

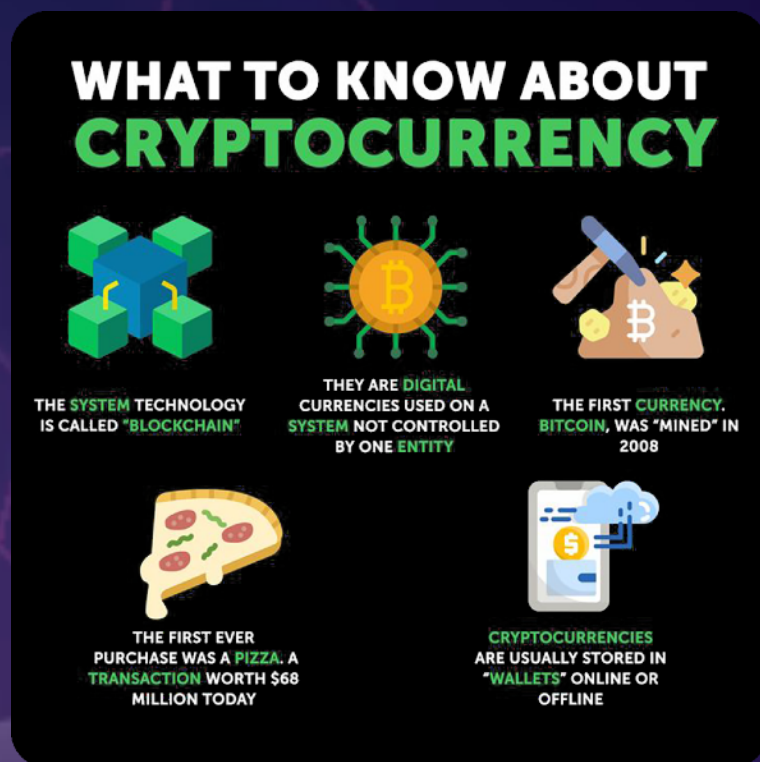
Jori\_DeFi

# BEGINNER'S GUIDE TO DEFI

Unlocking Financial Freedom  
with the Power of  
Decentralized Finance.







## Introduction

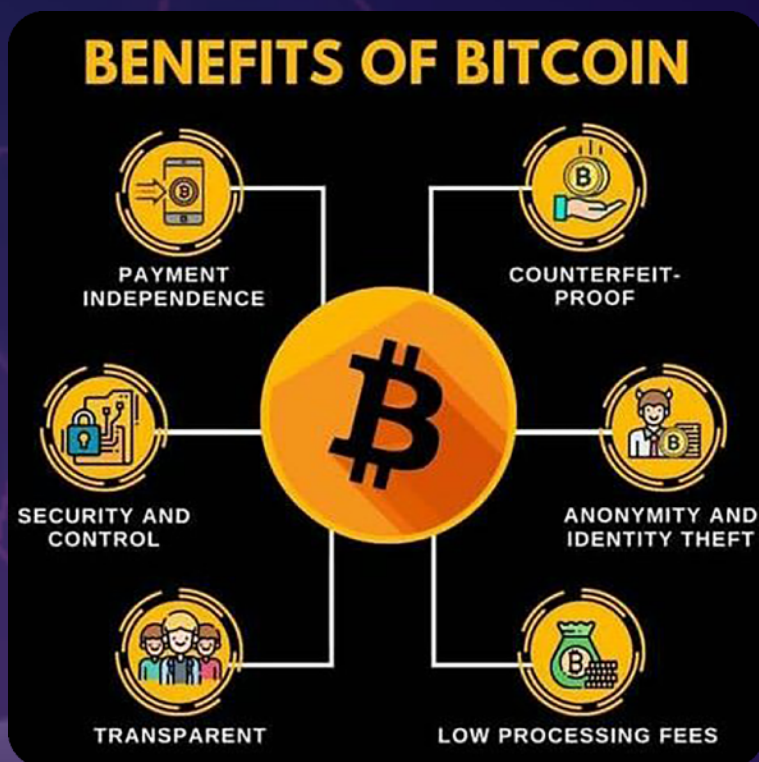
Welcome to the first step in learning about the dynamic and exciting world of crypto. I made this guide to help beginners make their first steps in crypto and specifically DeFi. While I'm not a financial advisor and this isn't financial advice, consider this ebook your informational compass for educational purposes. Success in crypto relies on doing your own research and due diligence.

## What Is Cryptocurrency?

Think of cryptocurrency as digital money made especially for using on the internet. It's super secure, thanks to something called cryptography, which makes it really hard for anyone to commit fraud or spend the same money twice. Unlike the money you have in your bank, cryptocurrencies don't rely on a single place or group to look after them. Instead, they use a system called blockchain. This is like a big notebook that keeps track of all transactions, and it's checked and updated by many computers all over the world. This means it is always transparent and can be checked by anyone at anytime. For example governments print money out of thin air to a point where we can't even say how much money is really out there. Crypto solves this with blockchain technology.

As you start to explore the world of crypto, you'll find it can do a lot of cool things. But one of the biggest deals about crypto is how it can help people reach their financial goals.

After finishing this ebook, you'll be equipped with the essential knowledge needed to understand cryptocurrency and its revolutionary impact. From understanding how blockchain technology offers transparency and security, to recognizing the potential for cryptocurrencies to help achieve financial goals, this guide is your first step towards navigating the crypto landscape. And for those who want to bring it to the next level and connect with like-minded individuals, my online course "**From Zero to Hero**" offers comprehensive learning and a supportive community ready to help each other succeed in the crypto world.

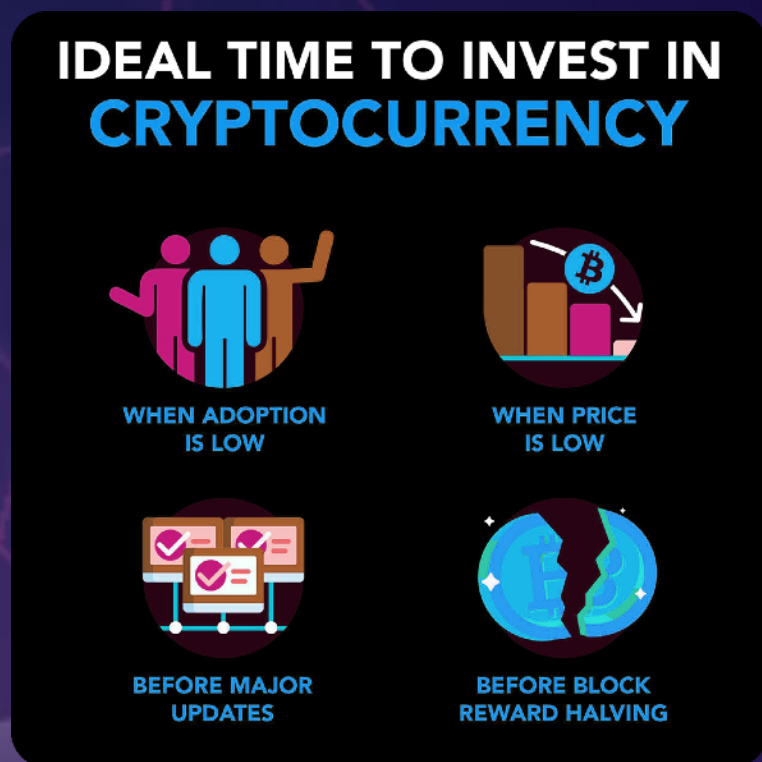


## Why Invest in Crypto?

The main reason why people use crypto is to become financially free but there are many other advantages to the traditional financial system.

- **Easy Transactions:** Banks charge high fees just for moving YOUR OWN money around. Crypto solves this completely. In DeFi there are almost no boundaries on what you can do.
- **24/7 Markets:** Make transactions any day, any time, unlike traditional stock markets.
- **Cross-Border Payments:** Send and receive money anywhere in the world, anytime. All you need to have is your own very private Seed phrase. A list of words that you must never share with anyone. It's the number one rule in crypto.
- **Investment Opportunities:** From Bitcoin and Ethereum to altcoins like PulseChain and many more tokens, there is no limit what you can use to make gains and manage your own risk profile.
- **Control over Investments:** Self custody and no middleman are the cornerstones of DeFi. You use code to do all your transactions. Nobody can tell you what to do.
- **Massive Returns:** Bitcoin did 6,500,000 x from its low in 2009 and since it broke its old all time high, it's now even more. HEX did 10,000 x and some other cryptos did similar returns. This shows what potential crypto has.





## From Original Cryptocurrencies to DeFi: Simplifying Finance

Original cryptocurrencies like Bitcoin were the first step towards changing how we manage money, allowing people to make transactions without traditional banks or middleman. However, even with these advancements, many people still traded and managed their crypto through centralized exchanges. These platforms, while convenient, acted as new middlemen, charging fees and controlling access to your money.

Recently, several of these exchanges have faced significant issues, including bankruptcies like those of FTX and Celsius, leading to huge financial losses for their users. These incidents highlight the risks of relying on centralized exchanges.

DeFi, short for Decentralized Finance, represents a leap forward from traditional cryptocurrencies. It eliminates the need for middleman entirely by using blockchain technology and smart contracts. This allows for a wide range of financial activities — including trading, lending, borrowing, and earning interest — to be conducted directly between users, securely and transparently. Everything made possible by code that runs on mathematics. Often this code is audited and has no admin keys meaning it can't be changed.

