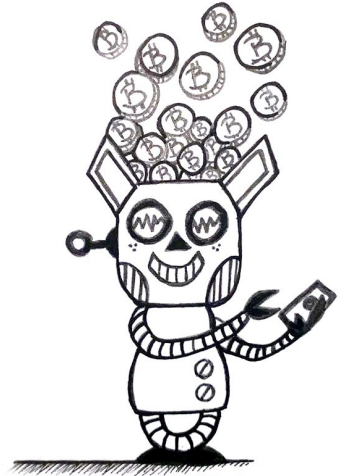# Deploying A Custom Crypto Bot

A Knowledge Sharing Conversation

October 30, 2021
Quantish.io

Me.

Software engineer   ...not a financial advisor

Rookie crypto trader   ...not selling any products

Perpetual learner   ...not offering any services

Amateur educator   ...not seeking any attribution

You.

Have programming experience   ...can still bust out some code

Like math & logic puzzles   ...love a good problem to solve

Patient and diligent   ...not expecting overnight millions

Not You?

Dodge the bullet. Try automating with:

- **www.3commas.io**

- **www.cryptohopper.com**

- **www.trality.com**

- **www.kucoin.com**

Today

Get Introduced to Algo Trading

Deploy A Trend Following Bot

Not Today

Deep diving into technical analysis

Discussing different strategy types

Deploying a money printer

Agenda

A Simple Trend Following Strategy

Backtesting The Strategy Code

Going Live on Coinbase
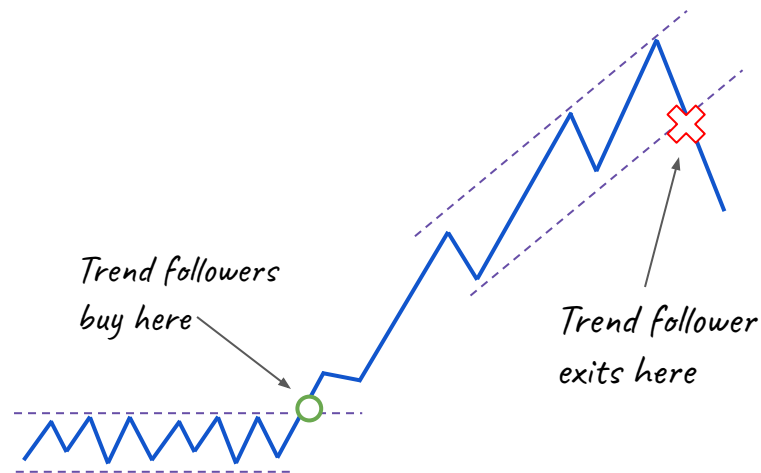
Monitoring Your Strategy

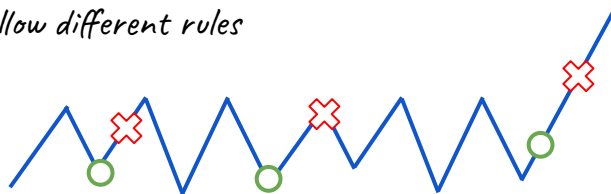**Considerations & Caveats**

Trend Following

Goals and Tenets

- Target Big outsized moves
- Use simple entries with smart exits
- Cut losses quick and let profits run

Non-Goals

- We aren't seeking quick short-term returns
- Win rate isn't critical because avg loss is small
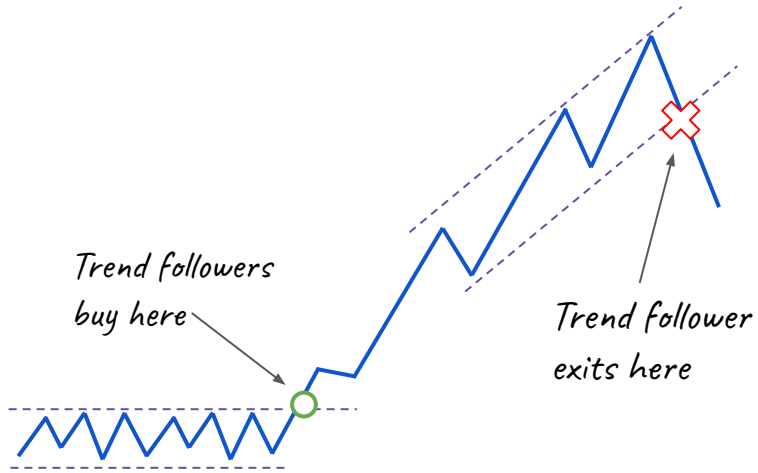- Volatility is ok—we're betting on the larger trend

