# 7 TECHNIQUES TO SUCCESSFUL CRYPTO TRADING

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With the skyrocketing prices of Bitcoin, Ethereum, Litecoin, and other cryptocurrencies, more and more people are looking into cryptocurrency trading to make quick profits. The crypto market is highly volatile, with steep price jumps in a matter of minutes, and smart traders are capitalizing on this volatility. Now before we go into the seven techniques to succeed in cryptocurrency trading, let's discuss first the basics of trading, and if this is something you'd like to get into.

# Trading vs. Investing In Cryptocurrencies

These two terms are used interchangeably by many people, but they are two different strategies altogether. For one, trading is for people who want to capitalize on short-term volatility.

This means they do a lot of technical analysis to determine when they should buy and sell their cryptocurrencies. These are individuals who know how to time the markets, so to speak. Doing this will require a lot of technical know-how.

Otherwise, if you jump into trading cryptocurrency blindly, then you could literally be throwing money down the drain. If you don't know what you're doing, you could lose everything.

With investing, you don't worry about timing the market. You look towards the future and don't bother looking at the daily or weekly charts. Seeing near-term price dips don't bother you because you're not planning on cashing out your investment soon.

While there is a possibility that in the future when you're ready to sell your cryptocurrency and trade it for cash, the price might not be as high compared to if you liquidate your investment at the 'right time.' That's just one of the risks you'd have to take. But think about how many mini-heart attacks you're saving yourself from simply because you don't let yourself think about daily or weekly price dips!

Now that you know the pros and cons of trading and investing in cryptocurrency, let's proceed to the seven strategies for successful crypto trading:

# Technique 1 – Buy Low and Sell High

Trading is all about making a quick buck. It is only natural that you buy crypto at low prices and then sell when the price goes up. In fact, this is why this is the top tip in this short report. Plain and simple, buying low and selling high is, for all purposes, common sense. The difference between your buying and selling price is your profit.

Now, imagine if you do the opposite. If you buy low, and you sell it at an even lower price. Think you're making a profit? Obviously, not. You'll be getting the short end of the stick. Rinsing and repeating this strategy can very quickly get you from zero to hero in a matter of days or weeks!

On the surface, this strategy might seem very simple. But executing it is actually much more difficult. Because of the volatile nature of cryptocurrencies, we don't really know if the price we're buying at is low enough.

Neither do we know if the price we're selling at is high enough. As they say, hindsight is 20/20. But if you follow the other techniques in this report, then you should be able to at least have an idea of whether the price is going to go up or down.

# Technique 2 – Pay Attention To The News

Listening to what's happening in the cryptocurrency world is easier said than done, especially if you only have a passing interest in the technical details of how cryptocurrency works. You just want to profit – that's why you're trading. You don't need to know the news, you tell yourself. Having this kind of mentality is not the right way to succeed in crypto trading. You know why?

Because cryptocurrency is not the most stable currency or commodity in the world, it's not even centralized. With no government, banks or any other central figure backing cryptocurrencies, their value is at the mercy of people who own and have access to them.

Remember that cryptocurrencies are all digital in nature, they don't have physical properties, and as such, have no intrinsic value. So its value is pretty much subject to how much the crypto community thinks it is worth.

So if something good happens in the crypto world, the price would appreciate because more people would be buying crypto. But if something bad happens, people tend to get scared easily and would sell off their digital coins in a hurry. With cryptocurrency being so new, people are skittish about putting too much faith in their digital coins.

To succeed as a crypto trader, you need to put your ear to the ground and listen close. Have a feel for what's going to happen. Is there breaking news? Is it good or bad? How do you think it's going to affect the price? When you know the answer to these questions, then you're one step closer to succeeding in trading cryptocurrencies.

# Technique 3 – Learn To Read Charts

We're not going to go into the technical details here, don't worry. It's going to take much more than a short report to cover even the basics of technical analysis. But to give you an idea, you'll need to read up, and master, popular technical analysis methods such as Japanese Candlesticks, Elliott Wave Analysis, Fibonacci Levels, Stochastics and Relative Strength Index (RSI), MACD or Moving Average Convergence / Divergence, and Ichimoku Clouds.

If you want to be a trader, you have to think like a trader. Professional traders technically live on charts because that's how they figure out whether the price is going to go up or down. Of course, they're also aware of the other techniques on this list, but most of these other methods don't really deal with math. When logic and math are applied together, you can be infinitely successful in crypto trading!

