

Business Plan: Forex Analyst Contest

Rahul Ghosh

www.rahulghosh.us

Personal Background

I graduated with a Bachelors in Biochemistry from a top 15 university(UCLA) when I was 17. I have been studying markets since I was 9. I have been professionally trading financial markets since 2008(when I was 18). I was in the 99.99th+ percentile(top out of 10,000+ traders) on Dukascopy Trader Contest for the 9 years of its existence. I was banned 5 years through the contest by request of other traders for doing too good. My trading is based on market maker theory. That market makers trap retail money into bad positions intentionally and then manipulate markets through supply/demand imbalances.

Over 1005 trades, I received 19004 pips, resulting in an average pips of 18.9 per trade. My Z score for my performance on 5:1 leverage is 12.6 standard deviations above the mean. From a statistical point of view my results are statistically more significant than Warren Buffett or George Soros during their lifetime trading careers. From a p-value standpoint, my results are the equivalent of scoring perfect on the SAT's 500 times in a row or winning the lottery jackpot 100 times in a row. My Z score is the equivalent of scoring 280 IQ on a 27 month long IQ test.

https://www.youtube.com/watch?v=AskZfNQdKo&feature=emb_logo



					5 X		PnL
					12.609584	Z	8.3664340
					1.2336561	mean	370.14036
					0.4234487	std	421.95750
	18.252491						
rahulkghosh	27	244.46	144.46	1.07223	6.5731684		3900.42
FXDON	16	271.02	171.02	1.08551	3.7165609		2736.32
Bigfxtrader	61	136.5	36.5	1.01825	3.0138355		2226.5
snowshow	70	130.13	30.13	1.015065	2.8481950		2109.1
ahmach1	41	141.93	41.93	1.020965	2.3412350		1719.13
mano930	15	209.84	109.84	1.05492	2.2299385		1647.6
Skif	46	134.22	34.22	1.01711	2.1823505		1574.12
tow	30	150.81	50.81	1.025405	2.1225744		1524.3
Aeappk53	11	218.58	118.58	1.05929	1.8843587		1304.38
prisechin	2	826.35	726.35	1.363175	1.8582460		1452.7
NoWay	8	247.52	147.52	1.07376	1.7670863		1180.16
Gieffe2003	11	203.64	103.64	1.05182	1.7432339		1140.04
passionforex	10	213.52	113.52	1.05676	1.7368553		1135.2
Airmike	60	118.49	18.49	1.009245	1.7369862		1109.4
ajmalakbar	8	239	139	1.0695	1.7117735		1112
vania1234	45	123.46	23.46	1.01173	1.6900838		1055.7
cocciolla	49	120.41	20.41	1.010205	1.6446222		1000.09
sohail	23	143.65	43.65	1.021825	1.6430850		1003.95
DEMO2Qtrgr	25	139.53	39.53	1.019765	1.6311825		988.25
oscbox	20	148.42	48.42	1.02421	1.6135418		968.4
rasheed85	11	187.12	87.12	1.04356	1.5984227		958.32
cozard007	10	191.15	91.15	1.045575	1.5615356		911.5
spaima1976	9	201.08	101.08	1.05054	1.5585234		909.72
Bimlesh	52	117.03	17.03	1.008515	1.5541138		885.56
Kungfuforex	24	136	36	1.018	1.5344285		864
GARNALOS	13	166.7	66.7	1.03335	1.5318518		867.1
Profin	19	144.45	44.45	1.022225	1.5183904		844.55
Erialda	45	118.64	18.64	1.00932	1.5180971		838.8
SibinSebastian	4	316.1	216.1	1.10805	1.5074309		864.4
mohands_moh	60	113.36	13.36	1.00668	1.4910301		801.6
svetashopk	15	153.25	53.25	1.026625	1.4831242		798.75
xyzne	10	180.32	80.32	1.04016	1.4825231		803.2
Ghani	6	228.89	128.89	1.064445	1.4545858		773.34
vietfx	7	209.73	109.73	1.054865	1.4533766		768.11
fxsurprise8	45	116.27	16.27	1.008135	1.4399293		732.15
FxMidaso	58	112.43	12.43	1.006215	1.4324044		720.94
tradercillo	3	346.47	246.47	1.123235	1.4171371		739.41
Miss_Forex	15	146.96	46.96	1.02348	1.4164146		704.4
punditz	17	141.02	41.02	1.02051	1.4121911		697.34
nsreddy	2	462.89	362.89	1.181445	1.3958122		725.78
Koryphaeen	13	151.42	51.42	1.02571	1.3909760		668.46
mohsen223	36	118.24	18.24	1.00912	1.3865683		656.64
dung01	25	126.12	26.12	1.01306	1.3831815		653

