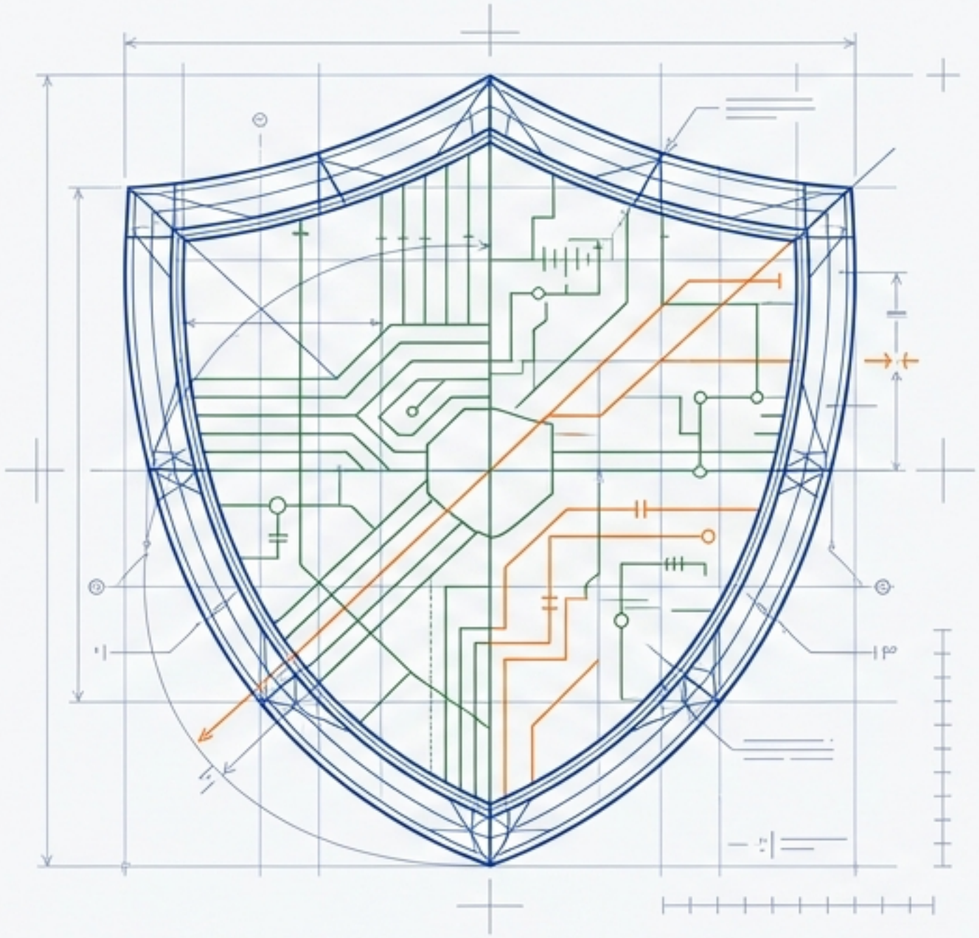
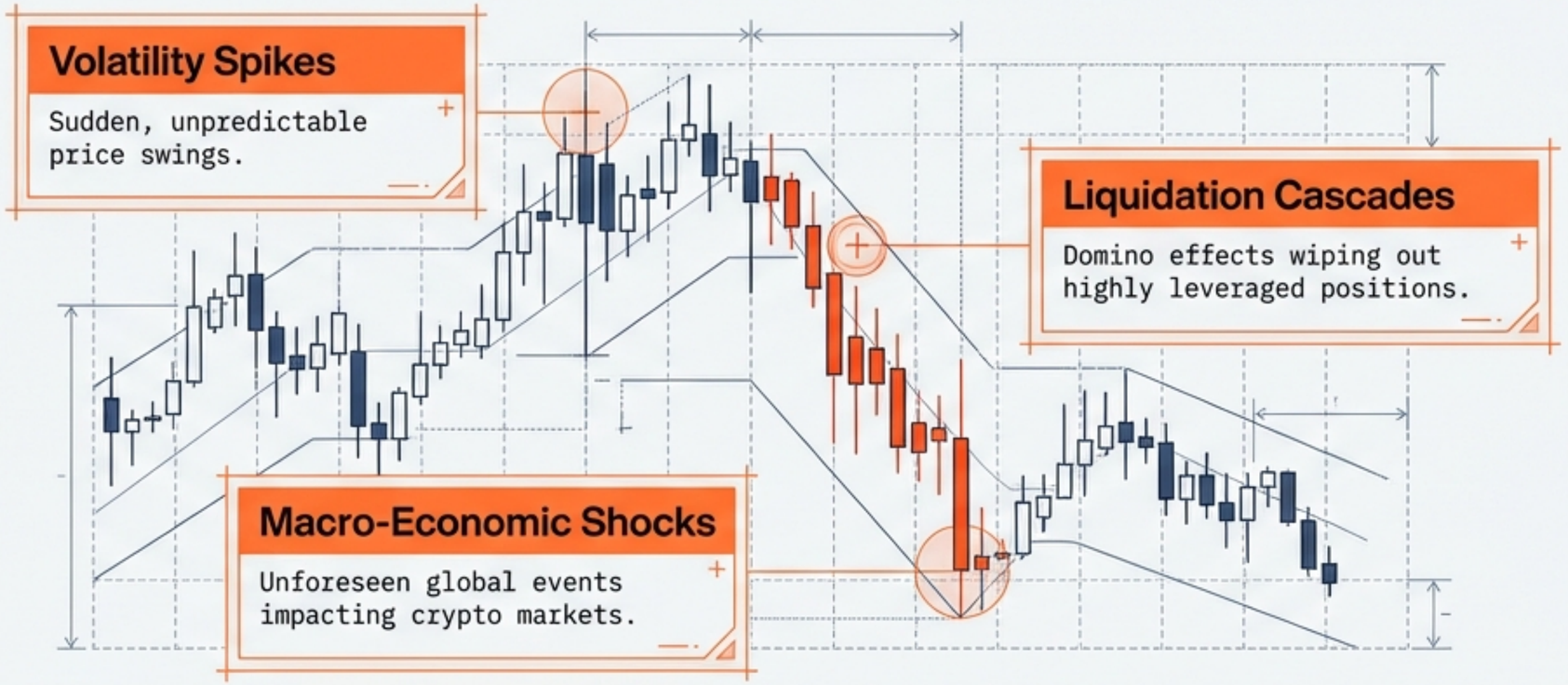


