

Predicting Bitcoin

Time Stamped Results

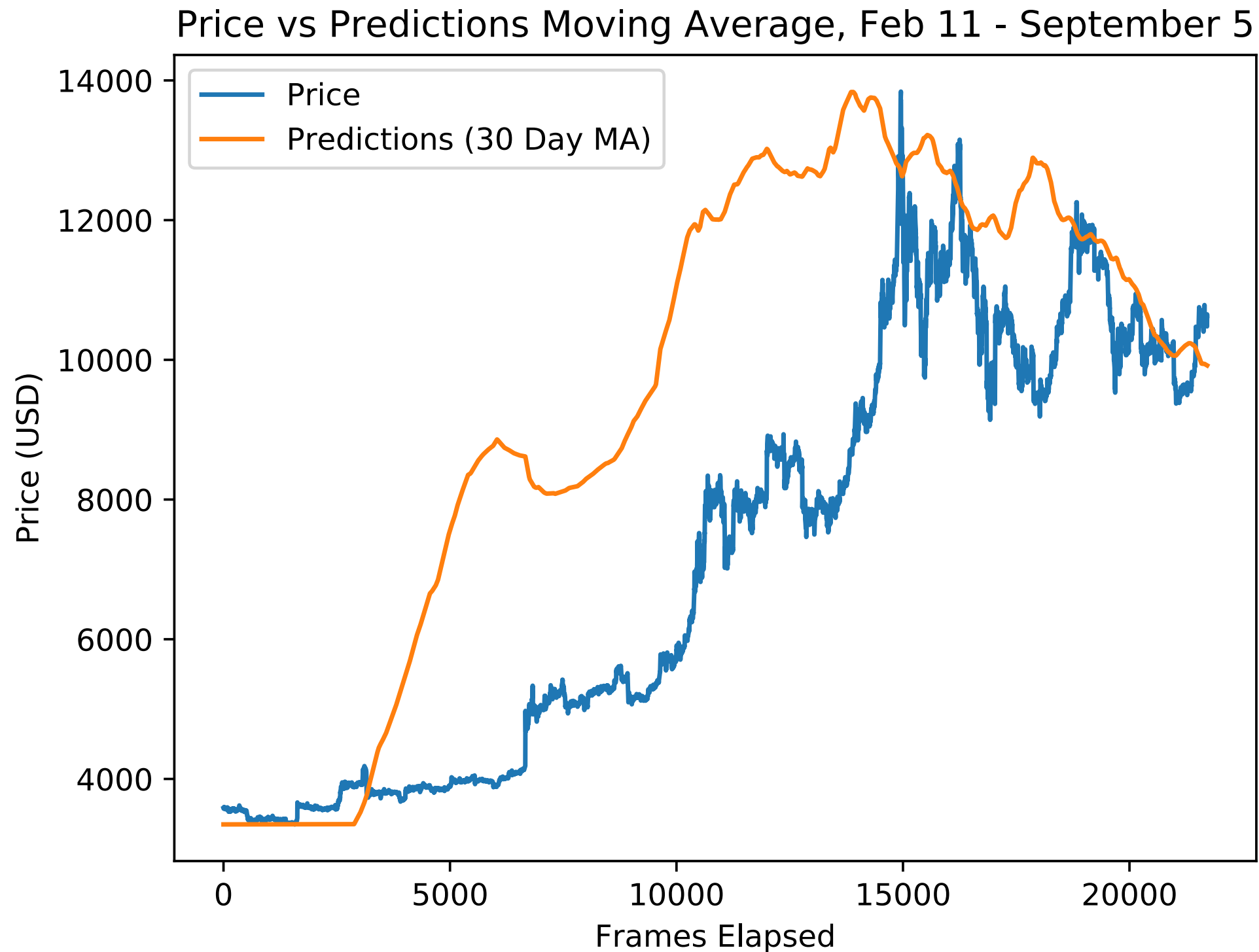
Introduction

- The following shows the predictions issued by my machine learning system, TradeBot, for future Bitcoin price direction since Feb 11, 2019
- By estimating when is a good time to buy and sell, it approximates the future price curve 7 days in advance, to a high degree of accuracy
- Predictions are time stamped and public at predictingbitcoin.com; don't take my word for it

