**How to analyze cryptocurrencies before you invest ?**

Before you buy a coin or token, you should inform yourself about it. Here are our tips on what you should consider:

1. What is the use case of the project?
2. Check if the project solves real problems

For example Polkadot - connects individual separate blockchains so that data can be exchanged and the blockchains can communicate with each other

Is a blockchain really needed for this?

Of course, everyone wants to jump on the blockchain trend, so you should take a look here to see if it really needs a blockchain, like in the example with Polkadot

**⇒ If this doesn't convince you up to this point, then don't invest. If yes, continue to point 3**

1. How should the problem be solved?

What technology is behind it?

1. Who is the team behind the project ?

Does the team have all the competencies on board

1. Who is the competition ? What coins are there? How easy is it to copy the case of the coin?
2. Investors

Who else is invested and believes in the project. Are these people already known?

1. What is the market capitalization?
2. On which exchanges is the cryptocurrency listed?

These eight points should give you a point of reference when choosing your investments.