Automated Trading Strategy #34

Celan Bryant (CB) Oct 10 · 5 min read

Strategy 34 made $151K in the last 12 months, makes $931 per trade and has a Profit Factor of 2.03.

Risk Disclaimer: We use backtests to compare historical strategy performance, but there are no guarantees that this performance will continue in the future.

Click on the table to enlarge.

Autoclose at 5:00pm (EST) | 8/30/2020 - 8/30/2021 | *Backtest Results* | *NT8 (1 tick data series added as secondary)*

Strategy		Trades	# of Days trading days	Max Drawdown %	Max Drawdown $	Return on Max Drawdown	Percent Profitable	Profit	# trades per day	Profit / Day	Profit / Trade	Lowest Daily Net Profit	Highest Daily Net Profit	Lowest Daily Cum Profit	Highest Daily Cum Profit	Profit Factor
Average		***4204***		***-8%***	***-$643,640***	***471%***	***43%***	***$2,788,075***	***16.70***	***355***	***116***	***-$7,966***	***$11,001***	***-$3,540***	***$96,712***	***1.24***
Strategy 01	36 range, both legs	11540	253	-6.36%	-$15,920	1052%	36.83%	$167,415	45.79	$662	$15	-$5,165	$13,000	-$105	$176,960	1.09
Strategy 02	36 range, both legs	4658	253	-12.25%	-$36,705	252%	38.83%	$92,670	18.43	$366	$20	-$6,470	$12,720	-$3,785	$116,150	1.08
Strategy 03	36 range, both legs	29537	253	-9.06%	-$22,820	1453%	37.94%	$331,610	116.89	$1,311	$11	-$7,010	$19,490	-$615	$331,700	1.11
Strategy 04	36 range, both legs	862	253	-7.94%	-$20,365	580%	53.08%	$118,195	3.42	$467	$137	-$13,820	$10,125	-$3,015	$118,195	1.27
Strategy 05	36 range, both legs	5095	253	-11.31%	-$31,485	184%	34.93%	$57,805	20.16	$228	$11	-$7,255	$10,910	-$7,840	$31,830	1.06
Strategy 06	36 range, both legs	8251	253	-10.58%	-$28,765	562%	45.94%	$161,630	32.65	$639	$20	-$10,500	$17,190	-$6,175	$167,330	1.09
Strategy 07	36 range, both legs	755	253	-11.55%	-$34,495	365%	45.96%	$125,915	3.14	$498	$167	-$9,550	$16,585	$695	$149,860	1.31
Strategy 08	36 range, both legs	1815	253	-15.27%	-$43,095	127%	58.40%	$54,735	7.18	$216	$30	-$11,665	$9,065	-$10,860	$54,735	1.09
Strategy 09	36 range, both legs	13077	253	-10.65%	-$25,180	746%	35.70%	$187,750	49.79	$742	$14	-$18,840	$14,585	-$10,175	$194,960	1.09
Strategy 10	36 range, both legs	14080	253	-3.32%	-$8,785	1958%	37.44%	$172,000	58.86	$680	$12	-$4,200	$11,845	-$2,015	$172,395	1.16
Strategy 11	36 range, both legs	6186	253	-8.96%	-$23,565	276%	35.74%	$64,945	24.75	$257	$10	-$7,495	$11,900	-$235	$71,660	1.05
Strategy 12	36 range, both legs	13563	253	-8.03%	-$18,635	897%	37.70%	$167,170	53.67	$661	$12	-$9,160	$12,315	-$815	$175,385	1.09
Strategy 13	36 range, both legs	8464	253	-9.07%	-$25,405	689%	35.62%	$174,920	33.59	$691	$21	-$7,040	$16,825	$2,255	$179,770	1.10
Strategy 14	36 range, both legs	8416	253	-5.59%	-$15,090	715%	35.68%	$107,965	33.31	$427	$13	-$6,645	$12,725	-$4,560	$116,865	1.08
Strategy 15	36 range, both legs	1067	253	-3.08%	-$9,975	250%	36.55%	$24,960	4.23	$99	$23	-$2,480	$3,325	-$5,515	$29,740	1.16
