

# **Bitcoin**

How to Trade It For Serious Profit  
(Even If You're A Complete Beginner)

Chris Dunn

## **Risk Disclosure and Disclaimer Statement**

Before deciding to participate in the digital currency market, you should carefully consider your investment objectives, level of experience, and risk appetite. Most importantly, do not invest money you cannot afford to lose. Trading Bitcoin and other digital currencies is highly speculative. Most people lose money with trading. There is considerable exposure to risk in any digital currency transaction, including, but not limited to, leverage, creditworthiness, limited regulatory protection and market volatility that may substantially affect the price or liquidity of a currency or currency pair.

The leveraged nature of Bitcoin trading means that any market movement will have an equally proportional effect on your deposited funds. This may work against you as well as for you. The possibility exists that you could sustain a total loss of initial margin funds and be required to deposit additional funds to maintain your position. If you fail to meet any margin requirement, your position may be liquidated and you will be responsible for any resulting losses.

Past performance is not indicative of future results. There are no guarantees of profit, nor of avoiding losses when trading digital currencies. Hypothetical results have many inherent limitations and are not predictive of actual success. No representation is being made that any trade will, or is likely, to achieve profits similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trader. Testimonials are not indicative of future success and have not been independently verified.

The services and content that we provide are solely for educational purposes. The generic market recommendations provided by us are based solely on the judgment of our

personnel and should be considered as such. You acknowledge that you enter into any transactions relying on your own judgment. Any market recommendations provided by us are generic only and may or may not be consistent with the market positions or intentions of our firm and/or our affiliates. Any opinions, news, research, analyses, prices, or other information contained on this website is provided as general market commentary, and does not constitute investment advice.

We do not provide any personalized or tailored services or content. As a result, we do not personalize or tailor to a customer's (or group of customers') particular circumstances any opinion as to what financial instrument to buy or sell. There are risks associated with utilizing an Internet-based trading system including, but not limited to, the failure of hardware, software, and Internet connection. We are not responsible for communication failures or delays when trading via the Internet. We are not liable for any loss or damage, including without limitation, any loss of profit, which may arise directly or indirectly from use of, or reliance on, such information.

## **Free Limited Time Private Coaching Session & Training Videos!**

As a very special limited time bonus for ordering my book I am offering you a complimentary 30 minute one-on-one training session with either myself or one of my professional executive coaches.

This is a personal and private session where we will assess your trading level, get you set up with the best FREE trading tools I personally use, and give you unrestricted access to a private video training library so you can start trading Bitcoin immediately.

Go to [www.chrisdunn.com/freebitcoin](http://www.chrisdunn.com/freebitcoin) immediately to book your one-on-one session and your free video library before the offer ends. If the web page says “Closed”, the offer has already expired.

“I have invested in Bitcoin because I believe in its potential, the capacity it has to transform global payments is very exciting.”

Richard Branson,  
Founder of Virgin

“Bitcoin is a technological tour de force.”

Bill Gates,  
Microsoft Co-Founder

“I do think Bitcoin is the first encrypted money that has the potential to do something like change the world.”

Peter Thiel,  
Co-Founder of Paypal

## **Table of Contents**

Preface

Section 1: Your Opportunity to Make a Fortune on an  
Upcoming Industry

Section 2: How to Maximize Your Wealth Potential with  
Bitcoin

Section 3: Bitcoin was Born Out of the Ashes of an  
Economic Meltdown

Section 4: How Does Bitcoin *Really* Work?

Section 5: How to Buy Bitcoin (The Right Way)

Section 6: Trading Vs. Investing

Section 7: The Eight Basic Components of a Trade

Section 8: Three Timeframes to Trade Bitcoin

Section 9: Three Ways Anyone (Even a Beginner) Can  
Win Big by Trading Bitcoin

Section 10: Eight Easy Steps to Make Your Computer  
Ultra-Secure

Section 11: The Investment Potential of Altcoins

Section 12: How to Make Money Trading Altcoins

Section 13: Unleash Your Trading Power...NOW!

## **Preface: How I Got Started**

It was April, 2013.

Like any other trading day, I fired up my computer to check my email before the stock market opened. One of the emails changed my life forever...

The email read, "Chris, man... Bitcoin! I feel like it's ready to explode, and you need to get on the inside right now."

Any other time I would've ignored that email, but it was *who* sent it that got my attention.

The email came from a highly intelligent, trusted friend who was managing hundreds of millions of dollars at the time. Any time this guy made a recommendation, I took it very seriously.

I jumped online and did a quick Internet search for "Bitcoin."

"Bitcoin is a fully-transparent, decentralized digital currency. It's a form of digital cash that's not controlled by any government. With it, you can transfer unlimited amounts of money instantly without expensive wire fees, and no government red tape."

Right away I thought it was a scam, bubble, or passing fad.

You see, as a shrewd investor and trader, I've learned to be incredibly skeptical. I've seen way too many stock market scams and investment schemes that have cost investors millions of dollars. Any time something sounds too good to be true, it usually is.

And at the time, Bitcoin sounded way too good to be true...

Bitcoin claims to give stability to people without access to basic banking services. It also claims to give security to people suffering due to hyperinflation or government currency controls.

I'll admit, I was intrigued in this magic Internet money, but I was looking for any reason that it could be doomed to implode.

Even though I had many doubts, I couldn't ignore my friend's email. If he saw massive promise in Bitcoin, then I knew I had to be missing something. After all, he had a great track record for catching early trends.

Over the next several weeks, I devoured everything I could find on Bitcoin. My initial goal was to prove it was a worthless waste of time so I could move on to something else.

I was dead wrong.



I realized that not only did Bitcoin have a real shot at completely changing the world's financial system, but it offered a chance for *anyone* to get wealthy. This was a market that wasn't overrun with Wall Street bullies!

As a professional trader I've watched the stock market go from a trusted marketplace to a computer driven system.

Over the years, small traders have been eaten alive in the financial markets...

Up to this point, nothing came close to the opportunity I saw in Bitcoin. Anyone with a few bucks in their pocket and the desire to succeed had an honest-to-god shot at making life-changing amounts of money.

Trading Bitcoin was a game changer. Anybody in the world could open a trading account in less than 10 minutes. There were no account minimums, and you could trade without going through a middle-man.

It was simply amazing.

Being cautiously optimistic, I started to trade Bitcoin, and begun publicly posting my trades online. And man, I was good!

The jaw-dropping power of trading Bitcoin was unlike any market I'd ever traded.

I'd been trading traditional markets for over a decade,  
and I'd never been so accurate.

What the media hated about Bitcoin the most, was  
exactly what made me so accurate...

Volatility.

While most traders were following the herd, buying at the  
top and selling at the bottom, I was knocking my trades  
out of the park.

You see, I had an edge which few people knew about.

I want to share this edge with you. I want to show you  
how to join this new, untamed market. I want to help you  
learn just how easy it can be to make money with Bitcoin.

It doesn't matter if you are a noob or a seasoned  
professional, ANYONE can make money in this market.

And I'll show you just how easy it can be. I'm going to  
share with you the secret that has changed my life. And

I'm confident it will change yours.

Get ready to join the future of finance.

## **Section 1: Your Opportunity to Make a Fortune on an Upcoming Industry**

You are sitting on the cutting edge of a financial revolution that's never been seen before in the history of humankind.

Say goodbye to high fees, spending limits, capital restrictions, frozen accounts, administrative hassles and seized assets. Welcome to the world of censorship-free money.

Welcome to the Bitcoin revolution!

Bitcoin is digital cash that's not controlled by any government or banks, and it has turned regular Joes into multi-millionaires. Every generation faces a technological paradigm shift that changes the direction of humanity.

Those who are brave enough to get in on the game early often have the most opportunity for acquiring wealth.

Fortune favors the bold!

Not only does Bitcoin have huge growth potential, there are actually hundreds of other cryptographic currencies being traded on the markets. Many of them offer innovative features that improve on Bitcoin's underlying technology.

Many savvy investors are comparing Bitcoin to the Internet of the early 90's. When the Internet was just starting out, it was considered an obscure niche network by the majority of society. Early adopters had the foresight to build on its foundation and those who did achieved great prosperity. All the services we enjoy today, like Google, Youtube, and Twitter were once experimental concepts. Some of these sites are now worth billions of dollars, and the Bitcoin industry has the same potential. The difference being, by virtue of reading this book right now, you are on forefront of the wave of opportunity Bitcoin is creating.

Going back to the Internet...

Initially these early adopters and innovators were ridiculed, even the media warned people to stay away from this new network of communication. When I first got into Bitcoin, the same happened to me. My friends laughed at me for being involved in what they thought was a ponzi scheme.

Since 2013, the industry has exploded, and both me, my students, and my Twitter followers have been making money trading Bitcoin. It's been a wild ride.

And now, it's us laughing... all the way to the bank.

And the folks who were laughing at us? Most have turned from cynics to believers.

Fortunes are made by those who dare to be different.

Early adopters lead the herd. They are the trendsetters.

They pave the way for others to follow, and usually make good returns on their money from getting in on the next big trend while it's dirt cheap. What sets early adopters apart from the rest is perseverance.

There have already been great fortunes made in the Bitcoin ecosystem. A mere \$100 worth of Bitcoin in 2010 would be worth over \$1.8 million at peak prices in 2013!

You would be hard pressed to find an investment that can produce that rate of return anywhere.

So have you missed out on the opportunity to invest in Bitcoin?

Not at all.

It's true that you could have made a fortune by investing in Bitcoin in the early days, but hindsight is always 20/20.

There's no way you could have known that Bitcoin would achieve so many milestones, and few ever thought it possible to see peaks as high as \$1,200. Now that there's greater certainty on the possibilities of this technology, the big money is moving in... and so can you.

## **Follow the Smart Money**

Smart money is always a couple of steps ahead of the game. There are currently hundreds of industry leaders invested in the Bitcoin economy, and some of these investors played roles in building the Internet as we know it.

These key players founded LinkedIn, Virgin Group, America Online, Paypal, Wordpress, Facebook, and Reddit. And now - they are ALL investing HEAVILY in Bitcoin.

The Bitcoin economy is experiencing booming growth right now with tens of millions of dollars of daily trading volume and transactions. This number is growing exponentially month after month.

Believe it or not, some of the world's biggest investment banks and even the New York Stock Exchange and NASDAQ have been investing hundreds of millions of dollars into Bitcoin startups and technology.

Over the past couple of years we've seen over 100,000 merchants start accepting Bitcoin, including large organizations such as DELL, Overstock, Microsoft, Time Magazine, Expedia, Greenpeace, and the Red Cross.

These numbers are growing daily. Even politicians are starting to accept Bitcoin for campaign fundraising.

Today, Bitcoin is on the cusp of the venture capital or Wall Street phase, where Wall Street will help drive Bitcoin mainstream. Those of us who've been in Bitcoin for a while now are noticing media sentiment change from skeptical to favorable.

I'd be surprised if there WEREN'T Bitcoin advertisements bombarding social media and television in the next few years. Mass adoption is coming, but it hasn't come yet. So how will an increase in user adoption affect Bitcoin's price?