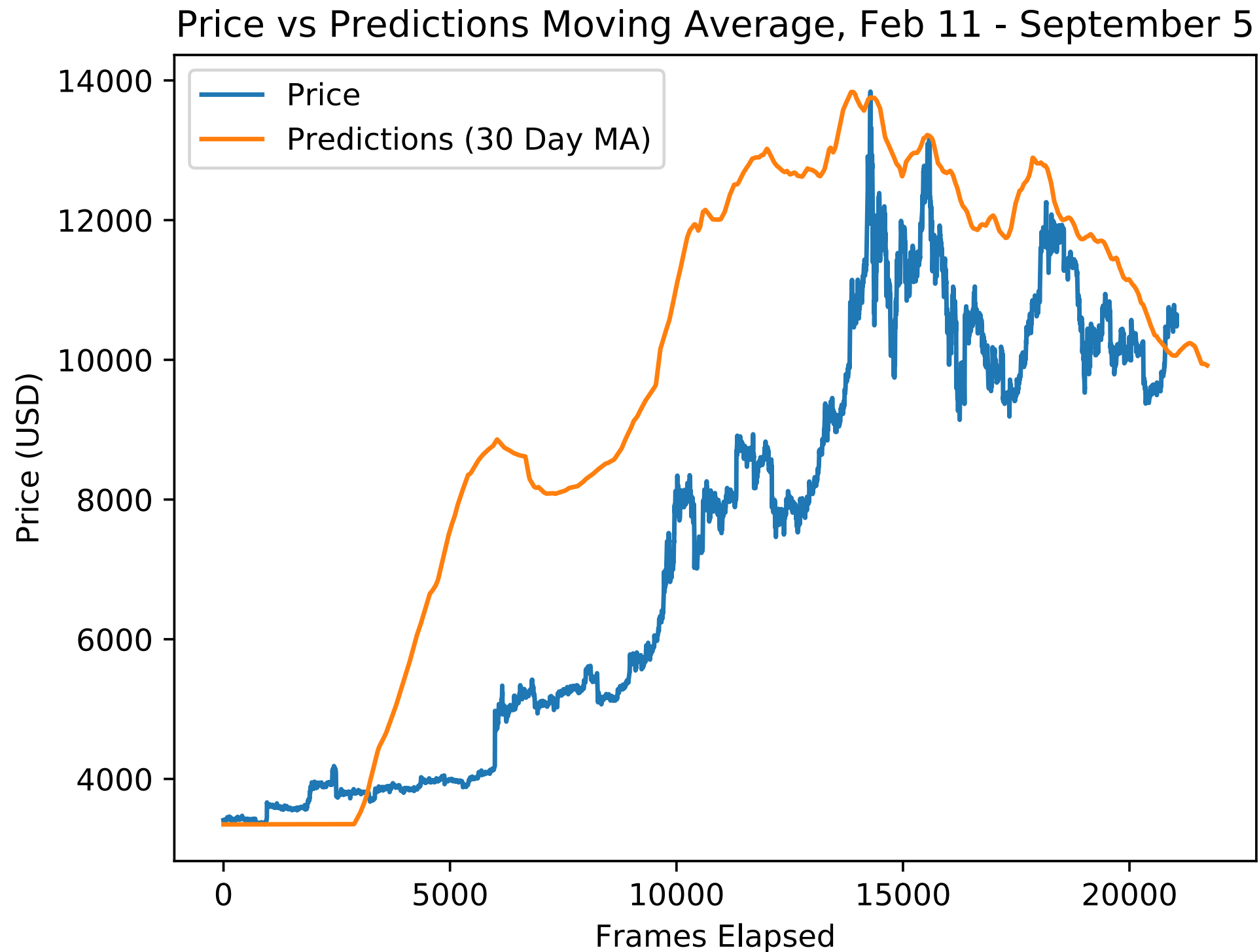
Key Points

- Machine is detecting a strong signal based on universal inputs (ticker data)
- This signal is easily translated into profitable trading
- This is a working solution to a challenging problem: 7 months of real time predictions, issued every 15 minutes

