



Multi-Strategy Bot Testing Guide

TL;DR: Your money doesn't get "used up" — it trades in circles. Loss limits protect you. \$100 is fine for learning, \$250 gives more breathing room.



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How the Bot Actually Works

Think of your capital like water in a fountain — it **circulates**, it doesn't drain.

```
💰 USD
↓ buy
🌐 ATOM/SOL
↓ sell
💰 USD (+ profit or - loss)
↓ buy
🌐 ATOM/SOL
↓ sell
💰 USD
... forever ...
```

The Three Strategies Working Together

Strategy	What It Does	How It Makes Money
 Market Making	Places buy & sell orders around current price	Captures the spread (buy low, sell slightly higher)

Strategy	What It Does	How It Makes Money
 Grid Trading	Creates a ladder of orders at fixed price levels	Profits from price bouncing up and down
 RSI Directional	Buys when oversold, sells when overbought	Catches momentum swings

Your money just keeps cycling through these trades. Profits add to your balance, losses subtract from it.

Data Quality: \$100 vs \$250

Here's the honest truth since **you don't care about profit right now**:

For Pure Data Collection

Factor	\$100	\$250	Winner
Trade frequency	Same	Same	👉 Tie
Strategy behavior	Identical	Identical	👉 Tie
Percentage returns	Same %	Same %	👉 Tie
Kill switch buffer	Tight	Comfortable	💰 \$250
Fee impact	Higher %	Lower %	💰 \$250
Stress level	😓	😌	💰 \$250

The Real Difference

\$100 Challenge: With tight loss limits (\$50 max), a bad day could stop your test early. You'd need to reset and add more funds to continue collecting data.

\$250 Advantage: More runway before hitting limits. Your test is less likely to get interrupted, meaning **more continuous data**.

Verdict

If you truly don't care about profit: \$100 gives you the **same quality data** — just with less margin for error.

\$250 is "better" because: You're less likely to hit loss limits and interrupt your test. It's about **test longevity**, not data quality.

My Recommendation

- Start with \$100 if:
- ✓ You want to minimize risk
 - ✓ You're okay restarting if limits hit
 - ✓ You just want to see how it works

- Go with \$250 if:
- ✓ You want uninterrupted 2–4 week test
 - ✓ You hate babysitting
 - ✓ You want cleaner, continuous data

Capital Scenarios (\$100 - \$10,000)

Here's what each capital level looks like in practice — order sizes, profit potential, risk exposure, and long-term projections.


\$100 — The "Toe in the Water" Test

Best for: Learning, validating the bot works, minimal risk

Setting	Value
 Starting Capital	\$100
 Capital Allocation	MM: \$30 / Grid: \$40 / RSI: \$30
 Recommended Order Sizes	0.5 ATOM / 0.3 SOL
 Max Loss (Kill Switch)	\$50 (50% of capital)
 Risk Level	Medium-High % wise

Profit Projections


Scenario	Daily	Monthly	After 1 Year (Compounded)
 Conservative (0.5%/day)	\$0.50	\$15	\$182
 Moderate (1.5%/day)	\$1.50	\$45	\$563

Scenario	Daily	Monthly	After 1 Year (Compounded)
 Optimistic (2.5%/day)	\$2.50	\$75	\$1,097

Worst Case Scenario

You lose \$50 → Bot stops → You still have \$50
That's it. Can't lose more.






