

The growing power of Caspian

Updated product roadmap

Our product team have been very busy over the past few months onboarding funds onto our live trading platform and working closely with customers to help shape our technical roadmap for the months to come.

We now have more than 30 exchanges connected to Caspian, providing greater access to liquidity than ever. 18 funds are already trading live on the platform with another 10 currently being onboarded at various phases of implementation. Our product team has been working on a portal to support and streamline faster client onboarding, particularly focussing on automatic deployment. New onboardings will be faster and provide more visibility in future.

SMART ORDER ROUTER

Caspian's Smart Order Router (SOR) has been enhanced to increase the number of exchanges it works across from 25 to 30, taking into consideration price, liquidity, execution fees and balances. This is a game-changer, as traders can now access crypto liquidity smartly, without any micromanagement, across a wide pool of exchanges. Orders that would have previously been considered unfillable are now within grasp.

OTC TRADING

Request for quote (RFQ) is now supported along with streaming data capabilities and OTC trade capture and reconciliation has been implemented with the first OTC desks B2C2, removing a major hurdle for access to OTC liquidity. Plans are underway to integrate more OTC desks for trading over the next couple of months.

ALGORITHMS

Caspian's Algorithm Suite comprises a number of strategies and tools that are production ready including; Twap, Iceberg, POV & Smart Order Router, enabling the power of traditional trading algos to become transparently available on crypto. By providing REST and WebSockets APIs for Reference Data, Market Data, Portfolio Analytics, FIX and WebSockets for Order and Execution management. The full power of Caspian is available programmatically, or via simpler tools such as Excel.

ANALYTICS TOOLS

Additionally, on the trading side we are working on analytic tools that will deliver the same type of insights that our clients use to in the traditional space. The trading user interface now includes graphics for cross market liquidity to make it seamless for traders to spot arbitrage opportunities.

RECONCILIATION

Post-trade crypto asset reconciliation with external wallets and custodians has been integrated, together with daily transaction reporting to fund admins. This automates a lot of the work that would normally have been done manually by operation teams.

INVENTORY MANAGEMENT

Comprehensive inventory management is also available, with flexible cost basis and valuation options for spot and crypto-pair derivatives transaction. Intuitive tools where realized and unrealized profit/loss can analyzed, visualised and exported for any tax-lot. This brings unprecedented visibility into Caspian.

KEY MANAGEMENT

For key management we have developed a secure Message Signing Service (MSS) now working with both HSM and SSM technologies (patent pending). Customer key security has always been the main priority at Caspian, and this strengthens it even further.

Shifting Attitudes to Crypto in 2018



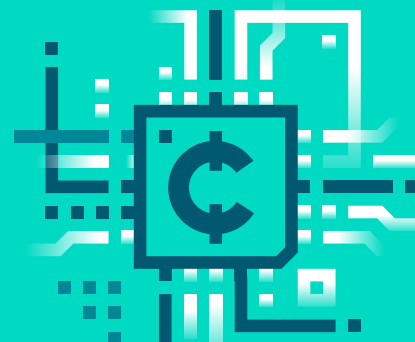
By Robert Dykes,
Caspian CEO and Co Founder

At the start of 2018, many were optimistic about growing institutional involvement in cryptocurrency markets. However as the year progressed, optimism waned. The various proposals for a Bitcoin ETF faced [rejection after rejection](#) and the heavy downtrend in markets knocked confidence.

Yet, institutional involvement in crypto in 2018 didn't seem to suffer the same fate. The launch of crypto hedge funds spiked to all-time highs, while only 5% of existing crypto hedge funds shut down. Institutional investors also became the Over-The-Counter (OTC) trading desks' biggest buyers.

