LTP

Liquidity 2025

Insititutional Digital Asset Summit

April 7th | HONG KONG

JW Marriott Hotel, Hong Kong

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Insights Report

Overview

The annual Liquidity 2025 Institutional Digital Asset Summit, hosted by LTP on April 7, 2025, in Hong Kong, was a premier global event that brought together professionals from the digital asset and traditional finance sectors to explore the integration of these industries. The summit featured discussions on emerging market dynamics, technological innovations, and regulatory trends, with a focus on advancing trading infrastructure.

Attendees engaged in insightful dialogues with industry leaders, sharing expertise and perspectives to shape the future of digital asset trading. The summit offered unparalleled networking opportunities with key players from trading firms, hedge funds, asset allocators, exchanges, custodians, banks, and regulatory bodies, fostering collaboration to capitalize on new opportunities.

Welcome Address

SUMMARY

This speech reflects significant milestones of LTP in the digital asset space, particularly the firm's expansion and licensing achievements.
A central theme of the speech is the increasing importance of prime brokers in the crypto market. The future of a mature and institutional-grade crypto market depends on a clear separation of functions and effective collaboration among exchanges, custodians, and prime brokers.

Jack Yang
Founder & CEO
LTP

KEY TAKEAWAYS

The industry has entered the institutional era: Traditional financial giants are entering space, regulatory frameworks are becoming clearer, and institutional-grade infrastructure is maturing. Digital assets are on the brink of mainstream adoption.

A mature crypto market requires clear division of roles and effective collaboration between exchanges, custodians, and prime brokers. The coordinated operation of these three pillars is essential to support an institutional-grade ecosystem.

Major strategic announcements signal the development of next-generation financial infrastructure: Launching a cross-margining system in collaboration with CME; initiating a $500 million global trading team incubation program; and introducing a new OTC block trading platform.

Tokenization is the core battleground of the future. Partnering with BlackRock to develop the BUIDL collateral solution marks a formal entry into the RWA (Real-World Asset) space, helping institutions improve capital efficiency.

Welcome Address

HIGHLIGHTS

CME Strategic Partnership

LTP is collaborating with CME to develop a cross-margin trading system. This initiative aims to unify settlement processes across traditional securities, commodities, and digital assets, enabling multi-asset collaboration within a single framework and ensuring seamless connectivity across multiple markets.

Launching a $500 Million Global Incubation Program to Empower Next-Gen Trading Teams

A $500 million global incubation program has been launched to identify and support the most promising trading teams worldwide. The program targets high-frequency trading, market-neutral arbitrage, CTA strategies, and options-based models, with a strong emphasis on hybrid strategies that integrate traditional finance (TradFi) and decentralized finance (DeFi). Selected teams will benefit from tailored capital allocations, institutional-grade trading infrastructure, AI-powered analytics, and risk management solutions—forming a scalable growth engine for the next generation of alpha creators

Introducing a New Institutional OTC Platform for Block Trades and Structured Products

A new OTC platform is being introduced to meet the evolving needs of institutional investors for block trades, hedging tools, and customized structured products. The platform supports both fiat and stablecoin rails, offering secure, real-time liquidity across crypto and traditional banking channels. It is designed to enhance capital efficiency, reduce operational risk, and streamline asset allocation and trade execution.

Keynote Speech

SUMMARY

Mr. Joseph Chan, Under Secretary for Financial Services and the Treasury, emphasized Hong Kong's commitment to building a vibrant and secure digital asset ecosystem. He outlined the city's strategic positioning as a financial bridge between East and West, highlighted key regulatory milestones, and reaffirmed support for innovation in the virtual asset space. His speech demonstrated the government's proactive approach to regulation, particularly around licensing, stablecoins, and digital asset custody, positioning Hong Kong as a global leader in institutional digital finance.

Mr Joseph H. L. Chan, JP
Under Secretary for Financial Services and the Treasury
The Government of Hong Kong SAR

Keynote Speech

KEY TAKEAWAYS

- Strategic Positioning of Hong Kong:
  - Leveraging "One Country, Two Systems" to connect China with global markets.
  - Ranked 3rd globally and 1st in Asia on the Global Financial Centres Index.

