



# ETERBASE

# Crypto-Trading Guide



*Europe's Premier Digital Asset Exchange*

[www.eterbase.com](http://www.eterbase.com)



# ETERBASE

When it comes to trading, many beginners choose to take the plunge without doing the proper research. While this strategy will help you to learn the basics of trading in the crypto market, it is still pretty reckless to trade with little knowledge. It is an easy way to lose your money quickly. This guide is designed to provide both beginner and intermediate knowledge to anybody who is interested in trading. This guide will also be helpful to users who know something about cryptocurrency trading but still consider themselves a beginner.

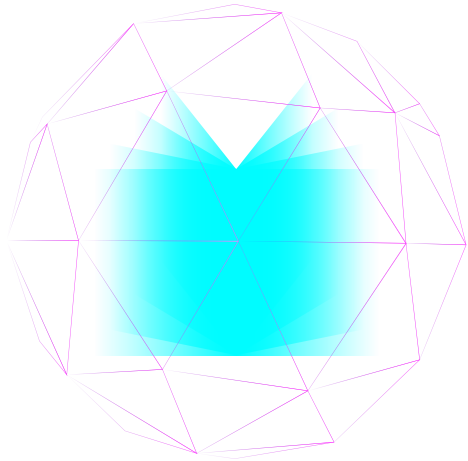
This book will discuss the essential elements of trading in this market, going into detail about specific factors which every successful investor needs to know.

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# THE AIM OF THIS GUIDE



As you already know, this is a trading guide which aims to improve your investment skills while using the ETERBASE cryptocurrency exchange. This is a book which is trying to instill you with the knowledge to succeed, but unlike other guides, it will not be focusing too hard on technical analysis in the conventional sense. Rather than bombarding you with dozens of chart-based patterns we will be focusing more on the concept of keeping one's attitude and mentality intact. Understanding and manipulating your headspace is a significant tool in the act of trading as it is your reactions to complex situations which determines your decisions. The tools mentioned here can be applied to any trading situation because

your headspace is a necessary element of all trades. Of course, technical analysis can also be applied to trades, but it has more pitfalls. You could learn about every chart pattern known to humankind, and you would still make mistakes. Technical analysis is problematic when applied to anomalies, and the crypto market is full of these situations. A seasoned trader may know when not to use technical analysis, but a beginner is more likely to fall upon TA and worship it like it tells the future. Technical analysis can help with predictions and improve overall confidence in the market, but beyond that, it is unrealistic.

Additionally, technical analysis has been designed around older markets such as stocks, FOREX, and commodities. Cryptocurrency is different. Common sense tells us that the same principles should apply, but as we all know, the crypto markets do not always follow common sense. For instance, if good news is revealed about a coin, we expect its price to rise, but 2018 has taught us that even when this happens coins and tokens can still dip. This is why technical analysis is generally avoided in the text.

The guide will also be covering some niche and theoretical topics. Some parts will relate to yourself, other parts will relate to the broader picture of finance. Contemporary economics focuses on sociology and structural foundations, as does this guide too.

Do not be deterred if parts of this document do not seem relevant to you. This is a broad piece which is meant to be helpful to all users, unfortunately, that means not all of it can be tailored to any person or group.

Of course, by following this book you will be receiving insightful and actionable advice which will aid you in your career as a trader. The information learned here can be directly applied to your trades on the ETERBASE platform. This guide helps you understand the process of trading at a more intermediate level.



## THE HARSH NATURE OF THE MARKETS

The concept of crypto trading often appeals to people because of its promises of vast wealth. People know of the gains in late 2017 and hope to replicate it. Of course, for the most of 2018, this has been near impossible. This is because the market has taken a sharp downturn. Some have reacted to this by saying that this is the end of crypto, but in fact, this is normal for any market. Industries have good months and bad months. Don't take this to heart, because even in harsh times, it is possible to make money. Just recognize that the swift movement of the market means that trading for a profit can be a significant struggle.

You cannot always use common sense to turn a profit because of this. For instance, if you heard that a coin was about to reveal a prestigious partnership with a large corporation, it would make sense to invest in it just before that happens. Common sense tells us that once this partnership is revealed the coin will rise in value. However, there will be times when this does not occur. During May and June 2018, numerous coins and tokens had extremely great news but their prices did not rise. Sometimes they actually fell. This is a regular occurrence. This happened with VeChain after they announced their partnership with BMW.



# THE HARSH NATURE OF YOURSELF

With that said, the movements of the market might not be your only enemy. In many cases, it is your own actions which will cause you to lose money. As a beginner in the trading world, you will be significantly susceptible to the trap of investing in too many products or investing too much money. Don't forget that professional trading contains many similarities to betting and other forms of gambling. People who do not have the right knowledge regularly treat trading like gambling, without even noticing what they're doing. Beginners need to keep extra vigilant when it comes to where they are placing their money.

I'll give an example. A trader may invest in a coin, and within just days see that it has doubled in price. A part of them may want to take that money out and convert it to fiat, but instead, they put more money in, with the hopes that it doubles again. They might get lucky, but the opposite could happen too. If it does, then they would have lost their money entirely.

Essentially, what I am trying to say is that beginners get greedy. Beginners need to keep their lust for gains in check because if the market turns on them, they could end up losing it all.

If that keeps happening, they may start to avoid crypto altogether, as it makes them quickly jaded. It can spiral into an uncontrollable lack of confidence in the market.

What's worse, is that beginners in the market rarely ever even blame themselves for their losses. They often look towards external sources to take the rap. They push the blame to other factors, leaving them feeling absolved of their failures and ready to try again. This is dangerous. You need to take command of your own mistakes and accept them, even if that just means accepting them to yourself.

# HOW TO STAY AHEAD OF THE CURVE AND COME OUT ON TOP

Two of the most significant factors in being a successful trader is being able to assess and recognize risks, and being able to assess and control your impulses. These both require separate types of skills, but there is some overlap.

Assessing risks is not particularly hard. It mostly involves the act of looking at a situation with a level of distance and a fresher perspective. This does not just mean assessing risks in the crypto market, but also risks within your own cashflow and bank accounts. For instance, you need to know what sort of financial situation you will be put into if you lose on your next investment. Sometimes emotion can prevent people from seeing this clearly enough, so as a trader, you need to know how to suppress that emotion and save it for later.

Assessing risk is one of those things that every trader knows they should do, but that most don't. This is why doing so puts you above thousands of others. While the act of trading may seem like a lone task, in many ways, it helps to remember just how many other people you are competing with. Everybody who is taking part in the market is doing so for their own gain, and not everybody can win all at the same time. Remember that you are up against everybody else who is trading. Doing this can often help beginners to think critically about their decisions so that they can outsmart their peers.

Of course, this is a drastically cold way of looking at trading. I only suggest that beginners do this because it promotes critical analysis. Once risk assessment becomes second nature, this outlook becomes counter-productive.



## HANDLING RISKS

During the process of trading, you will come across many opportunities to take risks. Of course, most of these will not be worth considering, but every once-in-a-while you'll find something in the market which you want to be a part of.

If you do decide to take the plunge on something risky, remember to keep your own finances in check. Make sure that if you take this risk and fail, you can still afford the essentials and that you haven't blown your budget. Many professional investors talk about using the '2% rule'. This is where you never forgo over 2% of your equity on any trade. People generally do not take this rule too seriously, but as a beginner, it is a good starting place.

Before large trades on the market, write down the target amount you wish to make, and the lowest amount you are willing to withstand. If your trade reaches your target amount, take it out and convert to fiat. You have successfully traded in the crypto market! If your trade reaches the lowest amount you wrote down, take it out and convert to fiat. You have lost, but there is no point in continuing to lose your money. If you are only investing something small, it is perfectly fine to leave it on the exchange and hope for the best, but this rule is for large trades. While it may feel like a great big defeat to take out your funds on a loss, it is necessary. Trading does not have to be synonymous with gambling, but for that to happen, it requires you to have the willpower to know when to leave.





## LARGE VS. SMALL TRADES

The act of trading is slightly different depending on how much you are willing to invest. Small trades and large trades have different pitfalls.

First, I think it is best to define these two terms. While some may say that a large trade is something which involves at least four figures (\$1000+), I don't think this is true. A large trade is any amount of money which you would be extremely uncomfortable losing. Not so uncomfortable that you would have to start selling other assets to survive, but uncomfortable enough that it causes apprehension the next time you trade. This amount will be different for everybody. For some it might be over \$1000, for others, it might be over \$100.

This means that a small trade is any amount of money which you can lose without feeling any form of pressure, financial strain, or even discomfort. That's generally less than \$1000.

