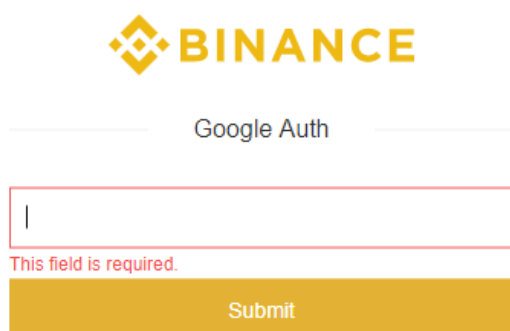


Start Trading

So you've bought some bitcoin, you've set yourself up on an exchange, you've sent your bitcoin to that exchange, and you're finally ready and antsy to get trading. Congratulations!

Now let's go over exactly how to trade on that exchange. Most exchanges work in a very similar fashion, but we'll be using Binance as an example.

First and foremost, many exchanges require you to use *2FA Authentication*.

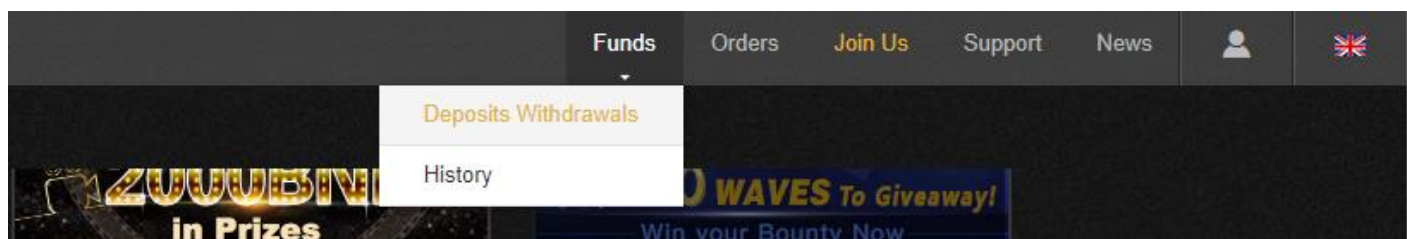


Two Factor Authentication, also known as 2FA, is an extra layer of security that requires not only a password and username but also something that only, and *only*, a specific user has on them. Google has an app called Authenticator you can download on your device and sync to Binance or any of the other exchanges. This will often be what you use to log in and on some exchanges, to make a trade. Once synced, the Authenticator home screen will give you a code that expires and is replaced every 30 seconds or so. Type it in and *voila*.

START TRADING



Now that you're in, you'll have to deposit some bitcoin (or ethereum) onto your chosen exchange from wherever it currently is. To do this on Binance, mouse over *Funds* and click on *Deposits Withdrawals* in the dropdown menu.



On the *Deposits & Withdrawals* page you will see a list of all the coins you can deposit to or withdraw from Binance:

Deposits & Withdrawals

Estimated Value : 0.00000000 BTC / \$0.00
24h Withdrawal Limit : 2BTC In Use : 0BTC

Coin ↑	Name	Total Balance	Available Balance	In Order	BTC Value		
ADA	Cardano	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
ADX	AdEx	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
AION	AION	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
AMB	Amber	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
ARK	Ark	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
ARN	Aeron	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
AST	AirSwap	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BAT	Basic Attention Token	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BCC	Bitcoin Cash	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BCD	Bitcoin Diamond	0.00000000	0.00000000	0.00000000	0.00000000	Suspend	Suspend
BCPT	BlockMason Credit Protocol	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BCX	BCX	0.00000000	0.00000000	0.00000000	0.00000000	Suspend	Suspend
BNB	Binance	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BNT	Bancor	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BQX	ETHOS	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BRD	Bread	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BTC	Bitcoin	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BTG	Bitcoin Gold	0.00000000	0.00000000	0.00000000	0.00000000	Deposit	Withdrawal
BTM	Bytom	0.00000000	0.00000000	0.00000000	0.00000000	Suspend	Withdrawal

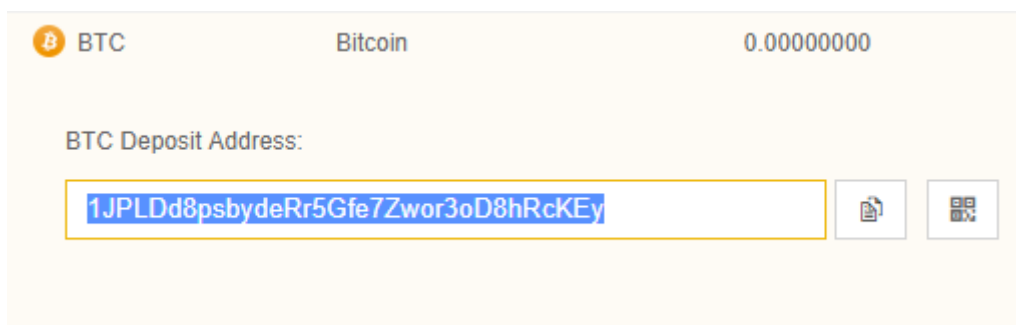
START TRADING



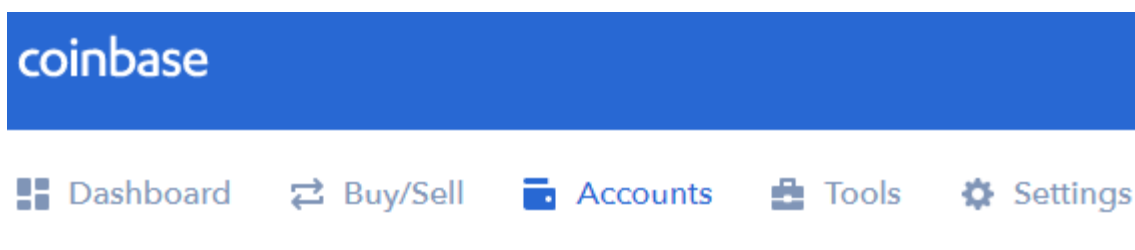
In order to deposit a specific coin, you click the deposit button that coincides with that coin:



You will then see a drop down for that coin where a specific *deposit address* is given. **MAKE SURE** you are on the correct coin. If any coin were to ever get sent to the *wrong* address, you can consider it gone forever.



This is the address you are going to *send* your bitcoin *to* from either Coinbase, your wallet, or anywhere else your bitcoin may be. We'll use Coinbase as an example:



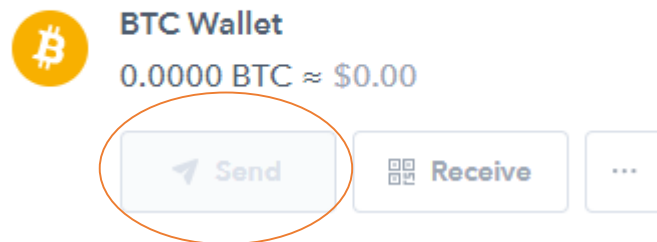
On Coinbase, log in and click on your *Accounts* page.

