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[PDF Database Document] - BTCC Cryptocurrency Exchange

Original:

<https://www.btcc.com/en-US/academy/crypto-basics/what-is-leverage-in-cryptocurrency-how-can-i-trade-at-100x-leverage>

What is Leverage Trading in Crypto? How Can I Trade at 500X Leverage?

Leverage is the act of initiating a trading position with borrowed capital, thereby potentially magnifying the associated losses or profits. By utilizing leverage, a trader is able to exert greater influence over a greater portion of an asset than if they were utilizing their own capital alone. The hazards are also amplified in tandem with the returns, as losses are magnified.

Traditional financial markets (TradFi) employ leverage in addition to cryptocurrencies, commodities, equities, bonds, and real estate.

[TRADE_PLUGIN]BTCUSDT,ETHUSDT[/TRADE_PLUGIN]

What is Crypto Leverage Trading?

Margin is a fraction of the amount a trader requires as security to start a more prominent position. When trading, you can double the amount of positions called leverage. Thus, if a margin trader uses 100 times the leverage, their risk and possible profit can be increased by 100 times.

Leverage is a powerful tool for traders. You can use it to benefit from relatively small price fluctuations, provide larger position sizes for your portfolio, and grow your capital more quickly.

Leveraged trading is like margin trading. Margin is a small fraction of the amount a trader needs as security to start a more prominent position. When the transaction is in progress, if a trader uses 100 times the leverage, their risk and possible profit can be increased 100 times.

Different [Bitcoin exchanges](#) offer different levels of leverage. While some Bitcoin exchanges offer 200x leverage, enabling traders to create positions worth 200x their original deposit, other Bitcoin exchanges only provide 20x, 50x, or 100x leverage. A trade with 100:1x is called a 100x leverage trade.

Look more: [Best High Leverage Crypto Trading Exchange Platform](#)

[TRADE_PLUGIN]BTCUSDT,ETHUSDT[/TRADE_PLUGIN]



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How does Leverage Trading Work in Crypto

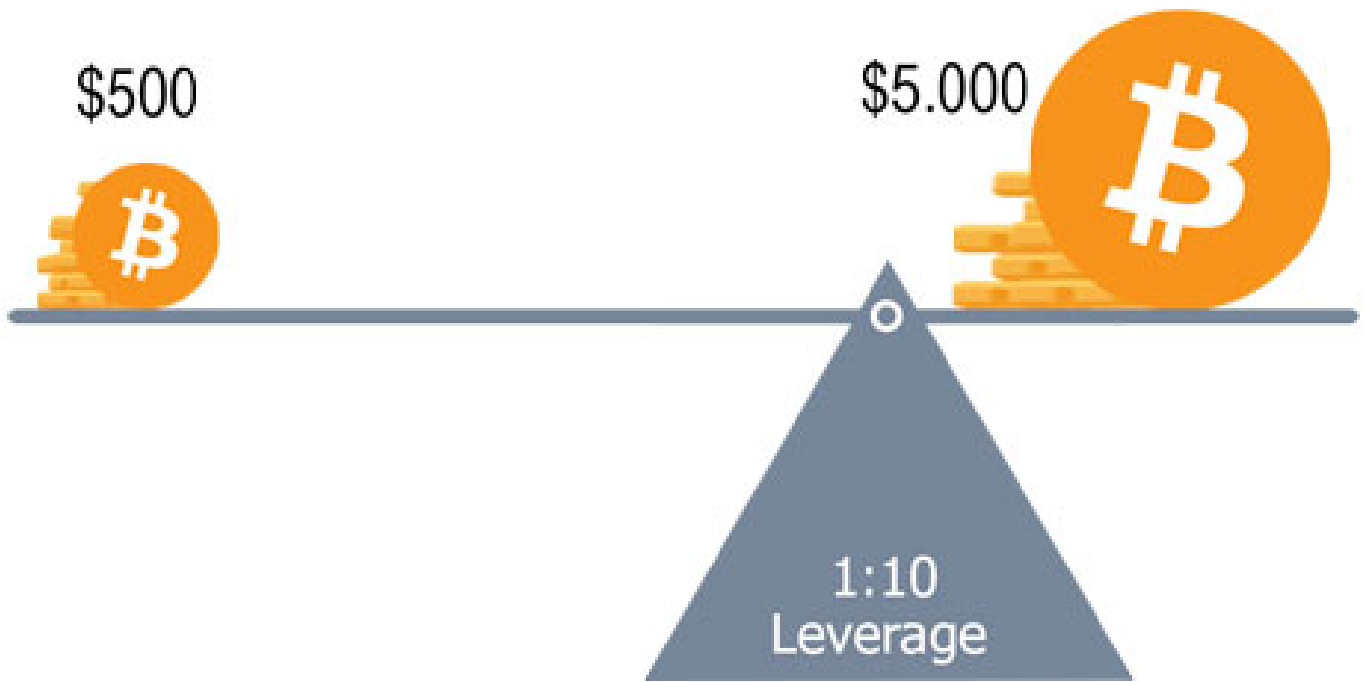
You must deposit funds into your trading account, which is referred to as collateral, before you may comprehend leverage in cryptocurrency trading. The collateral needed to establish a position differs according to the leverage you select and the total value you desire to open.