Engaging in small trades is a great way to get a feel for the crypto market, as well as the exchange. It gives you a taste for what trading feels like, although there is something to keep in mind. Some exchanges charge hefty withdrawal fees, which are mostly negligible with large trades, but for small trades, they can eat your profits. Luckily, ETERBASE's fees are extremely low, so this should not be too much of a concern.



# THE SIX PERCENT RULE

Another guideline used by professional investors is the '6% rule'. If your losses reach 6% of your equity from the start of the month, it is time to take a break from trading.

This is a great way to regulate yourself. Once losses start to roll in, people get scared. These losses will naturally stop a lot of people from trading anyway, but not everybody is like that. Numerous investors simply continue to trade even after numerous losses. This time, though, they take even bigger risks, as a means of gaining all their losses back. This is gambling. It needs to be avoided. A quick succession of losses can lead to an irrational panic where traders do whatever they can to claw back their money.

The 6% rule protects you from continual losses, and gives you a break. The 2% rule (mentioned earlier) protects you from huge losses all at once.

## BUILDING A PORTFOLIO

Whenever you trade, you should keep your portfolio in mind. A portfolio is a collection of all the coins, tokens, and ICOs that you currently invest in. It is a gauge of what projects you are interested in.

If you're new to the world of crypto, it might be best to start your portfolio off with a purchase of Bitcoin (BTC). This is a common way of getting your feet stuck in, it is also an excellent way to start understanding the way the crypto market moves. Almost always, when Bitcoin rises, so do all other coins. When Bitcoin falls, so do all other coins.

There is absolutely no need to go ahead and purchase one whole Bitcoin. At this rate, that is too expensive for some.

Honestly, it doesn't matter which coins or tokens you choose to invest in first, but there are only two reasons to invest in something:

1. You believe in the project and want to see it prosper
2. You believe that the project is undervalued and expect to see it rise in price

# BELIEVING IN THE PROJECT

Generally, people who invest in a coin or token because they believe in the project are not doing so just for quick profits. They are willing to hold for months or even years. This is a great thing to do, as it helps to bring a crypto community together. However, this guide is more for people who are interested in day-trading.

People who hold coins because they genuinely want to see projects prosper do not need a guide. All they need to do is purchase their coin and sit on it.



# BELIEVING THAT A PROJECT IS UNDERVALUED

Investing in a coin which looks undervalued is a good start, but it takes a little critical thinking to figure out whether this is true. Every developer team of every coin and token will tell you just how undervalued their project is.

You could start by asking yourself two questions:

- 1. What would it take for this project to get regularly used in the industry?** (if it seems like it would take an unreasonable amount of things for this to be the case, then you might want to discard the idea of investing in it).
- 1. Where does the coin/token's value derive from?** (what is the technology that backs the coin? Can the project be created without the use of a coin? If the answer is that the coin is not needed, proceed with caution if you invest).

# CREATING A DIVERSE PORTFOLIO

Investors who are serious about succeeding in the industry often choose to design a diverse and varied portfolio. This is based on the idea that you shouldn't put all your eggs in one basket. This sentiment couldn't be truer when it comes to trading. While you will find people who exclusively invest in something like Bitcoin, it is still best to portion off your money and place it in a few alternatives too.

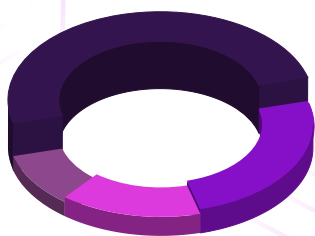
The secret to diversifying a portfolio is to learn how to assess risk. Risk has already been discussed here so we don't need to go into too much detail, just keep in mind that the riskier the project seems, the less money you should place in it.

Make sure your portfolio is made up mainly by your least risky investments. For most people, that will be the following coins: Bitcoin, Ethereum, or Litecoin. Some people may include Monero and Bitcoin Cash in this list too, depending on where their ideologies rest (there will be more on this later).

Having a trustworthy coin making up the majority of your investments acts as a type of safety net. It is an attempt to prevent too much danger from happening to your money (but it is not foolproof if the market dips so will the least risky coins).

You can then start to pick up some riskier coins and tokens. As a general rule, tokens are riskier than coins. This is because tokens rely on the infrastructure of other blockchains, meaning that their price charts follow in the same fashion. Most people like to pick coins and tokens which are on the top 100 list on CoinMarketCap. After that, you might want to consider picking up a few ICOs or newly launched coins and tokens, although this is not mandatory in any way. A lot of investors enjoy buying into one or two ICOs because they are high-risk-high-reward. Just make sure to stay vigilant of scams in the market.

If this is going to be your first portfolio, you could try and use this guideline:



**50% of your funds should go into a trustworthy coin (e.g. Bitcoin, Ethereum, etc.)**

**25% of your funds should go into riskier coins and tokens**

**15% of your funds should go to even riskier choices**

**10% of your funds should go into ICOs.**

This type of portfolio set-up works great for people who are looking to invest over \$500. If you are looking to invest less, try to avoid ICOs and keep less risky. If you have less money to start with, you will need to be savvier as flipping small quantities is a slower and more cumbersome process.

# RISK AND IDEOLOGY

We're on the cusp of the golden age of cryptocurrency. Perhaps in the next five+ years, cryptocurrency will truly hit the mainstream. Developers and marketers recognize this, so they are trying to lay a foundation now. This has caused several coins and tokens to advertise themselves not just by the nature of their technology, but also by the ideals they stand for. This is most noticeable with Bitcoin Cash. While the technology has a few important differences to Bitcoin Core, the way it is advertised focuses more on the ideology behind it. Bitcoin Cash is often spoken of as the one true alternative to Bitcoin Core, in that it is meant to be more community driven and open to input. It has also attracted fans because the developers are anti-off-chain solutions. Off-chain solutions include Segwit and Lightning Network, two projects that Bitcoin Core fans love.

Monero also markets itself through its ideologies. People often support it if they support the concept of privacy and autonomy as a human right.

Ripple is regularly detested in crypto circles because its ideologies lean towards the banking and corporate industry.

The picture I am trying to paint here is that the current crypto landscape is ruled by ethical stances, philosophical ideals, and emotion. This is not a bad thing. However, it does mean that investors need to check themselves often.

A person's ideological stances can skew their concept of risk.

For instance, if you support privacy as a human right, you will naturally assume that Monero is the safest coin to invest in. This might actually be true, but to come to that conclusion you wouldn't have been looking at the charts or the tech; you would be buying into the philosophy.

I have very few words of advice on this matter other, but I wanted to make readers aware of it because that way each person can decide how much ideology and philosophy matters in the portfolios.

You will probably come across people who have designed their portfolios entirely around coins and tokens they want to succeed, rather than coins and tokens they think will succeed. This isn't a bad thing, but they are not playing this game of investing seriously enough.



# KEEP A DIARY

It may seem unimportant but after every trading decision you make, you should write about it. Write about every coin or token you've considered, you've bought into, and that you've traded. Soon after doing so you will start to see patterns in your thinking. Once that happens you can assess those thoughts and see whether they are working for you. You don't want to get stuck in a rut of making the exact same decisions. It is actually pretty hard to invest well without keeping some sort of a log. Many people like to build spreadsheets which document their every decision. This is a great idea but a diary will also be good enough.

# BUY LOW, SELL HIGH

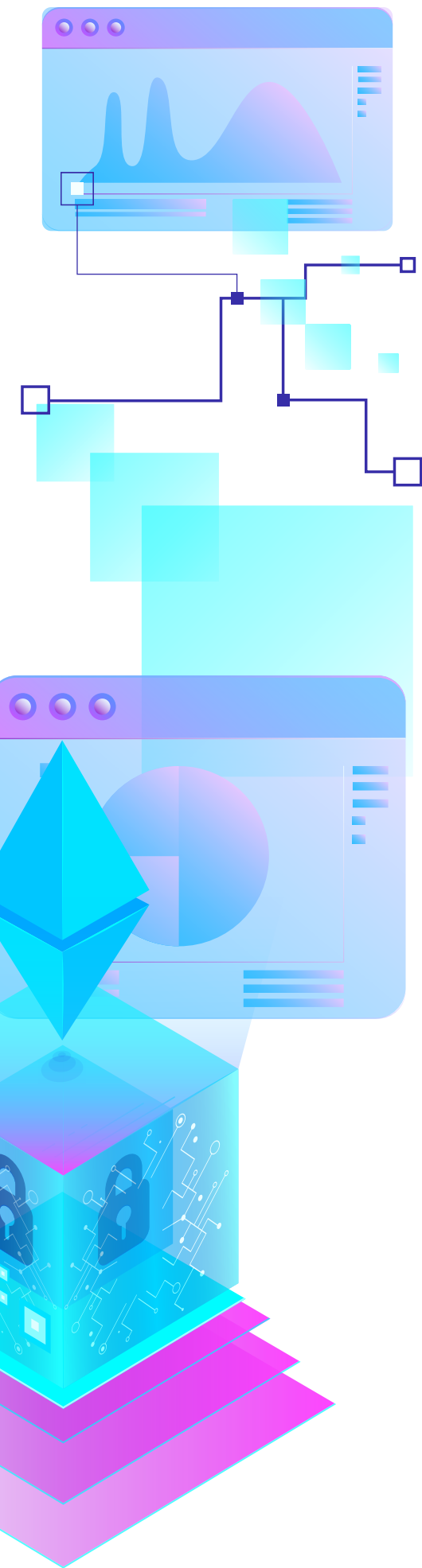
It sounds easy but you'd be surprised. Many people confuse buying low with buying genuinely bad coins. You should only be buying low on coins which have a proven history of performing well, but have been struck by a market-wide dip. This way, you can know that it isn't just your coin which is failing, but all coins and tokens. When the market recovers, so will your coin (most likely).

