

# CL-Rig 2.0

Automatic trading strategy



## USER GUIDE

Version 2.0

Revised 23.08.2016

## Trading method

Breakout signals

## Trading Style

Intraday trading system

## Description of automatic strategy CL-Rig 2.0

- strategy is designed for Crude oil (symbol CL) futures market, trades on Long side

- strategy has 6 input parameters and two Timeframes Data1 and Data2

### 1) Timeframes

- a. Data 1 – 15min , CL , time template 9:00 AM – 2:30 PM, exchange time (USA)
- b. Data 2 – 1440min CL, time template 9:00 AM – 2:30 PM, exchange time (USA)

### 2) Inputs

- a. StopLoss – Stop loss amount in \$, default 950\$ – if necessary, can be optimized
- b. NbrOfContracts – default 1 contract – if necessary, can be optimized
- c. SegmentX1 – if necessary, can be optimized
- d. SegmentX2 – if necessary, can be optimized
- e. SegmentX3 – if necessary, can be optimized
- f. SegmentX4 – if necessary, can be optimized

### 3) Exits

- a. General exit is at the end of trading session base on 15 minutes graph setting, no positions over the night
- b. Stop loss

### 4) Trading logic

- a. Strategy evaluates Breakout condition, if successful than using Average True Range, Daily Close, Open, High, Low to evaluate the other conditions
- b. General setup is that 1 contract is traded, but it can be changed. New entry is created only if there is no open position already

### 5) How the strategy has been developed

- a. Mainly the strategy logic has been setup to use Daily Open prices and Close, High, Low prices
- b. Using trading time frame 9:00 AM – 2:30 PM in USA
- c. Commissions were set to 5\$, Look-inside-bar-backtest activated for 1 min bars, 200 bars back
- d. Strategy went through Cluster analyze with the settings below, and final equity has been built on Out of Sample data

Setup Test Criteria X

**Test Criteria**

Criterion 1: Overall Profitability

Fail if Total Profit < \$

Criterion 2: Walk-forward Robustness

Fail if Walk-Forward Efficiency <  %

Criterion 3: Consistency of Profits

Fail if less than  % of walk-forward runs were profitable

Criterion 4: Distribution of Profits

Fail if any single run contributed more than  % of

Criterion 5: Maximum Drawdown %

Fail if maximum drawdown in any single run exceeded  % of

- Initial capital
- Cumulative equity at beginning of run
- Cumulative equity at start of drawdown

Initial capital: \$

Walk-Forward selection rule based on:

- 1. Net Profit
- 2. Net Profit / MaxDrawdown
- 3. Pessimistic Return On Capital (PROC)
- 4. Net Profit x Winners / MaxDrawdown
- 5. Net Profit / Total trades
- 6. Expectancy Score
- 7. Perfect Profit Correlation (PPC)
- 8. Weighted Fitness

% x

% x

% x

**Trade filter**

Only trade if the ratio of Net Profit / Max Drawdown for the preceding In-sample run is greater than

Only trade if the following constraints are met during the preceding In-sample run

<=  <=  and

<=  <=  and

<=  <=

**Minimum required trades**

Promote walk-forward test solutions that have generated at least  trades during the in-sample period

## 6) Periodical re-optimization

- a. Inputs for the strategy are already provided and strategy can be immediately used with these inputs.
- b. But base on the Cluster analyze, there are several re-optimizations suggested in periodical cycles in the future. Which means that entry inputs can be slightly different after each re-optimization.
- c. Suggested interval for re-optimization is approx. 126 days
- d. For all subscribers, the re-optimizations will be done free of charge and the new input values will be sent via email once there is the due time.
- e. Every subscriber can decide, whether the current valid inputs will be used in the strategy also in the future or the new re-optimized inputs will be entered to strategy.
- f. The major reasons for the re-optimizations after several months are that conditions on the market can change at any time and the strategy might better adapt to the current market conditions.