In contrast to centralized exchanges, DeFi offers decentralized exchanges (DEXs), where users can trade directly with each other without a central authority. This approach reduces the risk of financial loss due to mismanagement or failure of centralized platforms and removes the fees typically associated with such transactions.

DeFi aims to create a more accessible and fair financial system, where individuals have full control over their assets without the need for traditional financial institutions. This shift towards decentralization not only enhances security but also promotes financial inclusion and empowerment.

That doesn't mean we are abandoning centralized exchanges. We still need them to buy crypto with Dollars or Euros. But once you bought your first crypto it makes absolutely sense to send it to your own wallet and take full custody of your funds.

How this process works is explained in this ebook.



## Getting Started

By 2025, it's projected that over 1 billion people will be engaged in buying, selling, and trading cryptocurrencies, especially Bitcoin and Ethereum.

To join this financial revolution, you'll need to start with a reliable crypto exchange.

### Selecting Your Exchange:

When choosing an exchange, consider these three tips:

- **Competitive Fees:** Look for an exchange that offers reasonable fees for transactions.
  - **Top Tier Security:** Security should be a top priority to protect your investments.
  - **Sufficient Liquidity:** Ensure the exchange has enough volume for smooth trades.
- That is why we use Ethereum as it is the best option for entry into the DeFi world.

Here are a few exchanges that are trusted by millions:

- **Binance:** Known for its ease of use, Binance allows you to quickly set up an account, manage your wallet, and maintain your portfolio.
- **Coinbase:** With over 68 million users, Coinbase is a popular choice
- **Crypto.com:** 10 million+ users trading over 200 cryptocurrencies.
- **KuCoin:** Appreciated for its safe and rapid transactions.

Other notable mentions include Kraken, Gemini, Bitstamp, and Huobi Global.

Remember, this guide is the beginning of your crypto journey. Take your time to explore, learn, and understand the market before making any decisions. This ebook will provide you with everything you need to know to make your first steps to financial freedom.

But always remember, investing in cryptocurrency carries risks, just like any other investment. That's why it's so important for you to do your own research with this beginner's guide. If you are looking for more guidance and a community that supports you, check out my online course at **JoriDeFi.com**.





## Buy Your First Crypto in Three Easy Steps

### Step 1: Sign Up and Verify

After selecting your preferred exchange from the recommended list, the next crucial step is to create your account. This process is fundamental not just for your security but also to ensure that the exchange complies with financial regulations. As part of this, you'll be asked to provide some personal details.

Expect to undergo a verification process, which is standard across reputable exchanges. This could involve uploading identification documents, such as a government-issued ID or passport, and providing proof of your address, like a utility bill or bank statement. While this step may feel tiresome, it's designed to protect your investments and ensure the safety of your funds.

### Step 2: Funding Your Account

**Deposit Fiat Money:** With your account set up, the next step is to add some money into it. Most exchanges allow you to deposit traditional money (like dollars, euros, etc.) using various methods, including bank transfers, credit cards, and more. Choose the method that works best for you, balancing convenience and fees.

**Understand Fees:** Speaking of fees, it's important to be aware of them. Different payment methods can have different fees, and these will reduce your investment'. Take a moment to understand the fees on your chosen exchange, so you can make the most cost-effective choice.



KEEP  
CALM  
AND  
HODL



### Step 3: Purchasing Cryptocurrency

Now, with money in your account, it's time to buy Ethereum. Why Ethereum? It's the main currency used in the DeFi world, and owning it is like holding a key to a vast amount of investment opportunities.

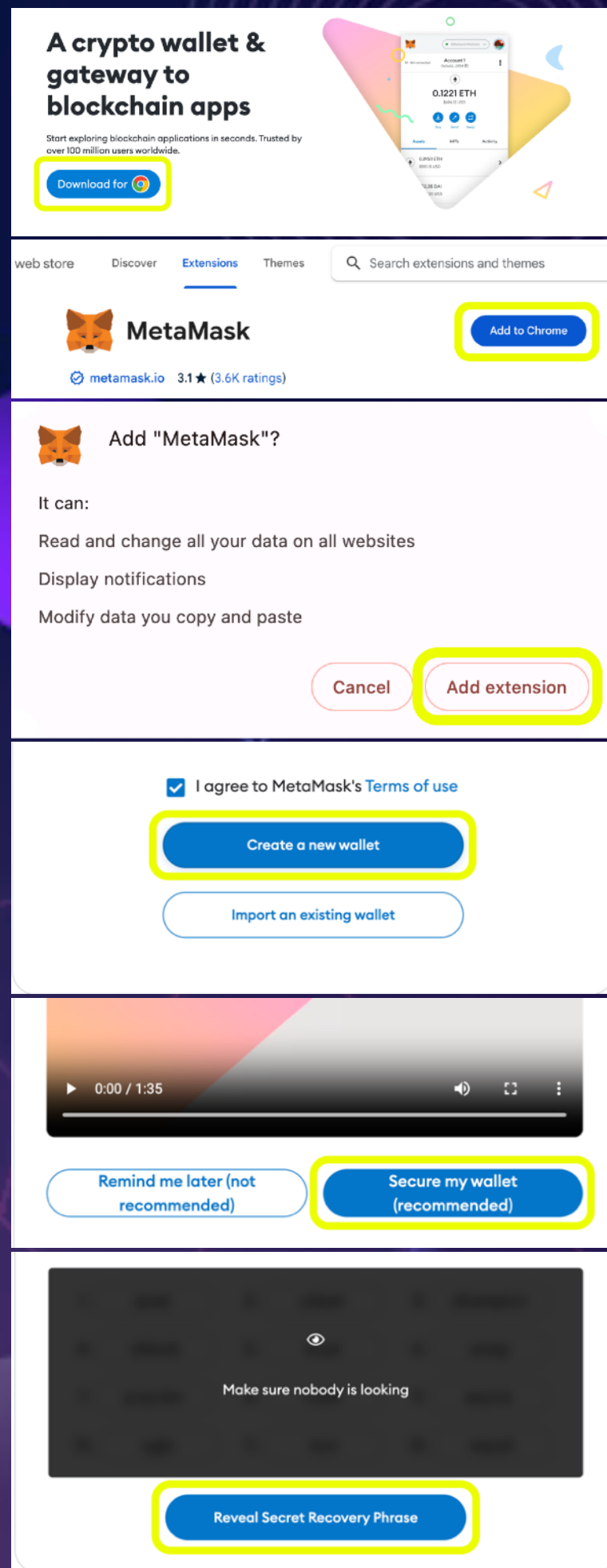
**Transaction Confirmation:** Before you make your purchase, take a moment to confirm that everything is correct. Double-check the details of your transaction to ensure accuracy. In the digital world, it's crucial to be meticulous, as mistakes can be difficult to undo if not impossible. This is especially true in DeFi.

Congratulations with these 3 easy steps you have made your first move in crypto. But that's definitely not where you should stop. Now you are holding Ethereum in an wallet that I controlled by your chosen exchange. This is like giving a middleman money to hold until you need to access it again. This is the reason why most people lose their money in crypto. Exchanges in crypto go bankrupt all the time and then they lose your money. The most reason exchange failures where over hundred of millions of dollars where lost are FTX and Celsius.

Luckily it is very easy to prevent getting hurt by an exchange bankruptcy. All you have to do is transfer your ETH to your own wallet like Metamask.io or Rabby.io.







## Installing MetaMask Wallet for Self Custody

Securing your investments in a personal wallet is essential for having full control over your assets. MetaMask, a popular and user-friendly wallet, is an excellent choice for both beginners and experienced users.

Here's how to set up MetaMask on your desktop or mobile device:

### For Desktop:

**Visit the Official MetaMask Website:** Open your browser and navigate to [MetaMask.io](https://metamask.io). Always ensure you're visiting the official site to avoid scams.

**Download the Extension:** Click on the "Download" button on the homepage. Select the version that matches your browser (Chrome, Firefox, or Brave) and follow the prompts to add the MetaMask extension to your browser.

**Create Your Wallet:** Once the extension is installed, click on the MetaMask icon in your browser's extension area. Choose "Create a Wallet" and agree to the terms. Set a strong password that you'll remember.

**Secure Your Secret Recovery Phrase:** MetaMask will generate a secret recovery phrase. Write this phrase down on paper and store it in a secure location. This phrase is your key to accessing your wallet if you forget your password or need to access your wallet on another device. Never share this phrase with anyone or store it online.



1. poet	2. urban	3. champion
4. attack	5. must	6. wasp
7. popular	8. myth	9. expire
10. ugly	11. taxi	12. equal

[Hide seed phrase](#) [Copy to clipboard](#)

Next

### Confirm Secret Recovery Phrase

Confirm Secret Recovery Phrase

1. poet	2. urban	3. champion
4. attack	5. must	6. wasp
7. popular	8. myth	9. expire
10. ugly	11. taxi	12. equal



**Confirm Your Secret Recovery Phrase:** To ensure you've recorded it correctly, MetaMask will ask you to confirm your secret recovery phrase by typing the words in the order they were presented.

**Wallet Setup Complete:** Congratulations! Your MetaMask wallet is now ready to use. You can view your account, your public wallet address, and start receiving or sending cryptocurrencies.