Strategy 16	37 range, one leg	400	253	-5.90%	-$16,205	561%	49.00%	$90,940	1.59	$359	$227	-$7,835	$7,235	$840	$90,940	1.49
Strategy 17	28 min, one leg	29	253	-3.23%	-$7,695	-47%	37.93%	-$3,620	0.12	-$14	-$125	-$5,435	$4,010	-$7,025	$1,900	0.85
Strategy 18	30 min, one leg	28	253	-2.35%	-$6,070	215%	50.00%	$13,080	0.12	$52	$467	-$6,070	$5,575	-$2,800	$16,060	1.60
Strategy 19	56 min, long leg	17	253	-2.24%	-$6,475	-67%	47.06%	-$4,335	0.07	-$17	-$255	-$3,870	$1,870	-$6,475	$2,810	0.62
Strategy 20	28 min (both legs)	78	253	-9.25%	-$22,225	-103%	35.90%	-$22,845	0.30	-$90	-$293	-$6,375	$6,305	-$22,845	-$1,405	0.69
Strategy 21	56 min (both legs)	42	253	-6.86%	-$19,150	-34%	42.86%	-$6,580	0.17	-$26	-$157	-$3,870	$6,245	-$8,810	$10,260	0.82
Strategy 22	58 min (both legs)	44	253	-3.17%	-$8,530	79%	40.19%	$6,705	0.18	$27	$152	-$4,230	$6,510	-$5,445	$12,005	1.20
Strategy 23	36 range, both legs	236	253	-1.46%	-$3,880	364%	47.46%	$14,115	0.95	$56	$60	-$1,675	$2,660	-$800	$17,905	1.37
Strategy 24	5 min (both legs), no exit on close	345	253	-7.90%	-$21,190	621%	43.77%	$131,545	1.37	$520	$381	-$9,745	$16,490	-$3,565	$131,545	1.56
Strategy 25	5 min (both legs), no exit on close	151	253	-11.07%	-$31,560	217%	44.37%	$68,600	0.60	$271	$454	-$12,845	$19,815	$2,215	$86,400	1.41
Strategy 26	30 min (both legs)	225	253	-12.41%	-$33,500	207%	51.11%	$69,350	0.91	$274	$308	-$12,685	$9,690	-$1,620	$80,940	1.50
Strategy 28	60 min (both legs)	116	253	-5.65%	-$16,365	372%	54.31%	$60,895	0.48	$241	$525	-$5,820	$9,690	$9,690	$74,095	1.80
Strategy 29	30 min (both legs) , no exiton close	374	253	-17.48%	-$46,600	184%	44.65%	$85,720	1.48	$339	$229	-$12,620	$13,195	-$3,215	$94,250	1.31
Strategy 30	5 min (both legs), no exit on close	169	253	-5.67%	-$13,385	636%	48.52%	$85,125	0.67	$336	$504	-$10,390	$15,185	-$9,005	$85,125	1.79
Strategy 31	30 min (both legs)	506	253	-5.65%	-$13,515	897%	44.66%	$121,165	2.04	$479	$239	-$11,620	$11,940	$810	$121,165	1.54
Strategy 32	30 min (both legs), no exit on close	183	253	-6.42%	-$17,020	403%	42.62%	$68,540	0.74	$271	$375	-$4,570	$12,025	$1,070	$86,540	1.93
Strategy 33	36 range, no exit on close	310	253	-7.34%	-$18,675	853%	52.26%	$159,275	1.23	$630	$514	-$13,615	$13,615	$5,150	$168,545	1.62
Strategy 34	1000 tick, no exit on close	163	253	-7.84%	-$18,880	804%	53.99%	$151,785	0.65	$600	$931	-$11,400	$19,605	$5,140	$151,785	2.03
Strategy 35	669 tick, no exit on close	201	253	-9.53%	-$21,720	929%	54.23%	$201,875	0.80	$798	$1,004	-$13,370	$14,140	$5,230	$201,875	2.19
Strategy 36	5 minute, no exit on close	141	253	-3.87%	-$9,845	936%	50.35%	$92,175	0.56	$364	$654	-$4,555	$13,305	$1,525	$92,175	2.17

*all strategies marked in yellow have been optimized and are more prone to overfitting. As a result, actual results may differ widely from backtested results. All other strategies have not been optimized.

