

Tomas Nesnidal

# Tom's **BOSS** ATS

## A **Winning** Automated Strategy



# **TOM'S BOSS ATS A Winning Automated Trading Strategy**

TO ALL THE FOLKS INTERESTED IN  
AUTOMATED TRADING FROM A GUY WHO HAS  
TRAVELED OVER 60 COUNTRIES THANKS TO  
HIS AUTOMATED TRADING FREEDOM.

**SYSTEMS**   
OnTheRoad.com

**This publication has been registered at Copyright.gov.**

Copyright © 2015 by Tomas Nesnidal.

All rights reserved. No part of this publication may be reproduced, distributed or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law. For permission requests, write to the publisher, addressed "Attention: Permissions Coordinator," at the address below.

Tomas Nesnidal / [SystemsOnTheRoad.com](http://SystemsOnTheRoad.com)

[www.SystemsOnTheRoad.com](http://www.SystemsOnTheRoad.com)

Tom's BOSS ATS (A Winning Trading Strategy) / Tomas Nesnidal –1st edition

# DISCLAIMER

## **PAST PERFORMANCE DOES NOT GUARANTEE future results.**

THE RISK OF LOSS IN TRADING COMMODITY INTERESTS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

Trading systems may involve an inappropriate level of risk for prospective investors. THE RISK OF LOSS IN TRADING COMMODITY FUTURES AND OPTIONS CAN BE SUBSTANTIAL AND MAY NOT BE SUITABLE FOR ALL INVESTORS. Prior to purchasing a trading system from this or any other system vendor or investing in a trading system with a registered commodity trading representative, investors need to carefully consider whether such trading is suitable for them in light of their own specific financial condition. In some cases, futures accounts are subject to substantial charges for commission, management, incentive or advisory fees. It may be necessary for accounts subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets. In addition, one should carefully study the accompanying prospectus, account forms, disclosure documents and/or risk disclosure statements required by the CFTC or NFA, which are provided directly by the system vendor and/or CTA's.

The information contained in this report is provided with the objective of "standardizing" trading systems performance measurements, and

it is intended for educational /informational purposes only. All information is offered with the understanding that an investor considering purchasing or leasing a system must carry out his/her own research and due diligence before deciding whether to purchase or lease any trading system noted within or without this report. Past performance is not necessarily indicative of future results.

ACTUAL RESULTS SHOULD BE VIEWED WITH CAUTION, BECAUSE PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

**THIS MATERIAL SERVES FOR EDUCATIONAL PURPOSES ONLY.**

# CONTENT OF THE EBOOK

DISCLAIMER .....	4
CONTENT OF THE EBOOK.....	6
TOM BOSS ATS: Introduction .....	9
TOM BOSS ATS: Market, Time Frame, and Time Template.....	14
TOM BOSS ATS: Code of the system (in EasyLanguage) .....	20
TOM BOSS ATS: Optimization and regular reoptimization .....	28
In Conclusion .....	36
What's next?.....	38

# **Building Freedom With ATS: It Can Be Done!**

Hi. My name is Tomas Nesnidal. I have been a full-time trader over 10 years. Let me tell you something very important right at the very beginning:

**Automated Trading Systems (ATSs) do work and can bring you a significant profit.**

Or even financial freedom! How do I know? Because I have been using them successfully for over 6 years as my primary source of income. I use plenty of them every single day (except on weekends) and enjoy the freedom they have always given me (even on weekends). In the last few years, I have traveled to over 60 countries, mostly in luxury, either on luxury cruise ships or in first/business class, and enjoyed the best hotels in the world - all that financed by [ATS trading](http://www.SystemsOnTheRoad.com).

**I know how powerful ATSs can be if you take them seriously and use them in the right way.**

In this eBook I would like to share one of my **real** strategies from my **real** portfolio (yes, I really trade this strategy by myself as well). Why am I doing this? Do I lose anything by giving this strategy away? Not really. Over the years I have developed a highly sophisticated building and testing workflow and, I not only have plenty of other strategies, but I also keep developing new ones continuously. Having said that, whatever happens, with this strategy when I share it with you for free, will not have any impact on my own portfolio and trading. As well, I believe that this will really help others to at least see that a working strategy can be simple and to show some realistic expectations when it comes to ATS development and trading.

So, let's get started. Hopefully, this will be a good step for many beginning traders, that are yet waiting for the big breakthrough on their journey to the financial freedom, success and independence.

