

# BlackFox Crypto Analysis Bot Deployment Strategy

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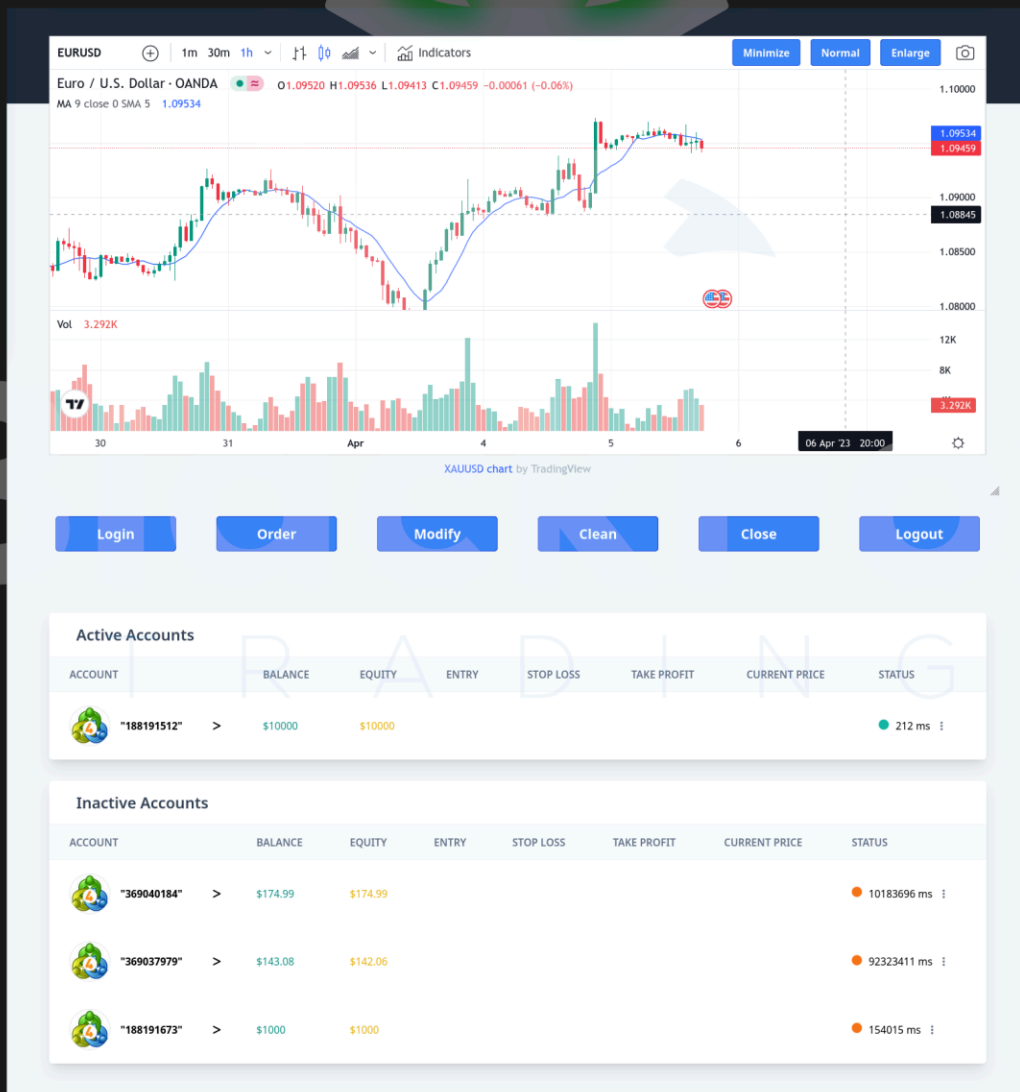
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05/04/2023

## I. Introduction

We have developed an automatic trading algorithm since 2020, collaborated with several trading professionals to exchange knowledge & learn more about the market. This algorithm is now complete and is one of our proprietary technologies, besides a fund management system and copy trading system (cross-broker for MetaTrader 4 – 5) with an efficiency over traditional VPS solutions by 100x.

An overview of our Trading Firm's product. It helps manage unlimited accounts at once flawlessly.



When started to develop the algorithm, my goals are:

- It needs to be 100% automated
- It must work for any market
- Input parameters count should be minimal

These goals have been reached and the bot performance has increased fantastically comparing to the starting days. Let's look its results in Crypto market.

## II. Method

The back-testing system we use is MetaTrader 4, with historical data obtained from [Dukascopy Bank](#).

In development we've tested on much longer periods, though for demonstration purposes we include 1 month testing for better explanation.

The algorithm has been tested on multiple assets, yielding similar results in terms of win rate, maximal drawdown and profit ratio.

General Information:

- Crypto symbols: BTC / USD, ETH / USD
- Data quality: BTC (tick data), ETH (minute data)

The ETH tick data couldn't be obtained from Dukascopy as they only provide tick data for single days from their public source.

BTC tick data is obtained using a third-party's software and the data source is from Dukascopy.

## III. Back-testing

### 1. Reports

[Please refer to attached files for detailed testing reports for ETH and BTC.](#)

Based on testing results, we observe that our algorithm performs well on both assets. Its ability to protect the capital, optimize gains and losses persists in its core and adapts well under any market condition.

Since the bot only consider data on the charts, it won't be biased by other forms of input like other trading strategies / trading bots. To simply put, it's based on a good trading indicator that can ignore other noises and does its thing very well.

### 2. BTC vs. ETH

Our recommendation is to choose trading of BTC for this bot due to a fundamental trading nature: volatility. The higher the volatility, the more the chances that our bot can take advantages and it'll win more.

In trading there is no 100% no-loss or zero-profit (break-even) approaches. You need to aim at maximum profits to cover for a rainy day. There're times that the bot will accept losses, but it's only possible when he has made secured profits before.

When testing ETH we didn't see as many interesting reactions as BTC's. The volatility of BTC as we know is much larger than ETH's and this assumption is good enough for the bot

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already. In observation we see a little struggle from the bot when dealing with ETH though it can still going through nicely.

Data quality should not be the main factor leading to this deduction, since we have been testing with minute-data for currency markets as well.

Generally, the faster the data stream, the more reactive the bot is going to be. Meaning that it can also act on other time-frames such as M15, M30 or any configuration. Since we can, and should see our profits / losses early, M1 time-frame is recommended.

The bot's order duration ranges from several minutes to several hours for both markets. A duration of 5 hours (and under) should be achievable and is regarded as a good market condition.

ETH's orders are less (26 vs. 88 of BTC's) while order duration wasn't affected. This indicates that there're not many chances for the bot to trade, implying multiple market sideways movements.

In future research we'll try to make the bot automatically adjust for these situations. For now its capability is way more than what we should worry about sideways.

Trade value:

- 88 trades per month
- 0.5 lot each trade = 0.5 BTC
- Current BTC price ~ \$28,000
- Value =  $88 * 0.5 * 28000 \sim \$1.23 \text{ M} / \text{month}$



# BlackFox

T R A D I N G

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