UNDERSTANDING THE CONCEPT OF CRYPTO TRADING

TWO CLASS SECTION

(THEORY & PRACTICAL)

COURSE INSTRUCTOR:

MR KELVIN COLLINS

1. Cryptocurrency Exchanges: Platforms where users can buy, sell, and trade cryptocurrencies. Examples include Binance, Coinbase, and Kraken.

2. Trading Pairs: Cryptocurrencies are traded in pairs (e.g., BTC/USD or ETH/BTC). This represents the exchange rate between the two currencies.

3. Market Orders: An order to buy or sell a cryptocurrency at the current market price. It executes immediately.

4. Limit Orders: An order to buy or sell a cryptocurrency at a specific price or better.

It only executes when the market reaches the specified price.

5. Bid and Ask: The bid price is what buyers are willing to pay, while the ask price is what sellers are asking for. The difference is the spread.

6. Market Depth: A visualization of the supply and demand for a particular cryptocurrency, showing the order book with buy and sell orders.

7. Candlestick Charts: Graphical representation of price movements over a specific time period. Each candlestick shows opening, closing, high, and low

prices.

8. Technical Analysis (TA): Analyzing historical price data and trading volumes to make predictions about future price movements.

9. Fundamental Analysis: Assessing the intrinsic value of a cryptocurrency by considering factors like technology, team, partnerships, and overall market conditions.

10. Wallets: Digital wallets store cryptocurrencies. Hot wallets (connected to the internet) are convenient for trading, while cold wallets (offline) offer enhanced security for long-term storage.

11. Leverage and Margin Trading: Allows traders to borrow funds to increase their position size. It can amplify profits, but also losses.

12. Stop-Loss and Take-Profit: Risk management tools. A stop-loss order automatically sells a cryptocurrency if its price falls to a specified level. A take-profit order does the same when the price reaches a profit target.

13. Volatility: Cryptocurrency markets can be highly volatile, with prices subject to rapid and unpredictable changes.

14. Hodl: A term originating from a misspelling of "hold." It emphasizes a long-term investment strategy without being swayed by short-term market fluctuations.

15. ICO (Initial Coin Offering): A fundraising method where new projects sell their underlying cryptocurrency tokens to early investors.

Understanding these concepts provides a foundation for entering the world of crypto trading. It's important for traders to conduct thorough research, stay informed about market developments, and manage risks effectively.