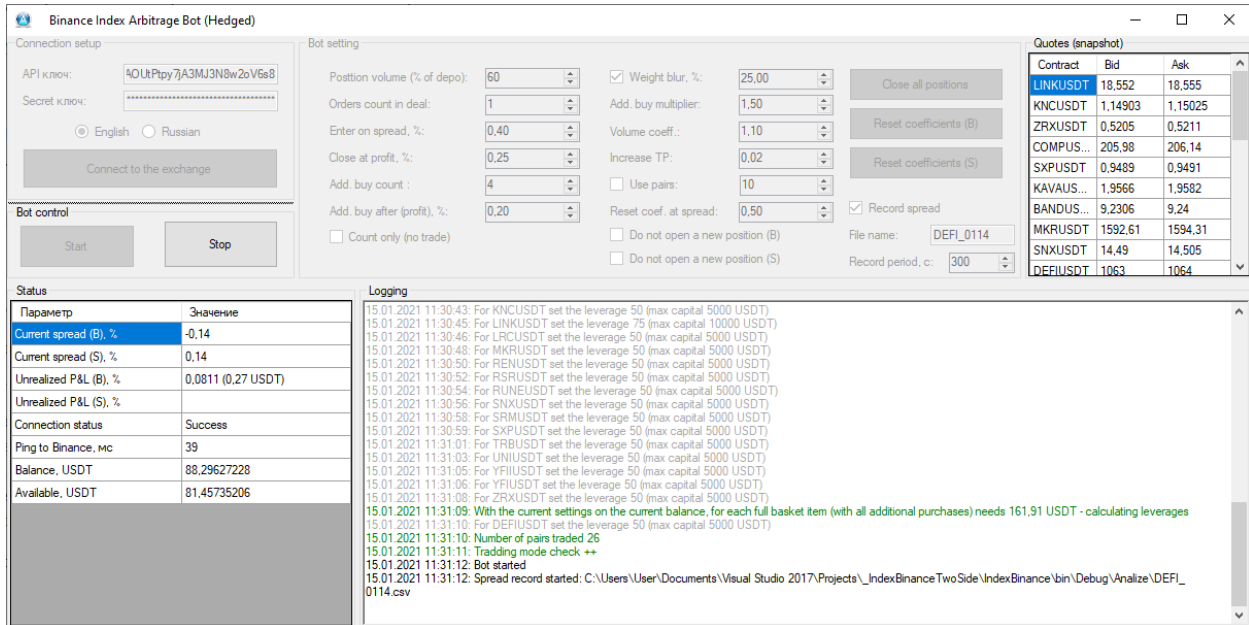


Index Arbitrage Bot (Hedged) for Binance

(User manual)

Trading bot appearance:



(in updated versions bot appearance may slightly change)

I. Bot Appearance and Settings

Connection Settings Block

In the 'API Key' and 'API Secret Key' fields enter the keys of the exchange. Make sure you enable trading for the futures section in the key settings when you create keys on the exchange.

The 'Connect' button is designed to connect to the exchange.

Bot Control Block

This block is designed for starting and stopping the bot. 'Start' button launches the trading bot (first specify the settings in the Bot Settings Block). Click the 'Stop' button for stopping the bot.

Status Block

This block maintains the results of calculations and trading for selected instruments.

Some blocks are divided into 'B' and 'S'. Here 'B' is a block where we buy an index and sell a basket (included in the index) is sold. 'S', respectively, is a block where we sell an index and buy a basket.

The 'Current spread (B)' field shows the spread between the index and the basket in that part of the strategy where we buy the index and sell the basket. At the same time, the bot opens a deal when the spread value is negative (according to the settings).

The 'Current spread (S)' field shows the spread between the index and the basket in that part of the strategy where we sell the index and buy the basket. At the same time, the bot opens a deal when the spread is positive (according to the settings).

The 'Unrealized P&L (B), %' displays the absolute overall profitability of the total deal, i.e. purchase profit/loss + sale profit/loss (in %). If there are no open trades, this field will be empty. This field refers to that part of that strategy where we buy the index and sell the basket.

The 'Unrealized P&L (S), %' displays the absolute overall profitability of the total deal, i.e. purchase profit/loss on purchase + sale profit/loss (in %). If there are no open trades, this field will be empty. This field refers to that part of the strategy where we sell the index and buy the basket.

The 'Connection status' field shows the current state of the connection. It should display 'Success' if the connection to the exchange is successful.

The 'Ping to Binance, mc' displays the ping size to the exchange (another indicator of the connection quality).

The fields 'Balance, USDT' and 'Available, USDT' respectively display the balance and available funds on the futures account.

Bot Settings Block

This block is for setting the bot.

In the 'Position volume (% of the depo)' field we specify the size of the position opened by the bot relative to the size of the trade deposit. For example, if you specify 200%, then the volume of the total position will be twice as high as the size of the deposit on the futures account.

The bot trades in two directions – the volume specified in this configuration is the volume of one deal (!). That is, if you set a value of 100%, then the bot can open 100% in one direction, and another 100% in the other direction (i.e., the total hedged position will be 200%).

