

Crypto bot



Intro

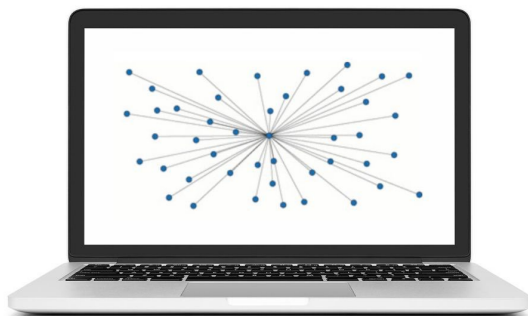
When it comes to cryptocurrency a lot of people don't know where to start, including myself. There are some tools which are essential or convenient when starting to use cryptocurrency like a crypto bot. I will explain what cryptocurrency is, why it should be used more often, and why it is useful to use a crypto bot.

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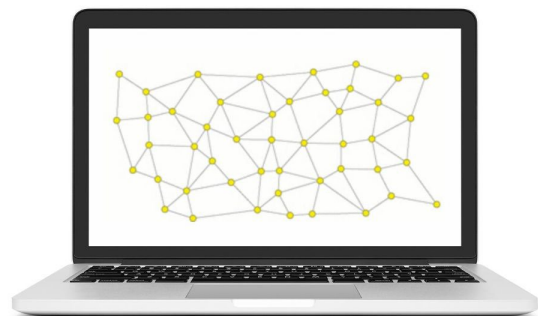
How does it work

A cryptocurrency is a digital form of money. The word “Cryptocurrency” is a mix between cryptography and currency. This technology allows people to transfer digital money safely, by using encryption and decryption. Cryptocurrency can be used as an alternative for our current financial systems (Amon, 2021). Bitcoin, the greatest cryptocurrency of all, uses Blockchain, Among other technologies. Blockchain is a database, where transactions can be stored. These transactions may include not only cryptocurrencies, but also other important information. Most databases are organized by one central location. Blockchain uses multiple nodes or computers which contain a copy of the database.



Central database

The only copy is at the center



A blockchain-network

All the points contain a copy

All the stored information is encrypted by cryptography (Burgering, 2020). Cryptography is basically ciphered to hide, or lock sent information, so other parties can't read it. Only the sender and receiver have the key to convert the cipher to a readable format (van der Kloos, n.d.). The biggest accomplishment of the first crypto project was to inspire software engineers to keep improving. The open-source code allowed technologists to have a cheat sheet and build their own blockchains. In theory any party could join any crypto network (Amon, 2021).

Why should everyone use cryptocurrency?

Cryptocurrency is unlike other physical currencies, owned by nobody. The value isn't influenced by national politics or a bank. When a physical currency is managed by one individual, it is exposed to exploitation and corruption. Cryptocurrency is almost impossible to falsify because of blockchain. The stored crypto or other important info are safely encrypted and the chain where all the chunks of information are connected is public. Besides being safe, cryptocurrency is also very private. You can have an unidentified transaction just like using cash. (Chu, n.d.)

Why should you use a crypto bot?

A crypto trading bot is an app or program which automates buying and selling cryptocurrency.

A trading bot consists of 3 parts:

- the generator: makes a price forecast and considers whether to buy or sell.
- risk analysis: it determines how risky the forecast of the generator is. It also regulates the quantity of the crypto to sell or buy.
- the executive: in this segment the bot will establish to sell or buy and act.

Because humans buy with emotion, this machine is ideal for making detached trade decisions. The crypto market is active 24/7, so it is hard to be on it all the time. A trading bot can oversee everything and is always on the market. For people who are hesitant when it comes to transactions, a bot can be a must have. A bot reduces the influence of emotions like stress, greed, and panic to prevent people from making bad financial decisions. Most crypto bots can paper trade. This means you can test your strategy with virtual crypto currency without using real money.

(Cryptoplatforms, n.d.)

Requirements of the crypto bot.

Must have	Should have	Could have	Won't have
Account	Overview stocks	Link to exchange account	Self-learning system
Multiple bot strategies			Adjustable strategy
Simple user interface			Real transactions
Paper trading			

References

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