**For Mobile:**

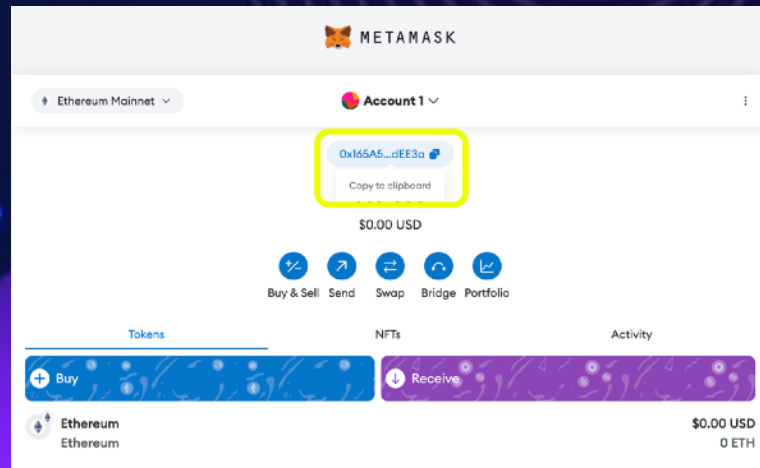
**Download the App:** Visit the App Store (iOS) or Google Play Store (Android) and search for "MetaMask." Download and install the app, ensuring it's the official version by MetaMask, Inc.

**Open the App and Create a Wallet:** Launch the MetaMask app and tap on "Create a New Wallet." Agree to the terms and set a secure password.

**Backup Your Secret Recovery Phrase:** Just like on the desktop version, you'll be given a secret recovery phrase. Write it down on paper and keep it in a safe place. Verify the phrase within the app to proceed.

**Finalize Setup:** With your recovery phrase secured and verified, your MetaMask mobile wallet is ready to use. You can now view your wallet address and start your crypto transactions.





## Moving Ethereum to MetaMask:

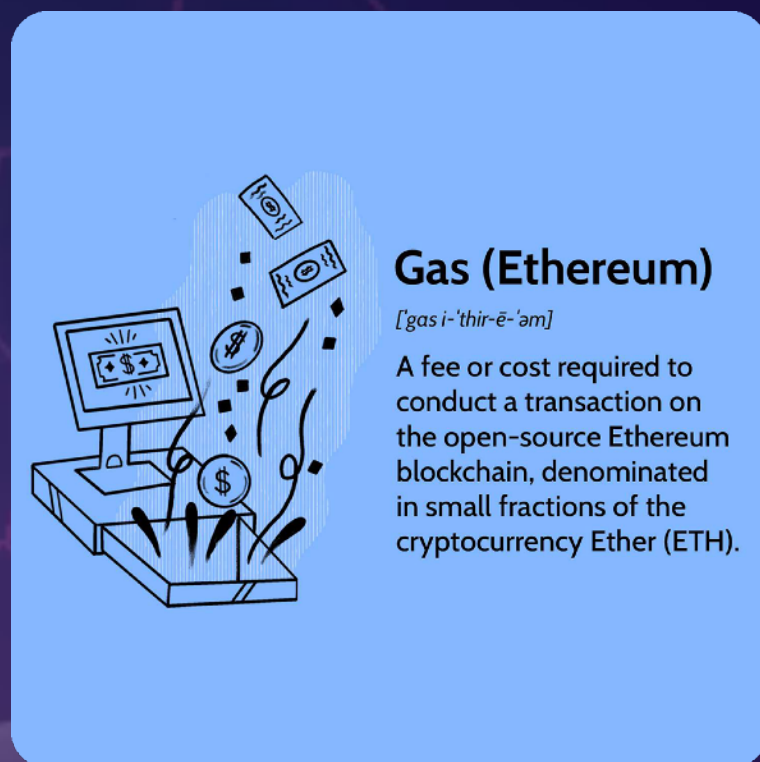
With MetaMask installed, you can transfer your Ethereum from the exchange to your MetaMask wallet for full self-custody. Simply copy your MetaMask wallet address, go to the withdrawal section of your exchange, paste the address as the destination, and confirm the transaction. Remember, transactions on the blockchain can not be reversed. That's why I advice to always check the last 4 digits of your receiving wallet before you complete the transaction. You may have to pay a network fee (gas fee) and it can take a few minutes to complete the sending process.

By following these steps, you ensure that only you have access to your funds, embracing the true spirit of decentralization and security in the cryptocurrency world.

## Understanding Transaction Costs

As you dive deeper into the world of decentralized finance (DeFi) and blockchain, it's important to understand the concept of transaction costs. Whether you're operating on the Ethereum network or PulseChain, transaction fees play a crucial role in your crypto journey.

In the next step you need to learn about "gas" fees on Ethereum, and how transitioning to PulseChain can offer a more cost-efficient DeFi environment. You will see it can be quite expensive to use the Ethereum blockchain that is why PulseChain is an better option.



Account 1

Account 1

SENDING ETH

1

\$2,952.97

⚠

Network is busy. Gas prices are high and estimates are less accurate.

Estimated fee

➡

\$2.85

0.00096507 ETH

Market -30 sec

Max fee: 0.00096507 ETH

Fee details ▾









Total

\$2,955.08

1.00096507 ETH

Amount + gas fee

Max amount: 1.00096507 ETH

Gas option	Time	Max fee	
 Low	30 sec	0.00070424 ETH	
 Market	30 sec	0.00095083 ETH	
 Aggressive	15 sec	0.00119738 ETH	
 Advanced	--	--	

Network status

34 GWEI

Base fee

0 - 27 GWEI

Priority fee

Busy

## Gas Fees Explained:

In the world of blockchain, “gas” is a crucial concept, serving as the metric that quantifies the computational work needed to process and validate transactions. You can think of gas as the fuel that keeps the blockchain engine running smoothly.

## How Gas Fees Vary:

Gas fees aren’t fixed; they change based on how busy the network is. When lots of people are making transactions, the demand for processing them goes up, which can make fees rise. That’s because those validating the transactions (called validators) prefer to validate high gas fee transactions, making sure their effort is worthwhile. For instance, if the going rate for gas is 20 gwei and you set yours at 10 gwei, your transaction might not get picked up quickly. Because other people are willing to pay a higher amount of gwei they are processed first.

## Adjusting Gas Fees for Your Needs:

The good news is that you have control over how much you want to pay in gas fees, depending on how urgent your transaction is. If you’re not in a rush, for example when you’re staking or unstaking, you can opt for a lower gas fee. However, if you’re trading on decentralized exchanges where timing is critical (since trades might need to be completed within a short window, like thirty minutes, or they fail), you’ll likely need to pay a higher gas fee to ensure your transaction goes through as quickly as possible.

Luckily, you can adjust the gas fee for each transaction simply by clicking the “edit” button, giving you the flexibility to balance cost and speed as needed.



## Crypto Security 101



### Private Key

A private key is a long alphanumeric code that acts like a password

01



### Seed Phrase

A seed phrase is used to access and restore a wallet with numerous private keys

02



### Recovery Phrase

The term recovery phrase is interchangeable with seed phrase.

03

**You cannot own  
cryptocurrency;  
you can only know a  
private seed phrase  
that allows to access  
a specific space  
on the blockchain.**

## Rules to Follow for DeFi

**Store Your Coins in Your own Wallet:** Keeping funds on exchanges can be risky.

**Don't Get Too Attached to Your Coins:** Trade Them Wisely.

**Establish a Solid Foundation of Core Coins:** A diversified portfolio is key.

**Avoid Day Trading:** It can harm your health, wealth, and relationships.

**Risk Management:** Never risk more than 5% to 10% of your portfolio, especially on meme coins.

**Diversify Within Limits:** Allocate about 10% of your portfolio to at least 20 meme coins.

**Profit Strategy:** When in profit, swap to major coins, avoiding stablecoins when in a bull market.

**Buying Strategy:** Investors often start buying below the 0.618 Fibonacci level, with additional buys at 0.786 and 0.886 levels. Practice dollar-cost averaging (DCA) but ensure not to exceed the 10% rule.

**Prepare for Pullbacks:** Crypto markets can experience up to 95% pullbacks. Factor this into your strategy.

**Volatility Is the Cost of Potential Gains:** High volatility is a trade-off for the opportunity to make significant profits.

**Use the Pi Cycle Chart:** This indicator can signal when to exit the market.

**Timing with Alt Coins:** Altcoins typically reach their peak a few months after Bitcoin.

**Buy Low:** Focus on assets that are currently undervalued and avoid chasing after assets that have already significantly increased in value ("green candles").

## Transitioning to PulseChain for Low Transaction Costs

When you bridge from Ethereum to PulseChain, understanding transaction fees becomes equally important. PulseChain offers lower transaction fees compared to Ethereum, making it a more cost-efficient environment for DeFi activities. However, transactions on PulseChain require its native token, PLS, for gas fees.

### Free PLS by Entry:

To ensure you have PLS to make your first transactions a team on PulseChain has built Bridge Buddy. A smart contract that sends everybody free 1000 PLS when using the main PulseChain bridge.

