

Urban Jäkke: Mythos Handelssysteme...

DEVELOPING WINNING STRATEGIES!

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Aschaffenburg
1. März 2008

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Mythos Handelssysteme

oder ...

reale Systeme in der Praxis

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Urban Jäkle

- Systematischer Futures-Trader
- Hedge Fund Advisor
- Autor im Magazin TRADERS'
- Sprecher auf europäischen Trading-Events

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Überblick

1. **Einleitung: Mythos Handelssysteme**
2. **Die Strategien:**
 - 2.1. Bonds: Trendfolge
 - 2.2. Stock Indices: Zeitfenster
 - 2.3. Euro: (False-)Breakout
 - 2.4. Universal: Triangle
3. **Bau von System-Portfolios**
4. **Ausblick: Moderne Methoden**
5. **Zusammenfassung**

1. Mythos Handelssysteme

diskretionär

- + sozial
- + persönlich
- + speziell
- ständige Marktbeobachtung
- abhängig von Tagesform
- **Psyche**

systematisch

- einsam
- anonym
- immer gleich
- + Automatisierung
- + stetiger
- **Psyche**

1. Mythos Handelssysteme



Der “Programmierer”

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1. Mythos Handelssysteme: Tradestation 8

<u>Vorteile</u>	<u>Nachteile</u>
+ Industriestandard → viele Strategien, Austausch etc.	- Nur in englisch, Service in USA
+ Automatisierung einfach	- EUREX: Nur Daten, kein Handel
+ Kurse, Test, Handel → Gleiche Plattform	
+ Miete 100\$ /Monat Ab 10 Trades frei.	

1. Mythos Handelssysteme



Geheime Codes

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1. Mythos Handelssysteme: Gewußt wo

Gute Bücher:

Thomas Stridsman: Trading Systems that work,
Mc Graw Hill

Jesse Livermore: How to Trade in Stocks , Mc Graw
Hill

Neil T. Weintraub: Die Tricks der Floortrader,
Finanzbuch Verlag

Toby Crabel: Day Trading with short term price
patterns and opening range breakout.

Larry Williams: The definitive Guide to Futures Trading

1. Mythos Handelssysteme: Gewußt wo

Internet:

www.futurestruth.com

www.collective2.com

Partner!!!

Oder andersherum: Schließe dich mit einem guten System ein und du bist tot!

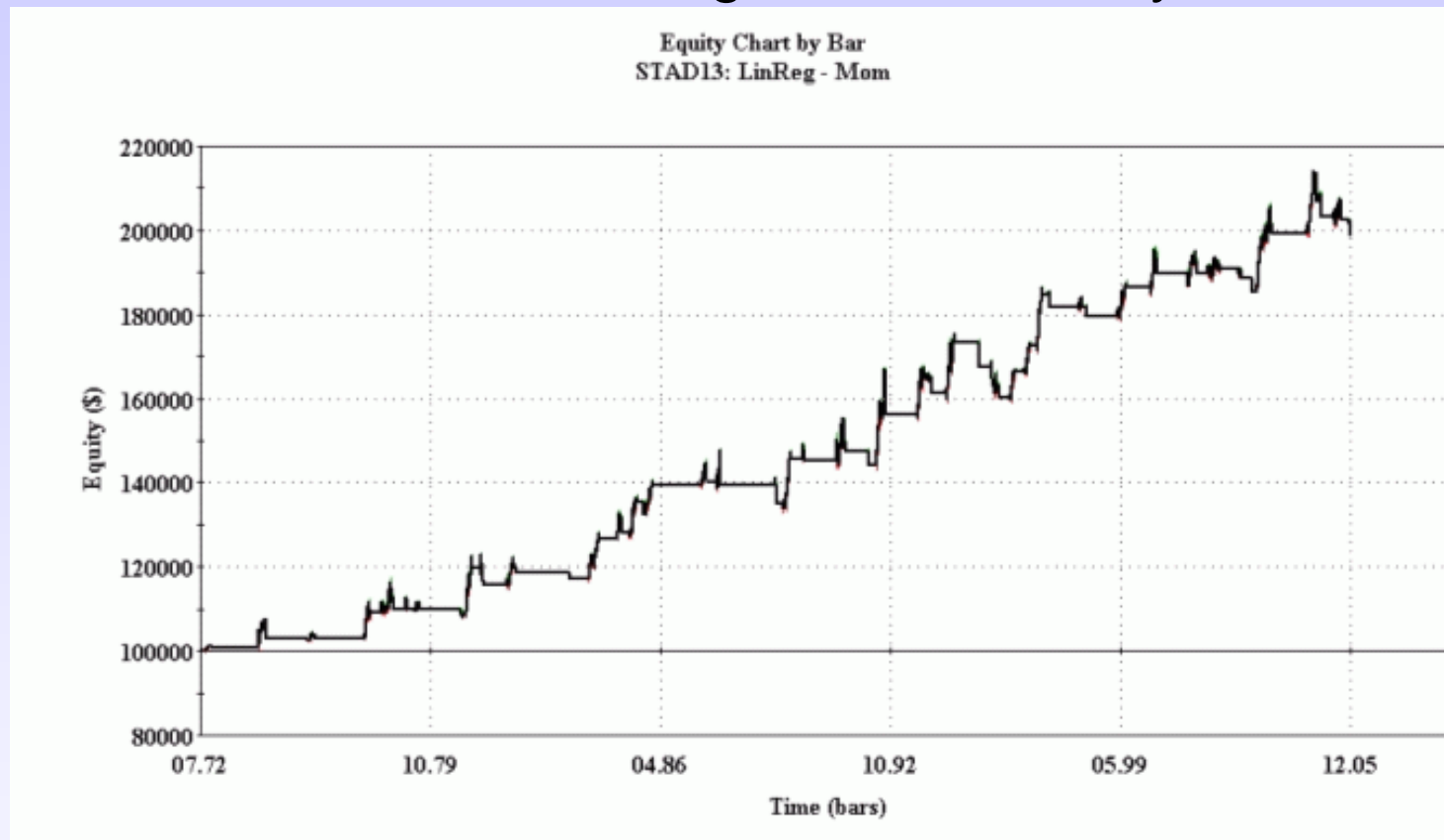
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1. Mythos Handelssysteme

Gewinnkurve eines guten Handelssystems:



Annahme: Märkte sind manchmal logisch, aber nicht immer

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1. Mythos Handelssysteme

Kennzahlen eines guten Handelssystems:

Market	Net Profit	Max. Drawdown	Net Profit Long	Net Profit Short	Number of Trades	Average Trade	Percent Profitable
1. Euro	\$15,915	-\$4,575	\$8,693	\$7,222	197	\$81	49%
2. S&P 400	\$11,280	-\$2,440	\$6,810	\$4,470	149	\$76	54%
3. US-T-Bond	\$12,019	-\$4,590	\$9,556	\$2,463	140	\$86	57%
4. Light Crude Oil	\$19,040	-\$3,050	\$9,570	\$9,470	139	\$137	53%
Portfolio	\$58,254	-\$3,275	\$34,629	\$23,625	625	\$93	53%

Zeit im Markt < 30%

Passen die Zahlen zur Systemlogik?

