

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Languages**



**Bachelor Thesis**

**Cryptocurrency Investing Strategies in the Binance  
Market**

**Ivan Bilotserkovets**

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**CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE**

Faculty of Economics and Management

# **BACHELOR THESIS ASSIGNMENT**

Ivan Bilotserkovets

Business Administration

Thesis title

**Cryptocurrency investing strategies in the Binance market**

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## **Objectives of thesis**

The main objective of the bachelor thesis is to evaluate and identify the most effective cryptocurrency investing strategies in the Binance market.

## **Methodology**

The work consists of two parts – theoretical and practical. The theoretical part will be based on the study of secondary sources. The empirical part will be compiled on the basis of outputs from quantitative/qualitative research.

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cryptocurrency, investing strategy, market analysis, quantitative research, qualitative research, historical data, effectiveness.

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## **Declaration**

I declare that I have worked on my bachelor thesis titled " Cryptocurrency Investing Strategies in the Binance Market" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on 15.03.2024 \_\_\_\_\_

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I would like to thank Ing. Kristýna Kučírková, MSc. and all other persons, for their advice and support during my work on this thesis.

# **Cryptocurrency Investing Strategies in the Binance Market**

## **Abstract**

The main objective of the bachelor thesis is to evaluate and identify the most effective cryptocurrency investing strategies in the Binance market.

The work consists of two parts - theoretical and practical. The theoretical part is based on the study of secondary sources. The empirical part is compiled based on outputs from quantitative/qualitative research.

Effective cryptocurrency investment techniques within the Binance market are examined in this bachelor's thesis, which emphasizes both theoretical underpinnings and practical observations. The theoretical foundations entail a thorough analysis of secondary sources, including as scholarly publications and business reports, in order to develop a solid grasp of bitcoin markets and investment dynamics. The empirical component presents historical market data, incorporates real-world viewpoints from seasoned investors, and integrates results from quantitative and qualitative research methodologies. The goal of the study is to provide a useful approach for negotiating the challenges of investing in cryptocurrencies on the Binance platform. The goal of this thesis is to increase public awareness of cryptocurrencies and offer insightful advice to anyone looking to maximize their financial plans in the ever-changing world of digital assets.

**Keywords:** cryptocurrency, investing strategy, market analysis, quantitative research, historical data, effectiveness.

# Investiční strategie kryptoměn na trhu Binance

## Abstrakt

Hlavním cílem bakalářské práce je vyhodnotit a identifikovat nejefektivnější strategie investování kryptoměn na trhu Binance.

Práce se skládá ze dvou částí – teoretické a praktické. Teoretická část je vycházející ze studia sekundárních pramenů. Empirická část je sestavena na základě výstupů z kvantitativního/kvalitativního výzkumu.

V této bakalářské práci jsou zkoumány efektivní techniky investování kryptoměn na trhu Binance, které klade důraz jak na teoretické základy, tak na praktické postřehy. Teoretické základy zahrnují důkladnou analýzu sekundárních zdrojů, včetně odborných publikací a obchodních zpráv, s cílem vytvořit solidní přehled o bitcoinových trzích a dynamice investic. Empirická složka představuje historická tržní data, zahrnuje reálná hlediska od zkušených investorů a integruje výsledky kvantitativních a kvalitativních výzkumných metodologií. Cílem studie je poskytnout užitečný přístup pro vyjednávání o výzvách investování do kryptoměn na platformě Binance. Cílem této práce je zvýšit povědomí veřejnosti o kryptoměnách a nabídnout zasvěcené rady každému, kdo chce maximalizovat své finanční plány v neustále se měnícím světě digitálních aktiv.

**Klíčová slova:** kryptoměna, investiční strategie, analýza trhu, kvantitativní výzkum, historická data, efektivita.

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# 1. Introduction

The meaning of this word is widely known. But let's go back to January 2009, the month that saw the first debut of Bitcoin, which was created under the pseudonym Satoshi Nakamoto by a computer programmer or group of programmers. There weren't many cryptocurrencies before the introduction of Bitcoin, but from that moment on, the sector and eventually the entire world began to evolve. One of the largest markets for trading cryptocurrencies is Binance. People refer to it in many ways, but there is only one stock exchange, rialto, or marketplace—this is our future. Binance made trading, exchanging, and investing possible. Blockchain, a technique for encrypting and storing data dispersed over numerous computers connected to a shared network, is made feasible by cryptocurrency. Cryptocurrency has provided an alternative to traditional financial systems and currencies. It provides the following attributes: Decentralization: Since cryptocurrencies are not governed by a single entity, they are more immune to the impact of external political or economic forces.

It's crucial to note that investing in the cryptocurrency market carries some risk. Even if the cryptocurrency market is now experiencing a bull run, which indicates that many potential projects are maturing, it is still important to comprehend how the market operates before making an investment. Using FTX as an example, one can see how investors in the promising idea, expecting a bright future, ended up with massive debt and lawsuits following the company's massive collapse. Let's list the claims that deter many individuals from investing in cryptocurrencies midway through: 1. It carries too much risk. What happens if I invest money and the next day cryptocurrencies are outlawed globally? 2. I have no background in finance, so I wouldn't know what I was doing; 3. My friend, brother, or neighbor lost everything when they invested in cryptocurrencies; 4. The subject of cryptocurrencies is still too new and complicated, so I should wait a few years until everything is clear. These are all just rationalizations for your passivity. People all across the world have already established successful businesses in the cryptocurrency sector while you are coming up with more justifications. This bachelor thesis explains and show what is cryptocurrency and why you should not be afraid to invest in.

## **2. Objectives and Methodology**

### **2.1.Objectives**

The main objective of the bachelor thesis is to evaluate and identify the most effective cryptocurrency investing strategies in the Binance market.

Additional goals of this bachelor thesis are to explore more about the Binance Exchange, the history of the creation and development of different cryptocurrencies and to clearly look at various investment strategies.

### **2.2.Methodology**

The work consists of two parts - theoretical and practical. The theoretical part is based on the study of secondary sources. The empirical part is compiled on the basis of outputs from quantitative/qualitative research.

The theoretical foundations entail a thorough analysis of secondary sources, including as scholarly publications and business reports, in order to develop a solid grasp of bitcoin markets and investment dynamics. The empirical component presents historical market data, incorporates real-world viewpoints from seasoned investors, and integrates results from quantitative and qualitative research methodologies.

## **3. Literature review**

### **3.1. Cryptocurrency**

#### **3.1.1. History**

In 2024, the terms digital currency, virtual payment, anonymous financial transaction, cryptocurrency, crypto wallet, and crypto exchange no longer surprise anyone.

We are moving to a new level of development, and digital currency is permeating all areas of public life.

Many companies see the future in cryptocurrency, and a large amount of money is being invested in the development, strengthening, and improvement of exchanges such as Binance, OKX, and ByBit. Numerous promising blockchain-based projects are emerging, including ecosystems within projects and much more.

The relatively recent cryptocurrency exchange OKX there are 320 coins and 479 trading pairs available on the exchange. OKX 24h volume is reported to be at \$2,695,588,623.23. This figure is remarkable given the prevailing distrust of cryptocurrencies, and it continues to grow rapidly. Exchanges are becoming increasingly well-known thanks to their ambassadors and advertising, such as Binance's partnership with the world-renowned footballer and one of the best footballers in the world, Cristiano Ronaldo. (Changpeng Zhao, 2022) Binance employs over 7500 workers, and collaborates with numerous sponsors, firms, and companies. Even countries such as El Salvador, Singapore, Slovenia, Portugal, Switzerland, Germany, Malta, Estonia, the Netherlands, and Canada are beginning to introduce legislation related to crypto operations, which promotes the integration of this technology into the country's economy. The President of El Salvador, a young and modern leader, made a risky and controversial yet crucial decision for the country. He implemented Bitcoin payments in El Salvador and purchased Bitcoin using a portion of the country's reserves. Although many people disagreed with this decision, calling it madness, currently 60% of the population uses cryptocurrency in their daily lives. The country's economy has grown, and considering the expanding market, the country will receive significant profits in the near future.

The blockchain is explained in the book "Inside Blockchain, Bitcoin, and Cryptocurrencies." Chowdhury's method is still the first to be effectively implemented to solve the double-spending problem for digital currencies, even though there have been useful recommendations in the literature to address the issue using a decentralized manner that precede Bitcoin.

