Bitcoin, Litecoin, cryptocurrencies, mining... It seems like these new words are popping up everywhere in recent months. In part, the cryptocurrency boom is due to the fact that historically they have shown much higher profitability than the traditional dollar or euro.

But there are actually a number of reasons why cryptocurrencies are so popular. They are safe, anonymous, and completely decentralized. Unlike conventional currencies, they are not controlled or regulated by any particular authority, and their flow is completely determined by market demand. They are also nearly impossible to forge, thanks to a highly complex code system that encrypts each transmission, providing complete anonymity and security for every user.

Although Bitcoin is practically the only cryptocurrency discussed most of the time, there are actually many different cryptocurrencies available (in fact, *very* many).

So let's take a closer look at the major ones.

Bitcoin and Bitcoin Cash



Bitcoin is the digital currency that is stored in the unique payment system of the same name, where there is no controlling body and all participants are considered peers. Bitcoins can be used to make purchases and transfers if the recipient agrees to receive Bitcoin and is able to do so. The main idea behind

Bitcoin is complete decentralization: neither the central bank, nor the government, nor any other administrative organization can influence or control Bitcoin.

As for Bitcoin's profitability, it is legendary.

This isn't surprising – after all, a Bitcoin was sold for 0.003 dollars in the very beginning, and now it is traded at around USD 3500.

Bitcoin Cash is a new currency that emerged from a hard fork of the Bitcoin on August 1, 2017. It is a more scalable replication of the original blockchain with individual blocks increased to 8 MB.

The way a fork works is that instead of creating a new blockchain from scratch, the fork creates a duplicate blockchain with the same history.

What this actually means is that all owners of pre-fork Bitcoins are now owners of the same amount of Bitcoin Cash, since both cryptocurrencies had the same blockchain up until the moment of the fork.

Right after its release, Bitcoin Cash was worth about USD 700, but it stabilized in the USD 250-300 range in the following days.



Dash ("Digital Cash") is a decentralized open payment system that uses an algorithm called Darksend to keep transactions anonymous. This currency has been renamed twice, from Darkcoin in 2015 and Xcoin in 2014.

It offers all the possibilities of Bitcoin, as well as instant and completely anonymous transactions through so-called Masternodes.

Masternodes mix up the transaction data to erase all of its tracks, and then get a percentage of the transaction value

The main differences between Dash and Bitcoin are:

- Transactions in Dash are anonymous.
- Dash uses not one, but a combination of several cryptographic algorithms.
- · Mining Dash consumes less energy.

Decisions about the further development of the system are made collectively by all members of the Dash network through Decentralized Governance, instead of being decided by individual programmers.

The value of this cryptocurrency passed the \$1 billion mark in May 2017.

Ethereum



Ethereum is a platform for creating decentralized online services based on a blockchain that uses smart contracts. It is implemented as a single decentralized virtual machine.

Developed by 19-year-old Vitalik Buterin, this cryptocurrency raised 18 million dollars in its ICO in August 2013 and was launched in July of 2015.

Unlike other cryptocurrencies, its creators do not limit the role of the Ether to payments, but offer it as a means for exchanging resources or registering transactions of assets using smart contracts. In particular, its developers have called the Ether a "crypto fuel" for smart contracts.

The Ethereum technology makes it possible to register any transactions with any assets using a blockchain-type distributed database of contracts, without resorting to traditional legal procedures. This possibility provides competition for the existing transaction registration system. According to *The Economist* magazine, the technology of "smart contracts" marks a new era in financial technologies.

Developers can issue tokens or units of their currency over a blockchain network.

In 2017, Ethereum grew by 4000% and became the second largest cryptocurrency after Bitcoin.

RIPPLE



Ripple is a distributed payment system that uses the same cryptocurrency (XRP) as the internal payment unit.

First of all, we need to clarify that Ripple is not a Bitcoin clone and Ripple technology is based on a completely different concept, called the "principle of trust".

XRP is similar to BTC:

- Ripple is divided out to a large number of decimal places.
- It is also easily transmitted in electronic form and has high cryptographic stability.
- It is interchangeable and homogeneous.

XRP also has advantages over BTC:

- Transactions in the network are much faster.
- Ripple has some intrinsic value, since it allows you to conduct transactions.
- Ripple coins are deflationary, as they are destroyed by the network after the transaction is carried out, so the total number of XRPs decreases over time.

As of 2017, Ripple is ranked the fourth cryptocurrency in terms of market capitalization, second only to Bitcoin and Ephereum.

Litecoin



Litecoin is a peer-to-peer internet currency that includes nearly zero-cost payments to anywhere in the world.

Litecoin is a fork of Bitcoin, as they were the same cryptocurrency until 2011.

The emission of Litecoins, as with Bitcoins, is algorithmically limited. The maximum amount of Litecoins that will go into circulation is four times greater than the maximum number of Bitcoins (84 million versus 21). The initial reward for each block is 50 Litecoins.

Litecoin blocks are formed 4 times faster than Bitcoin blocks. Their pace of emissions and compensations will be similar over time.

About 3/4 of all Litecoins will be generated in 2020.

Will cryptocurrencies be the new norm after 2017? It might be too early to judge. There is one thing we know for certain – cryptocurrencies are going to be on the minds of experts and ordinary people for a long time.

Don't forget that the first real thing bought using Bitcoin was a pizza sold for 10,000 bitcoins. In 2009, the owner of a pizzeria decided to believe in the cryptocurrency and traded the pizza for a pittance. This decision brought him at least \$4,000,000 and set off a major financial revolution.

If you believe in the potential of cryptocurrency and blockchain technology, if you want to secure a place for yourself in a future where cryptocurrencies reign, and if you want to witness the origins of a new financial system, then it is best to invest now.

The best way to do this is on the IQ Option platform, which is one of the largest online exchanges in the world.

IQ Option offers its customers a wide range of cryptocurrency assets, a steadily growing number of available trading instruments, everything necessary for technical and fundamental analysis, a user-friendly interface, 24/7 customer support, lightning-fast credits and withdrawals of funds, and much, much more.

May you and your assets continue to grow!