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DIGITAL CURRENCY TRADING FOR BEGINNERS:

THE ULTIMATE GUIDE





Who are we?

Empowering you to better trade on the right market opportunities.

For more than 10 years, we've purpose-built our platform and services to help you trade effortlessly and better on the right market opportunities. Our Vantage ecosystem is not only a place for you to trade in financial assets, but a place for you to learn, explore and connect with other like-minded investors.

We are an award-winning, multi-asset broker headquartered in Sydney, with over 10 years of market experience, operating in 172 countries. With more than 1,000 employees in over 30 global offices, we are there to support you in your trading experience.

At Vantage, we hold ourselves to the highest regulatory and security standards so you can trade through us with absolute peace of mind.

Our simple and intuitive trading platform allows you to trade over 300 different CFDs on instruments no matter where you are. Our ultra-fast execution, stable performance, and round-the-clock dedicated customer service support, ensures that with Vantage, you have the edge to trade better on market opportunities. Trade with an edge.

trade smarter @vantage.

CONTENTS

Basic information about Cryptocurrencies

04

What are Cryptocurrencies	04
What is the Blockchain	05
Market awareness	05
Mining Bitcoin	06

Some popular Tokens explained

07

Ethereum	07
Ether	08
Dogecoin	08
Shiba Inu	09
Solana	09
Eos	10
Litecoin	10
Ripple	10

What influences markets

11

Long term views	11
Supply and demand	11
Example: Dogecoin Hype	12
Example: China Crypto ban	12

How to trade Cryptocurrencies with Vantage

13

Which pairs can you trade?	13
Trading with leverage	13
Trading Cryptos with the Metatrader 4	14
Trading Cryptos using Vantage Protrader	15
Metatrader 4 on Mobile	17

Different Order types explained

20

Market Order	20
Limit Order	20
Stop Order	20

Basic information about Cryptocurrencies

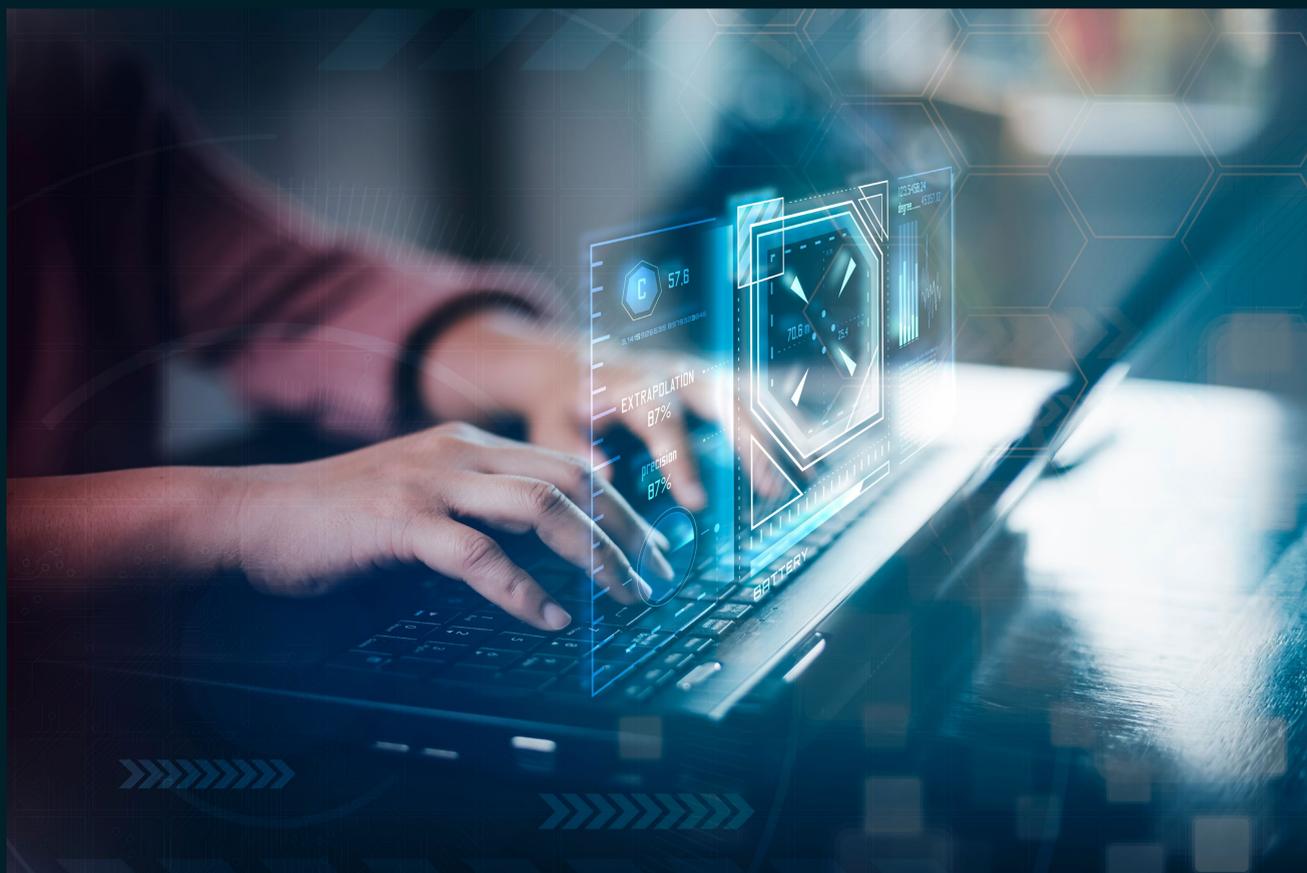


What are Cryptocurrencies

Cryptocurrency is a virtual currency that uses blockchain technology and has been designed as a medium of payment and was first introduced in 2009 by a pseudonym called Satoshi Nakamoto. The general idea is that Cryptocurrency is a decentralized way of making payments and is independent from governments, central authorities or any other control bodies. On the other hand, transactions involve only very low fees if even and there won't be any international charges in transferring money. In general, you also have access to your money 24/7. That said, no additional paperwork is needed to make any transaction and you would only need to create an account or a digital wallet to be ready. With the use of an internet connection anyone can trade, spend or borrow money around the world. Transactions are done peer to peer, which means no intermediate person like a bank, broker or government is involved in a transaction using Blockchain technology.

