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Why Crypto Futures Are Superior to Traditional Derivatives

Original:

https://www.btcc.com/en-US/academy/research-analysis/why-crypto-futures-are-superior-to-traditional-derivatives

What makes cryptocurrency futures superior to other forms of derivatives

<u>Cryptocurrency futures</u> are traded around the clock, every day of the week.

One common approach to speculate on commodity prices is through <u>futures trading</u>. <u>Futures</u> are a sort of derivative that let traders speculate on the future value of a given commodity, such as gold, crude oil, corn, and many others. This technique has also grown in popularity in recent years as a means of purchasing digital currencies.

The rationale for this is straightforward: as commodities, cryptocurrencies offer traders and investors all the same advantages that have made traditional futures markets so popular. Plus, there are a few nice extras that make crypto futures a better option than others.

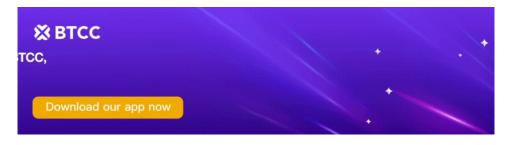
The Benefits of Futures Trading

<u>Futures</u>, in its most basic form, are financial contracts in which two parties agree to buy and sell a commodity at a certain price on a set date. One investor bets that the price will rise, while the other bets that it will fall; whomever is wrong in their prediction is responsible for paying the other investor the difference.

Commodity futures offer several benefits over outright purchases of the underlying commodity. One of them is that with futures, you don't have to really own the underlying asset to engage in trades or speculation.

This allows you to speculate on the price of corn without actually having to buy or store any grain in the futures market. Additionally, traders can make moves in the cryptocurrency market using futures contracts without having to create a coin wallet or worry about the safety of their crypto holdings.

Futures traders can also take advantage of leverage to increase the size of their assets. With the help of leverage, traders can put up more money than they actually have in their accounts. In both the conventional and cryptocurrency markets, customers can trade crypto futures with up to 150x leverage on exchanges like <u>BTCC</u>.



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Why Crypto Futures are Better

The convenience of crypto futures is one of their primary selling points. Traders in the conventional futures market must meet strict requirements before they are allowed to enter the market. Due to the high stakes involved, retail investors must go through numerous hoops to jump through and interact with various institutions before they are granted permission to hold a future investment, a process that can take several weeks or months.

However, in the cryptocurrency market, all you need to do to trade futures is sign up for an account with an exchange. It is vital to choose carefully if you want to acquire the best trading terms, as not all futures provide future trading alternatives.

Because of the importance of doing thorough research, this procedure is a little less time-efficient than ideal. If you want to start trading on an exchange, you need to conduct your research to make sure it is legitimate, has the proper licenses, and uses adequate safety precautions. It's important to research the exchange's track record of liquidity, as problems there could prevent you from making trades or getting your money out.

Even with the time spent on research, you can begin trading futures in as little as a week.

Excellent Study Material

In addition to being more convenient, trading cryptocurrency futures also offers several other advantages. In many cases, it's also more convenient than trading in cryptocurrency itself. It's easy to see why crypto futures are becoming a popular way for newcomers to test the waters of the market, given that most future crypto exchanges provide tools to help investors limit their losses.

Studying futures markets in general is another great use of crypto futures. You can master the basics of derivative trading using cryptocurrency and then apply what you've learned to the trading of gold, oil, coal, and other commodities.

Instant Availability

Traders can make moves in the cryptocurrency futures market around the clock, any day of the week. If something happens to cause a commodity's price to plunge while the futures exchange is closed, you won't be able to do anything to prevent the drop until the exchange opens again.

Acceptable on Mobile Devices

One last thing to think about is how computer-based cryptocurrency trading platforms are. To make a change to your future position on the traditional market, you may need to call a representative during business hours, but with crypto futures, all you need to do is open the app for your exchange and check your balance.

Better Choices

As opposed to the cryptocurrency futures market, which is overseen by the Commodity Futures Trading Commission, this sector of the industry is subject to significantly looser rules. In the long run, this opens the door to further investment opportunities. An excellent illustration of this is the perpetual futures derivative, which is unavailable in the conventional commodity market. Tokenized futures are another example; you can trade them just like equities and commodities using USDT without ever having to hold any cryptocurrency.

The choices and conditions available on each market will be unique. With fewer rules governing crypto futures, the market can be more innovative, and competition among trading platforms can be fiercer.

Where to Buy Crypto Futures?

Now you can trade futures on <u>BTCC</u>. <u>BTCC</u> was founded in June 2011 with the goal of making crypto trading reliable and accessible to everyone.

We offer exclusive bonus for new users. Sign up and deposit on BTCC to get up to 3,500 USDT in bonuses. Meet the deposit targets within 30 days after successful registration at BTCC, and you can enjoy the bonus of the corresponding target levels.

Find out what campaigns are available now: https://www.btcc.com/en-US/promotions

BTCC also has an iOS app and Android app if you prefer to trade on the go.





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Why Trade Crypto Futures on BTCC?

Traders may opt to trade on BTCC for a variety of reasons.

• **Security:** For instance, BTCC prioritizes the maintenance of a secure environment. Whether it concerns the assets of users or the security of the platform, BTCC is constantly updating its security measures to provide a safe and secure trading environment for its global user base.

There has not been a single security breach at BTCC in the past eleven years. Utilizing security practices that are at the forefront of the industry, the team diligently protects the assets of its users.

The trust of its users is of the utmost importance to BTCC, and the firm does all possible to maintain the safety and security of user deposits on the BTCC platform.

In addition, within the context of legality and compliance, the BTCC pays a great deal of emphasis on the operation of its business in a range of countries and regions. Currently, the BTCC holds regulatory licenses in several countries, including the United States, Canada, and Europe.

- A diverse collection of trading choices and instruments: A further advantage of trading on BTCC is that it offers a wide variety of trading options and instruments, including variable leverage of up to 150x.
- BTCC's leading position in the market's liquidity, which enables traders to enter and exit positions swiftly and seamlessly, is one of the most significant advantages it offers.

By utilizing the non-expiring demo trading account provided by the exchange, users are able to assess the platform's liquidity. The Order Book of the exchange provides vital information regarding the exchange's liquidity. Despite not offering the largest selection of cryptocurrencies on the market, BTCC is a popular choice among traders due to the high liquidity of all tradable cryptocurrencies.

Finally, new BTCC users are entitled for an exclusive bonus provided by BTCC. Users who join BTCC and make a deposit are eligible for bonuses with a maximum value of 3,500 USDT. After successfully registering with BTCC, users have 30 days to make the required deposits in order to be eligible for the corresponding bonus.

BTCC FAQs

1.Is BTCC safe?

Since its inception in 2011, BTCC has made it a priority to create a secure space for all of its visitors. Measures consist of things like a robust verification process, two-factor authentication, etc. It is considered one of the most secure markets to buy and sell cryptocurrencies and other digital assets.

2.Is it possible for me to invest in BTCC?

Users are encouraged to check if the exchange delivers to their area. Investors in BTCC must be able to deal in US dollars.

3.Can I Trade BTCC in the U.S?

Yes, US-based investors can begin trading on BTCC and access the thriving crypto asset secondary market to buy, sell, and trade cryptocurrencies.

Deposit and Receive Up to 3,500 USDT! Trade on BTCC Now

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