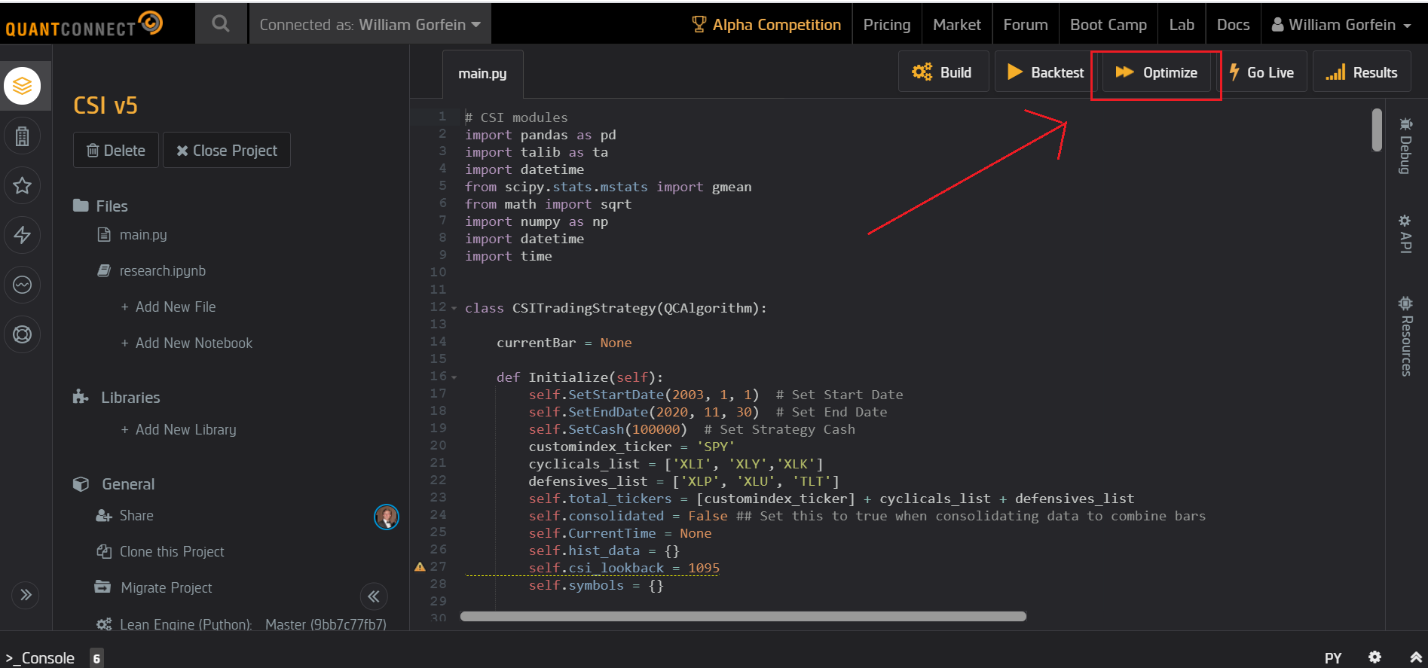
Hi Sunny –

I would like to turn back to QC for this next project.

QC recently added a new feature called “optimization”. Please see the image below:



I believe this feature can be used to optimize through trial-and-error various parameter settings in a trading strategy.

I’d like to propose the following logic for our next trading strategy:

The strategy will use the CSI indicator based on daily data.

The purpose of the strategy will be to buy a single stock option for the SPY on the first day that CSI enters quadrant 3. As you may recall, the CSI indicator has four quadrants, and at any given time the CSI is either in quadrants 1, 2, 3 or 4. This trading strategy will focus on what happens when CSI first enters quadrant 3.

On the first day of entering quadrant 3, the strategy should buy a put option for SPY. We will need to have parameters that dictate the strike price and expiration date of the put option that is bought. I believe this is where we can use QC’s optimization feature…

QC allows us to filter for stock options based on +/- strike price and timedelta(0 – infinity) expiration. Please see the screenshot below:



Can we configure a strategy that will find the most profitable configuration for determining which SPY put option to buy on the first day of CSI entering quadrant 3? (where the only configuration options are the strike price distance and the expiration date quantity of days)

In that case, I think it’ll be best if we create a variable named “days\_to\_expiration”... and this will be set to an integer between our min expiration and max expiration dates. The strategy will buy the put options closest in expiration to that amount of days. We can let optimizer figure out what the best amount of “days to expiration” to set the variable to (I think that will be possible at least)

So for example, we can set SetFilter between 30-90 days to expiration so that we have a large band of stock options subscribed to. Then, if the “days\_to\_expiration” variable in the strategy is manually set 40 for example, then the strategy would buy a put option approximately 40 days to expiration when CSI enters quadrant 3

“[gorfein1@gmail.com](mailto:gorfein1@gmail.com)”

Password: “!Data2021!”