

CONFIDENTIAL RESEARCH REPORT

AI Trading Research

Comprehensive Analysis of AI-Powered Trading Platforms

Prepared for Elm Lake Labs

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1. Executive Summary

Matt Ferkey uses **Stoic.ai**, an automated crypto trading bot built by Cindicator (founded 2015). He turned \$20k into \$28k — a 40% return. This is plausible during the 2025–2026 crypto bull market, but **not representative of typical or guaranteed performance**.

Key Findings

- **Stoic.ai is legitimate** — real company, 10+ years, 15,000+ customers, \$130M+ managed. However, Trustpilot reviews are mixed (3.7/5, 147 reviews).
- **AI trading bots are tools, not money printers.** Grid bots can outperform buy-and-hold in sideways markets, but signal bots often underperform simple buy-and-hold.
- **Bull market returns mask real risk.** Matt's 40% coincides with BTC's massive rally. The same strategies lost 50–80% in 2022.
- **~70% of global trading volume is algorithmic**, but nearly all institutional. Retail bot users face significant disadvantages.
- **For John specifically:** Agricultural commodity hedging is more practical than speculative crypto trading.

Bottom line: Start small (\$1-5K), use it as a learning experience, expect modest returns at best, and never invest money you can't afford to lose completely.

2. Stoic.ai Deep Dive

Company Background

Founded in 2015 by Mike Brusov (CEO) and Yuri Lobyntsev (CTO). Uses "Hybrid Intelligence" — algorithms incorporating predictions from 156,000+ analysts alongside ML models.

Strategy Options

STRATEGY	APPROACH	CLAIMED APY	RISK	BEST FOR
Long Only	Top 30 altcoins, continuous rebalancing	Up to +406%	High	Bull market believers
Meta	200+ sub-strategies, market-neutral	+38%	Moderate	Recommended for John & Mark
Fixed Income	Spot + short futures (arbitrage)	+4% to +27%	Low	Risk-averse users

Fee Structure

PLAN	PORTFOLIO SIZE	COST
Starter	Up to \$2,000	\$9/mo
Plus	Up to \$10,000	\$25/mo
Pro	Up to \$50,000	5% annual management fee
Enterprise	\$50,000+	Custom + success fees

Hidden cost example: \$20,000 portfolio on Pro = ~\$1,000/year management fee + ~\$200-500/year exchange fees. Need 6-8% returns just to break even on fees.

User Reviews

Trustpilot: 3.7/5 (147 reviews) — "Average"

- **Positive:** Good bull market performance, reasonable bear market protection, responsive helpdesk
- **Negative:** "\$33,000 → \$13,000 in 6 months" (60% loss), accusations of misleading performance reporting, multiple complaints about unresponsive support
- **Key pattern:** Negative reviews overwhelmingly come from Long Only users during downturns

3. Competitive Landscape

Crypto Trading Bots

PLATFORM	BEST FOR	MONTHLY COST	HIGHLIGHT
Pionex ★	Beginners	FREE	16 free bots, 0.05% fees, PionexGPT
3Commas	Multi-exchange	\$12–\$92	Most popular, 20+ exchange support
Cryptohopper	Copy trading	\$0–\$108	Marketplace of pre-built strategies
Bitsgap	Arbitrage	\$22–\$119	Best cross-exchange tools
Shrimpy	Portfolio rebalancing	\$0–\$79	Set-and-forget index funds

Commodity/Futures Platforms

PLATFORM	BEST FOR	COST	RELEVANCE TO JOHN
NinjaTrader	Futures trading	Free sim / \$99/mo	HIGH — ag commodity access via CME/CBOT
TradeStation	Full-service	\$0 stocks / \$0.50 futures	Medium — all-in-one platform
Interactive Brokers	Professional grade	\$0 stocks / \$0.25 futures	Medium — lowest costs, 150+ markets

4. Agricultural Commodity Trading

Why This Matters for John

As a cranberry farmer, John faces price risk. **There is no specific cranberry futures contract.** Cranberries are a specialty crop with Ocean Spray controlling ~65% of US production.

