



# Adaptrade Builder

for TradeStation

Version 1

## Bonus Strategies

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# Bonus Strategies

## Overview

Adaptrade Builder is a powerful software tool that automatically generates trading strategies for TradeStation based on user-specified performance criteria. Using Builder, you should be able to create robust trading strategies for nearly any market. While the true value of Builder lies with its ability to generate strategies based on your custom requirements, a paid license to Builder includes seven bonus strategies that have already been created using the program.

These bonus strategies include two stock index futures strategies, a commodity trading strategy, a forex strategy, an ETF strategy, and two stock trading strategies. These strategies are included in a download file that is provided immediately following purchase of the program.

The rest of this brief document includes instructions for downloading and installing the bonus strategies and a description of each one.

## Installation

The bonus strategies are delivered via download immediately following purchase. The link to the download file will be listed in the purchase receipt from SoftwareKey.com. The download file is a self-extracting installation file with the name “BuilderBonus.exe”. To extract the strategies, browse to the location of the downloaded file via Windows Explorer (also known as “My Computer”) and double-click on the file to open it. Alternatively, select Run from the Accessories menu under the list of programs in the Start menu, browse to the location of the downloaded file, click Open, then click OK in the Run window. The extraction process should begin.

Before the installation file begins to extract the files, it will prompt you to enter the location to which the files should be copied. It’s recommended that you copy the files to the Examples folder in the installation folder for Builder. By default, the Examples folder is located under Program Files in the Adaptrade Software\Adaptrade Builder folder. By copying the bonus files to this location, when you open one of the bonus strategy files, the price data file will be located in the expected location. If you copy the files to a different location, you’ll need to re-select the price data files when you open each strategy file.

Once the files have been copied to the location you specified, you should find seven files with the extension “.gpstrat”; for example, Builder-Sample-ES-Daily.gpstrat. These are the Builder files that you can open from within Builder using the Open command of the File menu. Each of these files also has an associated text file of price data with the extension “.csv”; for example, AAPL-daily-15yrs-.csv. You should also find a workspace file for TradeStation with the extension “.tsw” and a TradeStation code file with the extension “.eld”. To install the strategies into TradeStation, it’s necessary to import them from the .eld file using the Import command of the File menu in TradeStation.

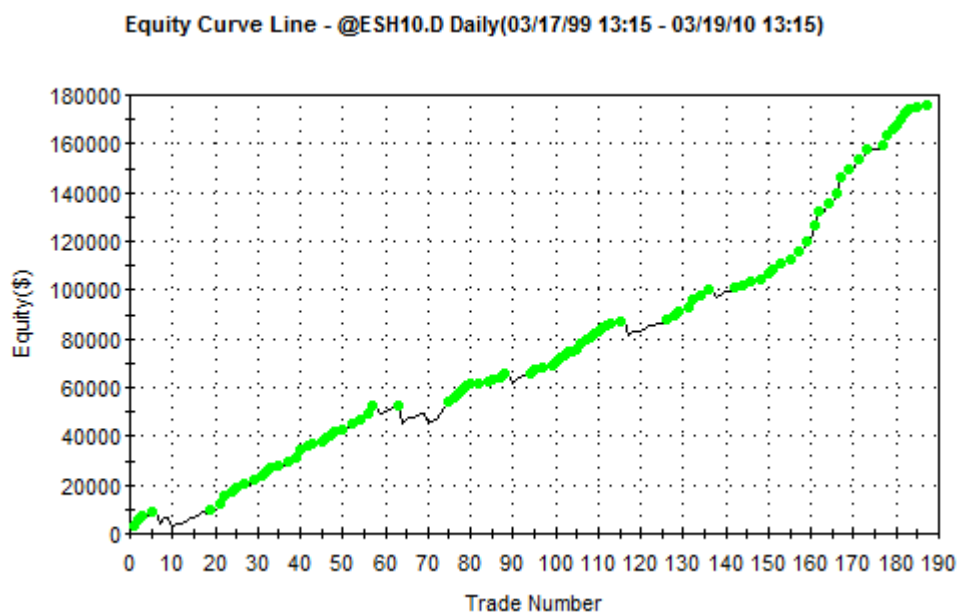
Once the strategies have been installed in TradeStation, you can open the workspace file from within TradeStation. A chart should be visible for each market, and the corresponding strategy should be inserted into the chart.