START TRADING



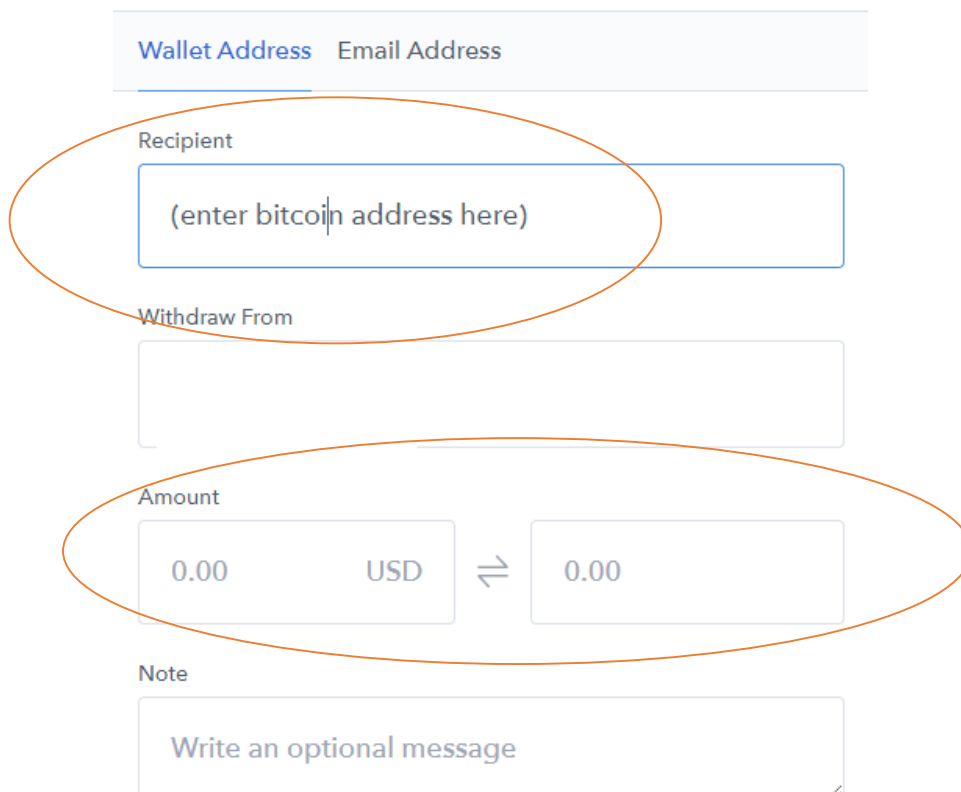
On your *Coinbase Accounts* page, if you have bitcoin in your wallet, click the *Send* button.

Your Accounts



The screenshot shows the 'Your Accounts' section of a Coinbase interface. It features a yellow Bitcoin icon next to the text 'BTC Wallet' and '0.0000 BTC ≈ \$0.00'. Below this, there are three buttons: 'Send' (with a left-pointing arrow), 'Receive' (with a QR code icon), and a three-dot menu. The 'Send' button is circled in orange.

On the next page, type or paste your *Binance Deposit Address* into the *Recipient* field. Then in the *Amount* field, type the exact amount you want to send (in USD on the left, or bitcoin on the right).



The screenshot shows the 'Send' transaction form. At the top, there are two tabs: 'Wallet Address' (selected) and 'Email Address'. Below the tabs, the 'Recipient' field is circled in orange and contains the placeholder text '(enter bitcoin address here)'. Underneath is the 'Withdraw From' field. The 'Amount' section is also circled in orange and shows two input boxes, each containing '0.00', with 'USD' in between and a double-headed arrow between the boxes. At the bottom is the 'Note' field with the placeholder text 'Write an optional message'.

START TRADING



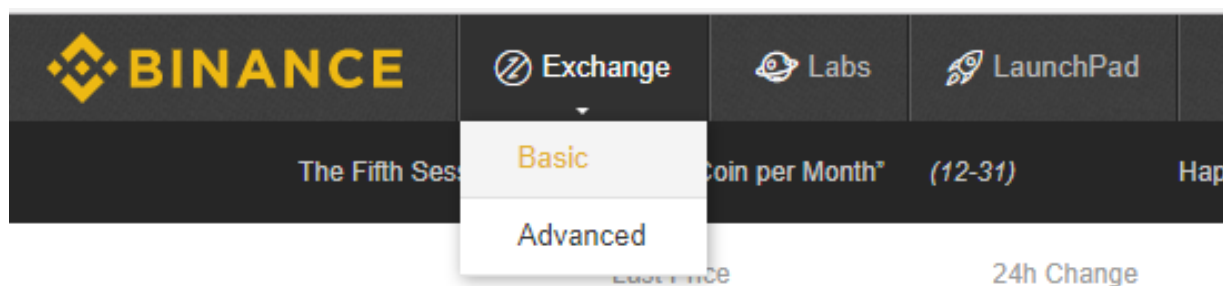
Then, simply click continue where you will be taken to a follow up confirmation page.

Once sent, depending on whether you sent bitcoin or a different coin, transfer times will vary. Different coins require different amounts of *confirmations* from the networks they are on on any given day and/or exchange.

Once your bitcoin arrives, you're in! You now have bitcoin on a trading exchange and you are ready to make your first trade!

Hopefully, as previously advised, you have researched some coins, decided on one or more to buy, and have deposited your bitcoin on an exchange that offers trading with that or those coins. On Binance your balance will show up on the *deposits withdrawals* page.

So, now, let's do a trade. Click on the *Exchange – Basic* link to get into the Binance Exchange:



HOW TO TRADE



So, don't freak out. If it looks a little complicated and over your head at first, that's okay. I'm going to walk you through all of this. First, on the right hand side we see a window of *trading pairs*. A trading pair is any two coins that can be traded against one another. At the top you can see in Binance you can trade against bitcoin (BTC), ethereum (ETH), binance coin (BNB), and tether (USDT).

The screenshot shows a trading interface with a search bar and a list of trading pairs. At the top, there are tabs for 'Favorites', 'BTC', 'ETH', 'BNB', and 'USDT'. Below the tabs is a search bar and two radio buttons for 'Change' (selected) and 'Volume'. The main table lists trading pairs with their respective prices and 24-hour percentage changes.

