



THE NEW ERA OF CRYPTO WEALTH MANAGEMENT

**CRYPTOCURRENCIES OUTLOOK 2018**  
STAIRWAY TO HEAVEN

DECEMBER 2017

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“ There’s a lady who’s sure. All that glitters is gold. And she’s buying a stairway to heaven. When she gets there she knows. If the stores are all closed. With a word she can get what she came for Oh oh oh oh and she’s buying a stairway to heaven.

Led Zeppelin “Stairway to heaven” 1971

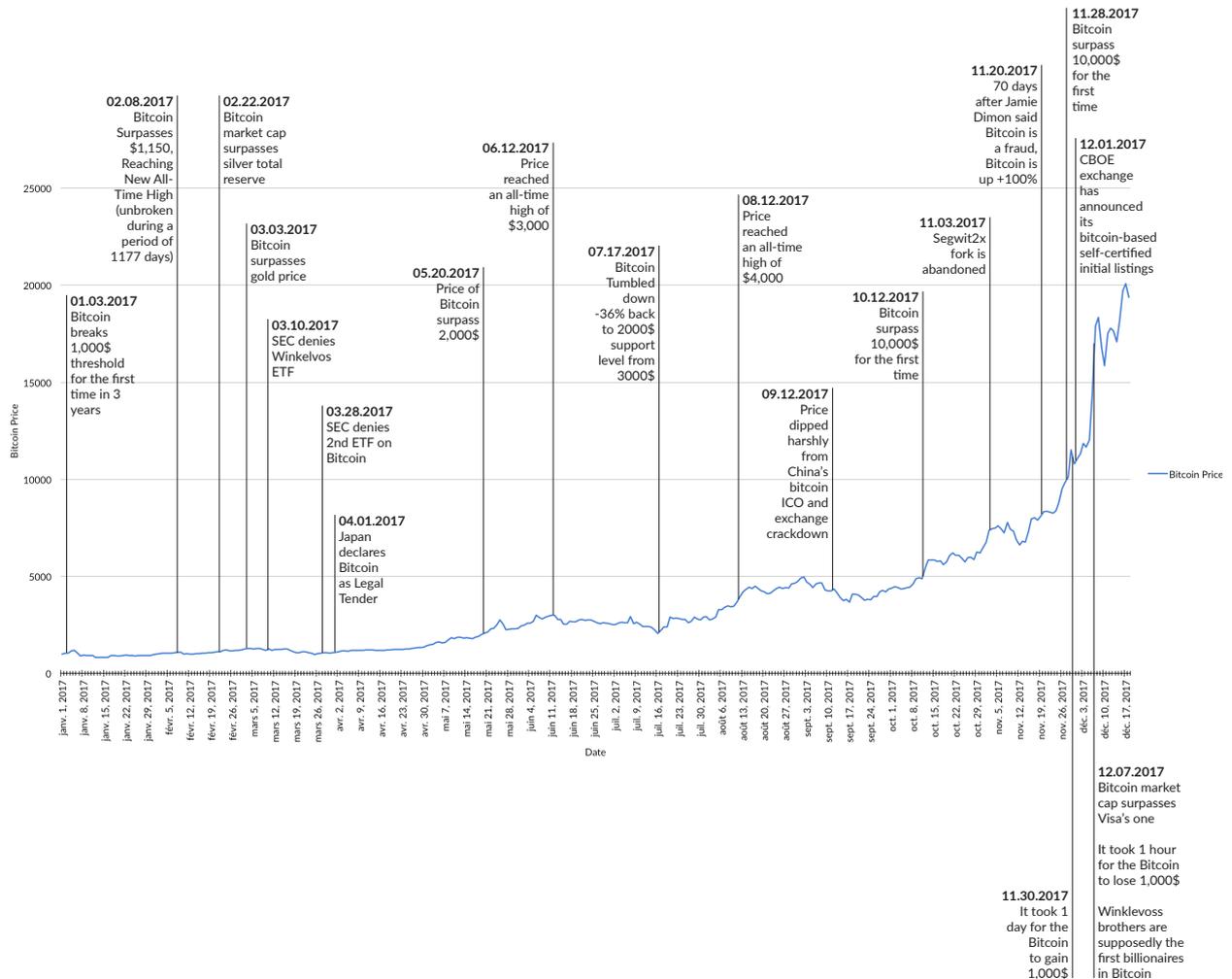
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# INTRODUCTION

Bitcoin being the most googled word of this end of year, it is a logical place to start and retrace the main events happened to it in 2017.



# FOREWORD

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The 'word' referred to by Led Zeppelin, can be, in our scenario, ICOs, Tokens, Cryptocurrencies, Altcoins, Blockchain, Smart Contracts, Bitcoin, Ethereum... and 'heaven' is the destination of investors, blockchain pioneers, ICO enthusiasts, utopists, and firm believers in the swarm intelligence and the meritocracy of the Crypto space. These are new words, new terms, buzz words, but words already so prevalent that people had trouble ignoring them in 2017. If you think 2017 was a frenetic year, please, brace for '18! Before jumping into our recap of 2017 and our outlook for '18 and before entering into details about specific names and terms, it is part of our job to demystify and explain this strange and fascinating world of cryptocurrencies and blockchain.

