


Liquidity Bridge for Crypto Exchanges:

How Does the Technology Work?

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 MarksMan™ Product Manager

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What is a Liquidity Bridge?



What it is about

A **software platform** connecting a **liquidity maker** and **liquidity taker**, allowing access to level 2 quotes and enabling execution of trades.

A **liquidity bridge** ("bridge") – a **piece of a software** acting as an intermediary between a trading platform and a source of pricing/liquidity.

Although bridges usually are meant to deliver liquidity, **they can** also be used to **provide a price feed**.

What it is not about

A **blockchain bridge** (or a cross-chain bridge), **connects 2 blockchains** and allows users to send cryptocurrency from one chain to the other.

If you have **Bitcoin** but want to spend it like **Ethereum**, you can do that **through the bridge**.

Ways to Provide Liquidity

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Organic Liquidity

10k or 100k or 1M traders come and trade assets between themselves; the trading venue does not take any risk and make money on the commissions.

- ✗ It's rarer than unicorns (and I'm not talking about the companies)
- ✗ Only a few most liquid assets can count on some organic liquidity – not all the way and not most of the time

Market makers

They bring along market making bots and integrate them via API

- ✗ Such relationships can be expensive
- ✗ The spread may be not what a trading venue operator is envisioning for its users
- ✗ Sometimes market marks fail

Ad-hoc connection to a crypto exchange

a way to get quotes and hedge price risk on a cheap?

- ✗ Reliability issues
- ✗ It is difficult to set up a reasonable price risk hedging strategy

Liquidity Bridge

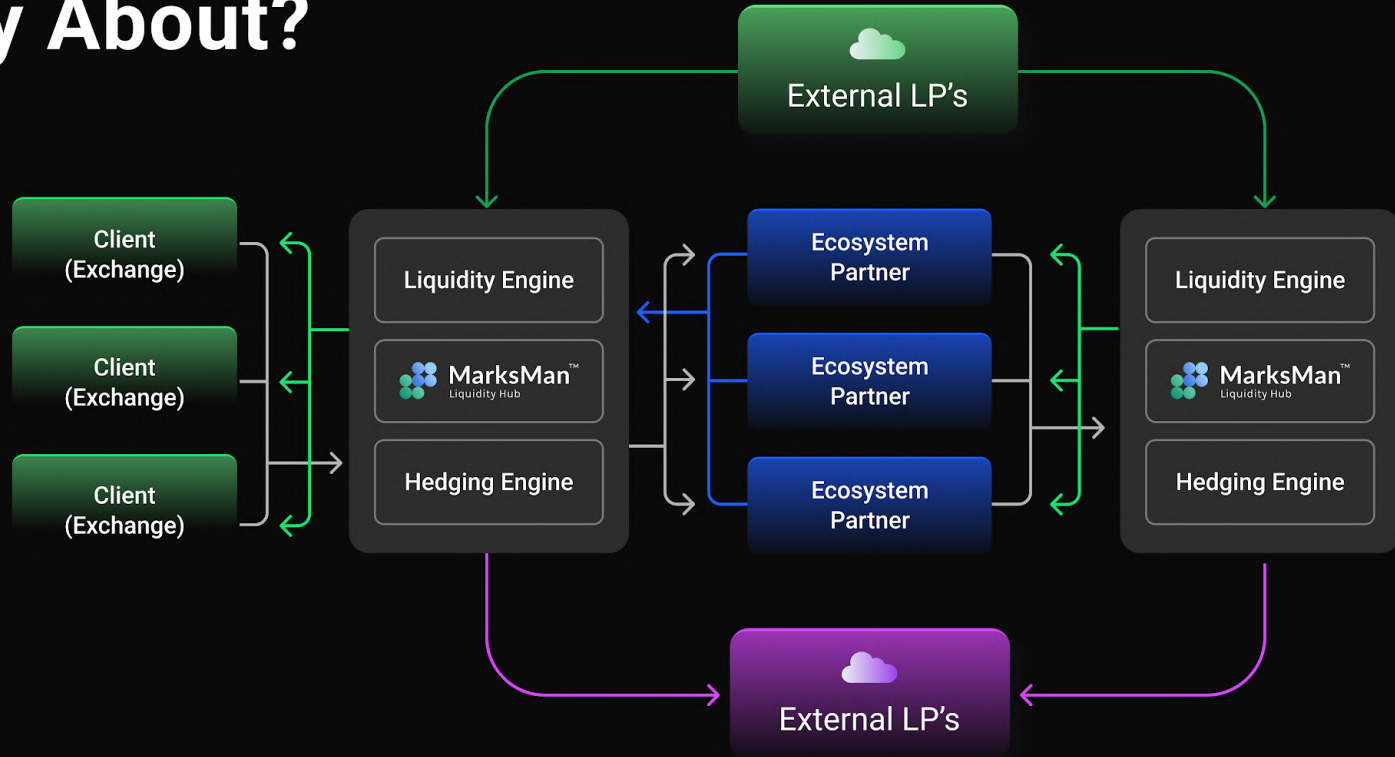
A next step in the evolution of liquidity on crypto markets