AutoHedge

Prediction-Based Risk Hedging via Autonomous AI Agents.

Transforming risk management into a one-click, intelligent protection layer.

The Perils of Perpetual Trading



Friction Dashboard

Traditional Hedging Methods (Options/Manual Shorting) = System Overload

- STATUS: Complex to execute
- STATUS: Capital inefficient
- STATUS: Emotionally driven
- STATUS: Time-sensitive

The Paradigm Shift

Shorting Correlated Assets

Relying on expensive, capital-heavy short positions or complex options that drag down portfolio efficiency.

Hedging via Event-Driven Probabilities

Utilizing decentralized prediction markets to capture faster narrative shifts with asymmetric payoffs.

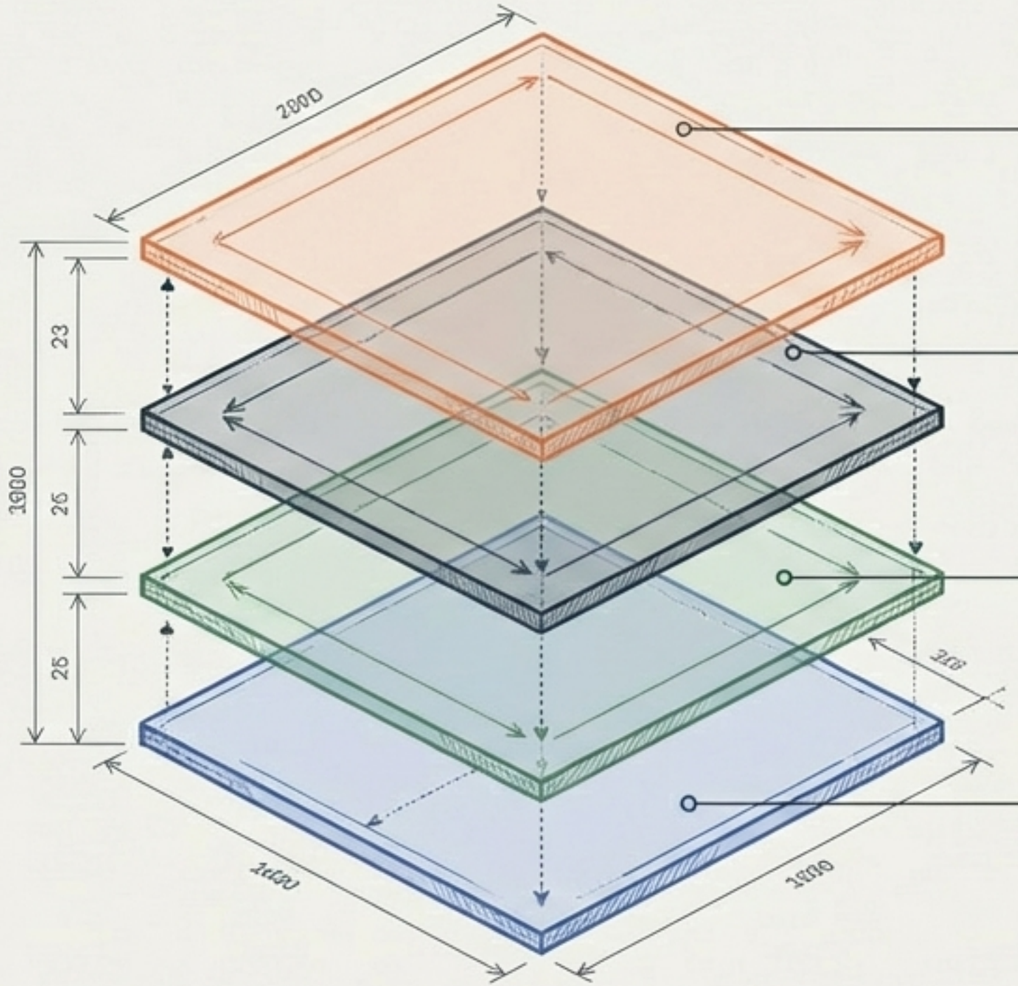
- BTC will drop 5% this week
- Fed will raise rates
- CPI exceeds expectations

