# **Trading VS Holding Crypto, Different Ways To Gain More Money**

With the increasing interest in the cryptocurrency industry, as Bitcoin adoption rises alongside other cryptos in specific regions, as well as the incoming wave of CBDCs that will introduce government-issued cryptocurrencies, there's also rising interest from people about knowing the best method to make money and increasing their wealth, whether it would be best to start trading or hold their crypto.

## **Trading VS HODLING**

There are various points to consider when deciding which route you'd like to take, where depending on your skills and character traits, you'd choose one route over the other.

### **Day trading**

Some people might be interested in conducting multiple trades a day, buy and selling a specific crypto asset at an assumed lower price to then sell it at a projected higher price, all the while handling the risk of potentially not seeing the price increase on this short period of time, spending all of their time keeping a watch over the price-charts so they'd be able to catch the right price to buy or sell. This person would be known as a day trader.

Short-term small gains would lead to an accumulation of higher profits if done correctly with decent risk assessments, but this method would definitely keep you on your toes at all times, increasing your stress and potentially lose money, a decent chunk of your money, quickly in the process.

You'd need to also keep a watch over the news of the asset you're trading with, to know if the price will go up or down by predicting people's behavior as they hear about those pieces of news. This is one trading strategy to help you with your technical analysis, with other trading strategies that you need to study up on and use as you delve into the crypto market.

### **HODLING your cryptocurrency**

If you don't want to, or rather can't afford to waste your time all day every day looking at charts and executing on buying and sell orders at the correct time so you'd always be on the green, then the opposite method would be to buy and hold onto your crypto assets for a long period of time, only selling when you see that it reached the target that you want, whether it be 1.5x, 10x or 100x. You're aiming for a long-term position with this method, as you HODL (Hold on for dear life, which means to hold onto your assets and never sell them until you need to or until the assets have reached their expected high value).

Generally speaking, this would require you to have done your own research (DYOR) about the cryptocurrency project you've invested in by buying its token, where you'd believe its token price would increase to that sell target you have or more.

If you are confident enough in the asset you've invested in after you've done your own decision, then you won'

## **What's the right role for you?**

As we mentioned at the beginning of the article, it all depends on how skillful you are from accumulating knowledge, and the rate of that accumulation, managing risk, dedicating most of your time studying the market, and/or if you have the will and desire to do that.

Some people may not have those skills, or they do but they don't want to handle the workload and stress involved, so they'd prefer to do a one-time research setting, do a lumpsum investment, or Dollar-Cost Average, or DCA for short, meaning to invest a fixed amount into an asset at equal intervals of time, and ignore all the ups and downs and have a long-term trading position.