



What lies within Azaries that makes it a superior approach?

1. The Azaries algorithm is a 'whole' approach. This means that price action has to follow the desired price direction to complete the algorithm. Simply saying that XYZ should be 'long' is not sufficient.
2. Algorithmic trading does not 'stop' when a trade is entered. A range of variable Azaries rules manages each trade to maximise profits. Only when the trade has been completed is the task of the algorithm complete.
3. Variability and Adaption. Different market conditions require different market alignments. For example, setting entry points that mirror overall market price moves.
4. Convergence with volatility. Market volatility can vary significantly. For example, a reading of 48 (March 2020) is 3.5 times less volatile periods. Each calculation (long and short) is aligned to market volatility.
5. Extremely low risk. The maximum risk is limited to the first day of any trade. For example, a 5% stop in a trade that is sized to 4% of capital, is a risk of 0.2% of funds. This reduces to zero when the trade is in profit. It also reduces to an average of 0.1% from the second day. Drawdowns are very low.
6. Automated proprietary influences. Convergence and divergence to a momentum oscillation accurately calculate price vs indicator movement. This means the price has to follow a predetermined pattern to remain confluent with overall price action.
7. Price support and resistance areas identified by proprietary methodologies. These proprietary calculations clearly identify 'horizontal' chart lines of support and resistance which are influences of potential trades and running trades. This means exits, re-entries, and limits can be easily identified.
8. Discovery A.I. (an Ensemble method) identifies newly found patterns that lead to profitable trades. Human knowledge inputs speed the process. (Human Artificial Intelligence). This is a continuous process using prime A.I. techniques (e.g. neural nets, statistical approaches) to maintain individual calculators (12 live, 12 supporting). The monitoring process keeps the algorithm in line with the most profitable. (Raw target success is 80%).



Questions and answers

How is the Sharpe ratio derived?

The Sharpe Ratio can be different depending on the periodicity and the risk-free rate (a topic of some debate). Using higher rates tends to reduce the average excess and the standard deviation.

We tend to use a cautious approach to publicising what we achieve. For example, that's why we use a higher-level risk-free rate. If this is reduced, the ratio can be higher. It is our preference to show the lower potential so that third parties get higher (better) results. Right now, the 'cautious' standard deviation is 3.83% and Sharpe is 3.92.

What about the Calmar Ratio?

Albeit different, Calmar has the same attributes. Drawdown also worth mentioning – this is calculated on a monthly basis usually taking the highs to the lows, again this is open to interpretation.

Are results sustainable?

Many brokers have abandoned transaction costs and the only real method of gaining any reliability to the answer is to first answer 'what is a large amount of capital' because this reflects on position sizes and hence the likelihood of obtaining the prices required.

Looking at the stocks we trade (i.e. NASDAQ 100), they have massive volumes. The question is therefore more a 'volume at price' question. From the actual volumes traded, it can be seen that an average stock can easily turnover \$500m per day. Many are in the trillions of \$.

Taking a real traded 'fund' of say, \$100m, position sizes would be around \$250k. That's 0.05% of the daily volume. Even increasing this doesn't have a profound effect. It's worth looking at the levels of block trades daily to confirm this; block trades are higher than the \$250k required. At these levels, there's a clear indication that levels are easily sustainable, they happen today.

Note; where there may be some question is in lower volume stocks, such as low volume growth stocks. However Azaries is not designed to trade these regularly, this is more applicable to the retail trade.



In development and in testing today

1. Textual understanding influences. A proprietary knowledge base understands the meaning of language that has a specific influence on each symbol. Symbols are affected by different information in different ways.

For example, weather is geographical, weather is important to farming, weather is important to holidays. Text understanding in context extends trades when information is relevant to a particular symbol, therefore, increasing profitability.

2. Future points of support and resistance many months in advance. Predicting price points of strong influence is derived from each symbol so that when a price point is known when approached the appropriate action can be taken.

For example, if the price of a profitable long trade falls close to a stop price and very strong support or rebound points lie close by, then the stop can be adjusted in the confidence of a strong price rebound without the need of re-entries.