

The Simple Bitcoin and Cryptocurrency Trading Plan

**How I earned, invested and traded
bitcoin and cryptocurrency
from zero into \$500,000**

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Risk Disclaimer

There is considerable risk in bitcoin, altcoin or world market trading, and may not be suitable for all investors. Any trading involves risks including, but not limited to, the potential for changing political and/or economic conditions that may substantially affect the price or liquidity of any financial market. Speculative investments may also be susceptible to sharp rises and falls as the relevant market values fluctuate. Leveraged trading can have a proportional effect on your trading account balance. This may work against you as well as for you. Not only may investors get back less than they invested, but in the case of higher risk strategies, investors may lose the entirety of their investment, or more.

Hypothetical Results Disclaimer

Some trading commentary is based on hypothetical performance results that have certain inherent limitations and may not represent actual trading. Past performance does not predict future results. Predictions do not include the impact of market liquidity and no representation is being made that any account will or is likely to achieve profits or losses similar to those being shown. Forward looking statements include words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and are based on this author's current expectations and assumptions regarding the market in question and actual results may vary significantly from those expressed or implied.

Before deciding to trade in any market you should carefully consider your investment objectives, level of experience, and risk appetite. You should not invest money that you cannot afford to lose. Seek advice from a certified independent financial adviser if you have any doubts.

Neither the author nor our affiliates are registered as an investment adviser nor a broker/dealer with either the U. S. Securities & Exchange Commission or any other securities regulatory authority. Users are advised that all information is solely for informational purposes, is not intended to be used as a personalized investment recommendation, and is not attuned to any specific portfolio or to any user's particular investment needs or objectives.

When addressing financial matters in any of our books, sites, videos, newsletters or other content, we've taken every effort to ensure we accurately represent our strategies and services and their ability to improve your trading or grow your portfolio. However, there is no guarantee that you will get any results or earn any profit using any of our ideas, tools, strategies or recommendations, and we do not purport any 'get rich schemes' in any of our content. Nothing in our training products are a promise or guarantee of earnings.

Why you should read this book

This book is like a roadmap for trading cryptocurrency with a low-time commitment, methodical approach to fit into the lifestyle of a busy person.

Whether you were starting out with less than \$100 to trade or you have over \$100,000 to trade, this book will show you how to approach the markets.

This approach to trading cryptocurrencies will work even if you have a full-time job and a family. You can manage your cryptocurrencies in as little as 10 minutes a day after you finished reading this book. It's full of proven strategies and tips for growing your money and creating long-term success as a trader.

I recommend reading through each section from start to finish and each trading strategy one at a time. As you read about money and each trading strategy write down your action steps that you will take to start implementing these best practises with your own money and in your cryptocurrency trading.

Making your own notes on just one trading strategy and applying it over and over again to drill for skill will be far more valuable than reading about all the strategies and trying some trading before you have put in the deep studies. Would you try to fly a plane from just reading the manual once? Of course not, you would not be prepared and you would likely crash.

Always remember that a planned strategy and practiced action is what creates results in changing your financial future - not just light knowledge you gain after reading a strategy once.

Start small as a new trader. Remember you are creating a habit of making money work for you, and work for you and work for you over time. Results will build on results, so start small with money that you can afford to lose - and then focus on your percentage gains, not the number of dollars you gain on each trade.

Learning, motivation and inspiration are wonderful - and always keep in mind - with cryptocurrencies, you don't need lots of money. You can start micro-trading with a very small investment and these small actions really can build up and begin changing your life in profound ways!

The Key Foundation For Trading Success

Get crystal clear on what you want and why. Many trading gurus focus on the technical parts of trading and skip over the personal motivations that give us the power to overcome difficulty and keep going when success is not immediately evident. In order to make 'successful trading' a long-term habit, you must have a personal connection with your deepest motivations. You will need to reconnect with these when the markets go sideways for months and test your patience... you will need to reconnect with these motivations when the markets go against you in spite of your best planning. Answer these questions to uncover the answers that will keep you going in times of difficulty.

So you want to be successful at trading cryptocurrency's? Why exactly?

Is it because you want more money?

Is it because of the excitement of trading?

Is it because you hate your job?

Are you in debt that is overwhelming you?

Do you want to have the freedom to work from anywhere in the world?

Is there somebody you want to help with the money?

What is the reason that you want more financial success?

What exactly is it that you want?

Go and get a new hardcover notebook and a nice pen and physically write down what it is you want and why.

Knowing *what* you want is important but be very clear on *why* you want it.

Two people can read this book and start out on the same goal of being successful at trading, one person succeeds, while the other fails... why is that? They both have the same starting advantage - a methodical, proven approach to positioning and taking profits... why does one person succeed and the other person give up and quit?

Most often it's because the person who succeeded had enough reasons to keep them going when trading was difficult. During difficult times and bad luck, the successful person reflects on

why they want the success, they study their mistakes, and start again. While the other person failed and gave up after their first few losses. Their reasons for striving toward success we're not bigger than the pain of facing their mistakes, correcting course, and starting again.

Statistics say more than 80% of new traders in stocks, commodities and cryptocurrencies lose money and quit trading within the first few months. They did not get clear and 'drill for skill' on their strategies, and they were not in touch with their deepest motivations to help them through the period of learning the skill of trading.

Would you agree that we are motivated by two things in life, pleasure and pain?

Isn't it true that some people are motivated to take action to get away from pain, while other people are motivated to take action to move towards pleasure? Which are you?

One is not better than the other. You can generate fantastic success with either motivation system - once you acknowledge which one moves you into action, you can put it to use for your own success.

One of the biggest pains in life is believing your dreams will never come true. When you write down why you want to be successful at trading and then study the strategies in this book, your motivation, and these proven tactics, should make your reasons big and strong enough to overcome the pain that you may feel while learning your skills in trading.

My first experiences with trading we're terrible! I lost all my money - twice! Both of my first two starting campaigns in trading were a miserable failure. Many others would have taken this discouragement and give up, especially after studying so hard for several months before starting each time - and then having such poor results back to back!

But I kept applying and practicing the strategies that you will read about in this book. I never stopped reading the charts and watching the markets to build those pattern recognition skills... and in time I was able to enjoy my first \$10,000 day in profits! If I had quit, if I had stopped practicing when I had no money, and if I was not willing to start trading again with less than \$100 starting funds, I never would have seen my money grow by more than 50x in just a few years of Cryptocurrency trading!

My eventual success would never have happened without my belief in this methodical approach to the markets, without my clear purpose and my clear personal mission! I had plenty of reasons for achieving the success that I was seeking and I would repeat them to myself over and over again when success seemed out of my grasp!

Your reasons for wanting to be successful at trading are the fuel in your fire! When you know deep in your gut - why you want this success - these reasons will keep your desire strong and your inner drive focussed when the markets are difficult to trade.

So go and get that notebook and a nice pen. Let's call it your 'Trading Plan Notebook' and your 'Money Pen'. I'll ask you to write in your Trading Plan Notebook a few more times, so get a new booklet that you will keep.

Stop reading here and go and write down 50 reasons why you must succeed as a crypto trader!

You may be thinking how could I find 50 reasons? I don't have time to write down 50 reasons!

The truth is if you can't find 50 or even 100 reasons to succeed, if you won't take the time to draw these motivations to the surface of your thinking and repeat them into the core of your subconscious... you don't need to read the rest of this book.

I believe in you. I believe in the small trader. I know the results that I have attained are within reach of anyone who has the ability to have graduated high school. If you can learn to drive a car, you can learn these skills.

Before we look at chart patterns, position sizing and risk control rules - give yourself fuel for your fire! Go to a library or coffee shop and spend a few hours writing down your reasons to succeed.

The first several reasons you write down may be superficial and obvious. That's ok. Write them down... but after you get past the first 20, you'll start to find some deep and personal reasons for succeeding. You may reach back to dreams and hopes and goals that you thought you gave up on years ago. Write them down.

Get back in touch with your small dreams and your big dreams, bring your goals back to the front of your mind, and they will give you the emotional charge to get you back on track toward becoming the successful, financially free person you want and *deserve* to be.

If you want to achieve success with cryptocurrency trading, get crystal clear on exactly what you want and why. That is the foundation to your success - technical analysis is the easy part.

Successful Traders Focus On One Approach

The fastest way to trade successfully is a matter of focus. You'll have a lot more success in trading twenty different crypto markets with the exact same strategy than trading twenty markets with five different strategies. It is of no value just to know about all the various trading patterns, indicators and strategies - they must become habits so that you use them almost without thinking..

There certainly are uncountable methods to trade successfully. But if you start trying to trade

one market with RSI, and one market with moving averages, another market as a swing trader, and another for long-term trends, your method isn't focussed and you're chasing different markets with different strategies.

Focus on a single strategy, drill for skill and make it a habit, and then seek to find markets that are ready for your strategy to work.

Can you succeed trading different markets with different strategies? Of course you can. But every serious trader that I know of has settled on a strategy that fits their lifestyle, their personality, and their risk tolerance. They 'drill for skill' - and they get really, really good at it.

For example, a long-term trend trader need only look at the charts for 10 minutes each day, while a day-trader needs to be connected to the markets for several hours each day.

No one is successful in trading without a clear plan, a repeat trading pattern that works for them over and over again.

If you're looking for short-term success you may be lucky to find a market that moves 10 times in value, but if you're looking for long-term trading success then choose a specific trading strategy, study everything about it, practice it until you master it. When you see a market lining up to fit your strategy, you know exactly what to do... it becomes habitual and second nature.

Introduction

I started from zero money in 2015 and grew to over \$500,000 by the start of 2018 - all with earning, trading and investing cryptocurrencies. Nothing that I did was secret or magic, but it did take many years of preparation before I was ready for the outstanding success I achieved.

Originally created as a written trading plan for my own use, what follows is a formula of how I actually changed the way I was thinking and feeling about money and then how I earned micro-bits of digital currencies and invested them for fantastic profit. It is presented in the order that I would have my younger self learn - rather than the hit-and-miss journey of trial and error that I actually took over the decades.

It is not intended to cover all areas of education about cryptocurrencies, nor is it a complete manual for trading and investing. I am not a financial advisor. The purpose of this book is to share my story of 'CryptoCurrency Rags to Riches' in a tutorial format that may help shorten

your journey to financial success and perhaps all the way to complete financial freedom!

Let's get started with the essentials you need to know to get start building serious wealth in micro-steps. You'll learn new ideas that may change your actions which can lead to dramatically different results, as you will discover!

A Bit About Me

Some of you are new to DigitalCurrencyTraders.com and this is the first time you've come to know about us, but you may know that our YouTube videos and workshops on this trading methodology started in October of 2009! Originally, I took my first course on Commodities Futures Trading back in March of 1995 - you can read 'My Short Story' for more about my background in the Appendix... but for now, let's skip ahead to today.

It wasn't until 2015 that I 'discovered' bitcoin. I had to re-adapt the trading method I've been studying for two decades - with a new focus on bitcoin and other digital currencies. I started a video journal and blogged about my progress and difficulties, as I tested to see if my methods also worked for trading cryptocurrencies.

Over the past few years, I've created over 700 cryptocurrency trading journal videos! I was completely determined to document my plans and then look back and learn from my mistakes. As a result of sharing my video journal online, I've also had the honor of gaining tips and knowledge from followers and answering thousands of questions which helped me to clarify every stage of my trading plan.

I am very humbled by the fact that 1000's of students from over 70 different countries around the world have registered for courses on DigitalCurrencyTraders.com! That is just amazing to me and I could not be more grateful for having all of you aboard!

Through this time of research, I have expanded my experience with almost every aspect of earning bitcoin and profiting with cryptocurrencies. As a result of everything I've learned, the workshops have grown and changed - and evolved into the book you are reading now!

If you are saving and investing already, you are at the front of the line for achieving financial success. From now forward, your goal must be to operate your cryptocurrency investing so that you can maximize your profits at every step along the way. If you are trading actively, you owe it to yourself to learn how to be one of the highest earning, most successful people trading these markets.

Remember: in life you can earn a little, or you can earn a lot, it's a largely up to you.

No one is smarter than you and no one is better than you. If someone is doing better than you with money, it's simply because they know more than you do - at the current moment...

All cryptocurrency trading skills, indeed, all skills with money are learnable. If you can drive a car, use a smartphone, or operate a computer - then you can learn any investing or trading skill.

Once you learn a specific trading strategy, I recommend that you use it over and over again to 'drill for skill'. Bring up historical charts and do back testing. And each time you study, repeat and practice, you get better and can achieve better results in less time.

And today near the end of 2018 – I've never been more excited about the potential for new cryptocurrency investors! My angle with bitcoin and crypto is not so much in the amazing technology and how that may disrupt fintech business in every sector, I'm sure it will - but I am much more excited about how these new easy-to-access micro-investing opportunities can help anyone start from nothing, earn money and grow it.

We now have have easier access to more powerful financial tools than any generation in history.

This book should leave you with the sense that YOU CAN DO THIS!

You CAN follow these simple rules and experience consistent profits and success - as I have... even if you have failed in the past.

How To Think About Money

It's important to consider how you think and feel about money. Fact is, you have already been interacting with money your entire life - as a child, you were taught habits with money by watching others, and as an adult you now have your own experiences with money.

Unfortunately, many of us only learned our financial habits from the slick sales ads from banks and credit companies, who profit from selling us into debt!!

Starting today, I ask you to review and critique how you feel about money and be open and honest about what your habits are with money - so that you can reject the propaganda of the legacy banking systems, and finally start modeling the good thinking and good feeling habits that wealthy people have with money, which I will reveal to you.

The first focus is to show you how simple this it is and that anyone can do it.

You will soon discover this key: that money works for you - and not the other way around. You will discover how change this new knowledge into an emotional, deep-in-your-gut belief. 'Money works for me'. When you are in firm possession of this key, it will inspire action. Action that you can 'drill for skill' until it becomes a habit that is as familiar as tying your shoelaces.

And - you also learn why most people FAIL.

How to Make Money

In the second part of this book I'm going to give you some knowledge about how to make your money work for you and have it make more money for you. We also review exactly how to make this knowledge into a belief that changes your actions. Change your actions and you can expect to change what you get as results.

I'm going to show you exactly the specific steps of how I earn free bitcoin from several different sources - and several different strategies for making that bitcoin grow. I guarantee that you can start on the path of making micro-bits of free cryptocurrency money, and make that money work for you to earn more - before you have completed this entire book!

How to Grow Money

In the third part of this book you will discover several ways to make your cryptocurrency money work for you. Starting with the most simple and lowest risk way to consistently grow and compound your cryptocurrency holdings - you'll learn a strategy that only takes an afternoon to put into action and only requires a few minutes each month to review and manage!

By repeating these principles over and over again, you can develop everything you need to make money, keep it, and make your money work for you! As you repeat small success after small success, you will feel excitement and enthusiasm - emotions that help to rewire the way your subconscious thinks and feels about money!

You are going to embed in your mind the mantra: 'Money Works For Me.'

Repeat that three times in your mind: 'Money Works For Me.'

You are going to prove it. You will experience the satisfaction - and the benefits. You will be happy to repeat the success until it becomes a habit that is automatic.

So here's what I invite you to do...

As you go through my personal philosophy of financial success - I want you to think about how this applies to your specific situation - because not too long ago I was very much where you might be right now... I was struggling to pay bills. I was angry and resentful about money. I was passive-aggressive about budgeting, and as a result I had very little money.

For me, bitcoin was like video game points. It was separate money from my bank account that had a very different emotion connected with it. I could leave it without spending it and instead I began to practice making it grow and grow... this is the very process I used to start fast - and I've never looked back!

Help Me Reach More People

If you GENUINELY like the book, the courses, tutorials and videos then it would be a HUGE help if you left a review online! It might seem insignificant, but it helps more than you might think! By leaving a thumbs up, by subscribing and by leaving a comment - you help me help more people improve their habits with money, which can make a profound difference in their quality of life.

Thank you in advance for helping me make a greater difference in the world.

Knowledge vs Belief About Money

Let's begin with review of how you think about money, and what effect those thoughts might have on making money and growing that money into a fortune.

To begin with consider the difference between having 'knowledge about something' and having 'a belief in something'. Would you agree that difference might affect actions that you actually end up taking? And isn't it true that your actions lead to the results that you end up getting?

I'm going to share knowledge with you and demonstrate specific examples that have changed my beliefs. These new beliefs changed the actions I take with money - which, step by step, has lead to dramatically different and better results for me!

And I think these beliefs can do the same for you.

We begin with the focus of providing you a sequence of sure and certain financial successes - that you can repeat, and repeat - to build the all prosperity you desire and deserve.

You will prove to your subconscious mind that 'money works for you'.

You, and many others who read this book, are going to become financially independent with a deep reservoir of assets. And then you're going to purchase many fantastic fun things for your life!

Why can I make such a bold prediction? Because...

You will see how easy it is, what specifically to do, and how to build the beliefs that create new habits, that in the long run, assure your success. Putting this knowledge into action can change your beliefs about money - and change the way you interact with money in all areas of your life.

We are starting out our investing with Bitcoin and cryptocurrencies because we can start off with micro-amounts of 'Risk Capital' to begin investing and growing our money.

Starting with micro-investing with bitcoin allows us to skip some of the steps that investors had to go through in the past. We no longer need to set up an account with a brokerage firm and deposit thousands of dollars to place our orders while paying high commission fees in order to start investing.

What is Risk Capital?

Risk Capital is money that you could lose and it would have no effect on your assets, it would have no effect on your savings, and it would have no effect on your monthly bills and expenses. Risk Capital is truly 'extra money'.

The Risk Capital Hierarchy

Ideally, if someone taught you about money when you were young, you would already have the ongoing habit of saving part of your earnings. When the savings accumulated enough, you would purchase assets. Your assets would produce revenue - which could be used as Risk Capital in speculative investing.

If you are like me when I was beginning, you have a poor relationship with money and have no savings. You must start out finding ways to earn free Bitcoin. And while Bitcoin is money... it's kind of separate from our regular living and job earnings with FIAT currency. So the little

amounts of digital currency can be lost without risking your rent or mortgage payment, or your groceries...

Because these micro-bits of money can be lost without any consequence to you - that fits the definition of 'Risk Capital', no matter how small you are starting out. For me, this is the 'killer app' that Bitcoin represents - the possibility for anyone to start of from nothing and begin micro-investing to establish new habits and new thinking about money.

You are at an advantage to learn these financial strategies with cryptocurrencies because 'Risk Capital' has different emotional feeling connected to it, than does your survival money.

Speculating and Investing vs Gambling

It is important to make a distinction between speculating and gambling. Our focus is to stay away from the gambling mindset. I'll explain more about that later - but this course starts off with the long term, careful and considered mindset of an investor. Remember the chant 'Money works for me', and not 'I'll be lucky with money'.

All of us are emotionally connected to money because it is part of survival, security, comfort and freedom. When you have lots of money everything's a lot easier - when you don't have money... not only are circumstances more difficult, but you may begin to doubt yourself.

I know. I've been there. I've had a long years of financial struggle. At the base of it, I put this book together as my own University. I compiled the best lessons I learned and created my own universe(ity) so that I become more successful with money, and so I would become a better trader and earn profits consistently - as fast as possible.

Money Works By Laws

The earth and the cosmos works on exact principles. The effects of gravity are so stable that we can land a satellite on an asteroid that's going around the Sun. We can do incredible things with science because the laws of nature are that precise.

And the laws of money are that precise and reliable too. You now have some of that precise knowledge in your hands. Read this book over and over again to begin creating new beliefs, which will change your habits - and in time, change your results.

Let's Get Started

Let's assume you are starting out like I did and you have no Bitcoin and no way to easily get Bitcoin.

Create a free wallet

Head over to blockchain.com and create a free Bitcoin wallet. If you need help - visit youtube and search out some tutorial videos with step by step directions.

Now you are ready to receive Bitcoin. The next step is to find the best places where you can buy bitcoin or earn free Bitcoin.

There are many cryptocurrency scams out there promising to create amazing returns on your Bitcoin... and I recommend that you avoid most of them. Yet, there are a few that have made me TENS of thousands of dollars in free Bitcoin - a true residual income stream! And you can do the same!

Earning or Buying Your First Bitcoin

Today it's a lot easier to purchase your first Bitcoin than when I first started. You may have a bitcoin ATM close to your location, and if not, you can now find many online onramps to the cryptocurrency world.

CoinBase is well known and Changelly has been gaining market share fast. In Canada, I have used QuadrigaCX connected with my bank account and I use Coinpayments for accepting more than 1000 different cryptocurrencies for payments online. Because of the rapidly changing landscape and different laws for each country - I recommend you search online for a trusted source that services your area.

Select Your Destination, Then Begin

What Do You Think About Money?

Right now I have another written exercise for you that I want you to take action on and I want you to follow through and do it. Don't just think about it and agree with it... I want you to actually take the action.

Get a pen and your booklet, and I want you to write down your answer to this question:

I want you to write this down on a piece of paper so that you have it for reference later to see if your answer changes over time.

My question is:

What would you do if all of a sudden you had some 'extra money'?

Write down what you would do if all of a sudden some extra money came your way. Let's not make it into a big lottery winning or something... imagine something realistic for you.

What would happen if you had 'a little extra money'?

Write down your answer what you would do.

What would happen if you all of a sudden got 'a lot of extra money'?

Again, write down your answer what would you do.

Use your 'Money Pen', and physically write down your answers in your 'Trading Plan Booklet' - you'll want to review your answers in a few months or maybe a few years. There is no right or wrong answer, it is the start of creating a success journal so you can speed up how fast you improve your financial success!

The key of stopping to write down your answer into a little booklet is not just so that you go back and see how your thinking has changed about this one topic - but it's to start the habit of writing your own trading journal. All successful traders keep a journal, all successful athletes keep a training log to track their progress. We'll talk more about how a trading journal can help you correct your errors and help you learn and reinforce correct thinking while trading.

Your First Successful Experience With Cryptos

So let's start to ensure that you have a successful experience with growing your bitcoin. Implement the simple strategies that follow, and YOU WILL SEE that money works for you. Just imagine what would happen if you actually felt that money comes to you just based on your thinking, based on your knowledge - and not only because of your hourly labors!? Would that encourage you to acquire this knowledge?

The truth is, once you have this simple knowledge - once you see how easy this process is, you will instantly have confidence that you can do it.

Okay, it's time to dive into action but first I've got to tell you - 'I am so excited for you!'

You are at the start of something BIG!

I look forward to hearing about the challenges that you face, and the profits that you make - as you put these strategies into practice and really get some results for yourself! I invite you to follow on social media and join our Discord group and register on the website DigitalCurrencyTraders.com so you can access additional training and videos, become a member of our community, and let me know this knowledge is changing your life!!

A Simple Plan To Become A Millionaire

I want to share one of the most important financial concepts I've ever learned. I wish I would have thought about this more and 'drilled for skill' to make this knowledge into a belief and a habit when I was younger - as it would have led to my financial success more quickly.

It is a very simple plan on how to become a millionaire. It applies to Fiat money, and later I'll show you that it can be even MORE powerful when applied to cryptocurrencies!

Bob Proctor and John Kanary taught a series of fantastic 'Born Rich' seminars back in the early 1980's. Yes, more than 25 years ago... it is so powerful you would think that everyone would know about it these days...

