1. Good afternoon, my name is \_\_\_\_\_\_\_ and our presentation is on Cryptovisor, a tool that we designed to help the average investor navigate the volatile cryptocurrency market. (29)
2. Block chain is the basis of all cryptocurrencies. What is a blockchain? The first conceptual work was performed in 1991 and has evolved to what we have today. A decentralized, distributed, public ledger. (34)
3. In 2008, a person or group going by the name Satoshi Nakamoto first solved the double spend problem and created Bitcoin. A public ledger records the transactions in a peer-to-peer network. (32)
4. Since 2008, over one thousand five hundred different types of cryptocurrencies have been designed distributed. There are different types of currencies, we’ll be focusing on the conventional coins. (29)
5. Cryptocurrency is creating by mining. This involves validating a transaction and then miners use hard ware to solve a proof of work problem and then the transaction is committed to the blockchain. (33)
6. The cryptocurrency market is in its infancy. Bitcoin currently dominates the market with over a fifty percent share. These currencies are traded on over fifty-four hundred different exchanges. (29)
7. The market for cryptocurrency has seen explosive growth since 2009. Bitcoin reached an all-time high of 19,536 in 2017. For comparison, the S&P 500 index needed forty years to achieve the same amount of growth. (37)
8. Cryptocurrencies are highly volatile due to investor-hype and news reports. Also, it is not regulated by the government, so it is not backed by anything more than the idea that people find value in it. (36)
9. Is cryptocurrency on par with a traditional fiat currency? They match in most aspects but since cryptocurrency is so new, it is difficult to say whether it can retain value over time. (33)
10. Next let’s look at how cryptocurrencies are correlated with other fiat currencies. The correlations on the right indicate a very small positive relation while the plot left shows that cryptocurrency acts closely to gold. (35)
11. Cryptocurrencies are not truly correlated with each other as is shown in the table on the right. Also, there is no real traditional market correlations either. The plot on the left shows a weak relationship between Nikkei and Ethereum. (40)
12. Through our market analysis we’ve found that cryptocurrencies are being used similar to gold though they are not correlated. Also, cryptocurrencies are in a class by themselves when it comes to investing. (33)
13. Sentiment analysis has a strong pull in the cryptocurrency market. In the plot shown here, the grey dotted line shows the google search for bitcoin in relation to Bitcoin’s price, shown here in gold. We can see that searches tend to precede mountains and valleys. (46)
14. There hasn’t been enough research in the field yet but there are trends which indicate there is more here to research. Cryptocompare, one of the many cryptocurrency exchanges, uses a total points calculation to determine the sentiment for the cryptocurrency out there. (43)
15. This is where Cryptovisor comes in, it is a cryptocurrency advisor tool which can help an investor wade through the hype and rumors to determine if it is time to buy or sell Bitcoin. (35)
16. We used data from Cryptocompare, pulling data from their API between October 2016 and February 2018. We used hour-by-hour prices which was read by the labeler component of Cryptovisor. (30)
17. Cryptovisor is comprised of six main components and in this presentation, we are looking at the main engine components, the Labeler and the Modeler which are fed by the data aggregator. (32)
18. After the data is fed to Cryptovisor, the modeler, the machine learning algorithm then calculates values to help the user determine which features are important and statistically significant. (29)
19. The results from Cryptovisor that are shown in this slide represent the output from Cryptovisor. The buy and sell signals are shown in the third row while the results are in the fifth row. (35)
20. Cryptovisor calculated over 2,000 trading signals over a three-month period. The trading strategy proposed by Cryptovisor beat the buy and hold strategy in an annualized return of 1.173 and a Sharpe Ratio by .43. (35)
21. The cryptocurrency market is volatile, and investors do not currently have the tools needed to work this market. Cryptovisor is a tool that has shown to have a 95.5% accuracy in determining the buy, sell or hold position for Bitcoin. (41)