

Long-Term Investment Research Framework
Exercise Progress: 1 of 49 Steps Completed
Cryptocurrency Chosen: Litecoin

Year that Litecoin was founded: 2010
 First date Litecoin was traded: 10/13/2011
 Ticker Symbol for Litecoin is: LTC
 Block Time (Time to Create New Litecoin) is: 2.5 minutes

STEPS 3-5: Litecoin Price, Restrictions, Purpose, Your Opinion on Long Term Strategy: Check this box when you understand Steps 3-5

| | |
|---|---|
| <p>Market Capitalization: \$ 7.92B</p> <p>Litecoin Price: \$ 140.18</p> <p>52 Week Low: \$ 18.13</p> <p>52 Week High: \$ 401.76</p> <p>Country of Origin: Singapore</p> | <p>STEP 4: What is the Brief Purpose of Litecoin (What Problem is it Solving)? Litecoin is digital currency that allows individuals to transfer funds directly between themselves or businesses without an intermediary bank or payment processing service. Litecoin is often referred to as Bitcoin's little brother and digital silver. It's purpose is for it to be used as a daily currency since it has faster transaction speeds than Bitcoin does.</p> <p>STEP 5: What is Your Brief Opinion On the Long-Term Strategy of Litecoin ? If Litecoin is used less as a investment vehicle and more of a practical usable currency, it will, in the long run increase in value and become a reputable currency (many think of Litecoin as being used for smaller transactions and Bitcoin for larger transactions).</p> |
| <p>STEP 3: Any Restrictions for Litecoin in: Canada (Click me)?</p> <p>(Click me to answer)</p> | |

STEPS 6-17: Litecoin Sources to Read/Review/Research and Stay on Top of: Please click on the green cells below to mark each as Done or N/A.

Click the Green Shaded Cells Below to Select Done, Not Done or Not Applicable

| | | |
|-----------------|----------|---|
| STEP 6: | Not Done | Did you sign up for Litecoin Google Alerts at alerts.google.com ? Click me to go to alerts.google.com . |
| STEP 7: | Not Done | Did you read the whitepaper for Litecoin? Click me to access the Litecoin whitepaper . |
| STEP 8: | Not Done | Did you sign up for Meetup.com meetings in Canada for Litecoin? Click me to access local meetups in Canada for Litecoin (if available) . |
| STEP 9: | Not Done | Using Twitter, have you followed official Litecoin Twitter feed? Click me to access Twitter to follow the official Litecoin Twitter feed . |
| STEP 10: | Not Done | Have you tried the product (meaning have you bought or sold fractions of or an entire Litecoin)? If not, please watch the lesson in Part 2 of the course on how to buy Litecoin. |
| STEP 11: | Not Done | (Optional) Have you used Github.com to research Litecoin? Click me to access Github.com and read about/research Litecoin |
| STEP 12: | Not Done | (Optional) Have you used Reddit.com to research Litecoin? Click me to access Reddit.com and read about/research Litecoin |
| STEP 13: | Not Done | (Optional) Have you used YouTube to research Litecoin? Click me to access YouTube.com and read about/research Litecoin |
| STEP 14: | Not Done | Have you reviewed the contents and resources on the Litecoin website? Click me to access the official website for Litecoin |
| STEP 15: | Not Done | (Optional) Have you reviewed the Wiki website contents and resources for Litecoin? Click me to access a helpful Wiki resource for Litecoin |
| STEP 16: | Not Done | Have you reviewed the non-editorial articles for Litecoin on Coindesk.com? Click me to access Coindesk.com articles for Litecoin |
| STEP 17: | Not Done | Have you analyzed how Google search trends have changed for Litecoin? Click me to access Google search trends for Litecoin . Optional: enter your thoughts in the space below on the change in search interest over the past 12 months. |

STEPS 18-21: Litecoin Qualitative Investment Research Comments (Background + Pros & Cons): Check this box when you understand Steps 18-21.

STEP 18: What is Litecoin? This is similar to Step 4, with much more detail on the background of Litecoin.
 Litecoin was created by Charlie Lee, a former Google and Coinbase employee in 2011. It was designed to be a peer-to-peer digital currency to enable instant global payment transactions. Litecoin is an open source, fully decentralized network with faster transaction confirmation times and enhanced storage efficiency when compared to Bitcoin. In addition, Litecoin has substantial industry support, trade volume and good liquidity, proving to be a complementary means of commerce to Bitcoin.

