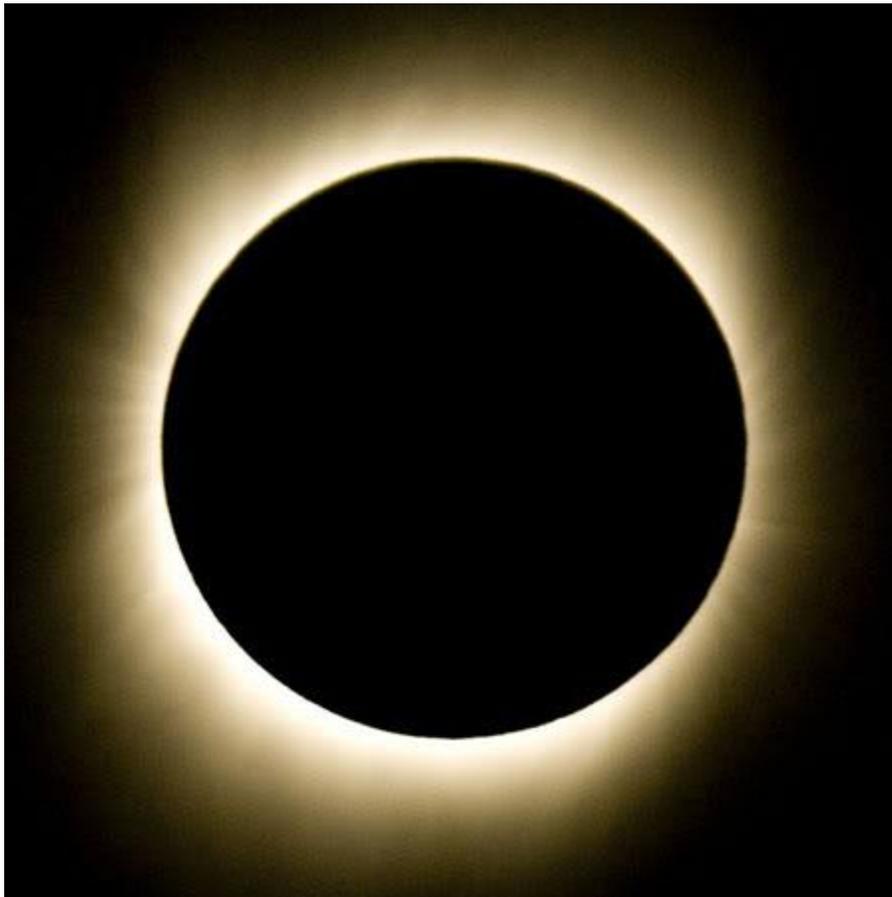


# **ECLIPSE**

## **DAY TRADING SYSTEM**



### **USER GUIDE**

**Revised 20 July 2016**

## **METHOD**

Trend and Countertrend

## **STYLE**

Day Trading

## **DESCRIPTION**

**Methodology** - ECLIPSE is a hedge-fund style day trading system for accredited professional traders. It is traded everyday by the designer. It was developed to catch the intraday trends in the S&P 500 Equity Index Futures market. ECLIPSE can be deployed as an automatic plug-and-play trading system, or used for decision support by discretionary traders. The start of trading and the time of the last entry can be controlled, as can the time to exit the market at any time prior to the close of the market. The profit target and stop loss is automatically calculated. No restrictions have been placed on the number of contracts that can be traded.

**Entry Logic** – As soon as the Regular Trading Hours begin at 8:30 am Exchange Time in Chicago, ECLIPSE will begin to scan the futures prices in search for an entry pattern. When an opportunity arises, ECLIPSE will print an up arrow to signal a BUY or a down arrow to signal a SELL. The system will enter at a limit price and will stay with that position until the system's automatically calculated profit target using a limit price is achieved, or there is a change in the signal, or the system's automatically calculated stop has been triggered at market price, or the end of NYSE trading day has been reached at 3:00 pm CT. ECLIPSE will then automatically exit any open positions at the market price. There are no overnight trades. Since trading technology is not fail-safe, all automation must be used with caution and constant supervision. It is important to ensure that no position has been left open and carried into the overnight market inadvertently.

