3 Types of Modelling/Testing Method

In your MT4 strategy tester, you may notice that you have 3 methods for backtesting.

Model: | Open prices only (fastest method to analyze the bar just completed, only for EAs that explicitly control bar opening)
Every tick (the most precise method based on all available least timeframes to generate each tick)
Control points (a very crude method based on the nearest less timeframe, the results must not be considered)
Open prices only (fastest method to analyze the bar just completed, only for EAs that explicitly control bar opening)

In this lecture, we will briefly run through these 3 methods. We will run through them in more detail in future lectures.

The 3 Types

Open Prices Only

Method: Backtest based on the Open, High, Low and Close (OHLC) prices of the current timeframe only.

Control Points

Method: Backtest based on the OHLC prices of the current timeframe and that of a timeframe which is one level lower.

E.g. If we choose to backtest on H1 data, it will use data from H1 *and M30*. If we choose to backtest on M15 data, it will use data from M15 *and M5*.

Every Tick

Method: Backtest based on 1 minute prices only. Note that, despite being named "Every Tick", this method does not use tick data.

For more information on testing methods, see: https://www.mql5.com/en/articles/1511