One segment of this seminar on building prosperity, wealth and success, detailed the simple formula for becoming a millionaire with a plan that anyone could achieve. This segment of their seminar really struck me. It was a profound truth that I had neglected for decades.

I listened to this segment many, many times. I wrote it out. I practiced reading it aloud. I created free webinars about it and I've included it in this book so I can teach other people - as a way of repeating it in my own mind with as much emotion and conviction as I can muster. Since that time I have been implementing this strategy - and the results are predictable, in a word... fantastic!

(And after I share Bob's method - I'll demonstrate how cryptocurrencies now provide even better results than Bob could have imagined back in 1982!)

I paraphrase Bob as he commented...

"Would you agree that you blow, waist or spend twenty bucks each week on things that you could do without?" Bob asked.

Imagine a different habit with me. Imagine yourself folding up a twenty dollar bill at the end of the week and putting into a simple wooden box. Now, imagine yourself folding up another twenty dollar bill a the end of the next week. See yourself placing it into the savings box with the first. Each week, imagine placing another folded bill into the box. Each week you see your growing assets. Imagine the feeling of accomplishment you would have when you open the box and see a stack of eight twenty dollar bills - and you fold up another to add to the box. As the weeks turn into months, and the months turn into seasons, each week, you set aside another \$20.

Over a time of 50 weeks you have now saved \$1,000 - and you have also created two very important habits. You have created the habit of watching your money grow - and you have also created the habit of protecting that money from all the desires, events and opportunities that you faced from day to day throughout that entire year. Just imagine the accomplishment you now feel as you view that stack of money! As a matter of fact - the feeling of accomplishment has now become a habit for you, and you are building a deeper belief in yourself, wouldn't you agree?

Habits are hard to break, isn't that right?

Now, think about this - imagine you established this habit in your youth, and repeated this simple plan through all of your working years, lets say from 20 years old until you were 60. At \$1000 per year over 40 years, you would have saved \$40,000. Correct?

However - this could have been worth more than one million dollars with ONE simple

ingredient... one simple strategy that requires no more time and no additional effort! This one strategy, a simple bit of knowledge - could have made this \$40k into more than a million dollars!! What is this magic strategy that can have such a profound effect on your wealth and comfort?

The Magic Strategy That Transforms Money

The magic strategy is earning interest. Earning Interest? How can such a small thing make that *magic* difference, you might ask?

Earning interest, and putting that interest to work to earn more interest - can have a dramatic effect on the success of our simple \$20 per week savings plan! Let's imagine that, instead of folding up your \$20 bill and placing it in a wooden box with the others - imagine that you put that \$20 to work on your behalf.

If this money was to be invested and grow at a rate of 10% per year, instead of the \$40,000 you saved - you would have a total of \$482,000

If it was invested and grown at a rate of 12% per year you would have \$840,000

Invested at a rate of 14% per year, compounded monthly, you would have \$1,490,000!

And all you ever need, to ensure a comfortable retirement with more than a million dollars in the bank, is to know about the life-changing power of this little \$20 per week plan, along with the magic of compound interest.

Anyone can do this. Bob Proctor was teaching this in 1982 - but 25 years later - WHY IS IT that less than 20% of our population retire wealthy??

You may point out that bank interest rates are less than 3% per year on the very best savings account - and many savings accounts do not provide any interest at all...

Well, later on - I'm going to show you a way that you can start with a micro-investment and start earning interest, with no risk, while you compound your earnings every two days, rather than monthly!! The lending rates are variable, and for some occasions the rates can spike as high as 5% per day.

But I'm getting ahead of myself. We are going to get into the Bitcoin earning information right away, and then I'm going to show you how to start earning interest on your micro-investment... But before we do - reflect for a moment - on *your* current habits with money.

Three Categories Of People, And Their Money

Bob Proctor points out the following simple truth: People fall into three categories when it comes to money:

1. Their monthly budget is slightly negative and they are spending a little more money every month than they are earning
2. Their monthly budget matches their income and they have no money at the end of the month.
3. Their monthly living cost is less than their revenue, they put away regular savings.

If you were to guess - what percentage of the population do you feel would fall into each of these three categories?

Recently a top respected Canadian newspaper, Global News, quotes that “Canadians are dreaming of retirement but they are not actually saving for it” and they point out the following facts:

According to Statistics Canada, in 2012 just 23.7 per cent of Canadian tax-filers contributed to a tax-sheltered Retirement Savings Plan.

From that, we can infer that 75% of Canadian fall into Bob Proctor’s first two categories - and it may be the same in other countries as well.

Does Money Solve Money Problems?

What if you gave more money to a person who has a habit of spending more each month than they have? What if you gave more money to a person who has the habit of spending all the money they have? Do you think more money solve their money problems?

What about the example of people who have won the lottery, and within a few years they are in far worse financial shape than they were before they won the lottery?

The truth is, more money just magnifies the habits that you already have with money. More money highlights the tragic flaws we have with money, or the virtues we have learned and nurtured about money.

If we trace back where your relationship with money began, it follows that the habits you have are a result of the actions you took. Your beliefs determine your actions, and your beliefs were generated when you learned something. If we learn something, the new knowledge may not become a belief that changes your actions. Just because we 'know' we should do something, doesn't mean we will do it. There is a space between knowledge and action.

Where we feel good, enthusiasm, accomplishment, joy - then action is easy. Where we feel anxiety, doubt, fear - action is difficult, at the wrong time, too much or too little.

Micro Success To Build Joy Into Money

So now, starting with our micro-investing with Bitcoin and cryptocurrencies, you are going to learn the specific steps to make money work for you - but more than that... the feeling of accomplishment that you experience when you make money work for you, will completely change your belief about your future wealth. Imagine again, the habit of watching your money grow, and the feeling of accomplishment you experience so often that it becomes a habit. At some point, that habit of feeling accomplishment becomes *a belief about yourself*, wouldn't you agree?

Ultimately the feelings of success and accomplishment with your micro-investments will change your actions with all aspects of money - success will build on success and develop a thirst for knowledge and grow into more habits of financial growth! From this moment forward, your financial future will be different and better!

How The Wealthy Think And Feel About Money

For most of my young adulthood, I didn't understand the difference between how I was thinking and feeling about money, compared to how wealthy people think and feel about money.

I was overburdened with debt, I was short of cash, I was anxious and resentful about money. As a result, I put off doing basic accounting, which made things worse... In short, I had some powerful negative conditions in my life that could be traced back to my emotions about money.

It took me several years before I started to untangle my negative views that were causing me to attract still more financial difficulties.

In his book 'The power of self-discipline', Brian Tracy talks about the discipline to save a portion of all the money that you earn. I paraphrase, 'a person with no money feels anxious, nervous and sometimes questions their own self-worth, while a person who has a little money, feels confident, they feel relaxed and they feel more optimistic about the possibilities of the future'.

With this book, you will gain a series of successful experiences earning and growing micro-investments. You are going to prove to yourself that money works for you.

As soon as you think about money working for you, that your pile of money is a collection of workers that toil on your behalf... Then, all of a sudden, every dollar coming into your possession has a whole new meaning to you!

You are going to earn Bitcoin, you are going to keep it, and you are going to make that Bitcoin work for you.

In order to really attain financial freedom, it is important to deeply consider the way you think and feel about money.

If you are focused on what you don't want, on your difficulties, on your worries, and your fears, then it's hard to see optimistic possibilities without a guide, like this book, to remind you.

Your goal with micro-investing, is to think about what you want. To build up a series of low risk, positive experiences where you successfully make money work for you. The goal is to feel the accomplishment of mastering money in the smallest way, and as you gain skill at making money work for you, you will have new emotions where you are feeling eager about money.

Even the smallest successes will help nurture the feelings of anticipation about future successes, and good feelings that are the result of actively directing your money to work for you.

Two Financial Masters That Can Change Your World

I want to introduce you to the two Financial Masters that made such a difference in my life so this book expands its usefulness to everyone it touches.

Money Is My Friend

The first book I want to share with everyone is called 'Money Is My Friend' - this book was extremely significant for helping to create my financial present. I learned about emotional habits that people have with money, and I was actually unaware of the patterns I was following - all I knew was that I was in financial chaos.

I recommend that you purchase and read through the book 'Money Is My Friend', so that you can explore your emotional connection with money. It may be the key to build your first steps forward with a plan, and it could help to understand and clear some emotional issues that may have been holding you back from much greater success.

Rich Dad Poor Dad

The second key financial Guru that shaped the way I think about money is... Robert Kiyosaki and his book, 'Rich Dad Poor Dad'. I was able to download an audio copy of the book and I listened to it over and over again.

Of course, I cannot do justice to explaining these two powerhouse resources for your financial education here - so I really wanted to mention them. Perhaps they can become the inspiration to help in your financial success as well.

Once you take the first small steps to proving to yourself that money works for you, you are beginning on the path of inevitable financial freedom.

To stay on the path - you may need to shift your psychology (your body posture and muscle tension), in addition to learning this new information. It's easy. It feels good. And with practice, it will become a habit that will change your life and the lives of your family and even your friends.

This is why this book is so exciting to me, it's more than just helping expand the adoption of cryptocurrencies, it's way more than that - if I share all of this, I feel I can make a huge difference in people's lives of thousands of people and their families!

By writing this book, teaching the course and providing one-on-one coaching, I am repeating -- in my own mind - over and over again - how important every dollar can be. Sharing and teaching helps me stay on my goals, keeps me feeling awesome, good, excited - to feel gratitude for everything I have while I anticipate what my money will do for me... I anticipate the security for my family... I appreciate the time freedom, the option to live a slower paced life - and I feel profound gratitude that money provides the means to extend my message, helping more people - and the cycle continues!

This is fun! It is exciting to get up in the morning, to see how everything is progressing!

So the big goal is not to make more money to solve your money problems, because more money will just fall under the same routine and habits that you already have with money. More money doesn't solve money problems. It is kind of a paradox until you change the way you think and feel about money. We'll visit this concept again later.

With this course, anyone can begin from nothing - earn bits of free Bitcoin, and start practicing the habits of making money work for you. As you gain success in growing money, it will begin to change your success with money in all aspects of your life.

Top Ways I Make Free Bitcoin Income

The Worst First: Bitcoin Faucets - There was a time back in 2015 where I was earning 0.00750000 bitcoin per week by visiting free 'bitcoin faucets'. For anyone with a job, this was not worth the hours of effort back then, and it is less recommended today. But it was a way to start with zero bitcoin and slowly earn a few bits that could be invested and grown over time.

Small Scale Crypto Mining At Home

While the debate rages on about the return on investment for mining digital currencies at home, it is a matter of the balance between the cost of the hardware and the ongoing electricity costs, versus the income that you will be making and your belief in the future potential for increasing value of the crypto assets you mine. The difficulty increase, greater mining hashpower coming online and variability of cryptocurrency prices add to the uncertainty - and opportunity...

The easiest way to get started with mining on your home computer is with [minergate](#).

The next way I recommend is with the [nicehash miner](#). While even a small graphics card can earn - the Nicehash profitability calculator will help you determine what your computer might earn. Perhaps the most powerful feature on Nicehash is the ability to purchase mining power on a competitive bid system. This way you can place bids to purchase mining power at a level where you can calculate your profitability. It is beyond the scope of this book to detail a bidding strategy but there are a number of helpful tutorials available online.

These first two solutions are the easiest way to get started with mining and using your computer power to make you little bits of digital currencies. With a little more study, you can be more specific about the coin you mine by joining a mining pool like Suprnova. I recommend you search youtube for tutorials on how to set up your computer to mine any specific coin.

Cloud Mining

If you don't own computing power that is profitable to mine or you don't have the technical savvy to set up your own miner, Cloud mining contracts can still provide a means for you to earn passive cryptocurrency income. I started a small Cloud mining contract in order to test out what the naysayers were saying about the profitability of Cloud mining. As I created videos and blog posts about my journey, my profits and how much I expected to earn, many people signed up through my referral link and also purchased Cloud mining contracts!

I earned far more from referral earnings than my small experiment cost me, and I've also made a profit on each of my initial cloud mining contracts! A real win-win because of my timing.

Profitability and trustworthiness of cloud mining is always a hot topic and always changing. Be sure to review each carefully before investing, but the following have been profitable for me and have long-standing positive reputations online.

[Hashflare.io](#) - Short term mining contracts to buy hashing power

[NiceHash.com](#) - Competitive bid system to buy hashing power

[Genesis Mining](#) - Short term contracts to buy hashing power

My cloud mining itself has turned a positive return on investment, and the additional earnings from referral profits have been reinvested for additional profits that continue to grow.

Alternate ways to earn cryptocurrencies with your home computer:

[Burst Mining](#) - which entails providing hard drive space for the burstcoin network.

[StorjX Drive Share](#) - where you earn coin for providing hard drive space for others to use in their cloud storage needs. (launching early 2019)

[Sia](#) - Decentralized cloud storage platform where you can earn by providing hard drive space

[Golem Network](#) - the global marketplace for idle computing power

I mention these here so that you can research them and find tutorials that will help you get set up if you are interested in additional ways of earning passive cryptocurrency income

Free Bitcoin Earning Via Referrals

Referring other people to helpful bitcoin-related tools and services can become a significant source of passive bitcoin income. Use each service and test it for success before you promote it to others. Be especially careful you do not promote scams or ICO's that may fail.

Cloud Mining

My belief is there is an end nearly endless market to talk about mining - to help other people understand what's going on and how they are able to make money. As people in your audience click through your referral link and purchase, you will earn profits - as I am.

Top Cryptocurrency Trading Exchanges

Referring other people to reputable trading exchanges has been a very profitable source of income for me. My top earning site has been 1broker, followed closely by Cointracking.co

[CoinTracking.co](#) is a tool that every cryptocurrency trader needs. I use it daily.

[Bitmex](#) - one of the highest volume exchanges featuring high leverage trading

[Binance](#) - is one of the leading cryptocurrency exchanges

[QuadrigaCX](#) - a Bitcoin, Ethereum and Litecoin exchange in Canada

[Changelly](#) - a newer way to convert from one currency to another

[Bitfinex](#) - popular trading platform for bitcoin and many cryptocurrencies

[Ethfinex](#) - digital asset trading platform focused on tokens on the Ethereum network

[SimpleFX](#) - use bitcoin to trade commodities, metals, forex and equities

Sports Betting To Earn CryptoCurrency

My whole personal philosophy of success is leaning away from betting and gambling, and focused on a specific investment strategy that is aim to tilt the odds in my favor for profitability...

...and yet, I would be remiss if I did not mention the big profits that can be made by referring your followers to the sports betting websites online.

Simply by putting a few dollars that you've earned into some of the sports betting options and journaling or making a video log of your experiences with the system, is a great way to educate others about this platform in a way that encourage them to go through your referral link and sign up that is not Spammy.

By going through the betting system yourself and sharing your experiences with others on your blog or with your videos you are adding value to the person who is watching - and you'll find a great deal more success with your referral promotions if you follow this strategy when sharing your referral links.

Two Ways To Magnify Bitcoin Referral Income

[Steemit](#) and [DTube](#) platforms provide a way to earn crypto revenue for publishing and curating content. With [Wildspark](#) you can earn for publishing and curating good content on traditional social media platforms. Belacoin, and it's project [Belacam](#), is another distributed project with the aim of providing content publishers with better tools for earning from their content.

Another important way to earn cryptocurrency, once you have created your blog on Steemit, write informative articles and tutorials that refer other people to the bitcoin services that are working for you.

This way you can build an audience while earning money for the views to your blog! More importantly, if anyone clicks through your referral link to a helpful bitcoin resource that you mention, you can start earning referral fees.

Create branded social media accounts to match your blog. Create a free report give-away on your website and start building email subscribers. Expand your free report and create an information product. Develop your information into a training series. Provide a forum or Discord Chat to build a community. Each step can help you develop additional revenue streams.

Special Warning To Prevent Failure

I have to add a special alert here about the correct way to get people to click through your referral link... and a special warning: doing it the wrong way will have you labeled as a spammer - which will have dire consequences! You see, I've learned from both sides of that fence...

One of the most effective, non-spammy way to promote a referral program - is to create a screenshot walk-through video or tutorial. Simply show people how you use the service. And do an update video once in awhile. It really works.

If you can earn \$0.50 per week from referral earnings, from posts accumulating on your blog - you are well on your way to success - next, I'll show you how I take that \$0.50 and grow it with compound interest!

Avoid being labeled as a spammer when you are promoting someone else's product online - this is very important and don't overlook it or all of your efforts will produce limp results.

Safely Grow The Bitcoin You Earn

It's easy for anyone to earn daily interest by providing capital to finance the margin trading markets on Poloniex, [Bitfinex](#) and now [Ethfinex](#). (These options may not be available in all countries)

This is a low-risk, low time-maintenance way to grow your bitcoin and cryptocurrency holdings. It is a set-and-forget investment strategy... and a good part of my cryptocurrency portfolio is dedicated to this powerful strategy.

I have been lending bitcoin and several other cryptocurrencies on the Poloniex and [Bitfinex](#) exchanges since the services were initiated - and I have never had a defaulted loan.

For many bitcoin investors, this lending strategy may be the only strategy you need. And, if you are start out making free bitcoin online - your first step is to funnel that bitcoin into these lending markets for daily interest that you can reinvest and grow without risk... while you are earning more bitcoin.

Is this ‘Bitcoin Lending’ a scam?

I know what you might be thinking ‘Isn’t this like the thing my friend lost bitcoin doing?’

No this isn’t a scam.

I was skeptical at first too. And I experimented for months back in the summer of 2016 - with little bits here, and there. I found that I was profiting consistently - and I was earning fantastic interest rates compared to the best the banks are offering.

So I began to study, test, and document my results from these lending markets. As a way to prove it to myself, and as a way to share with others and learn from the comments and conversations that resulted.

Why It Works, Why It’s Safe

I began to understand: the reason these market can provide safe returns is because bitcoin is lent out to investors who put up collateral in order to borrow; and the investor must pay back the loan with interest before they can withdraw their collateral.

This way lenders are assured of earning interest with almost zero risk default on loans!

The lending markets are by competitive bids. When the market conditions are right, many traders are taking on margin positions. This sometimes uses up the available pool of lending funds and the loan rates are bid higher - sometimes reaching over 4% per day! I talk more about these market conditions in ‘The Double Dipping Strategy’ below.

Compounding Profits Safely

More than just amazing rates – the loans can be offered from two to sixty days, and often change over much more quickly.

The interest earned can be immediately added to the principle - and the new total made available for lending! Reinvesting the daily interest is a safe growth opportunity that provide unthinkable returns with low time commitment required from the investor.

This introduction illustrates the power of bitcoin lending - but it is incomplete without the

accompanying tutorial videos. Be sure you have access to the introtocryptos.ca/forums - you'll find great support and additional information there!

The Lending Market and the Margin Trading Market are One

The lending market is the funding mechanism for the margin trading market. Knowing when activity in the margin trading will create demand in the lending market, will help you identify when the best time is for lending - or, for taking a margin traded position.

Start with lending to the margin traders. Monitor how the lending rates change as the market prices go up and down. As you understand how each lending market is connected to margin trading - you will gain additional insights to help all of your trading.

Study the lending markets closely over the next few rising and falling markets.

Double Dipping In CryptoCurrency Bull Markets

Poloniex provides option to lend in 11 different digital currencies, each of these lending markets is parallel to the matching margin trading market for the same currency. [Bitfinex](#) and now [Ethfinex](#) provide additional opportunity in many additional trading vehicles.

The Bitcoin lending market is used when people are betting prices in the margin traded altcoins are going up. For example if ethereum prices are rising, then many people also take margin positions to the long side - that means they are using the Bitcoin from the Bitcoin lending market.

If Dash and Ripple and Monero and Litecoin all are rising as well, then many people take long margin positions in those markets - and this creates a great demand on the available coin in the Bitcoin lending market. As a result, the supply is used up, and the lending rates are sometimes bid up to extreme levels.

Strangely enough, when margin traded markets are going up, many people are also taking up short positions... hoping to make money because they think the market has topped out and prices will come down.

This creates a rise in all of the lending market rates!

By the fact that bitcoin lending rates go up - and - altcoin lending rates go up as market are rising - we can infer that people are taking larger and more risky margin trades as the markets are rising fast.

By focusing on lending your coin to begin with - you are observing the behavior of traders in the margin trading and gaining experience. You will grow your coin surely, and you will gain confidence in your ability to make your money work for you.

Remember again - the profound difference that \$20 per week can have on your long-term future. Repeat this story to yourself each time you review your lending earnings - be the wise Whale - lend your coin in all of the lending markets and don't get caught up in the daily drama about small price moves.

Be sure to read the exchange instructions for more complete details on how the lending markets and margin trading markets work together.

Strategy For Safer Digital Currency Investing

If you are new to these ideas, then repetition is your friend. Do not jump ahead and take action on any cryptocurrency trading until you have a portion of your portfolio set up in the lending markets for sure and certain growth.

If you are starting out like I was, then I can understand how eager you must be. But remember, I lost all my money - twice - when I first started trading. And it was because I didn't realize that I was stepping into a UFC Ring with the pros... and I didn't get prepared for what could happen. Today in cryptocurrencies we have to contend with 'artificial' intelligence trading bots as well as uncertain regulations around cryptos - making for a very risky marketplace if you don't have a plan.

When I wrote out my trading plan and organized it - I put the steps into the order that I wish I would have learned them when I first started, and then I wrote the book I wish my younger self could have read... starting out with how to think about money, then how to grow it the safest way possible and the last part of the book gets into the most difficult - yet most potential for profit - means of growing your money... trading.

Today, your mission is to implement some simple, safe bitcoin lending on Poloniex and Bitfinex. While you build sure and certain successes with making your money work for you and while you feel the satisfaction and sense of accomplishment, you can observe the markets and learn strategies for trading.

There is no reset button once you lose your money! These tutorials permit you to get started in the safest way - to gain sure success and prove to yourself that money works for you.

Automate Your Lending

[CoinLend](#) is a free bot that automates the lending cryptocurrencies as much of the time as possible, at the best rates available. Register and follow their instructions to set up your exchange API to enable the bot. Advanced features are available for a fee on [CoinLend](#).

Layered Lending Strategy

When you visit Poloniex, you can only see the current lending rate. There are no charts to show you the change in lending rates over time. There is no way to review the price trend of the margin traded coin over time, and compare that to the lending rates over time to come up with some correlations. And so, it is difficult to predict when the best lending rates might be likely - until you understand more about how these markets work.

The advanced lending is focused around a 'layered lending strategy'.

Simply put, I take my digital currency holding and offer it for loans in small increments. Starting from a low lending rate for short loan periods (2 days), and offering little bits for loan at higher and higher rates, and for longer and longer loan periods - up to 5% per day and up to a 60 day lending term!

The Layered Lending Strategy helps ensure I have some coin lent out all the time, and reserves some of my coin to ensure I have some coin to lend if the interest rates get bid up to extreme levels!

Multi-Currency Lending

As you have likely discovered, Poloniex has a lending market in eleven different digital currencies, and Bitfinex provides a range of twenty two digital currencies including USD and EUD. [Bitfinex](#) and now [Ethfinex](#) provide additional opportunity in many additional trading vehicles.

