GSMG FAQ v1.6 (25-04-2018)

General

- How does the GSMG platform work?

The platform consists of 2 main components: A **Market Analyzer** and a **Trade Engine**.

The Trade Engine manages buy and sell orders on the exchange. It applies the same strategy to each of your selected markets:

The very first time it runs for one of your selected markets, it will place many (tens or hundreds) buy orders, taking careful heed of the predictions of the market analyzer. The total volume of base currency in these buy orders will correspond with the allocation percentages set by you in your account.

Every +/- 15 minutes the Trade Engine will re-evaluate the placement of the outstanding orders. On the one hand maintaining the allocation percentage as total outstanding volume and on the other taking the most current Market Analyzer predictions into account. It may cancel some orders and/or place new ones.
Also, if any of the buy orders have been filled in the last 15 minutes, it will place a sell order of the same amount at a higher price (1% profit or more).
If any sell orders are closed, the profit is calculated in ETH and 25% of this profit is deducted from the balance in your GSMG fuel account.

Note: If the base currency for a particular market is not ETH, then the conversion rate at the moment of re-evaluation is used to determine the profit in ETH. This may take up to 30 minutes after the sell order was actually closed.

The information for the Trading engine to place the orders is provided by the Market Analyzer which analyzes roughly 170 different markets. This is where the magic happens and the ideal entry and exit points are calculated for the TE, based on specific market data and trend analysis.

Currently the Market Analyzer analyzes market data on a range of price datasets across several intervals using a wide range of technical indicators, it does this for every dataset of every market. This all gets mashed together, pushing our server CPUs to their limits to finally roll out as a "score", this score is used to create the orders and decides how they are spread.

Bear in mind that the Market Analyzer relies on internal data only, except for the market data which is supplied by the exchange it trades on, assuring it can't be fooled by feeding it false data.

And one last thing absolutely worth to emphasize, is that the Market Analyzer is currently running without the planned Machine Learning feature. With a new revision of the Market Analyzer in the making, Machine Learning is most likely going to be integrated in the very near future. We have high expectations of the possible improvements this will add to our platform and its performance, since it will be able to use the datasets from all our users and trading history to calculate even better price movement predictions.

- Dashboards

Currently there are 2 dashboards available: The personal dashboard showing the basic metrics of the account and the platform global stats dashboard (https://stats.gsmg.io). Its current content:

- Avg. % profit per trade
- Absolute profit calculated over all trades made so far in BTC
- Account value in BTC
- TE Status
- TE switch
- Market allocation, this is where you set the percentages you want to allocate to your selected markets across all base currencies (BTC/ETH/USDT 8 markets max).
- Last completed Trade Pairs (*) are there to show you the last 100 trade pairs completed, and how much profit was made on each of them.

* What are these "Trade Pairs"? Well, the TE places buy orders and when an order is executed it creates a sell order for that specific buy order with a minimum profit of 1%. When that sell order is executed, it's placed back in the books with the >= 1% markup + Exchange fees.

The global stats of the platform found at the link shown above, show the same metrics and more (still undergoing lots of changes) to visualize how the whole platform is performing but also helps to see how a personal account is doing in comparison.

More metrics will be added to the dashboards as we progress, partly driven by suggestions of our (test)users of course.

- The "Compounding Effect"

The profit generated by all trades is continuously being reinvested into further trading; this is what we call "liquidity". The more liquidity is provided and thus the longer the platform is allowed to run without withdrawals, the more beneficiary the compounding effect becomes, resulting in more profit on the long term.

- Adding more funds

Not a requirement of any sort, but it does help maximizing profit, especially when BTC is rising quickly and Alts are dropping. The more the bot can buy going down on a bear trend, the better it is in terms of risk mitigation and profit returns in case of an Alt markets recovery for example.

Besides adding more funds, starting with less than 100% allocation and increasing your position during bear trends could also add to better results. (e.g. Start with only 60% of your funds allocated and at the end of, for example, a BTC rally you put your allocation to 100% to profit from the possibly fallen prices of Alts.)

- How many markets can be traded?

Every account is limited to trade on a maximum of 8 markets simultaneously. This cap is essential to ensure that the Bittrex open order limit of 1000 isn't exceeded by your account. If you wish to trade more than 8 markets, then a 2nd account with Bittrex and GSMG would be needed to achieve that.

- DYOR (Do your own research) on markets before selecting them

As with all investments and trading, the chosen markets (also known as "instruments") you trade on, are going to have a large effect on your profit results. Doing research on their supply, demand, fundamentals and volatility to make an educated choice is therefore advised.

A diversified portfolio is key so it's advised to select small, medium and large market caps. Positioning your markets as a mixed bag could probably result in the most consistent long-term trading.

- Providing liquidity is a long-term strategy

It is recommended to select markets for their long-term sustainability; as markets that one is willing to hold long term have a good probability to result in best results and returns. Market "hopping" is not recommended, because it can result in funds getting stuck in markets that are not actively trading anymore. This lowers the available funds in the account to actually trade the active markets that have been selected, thus lowering possible profits.

- Improved performance on Bittrex

How? Good question! The platform places a lot of orders for all of the user accounts running, generating great cashflow for Bittrex in regard of fees being paid (also a stat that will be displayed on the stats page).

So fortunately, because we earn quite some BTC for them, we have been granted a full whitelisting to their API which resulted in better performance.

Getting started - requirements

- Exchange account on Bittrex

Seems self-explanatory, but still worth mentioning: If you wish to use the GSMG platform, an account with Bittrex is mandatory. Also, please make sure the account is fully verified and that 2FA is enabled!