Business plan

The main focus of our business will be to have a forex poll contest website to generate a market sentiment to trade against. We will have a website that gives out a daily poll before London noon time for the top 7 most liquid forex pairs. The participants are simply asked what is their opinion over the next trading day(starting from 12 pm London time) for each of top 7 forex pairs. They will be given the chance to vote either up or down. The participants will have to give the vote between 8 am and 12 pm London time. Say for instance a participant makes a vote of up on Friday. We look at what the price is on Friday 12 pm London time and Monday 12 pm London time. If the price goes up, then 1 points is given. If the price goes down, then 1 points will be taken. If it is the same, no points will be given or taken. The participants will be competing for points on a monthly, quarterly and annual basis. The people with highest points during the terms get cash prizes.

We should target to advertise the website in Africa. This is because I notice on Dukascopy and Myfxbook trading contests that Africans perform the worst. Furthermore, it is much cheaper to advertise in Africa and wages are much lower. We should have each person confirmed based on SMS to a mobile to prevent robot or multiple account holders. The monthly prize pool should be at least \$20,000. At minimum we will need 10,000 people taking the polls everyday. We should have a one trading day period per trading position and aim to start positioning 1 hour after FTSE opens(when the poll closes).

We will offer the following majors:

EURUSD
USDJPY
GBPUSD
USDCHF
AUDUSD
USDCAD
USDCHF

Going against bad traders

Normally people want to follow good traders to make money. However, from studying brokerage and trading contest distribution there is a much larger sample size of losers. Furthermore, losers lose in a larger magnitude than winners win. Losers are more consistent in losing than winners are at winning. It is a vastly superior strategy to go against losers than to follow winners from a statistical perspective. On myfxbook trading contests the bottom 1% of traders lose 41 pips on average for each EURUSD position. The average for the whole contest is 3 pips loss per EURUSD trade. Below is the PnL distribution of a myfxbook trading contest. One thing to note, that traders at the 90% percentile make on average .05% a day. In contrast traders at the 10% percentile lose on average 9.36% a day.

1521 contestants							
Ranking	Monthly Return	Monthly X	Daily Return	Ranking	Monthly Return	Monthly X	Daily Return
1 best	1009%	11.09	12.78%	1 worst	-99.99%	0.0001	-36.90%
20 best	168%	2.68	5.05%	20 worst	-97%	0.03	-16.08%
40 best	74%	1.74	2.81%	40 worst	-95%	0.05	-13.91%
60 best	46%	1.46	1.91%	60 worst	-94%	0.06	-13.12%
80 best	27%	1.27	1.20%	80 worst	-93%	0.07	-12.45%
100 best	13%	1.13	0.61%	100 worst	-90%	0.1	-10.87%
120 best	4%	1.04	0.20%	120 worst	-88%	0.12	-10.06%
140 best	1%	1.01	0.05%	140 worst	-86%	0.14	-9.36%

How to make use of the data

From studying the people participating in the polls we determine the bottom 5% losing poll takers over the previous 4 weeks. Then from the 5% lowest success rate poll takers we make a sentiment of their votes. We trade against the sentiment on the real market. I believe we can easily have a 75% daily success rate in trading majors with this sentiment. The liquidity for trading the top 7 majors is about \$4 trillion a day. Assuming we spread out execution to 1% turnover that gives us \$40 billion round turn or \$20 billion single turn per day. We can dramatically increase executable size by having weekly or monthly polls in the future. That would allow us to spread out positions over a longer time and scale to much larger sizes. I believe as we ramp up prizes the users will get even worse and we will have a larger sample size allowing for better filtering of traders.

Below is the projections for 70%, 75% and 80% success rate on majors assuming a 1 day holding period. We have large slippage because we spread out positioning over several hours during London/NY crossover.