The "Run Forever" Path

Month 1: \$100 → \$115 (+15%)
Month 3: \$115 → \$152
Month 6: \$152 → \$232
Month 12: \$232 → \$540
Year 2: \$540 → \$2,900 




Assumes moderate 1.5%/day average, compounding

\$250 — The "Comfortable Test"

Best for: Serious testing with breathing room —  **IDEAL FOR TESTING**

Setting	Value
 Starting Capital	\$250
 Capital Allocation	MM: \$75 / Grid: \$100 / RSI: \$75
 Recommended Order Sizes	1 ATOM / 0.5 SOL
 Max Loss (Kill Switch)	\$50 (20% of capital)
 Risk Level	Moderate

Profit Projections

Scenario	Daily	Monthly	After 1 Year (Compounded)
 Conservative (0.5%/day)	\$1.25	\$38	\$455
 Moderate (1.5%/day)	\$3.75	\$113	\$1,408
 Optimistic (2.5%/day)	\$6.25	\$188	\$2,743

Worst Case Scenario 🧟

You lose \$50 → Bot stops → You still have \$200 (80%)
Much more comfortable buffer!

The "Run Forever" Path 🔄

Month 1: \$250 → \$288
Month 3: \$288 → \$380
Month 6: \$380 → \$580
Month 12: \$580 → \$1,350
Year 2: \$1,350 → \$7,250 🔥

🏆 Why \$250 is THE Sweet Spot

- ✓ Losing \$50 only costs you 20% (vs 50% with \$100)
- ✓ Larger orders = better fills, less fee impact
- ✓ Can run all 3 strategies properly
- ✓ Still low enough that losing \$50 isn't devastating
- ✓ **Best balance of risk vs. data quality for testing**

💰 \$1,000 — The "Serious Trader" Setup

Best for: Real profit potential, proper position sizing

Setting	Value
💰 Starting Capital	\$1,000
📊 Capital Allocation	MM: \$300 / Grid: \$400 / RSI: \$300
📦 Recommended Order Sizes	3 ATOM / 5 SOL (script defaults)
🛡️ Suggested Kill Switch	\$100-150 (10-15% of capital)
😎 Risk Level	Low-Moderate

Profit Projections 📈

Scenario	Daily	Monthly	After 1 Year (Compounded)
🐻 Conservative (0.5%/day)	\$5.00	\$150	\$1,820

Scenario	Daily	Monthly	After 1 Year (Compounded)
😬 Moderate (1.5%/day)	\$15.00	\$450	\$5,630
🚀 Optimistic (2.5%/day)	\$25.00	\$750	\$10,970

Worst Case Scenario 🦴

Default: Lose \$50 → Still have \$950 (95%) ✨
Adjusted: Lose \$150 → Still have \$850 (85%)

The "Run Forever" Path 🔄

Month 1: \$1,000 → \$1,150
Month 3: \$1,150 → \$1,520
Month 6: \$1,520 → \$2,320
Month 12: \$2,320 → \$5,400
Year 2: \$5,400 → \$29,000 💎

⚙️ Suggested Script Adjustments for \$1,000

```
# These are actually the script defaults – they fit $1,000 well!  
mm_order_amount = 3      # ATOM  
grid_order_amount = 2     # ATOM per level  
rsi_order_amount = 5      # SOL  
  
# Consider increasing kill switch limits proportionally:  
global_max_loss = 100     # $100 instead of $50  
daily_loss_limit = 50     # $50 instead of $25
```

🏦 \$10,000 — The "Let It Print" Machine

Best for: Serious passive income, set-and-forget wealth building

Setting	Value
💰 Starting Capital	\$10,000
📊 Capital Allocation	MM: \$3,000 / Grid: \$4,000 / RSI: \$3,000
📦 Recommended Order Sizes	20-30 ATOM / 30-50 SOL
🛡️ Suggested Kill Switch	\$500-1,000 (5-10% of capital)

Setting	Value
🧘 Risk Level	Low

Profit Projections 📈

Scenario	Daily	Monthly	After 1 Year (Compounded)
🐻 Conservative (0.5%/day)	\$50	\$1,500	\$18,200
😐 Moderate (1.5%/day)	\$150	\$4,500	\$56,300
🚀 Optimistic (2.5%/day)	\$250	\$7,500	\$109,700

Worst Case Scenario 🦴

Adjusted limits: Lose \$1,000 → Still have \$9,000 (90%)
Default limits: Lose \$50 → Still have \$9,950 (99.5%) 😂