## Let's start from the beginning: what is a cryptocurrency?

*"A cryptocurrency is a digital or virtual currency that uses cryptography for security. A defining feature of a cryptocurrency, and arguably its most endearing allure, is its organic nature; it is not issued by any central authority, rendering it theoretically immune to government interference or manipulation."\**

The more detailed our definition of cryptocurrency the better we can understand crypto space. Cryptocurrencies can be classified into four majors categories:

1. **Currency tokens:** J coin is a perfect example. A token pegged officially on the Japanese Yen that is currently being developed.
2. **Utility tokens:** Ethereum is a good example of utility tokens. Ethereum is a decentralized platform that runs smart contracts.
3. **Membership tokens:** Storj is a great example for a membership one. It is a decentralized cloud storage platform that allows anyone to rent their idle hard drive space and to earn a revenue by doing so. End users can use Storj to store their files at competitive prices and within a p2p network that is secure from server downtime, censorship and hacks.
4. **Security tokens:** TaaS is a good example for this last category: It is an investment fund designed to invest in blockchain markets.

You have heard of Bitcoin and the 'altcoins.' This naming convention began because, back in the days circa 2011, forks of Bitcoin appeared in the markets. The forks, or clones, each aspire to serve a niche area, aiming to be 'better' than Bitcoin. Since then, countless new

\*Source : <https://www.investopedia.com>

cryptos have emerged, in a way, eroding Bitcoin's crypto market cap dominance. Indeed, throughout 2016 and 2017, ICO's of all shapes and sizes have repeatedly set new fundraising records. Bitcoin and Ethereum have, without a doubt, opened the path for a new generation of innovative initiatives but, ICO's success has proven that the economy was, desperately and eagerly, awaiting a new form of funding.

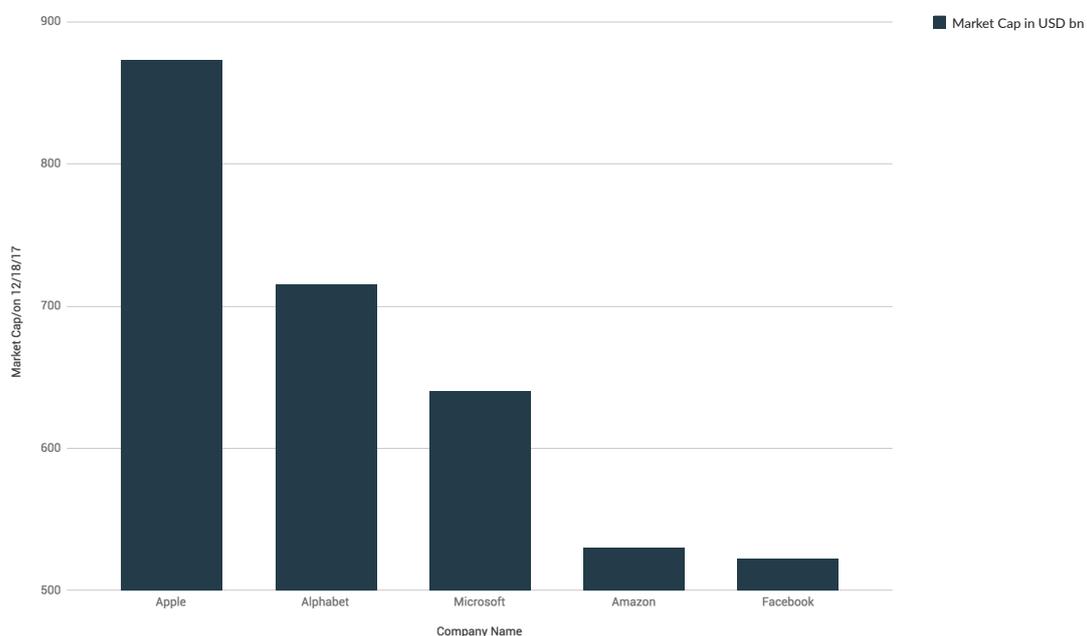
Now having defined this, let's take a big deep breath and let's enter this new world. Don't be scared, it might just be one of the most exhilarating rides of your life.

# 2018 GENERAL OUTLOOK

## Let's start with the question on everyone's mind : are we witnessing a bubble ?

Before everything else, let us rehabilitate the term and point out that 'bubbles' can sometimes be productive. They allocate capital rapidly to innovative ideas instead of bestowing incremental improvements to existing technologies. The dotcom bubble created a lot of failed companies, but it also created Amazon, Google, and many others, let's not forget that.

Today's top five companies are Tech:



In the late nineties, internet was a lifetime investment opportunity. Back in those days, Yahoo's revenues saw a phenomenal rise. Because of the stunning returns of the young web service provider people invested in internet startups hoping to pick the future Yahoo. These startups, then, used the money to buy ads on Yahoo to attract traffic, which caused yet more revenue growth for Yahoo and further convinced investors that it was worth investing in the Internet.

Something very similar has been happening in the Blockchain world. Many parallels can be drawn. In today's ICO framework, founders usually follow the template set by Ethereum: the project's vision is explained in a white paper that describes how the new network protocol will operate and how the underlying business is, eventually, structured. Most ICOs today only accept BTC or ETH, so exterior investors, have to convert their Fiats to one or both of these cryptos, hence increasing the demand and, therefore, their prices. In a way, you can today see Bitcoin or Ethereum as the entry gate to the rest of the crypto world. Ethereum's price doesn't rely on its high demand alone, but also on a general-purpose computing platform, as a lot of new tokens are built on top of the Ethereum blockchain, increasing its swarm and therefore the price of ETH.