Automated Trading Strategies Performance Chart (updated every 2 months)

**See below for Column Definitions*

Strategy #34 Description:

Futures Contract: NQ

Strategy 34 is the same as 33, which is one of our best strategies to date. Instead of using 36 range as the **default** data series, however, it uses 1,000 tick. We decided to break them out like this to show the performance level of each data series.

None of the indicators used in this strategy are new, but we are using two commands that might be confusing: look back period and bars ago. We explain what these are in Strategy 33. In general, look back is for the signal (cross above, cross below, greater than, less than, etc), while bars ago is used for the indicator to define a period.

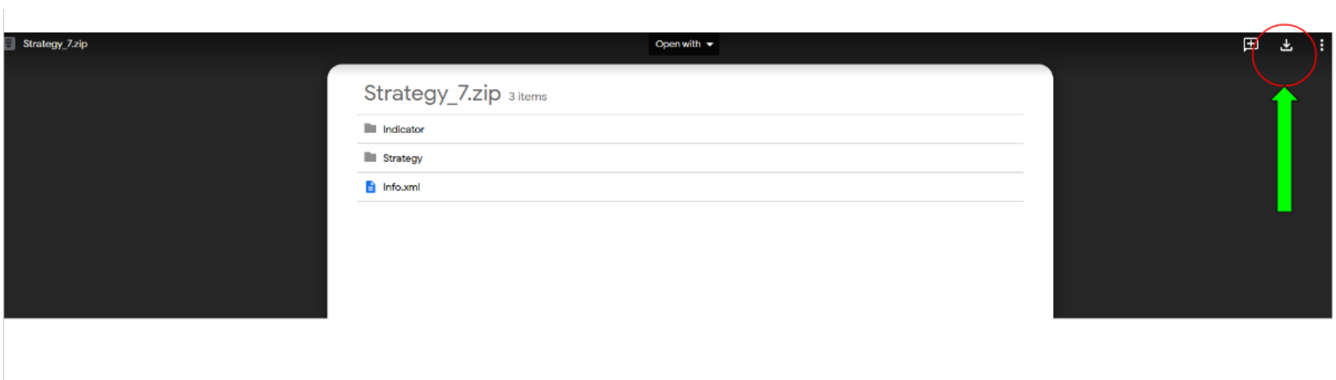
ATS Subscribers: Click here for the full strategy description and download in Ninjatrader 8 (*C#*).

For links to all strategies and the most recent performance chart, click here.

. . .

Download Instructions

Ninjatrader download instructions are listed below.