## Strategies

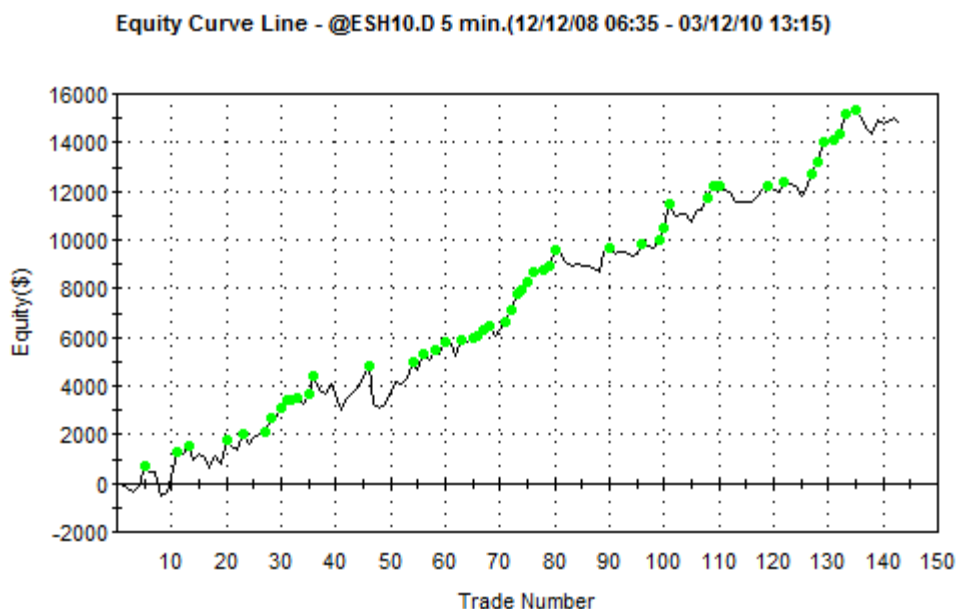
The seven bonus strategies are described below. To open each one, use the **Open** command of the File menu in Builder, navigate to the Examples folder (assuming you extracted the bonus files to this folder), select a file with the extension .gpstrat and click the Open button.

### E-mini S&P Strategies

Two systems were generated for the E-mini S&P 500 futures market (symbol: ES). One system is a day trading system for 5 minute bars, and the other is a system for daily bars that holds trades overnight.



On daily bars of the ES, Builder was run on data from 3/17/2000 to 3/15/2010, with the preceding year (3/17/99 – 3/17/2000) used for out-of-sample testing. On the optimization sample, the final strategy made \$146,763 on a one-contract basis after \$25 per trade for costs. On the out-of-sample period, it made an additional \$28,925.