Selling high is a struggle too. Most people always want to wait a little longer to see just how far the top goes. Bad idea. If you've made a satisfying profit on your investment, pull it out and convert it to fiat. Don't get too greedy.

# CATCHING A FALLING KNIFE

During bear markets, dips can last months. Investors who know to buy low like these periods as it means they can pick up some cheap assets, but a common occurrence is that once they have made a purchase, their asset still drops. This sometimes leads them to buy more when it gets even lower. This is called 'trying to catch a falling knife' and it is very, very common. You can't do anything about this situation, so just be aware that it happens and that it's not all that bad. So long as the price of your asset is lower than usual, you have successfully bought low. Just leave it at that. Don't try to chase the dip to the bottom.





## CHART READING

Before we head into technical analysis, I am just going to make sure that you understand how to read a simple candle-stick chart. This will act as more of a reminder than a complete overview.

Candlestick charts are made up of numerous bars which are either green or red (or really any two different colours, but using green and red is often a default setting). Green indicates that the price of the coin has risen from the last period that the bar represents. Red bars represent a price which has lowered since the last period. In trading terms, the main body of the candle is called the 'Real Body.' On green candles, the bottom of the real body is sometimes referred to as the 'opening price' (the price at the start of counting for that period), and the top of the real body is called the 'closing price' (the price at the end of the period). For red candles this process is reversed: the top is the opening price, and the bottom is the closing price. Any lines coming out of the real bodies are called shadows, or wicks. The top of a wick represents the highest price the coin was bought at during that period, and the bottom wick of a real body represents the lowest price that coin was bought at during the period. Wicks are rarely taken seriously as they are often considered to be anomalies

ETERBASE allows you to choose what period you want to view your candlestick chart in. Day-traders generally prefer to have 5 minute periods.

# TECHNICAL ANALYSIS

There are many technical analysis tools available to aid you in your journey to be a successful trader. Technical analysis allows people to make informed predictions regarding the future of a market based on the market's history. A large number of traders and investors would argue that it is technical analysis which separates traders from standard gamblers as technical analysis allows people to apply some perceived knowledge to their decisions.

There are several different types of technical analysis which can be used to aid your trades, and while the more advanced methods are not necessary, some of the basic information should not be ignored.

People think that technical analysis mostly involves the observing of patterns within charts, but the term encompasses much more. One of the most basic things you can do which involves technical analysis is to look at the market cap of the coins and tokens you are interested in.

The market cap is the price of an asset X the number of assets in existence. The larger the market cap, the more effort it will take for the asset to climb in price. This is a greater factor to check than simply the price of a coin. For example, newcomers often think that Ripple has a lot of room for growth because its price is \$0.40 (as of July 13, 2018), but the market cap is \$17,291,808,853, which is enormous. This means that price fluctuations in Ripple are slower than that of coins and tokens with lower market caps.

Traders like to find low market cap coins due to this. Market cap basically reveals the rarity of the coins. This is why some developers choose to regularly 'burn' their coins as a means of improving the price.

Another technical analysis method is to check the order book on ETERBASE for purchases, and to check the 'Ask/Bid Spread.' Both of these tools will give you an indication as to whether you are participating in a buyer's market or a seller's market. If it's a Buyer's market that means that most people are interested in buying a particular asset. It is a basic sign of a bull market. In bull markets, people want to buy into products because the price is about to climb or even explode. Anticipation for a bull market can lead to a buyer's market. Seller's markets are the opposite. If people are trying to sell as fast as they can, it means they either expect there to be a bear market, or one is already happening. Investors are no longer faithful that their cryptocurrency will be worth holding for a short period.

If you can see more buy orders, you are in a buyer's market. If you can see more sell orders, you are in a seller's market.



There are other, more advanced, techniques relating to technical analysis, but beyond this, it becomes a controversial topic. There are traders and investors out there who enjoy spotting patterns in charts for coins and then using them as a gauge for what they should do. While this may work for some people, there are a couple of reasons why this should be avoided:

1. Spotting patterns on charts to predict new patterns rarely works. Nobody can predict the future precisely.
1. Cryptocurrency is a brand new asset class. All technical analysis chart patterns are designed for assets such as commodities and fiat cash. We don't truly know how well they translate into the crypto market.

I would also argue that it is important not to get tied up in these type of pattern spotting methods because they can give the impression of invincibility. People who spend too much time spotting patterns think that they've cracked the code to trading. If it was this simple, anybody could do it and succeed. It doesn't work like that. Some patterns will be described in this book, but don't focus on hard on trying to find them while you day-trade.

## BULLISH CHART PATTERNS

As noted, it is notoriously hard and temperamental to apply technical analysis patterns to cryptocurrency, but that doesn't mean we should entirely ignore them. While I have found these types of patterns to be unfulfilling and misleading, that does not mean they are useless.

Here are some bullish chart patterns that you may want to look out for. The ETERBASE exchange will allow you to quickly notice these as their interface is smooth and intuitive.

**Cup with Handle:** this is where the candles on the chart have dipped significantly for a prolonged time, only to begin a quick ascent upwards, with a second ascent directly after. This signifies a possible on-going rise in value.

**Measured Move Up:** the candles will begin to rise upwards, pause to rest (where they move sideways), and then continue to climb upwards. The fact that the asset pushes sideways for a significant time is what makes this more bullish than the average ascending pattern. If an asset rises with no breaks, it can be a sign of market manipulation or pandemonium. The fact that investors paused for a moment and continued to invest is a sign of a high-quality coin or token.

**Three Rising Points:** the candles rise, then dip, rise again, dip again, and finally rise one last time (this time higher than with previous times). During each rise, the candles move higher than the previous rise. Even though each accompanying dip is generally viewed as bad behavior, the subsequent rises continue to ascend higher.

# BEARISH CHART PATTERNS

These patterns are generally the direct opposite of the bullish patterns listed.

**Inverted Cup with Handle:** the candles rise significantly, then start to fall, with a final even steeper fall at the end.

**Measured Move Down:** the candles start to drop, pause and push sideways, and then continue to drop. Traders view this as an abysmal sign as the pause and sideways push makes the drop seem calculated and meticulous (rather than accidental).

**Three Descending Points:** the candles rise, dip, rise again, dip again, perform one final rise, and then descend further than the previous times.

## DON'T EXAMINE THE MARKET, EXAMINE THE ASSET

It's easy for somebody to tell you 'go and use technical analysis to read the market' because they can hand you a set of techniques for you to play with, but you will come to learn that these are not too useful. As an alternative to the standard methods of reading charts, a beginner should be reading into the values of a particular coin or token.

For the big coins like Bitcoin, Litecoin, Ethereum, etc. you probably think you don't need to reach much about them because you already know so much. This is not true. For big coins, you need to be looking into the following attributes:

- What are their plans for the immediate future?
- How many people do they have on their main developer team?
- What does the public think of them?
- Who are their rivals?

You should know the answers to all these questions before you invest in a coin like Bitcoin or Ethereum. It might not seem too critical, but what you are doing is examining the foundation on which these coins are built. Charts can be manipulated, but these topics cannot. Knowing these gives you an indication of the strength of the coin's team, the strength of its fans, and its roadmap. It also makes you aware of the organizations who are trying to dethrone them. For instance, if you were to try and find Bitcoin's rivals you would discover two other big coins: Litecoin and Bitcoin Cash. These are both trying their best to replace Bitcoin in its entirety. Knowing the competitors means that you now have an understanding of your asset's enemies. Keeping them on your radar means that you can always be ready to even invest in them should the time come.

You need to know your assets inside and out if you want to be confident about your trades. You might think this is only important for people who indefinitely hold, but this is not the case. Even if you want to pick up a particular coin/token for a couple of days, for those days you have the same interest as holders, so act accordingly.

