

OrBit Markets



Specialist of digital asset derivatives,
exotic options and structured products.

Snowball

A Snowball is a popular structured product in traditional finance, typically linked to equity indexes or single stocks.

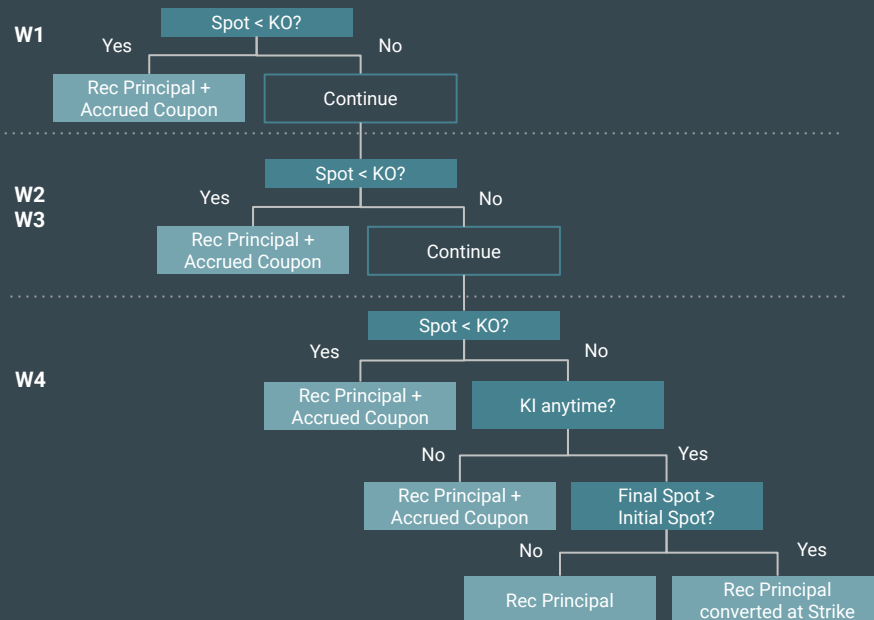
- A Snowball is a structured product that pays a high coupon if the underlying stays within a predefined range. It performs the best in a **stable** or **mildly bearish** market.
- If the price of the underlying is below the **knock-out** barrier on any of the observation dates, the product will be early-called and the investor will receive the principal back in full, plus any accrued coupon.
- If the price rises above the **knock-in** barrier at any point during the life of the trade, the investor will be short a call option and may lose part or all of the principal.
- If neither the knock-out barrier, nor the knock-in barrier is triggered, the investor will receive the principal back in full, plus any accrued coupon.

Snowball

Indicative Terms

Notional	100 BTC
Maturity	4 weeks (28 days)
Underlying	BTC/USD (Spot reference 21,250)
Knock-Out Barrier	21,000
Knock-Out Observation	Weekly
Knock-In Barrier	26,000
Knock-In Observation	Continuously
Strike	21,250
Coupon	40% p.a.

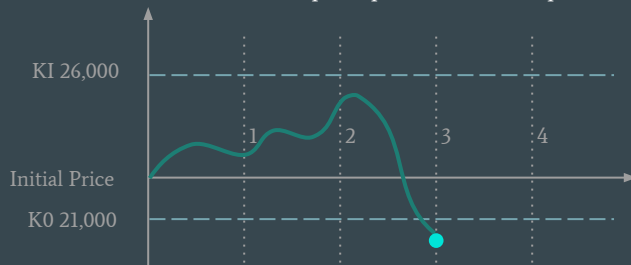
Payoff Tree



Snowball

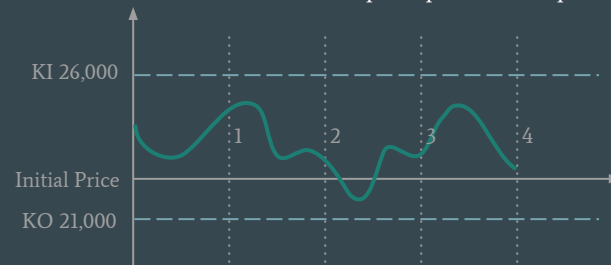
Scenario 1

KO: receive 100% principal + accrued coupon



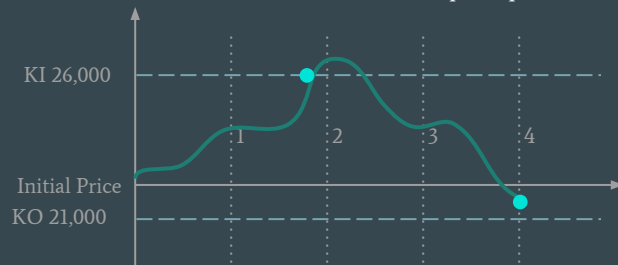
Scenario 2

no KO, no KI: receive 100% principal + full coupon



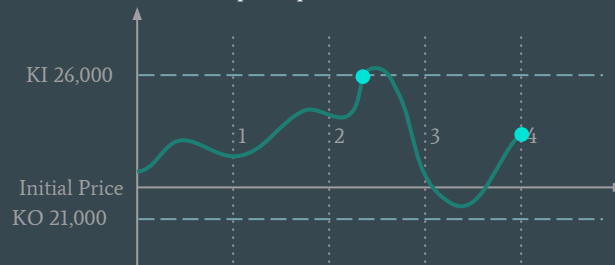
Scenario 3

KI, final < initial: receive 100% principal



Scenario 4

KI, final > initial: principal converted into USDC at strike





Snowball

Benefits

- Investors will receive a high coupon if the digital asset price stays in a range.

Risks

- Investors risk being “called” the digital asset if the knock-in barrier is triggered.
- Investors may lose part or all of the principal.



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