Pair ↑	Price	Change
★ ADA/BTC	0.00005300	-0.79%
★ ADX/BTC	0.00021603	7.53%
★ AION/BTC	0.0003821	1.87%
★ AMB/BTC	0.00004891	17.69%
★ ARK/BTC	0.0005669	11.88%
★ ARN/BTC	0.00006812	8.54%
★ AST/BTC	0.00004280	13.56%
★ BAT/BTC	0.00003184	4.46%
★ BCC/BTC	0.173130	0.51%
★ BCD/BTC	0.003101	-0.06%
★ BCPT/BTC	0.00004710	45.69%
★ BNB/BTC	0.00061442	0.56%
★ BNT/BTC	0.00039910	7.40%
★ BQX/BTC	0.00026805	29.50%

After selecting which coin to trade to or from, you can then scroll down through the list to see all the trading pairs with that coin. Also shown is the price of that coin as well as the 24 hour % change (how much the coin has gone up or down in that trading pair in 24 hours).

HOW TO TRADE



The first bitcoin trading pair option on the list is Cardano (ADA). You see that ADA is a little low today as it is in the red against BTC. Let's say after you've (hypothetically) researched ADA and decide you believe in the technology and team behind the project, as well as think the current price is a good buying price, you decide you want to buy some.

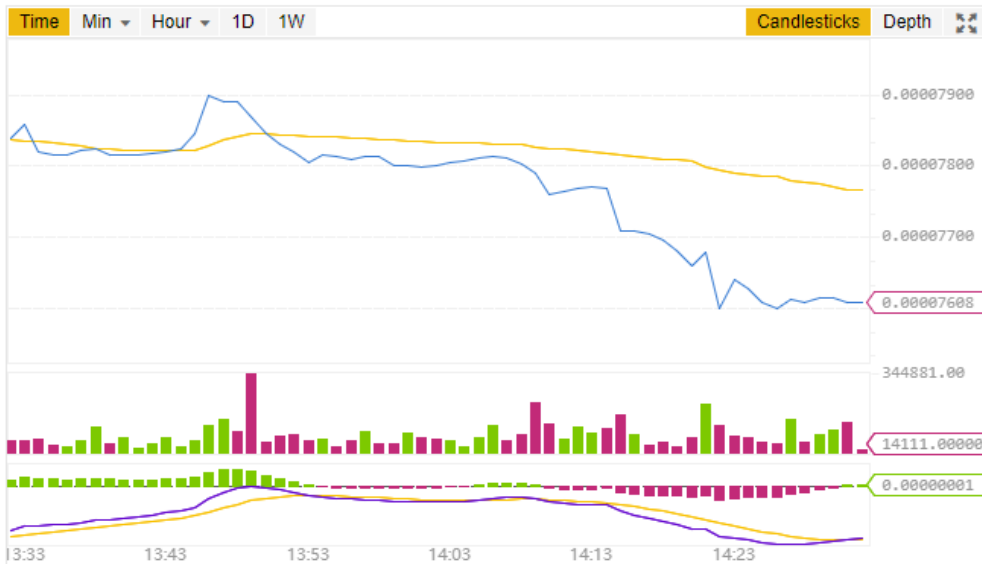
Pair ↑	Price	Change
★ ADA/BTC	0.00005300	-0.79%
★ ADX/BTC	0.00021603	7.53%
★ AION/BTC	0.0003821	1.87%
★ AMP/BTC	0.00004904	17.60%

ADA/BTC 1 Last Price
0.00005239 \$0.70

Price(BTC)	Amount(ADA)	Total(BTC)
0.00005271	82	0.00432222
0.00005270	25	0.00131750
0.00005269	575	0.03029675
0.00005264	14,808	0.77949312
0.00005263	10,703	0.56329889
0.00005262	198	0.01041876
0.00005260	154	0.00810040
0.00005255	13,339	0.70096445
0.00005254	1,636	0.08595544
0.00005253	18,551	0.97448403
0.00005251	282	0.01480782
0.00005250	39,131	2.05437750
0.00005249	1,173	0.06157077
0.00005247	2,900	0.15216300
0.00005240	1,903	0.09971720
0.00005239	426	0.02231814
0.00005221	1,001	0.05226221
0.00005212	3,100	0.16157200
0.00005208	25	0.00130200
0.00005207	50	0.00260350
0.00005206	50	0.00260300
0.00005205	257	0.01337685
0.00005204	19,799	1.03033996
0.00005203	7,029	0.36571887
0.00005202	274	0.01425348
0.00005201	27,220	1.41571220
0.00005200	150,806	7.84191200
0.00005199	2,130	0.11073870
0.00005196	400	0.02078400
0.00005195	1,369	0.07111955
0.00005194	300	0.01558200
0.00005193	45	0.00233685

What you would do is click on the trading pair (ADA/BTC). This brings you to the ADA/BTC trading page. On the left hand side of the page, you see the *Last Price* ADA was bought/sold at against BTC (1). Below that we can see the *Buy and Sell Order Book*. In the middle of the order book we again see the last price ADA was sold at (2). Above that, the list of red prices are the prices people (or bots) have previously reserved to sell ADA for BTC once reached (3). The green prices below are the prices people (or bots) have agreed to buy ADA at with bitcoin once reached (4).

CHARTS



In the center of any trading pair page there is a chart representing the price history of the asset (shown above). Below that chart you will see another graph of the *trading volume* of that pair (the total amount being traded). If you click over to the *Depth* tab, you will see a visual representation of the *buy and sell orders* (shown below).



LIMIT VS MARKET ORDERS

A screenshot of a trading interface. At the top, there are three tabs: 'Limit' (highlighted in orange), 'Market', and 'Stop-Limit' (with a question mark icon). To the right, it says 'Fee: 0.10%'. Below the tabs, there are two main sections: 'Buy ADA' and 'Sell ADA'. Each section shows a 'Price' field with the value '0.00007771' and a 'BTC' dropdown menu. Below the price is an 'Amount' field with an 'ADA' dropdown menu. Underneath the amount field are four percentage buttons: '25%', '50%', '75%', and '100%'. At the bottom of each section is a 'Total' field showing '0.00000000' and a 'BTC' dropdown menu. At the very bottom of each section is a large button: a green 'Buy ADA' button on the left and a pink 'Sell ADA' button on the right. The background of the interface is light gray.

To **buy** or **sell** ADA, you would simply type in the BTC price you would like to **buy** or **sell** it for, then the amount of ADA you want to **buy** or **sell**, and click **Buy ADA** to **buy**, or **Sell ADA** to **sell**. When buying or selling, you can set the price at the current (last) price, or you can choose a different price i.e. lower if buying, higher if selling. You can also simply *set it and forget it*, meaning you can set a much lower buy price and wait for the order to take over time, if ever, or set a high sell price and wait for order to sell over time, if ever.

Limit vs Market Orders

You will almost always see a greater profit if you set a *Limit order* on most exchanges.

Market Orders get filled instantly, but you could be paying various prices and will usually get charged a fee from the exchange. If you're a trader who has patience, using Limit orders are usually the best way to buy and sell an asset.

Market Orders are good if you need to offload a coin in an emergency (crashing and nearly the price of your buy-in. Close the order before you lose profits or get too deep into the red).