- ✗ Depending on the execution strategy, end users trades may incur a price risk to the trading venue

What a Liquidity Bridge is Really About?

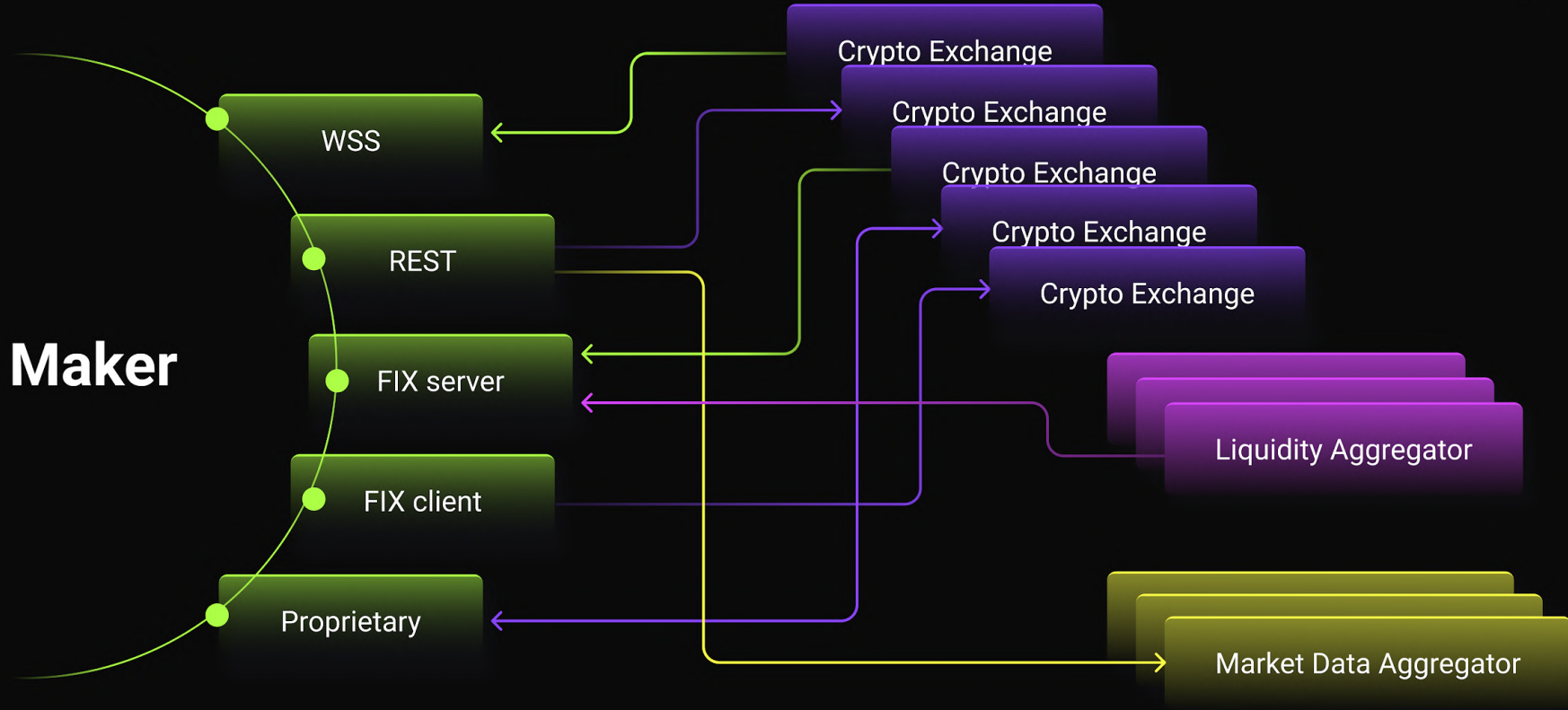


Ecosystem



Price Discovery

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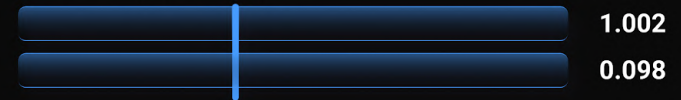
Price Construction



Bids		Spread	Asks	
VWAP	Market Depth		VWAP	Market Depth
Bids	Bid Volume		Asks	Ask Volume
31599.04	0.86864	\$0.01	31599.05	5.28758
31599.03	0.03292		31599.06	0.044376
31598.24	0.01		31599.08	0.0788
31598.08	0.0743		31599.2	0.00288
31597.72	0.05378		31599.42	0.00036
31597.47	0.18595		31599.99	0.86761
31597.46	0.98636		31600	21.83693
31597.46	0.98636		31600	21.83693

