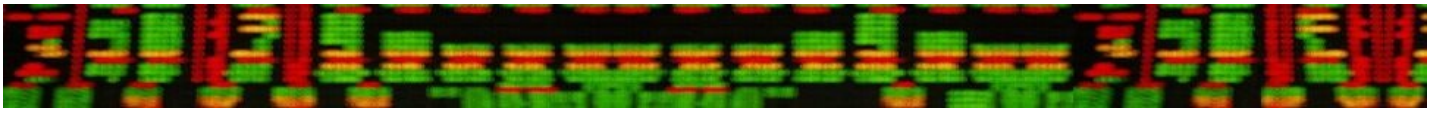
Au.Tra.Sy blog – Automated Trading System
Systematic Trading research and development, with a flavour of Trend Following



Au.Tra.Sy blog welcome

Welcome to my online repository of research and insights on automated trading system development
~Jez Liberty
Read more about the blog...

Futures Broker

Wisdom Trading, a Futures Broker who can Execute your Trading System and provide access to Global Markets and CTA's – all at great rates.

Market Data

Au.Tra.Sy recommends CSI Data

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← Trend Following Wizards – October 2017

State of Trend Following in November

December 8th, 2017 · 1 Comment · the State of Trend Following, Trend Following

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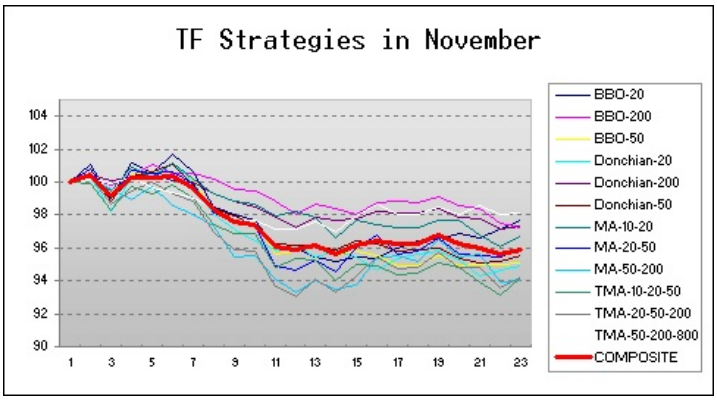
November was down for the index, sitting just below the negative double-digit line before year-end. It looks like the State of TF will end in the red in 2017, unless a strong bitcoin-inspired December rally lifts the index back in the black.

Please check below for more details.

Detailed Results

The figures for the month are:
November return: -4.09%
YTD return: -11.26%

Below is the chart displaying individual system results throughout November:

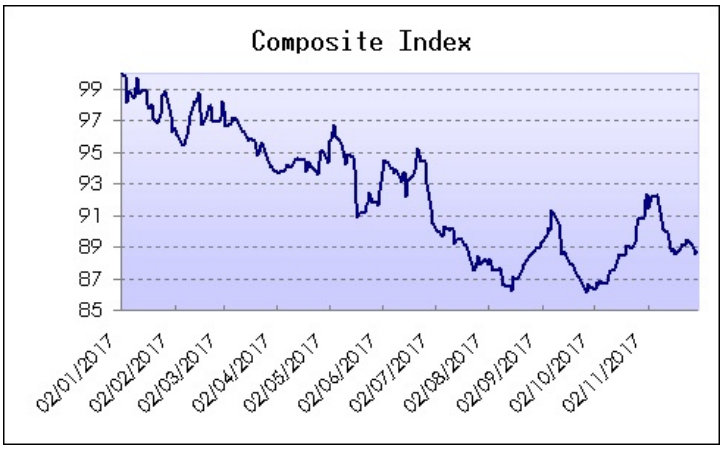


And in tabular format:

