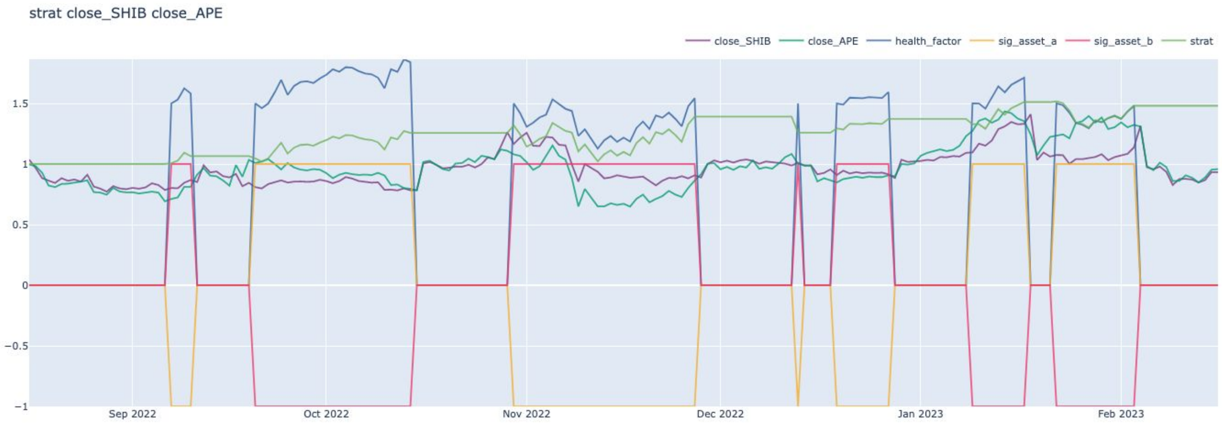
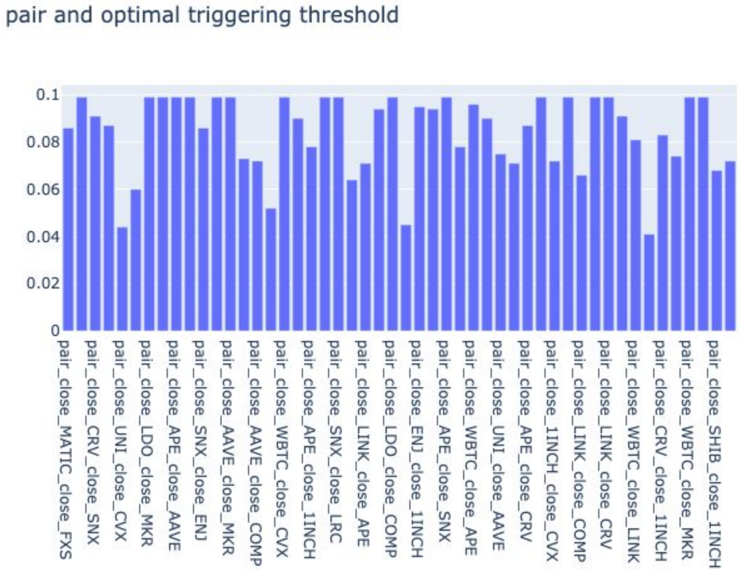
Long/Short pair trading
Defi market neutral strategy

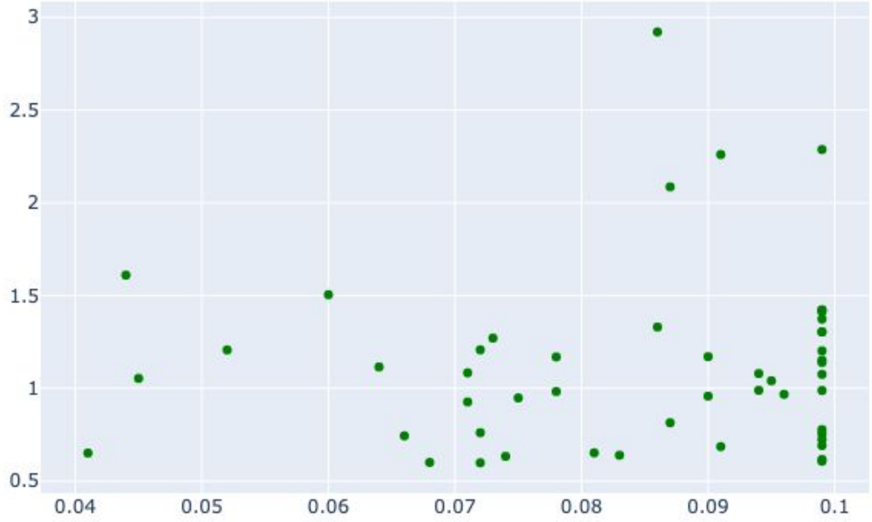
Market neutral daily long/short strategy

