

Top Altcoins Traded on Coinrule Over the Last 90 Days

Many traders choose to trade altcoins over bitcoin due to their higher volatility during crypto uptrends and downtrends.

LONDON, UNITED KINGDOM, August 1, 2022 /EINPresswire.com/ -- Over the course of the previous crypto bull run, altcoins drastically outperformed bitcoin's return on investment (ROI) from the March 2020 low to the

November 2021 highs. During this period bitcoin attained an impressive ROI of approximately 1,600%. Compared to traditional stocks this is more than an order of magnitude, or 10 times better. For example, the S&P and the Nasdaq provided a 120% and 145% ROI from their March 2020 lows. However, when you compare bitcoin's returns to crypto altcoins, bitcoin starts to look like a value stock. Bitcoin's main rival in terms of market capitalization is ethereum which returned an astounding 5,500% ROI, approximately 3.3 times more than bitcoin. Some would argue that ethereum is not a true altcoin so let's take another step deeper into altcoin land using Solana as an example. From the lows of April 2020 to the highs of November 2021, Solana returned an astounding 50,000% - almost 30 times greater than bitcoin and nearly 10 times greater than ethereum.

The market's perception of bitcoin is that it is less risky and safer than altcoins resulting in diminished upside compared to altcoins. This perspective of decreased risk can be attributed to bitcoin having stood the test of time and thrived for over 13 years - the longest out of all cryptocurrencies. Bitcoin is also the largest in terms of market capitalisation and has the deepest liquidity on exchanges and the highest trading volume. This can lead to increased amounts of capital needed to absorb the larger amounts of liquidity when investors and traders are buying and selling leading to less volatile price movements and arguably lower upside in the short-term.

Gabriele Musella, CEO and Co-founder of crypto automated trading platform Coinrule (<https://coinrule.com/crypto-trading-bots/>), discusses the trends they have noticed relating to the



coins their users have been trading over the past three months. Musella states: "One of the main reasons we created Coinrule was to enable crypto investors and traders to protect and grow their portfolios during all market conditions without having their eyes glued to their screens all day. We have seen the majority of our users trade altcoins due to the increased volatility in their price movements compared to bitcoin. This increased volatility can allow more trades to take place when using our system and this can lead to increased profits when using the correct strategies."

Over the past 6 months in the crypto market, and financial markets in general, we have seen some serious drawdowns - with the majority of the hardest hit altcoins being down 90+%. When you are bullish and are long an asset, your goal is for it to continue appreciating in price as the value of your holdings grow in parallel with the price increases. Conversely when you are bearish and shorting, you desire the asset to depreciate as much as possible in the hopes of buying the asset back lower for a greater profit. This leads to altcoins again being more desirable to trade due to their increased downside compared to bitcoin - leading to increased profits when shorting. Coinrule has also noticed that this has been the case with Musella detailing the most traded altcoins: "The most popular altcoins over the past few months have been Solana, Avalanche, Cardano, XRP and also Terra. This is due to these being some of the most popular coins to hold due to their perceived relatively low risk compared to smaller cap coins, but also still having strong upside and good volatility to trade with. We particularly saw users make large profits using our bots focused on scalping both short and long during the Terra crash, where there was substantial volatility to the upside and the downside."

Musella notes that Coinrule also has the ability for their automated strategies to scan the market, detect and trade any coins that meet the conditions set by the bot. "We have a function called "Any Coin", which tells the bot to analyse the market and find coins that meet the conditions set within your rule. The bot will then buy the coins best suited to the conditions. These are often altcoins due to their heightened volatility, especially if the rule trades based on price movements and moving averages. Our users love this feature as it allows them to not have to specify coins to trade with and results in the bot doing all the hard work of finding the right coins to buy and sell with no market knowledge required from the user."

Trading altcoins can also be risky due to their lack of liquidity in the order books making them less attractive to trade due to increased slippage affecting profit margins when trading large positions sizes, however Coinrule has this covered. Musella describes that Coinrule also has a safety feature to minimise the risk of trading illiquid low market cap coins: "We implemented a feature that can set a minimum market cap for coins that rules can trade. The goal of this is to prevent the bot automatically trading riskier coins that are less liquid and have lower trade volumes leading to less desirable and inconsistent trade executions."

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