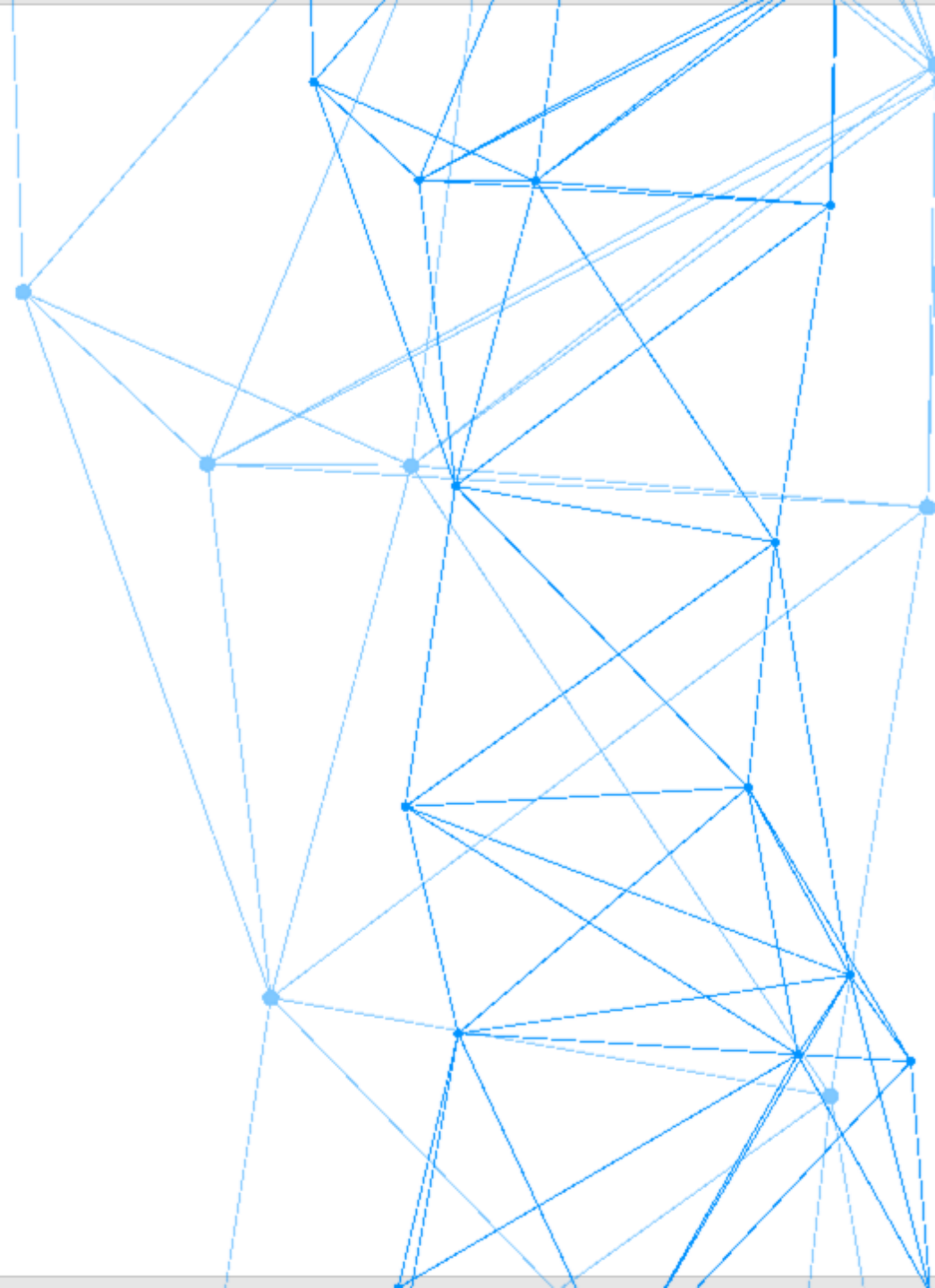




# **Alfa Algorithms: Algorithmic Trading and other Solutions**





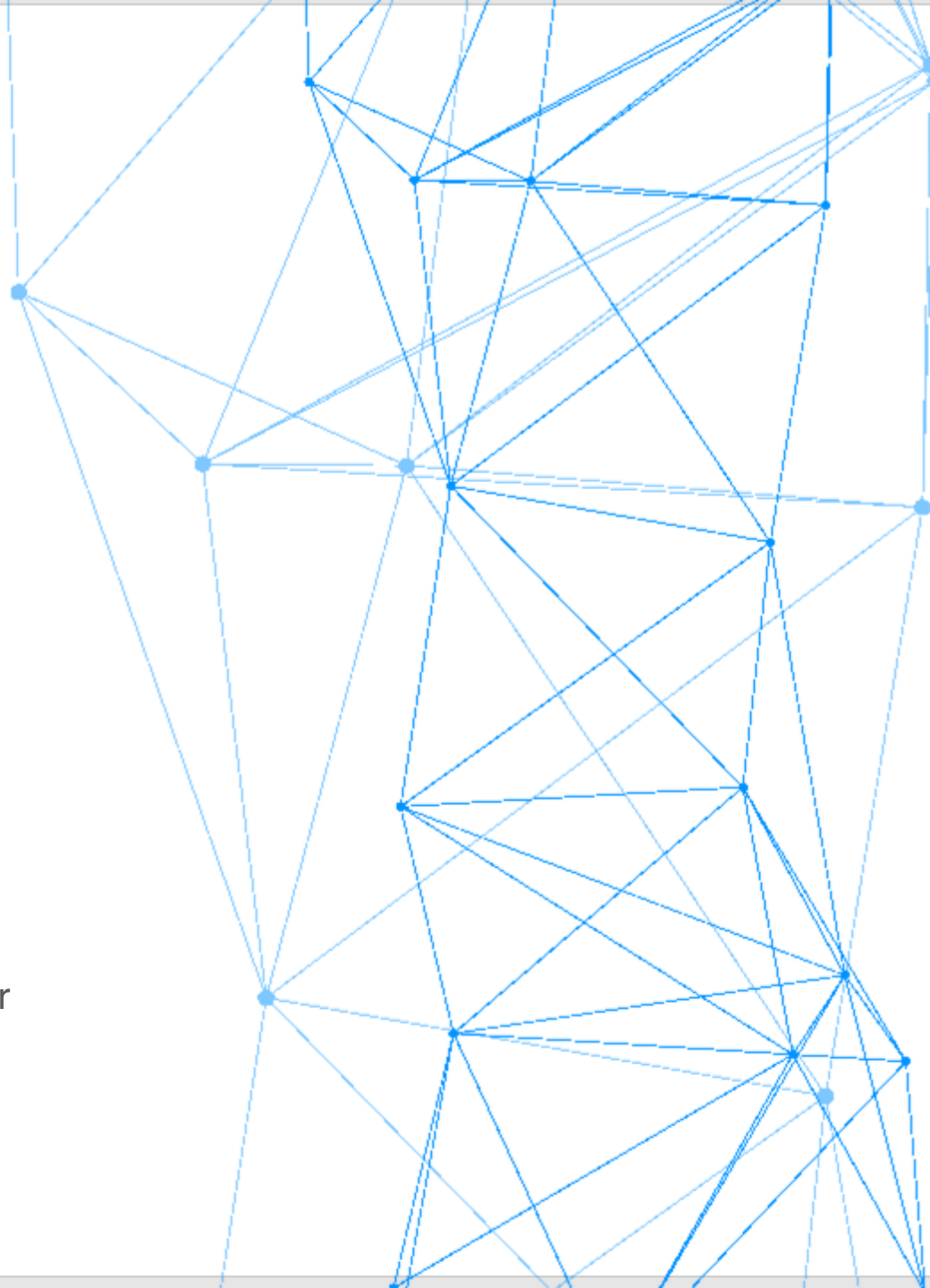
# Introduction

Alfa Algorithms is a leading technology provider company based in Israel and Cyprus. Our company **specializes in developing powerful algorithms for trading that enable individuals and institutions to manage their funds with steady growth.**

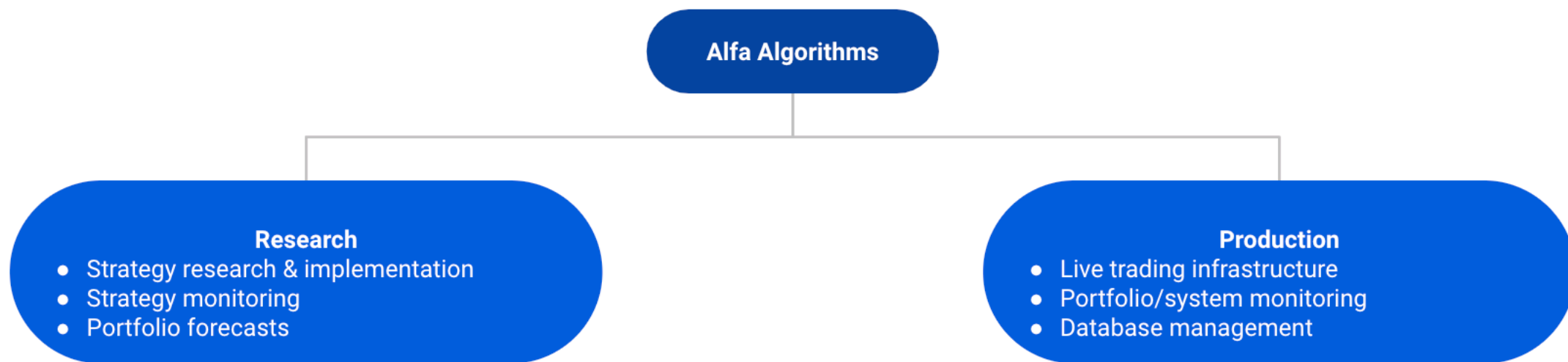
We strongly believe that our effective financial instruments can offer a significant advantage to companies operating in the Japanese market. Over the years of our successful work, we have developed a reputation for excellence in the fintech industry. Our advanced technologies are utilized by over 100 brokers through our technology providers, enabling them to provide their clients with top-tier solutions and services.

In last 8 years we also have developed a range of Whitelabel solutions for trading, including Web and mobile trading Apps, Risk Management and BI Systems, and CRM systems tailored for trading. As technical partners of leading CRM, Signal, and Payment Technology providers, we are able to tailor full-scale solutions according to unique needs.

We are enthusiastic about bringing new technologies to the financial market and are always looking for new partnerships!



# Our Algorithmic Trading Approach



## Research:

- Industry best-practice tools, oriented towards results
- Using top-grade data from CBOE/CME/NYSE/NASDAQ

## Production:

- Full in-house automation and database solutions
- Connection to multiple brokers



# Our Algorithmic Trading Approach: Volatility focused strategies. Variance Risk Premium

## Why does trading volatility and writing options work?

- Volatility is the variation in market prices
  - Market participants estimate the future volatility  
This is called *implied volatility*
    - Empirically, we see *Implied Volatility* > *Realized Volatility*  
People are risk-averse and are paying premium in order to hedge
      - VRP is exactly this difference:  $IV - RV > 0$   
This phenomenon is well-studied and was known for decades <sup>1</sup>

1. [Historical Performance of Put-Writing Strategies](#), Oleg Bondarenko, Jan 2019



# Algorithmic trading overview

## What is algorithmic trading?

Algorithmic trading is the automated execution of market orders. Over 60%<sup>1</sup> of all trading is done by machines.