Trend followers buy here

Trend follower exits here

"Take Profit" traders follow different rules

Trend Following

Goals and Tenets
- Target Big outsized moves
- Use simple entries with smart exits
- Cut losses quick and let profits run

Trend followers buy here

Trend follower exits here

The Turtle Traders

Dennis & Eckhart made a bet.
Anyone can be a successful trend trader, they just need the right rules.

So they put an ad in the paper.

The Turtle rules, very simplified
- Enter a new position on significant highs
- Start with a tight stop until move is confirmed
- Loosen / adjust the stop based on volatility (ATR*)

This happened shortly after the 'Trading Places' movie. More on the turtles here, here and here

two complete strangers...
make one of them rich, the other poor...
just watch the fun while they're trading places.

DAN AYKROYD   EDDIE MURPHY

Trading Places

Average True Range:

A measure of how much price has moved in a given period.

The Strategy

Possible Breakout

1. Go long when we reach a new N-day high

Protection against false breakouts

2. Set an initial <u>tight</u> stop loss (1 x Five hour ATR)

3. If the price climbs <u>significantly</u> (5 x ATR)…

Trend Confirmation

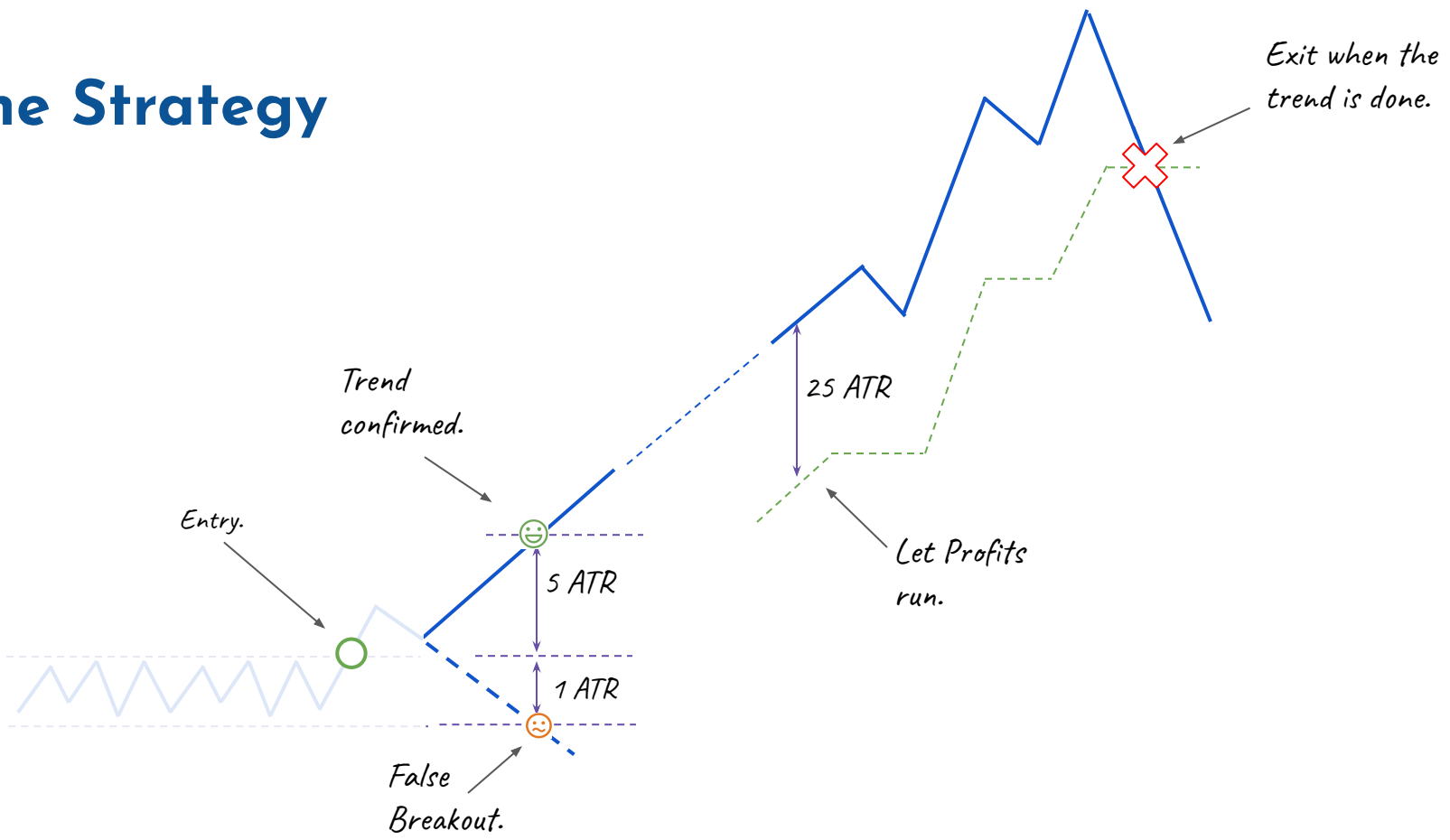4. Then set a <u>wider, trailing</u> stop loss of (25 x ATR)

