1. General Uniswap-V2 Pool

I queried the transactions and volume traded, along with the liquidity for the uniswap-v2 pool.

This is what I inferred

Chart, line chart

Description automatically generated

This is the relation between the liquidity and the transactions.

Liquidity is on the Y axis, wheras transactions is on the X axis.

As the transactions

Chart, line chart

Description automatically generated

This is Liquidity vs transactions

As the number of transactions increase, so does the liquidity. However notice the almost flattened line from 2.0 to 3.0

Flat line is a common strategy used in trading. In the subject of cryptocurrencies, it is usually deployed with the help of support and resistance lines.

Typically moving averages act as our support and resistance lines.

Chart

Description automatically generated

Transactions and volume show a proportional relationship. A similar curve is obtained for

Token Pair

UNI/WETH Pair of token

Token Pair Number can be obtained from the uniswap websites.

Line chart

Description automatically generated

The above plot is of the rolling mean of the amountUSD(derived amount of tokens sold), against the timestamp.

The selling activity peaks up in places and then flattens before reaching its maximum value towards the end of the observation period.

Future Expectation

Given the lows and highs, future trends are of a dip in the rolling mean of the usd traded. A general observation is that the decrease is proportional to the points of increase. If going by the trend, future amounts usd will drop by the same amount as they rose to their peak values in the graph.

Without the interference of external factors, the high-low method can be deployed to gain some basic understanding of the trends.

Arbitage is another point of enquiry, however the common rhetoric is that since crypto-currencies are assets which are not backed by anything concrete, their prices are purely speculative.

DeFi arbitrage can be a proposed strategy since we take the advantage of different platforms and the difference in their yields.

Given that the metric being used is the rolling average, a lot of the noise is removed.