

# Cryptocurrency 101

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# Disclaimer

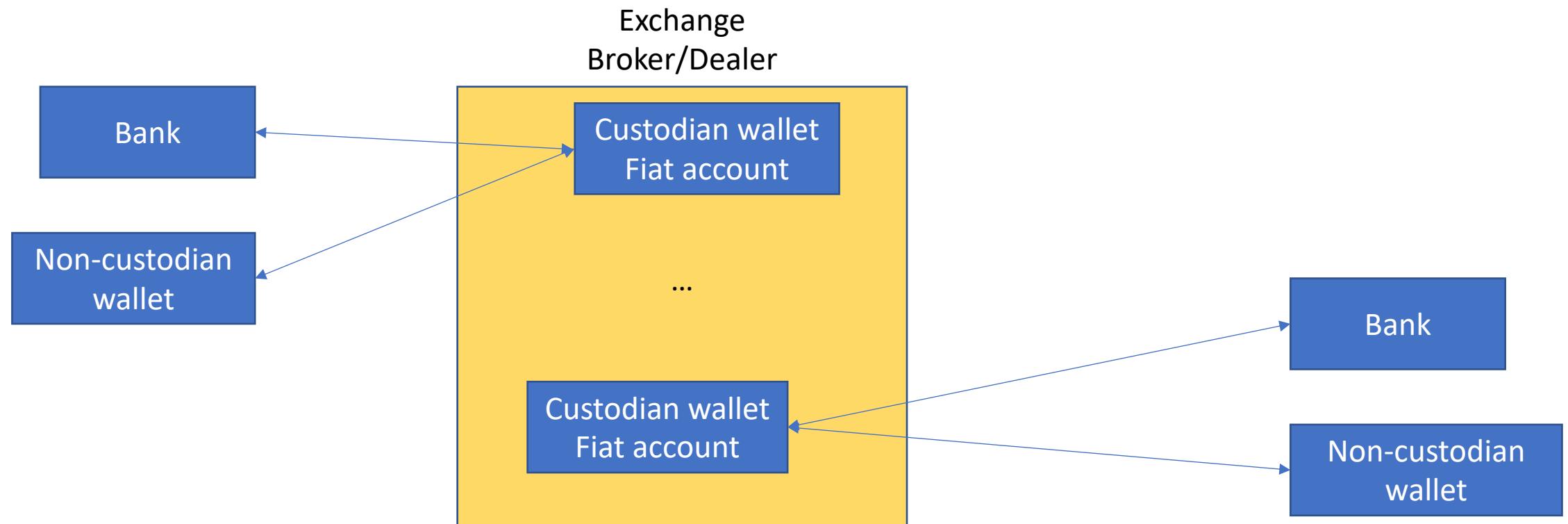
- The following contents are presented for informational purpose only. I study cryptocurrencies for several weeks for **research and teaching purpose** and put up the information together in this presentation.
- They do not serve as any means of financial/investment advice.
- Cryptocurrency market is extremely volatile and non-regulated, manage your own risk when trading cryptocurrencies.
- At the time of creating this presentation, I am not affiliated with any crypto exchange or organization, but I do own cryptocurrencies.
- Opinions are my own.

# Overall

- For the purpose of this presentation, we treat any cryptocurrency as a financial asset.
- Fiat refers to any government backed currency, e.g. USD, AUD, RMB
- Here we mainly cover the centralized exchange, decentralized market like Uniswap is briefly mentioned.

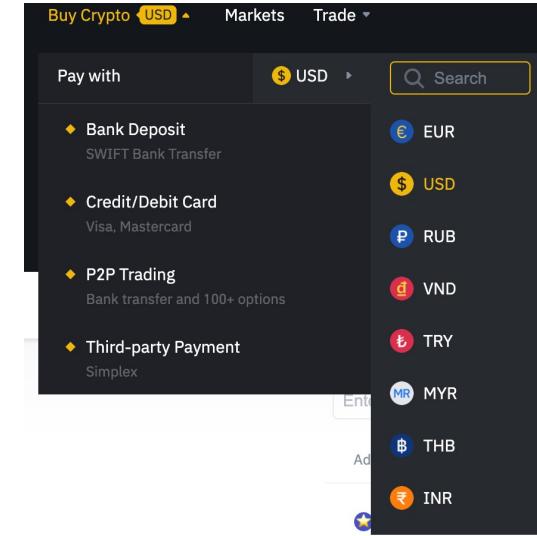
# 1. Basics

# How to trade: an example



# Fiat and bank

- If you do not have any cryptocurrency, you need to transfer fiat into your fiat account in the exchange.
  - In Australia, many exchanges support instant deposit/withdraw, thanks to PayID/OSKO (0 fee).
  - To compare, coinbase only allows AUD debitcard (4% fee).



Crypto Fiat

! An appeal can be submitted if you have already submitted your deposit order but have exceeded the estimated processing duration. [Appeal >](#)

1. Select currency and payment method

Currency

AUD Australian Dollar

Recommended Hot

 PayID/Osko  
+ 0 Fee

2. Pa

E  
A  
T  
Y

# Fiat and bank

- If you have cryptos, you can deposit them into your own custodian wallet.

Crypto   Fiat

! If your deposit does not arrive within the estimated time frame, check the progress with Deposit Self Help [Deposit Self Help >](#)

Coin

BTC Bitcoin

Total balance: [REDACTED]

Available Balance: [REDACTED]

💡 Deposit Notice

1. If you have deposited, please pay attention to the text messages, site letters and emails we send to you.
2. Coins will be deposited after 1 network confirmations.
3. Until 2 confirmations are made, an equivalent amount of your assets will be temporarily unavailable for withdrawals.

Go to Trade:

[BTC/AUD](#) [BTC/BIDR](#) [BTC/BRL](#) [BTC/BUSD](#) [BTC/DAI](#) [BTC/EUR](#) [BTC/GBP](#) [BTC/IDRT](#) [BTC/NGN](#) [BTC/PAX](#) [BTC/RUB](#) [BTC/TRY](#)  
[BTC/TUSD](#) [BTC/UAH](#) [BTC/USDC](#) [BTC/USDT](#) [BTC/VAI](#)

# Custodian wallet vs non-custodian wallet

- Cryptos are stored on an address (called wallet), and the balances of all addresses as well as all past transactions are stored on publicly-available blockchains.
- Cryptos themselves do not support instant orders (market order) due to the nature of the blockchain.
  - E.g. each BTC block is mined every 10 mins.
  - If the transaction is included in the block, it is called 1 network confirmation.

# Custodian wallet vs non-custodian wallet

- To enable instant trading, an exchange/broker-dealer sets up a single address (say, 0xd1).
  - This depends on crypto asset (technology).
- Each player/individual involved is given an ID number specific to the exchange.
- Trading happens within 0xd1, but a trade within the exchange is recognized as fund floating from one ID number to another, but within the same custodian wallet.
- Importantly, these within centralized exchange transactions are NOT recorded on the blockchain.

# Custodian wallet vs non-custodian wallet

- Essentially the exchange owns the cryptos on your behalf.
- Your account in the exchange is referred to as a custodian wallet.
- It's not 100% safe, exchanges did run-off or had been hacked.
  - E.g. in Australia, ACX.io & MyCryptoWallet.
  - Binance was hacked ~3000 bitcoins in 2019.
- You can set up your own address (say, 0xd2), withdraw the assets from the exchange's address (0xd1) to your own address(0xd2).
  - Fees and restrictions apply.
- Your private address is called a non-custodian wallet.

# Custodian wallet vs non-custodian wallet

- You can either create your own non-custodian wallet or if you are lazy, get one from a third-party device provider.



# Centralized exchange/broker-dealer

- Each exchange is independent.
  - For the same asset (BTC) the quotes in each exchange, sometimes the difference can be as large as 80-100 basis points (mid bid-ask).
- Popular exchanges in Australia: Coinbase, Binance, CoinJar.
- Here we use Binance as an example since it offers many financial products.

