From:	Vincenzo Iozzo █████████████
Sent:	Tuesday, March 10, 2015 1:02 PM
To:	Joichi Ito
Cc:	jeffrey E.
Subject:	epiphany of the day: the market for algo trading strategies are just like the one for exploits

I had this feeling for a while but today I bumped into this: =ttps://www.quantopian.com/ essentially you go there, submit your algo trading strategy and then if =ou beat the returns of the other contestants you get $100k.

Now at first I wasn't sure the parallel would hold but then I realized =hat for most non institutional investors (eg: the engineer good at =ignal processing), the trading fees make most of these strategies unprofitable. Hence their only chance of making money of out their work =s either to go work for an institutional investor OR use stuff like =uantopian.

In the exploitation world it used to be the case that you would just go =head and use them because you'd never get caught/nobody cared, these =ays you only use them if you're either a criminal or a nation-state =ence why there are similar competitions.

The interesting questions (both ways), consequences are:
1) In cyber-sec there's also a market for vulnerabilities (essentially =he building blocks of exploits), can there be a market for the =quivalent in finance? and if so, what would that be? submission of =tatistical correlation between stocks/currencies/etc etc?
2) In security the actors are becoming more and more a commodity, is =hat going to happen in finance as well?
3) In security bugs/exploits are countered by software vendors, whereas =n finance strategies are render useless by the 'efficiency' of the =arket. What are the commonalities/differences? I can think of many.. =?xml version=.0" encoding=TF-8"?> <!DOCTYPE plist PUBLIC "-//Apple//DTD PLIST 1.0//EN" "http://www.apple.com/DTDs/PropertyList-1.0.dtd"> <plist version=.0">

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