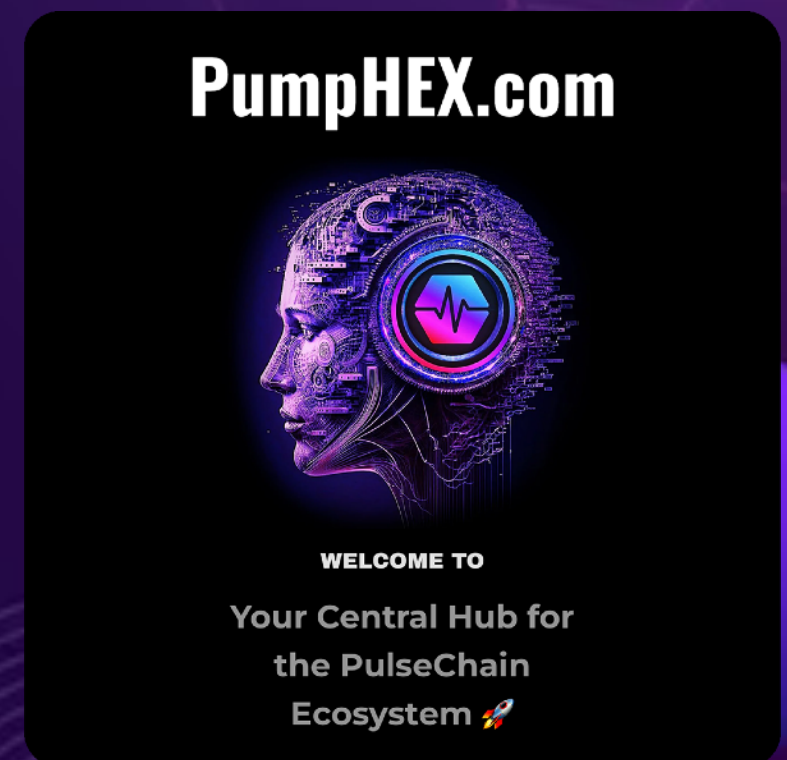
With this you can effortlessly bridge other assets to PulseChain and engage in a few initial swaps.

This makes it possible to transfer any asset to PulseChain and swap it on a decentralized exchange like PulseX.com.

It's recommended that you swap a portion of your bridged ETH for PLS. This ensures that you always have a sufficient amount of PLS to cover transaction fees for your future activities on PulseChain.

### Bridging to PulseChain:

After securing your cryptocurrency in MetaMask and ensuring the private Seed Phrase, the next crucial step in your DeFi journey involves expanding your reach within the blockchain ecosystem. Specifically, we'll explore how to transition from the Ethereum network to PulseChain. This process not only broadens your investment landscape but also introduces you to new opportunities on the PulseChain.





## Changing Networks and Using the Bridge

PulseChain presents an innovative blockchain environment designed to offer lower transaction fees and faster processing times compared to Ethereum. This makes it an attractive option for DeFi users. By bridging assets from Ethereum to PulseChain, you're tapping into a new ecosystem with potentially higher efficiency and innovative DeFi projects.

### Changing the Network in MetaMask:

**Enter PulseChain Details:** On the desktop you can click the button: Add PulseChain to Metamask.

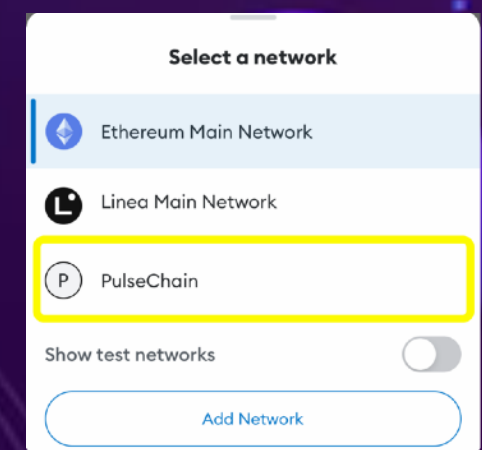
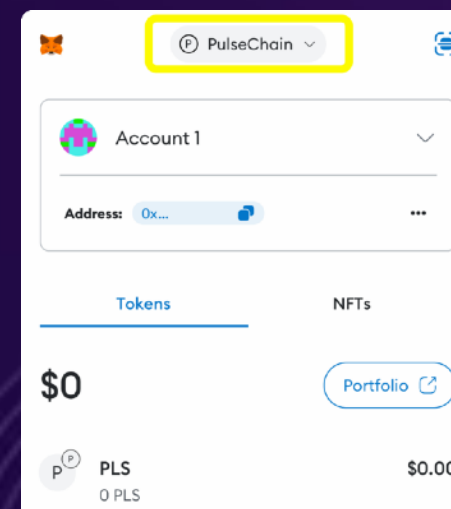
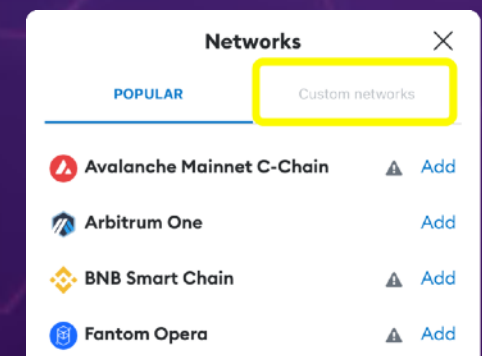
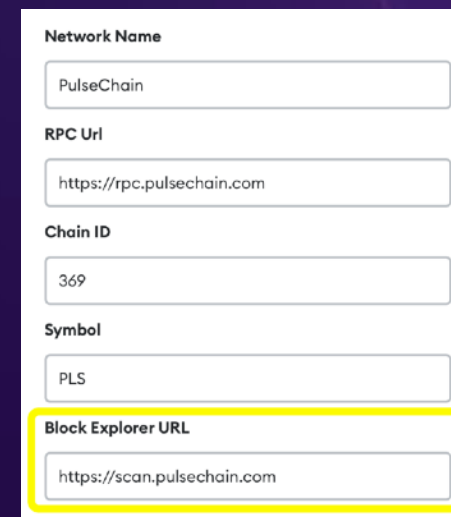
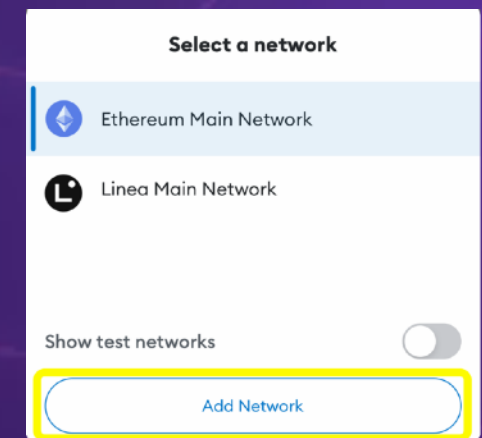
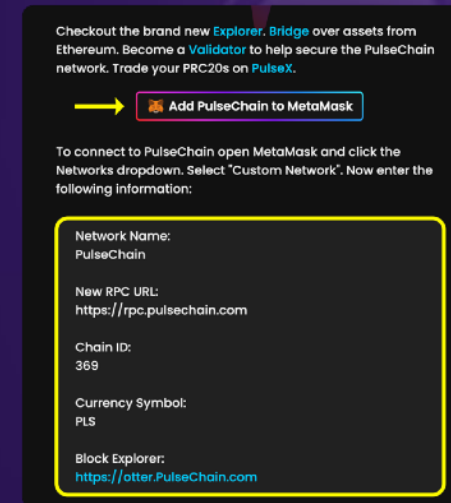
On a mobile device you may have to input the PulseChain network details manually, including the RPC URL, Chain ID, symbol, and block explorer URL. These details can be found on the official PulseChain website [PulseChain.com](https://pulsechain.com).

**Access MetaMask:** Open MetaMask via the browser extension or mobile app.

**Network Selection:** Click on the network dropdown menu, typically found at the top center of the MetaMask interface.

**Add PulseChain Network:** Since PulseChain may not be listed by default, you'll need to manually add it. Select "Custom RPC" or "Add Network" (the exact wording may vary depending on the version).

**Save and Switch:** After entering the correct details, save your new network. MetaMask will automatically switch to the PulseChain network.



## Using the Bridge to Transfer Funds

Transferring assets from Ethereum to PulseChain involves using a blockchain bridge—a tool that allows for the transfer of tokens between different blockchain networks.

**Find the PulseChain Bridge:** Go to the official bridge to avoid scams and get some free PLS to make your first transactions. Start on PulseChain.com and click on bridge.