BTC/USDT ▼

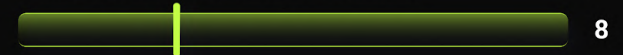
Slide to Apply Markups



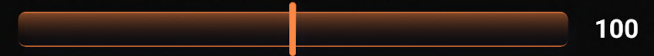
Slide to Apply Volume Modifiers



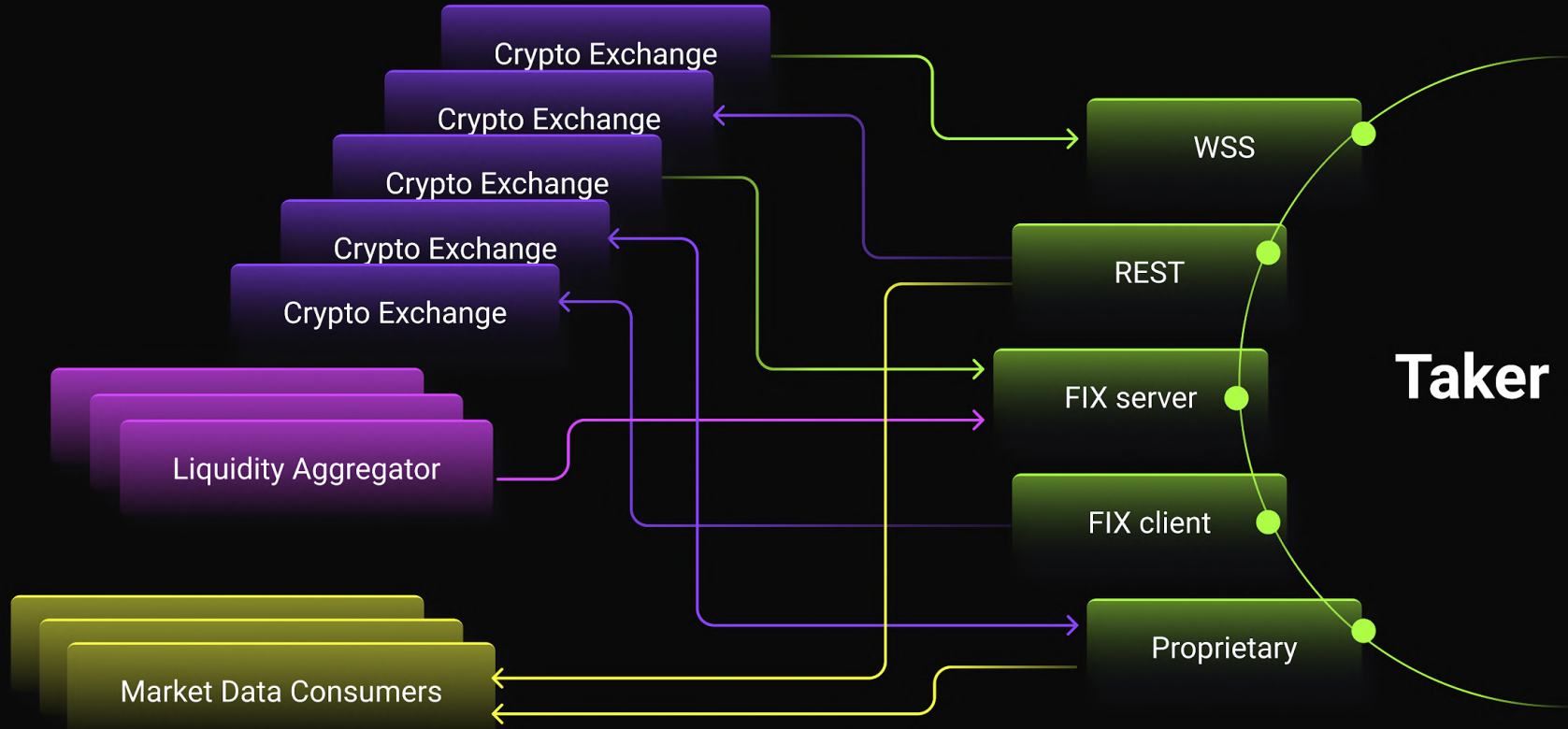
Slide to Change Decimal Precision



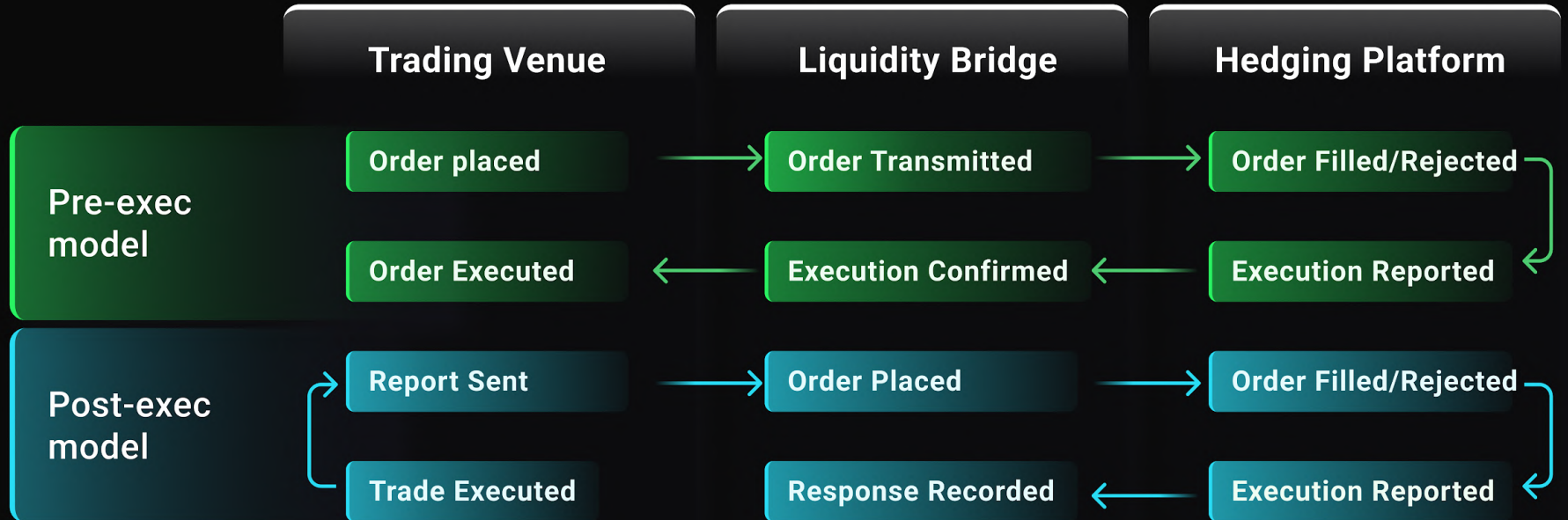
Slide to Change Order Book Depth



Liquidity Distribution



Hedging and Execution with a Liquidity Bridge



Price Risk Hedging: Hedging Strategy Implementation



Hedging parameters

Venue policy (base)	Hedge Ratio
Symbol-specific Policy	Order Size Limits
User-specific Policy	Order Routing
	Hedge with Symbol

Hedging Automation

- Transaction-based automatic hedging
- Systematic hedging
 - Exposure-based triggers
 - Time-based triggers

Reporting and Analytics

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Reporting Engine

Reports Generation

Trading History

Order Details

Regulatory Reports