- Regulatory Progress:
  - A clear policy direction for virtual assets was set in Oct 2022 with a "same activity, same risks, same regulation" principle.
  - 10 virtual asset trading platforms licensed since June 2023.
  - Licensing framework for fiat-referenced stablecoin issuers to launch within 2024, following draft legislation and FSB-aligned standards.

- Upcoming Initiatives:
  - Licensing regimes for:
    - Over-the-counter (OTC) virtual asset trading platforms.
    - Virtual asset custodians, with consultations planned for this year.

- Pioneering Achievements:
  - First government to issue tokenized green bonds (2023).
  - Hosted Asia's first Virtual Asset Spot ETFs in 2024.
  - Listed Virtual Asset Futures ETFs since 2022.

- Global Industry Engagement:
  - Hosting major Web3 events like SmartCon, Consensus, and Web3 Festival, attracting international participation.

- Highlights:
  - Strong collaboration between government, regulators, and private sector players like LTP is essential to building a sustainable digital asset ecosystem.

Keynote Speech

SUMMARY

Michelle Blaze Cameron, a regulator from the British Virgin Islands (BVI) Financial Services Commission, presented on the BVI's evolving regulatory approach to virtual assets and service providers. She highlighted the BVI's strong legal framework, innovative financial structures, and strategic expertise, which have long made it a key player in global finance—especially in partnership with the Asia-Pacific region.

Despite progress, challenges persist, including cross-border risks, transaction traceability, and the fast pace of technological change. The BVI is addressing these through inspections, guidance, and continuous engagement. Cameron emphasized that ongoing collaboration, capacity building, and information sharing are essential for fostering a secure and dynamic virtual asset environment.

Michelle Blaze Cameron,
Deputy Director, Specialised Supervision
British Virgin Islands (BVI) Financial Services Commission

Keynote Speech

KEY TAKEAWAYS

The BVI's Global Financial Legacy The British Virgin Islands (BVI) has long maintained a strong presence in the global financial services industry, underpinned by a robust legal framework, flexible business structures, and a wealth of financial expertise. Its enduring partnership with the Asia-Pacific region has played a significant role in this success.

Recognition of Emerging Risks in Virtual Assets In response to the Financial Action Task Force (FATF) amendments to Recommendations 15 and 16 in 2018, the BVI undertook a national survey and risk assessment. These revealed significant virtual asset activity already taking place within the jurisdiction, necessitating an urgent and structured regulatory response to mitigate money laundering and terrorism financing risks.

Development of a Tailored Regulatory Framework By 2022, the BVI had amended its AML/CFT legislation, and in February 2023, officially enacted the Virtual Asset Service Providers Act. This legal framework introduced requirements for registration, customer due diligence, institutional risk assessments, record-keeping, and compliance with the Travel Rule.

Commitment to Enforcement and Market Integrity The BVI has received over 70 applications for VASP registration and approved around 20. It has also issued refusals and wind-up directives to ensure only compliant and responsible entities operate in the space.

Ongoing Regulatory Challenges and Adaptation Regulators continue to grapple with cross-border risks, fragmented liquidity, transaction traceability, and technological complexity. The BVI addresses these through inspections, guidance documents, and ongoing engagement with the industry.

Collaboration and Capacity Building Are Key Cameron emphasized the importance of international collaboration, capacity building, and bilateral agreements to combat financial crime effectively. She also acknowledged that regulators must stay adaptable, continuously learn, and engage with stakeholders to build a resilient and future-ready virtual asset market in the BVI.

Keynote Speech

SUMMARY

Kevin delivers a sharp, humorous, and honest critique of the current state of the crypto, Web3, and tech industries, emphasizing how the cycle of hype—buzzwords, trends, and flashy innovations—has led to a loss of substance and meaning. While things may feel "boring" now, it's actually a critical period where real infrastructure, resilience, and foundational work is being done. The speech champions embracing this "boring" phase as essential for long-term value creation and sustainability in the space.