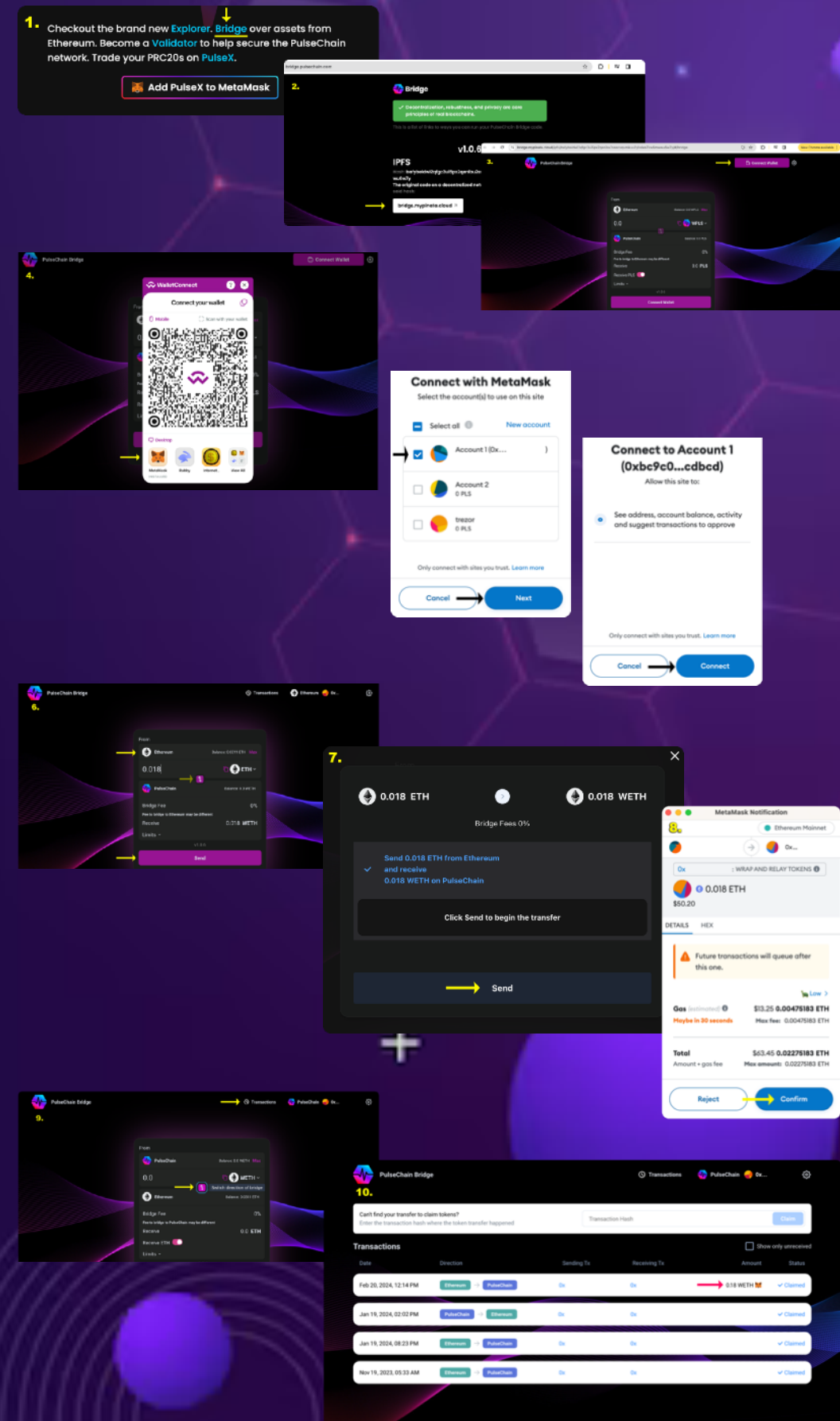
**Connect Your Wallet:** Access the bridge service and connect your MetaMask wallet. Make sure you're on the Ethereum network within MetaMask when initiating the connection.

**Initiate the Transfer:** Select the amount of Ethereum or other tokens you wish to bridge to PulseChain. Follow the bridge's instructions for transferring your assets. This process typically involves confirming the transaction in MetaMask and may require a network fee on the Ethereum side.

**Switch Networks:** Transactions may take some time to process, depending on network conditions. After waiting thirty minutes, switch to the PulseChain network to view your bridged assets.

Congratulations! You've successfully migrated from Ethereum to PulseChain, marking a significant milestone in your DeFi adventure. This step not only diversifies your portfolio but also opens up new opportunities to invest, and participate in a growing ecosystem.

In the next sections, you will learn how to use DeFi exchanges on PulseChain and how to make informed decisions on your investments.





## How to Swap ETH for PLS:

This section guides you through swapping ETH for PLS on PulseX, emphasizing PulseX's liquidity and introducing DEX aggregators like Piteas.io for finding the best deals.

**Step 1 - Connect Your Wallet to PulseX:** Open your browser and go to the official PulseX site. It's the most popular DEX on PulseChain, famous for its thick liquidity which means you get less slippage and therefore a better price.

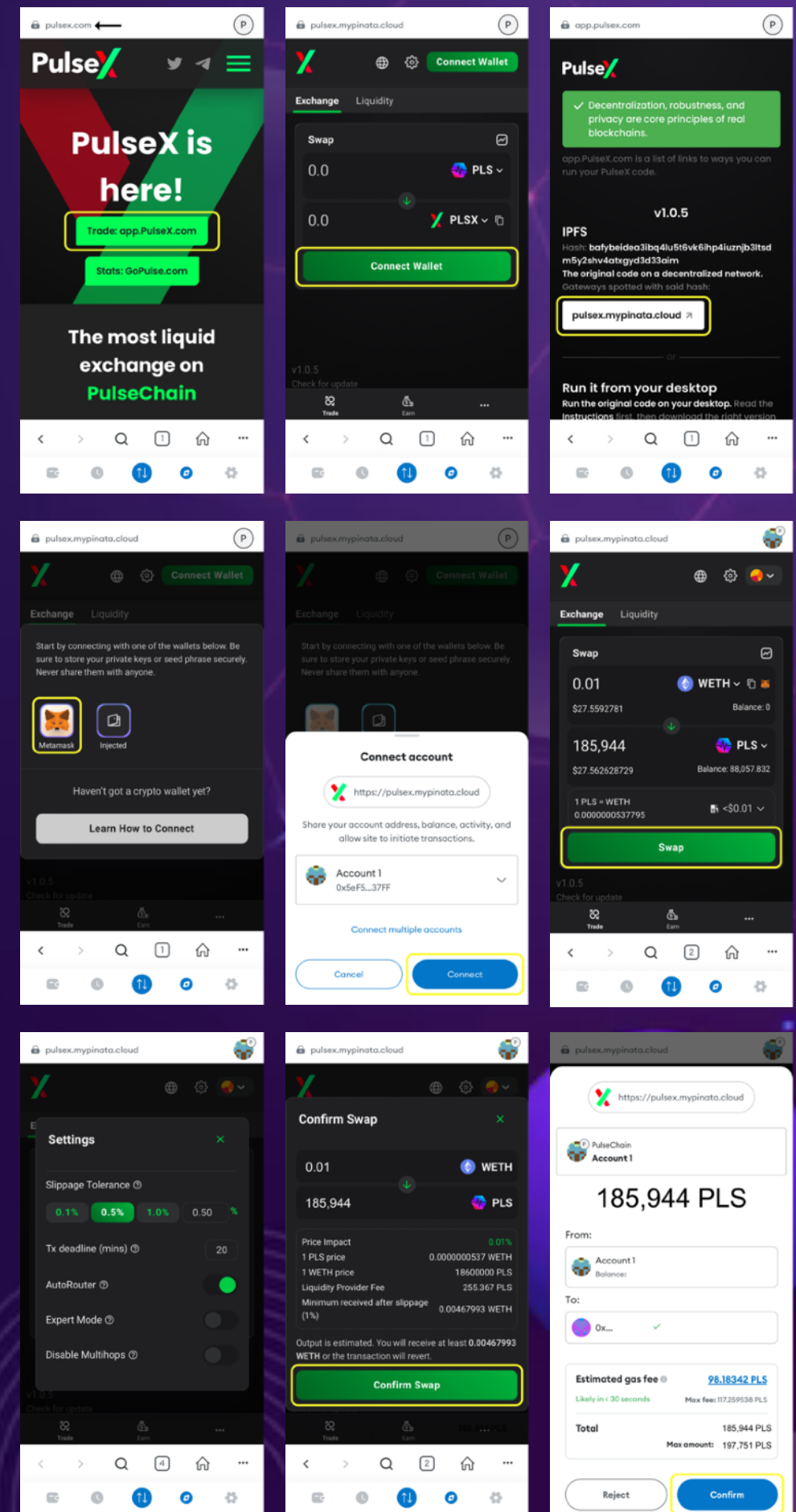
**Connect MetaMask:** Find the "Connect Wallet" button on PulseX, click it, then pick MetaMask from the options. You'll need to allow PulseX to connect to your MetaMask wallet.

**Step 2 - Choose Your Assets:** On the swap page, select ETH as what you're giving and PLS as what you're getting. Type in how much ETH you want to swap. PulseX will show you how much PLS you'll get back, based on the going rate.

**Set the Slippage Tolerance:** Take a second to look at the slippage tolerance. This keeps your swap from failing if prices change mid-transaction. Setting it just right means your swap should go through at the price you expect. Note that for buying coins like PLS or HEX a slippage tolerance of 0.5% is fine. This means the transactions will be processed only if the price doesn't move more than 0.5% during the validation process.

**Confirm the Swap:** Double-check all the details, like the exchange rate and any fees. Hit "Swap" when you're good to go.

**MetaMask Pops Up:** MetaMask will show up asking you to verify the gas fee. Take a second look at the transaction and confirm it.



PulseX is the most liquid exchange on PulseChain that's why it's perfect for swapping big liquidity coins like HEX or PLS. When you're buying smaller coins, tools like Piteas.com make sure you're getting the best deal by comparing rates across multiple liquidity pools on various exchanges.

