

Bitcoin VIX Available Now!

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Today DPRating is going to launch the world's first forward-looking Bitcoin Volatility Index (BVIX).

This Bitcoin VIX is derived from bitcoin options. It measures 30-day expected volatility of bitcoin. BVIX plays the same role in crypto market as VIX does in U.S. equity market. It is a good estimator of bitcoin investors' collective view toward price uncertainty. So that it can be referred to as bitcoin fear index.

If you type in "bitcoin volatility" in a search engine, the results you get are all historical volatilities. Those volatilities are calculated from historical prices. If you want to find an estimator for your following investments, BVIX is a far better candidate for the two reasons.

First, bitcoin market changes quite often. Expecting future price movement following a same pattern as previous is by no means a good idea. BVIX, however, is derived from options which expire in the future. So BVIX is intrinsically forward-looking while historical volatilities are backward-looking. In addition, bitcoin and its options markets are open 24/7. This ensures all new information will be reflected in BVIX timely.

Attracted by the advantages of this index, DPRating developed bitcoin VIX for the crypto community. BVIX is implemented in the same way CBOE Volatility Index (VIX) is calculated. Certain modifications are applied to reflect unique features of bitcoin market. For example, there is no adjustment for time to maturity calculation since market is 24/7. Bitcoin options data from Deribit Exchange is used for deriving BVIX. Risk-free rate comes from applying linear interpolation to 1-month and 3-month LIBOR.

DPRating will keep on maintaining and updating bitcoin VIX. The most recent BVIX values are available on our website: **dprating.com**