

The Pros And Cons Of Bitcoin Trading

Cryptocurrency is at the top everyone's agenda these days. Up until 2016, Bitcoin was unknown however with the price of Bitcoin now over \$14,000, we are all asking what the future is for this asset. I have a decade of trading assets like Bitcoin, so I am going to break down the pros and cons.

Pros

Bitcoin started life on the dark web used by people to trade in drugs and prostitutes, an untraceable digital currency, the stuff of spy movies. It is no surprise it ended up legitimately facilitating trade globally. It is a secure chain of hash pointers also known as block chain. This makes Bitcoin impenetrable for now.

It is here to stay. The banking community is not happy about Bitcoin after all it could easily replace them as an intermediary. Think of Bitcoin as a message that is digitally signed and can be sent at no cost and unlike money cannot be forged and is limited in supply. This is no doubt the future of money so you are definitely right to consider this an investment.

Bitcoin is now available as a futures contract and as a CFD, meaning you can trade through the day with guaranteed liquidity. Officially Bitcoin is the future of CFD trading.

Bitcoin is incredibly volatile making profit capacity quite high with a near 2000% growth in a few months, any trader could easily be cashing in on a long only position.



Cons

Bitcoin continues to challenge the financial system, it is possible that the Dollar may opt to use block chain itself and with more ICO's or coin offerings coming. Bitcoin could end up really cheap really quickly.

Bitcoin is presumed to be secure but the truth is, it one day could be hacked because we simply don't know the integrity of those creating Bitcoin. We know Bitcoin can be mined via software with many Bitcoin farms in the US the implications are yet to be discovered.

The lack of institutional involvement in Bitcoin, means that the demand and supply picture is untested, meaning it could one day end up like tulips.



Bitcoin is a digital currency meaning converting to cash is tricky. Bitcoin has an address and a key. If you have the address and key you unlock the message or Bitcoin. So if you wish to exchange for cash you simply can't go to your bank you need a willing buyer with cash. This means Bitcoin for now is best spent in Bitcoin. It may be an idea to buy your Bitcoin with a Forex broker and cash out on him much easier.

Banking Anti-money laundering laws are strict on Bitcoin, so if you did cash over 10k of Bitcoin, your bank may just reject the cash as you would have no proof of the source of the funds. Bitcoin is digital, the idea is secrecy. This already happened in Australia.

Now that we know some of the pros and cons of Bitcoin trading we can stay more informed. If you want to know how you can use market profile to trade Bitcoin and other Cryptos, then go to <http://www.marketprofile.org/>. There is a wealth of information on trading and investments including podcasts and tools.