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Methods of earning money on cryptocurrency

Every year, people's interest in cryptocurrency is growing. After all, with experience, it is possible to earn impressive sums on it. But trading is a job that requires certain skills and knowledge. You need to develop trading strategies, analyze the market. But there are options that do not require special preparation and a novice inexperienced investor can cope with them. They can have passive income on cryptocurrencies without much effort.

1. trading bots

Trading bots are programs that perform transactions on financial markets automatically. They work according to set algorithms, analyze market data and make trading decisions without direct human involvement. They scan the market and make their own decision to enter or exit the market. Their goal is to buy crypto coins cheaper and sell them more expensive.

Bots can be very different, with advanced programs that can be adjusted to your strategies. But it will be difficult to cope with them for novice investors.

There are more easy-to-use trading bots with a minimal set of settings, with which all investors without exception will be able to earn money. For example, the trading grid-bot. It is embedded in the ecosystem of the Bybit crypto exchange and uses a grid trading strategy. Its job is to regularly buy assets at a predetermined price, followed by a sale after its growth.

2.Copytrading

This is the process of copying (manually or automatically) by one trader of trading transactions of another trader, “master”, who has given his consent. In this way a beginner can earn money using the knowledge of more experienced traders.

Each participant has his own benefit. An experienced trader, master, receives a percentage of each of his subscribers, not counting his own profit. Thus, he advertises his trading strategies, earns authority for his profile on the stock exchange.

Subscribers not only have income, but also learn from more experienced colleagues. They have an opportunity to learn the subtleties of trading by learning from other people's mistakes.

Only an experienced trader who has been seriously tested by the stock exchange can become a master. This excludes random people who can let down their subscribers.

3. Steaking

Steaking is an alternative to mining. It increases the security of the network and users are rewarded in tokens. It is applicable for currencies created by Proof-of-stake (PoS). The most popular coins are Solana and Cardano. With PoS, rewards come from storing coins in your own wallet.

The advantage of this earning is that it does not require large investments in computing power, which becomes obsolete very quickly. Steaking takes place in automatic mode. The only task of the user is to control the accrual of income to his wallet.

It is possible to join such a partnership through crypto exchanges or market makers.

Pros:

- Passive income. Allows you to receive regular income without active participation.

- Network Support. Users help maintain security on the blockchain network.

- Low technical requirements. Does not require expensive equipment and high costs. It is enough to have the appropriate currency and wallet.

- Long-term benefits.

Cons

- Downside risk. The value of assets may decline.

- Blocking of funds. Funds may be blocked for a certain period of time, during which the user will not be able to use or sell them.

- Technical risks. Potential technical problems with wallets and platforms.

4. Cryptolending

Cryptolending is similar to a bank deposit. The essence is that the owner of cryptocurrency lends his funds at interest through crypto exchanges or special cryptolending platforms (intermediary) or directly through P2P platforms.

The safest option for cryptolending is lending to exchanges. Exchanges then lend these funds to their users who trade with leverage. The deposit of the leveraged trader is the pledge of return. Therefore, the investor who provided the crypto does not risk anything.

The investor only needs to register on the platform and deposit money into the account. Coins will work independently. It remains only to control the accrual of income.

5. Holding

The essence of holding is to enter an asset long term, holding until its value increases many times the purchase price. The purpose of holding is not to succumb to fluctuations in the long-term and short-term prices of the coin.

The risk of holding can be an error in asset selection. An investor can incur a loss if they don't guess the coin, as its price, relative to fiat money or other cryptocurrencies, will fall rather than rise. To minimize the risk, you need to invest in several currencies, forming a portfolio. In this way, a loss in one currency will be compensated by a gain in another.

6. Investing.

This is one of the most popular and simple ways to earn money on this market. It involves buying and holding crypto coins for a long period of time, waiting for their value to grow. Usually from a few months to a year.

Pros

- High income potential.

- Ease of execution.

- Long-term benefits.

Cons

- High volatility. Cryptocurrency markets can fluctuate wildly.

- Risks of fraud.

- Requirement of knowledge.

In conclusion, we can conclude that cryptocurrency provides almost unlimited opportunities for zarobotka, regardless of knowledge, capabilities and experience. If you are already a master in your business, you can sell your skills on one of the exchanges and earn on your own. And if you are a beginner, then for you there are passive types of earnings that do not require direct involvement, but bring income.

Everything is in your hands!