

Basics of Crypto Trading

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Introduction: Why Learn Crypto Now?

Let's not pretend — the world is changing fast.

Money isn't just paper anymore. It's code, algorithms, and belief.

Crypto is **not a trend**. It's a shift in how value moves across the planet.

And you don't need to be a coder, a finance geek, or a gambler to be part of it.

You just need to understand the **basics** — how it works, what moves it, and how to avoid getting wrecked.

This ebook is your **zero to one**.

Not hype. Not scams. Just simple, clear insights to help you start smart.

So grab a notebook. Ask questions. Highlight doubts.
This isn't school — this is **freedom education**.

Let's decode this thing together.

What Even Is Crypto? Let's Demystify It

The Idea Behind Crypto

Here's the thing. Bitcoin wasn't just a cool new tech — it was a rebellion.

Back in 2008, the world was watching banks collapse and economies fall apart. And quietly, someone named *Satoshi Nakamoto* dropped a whitepaper online: **Bitcoin — a peer-to-peer electronic cash system.**

No middlemen. No banks. Just you, me, and a digital coin that lived on the internet.

Let's make it real:

- Imagine gold — but you don't have to dig it up.
- It's scarce. Only **21 million BTC** will ever exist.
- It doesn't care about your country, your currency, or your bank.

It's like the internet grew up and built its own money.

Now pause.



Think of one thing you use every day that's completely digital. Got it?

Now imagine if money worked the same way — no ATM, no cash, just code.

That's crypto.

Blockchain — The Trust Machine

Here's what most people don't get: the real innovation isn't just crypto. It's **blockchain** — the system behind it.

In simple words:

- It's a **digital public diary** that records every transaction ever made.
- And the best part? **No one can delete or edit** the past entries.

Think of it like:

Imagine you and 100 friends are in a WhatsApp group.

Every time someone sends ₹100 to someone else, it's announced in the group.

Everyone sees it. Everyone writes it down.

If one person lies — 99 others call them out.

That's how blockchain builds **trust without a boss**.



✓ Checkpoint Recap

- **Crypto = Digital money. Limited. Borderless.**
- **Blockchain = System that records every move with 100% transparency.**

Coins vs Tokens vs Memes — What Are You Actually Trading?

Bitcoin, Ethereum & Altcoins

When people say *crypto*, they usually mean **Bitcoin**. But there's a whole world beyond it.

Let's break it down like a caste system of digital money:

1. Bitcoin (BTC) – The OG

- It's the first, the oldest, and still the most trusted.
- It's not fast, it's not fancy — but it's **scarce** and **strong**.
- Think of it as **digital gold** — you don't buy it to use, you buy it to hold.

2. Ethereum (ETH) – The Developer Playground

- Ethereum introduced something wild — **smart contracts**.
- Apps run on it like they do on your phone, except no one controls the app store.
- Think of ETH like the **digital oil** that powers this new economy.

3. Altcoins – Everything Else

- Anything that isn't BTC or ETH falls here.
- Some are amazing. Some are total scams.
- Welcome to the wild west.

Shitcoins, Memecoins, and the Hype Trap

Let's not sugarcoat it. A **lot** of crypto is junk wrapped in hype.

Case study: Dogecoin

- Started as a joke.
- Meme of a dog.
- Zero utility.
- Went viral.
- Created millionaires.

Now, copycats are everywhere. "Shiba Inu," "Pepe," "Floki," "Baby Doge" — new ones drop daily.

But why do people buy them?

- FOMO (Fear of Missing Out)
- "If this ₹2 coin goes to ₹200, I'll be rich."
- Influencers. Hype. Vibes.

Here's the rule:

If it looks like a joke and feels like hype...
...it probably is.

Ask yourself:

- **Is there real use behind the coin?**
- **Who benefits the most if you buy?**
- **Would you still hold it if it didn't pump for a year?**



Checkpoint Recap

- **BTC = Store of value**
- **ETH = Platform to build on**
- **Altcoins = Everything in between**
- **Memecoins = Entertainment + Hype + Risk**

How Crypto Markets Work (Very Differently)

24/7 Chaos — No Closing Bell

The stock market closes at 3:30 PM. Crypto? It **never** closes.

