BørsCustom

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The new version 5.108 includes some larger new features –

- **XML handling**
- **BCVIEW as server (e.g. BCVIEW can read an XML file and return a GIF file with graphics)**
- **New datatypes included (Avarage Traded price, Internal Value, Open Interest, Duration)**
- **Send Views to other users of BCVIEW**
- **Create Simple-/Marked weighted index on instrument groups**
- **Create Hausse/Baisse Index on instrument groups**
- **New trendlines implemented (Fibonacci Fan and Mirror Fan)**
- **Optimize Signal Arguments**
- **Signal Button**
- **New Quick Command Button's and setup (bitmap, text etc.)**
- **Quick Command Button's can be inherit from the SuperUser to other users**
- **Select the Value axis to the left or to the right**

A short description of The Signal Arguments Optimizing module.

In BCVIEW you can create signals based on e.g. different indicators. An indicator is based on arguments e.g. if you are looking at crosses of 2 Moving Averages (MA) the most important factor naturally is – which arguments are you using e.g. 9 periods MA against 20 periods MA or 50 periods MA against 200 periods MA etc.

BCVIEW can find the most profitable combination based on the historical data, and what is maybe more important, the most profitable combination of the arguments are not necessary the best combination - BCVIEW can find the most profitable combination, and you can see, if you have a 'lucky punch' or if you have a solid combination, in which it does not give an extremely different result, if the arguments are moving a little bit over time (the 'neighbours' are profitable to). You need a stabil and profitable combination of the arguments over time.

Signals

In BCVIEW you must create a signal. If you don't have any – create the following signal GD_Cross. When created we will make an optimizing of the arguments.
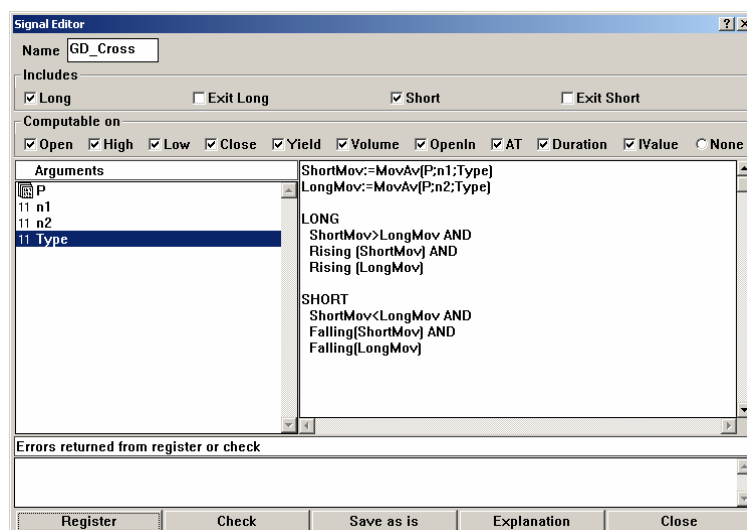

figure 1

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This signal are using the indicater MovAv(P;n;Type) and the indicators Rising and Falling.
The GD_Cross signal says:
GO LONG if the Short MA is higher than the Long MA and both of the MA's are rising.
GO SHORT if the Short MA is lower than the Long MA and both of the MA's are Falling.

There is not defined any EXIT LONG or EXIT SHORT statements. This means e.g. that we are always in the market. A LONG signal is always followed by a SHORT signal and vice versus.

We have 4 arguments:
P – the instrument
n1 – the number of periods computing the Short Moving Average
n2 – the number of periods computing the Long Moving Average
type – what kind of Moving Average (type=1 (simple MA), type=2 (exponential MA), type=3 (Weighted MA) or type=4 (Accumulated MA))

Our job is now to optimize the combinations of arguments when using the signal (GD_Cross) on a single instrument (Nokia Oyj)

Be aware of, that of course you can create much more komplex signals. The signal GD_Cross above, is propably one of the most simple signals that you can create. The Argument Optimizer is able to handle signals with up to 15 arguments and up to 6 of the these 15 arguments must be instruments.

