|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **1** | **2** | **3** | **4** | **5** | **6** | **7** |  |
| **Market** | **Date** | **Start** | **End** | **Paper Profit ($)** | **Total Trades** | **Winning Trades (%)** | **Average Win/Loss** | **Average Trade (S)** | **Maximum Intraday Draw­down (S)** | **Days** | n |
| British pound | 7/75-7/95 | 7/1/1975 | 7/1/1995 | 125,344 | 105 | 34 | 3.72 | 1,193 | -25,431 | 7305 | 1 |
| CanadianDollar | 6/77-7/95 | 6/1/1977 | 7/1/1995 | -12,750 | 125 | 25 | 2.32 | -102 | -21,030 | 6604 | 2 |
| Cocoa | 5/80-7/95 | 5/1/1980 | 7/1/1995 | -15,370 | 101 | 28 | 1.8 | -153 | -2,219 | 5539 | 3 |
| Coffee | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 239,096 | 120 | 30 | 5.83 | 1,993 | -36,956 | 7366 | 4 |
| CopperHighGrade | 12/88-7/95 | 12/8/2010 | 7/1/1995 | -7,890 | 49 | 34 | 1.48 | -161 | -17,355 | -5639 | 5 |
| Corn | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 26,081 | 106 | 38 | 2.98 | 246 | -4,331 | 7366 | 6 |
| Cotton | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 112,490 | 110 | 38 | 4.26 | 1,023 | -8,730 | 7366 | 7 |
| Crude oil | 8/83-7/95 | 8/1/1983 | 7/1/1995 | 17,570 | 74 | 35 | 2.58 | 238 | -11,690 | 4352 | 8 |
| DeutscheMark | 7/75-7/95 | 7/1/1975 | 7/1/1995 | 68,575 | 102 | 38 | 2.9 | 673 | -13250 | 7305 | 9 |
| Eurodollar | 6/82-7/95 | 6/1/1982 | 7/1/1995 | 34,175 | 60 | 25 | 3.16 | 569 | -7,150 | 4778 | 10 |
| Gold, Comex | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 53,770 | 121 | 33 | 3.44 | 444 | -28,440 | 7366 | 11 |
| Heating oil | 7/79-7/95 | 7/1/1979 | 7/1/1995 | 56,198 | 103 | 32 | 3.89 | 545 | -18,021 | 5844 | 12 |
| JapaneseYen | 12/76-7/95 | 12/7/2010 | 7/1/1995 | 143,425 | 87 | 47 | 3.8 | 1,649 | -12,963 | -5638 | 13 |
| Live hogs | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 31,971 | 120 | 42 | 2.49 | 266 | -5,863 | 7366 | 14 |
| Orange juice | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 13,018 | 120 | 27 | 3.05 | 109 | -27,950 | 7366 | 15 |
| Silver | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 197,305 | 144 | 37 | 6.87 | 1,370 | -51,040 | 7366 | 16 |
| Soybeans | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 62,406 | 114 | 38 | 2.86 | 547 | -21,768 | 7366 | 17 |
| S&P-500 | 9/82-7/95 | 9/1/1982 | 7/1/1995 | -7,260 | 101 | 24 | 3.13 | -72 | -97,470 | 4686 | 18 |
| Sugar | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 49,493 | 113 | 37 | 3.75 | 438 | -10,806 | 7366 | 19 |
| Swiss franc | 7/75-7/95 | 7/1/1975 | 7/1/1995 | 108,475 | 100 | 40 | 3.28 | 1,086 | -11,638 | 7305 | 20 |
| T-Note\_10-year | 9/82-7/95 | 9/1/1982 | 7/1/1995 | 34,219 | 85 | 29 | 3.66 | 402 | -13743 | 4686 | 21 |
| U.S. bond | 1/78-7/95 | 1/1/1978 | 7/1/1995 | 50,143 | 102 | 35 | 2.62 | 491 | -38,819 | 6390 | 22 |
| Wheat | 5/75-7/95 | 5/1/1975 | 7/1/1995 | 6,263 | 138 | 28 | 2.78 | 45 | -19,663 | 7366 | 23 |
| Total | | | | 1,386,747 | 2,400 | − | | | | | |
|
| Average | | | | 60,293.30 | 104 | 34 | 3.3 | 558 | -22,014 | − | |
|
| Standard | | | | 66,698.10 | 22 | 6 | 1.17 | 583 | 20,342 | − | |
|

**Appendix 1:** Test results for 65sma-3cc trend-following system.

|  |  |
| --- | --- |
| **Regression Statistics** | |
| Multiple R | 98.7426% |
| R Square | 97.5011% |
| Adjusted R Square | 96.5640% |
| Standard Error | 12363.53 |
| Observations | 23 |