Analytics Engine

Quality of Execution

- Average Fill Ratio
- Average Slippage
- Average Route Time

Alerts & Notifications

On events happening inside and outside of the Liquidity Bridge

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Liquidity Hub

Reports / Order History

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Order ID	Execution ID	Instance Name	Instance Request ID	Instance Login	LP Time	Instance Order Type	Instance Time-in-Force	Instance Side	Instance Symbol
160886	827791	Gulfnex	3669724	a16d6767-2ee c-4faa-8ba0-7	16.05.2021 12:04:49.494913	Market	GTC	Buy	BTC/USD
888111	954266	Bitgoldtex	5415428	f8e8dfb7-3a0 d-4d99-8a4e-3	16.05.2021 09:12:11.434325	Limit	GTC	Buy	BTC/USD
761730	126289	Chainflo	9494614	348984cf-558 1-4f61-b84e-9	16.05.2021 18:20:23.895392	Algo3	GTC	Sell	XRP/USD
674054	999129	Xenlist	4809312	c9a389e9-432 7-4ea4-b4a1-9	16.05.2021 13:52:47.118932	Algo3	IOC	Buy	ETH/USD
721913	166784	Gulfnex	9331392	ff03d2d7-47d 6-4bce-a398-0	16.05.2021 19:47:10.482919	Market	GTC	Sell	ETH/USD
627226	419141	Bitgoldtex	8628762	95a1b204-a67 3-4c9f-97df-f	16.05.2021 16:44:11.589402	Limit	IOC	Buy	ETH/USD
285974	705601	Coinget	7600988	91b32418-02d 23-4d7e-841f	16.05.2021 02:23:21.976598	Limit	FOK	Sell	BTC/USD
148438	946808	Xenlist	8379867	2b-4740b8-59 d5-4208-9af4	16.05.2021 05:05:43.238910	Market	FOK	Sell	BTC/USD
313870	257338	Minetoks	9454431	0a2e5bad-146 a-48fa-a67d	16.05.2021 09:56:56.433122	Algo3	IOC	Buy	BTC/USD
473844	114345	Daxdex	9425328	f958333d-99c 6-4137-b18b	16.05.2021 17:50:32.573930	Algo7	IOC	Buy	BTC/USD
585734	330103	Fincryptoz	2860517	7a7736ee-fbe b-489e-bf83	16.05.2021 04:37:12.483940	Market	IOC	Buy	BTC/USD
950784	257338	Chainflo	4549651	1afe99af-674 d-4301-9801-	16.05.2021 07:58:49.693010	Algo3	FOK	Buy	ETH/USD