You Did It! You've done your first swap and are now deeper into your crypto journey. This guide didn't just help you swap; it has set you up with a solid strategy for exploring more of what PulseChain offers. In the next step you will learn about the next level of security by using hard wear wallet.

### **The Essentials of Crypto Wallets**

At this point you have already created a Metamask wallet which allows you to connect to various DeFi applications like PulseX, Piteas or staking platforms. As long as you are not giving away your private seed phrase or click on malicious links to connect your wallet, your crypto funds will be perfectly safe. If you want to bring your security to the next level it is suggested to use hardware wallets like Ledger and Trezor. With these devices you will be able to create a new private seed phrase offline which then can be connected to a Metamask wallet. With a hardware wallet you will have to sign every transaction on the device.

In my online course I go deeper into this topic but for now a software wallet like Metamask will do the job.







## Bull Market

*['bul 'mār-kət]*

A colloquial term used in the financial markets when asset prices have risen or are expected to rise.



## Bear Market

*['ber 'mār-kət]*

A condition in which securities prices fall 20% or more from recent highs amid widespread pessimism and negative investor sentiment.

### Quick Insights on Crypto Markets:

- Buy low, sell high.
- Take opportunities on major dips.
- Bear markets typically last about 9.6 months, while bull markets can go on for about 2.7 years.
- Bitcoin can drop between 30 percent and 75 percent in bear markets, and altcoins may see an 80 to 90 percent decline.
- Building wealth often means buying at the end of bear markets.
- A typical crypto market cycle spans roughly four years, including phases of bear markets, accumulation, Bitcoin halving cycles, and bull runs.

### Navigating Bear and Bull Markets

#### What's a Bull Market?

A bull market is a period in the financial markets when prices are rising or expected to rise. It indicates confidence and optimism among investors, leading to increased buying and higher asset prices.

#### What's a Bear Market?

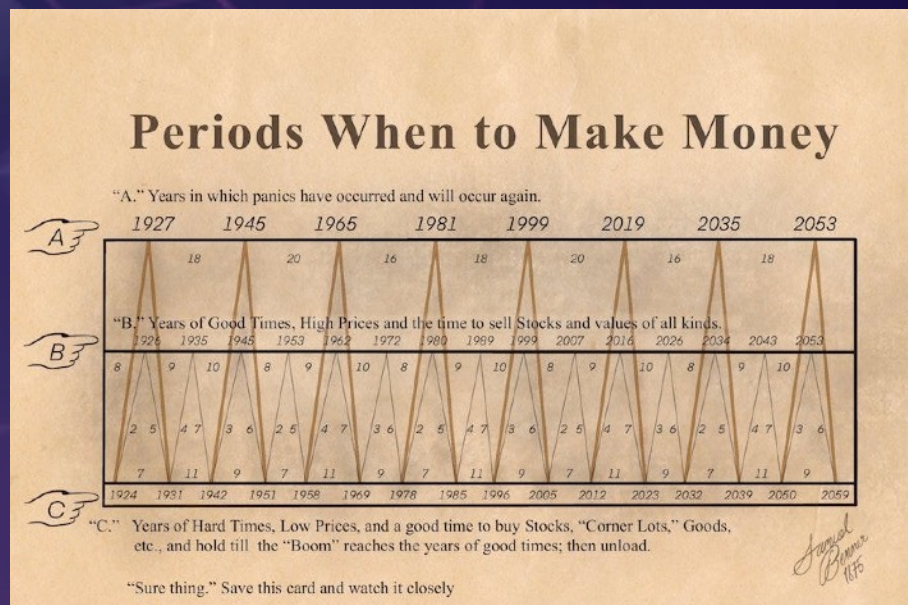
A bear market is a period in the financial markets when prices are falling or expected to fall. It reflects pessimism and lack of confidence among investors, leading to increased selling and lower asset prices.

## Mastering Market Cycles

Market cycles are patterns in financial markets, including stocks and cryptocurrencies, that show how investment prices rise and fall over time. These cycles are driven by investor sentiment, economic indicators, and events that influence buyers' and sellers' behavior.

In stocks, cycles move from periods of low prices (where investors start buying) to high prices (where investors sell off), and then back again. Cryptocurrency cycles are similar but can be more volatile due to factors like regulatory news or technological changes.

These cycles reflect the natural rhythm of investor optimism and pessimism. **When investors are optimistic, they buy, pushing prices up. When pessimistic, they sell, causing prices to drop.** Understanding these cycles can help investors identify when to buy low and sell high, though predicting the exact timing is challenging due to unforeseen influences on the market.



## The Benner Cycle Predicts 100+ Years of Market Movement

Samuel Benner was a farmer from the 1800s who wanted to understand how market cycles worked. In 1875, he published a book forecasting business and commodity prices. He identified years of panic, years of good times, and years of hard times.

**Panic Years:** These are years when the market panicked, either buying or selling a stock irrationally until its price skyrocketed or plummeted beyond anyone's wildest expectations.

**Good Times:** Years Benner identified as times of high prices and the best time to sell stocks, values, and assets of all kinds.

**Hard Times:** In these years, Benner recommends buying stocks, goods, and assets and holding them until the "boom" years of good times, then unload.

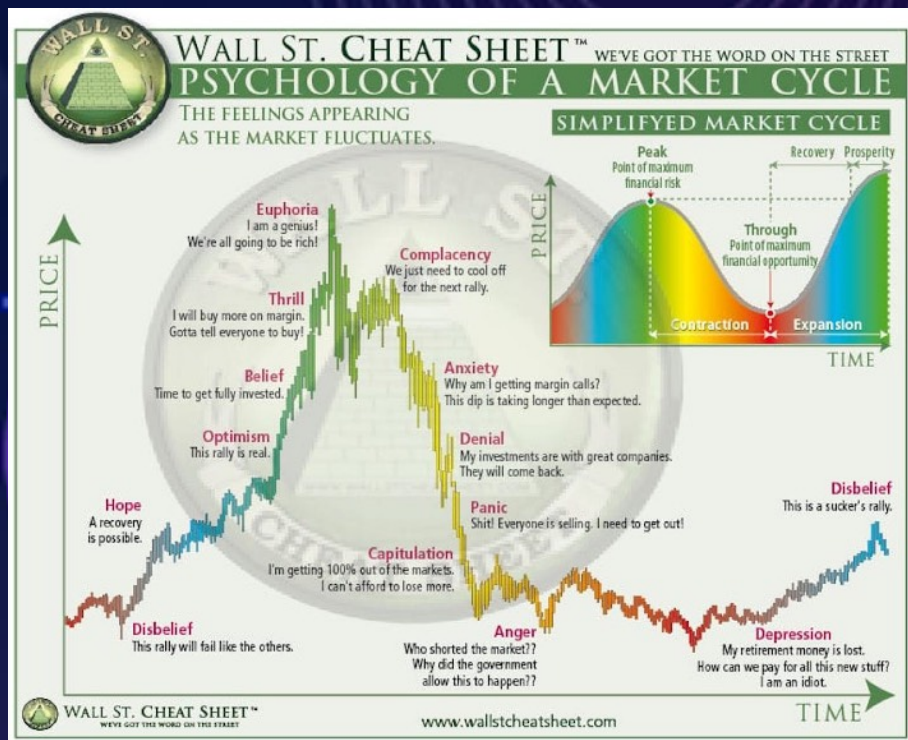


## The Wall Street Cheat Sheet Explained

The Wall Street Cheat Sheet is a visual guide that shows the emotional cycle investors go through during a market cycle. This cheat sheet explains the psychological states that investors typically experience as asset prices rise and fall. The cycle starts with optimism as prices begin to rise, leading to excitement, thrill, and eventually euphoria at the peak, suggesting maximum financial risk.

As the market turns and prices start to decline, investors' emotions shift to complacency, followed by anxiety, denial, and panic, reaching the point of maximum financial opportunity at the lowest price levels marked by despair. After despair, the cycle begins anew with hope, optimism, and a repeat of the emotional journey.

The cheat sheet serves as a tool for investors to recognize their emotional responses to market fluctuations and to make more rational, less emotionally-driven investment decisions. Understanding this cycle can help investors identify potential entry and exit points by highlighting the emotional extremes that often correspond with market tops and bottoms.



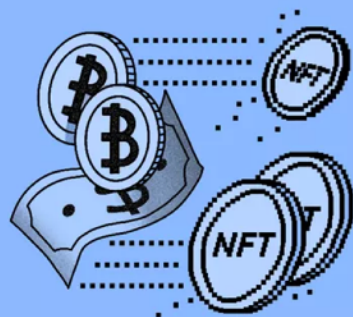
Understanding market cycles and the Wall Street Cheat Sheet is essential for long-term investors to navigate the ups and downs of the market effectively. These tools help identify patterns in sentiment and price movements, enabling investors to make informed decisions about when to enter or exit positions. The cheat sheet, highlighting the emotional rollercoaster of investing, urges investors to stay aware of their biases. This insight is particularly valuable for long-term investment strategies, as it promotes a disciplined, rational approach, crucial for maximizing returns and minimizing risks over time by steering clear of the emotional traps that can lead to hasty decisions.



## Bitcoin Mining

[ˈbɪt-,kɔɪn mɪ-nɪŋ]

The process of verifying transactions on the Bitcoin blockchain by solving mathematical puzzles, for which miners are rewarded with new bitcoin.



