

Systematic Trading Strategies – Building competitive advantage

1. Program for Brokers / Dealers / Arbitrageurs

Objective

The 3 hours training session on Systematic trading strategies for brokers, dealers and arbitrageurs has been designed with a view point of making the members aware of various systematic trading strategies which can yield consistent returns with low volatility. Since, the brokers and dealers have added advantage of low brokerage cost and speed of execution; hence spread and badla strategies will be covered in detail. As Indian market is fast witnessing, lower returns on non-risk strategy, the audience will be made aware of various ground level excel based and hands on statistical techniques which they can use quickly and practically to take calculated and informed risks on risk based spread and badla strategies like pair trading, volatility spread trading etc. The participants owing to volatility in the market and uncertainty will also be made aware of various risk management ideas like delta hedging techniques etc.

Topics covered:

- Introduction to systematic trading strategies – Spot and Derivatives in Equity/Forex markets
- Key to generate consistent returns in difficult market conditions
- Building blocks of the systematic trading strategies
- Spread and badla strategies and identifying profitable non-risk arbitrage strategies in cash-future markets, cash to cash segments, volatility spread, calendar spreads in F&O markets
- Spread strategies and identifying risk based arbitrage like, sector-sector pair trades, nifty-stock pair trades, stock-stock pair trades (Working example using Excel sheet)
- Using practical, easy and hands on excel based statistical tools like variance ratio, correlation

etc. to eliminate risks in risk based arbitrage strategies

- Risk management and trading uncertain markets using delta hedging techniques
- Stat-arb and Momentum strategies – 2 sides of the same coin?
- What are alpha generating systematic trading strategies?
- Introduction to various systematic strategies: Pairs, Trend following, High frequency
- Detailed example using volatility based systematic trend system in Equity, ETFs and Forex markets
- Introduction to automation, algo trading and risk management in systematic strategies

These systematic trading strategies in today's Indian market scenario are gaining huge traction owing to its disciplined nature and an ability to withstand varied market conditions. Participants will be made aware of creation, designing and development of these strategies from scratch and how they can take advantage of these strategies with minimal cost and infrastructure in place.

Key takeaways of the program

The participants will be expected to understand:

- 1) Designing and building of key strategies – spreads and badla (risk / non-risk based),
- 2) Ability to spot spreads across cash-futures, options, calendar spreads etc.
- 3) Ability to spot opportunities in different markets and able to come up with a robust strategy
- 4) Risk management in uncertain markets using dynamic delta hedging techniques
- 5) Low cost and practical deployment of these strategies across their trading platforms
- 6) Practical and easy to relate examples from Equities and Currencies markets

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2. Program for Retail Clients / Day Traders / Positional Traders

Objective

The 3 hours training session on Systematic trading strategies for retail clients, day traders and positional traders has been designed with a view point of making the members aware of various systematic trading strategies which can yield consistent returns with low volatility. Since the day traders / short term traders has a mandate to yield returns from varied market circumstances, we shall be explaining them various intra-day strategies which they can develop and test on Excel sheets practically for using on a daily basis. For traders who want to benefit from overnight international market moves, BTST/STBT strategies and how to develop and test them shall be explained. Thirdly for positional traders, strategies dealing with hourly / half-hourly candle trend following and pair trading shall be explained in detail. The objective of the program will be to help the participants equip with various tools at their disposal while they develop, test and use their strategies to yield returns. Focus and emphasis on Risk management and simple technique to automate / systematize their strategies will also be laid stress upon.

These systematic trading strategies in today's Indian market scenario are gaining huge traction owing to its disciplined nature and an ability to withstand varied market conditions. Participants will be made aware of creation, designing and development of these strategies from scratch and how they can take advantage of these strategies with minimal cost and infrastructure in place.

Topics covered:

- Introduction to systematic trading strategies – Spot and Derivatives in Equity/Forex markets
- Key to generate consistent returns in difficult market conditions

- Building blocks of the systematic trading strategies
- Working out intraday profitable patterns
- Using practical, easy and hands on excel based back test and validation of the working strategies
- Intra-day pair trading & trend following strategies: To generate consistent daily income
- BTST / STBT (BTST: Buy Today, Sell Tomorrow) strategies – Profiting from overnight moves
- Trading on last 90 minutes moves – strategies (and, unwinding in last 5 minutes)
- Gap up / down opening and subsequent movement strategies
- Stat-arb and Momentum strategies – 2 sides of the same coin?
- What are alpha generating systematic trading strategies?
- Introduction to various systematic strategies: Pairs, Trend following, High frequency
- Detailed example using volatility based systematic trend system in Equity, ETFs and Forex markets
- Introduction to automation, algo trading and risk management in systematic strategies

Key takeaways of the program

The participants will be expected to understand:

- 1) Designing and building of key strategies – Intraday, BTST/STBT, Positional trend/pairs
- 2) Ability to design, develop and back test these strategies using easy to use and practical excel framework
- 3) Understand the risk, return and Sharpe ratios to evaluate various strategies
- 4) Risk management and automation of strategies
- 5) Low cost and practical deployment of these strategies across their trading platforms
- 6) Practical and easy to relate examples from Equities and Currencies markets

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About Samssara Capital Technologies LLP

Samssara Capital Technologies LLP (“Samssara”) is an investment solutions firm focused solely on developing automated algorithmic and quantitative trading and investment strategies. It was launched in 2010 by a team of IIM Ahmedabad and IIT Bombay graduates - Rajesh Baheti, Manish Jalan and Kashyap Bhargava. Samssara caters to its clients' needs of providing an alternative asset management vehicle, with the focus on 100% automated and quantitative trading strategies.

Samssara’s products vary from pair trading (statistical arbitrage), factor models, Nifty Index beating products to very high frequency trading strategies. The team at Samssara works on mathematical models and statistics that identify repetitive patterns in equity, commodity and currency markets. The addressable market for Samssara is global - as the firm can develop and build models which can function in both developing markets with limited competition and developed markets with strong competition. Samssara’s client base includes the leading international and domestic banks, international and domestic stock brokers, family offices, corporate treasuries and HNIs.

Profile of Manish Jalan

Manish Jalan is the Chief Strategist and Director of the Algo trading firm Samssara Capital Technologies LLP. Prior to his new found Indian venture, Manish was a Quantitative Prop Trader in Tokyo, with Merrill Lynch Prop Desk handling USD 100 Mn. portfolio. Manish has worked closely with many Indian brokers and numerous International banks in algorithmic trading, trend following strategies, statistical arbitrage, factor modeling and back testing. Manish is a B.Tech and M.Tech from IIT Bombay in Mechanical Engineering.

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