**Optimized Trading strategy for BOTs**

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**Introduction**

Stock, forex or cryptocurrency trading is really time consuming and without proper skills traders easily lose their investments. Some of these skills are intuitive, others have a steep learning curve while there are those that you just learn by experience; basically, studying the market charts and analyzing outside information. By outside information it refers to all the news going around on social sites and in the business world about a particular traded asset or token. Bots, which are automated trading systems following algorithmic strategies, can be designed to follow some of these techniques to do the trading. They are as time saving and as efficient because if designed properly, they should give you consistent returns thus growing and optimizing your portfolio.

You will often hear traders make a trade simply because their gut tells them it’s the right thing to do. In such cases these gut feelings are biases traders acquire, they can end up being profitable or devastating depending on how right the gut feeling was. Bots are only as biased as the strategy used.

**Types of Bots**

**Artificial Intelligence Bots**

There are two main categories of bots – Artificial Intelligence bots (AI bots) and Algorithmic Strategy bots. AI bots can be subdivided into supervised and unsupervised learning bots. For the Unsupervised learning, they are more often very complex and referred to as black box trading bots. This is because they are only fed trading data and from that create their own strategies with the aim of making more money. Even the designer will never fundamentally understand what is happening ‘under the hood’ of these types of bots.

On the other hand, Supervised learning bots are programmed to follow designed algorithms and have to be trained on trade optimization based on the different strategies that have already been hard coded. By training, it means that they are fed with multiple datapoints and shown what a good trade looks like, from this it learns to make good trades as it is ‘penalized’ for a bad trade and ‘rewarded’ for a good trade.

**Algorithmic Trading Bots**

Algorithmic trading bots can be classified in terms of h

Strategy:

things to check(They must agree):

1. Trading Volume
   1. Sell with the bears
2. Is the market erratic ?(Volatility)
   1. If there is limited volatility watch out.
3. What is the market trend ?
   1. Mean Reversion
      1. Use Boll Bands
   2. RSI - (75/25)
      1. Oversold - Sell, Overbought - Buy