

CoinDCX

DCX Spot

September 2021

Legal and Compliance

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A. Overview

1. CoinDCX is the easiest place to buy and sell cryptocurrencies. In a financial landscape, the term 'Trading' may refer to buying and selling of securities, commodities and currencies including cryptocurrencies. Cryptocurrencies are digital/ virtual currencies/assets which are decentralized meaning they are not issued and operated by a central authority. They are managed by peer-to-peer networks of computers running a free, open-source software. CoinDCX aims at being your preferred gateway to cryptocurrencies and other digital assets. We strive to simplify our products for you. Let us start by breaking down DCX Spot trading.

B. Spot Trading

1. Spot trading on CoinDCX would involve buying and selling cryptocurrencies where the delivery of the cryptocurrencies is often immediate. Spot trading occurs in spot markets, which are either exchange-based or over the counter.
2. Spot trading offers a simple way to invest and trade. When starting your cryptocurrency investing journey, it is likely that your first experience will be a spot transaction in the spot market.
3. A spot market is also known as a cash market as the trader is required to make the payment upfront. The current market price prevailing on an exchange is the 'Spot Price' of an asset. Spot traders generally purchase the asset and hope that they will rise in value.
4. Selling the asset at a later stage when there is a price rise can result in accumulation of some profit for the spot trader. In spot market trading you can only use assets you own and there is no leverage or margin.

C. Difference between Spot and Futures market

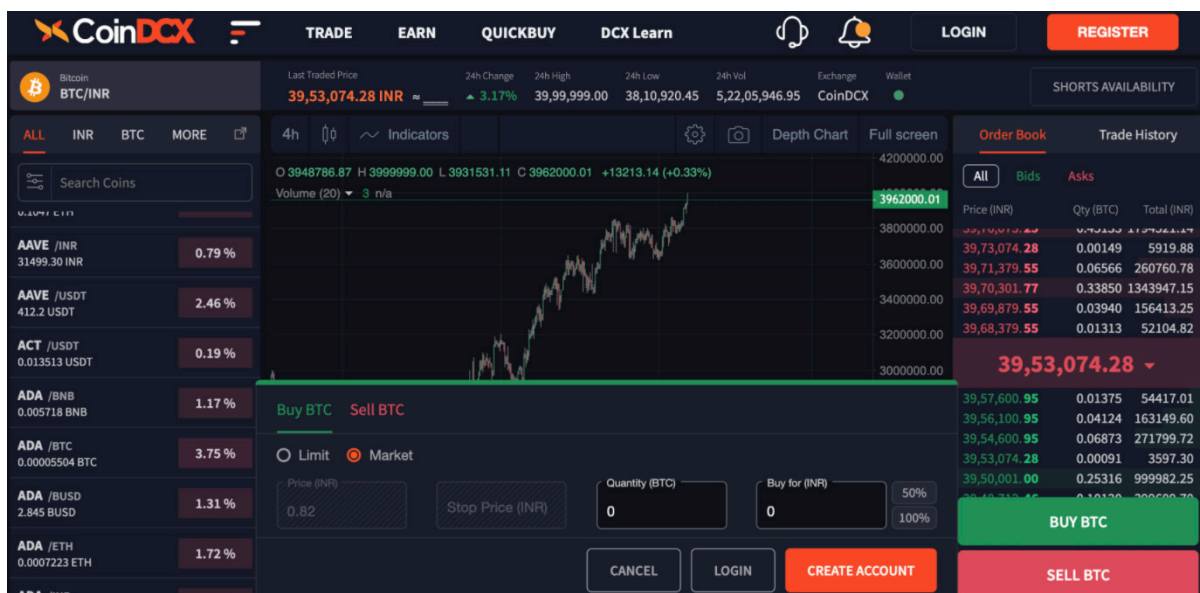
1. As explained above, spot market trading facilitates instant trading with almost instant delivery. In a futures market, the buyer and seller agree to trade a certain asset for a specific price in future and the prices are locked in the moment a contract has been entered into. When the contract matures on the settlement date, the buyer and seller typically come to a settlement at the price which was agreed at the time of entering into the said contract.