STEP 19: Why does Litecoin exist?
 It is important to note that Litecoin was made to complement Bitcoin and not to replace it. The reason that's true is because Bitcoin can't scale to become a global currency, rather Bitcoin should be handled as a store of value, like gold. While Bitcoin should be used for larger purchases, such as houses or cars, Litecoin should be used for making daily purchases such as meals, groceries, and gas. Utilizing each currency in that fashion, allows Litecoin to co-exist with Bitcoin since they'd be serving different purchasing purposes. Additionally, by providing a service that Bitcoin can't, demand for Litecoin's should continue to increase. Here are 4 of the main advantages Litecoin has over Bitcoin: Firstly, Litecoin's confirmation speed is faster than Bitcoin because it generates a block approximately 4x faster than Bitcoin. Ultimately, this means that it is much easier and faster to access money via Litecoin. Secondly, Litecoin will produce 84 million coins in total, meaning it will be more readily available for daily purchases while a majority of Bitcoin will be stashed away. Also, the people mining Litecoin use a varied mining protocol which promotes a fairer distribution of coins resulting in more equality. Lastly, Litecoin is capable of testing and integrating new technology faster than Bitcoin.

STEP 20: What are the pros (positive attributes of) Litecoin ?
 Initially, Litecoin was created as a clone of Bitcoin with more flexibility when it comes to technical updates. It's faster than Bitcoin and has nearly zero transaction fees in comparison to Bitcoin. Additionally, it is easier to mine Litecoin since it utilizes a more updated proof of work algorithm than Bitcoin does. Also, it was built by former Google employee and prior Director of Engineering at Coinbase, Charlie Lee, who helped build and maintain Litecoin, which is a solid track record when compared to most other altcoins.

STEP 21: What are the cons (negative attributes of) Litecoin ?
 Because Litecoin is simply a modified version of Bitcoin, it doesn't have much differentiation with the new addition of Segwit to Bitcoin. Litecoin does not introduce new projects or ideas as those presented by other altcoins, which means that the Litecoin market will be at a big disadvantage if Bitcoin's scaling issue is solved.

STEPS 22-24: Litecoin Management Team, Investors, Developers, Partners, Customers: Check this box when finished with Steps 22-24.

STEP 22: What is the management team like for Litecoin? Include information like your thoughts on the quality of the CEO, the quality of the developers that work there, the quality of board, the quality of investors etc (check out crunchbase.com and comment on VC investors if applicable).

The Litecoin team is made up of experts from the crypto world. Litecoin's creator, Charlie Lee, used to be the Director of Engineering at Coinbase and worked on YouTube Mobile, Chrome OS and Google Play games during his tenure as an engineer at Google. The Litecoin Core development team consists of all the developers working on the open-source Litecoin project. The Litecoin Foundation is run by Charlie Lee and works closely with the developers of Litecoin Core. Please click on the Crunchbase link on the right and then scroll down and click on Charlie Lee to see his impressive profile on LinkedIn.

[Click me to go to the Crunchbase page for Litecoin in order to view the investor profiles, the management team profiles and the background of the board \(if available\). The free content on Crunchbase is all we need...no need to pay for a subscription.](#)

STEP 23: What is the developer community like for Litecoin? Include information like do you think they seem committed to improving the cryptocurrency or are they opensource or not, etc.?

Litecoin is a fork of Bitcoin and , as a result, the developer community is active and respected (albeit on a much smaller scale than its "big brother" Bitcoin)

STEP 24: Does Litecoin have any notable reference customers or partners (i.e., large companies or government agencies that use or have positive things to say about Litecoin)?

Aliant Payments Systems, RE/MAX global real estate network, PureVPN, and Overstock are some of the key businesses partnered with Litecoin.

STEPS 25-26: Litecoin Security & Differentiation Versus the Competition: Check this box when finished with Steps 25-26.

STEP 25: Please comment on the strength of the security of Litecoin when compared to other cryptocurrencies.

The Litecoin network has wallet encryption which requires you to enter a password before spending Litecoins. This provides protection from wallet-stealing viruses and malicious software.

STEP 26: How is Litecoin different from other cryptocurrencies (in addition to differences in security protocols if applicable)?

Litecoin can be used for payments because it has a much faster transaction time than Bitcoin and lower fees. The main rival cryptocurrency to Litecoin is Bitcoin and vice versa.

STEPS 27-28: Wallets and Exchanges that Support Litecoin: Check this box when finished with Steps 27-28.

STEP 27: Of the 6 exchanges discussed in this course, can you transact in Litecoin on all 6 of these exchanges: GDAX, POLONIEX, KRAKEN, BITTREX, GEMINI, and BINANCE? If not, which of the 6 aforementioned exchanges do not currently accept Litecoin?

