

What Is Trading: The Meta Way

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Cryptocurrency trading has become increasingly popular worldwide in recent years. The rise of Bitcoin and other cryptocurrencies has led to an increase in demand for crypto trading platforms.

If you want to get into the world of cryptocurrency trading, you should start learning about the basics. But are there any more viable alternatives to cryptocurrency trading these days?

First thing first,

What Is a Cryptocurrency?

A cryptocurrency is a digital currency that uses cryptography for underlying security and does not rely on central authorities such as banks. Bitcoin was the first cryptocurrency, and it has become popular due to its ability to be used for payments online.

Traders can trade cryptocurrencies in exchange markets or over-the-counter with other traders. Trading allows you to buy and sell your digital currency at market prices without going through an intermediary like a bank. You may even trade directly against another trader if both parties agree to terms beforehand.

The Usual Way to Trade Cryptocurrencies

Typically, people trade cryptocurrencies through centralized exchanges. They allow users to buy and sell digital currencies like Bitcoin, Ethereum, Litecoin, Ripple, etc.

Exchanges like Binance and Coinbase are prominent examples of a centralized cryptocurrency exchange that provides many digital assets and currencies to trade.

Here are the pros and cons of buying and selling crypto through a centralized cryptocurrency exchange.

Pros of Using a Centralized Cryptocurrency Exchange

Firstly, trading through a centralized exchange is more effortless. It is easier to use because they provide a single point of access for trading. They also offer better security and protection against fraud. You don't need to be tech-savvy to trade through a centralized exchange.

Second, it's easy to deposit funds into your account with the help of an online wallet or bank transfer. You can even withdraw them using wire transfers, making it convenient for traders who want to buy cryptocurrencies without worrying about their safety.

Third, buyers and sellers on centralized exchanges have better access to financial information about market movements, leading to profitable trades.

Lastly, they provide greater liquidity for trading cryptocurrencies as they provide one point of access for buyers and sellers.

Problems With Using a Centralized Crypto Exchange

However, some disadvantages come along with using a centralized exchange.

First, a centralized exchange can be shut down by governments as they also need to deal with money laundering in their respective jurisdiction country.

Second, centralized exchanges may not be as secure as it seems as they are vulnerable to hacking. They store all customer funds in one place. Hackers can steal funds from these exchanges through phishing scams, malware, and other methods. If hackers gain access to your crypto account, they could transfer your coins out of the deal and into their wallets.

Third, you have no control over how much money you will be able to trade in one day. The company itself controls the centralized exchanges, which means it can manipulate the price of currencies at any time.

Lastly, your crypto assets could be at risk if the exchange goes bankrupt. You may not be able to get your money back if that happens.

Are there alternatives to using centralized crypto exchanges to trade cryptocurrencies?

Yes.

Using Decentralized Crypto Exchanges

What is a decentralized crypto exchange?

Blockchain technology built decentralized exchanges, which means they operate without any central authority or middleman. DEX makes them more secure and less vulnerable to hacking attacks.

As mentioned earlier, governments can shut down centralized exchanges at any time. Decentralized exchanges, however, are not subject to this risk as they are not subject to the regulatory frameworks of any nation-state or central bank.

DEX runs on blockchain technology, which operates via peer-to-peer networks. Hence, no one has control over them at all.

Decentralized exchanges also ensure complete privacy when it comes to transactions made through them. No third party can access information about transactions made on decentralized exchanges, including the amount transacted, parties involved in the transaction, and traded data about the asset.

However, it's not without problems.

It is an open fact that trading through decentralized exchanges is more expensive. Because of the added expenses of running on blockchain technology, most decentralized exchanges charge fees in the range of **0.2-0.3%**.

They also require more resources to operate, plus more security measures to protect users from hackers. Furthermore, decentralized exchange platforms do not have a single point of failure and are hackable at any time.

