

QUICK GUIDE

# Crypto Wallets

An intro to the in's and out's of  
Crypto Wallets



TRADER ON THE STREET

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## Did you Know?

Unlike a traditional wallet, which may hold physical cash, crypto wallets do not store your cryptocurrency. Your assets are stored on the blockchain, but only a private key can access them. Your keys verify that you own your digital money and allow you to transact with it. If you lose your private keys you lose access to your money. It is therefore important to keep your hardware wallet secure or use a reputable wallet service like Coinbase.

## History of Crypto

Satoshi Nakamoto introduced the first cryptocurrency wallet when he first revealed the bitcoin protocol in 2009. Although bitcoin is the most widely used cryptocurrency, others based on blockchain technology have arisen, and any of them can be held in a cryptocurrency wallet. Multiple cryptocurrencies can be stored in a single wallet.

## How it Works

A blockchain is a decentralized public ledger where all crypto transactions from crypto wallets are recorded. When a transaction takes place, money is transferred from one crypto wallet to another.

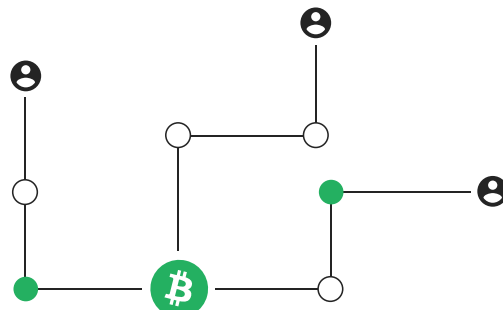
Typically, a single participant uses another crypto wallet to exchange some value of crypto for another commodity or service. When this happens, each crypto wallet will sign and validate the transaction using its secret data, providing a mathematical proof that the buyer or seller owns their crypto wallet.

You can store as much as you want in your wallet without the fear of losing crypto.

## What is a Crypto Wallet?

A cryptocurrency wallet is a piece of software that allows you to keep track of and access your digital assets.

Like traditional currency, you don't need a wallet to spend your cash, but it helps to keep everything in one place. A user can store a cryptocurrency, such as bitcoin, in a cryptocurrency wallet and use it to make transactions from there.



# How to use a Crypto Wallet

Simple apps are all available as crypto wallets for more advanced security solutions. Wallets are available in different types, including:

- **Paper Wallets**

The keys are written on a physical medium, such as paper, and kept in a secure location. This makes it even more difficult to spend your crypto because being digital money, it can only be used over the internet.

- **Hardware Wallets**

The keys are saved on the thumb drive and only connect to the computer when you need to access your crypto. The idea is to find a happy medium between security and convenience.

- **Online Wallets**

The keys are placed in an app or other piece of software; Look for one with two-step encryption. As a result, sending, receiving, and using crypto is as simple as using an online bank account, payment system, or brokerage.

**You can easily access your crypto holdings by using crypto app wallets. You can:**

- Manage all your digital assets in one secure place.
- Control your private keys.
- Transfer cryptocurrency to and from anywhere in the world.
- Instead of long, hexadecimal “public key” addresses interact with usernames.
- Apps can be found here (decentralized finance apps).
- Shop at stores that accept cryptocurrency.



# Do's & Don'ts

## Do

- Double-check the type, amount, and destination address of the cryptocurrency.
- Send a modest test transaction first.
- Use a QR scanner or copy/paste an address to avoid typos.
- Cold storage refers to the use of a dedicated hardware wallet to store cryptocurrency.

## Don't

- Don't send a transaction blindly.
- Don't leave your wallet unlocked or unattended.
- Don't set passwords that are easy/lazy to guess.

## Conclusion

You have to screen over a dozen crypto wallets from around the world and select the best hot and cold wallets based on security, affordability, and customer feedback.

Since security is clearly a major concern, it is important to choose a well-known wallet with multiple security mechanisms. It is also important to choose a wallet that integrates effectively with some of the largest exchanges so that you can transact quickly on the open market.

