Once the strategy is added to the daily chart of the S&P E-mini Contract (root ES), past entries and exits will display. When the strategy enters a new trade, it will be displayed on your chart and in the Order Manager window at the bottom of the provided workspace.

This strategy uses a stop loss at all times of $2500 or $2100 from the entry price dependent on the signal taken for long trades, and $1700 stop loss for short trades.

I trade one S&P E-Mini contract per $10,000 in my account.

This is a mechanical trading system that produces signals and exits that you can interface with TradeStation. All trades are on the buy side, unless ENABLESHORTTRADES input is turned on.

Please be sure you are trading the most liquid contract, TradeStation does not do this for you. The system is run on the continuous contract for backtesting (@ES), and the front month contract if you wish to trade in real time on either a live or simulated trading account. When Open Interest leaves the contract you are in you must manually roll any positions and the chart symbol to the most liquid month.

When you insert this strategy onto a chart the name of the strategy is: “Joshs SP 500 Strategy”.

*My other strategies can be found here:*


TRADES

Trades are taken automatically if setup to do so. To setup Tradestation to take fully automated orders select Automate Execution without confirmation. For more information on how to automate a strategy in Tradestation watch this video: http://www.tradestation.com/en/education/events/live-webcasts/tradestation-basics/getting-started/lesson-6.

This strategy generates approximately 27.1 trades a year with one trade open at a time. With two trades open at a time, there is approximately 33.5 trades per year. Keep in mind 2 open trades is not trading 2 contracts on each trade, but rather allowing the strategy to generate at most 2 open trades if the trades happen to overlap. See the Setup section for more information on setting up trade sizing and number of open trades. ****IF YOU WANT TO TRADE MORE THAN ONE OPEN TRADE AT A TIME PLEASE READ THE SETUP INSTRUCTIONS – THIS TYPE OF TRADING IS NOT ABLE TO BE FULLY AUTOMATED DUE TO EXECUTION ISSUES

SYMBOLS & SOFTWARE

I am using Tradestation to develop and test this strategy. This strategy is rented through Tradestation TradingApp Store (tradesation.tradingappstore.com). This strategy trades the E-mini S&P 500 Futures Contract (@ES).

CHARTS

Since this strategy uses inter-market relationships it is critical to load the strategy on a chart with 3 additional symbols. The first symbol is the S&P contract you are trading (@ES for backtesting; front month contract for live trading), the second is the E-mini Nasdaq 100 (@NQ), the third is Gold (@GC), the fourth is US 30 year bonds (@US). It is important to have the charts in this order for the strategy to work properly. If you purchase through Tradestation App Store please use the pre-built workspace to ensure the charts are setup correctly – however you must ensure you are using the actual front month S&P E-mini contract as the prebuilt chart is using @ES for backtesting only.

INPUTS

Inputs to the system are STOPLOSS1, STOPLOSS2, EARLYEXITMODE, and PYRAMIDMODEENABLE. STOPLOSS1 and STOPLOSS2 are the two stop losses for the system, some of the sub-strategies use the first stop loss value for trades and others use the second. SHORTSTOPLOSS is the stop loss for the short portion of the strategy only. PYRAMIDMODEENABLE enables correct closes of trades when trading 2 contracts open at a time, see the information below about enabling this method. EARLYEXITMODE input can be set to true or false, by default it is false. This mode tries to exit trades earlier than the default exit strategy when set to true. ENABLESHORTTRADES, enables the short trade logic to enter short trades when the market is falling. The input TRADESIZE_CONTRACTS allows the user to set the number of contracts they would like to trade per trade, and is limited to 10 if you would like to trade more contract please contact me.
DATA

The strategy can only be run on Daily charts with at least 200 bars of history available on the charts. It is important to only live trade on the front month symbol – that is the month with the highest open interest. For example to actually trade the E-Mini S&P you cannot have the symbol @ES on your chart you must have the symbol ESM14 (which corresponds to the June 2014 contract of the E-Mini S&P). If you are in doubt about which symbol is the front month put @ES on your chart and look at the top of the chart bar and it will say something like June 2014 to indicate that the front month is the June 2014 contract of the E-mini S&P which is ESM14.

SETUP

To sign up for my strategies go to the Tradestation TradingApp Store. The strategy will then download to your computer, you can launch the strategy from the Trading App Store link on the Tradestation menu (at this point you will be done with setup):
Chart Setup

Open a new chart window with @ES on it (ensure time zone is Local). Right Click and select Insert Symbol and insert @NQ, @GC, and @US in that order. If you right click and select Format Symbol your window should look like this (with Data1 as @ES, Data2 as @NQ, Data3 as @GC, and Data4 as @US):

![Format Symbols]

2+ OPEN TRADES AT A TIME SETUP (PYRAMIDING)

Two trades open at a time allows a second trade to be entered while another is open. This strategy may find another entry opportunity while a trade is already open, therefore it may at times open a second trade.

Due to limitations in Tradestation there is an issue allowing more than one trade at a time. What happens is if a signal is generated on the same bar that my strategy is closing a trade then the trade that was just opened is closed resulting in skewed results. Therefore we need to use an exit technique that cannot be filled in Tradestation live trading (“SELL THIS BAR AT CLOSE”), which is turned on by turning the input PYRAMIDMODEENABLE to true. Since this cannot be done in live trading the exit signal must be taken manually. That means you must log in each day at the opening of the bar and if there is a trade then you manually take it. The information below shows you how to setup email alerts for open positions.

Change the Strategy on the Chart

The default strategy is setup for 1 trade open at a time to change this to the 2 trades go into the strategy settings and change the variable “PYRAMIDMODEENABLE” to true. Keep in mind change this variable to true will result in automation of the strategy to fail.

Changing the Number of Entries Allowed (Pyramiding)

Right Click on the Chart and Click Format Strategy, then click on Properties for All. The below image shows the area where you can change the Trade Size: it is called Fixed Shares/Contracts/Units, on my screen it is set to 1 you can change this value to increase or decrease the number of contracts each trading signal takes.
would recommend using the setting “when the order is generated by a different entry order” to avoid doubling up on positions that are losing as to avoid increasing drawdown.

Adding Email or Sound to Your Tradestation Strategy Orders

To add email notifications go to the TradeManager at the bottom of the pre-made workspace or insert a new one. Right Click and select “Trademanager Preferences”, go to the New Strategy Order Notification and Select Enable e-mail notification and select Configure the settings for your email provider.
For manual trading of 2+ orders at a time select the following in Format Strategies for automation:

![Automation settings](image)

††MONEY MANAGEMENT

All results shown are hypothetical and are using a fixed size of 1 contract per trade with the specified number of trades open at a time. You should do your own research on sizing contracts for your own risk tolerance and account size. For information regarding how to properly size the # of contracts for compounded growth you can look at Tradestation’s articles on the effects of money management [here](#) and [here](#) as well as Ralph Vince’s Book *The Handbook of Portfolio Mathematics*. Money management is a very important subject both to prevent excessive losses and maximize potential gains, you should spend significant time educating yourself about this subject.

QUESTIONS OR COMMENTS

Please feel free to contact me at joshstradingapps@outlook.com for any questions or comments you might have. Please feel free to use the free trial to do any additional testing you might want to do.
U.S. Government Required Disclaimer – Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading system or methodology is not necessarily indicative of future results.

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