Blockchain technology has much more potential than only supporting Bitcoin transactions, even if that is how it was initially launched. Experts believe that this new technology, which appears to be extremely potent, will revolutionize numerous current industries that currently function in unique ways. Now, let's take a closer look at the blockchain to learn more about its inner workings. (Chowdhury, 2019)

Leading international cryptocurrency exchange Binance offers features like fiat-to-crypto trading, a native cryptocurrency (BNB), and its blockchain network (Binance Smart Chain) to enable trading of a variety of digital assets.

- Prior to Bitcoin's inception (1980s–2008): Prior to Bitcoin, there were other attempts to establish virtual currencies, but they ran into problems like double-spending currencies, as demonstrated by projects like Wei Dai's "b-money" and David Chaum's "eCash." By addressing issues like double-spending, these ideas established the theoretical groundwork for digital currency. Though theoretical advancements were made, practical implementation encountered challenges, one of them being the lack of decentralized consensus methods. The events of this era offered important insights that eventually shaped the 2009 launch of Bitcoin.
- Mining and Halving (2009–2012): The initial years of Bitcoin were marked by mining activity and the first halving event, which decreased the reward for finding new blocks in 2012. The fundamental procedures of Bitcoin were set during the Mining and Halving era (2009–2012). In order to create more bitcoin, mining, which involves solving challenging puzzles, became essential. The supply dynamics of Bitcoin were altered by the 2012 halving, which decreased miner payouts. These changes had a significant impact on how Bitcoin initially expanded.

- Rise of Altcoins (2011–2013): The popularity of Bitcoin sparked the development of other cryptocurrencies, often known as altcoins. When it was originally introduced in 2011, Litecoin was one of the major altcoins. Known as altcoins, or alternative digital currencies, the cryptocurrency scene grew during the 2011–2013 period known as the Rise of Altcoins. The popularity of Bitcoin encouraged developers to experiment with new ideas and variants, which resulted in the development of Litecoin, KuCoin, and other cryptocurrencies. Different consensus techniques, quicker transaction confirmation times, and improved privacy features are just a few of the distinctive features that altcoins brought.

With the emergence of altcoins, the bitcoin ecosystem became more diverse, giving consumers access to new technology and other investment choices. During this time, there was a rise in community involvement and investigation of additional use cases for Bitcoin than what it first offered. To grasp the changing dynamics of the larger cryptocurrency market, one must have a thorough understanding of the goals and characteristics of these early altcoins.

- Mr. Gox and Early Exchanges (2011–2014): In 2014, Mt. Gox, a significant Bitcoin exchange, declared bankruptcy due to security lapses. These emphasized the initial security and regulatory issues in the bitcoin market. The expanding acceptance of digital assets was greatly aided by cryptocurrency exchanges like Mt. Gox during the Mt. Gox and Early Exchanges era (2011–2014). The biggest Bitcoin exchange, Mt. Gox, suffered a serious blow because of a hacking event in 2014. During this time, the growth of exchanges and the significance of fixing security flaws in the bitcoin ecosystem were both brought to light.
- Ethereum and Smart Contracts (2015): In 2015, Vitalik Buterin's Ethereum went live. On its blockchain, it made the concept of smart contracts possible, allowing for the development of decentralized apps (DApps). The release of Ethereum in 2015, during the Ethereum and Smart Contracts era, was a revolutionary step for the cryptocurrency industry. Ethereum, the self-executing contracts with coded terms that Vitalik Buterin developed, established the concept of smart contracts.

This breakthrough allowed for the development of decentralized apps (DApps) and the execution of programmed agreements without the need for middlemen, extending the capabilities of blockchain technology beyond straightforward transactions.

A new wave of blockchain-based applications was fostered by the Ethereum platform, which developed into a center for initial coin offers (ICOs) and decentralized finance (DeFi) initiatives. In addition to enhancing blockchain technology's potential, the addition of smart contracts generated a great deal of curiosity and experimentation in the cryptocurrency and larger tech communities.

- Initial Coin Offerings (ICOs): 2017 saw the rise in popularity of initial coin offerings, or ICOs, as a means of financing new cryptocurrency businesses. On the other hand, fraud and regulatory problems surfaced. Token sales were the first way that blockchain projects raised money during the Initial Coin Offerings (ICOs) era of 2017. By selling investors new cryptocurrency tokens, initial coin offerings (ICOs) enabled entrepreneurs to raise money. As a result of investor protection gaps and fraud incidents, this approach became more and more popular but also caused regulatory problems. The fundraising environment in the bitcoin field has been greatly impacted by the ICO era.
- Cryptocurrency Boom and Bust (2017–2018): In late 2017, the values of several cryptocurrencies, including Bitcoin, saw a notable increase, which was followed by a severe decline in 2018. The market saw an unparalleled price spike during the 2017–2018 Cryptocurrency Boom and Bust, which was followed by a severe correction. Record highs were hit by Bitcoin and many other cryptocurrencies, drawing significant interest and investment. However, a following market downturn was influenced by market speculation, security concerns, and regulatory difficulties. (Chowdhury, 2019)

Both the sharp increase in valuations and the sobering understanding of market instability occurred during this time. The boom and bust of cryptocurrencies highlighted the need for risk management and clear regulations in this area. It continues to be a crucial stage in the continuing development of the market for digital assets.

- **Institutional Interest (2019–present):** As a result of big financial organizations investigating blockchain technology and providing services linked to cryptocurrencies, institutional interest in cryptocurrencies has grown. During the 2019–present Institutional Interest period, conventional financial institutions started interacting with cryptocurrencies in a proactive manner. The introduction of Bitcoin futures, a rise in institutional investment in digital assets, and the acknowledgement of cryptocurrencies as a new asset class are noteworthy developments. This time frame shows how cryptocurrencies are becoming more widely accepted and integrated into established financial institutions.
- **DeFi and NFTs (2020–present):** By providing financial services without the need for conventional middlemen, Decentralized Finance (DeFi) platforms have drawn notice. The use of Non-Fungible Tokens (NFTs) to signify digital asset ownership has grown in popularity. Decentralized finance (DeFi) platforms and non-fungible tokens (NFTs) have become increasingly popular in the DeFi and NFTs (2020–present) period. Innovative financial services like lending and borrowing were made possible by DeFi protocols without the need for conventional middlemen. At the same time, NFTs—unique digital assets that signify ownership of things like music and art—became a central topic at the meeting point between blockchain technology and the creative sector. This time frame marks the emergence of decentralized finance as well as the revolutionary effects of blockchain technology on digital ownership and innovation.
- **2020 Bitcoin Halving:** In May 2020, Bitcoin underwent its third halving, which decreased the incentive for miners and changed the dynamics of its supply. The Bitcoin Halving (2020) event, which happens roughly every four years as part of the protocol, saw the incentive for Bitcoin miners cut in half. In order to limit its supply, this scarcity mechanism is included into the Bitcoin algorithm and has historically affected the price movements of the cryptocurrency. A major turning point in the evolution of Bitcoin was the 2020 halving, which highlighted both its deflationary character and its usefulness as a store of value.

The network of interconnected components that make up the cryptocurrency ecosystem collectively constitute a decentralized, dynamic financial and technological infrastructure. Cryptocurrencies, blockchain technology, exchanges, wallets, decentralized financing (DeFi), non-fungible tokens (NFTs), mining, consensus methods, developer communities, regulatory concerns, and innovation hubs are just a few of its components. The constant innovation, growth, and interconnectedness of its different components define this varied ecosystem.

### **3.1.2. Altcoin**

Altcoin is every cryptocurrency except Bitcoin. Combining the words "alternative" and "coin," the name suggests that these virtual currencies are substitutes for Bitcoin. In terms of features, functions, and underlying technologies, altcoins might differ greatly from one another. While some cryptocurrencies offer various use cases, others seek to address the shortcomings of Bitcoin. (Norman, 2017)

Litecoin, Cardano, Ethereum, Ripple (XRP), and many more are examples of altcoins. Every altcoin runs on a different blockchain or, occasionally, a customized version of Bitcoin's blockchain. Alternative coins (altcoins) could set themselves apart from Bitcoin with novel features, consensus techniques, or applications.