Annahme: Märkte sind manchmal logisch, aber nicht immer

2. Die Strategien

Bonds

Stocks

Currencies

Commodities

- Different, robust strategies for each group
- Few signals, low correlation

2. Die Strategien

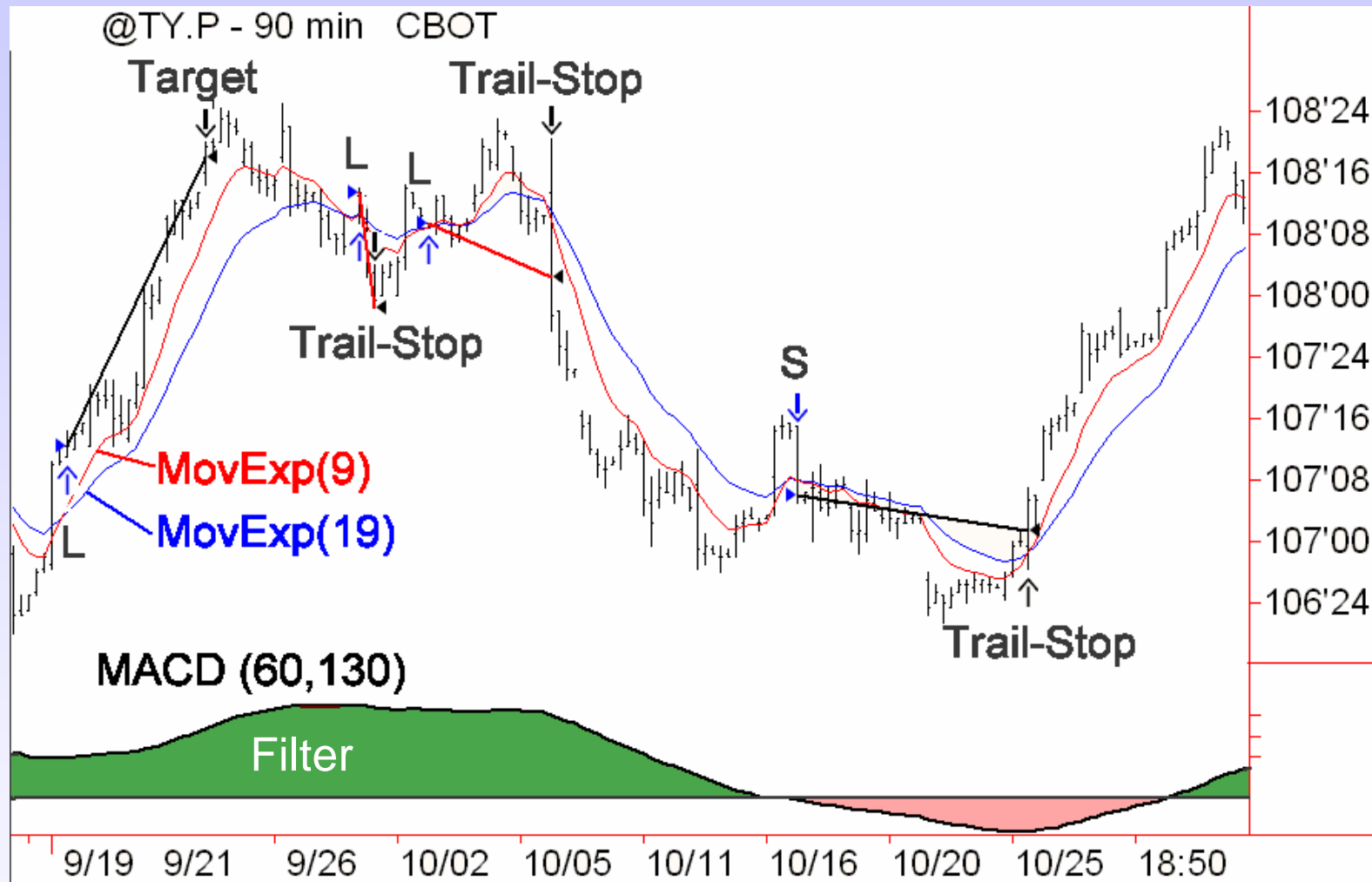
2.1. Bonds: Trend following

2.2. Stock Indices: Time of day

2.3. Euro: (False-) Breakout

2.4. Universal: Triangle

2.1. Bonds: Trend-following

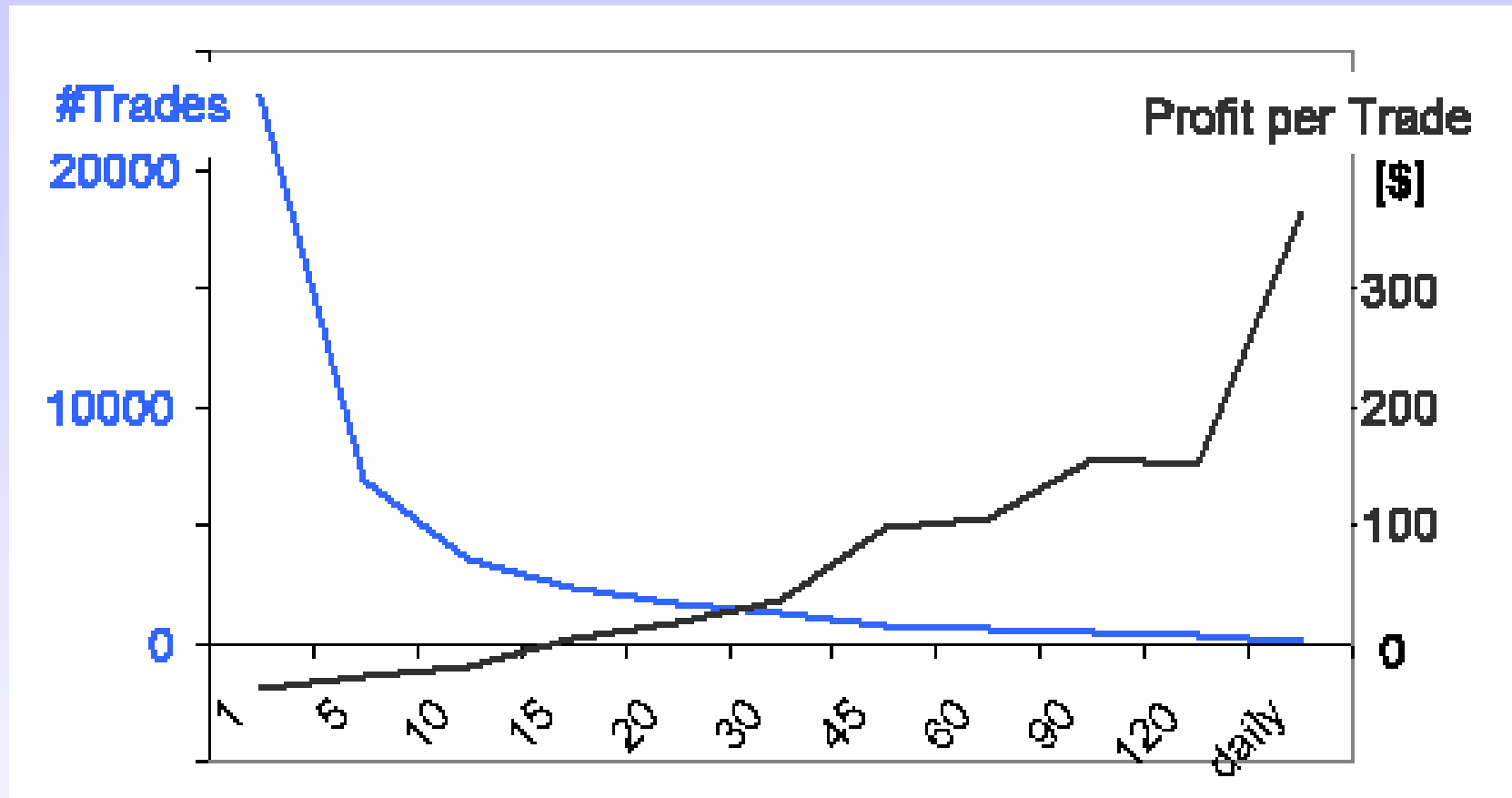


2.1. Bonds: Trend-following

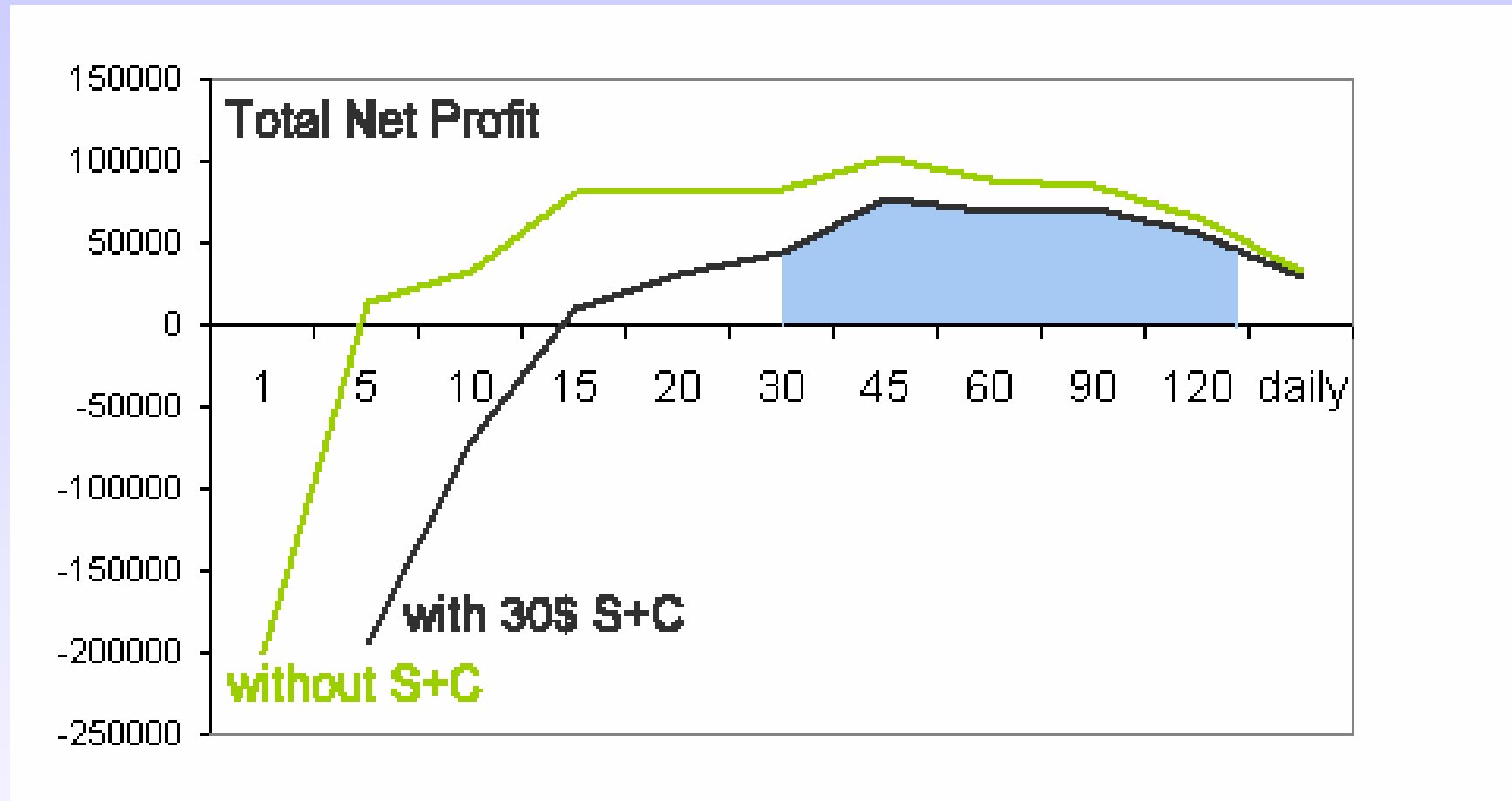
Fast or Slow Trading???



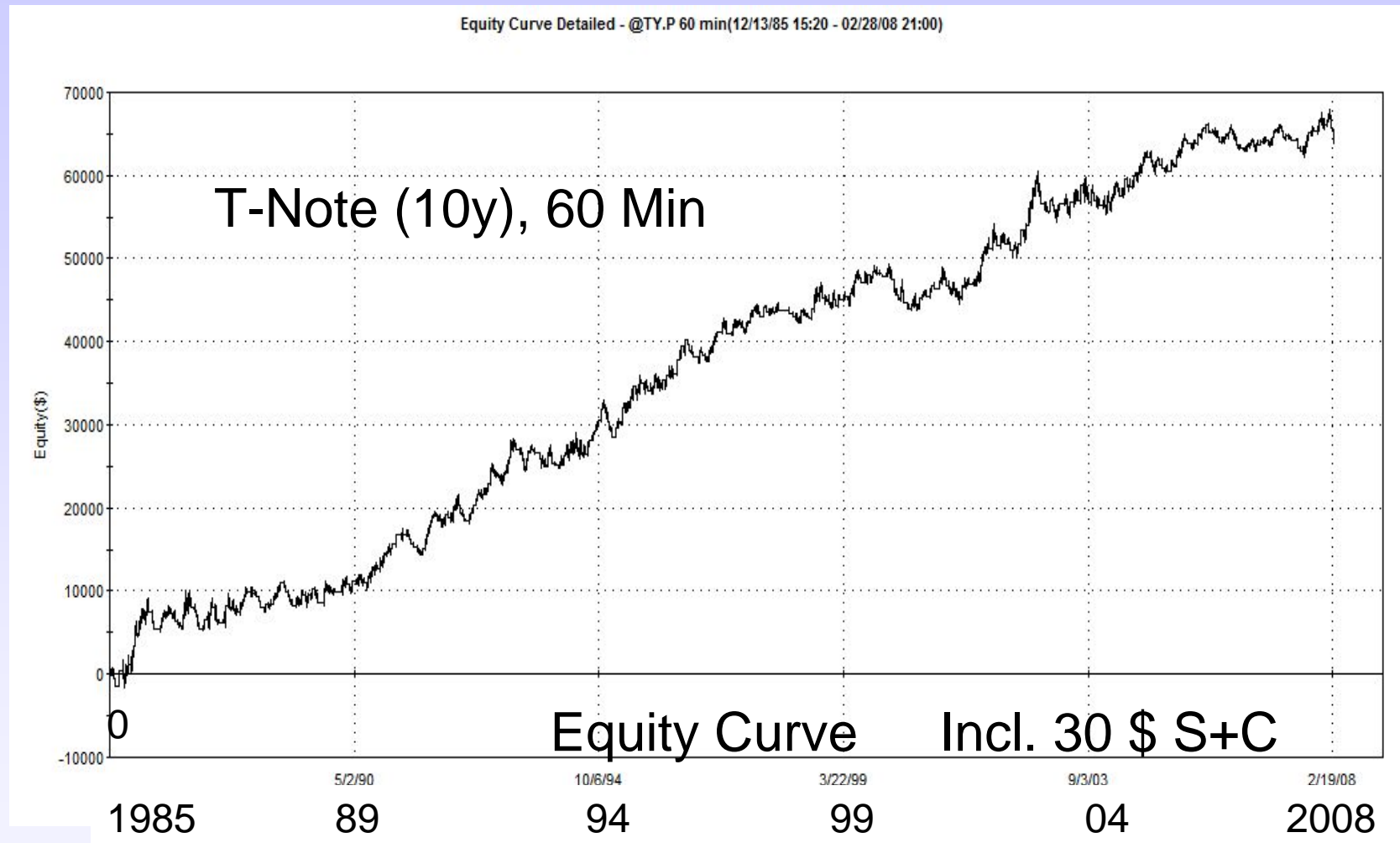
2.1. Bonds: Trend-following



2.1. Bonds: Trend-following



2.1. Bonds: Trend-following



2.2. Stock Indices:

Bonds

Stocks

Macro-Economy



Psychology

Long Trends



False Breakouts

Slower movements



Fast movements

2.2. Stock Indices: Time

Europe: Markets follow the US
Opening direction

USA: Last Move before close



2.2. Stock Indices: EU follows US



DJ S&P open

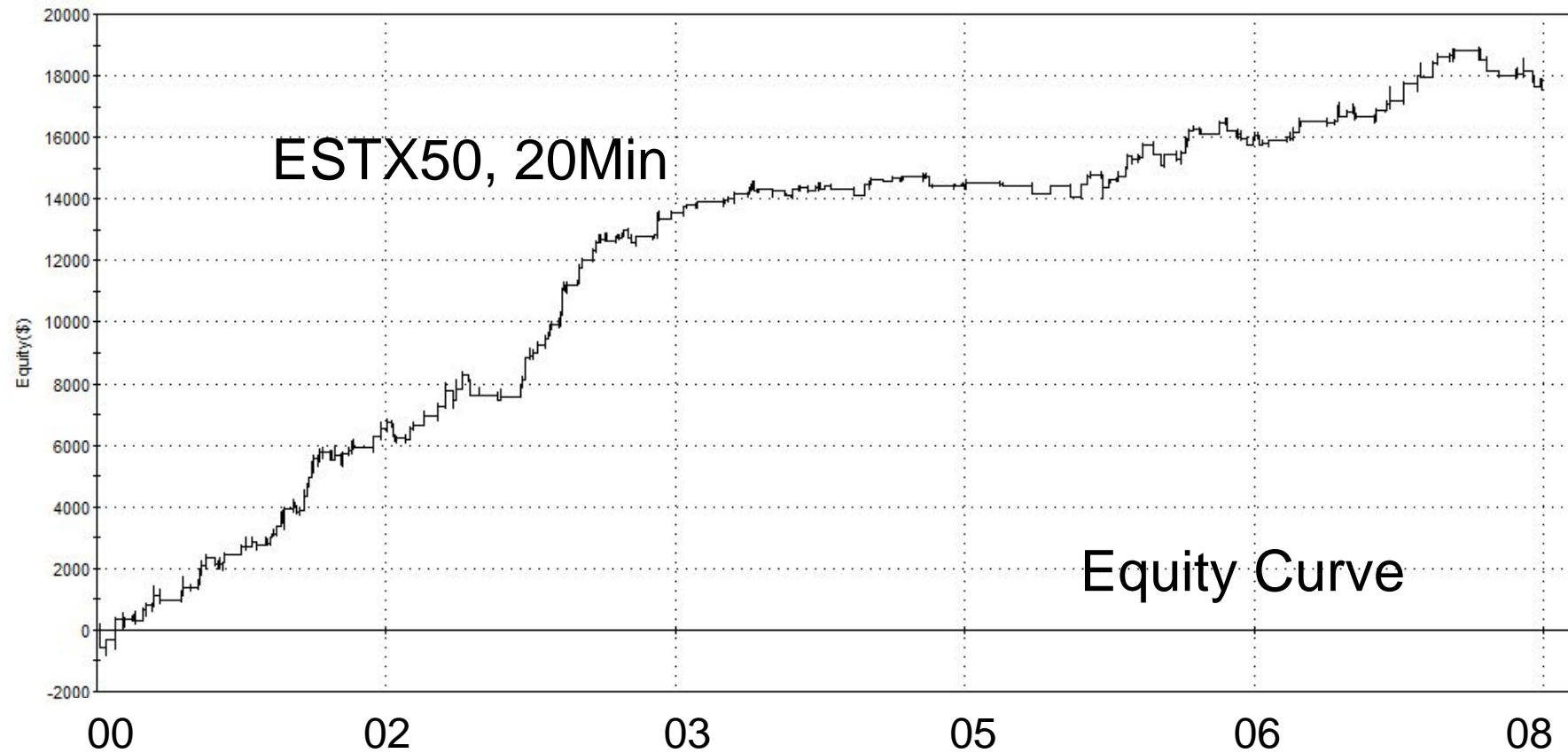
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2.2. Stock Indices: EU follows US