## 2. Trading and Investment

# Trading and investment

- Spot
- Margin
- Derivatives
- Other financial products

# 1. Spot trading

- Fiat/Crypto pairs
  - BTC/AUD.
- Crypto/Crypto pairs
  - ETH/BTC

Pair	Price	Change
★ AAVE/BNB	0.0002024	+0.46%
★ ADA/BNB	0.0002024	-2.40%
★ ALGO/BNB	0.002300	-9.73%
★ ALPHA/BNB	0.0029000	-6.43%
★ ANKR/BNB	0.0002462	-6.03%
★ ANT/BNB	0.01577	-5.34%
★ ARPA/BNB	0.0001709	-2.18%
★ ATOM/BNB	0.04333	-3.06%
★ AVA/BNB	0.00776	-3.24%
★ AVAX/BNB	0.05864	-3.07%
★ AXS/BNB	0.012673	-8.37%
★ BAKE/BNB	0.010007	-4.70%

# Stable coin: USDT/USDC/BUSD, etc...

- Collateralized cryptos:
  - Backed by fiat (USD) and/or cryptos (e.g. BTC).

#	Name	Marketcap	Price	24h Volume	Blockchain
1	 <b>Tether</b> #6 USDT	\$55.27B	\$1.00013	\$176,834,163,623	Omni
2	 <b>USD Coin</b> #15 USDC	\$14.38B	\$0.99989	\$2,208,313,406	Ethereum
3	 <b>Binance USD</b> #25 BUSD	\$7.8B	\$1.00008	\$8,285,768,019	Ethereum
4	 <b>Dai</b> #41 DAI	\$4.54B	\$1.00031	\$390,162,062	Ethereum
5	 <b>TerraUSD</b> #70	\$2.04B	\$1.00045	\$29.598.194	Ethereum

# Stable coin: USDT as an example

- Designed to peg to USD fiat @1:1.
- Concerns when they were not 100% backed by USD.
- USDT (Tether):
  - ~USD\$57B issued by Tether.
  - The company claimed to have 100% collaterals.
  - <https://wallet.tether.to/transparency>
- USDC (Coin):
  - ~USD\$9B issued by Circle.
  - ~USD\$14B in circulation.
  - Audited by Grant Thornton.

## INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors and Management  
Circle Internet Financial, Inc.

We have examined management of Circle Internet Financial, Inc.'s assertion that the following information (hereafter, the "Reserve Account Information") in the accompanying Reserve Account Report as of February 28, 2021 at 11:59 PM Pacific Time ("PT") ("Report Date and Time") is correctly stated, based on the criteria set forth in the Reserve Account Report.

- USD Coin ("USDC") tokens issued and outstanding less tokens allowed but not issued (85,821,349) and less blacklisted tokens = 9,343,208,228 USDC
- US Dollars held in custody accounts = \$9,382,986,657
- As of the Report Date and Time, the issued and outstanding USDC tokens do not exceed the balance of the US Dollars held in custody accounts

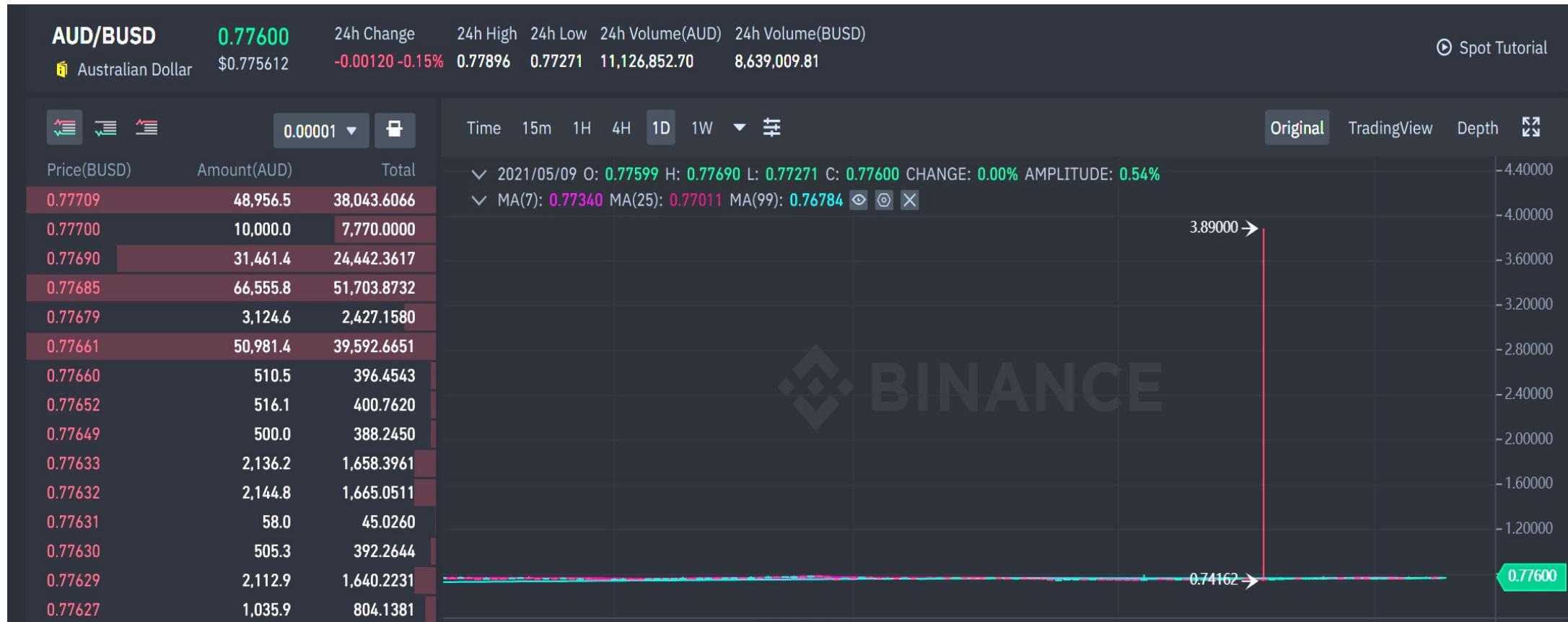
# Stable coin: USDT/USDC/BUSD, etc...

- BUSD: Binance USD
  - BUSD is 100% backed by U.S. dollars held in FDIC-insured U.S. banks.
  - Insane mis-pricing among these “stable coins”.



# Stable coin: USDT/USDC/BUSD, etc...

- Insane mis-pricing.



# Exchange issued coin

- BNB
  - Issued by the exchange itself
- Often the exchange encourages you to use exchange issued coins for discounted transaction cost (e.g. Use BNB to get a 25% discount)
- Transaction cost is tiered but the top players (by volume and asset holdings) are required to own a specific portion of exchange issued coins to maintain its “VIP” level.
- Higher VIP levels grant you lower transaction cost %.
- Binance pays its employees with BNB.