Pips daily	50.00	Pips daily	50.00	Pips daily	50.00
Slippage	5.0	Slippage	5.0	Slippage	5.0
Win pips	45.00	Win pips	45.00	Win pips	45.00
Loss pips	-55.00	Loss pips	-55.00	Loss pips	-55.00
Success %	0.7	Success %	0.75	Success %	0.8
Loss %	0.3	Loss %	0.25	Loss %	0.2
Days/year	250	Days/year	250	Days/year	250
.5 days/year	125	.5 days/year	125	.5 days/year	125
Win Days	87.50	Win Days	93.75	Win Days	100.00
Loss Days	37.50	Loss Days	31.25	Loss Days	25.00
Leverage	1.00	Leverage	1.00	Leverage	1.00
Leveraged win (X2)	1.0090	Leveraged win (X2)	1.0090	Leveraged win (X2)	1.0090
Leveraged loss (X2)	0.9890	Leveraged loss (X2)	0.9890	Leveraged loss (X2)	0.9890
ROI (X)	1.4466	ROI (X)	1.6394	ROI (X)	1.8579
% pm	3.12%	% pm	4.21%	% pm	5.30%
% Slippage pm	3.12%	% Slippage pm	4.21%	% Slippage pm	5.30%
% returns decayed	0.00%	% returns decayed	0.00%	% returns decayed	0.00%
Pips daily	50.00	Pips daily	50.00	Pips daily	50.00
Slippage	5.0	Slippage	5.0	Slippage	5.0
Win pips	45.00	Win pips	45.00	Win pips	45.00
Loss pips	-55.00	Loss pips	-55.00	Loss pips	-55.00
Success %	0.7	Success %	0.75	Success %	0.8
Loss %	0.3	Loss %	0.25	Loss %	0.2
Days/year	250	Days/year	250	Days/year	250
.5 days/year	125	.5 days/year	125	.5 days/year	125
Win Days	87.50	Win Days	93.75	Win Days	100.00
Loss Days	37.50	Loss Days	31.25	Loss Days	25.00
Leverage	10.00	Leverage	10.00	Leverage	10.00
Leveraged win (X2)	1.0900	Leveraged win (X2)	1.0900	Leveraged win (X2)	1.0900
Leveraged loss (X2)	0.8900	Leveraged loss (X2)	0.8900	Leveraged loss (X2)	0.8900
ROI (X)	23.8201	ROI (X)	84.5613	ROI (X)	300.1926
% pm	30.24%	% pm	44.74%	% pm	60.86%
% Slippage pm	36.02%	% Slippage pm	50.97%	% Slippage pm	67.57%
% returns decayed	16.05%	% returns decayed	12.22%	% returns decayed	9.92%

Assuming 75% daily success rate on calling majors, the returns will be about 25 pips per trade on notional amounts up to \$20 billion single turn. Position holding period will be 1 trading day. This allows for \$50 million profit per day or \$12B a year. Returns from this will be about 50% per month on 10:1 leverage on up to \$2B.

Assuming 75% weekly success rate on calling majors, the returns will be about 50 pips per trade on notional amounts up to \$20 billion single turn. Position holding period will be 5 trading days. This allows for \$100 million profit per day or \$25B a year. Returns from this will be about 20% per month on 10:1 leverage up to \$10B.

Assuming 75% monthly success rate on calling majors, the returns will be about 100 pips per trade on notional amounts up to \$20 billion single turn. Position holding period will be 20 trading days. This allows for \$200 million profit per day or \$50B a year. Returns from this will be about 10% per month on 10:1 leverage up to \$40B.

Assuming 75% quarterly success rate on calling majors, the returns will be about 170 pips per trade on notional amounts up to \$20 billion single turn. Position holding period will be 60 trading days. This allows for \$350 million profit per day or \$80B a year. Returns from this will be about 6% per month on 10:1 leverage up to \$120B.

Expenses

Initial Expenses

\$10,000 Advertising

\$20,000 Programming and Development

\$30,000 total

\$700,000 capital investment at FX Broker

Monthly Expenses

Web Hosting \$100

Prizes \$20,000

Support \$2,000

\$22,100 total

Execution of trades

We will use a multi-bank ECN with a prime broker for deepest liquidity. Ideally we will probably choose Currenex or HotspotFX. We will spread out positioning over four hours, 14400 seconds. That comes out to 3M execution a second spread out over 7 major pairs when we are executing 40B total round turn execution size. Execution will start at 12 pm London time and end at 4 pm London time. We will hold trades overnight and over weekend. At all times we are fully positioned at 10:1 leverage. I believe it is ideal that by the time we get to \$1B capital that we switch to the Contest Trading Plan. We will keep excess capital invested into information technology, quantum computing, artificial intelligence and robotics. I believe we can earn 40% a year return investing the excess capital appropriately. Liquidity for the market trades should be going up about ~7% a year. I believe it is possible to further increase profits by 50% by adding futures, stocks and crypto.

