

BITCOIN BREAKTHROUGH



THE BEGINNERS GUIDE TO BITCOIN
PROFITS IN TOUGH ECONOMIC TIMES



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Bitcoin Breakthrough

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Recommended Resources

- [Web Site Hosting Service](#)
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INTRODUCTION



Unless you have been living under a rock you will have heard about cryptocurrencies. The most famous of these is Bitcoin which is always in the news. Some people think that cryptocurrencies are a scam, but they are not. If you know what you are doing you can make some very tidy [profits](#) with them.

Some people are too scared to get involved with cryptocurrencies. They do not understand them and all they focus on are the scams that hit the headlines. Unfortunately, there are cryptocurrency scams, but they are easy to spot and avoid.

In this report you will learn how to prepare yourself to profit from cryptocurrencies like Bitcoin. You will discover the mistakes that most novices make when they get started with cryptocurrencies. So read this special report from cover to cover to maximize your chances of [making](#) good profits with cryptocurrencies.



1

Understand Cryptocurrencies



You must understand what cryptocurrencies are and how they work to make a [profit](#) from them. Basically, a cryptocurrency is a virtual currency that is used for exchange [online](#). All cryptocurrencies have cryptology functions which are essential for secure financial [transactions](#).

Almost all of the cryptocurrencies available these days use the blockchain technology. This [technology](#) is much more secure than the conventional [client server](#) technology that supports most financial transactions used by [banks](#) and other financial institutions.

Blockchain is a decentralized system rather than a centralized one. This means that all of the nodes ([computers](#)) in a cryptocurrency network must be able to see all of the transactions and they need to be confirmed and verified for authorization. The cryptocurrency term for this is "consensus".

All cryptocurrencies should have a controlled supply. As an example, there will only be 21 [billion](#) Bitcoins. Think about a finite amount of gold existing in the world. The reason gold is so valuable is that there is only so much of it and one day humans will have mined every last bit of it.

There needs to be a finite number of cryptocurrencies to ensure that they have value. Experts estimate that there will be no more new Bitcoins created after the year 2140. Bitcoin is so popular that the supply could run out a lot faster than that.



All cryptocurrency transactions must create immutable records. This means that after authorization a record can never be changed. The blockchain [technology](#) ensures the immutability of all cryptocurrency transactions.

You should never need the permission of anyone to participate in cryptocurrency transactions. There is no government [control](#) (not yet at least) and one of the major [attractions](#) of cryptocurrencies is that they are not affected by specific inflation and deflation issues of countries.

Some countries are scared of cryptocurrencies and have banned them so you need to [check](#) if you can [trade](#) cryptocurrencies in your country.



2

Public and Private Keys



You must understand the principle of the public and private key system and how it applies to cryptocurrencies. To verify a cryptocurrency transaction there must be a public and a private key and these must be linked together with you as the owner. These keys are heavily encrypted for security and it would take massive [computer power](#) to decrypt these keys even if it was possible.

A public key has a tie in with a public address and you need this for cryptocurrency transactions. You use your public key to deposit your cryptocurrencies and let people know that you are available to make transactions (buy and sell cryptocurrencies). Anyone can see your public key.

Your private key must never be shared and acts like a password to protect the cryptocurrencies that you own. All of your private keys must [link](#) to public keys for additional security. Private keys determine the balance of your cryptocurrency holdings.



3

Protect your Cryptocurrencies



When you buy and sell cryptocurrencies using an [exchange](#) you do so using a wallet. These are [online](#) wallets that are very convenient for the storing of cryptocurrencies and fast transactions. The problem with these online wallets is that they are not secure.

The blockchain technology that supports most cryptocurrency transactions is very secure but if hackers get a hold of your wallet login details, they can send all of your cryptocurrencies to their accounts. Because blockchain creates immutable records you cannot reverse any of these transactions. This means that you can lose everything!

An online wallet or a mobile wallet are called "hot" wallets. These are great for convenient [trading](#) of cryptocurrencies but poor on security. The other thing about these wallets are that they are controlled by the cryptocurrency exchanges. If you upset the exchange by inadvertently breaching their terms and conditions, they can close your account and again you lose everything.

To prevent losing your cryptocurrencies through theft or account closure we recommend that you use a "cold" wallet. These wallets do not require a connection to the [Internet](#) to store your private keys.

There are different types of cold wallet:

- Desktop wallets
- Paper wallets
- Hardware wallets



A desktop wallet is an [application](#) that you download and install on your desktop computer or laptop. These are a lot safer than online wallets and when you disconnect from the [Internet](#) you still have all of your information safely stored. They are not 100% foolproof though.

With a paper wallet you store all of your cryptocurrency information on a piece of paper that you print from your computer. You can then [store](#) this paper in a safe place to ensure nobody else sees it. This is far from the most convenient wallet solution, but it is pretty safe.

Finally, there are hardware wallets which are in the form of USB sticks. They are the most expensive form of cryptocurrency wallet, but they are the safest. When you want to make a transaction all you need to do is to [plug](#) in the USB stick and then remove it again when the transaction is complete.

