Jake Bernstein

New Concepts in Short Term Timing

http://www.trade-futures.com

www.trade-futures.com jake@trade-futures.com
800-678-5253 * 831-430-0600

- *The best time frames for short-term trading*
- *How to TIME PRECISE market entry with small trader sentiment*
- *The INSIDE bar and OUTSIDE bar patterns with timing*
- *Short-Term Bernstein Trend Indicator*
- *Clear examples and exact rules*
- *Step-by-step walk through of each pattern*
- *Best markets for short-term application of the patterns*
- *Time of Day Pattern*

Overview, Goals and Concepts

- The goals and considerations
- - Examine potentially new timing tools
- - Understand what they do
- - Do they have “face validity”?
- - Do they work better? Example (2 slides)
- - What does “work better” mean?
- - Considerations: your limits
- - Time frame and profits: Example (2 slides)
- - Who is your competition?

Example: which is "better"?

Report | Chart | Monte Carlo Analysis

Summary - All Trades

Overall

Total Net Profit:	$94,521	Profit Factor ($Wins/$Losses):	1.75
Total Trades:	306	Winning Percentage:	86.3%
Average Trade:	$309	Payout Ratio (AvgWin/AvgLoss):	0.28
Max Closed-out Drawdown	-$13,162	CPC Index (PF x Win% x PR):	0.42
Max Intraday Drawdown:	-$15,296	Expectancy (AvgTrade/AvgLoss):	10.36%
Account Size Required:	$20,696	Return Pct:	456.7%
Open Equity:	$179	Kelly Pct (AvgTrade/AvgWin):	37.10%
Percent in the Market:	26.8%	Optimal f:	0.43
Avg # of Bars in Trade:	2.75	Z-Score (W/L Predictability):	-1.0
Avg # of Trades per Year:	27.4	Current Streak:	9 Wins

Monthly Profit Analysis

Average Monthly Profit:	$705	Monthly Sharpe Ratio:	0.29
Std Dev of Monthly Profits:	$2,361	Annualized Sharpe Ratio:	1.00
		Calmar Ratio:	0.55

Winning Trades		Losing Trades	
Total Winners:	264	Total Losers:	42
Gross Profit:	$219,787	Gross Loss:	-$125,266
Average Win:	$833	Average Loss:	-$2,983
Largest Win:	$4,041	Largest Loss:	-$4,047
Largest Drawdown in Win:	-$3,234	Largest Peak in Loss:	$1,316
Avg Drawdown in Win:	-$580	Avg Peak in Loss:	$384
Avg Run Up in Win:	$1,115	Avg Run Up in Loss:	$384
Avg Run Down in Win:	-$580	Avg Run Down in Loss:	-$3,189
Most Consec Wins:	22	Most Consec Losses:	3
Avg # of Consec Wins:	7.54	Avg # of Consec Losses:	1.24
Avg # of Bars in Wins:	2.37	Avg # of Bars in Losses:	5.12

Make one small change

Summary - All Trades

Overall

Total Net Profit:	$105,046	Profit Factor ($Wins/$Losses):	1.65
Total Trades:	306	Winning Percentage:	81.0%
Average Trade:	$343	Payout Ratio (AvgWin/AvgLoss):	0.38
Max Closed-out Drawdown	-$14,634	CPC Index (PF x Win% x PR):	0.51
Max Intraday Drawdown:	-$15,693	Expectancy (AvgTrade/AvgLoss):	12.25%
Account Size Required:	$21,093	Return Pct:	498.0%
Open Equity:	$166	Kelly Pct (AvgTrade/AvgWin):	31.81%
Percent in the Market:	33.9%	Optimal f:	0.39
Avg # of Bars in Trade:	3.47	Z-Score (W/L Predictability):	-1.4
Avg # of Trades per Year:	27.4	Current Streak:	1 Wins

Monthly Profit Analysis

Average Monthly Profit:	$784	Monthly Sharpe Ratio:	0.27
Std Dev of Monthly Profits:	$2,841	Annualized Sharpe Ratio:	0.92
		Calmar Ratio:	0.60

Winning Trades		Losing Trades	
Total Winners:	248	Total Losers:	58
Gross Profit:	$267,643	Gross Loss:	-$162,597
Average Win:	$1,079	Average Loss:	-$2,803
Largest Win:	$4,529	Largest Loss:	-$4,047
Largest Drawdown in Win:	-$3,234	Largest Peak in Loss:	$1,429
Avg Drawdown in Win:	-$722	Avg Peak in Loss:	$492
Avg Run Up in Win:	$1,281	Avg Run Up in Loss:	$492
Avg Run Down in Win:	-$722	Avg Run Down in Loss:	-$2,976
Most Consec Wins:	17	Most Consec Losses:	4
Avg # of Consec Wins:	5.64	Avg # of Consec Losses:	1.35
Avg # of Bars in Wins:	2.97	Avg # of Bars in Losses:	5.59

Daily

Summary - All Trades

Overall

Total Net Profit:	$112,740	Profit Factor ($Wins/$Losses):	2.30
Total Trades:	252	Winning Percentage:	64.7%
Average Trade:	$447	Payout Ratio (AvgWin/AvgLoss):	1.25
Max Closed-out Drawdown:	-$9,815	CPC Index (PF x Win% x PR):	1.86
Max Intraday Drawdown:	-$10,930	Expectancy (AvgTrade/AvgLoss):	45.75%
Account Size Required:	$13,293	Return Pct:	848.1%
Open Equity:	-$685	Kelly Pct (AvgTrade/AvgWin):	36.50%
Percent in the Market:	67.2%	Optimal f:	0.62
Avg # of Bars in Trade:	8.67	Z-Score (W/L Predictability):	0.6
Avg # of Trades per Year:	21.6	Current Streak:	1 Losses

Monthly Profit Analysis

Average Monthly Profit:	$805	Monthly Sharpe Ratio:	0.33
Std Dev of Monthly Profits:	$2,414	Annualized Sharpe Ratio:	1.13
		Calmar Ratio:	0.88

Winning Trades		Losing Trades	
Total Winners:	163	Total Losers:	89
Gross Profit:	$199,775	Gross Loss:	-$87,035
Average Win:	$1,226	Average Loss:	-$978
Largest Win:	$12,325	Largest Loss:	-$3,355
Largest Drawdown in Win:	-$2,745	Largest Peak in Loss:	$1,115
Avg Drawdown in Win:	-$514	Avg Peak in Loss:	$327
Avg Run Up in Win:	$2,511	Avg Run Up in Loss:	$327
Avg Run Down in Win:	-$514	Avg Run Down in Loss:	-$1,293
Most Consec Wins:	10	Most Consec Losses:	4
Avg # of Consec Wins:	2.72	Avg # of Consec Losses:	1.48
Avg # of Bars in Wins:	11.41	Avg # of Bars in Losses:	3.64

Same system 60 min bars

Summary - All Trades

Overall

Total Net Profit:	-$75,600	Profit Factor ($Wins/$Losses):	0.90
Total Trades:	4,522	Winning Percentage:	37.9%
Average Trade:	-$17	Payout Ratio (AvgWin/AvgLoss):	1.48
Max Closed-out Drawdown	-$89,130	CPC Index (PF x Win% x PR):	0.51
Max Intraday Drawdown:	-$89,455	Expectancy (AvgTrade/AvgLoss):	-5.93%
Account Size Required:	$91,818	Return Pct:	-82.3%
Open Equity:	$405	Kelly Pct (AvgTrade/AvgWin):	-4.01%
Percent in the Market:	94.3%	Optimal f:	-0.31
Avg # of Bars in Trade:	12.16	Z-Score (W/L Predictability):	-1.4
Avg # of Trades per Year:	387.5	Current Streak:	4 Wins

Monthly Profit Analysis

Average Monthly Profit:	-$536	Monthly Sharpe Ratio:	-0.23
Std Dev of Monthly Profits:	$2,823	Annualized Sharpe Ratio:	-0.80
		Calmar Ratio:	N/A

Winning Trades		**Losing Trades**	
Total Winners:	1,716	Total Losers:	2,806
Gross Profit:	$714,890	Gross Loss:	-$790,490
Average Win:	$417	Average Loss:	-$282
Largest Win:	$5,835	Largest Loss:	-$5,815
Largest Drawdown in Win:	-$1,655	Largest Peak in Loss:	$1,425
Avg Drawdown in Win:	-$161	Avg Peak in Loss:	$147
Avg Run Up in Win:	$803	Avg Run Up in Loss:	$147
Avg Run Down in Win:	-$161	Avg Run Down in Loss:	-$395
Most Consec Wins:	7	Most Consec Losses:	14
Avg # of Consec Wins:	1.65	Avg # of Consec Losses:	2.69
Avg # of Bars in Wins:	19.91	Avg # of Bars in Losses:	7.42

Types of indicators

- Trend following
- Breakout and volatility breakout
- Price patterns
- Chart patterns
- HFT Algorithmic (new category – why)?
- Seasonal
- Myth and magic
- Astrology / planetary
- Fundamentals
- Fundamentals + timing
- Inside information legal and otherwise

- Some of my timing tools and comments
- Gap Trades
- MA Channel 8 hi 8 low WAD / 57 MA
- MOM DIV 28 MACD DIV 9,18
- 30 MBO S&P*
- 8 OC
- Time frames
- Exits by end of day
- Risk – reward analysis
- Multiple positions and profit maximizing
- Order placement procedures

What I will cover today

1) Short term 3/3 + ema swing trade

2) Sentiment divergence

3) Multiple pattern index (BTI)

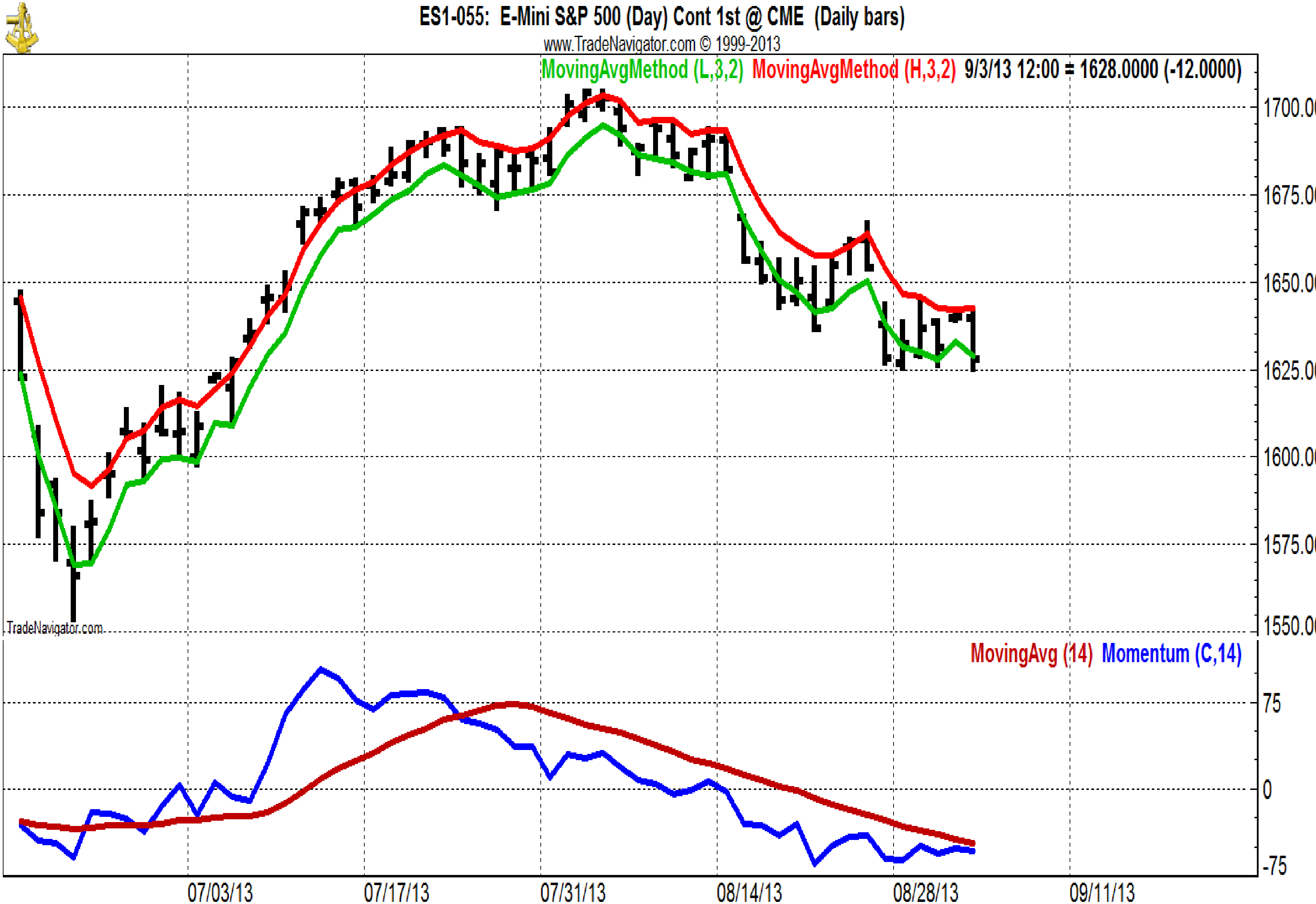
4) Time of day pattern S&P

* Several things I will cover today are still preliminary and need more work and testing - where this is not the case I will so indicate

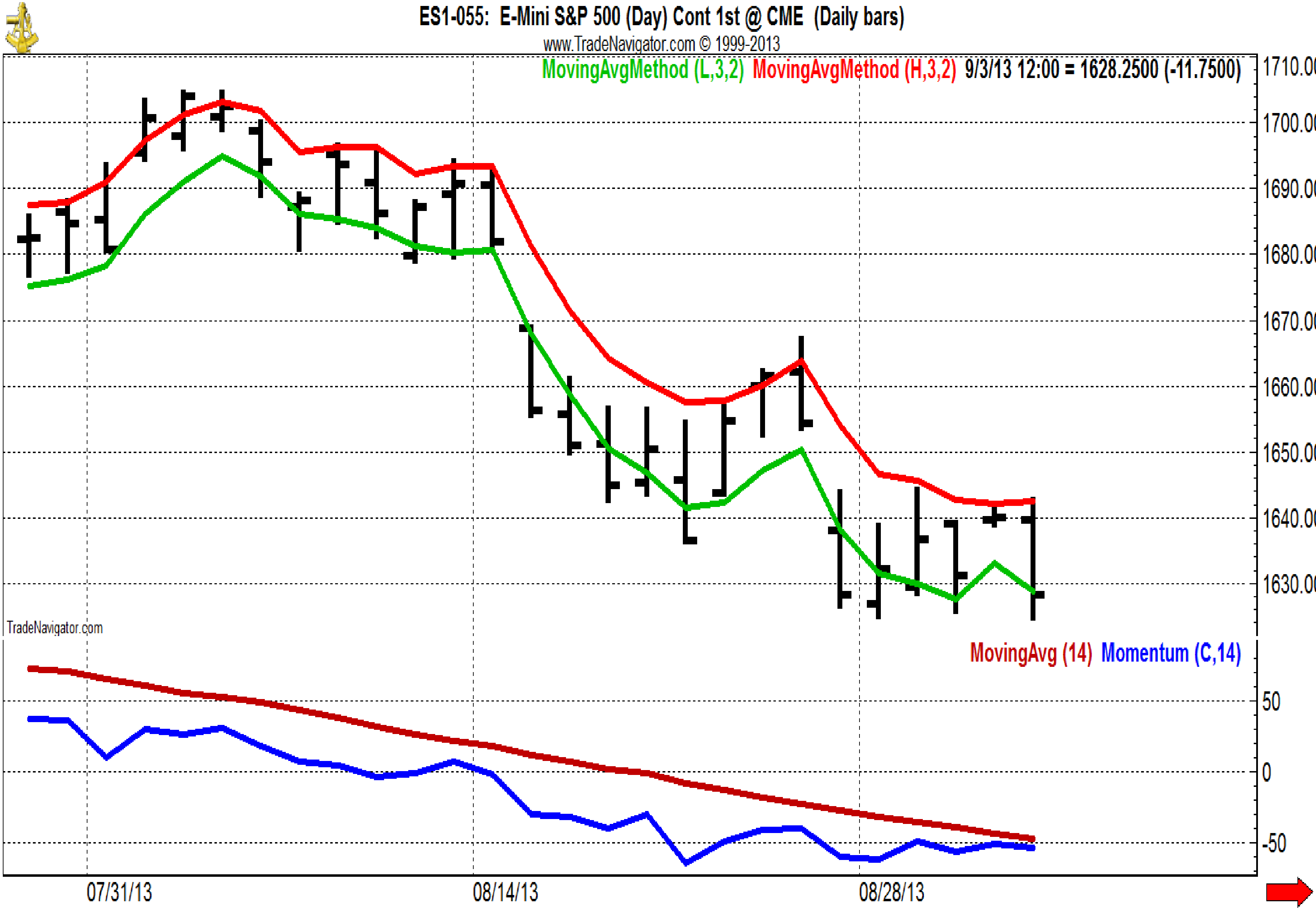
EMA Channel + trend

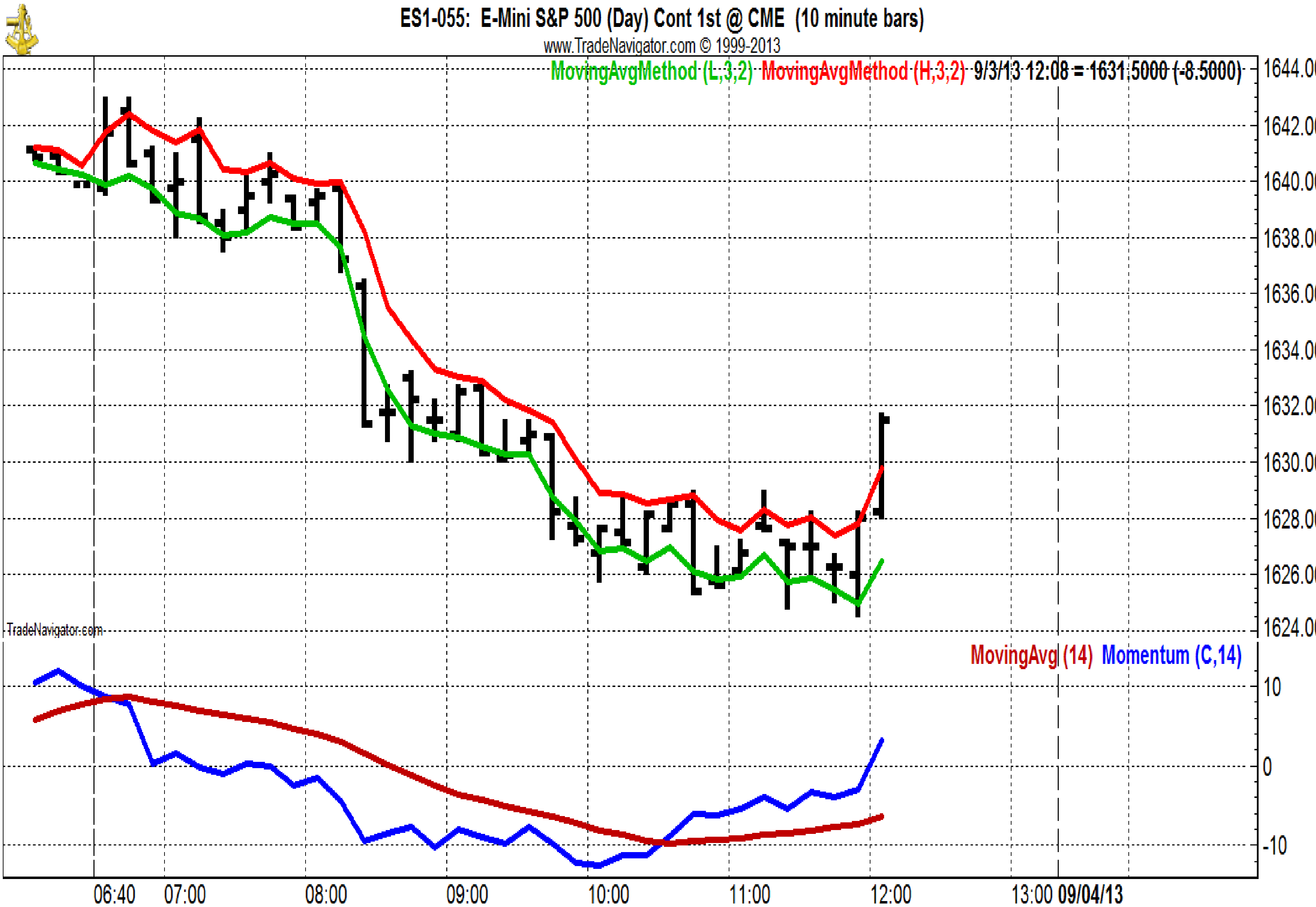
- Follows STF model
- Very short term (1-5 time units)
- Best markets ES, CL, GC, Currency ZB
- MAC channel XMA 3 low 3 high entry
- Trend signal MOM 14 / MA 14
- Maximizing strategies
- Time frames
- Examples

3 x 3 M 14/14 ES daily



A closer look





ES1-055: E-Mini S&P 500 (Day) Cont 1st @ CME (10 minute bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2) MovingAvgMethod (H,3,2) 9/3/13 12:08 = 1631.5000 (-8.5000)
1644.00
1642.00
1640.00
1638.00
1636.00
1634.00
1632.00
1630.00
1628.00
1626.00
1624.00
TradeNavigator.com
MovingAvg (14) Momentum (C,14)
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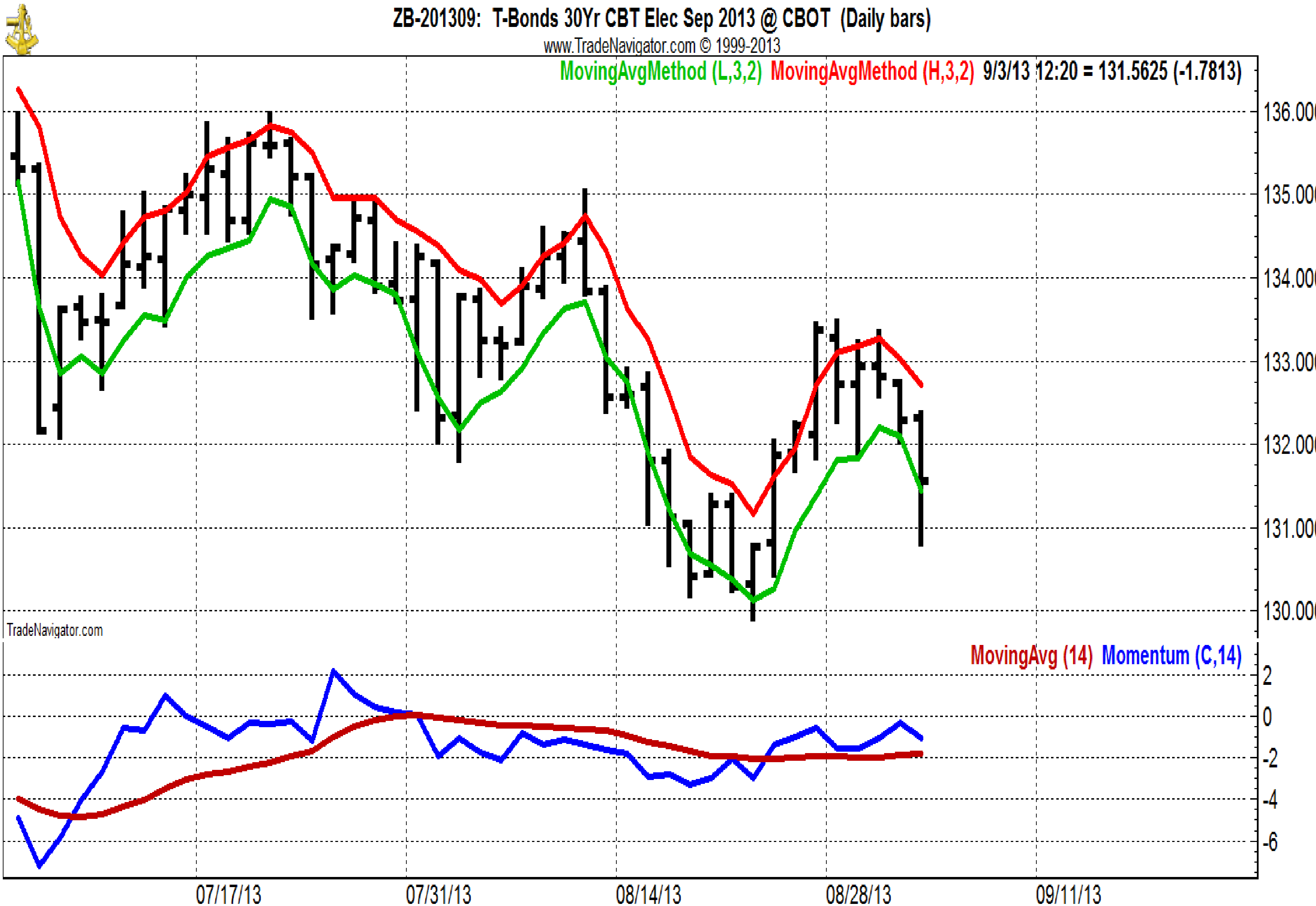
0
-10
06:40
07:00
08:00
09:00
10:00
11:00
12:00
13:00 09/04/13