**I am here to help you with that breakthrough.**

*Tomas Nesnidal, currently in Marbella (Spain).*  
[info@systemsontheroad.com](mailto:info@systemsontheroad.com)





## **TOM BOSS ATS: Introduction**

System TOM BOSS ATS is a really simple but very strong breakout system. The abbreviation means BreakOut Super Simple ATS.

**It's one of the first ATS breakout systems I've ever created - with over 7 years of live trading history!**

If I'm not mistaken, this has been my very first ATS I have ever traded live on markets. I have created this system using the 1st version of my ATS workflow for building and testing high-quality automatic breakout strategies (I have upgraded and tuned-up the workflow since then).

It's quite important to mention that this system has performed really well since then - and is still performing well while I'm writing this book. From the beginning, this system has been a stable part of my big portfolio. Over the past 7 years, BOSS has kept bringing me happiness, money, excellent results and stable profits - except for 2014 when all breakout index-based ATSs were underperforming.

I have created this system for e-mini Russell 2000 market (ticker TF) where, as well, I mostly trade this

system. With a little creativity, I have been able to modify this system to profitably trade all other futures index based markets. I have given this system to a couple of traders in the Czech Republic (a small country in Central Europe where I come from, but nowadays I live in Spain, in Costa Del Sol). One of those traders has recently informed me that he's been able to modify the system to perform really well on extremely volatile DAX market (German stock index) and he has made a lot of money. He has been an inspiration to me because up until now, I haven't even thought about trading DAX with BOSS.

As you can see from the examples above, this system is really versatile and also robust, which is an important attribute. The market I don't trade BOSS on is Forex. I don't trade Forex with any of my systems.

BOSS system is only trading long. The reason behind this is that, at the beginning, I found out that it's much easier to build only long-biased trading strategies (compared to strategies trading both long and short). This was one of my first ATSS - at that time, I didn't know how to build strategies trading both directions that would have similar results (this has changed since then, and today I mainly focus on strategies trading both directions).

Despite the great past performance, it's important to keep in mind that the perfect system with huge profits every year with little or no work doesn't exist. Every system has its peaks and drawdowns and periods of poor performance. BOSS is no exception; it's still a system with the same positives and negatives mentioned above. Despite all that, TOM BOSS ATS is one of the systems I'm really proud of, which has gained my full trust over the years and has proven to be a valid part of my portfolio over the last 7 years.

**I have created a lot of very good systems since then, but I still don't plan to leave TOM BOSS ATS out of my portfolio. This decision isn't based on sentiment.**

In this publication, I will present you the exact code, rules for regular reoptimization, settings for the market and time frame I have created the system for (emini Russell 2000, 15min). It's highly recommended to trade BOSS in this market, but as I stated above, with a different setup, it also performs well in other markets.

I will advise you not to stick only to this market and time frame, but to try and experiment different markets and time frames, and discover all possibilities of BOSS.

## WHO IS THE BOSS?

Discover the BOSS in YOURSELF. Use your creativity; don't be afraid of moving this strategy forward. Creativity is the key to success in automated trading. It is the Alpha and Omega; it's the most important, far more important than the development process or the workflow. If you don't learn how to be creative or use your imagination for new big ideas, you will never be [truly successful in ATS trading](#).

Everything is in your hands. You are the one and only BOSS here. You are the new future successful trader - entrepreneur. Do your best with this system. This system has made me lots of money and it can do the same for you.

But keep both feet on the ground and remember that profits are never guaranteed in this profession. Therefore, don't ever start live trading any system you don't fully understand or if you aren't ready to face the risk. And I mean including this system. Go through the disclaimer at the beginning of this ebook! Sharing this system with you is my best will, but I cannot guarantee any future profits.

To fully understand the following parts of this ebook, it's necessary to have basic knowledge about stock markets trading and about creating automated trading strategies (i.e. you already know

what optimization of INPUT parameters is and how to do it). Also, ideally, you already have some experience with trading platforms like TradeStation or MultiCharts (the code has been created in EasyLanguage which is supported by these 2 platforms).

This ebook doesn't go with any personal or e-mail support!

Enjoy the TOM BOSS ATS trading!

# **TOM BOSS ATS: Market, Time Frame, and Time Template**

Since I work mainly with Tradestation and Multicharts platforms, all the following guidelines and examples will be for Tradestation (Multicharts is similar) - as previously stated. The same applies to the code itself - it has been programmed in and for Tradestation platform in EasyLanguage. I don't have this code for any other programming languages or platforms, so don't email me for other variants - I don't really have them. But I'm sure that any at least little-advanced programmer would be able to transcript it to any other platform or programming language. The code itself and the logic used are really simple. I don't look for any complicated algorithms but I prefer cunning simplicity, as you can read in my trading blog.

