

NAVIGATING THE CRYPTOCURRENCY LANDSCAPE

WITH KAIKO'S DATA- DRIVEN INSIGHTS AMIDST THE TOKENIZATION REVOLUTION



SUMMARY

■ *In the ever-evolving world of cryptocurrency, having a deep understanding of market dynamics is essential. Kaiko, armed with a vast collection of market data, provides investors with a valuable tool to gain clarity in this intricate ecosystem. Whether it's deciphering tumultuous events like stablecoin de-pegging or identifying early warnings of market turbulence, Kaiko's comprehensive analysis of market trends, liquidity, and trading volumes empowers investors with the knowledge needed to make well-informed decisions and mitigate risks.*

In a recent conversation with Kaiko, a panel of experts dissected these developments, offering valuable insights into the burgeoning tokenization trend and its profound impact on asset management. This discussion serves as a gateway to comprehending the ongoing transformation within the financial sector, shedding light on the role Kaiko's data-driven approach plays in shaping the future of digital asset investments.

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[View Edward Lashinski's LinkedIn Profile](#)

[View Moses Lee's LinkedIn Profile](#)

[View Bediss Cherif's LinkedIn Profile](#)

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THE DISCUSSION AT A GLANCE

Market Data for Clarity

Kaiko's data helps investors understand complex crypto markets, especially during turbulent events. Detailed analysis covers trends, liquidity, and trading volumes, aiding in risk mitigation.

Trust in Data

Trustworthy data is essential for risk management and boosting confidence in cryptocurrencies. Identifying dubious practices, like wash trading, becomes possible with reliable data.

Demystifying Cryptocurrency

Reliable market data is vital to make sense of the intricate crypto landscape. Despite challenges like inconsistent regulations, digital assets gain acceptance as legitimate investments.

Market Evolution

The crypto market activity currently focuses on short term swings rather than developing solid investment rationales. Traditional financial methods don't always apply, creating industry challenges.

Kaiko's Resources

Kaiko's data resources, including order books and analytics, help investors navigate market dynamics. They enable investors to adapt to significant shifts, as seen in the recent UST de-peg incident.

Predictive Power

Kaiko's data collection covers vital market information, enabling the detection of market volatility. Granular insights help identify market irregularities and liquidity shifts, promoting proactive decisions.

Combating Deception

Kaiko is dedicated to supplying reliable data to combat deceptive practices. Industry-wide efforts aim to ensure the legitimacy of trading activities.

Investability

Assessing asset investability involves factors like liquidity, regulatory compliance, and transparent data. Market cap doesn't always reflect liquidity, requiring advanced analytics.

Investment Strategies

'Blue Chip' Indices and 'Mono' Asset strategies offer different investment approaches. Robust infrastructure and regulation are essential for market appeal.

Institutional Opportunities

Institutional investors find opportunities in the evolving crypto market. Informed approaches consider market stability, regulatory compliance, and digital asset volatility.

Kaiko's Mission

Kaiko aims to empower the crypto economy with superior data, bridging traditional and digital asset markets. Dependable data enhances market navigation and evaluation.



A DEEP DIVE INTO THE DISCUSSION

Enhancing Crypto Market Understanding Through Data Insights

Kaiko's aggregation of market data provides investors with crucial insights into the complex cryptocurrency market, notably during turbulent events such as stablecoin de-pegging. Their detailed analysis of market trends, liquidity, and trading volumes is essential for detecting signs of market instability, such as a stablecoin's deviation from its peg. This information equips investors to make informed decisions, mitigating the risks associated with market volatility.

The pertinence of Kaiko's accurate and exhaustive market data was recognised in debates on

stablecoin solidity, underlining the company's assistance to traditional financial institutions transitioning to the digital asset space. One expert highlighted the significance of trustworthy data for risk management and fostering confidence in cryptocurrencies, particularly in identifying and comprehending dubious

practices like wash trading. Edward Lashinski: "How is [wash trading] applied in crypto? How is it different from TradFi? How has this wash trading influence market manipulation and/or either risk or AML type of issues?"

