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How to Trade Bitcoin Futures - Your Ultimate Guide

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Things You Need to Know Before Start Trading Bitcoin Futures

The first thing you should know about bitcoin futures is that the trading does not involve bitcoins. In other words, since the [bitcoin](#) futures are contracts that settle financially in cash, no bitcoin actually changes hands.

As with other futures contracts, you speculate on the price of bitcoin and not buying or selling the underlying crypto asset itself.

No [crypto trading platform](#) or [wallet](#) is needed. This is because futures contracts either settle financially on the delivery date or are offset by traders reversing out of their positions as the delivery date approaches.

If the buyer or seller of a bitcoin futures contract holds the position and shows a profit on the delivery date, then the difference between the purchase price and the settlement price is paid out to the holder of the futures contract.

How to trade bitcoin futures is just as important as where you trade, so make sure you pick the right broker. A reputable futures broker is usually a member of the National Futures Association (NFA) and submit to regulatory oversight by the CFTC.

To start trading futures, you must first open an account with a registered futures broker where your account can be maintained and your trades guaranteed. Futures brokers are generally known as either a futures commission merchants (FCMs) or introducing brokers (IBs).

Step 1: Learn How Bitcoin Futures Trade

Futures contracts trade differently than stocks, funds and fixed income instruments, so if you've never traded futures, learn how they trade and the requirements for traders. For starters, bitcoin futures have very high margin requirements.

The CME's maintenance margin requirement for bitcoin futures is 37% of the price of the futures contract and initial margin for a hedger is 100% of the maintenance margin. Also, the margin for speculators is 110% of the maintenance margin. While margin offsets can be obtained with other CME financial products, the exchange does not offer them initially to new traders.

Keep in mind that the margin requirements mentioned above are the CMEs; an FCM may have higher margin requirements depending on the market and the trader. Other considerations consist of how closely the futures prices track the spot price, the liquidity in the market and how other traders and market makers are positioned.

Step 2: Make a Trading Plan

Developing and implementing a trading plan could be the most important thing you do to further your trading career. Base your trading plan on careful analysis of the market you plan to trade in.

As you develop your trading plan, consider what your objectives are for each trade, the amount of risk you plan to take on a trade and how much risk is acceptable for each trade.

Other factors include the technical and fundamental analysis indicators you plan to use to generate buy and sell signals, the types of orders you plan to use and the way you plan to monitor the market and price developments.

Money management and position sizing must also be considered when trading in the volatile bitcoin futures market. If you have difficulty developing your own plan, you can either follow what other traders do or use someone else's trading plan.

Step 3: Find a Suitable Broker

An experienced and professional firm as your futures broker can make a significant difference in your overall long-term success. Try several brokers to find the one that suits your needs.

Step 4: Test the System

Ideally, the broker you select should provide you with a virtual or demo account where you can test your trading plan and get a feel for trading in real time.

You really don't know how to trade bitcoin futures until you put your plan to the test. Trading in a demo account or trading simulator allows you to practice without committing any funds and address any issues that may have arisen with your trading plan.

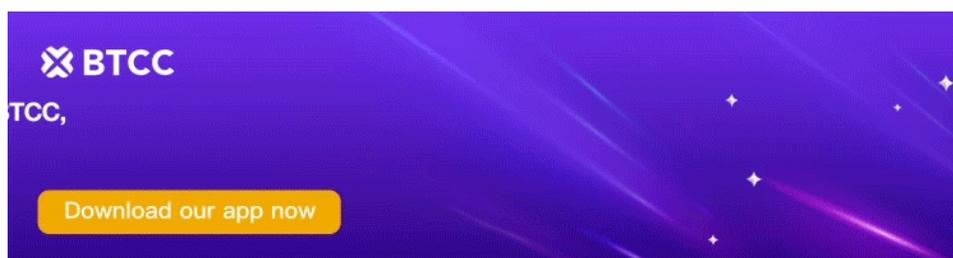
Once you've developed sufficient confidence in your methods, you can then fund your trading account and begin to trade. Making small trades at the beginning could save you a lot of money and stress. After you've built up your account with small trades, you can increase your position size with more confidence.

A broker's demo account will also give you insight into the broker's services, which could help you in your final selection of a broker. If you have a trading plan, you can open several demo accounts and test your plan with different brokers.

Step 5: Start Bitcoin Futures Trading in a Live Account

Once you've selected a broker and have tested it in a demo account, add funds to your account and start trading bitcoin futures in a live account. Keep in mind that putting real money on the line may make a difference to the way you trade, so make sure you take that into consideration when you begin trading.

Trading futures may be more capital intensive and require significantly more money than trading spot currencies, so make sure you have enough trading capital to meet margin requirements.



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BTCC - One of the Best Futures Trading Platforms for Cryptocurrency

Everyone interested in cryptocurrency trading might start by trading futures. This financial instrument is especially suitable for those who want to get exposure to cryptocurrency. But, without actually holding it in digital wallets and bothering about its security.

Also, crypto futures enable different strategies and operations that cannot be implemented in spot markets with the same success, such as short-selling and scalping.

As one of the best platforms for futures trading, BTCC offers a variety of futures trading options that are sure to bring flexibility to crypto Futures traders.

Daily Futures, Quarterly Futures, and Perpetual Futures are all available to BTCC users. These can be used in conjunction with leverage or without it, with support for Market/limit/SLTP orders.

- BTCC offer leverage as high as 150x for daily futures contracts, and support 18 major cryptocurrencies.
- BTCC's huge varieties of futures suit the trading habits and goals of beginners and experienced traders.
- Coin-margined futures. Users can trade futures using USDT or cryptos like BTC, ETH, and XRP.
- Large liquidity. Large orders of up to 300 BTC can be executed at the top price levels.

Overall, BTCC has over 10 years of stable and secure operating history with a low investment threshold of 3USDT, making it a solid option for anyone looking to continue or start their crypto futures journey.

The process of trading futures with BTCC begins with registration and log in. New customers can now sign up [here](#) to get a welcome bonus of 10USDT, and complete the Know Your Customer verification process to access all BTCC's features and BTCC promotions. Once verified, you can explore the deposit bonus and start your crypto trading now.

[Sign up for BTCC now and claim special deposit bonus!](#)

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