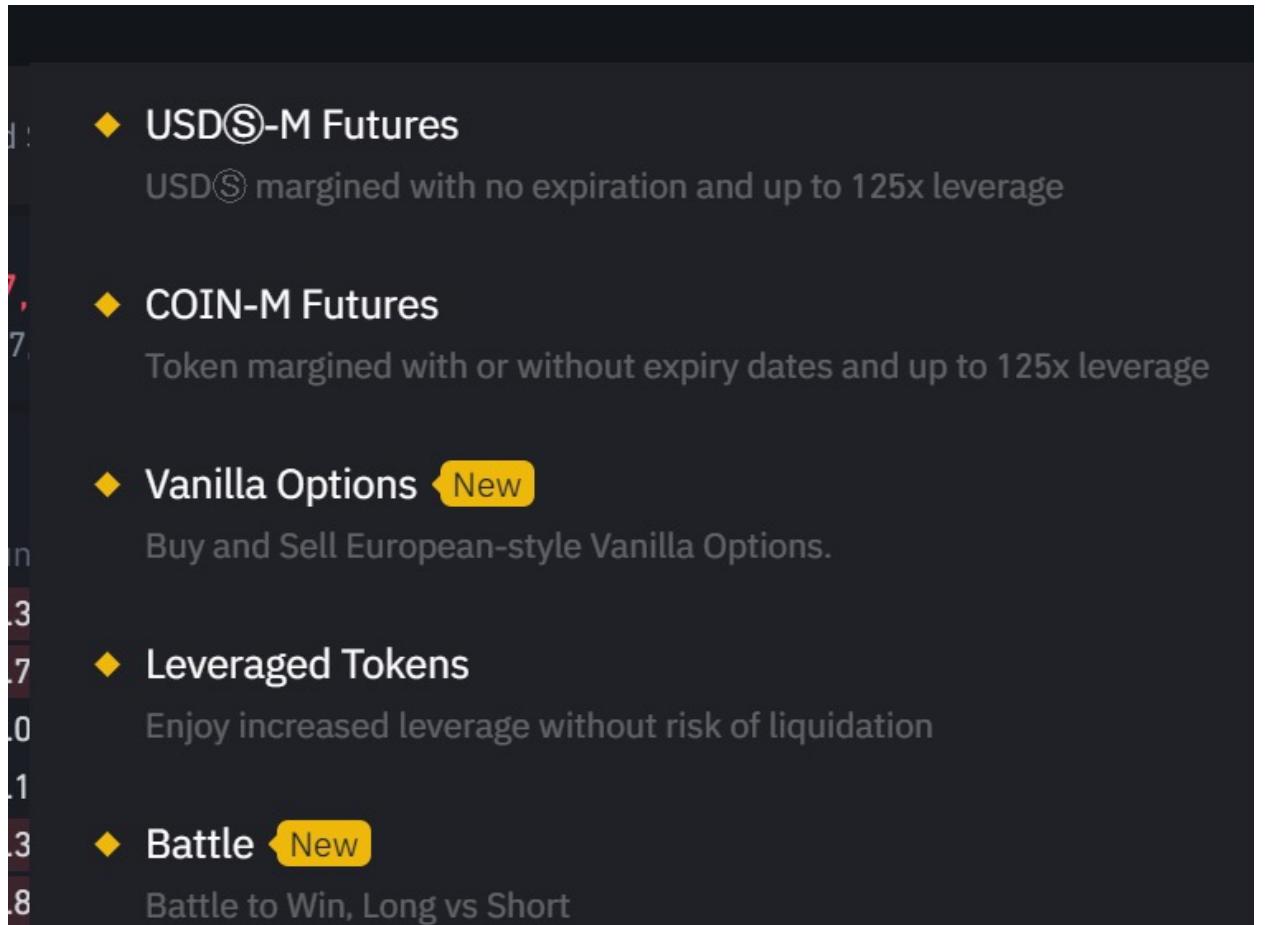
## 2. Margins

- Say \$2000 as your margin.
- Isolated margin up to 10X (10:1)
  - Specify that only \$100 is used for a margin trade.
  - Upon liquidation max loss = \$100 for that position.
- Cross margin up to 10X (10:1)
  - The entire \$2000 is shared as the margin for all open positions.
  - That means if one position is facing liquidation, all other open positions may be subject to liquidation as well.

Margin BNB BTC ALTS▼ FIAT▼ Zones▼			
All	Cross	Isolated	
Pair	Price	Change	
★ 1INCH/BTC 5x	0.00012320	+3.22%	
★ 1INCH/USDT 5x	7.1416	+1.68%	
★ AAVE/BTC 5x	0.007940	+4.24%	
★ AAVE/BUSD 5x	460.28	+2.61%	
★ AAVE/USDT 5x	459.71	+2.54%	
★ ADA/BTC 10x	0.00002960	+7.40%	
★ ADA/BUSD 10x	1.7147	+5.58%	
★ ADA/ETH 5x	0.00043919	-4.03%	
★ ADA/EUR 5x	1.4135	+5.56%	
★ ADA/USDT 10x	1.7137	+5.66%	
★ AERGO/BTC 3x	0.00000489	-3.55%	

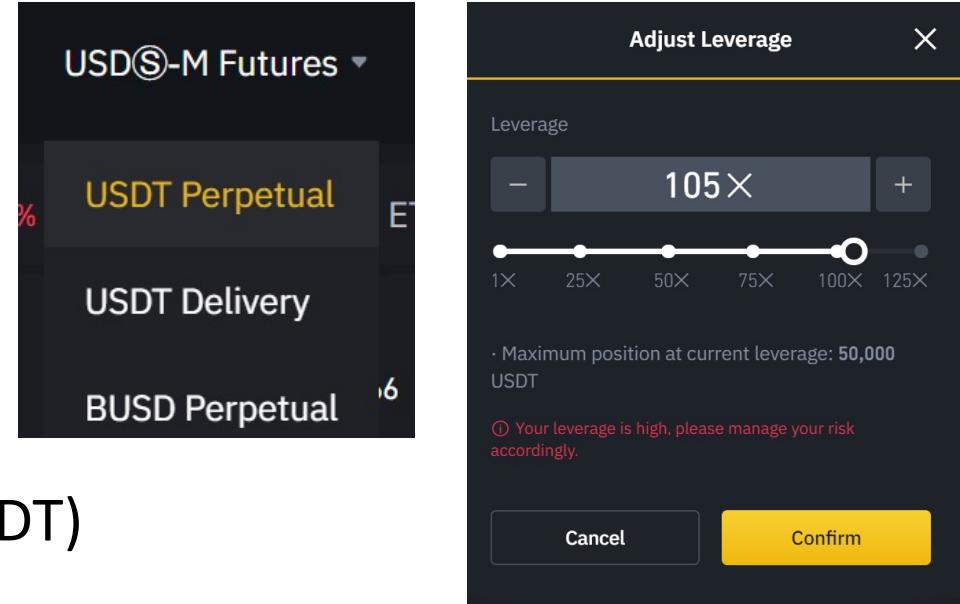
# 3. Derivatives

- Futures (popular)
- Options
- Leveraged tokens
- Battle



# Futures

- USDT or BUSD Perpetual
  - Futures with no expiration date.
  - Effectively a margined spot market.
  - But up to 125X (125:1) leverage.
  - 1 contract = 100USD
- USDT delivery
  - Only two pairs, BTC and ETH (against USDT)
  - Quarterly delivery.
  - Up to 25X leverage.
- Coin-M (coin as a collateral) vs. USD-M (USDT as a collateral).
  - <https://www.binance.com/en/blog/421499824684901012/The-Pros-and-Cons-of-COIN--USDTmargined-contracts-How-do-they-impact-your-returns>

