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# Capitalise.ai

## Everything You Need To Know About Code-Free Trading Automation and How Automated Trading Can Help Improve your Portfolio

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# Webinar Presentation For InteractiveBrokers

Everything You Need To Know About Code-Free  
Trading Automation & How Automated Trading Can  
Help Improve your Portfolio.



## In The Webinar

We'll discuss how you can leverage automation tools to optimize your strategy performance, save time and eliminate emotional influence. We will discuss best practices and delve into some interesting example strategies.

We'll also show how you can test your trading strategies using free style text - no code or technical background needed.

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## WHAT MAKES A TRADER?

# Following Through On Your Trading Plans;

Simple? Not Really.

Greed

Fear

Boredom

Limitations

## HOW TRADING HAS CHANGED IN THE PAST FEW YEARS



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### **Finding 1**

More than 80% of global trading is done via automation.

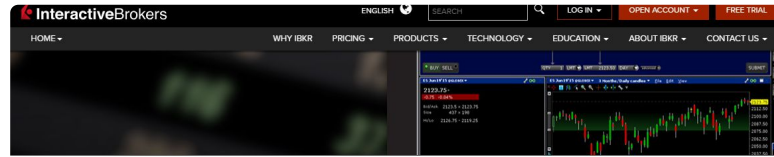
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### **Opinion 1**

A small number of market players are responsible for the majority of global trading volumes

1. Finding: <https://www.cnn.com/2019/06/28/80percent-of-the-stock-market-is-now-on-autopilot.html>

## INTERACTIVE BROKERS EXECUTION ALGORITHMS



Order types and algos may help limit risk, speed execution, provide price improvement, allow privacy, time the market and simplify the trading process through advanced trading functions.

Use the links below to sort order types and algos by product or category, and then select an order type to learn more.

Filter by Product:

[All](#) [Stocks](#) [Options](#) [Futures](#) [Futures Options](#) [Forex](#) [Bonds](#) [Funds](#) [Warrants](#) [EFPs](#) [Combos](#) [CFDs](#)

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<a href="#">Accumulate/Distribute</a>	<a href="#">Adaptive Algo</a>	<a href="#">All or None</a>	<a href="#">Arrival Price</a>	<a href="#">At Auction</a>
<a href="#">Auction</a>	<a href="#">Balance Impact and Risk</a>	<a href="#">Basket</a>	<a href="#">Block</a>	<a href="#">Box Top</a>





**Algo Trading Can Now Recognize A Wide Variety Of Events, Including:**

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- **Fundamental Indicators**

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- **Macro & Microeconomic Events**

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- **Technical Indicators**

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- **Social Sentiment**

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- **Weather**



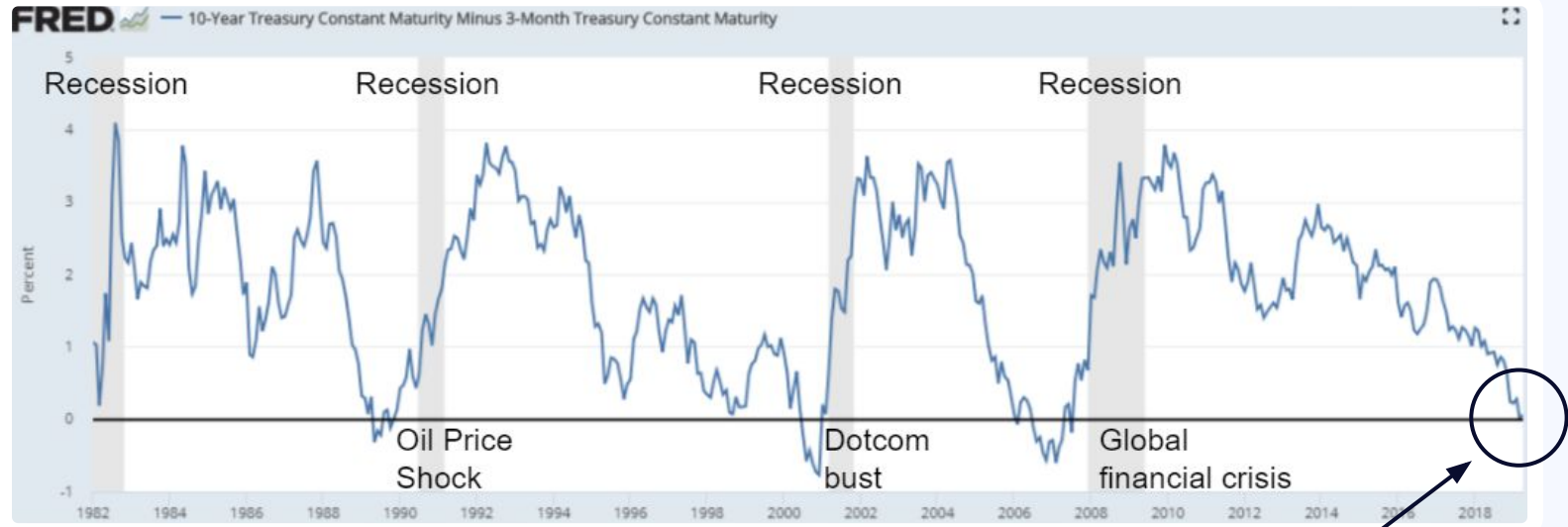
## December 19; The US Fed Updates The Interest Rate.

Sets it At 2.5% & Sends The Markets On A Bear Run.