No weekends. No holidays. No “market open” bell.

Which means:

- Big news can break **anytime**.
- You could sleep rich and wake up wrecked.
- **Emotions move the market** more than logic does.

Also, in stocks, earnings reports and news cycles drive price action.

In crypto, sometimes a **single tweet** can cause a pump or crash.

Yes, really.

Example:

Elon Musk tweeted about Dogecoin — it pumped 600% overnight.
Then he called it a hustle on SNL — it crashed 70%.

The crypto market runs on **speed, attention, and emotion**.

Centralized vs Decentralized Exchanges

Centralized Exchange (CEX)

- Like using a traditional broker (CoinDCX, Binance, Coinbase).
- You give your money to the platform. It holds your funds.
- Easy to use. Good for beginners.

- Downside? You don't fully own your crypto.

Decentralized Exchange (DEX)

- No company. No middleman. Just code.
- You connect your own wallet and trade peer-to-peer.
- Harder to use, but you stay in control.

Analogy time:

- CEX is like shopping on Amazon — smooth, easy, centralized.
- DEX is like a flea market — you bring your own bag, find your deal, no one's watching you.

Tip: Start with a **CEX** to learn. Move to **DEX** when you know your stuff.



Checkpoint Recap

- Crypto is a **24/7 global battlefield**.
- CEX = Beginner-friendly, custodial.
- DEX = Full control, but harder to navigate.

The Real Game — Buyers vs Sellers Psychology

Fear, Greed, and That One Elon Tweet

Crypto isn't just numbers. It's a **battlefield of emotion**.

Every time you look at a price chart, you're not just seeing price — you're seeing **human behavior** in motion.

- Green candles = someone's chasing
- Red candles = someone's panicking
- Sideways = everyone's confused

Buyers and sellers are locked in a mental tug-of-war:

- Sellers are scared it'll fall more
- Buyers are scared it'll run without them
- Both are afraid of being wrong

And then... *boom*. A single tweet, a news headline, or a whale (big trader) moves the needle.

The price doesn't go up because "something good happened."
It goes up because more people **believed** it would.

Welcome to **narrative-based trading** — where charts reflect **psychology, not just math**.

Who Wins? The One With the Better Plan

In this chaos, here's who usually wins:

- The trader with a plan

- The one who controls emotion
- The one who doesn't overreact

FOMO (Fear of Missing Out) is the #1 killer of beginner accounts.

You see a pump... you jump in... it crashes... and now you're stuck.

Smart traders:

- Enter **before the hype**
- Exit **while everyone else is celebrating**
- Wait in silence when there's no opportunity

Quick mental exercise:

Next time you feel an *urge* to buy, pause and ask:

"Am I buying because it's **smart**, or because I'm **scared to miss out?**"



✓ Checkpoint Recap

- Price moves with **emotion first, logic later**
- The market is a mirror of **mass psychology**
- Control your mind = Control your trades

Setting Up to Trade — Your First Crypto Wallet & Exchange

Hot Wallet vs Cold Wallet

Before you trade, you need a **wallet** — not for cash, but for crypto.

There are two types:

1. Hot Wallet (Online)

- Think: connected to the internet
- Easy access, faster transfers
- Great for quick trades
- **Risk:** If someone hacks the exchange, your funds are exposed

Examples:

- Wallets inside apps like CoinDCX, WazirX
- Metamask, Trust Wallet

2. Cold Wallet (Offline)

- Think: like a USB drive for crypto
- Not connected to the internet = way harder to hack
- Used by serious traders for long-term holding

Examples:

- Ledger Nano
- Trezor

Analogy:

Hot wallet = money in your PayTM app

Cold wallet = cash locked in a vault at home

Rule of thumb:

Trade with hot wallets. Store with cold wallets.

Choosing Your Exchange Wisely

Not all platforms are created equal. The exchange you pick is your **gateway** to the market.

What to look for:

- **Low fees** on trades and withdrawals
- **Strong security** (2FA, KYC, insurance)
- **Smooth interface** if you're a beginner
- **Good reviews** and real user support

Top beginner-friendly platforms in India:

- **CoinDCX**
- **WazirX**
- **ZebPay**

Pro tip:

Start small. Test withdrawal and deposit once before putting in more.

