

Systematic Trading Approaches and Tools for Automated Trading success

1. Back Testing of significant data sample:

- Back Test from say from September 2009 to September 2015
- Sense Check visualize it on a chart with that date range -does it look credible
- N.B: What market and conditions does it work best in? what market are we in now?

2. Out of sample Sense Check

Then put it on an out of sample dataset say: Jan 2016 to August 2016

3. Recent Back Test Sense Check 3

Then the last 90 days until now

4. Real-time Paper Trading Testing – real-time Sim trading

- Did we get this far?
- Still good? Ok then move to real-time sim testing and track all that process - i have provided the tools below to assist:
- Ideally you will now have to spend anything up to 3 months to really understand that market and the data series and the robot settings and what can be expected

Strategy selection KEY question check list

- Do you have the availability to monitor it?
- Do you 3 times the capital to weather the worst drawdown of the long back test?
- Are you suited to this system mentally?
- Win % and drawdowns? Etc.
- Are you going to manually control and interact and use sim trading base line models to show when you are in the drawdown or max consecutive losing period – add that to market knowledge and the time and day of the week...

Strategy Real-time Trading Heads-up

Slippage, drawdowns, news days, chop all can play havoc... let's think about why the markets are easy now., are they in a best cycle scenario-- high volatility massive breakout trending days. All of them bode well - so what about when the market goes into a different phase... you possibly will blow up. Or get scared and switch off taking all the losers and missing all the winners. So, you must understand a system; when it works and what market we are in now... and understand when it doesn't work... etc. so you need many arrows for your bow... or a considerable of skill and systematic approach and patience - log it all in excel for example... don't believe anyone only believe your statistical evidence obtained by your direct experience - better to feel a little impatient as you have watched a robot succeed for 3 months in a row than blow your account and change tack several times in a month....

Create a Weekly Daily Routine - Simple Trading Schedule & Activities

Be engaged in a weekly routine - be proactive and decide which systems you need to engage with and interact and which are better left - create a trade plan of external actions and rules if need be - simple tasks in excel.

- A. Start Sunday, refresh the server data -connect for the Sunday open - leave it running all week to Friday Close:

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- B. Every day take the stats of realised and unrealised
- C. If you close every and restart – refresh the all the chart data prior to the pre-market
- D. Friday Close - check safe - all closed for example - or if you swing over the weekend then get ready to change the account the strategy is put on Monday to not affect the orders/positions still open/working

TOOLS FOR THE JOB of being a pro trader - EXCEL!

To be successful, you must track what you try... Weekly monthly views - keep your mind and emotions ambivalent scientific:

1. strategy, instrument, data series, template name, lots... back test, visual sense check, slippage test, real-time sim test approved - go to sim trading:
<http://downloads.microtrends.co/tools/1.%20MT%20Control%20Document.xlsx>
2. Sim Real-time Trading:
<http://downloads.microtrends.co/tools/2.%20MT%20Algo%20Stats%20-%20SIM.xlsx>
3. Live Real-time Trading - use a new copy of the same XLS:
<http://downloads.microtrends.co/tools/3.%20MT%20Algo%20Stats%20-%20Live%201.xlsx>

Keep a diary of mistakes, success, market moving news and why a system is in drawdown was it waiting the non-farms payroll - perhaps next time pause it don't chop perhaps...

be the intelligent eyes and ears for the robots... add comments to the XLS - let the successes and failures disappear from the memory each week and day