



Lesson 10 NOTES

ALT FINS **Education**

CRYPTO TECHNICAL ANALYSIS (TA) AND
TRADING USING ALTFINS PLATFORM

Lesson 10 NOTES

Lesson 10:

Margin account trading + Short Selling

- What's a margin account
- Cross vs. Isolated margin (using Binance)
- How to open and close out a margin position
- What's Short Selling and when to use it
- How to place a Short Sell position
- Risks and benefits of margin trading and Short Selling

Lesson 10: **Margin account**

- **Allows trading with leverage**
 - Essentially borrowing money from exchange to buy more or short-sell
 - Buy 2x-10x more coins
- **Why do it?**
 - Increase gains (and losses)
 - Enables Short Selling

Lesson 10: Leveraged Trading

- Leveraged trading is Risky!!
- Double-edge sword – increases gains AND losses

Spot buy:

| | |
|-------------------|-----------|
| Collateral (USDT) | \$ 100 |
| Amount | 25.00 |
| Price | \$ 4.00 |
| Total | \$ 100.00 |

| | |
|------------|-----------|
| Sell price | \$ 5.00 |
| Total | \$ 125.00 |

| | |
|---------------|----------|
| Profit (loss) | \$ 25.00 |
| Profit % | 25% |

Spot buy:

| | |
|-------------------|-----------|
| Collateral (USDT) | \$ 100 |
| Amount | 25.00 |
| Price | \$ 4.00 |
| Total | \$ 100.00 |

| | |
|------------|----------|
| Sell price | \$ 3.00 |
| Total | \$ 75.00 |

| | |
|---------------|------------|
| Profit (loss) | \$ (25.00) |
| Profit % | -25% |

Margin buy:

| | |
|-------------------|-----------|
| Leverage | 3x |
| Collateral (USDT) | \$ 100 |
| Amount | 25.00 |
| Price | \$ 4.00 |
| Total | \$ 300.00 |

| | |
|------------|-----------|
| Sell price | \$ 5.00 |
| Total | \$ 375.00 |

| | |
|---------------|----------|
| Profit (loss) | \$ 75.00 |
| Profit % | 75% |

Margin buy:

| | |
|-------------------|-----------|
| Leverage | 3x |
| Collateral (USDT) | \$ 100 |
| Amount | 25.00 |
| Price | \$ 4.00 |
| Total | \$ 300.00 |

| | |
|------------|-----------|
| Sell price | \$ 3.00 |
| Total | \$ 225.00 |

| | |
|---------------|------------|
| Profit (loss) | \$ (75.00) |
| Profit % | -75% |

Lesson 10: Short Selling

- Used to make profit from falling asset prices
- Sell High, Buy Low
- Can reduce portfolio risk – Long and Short positions offset market volatility risk
- Could have a “market neutral” portfolio
- Risk of Short Selling – potentially unlimited downside (losses) – limited only by the collateral in the Isolated margin account

Short Sell

| | |
|-------------------|-----------|
| Collateral (USDT) | \$ 100 |
| Amount | (25.00) |
| Price | \$ 4.00 |
| Total | \$ 100.00 |

| | |
|-----------|------------|
| Buy price | \$ 5.00 |
| Total | \$(125.00) |

| | |
|---------------|------------|
| Profit (loss) | \$ (25.00) |
| Profit % | -25% |

Short Sell

| | |
|-------------------|-----------|
| Collateral (USDT) | \$ 100 |
| Amount | (25.00) |
| Price | \$ 4.00 |
| Total | \$ 100.00 |

| | |
|-----------|------------|
| Buy price | \$ 3.00 |
| Total | \$ (75.00) |

| | |
|---------------|----------|
| Profit (loss) | \$ 25.00 |
| Profit % | 25% |

Lesson 10: **Short Selling**

- How to Short Sell:
- Add coins to a Margin account
- Pick Cross or Isolated margin
 - Cross margin account – using all portfolio assets as collateral to cover potential losses
 - Isolated margin – lower risk – only use one asset as collateral to cover potential losses

"Technical Analysis is the only way to measure the emotional component of the market. We know that many times an ounce of emotion can be worth a pound of facts. How else to explain a sudden shift in the market without a change in the fundamentals?"

- STEVEN NISON

credited for bringing Japanese techniques to the western world

Instructor

Richard Fetyko, CEO and Founder, altFINS



Mr. Fetyko spent 14 years on Wall Street as an equity research analyst at investment banks like Janney Montgomery Scott, covering Internet and Tech sectors, and then 6 years as a portfolio manager at a family fund Twin Capital.

During his Wall Street career, Mr. Fetyko was ranked among top analysts for his coverage of Internet:

[Ranked No. 2](#) by StarMine Analyst Awards in 2010 for ratings performance in Internet Software & Services industry

Ranked No. 4 and No. 2 by The Wall Street Journal's "Best of the Street" Analyst Survey in Advertising and Publishing sector in 2008 and 2007, respectively.