

INVESTOR'S GUIDE TO CRYPTO RESEARCH



HOW TO DECIDE WHICH CRYPTOCURRENCIES TO BUY



WELCOME TO THE *DECENTRAL PUBLISHING* INVESTOR'S GUIDE TO CRYPTO RESEARCH

Whether you're just starting to look into cryptocurrency or you've been thinking about investing in it for a little while and are ready to take the leap, choosing what cryptocurrency to buy can be overwhelming.

This eBook was developed as a deeper dive on [how to DYOR](#) (do your own research), which you can access for free on our website. If you have any questions about the basics of research, we recommend reading through our introductory research guide before diving into this eBook to gain some fundamental knowledge on basic terms and concepts for crypto research.

There is a lot happening in the crypto-sphere. From altcoins to tokens to DeFi to NFTs and play-to-earn games, there are many niches to explore and thousands

of altcoins to choose from. But before you pick which cryptocurrency to buy, it's important to set some goals and create your crypto investment strategy. Not having a plan is an easy way to lose a lot of money, which you obviously want to avoid. With a plan set, you'll know where to begin researching, what you need to learn about the history of cryptocurrencies, and keep yourself from being whipped around by FOMO and instead, strategically get where you want to go.

When making any investment strategy, there are a few questions you'll need to answer about what you're trying to accomplish, what resources you want to allocate, and how to stick to your plan. That's why we've curated tips from experienced investors on the following pages for how the experts conduct research.

STEP 1

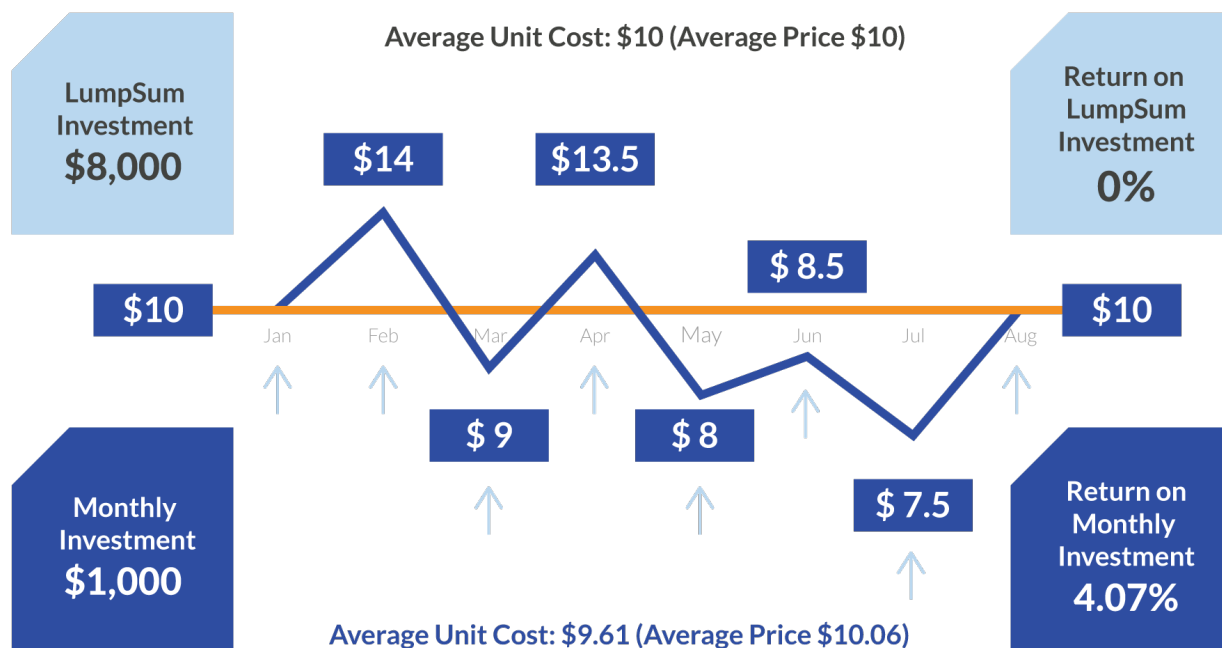
DEFINE YOUR REASONS TO INVEST IN CRYPTOCURRENCY

To think like an experienced crypto investor, begin by examining “why” you want to make the investment in the first place.

Perhaps you’re a [degen](#) who wants to speculate for those incredible gains at high risk. Maybe you want to [dollar cost average](#) and hodl for the long term. Maybe you’re into [yield farming](#) and DeFi.

