

ESX Trading System

65.42% Annual Return, 562.57% Return on Initial Capital in less than 9 years!

ESX

System Description

ESX is a day trading system designed to trade the E-mini S&P 500 Futures. ESX enters a trade when the S&P 500 is extremely overbought or oversold. Once our order is filled, we wait for the market to immediately retrace back for a quick turn-around profit. Each trade last about 6 minutes. All trades are entered during market hours from 9:30 - 4:00 EST. This trading system has two input parameters, Risk and Profit Target. Users can choose to customize it to their own trading preference or use the default settings. ESX is similar to SPR trading system, but the entry method is different and is a more conservative system. We recommend trading this strategy fully automated due to the short term nature of each trade. ESX is programmed in EasyLanguage and can run on the Tradestation 8.8 or MultiCharts 6.0 trading platform.

Back Testing Results

The ESX trading system was tested from 01/02/2002 – 08/06/2010. The total net profit during this period is \$28,128.50 trading one E-mini S&P500 Futures contract. Return on Initial Capital in 8.6 years is 562.57%, which is 65.42% Annual Return with no compounding. The total number of trades during this period is 1970, 76.55% of the trades were profitable. The maximum intra-day drawdown is only \$1,076.90, less than 4% of the total net profit. Margin requirement for each contract is \$2,813.00. For every \$3,890.00 in the account, you can trade one contract. We are confident that ESX will continue to perform well in the future and break new equity high.

Initial Capital = \$5,000.00, Trade Size = 1 contract, Commission = \$2.35, Symbol = @ES

Symbol	Test Period	Total Net Profit	% Profitable	Total # of Trades	Max Drawdown
@ES	01/02/02 - 08/06/10	\$28,128.50	76.55%	1970	(\$934.70)

System Requirements

We recommend running this system on a computer hosted at an ISP to guarantee its continuous uptime. If you choose to run this system at your local office, we recommend having two Internet connections, one Broadband and one DSL, and a Dual Wan Router that can load balance or failover the two Internet connections. A UPS (Uninterruptable Power Supply) is also recommended.

Processor	Single-core Intel® or AMD® processor at 2.6 GHz or faster
Memory (RAM)	2 GB to 4 GB
Hard Drive	1 GB of free space, 5400 RPM drive
Video Card (s)	16-bit graphics support, 64 MB for a single monitor
Screen Resolution	1024x768 pixels
Operating Systems	Windows 7®
Internet Browser	Microsoft Internet Explorer 7.x
Internet Connection	Broadband Connection 3 Mbps or better and DSL 1.5 Mbps or better
Trading Platform	Tradestation 8.8 or MultiCharts 6.0

Purchase

ESX is available for lease or a permanent license can be purchased. All purchase includes initial setup and configuration, 1 day of on-site training, and unlimited telephone or email support.

	Price
3 Months Contract	\$10,000.00 USD / Month
1 Year Contract	\$9,000.00 USD / Month
2 Year Contract	\$8,000.00 USD / Month
3 Year Contract	\$7,000.00 USD / Month
Permanent License	\$240,000.00 USD

Lease purchase cannot be credited toward Permanent License purchase. 3 months minimum lease is required.