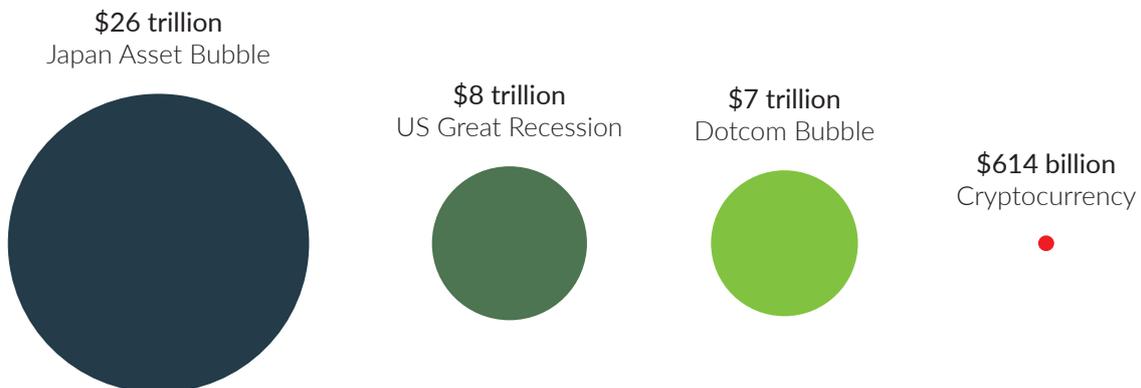
The result of that cycle is a powerful feedback loop. Most of the companies issuing tokens emphasise the success of ETH as evidence that token presales are a good investment and like Yahoo, as an example in the late 90's, ICO activity boosts demand for ether (and Bitcoin), creating an even greater sense of momentum in the blockchain world as a whole. This feedback loop is, likely, one of the reasons why the price of Bitcoins and Ether soared over the last year.

However, we don't see this role of the feedback loop as playing a purely negative role. Exuberance and abuses will bring with them scrutiny and regulations. The future for ICOs and the token market is bright, but undoubtedly more regulated. The market maturing, more "off-chain" rules will mutate and adapt to try to mitigate and regulate the coin markets. This will happen more quickly than most people think, authorities having at the same time the responsibility to legislate and the financial obligation to engage in this new lucrative market. However, in order to maintain the ethos of free spirit and remain a self-regulated market several associations in the world, such as Crypto valley in Switzerland JBA in Japan, have committed to leading the way.

# BUBBLE ? WHAT BUBBLE ?

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## Cryptocurrency vs greatest bubbles in history (Inflation-adjusted):



As shown on the graph above, for the cryptocurrencies space to scale to the size of the dotcom bubble, widespread adoption will be needed. For retail investors to access and want to invest in this new asset class, processes, standards and regulation need to become more mainstream. This is in a way comforting, it gives actors of this new space the time to adjust and build robust and ethical businesses. In the meantime, guidelines have been created, with the best practice and standards for companies willing to do an ICO. The goal is to align stakeholders and to improve the volume and flow of capital incentives for ICOs from institutional-grade investors. Going forward, each project will have to comply with the protocol and set of rules.

In the near future, ICO that will successfully raise money will adopt new standards:

1. Companies can't, only, rely on a template website and 20 pages of white paper. Today, in order to attract a community and raise assets, companies will need an existing business with revenues, leverage blockchain technology and philosophy through tokenization, encryption and decentralisation. Companies will need to provide clear and adapted legal structure, accurate financials, a clear road-map and expertise in the related business.
2. International team should be a mix of experts in the tech and business spheres. ICOs, today, are, for the most part, Application related, meaning they have a real business behind them which implies that they need to have the right people at the right place, doing the right work. The human component being the most important one in a company, the team needs to be one of the main drivers of the credibility and the success of the company.

3. Backers as high quality board of advisors and institutional investors are also an important factor. Baking by well-known investors or endorsed, in a way, by eminent advisors in a related field to the business, give companies an edge over the competition. The Guru effect, when relevant, offers traction.

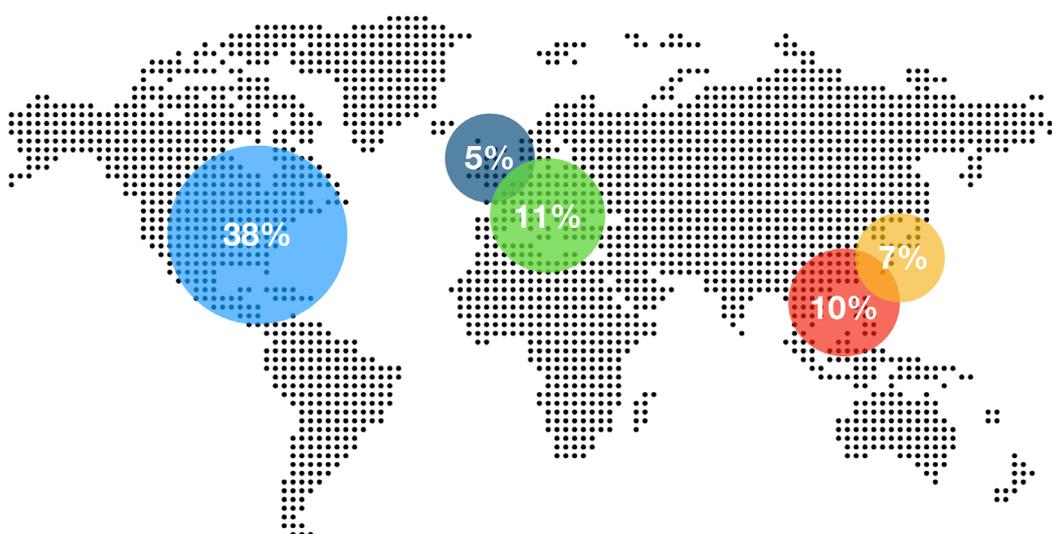
4. Community being at the core of the blockchain philosophy, strong social media (telegram, Github) support as well as live interactions (through Meetups for example) are crucial. Organic community growth is a way of measuring the potential swarm and goodwill of a company.

