



Hochschule für  
Wirtschaft und Recht Berlin  
Berlin School of Economics and Law

Berlin School of Economics and Law  
Badensche Str. 52  
10825 Berlin  
+49 163 7014142  
francis.liu@hwr-berlin.de

Joint Editors-in-Chief  
Prof. Michael Dempster  
Centre for Mathematical Sciences  
University of Cambridge and Cambridge Systems Associates Limited

Prof. Jim Gatheral  
Baruch College  
The City University of New York

December 13, 2021

### **Submission of Manuscript**

Dear Prof. Dempster, dear Prof. Gatheral,

On behalf of my team, I submit an original research article entitled “Hedging Cryptos with Futures” for consideration by Quantitative Finance.

In this paper, we study the effectiveness of hedging cryptos and crypto indices with Bitcoin futures under the consideration of a range of risk preferences. At the time of writing, crypto market is vibrant and fast-developing market, causing cryptos to have complex and time-changing dependence structures with the Bitcoin futures. We find evidence that the Bitcoin futures can effectively hedge its underlying and Bitcoin-involved indices; we find a diverse result in other cryptos and indices, on some occasions, not ideal. Our results would benefit your readers with structured and enriched study of the vibrant and sometimes chaotic crypto market.

We have no conflicts of interest to disclose and confirm that this work is original and has not been published elsewhere, nor currently under consideration for publication elsewhere.

Please address all correspondence concerning this manuscript to me at [francis.liu@hwr-berlin.de](mailto:francis.liu@hwr-berlin.de). Thank you for your consideration of this manuscript.

Sincerely,  
Francis Liu  
Research Assistant, Berlin School of Economics and Law, Germany.

Prof Natalie Packham  
Professor of Mathematics and Statistics, Berlin School of Economics and Law, Germany.

Prof. Meng-Jou Lu  
Professor, Department of Finance Asia University, Taiwan.

Prof. Wolfgang Karl Härdle  
Professor,  
Blockchain Research Center, Humboldt-Universität zu Berlin, Germany.  
Wang Yanan Institute for Studies in Economics Xiamen University, China.  
Sim Kee Boon Institute for Financial Economics, Singapore Management University, Singapore.  
Faculty of Mathematics and Physics, Charles University, Czech Republic.  
National Yang Ming Chiao Tung University, Taiwan.