Investors and cryptocurrency enthusiasts frequently refer to times when altcoins have notable price gains that are unrelated to changes in the price of Bitcoin as "altseasons." It's crucial to remember that the bitcoin market is volatile and extremely active. A few variables, like as market trends, technology advancements, and legislative changes, can affect the value of cryptocurrencies.

**Blockchain Technology:** Blockchain technology powers the majority of altcoins, including Bitcoin. A blockchain is a distributed, decentralized ledger that is transparent, secure, and unchangeable. It keeps track of every transaction that occurs on a network of computers.

By validating transactions and adding them to the blockchain, a procedure known as mining produces altcoins. Similar to Bitcoin, other cryptocurrencies employ a proof-of-work (PoW) consensus process in which miners must solve challenging mathematical puzzles to add new



blocks. Alternative consensus techniques like delegated proof-of-stake (DPoS) and proof-of-stake (PoS) might be employed by others. (Chowdhury, 2019)

Altcoins frequently set themselves apart from Bitcoin by launching enhanced or new functionality. Some alternative cryptocurrencies, or "altcoins," are made to perform better in terms of scalability, privacy features, smart contract capability, and transaction processing speed. (James, 2018)

Altcoins are used in the bitcoin ecosystem for a variety of reasons and use cases. While Ripple (XRP) concentrates on enabling cross-border payments, Ethereum (ETH) is well-known for its smart contract capabilities, and Litecoin (LTC) seeks to offer quicker transaction confirmation times than Bitcoin.

The level of decentralization and governance mechanisms of altcoins differ. While some have more centralized development teams and decision-making processes, others place a more priority on community governance. Exchanges for cryptocurrencies, such as Bitcoin, allow users to buy and sell altcoins. Users can swap one cryptocurrency for another using the several altcoin trading pairings offered by well-known exchanges like Binance, Coinbase, and Kraken.

The dynamics of supply and demand in the market, which can be impacted by things like adoption, technical advancements, legislative changes, and market sentiment, drive the value of altcoins. Compared to Bitcoin, altcoins are typically thought to be riskier and more volatile. Altcoin prices might fluctuate significantly because of their lesser liquidity and smaller market size.

### **3.1.3. Digitalization**

In general, cryptocurrencies are being used in more and more fields across the world, and this trend is anticipated to continue in the years to come. There's a strong possibility that as more people become acquainted with this technology, creative applications in a range of fields, including academia, may emerge. Today's society allows for a multitude of approaches to be used when integrating crypto. Here are a few instances:

- Payment and money transfer: The use of cryptocurrencies as a means of payment and money transfer enables the speedy and secure completion of transactions without the need for intermediaries like banks;
- Cryptocurrency speculation offers the potential for enormous returns in the event that an investment is profitable. A large number of people purchase and hold cryptocurrencies as a long-term investment. (Milos Grujic, 2019)
- Decentralized finance (DeFi): DeFi apps based on blockchain technology allow for the decentralized lending, borrowing, and trading of cryptocurrencies and other digital assets, leading to a more open and transparent financial system.
- Remittances: Users can send money across borders quickly and affordably by using cryptocurrencies for remittances, which removes the need for third-party middlemen;
- Digital assets that symbolize ownership of unique products, such as original artwork, musical compositions, or virtual properties, are referred to as NFTs. Non-traditional financial instruments (NFTs) can be purchased, sold, and traded using cryptocurrencies.
- Data and identity management: Blockchain technology and cryptocurrencies can be utilized to build safe, decentralized identification and data management systems that can guard against identity theft and safeguard personal information.
- Supply chain management is another use for these systems: they can be used to generate identity tokens that can be used to make online purchases of products and services. Supply chain management solutions that are safe and transparent could be created with the use of blockchain technology. Supply networks could function more effectively and disclose more information as a result.

These are but a few applications for cryptocurrency in the contemporary world. Many more exist. As the underlying technology continues to progress, it may be reasonable to predict the arrival of many more cutting-edge applications. Cryptocurrency has had, and will continue to have, a wide-ranging and profound impact on modern civilization. (Milos Grujic, 2019)

#### **3.1.4. Investing strategies**

- **HODLing (Long-Term Holding):** Buying cryptocurrency and sticking onto it for a long time, despite brief market swings, is known as hodlring. This approach is predicated on the idea that cryptocurrencies would appreciate over time. When it comes to HODLing, investors must have a strong belief in a cryptocurrency's potential since they must resist the urge to sell when the market is down. This approach is motivated by the idea that a strong project's long-term growth will compensate for the short-term fluctuations in the market. (Kiana Danial, 2022)
- **Futures:** Crypto futures contracts represent the value of a specific cryptocurrency at a specified time. These are agreements between traders to buy or sell a particular asset at a predetermined price on a specified date in the future.
- **Dollar-Cost Averaging (DCA):** DCA entails consistently making fixed-sum cryptocurrency investments at prearranged periods, independent of the market price. By distributing the investment over time, this method seeks to lessen the effects of transient market volatility. DFA is a methodical strategy that lessens the influence of sentimental decision-making because investors regularly contribute money regardless of the state of the market. DCA wants to eventually reach a favorable average entry price, so it spreads out its purchases over time.
- **Day Trading:** During a single trading day, day traders purchase and sell cryptocurrencies in an effort to profit on transient price fluctuations. Technical analysis abilities and active market monitoring are needed for this strategy. To profit from intraday price fluctuations, day traders frequently use technical analysis and leverage, which calls for fast decision-making and a high degree of market awareness. Continuous learning, risk management, and the capacity to adjust to quickly shifting market conditions are essential for success in day trading.
- **Swing Trading:** Using technical analysis indicators to determine possible entry and exit locations, swing traders seek to profit from short- to medium-term trends. They might hang onto a cryptocurrency for a few days or weeks to make profit from changes in value. To make wise selections about trend reversals using this method, one must possess a thorough comprehension of market psychology and chart patterns.
- **Staking and Yield Farming:** With bitcoins, one can engage in yield farming or staking. Staking is the process of retaining and locking up a specific quantity of

bitcoin to get reward from the network and earn more coins. In return for rewards, yield farming entails supplying liquidity to decentralized finance (DeFi) platforms.

- **Sector and Theme Investing:** Certain investors prefer to concentrate on areas or topics within the cryptocurrency space, such as privacy-focused coins, non-fungible tokens (NFTs), or decentralized finance (DeFi). However, the secret to success is to correctly identify promising areas and remain up to date on market dynamics within those niches.
- **Risk Management:** Setting specific financial objectives, utilizing stop-loss orders to restrict possible losses, and distributing a portfolio throughout several assets are all essential components of effective risk management. Because the cryptocurrency market is inherently volatile, risk-aware investors take precautions to safeguard their investment. (Kiana Danial, 2022)

### **3.2. Bearish or Bullish market?**

Decisions made by the government about cryptocurrencies have a big influence on market patterns. Limiting or outlawing the usage of cryptocurrencies, for instance, might frighten investors and trigger a bear market. Supporting or regulating cryptocurrencies, on the other hand, might stimulate market expansion and establish a bullish trend. Market trends, however, can also be impacted by a wide range of other variables, including news of technology advancements, political unrest, and economic indicators.

- **Central Banks and Money Market Policies:** The direction of the market and investor confidence can be affected by central bank choices on interest rates, quantitative easing, and other policies.
- **Technical Analysis:** Using historical price data and trading volume as a guide, chart analysis and technical indicator analysis can assist identify market trends.
- **Investor Sentiment:** Market developments can also be influenced by the overall attitude and risk tolerance of investors. Pessimistic sentiment can contribute to

bearish sentiment, whilst optimistic sentiment frequently helps positive feeling in the market.

- News and Events: The price of altcoins can be greatly impacted by news about regulations, technological advancements, investments from big players, and other events.