Equity Curve Detailed - @FESX 20 min(03/01/00 09:20 - 02/28/08 21:20)



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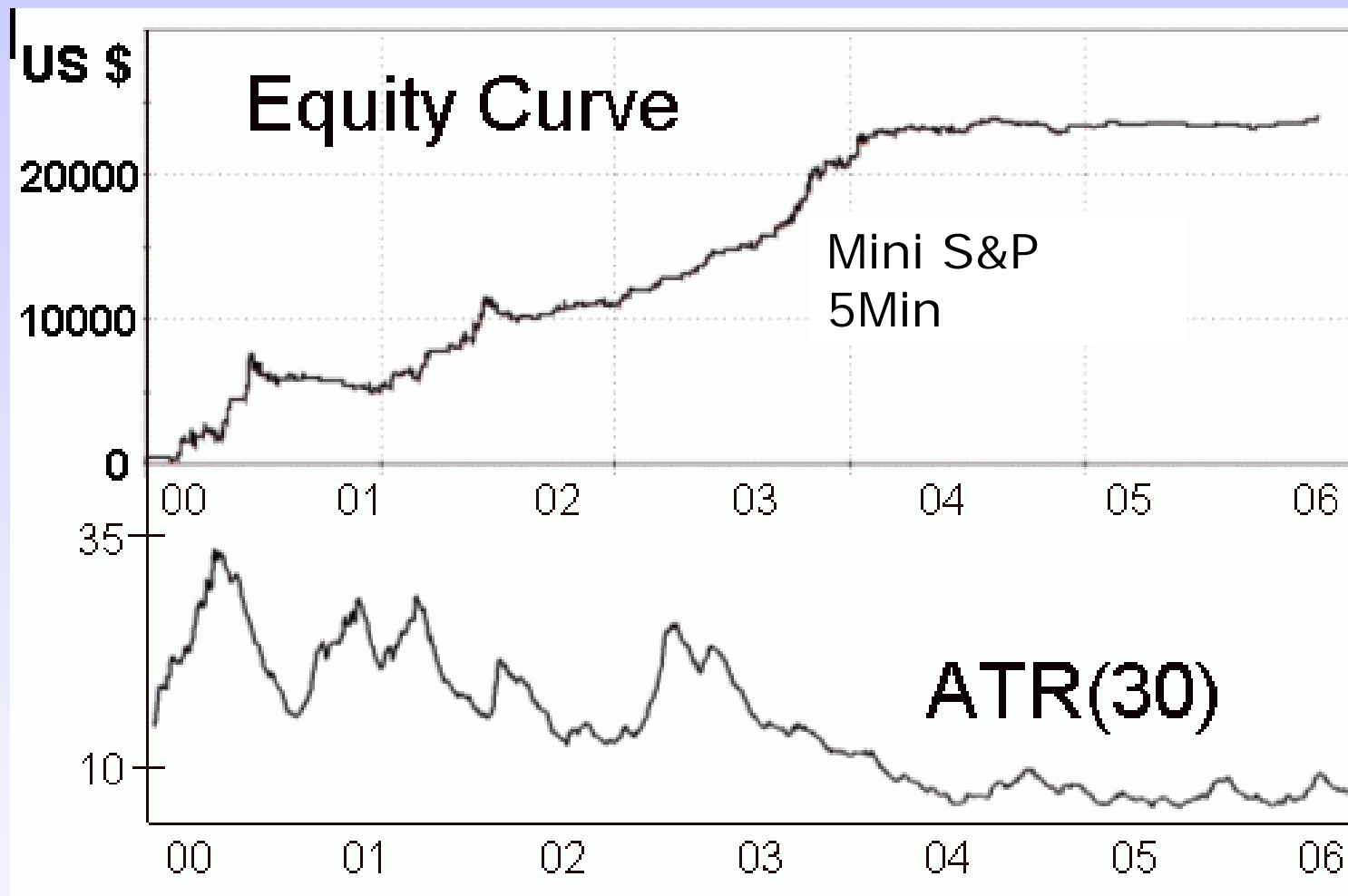
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2.2. Stock Indices: US last move

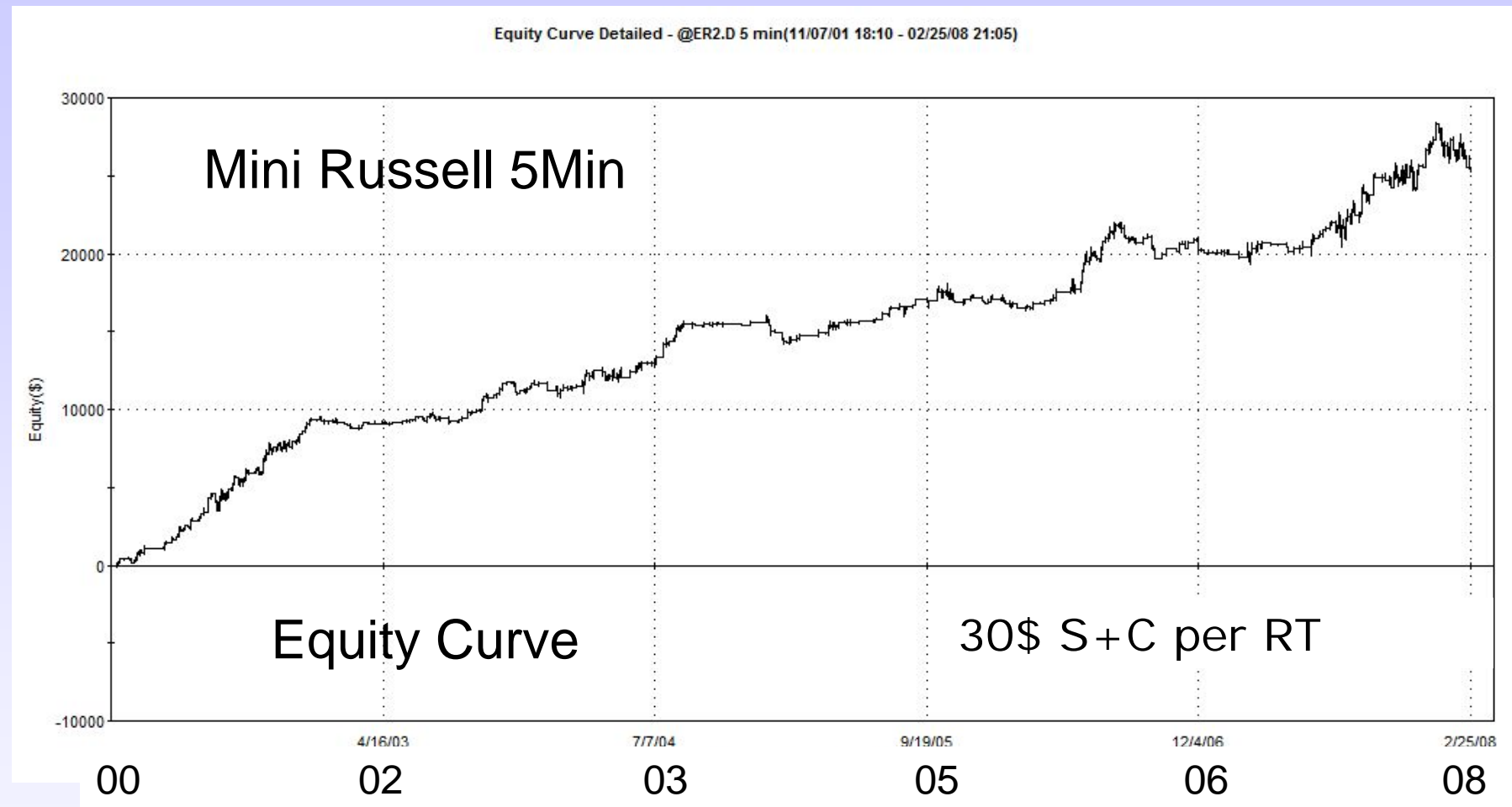


Volume and Time → Move

2.2. Stock Indices: US last move



2.2. Stock Indices: US last move

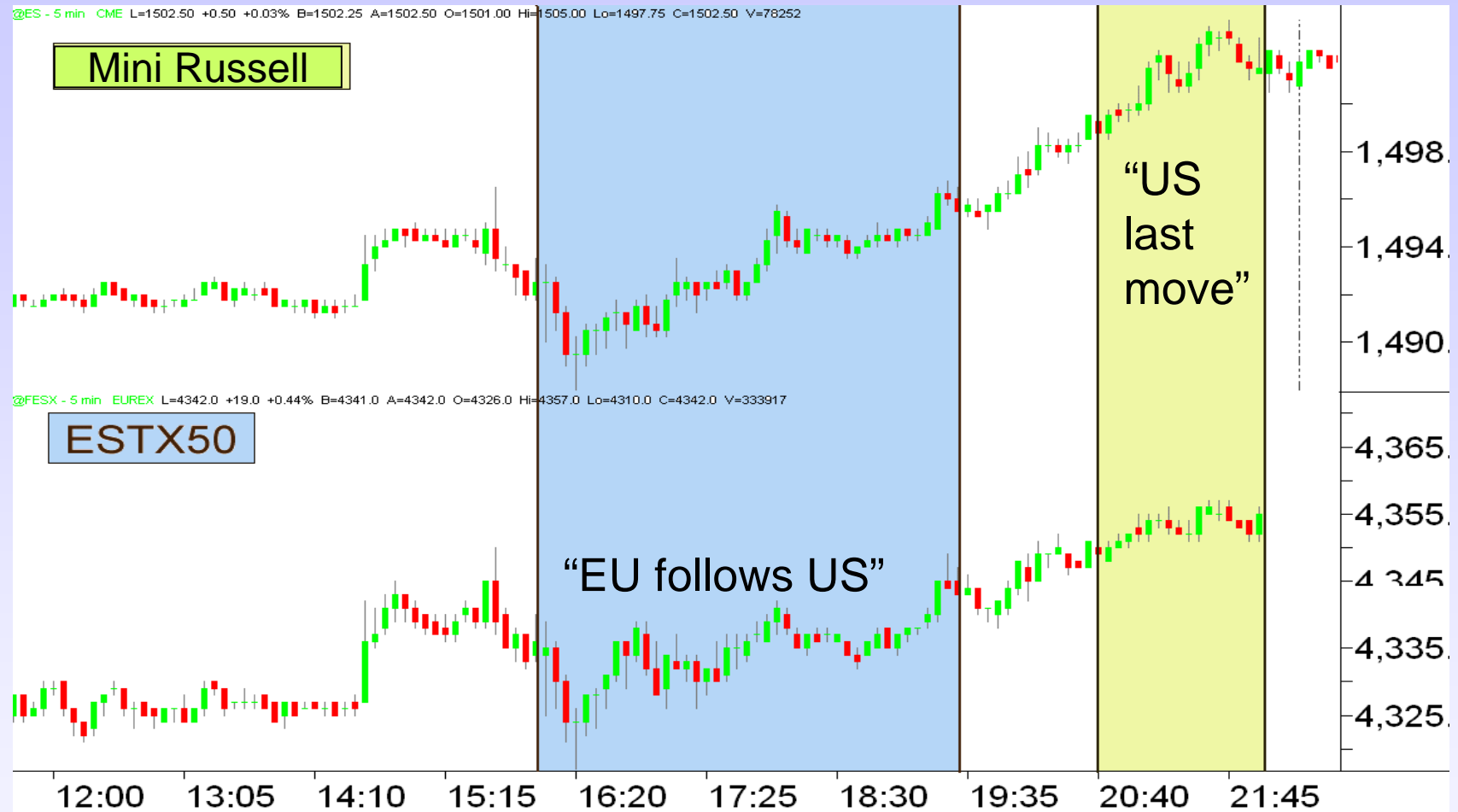


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2.2. Stock Indices: uncorrelated!



