**Long-Term Investment Research Framework**

**Exercise Progress:** 1 of 49 Steps Completed

**Cryptocurrency Chosen:** Litecoin

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**STEPS 3-5: Litecoin Brief Analysis Links for Decision on Long-Term Strategy**

<table>
<thead>
<tr>
<th>Market Capitalization:</th>
<th>$ 7.928</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litecoin Price:</td>
<td>$ 140.18</td>
</tr>
<tr>
<td>52 Week Low:</td>
<td>$ 18.13</td>
</tr>
<tr>
<td>52 Week High:</td>
<td>$ 401.76</td>
</tr>
<tr>
<td>Country of Origin:</td>
<td>Singapore</td>
</tr>
</tbody>
</table>

**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. Its purpose is for it to be used as a daily currency since it has faster transaction speeds than Bitcoin since it has faster transaction speeds than Bitcoin.

**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).

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**STEPS 6-17: Litecoin Quality Investment Research Comments (Background + Pros & Cons):**

**STEPS 18-21: Litecoin Sources to Read/Review/Research and Stay on Top of:**

- Click the Crunchbase link on the right and then scroll down and click on Charlie Lee to see him impressive profile on LinkedIn.
- YouTube Mobile, Chrome OS and Google Play during his tenure as an engineer at Google. The Litecoin Core development team consists of all the team members.
- Litecoin 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 Bitcoin with processing service. Litecoin is often referred to as Bitcoin's little brother and digital silver. Its purpose is for it to be used as a daily currency since it has faster transaction speeds than Bitcoin.

**STEP 7: What are the cons (negative attributes of) Litecoin?**

- Initially, Litecoin was created as a clone of Bitcoin with more flexibility when it comes to technical updates. Litecoin is faster than Bitcoin and has nearly zero transaction fees in comparison to Bitcoin. Additionally, it is transaction speeds than Bitcoin does.
- 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.
- Litecoin is digital currency that allows individuals to transfer funds directly between themselves or businesses without an intermediary bank or payment processing service.
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**STEPS 22-24: Litecoin Management Team, Investors, Developers, Partners, Customers:**

- Please click on the Crunchbase link on the right and then scroll down and click on Charlie Lee to see him impressive profile on LinkedIn.
- 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 8: 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 large purchases, such as houses or cars, Litecoin should be used for daily purchases such as meals, groceries, and gas. Utilizing each currency in that fashion, allows Litecoin to co-exist with Bitcoin since they’re both 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 9: What is Litecoin?**

 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 20: What are the pros (positive attributes of) Litecoin?**

- 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. Its purpose is for it to be used as a daily currency since it has faster transaction speeds than Bitcoin.
- Litecoin is 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 11: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

- Optional: Have you used Reddit.com to research Litecoin? Click me to access Reddit.com and read about research Litecoin.
- Optional: Have you used YouTube to research Litecoin? Click me to access YouTube and read about research Litecoin.
- Have you reviewed the contents and resources on the Litecoin website? Click me to access the official website for Litecoin.
- Optional: Have you reviewed the Wiki website contents and resources for Litecoin? Click me to access a helpful Wiki resource for Litecoin.

**STEP 12: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

- Click me to access Coindesk.com articles for Litecoin.
- (Optional) Have you reviewed the Wiki website contents and resources for Litecoin? Click me to access a helpful Wiki resource for Litecoin.
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**STEP 13: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

- Optional: Have you used Reddit.com to research Litecoin? Click me to access Reddit.com and read about research Litecoin.
- Optional: Have you used YouTube to research Litecoin? Click me to access YouTube and read about research Litecoin.
- Have you reviewed the contents and resources on the Litecoin website? Click me to access the official website for Litecoin.
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**STEP 14: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

- Optional: Have you reviewed the Wiki website contents and resources for Litecoin? Click me to access a helpful Wiki resource for Litecoin.
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**STEP 15: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