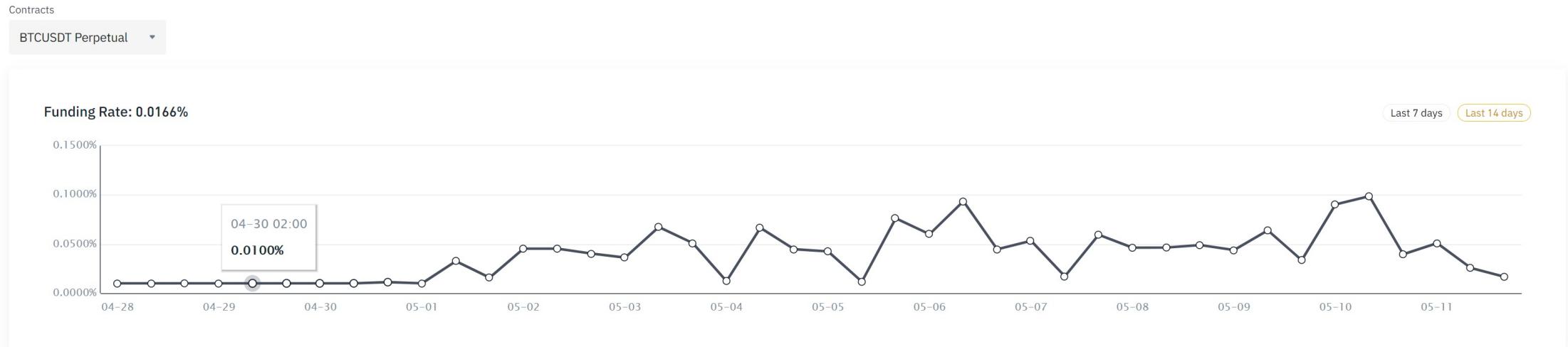


# Futures perpetual

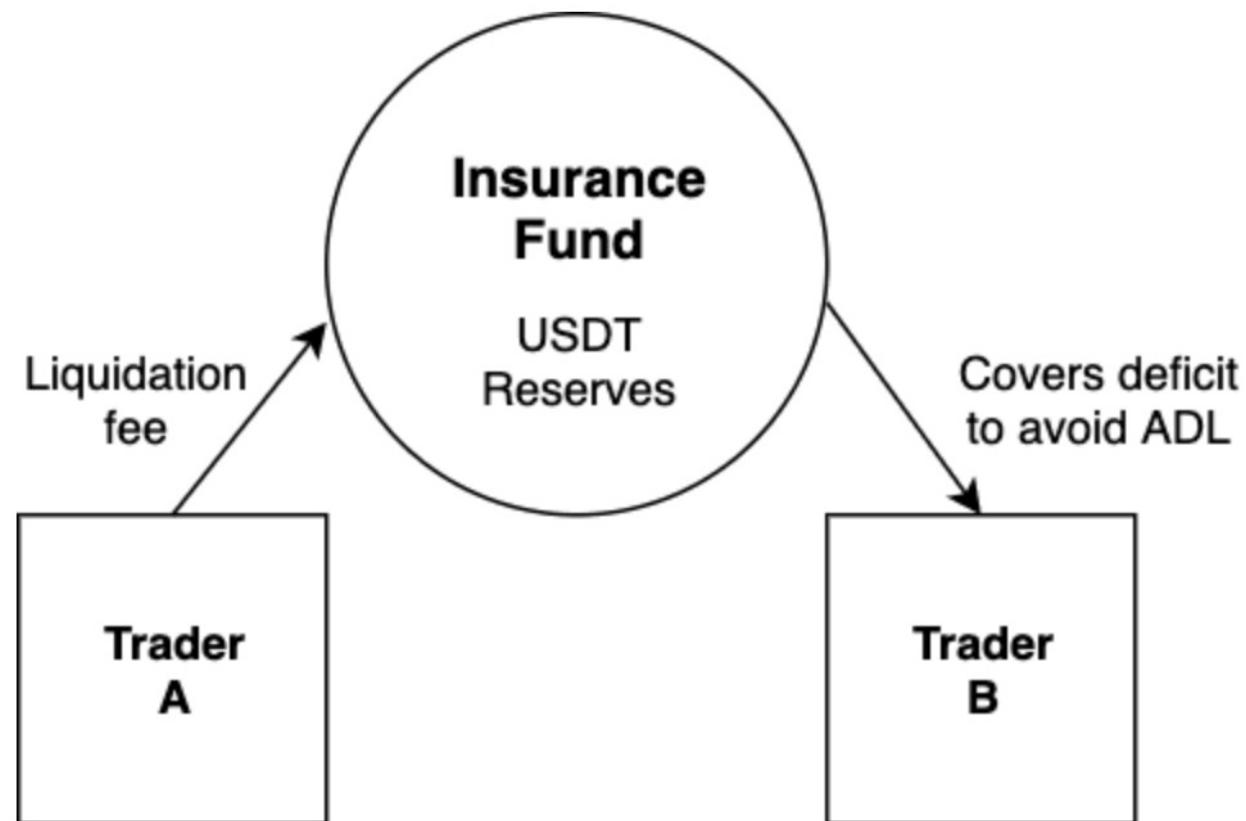
- Funding rate:
  - Because there is no pre-set cash delivery date, long/short side is subject to a regular payment to the counter party.
- Happens every 8 hours.

BTCUSDT Perpetual	Isola...	50x	37,723.42	Mark 37,723.43	Index 37,690.05	Funding / Countdown 0.0887% 05:10:16	24h Change 1,741.81 +4.84%
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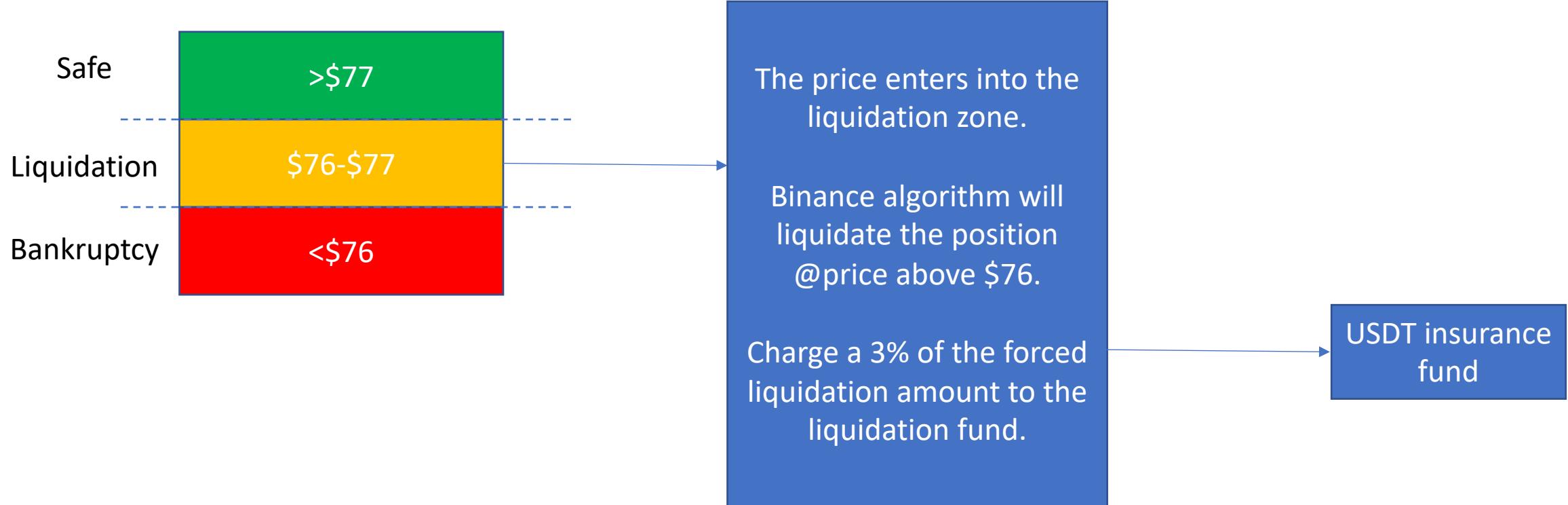
# Futures perpetual funding rate