What is the Blockchain

The Blockchain can be explained as a network where all transactions are stored and distributed in the form of a public digital ledger. The information is saved and distributed across the entire network in a chronological order and at the same time also replicated to prevent hacking. So, each node on the network contains the same information to make the system abundant and safe. Transactions from the past can't be adjusted or deleted. All information is being saved in an encrypted way, which is why the currency is called Cryptocurrency. The transaction details are stored in containers on the network which are called blocks.



Market awareness

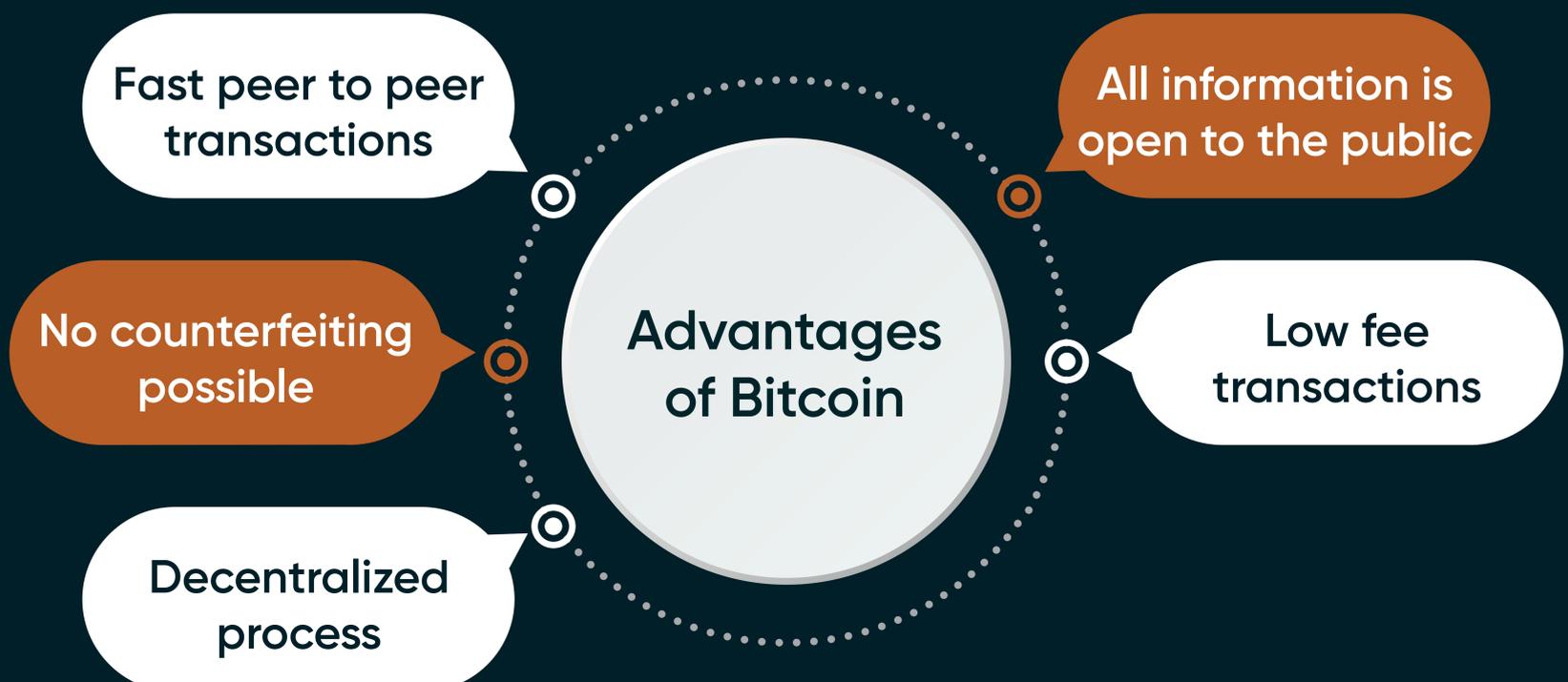
After big corporations have been made aware of the buzz around Cryptocurrencies now also payment solutions companies like PayPal have stepped forward to invest into Cryptocurrency and to take part of the growing market. Famous individuals also among investors supporting the technology as they see the advantage and security compared to traditional money.

Mining Bitcoin

The process of mining Bitcoin is quite expensive. It describes the work of verifying Bitcoin transactions and recording them to the public Blockchain network. A lot of electricity and time is needed for the calculating power to "mine" new coins. Special servers are needed as the faster the process can be done the faster new blocks can be added to the blockchain. These transactions are verified by Bitcoin users. The maximum number of coins that can be mined due to the mathematical equation is limited to 21 millions. This difficult mathematical puzzle is called proof of work. The miner who solves this puzzle the fastest will be rewarded.



Currently about 19 million coins have been mined. A miner will be rewarded with 6.25 Bitcoins for a block being added to the blockchain. This amount halves every four years. The last Bitcoins will be mined in the year 2140, according to the design of the network. In technical terms there are three concepts of the Blockchain: the system is based on a distributed public ledger, uses a SHA – 256 encryption and works with proof of work algorithm.



Some popular Tokens explained



Ethereum

Bitcoin can be described as digital money and Ethereum can be explained as a decentralized platform which runs the smart contracts without any downtime, fraud or third-party interference. Ethereum itself is the technology which also makes use of the blockchain.

The most important feature of Ethereum is the security it provides. It is almost impossible to tamper with the transactions in the block or to add any fraudulent blocks in the network. As well the big community of Ethereum is a big plus as it has attracted a lot of attention from people all over the world, which also includes corporations. Due to the friendliness of the platform various companies use it to create and test applications on the network.

On another note, Ethereum can be attractive for companies to use it for Asset insurance.

Compared with Bitcoin a significant advantage is the processing speed. While Bitcoin needs ten minutes, for a block to be finished in Ethereum just a few seconds are needed.



Ether

As the Ethereum network is not free and requires computing power to be in use, Ether is a solution to the issue of payment explained like a bond or other security. It can also be explained as an incentive that the client of the platform pays to execute requested operations. In simple words Ether is a Cryptocurrency of the Ethereum network.