## **MARKET AND TIME FRAME**

At the moment, I personally trade TOM BOSS ATS on the following markets:

- ✓ Emini Russell 2000 (TF, TradeStation symbol TF.D)
- ✓ Emini S&P 500 (ES, TradeStation symbol ES.D)

- ✓ Emini S&P 400 (EMD, TradeStation symbol EMD.D)

On all 3 markets, I have this system optimized for 2 different time frames: 15- and 30-minute. And I reoptimize it regularly. Both time frames work pretty well for the system and I can truly recommend both of them.

Originally, I have created the system for emini Russell 2000 (TF.D), 15-min time frame, so you can begin with this one. But, it is not necessary - on ES.D market, you can trade this system with a lot of smaller stop-loss.

## TIME TEMPLATE

Before inserting the strategy into your Tradestation chart (or any other platform), it's good to know that TOM BOSS ATS works with the so-called time templates, i.e. the system doesn't work with regular reading hours, but it works with pre-defined custom session templates.

Time templates used for TOM BOSS are different from market to market and they have a really big influence on final trading results. Without using the time template, the results will be much worse. There is a reason for using the time template and using it is part of my creative attitude when creating new systems. But this isn't a topic I would like to

describe here. You can read more about it on my [blog](#).

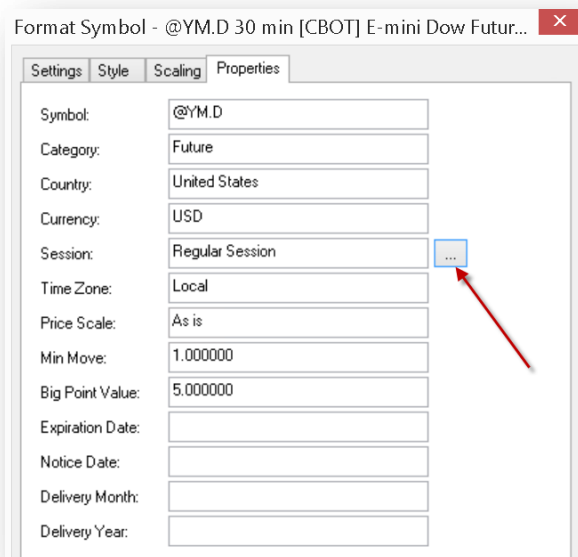
What is the time template for each market?

Here is a little overview:

- ✓ **TF.D session: 945-1615 Exchange Time**
- ✓ **EMD.D session: 830-1500 Exchange Time**
- ✓ **ES.D session: None used (Regular Trading Hours, 830-1515 Exchange Time )**

Let's go from theory to practice. To set up a Tradestation custom session template, you need to right-click on the chart, click on "Format symbol", go to "Properties" tab, look for a line called "Session" and click on a small icon on the right side:





There, you can create new custom sessions that you will be able to use for your trading.

Here is an example of EMD.D market (session 830-1500 exchange time):

**Sessions**

Session Settings

☐ Use regular session(s)  
☒ Use custom session(s):  
 (Custom sessions not available when using Daily, Weekly or Monthly intervals)

Template Name: 830-1500

Create ... Modify ... Delete ...

Session Preview: 830-1500

	a	1	2	3	4	5	6	7	8	9	10	11	p	1	2	3	4	5	6	7	8	9	10	11
Sun																								
Mon																								
Tue																								
Wed																								
Thu																								
Fri																								
Sat																								

☒ Regular Session
 ☒ Outside Regular Session

#	Name	Start Day	Start Time	End Day	End Time	SEOC
1	830-1500	Mon	8:30 AM	Mon	3:00 PM	✓
2	830-1500	Tue	8:30 AM	Tue	3:00 PM	✓
3	830-1500	Wed	8:30 AM	Wed	3:00 PM	✓
4	830-1500	Thu	8:30 AM	Thu	3:00 PM	✓

Note: Session times are based on exchange time.

OK Cancel Help

Here is one for TF.D market (session 945-1615 exchange time):

**Sessions**

Session Settings

☐ Use regular session(s)  
☒ Use custom session(s):  
(Custom sessions not available when using Daily, Weekly or Monthly intervals)

Template Name: **945-1615**

Create ... Modify ... Delete ...

