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Why altcoins are dying and how to make one in under an hour

# Why altcoins are dying and how to make one in under an hour

Mark January 8, 2015 Education, Tutorials



## WHAT ARE ALTCOINS?

When we refer to altcoins we mean alternative cryptocurrencies. Most of these altcoins (99%), utilize the blockchain and are a mere fork of the bitcoin code in one form or another. You do not need to be an expert programmer in order to launch an altcoin to dominate the cryptoland. In this article we will briefly show you how to make your own altcoin in under an hour

## CREATING YOUR FIRST ALTCOIN

**Step 1:** find a coin you like that you would like to clone and base your altcoin on, in this case we will clone the recently talked about cryptocurrency: [Paycoin](#) If you didn't know [Paycoin is a clone of Peercoin](#) so we could also fork the Peercoin code and we will achieve the same result.

**Step 2:** Navigate to Paycoin's [github](#) and clone the repo.

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git clone <https://github.com/GAWMiners/paycoin>

**Step 3:** Choose a name for your coin, we will use PaycoinDark

**Step 4:** Find and Replace. Now you will use a program like [fnr](#) (find and replace) and find all instances of Paycoin in the code and replace it with PaycoinDark. You should also search for XPC and replaces that with a symbol of your choice, in our case we will use XPCD.

**Step 5:** Customize it! Navigate to main.h in the src folder and start changing the values for the variables. Here is some relevant code from main.h:

```
static const int64 MIN_TX_FEE = 0.1 * CENT;
static const int64 MIN_RELAY_TX_FEE = 0.1 * CENT;
static const int64 MAX_MONEY = 2000000000 * COIN;
static const int64 MAX_MINT_PROOF_OF_WORK = 9999 * COIN;
static const int64 MIN_TXOUT_AMOUNT = MIN_TX_FEE;
static const int STAKE_TARGET_SPACING = 1 * 60; // 1-minute block
static const int STAKE_MIN_AGE = 60 * 60; // minimum age for coin
age
static const int STAKE_MAX_AGE = 60 * 60 * 24 * 5; // stake age of
full weight
static const int STAKE_START_TIME = 1418470264; // Sat 13 Dec
2014 06:31:04 AM EST
static const unsigned int POW_START_TIME = 1418403600; // Fri 12
Dec 2014 12:00:00 PM EST
static const unsigned int POW_END_TIME = 1419181200; // Sun 21
Dec 2014 12:00:00 PM EST
static const unsigned int MODIFIER_INTERVAL = 10 * 60;
static const int64 NUMBER_OF_PRIMENODE = 50;
static const int64 MINIMUM_FOR_ORION = 50 * COIN;
static const int64 MINIMUM_FOR_PRIMENODE = 125000 * COIN;
```

You can modify the MAX\_MONEY variable to choose the max amount of coins, modify the stake age requirement and the stake %, modify the length of a block (30 seconds, 1 minute, 10 minutes), and modify the reward per blog for which the code is found in main.cpp This article is not going to go into every single detail in creating a coin but will give a general overview to the process.

**Step 6:** Create a new genesis block. After modifying the code for the altcoin you must reset the code in order to generate the

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genesis block which is the first block in the chain. In order to do so you must set a few variables, the merkle hash, the genesis block, and the nOnce. Once set it will look something like this:

```
static const uint256 hashGenesisBlockOfficial("0x0");
block.nNonce = 0;
assert(block.hashMerkleRoot == uint256("0x0"));
```

Once you reset the chain in the source code you will need to compile the code and run the coin daemon. At the initial start it will crash but will generate a new hash for the genesis block will create the nOnce. In other words, it will create a unique hash which will mark the beginning of a new blockchain programatically attached to your new altcoin. That's it, once you have your genesis block you would need to put it's hash in the hashGenesisBlockOfficial variable and your altcoin is ready to be mined!

## WHY ALTCOINS ARE DYING

As you can see, you do not need to be an expert programmer in order to launch your own cryptocurrency. Yes you do need some system administration skills and basic understanding of C++ but in no way do you need to write new code from scratch. The reason altcoins are dying is because more and more people are finding out how easy it is to create a new coin and try to profit from it. That results in a large supply of altcoins, there are dozens of altcoins coming out daily on [bitcointalk.org](#).

Furthermore, altcoinland is dominated by get rich quick scams, pumps and dumps, lies and deception. As more people get scammed by investing in a scamcoin the liquidity of the altcoin market decreases because traders are left with a sour taste in their wallets. When liquidity decreases so do the prices and marketcaps. Lets look at a comparison of altcoin marketcaps back in 2014 compared to altcoin market caps today, courtesy of [coinmarketcap](#):

Here we can see that 2014 has been a [sad year for altcoins](#), since all the market caps have declined a considerable amount. More importantly we can see clear evidence that altcoins live a short lifespan, out of the top 10 altcoins only 3 kept their position at the top, the rest got replaced with newer hyped coins, [Peercoin](#) being the only exception. Thus, we conclude that investments in altcoins



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are very high risk, with a decreasing reward. With the start of 2015 and the drama with GawMiners and Paycoin, this year does not look good for any cryptocurrency other than Bitcoin.

## NO ALTCOIN CAN COMPETE WITH BITCOIN, YET

[Over 70% of people](#) still do not know what bitcoin is. While some altcoins might offer improved features, better anonymity, a cleaner code, Bitcoin's network is so robust and is on it's way to mass adoption. If after 5 years over 70% of people are still not familiar with Bitcoin imagine how hard it would be to persuade someone to use an altcoin and explain to him the numerous improvements it has over Bitcoin. Society is just not ready for altcoins yet. Us crypto enthusiasts might see a clear advantage of a certain coin over Bitcoin but most of the time that coin will not be used in any way other than trading. In addition, once the hype dies with a new feature, or a new coin, it is left to die in an ocean of altcoin chains.

In 2014, Bitcoin's marketcap was at around 12 billion, right behind it stood Ripples with a 2.7 billion marketcap. That means that in 2014 Bitcoin was worth around 5 times more than Ripples. Fast forward to 2015 and we can see that now Bitcoin's market cap has decreased to 3.9 billion and Ripples to 0.6 billion. That means that now Bitcoin is worth 6 times more than Ripple. In other words, even though the overall marketcap for bitcoin and altcoins has decreased. Meaning that relatively to altcoins, Bitcoin is still doing better in 2015 than it did in 2014. If you liked this article follow us on twitter [@themerklenews](#) and don't forget to subscribe to our newsletter.

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# About The Author



**Mark**

Mark is a 22 year old cryptocurrency entrepreneur. He was introduced to Bitcoin in 2013 and has been invovled with it ever since. He used to mine bitcoins and altcoins but now focuses on blogging and educating others about digital currencies.

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