

# **CRYPTOCURRENCIES**

**Learn How to Use the Next Generation of the  
Financial System to Win**

## **Bonus Chapter**

**The Secret to Buying and Selling Cryptocurrency Successfully**

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Cryptocurrencies: Learn How to Use the Next Generation of the Financial System to Win

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## Bonus Chapter

### The Secret to Buying and Selling Cryptocurrency Successfully

Maybe you're wondering how it's possible to make money on cryptocurrencies. Or maybe you're searching for a formula for successful trading.

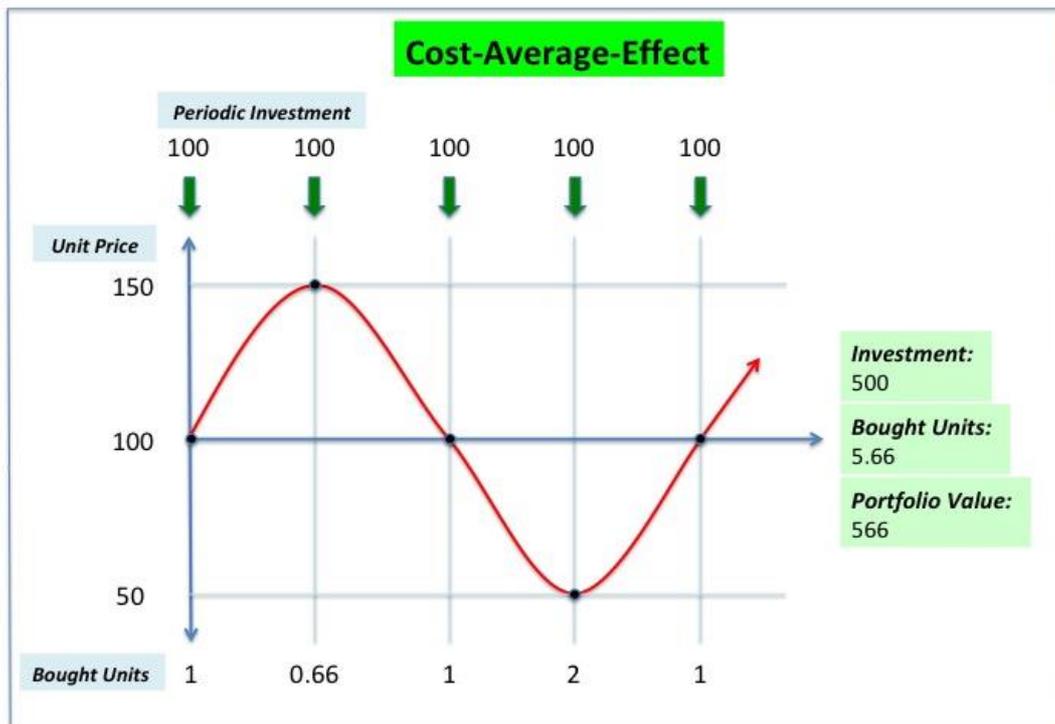
I'm not a professional trader. But through experience I learned how to respond in various situations. Through the process of learning I also built up my crypto common sense. The cryptocurrency market is really a fluctuating market and sometimes the price difference can be really huge in a very short time. There's no comparison with other financial markets—regarding the capital movement and the price difference.

Because the market is changing enormously all the time, there's no straight formula for success.

That's why you should invest or trade using money you don't urgently need to have in order to live. This gives you time and the possibility that you make your decisions calmly and not in panic. People in panic sell when they need money regardless of the market price. Or they nervously buy and sell without a mindful strategy. That is why they have a higher tendency to lose capital. Investing is a lot of psychology, as said by stock exchange guru André Costolany.

Anyway, there are some strategies that should work over the long-term ...

One of them is a very good trading strategy that has shown to be successful in the past. This strategy helps people enter the market even when they are not sure if "it's the right time," and it also helps lower risk. It's called the "**Cost Average Effect.**" And what does it mean? Cost Average Effect means that somebody is buying units in the same periods of time for the same amount of money, regardless the market price in a certain moment. Over time this results as a profitable technique that doesn't require a lot of knowledge. I'll explain it more in the chart below:



What you can see on the chart is a simulation of the periodic investment. This means that in a certain period—daily, weekly, monthly or yearly—one always invests the same amount in the same asset (Note: the time period chosen needs to remain the same at all times.). What happens is like this person is buying this asset(s) at various prices - low, high and everything in between. My advice is to be very disciplined with this technique. Sometimes people presume that the price is low and they want to buy a larger amount. Pay attention, the price can always drop deeper!

On the long scale this technique has shown us very good results, lowering risks and stabilizing profits. And it's applicable on all assets, not only Cryptocurrencies.

There are also more "aggressive" techniques of trading / investing. And even if at first sight everything might look chaotic we can see patterns and trends when we look at the situations closely and more profoundly. That gives us the possibility to use these patterns and trends in our favour.

Maybe on the first impact the following charts say nothing to you. But when you look at them closer you'll discover something important.

Below you can see the Bitcoin price and capitalisation chart over a three-year period. Do you notice something when you look at it closer? Have you discovered something special?

Of course! The pink spots on the charts represent the lowest points of the price in those three years. We can also see on the charts that the price goes up from spring to the winter price picks. Just like the nature is waking up after the winter, the Cryptocurrencies prices for the last years seem to be the same. Check the chart below.



Source: [coinmarketcap.com](https://coinmarketcap.com)

Be careful—it makes no sense to try to catch the lowest and the highest points. Because no one can tell you exactly when and where they will appear. It's much better to focus on the trend.

In this case we could use patterns from the charts to buy Bitcoins in the spring and sell them in the winter time. You could also take your initial investment out after you make some profit and then you are in the game with zero risk!

Afterwards, with your initial investment on the safe side you can buy additional Cryptocurrencies (if you decide so) and again wait until you can get out of the initial

investment. In this way you can enlarge your Cryptocurrencies portfolio with the same initial investment capital. But to do this, you need to have strong nerves to stay calm so that you can think in a reasonable way in different situations. I know a lot of people that lost their mind when the prices were going up and up and up. They could take out some nice profits in time and still leave some of the investment “in the game” if they felt like it. In that way one protects him/herself of loss. It also does not mean that something is a bad investment if the trend is going down. On the contrary—this can be a good time to start buying. How do you prefer to buy something? Do you prefer to pay the full price, or you prefer to buy on sale? And it might be safer to start buying in partial amounts and not to invest the whole sum at the same time. So you get the opportunity to buy assets cheaper and cheaper; you get more and more units for the same price and with that you lower risks and stabilize profits.

Markets always have “corrections,” going up and down in their trends. Sometimes people get too greedy and they don’t take advantage of an opportunity to get some profits because of the belief that trend is only going up. And on the other hand, they can be very upset when the trends are going down. The truth is that both situations could be profitable with the right approach. History teaches us that things move in cycles. So, we have up and down trends. In the trends there are corrections (up or down) that always come sooner or later.

Regardless of which strategy you choose, pay attention to what I said before. Always invest money that you feel comfortable putting at risk. This choice will allow you to sleep calmly and to have a peaceful mind.

I wish you all the best and good luck!