ZB-201309: T-Bonds 30Yr CBT Elec Sep 2013 @ CBOT (Daily bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2) MovingAvgMethod (H,3,2) 9/3/13 12:20 = 131.5625 (-1.7813)
136.000
135.000
134.000
133.000
132.000
131.000
130.000
TradeNavigator.com
MovingAvg (14) Momentum (C,14)
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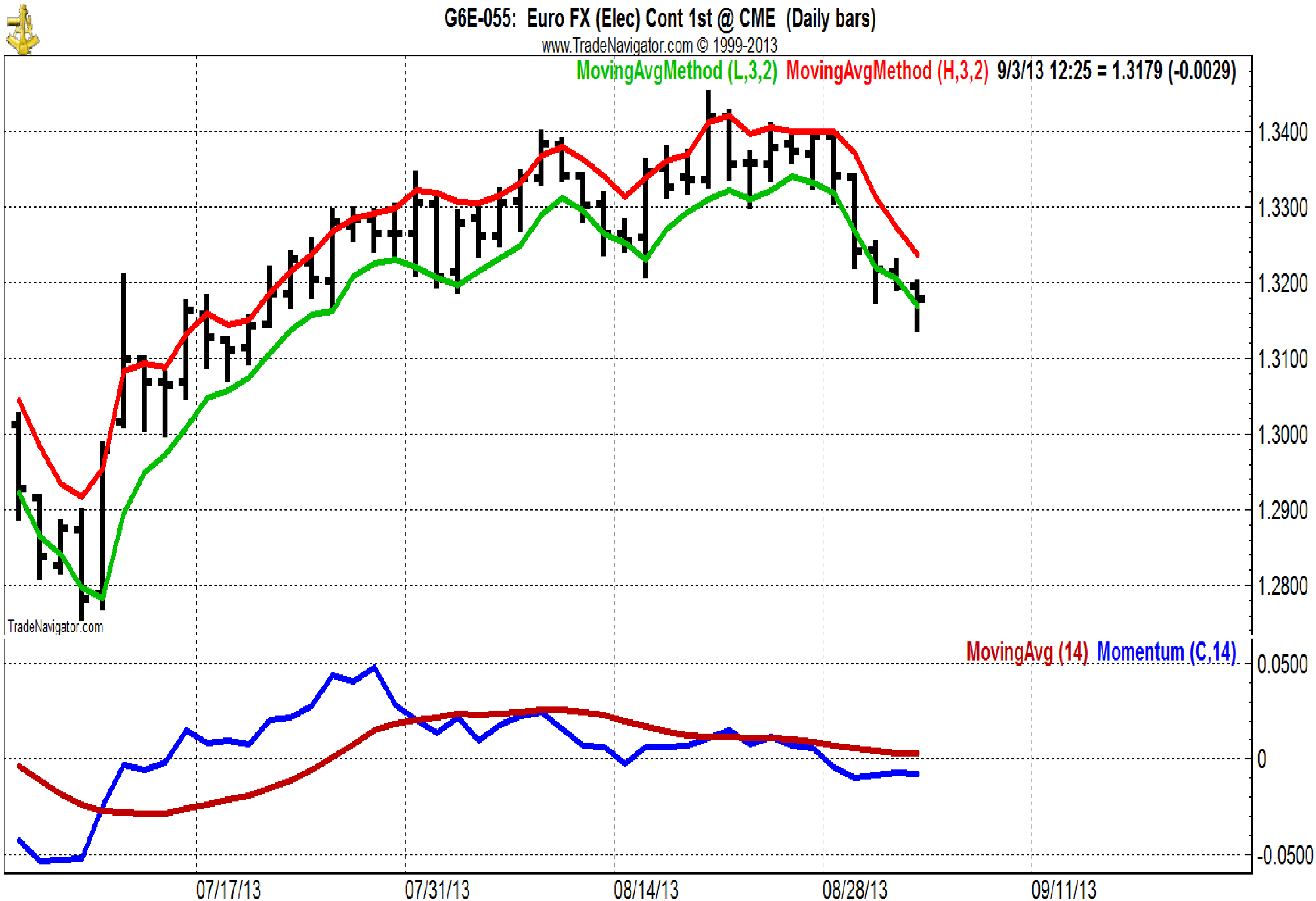
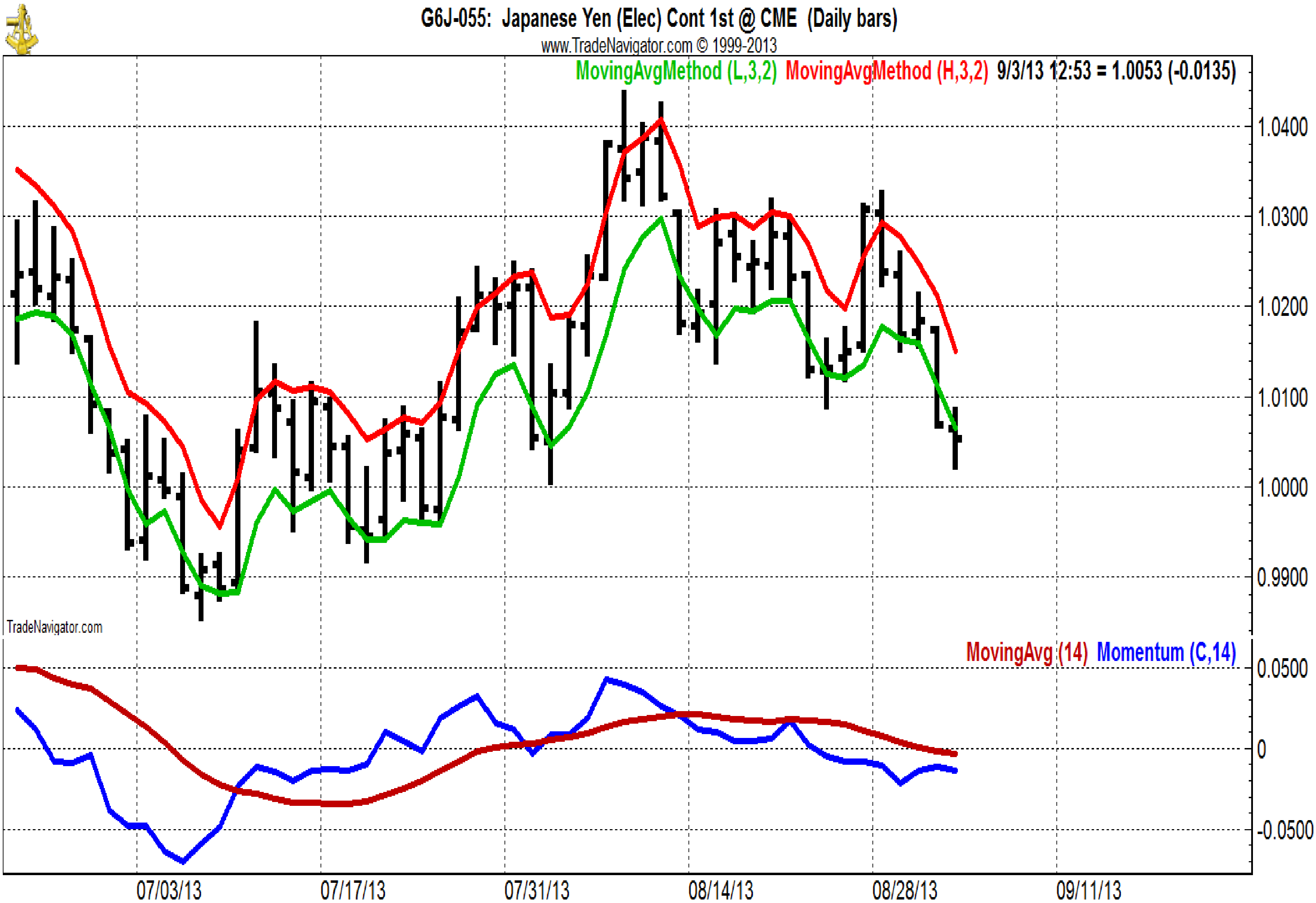
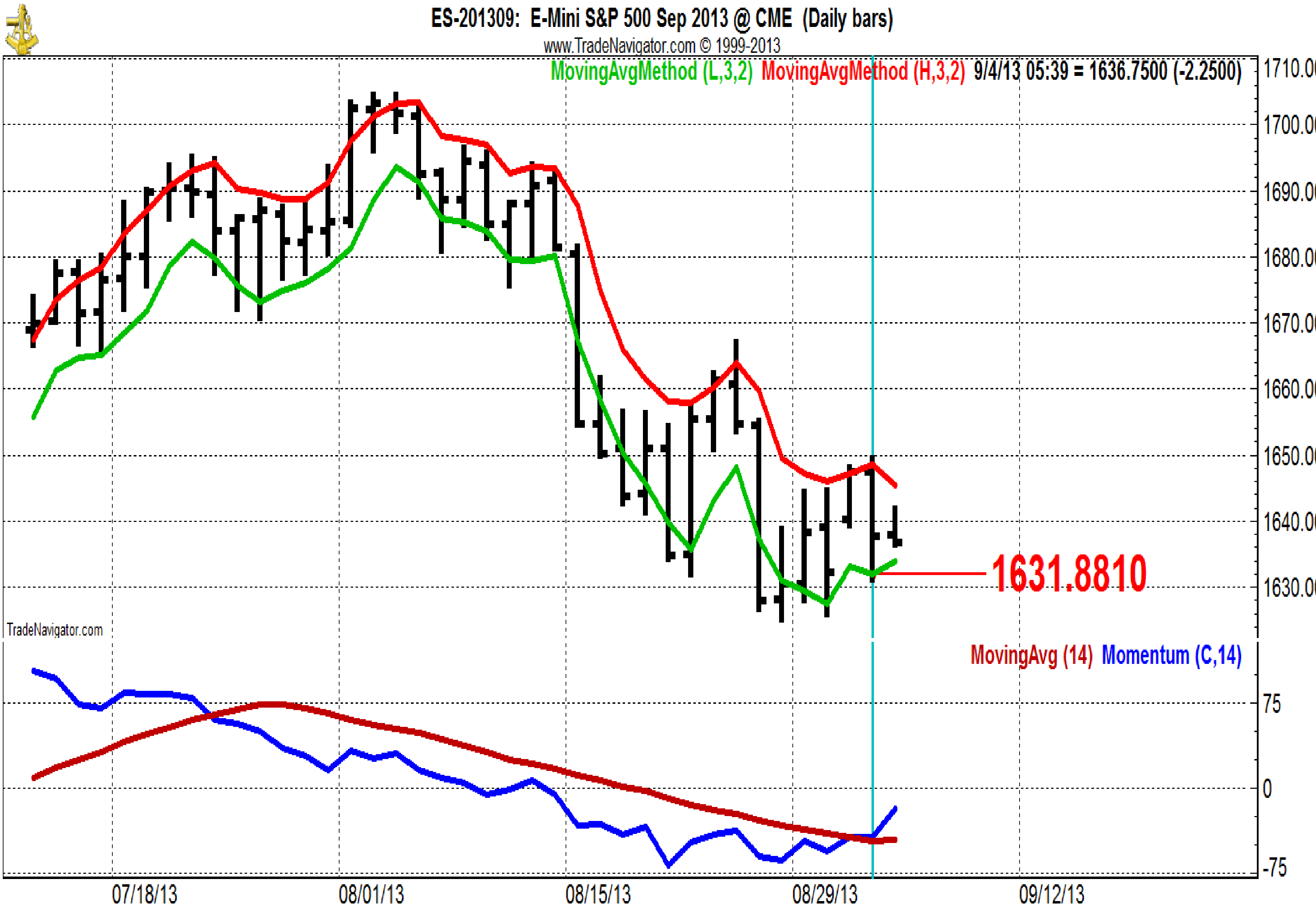
0
-2
-4
-6
07/17/13
07/31/13
08/14/13
08/28/13
09/11/13


G6E-055: Euro FX (Elec) Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2) MovingAvgMethod (H,3,2) 9/3/13 12:25 = 1.3179 (-0.0029)
1.3400
1.3300
1.3200
1.3100
1.3000
1.2900
1.2800
TradeNavigator.com
MovingAvg (14) Momentum (C,14)
0.0500
0
-0.0500
07/17/13
07/31/13
08/14/13
08/28/13
09/11/13



G6J-055: Japanese Yen (Elec) Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2) MovingAvgMethod (H,3,2) 9/3/13 12:53 = 1.0053 (-0.0135)
1.0400
1.0300
1.0200
1.0100
1.0000
0.9900
TradeNavigator.com
MovingAvg (14) Momentum (C,14)
0.0500
0
-0.0500
07/03/13
07/17/13
07/31/13
08/14/13
08/28/13
09/11/13


ES-201309: E-Mini S&P 500 Sep 2013 @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2) MovingAvgMethod (H,3,2) 9/4/13 05:39 = 1636.7500 (-2.2500)
1710.00
1700.00
1690.00
1680.00
1670.00
1660.00
1650.00
1640.00
1630.00
1631.8810
TradeNavigator.com
MovingAvg (14) Momentum (C,14)
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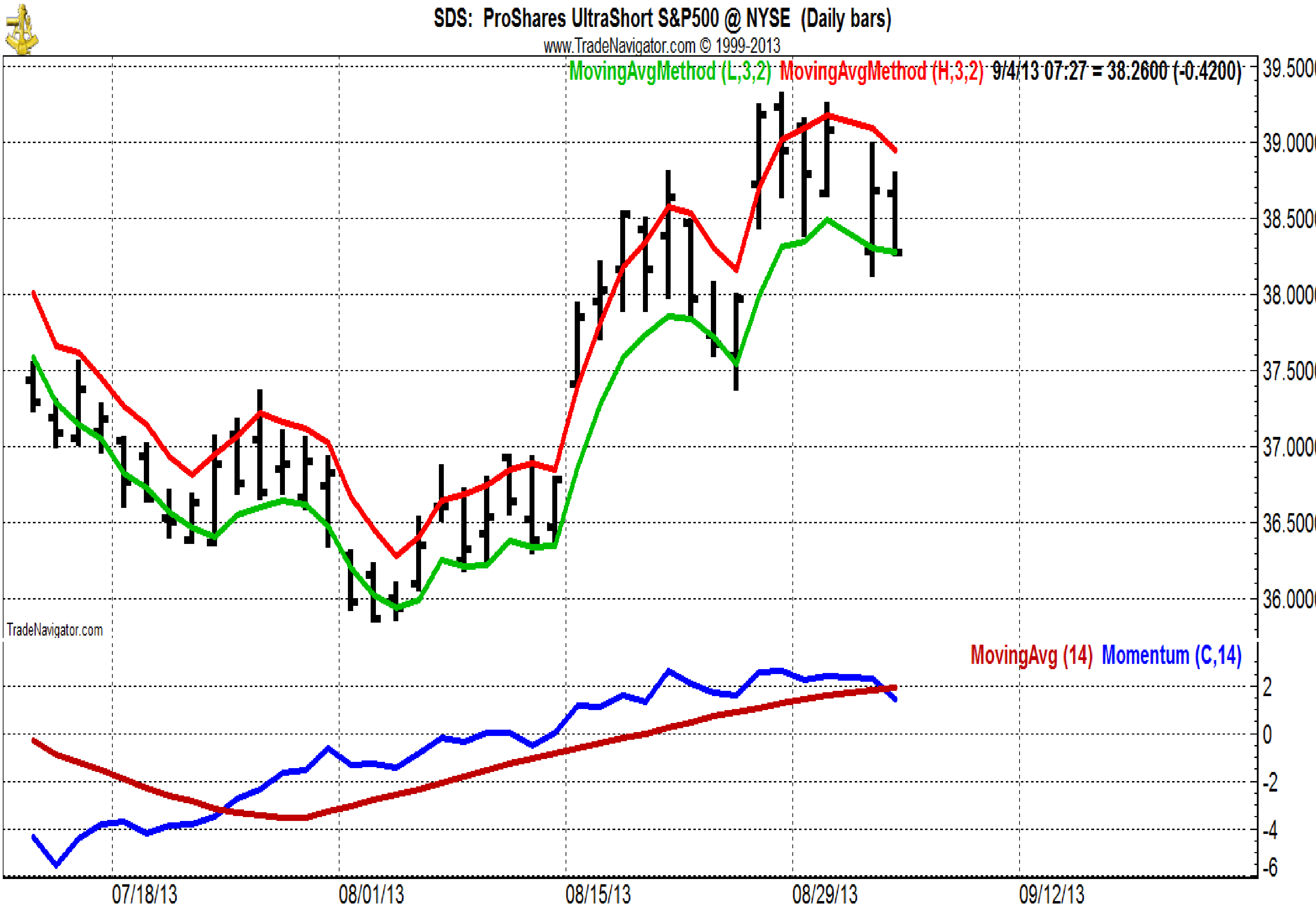
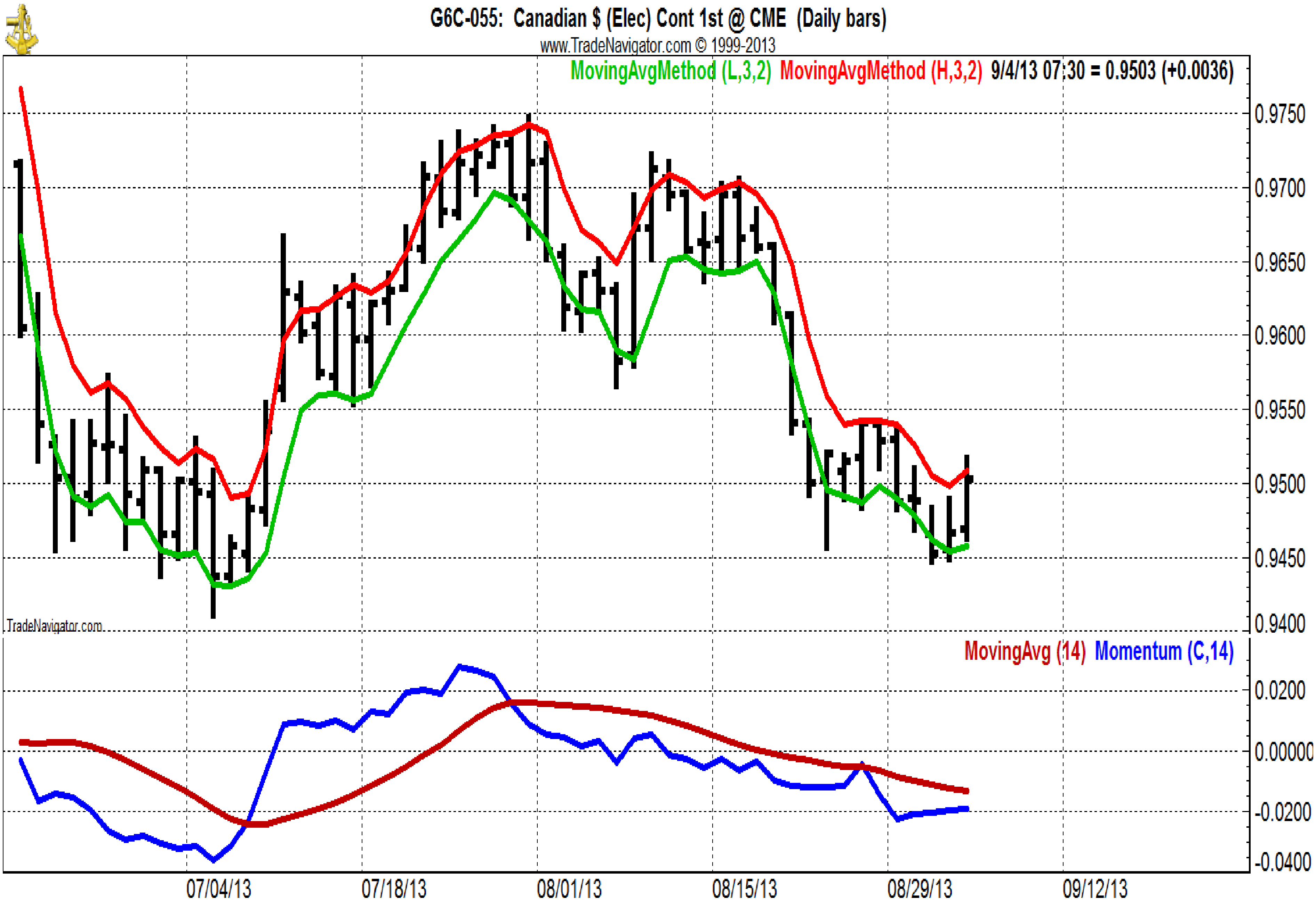
0
-75
07/18/13
08/01/13
08/15/13
08/29/13
09/12/13



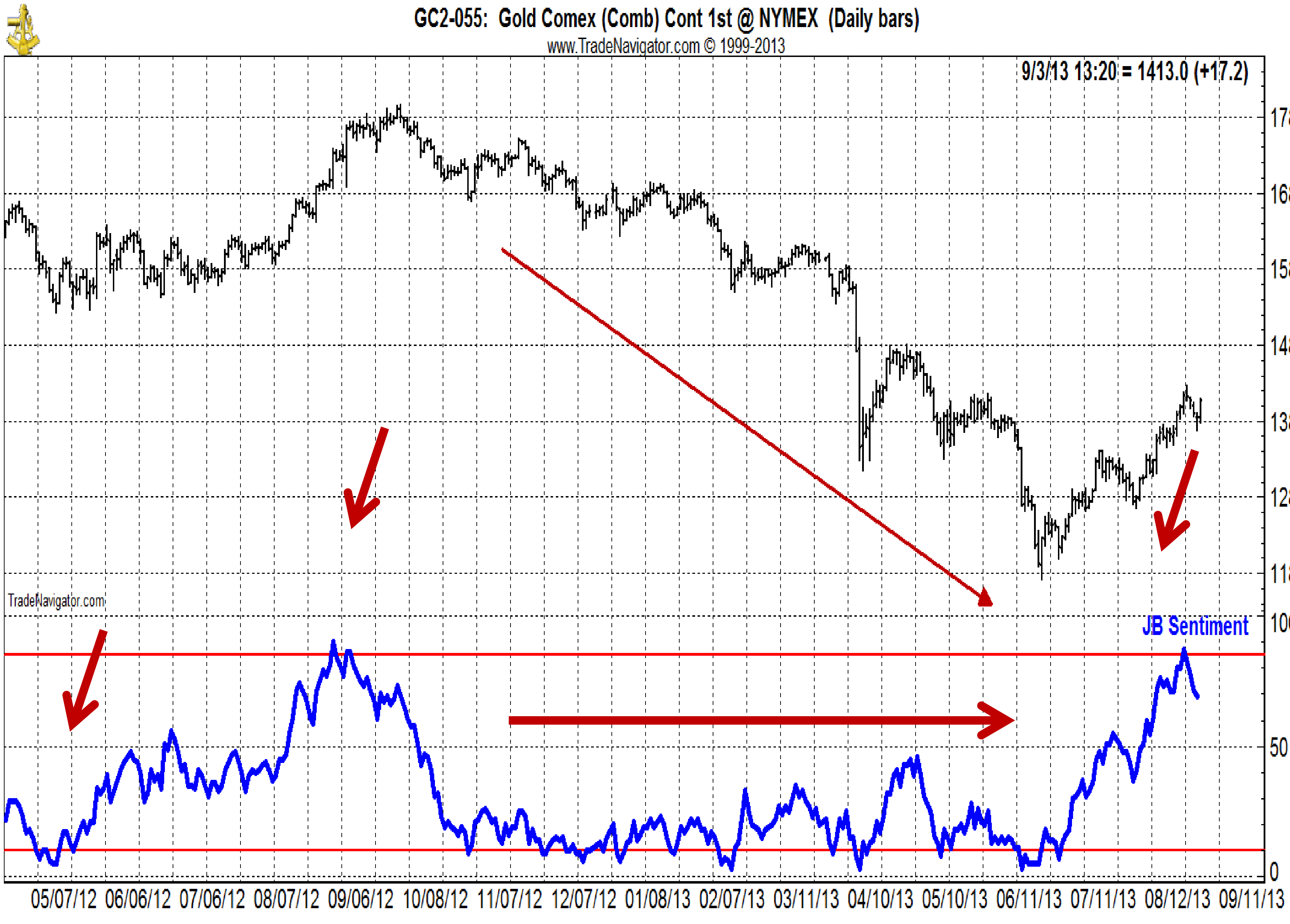
SDS: ProShares UltraShort S&P500 @ NYSE (Daily bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2)
MovingAvgMethod (H,3,2)
9/4/13 07:27 = 38.2600 (-0.4200)
39.5000
39.0000
38.5000
38.0000
37.5000
37.0000
36.5000
36.0000
TradeNavigator.com
MovingAvg (14)
Momentum (C,14)
2
0
-2
-4
-6
07/18/13
08/01/13
08/15/13
08/29/13
09/12/13



G6C-055: Canadian $ (Elec) Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
MovingAvgMethod (L,3,2) MovingAvgMethod (H,3,2) 9/4/13 07:30 = 0.9503 (+0.0036)
0.9750
0.9700
0.9650
0.9600
0.9550
0.9500
0.9450
0.9400
TradeNavigator.com
MovingAvg (14) Momentum (C,14)
0.0200
0.00000
-0.0200
-0.0400
07/04/13
07/18/13
08/01/13
08/15/13
08/29/13
09/12/13

Sentiment Divergence

- Momentum divergence reviewed
- WHY divergence is valid
- What divergence tells us
- Is there another way?
- Market sentiment overview (slide)
- DSI (slide)
- What sentiment divergence means
- Momentum of sentiment: why
- Examples



GC2-055: Gold Comex (Comb) Cont 1st @ NYMEX (Daily bars)
www.TradeNavigator.com © 1999-2013
9/3/13 13:20 = 1413.0 (+17.2)
1782.0
1683.0
1584.0
1485.0
1386.0
1287.0
1188.0
TradeNavigator.com
JB Sentiment
100
50
0
05/07/12
06/06/12
07/06/12
08/07/12
09/06/12
10/08/12
11/07/12
12/07/12
01/08/13
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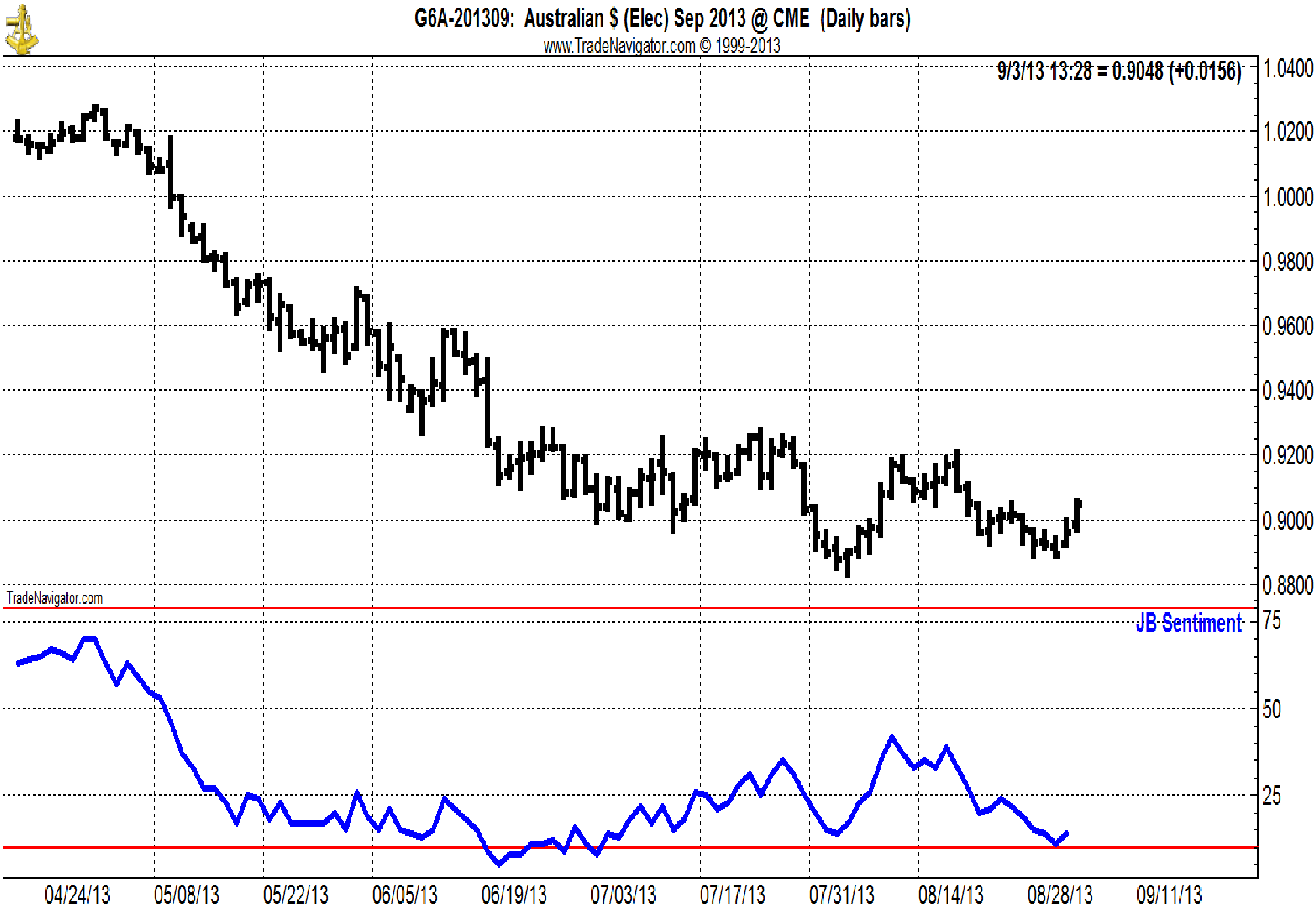
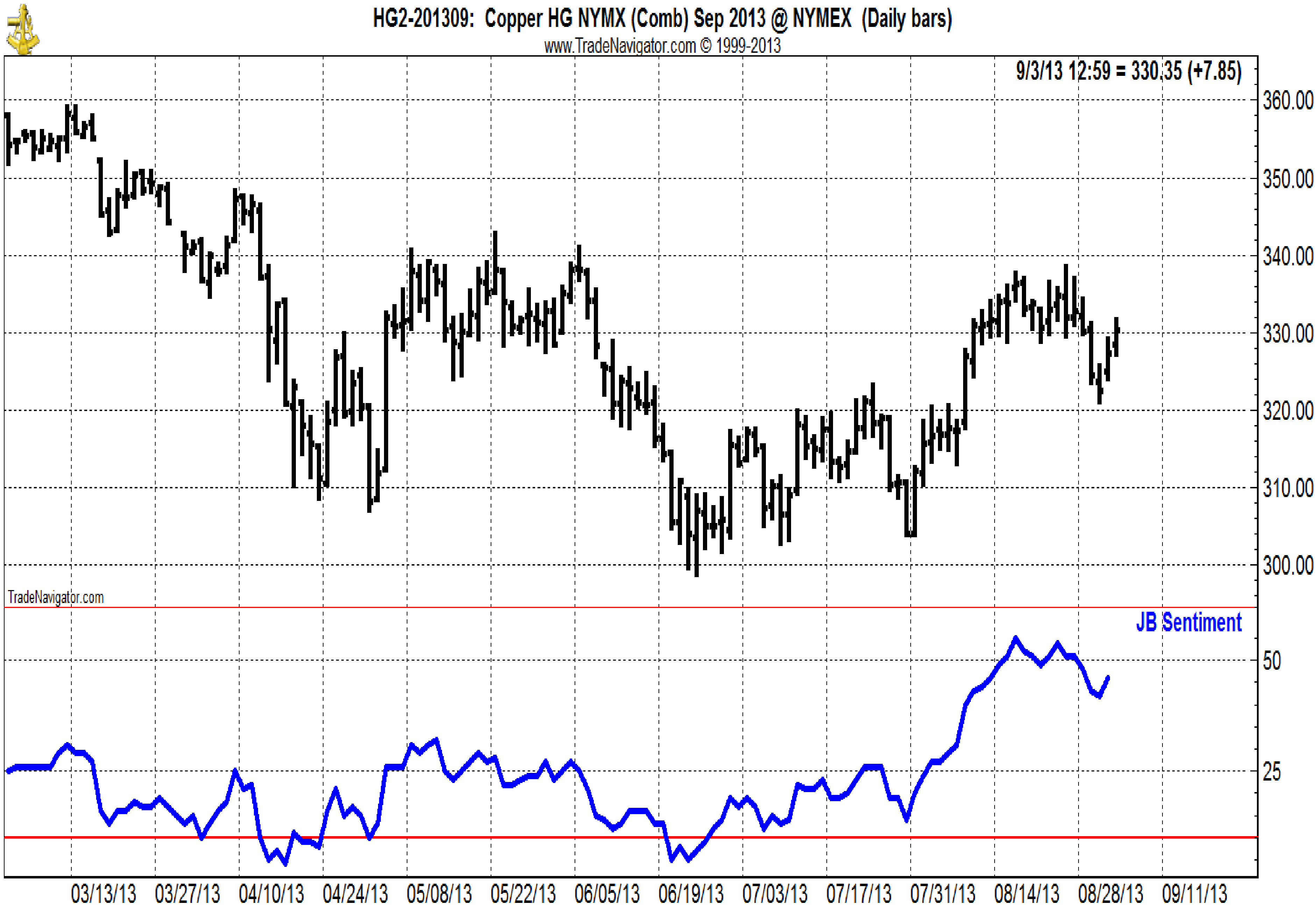
08/12/13
09/11/13