Diagnostic Matrix: Traditional vs. AutoHedge

	Traditional	AutoHedge
Execution	Manual & Complex	Autonomous (One-Click)
Capital Required	High (Inefficient)	Low (Leveraged probability)
Emotion & Bias	High (Panic-driven)	Zero (AI-driven)
Reaction Time	Slow	Millisecond (Always-on)

> AutoHedge introduces a low-friction, always-on protection system.

System Architecture: The AutoHedge Stack



Prediction Market Executor

Connects to prediction platforms. Deploys capital based on probability mismatch and expected drawdown.

Hedging Strategy Engine

Calculates optimal hedge size, duration, and market selection. Optimizes cost vs. protection efficiency.

Risk Intelligence Engine

The AI brain. Ingests macro and on-chain data to calculate probabilities.

Position Monitor Layer

Tracks user perp positions (size, leverage, liquidation levels). Integrates with major perp DEXs.

Agent Controller

Risk Tolerance

Low — High

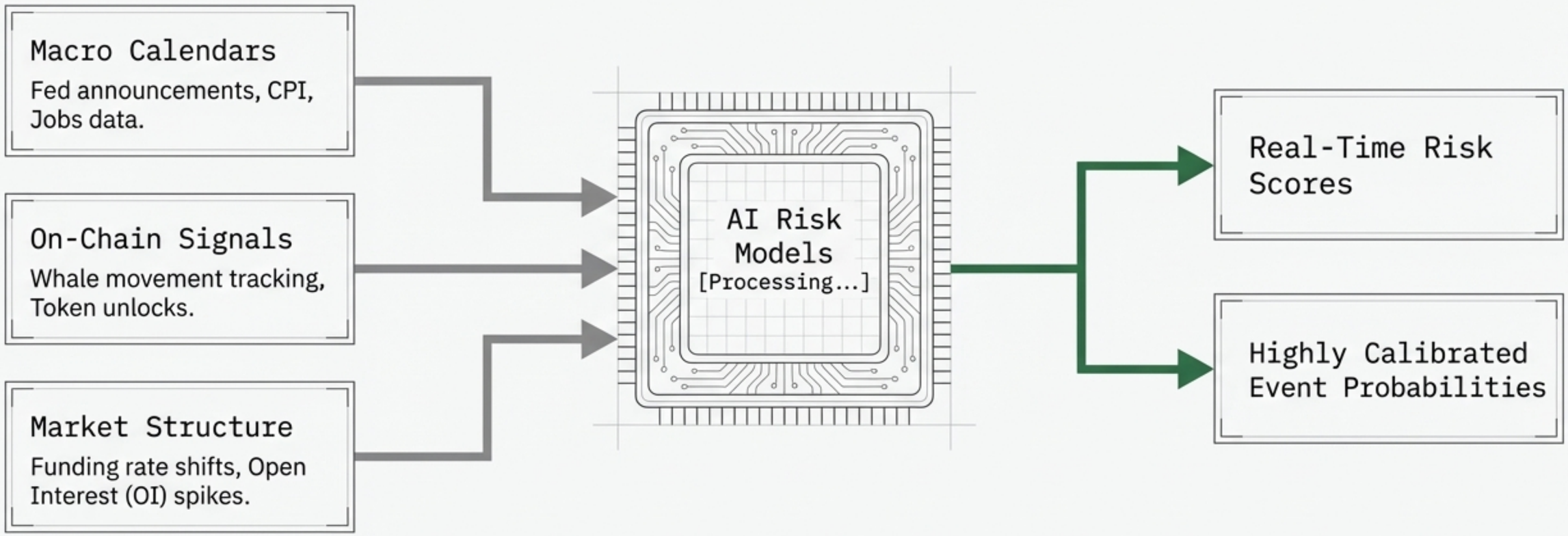
Auto/Manual Mode