Moreover, the dialogue accentuated the necessity of reliable market data to demystify the complex cryptocurrency arena. It acknowledged the challenges traditional financial bodies face, including inconsistent regulations and the intricacies of managing private keys, while recognising the growing acceptance of digital assets as legitimate investments amidst changing regulatory and trading frameworks.

Additionally, the discussions acknowledged the crypto market's distinct evolution, where the focus on transactions precedes the development of robust investment



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- Edward Lashinski, Chief Executive Officer, Algorai Finance



rationales. This has resulted in a marketplace where traditional financial methodologies and valuation models are not always directly applicable. The absence of uniform regulation and a standardised cryptocurrency valuation process poses significant obstacles to creating consistent industry standards and practices. “The problem with crypto or its feature, I don’t know, is that the secondary market is an issuance by-product... Trading started de facto, and then people try their best to reverse engineer the investment decision process, from Trading, to Investability, to Fundamentals. It’s upside down,” commented Bediss Cherif, Chief Revenue Officer at Kaiko.

Kaiko’s market data resources, encompassing order books, liquidity details, and a variety of analytics and risk assessment tools, are invaluable for investors seeking to navigate these complexities, understand market dynamics, and brace for substantial

market shifts, as exemplified by the UST de-peg incident.

Predictive Power of Data

Kaiko’s extensive data collection covers a wide range of market information crucial for grasping the volatility of the cryptocurrency market. Their data, providing insights into trading volumes, market liquidity, order book depth, and historical price movements, is indispensable for investors to spot early warning signs of market disturbances, such as the UST de-peg.

The value of Kaiko’s data lies in its ability to offer a granular perspective of market activities. One expert noted the importance of detecting complex wash trading patterns indicative of market manipulation and potential



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instability. Identifying these patterns is key to foreseeing market declines.

Furthermore, the concept of 'liquidity illusion' in decentralised protocols underscores the fragility of market stability. These illusions, which can disappear suddenly, expose underlying market weaknesses that may precipitate liquidity crises.

Kaiko's suite of market data provides investors with a comprehensive toolkit for in-depth market analysis. This facilitates the identification of trading irregularities, order book discrepancies, or liquidity shifts, all of which could signal a decline in confidence in a cryptocurrency.

And thus, Kaiko's data and analytical research present a holistic view of market conditions,



offering not only current insights but also predictive indicators for potential market shifts. Utilising data predictively allows market participants to make well-informed decisions to manage risks and seize opportunities, ideally avoiding scenarios like

the UST de-peg debacle. Kaiko promotes a proactive stance in market analysis, supporting investors in manoeuvring through the complexities of the cryptocurrency ecosystem.

Combating False Volumes with Trustworthy Data

The discussion reaffirmed Kaiko's dedication to supplying reliable data, a sentiment echoed throughout the financial sector. One expert remarked on applying time-honoured financial strategies to the cryptocurrency domain attest to the ongoing amalgamation of traditional and digital asset markets. "When we look at crypto from a traditional finance lens, it seems like the wild, wild West... there's centralised venues, decentralised venues,



« *“When we look at crypto from a traditional finance lens, it seems like the wild, wild West... there's centralised venues, decentralised venues, and it's all the same fungible asset. Traditional finance strategies can serve as a template for managing crypto investments.”* »

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and it's all the same fungible asset," commented Moses Lee, Head of Asia for Anchorage Digital. "Traditional finance strategies can serve as a template for managing crypto investments," he added, acknowledging the necessity of adapting time-tested practices to the crypto sphere. As representatives of traditional financial institutions delve into cryptocurrency, they import a demand for credible liquidity sources and professional trading operations.