There will only ever be 21 million Bitcoins in existence. Bitcoin's current price is sustained by a couple of million users.

If we look at other technological trends on the Internet, like Facebook, we see that a small social media platform quickly grew to over 1 billion users. Now what do you suppose will happen to the price of Bitcoin if 1 billion people started using it? With a limited supply of only 21 million coins and 1 billion users, who knows how high the price can go...

Keep in mind that Bitcoins were originally trading for fractions of a penny. My favorite story is of a man who paid 10,000 Bitcoins to buy a pizza. That's a pizza that's now worth over \$2 million!



## **Money Making Potential**

You can increase this profit potential exponentially if you understand how to trade Bitcoin on the markets and catch waves of volatility. The best part is, it actually doesn't matter what the long term value of Bitcoin will be because you can make money no matter which way the price goes. No need to sit around and wait with a buy and hold strategy.

As a Bitcoin trader, you can make returns as high as 60% per trade if your timing is right. You can also repeat this process several times over to compound your returns.

Bitcoin is a new technology that has many risks and rewards. It's best for you to learn the ropes before you risk money. My goal is to teach you the ins-and-outs of Bitcoin, the best potential ways to profit from it, and to help create the next Bitcoin success stories.

## **Section 2: How To Maximize Your Wealth Potential With Bitcoin**

Bitcoin is the gold rush of the digital age!

Since Bitcoin is a cutting edge technology, and a new form of money, its profit potential surpasses anything seen in traditional financial markets. While it may be true that you could make some money in Bitcoin by applying a buy and hold strategy, the profit potential is much higher when you learn how to trade it.

You see, rather than buying and waiting for the price to go up, you can actually take advantage of the volatility and make money when Bitcoin goes up *and* when it goes down.

That's right. If you take an active role in your Bitcoin investments, the possibilities of growing your account quickly are much higher than hoping you bought at the right time before the next explosion in price.

If you look at any market's charts, you'll notice that prices tend to move up and down. Like the chart below, markets tend to trend up, panic down, and then move in a sideways range.



In this chart, the price of Bitcoin moves up and down between \$281 and \$298 over the course of a few weeks. If you happened to get lucky and bought at the lowest price, you'd have made a little money.

However, I want to show you how to combine the power of actively trading Bitcoin so you can multiply your gains in the same time period, and do it with much more confidence to boot!

Sure, the price may shoot back up to well over a thousand dollars, but it will most likely get there by taking two steps forward and one step back. So why not buy low and sell high several times on the way up and maximize your profit potential?

Trading is a zero sum game. This means every side of the order book has two people taking opposite positions. Since the price can only go in one direction at a time, there can only be one winner in each trade.

Here's what makes Bitcoin trading so simple: there's an extremely low level of competition. Most people who trade Bitcoin have zero professional training. They over-trade the markets and make moves based on emotional whims.

The beautiful thing about trading Bitcoin is that it's easy to learn and anyone can participate. Many financial markets require minimum portfolio sizes of at least \$25,000.

Bitcoin and other crypto currencies have no minimum account or trade size requirements.

You can literally trade with 5 bucks!

## **Benefits of Trading Bitcoin**

Bitcoin markets can have extremely high volatility, which makes trading extremely lucrative because it increases the percentage of your returns.

Bitcoin trading fees are minimal when compared to traditional markets. And the barriers to entering this market are nearly non-existent. Some exchanges allow you to open an account without the hassles of submitting identification. There are even exchanges in China that offer a zero fee trading model allowing for new strategies unavailable in other markets.

There is no one central authority that sets the price of Bitcoin, so there can often be different prices across multiple exchanges, which opens up the opportunity for arbitrage. Bitcoin can be sent easily across multiple exchanges to take advantage of these discrepancies in price.

Unlike the stock market, Bitcoin isn't dominated by high frequency supercomputers. Also, the supply of Bitcoin cannot be arbitrarily changed to manipulate the price.

With a solid trading education and an effective risk management strategy, you have a shot at making money.

Let's say you have \$1,000. You register an account and wait for a "home run" trade. When the opportunity is ripe, you leverage your trade 20x and increase your portfolio size to \$20,000.

Compare that to earning 1% on a savings account, or maybe 2% over 5 years on a CD. You actually lose money on investments like these because the average inflation rate per year is 3.34%!

It's just not possible to build real wealth by exchanging your time for an hourly pay rate. You don't have enough hours in the day to get rich. Wealth is usually created by investing. Put those hard-earned dollars to work and let them multiply!

## **Bitcoin's Price History**

Just to give you an overview of Bitcoin's investment potential, let's take a look at the price over a 5 year timeframe.

We've seen many meteoric rises and crashes in the price of Bitcoin. The media loves to trash Bitcoin when its price is declining. However, as traders we love this because we often make money even quicker when price is dropping.

In 2010, the price of a Bitcoin was trading for around 6 cents. Then at the beginning of 2011, the price reached a dollar—a 1600% increase in value.

Midway through 2011, the price climbed another 6400% and peaked at \$32. Naturally the markets corrected themselves and the price fell to \$2.



At that time, most people looked at Bitcoin as a bubble.

Who can blame them? If you look at the chart above, it's the classic rise and crash pattern we've seen all the way back to Dutch tulip mania in the 17th century.

Then, in 2013, something really interesting happened.

In 2013, it slowly recovered from \$2 to \$35, then went on another epic rise to \$266. That's a gain of 760% in just a couple of months.



And just like before, price rose quickly and fell back down to \$50. Many people thought the show was over, but Bitcoin was back for a third act...

Later that year, the price skyrocketed from about \$100 to an all-time high of over \$1,200 USD! If you managed to invest a thousand dollars into Bitcoin at the time, it would be worth \$82,000 at the end of the year.





Better yet, you could make many times more than that simply by trading Bitcoin on the way up *and* down!

### **Bitcoin Adventures**

Bitcoin's short history is already filled with epic stories of tragedy and fortune. It's one of the most versatile currencies in the world with features that go far beyond ordinary dollars. These features open up the possibility for amazing things to happen.

### **How a College Student Made an Instant \$24,000**

A college student attending a live gameday event broadcast on ESPN was seen on camera holding up a sign with a large Bitcoin wallet QR code, reading "Hi

mom, send Bitcoin". Someone later posted the picture on Reddit, and it garnished much online attention.

Anyone who saw the sign could pull out their phones and immediately send money by taking a picture of the QR code. The money started pouring in and the student received 23 Bitcoins, valued at around \$24,000 at that time!

In the spirit of generosity, he donated \$11,700 to Sean's Outpost, a non-profit Bitcoin organization that feeds the homeless.

### **\$9 Million Dollars in the Trash**

In Newport, Wales, buried deep within the recesses of a garbage dump, there lies millions of dollars worth of Bitcoins. Years ago, James Howells accidentally threw out an old hard drive storing 7,500 Bitcoins. The price of the coins were valued at around \$9 million at the time. The Bitcoins had been mined from a laptop back in the early days of 2009 and were forgotten. The man went to the dump in an effort to retrieve the drive, but the general area where it could have been was 4 feet deep and the length of a football field. He resigned to the fact that his coins were lost, never to be seen again.

## **Pocket Change Turns into a Small Fortune**

One lucky Norwegian man had some amazing returns on a \$27 investment in Bitcoin. Back in 2009, the man wrote a thesis on cryptography and discovered the obscure Internet money. For fun he bought 5000 Bitcoins for \$27, and then completely forgot about them.

Years later he was reminded of them on the news as Bitcoin prices soared past \$1,000. To his bewilderment, he realized his 5,000 Bitcoins were valued at \$886,000. That's over 3,000,000% return on investment!

## **Satoshi Forest**

Bitcoin's most popular charity, Sean's Outpost, who helps feed thousands of homeless people in Pensacola, Florida, also owns a 9 acre forested homeless sanctuary for those in need.

The land was purchased for \$89,000 and has a \$600 a month mortgage paid for exclusively in Bitcoin. Their mortgage holding company agreed to receive payments in Bitcoin without the need to convert it into regular dollars.

## **Chief Bitcoin**

In 2013, Police Chief Tony Vaughn, of Vicco, Kentucky asked to receive his entire salary in Bitcoin. City council approved the decision, which made him the first public official in history to receive a salary in Bitcoin.

This was a progressive step for the small town, which attracted a lot of media attention. Since the approval, the town has also tailored their website to accept Bitcoin donations to improve local infrastructure such as playgrounds.

## **MIT Bitcoin Mania**

In 2014, one of the world's top schools, Massachusetts Institute of Technology, gave all its undergraduate students \$100 worth of Bitcoins.

The project was spearheaded by MIT's Bitcoin Club, and more than \$500,000 was raised for the giveaway. Most of that money came as a result of one MIT alum, Alexander Morcos, who works on Wall Street as a professional trader.

## **Getting in on the Action**

There are many stories of people making incredible amounts of money with Bitcoin with new and innovative ways that weren't available to non Wall Street types.

My goal is to get you started using Bitcoin immediately—even if you have absolutely zero experience (don't worry most of my students were in your shoes when they began too), and teach you the most effective strategies to make money trading it.

I've taught thousands of complete beginners to do just that, and I want you to be next! There's huge opportunity in this industry, and everyone deserves a shot at it.

### **Section 3: Bitcoin was Born Out of the Ashes of an Economic Meltdown.**

“Give me control of a nation’s money supply, and I care not who makes its laws.”

-Mater Amschel Rothschild, founder of the Rothschild banking dynasty.

Let’s rewind to 2004.

I was a young man trying to make big waves in the mortgage industry. After helping to fund over \$170,000,000 in mortgages to home buyers, I became the “Director of Specialty Lending” for a major, publicly traded home builder in the U.S.

My job was to work with Wall Street’s secondary mortgage market to find the most aggressive subprime mortgage programs. I was on the frontlines of the 2008 financial crisis, and I saw firsthand how greed nearly brought down our entire financial system.

Bankers issued billions of dollars of mortgage debt to people who couldn’t afford to pay it back. And the US government kept printing trillions and trillions of dollars without considering the consequences.

That's why the idea of a fully transparent, math-based currency that couldn't be controlled by a central entity really appealed to me.

Over 1 million Americans foreclosed on their homes as a result of greed in the mortgage industry. Bitcoin was created in the aftermath.

The Bitcoin protocol was invented in 2009 by an anonymous programmer who went by the alias Satoshi Nakamoto. His white paper outlined the need for a trustless payment system that could operate in a decentralized peer-to-peer network.

His invention was remarkable because it provided a way to create a currency that used cryptography to prevent counterfeiting.

Not only does Bitcoin's advanced cryptography keep your funds secure, it provides you with more financial privacy.

### **Debt Crises on Overdrive**

The world is choking on over \$400 trillion worth of debt, the consequence being that a seventh of the world's population live on less than a dollar a day. Because our global monetary system is built on a foundation of debt,

most financial instruments are I.O.U.'s. Therefore, the money we use in our daily lives is a unit of debt.