You can ask the same questions about smaller, more obscure coins and tokens too, only now you need to be more vigilant. When it comes to the larger coins, you don't have to worry about scams, but smaller coins are different. Anybody with a basic understanding of programming can build their own token. You should check to see if any blatant lies are being presented.

While none of this counts as technical analysis in the conventional sense, it still allows you to apply concrete knowledge to your trading decisions. This is what separates high-quality traders from those who have entered the game with no understanding.

## UNDERSTANDING MR. MARKET

In many trading courses, students are taught about economist Benjamin Graham and his analogy of the infamous Mr. Market. Mr. Market is a tool used to help new traders keep themselves in check when it comes to the pandemonium of the financial markets. The analogy was created for the stock market, but it translates perfectly to the world of cryptocurrency too.

Benjamin Graham stated that when you buy an asset, you are inadvertently entering into a partnership with Mr. Market. He will give you all kinds of different advice regarding what to do with your asset, but for the most part, you need to ignore him because Mr. Market is irrational and focuses too much on emotion rather than hard facts. He will tell you to sell your coins when the market dips, and buy while the market rises, because Mr. Market is trying as hard as he can to succeed. The problem is that Mr. Market changes his attitude throughout the week (or day sometimes) and his reactions to changes in the industry can be drastic.

You need to ignore Mr. Market for the most part, but there are a couple of times when his presence should be listened to. If Mr. Market is telling you to sell your coins for an extortionately low price, you may want to consider buying more. This is because you will get to buy your coins at a low rate; a rate so low that it may never be seen again. You should also take into account times when Mr. Market tells you to buy while a coin is high, in the hopes that it will go higher. Now might be a good time to sell, because if Mr. Market wants to buy more, it means that the asset is performing well. It is better to gain a small profit than to lose all of it gambling it away. Remember, we are trying our best to distance ourselves from the game of gambling. Doing this reinforces merely the topics discussed earlier about trying to avoid major losses or trying to catch a falling knife.

# WHAT TO DO IN A BULL MARKET?

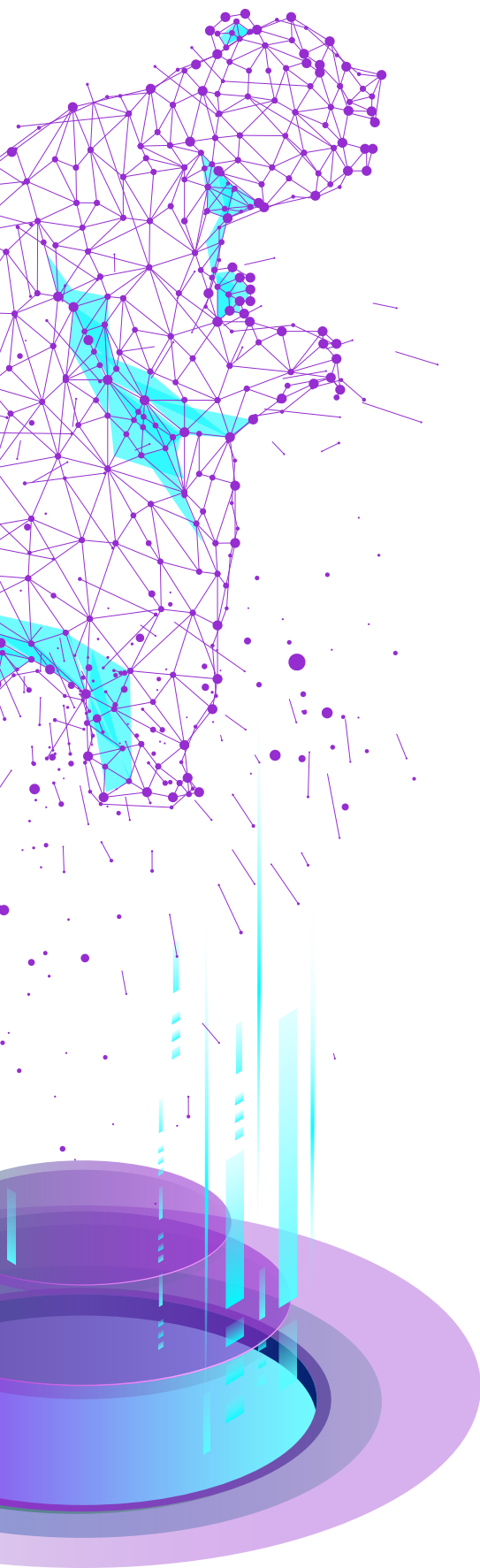
In late 2017, the cryptocurrency market saw its most impressive bull market to date. Most coins hit all-time-highs, leading to the entire industry making daily headlines in mainstream media outlets, including the Financial Times. It was a great time to be a part of the community. Everybody thought they were going to be rich.

The biggest problem with bull markets is that it is hard to tell when you've made a right decision or not, simply because everything is rising in value. You could buy into Bitcoin or some other nameless altcoin and regardless, they would both succeed. Entering during a bull market is a great way to make money, but it teaches you bad practices. You don't learn any lessons, so when the bull market ends (and it always does) you are left with poor choices and possibly some losses.

Here is what you are meant to do during a bull market:

Take your profits home. Take your crypto to fiat once you've made some nice gains. It's been said before in this text but don't keep waiting for a higher and higher profit. It might happen, but it's not worth it. Try not to feel hurt or attacked if your asset rises in value just after you take it out, and whatever you do, don't enter back into the market just because it keeps growing. It's not worth it, and it is bad behavior.

Don't expect it to last forever. Bull markets have a way of feeling like they will always exist. I think this is because of how the community reacts to them. Places like Reddit and YouTube will treat crypto bull markets like they are the new norm. This idea comes from the thought that once the public gets to know about cryptocurrency, the whole market will be propelled to levels never seen before. This might happen, but we don't know for sure. Prepare yourself for the fact that it will end. This means both preparations in the form of mental and emotional stability, but it also means monetary preparation. Make sure your bank account and cash flow can handle the end of a bull market.



## WHAT TO DO IN A BEAR MARKET?

First, take a deep breath. Do not perform any immediate reactions such as pulling your investments out of the market. While this may be the best answer, it is always wrong to fall on your knee-jerk reaction in these events; this is just Mr. Market talking. After having a moment to reflect, you may then recognize that it is still sensible to take your investment out and convert to fiat. As stated earlier in the text, if your coin or token drops below a certain number that you set, you should be removing it from the market. The point is to make sure that you take your money out early enough, but only after you have had the ability to reflect. Essentially, playing the market is a game of meditation. You are not meant to be making any rash decisions, even if they are the right decisions. It instills bad practices.

Count up your losses, if there are any, and assess how you are doing financially. If you were lucky and you actually still made a profit (or at least broke even), then there is nothing else to do right now. Use the bear market as a time to research your favorite projects and then to enter the market when you feel more comfortable.

# MANAGING YOUR EMOTIONS

Earlier, I mentioned how investing is a game of meditations. By that, I meant that you need to be able to manage your knee-jerk reactions to situations. Trading is more like chess than a physical sport. You need to be calculated. When you make trading decisions, you need to be thinking ahead all of the time. For instance, if you choose to put \$100 into Bitcoin, you need to comfortably know what type of profit you are prepared to leave the market for. You also need to know what type of loss you are prepared for. Of course, both gains and losses are more complex than that. There is no ignoring the fact that an emotional response will accompany your results in the market.

Our discussion on Mr. Market helped to explain what new traders should be doing when they are faced with chart fluctuations, but it doesn't help to deal with the other emotions which can fit on the wide human spectrum.

This discussion will be taking a slightly more advanced approach, as the following information does not directly need to be known by beginners. The reason it is being included is because to be a great trader you are going to require significantly more than mere technical analysis. You need to be fully equipped. Controlling emotional responses is something every high-level trader does, because high-level traders understand how much this career can affect a person's feelings.

Essentially, it is simple: when you make a profit, you feel happy. More than that, you feel a sense of elation. This can lead to a desire to want to chase it for more, but you already know how idiotic that is. The concept of profits leading to more risk has been discussed numerous times throughout this text. What we are looking into now is the fact that elation can lead to other changes. It will make you want to brag about your gains. This is dangerous for two reasons: people will want to use you for your services, and people will want you to explain your profession more. As you'll probably learn at some point, when you begin to talk about cryptocurrency and trading to friends and family, they will be lost as to what you actually do. Most will not understand what it is that you do, and those that do will want you to help them. While teaching another person can be a great way to cement your skill-set, if you are still a beginner then you don't have the time to teach someone; you are still learning. Plus, you will not be qualified to teach and could offer the wrong information. Additionally, if they ask you to trade for them, this could change how your taxes work (depending on where you live and how much money you handle).