A key part of our advanced digital currency strategy is to diversify our digital currency investing, by purchasing an array of these coins, and setting them all into a Layered Lending Strategy.

The Whales Lending Case Study

The lending markets are overlooked by new altcoin investors who are dazzled by the biggest moves in the price charts. And yet - this is where we many big, quiet altcoin whales hangout. So let's learn from them. Begin with buying a small position of bitcoin or some other currency, set it up in a layered lending strategy, and then turn your attention to watching the markets daily.

An investor could mimic these patient and profitable whales by

1. dedicating an investment into each lending markets on Poloniex
2. set up a layered lending strategy
3. that's it, you are done.

This investment could remain as a hands-free portfolio that safely grows additional holdings over the next few years. It represents a low-risk strategy to build a diversified portfolio of digital currency lending, that only takes a few minutes a month to manage.

These strategies are not difficult. The concepts are simple. You can set it up in an afternoon, and you'll have no maintenance and no worries.

CoinTracking.co to Track Profit/Loss

Register with [Cointracking.co](https://cointracking.co) for free, set up your exchange API, view your reports! CoinTracking analyzes all your trades and generates real time graphs and charts.

Trade Importer:

- * Easy CSV import from 26+ trading exchanges!
- * Automatic import via APIs from the top exchanges
- * List of all trades profit/loss and fees
- * History charts to all 4000+ coins
- * See Your Trade History On The Chart!

Tax Declaration:

- * Capital Gains Report
- * Prepared for accountants and tax office
- * Variable parameters for all countries
- * Saves hours of tedious bookkeeping

Tons of useful information such as the profit/loss of your trades, the value of your coins, balances, realized and unrealized gains, and much more. Most importantly, you can easily create reports for tax declaration!

Never lose track again

Of course it is easy to keep track of profit or loss for a handful coins and trades.

But what about a few hundred or even hundreds of thousands of trades?

Would you know how much your trades are worth, how much profit you've achieved each coin or how many fees you have paid?

Neither could I - That's why I was so happy to find Cointracking.co - and why I'm so happy to recommend it to you.

CryptoCurrency Trading 101

How We Learn To Trade CryptoCurrencies

Common statistics say that 80% of new stock traders lose money and quit trading after 18 months to three years – and I would guess it's similar in cryptocurrency trading.

To illustrate why most traders fail, I paraphrase a training course from the 1980's by Peter Lowe... adapted here to provide new traders with perspective on their level of preparation.

Maybe you lost money trading cryptos because of the way we learned our trading skills.

If you are like I was when I first started out, you set out to learn about trading from books, video tutorials, online forums and social media personalities with large followings... then you transferred money into an exchange, and were ready to find some price patterns and put on some trades!

Maybe you were just like me, and you told yourself:

'Don't worry if you take a loss, it's only your first trade... what do you expect?'

So you did what you said – you put on a few trades that started well, but a few good trades and a few bad trades later, then perhaps a good trade turned into a big loss.

Then what happened?

The fear of failure, the fear of loss is comes in, and now you are not sure what to do next!!

Now what's the problem with the way I started out? What is the problem with the way many new traders may have started with cryptocurrency trading?

Let's analyze it:

- * The problem is not that you don't know chart patterns, you've studied many of them.
- * The problem is not that you are not paying attention to the markets – you are watching the markets on your phone throughout the day (and night)
- * The problem is you did not have a specific plan in advance for what to do in this trading situation!

Would You Learn To Fly A Plane That Way?

Now imagine if we tried to teach someone to fly an airplane that way... You would go out to the airport, you would get into the cockpit of the plane, the instructor gets in beside you and he says, 'look, here are the controls and here's how they work... now I'm going to get out of the plane, and you give it a try today –

'Don't worry if you crash... it's only your first day... what do you expect?'

Ridiculous isn't it? And yet most of us learn how to trade cryptocurrencies that way!

When flying becomes a procedure, it ceases to be a problem. In the same way, when trading becomes a procedure it ceases to be a problem.

When you or I go into a trading situation without a clear plan, and the market comes up with an unexpected move, and we don't know how to handle it... We don't have anything to pick from in our minds. We draw a blank in our minds and we say 'now what?'

And that's when the failure comes in, that's where they fear comes in when you are trading.

Ok – imagine if you had written plans for unexpected market moves - it would be simple to pick a strategy, don't you agree? Before you start flying an airplane, you must practice all the emergency procedures and the same thing is true in trading - we must program our minds with all the risk control skills we need for success in trading. Once we have our procedures memorized, all we need to do to have success is to pick the appropriate skill for the given trading situation.

It's like a wrestler, an olympic wrestler may have a thousand different moves, each perfectly memorized. That's where his confidence, that's where his ability, that's where his speed, that's where his timing come from.

When his opponent tries one tactic to capture our wrestler in an arm restraint, he is not going to protect his legs, is he? He'll take counter actions to prevent the opponent from succeeding to capture his arm in the hold. If the opponent attempts a leg lock, then our wrestler will counter the hold on his legs. What that means is the wrestler never goes into a match with a canned strategy. That does not mean that his fight strategy isn't planned.

It's the same thing in trading, we never do a canned trading strategy. Every market is different, every situation can change without warning. It doesn't mean we can't plan our trading strategies – and like that wrestler, we can learn all the skills we need and practice them over and over -

before we go into the competition match.

When we are prepared in advance for trading the live markets, then we can simply access the appropriate skill for the given market situation before us.

Can you imagine a surgeon in the middle of a delicate operation, and then he wonders 'what do I do next?' Of course not, he knows exactly what to do every step of the way. Every single movement he makes is carefully planned and practiced. Not one single thing can be left up to chance.

Successful cryptocurrency trading demands that same planning, practice and precision. No experienced cryptocurrency trader will go into a trade and leave the outcome to chance. The super pro in trading knows exactly what to do, just like that surgeon, like the airline pilot, and just like the olympic wrestler. Before you start trading, you must have a memorized and well-practiced plan for every entry, every stop loss, and every profit target, every step of the way.

THE Most Important Principle of Trading

I want to share a very important principle of trading. I learned this principle when I worked my way up to becoming a Black Belt Karate Instructor.

As an analogy to help you relate to the level of preparation you need for successful trading, let me tell you about Front Kick. It is one of the basic techniques that you learn as a beginning karate student. You can learn everything you need about how to do a proper front kick in less than 10 minutes. It really is that simple.

All you need to know is:

- * How to stand properly
- * How to pick up your knee,
- * How to extend out your leg, (hold your foot properly for impact),
- * How withdraw your foot quickly so the opponent can't grab it,
- * What to do if your opponent blocks your kick
- * and how bring your foot back to the ground with balance.

I can teach you all that in just a few minutes, but as you may know, it takes much longer than that to learn how to DO a front kick properly so it would be effective in a self defence situation.

Here's why; and it's important to underline this:

In times of stress we revert to habit!

As you can imagine – if you were in a real self defense situation, it would be of time of stress wouldn't it? ...And at that moment in time, you will revert to habit.

You don't have time to review the karate class on front kick to find out what to do... No, your whole life could depend on your ability, with split-second recall, to make effective impact with the target and retain your balance for quick escape from the danger!

Repeating Drills For Skills

So instead of taking just five or ten minutes to teach you how to do front kick, a good karate instructor will have their student practice front kick hundreds of times over months and years of training to drill for skill, over and over again – those motor skills for front kick become hard-wired into your brain, they become habit.

And it's the exact same thing in trading stocks, commodities, or cryptocurrencies.

When we put on a new trade and it does something unexpected, it's a time of stress for us, isn't it? And at that moment in time the fight or flight reflex kicks in, adrenaline is released and the neocortex of the brain puts our strongest habit into action.

This is why I recommend that you focus on just one trading strategy, because if we have not learned trading rules and risk control rules and then practice them, if we do not 'drill for skill' by repeating this trading strategy over and over until it become a belief that becomes a habit, we're simple not going to use our trading rules correctly at the right time.

We are going to look back after our trade is closed, and will say 'oh, if only I had done that, what a difference it would have made...'

You see, in trading, it's not what you know that counts, it's what you do as a habit. Often it is of no value to you, just to know about several different trading patterns, indicators and risk control strategies. Your key to success in trading, is to follow your trading rules spontaneously - as a habit - when you are managing your positions. So start with laser focus on one strategy and get really good at it before adding more skills to your trading toolbox.

The way you can give this course that extra power and that extra value, is to take the time right now to get a notebook and ****start your trading journal as your personal way to Drill For Skill**** - so you can personally master these trading methods and risk control strategies, and use them as a habit when trading.

Required Reading For New Traders

Before we get into my favorite strategies for cryptocurrency trading - I have some exciting homework for you!

Get the book, [Reminiscences of a Stock Operator](#).

It is an entertaining read - and even though it was first published in 1923, it is one of the most educational books to help you get prepared for the 'wild west' of crypto trading. I have been re-read this book twice every year for over a decade and always learn more.

Order the printed book so you can underline wisdom as you find it, and order the audio book so you can listen as you walk, bus or drive.

This more than just homework for you. Consider this book your new companion as you are compiling the full range of skills and beliefs a successful trader must have. I recommend you read this book several times. It is especially important to understand how pump and dumps work, and how to avoid that sting. You also learn about the hazards of following the trading tips of other people, and much more...

Don't skip this section, be sure to order this book now, and then move ahead while the book is delivered. This short book will help you gain a broad perspective of the art of speculating, as well as a good knowledge of how price-discovery trading markets work.

I will be referring to principles that are taught in this book throughout the lessons and strategies below.

You may be a new investor - starting your first wealth building plan and seeking to build a life-long habit of growing your money - or you may be an established investor - learning about these new financial trading vehicles, and seeking to quickly establish a portfolio of digital currency holdings for yourself.

With spaced repetition of these wealth building facts, by learning the basics, studying historical market charts and watching real time prices play out in the live markets, you will move your new knowledge about growing your money - into practical experience - and eventually, into a belief that you follow habitually.

Getting Ready For The Dangers of Trading

Before you cross the road, it's good to know that a car could kill you. Wouldn't you agree? What did your parents teach you to do before you cross the road? Look both ways!!

And it is the same with trading. Before you begin - it's vital that you clearly understand the risk of trading as well as identify when the markets match your strategy. Why? When you know when the markets match your strategy and you are prepared for the risks, you will make money. Guaranteed.

You must know where the risks are expected to come from - and you must also anticipate where unexpected risks may come from. You must be aware of the potential damage that may result if you do not correctly identify the risks. You must understand the risks before you fully understand the significance of the strategies that you must employ to ensure the safety of your money.

In the beginning you may have an idea when the market matches your trading strategy based on your own personal experience and research, as your practice taking action on your trading strategy you will be able to refine your action a bit more.

You'll never really know exactly when the market matches your trading strategy because the markets change all the time and unexpected events are a norm in trading, but you can get very close. And the closer you get to identifying the markets matching your strategy the more consistent profits you'll make.

How can you find out when the market matches your strategy? It's quite simple. Write down your trading plan on paper and then do your back testing. Review the historical prices for all the markets you want to trade. Just study them.

Cover up the prices on the right-hand side and uncover one candle stick at a time and make notes on what you would have done.

The key is to always stay open to learning more about your strategy, the charts will tell you everything that you need to know. If you were willing to listen, they will tell you how to get rich too!

Print out your ideal technical analysis chart patterns and post them on the wall beside your computer. Begin to teach your brain pattern recognition for the strategies you have selected.

If you were focussing on a specific indicator, print out the charts that highlight signals from that

indicator. Post them on the wall beside your computer and double check all of your trades against them until they become second nature.

You should also read chart analysis from all of the top traders on tradingview and other online forums. Go back through their historical predictions and learn from them, study their successful trades and pay careful attention to how they handled being wrong in their trades.

Focus on simple, more actionable trading strategies.

New traders often make the mistake of trying every trading indicator possible on your market. Often this leads to contradicting signals and uncertainty when taking a trade. Instead, focus on one trading strategy and drill for skill until it becomes a habit that does not require thought. Just like tying your shoelaces.

As you get more attuned with your strategy you'll start instantly recognizing markets when they match your trading pattern. And just as important, you'll recognize when they stop matching your patterns.

You must consistently watch new markets for your trading patterns. Perhaps your first few trades will make the least profit. There are many mistakes to make and learn from as a new trader and we review some of them below.

Start with small positions and be kind to yourself as you are learning. You were just starting to build your skills so assume you are going to get better and learn more about the markets and your strategy... And soon you will increase your successes and reduce your mistakes.

Focus on positioning not on profits

Most cryptocurrency traders focus on how much profit can I make? It's a great question to ask! But there still a better question: where can I position myself today so the market will bring me profits tomorrow?

The key with focussing on position is the realization that we want to be in place before the market moves, and let the market do the work.

The good news is you don't have to learn the technology and the business model of each cryptocurrency, instead, identify the chart patterns that reveal when the early supporters believe in the value of the business plan. Having your trading position in place before the crowds begin, and taking your profits when the crowd is swarming - is a key part of trading success.

Keep doing what works. Consistency is the key. Every single trading strategy in this book has been tested and proven to work. Whether it works for you will largely be determined by how consistent you are: consistent in following the entries, consistent in following the risk control rules, and consistent in taking profits at the right time.

It isn't easy to begin with, but neither was driving a stick shift automobile in four-lane city traffic.

You certainly have the ability to learn if you keep up a level of commitment over months and years. Trading success may not happen overnight. But those who have become overnight successes often have a committed work history before the success rolled in.

Again it comes back to the depth of your reasons for wanting success in trading, they will keep you going and committed as you consistently practice your trading strategies

What To Do When You're Wrong In Trading

I had been wanting to write about this idea for a while – about what to do when you're wrong in your trading... but it wasn't until a community member asked 'Can you help me stop making mistakes in my trading?' that it was easy to answer...

It's Not Wrong To Be Wrong

The first thing you'll learn about trading or speculating – be it cryptocurrencies on Poloniex, stocks on the NYSE, or commodities futures contracts on the Chicago Mercantile Exchange – is that, you are going to be wrong many times. Since you can expect to be wrong on a regular basis, then being wrong, actually, is not a mistake - would you agree?

In fact, many of the top investors will tell you that they are wrong 70% of the time and they are only right 30% of the time – and yet they bring in high returns and fantastic percentage gains!

How Can This Work?

If you are wrong 70% of the time and you're only right 30% of the time... how can it be that you end up making money??

The truth is, most people who are new to trading the markets end up losing money – and I've heard a similar story from subscribers who have tried trading several times, lost money at it, got frustrated and went to test their luck on gambling platforms that I avoid. I don't even buy lottery

tickets. They are another scam the government uses to profit from the gullible.

Two Mistakes That ALL Traders Make

Mistake One

The first category of mistakes are those that we get punished for. The kind of mistakes where we are punished by losing money or we lose more money than we should have. Most people will learn from those mistakes over time – or they just quit trading because it's not working for them.

Mistake Two

The other category of mistakes is even harder to identify because those are the category of mistakes that we don't get punished for. That is, when we make this mistake, we simply don't get the benefits we should have. We many never become aware of this mistake, because there is never a signpost that pops up to say 'You didn't get all these extras!'

If you are making the mistakes where you're losing more money than you should have, and you're also making the mistakes where you're not making as much money as you could have – then you're probably only breaking even in your trading, or you are losing consistently, and it's kind of frustrating to you.

Why We Make Trading Mistakes

The reason we make these two categories of mistakes is fear and greed.

The successful trader feels fear and greed, and the unsuccessful trader also feels fear and greed as well. The difference is, the successful trader feels fear and greed at opposite times to the unsuccessful trader!

Here are a couple examples to illustrate the point.

Mistakes When Losing

Let's say we have two traders that go into an identical trade that moves against them; that is, they buy the same item at the same place at the same time and the price goes against them.

Right away, the successful trader is fearful of losing money – and so he sells out of the position quickly. The unsuccessful trader starts to get greedy because he sees that the price is now lower than it “should be” – and it's even a bigger opportunity to 'buy the dips'.

'So if I bought 100 shares at 100 units of price and the price is now 80 units, then I could buy another hundred shares and I would average out the price... therefore I would have two hundred shares at an average price of 90, so really I'm only down 10', and, such a trader might rationalize; 'When the price rebounds I'm going to make it killing because I'm into this position that was a great bargain!'

However, this trader is at a very high risk position now. If the price should continue to go down - the trader now has a bigger position when he's losing. As the price goes down, he finally gets to where he's feeling so much pain that he has to get out of the position, and ends up with a much bigger loss than he should have. Naturally, this trader will feel discouraged and kind of panicky when he trades another position.

Mistakes When Winning

Let's go to the second example where both traders buy the same item, at the same time, at the same price – and it goes with their expectations so they're both profitable. The successful trader now feels greedy – because he's been proven correct – any buys even more of the item or even more shares, so has a larger position.

The unsuccessful trader, however, may be fearful of losing his profits and quickly cashes in the position – too soon. As time goes on the price continues to go in the direction they wanted, the unsuccessful trader now will feel even more anxiety watching the price go... and yet they still may not realize that if they had put a larger position on – they would have made even very much more money in their successful trades.

And so many traders gets killed in the market – by making mistakes that cause greater losses and making mistakes that reduce their profits.

Surround Yourself With Success Thinking

DigitalCurrencyTraders hosts a private community in our membership area that will help change the way you think and feel about your trades - you CAN gain the knowledge and feelings that the successful traders have!

While you are safely lending coin for passive earnings and slowly gaining more perspective on the challenges and difficulties of trading, let's review two simple and profound risk control rules that can help protect you while speculating on any trading exchange.

A Phantom To The Rescue

It was in the Autumn of 1997. Two years into my trading education. I had lost my entire trading account - not once, but twice. And now I was seeking answers to help my trading improve. I was participating in a well-known futures trading forum when Art Simpson and 'Phantom of The Pits' were slowly releasing each of the chapters in the book that Phantom wrote. Long ago received permission to share this book from the author; Art Simpson.

If you have been struggling to be profitable in your trading, your next required reading could uncover the keys to shift the odds into your favor!

You can find this same PDF if you google 'Phantom Of The Pits' - but I wanted to keep a copy handy for myself, so I created this shortlink to the PDF that I uploaded to ensure you easily find a copy to download and print.

Our community of traders refer to Rule #1 and Rule #2 all the time, and often without the full explanation - so it will be up to you to read Phantom's work in order to appreciate the profound implications that each rule brings to your trading strategies.

Repeat Rule #1 and Rule #2, From Memory

Before you consider placing a speculative trade: in addition to being totally familiar with your trading strategy for trading chart patterns - you must be able to repeat Rule #1 and Rule #2, from memory - out loud - without reading them.

Rule #1 - Assume you are wrong when placing a trade - Reduce or remove your position unless it proves you correct.

Rule #2 - Add to your position correctly, without exception.

These two rules are simple to memorize and state. That's part of their beauty. But these two short and simple rules have profound implications on your trading - no matter what trading methodology you may favour, be it chart patterns and technical analysis or be it fundamental analysis and news events... these two rules can shift the odds in a game that is normally stacked against you.

One of my favorite quotes from Phantom of the Pits

“The best time to learn about the markets is when the markets are closed.”

If you are serious about making money trading in any markets - read this book several times to help you develop these key risk control habits. Learn this before you trade, just as a pilot learns and practices in simulations before they fly for real.

Now, after years of carefully practicing Rule 1 and 2, I feel like I am getting into the habits of thinking Rule #1 and Rule #2 – and can easily pick out my trading signals - applying Rule #1 at the start of (almost) all my trades, and, can now patiently wait for the results to come in.

Profitable Trader Shares Common, Learned, Habits

The people who are profitable generally share common methods, common standards and common rules that they all abide by, even if they are wrong 70% of the time and right 30% of the time – they are profitable in today's difficult markets.

You may have been trading cryptos, maybe making 60% correct calls and still be struggling to make profits. If this is the case, I invite you to imagine how these two rules actually tip the odds into your favor and help ensure smaller losses and bigger profits!

More Than Buy Low Sell High

When you first read Rule #1 and Rule #2, it may seem over simplistic. But as we uncover subtle elements to these rules and consider the consequences over a long time frame, you will come to understand the profound impact of this approach to trading and any other risky thing you are doing.

No matter what kind of investing you're doing, whatever risk you are taking – if it's short-term or long-term – you want to incorporate Rule #1 and Rule #2 to help you protect yourself against

losses, and, make your winning trades even bigger.

Once you see how these subtle effects all work together to help ensure your profitability – Rule #1 and Rule #2 will naturally become a part of all your trading. By practicing these two rules with your micro-investing, you will develop habits and wisdom that will help you gain similar mastery over your fiat cash stack as well.

Often these rules can also apply to other areas of your life where you can use them on setting goals, correcting missteps quickly, and boosting the successes of any of your endeavors.

Growing your micro-investments is a lot of fun! Dealing with money should be fun! And this is a great place to learn and practice success habits with money!

Correcting Common Trading Mistakes

One student wrote in: “I was trying leverage trading this week on gold and silver and I noticed I was really anxious of being at loss and I notice that I would get out very quickly if I'm in profit.”

This is a wonderful example of natural human emotion, and it's the reason you want to start off small, with no leverage at the beginning.

Just play. Just get used to it. At the beginning you have to learn not to be anxious about a loss, you have to expect it, plan for it. It's part of trading and I recommend that you read Chapters 5 and 6 again in the book by Phantom.

I talk about these rules all the time but I never explain them fully - because Art Simpson and Phantom of the Pits do a masterful job of it, I refer you to read the chapters 5 and 6 as part of your homework.

It will help you. But you must change your thinking about the difficulties of a loss. Instead, start with the perspective that will help protect you against the nasty things the market can do...

They who lose best, are the biggest winner in the end.

I'm so very grateful for that comment because I also have the same emotions many times in my trades! ...especially if I'm over-trading with a position that is too large, or if I've put on a trade with too much leverage and my stoploss is too close to the market.

When trading a market, you have to give it room to move. That means you have to trade a small enough position that you can comfortably give it that room to move within the technical levels.

It is only difficult if you have not imagined your way through the significance of Rule #2.

But you must trade the correct size according to the size of your account, and take into consideration Rule #2 before starting your initial trade. It takes repetition of learning and practicing these core skills - study past trades and imagine how those trades felt - until you experience your own success!

Like learning anything, it may start out difficult, but soon it gets easier, and then becomes second nature.

Now that you have reviewed the basics of the risks and difficulties that are a standard part of trading, it's time to look for the best place and the best time to 'cross the road'. And review the checklist of steps you must take to protect yourself from speeding cars hitting you blindside, to protect yourself from cars that run a red light, etc..

Reading Formations on Price Charts

This book will not cover the basics in technical analysis patterns, but will focus on the few that I have practiced in my own trading plan. Pick up a hardback copy the book '[Technical Analysis of Stock Trends](#)' by Edwards and Magee first published in 1948 for a complete overview.

I'm going to share exactly how I am trading the cryptocurrency markets - you'll see each of the chart patterns that are the basis of my trading methods and some variations to consider. None of my methods of trading work all the time - each is biased to wait for very specific market conditions. Trading the wrong strategy for the current market conditions will certainly pile up a string of losses.

