

Profitable Trading Strategy Creation Checklist

Here are the steps we've used to create our famous FX-43 trading strategy which made 70% gain in its 1 year of trading on a real trading account.

It is not possible to share all and exact details in this document, but we share exact steps and even SQ settings (.xml file) with our students who enroll into the “*StrategyQuant Crash Course*”.

STEP 1: Prepare History Price Data in StrategyQuant

First thing to do is to download and import history price data into the StrategyQuant.

For FX-43 we were using EURUSD currency pair on a M30 time frame.

STEP 2: Choose Strategy Parameters

Next you choose strategy parameters you want to use.

How big or small you want your stop loss and take profit to be?

Do you want to close all trades at the end of the day or end of the week?

How far you want the algorithm to look back in history for potential entry/exit points?

Which types of orders you want to use (pending orders, market entry)?

What exit points you want to use (SL/TP, exit after bars, ect).

What indicators and logic operators you want to use?

For FX-43 we've set to use pending orders with “replace” option.

STEP 3: Begin Random Strategy Generation

As soon as you finish setting up SQ platform you begin random strategy generation. It might take hours, days or even weeks for SQ to find best strategies (depending on your settings).

For FX-43 it took us around 24 hours and hundreds of strategies in databank.

STEP 4: Retest Strategies on Every Tick Model

It is very important to retest all candidates in your databank on Every Tick testing model. This will filter out quite a lot strategies that would waste your time anyway. Usually those are spread-sensitive strategies that wouldn't work in live trading environment anyway.

For FX-43 we've eliminated all strategies that had Return/Drawdown ratio less than 5.

STEP 5: Check Strategy Robustness

Run robustness test on all the strategies that left after every-tick test. It is best to run robustness check on "1 minute" test precision.

Robustness test will eliminate a lot of strategies. It might be that you'll end up with just 1-10% of all the strategies you had before this test.

Simply delete all strategies that have Return/Drawdown ratio (RT) below 3.

For FX-43 we were doing 1000 simulations of relevant robustness tests.

STEP 6: Do Walk-Forward Analysis

It's always a good idea to check if your strategy passes the Walk-Forward Analysis and/or Walk-Forward Matrix tests.

If a strategy passes WF tests then it has a very big potential to withstand market changes and actually make money in live trading environment.

Such strategies are worth investing real money and we usually launch them for trading the same day.

For FX-43 we had Walk-Forward Matrix test pass with quite good results. That's why we've chose to launch it immediately and that was one of our best decisions.

STEP 7: Launch strategies EA live

It is important to launch all trading EA you've created the same day. Basically all EAs that have passed robustness tests should be launched at least on a demo account.

Even if you have 100 EA's created, do not wait, attach them all to a 100k demo account and use [MyMT4Book](#) to analyze trading history of each EA. Just make sure you use different magic number for each EA.

You can launch all of them on the same MT4 to save computer resources and after 3-6 months MyMT4Book will help you choose top 5 or top 10 strategies that you can transfer to different trading accounts.

For FX-43 I just launched it on a live trading account. We did not had MyMT4Book at that time, but now I use this for every strategy group I create.

We invite you to learn all the details and receive exact SQ settings.

You just need to [join our "StrategyQuant Crash Course" today.](#)

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