

10149_Medium-term Trading: What is it and what are the pros and cons

Medium-term trading is good for practice. There are several months between purchase and sale.

Here you buy, for example, cryptocurrencies from the top 10 with good candle chart formations or good news and leave them for several months and then sell them again at a good time for a profit.

If you have decided on one or more cryptocurrencies and the medium-term strategy, you can also stretch your investment amount over several days to take fluctuations in the prices with you. With an investment amount of EUR 500, you can split it up over 3 days, for example. Buys on day 1 for 200 EUR, day 2 for 200 EUR and day 3 for 100 EUR.

Pros:

- Good for practice.
- Beginners can observe and learn about the markets over several months
- By distributing the investment amount over several weeks → exchange rate fluctuations can be compensated
- Suitable as a supplementary strategy to long-term investments.

Cons:

- Risk of total loss without a stop-loss rate
- Transaction costs must be taken into account
- No quick profit taking