- Optional: Have you reviewed the Wiki website contents and resources for Litecoin? Click me to access a helpful Wiki resource for Litecoin.
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**STEP 16: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

- Optional: Have you reviewed the Wiki website contents and resources for Litecoin? Click me to access a helpful Wiki resource for Litecoin.
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**STEP 17: Have you reviewed the non-editorial articles for Litecoin on Coindesk.com?**

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**STEPS 18-21: Litecoin Sources to Read/Review/Research and Stay on Top of:**

**STEPS 3-5: Litecoin Brief Analysis Links for Decision on Long-Term Strategy**

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**STEPS 22-24: Litecoin Management Team, Investors, Developers, Partners, Customers:**

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 him impressive profile on LinkedIn.
STEP 23: 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)?
Allant Payments Systems, RE/MAX global real estate network, PureVPN, and Overstock are some of the key businesses partnered with Litecoin.

STEP 24: 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 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.

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 wallets 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.

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).

STEP 31: 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?
There aren't any major code bugs in Litecoin worthy of concern as the development team continually updates new versions with bug fixes.

STEP 32: Are there any code bugs for Litecoin that are a concern for investors?
No, 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 33: 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 34: What would make you MUCH MORE or MUCH LESS positive on Litecoin?
I would be much more 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.

STEP 35: What would make you MUCH LESS positive on Litecoin?
I would be much less positive on Litecoin if Charlie Lee became much more involved (he is well respected). Litecoin has something crucial that Bitcoin doesn't, which is a founder/leader that is active with the cryptocurrency.

STEP 36: 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.

STEP 37: What is the current supply of shares of Litecoin available today?
~ 56 million

STEP 38: 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).

STEP 39: 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?
There aren't any major code bugs in Litecoin worthy of concern as the development team continually updates new versions with bug fixes.

STEP 40: 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 41: Are there any code bugs for Litecoin that are a concern for investors?
No, 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 42: What would make you MUCH MORE or MUCH LESS positive on Litecoin?
I would be much more 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.

STEP 43: What would make you MUCH LESS positive on Litecoin?
I would be much less positive on Litecoin if Charlie Lee became much more involved (he is well respected). Litecoin has something crucial that Bitcoin doesn't, which is a founder/leader that is active with the cryptocurrency.

STEP 44: 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.

STEP 45: What is the current supply of shares of Litecoin available today?
~ 56 million

STEP 46: 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).

STEP 47: 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?
There aren't any major code bugs in Litecoin worthy of concern as the development team continually updates new versions with bug fixes.

STEP 48: 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 49: Are there any code bugs for Litecoin that are a concern for investors?
No, 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 50: What would make you MUCH MORE or MUCH LESS positive on Litecoin?
I would be much more 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.

STEP 51: What would make you MUCH LESS positive on Litecoin?
I would be much less positive on Litecoin if Charlie Lee became much more involved (he is well respected). Litecoin has something crucial that Bitcoin doesn't, which is a founder/leader that is active with the cryptocurrency.
**STEP 36:** Is there an economic incentive for people to improve Litecoin [i.e., 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.

Please update your version of the target price in the upcoming lecture, called: 'An Exercise on Creating YOUR Version of the Litecoin Investment Framework' for more details.

You can update your version of the target price in the upcoming lecture, called: 'A+B Using My Investment Framework to Analyze Litecoin for more details.'

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.]

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.]

**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.

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 1,158,102,000,000 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 2020 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:

Based on your answer of 20 million coins, this implies that your 20 year estimate of the value of the price of Litecoin will be $20,000,000,000 US dollars.

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 Using My Investment Framework to Analyze Litecoin for more details.'

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.]

**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

**STEP 44: AVERAGE 3 MONTH VOLUME DATA:**  
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:**  
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:**  
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 -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 47: 50 DAY MOVING AVERAGE DATA:**  
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 -6029.55% 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:**  
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.