Bitcoin is far superior because it's a way of transmitting money on a network without needing to rely on IOUs.

Unlike the traditional monetary system, every unit represents value stored and not just a promise to pay it in the future. This network is actually more versatile and can help serve the world's unbanked.

### **Fractional Reserve Banking**

Every wonder why the bank has you on a daily spending limit? That's because they don't actually have all your money. The numbers in your bank account merely reflect bank credits that the bank owes you. Your deposits provide liquidity to the banks who then invest that money or loan out credit to other people.

Our banking system operates by maintaining fractional reserve requirements on all deposits. This generally means that banks only have 10% of a depositor's money on hand. If everyone were to try and withdraw their cash at once, the bank would go bust.



One prime example is the American banker's panic of 1907. Citizens were lined up for blocks trying to withdraw their deposits, and as a result the entire country grinded to a halt. To remedy this, the government created central banks to help regulate cash flow and provide liquidity during times of crises. In 1913, the Federal Reserve was born.

Once central banks came onto the scene, the rules surrounding money changed.

In a fractional reserve system there are 2 types of money; central bank money (currency) and commercial bank money (checkbook money).

Central bank money is created by purchasing government I.O.U.'s, otherwise known as treasury notes and bonds. The government circulates that money by issuing checks to its employees, businesses, and through various social benefits. These checks are deposited into commercial bank accounts, which are then used as reserves.

Commercial banks can take their reserve ratios and inflate the money supply by creating new money (checkbook money) in the form of credit. When you

receive a loan, your bank is not giving you money from their deposits, but instead newly created credit.

About 90% of the money in circulation is credit that's been issued as loans by commercial banks.

It doesn't stop there. Commercial banks inflate the money supply by issuing new credit. Central banks will regulate them to control how much new money is created.

This fractional reserve scheme goes all the way back to the middle ages when people used gold and silver as a medium of exchange. It was cumbersome and dangerous to carry around precious metals, so people would deposit them with goldsmiths in guarded vaults. The goldsmiths would issue paper receipts as evidence of the deposit, and eventually people started trading the receipts. Presto! Paper money!

The paper notes became more popular than gold, and eventually only a small portion of the notes were ever redeemed for gold. So the goldsmiths started issuing out more notes than gold they had in deposit.

These goldsmiths extended their services to governments. Eventually the gold was removed from the notes entirely and today most money comes in the form of digital bank credits.

Bitcoin is not governed by political whims, instead it is governed by the laws of mathematics. Its source code uses advanced cryptography to secure the network and regulate the process of new Bitcoins created.

The source code is completely open source, which means anyone who understands coding language can review it. Nothing is hidden.

When you purchase Bitcoin, your money is locked on the public ledger and can be accessed anytime with your private keys.

For this reason, there is no limit to how many Bitcoins you can send or receive, and there is no third party that can restrict your Bitcoin transactions.

Financial institutions cannot counterfeit or arbitrarily create more Bitcoins because the core protocol of the blockchain times the flow in which new coins are created.

## **Inflation: How Your Money is Wasting Away**

Since all money is debt, we are continuously inflating the supply to pay off the interest.

Let's say that an entire nation's money supply is created by issuing 1 billion dollars of debt. All these loans must be paid back with interest. So in a year's time, \$1 billion turns into \$1.1 billion.

To pay off the \$.1 billion worth of interest, the government produces more debt. It's like you paying off your credit card by using a different credit card!

The average annual inflation rate over the past hundred years is 3.34%. At this rate, one thousand dollars today will only have \$670 worth of purchasing power in ten years. And you can't just leave the money in your bank account.

The average savings account in the U.S. gives around 1% back per year, which means you will be losing 2.3% of your purchasing power every year if you leave your money in a bank.

Bitcoin's rate of inflation is preprogrammed into its code, and the supply is fixed. We know the rate at which Bitcoins are created, when they're created, how they're created, and how many will ever exist!

Anyone can calculate exactly how many Bitcoins exist at a given moment, and no centralized institution can change the core protocol without the community's consensus.

## **Bail Ins: How Your Money Can Disappear At Any Moment**

In 2013, the world witnessed a new model of propping up failing banks.

Two major banks in Cyprus were on the verge of collapse, and needed to borrow money from the European central bank to stay afloat. The new bail in strategy proposed was to tax every deposit account in Cyprus up to 40% in order to sustain the failing banks. The Cyprus 2013 crisis may have been the catalyst for Bitcoin's initial price spike into the triple digits. There was a run on the banks in Cyprus and all accounts were frozen for several days. Around the time people around the world witnessed the catastrophe in Cyprus, the price of Bitcoin rose from \$80 to \$260.

This could be due to the fact that Bitcoin can be used to protect your assets from bank collapses. Third parties cannot confiscate your wealth without first gaining access to your private Bitcoin keys.

## **Identity Theft: Your Identity Is Not Safe**

According to the U.S. Federal Trade Commission's statistics, over 27 million Americans have been the victim of identity theft in the last five years.

The primary reason why identity fraud is so prevalent is because we are constantly sending our private information over the Internet. So many traditional payment mechanisms require the consumer to divulge their personal info.

Let's say you want to purchase some sort of digital product or service over the Internet that does not require a shipping address, if you make the purchase through your credit card you will be required to divulge your name and mailing address.

Credit cards were never even meant to be used online. Look at them, they were invented decades before the Internet even existed.

Every time you buy something you are required to give your name, address, card number, and the secret code on the back, and if that data is intercepted, someone else has your payment information. Bitcoin and other forms of crypto currencies allow you to make frictionless payments

without the need to divulge any of your private details, and unlike a credit card the private keys are kept secret.

### **Chargebacks: When Merchants Lose Money, the Cost of Everything Rises**

Ecommerce is a brilliant tool for merchants around the world to make lots of money, however credit card fraud can damage the effectiveness of online sales. U.S. merchants lose an estimated \$11.8 billion dollars a year from chargebacks.

Merchants also face chargebacks from “friendly fraud.”

Consumers order a product, receive it, and then claim the product was never received in order to get a refund.

Bitcoin helps to solve this problem because once a payment is made the funds are irreversible. It is even possible to set up an automated escrow service where the merchant can use a delivery tracking receipt to release the funds once the product arrives.

### **Decentralization: Bitcoin Puts the Power Back into Your Hands**

Usually all our money or data is stored on centralized servers, which requires trust in a third party. Traditionally,



when your money is in your bank account, your bank's servers are a single point of failure to be attacked, which makes your data extremely vulnerable.

In a decentralized network, information can be broken into pieces and encrypted. This creates multiple points that need to be attacked in order to access information to take down the network.

Bitcoin truly is a revolutionary technology that is changing the rules of society. Now is the time to take a couple of steps ahead of the herd and place yourself on the cutting edge of this transformation. I promise it will pay off.

With the many advantages Bitcoin offers, the market is growing exponentially. This growth creates massive opportunity for traders.

Opportunities like this don't come around often, and I hope you are beginning to see the very real potential Bitcoin has created.

## **Section 4: How Does Bitcoin Really Work?**

### **Underlying Technology**

A decentralized payment network is what makes Bitcoin so revolutionary. The fundamental core of what makes Bitcoin amazing is the public ledger that records all transactions on the network.

This ledger is called a “blockchain,” and anyone can keep a record of it by downloading Bitcoin’s original software, called the Bitcoin-Qt. It is completely open source, and anyone can review its code because open source programs are free to use, review, and modify by the public

The Bitcoin-Qt software has all the core rules of the Bitcoin protocol, and is also a record of the entire history of the blockchain. If you download this program on your computer you will be running a full node on the network. Nodes contain the protocol’s rules and broadcast transactions to communicate with each other. The more nodes the network has, the more decentralized and secure it becomes.

There are tens of thousands of nodes on the Bitcoin network, each containing a full record of the ledger. If the

Internet were to temporarily shut down, all you need is one node with a copy of the blockchain in order to start up the entire network again.

For this reason, there is no single target that can be attacked, which is why no institution has the power to censor Bitcoin. The Bitcoin-Qt software also acts as a secure wallet for you to send and receive coins.

All Bitcoins are stored on the blockchain with a type of cryptography called SHA-256. SHA is short for “secure hash algorithm” and cryptography is the art of writing and solving codes. Bitcoin’s cryptography is considered one of most secure ways to lock money and information through public and private keys. Your public key is the address you give out to receive money and the private keys allow you to send money.

## **Public and Private Keys**

A Bitcoin wallet is a way for you to store private keys safely or access funds. There are ultra-secure wallets you can use that will keep your private keys safe.

Public and private keys look like a long string of numbers and letters. They can also be represented by QR codes that can be easily scanned using a smart phone or

computer. This is an example of what these keys look like:

Public Key:

13rYWAQEeJmtPrpdQGBNL9c1kZpqqQ88X6h



Private Key:

5JeXGYePL6x4CGhZ5avRY6sfjhiAMse3XbFPkCU15aPp  
8JhzyZn

You can look up any public key on [www.blockchain.info](http://www.blockchain.info)

On the above website you can watch all Bitcoin transactions happen live on the network. Looking up a public key will show how many coins are stored on the Bitcoin address and all its transaction history.

Bitcoin is considered a pseudonymous payment system.

In other words, there is no personal identification attached to the address, but all transactions are public.

This type of transparent ledger system could possibly change the way we operate governments and banks. Think of a world where you could audit all government spending, or see what your bank does with its money. With Bitcoin it is possible to make institutions transparent, while giving you, the individual, the right to privacy.

### **Bitcoin Mining**

The public ledger is referred to as the blockchain because transactions are grouped together in blocks. These blocks connect with every other block previously recorded on the blockchain, and provide validity for every new transaction. This is done through a process called mining, which requires tremendous computer power to solve a complex cryptographic math problem.

The math is built off all previous blocks on the chain, and the computers in the network race to find the right answer. The first computer to find the right combination of numbers (also known as its hash code) is rewarded with a block of Bitcoins.

The more computers that are mining on the network, the more difficult the math problem becomes.

A simple analogy is to think of a group of computers all competing to find a winning lottery number. They do this by broadcasting billions of number combinations per second, and when the right combination is found, the winning computer gets rewarded with new Bitcoins. We call this process Proof-of-Work, or POW.

Mining is purposely designed to be resource intensive and difficult so that the number of Bitcoins created daily is controlled by the program.

The program is designed to create new Bitcoins every ten minutes. Right now 25 Bitcoins are rewarded for every block found. There will only ever be 21 million Bitcoins ever created and the Bitcoin protocol reduces the mining rewards in half every four years. The last Bitcoins will be mined in 2140.

When Bitcoin first came out, it was possible to mine blocks with a simple home computer. As more computers joined the network, the difficulty for solving blocks increased, and miners had to find more efficient ways to participate.