2.2. Stock Indices: uncorrelated!

...different time windows

...low market exposure

→ can be traded with very small accounts

→ can be very well combined

2.3. Euro: (False-) Breakouts



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2.3. Euro: Weekday Filter



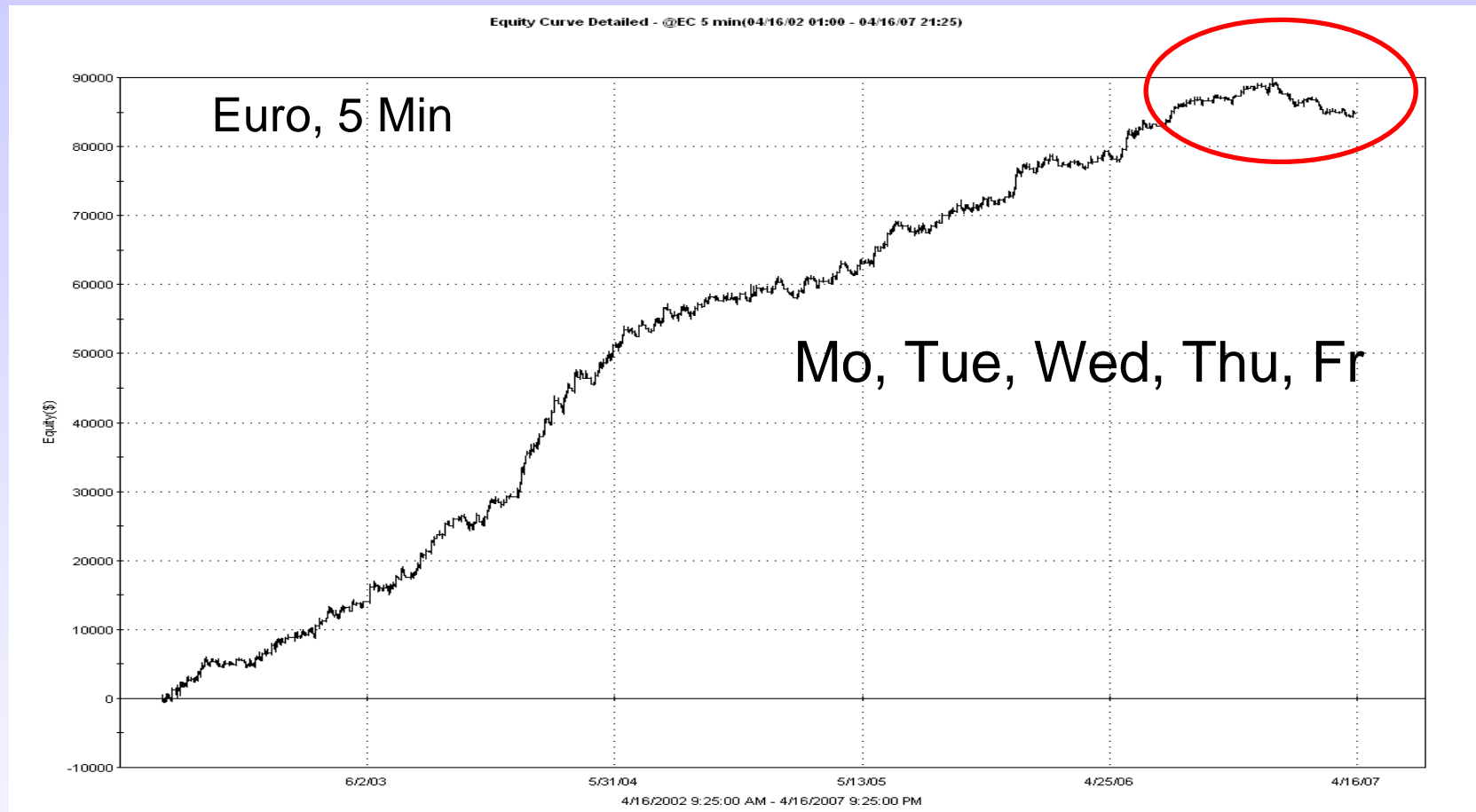
2.3. Euro: Weekday Filter

Weekday	Net Profit [\$]	Max Intraday Drawdown[\$]	ProfitFactor	% Profitable Trades	Avg Trade [\$]
Monday	22087.5	-1350	3.14	52.50	184
Tuesday	15637.5	-3987.5	1.63	39.87	99
Wednesday	15925	-3562.5	1.84	47.53	98
Thursday	15075	-2450	1.76	43.87	97
Friday	25787.5	-4050	2.10	45.40	158

Monday: High Return/ Low Risk

Friday: High Return/ High Risk

2.3. Euro: Breakouts with Weekday Filter

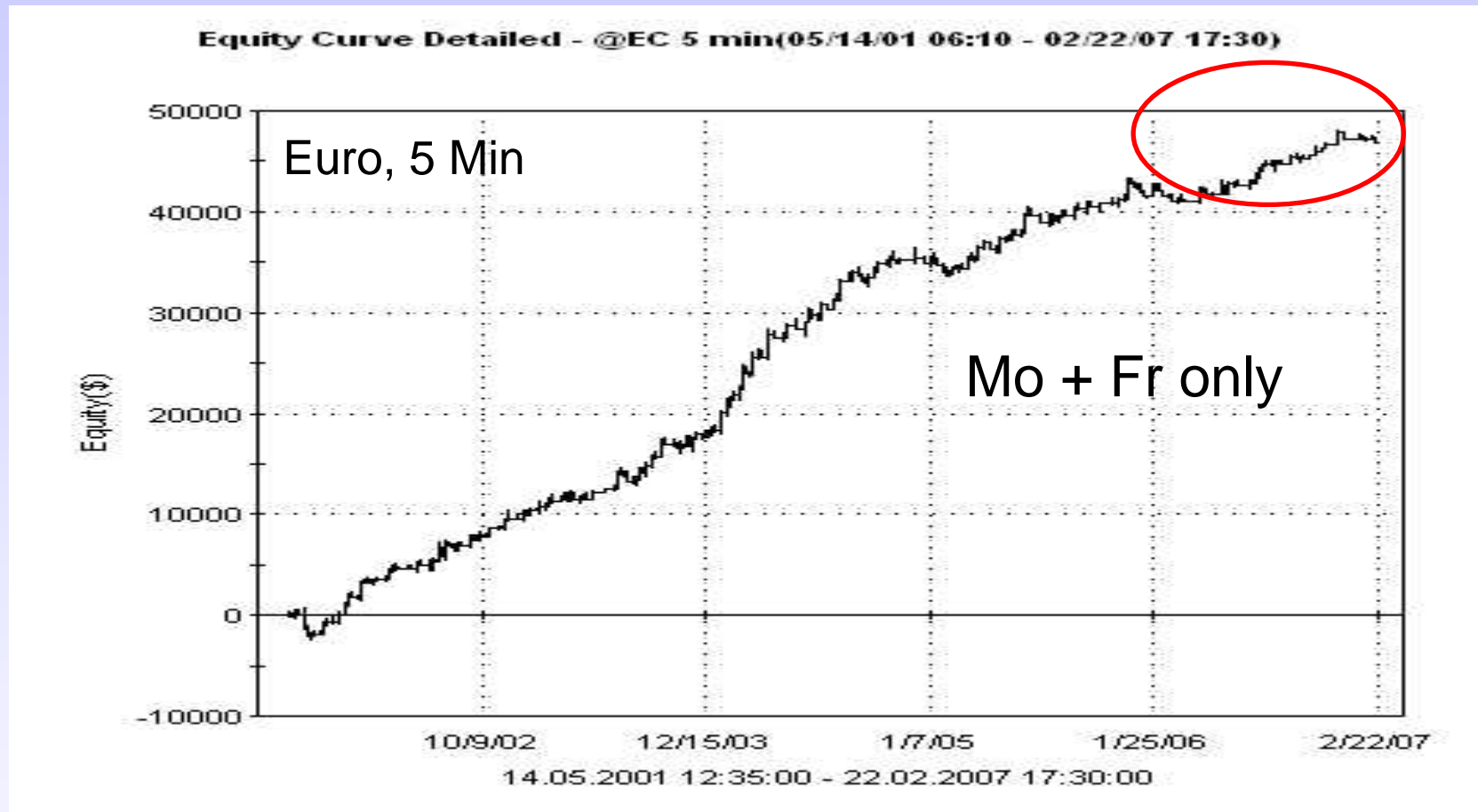


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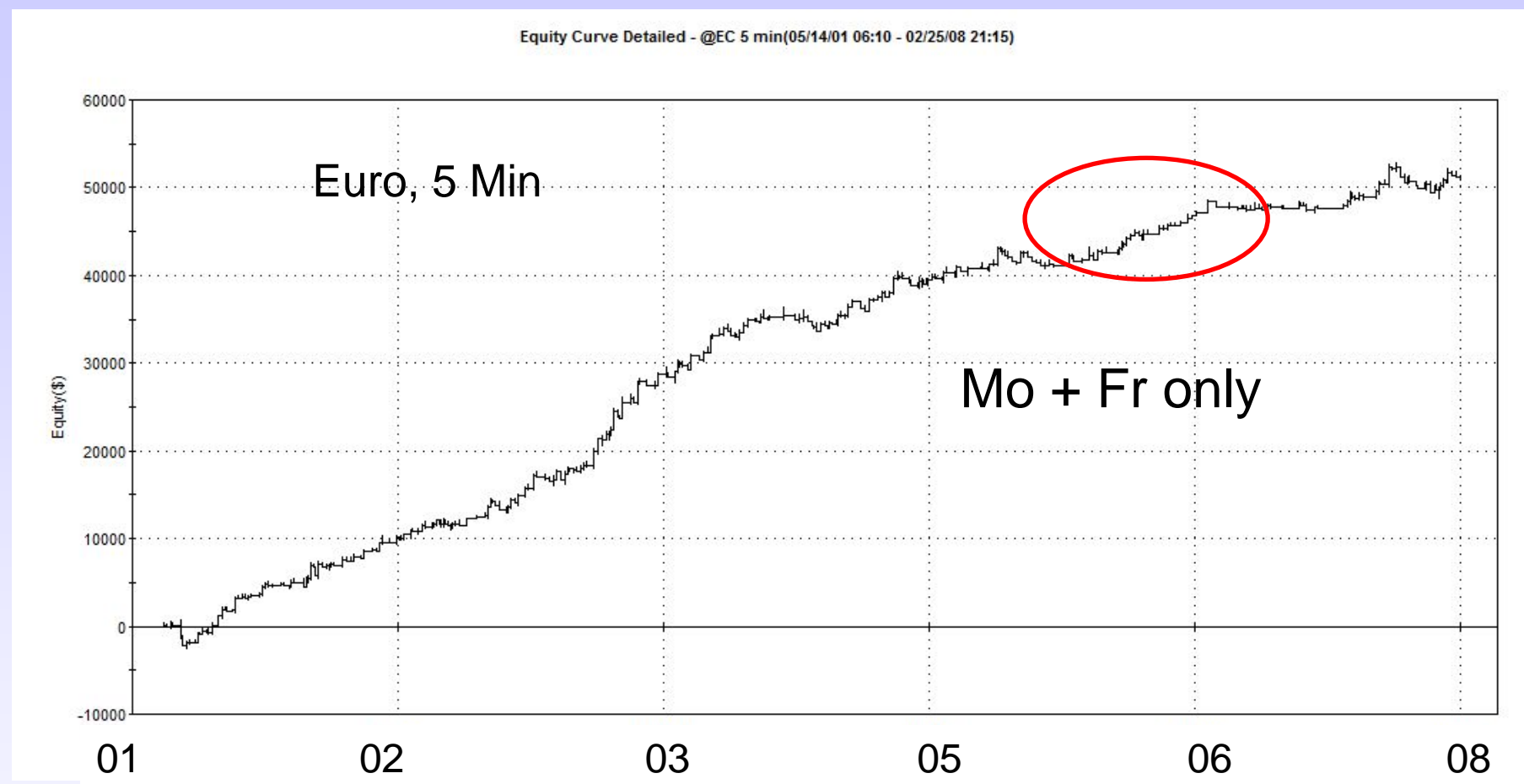
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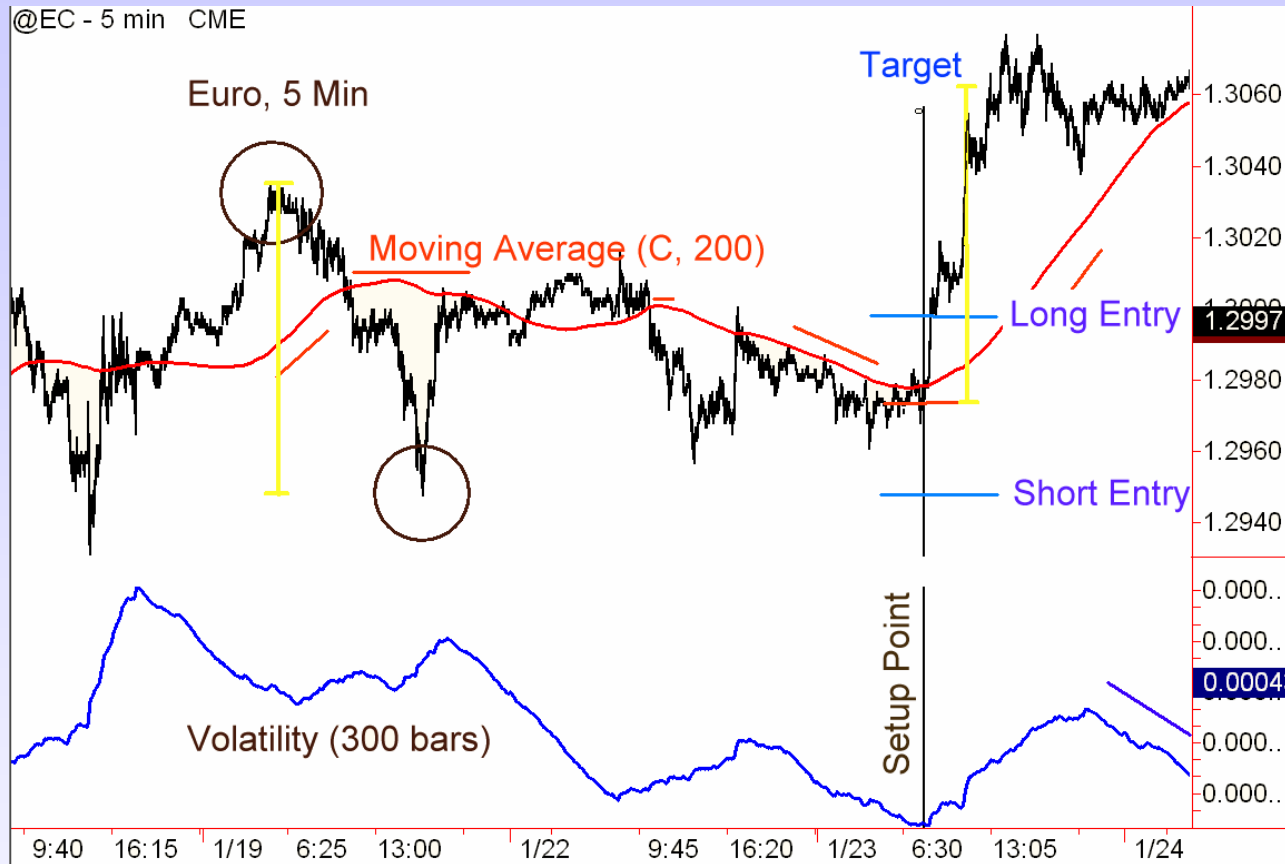


