

MoonXBT's Warrant Option Offers Streamlined Derivative Trading Experience Without Liquidation Risk

MoonXBT's warrant option is a crypto derivative product with a simplified product design and a streamlined trading experience.

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/EINPresswire.com/ -- When it comes to derivative trading, liquidation is always a concerning factor to traders. But [MoonXBT's](#) warrant option may just be able to provide you a streamlined derivative trading experience with no liquidation risk.

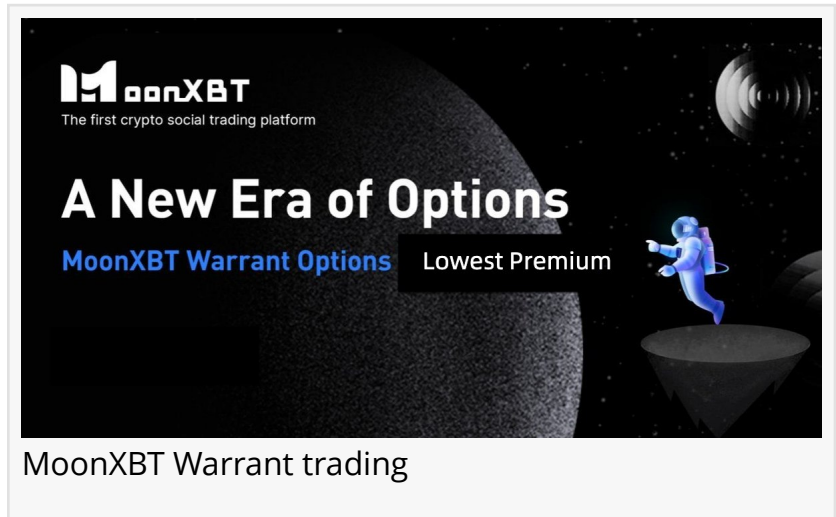
MoonXBT's warrant option is also a crypto derivative product. It stems from American Options but with a simplified product design and streamlined trading experience.

Similar to trading futures, trading options also rely on the speculation of the rise and fall of the prices of the assets. However, unlike futures where traders have the responsibility to buy or sell when the contracts come to the due date, options holders will not be forced to do so because they have the rights, instead of obligations to buy or sell the contracts.

In other words, future traders have the risk of being liquidated whereas option traders have no such risk. This is the major reason why trading options have less risk compared to other products. The maximum loss of an option holder is the cost of purchasing the option, i.e., the premium. And MoonXBT has a premium far below the requirement of the industry.

In addition to the small amount of loss, MoonXBT's warrant option can have theoretically unlimited earnings. But first, traders need to understand the two product types of warrant option: call option and put option.

A call option gives the holder the right to buy a specific denomination of an asset at a set price at a certain point in the future for a premium. Holders of MoonXBT warrant call options can generate returns from rises in the underlying asset price. A put option gives the holder the right



to sell a specific denomination of an asset at a set price at a certain point in the future for a premium. Holders of MoonXBT warrant put options that can generate returns from declines in the underlying asset price.

If the underlying price rises significantly, the call option will yield a gain for the trader. Similarly, if a user purchases a put option, a significant decline in the underlying price will result in a positive return for the trader.

MoonXBT currently supports warrant options of the following trading pairs: BTC/USDT, ETH/USDT/, DOGE/USDT. When purchasing MoonXBT warrant options, users need to first transfer USDT from their exchange account to the options account. After that, they only need to select the expiration time, choose a call or put direction and enter the denomination, i.e., the quantity of the assets to purchase differently priced option products, and the premium will be automatically calculated.

Traders need to be specifically noted the strike, settlement, and breakeven prices when it comes to placing orders and getting profits. The strike price is the real-time price of the underlying asset at the option purchase time. The settlement price is the real-time price of the underlying asset at the time of expiration. The breakeven price is the price point the option needs to pass to return a profit, accounting for the option's premium.

With the above being said, warrant option traders need to be cautious about the breakeven price and judge wisely about the changing trend of the differences between the strike and settlement prices based on which shall traders decide if they will exercise the option prior to the expiration date to lock in profit.

Another three types of options productions will be launched on MoonXBT later this year, including Touch options, European spread options, and American standalone options.

To learn more about MoonXBT, please visit: <https://www.moonxbt.com>

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