## With algorithms we can:

- Implement statistics and machine-learning signals
- Achieve consistent and predictable performance

## Why us?

Our successful track record of over 4 years of live automated-trading and our research oriented mentality.

1. [Algorithmic Trading Methods 2nd Ed., Robert Kissel, Sep 2020](#)

Research



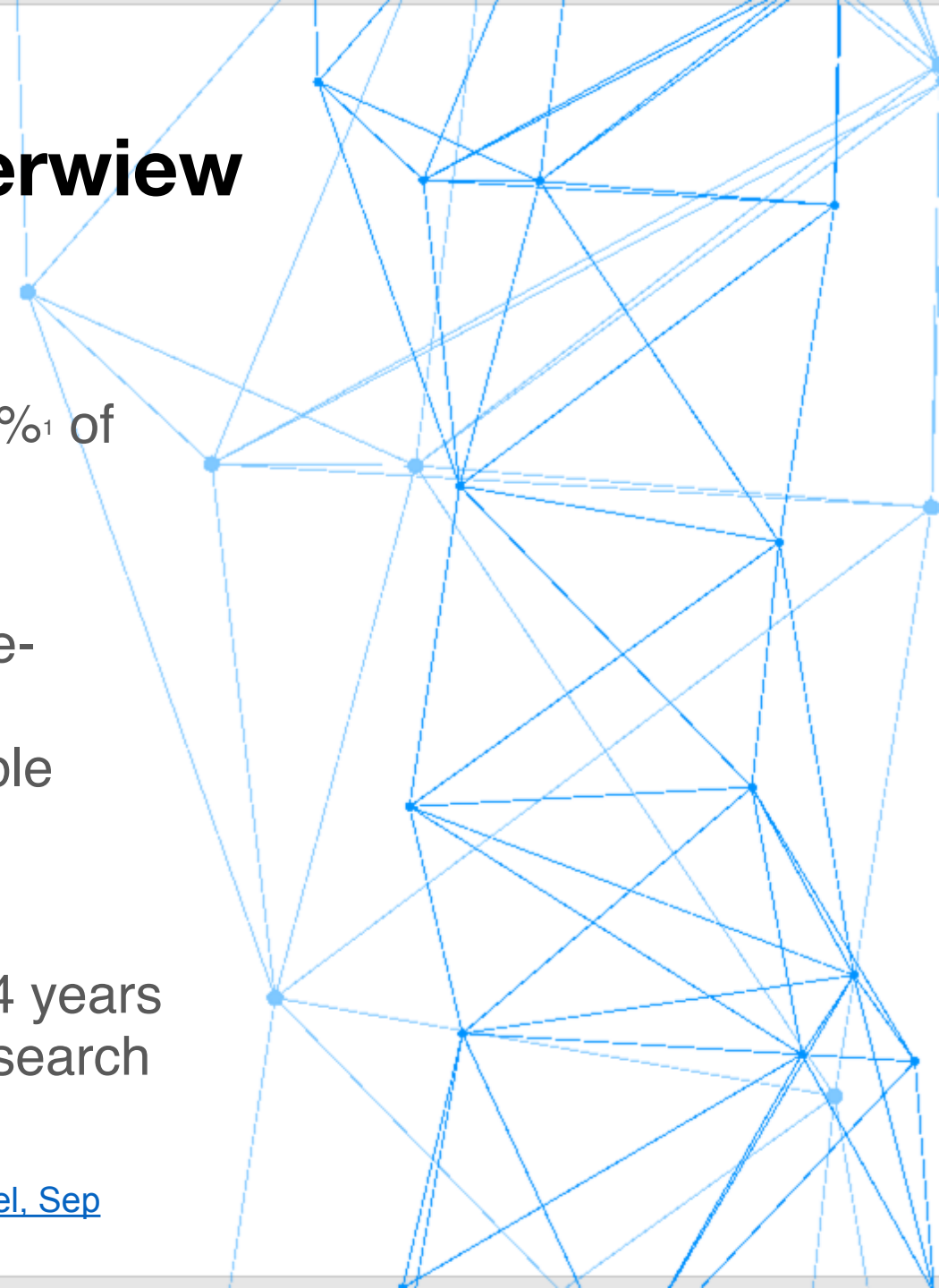
Code



Analysis of  
market conditions



Decisions





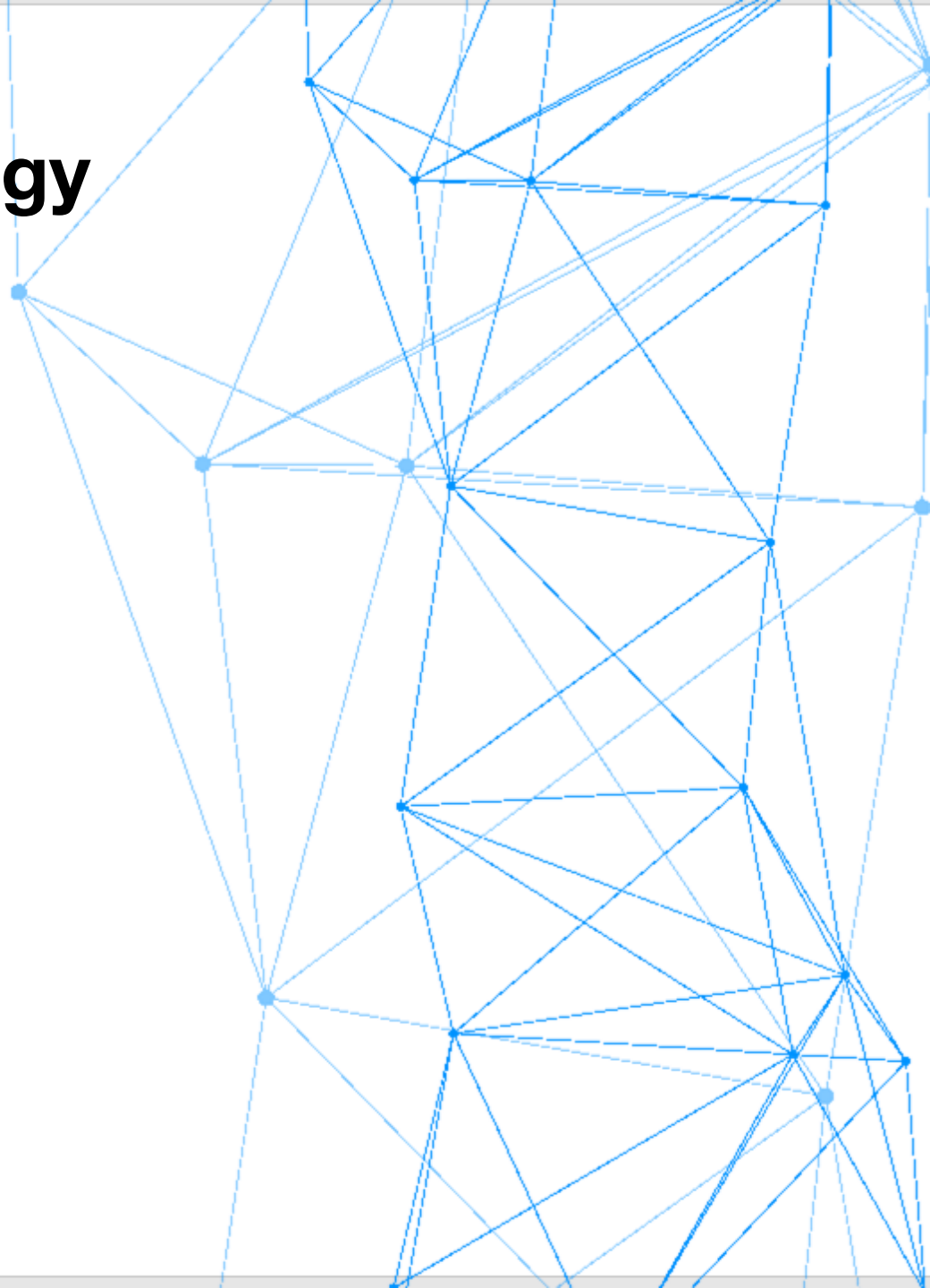
# Our system: Methodology

## General overview

- Trade options on major indices and futures
- Target price opportunities due to volatility dislocation and volatility reversion
- Manage our positions daily using statistics and machine learning methods
- Hold a combination of US equities, bonds, and cash

## Advantages

- **Low correlation** with S&P
- **Superior returns** vs S&P
- **Less drawdowns** vs S&P



# Our system: Simulated Results

## Combined strategy

Backtested performance, strategy performance, with reinvestment

	Strategy 2	SPX
CAGR	40.1%	11.2%
Max DD	22.1%	34.1%
Sharpe	0.51	0.13
SPY Beta	0.31	1





# Case Study: Unedited real trading results

## Cumulated performance in last 4 years

Performance — EXANTE

Fundings	211 643.72	Interest	-264.22
Withdrawals	-380 159.28	Commissions	-10 668.57
Unrealised Delta P&L	2 125.98	Overnights	-5 831.96
Gross Realized P&L	96 285.44	Converted Volume	-437.72
Rebates	100.98	Other	-415.75
Dividends	173.24		
Currency Based Adjustment	3 292.79		

### Statistics for a period, USD

Realized Net P&L	82 234.22
Total Net P&L	84 360.2
ROI	102.86 %
Sharpe Ratio	0.0303
Sortino Ratio	102.0557