Study each strategy carefully before taking action. As you gain success and start making profits with your trading, it is going to change the way you think and feel about money! Every dollar that comes into your hand will have the potential to remain and to become your worker! Rather than you working for all the money coming in - put your money to work to earn the money you need. Then you can spend your time doing things that you love... helping other people.

The simple basics in technical analysis I have found to provide profound truth. And I encourage everyone to dedicate time to learning and reviewing a few price chart patterns before adding on additional strategies.

The trading systems I share are my own. They are simple strategies. Simple to explain, simple to understand. And I am always learning more.

Some of the most important patterns are listed below. You'll learn how to recognize entry points and exit points, and start to consider how Rule #1 and Rule #2 affect the trade setup and planning.

I'm going to share three main strategies have brought me success in crypto trading, how greed and fear play into it, and how I trade through the life cycle of each trading pattern. With these key strategies in hand, I recommend that you scan recent historical charts to hunt out and identify examples of each chart pattern.

We will study:

- * The 'Simple Trading Plan' and key variations
- * Inter-market comparisons to find the correct timing for a trade.
- * The 'Popcorn Strategy'
- * My AI BOT price manipulation Conspiracy Theory

Let's dive into it!

The 'Simple Trading Plan'

Three Trade Filters That Make Up The 'Simple Trading Plan'

1. Break The Trend Line
2. Breach the 1-2-3 Formation
3. Cross the 60/20 Exponential Moving Average (EMA)

The 'Simple Trading Plan' Assumptions

Trading entry signals to the long side are gathered from reviewing the 12 hour bars over a three month period or longer, and anticipate the downtrend line break, a breach of a bottom formation and the EMA crossover. All three conditions must be present to validate The 'Simple Trading Plan' trade entry.

Trade exit signals are similar, but inverted. To exit a long position, watch for the break of the recent uptrend line, breach of the 1-2-3 top formation and cross of the 60/20 EMA. A variation of the exit signal is to utilize the cross of the 60/20 EMA while observing the 4 hour bars rather than the 12 hour bars.

Trendline Break Alert

Trend lines can be drawn in a number of ways. In The 'Simple Trading Plan' we draw a line that approximates the two or more of the lower highs that form the recent downtrend, or, two or more of the higher highs in the recent uptrend. Generally wicks of candles can be ignored.

Often the break of the trend line is an early indicator of a potential trend reversal, but is also found in many consolidation patterns before the trend continues. I take the trendline break as the earliest warning to prepare for taking a position but it is not a trading signal on its own.

The trendline break generally occurs at the earliest stages of the 1-2-3 bottom formation. When prices no longer follow along the recent trendlines, this is a signal to prepare for a position.

1-2-3 Trend Change Formation

This trading pattern can be found in so many markets over the decades, that it goes by many names. It is referred to as 'A Failed Retest' of a recent high or low, and sometimes called 'The W Formation'. It is a notable part of a the head in a 'head and shoulders formation' and recognizable within the Elliott Wave method of reading charts.

This classic trend change formation has been a staple of stock traders throughout time and can be found almost every trend reversal in the history of stocks and commodities as well as in cryptocurrencies.

I first learned of this formation from Ken Roberts in 'The World's Most Powerful Money Manual and Course' in the spring of 1995 - and this single chart formation has produced many profits for me since that time. I'm honored to pass this golden tip along.

This formation is so well known, that many consolidation patterns within an ongoing trend are often mistaken as a confirmed trend change. Traders and automated trading systems may push a consolidation pattern past the 1-2-3 Formation with temporary activity, only to have the larger market forces continue on with the prevailing trend. These moves are referred to as 'Fake-Out Break-Outs'.

This pattern occurs at the end of a trend - after the lowest price of the recent downtrend. This 1-2-3 bottom formation can also be found as a 1-2-3 top formation - and it marks the end of an up trend.

Trading for this trend reversal pattern can be used as a very long term strategy. 1-2-3 formations often mark the beginning of price trends that last from several months to several

years. Yet this same 1-2-3 reversal pattern can also be found in short-term day trading signals - this is why it is one of the core trading patterns we focus on.

Timeframes for Trading The 'Simple Trading Plan'

The 'Simple Trading Plan' tries to filter out short term fakeout breakout moves by observing the markets from the 12 hour bars, and by introducing the EMA crossover for confirmation. One may observe the development of the 1-2-3 bottom formation with the 4 hour bars and view when the EMA crossover occurs in that time frame to gain early warning that a crossover confirmation may be imminent in the 12 hour bar time frame, but taking trade positions using the 4 hour bar timeframe will lead to trading many more fakeouts and will require more vigilance. Volatile markets may show better results using a 1 day bar in the chart analysis.

If we were to use an ocean-front beach as an analogy, the principle of catching a trend change is to take action when the tide is coming in, and to ignore big waves that may wash up the beach only to have the water retrace back.

Exponential Moving Average Confirmation

From a longer term perspective of 12 hour bars or 24 hour bars, add a 60 period, 20 period Exponential Moving Average as an indicator on your charts. It becomes easy to see the crossover of these EMA are a confirmation of a clear trend.

The 'Simple Trading Plan' uses the Exponential Moving Average rather than a simple Moving Average in order to place more relevance to the recent price changes and less weight on the older prices.

The time periods of 60 bars and 20 bars are subjective. It is recommended that 80/20 and even a 200/50 combination be reviewed through historical prices in markets that have volatile price ranges, in order to filter out potential for trading Fake-Out Break-Outs.

99% Preparation, 1% Action

That's it. Now you have it, trendline break, 1-2-3 bottom breakout and EMA crossover. All that is left is to practice it!

The common trend reversal pattern is a very powerful tool, but it is wrong as often as it is correct when used as a solitary trading signal. However, the trend reversal patterns effectiveness becomes far greater when filtered by requiring a moving average crossover and a trend line break at the same time as the technical reversal pattern - for the trading signal to occur.

These three trading tools work together in any time frame. They can be used in conjunction with daily and weekly charts for long-term trend-following, and they can be used together with five minute and one minute bars for Day Trading.

This Simple Trading Plan is intended to take a few minutes each day or less to manage. If you are looking at the charts more than a minute or two each, you are spending too much time watching your money work for you - rather than spending your time with friends and family, or spending time creating new assets that can also work on your behalf.

How To Watch For and Identify The Right Moment

Imagine we are following the progress of a market that has been undergoing a long downtrend. Each time the market makes a new low price, that point is called the #1 point. The time-frame of the downtrend can be years, or hours, but for the purpose of our Simple Trading Plan for micro-investing, we will focus on the 12 hour bars in a three to six month view.

When the market prices rebound higher from that lowest price, each time the price makes a new high, that point is labeled the #2 point. When the price rebound loses steam, we begin to watch the price more closely - getting poised for our entry.

We are watching for a specific situation where the price slides, the bears try push the prices to new lows, but prices fail to break to new lows. As the prices fail to continue the downtrend, there comes a moment where three signals will line up at the same time:

The down trendline is broken, the 1-2-3 formation is broken and finally the EMA crosses over to confirm.

That signals our entry point but there is more to correctly executing a successful trade than recognizing the entry point. We must use Rule #2 to determine our position size, and Rule #1 as guard against fakeout breakouts. Before the trade is placed, we will allocate a portion of our entire position for the initial entry. At the moment the trade is put on, we are going to assume we are wrong, that we might be acting on a fakeout breakout, be aware of the risk that the trend will continue downward - and stand prepared to close this initial small position unless it proves us correct.

When proven correct, move the stop loss above the break-even level and then let prices do their thing, actively watching for the right time to execute the second part of Rule #2, add on to the position at the correct time. When proven correct, we want to increase our risk - it is statistically the right time to be greedy.

Now that we have covered the basics of recognizing 1-2-3 top and bottom formations, you have surely been looking at historical price charts for everything from Ethereum, Gold, Pork Bellies, British Pound, Corn Futures, Apple Inc. stock prices - and you'll find this chart formation is everywhere that a trend changes direction!

It is very exciting and a very valuable piece of knowledge!

Limits of The 'Simple Trading Plan'

This strategy is a contrarian approach that aims to take a position at the end of a trend. Very often, 'the trend is your friend', and normal consolidation patterns within a healthy trend can be mistaken as a bottom formation... these are commonly called 'Fake-Out Break-Outs'.

Fake-Out Break-Outs, both in markets trending down, and up - are so common that anyone following The 'Simple Trading Plan' must be on guard against them at all times. As soon as a trading signal is given and the trade is placed - be vigilant and quick to exit the trade if it does not prove you correct in a short time frame. If the trade moves in your favor becomes a winner, it is prudent to move a stop-loss above the entry point as soon as the trade proves you correct.

My estimation is that the 1-2-3 Formation FAILS in the range of 6 to 8 out of 10 times! It is a trend-reversal strategy, which means it goes against the prevailing trend.

First, this trading formation fails because trending prices often consolidate for a time, then continue on the trend. Often this consolidation almost meets all the requirements of a trend change pattern, but then the trend takes over and prices continue along the larger trend.

Second, this formation fails because this is a basic and obvious trading pattern - and trader anticipation often causes many 'Fake-out Break-outs'. As the formation nears the breaking point, a small number of excited traders take positions and push the market just past the trendline... but then, larger market forces come back into play and continue the trend.

One way to reduce the number of losses you may take when testing a bottom formation - is to include additional indicators such as 'Exponential Moving Average Crossover, a Trendline Breach, divergences between related markets - and wait to only trade on confirmation of the trading signal, never enter positions within a 'potential' formation, and always use risk control rules for additional protection.

Using Rule #1 and #2 in The 'Simple Trading Plan'

Our two Risk Control Rules are the most important way for you to reduce the losses that will and must be incurred as you are testing out each potential bottom formation as the market goes down. Each time the 1-2-3 formation does not prove you correct, Rule #2 will keep your losses smaller because your initial entry is only a part of your full position, and Rule #1 will help ensure you exit quickly. When you finally do hit it right, Rule #2 will ensure you can win bigger than all

your small losses combined.

How Build a Long-Term Position

I recommend the 3:2:1 ratio for building a long-term, trend reversal position out of a 1-2-3 bottom. But often, in my current state of skill with trading, I find portfolio fully invested right off the start. Because I am focused on strategies for cryptocurrencies in the year 2018, my actual trading has skewed toward anticipating sharp spikes in prices, as I refer to as my 'popcorn strategy', below.

My studies are ongoing for correctly building a long term trade. I use Rule #2 and reserve cash so I can add on to the trade if I am correct. Then I start buying my position with a percentage of the total I allot to this market (max size: 20% of my total equity into any one market). The beginning of a trade is the highest time-requirement to monitor and make choices. I want to use Rule #1 and assume I am wrong to enter at that time, and I want to get out of that trade if it hasn't proven me correct - there is a window during the start of a trade that, if it hasn't proven me correct, then I want to get rid of it and re-evaluate.

And this is hard to do initially. Because you are taking a loss for sure. The loss of the trading fees at least, and it has likely gone against you a bit because it has not proven you correct... so you are taking a loss. But, you will get good at it after putting on successful trades that prove you correct immediately. Know that you will be wrong most of the time - it is part of the game. And do not permit yourself to feel any loss of self esteem as a result of it.

Starting with a percentage of my trade onto that position - I'm at the highest risk, most dangerous period of the trade - but once it has proven me correct, I start to consider when to buy more so I have a larger position.

Once the trade has moved 1 or 2% above my entry point, I put a stop loss order just above my entry.

At this point of the trade, I'm trading risk free, and can relax and let the market do the work.

Adding On Correctly

As a healthy trend moves along, there will be waves of movement upwards followed by a retracement, and then another leg of the uptrend will press forward and move prices to new highs.

It can be tricky to identify when a trending market is making a normal, healthy retracement - and when the trend is topping out and ending. Observing the prices from the 12 hour bars, and

watching for the EMA crossover has proven to give the market room enough to make significant retracements and still keep the trade active to benefit from the rest of the trend.

My aim is to add on to the position when a retracement occurs - when the prices are making an 'internal 1-2-3 bottom' when observing in the 4 hour bar view. Again, I watch for the 1-2-3 break out and the EMA crossover - but viewing the addon price targets with the 4 hour bar view while the entire position the 12 hour bar view as the overall exit point.

When backtesting in March of 2017, the crypto markets gave many entry signals for The 'Simple Trading Plan'. And in mid May we can find many examples of a retracement that provided an ideal add on point - and prices surged higher to top out at the end of June, providing exit signals in early July.

Backtesting the cryptocurrencies provides perspective on the potential for a number of months of price action to unfold before a proper addon signal may mature.

When To Take Profits

Knowing when to take profits and exit a trade takes just as much study and practice as learning when to enter a trade. Sometimes I have profit targets set when I'm entering the trade, but most often I plan to let the market tell me when the trend is finished. Exit targets may be set by identifying recent historical support and resistance areas, while other profit targets allow for surges in prices over a much longer period of time.

The long term exit signal is identical to the entry signal if you were to turn the chart upside down. That is, while observing the charts from the 12 hour bar perspective, I would close my position and take profits after the uptrend line is broken, the 1-2-3 top formation is confirmed and the exponential moving average has crossed over.

In some cases, historical price charts demonstrate that to protect the most profits, the exit signal should be observed using the 4 hour bars while in other cases this causes a trader to take profits too soon and miss out on the continuation of a trend.

The Springboard Variation

The risk to reward ratio of this trading plan makes it worthy of mention. It has generated many successful trade entries for me - but requires a sharper skill with using Rule #2 and Rule #1.

The Springboard Variation uses the 12 hour bar charts as above, but does not wait for the 12 hour bar 1-2-3 formation to confirm. Instead, this pattern acknowledges that the entire crypto marketplace tends to move together and when a general bottom formation is shaping up across the entire sphere of cryptos, then the #3 point of the larger 1-2-3 in a specific market becomes the target for entering the first part of the trade.

As the potential #3 point is forming up on the 12 hour bar view, one can zoom in and seek to identify a smaller time-frame 1-2-3 shaping up within the larger #3 point using the 1 hour bars or even the 15 minute bars.

An example of a 'Springboard Entry' occurred October 25 2018 in Factum. (Poloniex BTC/FCT) The larger 1-2-3 bottom had been forming from August 13 until the end of October, and within that larger formation, prices laid along the #3 point from October 10-25, creating a smaller 1-2-3 bottom within this time frame when viewing with the 1 or 2 hour bars.

Should the larger 1-2-3 bottom in the 12 hour bar view mature in this market, one could implement Rule #2 and scale in to add on another portion of the trade when The 'Simple Trading Plan' buy signal is confirmed.

RSI Divergence For Insight

The Relative Strength Index (RSI) is an oscillator style indicator that can be helpful to give more confidence that a Springboard trade entry is prudent. When observing the 12 hour bar view of the impending 1-2-3 bottom, and also observing a divergence pattern in the RSI.

<https://www.coinigy.com/s/i/5bd98b41836f2/>

<https://www.coinigy.com/s/i/5bd98ba14df9b/>

One could 'scale out' of a profitable position at a top formation in a similar manner as a potential 1-2-3 top formation and trendline break look imminent, the RSI divergence can provide early warning to take some profits, while a portion of the holding remains to wait for The 'Simple Trading Plan' 1-2-3 top to break and the EMA to cross over, thus giving the market more room to move and provide opportunity to catch a larger move should the trend continue.

Ichimoku Cloud Trading

Can Ichimoku Cloud be used for trading cryptocurrencies? Yes. Ichimoku Cloud Trading can identify support and resistance, determine trend direction and generate trading signals for Bitcoin and Altcoin Trading.

Ichimoku Tutorial: Terms to Understand

Base Line - $(26 \text{ Period high} + 26 \text{ period low})/2$ - similar in concept to a longer term moving average.

Conversion Line - $(9 \text{ period high} + 9 \text{ period low})/2$ - similar to a short term moving average.

Leading Span A - $(\text{Base Line} + \text{Conversion Line})/2$ - this forms the faster cloud boundary - colored green.

Leading Span B - $(52\text{-period high} + 52 \text{ period low})/2$ - this forms the slower cloud boundary - colored red.

Ichimoku Trading Strategy For Cryptocurrencies

Bitcoiners using the ichimoku cloud in their cryptocurrency trading look to the 'cloud' to identify the overall trend and establish a trading bias. Trend-following signals focus on the Cloud itself. Commonly, trading bias is bullish (prices are expected to go up) when prices are above the lowest line of the cloud, and bearish (prices are expected to go down) when price is below the highest line of the cloud.

Ichimoku Buy Signal Within An Uptrend

Price is above the lowest line of the Cloud - providing a bullish bias. When price of the altcoin moves below the Base Line, this is referred to as 'a pullback', and the trade setup is cocked and getting ready to fire. Finally, the buy signal fires when prices reverse and move above the Conversion Line.

Ichimoku Sell Signal Within A Downtrend

When learning how to read ichimoku cloud, we start by identifying a bearish bias when price is below the highest line of the cloud. As the altcoin price moves above the base line, we have a

bear pullback within the larger down trend. The sell signal fires when prices reverse and move below the Conversion Line.

What are the best ichimoku signals?

The Ichimoku trading system for altcoins can be combined with classic technical analysis chart patterns like descending wedge, bull and bear flags, head and shoulders tops and bottoms.

When used in combination with popular indicators like RSI and MACD, Ichimoku Cloud can provide the better entry signals - but the best signals also include volume to confirm the entry, especially buy signals. A buy signal with strong trade volume shows market interest. It is more powerful than a buy signal on low volume and has better chances of a sustained price advance.

How are Conversion Line and Base Line related?

This indicator was invented and published in 1969 by Goichi Hasoda, who is Japanese. The Ichimoku Cloud is more accurately called 'Ichimoku Kinko Hyo' which translates into "one look equilibrium chart". Tenkan-sen is the Japanese term for Conversion Line, and Kijun-sen is Japanese for Base Line.

The trend-following signals focus on the Cloud, while the momentum signals focus on the Base Line and Conversion Line cross overs. Price movements above or below the Base Line can be used to generate signals.

Can you explain Senkou Span A and Senkou Span B?

Senkou Span A and Senkou Span B, know as Leading Span B (Red Cloud Boundary), and Leading Span A (Green Cloud Boundary) in English. The green Cloud boundary moves faster than the red Cloud boundary. They are used to establish an idea about the prevailing price trend. The trend is up (bullish) when prices are above the cloud, and the trend is down (bearish) when prices are below the cloud. A GREEN CLOUD is produced on the chart when Leading Span A (the green line) is rising and is above Leading Span B (the red line) - and strengthens the prediction of a rising trend. The opposite is true when a RED CLOUD is produced - we find the Leading Span A (the green line) is dropping and is below the Leading Span B (the red line) - and this condition strengthens the prediction of a down trend.

Detecting Trend Changes With The Ichimoku Indicator

When the Cloud turns from green to red and the chart pattern is demonstrating a 1-2-3 top formation or head and shoulders top - trend may be changing from a uptrend to a downtrend. For confirmation, also watch for prices to move below the cloud, prices to move below the Base Line and the Conversion Line to drop below the Base Line.

Alternately, when the Cloud changes from red to green, prices move above the cloud, price moves above the Base Line and the Conversion line makes a positive cross over the Base Line - we are very likely to see 1-2-3 bottom formation confirming at the same time and we can anticipate the downtrend has ended and may be starting an uptrend.

When Do I Close An Ichimoku Trade?

A starting approach as the trade is opened is to use the low just before a buy signal for an initial stop-loss after a buy signal is taken. The high just before a sell signal would be logical for an initial stop-loss after taking action on a sell signal. Once the trade is profitable, consider a trailing stop to lock in profits. Exit signals can also be based on indicators, such as an RSI divergence at a double top or double bottom, or exit stop losses can be set at key support and resistance levels on the price chart.

Popcorn Trading Strategy

The Crypto Popcorn Trading strategy is a method for trading Cryptocurrencies that takes very little time to manage after it is set up. It can be used on it's own, or added in conjunction with The 'Simple Trading Plan' as a strategy for making the most of the very early stages of a general market trend change.

It is a buy and hold strategy for anticipating that many cryptocurrencies will make a 'popcorn move', which means that prices pop way up and then they drop way back down - just like popcorn. It proved very effective in the early stages of the bull wave in March of 2017 and in the smaller bull wave that began in mid December of 2017. Several markets have demonstrated Popcorn moves in late October of 2018 - and preparation is key to profiting with well planned positions when the potential for onset of each bull wave to come in the future.

The core of this strategy is to buy a diversified range of promising cryptocurrencies that are still within unconfirmed 1-2-3 bottom formation patterns, and to lay out sell orders in advance at

extreme technical levels with a portion of the holdings. For example, one could earmark thirty percent of the holdings of each of the different coins, and place sell orders at extreme, and even unexpected levels - and seventy percent of the coins for long term holding, or for discretionary selling.

This strategy is for the long term investor to hold cryptocurrencies for the next three to five years and take profits with a portion of the holdings, should prices spike.

This while the main focus is a long term investment strategy, it also acknowledges that cryptocurrencies often do 'pump and dump' style moves that I call a 'popcorn trade' move. We can observe that many cryptocurrencies have huge spikes up and then they come back down to nearly pre-spike levels. These could be real news creating a fever of investor interest, it could be fake-news causing fear and panic, or, these price moves could be the work of organized pump-and-dump groups that intentionally manipulate prices with organized 'pumps'.

Whatever the source that generate these moves, we can implement a simple strategy to capture profits in these huge potential moves, without participating in a pump and dump group, and without spending time monitoring crypto news channels. Instead, with this strategy, an investor can prepare for probabilities and aim to sell out a portion of holdings IF prices spike to extreme highs.

The anticipation is that prices will come back down to lower levels after the main surge, thus providing opportunity to:

- * re-invest the profits back into the same market
- * diversify the profits into different tokens, coins or a different asset class
- * or take profits and re-coupe the initial investment

Variations In Catching PopCorn Moves

One thing that I want to do is to highlight two different trading methods and their potential outcomes.

Review these theories and test them. The first is 'the popcorn strategy' would be that I put on all of my trade within the bottom formation and then I take profits in stages as prices rise. Some profits taken just under historical support and resistance, and some profit targets up at unexpected, extreme price levels.

Imagine a bell curve showing how much I'm selling out at each of the target price levels. This is the preparation for popcorn markets or pump and dumps. This is getting ready in advance for

that crazy pump - to be ready to sell without the need to spend time watching prices. This strategy assumes that prices will come back down after each manic surge, and you can reassess if you're going to put more back into this market, or invest elsewhere.

The trend following strategy is different where you would put on a portion of your trade at the beginning and should it prove you correct and then make a staging area, you would add on another portion of your trade.

With the long term trend following strategy, you would be looking to take off your trade when the markets make a top formation and the moving averages cross-over and break the trend lines on the way down after the up trend has topped out.

Trend followers start with a small part of a position, add on to it when proven correct - and take profits after the market's top out and start coming down the other side.

So this one you're growing your position when you're proven right and then you're waiting for the market to tell you when to get out.

In contrast, the PopCorn Method is to put on all of your trade at the beginning and then to feather your trade out and take your profits as the market go higher.

The trend following strategy is lower risk by design because you are always smaller when you are wrong and you are bigger when you are correct, whereas with PopCorn Method puts on all the trade right at the beginning so if you are wrong, you are wrong biggest.