Hedging Strategies for Small Producers

STRATEGY	DESCRIPTION	PRIORITY
Forward Contracting	Lock in prices with buyers before harvest. No exchange account needed.	 HIGHEST
Revenue Protection Insurance	USDA Whole Farm Revenue Protection covers specialty crops.	 HIGH
Input Cost Hedging	Lock in fuel, fertilizer costs via supplier contracts.	 MEDIUM
Diversified Portfolio	Paper trade on NinjaTrader for 60-90 days before real money.	 LEARNING

5. Realistic Expectations

Independent Bot Testing Results

BOT TYPE	BTC RETURN	ETH RETURN	VS. BUY-AND-HOLD
Grid Bots	+9.6%	+10.4%	✅ Outperformed (market was down)
Signal Bots	~= market	~= market	❌ No advantage
DCA Bots	+17.75%	Outperformed	❌ Underperformed BTC buy-and-hold (34%)

The Honest Truth About Retail AI Trading

1. **You are competing against billion-dollar firms** with co-located servers executing in 1-2ms. Your bot runs 100-200ms slower.
2. **Most retail bot users break even or lose money after fees.**
3. **"AI" is often marketing.** Many platforms slap "AI" on simple rule engines.
4. **Past performance ≠ future results.** Every strategy has a shelf life.
5. **Survivorship bias is real.** You hear about Matt's 40%. You don't hear about the losses.

AI Trading vs. Traditional Benchmarks (5-Year)

STRATEGY	5-YEAR RETURN (EST.)	ANNUAL AVG	EFFORT
S&P 500 (VOO/SPY)	+85-95%	~14-16%	Zero
Bitcoin buy-and-hold	+800-1,200%	~50-70%*	Zero
Stoic.ai Long Only	+200-500%**	~25-45%	Minimal
Average retail bot user	+0-30% (after fees)	~0-5%	Moderate

*Bitcoin returns include -65% drawdowns. **Stoic estimates NOT independently audited.

6. Getting Started Guide

Phased Approach

PHASE	TIMEFRAME	COST	ACTION
Education	Weeks 1-2	\$0	Watch Coin Bureau, read this report, set risk tolerance
Paper Trading	Weeks 3-6	\$0	Pionex demo, NinjaTrader simulation
Small Live Test	Weeks 7-12	\$500–\$2,000	Fund Pionex, single Grid Bot, track vs. buy-and-hold
Expand or Pivot	Months 3-6	\$2,000–\$5,000	Scale up if profitable, or just buy VOO

Risk Management Rules (Non-Negotiable)

1. Never invest more than 5–10% of investable savings
2. Start with money you can 100% afford to lose
3. Diversify across bots, strategies, and assets
4. Set stop-losses BEFORE you start
5. No leverage until 12+ months of profitable experience
6. Track everything in a spreadsheet
7. Monthly check: are you beating VOO? If not for 6 months, stop.

7. Recommendation

For Mark (Crypto-Focused)

1. Start with Pionex — \$0 subscription, Grid Bot on BTC/USDT
2. Fund with \$1,000 (money he can lose)
3. Run for 60 days, track vs. BTC buy-and-hold
4. If positive: Open Binance US, connect Stoic.ai Meta strategy

For John (Cranberry Farmer)

1. **Talk to crop insurance agent** about Whole Farm Revenue Protection (WFRP)
2. **Explore forward contracting** with buyers
3. **Check out Farmonaut** (free tier) for crop monitoring
4. Crypto experimentation: same path as Mark, \$500–1,000 of fun money only

The Uncomfortable Truth: If you invest \$10,000 in VOO and don't touch it for 5 years, you'll likely have \$16,000–\$18,000 with near-zero effort. AI trading bots are exciting and educational, but for most people, boring index funds produce better risk-adjusted returns.

This report is for informational purposes only and does not constitute financial, investment, tax, or legal advice. Cryptocurrency trading carries substantial risk of loss. Past performance does not guarantee future results.