

# Huobi Futures to Launch Bitcoin Options Trading in Q3

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Following the successful launch of Perpetual Swaps in Q2 of this year, Huobi Futures will be aiming to launch Bitcoin Options Trading in Q3. Bitcoin Options are a form of financial derivative that gives the trader the right, but not the obligation, to buy or sell Bitcoin at a specific price at a certain date of expiry.

Huobi Futures will be offering these Options contracts in the European style which means that the buyer of the Option can only be exercised at the expiration. The Options contracts will, at first, only be available for Bitcoin.

Huobi Global is committed to enriching and bolstering the cryptocurrency derivatives space and by opening up Options trading for individuals and institutions, Huobi traders will be fully catered for.

Alpha testing for Huobi Options is already underway as the Huobi team looks to iron out and streamline the Options trading offering. Once this phase is complete, Huobi Futures will announce the official launch on Web and API. After a month, Huobi will expand the Options trading to the Huobi Trading App.

## Understanding Options

Options have long been a popular derivatives trading tool in the traditional space, but this type of trading has also permeated the cryptocurrency space recently. A Bitcoin Options contract is similar to a futures contract with the main difference being that the trader has an option, rather than an obligation, to buy or sell on a fixed date at an agreed upon price.

Bitcoin Options are popular derivatives trading contracts for a number of reasons, not least because they are more cost efficient. These contracts also offer a leverage function, but generally, the premium is much lower than the spot index, which means that, when compared with spot trading, users only need to pay the premium to have a position so as to gain the same possibility of losses/profits.

Options are also less risky as the maximum loss an Options holder can incur is the Options Premium while there is near unlimited potential for profit. Hedging can also be effectively achieved on Options contracts against the spot market and be used in arbitrage.

Options can also be used in conjunction with other trading methods and strategies and because of their effectiveness in a rising, falling, or flat market, they can be effective in profit taking as long as the right goals are set.

## Why Trade Options with Huobi

As mentioned previously, Huobi's entry into the derivatives market has been incredibly successful. Huobi Futures has been sitting at the top of many metrics regarding trading volume, and has rocketed to the top in Perpetual Swaps in just a few months.

A lot of this success comes from Huobi's experience and expertise in the crypto trading field as well as its strong push to be a pioneer in many respects.

Huobi is the only platform to offer USDT-quoted options among crypto exchanges.

The underlying asset of Bitcoin options is the BTC/USDT index. The option price (option premium) is also quoted in USDT, which is different from the inverse options on the likes of OKEX and Deribit whose premium is quoted in BTC.

The benefit of having the options premium quoted in USDT is obvious as the price of USDT is stable without any price movement compared with having an index of BTC or other cryptocurrencies.

Huobi also offers incredibly low minimum positions of 0.001 BTC. This means that traders can open an Options position with around \$10 compared to other exchanges where the minimum position can cost as much as 1 BTC.

On top of this, Huobi Futures only charges basic trading fees and delivery fees. No additional fees are required. These fees are also comparably low among markets.

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Huobi is also known for its VIP Sharing Program and Market Maker Preference Policy. This User-friendly policy will also be available on options, aiming to lower clients' switching cost. The VIP Sharing program is targeted at the traders from competing platforms or traditional

finance markets.

Huobi also takes security and risk management very seriously and has mature risk management tech support and vast amounts of experience. Huobi Futures' risk management is intended to mitigate liquidation risks while providing high leverages effect on its options contracts.

## About Huobi Group

Huobi Global is the world's leading blockchain and cryptocurrency infrastructure provider with a financial product suite that includes the largest digital asset exchange by liquidity and real-trading volume. Trusted by users over 170 countries, the Huobi platform is dedicated to improving the freedom of money for users, and features an unmatched portfolio of crypto products and offerings, including: trading and finance, cryptocurrency finance infrastructure solutions, education, data and research, social welfare, investment and incubation, and many more. For more information, visit <https://blog.hbg.com/>

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