

This is a short guide to help in reading the **'from \$ to bitcoin'** and **'from bitcoin to \$'** swap chart. The theory behind these swaps comes from agricultural and metallurgical futures markets with their 'contango' and 'backwardation' that relates changes in 'spot' to 'future' prices †. Trading bitcoin on a spot basis has been complemented by the development of various futures contracts. These contracts vary in their nature of pay-out/denomination and by examining interplay between them, insights into future movements of bitcoin prices can be determined.

Some bitcoin futures contracts, such as those offered by Chicago Mercantile Exchange, are settled in dollars at expiry whereas others, such as those offered by Deribit, are settled in bitcoin. Any difference between dollars and bitcoins of themselves would be highlighted by certain interactions between these various futures. The two swap lines when graphically displayed shouldn't have significant topological deviations from each other but when they do, inferences about likely price movements can be drawn.

When dollar to bitcoin swaps rise in conjunction with bitcoin to dollar swaps falling and vice-versa, doubly-confirmed signals for bitcoin price changes have been given.



Swaps tend to change quite quickly, therefore the frequency of bitcoin price change signals generated from that cannot be determined. Those who subscribe to cryptocobasis.com's email service will be notified as soon as changes on swap charts occur; which will simultaneously be posted on cryptocobasis.com's home page. Swaps are calculated and charts updated at 16:15UTC.

† <http://purelytheoreticalresearch.com/upload/Bitcoin-and-bitcoin-futures.pdf>