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# What is Liquidity? | The Best Crypto Exchange with Market-Leading Liquidity

#### Original:

 $\underline{https://www.btcc.com/en-US/academy/research-analysis/what-is-liquidity-the-best-crypto-exchange-with-market-leading-liquidity}$ 

<u>Futures trading</u> is the specialty of premier <u>Bitcoin</u> exchange <u>BTCC</u>. BTCC, which was established in 2011, has evolved to become one of the most reputable and trusted exchanges in the market. The platform provides a vast array of trading options and instruments, including variable leverage of up to 150x, making it a popular alternative among traders. In this post, we will examine the key characteristics of BTCC's trading platform, its liquidity, and the advantages it offers to traders.



## What is Liquidity in Crypto Trading?

Liquidity is the ease with which an asset can be bought or sold without impacting its price. A liquid market is essential for traders because it enables them to enter and exit positions swiftly and without friction. A liquid market has extensive order books, tight spreads, and substantial trading volumes.



The liquidity offered by BTCC's platform is one of its primary features. This function is uncommon among other exchanges, distinguishing BTCC in the marketplace. The Order Book displays the current purchase and sell orders for a particular market and provides essential information regarding an exchange's liquidity, including the bid-ask volume, total volume, and spread.

This liquidity guarantees that consumers may trade instantaneously at the exact price they desire, making it a popular option among traders. In addition, although BTCC may not provide the broadest selection of cryptocurrencies on the market, all the cryptos offered on BTCC are very liquid, allowing users to purchase or sell any amount of cryptocurrency at the price they desire.

Liquidity decreases the risk of slippage, which is the difference between the projected price of a trade and the actual price performed, in addition to the convenience of buying and selling. A highly liquid market has minimal slippage, which allows traders to enter and exit positions at the desired price.

In conclusion, liquidity is a key feature of trading since it facilitates the seamless and efficient purchase and sale of assets. This decreases the possibility of slippage and makes BTCC's platform a popular option for traders.



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## **Testing BTCC's Liquidity**

Before committing to trading on an exchange, it is vital for a trader to examine its liquidity. This section describes how to test BTCC's liquidity and interpret the order book to evaluate the liquidity of the exchange.

Utilizing the platform's non-expiring demo trading capability is one of the finest ways to assess the liquidity of an exchange. BTCC provides a \$100,000 USDT virtual money for testing the platform's liquidity and getting a feel for its operation. The liquidity in the demo and live trading modes is same, providing an accurate depiction of the liquidity of the platform.

Observing BTCC's Order Book is an additional method. The order book on the BTCC platform displays the current buy and sell orders for a specific trading pair. According to the image below, huge orders of 268 BTC can be executed at the highest price.

Order Book	Market Trades	
Price(USDT)	Amount (BTC)	Sum
22934.29	151.79	964.91
22933.95	121.65	813.12
22933.61	106.08	691.47
22933.12	107.53	585.39
22932.72	116.75	477.86
22930.23	122.15	361.11
22929.76	238.96	238.96
22929.51		
22929.26	268.61	268.61
22929.07	102.67	371.28
22928.90	149.62	520.90
22928.67	118.31	639.21
22928.43	152.26	791.47
22928.20	111.37	902.84
22927.74	133.04	1035.88

There are two parts in the Order Book, one for bid orders and one for ask orders. The bid orders are the orders put to purchase a certain cryptocurrency, while the ask orders are the bids submitted to sell a particular cryptocurrency.

Traders may readily identify the liquidity of an exchange and make informed trading decisions by perusing the Order Book. In addition, although not having the largest range of cryptocurrencies on the market, all the cryptos offered by BTCC are very liquid, meaning that customers may quickly purchase or sell any amount of cryptocurrency at the price they desire.

This is enabled by the exchange's extensive liquidity, which ensures that there is always a buyer or seller for every given cryptocurrency. According to the exchange's 2022 overview film, the highest order ever placed on the site was for 300 BTC on November 9, 2022.

BTCC is placed fifth on CoinMarketCap and third on CoinGecko, two of the most popular

cryptocurrency data platforms, in terms of trading volume. This demonstrates the popularity and liquidity of the exchange among traders.

Overall, BTCC is regarded as having deep liquidity due to the fact that it permits large orders to be executed at premium prices and has a significant trading volume. This liquidity allows traders to execute trades rapidly and at competitive prices, making this platform perfect for high-frequency and high-volume trading.

### **BTCC Risk Reserve Fund**

The BTCC has recently implemented a Risk Reserve Fund to assist in covering user losses. The Risk Reserve Fund is an innovative effort designed to provide traders with an additional layer of security and to make the trading environment safer. BTCC has put 1 million USDT in a fund that can be used to compensate users for losses experienced due to extraordinary market conditions or technical failures.

In the event of unanticipated market fluctuations or platform-related concerns, consumers may rest certain that their cash would be secured to some extent. This feature is especially valuable for traders employing high-leverage trading techniques, as it provides them with an additional layer of security. With the Risk Reserve Fund, users can trade with confidence and tranquility, knowing that their losses would be reimbursed in the event of unanticipated events.

Risk Reserve Fund is a demonstration of BTCC's dedication to providing its users with the best possible trading experience. The platform's strong liquidity, adjustable leverage, and now the extra security of the Risk Reserve Fund make it an attractive choice for traders of all experience levels. Overall, the Risk Reserve Fund is a significant addition to BTCC's already remarkable roster of features and services.



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## **Conclusion**

BTCC is a renowned cryptocurrency exchange specializing in futures trading. The platform provides a vast array of trading choices and instruments, including leverage of up to 150x. BTCC's market-leading liquidity enables traders to enter and exit positions with speed and efficiency.

The Order Book gives essential information regarding an exchange's liquidity, and the non-expiring demo trading capability of the exchange allows customers to evaluate the platform's liquidity. Despite not offering the largest assortment of cryptocurrencies on the market, BTCC's cryptos are all very liquid, making it a popular platform among traders.

## **Why Trade Crypto Futures on BTCC**

To trade crypto futures, you can choose BTCC crypto exchange. BTCC was founded in June 2011 with the goal of making crypto trading reliable and accessible to everyone.

We specializes in crypto futures contract trading, offering perpetual futures contracts. The maximum leverage offered by BTCC for daily futures contracts is 150x. The vast variety of futures offered by BTCC accommodates the trading habits and objectives of both novice and seasoned traders. We offer the USDT-margined futures and Coin-margined futures . Users can trade futures using USDT or cryptos like BTC, ETH, and XRP. And Large orders of up to 300 BTC can be executed at the top price levels.

Here are the main advantages of using the BTCC crypto exchange to trade crypto futures:

- Largest variety of futures: Daily and Perpetual futures
- Flexible leverage from 10x to 150x
- Lowest trading fees 0.03%
- Industry-leading market liquidity
- · Plenty of campaigns to win exciting rewards



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## **BTCC FAQs**

#### 1.Is BTCC safe?

Since its inception in 2011, BTCC has made it a priority to create a secure space for all of its visitors. Measures consist of things like a robust verification process, two-factor authentication, etc. It is considered one of the most secure markets to buy and sell cryptocurrencies and other digital assets.

#### 2.Is it possible for me to invest in BTCC?

Users are encouraged to check if the exchange delivers to their area. Investors in BTCC must be able to deal in US dollars.

#### 3.Can I Trade BTCC in the U.S?

Yes, US-based investors can begin trading on BTCC and access the thriving crypto asset secondary market to buy, sell, and trade cryptocurrencies.

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