Session Preview: 945-1615

	a	1	2	3	4	5	6	7	8	9	10	11	p	1	2	3	4	5	6	7	8	9	10	11
Sun																								
Mon																								
Tue																								
Wed																								
Thu																								
Fri																								
Sat																								

☒ Regular Session      ☐ Outside Regular Session

#	Name	Start Day	Start Time	End Day	End Time	SEOC
1	945-1615	Mon	9:45 AM	Mon	4:15 PM	✓
2	945-1615	Tue	9:45 AM	Tue	4:15 PM	✓
3	945-1615	Wed	9:45 AM	Wed	4:15 PM	✓
4	945-1615	Thu	9:45 AM	Thu	4:15 PM	✓

Note: Session times are based on exchange time.

OK Cancel Help

After creating a time template and preparing the chart of the market you want to trade with the right time frame in your trading platform (Tradestation), you are ready to insert TOM BOSS ATS into the chart.

## **TOM BOSS ATS: Code of the system (in EasyLanguage)**

Let me present a complete code in EasyLanguage (for Tradestation and Multicharts) to you. The code also contains comments that should help you with basic orientation in the code and also make the transcription of this code into any other language easier.

As explained previously, you can try the strategy in several markets and timeframes (with different time-templates), but I suggest you to start with the following:

- ✓ Preferred market: @TF.D
- ✓ Preferred timeframe: 30-minute
- ✓ Time template: 945-1615 EXCHANGE TIME

So, here comes the code (don't be shocked how simple the strategy is - good strategies are usually as simple as this one):

{TOMNES BOSS ATS -2015(c)Tomas Nesnidal /  
[www.SystemsOnTheRoad.com](http://www.SystemsOnTheRoad.com). Copyrighted material.  
 EasyLanguage Strategy Code for TradeStation and  
 MultiCharts.

Preferred market: @TF.D  
 Preferred timeframe: 30-minute  
 Time template: 945-1615 EXCHANGE TIME  
 THIS SYSTEM NEEDS REGULAR REOPTIMIZATION!}

```
{Strategy inputs}
Inputs: P1 (98),
        P2 (22),
        myFraction (1.75),
        SL(600);
```

```
{Strategy variables}
Vars:   myPOI(0),
        myDistance (0),
        BO_level (0),
        EntryCondLong (false);
```

```
{Point Of Initiation}
myPOI = Closed(1); //Yesterday's daily CLOSE
```

```
{Distance}
myDistance = AvgTrueRange(14) * myFraction;
```

```
{Entry breakout level - calculates WHERE to enter}
BO_level = myPOI + myDistance;
```

```
{Entry condition - calculates WHEN to enter}
EntryCondLong = DMIPlus(P1)<= DMIMinus(P2);
```

```
{Entry order - enter WHEN and WHERE criteria met}
If (MarketPosition = 0 or time = SessionEndTime(0,
1)) and EntryCondLong then Buy next bar at BO_level
stop;
```

```
{Exits - Exit on STOPLOSS or AT THE END OF THE DAY}
setstoploss(SL);
SetExitOnClose;
```

## WHAT'S NEXT?

What you need to do now is to go to EasyLanguage editor, create a new strategy, insert, verify and save the code. You can go back to your chart afterward and insert the strategy (if you don't know how to do this, go to [Tradestation websites](#) and search for tutorials for beginners).

After you insert the strategy into the chart, don't forget to change the following setting: right-click to the chart, "Format strategies" => "Properties for all" and do the following 2 changes:

General Backtesting Automation

Currency  
Base currency of: Symbol (USD)

Costs/Capitalization  
Commission: \$ per Trade  
\$ 0 0 %  
Position Slippage: \$ 0 ☒ per Trade ☐ per Share/Contract  
Initial Capital: \$ 100,000  
Interest Rate: 2 %  
Note: Initial Capital and Interest Rate are used only in the Strategy Performance Report.

Back-testing resolution  
☒ Use Look-Inside-Bar Back-testing  
☐ Tick 1 ticks  
☐ Second 1 second  
☒ Minute 1 minute

Maximum number of bars study will reference 200

The first one is “Back-testing resolution”. During backtesting we will use 1-minute resolution so all backtests and optimizations will be more precise.

The second one is called “Max bars back” and this number is instructing Tradestation on how many bars will be needed for indicator calculations (e.g. CCI(20) will need 20 bars).