A panelist addressed the complexity of managing liquidity in markets that integrate both centralised and decentralised exchanges. This complexity, corroborated by another expert, demands comprehension of the market's framework and the instruments it offers, indicative of the intricate dynamics within the crypto sector. Professionals from traditional finance seek blockchain technology for its intrinsic security, but also require the platforms built on this technology to establish their reputability.

A panellist underscored the need to recognise and comprehend patterns that may signal false volumes, such as disproportionate order-to-trade ratios and the illusion of liquidity on decentralised platforms. This focus is in line with Kaiko's mission to confront and eradicate deceptive



data practices, reflecting a broader industry push to ensure the legitimacy of trading activities. The dialogue emphasises the critical importance of in-depth analysis to accurately understand a crypto asset's liquidity, fostering decisions based on robust, verifiable data. Such scrutiny and analytical rigour are essential to detect and counteract deceptive practices like wash trading, confirming that reported trading volumes truly reflect actual market activity.

Decoding Crypto Investability

The investability of the cryptocurrency sector is

characterised by the assets' suitability and potential for investment, shaped by factors such as liquidity, regulatory compliance, market demand, technological integrity, and transparent market data. Notably, liquidity—which signifies the ease of trading an asset without impacting its price—differs from market capitalisation, which denotes the total market value of an asset. A substantial market cap doesn't always imply high liquidity, and the reverse is also true.

One of the speakers illuminated the complexity of gauging an asset's investment prospects, taking into account the technology and unique

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selling points. “Of all the various cryptocurrencies out there, there are definitely some projects that have viable use cases, right? Maybe as an inflation hedge, portfolio diversification, or as a means of instant cross-border payment, etc.,” said Samar Sen, Head of APAC at Talos. The conversation turned to the significance of liquidity, alongside market cap, as value indicators. Another speaker then went on to discuss how liquidity impacts market cap, pointing out that investment viability should consider not just intrinsic value and technology but also the trading framework and regulatory context.

The crypto market’s progression has frequently seen transactional activity surpass the development of comprehensive investment rationales. This reversal from the standard investment approach presents unique challenges. An expert emphasised the importance of reliable data and technology for informed decision-making by investors and compliance officers. “It is and will be transformative moving forward. But the current application is not—this is evident from the current happenings,” noted another speaker, highlighting the need for clearer regulations and a



more profound comprehension of technological applications.

The panel also identified the absence of a universally accepted cryptocurrency valuation method as a significant hurdle in assessing their investability. “There are two big elephants in the room. First, a lack of regulatory clarity and regulation. This is 100% for sure. And the other... nobody, none of us, none of you guys, can actually value crypto. No one knows whether Bitcoin should be 10 bucks or 10 million bucks,” commented Edward Lashinski, Chief Executive Officer of Algorai Finance.

Evaluating Investment Strategies and Making Strategic Choices

The digital asset market has seen a clarification in investment strategies between ‘Blue Chip’ Indices and ‘Mono’ Asset approaches through recent industry dialogues. ‘Blue Chip’ Indices, which represent the more stable and established cryptocurrencies, attract investors seeking dependability and consistent performance. These indices are benchmarks of the market’s robustness and typically include cryptocurrencies that have demonstrated stability over time.

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Conversely, 'Mono' Asset strategies focus on investment in a single cryptocurrency, potentially offering significant returns but carrying greater risk due to the lack of diversification, with the investment's fate hinging on the performance of that solitary asset.

There was consensus found in the suggestion that there is a need for robust infrastructure and progressive regulatory frameworks. These elements are crucial for supporting the feasibility of 'Blue Chip' Indices and enhancing the appeal of 'Mono' Asset strategies to a broader range of investors, including those with institutional capital. "There are now a lot of very reputable institutional-grade providers that have entered the market with their offerings. What products like ours are trying to do, is to professionalise the pathway for investment firms... to start working with digital assets," said Samar.