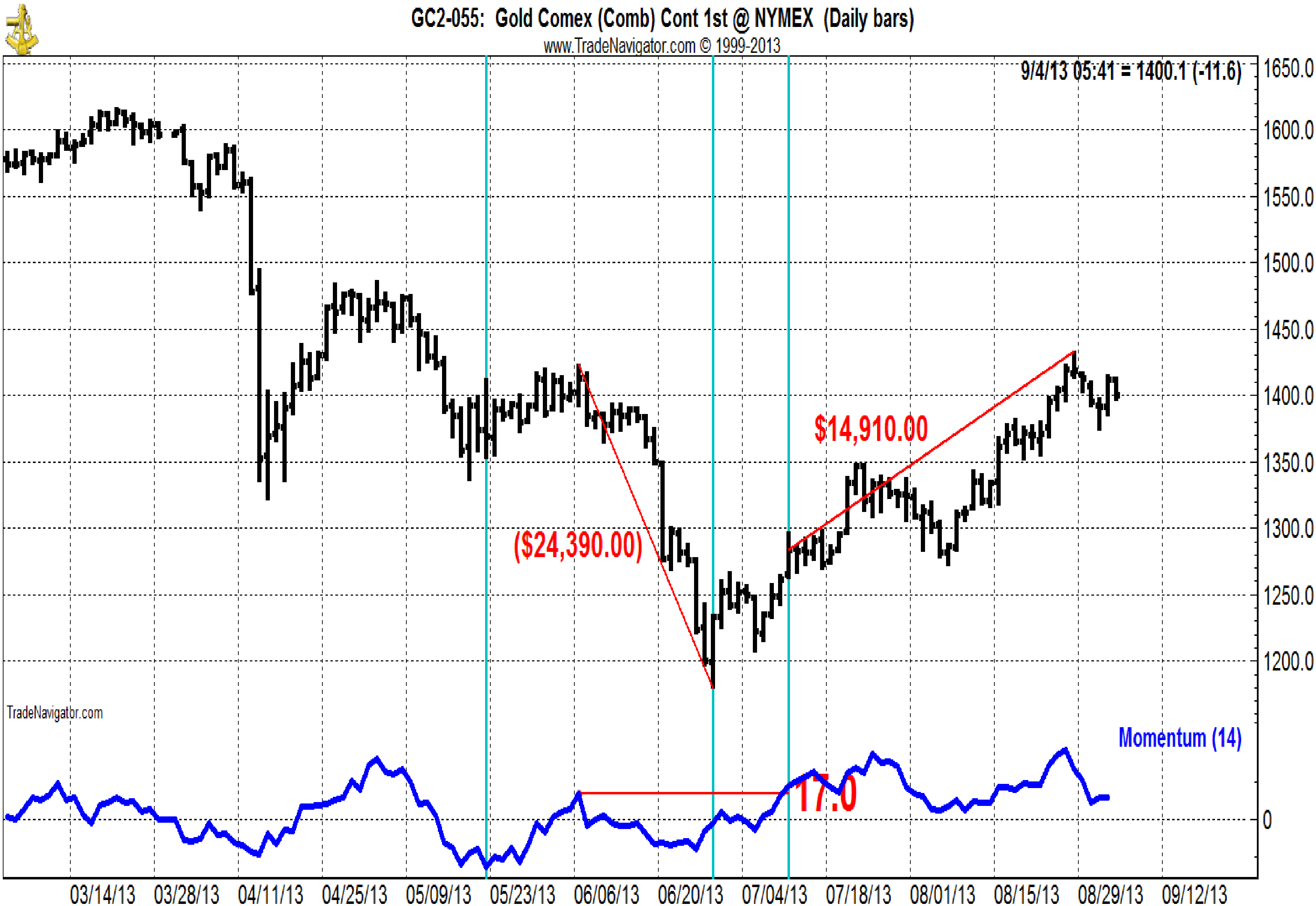


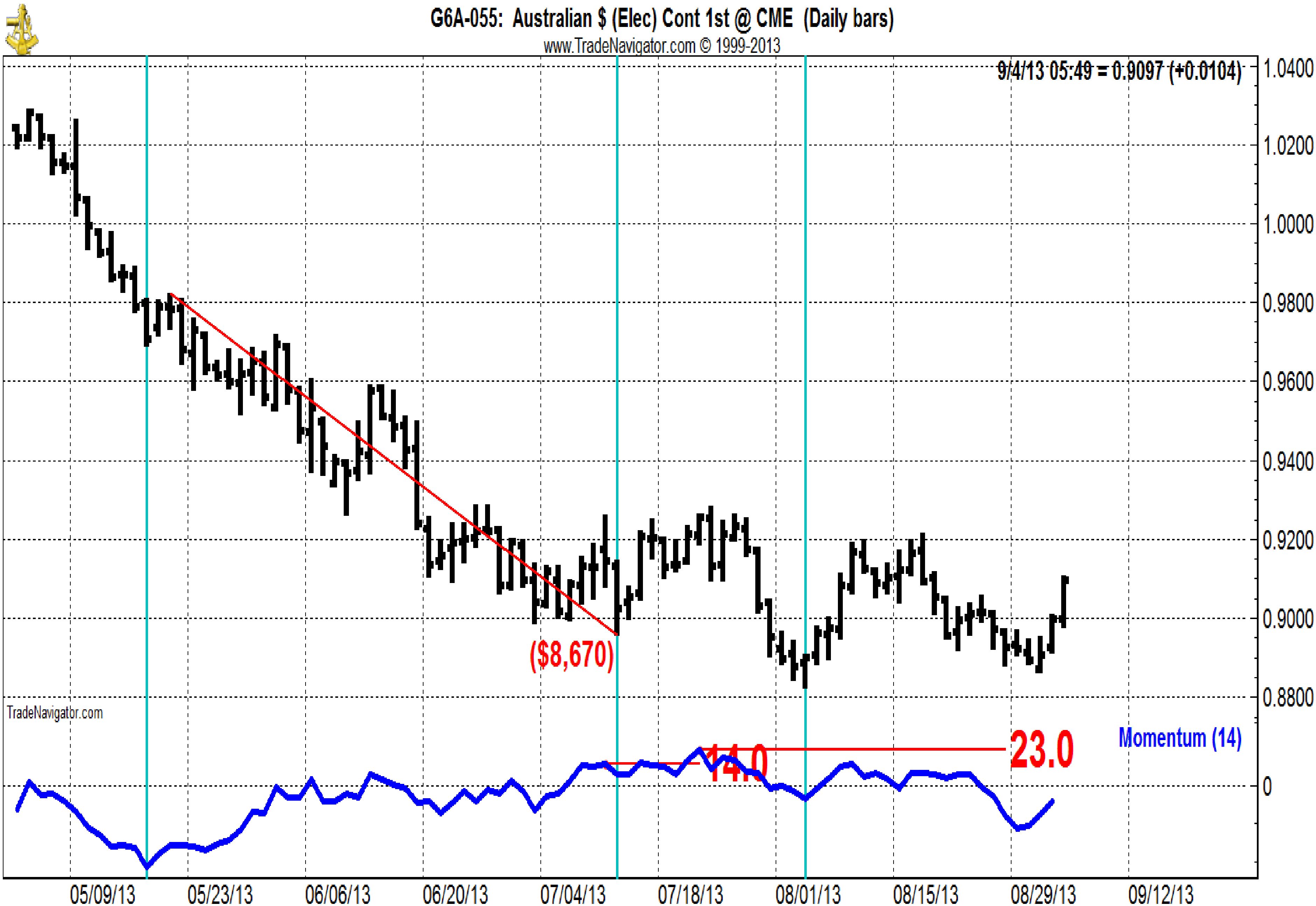
G6A-201309: Australian $ (Elec) Sep 2013 @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
9/3/13 13:28 = 0.9048 (+0.0156)
1.0400
1.0200
1.0000
0.9800
0.9600
0.9400
0.9200
0.9000
0.8800
TradeNavigator.com
JB Sentiment
75
50
25
04/24/13
05/08/13
05/22/13
06/05/13
06/19/13
07/03/13
07/17/13
07/31/13
08/14/13
08/28/13
09/11/13



HG2-201309: Copper HG NYMX (Comb) Sep 2013 @ NYMEX (Daily bars)
www.TradeNavigator.com © 1999-2013
9/3/13 12:59 = 330.35 (+7.85)
360.00
350.00
340.00
330.00
320.00
310.00
300.00
TradeNavigator.com
JB Sentiment
50
25
03/13/13
03/27/13
04/10/13
04/24/13
05/08/13
05/22/13
06/05/13
06/19/13
07/03/13
07/17/13
07/31/13
08/14/13
08/28/13
09/11/13

Let's add momentum of sentiment





G6A-055: Australian $ (Elec) Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
9/4/13 05:49 = 0.9097 (+0.0104)
1.0400
1.0200
1.0000
0.9800
0.9600
0.9400
0.9200
0.9000
0.8800
($8,670)
TradeNavigator.com
14.0
23.0
Momentum (14)
0
05/09/13
05/23/13
06/06/13
06/20/13
07/04/13
07/18/13
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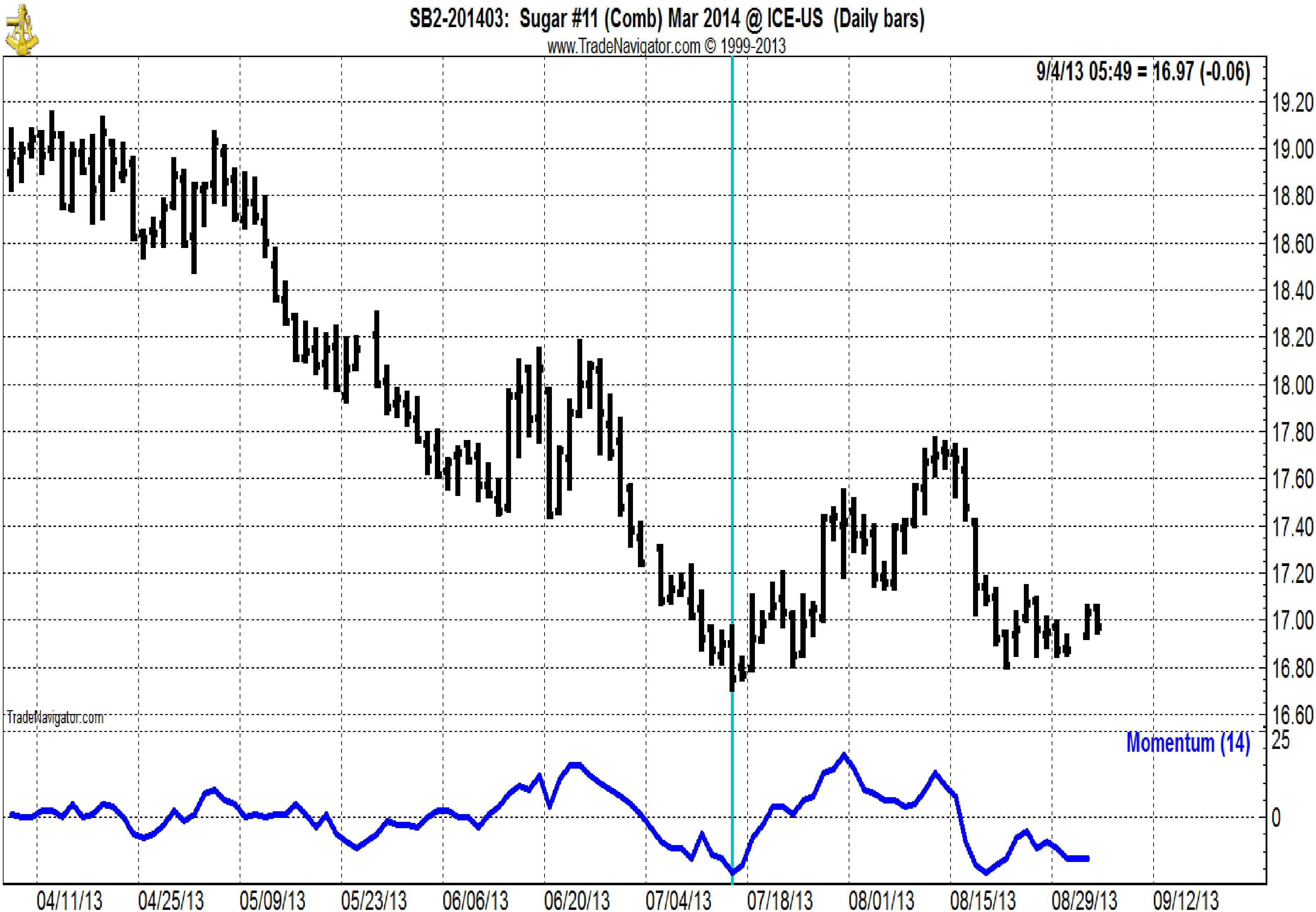
08/29/13
09/12/13



SB2-201403: Sugar #11 (Comb) Mar 2014 @ ICE-US (Daily bars)
www.TradeNavigator.com © 1999-2013
9/4/13 05:49 = 16.97 (-0.06)
19.20
19.00
18.80
18.60
18.40
18.20
18.00
17.80
17.60
17.40
17.20
17.00
16.80
16.60
TradeNavigator.com
Momentum (14)
25
0
04/11/13
04/25/13
05/09/13
05/23/13
06/06/13
06/20/13
07/04/13
07/18/13
08/01/13
08/15/13
08/29/13
09/12/13


ZL-055: Soybean Oil (Elec) Cont 1st @ CBOT (Daily bars)
www.TradeNavigator.com © 1999-2013
9/4/13 05:44 = 43.75 (-0.15)
($1,788.00)
$1,500
TradeNavigator.com
Momentum (14)
2.0
51.00
50.00
49.00
48.00
47.00
46.00
45.00
44.00
43.00
42.00
41.00
0
05/23/13
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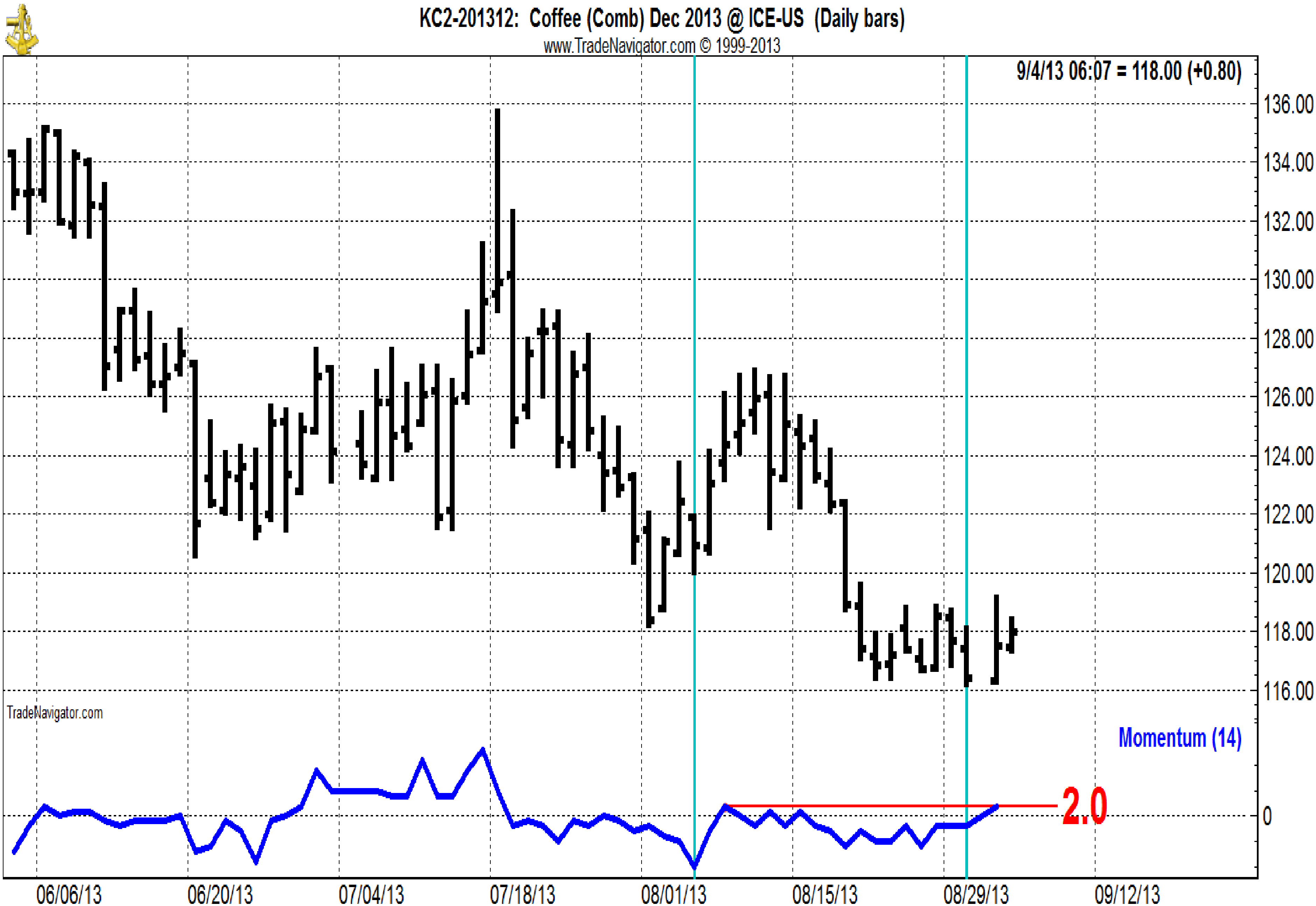
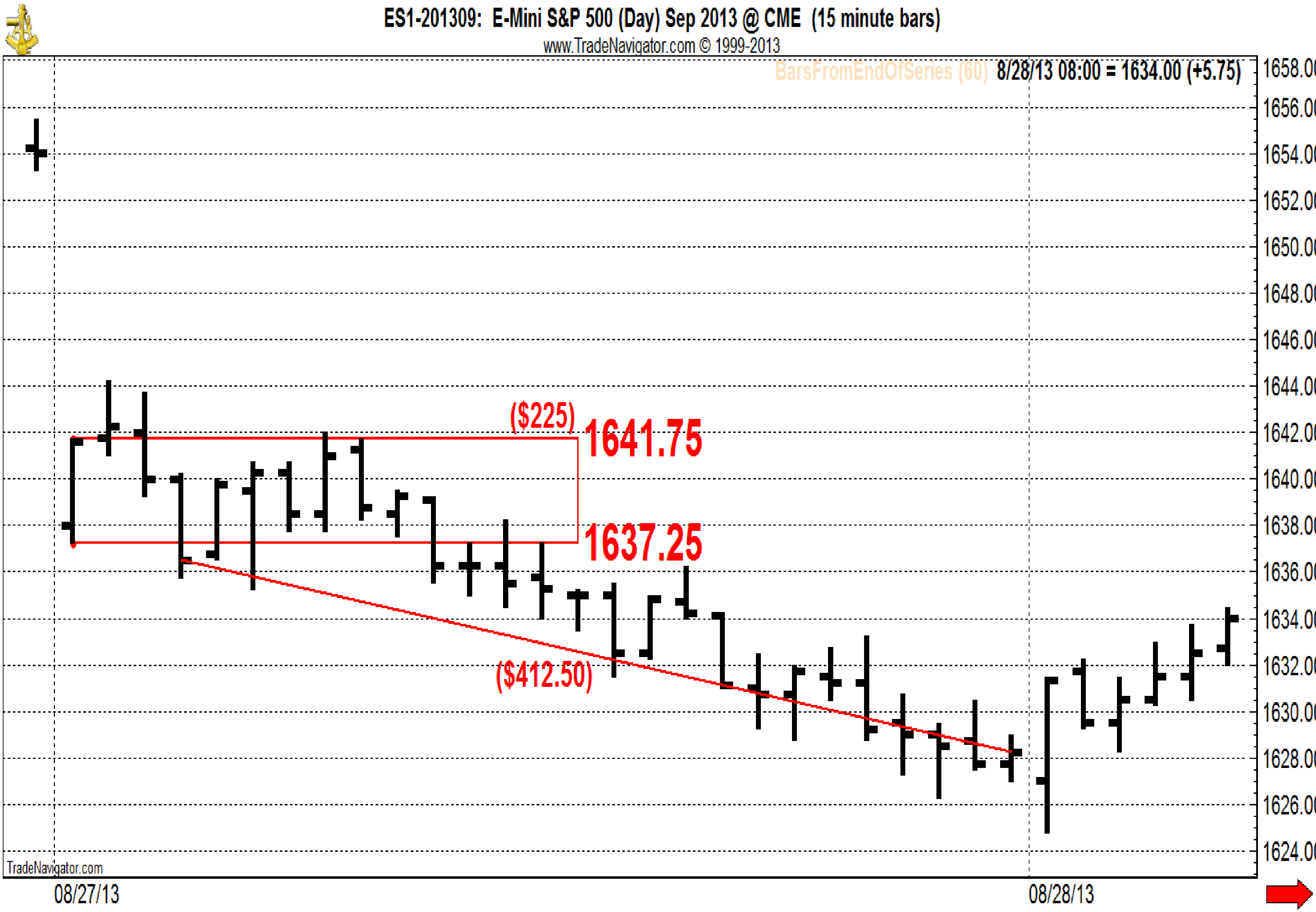
08/15/13
08/29/13
09/12/13

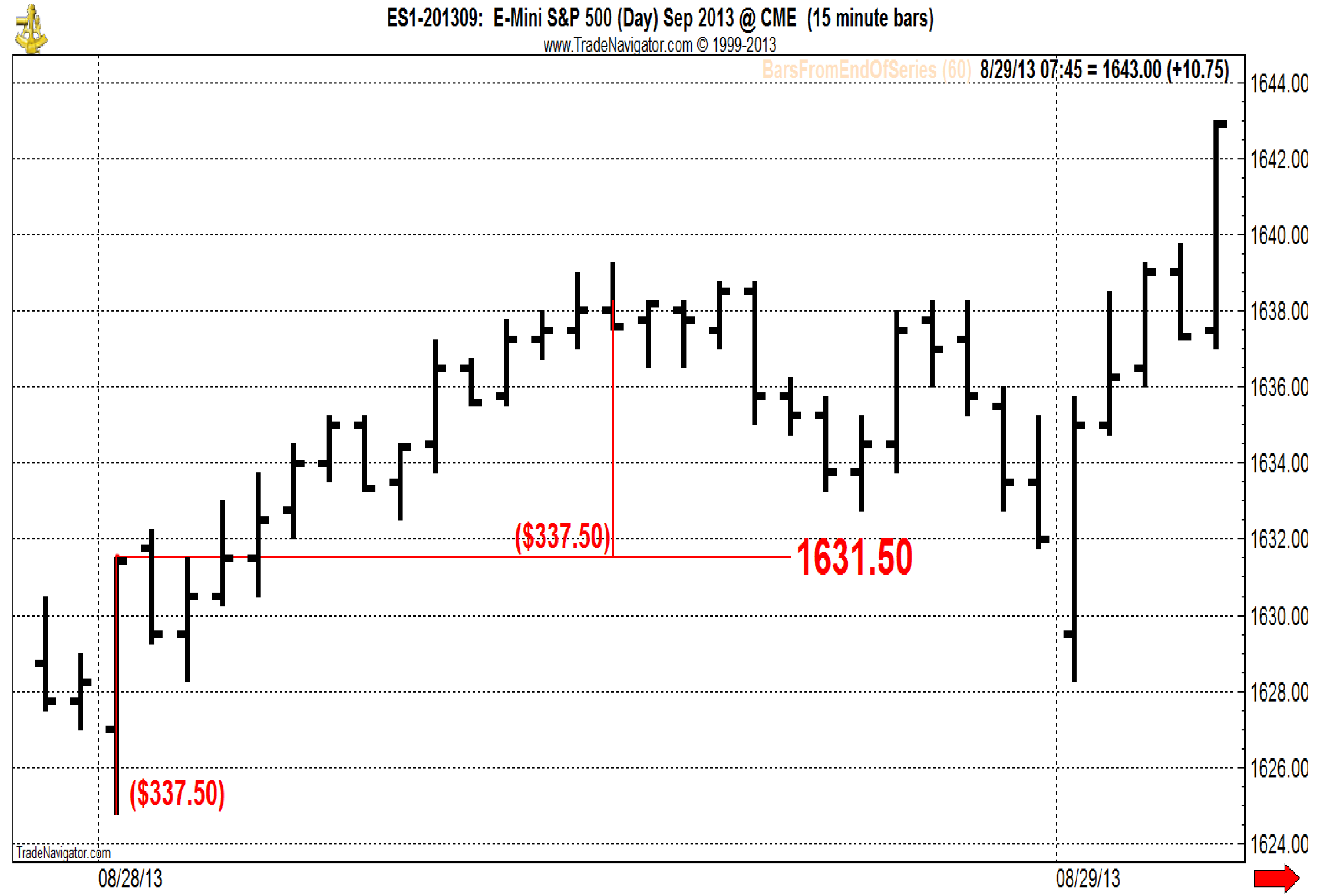

KC2-201312: Coffee (Comb) Dec 2013 @ ICE-US (Daily bars)
www.TradeNavigator.com © 1999-2013
9/4/13 06:07 = 118.00 (+0.80)
136.00
134.00
132.00
130.00
128.00
126.00
124.00
122.00
120.00
118.00
116.00
TradeNavigator.com
Momentum (14)
2.0
0
06/06/13
06/20/13
07/04/13
07/18/13
08/01/13
08/15/13
08/29/13
09/12/13