Dogecoin

Dogecoin is an Altcoin. Altcoins are coins, which are alternatives to Bitcoin and have been created thereafter. So other Cryptocurrencies apart from Bitcoin are Altcoins or alternative digital coins. At some point thousands of traders have gotten together online on social media platforms buying certain stocks and hence pushing prices up for some in a meme stock frenzy. The probably most famous example in the Crypto market has evolved around Dogecoin, which also had a tremendous run in 2021. After trading at a fraction of a cent the market had moved up initially more than 950% and surged to a market cap of about USD 10 billion.



Dogecoin is an open-source peer – to – peer Cryptocurrency and was invented by two software engineers. It also works on a decentralized and secure environment and is completely anonymous. The mining process works similarly where transactions are being validated by participants of the network and hence being rewarded with coins for their work. The Cryptocurrency was invented in 2013 and not meant to be of much practical use. People in the community used it to freely play around in the Cryptocurrency space until the Reddit community took note of it sending the price soaring.

Open a live account [here](#) and start trading digital currency CFDs!



Shiba Inu

This coin was created in late 2020 by a unanimous person in India. It was created as an altcoin of Dogecoin. It was named after a Japanese dog called Shiba and also came popular after the surge of Dogecoin. It is also a decentralized, community – building Cryptocurrency developed within the Shiba Inu ecosystem. The technology used is the Ethereum blockchain whereas Dogecoin in comparison is using Bitcoin technology.

Solana

Solana is a Cryptocurrency which is used to pay for transactions on a decentralized computing network. The technology aims to increase blockchain scalability by combining proof- of- stake and proof- of- history consensus. The technology promises to be capable of 50.000 transactions per second while still operating on a decentralized network. The Solana platform was established in 2017 by an engineer who previously also worked for drop box knowing about data- compression methods. The idea behind the technology was to increase transaction speed and slow consensus algorithm in Ethereum and Bitcoin blockchains. Also, the increased scalability for practical use behind the distributed protocol was important.



Eos

Eos started in 2017 and is a blockchain-based, decentralized platform. It is used to develop, host and run business applications. The Eos Tokens are used on the platform as a payment system. Eos is a direct competitor to Ethereum and wants to offer faster transactions. The architecture is aiming to offer millions transactions per second, which is not the reality.

Litecoin

Litecoin launched in 2011 by a former Google engineer. It was adapted using Bitcoin's open-source code but with some modifications. It is similar to Bitcoin as it is not controlled by any central authority and offers faster block generation compared to its counterpart. Litecoin is considered as one of the first altcoins, derived from the original open-source code. At first it was considered as a strong competitor to Bitcoin but since the Crypto market has seen a lot of competitions this has faded over time.

Ripple

Ripple acts as a Cryptocurrency and also digital payment network for financial transactions. It was released in 2012 and initially created as an asset exchange and remittance system making it comparable to the SWIFT system for international transfers. Instead of using blockchain mining, it uses a consensus mechanism, via a group of servers owned by banks to confirm transactions. The network uses less energy than Bitcoin and transactions are confirmed in seconds and also cost very little.



What influences markets

Long term views

Market fluctuations are always in the game whereas some investors assume that falling markets may offer better market opportunities as soon as the market bounces back.

Supply and demand

Another factor why Cryptocurrencies move is determined by supply and demand just like anything else that people want. If the demand increases faster than the supply prices will rise. For example, if there is a drought, the price of grain increases if the demand does not change. The same principles also apply for Cryptocurrencies as they gain in value when demand rises faster than supply.

However, there are some differences on the supply side. Some currencies, such as Bitcoin, will have a limited supply of 21 million Bitcoins, whereas Ether will not have a market cap. Some others have mechanisms in place that reduce the amount in circulation in order to prevent the supply from growing too large causing inflation. In this case tokens will be sent to an unrecoverable address on the blockchain.

The demand for a token can increase when the use of a currency is gaining more awareness or when the utility of it increases. Also, the investment side should not be underestimated as the supply remains limited. At the beginning of 2021 the price of Bitcoin has gone up after institutional investors stepped in to the market.

Example: Dogecoin Hype

As mentioned above, Dogecoin was invented without a practical reason in the first place. In 2021 traders globally used the online platform reddit to get together and speculate on several assets. Back then Dogecoin was traded for less than 0.006 USD.



Example: China Crypto ban

China has banned payment companies and financial institutions from providing any services related to Cryptocurrency transactions. The government does not allow providers to offer any services including registration, trading, clearing and settlement related to Cryptocurrency. During the time of announcement prices of some common Cryptos including Bitcoin had gone down by almost 30%. The selling pressure increased when Tesla had stated that they won't accept Bitcoin payments any more due to environmental concerns.

How to trade Cryptocurrencies with Vantage



Which pairs can you trade?

The Crypto market is famous high volatility. Without the need for a digital wallet Vantage offers you access to markets and even trade the Crypto market with leverage. In most cases the price is valued against traditional FIAT currencies such as the Euro or the Dollar but Vantage also offers you other types of tradeable currency pairs. On our platforms Cryptocurrencies can be traded against each other e.g. Bitcoin against Ethereum or Ethereum against Bitcoin Cash but also against commodities like Gold.

Trading with leverage

Vantage offers you the opportunity to trade Cryptocurrencies using leverage. In this case you only need to put up a small amount into your trading account as a deposit. The profit or the loss will be calculated based on the total size of your position so leverage can affect your profit as well as the losses if the market moves against you.

Example:

You like to buy one BTCUSD (Bitcoin in US Dollar), which currently trades at 30.000 USD. In order to make this trade you only need to deposit 600 USD in your trading account or the equivalent in another account currency. This deposit can be called margin and is just 3% of the overall trading volume. Just access to the world of Cryptocurrencies now.