Because of the intricacy and extreme volatility of the cryptocurrency market, the price of altcoins might fluctuate significantly based on the aforementioned elements as well as other outside events. (Jordan, 2018)

Meme tokens—like Dogecoin, for example—are extremely susceptible to the sway of well-known individuals like Elon Musk. Even a small mention of him can cause significant price fluctuations, occasionally rising or falling by up to 30%. Speculators take advantage of these swings by keeping a careful eye on Musk's actions and any relevant news, and then purchase or sell Dogecoin wisely. When Musk advertises Dogecoin, its price usually rises; on the other hand, unfavorable events, like Twitter's financial difficulties, frequently cause Dogecoin's value to drop sharply. (John, 2021)

Additionally, big purchases or withdrawals from the market by influential investors frequently cause abrupt changes in prices, either up or down. The term "Whale actions" is frequently used to describe this occurrence. Furthermore, outside variables also have an impact on market values. For example, when the coronavirus epidemic struck, the majority of corporate stock prices dropped, while the price of gold held steady. In periods of global unpredictability, gold is typically a preferred asset, which drives up demand and causes a 20%–30% price spike. The bitcoin markets also saw a similar pattern. In the first two months after the epidemic broke out in December 2019, the price of Bitcoin fell to \$6,435 initially. But after that, they saw a sharp rise that happened very quickly—they reached \$10,500 in less than a week. Investors continued to have faith in cryptocurrencies despite unpredictability in traditional markets because they saw its promise despite volatile market conditions.

Also, here an example of Bitcoin price:

War in Ukraine:

24/02/2022 Bitcoin price \$34 322

02/03/2022 Bitcoin price \$45 515

War between Israel and Gaza:

07/10/2023 price \$26 560

20/10/2023 price \$34 350

07/11/2023 price \$37 972

This scenario highlights investors' faith in the durability and potential of bitcoin assets, even in the face of unpredictability and market volatility. It emphasizes how financial markets are dynamic and how a wide variety of events affect asset prices.

### **3.2.1. Market cap**

The overall market value of a cryptocurrency is known as its "market cap," which is short for market capitalization. In cryptocurrency marketplaces, shares are represented by coins or tokens, just like in the stock market. One commonly used indicator that effectively indicates a project's magnitude is its market capitalization. For example, we can determine that, based on market capitalization, the current value of Bitcoin is \$1.1 trillion, whereas the OVR is \$177 million. This means that we can use market capitalization to predict volatility, potential upside, and a plethora of other aspects that impact investment decisions (interestingly, I include "potential upside" on my list due to the following concept). Assume for the moment that a project will receive \$1 billion in funding. With a \$1.1 trillion market capitalization, there would be very little change in price if \$1 billion was invested in Bitcoin. However, OVR's price and market capitalization will approach 10x if \$1 billion is invested in it. \$11 trillion would be required—a completely absurd amount—to 10x Bitcoin. Market capitalization can therefore be used to estimate both volatility and possible upside. Simply multiply the price by the total number of coins or tokens to determine the market cap of that particular currency or token. The formula is as follows: market cap = cost per unit x quantity

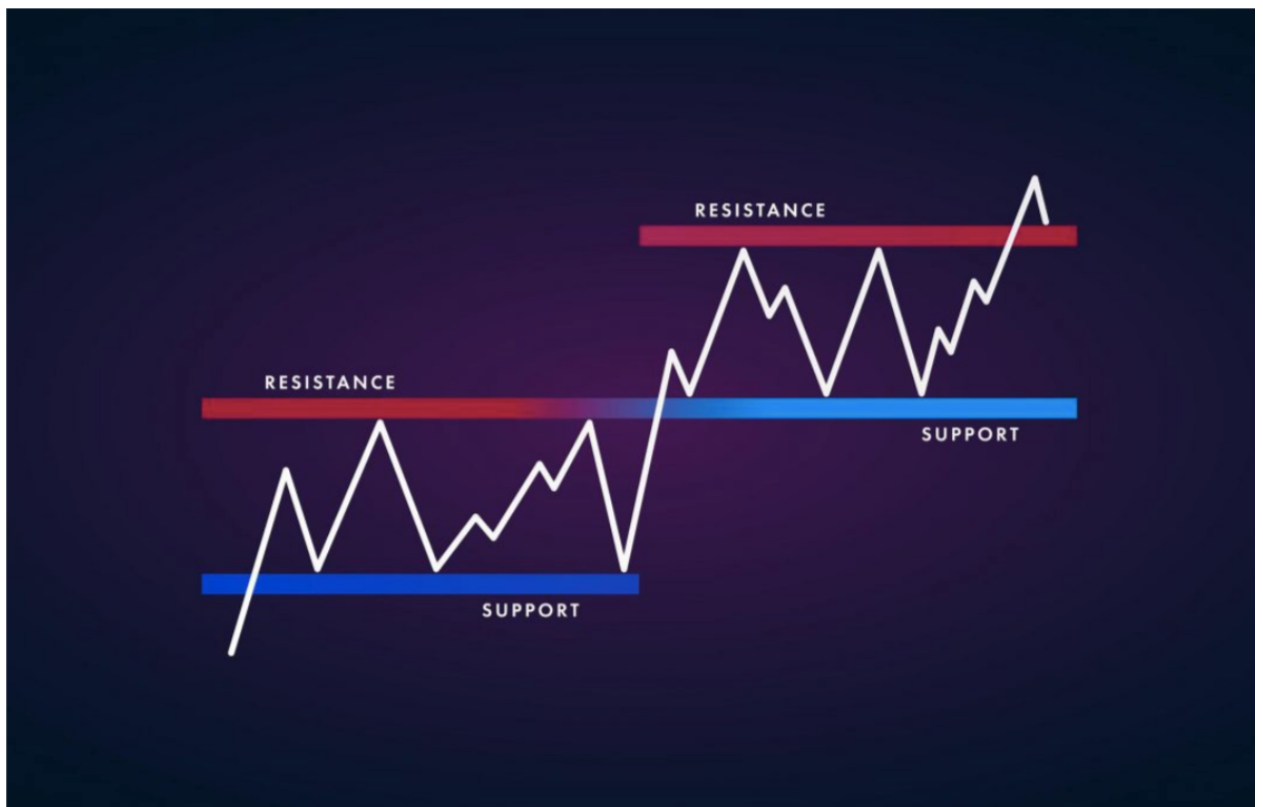
of units. For instance, a coin with a 1,000,000-coin circulating supply (we'll talk about circulating supply and other supply processes soon) and a \$10 coin price has a \$10 million market capitalization since  $1,000,000 \times 10 = 10,000,000$ . (John, Alan, 2021)

### 3.2.2. Support and Resistance Levels

The most widely used chart-reading tool is undoubtedly support and resistance levels, which you have probably heard of if not used. Concentrated areas of buying or selling are indicated by support and resistance levels. Because of a concentration of buyers at support levels, downtrends frequently halt, and a concentration of selling at resistance levels frequently halts uptrends. Before breaking out, prices usually oscillate between resistance and support levels, sometimes rising above or falling below them.

Then, support levels take the place of resistance levels, or resistance levels frequently become the new support levels (for instance, if Bitcoin breaks above resistance at 50k to 53k, 50k may become the new support). There are instances where resistance levels are denoted as "ceilings" and support levels as "floors."

*Figure 1 Resistance and Support*



*Source: Investment (2021)*

Sideways trading is common along levels of support and resistance for the price. The cycle then resumes after a breakout (seen by the arrows) creates fresh levels of support and resistance. Although it's not a precise science, support and resistance levels unquestionably serve as a foundation for a substantial portion of price swings and breakouts, much like all indicators.