System	November Return	YTD Return
BBO-20	-2.36%	-17%
Donchian-20	-5.1%	-14.51%
MA-10-20	-3.33%	-13.02%
TMA-10-20-50	-5.76%	-20.76%
BBO-50	-4.88%	-9.67%
Donchian-50	-4.49%	-7.22%
MA-20-50	-4%	-18.66%
TMA-20-50-200	-5.79%	-19.1%
BBO-200	-2.78%	-3.96%
Donchian-200	-2.64%	1.84%
MA-50-200	-5.98%	-11.68%
TMA-50-200-800	-1.91%	-1.32%
COMPOSITE	**-4.09**%	**-11.26**%

Composite Index for 2016

Below is the performance of the average of all system/timeframe combinations used in the report for the year 2017:



Appendix: System Details

Futures Data used: CSI Data

All simulation on this blog, including the State of Trend Following report are generated off what I see as the best EOD data provider: CSI. If you're looking for a data provider for your research, testing, simulations and live trading, this is what I would recommend. As a very satisfied customer with CSI, I have a partnership with them, which allows me to offer a 15% discount to all new subscribers. Click on this link and use code LIBERTY to get 15% off your order.

System Rules and Parameters

All the systems were tested with the same simple position sizing rules of 1% per new trade. No other Money/Risk Management rules were used. No trade friction (slippage or commission) was applied. No return on margin is added to the system performance

The system rules are detailed on the Trading Blox online documentation.
The MA Crossover system was used with moving average pairs of 10-20, 20-50 and 50-200 days. The stops/position sizes are set at 2x, 3x and 5x ATR respectively.
The Bollinger Band system is the classic use of the Bollinger Bands with entries taking place at Breakouts. The parameters used were 20, 50 and 200 days with 2 standard deviations.
The Triple moving Average system was used with moving average triplets of 10-20-50, 20-50-200 and 50-200-800 days. The stops/position sizes are set at 2x, 3x and 5x ATR respectively.
The Donchian System is a simple version (with no Trade Direction filter) with channel lengths of 20, 50 and 200 days for entries (and 10, 25, 100 for exit). The stops/position sizes are set at 2x, 3x and 5x ATR respectively.

Portfolio Instruments

Covering over 50 instruments across Equities, Interest Rates, Currencies, Agriculturals, Metals and Energies, from around the world, the portfolio contains the following futures (CSI Symbols): AD, BP, C, CC, CD, CFC, CL2, CT, CU, EBL, EBM, EBS, ED, EOX, ESM, FC, FEI, FFI, GC, HG, ICL, IND, JK2, JP2, JP6, JR2, JRB, JTI, JY, KC, KPO, KTB, LC, LGO, LH, MFX, MP, NG2, RA, RS, S, SB, SF, SI, STW, SXE, TRY, US, W, YM, YTC .
Click here for a tabular view with description and exchange information.

Result Normalization

The system performances are adjusted for volatility to normalize the results. The normalization applied “baselines” the Max drawdown of the systems to a common value, and derive the resulting performance for each system.

A table showing each system performance numbers from 1990 to 2009 can be found on this page. Two extra columns have been added to show the “normalized return” and the multiplier coefficient to obtain this return (the multiplier coefficient is itself calculated by dividing an arbitrary Max Drawdown figure of 25% by the actual system Max DD).

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Tags: report

One Comment so far ↓

- **dan** // Dec 11, 2017 at 9:01 am

  Hi there,
  I am subscribed to Quantocracy and from time to time I get news about your strategies. Month after month, the same conclusion: poor results compared with the market. Question: Why are pursuing this avenue paved with strategies that don’t work? I’d appreciate an honest reply. / Regards/ Dan

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- ## Global Futures Broker

Check the list of global futures markets Wisdom Trading offer access to, from Maize in South Africa, Palm Oil in Malaysia to Korean Won, Brazilian Real or Japanese Kerosene to name a few, it is impressive and great to benefit from diversification.

Tag Cloud ↓

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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 OF ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO 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 WHICH CAN ADVERSELY AFFECT TRADING RESULTS.

THESE PERFORMANCE TABLES AND RESULTS ARE HYPOTHETICAL IN NATURE AND DO NOT REPRESENT TRADING IN ACTUAL ACCOUNTS.

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