STOP-LIMIT ORDERS

A screenshot of a trading interface. At the top, there are three tabs: 'Limit', 'Market', and 'Stop-Limit' (which is highlighted with an orange circle and a question mark icon). To the right, there is a 'Fee: 0.10%' indicator. Below the tabs, there are two main sections: 'Buy ADA' and 'Sell ADA'. The 'Buy ADA' section shows a 'BTC Balance: 0.00000000' and fields for 'Stop' and 'Limit' prices in BTC, an 'Amount' in ADA, and percentage buttons (25%, 50%, 75%, 100%). The 'Total' is shown as 0.00000000 BTC. A green 'Buy ADA' button is at the bottom. The 'Sell ADA' section shows an 'ADA Balance: 0.00000000' and similar fields for 'Stop' and 'Limit' prices in BTC, 'Amount' in ADA, and percentage buttons. The 'Total' is shown as 0.00000000 BTC. A pink 'Sell ADA' button is at the bottom.

Stop-Limit Orders

From Binance.com:

A stop-limit order will be executed at a specified (or potentially better) price, after a given stop price has been reached. Once the stop price is reached, the stop-limit order becomes a limit order to buy or sell at the limit price or better.

Explanation of Terms:

Stop price: When the current price reaches the given stop price, the stop-limit order is executed to buy or sell at the limit price or better.

Limit price: The price (or potentially better) that the stop-limit order is executed at.

Quantity: The quantity to buy or sell in the stop-limit order.

Please note: A maximum of 2 stop-limit orders are allowed for each trading pair at any point in time.



TRADING STRATEGY

TRADING STRATEGY



Now that you are trading, there are a few things to keep in mind:

Just as with anything else in life, trading cryptocurrencies is context dependent. This means you should remain a healthy sceptic about general truths, universal rules, and things that "everyone else knows."



We've all heard the famous "buy low, sell high" maxim. Although you do have to buy low and sell high to make any money in this game, remember that everyone's definition of high and low is almost always different since it depends on a timescale, individual goals, and trading strategies. If you're a holder, your high and low will differ dramatically compared to the day trader's, and vice versa. If you bought bitcoin at \$100.00, bitcoin is still incredibly high to you right now. If you bought bitcoin at an all time high and it dips, it will seem low to you, but still high to that bastard who bought it at \$100.00.

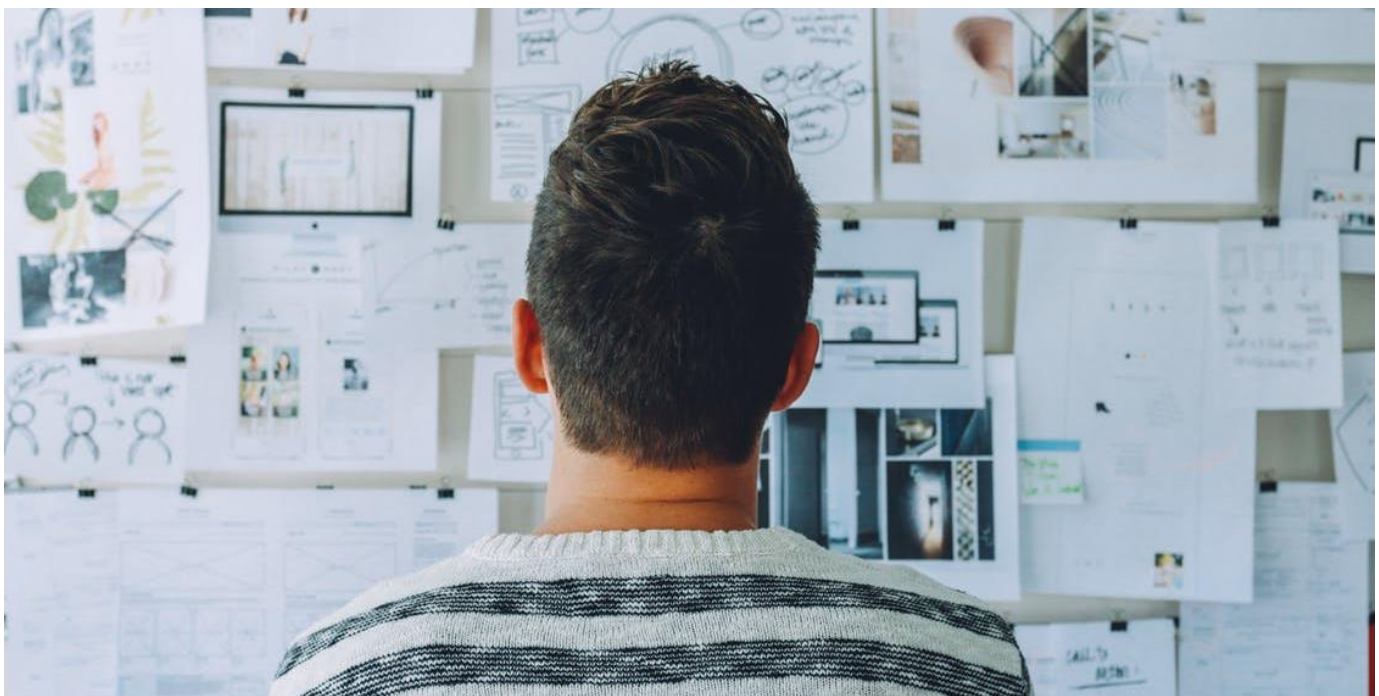
INVEST AND TRADE SMART



Invest and Trade Smart

If you're trying to get rich quickly by dumping all of your retirement funds into bitcoin, then your investment strategy is not much better than someone betting everything on black in Las Vegas. High-risk, high-reward investing is not *necessarily* bad or good; you have to seriously look at your thought process in all this.

Be speculative. Watch the markets for a while before throwing yourself into it. Don't do something just because others are doing it. Think, and then think about your thinking, and then think about *that* thinking. And then think some more.



DO YOUR OWN RESEARCH



Do Your Own Research

I think one of the biggest downsides cryptocurrency investing right now are all the new people coming into the market, not doing any research, and believing they are magically going to become rich quickly. Five years ago, people didn't have all the Facebook groups, etc. full of people pushing coins on us all day, every day. People had to really research and learn this stuff on their own because it wasn't just easy to ask questions like: *How do I buy X coin with BTC. What's going on with X coin? What coin should I buy under 10 cents? What coin can I invest \$10.00 in and get a rich next week?* This is not real research. You've really got to work very hard to learn this stuff. Don't be lazy about it. Nine times out of ten people in Facebook groups etc. are only going to answer your questions by trying to hype the coins they themselves are invested in, which then snowball-effects until lots of people lose a lot of money. Do your own research and make decisions for yourself.

SET GOALS



Set Goals

One of the best things you can do whether you are a long term holder or day trader is to set your goals. If you are a long term holder, maybe this means you don't sell until multiplying your initial investment tenfold. Or maybe you won't sell until you can afford a new car or a first or second property. Maybe you want to pay off all of your student loan debt. Maybe you hold for *exactly* two years. Maybe you just have \$30.00 in bitcoin but really just want to replace your old couch some day. Any goal is better than no goal.

