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Is Litecoin Safe Enough to Invest? Here Are Something You Need to Know

If Bitcoin is digital gold, [Litecoin](#) will be silver. Founded by Charlie Lee, a former Google computer scientist, Litecoin was launched on October 13, 2011 and has developed into one of the earliest and most successful bifurcations of Bitcoin. This cryptocurrency is so successful that as the top 10 cryptocurrency in market value, it has one of the longest winning streak records and once became the third largest digital currency.

The mismanagement caused by Charlie Lee abandoning his ship and selling most of his Litecoins in 2017, although it is faster and cheaper than Bitcoin, its low adoption / acceptance and fierce competition from newer and more radical alternative coins have sharply reduced its popularity. It has also lost its position in the top ten cryptocurrencies. At present, it ranks 24th in coinmarketcap, with an actual market value of \$9 billion.

Nevertheless, there is a certain degree of optimism about the future of the Litecoin , especially now that Charlie Lee is re leading the Litecoin foundation. But like most other cryptocurrency investors / traders, you must be asking if this is enough. What if Litecoin is a safe investment?

Well, let's answer this question by studying the risks faced by cryptocurrency, how to keep your LTC investment safe, and everything you need to consider before buying LTC.

Issues to Consider Before Purchasing LTC

First of all, you need to understand that Litecoin is one of the more stable cryptocurrencies, and may last longer than most altcoins of the same age.

Even with its tarnished reputation and weak investor confidence, especially for its earliest investors, Litecoin is still firmly in the top 20 cryptocurrencies. Therefore, most cryptocurrency experts / investors place their hopes on this resilience and the fact that it has multiple real-world use cases, which are interpreted as the argument that LTC will eventually rebound.

Inspired by technical and fundamental analysis, most cryptocurrency experts believe that the value of Litecoin s will continue to rise for the foreseeable future. This conclusion is based on the relevance of its blockchain technology, active development team and clear roadmap, which makes it

safer than memory currencies such as dogecoin or Shiba Inu.

You also need to consider the fact that the cryptocurrency industry is developing rapidly. Some experts despise Litecoin 's blockchain and think it is outdated. They don't believe it can keep up with the fast-paced environment, in which newer networks have more use cases (from defi to NFTs) and are about to achieve interoperability.



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What are the Risks Associated with Buying LTC?

The tarnished reputation has always been the greatest failure of the Litecoin . It all started when Charlie Lee sold most of his LTC coins at the price peak in 2017, gave up the LTC project and worked for coinbase. This led to a massive loss of investor confidence in cryptocurrency. A series of mistakes, including the recent twitter (now deleted) about the cooperation between Litecoin network and Wal Mart, which Wal Mart called false news, also triggered a debate about the possible mismanagement of the Litecoin foundation. If this situation continues, you can expect the value of the currency to decline further because more investors and traders lose interest in LTC.

In addition, Litecoin is not immune to the threat of hackers' capital loss or price fluctuation. Investors' wallets and cryptocurrency exchanges holding Litecoin s have been seriously attacked by hackers. It is also common for Litecoin prices to jump by a double-digit percentage in a relatively short period of time. In the downward trend, this fluctuation is a kind of harm to investors and traders, and often leads to the loss of a large amount of money, especially when you trade on margin.

Other Scams That Need Attention



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Fake Websites and Phishing

Kaspersky listed fake websites, fake mining hardware and fake cryptocurrency wallets as the most common ways of loss in today's cryptocurrency industry. Criminals use them to lure naive cryptocurrency investors to hand over wallets and exchange login vouchers, which are unknowingly used by predators to steal their cryptocurrency from them. The anti-virus company specifically pointed out that most of these fake websites have a "higher level of detail than usual" to make them as persuasive as possible.

Ponzi / Pyramid Scheme and Other Online Scams

On the other hand, the Federal Trade Commission (FTC) reported that cryptocurrency fraud has increased significantly in the past few years, and the median amount cheated by these swindlers is also increasing. For example, between October 2020 and May 2021, it reported that Americans were cheated out of cryptocurrency worth more than \$80 million by swindlers. During this period, the average investor lost about \$1900, which means that the median loss per reported case increased by 1000% in 2019.



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How to Ensure the Safety of Your LTC

Nothing has been lost, and you can take many measures to keep your Litecoin safe.

First, invest in a reliable hardware wallet that can store the private key of your LTC token offline. This is very helpful in keeping your investment away from the influence of online hackers. Second, you need to use strong and unique passwords for your cryptocurrency exchange and wallet, especially if you are an active trader. This will help dissuade and stop hackers.

It's also important to learn to whitelist the URLs of all your favorite cryptocurrency exchanges and digital wallets. In addition, stop clicking on suspicious and unsolicited links, especially if they provide free cryptocurrency. Learn to identify fake websites. If you suspect a website, use the whois directory to view the details of its registration / ownership. Finally, you also want to invest in an appropriate anti-virus software for all your networked devices.

Litecoin (LTC) Security and Privacy

Even if you explore more ways to keep your digital assets secure, you will need to understand the fundamental difference between Litecoin security and privacy concepts.

In this article, we have been discussing cryptocurrency security, which focuses on preventing illegal access and possible theft of your private key. In terms of cryptocurrency security, you are studying all the risks that threaten your Litecoin security and determining a reasonable solution for each risk. It also involves keeping up with industry news and events, understanding the changing ways hackers and swindlers use to steal cryptocurrency investors, and how you can avoid them.

On the other hand, Litecoin privacy involves the processing of your personal data. If we discuss the privacy of Litecoin here, we will study the degree of anonymity provided by Litecoin network for its users, the audit entity that can access your personal information, how to ensure that it is not affected by unauthorized parties, and how to share this information.

As in the case of Bitcoin blockchain, cryptocurrency experts will tell you that any personal data you collect and store in the lightcoin network is not anonymous. By accessing the Litecoin ledger and basic cryptography skills, almost anyone can easily identify the parties and amount of a specific transaction. Galen Moore, data and index director of coindesk, reminds you that “you are really not anonymous (when interacting with lightcoin network), but more like a pseudonym”, so you need to conduct due diligence on the amount of personal information you share online.



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Conculsion. Is LTC a Safe Investment?

Well, Litecoin has been quite successful, which not only helped it transform into a household name in the cryptocurrency industry, but also released a net positive return on investment of more than 4100%. It has all the characteristics of good investment. However, like all other digital currencies, Litecoin investment is prone to a variety of serious risks, and your control over these risks is limited or not at all, which makes it an unsafe investment. The altcoin operates in one of the most risky emerging industries, which makes it more unsafe because it increases the investment risk of Litecoin.

Don't Miss:

[What is Litecoin? Should I Invest in Litecoin?](#)

[How to Trade LTC \(Litecoin\) Futures on BTCC](#)

[The Price Forecast of Litecoin in Next Ten Year](#)