**WHAT TYPE OF COINS EXIST?**

Today's topic is one of my favorites. The most of investors, do not stop to think, in the type of currencies that exist in the world of cryptocurrency.

We do not speak alone, about the name, what they do, what the project is, or the team.

We are talking about a much broader classification of cryptocurrencies.

Which includes, each currency, and we can see directly, both the competition of them and the market capitalization, which has its niche.

Currently there are more than 1000 different cryptocurrencies on the market.

The most important ones are listed in order on the website, coinmarketcap.

For 2 months, the capitalization of the cryptocurrency has not stopped rising, and has had a growth of more than 200 billion dollars in just two months.

Each time, more cryptocurrencies appear on the market, with more things to offer, with better collaborating companies, leading in the centralized world, and with greater possibilities of growth, of this world that only begins.

Here is an easier way for you to break them down, define which coins you like based on their use cases, and ultimately help you navigate through the crypto space to invest, use, and trade the coins you like.

The different category of coins and their use cases such as store of value, payment coins, utility coins, privacy coins, charity focused coins, and decentralized application or platform coins.

What Is CoinMarketCap.Com?

It's the number 1 go-to site for real-time market capitalization of coins. What that means is, coinmarketcap will display the current amount of that particular cryptocurrency that is in circulation and also display the real-time market price of that crypto. If you take the coins in circulation and multiply that by the current market price, you get the market capitalization.

Essentially it lets you know the value of lets says, all the Bitcoins in the world at this given moment. Market caps change depending on the current price of the coin and also coins in circulation.

Coinmarketcap also lists over 1,300 of the highest traded cryptocurrencies.

Next we are going to see the different types of currency most relevant that currently exist in the world of cryptocurrency.

**STORE OF VALUE COINS**

Let's get started with our most popular coin, Bitcoin. Bitcoin is classified as a store of value coin. The top 3 reasons why Bitcoin is currently the largest coin by market cap is because of the finite supply, deflationary model, and it's secure network infrastructure.

Bitcoin will only ever have 21 million coins minted into existence. No more, no less. The finite supply creates a strong demand as there are over 7 billion people on the planet alone, and there will not be enough bitcoins for everyone to hold even half a bitcoin.

Bitcoin is also deflationary. The more people that learn and adopt Bitcoin, the stronger the network gets, the less Bitcoin that will be in supply for people to own and hold which drives the price up. The design does this with only 21 million of finite supply.

Lastly, the security of Bitcoin. As I've discussed in previous videos, Bitcoin network infrastructure of hundreds of thousands of miners across the world that are mining for new Bitcoins, processing transactions, are also simultaneously securing the network.

In order to even consider attacking the Bitcoin network, you'd need higher than 50% control of the network infrastructure or power of thousands of the miners all across the world. Good luck with that.

**PRIVACY COINS**

Next up, we have privacy coins. Monero is one of the more popular privacy coins and is in the top 10 of the crypto coins by market cap. Unlike bitcoin which provides publicly viewable addresses, Monero addresses and private addresses are stealth and unlinkable.

When you send a transaction through the Bitcoin network, not only is the address viewable, but the operation is visible. This is not the case with Monero as all the transaction amounts are confidential.

When you add all this up, privacy coins are meant to be untraceable back to the sender and recipient.

**PAYMENT COINS**

Now we move onto payment coins. These coins are designed to handle high volume so that people can use them in everyday use cases.

A common example is buying a cup of coffee. It's a bit hard to do that with Bitcoin right now because the network is very congested due to the high demand and transaction volume, but coins like Litecoin and Dash are designed better for payment use cases.

They have faster transaction processing as well lower fees. The lower fees will be positive for businesses to adapt as there are paying 1-3% of their revenue to Visa/Master Card alone while using crypto payment coins it would be a tiny fraction of that amount.

Currently, the Litecoin Network can handle 8x the transaction volume of the Bitcoin network.

**DECENTRALIZED APPLICATIONS (DAPPS)**

Dapps or platform coins such as Ethereum, Neo, Quantum, Stratis and much more are platforms that provide businesses that don't want to spend the countless hours or millions of dollars to develop a secure public blockchain. These platforms offer a DIY model to build your blockchain.

Their platforms are decentralized and allow these businesses to tie in smart contracts onto their blockchain that helps lower costs and increase efficiency drastically.

Smart contracts are contracts written in code that have an "If then happens, then that will happen" type of model all done automatically to reduce friction and human error.

Lastly, many of these platforms such as Ethereum have separate programming languages and or developer tools and kits so that companies can hire developers and build on top of the Ethereum platform by natural follower step by step tutorials.

**UTILITY COINS OR DAPPS (BUILT ON DAPP PLATFORMS)**

Finally, the last type of coin I'll be discussing is utility coins. There are many specialty coins out there as well such as the pink coin for charity, golem network token for CPU lending and selling, SiaCoin for cheap computer storage buying and selling but simplicity's sake.

Utility Coins will be the last one I discuss as I think you get the picture from here.

Utility Coins are coins from companies that have built their businesses on Platforms such as Ethereum or Neo.

They see a significant advantage in utilizing blockchain technology and smart contracts as it not only increases transparency in industries that were lacking clarity but also increases cost efficiencies through smart contracts by automating redundant tasks and more.

Some utility coins or dapps are Populous, an invoice factoring company built on ethereum.

AdEx a digital advertising exchange that allows you to buy and sell excess digital ad inventory built on Ethereum and Neo. Veritaseum a peer to peer universal exchange built on ethereum, 0X, and Salt Lending.

These are the most relevant categories, now you can have a more excellent field of vision regarding cryptocurrencies and their classification and order and investigate, not only the different types of them but look deeply, their possible return on investment depending on their niche and competition.