MODULE 4 UNIT 1
Video 1 Transcript

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NIR VULKAN: Hello everyone, welcome to module four. So now, we've passed the halfway mark and we're counting down. I do long distance running, and I always liked that thing when you pass the halfway mark and you start counting down. So hopefully, you can see the light at the end of the tunnel. Module four is the most technical module you have in this program. And I am aware for those of you who are not from technical background, this might be the most challenging, but I also hope it will also be the most rewarding.

This is where we “enter the workshop” and gets our hands dirty, so to speak. And we're going to do it twice. We're going to do it with my colleague, Hans, who is going to take us through a simple trend model in Bitcoin… So, yes, that is if you want to get really rich, or poor, depending, because there's no words to describe the volatility in that crazy market. But what you can see nicely in that model in that video with Hans is how a trend model would have done and how it can sometimes capture the downturns as well.

And then with me, we're going to work through a spreadsheet where we're going to build a proper trend model that trades in futures. So, as I said, it's a little bit more technical, but we have done a lot of work around it so that you can play around with these things using the spreadsheet. And I really want you—especially if you haven't done any kind of technical stuff—, I want you to really play with this and see, because you get a feel how models change if assumptions change, if execution change, if slippage assumptions are different. And I think that gives you an idea of, you know, what's good in the model, but also the limitation of the model and what kind of questions. So even if you're never going to write models yourself, but you are now going to, you know, have people in your team who are going to do that, this will give you an idea of the kind of questions you should be asking and, kind of, how you can challenge them and how you can really understand the goodness of the model that you are trying to evaluate.

So, it's really, really important, as I said, especially for those of you without technical background. But for those of you who are technically oriented, we have a lot of additional material here as well at the programming, the IDE stuff. And in fact, it's quite big, so we allowed for it to go through two weeks. So, it will accompany you through modules four and five, just because it's a lot of work where you're going to do something similar to what all of us are doing with the spreadsheet, but a little bit deeper. And then you're going to do the programming yourself and see how you can kind of do the same question, look at the robustness of the model, the sensitivity of the model, but doing it using coding. So, how can I say? You’re four out of six through; this is the toughest one, hopefully the most rewarding one. Good luck.

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