5. ICO process should be transparent and meet standards. Companies should provide potential investors with a clear road-map, relevant financials, an understandable and accurate legal structure, transparent token distribution explanation and clear funds usage. An exhaustive white paper explaining, not only the philosophy behind the project, but the project, itself, in detail, and outlining clearly the members of the team and describing each of their roles is, also, important.

To sum it up in a nutshell, 2018 is looking very promising with great new opportunities in the ICO space and large cap crypto continuing to pave the way on returns. To better grasp what is in front of us, we need to take a step back and look at the big picture. For example: the crypto space represents, for the moment, only 0.67% of assets managed by the top 400 institutional asset managers\*\*. Also, we can compare cryptos to assets, today cryptos represent only 0.58% of the global stock markets.

## GLOBAL STOCK MARKETS

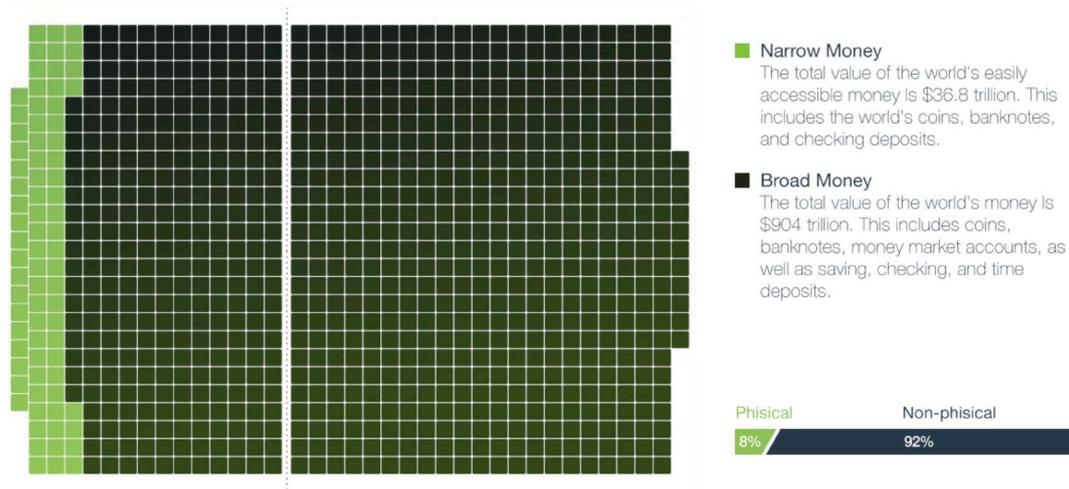
The market capitalization of all the world's stock markets is equal to \$73 trillion.



\*\*Source : ©IPE Research

## GLOBAL MONEY SUPPLY

On the money supply side this is even smaller (0,47%).



The figures are eloquent. We should not forget that Bitcoin was created in 2009, Ethereum in 2015, the Blockchain industry is still in its infancy. Mass adoption is, therefore, yet to take place. If you think of market penetration now, some estimates indicate there are between three to five million cryptocurrency users, which represents 0.14%-0.24% of the 2.1 billion people in the world between 14 and 65 who have internet access. Imagine the space to grow here.

For the mass adoption scenario to happen, we believe that intelligent regulations should be gradually implemented around the globe. Understandably, there are fears that regulation will stifle innovation. Moreover, rules in such an innovative space usually don't age well, they may become, potentially, incompatible with future innovations. But, there are two considerations to keep in mind. 1) Regulators are aware of this risk of stifling innovation, that is why they are adopting a wait-and-see approach. 2) Those in charge of regulation know that if the rules are too strict, companies will move to more friendly jurisdictions, which is economically undesirable. Regulators will have to practice balance between protecting vested interests and crafting rules that don't suffocate innovation. The community should, also, start a real pedagogic approach to educating regulators and a wider audience about what is behind cryptos and what extraordinary businesses are being built on the blockchain technology.

As investors, we have to keep in mind that the most crucial tools in the investment toolkit are patience, decisiveness and skepticism. This is as true for crypto space as much as it is for traditional asset investment. The cryptocurrency market is new but the crypto-investor's question remains as old as trade itself: is it time to buy? You decide. We definitely already did!