## **VISUAL CHECK OF THE SYSTEM**

After you insert the strategy to the chart, check the performance report to be sure that you have done all the previous steps correctly. On the following print screens, you can see how the setup should look like and what numbers you should see in your performance report. To get exact numbers, use the following setup:

- ✓ **Market:** @TF.D
- ✓ **Timeframe:** 30-minute
- ✓ **Time template:** 945-1615 EXCHANGE TIME
- ✓ **Data FROM:** 1/1/2003
- ✓ **Data TO:** 12/16/2015 (the day I screenshotted the results for this eBook)

One of the INPUT parameters you also need to set up is adequate stop loss. Stop loss can have a big

effect on the system behavior. Generally speaking, the bigger stop loss you use, the smoother the equity curve will be. The stop loss you use depends on your risk tolerance and also on your risk-management rules. To get optimal stop loss for every strategy, you can also do the optimization.

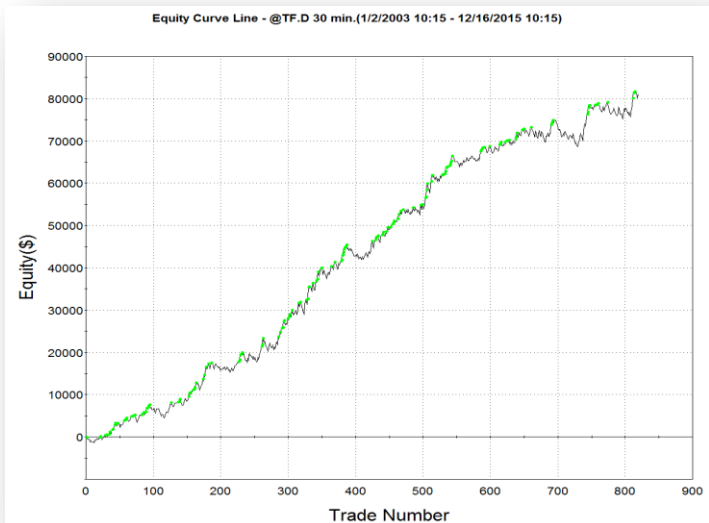
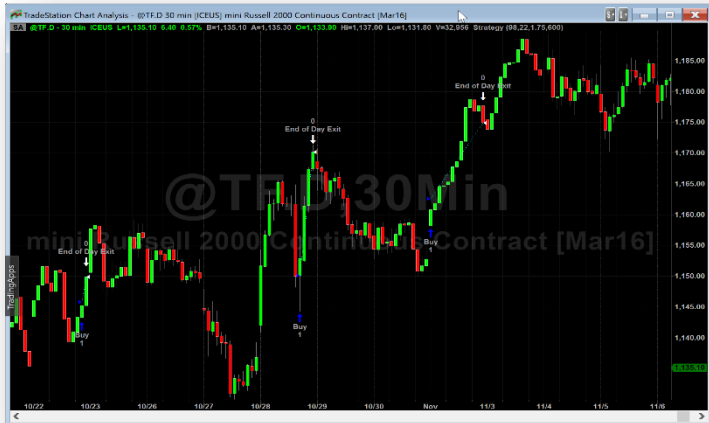
Here are some clues:

- ✓ The minimum stop loss for ES.D market should not be below 250-300 USD. I prefer 500-800 USD, depending on the time frame.
- ✓ For EMD.D and TF.D markets, the minimum stop loss you should use is approximately 400-500 USD. For these markets, I use 800-1500 USD.
- ✓ Right now you can stick with the 600 USD SL as is in the code. You might need to reoptimize it sometimes, though.

## **SCREENSHOTS FOR THE VISUAL CHECK**

The following screenshots, as well as the input parameters in the posted code, are the latest I am using right now. As you will see, in 2015 I made over 8,000 USD on this strategy (real money). However, you will yet learn that the input parameters need to be reoptimized regularly.





