



## MESA NQ

### An algorithmic trading system for the E-Mini NASDAQ futures

MESA NQ is a statistical-edge algorithmic trading system for the E-Mini NASDAQ 100 futures contract. The system produces trading signals based on quantitative methods originally developed for the military and aerospace industries. MESA NQ utilizes proprietary digital signal processing (DSP) techniques to generate short-term trading signals by isolating highly correlated events from noisy market data. The MESA NQ system is 100% mechanical.

# 1

The equity growth chart below shows simulated results from trading a single E-Mini NASDAQ 100 futures contract over the five year period from January 2005 through December 2009 with no allowance for slippage or commissions.

## Description

MESA NQ typically trades about once per week but can hold for longer periods during trends or go flat during non-correlated market conditions. The trading system is historically in the market about 60% of the time. All trades are at the market without stop or limit orders.

MESA NQ contains risk reducing built-in stops and will go flat when no positive signal correlation is indicated.

*MESA NQ was developed by respected technical analysis industry authority and author John F. Ehlers. Ehlers is the author of several books on his unique digital signal processing (DSP) methods including "Rocket Science for Traders", and "MESA and Trading Market Cycles". Ehlers and co-developer Ric Way have a combined 40 years experience in trading and trading systems development.*



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## Performance

Simulated out-of-sample historical performance yields an impressive profit factor and percent wins - the two most important metrics in trading system performance.

The performance metrics below show hypothetical results of simulated trading a single E-Mini NASDAQ 100 contract over the five year period from January 2005 through December 2009 with no allowance for slippage or commissions.

From these results it can be seen that MESA NQ offers an algorithmic trading solution for the E-Mini NASDAQ 100 futures with a respectable historical performance and reward-risk ratio.

Total Net Profit	\$52,920.00	Profit Factor	1.99
Gross Profit	\$106,485.00	Gross Loss	(\$53,565.00)
Total Number of Trades	234	Percent Profitable	61.54%
Winning Trades	144	Losing Trades	90
Even Trades	0		
Avg. Trade Net Profit	\$226.15	Ratio Avg. Win:Avg. Loss	1.24
Avg. Winning Trade	\$739.48	Avg. Losing Trade	(\$595.17)
Largest Winning Trade	\$4,180.00	Largest Losing Trade	(\$1,585.00)
Max. Consecutive Winning Trades	8	Max. Consecutive Losing Trades	4
Avg. Bars in Winning Trades	26.56	Avg. Bars in Losing Trades	19.07
Avg. Bars in Total Trades	23.68		

Trading Period	5 Yrs, 3 Hrs, 45 Mins	Percent of Time in the Market	60.59%
Max. Equity Run-up	\$53,970.00		
<b>Max. Drawdown (Intra-day Peak to Valley)</b>		<b>Max. Drawdown (Trade Close to Trade Close)</b>	
Value	(\$6,250.00)	Value	(\$3,380.00)
Net Profit as % of Drawdown	846.72%	Net Profit as % of Drawdown	1565.68%



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## Limitations

*Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance trading results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results*