Ask this before using any platform:

"If this app vanished tomorrow... can I still access my coins?"



✓ Checkpoint Recap

- **Hot wallet** = fast but online = trade
- **Cold wallet** = safe but offline = store
- Pick exchanges with **security, low fees, and ease of use**

Start Small, Think Smart — Making Your First Trade

Spot Trading vs Futures

There are two main ways to trade crypto. And trust me, they are **not** the same.

Spot Trading — The Simple Way

- You buy the actual crypto.
- Example: Buy 1 ETH → You **own** 1 ETH
- If ETH goes up, you profit. If it crashes, you lose value — but you still **own** the coin.

Spot = Owning real assets.

Futures Trading — The Dangerous Shortcut

- You **don't own** the coin. You bet on its price going up or down.
- Leverage: You trade with borrowed money (like ₹10,000 acting like ₹50,000).
- If you're right, huge profits. If wrong, your capital can vanish.

Analogy:

- Spot = Buying mangoes at a shop
- Futures = Betting on whether mango prices will rise — without buying any mangoes

Beginners: stick to the spot. Learn first. Leverage later (maybe).

Must-Know Rules Before You Click 'Buy'

Here's the stuff that **nobody tells you**, but everyone learns the hard way:

- **Never invest more than you're ready to lose**
- Use **limit orders** (don't chase price blindly)
- **Start small** — ₹1000 is enough to learn
- Watch for **candlestick patterns** (green ≠ always good)

Mental Rule:

If you don't know your entry, exit, and risk — **don't enter.**

Quick checklist before your first trade:

- Is this coin legit?
- Why am I buying now?
- What's my exit plan — profit and loss?



Checkpoint Recap

- Spot = Simple, real ownership
- Futures = Leverage + risk = not for beginners
- Rules first. Emotion second. Always trade with a plan

Mistakes Every Beginner Makes (So You Don't Have To)

Panic Selling & Overtrading

Let's be honest — most beginners lose not because of bad picks, but because of bad reactions.

*The market dips 10%, and they panic sell.
It pumps 30%, and they FOMO buy.
Result? They buy high, sell low — over and over.*

Here's what smart traders do instead:

- *They set a stop-loss and stick to it*
- *They don't check the chart 100 times a day*
- *They know that doing nothing is also a strategy*

Overtrading = burnout

Just because it's 24/7 doesn't mean you have to act 24/7.

Mental shift:

Trade less. Win more.

Chasing Pumps, Ignoring Dumps

We've all seen it:

- *A random coin goes up 200%*
- *Everyone posts profits*
- *You enter late thinking it'll go higher*
- *It crashes*