TradeStation Performance Summary			
	All Trades	Long Trades	Short Trades
Total Net Profit	\$81,070.00	\$81,070.00	\$0.00
Gross Profit	\$257,860.00	\$257,860.00	\$0.00
Gross Loss	(\$176,790.00)	(\$176,790.00)	\$0.00
Profit Factor	1.46	1.46	n/a
Roll Over Credit	\$0.00	\$0.00	\$0.00
Open Position P/L	\$100.00	\$100.00	\$0.00
Select Total Net Profit	\$61,520.00	\$61,520.00	\$0.00
Select Gross Profit	\$238,310.00	\$238,310.00	\$0.00
Select Gross Loss	(\$176,790.00)	(\$176,790.00)	\$0.00
Select Profit Factor	1.35	1.35	n/a
Adjusted Total Net Profit	\$59,657.87	\$59,657.87	\$0.00
Adjusted Gross Profit	\$245,553.01	\$245,553.01	\$0.00
Adjusted Gross Loss	(\$185,895.15)	(\$185,895.15)	\$0.00
Adjusted Profit Factor	1.32	1.32	n/a
Total Number of Trades	819	819	0
Percent Profitable	53.60%	53.60%	0.00%
Winning Trades	439	439	0
Losing Trades	377	377	0
Even Trades	3	3	0
Avg. Trade Net Profit	\$98.99	\$98.99	\$0.00
Avg. Winning Trade	\$587.38	\$587.38	\$0.00
Avg. Losing Trade	(\$468.94)	(\$468.94)	\$0.00
Ratio Avg. Win:Avg. Loss	1.25	1.25	n/a
Largest Winning Trade	\$2,780.00	\$2,780.00	\$0.00
Largest Losing Trade	(\$600.00)	(\$600.00)	\$0.00
Largest Winner as % of Gross Profit	1.08%	1.08%	n/a
Largest Loser as % of Gross Loss	0.34%	0.34%	n/a

## CAUTION, VERY IMPORTANT:

INPUT parameters are not permanently fixed. It means that for live trading you should not use this parameter set; you need to optimize it by yourself before live trading. You will also need to do regular reoptimization and change the parameters from time to time. The INPUT parameters that are defined in the code are from the optimization I have recently done. You can use those for some time, but they aren't everlasting. If it has been some time since issuing this ebook, it's possible, that using

these parameters will not give you rising equity. It makes sense - every parameter set is only temporary, designated to be used for a couple of months. As well, it's to be replaced after some time. The system needs regular maintenance in terms of reoptimization and updating parameter set.

Read on to find out how and when to reoptimize TOM BOSS ATS.

## **TOM BOSS ATS: Optimization and regular reoptimization**

Regular reoptimization is an extremely important part of my workflow (for a vast majority of my strategies). Therefore, it should be also applied to TOM BOSS ATS. It can be referred to as a significant task of my workflow.

What does the reoptimization mean?

**For every system you have, it is required to do a new optimization of INPUT parameters from time to time and use the best set of parameters for live trading.**

This process should be repeated regularly - after a certain period of time, you insert your strategy into the chart and run a new optimization. Use the best results for the next couple of months for live trading. This is why it is called regular reoptimization.

**Regular reoptimization of the system improves overall performance.**

There might be an exception to a single system, but it definitely works for even a small portfolio of systems. This process also works to adapt the system to new market conditions. As you can see below, regular reoptimization can improve results by up to stunning 239%:

SYSTEM NAME	MARKET	2014 W/OUT OPTIMIZATION	2014 WITH OPTIMIZATION	DIFFERENCE	2015/APRIL W/OUT REOPTIMIZATION	2015/APRIL WITH REOPTIMIZATION	DIFFERENCE
PERSEUS SET 1	TF	-\$4,450	-\$990	78%	\$3,640	\$1,870	-49%
PERSEUS SET 1	EMD	\$1,020	\$3,390	232%	\$2,830	\$3,780	34%
T-ROLLER SET1	TF	\$1,650	-\$900	-155%	-\$280	\$6,050	2261%
T-ROLLER SET1	EMD	-\$6,470	\$540	108%	\$5,590	\$6,860	23%
YENNER SET 3	YM	-\$60	\$1,020	1800%	\$5,695	\$5,695	0%
YENNER SET 4	YM	\$1,880	\$1,860	-1%	\$1,085	\$2,840	162%
EMDRAGON SET 4	EMD	\$2,040	\$1,610	-21%	\$3,820	\$3,820	0%
BOSS SET 4	TF	\$1,050	-\$1,880	-279%	\$1,130	\$1,760	56%
<b>TOTAL</b>		<b>-\$3,340</b>	<b>\$4,650</b>		<b>\$23,510</b>	<b>\$32,675</b>	
		<b>Difference</b> →		<b>+239%</b>	<b>Difference</b> →		<b>+39%</b>

## HOW OFTEN SHOULD YOU REOPTIMIZE?

I am a little free minded when it comes to exact dates of reoptimization. I don't follow exact dates as to when the reoptimization should be done; I do it approximately once a year. I apply this rule not only for TOM BOSS ATS but also for the rest of my systems (or at least for a vast majority). Most of my tests have proven that the best period to be used for reoptimization is **6-12 months**. I do the reoptimization by the end of the year, sometimes in November or December time. It's always one of these 2 months, neither sooner nor later.