! Important to know. Since the bot trades a large number of pairs, it is recommended that the position volume be at least 500 USDT. Otherwise, there may be imbalances in volumes. For example, you have a deposit of 400 USDT, and the 'position volume' configuration is specified as 1.25, thus the position volume is $400 * 1.25 = 500$ USDT, which is greater than/equal to the minimum recommendation.

In the 'Orders count in deal' field we set the value which means how many parts to divide the trading deposit into. It is necessary if you trade high volumes. For low deposit set 1.

For example, you have a trading deposit of \$ 5,000 and you have set the position volume to 200%. This means that the position volume will be equal to 10,000 dollars. You realise that if we trade this total volume (a large order) without dividing it into a series of smaller ones, the bot will move the price and we will get a worse price. So to avoid it, we use order splitting by setting the number of orders in the deal. For example, we set the value to 5, then the bot will take 5 positions equal to 2,000 each ($10,000/5$). At the same time, before each deal, the bot checks whether the spread has worsened.

In the 'Enter on spread, %' we indicate the spread between baskets where the bot opens a deal.

In the 'Close at profit, %' field we set the profit size to close out positions.

In the 'Add. buy count' set the number of additional deals in case the spread still increases – thanks to this you can increase your profit. We indicate the step of additional purchase in the 'Add. buy after (profit), %' – the same in profit values (not spreads).

If you don't want the bot to open a new deal after closing the current one, tick the 'Do not open a new position (B)' checkbox and/or the 'Do not open a new position (S)' checkbox. At the same time the bot will not open a position when the index is bought or/and the index is sold.

A tick in the 'Weight blur, %' checkbox is for blurring weight in the basket of DEFI index futures. We need it for spreads, otherwise the basket and the index will move almost identically. The size of the blur is indicated in the 'Weight blur' field in percentage.

In the field 'Add. buy multiplier' we indicate the increments for each subsequent purchase. This works well in the averaging strategy. How it works. Let's suppose that we have an additional buy order of 0.1% and a multiplier of 1.5. It means that the first additional buy order will be at 0.1%, the second already at 0.15% of the previous one ($0.1\% \times 1.5$), and the third at 0.225% of the previous one ($0.1\% \times 1.5 \times 1.5$).

In the 'Volume coeff.' field we indicate how much to increase the volume of each subsequent purchase. For example, we have an opening volume of 1000 and a volume coefficient of 1.2, it means that the first deal is 1000, then an additional buy order of 1200 (1000×1.2), the second purchase of 1440 ($1000 \times 1.2 \times 1.2$), and so on.

In the 'Increase TP' field we indicate how much (%) we want to increase take profit after each additional buy order. It improves the result – the value goes below 0 and profit grows as we return. For example, our take profit is 0.3% and the take profit increase is 0.05%. Then, after opening a position, our actual take profit will be 0.3%, after the first additional buy order – 0.35% ($0.3\% + 1 \times 0.05\%$), after the second additional buy order the actual take profit is 0.4% ($0.3\% + 2 \times 0.05\%$).

If you tick the 'Use pairs' checkbox and specify the amount, then the bot will trade the index not against all components, but against the specified amount. At the same time the bot will select pairs with the largest weights in the index in order to preserve the "arbitration" as much as possible. The fewer elements, the more spreads there will be. It must be taken into account when choosing a trading volume.

The 'Reset coef. at spread' field is designed to improve trading efficiency. When spread values reaches the specified value (the value goes to the opposite side from the value we need to open a position), the coefficients are reset, and the bot starts counting the spread from scratch. It saves a lot of waiting time to open the position.

To carry out tests without trading, tick the 'Count only (no trade)' checkbox. In this case the bot will not open deals.

Also, for carrying out tests it will be useful to tick the 'Record spread' checkbox. In this case the bot will record the current spread to a CSV file (the file name is entered in the 'File name' field). Data will be recorded with the frequency specified in the 'Record period, s' field.

The 'Close all positions' is to close all open positions (so as not to enter the exchange).

The 'Reset coefficients (B)' button is to reset coefficients (for the index purchase chain), i.e. it reduces the portfolios to zero and returns to the original value. This can be used when changing the portfolio structure, or when you want to start from scratch with the current portfolio.

The 'Reset coefficients (S)' button is the same as described above but it refers to the index sale chain.

Quotes Block

This block displays quotes for both baskets in a snapshot mode.

Logging Block

This is an information block that displays general details about current operations of the bot – connection, disconnection, transactions and error codes, if any. Also, all this information is recorded to files in the ‘Logs’ folder.

II. Bot operation (required reading)

Make sure you install Net Framework 4.7 libraries

<https://dotnet.microsoft.com/download/dotnet-framework-runtime/net472>. Install "as administrator" and restart your computer.

Only one bot can be launched on one account, other copies of the bot or other bots cannot be launched. Also, manual trading is not allowed but you can enter the exchange.

Do not reset coefficients when positions are open! It will reset the spread calculation system and the bot will open the position not relative to the spread it used for gaining positions but relative to the new one it built.

The profit should cover the commission and possible slippage – these are not large values, but they should still be taken into account. The recommended TP size is from 0.2% and higher (it will make your profit tangible).

Follow the news on the [channel >>>](#)

If you have any questions about the bot, please contact the [support chat >>>](#)