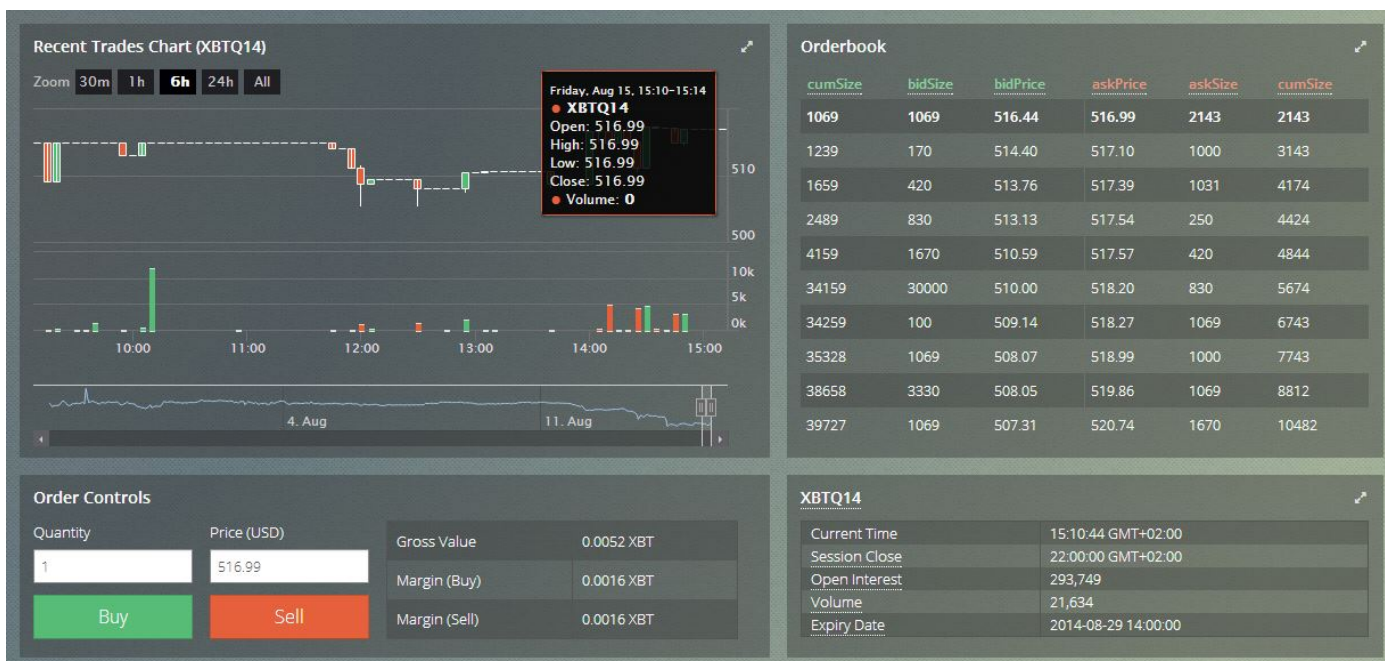


Review BitMEX Market Maker



Two days ago [BitMEX](#) reduced their trading fees to 0 and celebrated it by releasing a basic market making bot on Github.

BitMEX is currently running a trading challenge [until August 29, 2014](#) to promote their new platform. Releasing a market making bot is probably an interesting and effective way to increase API traffic and stress test the platform a bit. Of course I couldn't resist and had a look.

Market-maker is a forked off Liquidbot, which was originally designed to run on the now obsolete MtGox exchange. There were some minor changes (new api class to connect to BitMEX, some additional prints to console, changes to adapt for futures contracts, and a huge and unnecessary print to console when starting up) but no significant changes to the trade logic.

- 3. Build orders starting from the midpoint:

```
def get_ticker(self):  
    ticker = self.exchange.get_ticker()  
    midpoint = (ticker["buy"] + ticker["sell"])/2  
    self.start_position_buy = midpoint  
    self.start_position_sell = midpoint  
    print timestamp_string(), 'Current Ticker:', ticker  
    return ticker
```

In addition I would advise to measure volatility in some way and adapt the distance between orders dynamically as well as the size.

During my testing the API was always responsive and accurate. Volume on the exchange is still low but the fundamentals of the platform look promising. This bot is a fun tool to introduce users into the world of market making and algorithmic trading but it won't stand a chance against established algorithms.

Note:

If you consider using this algorithm keep in mind that market making is a full time job. Anything less than complete dedication, fast reaction time, and 100% uptime will cause you to lose money.



This entry was posted in Bitcoin, Code, Python and tagged Algorithm, Bitcoin, BitMEX, market making, Python, Review on August 15, 2014 [<http://www.matlabtrading.net/main/2014/08/15/review-bitmex-market-maker/>].

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