

Daniel Calugar Discusses the Inherent Volatility of Cryptocurrency

Investing expert, Daniel Calugar, dives into the discussion about the inherent volatility of cryptocurrency through a comparison to the traditional market.

LAS VEGAS, NV, USA, April 5, 2021 /EINPresswire.com/ -- In the financial market, the term volatility is utilized to describe fluctuations in an asset's price. Volatility can be categorized as healthy or extreme, depending on the pattern or speed of price movements. Healthy volatility can create profit opportunities in the market with more stable and steady price increases or decreases staying within a general range. Volatility that is considered extreme in the market reflects sudden price increases or decreases, and an abrupt and quick change of the asset's price in a short period.

When observing cryptocurrency markets, financial specialists might agree that crypto volatility is difficult to compare to the traditional market as the cryptocurrency market is seen as a different league entirely. There is no proper guide to measure crypto price fluctuation like there is in the mainstream market. However, a great starting point to measure is breaking down this market's historical price charts. Doing so will reveal that the high increases and low drops in the cryptocurrency market happen faster and more drastically in relation to asset prices in more traditional markets.

Daniel Calugar, a data-driven investor with an academic and professional background in computer science, business, and law, discovered his passion for finance after working as a pension lawyer. During this time, Calugar used his technical skillset to develop computer programs that analyzed vast amounts of data, which assisted him in identify investment strategies. These programs have opened the door for him to reach significant success as an investor.

When discussing the inherent volatility of cryptocurrency, Calugar stated, "In the finance world, extreme volatility commonly comes with a negative undertone as sudden price changes often result from market uncertainty, chaos, and drastic loss. It is important to understand what extreme volatility looks like to identify healthy volatility more accurately. That way, when observing the volatility of cryptocurrency, there is somewhat of a base of measurement from the mainstream market to compare it to."

Research and studies have divulged three factors that might have added to the understanding of

increased market volatility dating back to the 1980s. These factors include fast-paced news cycles that motivate quick trades, the entry increase of institutional investors, and the forthcoming of derivatives markets. In the cryptocurrency market, rapid news stories and speculation are influencers of causing dramatic price changes. A difference between the two market platforms with this observation is that crypto markets have less liquidity than mainstream financial markets.

For more information about Dan Calugar or his efforts to empower the future generations of finance professionals, visit his website at <u>https://www.dancalugarscholarship.com/</u>.

About Daniel Calugar

Daniel Calugar is a versatile and experienced investor with a background in computer science, business, and law. He developed a passion for investing while working as a pension lawyer and leveraged his technical capabilities to write computer programs that helped him identify more profitable investment strategies. When Dan Calugar is not working, he enjoys spending time working out, being with friends and family, and volunteering with Angel Flight.

Dan Calugar Paceline Capital, LLC email us here Visit us on social media: Twitter

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