MOON

DAY TRADING SYSTEM

USER GUIDE

Revised 14 Aug 2016

METHOD
Trend and Countertrend

STYLE
Day Trading

DESCRIPTION

Methodology - MOON is a customizable hedge-fund style day trading system for accredited professional traders. It is traded everyday by the designer. Though it was developed to catch the intraday trends in the S&P 500 Equity Index Futures market, it can also catch the intraday trend in some other markets, though not in all markets. MOON can be deployed as an automatic plug-and-play trading system, or used for decision support by discretionary traders. This system will work on many bar types such as Kase, Momentum, Range, Renko, Heikin-Ashi, as well as Tick, Volume, and Regular bars. For Regular bars, 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. For synthetic bars which are independent of time, the time-based entry and exit controls can only be made approximately. The default targets and stops can be also changed to suit the trader's personal style and risk-reward tolerance. No restrictions have been placed on the number of charts of MOON that can be opened with different symbols, or 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, MOON will begin to scan the futures prices in search for an entry pattern. When an opportunity arises, MOON 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 default target using a limit price is achieved, or there is a change in the signal, or the default stop has been triggered at market price, or the end of NYSE trading day has been reached at 3:00 pm CT.

MOON 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 or @US data.

Signals – The system will generate more signals if you use smaller bars.

There are almost equal numbers of long and short trades.

	Trades/Day
MOON 30 min	3
MOON 15 min	5
MOON 10 min	7
MOON 5 min	12

Money Management Rules – The system allows users to redefine the default Profit Target and Stop Loss, while sophisticated traders can also adjust the Daily Profit and Daily Loss to suit their risk-return tolerance.

MINIMUM REQUIREMENTS
TradeStation 9.1
Version 9.1 (Update 25)

INPUT NOTES
There are eight user-defined inputs.

1) BuyOnlySwitch. Default is True.
2) SellOnlySwitch. Default is True.

3) ProfitTarget. The default value of $250 can be changed to suit the trader's risk-return profile. This amount is per contract. If you trade 10 contracts, you do not need to change the target to $2,500. The system will calculate it from the number of contracts you have specified and end the trade when the target of $250 per contract has been reached.

4) StopLoss. The default value of $500 can be changed to suit the trader's risk-return profile. This amount is per contract. If you trade 10 contracts, you do not need to change the stop to $5,000. The system will calculate it from the number of contracts you have specified and end the trade when the stop of $500 per contract has been reached.

5) NumberOfContracts. The default value is 1.

6) StartTime. The default is 1030 (i.e. 10:30 am Exchange Time). The system will initiate new trades after the StartTime is reached.

7) EndTime. The default is 1430 (i.e. 2:30 pm CT CME Chicago). The system will not initiate any new trades after the EndTime. The EndTime can be set to the same time as FinalExit, but cannot be greater than the FinalExit.

8) FinalExit. The default is 1500 (i.e. 3:00 pm CT CME Chicago). The system will close any open positions at this time. The FinalExit can be set to the same time as EndTime, but cannot be less than the EndTime.

9) 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.

10) 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.

11) Trail Option. Default is False.

12) PositionBasis. Default is False.

13) FloorAmt. Default in USD is 100.

14) TrailingPct. Default in % is 10.

FORMAT SYMBOL - for Back Testing
Symbol = @ES.D or @US
Intervals = Any time frame between 15 minute and 30 minutes.

FORMAT SYMBOL - for Live Trading @ES
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 using Regular bars (not synthetic bars) set to Exchange Time in Chicago. The exit time selected must be in sync with the time interval chosen for the trading. i.e. bar sizes.

PROPERTIES FOR ALL

Commission = $2.50 per Trade
Position Slippage = $0 per Trade*
Initial Capital = $10,000 per e-mini contract
Account Size = $20,000 per e-mini contract
Max number of bars study will reference = 50

* MOON'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. MOON cannot automatically optimize any of this.