Charts; [www.tradingview.com](http://www.tradingview.com)

## LONG TERM TO SHORT TERM YIELD SPREAD



Chart; [www.fred.stlouisfed.org](http://www.fred.stlouisfed.org)

**March 22: Spread dips below zero for first time since 2007**

## YIELD CURVE EFFECT



## SOCIAL IMPACT



The screenshot shows a Twitter interface with a navigation bar at the top containing 'Home', 'Notifications', 'Messages', and a search bar. The main content is a tweet from Elon Musk (@elonmusk) dated 7:48 PM on August 7, 2018. The tweet text reads: "Am considering taking Tesla private at \$420. Funding secured." It has 15,817 retweets and 87,263 likes. Below the tweet is a reply from Elon Musk: "Shareholders could either to sell at 420 or hold shares & go private". The interface also includes a 'Follow' button, a 'Tweet' button, and a footer with copyright information for 2019 Twitter.

Home Notifications Messages Search Twitter

**Elon Musk** @elonmusk  
Am considering taking Tesla private at \$420. Funding secured.  
7:48 PM - 7 Aug 2018  
15,817 Retweets 87,263 Likes  
6.2K 16K 87K  
Tweet your reply  
**Elon Musk** @elonmusk · 7 Aug 2018  
Shareholders could either to sell at 420 or hold shares & go private  
1.3K 2.1K 19K

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Past performance is not necessarily indicative of future results.

## SOCIAL IMPACT



Charts; [www.tradingview.com](http://www.tradingview.com)

Past performance is not indicative of future results.

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## HOW TRADING HAS CHANGED IN THE PAST FEW YEARS



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### Opinion 1

The advent of cryptocurrencies starting with Bitcoin and leading to the creation of thousands of “altcoins” has changed the nature of value and currencies.

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### Opinion 2

Due to the fact that these cryptocurrencies are traded 24/7, it has become extremely difficult to monitor the market and execute a trading plan manually and faithfully.

In general terms "algorithmic trading" or "automated trading" means the use of a predefined set of rules written into computer code to automate the process of buying or selling.

By this general definition, the term algorithmic trading could apply to any computer generated market operation.

Automated trading systems are also commonly used as research tools and for market tracking and alerting.





## Reason #1

- You're notified the instant a profitable opportunity is calculated.
- The decisions are objective and uniform because they are not subject to intuition or emotion.
- You can then choose whether this opportunity is for you, or whether you wish to wait for the next opportunity.

## Reason #2

- Automated trading systems can compute vast amount of variables, scan an enormous amount of information, and process everything in large or infinitely small time frames.
- This the most significant strength because it allows for recognizing opportunities which are not available to the masses of traders.

#1

## Eliminating Emotions

With automation we can disable our human emotions and bias.

We can plan our trading ahead of time and the machine will take care of it.

No more greedy trades or trades that are generated by boredom.

## #2

# Preserving Discipline

Successful traders plan their trades, and trade their plan.

Making objective and repeated trading decisions at all times, regardless of the market conditions.

## #3

# Trade Sophisticated Strategies

Automated trading solutions can help traders apply complex trading strategies in the market.

- Applying simple or complicated exit and entry conditions
- Intricate trade management using trailing stops & time-sensitive alerts
- Achieve precision and complete objectivity

## #4 Backtesting

Automated trading solutions allow for easy backtesting on actual quantifiable data to determine their effectiveness, or lack thereof.

- Backtesting is a time-consuming activity,
- With a trading robot doing the activity results can be seen quickly
- Tweaking or optimization

## #5 Time-Saving

Human beings are inherently constrained by time; but traders can free up their time by using automated trading strategies.

- You are no longer a prisoner of your charts, and
- you can actually utilise your time
- expanding your knowledge
- even optimizing other strategies.

## #6

# Managing Risk

Even in the most volatile of markets, automated trading is hugely beneficial to protect your bank.

- By abiding automated trading rules and conditions
- Always aware of the market happenings
- Get out at the right time.

## #7

# Speed & Accuracy

Automated trading solutions monitor the markets faster and more accurately than any human mind can manage.

- They are able to track trading opportunities across multiple assets and make accurate trading decisions in real-time.
- Trade orders will be executed as soon as set conditions are met, with no human errors involved.



## WHAT ARE THE LIMITATIONS INVOLVED IN AUTOMATED TRADING?



### **Over Optimization**

In search of a trading "Holy Grail", traders may fall into the trap of over tweaking and over optimising an otherwise working strategy. Traders can be tempted to continually adjust trading parameters to achieve 100% win rate. It is important to note that the goal when developing a strategy is not perfection, but rather more wins than losses.

### **Tech Dependence**

Technology failures and inflexibility. Automated trading solutions are computer software that remains vulnerable to random mishaps, such as downtime or crashes of the host computer. Because the software is programmed to adhere to set parameters, it can be very inflexible when market conditions change suddenly due to unforeseen factors, such as major political or economic events.



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### **FOMO**

Experienced traders execute their strategies manually and don't have the time to make all the trades they want to in a 24/7 market.

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### **Emotion Are Bad For Good Trading**

Whether it's FUD or greed, emotions often cause traders to deviate from the plan and result in expensive consequences.

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### **There's A High Barrier to Entry**

Only those with advanced technical knowledge or money to spare have access to the trading tools that make it easier to create winning strategies

## AUTOMATE YOUR STRATEGIES IN FREE-STYLE TEXT



### ENTRY

If **AAPL RSI**<sub>(14, 1h, Close)</sub> crosses **above 60** then **buy 10 AAPL** and

### EXIT

Close position at trailing stop of **1%** #

RUN STRATEGY

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**PRODUCT DEMONSTRATION**

