

Lecture 22

Batting Average & Win/Loss Ratio

Batting average: The average probability that a trader is right. Calculation: number of profitable trades divided by total number of trades during a specific period.

Win/Loss Ratio: The ratio of the average profitable trades over the average un-profitable trades.

Example:

Based the historical trades you have done for a particular strategy, calculate your historical batting average and win/loss ratio.

Strategy 1		
Date	Symbol	Profit
1/2/2017	ABC	5%
1/3/2017	BAC	-4%
1/6/2017	NOK	8%
1/7/2017	SIRI	-6%
1/8/2017	AAPL	4%
1/9/2017	GOOG	5%
1/10/2017	MSFT	-7%
1/13/2017	C	4%
1/14/2017	ALU	-2%
1/15/2017	XYZ	1%

Average return =

Batting average =

Win/loss ratio =