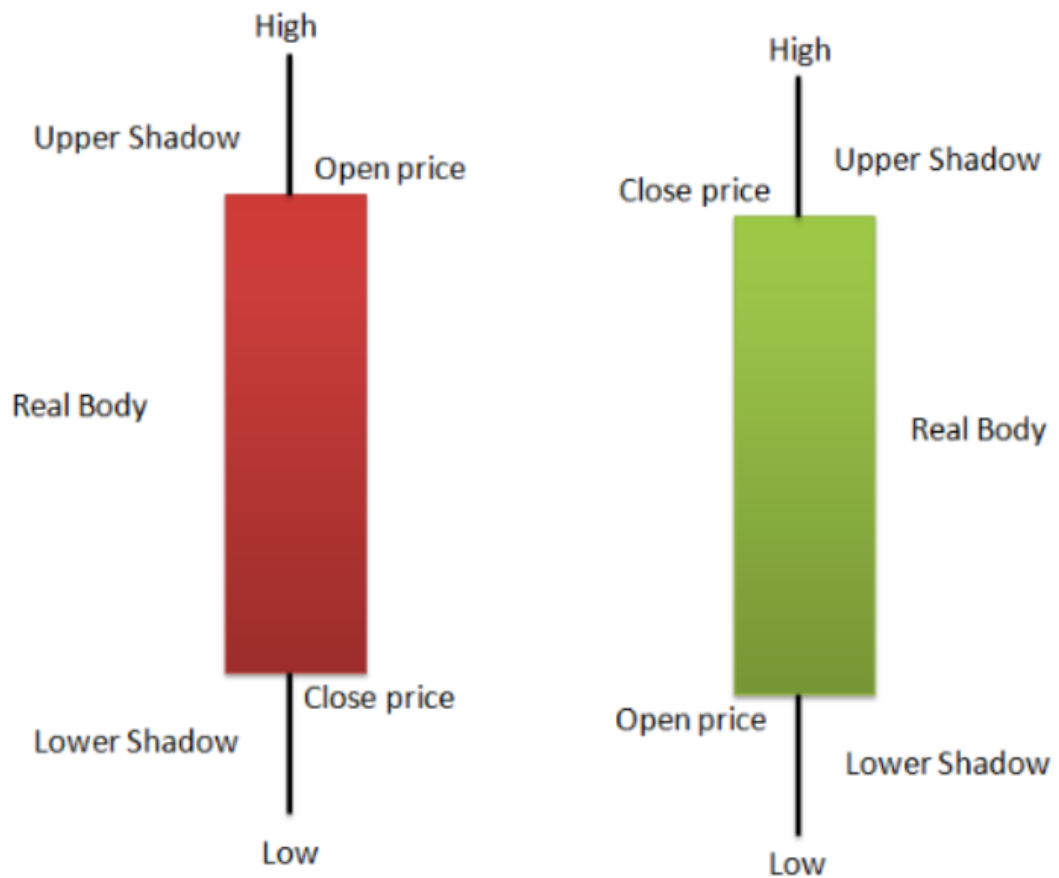
### **3.2.3. Candles**

With each candlestick showing the opening, high, low, and closing prices over a given time period, candlestick charts provide a visual depiction of market changes. A candlestick's "real body" is the difference between its opening and closing prices. A red-filled true body indicates a decline in value since the closing price was lower than the opening one. Conversely, a green, or empty, real body indicates a gain in price because it suggests that the closing price was more than the opening. The "wicks" or "shadows" of a candlestick display the highest and lowest prices that were noted during the trading session. When the upper wick is close to the real body, the period's high was reached at the closing price. Similarly, when the lower wick is in proximity to the real body, it suggests that the period's low point occurred around the closing price. (John, 2021)

Candlesticks come in two primary varieties: red and green. A red candlestick appears when the closing price is lower than the opening price, indicating a decrease in value. On the other hand, when the closing price exceeds the initial price, a green candlestick emerges, indicating a rise in value.



Figure 2 Candlestick Charts



Source: *Candle chart analysis (2023)*

Candlestick charts are popular among investors because of their ability to provide insight into price movements and market sentiment. Each candlestick on the chart represents the price data for a specific timeframe, which is typically divided into intervals of one minute, five minutes, thirty minutes, and an hour. For example, a one-minute candlestick records price action inside each minute by creating a new candlestick at the conclusion of each minute.

Green candlesticks, in terms of hue, depict rising prices that move up from the bottom left to the top right. Conversely, a downward price movement that begins at the top left and ends at the bottom right is indicated by red candlesticks.

### 3.3.NFT

Even though the market for NFTs may have peaked, a sizable portion of people still benefit from them.

A digital representation of a unique object, such as paintings, photos, movies, music, or GIFs, is called a non-fungible token, or NFT. Collectors, gamers, and art lovers place a great deal of value on these objects, which they purchase and sell at auction.

The blockchain, a huge collection of blocks with data, is where NFT tokens are safely kept. Tokens enable producers to prove digital ownership of their original works, with each token denoting a record inside a block. NFTs are unique and unmatched, in contrast to fungible tokens, making them a unique digital asset. (Matt, 2021)

Above all, NFT tokens give artists rich chances to make money off of their digital creations. Artists, musicians, and content creators sell their digital creations to gamers, athletes, collectors, celebrities, politicians, and other affluent individuals. The primary objective is to capitalize on the popularity of a particular token.

**Among other NFTs, renowned football player Neymar Jr. has two Bored Apes. He has used ENS addresses and digital tokens worth over \$1 million.**

Figure 3 NFT



Source: NFT Bored Apes (2022)

An individual going by the handle "Beeple" produced a collection of NFT artwork titled "Everydays: The First 5000 Days." The series consists of five thousand digital photos, one per day for thirteen years.

Beeple sold the collection at Christie's in March 2021 for a total of \$69.3 million. Initially, he offered these pieces for a comparatively modest price on an NFT platform. One of his early NFTs, for instance, brought \$969 at auction.

As a result, Beeple realized a substantial profit from the sale of his NFTs, beginning with a little sum for each piece and reaching multi-million-dollar profits for the collection as a whole. This example demonstrates how NFT development can be used to produce content that is both high-quality and in high demand.

## 4. Practical part

### 4.1. Holding

Analysis of Bitcoin was conducted from August 8, 2022, to December 12, 2023. The analysis was based on charts obtained from the Binance exchange, using weekly candlestick charts to demonstrate the overall trend and dynamics over the entire analysis period.

An investment of \$1000 was made as an example for analysis. This amount helped to illustrate the growth and development of the cryptocurrency since 2022, based on the data studied.

From April 2022 to June 2022, there was a decline from \$48,433 to \$17,455, representing a decrease of over 100% during these two months.

This period marked an opportune time to start investing, as the most promising time for investment is during periods of declining trust in cryptocurrency and significant capital outflows. When Bitcoin sales volumes decrease and there is a large outflow of funds from exchanges, the price of most cryptocurrencies rapidly declines.

The chart highlights the area in which Bitcoin's value increased. Bitcoin was purchased at a price of \$22,546, resulting in the acquisition of 0.04435377 Bitcoin. The chart shows a price increase of 99.85%, and at the end of the investment period, the price was recorded at \$45,058.60.

Figure 4 Rising trend of Bitcoin



Source: own processing (2022-2023)

On June 13, 2022, when the price fell to \$17,500, the risks of buying during a sharp decline were as follows:

- Possibility of further decline: A sharp price drop may signal the beginning of a prolonged downtrend. Buying at such a moment could result in additional losses if the price continues to decline.
- Emotional impact: A sharp price drop may induce panic among investors, leading to impulsive and ill-considered decisions. Waiting a few days allows for calmness to prevail and for decisions to be made based on thoughtful analysis.
- Technical factors: Sometimes, sharp price drops may be caused by technical aspects of the market, such as position liquidations or stop-order attacks. Waiting for some time allows for an assessment of the stability of such a decline and adjustment of one's strategy accordingly.

As demonstrated in this bachelor's thesis, it was advisable to wait before starting to invest. From April 2022, for a month, the price continued to decline, and it began to stabilize from June 13, 2022.

Figure 5 Downward trend of Bitcoin



Source: own processing (2022-2023)

This is an example of why it's not advisable to sell an asset prematurely if it's showing negative returns. Before purchasing an asset, there should be a plan in place, such as in this case, where the strategy was to hold the coin until December 12, 2023.

From September 12, 2022, to January 9, 2023, the price remained within a certain range, as shown on the graph, and then dropped from \$22,546 to \$15,215, resulting in a price decrease of -32.42% (-\$324.8). During these four months, the investment incurred losses, and many investors might have sold their assets, seeing no reason to hold onto unprofitable investments. However, this investment strategy was long-term, with the sale of assets scheduled for the conclusion of the research in this bachelor's thesis, until December 2023.

By dissecting and analyzing the project and investing in it, one can potentially earn a significant sum. Nearly every day, very promising projects emerge, such as Solana (SOL). By investing \$1000 on August 08, 2022, and selling in December 2023, when the token price increased by 584%, the net profit was +\$4840.

## 4.2. Technical analysis

### 4.2.1. Double Down

In the context of cryptocurrency trading, "double down" is a scenario in which a trader doubles his investment when the price of an asset decreases by increasing the amount of his stake in a cryptocurrency. With this strategy, the trader can expand their position and recover losses in the hopes that the asset's price would eventually rise.

It is important to keep in mind, though, that increasing your investment twice while prices are dropping might be a highly dangerous strategy. There can be even bigger losses if the price drops further. When employing this method, it's crucial to take your financial situation into account and establish a risk management plan.