Poor trades on your behalf lead to poor emotions such as sadness, anger, frustration, and an early onset form of depression. In the same way that you keep your finances in check, make sure to keep your health in check. Unlike most other careers, your decisions will directly affect your emotions in a much more immediate way. If you let the markets take over you, they will pull your strings every single day. Even if you keep good practices to make sure you don't lose too much, the fact that you might be losing means that your emotions will still be vulnerable. Offering full-blown mental health support is far beyond the scope of this trading guide, but a simple idea can be provided.

[Cognitive-Behavioural-Therapy](#) (CBT) has been shown to help people control their negative emotions and unwind any thought-loops. In a nutshell, CBT focuses on trying to recognize what causes your negative emotions, and then subsequently changing your physical actions as a means of moving your emotions onto other things. It is Westernized version of Eastern meditation and is used by health-care professionals around the world. Having knowledge of this tool is a necessary element of looking after yourself during the tough process of trading.

## FOCUSING ON TRADING

Essentially, to be a trader you need to focus on various things. This is a little rundown.

You need to focus on the markets. You need to look at all the current and previous cryptocurrencies you favor so that you have an understanding of their operation and their marketability. It would be helpful to have a little knowledge of conventional financial systems as there are some similarities. You need to ensure that you have some kind of strategy to allow for losses as well as gains. A strong stomach is advisable; cryptocurrency trading is not for the weak or faint-hearted. Don't be woolly-headed; the Wolf of Wall Street this is not.

Look around on the net; there are tons of sites all glimmering with cryptocurrency information. Take what you read with a pinch of salt as many places have a vested interest in promoting their own desires and this, invariably, does not include you winning.

Put aside a set amount of fiat cash that you are willing to part with and willing to lose should things go awry. Do not use hard earned money that will put you in debt as it is not worth it.

Do some research. No purchase in this industry should be conducted without extensive information. Try to find out what you are investing in. You don't want to find out that you are investing in dodgy ideologies that could later damage your cash flow or reputation unless of course you couldn't care less and have no morals whatsoever.

Search out reputable writers and/or investors and put some effort into contacting them as they may be able to offer valuable information about the whats and whatnots in trading cryptocurrency. Do not be put off by not receiving responses from everyone you contact; it is not personal. Traders are busy, so they regularly ignore emails.

As an investor, you need to explore exchanges to enable a safe place to keep your currency and to enable a quick trade here and there. It cannot be stressed enough how important it is to make sure that your currency is held on the most secure exchanges possible. Of course, ETERBASE is an excellent choice for this, as its infrastructure is robust and designed with security in mind.

# DON'T TRY TO REPLICATE 2017

The gains of late 2017 is what has driven many people to the market now. It was the first time that the public truly got to see the successes of crypto traders around the world, and they wanted to get in on the action. The problem with that time, in comparison to this time, is that the end of 2017 was a bull market and 2018 appears to be a bear market. Not too much extra needs to be said on this part as we have already assessed the more delicate details, but let's look at the bigger picture.

The markets may never be the same as they were. In 2017 no matter what you invested in rose in price. This might not be the case during the next bull market. Traders might have to try much harder to make their profits this time. The nature of the industry has changed, and it will continue to change for the entirety of its existence, just like any other industry.

## MINDSET

As you may have already gathered, this guide is focusing heavily on the way a trader should think. This is because the so-called 'practical' tools other guides give become outdated unbelievably quickly, while the concept of shaping your thoughts is something which can never go out of style. The ability to control your mindset is the biggest weapon you have against the market. It can lead you to victory easier than any other type of technical analysis method. The following topics will take you even further into designing a robust and versatile mindset. With the right ideals already recognized, you will gain a significant advantage over everybody else in the industry.

## HOW TO LIVE WITH YOURSELF AFTER MAKING A BAD DECISION

You've been making bad decisions all your life, but it is likely that you haven't had to face the full wrath of the consequences until adulthood. This is a good thing because it meant that as a child you got to understand what a bad decision (or a mistake) was without the true reality of it. I will assume that anybody reading this guide is either an adult or a young adult, so at this stage, you are most likely already accustomed to the consequences of a bad decision, primarily when it revolves around your professional life.

When you work for somebody else, your own mistakes are presented to you, and you are then reprimanded in some way (perhaps via just a conversation or warning). Usually, the boss or somebody from upper-management does this. It is easy to ignore this decision or push the blame to somebody else, such as the boss. You can comfortably say 'I wouldn't have made this mistake if it wasn't for the management.' Even if you never say this out loud or even coherently say it in your head, the fact that such a statement can be said means that it already protects you from beating yourself up. Pushing



blame is easy and healthy for one's own ego. However, when you work for yourself, and you make a bad decision, you cannot blame the boss, because that is you. If you push the blame that direction all that happens is you push it towards the mirror. When working for yourself, you have to accept the severity of your bad decisions but in a different way.

As noted, you have always been accepting and facing your faults, so why is it different when there's no boss? It's different because now those faults are more significant; they are actually in your face. For the most part, it is good practice to accept responsibility. They teach us this in school. However what they never teach us is how eroding it is to embrace your own bad decisions. If you accept every bad thing that you've done, then slowly you begin to struggle to look in the mirror. Accepting responsibility is only good while it positively builds character. If you force yourself to embrace the bad decisions you have made all the time, without ever pushing some blame to other parties, you damage yourself.

As a trader, you need yourself to be strong. There is being strong enough to accept some responsibility, and there is thinking you are strong enough to accept all responsibility.

You simply cannot beat yourself up every time you make a poor trade. It is counter-productive. If you are already doing that, stop. Of course, you shouldn't be pushing blame on other people, but there is no harm in pushing blame on to other concepts, organizations, or ideologies, every once-in-a-while. Giving yourself a break in this sense is necessary because a healthy self-image is necessary. Despite what others may say, you certainly can learn from mistakes without taking responsibility for all of them.

Sometimes you will fail in the game of trading. You won't always fail but some situations will be worse than others. If you think that always holding your hand up and admitting to it is healthy, then you must also think that some form of mental self-harm is too. You are damaging yourself by doing this. As W. Clement Stone noted 'You are a product of your environment', recognize that everything is your environment.

## TRADING AND SELF-WORTH

Throughout your career as a trader, you will be trying to value different assets and decisions, but you need to remember that to apply value to something you need first to have a knowledge of what value is. A definition won't help you here, because that is not the type of knowledge we are talking about. To recognise value you need to be able to see your own self-value. This may sound unimportant in regards to a task as cold as trading but this is not true. Trading is about the decisions of people, and you are a person, so you are important.

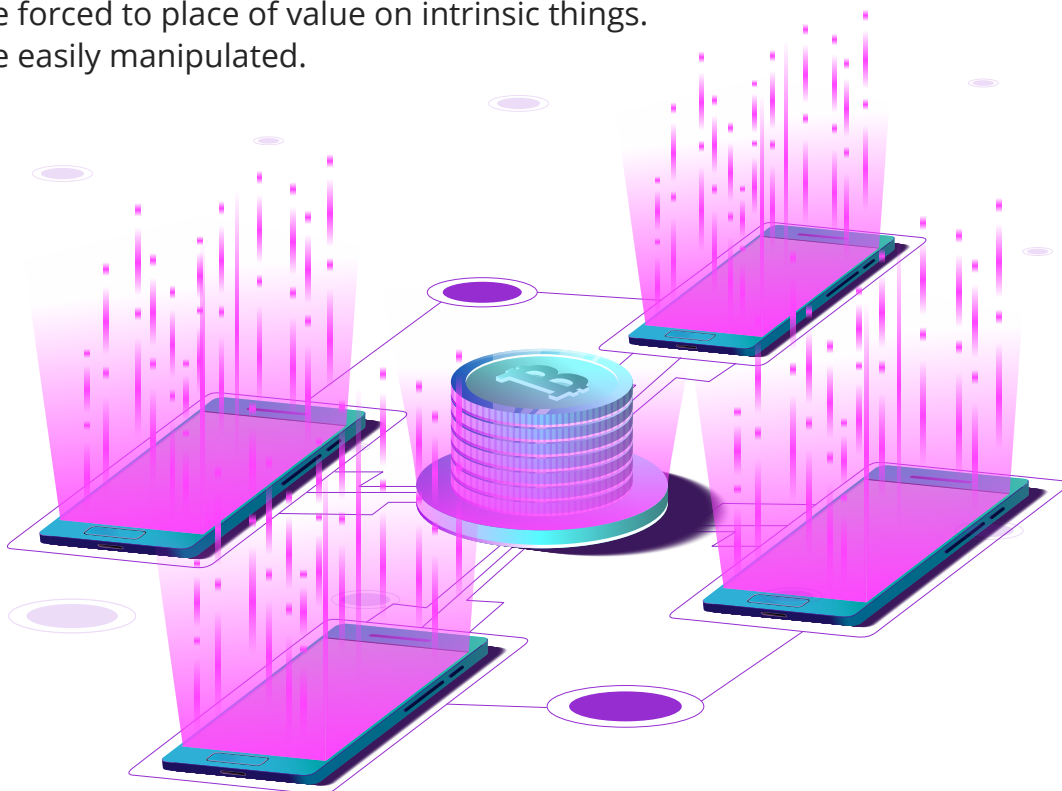
You could read up on how to value an asset for years, but if you can't value yourself, then you will never learn. The human mind is a lens which is used to process your experiences. When you change the lens, you change your processing. While it is entirely impossible to place a finite value on something as intangible as life, the principle of value is something which still has similarities in both definitions. For instance, life has an (arguably) intrinsic value, whereas an asset has an extrinsic value. The principle of value is the same in both senses.