2.4. Universal: Triangle

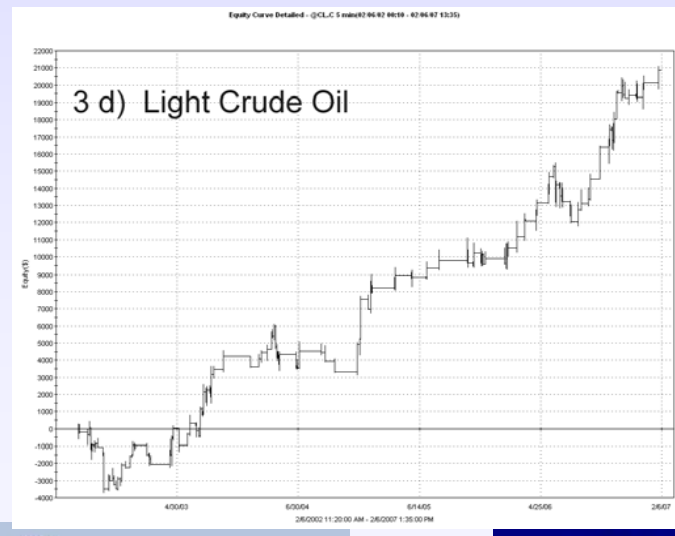
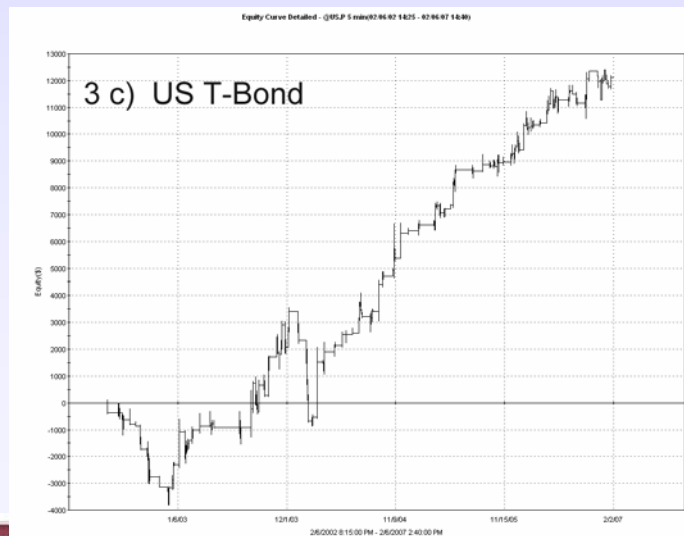


Annahme: Märkte sind manchmal logisch, aber nicht immer

2.4. Universal: Triangle



2.4. Universal: Triangle



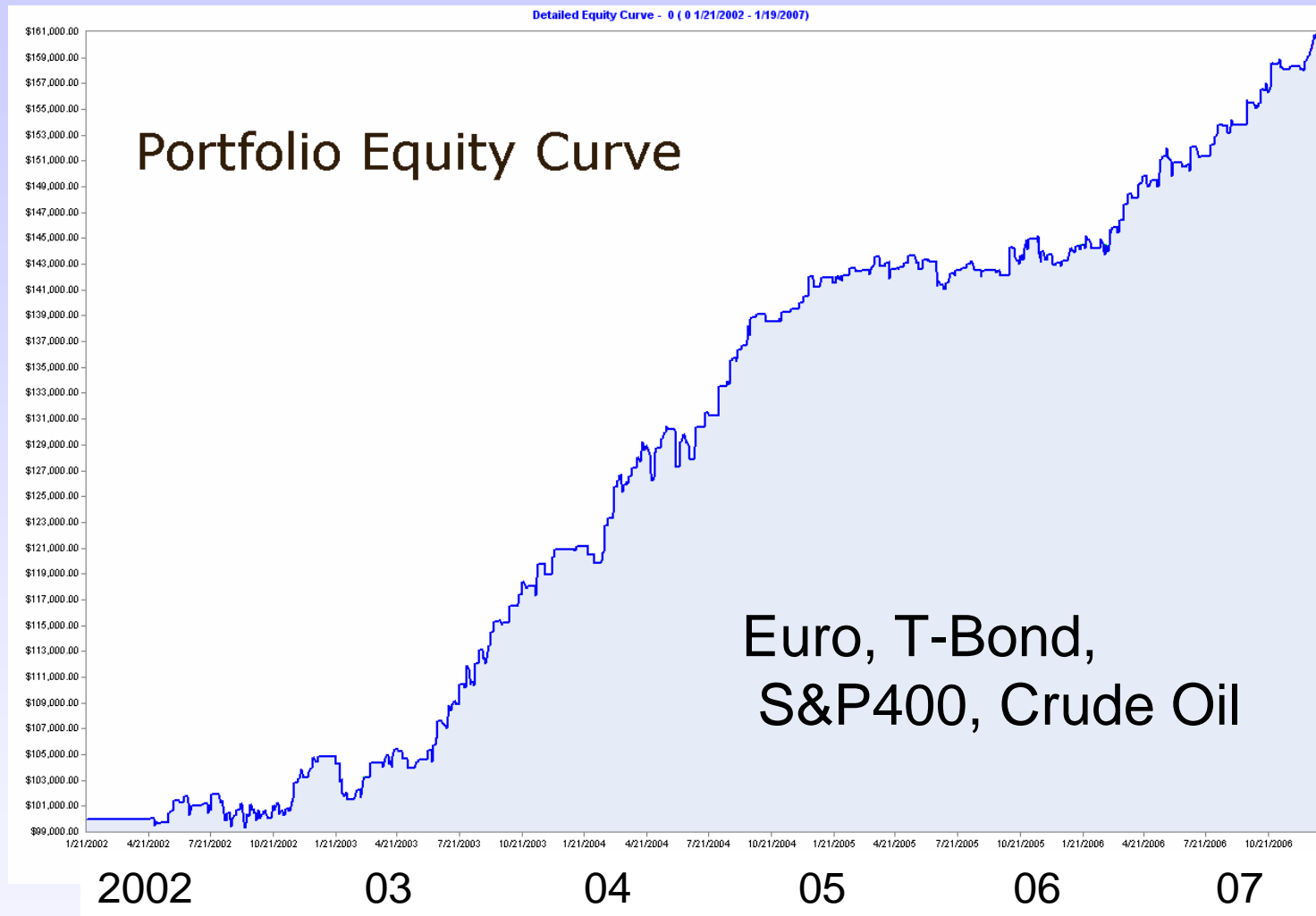
Same
parameters

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2.4. Universal: Triangle



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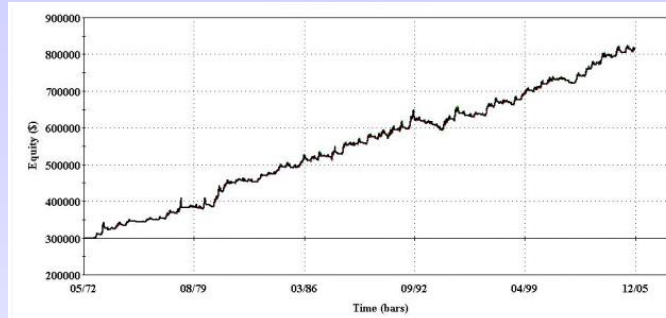
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Portfolio	\$58,254	-\$3,275	\$34,629	\$23,625	625	\$93	53%
Correlations	S&P 400	Euro	Light Crude	US-T-Bond			
S&P 400		0.019	0.020	-0.002			
Euro	0.019		-0.002	0.024		2002-2007	
Light Crude Oil	0.020	-0.002		0.006			
US-T-Bond	-0.002	0.024	0.006				

Correlations nearly 0!

