



Benefits of HODLing Cryptocurrency

HODLing and trading are two of the best ways to earn with cryptocurrencies. While trading is the activity of buying and selling cryptocurrencies for quick but small profits, holding (or HODLing, as they say in the crypto space) is a long-term investing approach that can give you significant profits in some months or years.

What is Cryptocurrency HODLing?

“HOLD” is nothing but a misspelled “hold” that got famous because of its unique play of characters. It refers to the same buy-and-hold strategy that we often talk about in the traditional investing space.

HODLing cryptocurrencies means buying and holding your favourite coins until their price reach your target (time or price). The idea behind the whole concept of buy-and-hold is that the investing risk gets minimized substantially when you keep holding an asset for the long term. This is particularly applicable to the short-term volatility of cryptocurrencies.

Both regular trading and HODLing have their respective benefits. Both can be done on the same exchange that offers crypto trading services. [Shiftal P2P exchange](#), for instance, allows users to day trade as well as buy and hold securely in their Shiftal wallets.

Of course, the long-term benefits of HODLing cryptocurrencies beat the short-term benefits of trading, which is why many renowned investors favour long-term investing.

Benefits of HODLing - Why you should HODL cryptocurrencies

There are many benefits of buying and HODLing cryptocurrencies from a long-term perspective. These include -

Value appreciation

The longer you keep holding your assets, the more time they will have to grow. To understand this, you must be familiar with the concept of compounding. Basically, it says that your money will grow depending on how long you keep it invested. For example, you invest your money for a year rather than a month but earn interest every month, then the interest you earn every month will get invested automatically, getting you a bigger return over time.

Compounding is probably the biggest benefit of holding your assets for the long term.

Risk depreciation

The market is never constant. Sometimes, it's growing, and other times, it will fall. Cryptocurrencies being highly volatile get their values changed very frequently, which can be a difficult situation for some investors, who are not ready for so much risk. Holding helps you ride out of the market bumps and ensure good profits. In simple words, it helps avoid risk and gets you a good ROI on your investment.

Takes out emotions

Unlike day trading, where you are constantly checking out your portfolio and might take decisions based on emotions like fear, FOMO, greed, etc., HODLing takes the emotions out from the equation. Basically, you buy some coins and keep them holding until your target is achieved. This type of investing is based on practicality rather than emotionality.

Other benefits

There are many benefits of HODLing promising cryptocurrencies like [Shiftal Coin](#). You can earn a recurring income through staking on your holdings. And since you are trading less, you'll have to pay less trading fees. HODLing is easier and does not require any investing experience or expertise. You just buy your favourite coins and HODL. Even the smallest amount invested for a long period can turn out into something really big. Check out online compounding calculators to understand more.

All in all, buying and holding cryptocurrencies is the best and safest approach. It's for everyone, including those who want to get rich fast. Trading should be left to those who are experts in it and have no fear of loss.

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