

**WINNING STRATEGIES OF THE MASTERS II LIBRARY****Introduction:**

Winning Strategies of the Masters II is the successor to the Winning Trading Strategies library. In this collection of strategies the users is introduced to four new highlight bars as well as a new moving average indicator. These are used to write some of the ten new strategies developed by the minds of some of the most experienced technical analysis traders in the business. So these strategies and techniques are not only varied in their technical basis, but they each owe themselves to the unique individual(s) that developed them over time.

**Benefits:**

This library contains ten strategies that open the door to the mind of several of the best technical minds in trading. Since the strategies are pre-built, they can be used either as designed or they can be incorporated into other strategies of the user's design. This is a perfect extension library to Winning Trading Strategies.

## Included in this Library:

### Highlight Bars

- FirstBar High FullRetracement
- FirstBar High HalfRetracement
- FirstBar Low FullRetracement
- FirstBar Low HalfRetracement

### Indicators

- (I)ndicator (W)eighted (M)oving (A)verage

### Strategies

- Fond of Bonds
- Short AMA (Long 50)
- Bonds 25 x 25 (Chuck Lebeau and Terence Tan)
- Two-Bar Breakout (Stock System: Active Trader Mag.)
- Trending Market
- Momentum w/Added Dochian Entries
- RSI Divergence
- Dollar Trader
- Sidewinder (Chuck Lebeau)
- Double Retracement (First Bar High/Low)

## Highlight Bars

### FirstBar High FullRetracement

**Explanation:**

This function will highlight bars once they have crossed above the first bar's high value, retraced back down through it, and then crossed above it a second time.

**Usage:** FirstBar High FullRetracement (Points)

**Parameters:**

Points – This is an input for the function to determine, once the retracement has occurred, how much further the price has to move through the value (expressed in points) for us to consider it to be a complete retracement.

### FirstBar High HalfRetracement

**Explanation:**

This is a retracement that highlights bars after the close has crossed above the first 30 minute bars high (by a certain number of points), and then retraces back below it.

**Usage:** FirstBar High HalfRetracement (Points)

**Parameters:**

Points – This is an input for the function to determine, once the retracement has occurred, how much further the price has to move through the value (expressed in points) for us to consider it to be a complete retracement.

### FirstBar Low FullRetracement

**Explanation:**

This function highlights bars once they have crossed below the first bar's low value, retraced back up through it, and then crossed below it a second time.

**Usage:** FirstBar Low FullRetracement (Points)

**Parameters:**

Points – This is an input for the function to determine, once the retracement has occurred, how much further the price has to move through the value (expressed in points) for us to consider it to be a complete retracement

## FirstBar Low HalfRetracement

### Explanation:

This is a retracement function that highlights bars after the close has crossed below the first 30 minute bar's low (by a certain number of points), and then retraces back above it.

**Usage:** FirstBar Low HalfRetracement (Points)

### Parameters:

Points – This is an input for the function to determine, once the retracement has occurred, how much further the price has to move through the value (expressed in points) for us to consider it to be a complete retracement

## Indicator

### (I)ndicator (W)eighted (M)oving (A)verage

### Explanation:

This indicator is a simple average that, instead of weighting the prices with volume, weights them with the value of an indicator.