Trading the Meta Way

Metaverse is an open-source Ethereum-based public blockchain that provides a decentralized ecosystem for people to interact with each other and conduct transactions based on the principle of "trustless trust."

Traditionally, in decentralized crypto exchanges, liquidity providers earn trading fees when actively supplying the liquidity. However, when the pool takes back some liquidity, the liquidity provider will receive fewer fees.

Additionally, collateral risks for these transactions increase when a currency becomes popular because more people invest in it. In other words, there are more chances for them to lose out on their returns due to increased competition from other traders willing to buy at even higher rates than before.

The Meta way is different.

It allows users to contribute to a pool and earn rewards in the form of MetaBits. Unlike traditional exchanges, you can also earn passive revenue from MetaBits as a percentage of the system's fees. The portion will accumulate into BITS, even if you stop providing liquidity.

Now you can be a liquidity provider and keep all of your earnings intact. No more settling for peanuts; the whole pie is yours.

Conclusion

In conclusion, Metaverse aims to provide a holistic environment to trade cryptocurrencies through a decentralized platform. Decentralized apps include building a secure decentralized network, developing innovative blockchain solutions such as smart contracts, creating new tokens, and developing decentralized apps.

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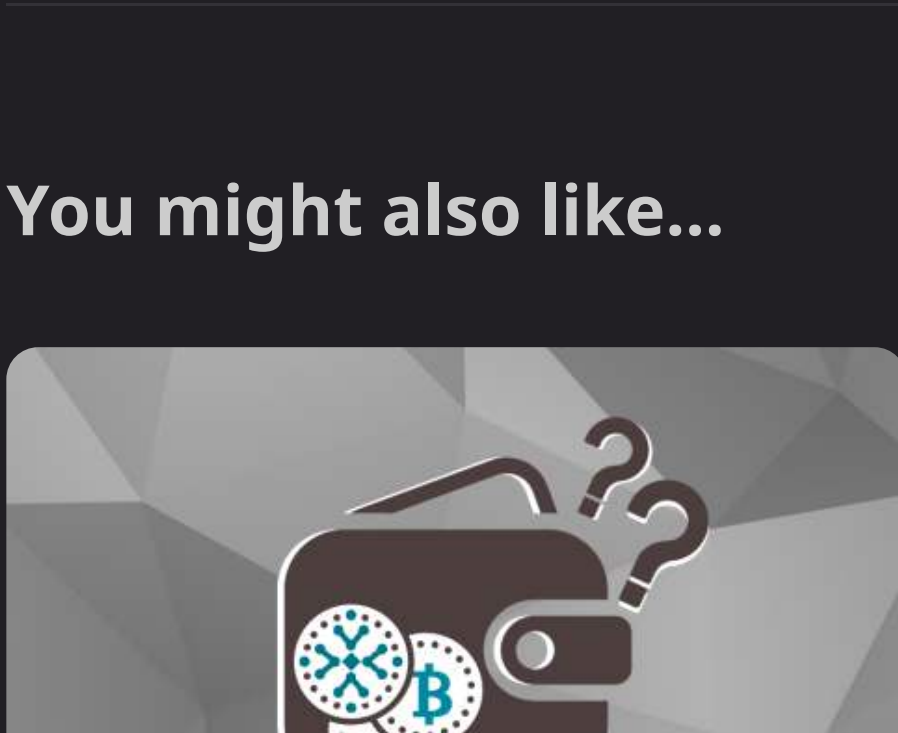
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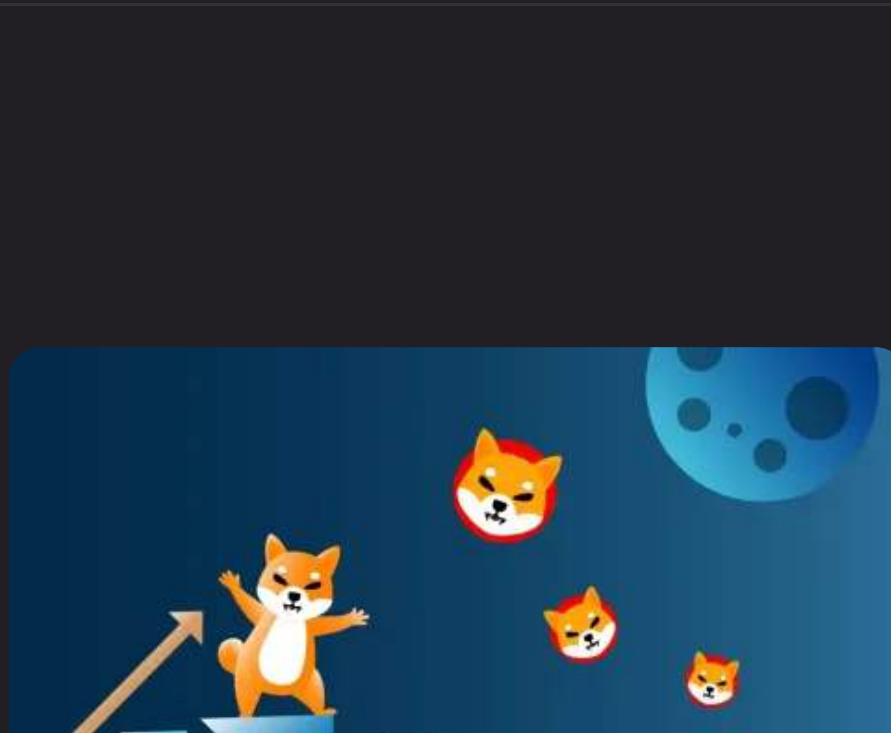
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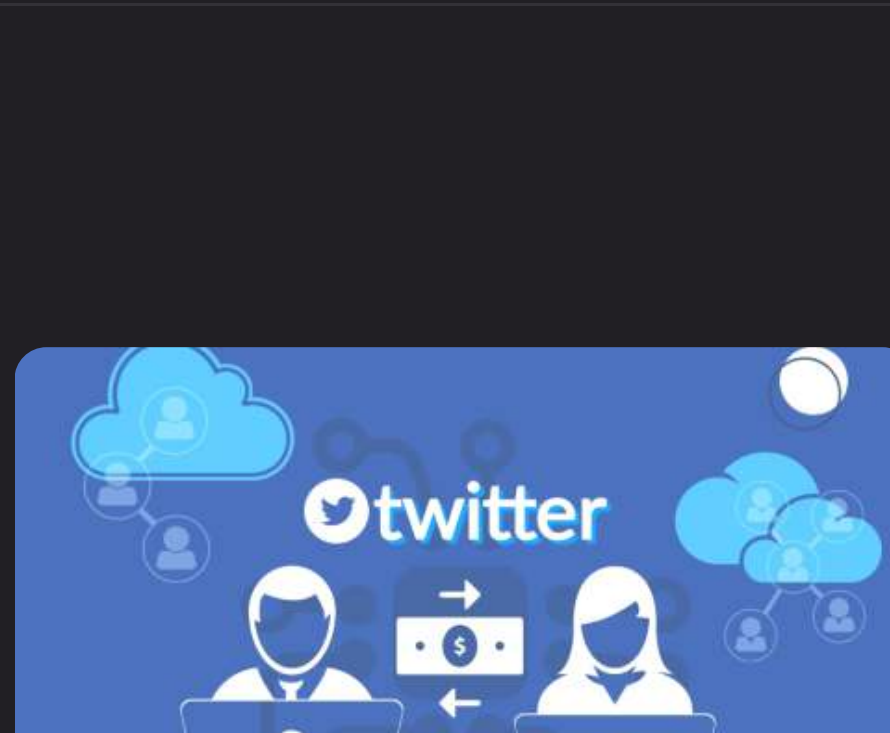
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