Source : <http://money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/>

## OUR BEST PICKS FOR 2018

# BITCOIN

## KEY FACTS

- Bitcoin (BTC) USD 17,100
- The 1st of cryptocurrency
- Biggest market cap to date with a USD 286bn
- 50% of total market capitalization
- Bitcoin uses peer-to-peer technology to operate with no central authority or banks; managing transactions and the issuing of bitcoins is carried out collectively by the network. Although other cryptocurrencies have come before, Bitcoin is the first decentralized cryptocurrency
- Its reputation has spawned copies and evolution in the space.
- Bitcoin is an SHA-256 POW coin with 21,000,000 total minable coins. The block time is 10 minutes

The king of the cryptocurrencies, or the grandpa, if you prefer, has proven that 2017 was just the beginning. 17x returns, 1,700%, put it anyway you want, is a performance that nobody in the traditional investment space was even dreaming of achieving. 2018 will continue to push returns. For all the reasons explained previously in our outlook, but also for the reason exposed by this survey conducted by venture capital firm Blockchain Capital that 30 percent of those in the 18-to-34 age range would rather own \$1,000 worth of Bitcoin than \$1,000 of government bonds or stocks.

We should not forget that this incredible has taken place without the participation of the big financial institution. JP Morgan Chase recently announced plans to offer Bitcoin futures on the Chicago Mercantile Exchange - an important move by one of the biggest banking and financial service providers in America. Even more satisfying, this move comes only months after Chase CEO Jamie Dimon condemned Bitcoin as a scam, which, besides its pristine irony, exposes the awakening of the mainstream world of finance to the reality of crypto market.

As more institutional money moves into the crypto market and general consumers transition from the declining fiat currency system to a more sound and robust store of value, bitcoin will overtake fiat currencies to become one of the leading global currency. As Bitcoin only has to grab a few % points of the global multi-hundred trillion investment market to realize a market cap of \$1 trillion and beyond. As we write these lines, Nasdaq has, also, announced that they are working on a future with Bitcoin to be launched in 2018.



# ETHEREUM

## KEY FACTS

- Ethereum (ETH) USD 815
- The 2nd of cryptocurrency in market cap USD 78bn
- 13% of total market capitalization
- Ethereum is a decentralized platform that runs smart contracts: applications that run exactly as programmed without any possibility of downtime, censorship, fraud or third party interference. In the Ethereum protocol and blockchain there is a price for each operation. The general idea is, in order to have things transferred or executed by the network, you have to consume or burn Gas.
- The cryptocurrency is called Ether and is used to pay for computation time and for transaction fees.
- Ethereum is the most used platform to create new businesses being ERC-20 tokens

Ethereum deserved the ride it had in 2017, and has much more potential to continue on this bullish momentum. A healthy mix of micro and macro factors are propelling ETH prices to new highs:

- 1) The rise of initial coin offerings (ICOs) on Ethereum.
- 2) Development of further use-cases.
- 3) Development of interoperability.
- 4) Increasing transaction volumes.
- 5) Regulatory acceptance of blockchains.

For Ethereum the same logic as Bitcoin can be applied, big money entering the space, will be allocated sooner or later to the 2nd largest crypto in the market. Furthermore, with more traditional investors coming in, traditional notions of finance will apply and diversification has a good chance to be the first, one they will, no doubt, want to implement in a unconventional market where fear remains a major factor.

Ethereum will, therefore, benefit from the passive flows coming from big money, but will at the same time be supported by additional factors such as (constant new applications using Ethereum blockchain, ...) explained above and in our global market outlook. Being, once again, firm believers in the future of ICOs, most of them using ERC-20 technology to build their business architecture, will mechanically trigger higher volume of gas (fees) transactions. Finally being ERC-20 based, most ICOs adopting Ethereum's smart contracts protocols, will be funded in Ether, hence growing the appetite for it to subscribe to these newcomers.



# RIPPLE

## KEY FACTS

- Ripple (XRP) USD 0,77
- The 4th of cryptocurrency in market cap USD 30bn
- 5% of total market capitalization
- Ripple is a distributed network which means transactions occur immediately across the network - and as it is peer to peer - the network is resilient to systemic risk. Ripples aren't mined - unlike bitcoin and its peers - but each transaction destroys a small amount of XRP which adds a deflationary measure into the system.
- 50 of the largest banks in the world have or are planning to integrate XRP in the near future.

Ripple has one of the cheapest transaction processings and has continuous excellent upgrades. Per second, Ripple's technology can process 1500 transactions, compared to Bitcoin which takes seven transactions per second. Ripples technology is powerful enough to replace international payment systems by reducing the cost and allowing instant transfers. Moreover, Ripple is already working with many banks due to its cheaper and faster transactions than traditional methods. Many leading banks have adopted Ripple technology over their payment infrastructure. So, there is no doubt the coin will be a front-runner in 2018.

On the figures side, quadrillions of dollars move across borders every year. The current levels of value that SWIFT handles are around \$5 trillion per day, or 1.25 quadrillion dollars per year. Ripple's Consensus Ledger can process 1,500 transactions per second and settles an international payment in an average time of three seconds. Using Ripple's technology will bring a substantial and measurable increase in velocity of money and, mathematically, the number of transactions. Furthermore, the technology reduces the cost to near-zero, the adaption has, almost, no barriers.



# LITECOIN

## KEY FACTS

- Litecoin (LTC) USD 330
- The 5th of cryptocurrency in market cap USD 18bn
- Litecoin provides faster transaction confirmations (2.5 minutes on average) and uses a memory-hard, script-based mining proof-of-work algorithm to target the regular computers and GPUs most people already have - which are its main differentials to Bitcoin.
- The Litecoin network is scheduled to produce 84 million currency units with a halving in reward every four years just like bitcoin. The coin was created by a Google employee, Charles Lee.
- Litecoin has spawned numerous clones, however it has a solid base of support and dedicated development team.

