



2FA or **2-Factor Authentication** is the second level of protection, first one being the password. 2FA is usually a one-time code, which you can get with a phone app like Google Authenticator.

Altcoin or alternative cryptocurrency. Any cryptocurrency other than bitcoin.

Arbitrage means taking advantage of a price difference between two different crypto exchanges.

ATH or **All Time High**. We use the expression, when the price hits new high, which has never been reached before.

Bag Holder refers to an investor that is holding a bag of typically stocks that became worthless over time. In crypto slang bag doesn't necessarily mean a negative thing. Crypto investors usually refer to their portfolio as bags. Example: My biggest bags at the moment are: \$LOOM, \$ADA and \$WAN.

Bear Market is a general decline in a market over a longer period of time. It's a market in which prices are falling. Bear market is the opposite of the bull market.

Blockchain is digitalized and decentralized public ledger in which transactions are recorded chronologically.

Bull Market is a period of time where prices are going up in value. Bull market is the opposite of a bear market.

Cryptocurrency is a digital currency in which encryption techniques are used to regulate the generation of units and to verify the transfer of funds.

Cryptocurrency Exchange is a business that allows customers to trade cryptocurrencies for other cryptocurrencies or fiat money.

Dapp or **Decentralized Application** is an application written in the blockchain. It has its backend code running on a decentralized peer-to-peer network.

DYOR or **Do Your Own Research**. The abbreviation is usually used as a reminder for readers to do their own research, before acting on a news or an opinion.



Fiat Money is any currency that is not backed by a physical commodity. The currency's stated value exists only because of a government decree.

FOMO or **Fear of Missing Out** is powered by emotion. It happens when a coin gains in value fast and you don't own it. Thinking the growth will continue you go in a trade without any real strategy or analysis. When you "FOMO" into a coin, it more often than not results in a disaster.

FUD or **Fear, Uncertainty and Doubt** is a real price mover in crypto. It happens when bad publicity, which usually isn't funded by facts, spreads through media and causes a quick drop in price. A lot of times, you will see people asking themselves on forums and social media: "Is this just "FUD" or is it a real thing?"

Fundamental Analysis is a method of evaluating a cryptocurrency in an attempt to measure its intrinsic value.

Gas is the name for a special unit used in Ethereum. It measures how much "work" an action or set of actions takes to perform. Every operation that can be performed by a transaction or a smart contract on the Ethereum platform costs a certain amount of gas. Operations that require more computational resources cost more gas than operations that require less computational resources. Basically gas is the way fees are calculated. But fees are not actually paid in "gas", they are still paid in ether. To calculate actual fee, you need to establish gas price, which is the amount of ether you are willing to spend on every unit of gas. Gas price is currently denominated in gwei. 1 gwei equals 0,000000001 ether.

Gwei is a denomination of ether. 1 gwei equals to 10^{-9} ether.

Hard Fork is an event where a cryptocurrency's code is changed so both old and the new version remain as two different blockchains. Nodes running the old version of blockchain are no longer accepted by the new version. Usually everyone will eventually upgrade to the latest version and only one blockchain will remain, but sometimes hard fork results in two different coins, like Ethereum and Ethereum Classic or Bitcoin and Bitcoin Cash.



Hodl is a very popular term in crypto talk, meaning hold. The term was born in 2013, when probably drunk member of Bitcointalk posted: "I AM HODLING." Since then the misspelled word slowly replaced the original. Today nobody is holding bitcoin anymore, everybody is "hodling" it.

ICO is the abbreviation for **Initial Coin Offering**. ICO is a crowdfunding centered around cryptocurrency, which can be a source of capital for startup companies. It means that someone offers investors some units of a new cryptocurrency in exchange against other cryptocurrencies or less often fiat money. ICO coins are issued on a blockchain and can be easily traded. But unlike shares they do not confer ownership rights.

Indicator is a statistic used to measure current condition as well as forecast future trends. By term indicator we usually mean technical indicators like MACD, MA, RSI and others. They are used in **technical analysis** to predict changes in cryptocurrency prices and general trends. In **fundamental analysis** economic indicators are used to provide insight into the potential future profitability of a cryptocurrency.

Margin Trading allows you to buy more coins than you normally could. Buying on a margin means you borrow money from an exchange or from another trader to purchase cryptocurrency. In a way you take a loan.

