

## 151\_Arbitrage Trading: What is it and what are the pros and cons

With arbitrage trading, you can take advantage of different rates on different crypto exchanges.

For arbitrage trading you need accounts on different crypto exchanges. Each exchange has different prices → Buy on exchanges with low entry prices, sell on those with high sell prices. The difference is then your profit.

The strategy takes a lot of time but can be profitable and you can use it as a complement to the other trading strategies

What are the pros and cons?

pros

- Additional source of income
- Test different exchanges and develop a feeling for market developments

cons

- Arbitrage trading is time consuming
- Sometimes high transaction costs and costs for the transfer between the exchanges for buying and selling
- Profits are to be checked carefully, whether it is more profitable than other types of trading.