Study those two methods. Do the math on some backtesting. Which of these strategies fits your trading style so you feel joy and ease while doing it? When is the correct time to implement each different strategy?

Other Trading Approaches

Range Breakout Trading

This was not as common in trading altcoins the first few years - but now becoming more important as the markets are gaining more market cap. This is not a trend-trading strategy, but works best when markets are ranging sideways without a clear trend in action.

This is a short to medium term trading signal, intended to catch abrupt moves and take profits. A trading portfolio focused on this method would not be fully invested in the markets at all times, but rather would only be in a position for short periods, and the equity in the account would be liquid most of the time.

Trades are triggered in this strategy after prices have consolidated into a specific range pattern. Several patterns are common for traders to watch for. Many traders often combine the entry point with an oscillator style of technical indicator (RSI, MACD) to help filter out the 'fakeout-breakouts' that often occur.

Because of the short-term nature this strategy, rule number one and rule number two would be used differently for a 'range breakout trade', than for a 'trend reversal trade' that is intended to hold for a long period of time. I'll refer you to Chapter 8 of the book by Phantom of the Pits.

Swing Trading vs Trend Trading Chart Patterns

At times, a swing trader and a trend trader will have opposite trading signals at the same moment - and both can still be profitable with their trading systems.

A swing trader may purchase when a bottom formation number three point is confirmed, and then sell out of their position and take profit as the prices approach the number two point. The trend trader is picking up a position as the swing trader is exiting. Each Trader can be successful by taking a small piece of the profit as the price move occurs.

Crypto Price Manipulation (and how to protect yourself)

The Four Stages of the 'Pump and Dump' Scheme

Stage one - the group organizer selects a low volume coin and start to accumulate without moving the price up.

Stage two - a week later the group leader notifies the group insiders about which coin will be

pumped. They buy the coin and prepare their sell orders.

Stage three - the coin is announced to the general email list, social media groups, forums and chat boxes. Fake news blog posts are published and another wave of promotion goes out to email lists, social media groups, forums and free public chat groups.

Stage Four - just after the coin is announced to the public, the group leaders are already selling out for handsome profits. As the public drives up the price and gains everyone's attention, the price action generates FOMO buying and drives the price up past all the group leaders sell orders...

How To Profit From Pump And Dump Groups - Without Participating

As conspiracy theories go, the coins that are about to be pumped - will show a tell tale story in the price charts, revealing the pre-pump activities going on behind the scenes. The group insiders may not be as stealthy as the group leader, and they move the price up - revealing a common pattern that can be found in most coins before a major pump occurs.

Be it the speed of social media, insider buying, or organized price manipulation, if you know what to look for, you can be joining in the pre-pump phase before the news goes public, and you can also benefit from the excitement phase of the price move.

Many times, a good pump coin will be pumped more than once or twice. By monitoring and tracking the activities of the pump and dump groups - we can compile a list of coins that have a high likelihood of being pumped again in the near future.

Jail time for insider trading and price manipulation?

I'm no lawyer, but my feeling is that people who organize price manipulation in the stock markets are generally open to criminal charges - and it won't be long before these laws are adjusted to include the crypto markets.

So I don't condone organizing these events - because I think they are unethical, and unlawful - but I pay attention and have a small percentage of my coins held in some likely pump-and-dump candidates... with my sell orders layered out as in The Popcorn Strategy... just waiting.

Artificial Intelligence Trading BOTS

In uptrending cryptocurrency markets, we can anticipate 'the BOT SPIKE' with a trailing buy

order behind the price in an up-trending market. Leaving a regular series of buy-orders far below the uptrending market is a good plan. Similar to 'The Popcorn Strategy' but in reverse.

Just as the markets are looking their very best and a breakout is imminent, new traders will put on large positions and aim to limit potential for losses by 'keeping their stop loss tight'. This is the moment that the bots will smash the price down - because they 'SEE'. They literally see all the orders that are on the books - for all the various exchanges - all at the same time. They can 'SEE' when many people have a mass of stop-loss orders set just under technical levels that are very close to the price action.

When the timing is right, waves of fake news and social media promotion, and millions of dollars of orders come driving into the markets pushing it down - and at the same time, these bots will have placed orders below prices. Then they dump like crazy on all the markets, all at the same time, they break past everyone's stop loss orders which drives the price down even more - right into the buy orders that the AI BOTS have placed.

Then the bots close their leveraged short positions and buy in again. Markets recover, different fake news is published and promoted via social media - and the trend continues. Thousands of small traders just transferred their coins and tokens to the AI BOTS, giving them more resources for the next opportunity.

Knowing about this pattern that is largely responsible for 'Fakeout breakouts', we can plan for it and anticipate the timing of these sharp and very short term price manipulations.

The price manipulating bots only work within a short price range - and provide further support for view and trading the markets from the perspective of the 12 hour bars and with the trading rules of The 'Simple Trading Plan'. This plan gives the market range to move within bot-manipulated price ranges without adverse effects on our positions.

Increasing Risk/Rewards with Margin Trading on Poloniex

Margin trading cryptocurrencies is not available in all countries. Be sure to review your local laws regarding these financial vehicles - and realize that the risk of loss is exponentially larger.

First of all, margin trading on Poloniex is a lot more difficult than regular exchange trading because there are more costs involved. Most people treat margin trading as a short-term strategy. If you hit it right, you really can make a lot more money than if just trade on the exchange.

And that's true. When the timing is correct – there is a right time to borrow money in order to make more money. That's what this margin trading lets you do. It's fantastic here on Poloniex because you can margin trade so many different markets.

There are three different sections in Poloniex:

- * the exchange section
- * the margin trading section and
- * the lending area

And you actually have three different wallets inside Poloniex as well; you have

- * the exchange wallet
- * the margin trading wallet and
- * the lending wallet

...one for each different currency that has a margin trading market.

You can use any one of these different currencies as collateral to fund your margin trading.

As an example, I moved XMR from my exchange wallet over to my margin trading wallet – and now I can do margin trading. I have money in the margin trading area that I can use as collateral for picking up a loan to finance my margin traded position.

There are 11 margin trading markets on Poloniex that we can trade. The lending market works together with the margin trading market. We can 'go long' or we can 'go short', using our collateral to borrow from the lending market in order to take a position with 2.5x leverage.

If we 'go long' we are going to make money when the prices go up, and if we 'go short', we will make money as the prices go down.

A margin trader takes 2.5 times leverage trades on Poloniex, which means you're borrowing money and to take your position. This is why you are charged the trading fee when you put on the position order and not when trade order is filled.

How Margin Trading and Lending Work Together

The other side of the margin trading market, is the lending market – where people put up their coin for traders to borrow and do a margin trade. If you're 'going long' in any one of these 11 markets, the system automatically borrows bitcoin loans to buy the currency from the exchange

to fill your long position.

If you're going short in any one of these markets the system automatically borrows the matching currency and sells those coins on the exchange to fill your short position. For example if you were to 'go short' in bitshares, the system would borrow bitshares at the going interest rates. Similarly, if you were to 'go short' in maidsafe, it would use maidsafe to finance your short position and you would pay the maidsafe lending rates in your short position.

When I close my short position, the system buys the coin back from the exchange market, then it pays back the loan with interest. My collateral in my margin wallets is released, plus my profits or minus my losses.

However if you 'went long' in bitshares or in maidsafe, Poloniex uses the bitcoin lending market to finance your long position and so you pay the bitcoin lending rate to finance your long positions. When I close my long position, the system sells my coin back to the exchange market, then it pays back the Bitcoin loan with interest, and after that, my collateral in my margin wallets is returned, plus my profits or minus my losses.

This way, lenders get paid their interest first - ensuring a nearly risk-free earning vehicle.

When margin trading, monitor the current lending rate for each of the markets you are trading. Sometimes lending rates can spike to extreme levels that makes profitable margin trading difficult.

Margin trading is very risky. However, margin lending is a safe and certain opportunity for lenders.

How To Avoid Forced Liquidation

Aside from the background information about how the margin trading leverage works on Poloniex, it is vital to know about the risk of 'forced liquidation'. Force liquidation only occurs when the position moves so far against you that the system automatically sells your holdings at the market in order to ensure that your Margin Loans can be paid back to those in the Margin Lending markets.

All I'm going to say about forced liquidation... after reading this book – it is expected that you know Rule #1 and Rule #2 as taught by Phantom of The Pits. Trading with these risk control rules, you'll never face the nasty losses and demoralizing effects of hitting a Forced Liquidation.

Psychology: The Anatomy Of A Losing Trade

Taken from my personal trading journal, the following story may help inoculate you against committing a similar mistake in your trading. This was not the last time I made this exact mistake - and I always benefit from reminding myself of this trap:

"Today I'm holding the largest drawdown I have ever permitted to this point. Percentage wise and dollar wise... this is the most I have let a trade go against me and not taken my losses at a break of key technical levels.

Ok - it's only the cost of a good dinner out for one. Not big bucks and that is good.

Great to be learning and experiencing this with a few bucks so that when I'm swinging a bigger line, I' be more ready for anticipating this.

I'm certainly getting to know the category of mistakes I'm making repeatedly: my biggest killer is not taking profits at the right time.

So - each market and time is unique. For example I am trading a coin that is counting down to the release of their ground breaking system. This has a time deadline and we are in between the start of that 30 day countdown and the finish. The first week saw a steady climb, now we are in a profit-taking price drop... and, the thinking is, that since the price rise before the release is likely - that I can hold this position and not take a loss now because of the 'certainty' of the news and situation.

And so as the prices are moving against me, minute by minute, I review the chart in all time frames and look to see technical levels in the past that may give me HOPE that this price level is the lowest it will go... and every up tick is a relief-generating validation.

Down-ticks seem like the last bit before it will turn around and I doubt how long they will last, and upticks seem like sure and certain evidence in my favor and the unrealized loss grows.

The margin is well above my maintenance margin and yet, get this symptom, I've stopped renewing my regular loans of btc and bts - so I can transfer them to my margin wallet to support the trade if I need to.

I shake my head, because holding a trade that has not proven me correct is potentially catastrophic.

No one knows the real news that is causing this particular drop... what if something catastrophic

were to happen to the development team? Prices would plummet hard, hard, hard and I would be most unhappy.

Thankfully, I really am only trading with risk money that I can afford to lose. I consider this money as my tuition fee for being a student in the 'University of Trading', I consider it the 'research budget' and I consider it the University course material that is published in my journals for other students to review.

I hope you add my experience to your own knowledge, and contribute to our community by sharing your stories and experiences too.

Today, however, I'm feeling the pressure of holding a trade in a draw-down position, instead of the delight of acting correctly out of the technical pattern as it developed.

You see, I was watching this triangle formation right at the point, as it created and confirmed the top formation - I was acknowledging that the price movement and sales looked too weak to push prices higher...

I was feeling doubt and seeing a potential top formation...

But I did not close my profitable long position and take profits because I did not want to miss out on the big win if we were just going to see a little pull back...

I held.

And the fall happened over a period of many hours... so it almost feels like slow motion all the way along as my profits slid away and soon I was holding a small loss. There was lots of time to rationalize each technical support and resistance area - this is where prices will find support and stop... ok, no? Well the next level is a stronger historical level... it will hold... hmm, no...

And slowly I watched the drawdown grow.

In hindsight, charts were really easy to read.

And I like to return and review both my thinking and what the chart actually did... so that I can learn whatever lessons are needed in order to become a more successful trader.

By studying this losing trade, and a few others like it, I have adapted my trading plan with a protective stop just above my entry point - on all trades that have proven me correct.

After adding this filter to my trading rules, I have successfully entered a fakeout-breakout market a number of times, and exited with a very small profit or tiny loss - ready to trade again!

This filter does increase the number of times I need to enter and re-enter a market before the timing is perfect - but the increased maintenance of the early stages of a trade has saved me from much greater potential losses!

Two Sure Signs You Are Addicted To Cryptos

The elements of addiction and gambling are a consistent risk that traders must always be on the guard against.

If you're feeling muscle tension,
if you're feeling a slight background anxiety,
if you're checking the price of Bitcoin and alt coins several times through the day,
if you're thinking about trading while you're engaged in other activities

...then you could be edging into the dangerous area of trading outside of your trading plan of trading impulsively. I must say that I'm as guilty of the risk to trade compulsively in these markets as anyone. It's something I have to constantly guard against.

The emotions you feel while you are trading are much more important than many people acknowledge. The negative emotions created by the addiction-style compulsive need-to-watch-the-markets can begin to affect all relationships in all areas of your life - and even your health. Take a moment to reflect on what's the main reason that you got into trading Cryptos in the first place? For many, it's for Financial Freedom which is time freedom, security, comfort and all those things.

I want to have my crypto money work for me, I don't want to spend my time working for my cryptos.

So, if I'm trading in such a way that it takes away from these reasons, then I am feeling stress. And so what's the solution?

The solution always is to change your thinking. To review your long term goals in all aspects of your life and then find a way to participate in the cryptocurrency trading that is going to open up more space for joy in your life - rather than causing muscle tension, background anxiety, constantly looking and thinking about the market.

Instead of feeling stress when you can't be there to make decisions on the market, instead of the feeling that the market may get away without you. Focus on a way to participate in crypto trading that opens up more time, more space for joy and success in your life.

If your trading doesn't feel good, you have to review it.

It may require smaller trading positions, it certainly would require that you eliminate margin trading and eliminate leverage trading. And then refocus and diversify your time in the many aspects of crypto trading and investing rather than just watching the charts to see when the prices are going to take off into the next pump.

When you begin to feel relief you are on the right track,
when you begin to feel good you're on the right track,
when you're spending less time managing your crypto trades (your crypto trades are working for you rather than you working for them)
when you find yourself joyfully participating in other activities and you never even thought about your positions - you're on the right track

There is a time to work hard and put the hours into studying everything you can about Cryptos... to make your spreadsheets and to make your trading plans... but then there's a time to stop thinking about it and to enjoy the aspects of life that success and Cryptos can bring.

If you feel the signs of addiction in Crypto trading, if you have been spending way too much time watching the markets, if it is causing stress in other areas of life... it's time for some changes so the trading accounts take less time to manage - and take back your focus on more joyful activities.

Keeping A Trading Journal

Reviewing your own trading journal and comparing against actual charts to see what really happened, is one of the greatest trading education tools.

Your trading journal will help you reinforce your correct thinking to help you gain confidence when it's time to put on a big position. And your trading journal will help you tighten up on your consistency in following your trading plan, by pinpointing errors you can only see with hindsight.

It is essential trading practice to look through current markets and pick out charts that are making potential trading formations... make note of them, write down your commentaries to yourself - better yet, micro-trade them with a very small position.

Organizing My Equity

A quick review of how my cryptocurrency assets are organized may give you some ideas in organizing your own. Total equity in cryptocurrencies are divided into four different trading accounts, or pools.

1. An active investment pool is focused on medium time frame cryptocurrency trading.
2. A second investment pool is focused on long term crypto holdings.
3. the third pool is focused on hodling/lending and cold storage.
4. the forth pool is World Market Trading, using Bitcoin to trade silver, gold and oil.

Trading Rules For Pool 1

- * A maximum of 70 percent of available investment funds can be in positions at any one time
- * A fully engaged position may only account for 20 percent of total investments.
- * All positions scale in using Rule #2 for position size and Rule #1 for risk control.
- * Profit and exit targets are always written in advance of each trade.
- * All trading is tracked with CoinTracking.co
- * 50% of profits are moved to pool 3 for long term lending.
- * Equity above \$x0,000 Canadian, is invested into crypto-mining hardware assets, all mining profits are deposited to Pool 3

Trading Rules for Pool 2

- * 100% of available btc funds must be fully invested at all times
- * Trades are held for 3 to 5 years, unless the coin is delisted
- * Exit orders are layered to anticipate for 500% to 1000% increase
- * All profits are re-invested for 3-5 year plan with the next promising tech
- * All trading is tracked with CoinTracking.co

Trading Rules for Pool 3

- * This is a one-way money trap for ultra-long-term compound interest growth or cold storage
- * 20% of lending equity is loaned at current rate by a lending bot
- * 80% of lending equity is organized in the layered lending strategy
- * This money pool aims to become the largest of the four over time

Trading Rules for Pool 4

- * All investing equity is from referral earnings
- * All equity must be fully invested
- * 50% of profit from trades is transferred to Pool 3 for lending
- * All positions scale in using Rule #2 for position size and Rule #1 for risk control.
- * Profit and exit targets are always written in advance of each trade.

Appendix One - My Short Story

The Creator, Mission and History Of DigitalCurrencyTraders.com

When I first started writing My Short Story in 1995, I had no idea it would become part of a book that I would publish twenty three years later in the autumn of 2018! By including the many years of steps it took me to come to the trading methodologies I now use - it is my hope that sharing my experience may help YOU shorten your journey to trading success. It means a lot to me when students reach out and let me know how their success has been affected and I would be honored to hear from you.

The beginning.

March 3 1995

I started to study commodities and trading futures contracts with an introductory course called The World's Most Powerful Money Manual & Course (The Seminar) by the Ken Roberts Company.

I made a deal with my neighbor, Dave, where I paid part of his subscription to the Toronto Globe and Mail and he saved the commodities quotes page for me each day. I photocopied blank chart grids and set pencil to paper. For six months I called dozens of brokers for information while charting by hand before I opened an account with real money. Each and every trade was a loser and soon I was 'taking a break' from trading.

While I saved up funds for my next failing plunge, I phoned several exchanges and systematically requested every free brochure and flier they offered. It was amazing! They sent boxes of information and much of it was great to read. I received far more information from the each of the exchanges than was included in my first commodities course. But, the research idea was Ken Roberts... hummm.

Winter of 95,

My Folks brought me their old IBM XT computer with Lotus 1-2-3 version 2.0! I was able to do ten-fold the analysis, and much faster than charting by hand! I entered daily data from the newspaper and it plotted moving averages, and even learned to program Lotus with an Accumulation/Distribution formula from an issue of Stocks and Commodities magazine!

I put more money in my account in the spring of 96 and lost it just as quickly. My interest faded. I felt that I couldn't trade until I had the information that my Broker had... I needed a Pentium computer system.

By the fall of 96,

I finally could buy my computer and charting software – Metastock. I started paper-trading two accounts; one with \$2000 and one with \$100000. I made a small profit in both accounts, but focused little on the smaller paper-account.

Spring of 1997

Found me with savings worth \$1400 CDN real money to invest. I lost it with breath-taking swiftness. I thought the Gods were against me! – – But, I have since learned risk control...

Throughout the winter of 96/97,

I sought out people who were also learning about trading; some long-time traders already. I stumbled upon Commodity Talk Traders Forum while tentatively searching the Internet for any Ken Roberts references. From there I have been pointed to a universe of information on trading futures, including; 'The Money Tree' by Larry Williams. I moved from being afraid of The Net, to becoming dependent on it for the information I need to successfully paper-trade commodities.

JULY 97

Inspired by the advice from online friends at Commodity Talk, I opened a Website on the Internet. The purpose of this page is to provide myself with a place to set up a trading system that meets all the requirements of success. Building the complete system, I imagine, will help build my confidence in the system and develop the discipline needed to follow it.

August 23/97

My Website has grown and changed – and has a number of improvements still in the workings... (For several months, I dedicated hours each day to updating several pages of current and historical trade-data. I found it a great forum to test my honesty, and I still benefit from studying the data I collected)

Once the complete trading system is written, with the mechanical and discretionary components identified, I will be paper-trading for real with Auditrack. One step at a time, this time!

October 4/97

Unacceptable draw-down in my paper-trading account has guided me into spending more time researching and back-testing. Teach, a helpful trader from Commodity Talk, sent me some simple methods for trading and, Bill the Cycle Trader, pointed me to the forum at Futures Magazine Online. Another avalanche of information to absorb! Another advance in my research was to print the last three months of price data for a dozen markets. I then spent the time doing back-testing. I uncovered one day at a time and marked profits and losses as I applied simple methods for trading. Risk control, or when to get out of a trade, remains my weakness.

To that end, I am studying the teachings of The Phantom Of The Pits (POP) and his assistant Art Simpson (ALS) on Futures Magazine Traders Forum.

November

I've had success programing MetaStock with alerts, experimented with attaching Expert Analysis to securities and I've played a little with the System Tester. It's a powerful program but has a learning curve for computer newbies.

December 97

My Christmas gift to me was a copy of the Bible of Technical Analysis – Technical Analysis of Stock Trends by Edwards and MaGee. The first edition was printed in 1948 – and its information applies to any current chart! The Seventh Edition includes fifty years of experience – free!

January 1998

I had the good fortune of a local sponsor who provided me with FutureLink satellite data feed throughout the months of January and February. I paper-traded intensely and kept rigorous records of my activities. My results were to fantastic! Using simple trade patterns for entry criteria, and Phantom of The Pits Rule #1 and Rule #2 for my risk control procedures, I was able to earn my whole years income in just two months — on paper. Without real capital to trade, I

became enraged with frustration because I am stuck in a difficult job that I don't like... and I won't trade again with an underfunded account.

Spring of 98

Beginning in March, I have turned my time and attention away from paper-trading. I am occupied with a long, but necessary, financial preparation phase. Once I have enough capital gathered (goal of \$10K, in an estimated two years,) I will again tend to my trading career.

Till then, I'm a biker without a Harley!

For my birthday in June of 98, I purchased a several books on trading.

Reminiscences of a Stock Operator by Edwin Lefevre (first published in 1923),

Market Wizards by Jack Schwager,

The Crowd: A Study of the Popular Mind by Gustave Le Bon (1841-1931) and

Extraordinary Popular Delusions and the Madness of Crowds by Charles Mackay (first edition printed in 1841).

March 2000

My friend and commodities trading associate took his own life. I hesitate to include a memorial for him here, yet it was a deeply significant loss to me personally, and a profound lesson about the extreme dangers of trading. I miss him often.

September 2003.

I can now take the time to learn more about the psychology of trading by paper trading with a live online service, and by entering a trading competition. The live paper trading will help me establish a trading routine for the data management and risk control activities. The public contest – and my ego – should provide some of the emotions of real trading.

Phantom of the Pits states that the best time to learn about the market is when it is closed – much less costly!

And he stresses that you can learn from other people's mistakes as well as from your own.

Fall of 2007

Never having lost interest in Trading, I reorganised some of my notes from ten year ago and posted a short website Stock Trading Notes that was soon neglected.

Summer 2009

I started to Trade items, or merchant, on the Runescape Grand Exchange. As I started reviewing the price charts for the items, I immediately recognized two opportunities. Excitement gripped me because I knew that all of my past experiences and education with commodities trading could be used to help me earn fantastic returns within the game of Runescape. And the more I traded items on the Grand Exchange, I realized more and more that I could use this arena as a stepping stone to trading again on the real life Commodities Exchanges.

Fall of 2009

My career experience with building websites, my former Runescape Blog that had been online since 2005 and the old Player Killing Guide I wrote in 2006, it was natural for me to create a new website about Merchanting On Runescape – LumbridgeCity.com is reborne.

Oct 21 09

LumbridgeCity.com Opens. First created with ButterflyMarketing Content Management System

Dec 3 09

LumbridgeCity.com Closes for a brief period while I migrate the website to a WordPress CMS, created with the Thesis Theme and powered by the Wishlist Membership Plugin.