Recognising self-value (or self-worth) is necessary. It means that you need to appreciate yourself, even your bad decisions. Only after you are comfortable doing that can you be well versed in valuing extrinsic assets. You need a salient knowledge. It's the same as understanding 4-dimensional objects. You can read up on them and understand the theory, but without actually experiencing life as a 4-dimensional object you cannot have a true knowledge of what it is. This is also referred to by the scientist Wilhelm Dilthey as the 'Lived Experience.' You need to live as a being which values itself before you can understand value, and before you can begin to use ETERBASE's technical tools to your advantage.

## VALUE THEORY

Leading in from the understanding of value upon one-self, we move to understand how value works in a universal sense. Current economic theory tells us that the price/value of something on a marketplace is always accurate because the market is what dictates value. The famous economist Adam Smith was the first person to bring this concept to the masses, although Plato had laid down a foundation to it long before. The idea is that the people as a whole decide the importance of something, but as Adam Smith noted himself, this leads to some interesting paradoxes. People have a way of valuing the wrong things more. The diamond-water paradox showcases this, saying that while water is more important to human existence, diamonds are priced higher. This simplistic approach shows us how fragile the general understanding of wealth is. This paradox happens for a number of reasons, but we will only discuss two of them:

1. People are forced to place of value on intrinsic things.
2. People are easily manipulated.



Let's look at both of these:

## PEOPLE ARE FORCED TO PLACE VALUE ON INTRINSIC THINGS

If pressed on the issue, most people would call water a human right, whereas they would not say the same about diamonds. Of course, there are still people like the CEO of Nestle, Peter Brabeck-Letmathe, who thinks that this idea is extreme. For most other people, the idea of placing any sort of price on water is ludicrous because they believe its value is intrinsic. This leads to interesting price fluctuations. A person's opinion on 'intrinsic' things will depend on what price they choose. Some will say things with intrinsic value should be free to all, others will say that things of intrinsic value should be priced as high as possible.

We had this very same issue with Bitcoin just 4+ years ago. Fans of Bitcoin were giving it away to people because they believed in the technology and the ideology of unchaining people from financial constructs such as banks. They saw the concept of Bitcoin as something with intrinsic value. Those same people still exist today and are still trading, only now their opinion on 'intrinsic' may have changed. There are new traders too, who see things differently. Almost everybody who invests in Bitcoin sees the value in it, and not just on a monetary scale. Some people still want to give it away. Others interpret intrinsic to mean 'as high in price as possible' and are actively trying to make it go upwards. Both parties recognize the importance of it but handle this recognition differently.

As a trader in the crypto market, you should be mindful of how powerful cryptocurrency is, but you don't need to think of it intrinsically. An understanding of other people's mindsets is, however, necessary for navigating the masses.

## PEOPLE ARE EASILY MANIPULATED

In 2017, the price of Bitcoin was driven up, as was the value of the entire market. It happened in such a steep incline that some people have chalked this up to market manipulation. That could be true. People like Adam Smith viewed the markets without the lens of human intervention and fragility. The masses struggle to understand how to price something, so whales (people who buy and sell vast quantities of assets) take advantage of this. When a whale sells, the public gets fearful and sells too. They see the market change and think that they should follow it. They get manipulated.

This links to Saint Thomas Aquinas concept of 'Just Price'. This is where something has a defined value which is accurate, although it may not align with the current market price. This doesn't translate well into the idea of intrinsic value, but it doesn't need to. While we discuss the earthly nature of cryptocurrency, we need to detach ourselves from the value of its ideologies. You may never be able to really know the Just Price of an asset, but keeping this in mind allows you to only buy into assets which you think come close enough to it. If during a bull market Ripple turns to \$4.00, you have to ask yourself 'is this the Just Price?' If you think it is below the Just Price, you should buy it. If you think it is above, you should sell or leave it alone.



# MAKING SOMETHING FROM NOTHING, AND THEN GOING BACK TO NOTHING

Let's move away from such abstract concepts for just a second, and come back down to earth. If you are reading this guide, then you are looking for some helpful tips on making substantial gains from small quantities. You obviously know this is possible, but are stuck knowing how it should be done.

There is no easy method for achieving this. Sticking to a robust ecosystem such as ETERBASE is a strong start as it has all the physical tools you need, but the nature of trading is about the nature of people so you will need a bigger set of tools too. ETERBASE is the perfect jumping-off point for this venture.

I want to talk about the way profits change a person. If you do manage to make a hefty profit from a small start, then it will change the way you view yourself. Earlier it was mentioned that you cannot understand asset value without self-value. Following on from this, if you make large gains, you will naturally think highly of yourself. This will change how you value yourself (just because something is intrinsic does not mean that it cannot fluctuate in value). If you think higher of yourself, then you will begin to value projects in different ways. This may be helpful, or it may be harmful.

The best thing you can do is try to prevent such radical changes in your perception. Do not let your ego tell you that successful trades make a better person. If you fall for this, you will fall for the idea that poor trades make a person worse. A radical change in self-value will change your understanding of value on other assets. If the mindset that brought you success disappears then you are leaving yourself open to disaster. You could lose it all.

A strong perceptive skill set of yourself will prevent this.

# REALISM AND PESSIMISM HAVE SIMILAR THEMES

This guide has mostly taken a negative view of the current markets, or at least that is what it seems like. This is because, as a trader who experienced 2017, it needs to be accepted that the landscape is nothing like back then. That could change, but there is a chance it won't. I am giving a realistic view of the cryptocurrency industry. The only problem is that the current reality of the market is dark. In general, realistic viewpoints get criticised for being pessimistic, but this is mainly because it is healthier to prepare for the worst and continue than it is to get excited for the best and leave yourself open to a sharp fall. Do not take the messages of this book as overtly negative; take them as tips on how to handle genuine negativity in the market.



## SPIRALING DOWN THE WRONG RABBIT HOLE

In a feeble attempt to chase positivity in a bear market, people regularly look for cryptocurrencies which are performing exceptionally well, or which have a seemingly great immediate future. They look for new coins and tokens. They look for ICOs with big promises. These are the wrong things to look for as a beginner. You need to focus on the fundamental coins like Bitcoin and Ethereum. Other coins with somehow good charts during bad times could be pulling strange tricks to do so. If you look at the chart for the Ponzi coin BitConnect before it disappeared, you'll find that it was performing amazingly at a steady level even when other coins were doing poorly. It used clever marketing and price manipulation to do so. If you start chasing coins which are doing the opposite of the market, you will quickly run into dangerous coins like this. For now, and likely the foreseeable future, all other coins follow the same price movements as Bitcoin. If you find a coin doing the opposite for a sustained period of time, proceed with caution.



# DAY-TRADING SHOULD BE NIHILISTIC

A realistic view of the financial markets is a great thing to have; in fact, it is paramount to your success, but within that view, there is room for positivity regarding the technology which holds cryptocurrency together. When we were discussing price and value, it was mentioned that the ideals and structures behind cryptocurrency might have value too. This could be the case, but the opposite can be true also. It depends on the lens you use. In finance, cryptocurrency has value. In computer science, cryptocurrency has value. These are our relative constructs. However, we should not delude ourselves into thinking that cryptocurrency has an absolute importance. When fans think about the technology, they think of a magnificent world where blockchain technology is used throughout life and where the financial structure of the West has fallen and eroded, to make way for a decentralized global ecosystem. This could be the future, but right now it is just an imaginary world. In fact, it is worse than that. Right now it is an external world. It is great to work towards that type of world, but recognize that it does not currently exist, so that means your actions must be relevant for right now.