In the case of BOSS, I would recommend doing reoptimization once a year. I do the following 4 steps:

1. In the first days of December, I insert TOM BOSS ATS into a chart, apply time template and load the market history from 2004 up till the most recent market days.
2. I run optimization of all INPUT parameters using all data since 2004 (I use genetic optimization, but it is also possible to use exhaustive optimization).
3. I use the best INPUT parameters for live trading for the next year.
4. During following December, I go through the same process again, step by step as described above.

In general, this is also called “IN SAMPLE” (IS) data optimization and the system is traded afterward on “OUT OF SAMPLE” (OOS) data ([learn more about trading mastery and stuff like this on my blog](#)). If you have some experience in trading, you can do the reoptimization on data divided into 80% IN SAMPLE and 20% OUT OF SAMPLE. For live trading, use INPUT parameters which were the best not only on IN SAMPLE data, but also performed well on OUT OF SAMPLE data (they were tested

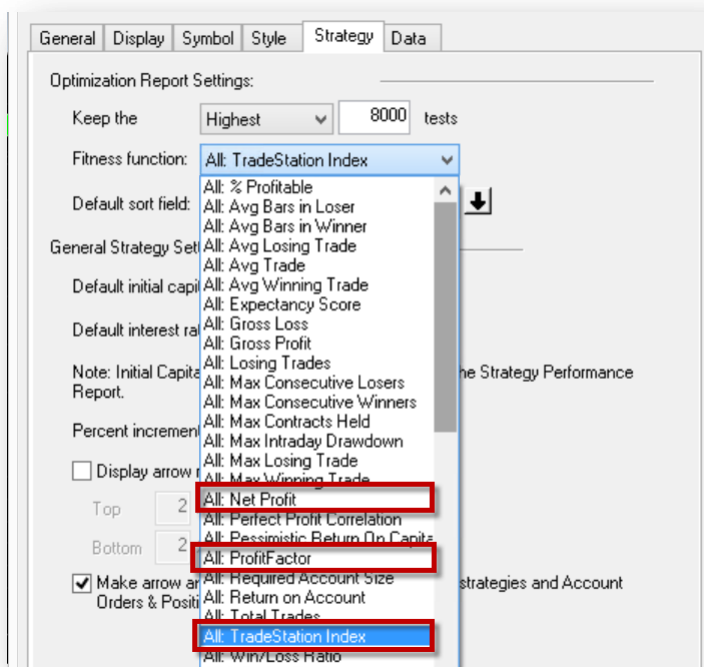
on OUT OF SAMPLE interval). This way is highly recommended, but I don't need to use it any more. I have full trust in TOM BOSS ATS, so I don't need any more evidence. I trade INPUT parameters that are based on IN SAMPLE optimization.

## **WHICH FITNESS FUNCTION SHOULD YOU USE FOR REOPTIMIZATION?**

TOM BOSS ATS can be optimized using different "fitness functions". What is this fitness function?

As a matter of fact, it is quite simple. Run Tradestation (or any other trading platform with advanced functions) and set up a goal for strategy optimization. The platform will do the optimization having your goal as an optimization target. For example, you can set up the fitness function (f.f.) to get the highest net profit (set f.f. to Net Profit) or to get the most profitable trades (set f.f. to Winning %).

What I use in TradeStation is a fitness function Net Profit, Tradestation Index of Profit Factor:



*(TS Menu: VIEW => Chart Analysis Preferences => Strategy)*

You can use either of these fitness functions for TOM BOSS ATS reoptimization. The good thing about this approach is that for every fitness function you will get slightly different results and that means a slightly different system (as there will be different INPUT parameters). You will get different variations of 1 system. I use this approach in my portfolio as well. For TOM BOSS ATS you will get more than



just 1 tradeable “parameters set” (different INPUT parameters). What exactly are these “parameter sets”?

The first optimization I do is using a fitness function called Tradestation Index (TSI) and the best result (the best INPUT parameters found) will be the first “parameter set”, which I use for live trading.

The next optimization I do is using a “Profit Factor” fitness function and the best results (the best INPUT parameters) are used for the second parameter set. This will be a little different from the first one. After all is done, I run both parameter sets live.

I use this technique rather than trading more contracts of 1 system.