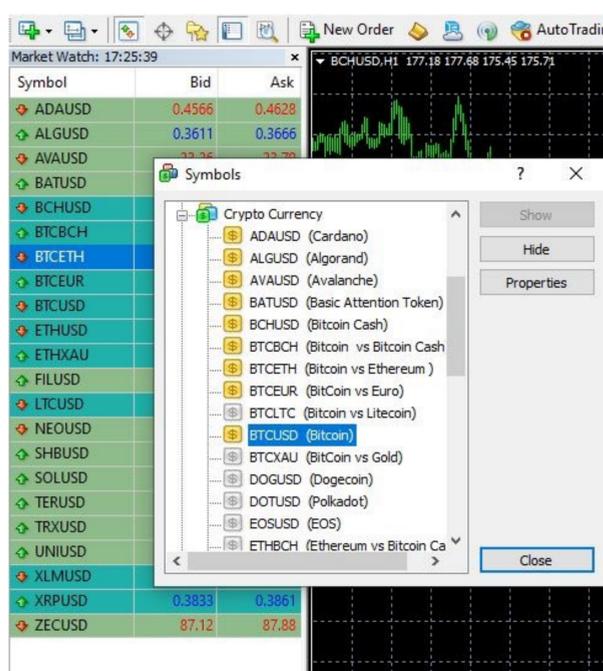
Trading Cryptos with the Metatrader 4



Symbol	Bid	Ask
ADAUSD	0.4584	0.4647
ALGUSD	0.3613	0.3669
AVAUSD	23.48	24.01
BATUSD	0.3641	0.3690
BCHUSD	176.04	178.93

Please make sure that you open the respective chart of the Cryptocurrency, you like to trade in your Metatrader 4 platform. You can do so by clicking on the "Market Watch" menu button in the general menu on top of the program to get an overview of all tradeable assets.

In case you do not have any Cryptocurrencies in the list, just simply use the right click on your mouse and choose "Symbols". The product will be visible in the Market watch area, once it is marked and activated choosing "Show".



After seeing your desired Cryptocurrency in the Market Watch window, you can use the mouse right click and choose "Chart Window" to see the chart. Alternatively, you can also click the right mouse button and choose "New Order" (Shortcut: F9) to trade the market directly.

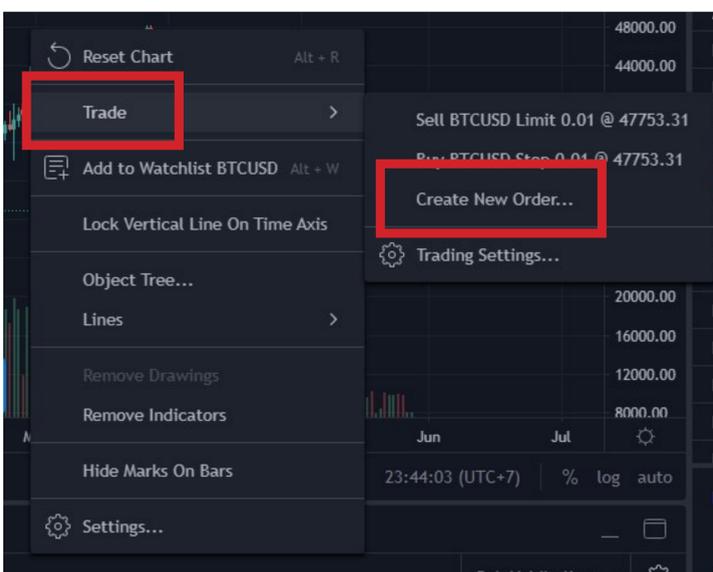
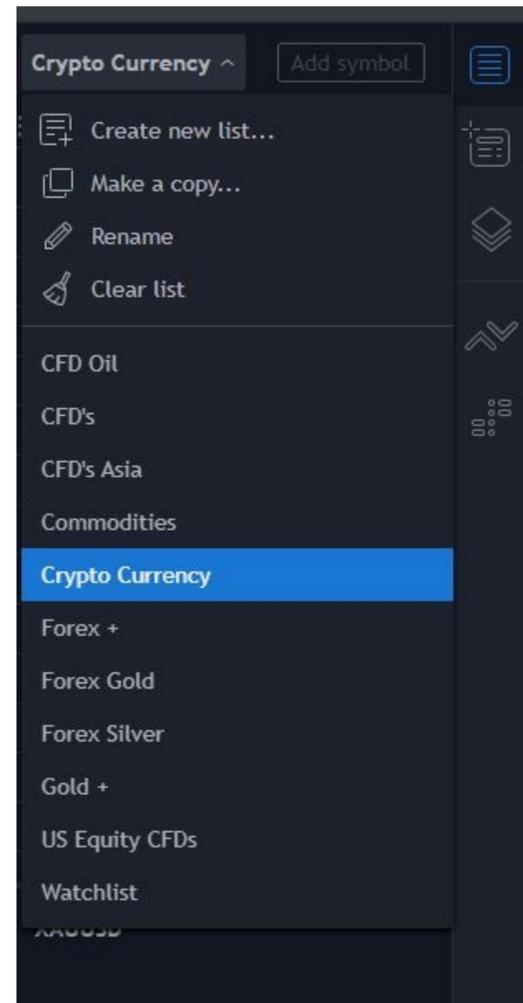


Should you have chosen to trade a Cryptocurrency pair, you can then proceed to the Terminal Section (Shortcut: Ctrl+T), where you will find all open trades listed.

Trading CFDs on Vantage Protrader

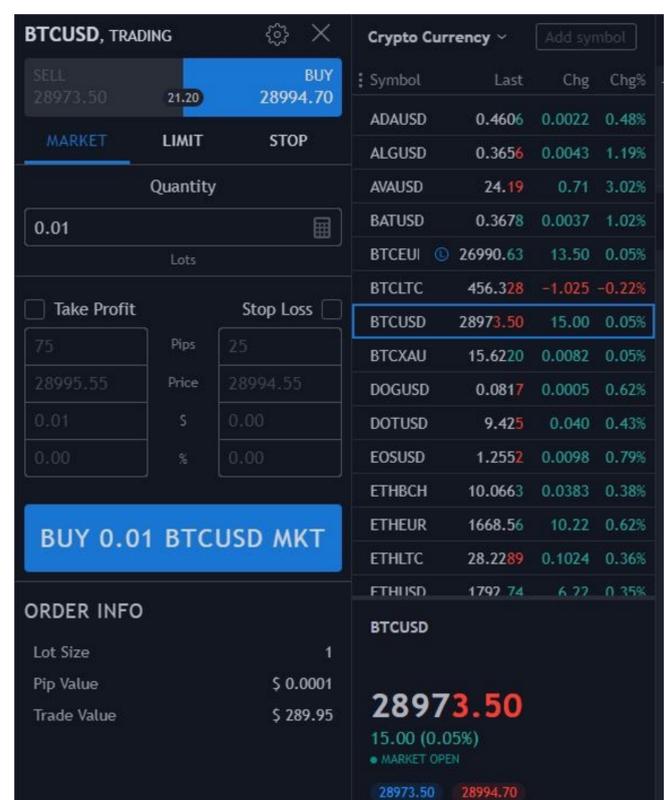
After opening the browser of your choice on your workstation please proceed to <https://protrader.vantagemarkets.com/> and login to your account using your Login data. After the trading platform opens you should see available assets on the right side of the screen. Use the dropdown menu and head to the Cryptocurrencies section.