Miners soon discovered that specialized mining rigs could be created by combining multiple graphics cards on a

computer. Eventually, when the price of Bitcoin started to climb, companies invented specialized mining machines. These computers are designed to be single-purpose machines called application specific integrated circuits (ASICs). Their function is to generate random hashes to solve a cryptographic math problem as quickly as possible, while using the least amount of electricity. Since the creation of ASICs, mining has become highly industrialized because the mining cost is reduced if done in a data center. China is currently leading the way in Bitcoin mining.

## **Can You Make Profit Mining Bitcoin?**

If you are considering mining Bitcoin for profit...you may want to reconsider. The days where independent Bitcoin miners got rich from home are long gone.

ASICs are difficult to acquire and only available through pre-orders. To make profit, you need to treat mining like a serious business, taking into consideration the cost of hardware and electricity. Miners that run in data centers with cheap electricity are able to get coins at below market value and sell them for instant profit on the exchanges.

Bitcoin isn't the only minable cryptocurrency out there, of course. There are other coins besides Bitcoins that are a little more accessible for mining. Some can still be mined on CPU or with graphics cards, but the markets to sell them tend to lack volume.

Although mining isn't the best way to make coins, there is another type of mining called Proof-Of-Stake, which lets you mine coins based on the amount of coins you already have in your wallet. These coins require much less electricity, don't require specialized hardware, and are much easier to set up. We'll talk more about them in the altcoin section of the book.



And while you may have heard about the opportunity to profit from mining, for small scale operations it is actually cheaper to buy Bitcoins than it is to mine them. Only major industrial operations can make money from mining. By far the easiest and most profitable way to make money in this industry is by trading Bitcoin with an effective strategy.

This requires no setup expense whatsoever—all you need is a strategy that works. And we have a proven strategy which we're willing to share with anyone who's serious about learning it.

## **Bitcoin Foundation**

Bitcoin's core protocol is maintained by a team of developers working for a non-profit organization called the Bitcoin Foundation.

Gavin Andresen, who is the chief scientist of the Foundation, worked closely with Satoshi Nakamoto when Bitcoin was first created. Satoshi was a mysterious figure who managed to keep his/her identity completely anonymous. Once the Bitcoin network was stable, Satoshi handed the keys to Gavin and disappeared, never to be heard from again.

Although the Bitcoin foundation controls the source code repository of the Bitcoin-Qt program, anyone in the community can contribute. However, any major changes in the protocol need to have community consensus before being implemented.

## **Section 5: How To Buy Bitcoin (The Right Way)**

The easiest way to get your hands on Bitcoin is by buying them. Acquiring Bitcoins is as simple as linking a bank account to an online service and clicking a few buttons.

The industry is booming with new companies offering innovative ways to buy and use Bitcoins. There are now debit and credit cards linked to a Bitcoin address that allow you to use your coins anywhere.

There are three primary ways you can purchase Bitcoins: through an exchange, from a hot wallet service, or locally. Each have their own set of advantages.

There are new ways to purchase and trade Bitcoin being innovated at a very fast pace. To see the latest and best ways to buy Bitcoin, go to [www.chrisdunn.com/freebitcoin](http://www.chrisdunn.com/freebitcoin) to get free videos showing you the best ways to buy Bitcoin in real-time.

### **Buying on the Exchanges**

Buying your Bitcoins on a reputable exchange is the best way to buy Bitcoin at the fairest price.

All exchanges come with a wallet to store your coins while you are trading. You can fund your account by

either sending Bitcoin to the deposit address or by sending dollars through your bank account.

Most exchanges will require you to get KYC verified, and getting verified usually takes a couple of days, but the wait should be worth it.

Consider yourself lucky for getting into Bitcoin at a time that offers more consumer friendly ways of buying coins. Until recently, the only method of getting your money on an exchange was to send an international wire transfer through your bank. This usually required you to fill out long forms and wait several days.

Fortunately, there are more sophisticated ways of getting your money onto your favorite trading platform, though credit card purchases aren't one of them. That said, purchasing Bitcoins with your credit card are probably on the horizon.

### **Quick Purchasing Services**

This is probably the quickest way for anyone to buy Bitcoins. There are some companies that offer an easy Bitcoin purchasing service where you can link your bank account or credit card to their site and buy coins directly.

This option is good if you want to make an online purchase and don't want the hassles of exposing your credit card information online.

The disadvantage to using these types of services is that you are generally required to send in “Know Your Client” (KYC) verification. This usually consists of emailing a copy of your identification and a utility bill as a proof of residence.

You won't need to do this once your Bitcoin hits an exchange, but when getting started it can be a hassle. KYC compliance only applies to dollar transactions, and not trading between various crypto currencies.

If you are using a hot wallet service, this is not considered a safe long term store of value. You will want to move your coins to a more secure type of wallet.

## **Buying Locally**

This may not be the quickest way to purchase coins, but it certainly has its advantages. You can find people in your local classifieds and meet up with them at a coffee shop to make a cash purchase.

This method of buying Bitcoins stays true to the spirit of decentralized peer-to-peer technology. Acquiring Bitcoins from your peers requires no identification or third party financial institution.

Some cities have local Bitcoin meet ups where traders make live purchases similar to the Wall Street trading pits.

The disadvantage to buying your coins locally is that sometimes local dealers sell coins at a premium. Some even have markups as high as 10% above current market prices.

If you go to a live trading floor, you will be able to haggle for the prices you are looking for. Make sure that you meet up in a public area, and wait to see at least three confirmations on the blockchain before handing over your cash...which can take up to an hour, so this method isn't the most convenient.

Once you get your hands on some Bitcoins you'll be able to start trading in no time.

## **Different Types of Wallets**

There are different types of Bitcoin wallets that store private keys, each ranging in functionality and security.

### **Bitcoin-QT**

This is the original Bitcoin client, and is stored on your computer. It downloads the entire blockchain and can take a few days to fully sync. It also acts as a full node on the network that communicates with other nodes and miners.

All private keys are stored locally on your hard drive. So if you are using a virus-free computer that has a strong password protection, this client is very secure.

Make sure you back-up a copy of your wallet on a separate usb key in case anything happens to your computer. You will need to make another backup every time you generate a new public/private key with this wallet.

The benefit to this wallet is that it contributes a full node to the network, but the drawback is that it has less features than many of the new wallets.

## **Hot Wallets**

Hot wallets are wallets where the private keys are held by a third party. Coinbase is an example of the largest hot wallet provider in the world.

These services make using Bitcoin easy. A user doesn't have to worry about managing their own private keys, and the technical understanding involved is minimal.

Keeping your money on an exchange is in effect using a hot wallet. For security reasons, exchanges tend to keep most of their Bitcoins in cold storage, and the units that you trade online represent credits.

The disadvantage to these types of wallets are that they require trust in a third party. Pooling multiple portfolios under a single address gives hackers more incentive to try and steal the money.

Hot wallet services can be the most dangerous place to store Bitcoin. You may have heard about the huge Mt.Gox hack that lost over 700,000 Bitcoins!



That said, using the right exchange with the right strategy can give you better access to market liquidity while *maximizing your profit potential*.

### **Mobile Wallets**

These wallets are applications you can download to your phone. They allow you to conveniently pay for things on the go. They work by allowing you to send and receive payments by taking pictures of QR codes.

Smart phones are considered less secure than computers, so you may want to keep larger Bitcoin holdings in a different wallet.

### **Brain Wallets**

With Bitcoin, you can generate a wallet from nearly anything. You can take numbers, letters, and words and create a SHA-256 hash to make a new wallet.

You can create a wallet using a series of words and then memorize them. These words access your money. All the information is in your head, which means that it is possible to store millions of dollars in your mind!

Here is a website where you can play around with creating different brain wallets [https://  
brainwallet.github.io/](https://brainwallet.github.io/).

You can use this site to get a sense of how wallets are created. The disadvantage to brain wallets is if you forget the words to the wallet, you lose your money.

They can also be cracked offline by brute force cracking and for that reason are not recommended.

Hackers will use programs to generate millions of word combinations in the hopes of accessing someone's private keys. Once they find your private keys, they have access to your Bitcoins.

**DO NOT TRY AND CREATE YOUR OWN BRAIN  
WALLET WITHOUT A COMPUTER RANDOMLY  
GENERATING THE WORDS!**

Brain wallets need to be extremely random in order to be safe. You may think that making your own word combination is random, but traders know that humans are pattern making machines. If you try to make a Bitcoin wallet without a random generating algorithm, you run a higher risk of getting hacked.

## **Lightweight Wallets**

These are wallets that get downloaded as software on your computer. Lightweight wallets do not require you to download the entire blockchain.

The blockchain ledger gets bigger each day and will end up taking up more and more of your computer's hard drive space. Many of these lightweight wallets give you more features that are unavailable on the full Bitcoin-QT wallet.

You don't need to backup your wallet every time you generate a new address. They usually have a single seed that generate the addresses, so all you need to do is backup a copy of the seed and you can recreate all the same addresses.

## **Paper Wallets**

A paper wallet, or cold storage wallet, is by far the most secure type of wallet. With these wallets, the public and private keys are generated offline.

When done properly, these are considered hack proof wallets because a user's private keys never touch the Internet. These wallets are secure but not all that versatile. The disadvantage to paper wallets is that you

need to create a new one every time you spend coins in it.



You can remove coins from cold storage by importing your private keys into another wallet, but once those private keys are exposed to the Internet, the wallet should no longer be used. You will need to make a new paper wallet in order to place more coins in cold storage.

### **Interactive Cold Storage Wallets**

One of the best wallets to use is an interactive cold storage device like Trezor. These devices look like usb keys with small screens on them. They isolate your private keys but still allow you to send funds over the Internet.

These devices are password protected so thieves cannot access your funds. If you lose the device, there is a 12 word seed that can recover your private keys and let you access your money on the blockchain.

## Section 6: Trading Vs. Investing

In late 2013, Bitcoin rose from around \$100 to well over \$1200 within a few weeks. Early investors were new multi-millionaires. New investors were latching on to the mania and buying at inflated prices.



Then came my warning...

I knew a dangerous situation was brewing, and many unsuspecting investors were going to be crushed.

As Bitcoin cracked above \$900, I posted a video and blog post to warn people of the dangers of buying at such high prices. I explained that I loved the idea of Bitcoin, but I thought prices were over-inflated and likely to crash.

Very simply, it wasn't healthy for Bitcoin to increase in price so quickly.

After that post, I wasn't the most popular guy in the Bitcoin community. Some people thought I was personally trying to kill Bitcoin's credibility, or even worse, influence the price of Bitcoin for my own profit.

For many people, greed had taken hold, and nothing I could have said was going to change their perspectives.

That is, until the bubble popped.

In just a few days, Bitcoin dropped over 50%...

Those who heeded my advice walked away with incredible profit. But those who didn't were burned.



Bitcoin fell from a high in the thousands, to a bottom at \$400. Everyone was panicking, scared that the price was going to zero. The panic was when I bought, and profited over 60%.

Following the forum and blogs, I realized that no one else saw what I saw. These people needed help, desperately...

I was overwhelmed with emails and tweets from people who had taken my advice and sold near the highs. This was an all-too-familiar scenario I had seen played out time and time again...