Autonomous — Hybrid

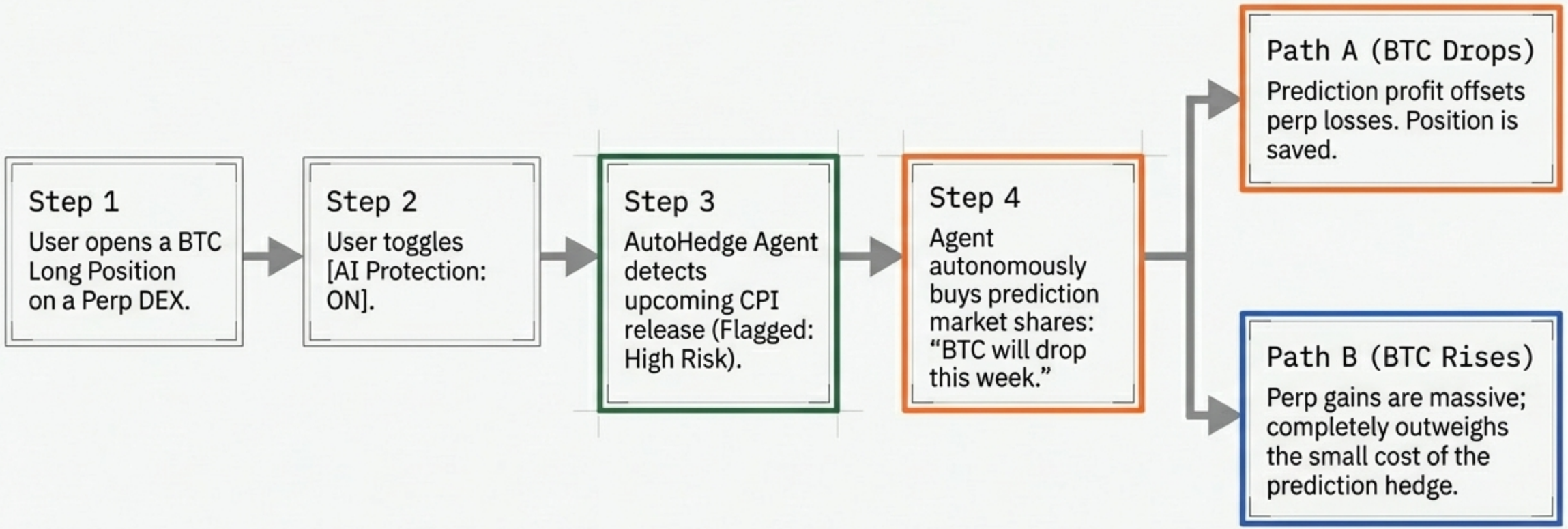
Budget Allocation

20%

The Brain: Risk Intelligence Engine



Step-by-Step Scenario: The CPI Hedge



Dynamic Hedge Allocation

Position Exposure

Event Probability

Expected Volatility

Market Liquidity

Equation Block

$$\text{Hedge Size} \propto (\text{Risk Probability} \times \text{Position Size} \times \text{Volatility Factor})$$

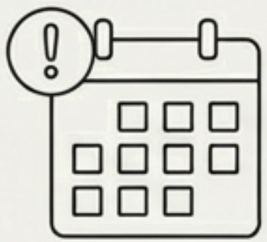
Hedge Size

22.4%

Calculated allocation for optimal protection.

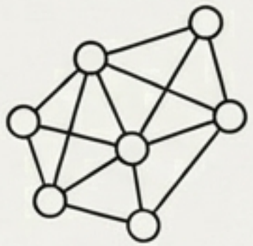
Optimizing for maximum protection at the lowest possible cost.

Adaptive Strategy Types



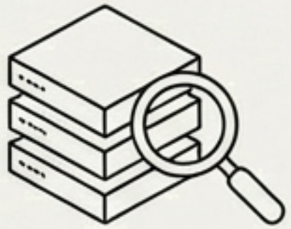
Event-Based Hedging

Scheduled macro events (e.g., Fed decisions, CPI releases).



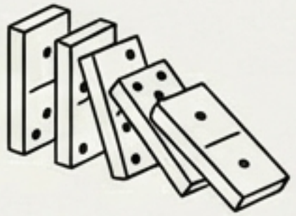
Narrative Hedging

Real-time market sentiment shifts and breaking news catalysts.



On-Chain Hedging

Tracking smart contract token unlocks and massive whale activity.