This is similar to how the concept of nihilism works. When speaking about humans, nihilism tells us that human life cannot have any importance which derives from an external world (such as heaven, hell, nirvana, or some higher plane) because importance and purpose must translate into the world we are in right now at this very moment. For instance, you cannot say that your purpose is to serve God if that God resides in another world. Your purpose must derive from this world. So far, nobody has found a definitive, absolute, reason for purpose in this world, so we must assume that there is not one. When discussing assets like cryptocurrency, we need to think about their importance right now, not in a fake world which may be coming in the future. Cryptocurrency cannot derive value from what they can do in the future; their value must come from right here, right now.

Luckily for us, cryptocurrency is much more tangible than human life, so we have found a value for it. We just have to take a nihilistic approach and recognize that coins and tokens with grand plans for the future mean very little to us right now. You could invest in something like Enigma (ENG) right now, but you need to understand that the developers are not taking a nihilistic approach: they are telling their fans that its value comes from what it will do, not what it currently does. That is not helpful to you. Long-term holders may find some use for Enigma, but you, as a day-trader, need something which has value in this current world. An example of this would be Monero. Its coin works right now and is used for privacy and anonymity every single day. Bitcoin and Ethereum also pull their importance from the current world too. ETERBASE lists several coins and tokens which work in a similar way, so using the exchange to make impressive profits will be easy.

# TRADING AND SYNCHRONICITY

The psychiatrist, Carl Jung, believed that there were situations in life where two seemingly irrelevant things could be linked in a way which could not be measured by any scientific or mathematical methods. This is called synchronicity; it is one of his most famous principles. By definition, this is a somewhat unconventional concept, even for the standards of this guide, so we will only be picking lightly from this for our own uses.

Jung considered synchronicity to be something designed by a higher power, but we can look at it more concretely. Whether Jung is right about this is irrelevant, because synchronicity is very similar to coincidences, and coincidences fascinate humans. People can get easily swayed by the coincidences they come across. They can lead people to make rash decisions with no supporting evidence. They lead people to emotion. However, as we've moved a little beyond Adam Smith's concept of man being a cold, rational, calculator, we recognize the necessity for emotion. If some level of synchronicity or coincidence leads a person to make a decision they usually wouldn't this is not an inherently dangerous thing, so long as rationality can be applied to it after the situation. In fact, following some form of synchronicity can help people to break out of negative thought loops about themselves brought on by a famished understanding of self-value. These situations can bring people to embracing other ideas.

## DUTY AND DEONTOLOGY

We've talked about ideological terms throughout this book, some regarding cryptocurrency, some regarding the nature of finance, and some regarding the value as a whole. Often one of the most prominent ideologies discussed when talking about wealth is duty. What sort of duty should you be bound to? And should that duty change when you have wealth? Possibly, but what we want to focus on is how your duty should be applied to yourself.

This guide, like all other trading guides, talks about doing the right things and the wrong things. Whichever guide you subscribe to provides you with different definitions of right and wrong when trading, and it is up to you ultimately to decide whether they fit with you or not.

Considering how far we have gone into defining good and bad practices, let's bring another idea to the forefront.

If you have managed to use some of the tips from this guide to help you become a better trader, then you have a deontological duty to continue following them throughout your career. Deontology is the concept, created by Immanuel Kant, that right and wrong actions are decided upon a predetermined moral compass (or code) rather than decided by their consequences. It is perfectly fine to use a consequentialist outlook to determine which tools in this guide work for you (through trial and error) but once you find what works you have a duty to keep using them if you want your career to continue flourishing. You can use consequentialism to find your tools, but you then need to use deontology to keep your tools close. If you are not, then you are doing yourself a disservice.



## HOW TO APPROPRIATELY RELAX

To bring some positivity to this text, let's talk about relaxing. After a hard few weeks of trading, you need to unwind. No matter how good or bad things went, you need to be relaxed. Even if you've lost a lot more than you can handle and you need to change your budget for the future, if you simply continue without any reflection and recreation, you will burn-out and fall into a spiral of bad decisions. Relaxing does not have to be going on holiday; it can be simply doing something you love. It can be doing a hobby. On that note, you should never consider trading to be your hobby if you want to do it professionally. If you are moving trading from your hobby to your career then you need to find a new hobby to replace it. Doing something detached from trading is necessary, so it can be done whenever you feel stressed or tired of trading. Your hobby could be something serious like reading books, studying, or exercise, but I personally think something more passive like watching shows or films is better. Playing an easy game is good too. Trading is a profession of rapid action and social engineering (both stressful things for the human mind) so doing something as low-stress as possible is best.

It might seem insignificant to discuss relaxation in a trading guide but the most important thing for us is to make sure that the mindset is in the right place. That can't happen without some rest.

## WHEN IS IT OKAY TO BRAG?

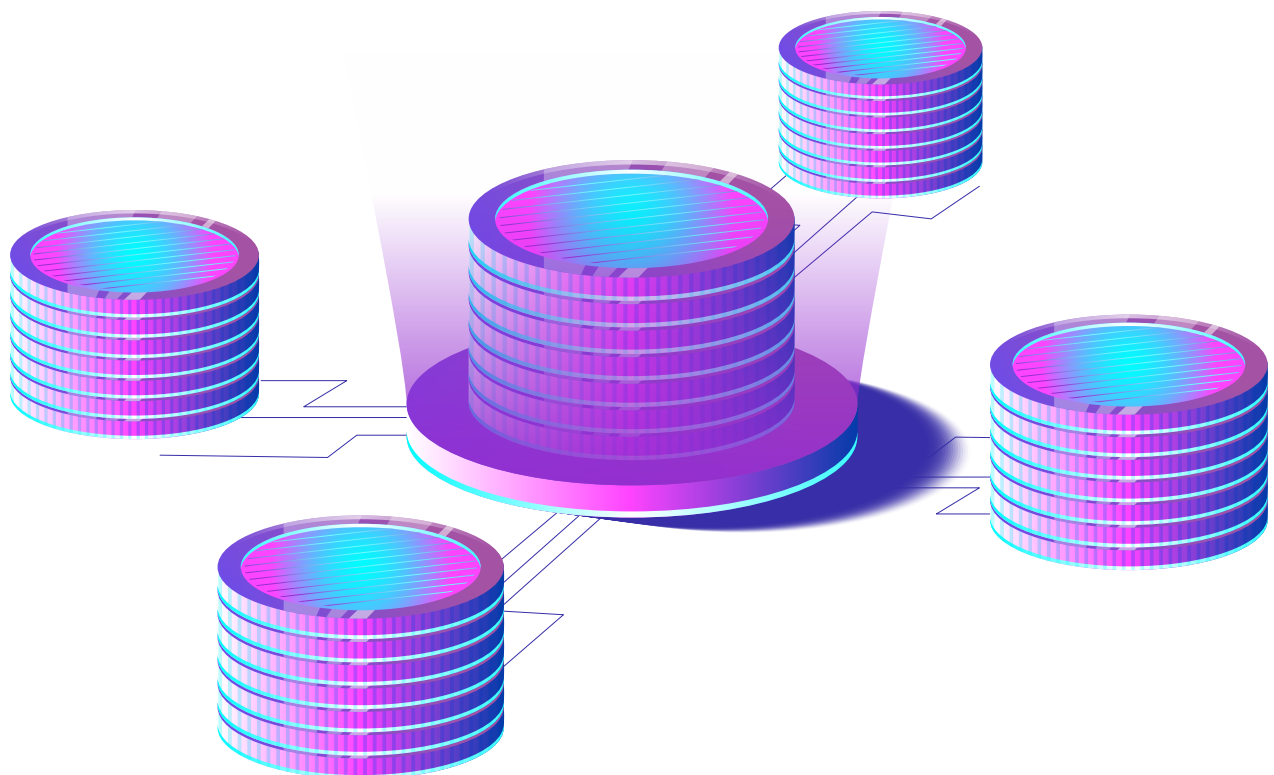
Never. It is never okay to openly brag about your gains. Talking about your gains does nothing but harm your image. While somebody like Warren Buffett has used his bragging to propel himself into a household name, this does not automatically mean he is well respected. Talking about your gains is unattractive and breeds disdain among your peers, not respect. Now, talking about your trading methods is something you can brag about because it actually teaches people. Talking about profits helps nobody.



Of course, this in itself is a tool, and if this does not work for you, then discard it in its entirety. Some people enjoy changing their trading tactics regularly, but others like to keep with those that work for them.

