

Comments on:

“Risk-taking behaviour during downturn:
evidence of loss-chasing and realization effect
in the cryptocurrency market”

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Overall Assessment

- ▶ Consistent with literature on loss-chasing behaviour and realization effect -> Sensible and useful results
- ▶ Thai crypto traders (particularly high-risk individuals) take more risk after losses (particularly during downturn)
- ▶ Thai crypto (low-risk) individuals take more risk after *paper* losses, and *less* risk after realized losses, consistent with realization effect by Imas (2016).

- ▶ Well-developed hypotheses. Well executed analyses.
- ▶ Useful and interesting dataset.
- ▶ Policy implications.

- ▶ A few comments for improvement



Comments for Potential Improvements

- ▶ Is loss-chasing behaviour (always) irrational behaviour?
- ▶ What if taking more risk, as measured by portfolio volatility, after losses, results in ex-post good outcomes?
- ▶ Unclear why the difference in individuals' risk-aversion level should have an impact on the empirical results of realization effect?
- ▶ Compare with the results from stock markets?