

Moving Average Model Report

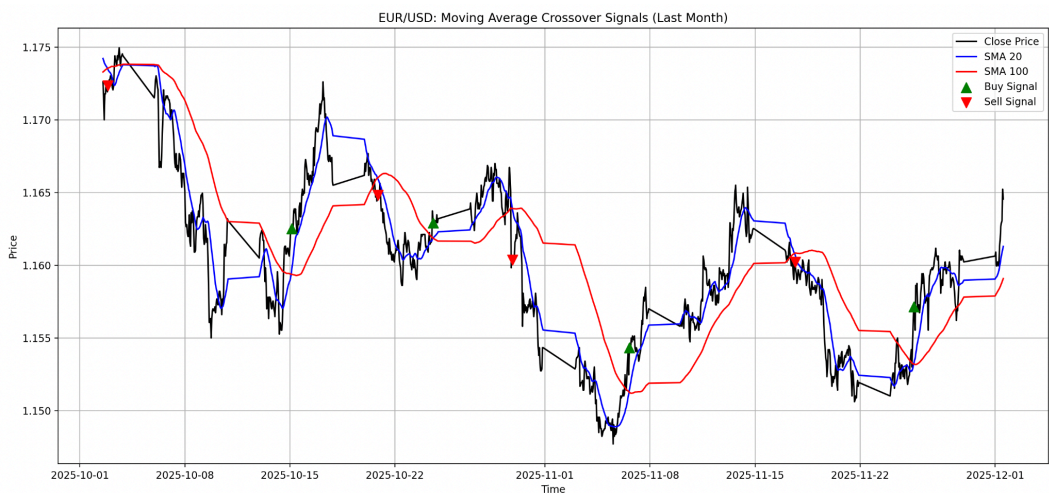
Jesús Sevilla García Conde

The 20/100 SMA crossover strategy for EURUSD, demonstrated a solid risk adjusted performance over a 2 year backtest period. Achieving an 8.44% tota return with a Sharpe ratio of 1.40. These results position the strategy in the “good” performance category for trend following systems.

Performance Metrics

Metric	Result	Interpretation
Total Return	8.44%	Above average for a simple MA strategy
Annualized Return	8.27%	Competitive with benchmark trend following systems
Annualized Volatility	5.90%	Low volatility indicated smooth equity curve
Sharpe Ratio	1.40	>1.0 considered good

The 20/100 window combination successfully identifies and rides medium-term EURUSD trends, with a risk management of 1% stop loss and 2% take profit, this simple but clear strategy is competitive. Also implemented clear entry and exit rules which reduce execution complexity and emotional decision making.



Limitations and Considerations

The choppy market vulnerability makes the strategy struggle in sideways markets. The 100 period slow moving average introduces a delay in trend recognition, which misses early trend segments. Finally, this model has been implemented without commissions.

Conclusion

This EURUSD moving average crossover strategy demonstrates robust fundamentals suitable for a quantitative trading portfolio. The 1.40 Sharpe ratio and low volatility showcases a disciplined risk management and effective trend following implementation. While the absolute return is modest, the risk adjusted performance is competitive and appropriate for conservative forex trading.