**Data** - The system requires a minimum of 50 days of @ES.D data.

**Signals** – The system will generate more signals if you use smaller bars. The recommended bar size is 15 minutes.

## **MINIMUM REQUIREMENTS**

TradeStation 9.1

Version 9.1 (Update 25)

## **INPUT NOTES**

There are four user-defined inputs.

- 1) NumberOfContracts. The default value is 1.
- 2) StartTime. The default is 0830 (i.e. 8:30 am CME Exchange Time). The system will initiate new trades after the StartTime is reached.
- 3) EndTime. The default is 1430 (i.e. 2:30 pm CME Exchange Time). When the EndTime is reached, the system will stop initiating new trades.
- 4) When the FinalExit time is reached, the system will close all open positions and exit the market.
- 5) TradesPerDay. This input helps to control the number of trades executed before shutting down for the rest of the day.
- 6) Daily Profit. This is a money management feature. The default is \$1,250 per contract before trading commission. Once this amount is reached, no new trades will be initiated, but while you are in the current trade, the profit could exceed the specified value by an amount equal to the profit target minus commission. This feature is provided for

advanced traders and must be used with great care. Novice traders should not change the default values.

7) Daily Loss. This is a money management feature. The default is \$1,250 per contract before trading commission. Once this amount is reached, no new trades will be initiated, but while you are in the current trade, the loss could exceed the specified value by an amount equal to the stop loss plus commission. This feature is provided for advanced traders and must be used with great care. Novice traders should not change the default values.

Note: We have recently provided inputs to help the trader control the days of the week when ECLIPSE should trade.

The default parameters for Monday to Friday have been set to True. To switch off any day, simply change True to False.

### **FORMAT SYMBOL - for Back Testing**

Symbol = @ES.D

Interval = 15 minutes.

### **FORMAT SYMBOL - for Live Trading**

Symbol=@ESxYY.D

x= H (Mar), M (Jun), U (Sep), Z (Dec)

YY= year.

Example: @ESZ17.D for ES contract expiring in Dec 2017

### **DATA RANGE**

About 50 Days

### **DISPLAY**

Time Zone = Exchange

Important: The automatic exit will only work correctly if this system is set to Exchange Time in Chicago. The exit time selected must be in sync with the time interval (bar size) chosen for the trading.