If you are serious about making [money](#) with cryptocurrencies, and you need to be, then we recommend that you invest in a hardware wallet and use online wallets for regular transactions. Only keep small amounts in an [online](#) wallet sufficient for the transactions you want to make, and the rest keep in your hardware wallet.



4

Only Invest Money you can afford to lose



Cryptocurrencies are very volatile. Since Bitcoin was launched 10 years ago it went from zero value to thousands of [dollars](#). It has also dropped by thousands of dollars as well. You have to accept this volatility and know that cryptocurrency investing is a high-risk occupation.

But where there is risk there is reward. There have been times when cryptocurrencies have seen dramatic rises and if you get the timing right you can make a lot of money. You can also lose a lot of money if you make the wrong decisions.

Any [money](#) invested in cryptocurrencies should not dramatically affect your [life](#). Never invest your last dollar in cryptocurrencies hoping that you will make a [profit](#). We strongly advise that you don't borrow money from banks or anywhere else to make investments either.



5

Long Term Investments are best



You need to be patient to be successful with cryptocurrency investing. Although cryptocurrencies are volatile there are usually cycles that you can rely on to predict upswings and downswings. This is particularly true of Bitcoin.

Waiting for the right time to buy and sell cryptocurrencies comes with experience. One of the [ways](#) that you can usually make a profit with Bitcoin [investing](#) is to use the [dollar](#) cost averaging [method](#).

With dollar cost averaging you will make regular purchases of Bitcoin say weekly or monthly. You do not have to worry about the prices being right – just buy at whatever the price is now. It is best to invest the same amount every time for this strategy to work.

So, for example if you can comfortably afford to invest \$100 a week in Bitcoin then do this using the dollar cost averaging method. Some weeks you will get more Bitcoins for your [money](#) and other weeks you will get less. Over a period of time your [profits](#) should average out as well so that you will make a profit.

If you just invest a lump sum in Bitcoin or another cryptocurrency and the price goes down then don't panic. Keep your investment going until the price rises above what you paid. If you make a withdrawal before this time then you will make a loss.



6

Don't get involved in Cryptocurrency Trading right away



You may have read stories of traders making [profits](#) every single day with cryptocurrencies. Some of these will be true but the reality is that cryptocurrency trading is difficult and requires a lot of experience.

Everyday newcomers to cryptocurrencies head to the trading platforms and lose a ton of money through the mistakes that they make. Often this is good news for experienced traders as cryptocurrency prices rise due to this activity and they make a profit on their previous trades.

There is no reason why you shouldn't get involved in cryptocurrency trading but learn and practice first before you invest real [money](#). You need to learn everything you can about how cryptocurrency trading works and the cycles that specific cryptos such as Bitcoin go through.

You can setup a demo account with most of the more reputable cryptocurrency [exchanges](#). These demo accounts use real time prices, so it is just like real trading. If you make mistakes in your demo account and lose money (not real money) then you can analyze them to see why you made the mistake to avoid it again in the future.

Losing all of your money in a demo account is no big deal because it isn't real. Just get another demo account and keep practicing. [Jumping](#) into a real account and losing hard [cash](#) is another story altogether!



To be successful with cryptocurrency [trading](#) you need a plan. Just relying on luck will soon see you losing your [money](#). Don't just follow what everyone else seems to be doing. Do your own research and follow your own hunches.

Create a trading plan for each cryptocurrency you want to trade. Set a low "buy" price and a high "sell" price that you will stick to. This will ensure that you can make the levels of [profit](#) that you want.

You have to keep your emotions in check when you are trading cryptocurrencies. Trade on logic rather than emotion. A sudden fall in price for a crypto should not panic you into selling to minimize your losses. You need to predict when the next time the price will rise in line with your trading [plan](#) and then sell.



7

Analyze Market Cap Size



To be successful with cryptocurrency [investment](#) you need to look at the total market cap size of the cryptocurrency you want to invest in. Don't just look at the current price of the cryptocurrency as a way of determining its potential for growth. This is not the best way at all to determine the margin of [process](#) that the cryptocurrency has.

You must take a look at two factors:

1. The total capitalization (or market cap) of the cryptocurrency – this is a simple matter of multiplying the total number of cryptocurrency tokens in circulation by the value of a single token.
2. What has been the increase in capitalization? How has the cryptocurrency grown since it was first launched? If there have been significant gains since the ICO (Initial Coin Offering) for example, then this is usually a sign that it is less likely to progress going forward. If you notice that the value of a crypto has fallen significantly since the ICO then this could point towards it being a scam.

You will need to exercise caution if capitalizations seem very high. If a crypto has fallen in value significantly since its ICO then this doesn't definitely mean that it is a scam. It's possible that the team behind it are focusing on other aspects of the [project](#) right now and not on [marketing](#). It could also have reduced if the crypto [market](#) has fallen in general.



