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USD  
▼  
**\$247.15**  
1.28 %

\$ 248  
\$ 244  
\$ 240

USD/BTC 24h

**Bitcoin (BTC)**  
SHA256 ALGORITHM  
HASHRATE: **312.2 Ph/s**

powered by  
whatmine  
HEIGHT: **350310**  
DIFF: **46.72 Bln**

**Bitcoin (BTC)**  
MARKET CAP: **\$ 3,464.815**  
VOLUME (24H): **\$ 23,293.2**

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BITCOINS**

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**Admiral**  
coin

Author **Tone Vays**

Tip **57 tips**

2014-09-04 11:20 AM

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## BitMEX Trading Challenge Kicks Off for Round II

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After the August Trading challenge was a smashing success, the cryptocurrency derivatives exchange BitMEX (<http://www.bitmex.com/app>) has just started round two, with the winner taking home two bitcoins just for trying out the system. This was a very innovative way to get people familiar with the platform and a way for the BitMEX team to work out the kinks within their exchange before trading goes live at the very end of September. Here are a few statistics from the mock trading in August:

- Over 350 participants
- Over 33 Million contracts traded worth 157,620 XBC
- Just under 250,000 orders placed
- Just under 100,000 completed trades
- And most importantly, not a single trader went bankrupt because of well thought out margin policy

The winner was able to turn the starting fake 50 Bitcoin amount into an astonishing 550 bitcoins taking home a prize of five bitcoins with five additional bitcoins going to the charity of his choice. After incorporating the feedback from the traders and making upgrades to the platform, there is one more challenge that started this week and will run through the end of September. This time, the prize is slightly smaller but the experience gained is invaluable. The platform also incorporates a trader chat where you can get advice from fellow traders. In addition, it has recently implemented a charting package where experienced trader can plot their strategies. Here is a view of their Dashboard, which has everything you need to see in one convenient place:

### Amid Double Taxation, Austra Govt Now Links Bitcoin to Corporate Tax Evasion

In the latest hurdle to beset the cryptocurrency sphere in Australia, new government tax paper has list Bitcoin among the methods which

(/news/113824/amid-double-taxation-australia-govt-now-link-bitcoin-to-corporate-tax-evasion-2015-03-30 by William Suberg

### University Professor to Canada Senate: Bitcoin Users Must 'Get Their Money Back'

Continuing its open ear policy towards digital currency, the Canada Senate last week held an in-depth Q&A with an industry spokesperson...

(/news/113822/university-professor-to-canada-senate-bitcoin-users-must-get-their-money-back-2015-03-30 by William Suberg

### MAR 30 DIGEST: SOCOM monitoring Bitcoin for Terrorism Funding, T-Mobile Poland gets own BTM

The United States SOCOM has outlined how it views Bitcoin, admitting to monitoring and tracking transactions. A proposal for a decentralized...

(/news/113823/socom-monitoring-bitcoin-for-terrorism-funding-t-mobile-poland-gets-own-btm-2015-03-30 by Charlie Richards

### iNation Joins Forces with the IBREA to Put Deeds on the Blockchain

iNation and the International Bitcoin Real Estate Association (IBREA) are joining forces to allow real estate deeds to be copied to the blockchain...

(/news/113825/ination-joins-forces-with-the-ibrea-to-put-deeds-on-the-blockchain)

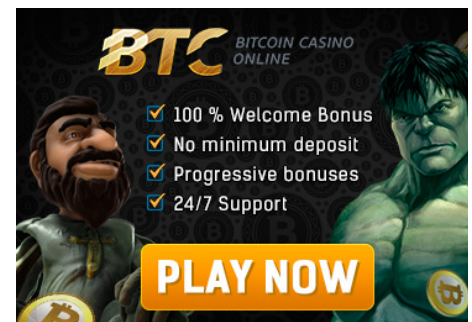


2015-03-30 by Ian DeMartino

## BitPay Announces World's First Bitcoin Miner Powered by Car Braking

With bitcoin's price volatility causing a lot of cryptocurrency start-ups to pivot, the world's leading bitcoin processor BitPay has already...