If you are a *day trader* (someone who watches the markets closely and makes trades hourly or daily) it may mean you get in and get out of each coin quickly, maybe after you hit 5% profit on any specific trade.

SET GOALS



If you are a *swing trader*, you trade more often than the long term holder, but less often than the day trader. Swing traders tend to buy coins that are super low in price and wait patiently for them to rise over weeks or months, to then sell high for a different coin that is low, wait patiently for that coin to rise, etc.

Regardless of your trading (or holding) style you still need to set goals for yourself. That way you don't remain concerned about how a coin performs outside of your trades and your goals. If you buy a coin, and your goal is to make 25%, and you hit that goal and sell, and it continues to rise: no worries. You made your goal. Success. If you end up buying that coin again at a later date for a higher price: no worries, you make a new goal and execute *that* goal.



SET GOALS



Reaching long and short terms goals are like reaching checkpoints in your investments. Every person's goals will be different, and your goals won't be the same every time. Maybe you hold bitcoin long term and have a much shorter term goal on litecoin or something else. Goals can be percentage targets, exact price targets, exact date targets, or even just "I don't care how much I make or lose I just want to learn more about trading cryptocurrency."

If you are a beginner, don't be afraid of setting your goals low to start. Even if you want to simply buy some bitcoin, wait for a 10% gain, and sell it and get out of the market completely, at least you can say you had a plan, you executed that plan, and now you feel good about it. If you don't have a plan or any goals, what's the point in trading in the first place?



USE CAUTION



Use Caution

If investing inside *or* outside of cryptocurrency for the first time, be exceedingly cautious and conservative until you build up knowledge and experience over some time. Even long time veterans in this space get hurt often. No one wins every time.

And I can't stress this enough: remember not to invest any more than you can afford to lose. Consider it gone already. Consider any gains you make a bonus. Protect yourself from getting overly emotional about your gains and losses. It's literally the name of the game in trading: someone's gain is someone else's loss. Remember that.





Diversify Your Portfolio

Diversification is the practice of spreading your investments around so that your exposure to any one type of asset is limited. This will help you reduce the volatility of your portfolio over time.

Most investment professionals agree that, although it does not guarantee against loss, diversification is the most important component of reaching long term financial goals while also minimizing risk.

In terms of your cryptocurrency portfolio, I recommend at the very least diversifying into *The Big Three*—bitcoin, ethereum, and litecoin, and *then* maybe pick a few others you have researched, that have a quality team behind the project, that are solving real world problems, and put some money in those as well.



Trading Psychology

Try to understand the motives governing your decisions and act (or don't act) accordingly. If your actions are about to be driven by extreme emotions such as fear, panic, or excitement—stop immediately and reevaluate the situation. Otherwise you'll end up belonging to the FOMO (fear of missing out) buyer/panic seller team and will probably lose money. If you want to earn money *long term*, you must keep your head cool and think clearly and not get wrapped up in *short term* pumps and/or dumps. When you find yourself getting emotional and feeling like you **HAVE** to buy *or* sell something **RIGHT NOW, OR ELSE**: Take a break. Stop checking prices on your phone. Get away from the charts. Go for a walk. Think it all through. Then thank yourself.

TRADING PSYCHOLOGY



Evidence in neuroscience research shows that the human species absolutely despises loss. This is our biology and is due to the fact that often times our ancient ancestors had barely enough food, shelter, and belongings to survive in a very hostile, dangerous world. Losing even a little of what they had today meant dying tomorrow. This explains why us modern humans prefer avoiding financial loss to making financial gain. I know personally when I see myself taking on a loss and that loss grows deeper by the minute, it hurts greater than the joy I feel from making an equal and opposite gain.

Neuroscientists claim that losing money activates the same area of the brain that responds to mortal danger—the autonomic nervous system, the sympathetic nervous system, our “fight or flight response,” and the emotional center of the brain, the amygdala.

This is why in order to day trade you must have immense amounts of self control and “nerves of steel.” There are so many ups and downs during a single day; it drains you emotionally, you end up being addicted to adrenaline, your significant other hates it, and the holders might outperform you in the long run anyway. That is not to say don’t day trade. But if you do day trade, certain strategies will go a long way.

TECHNICAL ANALYSIS



Technical Analysis

At some point, you will stumble across something called *technical analysis*. Technical analysis is just that: analyzing charts technically. Some traders use technical analysis to identify chart patterns, trends, waves, fractals—you get the idea.

Many traders regard technical analysis to be a scientific way (based on mathematics) to read and predict the market moves. Technical analysis can be fun to think about, and sometimes pays off, however, differently from the surrounding physical world, we are not actually aware of any physical laws that govern our *human behavior*, including markets. If it was possible to mathematically calculate and with certainty predict market moves, the guys on Wall Street would have already done it. There is no way of ever *really knowing* what will happen next. In that regard, we are certainly gambling.



TECHNICAL ANALYSIS



Markets move unexpectedly. Think about the major financial crises for a moment. Or the fall of the roman empire. Nobody (well, almost nobody) ever expected these things to happen. Does it mean Technical Analysis is a complete rubbish? I don't think so. It can be useful. Technical analysis still gives you a feel of the current market mood and shows the history of any asset. Technical analysis graphically represents historical data of human behavior in the financial markets. Some people claim to benefit from this, others say it's a bunch of bologna. Some won't trade without it. Others say: technical analysis works... until it doesn't.

If you are interested in technical analysis, Coinigy (<http://www.coinigy.com>) is a good application for it. When you sign up you can use it for 30 days free, then it is \$15.00 USD a month after that. Otherwise, you can perform simpler technical analysis right on the charts of most of the exchanges. For more on technical analysis, check out our next project *Cryptocurrency Trading – Advanced*, coming soon.