After opening the section you should be able to see all available Cryptocurrencies tradeable with Vantage markets. With a simple click on a given Cryptocurrency pair you can directly open the chart in the charting area. Trades can be placed directly by right clicking in the charting area.



After choosing "Trade" > "Create New Order" you will be able to enter into a new trading position.

In this case we chose to purchase 1 Lot (equals to one contract) of BTCUSD. The market currently trades around 29,000 USD.



BTCUSD, TRADING ⚙️ ✕

SELL 28984.50 14.60 BUY 28999.10

MARKET LIMIT STOP

Quantity

1 📊 8999.10 8.97

Lots \$ Risk % Risk

Take Profit 1.22 Stop Loss

1100090	Pips	899910
40000.00	Price	20000.00
11000.90 ⬆️	\$	8999.10
10.96	%	8.97

BUY 1 BTCUSD MKT

ORDER INFO

Lot Size	1
Pip Value	\$ 0.01
Trade Value	\$ 28 999.10

Example: We set the Stop Loss to 20,000 USD and Take Profit to 40,000 USD. Should the market not move in our favor, the trade would automatically be closed to limit our loss. On the other hand, if the market would move to the upside, as we expect, the trade would be automatically closed at the price of 40,000 USD. By clicking "Buy 1 BTCUSD MKT" this trade would be executed as a market order.

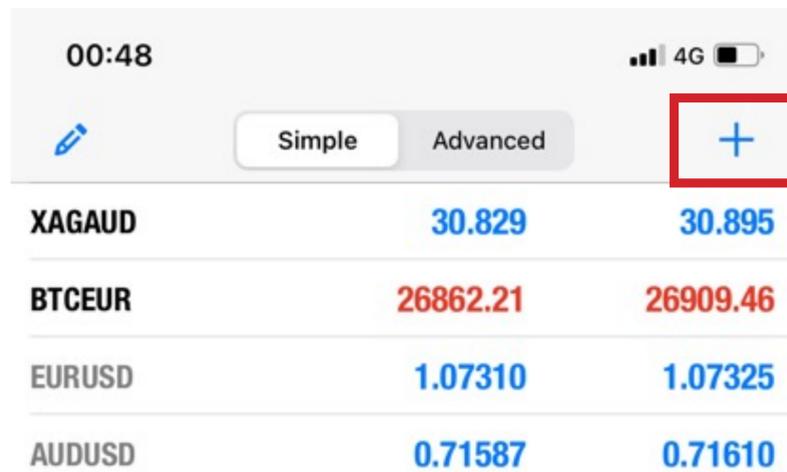
The open trades can be seen below the charting area in the Account Manager section. You can close your trade by right clicking on any position or adjust Take Profit and Stop Loss levels to protect your positions by right clicking on any trade.

12:10	26 888.64	26 971.64
Protect Position...		
Close Position		

A new window will appear on the right side of the screen where you are able to adjust the parameters of the trade as needed.

Metatrader 4 on Mobile

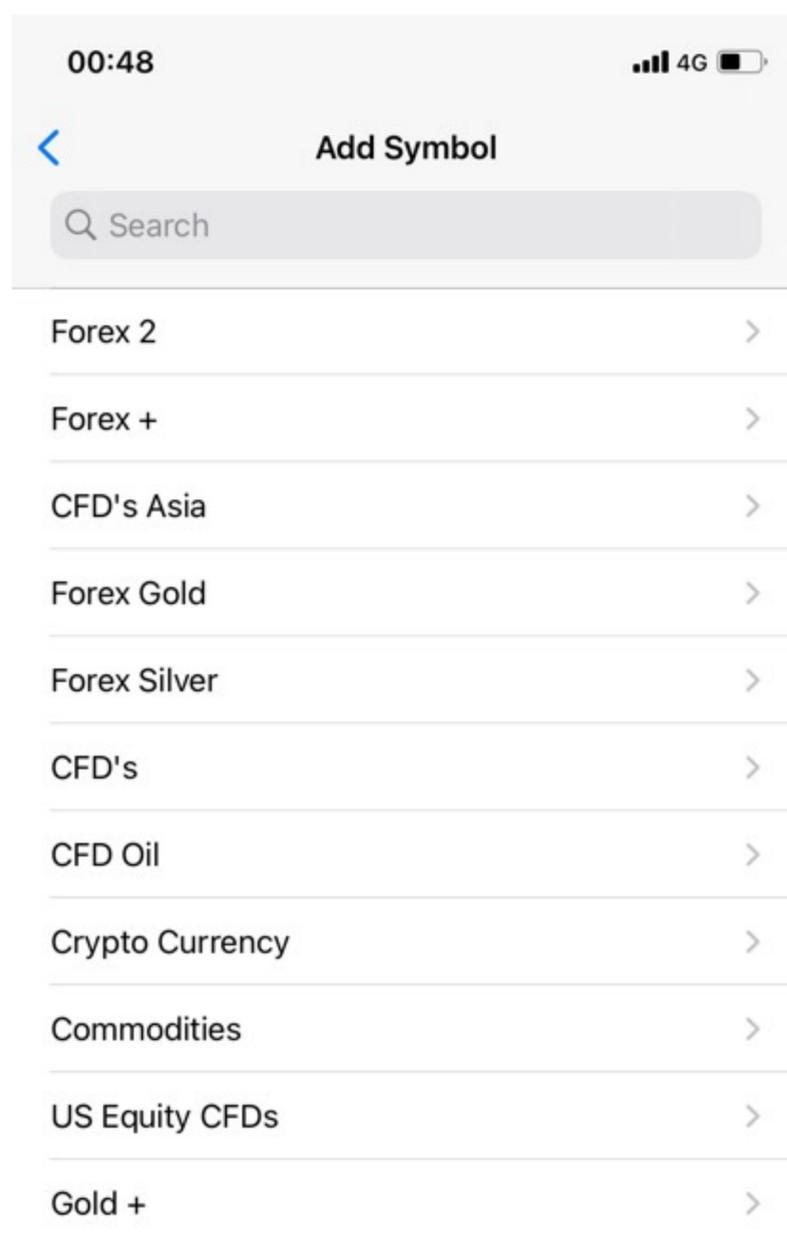
You can download the Metatrader 4 application through the App Store for iPhones or Google Play for any Android Phones. The login data will be the same as for your MT4 on your computer. Once you open the software on your smartphone, you would first need to login using your login data. After that, the app will open, showing you all products which you have activated.



