Title: Portfolio Building. For newbies.
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Created 2021-05-10 14:55:12 UTC
Permalink: /r/ratioatblessons/comments/n96smz/portfolio_building_for_newbies/
Url: https://www.reddit.com/r/ratioatblessons/comments/n96smz/portfolio_building_for_newbies/
Is_self: True

Body:
Hello, wanted to take a quick second to share i've learned to other new comers.

Veterans, you can skip this post. Or post corrections.This is not financial advice.

This is gonna focus on explaining how i view coins and how it helped me make a diverse portfolio.

\-First, before spending a single dollar on crypto, learn what a blockchain is. Seriously, This is the video, that made it click for me.
https://www.youtube.com/watch?v=bBC-nXj3Ng4 (But how does bitcoin actually work? - 3Blue1Brown)
\-So I'm sure you've heard of Bitcoin(BTC) and Ethereum(ETH). Great, however you might think all crypto's are the same, or dont understand their purpose. Just digital currency, maybe you've heard its a ponzi scheme or whatever. However this isnt the case.
\-Starting with BTC and its blockchain, at first was designed to be digital currency and that be transferred to someone without a middle man, in a secure way. However its become more like virtual gold. A store of value, most people call it now. Its considered virtual gold, because there is a limited supply and that will never change. Currently Approx 18Mil Coins. Once the Mining is finished in the year (approx) 21XXs there will be 21Million. and that's it. No More.
\-This differs from ETH, on its blockchain it allows smart contracts. Which basically just means, it can be considered a backbone for a whole bunch of other projects on its blockchain. So while BTC is digital gold, ETH is a blockchain to basically allow other products or services to be build on it.-Other notable "Backbone" blockchains are Cardano(ADA)(Coming Soon), Polkadot (DOT), Binance Smart Chain(BNB) They can all be considered "backbones". How they do this exactly differs, which I will not get into.

Terminology Catch up - an "ALT" is any other coin that isnt BTC. I'm using the term "Backbone" just to separate their role in cryptocurrency space. But they are also considered ALTS outside of this post.

*****Side NOTE****

Just want to take a second to analyze a quote from ETH creator Vitalik Buterin.

" Whereas most technologies tend to automate workers on the periphery doing menial tasks, blockchains automate away the center. Instead of putting the taxi driver out of a job, blockchain puts Uber out of a job and lets the taxi drivers work with the customer directly. "

Blockchain cuts of the middle man, it really is a revolutionary technology. Also its completely transparent, you can view every transaction and every wallet, hidden behind blocks of encryption to prevent identify. Consider the possibility how this could revolutionize the stock exchanges, and block chain could prevent dark pools,(If a blockchain stock is moved off exchange, you'd know because you would of seen it on the block chain data) ,Naked shorts and best of all eliminate the need for the DTCC. No more T+1. No more Holding time. No more reporting time. All of it instantly available as it happens 24/7. The blockchain stock either existed and sold/bought immediate or it didn't happen. Cut out all the bullshit.

*****Side Note Ends****

Then comes the Alt-Coins. These basically are the services. These can be Swaps, Money Lending, Analytics, cross-chain connection projects, etc. Which will most likely connect to one of the main "Backbones" . When researching a coin its always important to know which backbone(s) it connects to. Examples of services are things like Uniswap (UNI), THETA, AAVE. + 100's of others. These are the actual products that Blockchain tech provides.

But if we are looking at services across different back ones. Let take Exchanges swaps.

1INCH runs on ETH and BNB.

SUSHI Runs on ETH.

Pancake runs on BNB

Uniswap runs on ETH

Its important to know this, so you know where you are placing your investment, and on which backbone.

Now, all crypto is risky. With huge swings, and we are currently in a rising bull market, which will most likely end before the end of 2021. But there is a way to hedge your bets and play the safest when building your portfolio for the long term. And its understanding the 3 different groups. Digital Gold, Backbone, and Products/Services.They are be categorized into 3 different risk levels,

1.Digital Gold is the safest. BTC, its basically the tried and true. Trust me. Despite its volatility, Its volatility is actually decreasing over time, every bull market of BTC, becomes more and more stable.

