

All Systems Go[™] Professional User Guide

An Online Trading Analysis and Simulation Product

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1 Introduction

All Systems Go (ASG) is a sophisticated, yet simple to use, online trading system analysis, simulation, and position-sizing product. It can use historical real or hypothetical/simulated trades and generate comprehensive reports that quantify the quality of the trades and gives some opinions about whether things should be changed to improve the results.

Using a representative sample of hypothetical or real trades, All Systems Go does complete statistical analysis and simulation to generate informative reports about the types of trades that have been provided.

The product has 3 main areas of functionality:

- Market Type Analysis
- Trade Simulation
- Position Sizing Analysis

Using a simple Red, Amber, Green Code indication for each analysis section, users are able to immediately see where the problem areas are in their trading and focus their effort on fixing them.

The All Systems Go Score as part of the simulation also gives an overall rating for the trading method and a means of comparison between different trading methods and systems.

Whether your position sizing is effective and gives you the best chance of meeting your annual return requirements whilst staying within your maximum drawdown tolerances is also analyzed.

2 System Requirements

ASG is an online product running on a secure web server. All that is required to run the entire product is a functioning internet connection and a web browser. The login page for the product is at:

https://asgpro.pmkingtrading.com/ASGPro/Login.php

Pages that require extra security (like the validate login page, edit user details, credit card processing) use secure http (https) with a Secure Sockets Layer (SSL) certificate to encrypt and protect your personal information. Pages that are encrypted will have the "lock icon" displayed in your browser and also at the bottom of the page in ASG. The web address will also have https at the start rather than simply http.



Figure 1: Secure Page

Apart from an internet connection, no other requirements need to be met to run ASG. All data and setting will be stored on the ASG servers so the product will look and function the same regardless of where you access it from.

ASG has been tested to run correctly on all version of Internet Explorer (Windows and Mac Os), Firefox (Windows and Mac Os) and Safari (Mac Os). Since ASG uses standard HTML for the user-interface, so it should function correctly on any web browser.

3 Login

In order to access ASG Pro you need an account that includes a username and password. When you subscribed to the product you should have received an email with a temporary username and password, and instructions about how to access ASG.

The login page shown in the figure below is at:

https://asgpro.pmkingtrading.com/ASG/ASGPro/Login.php

\land S 🕝 professional	EXIT You have been logged out	
User Name: Password:		Please enter your user name Please enter your password
	Secure Login	
If you need help with yout account pleas	e contact PMKing Trading using the details provided when y	ou subscribed to All Systems Go Professional.
SECURED BY GeoTrust dick to verify 18-Jun-08 14:10 GMT		
© PMKing Trading 2008. By using All Sy	stems Go Professional you are agreeing to the usage, legal, an	d privacy policy which can be found here. Beta Version 1.0 $6\prime17/2008.$ Release notes are here.
	Figure 2: Log	in Page

Please enter your username and password which are both case sensitive. If you enter an incorrect password more than 3 times your account will be suspended and you will have to contact ASG Pro support to have it re-enabled. See Section 12 of this user guide ASG Professional support contact details.



If there is an error, the error page like the one above will be displayed.

4 Home Page

When you successfully log in to ASG Pro you will see the home page. This is split into 5 main sections:

- Banner
- Message Line
- Menu
- Short Term Market Summary
- Active Trade Groups List

Each section will now be explained.

A S 6 professional	All Systems Go Professional			
Test User (testuser)	** This product is in beta testing. Please contact asppro@pmkingtrading com to report bugs or request features. Beta Version 1.0 06/17/2008 **			
Log Out Log Out Edit User Details Set Defaults Simulation Simulation Manage Trade Groups	<text><text><figure></figure></text></text>	Active Trade Groups Group Id Type Name Modified Start End Trades You have no trade groups defined New: Update Archive Simulate Size		

Figure 4: Home Page

A S C professional					
H 💼	ome Messa	ige 🕜 Guide			
Menu EXIT S C C C C C C C C C C C C C C C C C C	Market Analysis	Active Trade Groups			
Usage a	greement	Release Notes			

Figure 5: Home Page Scheme

4.1 Banner

ASG professional

All Systems Go Professional

PMKANG

Figure 6: Banner

The banner is the heading of the page. Clicking on the ASG professional logo at the right will take you back to the home page. Clicking on the PMKing Trading Logo on the right will take you to PMKing Trading's web site at <u>www.pmkingtrading.com</u> in a new browser window.

4.2 Message Line



Figure 7: Message Line

The message line appears immediately under the banner. On the left is the home page icon:

Licking this refreshes the home page. To the right of this comes the name and user name you logged in with. In the middle is a system message set by the administrators of ASG Pro giving you useful product information. On the right is a link to the latest version of this user guide.

4.3 Menu



Figure 8: Menu

The menu has all the main functions you can access. Each will be described.

EXIT Log Out

When you have finished using ASG it is a good idea to use the log out link to terminate your session. This prevents anyone else running the product using your session on your computer. Sessions will expire automatically in a few hours if you do not log out.

Confirmation that you have been logged out will be shown by the exit page below.

A S 6 professional	EXIT You have been logged out	
User Name:		Please enter your user name
Password:		Please enter your password
	Secure Login	
If you need help with yout account ple	ease contact PMKing Trading using the details provided whe	n you subscribed to All Systems Go Professional.
SECURED SV GEOTFUST elick to verify 18-Jun-08 15:38 GMT		
© PMKing Trading 2008. By using All	Systems Go Professional you are agreeing to the usage, legal	, and privacy policy which can be found here. Beta Version 1.0 6/17/2008. Release notes are here

Figure 9: Exit Page



Use "Edit User Details" to change the information stored for your account. When you first log into ASG you should go here and change the password, your username (if desired) and select a security question and answer. The password will be encrypted so that nobody can discover it (eve ASG support). The security question and answer may be used to verify your identity if you contact support and they need to change or view your account details.

Passwords must not be the same as the username, or email address, and must be 6 characters or longer. Usernames must only contain the letter A-Z, a-z, and 0-9.

A S G professional		₩@● Edit Your User Details	
User Name:	testuser	(Alphabetic and numeric characters only A-Z, a-z, 0-9)	
Your Name:	TestUser		
Email Address:	test@test.com		
Security Question:	Please choose a security question	(e.g. Father's middle name)	
Security Answer:	Please choose a security answer		
Current Password:	*****	Please enter your current password if you want to update any details	
New Password:			
Confirm New Password:			
Save	Go back		

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Figure 10: Edit Your User Details Page

The User details you are allowed to change are:

User Name

You can change your user name as long as the new name is not already the username of an existing user.

Your Name

This is your real name

Email Address

This is the email address that and ASG communications will be sent to. Please make sure it is valid.

Security Question & Security Answer

The security question and answer will be used to verify your identity if you contact ASG support. Please update them as the first time you log into the system.

Current Password

If you change any of the details you must re-enter your current password to confirm the changes.

New Password and Confirm New Password

If you wish to change your password you need to enter your current password and the new one. Passwords must be at least 6 characters and should contain letters and numbers. The password cannot be the same as your username or email address. Passwords in ASG are encrypted when they are stored so even support personnel cannot see them. If you forget your password please contact support who can reset it for you after verifying your identity using the security question and answer.



ASG Professional uses defaults set by you to determine how market analysis, simulations, and position sizing are conducted. The defaults are used as initial values for any simulation, position sizing or market analysis, although you can change them easily for any individual report

S G professional	Set System Defaults	
Risk and Return Defaults		
Risk Per Trade (%):	1	(maximum 100%)
Maximum Drawdown (%):	30	(maximum 100%)
Expected Annual Return (%):	25	(minimum 1%)
Simulation Defaults		
Iterations:	100	(100 to 1000)
Trades Per Iteration:	100	(100 to 1000)
Market Type Defaults		
Default Market:	FTSE All Share -	
Moving Average Lengths (days):	100	(10 to 250)
Deviations:	2	(1.0 to 5.0)
Position Sizing Defaults		
Notional Account Value:	1000000	(10,000 to 100,000,000)
Display Defaults		
Date Format:	emm-dd-yyyy ◎ dd-mm-yyyy	(month or day first in dates)
Text Size:	Medium 👻	
Save	Go back	

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Figure 11: Set System Defaults Page

Risk per Trade

This is the default or average risk taken on each trade as a percentage of current account equity or notional value. It represents what percentage of your account you are willing to risk on each trade as determined by where your initial stop is. Normal values for risk per trade would range from 1% (conservative) to 3% (aggressive). The maximum value for this parameter is 100% risk per trade.