3. Building a system portfolio: Goal

Pre-determined return



High Liquidity

Robust Trading Systems

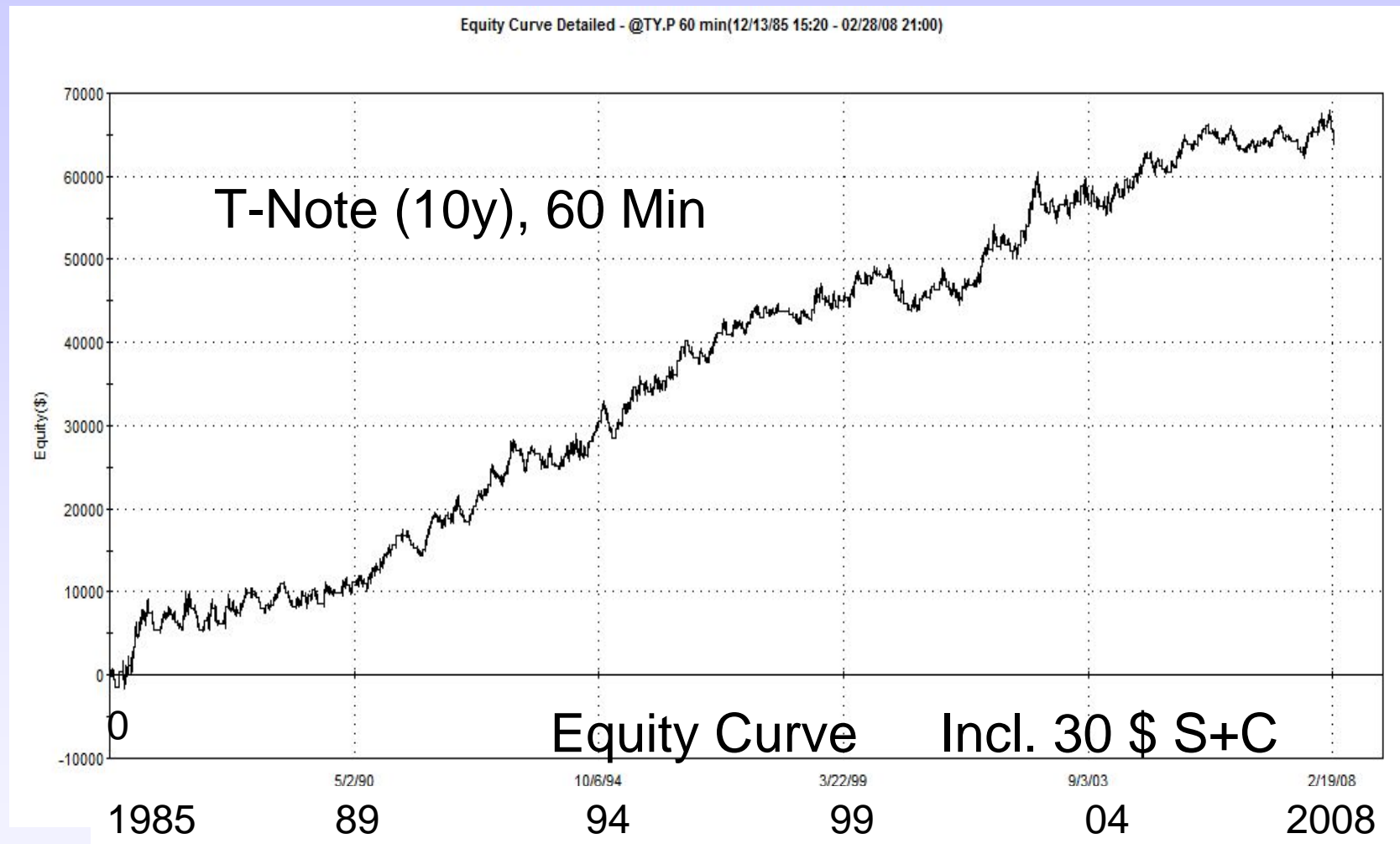
Low correlations

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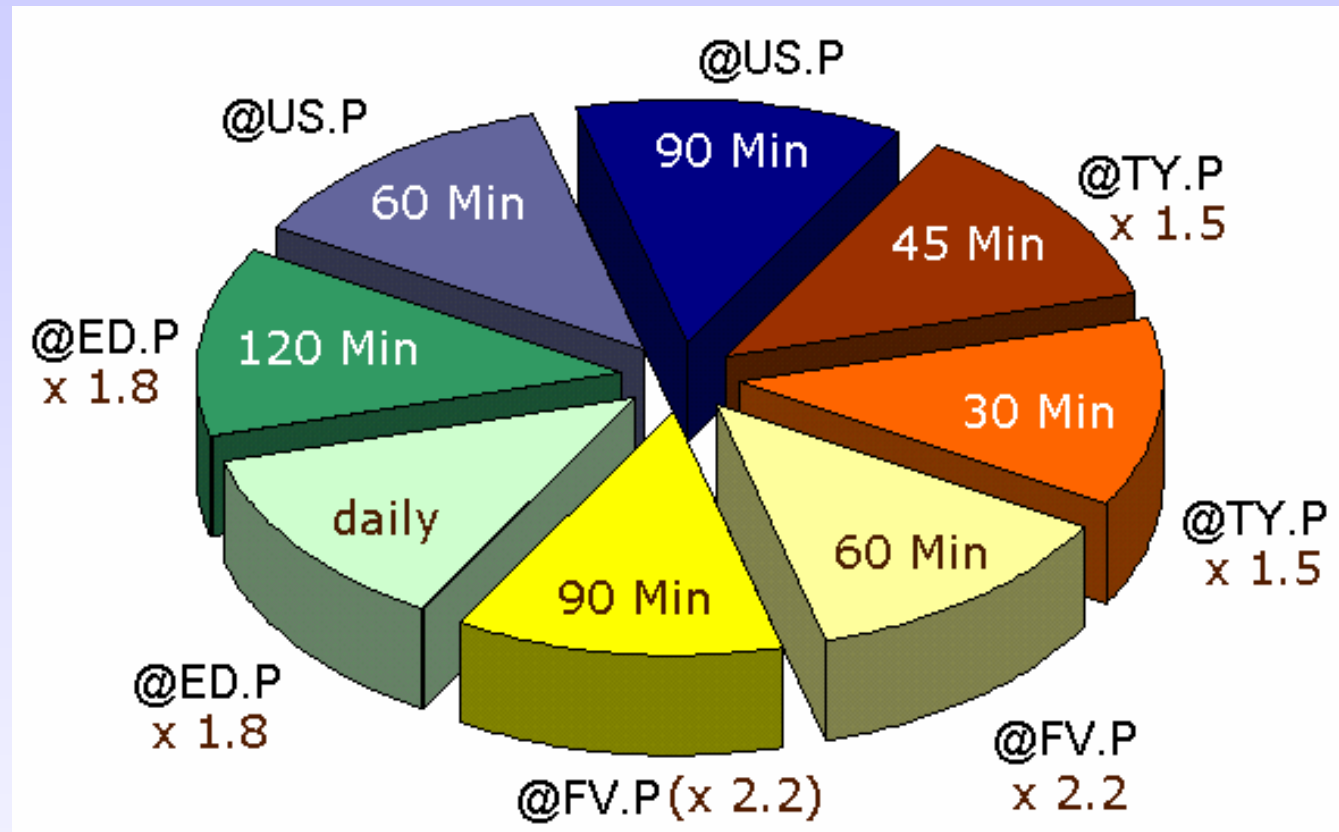
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3. Building a system portfolio: E.g. Bonds



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Market		@ED.P	@ED.P	@US.P	@US.P	@TY.P	@TY.P	@FV.P	@FV.P
	Time	daily	120 Min	90 Min	60 Min	45 Min	30 Min	90 Min	60 Min
@ED.P	daily		0.20	0.10	0.06	0.11	0.17	0.03	0.05
@ED.P	120 Min	0.20		0.17	0.09	0.23	0.16	0.15	0.13
@US.P	90 Min	0.10	0.17		0.68	0.34	0.26	0.55	0.36
@US.P	60 Min	0.06	0.09	0.68		0.47	0.31	0.41	0.40
@TY.P	45 Min	0.11	0.23	0.34	0.47		0.59	0.37	0.48
@TY.P	30 Min	0.17	0.16	0.26	0.31	0.59		0.26	0.36
@FV.P	90 Min	0.03	0.15	0.55	0.41	0.37	0.26		0.62
@FV.P	60 Min	0.05	0.13	0.36	0.40	0.48	0.36	0.62	

Correlation, monthly

< 0.15 very low

0.16-0.3 low

0.31-0.5 neutral

0.51-0.65 medium-high

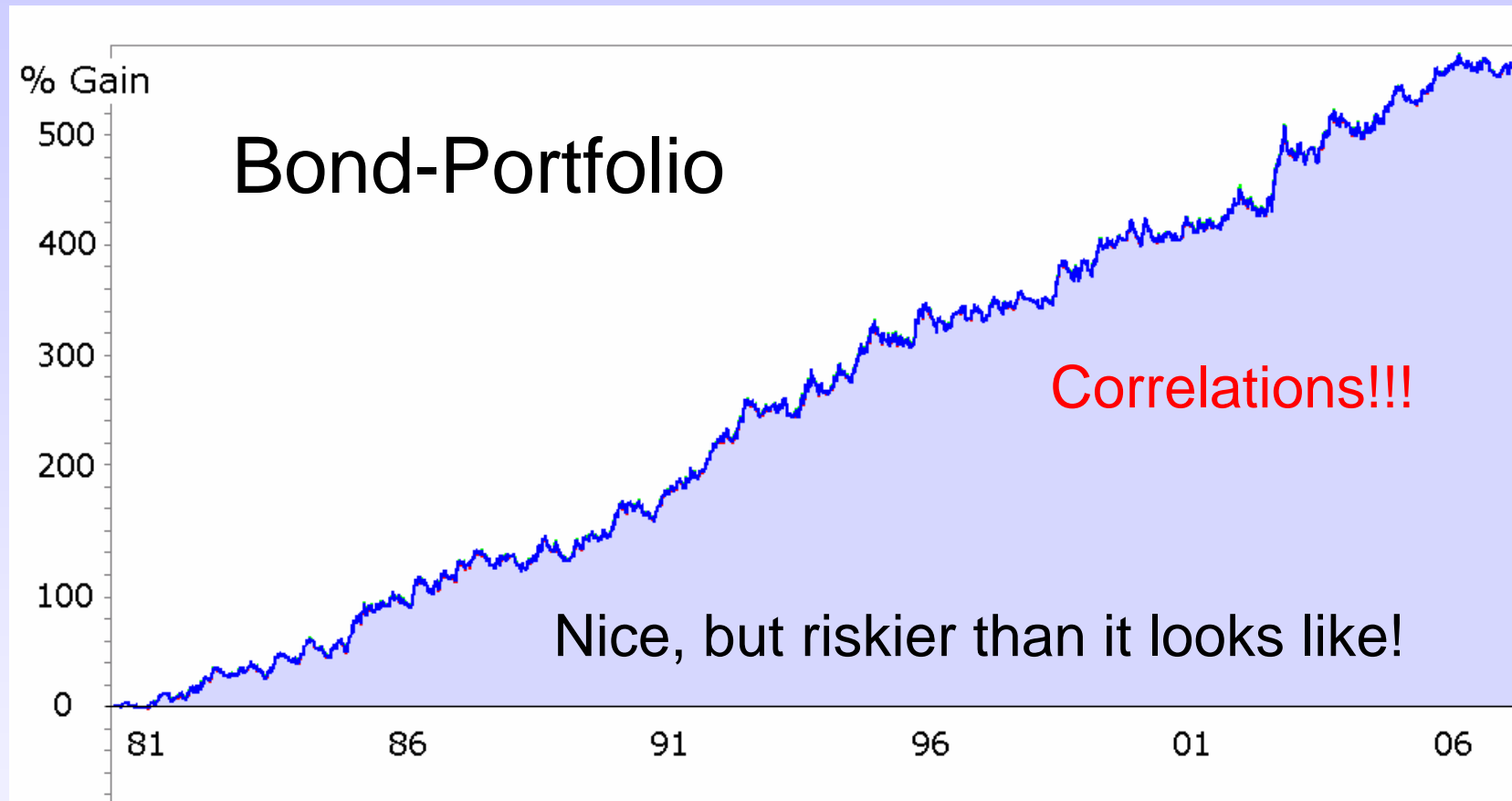
> 0.65 high

3. Building a system portfolio: E.g. Bonds

	10 year US-T- Note, 60 Minute	Multi time frame Bond portfolio
Net Profit [\$]	70475	581243
Maximum DrawDown [\$]	4966	26613
Net Profit/Max. DD	14.2	21.8
No. of Trades	655	4419
Average Trade [\$]	107.6	131.5
% profitable Trades	41.2	41.9
Average Win/Loss	2.05	1.94
% of time in the market	37.4	84.4

Theoretical Results: 1983-2006

3. Building a system portfolio: E.g. Bonds



3. Building a system portfolio: Correlations



Correlations, nobody needs them...



3. Building a system portfolio: Correlations

Linear Correlation Coefficients based on Daily Equity

	@ER2.D	@EMD.D	@EC	@CL.C	@US.P
@ER2.D		0.36	-0.01	-0.11	0.07
@EMD.D	0.36		0.02	0.01	0.02
@EC	-0.01	0.02		0.07	-0.07
@CL.C	-0.11	0.01	0.07		-0.08
@US.P	0.07	0.02	-0.07	-0.08	

