Cryptocurrency glossary of terms

<https://coinmarketcap.com/alexandria/glossary>

**Altcoin**

An altcoin is any coin that’s not Bitcoin. Altcoins can be anything from the second-most popular coin, Ethereum, to any of the thousands of coins with very minimal market value. Experts say you should largely stick to the bigger, more mainstream cryptocurrencies as an investment.

**Bitcoin**

The first and most valuable cryptocurrency, launched on Jan. 3, 2009. While its value has climbed steadily since then, it has seen wild fluctuations. In the past months alone, the price of Bitcoin has fluctuated from a record high of $60,000 to below $30,000.

**Bitcoin Cash**

A peer-to-peer electronic cash system that formed from a fork of the original Bitcoin. Where Bitcoin is widely accepted as too volatile to be useful as a currency, Bitcoin Cash is designed to be better optimized for transactions.

**Block**

Groups of data within a blockchain. On cryptocurrency blockchains, blocks are made up of transaction records as users buy or sell coins. Each block can hold only a certain amount of information. Once it reaches that limit, a new block is formed to continue the chain.

**Blockchain**

A digital form of record keeping, and the underlying technology behind cryptocurrencies. A blockchain is the result of sequential blocks that build upon one another, creating a permanent and unchangeable ledger of transactions (or other data).

**Coin**

A representative store of digital value that lives on a given blockchain or cryptocurrency network. Some blockchains have the same name for both the network and the coin, like Bitcoin. Others can have different names for each, like the Stellar blockchain, which has a native coin called Lumen.

**Coinbase**

A popular centralized cryptocurrency exchange. Coinbase made history recently as the first cryptocurrency exchange to go public on the Nasdaq.

**Cold Wallet/Cold Storage**

A secure method of storing your cryptocurrency completely offline. Many cold wallets (also called hardware wallets) are physical devices that look similar to a USB drive. This kind of wallet can help protect your crypto from hacking and theft, though it also comes with its own risks – like losing it, along with your crypto.

**Cryptocurrency**

A type of currency that’s digital and decentralized. Cryptocurrency can be used to buy and sell things, or as a long-term store of value.

**Decentralization**

The principle of distributing power away from a central point. Blockchains are traditionally decentralized because they require majority approval from all users to operate and make changes, rather than a central authority.

**Decentralized Finance (DeFi)**

Financial activities conducted without the involvement of an intermediary, like a bank, government, or other financial institution.

**Decentralized Applications (DApps)**

Applications designed by developers and deployed on a blockchain to carry out actions without intermediaries. Decentralized finance activities are often completed using decentralized apps. Ethereum is the main network supporting activities in decentralized finance.

**Digital Gold**

Experts sometimes compare specific cryptocurrencies to real gold based on the way it can store and increase in value. Bitcoin is commonly referred to as digital gold.

**Ethereum**

The second largest cryptocurrency by trade volume, Ethereum is a crypto network and software platform that developers can use to create new applications, and has an associated currency called ether.

**Exchange**

A cryptocurrency exchange is a digital marketplace where you can buy and sell cryptocurrency.

**Fork**

When a blockchain’s users make changes to its rules. These changes to the protocol of a blockchain often result in two new paths — one that follows the old rules, and a new blockchain that splits off from the previous one. (Example: a fork of Bitcoin resulted in Bitcoin Cash).

**HODL**

Stands for “Hold On for Dear Life” though the term originated from a user typo on a Bitcoin forum in 2013. It refers to a passive investment strategy in which people buy and hold onto cryptocurrency — instead of trading it — in the hopes that it increases in value.

**Halving**

A feature written into Bitcoin’s code in which after a certain number of blocks are mined (typically every four years) the amount of new Bitcoin entering circulation gets halved. The halving can have an impact on Bitcoin’s price.

**Hash**

A unique string of numbers and letters that identify blocks and are tied to crypto buyers and sellers.

**Hot Wallet**

A software-based cryptocurrency wallet connected to the Internet. While more convenient for quickly accessing your crypto, these wallets are a bit more susceptible to hacking and cybersecurity attacks than offline wallets — just as files you store in the cloud may be more easily hacked than those locked in a safe in your home.

**Initial Coin Offering (ICO)**

A way that funds are raised for a new cryptocurrency project. ICOs are similar to Initial Public Offerings (IPOs) of stocks.

Cryptocurrency market capitalization refers to the total value of all the coins that have been mined. You can calculate a crypto’s market cap by multiplying the current number of coins by the current value of the coins.

**Mining**

The process whereby new cryptocurrency coins are made available and the log of transactions between users is maintained.

**Node**

A computer that connects to a blockchain network.

**Non-fungible Tokens (NFTs)**

Non-fungible tokens are units of value used to represent the ownership of unique digital items like art or collectibles. NFTs are most often held on the Ethereum blockchain.

**Peer-to-peer**

Two users interacting directly without a third party or intermediary.

**Public Key**

Your wallet’s address, which is similar to your bank account number. You can share your public wallet key with people or institutions so they can send you money or take money from your account when you authorize it.

The encrypted code that allows direct access to your cryptocurrency. Like your bank account password, you should never share your private key.

**Satoshi Nakomoto**

The pseudonymous creator of Bitcoin. No one knows the true identity of Nakomoto — or if it’s more than one person.

**Smart Contract**

An algorithmic program that enacts the terms of a contract automatically based on its code. One of the main value propositions of the Ethereum network is its ability to execute smart contracts.

**Stablecoin or Digital Fiat**

A stablecoin pegs its value to some other non-digital currency or commodity. A digital fiat represents a fiat, or government-backed currency on the blockchain. (Example: Tether, which is pegged to the U.S. dollar)

**Token**

A unit of value on a blockchain that usually has some other value proposition besides just a transfer of value (like a coin).

**Wallet**

A place to store your cryptocurrency holding’s IDs. Many exchanges offer digital wallets. Wallets may be hot (online, software-based) or cold (offline, usually on a device).