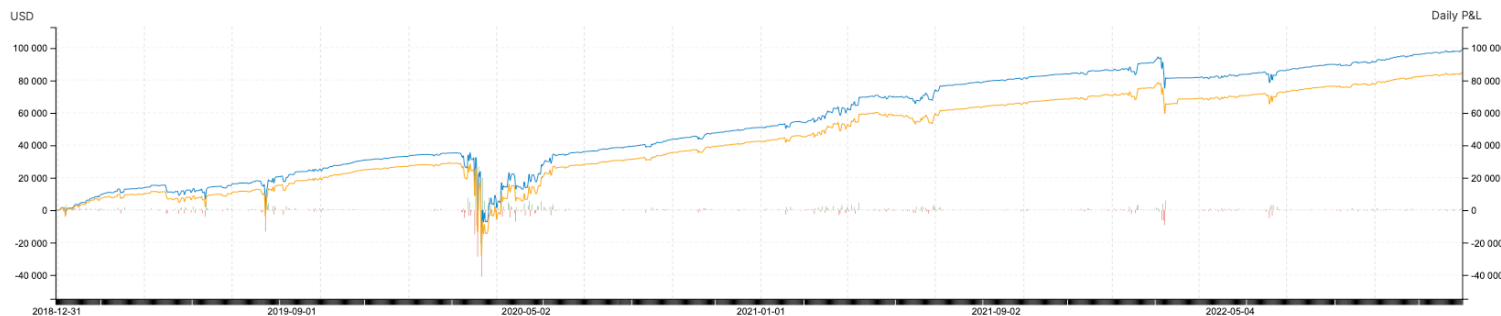


### METRICS PER CURRENCIES

CURRENCY	INTEREST	INTEREST, USD	CONVERTED VOLUME	CONVERTED VOLUME, USD
USD	-48.5	-48.5	-157 899.13	-157 899.13
SGD	0	0	-9.21	-6.84
RUB	-13 999.55	-163.86	485 587.67	2 379.61
ILS	-0.06	-0.02	-6 328.66	-1 921.61
EUR	-47.64	-51.81	145 137.64	157 734.72
CHF	-0.03	-0.03	-673.61	-724.47

[Download XLS report](#)

### Daily P&L

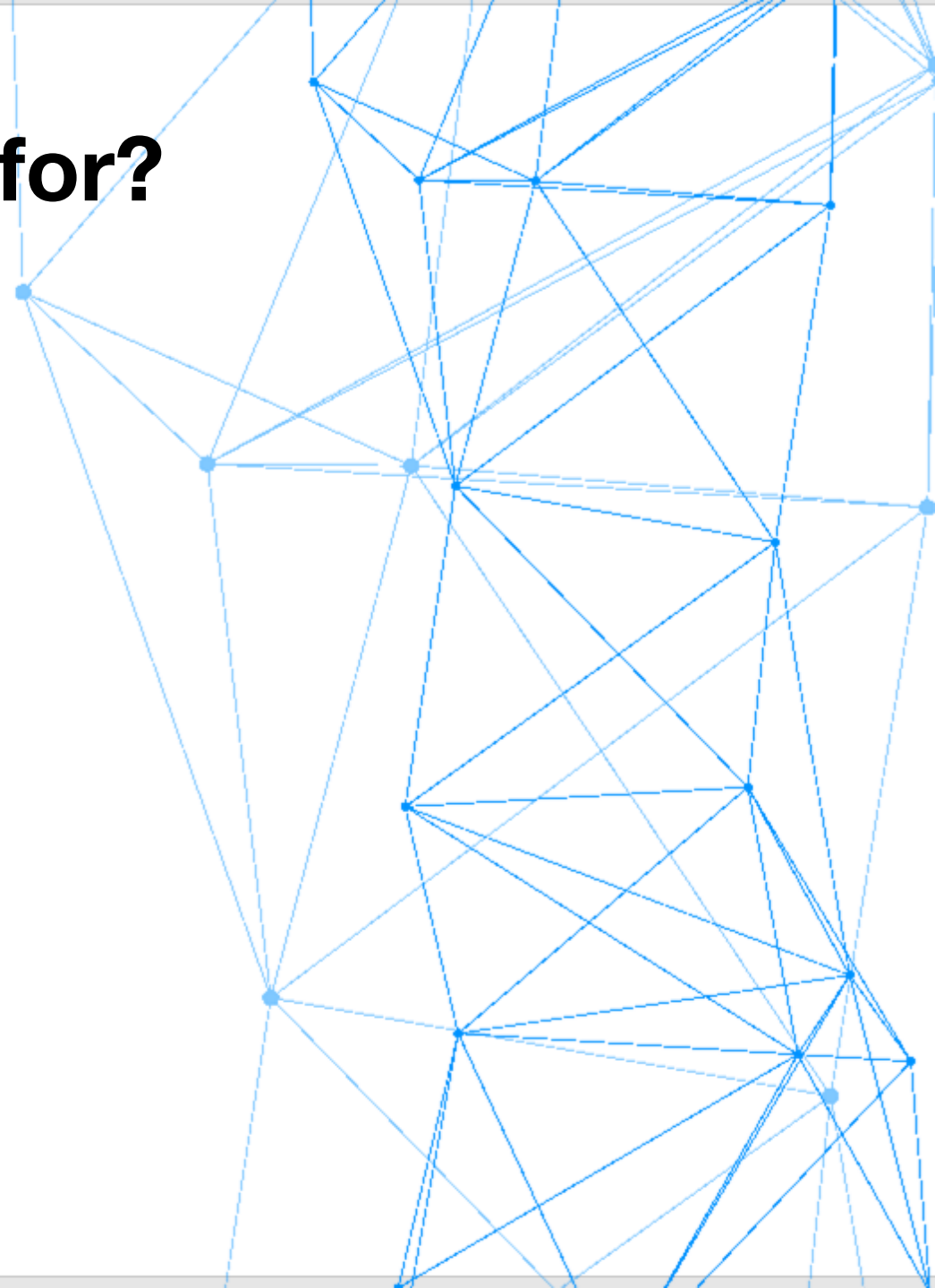






# What we are looking for?

- Partnerships with Japanese wealth management organizations to use our superior algorithmic trading technology
- Partnership with Japanese brokers or banks to integrate and further develop our whitelabel trading solutions for Web and Mobile Trading Applications
- Partnership with Japanese fintech organizations to perform joint R&D activities