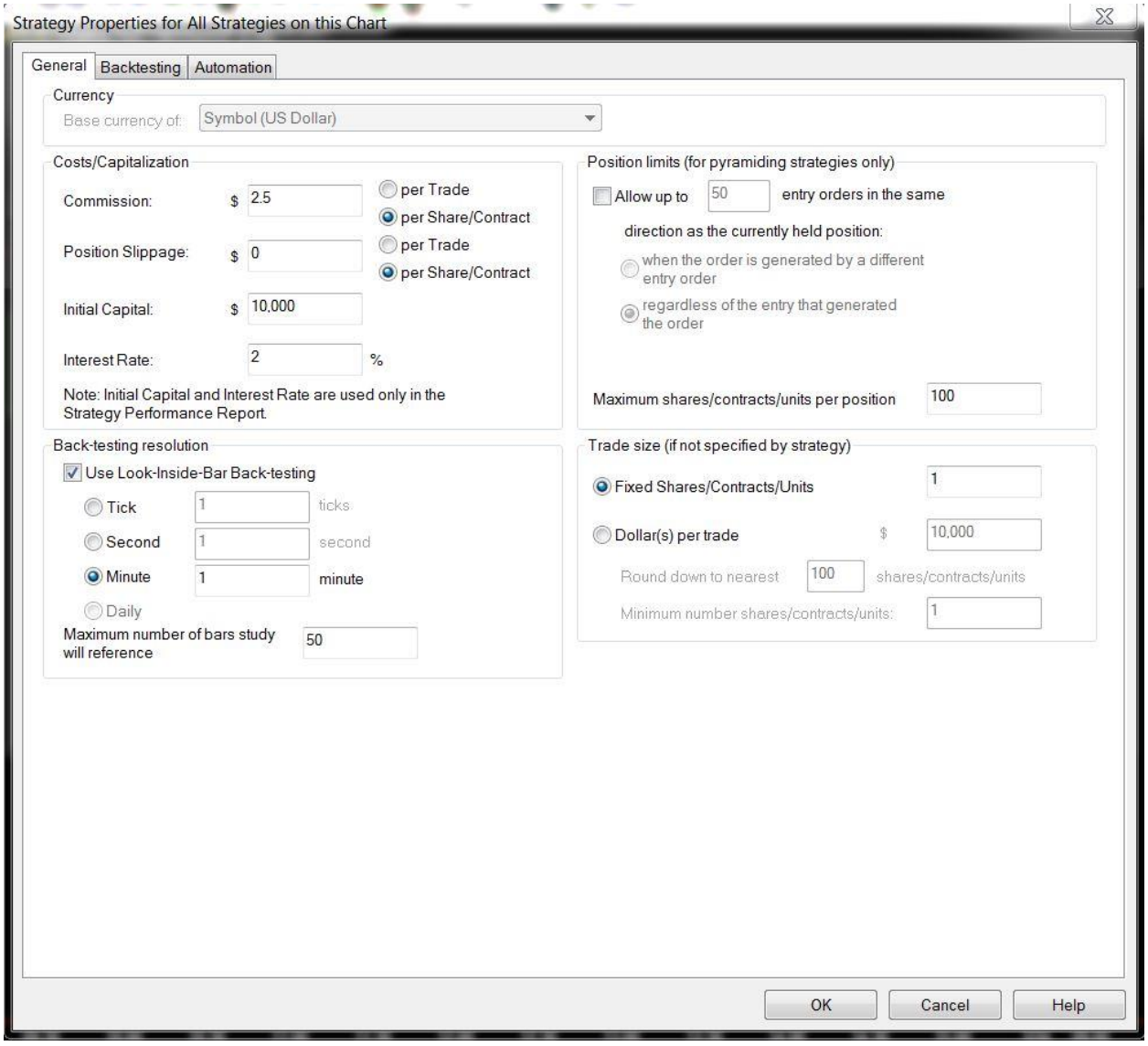
There are other factors, but the most important one to be aware of is this; in simulation trading, TradeStation judiciously records a trade as filled the moment the price is touched. In real life one may or may not get filled at that value. These trades are easy to recognize. They happen at the tops 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.

MOON for @ES has been optimized for a target of $200 and a stop of $550 using 15 minute regular bars.