(/news/113843/bitpay-announces-worlds-first-bitcoin-miner-powered-by-car-braking 2015-04-01 by Cecile Baird



At the moment, this exchange is only designed for futures contracts so for those new to this type of instrument, it trades very similar to Bitcoin itself but instead of holding the bitcoins, you hold a contract that will allow you to buy or sell the bitcoins at a future point in time. There is a very detailed tutorial on the website once you sign up for the challenge which explains all the details. These contracts expire on a monthly basis but there is no need to hold them to maturity; they can be bought and sold just like bitcoins on all other exchanges most are now used to. The major advantage with BitMEX, however, is that it is just as easy to go short and profit from Bitcoin's drop in price as it is from the rise in price. In the most recent change to the system, traders can now trade futures contracts on Darkcoin (XDK) along with the two staples in the cryptocurrency community, Bitcoin (XBT) and Litecoin (XLT).

We reached out to the CEO and mastermind of the operation Arthur Hayes (<https://generalassembly.instructors/arthur-hayes/2149>) for some additional questions:

**Arthur Hayes** is a former equity derivatives trader from Deutsche Bank ([https://www.db.com/index\\_e.htm](https://www.db.com/index_e.htm)) and Citigroup (<http://www.citigroup.com/citi/>). He gained Bitcoin experience by trading between multiple exchanges taking advantage of arbitrage opportunities in spot prices. After trying out some of the current options on the market for leverage trading in the crypto-currency space, he was convinced that something needed to be developed for the more professional traders in the space.

### CoinTelegraph: Why do we see a need for a futures exchange?

**Arthur Hayes:** For Bitcoin adoption to grow, merchants need an effective way to forward hedge Bitcoin vs. fiat currencies. Merchants and payment processors shouldn't be converted into defacto currency speculators. Large retailers will have a hard time justifying to their treasury departments why they hold a volatile asset such as Bitcoin on their balance sheet, so they need hedging products.

The earnings for miners are too volatile due to the constantly changing Bitcoin price. The ability to forward sell their projected number of mined Bitcoins will allow better planning of their operations. It will also attract more investment into the industry, as the income stream will be more stable.

Finally investors and speculators need a liquid and safe way to trade the future price of Bitcoin. Short selling is an essential component of a market, and futures contracts will allow this.

**CT: On Wall Street, Futures are a very leveraged instrument, what kind of leverage does BitMEX implement?**

**AH:** BitMEX is committed to providing the maximum amount of leverage to traders while still keeping the exchange safe from default. At the current stage, BitMEX will offer maximum leverage of 5x on the futures contracts.

**CT: How do you plan to avoid margin problems (<http://cointelegraph.com/news/112300/speculation-rampant-about-btc-price-plummet>), which have recently plagued your competitors?**

**AH:** BitMEX employs a Chief Risk Officer (CRO) who is responsible for risk management and formulating the margin policy. He has worked at various bulge bracket investment banks in the business management, valuation, and product control functions overseeing exotic and flow derivatives. He is implementing a standardized portfolio analysis of risk (SPAN) margin system. SPAN takes a scenario based approach and the CRO can use different market variables such as spot movements, interest rates, and volatility to stress traders' portfolios in real time. Armed with this data he can adjust the margin requirements in a proactive manner.

BitMEX uses a surgical approach to margin call traders. The trading engine does not submit market orders for the entire position of a trader in a margin call. Instead, the system uses an iterative process that submits small limit orders and constantly recalculates a trader's equity to determine if it is above initial margin and the

margin call state can be removed. This process allows traders to retain more of their equity, and dampens the price volatility associated with the margin calling of traders. In addition, BitMEX has circuit breakers in place to calm the market during periods of intense volatility.

**CT: What kind of liquidity are you expecting since there are now so many exchanges operating independently and seeking traders?**

**AH:** We are working with many of the largest Bitcoin traders globally to find suitable designated market makers. We aim to have at a minimum 100 XBT of risk per side at a reasonable spread on each contract that we list. Anyone reading this article who would like to speak with BitMEX about becoming a market maker should visit [www.BitMEX.com/app](http://www.BitMEX.com/app) (<http://www.bitmex.com/app>) and contact us.

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