## Non-Fungible Token (NFT)

[en-(j)ef-'tē]

A cryptographic asset on a blockchain with unique identification codes and metadata that distinguish them from each other.

## Mastering Crypto Trading and Investing

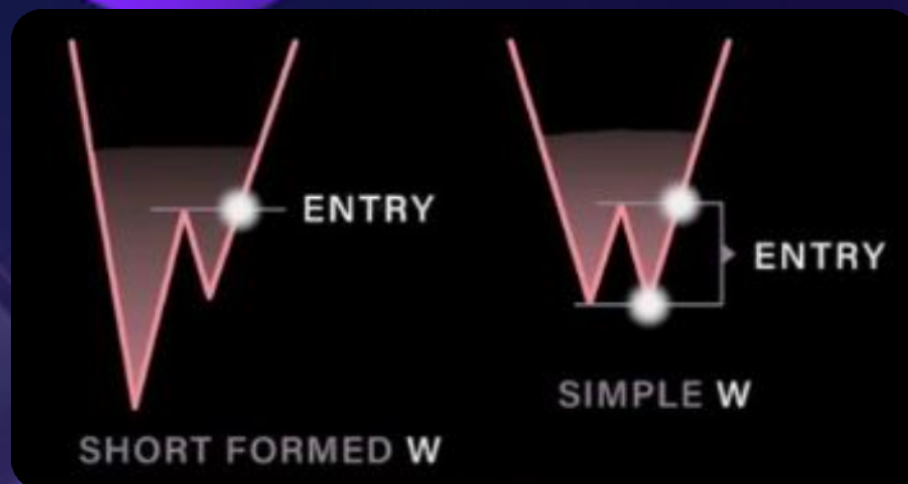
Welcome to the pivotal section of this ebook, where we dive deep into the mechanics and strategies behind successful crypto trading and investing. So far you have learned how to bring your money into crypto and bridge it to PulseChain. Now you will learn to evaluate what's the right moment to buy.

Cryptocurrency, with its decentralized nature and potential for significant returns, has captivated the attention of investors worldwide. However, the journey to crypto proficiency requires more than just a passing interest; it demands a thorough understanding of market dynamics, trading terms, and investment strategies. Here, we'll explore essential trading concepts, from the basics of "Ask" and "Bid" to the nuanced strategies of Fibonacci retracement tools and the importance of Reload Zones.

As we explore the world of cryptocurrency together, learning how to analyze and understand the market will be a big part of your journey. It's really important not to rush into buying a cryptocurrency just because you're excited or afraid of missing out. Before you decide to buy, you should look into whether the current price is actually a good value or if it might have already reached the top of its projected range. Buying at a high price can mean waiting a long time to see any profit.

A lot of people make the mistake of buying a cryptocurrency as soon as they decide they like it. Often, they end up buying at the highest price, and then the price drops a lot. To avoid this, I'll show you some easy tools to use. These tools will help you figure out the best times to buy, so you can make smart decisions and not just follow the crowd.





## Technical Analysis Tools

**SMA (Simple Moving Average) & EMA (Exponential Moving Average):** Key indicators for analyzing market trends.

**Valid Retracement:** Occurs when an asset's price bounces back within the reload zone, allowing for a new Fib tool placement.

## This Investment Approach Demands Strict Adherence to Rules

**Risk Management:** Never risk more than 5 percent of your portfolio on a single DeFi project. Spread your investments across different coins to minimize risk.

**Buying Strategy:** It's wise to start purchasing below the 0.618 Fibonacci zone, embracing even deeper drops as opportunities to buy more without exceeding the 5 percent rule.

**Profit Taking:** Implement a "sell half on a double" strategy, continuously securing profits while leaving room for growth.

## Key Takeaways for Success

**Long-Term Commitment:** Set aside funds you won't need for three to five years, aiming to cash out at the market's peak.

**Base Currencies:** Measure your wealth in Bitcoin, Ethereum, PulseChain, or HEX, avoiding fiat until the cycle's end.

**Performance Tracking:** Keep a detailed record of your trades through screenshots or a trading journal.

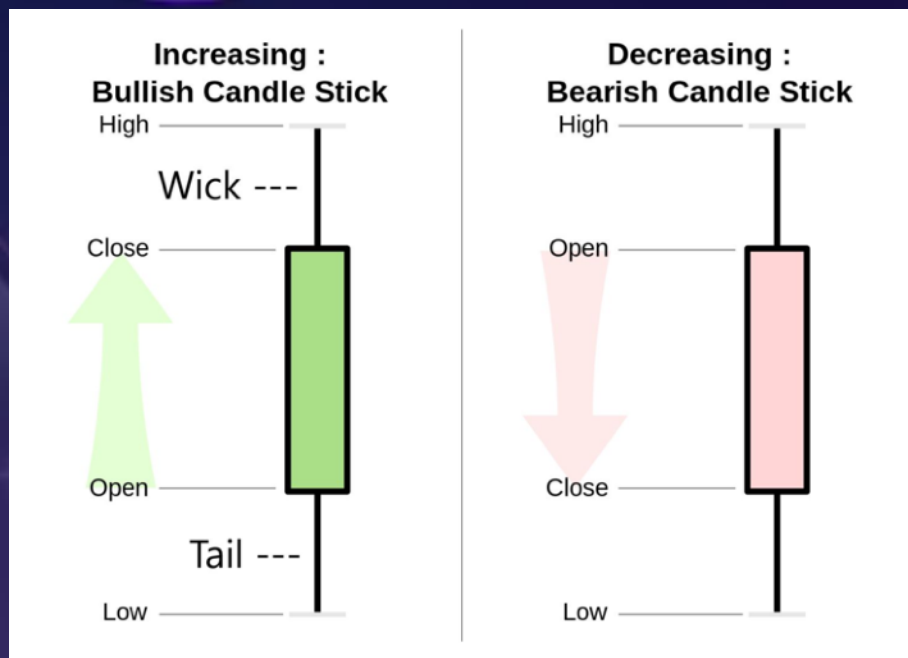
**Consistency:** Stick to the strategy without deviation to ensure success.

## Understanding Charts



**Chart Axes Explained:** On a chart, the Y-axis (up & down) represents the price, while the X-axis (left & right) tracks the passage of time. This fundamental setup allows traders to visualize how the price of an asset changes over specific periods.

**Japanese Candlesticks:** Are used to chart the ebb and flow of market prices within a given timeframe, using colors for quick insight. A green candlestick signals an increase, indicating the price closed higher than it opened, reflecting buyer dominance. On the other hand, a red candlestick represents a decrease in price, with the closing price lower than the opening, highlighting sell pressure.



**Navigating Timeframes and Indicators:** Timeframes on charts can be chosen, from weekly and daily to hourly and minute-by-minute intervals, depending on the timeframe you want. While I prefer sticking to weekly timeframes for a broader market view, daily timeframes become crucial during altcoin seasons when prices can skyrocket. Indicators, which are tools based on algorithms, help analyze price momentum, trading volume, and other key metrics.

**Mastering Moving Averages:** The 200 SMA (Simple Moving Average) serves as a benchmark for identifying buying opportunities, whereas the thirteen EMA (Exponential Moving Average) helps in spotting trends. The SMA calculates the average of closing prices over 200 periods, offering a smooth price overview. On the other hand, the EMA assigns more weight to recent prices, making it more responsive to new market movements. These tools can give you additional indicators on when to buy and sell.





Fib Retracement

Style

Coordinates

Visibility

Trend line

Levels line

Extend lines left

Extend lines right

0

0.236

0.382

0.886

0.618

0.786

1

1.618

0.5

2.618

Template

Cancel

Ok

**Utilizing the Fibonacci Retracement Tool:** Zooming into the chart allows for more detailed analysis, where tools like the Fibonacci Retracement can be useful. This tool can be found in the toolbar, and is used by drawing from a low to high price, pinpointing potential support levels. Ideal entry points often align with the 0.618 level, though waiting for the price to stabilize and break its downtrend is advised.

**Fibonacci Retracement Deep Dive:** The Fibonacci Retracement tool, cherished by technical traders, is grounded in ratios derived from the work of the thirteenth century mathematician Leonardo Fibonacci. Key levels to watch include the following percentages: 23.6, 38.2, 50, 61.8, and 78.6, with the 61.8 and 78.6 ratios being particularly significant. These levels, especially when the market is in decline, can offer insights into potential turnaround points, with the 88.6 percent mark recognized as a critical retracement level for identifying market bottoms.

**Here is a great video explaining why the Fibonacci tool works:**

The magic of Fibonacci numbers | Arthur Benjamin | TED

<https://www.youtube.com/watch?v=SjSHVDfXHQ4>



## Strategizing Your Crypto Portfolio Using the BCG Matrix

It can be helpful to think about your favorite crypto in terms of the Boston Consulting Group (BCG) Matrix, a cool tool from the business world. With this approach you can categorize cryptos into four types: "Cash Cows," "Shooting Stars," "Poor Dogs," and "Question Marks," helping you to figure out where to invest money wisely. Let's break down where popular cryptocurrencies like BTC, ETH, PLS, XRP, and HOA fit into these categories.