The screenshot shows the Metatrader 4 mobile app interface. At the top, there is a status bar with the time 00:48, 4G signal strength, and battery level. Below the status bar, there is a navigation bar with a pencil icon, two tabs labeled 'Simple' and 'Advanced', and a plus sign icon highlighted with a red box. The main content area displays a list of assets with their current prices and bid/ask prices.

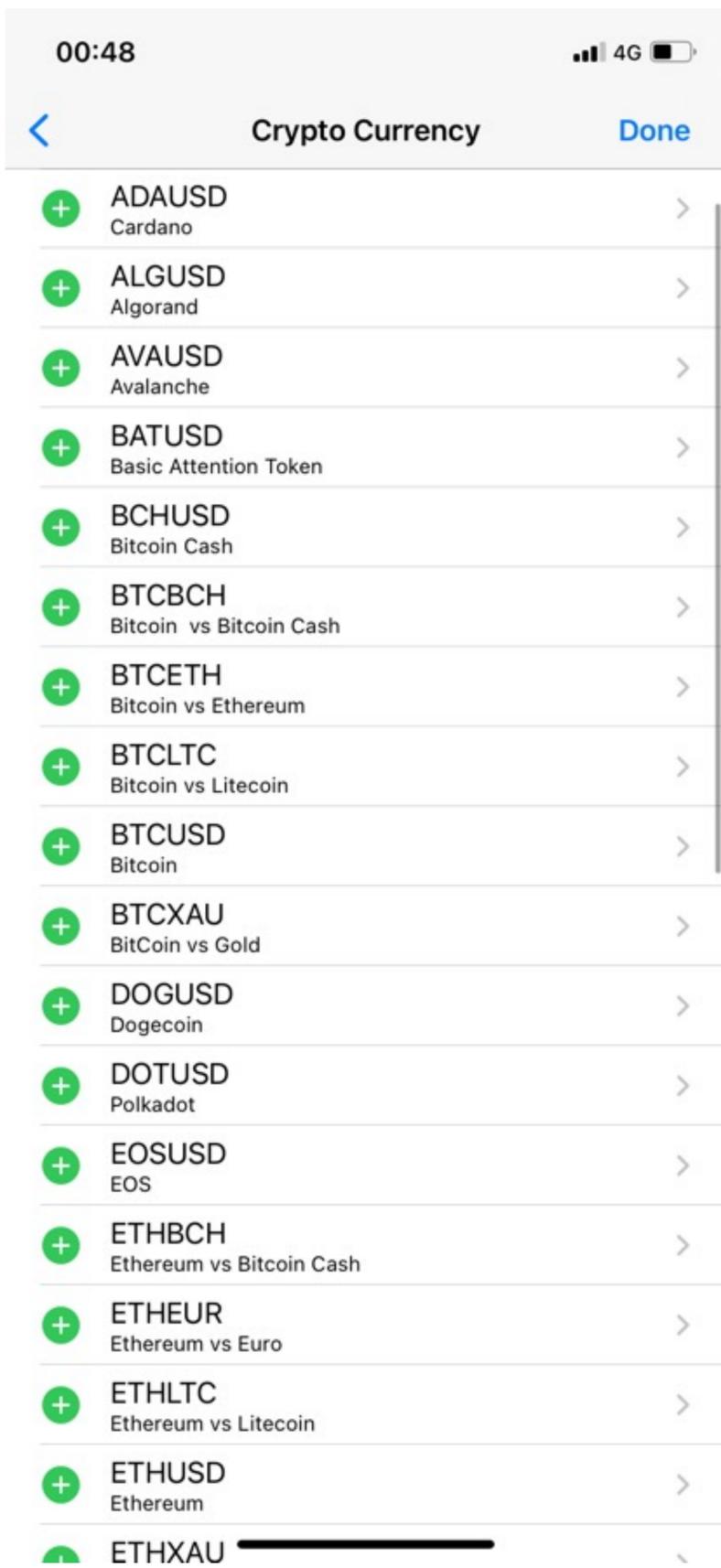
Asset	Current Price	Bid/Ask Price
XAGAUD	30.829	30.895
BTCEUR	26862.21	26909.46
EURUSD	1.07310	1.07325
AUDUSD	0.71587	0.71610

If you wish to add more products from the list of assets that Vantage offers just tap on the + sign on the top right.



The screenshot shows the 'Add Symbol' screen in the Metatrader 4 mobile app. At the top, there is a status bar with the time 00:48, 4G signal strength, and battery level. Below the status bar, there is a navigation bar with a back arrow icon and the title 'Add Symbol'. Below the navigation bar, there is a search bar with a magnifying glass icon and the text 'Search'. The main content area displays a list of asset categories with right-pointing chevron icons.