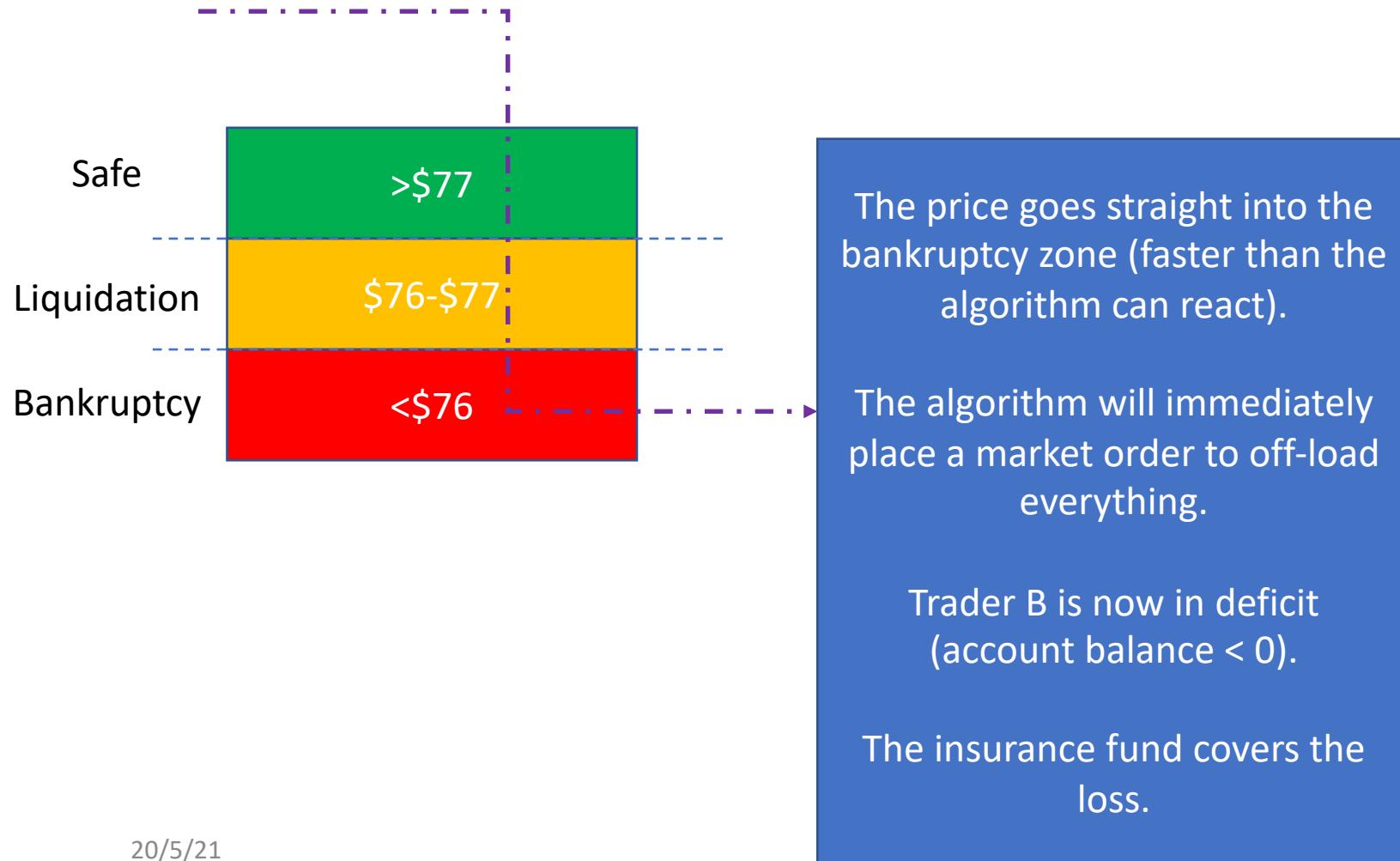
# Counter party liquidation and Auto De-leverage



Trader A opens long @ \$80, liquidation @ \$77, bankruptcy @ \$76



Trader B opens long @ \$80, liquidation @ \$77, bankruptcy @ \$76

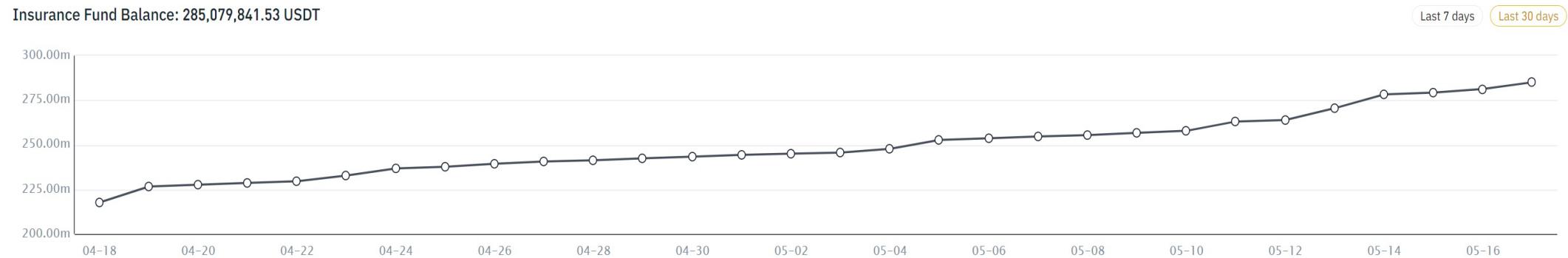


# Counter party liquidation risk

- When even the fund cannot cover the loss, the counter party (profit side) will be forced to close their positions.
  - Yes, even if you anticipate more profits and do not want to close it.
- Priorities are ranked by leverage ratio and unrealized profits.
- <https://www.bitmex.com/app/autoDeleveraging>

# Insurance fund

- A lot of liquidations...



<https://www.binance.com/en/futures/funding-history/>

# Options

- European style
- Cash settlement
- Spot price  $\Leftrightarrow$  USDT-margined perpetual futures contract.
- On the index price:
  - “The index price is an average of the prices on the major markets constitutes the “Price Index” which is the primary component of Mark Price”.
  - This is because the price of the same asset in different exchange is different.
- <https://www.binance.com/en/support/faq/374321c9317c473480243365298b8706>

# Leveraged tokens

- A new token that tracks a leveraged position of an asset (say 2X).
- The issuer of the token will maintain a leveraged (2X) positions in the spot market.
- One can buy the token instead of taking a leveraged position.
- In-house algorithm to dynamically adjust the leveraged position (1.938X) due to volatility drag.

 ETHDOWN <span>-2.142x</span> Short ETH with Up to 4x Leverage	\$0.000584	-2.142X	\$0.000584	-16.09%	<a href="#">Trade</a>	<a href="#">Subscribe</a>	<a href="#">Redeem</a>
 ETHUP <span>+1.938x</span> Long ETH with Up to 4x Leverage	\$418.347	+1.938X	\$420.374	+15.42%	<a href="#">Trade</a>	<a href="#">Subscribe</a>	<a href="#">Redeem</a>
 BTCDOWN <span>-2.478x</span> Short BTC with Up to 4x Leverage	\$0.04278	-2.478X	\$0.04262	+6.82%	<a href="#">Trade</a>	<a href="#">Subscribe</a>	<a href="#">Redeem</a>
 BTCUP <span>+1.897x</span> Long BTC with Up to 4x Leverage	\$146.872	+1.897X	\$147.465	-4.81%	<a href="#">Trade</a>	<a href="#">Subscribe</a>	<a href="#">Redeem</a>

# Stock tokens

- Same idea.
- Tokens that track company shares.
- Redeemable?
  - “You may also be able to trade them for other crypto assets. Stock tokens are redeemable from the issuer CM-Equity AG. Special fee for redemption may apply. Please note that any redemption is generally settled in stablecoin.”