### BTC: The Reliable Cash Cow (low market growth, high market share)

Bitcoin (BTC) is pretty much the "Cash Cow" of the crypto universe. It's the OG cryptocurrency that everyone knows and trusts, offering steady returns with its solid market presence. Think of BTC as that dependable savings account; it's not going to skyrocket overnight, but it's reliable for consistent growth over time.

### ETH and PLS: The Shooting Stars (high market growth, high market share)

Ethereum (ETH) and PulseChain (PLS) are the "Stars" shining bright in the crypto sky. They're both growing fast and have carved out significant spots in the market. ETH is the backbone of the booming DeFi sector, while PLS is making waves with its innovative solutions. Investing in these "Stars" means betting on continued growth and leadership in the crypto space.

### XRP: The Poor Dog (high market growth, low market share)

XRP lands in the "Dog" category, facing a tough time keeping up with its competitors. It's had its moments in the spotlight for quick international transactions, but legal challenges and stiff competition have dimmed its shine. In the BCG Matrix, "Dogs" are usually on the chopping block, suggesting it might be time to reconsider holding onto XRP.





## HOA: The Question Mark Card (low market growth, high market share)

HOA is our “Question Mark.” It’s in that exciting but unpredictable phase where it could either skyrocket to “Star” status or fizzle out. These are the cryptos that keep investors on their toes because they’re in high-growth areas but haven’t quite made it big yet. Investing in “Question Marks” like HOA is a bit of a gamble, but with high risk comes the potential for high rewards.

## Crafting a Balanced Crypto Portfolio

Using the BCG Matrix as a guide, we can create a more strategic crypto investment portfolio. By mixing “Cash Cows” like BTC for stability, “Stars” like ETH and PLS for growth, being cautious with “Dogs” like XRP, and taking calculated risks on “Question Marks” like HOA, we’re setting ourselves up for a more diversified and potentially successful investment journey.

So, whether you’re new to the crypto game or looking to refine your investment strategy, thinking about your portfolio in these terms can give you a clearer roadmap for navigating the exciting yet unpredictable world of crypto.





## Conclusion: Your Path Forward in Crypto Trading and Investing

We've come a long way together, from understanding the basics of what digital money, or cryptocurrency, is all about, to learning how to make smart choices when buying, selling, and keeping it safe. As you've worked through the steps in this guide, you've taken your important first steps into the exciting world of crypto, you've learned how to get started by setting up your account and acquiring your first cryptos and the many reasons why investing in cryptocurrency is such an interesting option for people looking for new ways to handle their money.

But there's so much more to learn and do! That's where my online course, "From Zero to Hero: A Beginner's Guide to Freedom," comes in. It's the perfect next step for anyone who wants to get even better at making money with crypto, whether you're just starting out or already know a bit but want to learn more.

### Here's What "From Zero to Hero" Will Help You Do:

- Learn more about when to buy or sell crypto.
- Understand how to protect your investments.
- Discover the latest trends in the crypto world and how you can benefit from them.
- Be part of a community where everyone is learning and growing their crypto knowledge together.

The world of crypto is always changing, and keeping up with what's new is important if you want to do well. "From Zero to Hero" isn't just an online course—it's your chance to really get into crypto and see where it can take you. It's about giving you the tools and know-how you need to make smart choices in the crypto market.

Thanks for following along in this step-by-step ebook to learn how to set up your crypto account and buy your first coins. . Now, take your next big step with "From Zero to Hero" and build on what you've learned to take action toward achieving your dream of financial freedom. Let's dive deeper into the world of crypto together and see all the amazing places it can lead us.





## Decentralized Applications (dApps)

[[dē-'sen-trā-,līzd,ā-plā-'kā-shanz]

Software programs that run on a blockchain or P2P network of computers instead of a single computer.



## Inflation

[in-'flā-shən]

A rise in prices, which can be translated as the decline of purchasing power over time.

## Decrypting Crypto Lingo

From “altcoins” (anything that’s not Bitcoin) to the enigmatic Satoshi Nakamoto (Bitcoin’s mysterious creator), the crypto world is full of specialized terms. Whether it’s understanding the blockchain—the digital ledger that records all crypto transactions—or grasping what a “wallet” really is (your digital key to the blockchain, hot or cold), getting to know these terms is essential for navigating the crypto universe.

By wrapping your head around these concepts, from the importance of secure wallets to the mechanics of staking and the rhythm of market cycles, you’re setting yourself up for a more informed and potentially rewarding crypto journey.

## Crypto Essentials Simplified

**Altcoin:** Any cryptocurrency that isn’t Bitcoin, often seen as alternatives offering different features or use cases.

**Bitcoin:** The first cryptocurrency, launched in 2009, enabling peer-to-peer digital payments without the need for a central authority.

**Blockchain:** A digital ledger recording all cryptocurrency transactions, comprised of blocks linked in a chain, known for its security and permanence.

**Coin:** Digital currency that operates on its blockchain network, like Bitcoin or Ethereum.

**Cold Wallet/Cold Storage:** The most secure form of cryptocurrency storage, not connected to the internet, protecting assets from online hacks.

**Cryptocurrency:** Digital, decentralized currency used for secure online transactions or investments.

**Decentralization:** The distribution of control away from a central authority, a fundamental principle of blockchain technology.

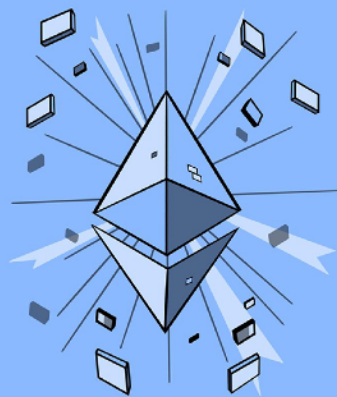
**Decentralized Applications (DApps):** Applications running on a blockchain that operate autonomously, crucial for DeFi transactions.



## Fiat Money

[ˈfi-ət ˈmɑ-nē]

A government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it.



## Gwei

[ˈɡvi]

A denomination of the cryptocurrency ether (ETH), the digital coin used on the Ethereum network.

**Decentralized Finance (DeFi):** Financial services on the blockchain, allowing for lending, borrowing, and trading without traditional banks or intermediaries.

**Exchange:** Platforms for buying, selling, or trading cryptocurrencies. Can be centralized (traditional, with fiat-to-crypto transactions) or decentralized (DEXs, facilitating peer-to-peer trades without intermediaries).

**Fiat Currency:** Government-issued currency, such as USD or EUR, not backed by a physical commodity but by trust in the government issuer.

**FOMO:** Fear of missing out, a psychological trigger causing investors to make rushed decisions based on others' actions or market trends.

**Fork:** A split in a blockchain network, occurring when a community disagrees on protocol changes, leading to two diverging paths.

**Gas Fees:** Transaction fees on blockchain networks like Ethereum, paid for computational efforts to process and validate transactions.

**Halving:** The event in Bitcoin's protocol that reduces the reward for mining new blocks by half, occurring approximately every four years, influencing Bitcoin's supply and potentially its price.

**HODL:** A term derived from a misspelling of "hold," advising investors to keep their crypto through market fluctuations.

**Hot Wallet:** An online, software-based wallet for storing cryptocurrencies, offering convenience but exposing users to greater online threats.

**Initial Coin Offering (ICO):** A fundraising method where new projects sell their underlying crypto tokens in exchange for bitcoin or ether, akin to IPOs in the stock market.

**Liquidity Pool:** Collections of funds locked in a smart contract, facilitating trading on decentralized exchanges by providing necessary market liquidity.

**Market Cap:** The total market value of a cryptocurrency, calculated by multiplying its current price by the total number of coins in circulation.





## Yield

[yēld]

The earnings generated and realized on an investment over a particular period of time.



## Yield Farming

[yēld 'fär-miŋ]

A high-risk, volatile investment strategy where an investor stakes, or lends, crypto assets on a decentralized finance (DeFi) platform to earn a higher return.

**Mining:** The process by which transactions are verified and added to the public ledger (blockchain) and also the means through which new coins and tokens are released.

**NFT (Non-Fungible Token):** Unique digital tokens that represent ownership of specific items, leveraging blockchain for authenticity and proof of ownership.

**Private Seed Phrase:** A list of words not to be shared with anybody. This list represents the owner of the assets it holds. Whoever is in control of these words is in control of the assets.

**Proof of Work (PoW) / Proof of Stake (PoS):** Consensus mechanisms for validating transactions and adding new blocks to the blockchain. PoW requires computational power (mining), while PoS relies on stakeholder validation.

**Public Address:** A publicly shareable address used to receive cryptocurrencies, akin to a bank account number for digital assets.

**Satoshi Nakamoto:** The pseudonymous creator(s) of Bitcoin, whose real identity remains unknown.

**Smart Contract:** Automated contracts with terms directly written into code, facilitating trustless agreements and transactions on the blockchain.

**Stablecoin:** Cryptocurrencies pegged to stable assets like the US dollar, aiming to minimize price volatility.

**Token:** Cryptocurrencies representing assets or utilities on a blockchain, often used within specific ecosystems.

**Wallet:** Digital tools for storing cryptocurrencies, either as hot wallets (online) or cold wallets (offline storage options like USB drives), securing private seed phrases and funds.

**Yield:** in DeFi is the return on investment, maximized through strategic asset allocation across platforms.

**Yield farming:** is leveraging DeFi protocols to earn returns from staking or lending crypto assets.