

**BACK TO
BASICS**

CRYPTOCURRENCY INVESTING

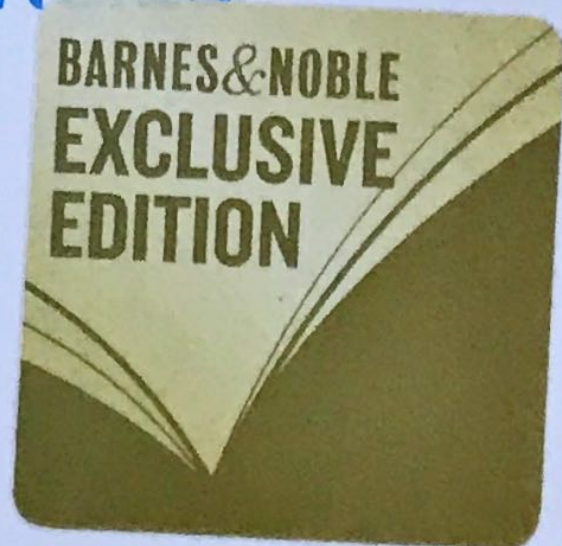


From **EXCHANGES**
and **WALLETS** to **BITCOIN** and
Beyond, an Essential Guide
to **NAVIGATING**
DIGITAL CURRENCIES

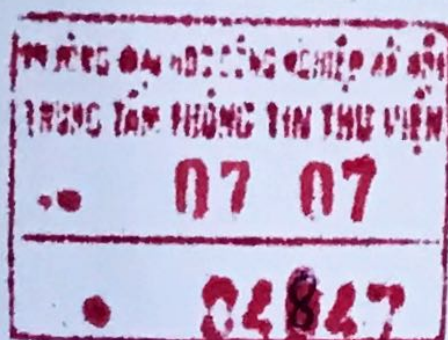


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Publisher's Acknowledgments

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Cover Photo: (stairs)

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Back to Basics: Cryptocurrency Investing

Published by John Wiley & Sons, Inc.

111 River St.

Hoboken, NJ 07030-5774

<http://www.wiley.com>

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ISBN 978-1-119-55133-1 (pbk)

Manufactured in the United States of America

F10006499_112818

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Cryptocurrencies as an Investment

Whether you're a seasoned investor who has been exposed only to investment assets other than cryptos or you're starting to invest for the first time, you're probably wondering why you should consider including cryptocurrencies in your portfolio. What's the big deal about all these coins anyway?

In this chapter, you get an overview of cryptocurrencies. That way, you can decide whether the cryptocurrency industry is the right route for you to grow your wealth.

Cryptocurrencies versus Traditional Investments

Diversification is the good old “don’t put all your eggs in one basket” thing. You can apply this advice to literally anything in life. If you’re grocery shopping, don’t buy only apples. Even though they say “an apple a day keeps the doctor away,” you still need the nutrition in other kinds of vegetables and fruit.

You can go about investment diversification in so many ways. You can diversify with different financial assets, like stocks, bonds, foreign exchange (forex), and so on. You can diversify based on industry, like technology, healthcare, and entertainment. You can allocate your investment by having multiple investment time frames, both short-term and long-term. Adding cryptocurrencies to your investment portfolio is essentially one way of balancing that portfolio. Especially because the cryptocurrency industry is vastly different from traditional ones, this diversification may increase the potential of maximizing your portfolio’s growth. One of the main reasons for this higher potential is that the cryptocurrency market may react differently to various global and financial events.

The following sections briefly look into some of the traditional markets and explore their differences from the cryptocurrency market.

Stocks

The stock market gives you the opportunity to take a bite of the profits a company makes. By buying stocks of that company, you become a part-owner of that firm. The more stocks you buy, the bigger your slice of the cake. And of course, the higher the risk you face if the whole cake is thrown out in the garbage.

The stock market is perhaps one of the most appealing investment assets. Novice investors may pick up a stock or two just because they like the company. For most investors, the charm of stock investing is the possibility that the prices will increase over time and generate significant capital gains. Some stocks even provide you with a periodic income stream through something called *dividends*. (Find out more about capital gains and dividend income later in this chapter.) Regardless, for most stocks, the dividends paid within a year are nothing compared to the increase of the stock's value, especially when the economic environment is upbeat.

About the Author

Kiana Danial is an award-winning, internationally recognized personal investing and wealth management expert. She is a highly sought-after professional speaker, author, and executive coach who delivers workshops and seminars to corporations, universities, and entrepreneurial groups. She is a frequent expert on many TV and radio stations and has reported on the financial markets directly from the floor of the New York Stock Exchange and Nasdaq. She has a daily cryptocurrency online video show on the London-based cryptocurrency media portal NewsBTC and is a weekly investment expert guest on Tokyo's number one investment TV show. Her cryptocurrency strategies are featured on Nasdaq.com, Investing.com, and FXStreet.com, among others, on a daily basis. She has been featured in *The Wall Street Journal*, *Time*, CNN, *Forbes*, *TheStreet*, and numerous other publications and media outlets.

An investor's guide to Bitcoin and beyond

If you're new to cryptocurrency investing but don't know when, where, and how to begin the process, then *Back to Basics: Cryptocurrency Investing* is for you. This clear and concise guide gives you the tools and information you need to get started in this hot and fast-changing market. From Bitcoin and Litecoin to Ethereum and Ripple, decide which currencies to invest in, manage risk, know when to sell, and deal with taxes. You'll find a variety of methods to invest in these assets, whether short-term, long-term, or through ETFs or ICOs.

Inside discover how to

- Work with digital wallets
- Weigh risk versus return
- Invest in the top currencies
- Mine cryptocurrencies

Kiana Danial is an award-winning, internationally recognized personal investing and wealth management expert. She is a highly sought-after professional speaker, author and executive coach who is a frequent expert on many TV and radio stations. Kiana has been featured in *The Wall Street Journal*, *Time*, CNN, *Forbes*, *TheStreet*, and numerous other publications and media outlets. She has won numerous awards including Investment Expert of the Year award from Wealth & Finance in 2018.

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ISBN 978-1-119-55133-1



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Mã sách: 070704847