GFTD REPORT

First Meeting

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Outline

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Introduction

GFTD is based on the Time Selecting System TD and aimed at select trade time on market index.

- The main logic is that we expect a reversal after a continuous rising or falling tendency.
- There are three parameters n_1,n_2,n_3 in this strategy.

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Specific Strategy

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  - A. If there forms a sell trade.

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- If the count value reaches n_3, we start a buy trade.
- When to stop?
  - A. If there forms a sell trade.
  - B. In the process of counting value, we record the lowest price of the market index. Once the closing price in buy trade is lower than the record price, we stop this buy trade.

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Results

Evaluation of this Model

Index name	Description
Cumulative Return	Return Performance
Annual Return	Return Performance
Transaction Count	Reflect the Selection Times
Win Count,Lose Count	Reflect the effectiveness
Winning Percentage	Return Performance
Average Return per Transaction	Return Performance
Average Winning Return per Transaction	Single Transaction Return
Average Losing Return per Transaction	Single Transaction Risk
Odds	Winning Return/Losing Return
Maximum Drawdown	Risk Performance
Maximum Number of Consecutive Wins	Reflect return in a period
Maximum Number of Consecutive Loses	Reflect risk in a period

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We get 11 indexes and three comparison graphs to evaluate the model.

Figure: Cumulative Return and Market Index

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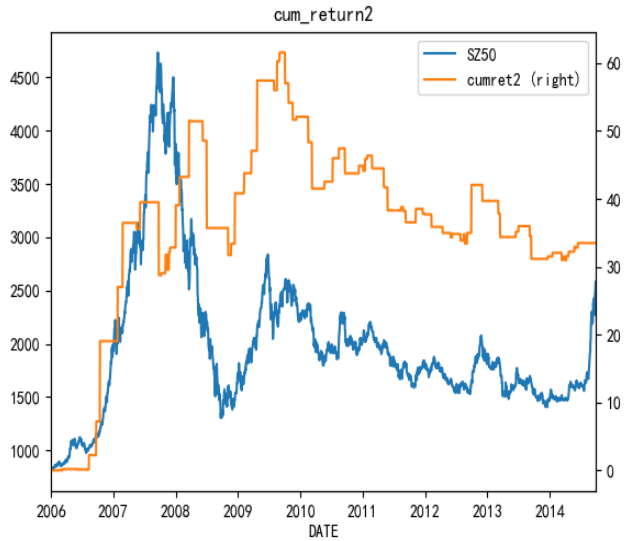

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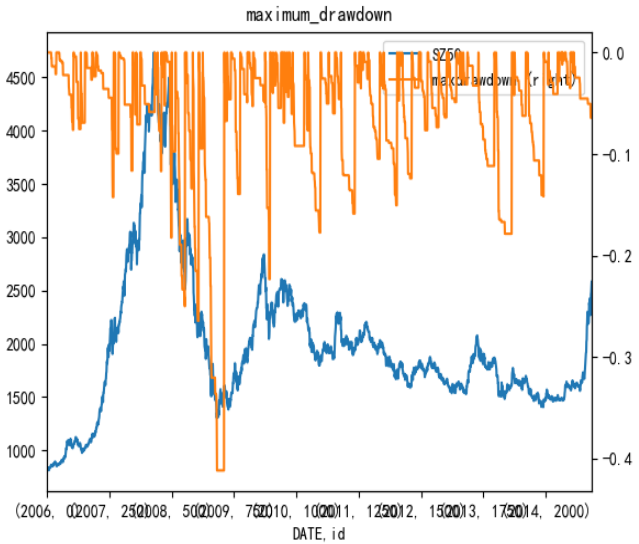

Figure: Maximum Drawdown and Market Index

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Optimal Results

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Market Index	n_1	n_2	n_3
SZ50	2	2	6
HS300	3	2	6
HS500	3	2	5
HS800	3	2	5

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Problems

Parameter Estimation

Hope to find unbiased estimation for parameters n_1,n_2 and n_3

Robustness

The performance of parameters that near the optimal parameter combination is not very well.

Sample selection

Hope to explore different in-sample period such as 2009-2017 while out-sample is then 2006-2008.

Summary

- This model can be edified flexibly and can satisfy arbitrary period.
- This model is over fitting when finding the optimal parameters.
- Outlook
  - Build unbiased estimation of such parameters and develop more details in this model.
  - Build a more scientific and complicated assess function of the model.