Maximum Drawdown

This value is the maximum percentage loss you are willing to accept from an equity high to an equity low. Normal values for this parameter range from 25% to 50%. Bear in mind that if you suffer a 50% loss, you have to make a 100% return just to get back to even. Most trades cannot tolerate losses greater than 25% of their account value.

Expected Annual Return

This is the expected percentage return on your notional value for a year. Normal values would fall in the range of 10% (conservative) to 30% (aggressive). Bear in mind that most trading has reward in proportion to risk so this parameter should be of the same order of magnitude as your maximum drawdown parameter.

Trades Per Iteration

This is the number of trades that will be put into each simulation group. These are randomly chosen from the trades provided in a particular trade group so it is permitted for this number to be greater than the number of trades in the trade group. To ensure that results are statistically significant there must be at least 100 trades in a simulation group.

Iterations

This is the number of iterations or runs that will be performed for a trade group. The minimum number of 100 iterations and the maximum 1000. Obviously the higher this number is, the longer each simulation will take to complete.

Default Market

You can select a default market from the available markets which will be used for the market type analysis for a particular trade group. The currently supported markets are:

- S and P 500
- FTSE All Share
- USD/GBP FX Rate
- Cattle
- Cocoa
- Coffee
- Corn
- Cotton
- Crude Oil
- Heating Oil
- Hogs
- Natural Gas
- Oats
- Rice
- Silver
- Soybeans
- Sugar
- •

Depending on the type of trades included in the trade group (Equities, Futures, Currencies) a market type should be chosen that is suitable for those instruments. For example if you are simulating a trade group with predominantly US equities, the S and P 500 would be a suitable market to choose.

Moving Average Lengths

In order to determine the market type on a particular market day, ASG calculates a moving average of the close, and an average true range. See Section 5 for more detailed information about market types. This parameter is the number of days used in the moving average calculations. For a more short-term, sensitive, market type definition choose a smaller number (e.g. 10 days). For a longer-term, less sensitive market type definition choose a bigger number (e.g. 100 days). The number you choose should be consistent with the normal average trade duration for your trading.

Deviations

The other component of the market type calculation is what defined "abnormal" trend and volatility. This is determined in ASG by a number of standard deviations from average. The value you use for this parameter determines how sensitive the market type calculation is to changes in trend and volatility.

For example, if you choose 1.5 standard deviations as the threshold for abnormal (i.e. low and high volatility, or down and up trend), market type will change more frequently than if you chose a setting of 3 standard deviations.

Notional Account Value

This is the starting account value that should be used in position sizing calculations.

Date Format

ASG uses dates in many of the reports. This setting determines whether the date format for the whole product is month or day first. This allows international users to enter and view dates in their local format. All input dates (or dates loading in detailed trade groups must be in the format set in the defaults, and include leading zeros for month and day, and 4 digits for the year). This is to ensure bad dates are not loaded by accident.

Text Size

In order to accommodate different sized screens and resolutions, you can set the size of the main text font used throughout ASG. The default is "Medium" and this size works well for most users.

Market Analysis..

A Market Analysis can be performed on any of the markets supported by ASG pro. Currently the following markets are supported:

- S and P 500
- FTSE All Share
- USD/GBP Exchange Rate
- Cattle
- Cocoa
- Coffee
- Corn
- Cotton
- Crude Oil
- Heating Oil
- Hogs
- Natural Gas
- Oats
- Rice
- Silver
- Soybeans
- Sugar
- Wheat

For more information on market analysis see Section 5.

A S 6 professional	Perform Market Analysis	
Market:	S and P 500	
Moving Average Lengths (days):	125	(10 to 250)
Deviations:	1.75	(1.0 to 5.0)
Analyze	Go back	

Figure 12: Perform Market Analysis Page

The list of markets will be shown in the "pull down" menu with your default market selected. The lengths and deviations parameters will be automatically filled in based on your current defaults.

Gold Ratio Analysis..

A Gold Ratio Analysis can be performed on any of the commodity markets supported by ASG pro. Currently the following commodity markets are supported:

- Cattle
- Cocoa
- Coffee
- Corn
- Cotton
- Crude Oil
- Heating Oil
- Hogs
- Natural Gas
- Oats
- Rice
- Silver
- Soybeans
- Sugar
- Wheat



Market:

Analyze

All Commodities 💌

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For more information on Gold Ratio Analysis see Section 6.

Go back



A comprehensive simulation of a trade group can be performed using the simulation function. All the values are automatically filled in based on your default settings. For more information about simulations see Section 8.

A S 6 professional	Simulate Trade Group	
Trade Group:	Emblumoven US Equity(61)	
Simulation Report Name:		(Optional)
Risk and Return Defaults		
Risk Per Trade (%):	0.8	(maximum 100%)
Maximum Drawdown (%):	25	(maximum 100%)
Expected Annual Return (%):	30	(minimum 1%)
Simulation Defaults		
Iterations:	300	(100 to 1000)
Trades Per Iteration:	100	(100 to 1000)
Market Type Defaults		
Default Market:	S and P 500 🔹	
Moving Average Lengths (days):	125	(10 to 250)
Deviations:	1.75	(1.0 to 5.0)

Simulate

Go back

Figure 13: Simulate Trade Group Page



A detailed trade group may have a position sizing analysis run on it. Again the inputs are automatically filled in from your defaults but may be over-ridded on a per-report basis. See section 9 for more on trade group position sizing.

A S G professional	Position Size Trade Group	
Detailed Trade Group:	Emblumoven US Equity(61)	(Detailed trade groups only)
Sizing Report Name:		(Optional)
Risk and Return Defaults		
Risk Per Trade (%):	0.8	(maximum 100%)
Maximum Drawdown (%):	25	(maximum 100%)
Expected Annual Return (%):	30	(minimum 1%)
Position Sizing Defaults		
Initial Notional Account Value:	1056276	(10,000 to 100,000,000)
Iterations:	300	(100 to 1000)
Trades Per Iteration:	100	(100 to 1000)

Size

Go back

Figure 14: Position Size Trade Group Page



Trade groups, which are lists of trades that you can apply various functions to, can be managed from the Manage Trade Groups function. For more information about trade group management please refer to Section 5. When you first log into ASG there will be no trade groups defined and you will not be able to access the simulation or position-sizing functionality until you load at least one trade group.

A S 6 professional	A S 6 professional Manage Trade Groups						
Status	Group Id	Туре	Name	Modified	Start	End	Trades
			You have no tra	ade groups defined			
	Nev	w Update	Archive	archive Delete	Simulate Size	9	Go back

Figure 15: Manage Trade Group Page

To create a trade group, select 'New' from the trade group list page or the active trade group list on the home page. The Create a New Trade Group page will be displayed (below).

A S G professional	Create a New T	rade Group	
Trade Group Id: Trade Group Name: Trade Group Tune:	1 Test Detailed Trade Group	(not editable) (mandatory)	
Simple Trade Group Details Start Date: End Date: Trade Units: Simple Trades File:	Simple Detailed	(nm-dd-yyyy) (nm-dd-yyyy) (R is best)	
Detailed Trade Group Details Detailed Trades File: New	C:\Users\Administrator\E Browse]	🕢 Download example trade group file	

Figure 16: Create a New Trade Group Page

For more details on managing trade group please see Section 5.

4.4 Default Market Type Summary

To the right of the menu on the home page is a summary market type analysis for your chosen default market. For more details about market type analysis please see Section 5.

Market Types Settings

Moving average and Average True Range length is currently 125 days. Standard deviations used to determine non-normal trend and volatility is currently 1.75. The default market is S and P 500.



Figure 17: Market Type Settings

Figure 18: Market Type Summary

4.5 Active Trade Groups

The last section of the home page is the active trade groups list. This is where you can directly access the main function for an active trade group by selecting one and then choosing a function:

- New
- Update
- Archive
- Simulate
- Size

These functions are all covered in later sections of this user guide.

	Active Trade Groups									
	Group Id	Туре	Name	Modified	Start	End	Trades			
\odot	1	Detailed	Test Detailed Trade Group	06-18-2008	05-01-2008	06-11-2008	4			
			New Update Arc	hive Simul	ate Size					

Figure 19: Active Trade Groups

5 Performing a Market Type Analysis

One of the two functions that you can perform in ASG that does not require a trade group to be defined is performing a market analysis. When you select the market analysis function from the main menu on the home page you are taken to the Perform Market analysis page (below).