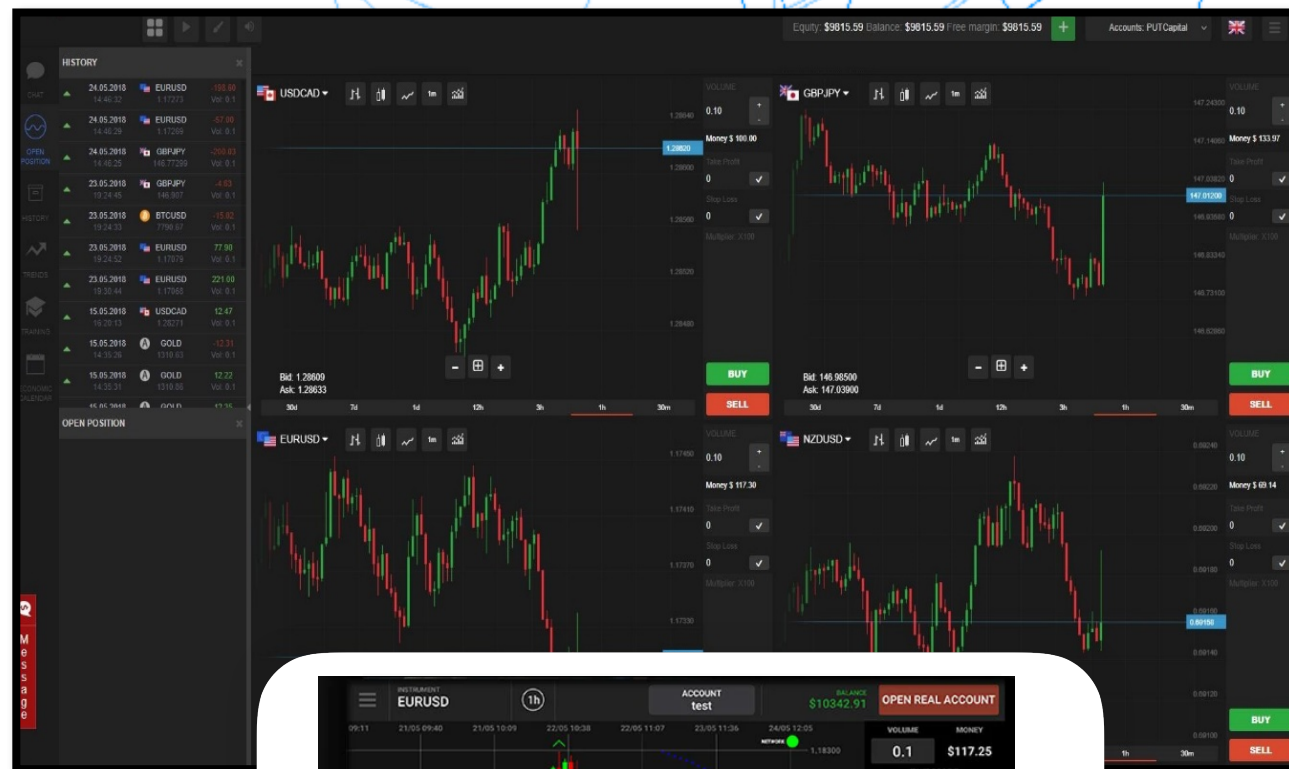
## Other Solutions: TRADING APPLICATIONS

Web and mobile trading application to trade on CFD, Forex, Commodities and other market assets.

### Key Benefits:

- Simplicity of trading
- Indicators
- Drawing tools
- Saving templates for the trading strategies
- Chat platform
- Admin panel for managing the customer, trades and deposit information
- Training module
- Personal settings
- Widgets for trends and more

**OUR EXPERTISE:** • Full technical solution for the App





# TRADING APPLICATIONS

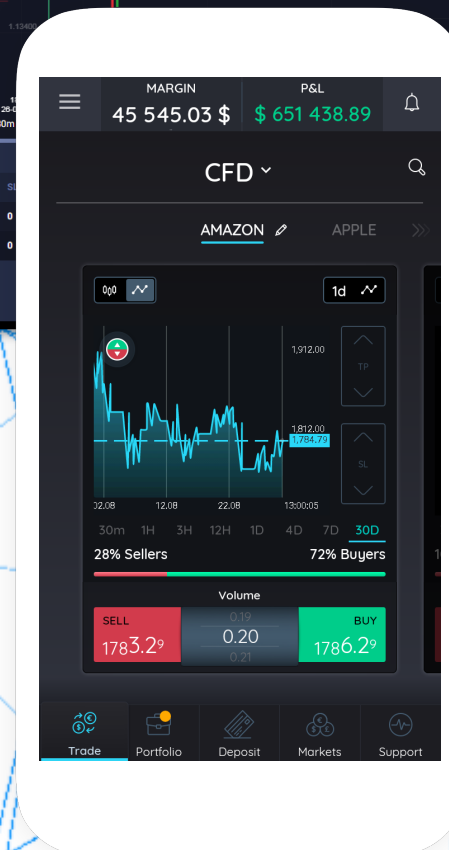
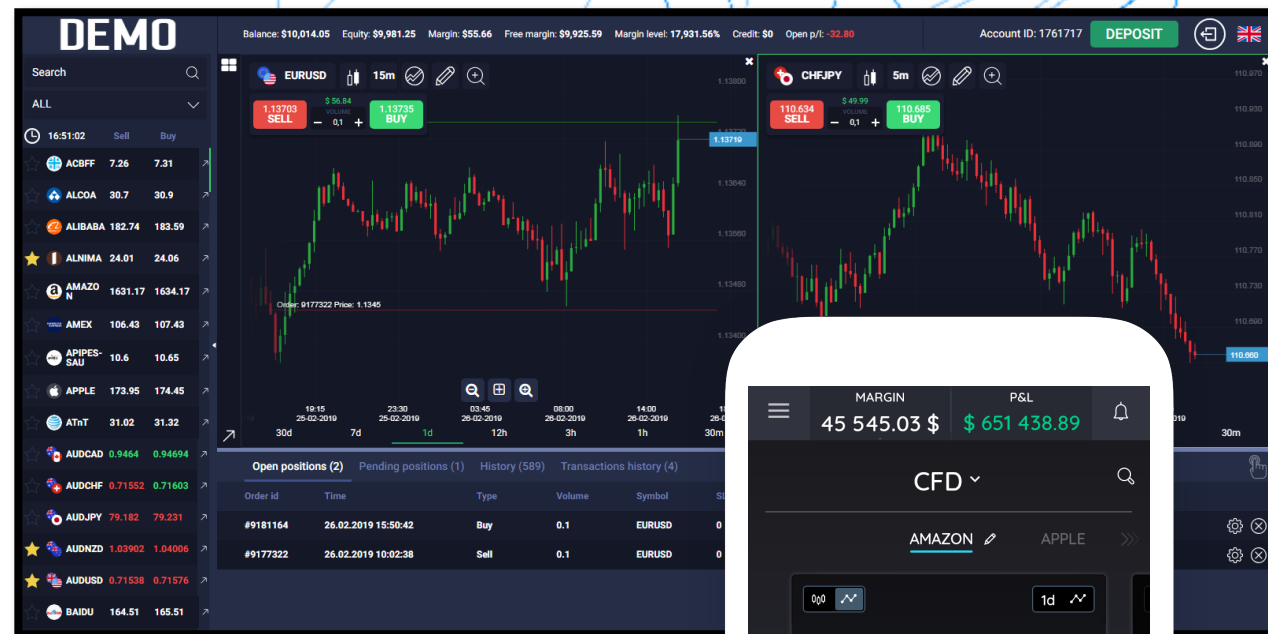
## TRADING – SAMPLE 2