15 MBO (was 30 MBO)

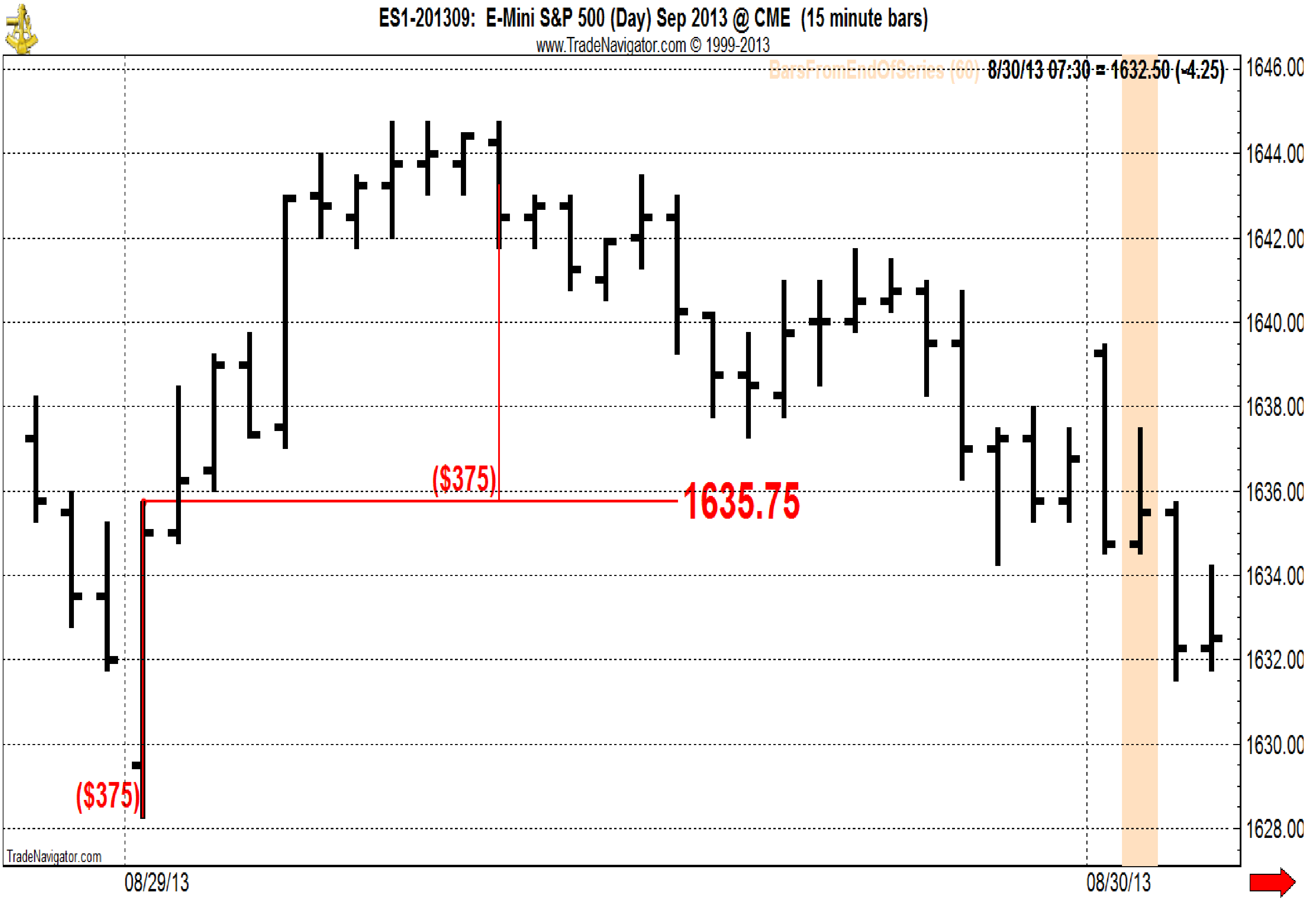
- First 15 min day session ES (sp mini)
- Establish range reference points
- 15 min CLOSE > high of bar1 BUY @ mkt
- 15 min CLOSE < low of bar1 SELL @ mkt
- STOP loss is reverse of trade
- PT1 = range of bar 1
- PT2 PT3 etc
- EXIT end of day
- 3 hrs max wait state (examples)

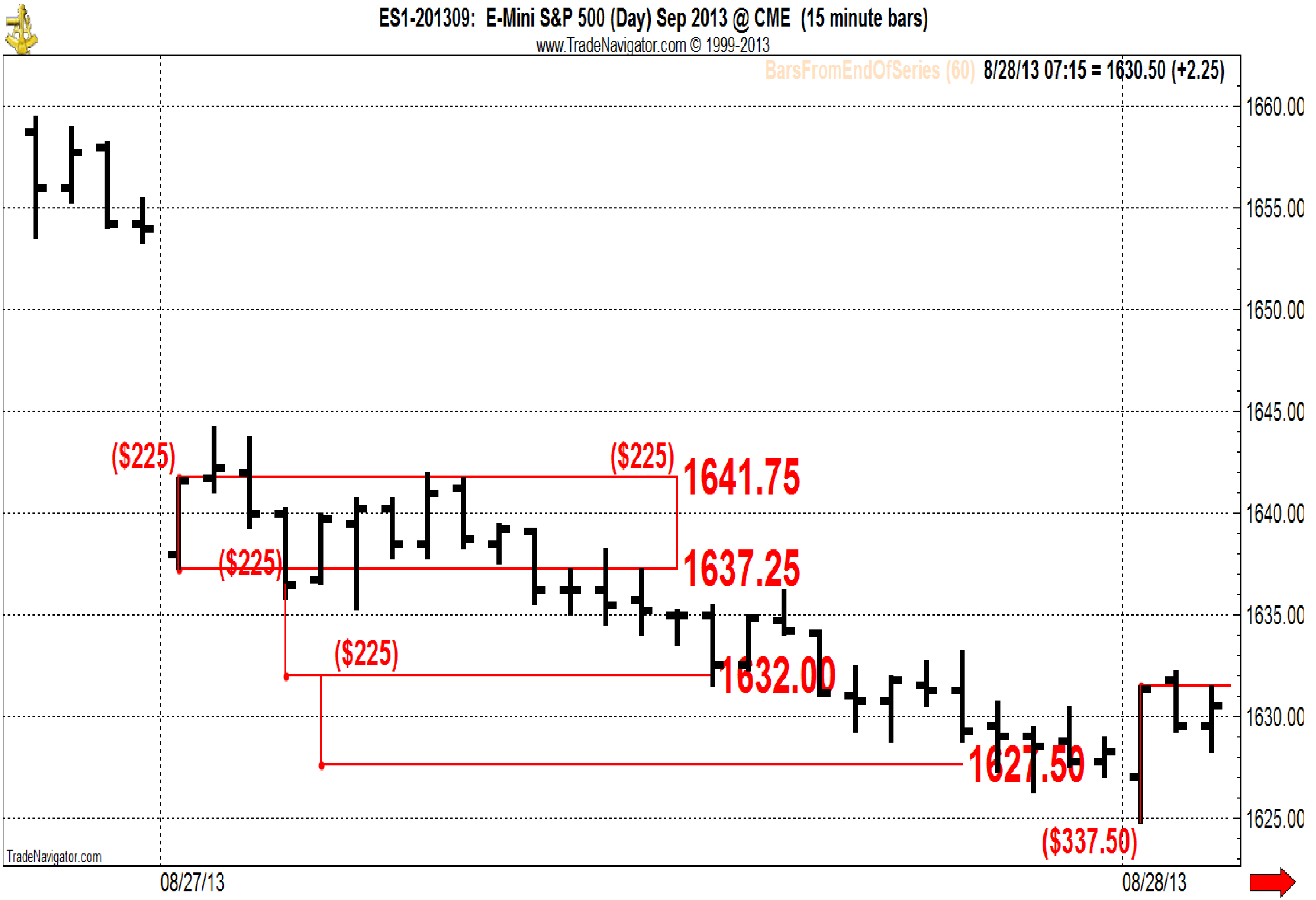


ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60)
8/28/13 08:00 = 1634.00 (+5.75)
($225)
1641.75
1637.25
($412.50)
1658.00
1656.00
1654.00
1652.00
1650.00
1648.00
1646.00
1644.00
1642.00
1640.00
1638.00
1636.00
1634.00
1632.00
1630.00
1628.00
1626.00
1624.00
TradeNavigator.com
08/27/13
08/28/13

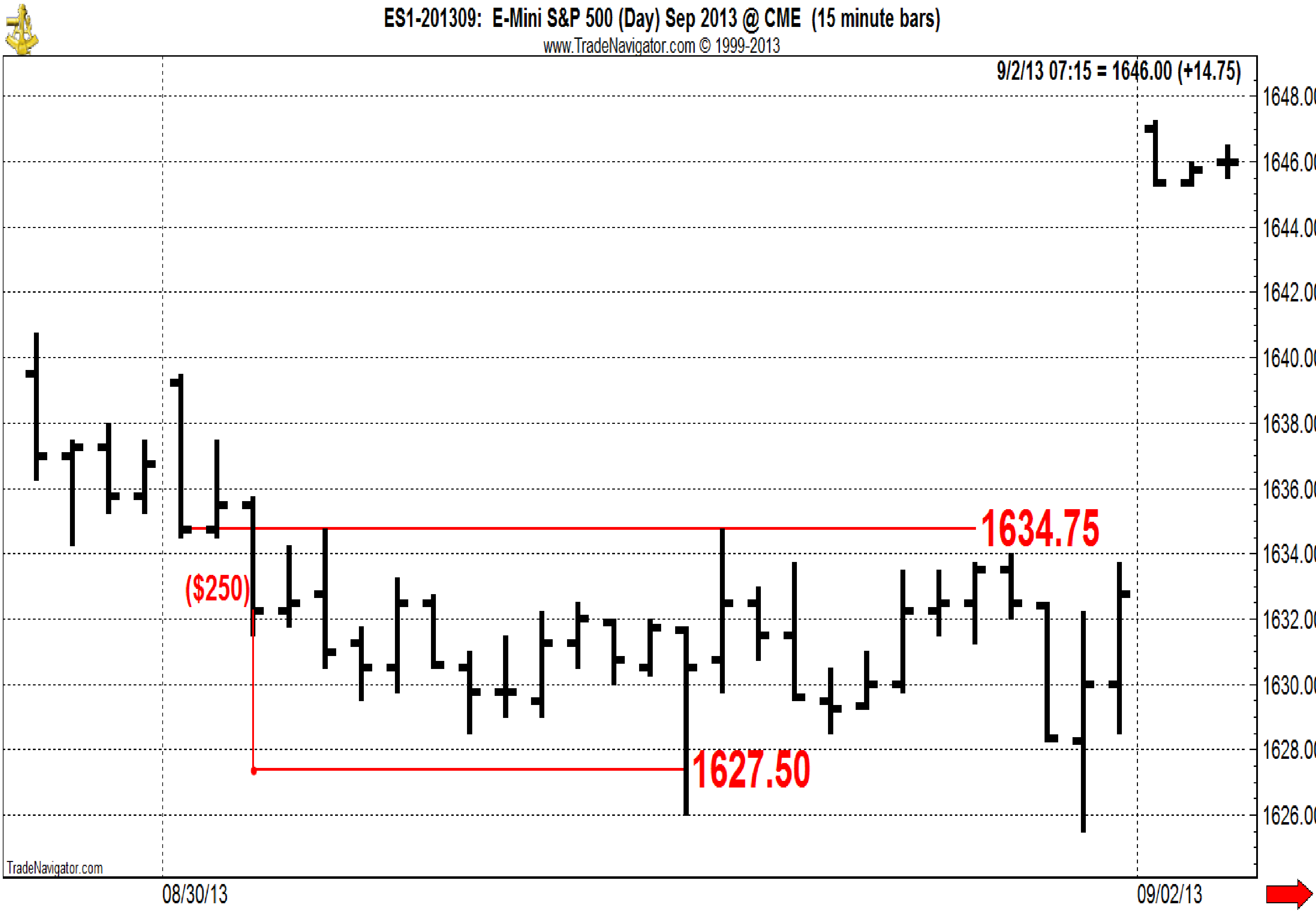


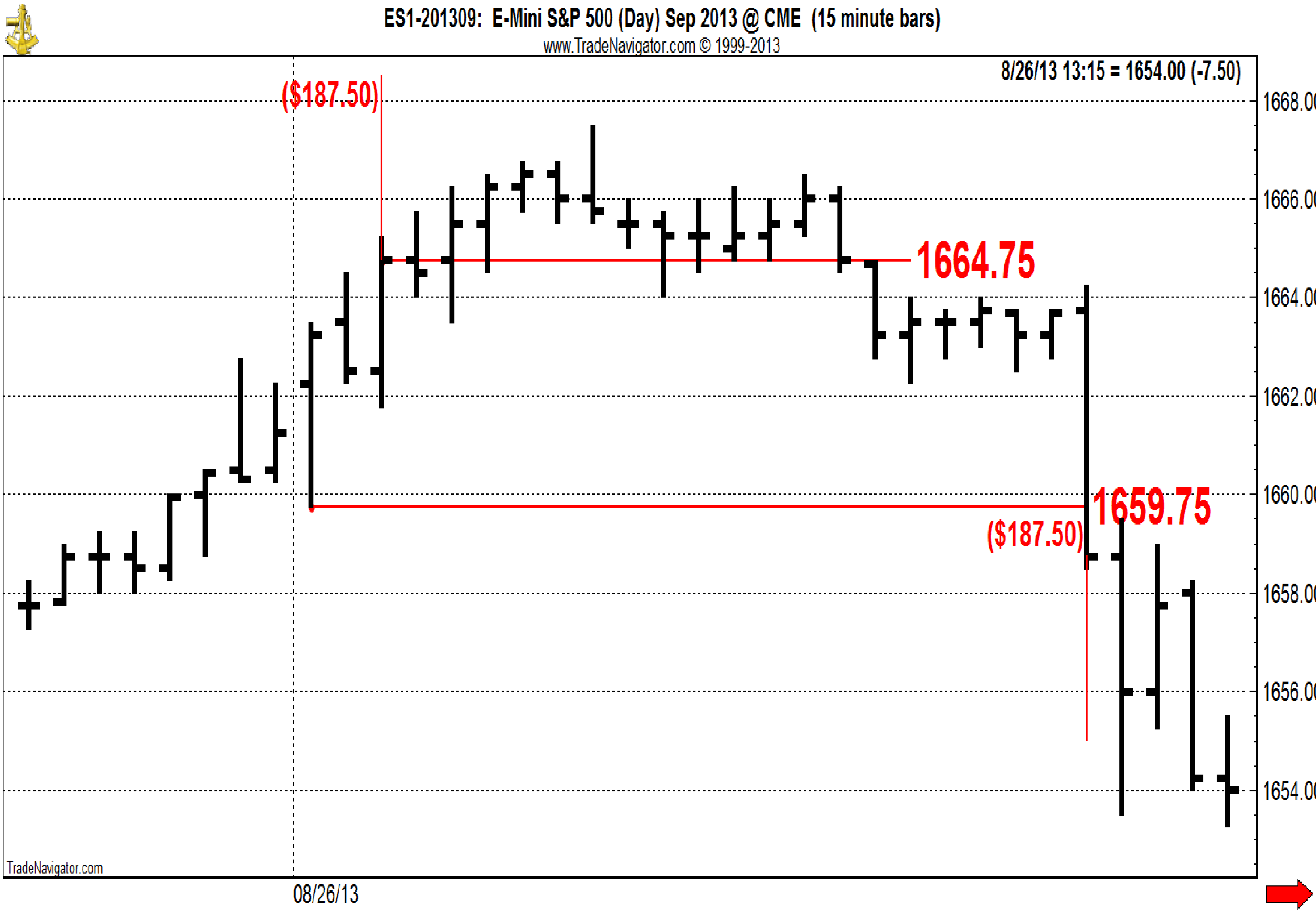
ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60)
8/29/13 07:45 = 1643.00 (+10.75)
1644.00
1642.00
1640.00
1638.00
1636.00
1634.00
1632.00
1630.00
1628.00
1626.00
1624.00
($337.50)
1631.50
($337.50)
TradeNavigator.com
08/28/13
08/29/13


ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60)
8/30/13 07:30 = 1632.50 (-4.25)
1646.00
1644.00
1642.00
1640.00
1638.00
1636.00
1634.00
1632.00
1630.00
1628.00
($375)
1635.75
($375)
TradeNavigator.com
08/29/13
08/30/13

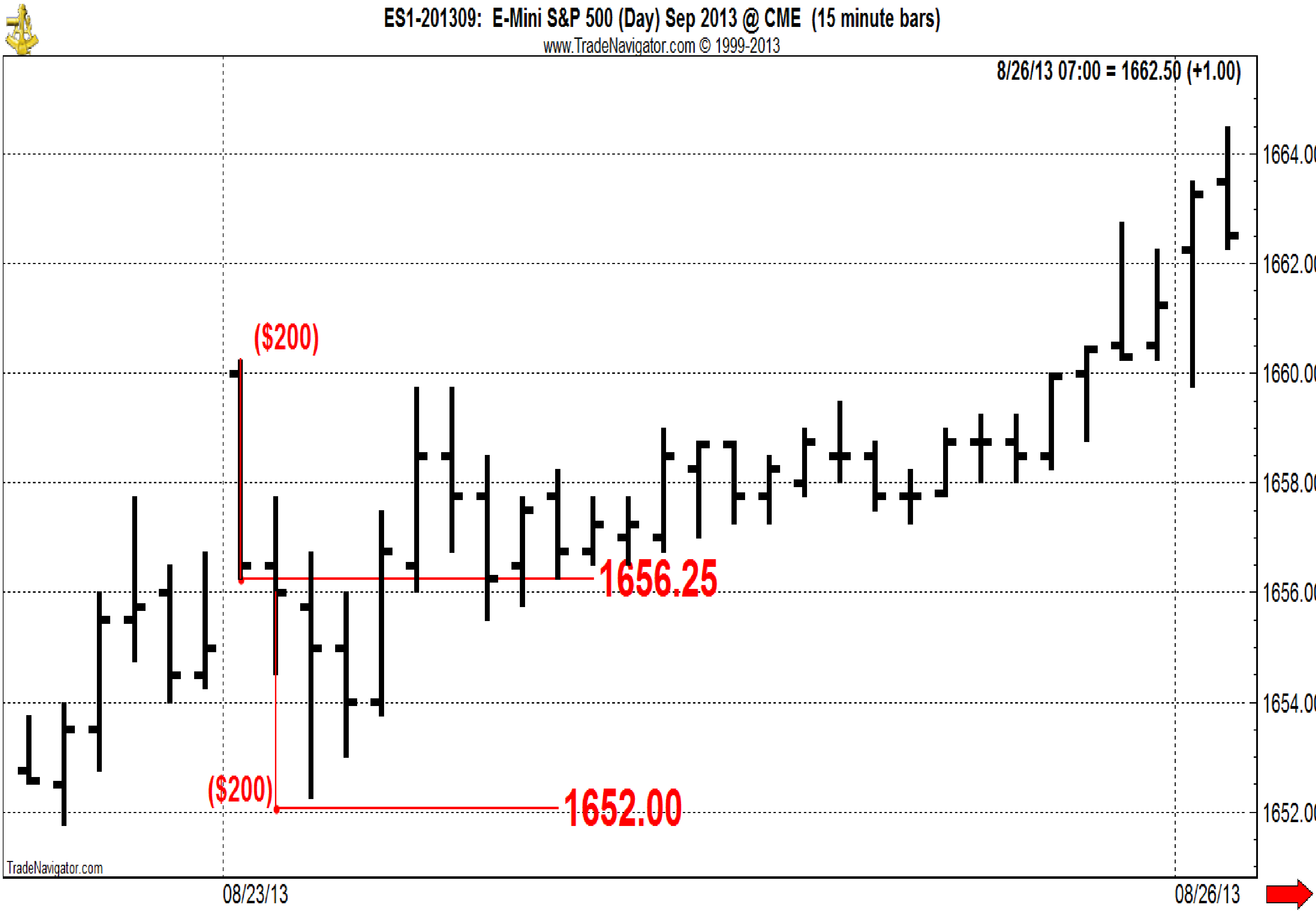


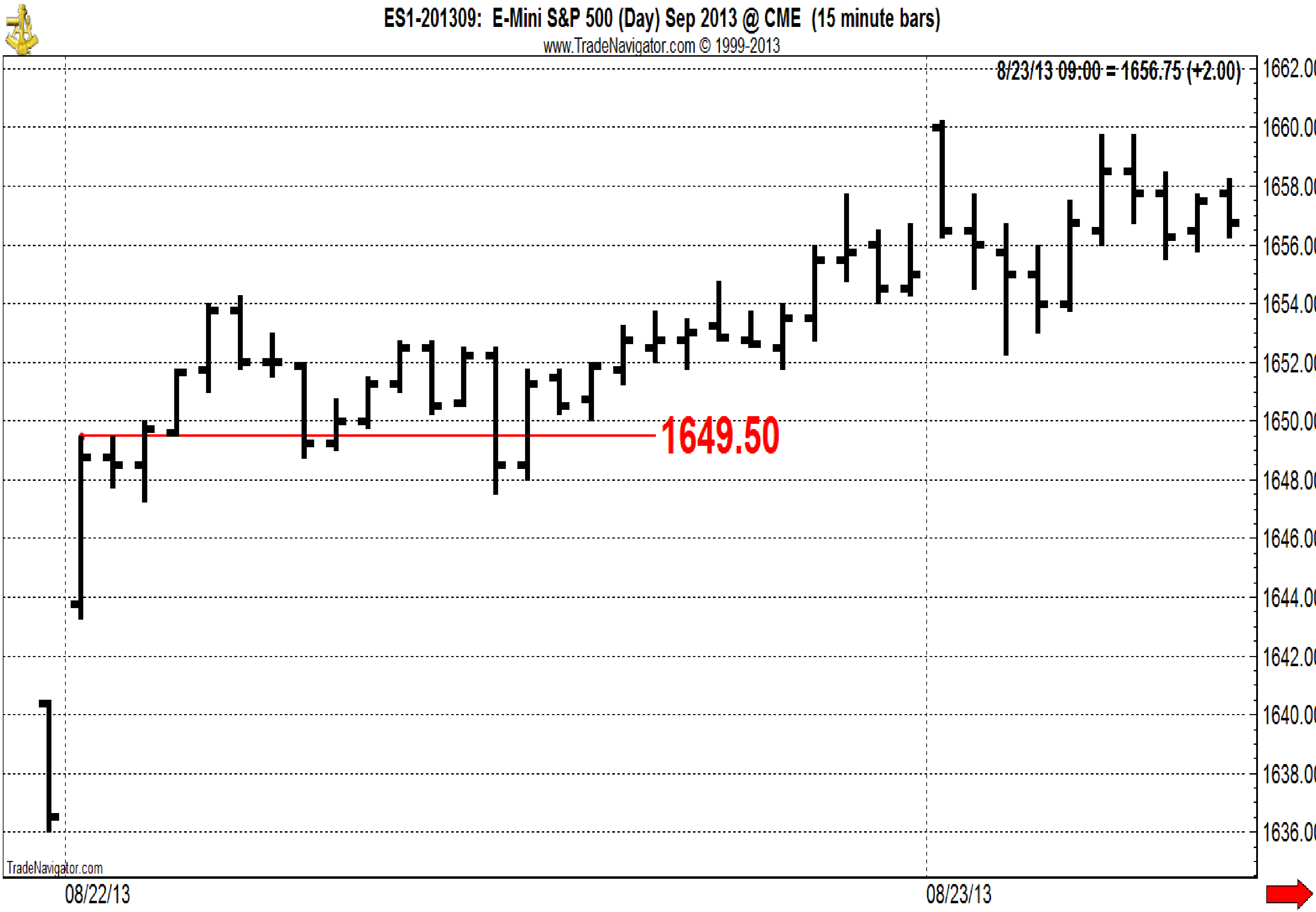
ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60)
8/28/13 07:15 = 1630.50 (+2.25)
1660.00
1655.00
1650.00
1645.00
1640.00
1635.00
1630.00
1625.00
($225)
($225)
1641.75
($225)
1637.25
($225)
1632.00
1627.50
($337.50)
TradeNavigator.com
08/27/13
08/28/13

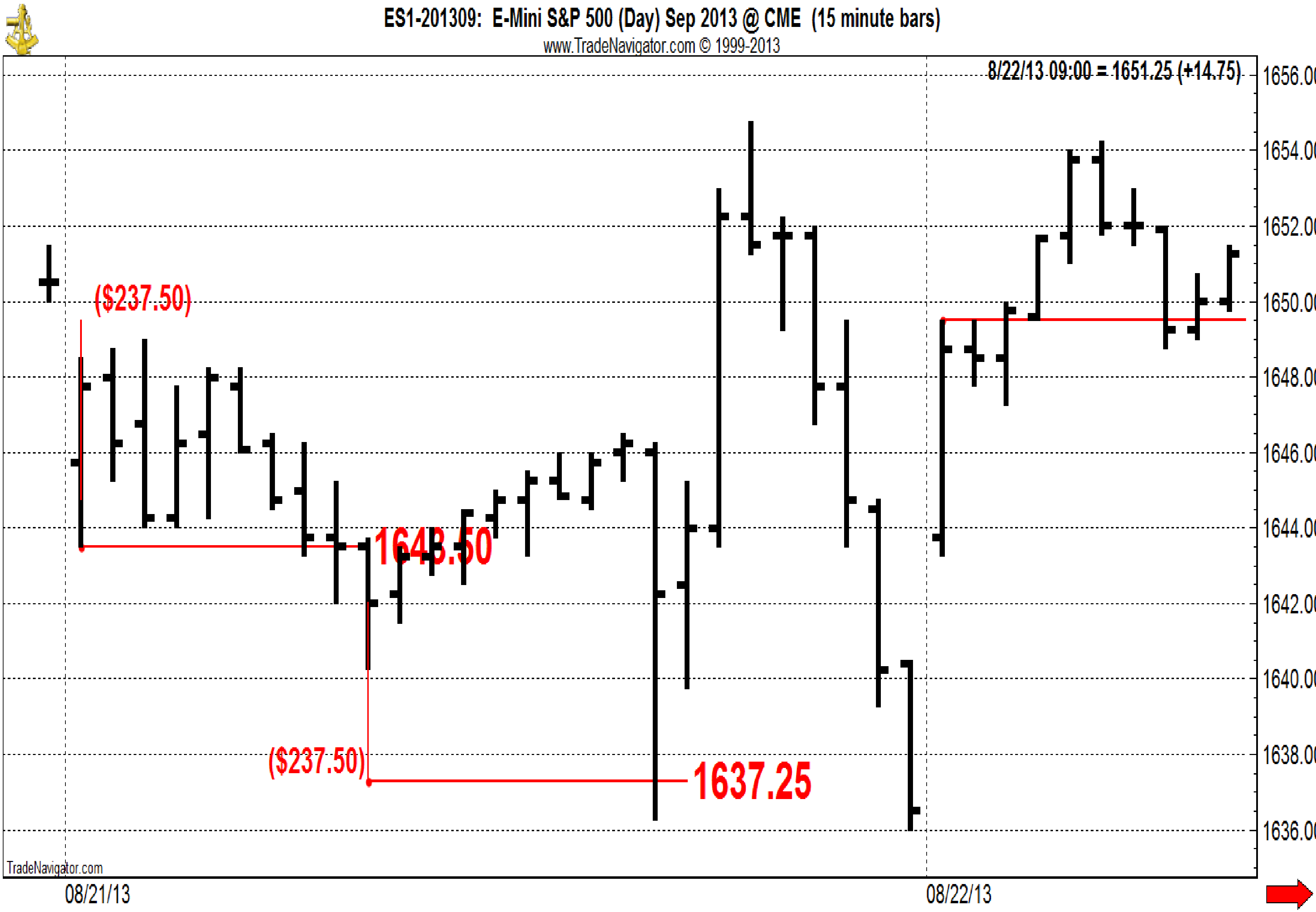

ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
9/2/13 07:15 = 1646.00 (+14.75)
1634.75
($250)
1627.50
1648.00
1646.00
1644.00
1642.00
1640.00
1638.00
1636.00
1634.00
1632.00
1630.00
1628.00
1626.00
TradeNavigator.com
08/30/13
09/02/13