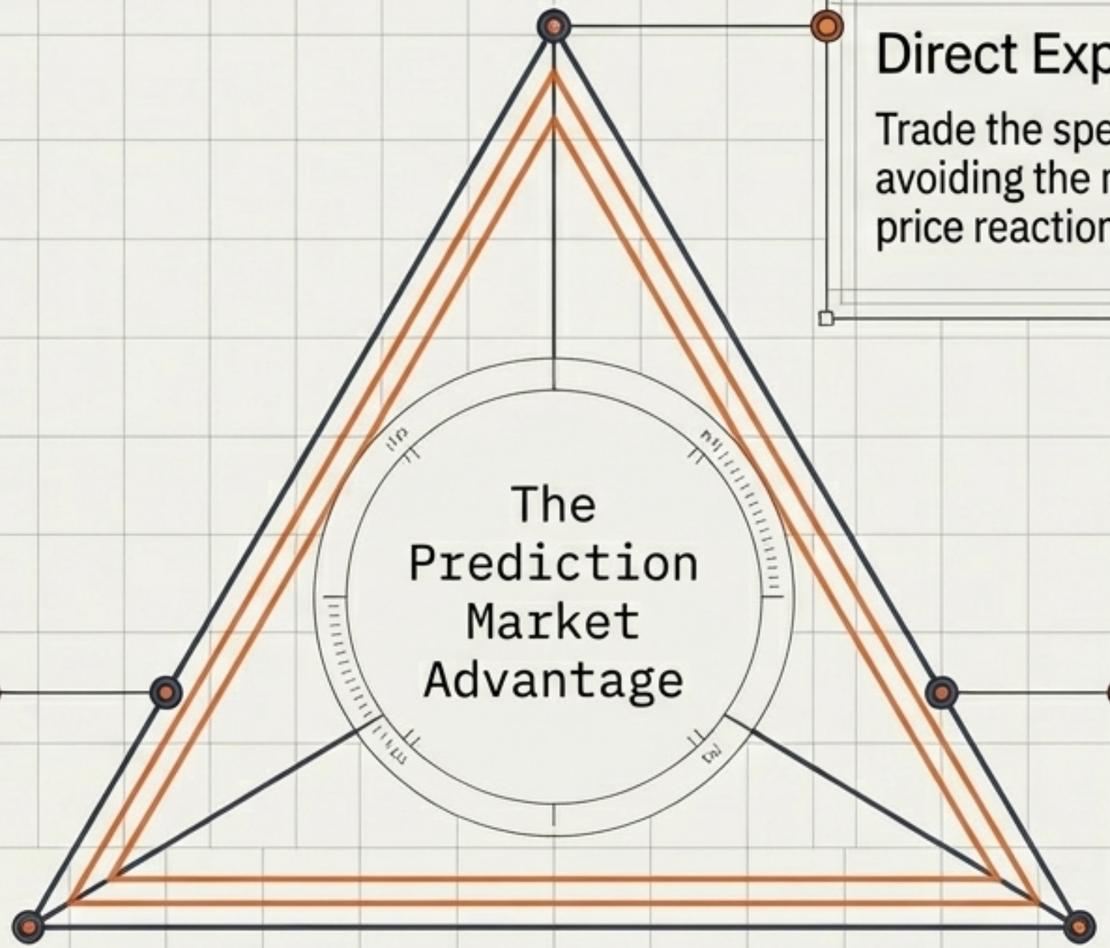
Systemic Risk Hedging

Detecting liquidity crises and cascading liquidations across DeFi.

Why Prediction Markets Win

Direct Exposure

Trade the specific event itself, avoiding the messy, secondary price reactions of correlated assets.



