

Crypto Currency enters mainstream trading

[Fidelity Investments to be First Wall Street firm with a Crypto trading desk – Invest in Blockchain, Oct 16, 2018](#)

[Experts: Fidelity Could Single-Handedly Solidify Crypto as New Asset Class – CCN, Oct 22, 2018](#)

[CME, world's largest futures exchange, launches bitcoin futures – CNBC, Dec 17, 2017](#)

At a time when crypto's are under fire from a performance perspective the move towards mainstream acceptance is continuing at its own pace. CME launched BTC futures back in Dec 2017 and the nascent BTC derivatives market remains tiny in comparison to Fiat currency pairs volumes. But in the race to establish the main BTC future contract, CME is clearly leading the way in BTC volumes (see chart below).



Now investment firm Fidelity Investments (which serves over 27 million customers and is the world's 4th largest asset manager with 7.2b under management) announced on Monday its plans to open a cryptocurrency trading desk to institutional investors through a new company called Fidelity Digital Assets Services. It plans to treat crypto's as a new asset class.

This marks the first time a Wall Street firm will offer trading and custody services in the cryptocurrency market to investors, with the new service is expected to begin operations in 2019. The aim is to build a bridge between

the cryptocurrency market and heavy investors. Services will be directed towards hedge funds, endowments, and family offices; retail investors are not on the cards yet. This news if taken on its own would lead to much higher volumes for crypto's. The same problems remain with crypto's (volatility, credibility, familiarity), but this is another step in the right direction to mainstream acceptance.

Even if the market has cryptocurrencies as a new asset class, which would solve some issues on its development and remove confusion, the fundamentals of it would still mimic FX and FX derivatives, even if it were a new emerging market FX with little history or credibility. As always it starts with knowing the fundamentals -

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