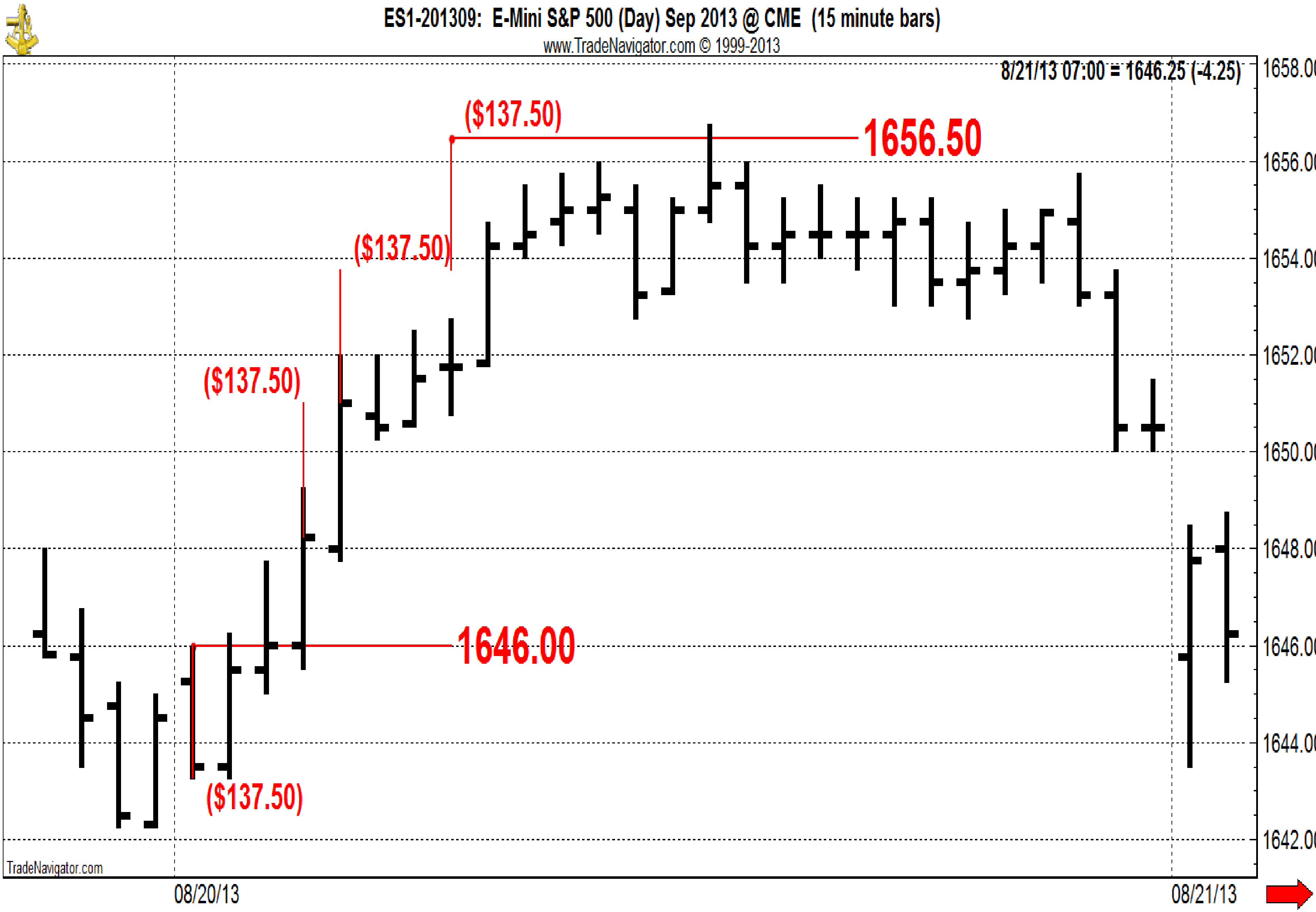
ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
8/26/13 13:15 = 1654.00 (-7.50)
($187.50)
1664.75
1659.75
($187.50)
1668.00
1666.00
1664.00
1662.00
1660.00
1658.00
1656.00
1654.00
TradeNavigator.com
08/26/13

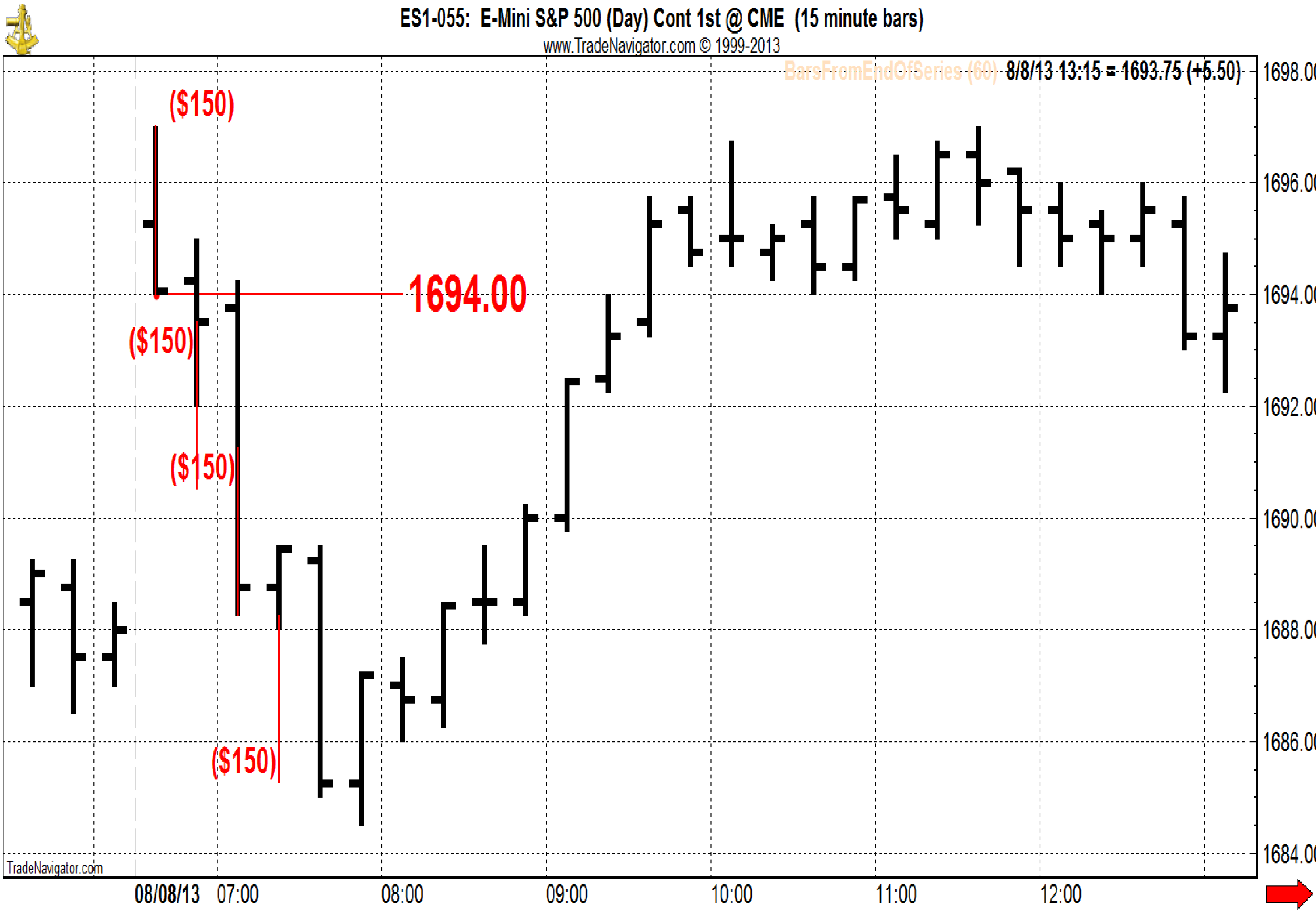

ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
8/26/13 07:00 = 1662.50 (+1.00)
($200)
1656.25
($200)
1652.00
1664.00
1662.00
1660.00
1658.00
1656.00
1654.00
1652.00
TradeNavigator.com
08/23/13
08/26/13


ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
8/23/13 09:00 = 1656.75 (+2.00)
1649.50
1662.00
1660.00
1658.00
1656.00
1654.00
1652.00
1650.00
1648.00
1646.00
1644.00
1642.00
1640.00
1638.00
1636.00
TradeNavigator.com
08/22/13
08/23/13

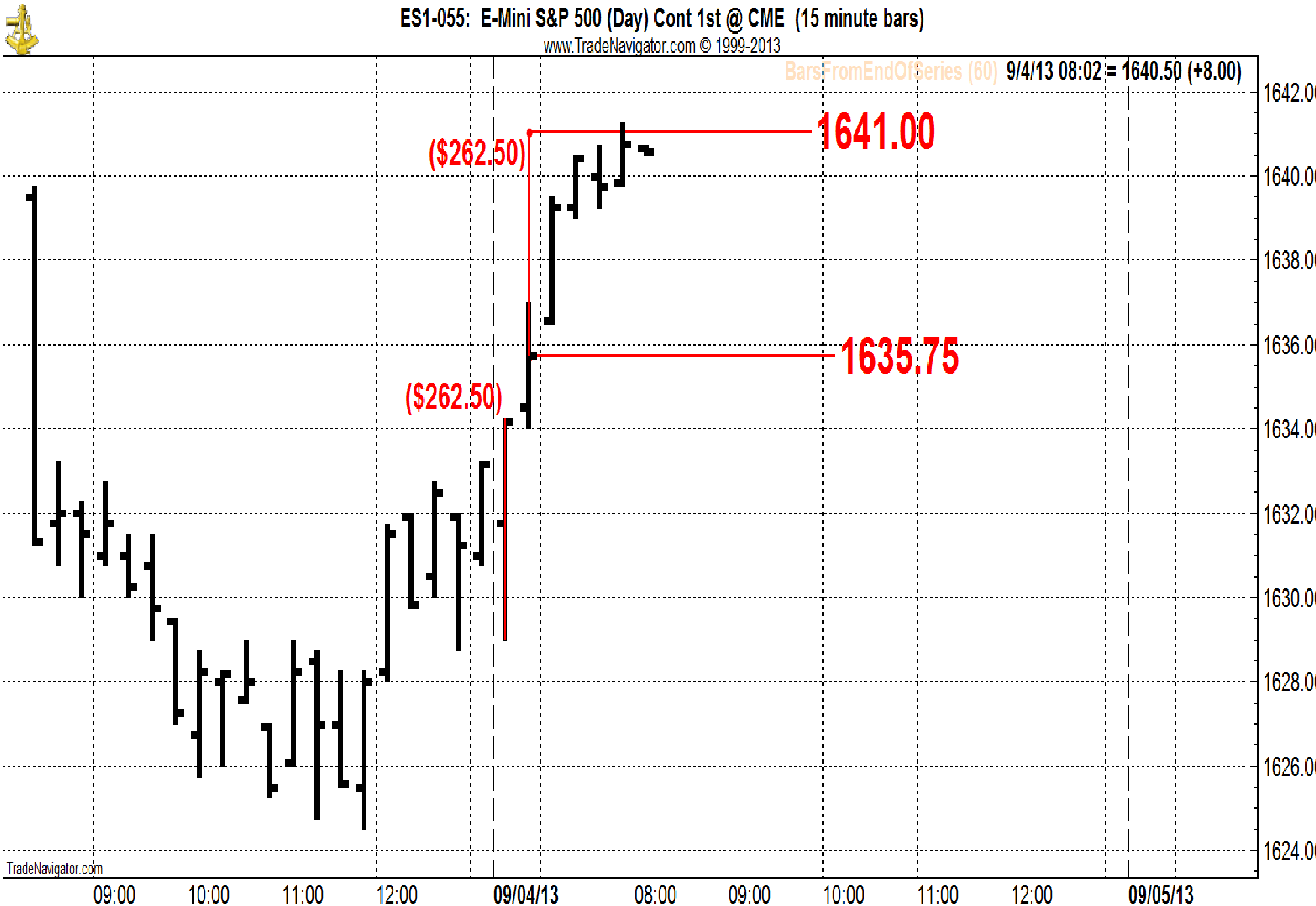


ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
8/22/13 09:00 = 1651.25 (+14.75)
($237.50)
1643.50
($237.50)
1637.25
1656.00
1654.00
1652.00
1650.00
1648.00
1646.00
1644.00
1642.00
1640.00
1638.00
1636.00
TradeNavigator.com
08/21/13
08/22/13


ES1-201309: E-Mini S&P 500 (Day) Sep 2013 @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
8/21/13 07:00 = 1646.25 (-4.25)
($137.50)
1656.50
($137.50)
($137.50)
1646.00
($137.50)
1658.00
1656.00
1654.00
1652.00
1650.00
1648.00
1646.00
1644.00
1642.00
TradeNavigator.com
08/20/13
08/21/13

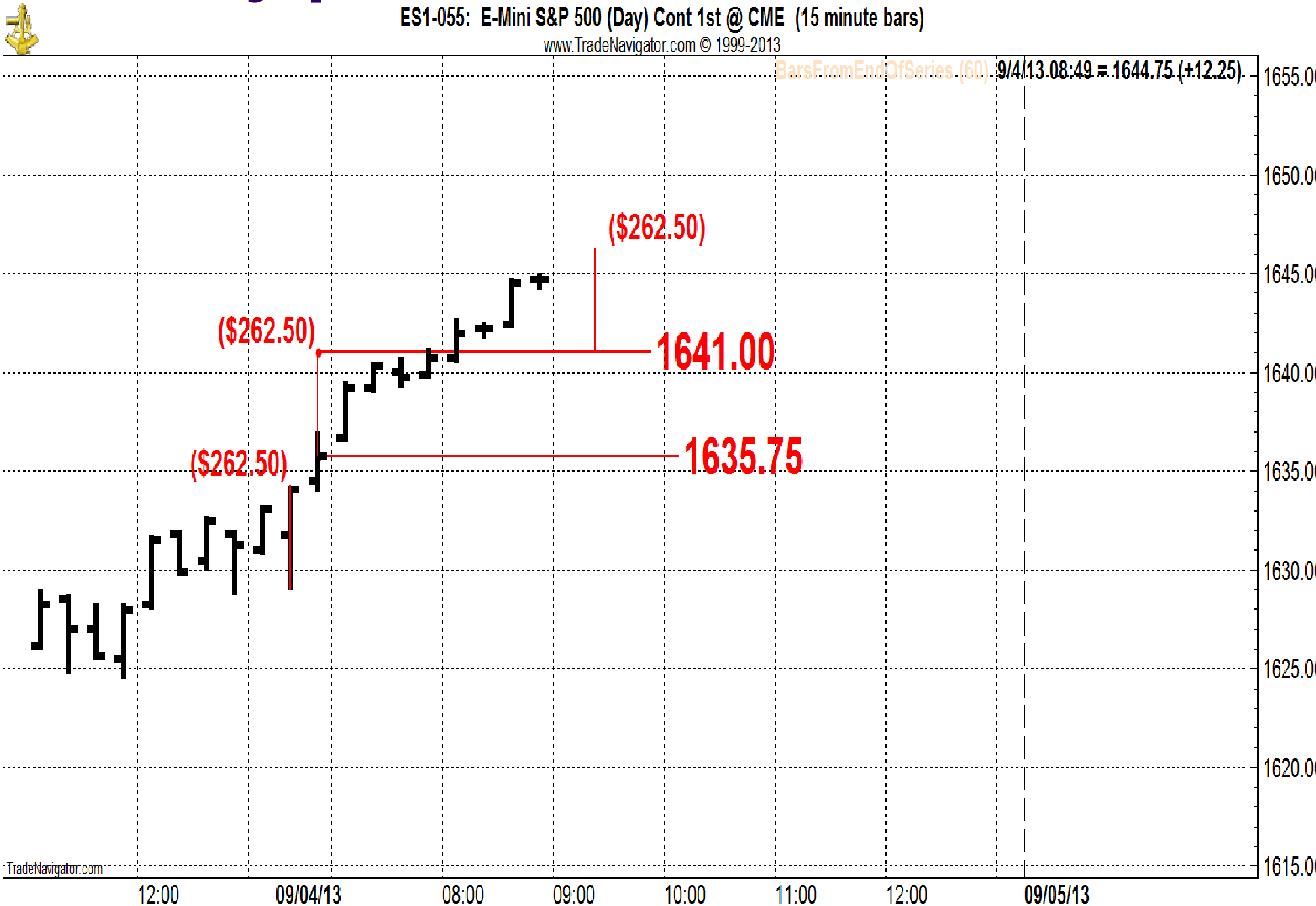

ES1-055: E-Mini S&P 500 (Day) Cont 1st @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60)
8/8/13 13:15 = 1693.75 (+5.50)
($150)
1694.00
($150)
($150)
($150)
1698.00
1696.00
1694.00
1692.00
1690.00
1688.00
1686.00
1684.00
TradeNavigator.com
08/08/13
07:00
08:00
09:00
10:00
11:00
12:00

Today early



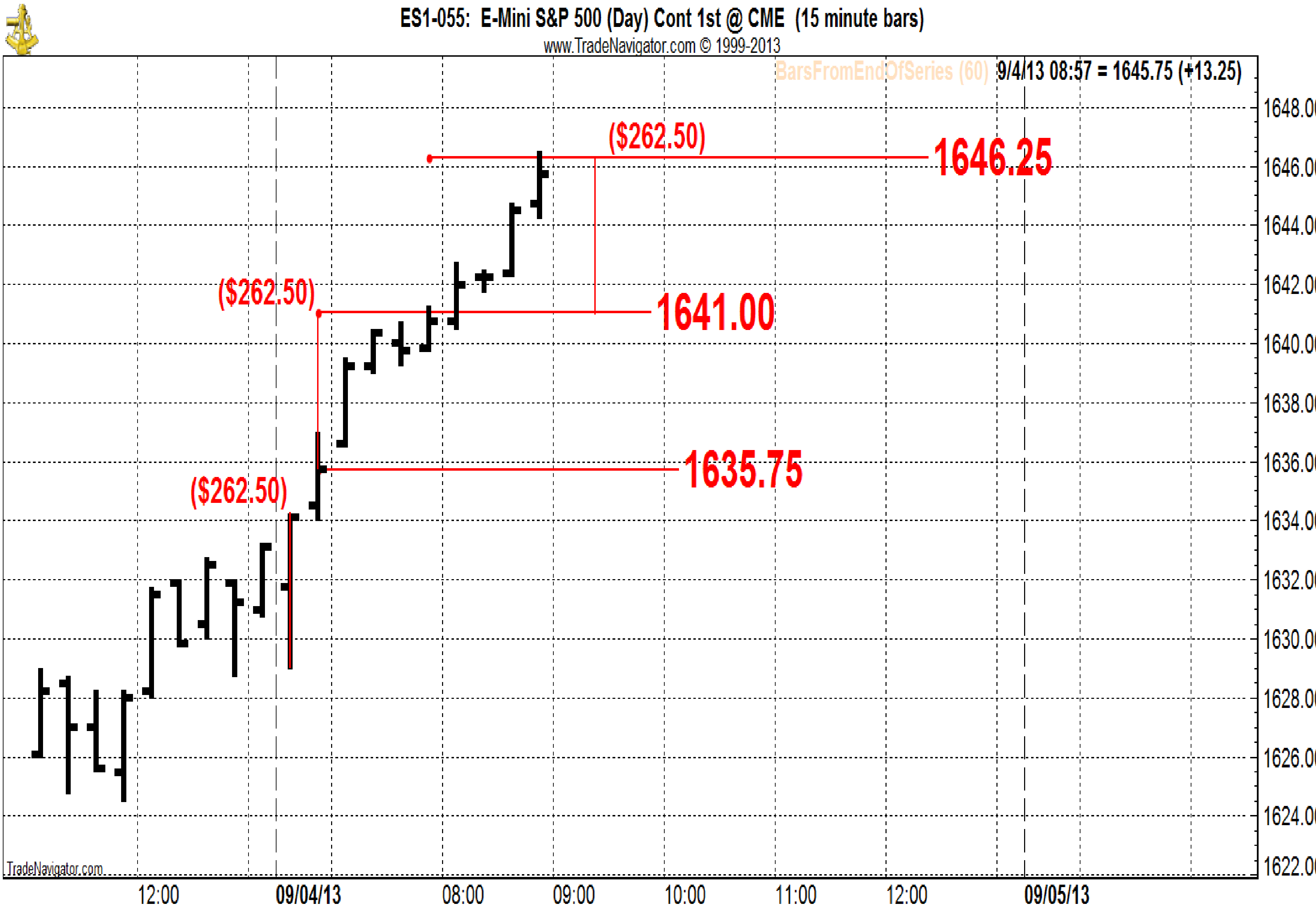
ES1-055: E-Mini S&P 500 (Day) Cont 1st @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60) 9/4/13 08:02 = 1640.50 (+8.00)
1641.00
($262.50)
1635.75
($262.50)
1642.00
1640.00
1638.00
1636.00
1634.00
1632.00
1630.00
1628.00
1626.00
1624.00
TradeNavigator.com
09:00
10:00
11:00
12:00
09/04/13
08:00
09:00
10:00
11:00
12:00
09/05/13

Today pt2

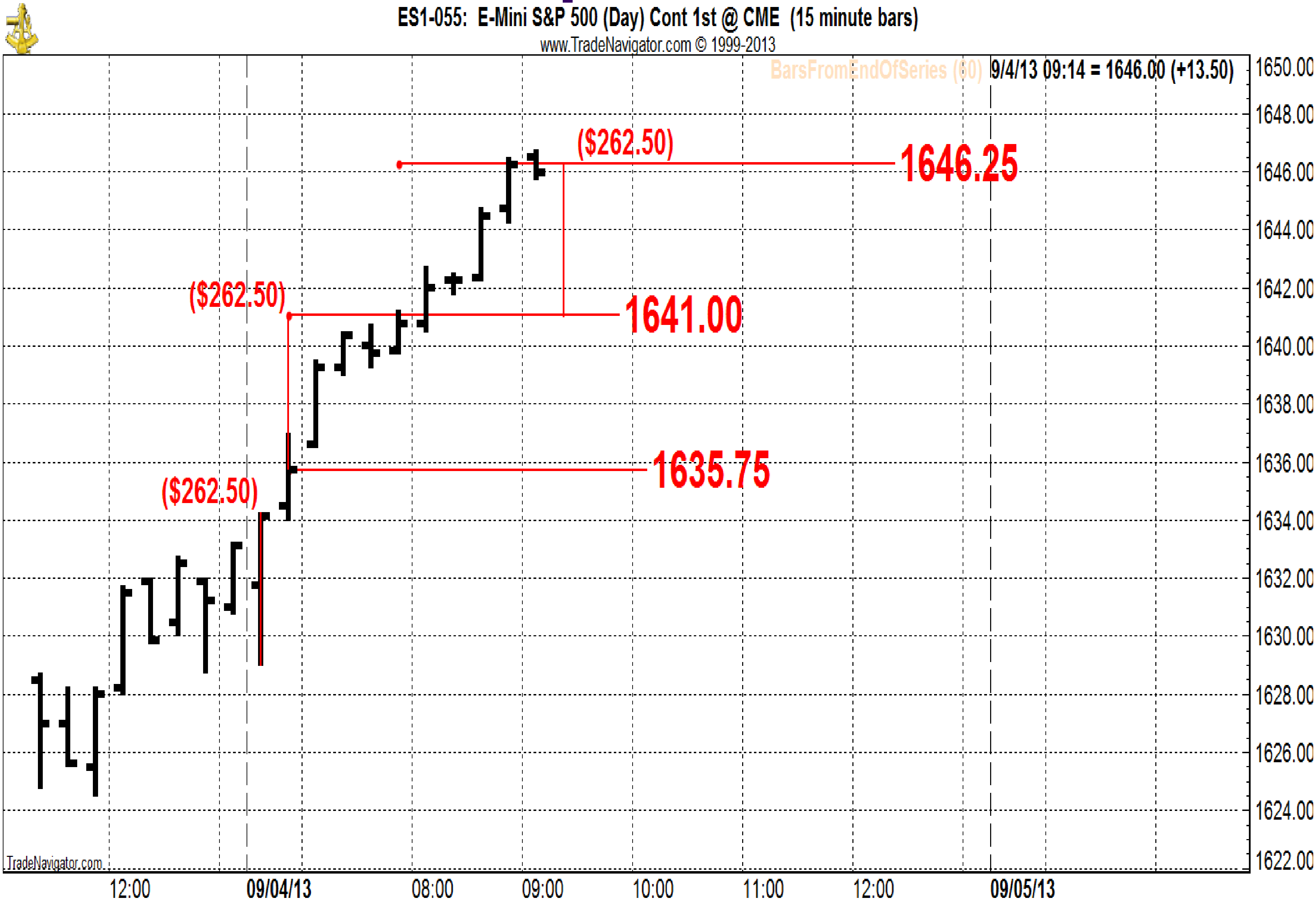


ES1-055: E-Mini S&P 500 (Day) Cont 1st @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60)
9/4/13 08:49 = 1644.75 (+12.25)
($262.50)
($262.50)
($262.50)
1641.00
1635.75
1655.00
1650.00
1645.00
1640.00
1635.00
1630.00
1625.00
1620.00
1615.00
12:00
09/04/13
08:00
09:00
10:00
11:00
12:00
09/05/13
TradeNavigator.com

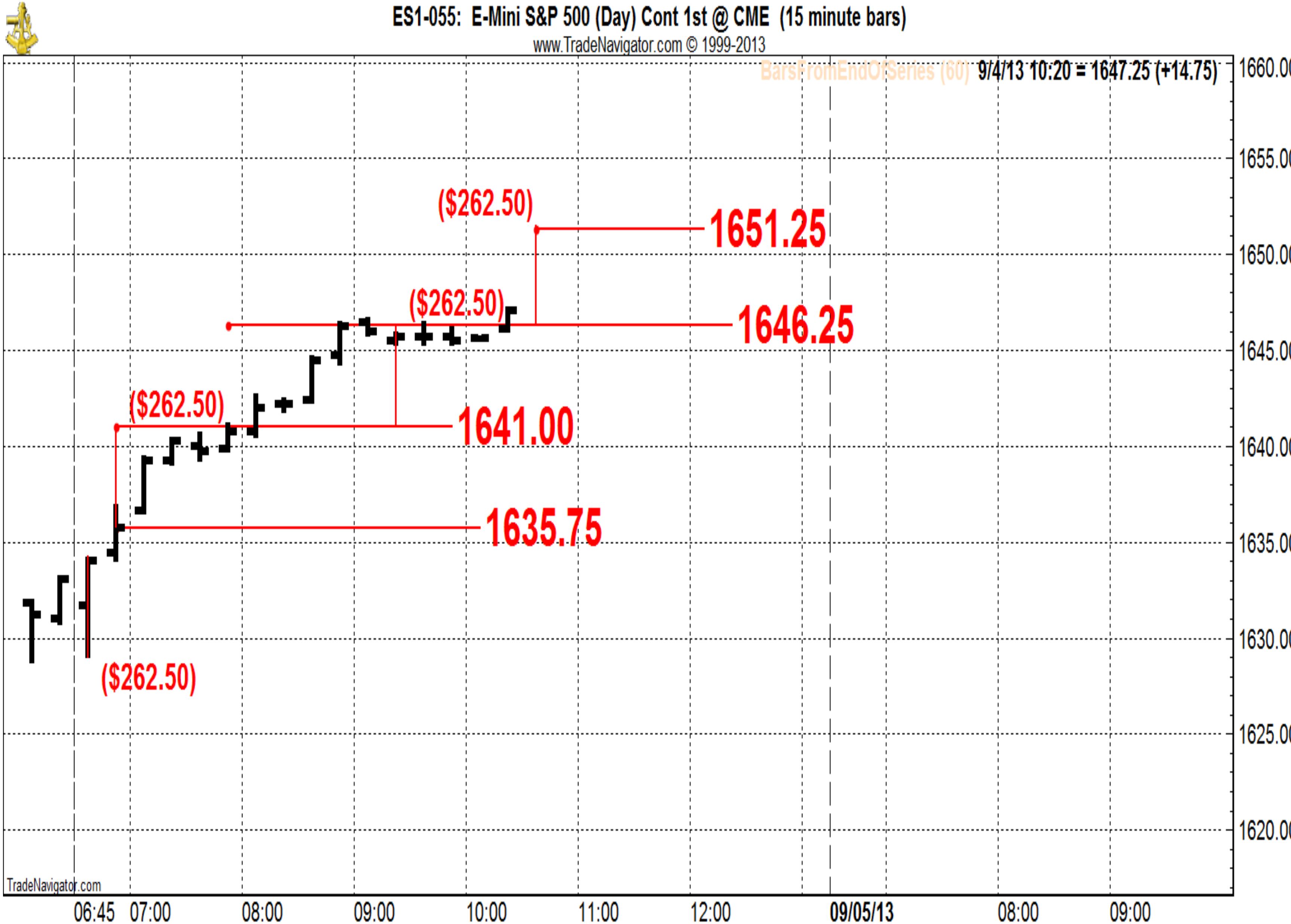
PT2 achieved (today)



