Crypto Terms
for Beginners

ADDRESS
A unique identifier used to send and receive cryptocurrency

AIRDROP
Distributing cryptocurrency for free as a marketing strategy

ALTCOIN
Alternative cryptocurrencies to Bitcoin

ALL TIME HIGH (ATH) / ALL TIME LOW (ATL)
The highest or lowest price a cryptocurrency has reached

ARBITRAGE
Buying and selling the same asset on two exchanges to profit from small price differences

BAGHOLDER
Someone who missed an opportunity to sell at a high price and now owns low value cryptocurrency

BEAR
Someone who is pessimistic about the market or coin value

BITCOIN (BTC)
A digital currency launched in 2009 that boomed the cryptocurrency market

BLOCK
A group of transactions made in a blockchain

BLOCKCHAIN
A globally distributed digital record of transactions; permanent and secure

BULL
Someone who is optimistic about the market or asset value

BUY THE DIP (BTD)
Buying cryptocurrency when the price has fallen

COLD WALLET
A digital wallet that is not connected to the internet

CRYPTOCURRENCY
A digital currency that uses cryptography to secure wallets; often decentralized, though not always

CRYPTOGRAPHY
The method of using code to convert information and communications into an unreadable format

DECENTRALIZED
No entity holds control over the network; anyone can join (see 'node') and blockchain records are stored in many locations

ETHEREUM
A cryptocurrency and decentralized computing platform, launched in 2015

EXCHANGE
A platform to buy, sell, and invest in cryptocurrency. Exchanges can be centralized (Coinbase) or decentralized (Unstoppable)

FEAR OF MISSING OUT (FOMO)
When someone is concerned that they might miss a good buying or selling opportunity

FEAR, UNCERTAINTY, AND DOUBT (FUD)
Negative sentiment about the market, usually spread in the media

FIAT
Currency that is government issued legal tender, unlike cryptocurrency

FORK
A change in how the blockchain operates that can be backwards compatible (soft fork) or not (hard fork)

HARDWARE WALLET
A physical device used for storing cryptocurrency keys (usually USB connected)

HASHING
Transforming chunks of data into unique text strings that are nearly impossible to decipher

HODL
Slang term for "hold", to keep cryptocurrency instead of selling it

HOT WALLET
A digital wallet that is connected to the internet

INITIAL COIN OFFERING (ICO)
A method of raising funds for a new project in exchange for a token

MARKET CAPITALIZATION
The total number of coins in circulation multiplied by individual coin price

MEMORY POOL (MEMPOOL)
Unconfirmed transactions, held until they're picked up by a node on the network

MINING
Using computer hardware to process and validate cryptocurrency transactions

MINING POOL
Miners combining their mining rig power to increase the chances of closing the block and receiving the reward for it

MINING RIG
A computer built specifically for mining cryptocurrency, usually containing high specification components

MOONING
When a cryptocurrency's value is rapidly rising in a short period of time

NODE
A computer that connects to the cryptocurrency network and becomes one of the network participants

PEER-TO-PEER (P2P)
When two entities/devices communicate directly without a third-party

PRIVATE KEY
Secret identifier that proves ownership of a wallet

PROOF OF STAKE (POS)
Method used to process transactions, with miners having more control based on how much cryptocurrency they hold

PROOF OF WORK (POW)
Method used to process transactions, requiring completion of complex mathematical equations by computers

PUBLIC KEY
Generated by the private key and turned into an address; generally used to receive cryptocurrency

PUMP AND DUMP
Fraudsters spreading false info to increase a cryptocurrency's value (pump), then cashing out (dump)

SATOSHI NAKAMOTO
The pseudonym given to the person or persons who created bitcoin (their identity is unknown)

SATOSHIS
The smallest unit of Bitcoin; one Bitcoin equals 100,000,000 satoshis

SHILLING
Spreading fake news to increase the price of a cryptocurrency

SOFTWARE WALLET
A method of storing cryptocurrency keys within software files on your computer or mobile device

TICKER
An abbreviation to identify a cryptocurrency (for example, "BTC" for Bitcoin)

TOKEN
Used interchangeably with "coin". Technically, a subset of cryptocurrency that has its own blockchain and represents an asset or utility

TRANSACTION (TX)
Movement of cryptocurrency from one address to another

WHALE
Someone who owns lots of cryptocurrency

WHITEPAPER
An authoritative document to explain a new cryptocurrency

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