

Abstract

Cryptocurrency markets have currently a lot of attention both from the public and researchers. This thesis connects the well-documented field of arbitrage with the relatively new bitcoin phenomenon. Thanks to the efforts of cryptocurrencies for decentralization and non-regulation, they are an ideal asset for arbitrage trading. This study tries to answer whether price differences between cryptocurrency exchanges existed during the second and third quartal of 2021 and if it was possible to perform an arbitrage trading with positive profit. It analyzes several trading strategies and ways how to execute these trades. An important part of the study is the involvement of trading fees, which play a crucial role in total profitability but are often omitted in similar research. The findings confirm that price differences existed during the analyzed period, and their values allow for profitable arbitrage trading. The best performing strategy uses stable-coin USDT as a mean of transport money between exchanges, which lowers the time of one trade and allows multiple trades during one price difference spike. This strategy was able to gain 362.60% profit over the analyzed period. On the other hand, the distribution of trades over the analyzed period shows some irregularities, which might have a negative impact on the consistency of the profit.