



JOHN.BRIDGEMAN

JOHN BRIDGEMAN LIMITED
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(NSX:JBL)

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Business update – Bitcoin futures trading

John Bridgeman Limited (NSX:JBL) notes recent market commentary regarding the increasing value and application of Bitcoin and other digital currency over the past 12 months.¹

In particular, the Company notes reports that Cboe Global Markets Inc (**Cboe**) will launch its bitcoin futures contract on 10 December 2017, approximately one week ahead of CME Group Inc (**CME**), as the exchange operator takes the next step toward launching an exchange-traded fund based on the digital currency.²

It is reported that CME's bitcoin futures contract will launch on 18 December 2017, available for trading on the CME Globex electronic trading platform.

From John Bridgeman Limited's perspective, the key issues for shareholders to note from these reports are as follows:

- Cboe and CME have been given approval to list bitcoin futures on their exchanges after they demonstrated compliance with relevant regulatory requirements. This included agreeing to monitor for manipulation, flash rallies, trading outages and other structural problems in the largely unregulated bitcoin cash market.
- Cboe has indicated that it may launch a bitcoin ETF once liquidity builds in the Cboe bitcoin futures contract and the exchanges are able to show how their oversight of the underlying market works.
- To date, the US Securities and Exchange Commission has not allowed bitcoin-based ETFs on the Cboe or elsewhere, partly because of concerns around the unregulated aspect of bitcoin. To help guard against excessive volatility, both Cboe and CME plan to have intraday price limits and initial margin rates of 30 and 35 percent, respectively.³

Stuart McAuliffe, Managing Director and Chief Investment Officer, said, "John Bridgeman Limited and the funds it manages intend to trade bitcoin futures in size and using leverage as it does in other currency markets in accordance with its customary investment and risk management protocols. We believe Bitcoin is significantly undervalued despite an approximate 1,000% rally over the past 12 months and that there will be many opportunities that will bring adequate financial rewards commensurate with the risks associated with this investment."

ENDS

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¹ Refer <http://www.zerohedge.com/news/2017-12-04/its-not-really-about-bitcoin-price-surging-its-fiat-currencies-free-fall>

² Refer <https://www.reuters.com/article/uk-cboe-bitcoin/cboe-beats-cme-to-bitcoin-futures-launch-with-december-10-start-idUSKBN1DY1SV>

³ *Ibid.*