

## Cryptocurrency Trading for Beginners Guide - Free PDF

As more and more people are turning to bitcoin and cryptocurrency, traders are starting to 'trade' these newer markets and increasingly add them onto their watch lists, especially as the price action data becomes more stable.

Today's lesson is an introduction guide into cryptocurrency trading for beginners and how you can trade bitcoin and the other newer cryptocurrencies. In this guide you'll also discover;

- How is trading bitcoin and cryptocurrency different to buying and which should you do
- What are the advantages
- What charts should you be using
- Can you use price action strategies in bitcoin markets? (and what strategies work).
- Bitcoins and cryptocurrency tips you need before starting trading

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- And if you should trade Forex, cryptocurrency or both.

## Understanding Cryptocurrency Trading

In recent times we have seen new products being launched such as the [CME futures contract](#).


There are also [planned Bitcoin ETF's](#) which may or may not get approved.

These contracts and others that are all planned in the coming months are all planned to allow trading over the price of bitcoins and not the actual bitcoin itself.

This will also allow the possibility for a lot more people to start short selling and will also increase institutional trading.

Most retail traders a long time ago turned their attention away from trying to get their hands on bitcoins and instead started trading CFD's products on cryptocurrencies and bitcoins.

**A Cryptocurrency CFD product allows you to go long or short without actually holding the real Cryptocurrency.**



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**This gives you the chance to gain exposure to the price of the Cryptocurrency without actually having to store it or worry about the counterparty risk from the exchange.**

**In this way it is similar to trading Oil or Gold. Rather than physically owning a barrel of oil or bar of Gold you are speculating on its price movements.**

If you think price is going to go up you can make profits from a price rise and you can also take advantage from price making a price plummet lower by short selling.

Whereas holding the real bitcoins your opportunities are really limited. You cannot make profits from short selling and get in and out fast like you can with a [CFD product](#) and you cannot use leverage.

**NOTE:** Use leverage with EXTREME caution on these products which is why I discuss risk management below. Whilst profits can be increased, so can losses. It can also be used to protect you from loss if you use smartly as we will discuss.

The other huge advantage of trading 'over' the price is that you don't have to have store any coins or worry about them getting lost or stolen. You can get in and out when you need and if all hell breaks loose and pandemonium breaks out, you are not left waiting 2 days to do something with your bitcoins.

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## What are the Crypto Markets / Cryptocurrencies That Can be Traded?

### Cryptocurrencies Contract Specifications


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Symbol	Description	Typical Spreads in quote currency per unit	Leverage (up to)
BTCEUR	Bitcoin Euro	30.0	1:10
BTCUSD	Bitcoin US Dollar	26.0	1:10
ETHEUR	Ethereum Euro	26.0	1:10
ETHUSD	Ethereum US Dollar	3.7	1:10
LTCEUR	Litecoin Euro	10.0	1:10
LTCUSD	Litecoin US Dollar	4.7	1:10
XRPUSD	Ripple US Dollar	0.031	1:5

#### Bitcoin: BTCUSD

The biggest cryptocurrency and has a market cap of over 300 billion dollars.

Whilst price has reached a record high of just under \$20,000 it currently sits around the \$10,000 mark.



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Some analysts are still extremely bullish on the prospects of the price of Bitcoin with some predicting \$50,000 and others like [CFD product](#) predicting far higher prices.

### **Ethereum: ETHUSD**


This is the second largest cryptocurrency and labeled by many as the next bitcoin. The currency has a lot of support and is a favorite among many.

### **Litecoin: LTCUSD**

Litecoin was designed to be quicker and offer speedier processing times. It was designed by a former Google engineer to improve upon the bitcoin technology and was the first cryptocurrency to implement SegWit

### **Dash: DHSUSD**

This cryptocurrencies has infrastructure that enables far faster transactions than what the others do. It has a focus on owner privacy and instant transactions.



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## **Bitcoin Cash: BCHUSD**

On August 1st, 2017, bitcoin experienced a fork that meant a brand new cryptocurrency called Bitcoin Cash was created.

Bitcoin Cash increased the limit to 8MB, allowing for around two million transactions to be processed per day.

## **Cryptocurrency Trading for Beginners**

Most traders are looking this way because of the ease, speed, margin and money management.

As Bitcoin and cryptocurrencies become more and more popular, the stories of fees increasing and extended wait times are becoming common.

Search a bitcoin forum or read a news site and you will find discussions about fees, talk about problems and issues like being able to buy, but then struggling to sell.

For serious traders who are looking to make profits, high fees, slow trade times and being locked out of trades is a huge gamble. It makes it very hard to manage the risks and know exactly what the downside could be.

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If you are trading over the real price with a CFD and not holding the actual bitcoin, but making profit from price going up AND down, you can use risk management strategies and easily get in and out with minimal fees.

## **What Charts Should I Use To Trade Bitcoin & Cryptocurrencies?**

One of the best things about cryptocurrencies becoming so popular is that the good charting platforms have all jumped on board and so have the best and biggest brokers.

