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Capitalise.ai

Everything You Need to Know About Code-Free Trading Automation

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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





Finding 1

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

Opinion 1

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

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



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

- **Fundamental Indicators**

- **Macro & Microeconomic Events**

- **Technical Indicators**

- **Social Sentiment**

- **Weather**



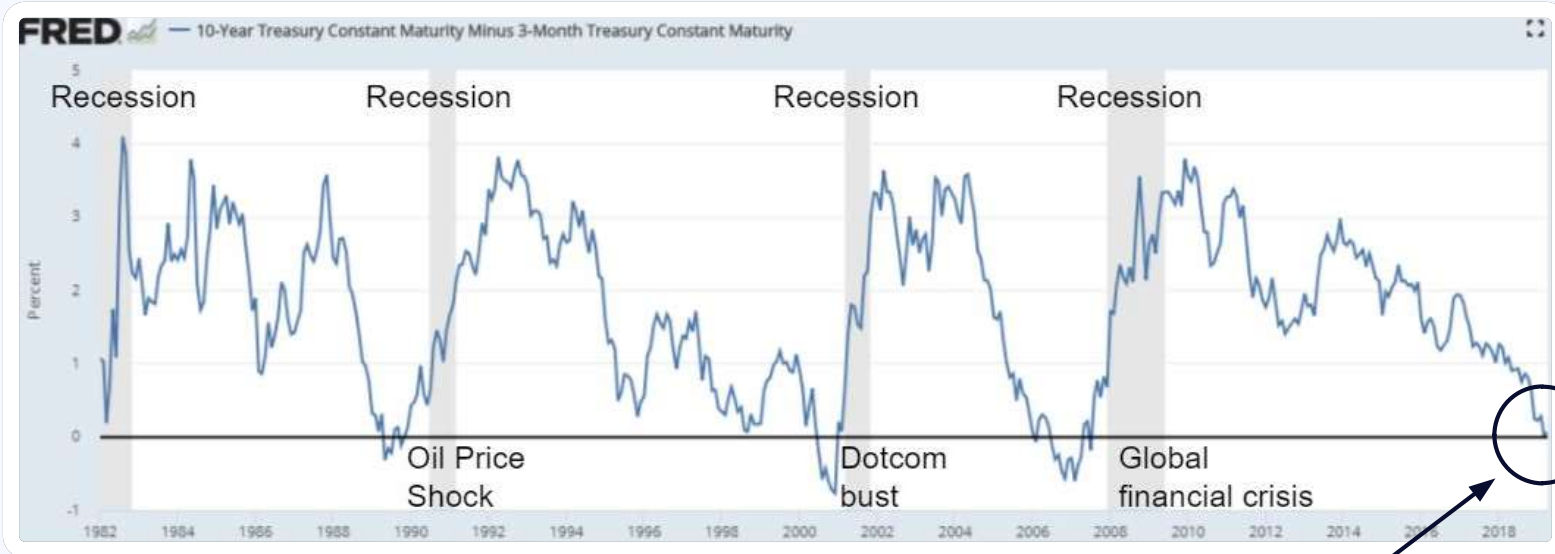
December 19; The US Fed Updates The Interest Rate.

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



Charts; www.tradingview.com

LONG TERM TO SHORT TERM YIELD SPREAD



Chart; www.fred.stlouisfed.org

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





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Charts; www.tradingview.com

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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.

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.



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.



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.

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.

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



ENTRY

If **AAPL** $RSI_{(14, 1h, Close)}$ crosses above 60 then buy 10 AAPL and

EXIT

Close position at trailing stop of 1% #

RUN STRATEGY

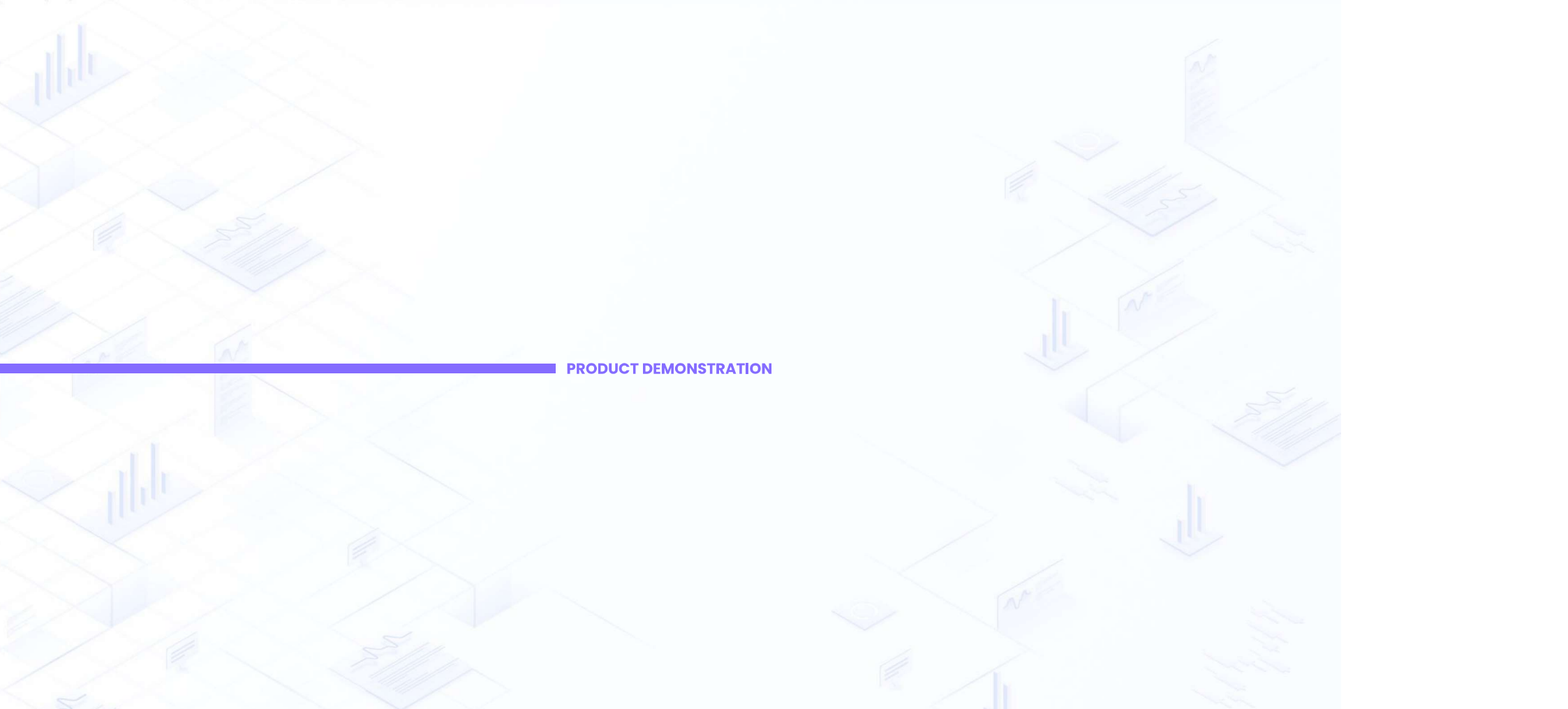
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PRODUCT DEMONSTRATION

