The Ugly Truth About ?Pump and Dump? And Why It Causes Crypto Investors To Lose Money In 2022

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Santa Clarita, California. Defi-gamefi.com has released a report on the ?Pump and Dump? trend that this making a few people rich but can cause huge financial lose for those newer to investing.

A pump and dump scheme is a fraudulent trading practice that involves fake online trading platforms that increase the value of a particular cryptocurrency. Pump and dump scams are mostly seen in the altcoin market but can happen in any market as well. These schemes are illegal and involve fake online trading platforms that either have limited access or are difficult to access through legitimate channels.

Once a new trader accesses the platform, they are asked to deposit a certain amount of money to ?join the program? or to be a part of the ?pool?. Once the user deposits their money, the scammers ?pump? the market through buying large amounts of low-priced cryptocurrencies to artificially inflate the price of their trading platform. Once the price of the crypto increases, the scammers ?dump? their holdings at a high price, causing the new trader to lose money.

?We see pump and dumps all over the cryptocurrency altcoin market,? states Raul Meza, content director at Defi-gamefi.com. ?Recently in the news we even hear about celebrities themselves have been accused of perpetrating pump and dumps. Sometimes a simple short tweet in favor of a certain altcoin goes out stating that the celeb just purchased that coin and that they believe in it. Next thing you know the coin takes off and the celebs sell off their share for a tidy profit. This leaves other investors holding the coin as the prices tumbles.?

There are several red flags that can help identify a pump and dump scheme. These include fake trading platforms, unrealistic promises, unrealistic income claims, unrealistic market predictions, and sudden price increases.

More information on this subject can be found at Defi-gamefi.com which also host a video on the Pump and Dump trend.

Defi-gamefi.com is committed to pushing the cryptocurrency market forward by educating their community on its various aspects. As such, they welcome all inquiries from those who wish to learn more.

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