

## CFD = Contract for Difference

CFD trading allows traders to trade any asset as currency pairs, stocks, futures, commodities, and even cryptocurrencies without taking ownership of the asset.

With CFD the traders speculate on the rising or on the falling of the price.

**When trading with a CFD broker, we have the chance to buy and sell any asset and benefit from the difference in the price.**

### *Example 1*

Let's say you want to buy Bitcoin at \$7830 and take the profit at \$7850. If this happens, it will mean that you will profit this difference of \$20.



## Example 2

On the other side, if the price goes against you down to \$7820 and you decide you were wrong and you close the trade, you will take this loss of \$10.



**Also, you can sell any asset without buying it previously.**

## Example 3

Let's say you think the price of Bitcoin goes down, and you sell it at \$7830. If you close your position at \$7810, you will benefit the difference of \$20.



You will benefit even the price goes down.

The same thing on the other side, if the price goes up against you, and you close the position, you will have a loss.

*Petko & Forex Academy team,*