Over the years I've watched countless people lose money in the financial markets because they go in with a "buy and hope" mentality. Bitcoin wasn't the first.

I saw mom-and-pop investors lose nearly 50% of their retirement accounts during the financial crisis of 2008. I heard horror stories from real estate investors who bought too many properties in 2005 only to lose millions in equity and destroy their credit. And we all know someone who bought gold in 2011 during the precious metals boom only to lose 40% in a few short years.

The list goes on and on...



Just like any world-changing market or technology, Bitcoin has gone through several crash and boom cycles in its history. It's the normal process of "price discovery", or finding the fair market value of a new asset.

Sure, some people have become multi-millionaires by getting in early and selling at the right time, but others have also lost a tremendous amount of money by blindly buying and holding.

Why gamble and let the game play you? Traders have to know when a prediction is worth the gamble. They have to play the game.

It's what trading is all about...

Trading is about making emotionless decisions to buy or sell an asset based on probabilities. Just like a casino knows the odds are in their favor, professional traders use strategy and risk management to tip the scales in their favor.

If you're new to trading, you need to take control of your financial future by thinking and trading like a professional.

I want you to understand the basics of how human nature drives markets. Get ready for a clarity and confidence most people only dream of.

By now, you're likely ready to take that first step to becoming a Bitcoin trader...

As long as you want it, it's there for the taking. My focus is taking beginners and experienced traders alike, and giving them the necessary tools to profit by trading Bitcoin.

My trading strategy is simple to follow.

The beautiful thing is I only spend about 30-60 minutes a month trading this market...yes a month.

The barriers to trading Bitcoin are almost non-existent.

There aren't any setup costs, anyone can set up a trading account in as little as 10 minutes, and there aren't any trading minimums. You can start with \$5 if you want.

So what are you waiting for? Sure, you can get 3% per year in a money market if you're lucky, or you can get started in this market loaded with profit potential. The choice is up to you.

## Section 7: The 8 Basic Components of a Trade

If you're just starting off in your Bitcoin trading adventures, this is important. More advanced traders can skip through this section and dig into the strategies I provide in other chapters.

Trading is a zero sum game. Every trade has two investors taking opposite positions on the price—one buys, the other sells. Because of this, someone is bound to lose.

When two people agree on a price, a trade is executed and the market valuation is set. Usually buyers set orders lower than people who want to sell. This creates 2 sides of an order book between buyers and sellers. When there are more buyers than sellers the price goes up, and when there's more sellers than buyers the price goes down.

Time since	Amount	Price	bid	ask		
30 seconds	1.10413300BTC	\$261.37	2.0000000	\$261.36	74.0000000	\$261.37
30 seconds	0.00000000BTC	\$261.37	0.1000000	\$261.35	0.0770000	\$261.38
1 minutes	0.02613700BTC	\$261.37	0.0700000	\$260.75	4.0077000	\$261.39
1 minutes	0.00740000BTC	\$261.36	0.0033000	\$260.74	0.1000000	\$261.40
1 minutes	0.10000000BTC	\$261.36	0.0700000	\$260.75	3.7000000	\$261.40

### The Order Book

This is where the magic happens on the exchange. Here bidders are able to buy and sell coins. You've got buyers who are looking for a rise in price, and sellers who think the rise is over.

The constant exchange of prices forces the market into periods of equilibrium followed by bursts of volatility.

When you are buying and selling coins on the book, you can set your price for any amount. The further the price is from the current market value, the longer you might have to wait for your order to get filled. The reason for this is orders get executed closest to the last market price.

The price difference between the asks and bids is called the spread. Some traders will scalp the difference between these two sides of the book. In other words, they buy at the bid price and sell on the ask.

Bitcoin tends to have different prices across the various exchanges. You can take advantage of these price differences through buying cheap coins on one exchange and selling them for a near guaranteed profit on another.

## **Reading the Markets**

You'll likely be looking at a price chart to help make trading decisions. It's important to look at charts for what they *really* are...

Price charts are very simply *the visual representation of the actions of all market participants*. In other words, there's no magic behind the bars moving up or down.

Rather, the driving force behind price moving up and down is the buying and selling actions from all traders.

Sometimes, market prices show signs of a general trend.

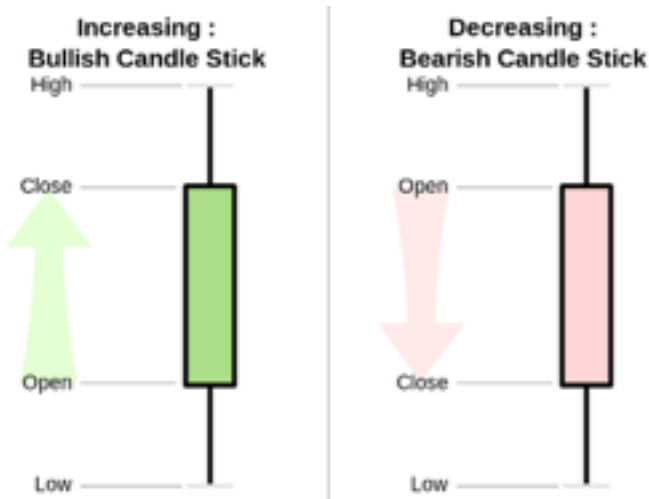
A bull market happens when prices progressively increase, and a bear market shows a steady decline in value. The movement in price is generally referred to as price action.

Looking at the swings in price and interpreting it for patterns is called technical analysis. We won't go into all the details of how this works right now, but we do provide more advanced training.

## **Candlesticks**

If you look at a Bitcoin graph, you will notice that the charts have multiple green and red lines. We call these candlesticks.

The green candlestick means that the market closed at a higher price than it opened at, and a red candlestick means the market closed lower than when it opened. The main body on the stick shows the open and close price and the tails show the highs and lows.



## Reading Charts

Depending on the exchange and the part of the world, Bitcoin is traded against multiple types of fiat currencies.

The most popular pairings are the CNY/BTC and USD/BTC pairings, but you can also trade EUR, CAD and RUR.

There are a couple websites that offer free charts for Bitcoin. Go to [www.chrisdunn.com/freebitcoin](http://www.chrisdunn.com/freebitcoin) for an updated list.

This site has a wide selection of altcoins and different Bitcoin exchanges. When you log into their initial page, you will notice various prices for Bitcoin in different currencies, as well as the volume of Bitcoin traded.

For this example, we'll look at the Bitfinex charts. On the right hand side you will notice live action from prices moving on the order book.



The bottom of the charts show green and red bars. These represent the volume that is being traded at any given moment in time. It is important to pay attention to the volume because a candlestick doesn't hold much weight without volume to support it.

Most charts give you the option to set them at different time intervals. Commonly, these range from 1 week to 1 minute. Changing the time intervals will give you different measurement in price candles.

Looking at the charts at different intervals is like looking at an object from different zoom perspectives. It will give you a good indication of the psychology behind prices. Are buyers in control and driving a bullish trend? Or are sellers panicking, causing price to crash?

Having a fundamental understanding of how markets move up and down is crucial to making future predictions about price.

## **Margin Trading**

Margin trading allows you to borrow Bitcoins or dollars at an interest rate, to increase the size of your trading portfolio. Borrowing on margin is similar to purchasing a house with a mortgage. If you purchase a house for



\$300,000 with 20% down, your original investment in the house is \$60,000. If you later sell the house for \$420,000 your profit on the original investment is 200%.

Margin trading, though risky, is the quickest way to make large returns on investment.

Many Bitcoin trading platforms allow traders to leverage their trades by borrowing more liquidity. Leverage lets traders add power to trades in order to maximize profit. It's a great tool for traders with a plan, but can be catastrophic for traders who treat the markets like a slot machine.

Some exchanges in China actually let you leverage x40 your principal amount. Think about it, x40 leverage on \$1,000 is \$40,000. The profit potential is enormous if you catch the tail end of a major price swing and the markets swing \$50 in your favor. However, you can also lose large amounts of money just as quickly if you don't know what you're doing.

New traders should learn the ropes first before trying to grow their account with leverage. Also, you shouldn't trade with money you can't afford to lose.

## **Long and Short Trades**

Many people think the only way you can make money trading Bitcoin is to buy low and sell high.

But that's only half the equation!

You can long, or you can short.

When you long, you're betting that the future price of Bitcoin will be higher than your original position. So you're **BUYING** Bitcoin.

When you short, you're betting that the future price will be lower than your position. So you're **SELLING** first with the goal of buying back at a lower price in the future.

Many people think it's bad when Bitcoin's price falls. But one of my favorite money-making strategies is to bet against Bitcoin when I think it's going to trade lower in the near future.

So I sort the market. Essentially, I'm able to borrow Bitcoin from the market, sell at the current price, then buy back at a lower price in the future. I get to keep the difference as profit.

As an example, let's say you have 10 Bitcoins to trade with and the market value spikes to \$400. If you feel the valuation is overpriced you could borrow 100 more coins

and sell them for \$40,000. If the price drops to \$350, you would be able to buy back 114 coins, the 100 gets returned to the lender, and you would get to keep a profit of 14 coins. That's 140% profit on your principal investment.

Shorting is one of the most profitable ways to trade Bitcoin, because price often crashes much quicker than it rises.

Going long on Bitcoin is a similar process, but rather than borrowing Bitcoins to sell, you are borrowing dollars to buy. You could apply this strategy if you feel the current price of Bitcoin is undervalued.

Let's say you have \$1,000 and leverage it at x10. Your \$1,000 would stay frozen as the principal amount of your portfolio and you would then have \$10,000 to trade with. For example, if you used that \$10,000 to buy Bitcoins when the market crashed to \$166, your trading account would increase to 60 Bitcoins. If you held those coins for 1 week, you would have been able to sell them for \$315. After you pay back the original \$10,000 plus interest, you would get to keep over \$8000.

That's 800% profit!

The chart below will show you the above example as a key opportunity to take a long position on Bitcoin.

You'll never buy at the exact bottom or sell at the exact top. In fact, my goal is to capture about one third of the move.



The chart below shows a shorting example of Bitcoin.

You'd first sell Bitcoin at \$475, then buy back lower at \$340, then keep the difference.



## Margin Call

So what happens if you borrow money and the markets move against you? In order to trade on margin, your principal amount gets held on deposit as collateral for the loan.

Once the market moves against you—to the point where the losses equal your principal deposit—you will be called on margin. You then have a choice to deposit more money, and if you don't, your position will automatically be closed, and the deposit will be given to your lender.

For example, if you borrow x10 leverage on \$300, you have room for the markets to move against you up to 10% before you get called on margin.

This system ensures that all lenders get their money regardless of market conditions.

The goal of trading with leverage is to never risk so much that you get a margin call. It's important to plan out your maximum risk before you enter a trade.

