

## 6 Top Tips to Become a Successful Cryptocurrency Trader

2017 was a good year to learn the basics of trading Cryptocurrencies. For me, there were many late nights and much frustration, but it was worth it.

For new traders, 2018 also offers a great learning opportunity as well as the ability to refine one's skill. It is an ongoing process that takes time.

Because this is a new and emerging space, it is truly the Wild West of trading. I wish someone had shared with me when I started out what I am about to share with you. It would have saved a lot of cursing, midnight sobbing, and shaking my fists at the heavens. I thought it was just me but I have come to discover everyone goes through this. It is a rite of passage, so know that many others have gone before you.

This is not a "What to Trade" guide. There are numerous good online and printed resources and advisories available, ranging from no cost to several thousand dollars. You can find a very good beginning Bitcoin education guide right here on our website. And I would begin with Bitcoin. This, then, is a guide for new traders on "Preparing to Trade", which will lay the foundation for profits, and fun.

Good preparation will set you up for success, make you a better trader and provide a solid knowledge of what you are doing as you progress, instead of learning from your mistakes (like yours truly). Get this part right and you will be off to a good start.

### 1) Understand What You Are Trading.

Cryptocurrencies (e.g. Bitcoin) are an electronic address posted to a public or private electronic ledger (called the Blockchain) that is encrypted for security and a certain degree of anonymity. Coins do not exist in physical form. They are both a currency and a store of value by mutual agreement of their users. First read, do your research, ask questions and gain a basic understanding of the asset/currency you are working with.

### 2) Develop and Practice Patience.

Trading Cryptocurrencies is way different than trading equities like stocks and bonds. There are no central exchanges or regulatory agencies that control the trading and pricing process. Exchanges are where you go to hopefully buy (low) and sell (high) your currencies. There are many exchanges, and each trades certain currencies. But not all currencies trade on every exchange, and some trade on several, at different prices. Each exchange operates autonomously, and you will find a variety of requirements for you to be able to trade on that exchange.

This is where patience comes in. Even if you do everything right, you will find that registering for and being verified by an exchange can take anywhere from an hour to several days. And even if you think you nailed it the first time, you may have to do it over, several times. Their requirements can also change from day to day and week

to week. And wait until you experience the heart-pounding delay until your buy transaction is confirmed! Do not become discouraged. Keep detailed written notes as you learn the ropes for each exchange and currency, and what is expected of you. Then breathe, and get away from it for awhile. If there was only one piece of advice I can give you, Learn Patience is it.

### 3) Research Your Trades

It only takes a little time to research the exchange you are planning to trade on, and the currency you want to buy or sell. First, read about them. With exchanges, check their reputation, security, history of being hacked, where located, and their asset reserves. With specific currencies check the experience and reputation of their developers, the trading history and trends, and most importantly for altcoins (coins other than Bitcoin) that they serve a needed utility and purpose that will help expand the crypto space in a positive way. Beware of scams!

### 4) Protect Your Profits

When you have decided which exchanges and which currencies you wish to trade, you need to store them securely once you acquire them. Even though they are not physical coins, you still need to keep their digital identities somewhere safe. You can store them on an exchange wallet or you can store them in various other types of wallets, from on-line wallets to separate hardware wallets about the size of a thumb drive. Each type strikes a balance between convenience and security. Even though you are just storing “data”, it still represents value in terms of USD or any other fiat currency. Be sure to set up your wallets **before** you begin to trade.

### 5) Trade Carefully.

There is no going back once you execute a trade. If you send a coin to the wrong address, you have lost it forever. So, when you set up your trades, double or triple check the addresses from which you are sending and receiving. Also, and especially when you are starting out, do a transaction for a small amount first, and track it all the way through to the last confirmation (officially posted to the Blockchain).

### 6) Trade Some and Keep Some.

There are a few “blue chip Cryptocurrencies, like Bitcoin, Ethereum, Monero, Dash and others that are worth holding on to. I allocate a portion to a “long term hold” portfolio, and just leave them alone. Because Cryptos are all so volatile, it takes a little discipline to not constantly check their short term movements, But it is always a pleasant surprise when I see the value of my coins continue to grow over time, even if I am not giving them constant attention.

There is a lot to learn, so begin cautiously and carefully. Bitcoin is a good one to cut your teeth on because it is the reference currency of nearly all exchanges, and you will have to buy it first to acquire other Cryptocurrencies. Good luck - and have fun!