Module 7 - Structure of a Trading Strategy

MSc in Quantitative Finance (MQF), 2024

Use case 1: trend following strategy

Strategy Planning	Requirements / design / implementation notes
Security type	
Trading frequency	
Market data source	
Order APIs	
Trading model	
Position management	
Risk management	
System diagram	

Use case 2: market making strategy

Strategy Planning	Requirements / design / implementation notes
Security type	
Trading frequency	
Market data source	
Order APIs	
Trading model	
Position management	
Risk management	
System diagram	

Use case 3: signal trading strategy

Strategy Planning	Requirements / design / implementation notes
Security type	
Trading frequency	
Market data source	
Order APIs	
Trading model	
Position management	
Risk management	
System diagram	

Use case 4: auto-hedging strategy

Strategy Planning	Requirements / design / implementation notes
Security type	
Trading frequency	
Market data source	
Order APIs	
Trading model	
Position management	
Risk management	
System diagram	

Use case 5: machine-learning strategy

Strategy Planning	Requirements / design / implementation notes
Security type	
Trading frequency	
Market data source	
Order APIs	
Trading model	
Position management	
Risk management	
System diagram	

Classroom exercises: week_07

- A simple pricing strategy
  - Aim is to provide two-ways liquidity to the markets
  - Constantly maintain a limit order on bid and ask sides
  - Keep track of positions, and use risk to size the order
  - Pricing aggressiveness setting