## **PROPERTIES FOR ALL**

Commission = \$2.50 per Trade

Position Slippage = \$0 per Trade\*

Initial Capital = \$5,000 per e-mini contract

Account Size = \$10,000 per e-mini contract

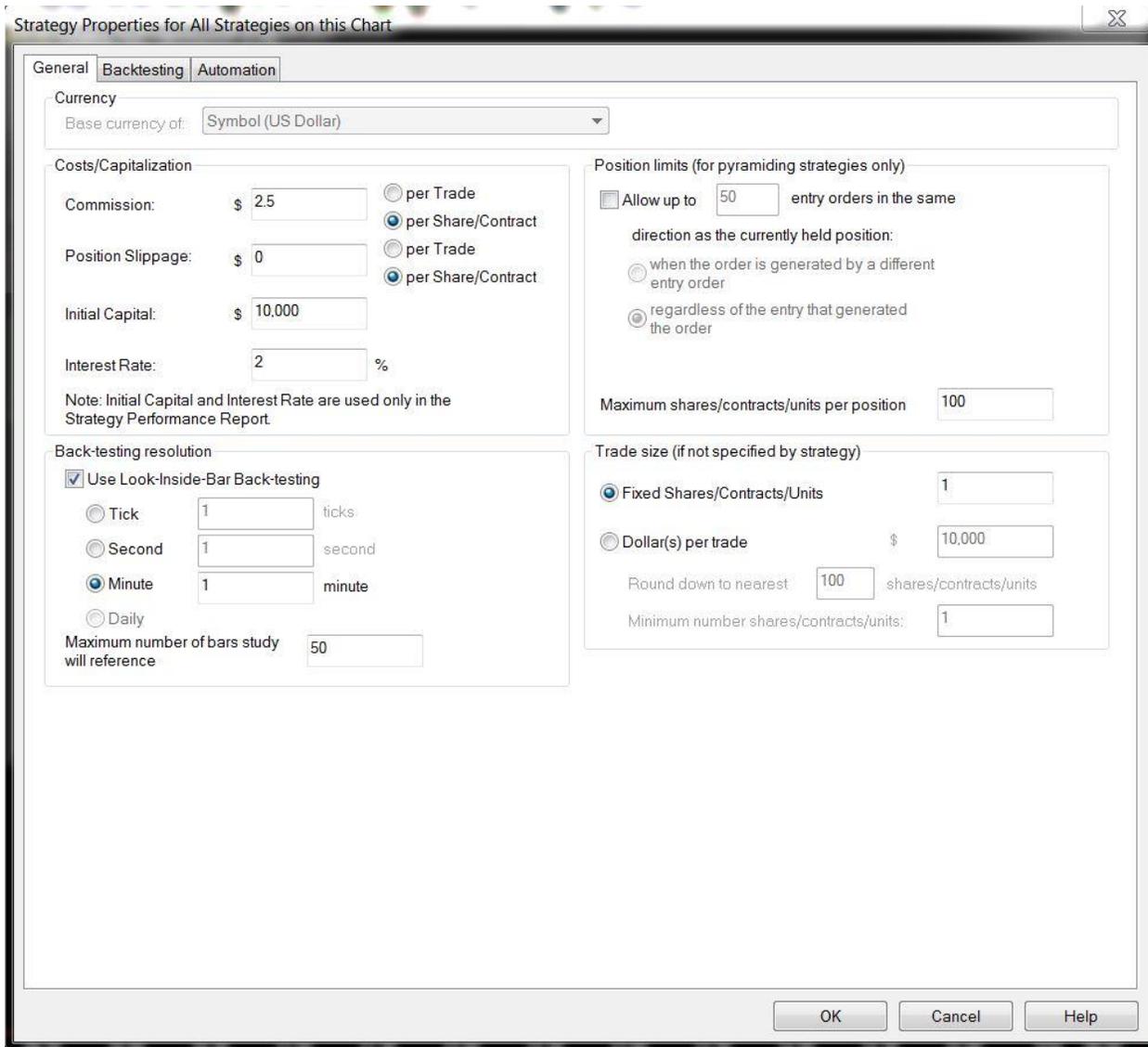
Max number of bars study will reference = 50

\* ECLIPSE's entry and exit orders are placed at limit prices. The only slippage that occurs is when stopped out or when the system exits at the end of the day. This slippage will vary between systems and between traders due to a variety of factors such as the type of order, the speed of your machine, the version of your trading platform, the bandwidth and latency of the network between your machine and the Exchange, your place in the order queue, the volume on the opposite side of the trade, the speed of the market at that time, and the delay setting used to convert an unfilled limit order to a market order. All this requires fine-tuning on your part. ECLIPSE cannot automatically optimize any of this.

There are other factors, but the most important one to be aware of is this; in simulation trading, TradeStation judiciously records a trade as filled the moment the price is touched. In real life one may or may not get filled at that value. These trades are easy to recognize. They happen at the tops and bottoms of bars. The smaller the bar size used, the more of such occurrences. Naturally there will be a deviation in the overall performance of simulated trades versus real trades. The simulation will generally have a higher performance.

