



THE RECIPE THAT TURNED RICE INTO GOLD!

Every master chef knows you don't serve a dish without taste-testing. In 1720s Japan, rice trader Munehisa Homma applied this culinary wisdom to chaotic markets, creating the world's first algorithmic trading recipe. While other merchants panicked at daily price swings—¥100 one day, ¥85 the next—Homma stepped into his trading kitchen with a revolutionary idea. He would blend the last 10 days of rice prices into a smooth "market sauce" called a **moving average**, transforming indigestible market noise into pure profit potential.

FROM KITCHEN TO TRADING FLOOR: THE RECIPE IN ACTION

Homma's trading recipe was elegantly simple, yet devastatingly effective:

Recipe Step 1: Prepare Your Base

Calculate the 10-day moving average every morning—this becomes your market's "flavor baseline."

Recipe Step 2: Taste-Test for Direction

When fresh rice prices rose above his 10-day blend = Market heating up (Buy signal!)

When prices fell below the average = Market cooling down (Sell signal!)

Recipe Step 3: Serve with Confidence

Execute trades based on these crossover signals, knowing you've "taste-tested" the market's true direction.

The Results Were Incredible. Homma achieved over **70% win rate** using this recipe, made the equivalent of **\$10 billion** in today's money and became known as the **"God of Markets"** in Japan. His method worked across bull markets, bear markets, and sideways trends

Today's algorithmic traders use the exact same recipe principles. Fast-food chains like McDonald's standardize every burger—similarly, moving averages standardize chaotic price data into consistent, profitable signals.

YOUR PERSONAL TRADING CHEF: NUBRA'S MODERN KITCHEN

Nubra's Backtest Your Strategy feature has automated Homma's ancient recipe into a high-tech trading kitchen that works 24/7.

Your Digital Sous Chef: Automatically calculates moving averages across any timeframe (Ingredient Prep), backtests your strategy on years of historical "ingredients" (Recipe Testing), shows exact win rates, maximum drawdowns, and profit margins (Quality Control) and executes buy/sell signals without emotional "overseasoning" (Automated Cooking)

From Homma's Rice Paper to Your Smartphone, The same moving average logic that made a Japanese rice trader legendary now powers million-dollar hedge fund algorithms. Ancient wisdom, modern execution, timeless profits. Bon appétit, profitable trading!

Munehisa Homma (1724–1803), the pioneering rice trader who invented the moving average.

THE MASTER CHEF'S SECRET INGREDIENT

Think of it like making perfect miso soup, you don't judge the flavor from one random spoonful of salt or a single drop of soy sauce. Homma understood that individual price movements were just raw ingredients—sometimes bitter (market crashes), sometimes overly sweet (price bubbles), but never telling the complete story.

His breakthrough was the **Simple Moving Average (SMA)** recipe:

Ingredients: Take 10 consecutive daily rice prices

Preparation: Add them all together and divide by 10

Result?? A smooth, consistent "base broth" that revealed market direction. Mathematical Recipe:

$$SMA_{10} = (P_1 + P_2 + P_3 \dots + P_{10}) \div 10$$

This moving average became his secret sauce for market timing. Unlike other traders who chased every price spike like amateur cooks oversalting their dishes, Homma's recipe smoothed out the daily "spice fluctuations" to reveal the true underlying market flavor. The genius? Just as a master chef can taste when soup needs more seasoning, Homma could "taste" when markets needed buying or selling.

Enjoyed this recipe? Forward to a trading buddy!

▶ Taste-Test Your Strategy on Nubra