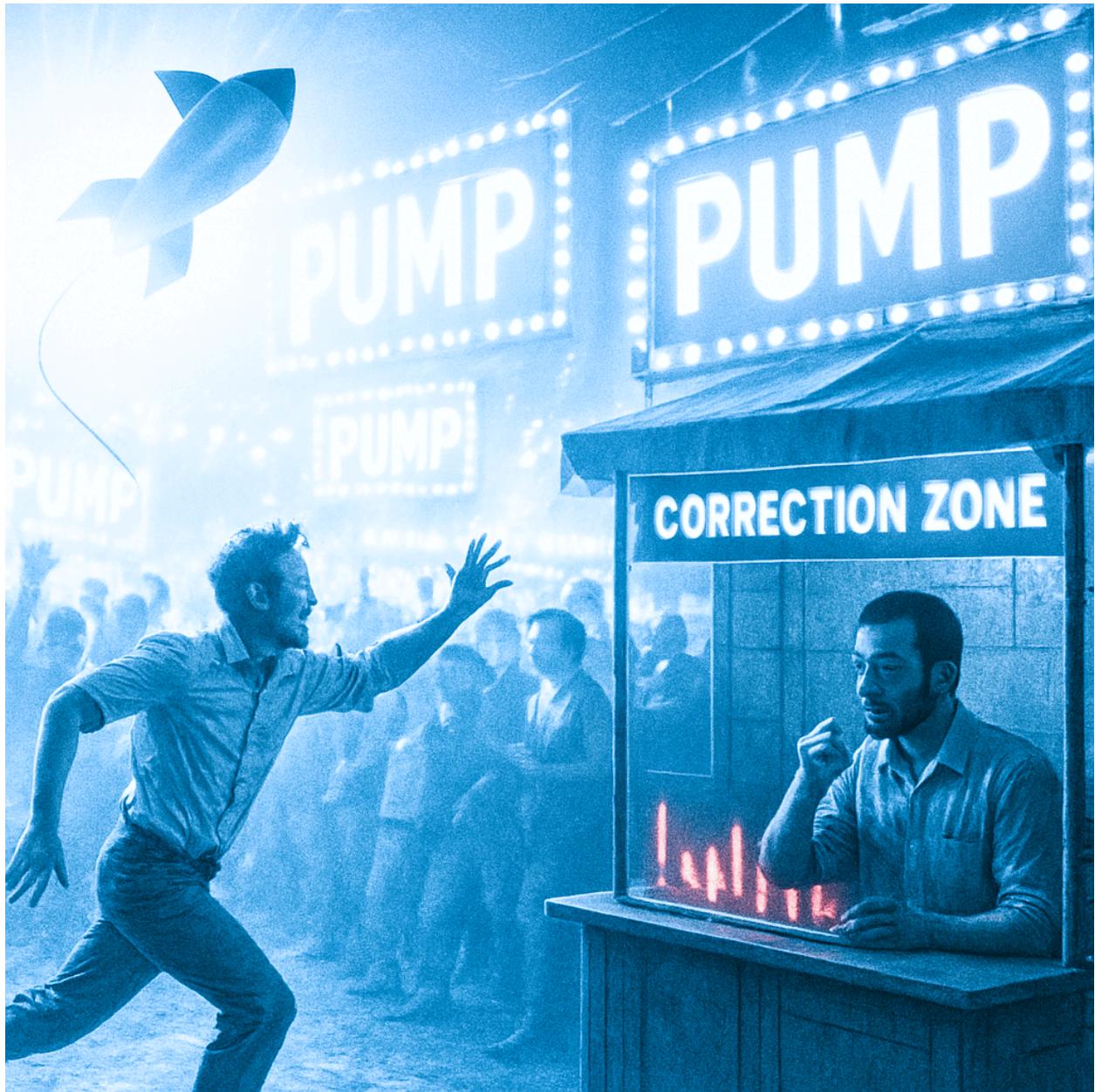
- *You're the exit liquidity*

*The pump already happened. You're just buying **someone else's profits**.*

Instead, build a habit:

- *Watch coins that are **down**, not hyped*
- *Enter **quiet zones**, not crowded ones*
- *Always ask: "Who's exiting while I'm entering?"*

*Smart money **accumulates during boredom**, not excitement.*



Checkpoint Recap

- *Panic = costly. Overtrading = self-sabotage*
- *Don't chase the green. Wait for red, and plan*
- *Best trades happen in silence, not spotlight*

Conclusion: Trade Like You Mean It

You've made it through the noise.

You now know what crypto is, how wallets work, how trades happen, and — most importantly — how emotions mess with money.

The rest? Comes with practice.

Remember:

- Don't follow hype blindly
- Have a plan before you act
- Learn first. Trade second.

Crypto rewards the curious. But it punishes the impulsive.

Be the one who **thinks**, not just reacts.

If you treat this like a game, you'll lose.

If you treat this like a skill, you'll grow.

Bonus Section: 7 Quick Tips for Crypto Survival

1. **Screenshot everything** — wallet keys, orders, transactions. You'll thank yourself later.
2. **Bookmark your exchange login** — phishing sites are real.
3. **Join 1 good Telegram/Discord group** — not 20. You need signal, not noise.
4. **Don't trust screenshots of profits** — if they're flaunting, they're probably faking.
5. **Use a journaling habit** — log every trade: entry, exit, reason, emotion.
6. **Take breaks** — the market never sleeps, but you should.

7. **Zoom out** — weekly trends matter more than hourly candles.



Your Next Step

You've got the basics. Now it's time to level up.

 **Learn on YouTube**

Explore free, beginner-friendly crypto and automation lessons at
youtube.com/@architmittalautomatealgos

Clear insights. Real strategies. No fluff.

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- Strategy automation