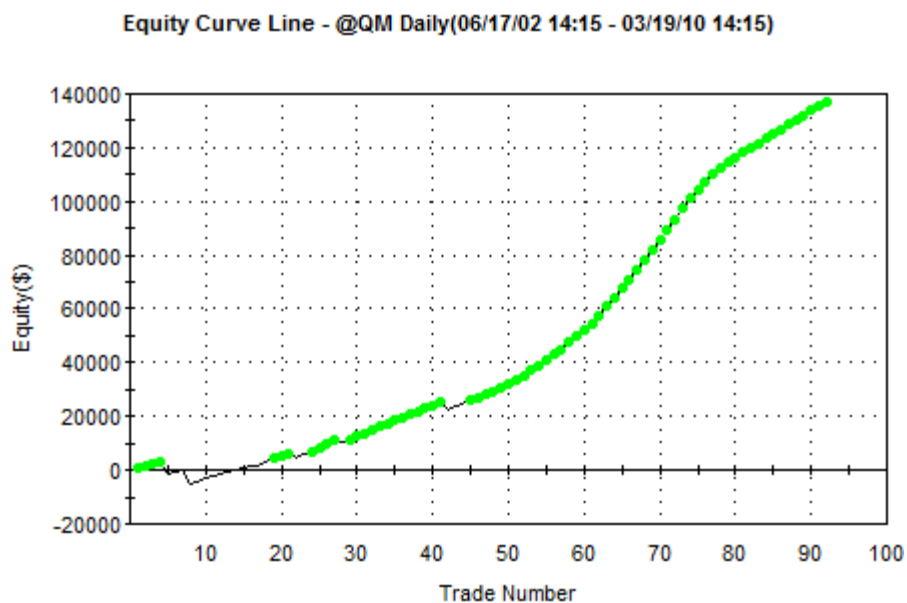


On 5 min bars of the ES, Builder was run on a much shorter time period to accommodate the market's tendency to change more frequently on 5 min bars than on daily bars. The day trading strategy for 5 min bars was built using one year of data from 3/13/2009 to 3/12/2010, with the preceding three months (12/12/2008 – 3/12/2009) used for out-of-sample testing. On the optimization sample, the final strategy made \$12,750 on a one-contract basis after \$25 per trade for costs. On the out-of-sample period, it made an additional \$2,000. With this type of system, you would probably re-build the strategy every few months to keep up with the changing market dynamics of 5 min bars.

#### **Commodity Futures Strategy**

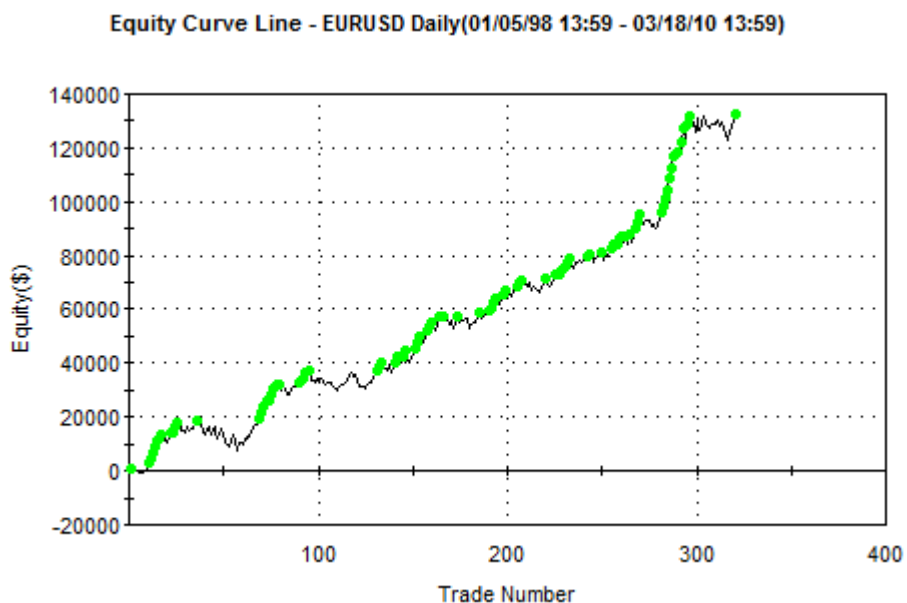
The commodity futures strategy was developed for the mini crude oil market (symbol: QM) using daily bars.

For this market, Builder was run on data from 6/18/2004 to 3/18/2010, with the preceding two years (6/18/2002 – 6/18/2004) used for out-of-sample testing. On the optimization sample, the final strategy made \$133,678 on a one-contract basis after \$25 per trade for costs. On the out-of-sample period, it made an additional \$3,107.