< 0.15 very low

0.16-0.3 low

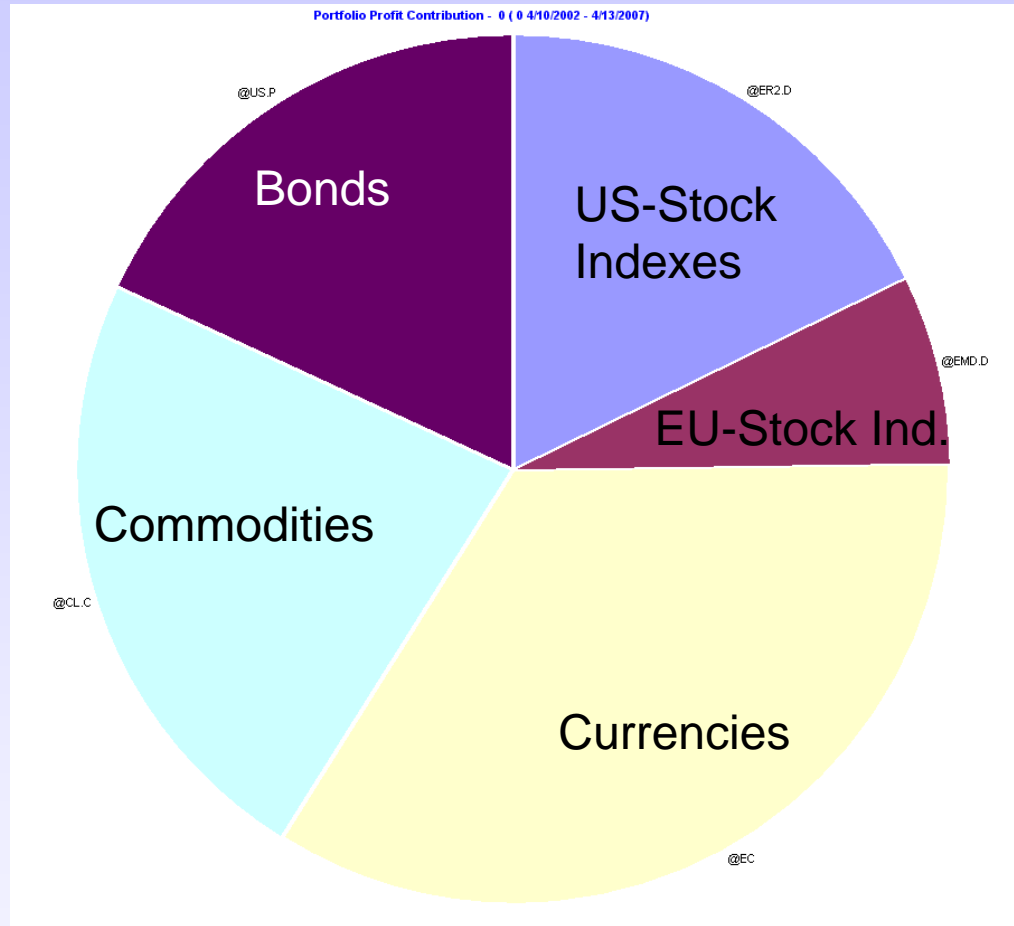
0.31-0.5 neutral

0.51-0.65 medium-high

> 0.65 high

not many signals simultaneously, small market exposure

3. Building a system portfolio



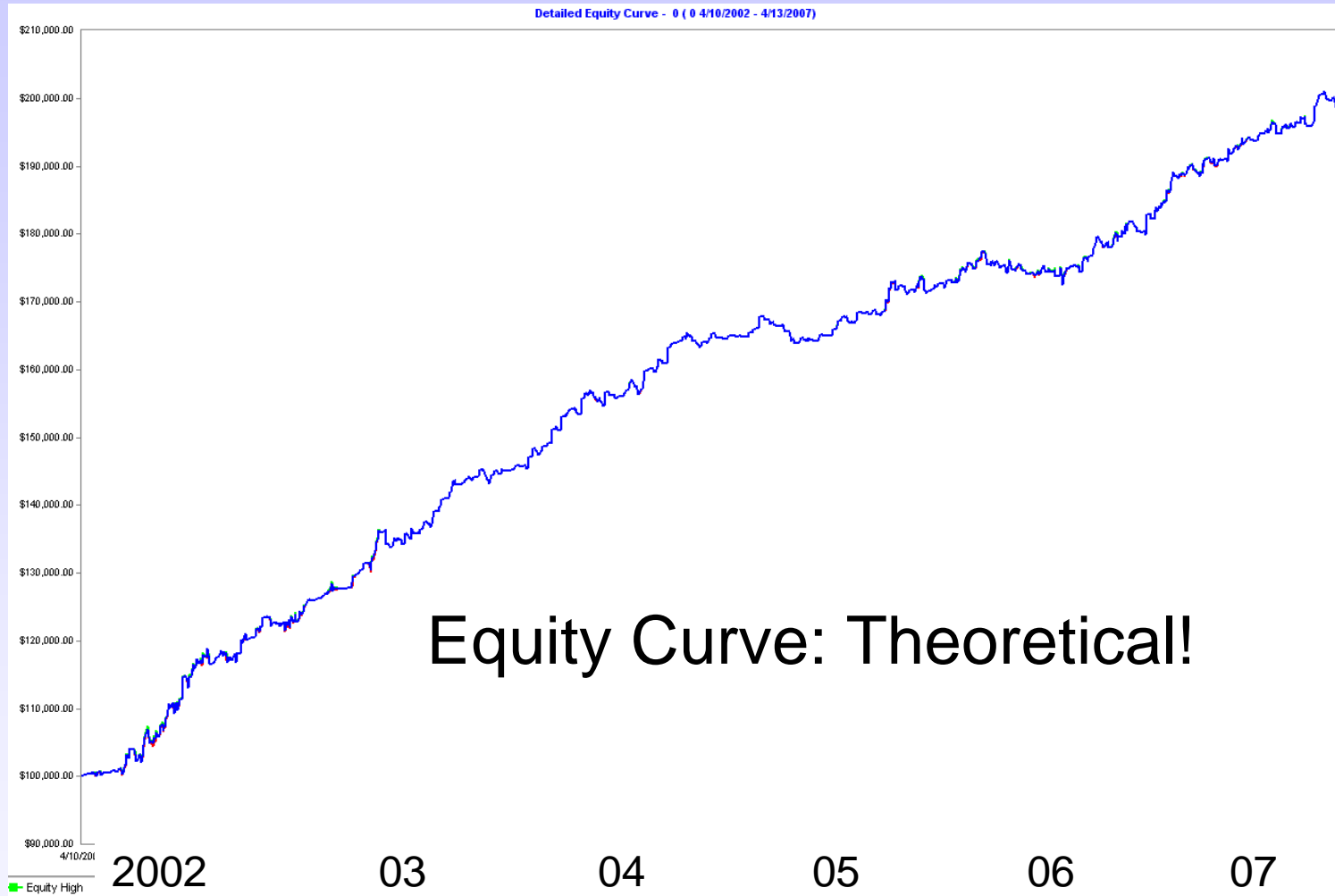
3. Building a system portfolio

Thomas Stridsman:

Diversify according to **risk-adjusted return instead of just risk** (standard deviation).

- 1) The **long-term** historical average return for each market
- 2) A **shorter-term** return (that you even can estimate freely if your philosophy as a trader allows you to add that to the mechanical strategy).
(Dr. John Clayburgs Ansatz)

3. Building a system portfolio

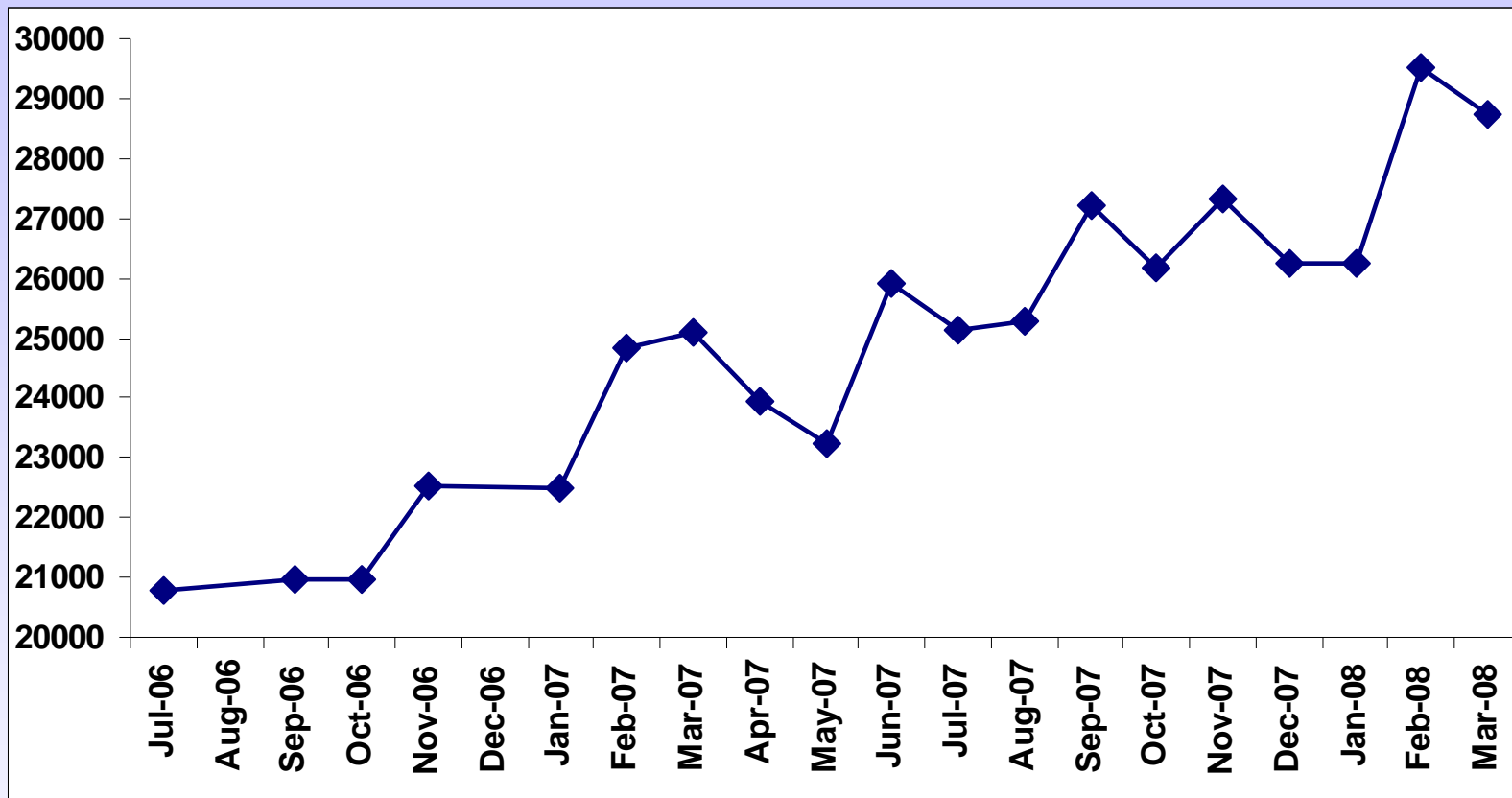


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3. Building a system portfolio

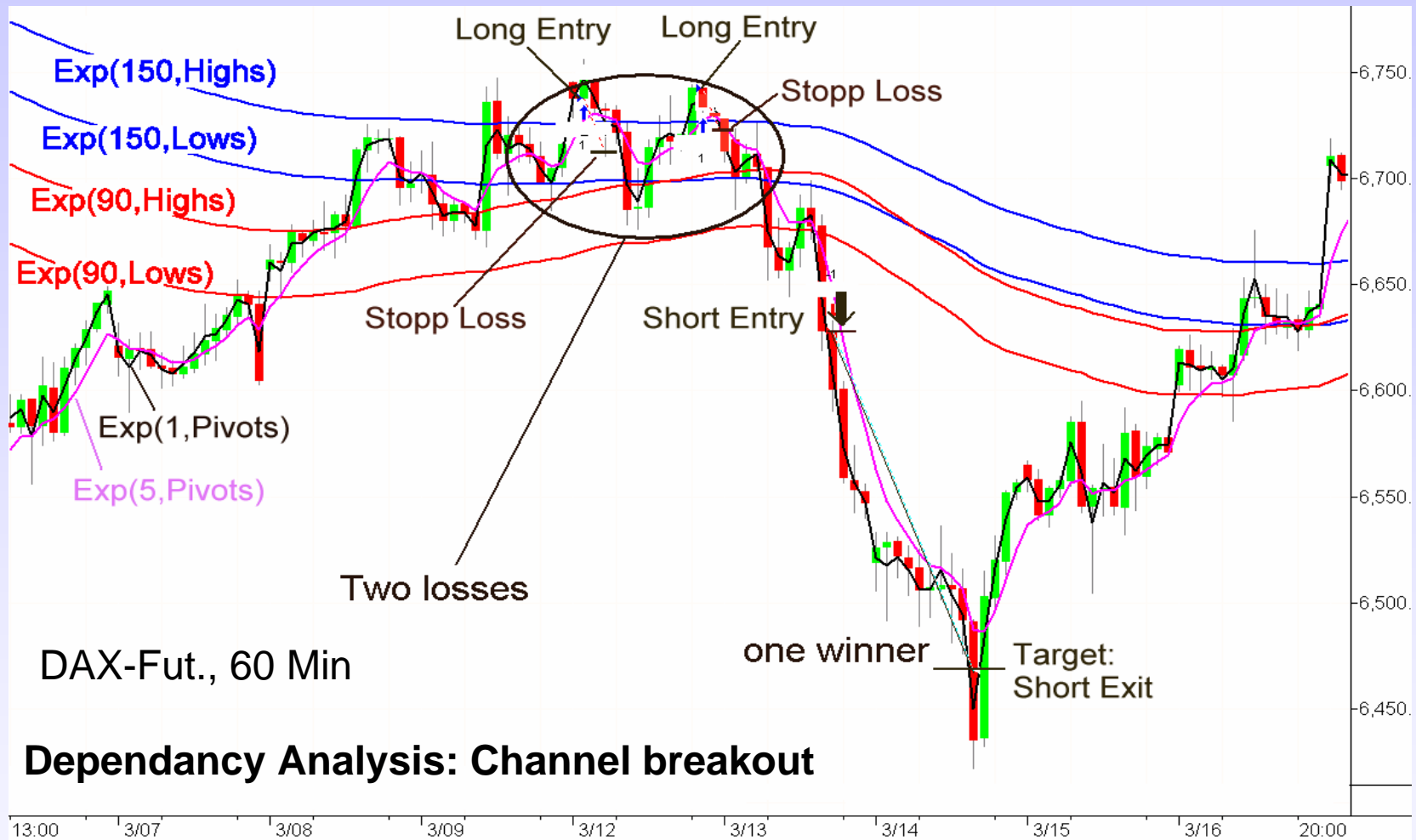


Real gehandelt, kleines Konto

4.Ausblick: Moderne Methoden

- + Monte Carlo Analyse
- + **Dependency Analysis**
- + Equity Curve Trading → Dr. John Clayburg,
„self-adaptive“ trading systems
- + Walk Forward Analyse = ständige Re-Optimierung