The settings for this page are automatically filled in from your defaults, but you can over-ride them here. The market type is determined for each day of historical data that exists in the ASG database for the chosen market. A market type calculation requires 2 times the length of the moving average of data in order to begin calculating the market type. Therefore, of you select a moving average length of 250 (the maximum), 500 days worth (out of normally 2500 days per market) will be required to calculate the moving averages, therefore the market type will only be available for the remaining 2000 days.

Market type is split into 2 parameters

- Trend
- Volatility

Trend may be up, down, or sideways, and volatility many be normal, low, or high. This gives us the 9 different combinations of market type shown in the market type key below.

The calculation for the market type is as follows:

Trend

Calculate a simple moving average of the close over the number of days specified in the Moving Average Length parameter.

Calculate the standard deviation of the close over the same period.

If the current closing price is within the number of deviations of the moving average as specified in the deviations parameter then the market is in a sideways trend

If the current closing price is more than the number of deviations higher than the moving average as specified in the deviations parameter then the market is in an uptrend.

If the current closing price is more than the number of deviations lower than the moving average as specified in the deviations parameter then the market is in a downtrend.

Volatility

Calculate average true range over the number of days specified in the Moving Average Length parameter.

Calculate the standard deviation of the true range over the same period.

If the average true range over a period of days equal to 20% of the moving average length parameter is within the number of deviations of the average true range as specified in the deviations parameter then the market is in a normal volatility period.

If the average true range is more than the number of deviations higher than the average true range as specified in the deviations parameter then the market is in a high volatility period.

If the average true range is more than the number of deviations lower than the average true range as specified in the deviations parameter then the market is in a low volatility period.

As you can see from these calculations it is simple to increase the sensitivity of the market type calculation by increasing the moving average lengths and the number of deviations required for "abnormal" trend and volatility.



Market Type Key

Figure 21: Market Type Key

When you have set the parameters for the market analysis, press the analyze button and the market type analysis will be run using the latest market data.

The report produced is split into 3 sections.

Heading

The heading (shown below) shows the parameters you chose for the default settings.

\land S 🕝 professional	Market Analysis Report	
Market Analysis Settings		
Market Name: S and P 500	Moving Average Lengths: 125	Standard Deviations: 1.75

Figure 22: Market Analysis Heading

Market Analysis Charts

Next come the market analysis charts. The charts on the left are long-term and use the maximum amount of data available. The charts on the right are more short-term and use enough data to calculate the market type for the most recent period.





The charts show what the market type was on each historical market day. The date is on the horizontal axis (in years for the long-term chart and months for the short-term one). The vertical axis is the market type (1-9). A blue do on the chart represents the market type for that market day. This allows you to easily see which market types have been experienced for the market both long-term and recently.





Figure 24: Market Type Distributions

Below the market charts comes the market type distributions. These show what percentage of the time the market has spent in each of the market types. Depending on how you set your market type parameters will determine how sensitive these charts are to changes in volatility and trend. In the example shown, the S and P ahs spend most of its time in types 4,5, and 6 which are the "normal" volatility types.

Market Analysis

Next is the actual analysis information for the chosen market. Detailed information is given about the types of market, what the current market type is, and what similar market types in the past have been like. This information can be used to determine whether the current market type is new, or mature, and therefore likely to change soon.

Market Analysis 灬 →

Current Market type is Type 5 which is a normal volatility sideways trending market. This means that the 5 day Average True Range is within 1.75 standard deviations of the Average True Range over the last 125 market days. It also means that the latest closing price is within 1.75 standard deviations of the simple moving average of the close over the last 125 market days.

The current market type started on 04-15-2008 and has lasted for 40 market days so far.

The longest occurrence of this market type in the sample lasted for 100 market days from 10-14-2002 to 03-10-2003.

The average length of this market type in the sample is 9.3 market days.

The number of occurrences of this market type in the sample is 113 for a total of 1050 market days out of 2500 days in the sample.

Current Market Type Data

Last Date: 06-11-2008 SMA(125): 1378.1598 ATR(125): 22.97 SMA(125) deviation: 38.964 ATR(125) deviation: 11.4664 Close 06-11-2008: 1335.49

Figure 25: Market Type Summary

The last section of the report shows actual calculated values for he current market type.

6 Performing a Gold Ratio Analysis

One of the two functions in ASG that do not require any trade groups to be defined is performing a Gold Ratio Analysis[™]. When you gold ratio analysis function from the main menu on the home page you are taken to the Perform Gold Ratio analysis page (below).



You can select a summary report for all commodity markets, or a detailed report for a single commodity market by selecting it in the pull-down. Gold ratio analysis does not require any user-based settings. The commodity markets currently supported include:

- Cattle
- Cocoa
- Coffee
- Corn
- Cotton
- Crude Oil
- Heating Oil
- Hogs
- Natural Gas
- Oats
- Rice
- Silver
- Soybeans
- Sugar
- Wheat

The summary report shows 2 charts for each commodity (and a details table if a single commodity is chosen):

- Gold Ratio Analysis (see Figure 27: Gold/Wheat Ratio Analysis Chart page 28)
- ATR Step Chart (see Figure 28: Gold/Wheat ATR Step Chart on page 29)
- Gold Ratio Data Table (see Figure 29: Gold/Wheat Data Table on page 30)



Figure 27: Gold/Wheat Ratio Analysis Chart

Gold Ratio Analysis Chart

For physical (i.e. not financial or currency) commodities, there is an underlying fundamental relationship between their value and the value of gold. If one constructs a chart that is the price of gold (in USD) divided by the price of a commodity (again in USD) one eliminates the currency effects from the chart and sees only the ratio of the value of gold to the value of the commodity.

When this ratio become far above (underpriced) or far below (overpriced) the average of the ratio for the specified time period, it can indicate an impending change of trend in the commodity and can be used for timing trade entries (or avoiding adding to trades that are unlikely to yield any further profit).

For more detailed information on using the gold ratio analysis for trading commodity futures please contact PMKing Trading.



Figure 28: Gold/Wheat ATR Step Chart

ATR Step Chart

An ATR Step Chart[™] is simply a chart where the "noise" inherent in the closing price has been filtered out to reveal only moves of a particular number of ATR(30) i.e. the real signal. This can help identify true changes of trend from false breakouts when used in conjunction with the gold ratio analysis chart.

For more detailed information on using the ATR step chart for trading commodity futures please contact PMKing Trading.

Market:	Wheat
Date:	02-25-2009
Wheat Close:	524.75
Gold Close:	965.70
Multiplier:	10
Gold Ratio:	18.40
Average Ratio:	13.16
+STDEV:	2.00
-STDEV:	2.00
Fair Value:	734.01
To FV Price:	209.26
To FV Price (%):	39.88%
Undervalued Price:	523.23
To Undervalued(%):	-0.29%
Overvalued Price:	1229.18
To Overvalued(%):	134.24%
ATR Step:	5
ATR Step Price:	510.75
To ATR Step Price:	-14.00
To ATR Step Price (%):	-2.67%
Status:	Normal Range

Figure 29: Gold/Wheat Data Table

Data Table

If a single commodity is selected then an additional data table is generated. This shows the actual underlying data values used in the gold ratio chart and the ATR step chart. The "Fair Value" represents what the price of the commodity would be if the gold ratio was equal to the average value over the period of the chart.

For more detailed information on using the gold ratio analysis data for trading commodity futures please contact PMKing Trading.

7 Managing Trade Groups

Trade groups are the collections of trades that represent a trading system, fund, or simulated trading results you are interested in analyzing. There are 2 kinds of trade groups in ASG.

- Simple
- Detailed

Simple trade groups are just a list of trade values that can be provided in raw profit and loss, percent return, or R values (profit or loss divided by initial risk as a positive number). R values give the best results for the trade group simulation and should always be provided if you have them. This depends on having an initial stop for each trade that you can use to calculate the initial risk and therefore the R value.

Simple trade groups cannot be used for position sizing analysis since that depends on knowing more actual trade details. Also, simple trade groups do not have a detailed market type analysis in the simulation report since the exact entry and exit dates are not known.

Trade groups can be managed from the active trade group list (on the Home Page) or from the "Manage Trade Group" menu item on the Home Page.



