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How CryptoWire' s IC15 index wants to help investors make an informed decision

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IC15 is a ruled based index, where the top 15 cryptocurrencies on leading crypto exchanges are selected. (Representative image/Pixabay)

The cryptocurrency market is alluring, but it also poses a danger to novice investors who aim to book profits without any technical expertise. CryptoWire, a Mumbai-based platform, is hoping to help investors make the right decision in this volatile market using a specialised tool called—IC15.

“Indians are fond of looking at numbers and gauging the market situation. We have specifically worked on that,” Joseph Massey, Managing Director of CryptoWires told [indianexpress.com](https://www.indianexpress.com), adding that the index caters to the basic needs of Indian market participants.



Joseph Massey, Managing Director of CryptoWire. (Photo: CryptoWire)

IC15 is a ruled based index, where the top 15 cryptocurrencies on leading crypto exchanges are selected. This includes crypto assets such as Bitcoin, Ethereum, Binance coin, Solana, Cardano, Ripple, Terra, Dogecoin, Shiba Inu, etc. The market cap of a cryptocurrency is calculated by multiplying the number of specific units of a specific coin by its current market value against the US dollar.

IC15 represents about 80 per cent of the crypto market capitalisation and about 65 per cent of the global crypto trading volume. Just like the stock market, IC15 shows results in a point-based system. On April 21, IC15 went up by 89 points and stood at 62,585 points, showing a positive sign towards cryptocurrency investments, meaning that more and more people are buying crypto now. In case the points had fallen, it would mean more people are selling. The index also shows a net change in prices for every listed cryptocurrency.

Elaborating on how new crypto coins are added to the IC15 index, Massey said: “Every quarter, the index is reviewed. The review includes checking if the current constituents are fulfilling the criteria as per the index methodology as well as identifying better crypto coins that meet the given criteria. Market participants are given a week’s notice before implementing the change, on the first day of the subsequent quarter.”

The crypto market experiences huge fluctuation influenced by supply and demand, investor and user sentiment, government regulation and even media hype to a certain extent. All of these factors work together to create price volatility. Due to the increased volatility, there could be a chance of the index reporting a false error.

According to Massey, the index is by design a pooled instrument, which evens out volatility. “Since IC15 is a basket of cryptocurrency its volatility would be less compared to individual coins,” he claimed.

The index is calculated on a real-time basis (24×7) for 365 days of the year. IC15 has an established procedure for index recalculation, in case an error is noticed or reported.

However, the index does come with certain limitations. Massey notes that sometimes the delay between the event on Blockchain and on the respective crypto exchanges involves a certain lag time.

Another limitation is because of the information asymmetry in the market, different exchanges exhibit different prices for the same crypto assets, which could again result in erroneous index.



IC15 is a cryptocurrency index. (Screenshot: CryptoWire)

While the functioning of IC15 resembles the stock market’s Nifty50 Index, Massey believes it is very different from it. “Nifty50 is computed over a limited period because of its underlying market timing. IC15 is computed 24 hours as the crypto market operates continuously. IC15 represents the broad market barometer and provides market participants with a continuous update about the fundamental events happening anywhere in the world,” he said.

Speaking about the recent developments on the new bill on crypto regulation, he stressed on the need for a self regulation organisation, “which would work in policymaking, creating awareness,” etc.

Massey is positive about non-fungible-tokens (NFTs), and said it “cannot be ignored” and “are the future”. CryptoWire is in the process of coming out with more indices in the crypto space but the company declined to elaborate on its NFT plans.

Meanwhile, the company has recently entered into a partnership with Bitbns, a domestic crypto exchange that has over 4 million users and 150 coin pairs traded on the exchange.

“Several global and Indian exchanges have expressed their interest to launch various structured products around IC15. This includes derivatives, ETF etc. Bitbns is one of such exchanges which is launching the derivatives product this month,” he said.

Source: <https://indianexpress.com/article/technology/crypto/how-cryptowires-ic15-index-wants-to-help-investors-make-an-informed-decision-7882227/#:~:text=According%20to%20Massey%2C%20the%20index,365%20days%20of%20the%20year.>