

WHAT IS CRYPTO? A Short Introduction to Crypto Trading



Crypto is a digital or virtual currency secured by cryptography. Many cryptocurrencies are decentralized networks based on blockchain technology. Crypto is, therefore, nearly impossible to counterfeit or double spend.



It isn't uncommon for crypto traders to lose money due to volatility, which is why many people choose to HODL their crypto assets. HODL refers to holding crypto for an extended period to avoid the volatility of the crypto market.

There is no denying that any high and risky asset can also be high in rewards. Active traders often use technical analysis to create a process that helps them turn a profit in this volatile market.

In this article, we'll look at the steppingstones of trading crypto

WHAT IS THE BEST STRATEGY?

Having a plan for your trading activities limits your financial risk, helping you avoid unnecessary decisions. When things look scary in the market, relying on fundamentals rather than emotions isn't easy. Impulsive decisions are proven to cut your profit margins and increase losses.

Many traders use technical analysis to assess their investments. Technical analysis is a form of trading that requires discipline, as an investment is evaluated based on statistics concluded from trading activity.



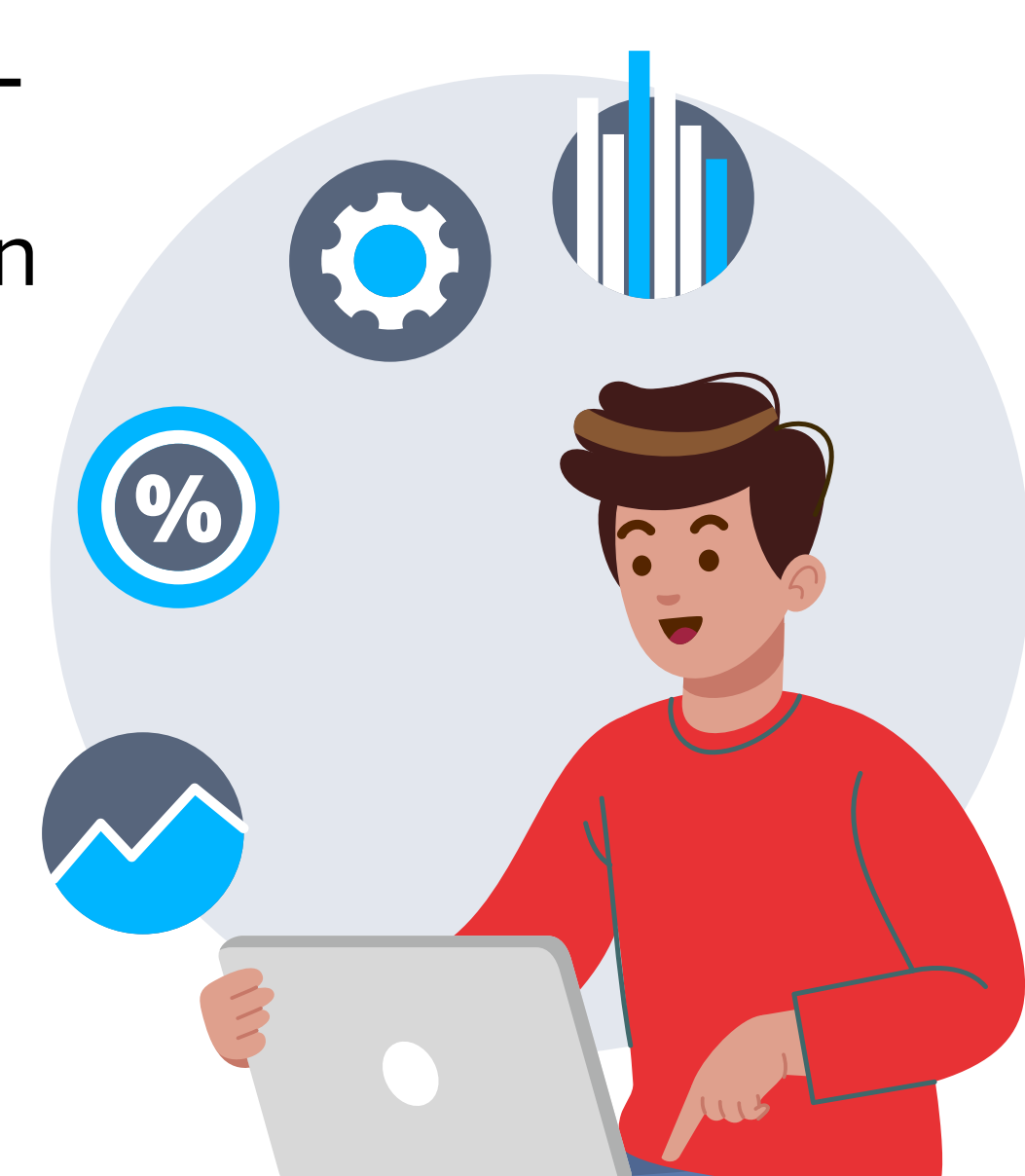
HOW DO YOU PICK THE BEST PLATFORM?

After you've conducted a strategy you would like to implement, it's essential to look at different trading platforms to ensure you have all the necessary tools to succeed.



Bitcoin trading is often seen as the most popular option to convert on your trading strategy. However, while Bitcoin is popular, it can be interesting to look at various cryptos offered on a platform to capitalize on outstanding opportunities, for example, when Elon Musk boosted Dogecoin when Tesla started to accept cryptocurrency as a payment option.

It's essential to look at how many years the exchange has been offering its services actively for an extended period. Longer service periods ensure the trader's stability and credibility in your broker's liquidity. Liquidity is another important factor to consider, as referred to by the speed and accessibility of the platform, meaning they can almost immediately buy and sell, with low margins between the bid and ask price.



Most importantly, when you trade on an active basis, make sure the platform you're using offers low fees. In combination with high-volume trades, brokerage fees can quickly eat up your margins, and brokers are very experienced in charging hidden costs, so it's essential to do your research.

HOW TO BEAT THE LEARNING CURVE



Starting with trading crypto may seem daunting. Rushing into things and getting wealthy fast may lead you to make unnecessary decisions in your trading journey. You must understand many topics that are unfamiliar to you. Assess how many hours you would like to devote to trading crypto and set realistic expectations for yourself to accomplish your goals.

WHAT ARE THE KEY TAKEAWAYS?

Crypto trading is high-risk, requiring you to dedicate most of your time to breaking the learning curve and becoming a successful crypto trader. Therefore, if you are interested in trading crypto, stick to your strategy and form realistic expectations.



A vast majority of crypto traders lose money. Having a dedicated process, measuring performance, and structurally devoting time to gain more experience are all contributing factors that will help exclude you from the majority.