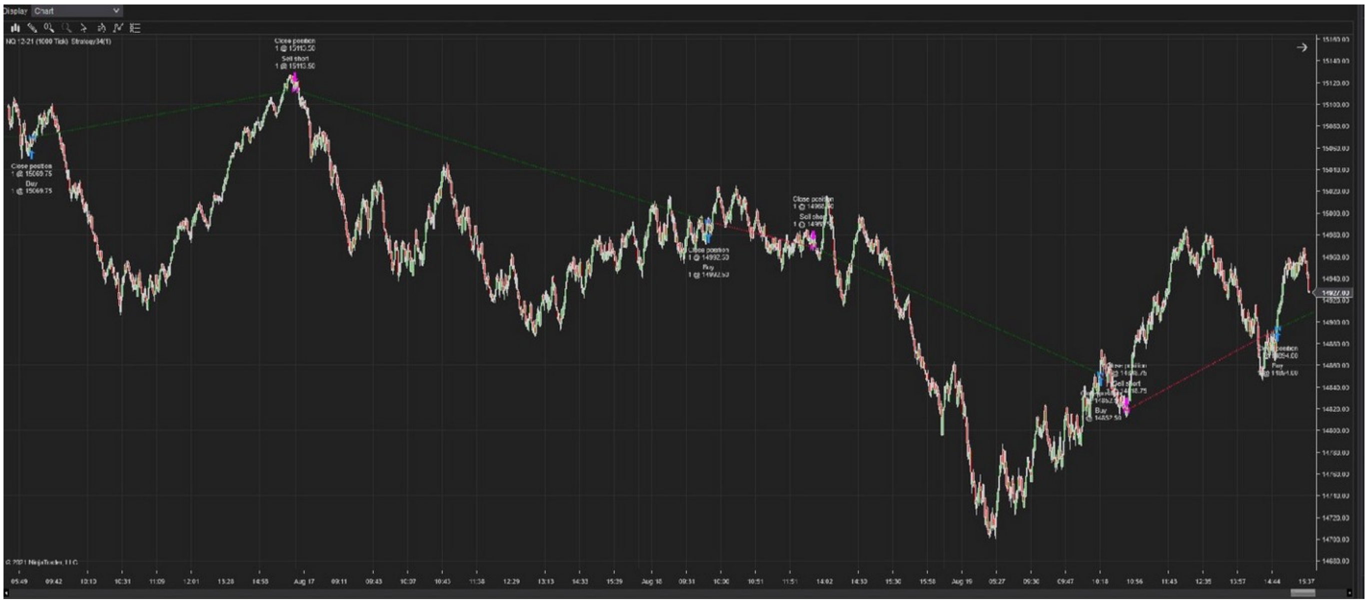


1. *Click on the link provided to download the file.*
2. *Download the Strategy to your desktop, keep them in the compressed .zip file.*
3. *From the NinjaTrader Control Center window, select the menu Tools > Import > NinjaScript Add-On*
4. *Select the downloaded file from your desktop*

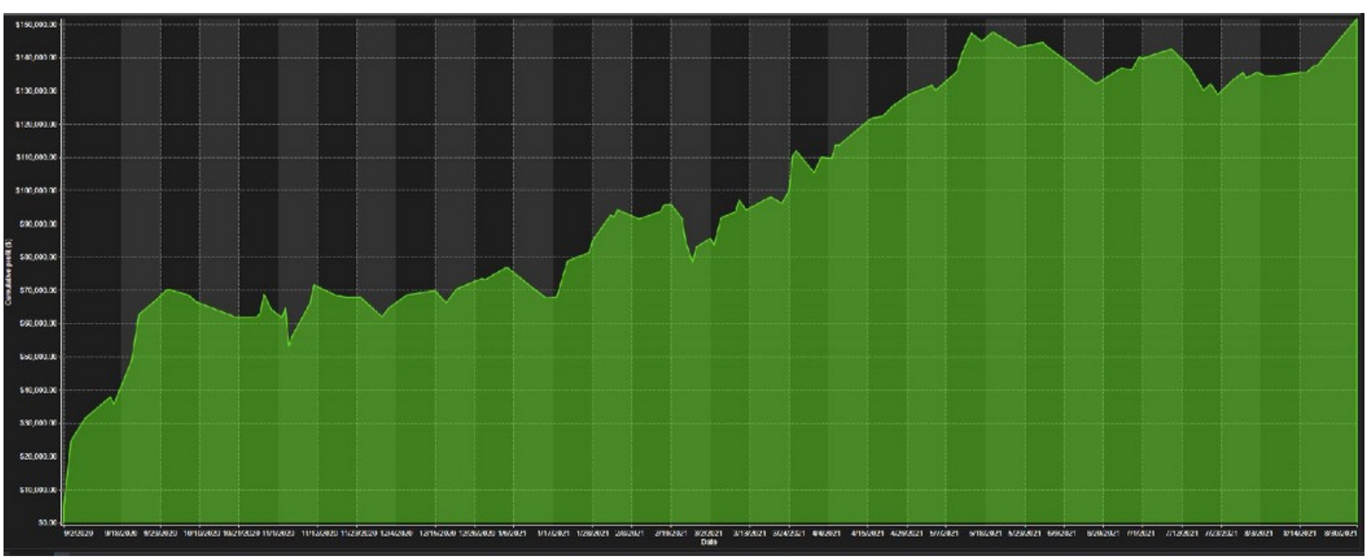
If you've never used/run a strategy in NinjaTrader 8, NinjaTrader provides instructions here.