Figure 6 Double Down



Source: own processing (2022-2023)

Entry price 1736,80 USDT for \$50 (0,02878858 ETH)

“Limit purchase order” or “Activation Price”

1528,04 USDT for \$100 (0,06544331 ETH)

1434,84 USDT for \$200 (0,13938836 ETH)

1235,40 USDT for \$400 (0,32378177 ETH)

1125,42 USDT for \$800 (0,71084573 ETH)

In total 1,26824775 ETH

Spend \$1550

12.12.2023 price for ETH is 2355 USDT (\$2986,72)

Profit +1436,72 \$

#### 4.2.2. Averaging down

This strategy is called “averaging” or “shovelling.” This means buying additional assets each time their price falls to average out purchases at a lower price and reduce your average level of risk.

		Close	Price of Bitcoin	
		August		
Entry	08.08.2022	24 290,50		
	15.08.2022	21 505,50	-11,47%	-2 785,00
Activation price	22.08.2022	19 548	-9,10%	-1 957,50
	29.08.2022	19 986,50	2,24%	438,50



	September		
Activation price	05.09.2022	21 810	9,12%
	12.09.2022	19 408,50	-11,01%
	19.09.2022	18 800	-3,14%
	26.09.2022	19 054	1,35%
		October	
	03.10.2022	19 436,50	2,01%
	10.10.2022	19 252,50	-0,95%
	17.10.2022	19 559	1,59%
	24.10.2022	20 613,50	5,39%
	31.10.2022	20 904	1,41%
	November		
Activation price	07.11.2022	16 330,50	-21,88%
	14.11.2022	16 273,50	-0,35%
	21.11.2022	16 426	0,94%
	28.11.2022	17 096	4,08%
		December	
	05.12.2022	17 078	-0,11%
	12.12.2022	16 729,50	-2,04%
	19.12.2022	16 825	0,57%
	26.12.2022	16 622,50	-1,20%
	January		
	02.01.2023	17 119,50	2,99%
	09.01.2023	20 878	21,95%
	16.01.2023	22 703,50	8,74%
	23.01.2023	23 737,50	4,55%
	30.01.2023	22 934	-3,38%
	February		
	06.02.2023	21 776,90	-5,05%
	13.02.2023	24 266,90	11,43%

20.02.2023	23 548,30	-2,96%	-718,60
27.02.2023	22 419	-4,80%	-1 129,30
	March		
06.03.2023	21 978,90	-1,96%	-440,10
13.03.2023	27 962,10	27,22%	5 983,20
20.03.2023	27 951,60	-0,04%	-10,50
27.03.2023	28 155,90	0,73%	204,30
	April		
03.04.2023	28 309,70	0,55%	153,80
10.04.2023	30 295,90	7,02%	1 986,20
17.04.2023	27 572,80	-8,99%	-2 723,10
24.04.2023	29 217	5,96%	1 644,20
	May		
01.05.2023	28 413,90	-2,75%	-803,10
08.05.2023	26 903	-5,32%	-1 510,90
15.05.2023	26 734,30	-0,63%	-168,70
22.05.2023	28 049,90	4,92%	1 315,60
29.05.2023	27 105,50	-3,37%	-944,40
	June		
05.06.2023	25 915,10	-4,39%	-1 190,40
12.06.2023	26 333,50	1,61%	418,40
19.06.2023	30 460,10	15,67%	4 126,60
26.06.2023	30 601,90	0,47%	141,80
	July		
03.07.2023	30 150	-1,48%	-451,90
10.07.2023	30 221,40	0,24%	71,40
17.07.2023	30 071,10	-0,50%	-150,30
24.07.2024	29 273,10	-2,65%	-798,00
31.07.2023	29 075,70	-0,67%	-197,40
	August		
07.08.2023	29 301,30	0,78%	225,60
14.08.2023	26 176,50	-10,66%	-3 124,80

21.08.2023	26 085,40	-0,35%	-91,10
28.08.2023	25 959,90	-0,48%	-125,50
	September		
04.09.2023	25 826,40	-0,51%	-133,50
11.09.2023	26 514,60	2,66%	688,20
18.09.2023	26 232,90	-1,06%	-281,70
25.09.2023	27 979	6,66%	1 746,10
	October		
02.10.2023	27 899	-0,29%	-80,00
09.10.2023	27 139,30	-2,72%	-759,70
16.10.2023	29 978,70	10,46%	2 839,40
23.10.2023	34 535,80	15,20%	4 557,10
30.10.2023	35 035,80	1,45%	500,00
	November		
06.11.2023	37 089,50	5,86%	2 053,70
13.11.2023	37 386,90	0,80%	297,40
20.11.2023	37 455,40	0,18%	68,50
27.11.2023	39 999,90	6,79%	2 544,50
	December		
04.12.2023	43 823,80	9,56%	3 823,90
11.12.2023	41 395,20	-5,54%	-2 428,60
18.12.2023	43 022,30	3,93%	1 627,10
25.12.2023	42 324,80	-1,62%	-697,50

Source: own processing (2023)

This is table of all prices, how price of Bitcoin was changing by weeks.

Date, Price of Bitcoin on the week candle, percentage of how it is changed from the last week, and changes in USDT.

Budget \$1000

Entry price 24 290,50 USDT buy on \$200.

First Activation price 19 548 USDT buy on \$200

Second Activation price 18 800 USDT buy on \$200  
Third Activation price 16 330,50 USDT buy on \$200  
Average price 19 742,25 USDT (\$800)

The last one level on 15 150 USDT (was not used)  
Sell on the price 41 395,20 USDT (\$1677,42)  
Profit +\$877,42

Most of the time Bitcoin was growing in price, because it was bull market, but if it will be bear market it is not the best strategy to buy when the price is on top and wait more than one year when the market made a comeback to the bull.

### **4.3.Candlestick Patterns**

#### **4.3.1. Rising Wedge**

A negative reversal pattern known as a rising wedge can be seen on financial charts, including cryptocurrency charts. The upper trendline, or resistance, rises at a greater angle than the lower trendline, or support, and is characterized by converging trendlines that slope upward. This pattern usually appears during upward trends and indicates that there may be a downside reversal.

Here's how a rising wedge pattern typically looks:

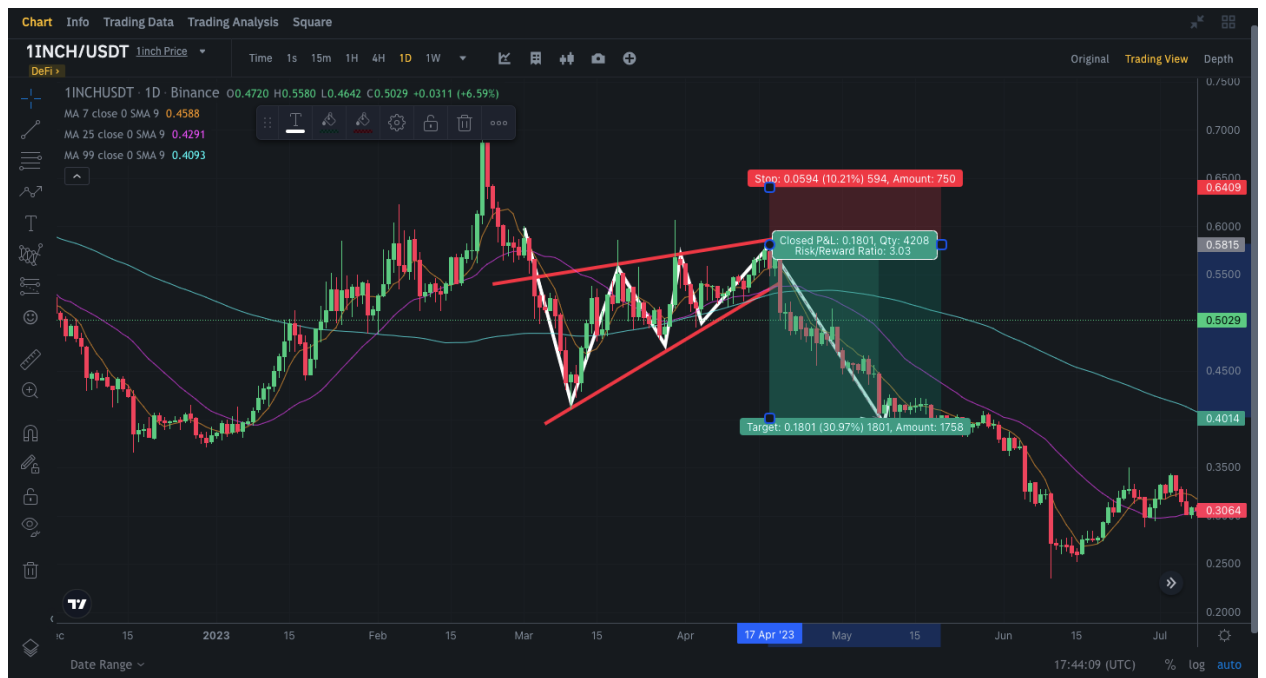
1. Two trendlines: A rising wedge pattern consists of two trendlines that converge toward each other.
2. Upper trendline (resistance): Connects the highs or peaks of the price action. It slopes upward at a steeper angle than the lower trendline.
3. Lower trendline (support): Connects the lows or troughs of the price action. It also slopes upward but at a less steep angle than the upper trendline.