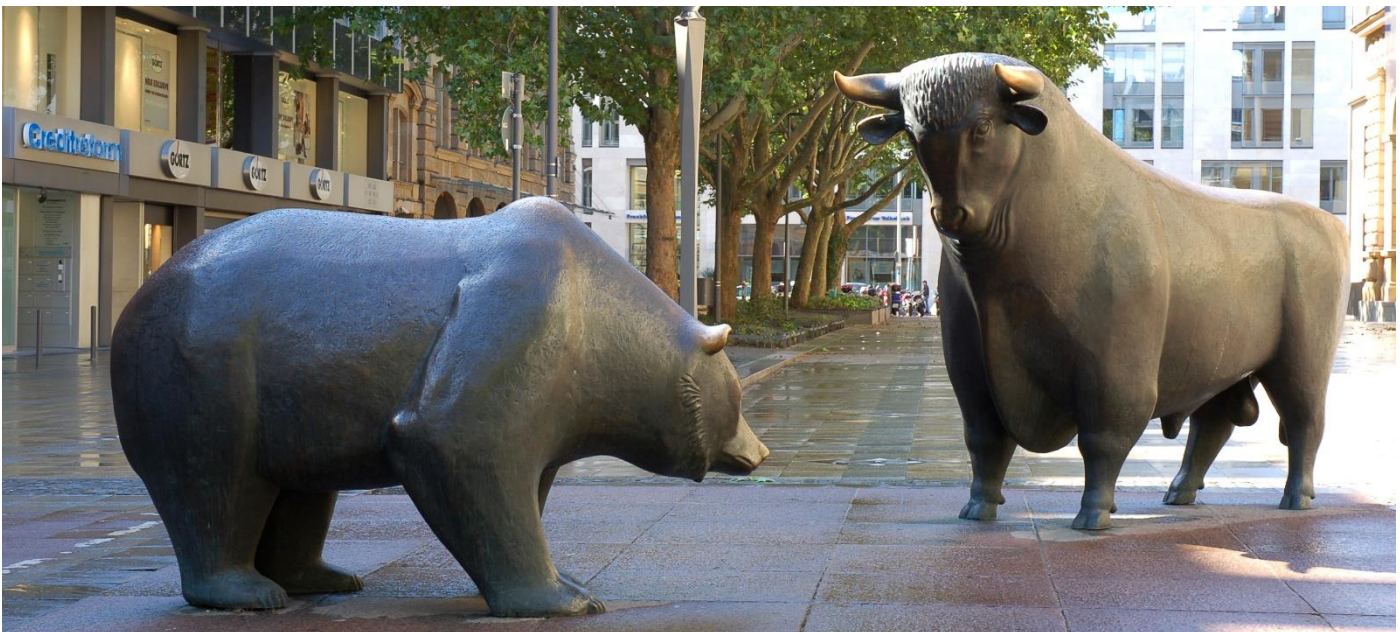
BULLS AND BEARS



Bulls and Bears

A *bull* (or someone who is *bullish*) in cryptocurrency or stock trading is someone who wants to buy or is buying. A *bear* (or someone who is *bearish*) is the opposite—someone who wants to sell or is selling. A bullish market is a market in which more is being bought than sold (steady rise). A bearish market is a market in which more is being sold than bought (steady fall).

But remember, on a long enough timeline, bulls and bears don't really matter. Whether you're bullish or bearish depends on your individual strategy and timescale. To someone holding bitcoin since 2010, a dip here or there (even a prolonged one) makes little difference because the price of bitcoin over time continues to grow dramatically. Even with short term bear markets, you can call it one long-term bull market.





Regret

Beware of historical comparisons and getting stuck in the *I knew that was going to happen!* mentality. People tend to fall into hindsight thinking, especially after an event has occurred, and therefore see it as having been easily predictable. We are all blinded by hindsight bias because our brain will always look for a simplistic linear link between cause and effect. This way when an unexpected event happens, the brain uses the *knew-it-all-along* method to cope with cognitive dissonance and make sense of the surrounding world. When trading, hindsight bias harms you in two ways:

- A. It drains you psychologically for not making “the right” decisions in the past, and by suckering you into oversimplified historic analogies; and
- B. It creates a false sense of investment security at the present time.



NOISE V/S. SIGNAL



Noise vs. Signal

If you spend any time at all scrolling through cryptocurrency subreddits or Facebook groups, you have seen all the people complaining they've sold their bitcoin at the *worst* possible time (I've been there, too).

It is very tempting to try to call *the next* bitcoin. The problem is that it is incredibly difficult if at all possible to spot such an opportunity. You have to be either extremely lucky or extremely well informed *and lucky* to capitalize early on such opportunity. At the end of the day, it's very difficult to differentiate between useless information (*noise*) and something that truly matters (*signal*).



NOISE V/S. SIGNAL



And only to make matters more confusing, noise and signal could and do generate the exact opposite effects than they often *should*. If you consider how many people are in these markets, trying to make money just like you are, you quickly realize that all of those people are making decisions like you are, but with all the noise, coins get pumped and dumped day in and day out. Point being: even if/when you are able to push the noise aside and pick up on solid signals—other people are not, and thus the market never performs the way you think it will 100% of the time. Yes, you could factor this in as well. But now you are identifying noise, identifying signal, and also trying to factor in the trading psychology of thousands of other people all at once. Talk about brain implosion.



News

Although following *the news* tends to be what a lot of traders do to spot “the next pump,” try not to obsess over the news too much. This isn’t to say not to follow the news at all. But try to start filtering more of what you read, watch, and hear. If you don't, at some point in time all of the never ending news you consume will start to heavily impact your decisions and it will begin to negatively connect with the net gain of your cryptocurrency portfolio.



Instead of reading news *nonstop*, spend time to better educate yourself *thoroughly* with market fundamentals and the technology and projects you're dealing with. This way it will be easier for you to spot new lucrative investment opportunities in the future without making incredibly risky moves like hopping in on a pump that could very well begin to dump directly after you've made your move on it. I see this day after day with beginners and even veterans. I've done it myself. A lot of "news" isn't even true, so what happens is these coins get pumped on the *rumor*, and then whether the *news* is real or not, the coin gets dumped. "Buy the rumor, sell the news." Or how about just making good decisions based on the project, the team, the roadmap, and solid answers to real world problems?



VOLATILITY



Volatility

A boy asks his bitcoin-investing dad for 1 bitcoin for Christmas.

Dad: What? \$15,554??? *\$14,134 is a lot of money!* *What do you need \$16,782 for anyway?*

Market volatility is when the price of a certain asset fluctuates high and low in a given day or week or month. As a trader, volatility is actually to your benefit. It may not seem like it, but over time bitcoin volatility can make the coin stronger. While wild swings in price makes bitcoin almost impossible to predict or use as a currency, volatility is good from a financial asset point of view. Traders and investors in bitcoin get accustomed to large and fast price spikes and dips. Unlike for any *stable* stock of any prominent corporation, even substantial and unexpected swings will not undermine the confidence in bitcoin.

Trading from a position of strength will make you better. You've heard it before: Buy low, sell high. Buy red, sell green. If it weren't for volatility, you wouldn't be able to do these things. Be fearful when others are greedy, and be greedy when others are fearful. Easier said than done, but if you sell strong and you should do alright.



Luck

Whether we want to believe it or not, luck does play a huge role in trading. At the end of the day, even after all the hours and days spent researching, studying charts, being patient, and the like, good or bad luck can and will *still* make you or break you. Accept the fact that less educated people than yourself also happen to make lots of money all the time. However, the net worth of a *lucky* punk doesn't mean you should do as he or she does and become one. Every day a man with two young children sells his family's house, buys bitcoin and other cryptocurrencies, and relocates the family to a rented property. After all the spikes in the bitcoin price these guys' net worth must have increased substantially. So, did these people make bad decisions? Yes. And it is



only a matter of time before they make another one and ruin their own and their families' lives with some other incredibly reckless financial decision. It's hard to watch these lucky people "succeed," but don't follow the idiots.

