



# CryptoQuestion

Your cryptocurrency companion

Issue:1

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*"An investment in knowledge pays the best interest."*

Benjamin Franklin

We all have to start somewhere. CryptoQuestion starts today! This is a weekly bulletin that looks to demystify the world of cryptocurrency and in keeping with our ethos educate and inform the novice to the cryptocurrency market.

Each week we will look at the most relevant news that affects you the investor. Feel free to ask us questions on our Q&A service on our website [www.cryptoquestion.tech](http://www.cryptoquestion.tech) if you want any clarification or further information on anything you read here. That is one of the reasons for the service!

## **Who is CryptoQuestion?**

CryptoQuestion is a new service aimed at the beginner entering the cryptocurrency market.

CryptoQuestion believes there is an urgent need for their platform particularly with the likes of PayPal, Square and Robinhood entering the crypto market and attracting novice investors in record numbers. These investors are all in need of independent unbiased information. There is a serious lack of information in the cryptocurrency market and the data that does exist is often provided by people or firms with vested interests.

CryptoQuestion is a platform that offers two distinct but interrelated services.

Firstly, CryptoQuestion offers a question and answer service which is manned by a team of cryptocurrency experts - not bots. You can ask them any crypto related question. They do not however provide financial advice. Their commitment is to respond within one hour.

Secondly, the platform provides a number of resources for free, from online courses to reports, ebooks and a monthly news bulletin.

### **Bitcoin's Price Surges**

The price of bitcoin reached a year high of \$16,000, last reached back in January 2018. This is a 300% increase compared to its lowest point in March this year where the price went as low as \$3,800.

Has bitcoin gone mainstream? Read our article here to answer that question.

### **PayPal Enters the Cryptocurrency Market**

PayPal announced in October their entry into the cryptocurrency market. They launched their service to their 'eligible' US clients in November and will be taking their service global in 2021. The demand among their 350 million customers was three times what they had expected.

Their service allows for the purchase, sale and storage of bitcoin, ether, bitcoin cash and litecoin. Users are able to trade up to \$20,000 per week. One drawback is that customers are not able to transfer their cryptocurrencies to other services. If you have any questions about PayPal and their cryptocurrency platform let us know.

### **Third Largest Cryptocurrency Exchange Hack so Far**

Kucoin is one of the world's largest crypto exchanges but that didn't stop hackers making off with \$280 million in various cryptocurrencies. It has been reported that 84% of the loss has been recovered and that services are returning to normal, The fact that customers suffered at all is a worry. Kucoin is an unregulated exchange based out of Hong Kong.

### **OkEx - An Investor's Worst Nightmare**

Another leading exchange was also under fire this month with more worrying consequences for investors. The news is that OkEx has suspended all cryptocurrency withdrawals indefinitely, citing

that one of the exchange's key holders has been 'out of touch' with the exchange because they are 'currently cooperating with a public security bureau in investigations.' This situation is beyond unacceptable. OkEx is based and regulated in Malta.

**Remember that if you are looking to purchase cryptocurrency to do so through a regulated entity, regulated in your own country of residence.**

### **DeFi (Decentralized Finance) and Unaudited Protocols**

Unless your head has been buried under a stone for the last few months we are sure you have heard about the boom (although the market has been extremely volatile but the trend is up) in the DeFi. Just in case you had heard about it but didn't really know what it was all about, here is a very quick overview. DeFi stands for Decentralized Finance. DeFi is the boom area of the cryptocurrency market right now. The platforms that are exploding are the ones that offer investors a 'token' in return for the user utilizing its platform (i.e. either lending or borrowing). These platforms are called lending protocols. The big ones are Uniswap, Aave, Compound, yearn.finance and Maker.

These platforms have made it attractive for investors to lend their cryptocurrency in exchange for tokens in the protocol which they can then sell for a big profit — or so the pitch goes. The problem is many of these new protocols are unaudited. That means no one independent has checked to see if the code works properly (not all audited protocols are safe from bugs however!) and of course some of these tech wizards have simply copied and pasted the code from other more established protocols (technically known as a fork, but more commonly known as plagiarism). The lesson here is do not invest in unaudited protocols as these are likely to be get-rich-quick schemes designed to get the opportunist coder rich rather than you. If you want to find out more about DeFi read our article here. **Keep an eye out for an online course we will be launching soon - A Beginners Guide to DeFi.**

### **Aave Receives UK FCA Approval**



Aave is one of the largest projects in the DeFi space. The biggest uncertainty overhanging this growth market is how the regulators will treat it. The SEC is looking at it closely and acknowledges that '...it's going to challenge the way we regulate.' The good news is that Aave received regulation to operate in the UK from the UK regulator. That demonstrates two things; one that Aave is a professional outfit that passed due diligence and two, although there is uncertainty hanging over this sector, following the top projects is the safest bet.

## **ETC 51% Attacks Brushed under the Carpet**

It is one of the biggest vulnerabilities facing Bitcoin and other cryptocurrencies — the 51% attack. Basically what that means is if you manage to corral 51% of the computing power you are able to double spend thus playing havoc with the blockchain. But it is usually brushed over as an unrealistic risk as it is considered near impossible to control 51% of the computing power of a blockchain, especially in the case of Bitcoin where there are a large number of nodes spread far and wide. How about some of the smaller cryptocurrencies then? Ethereum Classic or ETC a spin off from the original Ethereum or ETH has had three 51% attacks now in a space of a month, the last one involved a double spend of \$5.6m. The project team have been reluctant to admit the attacks. The price is at \$5.10 (as at Nov 13 2020) still way up from its low of \$3.30. With a market cap of \$594m ETC is a significant player ranked 31. It is one to take off the shopping list, if it was ever on it.



### **OneCoin**

Probably the biggest cryptocurrency scam to date making off with up to \$15bn in investors money. OneCoin is the subject of a BBC documentary podcast. It is a fascinating story. If you have followed this podcast before you will be pleased to know there has been another episode added recently. The founder of OneCoin is still on the run...

## **Launch of our First Online Course**

The cryptocurrency market is not called the wild west for nothing. That is why we have launched in conjunction with the team of financial experts at Fraud Stamp our first of many online courses. Aimed at helping educate investors in the cryptocurrency market whilst focusing on the risks and opportunities. Sure there are other online crypto courses but many of these are either too simplistic or offer no credible way to counter the unique risks facing investors in this market. And above all our course is free, coming with detailed accompanying course notes spanning over 100 pages of valuable information and questions and answers to test your new knowledge.

## **Serious Cryptocurrency - From Beginner to Pro**

A complete beginners guide to all things crypto, how to find the winners, the hot areas right now, trading strategies, the risks and much much more...

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### **No Financial Advice**

This bulletin does not constitute financial advice in any way. This article should be treated as supplementary information to add to your existing knowledge base.

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