Performance Summary

	All Trades	Long Trades	Short Trades
Total Net Profit	\$28,128.50	\$11,507.70	\$16,620.80
Gross Profit	\$65,199.90	\$32,995.10	\$32,204.80
Gross Loss	(\$37,071.40)	(\$21,487.40)	(\$15,584.00)
Profit Factor	1.76	1.54	2.07
Roll Over Credit	\$0.00	\$0.00	\$0.00
Open Position P/L	\$0.00	\$0.00	\$0.00
Select Total Net Profit	\$31,053.60	\$13,723.40	\$17,330.20
Select Gross Profit	\$65,199.90	\$32,995.10	\$32,204.80
Select Gross Loss	(\$34,146.30)	(\$19,271.70)	(\$14,874.60)
Select Profit Factor	1.91	1.71	2.17
Adjusted Total Net Profit	\$24,724.80	\$8,935.05	\$14,387.05
Adjusted Gross Profit	\$63,520.92	\$31,803.72	\$31,021.73
Adjusted Gross Loss	(\$38,796.12)	(\$22,868.66)	(\$16,634.67)
Adjusted Profit Factor	1.64	1.39	1.86
Total Number of Trades	1970	1009	961
Percent Profitable	76.55%	76.02%	77.11%
Winning Trades	1508	767	741
Losing Trades	462	242	220
Even Trades	0	0	0
Avg. Trade Net Profit	\$14.28	\$11.41	\$17.30
Avg. Winning Trade	\$43.24	\$43.02	\$43.46
Avg. Losing Trade	(\$80.24)	(\$88.79)	(\$70.84)
Ratio Avg. Win:Avg. Loss	0.54	0.48	0.61
Largest Winning Trade	\$57.80	\$45.30	\$57.80
Largest Losing Trade	(\$467.20)	(\$467.20)	(\$379.70)
Largest Winner as % of Gross Profit	0.09%	0.14%	0.18%
Largest Loser as % of Gross Loss	1.26%	2.17%	2.44%
Net Profit as % of Largest Loss	6020.65%	2463.12%	4377.35%
Select Net Profit as % of Largest Loss	6646.75%	2937.37%	4564.18%
Adjusted Net Profit as % of Largest Loss	5292.12%	1912.47%	3789.06%
Max. Consecutive Winning Trades	54	24	61
Max. Consecutive Losing Trades	5	6	4
Avg. Bars in Total Trades	1.72	1.72	1.72
Avg. Bars in Winning Trades	1.63	1.63	1.63
Avg. Bars in Losing Trades	2	2	2
Avg. Bars in Even Trades	0	0	0
Max. Shares/Contracts Held	1	1	1
Total Shares/Contracts Held	1970	1009	961
Account Size Required	\$934.70	\$898.60	\$545.40
Total Slippage	\$0.00	\$0.00	\$0.00
Total Commission	\$9,259.00	\$4,742.30	\$4,516.70
Return on Initial Capital	562.57%		
Annual Rate of Return	22.01%		