**Table 1**: Summary output.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ANOVA** | **Df** | **SS** | | **MS** | **F** | **Significance F** | **Difference** |  |
| Regression | 6 | 9.542E+10 | 1.590E+10 | | 1.040E+02 | 6.543E-12 | 1.040E+02 | >0 |
| Residual | 16 | 2.446E+09 | 1.529E+08 | |  |  |  |  |
| Total | 22 | 9.787E+10 |  | |  |  |  |  |

**Table 2**: ANOVA.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Coefficients** | **Standard Error** | **t Stat** | **P-value** | **Lower 95%** | **Upper 95%** | **Lower 95.0%** | **Upper 95.0%** |
| Intercept | -63259.1047 | 23852.7341 | -2.6521 | 0.0174 | -113824.6418 | -12693.5675 | -113824.6418 | -12693.5675 |
| Total Trades | 186.4035 | 184.3675 | 1.0110 | 0.3270 | -204.4381 | 577.2451 | -204.4381 | 577.2451 |
| Winning Trades (%) | 403.5797 | 608.9582 | 0.6627 | 0.5169 | -887.3541 | 1694.5134 | -887.3541 | 1694.5134 |
| Average Win/Loss | 11543.9825 | 4786.8507 | 2.4116 | 0.0283 | 1396.3125 | 21691.6525 | 1396.3125 | 21691.6525 |
| Average Trade (S) | 89.9587 | 9.4418 | 9.5277 | 0.0000 | 69.9430 | 109.9744 | 69.9430 | 109.9744 |
| Maximum Intraday Draw down (S) | -0.0948 | 0.1598 | -0.5932 | 0.5613 | -0.4336 | 0.2440 | -0.4336 | 0.2440 |
| Days | -0.0461 | 1.0517 | -0.0438 | 0.9656 | -2.2756 | 2.1835 | -2.2756 | 2.1835 |

**Table 3:** The coefficients are not zero and the equation can explain more than 90% of the variability of the expected profits.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Residual Output** | |  |  | **Probability Output** | |
| Observation | **Predicted Paper** | **Residuals** | **Standard** | **Percentile** | **Paper Profit ($)** |
|  | **Profit ($)** |  | **Standard** |  |  |
| 1 | 122373.6699 | 2970.3301 | 0.2817 | 2.1739 | -15370.0000 |
| 2 | -10573.4642 | -2176.5358 | -0.2064 | 6.5217 | -12750.0000 |
| 3 | -26161.3709 | 10791.3709 | 1.0235 | 10.8696 | -7890.0000 |
| 4 | 220969.8881 | 18126.1119 | 1.7191 | 15.2174 | -7260.0000 |
| 5 | -35896.9568 | 28006.9568 | 2.6563 | 19.5652 | 6263.0000 |
| 6 | 28437.9273 | -2356.9273 | -0.2235 | 23.9130 | 13018.0000 |
| 7 | 114274.7490 | -1784.7490 | -0.1693 | 28.2609 | 17570.0000 |
| 8 | 16761.4419 | 808.5581 | 0.0767 | 32.6087 | 26081.0000 |
| 9 | 66029.4641 | 2545.5359 | 0.2414 | 36.9565 | 31971.0000 |
| 10 | 46137.8266 | -11962.8266 | -1.1346 | 41.3043 | 34175.0000 |
| 11 | 54623.6185 | -853.6185 | -0.0810 | 45.6522 | 34219.0000 |
| 12 | 64227.7886 | -8029.7886 | -0.7616 | 50.0000 | 49493.0000 |
| 13 | 165623.7598 | -22198.7598 | -2.1054 | 54.3478 | 50143.0000 |
| 14 | 28949.7475 | 3021.2525 | 0.2865 | 58.6957 | 53770.0000 |
| 15 | 17330.9754 | -4312.9754 | -0.4091 | 63.0435 | 56198.0000 |
| 16 | 185565.2504 | 11739.7496 | 1.1134 | 67.3913 | 62406.0000 |
| 17 | 57274.4337 | 5131.5663 | 0.4867 | 71.7391 | 68575.0000 |
| 18 | 3933.3567 | -11193.3567 | -1.0616 | 76.0870 | 108475.0000 |
| 19 | 56113.9224 | -6620.9224 | -0.6280 | 80.4348 | 112490.0000 |
| 20 | 107850.6496 | 624.3504 | 0.0592 | 84.7826 | 125344.0000 |
| 21 | 43790.3649 | -9571.3649 | -0.9078 | 89.1304 | 143425.0000 |
| 22 | 47679.9624 | 2463.0376 | 0.2336 | 93.4783 | 197305.0000 |
| 23 | 11429.9952 | -5166.9952 | -0.4901 | 97.8261 | 239096.0000 |

**Table 4**: Out of sample.