FOREX is one of the largest financial markets. High leverage, deep liquidity, regulated and developed infrastructure make it possible to build a high-yield business in the investment and fintech industry.

### Key Benefits:

#### 1. High speed and efficiency

- *high throughput – ability to process thousands of orders per second*
- *low latency – minimal delay generated by system components itself*
- *efficiency of server side processing*
- *possibility of collocation in exchange infrastructure*
- *built-in mechanisms of scalability to accommodate workload growth*





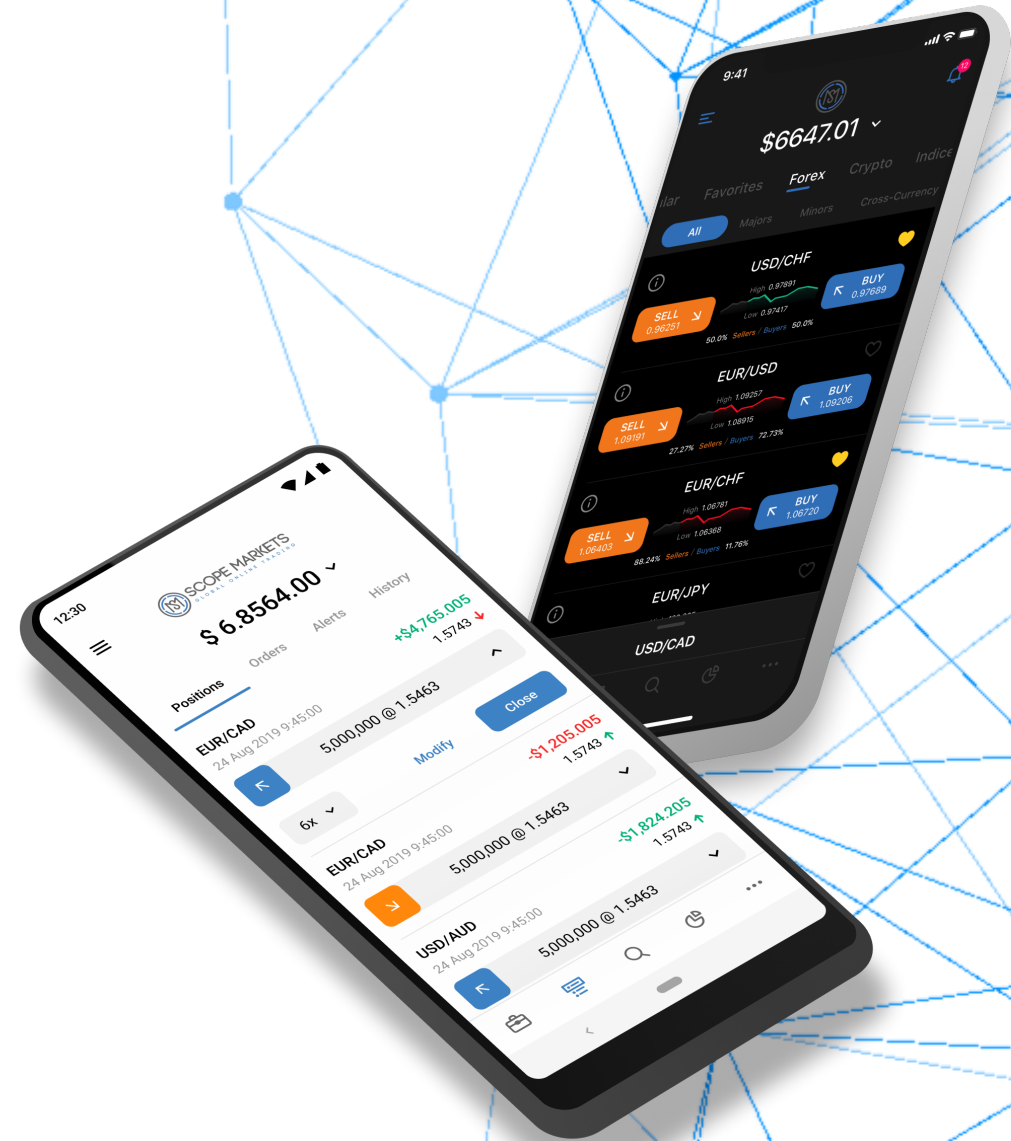
## TRADING APPLICATIONS

Mobile trading application to trade on Indices, Forex, Commodities and other market assets. It's powered by a custom trading engine, boasts advanced risk management and selection of account currencies.