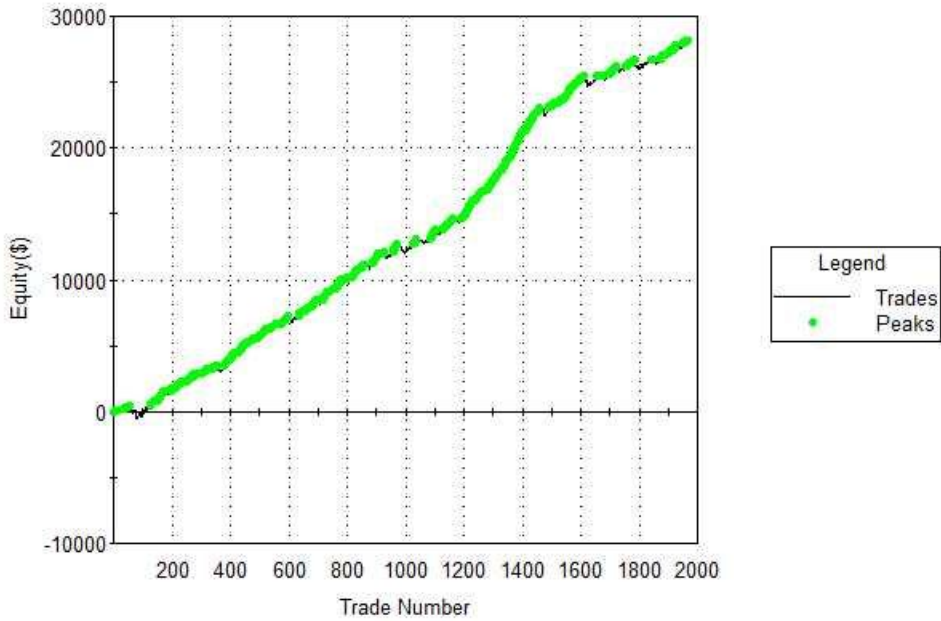
Buy & Hold Return	-11.01%		
Return on Account	3009.36%		
Avg. Monthly Return	\$520.21		
Std. Deviation of Monthly Return	\$944.92		
Return Retracement Ratio	0.33		
RINA Index	428368.09		
Sharpe Ratio	0.52		
K-Ratio	n/a		
Trading Period	8 Yrs, 7 Mths, 2 Dys, 7 Hrs, 12 Mins		
Percent of Time in the Market	0.09%		
Time in the Market	2 Dys, 22 Hrs, 39 Mins		
Longest Flat Period	40 Dys, 20 Hrs, 45 Mins		
Max. Equity Run-up	\$28,838.90		
Date of Max. Equity Run-up	8/6/2010 7:45		
Max. Equity Run-up as % of Initial Capital	576.78%		
Max. Drawdown (Intra-day Peak to Valley)			
Value	(\$1,076.90)	(\$1,014.85)	(\$867.20)
Date	7/15/2002 12:33		
as % of Initial Capital	21.54%	20.30%	17.34%
Net Profit as % of Drawdown	2611.99%	1133.93%	1916.61%
Select Net Profit as % of Drawdown	2883.61%	1352.26%	1998.41%
Adjusted Net Profit as % of Drawdown	2295.92%	880.43%	1659.02%
Max. Drawdown (Trade Close to Trade Close)			
Value	(\$934.70)	(\$898.60)	(\$545.40)
Date	7/15/2002 12:33		
as % of Initial Capital	18.69%	17.97%	10.91%
Net Profit as % of Drawdown	3009.36%	1280.63%	3047.45%
Select Net Profit as % of Drawdown	3322.31%	1527.20%	3177.52%
Adjusted Net Profit as % of Drawdown	2645.21%	994.33%	2637.89%
Max. Trade Drawdown	(\$1,387.50)	(\$1,387.50)	(\$1,050.00)

