

FINANCIAL MARKETS

# A HISTORY OF LITECOIN



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## BLACKWELL GLOBAL

Blackwell Global is a global brokerage, aiming to be the most trusted financial service provider. We are committed to transparency, integrity and service excellence.

Founded in 2010, we now have global presence in over 90 countries, with main offices in the separately regulated markets of Australia, Cyprus, New Zealand and the United Kingdom.

We believe that sound investment and trading decisions begin with a strong grounding in financial education. Our goal is to make this available to everyone - and this free eBook is part of that commitment.

To find out more about Blackwell Global, please visit:  
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# JUST ANOTHER CRYPTO?

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## FOREWORD

The cryptocurrency boom has many traders and investors hooked. It's easy to understand why. Cryptocurrency volatility continues to produce excellent trading opportunities.

This surge in popularity has also seen market participants explore alternatives to Bitcoin, Ripple and Ethereum. One of those cryptocurrencies is Litecoin.

The purpose of this eBook is simple. It will make you familiar with Litecoin's origins and popularity.

**Patrick Latchford**  
**CEO, Blackwell Global Investments (UK) Limited**

# LITECOIN: THE BASICS

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## ORIGINS

Let's cover Litecoin's history. This cryptocurrency was created by a former employee of Google called Christopher Lee.

Circa 2011, he spotted a need to create a 'cheaper' and 'lighter' alternative to Bitcoin. The thinking was simple. Many people were using Bitcoin as a long-term investment, rather than an actual means of payment. Litecoin was created to fill this space.

Litecoin was officially created on October 7th 2011, with The Litecoin Network going live five days later.

## SIMILARITIES TO BITCOIN

The cryptocurrency boom has led many traders and investors to understand the technology behind particular coins.

With this understanding, traders and investors can gain an insight

into the future utility of particular cryptocurrencies.

Now what you need to know about Litecoin is that is essentially a clone of Bitcoin. Technically, the two are almost identical. However, there are some integral differences, including:

## **Algorithms**

Both Bitcoin and Litecoin use different algorithms. These algorithms have an impact on how the two cryptocurrencies are respectively mined. Bitcoin uses a more complex algorithm called SHA-256, which requires significant computing power. Litecoin uses an algorithm called Scrypt, which requires less computing power than SHA-256.

## **Pricing**

Bitcoin is worth far more than Litecoin. At the time of writing (July 2018), Bitcoin is worth £8,171.94. Comparatively, Litecoin is worth \$84.49. However, it's important to remember the original purpose of Litecoin. Whereas Bitcoin is typically bought as a speculative investment, Litecoin was designed to facilitate cheaper transactions.

## **Amount Of Coins**

Most cryptocurrencies limit the amount of coins available to buy. Bitcoin's limit is 21 million, while Litecoin's limit is 84 million. Practically, this actually doesn't matter. Both a Bitcoin and a Litecoin can be almost infinitely split into smaller amounts.

## Speed Of Transaction Processing

There's also a difference between Bitcoin and Litecoin's transaction processing speeds. Typically, it takes 10 minutes to confirm a Bitcoin transaction, while it takes 2.5 minutes to confirm a Litecoin transaction.

## Popularity

Litecoin's market cap at the time of writing is \$4,876,158,262 USD. So it's certainly one of the world's most popular cryptocurrencies behind the likes of Bitcoin, Ripple and Ethereum.

## LITECOIN PRICE ACTION

Litecoin has benefitted from the cryptocurrency boom. In December 2017, it reached an all-time high price of \$360.93. One year prior, the price of Litecoin was \$4.40.

# TIPS FOR TRADING LITECOIN

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## TRADE WITH BLACKWELL GLOBAL

Along with Bitcoin, Ripple and Ethereum - Litecoin (LTC) is one of the world's most traded crypto-related assets. With Blackwell Global, you can trade the following Litecoin-based CFDs:

**Litecoin / US Dollar (LTCUSDp)**

**Litecoin / Bitcoin (LTCBTCp)**

**Litecoin / Euro (LTCEURp)**

Remember, a CFD (Contracts for Difference) allows you to speculate on the future price of a financial asset, rather than physically buying it.

If you're interested in trading Litecoin, you might find these five tips useful:

### **Tip #1: Risk Management**

Crypto assets are a highly volatile asset class. So it's important to mitigate your risk and protect your capital. You can do this by limiting the amount of leverage you use, in addition to using stop loss and take profit orders.

### **Tip #2: Technical Analysis**

Trading platforms such as MT5 give you useful technical tools to identify optimum entry and exit points. Considering the volatility of crypto assets, it's integral that you have a tried and tested strategy for identifying levels of support and resistance. Remember, you can test your strategy on a demo account.

### **Tip #3: Fundamental Analysis**

Litecoin's success depends on many factors - including management decisions and public perception. So keep an eye on the fundamental forces that could affect price movements.

### **Tip #4: Small Gains**

Crypto related assets can experience significant price shifts in extremely short time frames. For instance, it's not unusual for a cryptocurrency to jump in price by 20 - 50% in just one day.

Keep in mind, volatility is what makes trading cryptocurrencies attractive to traders. These jumps are opportunities to make a profit.



However, it's integral to keep your emotions in check. In particular, it's easy to chase big gains when trading cryptocurrencies. This should be avoided. Instead, you should aim to make small and consistent gains over a prolonged period of time.

### **Tip #5: Keep A Balanced Portfolio**

As you might already know, it's good practice to diversify your trading portfolio. In other words, it's important you don't shift all of your trading capital into one financial instrument.

For instance, you can diversify your portfolio with other asset classes like Forex. In fact, experienced traders use cryptocurrencies to hedge their Forex portfolio, since these digital coins are not influenced by traditional risk events, such as monetary policy decisions and economic data releases.

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**TAKE ME THERE**



# WHY BLACKWELL GLOBAL?

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We can't pretend that it is easy to become a successful trader. But we are here to help and support you as you make your trading journey, providing dedicated resources such as our demo trading accounts and regularly published research materials.

Founded in 2010, Blackwell Global was established to offer brokerage solutions for private and institutional clients. Blackwell Global is a Straight Through Processing or STP broker who provide their clients with superior liquidity and price feeds from top international banks. These are offered alongside 24-hour technical support, market research tools, educational materials, professional partnership programmes and fully integrated trading platforms.

We offer access to multiple asset classes including more than 60 currency pairs, precious metals and other contracts for differences. As a global broker, we are always striving to achieve excellence in our customer service, as well as developing innovative technology to support our customers needs.

Today, the Blackwell Global group of companies has a presence in over 90 countries, with its main offices situated in the individually regulated markets of Australia, Cyprus, New Zealand and the United Kingdom.

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