BEFORE YOU MAKE YOUR INVESTMENT, ASK YOURSELF:

- » How much risk you’re able to take
- » How much time you have and are willing to spend tracking investments
- » What your term (short/long) and timelines are for the investment



source: <https://www.brentwoodfinancialadvisors.com/blog/how-to-reduce-risk-stay-financially-strong-through-dollar-cost-averaging>

Experienced investors have different levels of risk they're willing to take based on the outcomes they hope to gain.

FOR EXAMPLE:

If you're looking for an inflation hedge or a store of value, you might go for the big currencies like Bitcoin and Ethereum

If you want to trade altcoins and ride the rollercoaster, you might want to become an expert in a certain niche so you can spot a 100x increase before it happens.

Defining your reasons for investing will help you identify your best plays. Once you have your strategy and know your risks, you can execute the plan.

One final note here about finding your own "why": **Try not to let every friend at the BBQ or every Twitter egg derail you from your strategy by telling you what cryptocurrency to buy or avoid.**

Everyone has an opinion about bubbles, being too late, the traditional financial system, and the sub-par cole slaw. But if you set your own parameters, DYOR, and have your own exit strategy, none of those voices need to make you "ape into the peak" and "run scared at the dip". (That's "crypto investor talk" for going all-in when a crypto is climbing to their all-time high, or dumping your portfolio when a currency is falling in value.)

STEP 1 SUMMARY

Having a solid strategy based on your personal reasons for investing will protect you from jumping from hot project to hot project but being too late to each one.



STEP 2

RESEARCH THE HISTORY OF CRYPTOCURRENCIES

Experienced crypto investors do a lot of research - and knowing the “why” helps to guide where to begin researching.

After you’ve decided on your own personal strategy, begin researching the coins you’re interested in. How deep you dive before you invest in cryptocurrency is up to you, but even if you decide that you’re a Bitcoin maximalist and only need “The One Coin” in your portfolio, it doesn’t hurt to understand the fundamentals of a coin and have a decent grasp of how Bitcoin dominance influences dynamics in the larger crypto space.

BTC.D Index Chart



source: <https://www.tradingview.com/symbols/CRYPTOCAP-BTC.D/>

Learning about the general [history of cryptocurrencies](#) and what they were envisioned to accomplish in the macroeconomy will give you a big picture in which to understand specific cryptocurrencies. It will also help you understand the big players and which companies have been around through several [market cycles](#), have credibility and reputation, and which ones are just launching and unproven.

When it comes to researching a specific cryptocurrency, experienced investors:

- » Read about the founder of the project, watch interviews, and identify the driving philosophy.
- » Research the organization's track record, see if it's delivering what it has promised to deliver, and investigate what kind of developers and community it has.
- » Analyze the [tokenomics](#) of the coin. Does it have a fixed supply? What does the allocation and release schedule look like?
- » Find out what kind of technology the currency uses, what kind of blockchain it's on, what its use cases are, and what problems the tech potentially solves.
- » Look up the market cap, track the price history, see if the coin is actively being traded, and determine how high it's feasible for the price to go. Analyze the tokenomics of the coin. Does it have a fixed supply? What does the allocation and release schedule look like?
- » See if there is a blog for the project, read its roadmap, and check what kind of news is buzzing around the coin.

STEP 2 SUMMARY

Use your strategy to guide your own research. Be thorough in your research and evaluate the cryptocurrency from all angles: company founders & history, relevant news, supply, and market cap.

STEP 3

COMPARE YOUR CRYPTO INVESTMENT STRATEGY WITH THE COIN YOU'RE CONSIDERING

Once you've set your goals, done some research, and you know the history of the cryptocurrencies you're considering, it's time to see if your goals align with them. This is the last major step experienced investors may do before making the investment.

If you want to minimize risk, keep dollar cost averaging into your portfolio, and mitigate volatility, your research should quickly tell you if a coin has a price history and characteristics that will keep it relatively stable and low-risk over time.

Example: Portfolio Allocation



On the other hand, maybe you're looking for short-term gains and want a cryptocurrency to buy for speculation. Investors who like short-term gains and aren't so risk adverse may investigate up-and-coming altcoins.

****Side note on up-and-coming altcoins:***

You should be prepared to watch the markets like a hawk and keep an eye on the development team. A coin that hasn't pumped yet will not have as much history or information available, which is part of why it's so risky.

Another thing to consider is how much time you want to spend following the currencies you own. If you had gotten a few hundred Bitcoins back in 2011, you probably could have forgotten about them for several years and come back to a pretty happy crypto wallet. But in today's market, there are thousands of coins. If you're being effective and thorough with your research, it takes time to stay updated on the state of your investments.