Periodical Returns

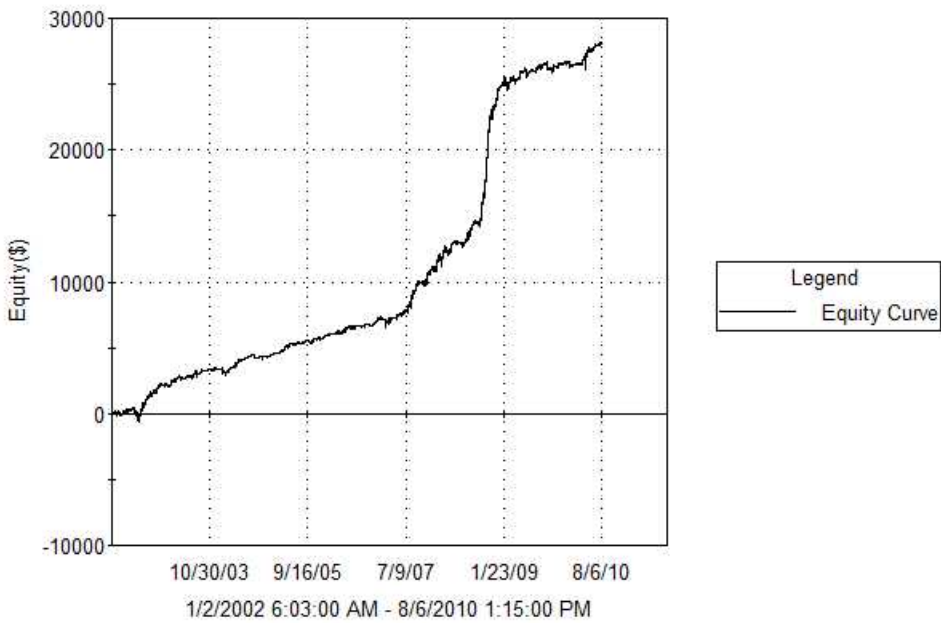
Mark-To-Market Period Analysis:					
Period	Net Profit	% Gain	Profit Factor	# Trades	% Profitable
Last 12 month	\$1,878.60	6.01%	1.41	212	70.75%
1/1/2010	\$1,537.40	4.87%	1.61	133	70.68%
1/1/2009	\$1,878.00	6.32%	1.3	260	73.46%
1/1/2008	\$13,600.60	84.41%	2.11	702	82.76%
1/1/2007	\$4,118.30	34.34%	1.76	286	76.57%
1/1/2006	\$1,200.50	11.12%	1.88	85	72.94%
1/1/2005	\$1,366.20	14.49%	2.6	79	65.82%
1/1/2004	\$1,006.90	11.96%	1.87	73	78.08%
1/1/2003	\$1,328.20	18.73%	1.64	119	70.59%
1/1/2002	\$2,092.40	41.85%	1.4	233	72.10%
Mark-To-Market Rolling Period Analysis:					
Period	Net Profit	% Gain	Profit Factor	# Trades	% Profitable
1/1/2010 - Today	\$1,537.40	4.87%	1.61	133	70.68%
1/1/2009 - 1/1/2010	\$3,415.40	11.49%	1.39	393	72.52%
1/1/2008 - 1/1/2010	\$17,016.00	105.61%	1.81	1095	79.09%
1/1/2007 - 1/1/2010	\$21,134.30	176.20%	1.8	1381	78.57%
1/1/2006 - 1/1/2010	\$22,334.80	206.92%	1.8	1466	78.24%
1/1/2005 - 1/1/2010	\$23,701.00	251.40%	1.83	1545	77.61%
1/1/2004 - 1/1/2010	\$24,707.90	293.42%	1.83	1618	77.63%
1/1/2003 - 1/1/2010	\$26,036.10	367.10%	1.82	1737	77.14%
1/1/2002 - 1/1/2010	\$28,128.50	562.57%	1.76	1970	76.55%

Performance Graphs

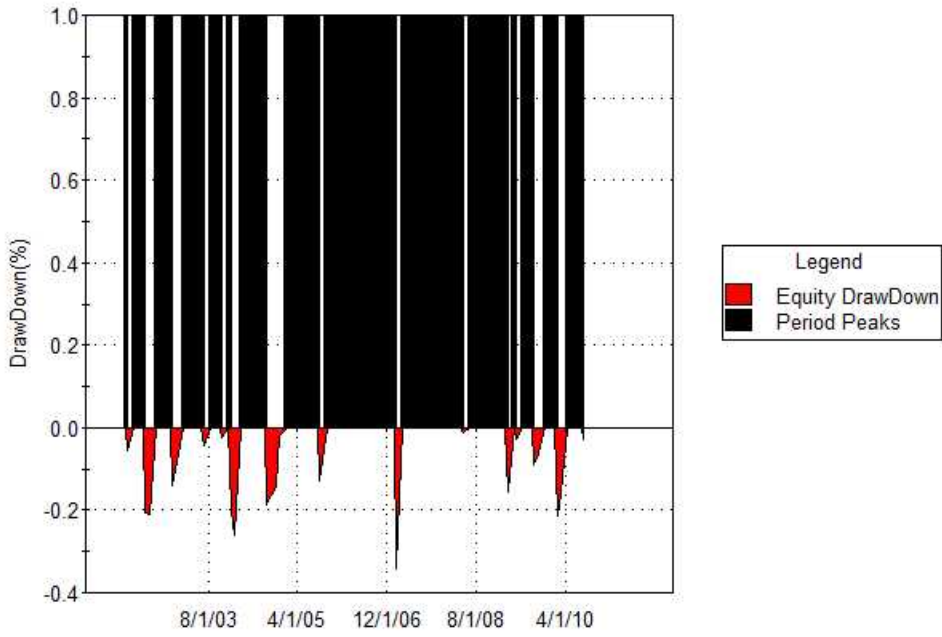
Equity Curve Line - @ES 3 min.(01/02/02 03:33 - 08/06/10 13:15)



