BitMEX XRP trading flash crash highlights the dangers of trading cryptos



Crypto traders furious at BitMEX

The dangers of leveraged trading of cryptos, which is an ***unregulated market***, were highlighted after account holders on BitMEX trading the US$/XRP pairs trade had their accounts wiped out after a ‘flash crash’ which dropped the price by 60% for 2 seconds wiped out their entire accounts, after stop losses failed to trigger.

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The crash occurred at 14.00 UTC on Feb. 13 2020, and saw the

XRP / USD fall 60% from $0.33 to just $0.13, for just two seconds.

Before the XRP v/ $US flash crash, its year-to-date return was over 70%. As a result many traders were long the pair, as they were betting the trend. This exacerbated the impact of the mega dump.

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Some traders were using leverage of 50, which is about as high risk as it gets if thongs go wrong quickly, as in this case.

BitMEX is a cryptocurrency exchange and derivative trading platform. It is owned and operated by HDR Global Trading Limited, which is registered in the Seychelles and has offices worldwide.

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This shameful episode serves to highlight the risks involved with trading in unregulated markets.

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