

The cryptocurrency market is insanely volatile in 2018. You can make a fortune in a moment and lose it in the next whether you trade Bitcoin, another coin, or the GBTC Bitcoin trust. Consider mitigating risks, hedging, and not "going long" with all your investable funds. TIP: If you trade only the top coins by market cap (that is coins like Bitcoin Ethereum), or GBTC, then the chances of losing everything overnight are slim (not impossible, but slim). Other cryptocurrencies are riskier (but can offer quick gains on a good day).

A cryptocurrency exchange is not part of the regular stock exchange. Below we will suggest using an exchange/broker Coinbase, but you can also use the related GDAX (the pro version of Coinbase with lower fees). Neither of these is the same as Wall Street and its exchanges (same general mechanics, different specifics, and different entities).

A beginner might prefer to trade cryptocurrency stocks on the stock market (GBTC is a trust that owns Bitcoin and sells shares of it; trading this avoids you having to trade cryptocurrency directly). The main Bitcoin stock here in 2018 is GBTC. Be aware that GBTC trades at a premium (meaning bitcoins are cheaper than buying shares of the GBTC trust), which isn't ideal. Also, cryptocurrency trading is a 24-hour market, where the traditional stock market is not. Learn more about the GBTC Bitcoin Trust and the related pros and cons before you invest.

On cryptocurrency mining: As noted, one way to invest in cryptocurrency is via cryptocurrency mining. That is a valid way to start investing if say you love computer gaming and need a new rig and want to invest in small amounts of cryptocurrency while maybe making back some of the cost of the rig (and maybe even breaking even) but that is an entirely different subject. The average investor will want to trade USD for cryptocurrency on an exchange and avoid the complexities and investments of mining. In all cases, unless you already have a good rig with a great graphics card, you'll need to put down USD upfront anyway.

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#### What You Need to Know to Start Trading Cryptocurrency

For those who want to trade cryptocurrency despite the above notes:

A beginner should start by choosing a company with a good reputation that offers an exchange and wallet (to help keep the process simple).

A beginner should also start by trading prominent coins. Currently, in 2018, we are referring to coins like Bitcoin (BTC) and Ethereum (ETH). In the future, this could change.

A good first foray into cryptocurrency investing is the obvious, buying a major cryptocurrency like Bitcoin. After that, you'll probably want to trade USD for crypto on an exchange like GDAX. Once you have done that, you could try trading BTC and ETH for other cryptocurrencies. Trading "crypto pairs" can be rewarding, but it is more complex and often more risky than just buying a single cryptocurrency as an investment.

#### How to Get Started Trading Cryptocurrency With Coinbase.com

The process for beginning to trade cryptocurrencies is simple, but there are a few notes that are vital to your understanding. These are similar to the ones above, but this time they are applied to using Coinbase.

First, to sign up for Coinbase.com.

Sign up for Coinbase.com to create a digital currency wallet where you can securely store digital currency.

Connect your bank account, debit card, or credit card so that you can exchange digital currency into and out of your local currency.

Buy Bitcoin, Ethereum, and Litecoin (trading USD, aka US dollars, for cryptocurrency).

Sell Bitcoin, Ethereum, and Litecoin (trading cryptocurrency back to dollars).

Consider signing up for another exchange and trading one cryptocurrency for another cryptocurrency. You can then transfer that back to Bitcoin, Ethereum, and Litecoin, and then back into Coinbase, and then back into USD. Don't forget to record your transactions for the tax man and to brush up on the tax implications. I can't stress that enough.

TIP: Coinbase accepts some non-US currencies as payment, but options may be limited. See Payment Methods on Coinbase.com for more information.

Important notes for trading with Coinbase:

Coinbase/GDAX will want more personal information than you'll feel comfortable giving them; there is no way around this. The more information you give them, ID, Bank account, credit card, etc., the higher your limit and the less restricted your account will be. Don't let this scare you off from becoming a cryptocurrency investor. Every other exchange user went through this process; you have to also. Since you have to trust someone, Coinbase/GDAX is a good bet. I strongly suggest you use a bank account, and likewise strongly suggest you don't use a debit or credit card. The fees are lower with a bank account and rather high without one.

When you sign in with your bank account, you'll need to input your bank account login. Again, that may feel shady, but is part of the process (read about it at Coinbase).

If you use your bank account, you have to wait 3-5 days for your bank to approve the pairing (so you can't trade for about a week after you sign up).

There are limits to how much you can buy/sell in a week. Adding a photo ID and other payment methods will increase your limits. Otherwise, your limits increase quickly over time as you trade.

There are fees involved with trading; fees decrease as trading increases. Other exchanges have better rates (like GDAX for example). In other words, you'll pay a little bit more than market price (or sell for a bit less than market price) and pay a small fee when trading on Coinbase (this is the trade-off for ease of use).

You don't have to buy a whole coin. You can buy fractions of coins. Bitcoins are expensive currently in 2018, so consider buying fractions of a coin to start if you don't have a big bankroll. It has historically been a mistake to buy only ETH and LTC because BTC costs more. You should consider which one is most likely to increase in and retain value. Buying all three in equal dollar amounts, and ignoring how many of each coin that amounts to, is one way to avoid making the wrong choice based on price tag per coin.

When you buy a coin, take a breath and review the information. An extra decimal place can mean big money considering a single Bitcoin can trade for over \$4,000 \$10,000 \$14,000 - \$20,000, \$10,000. Cryptocurrency is volatile! There is always the chance that the market will crash, or that you will face some other catastrophe. Cryptocurrency isn't a centrally controlled and regulated fiat currency. If you lose a coin, or someone cheats you, or your account gets hacked, there is nothing you can do about it