

Xur's Liquidity Fair Value Indicator 🧙‍♂️

An estimation of the fair value of BTC based on previous price reaction to the change in global Liquidity.

As of 09:42 GMT 04/03/24



Indicator and settings

Link to code: [Code](#)



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Settings: 13 week lead time seems to track price better than 5 week

Inputs Style Visibility

Shift number of bars: 13

Compare to ticker: TVC:CN10Y/TVC:DX...

Plot source: close

Stdev Length: 10

AVG DEV Length: 15

Forecast Length: 3

How many bars to shift the liquidity data over

Length setting for finding the average percentage deviation between Liq moves and BTC moves

Inputs:

```
indicator("TimeOffset Correlation LIQ - BTC", overlay=true, scale=scale.left)
lag = input.int(12, "Shift number of bars")
sym = input.symbol("TVC:CN10Y/TVC:DX/FRED:BAMLH0A0HYM2*(FRED:JPNASSETS+FRED:ECBASSETSW)", "Compare to ticker")
src = input.source(close, "Plot source")
srcL = close[lag]
len = input.int(10, "Stdev Length")
AVGDEVLEN = input.int(3, "AVG DEV Length")
Flen = input.int(3, "Forecast Length")
sym_src = request.security(sym, timeframe.period, src)

adjustedSeries1 = ticker.modify(sym)
requestedData1 = request.security(adjustedSeries1, timeframe.period, srcL)
```

Calculations:

```
// AVG Deviation between percentage change in BTC and Liquidity
BTCPC = (close - close[1]) / close[1]
LQTPC = (requestedData1 - requestedData1[1]) / requestedData1[1]
AvgDev = BTCPC / LQTPC[lag]
EMADev = ta.ema(AvgDev, AVGDEVLEN)
```

BTCPC = Bitcoin Percentage change
LQTPC = Liquidity Percentage change

```
plot(close, "currentprice", color.yellow)
plot(close[1] + (close[1] * (LQTPC[lag] * EMADev)), "Fair Liquidity Value", color = color.blue)
```

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Liquidity Comparison:

5 Weeks offset



13 Week offset



Link to comparison code: [Time Offset](#)

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Future Addition Thoughts:

- Planning on adding Standard deviation bands above and below predictions to generate more appropriate buy and sell signals.
- Need to find a way to display forward forecasting based on Liquidity offset length.
- BUY and SELL Signals aren't accurate just placeholders for now