Of the 6 exchanges discussed in the course, all of them support Litecoin except for Gemini.

STEP 28: Of the 8 wallets discussed in this course, can you use Litecoin with all 8 of these wallets: QR CODE PAPER BASED WALLET, TREZOR, LEDGER NANO S, DIGITALBITBOX, KEEPKEY, COINBASE, ELECTRUM AND BLOCKCHAIN? If not, which of the 8 aforementioned wallets do not currently accept Litecoin?

Of the 8 wallets discussed in the course, the Blockchain Wallet is the only one that doesn't support Litecoin.

STEPS 29-30: Current and Maximum Supply # and Date of Maximum Supply of Litecoin: Check this box when finished with Steps 29-30.

STEP 29: What is the current supply of shares of Litecoin available today?

~ 56 million

STEP 30: What will be the maximum supply of shares of Litecoin available AND what approximate year will the maximum supply be at (ie 2040)?

84 million. The date is only likely going to be a few years after Bitcoin's maximum supply date (likely in 2140 for Bitcoin), since the block reward halving occurs at the same rate (yielding the same finite series that you can solve).

STEPS 31-33: Country, Accounting and Bug Risks of Investing in Litecoin: Check this box when finished with Steps 31-33.

STEP 31: If applicable, who is the auditor of Litecoin and are they reputable/well known in their country of origin or country of incorporation?

N/A

STEP 32: Are there any notable country or regulatory risks when it comes to Litecoin that might hurt the ability of Litecoin to be successful in the long-run when compared to other cryptocurrencies?

The regulatory risks for Litecoin are about the same as the ones for Bitcoin.

STEP 33: Are there any code bugs for Litecoin that are a concern for investors?

There aren't any major code bugs in Litecoin worthy of concern as the development team continually updates new versions with bug fixes.

STEPS 34-35: What would make you MUCH MORE or MUCH LESS positive on Litecoin? Check this box when finished with Steps 34-35

STEP 34: What would make you MUCH MORE positive on Litecoin (meaning what news development, contract, etc would make you much more positive)?

I would be much more positive on Litecoin if they hired even more developers (as the size of the development team is small relative to its market cap; that being said, the development team is superb).

STEP 35: What would make you MUCH LESS positive on Litecoin (meaning what news development, contract, etc would make you much less positive)?

I would be much less positive on Litecoin if Charlie Lee became much less involved (he is well respected). Litecoin has something crucial that Bitcoin doesn't, which is a founder/leader that is active with the cryptocurrency.

STEPS 36-39: Mining Incentives, Reddit & Twitter Followers for Litecoin: Check this box when finished with Steps 36-39

STEP 36: Is there an economic incentive for people to improve Litecoin (ie through mining etc? Please explain)

The economic incentive for miners that gather transaction fees and confirm them is a Litecoin award for each block that they verify.

STEP 37: How many Reddit readers does Litecoin have?

Litecoin has 197,793 Reddit readers, compared to an average of 192,950 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

STEP 38: How many Twitter readers does Litecoin have?

Litecoin has 414,000 Twitter readers/subscribers, compared to an average of 363,890 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

STEP 39: [Optional] Write in the space below the name of another social media company like Twitter that is worth tracking in your country when doing research on Litecoin and comment on the metrics relative to other cryptocurrencies similar to what you have done in Step 38.

STEPS 40-43*: Quantifying an Estimate on the Long-Term Target Price for Litecoin: Check this box when finished with Steps 40-43*

In this step, we will use several assumptions for coming up with an approximate long term target price on Litecoin. Please answer questions 40-43 in order to arrive at a target price based on your assumptions. This is meant as a guideline for one way we can think about quantifying a target price. Please read the 6 facts below before answering the questions; thanks:

* Please note that the source of the data for the size of markets used in the facts below are at this website (click me to go there): money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/

Fact #1: Stock Market Combined Value: The value of all stocks added up (meaning the combined global market cap of stocks) is in US \$: \$73,000,000,000,000

[Please note that \\$73,000,000,000,000 US dollars in Canadian dollars is 93,934,940,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

Fact #2: The World's Largest Stock Value: The value of the largest company in the world on the stock market (which is Apple) is: \$865,000,000,000

[Please note that \\$865,000,000,000 US dollars in Canadian dollars is 1,113,064,700,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

Fact #3: % of the Stock Market Value in the Largest Stock: The % value of the largest stock as a % of the world's market cap is about: 1%