Clicking the manage trade groups menu item will take you to a list of all trade groups. Unlike, the Home Page list, this list contains all trade groups not just active ones. If you have a trade group that you currently don't want to work with you can "archive" it. This removes it from the Active Trade Groups List on the Home Page but does not delete it. If you want to remove a trade group completely then you must archive it, and then delete it. If you delete a trade group, all the trade group details are deleted and you would have to reload it in order to run any simulations or position sizing functions on it.

Professional			Manage T	rade Groups			
Status	Group Id	Туре	Name	Modified	Start	End	Trades
Active	1	Detailed	Test Detailed Trade Group	06-18-2008	05-01-2008	06-11-2008	4
		New	Update Archive Unarchiv	ve Delete	Simulate Si	ze	Go back

Figure 30: Trade Group List

Clicking the "New" button takes you to the Create a New Trade Group Page (below).

A S 6 professional	Create a New	Trade Group	
Trade Group Id:	62	(not editable)	
Trade Group Name:		(mandatory)	
Trade Group Type:	Simple O Detailed		
Simple Trade Group Details			
Start Date:		(mm-dd-yyyy)	
End Date:		(mm-dd-yyyy)	
Trade Units:	R O Percent Return O Raw Profit or Loss	(R is best)	
Simple Trades File:	Browse		
Detailed Trade Group Details			
Detailed Trades File:	Browse		
New	Go back	🜒 Download example trade group file	

Figure 31: Create a New Trade Group Page

Trade Group Id

An identifier for the new trade group is generated and cannot be edited. This simply identifies this trade group within the ASG system and can be used if you need to contact technical support for the product with a bug or issue with a particular trade group you are having problems with.

Trade Group Name

Whenever you create a new trade group you must give it a name so that you can easily identify what this group of trade is. For example you could name it "US Equity Trades 2008". This name will be displayed on all reports for the trade group.

Trade Group Type

A type must be selected – either "Simple" or "Detailed". If you are creating a simple trade group then you must also specify the start and end date of the trade sample, and what units the trades are in (R, Percent Return, or Raw Profit or Loss). Trades that are not in R will be converted to R by using the average size of a losing trade as an estimate of initial risk. For this reason, a simple trade group with units that are not R must contain at least 1 losing trade. This shouldn't be a problem for most traders since generating losing trades is much easier than winning ones O.

The dates must be in the format mm-dd-yyyy or dd-mm-yyyy as specified in your defaults. The relevant format will be displayed for you in case you can't remember what you chose.

The start date should be the earliest entry date in the trade sample. The end date should be the last exit date in the trade sample.

Simple Trades File

A simple trades file must be specified. For a simple trades group this will be a text file containing all the trade values, one per line. No other details should be included in the file. Lines that start with // will be treated as comments and skipped. ASG will stop reading further trades if a blank line is encountered. If there is a problem with any of the trades an error message will be displayed indicating which trade value is no good.

Detailed Trades File

If you are creating a detailed trade group then the start date, end date units and simple trades file should not be provided. All the details for the detailed trade group are contained in the detailed trade group file. The format of the detailed trade file is comma separated values. One trade per line. The parameters that must be provided for every trade in the correct order are:

Entry Date	Trade entry date in the format specified in your defaults
	(i.e. mm-dd-yyyy, or dd-mm-yyyy)
Instrument Type	Equity, Future, Option, or Currency
Entry Price	Entry price for the trade as a positive floating point number
Point Value	The value of a 1 point move in the price. A positive floating point number. This will be 1 for Equity and Option, should be the value of a 1 point move in base currency for Currency, and the big point value for a Futures contracts.
Initial Stop Price	The place the initial stop is set. This will be above the Entry Price for shorts and below it for longs. A positive floating point number.
Position Size	The number of shares or contracts bought or sold. This should be positive integer for a long trade and a negative integer for a short trade. For options contracts this should be the size of the underlying (usually 100 per contract) rather than the number of contracts. For currency trades this should be the size in base currency. An integer value.
Exit Date	The trade exit date in the format specified in your defaults.
Exit Price	The trade exit price. A positive floating point number.
Fees and Commission	The total fees and commissions for both sides of the trade as a
	negative number. If you have received dividends or interest
	payments these can be included in this amount as a positive number.
	A negative floating point number.
Net Profit	I he net profit on the trade minus fees and commissions.

If you click on the example file downloads (below) a complete sample detailed trades group file or a sample Excel¹ export file will be downloaded in a new browser window (or to your computer if you right click and select "Save Link as".

Download example trade group file
 Download example Excel export file

The excel file contains an example sheet and a macro that automatically exports the trades from the sheet in the format required by All Systems Go Professional.

¹ Excel is a registered trademark of Microsoft Corporation

7.1 Example Trades

There are 4 instrument types supported by ASG Pro. These are:

- Equity
- Future
- Option
- Currency

Examples of what the detailed trade group input file would look like for each kind of trade will now be shown

Equity

You bought 100 XYZ Corporation trading at \$99.50 on 1st June 2008. Your initial stop was at \$80.25. You exited on 30th June 2008 and the price was \$120.05. You paid \$2 commission total for the entry and exit trades. The detailed trade group input file line for this trade would be (assuming you are using mm-dd-yyyy default date format):

Entry Date	Instrument Type	Entry Price	Point Value	Initial Stop Price	Position Size	Exit Date	Exit Price	Fees	Net Profit
06-01-2008	Equity	99.50	1	80.25	100	06-30-2008	120.05	-2.0	2053.0

Future

You sold short 10 Corn July 2008 Futures contracts at 600.50 cents per bushel on 1st June 2008. Your initial stop was at 621.21 cents per bushel. You exited on 30th June 2008 and the price was 580.25. You paid \$61.00 commission total for the entry and exit trades. The detailed trade group input file line for this trade would be (assuming you are using mm-dd-yyyy default date format):

Entry Date	Instrument Type	Entry Price	Point Value	Initial Stop Price	Position Size	Exit Date	Exit Price	Fees	Net Profit
06-01-2008	Future	600.50	50	621.21	-10	06-30-2008	580.25	-6.10	10064.0 0

Option

You bought 10 XYZ Corporation June 2008 80 Call option contracts at \$0.25 on 1st June 2008. Your initial stop was at \$0.05. The options expired worthless on 30th June 2008. You paid \$20 commission total for the entry and exit trades. The detailed trade group input file line for this trade would be (assuming you are using mm-dd-yyyy default date format):

Entry Date	Instrument Type	Entry Price	Point Value	Initial Stop Price	Position Size	Exit Date	Exit Price	Fees	Net Profit
06-01-2008	Option	0.25	1	0.05	1000	06-30-2008	0	-20	-270.00

Currency

You went long 10000 Swiss Francs (CHF) versus the US Dollar (USD) at 1.013 CHF/USD on 1st June 2008. Your initial stop was at 0.803. Your trading program base currency is British Pounds (GBP). The GBP/USD rate on exit date was 1.9709. You exited on 30th June 2008 and the CHF/USD rate was 0.945. You earned net 100 CHF positive cost of carry while you were in the position. The GBP/CHF rate on exit was 2.049. The detailed trade group input file line for this trade would be (assuming you are using mm-dd-yyyy default date format):

Entry Date	Instrument Type	Entry Price	Point Value	Initial Stop Price	Position Size	Exit Date	Exit Price	Fees	Net Profit
06-01-2008	Currency	1.013	2.049 ²	0.803	4880 ³	06-30-2008	0.945	50.10 ⁴	-281.77