Crypto Leverage Trading Example

Assuming you have chosen to invest \$5,000 in Bitcoin using a 1:10 leverage ratio, the necessary margin in this scenario would be 1/10 of the \$5000, or \$500, which would serve as collateral for the loan. The needed margin decreases with increasing leverage; for example, with 1:40 leverage and a \$5,000 stake, the margin would be $\$5000/40$, or \$125.

This was the best part. However, there is a catch: if you decide to go long but the market moves against you and your margin falls below the maintenance threshold (also known as the maintenance margin), your funds will be liquidated unless you add more funds to your account. This means that the higher the leverage, the higher the risks of getting liquidated.

It goes without saying that leverage can be used for both long and short positions. In case you didn't know, initiating a long position indicates your expectation that an asset's price will rise, and initiating a short position indicates the opposite expectation.



Look more: [Best Crypto Exchange to Trade with Leverage](#)

Benefits of Using Leverage

- Expanded profits. You only need to invest a fraction of the value of the trade to make the same profit as any other regular trade on the exchange.
- Take advantage of opportunities. Using leverage frees up capital that can be used for other investments. The ability to increase the amount available for investment is called leverage.
- Profiting from market declines. Using leveraged products to speculate on market movements allows you to benefit from both down and up markets.

Look more: [How do contracts trade on BTCC? BTCC Account Guide.](#)



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Risks of Using Leverage

Margin trading was, until recently, much more common in currency markets, as it was generally considered too risky to be used in highly volatile cryptocurrency markets.

Unlike regular trading, you can lose your entire initial investment margin trading. Further, the more you leverage, the quicker you can lose it. For example, if I go long on a 3:1 margin. Margin trading is a type of leveraged trading. It's means that I can deposit \$100 into a margin account and get three times my buying power trading balance.

It's also means that if I trade three times my balance (\$300) and my position becomes -\$100, I will lose everything I hold as collateral. I have made more money in a short period through margin trading than I have ever made in my entire life. And more money is lost than ever before.

Leverage increases risk and cryptocurrencies are more volatile than stocks and other traditional markets. However, recognizing the potential risk, the volatility of cryptocurrencies creates profits for traders, and in a shorter period, only a part of the investment can produce significantly high profits.

Different Types of Leverage Trading

Leverage trading has been introduced into cryptocurrency markets in a few key ways. Here's a quick rundown of how each operates:

Crypto Futures

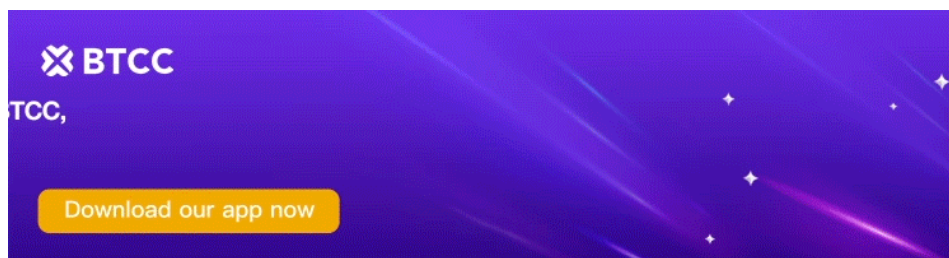
Without having to own the underlying commodity, traders can take long or short positions on cryptocurrencies using crypto futures contracts. In a manner similar to the last example, traders can achieve leverage by opening positions valued at a multiple of the collateral capital they deposit as margin. Daily price variations lead to the "marking to market" process, which settles profits or losses to accounts on a daily basis. As previously mentioned, trading futures carries a risk of forced liquidations.