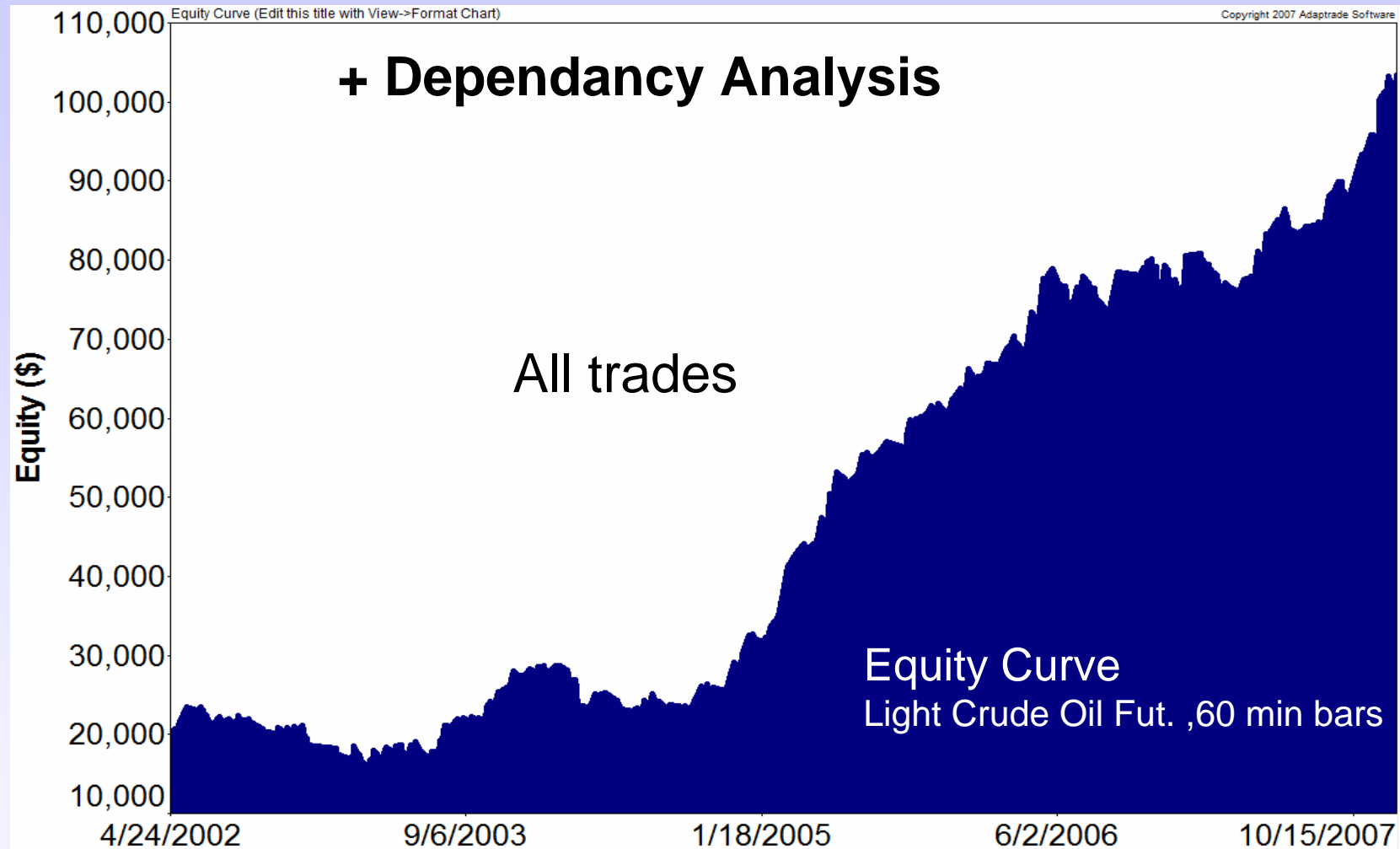
4.Ausblick: Moderne Methoden



Dependancy Analysis: Channel breakout

Annahme: Märkte sind manchmal logisch, aber nicht immer

4. Moderne Methoden: Dependancy Analysis

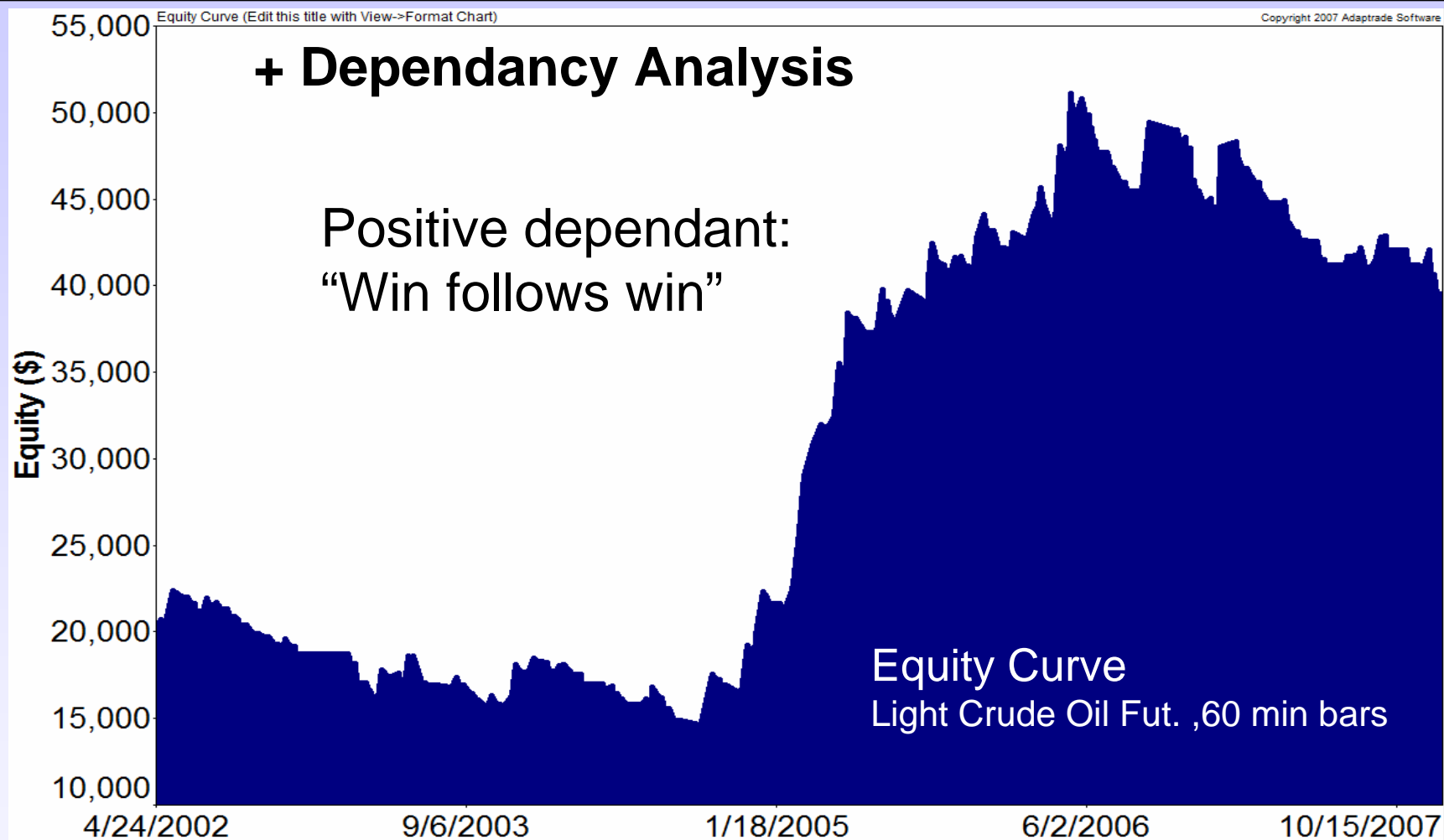


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4. Moderne Methoden: Dependency Analysis

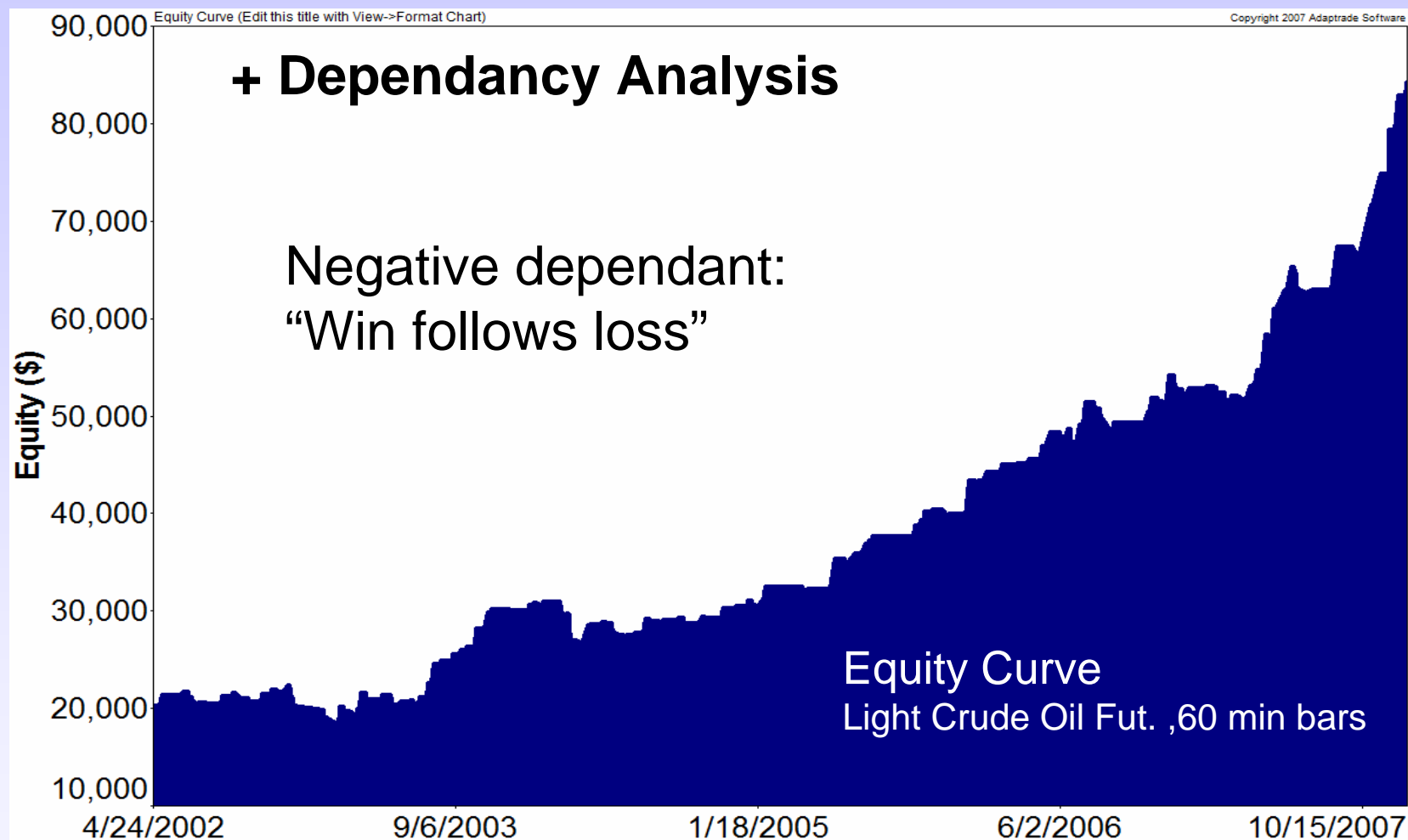


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4. Moderne Methoden: Dependency Analysis



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4. Moderne Methoden: Dependency Analysis

Dependency Rule	All	Win follow win	Win follow loss
Total Number of Trades	447	184	263
Total Net Profit	\$83,650	\$19,520	\$64,130
Biggest Drawdown	(\$7,420)	(\$8,180)	(\$4,440)
Return/Drawdown Ratio	11.27	2.39	14.44
Profit Factor	1.63	1.31	1.91
Average Trade	\$186.97	\$106.09	\$243.84
Average Win/Average Loss	2.32	2.14	2.46
Worst Case Drawdown (%)	31.67%	36.55%	19.93%

Test results, Light Crude Oil Future, 60 min bars, incl. 30\$ S+C, 2002-2008

5. Zusammenfassung

- **Systemhandel mit Tradestation**
- **Gute Strategien mit "Logik":**

Bsp.: + Bonds: Trendfolge, + Stock Indices: Zeitfenster,
Euro: False-Breakout, Universal: Triangle
- **Kombination zu System-Portfolios**

→ Risiko kleiner, Ertrag größer
- **Moderne Methoden:**
 - Dependency Analysis, Ausblick: Walk Forward Opt.

5. Fazit



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