

# Crypto Terms for Beginners

## ADDRESS

A unique identifier used to send and receive cryptocurrency

## AIRDROP

Distributing cryptocurrency for free as a marketing strategy

## ALTCOIN

Alternative cryptocurrencies to Bitcoin

## ALL TIME HIGH (ATH) / ALL TIME LOW (ATL)

The highest or lowest price a cryptocurrency has reached

## ARBITRAGE

Buying and selling the same asset on two exchanges to profit from small price differences

## BAGHOLDER

Someone who missed an opportunity to sell at a high price and now owns low value cryptocurrency

## BEAR

Someone who is pessimistic about the market or coin value

## BITCOIN (BTC)

A digital currency launched in 2009 that boomed the cryptocurrency market

## BLOCK

A group of transactions made in a blockchain

## BLOCKCHAIN

A globally distributed digital record of transactions; permanent and secure

## BULL

Someone who is optimistic about the market or asset value

## BUY THE DIP (BTD)

Buying cryptocurrency when the price has fallen

## COLD WALLET

A digital wallet that is not connected to the internet

## CRYPTOCURRENCY

A digital currency that uses cryptography to secure wallets; often decentralized, though not always

## CRYPTOGRAPHY

The method of using code to convert information and communications into an unreadable format

## DECENTRALIZED

No entity holds control over the network; anyone can join (see 'node') and blockchain records are stored in many locations

## ETHEREUM

A cryptocurrency and decentralized computing platform, launched in 2015

## EXCHANGE

A platform to buy, sell, and invest in cryptocurrency. Exchanges can be centralized (Coinbase) or decentralized (Unstoppable)

## FEAR OF MISSING OUT (FOMO)

When someone is concerned that they might miss a good buying or selling opportunity

## FEAR, UNCERTAINTY, AND DOUBT (FUD)

Negative sentiment about the market, usually spread in the media

## FIAT

Currency that is government issued legal tender, unlike cryptocurrency

## FORK

A change in how the blockchain operates that can be backwards compatible (soft fork) or not (hard fork)

## HARDWARE WALLET

A physical device used for storing cryptocurrency keys (usually USB connected)

## HASHING

Transforming chunks of data into unique text strings that are nearly impossible to decipher

## HODL

Slang term for "hold", to keep cryptocurrency instead of selling it

## HOT WALLET

A digital wallet that is connected to the internet

## INITIAL COIN OFFERING (ICO)

A method of raising funds for a new project in exchange for a token

## MARKET CAPITALIZATION

The total number of coins in circulation multiplied by individual coin price

## MEMORY POOL (MEMPOOL)

Unconfirmed transactions, held until they're picked up by a node on the network

## MINING

Using computer hardware to process and validate cryptocurrency transactions

## MINING POOL

Miners combining their mining rig power to increase the chances of closing the block and receiving the reward for it

## MINING RIG

A computer built specifically for mining cryptocurrency, usually containing high specification components

## MOONING

When a cryptocurrency's value is rapidly rising in a short period of time

## NODE

A computer that connects to the cryptocurrency network and becomes one of the network participants

## PEER-TO-PEER (P2P)

When two entities/devices communicate directly without a third-party

## PRIVATE KEY

Secret identifier that proves ownership of a wallet

## PROOF OF STAKE (POS)

Method used to process transactions, with miners having more control based on how much cryptocurrency they hold

## PROOF OF WORK (POW)

Method used to process transactions, requiring completion of complex mathematical equations by computers

## PUBLIC KEY

Generated by the private key and turned into an address; generally used to receive cryptocurrency

## PUMP AND DUMP

Fraudsters spreading false info to increase a cryptocurrency's value (pump), then cashing out (dump)

## SATOSHI NAKAMOTO

The pseudonym given to the person or persons who created bitcoin (their identity is unknown)

## SATOSHIS

The smallest unit of Bitcoin; one Bitcoin equals 100,000,000 satoshis

## SHILLING

Spreading fake news to increase the price of a cryptocurrency

## SOFTWARE WALLET

A method of storing cryptocurrency keys within software files on your computer or mobile device

## TICKER

An abbreviation to identify a cryptocurrency (for example, "BTC" for Bitcoin)

## TOKEN

Used interchangeably with "coin". Technically, a subset of cryptocurrency that has its own blockchain and represents an asset or utility

## TRANSACTION (TX)

Movement of cryptocurrency from one address to another

## WHALE

Someone who owns lots of cryptocurrency

## WHITEPAPER

An authoritative document to explain a new cryptocurrency

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