## Stop Order

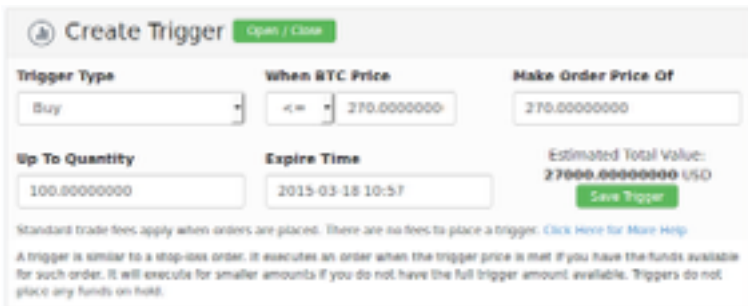
Many exchanges have features that allow you to set stop losses.

“Stops” allow you to set up orders that get triggered when the price rises or falls beyond your set target amount.

For example, if you’re trading BTC/USD and are in a long from \$245, you could set a stop loss at \$240. If the price starts moving against you and hits \$240, your stop will be triggered and you will sell your long into the market.

Many traders will use this feature so that the program will open and close their positions automatically, and they won’t have to watch the markets 24/7.

Here’s an example of what a stop order looks like



The image shows a 'Create Trigger' form with the following fields and values:

- Trigger Type:** Buy
- When BTC Price:** <= 270.0000000
- Make Order Price Of:** 270.0000000
- Up To Quantity:** 100.0000000
- Expire Time:** 2015-03-18 10:57
- Estimated Total Value:** 27000.00000000 USD

There is a 'Save Trigger' button and a note at the bottom: 'Standard trade fees apply when orders are placed. There are no fees to place a trigger. [Click Here for More Help](#). A trigger is similar to a stop-loss order. It executes an order when the trigger price is met if you have the funds available for such order. It will execute for smaller amounts if you do not have the full trigger amount available. Triggers do not place any funds on hold.'

## **Section 8: Three Time Frames to Trade Bitcoin**

Trading Bitcoin can be one of the simplest and most profitable ways to start making money with digital currencies.

There are so many reasons why people love to trade Bitcoin.

For one, you are your own boss. There's nobody telling you when to report to the office.

With trading, it's just you and the markets. There's no need for working long hours, having the expensive overhead of running a business, or dealing with employees or customers.

Trading is a high stakes strategy game, like poker or chess. You need to learn what you're doing, and then you need to make the right move at the right time.

If you do, your strategy pays off.

Becoming a good trader means honing your mind. If you think like a gambler, you'll lose quicker than a slot machine junkie. But if you think like a professional, your odds of success will be much higher.

There are three lengths of time you can use to trade Bitcoin...



## **Day Trading**

The first (and shortest) timeframe is day trading. This is where you enter and exit your position within the span of one day. In active market conditions, traders will take dozens or even *hundreds* of trades in the span of a day. It's important to only day trade when there's significant trading volume. Sometimes the markets go sideways on low trading volume for days, decreasing profit potential. Most of the time, you'll just end up fighting for pennies, which isn't worth the time or effort.

Maybe in the future more liquidity will help to improve the day trading problem.

## **Position Trading**

Position trading is a form of disciplined investing. It's where you hold a position for months or years before cashing out.

There is a big difference between position trading and just randomly buying in hope of a future price increase. Good position trading uses strategies to identify key profit zones to buy and sell. It also takes stop out levels into consideration if the markets move against the trader.

It's very difficult to predict where the price of a market will be months or years into the future, and there are way too many variables in a brand new market like Bitcoin.

In recent years, we've seen the market gain and lose up to 40% of its value in a single day because of good or bad news related to Bitcoin.

I'm a fan of "investing" in Bitcoin long-term, but I'd much rather build my wealth by trading long when the probabilities favor an increase in price by at least 10%-15% or short when the probabilities favor a decrease by at least 10%-15%.

Even though I'm a fan of Bitcoin technology, I'm not afraid to bet against the price when it's temporarily over-valued.

The benefit of long-term holdings is to help steady your hand during a market buying frenzy. Many traders often get excited when they see the markets climbing, and buy in fear of missing an opportunity. If you have long term savings, you can trade the markets comfortably and avoid getting caught up in a buying panic.

If the price ever goes into an emotional bull market, you will have bought your ticket well in advance, and at discounted prices.

## **Swing Trading**

My favorite time frame for trading Bitcoin is “swing trading”.

This is where you hold your position over the course of 2 days to 2 weeks. I’ve found the biggest moves in Bitcoin’s price typically play out over the course of a few days. In fact, the average hold time for my biggest winning trades has been around 4-5 days.

It’s much better to wait for the big moves than to over-trade every day. New traders tend to think the more they trade, the more money they’ll make, when the opposite is typically true.

The less you trade, the better quality your trades will be, and the higher your profit potential.

You’ll save time and money.

Put another way, why trade for 1% - 2% profits that take a lot of energy, focus, and anxiety, when you can sit back and wait for the 15% - 65% moves.

One of my biggest trades was during the market crash of January 13th, 2015. The markets dumped down to \$166 and I took a long from \$188 and sold at \$304 two weeks later for a 62% profit.

62% return on my investment and all I had to do was click a few buttons on my computer. Many of my students who followed my alerts also made nice gains on that trade.

Armed with this knowledge, you are far closer to becoming a profitable Bitcoin trader.

## **Section 9: Three Ways Anyone (even a complete beginner) Can Win Big by Trading Bitcoin**

When it comes to trading, new traders tend to focus on the wrong things.

They get caught up in fancy, red-light/green-light software or hunting for the perfectly flawless trading system or relying too much on useless indicators.

Professional traders know that successful trading is all about keeping it simple. It's not about overloading your chart with fancy lines, but understanding how emotion drives the market.

The biggest benefit to trading Bitcoin is that you're trading in a market made up primarily of individual investors and traders.

Compare that to trading the stock market, which is now dominated by high-frequency computer algorithms. You think you can go up against a multi-billion dollar hedge fund bot and win?

Think again.

In Bitcoin, there are three simple tricks anyone can use to make winning trades.

## Trick #1 – Find The Trend Early

At any given time, the market is only doing one of three things: trending, channeling, or breaking out.

Markets don't go straight up and down. A *trending market* is when the market is stair-stepping up or down.

The easiest type of trade for most people to take is a "trend trade".

You trade the trend by entering a position once the market has established a clear direction.

If the market is making a run up, the goal would be to enter as price pulls back from its highs for a low risk, high reward entry.



The problem is that many traders are typically late to a trend.

In trading, profits are made by being early to the game. It doesn't matter what price you're buying at as long as there's someone else to buy at a higher price than you.

Trends can develop on both sides of the market. You can have "bull trends", where the market is moving up, and you can have "bear trends", where the market is moving down.

You can think of it as bull trends take the stairs up, and bear trends take the elevator down. One's slow and steady, the other is quick and violent.

These predictable moves in the market are mostly created by human emotion.

Fear is stronger than greed.

People get greedier and greedier as the price moves up, but are quick to panic at any sign of danger. Because of this, markets tend to give back their gains in a fraction of the time it took for the bull market to play out.

There is no single "right way" to identify the trend, but the two most important factors are price action and volume.

Price action is another word for analyzing the movement

of price on a chart. Volume refers to the amount of Bitcoins traded during that price bar.

For a trend to be considered healthy, there needs to be steady price action with increasing or maintained volume.

## **Trick #2 - Trade Against The Herd**

Buy low and sell high.

That's a trader's motto. But the bad ones seem to do the opposite. They buy high and sell low.

The reason has to do with basic human nature.

It's much easier to get caught up in a buying frenzy after everyone else has driven price up, than it is to buy when everyone else is panicking. This is why markets tend to reverse when the mass majority of people are expecting them to continue.

The key to being on the right side of the trade is to understand what the mass majority of people are thinking, and anticipate their next move.

That's where the money is made in trading.

As Warren Buffett says, "Be scared when people are greedy, and greedy when people are scared."

## **Buy When Panic Starts To Subside**



My favorite time to buy Bitcoin is when everyone else is in an all-out panic. When the price looks like it never will recover is when buying is the best trade to make. When retail traders are throwing in the towel, professionals are sitting on the sidelines licking their chops.

Market dumps tend to be exaggerated and unsustainable, and eventually they adjust and stabilize.

A professional trader's job is to try and buy as close to the bottom of the dump as possible. The faster and stronger the panic and dump, typically the bigger the rebound. The goal is to buy at a discounted price and then sell back to the market once everyone else finally realizes the panic is over.

This is the highest profit potential trade, but if you don't know what you're doing it can lay you in an early grave.

For new traders that don't have a clear plan, it can be daunting to buy against massive red candlesticks.

This is why it's so important to join a community of professional traders.

New traders blow thousands of dollars of funds trying to trade on their own. It's essential to have proper guidance from seasoned professionals who let you know when to get in on the action AND why.



Many traders increase their risk exposure by over trading the markets. They throw money into a stale market when the price is going sideways and end up selling at a panic when the price drops.

This can cause a chain reaction among other traders.

What you want to do is catch the dumps when it starts to pull back from the bottom. We never know where the bottom is going to be, but there are always means of seeing signs of a recovery.

The markets are manic and irrational so use that fact to your advantage. Generally speaking, emotions make us

over react, and we can minimize our impulses by having an effective plan.

### **Sell When Everyone Else Is Buying**

Just like you can profit by buying when everyone else is selling, you can also profit by selling when everyone is buying.

Traders like to wait to buy into a market once the trend is already cut and dry. The only problem is this is normally when the trend is near its peak. The best time to sell Bitcoin is when the price has a parabolic spike upwards. Once a trend starts to get stronger and stronger, hype sets in and price reaches an inflection point where the amount of buying is unsustainable. Just like we see with exaggerated panics, over exuberant bullish trends also end with a strong reversal.

In the chart below, you'll notice Bitcoin had a "healthy" trend from \$225 to \$255, then price went parabolic to \$304. Any time price speeds up prior to relative price action, that's a good indication that a reversal is soon due.

Had you shorted on the reversal bar at \$304, you'd have made 15% in just a few hours.



Always remember that whatever goes up must come down. By understanding price action, we can anticipate where the market will go next.

It's important to keep in mind that bull markets can last way longer than most people think. You always want to go into a trade with a plan that includes profit targets and where you would stop out of the trade if it goes against you. My trading group focuses on strategies for these types of trades.

### **Trick #3 Focus On Major Market Price Zones**

A common mistake made by new traders is that they focus too much on every uptick or downtick in the market. They obsess over every 1 minute bar and let their emotions ride on every change in market price.

The markets have a hypnotizing effect that makes it easy to over analyze minute to minute price movements. The key is to zoom out and not get emotionally sucked into price action as it spikes up and down. Instead focus on major price zones, since this will save you time and energy, and prevent frustration.

You see, the markets tend to move from a major support or resistance area to another major area. In between, there is a lot of noise and choppy price action that can drive any trader insane.

Have your trade planned out ahead of time so you don't get influenced by insignificant price action. The market will do everything it can to scare you out of a good trade and suck you into a bad one. Planning and confidence are your biggest defenses.

Below, you can clearly see price action as it jumps around major support and resistance zones.