A sample file is shown below. If you have any questions about how to construct your detailed trade group input file please contact PMKing Trading using the support details listed in Section 12 at the end of this user guide.

```
// All Systems Go Sample Detailed Trade Group File
11
// Copyright PMKing Trading 2008. All rights reserved.
11
// Detailed trade group file specification
11
// Lines with // at the start are comment lines
11
// The detailed trade group file should be a comma delimited (csv) file
// Each trade is on one line and must contain the following mandatory fields:
// Entry Date, Instrument Type, Entry Price, Point Value, Initial Stop Price, Position Size, Exit Da
11
// Entry Date and Exit Date should be in the format set in your defaults i.e. mm-dd-yyyy or dd-mm-yy
// Instrument type can be Equity, Future, Currency, or Option
// Size should be negative for short positions and positive for long positions and represents the nu
// Point value is the base-currency value of a single point move in the price
// Total Fees and commissions is entry and exit commission and other position fees. This should be
// Net profit or Loss is for verification puposes and should equal (Exit Price - Entry Price) * Poir
// Initial stop price represents the initial risk being taken in the position must be above entry pr
// Point value is the value of a 1 point move in price. For Equities this will be 1, for futures th
// FX trades should be converted to base currency with cost of carry included in fees or net profit
// Futures trades should include all rollover commissions in fees
// Margined trades should include margin fees in the Total Fees and Commissions
// Dividends should be included in Total Fees and Commissions (added if long, deducted if short)
// Instrument type can be Equity, Future, Currency, Option, or Bond
// Trades should be in entry date order in order for the position sizing reports to function effecti
11
// Entry Date, Instrument Type, Entry Price, Point Value, Initial Stop Price, Position Size, Exit Da
11
06/03/2008,Equity,100.02,1.0,90.45,200,06/04/2008,120.03,34.5,4036.5
05/02/2008, Future, 104.02, 1.5, 105.45, -200, 06/11/2008, 100.03, 34.5, 1231.50
05/01/2008, Currency, 199.02, 1.9, 90.45, 1200, 05/03/2008, 120.03, 34.5, -180062.7
06/03/2008,Option,100.02,1.0,90.45,200,06/04/2008,120.03,34.5,4036.5
```

Figure 32: Sample Detailed Trade Group File

When you press the "New" button, wither you'll be returned to the trade group list and your new trade group will be there (if there were no errors), or you will get an error page (for simple trade groups), or an error report (for detailed trade groups).

² The exchange rate of your program base currency and the trade quote currency on exit date

³ The size of the trade in program base currency using the rate on exit date

⁴ The net cost of carry converted to program base currency using the rate on exit date



ERROR REPORT





Go back

Figure 33: Trade Group Error

The detailed trade group error report will contain 2 types of output.

If a trade was validated successfully you will see:



If a trade had errors you will see:



A typical detailed trade group error report looks like the example below:

A S 6 professional		error repor	т	
	Trade	Input Line	Errors	
	1	06/01/2008,Equity,100.02,1.3,90.45,200,06/11/2008,120.03,34.5,2500.08	No errors	
	2	06/01/2008,Equity,100.02,1.3,90.45,200,06/11/2008,120.03,34.5	Bad profit or loss	
	3	06/01/2008,Equity,100.02,1.3,90.45,200,06/11/2008,120.03	 Bad fees and commissions Bad profit or loss 	
	4	06/01/2008,Equity,100.02,1.3,90.45,200,06/11/2008	 Bad exit price Bad fees and commissions Bad profit or loss 	
	5	06/01/2008,Equity,100.02,1.3,90.45,200	 Bad exit date Bait date is before entry date Bad exit price Bad fees and commissions Bad profit or loss 	
	6	06/01/2008,Equity,100.02,1.3,90.45,200	 Bad exit date Exit date is before entry date Bad exit price Bad fees and commissions Bad profit or loss 	

Figure 34: Trade Group Error Report

Once you have a trade group defined it will show up on the trade group list, and the active trade group list on the home page. You can select it and update it if you want to change any of the details. The update page looks like the one below.

\land (S) (G) professional	Edit a Trade Group	
Trade Group Id:	61	(not editable)
Trade Group Name:	Sample Trade Group	(mandatory)
Trade Group Type:	Simple Detailed	
Trades in Group:	77	(not editable)
Trade Group Details		
Start Date:	08-03-2007	(mm-dd-yyyy)
End Date:	06-10-2008	(mm-dd-yyyy)
Trade Units:	R Percent Return Raw Profit or Loss	(R is best)
Simple Trades File:	Browse	(leave blank to keep existing trades below)
Detailed Trade Group Details		
Detailed Trades File:	Browse	(leave blank to keep existing trades below)
Update	Go back	

Trades File

File Name: EmblumovenUSEquities6-17-8csv.csv

// Entry Date, Instrument Type, Entry Price, Point Value, Initial Stop Price, Position Size, Exit Date, Exit Price, Total Fees and Commissions, Net Profit or Loss 08/03/2007,Equity,141.15,1,96.92,160,09/06/2007,143.03,-3.2,297.6 08/03/2007,Equity,39,1,52.78,-400,10/19/2007,41.92,-8,-1176 08/03/2007,Equity,16.75,1,12.19,1000,09/20/2007,17.32,-10,557 08/03/2007,Equity,13.25,1,16.17,-1840,10/19/2007,14.68,-18.4,-2649.6 08/03/2007,Equity,96.92,1,69,4,140,10/03/2007,97.81,-2.8,121.8 08/03/2007,Equity,96.92,1,69,4,140,10/03/2007,97.81,-2.8,1221

The page looks similar to the "New" trade group page except that the file that was used to create the trade group is displayed at the bottom. You can change the details for a trade group without uploading a new file and the trades will stay the same. If you upload a new trade group file the existing trades will be REPLACED by the new ones so make sure your trade file contains all the trades you want to be in the trade group every time you upload it.

If you don't want to work with a trade group for a while, and don't want it to be displayed on the Home page active trade groups list simply select it and press "Archive". This will change the status of the group from Active to Archived and you will not be able to run simulations or sizing reports on it. All the details will be retained so you can simply "Unarchive" it in the future and carry on working with it.

If you no longer want the trade group at all then select it and press "Delete". This function removes the trade group and all the trades and IS NOT REVERSIBLE. Please make sure you have a copy of the original file that was used to create the trade group if you delete it from ASG. Once it is deleted there is no way to get it back except by creating a new trade group with a new trade group file upload.

Since you can only delete archived trade groups there is no confirmation on the delete – it's already a 2-step process.

8 Performing a Simulation

Performing a simulation on a trade group is one of the main functions of ASG. Simple and detailed trade groups can both be simulated. However, a more detailed market type analysis can be done for detailed trade groups since ASG has all the trade details available. Detailed trade groups should always be created if you have the information available for this reason.

If you select the "Simulate" button after selecting a trad group from the Active Trade Group list on the Home page, or you select the menu item below, you are taken to the "Simulate Trade Group" page.

Simulation		
A S G professional	Simulate Trade Group	
Trade Group:	Emblumoven US Equity(61)	
Simulation Report Name:		(Optional)
Risk and Return Defaults		
Risk Per Trade (%):	0.8	(maximum 100%)
Maximum Drawdown (%):	25	(maximum 100%)
Expected Annual Return (%):	30	(minimum 1%)
Simulation Defaults		
Iterations:	300	(100 to 1000)
Trades Per Iteration:	100	(100 to 1000)
Market Type Defaults		
Default Market:	S and P 500 🔹	
Moving Average Lengths (days):	125	(10 to 250)
Deviations:	1.75	(1.0 to 5.0)
Simulate	Go back	

Figure 35: Perform Simulation Page

All the settings are taken from your defaults so you don't have to enter them again, but you can change them for this particular simulation.

The simulation report name is optional (and a default one will be created if you leave it blank) but it's a good idea to enter something here that will remind you of the purpose of the simulation for future reference.

Simulation is a processor-intensive function so you should be mindful of resources when you run one. If you have a large trade group and select 1000 trades per group and 1000 iterations and run the report all day long, the performance of ASG will suffer for everybody using the system, not just you. PMKing Trading reserves the right to cancel the account of any user deemed to be abusing the product and causing the performance to degrade unacceptably (with a full pro-rate refund of course).

The simulation report produced is split into 8 main sections:

- Heading
- Charts
- Summary Results
- Trades List
- Serial Dependency
- Market Type Analysis
- Trading Simulation Analysis
- Simulation Summary

Each one will be described in detail.

8.1 Simulation Heading

The heading shows details that describe the simulation. This is included so that when you print the report it will contain all the information that went to create the simulation.

