

A new analytics engine

One of our key goals at Caspian is looking across the complicated, fragmented crypto markets and trying to make it easier for institutional investors to view and access the entire market.

Much of the work we've done on the Caspian platform is focused around normalizing data so it looks the same (no matter what the exchange). We want to take different sources of market data and make it easy to compare sets of data on one screen and without multiple tabs.

We've taken the next step on that journey with the introduction of our new analytics engine. Which allows our customers to take an aggregate view on volume across all exchanges.

Clients can now customize their parameters so they can compare data points that matter to their trading strategy. Current available variables include daily high and low price, open price, close price, daily average volume, average volume at a



set time, market participation and order market participation. The Caspian Analytics engine opens up a host of possibilities for our clients. For instance; someone based in Hong Kong might want to see the busiest time on the Top 20 exchanges during business hours in the city. Another individual may want to look at the opening volume but exclude five exchanges where they do not want to trade. With the Caspian system all of this (and much more) is possible within the new analytics engine.



OEMS Balance Service

Portfolio management systems are incredibly powerful tools that allow sophisticated investors ways to streamline and execute complicated investments philosophies and allocations across a series of portfolios. Unfortunately, one of the biggest issues is that PMS' are often not widely available to all. They tend to only be accessible to larger participants in the market which means that smaller and speciality traders typically do not have access to these features.

Caspian's new OEMS Balance Service changes this. It is designed for traders and trading desks specifically.

The Balance Service keeps track of available funds for trade, it conducts a pre-trade check to ensure the trader does not execute in excess of funds available. This relieves traders from the sometimes complicated transactions and reconciliation processes after the trade. The Balance Service can be a standalone product that connects via web sockets.

The Balance Service solution also comes with a series of alerts that warn the trader when exposure level exceed pre-set and customizable amounts. Traders see a normalized portfolio across all of their active exchanges.



Trading volumes on our Caspian Trading platform for digital assets have been surging.

We've seen increases both in month-on-month volume and also as a broad trend throughout the year. In January 2019, there was \$300 million in cryptocurrency traded through our platform. In September 2019 that rose to \$1.5 billion. In December 2019, the number rose to \$2.8 billion.

Interest in the cryptocurrency community has grown rapidly, and January 2020 has seen even more interest. One of the largest debates both in and outside of this community is what's caused this surge in interest, and even more importantly, how can it be sustained?

Some people have argued for Bitcoin's utility as a non-correlated asset that moves against the overall swing of the market. The evidence here is somewhat mixed. While many graphs show certain periods of uncorrelated returns, there are major exceptions where large market corrections were also reflected in major crypto prices.

Storms are gathering around the world. Britain has just recently left Europe. There is also serious concern about the ability of corporates to continue to produce strong profits quarter over quarter. Several large economies are on the cusp of recession, and, overall volatility is trending upwards. Investors may be looking for cryptocurrency to play a balancing role in portfolios.

Adding to the appeal of cryptocurrency is an increasing correlation between equities and fixed income instruments. Traditional forms of diversification are losing some efficacy in a portfolio. While cryptocurrencies have sometimes moved in line with sharp equity/broad market corrections, some research has shown digital assets can play a useful role in a multi-asset portfolio.

Cryptocurrency has expanded in waves. First the community was confined to a small circle of tech developers and evangelists. The rapid increase in interest in a few popular digital currencies in the period from 2014 to 2017 brought in thousands if not millions of individual investors and speculators to the market. Now that base is broadening again as professional and institutional traders play an increasingly large role in the market. Large investment banks such as JP Morgan have opened or are at least exploring opening desks to trade crypto, while institutional investors are integrated funds or individual currencies into their portfolios.

Crypto is also spreading beyond its traditional base in East Asia, Europe and America, with volumes increasing in emerging markets in ASEAN and South America. The market is also benefiting from relative stability. Bitcoin volatility is on average about half of what it was three years ago. 2019 has seen fewer sharp increases and decreases in price.

We will be closely watching the market in the year ahead to see if these rising volumes continue – and more importantly how we can help our users with this information.

THE YEAR AHEAD

Caspian's Managing Director on crypto trends for 2020

We've just entered a new year – and this time another decade. As the Managing Director of Caspian, I've been reflecting on how the crypto market continues to mature and grow. While the ride has not always been smooth, the market has developed significantly over the past half-decade.

Here are three of the most important trends that I see driving the market in the year ahead.

1.

INSTITUTIONALIZATION IS COMING – BUT TO A SPECIFIC PART OF THE MARKET

This will be the year we see widespread institutional adoption of crypto currencies. The most likely drivers of this trend will be endowments and pension funds making an allocation to bitcoin, although some select providers may look elsewhere. This will be a boon for providers of crypto algo solutions and block matching platforms as many institutions will gravitate to those types of platforms when buying blocks of crypto.

2.

ALTCOINS FACE THEIR DAY OF RECKONING

We're going to see a mass extinction in the alt coins market. The chickens are going to come home to roost for projects focused on token price manipulation and community hype rather than building viable tech with solid business and token economic models. The resulting market may be more narrow, but I believe it will be ultimately stronger and more stable.

3.

EXPERTS CONTINUE TO SEE OPPORTUNITIES

There are going to be continued trading opportunities for sophisticated players in the crypto derivatives space, especially as the number of crypto derivative exchanges and products continue to proliferate and volumes grow. Activity and developments in this space will continue to be a driving factor for price and volume levels in the spot markets.

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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