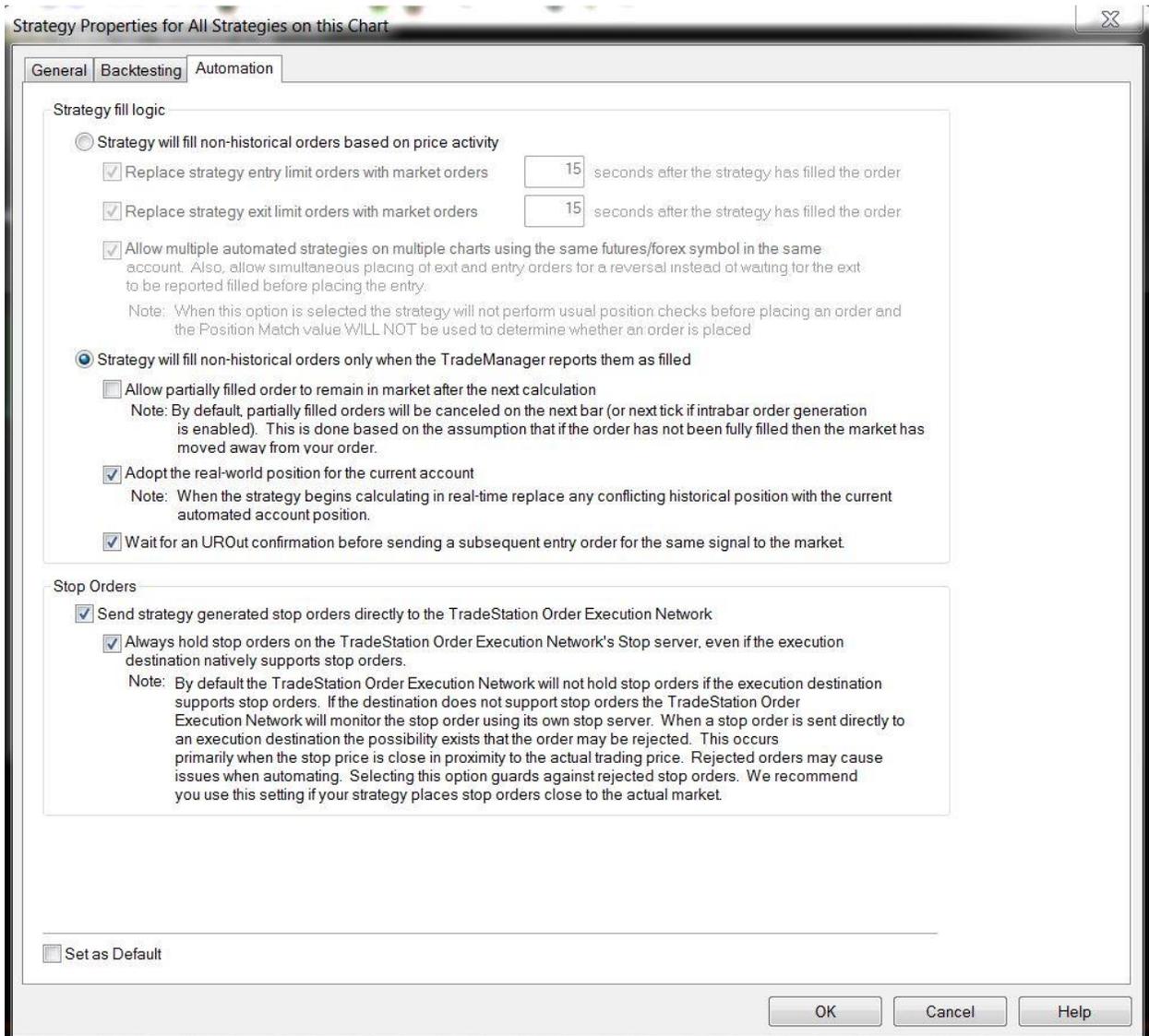
Different traders suffer different amounts of slippage. The average slippage varies from period to period - month to month, quarter to quarter, and year to year. The number of trades of course has an impact too. If your target is small, you will be taking more trades.

If you continue to suffer excessive slippage, you should consider using a Virtual Private Server (VPS)



## SET UP FOR AUTOMATION - Using one @ES system in one Futures account

To automate ECLIPSE change the chart symbol to the current contract. The amount of data required for trading need not be more than 50 days. Next go to Format Strategies>Properties for all>Automation Check the second Radio Button and the second and third small square boxes beneath it. Check both the small squares under Stop Orders Click OK