Once you get the hang of trading, it will be like clockwork, and making smart trades will be another part of your regular routine.

## **Section 10 : Eight Easy Steps To Make Your Computer Ultra-Secure**

Bitcoin is putting the power of financial freedom back into the hands of the individual. With this power comes a greater degree of awareness and responsibility. You are 100% responsible for the security of your private keys. Bitcoin prides itself on the fact that some of the best hackers and programmers have reviewed its open source code for bugs. Even top network security experts have tried to hack the blockchain, but to no avail. SHA-256 encryption is considered tier 1 military grade encryption, and the odds of cracking a private key are next to zero. You can rest assured that Bitcoin has the most secure network in the world. Security breaches do not happen on the protocol itself, but instead from the carelessness of third parties.

### **Open Source Software**

Bitcoin's code is open source, which allows the public to review, copy, or even modify the software. Trust is the key component in the Bitcoin industry, and the most trusted software is available for review by the public.

## **8 Steps to Securing Your Computer**

- 1. Password protect your computer**
- 2. Use strong passwords**
- 3. Use 2 factor authentication**
- 4. Turn on your firewall**
- 5. Secure your browser**
- 6. Use an anti-virus**
- 7. Keep your computer updated**
- 8. Change your search engine**

## **Password Protect Your Phone and Computer**

Having your computer unprotected by a password is equivalent to never locking your front door. Sure, if you live in a safe neighborhood then that may not matter, but computers that are online get exposed to the entire world.

Protecting your phone and computer with a strong password is the best means of keeping hackers away.

If you are using a Linux OS, all new software downloads or changes to your computer are protected by your password. This is an added layer of security that denies applications from automatically installing themselves on your computer.



## **Use Strong Passwords**

Many people make the mistake of using one simple password for multiple accounts. However, when a hacker gains access to one account, they gain access to all of them.

Think about how many online services are connected to your email account. Maybe your banking, bills, insurance... One password for all your accounts is one of the easiest ways to become a victim of identity fraud. You want your passwords to be at least 16 characters in length with upper and lower case letters, numbers, and symbols.

## **Use 2 Factor Authentication**

This one's a life saver.

Before you log into your account, a code will be texted to your phone. You have to enter that code into your computer before continuing.

## **Turn On Your Firewall**

Every computer has a built in firewall to protect it from harmful programs. You would be surprised to know how many people don't turn it on.

## **Secure Your Browser**

Personally I like to use Mozilla Firefox because it has many extra security and privacy features you can add to it. At the top of your browser, there are various tabs to tweak your settings. If you want more privacy you can go to edit<security<preferences and turn on “warn me when sites try to install add-ons,” “block reported attack sites,” and “block reported web forgeries.”

Also in the privacy section, you can check the box that says “tell sites I do not want to be tracked” “never remember my history.”

## **Anti-virus**

If you are using Windows, then it is an absolute necessity to get a good antivirus. If you are using a Mac OS it's also still a good idea to run one. Although it is very difficult for a Linux operating systems to get viruses, you may want to run a basic scan once in a while.

Although your Linux system can't get infected, you can still pass viruses along to other people's systems. Say you download a pdf file that has malware hidden inside. Although it won't affect your computer, if you share the file with a friend, it may infect theirs.

I recommend downloading a free anti-virus called ClamTK. It doesn't slow down your computer by running in the background, and you can scan your computer for viruses whenever you want.

## **Update Your Computer**

Make sure to update your computer at least once a week. Core developers are always working on fixing bugs or problems, and keeping your system up to date will ensure that it works optimally.

## **Change your search engine**

Many search engines will keep track of your IP address and your search history. This is done for data mining. Essentially your information is sold to private corporations for ad targeting, and in some cases government surveillance.

There are certain search engines that offer a greater degree of privacy and do not record your IP address or search details. *Startpage* is one of the most popular alternatives.

## **Be Cautious With Using Your Smartphone**

If you plan on using your smartphone for making convenient Bitcoin payments, make sure that you treat it like a hot wallet. Smart phones are less secure than computers, and tend to leak your private data. Every time you download an app you are required to grant that app certain permissions. Sometimes those permissions act as spyware.

The spyware apps have been known to access your private contacts, read your texts, record phone calls, turn on your camera, and even activate the speaker to listen to conversations happening in the room! If you decide to

install a Bitcoin wallet on your cellphone, then make sure to visit the resource hub of our website to get the most up to date information regarding the best Bitcoin wallets.

### **Testing the Waters**

Bitcoin is a fast growing industry with new security solutions coming out all the time. If you decide to try out a new wallet or exchange make sure to test it first with a small amount of your total funds.

You may also want to look up the reputation of any new Bitcoin related products and services on the community forums. People will often share their experiences about certain exchanges or wallets.

## **Section 11: The Investment Potential of Altcoins**

Bitcoin is just the beginning of the crypto economy. There are hundreds of different crypto-currencies offering cutting edge innovations. And many of them are priced at pennies.

Kind of like Bitcoin back in 2010...

These other crypto-currencies are generally referred to as altcoins (alternative coins).

“Bitcoin 2.0” or “Crypto 2.0” is another buzzword in the industry used to describe any currency that offers further enhancements to blockchain technology. Many of these features are centered on hosting fully decentralized markets.

The crypto economy has an estimated worth of over \$40 billion with tens of millions traded everyday on the markets. With the right knowledge and set up, you can easily get in on the action before the next big wave.

### **Other Uses for Blockchain Technology**

Blockchain technology is a real game changer. As I explained earlier, it is a decentralized network that can be adapted to serve many different functions. These features

may also have great investment value that can yield future returns.

One feature that you can use the blockchain for is as a decentralized notary service.

Documents can be recorded on the public ledger as legal evidence of contracts. Doing so can make your records official without the need for a central registrar.

Other innovations include decentralized trading platforms that allow you to trade without trusting a third party. On these platforms, you can create and trade assets that have programmable features. These assets can be used as shares, and can even pay out regular dividends.

It's even possible to create a voting system by issuing tokens that can be sent to an address with an inscribed message.

Some programmers are working together to use the blockchain as a form of decentralized Internet. Right now, websites are hosted on centralized servers, but with further advancements these websites may be hosted directly on the blockchain.

The blockchain can also be used as a decentralized encrypted cloud storage. Anyone can have their data

broken up into tiny encrypted pieces and stored on other user's hard drives. To access the data, all that's required is your private key to reassemble and decrypt it for you. You can make money by leasing out your extra hard drive space to the network.

Stanford University used a blockchain to combine everyone's computational power to do protein folding for scientific medical research. Proteins fold millions of times per second, which requires multi-million dollar supercomputers to simulate them. Using this decentralized network has allowed the university to build a decentralized supercomputer. Participants are rewarded with a token that is traded for money on the markets.

What this all boils down to is that you can actually put your computer to work and start making money from the comfort of your own home. Consider your home computer an employee that can work around the clock 24/7 and never get tired. Why not maximize your resources and turn it into a real money making machine?



## **Choosing the Right Crypto-currencies**

Hundreds of altcoins exist and many of these coins are scams.

Many crypto currencies are created as a get rich quick pre-mined pump and dump scheme. Developers will create a coin, pre-mine a large portion before public release, hype the coin up to build a following, and then dump all their pre-mined coins on the market, cashing in. The programmers then abandon their coins and repeat the process. It's important to do your research and have the right guidance from seasoned veterans.

Here are a list of some popular Altcoins:

### **Litecoin**

Often referred to as the silver to Bitcoin's gold, Litecoin was created as one of the early alternatives to Bitcoin. Its transactions are faster than Bitcoin, and its total supply will be capped at 84 million.

This coin initially gained its success from the fact that all the Bitcoin GPU mining rigs were rendered obsolete when ASICs came on the scene. However, miners still wanted to use their GPU's. Litecoin provided an excellent solution.

Litecoin quickly gained value during Bitcoin's high and many early investors were happy to see coins growing from a few cents to \$50 at the peak. The price has since fallen from those highs and is slowly starting to climb back up. Litecoin has historically ranked as one of the top altcoins.

## **Dogecoin**

This is another proof-of-work script coin that is an adaptation of Litecoin. Dogecoin became an instant success, boasting the second largest crypto community. It leveraged some of its success by portraying a viral Internet dog meme.

What initially started off as a joke, ended up accomplishing many great things. Dogecoin has one of the friendliest communities on the Internet, which is why new users are drawn to it. It has been associated with launching many charitable fundraisers. Some of its landmark accomplishments include sponsoring the Jamaican bobsled team for the Sochi Olympics, having their own Nascar driver, and raising money for the first African moon mission.

The total supply is around 100 billion and it is an inflationary currency. Most of the blocks were mined within the first year, and the current inflation rate will stay at around 2%. This coin has had a wild roller coaster ride of price swings and has seen 1,000% increases within the span of a week.

### **DASH (Digital Cash)**

Originally called Darkcoin, this coin just entered a rebranding phase in order to become more popular among mass audiences.

Bitcoin's blockchain has a transparent ledger that shows all the transactions on the network. Some crypto enthusiasts wanted features that offered greater privacy, so DASH was created to offer maximum anonymity on the Internet. It has the ability to hide transactions by mixing them together.

DASH is also a hybrid between proof-of-work and proof-of-stake, and uses 11 different cryptographic algorithms to secure its network. This makes it appealing for miners because they can make money by purchasing a stake in the coin or running a GPU rig.

The total market supply will be capped at around 22 million. DASH is quite innovative, and the development team is constantly releasing new and improved features.

## **Crypto 2.0**

### **Counterparty**

Counterparty is a decentralized platform built on top of Bitcoin's blockchain. Many other 2.0 models have created their own blockchains, but Counterparty is leveraging the success of Bitcoin for its platform.

This platform allows you to create your own asset tokens on the blockchain and set your own parameters for how they function. Tokens can be used as a voting system, as a way to crowdfund for a project, as a membership pass for premium services, or to issue shares in a company. An entire decentralized exchange is built into the wallet where you can trade any of these assets.

Counterpart has a native currency that was created by destroying Bitcoins in a process called proof of burn. Its market liquidity is fairly low given what it can do.

## **Bitshares**

Bitshares has a bunch of assets that represent multiple types of fiat currencies. These fiat assets are pegged to the real value of the currencies, so traders can use them to hedge against volatility.

You can use Bitshares as a decentralized savings account that pays interest much higher than even the best rates offered by regular banks.

The Bitshares' developers invented an interesting concept called a Decentralized Autonomous Corporation (DAC). Essentially these are programs that are automated to sell services for profit, then take the profits and pay the shareholders.

Bitshares are not mined like regular crypto currencies. Instead they have their own unique mining process called “delegated proof of stake.”

## **NXT**

NXT is another interesting model that has private messaging, asset exchange, voting systems, a marketplace, and its own monetary system that allows anyone to easily issue their own currency.

NXT is a proof-of-stake system that anyone can use to start making money because mining is as easy as purchasing coins and then unlocking your wallet on the network.

One of the advantages of proof-of-stake mining is that it doesn't require expensive hardware, electrical costs, or technical knowledge.

