November 2017 Trend Following

by Jez Liberty | Dec 8, 2017 | Wisdom State TF |

November 2017 Trend Following: DOWN -0.61% / YTD: -15.45%

Please find below the latest edition of the Wisdom State of Trend Following as of last month.

Performance is hypothetical.

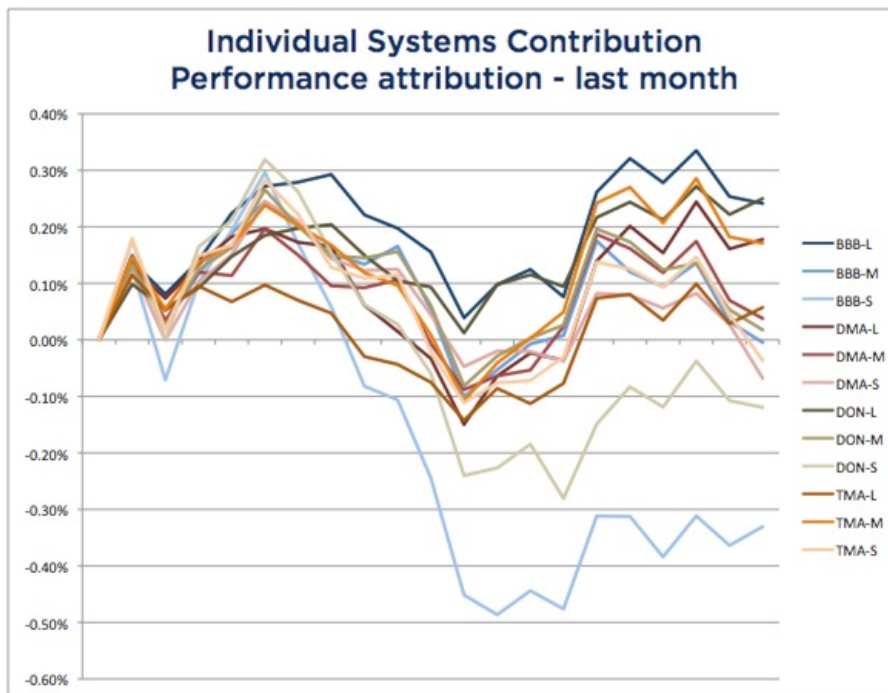Chart for November:

And the 12-month chart:

WISDOM STATE OF TREND FOLLOWING — Index - last 12 months

Below are the summary stats:

HORIZON	RETURN	ANN. VOL.
Last month	-0.61%	14.26%
Year To Date	-15.45%	11.08%
Last 12 months	-14.28%	11.26%
Last calendar year (2016)	-18.17%	14.36%
Since Index Launch (08-13)	1.08%	13.68%

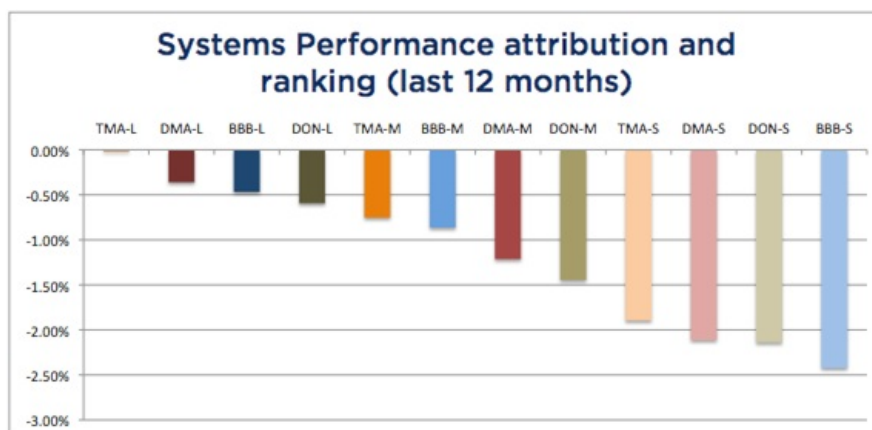|	
Current DD	-40.28%
MaxDD (since 2000)	-44.28%

Individual System Contribution

The index is composed of several systems, each traded over different time horizons (short, medium and long) with a diversified portfolio of futures (details of the index components and construction can be found further below, in the next section).

The contribution of each individual system to the overall index performance is measured on a daily basis. The following chart shows the evolution of each system's respective performance attribution over the last month:

Individual Systems Contribution
Performance attribution - last month

And further below, the performance attribution of each system over the last 12 months, sorted by ranking:

Systems Performance attribution and ranking (last 12 months)

SYSTEM	12-MONTH	LAST MONTH
BBB-S	-2.42%	-0.55%
BBB-M	-0.86%	-0.01%
BBB-L	-0.47%	0.14%
DMA-S	-2.11%	-0.22%
DMA-M	-1.21%	0.05%
DMA-L	-0.36%	0.10%
DON-S	-2.14%	-0.25%
DON-M	-1.45%	-0.08%
DON-L	-0.59%	0.18%

TMA-S	-1.89%	-0.12%
TMA-M	-0.75%	0.13%
TMA-L	-0.02%	0.01%
Index	-14.28%	-0.61%

Please note the colour-coding to assist reading the charts:

- one "color hue" per system (e.g. blue for "BBB" system)
- one "shade" per time horizon (e.g. dark for "L" – Long-term system)