Market Cap or **Market Capitalization** of a cryptocurrency is calculated by multiplying the price of a cryptocurrency by the circulating supply of that cryptocurrency.

Multisig or **multisignature** refers to requiring more than one key to authorize a transaction.

Node supports the network through validation and relaying of transactions while receiving a copy of the full blockchain itself. Any computer that connects to the bitcoin network is called a node. Nodes that fully enforce all of the rules of bitcoin are called **full nodes**. Most nodes on the network are lightweight nodes instead of full nodes. Full nodes form the backbone of the network.

Orders are placed on crypto exchanges to buy or sell cryptocurrency. Different order types exist: market order, limit order and stop order, just to name a few.



PoW or Proof of Work (Mining) is the validation of the work that happened (solving exceptionally difficult math problems) and proving it is correct. Whoever solves the problem first gets the reward. Checking whether a solution is correct is easy and public. Bitcoin and many altcoins follow this way of consensus to make sure the authenticity of the blockchain is legit.

PoS or Proof of Stake (Staking) is another way of verifying and validating the transactions. Instead of miners in PoS we have validators. Each validator owns some stake in the network that they bond. Bonding stake means you put some money in the network and in a way use it as a collateral to vouch for a block. In PoW you know the chain is valid because of work behind it and in PoS you trust the chain with the highest collateral.

Private Key is made up of 51 alphanumeric characters. The possession of private key allows you to access your cryptocurrency. Every digital wallet stores all the private keys of a user. When a transaction is initiated, the wallet software creates a digital signature by processing the transaction with the private key.

Public Key is created from the private key with the use of asymmetric cryptography. Public key is basically the public address where your cryptocurrency is deposited. But in order to withdraw it, you also need the private key.

Rekt is a slang version of wrecked. Rekt was originally used in gaming community. It referred to one player or team getting severely beaten by an opponent. The term got adopted by crypto community where the meaning is very similar.

ROI or Return on Investment is the ratio between the net profit and cost of investment. Return on investment formula: $ROI = (\text{gain} - \text{cost}) / \text{cost}$

Satoshi is the smallest denomination of bitcoin. 1 satoshi equals 0.00000001 (10^{-8}) of bitcoin

Short (vs Long) Trade. In a long trade you buy a cryptocurrency with the expectation to sell at a higher price in the future. Short trade works the other



way around, it is initiated by selling the coin first, with the expectation to buy back the coin at a lower price sometime in the future.

Shilling or Pumping means advertising cryptocurrency's worth, usually beyond its true value.

Smart Contract is a computer protocol intended to digitally facilitate, verify or enforce the negotiation or performance of a contract. Smart contracts allow the performance of credible transactions without third parties. These transactions are trackable and irreversible. A smart contract can be fully self-executing and/or self-enforcing. Bitcoin was the first to support basic smart contracts in the sense that the network can transfer value from one person to another. Ethereum took smart contracts to another level. It allows developers to program their own smart contracts or "autonomous agents" by supporting a broader set of computational instructions.

Soft Fork is a change in a cryptocurrency's protocol. The difference between a soft and a hard fork is that soft fork is backward compatible and old nodes will recognize new blocks as valid. Soft fork requires only a majority of users to do an upgrade, as opposed to the hard fork, where everyone has to agree on the new version.

Technical Analysis is methodology for forecasting the direction of cryptocurrency's price through the study of past market data, primarily price and volume.

Token is a cryptocurrency that depends on another cryptocurrency as a platform to operate. A **coin** is a cryptocurrency that can operate independently. For example \$ETH is a coin and \$GNT, \$BNT and \$REP are tokens operating on Ethereum platform.

Wallet or Cryptocurrency Wallet is a digital wallet used to store, send and receive coins. There are 5 main types of wallets: desktop wallet, online wallet, mobile wallet, hardware wallet and paper wallet.

Wei is the smallest denomination of ether. 1 ether equals 10^{18} wei



Whitepaper is prepared by developer(s) of a new cryptocurrency. It is a document that details (or it should detail) everything you need to know about a cryptocurrency, like what they want to accomplish with the new coin, what are their methods and what is their roadmap. When you are doing fundamental analysis of a certain cryptocurrency, whitepaper should be one of the first things you read.

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