



## Xtreamly: Positive Volatility Perpetual Strategy

Xtreamly has already established itself in advanced volatility forecasting, offering state-of-the-art volatility predictions powered by machine learning and holistic market data. These predictions are actively used by market makers to

- optimize spreads to increase profitability
- hedging to define capital-efficient, volatility-adjusted hedge ratios— reducing costs and unnecessary hedging events.

Now, **Xtreamly introduces a novel alpha-generating trading strategy** based on Positive Volatility Forecasting.

---



### Strategy Overview: Long on Positive Volatility

- **Instrument:** Perpetual Futures (Perps)
  - **Assets:** BTC, ETH, SOL (Blue-Chips)
  - **Duration:** 60-minute prediction horizon
  - **Trigger:** Strong signal for predicted *positive volatility (95% threshold value)*
  - **Position Policy:**
    - Open a long position on each strong positive volatility signal
    - Hold the position until 60 minutes after the last signal
    - Returns are reinvested within each token strategy
  - **Leverage:** x2
  - **Fees:** 5pp round-trip (entry + exit)
- 



### Why It Works

Built on Xtreamly's proven volatility forecasting infrastructure, Xtreamly's **Positive Volatility Model** focuses only on **upside movement**, enabling smarter long entries when upward bursts are likely.

- **Captures momentum early**
  - **Exits before it fades**
  - **Filters out downside noise** for better risk-adjusted return
-

## Backtest Performance (Oct 2024 – May 2025)

Asset	Signal Count (minutely)	Positions (count)	Strategy Return (%)
BTC	4,695	121	<b>+57.49%</b>
ETH	14,075	281	<b>+80.55%</b>
SOL	31,376	425	<b>+68.67%</b>

---

## Next Steps & Roadmap

### Near-Term:

- Onboard new **data feeds** to expand signal context
- Train and expand **AI models capability** for sharper signal separation
- Enhance **volatility based risk engine** for position exposure management

### Mid-Term:

- Add **short-side strategy** based on Negative Volatility (harder to predict)
  - Broaden token scope: L2s, other DeFi blue-chips, memecoins
- 

## Required Resources

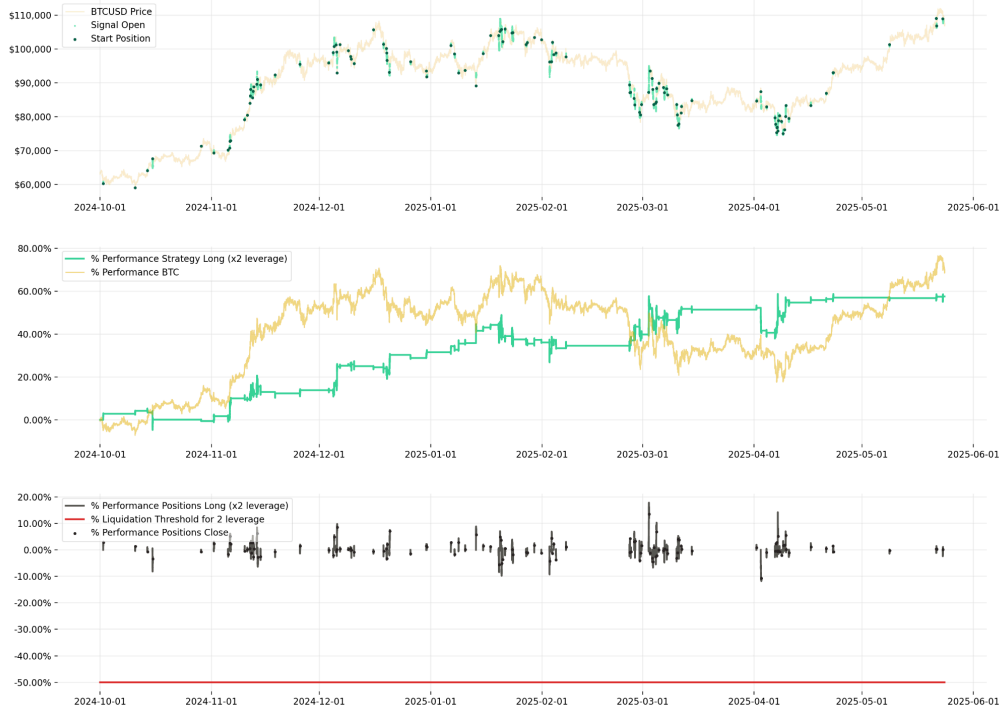
- **Human Talent:** ML engineers (ML model training), quants (backtesting) and DeFi specialist (new data sources)
  - **Data:** Expand data feed pipelines to new data sources (ex. Glassnode fixed costs)
  - **Cloud Infrastructure:** GPU-heavy training of ML (as free credits will expire in 6 months)
-

Backtesting Results

SOL Long Performance Backtesting (60min duration, x2 leverage and 95% threshold)



BTC Long Performance Backtesting (60min duration, x2 leverage and 95% threshold)



ETH Long Performance Backtesting (60min duration, x2 leverage and 95% threshold)