30 day moving average vs price, in real time



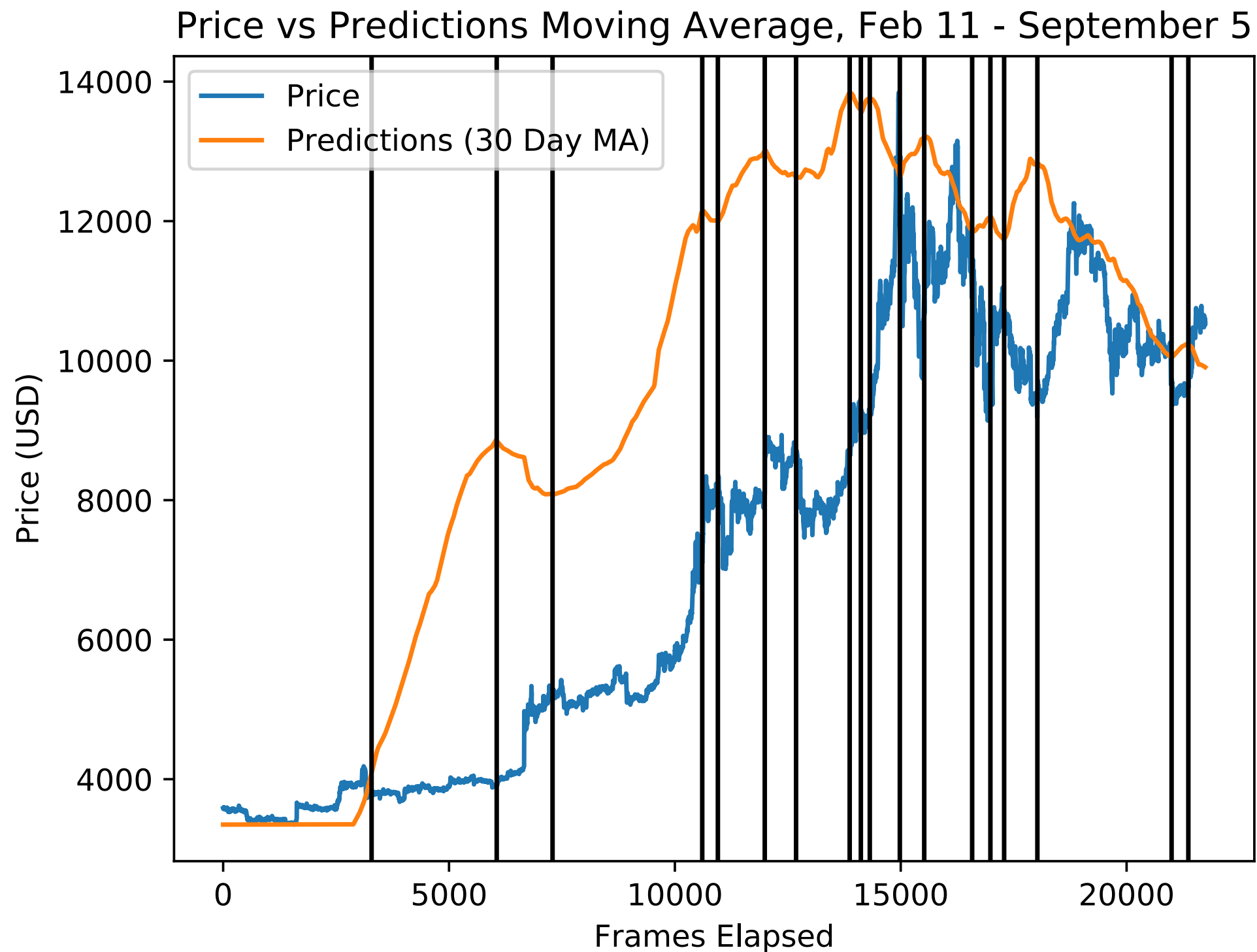
30 day moving average vs price, slide predictions right by 7 days



