

# Options vs Stock Trading - Which Is Better?

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KOWLOON, HONG KONG, HONG KONG , May 18, 2021 /EINPresswire.com/ -- The raging pandemic has forced people to look for ways to make money at home during lockdowns and quarantines. One of the most lucrative ways to make money wherever you are is trading on the financial markets. There are more people dabbling in stocks than those who trade options (also known as derivatives). If you are wondering which is better, then read on.

Options trading allows an investor to trade and profit on a market's uptrend, downtrend, and even sideways (minimal movement). In stock (spot) trading, your only 'option' is buying the stock and selling it for a higher price, which sometimes requires a long term holding strategy, hence potentially locking your funds.

Investors get to trade with the capital they have available in the most effective manner in options trading, whereas in spot trading, the more expensive stocks limit an investor's entry and/or possible higher profits.

Options also allow investors to get better trading strategies to fully capitalise in the financial markets, such as hedging positions and shorting market assets based on due diligence and market research. And there are apps which can assist or automate your trades using clone trading or bot trading, with [one innovative app](#), namely Level01, providing a predictive AI.

With options, traders do not need to focus on market direction because you can profit regardless whether prices are going up or down. That said, you can make money from both bull runs and bear downturns.

You can also get a very high winning percentage through options trading, benefiting you mentally as a trader, and giving you that consistency in profits through a variety of proven trading strategies. This helps so that the profit and loss does not look like a roller coaster ride.

Another benefit is that options can give more flexibility such as spread and combinations, which can be potentially profitable under any market scenario.

Options are a very flexible tool and only options offer many choices to profit in every type of market, bullish or bearish. You can choose to trade according to your risk appetite, available

capital and short and long-term financial goals.

Other than that, options also allow for higher returns using smaller capitals. It allows you to trade more often (by minutes or hours). This enables you to earn more trade profits in a shorter period.

The downside is Options have more advanced trading mechanics that should be well understood before you start trading. [Apps such as Level01](#) provide AI-guidance to help newcomers get familiar with options trading with lesser risks and simpler creation of option contracts.

As [Decentralization Finance \(DeFi\)](#) and Fintech get widespread attention and adoption, many people will have easy access to options trading as one of the most lucrative ways to make money online.

Charles Wong  
Level01 Technologies Ltd  
charles@level01.io

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