

New Products Set to Exploit Inefficiencies in Cryptos

Stockholm (HedgeNordic) - Financial consultancy deVere Group partnered Dubai-based hedge fund Dalma Capital to launch a collection of products that will invest in digital assets using algorithmic trading and exploit arbitrage opportunities. The duo launched deVere Digital Asset Funds, a set of digital currency solutions for experienced investors.

According to Nigel Green, the founder and CEO of deVere Group, "the deVere Digital Asset solution will invest in a diversified portfolio of digital assets via algorithmic trading over different platforms - including crypto-currency exchanges and OTC markets - as well as arbitrage opportunities."

"Through a ground-breaking algorithmic system, when the price of one asset, for instance Bitcoin or Ethereum, is greater on one platform than on another, the opportunity is identified to generate profit from the difference of price across platforms. These trades, referred to as arbitrage, allow profits to be generated with little or no directional market risk," adds Green.

There are numerous arbitrage opportunities in what is still a relatively young market for cryptocurrencies. Zachary Cefaratti, the CEO of Dalma Capital, states that cryptocurrency markets "abound with durable inefficiencies - creating opportunities for hedge funds to generate uncorrelated excess returns through systematic relative value arbitrage, momentum trading and mean-reversion strategies." These markets "have created opportunities that we have not seen in conventional markets for decades," adds Cefaratti. "Arbitrage opportunities abound - the prices of the top 25 crypto assets vary across over 400 liquidity venues. The ability to trade long and short allows profit opportunities regardless of market direction."

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