Asset Category
Forex 2
Forex +
CFD's Asia
Forex Gold
Forex Silver
CFD's
CFD Oil
Crypto Currency
Commodities
US Equity CFDs
Gold +

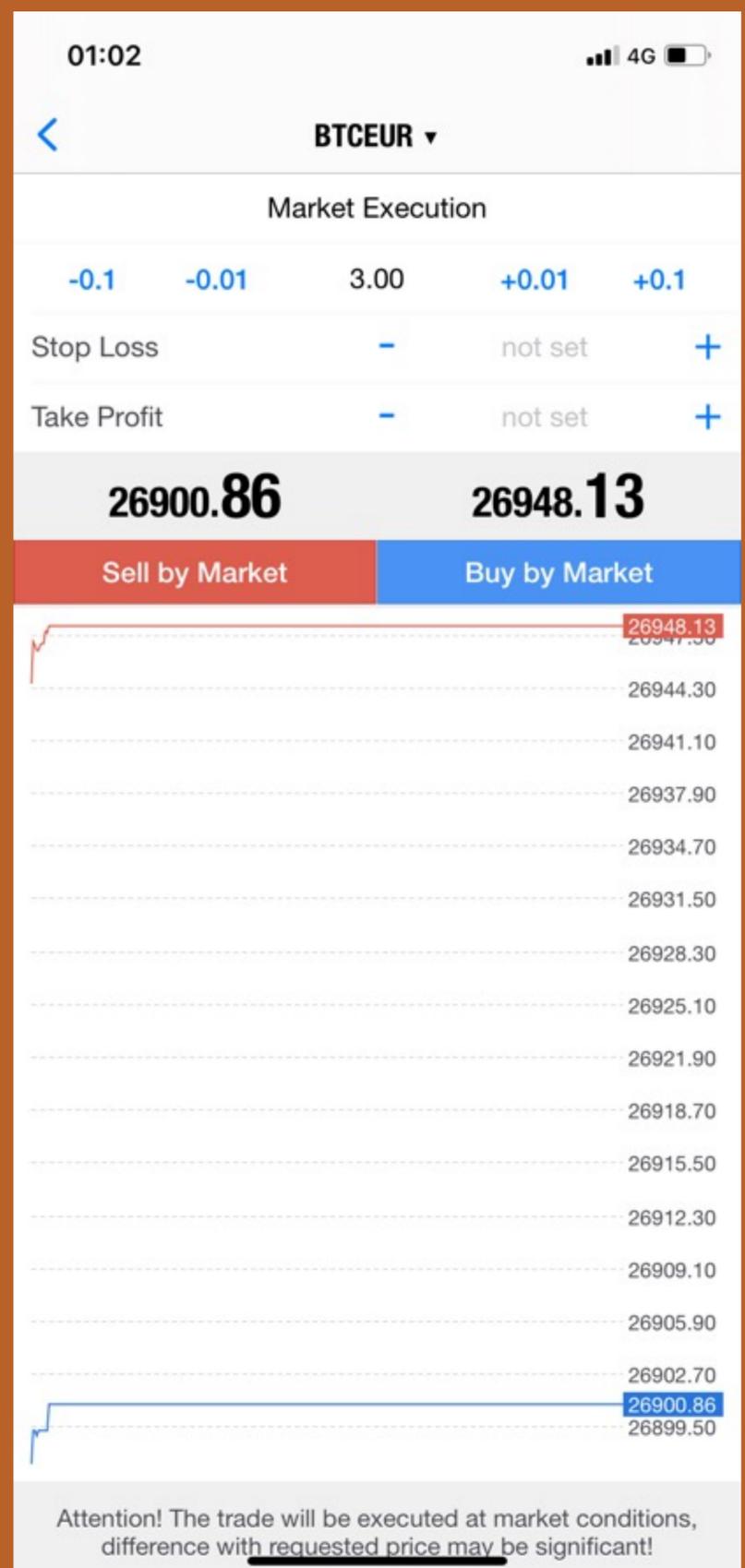
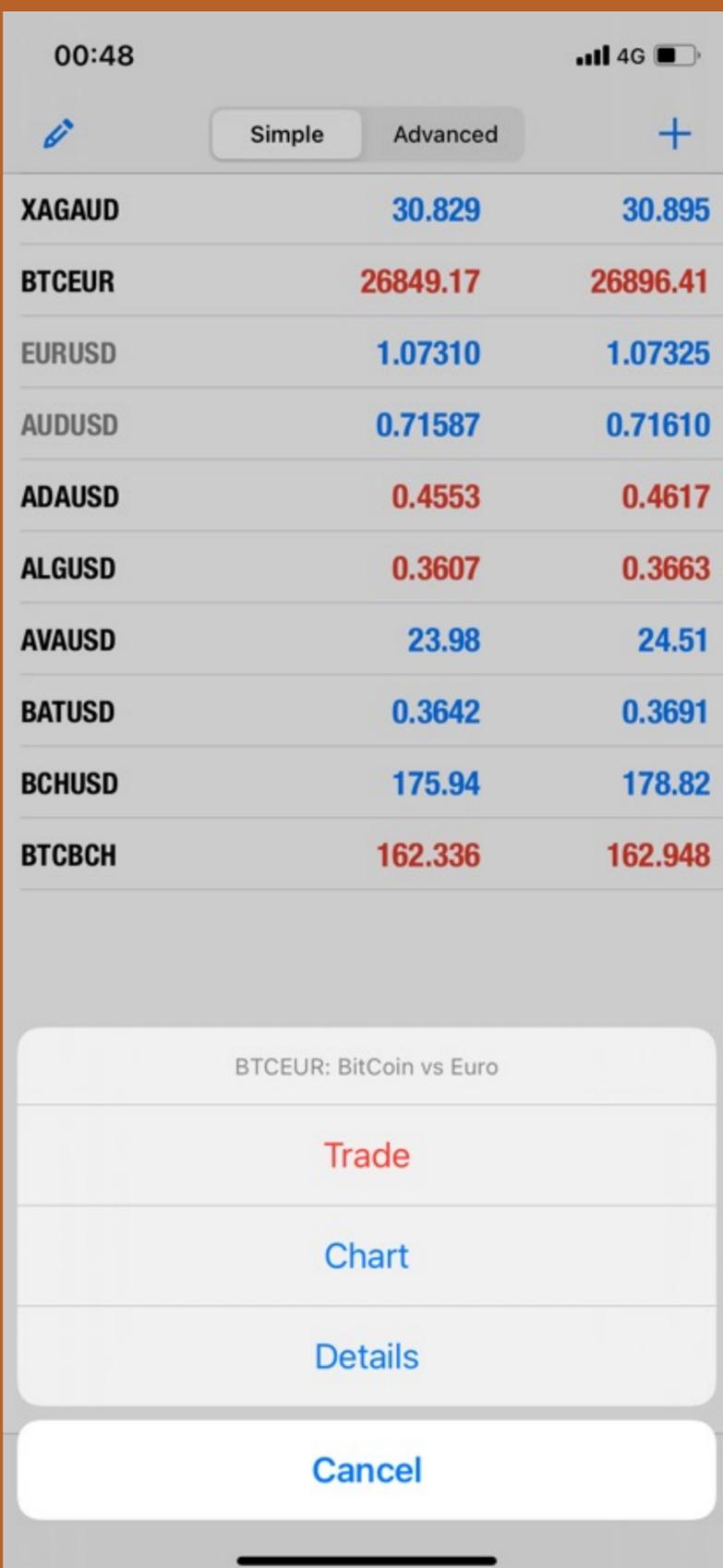