MAKING MISTAKES



Making Mistakes

Making mistakes in cryptocurrency trading isn't necessarily a bad thing. If you make small mistakes, you learn from them, you will get wiser, and you will make better future decisions. When you were a kid, you needed to fall off your bike enough times so that in the future you could ride without having to think about that painful experience. That information is now hardwired into your brain and helps you to avoid getting harmed now but also prevents you from overthinking it.

If you've just started trading cryptocurrencies, or even if you are an experienced veteran, expect to make mistakes and prepare to learn from them. It's only after you get into the *fear of missing out*, get panicked big time, take too big a risk, get out too early only to jump in at the worst possible time—only then will you start to improve.



PATIENCE



Patience

"The stock market is a device for transferring money from the impatient to the patient."

-Warren Buffet

The demise of many investors is that they want profits, and they want them *now*. With the thousands of pairs of eyes scrolling feverishly across charts and computer screens all day, every day, you'd think we would all be rich by the end of the week if we just picked the right coins to buy, right?

Many investors are aware that patience is an important part of success in the cryptocurrency market. They realize that part of making money is waiting for coins prices to climb. But can you wait four months? Can you wait three years? Longer?

If you aren't prepared to be patient and give the cryptocurrency market as much time as it needs to adjust and mature, there will always be someone taking your money. And it might be me! So be patient. You'll be happy when you are and it pays off.

PATIENCE



One of the biggest mistakes I've made to date in trading cryptocurrencies is having a lack of patience at the absolute worst time (I know—that's what they all say). I bought a handful of coins that ended up sitting there, doing nothing, dropping in value for months. All the while other coins were going up in USD value, BTC value, etc. I waited months and months for these coins to do something. Anything. Finally after the months of waiting, watching everything else go up every single day, I decided to say *screw it. I'm sick of holding these things and losing potential gains every single day.*

So what did I do? I sold them all back into bitcoin. And what happened next? You guessed it: they all *doubled* and *tripled* in price the *very. next. day.* And of course, then bitcoin started falling in price. Yup. That really happened. I was patient, and for *months*, but in the end I just wasn't patient *enough.*

There's a couple lessons in this story. One is that if you are patient, have been patient, and think you've been patient long enough but you're still not getting anywhere, sometimes you literally just need to be patient for *one. more. day.* Sometimes that one more day ends up being one *more* day and being one *more* day, but that's okay.

PATIENCE



The second lesson in this story is, if you buy a coin or number of coins, try not to compare their performance to other coins you *aren't* holding. There will always be coins doing better and worse than your coins. *Always*. You will never be able to pick the best performing coin or coins every single time. And watching the other coins perform better or worse than yours will only drive you to do what I did: sell at the absolute worst possible time. Once you make a decision and you set a goal, stick to it until you reach your goal, whatever that goal may be.





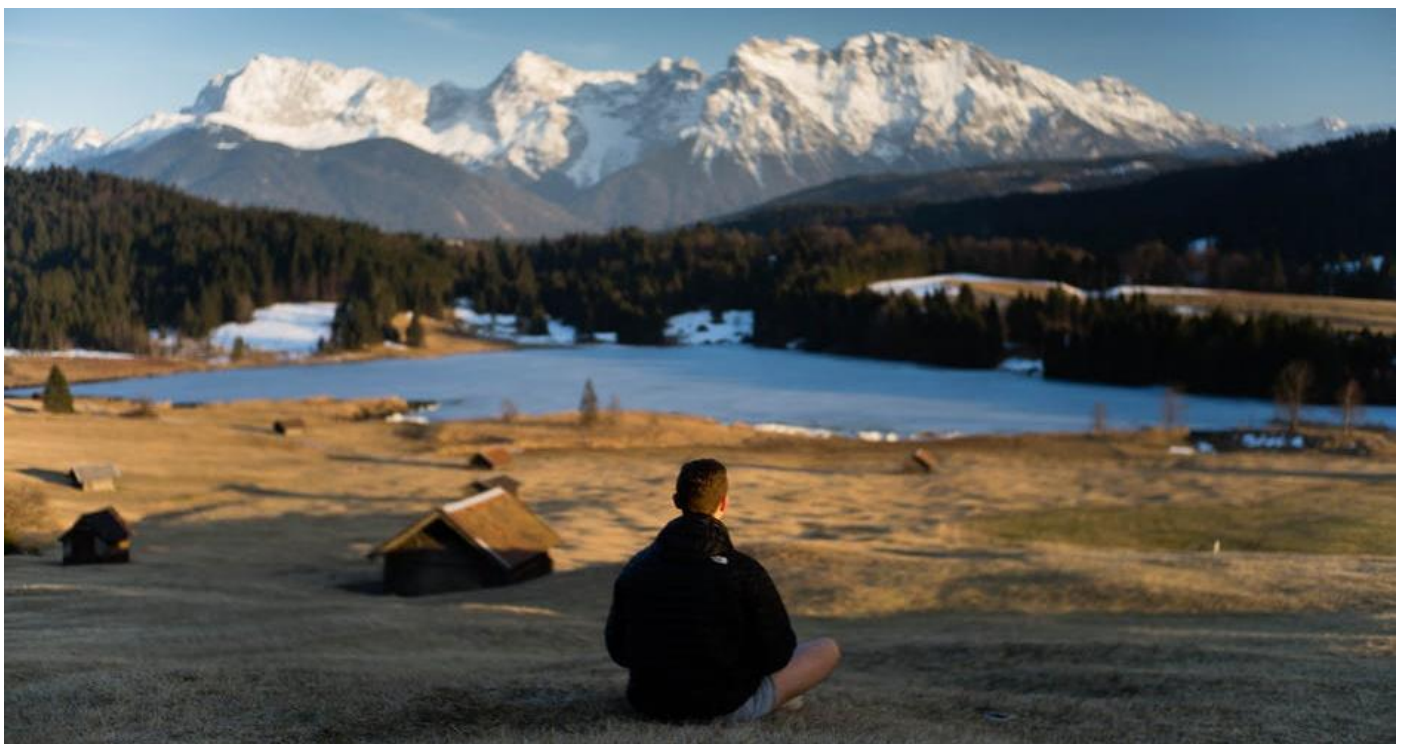
GOING FORWARD



Going Forward

Okay, so let's say you've been in the space for a while. Hopefully you've made some great gains through trading, holding, or both. And hopefully you've learned some good lessons from any gains *or* losses you may have made along the way.

So, what now? Should you just keep doing what you're doing? Should you "hold until you die," as many redditors would like to say? Probably not. Although you may or may not support the ideas or projects you invest your money into (but you should), you're also in this to make money that you can sooner or later spend elsewhere, be it on another investment, a new car, a new house, a vacation, what have you.