As the cryptocurrency sector matures, it presents a spectrum of investment opportunities. Institutional investors, in particular, find the evolving market advantageous, offering strategies that cater to varying risk-reward profiles. The expertise offered by industry stalwarts highlights the necessity for an informed investment approach that factors in market stability, regulatory

compliance, and the inherent volatility of digital assets. With this knowledge, investors are well-positioned to make considered selections from the diverse investment options available, aligning with their individual risk appetites and investment objectives in the digital asset space.

Kaiko's Mission: Empowering the Crypto Economy through Data Excellence

In the pursuit of advancing the crypto economy with superior data, recent discussions have brought forth valuable insights. These insights include the aspiration to establish a comprehensive data hub for the crypto sector, analogous to a similar role in traditional finance, with a focus on extensive data covering market analytics, indices, and research to support various financial products and regulatory standards.

The complexities of adapting traditional financial products to the cryptocurrency environment were acknowledged, particularly in relation to structured products within the crypto realm. There was also recognition of the potential for data services like Kaiko's to bridge the gap between traditional and digital asset markets. "We've been busy for the past 10 years building an equivalent of Refinitiv for the

digital assets space," reports Bediss. "Beyond market data, we also built up the different analytics, risks and indices elements that are used by the financial services industry to operate soundly."

Additionally, discussions highlighted the significance of liquidity variations in the crypto market, especially between centralised and decentralised exchanges, and the impact of diverse regulatory landscapes. Dependable data emerged as a critical factor for effective navigation in this intricate digital asset sector.

Advancements in connectivity and liquidity infrastructure within the digital asset domain were examined, noting the rise of institutional-calibre platforms and growing professionalism among traditional firms entering crypto markets. The importance of reliable data in achieving optimal transaction execution was emphasised.

Furthermore, discussions critically examined the concept of investability, particularly the use of market capitalisation as a metric and its vulnerability to manipulation. The need for advanced data and analytics services to accurately evaluate true value within the often erratic crypto market was highlighted. ■

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MORE ABOUT THE SPEAKERS

Bediss Cherif, Chief Revenue Officer, Kaiko

Prior to his current role as Chief Revenue Office, Bediss Cherif was Chief Product Officer for Kaiko. Bediss has extensive experience in quant analytics for both Murex and Euronext, plus product management and development at Eurex.

Edward Lashinski, Chief Executive Officer, Algorai Finance

Edward has over 25 years' experience in banking, international markets and asset management, leading and starting new businesses as an expert market practitioner. He holds multiple accreditations as a licensed fund manager, and banking executive, as well as other qualifications relating to corporate governance and compliance, and lastly an MBA from Chicago Booth. As CEO he started AlgoRai Finance, a DeFi structured products protocol, applying well established tradfi options trading principles to create value for investors seeking or possessing risk and yield based returns with digital asset exposure.

Moses Lee, Head of Asia, Anchorage Digital

Moses Lee serves as the Head of Asia for Anchorage Digital and is based in Singapore. He represents the company and its full digital assets platform to Anchorage Digital's highest value clients, prospects, and partners. Moses was previously the Asia Head of Futures & Options Electronic Trading at J.P. Morgan, and has over 20 years of experience in both traditional finance and digital assets in Asia.

Samar Sen, Head of APAC, Talos

Samar leads the Talos business in APAC, delivering institutional-grade digital asset trading systems to customers on the buy-side and sell-side. Over his 20-year career, Sen has worked in a variety of product, strategy, and technology leadership roles at capital markets firms across the industry. Prior to joining Talos, he served as the Global Head of Digital Products for Securities Services at Deutsche Bank, where he co-led the bank's digital asset strategy and product delivery. In addition, he has held senior Asia-based roles at BNP Paribas, Barclays, and TradeHero after starting his career building trading systems at Goldman Sachs in New York. Sen holds a degree in Computer Science from Northwestern University and an MBA from INSEAD.

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