Kevin LEE
CBO
Gate.io

KEY TAKEAWAYS

- Hype fatigue is real: From buzzwords like "metaverse," "socialFi," "move-to-earn," "AI tokens," to "PayFi" and beyond—many concepts came and went with little meaningful impact or staying power.
- New users keep flooding in: Despite the "boring" tone of the industry now, there are still millions of new users entering the space, creating wallets, tokens, and engaging with crypto—even if they've never seen a bear market before.
- Real work is happening off-camera: Behind the scenes, countless professionals are working on crucial aspects like liquidity analysis, algo trading, regulatory collaboration, and infrastructure, which are often invisible but absolutely essential.
- Let's normalize the boring: The speaker streessed that "boring is good." It means maturity, stability, and meaningful progress. Hype is temporary, but infrastructure is what endures.
- This is the time for fundamentals: Now is the opportunity to focus on practical, foundational developments like AI agents, liquidity, regulatory structure, and real-world crypto payment systems.

Keynote Speech

HIGHLIGHTS

- "We try to find more buzzwords to make things unboring... just to have another word that's not boring."
- "You know what happened when we put memes and AI together? We confirmed again—it's so boring."
- "There are 60,000 new tokens created every day... and 2 million tweets flying around daily about crypto."
- "I've been scamming you guys for likes and interactions on LinkedIn for years now." (Self-aware humor about social media and industry hype.)
- "Every time you see me on stage, there are 10 smarter colleagues of mine behind the scenes doing real work."
- "Let's be boring. Hype is overrated. The hype was so yesterday. Let's make boring great again."

PANEL : Liquidity & Instruments Across Venues

Kal Chan
Managing Director, Head of Institutions
EDXM Global

Neil Thomas
Chief Commercial Officer
AsiaNext

Bobby Zagotta
CEO Bitstamp USA & Global Chief Commercial Officer
Bitstamp

Kevin Saunders
Licensing operations and Responsible Manager - Australia
Kraken

Stephan Lutz
CEO
BitMEX

SUMMARY

The panel centered on the evolving dynamics of institutional participation in the crypto space, regulatory frameworks, market efficiency, and liquidity fragmentation. Panelists representing leading exchanges like EDX, Bitstamp, Kraken, AsiaNext, and BitMEX provided insight into how their platforms are adapting to the global regulatory landscape and what infrastructure is being built to support institutional adoption. The need for greater regulatory clarity, harmonization across jurisdictions, and improved market infrastructure—especially for derivatives and custody—were recurring themes.

PANEL : Liquidity & Instruments Across Venues

KEY TAKEAWAYS

Regulation is foundational: All panelists agreed that regulatory clarity is a prerequisite for institutional trust and participation in crypto markets.

Localization is essential: While crypto is global, operating effectively requires localized licenses, regulatory compliance, and market understanding.

Liquidity remains fragmented, especially for spot markets. Derivative markets are more liquid, but global standardization and market depth are still lacking.

Institutions are entering gradually: While some have entered, many are still evaluating the infrastructure, especially around custody, execution quality, and compliance.

Two-way education is critical: Traditional finance institutions need to understand crypto, while crypto platforms must better understand institutional workflows.

Tokenization and stablecoins are driving the next wave of institutional engagement, offering tangible use cases for traditional finance.

Transparency and governance are non-negotiable for onboarding risk-averse institutional players.

PANEL : Liquidity & Instruments Across Venues

HIGHLIGHTS

Kal Chan (EDXM):
Regulation is the Gateway to Institutional Liquidity

Kal emphasized that building infrastructure for institutional-grade crypto participation starts with regulatory clarity.

- EDXM chose Singapore as its base due to its clear guidance on spot trading and tokenized securities, while also recognizing limitations in derivatives licensing.
- He stressed the need for harmonized international standards, noting that fragmented regulation creates inefficiencies in accessing global liquidity.
- Kal also highlighted that stablecoin settlement and tokenized assets are increasingly critical demands from institutions, not just more trading pairs.