Please head to the Crypto Currency area and activate the currencies we like to trade.

You can simply tap on one of the added currencies and the options to trade, view the chart or details information will appear.

If you choose the "Trade" option we will be directed to the screen where you can enter out trading parameters. In the top center field, you can enter the Lot size can be used for your position. 1 Lot in the example equals to one contract of Bitcoin – Eur, which is 26,909 EUR.

Buy tapping the "Sell by Market" or "Buy by Market" field, the order will directly be executed.



Different Order types explained

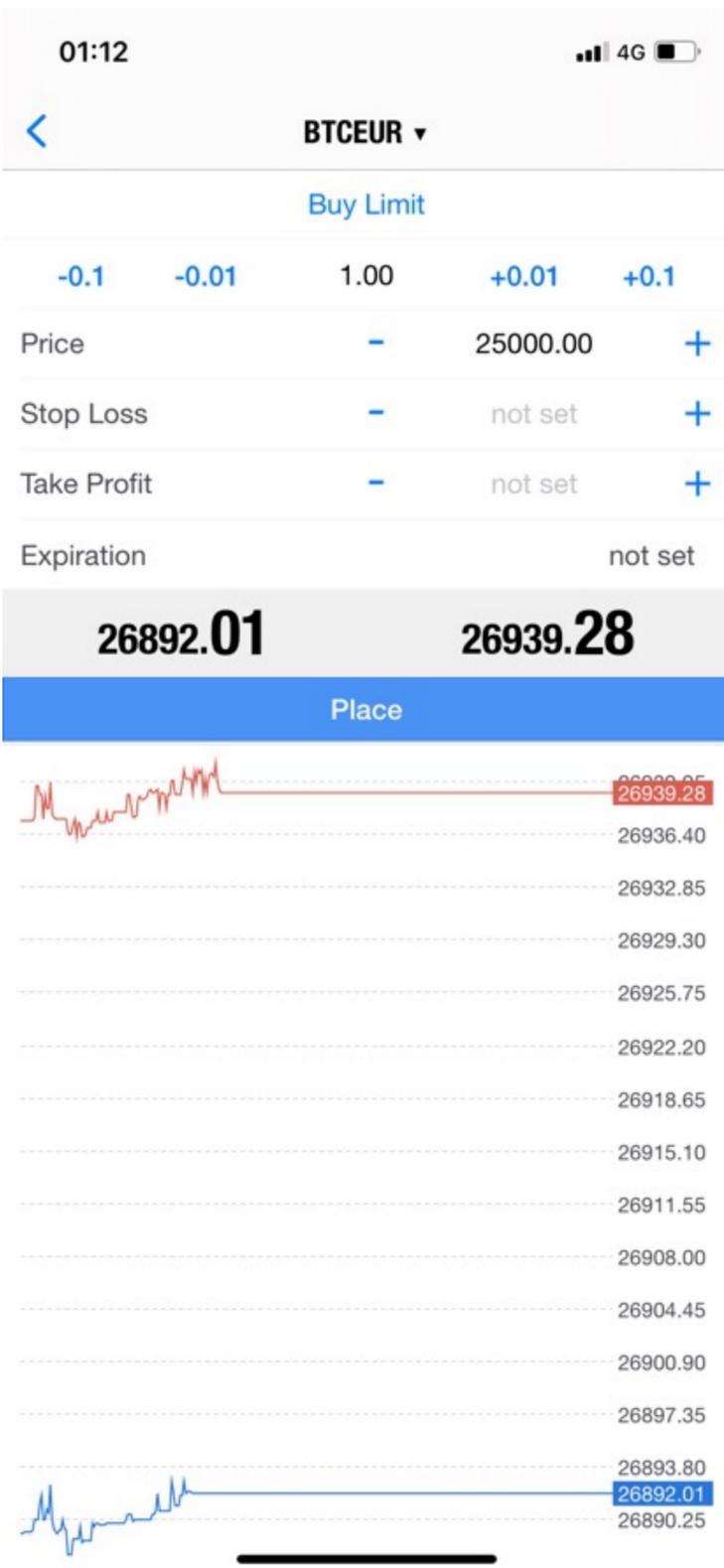
Let us now examine the different order types we can use with Vantage.

Market Order

A market order refers to an order, which will be directly routed to the market, at whatever price the market might trade at that given time. During highly volatile news events prices might fluctuate more and our order might not get executed at our preferred price.

Limited Order

If you like to trade the market above or below the actual market price, you can use limit orders. A limit order is an order to buy or sell an asset at a specific price or better. A buy limit order means that the order can only be executed at the limit price or better. This means that a sell limit order can only be executed at the limit price or higher. If you would like to buy BTCEUR at 25,000USD for example, you need to tap on "Market Execution" and adjust this parameter to "Limit Order" and then enter the price. It might be interesting to also set an expiration time for the limit orders which can be done in the last field.



Stop Order

A stop order is an order to buy or sell once the price of the asset reaches a specific price, known as the stop price. If at 29,000 USD and you would like to wait before you buy then you can add the stop order at 32,000 USD. On the other hand, you could only be keen to sell the currency at 25,000 USD, when the market starts resuming its downtrend. It might be interesting for you to also set an expiration time for the limit orders and you can do so in the last field.



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Your capital is at risk. VFSC Registration no. 700271.