Resistance at pt2

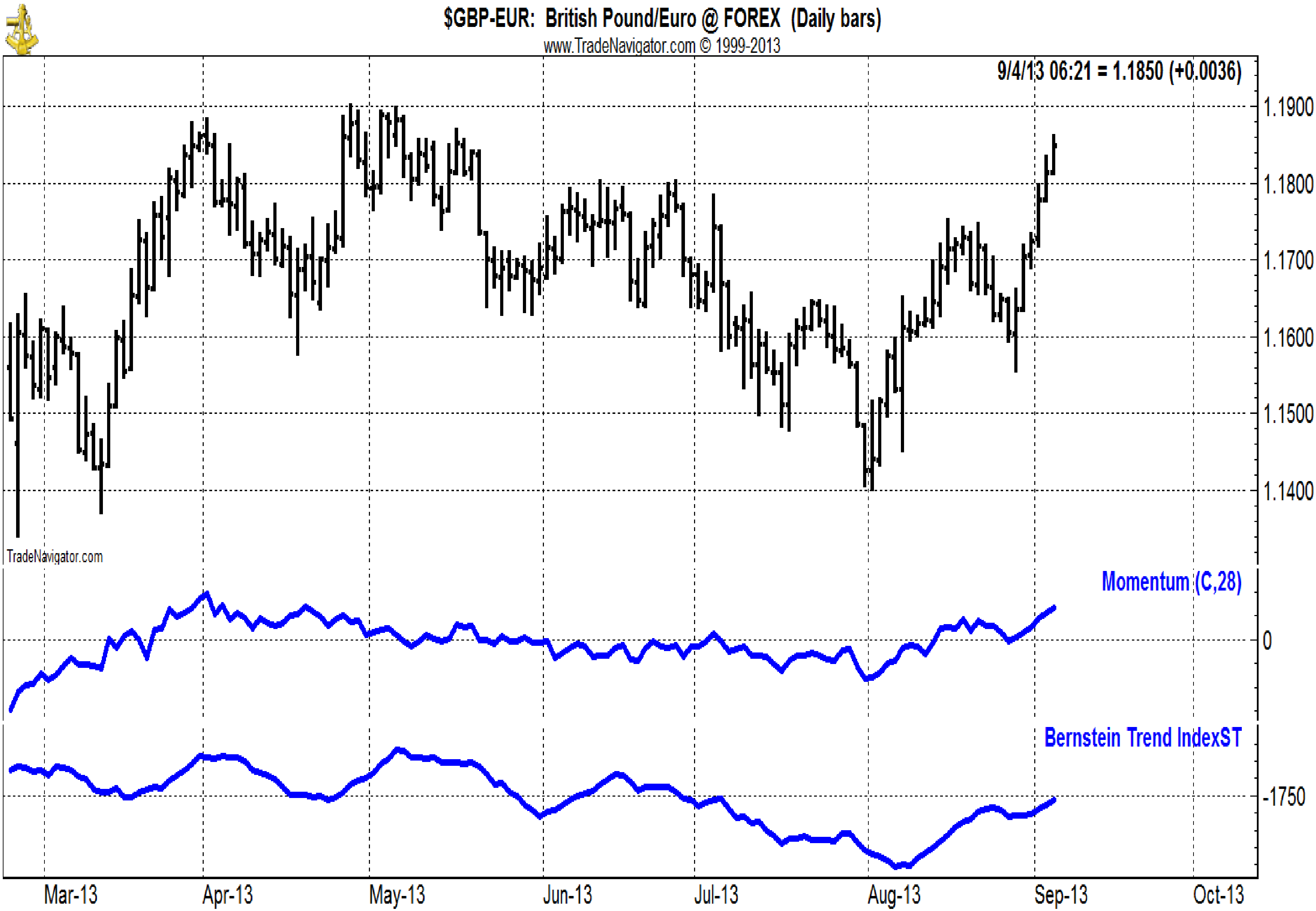


Pt3 today

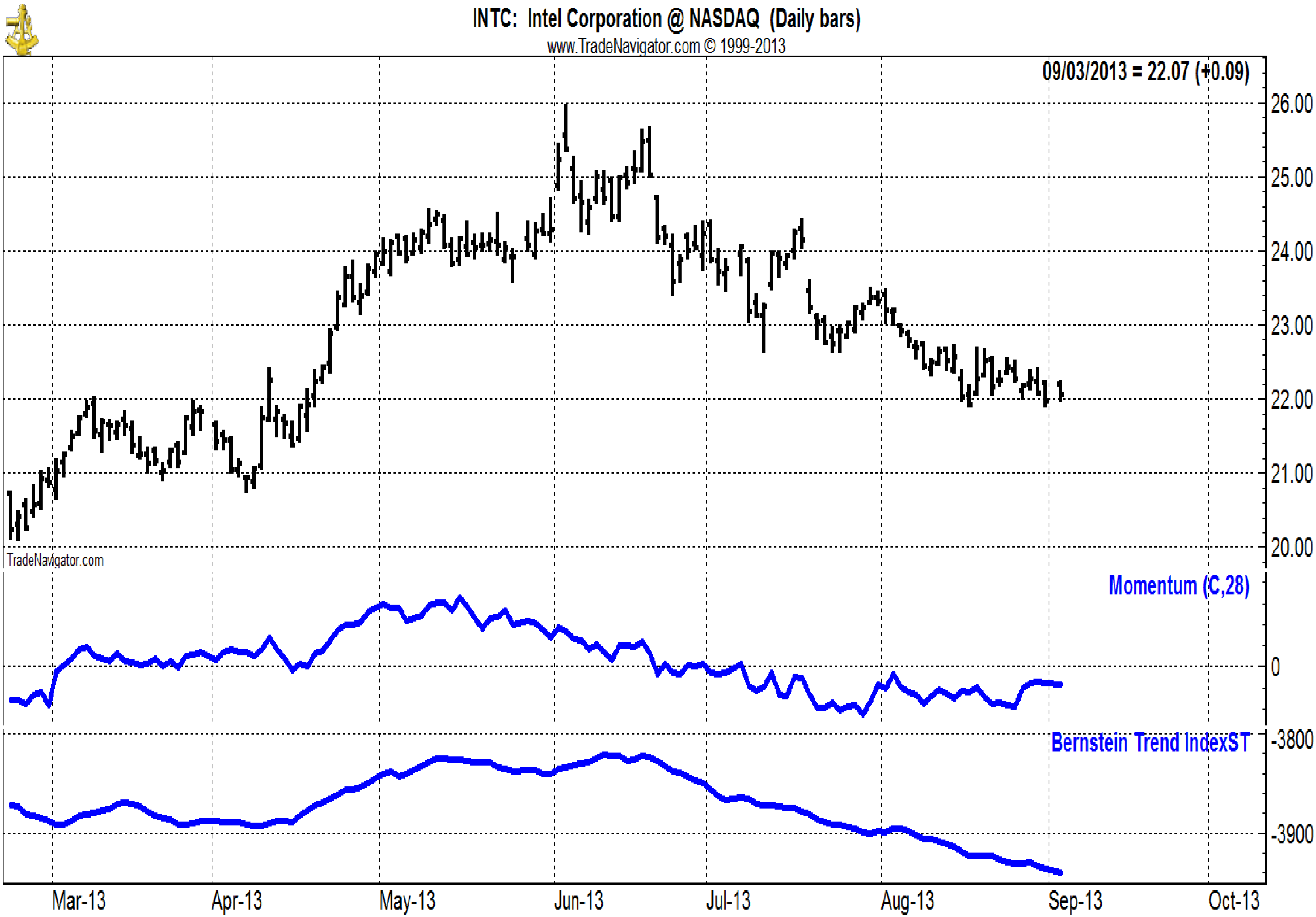


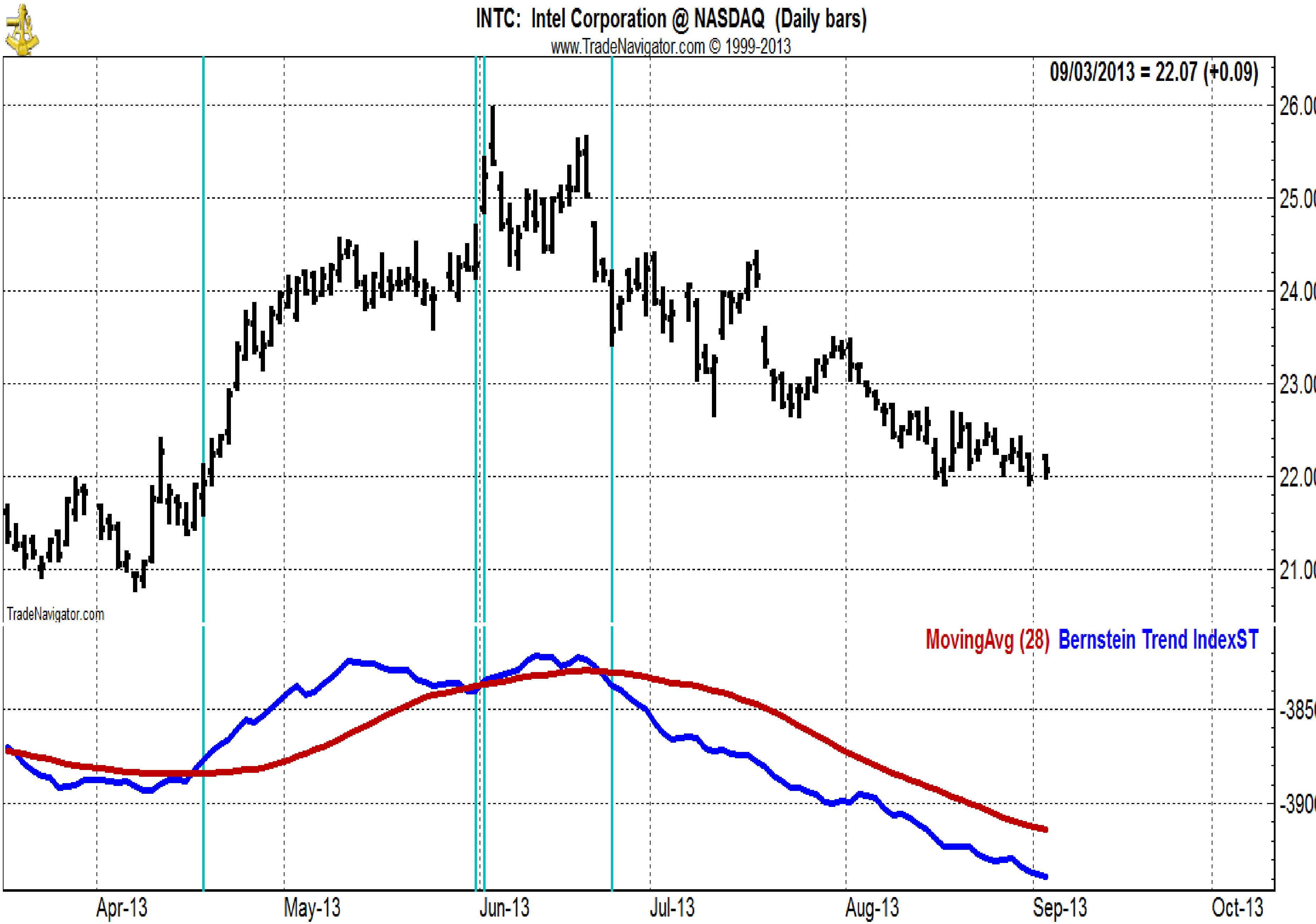
ES1-055: E-Mini S&P 500 (Day) Cont 1st @ CME (15 minute bars)
www.TradeNavigator.com © 1999-2013
BarsFromEndOfSeries (60) 9/4/13 10:20 = 1647.25 (+14.75)
($262.50)
1651.25
($262.50)
1646.25
($262.50)
1641.00
1635.75
($262.50)
1660.00
1655.00
1650.00
1645.00
1640.00
1635.00
1630.00
1625.00
1620.00
TradeNavigator.com
06:45
07:00
08:00
09:00
10:00
11:00
12:00
09/05/13
08:00
09:00

- Indexing: what is it?
- Why Index?
- Remove spurious moves
- Smooth data
- Remove random moves
- Example

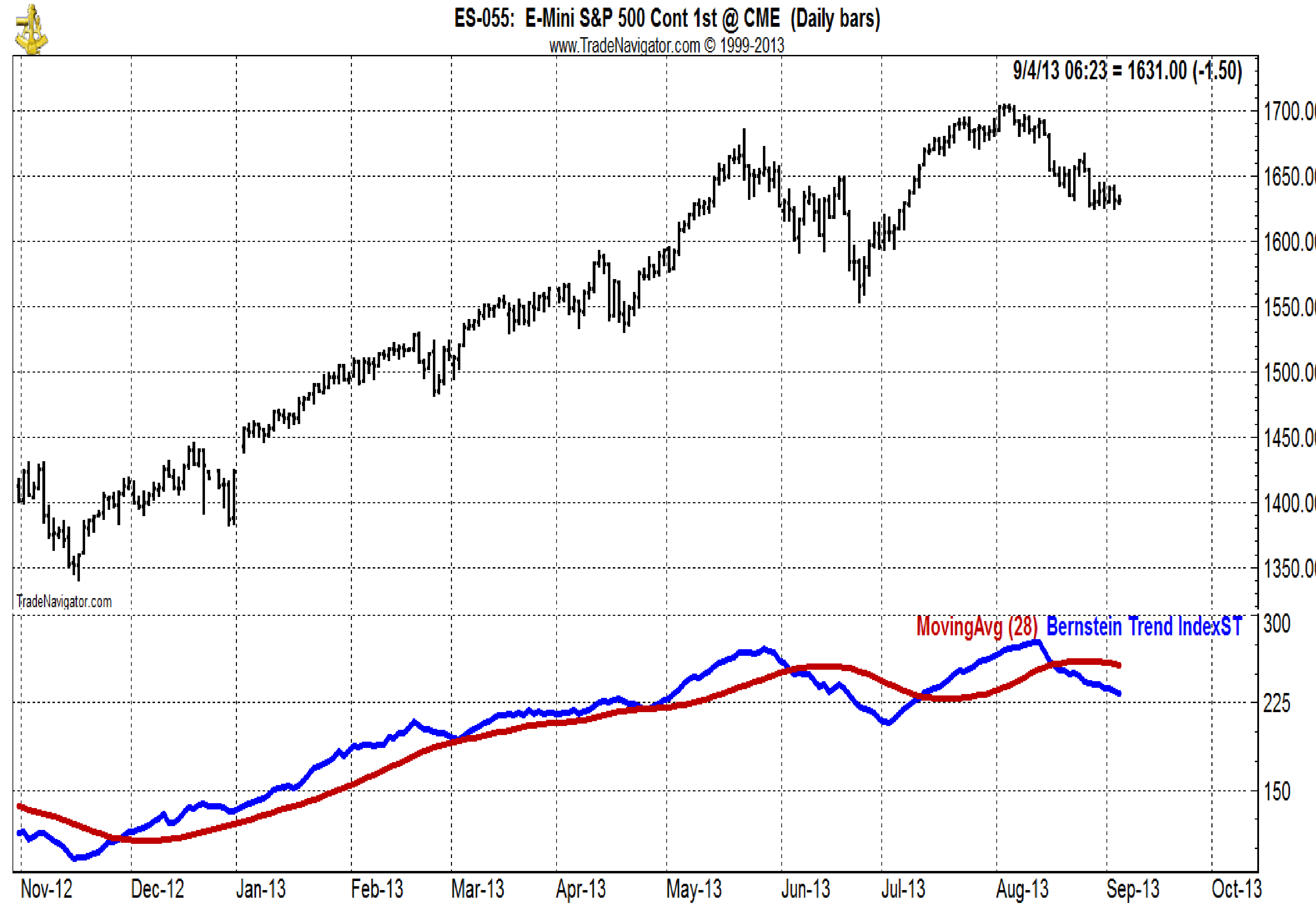


$GBP-EUR: British Pound/Euro @ FOREX (Daily bars)
www.TradeNavigator.com © 1999-2013
9/4/13 06:21 = 1.1850 (+0.0036)
1.1900
1.1800
1.1700
1.1600
1.1500
1.1400
TradeNavigator.com
Momentum (C,28)
0
Bernstein Trend IndexST
-1750
Mar-13
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13

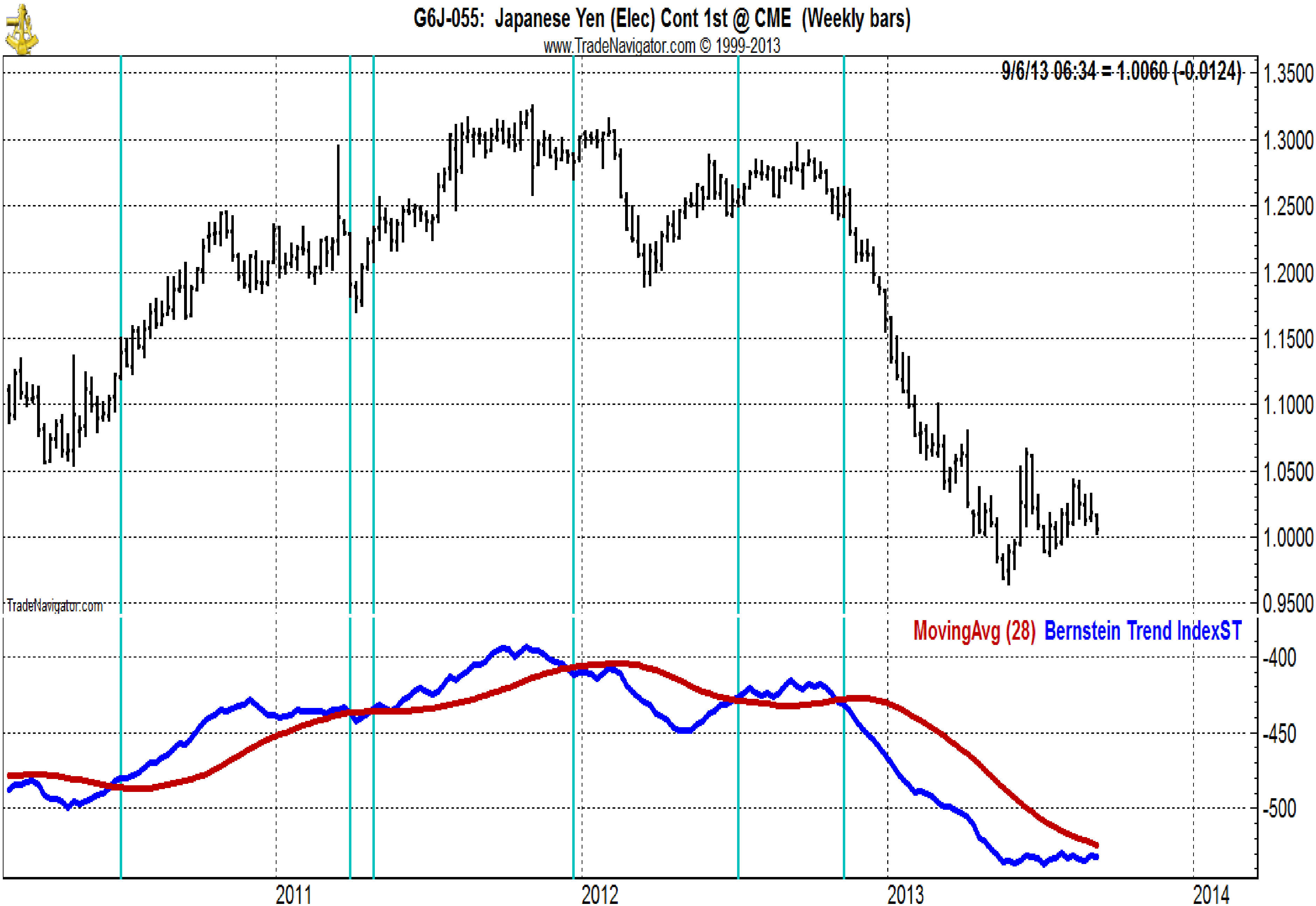

INTC: Intel Corporation @ NASDAQ (Daily bars)
www.TradeNavigator.com © 1999-2013
09/03/2013 = 22.07 (+0.09)
26.00
25.00
24.00
23.00
22.00
21.00
20.00
TradeNavigator.com
Momentum (C,28)
0
Bernstein Trend IndexST
-3800
-3900
Mar-13
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13



INTC: Intel Corporation @ NASDAQ (Daily bars)
www.TradeNavigator.com © 1999-2013
09/03/2013 = 22.07 (+0.09)
26.00
25.00
24.00
23.00
22.00
21.00
TradeNavigator.com
MovingAvg (28) Bernstein Trend IndexST
-3850
-3900
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13



ES-055: E-Mini S&P 500 Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
9/4/13 06:23 = 1631.00 (-1.50)
1700.00
1650.00
1600.00
1550.00
1500.00
1450.00
1400.00
1350.00
TradeNavigator.com
MovingAvg (28)
Bernstein Trend IndexST
300
225
150
Nov-12
Dec-12
Jan-13
Feb-13
Mar-13
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13



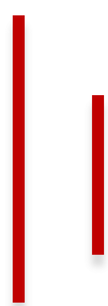
G6J-055: Japanese Yen (Elec) Cont 1st @ CME (Weekly bars)
www.TradeNavigator.com © 1999-2013
9/6/13 06:34 = 1.0060 (-0.0124)
1.3500
1.3000
1.2500
1.2000
1.1500
1.1000
1.0500
1.0000
0.9500
TradeNavigator.com
MovingAvg (28) Bernstein Trend IndexST
-400
-450
-500
2011
2012
2013
2014

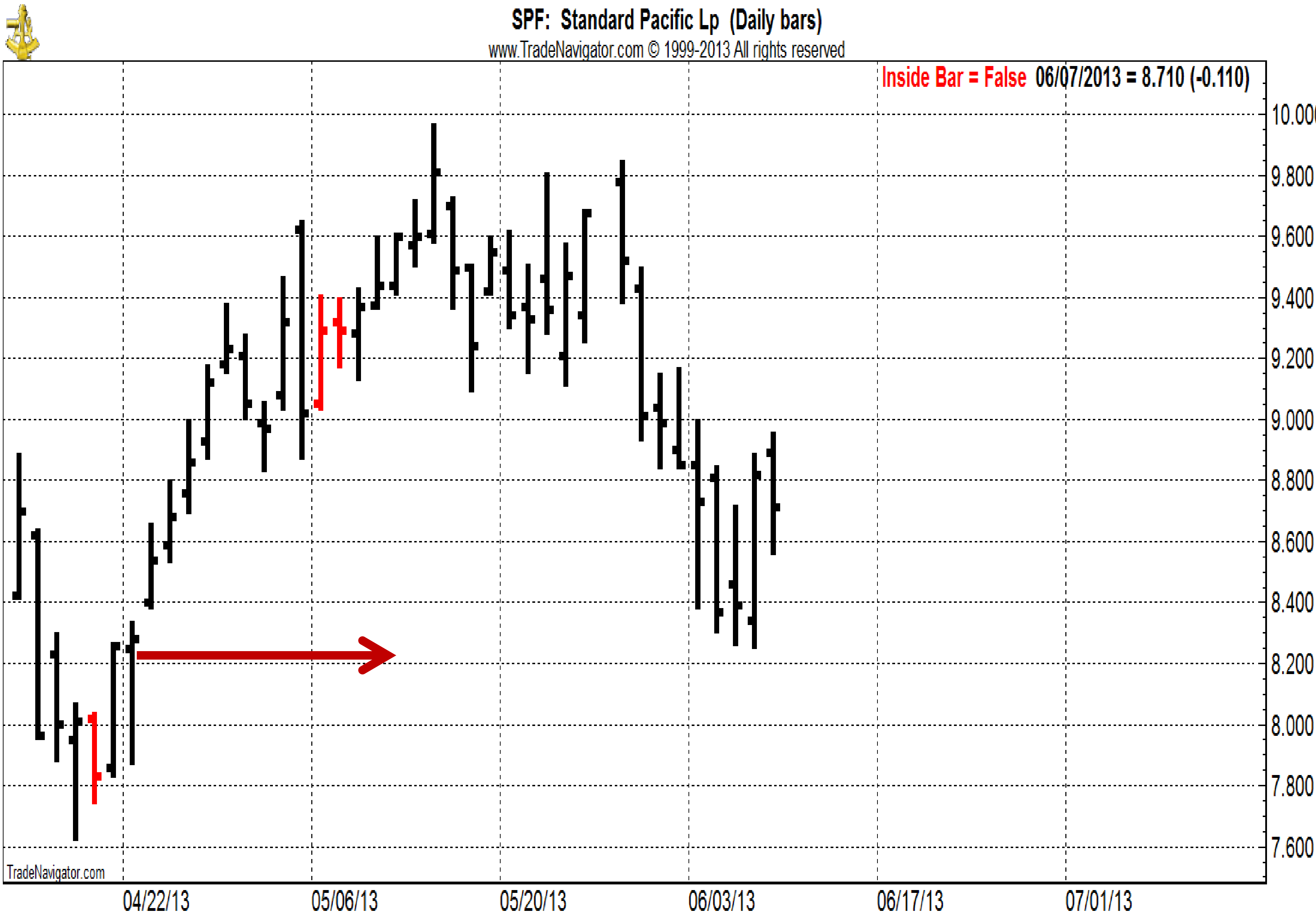
Index code and logic

- MovingSum (IFF (Close > Open , .5 , 0) + IFF (Close < Open , -1.25 , 0) + IFF (Momentum (Close , 3) = Highest (Momentum (Close , 3) , 3) , .5 , 0) + IFF (Momentum (Close , 3) = Lowest (Momentum (Close , 3) , 3) , -1.25 , 0) + IFF (Close >= Low + (0.95 * Range) , .5 , 0) + IFF (Close <= Low + (0.05 * Range) , -1.75 , 0) + IFF (Low > Highest (High , 5).1 , .5 , 0) + IFF (High < Lowest (Low , 6).1 , -1.75 , 0) + IFF (Close > Close.1 And Low < Low.1 And Close > High.1 , 1 , 0) + IFF (Close < Close.1 And High > High.1 And Close > Low.1 , -1.5 , 0) + IFF (Close >= Low + (0.95 * Range) And Close.1 <= Low + (0.05 * Range.1) , .5 , 0) + IFF (Close <= Low + (0.05 * Range) And Close.1 >= Low.1 + (0.95 * Range) , -2 , 0) + IFF (High > High.8 , 2 , 0) + IFF (Low < Low.8 , -1 , 0) + IFF (Low > High.8 , 2 , 0) + IFF (High < Low.8 , -2 , 0) + IFF (Low = Lowest (Low , 8) And MACD (Close , 4 , 9 , False) > Lowest (MACD (Close , 4 , 9 , False) , 8) , 2 , 0) + IFF (High = Highest (High , 8) And MACD (Close , 4 , 9 , False) < Highest (MACD (Close , 4 , 9 , False) , 8) , .5 , 0) + IFF (Low = Lowest (Low , 8) And Momentum (Close , 5) > Lowest (Momentum (Close , 5) , 16) , .5 , 0) + IFF (High = Highest (High , 8) And Momentum (Close , 3) < Highest (Momentum (Close , 3) , 8) , -1.5 , 0) , 0 , 0)