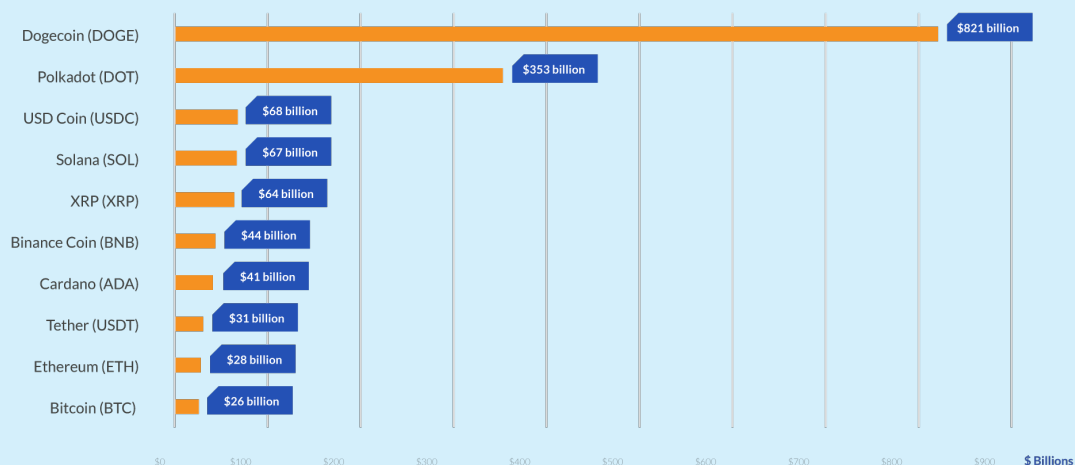
If you do prioritize your portfolio to include only a few crypto investments to start, you may find it's easier to keep up with the performance and news on each project, not just their prices. If your coin takes a dip, hopefully you'll understand why. If it begins to run up, knowing what the drivers are might inform your exit. After all—you did that research for a reason. Plan for how much time you want to spend now and in the future.

No matter what your strategy is, though, don't invest in cryptocurrency with more money than you can afford to lose. Before buying anything, you should have decided how much money you can afford to invest. Crypto is a fast moving space with lots of pumps, coins being hyped, and potential to gain (or lose) large percentages. That's part of what makes it such a vibrant and exciting ecosystem.

STEP 3 SUMMARY

Shortlist the cryptocurrencies that most closely align with your strategy. Reconsider your strategy and continue to deepen your research and knowledge of the currency before considering your first purchase.

Top 10 Cryptocurrencies in 2021 Based on Their Market Cap



source: <https://www.forbes.com/advisor/investing/top-10-cryptocurrencies/>

WHAT'S NEXT?

Now that you've learned about how investors research which cryptocurrency to buy... create a plan of your own, and don't forget: never stop learning!

Conducting crypto research and considering a purchase is a personal decision. That's why it's so important to take the time you need to carefully decide which cryptocurrencies align with your goals. Do your own research and have a plan to get in - and out - of the market. This can help to ease some of the overwhelming feelings that investors may naturally face when they're first getting started.

Following these three steps can give you the confidence to begin your crypto journey, but remember: nothing is certain with any investment. Without time and research, many eager investors overlook a solid crypto investment strategy and dive in without preparation, only to bow out sadly, taking unnecessary losses. That doesn't have to be you!

There are many quality resources for cryptocurrency research. Decentral Publishing creates free and premium resources - from blogs and eBooks to docuseries and other video content - to help crypto investors and enthusiasts continue their personal education around concepts related to cryptocurrency and blockchain.

Happy researching!



ABOUT THE AUTHOR:

Emily Weber ("Em") is a content writer and decentralization enthusiast. She aims to read all the way to the end of the internet so you don't have to. In her free time, you can find her making dank memes and tracking the pseudos on Twitter.

ABOUT DECENTRAL PUBLISHING:

Decentral Publishing is dedicated to producing content through our blog, eBooks, and docu-series to help our readers deepen their knowledge of cryptocurrency and related topics. Do you have a fresh perspective or any other topics worth discussing? Keep the conversation going with us online at: [Facebook](#), [Twitter](#), [Instagram](#), and [LinkedIn](#).

LEGAL DISCLAIMER:

The views and opinions expressed in this website, its publications, and video content are the Company's opinion. Investing involves the risk of loss as well as the possibility of profit. All investments involve risk, and all investment decisions of an individual remain the responsibility of the individual. Option investing involves risk and is not suitable for investors. Past performance and recommendations are not a guarantee of future results. No statement in this website, its publications, and video content should be construed as a recommendation to buy or sell a particular option and/or security. Decentral Publishing ("Company") has not made any guarantees that the strategies outlined in this website, its publications, and video content will be profitable for the individual investor and are not liable for any potential trading losses related to these strategies. For more information about the terms of service for this website, its publications, and video content, please refer to Decentral Publishing Terms & Conditions.