More positive signals came from Goldman Sachs Group, which became the first investment bank to offer a bitcoin trading product to its customers and also [started onboarding a small number of clients](#) to test its new crypto trading desk. In addition, Fidelity stepped in with a plan to address the absence of well-known institutional custody providers, which had kept large asset-managers and investors at bay for some time. These trends were complemented by the emergence of an infrastructure required to trade cryptocurrencies at an institutional level. Caspian launched its full-stack crypto trading platform, comprising an OEMS, PMS and Risk management platform, to provide institutional and sophisticated crypto investors with tools they are familiar with in traditional trading. As with many aspects of cryptocurrency markets, institutional involvement has developed at a more cautious pace than initially predicted at the start of 2018. However, many seem to agree that 2019 will be the 'year of the switch on' for institutional investors, as key components of the infrastructure are gradually pieced together. [\[more\]](#)

Why high frequency traders are turning to crypto



By Gerrit van Wingerden,
Caspian CTO and Co-Founder

The influx of institutional investors into cryptocurrency markets could manifest itself in a number of ways, with one potential route being High Frequency Trading or HFT.

This strategy of using automated tools and algorithms to track markets, detect trends and execute large trades more quickly than a human trader is well established in traditional markets. It is about using speed as a competitive edge and the strategy involves tactics such as colocating HFT hardware with exchange hardware and implementing high speed connections, so that data can travel as fast as possible.

Right now, it's unclear how much HFT is taking place in crypto. However, with sophisticated algorithmic traders already providing a lot of the liquidity for some of the less well-known coins, it's certainly reasonable to assume it will increase. Plus, the latest offerings from major exchanges suggest that they are aimed at servicing HFT needs.

Exactly what effect the increase in this type of trading will have is yet to be seen. It's worth remembering though that, while there are elements of their approach which are unique, there are many areas of crossover with how existing traders operate. For example, important areas for HFT, such as position monitoring, risk assessments and P&L management, are already served by existing crypto trading platforms.

The proliferation of HFT in the cryptocurrency space is just one example of how digital currencies are becoming more established as financial instruments. [\[more\]](#)

AK Jensen select Caspian to provide turnkey solution for hedge funds to trade crypto



Last month Caspian finalised a partnership with AK Jensen Group who selected our full stack crypto trading technology platform to provide trading and portfolio management technology to crypto asset managers on their fund platform. AKJ Crypto, owned and managed by AK Jensen Group, provides fund managers with access to a legal, regulatory and operational solution to trade in crypto assets.

AKJ Crypto's CEO, Neal Mitra, was quoted as saying that he believes that the collaboration with Caspian will put crypto funds trading on their platform in a stronger position for future growth - with AKJ Crypto now providing a "complete turnkey solution" for hedge funds.

AK Jensen Group has drawn upon their 24 years of expertise running its highly successful tier one hedge fund platform, to establish their crypto offering and can now offer the entire suite of services that every new crypto fund needs to enter the space.

News of the announcement was widely reported in the media across a number of leading crypto, blockchain and fintech publications; [Bankless Times](#), [NXTAlpha](#), [Hedgeweek](#) and [Institutional Asset Manager](#). We were delighted to have been chosen for this key integration and we have many more exciting partnerships to announce in the coming months.

Caspian is a full-stack crypto-asset management platform tying together the biggest crypto exchanges in a single interface, so as to facilitate investments in crypto instruments for newcomers and veterans alike. The joint venture between heavyweights Tora and Kenetic brings to the table a wealth of experience in asset management, accumulated over decades of building and operating trading platforms and technologies.

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Wall Street shows interest in OTC desks for crypto

Recently, after months of delays and modifications, the Bitcoin exchange-traded fund (ETF) application that VanEck, CBOE, and SolidX put together was pulled. Bakkt even put off their launch of a crypto futures vehicle.

However, despite these setbacks, there is talk that Wall Street is still looking for digital assets that institutional investors can get behind. OTC desks are flourishing with their own popularity right now, especially as investors on Wall Street have become more interested in OTC platforms.

At Caspian, we've not only just completed integration with our first OTC desks, removing a major hurdle for access to OTC liquidity but we believe they will have a central role in this ecosystem for many years to come. Read about the changing role of OTC desks [\[here\]](#)



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