The premise behind Litecoin's Lightning Network is simple. In order to make spending Bitcoin practical from a transaction speed and price perspective, small BTC transactions will, eventually, be made via instant and real-time exchange of Bitcoin to Litecoin. When people buy small consumable goods, they will use Litecoin. When doing bigger purchases, people will use Bitcoin. In both cases, the two currency formats will be completely and immediately interchangeable.

More broadly, there is a real need, maybe urgency, for wider digital currency adoption. One example is consumer-led credit and debit card chargeback fraud. This type of fraud is at an all time high. 'Friendly fraud' chargebacks used against online retailers like Amazon, cost them an excess of \$4 billion per annum according to sources like The Chargeback Company. With Litecoin and Bitcoin, however, such consumer fraud becomes altogether impossible.

We believe that more and more people will enter the crypto space, as we said previously, therefore, even if actors of this space don't, usually, cash-out, more traditional investors coming in might bring with them more traditional methods. This will be manifested when they want to spend their gains in the real world, then, Litecoin will, definitely, be the cryptocurrency that will be used.



# GNOSIS

## KEY FACTS

- Gnosis (GNO) USD 195
- The 79th of cryptocurrency in market cap USD 215m
- 0,04% of total market capitalization
- Gnosis is a decentralized prediction market built on the Ethereum protocol.
- Gnosis provides an open platform for anyone to predict the outcome of any event and plans to drastically simplify the creation of customized prediction market applications.
- GNO is an Ethereum-based token that is used to incentivize long-term participation in the Gnosis platform.

Gnosis, which means the knowledge of spiritual mysteries, is a prediction markets platform, allowing a 3rd party developer to build, for example, betting apps. The objectives and nature of Gnosis are quite straightforward:

- 1) Lower barriers for non-technical people.
- 2) Maintain an ecosystem based on centralized/decentralized oracles.
- 3) Create market prediction applications for:
  - a) financial instruments
  - b) insurances
  - c) information (where insiders are able to make bets on, for example, the price discovery of pieces of art)
  - d) governance (oracle on decisions taken by governance boards)
  - e) sport betting: in this last space the whole gambling market exceeds \$452 bln and betting comprised 37% of the market in 2016 and is growing.

Existing market players, are centralized and lack the advantages of a decentralized prediction market, such as speed, the ability not to rely on centralized storage of gambling sites, low fees, etc...

Gnosis is really able to bring innovation and make the betting market more competitive, more efficient, and more fair. Swarm intelligence, coupled with AI is, for us, one of the great value blockchain technologies has brought in prediction markets.

Gnosis is probably one of the most well positioned companies in the crypto universe to take advantage of the new and vast market and render predictions more accurate for many different industries and therefore making these industries even more efficient.

Finally, the company has a rock-solid team of experts in prediction markets fields. The team consists of experienced crypto-enthusiasts who are, also, a part of the Consensys company. Consensys is an entity which helps with the adoption of Ethereum and is one of the most respected companies in the Ethereum sphere and blockchain sphere as a whole. Gnosis, also, has a board which consists of Joseph Lubin, Ceo of Consensys, and Jeremy Millar, founder of Enterprise Ethereum alliance.



# OMISEGO

## KEY FACTS

- OmiseGO (OMG) USD 17,2
- The 18th of cryptocurrency in market cap USD 1,75bn
- 0,32% of total market capitalization
- OmiseGO is building a decentralized exchange, liquidity provider mechanism, clearinghouse messaging network, and asset-backed blockchain gateway.
- OmiseGO is not owned by any single one party. Instead, it is an open distributed network of validators which enforce behavior of all participants.
- The token will have value derived from the fees derived from this network, with the obligation/cost of providing validation to its users.

OmiseGo is a “spin-off” of Omise, a business founded in 2013, which is a very popular payment management platform in Southeast Asia, especially in Thailand.

Omise and OmiseGo (OMG) are different, however, it has been made clear that Omise, fully, intends to integrate OmiseGo into their existing products/payment gateways. This includes the 50,000 acceptance points they currently have, as well as the recent announcement of McDonald’s Thailand and partnerships with 12 banks in South-East Asia.

OmiseGo is an e-wallet and payment platform operating across multiple currencies and assets. They will create a platform for managing fiat, cryptocurrency and other assets. They are building a liquid on-chain decentralized exchange and off-chain payment network to make its ecosystem work. OmiseGo users will be able to manage: fiat tokens, cryptocurrencies, and other assets (such as loyalty and reward points). The OmiseGo will solve a lot of problems, including settlement time, fees, transparency, security, finality.

OmiseGo wants to be the place where you do not need a bank account to cash-in or cash-out, “bank the unbanked”, as they say. The company goal is to continue to gain market shares of the vast remittances market, with the new blockchain backbone. The team is rock-solid, their track record exposes their capability and their advisory board is nearly a textbook example, because it include the likes of, Vitalik Buterin founder of Ethereum, Bitcoin.com CEO Roger Ver and the founder of Golem Julian Zawistowski.



