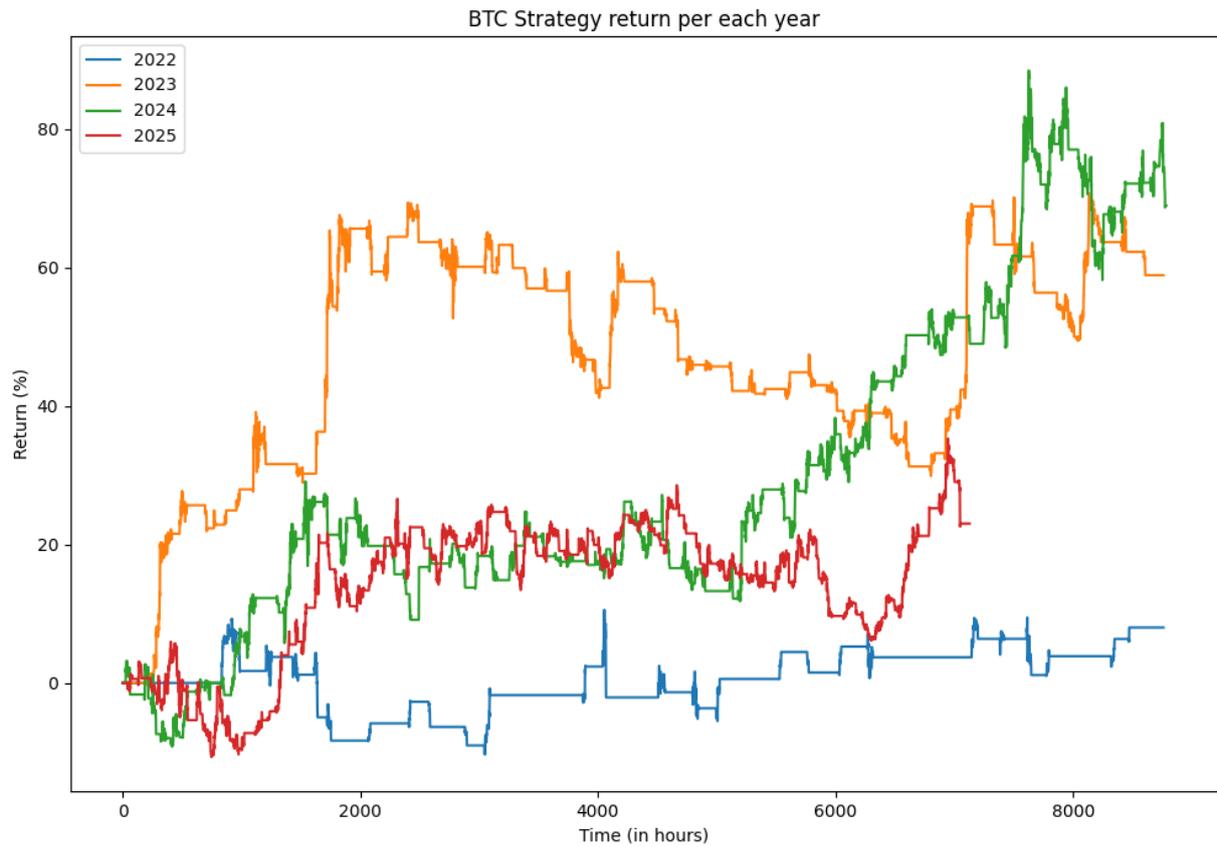# Trading setup

1. **Entry Conditions**
   a. The strategy opens long position when the trading signal value equals 10
   b. It opens short position when the signal value equals 1
   c. Each trade pays transaction fee on entry of 0.05% - which is average historical transaction cost on BTC perp futures
   d. Upon entry, the strategy sets the take-profit and stop-loss levels dynamically based on the ATR (Average True Range) of the past 48 hours, meaning TP/SL can vary, sometimes as tight as 2% or wider than 15%, depending on market volatility at the time of entry, and once a position is open, these TP/SL levels remain fixed until the trade is closed.

2. **Exit conditions**

Once a position is open, the strategy continuously checks for exit triggers. A trade can close for one of the following reasons:

   a. Take-Profit (TP): The price moves favourably by a predefined percentage based on the entry price.
   b. Stop-Loss (SL): The price moves against the position by the same predefined percentage.
   c. Signal-Based Exit
      i. For long trades, if the signal drops to 5 or below, that's a potential exit.
      ii. For short trades, if the signal rises to 5 or above, that's a potential exit.
      iii. However, the strategy will only exit on a signal change if the trade is already in profit. If the trade is in loss, strategy will omit signal-based exit rules from i. and ii., and only use TP/SL exits.
   d. Time-Based Exit: If the trade has been open for 48 hours or more, it automatically closes at the current price.

Results Graph

BTC Strategy return per each year

Results Table

	2022	2023	2024	2025-Until Oct
Total return	8.0%	58.9%	69.0%	23.01%
Number of trades	35	97	142	148
Win rate	57.1%	58.9%	61.3%	56.1%
Average trade return	0.40%	0.62%	0.51%	0.27%
Average monthly return	0.71%	2.70%	4.80%	3.89%
Sharpe	0.45	1.77	1.70	0.98
Max drawdown	-17.93%	-23.32%	-16.06%	-17.43%