

Lykke Index 20

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Some Text.¹

1.1 Definition

- Price $p_{i,t}$: price of asset i at time t
- Quantity $q_{i,t}$: overall number of shares/items per asset i at time t

1.2 Questions to address

- Why 20 currencies? 19-09-2017 14:41 20th market capitalisation (STEEM) is only \$286.382.955 and 24 hour trading volume of \$686.
- “Dead coins” a problem?
- If there is a split (like Bitcoin), new currency is part of Lykke 20 but is part of constituents-check at the end of the week.
- Basis: 1000 Punkte?
- How to get market capitalization of public float?
- Maximal weight maybe 20%? DAX: Maximum weight 10%.

1.3 How does it work in other indices

- DAX: Weighting based on market capitalization of public float (be-deutet Streubesitz, keine Aktien von Langzeitanlegern wie Familie Porsche/Quant).

¹Code and .tex-files can be found at <https://github.com/onnokleen/crypto-index>

1.4 Features

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- Constituent changes each week. Maybe Friday? Maybe based on trade volume in last 7 days? Good against “dead coins”.

2 Example

Data is from <https://www.kaggle.com/sudalairajkumar/cryptocurrencypricehistory>
or CoinCap.io via Rest API
Something nice to illustrate:

- Volatility in August (Bitcoin-split versus July). Show new composition after split.