

# Slippage on fragmented, uneven books

## CRYPTO SLIPPAGE

The gap between intended and received price, on books that are fragmented, uneven in depth, and thinnest exactly when volatility spikes. Crypto slippage concentrates in the weekend and off-hours thinning, in the low-liquidity venues and pairs, and - uniquely - in the leverage cascades, where a liquidation-driven move meets a book already emptying, and a market order pays a distance no calm-hours estimate predicted.

Every track prices slippage. Crypto's inherits the scheduled-thinness discipline and adds the fragmentation and the cascade - two amplifiers the other markets lacked.

## Where crypto slippage lives

The tides: module 2's weekend and off-hours thinning - a market order at 3am Sunday crosses a fraction of the weekday book, and pays for it; the scheduled thinness, per the platform's standing lesson. The venue and pair: thin venues and exotic pairs have shallow books where even modest size walks the price - the fragmentation tax, on execution; deep venues and deep pairs are where large orders find depth. The cascade: the crypto amplifier - a liquidation-driven move empties the book as it runs, so a market order caught in one pays slippage stacked on a violent move; the leverage layer of module 1 turning execution hostile in seconds.

## The stop's special hazard here

A stop becomes a market order, and in crypto that order can land in a cascade: the very move that triggers the stop is often a liquidation cascade emptying the book, so the stop fills far beyond its level - the gap lesson of five tracks, at crypto's velocity and thinness. Weekend and off-hours stops compound it, resting through the sparsest books of the week. The platform's stop-and-gap discipline applies at maximum: a stop bounds the intention, and in a cascade the book decides the fill, brutally.

## The budget

Slippage estimated at the venue, pair and hour actually traded, doubled around the volatility the tides and the cascades produce - the platform's standing rule, with crypto's amplifiers built in. And the controllable half repeats module 3's theme: deep venue, deep pair, liquid hour, and patient execution where the rule allows all shrink slippage toward its floor; the thin venue in the weekend cascade is where it is unbounded. Most of crypto's execution cost, slippage included, is a decision - and the cascade is the part that is not, which is why module 4 sizes for it rather than budgeting it away.

## Check your understanding

## **1. What is crypto's unique slippage amplifier?**

- a. Wider ticks
- b. The leverage cascade: a liquidation-driven move empties the book as it runs, so a market order caught in one pays slippage stacked on a violent move - execution turning hostile in seconds
- c. Exchange downtime

Answer: b. The other markets had scheduled thinness; crypto adds the cascade. Module 1's leverage layer makes the book vanish exactly when an order most needs it.

## **2. Why is a stop especially hazardous in crypto?**

- a. Stops are not supported
- b. The move triggering it is often a cascade emptying the book, so the stop fills far beyond its level - the gap lesson at crypto's velocity and thinness
- c. Stops incur extra fees

Answer: b. The triggering move and the emptying book are the same event. A stop bounds the intention; in a cascade the sparse book decides the fill, brutally - and module 4 sizes for it.