С S C professional т				Trade Simulation and Analysis				
Report Date:	06-18-2008	Trade Group: Sample Trade Group (2)		Simulation Name: Test Simulation	1			
Simulation Defaults:								
Risk Per Trade:	1.00%	Maximum Drawdown:	50.00%	Expected Annual Return:	25.00%	Average Lengths:	100	
Iterations:	100	Trades per Iteration:	100	Standard Deviations:	2.00	Market:	S and P 500	
Simulation Parameters				Sample Statistics				
Start Date:	08-03-2007	Number of Trades:	77	Average Winner:	0.61R	Winner Percent:	53.25%	
End Date:	06-10-2008	Sample Duration (days):	312	Average Loser:	-0.29R	Loser Percent:	46.75%	
Trade Units:	R	Average Trade Duration (days):	78.70	Winner:Loser Size Ratio:	2.10	Expectation:	0.19	

Figure 36: Simulation Heading

8.2 Simulation Charts

There are 3 detailed charts created by the simulation. The first one is the actual equity curve for the trade in the trade group. The units for the curve are cumulative R value. There is also a trailing stop that is determined by your d4efault risk per trade and maximum drawdown. For example, if your default risk per trade (1R) was 1% and your maximum drawdown was set to 25% then the equity curve chart would have a 25R trailing stop. If the blue equity curve line crosses below the red trailing stop line, then the trades in the trade group have exceeded your maximum allowed drawdown.



The next chart is the simulated equity curve chart. This is very informative about the possible range of results that can be achieved by simulating the trades in the trade group in random order.

This chart generates the specified number of iterations with the specified number of trades (chosen randomly from the trade group) in each iteration, and draws the equity curves generated.

How many of the equity curves end up making money, and how widely the ending values of the curves are dispersed is very revealing about the quality of the trades in the trade group and can indicate whether there is a good chance for you to make money trading in this manner in the future.



Figure 38: Simulated Equity Curves

The last chart is the R value distribution chart. This shows what the frequency of each of the R value "buckets" was in the simulation. If there are many trades greater than 1R losers, or few trades more than 1R winners it is a sign of poor trading.



Figure 39: Simulation R Value Distribution

8.3 Simulation Summary

The simulation summary lists some key statistics about the simulation.

Simulation Results							
Iterations:	100	Highest Ending R:	35.84	Annual Expectation:	17.05R	Longest Losing Streak:	55 trades (-18.80R)
Total Simulated Trades:	10000	Lowest Ending R:	-0.21	Biggest Single Winner:	3.96	Longest Winning Streak:	63 trades (36.70R)
Percent Profitable Iterations:	99%	Ending R Range:	36.05	Biggest Single Loser:	-0.97	Breakeven Win:	33%

Figure 40: Simulation Summary

8.4 Trades List

Either the full trades list (for detailed trade groups) is listed, or the series of R values (for simple trade groups) in the trade list for your reference.

Sample Trade Values (R)

Туре	Entry Date	Entry Price	Initial Stop	Size	Exit Date	Exit Price	Fees	Net Profit
Equity	08-03-2007	141.15	96.92	160	09-06-2007	143.03	-3.20	297.60
Equity	08-03-2007	39.00	52.78	-400	10-19-2007	41.92	-8.00	-1176.00
Equity	08-03-2007	16.75	12.19	1000	09-20-2007	17.32	-10.00	557.00
Equity	08-03-2007	13.25	16.17	-1840	10-19-2007	14.68	-18.40	-2649.60
Equity	08-03-2007	96.92	69.40	140	10-03-2007	97.81	-2.80	121.80
Equity	08-03-2007	107.74	153.94	-110	03-17-2008	4.71	-2.20	11331.10
Equity	08-03-2007	63.54	48.86	300	09-17-2007	63.90	-6.00	102.00
Equity	08-03-2007	74.69	52.27	150	01-16-2008	86.94	-3.00	1834.50
Equity	08-03-2007	20.83	26.93	-1190	06-05-2008	19.22	-11.90	1904.00
Equity	08-03-2007	63.38	44.69	240	09-18-2007	66.35	-4.80	708.00

Figure 41: Trades List

8.5 Serial Dependency

Simulation by randomly selecting individual trades is only effective if there is no significant serial dependency (i.e. winners and losers are randomly distributed in your trade sample). The serial dependency test checks to see if there is any significant serial dependency between your trades.

Serial Dependency WLWLWWWWWWWWLLLWLWWWWW	VLLLLLWLLWWLWLWLWWWLLLWLWLWWLLWLWLWLWLW		
WW, Actual=0.25% (Expected=0.28%)	WL, Actual=0.27% (Expected=0.25%)	LW, Actual=0.19% (Expected=0.22%)	LL, Actual=0.27% (Expected=0.25%)

Figure 42: Serial Dependency Results

8.6 Market Analysis

The market analysis sections lists the different types of market that occurred during the trade group time span. For a simple trade group this is just the percentage of time each market type occurred, for a detailed trade group there is a comprehensive analysis of the types of market that occurred during entry and exit, and the total R value that the trades realized in each market types. The totals may not add up to 100% if some of the trades occurred outside the time spand of the data used to calculate market type – typically the last 2500 market days.

Market Name: S and P 50	0		Ending Market Type (as of 2008-06-10) was 🛌 📥								
Туре	Volatility	Trend	Percent		Entries	R	Exits	R			
Type 1: ~ 🎽	Low Volatility	Down Trend	0.90%		5 (6.49%)	-0.04R (-0.25%)	4 (5.19%)	-2.31R (-15.85%)			
Туре 2: 🔶 🔶	Low Volatility	Sideways Trend	1.40%		3 (3.90%)	0.47R (3.20%)	3 (3.90%)	0.37R (2.53%)			
Type 3: 🛹 🗡	Low Volatility	Up Trend	0.00%		0 (0.00%)	0.00R (0.00%)	0 (0.00%)	0.00R (0.00%)			
Туре 4: 👡 🔪	Normal Volatility	Down Trend	40.00%		43 (55.84%)	7.37R (50.61%)	24 (31.17%)	0.52R (3.60%)			
Туре 5: 🔷 🔶	Normal Volatility	Sideways Trend	47.70%		21 (27.27%)	7.54R (51.79%)	43 (55.84%)	16.83R (115.72%)			
Туре 6: 👡 🗡	Normal Volatility	Up Trend	9.50%		3 (3.90%)	-0.78R (-5.35%)	3 (3.90%)	-0.87R (-6.00%)			
Туре 7: 🙌 🔪	High Volatility	Down Trend	0.50%		0 (0.00%)	0.00R (0.00%)	0 (0.00%)	0.00R (0.00%)			
Туре 8: 🙌 🔶	High Volatility	Sideways Trend	0.00%		0 (0.00%)	0.00R (0.00%)	0 (0.00%)	0.00R (0.00%)			
Туре 9: 🙌 🗡	High Volatility	Up Trend	0.00%		0 (0.00%)	0.00R (0.00%)	0 (0.00%)	0.00R (0.00%)			
				Totals:	75 (97.00%)	14.56R (100.00%)	77 (100.00%)	14.55R (100.00%)			

Market Type Analysis Legend

Market Types

🝘 There were no occurrences of this market type during the trade sample. This means it is not known how your trading will perform during this type of market.

Be market was this type less than 10% of the time during the trade sample. This means the results you obtain may not be representative of how your trading will perform during this type of market.

The market was this type more than 10% of the time during the trade sample. This means the results you obtain should be representative of how your trading will perform during this type of market.

Figure 43: Simulation Market Type Analysis

8.7 Simulation Analysis

The simulation summary is a comprehensive evaluation of every aspect of the simulation and trade group that gives indications of the "quality" of the trading, or any areas of concern. It rates each aspect with a "Red", "Amber" or "Green" light to indicate problem areas.

Trading Simulation Analysis	
Sample Duration	The duration (312 days) of the sample trades is more than 1 year but still may not include trades from different market types your trading will experience.
	The market type analysis above will identify the different types of market (based on trend and volatility) that your trading has experienced. Make sure all market types are covered.
Average Trade Duration	The average duration (78.7 days) of the sample trades is more than 5 days and indicates low-frequency trading.
	This type of trading usually has larger winners, lower implementation costs, and is generally more likely to be profitable.
Sample Size	The simulation is based on only 77 sample trades. Ideally the simulation should be run with at least 100 sample trades to be representative of actual trading.
	Please wait until you have more sample trades, or generate more historical/hypothetical trades to work with.
Expectation	The expectation (average winner size times percent winners minus average loser size times percent losers) of 0.19 is positive.
	This means that, on average, you will a reasonable risk-adjusted return if future trades follow a similar pattern to the sample.
Winner: Loser Ratio	The average size of winners is greater than the average size of losers (winner size/loser size ratio is 2.1).