Stock Tokens

◆ Trade equity shares through crypto coins ◆

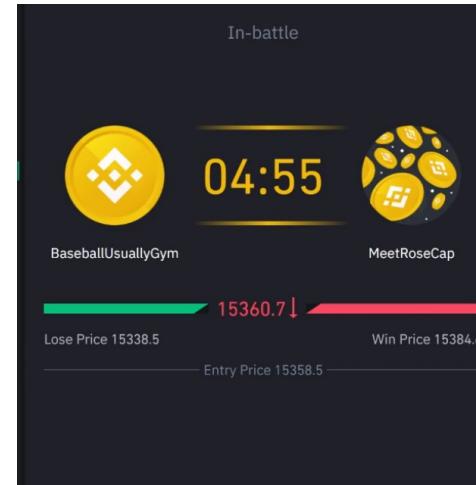
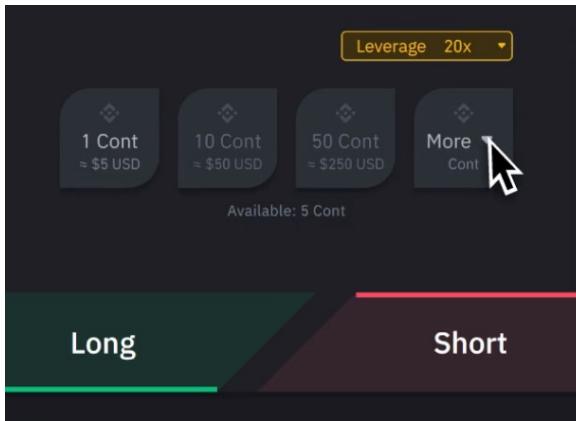
BINANCE CM-EQUITY  
A CM - EQUITY PRODUCT

Service Agreement

ALL	BUSD	Name	Last Price	Volume (BUSD)	Change	Trade
C	COIN/BUSD	Coinbase Global, Inc.	\$263.47	597,357.88	+0.83%	Trade
MSFT	MSFT/BUSD	Microsoft Corporation	\$252.45	38,893.34	+0.13%	Trade
MSTR	MSTR/BUSD	MicroStrategy Incorporated.	\$619.87	21,458.59	+1.41%	Trade
TSLA	TSLA/BUSD	Tesla Inc.	\$672.20	401,915.39	+0.91%	Trade
AAPL	AAPL/BUSD	Apple Inc.	\$130.20	61,659.45	-0.54%	Trade

# Futures battle

- Battle : whether BTC is up (long) or down (short) for the next 5 mins
- Algorithms to match an opponent.
- Leverage up to 125X.
- You cannot have open positions in futures (i.e. you cannot hedge your own positions)
- <https://www.binance.com/en/support/faq/d514c39d76394792b2b99c241d53f8b9>



# Other financial products

- ◆ **Binance Earn**  
One-stop Investment Solution
- ◆ **Binance Pool**  
Mine more rewards by connecting to the pool
- ◆ **Binance Visa Card** New  
Convert and pay with crypto worldwide
- ◆ **Crypto Loans**  
Get an instant loan secured by crypto assets
- ◆ **Liquid Swap** New  
Become a liquidity provider & earn double

# Binance earn

- Effectively a bank account
- Flexible savings  $\Leftrightarrow$  netbank saver (USDT: 5.8% p.a.)
- Locked savings  $\Leftrightarrow$  term deposit (USDT: 90-days @ 7% p.a.)
- Staking: related to the concept of proof of stake but we can treat it as a locked savings.
  - You loan the exchange ETH for a specific period of time, the exchange will give you returns (can be as high as 20% p.a.)

# Binance earn

- There's more....
- Liquidity swap (note this is different from the central bank liquidity swap)

Liquid Swap 

✓ Popular ✓ Single action

Earn high yields from transaction fees, flexible interest and liquidity rewards by providing liquidity.

[View More >](#)

 AUD/BUSD

**11.71 %**

Total Yield

 BNB Rewards

[Add Liquidity](#)

More Liquid Swap Products

 CTSI/BNB	<b>199.56%</b>	Est. APY
 CHR/BNB	<b>29.98%</b>	Est. APY
 INJ/BNB	<b>29.74%</b>	Est. APY

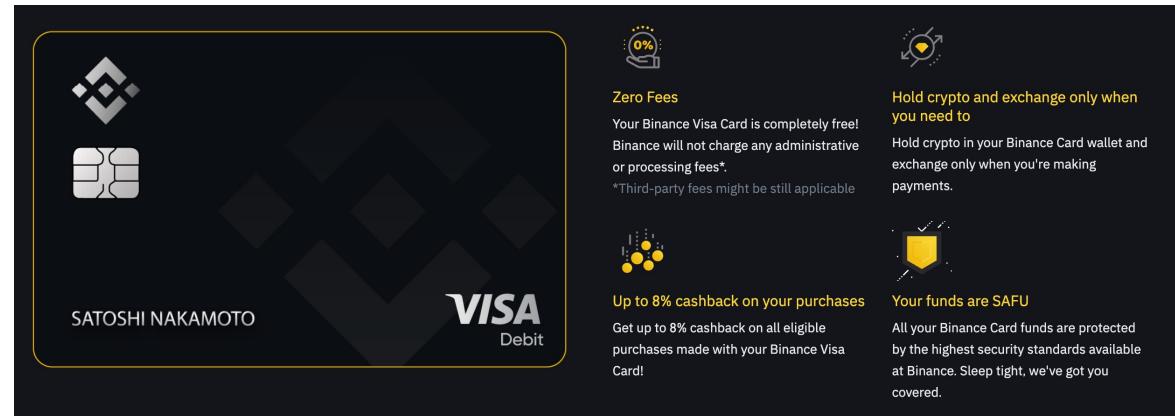
[View More](#)

# Liquidity swap

- The concept of decentralized exchange (DEX), like Uniswap.
- Anyone (including retail traders) can participate into a pool of a pair of assets, say AUD and BUSD.
- Assume  $1 \text{ AUD} = 0.7 \text{ BUSD}$ . If you contribute 1 AUD and 0.7BUSD, you will be granted 1 share (like a mutual fund).
- There is an algorithm (automated market maker) that buys/sells AUD or BUSD to maintain the % of each asset in the pool such that the ratio AUD/BUSD matches the exchange rate in the market.
- Who are the users?
  - Those who want to trade a relatively large amount but want a more stable price.

# Others

- Visa card: not yet available in Australia.
- Binance pool: this is for miners.
- Crypto loans: where users can borrow cryptos.
- Exchange functions available to other partner brokers.
  - <https://www.binance.com/en/broker>



### 3. Initial Offering

# Initial Offering (crypto listing)

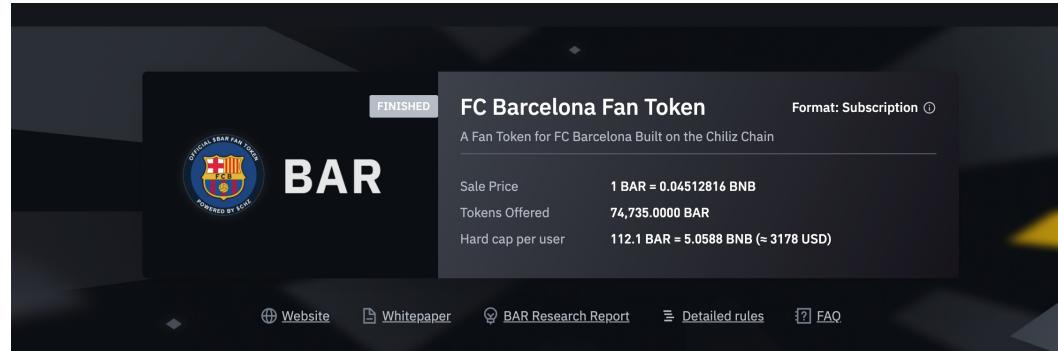
- ICO:
  - You may ICO on a decentralized platform like Uniswap, providing that you or the community contribute enough liquidity.
  - Then if it draws enough attention, major exchange will add the coin into the trading pair lists.
- IEO:
  - Or you can use the major exchange as the platform to ICO (called Initial Exchange Offering).
  - E.g. Binance Launchpad.

# ICO example

- Shiba Token (SHIB)
  - Launched on Uniswap on Aug. 2020.
- Drew attention (thanks to Elon) recently.
- May 8<sup>th</sup>, 2021, trading available on OKEX.
- May 10<sup>th</sup> , 2021, trading available on Binance.



# Initial Exchange Offering



## Subscription Timeline

- 01 BNB Holding Calculation Period 2021-04-14 10:00
- 02 Subscription Period 2021-04-21 15:00
- 03 Calculation Period 2021-04-21 18:00
- 04 Final Token Distribution 2021-04-21 19:00  
The allocation calculation is complete. We will deduct the corresponding BNB from your account based on your final BAR allocation, which will be transferred to your **spot account** along with your remaining BNB.



