

Title: CME Bitcoin Futures Launch & Market Impact Code: NT-103 Author: Gabriel Berlitz Rondon Language: en Date: 2017-12-18 Methodology: foundation\_chronicle Tags: #bitcoin #derivatives #markets

## Field Notes

Traditional futures traders wanted a crash course on wallets, so we spent nights explaining cold storage, fork handling, and why a reference rate needed multiple exchange inputs. Crypto-native funds, meanwhile, worried that cash settlement would invite spoofing, so they mapped every expiry week to potential spot volatility.

## Market Read

Basis traders watched the spread between CME and spot exchanges widen to double digits annualized within days, reflecting scarcity of hedging channels. Margin requirements near 35% kept purely speculative money sidelined, so liquidity initially came from firms already comfortable with commodities collateral rules.

## Technical Moves

The CME CF Bitcoin Reference Rate pulled data from Bitstamp, itBit, Kraken, and GDAX, which forced those venues to tighten outage playbooks and publish trade-surveillance attestation. Clearing members patched risk systems to accommodate 24/7 underlying markets even though futures settled only five days a week.

## Open Questions

Would liquidity migrate away from crypto-native venues if institutions preferred regulated rails? Could persistent cash-and-carry trades pressure spot prices downward each expiry cycle, and how would miners hedge given hash-rate linked costs?