



Innovative Derivative Trading Cryptocurrency Platform

About the project

Background

In the epoch of rapid developing cryptocurrency use, great development opportunities emerge in the currently empty niche of the derivative market on traditional tradable assets (foreign currencies, shares, bonds, goods, interest rates, minerals, etc) with cryptocurrency as a basic asset.

Within the short period of time cryptocurrency and blockchain upcoming regulation will make them legal and will allow to use bitcoin, for example, for trading these traditional assets. And that's the time when institutional investors move in... International manufacturers and merchants will start using cryptocurrencies for transaction purposes. Due to blockchain development many companies will be able to reduce transaction expenses by paying for delivered products with cryptocurrencies. In other words, there is a real demand will grow to hedge the risks of suppliers and buyers of the assets. Hence, they need to insure their risks by operating with futures contracts and options for these assets.

So the volume of speculative and hedging operations of traders in cryptocurrency will continue to grow. Besides the quantity of professional participants, algorithmic traders, increases every year, i.e. this market will also develop on a way of automatic trade with high-frequency robots created by traders for performing transactions according to certain algorithms, which will increase the market volumes and the income of trading platforms offering such service.

Marketing analysis



According to Bank for International Settlements (BIS) the volume of over-the-counter derivatives made \$632.579 trillion in 2012. If we compare this value with traditional exchange markets in 2012 (\$52.498 trillion) we can come to conclusion that over-the-counter derivative market has made 92% of the global derivative market, while the share of traditional exchange markets has made only 8%.



For comparison

According to WTO, the volumes of global commodity trade made \$18.255 trillion in 2011, \$18.323 trillion in 2012, service trade - \$4.2433 trillion (2011) and \$4.4232 trillion (2012), i.e. these values are much smaller than derivative market trade volume.

Problems

However, this issue is not so simple and there are problems of accessing the exchange assets market for private persons with small investments. There is also no opportunity to trade with exchange asset derivative instruments expressed in cryptocurrencies (Bitcoin, Ethereum, Litecoin, Bitcoin cash, etc.).

Traditional stock exchanges

Work at the large stock exchanges is possible only with fiat currencies and is performed through a broker, i.e. it is almost inaccessible for small-scale traders.

Broker's transactions at a exchange markets entail high expenses and large volumes of the minimal size of transactions. The volume of one trade at exchange markets with real delivery of currency on the second working day (spot market) usually makes about \$5 million or its equivalent. The cost of one conversion transaction makes from \$60 to \$300. Besides, there are costs (about \$6 thousand a month) for interbank information and trading terminal at traditional exchanges.

These circumstances do not allow usual traders to work with small amounts and transactions. In the end of 2017, two American stock exchanges, CBOE and CME, have introduced the trade with futures for BTC. However, they impose quite high requirements to the lot size which usually makes not less than 0.5 BTC. Besides, futures at these stock exchanges are calculated, and not delivered, which means the delivery of BTC does not actually happen and the trade participants cannot buy BTC

Curbstone brokers

Currently, the trust of traders is undermined by large wave of curbstone brokers or "bucket shops". Bucket shop is a Forex broker offering the clients small transactions without bringing these transactions to the interbank market. Many of them have added the option of trading with cryptocurrencies, which proves the growing adoption of cryptocurrencies and cryptocurrency trading.

However, the problem is that the broker is a market-maker itself and acts as an opposite side in transaction, which leads to the conflict of interests - the client's profit turns out to be the loss for the broker, and the client's loss - into broker's profit. That is why many brokers, striving to make profit, resort to manipulations with charts and make transaction of their clients unprofitable. In some countries, "Bucket shops" are forbidden by law and considered as fraud. Bucket shops do not publish reports on transactions, which makes activities of such brokers non-transparent. Moreover, there is no possibility to prove or disprove the scope of manipulations by Forex brokers.

Solution

In the modern quickly developing world, invention of blockchain led to invention of cryptocurrencies which are independent from the global "backstage" of countries and uncontrolled issue money centers. Cryptocurrencies include BTC, ETH, LTC, BCH, EOS, etc. and allow ordinary people and investors to keep and increase their money without the fear of being expropriated by the state regulatory bodies.

In this regard we believe in development of the future exchange asset derivative instruments trade as a transparent mechanism of the trading platform work, the basic currency of which is not fiat money (dollar, euro, pound, yen, etc.), but Bitcoin or other highly-liquid cryptocurrency.

It will provide a wide access for professionals and beginning traders who go bull or bear for traditional assets. Thus the transaction fee will be much lower (about 0.05%) than at spot exchanges (Bitfinex, Binance, Kraken, Poloniex, etc.) that charge high fees - from 0.1 to 2%.

BITEX.ONE is The innovative trading platform for futures for international trading with assets expressed in cryptocurrencies with a transparent transaction system for the customers and the anti-fraud prevention of chart manipulations. This platform allows traders to work and increase their Bitcoins by staking with leverage on the changes of price of all accessible traditional exchange assets - dollar/euro, gold, oil & gas, beans and cocoa, share indexes, etc..

Mission.



We believe that creation and functioning of the platform for trading with futures on traditional assets through BTC will bring its contribution for usage of blockchain and cryptocurrencies, which is the highest mission of our project. Besides, we believe that growing popularity of cryptocurrencies and provide for them a legitimate status by legislature of developed countries,



will give institutional investors possibility to operate with cryptocurrencies and use them as investment instruments. Working with futures on traditional assets will create an opportunity to make profit for their customers.

Competitive environment

Nowadays there are few exchanges markets with derivative cryptocurrency instruments: Chicago CME and CBOE, Bitmex, Deribit, OKEX. The first 2 exchanges are not cryptocurrency exchanges and enable to trade only with futures for BTC.

Bitmex Deribit and OKEX trade futures for dollar while we offer much broader derivative instrument range and access to trade with cryptocurrency for traditional assets rather than fiat currencies.

Roadmap of the project

2017

- ✓ Founding the company in the Great Britain;
- ✓ Creation and testing a platform for highly-margin trading with futures on BTC.

2018

- ✓ Futures and swap contracts embedded
- ✓ Development of brand and creation of the website
- ✓ Build own terminal according to the Platform requirements
- ✓ Purchase and integration of MT5 terminal
- ✓ Start derivatives' trade - futures and swaps on Bitcoin, Ethereum, Bitcoin cash, Litecoin, EOS.
- ✓ Start Referral program with the most favourable conditions;
- ✓ Starting the Platform in the Open testing mode.

2019

- ❑ Expansion of the instrument range of margin trading such as futures on bitcoin/gold, bitcoin/silver, bitcoin/euro, bitcoin/Dow Jones, bitcoin/S&P500;
- ❑ Support of trading instrument liquidity;
- ❑ Creation of software products for integration and connection to bank platforms, investment funds;
- ❑ Expansion of profit-making opportunities of the trader by increasing the margin trading level to X100 for the most liquid instruments;
- ❑ Obtaining BitLicense in the USA, AML licence, passing PCI DSS certification (for work with cards of the international payment systems);
- ❑ Start working with fiat money with possibility of transactions from plastic cards with minimal fees, conversion BTC/fiat at the lowest prices in the market;
- ❑ Introduction of multi-language training system for beginning traders.

2020

- ❑ Opening representative offices in USA (New York), Japan, Switzerland;
- ❑ Obtaining required permits and licenses for work in the specified countries;
- ❑ Creation of decentralized exchange of futures for investment assets.

**Bitex I Ltd. Suite 10340, 45 Salisbury
Rd,
Cardiff CF24 4AB, Wales, UK.**