

Coding an Algorithmic Day Trading Strategy - Power of 3

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Coded stock trading strategies are a fast-growing interest as they can help businesses and individuals not only learn but also make more money while putting themselves at less risk. I decided to see if I could code a stock trading strategy that was not only profitable but could outgain the NASDAQ which is used as a benchmark for the technology market. To start I used Visual Studio code and downloaded Yfinance one of the most important parts of my research. Yfinance allowed me to get stock market data going back 60 days down to the second. I decided to go with a Power of three trading strategy which is the assumption that the market makes three moves throughout the day starting with a move before the open of the equity markets then making the big move and consolidating throughout the day. My results showed highly effective, with all three stop losses recorded outperforming the NASDAQ with the best gaining 108% in just four months. The gain for the NASDAQ was around 15% over the same period. Considering over 90% of day traders lose money this shows that coded Stock trading strategies allow for better risk management in personal trading or across a company since there is less room for human error. It also creates better profit margins and teaches new traders a valuable lesson about leaving emotions out of their trading.