Projected growth of portfolio initially

Month	Equity	Quarterly Gains
January 2024	700,000	
April 2024	2,100,000	200%
July 2024	6,300,000	200%
October 2024	18,900,000	200%
January 2025	56,700,000	200%
April 2025	170,100,000	200%
July 2025	510,300,000	200%
October 2025	1,275,750,000	150%
January 2026	3,189,375,000	150%
April 2026	7,973,437,500	150%
July 2026	13,554,843,750	70%
October 2026	23,043,234,375	70%
January 2027	39,173,498,438	70%
April 2027	66,594,947,344	70%
July 2027	113,211,410,484	70%
October 2027	183,211,410,484	70,000,000,000
January 2028	258,111,410,484	74,900,000,000
April 2028	338,254,410,484	80,143,000,000
July 2028	424,007,420,484	85,753,010,000
October 2028	515,763,141,184	91,755,720,700
January 2029	613,941,762,333	98,178,621,149
April 2029	718,992,886,963	105,051,124,629
July 2029	831,397,590,316	112,404,703,353
October 2029	951,670,622,905	120,273,032,588
January 2030	1,080,362,767,774	128,692,144,869
April 2030	1,218,063,362,784	137,700,595,010
July 2030	1,365,402,999,445	147,339,636,661
October 2030	1,523,056,410,672	157,653,411,227
January 2031	1,688,592,492,461	165,536,081,789
April 2031	1,862,405,378,339	173,812,885,878
July 2031	2,044,908,908,511	182,503,530,172
October 2031	2,236,537,615,192	191,628,706,681
January 2032	2,437,747,757,206	201,210,142,015
April 2032	2,653,042,609,162	215,294,851,956
July 2032	2,883,408,100,754	230,365,491,592
October 2032	3,129,899,176,758	246,491,076,004
January 2033	3,393,644,628,083	263,745,451,324

Rahul Ghosh

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Current Citizenship: United States

Current Location: Kolkata, India

Date of Birth: October 5, 1990

Location of Birth: Los Angeles, California

Time of Birth: 7:22 AM

Educational Background

UCLA, Bachelor of Science in Biochemistry

Graduation Date: June 2008

Comments: Graduated at age of 17

Standardized Test Scores

Scholastic Aptitude Test

Age Taken: 14(3 years below average test-taker)

Percentile: 97th Overall, 99th Math, 91st Verbal

Medical College Admissions Test

Age Taken: 16(6 years below average test-taker)

Percentile: 97th Overall, 99.9th Physical Sciences, 95th Biological Sciences, 70th Verbal



Publications

Expression-Based Cell Lineage Analysis in *Drosophila* Through a Course-Based Research Experience for Early Undergraduates

PMID: 31690598

Co-Author

Track Record

Dukascopy Trader Contest

Months Participated: 27 months between May 2011 and September 2015

Total Pips(Unleveraged Pip Points): 19004 over 1005 Trades(18.9 Pips Per Trade)

Pips Ranking: 99.99th+ Percentile(#1 out of 10,000+)

Total Profit: \$3,900,420(\$144,400 on Average Per Month)

Profit Ranking: 99.99th+ Percentile(#1 out of 10,000+)

Z Score on 5:1 leverage: 12.6 Standard Deviations above Mean

Intellectual Property

Trading Contest Plan

Unleveraged Returns: 30%+ on 1 Trillion Notional(\$300B+ in Annual Profits)

Minimum Startup Investment: \$10 Million

Projected Cumulative Profits over first 5 years: \$1.5 Trillion+

Polling Plan

Unleveraged Returns: 40%+ on 100 Billion Notional(\$40B+ in Annual Profits)

Minimum Startup Investment: \$1 Million

Projected Cumulative Profits over first 5 years: \$90 Billion+