## Technique 4 – Open A Demo Trading Account

This is a very important technique if you want to master trading cryptocurrencies someday. No one gets to run without learning how to walk first – this principle also applies to crypto trading. Practicing on a demo account is like taking small, baby steps.

It will give you a safe environment to play in so you can experience the thrill of winning or profiting. When you experience losing some demo crypto, it will teach you to be cautious. Losing will also teach you a very valuable lesson in trading – don't spend what you can't afford to lose.

With a demo trading account, you'll be able to practice how to time the market so you can buy low and sell high. You can also practice how to do technical analysis and read the crypto exchange charts. Just keep in mind that when trading in a demo environment, you have to think like you're trading in the real world.

Don't take the demo account for granted because you're not going to learn anything. If you think like it's a real account with your real money in it, you'll learn faster because you'll be hypersensitive to what you're doing and what you could be doing wrong.

It's okay to make mistakes the first few times you practice, but as time goes on, and you learn from your losses, your self-confidence should grow that you can finally leave the demo environment behind and wade in the exciting world of cryptocurrency trading!

# Technique 5 – Trade Only What You Can Afford To Lose

You can lose all the demo money or demo crypto in your account, and you probably won't feel a thing. But when you're dealing with real money that you've worked hard for, then it's a different story.

Trading is a bit like gambling, but with trading you're supposed to take calculated risks, meaning you can use past data and current events to try to predict what's going to happen next. With real money at stake, it's even more important to learn technical analysis and pay attention to the news, so you don't lose too much, if at all. In fact, it's preferable you don't lose at all. But with the volatility of cryptocurrency, no one can really predict anything, so the best, and most sensible, thing you can do is trade only what you can afford to lose.

Once you have graduated from your demo trading account, you can start investing real money in *small amounts*. Don't try to invest huge sums right away, unless you really have a lot of spare cash to burn. You might not get huge profits when trading small amounts, but the bright side is it's also not going to hurt terribly when you lose. And when trading, you should always brace yourself to lose out on some trades from time to time. It's just the nature of the game.

# Technique 6 – Have A Solid Plan In Place

Not having a solid plan in place before you enter the world of crypto trading is like walking blind into a busy street intersection. You could get crippled, maimed, or killed instantly. Trading cryptocurrencies is not something anyone can do. It takes a special kind of discipline and intelligence for a trader to succeed. You could get lucky, but there's about a one in a billion chance of that happening.

The truth is trading cryptocurrencies is even more difficult and more challenging than trading stocks. Yes, it can be infinitely more rewarding, but the risk is also ten-fold or maybe even a hundred-fold. If you think you can stomach that kind of risk, then you're welcome to try your hand at this game. Otherwise, you might be better off investing in more stable profit-generating activities.

Having a solid plan in place means you should already know beforehand at what price you should be buying and what price you should be selling. When your favorite crypto hits your set price, don't wait for it to go any higher or lower. Instead, stick to what you've planned. Getting greedy is not going to get you far. In fact, it could leave you worse off than when you started.

There will always be 'what ifs' in trading – whether it's cryptocurrency, stocks, or whatever – and like we've mentioned earlier, hindsight is always 20/20. So there's no point kicking yourself if you bought a little too early or sold a little too late. Your plan is the only thing that's stable and it will hold you steady in times of crypto volatility.

# Technique 7 – Be Prepared For Volatility

It's a given that all cryptocurrencies are highly volatile. No one can predict which direction the price is going to move in. Take, for example, Bitcoin. Many said its value would never surpass $1,000, but it did precisely that five years after it was first launched to the public by its founder, Satoshi Nakamoto. Now here we are just a few short years later, and Bitcoin's value is rocking the charts.

Bitcoin's skyrocketing prices are creating millionaires left and right, and this exponential growth is attracting all sorts of characters to try and take advantage of this digital gold rush. We've got ordinary people looking to get 'lucky' with Bitcoin, some smart investors looking to see if they can multiply their millions, and let's not forget the thieves, scammers, and hackers who are looking to get those precious bitcoins free of charge courtesy of their victims.

The point is that when trading or investing in cryptocurrency, you can either strike it rich or go bankrupt. Being prepared for either scenario would help a lot, but it's not going to be easy. You'd need to toughen up mentally. You'd need to simply be prepared for whatever may happen and hope for the best.

## Final Words

When you combine all seven techniques, the probability of succeeding as a cryptocurrency trader is going to be much higher than if you only pick a few. With discipline, knowledge, and experience, you can easily take advantage of cryptocurrencies' volatility regularly. Before you know it, you'll be making huge gains, and your crypto portfolio will be impressing not just yourself, but the people around you too!