## 7) Minimum technical requirements

- a. TradeStation 9.1 or higher

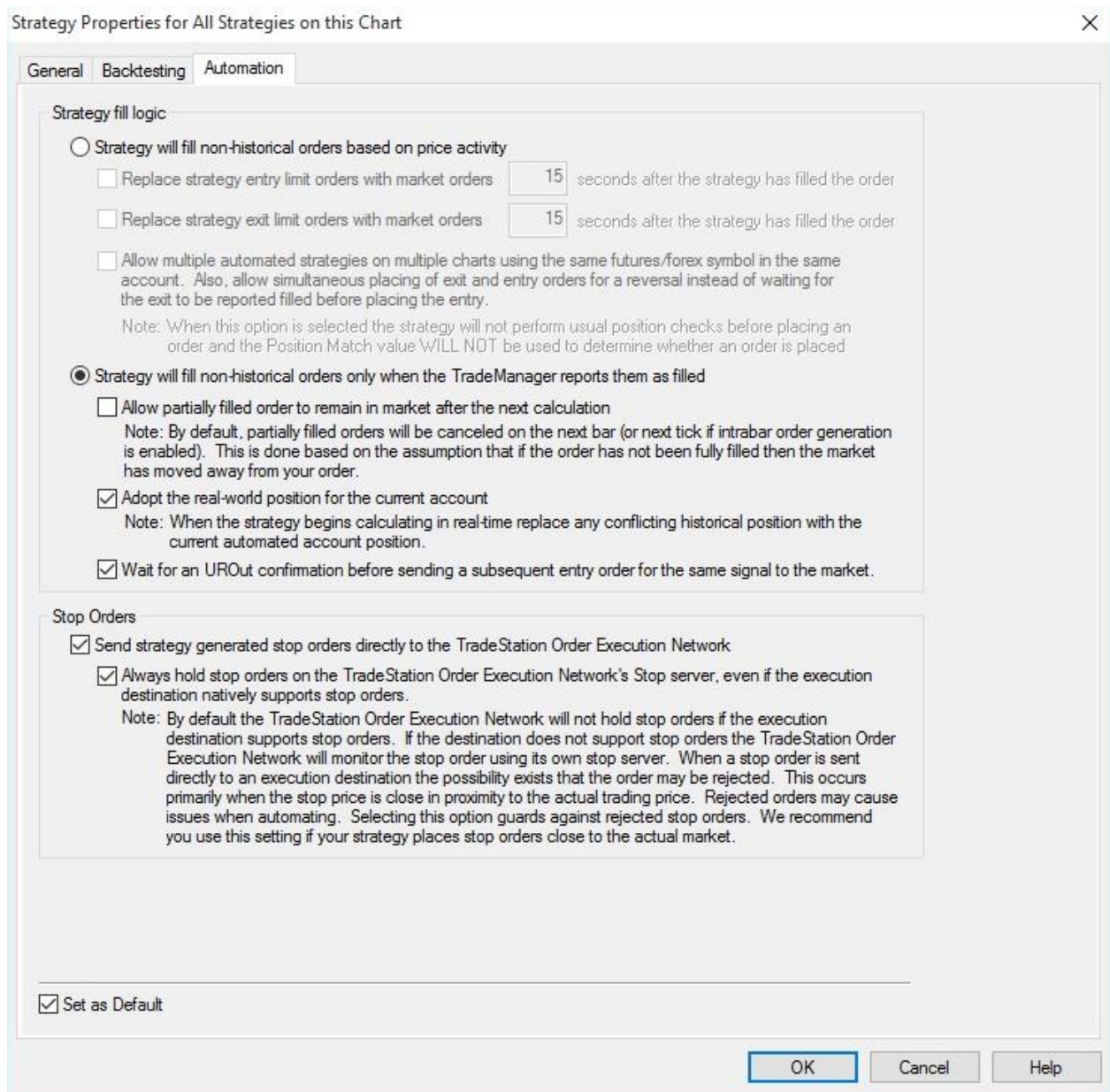
## 8) Settings for backtest and live trading

### a. Back testing

- i. Data 1 – 15min , @CL with time template 9:00 AM – 2:30 PM, exchange time (USA session), Data 2 – 1440min, @CL with time template 9:00 AM – 2:30 PM, exchange time (USA session)
- ii. Example of properties – commissions = 5\$, Position slippage = 0\$, Initial Capital = 30000\$, Max number of bars study will reference = 200, Look-inside-bar-backtest = 1 min

### b. Live trading

- i. Symbol=@CLxYY
- ii. x= Z (Dec), F (Jan, )G (Feb), H (Mar), J (Apr),K (May), M(Jun), N(Jul), Q (Aug), U(Sep), V(Oct), X(Nov)
- iii. YY= year
- iv. Data 1 – 15min , @CLxYY, with time template 9:00 AM – 2:30 PM, Data 2 – @CL with time template 9:00 AM – 2:30 PM
- v. **Strategy set up for automation:**
  1. to automate the strategy, change the chart symbol to the currently traded contract. Example: @CLU16
  2. data required for trading is 200 bars
  3. open Format Strategies -> Properties for all -> and tab Automation
  4. activate: “Strategy will fill non-historical orders only when the TradeManager reports them as filled”
  5. check the checkbox “Adopt the real-world position for the current account”
  6. check the checkbox “Wait for an UROut confirmation before sending a subsequent entry order for the same signal to the market”
  7. in the part Stop orders check both checkboxes
  8. confirm the entries with OK button, please see example screen below.



CL-Rig 2.0 can be used as automatic trading system or for decision making support for discretionary traders. There are no restrictions about number of markets and contracts which can be traded with this strategy. CL-Rig 2.0 strategy can be used at any strategy portfolio.

## **Please trade at your own risk!**

### **Prince of Trades team PROFILE**

Team has a long time experience with statistics, regression tests and probabilities. Already more than 15 years in trading business. The major focus is on constant and reliable smaller gains than one-time huge peaks. However, past results cannot guarantee the results in the future.

### **DISCLOSURE**

Team Prince of Trades uses on daily basis more own trading strategies and systems.

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