

STOCK TRADING OR CRYPTO TRADING

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Investment was always the key to success but in today's world, Investment is also the test of intelligence to increase your worth of money.

Any intelligent investor knows exactly where to invest and grab good returns, if the investor doesn't have such information and the calculation, it's not investment, instead it's guessing and gambling.

The two main leads for today's investment plans are Stocks and the talk of the town, Cryptocurrency.

Crypto is the new storm in the corporate world. According to bloomberg, the total value of these digital currencies is about \$2 trillion. Bitcoin has build its own place in most portfolios.

What are Stocks?

Stocks are the bundle of shares (both Equity and Preference) which provides equity in any business, the stockholder gets the fractional ownership of the company backed by the assets and cash flow of the business. The well the company perfoms, the higher the chances of success of investment in stocks.

How does the Stock Market work?

Even after being the traditional market for investment, stock market is still not used by many individuals, because of the fear of losing their hard earned money.

Stock market is regulated by Government agencies and is backed by claim of assets in the company. The investment made in stocks is either made directly by the individual or through a stock broker. The individual person either creates a Demat account and invest in the stocks of company directly by understanding the chart or he pays the stock broker to invest his money in the company through his/her knowledge and expertise.

The broker buys share of the listed company from the stock market for the investor and trade it accordingly treating the investor as beneficiary and then returns from the stock is paid to the investor after deducting a certain percentage of commission in the same.

What is Crypto?

Crypto is the new market for investors to invest in digital money, through Bitcoins, ethereum and other similar digital coins. Generally it is not backed by any hard assets and is little risky.

How does Cryptocurrency Work?

Crypto market is not regulated by any government authority and thus is decentralised, the direct investment in crypto can be made digitally through internet, through different modes.

Crypto runs on Blockchain technology, which simply means digital ledger of transactions.

It is not controlled by any single system, rather through decentralisation.

The investor can buy and sell the crypto coins via exchanges and stored in wallets. The transparency of such transactions increases the trust of investors in the crypto market.

Similarities and Differences

Stocks and Crypto work in a similar manner as they offer return of the investment made but with certain percentage of risk, yet with lot of differences.

Form of Investment

Stocks are the traditional way of investment, investors made, but crypto is the new digital form of investment through digital crypto coins.

Ownership

The main point of difference is ownership, the investor of stock will get a fractional ownership in the company whereas the investor of crypto will not get any kind of ownership in the business, the only form of success through the investment in crypto they get is returns.

Access

Stock Market allows a fixed time for investors to trade whereas crypto market is never close. An investor can even trade in crypto on Holidays.

Transaction fee

While trading in stocks, the investor is bound to pay transaction fee, no matter the amount of Investment is large or small. Whereas in crypto the exchange fees is comparatively low, although it is based on crypto exchange rate one opt for.

Regulations

Stock Market is widely regulated by Government agencies and boards. Stock regulators always have yearly audit and

assurance of no fraud is scrutinized. Whereas, Crypto trading is unregulated and prone to fraud.

Pros and Cons

Pros of Stock trading

- Solid Returns
- Accessible
- Defined Regulation

Cons of Stock trading

- Less Returns
- Market can Crash due to inflation

Pros of Crypto trading

- Wide Market Capture
- Portability
- Higher returns

Cons of Crypto trading

- High Risk
- Regulatory risk
- No backed Assets

Conclusion

Both stock market and crypto market has their own terms of investment and comes with their own advantages and disadvantages. It's the decision of the investor to choose wheather to invest in Stocks or Cryptocurrency, based of his willingness, and choices. Crypto currency are definitely the new era Investment lead but stock is on the safer side. Investor can decide which one to choose, based on some factors which includes, Risk he/she can take, Amount of investment, Information of both the market, the inflation rate, etc. Instead of rushing to make an investment it is important for the investor to make a decision and understand both the market carefully. The portfolio of any investor can have both Cryptocurrency and stock but it is important to understand the market before gambling your hard earned money.