

The Enigma of Price Formation: Cryptocurrency Limit Order Books

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Prices

How Prices are formed is a mystery...

Buyer: How much is it?

Seller: €1,50.

Buyer: OK, I'll take it.

Seller: It's €1,60.

Buyer: What? You just said €1,50.

Seller: That was before I knew you wanted it.

Buyer: You cannot do that!

Seller: It's my stuff.

Buyer: But I need a hundred of those!

Seller: A hundred? It's €1,70 apiece.

Buyer: This is insane!

Seller: It's the law of supply and demand, buddy. You want it or not?

(from **6: Le soulèvement des machines** by Alexandre Laumonier)