**Know Your Market**

This drill is all about getting to know the market intimately.

**Bitcoin or Ethereum:**

Background:

* Who are the main participants in this product?
* Where are they from?
* What is their main agenda and what is their typical trading style?
* What creates supply and demand for this asset?
* What's are the tick increments and contract specifications for this product?
* What other products are closely correlated?
* Where is most of the volume done on this product? exchange, product type, future, perp etc
* What is the mark price and how do you calculate it?
* Explain the effect of a positive funding rate on a long and short position.
* Explain the effect of a negative funding rate on a long and short position.
* If your account has 10BTC and you buy with 100,000 lots ($) worth at the BTC price of 10,000 with 10x leverage. At what price will your account get liquidated? (keeping in mind your margin is in btc)
* Explain the difference between Deribit and Bitmex indices.
* What is DeFi and what are the lead applications.
* If you buy 100.000 bitmex contracts for Ethereum how much is that in $?
* What is a stop limit and what is a stop market order? Give an example of when and how each can be used.

Statistics: (do past 3 years and see the difference)

* What is the average daily range.
* What is the average daily volume.
* What would you define as a low volume days?
* What is the average weekend range.
* What affect does an increase in open interest have on price?
* What affect does a decrease in open interest have on price?
* Does any relationship exist between open interest and price?
* What is the average session range and volume - asia euro usa.
* Work out the ATR of Eth in excel and read the ATR pdf.
* Work out the distribution of returns and read the pdf.
* What is the most common time of day for price movements.
* What are the most common times with the most volume.
* Is beginning of the month typically quieter then end of month?
* List of days where it trades greater then its Standard deviation, check (1SD, 2SD, 3SD)
* Is the market more likely to go up or down?
* How does the market move when it is >5% move in a day
* How does the market move when its >10% in a day
* How does it move when its under <5%?
* What are the days before and after like of both >5% and <5% and > 10%
* Does it tend to trend or range more?
* Do stationarity test
* If you used the POC as the fair value for the next trading day, how often does price come back to test this area? (Point of Control)
* Does over average in volume generally relate to bigger price movements? Does this generally last for more then one day?
* Average transactions on the network per day
* Does increase in transactions increase demand and price?

Fundamental:

* Is there any news that drivers eth or btc
* What does risk on / risk off mean?
* How does this market react to risk on / risk off scenarios
* Look into what caused the biggest moves (moves over 10% over the past 3 years)
* When do options expire? what effect does this have?
* What effect does this have on the market in the lead up to and the day of?

Technical: For this section use the tradingview charts and work out on the chart the answers, chart to use for these would generally be 60min.

* What is the average size of a move: Small, medium, large.
* Most amount of candles in a row with one color
* Does the market respond to triangles / wedges?
* Does the market respond to flags? bull flags vs bear flags, flat flags.
* Are double top / bottoms good? are head and shoulders patterns good?
* Ascending channel vs descending channels
* Does the market fill the CME gap from the weekends trading? If so what are some statistics around this?
* Are weekends more likely to trend or range?
* How does changes in volume affect the market
* Does volatility drop and volume drop at the same time or do they move inline
* Do liquidations occur with or against the trend
* When it ranges how big are the moves and what size reversions do they have?
* When it goes quiet what sort of ranges and volumes does it do right before a big move?
* When we have days of abnormally low volume what type of days do we see after this?
* Once it has a big move (define this) what does the following 5 days look like
* What does the next 12, 24 hours look like after a large move?
* Are moves more likely to retrace or continue on longs or shorts?
* Look into what vwap is, put it on your chart and see does vwap work? is it more active in ranging or trending, more volatile or less volatile.
* Are the euro sessions more prone to reverse or continue the move?
* Are the usa sessions more prone to reverse or continue the move?
* How responsive is the market to current SFL levels? (tradingview)
* Which SFL levels are the most important?
* Does price respect past SFL levels?