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Bitcoin investment – Why is it full of risks?

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The technology has developed to a great extent and the modern technology has shifted almost everything to the Internet. Earlier, fiat currency was the only medium of exchange but now another option is available which is known as cryptocurrency. Bitcoin is the most popular cryptocurrency and it also holds a huge value in the market. You can visit [Bitcoin Digital](#), if you want to buy and sell bitcoins online. Its massive market value makes it a profitable investment but at the same time it also has some risks too. Some of the biggest risks involved in making a bitcoin investment are as follows.

Volatile price

The most obvious and common risk involved in bitcoin is its fluctuating price. Bitcoin has no fixed price as it keeps changing 24×7, which makes it difficult to know the right time to invest in bitcoins. With such a highly unpredictable price, it is almost impossible to make accurate trading decisions. If you want to earn maximum profits from the bitcoin, you must keep an eye on the market to easily follow all the price changes. If you keep an eye on the market, you will be able to predict the price fluctuations to some extent and minimize the risks.

Moreover, you must try to make a small investment in the beginning as it will reduce the impact of price fluctuations and allow you to trade freely. With a small investment, you will face minimum loss even if the price fluctuates negatively. It will help you to earn massive profits in the long term with great ease and comfort.

Online thefts

Bitcoin is completely based on technology, which is quite beneficial, but, at the same time, increases numerous risks. It exposes your investment to several risks, such as hacking, as it is an easy target for hackers. Moreover, bitcoins are irrecoverable, which means that you won't be able to get them back once you lose the bitcoins. It is better that you stay on the safe side and take all the precautions to avoid risks such as hacking, phishing, etc. Bitcoin exchanges can also get hacked, so you better be careful while choosing an exchange to trade bitcoins. For additional security, you must use a bitcoin wallet that is safe and reliable.

There are numerous bitcoin wallets in the market, and each one of them has varying features. So, you must consider all the crucial factors and pick one carefully. The private key is the most important thing as it is the only way through which you can access the wallet. So, you must store it in a safe location so that it stays protected from hackers.

Minimum rules and regulation

Fiat currencies are controlled by government and have several rules as well as regulations imposed. It offers some sense of security to the users as if they face any fraud that is able to file a complaint about it and get justice. With bitcoin, there is no such thing as it is a decentralized currency and has no rules and regulations imposed. It is another significant risk related to it, which increases the risks of facing fraud. Government has no clear opinion on bitcoin, which has kept the future foggy. You never know how the government will react to the increasing popularity of bitcoin as it can place a ban on it at any time. So, you must be careful while investing in bitcoins and focus on the bigger picture.

Less uses

Fiat currency is the common medium of exchange as you can buy and product or service with it. It is highly convenient to use, but bitcoin is a bit different. It is irrefutable that it is a popular cryptocurrency, but still, sellers have not started accepting it. There are minimum sellers who are accepting bitcoin payments which restrict the ways in which you can use the bitcoins. You need to do a lot of research to find some stores and sellers where you can make a purchase with bitcoin. Most of the big companies don't accept it as a valid payment method which is a huge disadvantage for the users and a massive risk associated with bitcoins. You can do limited things with bitcoins, such as buying flight tickets, booking hotels, food, etc.

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