Optimize the Argument Combination

The Signal Argument Optimizer can be activated from the signal menu 'Signals', 'List of Instruments' or through the 'Analyzer' menu. In this case we will do it through the menu 'List of Instruments'. Select 'List of instruments' and find the instrument (share) Nokia Oyj . Right click the mouse pointing at the instrument in the 'List of instruments'. Select 'Optimize' in the 'Instrument menu' and the list of 'Optimize Results' will be activated.
In case you formerly have made an optimizing of a signal for this instruments, these will be listed and you can activate these by a double click or pressing the 'Open' button.
In case you want a new 'optimizing' – press the right mouse button pointing at the list and select 'new'.
Now you must find the signal in the 'Enter Signal' dialog – Select 'GD_Cross'. The 'Optimize' dialog will be activated.
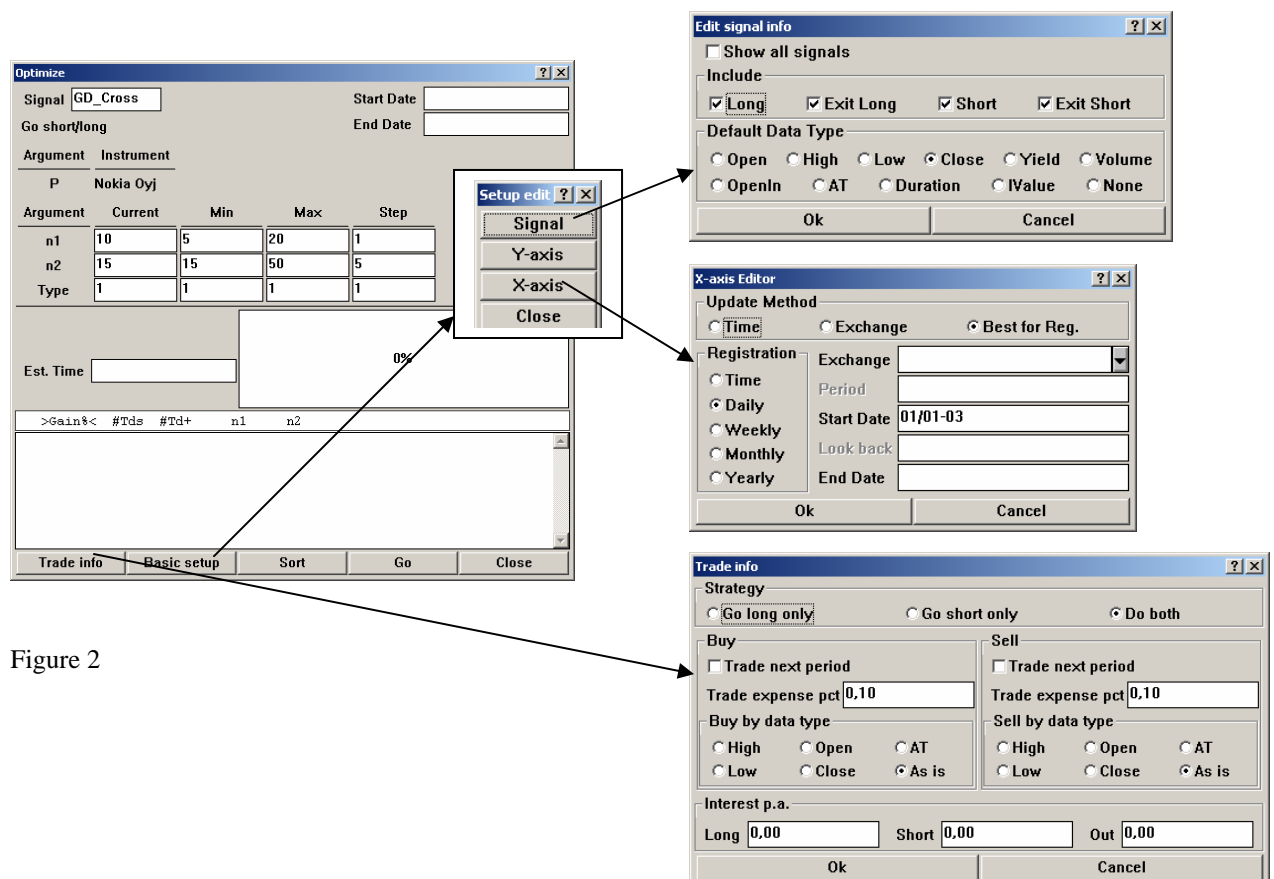