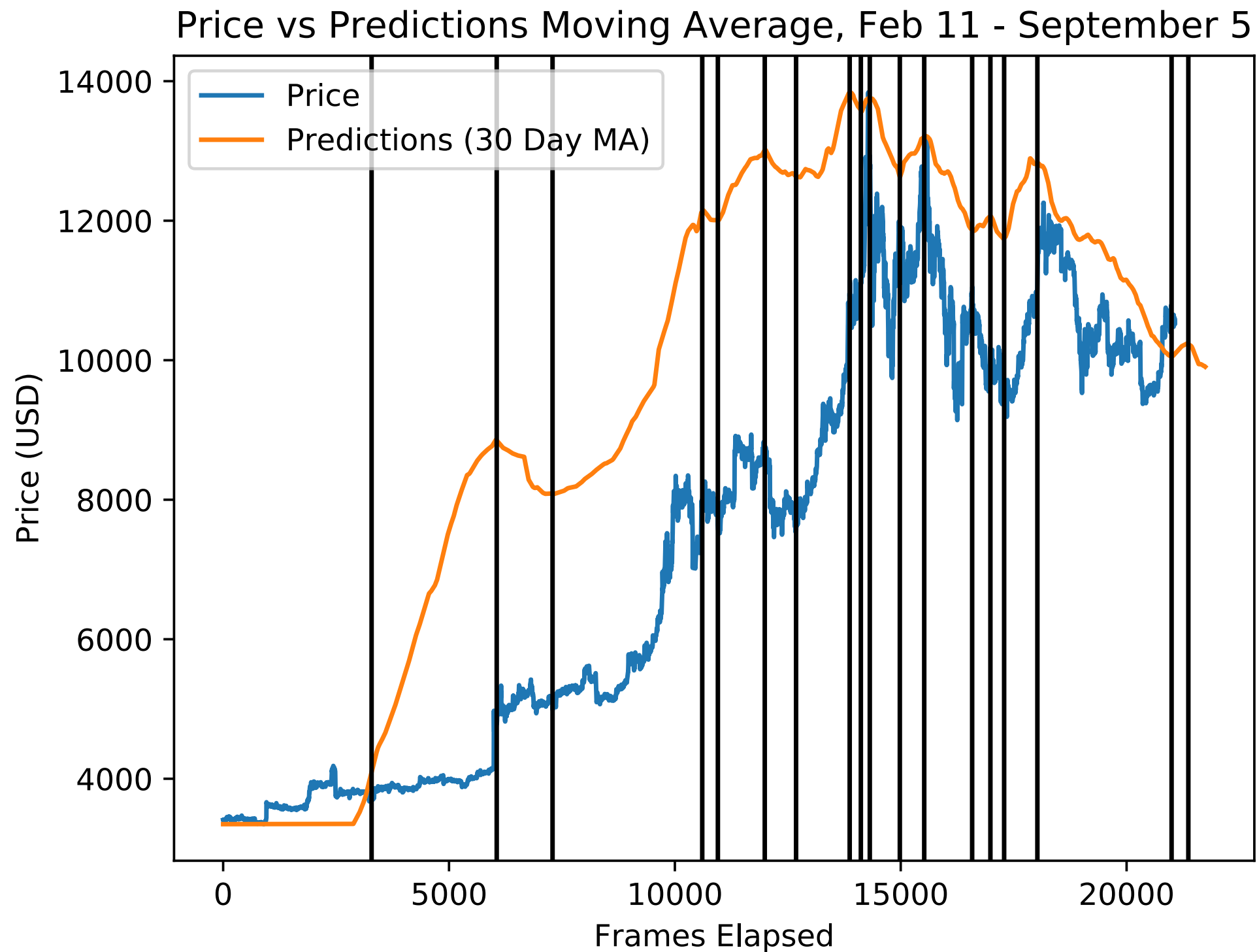
How to use this?

- Similarities are obvious: the moving average captures many movements in advance
- How to trade it? Let's use a simple method: we'll pick out prediction bottoms and tops when they occur, and buy or sell 7 days later. Nothing else!
- (So if the moving average bottom is on February 1st, we will buy on February 8th)

**30 day moving average vs price,
in real time,
with lines for inflection points**



**30 day moving average vs price,
slide predictions right by 7 days,
with lines for inflection points**



Results

- In a long only simulation, with a 1% fee levied per transaction, technique returns 269% vs 194% for Bitcoin, as of 9/5
- The point: we can easily extract value from a consistent future price curve

Summary

- Time stamped predictions have a clear predictive relationship to future price**
- Other results consistent with this finding: in a walk forward test of 2018, outperformed Bitcoin by 180%**

Methodology

- Supervised learning against a calculated objective function
 - Ensemble of regressions
- Rigorous experimentation to see what works and what doesn't

Questions?

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