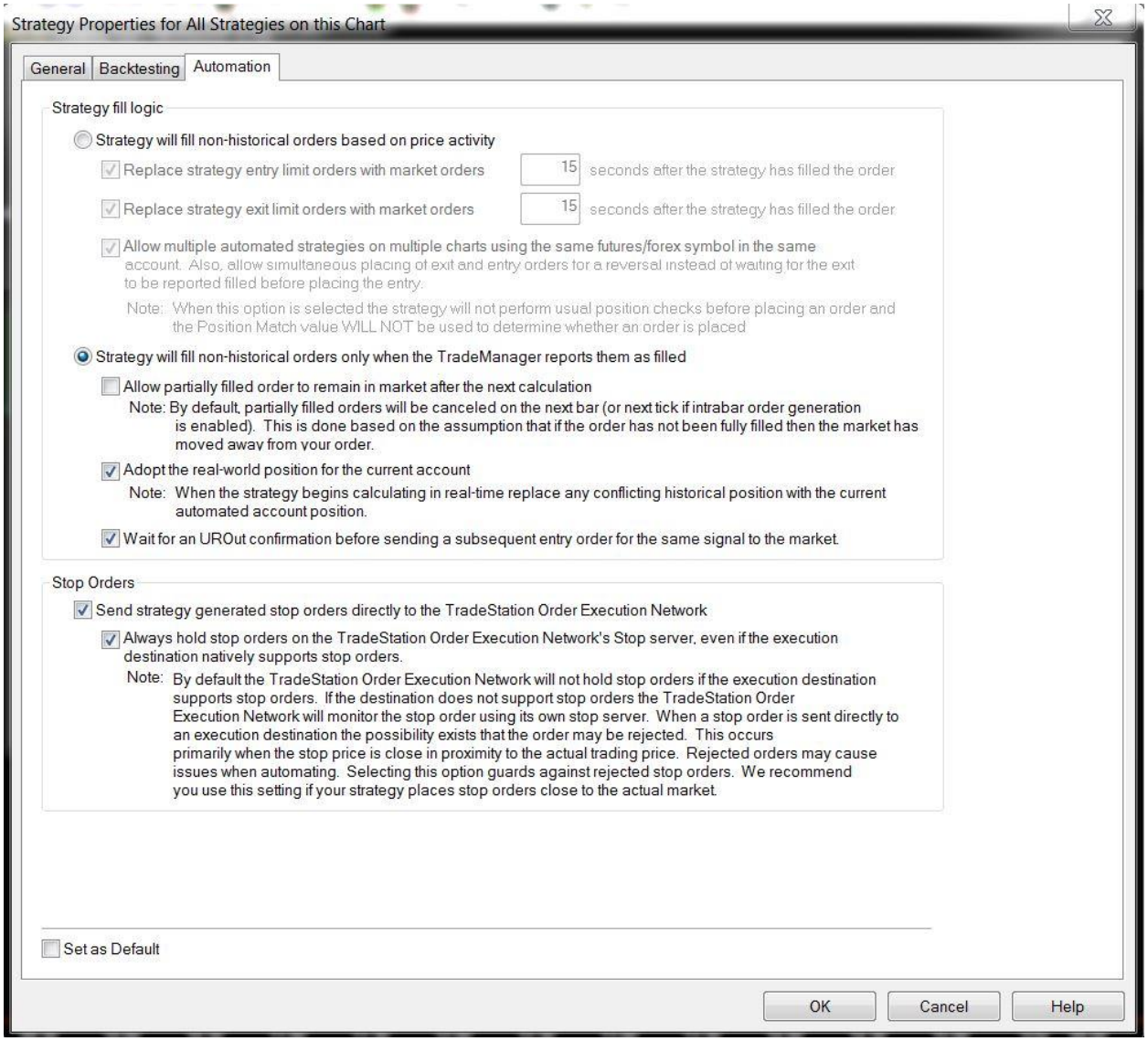
MOON for @US has been optimized for a target of $300 and a stop of $750 using 15 minute regular bars.