Let profits run

The Strategy

Exit when the trend is done.

Trend confirmed.

25 ATR

Entry.

5 ATR

Let Profits run.

1 ATR

False Breakout.
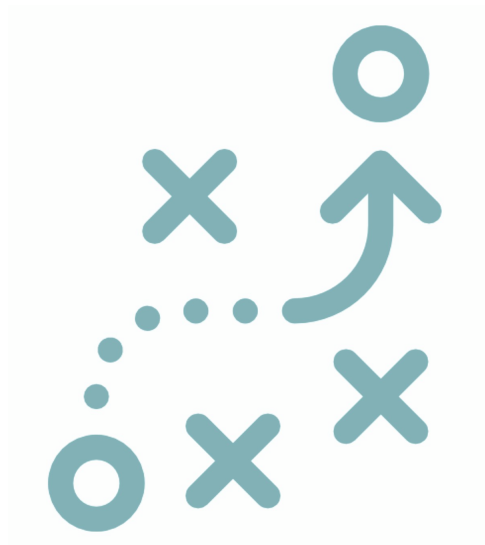
The Code

Test on Quantconnect
A platform for everyday retail traders that want to research, test, and deploy automated trading strategies. Also used by some small to medium sized hedge funds.

Go live via Coinbase Pro
Go live by connecting to your Coinbase Pro account to initiate orders

Optimization

What are the best parameters?
Is a 30 day look back period the best? What if
we try 5? 10? 50?

Run parameter optimization to determine what
works for the current market climate.

Monitoring Your Bot

Emails

Live Dashboard

Considerations & Caveats

Manage your risk

Start small

Trust your system!

Markets change, so optimize periodically (eg 6 months)

Where to from here?

Trading a basket of coins

Short term Crypto strategies

Catching 'First Listing' pumps

Options Strategies

Appendix

Crypto Trend Following Strategy Discussed Today (link)

Article on catching 'First Listing' pumps (link)

Options Algos
- Simple Covid $ZM call strategy (link)

- SPY Put Hedge Strategy (link)

Stock / ETF Algos (these all beat SPY buy + hold)
- Google Search Volume Strategy (link ,research paper)

- ETF 'Monthly Top-Movers' Portfolio Rebalancing Strategy (link)

- SPY Moving Average Support/Resistance Strategy (link)

Thanks.