

BEST ENTRY-TIMES FOR TRADER101'S TRADING CALLS

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Introduction:

According to experience Trader101 sends his trading-signals usually after midnight (GMT+2 h) which is very inconvenient at least for the trader in this time-zone.

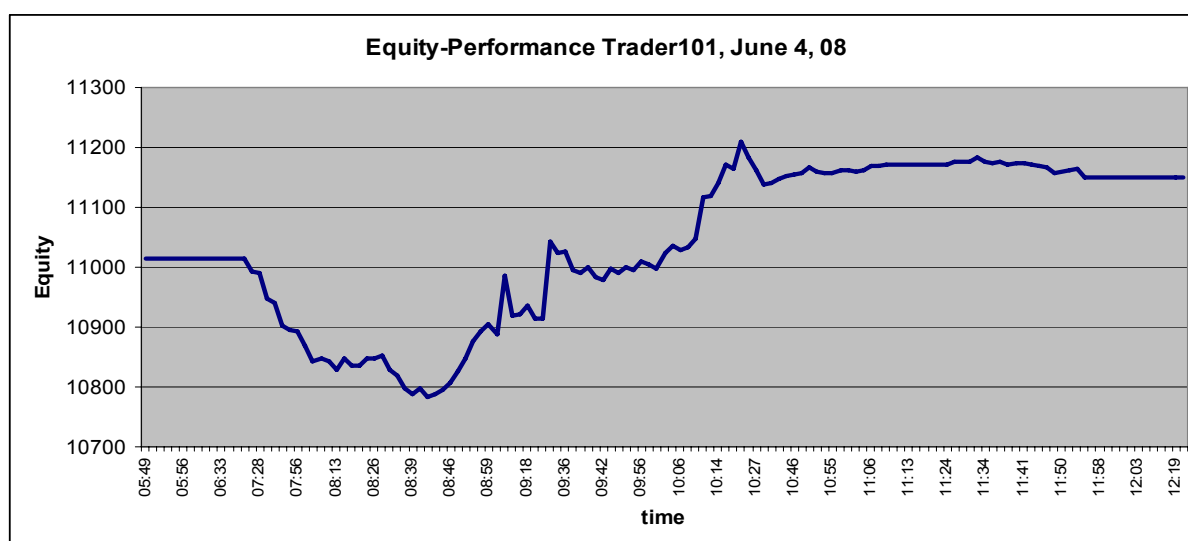
The goal of this analysis is to figure out whether it is possible to enter Trader101's calls at a later, more convenient time without a major performance setback.

In this analysis two approaches have been used to find a solution.

1. With Thomas Blaesi's indicator (TB_EquityStatistik) it is possible to keep track of the equity curve (each single minute). Starting with Traders101's original calls and analyzing the equity-curve it should be possible to find out the best entry time. The advantage of this is that the analysis is very precise and comes up with an optimum time. The disadvantage is that at least for one week one has to follow exactly the original trades.
2. The 2nd approach is to analyze every single trade and find out by presetting an appropriate time how the trades are performing. This can be done without doing some "night-shifts" although it is less precise.

Graph 1 shows the equity-curve of Trader101's third trade in week 23, 2008. Unfortunately the trades started about 4.5 hours later than the original. Due to this there is no exact comparison to the original equity-curve.

Anyhow at least Graph1 shows how it works and that in this example the best entry time would have been about 8:45, one quarter before London market opens and the action starts.



Graph 1: Equity curve from June 4, 08

1. Approach: first results based on the equity-curve analysis

Although not enough data are available to make a correct and final analysis, it should be tried to make at least a first statement.

According to Tader101's statement, he made in his third trade-run 196 pips, starting at 02:51 GMT+2 with most of his trades.

The entry of the trades in Graph 1 was at 07:27. In this session the gain was 137 pips or 136 € (0.2 standard lots traded), therefore 1 € is equivalent to 1 pip.

In the case that the trading would start at 08:42 (lowest equity point), the total gain would be around 370 € = 370 pips, an increase of 88 % of Trader101's result.