Margin Trading

Through margin trading, cryptocurrency traders can open leveraged spot positions by borrowing money from their cryptocurrency exchange. Traders can open positions priced at a multiple of the collateral capital they deposit as margin. Keep in mind that exchanges set maintenance margin thresholds and restrictions that, if not met, could result in forced liquidations. When positions are closed out, gains or losses are realized.

Crypto Options

The buyer of an options contract has the option, but not the duty, to purchase or sell the underlying cryptocurrency asset on or before the expiration date at a predetermined "strike" price. If the buyer exercises an option, the seller/writer assumes the responsibility to fulfill the option. Because of the comparatively little upfront premium paid in relation to the magnitude of the position established, leverage is achieved.



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Where to Trade Futures at 500X Leverage?

BTCC was established in 2011, making it one of the world's oldest and most reliable cryptocurrency exchanges. A popular option for many traders, BTCC has established a solid reputation in the market for its dedication to security and legal compliance over the years. The platform, which is available in the US, Canada, and Europe, is especially well-suited for traders from these regions.



Apart from bitcoin trading, BTCC provides traders with cutting-edge tools like copy trading, perpetual futures, and tokenised stocks that let them access non-crypto assets like gold, silver, and US equities. Because of its range of choices, BTCC is appropriate for both novice and seasoned traders seeking a secure and regulated platform.

More than 300 cryptocurrency futures contracts are supported by the BTCC platform, including well-known pairs like BTC/USDT and ETH/USDT. Without actually holding the underlying assets, traders can speculate on future price movements, offering a flexible means of making money in both rising and declining markets.

The flexibility that BTCC provides with leverage is one of its main advantages. Futures contracts on individual assets can be traded with leverage up to 500x in five well-known pairs: BTC/USDT, ETH/USDT, DOGE/USDT, SOL/USDT, and XRP/USDT. The platform provides variable leverage of up to 50x for various contracts for less aggressive methods.

BTCC provides a variety of futures contract settlement options. These contracts offer flexibility for various trading strategies because they can be settled in either USDT (USDT-margined futures) or the cryptocurrency itself (coin-margined futures).

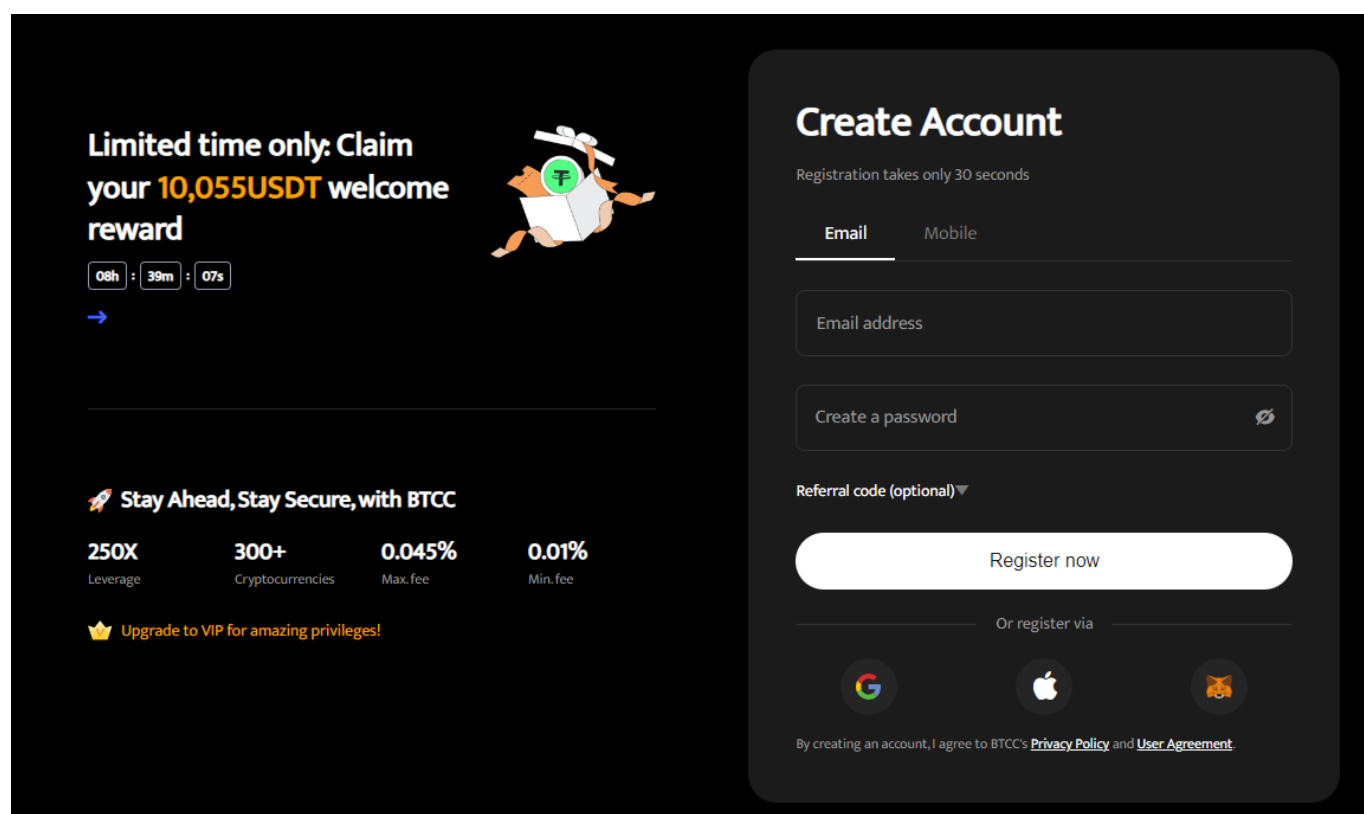
Market, limit, and stop-loss orders are features of BTCC that improve user experience by providing traders with options to maximise their entry and exit locations. Features like stop-loss and take-profit, which automatically close positions when specific criteria are achieved, are especially helpful for risk management.