Buyers are still in charge, but it appears that their strength may be waning as long as the price makes higher highs and higher lows inside the rising wedge formation. The price can eventually close below the lower trendline, indicating a possible downward reversal.

## 1INCH

1INCH functions as a decentralized exchange aggregator, methodically examining multiple decentralized exchanges to determine the most advantageous cryptocurrency values for traders. The 1INCH utility and governance token enable this service.

Figure 7 Rising Wedge



Source: own processing (2023)

## Futures

### SHORT

Entry 0,5815 USDT (\$200) Leverage 5X

Stop Loss 10% (0,64 USDT); Take Profit 22,6% (0,45 USDT)

Profit +263 USDT

### 4.3.2. Triple Top

A technical analysis pattern known as a "triple top" can be seen on the price charts of a number of financial assets, including cryptocurrency. When an asset's price tests the same resistance level three times without breaking above it and then declines, it forms what is known as a bearish reversal pattern.

Here's how the pattern typically forms:

1. The price of the asset rises to a certain resistance level, then pulls back.
2. The price rallies again, reaching the same resistance level, then retreats once more.
3. Finally, the price makes a third attempt to break above the resistance level but fails, leading to a decline in price as selling pressure increases.

Triple top patterns are frequently seen by traders and analysts as a sign that the bullish momentum is waning and as a possible indication of a negative trend reversal. Like with other technical analysis patterns, trading decisions must consider additional factors and indicators.

Entry 3,326 DYDX

DYDX is a well-known decentralized exchange that runs on the Ethereum blockchain using smart contracts and supports continuous trading. It makes trade possible for users without the need for middlemen.

Analysis of this chart showed a fairly obvious decrease in price, three heads of resistance are clearly visible and, as a result, a decrease in price to 1.8 USDT

Figure 8 Triple Top



Source: own processing (2023)

## Futures

Entry with SHORT on the last head at price 3,2 USDT with leverage 5X (\$200)

Stop Loss on the price 3,75 USDT; Take Profit 2,1 USDT

Profit +217 USDT

### 4.3.3. Triple Bottom

A bullish reversal pattern known as a "triple bottom" can be seen on price charts for a variety of financial assets, including cryptocurrency. In essence, it is a triple top pattern's inverse. An asset's price creates a triple bottom pattern when it tests the same support level three times without breaking below it, possibly signaling an upward price reversal.

Here's how the pattern typically forms:

1. The price of the asset declines to a certain support level, then bounces back.
2. The price falls again, reaching the same support level, then rebounds once more.
3. Finally, the price makes a third attempt to break below the support level but fails, leading to a potential reversal in price direction as buying pressure increases.

Triple bottom patterns are frequently seen by traders and analysts as a sign that the bearish momentum is waning and as a possible indication of a bullish trend reversal. Before making any trading decisions, it is crucial to consider additional aspects and indications, just like with any other technical analysis pattern.

BNB

## Futures

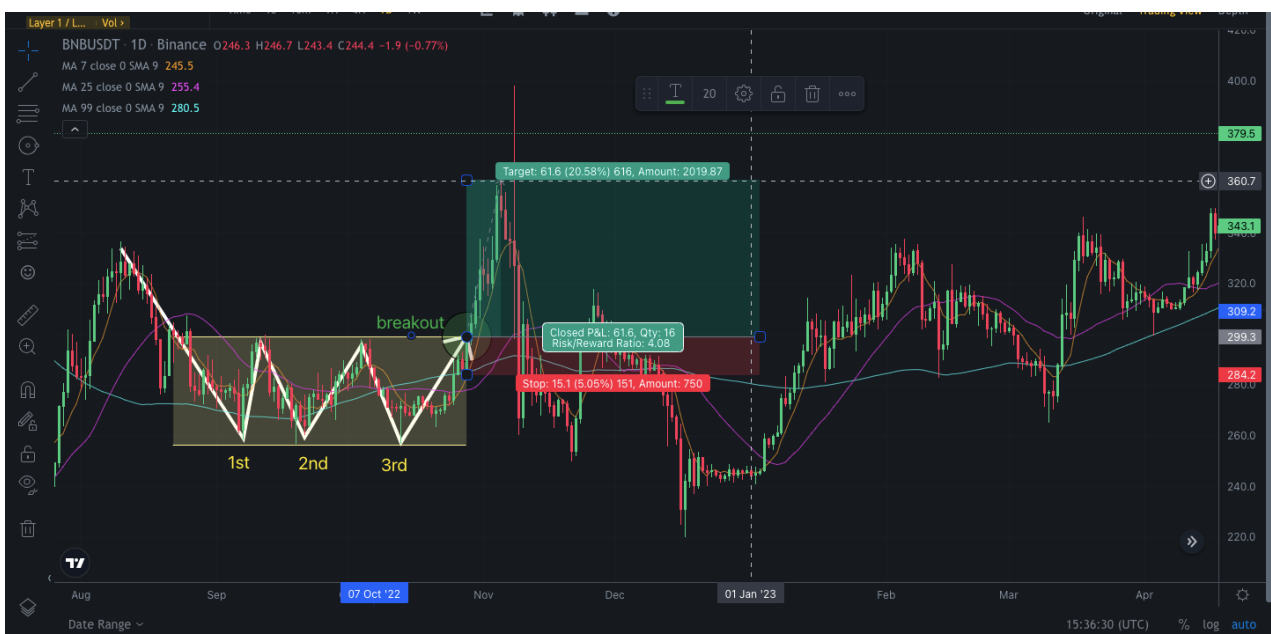
LONG

Breakout point is 299 USDT, Leverage 5X (\$200)

Stop Loss 5% (284,2 USDT); Take Profit 15% (343,1 USDT)

Profit +149 USDT

Figure 9 Triple Bottom



Source: own processing (2022-2023)

### 4.3.4. Double Bottom

In the realm of cryptocurrency markets, a bullish reversal pattern called a "double bottom" is also frequently observed. It usually follows a downward trend and suggests that the price trend may be about to turn from bearish to bullish. Two almost equal troughs (or lows) follow one another, and then prices rise beyond the intermediate peak that forms between the two troughs, forming a double bottom pattern.



Here's how the pattern typically forms:

1. Initial Decline: The price of the asset experiences a downtrend, reaching a low point (the first trough).
2. Rebound: After the first trough, the price rebounds but fails to sustain upward momentum, resulting in a pullback.
3. Second Decline: The price then declines again, reaching a similar low as the first trough (the double bottom).
4. Reversal Confirmation: Following the second trough, the price rallies and breaks above the intermediate peak formed between the two troughs, confirming the pattern, and indicating a potential trend reversal.

The breakthrough above the intermediate peak is frequently seen by analysts and traders as a signal to initiate long positions in anticipation of additional price increase. To lower the possibility of false signals, it is crucial to corroborate the pattern with other signs or signals, just like with any other technical analysis pattern.

When correctly detected and confirmed, the double bottom pattern—which is frequently employed in technical analysis—is regarded as one of the more dependable bullish reversal patterns.

## BULLISH

### ARB (Arbitrum)

Arbitrum is a Layer 2 scaling solution designed for the Ethereum blockchain, enabling swift execution of smart contract transactions while decreasing transaction expenses.