**Usage:** IWMA (Price, Indicator, N)

### Parameters:

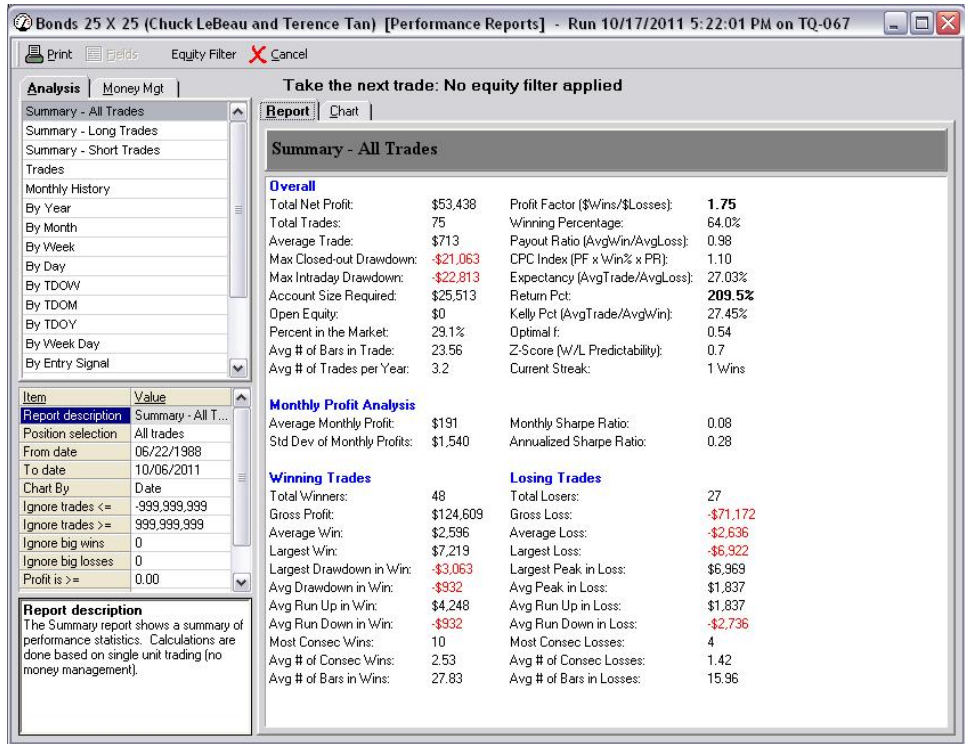
Price – This is the price that you are using in your averages.

Indicator – This is the indicator that you would like to weight the price with.

N – This is the number of bars that you are using in your averages.