# Initial Exchange Offering

## BAR Discount Sale and Economics

Hard Cap	2,000,000 USD
Total Token Supply	40,000,000 BAR
Current Circulating Supply	7.4% of Total Token Supply
Discount Sale Price	1 BAR = 0.04512816 BNB (26.761 USD, using a BNB price of 593 USD)
Tokens Offered	74,735 BAR
Hard Cap Per User	3,000 USD (the corresponding BNB amount will be determined on the day of the sale)
Discount Sale Vesting Period	No lockup
Token Type	Chiliz Chain Token
Token Distribution	To be completed prior to the start of trading

# Project pitching

- [https://docs.google.com/forms/d/e/1FAIpQLSez\\_ZCgbZBVJrzjAKnw6f-RLPsDCv7iyyJ36C0lrGnYJ8Stvw/viewform](https://docs.google.com/forms/d/e/1FAIpQLSez_ZCgbZBVJrzjAKnw6f-RLPsDCv7iyyJ36C0lrGnYJ8Stvw/viewform)
- Anyone can pitch a blockchain project and ICO/IEO associated coins on the platform.
- “Binance Launchpad and Launchpool are platforms that help and advise project teams on how to best issue and launch their token. **We provide a full service offering starting from advisory services from before the token is even issued, to post-listing and marketing support.** Our goal is to allow project teams to focus on their project development and continue building products, while we handle the marketing, exposure and initial user base. We look for strong teams with a unique and innovative vision in the crypto space. If you think you are one of these projects, apply below!”

# Big enough?

- Binance 24h dollar volume May 11, 2021:
  - Spot: USD\$63B
  - Derivatives: USD\$119B, open interest: USD\$15B
- NASDAQ dollar volume May 06, 2021: ~USD\$245B
- <https://coinmarketcap.com/rankings/exchanges/derivatives/>
- <https://coinmarketcap.com/exchanges/binance/>
- <https://www.nasdaqtrader.com/Trader.aspx?id=DailyMarketSummary>

# Binance

- It is a
  - Fully-functioned exchange: trading.
  - Underwriter: initial listing.
  - Neo bank: takes deposits, offers loans and credit cards.
  - Central bank: issues its own coin (BNB).
- It is IP address banned in the United States since late 2020.
  - For US customers, the company had to open a US-based company Binance US, which offers limited functions (e.g. no futures contract) due to SEC and CFTC regulation.
  - Meanwhile in Australia Binance has enabled PayID since Nov. 2020.

# Legality in Australia

- Trading spot bitcoin is legal in Australia.
- “All digital currency exchanges in Australia must be registered with the Australian Transaction Reports and Analysis Centre (AUSTRAC).”
- “Binance Australia is subjected to the anti-money laundering and counter-terrorism financing (AML/CTF) rules as well as being compliant with all Australian laws.”

# Legality in Australia

- Binance Australia de-registered with ASIC on 05/06/2020.
  - <https://publishednotices ASIC.gov.au/browsesearch-notices/notice-details/BINANCE-AUSTRALIA-PTY-LTD-629615069/d4e7e959-bd3c-4b38-ae93-88eabee157b8>
- It is now operated by InvestByBit Pty Ltd (ABN 98 621 652 579)
  - Registered with ASIC
- “Binance Australia only offers spot conversion of fiat to digital currency and vice versa”
  - It turns out that this means no AUD futures contract but as a user you are free to trade all other futures.

# To trade futures you need to complete a quiz

**Futures Quiz**

You have finished **0/13** questions.

1. Which wallet is not supported for trading on Binance Futures?

- USDT-margined wallet
- Coin-margined wallet
- Margin wallet

2. Which of these is not the key difference between USDT-margined futures and coin-margined futures?

- Types of collateral
- Size unit
- Leverage level

3. What can the maximum loss for trading in a futures contract be?

- 100% of collateral
- 30% of collateral
- 2.5% of collateral

4. Which of these is not the key difference between perpetual futures and quarterly futures?

**Submit**

3 answers are incorrect.

- Delivery date
- 5. If a user has open orders or position, which of the following can be done by the user?**
  - Switch to one-way mode or hedge mode
  - Switch to cross margin mode or isolated margin mode
  - Borrow by using cross collateral function
- 6. What is the reference price Binance Futures uses to determine if a position should be liquidated?**
  - average price in the past one hour
  - Last price
  - Mark price
- 7. When will a user receive margin calls? When his/her margin balance is lower than:**

# Full quiz

1. Which wallet is not supported for trading on Binance Futures?

USDT-margined wallet

Coin-margined wallet

Margin wallet

2. Which of these is not the key difference between USDT-margined futures and coin-margined futures?

Types of collateral

Size unit

Leverage level

3. What can the maximum loss for trading in a futures contract be?

100% of collateral

30% of collateral

2.5% of collateral

4. Which of these is not the key difference between perpetual futures and quarterly futures?

Funding fee

Trading method

Delivery date

5. If a user has open orders or position, which of the following can be done by the user?

Switch to one-way mode or hedge mode

Switch to cross margin mode or isolated margin mode

Borrow by using cross collateral function

6. What is the reference price Binance Futures uses to determine if a position should be liquidated?

average price in the past one hour

Last price

Mark price

7. When will a user receive margin calls? When his/her margin balance is lower than:

Weighted margin

Bankruptcy margin

Maintenance margin

8. Can BNB in users' USDT-margined wallets be used as margins to open new positions?

Yes

No, BNB in users' USDT-margined wallets can only be used to pay commissions.

9. Can unrealized PNL be used as margins to open new positions?

Yes

No

10. Which one of the following actions is NOT recommended during drastic price movements?

Use Mark Price as the trigger price for Stop Limit orders

Lower the leverage to avoid being liquidated

Use market order to get in or get out

11. Should you take up a personal loan to trade futures?

Yes, I believe I can profit from it.

No, I should trade within my financial means.

12. As a responsible trader, what should they do if they incur consecutive losses?

Continue trading until they earn back their capital.

Cut their losses and/or reduce their trading positions.

13. As a futures trader, you should fully understand the risks associated with futures trading. And be solely responsible and liable for any losses associated with trading activities on your futures account.

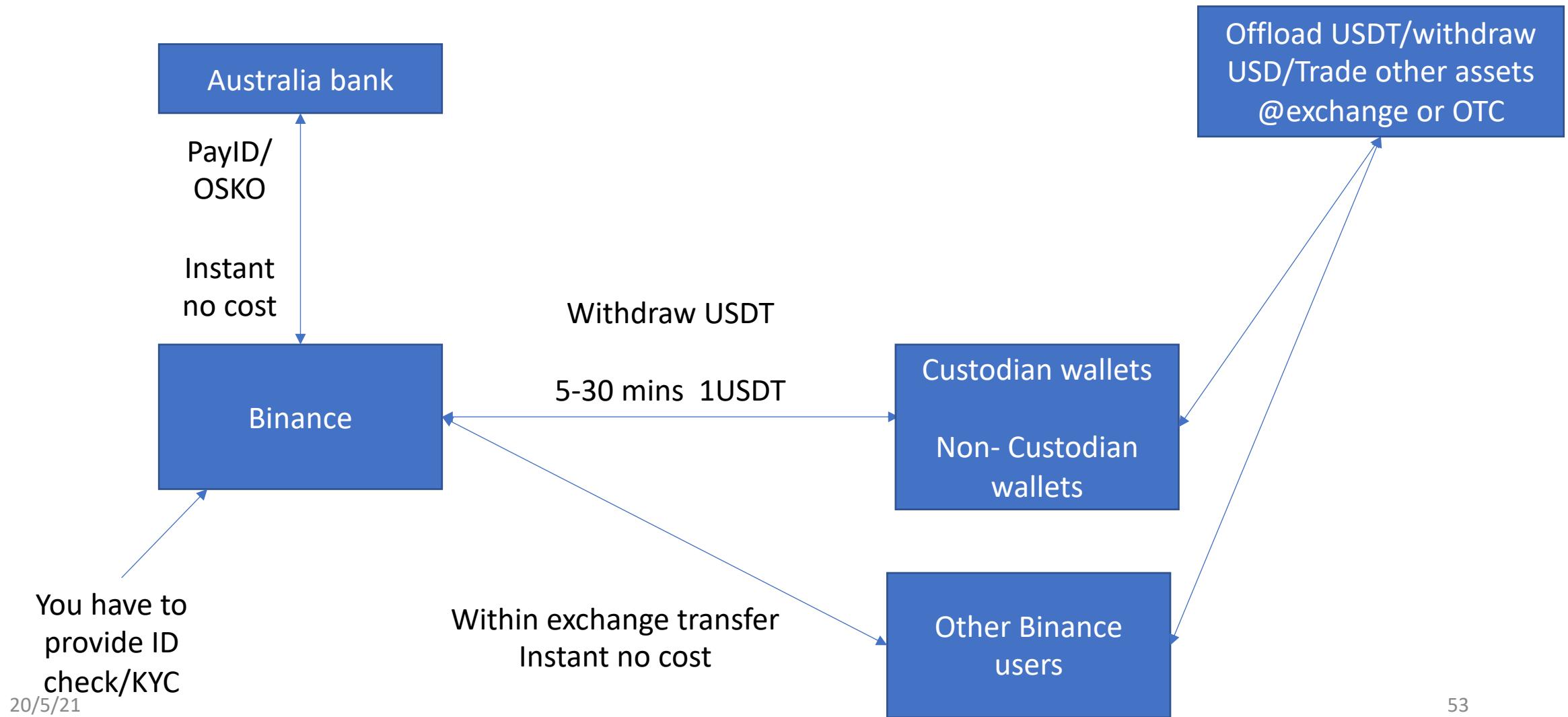
Agree.