Without these good brokers on board it would be extremely hard to trade with price action trading strategies and create a profitable strategy. The bigger brokers bring far cheaper trading conditions with dependable charts that can be relied upon.

[\*\*You Can Download a FREE Demo MT4 or MT5 Charts to Trade Cryptocurrencies Here\*\*](#)

## **Best Brokers and What Leverage?**

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When you are thinking about charts, brokers and starting to make trades in markets like cryptocurrencies, you need to think also about [risk and leverage](#).

Brokers at the moment are mostly offering 1:10 to 1:20 leverage on cryptocurrency trading.

On Forex and other products it is common to see leverage offered up to as high as 500:1. With time there is no doubt brokers will start relaxing their strings especially as they become more experienced and comfortable with the markets they are offering.

You need to use leverage to your advantage and not blow your foot off with it. Whilst it can enhance your trade it can also lead to far bigger losses.

The other thing to take into account is that you can practice trading cryptocurrencies with a demo account and virtual money. This gives you the same market conditions, but the trades you are placing are with virtual money and not real cash. You don't need to blow real live money to work out and test things.

**For example;** You can be testing and working on things like how much you need to open trades, how much each move higher and lower is going to really cost you.

You want to practice getting the entries right, where your stops should go, how to take profit, and manage trades. DON'T get into a live trade and go... "Oh No... I am really not sure what I am doing here!!"



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[You can get a free virtual demo account to trade cryptocurrencies here.](#)

**HUGE TIP:** Make sure you open a demo account with the amount you intend to trade a real live account with. Don't open a demo account with \$100,000 if you only have \$5,000 to trade with. Open a \$5,000 account and practice with it as if it is real.

## **Does Price Action Trading Work on Bitcoin and Cryptocurrency?**

Price action at its simplest form is everything that traders are doing in a specific market being played out on a chart for us as a trader to read.

Keep in mind that a price action trader may not just be reading price, but also using other tools and indicators to help them make trades like [moving averages](#), MACD and ATR.

As these are newer markets, the brokers took some time to get solid price action data into their charts and quality price data. There is also not as much price history in the charts as what a lot of the Forex pairs have included.

When a lot of these cryptocurrency markets were first listed a lot of the price action charts had extremely minimal price action information.





Over the months and years since, far better price action has been added and price has also been trading forward (adding more history into the charts) which has allowed traders to more accurately study it.

## How Can I Use Price Action in the Crypto Markets?

[Price action](#) is becoming increasingly clearer these markets become more and more commonly traded.

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This is because when a market has very minimal market participants the levels between buyers and sellers is greater. You will see far more gaps, and far more random swings higher and lower.

The support and resistance levels will not be as clear or defined and they will not be as respected as often. As a whole the price chart will look extremely sketchy. This is what most stock charts look like unless moving to higher time frames like weekly and above.

As more people have stepped into these cryptomarkets, spreads have dropped, and so has the gaps between where the buyers and sellers are; meaning there is a lot more fighting going on to buy and sell than ever before.

This in turn creates better trading conditions and a lot clearer and more stable price action picture.

## **How Can You Take Advantage of This New Price Action and Make Money?**

Traders will do the same things over and over again through fear, greed, panic and a whole heap of universal trading emotions and as they do these things, we will see it in the price action. Traders can then 'buy and sell' to take advantage accordingly.

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For example; something happens in the world and this causes people to buy up bitcoin and send price higher. We will see this play out in real time as price is moving higher.

Another scenario is price moves into a major level of supply or demand where huge orders are waiting and price moves higher or lower accordingly.


The same major market principles apply time and time again because price action is trader behavior through the charts. It is there for you to watch, interpret and then use to find profitable trades.

## **Should You Trade Price Action on Crypto and Bitcoin Markets?**

The reason price action traders love Foreign exchange markets is because of volatility or in simple terms; a lot of price movement.

If price does not move, a trader cannot profit. If price is stuck in a range, a trader is stuck within that range. When price is making big moves in one particular direction, there are a lot of opportunities to make trades.

The cryptocurrency markets offer a lot of volatility and a lot of price movement and this equals a lot of opportunity.



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We are now beginning to see a lot more potential [intraday trades](#) play out in these markets as they become more popular.

## **Should You Forget Foreign Exchange and Just Trade Crypto Markets?**

Forex is a 5 trillion dollar market that is not going anywhere. Every time you buy something from overseas, or online, go on holiday you are using and swapping currency.

Every time international businesses make a deal they deal and swap currency trying to get the best rates. Everyone from the biggest banks to the smallest retail traders trade Foreign exchange. It does not close ever and offers unlimited potential as it continually roles on.

If you are looking to trade bitcoins and crypto markets, you could look at adding them on or complementing them to your Forex as a further trading opportunity and yet another market to make profits from, just like Gold, Silver, Oil etc.