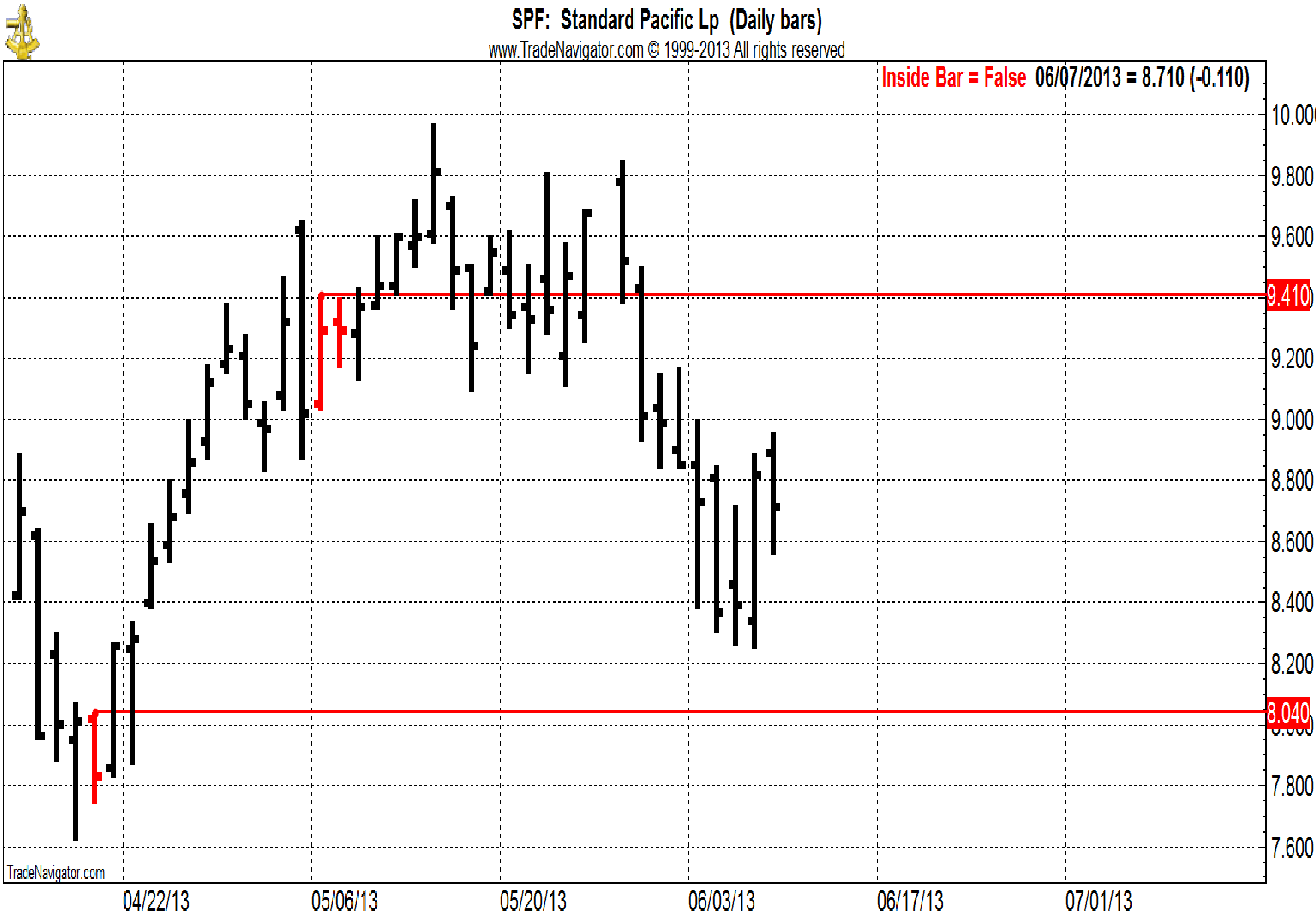
Inside day (bar) defined and logic

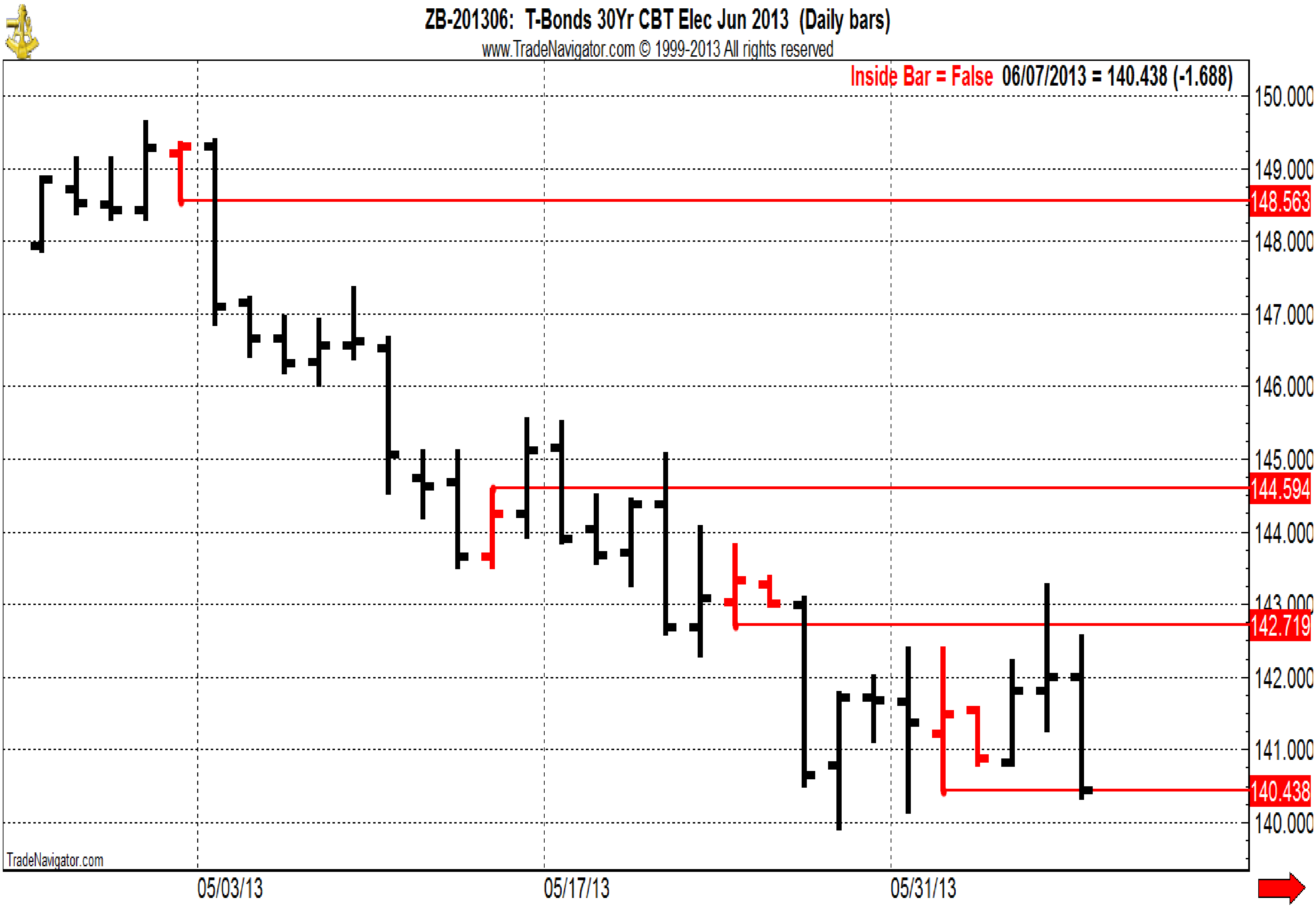
- Definition: H day 2 < high day 1 and low day 2 > low day 1
- Balance precedes change but how and when?



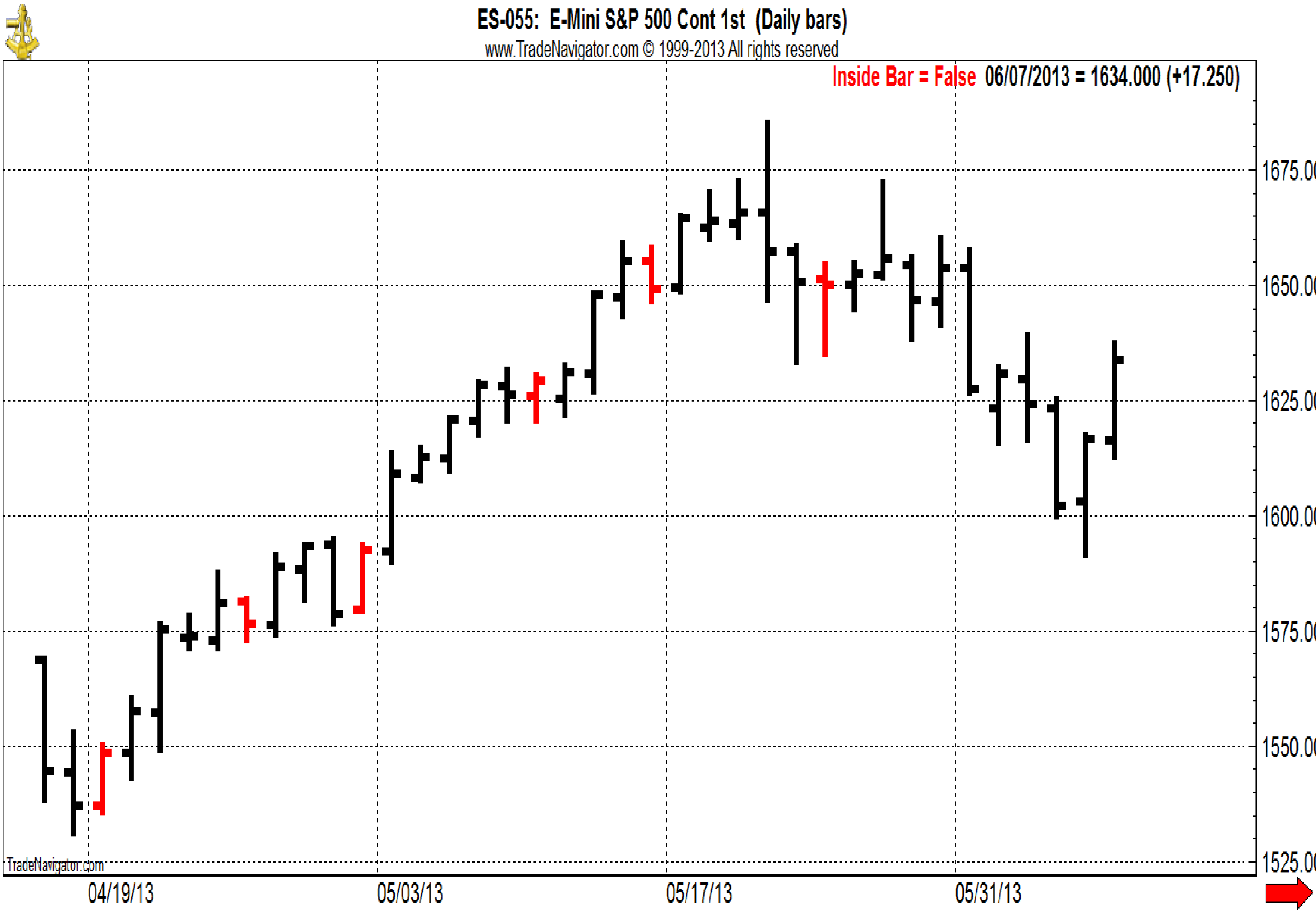


SPF: Standard Pacific Lp (Daily bars)
www.TradeNavigator.com © 1999-2013 All rights reserved
Inside Bar = False 06/07/2013 = 8.710 (-0.110)
10.000
9.800
9.600
9.400
9.200
9.000
8.800
8.600
8.400
8.200
8.000
7.800
7.600
TradeNavigator.com
04/22/13
05/06/13
05/20/13
06/03/13
06/17/13
07/01/13

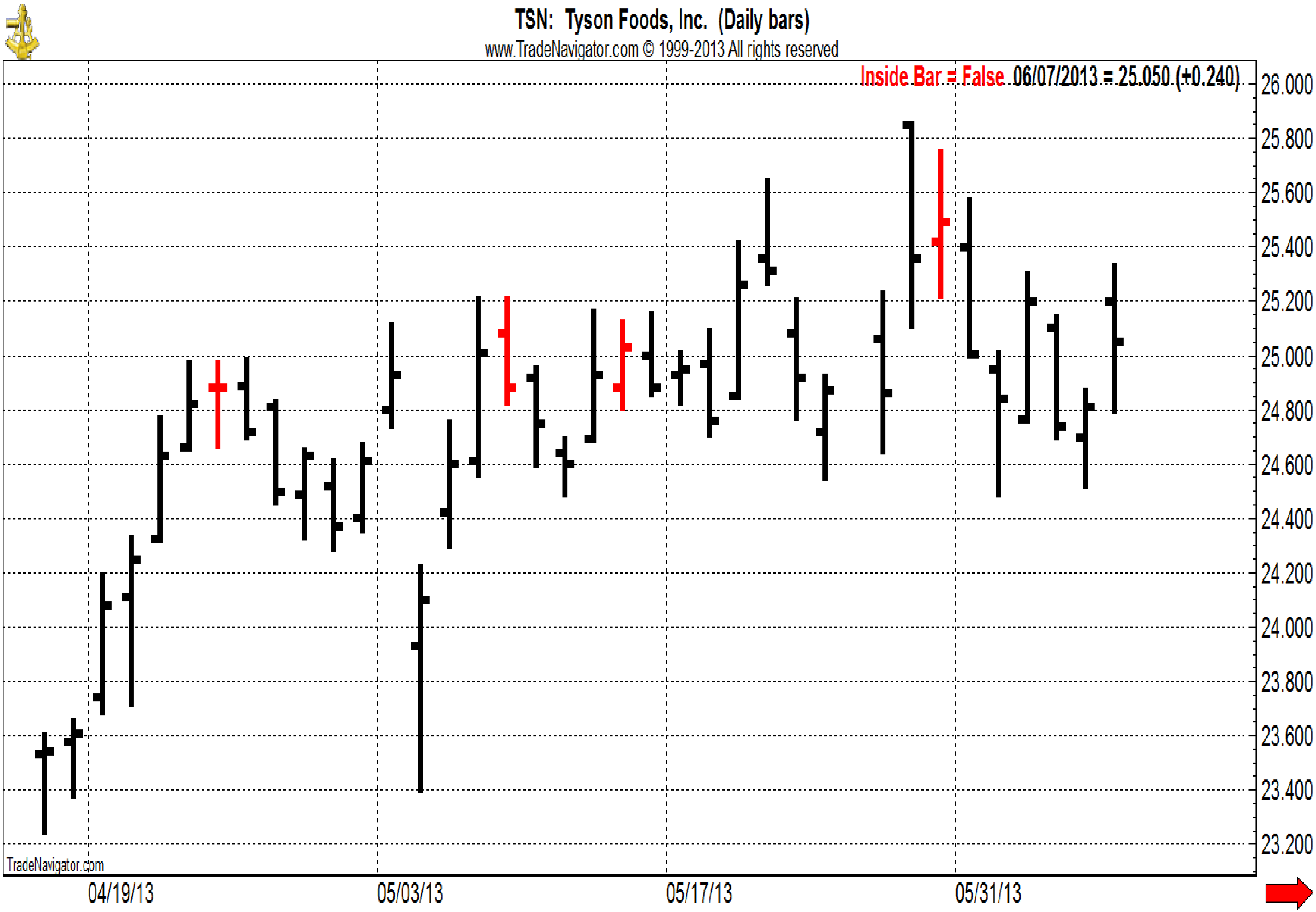

SPF: Standard Pacific Lp (Daily bars)
www.TradeNavigator.com © 1999-2013 All rights reserved
Inside Bar = False 06/07/2013 = 8.710 (-0.110)
10.000
9.800
9.600
9.410
9.200
9.000
8.800
8.600
8.400
8.200
8.040
7.800
7.600
TradeNavigator.com
04/22/13
05/06/13
05/20/13
06/03/13
06/17/13
07/01/13



ZB-201306: T-Bonds 30Yr CBT Elec Jun 2013 (Daily bars)
www.TradeNavigator.com © 1999-2013 All rights reserved
Inside Bar = False 06/07/2013 = 140.438 (-1.688)
150.000
149.000
148.563
148.000
147.000
146.000
145.000
144.594
144.000
143.000
142.719
142.000
141.000
140.438
140.000
TradeNavigator.com
05/03/13
05/17/13
05/31/13



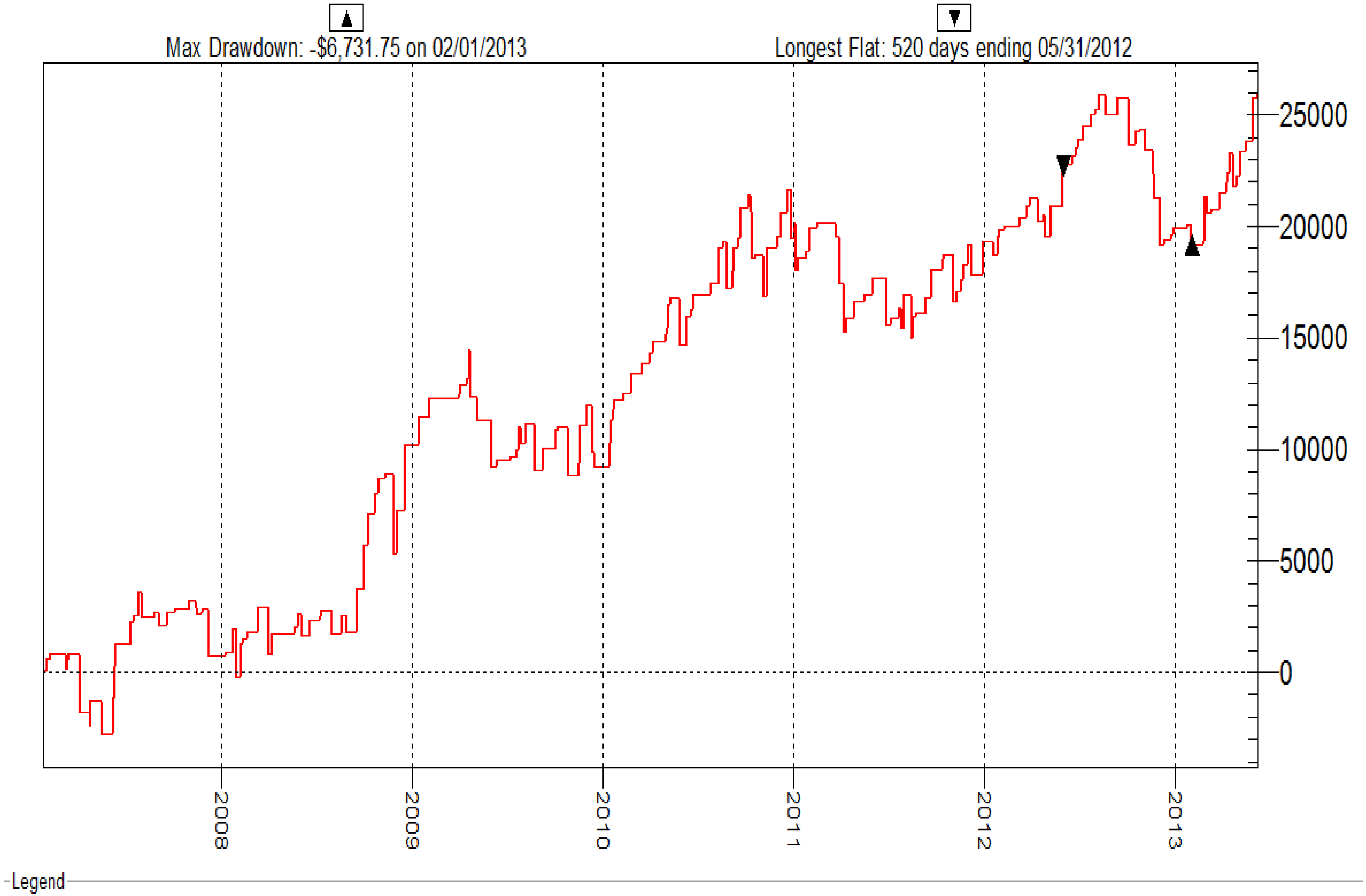
ES-055: E-Mini S&P 500 Cont 1st (Daily bars)
www.TradeNavigator.com © 1999-2013 All rights reserved
Inside Bar = False 06/07/2013 = 1634.000 (+17.250)
1675.00
1650.00
1625.00
1600.00
1575.00
1550.00
1525.00
TradeNavigator.com
04/19/13
05/03/13
05/17/13
05/31/13



TSN: Tyson Foods, Inc. (Daily bars)
www.TradeNavigator.com © 1999-2013 All rights reserved
Inside Bar = False 06/07/2013 = 25.050 (+0.240)
26.000
25.800
25.600
25.400
25.200
25.000
24.800
24.600
24.400
24.200
24.000
23.800
23.600
23.400
23.200
TradeNavigator.com
04/19/13
05/03/13
05/17/13
05/31/13

KBH: KB Home (Daily bars)
www.TradeNavigator.com © 1999-2013 All rights reserved
Inside Bar = False 06/07/2013 = 21.360 (-0.180)
25.500
25.000
24.500
24.000
23.500
23.000
22.500
22.000
21.500
21.000
20.500
20.000
19.500
TradeNavigator.com
04/22/13
05/06/13
05/20/13
06/03/13

Equity Curve (by Date)



Yen

Rules | Inputs | Data | Settings

(•) All Rules ( ) Long Entries ( ) Long Exits ( ) Short Entries ( ) Short Exits

Use	Alt	Signal Name	Action	Linked	Pyramid Info
☑	☐	Exit Long: Nth Profitable Opening	Long Exit	☐	Exit 1 Contract(s)
☐	☐	Exit Long: Stop Loss	Long Exit	☐	Exit 1 Contract(s)
☐	☐	Exit Long: Stop Loss #02	Long Exit	☐	Exit 1 Contract(s)
☑	☐	Exit Short: Nth Profitable Opening	Short Exit	☐	Exit 1 Contract(s)
☑	☐	Long Entry #001	Long Entry		Enter 1 Contract(s)
☑	☐	Long Stop Loss	Long Exit	☐	Exit 100% of position
☑	☐	Short Entry #001	Short Entry		Enter 1 Contract(s)
☑	☐	Short Stop Loss	Short Exit	☐	Exit 100% of position

IF *Inside Bar* And *Range* <= *Range*.1 * .9 And *Range* >= *Range*.1 * .1
THEN BUY Next Bar at *High* + *Tick Move* * ***xticks*** STOP

Summary - All Trades

Overall

Total Net Profit:	$97,953	Profit Factor ($Wins/$Losses):	1.76
Total Trades:	437	Winning Percentage:	70.9%
Average Trade:	$224	Payout Ratio (AvgWin/AvgLoss):	0.72
Max Closed-out Drawdown	-$9,587	CPC Index (PF x Win% x PR):	0.90
Max Intraday Drawdown:	-$14,535	Expectancy (AvgTrade/AvgLoss):	22.07%
Account Size Required:	$17,910	Return Pct:	546.9%
Open Equity:	$0	Kelly Pct (AvgTrade/AvgWin):	30.62%
Percent in the Market:	31.5%	Optimal f:	0.80
Avg # of Bars in Trade:	2.35	Z-Score (W/L Predictability):	-2.9
Avg # of Trades per Year:	37.7	Current Streak:	1 Wins

Monthly Profit Analysis

Average Monthly Profit:	$700	Monthly Sharpe Ratio:	0.30
Std Dev of Monthly Profits:	$2,250	Annualized Sharpe Ratio:	1.04
		Calmar Ratio:	0.58

Winning Trades		Losing Trades	
Total Winners:	310	Total Losers:	127
Gross Profit:	$226,965	Gross Loss:	-$129,012
Average Win:	$732	Average Loss:	-$1,016
Largest Win:	$6,357	Largest Loss:	-$4,831
Largest Drawdown in Win:	-$5,344	Largest Peak in Loss:	$1,782
Avg Drawdown in Win:	-$415	Avg Peak in Loss:	$345
Avg Run Up in Win:	$1,086	Avg Run Up in Loss:	$345
Avg Run Down in Win:	-$415	Avg Run Down in Loss:	-$1,389
Most Consec Wins:	25	Most Consec Losses:	5
Avg # of Consec Wins:	3.97	Avg # of Consec Losses:	1.63
Avg # of Bars in Wins:	2.09	Avg # of Bars in Losses:	2.98

Take the next trade: No equity filter applied

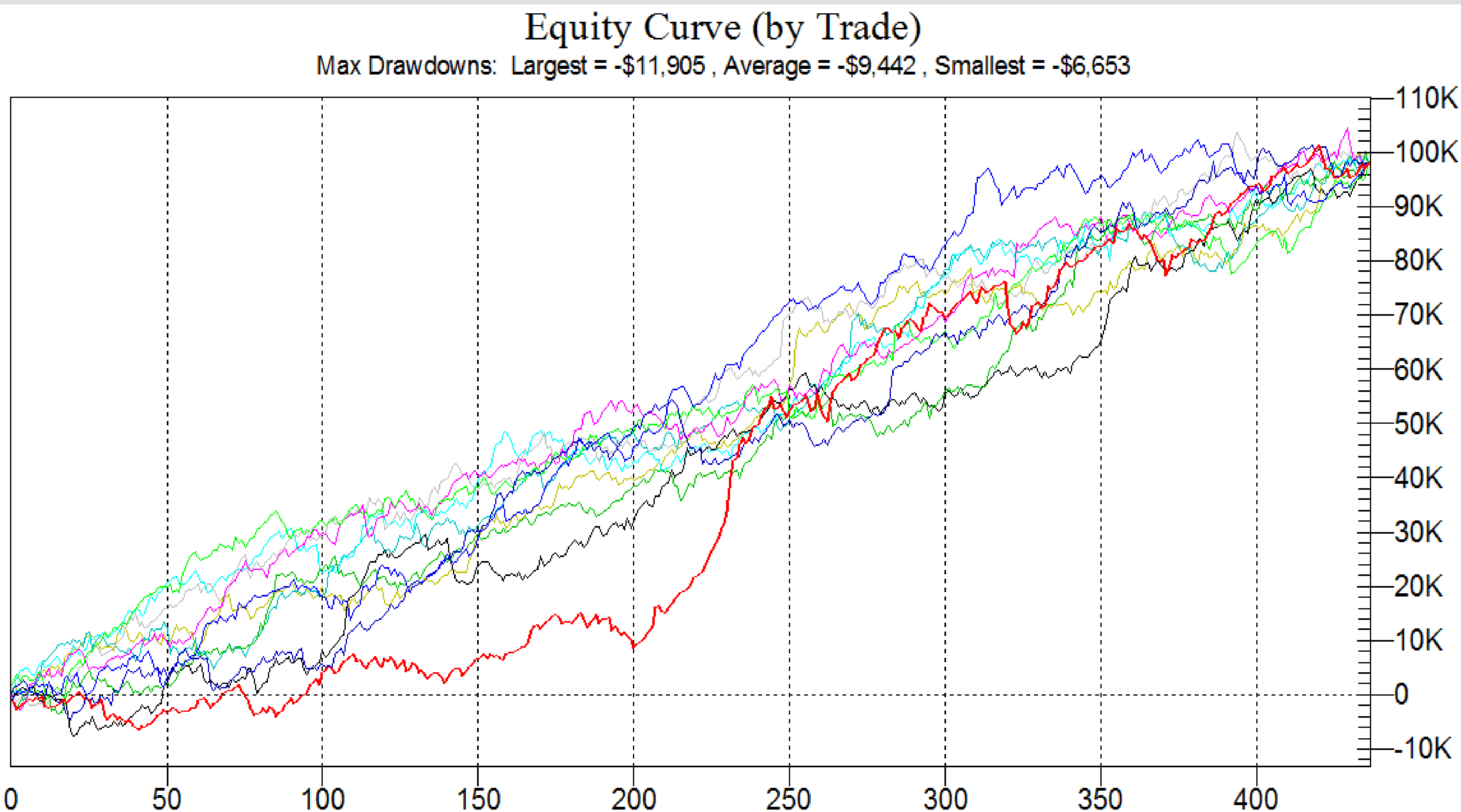
Report | Chart | **Monte Carlo Analysis**

Select type of Monte Carlo Analysis ...

- (•) **Shuffled Trades**
- ( ) **Profit / Drawdown Analysis**
- ( ) **Risk% Analysis**

RUN:

Display the original equity curve (red colored line) along with the equity curves for 10 other simulations of the same trades but in a random sequence.