2.Backbone is more risky, but these have a higher chance of being around for the long term. ETH, DOT, ADA, BNB

3.The Products/Services are the riskiest. Crypto is still very young. and nobody knows which service/products will be around for a long term. Imagine Weed becoming legal in your area, and 100 different pot stores open up. Given time and the intense competition, most will fail. And in 10 years. You might only have 3 different stores. This is where we are at. We have 100 new stores. and no body knows which one will be around for the long term. Take 1INCH, SUSHI, Pankcase, Uniswap and also DODO for example, all are swap exchanges (and other things) but will they all survive? No Idea. Look into which of the big players are invested into what.

So its important to have a diverse portfolio, but having all of them be Products/Services, is super risky. I would avoid this at all costs.A strong base for your portfolio would be best, starting with the tried and true BTC. Perhaps around 30%. Your Digital GOLDThen I would hedge bets across all of the main players in the "backbone" space. Perhaps a nice even spread. Across ADA, DOT, ETH, BNB. Probably around 30% for the backbones. You never know which one will win, or if they can all survive.Then the rest into products and services. But this is the trickiest part, Did you invest into ALTs that all run on BNB? Did you invest into All Swap Exchanges? I personally recommend spreading these nice and even, and across different backbones.Truth is nobody knows whos gonna be on top in 10 years. There is a lot of nitty and gritty going on between the different backbones. Some hate, Some love. But chances are you wanna make money, which means a solid, diverse portfolio. Also keep up with the news with the big "backbone" players, you never know what can happen, and if its time to pull out of one.

One last thing i wanted to cover, and the Most common misconception is Market Cap. This fools alot of people into making silly Choices.

Market Cap = # of Coins x Value of 1 coin.So For BTC (easy numbers at the time of writing)

1,080,000,000 = 60000* 18,000,000 .BTC Market Cap = 1 Trillon Dollars.

So Lets take a look at DOGE coin.

65,000,000,000=.50c X 130,000,000,000 .Market Cap = 65Billion

Why is this important, because it tells you the overall money invested into a COIN. So if for some reason you think "OMG DOGE is gonna hit 15 dollars this year and im gonna be rich!!!" Well the math says otherwise. (Not impossible just, very highly unlikely.) So if you think DOGE is gonna hit 15$ Lets take a look at that market CAP.

1,950,000,000 = 15 x 130,000,000,000. 1.9 (2) Trillion Dollars.

For Reference the 2nd highest market cap coin is ETH at approx 500,000,000,000 (500 Billion or 1/2 of BTC)

Do you really think its feasible that DOGE coin will DOUBLE the market cap of BTC? Its not impossible, just unlikely. Im not saying it wont happen. But the other coins will also have to move up in such a way to support doge being valued at 15$. With this same Math of assuming DOGE hits 15Dollars. This would put BTC around 1.8Million dollar a coin. Highly unlikely, this bull market.

The point of understanding market cap. Is to understand "room to grow" some coins can be valued at 15$ already, but have a low market cap. (200,000,000) This could easily hit 80-100$. Because of its value and the amount of coins in circulation.

Which brings in Tokennomics (How coins are distributed and rate of inflation or deflation)

Its also good to know how many coins are in circulation, how many coins are made in a year. or the opposite, how many coins are "Burned" in a year. Or is the number of coins static. This is important to know when investing. Inflation VS Deflation.

Take DOGE coin and pretend its sitting at 1$. Its Inflationary. Lets says 100,000 Coins are made a day. That means in order to maintain a 1$ value. 100,000 will need to be bought a day. (100,000 more bought than sold that is). If people are NOT buying the natural inflation of the coin will devalue the price. Just consider that.

Some Coins are deflationary(Usually to a lower limit, Example BNB)). Some blockchain are setup to burn coins. "BURNED" meaning they stop existing, typically the coins that are spend to pay for a transaction, the "tax" on a transaction gets burned. (So no your holding coins don't just magically disappear) But what this means if the amount of coins in circulation go down over time instead of up. Naturally increasing the valve of your coins.

Static Coins are well Static.

More to come. I hope to cover some basic investment strategies & dive into BTC market cycle and BTC Domination)

I Guess for newbies I should mentioned, BTC is King. And the entire market follows BTC lead. If BTC is having a bad day, your ALTS are gonna having a REALLY Bad Day & Vice Versa.

For you tinfoilies. In my opinion DOGE coin has a -Beta in relation to BTC. I actually have never seen this before. I wonder what this could mean?

\-CDNClassic.

Edit: Formatting