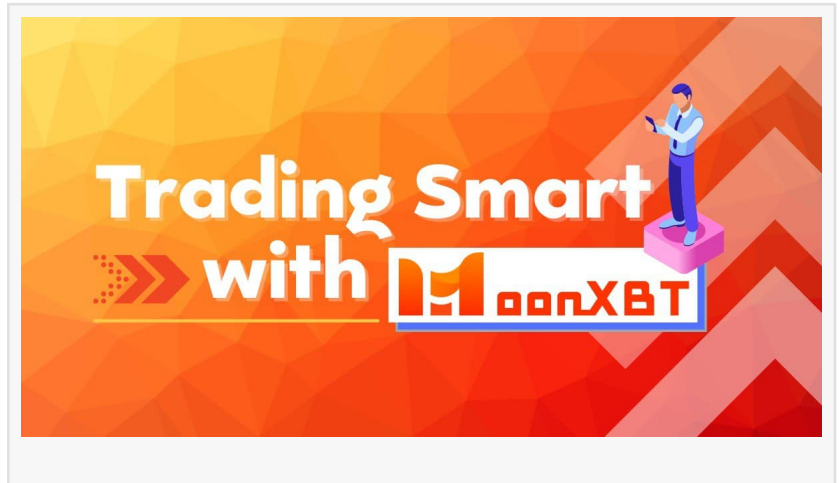


Trading Smart With MoonXBT: Why Is Risk Management Important?

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EINPresswire.com/ -- In order to maximize your chances of profiting from trading crypto, it's imperative to manage risk management. Poor decision-making comes as a result of impulsiveness, poor planning, or chasing losses. Whether it's cryptocurrency trading or any other form of stock trading, risk management should be at the core of anything you do as a trader.



What is margin trading?

Margin trading is becoming increasingly popular in the crypto world, as traders search for new ways to profit from digital currency. When trading with leverage, the potential for profits is far higher. While this is true, the potential for significant losses is also much greater.

When a margin trade is initiated, the trader will be required to commit a percentage of the total order value. This initial investment is known as the margin, and it is closely related to the concept of leverage. In other words, margin trading accounts are used to create leveraged trading, and the leverage describes the ratio of borrowed funds to the margin. For example, to open a \$100,000 trade at a leverage of 10x, a trader would need to commit \$10,000 of their capital.

How to open leveraged positions on [MoonXBT](#)?

It's a simple process to open leveraged positions at MoonXBT. Firstly, open an account, detailing basic information, including your mobile phone number and email address. Next up, it's time to deposit; it's worth noting that MoonXBT only accepts USDT, BTC, and ETH.

Once your funds have arrived in your account, you then need to open a position. To begin, click

on the “Trade” page and select the currency you want to trade. At this point, users will be able to choose from a range of options, one of which is “Leverage”. Once you’ve set the parameters of your leveraged trade, you can click on “Buy” or “Sell” to open a position.

In an attempt to ensure transparent trading takes place at MoonXBT, the provider has launched 1- 150x leverages to light contracts.

What are long/short positions?

Long and short positions reflect the two possible directions of a price required to generate a profit. In a long position, the crypto trader hopes that the price will increase from a given point. In this case, we say that the trader “goes long,” or buys the cryptocurrency. Consequently, in a short position, the crypto trader expects the price to decline from a given point the trader “goes short,” or sells the cryptocurrency.

What is [liquidation](#)?

When discussing cryptocurrency markets, liquidation represents when an exchange forcefully closes a trader’s leveraged position due to a partial or complete loss of the trader’s initial margin. This occurs when a trader doesn’t meet the margin requirements by not having enough funds to keep the trade open.

Keep in mind that the higher the leverage, the lower the percentage of price change will lead to the position liquidation. That is, if you have opened trade with 50x leverage, a price movement of only 2% in the opposite direction will cause liquidation.

If you are a newbie-trader, look out for these;

Having guided you to make the first steps towards being a well-informed trader, it only made sense to highlight some mistakes to look out for as a beginner.

Fund Management

Trading can become a real rollercoaster of emotions, as huge wins and losses can swing our decision-making from smart and concise to knee-jerk and reckless. Listening to the glory of other traders can also affect our decision-making. A term that is common now in crypto trading is FOMO, representing the temptation to make an investment based on the ‘fear-of-missing-out’. The 2% and 6% rules are also often discussed when it comes to fund management. The 2% rule states that you never invest more than 2% of your entire bankroll. While the 6% rule suggests that a trader should stop trading if they lose more than 6% of their bankroll, at which point the trader should step away from trading for a set period of time— anything in the region of 1 to 2 weeks.

Trading Without a Goal

What are your long and short-term goals with cryptocurrency trading? Are you looking to play high stakes or are you looking for a secure long-term investment? Whatever the answer to questions like this may be, it's smart to have a goal in mind as things develop you need to have a direction so as not to get lost in the ether.

Jumping In at the Deep End

The cryptocurrency market is one of the hottest in the world right now. But, it's also one of the most volatile. As a new user, it's important to recognize this and do your research before depositing funds and staking your hard-earned money. As a way to ease into things, try a trading simulator; widely known as paper trading.

Not Using a Trustworthy Exchange

The prominence of cryptocurrency in the last 18 months has meant there is an array of different exchanges available to new traders. But, with that has come to some trading platforms that aren't as reliable and don't offer the same levels of security as others. Security is paramount. Be sure to work with a trusted provider.

What are the benefits of MoonXBT margin trading?

As a relatively new platform, MoonXBT strives to ensure traders of all levels experience a fair and enjoyable trading experience. With a user-friendly interface and one which allows users to effortlessly navigate through the various trading options, MoonXBT has been an instant hit with beginners.

The team at MoonXBT recognizes this and provides [copy trading](#) catered to the 'newbie' trader. MoonXBT copy trading allows investors to follow their favorite traders and copy their investment strategies. Furthermore, the followers at MoonXBT can sort traders on the basis of ROR. Win rate. Trading style, total ROR, trading days, etc.

Those who are interested in Copy Trading and would like to try it, join the MoonXBT community!

MoonXBT

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