Figure 44: Simulation Analysis

Each item in the analysis section is given a code:



Each analysis section will now be described:

Trade Units

If the trade units provided are not already in R it means that ASG has to convert them to R using the average size of a loser as a proxy for initial risk. If this is the case then a warning (Code Amber) will be reported. Ideally every trade in your sample should have an initial stop so that you

can convert to exact R values rather than ASG having to estimate them. This results in a more representative and accurate report.

Sample Duration

The sample duration is the number of days from the provided Start Date to the End Date. The longer the span of time the sample trades is over, the more market types will be included. This means that you will have a record of how your trading will perform during many different market types. For a more detailed explanation of the different types of market please refer to the SmartTrader[™] mini-eBook "The Nine Different Market Types". Generally, trading simulation is much more effective if the trade sample includes at least 30 trades from each type of market.

Average Trade Duration

The average trade duration is the number of days between the start date and end date divided by the number of trades in the sample. This assumes even distribution of trades within the sample period and may not be representative of actual trading. Generally, higher frequency trading will have smaller winners, higher implementation costs, more trading-related errors, winners smaller than losers, and a higher winning percentage. The converse is generally true of lower frequency trading. For this reason, if trade duration is low (less than 5 days) ASG will report a Code Red, a Code Amber less than 25 days, otherwise a Code Green.

Sample Size

The more trade samples that are provided, the more accurate and representative the trade simulation will be. An absolute minimum would be 30 trades. 100 is good, and 200 and above would be ideal. If the trade sample contains less than 50 trades a Code Red will be reported, less than 100 trades Code Amber, otherwise Code Green.

Expectation

Expectation, mathematically is the average size of a winner multiplied by the probability of a winner, minus the average size of a loser multiplied by the probability of a loser. It can also be calculated by taking the average value of the R values for the trade sample. This number represents how much would be won (or lost) per unit risk. If it is negative, the trading method will lose money in the long-run (Code Red). If expectation is positive, but less than 0.1, a Code Amber will be reported, otherwise a Code Green is reported.

Winner:Loser Ratio

The ratio of the average size of winners to the average size of losers is a very important parameter in trading. Good trading generally has winners that are much bigger than losers on average, and means that a lower percentage of winning trades is required to breakeven. If this ratio is less than 1:1 a Code Red is reported, less than 1.5:1, is Code Amber, and otherwise a Code Green

Profitable Iterations

The number of simulated equity curves that end in positive R values is an indication of how likely you are to make money continuing to trade in the same way as the trade sample. If more than 75% of the iterations are positive a Code Green is reported, more than 50% a Code Amber, otherwise a Code Red.

Breakeven Win Percent

The percentage of winning trades that means you will neither make or lose money is a good indication of how robust your trading is during periods where your entry signal is performing no better than random. If your breakeven win percent is greater than 75% (i.e. you will lose money unless 75% of your trades are winners) a Code Red is reported, greater than 50%, a Code Amber, otherwise a Code Green.

Percentage of Winners

If a high percentage of trades are winners, this usually indicates an exit strategy that takes profit too early, and results in winners much smaller than losers (on average). Alternatively, it indicates a curve-fit system that has been optimized on past data and will be unlikely to continue to perform in the same way on future data. If the win percentage is greater than 75% a Code Red is reported, greater than 50% a Code Amber, otherwise a Code Green.

Average Winner

The size of the average winner is a good indication of how well the exit strategies are performing. If winners are consistently less than the initial risk taken, then the exit strategy is taking profit too early. If the average winning trades is bigger than 1R then it is a good sign. If the average winner is less than 0.5R then Code Red is reported, less than 1R Code Amber, otherwise Code Green.

Biggest Winner Size

If the biggest winner in the trade sample is not a large multiple of the initial risk, this indicates exit strategies that do not let profits run. If the biggest winner is less than 1R then Code Red is reported, less than 1.5R Code Amber, otherwise Code Green.

Average Loser Size

The size of the average loser is an indication of how consistently stops are being applied and how good exit strategies are at minimizing risk. If the average loser size is more than -1.5R then Code Red is reported, more than -1R is Code Amber, otherwise Code Green. Note that in cases where the average loser is used as a proxy for initial risk then this will represent 1R.

Biggest Loser Size

The size of the biggest loser is a good indication of how well exit strategies and stop-losses are being applied. It also indicates how significant trading errors are. If the biggest loser is more than -2R then Code Red is reported, more than -1.5R is Code Amber, otherwise Code Green.

Losing Streak

The size (in R) of the longest losing streak in the simulation is an indication of what kind of losses would have to be tolerated under normal circumstances. If this value is a loss of more than 50R then Code Red is reported, more than 25R is Code Amber, otherwise Code Green. This is in line with typical risk parameters of 1% risk per trade and a "ruin point" of 50% loss of capital.

Ending R Range

This is the difference in the ending values of the largest and smallest simulated equity curve. If there is a very wide range in the simulated equity curves it represents more volatile performance and therefore less predictable results. If the range is more than 100R then Code Red is reported, more than 50R is Code Amber, otherwise Code Green.

Annual Expectation

Annual expectation is the expectation of the trading system multiplied by the trade frequency converted to an annual number. It's an approximation for how many R per year this trading method should make on average. If this number is too high it represents taking too much risk to generate this kind of return. More than 100R per year is reported as Code Red, more than 50R per year is Amber, otherwise Code Green is reported.

Serial Dependency

Serial dependency is when each trade in the sample is not really an independent event. For example, if you have rules in your trading method that say "If last trade was a winner then.... do something different". This type of relationship between trades makes simulation by random sampling less effective and unrealistic compared to actual trading. If there is significant serial dependence in the trade sample provided then a Code Red is reported, a small amount is Code Amber, otherwise Code Green is reported. Remember to provide your trade sample in the order the trades were generated (rather than sorted in some way) otherwise the sample will exhibit significant serial dependency.

8.8 Simulation summary

The summary list the number of occurrences of each type of "light" and gives an All Systems Go Score for the overall simulation.

The summary section indicates which aspects of the trading sample are problematic or need addressing. It also indicates the ASG score which rates overall trade performance.

Generally an excellent ASG score is 10 and over – Code Green Positive but less than 10 is good – Code Amber Negative is poor – Code Red

The ASG score is calculated as follows:

Expectation * Annualized Number of Trades / Standard Deviation of Losing Trades

This score takes reward per unit risk, trade frequency, and variability of losers into account so it is a flexible scoring method that should be applicable to many kinds of trading system. Observing how the ASG Score for a particular trading method or system changes over time (or with market type) is a useful indicator.

Summary
(03 occurrences in this sample) Code Red - There is a problem with the trade sample that should be addressed before using the information contained in this report or continuing to trade in the manner represented by the provided sample.
(11 occurrences in this sample) Code Amber - There is a potential problem with the trade sample that should be addressed before using the information contained in this report or continuing to trade in the manner represented by the provided sample.
(11 occurrences in this sample) Code Amber - There is a potential problem with the trade sample that should be addressed for improved accuracy of this report, or better trading performance.
(11 occurrences in this sample) Code Green - This aspect of the trade analysis is acceptable under normal conditions.
(12 The All Systems Go Score for this trade sample is 72.10. This is a good score overall.

Warning, your All Systems GoTM result is "Code Red". You should attempt to remedy the highlighted issues before continuing to trade in this way.

Figure 45: Simulation Summary

9 Trade Group Position Sizing

Position sizing is one of the most important analysis tools that you can use in All Systems Go. Only detailed trade groups can have a position sizing analysis run on them.



Selecting the position sizing function takes you to the "Positions Size Trade Group" page. Here you can adjust all the settings for position sizing analysis. Again you can name the sizing report for future reference if you print it out.

A S G professional	Position Size Trade Group	
Detailed Trade Group:	Emblumoven US Equity(61)	(Detailed trade groups only)
Sizing Report Name:		(Optional)
Risk and Return Defaults		
Risk Per Trade (%):	0.8	(maximum 100%)
Maximum Drawdown (%):	25	(maximum 100%)
Expected Annual Return (%):	30	(minimum 1%)
Position Sizing Defaults		
Initial Notional Account Value:	1056276	(10,000 to 100,000,000)
Iterations:	300	(100 to 1000)
Trades Per Iteration:	100	(100 to 1000)
Size	Go back	

Figure 46: Position Size Trade Group Page

Position sizing is a processor-intensive function so you should be mindful of resources when you run one. If you have a large trade group and select 1000 trades per group and 1000 iterations and run the report all day long, the performance of ASG will suffer for everybody using the system, not just you. PMKing Trading reserves the right to cancel the account of any user deemed to be abusing the product and causing the performance to degrade unacceptably (with a full pro-rate refund of course).