### ForexStrategy

A foreign exchange rate (forex) strategy was developed for the Euro-US dollar (EURUSD) currency using daily bars. The resulting equity curve is shown below.

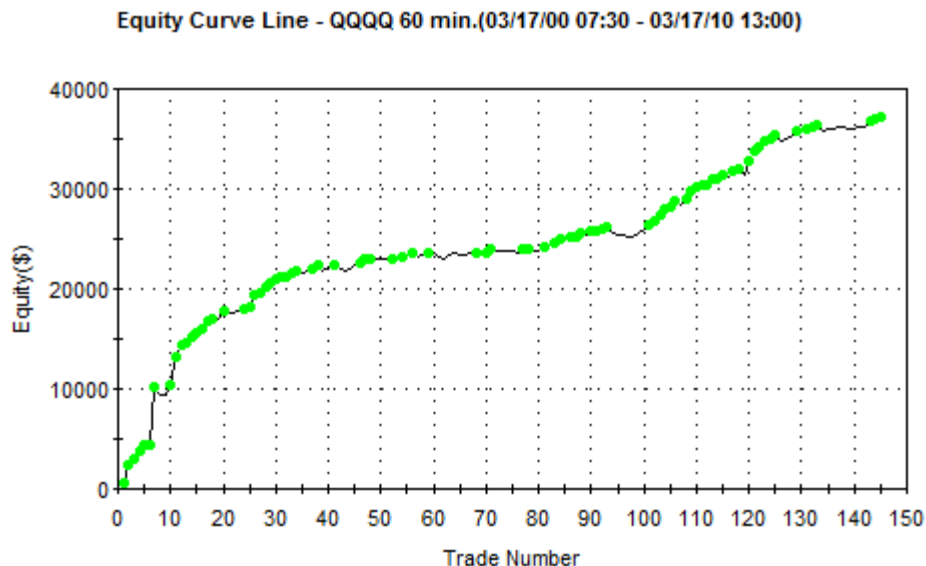


The strategy was built on data from 1/6/1998 to 3/17/2009, with the following year (3/18/2009 – 3/17/2010) used for out-of-sample testing. On the optimization sample, the final strategy made \$130,080 trading \$100,000 lots after \$50 per trade for costs. On the out-of-sample period, it made an additional \$2,413.

### ETFStrategy

A day trading strategy was developed for the NASDAQ 100 trust (QQQQ) using 60 minute bars. The QQQQ is one of the more popular exchange traded funds (ETFs). The results are shown below.