Tbonds - Inside Bar

Summary - All Trades

Overall

Total Net Profit:	$88,769	Profit Factor ($Wins/$Losses):	1.60
Total Trades:	325	Winning Percentage:	79.1%
Average Trade:	$273	Payout Ratio (AvgWin/AvgLoss):	0.42
Max Closed-out Drawdown	-$39,187	CPC Index (PF x Win% x PR):	0.53
Max Intraday Drawdown:	-$39,540	Expectancy (AvgTrade/AvgLoss):	12.48%
Account Size Required:	$42,240	Return Pct:	210.2%
Open Equity:	$0	Kelly Pct (AvgTrade/AvgWin):	29.54%
Percent in the Market:	108.5%	Optimal f:	0.69
Avg # of Bars in Trade:	12.41	Z-Score (W/L Predictability):	-4.4
Avg # of Trades per Year:	23.9	Current Streak:	4 Losses

Monthly Profit Analysis

Average Monthly Profit:	$541	Monthly Sharpe Ratio:	0.13
Std Dev of Monthly Profits:	$3,715	Annualized Sharpe Ratio:	0.44
		Calmar Ratio:	0.16

Winning Trades		Losing Trades	
Total Winners:	257	Total Losers:	68
Gross Profit:	$237,630	Gross Loss:	-$148,861
Average Win:	$925	Average Loss:	-$2,189
Largest Win:	$6,182	Largest Loss:	-$14,803
Largest Drawdown in Win:	-$6,600	Largest Peak in Loss:	$2,338
Avg Drawdown in Win:	-$783	Avg Peak in Loss:	$519
Avg Run Up in Win:	$1,256	Avg Run Up in Loss:	$519
Avg Run Down in Win:	-$783	Avg Run Down in Loss:	-$4,382
Most Consec Wins:	17	Most Consec Losses:	4
Avg # of Consec Wins:	6.27	Avg # of Consec Losses:	1.66
Avg # of Bars in Wins:	8.07	Avg # of Bars in Losses:	28.84

ES 1 inside bar

Summary - All Trades

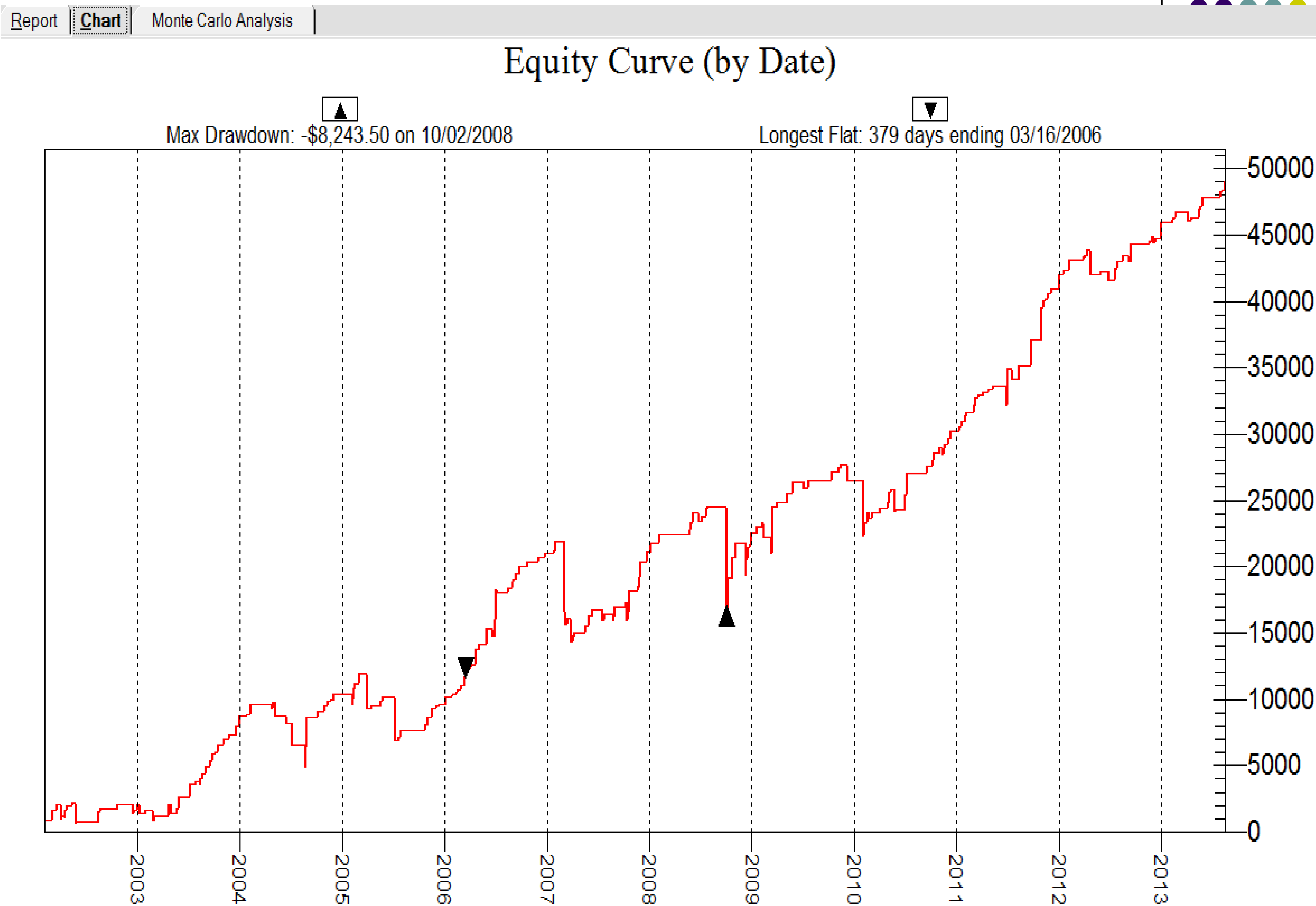
Overall

Total Net Profit:	$49,040	Profit Factor ($Wins/$Losses):	1.84
Total Trades:	258	Winning Percentage:	77.9%
Average Trade:	$190	Payout Ratio (AvgWin/AvgLoss):	0.52
Max Closed-out Drawdown	-$8,244	CPC Index (PF x Win% x PR):	0.75
Max Intraday Drawdown:	-$13,218	Expectancy (AvgTrade/AvgLoss):	18.67%
Account Size Required:	$19,468	Return Pct:	251.9%
Open Equity:	$0	Kelly Pct (AvgTrade/AvgWin):	35.68%
Percent in the Market:	30.8%	Optimal f:	0.79
Avg # of Bars in Trade:	3.86	Z-Score (W/L Predictability):	-2.6
Avg # of Trades per Year:	22.4	Current Streak:	7 Wins

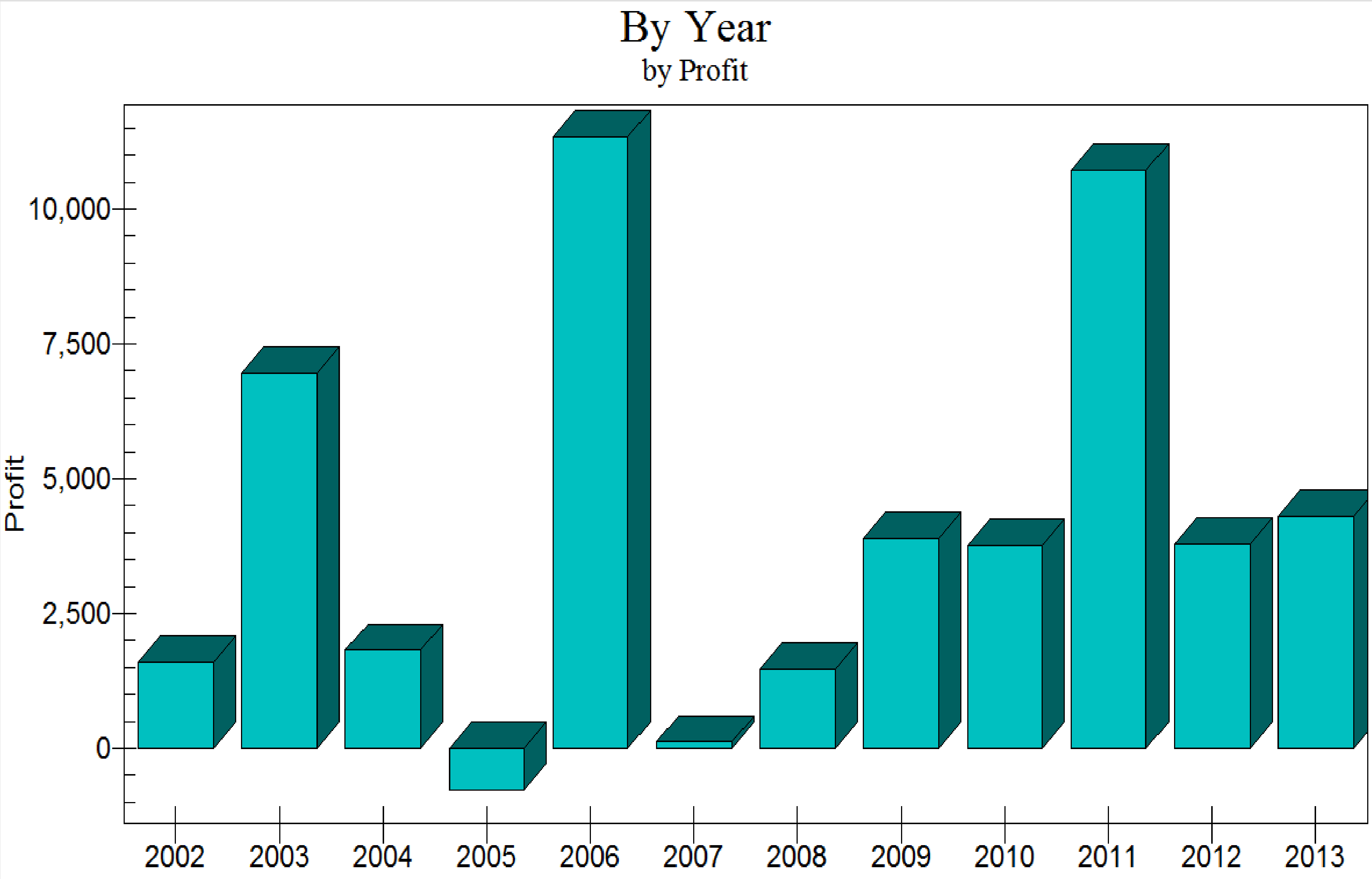
Monthly Profit Analysis

Average Monthly Profit:	$353	Monthly Sharpe Ratio:	0.29
Std Dev of Monthly Profits:	$1,149	Annualized Sharpe Ratio:	0.99
		Calmar Ratio:	0.32

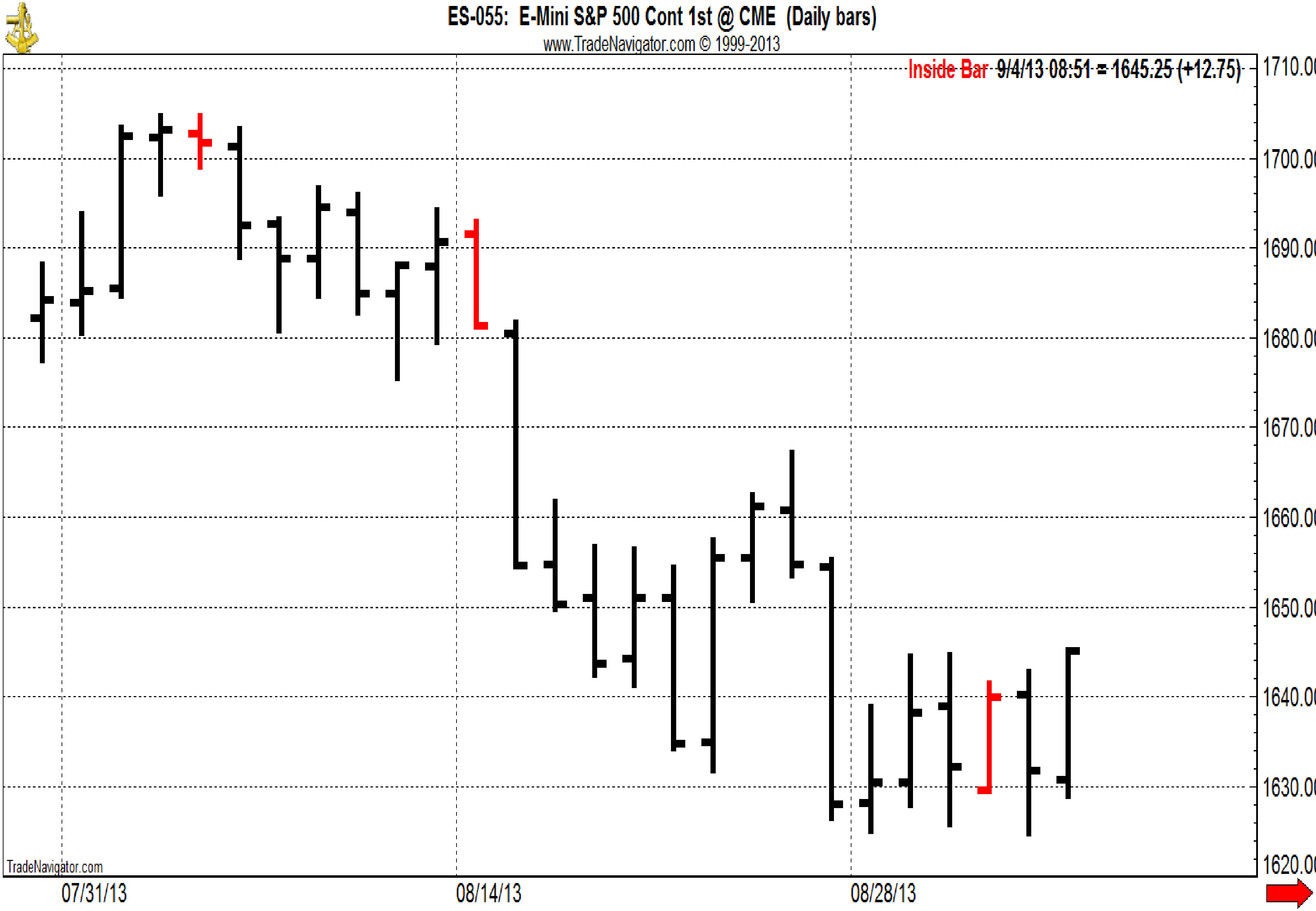
Winning Trades		Losing Trades	
Total Winners:	201	Total Losers:	57
Gross Profit:	$107,082	Gross Loss:	-$58,042
Average Win:	$533	Average Loss:	-$1,018
Largest Win:	$3,457	Largest Loss:	-$8,244
Largest Drawdown in Win:	-$7,394	Largest Peak in Loss:	$1,032
Avg Drawdown in Win:	-$472	Avg Peak in Loss:	$219
Avg Run Up in Win:	$696	Avg Run Up in Loss:	$219
Avg Run Down in Win:	-$472	Avg Run Down in Loss:	-$1,692
Most Consec Wins:	16	Most Consec Losses:	7
Avg # of Consec Wins:	5.29	Avg # of Consec Losses:	1.54
Avg # of Bars in Wins:	3.14	Avg # of Bars in Losses:	6.40


Report
Chart
Monte Carlo Analysis
Equity Curve (by Date)
Max Drawdown: -$8,243.50 on 10/02/2008
Longest Flat: 379 days ending 03/16/2006
50000
45000
40000
35000
30000
25000
20000
15000
10000
5000
0
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

Report | Chart | Monte Carlo Analysis



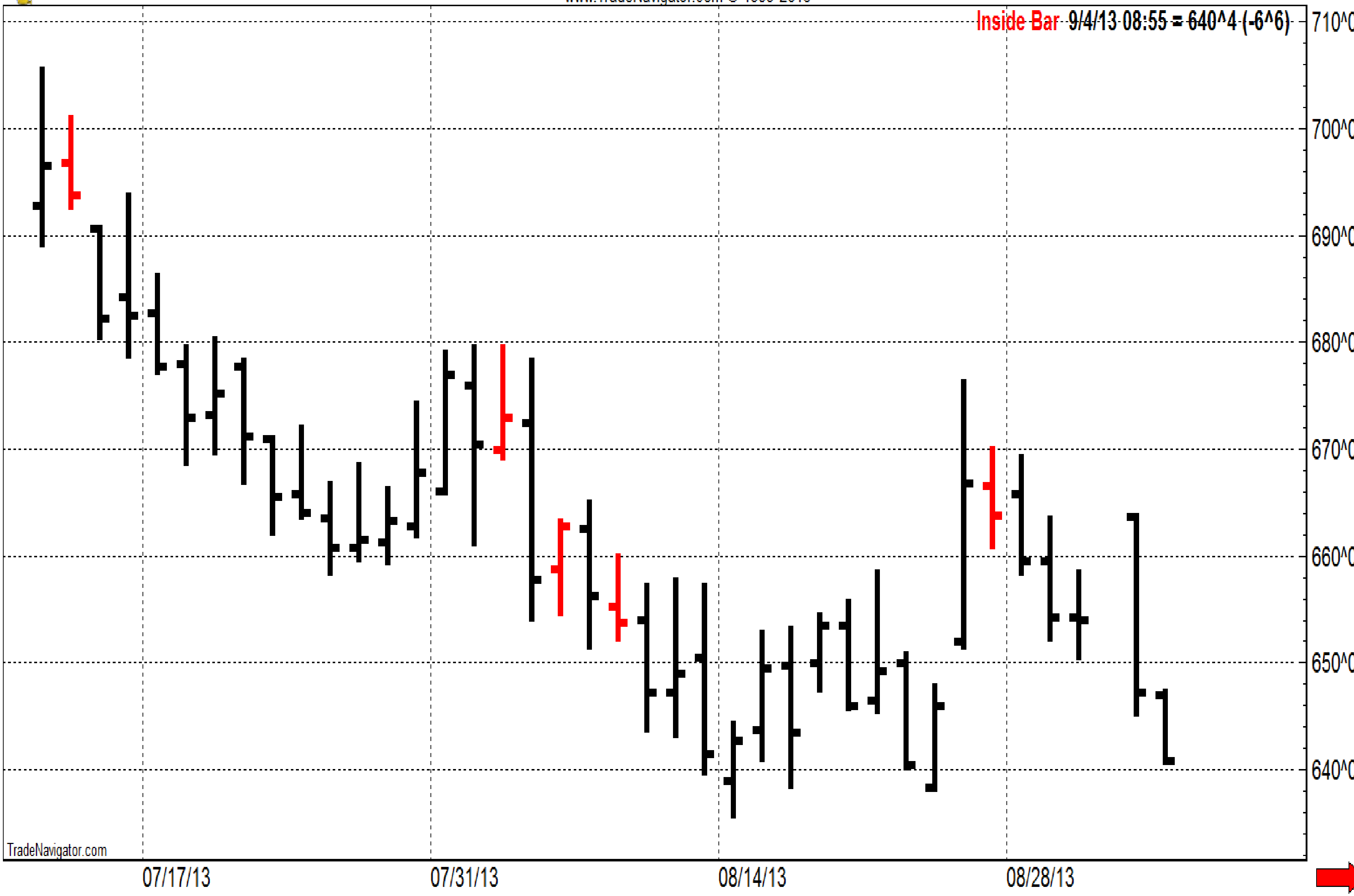
Recent IB



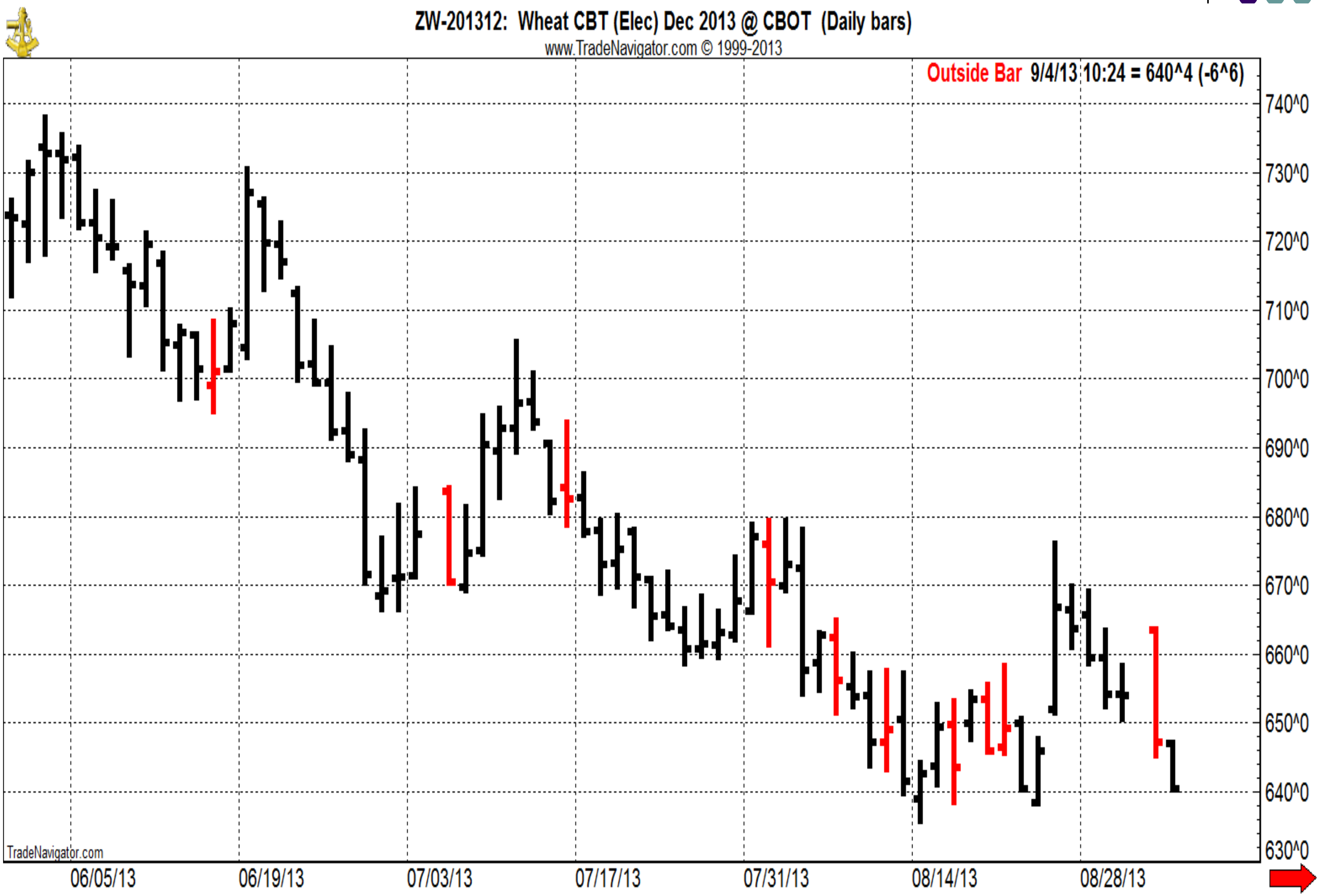
ES-055: E-Mini S&P 500 Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
Inside Bar 9/4/13 08:51 = 1645.25 (+12.75)
1710.00
1700.00
1690.00
1680.00
1670.00
1660.00
1650.00
1640.00
1630.00
1620.00
07/31/13
08/14/13
08/28/13
TradeNavigator.com

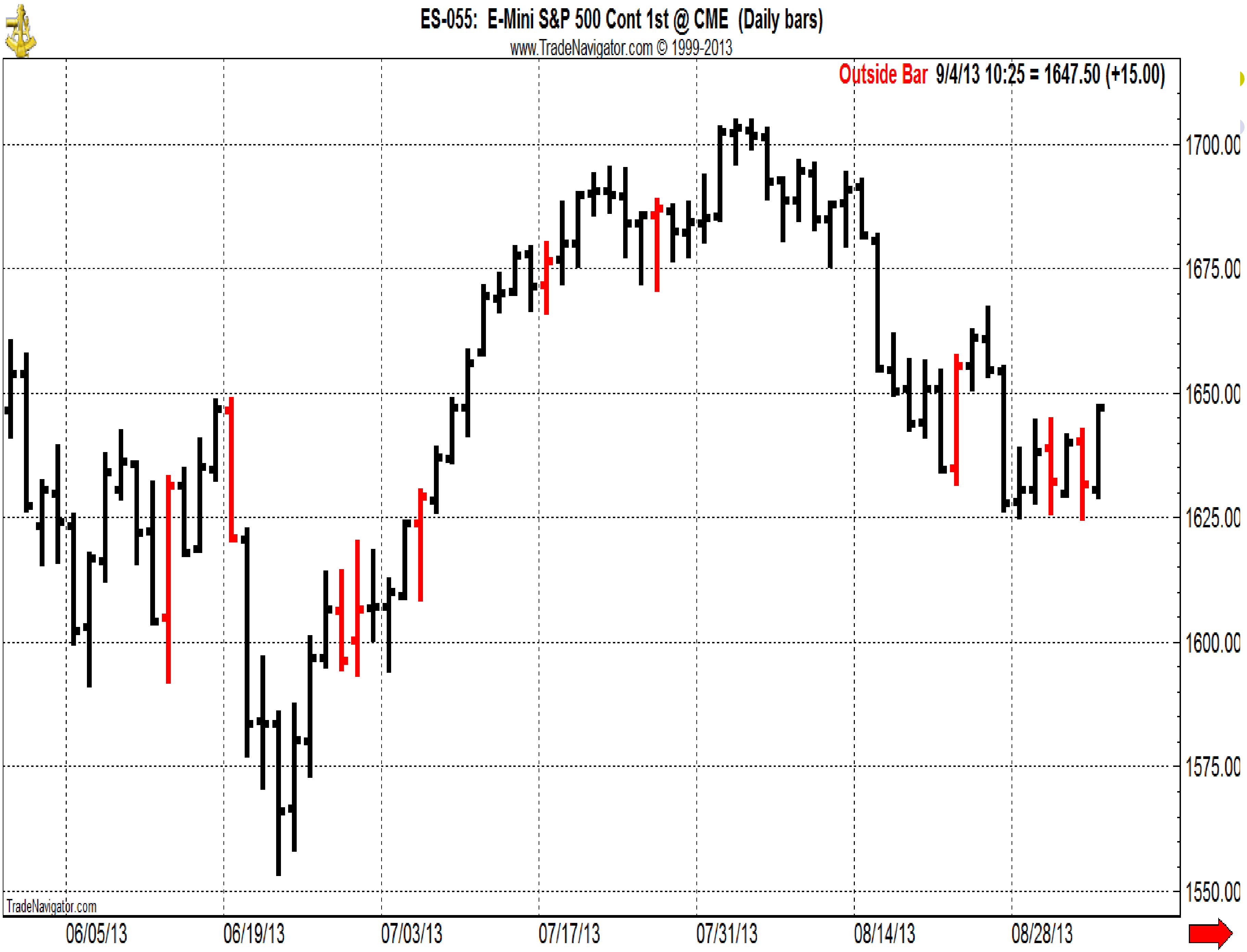
ZW-201312: Wheat CBT (Elec) Dec 2013 @ CBOT (Daily bars)

www.TradeNavigator.com © 1999-2013



Outside bar


ZW-201312: Wheat CBT (Elec) Dec 2013 @ CBOT (Daily bars)
www.TradeNavigator.com © 1999-2013
Outside Bar 9/4/13 10:24 = 640^4 (-6^6)
740^0
730^0
720^0
710^0
700^0
690^0
680^0
670^0
660^0
650^0
640^0
630^0
TradeNavigator.com
06/05/13
06/19/13
07/03/13
07/17/13
07/31/13
08/14/13
08/28/13


ES-055: E-Mini S&P 500 Cont 1st @ CME (Daily bars)
www.TradeNavigator.com © 1999-2013
Outside Bar 9/4/13 10:25 = 1647.50 (+15.00)
1700.00
1675.00
1650.00
1625.00
1600.00
1575.00
1550.00
TradeNavigator.com
06/05/13
06/19/13
07/03/13
07/17/13
07/31/13
08/14/13
08/28/13

ZB initial findings

Summary - All Trades

Overall

Total Net Profit:	$37,945	Profit Factor ($Wins/$Losses):	2.15
Total Trades:	54	Winning Percentage:	83.3%
Average Trade:	$703	Payout Ratio (AvgWin/AvgLoss):	0.43
Max Closed-out Drawdown:	-$17,878	CPC Index (PF x Win% x PR):	0.77
Max Intraday Drawdown:	-$18,596	Expectancy (AvgTrade/AvgLoss):	19.24%
Account Size Required:	$21,296	Return Pct:	178.2%
Open Equity:	$0	Kelly Pct (AvgTrade/AvgWin):	44.65%
Percent in the Market:	20.6%	Optimal f:	0.53
Avg # of Bars in Trade:	13.26	Z-Score (W/L Predictability):	-0.3
Avg # of Trades per Year:	8.4	Current Streak:	5 Wins

Monthly Profit Analysis

Average Monthly Profit:	$513	Monthly Sharpe Ratio:	0.24
Std Dev of Monthly Profits:	$2,058	Annualized Sharpe Ratio:	0.84
		Calmar Ratio:	0.33

Winning Trades		Losing Trades	
Total Winners:	45	Total Losers:	9
Gross Profit:	$70,819	Gross Loss:	-$32,874
Average Win:	$1,574	Average Loss:	-$3,653
Largest Win:	$8,830	Largest Loss:	-$7,264
Largest Drawdown in Win:	-$5,858	Largest Peak in Loss:	$1,393
Avg Drawdown in Win:	-$1,496	Avg Peak in Loss:	$913
Avg Run Up in Win:	$2,174	Avg Run Up in Loss:	$913
Avg Run Down in Win:	-$1,496	Avg Run Down in Loss:	-$4,210
Most Consec Wins:	12	Most Consec Losses:	2
Avg # of Consec Wins:	5.63	Avg # of Consec Losses:	1.29
Avg # of Bars in Wins:	10.80	Avg # of Bars in Losses:	25.56

- Mentoring appointment interview
- http://www.comtrade1.com/letter/

I can be reached at 800-678-5253 or 831-430-0600

- Email me if you have questions:
- jake@trade-futures.com
- Best of trading
- **Jake Bernstein**