State of Trend Following Historical Performance and Post Archive

Please find below the table of historical performance since the index has been live on our site. Each performance number links to the corresponding report.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2013								-3.75%	-4.01%	+0.22%	+1.46%	-0.67%	-11.64%
2014	-1.67%	+0.37%	-2.14%	+1.17%	+1.11%	+4.46%	+3.93%	+3.08%	+8.49%	+0.62%	+10.38%	+7.60%	+43.34%
2015	+11.76%	-3.68%	+2.04%	-2.17%	-2.73%	-3.57%	+6.93%	+1.97%	+4.86%	-8.86%	+5.91%	-1.77%	+9.27%
2016	+5.50%	+4.30%	-2.79%	-0.81%	-7.14%	+2.26%	-1.35%	-7.00%	-4.73%	-6.19%	-2.27%	+1.38%	-18.15%
2017	-2.84%	-1.96%	-6.56%	-1.35%	-2.59%								-4.73%

Performance is hypothetical. Note that there might be slight discrepancies between the results in the table below and the returns published in the report, due to the index being re-simulated and calculated monthly.
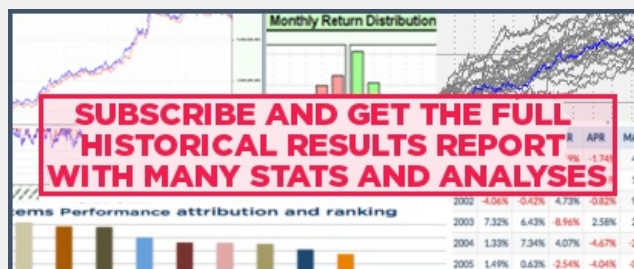
performance over more than a decade (numerous stats and analyses included).

Index Methodology

The index performance is simulated using Trading Blox and CSI data (back-adjusted contracts rolling on Open Interest). The performance of the index is directly derived from the performance of a Trading Blox simulation suite composed of each system component as a system part of that suite.

The simulation uses realistic trading friction parameters (slippage, commissions, interest as detailed aside).

The individual system performance attributions are directly extracted from the same simulation run.

Trade Friction parameters

Slippage	5% of ATR
Min. slippage	$15.00
Commisions	$20 per contract
Slippage on rolls	Yes
Roll slippage	5% of ATR
Earn interest	Yes

Portfolio

The portfolio selected for the index represents a diversified mix of global futures balanced across all sectors:

Currencies

MARKET	EXCHANGE

Equity Indices

MARKET	EXCHANGE

Brazilian Real	CME
Canadian Dollar	CME
Euro / Japanese Yen	CME
Korean Won	KRX (Kofex)
New Zealand Dollar	CME
US Dollar Index	ICE US

Dax index	EUREX
FTSE Xinhua China A50 index	SGX
Hang Seng index mini	HKEx
Mini Russell 1000 index	ICE US (NYFE)
MSCI Singapore Stock index	SGX
TOPIX index	TSE

Energies

MARKET	EXCHANGE
Brent Crude Oil	ICE EUR (IPE)
Gasoline (RBOB)	NYMEX
Kerosene	TOCOM
Light Sweet Crude Oil (WTI) E-mini	NYMEX
Natural Gas (Henry Hub) E-mini	NYMEX

LTIR

MARKET	EXCHANGE
Canadian 10-Year Govt Bond	MX
Euro German Bund	EUREX
Japanese 10-Year Govt Bond	SGX
Swiss 10-Year Govt Bond	EUREX
US T-Notes 5-Year	CME (CBOT)

Grains

MARKET	EXCHANGE
Corn	CME (CBOT)
Crude Palm Oil	BMD (MDEX)
Milling Wheat	EURONEXT (MATIF)
Rice Rough	CME (CBOT)
Soybeans	CME (CBOT)
Yellow Maize	SAFEX

STIR

MARKET	EXCHANGE
90-Day NZ Bank Bills	ASX (SFE-NZFE)
Euribor 3-month	EURONEXT (LIFFE)

Softs

MARKET	EXCHANGE
Cocoa	ICE US (NYBOT-CSCE)
Coffee	ICE US (NYBOT-CSCE)
Milk (Class III)	CME
Sugar (#11)	ICE US (NYBOT-CSCE)

Metals

MARKET	EXCHANGE
Copper	CME (NYMEX)
Gold	CME (COMEX)
Platinum	CME (NYMEX)
Silver	CME (COMEX)

Other

MARKET	EXCHANGE
Lumber	CME
Rubber	TOCOM

Meats

MARKET	EXCHANGE
Cattle Feeder	CME

Live Cattle	CME

The above is a representation of the global futures markets that we can give you access to at Wisdom Trading. For the full list of products and markets, please check our global products page. We cover over 300 markets in more than 30 exchanges globally.

Systems

One of the main goals of the index is to mirror the performance of trend following in general. As such, the trading strategy is based on simple, public trading systems that use trend following principles. Each system is declined in three different timeframes (long, medium and short) to cover a wide spectrum of trend duration and increase overall diversification.

COLOR	COMPONENT	SYSTEM USED	TRADING HORIZON	PARAMETERS	POS. SIZE
	BBB-S	Bollinger Band Breakout	Short-term	20,2	0.483
	BBB-M	Bollinger Band Breakout	Medium-term	50,2	0.63
	BBB-L	Bollinger Band Breakout	Long-term	200,2	1
	DMA-S	Dual Moving Average	Short-term	20,10	0.17
	DMA-M	Dual Moving Average	Medium-term	50,20	0.17
	DMA-L	Dual Moving Average	Long-term	200,50	0.19
	DON-S	Donchian Breakout	Short-term	20	0.44
	DON-M	Donchian Breakout	Medium-term	50	0.58
	DON-L	Donchian Breakout	Long-term	200	0.85
	TMA-S	Triple Moving Average	Short-term	50,20,10	0.41
	TMA-M	Triple Moving Average	Medium-term	200,50,20	0.59
	TMA-L	Triple Moving Average	Long-term	800,200,50	0.93

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