Disagree.

# Add some collateral to your futures account and you are good to go

Symbol	Time	Order Type	Side	Price(USD)	Avg Price(USD)	Executed	Amount	Trigger Conditions	Status
BTCUSD Perpetual	2021-05-12 13:39:17	Limit	Buy	57,376.1	0.0	0 cont	1 cont	-	Canceled

# Money flow



# Transaction fee (16/05/2021)

- BTC: ~USD\$14
- ETH: ~USD\$23
  - Including USDT (ERC20)
- USDT (TRC20): USD\$0.1~\$0.15
- The exchange typically charges a higher or equivalent fee.

	Network	Min. withdraw	Deposit	Withdraw fee
USDT	TetherUS	BEP2	10	Free
USDT		BEP20 (BSC)	10	Free
USDT		ERC20	80	Free
USDT		OMNI	56	Free
USDT		TRC20	10	Free

# Data/Trading APIs

- Almost all top exchanges have publicly available APIs that allow you to subscribe live tick-by-tick data, and to place orders.
  - E.g. btcaud@depth5.

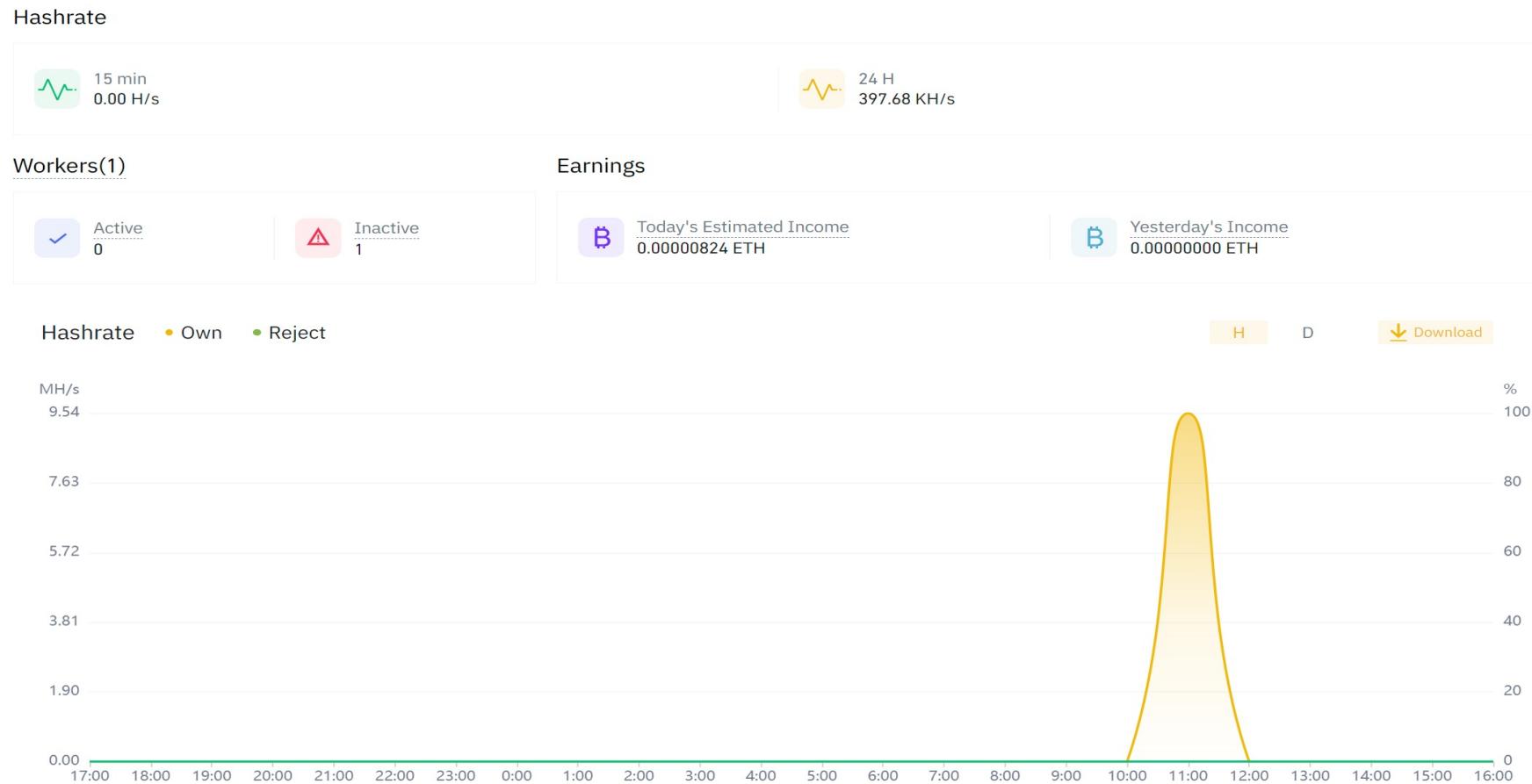
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Binance connection established

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```

# Mining

- It is almost impossible for retailers to mine anything alone.
- Pool mining: you can participate into a pool and earnings are distributed according to your computational power.
- The entity that runs the pool typically charges a fee.
- Binance charge 0.5% on mining earnings (ETH).

# Mining



# Mining profitability (incl. variable cost only)

16/05/2021

- GPU: GTX1080
- 10min 0.00000824 ETH  $\leftrightarrow \sim 24h 0.00118656$  ETH
- <https://minerstat.com/hardware/nvidia-gtx-1080>
- 24h@GTX1080:
  - Revenue: AUD\$6.88
  - Electricity cost: AUD\$0.88 (3.8kwh@0.23 per kwh, AGL rate)
  - Net profit: AUD\$6.
  - Net profit per kwh = AUD\$6 / 3.8kwh = AUD\$1.57 per kwh
- 10 times more than the AGL solar buyback : AUD\$0.1 per kwh.
- Of course the fixed cost needs to be considered.

# If you like it!

- BTC(SegWit): bc1qxvxj5tyrqqjx4kwy4qcx6nxpdrljaechvq47fj
- USDT(TRC20):TMAyURSZqKbFkLf1YhE8SAiBSagsuTeT6R
- DogeCoin: DCZgoh3qDRPgZcSggZyKQGDJDfUcGokjVE