"Institutions won't come just because the asset is interesting. They come when the access is clear, regulated, and integrated with their internal systems."

Neil Thomas (AsiaNext):
Regulation Isn't a Barrier—It's a Safety Feature

Neil advocated that regulatory compliance is essential for platform integrity, especially in the derivatives space.

- AsiaNext prioritizes true price discovery and transparent funding rates, avoiding internal market-making to provide institutional-grade pricing.
- He explained that liquidity segmentation is natural: buy-side needs local trust and licensing, while sell-side connects global markets.

Emphasized the importance of institutional familiarity with derivatives structure, including clearing, margin models, and execution quality.

"We believe in markets where institutions know exactly where the risks are—and how they're being managed."

Bobby Zagotta (Bitstamp):
Institutions Need Familiar On-Ramps—But Crypto Must Stay Innovative

Bobby highlighted Bitstamp's long-standing commitment to compliance, with over 60 licenses worldwide.

- He stressed that newer institutional clients are more conservative, preferring clear onboarding, tailored products, and execution transparency.
- At the same time, he cautioned against forcing crypto to fully conform to traditional finance workflows, as it risks losing the innovation that defines Web3.
- With Bitstamp's expected acquisition by Robinhood, he sees synergies between retail and institutional flow as a future growth lever.

"We must adapt to institutional needs—but not at the cost of crypto-native innovation. It's a balance."

PANEL : Liquidity & Instruments Across Venues

HIGHLIGHTS

Kevin Saunders (Kraken):
Going Global Means Going Local

Kevin emphasized Kraken's approach of deep localization—acquiring licenses and building teams in each jurisdiction served.

- Kraken's acquisition of NinjaTrader was framed as a strategic bridge between traditional trading workflows and digital asset infrastructure.
- He noted that institutions care about liquidity quality, execution proof, and custody safety, not just market access.
- Education is still required on how crypto infrastructure operates, especially on risk factors like funding rates and insurance mechanisms.

"We have to meet institutions where they are—technically, operationally, and philosophically."

Stephan Lutz (BitMEX):
Derivatives Liquidity Is Here—But Institutional Access Needs Maturity

Stephan explained that crypto derivatives markets already offer sufficient liquidity, but true institutional engagement requires better frameworks.

- BitMEX avoids making markets on its own venue to ensure neutral price discovery, offering real funding rates that reflect open interest balance.
- He proposed a tiered liquidity model: local exchanges for access and licensing, global platforms for market depth.
- Called for a two-way education process—institutions need to learn crypto mechanics, and crypto platforms must match institutional-grade governance and reporting.

"There's enough liquidity today—but if we want more capital, we need better regulation, infrastructure, and trust."

PANEL: CeFi and DeFi Trading Infrastructure: Aggregation, Integration, and Institutional Access

Lily Liu
President
Solana Foundation

Sarthak Jain
Institutional Business Development
dYdX Foundation

Alfonse Mandese
Global Head of Revenue
Talos

Sergii Bulgakov
Chief Commercial Officer
WhiteBIT

SUMMARY

In this panel, leading voices from both centralized and decentralized finance gathered to explore how institutional-grade infrastructure is driving convergence across CeFi, DeFi, and traditional FinTech. The conversation revolved around trust models, user experience, regulatory readiness, and what it takes for institutions to meaningfully engage with on-chain markets.

KEY TAKEAWAYS

- CeFi and DeFi are converging, not competing. Users and institutions alike care about outcomes: speed, cost, access, and trust.
- Secure, transparent, and efficient access mechanisms are the new battleground for infrastructure providers.
- Hybrid models are emerging—combining centralized compliance and service layers with decentralized execution and liquidity.
- Validator decentralization, institutional-grade front ends, and API-driven architecture are key pillars for the next generation of digital finance.