- Pairs sharing the same fundamentals (aave, compound)
- Pairs cointegration detection
- Building of an algorithmic trading signal
- Realisation with Euler for Long/Short position
- Risk of liquidation mitigated by cash collateral and buffer
- Stop loss and take profit (health ratio monitoring)
- Using cash to pad collateral for a market neutral strategy :
  (collat_cash + collat_long_coin)*borrow_factor = borrowed_short_coin





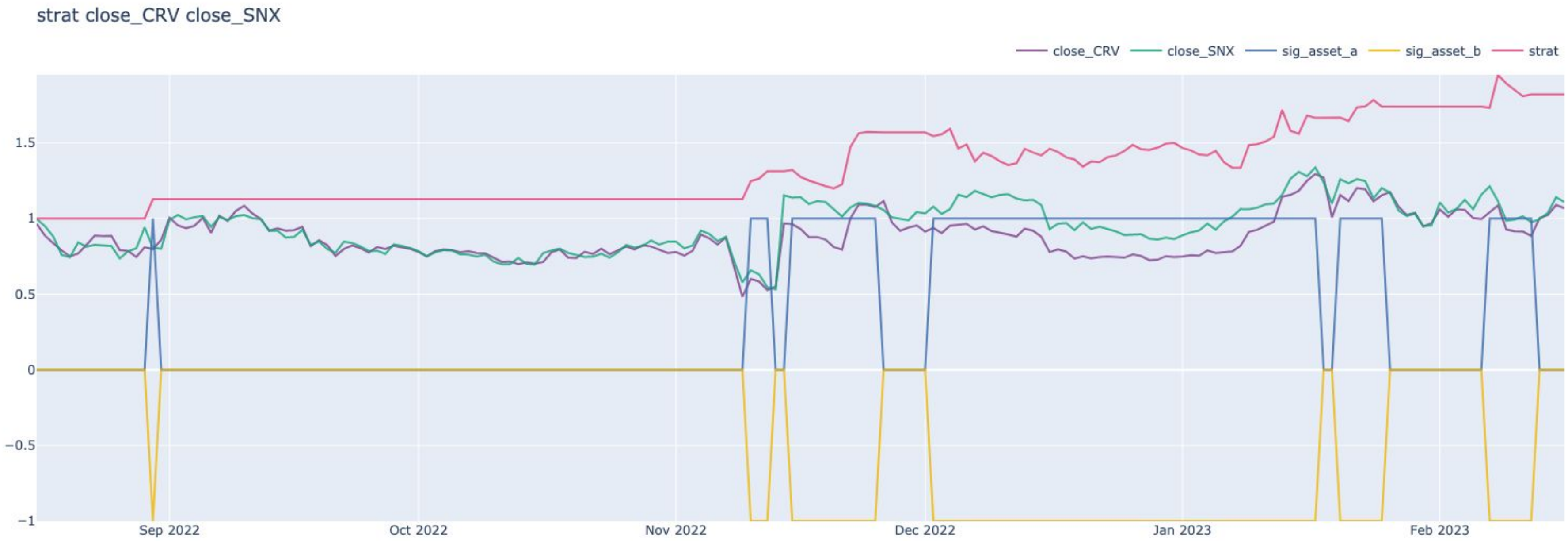
Returns against threshold
(to multiply by 100 for %)



A few pair examples

strat close_SHIB close_APE
close_SHIB
close_APE
sig_asset_a
sig_asset_b
strat
1.5
1
0.5
0
−0.5
−1
Sep 2022
Oct 2022
Nov 2022
Dec 2022
Jan 2023
Feb 2023


strat close_CRV close_CVX
close_CRV
close_CVX
sig_asset_a
sig_asset_b
strat
1
0.5
0
−0.5
−1
Sep 2022
Oct 2022
Nov 2022
Dec 2022
Jan 2023
Feb 2023


strat close_CRV close_SNX
close_CRV
close_SNX
sig_asset_a
sig_asset_b
strat
1.5
1
0.5
0
−0.5
−1
Sep 2022
Oct 2022
Nov 2022
Dec 2022
Jan 2023
Feb 2023

strat close_LDO close_AAVE

Health ratio monitoring