Spot And Derivative Platforms Supported by MarksMan

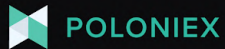
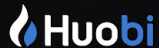
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Spot



coinbase



Perpetual Futures



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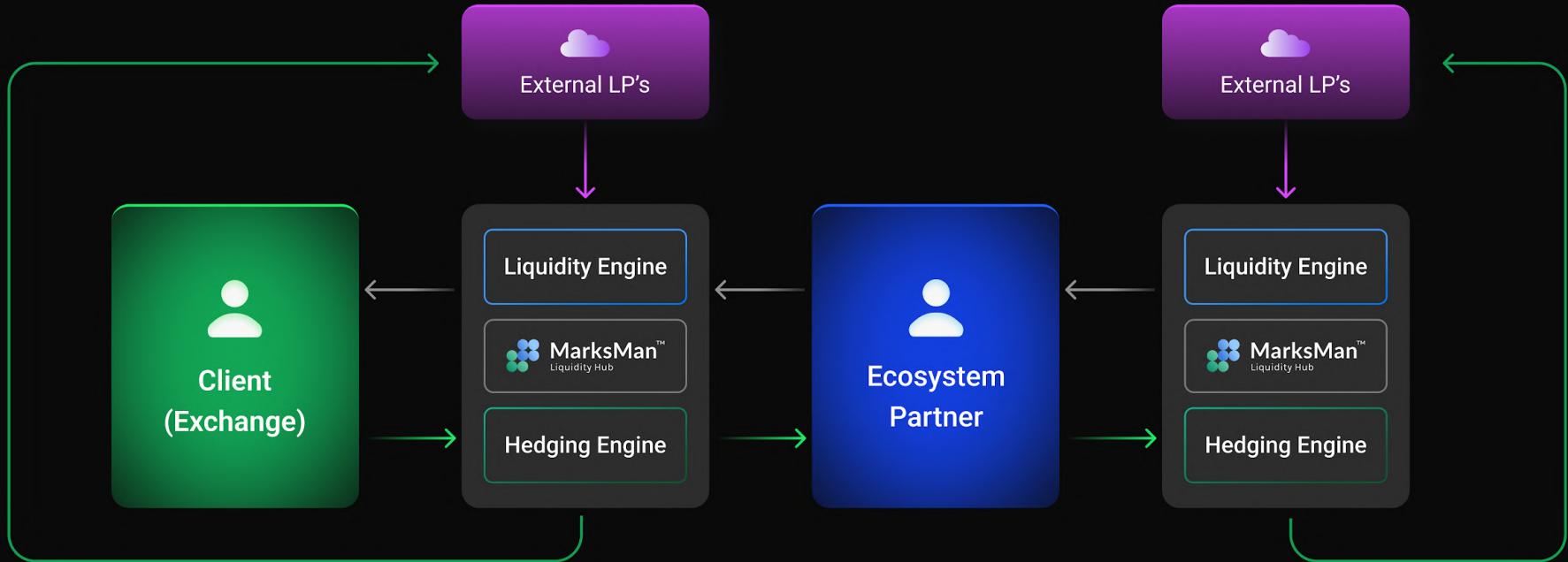
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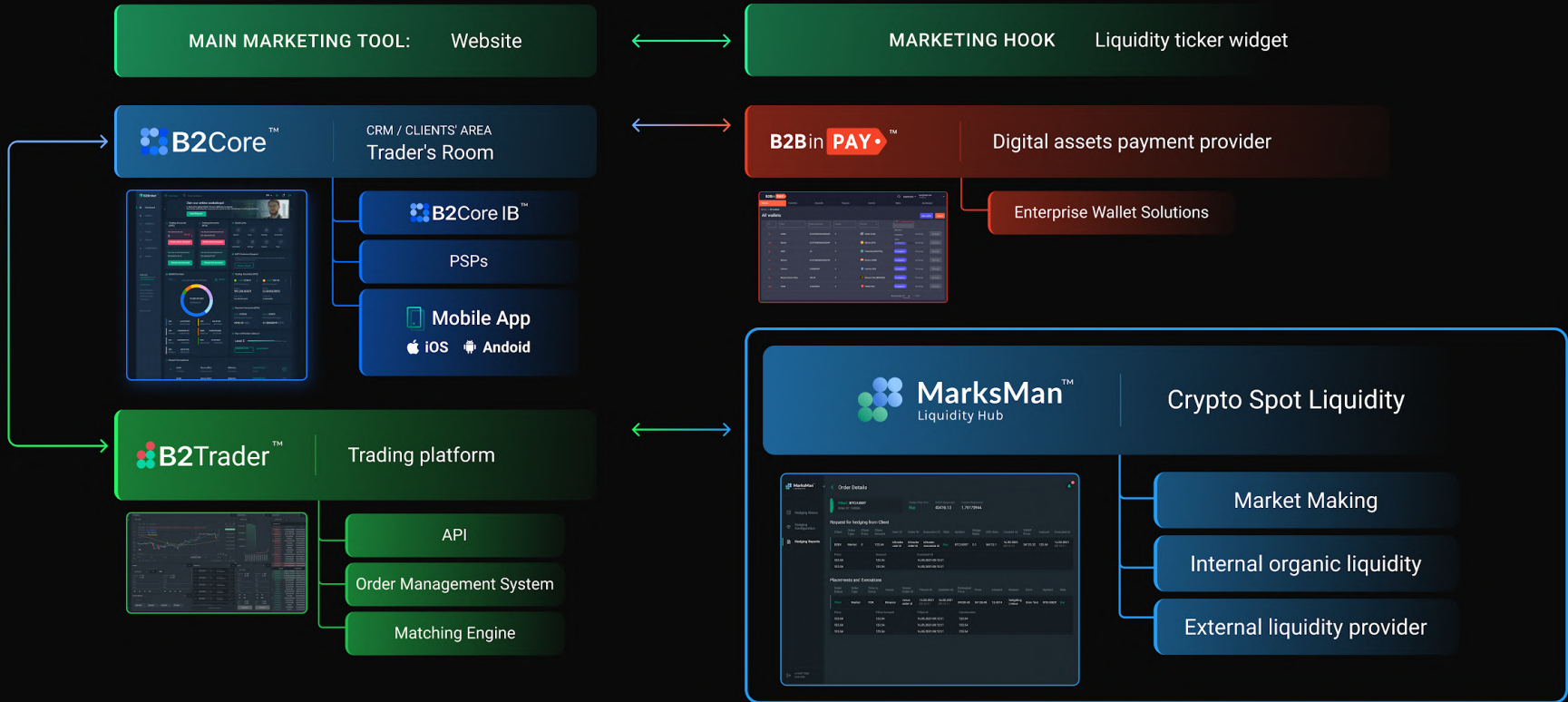
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MarksMan Integrations with B2Trader Exchange Platform:

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Crypto Spot Model



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In-House Development SAAS Technology Systems

B2Core™

- Trader's Room & CRM
- Client's Portal
- Back Office

B2Core IB™

- Affiliate System
- Introducing Brokers Software
- Module of Partnerships Program

Mobile App

iOS & Android

- For B2Core & B2Core IB
- For B2BinPay
- For B2Trader

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- Pure Order Book
- Trading API

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Money Management Platform

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- PAMM & MAM
- Social Trading

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- Bridge to Spot Exchange
- Bridge to Perpetual Futures

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since 2014

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Tbilisi Hong-Kong Tallin and others

7 licenses 320+ employees 24/7 support

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White Label Trading Platforms. BAAS (Broker as a Service)



Liquidity Hubs

PrimeX

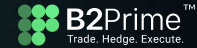
oneZero

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Prime of Prime Multi-Asset Liquidity



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- Indices
- Metals
- Commodities
- Crypto CFD

Regulation: CYSEC (Cyprus, EU), FSC (Mauritius)

Digital Assets Exchange

B2BX™

- Corporate Clients
- Institutional Clients
- Professional Clients
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Regulation:
FIU (Estonia, EU)

Digital Assets Processing

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Digital Assets Processing

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