Feb 09

Due to growing demand, LumbridgeCity.com Closes again for a brief period while I move the Membership Subscription Management over to ClickBank. On Feb 17, Runescape Bloggers, YouTube Video Makers and Runescape Fan Site Owners can become our affiliates and earn monthly income by sending us traffic!

March 09

Another re-organization of content and new expanded Merch Guides! New Lifetime Membership Option available, in addition to the monthly membership option. Affiliate Payment BOOSTED to 75%! Time for YOU to cash in on the lucrative online gaming industry!

November 2011

Upgraded Merchants Mastermind course now expanded to nine module course with self-test exams! First offered in August of 2011, this limited size course is now being offered for the second time.

September 2012

New wordpress theme, new squeeze page and a several months of testing various social sharing strategies. Membership content was changed to permit access for the cost of a Like or a Tweet. This did boost the social signals for the content we targeted. While successful, the social actions did not build our email list.

Enter The Lumby Lotto

December 2012

New membership/affiliate/shopping cart plugins were added to the site, and the free Merchants Lessons were placed within a Membership Area. New registrants for the free merchants guides are automatically affiliates, and can opt into an email newsletter at the time of registration.

Lumby Lotto Starts and Ends. After a short run of Lumby Lotto, data shows it was not increasing the number of registrations – and seemed to sway away from the target audience of the people signing up, so, Lumby Lotto is retired as an interesting experiment.

January 2013

A few changes to the theme and layout to prepare for a series of New Short Merchants Horoscopes! Upgrade to Premium Membership to get them all, or pick and choose to purchase just the Merchants Horoscopes that you are interested in! Provided for entertainment only, these witty tidbits will lighten your day, provide wisdom and clues about the various items for merchants on the Runescape Grand Exchange!

June, July and August of 2013

Created a daily video on the price changes of Rares – but it was the start of a down trend in a market where you cannot go short. There were no buy signals and no trades to make for a long time in this market... the project was great practice for the daily routine of trading and video making.

August 2013

Tried to start Futures Trading Primer video journal of technical analysis of Canola and other agricultural commodities is a personal journey to trading seasonal patterns successfully –

starting with options, then with mini futures, and onwards... but more paper trading was too much of a time drain without real money to trade.

January 2014

Inspired by Brendon Buchard, I created some introductory scripts and shot some videos -This 45 minute webinar has great content by not professional enough production.

Released the Kindle book, the Beginners Guide To Flipping, and set up Linkbuilder's Author profile.

December 2014

Taking the next step in trading to build and grow real world wealth. While learning about Bitcoin and other Cryptocurrencies, it was clear these offer an easy way to start using the same methods practiced in LumbridgeCity – in the real world. A new introduction to Exchange Traded Funds also opens doors for beginning traders get it the big game of trading commodities price changes even with very little investment.

January 2015

Getting started with Cryptocurrency trading. Setting up wallets and getting registered at a good trading exchange. This period is a time of great research and a good time to be creating content for the members area to help people save all this research and get directly to the best cryptos and directly to the best ways of making bitcoin quickly.

Getting prepared to move equity between real world currencies, cryptocurrencies and exchange traded funds will require several different accounts and the personal verification needed to enable the quick and easy online moving of the funds. ETF studies will focus on reviewing many sets of price charts and researching fundamentals of ETF certain markets and establish some best options while at the same time, putting real world funds into place for small ETF positions, Crypto preparation will focus on getting initial funding by selling real world services for payment in Bitcoin and some other coin currencies.

Created new YouTube Channel:

Bitcoin Price Review

And set about implementing a content development and social media strategy I've been developing for several years.

Restarted a campaign to build an audience by creating Blog Posts and YouTube videos about my trading journal and publishing across the range of best keyword phrases for the Bitcoin

Trading topic. New content is cross-shared into social media sites like Google Plus – Twitter – Facebook – Pinterest – Reddit – LinkedIn and others.

February 2015

Closed Lumbridgecity to new memberships until a new relaunch based around Bitcoin, Cryptos and ETF's

Created a general 'what to merch in 2015' video for Lumbridgecity on YouTube, and will leave it as a leader over to Bitcoin Trading Channel, shared on facebook and paid a few \$ for facebook ads.

First introduction of the idea to create a NXT Asset investment fund to expand the project. Selling shares will provide investors with a stake in the success of the projects, which will create new partnerships and relationships that will enable a mass expansion of the project reach and help thousands of new people learn about trading bitcoin. The Asset idea was scrubbed after contacting Canadian Securities regulators and realizing I would need legal advice that I could not afford in order to set it up correctly.

Regular updates to the Tipper's Hall Of Fame encourages me to continue working on the crowd-funding idea.

March 2015

Had a small re-opening of the Academy, including a new section on Bitcoin, and a new forum. Introductory webinar was a success and a small group of subscribers joined at the 2011 membership rates! The regular membership rates were approved by Clickbank and updated on the home page.

This month we created a crowdsourced project to help increase the visibility of the youtube channel. The project did not generate donation in the first week, but I'm certain the announcements about it have served to build new connections and new channel subscribers.

April 2015

Trading, video log updates 2 or three times each week from April through the end of November, was not updating this history page... but will come back to it and flesh it out more.

September 2015

Started the dedicated account for bitcoin lending.

October 2015

Daily updates on bitcoin lending markets, started The FaucetGuy Altcoin Investing experiment. Installed a faucet and experimented with generating new registrations for the website.

November 2015

Learned how to draw Poloniex API into google docs. Started data collection on loan markets and expanded a dedicated section of the membership area to focus on bitcoin lending markets like Bitfinex and Poloniex.

Got active on Zapchain again, started earning a few bits to collect up. More social media activity, experimenting with more Hootsuite tool options. Created more blog posts. Overhaul of membership area started.

December 2015

Closed the membership and created a waiting list page while upgrades are completed. Updated the forum, personal profiles, reorganized the membership content. After almost a year of focused journaling of bitcoin and altcoin price changes, we are now creating a step-by-step lesson approach that is built from our experience. The new membership combines a video tutorial and self-test quiz to introduce important concepts. Once a student passes 80%, they are guided to create their own individual action plan based on the lesson they just completed. Finally, every student will be encouraged to immediately take action and carry out their action plan with micro-investment positions to begin with.

The entire step-by-step learning process from intro video, through the self-test, to creating the action plan, and carrying out the plan – is all supported by a private forum and live chat!

May of 2015

Started to focus on cryptos traded on Poloniex. Big focus on trading videos on Youtube to research and understand more about each coin.

September 2015

Started testing bitcoin lending on Poloniex while growing a following on youtube, email list, and paid members area.

January-May of 2016

CryptoCurrency Trading Course participation is growing. Created the private forums and started populating with course case studies and tutorials related to different sections of the course.

July 2016

Rebuilt the course website with new theme and plugins – added woocommerce and coinpayments to accept btc payments for registrations. The registration page and the course page were confusing and difficult to navigate.

January 2017

Rebuild the course website yet again, different theme, different course management plugins = weeks of work and – worse than the prior setup.

April and May 2017

Large influx of new members to the DigitalCurrencyTrading Community and Advanced Course on CryptoCurrency Trading. Upgrades to the course website have finally come together after several rebuilds in the past year. Course PDF is over 60 pages without screenshots and graphs. Happy with the course setup, now focused on improving the flow and coordination of course, forum, live chat and email list.

June 2017

Hit my highest trading account balance of over \$100,000 Canadian

Relaunched the free training course as a series of three webinars. Added referral tracking system for affiliates. Published 'Cryptocurrency Rags To Riches' ebook.

August 2017

Attended the Fintech Canada Bitcoin and Ethereum Summit in Toronto. Met the well-known Tone Vays after he spoke at the conference.

New launch of the trading course. This time the course material will be presented Four Live Webinars, one each day, rather than one each weekend – followed by ongoing market reviews and monitoring.

August 2017

Invited to speak at a Las Vegas conference dedicated to Bitcoin and CryptoCurrency Investing – tentative dates... are... still tentative

September-December 2017

Started a private Discord Chat for the members, continued weekly market analysis videos.
Created a new Steemit Blog and created my first dtube video

Launched a small but successful run of the course presentation, now based on the LearnDash course management plugin – several bugs held back the project.

My trading account hit a peak of over \$530,000 Canadian!

January – April 2018

Hired, worked months with, and fired a local web team that may do great work, but did not 'get' what I was trying to accomplish with my web presence. \$13,000 out the window.

May 2018

Paid over \$70,000 in taxes to Canada Revenue Agency.

Back to building my own website and online marketing - I rebuilt and launched an updated version of DigitalCurrencyTraders under the domain IntroToCryptos.ca – now providing multiple instructor options, and better course flow! Created three free courses and completed initial layout for the membership content!

September 2018

Started a livestreaming series called 'The Bull Market Watch' and created bonus training that teaches how to identify when the next crypto bull trend is really starting - includes a free chapter on The 'Simple Trading Plan' from this book. Greater focus on creating and sharing free content and rebuilding the community of traders I had put together. Cryptocurrencies have been on a massive down trend throughout the year of 2018 losing as much as 90% of their value.

While a beautiful bottom formation is now shaping up across all the the altcoins, investor confidence and interest is at an all time low and general news is negative about investing in bitcoin and cryptocurrencies.

November 2018

A very exciting time in the history of my trading development! An updated and expanded version of this book is launched! Including more examples and details with variations in my trading plans and a greater focus on trader preparation. This represents the pinnacle of my written trading plan and details strategies that I had been using intuitively but had not made them into clear, written protocols with examples.

Appendix Two - Interviews

Smart Bitcoin Investment Podcast Interview

Transcript of the Smart Bitcoin investment podcast, Episode Number 9, originally published in January of 2016

Marco: Hello guys, it's Marco from Smart Bitcoin Investment here and happy new year if you're listening to this in early two thousand and sixteen (2016). I am so excited to be doing this podcast, because in this episode I interview Douglas from lumbridgecity.com, which will talk to us about his experience with bitcoin investment. So, he's more into bitcoin and cryptocurrency trading, but we will see that he talks about something very interesting, which is how to actually lend bitcoin to traders on platform like Bitfinex.

Douglas: Thanks for having me on this podcast Marco, I'm really excited to be here. I've been following your stuff online for a while, so it's a real honor for me to be on here. I feel like I'm being interviewed by a celebrity here.

Marco: Oh!

Douglas: My name is Douglas Lampi and I'm the creator of a bitcoin trading and cryptocurrency trading channels on YouTube, and I'm the guy behind the websites lumbridgecity and DigitalCurrencyTraders.com, which is a full time bitcoin trading course and cryptocurrency community with forum and private live chat.

Marco: Right. So, how did you first get into the bitcoin space?

Douglas: Well, it was kind of a backwards way. I started out my project with LumbridgeCity in about two thousand and nine (2009) and I was focused on teaching youth how to use the same skills as a stock investor would, for trading items on the Runescape Grand exchange. So, we were using simple technical analysis; but about a year ago one of the students from my website, he asked me if I was trading cryptocurrencies. I have to admit, I had to go to Google and search the term because I had never heard of it before, I didn't know what a cryptocurrency was. And I think that was in about exactly a year ago now. (January 2016)

Marco: Okay. How did you actually got started...? like when did you buy your first bitcoin?

Douglas: Actually, I didn't buy any bitcoin for quite a while when I first started out. I started out making videos on YouTube about bitcoin as I was studying it and learning about it. And I saw right away that I could be trading it, just as I could with the items on the Runescape Grand Exchange, but now I'd be doing it for real money, even though it's just little bits of real money. I was really excited about the potential to be really trading for real. I started making videos on the price of Bitcoin and a couple people started giving me tips in bitcoin! It was a complete surprise to me, it was completely unexpected. But then I saw that after a while, I was collecting up my bitcoin and I was looking for a way to actually trade that bitcoin.

Marco: That's actually, also how I got my first bitcoins. People were getting me tips for some software I was putting up on a datahub. So, I just said, this little button like give me a tip; that's how I also made my first bitcoins.

Douglas: Yeah. And then of course I was completely absorbed in learning everything I could about bitcoin. It was really fascinating to me.

Marco: Right. So, maybe now, we go more into the topic of my website, which is how to invest and make money using bitcoin. So, can you tell us about your first experience with bitcoin peer to peer lending or lending in general?

Douglas: A year before I started offering my CryptoCurrency Trading Course and community, when I first got involved with bitcoin, I was looking for "how do you get bitcoin?". So, I went and looked up localbitcoins.com and things like that. And I started researching similar patterns that people used to do in the game of Runescape, where you would be flipping the item, where you would buy it from one place for a cheap price and sell it to another place for a higher price. And I was looking at the idea of this kind of business plan as a way to earn bitcoin: that you could borrow bitcoin from say Bitcoinjam and then you would go and sell it locally. If you were working with localbitcoins at the coffee shop, you meet somebody and sell it to him and you would make a good twenty percent (20%) split on that and then you would go and pay off your loan and you could slowly build up your money. (EDIT: turns out that would have been a bad business idea, in 2017 there is a case of a 'bitcoin trader charged with money laundering' for this process) And I was looking at just flipping bitcoins this way between those two different markets. But I didn't want to borrow and I felt... maybe you can explain this to me: I felt there would be a risk if I borrowed bitcoin at say two hundred seventy dollars (\$270) back in September and now all of a sudden, it's worth four hundred sixty dollars (\$460). So, I borrowed the bitcoin, I turned it into money and I went and did some stuff with it, now I've got to take that money and turn it back into bitcoin to repay my loan. So, I was afraid of the price change of bitcoin and I didn't want to get stuck not knowing who would take that risk.

Marco: Oh, I see. I don't know if it was available at that time, but now on many platforms you can actually borrow USD funds, for example. In that sense, the investor is the only one who takes the risk, but you will always have to repay using bitcoin. But you would be protected against the changes in the price.

Douglas: Okay, I see. And as we go on here and talk about what I ended up getting into as that risk is applied. And that's a good thing to clarify there, that the borrower you're not taking that risk in that in the fluctuation of the bitcoin price. You're going to be going back and forth in the fiat currency that you borrowed in.

Marco: Yeah. So, you can take the risk. Some loans are in bitcoin, so in this case yeah, the borrower takes the risk but some loans also in USD or Euros or other currencies.

Douglas: Okay. So, then that lets you play the market, if you think bitcoin right now is topping out you could then borrow in bitcoin, pay it back later in bitcoin and you would make a profit as bitcoin prices go down.

Marco: Definitely. As an investor, I prefer to invest in pure Bitcoin loans, so I don't depend on the price right. But as a borrower, I for sure... many borrowers prefer to borrow in the fiat currency they want to use, yeah.

Douglas: That clarifies some things for me and it sort of fit in with what I found out later. As I started getting into the bitcoin, I was always leaning towards trading because since 1993, I've been studying trading commodities and stocks and everything about that. So, I went to Bitfinex, eventually. The volume, that's what he said, that's the one with the big volume so I went there and as I was trading I started out just flipping my bitcoin back and forth between US dollar and then I started doing margin trading and seeing how I could do that on leverage and somebody was explaining to me that you could become a liquidity provider. And that means you could provide loans. And so, I started really studying that area of how you could provide bitcoin loans inside Bitfinex. And it was an interesting platform because when you put your money in there the investor has to put up collateral in order to borrow and then they have to pay the money they borrow, plus interest before they can take out their collateral.

And so, they're really taking a very low risk loan here because the investors putting up their money in advance. And I asked a lot about this because it was unclear to me and I was afraid about it. And they said they really do a lot to protect the people who are providing the loans because those loans make the margin trading possible. Without the people providing liquidity, you couldn't have the margin trading on Bitfinex. So, they have a lot of processes involved to completely liquidate a person's position if they're losing too much money and they're risking losing some of the money that they borrowed are automatically liquidated. So, it's rare case that you ever get a default on these kinds of loans.

Marco: Just for the people that will listen to this, can you just explain what his margin trading?

Douglas: Margin training is where I'm borrowing somebody else's money to put on a bigger trade on the market. And so, if you and I were sitting here and I say, hey Marco can you lend me a hundred bucks (\$100)? I want to put it on this stock and I've got twenty bucks of my own and now I have one hundred twenty dollars (\$120), I can go and trade. But I'm actually doing

that five to one leverage because, say I make a whole bunch of money, I take the profits, now I have two hundred dollars (\$200) instead of my one hundred (\$100), I pay you back your hundred dollars (\$100) plus one percent interest and I keep the difference. And so, I can make a real big profit by borrowing somebody else's money to do the trade and just pay them that small interest, but at the same time you can lose money just as fast if the prices go against you. And so, leverage trading is really high risk and not recommended for people who don't really study it in great detail and understand how it goes on for the trading. But like the dice games online, people buy lottery tickets, people trade and they trade on leverage because it has a chance of making big money.

The thing is, the lenders are protected, they can provide loans to these guys who want to take the high risks (and it's difficult for them to make a profit), but the lender always makes his profit. So, as I was doing my leverage trading, I kept losing a little bit of money, losing a bit of money, losing a bit of money; slowly eating my profits down and I saw my bitcoin dwindling little bit at a time, just the smallest little bits at a time. But when I was lending, I was always making a little bit at a time and pretty soon it was pretty clear to me that it was better for me to really focus on the lending part.

Marco: Sure, that's very interesting. Oh yeah. There's also some symmetry kind of discovered from your experience, because I was really focus on the peer to peer lending platforms. You spoke about collaterals, right? on these platforms. Can you tell us more about what are they?

Douglas: Well, as it was going along, I found there was more options for doing these lending; one market is to do Bitfinex and another market I found is called Poloniex. Bitfinex trades US dollar and Bitcoin and Likecoin back and forth. And you can actually lend US dollar on that platform and you can lend Bitcoin on that platform. On Poloniex there's actually... they don't deal in U.S, they only deal and cryptos and there are ten different leveraged markets there and ten different pools of altcoins where you can be lending.

So, in there you can be lending Mailsafe coin, Monero, you can be trading margin on Likecoin on Dogecoin. You can trade margin on several different markets and every time you trade margin and you go along position in those markets, the system automatically matches you up with a bitcoin loan, so you borrow somebody's bitcoin in order to buy more of the Monero, for example to go long on your margin position. Instead of our ten different pools of markets that borrow against bitcoin in order to take a long position and when the markets are going bullish, you can be lending bitcoin at, sometimes unthinkable levels. And I hate to quote them because they are so ridiculous, but sometimes you can be earning six hundred percent (600%) annualized interest rates on the bitcoin loans. Who would ever sign up for a bitcoin loan that is putting you up for six hundred percent (600%) per year? but the way that the traders are putting on the margin trade, they don't match up and see... they're not paying attention to what this Bitcoin lending rate amounts to. Because six hundred percent (600%) interest rate per year is about one-point seven percent (1.7%) per day. And one-point seven percent (1.7%) per day

which is incredible. It is worse than a loan shark, it doesn't seem like much when you're putting on a short-term trade for six hours and it maybe it stays on a little longer than it should have been. And so sometimes when the markets are really bullish and everybody's going to long position there's just no more bitcoin available in the lending market to take on a margin position and so the only bitcoin available left are at these super ridiculous rates. And so, there is some fantastic returns on this occasionally.

Marco: So, it seems that you...this is really working for you at the moment and it's a bit of that whole process to figure out... Do you have to do this manually? Or is there some type of automation in this process of lending?

Douglas: I set up a strategy and I'm practicing a couple different strategies. One of them is to always check in every couple hour and really put my bitcoin out for a loan as soon as the loan is released. I put for loan at whatever the going rate is, just to be sure that my bitcoin is consistently always lent out. And the other strategy is that I have tiered my bitcoins up at different levels of percentage interest, so that if the market does go bullish all of a sudden, all the bitcoin is used up I've got some bitcoins up at those higher levels, so that I can be earning at those ridiculous rates if it happens quickly.

So, some other ways you can do it, would be really manually pay attention every day at least and other ways you just there and just leave it and never pay attention to it again and it like an accordion sometimes you'd be getting two percent (2%) interest per year, sometimes you beginning to one hundred percent (100%) interest per year annualized rates. And it's all paid out a daily interest and the loans can be from two days up to sixty days. So, if you want it to be short term, you can keep them all for two days and don't have them automatically renew, if they're up at a high interest rate, I stretch it out to sixty days and I hold that loan as long as I can.

Marco: So, you told me that you put everything into reports, tell us about the process. Can you share more about that?

Douglas: I do have a couple different reports actually. I really believe that bitcoin right now at four hundred sixty dollars (\$460) per bitcoin; that's seven billion dollars (\$7B) of capitalization. We're going to hit the capitalization, the size of a large major corporation over the next few years and that will be something like two hundred billion dollars (\$200B) capitalization. And mathematically that will drive bitcoin prices from four hundred dollars (\$400) to over four thousand dollars (\$4,000) per bitcoin. And it's just mathematics. I'm pretty confident and calm about it and since that is imaginable since May of two thousand and ten (2010) to now, one hundred dollars (\$100) invested would be sixteen thousand dollars (\$16,000) was the value, or more. So, I see that kind of growth going in the future for bitcoins and for all coins and so I'm setting up several different ways to learn all I can and earn all I can in every different platform.

So, I've got an information website that has a membership area, where we focus on our cryptocurrency trading course – and I have some tutorial videos that teach about cryptocurrency

trading and risk control and how to do margin trading for Bitcoin and the different all coins. We have a section that's specifically on the lending platforms; and there are more different lending platforms that we're just experimenting with now. And we've read a section that is all specifically on the bitcoin mining, where I'm doing a lot of research into how to buy hashing power and turn it profitable. So, you can take US dollar buy hashing power and turn it into Bitcoin. And I'm doing a lot of studies to see where are the most profitable and how to do this so that you get your best return on investments.

Then there's a fourth section, where I'm teaching people how to earn Bitcoin for free. A lot of people, I think have a great opportunity for... youth; you know you're twelve, you're fifteen years old or maybe you're unemployed or perhaps you're in a country that doesn't have great earning potential. You could be earning bitcoins for free online, learning how to invest it or to put it into these places where you can be lending it out for little micro bits of bitcoin. And so, I teach a section where I show you how I've made more than 1.0 bitcoin now, it just clicked over 1.0 bitcoin.

Of three bitcoin that I've earned, a little bit has been from Faucet's, and I've earned a whole bunch of bitcoin from a couple other sources that are not that well known, but very lucrative. (edit, cointracking.co) There's a huge market available in this and nobody's tapped into it and it's doing really well for me – and I teach those four different areas in the membership website that I have.

Marco: I think you told me that you have a special offer for the listeners to this podcast. So, can you tell us more about that?

Douglas: I know that you've got some really dedicated listeners who are serious investors and you're not fooling around with bitcoin. They've already made up their mind about it, so we're kind of preaching into the converted here. I want to provide a whole bunch of value to everybody who's listening to this. It is a mission of mine to reach and help as many people as possible, so I set up a squeeze page on my website that's only for listeners to this podcast and you can only find it by typing this in lumbridgcity.com/Marco. And when you type that in it'll take you to a landing page and you can sign up and put your name and information in and I'll send you... I'll give you access to different bonus areas.