A STEP BACK



A Step Back

I suggest once in a while taking a good step back. If selling around 10-20% of your portfolio of cryptocurrency assets would give you life-altering money, please consider it seriously. This market changes all the time. You will be up 100% one day and lose it all the next. It's more than okay to once in a while walk away with some profits and put that money into other aspects of your life. Yes, someone once spent thousands of bitcoins on a pizza years ago and that pizza today ended up costing millions or billions of dollars. But seriously, don't let stories like that stop you from making good decisions in other areas of your life.

PROTECT YOURSELF



Protect Yourself

Life is not a sprint. It's a marathon of ups and downs and all-arounds. Although always hoping for the upsides, make sure you always think about the downsides and prepare for them and protect yourself, for your future's sake. If you think markets go up forever, you are wrong and you know it. Set stop losses just in case things go sour, so you can still sleep at night. Scalp your profits once in a while and downsize on your initial capital.

Risk management is worth more than many think, especially in this space. Don't be blinded by dreams of getting rich quickly. Stay smart about this.



PAY YOUR DEBTS



Pay Your Debts

If you've held bitcoin or other cryptocurrency for months or years and still have debt, you should definitely consider pulling at least a portion of your holdings out to pay some or all of that debt off. While cryptocurrency gains are far from guaranteed, you can rest assured your interest rates are. Once in a while remember that ball and chain attached to your ankle and don't forget to chip away at it, or if you can, remove it completely.

FIAT SAVINGS



Fiat Savings

Another good idea is to have a good year's worth of fiat overhead in the bank, especially if you are a trader or running a startup (fiat money is any government backed legal tender (USD, etc.)). It's a good safety net in case anything ever does happen and the market crashes, you lose your job, or a plethora of other could-happen scenarios. If you're doing well in your cryptocurrencies, don't be afraid to scalp some of those profits and put some back into your savings account.

BUY PROPERTY



Buy Property

It might seem much more boring and like much harder work, but buying property should give you peace of mind for life. It is priceless security. If you can do it, do it. Be super conservative about borrowing any money to do it. No matter what happens to the stock market, to the cryptocurrency market, or to the economy, people will always need places to live, and there are more and more people living on this planet every single day.



SECURE YOURSELF



Secure Yourself

Securing yourself allows you to continue to take risks in life and to pursue things that truly excite you. You will be liberated to consider possibilities and options that others can't. If you're not comfortable, pull some of your profits and get comfortable. Bitcoin may 100X in a few years, but that doesn't matter. You will never regret setting yourself up for life. It's so easy to get tied up day in and day out of the cryptocurrency space. It's fast moving, exciting, and addicting. Don't forget you have a life to live, too. Otherwise what's the point of all this?



INVEST IN YOURSELF



Invest in Yourself

It's so easy to zone in on a specific aspect of your life (especially cryptocurrency; *trust me.*). But don't forget, your health, education, and relationships are your most valuable assets. Seriously, don't forget that. All the money in the world will not and cannot buy you those things. Next time you sit down to check out the newest most exciting coin, ask yourself: *Have I called my parents lately? Could my significant other use a massage? Have I caught up with Bob in a while? Have I gotten any exercise this week? When's the last time I ate a piece of fruit? When's the last time I did anything creative?* Anyway, You get it.

BE HUMBLE



Be Humble

Enjoy yourself, but try to avoid large displays of wealth or trade gains. There is never a good reason to brag and paint a target on your back or attract the wrong kinds of people. Don't post on Facebook or Reddit how much of a cryptocurrency you have or have made. Don't give away any of your personal information. There *are* stories out there of people being robbed at gunpoint for their cryptocurrency.

Pro tip: Put a portion of your holdings in a dud wallet or exchange. Then *if* this were to ever happen to you, you would simply give them what was in that wallet and explain that was all you had. It works on the streets with real cash all the time.

BE HUMBLE



And avoid believing that your wealth makes you smarter than the rest. It doesn't. Stay grounded, remember where you started, and treat everyone as your equal. Avoid telling everyone “hate to say: I told you so,” or “you should have listened to me” when one of your predictions or trades goes well. No one likes that guy. Especially when you call something totally wrong and become the laughing stock of your friend circle or worse: imagine if you told all your friends involved in cryptocurrency to buy a specific coin, they do, and it plummets. It goes both ways. Don't do that.

Instead, when talking to your peers, try to explain your thought processes, your research, your why's and why-not's, things you learned, what you personally would do similarly or differently in the future, the technologies behind the projects. I personally like to practice not talking about my trades at all unless someone specifically asks me, because often times it can actually cause negative emotions in people. If they *come to you* asking for advice, that can be an okay time to give it. I also always like to start by saying “don't take my word for it, but here is what I think...” Let them come to their own conclusions and make their own decisions.

GIVE BACK



Give Back

And finally, remember to always be grateful for what you have and to give to those less fortunate than you.

No matter where you are in life, being grateful for what you *already* have will always bring you joy.

And I don't care who you are, we all need to catch a break once in a while. If and when you ever find yourself in times of need, don't be afraid to ask for help. We're all in this together.





CLOSING THOUGHTS

CLOSING THOUGHTS



I really hope this book has helped you better understand bitcoin and other cryptocurrencies as well as cryptocurrency trading. Thank you for reading!

It is only a matter of time after you start interacting with cryptocurrency more and more often as a form of value that your bias and affection for other forms of money which you have grown to be accustomed to end up changing. Your views on the world expand and you may begin to realize that you start measuring your personal wealth in terms of cryptocurrency holdings rather than fiat holdings.

When you understand the actuality of the future that is coming, you can truly appreciate it as a work of brilliance that will push society forward in a world-changing direction. I wish you great luck ahead with your own cryptocurrency journey.

DONATIONS



Whether you are just getting started, or already trading, if you found this book helpful in your investments, please feel free to donate to the author to contribute to future high-quality projects for the wider cryptocurrency community.

Bitcoin Address

15vx92YqFBqD65aGigXyabc7VicNtaVRDc

Ethereum Address

0x58a439bf641bEeb283c3356C8e17737461dD7524

Litecoin Address

LajDjs5hfA9jP3Qf3yUJdiRDpS93PRph3o

Bitcoin Cash Address

1QJZsUVRuWsq8nWQ3sCT647myMbKeRmTHP

My next project is a follow-up eBook covering many topics surrounding more advanced cryptocurrency trading.

SOCIAL MEDIA



If you have any questions and/or would like to interact with cryptocurrency traders just like yourself, please reach out to me and the *Cryptocurrency Trading 101* community on social media.

Cryptocurrency Trading 101 Website and Blog

<http://www.cryptocurrencytrading101.com>

Cryptocurrency Trading 101 Facebook Page

<https://www.facebook.com/cryptocurrencytrading101/>

Cryptocurrency Trading 101 Facebook Group

<https://www.facebook.com/groups/380407955719187/>

Steemit

[@stanhopeofficial](#)