PANEL: CeFi and DeFi Trading

HIGHLIGHTS

Lily Liu (Solana Foundation)
Users Don't Care If It's CeFi or DeFi—They Want Access That's Fast, Secure, and Transparent

Lily Liu emphasized that the boundaries between CeFi, DeFi, and FinTech are rapidly dissolving. In her view, the end-user is far less concerned about whether a service is powered by centralized infrastructure or smart contracts. What they truly care about is seamless, high-speed access to protocols, low-cost transactions, and security they can trust.

She also argued that DeFi needs to mature beyond its current speculative use cases, emphasizing real-world utility such as payments, stablecoin settlements, and cross-border transactions. According to Lily, a robust on-chain economy depends on deep liquidity, native demand, and infrastructure that is invisible but powerful.

Sarthak Jain (dYdX Foundation)
True Decentralization Comes from Validator Diversity and Transparent Matching Engines

Representing one of the leading decentralized exchanges, Sarthak focused on what real decentralization means from a technical and operational perspective. He highlighted:

- dYdX's use of over 60 independent validators to secure the protocol;
- Decentralized order matching infrastructure;
- A strong belief in user self-custody and permissionless innovation.

Sarthak acknowledged that latency and liquidity still favor CeFi, but argued that DeFi is catching up and offers programmable transparency that CeFi can't match. For institutions, trust in the codebase and validator security is increasingly on par with traditional financial assurances.

Alfonse Mandese (Talos)
Access Mechanisms Are the Key to Institutional Adoption

As a leading trading infrastructure provider, Talos has a unique vantage point on what institutional players expect when approaching digital assets—whether on centralized or decentralized rails. Alfonse made three key observations:

- CeFi still dominates trading volume and liquidity, but DeFi is becoming more attractive as execution venues improve.
- What institutions want is not decentralization per se, but secure and transparent access, along with the ability to plug into new asset classes via familiar tools (OMS, EMS, risk systems).
- Talos is increasingly working with brokers, custodians, and exchanges to provide white-labeled UIs and post-trade integration that simplify the complexities of DeFi.

"It's not a question of if institutions will adopt DeFi. It's when the infrastructure is robust and compliant enough that they can do so without sacrificing performance or safety."

Sergii Bulgakov (WhiteBIT)
CeFi Must Evolve to Meet DeFi's Transparency Standards

Sergii brought a centralized exchange perspective to the conversation, noting that WhiteBIT operates under full regulatory compliance in several jurisdictions—but recognizes that DeFi offers features that users increasingly demand: self-custody, transparency, and composability.

To address this, WhiteBIT launched White Wallet, an on-chain self-custody interface designed to serve as a bridge between centralized access and decentralized opportunity.

"We are not here to compete with DeFi—we are building regulated gateways that let users interact with DeFi protocols through tools they trust."

PANEL: Institutional Convergence – Advanced Custody Solutions and Regulatory Clarity

Simon Morgan
Chief Commercial Officer
Copper.co

Jude Zhu
Director, Institutional Business
Fireblocks

Takatoshi Shibayama
Head of APAC
Ledger

Joy Lam
Head of Global Regulatory and APAC Legal
Binance

SUMMARY

As the digital asset market matures, institutional participants are demanding more robust, compliant, and integrated custody infrastructure. This panel focused on how custody solutions are evolving beyond secure storage to encompass regulatory alignment, operational efficiency, and deeper integration with financial markets.

The urgency of this topic was highlighted by the recent market disruptions stemming from allegations of mismanaged escrow accounts at First Digital, underscoring the need for transparent and trustworthy custodial frameworks.

PANEL: Institutional Convergence – Advanced Custody Solutions and Regulatory Clarity

KEY TAKEAWAYS

Custody is Evolving into a Financial Infrastructure Layer
Custodians are no longer just safekeepers. They must provide tools for risk mitigation, real-time settlement, collateral management, and compliance integration.

Technology Must Be Matched with Regulatory Literacy
Regulators often struggle to keep pace with rapid technical innovation. Industry players must bridge this gap through proactive engagement and education.

Balance Between Security and Efficiency Is Key
Institutional solutions must not compromise security for speed—but neither can they afford latency and inefficiency. A dynamic balance is essential.