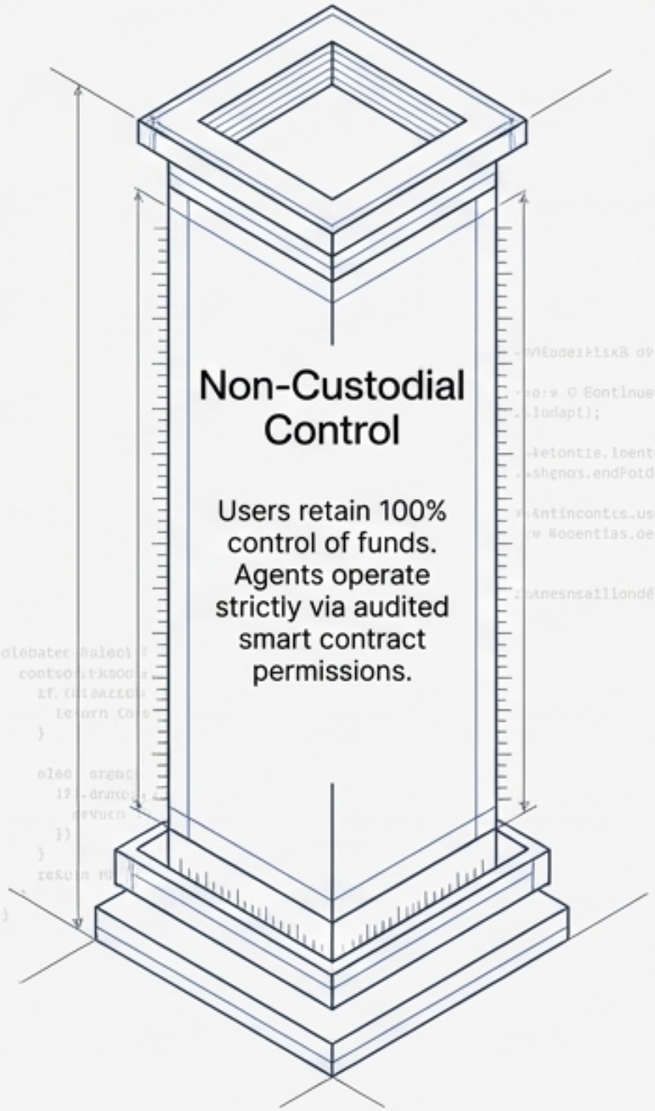
Asymmetric Payoffs

Massive downside protection achieved with only a fraction of the capital required for traditional shorts.

Information Velocity

Prediction markets price in narrative shifts and breaking news significantly faster than spot or perp markets.

Security, Control & Continuous Learning

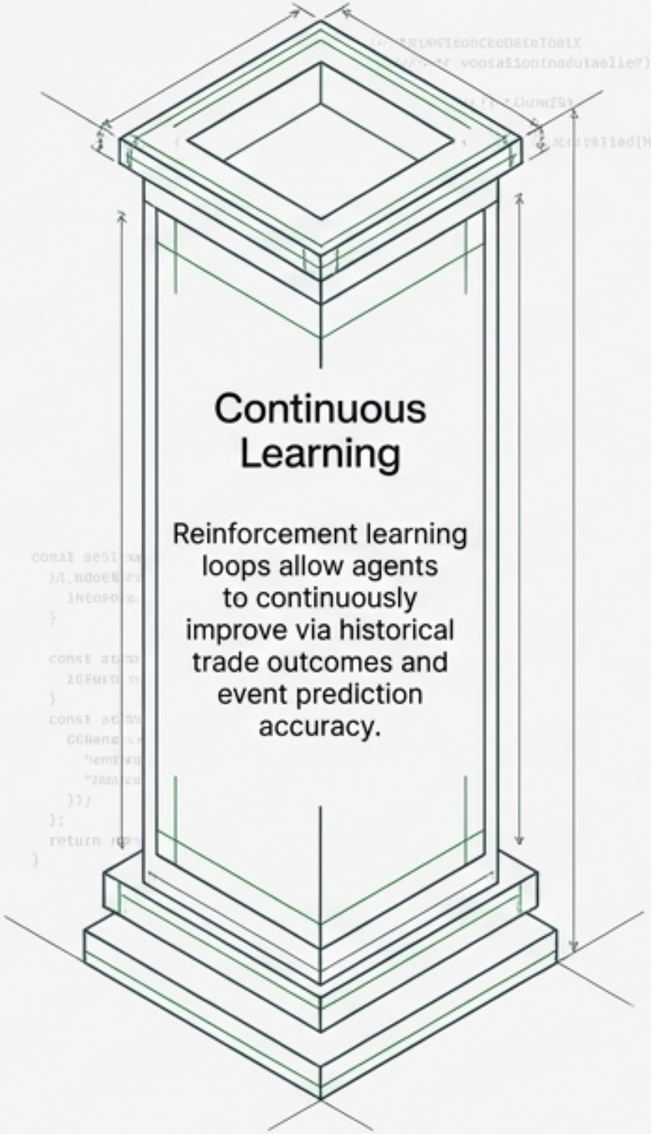


Non-Custodial Control

Users retain 100% control of funds. Agents operate strictly via audited smart contract permissions.