- Minimum BTC/ETH/USDT to get started

We advise our users to allocate at least 1 BTC of value if they wish to trade on the max of 8 markets. This minimal value is recommended to make your account perform as effectively as possible. As there are multiple base currencies and you wish to trade on more than one, we also advise to allocate an account value of at least 1 BTC per used base currency. Less is possible of course, but this might impact performance and possibly also affect the "order-fill to cancel ratio" which Bittrex enforces (~5% per week). The fill ratio is important due to possible penalties that Bittrex can impose when their criteria aren't met.

- Alts can also be used to start

Yes, Alts can also be used to start if you wish. Please read the part about advanced features and "Surplus selling" as to how this works.

- How to connect your GSMG to Bittrex and start trading

GSMG uses the official Bittrex API to trade securely on behalf of each user. This is the reason we require you to enable the 2FA feature for your Bittrex account: Without it, you cannot create an API key and won't be able to connect GSMG with Bittrex. When you create an API key in Bittrex, you will have 4 options for the key you create, we only need 2 of them to be enabled and those are "Read Info" and "Trade Limit".

Never, ever! Should you turn on the ability for "Withdrawal" and "Trade Market".

Your funds are yours alone, we will never request these options be turned on.

- GSMG payment system

The GSMG platform works on a pay-as-you-go system. Therefore, when no profit is made, no fee will be charged. On completed trades, 25% of the trade profit will be deducted from your fuel credits.

New users will receive an introductory fuel credit of 0.15 ETH with our thanks, to help become acquainted with the platform and to experience its value and features first hand. When the fuel credits have been depleted, the platform will automatically stop trading until new credits are added.

A short guide explaining how to deposit new fuel credits to your account is present under the settings menu in your personal GSMG dashboard.

DISCLAIMER

1. NO REFUNDS OF BOUGHT FUEL, so do not send more Ethereum than you are willing to spend on the usage of the platform. GSMG is an automated trade service that places orders for its users, but is managed by the end user in terms of fund allocation and market selection. We explicitly do not wish to hold user funds on our wallet or manage the funds of any of our users because that would obligate us to request and validate your personal identity information, resulting in the loss of your anonymity which we want to avoid at all costs because we highly respect your online privacy.

2. Ethereum that is sent to the GSMG Credit address will be used as "fuel", which is the credit system for GSMG, and should not to be confused with a trading account. If you wish to deposit currency for trades, send the coins to your personal deposit address on the exchange. (E.g. Bittrex FAQ : https://support.bittrex.com/hc/en-us/articles/115000199631-How-do-I-deposit-coins-to-Bittrex-)

- Manual trading on the exchange account used by the GSMG platform to trade on

It's possible to do this, but we strongly advise against it! It won't break anything but it will mess with the stats for your own dashboard and also skew the results a bit on the global dash. Something that we'd like to avoid.

Other

- First few weeks using GSMG

Initially it will take a while before you see high activity on your account, simply due to the fact that it won't start placing random orders immediately but instead will wait for the MA to provide descent entry points. This is to mitigate risk and making sure no pump and dumps are being followed, because this is not how this platform works. Please have a bit of patience, since as with all good things, they don't happen instantly: Trade frequency will improve over time and your order list will get longer as time progresses.

- I have profit and started with X, XX BTC, but my Account value is down

This is normal behavior since your account is working towards the target amounts, which will turn in to profit when the markets start reversing and go up again. No swings, no trading, no profit. The profit in your dashboard will show the profit it made over the accumulated sum of all your "Completed Trade Pairs".

- Does it sell positions at a loss?

No, never. The platform has the patience us humans lack and it will hodl as long as it takes to make sure no sell order is ever sold off at a loss.

- Information about Dashboard stats

The personal dashboard information is refreshed with every full cycle, so basically lagging 15 minutes behind at any given time. The global stats page is near real-time, because the read out of this information is not done via TE cycles.

- Still have open orders after removing a selected market

Yes, but these will only be the partially filled orders that still remain including the sell orders for that specific market, it will take out all the buy orders that were placed.

- Reporting possible issues with the GSMG platform

If you run into any kind of issue or have a feeling something is off in whatever kind of situation, attempt to confirm with other users on Slack and we will also always be close by to assist. Once an issue is confirmed, it will be investigated and resolved ASAP.

- Will other exchanges be added?

Yes. Our current focus is on making the product completely stable and highly performable, when this is done there are some other things we need to attend to (this will be explained in the roadmap), and then we will start the integration for other exchanges. We will also be asking you, representing our community, which exchange would have your preference, but as stated earlier: This will be in a later stadium down the line.

- What are the advanced features that are visible per selected market in the markets menu?

Surplus selling:

Surplus is alt coin on your balance, which was not acquired by the bot itself. Select this option if you would like to bot to sell this surplus for you on this market. Approximately every 15-20 minutes it will try to place an order for approximately 3% of your surplus, until all surplus is on order. Optionally, you can specify a minimum sell price per coin for this market.

Trade engine aggressiveness:

The trade engine model aggressiveness is expressed as a percentage. At the 0% level, the model is very conservative and at the 100% level, the model will be aggressive. More aggression results in larger buy orders and also more expected

profit. On the flip side, however, the trade engine will acquire alt coins at a higher rate. Therefore, if your selected market crashes, it is more likely to convert your available base currency into the alt coin, draining your account. The default is 20% and at 100% the order quantities may be up to 3 times larger.

Minimum trade profit percentage:

The minimum trade profit percentage is used by the trade engine to determine the minimum price of sell orders. When a buy order has been closed, the trade engine will attempt to sell the acquired crypto with at least this percentage as profit, or close to it. Note that the trade engine has various smart mechanisms that may cause it to override this number and place the sell for more profit (but never for significantly less).