Global Regulatory Harmonization Is Inevitable and Necessary
Cross-border standards are the only way to unlock true institutional scale and prevent regulatory arbitrage or inconsistent compliance burdens.

PANEL: Institutional Convergence – Advanced Custody Solutions and Regulatory Clarity

HIGHLIGHTS

Ledger Enterprise – Takatoshi Shibayama: The Real Breakthrough Lies in Tech-Regulatory Symbiosis

Takatoshi emphasized that the future of custody infrastructure hinges on two key developments:

- Substantial improvement in on-chain operational efficiency: Institutional users expect enterprise-level performance such as near-instant fund mobility, low-latency settlement, and automated risk controls.
- Deep integration with compliance technology stacks: Custodians must embed KYC/AML, transaction surveillance, and auditability directly into the core infrastructure.

He cited a recent incident where a retail-grade hardware wallet was used in an institutional environment, resulting in a UI exploit that misrepresented transaction destinations. The root cause, he argued, was a misalignment between regulatory understanding and technical reality.

"We can't expect regulators to master every nuance of blockchain infrastructure," he noted. "It's our responsibility as technologists to proactively educate them and co-develop frameworks that work."

He called for institutional custody products to include layered permissions, auditable workflows, transaction verification features, and compliance-by-design capabilities.

Copper – Simon Morgan: Custody Is Now Core to Capital Efficiency, Not Just Security

Simon shared that custody's role has expanded from safeguarding assets to becoming a foundational layer for capital optimization and risk management.
Copper has positioned itself not merely as a custodian, but as a collateral and credit risk management platform.

He highlighted several innovations:

- 5 minute cold wallet withdrawal capability—an upgrade vs other crypto custodians who take 24 hours to sign assets out of cold storage;
- Hourly settlement with major exchanges—significantly reducing overnight and weekend exposure;
- Full transparency dashboards—enabling real-time monitoring of margin calls, settlement status, and counterparty exposures.

"Custody without collateral mobility is just storage. True institutional infrastructure must enable real-time collateral movement, automated netting, and exchange-side risk mitigation."

He emphasized that educating regulators on how real-time settlement reduces systemic risks will be key to broader adoption

PANEL: Institutional Convergence – Advanced Custody Solutions and Regulatory Clarity

HIGHLIGHTS

Fireblocks – Jude Zhu:
Security Must Evolve as the Industry Grows – Co nstantly and Proactively

Jude focused on the escalating cyber threats in the digital asset ecosystem. In 2024 alone, over $2.2 billion was lost to blockchain-related attacks, making custodial security more important than ever. Fireblocks' approach centers on:

- Layered defense architecture: combining MPC, HSM, multi-signature schemes, and zero-trust frameworks;
- AI-assisted anomaly detection: monitoring for suspicious transaction patterns, account access anomalies, etc.;
- Secure physical signing environments: similar to "air-gapped safe houses" to protect sensitive operations.

He introduced Fireblocks' DVP (Delivery-versus-Payment) model, enabling atomic swaps across CEXs, OTC desks, and DeFi protocols without pre-funding risk.

"We have to assume that attacks will happen. Custody isn't just about secure storage—it's about constant evolution in defense strategy."

Binance – Joy Lam:
Regulatory Fragmentation Is the Biggest Barrier to Institutional Adoption

Joy delivered a comprehensive overview of the global regulatory landscape, highlighting a core paradox:

- The crypto industry is born global
- Regulations remain fundamentally local and inconsistent.

This mismatch creates massive uncertainty for institutional players trying to enter the space.

She called for:

- Cross-border regulatory alignment, modeled after frameworks like MiCA in the EU or VARA in the UAE;
- Global minimum standards for custodial operations;
- Two-way dialogue between regulators and innovators, enabling better-informed policymaking.

"Without regulatory clarity, institutional participation will remain limited. Regulation must evolve in tandem with technology, not behind it."