## WHY ARE YOU MAKING MONEY?

Remember earlier when we talked about how you are a product of your environment? We need to look a little harder at this idea. Each person has their own concept of money and wealth, and while they will all have similarities, it is the differences which we need to examine. A person from a more impoverished background is going to view wealth as something different from somebody who has grown up around money, so it is understandable that your socio-economic background will change the way you treat your trades. We don't need to break down how the upper-classes and lower-classes trade to make our point. It doesn't matter your background; you need to critically analyze how you see money, and what it means to you. Are you primarily trading as a means of becoming wealthy, or are you trading as a means of just making a living? Money to make a living is using money as a career. It is the act of making just enough money to sustain a lifestyle you see in the immediate future. This is great because it is somewhat tangible. You could build dream budgets where you imagine how you would portion off your money if you were to become successful under your own definition. If you are focusing on trying to become wealthy, this is less tangible, and it requires a different outlook on your trades. I cannot tell you how you should treat these two different dreams; I can only say that you should be looking into these and personally be considering them. Be mindful of your aims so that you can keep your trajectory pointed at them. People who want to trade for wealth are more likely to take risks because they believe that performing big gambles is the best way to accumulate their dream. Career-focused individuals are more metered in their approach.





## YOUR TRADES LEAVE AN IMPRESSION AFTER THEY END

Moving back to the order books and charts which ETERBASE provides, we should have a look at the importance of an actual trade. If you have ever performed a large trade before, then you already know just how significant each one is. They can make or break you emotionally, and if you haven't taken the right precautions, they can destroy your budget and cash-flow. Small trades are important too, as they are still a part of the act of how you spend and distribute your money.

However, there is something which every trade does that leaves an impression on the market, even years after they have happened. Every trade you make leaves a mark on the market. Of course, you can see this mark by scrolling far back on the ETERBASE charts to see where you chose to make an action, but it is even bigger than that. Your trades change what the market does as a whole. Your trades are a large part of the spectrum of trades within the crypto market, which determines the prices of all relevant assets. Like Adam Smith said, the market determines the price. With every trade you make, you participate in this experience. Your actions affect the actions of all other traders. Be mindful of this. You do not need to worry about treading on other people's toes (unless you choose to apply a highly ethical approach when trading), but understanding how important your trades are (even older trades) is a great way to understand what the ecosystem is all about. ETERBASE, just like any other exchange, will house an ecosystem of investors who all make regular trades. These are your peers, even if you never meet them in person. Your actions change their decisions in the future, and vice versa. A respect for this level of connectivity is a powerful thing in the cryptocurrency world. A sense of togetherness is often shared and appreciated in this industry, considering how it is so new in comparison to other asset classes such as commodities or stocks. This togetherness is even appreciated among day-traders.

While I cannot say whether this will turn you into a better trader, it will certainly make you aware of the magnificent power you both have and share. It has been repeated time and time again, but mindset is your biggest tool.

# EGO AND TRADING

If you have made it this far through this guide, you should congratulate yourself! No trading guide is accessible, and the fact that this guide did not shy away from theoretical knowledge means that at times it would have been even harder than most texts. The teachings in this book can be applied to your trades right now, and hopefully, they will make you better at your passion, but that might not happen immediately.

Flicking through this book, you might have noticed a lack of images and diagrams. This is deliberate. Other trading books will tell you that following special technical analysis guidelines will magically make you into a better trader when they are virtually useless. Humans are designed to find patterns, but our universe has yet to show us when (or if) patterns are useful. Technical analysis teaches you to look for patterns under the pretense that finding them grants you some ability to be a master trader. This is not true. Trading is more of a social science than a clear mathematical practice. I could show you what patterns to look out for and what people say they mean, but that is useless because if you apply technical analysis to an anomaly, then you learn nothing. In fact, you actually damage yourself.

This guide has focused more on mindset, the nature of the contemporary finance, and the concept of one's own image. At times we have traveled further away from the path than standard trading texts follow, but the main points were still made. Throughout the document, we have discussed the importance of both you as a single entity, and 'you' as a part of the conglomerate of cryptocurrency fans. Both of these perspectives are necessary. You need to view yourself as an individual who controls and steers their own financial decisions, and you need to view yourself as a member of a society which is trying to achieve its own goals too. Sometimes these don't marry well together and can lead to contradictions. For instance, how can you care for yourself while also caring for likeminded traders who share the same ecosystem as you? Earlier I spoke about viewing all other traders as opponents, but I said that this idea was only for beginners. So what should advanced traders be thinking about? Knowledge or, more specifically, the sharing of knowledge.

When you feel comfortable opening up to other traders, you need to be passing information between each other, whether this is through conversations or posts online. While there cannot be room for all traders always to win, there is room for all traders to win at least a handful of times. Even if every trader is following all the right information, there will still be people who perform poor trades, and other traders who can reap the benefits from that. The trick is to not revel in it. The old-school mentality of 'they failed at this trade. Oh well, that means more opportunity for me!' is over. It died. This is not just greed; this is greed with malice. People will always be failing, and their failures will lay a foundation for your success, but there is no need to enjoy it. Trading is still a cold sport, but trading cryptocurrency on ETERBASE is nowhere near as cold as trading oil or blood diamonds. Even as a day-trader, people don't enter this market thinking 'I want a piece of the action, even if it means taking somebody else's piece.' Legends such as Satoshi Nakamoto taught us with Bitcoin that there is enough for all traders. It just means that there isn't enough for everyone at once. Read Satoshi's Bitcoin Whitepaper, and you'll understand the ideology behind it. Bitcoin was built around the 2008 recession. Its creators were mindful of this. The act of having an independent alternative to the banks is not meant to be a destructive idea. It is meant to be an idea which lets people flourish.

I'm going to tell a story about an acquaintance who works in the crypto market. When he found out about VeChain's partnership with BMW, he was elated. In part, this was because of his investment, but that wasn't all of it. He noted how much he wanted Waltonchain (VeChain's competitor) to fail. The fact that VeChain had received a partnership didn't excite him because of the money he could be making (which he didn't because this happened during a bear market), it excited him because he saw it as vindication for picking 'the right coin.' That is a ludicrous idea! The crypto community often pits VeChain and Waltonchain together because they focus on the Internet-of-Things, but a quick read of their Whitepapers reveals just how many differences there are between them. They can both co-exist, so why do people want one to fail? What's worse is that these are the people who say that financial monopolies are unfair. They say 'we need an alternative to banks because the banks have had too much power for too long.' Yet these are the same people who only want one coin to exist within each niche. Competition is healthy and important. Two or more powerful, yet separate, organizations occupying the same thematic space is excellent for business. It is also great because if one cryptocurrency does somehow fall, we will still have others to use. It helps the entire ecosystem.

The mindset which has been mentioned throughout this text has focused on promoting strength within your decisions. It has also focused on promoting solidarity among peers. Strength in numbers could not be more accurate than in cryptocurrency. It is even mentioned by Satoshi and other computer scientists that without a tight group of people a cryptocurrency falls apart. When cryptocurrencies start, they need to be 'bootstrapped'. This is the process of using a small few people (or nodes) to grow a blockchain into a multi-faceted tool, ready for the masses. It is this element of growth which is not just needed to prop the industry up, but it is needed for the industry even to exist. If it weren't for a select few who chose to run Bitcoin's software on their computers, we wouldn't have this industry right now. The fact that traders are turning up and acting as if focusing on merely themselves is appropriate is staggering. It needs to be said again and again: cryptocurrency is not like other asset classes. This industry was built on groups. Think of it like decentralization: each node is individual, but each node is only important if there are other nodes in other places. There is no room to be selfish.

If you check the website of your favorite coins you will notice the same word appearing: ecosystem. The crypto world runs on this. Not just the fans, but the developers and the traders. An ecosystem is important. As a member of ETERBASE, you are a member of a separate ecosystem, which in itself is a part of the larger ecosystem of cryptocurrency as a whole.

Do not let yourself and your selfishness get in the way of the ecosystem you are joining. While you might not care for the togetherness that this is promoting, note that you are stepping into a territory which is unfamiliar. You should be acting accordingly. Those who live and breathe crypto do so because they love the fact that from just mere individuals, a decentralized network can be created which can rival the age-old world of financial constructs. Act accordingly. You are not 'just a day-trader,' if you choose to take part then you are a member of this. Day-traders are needed for the bigger picture too. If an asset does not have enough day-traders using it, then fans and long-term holders struggle to buy and sell too. They also use ETERBASE, but for different reasons. They use it as a gateway into their favorite new world. You have no obligation to day-trade for particular coins and tokens, but it could be argued that you do have a deontological duty to appreciate the beauty and power of cryptocurrency should you wish to use it to make a living with it.



## CONCLUSION

Hopefully, this guide has helped you to gain a higher understanding of the thought-processes that go into cryptocurrency trading. While this guide has not revealed too many technical analysis tools and tips, it has (attempted to) bring you up to speed with the structures of the financial world, and how those relate to a person's own dreams of making a career out of cryptocurrency. Trading can be a tough process, but it gets easier the more often you do it. ETERBASE's robust platform is the perfect place for beginners to find their feet, as well as seasoned professionals to make the most out of this market.

***Good luck trading!***

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**Europe's Premier Digital Asset Exchange**

**Kai Morris**

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