

# To buy Litecoin is a must. Here's explained why

*(English translation of Italian article dating 5 May 2017)*

*Miners approved Segwit on Litecoin. Will this make Litecoin the most technologically advanced currency on the market?*

Yes. All the other cryptocurrencies, included Bitcoin, can't scale. Without scaling, the more transactions are made in the world, the higher is the waiting time and cost for each transaction (commissions payed to miners)

*Exactly, which benefits does scalability imply?*

Thanks to scalability, Litecoin is now the only one cryptocurrency which is suit to substitute fiat money like Euro or Dollar for millions of users. The other cryptocurrencies, at the current technological stadium, can only work well as a store of value or mere assets for speculation, with a common destiny: due to the scalability issue, major is their success and diffusion, the less they can be used as a medium-of-exchange for common trades. Since no money is good money if it's not a good medium-of-exchange, to invest in assets that can't be what they promise to be might not be a good idea.

*Is Bitcoin an exception?*

Bitcoin can't scale now, so it's not an exception, but the technology to make it scalable is already existent (the same of Litecoin), it shall only be approved by miners. Bitcoin has a great advantage compared to the other cryptocurrencies in terms of number of users, capitalization, network of developers, wallets, businesses, payment processors, debit cards etc. For this reason, if the upgrade to Segwit was

approved, Bitcoin would be back at the top of the most advanced technologies, and thanks to the network effect, it would smash whatever competitor, included Litecoin.

### ***Then, is it better Bitcoin or Litecoin?***

If only network effect counts, it's not explained the success of Facebook after MySpace, or Google after Yahoo. If obstructionist miners decided to approve the upgrade on Bitcoin, making it finally scalable, Litecoin would be destined to remain in its shadow, and in the end maybe disappear. In that case, you would be better to exchange Litecoin back for Bitcoin. However, if the upgrade was too late, Bitcoin might lose the network effect advantage. In that case you might be that lucky guy who bought Litecoin when it still was worth nothing compared to its potentiality.

### ***Why not to invest in Ethereum?***

I retain improper to call Ethereum a cryptocurrency. A *scientific* interest for Ethereum is legit and then for the Ether too (the fuel for the engine of Ethereum decentralized contracts). But under an *economic* perspective, Ether is nothing than a mere speculative asset. It's not money and doesn't pretend it to be. Since there is no effective industrial or social application of success using Ethereum, if you are considering investing money, do it only if fully aware of the risks. Invest in Ethereum token only if you deeply know the technology and strongly believe that really successful application will be developed sooner or later. In some way, to invest in Ether is like investing in the shares of a startup with good marketing generating great hype. You should buy if you are technically competent and really believe in the startup proposed technology. You should also buy if you are a trader experienced in speculating on bubbles. Unless you belong to these two categories, stay away. Personally, I think that Bitcoin and Litecoin protocol with Segwit and Lightning Network is more promising for smart contracts rather than

Ethereum itself. Therefore I won't buy Ether.

### ***Besides Segwit, what is the difference between Bitcoin and Litecoin?***

Bitcoins are 21 millions, while litecoins 80 millions, but this does not matter much. The significant difference is that Bitcoin blocks are created every 10 minutes, while Litecoin blocks every 2.5 minutes. This implies an advantage and two disadvantages for Litecoin. The advantage is the shorter confirmation time for onchain transactions, which makes Litecoin four time faster than Bitcoin (today all transactions are onchain, but I'm taking for granted that after Lightning Network they will be mostly offchain). The first disadvantage is that Litecoin blockchain, if fully loaded (1mb per block, then 4mb every 10 minutes), will grow faster than Bitcoin blockchain (1mb every 10 minutes) and that makes the installation of a fullnode more costly, undermining the decentralization of the peer-to-peer network. The second disadvantage is that having blocks every 2,5 minutes instead of 10 minutes will make more likely to have two blocks found almost simultaneously by different miners. When it happens, one of the two is left as orphan, and it's often the one of the smaller mining pool (because smaller pools spread the information about the new block slower than bigger ones, whose blocks are immediately recognized by the other miners as the new starting point in the chain for their calculations). Then those mining pools which put together more hashing power will be slightly advantaged. In the end, Bitcoin is slower, but slightly safer, since more decentralized (at least under a theoretical perspective). Since thanks to Segwit + LN the onchain speed is less important, being offchain transaction instantaneous, for equal upgrade Bitcoin is better than Litecoin.

### ***What's Segwit?***

Segwit allows technologies like Lightning Network, making

transactions instantaneous, anonymous and cheaper. In **this** article of the blog I briefly mention how LN works (only Italian), while [here there are all technical details](#) (both in English and Italian).

### ***Will Litecoin price keep growing?***

Litecoin has grown 500% in the last two months and will keep growing at least until Segwit will be approved on Bitcoin. Many developers of wallet and payment processors, also Core developers, will move to Litecoin to test the functioning of Lightning Network, with the hope of bringing as soon as possible the innovation to Bitcoin. Therefore we may expect some hype. It's not late to enter the market. Until Litecoin remains the only one scalable cryptocurrency, it's the only one that can survive in the long run. There is only one thing we need to look at: news about Bitcoin upgrades including Segwit.

### ***How can I spend litecoins once purchased?***

Litecoin users are much less than Bitcoin users, then very few sellers in the world accept Litecoin directly. You can use Coinsbank card, which can be prepaid with both Bitcoin and Litecoin. Payment works on VISA service, so you can use it wherever as any other debit card. Withdrawals from ATM are quite expensive. If you know other Litecoin debit cards please comment below. In general, due to exchange rates applied by cryptocurrency debit card providers, for common payments it is probably better to convert Litecoin back to fiat money directly from the exchange and make a wire transfer to the bank account. Unfortunately, Bitcoin remains useful only for high value purchases, especially when moving capitals abroad to avoid bank commissions and spread on the exchange rate. I'm not sure if it's just my case, but not even my favorite online e-commerce for Bitcoin, which is [purse.io](#), seems to work very well now that transaction commissions are so high: I am still waiting an order from Amazon with only 15% discount since

almost 3 weeks, while I was used to buy stuff from Amazon with 19% discount and see the confirmation in no more than 2 days.

***Last time I read an article from your blog, you stated that Bitcoin is not only a cryptocurrency, but a battle for a social, political and moral revolution. A switch to Litecoin couldn't be interpreted as an act of betrayal against this ultimate purpose?***

Without Segwit, Bitcoin can't scale and can't reach those numbers required to make it that instrument of social liberation we all hope it to be. To step into Litecoin is the best move we can do to support Bitcoin, because it's a way to make the obstructionist miners understand they need to accept Segwit upgrade, showing them how good it's for the currency and all the environment. Moreover, in the long run Litecoin success could undermine the supremacy of Bitcoin, and under the threat of competition miners could be forced to upgrade.