Fact #4: The Value of the World's Money Supply: The total of all of the money supply added up in the world is: \$90,000,000,000,000

[Please note that \\$90,000,000,000,000 US dollars in Canadian dollars is 115,810,200,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

Fact #5: According to www.CoinMarketCap.com, the market cap of all cryptocurrencies is: \$422,000,000,000

[Please note that \\$422,000,000,000 US dollars in Canadian dollars is 543,021,160,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

[Click me to get this fact by scrolling down to the bottom of this page for the data source: https://coinmarketcap.com/all/views/all/](https://coinmarketcap.com/all/views/all/)

Fact #6: The percent of the market cap of all cryptocurrencies as a percent of all money supply in the world is:

0.47%

Please note, the target price (below this box) is just a sample, please watch the video associated with this called **(A+B) Using My Investment Framework to Analyze Litecoin** for more details.

You can update your version of the target price in the upcoming lecture, called: **(A+B) An Exercise on Creating YOUR Version of the Litecoin Investment Framework**. For more details, please watch **(A+B) An Exercise on Creating YOUR Version of the Litecoin Investment Framework**. Thanks

STEP 41: What percent of the ENTIRE cryptocurrency market do you think Litecoin will have in cryptocurrencies in 20 years? Use the grey up and down arrows on the right to select your answer in the green box...or just type your answer in the green box:

10 %

Based on your answer of 10%, this implies that your 20 year estimate of the value of the market cap of Litecoin will be **900,000,000,000 US dollars.**

[Please note that \\$900,000,000,000 US dollars in Canadian dollars is 115,810,200,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

STEP 42: What do you think the supply of coins for Litecoin will be in 20 years? Use the grey up and down arrows on the right to select your answer in the orange box...or just type your answer in the orange box. You can use the answers in Steps 29 and 30 if you want to:

20 Million coins

Based on your answer of 20 million coins, this implies that your 20 year estimate of the value of the price of Litecoin will

Please note, the target price (below this box) is just a sample, please watch the video associated with this called **(A+B) Using My Investment Framework to Analyze Litecoin** for more details.

You can update your version of the target price in the upcoming lecture, called: **(A+B) An Exercise on Creating YOUR Version of the Litecoin Investment Framework**. For more details, please watch **(A+B) An Exercise on Creating YOUR Version of the Litecoin Investment Framework**. Thanks

WHAT ABOUT DISCOUNTING THE FUTURE VALUE? You might now be thinking that if we are forecasting what the target price will be in the future, then we should discount that future price into today's amount as a dollar that we receive in the future is worth less than a dollar that we receive today (if that sounds confusing, please make sure to watch the lecture called "(A+B) Steps 40-43: Estimating on the Long-Term Target Price on the Crypto"....and think of the reverse logic....meaning if we invested \$1 in the bank today, it would be worth more in the future because of interest that we would make in our bank account...so we would prefer to get that \$ today rather than in the future. The math below will clear this up).

[Optional] STEP 43: If you wanted to discount the future price into today's value using your own discount number of years and your own interest rate, then please plug those 2 parameters into the boxes on the right to get a more conservative discounted price as of today.

| | |
|---|---|
| Enter Discount # of Years: 20 | Enter Discount Interest Rate: 10% |
|---|---|

Based on all of the assumptions listed above, and using a discount time period of 20 years and using a discount interest rate of 10%, the target price for Litecoin is \$6,689

STEPS 44-49: Technical Analysis for Litecoin Check this box when finished with Steps 44-49

Please watch the lesson mentioned in the yellow box on the left before looking at the technical analysis concepts below. Please note that the aforementioned lesson will explain how to look at charts when you do your technical analysis (please please please focus much more time on your long term fundamental analysis instead of technical analysis).

Litecoin Price: 140.18

STEP 44: AVERAGE 3 MONTH VOLUME DATA:

Average 3 Month Daily Volume for Litecoin: 125.49M
Avg. 3 Month Daily Volume for Litecoin in US \$: \$17,591M US Dollars
3 Month Daily Volume for Litecoin in Canadian dollars: 22,636M Canadian dollars

Please look at the average 3 month volume of Litecoin in the data for Step 44. Is this cryptocurrency liquid enough for you to easily buy or sell in 1 trading day? Please enter your comment below.
 In most cases, the cryptocurrency volume is high enough for us to be able to get in or out of within 1 day if needed. I want to put this concept on your radar screen now so that you can better assess the volume characteristic if you ever transact in less liquid cryptocurrencies as illiquid investments own us in a bad market (rather than vice versa).