8

Keep Track of your Results



Cryptocurrency investing is never a “set it and forget it” scenario. You need to constantly [check](#) how well your investments are performing.

There are basically three results you can expect from a cryptocurrency investment:

1. You are [making money](#)
2. Your investments are stable
3. You are losing money

If you have a number of different cryptocurrency assets, then tracking your investments can be tricky. You need to be able to see how each asset has evolved since the last time you watched them.

The good news here is that there are some mobile device (smartphone or tablet) [apps](#) will enable you to [track](#) your results instantly and automatically.

To use these apps, you will need to enter the following details:

1. How much of each crypto asset you own
2. The type of cryptocurrency
3. The amount that you purchased them for
4. The dates that you made the purchases

Once you have entered these details you can get a [wealth](#) of information from these apps.



The best two [apps](#) available for cryptocurrency monitoring are:

1. Blockfolio
2. Delta

These are available for iOS devices and Android devices. We recommend that you try both of them to see which one suits you the best. Be warned though that both of them can be pretty addictive and you can find yourself watching your [crypto](#) portfolio a lot more often than you need to.



9

It's not too late



A lot of people think that it is too late to profit from cryptocurrency investing. They read [articles online](#) that tell them that Bitcoin has been going too long for anyone to [profit](#) from it and that everyone that didn't invest has missed the [boat](#). This is definitely not true.

If you take Bitcoin as a classic example, then it does a thing called "correcting". This is a cyclic thing that occurs every few months or so. There will be a drastic drop in the price and then there will be another time where there is a dramatic increase in the price. Once you recognize these dips and peaks you can make good profits.

Many people have made good profits buying Bitcoin during its dips since it was launched in 2009. It has worked that way ever since. So never believe that you are too late for cryptocurrency [investing](#). People have been saying this about Bitcoin for years now and always been wrong.



CONCLUSION



Bitcoin started it all back in 2009 and there is more known about this virtual currency than any other. You can learn all you need to know about this famous cryptocurrency a lot easier than you can other cryptocurrencies.

There are more Bitcoin groups and communities than any other cryptocurrency. You don't need to blindly follow advice from these but there will be people who are part of them that have a great deal of experience in Bitcoin investment that you can learn from.

With Bitcoin sometimes having very high values in the thousands of dollars you can buy fractions or Satoshi's (named after the inventor Satoshi Nakamoto). There are more places that you can buy and sell Bitcoin than any other cryptocurrency.

There are ways that you can obtain Bitcoins without [buying](#) them. If you have a [business](#), either [online](#) or offline, you can sell your [products](#) and services in exchange for Bitcoin. A lot of people now own Bitcoins and will be happy to see that you are moving with the times and accepting it as a form of payment.

With an offline business all you need to do is to create a QR code from your private key and then you can print this off and display it in your [store](#). Bitcoin owners can use their smartphones to scan the QR code and then make the Bitcoin transfer immediately. After a few minutes the transaction will complete, and you will have the additional Bitcoins in your wallet.



With an [online store](#) you can use a script or a plugin for a Bitcoin payment gateway. People that shop in your store will then have Bitcoin as an added payment option.

There are websites that will pay you in Bitcoins for performing tasks. A lot of [freelancers](#) prefer to be paid in Bitcoins as the transactions only take a few minutes whereas a bank transfer can take days depending on the countries involved. [Customers](#) like Bitcoin because there are no expensive bank transaction fees to pay.

There are more [guides](#) and reports on Bitcoin [investing](#) and [trading](#) than any other cryptocurrency. If you were to get involved with a new cryptocurrency then there is always the risk that it is a scam. Bitcoin has been around for a long time and is definitely not a scam.

Bitcoin is the most valuable cryptocurrency because it has the largest user base. Across the world there are more than 10 [million](#) Bitcoin wallets in existence. A large user base like this just adds to the credibility of Bitcoin and this in turn leads to more people interested in investing in it and using it as a currency.

There are many more use cases for Bitcoin than with other cryptocurrencies. Any [business](#) or individual can adopt Bitcoin and its potential for use in modern society is staggering. This has come to the attention of many and as a result the price has soared.

There are other good cryptocurrencies such as Ethereum which have the advantage of smart contracts, but it would not be in existence today if it wasn't for Bitcoin. Ethereum is a valuable cryptocurrency but it will always be in the shadow of Bitcoin.



There is no reason why you cannot invest in other cryptocurrencies when you have some experience. By starting with Bitcoin, you have the advantage of a great deal of history that you can learn from. This will give you greater [confidence](#) to invest and once you [start](#) to turn a [profit](#) then you can look at alternatives.

Like it or not Bitcoin has the most users and is the most likely to attract more. More and more people are adding themselves to the Bitcoin blockchain which increases its value. Bitcoin was the first cryptocurrency and attracts more [media](#) attention than all of the others combined.

Now that you know the 10 secrets to cryptocurrency profits it is time for you to take action. Don't just read this report and do nothing. Use the information in this report to create a strategy for cryptocurrency [investing](#).