2. Approach: Analysis of all trades

First it was tried to use also a NF demo account to confirm Trader101 trades. Unfortunately NF does not offer new demo accounts anymore, wherefore Alpari was used.

Due to this it was necessary to check the difference between NF and Alpari. To come as close as possible to a realistic result, all Trader101's first trade-announcements have been used (Trader101 changed some trades during the session, which are not taken into consideration) and compared with Alpari.

It must be mentioned that the NF-data came from Trader1001's live account and Alpari data from the authors live account.

This was a good opportunity to compare Alpari's demo and live data. It was a positive surprise to find out that most of the time the data were identical with the exception, when data in the demo account were totally missing.

This shows again, that live and demo accounts are being unequal treated by the brokers, but also that Alpari is one of the best brokers concerning the correctness of the data.

Analytic procedure:

- For each run Trader101's NF data (entry- and exit-time as well as entry- and exit prices were stored in an Excel sheet).
- Exactly for the same times the entry- and exit prices for Apari were identified.
- This procedure (see 2.) was repeated for the following entry times: 07:27 (see Graph 1), 08:00 and 08:45 (see Graph 1).

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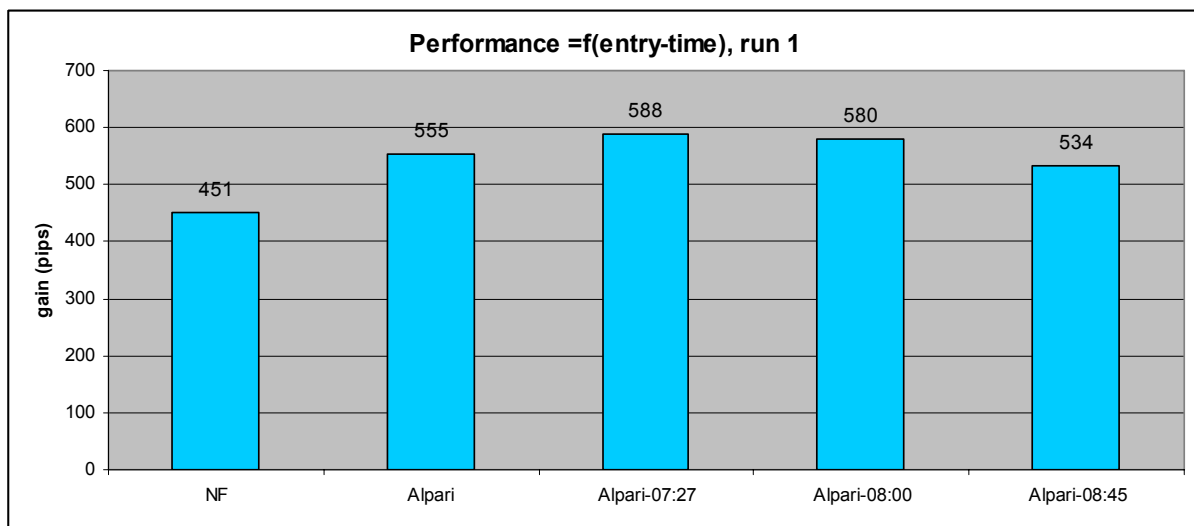
- The spread (Alpari) was taken into consideration
- This was done for all three runs in week 23

Results:

First each single run will be discussed and after that all trades (runs) combined (total week 23) and hopefully a clear conclusion can be made.

1. Run starting 02.06.08 at midnight (be aware that the times for NF and Alpari are different and all mentioned times are recalculated to Alpari standard, GMT +2).

Graph 2 shows the result for the different entry-times.



Graph 2: Performance = $f(\text{entry-time})$ for run 1

The first bar (NF) shows Trader101's results with a gain of 451 pips. With exactly the same trading conditions, Alpari (bar 2) would give a gain of 555 pips, after all an increase of 104 pips or 23%.

