

Outright directional futures trading

LINEAR EXPOSURE THROUGH FUTURES TO NATURAL GAS PRICES. (LONG/SHORT MODEL)

At the core of my investment philosophy lays the belief that trading decisions should be "free of emotions." Natural Gas outright trading signals are therefore rooted in mathematical equations, which permit me to follow a predefined and disciplined investment process. Live trading strategies are continuously monitored, analyzed, and refined on intraday basis.

Strategy profile

Date created: 2015

Frequency	Mid-term (Avg trade duration 5 days)
Key Idea	The underlying idea behind this model is forecasting prices [T+5] days from now. And when there is mispricing between the nearest expiration of Natural Gas futures and our forecasted "Fair" price we place the trade in direction of our forecast.
Capacity	15.0m USD
Execution Latency	Positions are opened/closed 15 minutes before the exchange's daily settlement with limit orders.
Monthly trades quantity	12 rounds a month on average

Key differentiators: Strategy rejects the Efficient Market Hypothesis. I do not believe that returns follow strict random walks and that assets are perfectly priced at all times. Model's approach to investing begins with a thorough examination of a variety of factors (Fundamental and Statistical price data) that may cause markets to move, followed by an investigation of all detected anomalies and unusual market patterns.

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Target market

Target market	Country	Sector	What it trades
US	Energy	Futures	

Strategie Statistics

	Value	Notes and Links
Suggested Minimum Cap	100 000 USD	
What it trades	Futures	
Avg trade duration	5 days	
Max peak-to-valley drawdown	45%	
Drawdown period	2.5 month	
Annual Return (Compounded)	35%	
Avg win	2.3k USD	per 1 contract*
Avg loss	1.98k USD	per 1 contract
Piramiding	Yes	
Sharpe Ratio	1.3	
Win / Loss ratio	67.7%	

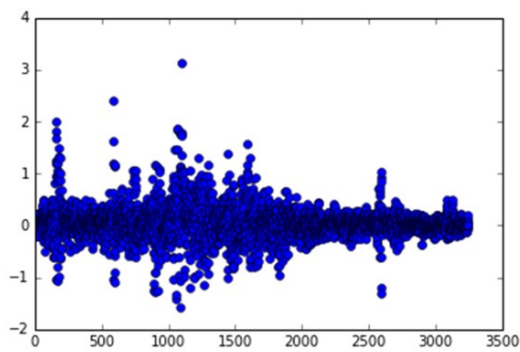
**In one direction, 3 lots can be opened at once. This is the maximum position size. Not martingale. A systemic increase in the lot. It can be both in the direction and against.*

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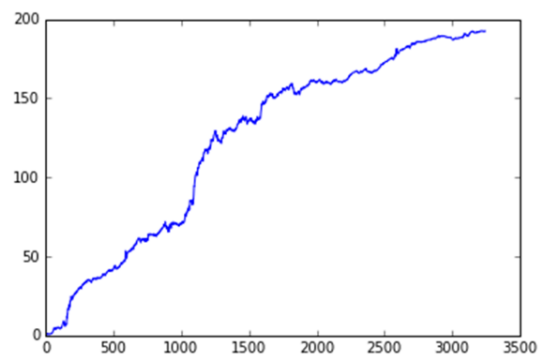
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Statistical data diagrams

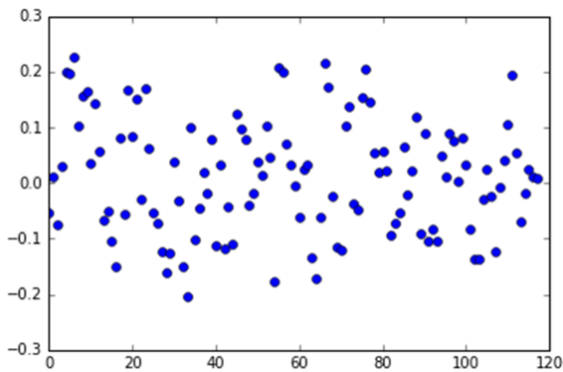
Trades PnL period: 2000 to 2017



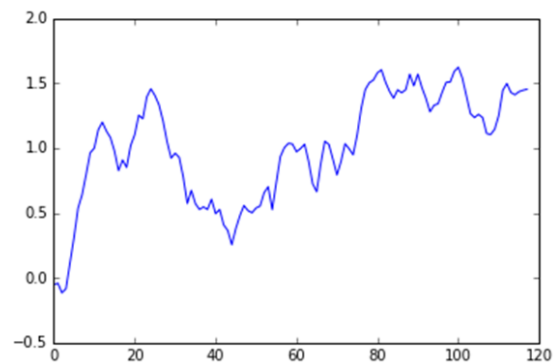
Equity Curve: 2000 to 2017



Trades PnL period: 2017



Equity Curve: 2017



This is historical **backtests** Up to from 2000 to 2017 trade to trade basis. Based on EOD modelling on Settle prices. No intraday data used.

Calculation based on CONTRACT UNIT 1.0 to 10 000 U.S. dollars and cents per MMBtu.