Chain Stackers | Crypto Dictionary

2nd Edition

Altcoin noun

any token that is not bitcoin
"We could potentially see one less altcoin with the continued rise of Ether."

AMM noun

(acronym) Automated Market Maker; method used to price crypto assets on a DEX
"Uniswap uses an AMM to determine true asset prices."

APY noun

(acronym) Annual Percentage Yield; the percentage amount that most crypto apps will pay you for staking your coins, this may be paid out weekly or even daily
"An LP Farm is paying out 125% APY!."

Bitcoin noun

first peer to peer decentralized network and blockchain focusing on the exchange of value
"Satoshi Nakamoto is credited with the creation of Bitcoin."

bitcoin noun

the native token of the Bitcoin network; serves as a mechanism to keep track of transactions on Bitcoin
"There will ever only be 21 million bitcoins."

Block noun

a piece of a blockchain ledger that stores the transactions on the chain within a certain "block" of time
"My transaction was confirmed in block 2,038,342.

Blockchain noun

a ledger that updates globally (to all network participants) in specific intervals (blocks)
"Please wait for your transaction to confirm on the blockchain."

Bridge noun

a connection between two separate blockchains, generally used to port assets from one chain to another
"She used the Binance bridge to turn her ERC20 ETH into BSC20 ETH."

Buy the dip noun/verb

investment strategy where an asset is purchased every time the market takes a dip (drops in price)
"If the price of MANA goes lower, I will buy the dip."

Circulating supply noun

the amount of tokens in a project that are currently in circulation and held in wallets
"Look at the circulating supply to see how many tokens are currently available."

Cold wallet noun

cryptocurrency wallet that is not connected to the internet, generally non-custodial
"A Ledger Nano S is an example of a cold wallet."

Consensus protocol noun

the method by which miners create new tokens for a blockchain network
"Ethereum uses a Proof of Stake consensus protocol."

Crypto noun

prefix for cryptography and cryptocurrency; slang for encryption
"Send me my crypto, please!"

Cryptocurrency noun

money created through cryptography
"This business accepts cryptocurrency as payment."

Cryptography noun

the science of using cryptographic functions to encrypt data
"Bitcoin was created on the study of cryptography."

DAG noun

(acronym) Directed Acyclic Graph; alternative to blockchain that focuses on confirming transactions individually instead of grouping them in blocks
"DAGs have the capability to process more transactions at a time than blockchains."

DAO noun

(acronym) Decentralized Autonomous Organization; decentralized group that uses a voting system to determine new rules for the group
"The government could eventually be a DAO in the future."

dApp noun

(acronym) decentralized app; traditionally a blockchain app that allows users to interact with it pseudonymously via a crypto wallet
"This dApp helps facilitate crypto-backed loans."

DeFi noun

(acronym) Decentralized Finance; a network that facilitates the use of traditional financial instruments in a decentralized manner
"He could not get a loan through the bank but was able to get one with DeFi."

Demand noun

the amount of desire for the desired asset
"The demand for my wares is going up, so I can now charge a higher price."

DEX noun

(acronym) Decentralized Exchange; allows for trading of crypto assets in a decentralized manner
"I was able to get some tokens through a DEX."

Dollar cost average noun/verb

investing a certain amount of money across a certain interval of time
"She purchases $45 worth of LINK every Friday."

Ethereum noun

a decentralized smart contracts platform that allows blockchain developers to develop dApps on top of it
"She built a dApp on the Ethereum network."

Farm noun

involves staking LP tokens to a pool on a dApp (a pair of tokens are needed to get an LP token)
"This CAKE-BNB farm has been giving out great returns lately!"

Fork (hard) noun

occurs when a blockchain has a discrepancy in transaction history or protocol agreement; results in the chain splitting in two at the point of discrepancy
"Ethereum hard forked and created Ethereum Classic."

Fork (soft) noun

occurs when the majority of network participants agree to change network protocol; change in protocol without creating a new chain
"When nodes agree to change the network protocol, a soft fork is created."

Fundamental analysis noun

using news and market sentiment to predict market outcomes
"My fundamental analysis normally includes talking to others about how they feel about the market."

Gas noun

fee paid by dApp users (traditionally DeFi) for transactions to be made
"You can't complete a transaction on Ethereum without paying a gas fee."

HODL verb

(acronym) Hold On for Dear Life; to HODL
"They will buy and HODL that new token."

Hot wallet noun

cryptocurrency wallet that is completely connected to the internet, generally custodial
"When your tokens are held in a centralized exchange, they are in a hot wallet."