The "Run Forever" Path 🔁









Month 1: \$10,000 → \$11,500
Month 3: \$11,500 → \$15,200
Month 6: \$15,200 → \$23,200
Month 12: \$23,200 → \$54,000
Year 2: \$54,000 → \$290,000 🍷
Year 3: \$290,000 → \$1,500,000+ 🌴

⚙️ Suggested Script Adjustments for \$10,000





```
# Scale up order sizes 10x
mm_order_amount = 30      # ATOM (was 3)
grid_order_amount = 20    # ATOM per level (was 2)
rsi_order_amount = 50     # SOL (was 5)

# Scale up kill switches proportionally
mm_max_loss = 200         # (was $20)
grid_max_loss = 300       # (was $30)
rsi_max_loss = 250        # (was $25)
global_max_loss = 500     # (was $50)
daily_loss_limit = 250    # (was $25)
global_max_drawdown_pct = 10 # Keep at 10%
```

Capital Comparison At-a-Glance

Capital	Order Size	Max Loss	Loss as %	Monthly Est.	1 Year Est.
 \$100	Tiny	\$50	50% 	\$15-75	\$180-\$1,100
 \$250	Small	\$50	20% 	\$38-188	\$455-\$2,743
 \$1,000	Medium	\$50-150	5-15% 	\$150-750	\$1,800-\$11,000
 \$10,000	Large	\$500-1,000	5-10% 	\$1,500-7,500	\$18,000-\$110,000

Which Should You Choose?

 \$100	→ "I just want to see if this works"
 \$250	→ "I want real data without big risk" ← SWEET SPOT
 \$1,000	→ "I'm serious, let's make real money"
 \$10,000	→ "I want passive income, not a hobby"

Pro tip: Start with \$100-250 to validate the bot works. Once you trust it after 2-4 weeks of data, scale up to \$1,000+. The bot doesn't care about your balance — it just trades. But YOU will sleep better knowing it works before going big.


Loss Prevention (Your Safety Net)

This is where the script really shines. **You cannot lose everything.** Here's why:

Three Layers of Protection

Layer 1: Per-Strategy Limits	→ Kills ONE strategy if it's failing
Layer 2: Daily Loss Limit	→ Pauses everything, resets at midnight
Layer 3: Global Kill Switch	→ Nuclear option, stops ALL trading

Current Settings in Your Script

Protection	Limit	What Happens
 Market Making Max Loss	-\$20	MM strategy stops, others continue

Protection	Limit	What Happens
 Grid Trading Max Loss	-\$30	Grid stops, others continue
 RSI Max Loss	-\$25	RSI stops, others continue
 Daily Loss Limit	-\$25	ALL trading pauses until midnight
 Global Max Loss	-\$50	Everything stops permanently
 Max Drawdown	-10%	Everything stops permanently

What This Means For You

With \$100:

Worst case scenario: You lose \$50 (50% of capital)
Bot automatically stops. You still have \$50.

With \$250:

Worst case scenario: You lose \$50 (20% of capital)
Bot automatically stops. You still have \$200.

Why This Is Actually Pretty Safe

1. **Daily limit of \$25** means even a horrible day caps your losses
2. **Individual strategy limits** prevent one bad strategy from draining everything
3. **10% drawdown limit** catches slow bleeds before they get bad
4. **Automatic stopping** — no emotions, no "maybe it'll come back"



MAXIMUM POSSIBLE LOSS: \$50

You literally cannot lose more than this unless you manually override the kill switches (don't do that).