System Fail-Safes

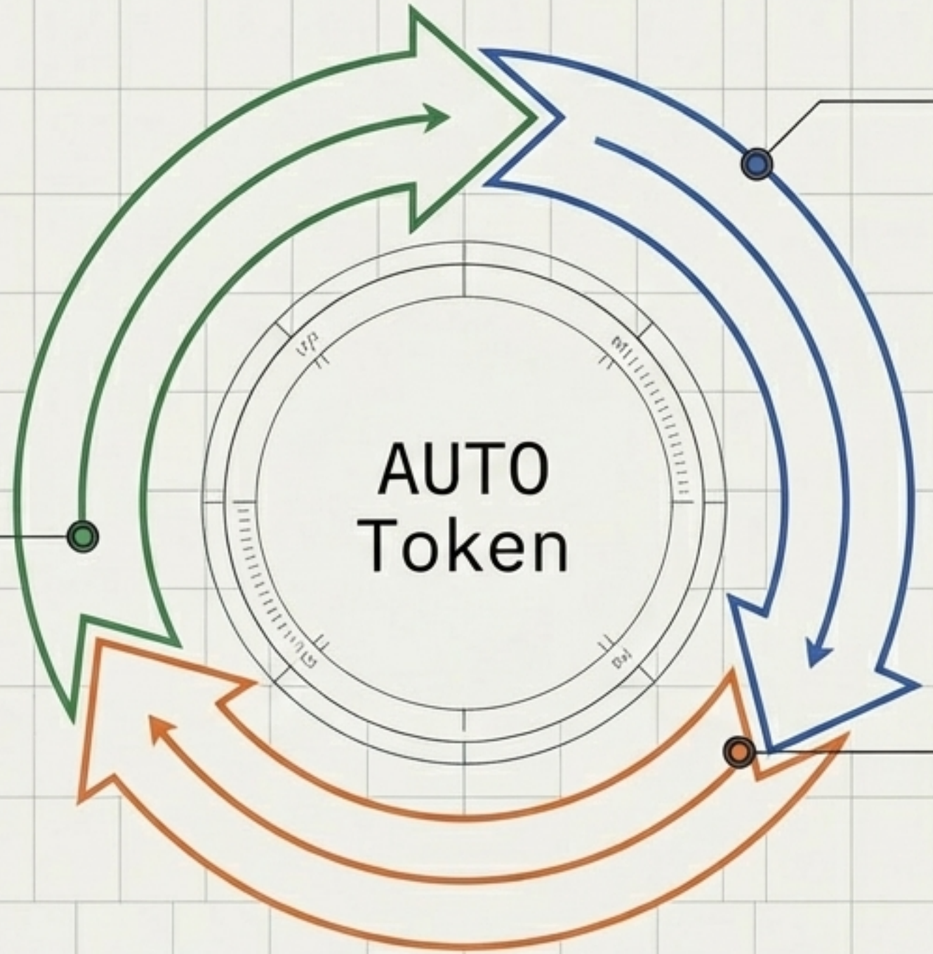
Built-in hard risk caps on hedge allocations, slippage protection, and auto-disable modes during extreme black-swan volatility.



Continuous Learning

Reinforcement learning loops allow agents to continuously improve via historical trade outcomes and event prediction accuracy.

AUTO Token Utility Flywheel



Spend

Pay for autonomous agent execution fees seamlessly.

Stake

Earn reduced fees and priority execution. Gain governance rights over newly supported markets and risk models.

Access

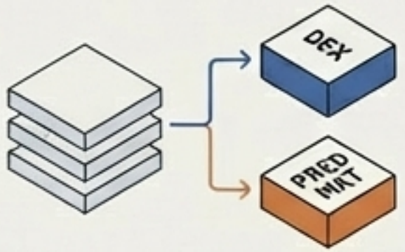
Unlock premium-tier AI hedging strategies and advanced data models.

The Roadmap to the Autonomous Economy

Phase 1: Foundation

IBM Plex Mono

MVP agent with basic event detection. Integration with 1 Perp DEX + 1 Prediction Market.



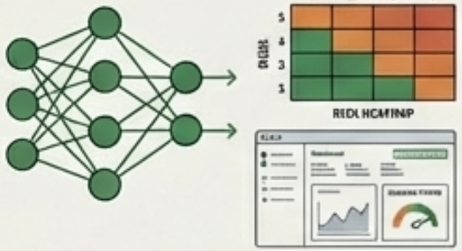

```
// init_agent_v1;
event_detect=true;
```

25%

Phase 2: Intelligence

IBM Plex Mono

Advanced AI risk models. Multi-event hedging capabilities and comprehensive User Dashboard.



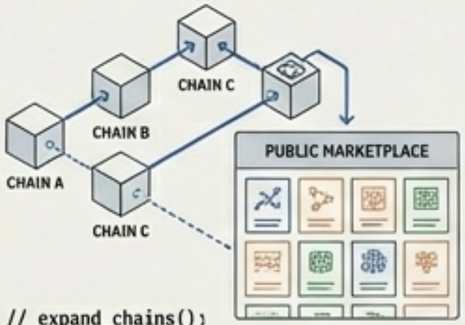
```
// load_risk_model(AI_L2);
enable_multi_hedge();
```

50%

Phase 3: Scaling

IBM Plex Mono

Cross-chain perp integrations. Multiple prediction markets and a public Strategy Marketplace.



