

Forum:[Hack Forums](#)

Thread: [What is a Pump & Dump?](#)

Xeenon - May 22, 2017, 5:09 pm

Introduction to the term: 'Pump & dump'

A pump and dump 'scam' involves two groups of people. Firstly, there are the players who artificially increase the price of a specific coin by either promoting or endorsing it; an example of promoting/endorsing it could be done on a website like Hack Forums, by making one of the popular threads: "Invest in this coin or you will regret it!" or by using the Poloniex troll-box alongside multiple stealth accounts. These 'pumpers' have spent several days buying up cheap coins, and when they feel the need or urge to dump the, they will be building up the buzz.

As the coin gains momentum, the trading volume will increase and the coin(s) value will increase. Once the coin hits a desired price the player will begin selling all their coins, and people will start panic selling, dumping their coins onto the market and therefore sending the price(s) plummeting.

It is not too difficult detecting whether a coin is being primed for a pump and dump or if it is a legitimate growth. You will often be seeing buy patterns where it starts out low, the player buys his coins, once it starts growing, then that means the player is promoting the coin, and as soon as the player starts selling the coins, the coin will devalue again. The price is falling and rising ever so slightly each time the players buy, loading up on the cheap alt-coin without drawing too much attention to themselves and the coin.

Pumping the coin

Once the coin has been purchased, then the players will head to several forums and chat boxes and talk up their coin of choice. They will use several stealth accounts, and there can be multiple players joining in on this pump & dump, making it look even more legitimate. The coin will be talked up until the player(s) see a buzz and people start buying in – this is when the pumping happens. The chatter will pick up on several trading platforms, and people will start purchasing the coin and pumping the price up towards the skyward. This starts fueling the buzz even further, and more people will begin buying the said coin.

Dumping the coin

Once the coin starts seeing its high point, then the players will start selling off their coins, though, they won't be dumping all of them at once, as this is signalling the dumping process is about to begin. The dumping can happen in a matter of seconds or be dragged out over hours. Players will start selling small amounts of coins as fast as they can without drawing attention to the sell orders, and therefore dragging the price down before they are out. Once the players are out, a panic sell will begin, and this is when the dumping process happens. The price is no longer seeing a steady climb, the volume is all over the place, and people start realizing their own sell orders are not getting filled up. Panic sellers will crash the market by selling under market value just to quickly get out, and this will send the coin's value down to the oblivion.

My personal opinion about pumping & dumping

Stop doing it. You are ruining the credibility the market has, and you are only making the valuation worse for the entire market. By pumping & dumping various coins, you are only making it harder for outsiders to continue their trust in the cryptocurrency market.

X X X X - May 22, 2017, 5:11 pm

Thanks for this informative post, I'm not heavily into crypto so this helped me understand better.

blank. - May 22, 2017, 5:13 pm

Thanks for posting this. Grasps the understanding of a pump & dump and why it is disallowed on the forum.

Effexion - May 22, 2017, 5:16 pm

Great thread and awesome explanation for crypto-noobs like me.

DonD - May 22, 2017, 5:16 pm

Great explanation on the matter, ive seen so many people asking about it lately so really great that someone took their time to put together a easy to read thread on it..

Altho you could fint all the same info with a few minutes on Google.. dunno why people arent doing some searches before coming in every thread and ask the same question as 100's of others...

sw0p - May 22, 2017, 5:17 pm

Good Post Looking, that should clear all questions regarding this subject.

Dean Winchester? - May 22, 2017, 5:17 pm

pump: hype it up

dump: sell at hype peak

tldr

Ultra Instinct - May 22, 2017, 5:35 pm

Thanks for posting this. This will be a great for people getting into crypto currencies.

?Enlightened - May 22, 2017, 5:39 pm

(May 22, 2017 05:17 PM)Dean Winchester? Wrote: [\[CITE\]](#) pump: hype it up

dump: sell at hype peak

tldr

wrong.

pump: artificial volume and misleading promotion

dump: large volume sell that drives price down

Stellar - May 22, 2017, 5:41 pm

Great informative thread, A lot of people aren't sure what it means or have much knowledge about crypto.

Dean Winchester? - May 22, 2017, 5:43 pm

(May 22, 2017 05:39 PM)?Maximus Wrote: [\[CITE\]](#) wrong.

pump: artificial volume and misleading promotion

dump: large volume sell that drives price down

and where was i wrong

Xeenon - May 22, 2017, 7:01 pm

(May 22, 2017 05:17 PM)Dean Winchester? Wrote: [\[CITE\]](#) pump: hype it up

dump: sell at hype peak

tldrOr I could have made that my thread - intelligent.

TheWolf™ - May 22, 2017, 7:25 pm

Thanks for this informative thread. Do you think you could profit off this? Without that much money to invest in?

heed - May 22, 2017, 11:50 pm

Other than standard media news outlets, where is a good place to find news about new crypto currency that is less likely to be a pump? can the sites who are responsible for the Alt coins be trusted do they even post news worth knowing, wouldn't it just be adversely positive as they wouldn't post bad things on their blogs..

Amp - May 23, 2017, 11:26 pm

Thank you for posting this, it's always good to educate everyone in the market.

Xeenon - June 8, 2017, 10:27 am

Contains valuable information, especially with the new rule about pumping being disallowed on HF.

Patrick Bang - June 8, 2017, 10:32 am

Thank you for this great explanation :)