How to Trade on BTCC?

This brief instruction will assist you in registering for and trading on the BTCC exchange.

Step 1: Register an account

The first step is to hit the “Sign Up” button on the BTCC website or app. Your email address and a strong password are all you need. After completing that, look for a verification email in your inbox. To activate your account, click the link in the email.



Step 2: Finish the KYC

The Know Your Customer (KYC) procedure is the next step after your account is operational. The main goal of this stage is to maintain compliance and security. You must upload identification, such as a passport or driver's license. You'll receive a confirmation email as soon as your documents are validated, so don't worry—it's a quick process.

The image shows two side-by-side panels on a dark background. The left panel is titled 'Account registration' with a green checkmark and the word 'Completed'. Below the title, it says 'You can enjoy the following benefits' and lists 'Daily withdrawal limit' as '10,000.00 USD'. Under a 'Requirement' section, it shows a green checkmark and the text 'Successfully registered'. The right panel is titled 'Identity verification' with a green checkmark and the word 'Verified'. It also says 'You can enjoy the following benefits' and lists 'Fiat deposit' as 'No limit', 'Crypto deposit' as 'No limit', and 'Daily withdrawal limit' as '1,000,000.00 USD'. Under another 'Requirement' section, it shows a camera icon and the text 'Selfie'. At the bottom of the right panel is a white button that says 'Make large deposits'.

Step 3. Deposit Funds

After that, adding money to your account is simple. BTCC provides a range of payment options, such as credit cards and bank transfers. To get your money into your trading account, simply choose what works best for you, enter the amount, and then follow the instructions.

Fund Your Account



I don't have crypto assets



Fiat Deposit

Fund your account with USDT using
Visa/Mastercard



P2P

Buy and sell cryptos with flexible payment
methods and 0 transaction fees.



I have crypto assets



Crypto Deposit

Get the deposit address for BTC, ETH, or any
other crypto and deposit via the blockchain.



Step 4. Start Trading

If you wish to follow profitable traders, you might go for copy trading, futures, or spot trading. After choosing your order type and the cryptocurrency you wish to trade, press the buy or sell button. Managing your portfolio and keeping track of your trades is made simple by the user-friendly

interface.



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Conclusion

With leverage, you may easily start with less capital while yet having the chance for bigger returns. The combination of leverage and market volatility, however, might cause a rapid liquidation, particularly when trading with a leverage of 1:100. Before using leverage, be sure you're trading safely and assessing the risk involved.

You should never use leverage or trade with money you cannot afford to lose.

Once you understand how to control it, leverage becomes a tool you can confidently use. If you like to take a hands-off approach to trading, leverage may not be the best choice for you. Otherwise, with the right management, leverage may be a powerful tool for success. Leverage, like any sharp instrument, requires caution when used improperly; nevertheless, this becomes irrelevant once mastery is achieved.

Since high-leverage trades can swiftly deplete your trading account if they go wrong, owing to big losses incurred by large-lot sizes, trading with lower-leverage allows you more breathing room by establishing a broader but reasonable stop and avoiding a bigger capital loss. Remember that the leverage can be adjusted to fit the requirements of any trader.

