

Hello everyone!

I recently stumbled upon a webinar titled ["Building Automated Trading Bots

from a Crypto Arbitrage Developer with Shaun McDonogh"](https://www.youtube.com/watch?v=BK2_VTvnDWg) hosted by dYdX Grants.

This webinar is useful for those interested in automated crypto trading and the use of bots. Shaun offers a deep dive into the world of crypto trading bots, focusing on several key areas. Here's a breakdown of what was covered with timestamps:

By [07:26](#), he teaches how to build a custom trading algorithm, emphasizing the importance of strategy detection and execution.

[17:15](#) marks a discussion about how technical analysis can be automated for profitable trading strategies, mentioning that data with less information can be easier to trade.

He then moves on at [21:46](#) to explain that crypto trading often involves randomness and exploiting price gaps, with a focus on the utility of triangular arbitrage.

[30:47](#) features a case study of a bot finding an arbitrage opportunity on Uniswap exchanges through the application of statistical arbitrage.

At [35:16](#), Shaun emphasizes the advantages of the Rust programming language and running your own full node for gaining an edge in trading.

By [44:40](#), he elaborates on how trading the spread between two tokens can be profitable, using the tactic of shorting one token while going long on the other.

[49:02](#) showcases the win rate and sharp ratio potential of statistical arbitrage, suggesting a Z-score of 1.5 as a starting point.

At [57:21](#), he recommends looking for co-integrated pairs and applying traditional investing principles, including trading uncorrelated assets and considering exchange flow and mempool for better trading.

By [1:03:47](#), Shaun explains how monitoring crypto transactions can help anticipate price impacts and potential arbitrage opportunities.

He notes at [1:12:43](#) that improper risk management leads to losses for 95% of traders and recommends using John Kelly's criterion to optimize trade amounts.

By [1:26:00](#), Shaun recommends learning to build algorithms instead of buying trading bots. He suggests starting with low capital and automating your strategy with Python once you find one that works for you.

Finally, at [1:31:27](#), he mentions that Crypto Wizard provides free code for newbies on a YouTube channel called [Code Raiders - YouTube](#), and can be contacted via [Crypto Wizards](#)

Hope this summary is useful for those who are looking to get into automated crypto trading.

This summary doesn't cover all the ideas mentioned in the video, so I'd recommend watching it in full

Thanks, Shaun for useful information