Idea for a trading strategy – back testing sampling from the posterior distribution

**Big Picture:** Use Jacquier’s Bayesian sampling framework and access it’s accuracy on predicting the future

**Acceptance Criteria? :** A distribution of distances from the median/ mean, the *location* on the empirical distribution

**Details:**

I understand for the most part that we are sampling from the posterior distribution of each of the estimates

From the first pass, we can see that the quantiles are very interesting and the empirical distribution is heavily skewed. The median is much lower than the mean. The distributions seem to be bound by 0 and the max increases with the future distributions.

I am just gutting the code and putting together the parts that I want.

I might have to double check and make sure the MC converges every time and that the numbers do not change after each simulation.

Also need to find **sample size**- ideal time period to go back to calibrate the model