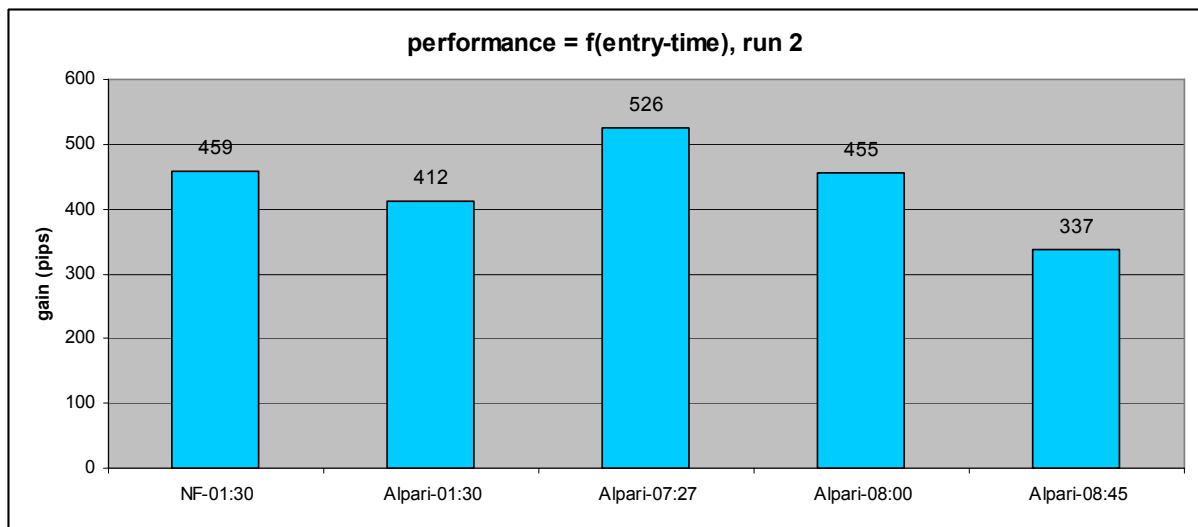
In the case that the earliest entries would have been taken at 07:27, the gain was even 588 pips (third bar).

Bar 4 gives the results for the entry time 08:00 with 580 pips and bar 5 for the entry time 08:45.

From this first run it can be concluded that the entry time really does not matter.

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3. **Run** started 04.06.08, 01:30. The results are shown in Graph 3.



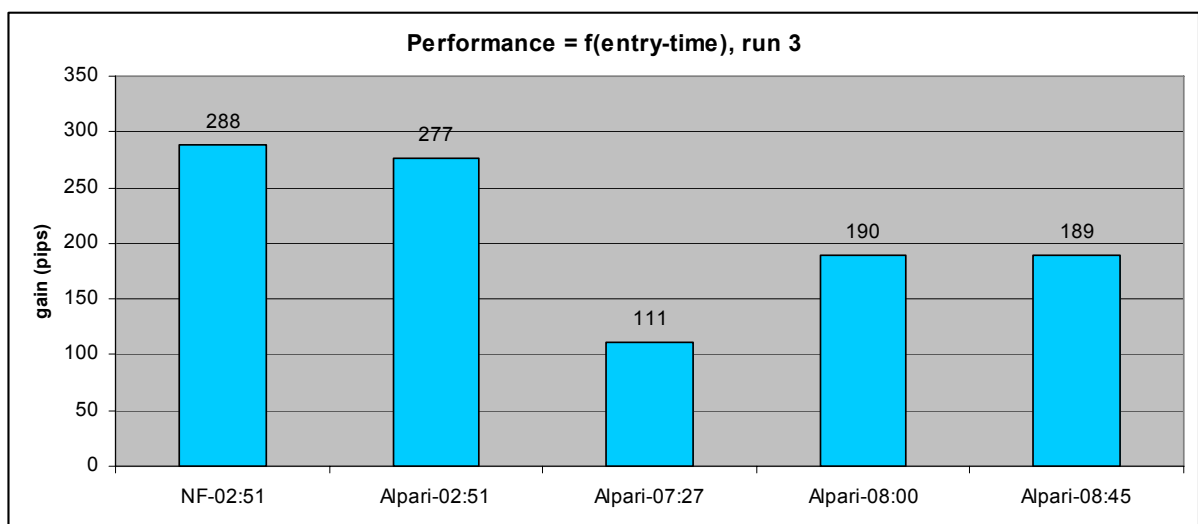
Graph 3: Performance = $f(\text{entry-time})$ for run 2

In this case the performance of NF was with 459 pips higher than Alpari with 412 pips (same entries).