She emphasized that Binance is working across jurisdictions to secure licenses and create a globally compliant operational foundation.

CONCLUSION

As institutional adoption accelerates, custody will become the backbone of digital asset infrastructure. This panel demonstrated that the next wave of innovation lies in transforming custody from a passive storage solution into an active, compliant, and intelligent operational platform.

PANEL: AI & Algorithmic Trading in Crypto: The Next Frontier




Erkan Kaya
CEO & Co-Founder
ABEX

Kong Lei
Web3 Solution Architect Manager
AWS

Jacky Chung
CEO
Pulsar

Millie Liu
Managing Partner
First Star Ventures

SUMMARY

The panel discussion focused on the role of Artificial Intelligence (AI) in transforming trading strategies, specifically in crypto space. With the rise of AI trading, many institutions are integrating AI-driven algorithms into their operations. The conversation covered the evolution of AI in trading, the challenges faced, and the future potential of AI in shaping the trading industry.

KEY TAKEAWAYS

The Rise of AI in Trading:

- Jacky Chung explained how the drop in GPU prices has made AI trading more accessible. Previously, linear models were commonly used, but AI has revolutionized how trading signals and alphas are discovered. AI introduces new, more creative approaches to trading that traditional models cannot offer.
- Erkan Kaya added that AI trading bots represent a "two-edged sword." The race is not only about fast execution but also intelligence, with bots processing information at ultra-low latency, leading to complex arbitrage opportunities. He referred to this as an "AI arms race" in execution spaces, where bots compete with each other, creating competitive advantages.
- Erkan Kaya foresees a future where AI bots are routinely deceiving other, less advanced and slower ones to improve their trading results. He emphasized that companies leveraging proprietary models will hold a significant competitive edge — capable of predicting market trends with greater precision and responding to shifts faster than their rivals.

PANEL: AI & Algorithmic Trading in Crypto: The Next Frontier

KEY TAKEAWAYS

Infrastructure Behind AI Trading is Critical:

- Kong Lei discussed how AWS supports AI-driven trading strategies by providing high-performance computing, GPUs, and low-latency networking. These infrastructure elements are crucial for the efficient processing of data, enabling the development of robust AI models that power trading decisions. AWS's scalability helps clients adapt to rapidly changing market conditions.
- Robust cloud infrastructure with low-latency networking and high-performance computing is essential for AI in trading. AWS is a key enabler for companies leveraging AI-driven strategies in crypto markets and beyond.

AI's Impact on the Job Market:

- Millie Liu pointed out that AI is already replacing specific roles, such as quality assurance engineers and even jobs in autonomous driving. As AI expands in both Web 2 and Web 3 sectors, many job functions will be disrupted. Future generations need to focus on acquiring deep domain knowledge and proprietary data to remain competitive.
- She also predicted the rise of humanoid robots as part of the next AI revolution in robotics.
- While AI will replace certain job functions, it also creates a need for individuals to specialize in proprietary data and industry-specific knowledge to stay relevant in the AI-driven world.

The Future of AI Trading:

- Erkan Kaya envisioned a future where "AI bots tricking AI bots" becomes common. He emphasized that companies using proprietary AI models will have a competitive advantage as they will be able to predict market conditions more accurately and react faster than others.
- Kong Lei highlighted the importance of AI in improving security, preventing overfitting in models, and ensuring data privacy. He discussed the role of deep reinforcement learning in trading, focusing on reducing latency and improving decision-making accuracy.
- Key Takeaway: The future of AI trading will involve increasingly sophisticated AI models. Firms that utilize advanced, proprietary AI systems will have a significant competitive edge, while ensuring security and model accuracy will be crucial for success.

CONCLUSION

The panel discussion provided a comprehensive view of how AI is revolutionizing trading, from its early stages to its potential future impact. AI-driven models are expected to dominate the trading space, making the need for high-performance computing and advanced algorithms more crucial than ever. As AI continues to evolve, the industry will see further disruption, with new opportunities and challenges emerging across sectors.

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Liquidity 2025

April 7th | HONG KONG

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