**Simply, instead of running 1 system with more contracts, it is always better to run a system with more parameter sets (a different set of INPUT parameters based on different fitness functions) and be at least a little diversified despite using only 1 strategy on 1 market.**

The system will be still the same, but by using different INPUT parameters, the overall performance will be slightly different.

I call this method **system sizing** (instead of well-known position sizing); you will be able to read more about this method in the future on my [Trader's blog](#). (I recommend you to [subscribe](#) to my newsletter to avoid missing some interesting news that might have positive impact on your own trading results). This is a very strong technique and I use this very often in my portfolio.

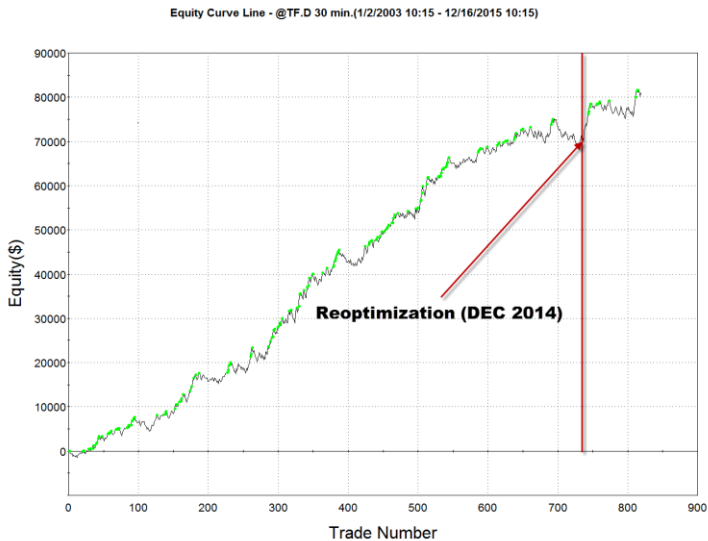
I have almost forgotten to mention that, in the case of TOM BOSS ATS, I recommend you to use the following fitness functions: Net Profit, Profit Factor and Tradestation Index (TSI). All of them are giving good results.

## **ONE MORE IMPORTANT PIECE OF ADVICE**

I already stated the following above, but I will repeat it again to avoid any future misunderstandings: the INPUT parameters that are used in this code are the best ones that I got during my last reoptimization in December 2014. As I explained above, every parameter set is only meant to be used for a limited period of time and it is required to reoptimize the strategy regularly. It is possible that using these parameters after a couple of months or years will give you non-attractive results and you

might see the equity curve going sideways or even down. This is fully logical and predictable; there is nothing like permanently working parameter set which would profitably trade forever. It is required to do regular reoptimization on most of the systems, and you need to do so on TOM BOSS ATS - to regularly reoptimize the system to get parameter sets that will work in current market conditions and that will be able to trade profitably for the next couple of months.

Besides that, I also recommend running Monte Carlo analysis to get a rough image about possible future drawdowns. You can read more about Monte Carlo analysis in this article on my [blog](#).



## In Conclusion

Now you have all the information you need. I have given you a complete system, TOM BOSS ATS, which is part of my live trading portfolio; I have showed all the setting that needs to be done and explained how to do regular reoptimization.

Don't forget that you can learn a lot of interesting and useful information on my [blog](#). Just learn from my mistakes and my wins to become a successful ATS trader faster). For some of you, it might be a good opportunity how to start trading ATSS without having to invest extreme amounts of time and energy to build new strategies like I do.

I wish you all the best. To me, trading is the best entrepreneurship there is and, when it is fully automated it is a business that cannot be compared to any other. It can give you all the freedom you have ever wanted and dreamt of. I can say it as a person who has traveled to over 60 countries thanks to automated trading and I always spend over half a year traveling. The other half I spend in the first line sea villa in Southern Europe in an area full of celebrities.

**Everything is possible if you dedicate yourself to it and fully focus on your target. There are no limits.**

You can do whatever you want to. Just stop dreaming and start acting.

**I wish you lots of success for the future and have wonderful trades!**

## What's next?

Become a breakout strategies pro!

**'BUILD EMINI BREAKOUT STRATEGIES FAST'**

**WITH TOMAS NESNIDAL**

Learn how to build emini intraday breakout strategies FAST, using the same proven techniques that have helped hundreds of successful breakout traders already... to even launch their own hedge funds!



More information on [eminibreakoutstrategies.com](http://eminibreakoutstrategies.com)