But again bar 3 gives the best result. Bar 4 is similar to NF and the entry at 08:45 seems to be too late.

Also here it seems that the entry time is not very critical as long as it is clearly before London open.

3. **Run** started 05.06.08, 02:51. The results are shown in Graph 4.



Graph 4: Performance = $f(\text{entry-time})$ for run 3

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This Graph looks a bit different. The performance of NF and Alpari with the original entry time is almost identical.

With entry time 07:27 (bar 3) we would have a problem. Interestingly this is in accordance with Graph 1, where it can be seen that at that time a draw down started.

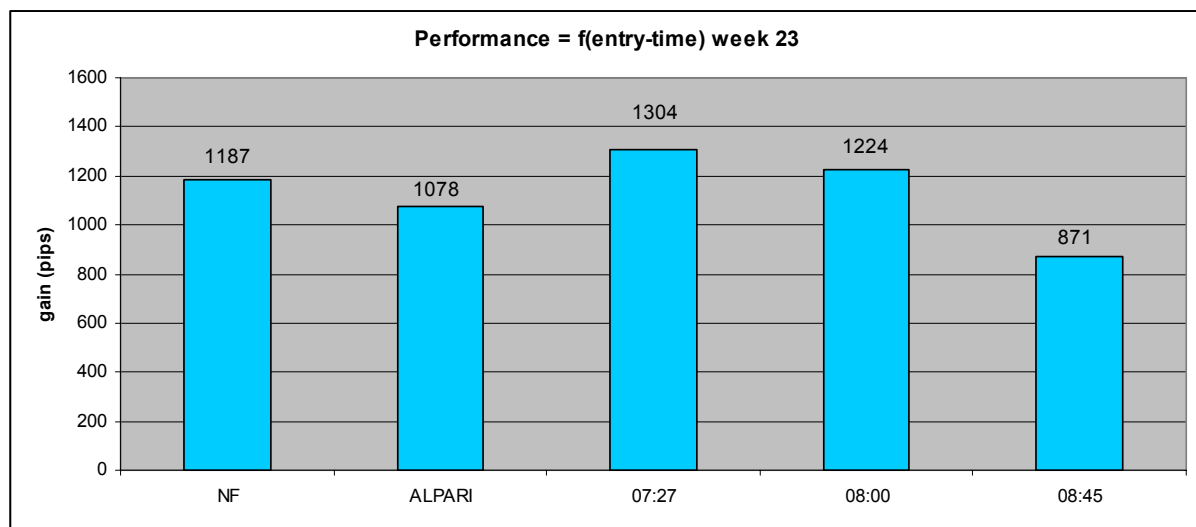
It seems that in run 3 it was not a big difference to enter at 08:00 or 08:45, both coming up with almost the same results.

This run 3 was important, showing a different behaviour than the previous runs.

Probably we would have more different results with more trades analysed, but the general impression is important.

Combined runs (total week 23)

Taken all 3 runs into consideration the total result is very clear, at least for week 23, see Graph 5, where all results for the different entry times had been summed up.



Graph 5: Performance = $f(\text{entry-time})$ for the total week 23

The performance of NF was slightly higher than Alpari with the original entry times (bar 1+2).

Entry time 07:27 (bar 3) gives the best result, followed by 08:00 (bar 4).

It seems that an entry time close to London open is already critical, although still giving 871 pips in 1 week trading which is an impressive result.

Conclusion:

Graph 1 showed already that the entry time is not as critical as assumed but because of limited data it was critical to come to a final statement.

Although it was a lot of work it was worth it to study each trade with different entry times.

According to this analysis an entry time between 07:00 and 08:00 is even better than the original. This is a very important result, because it shows clearly that the entry time is not critical at all and that traders in the European time zone can at least relax a bit and don't have to stay up the whole night.

Caution:

It has to be pointed out, that this result is strictly spoken only valid for week 23 and not necessarily a general statement.