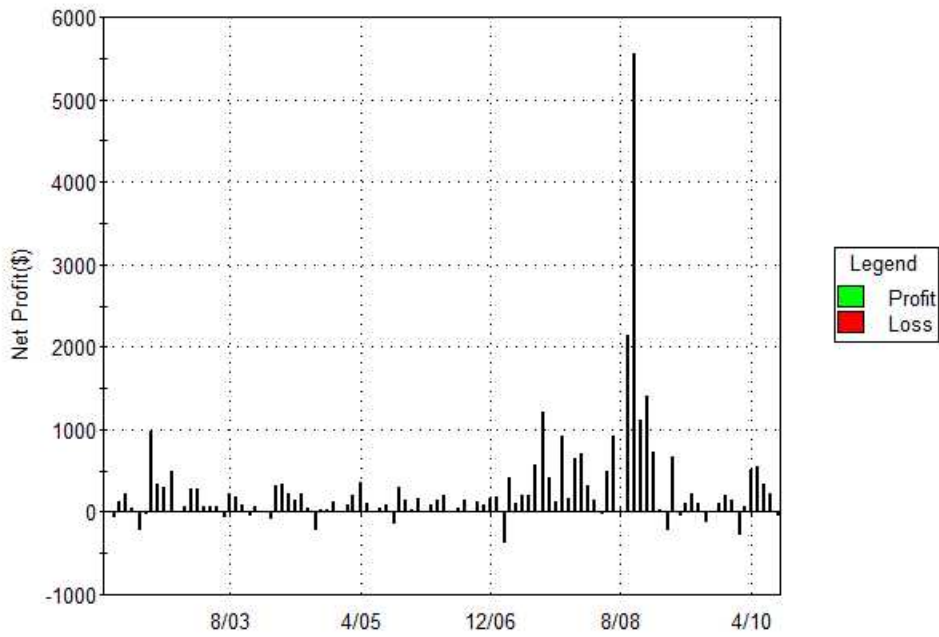
Equity Curve Detailed - @ES 3 min.(01/02/02 03:33 - 08/06/10 13:15)



Equity Curve UnderWater(monthly) - @ES 3 min.(01/02/02 03:33 - 08/06/10 13:15)



Monthly Net Profit - @ES 3 min.(01/02/02 03:33 - 08/06/10 13:15)



System Settings

Symbol	@ES	
Description	E-mini S&P 500 Continuous Contract [Sep10]	
Interval	3 min.	
Start Date/Time	1/2/2002 3:33	
End Date/Time	8/6/2010 13:15	
TradeStation Strategies Applied		
TS360-ESX(On)		
TradeStation Strategy Inputs		
Description	Value	
TS360-ESX - Risk	7	
TS360-ESX - ProfitTarget	1	
TS360-ESX - MarketStartTime	930	
TS360-ESX - MarketEndTime	1615	
TradeStation Strategy Settings		
Costs/Capitalization		
Initial Capital	\$5,000.00	
Commission	\$2.35	per Trade
Slippage	\$0.00	per Trade
Interest Rate	0.00%	
Back-testing Resolution		
Look-Inside-Bar Back-Testing	Disabled	
MaxBarsBack	50	
Position Limits		
Disabled: No entry orders allowed in the same direction as the currently held position.		
Max. shares/contracts per pos.	65000	
Trade Size		
Fixed Shares/Contracts: 1		
TradeStation Report Settings		
Display Periods	40	
Standard Deviations	1	