D. Spot Trading on CoinDCX

1. Once you have successfully signed up on CoinDCX, you can start spot trading. Apart from enabling you to purchase cryptocurrencies with fiat currency. While using Spot by CoinDCX, you must have adequate balances in one currency to exchange for another. For example, depositing INR in order to exchange for BTC on the BTC/INR pair. CoinDCX spot trading also provides a platform for acceptable coins or tokens on the spot market. You may also deposit acceptable cryptocurrencies including but not limited to say, USDT (Tether) and trade with the deposited USDT on the CoinDCX platform. After executing a spot exchange between currencies, the balances are available to be exchanged again or withdrawn.
2. You will be able to see historical price data of a cryptocurrency or a cryptocurrency trading pair. The chart by Trading View is inbuilt into the window giving you a wide variety of technical analysis tools to use.
3. Our order book will also be visible to you where we list the open buy and sell orders of cryptocurrencies. The system that matches buy orders with sell orders, called the matching engine, uses the order book to execute trades for participants of the exchange. The order matching system is the core of all electronic exchanges and determines the efficiency and robustness of the exchange. Order books are useful for traders because they help gauge the buyer and seller interest at specific price levels. This data can provide valuable information about potential support and resistance levels. When you make a market order to purchase an asset, you take the lowest price on offer.
4. Example of a spot trade on CoinDCX: If you want to purchase INR 1000/- worth of Bitcoin (BTC) all you need to ensure is that you have the said amount in your CoinDCX account. You will then have to input '1000' in the Buy for INR column and mention the price at which you wish to buy (ensure that the limit order option is selected) and then proceed by clicking on 'Buy BTC'. Once fully executed, BTC units equivalent to the said input value would be delivered to your account. If you choose the Market option, trades would be executed at the current market price. You may also opt for a limit order where trade will only be executed if the market price reaches your limit price. You may use limit orders to buy at a lower price or to sell at a higher price than the current market price. Please note that a limit order does not guarantee execution.
5. There is also an option of a 'stop order'. A stop order, also referred to as a stop-loss order, is an order to buy/ sell a cryptocurrency once the price of the cryptocurrency reaches a specified price, known as the stop price. When the stop price is reached, a stop order becomes a market order. One can also use a stop-limit order. A stop-limit order is a conditional trade over a set timeframe that combines the features of stop with those of a limit order and is used to mitigate risk. A limit order will be placed when the stop price level is reached. The limit order will only be executed at the limit price or better. Thus, in a stop-limit order, after the stop price is triggered, the

limit order takes effect to ensure that the order is not completed unless the price is at or better than the limit price the investor has specified.

6. It is pertinent to note the different types of orders when carrying out spot trading. A fill or a filled order is an executed order. This means that if you purchase 100 units of a particular cryptocurrency (say, 100 USDT) and you are allotted 100 units of USDT then your order is said to be completely filled. There can be a situation where orders remain open due to certain conditions including but not limited to the set limit not being reached. Open orders are those unfilled and working orders still in the market waiting to be executed. Partial fills or partially filled orders are orders that have not been fully executed due to conditions placed on the order such as a limit price. An order might also be partially filled due any other reason including reasons beyond the control of CoinDCX. Demand/ supply factors may also be at play and an order could remain partially unfilled. Canceled orders are ones that have been submitted but are no longer in effect. These are mainly limit or stop orders that investors no longer want executed. For example, you may choose to cancel a limit order for any reason whatsoever, before it has reached the set limit. The orders placed by you can be viewed together in one place where the details pertaining to the orders are summarised. This is known as 'order history'. You are hereby advised to understand the different types of orders and the impact carried by each one of the order types. CoinDCX or any of their officers/ employees or representatives hereby disclaim any liability or responsibility in case any particular order remains unfilled or partially filled. You understand and agree that you or any person acting under you shall bear the complete responsibility and liability for any risks associated with placing the orders.



Disclaimer: The above image represents a snapshot of the trader terminal and is for informative purposes only. It does not convey any accurate or prevailing market price of any cryptocurrency. Please visit <https://coindcx.com/> for real time values and/ or further information.

E. Advantages Of Spot Market Trading

1. Prices are transparent and only rely on supply and demand in the market. Spot markets facilitate trading in a transparent environment, where transactions occur at prevailing prices that are public information and known to all parties.
2. Spot trading is straightforward to take part in due to its simple rules, rewards, and risks. For example, when you invest INR 1000 in Bitcoin, you can calculate your risk basis entry and exit prices.
3. You also don't need to keep checking your investment, unless you want to make short-term trades. You can trade to invest and 'HODL'.
4. Spot markets also tend to be incredibly liquid and active. CoinDCX brings you high liquidity from the world's best exchanges.
5. However, it is highly advisable that a proper technical, sentimental and fundamental analysis is conducted by the investor before making any trade including spot trade. One must consider their personal risk-return appetite.
6. Spot trading is one of the most common ways for people to trade/ invest, especially beginners. It is a good entry point which may lead to personal financial growth and a better understanding of a particular market or asset class. HAPPY TRADING AND HODLING!
7. Signing up on CoinDCX is super easy you may download CoinDCX on the App store/ Google Play or visit <https://coindcx.com/signup>