First one is, I'll give you the full report about how I earn that free bitcoin and I'll show you every place that I do it, there's lots of them in the market; you can all be doing it and it won't affect my earnings. And the next two things I'll show you, is tutorial videos on Poloniex that will get you all set up and how to get up your two-factor authentication, how to set up your wallet, how to transfer your first bitcoin in and a tutorial video on Bitfinex, so that you learn more about lending on that platform as well. So, all of those reports are there. And if you want to get... go all the way down the rabbit hole, then I'll give you a discount off of the membership to everything - and there's hundreds of hours of videos, lots and lots of tutorials, tons and tons of information in

there and I'll give you a discount.

Marco: Great, amazing. Thanks so much for that information on your Cryptocurrency Trading Course and community. And I would also lean to that in the show notes of this podcast, so people can access it easier.

Douglas: Awesome. I appreciate that. That would be great. The more people get involved with this, the merrier. It is really changing society more than we can imagine. The more you get involved in it now and collecting and accumulate these kind of cryptocurrencies, I think we're all going to get together on a big cruise ship somewhere and really kick back and enjoy our successes.

Marco: Definitely. So, you just talked about mining, right? Can you maybe share some strategies for somebody who would like to invest in cloud mining?

Douglas: Sure, I'd be happy to. Some of the stuff that I was looking around; is it profitable? is profitable? And I was looking and looking and you can never find... I couldn't find current information about what is the mathematics of it, you know. I'm a stickler for detail and statistics, so there was a Black Friday special, one guy was giving twenty five percent (25%) off. So, I thought okay, I'll go try it out and I'll make a tutorial videos and I'll track it over time to see and prove if it works and how much does it work.

And so, I went and signed up for one of them called Hashflare. I signed up and I paid thirty-three dollars (\$33) and I bought one or one hundred giga hashes of power.

So, this is weird to me that I can pay one time and I get lifetime earnings from this, how do they make money out of that? I don't get it, because there's electricity costs, there's... who knows, I don't know but I thought I would just test it out and see for myself and then prove it so I could warn people away from it or tell them if it's going to work or not. So far, I put in my money (\$33) and it tells me that I'll earn about sixty-seven thousands of Satoshi a day, something like that. And it took me a couple days to realize that they also take away twenty-seven thousands of Satoshi a day fee for the cost. So, it sorts of explains me how they can keep this going over a long period of time but I still don't really trust it over a long period.

So, when I did the math, it turned out that I wanted to compare if I put my bitcoin into a loan and used the rates that I was proving that I was already getting with my bitcoin loans over at Poloniex or if I put my money into a mining contract, which one would be more profitable after a year. Turns out that after three hundred days, you would get your bitcoin back in your investment with your mining. So, for those first three hundred days you put all your money, you have no bitcoin and after three hundred days, you would earn back the number of bitcoin it would have taken you at the start. Where with lending, you put your Bitcoin in there and you're earning every single day and then every single day take your earnings and put it back in there, so you're compounding how much bitcoin you're lending and you can compound your interest over time. And as it turns out after three hundred sixty-five days, the lending in the mining, at the

rates that I was get for lending, turns out to be about the same profitability about sixteen percent (16%) interest per year annualized returns. But if the bitcoin mining is profitable and keeps going as they say, then it starts to overtake and double and way surpass the Bitcoin loan profitability. But there is that lag time at the beginning... you know if you were to buy a house and rent it out, there's those years where you're making payments to pay for the house, so it is with the mining, you're buying the equipment and it takes that time to pay out the equipment and then you are earning and you're only paying for electricity.

Marco: Yeah, definitely.

Douglas: The other one I was looking into is called Nicehash and it's different. and I'm thinking it's more believable because you end paying for a certain amount of hashing power for a certain amount of time and you bid for it and there's bidding market. So, if you do your math right, then you know that you're going to be getting enough coin to do the profitable mining. But all of this stuff is great if bitcoin and the US dollar and everything stays the same as it is today. Put in thirty-three dollars (\$33) worth US dollars today and in three hundred days I have point zero nine bitcoins, which is the equivalent of thirty-three dollars (\$33) when I bought it. I think in three hundred days, those point zero nine bitcoins is probably going to be worth a hundred or more dollars because Bitcoin prices will go up. And so, I think mining right now, you've got to reveal it yourself and do the math and you don't want to spend money that you can't afford to do, but I do think that it is a great way to turn your US dollar into bitcoin and work with your tax advisor as well because you'll have capital gains that you'll have to consider when you're doing mining. And you know what if it does turn out to lose money you can write it off as a capital loss.

Marco: Of course, this depend on the country you are living in. Please consult your tax advisor. I have to say.

Douglas: Everything that they're doing with this money or this bitcoin and they say it's anonymous. But don't do anything anonymous with money, even if you're just moving cash back and forth. I think... especially since I live in Canada and I appreciate so much what we have here, it's worth it to pay into the system.

Marco: So, maybe just to finish on this mining chapter. Do you know about service to hashnest?

Douglas: Hashnest?

Marco: Yeah.

Douglas: No, I haven't heard of Hash nest yet.

Marco: Okay. It's one of the biggest, they're based in China and it's the guys behind the bitcoin miner hardware.

Douglas: Yes, I was looking at buying some of those.

Marco: Yeah, so basically, it's the manufacturer of this hardware. Also, they have a platform for cloud mining. And that's where I have my bitcoins invested in mining. So, maybe you can also check that out.

Douglas: Oh, yes. I'll be happy to. Be sure that there's a link there below this podcast and everything, so that we could check it out.

Marco: Sure, sure. We'll send it to that, yeah. Of course. Yeah.
So, it's similar of what you describe with Nice hash, which I know by the way.

Douglas: Oh, really?

Marco: So, it's sort of like a bidding system, like a freely trade on the market. Yeah.

Douglas: Okay, that's good. I hadn't known of the different one than Nicehash yet but that bidding kind of market. That's awesome. So, one thing I'm doing with a Nicehash is that I've learned how to pull the A.P.I. information into Google Docs and I'm starting to track the change in Nicehash bidding rates over time. So, that I can see, does it stay at this rate or is this a high rate compared to most other times? And you know starting that so I can see what the prices are over time. Then I start to know because there's so many different options in different hashing protocols and algorithms and we need to study it all and get it all into a chart form, so that I can see the differences and play with that kind of stuff. So, I'm keen to go and check out your referral there.

Marco: Yeah, yeah. Well they only do bitcoin. As they are manufacture of Bitcoin mining hardware so...

Douglas: Okay, and see Nicehash is a pool of all kinds of any cryptocurrency ... it's quite overwhelming to look at it. So, I need to make it into databases. And all of those databases are also included in Lumbridgocity, in the A.P.I. information from Poloniex, so that I can go back to change a bitcoin lending rates over time and start... and the lending rate of clam over time and the lending rate of like coin, the lending rate of Ethereum and so that I can see when Ethereum prices are going up and down, what the lending rate is compared to that. And all of that is charted and I don't know any place else on the Internet where you can see the charts of the loan rates and how they change over time.

Marco: Yeah, yeah. Very interested, yeah.

Douglas: So, that's all included with the cryptocurrency trading course, just head over to

digitalcurrencytraders.com and use the coupon code 'Marco' and you'll get those free bonuses.

Marco: Yep. So, now a question that I ask to anybody that comes on the podcast; so, let's say that somebody is a complete beginner in bitcoin investing or cyptocurrency trading, they have some bitcoin they want to get started, what would be your one piece of advice for them?

Douglas: I would start out by going over to Poloniex and doing the lending, but if you are looking at investing, so you're speculating on the price change of bitcoin or the price change of other cryptocurrencies; say Bitcoin looks right now, to me like it's topping out and it's probably going to come down a bit before it continues on its uptrend. Maybe you want to sell out of your Bitcoin and to go in the U.S. dollar while the price goes down, then buy back into bitcoin when the price goes up. So, you are sort of speculating on the price of bitcoin, then I would be really... I would recommend that you learn some basics about chart reading, so some technical analysis. And I'd recommend that you go and google 'Phantom of the Pits'. Phantom is a guy who put out a publication back in 1997, I think it was – and teaches people rule number one and rule number two of risk control when you're getting into trading cryptocurrency for trying to make money.

So, if you're in that bend, I would go to Phantom's book first, and read all that stuff first before you start anything else and then you could start working your way into that. But if you're looking for steady investing and you don't want to spend a lot of time at it, you're not looking at speculating on the price changes, I would by all means be putting Bitcoin into the lending on Poloniex and just set it up in a tiered strategy and leave it and don't think about it. And then I would take US dollars every month and I'll be buying hashing power, then I'll be taking that hashing power dollars, and I would be putting into bitcoin loans where I don't have to think about it. And I would repeat, I would take twenty percent (20%) of my...ten percent (10%) of my monthly earnings and buy hashing power and turn that into Bitcoin. I think that's the safest investing way in bitcoin, is to buy that hashing power and then to do the lending.

And if you've got a bent for some gambling, then I would take my Bitcoin over to 1broker.com and I would be buying and speculating on the price of oil right now. Because oil is at historical low levels, like we're using it up, there's only so much of it. It was a mistake in organizing that we got it in the market right now, we have too much, it was produced too fast, there's no place to store it, prices are dropping, usage is going up and as soon as the prices do go up, you can go over to 1broker.com and you can put down 0.01 btc; what's that? four dollars and sixty cents (\$4.60) right now. You can do it at twenty times leverage, which will be...let's just do ten times leverage, so I can do the math. But that would be forty-six, let's say one hundred dollars (\$100) on your five dollars (\$5) investment at twenty times leverage and play around with your bitcoin that way because you put Bitcoin in and if you earn on that, you earned bitcoin back. And of course, as Bitcoin price goes up, that's all just better.

Marco: Nice. Okay.

Douglas: So, that's the highest risk and the lowest risk recommendations.

Marco: Yeah. Great. So, thank you so much for answering all these questions.

Douglas: I love it.

Marco: Where can we find more about you online?

Douglas: Certainly, just go and search lumbridgcity, there's lots of social media at a good placement on all of them. So, there's no mistake in finding.

Marco: Okay. Yeah great. I will also have linked to all of your websites that shows the special page for listeners and also the social media on the show notes. That for sure.

Douglas: Yeah. The only way to get to the special page is through your website Marco and through by listening to this podcast somewhere else on the Internet and when you hear lumbridgcity.com/Marco, that's the only way to get to it, it's not listed anywhere else.

Marco: Great. Okay. So, thank you again.

Douglas: Awesome. It was great to be here, thanks for having me and good luck with everybody's bitcoin earnings.

Marco: Thanks. So, this is our easy end of this Smart Bitcoin Investment Podcast interview with Douglas from Lumbridgcity and Cryptocurrency Trading Course on DigitalCurrencyTraders.com – Thank you again Douglas for coming on the show, it was very interesting and I'm sure that all of you listening to this now, will learn from what we talked about in this show and I really hope that you enjoyed it. I will personally apply what we talk about with Douglas in this show, really concerning margin funding on platform like Bitfinex on my own portfolios. So, I'll put my own Bitcoin into this and I will of course report about this experience, about what profits I got from that on the blog, in the coming weeks. So, you will find much more about this on the blog at Smartbitcoininvestment.com as soon as I have results with this new way of investing in bitcoin. So, again thanks for listening to this podcast and as usual we will file all the show notes and more resources about Bitcoin investments on our website at smartbitcoininvestment.com.

Transcript from the Crypto Investing #86

Transcript from the Crypto Investing #86 by Tai Zen, Interviewing this author.
Visit <http://cryptocurrency.market> for interviews with crypto experts!

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Tai – What's up guys? This Tai Zen. I'm broadcasting from Dallas Texas today, the city of Dallas and with me today guys I have a very special guest coming all the way from Canada. I want you got to meet Doug Lampi. Say hello Doug.

Doug – Thanks for having me on the show Tai. I've have been a long time follower! I'm broadcasting here from cold Winnipeg Canada where it's about minus ten degrees Celsius. Little bit of snow here this morning.

Tai – Oh yeah I cannot live in cold weather man. You know the couple of—the two times in my life that I almost died. Now check this out. I've had 3 heart attacks in my life already and you know I used to grow up in the projects in the hood you know. And you know I've been in you know—let's just say some battles where I've been shot a few times but despite all that, despite all that the two times in my life that I came to that I came closest to death was in Boston. Up north where I almost froze to death.

Doug – Hahaha, Boston is not 'north'

Tai – I'm not kidding. Three heart attacks, I've been shot before in the projects and the closest thing that I come to you know the Grim Sleeper was almost freezing to death. So I am not a big fan of being around the cold.

Doug – Yeah we don't have a lot of homeless people here.

Tai – No, no, no, that's not a—that's not something that I find very attractive you know, is that I can go outside and if my car—my family breaks down in the cold or something, in the snow and they can just die because there's no—it's just from the cold man you know.

Doug – That's just the way of life though. You get prepared for it and then you really can sleep outside when it's 30 below Celsius and you really can, if you're just dressed for it, you can sleep.

Tai – You know what? I thought I was dressed but I almost died in Boston. When I went up there I got stuck in like the coldest blizzard they've ever had like n years you know.

Doug – They're not prepared for that kind of thing in Boston though. It wouldn't phase us here in Winnipeg we've got machinery for it and winter tires and stuff.

Tai – Yeah yeah. what cha ma call it crypto.....I'm going to buy a place in the sun with my crypto profits and that's exactly what I'm going to—I'm not going to die in the cold.

Doug – Yes I agree!

This is a Cryptocurrency Investing Channel

Tai – Okay enough about the cold here and the warm weather. This is a cryptocurrency investing channel and we have Mr Doug Lampi here for a reason. He's going to be sharing it with us some of his experience and some of his cryptocurrency investing mistakes that he's made over the years, so that you guy can benefit from it you know. And then at the end of this interview you know if you guys want to learn more from Doug he'll share with you guys the information on how you guys can follow him and learn some more. Okay his style of trading and investing okay.

We are cryptocurrency investing channel, but neither one of us are licensed financial advisors. Okay and now it's safe to assume that I talk about the currency and when Doug talks about the currency – assume that if I talk about cryptocurrency and Doug talks about cryptocurrency just assume we're invested in this. You don't have to ask. okay. So full disclosure and everything okay. Whatever we talk about we're invested into it okay. Just a blanket disclosure there okay.

So let's start by doing this Doug, can you share with our audience like a little bit about your background. Before you even got into cryptocurrency what's your background?

Tell Us About Your Background

Doug – Well my background is: I graduated from university with a major in zoology and double minor in botany and chemistry and I never worked a day in the field in my life. I immediately went and started working for a lumber yard, hard physical labor. And I did that for nine years. I hated it so much. I really wanted to work my way out of there. So in 1995, on March 3rd, 1995 I purchased a course called The World's Most Powerful Money Manual and Course and this was teaching me how to trade commodities. And I really went into it full time. I did paper trading and I even put real money into it twice and lost all of it – twice. And as I studied and studied for years, I came to the idea that I really need about \$10,000 US to be able to trade mini contracts for the S&P 500 . To be able to have that kind of risk control that I learned over a couple years. I just didn't have the money to do it.

Tai – Just real quick recap because you're saying a lot there. I want to make sure our audience understand what you're saying in case. You know we have people who have who have traded FOREX before and then we have people who have never traded FOREX before. I want you to get the idea of what Doug just said there. He said he got \$10,000 together to trade the S & P 500 futures. Okay that's the E-mini contract. You need about \$5,500 \$5,700 to trade one contract. And each contract the of the S & P 500 futures like the E-minis is the equivalent of trading way one \$125,000 per contract and you're putting up like \$5,600/ \$5,700 to control that value. And it's like trading one \$125,000 worth of value or you can think of it as trading 1,250 shares of a stock. So I just want to share that with the audience so they'll have an idea they've never traded futures before.

Doug – Yes. It was very high leverage and I was very inexperienced with it and quickly lost all my money – twice. So that was—it was a real wake up call for me, but I never did lose the passion for trading. I always watched the market. I was always keeping my eye on it knowing that in the future I would trade.

Around the year 2009 I was playing the game Runescape. If anybody's heard that, it's a multiplayer online game where you are killing monsters basically. And inside this game you need to buy items to develop your skills. There is a Grand Exchange in this game where you can buy and sell all the items you needed. And they started offering price charts of these items and the prices actually moved by supply and demand. So if you bought up all the supply, the price would go up. And so I was starting to teach people how to trade like a stock trader inside the Runescape grand exchange. Because there was rampant price manipulation in there – lots of kids were getting burned by following manipulating clans... and I was trying to teach how to trade like a stock trader, just like I had learned in the course I took on how to trade commodities. And so then I practiced for a couple years trading with basically pretend money, with gold pieces, following the same chart formations that I learned how to do. And I really did well, I went from a couple million gold pieces to over several billion gold pieces just by buying low and selling high by these patterns.

And it wasn't until December of 2014 where one of the people that was in my Lumbridgecity website from learning how to trade on Runescape, they asked me "Have you been trading cryptocurrencies?" And I had to go to Google and search it to find out what cryptocurrency was. I didn't know what Bitcoin was and it didn't take long before the bug hit me and I was completely obsessed, because I immediately saw that all of my trade strategies could be used on Bitcoin and all these cryptocurrency as well. Starting off with just pennies, I didn't need to have \$10,000 now. I could have a dollar was Bitcoin and I could buy maidsafe coin with that. You know buy low, sell high and start work my way up from there.

Tai – So what year did you—would you say that you bought your Bitcoin?

Doug – It was 2015 when I finally got back from Brazil. I learned about Bitcoin when I was in Brazil in December/January of 2015 there about, and it wasn't until I got back to Canada that I could take some money and go down to a Bitcoin A.T.M. they had here and actually purchase some Bitcoin. And so my first Bitcoin that I got was actually given to me as a tip when they had—what was that, Changetip.com was working. And a couple guys gave me tips underneath my YouTube videos and that's what started me out!

Tai – So do you remember the price of Bitcoin at the time that you got in?

Doug – Yeah it was around \$450 (edit, price was \$330) and it was just at December 31st of 2014. (edit, my first youtube video about the price of bitcoin)

It was making a bottom, almost, look like it was going to start taking off.... and it made that big crash down. And that was my first entry into it, it was back there when it crashed down and it was I don't know it dropped as low as \$250 or so. I think my best trade was purchasing 2 ½ Bitcoins on September 24th of 2015, right at the very beginning of the massive trend upward.

Tai – Okay okay and so what were you doing at that time? Because at that time you starting to broadcast online on YouTube and then what were you doing in the day? Were you still working or were you still— or did you jump into crypto full time?

Doug – I jumped into crypto as much full time as I could but I was still working as a freelancer for other people doing their websites. I haven't worked a full time job since 2001, where I quit my job at the lumber yard and started my own web design company. Except for one year I worked for another website design company and set up their digital marketing center.

Tai – And then so when you do that, at what point would you say that you transition like full time into crypto and you did not take any more you know side gigs in the in the web development space?

Doug – It was generally January or February of this year where the bottom formations were coming in and I put full time developing my course and just putting everything I could into the cryptos. And it really turned out well through the 2017.

What If CryptoTrading Full Time Doesn't Work Out?

Tai – Okay. And let me ask you this: one of the biggest fears that I have, you know, like, all the full time crypto traders and investors that I talk to and I interview – whenever we are offline, one of the things that they're always concern about, Doug, is that when they leave their day job or their business or something to transition into being a full time cryptocurrency trader or investor... there's always this fear that "Hey what if this doesn't work out? You know am I making a big leap here?" You have a wife and you have a child and everything. Like how—What was going through your mind to help the audience? Because I know there's a lot of people out there watching this right now that they have plans to leave their job or their business and go focus on cryptocurrency investing full time. Talk about the emotional or psychological struggle if there was any that you had to go through in order to make that leap forward?

Doug – Well I started to leave probably back in 2009 where I started this website LumbrigeCity. I was doing the Runescape Merchanting YouTube videos about the price of, you know, 'Santa Hats' on Runescape – which really has no bearing in the real world. So I was really practicing... and I knew in advance I was practicing for a website that would do the same thing for real

money and it wouldn't just be a game anymore. And so now that's what I was focused on doing.

But I must say that, before the crypto's really took off and I made such a fantastic profit this year... I struggled for a lot of years with finances. Mostly because I did just enough work to get me by – and then I really focused on developing my own internet marketing skills. Working on my own skills, working for myself and then I would work for other people. So I really focused on developing those skills for a long time before I finally made that jump. So when the money started coming in, another important part is that, while I struggled financially for such a long time, I really had to go and study with financial masters to learn “what am I doing wrong with finances?” so that I could start doing right things and build my money up. And so I did a lot of years of studying under ‘Think and Grow Rich’. All of the different self-improvement courses on the ‘Law of Attraction’ and many others.

I started to see that I was being fearful about money. I was being anxious about money. I was being resentful and angry about money – and this wasn't helping me do well with the money I had in my hand. And so little bit by little bit by starting off with Bitcoin and cryptocurrency – where it was sort of play money off to the side. I was able to build my financial habits so that I was doing better things with money; making it and keeping it and growing it.

So when the money started flowing in this year, I quickly put it into a whole bunch of different places where my future is set, my wife and kid can eat for a year and a half without any worries about money, no matter what the markets do. I try to think of it as a pool of water where you have a fountain, the water's coming out. When that top pool fills up, then the money goes down to the next pool and the next pool and the next pool. And for me the security pool at the top is the most important. When the money came in I put that aside. I bought gold and silver and put it in a safety deposit box in the bank. I want to have a stable footing underneath me. And then now when I'm trading, it really is risk money and it doesn't have that emotional attachment that if I was trading with my rent money I would be really nervous about it.

Tai – Yeah I can agree with you on that. Like that was one of the things that we have on our team you know, that myself, Leon, David, we all secured multiple years of bills and expenses right. You know for each of us it was a little bit different you know. For some of us we secured three years, some of us secured 5 years and some of us secured a lifetime with bills already. You know and so that allowed us to be able to take—be able to make trades now without any emotion attached to it. And when I say without any emotions, what I mean is that without any emotion of having like “oh you know I got to make this money now so I can pay the bills this month”. You know we don't have to worry about paying bills for several years.

Doug – Yes and I think that a year and a half and I'm covered as well.

Tai – So that's good to hear that. So I respect the traders. There's a few things that you say that I really respect. One is that the fact that you lost several trading accounts before you figured out

how to trade. And I just want to just pause for a moment from what you're saying and to share it with the audience. That anytime you pop a trader or a real trader right. If he says that he's never lost a trading account before I would say that's full of shit, you know.

Doug – Well I wasn't done losing.

Tai – Yeah every trader that I have ever met had blown up an account, you know several accounts before they finally figured out what to do. You know what I'm saying. So if somebody tells you "oh I've never lost my trading account before", he's full of shit. I would ever pay attention to what he says you know what I'm saying. So the traders learn from losing, they don't learn by making money okay. So the guys that tell you "hey you know I've made this money and that money", and stuff like that, I would be cautious about that. You know what I'm saying.

Doug – Yeah.

Tai – So alright, so talk about this right; I mean, how did your wife and family and stuff feel about you getting into Bitcoin and cryptocurrencies? Do they think you were crazy and nuts?

Doug – Yes they definitely did! And most of my friends and people around me at the beginning put up an emotional wall. They just didn't want to hear it. They didn't even want to have it explained to them. They didn't want to hear about it and so that was fine for me because I had the online audience where I could be doing all this stuff and get my fix of talking about it and conversing with everybody on YouTube and my forum you know. Following on with that stuff it did me well.