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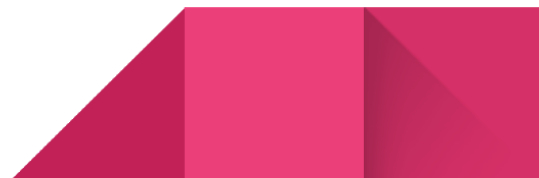
## Bitcoin 24 Hour - Watch the Gaps

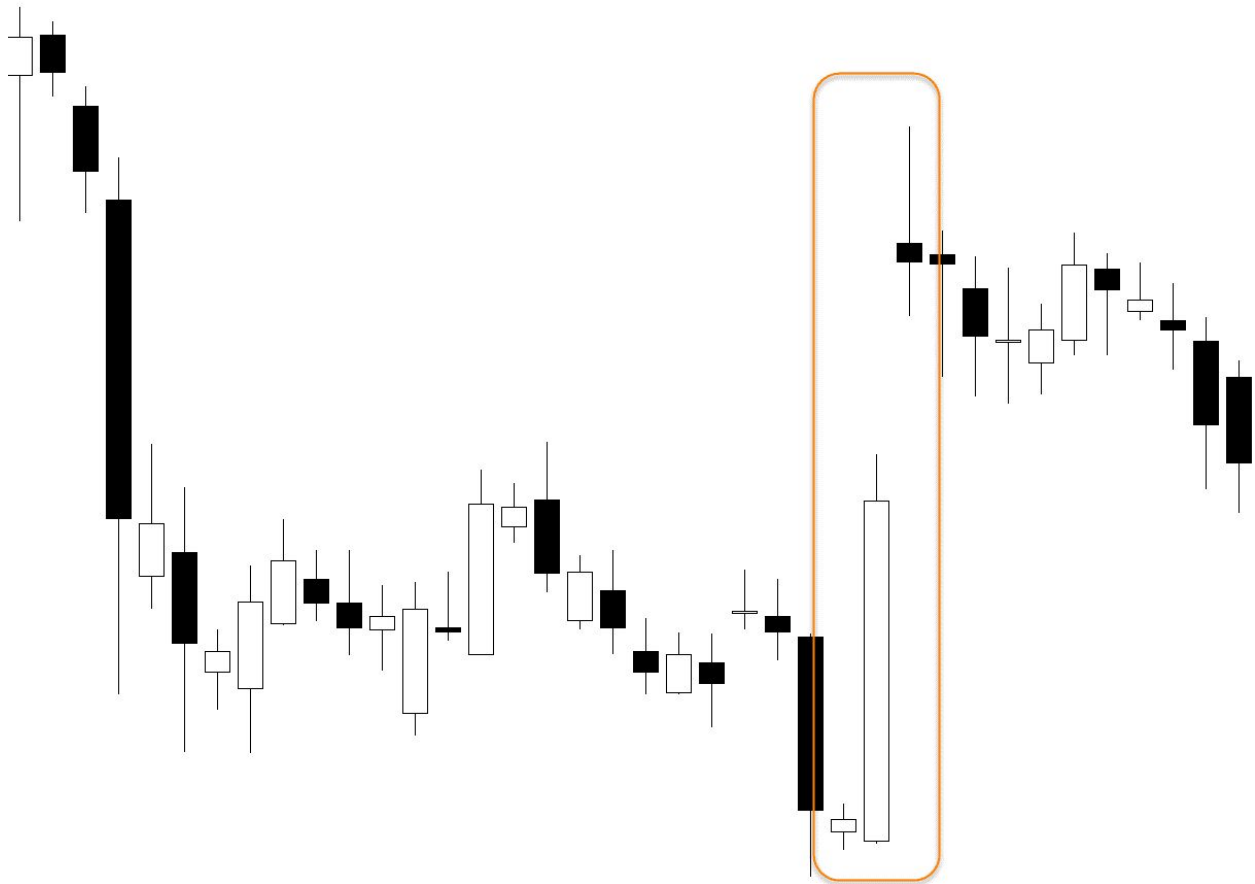
What a lot of people do not realise is that both Foreign exchange and crypto markets do not sleep or stop trading ever.

Foreign exchange is continually being swapped and traded. Whilst our brokers close, it does not stop trading hands. This is why you will often open your charts up at the start of play Monday and see large gaps, and this can be even more so with Bitcoin markets.

Very similar to trading Forex, it is recommended you consider all your options and your trading strategy and goals before holding trades over the weekend. Whilst in Forex longer term positions can sometimes be viable, in a market where there can be huge percentage point swings, holding positions over the weekend can be very risky.

See the example below of a large gap created on the daily Bitcoin chart;





**When you are trading on margin and using leverage you need to run the sleep test;** can you sleep over the weekend knowing you could be wiped out with a huge gap come Monday?

Probably not? Then close up and come back again at the start of play Monday and start trading.

If you are okay and comfortable with how things stand, then hold for the ride.

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A side note to this is your personal and individual situation. You have to take into account your own goals and what you are trying to get out of the trade.

All the success!

Learn Price Action