Check box for *Generate strategy order for display in TradeManager's...*

Check *Automate execution using ...*

Select your futures account number

Select account with confirmation **Off**

Close the window

Click File>New>Window

Select **TradeManager**

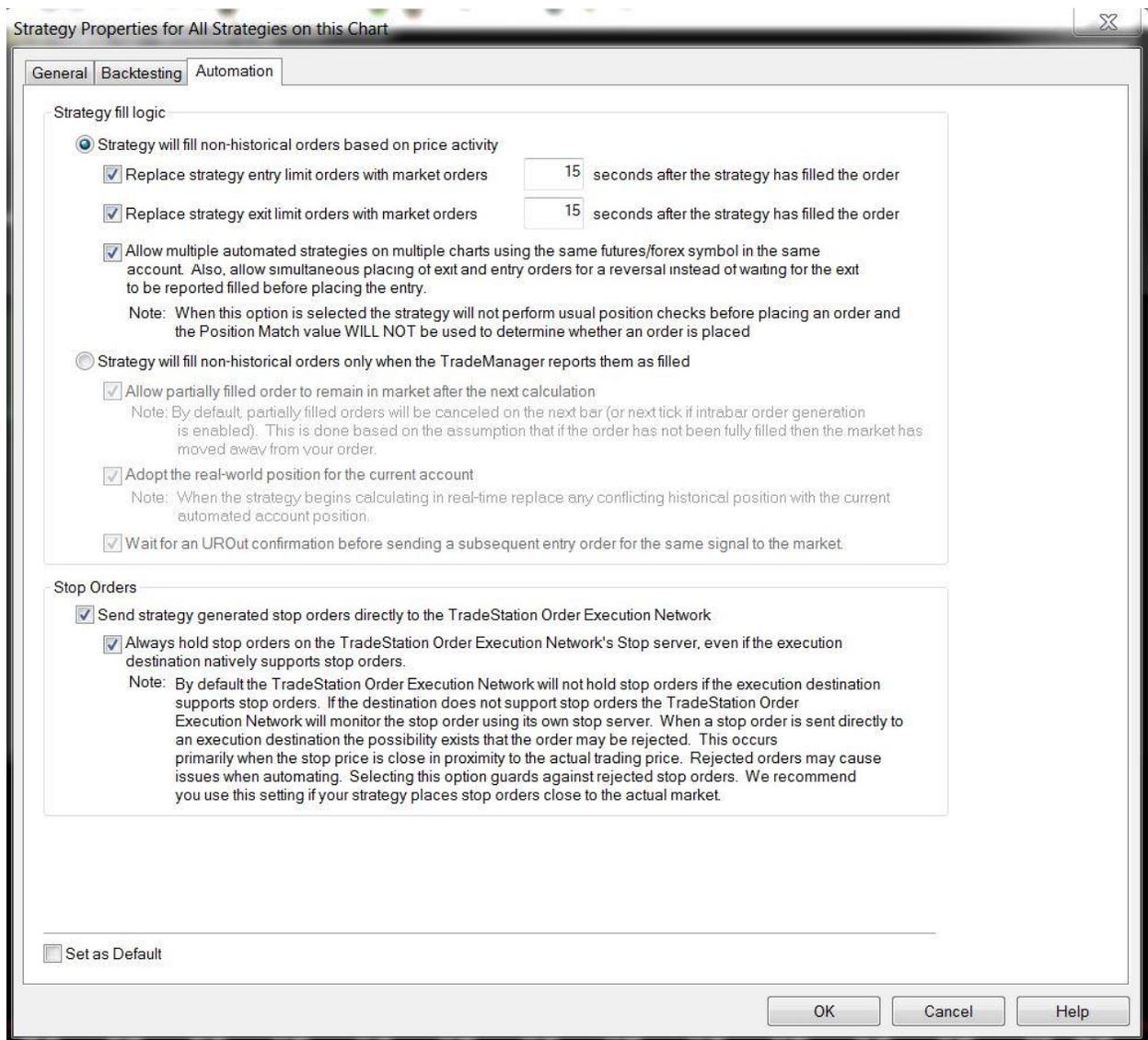
Or select **TradeManager** from your side bar

The setup is now complete

**Please trade at your own risk!**

**SET UP FOR AUTOMATION- Using more than one @ES system  
in one Futures account**

To automate ECLIPSE change the chart symbol to the current contract.  
The amount of data required for trading need not be more than 50 days.  
Next go to Format Strategies>Properties for all>Automation  
Check the first Radio Button and the three small square boxes beneath it.  
Check both the small squares under Stop Orders  
Click OK



Check box for *Generate strategy order for display in TradeManager's...*

Check *Automate execution using ...*

Select your futures account number

Select account with confirmation **Off**

Close the window

Click File>New>Window

Select **TradeManager**

Or select **TradeManager** from your side bar

The setup is now complete

**Please trade at your own risk!**

## **DEVELOPER PROFILE**

With a background in aerospace and artificial intelligence, the developer is a former trader with a major British financial institution. He has over 25 years of system development experience. However, past successes cannot guarantee the future. *Caveat Emptor!*

## **DISCLOSURE**

The developer's main source of income is from trading, and may trade one or more of his systems for his own account.

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