Figure 2

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BCVIEW will automatically fill in some default ranges for the arguments. As you can see in the Optimize dialog above, The GD_Cross signal has 4 arguments – The instrument P, n1 (number of periods for the short MA, n2 (number of periods for the Long MA) and finally type (what kind of MA – Simple, Exponential, Weighted or Accumulated MA).

Above You can se, that in the optimizing matrix the Instrument is fixed - Nokia Oyj, n1 will vary from 5 to 20, n2 will vary from 15 to 50 with a step value of 5 and Type is fixed as type 1 (Simpel MA). This wil give is an optimizing matrix with 1 * 16 * 8 * 1 combinations (128). Normally this is very few combinations. Be aware of, that the number of combinations quite easily can grow very quickly and that the more combinations the more time will be needed to find the most profitable combination of the arguments.

Trade info

You can press the 'Trade info' button – which give you the opportunity to enter –

- Strategy : Do we want to include LONG, SHORT og both. E.g. In case it's not possible for you to go short in shares, You most select 'Go Long only'.
- Buy or Sell to a specific price. E.g. if you get a buy signal – which price do you want to trade at. Open, High, Low, Close. 'As is' means the datatype selected in the 'Basic Setups' below. You can even select to trade in the period after you have received the signal.
- You can enter trade expenses in % (in this case 0,1%).
- You can enter interest in % p.a. – enter the interest rate that you receive while you are LONG/SHORT or out of the marked. E.g. in case you are buying shares for borrowed capital at a rate of 6% p.a. You must enter   -6%, which is the interst rate you will receive while you are LONG.

The default setup in the 'Trade info' dialog can be changed in menu 'Views'/'Options'/'Trade info'

Basic setup

- Setup which datatype must be the deault datatype. If you look at the signal, it says that you go LONG in case the   Short MA is higher that the Long MA. This MA could be calculated on different datatypes in BCVIEW – e.g.Volume or the High value etc. In this case – Close is selected.
- Is the signal based on daily, weekly or monthly data ?
- Select Start Date and/or End Date. In this case we are using daily data and have selected a period from 1. january 2003 and up to date

The default setup in the 'Edit Signal info' and the 'X-axis Editor'can be changed in menu 'Views'/'Options'/.

While ready to find the gain on every possible argument combination - press the 'Go' button.
While BCVIEW is running, the message line (in the bottom of your screen) will show you which combination that's currently being analyzed and how many different combinations that BCVIEW will analyze.

When the optimizer has finished The 'Optimize' dialog will list the results. The combinations will be listed in gain order (the combination with highest gain at the top). As you can see (fig. 3) the most profitable combination gives you a gain of 48,69%. You have 15 deals and 7 of these with positiv gain. The most profitable combination is with a short MA of 5 periods and a long MA of 25 periods. 25 days seams to be a good period for the long MA (remember our combination matrix is quite simple) and 5-10 days seams to be a good fit for the short MA.

If you Double Click, pointing at one of the argument combinations, the list of positions will be activated (fig. 3). You can see the result of the strategy using the signal with the given arguments .The list of positons show you, when you have been Long/short or Out of the market and the gain for every period with costs/interest etc. included.

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Figure 3

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Your challenge could be to define signals. The GD_Cross signal are always in the market, there is not defined any EXIT LONG or EXIT SHORT conditions. Maybe the GD_Cross signal could be improved with an EXIT LONG or EXIT SHORT condition. In the list of positions above you where Long from 9/7-2003 until 18/7-2003 with a loss of 17.31% - maybe this loss could be minimized !!

In case you have created a View and included a signal., the Optimize Dialog can be activated directly from the View (Select the Size- or Arrow cursor and leftclick the mousebutton pointing at the Signal).
When the optimizer has finished - The selected combinations of arguments will automatically be transferred to the View.