The app features:

- Buy / Sell assets
- Favourites
- Portfolio
- Selection of timeframes (5 years, 1 year, 6 months, 3 months, 1 month, 5 days, 1 day)
- Several chart views (candles, lines, bars)
- Personal settings

**OUR EXPERTISE:** • Full technical solution for the App





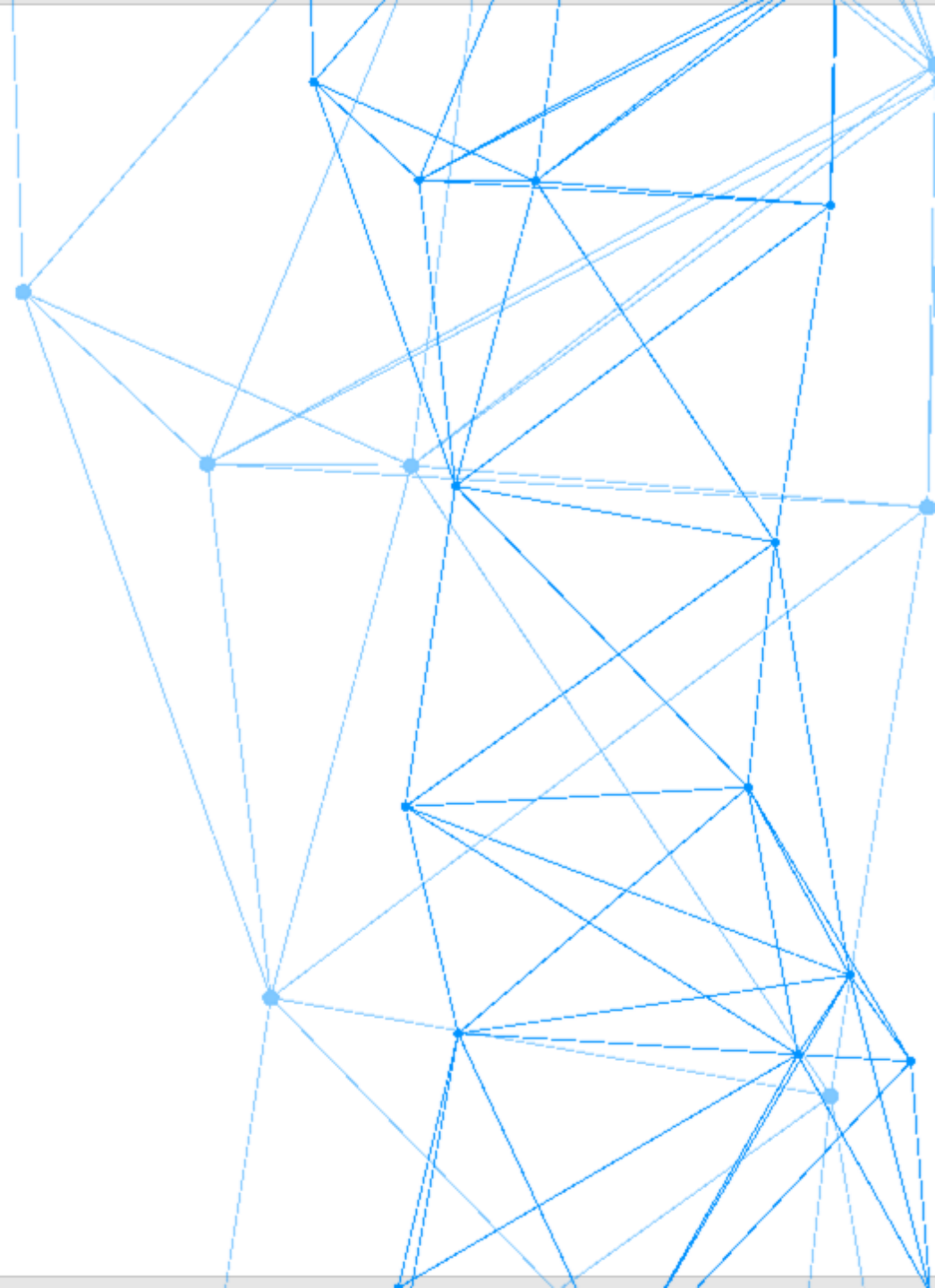
## Other Solutions

In last 8 years we have developed a range of Whitelabel solutions for trading, including:

- Web and mobile trading Apps,
- Risk Management and BI Systems,
- Advanced Data Analytics,
- Marketing Automation Systems,
- CRM systems tailored for trading.

As technical partners of leading CRM, Signal, and Payment Technology providers, we are able to tailor full-scale solutions according to unique needs.

Our group expertise includes AI, Machine Learning, Big Data, Web, UI.





We leverage the edge of the best knowledge and experience across Israel, Europe and Middle East countries.

## Contacts:

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