Tai – Okay so the market has been booming this year you know.

Doug – Boom and bust.

How Do You Summarize Your Approach?

Tai – Yeah boom and bust you know yeah boom and bust you're right. So let's talk about this. Let's talk about you know your strategy right. Like what would—how would you summarize your approach to you know the cryptocurrency market?

Doug – It's the same pattern that I trade in gold and silver right now, it's the same pattern I traded for 'Santa Hats' on Runescape or whatever item it. It's the same 'failed retest of a recent low' or a 'failed retest of a recent high' pattern. And so my trading system is sort of contrarian. I'm looking for that trend to finish and make good bottom formation, then I'm putting in my trade as the market is turning around and showing the momentum is going the other way. I can easily go through all of the specifics of my trade strategy and I can tell you all of it out loud and I can

write it all down and that's how my course started out. It's writing out my trading plan. Because I was trading and I wasn't trading my plan. I would write out my plan and then I'd be doing something different. I'd emotionally make it a quick change decision and every time I went off my trading plan – I lost money.

Tai – Okay is it safe to say that—because there's two types of traders out there that I have met and I have coached and I've worked with over the years right. And there's one that they have a one specific strategy and they apply it to ever market. Their gold, silver, stock, futures, crypto whatever right. And this is like, this is what I call the One Trick Pony Traders. And then there's the other group of traders that they just love different strategies. They got like a strategy to trade in the morning session. They got a strategy to trade in the evening session. They got a strategy to trade in the FOREX market, the stock market, the futures market, the options market. And this is what I call the multi strategy trader. Are you more of the One Trick Pony Traders or are you the multi strategy or are you in between.

Doug – I'm more of the One Trick Pony Traders, yet I'm kind of schizophrenic, where I see a couple different ways to do it. So I have multiple different accounts that each trading account plays a different tune, if you will. This one's country music, this one's rock N roll. And so I do have different strategies where 'this' account must trade 'this' strategy. That account has to trade that strategy. And I try to stay on as much as I can.

Some of the trading strategies have come from my 25 years of teaching karate. I was a Shotokan Karate instructor for years and years. And as you go through training for a long enough time you get down to a few techniques that are 'yours'. That you can just 'nail it' as soon as that person gets into that range that you just own them, because you're so good at that technique. So I really look for that one trading pattern, that one moment where the trend is changing the other way. But then I also have risk control rules for trading that are designed, hopefully, to make me smaller when I'm losing and larger when I'm winning. And then practicing those rules at the same time that trading signal comes is always the challenge, especially when the markets only do this once every 18 months or so. So you really only get a chance to practice the whole swing of things every year, every couple of years.

It's really a long slow process for my kind of trading system and it really—I think it works well for what we're coming up to in the cryptos right now. Because I'm a complete bull and I think that we're going to be seeing stages and stages of higher moves over the next three to five years. So right now is amazing when you're looking at price charts.

Tai – Okay so I want to share also that—I want to echo what you just said that even though I started out as a trader who learned dozens and dozens of different you know indicators, strategies and everything. The bulk of what I do now is also a one trick pony. And one of the things that I've noticed that over the years, the more that someone trades or the longer they get, they might start out at the base of a triangle where there's a lot of strategy they learned. But as they get more and more mature at the trade, they pretty much realize you don't need all these

tools. You can just narrow it down to just a handful of tools and strategies that you use. Like you know I draw out—you know I just use the support and resistance line and where they coincide with a channel and that's—where they intersect is where I get in and I look to take profit myself you know.

And it's worked consistently for me. I know that hey you know what two thirds of my trade don't make money and the other one third, when they do make money, you know they make enough to cover all the loses and some profits. So I don't need to—you know it works and I'm going to stick with it and that's it. I'm not going to you know— done thousands of trades to show that this is going to work. You know somebody else has a strategy that's more money I'm going to stick with this one because I know it works you know. You know and I've noticed that with you and other with other traders that I've talked to. Its everybody finds that strategy that they can understand easily and that they can do perform easily, and that's what they stick with you know what I'm saying.

Doug – Yeah and part of the thing that I'm trying to do in my trading now is to step back far enough, where it's not taking up my whole day to watch the charts and I don't have to check into to see where things are, where things are. Time Freedom is really important to me, so that don't have a schedule, that I don't have something to do at a specific time... that I can do it when the mood moves me... when the flow of the household goes well... and baby's fed, and baby's changed... and I've got some time to sit down you know.

What Were Your Top Biggest Mistakes?

Tai – Yeah so let me ask you this right cause you know one of the things that I've always you know found helpful and our audience always find helpful Doug is that; What are like would you say is your top biggest mistakes? Because we learn so much from each other's mistake in the crypto space you know. What would you say is like your top three biggest nasty mistakes that you wish that you would have not have made or that you would have learned sooner you know in trading or in cryptocurrencies in general?

Doug – Yeah in cryptocurrencies specifically, this summer in August of 2017 I did not recognize when the altcoins were going in this downtrend and that Bitcoin was in an uptrend and that they were crossing eachother's paths. And that if I had sold out all of my alts in the middle of August and just held Bitcoin, I would have done double the profit that I made this year. So I was looking for the bull always. As markets came down and made a consolidation, I was still looking for the bull. As they came down to begin the consolidation I was looking for the bull. All the way down. So I made a great profit and I took some huge profits and put them in the bank at the right time. It was really great in June and July but come August, September, October, I was not looking for that correlation. So now a lot of studies I'm doing are putting that correlation together. Rather than just the price chart pattern that I look for I'm looking for those larger correlations with the

rest of the market. And then I'm also trying to add in some details with some of oscillators so that I can see a little bit better if I'm looking at a fake-out break-out or a real break-out at those times. Just adding in those things. And that would be—that's you know, why my book actually.

I wrote a blog post one time a long time ago when I made a losing trade and I wrote all the way through the trade what I was thinking as I was trading it. And so then later, after it turned out to be a really terrible trade and I lost 70% of that trade's money... I went back and I reread my in journal – and it was 'The Psychology Of Holding a Losing Trade'. It was all the things that you think as you're justifying to yourself that it's going to turn around, it's going to turn around. And so it really made me go back and restudy my risk control rules with the guy I learned them from and his name is Phantom of the Pits. So if you google Phantom of the Pits you will find his book that he wrote and released in when I was he actually trading in the forums that he was participating in. So I reviewed that all again and try to study about the right way to risk things and protect yourself against the risks that are going to take you out of the game. The risks of the 70% loss because it's really demoralizing and it's takes a long time to build back up after a loss like that.

Tai – Yeah that's the thing that I would say that I struggle with in the beginning, because I did not know that the position side and the best side was so important. And that's like the most overlooked and the biggest mistake that everyone makes starting out with a trade. It's that if you don't survive long enough to catch those big winners you're not going to make any money you know. And you have to make sure that you size it small enough so that when you know you can have multiple loses in a row and still come out ahead when you get into a coin that has a winning stretch.

Doug – That's right and so through August and through September through October I was taking little losses, little losses, little losses but I still held the bulk of my money to be in position now. Where I think we're in a bottom position now and it's not another consolidation before another stage to down. So now I'm all-in and checking it out pretty regular.

Tai – Okay so to summarize the mistakes that you've learned right. You said, you know, not anticipating drop or the change in the market direction. You know in late summer this year. And you said... what your second mistake again?

Doug – Well just holding a losing trade and justifying all the way down. Rationalizing to myself that it's just about to turn around; 'Here is that support resistance from the past. It's just about to turn around. Here it is here...' And it's completely wrong! You are only supposed to hold the trades that prove you correct and never hold anything that doesn't prove you correct right away. So if you buy something and it doesn't prove you correct. Liquidate it, you're not at the right moment to get in. And so then by starting off with a small trade at the beginning and liquidating if you're not right and adding on to the trade when you are correct, helps to reduce the size of your losses and increase the size of your winners, even though you trading the very same patterns.

Tai – Yeah okay. And so thanks for sharing those mistakes you know. What was the third one again? Just so the audience understands it.

Doug – I think those are the main two, was just not recognizing the trend change that happened and right in the middle of August. You see it obvious in the charts now when you look back at it... but I wasn't watching for it then and even when I go back through my historical journals that I do every week and I watch what I was saying in the middle of August, I was saying 'doesn't matter what you buy now everything is going up from here'... because the bottom formations looked so solid. And of course we were wrong. I was wrong.

Tai – Are so let's talk about some of the hard lessons, besides mistakes you know. What were some of the things that you really have honed or what skills and strategies that you've honed that really — some of the big key take always. The lessons that you've learned you know during—since you've been in crypto that been valuable.

What Is Your Most Valuable Lesson In Cryptos?

Doug – Well Crypto really makes it valuable because you can take a specific trading system and actually play it out at a very small micro level. And so I think the greatest thing for me was to start a strategy of doing what I call 'The FaucetGuy'. Where I would go to faucets, earn the money, put into these cryptos and start demonstrating that you can start out with very very little and build that up and keep building up. As you're building up the money, you're building up the habits of watching your money grow and that starts to flow over from your crypto world into your real financial world with Canadian dollar, U.S dollar. And I think that's the best thing for me. I went off track of your question there or...

Tai – No no no. You have a different approach that I noticed. You said that you know you like to go to these quote unquote free sources like the faucet and different way to get started if you don't have a lot of money. So that's another reason why I wanted to bring you on, so that you can share some of that with our audience. You know because we don't talk about those things like that on our channel. One of the main reason is because we just haven't had the time to look at the security behind it and we just are not comfortable recommending that, but I know that you like to recommend some of the different faucets and different places where you can get started with zero dollars you know. And that and I think that's going to help people that are just starting out, that don't have a lot of money or maybe they're in, you know, in countries where they don't have a very high income and they want to get into crypto, you know.

Doug – I love this book! Actually, I wish to send it back to my thirteen year old self if I could. Just send it to a thirteen year old today. You are playing video games all the time... you could just

play this 'video game' and start watching this money grow. By the time you graduate high school you should be financially independent and be looking to choose "what do you want to do in the world? What difference do you want to make the world?" Rather than "what job do you have to get to pay the bills?" So no matter if you're in a developing country, you could make yourself financially independent in a short time with cryptos if the past history is any indication of what the future's going to do!

I tell the story over and over again to my friends and it still boggles on this my mind. It gets me up in the morning and it keeps me excited. If you would have bought \$1,000 worth of Bitcoin back in January of 2011 when it was about 25 cents (that's 4000 Bitcoin), that \$1,000 turns into about 30 million dollars today. So \$100 in 2011 turns into three million dollars today. So you know the old saying "Fool me once shame on you. Fool me twice shame on me". And I don't want to have the other cryptos fool me twice and miss out on that kind of—What you call it? 'Life Changing Wealth'?

Tai – Yeah life changing money. Life changing wealth.

Doug – Absolutely! Life changing money.

Tai – We started this channel, this cryptocurrency investing channel because it was the first time that we believed in human history where cryptocurrency has leveled the playing field for the little guys. Whereas before you only had an advantage if you were on Wall Street or you grew up on Wall Street, or you had friends and family or your parents grew up on Wall Street. And now some kid in some you know in Vietnam where I live or some tribe in Africa can take advantage of the crypto market and actually make a real dent, a serious change. You know what I'm saying. If they were to get into like Bitcoin, Ethereum, Antshares. You know if they've been watching our channel for the last over four years right and just follow us on there and follow the risk management that we've talked about and just get into any one of these cryptos. You know maybe \$5,000 or \$ 10,000 might not be a big life changing deal for someone that lives in the U.S. or in Canada.

But I know that I had a client one time that as a FOREX trader and the way that his tribe and another tribe were set up, he was looking at a wife from the other tribe but he can't go pick up his wife and bring her home because he didn't have the— you know what do you call that? The dowry? He had to get like, like literally he had to get like so many like you know pigs , horse and cows and stuff and give it to the family on the other side of the tribe before he can bring his wife home. And he literally he got into trading and when I was coaching him right. When I met him he wanted to learn how to make the money so that he can go back and pick up his wife.

Doug – Life changing money.

Tai – Yeah that's to me, that \$5,000 that he needed to go and bring in wife home from the other

tribe or the other village. It might not be life changing for me or you but that was a wife to him. You know and that's why we always talk about this is a huge opportunity in the crypto space man. So talk about, so let's transition a little bit. So while you were trading and doing all this – what inspired you to put a training course or a training program together?

What Inspired Your Cryptocurrency Trading Course?

Doug – It was to hold my own feet to the fire. I started doing the videos on YouTube so I would say 'this is what I'm going to trade'. Then I will have to answer to my trade going right or wrong to people who are following. People would ask questions. People would ask me why I'm not doing what I said I was going to be doing. You know, so to hold my feet to the fire I would have to answer to my own trading so that I would be more consistent during what my trading rule said.

But also it was a trading journal – it was the easiest thing for me to do rather than writing it all out and writing it all down. I just speak it out. I would do the screen captures and put it onto YouTube or save it for myself and then I go back and look at it. So... what was I thinking August 15th, 2016 about maidsafe coin? I have that record. So I can go back and zip ahead in my video and say Okay that was the error right that minute where I was thinking wrong here. And so then I can study, literally study all the categories of my mistakes and the categories of all my successes. So that when I am right, I feel confident to put the gas pedal on and when wrong, I know that I'm pulling that off. I'm starting to get to know where I make my mistakes all the time.

Tai – So is it safe to say that you're YouTube channel and your training program and everything served as kind of like a trade log and accountability partner for you to keep you accountable to your trading plan and your trade rule?

Doug – Yes. Exactly. I was creating my own university because I knew I wanted to learn this stuff, I absolutely believed in it and I couldn't find anybody else who was teaching what I wanted to practice. And so just like when I was a brown belt in karate I started my own karate club when I moved to a different town and that's how I kept developing my skills as a karate instructor. I just started a club and I did the same here. So that I'm teaching but I'm also learning by teaching because if there's something I do wrong, I go and make another presentation on that thing. So that I'm studying it. I'm writing it out. I'm repeating it, I'm editing. It's just burning it into my mind that much more quickly for my own success.

Talk About Your Course on How To Trade Cryptocurrencies

Tai – Okay so let me ask you this. Talk a little bit about your course and your training course and if somebody is interested in it, to follow your strategies or learn the way that you trade or

invest you know. We know that we have a specific way that our team invests and trades, but you know there may be people out there may not like it. We have a Cryptocurrency Investing Bootcamp and we've got the Cryptocurrency Investment Blueprint that's coming out. You know I think that the pre-sale, the pre-orders were coming out in a few days, but it may not be for everyone right. So talk about your program and who it's for and if they want to learn more about it, what's the best way to get in touch with you about it?

Doug – I appreciate that. You can go to digitalcurrencytraders.com and the course and the email list is there. There are two different groups of people that I seek to help with this. First of all anybody who doesn't have any money, I want to help those people. I want to help them learn what I've learned and put those things into place. And so I have the free YouTube videos that I do and I do free webinars that you can sign up for on the website. And that teaches about the first third of the book that I wrote, *CryptoCurrency Rags To Riches*.

This is a book that I wrote "for my younger self". This is what I wish I would have learned, maybe somebody did teach it to me back when I was younger but I didn't pay attention. This is what I wish I was repeating over and over in my own mind as I wrote it out. So the first half of it is for people who are just starting out. And then for the more serious people who want to really focus on their own trading then I've got the course where I go into the detail about actual chart formations and buying and selling like a trader would. Rather than an investor.

The first half of the course teaches you how to make Bitcoin for free, or you can buy it if that's faster for you... and then it shows you how to put it into Poloniex vs Bitfinex for lending and use the bought coinlend.org or to manage that for you. So now you have a very low time maintenance way of having your foot in the door with the cryptocurrency as it will slowly grow over time with this interest and there's nothing for you to do. No time maintenance, very little risk except for the price of Bitcoin going up and down, pretty much.

Then the cryptocurrency trading course is for people who are wanting to trade – and that is a paid course where you get access to all of the trades that I'm doing that are not generally on YouTube. So I show my trading accounts. So I show exactly what I'm in, what my orders are, what I'm doing and why, because it's my own trading journal. So it's not a recommendation or a cryptocurrency trading alert service for people who are in the course to say 'this is what you should buy', because lots of times I'm wrong and I have to use rule number 1 and get out the trade because it has not proven me correct.

But rather, it's a way for them to look over my shoulder, look at my trading system and see which parts of it, like you say, works for them. Which parts are they comfortable with... And I make the course and community a lifetime membership because there's no way to quickly learn this stuff. It takes so long for the markets to do a full cycle that you can practice entry and exiting a trade with my system that it may take three years for you to go through two or three of these cycles. So it's a lifetime membership. I'm not going anywhere, this is my obsession so I'm stuck with it.

Tai – Ok. So you're—I have your information a description and then it's also on the screen right there in front of you under your name. So if you guys are interested in the way that Doug traded or his method or his strategies, you're welcome to go check it out and tell him that you saw him on our channel and that's how you found out about him and that would be cool okay. What else— Like what's your thought on like the ICO's? Because I noticed that you don't talk a lot about ICO's. Like we do on a lot of research into ICO's like in this year. There's like hundreds and thousands of them coming out. So because of that we been taking more of a move from the ground approach. Where we go to the team and the projects and interview them and investigate them. Right. So what's your thoughts and approach on ICO's? Do you like it? Do you not like it? Are you neutral about it? Do you prefer not to mess with it? What's your thought?

What Is Your Approach For Investing In ICO's

Doug – I really appreciate your method, getting in there and actually talking to the people who are behind the project, because it's the people themselves that make the project work, not the technology. The technology with no people doesn't go anywhere.

Tai – Yeah can you elaborate on that? Because that's something that a lot of the community don't understand. They think that you know the tech of everything and then they find out you know—and cause we invest in people and I'm glad that that you—I appreciate the fact that you recognize that. That we—when we go do research we're researching the people behind the project and not the tech behind it. That's secondary.

Doug – Yeah it is really key. One thing that made it more poignant for me was I went to a Bitcoin conference back in December, and I saw Tone Vays speaking live. And the Ted Livingston: who created the app Kik, he and another guy were up on the stage talking about ICO's. And he talked about how he went through the phase of angel investing for his project and he hit millions of dollars of money over a period of time. And he said that from angel investor funding to the next angel investor funding would be six months burn or something like that. And he said that having a gun to your head to produce the results in that specific time was the main key that made him successful.

And he said that if he was running an ICO, you know, he wouldn't have run away with the money – but he probably would've just sort of 'chilled' for a while if all that money would come in first. Even though he really believed this project, without that deadline, that 'gun to his head' as he said, he wouldn't have been so motivated to be working on the project. So the ICO's – even though we may have good people who are really obsessed with their project and they really love it. There are so many psychological factors that slow down the process of getting a nice yield actually come to fruition and be a working project.

So my own approach is to believe that there's going to be that ramp up of excitement at the beginning and then there's going to be the price coming down as the project is just going through its development phase. And they're diligently working away doing the fantastic stuff they are like, that maidsafe team, but the project takes years before its going to be launched and the price is going to be taking off to the moon. So what I'm looking for is that quiet period, that low, like right now in stratus, where the excitement has already come in, the prices come all the way back down – because of the psychology of trading. It's come down to that point formation now, and as it's taking off from there, now it's an interesting ICO to me. Because it's had that time for the psychology to ride its course.

Tai – So your style is that you like to get in after they've done their crowd sale, after they've done all the hype and all the excitement had died down and leveled out and that's when you like to come in.

Doug – Yeah and you'll see that bottom formation in the charts. You'll see that see the psychology of the traders in the charts itself as that's getting ramped up. And you know the insiders, from Stratus or whatever, are buying in – buying when the project is just about to release some new news. You'll see those patterns in the charts and I made a video some time ago talking about the pre-pump patterns you often see in the charts. And it may not be manipulation, it may be that something legitimate is happening in the project – but you will see it in the charts. (before you read about it in the news).

Tai – And so you do not like to participate in the ICO's at the time of their happening?

Doug – No there's only one I ever did and that was Lisk. And I only put in just a little bitcoin into it, which turned out to be fantastic so far.

Tai – Okay alright and so what else would you caution or share with the audience you know. We're coming to the end of the hour here. What would you like to share with our audience before we sign off and conclude this podcast? And also before you answer, you guys for Doug go ahead and put them in the chat. And then I'll take the questions from the audience also.

Doug – Yeah I don't have the chat up so that I can see it.

Tai – No, no I'll filter out the questions for you. Talk about you know —your last words that you want to share or the lesson that you want to share with our audience here.

Any Closing Words Of Advice?

Doug – If there's two things I could give you that would change your life, would be that the two leaders that I've found changed my life.

One would be Reminiscences of a Stock Operator. So if you go and search that out on Amazon, download the book, it's great so that you can underline things in it and make some notes. But get the audio version as well so you can listen to it over and over and over again. Very good stuff.

And second of all if you're just getting into cryptocurrency trading, then you need to protect your butt from the big things that can go wrong in crypto trading. And I'll recommend again that you go and search out 'Phantom of the Pits' on Google. Search him out then you'll find his free book. And learn about the risk control rules that he teaches there. And if you take those two gurus that made such a difference for me and follow everything that they teach you. I think you'll make a big difference for you as well.

Tai – Okay. Well I guess you answered all the questions. You know I appreciate you coming on to our channel right and sharing your experience and the mistakes that you've made you know.

Doug – And I'm very grateful to be on here. This is fantastic, I appreciate the opportunity to speak to your audience and hopefully help some more people with the journey that I've already taken.

Tai – You know and it's funny because last year I made a video where I said “hey these are the 7 influential that you need to pay attention to in crypto” and you were actually one of the channels that I featured on there right. I said “Hey this is you know—this channel is going to be an upcoming channel so look for this in the future”. And sure enough you come out to be one of the more popular channels out there you know that's reputable out there.

Doug – Thanks appreciate that. That's fantastic.

Tai – So we on our team you know we pride ourselves on not just finding good trades, good ICO's, good cryptos you know. But I think that we also you know we pride ourselves on the fact that we like to be able to find good talent out there too. You know we showcased your channel last year. We showcase Adam Myers channel. We showcased Omar back when he only had 2000 subscribers. He's up t like 60,000 / 70,000 subscribers now.

Doug – He's amazing. He's got some great stuff.

Tai – Yeah there’s all these channels—there’s all these great channels that we feature last year and you were one of them. So I’m really glad that I made some good picks there on some talents there.

Doug – Thank you very much I appreciate that.

Tai – Yeah you guys have an interest in what Doug is doing, learning more about his strategies, his trades. Go to the address that’s on the screen there in front of his name and tell him that you heard about him from our channel. And now thanks for watching this video and we look forward to seeing you guys in a future video and this will conclude the broadcast. Thanks guys.

Doug – Thanks again, bye for now.

Appendix Three - Resources and Tools

<https://introtocryptos.ca> - Crypto Trading Courses and Community

If you know of great crypto resources that should be listed here, please share them with us in our [Free Discord Chat](#)

<https://coinmarketcap.com>

<https://coinpaprika.com/>

<https://whattomine.com/>

<https://coin360.io>

<https://cryptoslate.com>

<https://ethplorer.io/>

<https://www.multicoincharts.com>

<https://toshitimes.com/>