. . .

This is what the strategy looks like in chart form. It makes on average .65 trades per day, and has an average net profit of $600 per day or $931 per trade:



This is the cumulative profit of Strategy 34 over a 1 year period. It never falls lower than $5,140, but this is due to timing more so than anything else. Still, it has a profit factor of 2.03, which means that the ratio of gross profit to loss is 2.03. In other words, the strategy made 2.03 times more money than it lost during the period. *Note: Our next 2 strategies have a profit factor greater than 2.03.*



This is how the strategy breaks down on a day-of-week basis. This chart can help with determining the best time to get into a strategy. Tuesday looks like the best day to enter.

This is a chart of the strategy by hour of day. Keep in mind, this strategy does not close at the end of the day, but has a large number of profitable trades in the most volatile hours of the day (EST).

• • •

We like this strategy because of its high profitability. It is profitable 54% of the time and has a return on max drawdown of 804%. It also has an MAE, MFE and ETD of

.92%, **1.23%** and .86%, respectively. While the strategy has a high MAE, anything with an MFE over 1.20% and an ETD of less than .90% is good and this strategy has the second highest MFE in our portfolio. For an overview of where our strategies stand on MAE, MFE and ETD statistics, click here.

This strategy fits much of our criteria, but has a drawdown of $18,880, which isn't bad if you get into the strategy on a good day, but it is still higher than what we're looking for. You'd want to have at least a $25K account to trade this strategy.

We're looking for a strategy that has high profitability, low drawdown **and** makes at least 253 trades per year. We really like this strategy, but the hunt continues.

For links to all strategies click here.

. . .

*Performance Chart Column Definitions:

- **Strategy** — The name of the strategy.
- **Trades** — The number of trades used in the backtest to analyze performance. Our goal is ~1,000 trades for comparison.
- **Start date**- The beginning date of the backtest.
- **End date** — The ending date of the backtest.
- **# of days** — The number of days in the strategy.
- **Drawdown** — This refers to the maximum drawdown statistic, which provides you with information regarding the biggest decrease (drawdown) in account size experienced by the strategy. Drawdown is often used as an indicator of risk.
- *Drawdown = single largest Drawdown*
- As an example, your account rises from $25,000 to $50,000. It then subsequently drops to $40,000 but rises again to $60,000. The drawdown in this

case would be $10,000 or -20%. Take note that drawdown does not necessarily have to correspond with a loss in your original account principal.

- **Return on Max Drawdown** — We've added a dollar value for max drawdown along with a measure of return (return on max drawdown), which is calculated by dividing net profit by the max drawdown. In this way, max drawdown is considered the max capital investment. You can use the dollar value of max drawdown as a proxy for how much capital you need to trade the strategy. And, the higher the return on max drawdown, the better the strategy is in terms of risk/reward.
- **Percent Profitable** — This is a metric that shows the number of winning trades divided by the number total trades.
- **Profit** — The net profit made on the strategy for the backtest.
- **#trades per day** — The average number of trades made per day using the strategy.
- **Profit / Day** — The average profit made per day.
- **Profit / Trade** — The average profit made per trade.
- **Lowest daily new profit** — The worst performing day of the strategy in the backtest.
- **Highest daily net profit** — The best performing day of the strategy in the backtest.
- **Profit Factor** — Gross Profit divided by Gross Loss
- **Lowest daily cumulative new profit** — The worst performing day on a cumulative basis.
- **Highest daily cumulative net profit** — The best performing day on a cumulative basis.