The position sizing report is split into 3 main sections which are:

- Heading
- Charts
- Summary

Each will now be explained.

9.1 Position Sizing Heading

The position sizing heading lists the details for the sizing report in a similar way to the simulation report.

S C professional Po				Position Sizing Analysis				
Report Date:	06-18-2008	Trade Group: Sample Trade Group (2)		Analysis Name: Test Sizing				
Simulation Defaults:								
Risk Per Trade:	1.00%	Maximum Drawdown:	50.00%	Expected Annual Return:	25.00%			
Iterations:	100	Trades per Iteration:	100	Notional Account Value:	100000			
Simulation Parameters				Sample Statistics				
Start Date:	08-03-2007	Number of Trades:	77	Average Winner:	0.61R	Winner Percent:	53.25%	
End Date:	06-10-2008	Sample Duration (days):	312	Average Loser:	-0.29R	Loser Percent:	46.75%	
Instrument Type(s):	Equity	Average Trade Duration (days):	4.05	Winner:Loser Ratio:	2.10	Expectation:	0.19	

Figure	47:	Position	Sizina	Heading
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9.2 **Position Sizing Charts**

The charts produced by the position sizing report give a detailed graphical look into the way the trade group would be affected by different sizing strategies.

The 3 charts are:

- Trade Group Equity Curve
- 1-8 Times Default Risk Per Trade
- Initial Risk Distribution

Each will now be explained.

Trade Group Equity Curve

The first chart shows the actual equity curve assuming a starting account value specified (blue line). It also shows what the equity curve would look like if each trade was sized using your default risk per trade (green line). If there is a significant difference between these two lines it would indicate inconsistent position sizing or initial risk being taken. The last line is a trailing stop based on your maximum drawdown (red line). If either the blue or the green line crosses below the red line it would indicate you are at risk of exceeding your maximum drawdown.





1-8 Times Default Risk Per Trade

The next chart shows what results would look like if you took more risk per trade than the default. The lines are 1, 2, 4, 6 and 8 times your default risk per trade. Again the red line is the trailing stop.



Figure 49: Position Sizing Risk Equity Curves

Trade Group Initial Risk Distribution

The last chart shows a frequency distribution of the initial risk taken for each of the trades in the trade group. A large variation in the initial risk per trade would indicate an erratic position sizing strategy that has variable risk per trade. This increases the overall volatility of results.



Figure 50: Position Sizing Initial Risk Distribution

9.3 Trades List

As in the simulation report, the full list of trades (or just R values for a simple trade group) is output for your reference.

Trade Group Trades

Туре	Entry Date	Entry Price	Initial Stop	Size	Exit Date	Exit Price	Fees	Net Profit
Equity	08-03-2007	141.15	96.92	160	09-06-2007	143.03	-3.20	297.60
Equity	08-03-2007	39.00	52.78	-400	10-19-2007	41.92	-8.00	-1176.00
Equity	08-03-2007	16.75	12.19	1000	09-20-2007	17.32	-10.00	557.00
Equity	08-03-2007	13.25	16.17	-1840	10-19-2007	14.68	-18.40	-2649.60
Equity	08-03-2007	96.92	69.40	140	10-03-2007	97.81	-2.80	121.80
Equity	08-03-2007	107.74	153.94	-110	03-17-2008	4.71	-2.20	11331.10
Equity	08-03-2007	63.54	48.86	300	09-17-2007	63.90	-6.00	102.00
Equity	08-03-2007	74.69	52.27	150	01-16-2008	86.94	-3.00	1834.50
Equity	08-03-2007	20.83	26.93	-1190	06-05-2008	19.22	-11.90	1904.00
Equity	08-03-2007	63.38	44.69	240	09-18-2007	66.35	-4.80	708.00

Figure 51: Trade Group List

9.4 **Position Sizing Summary**

The position sizing summary section is very important and tells you whether you are using effective position sizing, and whether you are likely to meet your requirements for annual return whilst staying within your tolerance for risk with the setting you have specified. The report gives and overall rating "Red", "Amber", "Green" depending on these results.

Position Sizing Analaysis	
Expectation	The expectation (0.19) of the trade group is positive. This means you will make money trading in this manner overall and the position-sizing strategy employed may improve your results.
	The position-sizing analysis will determine what risk per trade needs to be in order to achieve your desired annual return of 25.00% whilst attempting to stay within your maximum drawdown of 50.00%.
Required Annual Return	In a random sample of 1 year's worth of trades (90 trades) a risk per trade of at least 3.50% was required to achieve a return of 31.52% (with a maximum drawdown of -1.71%).
	Trading with your default risk per trade of 1.00% will not achieve your expected annual return of 25.00%.
Average Initial Risk Per Trade 🛛 🔴	The average initial risk per trade of 3.54% is more than double your default risk per trade of 1.00%.
	This means you are trading with significantly more risk than your default setting.
Maximum Initial Risk	The standard deviation of initial risk per trade is 1.08. The maximum initial risk on a trade was 7.08%.
	Compared with your default risk per trade of 1.00% you have some trades where you are taking much more risk, and will lead to volatile and unpredictable results.
Minimum Initial Risk	The minimum initial risk was was 1.52%.
	Compared with your default risk per trade of 1.00% you do not have any trades where you are taking significantly less risk, which should lead to realizing the full potential of your trading method.
🔴 Warning, your All Systems Go TM result is "Code Red". You should attempt to remedy the highlighted issues before continuing to trade in this way.	

Figure 52: Position Sizing Summary

10 Logout

It is recommended that you logout after you have finished using ASG. This deletes your session so it cannot be used by anyone else, and maintains the security of your account. Exiting your browser, or clearing the cache and/or browsing history will further guarantee the security of your account.



If you need help with yout account please contact PMKing Trading using the details provided when you subscribed to All Systems Go Professional.



Figure 53: Exit Page

11 Usage Policy

By using ASG you are agreeing to the following usage policy, a link to which is displayed on the bottom of every page of the pruiduct.



All Systems Go Professional Usage Policy



PRODUCT LEASE AND SUBSCRIPTION REFUNDS

By purchasing a subscription to All Systems Go[™] Professional (the product) you are leasing the right to use the product for individual use only. You will be provided with a single account (username and login) that will allow you personally to access the product. Account sharing is not permitted. Your username and password may only access the product from one computer at a time, a second login will automatically logout any other sessions for that account. PMKing Trading retains ownership of the code, data, technical and visual design, user guide, and any other aspects of the product for the life of your subscription. We want you to be completely happy with this product. If at any time you wish to cancel your subscription you will be given a pro-rate refund for the remaining number of days until the subscription expires. If you cancel within the first 30 days of your first subscription you will be eligible for a complete refund of the entire subscription fee paid.

ACCOUNT SECURITY

You are responsible for protecting the security of your account. Do not divulge your username and password to anyone. The product is installed on a secure server (using Secure Sockets Layer, SSL, indicated by the https:// at the start of the web address for the product and the lock icon displayed in your browser) and passwords are encrypted so that even the administrators of the product cannot access them. If you forget your password we can reset it for you once we have verified your identity but we cannot tell you what the forgotten password was.

RESOURCE USAGE

The product is a shared online resource that has some functions which may be processor or storage intensive. PMKing Trading reserves the right to restrict or terminate an account that uses an unusual or unnecessarily high percentage of available resources.

OFFENSIVE DATA

Although the data you enter into the product is secure and private, items such as your username may be visible to product support personnel. For this reason we reserve the right to terminate the account of anyone using indecent, offensive or otherwise unacceptable words or language in their data files, user name, or any other input data or communication sent in connection with the usage of the product.

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CONTACT

If you wish to contact us about any aspect of the product please use the <u>"Contact Us"</u> page on our web site at pmkingtrading.com.

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12 Support

In all cases, instant messenger will get you the most rapid response.

Yahoo or Skype Instant Messenger: pmkingtrading

- email: asgpro@pmkingtrading.com
- phone: 802 349 9501
- fax: 802 610 1038
- mail: 5 Park Street, Suite 2, Middlebury, VT, 05753
- web: www.pmkingtrading.com

The release notes for the product can be found at:

https://asgpro.pmkingtrading.com/ASGPro/ReleaseNotes.php

Wishing you success with your trading, and we hope you are happy and profitable using All Systems Go.