The "Run Forever" Goal

Yes, the bot CAN run forever. Here's how that works:

The Ideal Scenario

Day 1:	\$100.00	→	+\$2.00 profit	→	\$102.00
Day 2:	\$102.00	→	+\$1.50 profit	→	\$103.50
Day 3:	\$103.50	→	-\$0.80 loss	→	\$102.70
Day 4:	\$102.70	→	+\$2.20 profit	→	\$104.90
...					
Day 30:	\$115.00	→	Still running, compounding gains		
Day 60:	\$135.00	→	Still running		
Day 365:	\$300.00+	→	Still running, never added more money		

What Keeps It Running

Requirement	Why It Matters
✔ Net profitable	Gains > Losses over time
✔ Balanced inventory	Not stuck 100% in one asset
✔ Stay above loss limits	Don't trigger kill switches
✔ Hummingbot stays online	Computer/server running

What Would Stop It

Event	Solution
🛑 Hit \$50 loss limit	Add funds or accept the loss
⚖️ Inventory imbalance	Bot has skew adjustment built-in
💻 Computer crash	Run on a server/VPS for 24/7
📉 Market crashes hard	Loss limits protect you, restart after

The Beautiful Truth

If the bot is profitable, it pays for itself and grows forever.

Your \$100 could become \$150... \$200... \$500... without ever adding more money. The profits just compound.

✔ Quick Start Checklist

Before You Start

- ☐ Choose your capital level (\$100 / \$250 / \$1,000 / \$10,000)
- ☐ Deposit funds to Kraken
- ☐ Wait for funds to clear
- ☐ Verify Kraken API is connected in Hummingbot (`connect kraken`)
- ☐ If using \$1,000+, consider adjusting kill switch limits in script

Starting the Bot

```
# In Hummingbot
start --script multi_strategy_bot.py
```

Monitor With


```
# Check status anytime
status
```

Understand the Dashboard

MULTI-STRATEGY BOT STATUS

STRATEGY PERFORMANCE

Strategy	Status	P&L	DD%	Trades
Market Making	[ON]	+\$2.50	0.0%	15
Grid Trading	[ON]	+\$1.20	0.5%	8
RSI Directional	[ON]	-\$0.30	2.1%	3

GLOBAL: +\$3.40 | Daily: +\$3.40 | Status: RUNNING 



Risk Summary

Question	Answer
Can I lose all my money?	No. Max loss is \$50 (default), then bot stops.
Is \$100 enough to test?	Yes. Same data quality, just less buffer.

Question	Answer
Is \$250 better?	Yes. 🌟 Sweet spot — \$50 loss = only 20% of capital.
Is \$1,000 ideal?	For profit, yes. Script defaults are designed for this.
What about \$10,000?	Passive income territory. Scale up order sizes & limits.
Can the bot run forever?	Yes, if profitable. Gains compound automatically.
What's the worst case?	Lose \$50 (default), bot stops, you keep the rest.

👤 Worst Case By Capital Level

Starting Capital	Max Loss	You Keep	% Lost
\$100	\$50	\$50	50% 😬
🌟 \$250	\$50	\$200	20% 😊
\$1,000	\$50-150	\$850-950	5-15% 😎
\$10,000	\$500-1,000	\$9,000-9,500	5-10% 🧘

🚀 Final Thoughts

This bot is designed to be **low-risk by default**. The kill switches are your friends — they prevent emotional trading and catastrophic losses.

No Matter Which Capital Level You Choose:

✅ You Will...	❌ You Won't...
Get real trading data	Lose more than your kill switch limit
Learn how each strategy behaves	Need to babysit it 24/7
Be protected by automatic stops	Risk your entire balance
Compound gains if profitable	Miss out on learning
Be able to scale up later	Regret starting small

The Smart Path Forward

- 🌐 Week 1–2: Start with \$100–250, validate it works
- 💰 Week 3–4: Analyze data, fine-tune settings

- 💰 Month 2: Scale to \$1,000 if confident
- 🏠 Month 3+: Go bigger once you trust the system

Remember

The bot doesn't care if you have \$100 or \$10,000 — it just trades.

The difference is how YOU feel about the risk, and how much profit potential you unlock.

Start where you're comfortable. Scale when you're confident. Let compound interest do the heavy lifting.

Generated for the Dollar-A-Day Project 💰 🚀