



# Predictive Relationship: Z-Scored And Change Regression

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# 1 Trading Strategy Description

This trading rules regresses the 1 day price changes seen historical against the prior day's percentage change of the research series and level of research series.

## 2 Rule Parameters

Below is a table summarizing the parameters specific to this trading rule.

Parameter Name	Default Value	Description	Symbol
One Day Change Coefficient	0.1	The coefficient for allocation size versus the prior day fractional change in the research.	Symbol
Constant Coefficient	0.1	The coefficient for the constant contribution.	Symbol
Level Dependence Coefficient	0.1	The coefficient for allocation size versus the z scored level of the signal.	Symbol

## 3 Glossary

- **Bullish:** Positive outlook on the market. Expectation of positive returns.
- **Bearish:** Negative outlook on the market. Expectation of negative returns.
- **Allocation:** The allocation is the fractional amount of the portfolios value used to determine the size of the trading position.
- **Parameter:** Value used by the trading rule in the calculation for trading position
- **Trading Rule:** Strategy to determine when to buy, hold or sell a position.

## Further Links

1. InferTrade: <https://www.infertrade.com>
2. Privacy Policy/Legal notice: <https://www.infertrade.com/privacy-policy>
3. InferStat Ltd: <https://www.inferstat.com>