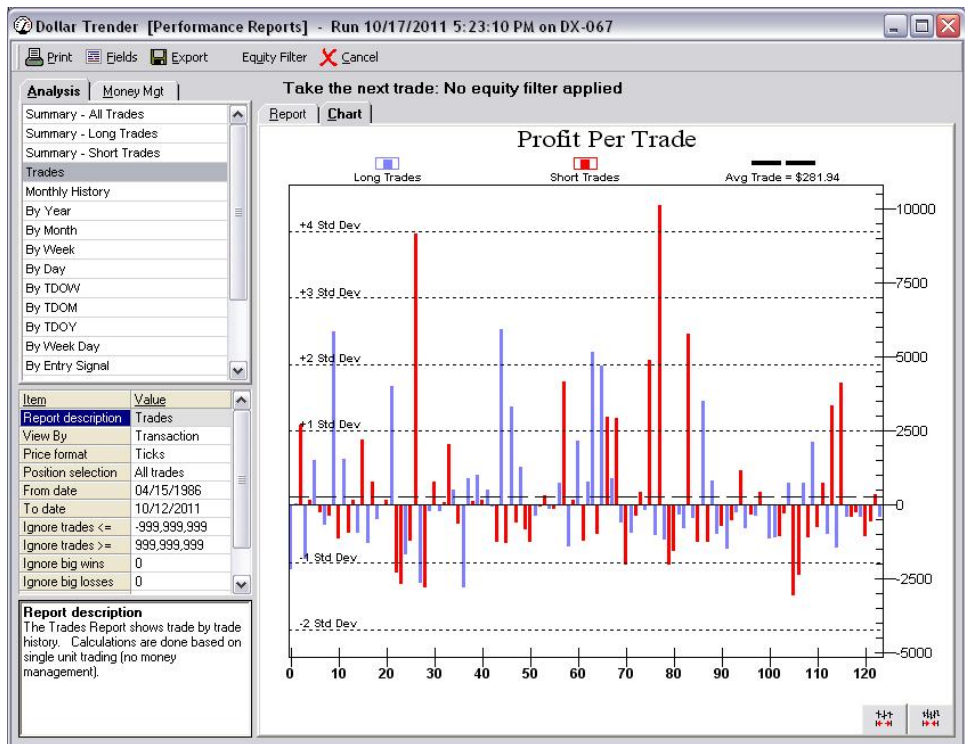
**Strategies**

**Bonds 25 x 25 (Chuck Lebeau and Terence Tan)**



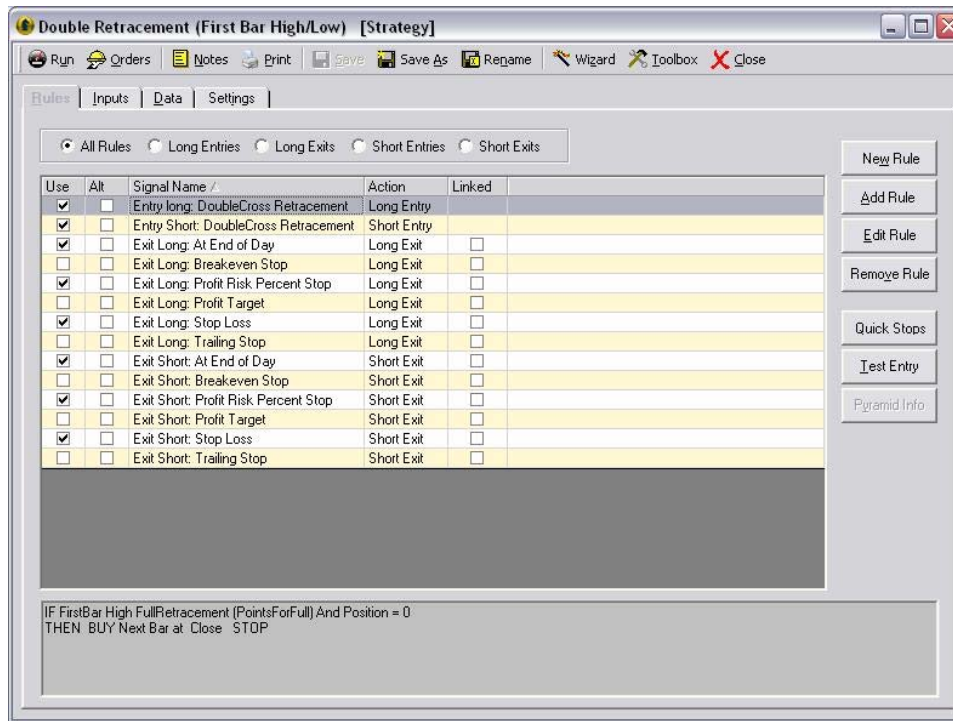
Developed by Chuck Lebeau and Terence Tan, this trend following strategy trades only markets in which a strong trend has been established. By combining the ADX and RSI indicators to establish the trend, this bond system is an excellent example of a trend following system.

**Dollar Trender**



The Dollar Trender strategy is a simple US Dollar daily strategy that enters a long position based on the 18/50 moving average crossover, and short on the 50/18 moving average crossover. What makes this strategy a little different are the exits. We used a volatility stop to exit our long positions, a momentum crossover to exit our short positions, and some of the old standards for users to enable as they see fit.

