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Crypto Trading Gains Momentum in India's Smaller Cities Amid Job Market Struggles

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Cryptocurrency trading activity in India's smaller cities more than doubled to \$1.9 billion during the October to December quarter, as young individuals turned to digital assets amid limited job growth and income challenges, according to data reviewed by Reuters.

Tier 2 and Tier 3 cities such as Nagpur, Jaipur, and Lucknow are seeing a significant rise in crypto investments. The trend follows recent restrictions in India's equity derivatives market,

prompting retail investors to explore alternative income opportunities.

For instance, a 28-year-old flower shop owner in Nagpur shifted his focus to crypto trading after seasonal sales dropped. He now attends local training classes daily to better understand the digital asset space.

According to CoinGecko, trading volumes for popular cryptocurrencies such as Bitcoin, Ethereum, and Dogecoin grew substantially across India's major exchanges. The broader increase suggests rising interest beyond metro centers.

India's large youth population—nearly two-thirds of its 1.4 billion citizens—has become increasingly drawn to crypto. Edul Patel, co-founder of the crypto exchange Mudrex, said that local-level curiosity is growing. He noted that external global factors, including shifting leadership in the United States, have also influenced investor sentiment.

In 2024, seven of the ten fastest-growing crypto cities in India were smaller towns, according to CoinSwitch Vice President Balaji Srihari. These areas, often overlooked by traditional job markets, are now turning into new centers for digital financial activity.

Consulting firm Grant Thornton Bharat projects India's crypto market could expand from \$2.5 billion in 2024 to over \$15 billion by 2035, supported by an 18.5 percent compound annual growth rate.

However, the rise in crypto participation comes amid ongoing regulatory uncertainty. India currently imposes a 30 percent tax on crypto gains but lacks a comprehensive legal framework. The Reserve Bank of India has also raised concerns about the risks of widespread crypto use to the country's financial system.

Despite this, many remain optimistic. Sagar Neware, a 25-year-old mechanical engineer in Nagpur, trades crypto in the evenings to supplement his income and help support his family. He is among the growing number of students attending crypto training academies like Thoughts Magic Trading Academy, which has taught over 1,500 people in two years.

As traditional job prospects remain limited, cryptocurrency is emerging as an alternative financial path for India's young population, particularly in underserved regions.