STEP 45: 52 WEEK HIGH DATA:

52 Week High: 401.76
\$ Change from 52 Week High: -261.58
% Change from 52 Week High: -65%

Please look at the price of the 52 week high for Litecoin in the data for Step 45 and comment on the data below.
 Litecoin is 65.11% below the 52 week high price of 401.76. Most of the time, the price will be below the 52 week high. If the % below the 52 week high is material, then this could indicate that sentiment is negative given a negative news item or negative sentiment on the entire crypto market or another reason.

STEP 46: 52 WEEK LOW DATA:

52 Week Low: 18.13
\$ Change from 52 Week Low: 122.05
% Change from 52 Week Low: 673%

Please look at the price of the 52 week low for Litecoin in the data for Step 46 and comment on the data below.
 Litecoin is 673.19% above the 52 week low price of 18.13. Most of the time, the price will be above the 52 week low. If the % above the 52 week low is material, then this could indicate that sentiment is positive given a positive news item or positive sentiment on the entire crypto market or another reason.

STEP 47: 50 DAY MOVING AVERAGE DATA:

50 Day Moving Average: 141.06
\$ Change from 50 Day: -.88
% Change from 50 Day: -16029.55%

Please look at the price of the 50 day moving average for Litecoin in the data for Step 47 and comment on the data below.
 Litecoin is -16029.55% above the 50 day moving average of 141.06, which indicates that sentiment may be positive on Litecoin. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

STEP 48: 200 DAY MOVING AVERAGE DATA:

200 Day Moving Average: 161.28
\$ Change from 200 Day: -21.1
% Change from 200 Day: -764.36%

Please look at the price of the 200 day moving average for Litecoin in the data for Step 48 and comment on the data below.
 Litecoin is -764.36% above the 200 day moving average of 161.28, which indicates that sentiment may be positive on Litecoin. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

STEP 49: RELATIVE STRENGTH INDEX (RSI):

What is the RSI and How Should I Consider Using the RSI Data? If you want, please watch the lesson mentioned in the yellow shaded column on the left before starting before reading the rest of Step 49. The Relative Strength Index (RSI) can indicate if too many people have been buying or selling and a technical mean reversion chart movement could occur (I generally love buying when everyone else is selling and vice versa as long as I love the underlying long term fundamentals on the underlying cryptocurrency).

Potential Buy Indication Using the RSI: An RSI close to 20, indicates that the cryptocurrency may be oversold, which is a great buy signal if you love the long term fundamentals.

Potential Sell Indication Using the RSI: If the RSI is close to 80, then this could indicate that you might want sell and book a little bit of profit and hopefully buy the cryptocurrency back at a lower level (when it is no longer overbought). There is nothing wrong will booking a little bit of profit by trading every now and then...but we are more focused on being long-term investors.

Click any cryptocurrency button below to see its RSI chart. If you don't see RSI at the bottom of the chart after clicking on one of the buttons below, then click on INDICATOR in the top left hand corner after you click the button and add the RSI. Make sure you are using the most recent dates on the chart. If you get an error message in your browser, go to finance.yahoo.com and create the chart for whatever crypto you are using. Thanks

- RSI Chart for Bitcoin
- RSI Chart for Ethereum
- RSI Chart for Ripple
- RSI Chart for Litecoin
- RSI Chart for Monero
- RSI Chart for Zcash
- RSI Chart for DASH
- RSI Chart for NEO
- RSI Chart for Cardano
- RSI Chart for Stellar

If you want, please enter your thoughts on the RSI chart that you looked at in the space below:

Here is an example on how to complete this RSI comment: "oversold now at an RSI near 20 (means a buy indication ONLY IF you are long term positive on the fundamentals of this cryptocurrency based on your research in the many many steps completed above me on this report"or.... "overbought now at an RSI near 80 (means I might consider taking a bit of profit if I own this cryptocurrency and buy that small amount back at a lower RSI....or if you want to start a position, then it might not be the right time given how overbought the RSI indicator suggests." [Please read the contents of the yellow box below thanks.]

I have to stress again, that in general, please be more long term-focused so we can be long-term owners and not merely "tourists" or "renters" of any investment. If we do our thorough research on any investment, then we are more likely to be longer-term focused (if we like the fundamentals based on our research process). This will ensure that we don't sell at the worst time and vice versa like most investors do (which often creates opportunities for the better informed investors to profit in the long run). Of course, and as a disclosure, positive returns are not guaranteed by this course...I just want to help you understand how to research investments. Thanks