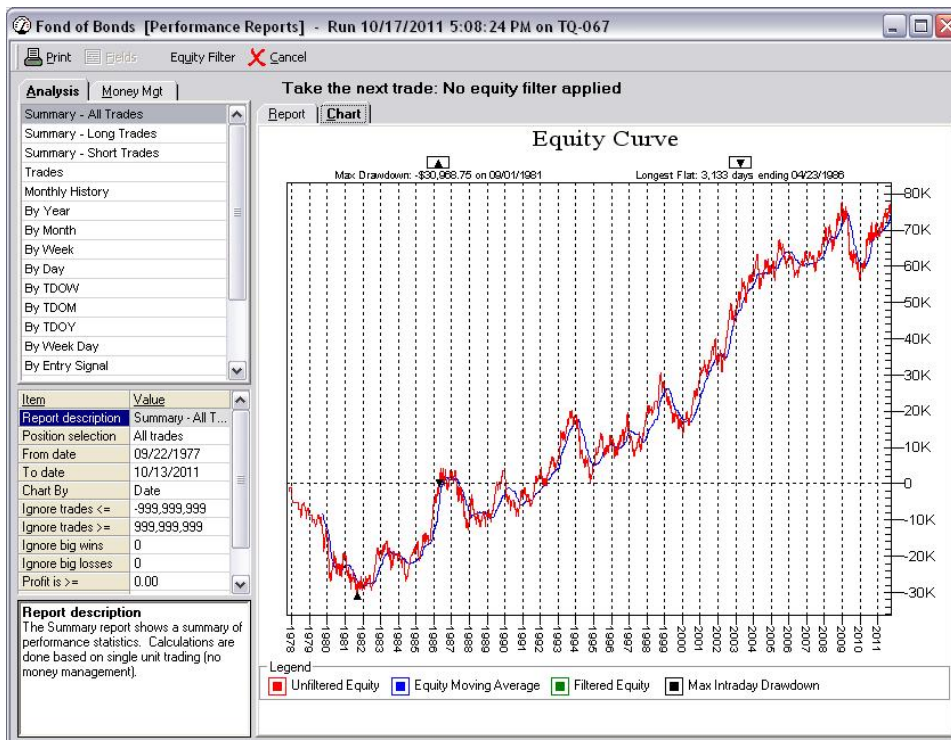
## Double Retracement (First Bar High/Low)



This intraday S&P strategy is one of the most complex strategies in the entire library collection. For long positions the current price must have crossed above the first bars high value, retraced back down through it, and then crossed above it a second time. For short positions the current price must have crossed above the first 30 minute bars high (by a certain number of points), and then retraced back below it. There are numerous exits available within this strategy to choose from. They include dollar stops, end of day exits,

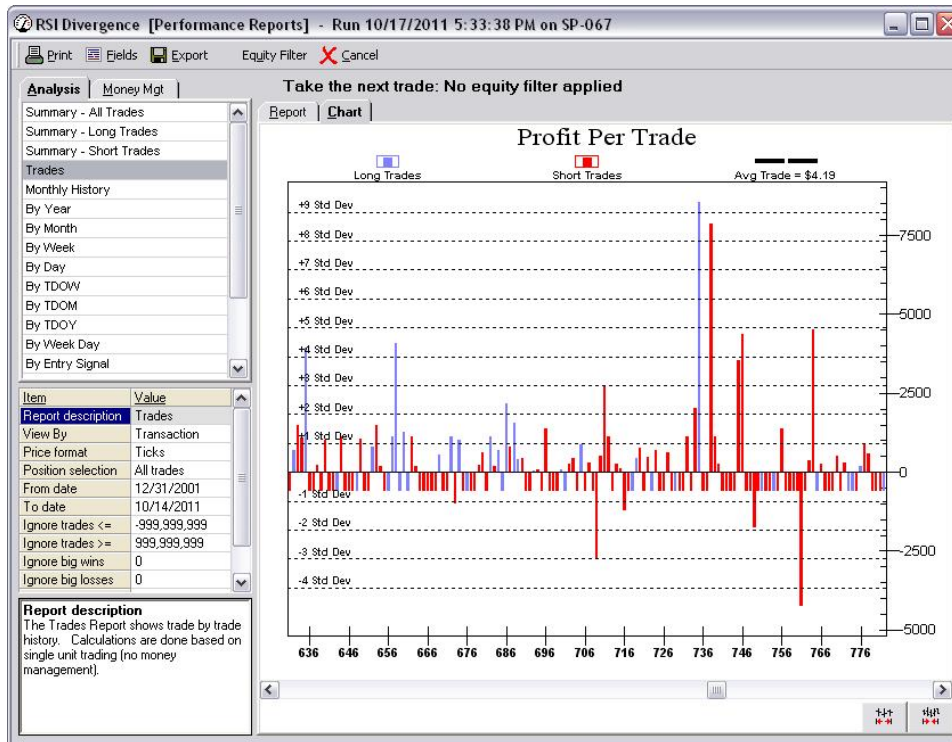
breakeven stops, profit/risk percentage stops, and trailing stops.

