Nascent new market + Highly risky + FUD (Fear, Uncertainty, Doubt) + Human emotions = big profit with algorithmic trading?
Team

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Research

A lot of time was spent on understanding:

- the crypto market
- different financial models
- QuantConnect platform
Indicators for technical analysis

Bollinger Bands (BB)

BUY

SELL

Relative Strength Index (RSI)

SELL
## Strategies and Results

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Backtesting</th>
<th>Assets</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSI</td>
<td>1/1/21-12/12/21</td>
<td>Crypto</td>
<td>112.88 %</td>
</tr>
<tr>
<td>BB</td>
<td>1/1/21-12/12/21</td>
<td>Crypto</td>
<td>169.54 %</td>
</tr>
<tr>
<td>RSI + BB</td>
<td>1/1/21-12/12/21</td>
<td>Crypto</td>
<td>106.38 %</td>
</tr>
<tr>
<td>RSI</td>
<td>1/1/21-12/12/21</td>
<td>Bitcoin</td>
<td>193.57 %</td>
</tr>
<tr>
<td>BB</td>
<td>1/1/21-12/12/21</td>
<td>Bitcoin</td>
<td>443.06 %</td>
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<tr>
<td>RSI + BB</td>
<td>1/1/21-12/12/21</td>
<td>Bitcoin</td>
<td>126.18 %</td>
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<tr>
<td>GRU</td>
<td>1/1/21-12/12/21</td>
<td>Crypto</td>
<td>161.38 %</td>
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<tr>
<td>LSTM</td>
<td>1/1/21-12/12/21</td>
<td>Bitcoin</td>
<td>121.76 %</td>
</tr>
</tbody>
</table>
Lessons Learned

- Algorithmic trading has been around for a while and has been applied in the stock market.
- A lot of research is supporting the fact that ML methods might be profitable also in CC trading.
- Not all problems are Machine Learning problems.
- Time is an asset – watching backtesting of an ML model is as exciting as watching your ML model train.
- Backtesting is a fools gold.
- Bitcoin only strategy might not always be the best strategy.
- When in doubt/stuck – KISS (Keep it simple stupid).