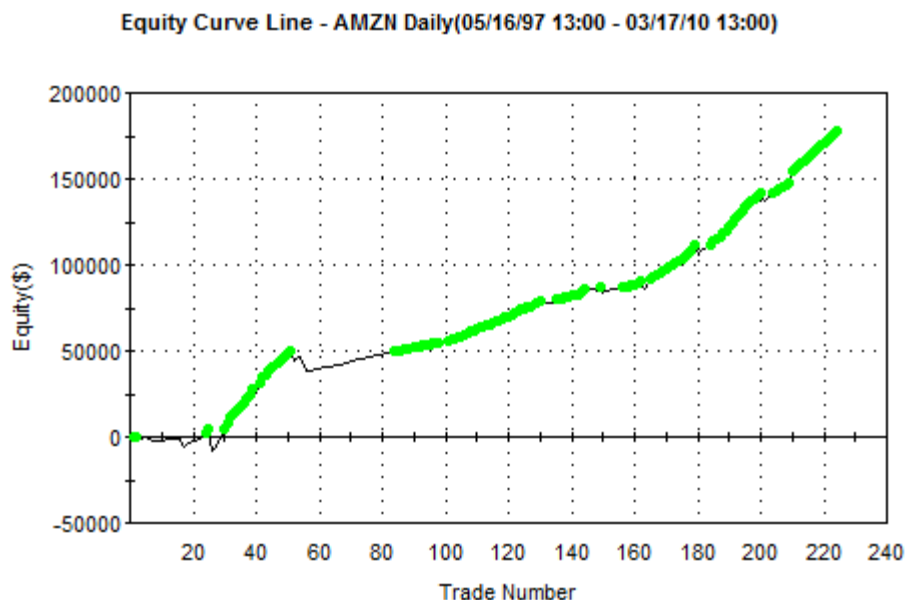




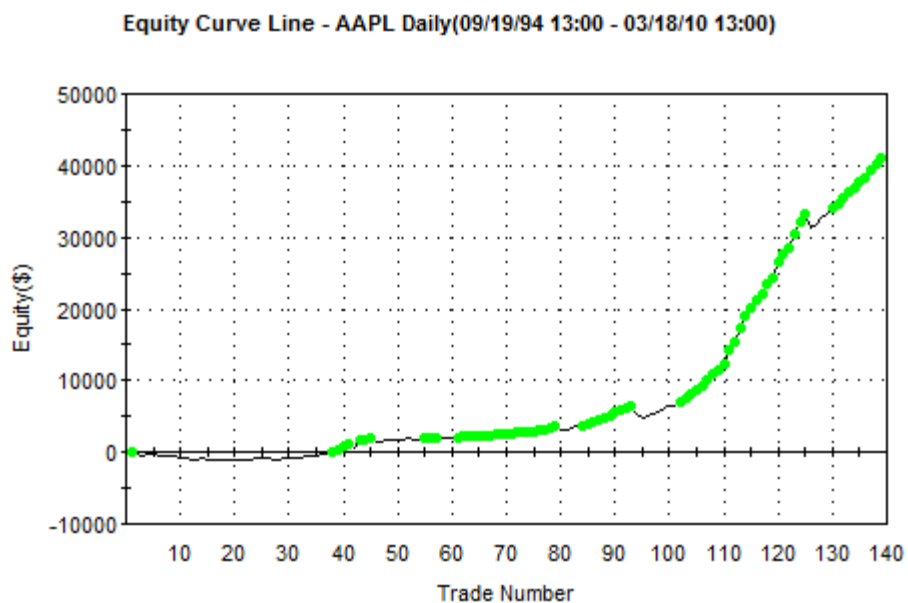
The day trading strategy was built on data from 1/2/2001 to 3/17/2010 with the period from 3/17/2000 to 1/2/2001 used for out-of-sample testing. Trading 1000 shares per trade with \$25 per trade for costs, the strategy made \$27,470 on the optimization sample. On the out-of-sample period, it made an additional \$9,490.

### Stock Strategies

The final strategies were build for individual equities. The program was used to build strategies for Amazon (AMZN) and Apple (AAPL) on daily bars.



The strategy for Amazon was built on data from 5/16/1999 to 3/16/2010, with the preceding two years (5/16/1997 – 5/16/1999) used for out-of-sample testing. On the optimization sample, the final strategy made \$161,600 trading 500 shares per trade after \$25 per trade for costs. On the out-of-sample period, it made an additional \$15,960.



For Apple, the strategy was built on data from 9/19/1994 to 9/17/2009, with the period 9/18/2009 to 3/18/2010 used for out-of-sample testing. On the optimization sample, the final strategy made \$37,602 trading 100 shares per trade after \$25 per trade for costs. On the out-of-sample period, it made an additional \$3,443.

The EasyLanguage code for each strategy is part of the Builder (.gpstrat) file for that strategy and can be viewed, along with the build settings, in Builder after opening the file. These files are only available to licensed users of Builder.

Note: The bonus strategies were developed with Builder version 1.0.0. This version did not include automatic out-of-sample testing. As a result, the Builder files open with the price settings set to 100% in-sample, as required by the prior version of Builder.