## Fond of Bonds



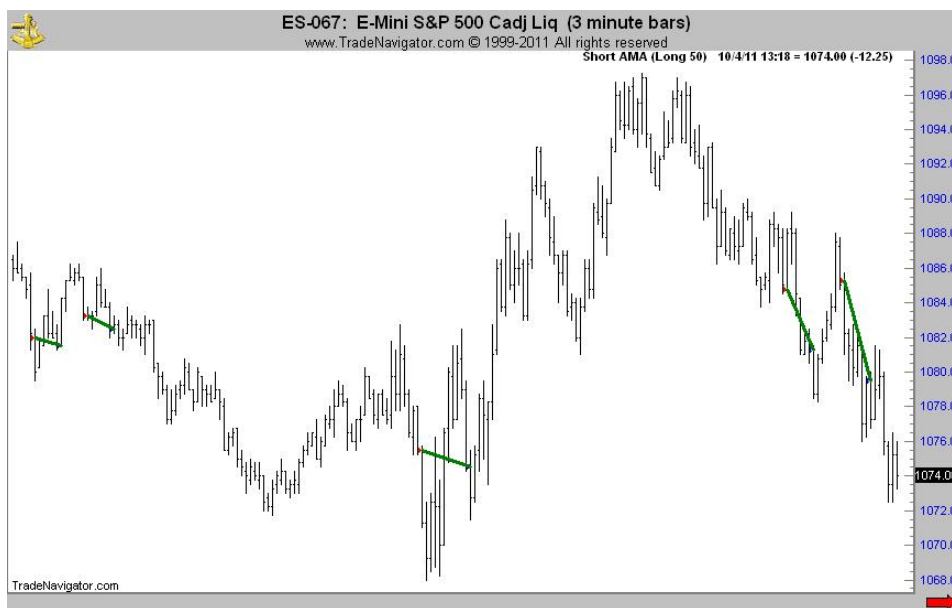
This daily bond strategy enters the market long when the market closes no higher than 15 ticks above the low of the day. Fond of Bonds uses the standard dollar profit target and dollar stop loss exits.

## RSI Divergence



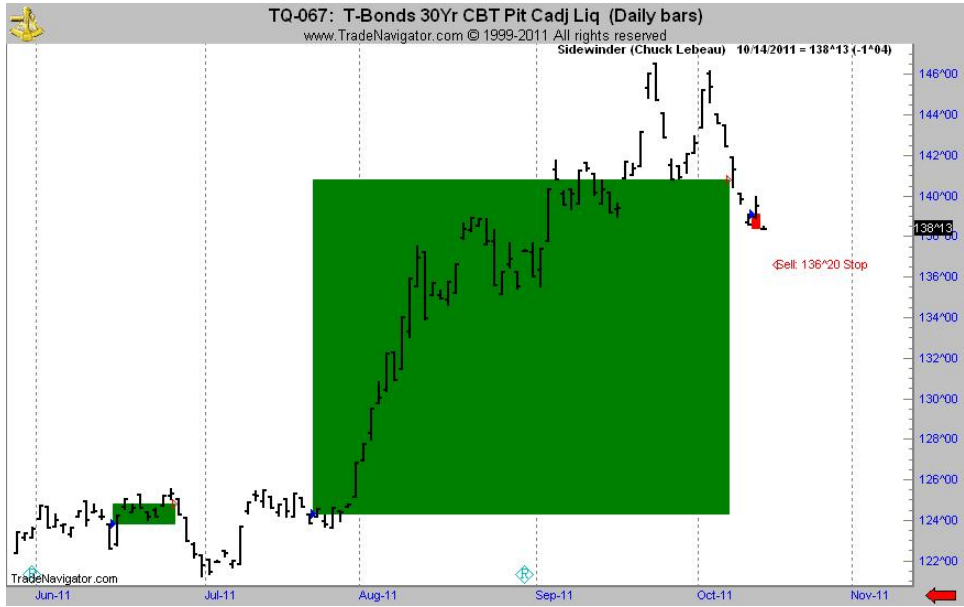
This intraday S&P strategy waits for the RSI to cross up into its overbought zone with a divergence in price and an ADX rising confirmation to enter the market long. The short entry is just the reverse of the above. The exits are a standard opening profit limit, and standard dollar stop loss.