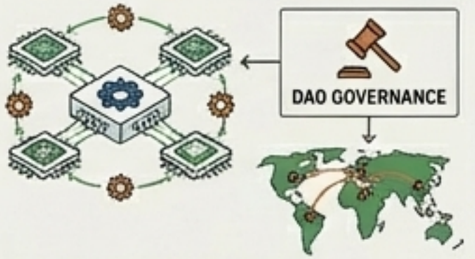

```
// expand_chains();
launch_marketplace();
```

75%

Phase 4: Autonomous Economy

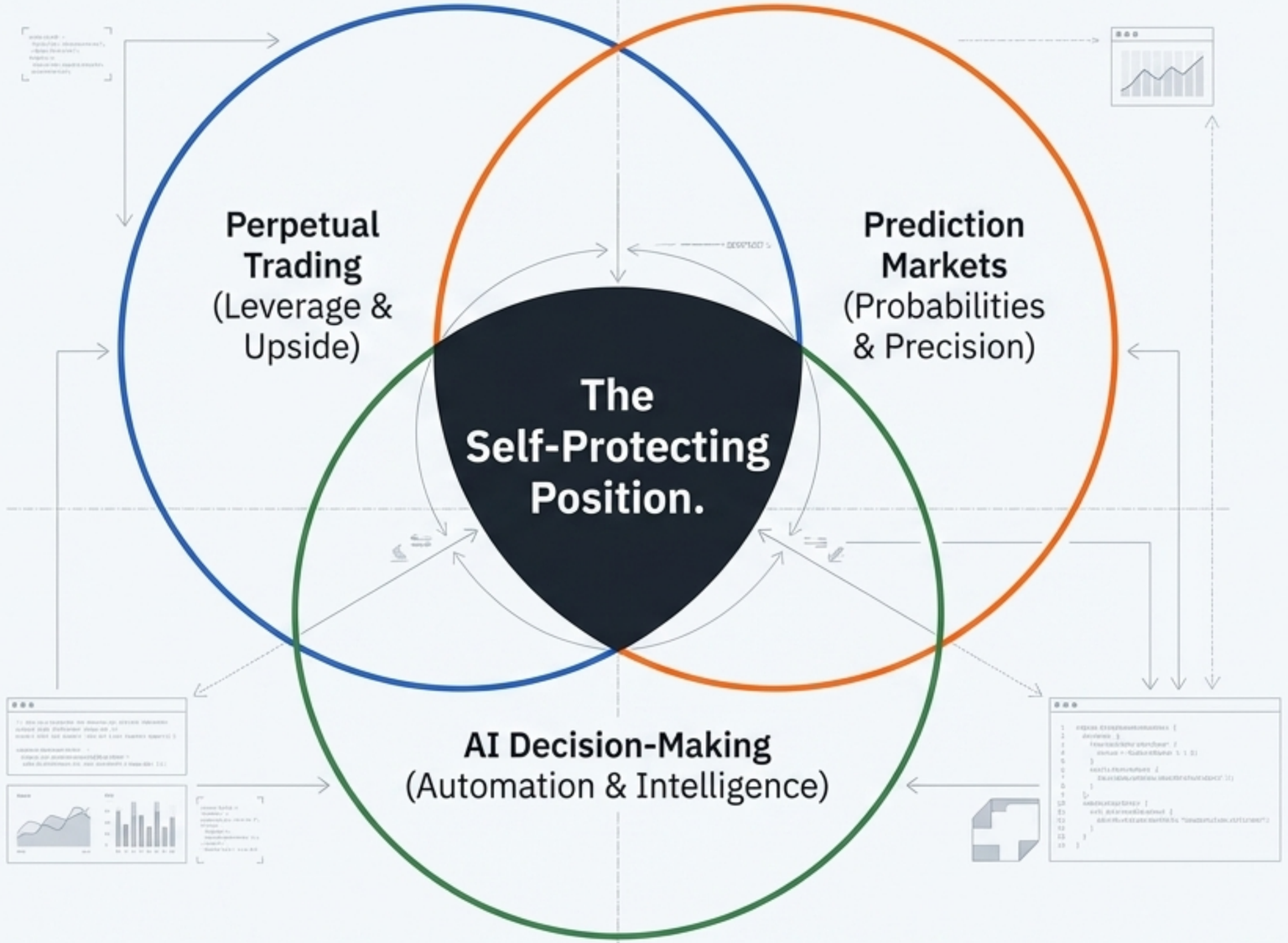
IBM Plex Mono

Fully self-optimizing agents. DAO governance and the launch of an Agent-to-Agent hedging marketplace.




```
// activate_autonomous_mode();
init_A2A_hedging();
```

100%



AutoHedge isn't just a trading tool. It is the foundational layer for safer, smarter on-chain finance.