Where to Trade Crypto Futures?

You can trade crypto futures on BTCC Now. Over 300 USDT-margined perpetual trading pairs are available for users to trade, including many popular altcoins and meme-coins.

[Trade on BTCC Now](#)

You can deposit and receive up to [10,055 USDT](#) now when you sign up and verify your account on BTCC. Every new user gets a **10 USDT** coupon after completing their registration. You will also get an additional **20 USDT** coupon on completing your KYC verification.

Join BTCC to get rewards
10,055 USDT

BTCC

- Registration: +10 USDT
- Complete identity verification (KYC): +20 USDT
- Make your first deposit: +20 USDT
- Make your first copy trade: +5 USDT
- Make your first futures trade: +20 USDT
- Complete other deposit & trading missions: +9,985 USDT

The banner features a blue background with a white diagonal line. On the left, there is a red gift box with a yellow ribbon, a gold Bitcoin coin, and a green USDT coin. On the right, a vertical timeline lists six tasks with corresponding icons and reward amounts in blue boxes. The total reward of 10,055 USDT is prominently displayed in the top left.

[Check more details.](#)

GET 10,055 USDT WELCOME BONUS

BTCC
TCC,

Download our app now

The banner has a dark purple background with white stars and light streaks. The BTCC logo is in the top left, followed by the text 'TCC,'. A yellow button with the text 'Download our app now' is positioned in the lower left.

About BTCC

BTCC is a leading cryptocurrency trading platform that is distinguished by its ability to balance the simplicity of use with advanced features. It provides a comprehensive educational program through the BTCC Academy, 24/7 customer support, and robust security to both novices and experts. BTCC is a top choice for digital asset investors due to its emphasis on user contentment, which fosters a secure and informed trading environment across a variety of cryptocurrencies.

BTCC is one of the few exchanges in the market that offers high-leverage options for investors and concentrates extensively on futures trading. Users have access to more than 300 USDT-margined perpetual trading pairs, which encompass numerous prominent altcoins and meme-coins. Additionally, the platform has recently implemented spot trading to facilitate novice users who may not be acquainted with futures trading.

- **Established Reputation:** BTCC is one of the oldest and most well-known cryptocurrency exchanges, having been operational since 2011. Its history in the market enhances its credibility and trustworthiness.
- **A Diverse Selection of Cryptocurrencies:** BTCC allows customers to access and exchange a wide range of digital assets.
- **Margin and Futures Trading:** BTCC provides margin and futures trading options, allowing customers to expand their trading holdings and potentially increase their profits.
- **Proficient Trading Instruments:** such as real-time market data, trading charts, and technical analysis indicators. These tools can help users make informed trading decisions.
- **Security Measures:** BTCC values security and uses a variety of safeguards to secure customer payments and information. This includes two-factor authentication (2FA) and cold storage of cryptocurrency assets.

- [How to Trade Crypto Futures Contracts on BTCC](#)
- [BTCC Guide-How to Deposit Crypto on BTCC?](#)
- [What is Crypto Futures Trading - Beginner's Guide](#)
- [What is Leverage in Cryptocurrency? How Can I Trade at 100X Leverage?](#)
- [BTCC Review 2024: Best Crypto Futures Exchange](#)

Crypto Buying Guides:

- [How To Buy Bitcoin \(BTC\)](#)
- [How To Buy Picooin](#)
- [How To Buy Ethereum \(ETH\)](#)
- [How To Buy Dogecoin \(DOGE\)](#)
- [How To Buy Pepe Coin \(PEPE\)](#)
- [How To Buy Ripple \(XRP\)](#)

Crypto Prediction:

- [Ethereum \(ETH\) Price Prediction 2024, 2025, 2030 — Will ETH Reach \\$10,000?](#)
- [Ethereum Price Prediction 2024, 2025, 2030: How High Can ETH Go in 2024?](#)
- [Bitcoin \(BTC\) Price Prediction 2024, 2025, 2030 — Is BTC a Good Investment?](#)
- [Ripple \(XRP\) Price Prediction 2024, 2025, 2030 — Will XRP Reach \\$1 After SEC Lawsuit?](#)
- [Pi Coin Price Prediction 2024,2025,2030 — Is Pi Coin a Good Buy?](#)
- [Pepe \(PEPE\) Price Prediction 2024, 2025, 2030 - Will PEPE Reach \\$1](#)