# SINGULARITYNET

## KEY FACTS

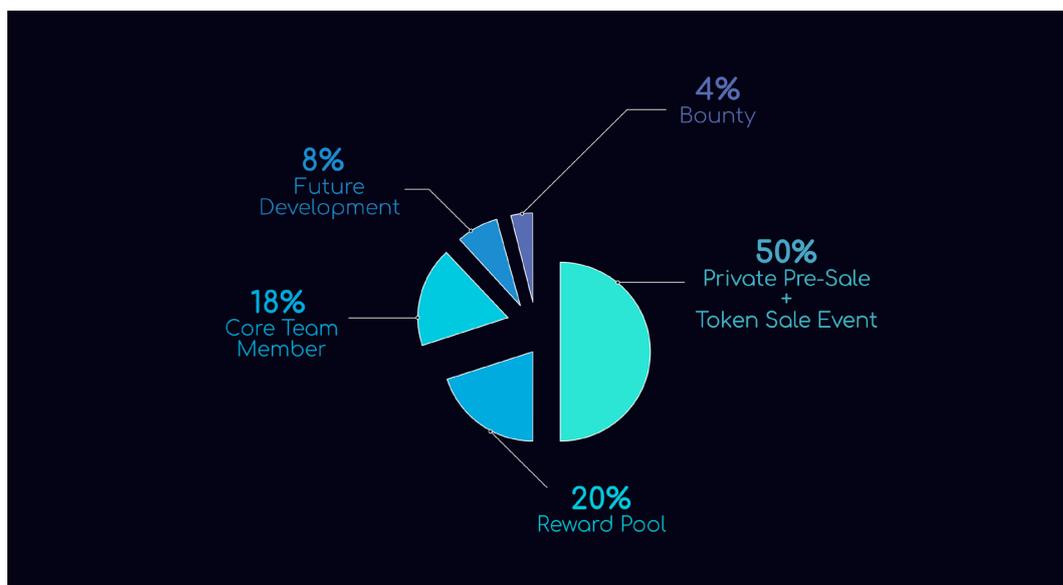
- SingularityNet (AGI)
- USD 36m ICO hard cap
- 21 December - 30 January 2018
- SingularityNET is a protocol for coordinating, discovering, and transacting AI algorithms at scale. SingularityNET makes a decentralized global market for AI services possible in which parties own their own data.

Today, all the big tech companies are working very hard on AI, but there is no real cooperation in place between them.

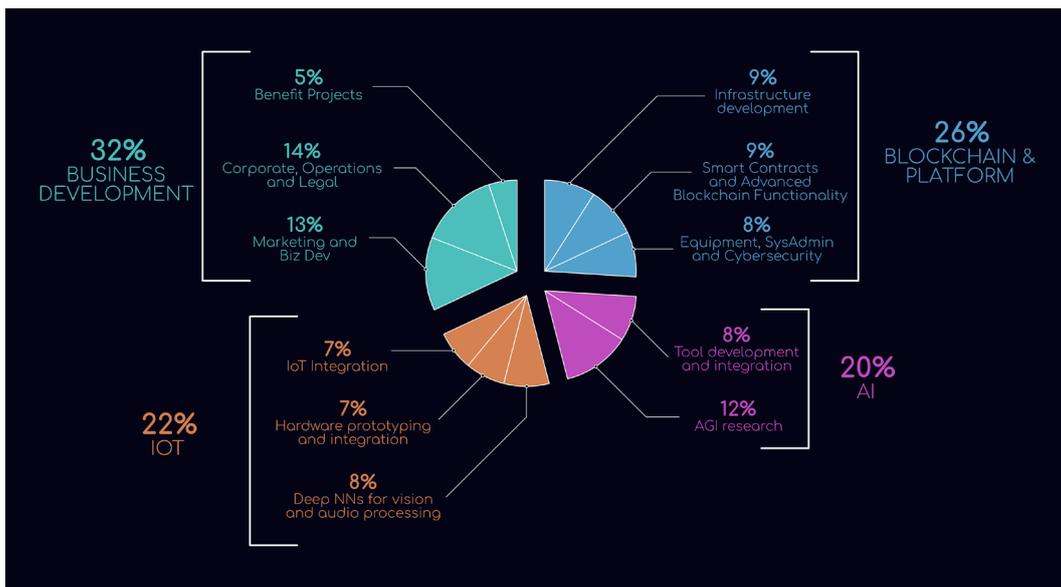
We know, AI will become more powerful and pervasive in the coming years, the trend is clearly here. By 2025, the global AI market is estimated to reach, around, \$3.1 trillion, it is today around 240 billion, we let you to do the math...

You, probably, already know SingularityNET Sophia, as she/it (you choose) became a star this year with her worldwide roadshow. She can recognise facial expressions, tell jokes, sing songs, mimic human mannerisms and can hold a regular conversation. The next upgrades of Sophia will come also from the platform, as Dr. Ben Goertzel, CEO of SingularityNet explained. "In turn, her development team can take advantage of AI technologies created by other users to help evolve her human-like intelligence. It's this kind of collaborative innovation that will really spearhead the next frontier of the AI revolution."

We love the project and the philosophy that inspires it and as said already we believe that the future is swarm intelligence combined with AI to enhance both. The team is scientifically rock solid, the roadmap is clear, the fund distribution is clear as well and makes economic sense.



As showed on the graph above, the token distribution is in our opinion a bit too small for the network, especially for the big idea of creation an app store for AI, hence building a community and wanting to implement full DAO governance mechanisms.



A big question, to which we never really get a clear answer from the management, is how will the money raised be managed before being spent. Even if the budget allocation is clearly explained, the execution could remain a problematic.

They have a dream team of scientists, but no one in the company has a role of CFO and this might be a concern because of the importance of cash management for well deployed product productions. Nevertheless, no project in the world is perfect being for, the moment, conducted and conceived by human beings and not, yet, AI.

