Quantitative Trading Analysis with Python

Section 4: Strategy Parameters Optimization

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Strategy Parameters Optimization

- **Strategy parameters optimization** consists of finding indicators parameters combination that maximized historical performance. This is done through an exhaustive grid search of all indicators parameters combinations or a constrained grid search of only indicators parameters combinations subset.
- Main optimization metric includes final portfolio equity.

- Asset prices data delimiting consists of reducing historical parameters optimization over-fitting or data snooping. This is done through **training subset** for **in-sample strategy parameters optimization** and **testing subset** for **out-of-sample optimized strategy parameters validation.**

- **Parallel computing** might be needed when number of indicators parameters combinations is high or data time series is long.