



Traders Hedge with Bitcoin Options Amid \$100k Rally

Description

According to Bloomberg, traders are starting to protect themselves from a possible drop in Bitcoin's price. They are buying contracts that allow them to sell at a specific price in the future. These contracts are called "puts." Traders are particularly interested in puts with strike prices of \$95,000 and \$100,000. This suggests that they are cautious about Bitcoin's price going down.

Experts believe that traders are preparing for a potential correction in Bitcoin's price. Despite the high interest in puts, there are still more open positions for contracts that bet on Bitcoin's price going up. The price of Bitcoin recently surpassed \$100,000, driven by positive news about the cryptocurrency market.

Traders are also taking leveraged bullish bets, showing their confidence in Bitcoin's future price. However, some experts warn that the high funding rate could indicate an overheated market and may lead to a price pullback in the future.

Overall, the market sentiment remains optimistic, with many traders expecting Bitcoin's price to continue rising.

Vocabulary List:

1. **Traders** /'treɪ.dəz/ (noun): Individuals or entities that buy and sell financial instruments.
2. **Contracts** /'kɒn.trækt/ (noun): Legal agreements between parties that outline the terms of a transaction.
3. **Protect** /prə'tekt/ (verb): To keep safe from harm or loss.
4. **Cautious** /'kɔː.ʃəs/ (adjective): Careful to avoid potential problems or dangers.
5. **Optimistic** /,ɒp.tɪ'mɪs.tɪk/ (adjective): Hopeful and confident about the future.
6. **Correction** /kə'rek.jən/ (noun): A reversal of the previous trend in the market often leading to price drops.

Comprehension Questions

Multiple Choice

1. What type of contracts are traders buying to protect themselves from a possible drop in Bitcoin's price?
Option: Calls
Option: Puts



Option: Futures

Option: Swaps

2. At what strike prices are traders particularly interested in buying puts?

Option: \$80,000 and \$85,000

Option: \$90,000 and \$95,000

Option: \$95,000 and \$100,000

Option: \$100,000 and \$105,000

3. What could a high funding rate indicate in the market?

Option: Market crash

Option: Overheated market

Option: Decrease in interest

Option: Stable market conditions

4. What may some experts warn about regarding the high funding rate?

Option: Market stability

Option: Decrease in trading volume

Option: Price pullback in the future

Option: Increase in market efficiency

5. What is the sentiment among many traders regarding Bitcoin's price?

Option: Negative

Option: Neutral

Option: Optimistic

Option: Uncertain

6. What factor is driving the recent increase in Bitcoin's price?

Option: Regulation changes

Option: Negative news

Option: Positive news about the cryptocurrency market

Option: Market manipulation

True-False

7. Traders are mainly interested in buying call options to protect against a drop in Bitcoin's price.

8. There are more open positions for contracts betting on Bitcoin's price going down.



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9. Bitcoin recently surpassed \$100,000 in price.
 10. The high funding rate could indicate an overheated market but is unlikely to lead to a price pullback.
 11. Traders are generally cautious about Bitcoin's price going down.
 12. The market sentiment is negative overall with traders expecting a significant price drop in Bitcoin.

Gap-Fill

13. Traders are particularly interested in puts with strike prices of \$95,000 and \$ _____.
14. Experts believe that traders are preparing for a potential correction in Bitcoin's price to avoid an abrupt price _____.
15. The price of Bitcoin recently surpassed \$ _____.
16. Some experts warn that the high funding rate could indicate an _____ market.
17. Many traders are optimistic about Bitcoin's price continuing to _____.
18. Despite the interest in puts, there are still more open positions for contracts that bet on Bitcoin's price _____.

Answer

Multiple Choice: 1. Puts 2. \$95,000 and \$100,000 3. Overheated market 4. Price pullback in the future
5. Optimistic 6. Positive news about the cryptocurrency market

True-False: 7. False 8. False 9. True 10. False 11. True 12. False

Gap-Fill: 13. 100,000 14. pullback 16. overheated 17. rise 18. going up

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)



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1. Which defense mechanism involves avoiding the awareness of a painful reality?
Option: A. Denial
Option: B. Criticism
Option: C. Optimistic
Option: D. Correction

 2. Which activity involves committing money or capital to an endeavor with the expectation of obtaining an additional income or profit?
Option: A. Discounts
Option: B. Investing
Option: C. Experience
Option: D. Yield

 3. Which term refers to the ability to accomplish a task with the least expenditure of time and effort?
Option: A. Traders
Option: B. Efficiency
Option: C. Reduction
Option: D. Growth

 4. What is the act of safeguarding assets or interests from financial loss damage or risk?
Option: A. Dividend
Option: B. Protection
Option: C. Convenience
Option: D. Challenges

 5. Which term refers to a reduction in price or cost?
Option: A. Headquarters
Option: B. Capital
Option: C. Discount
Option: D. Functionality

 6. Which term describes the ability of a product or service to fulfill its intended purpose?
Option: A. Experience
Option: B. Functionality
Option: C. Appropriate
Option: D. Yield

 7. Which term refers to the income generated by an investment or financial instrument?
Option: A. Profits
Option: B. Versatile
Option: C. Yield
Option: D. Sleek



8. Which term describes the nature of a situation in which different entities are attempting to outdo one another?

- Option: A. Competitive
- Option: B. Protect
- Option: C. Evaluate
- Option: D. Reduction

9. Which term refers to tasks or situations that test one's abilities or resources?

- Option: A. Dividend
- Option: B. Challenges
- Option: C. Growth
- Option: D. Workforce

10. Which term describes the process of increasing in physical size or numbers?

- Option: A. Protect
- Option: B. Efficiency
- Option: C. Growth
- Option: D. Correction

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. _____ are the financial gain realized from a business operation when revenue exceeds expenses.
12. It is important to select the most _____ solution for the given problem.
13. The _____ of the company is located in the heart of the city.
14. Despite the challenges she remained _____ about the future of the project.
15. There was a significant _____ in the cost of production after implementing the new system.
16. The new sports car had a _____ design that turned heads wherever it went.
17. He considered himself a _____ professional capable of adapting to different roles.
18. The company decided to expand its _____ to meet the growing demand for its



products.

19. The new app offers great _____ by allowing users to access all services in one place.

20. The teacher's _____ of the student's performance was thorough and detailed.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. Investors receive a portion of the company's profits as a return on their investment.
22. The initial sum of money used to start a business or invest.
23. The security measures aim to shield the company from potential risks and threats.
24. Being careful and aware of potential risks is important when making investment decisions.
25. The car's on the track was exceptional setting a new lap record.
26. Legal agreements outlining the terms and conditions between parties involved in a transaction.
27. To what did the marketing campaign influence customer behavior?
28. Individuals or entities that buy and sell financial instruments in the markets.
29. Assessing the pros and cons of different investment options is essential before making a decision.
30. It is crucial to sensitive data from cyber threats.

Answer

Multiple Choice: 1. A. Denial 2. B. Investing 3. B. Efficiency 4. B. Protection 5. C. Discount 6. B. Functionality 7. C. Yield 8. A. Competitive 9. B. Challenges 10. C. Growth

Gap-Fill: 11. Profits 12. Appropriate 13. Headquarters 14. Optimistic 15. Reduction 16. Sleek 17. Versatile 18. Workforce 19. Convenience 20. Evaluation

Matching sentence: 1. Dividend 2. Capital 3. Protect 4. Cautious 5. Performance 6. Contracts 7. Extent 8. Traders 9. Evaluate 10. Protect

CATEGORY

1. Business - LEVEL2

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