Source : <https://singularitynet.io>

# ALTERNATIVE IDEA

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If you don't feel ready to join the crypto space, you can expose yourself to cryptos through alternatives ways. Mining requires high computer capacity. This is obtained with hardware chips, therefore, semiconductor companies benefit directly from the increase in cryptos and mining needs. A good way to find exposure to cryptos without holding any is buying semiconductor companies.

If you are not convinced, please look closely to the correlation graph below.

**Bitcoin and US semiconductor equities**



Source: Thomson Reuters Datastream  
© FT

# GLOSSARY

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**Altcoin**

Generally any cryptocurrency other than Bitcoin or Ethereum. (Though some Bitcoin folks would probably still say Ethereum is an altcoin)

**Arbitrage**

Taking advantage of a difference in price of the same commodity on two different exchanges.

**ATH**

All-Time-High.

**Bearish**

An expectation that price is going to decrease.

**Bullish**

An expectation that price is going to increase.

**Cold storage**

The process of moving cryptocurrency 'offline', as a way of safekeeping your cryptocurrency from hacking. There are a variety of ways to do this, but some methods most commonly used:

- Printing out the QR code of a software wallet and storing it somewhere safe, such as a safety deposit box.
- Moving the files of a software wallet onto a USB drive and storing it somewhere safe.
- Using a hardware wallet.

**DAO**

Decentralized Autonomous Organization.

**Dapp**

Decentralized Application. This refers to an application that uses an Ethereum smart contract as it's back-end code.

**Exchange**

Websites where you can buy and sell cryptocurrencies.

**FIAT**

Government-issued currency, such as the US dollar.

**FOMO**

Fear Of Missing Out. The overwhelming sensation that you need to get on the train when the price of something starts to skyrocket.

**Fork**

A situation where a blockchain splits into two separate chains. Forks generally happen in the crypto-world when new 'governance rules' are built into the blockchain's code.

**FUD**

Fear, Uncertainty, and Doubt. Baseless negativity spread intentionally by someone that wants the price of something to drop.

**FUDster**

Someone that is spreading FUD.

**Gas**

A measurement of how much processing is required by the ethereum network to process a transaction. Simple transactions, like sending ether to another address, typically do not require much gas. More complex transactions, like deploying a smart contract, require more gas.

**Gas price**

The amount of ether to be spent for each gas unit on a transaction. The initiator of a transaction chooses and pays the gas price of the transaction. Transactions with higher gas prices are prioritized by the network.

**General Cryptocurrency Terms**

The classification of technology that Ethereum falls into. Blockchains are distributed ledgers, secured by cryptography. They are essentially public databases that everyone can access and read, but the data can only be updated by the data owners. Instead of the data residing on a single centralized server, the data is copied across thousands and thousands of computers worldwide.

**Going long**

A trade that profits if the price increases.

**Going short**

A trade that profits if the price decreases.

**Gwei**

Another denomination of ether.

Gas prices are most often measured in Gwei. 1 Ether = 1000000000 Gwei. (10<sup>9</sup>)

**Hardware wallet**

A device that can securely store cryptocurrency. Hardware wallets are often regarded as the most secure way to hold cryptocurrency.

**ICO**

Initial Coin Offering, somewhat similar to an IPO in the non-crypto world. Startups issue their own token in exchange for ether. This is essentially crowdfunding on the ethereum platform.

**Market Cap**

The total value held in a cryptocurrency. It is calculated by multiplying the total supply of coins by the current price of an individual unit. This site shows a great run-down of each coin's market cap.

**Mining**

The process of trying to 'solve' the next block. It requires some amounts of computer processing power to do effectively and is rewarded with ether.

**Node**

A computer that possesses a copy of the blockchain and is working to maintain it.

**PoS**

Proof-of-stake. The proposed future consensus algorithm to be used by Ethereum. Instead of mining in its current form, people that own ETH will be able to 'lock up' their ether for a short amount of time in order to 'vote' and generate network consensus. The plan is that these stakeholders will be rewarded with ETH by doing so.

**PoW**

Proof-of-work. The current consensus algorithm used by Ethereum.

**Pump And Dump**

The recurring cycle of an altcoin getting a ton of attention, leading to a fast price increase, and then of course followed by a huge crash.

**ROI**

Return on Investment. The percentage of how much money has been made compared to an initial investment. (i.e., 100% ROI means someone doubled their money).

**Shilling / pumping**

Someone essentially advertising another cryptocurrency. If a coin is promised to cure cancer or be the second coming of Jesus, it's being shilled.

**Smart contract**

Code that is deployed onto the Ethereum blockchain, often directly interacting with how money flows. "A normal transaction allows you to send money from A to B. Smart contracts allow you to send money from A to B, on the condition that C happens."

**Software wallet**

Storage for cryptocurrency that exists purely as software files on a computer. Software wallets can be generated for free from a variety of sources. MyEtherWallet (MEW) is one of the popular.

**Stable coin**

A cryptocurrency with extremely low volatility that can be used to trade against the overall market.

**TA**

Trend Analysis or Technical Analysis. Refers to the process of examining current charts in order to predict which way the market will move next.

**Tokens**

Refers to the 'currency' of projects built on the ethereum network that have raised money via issuing their own tokens.

**Wei**

The smallest denomination of ether. 1 Ether = 1000000000000000000 Wei (10<sup>18</sup>)

**Whale**

Someone that owns big amounts of cryptocurrency.

## DISCLAIMER

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# IMPRESSUM

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