

Crypto Options: Building a Resilient Portfolio in a Volatile Market



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Bybit, the world's third most visited crypto exchange, has hosted a three-part **panel** featuring leading voices in the crypto industry aimed at capturing recent momentum in the crypto derivative market. The virtual event, 'Expand your options: moving forward together in volatile markets', was an educational component of Bybit's fourth birthday celebrations.

Co-founder and CEO of Bybit, Ben Zhou's opening remarks retraced the crypto exchange's "crazy and long journey" that began during the crypto winter of 2018.

The live panel featured a line up of speakers and panelists from industry leading trading powerhouses and tech leaders - Deribit, QCP Capital, Forthtech, Amberdata, Wintermute, DWF Labs and Bybit.

Over three sessions, the panelists exchanged insights on the power of derivatives in adverse times and how to move forward in volatile markets. The prospect of a prolonged winter looms large in the current macroeconomic cycle, and options trading offers an effective hedge against volatility risk, while assisting traders to generate yield with upward or downward market movements.

Luuk Strijers, chief commercial officer of Deribit, highlighted the value of trust in derivatives trading platforms that deal with much longer contract terms than spot trading. "On a derivatives platform, especially in options, your debt stays with the contract so trust is extremely important."

"I am confident in the growth of options," said Simon Nursey, head of derivatives at QCP Capital. "Following the big crash in crypto markets in 2018, there was a lot of demand for yield-based products, and this is where we saw options provided a good tool."

"Options are a relatively new concept for most of us, and customers can benefit greatly from a better understanding of them," said Hao Yang, head of options at Bybit. "Options can be a powerful tool to protect positions and help traders gain better leverage and control of their capital."

Retail and institutional traders are no stranger to Bybit's derivative trading roots. The exchange initially focused on perpetual contracts built for advanced traders, but has since expanded its product range to cover the full spectrum of crypto markets ranging from spot to options.

As broader adoption of crypto investing has increased, derivatives trading has been sidelined by the less complex spot trading, which is popular with entry level traders and retail investors as they look to assess the market.

Currently, the average daily traded notional volume per annum of options hovered around \$500 million, a fraction of perpetuals, at over \$50 billion. It's not difficult to explain, derivatives trading tools are sophisticated products that require a high level of infrastructure as well as engineering, actuarial, and algorithmic capabilities in order to navigate the complex and dynamic market components.

While smaller in size, the derivatives market offers unparalleled opportunities in volatile market conditions. And with the growing set of accessible tools and platforms, options trading is emerging as a valuable tool.

To help users build a comprehensive portfolio strategy against market uncertainties, usability is essential. As such, Bybit is looking to offer a full portfolio margin enabled product suite, where users can trade spot, futures, perpetual, linear, and inverse contracts all in one place.

Exchanges, like Bybit, are thus facilitators for beginners and accelerators for trading pros. By removing the technical barriers and providing the educational resources, reputable crypto exchanges can play a central role in helping retail and institutional customers optimize their risk ratios and gains with the opportunities derivatives trading has to offer.

Bybit is a cryptocurrency exchange established in 2018 that offers a professional platform where crypto traders can find an ultra-fast matching engine, excellent customer service and multilingual community support. Bybit is a proud partner of Formula One's reigning Constructors' and Drivers' champions, Oracle Red Bull Racing team, esports teams NAVI, Astralis, Alliance, Made in Brazil (MIBR), City Esports, and Oracle Red Bull Racing Esports, and association football (soccer) team Borussia Dortmund.

For media inquiries, please contact: press@bybit.com

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- Youtube: <https://bit.ly/BybitOptionsPanelYT>
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