

Template: Cryptocurrency Market Trading Checklist

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Based on Article: "Essential Guide to Understanding Cryptocurrency Markets for Traders"

Website: <https://nairAFX.ng>

A practical checklist for traders to execute disciplined and informed trading decisions in cryptocurrency markets.

Checklist Items:

1. Analyze Macro Headlines

Stay informed about central bank moves and fiscal shocks, as these can quickly shift liquidity and create opportunities.

Reference Section: Executive Summary

2. Identify Liquidity Gaps

Focus on trading instruments and venues that have deep local or onshore liquidity to mitigate risks from thin order books.

Reference Section: Executive Summary

3. Adjust Position Size

Limit positions to a maximum of 1-2% of your risk capital per trade and adjust sizes based on variability in realized volatility.

Reference Section: Executive Summary

4. Set Risk Limits

Convert stop loss levels into absolute local-currency risk caps and enforce them throughout your portfolio.

Reference Section: Executive Summary

5. Monitor Order Types

Be aware of different execution orders and slippage, especially during high volatility periods when spreads may widen.

Reference Section: Execution, Order Types and Slippage

6. Utilize On-chain Metrics

Combine on-chain indicators like active addresses and whale accumulation with order book evidence for better trading insights.

Reference Section: Market Structure and Drivers

7. Assess Market Drivers

Map observable indicators to market drivers to anticipate price effects and plan your trades accordingly.

Reference Section: Market Structure and Drivers

8. Implement a Rules-Based Strategy

Develop a disciplined approach combining position-size discipline with event-aware risk limits to cope with market dynamics.

Reference Section: Executive Summary

9. Stay Updated on Regulations

Be aware of local regulations, taxes, and compliance rules that could impact your trading strategy.

Reference Section: Regulation, Taxes and Compliance

10. Evaluate Trade Setups

Focus on a small set of high-probability trade setups that align with your trading style, whether it be scalping, swing trading, or hedging.

Reference Section: Executive Summary