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



SET UP FOR AUTOMATION - Using one @ES system

To automate MOON-ES 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

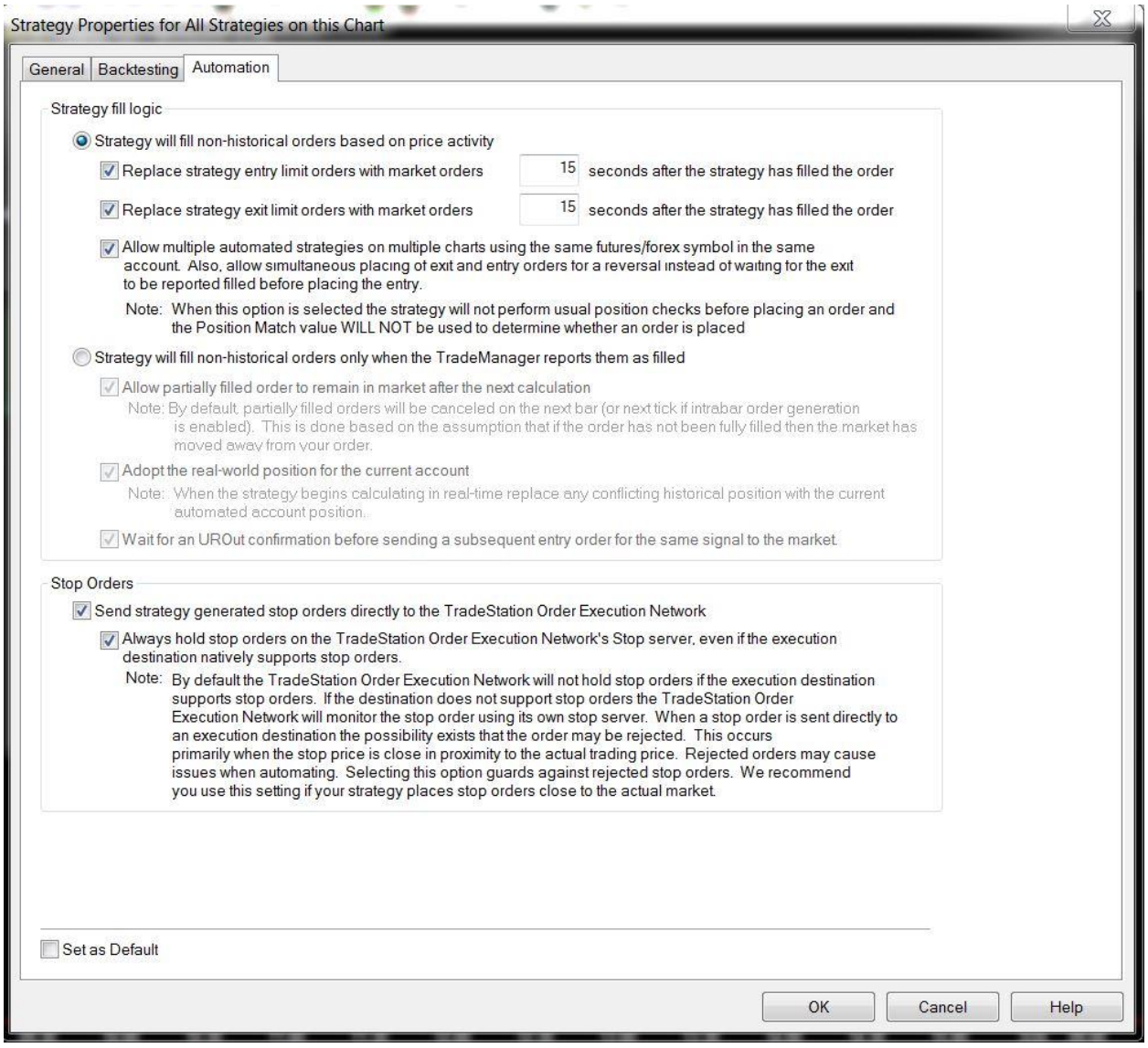


Check box for *Generate strategy order for display in TradeManager's...*
Check *Automate execution using ...*
Select your futures account number
Select account with confirmation Off
Close the window
Click File>New>Window
Select TradeManager
Or select TradeManager from your side bar
The set up is now complete

Please trade at your own risk!

SET UP FOR AUTOMATION- Using more than one @ES system in the same account.

To automate MOON-ES 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 set up 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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