### **Ripple (XRP)**

Ripple is a payment system, remittance market, and currency exchange. It is a cost effective means of transmitting value amongst financial institutions where transactions take only 5 seconds to confirm.

The Ripple network connects multiple exchanges and financial institutions together. Companies that use the Ripple network are called gateways and can offer derivatives that represent anything from precious metals, fiat currencies, commodities, and crypto currencies.

Banks are already using this network as a ledger to settle debts, and just recently Western Union expressed their interest in the protocol.

Some have criticized Ripple Labs for having a fully pre-mined operation, but it's made it on my list of investments

because it acts as a network that connects many different exchanges and crypto currencies together.

### **Getting in on the Action**

Many of these 2.0 platforms are recent inventions that are highly undervalued. Right now, you have an opportunity to get in on the action while they're still cheap.

The crypto markets are still young, many altcoins are actually fairly new in their life cycle, and you now have an opportunity to be an early adopter. Any one of these could be getting ready to enter a bull cycle.

Altcoins provide an excellent alternative to Bitcoin, and open up another world of opportunity within the crypto ecosystem. While it's a daunting task to figure out the best strategy for investing in Altcoins on your own, part of our advanced education focuses on this massive opportunity.

## **Section 12: How to Make Money Trading Altcoins**

Bitcoin isn't the only lucrative crypto market to trade.

Altcoins can also produce impressive returns. There are so many to choose from. The key is knowing which ones to get into, and knowing when to get out.

Trading altcoins opens up new possibilities that can keep you actively trading even when the Bitcoin markets are stale. You'll be able to take more trades than those who only exclusively trade Bitcoin.

Similar to traditional markets, most altcoins go through cycles of booms and busts. In other words, the value might double, triple, or even quadruple in price before crashing. For this reason, I recommend getting in and out of the markets quickly. A buy and hold strategy comes with too much risk, but a well-planned trade can bring great rewards.

### **Altcoin Bull Runs**

When a new Altcoin starts to grab the attention of the crypto trader community, you can see price gain 1,000%+ in a short period of time. However, that's not always healthy or sustainable. Many times, there are great



opportunities to go long on the run up, then possibly short on the way down.

Litecoin and Dash are one of the few altcoins that you can trade on margin. The way you can make money trading without leverage is with a buy low and sell high strategy. To make money trading Altcoins, you need to buy in right before a major bull run. Many coins get their moment to shine and when they do, the profit can be huge!

Here are a few examples of Altcoin bull runs:

### **The Litecoin Bubble**

If you think Bitcoin's rise from \$80 to \$1200 is impressive, the litecoin bubble actually brought higher returns. In the fall of 2013, the price of litecoin went from \$2 to \$40. That's a 2000% return on investment within the span of a month! Those who invested \$2000 worth of litecoin in October would have \$40,000 in their pocket if they sold at the peak in November.

The price of litecoin has since declined back to \$2. The trick was to know when to get out of the markets at the right time. Get out too early and you'll cut your profits

short, get out too late and you'll lose money. This is why it's important to have the right training.

### **Dogecoin Mania**

Dogecoin has been notable for its wild price swings in the past. Its value would rise and fall 400+% within a matter of days. This level of volatility lasted over the course of 6 months before prices stabilized. Dogecoin didn't do so well as a long term investment, but it gave many short term opportunities for traders.

### **3 Tips for Choosing the Right Altcoin to Trade**

There are so many altcoins to choose from that it's important you don't waste time and money chasing hype. If you use these three principles as a guide for picking an altcoin market, then your probability of making money increases.

- Trade altcoin markets that have significant volume
- Trade altcoins that have community support
- Trade altcoins that offer innovation over existing coins

Many new traders make the mistake of picking random coins that offer no innovation, have low community support, and lack trading volume. When they dump, you're left bag holding a bunch of coins worth next to nothing.

With altcoins, trading volume is a must. As a rule of thumb, don't trade an altcoin market that has a 24 hour volume under \$100,000. A market with little trading volume is easily manipulated by insiders, pumpers, and bigger traders.

Stick to the liquid coins and you'll have an extra layer of protection.

## Calculating Currency Pairings

Most altcoins are paired against Bitcoin. When trading an altcoin, its value is denominated in satoshis. As mentioned previously, 1 satoshi equals .00000001 BTC (Bitcoins). In other words, one full Bitcoin is equal to 100 million satoshis.

Because Bitcoin is divisible down to the 8th decimal level, it's a great tool for making micropayments on the Internet.

Below is an example of what an orderbook looks like for the Dogecoin markets. Notice how the market value of Dogecoin in this chart is between 50-49 satoshis.

Sell orders			Buy Orders		
Price (BTC)	DOGE	Total (BTC)	Price (BTC)	DOGE	Total (BTC)
0.00000090	42810232.99707216	21.42911850	0.00000049	43072149.24798620	21.3053531
0.00000051	26281394.99481773	13.40351145	0.00000048	39435463.17106341	18.9290223
0.00000052	8514273.56599730	4.32342325	0.00000047	27867370.75413773	13.0978642
0.00000053	13273562.14084382	7.03604794	0.00000046	23630754.00978376	10.8701468
0.00000054	8283459.33938087	4.47306804	0.00000045	13686356.84033297	6.15886058
0.00000055	4831555.53453870	2.65735554	0.00000044	35521288.07010370	6.82936673
0.00000056	7206730.96496487	4.02578502	0.00000043	6471730.93337248	2.78284430
0.00000057	9164368.42003639	5.23369000	0.00000042	7440740.28668228	3.12531040
0.00000058	12099198.99543922	7.01753542	0.00000041	6471872.98453528	2.85348792
0.00000059	3935806.96625604	2.32369761	0.00000040	21750225.81401525	8.70009013

Courtesy of Crysly

To calculate the USD value of Dogecoin you would multiply .00000050 by the USD value of Bitcoin (lets say \$280);

$$.00000050 \times 280 = 0.00014 \text{ USD}$$

### **Altcoin Hedging for Maximum Profit**

Some altcoin traders are so focused on trading between altcoins and BTC, that they forget to pay attention to the underlying USD value of Bitcoin itself.

Most of the prices in the altcoin ecosystem are affected by the price volatility of Bitcoin. Since the Bitcoin markets are more mature and have much greater trading volume. Sometimes there is a delay in the reaction of altcoin markets to major Bitcoin volatility. You can take advantage of this delayed reaction in order to anticipate where the markets are going beforehand.

We'll use Dogecoin as an example because it was a popular coin that's easy to trade. If you look at the charts below, you will notice how Dogecoin perfectly mirrors the price fluctuations of Bitcoin.

The chart on the left shows a major dump in the price of Bitcoin, while the chart on the right shows a satoshi increase in Dogecoin reacting to the dump.



Bitcoin Markets

Dogecoin Markets

In the above chart we see that the Bitcoin markets started to dump on 01/12/15 but the Dogecoin markets started reacting to the dump on 01/13/15. It took an entire day for the Dogecoin markets to react.

Knowing this, you could apply the following strategy to maximize your profit potential...

- When the Bitcoin markets dump, sometimes there is a delayed reaction in the altcoin markets. You can use your fiat to buy Bitcoins near the bottom of the dump.
- Convert your Bitcoins into an altcoin market like Doge in anticipation of a reaction.

- When the price of Doge spikes, you can sell at the peak and increase your Bitcoin holdings.
- Wait till the price of Bitcoin goes back on the rise and sell your holdings to increase your dollars.

## **Altcoin Investing**

The only exception to the above rules are investing in altcoins for mid to long term holdings.

The primary rule would be to pick an undervalued coin that offers new innovations. A smart investor will get in early before the community support and volume picks up.

There are many obscure coins that offer great features but have not picked up real volume. Markets take time to develop, and it took years for Bitcoin volume to trade in the millions. If you manage to invest in coins early on when they're cheap, you can usually cash out with high returns at a later stage.

Some altcoins may even become competitors with Bitcoin. With the right guidance you may be able to get in on the right coin just before the next big boom.



## **Section 13: Unleash your trading power...NOW!**

You're now armed with the knowledge to start trading and building wealth in this exciting new Bitcoin market.

I sincerely hope you found what you were looking for by reading this book, and above all enjoyed what you learned. You now know more about Bitcoin than 99% of the population.

They say knowledge is power, but it's what you do with that knowledge that determines how powerful it can be.

Using it for dinner conversation may make you feel intelligent, but it won't make you any money.

When I wrote this book, I had two purposes in mind. The first was to educate and inform, and the second (and really the more important of the two) was to clearly demonstrate the financial opportunity that exists when you trade Bitcoin for profit.

So, are you ready to profit?

Armed with the knowledge in this book, you're in a great place to begin.

What you do next is up to you. You have a few options:

- 1. Put the book back on the shelf, and do nothing.**

That's actually what most people will do.

Why? Because most people don't take action. In a year or two when you begin to hear the mainstream media talk about all these successful "Bitcoin Traders" you'll likely kick yourself pretty hard when you know you could have been one of them from the very beginning. But by then it'll probably be too late.

## **2. Go at it alone.**

Keep researching and continue to look for a trading strategy that you can use on your own. There are hundreds out there, mostly for stocks and other markets, but you can always try to modify them and hope they work.

If you're an expert trader already this approach might work, but it will take some time to figure out. There are differences between the Bitcoin market and other markets, and misunderstanding these differences will prove to be very costly. Believe me, I know from experience.

The bottom line is this. Whenever you're trying to learn a new skill, it's always better to learn from someone who has that skill than by trying to go at it alone.

Sure, you can figure out how to ski all by yourself. You'll probably fall a lot more, get a lot more bruises, take 3 times as long to advance to the next level, and might look pretty funny coming down the mountain. OR you can invest in a ski instructor. Someone who probably has 10+ years of experience and who can get you there much faster.

Trading Bitcoin is the exact same thing.

So—let's review. Option 1 is what most people will do—it's simply human nature.

If that's you, you can stop reading now. I hope you've enjoyed what you've learned!

But that's actually better than option 2. Those who go at it alone will almost certainly lose money, get frustrated, and quit. You'll be just like the skier who falls down 12 times by lunchtime and never skis again.

Don't be that person. In my professional opinion, it's better not to put your money at risk.

Bottom line is this. If you're serious and want what I firmly believe is the best opportunity to build wealth that has existed in the 12 years that I've been a professional trader...

Then you want to be a part of the Bitcoin Trading Academy's Training Program and community of traders. Claim your spot now by scheduling your private one-on-one consultation.

As a special bonus we will also include all of the trading tools I personally use, and give you unrestricted access to a private video training library so you can start trading Bitcoin immediately—all at no cost to you.

Go to [www.chrisdunn.com/freebitcoin](http://www.chrisdunn.com/freebitcoin) immediately to book your one-on-one session before the offer ends. If the web page says "Closed" the offer has already expired, so please don't wait.

We'll get to know you on a personal level, evaluate your goals, and get you trading as part of our private and close knit community.

To your success,

Chris Dunn