Impermanent loss noun

traditionally the main risk in staking coins in liquidity pools; can result in permanent loss of token or loss of token value
"Whenever you provide liquidity, you run the risk of impermanent loss."

Layer 1 noun

a main blockchain where transactions are officially confirmed (i.e. Bitcoin, Ethereum, Avalanche, Fantom)
"I'm going to wait for the transaction to confirm on the layer 1 just to be sure."

Layer 2 noun

a blockchain that batches transactions, compresses them, and pushes them to the main blockchain (Layer 1) in bulk
"The layer 2 rolls up many transactions and sends them to the layer 1 blockchain to be confirmed."

Ledger noun

a record of all transactions that happen on the blockchain
"The ledger is a record of all of your activity on the network."

Liquidity noun

(in DeFi markets) tokens that are available to be purchased
"He provided liquidity so that others can come and make trades."

LP token noun

(acronym) Liquidity Provider token; given to liquidity providers to show ownership of tokens within the liquidity pool
"My LP tokens represent 10% of the entire pool."

Market capitalization noun

representation of the entire market value; total number of assets multiplied by asset price; (market cap for short)
"Bitcoin's market capitalization is $1T."

Max supply noun

the maximum amount of tokens that a blockchain will produce
"Once the maximum supply is reached, no more tokens will be created."

Miner noun

computer processor that competes with other like processors to crack the cryptographic code on a blockchain; the person operating such mining node
"His miner has a decent amount of processing power."

NFT noun

(acronym) Non-fungible token; a token which is unique and cannot be split up into smaller parts
"His couch was represented as an NFT on the blockchain."

Parachain noun

a mini ecosystem of related blockchains that interfaces with a main relay chain for consensus and security (most commonly in the Polkadot ecosystem)
"This DeFi parachain consists of many blockchains that are optimized for decentralized finance."

Pool noun

a fund on a dApp that takes a single token and gives out some token as a reward
"I am able to earn more SUSHI by staking my SUSHI in the pool."

Proof of Stake (PoS) noun

consensus protocol using existing tokens as stake to mine new tokens
"Avalanche uses a Proof of Stake consensus protocol."

Proof of Work (PoW) noun

consensus protocol using processing power to mine new tokens
"Bitcoin uses a Proof of Work consensus protocol."

Rug pull noun

a type of scam where blockchain developers raise money through token sales and other measures, and then proceed to sell a large portion of the circulating supply
"The project developers did a rug pull, now we are left holding the bag."

Satoshi noun

1. the smallest unit of a bitcoin; one 100,000,000th of a bitcoin; 0.00000001 BTC
"She bought an apple for 3 satoshis."

2. first name of the pseudonymous creator of Bitcoin, Satoshi Nakamoto
"Satoshi Nakamoto is credited with the creation of Bitcoin."

Shard noun

a scaling solution for blockchains; a mini sidechain to the main chain that can even have its own consensus protocol within it
"Ethereum will scale by using shards to allow more transactions to be processed at once."

Smart contract noun

the code behind many dApps; allows users to interact with a dApp without the use of a third party
"I placed my tokens in the smart contract, so that the transaction will be initiated only when these conditions are met."

Stablecoin noun

a crypto token that maintains a stable price with a specific asset (the US dollar, bitcoin, gold, silver etc.)
"The most common stablecoins are pegged to the US dollar."

Stake verb

to place tokens in a staking pool to earn staking rewards (additional tokens)
"He will buy some tokens and then stake those tokens to earn more tokens."

Supply noun

the amount of stock or units of the desired asset
"Excess supply entered the market, so the price went down."

Swap verb

method used to trade tokens on many DEX's
"Now, I will swap my GRT for ETH."

Technical analysis noun

using market charts along with indicators to predict market outcomes
"Technical analysis generally involves the use of market charts."

Tokenomics noun

economics of a token
"I did my research by checking out the project's tokenomics."

Total supply noun

the number of tokens on a blockchain that have already been created minus any tokens that have been burned
"The total supply of ETH will vary with Ethereum 2.0."

TVL noun

(acronym) Total Value Locked; the total amount of money/value locked into a DeFi project's smart contracts
"The Compound network has $7B total value locked."

Wallet noun

storage place for all cryptocurrencies; keeps control of private keys
"Any time a token is created, it is stored in a wallet."

Warm wallet noun

cryptocurrency wallet that is partially connected to the internet, generally non-custodial
"MetaMask is an example of a warm wallet."

Whale noun

an individual crypto trader that is trading large amount of money (usually 1M USD or more)
"A whale just sent 4M USDT to his Binance account."