Figure 10 Double Bottom



Source: own processing (2023)

## Futures

Entry 0,975 USDT, Leverage 3X (\$200)

On this graph LONG

Stop Loss -10% (0,877 USDT); Take Profit 53% (1,15 USDT)

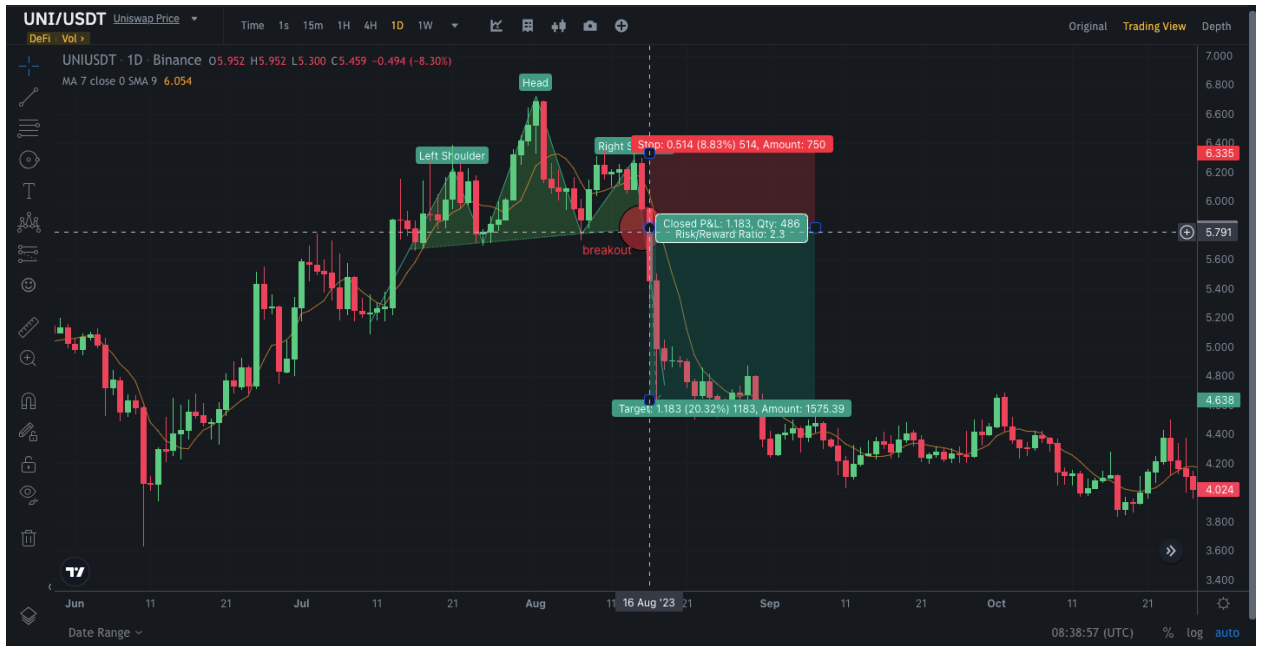
Profit +108,5 USDT

### 4.3.5. Head and Shoulders

As popular as chart patterns get, head and shoulder formations are known for their consistency and ability to forecast bearish reversals. Three peaks are involved, one of which (the head) is positioned between the other two (the shoulders) and the baseline price. The idea here is that price is rising to a peak, then pulling back, accelerating to a new high, pulling back again, and rising to a third peak. Eventually, resistance gives way, and the price drops back below the "neckline" price (which is formed by the troughs of the first and third peaks) or reaches support below either shoulder. Thus, the reversal is finished.

However, even though the pattern has been shown to be dependable (it is shown to be accurate around 85% of the time), it is not a golden rule.

Figure 11 Head and Shoulders



Source: own processing (2023)

## Futures

### SHORT

Entry price 5,79 USDT, Leverage 5X

Stop Loss 8,9% (6,272 USDT) , Take profit 15% (\$4,89 USDT)

Profit +155 USDT

## **5. Results and Discussion**

### **5.1. Perspectivity of Investing In Crypto**

In the context of cryptocurrency it was discovered that the investing techniques used during the study period indicated profitability. The use of passive investment strategies allowed for the profit-making of price swings in cryptocurrencies. The study's good results highlighted the potential for profitability in bitcoin investments.

The theoretical framework features a thorough analysis of secondary sources, including academic publications and business reports, to gain a clear understanding of the Bitcoin markets and investment dynamics. Information was collected, historical data was analyzed, and the experience of investors was also shown. The main and more profitable investment strategies have been identified. Data from market analysis is provided, and an approach to solving the problems of investing in cryptocurrencies on the Binance platform is also shown. Increased public awareness of cryptocurrencies and offer valuable advice to anyone looking to maximize their financial plans in the ever-changing world of digital assets.

Despite the general pessimism that pervaded the Bitcoin industry at first, the analysis revealed that wise investment choices produced profitable outcomes. These returns were attained by using efficient portfolio management strategies along with close observation of market developments. Interestingly, returns from rising cryptocurrency prices can be realized through passive investment strategies.

Additionally, the success of investing in cryptocurrencies was visible over a range of time periods and market circumstances. The overall trajectory of returns remained positive despite sporadic volatility and market downturns, demonstrating the market's resilience and potential for significant profit. Ultimately, investing in cryptocurrencies in 2023 can provide significant profits.

## **5.2. Future Development**

Cryptocurrencies have a bright future ahead of them, attracting the interest of both established players and cutting-edge software companies. The acceptance of cryptocurrencies may spread if significant institutions, like banks and huge enterprises, show more interest. Furthermore, technical advancements with the potential to propel market growth and development include scalability and better trade circumstances.

Cryptocurrency presents an alluring chance for investors to diversify their investment portfolios and maybe earn large profits. Nonetheless, it's critical to recognize the significant risks—such as market volatility and regulatory uncertainty—that come with investing in cryptocurrencies.

It is extremely important to realize that cryptocurrency is not a scam; For now, cryptocurrency represents an important aspect of the future landscape. Cryptocurrency has already been integrated into the daily lives of ordinary people. However, among its potential, of course, lies the risk of failure, as evidenced by projects such as FTX, despite significant investment and expectations. Therefore, it is extremely important to carefully study and analyze the cryptocurrency industry, identify trends, and constantly learn. This undergraduate thesis delves into these aspects, emphasizing the importance of understanding the trajectory of future development in this rapidly developing and highly promising field.

## 6. Conclusion

In conclusion, the examination of cryptocurrency investment strategies in the Binance market has demonstrated the efficacy of yielding profits through meticulous analysis and calculated judgment, in addition to offering valuable insights into the operations of the digital asset trading sector. By applying rigorous study and implementing different investing methods with diligence, gains have been made and new chances have been taken advantage of.

The thesis demonstrates that there is potential for profit with careful preparation and rigorous execution, despite the inherent risks involved with investing in cryptocurrencies, such as regulatory uncertainty and market volatility.

Additionally, the work done has demonstrated the value of adaptability and agility in responding to shifting market situations. Using cutting-edge technologies or modifying investment allocations in response to changing market trends are two examples. The prospect for investing in cryptocurrencies is bright, as further market growth is expected due to technological breakthroughs, rising acceptance, and more lucid regulations. At the end of the bachelor's thesis, there is hope for success in the ever-changing and dynamic world of cryptocurrencies, and trust in the efficacy of the strategies offered. In conclusion, making cryptocurrency investments on the Binance market has been a fruitful and informative experience. Investment in cryptocurrencies has proven to be a productive way to accumulate money via the use of analytical tools, strategic planning, and rigorous execution.

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### 8.1. Abbreviations

UNI - Uniswap (UNI) is an Ethereum token that powers Uniswap, an automated liquidity provider that's designed to make it easy to exchange Ethereum (ERC-20) tokens

BTC – Bitcoin is the first decentralized cryptocurrency.

DYDX - is a leading decentralized exchange that currently supports perpetual trading

BNB - Binance coin (BNB) is the exchange token of the Binance crypto exchange

ARB - is the governance token for the Arbitrum layer 2 blockchain.

1INCH - is an exchange aggregator that scans decentralized exchanges to find the lowest cryptocurrency prices for traders.

ETH - Ethereum itself is a blockchain technology platform that supports a wide range of decentralized applications (dApps), including cryptocurrencies.