## Short AMA (Long 50)



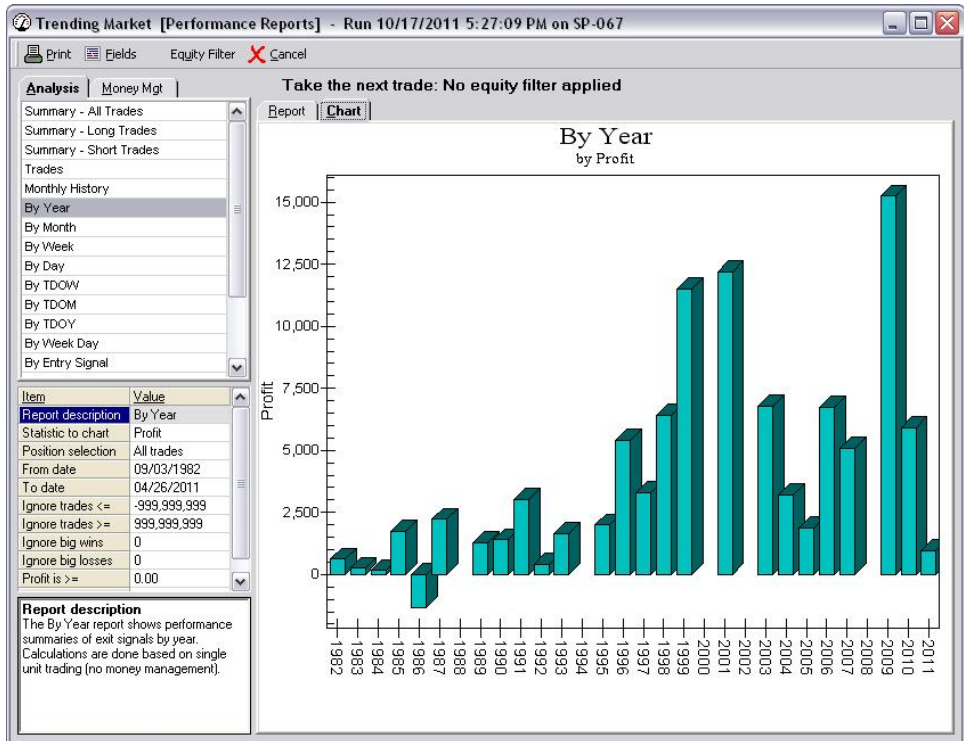
Short AMA (Long 50) is a short only strategy, meaning that there are no long positions taken. The strategy will sell short when the current close crosses under the Adaptive Moving Average (AMA), using decreasing momentum values for confirmation. Exits include a "length limit" exit (limits the length of the trade), and a standard dollar profit target.

**Sidewinder (Chuck Lebeau)**



Another Chuck Lebeau creation, this daily strategy looks to enter long at the current high when there is a decreasing ADX and an RSI dipping below 45. The sidewinder takes short positions when there is a decreasing ADX and an RSI rising at the current low price.

**Trending Market**



This trend following long-only strategy takes advantage of a great TradeSense function called Keltner Custom Bands, which can “band” any indicator, price or mathematical function. This strategy takes long positions when the AMA crosses up through its Keltner Custom Band. Being able to expand on the popular Keltner Channel Bands can be pretty handy at times as this unique strategy shows. Exits within this strategy include an RSI direction change exit, highest high exit, and a simple profitable exit

with a confirming RSI signal.



**Two-Bar Breakout (Stock System: Active Trader)**

Two-Bar Breakout (Stock System:Active Trader Mag) [Performance Reports] - Run 10/17/2011 5:31:41 PM on ZF-067

Print Fields Equity Filter X Cancel

Analysis Money Mgt

Take the next trade: No equity filter applied

Report Chart

Summary - All Trades

Summary - Long Trades

Summary - Short Trades

Trades

Monthly History

By Year

By Month

By Week

By Day

By TDOW

By TDOM

By TDOY

By Week Day

By Entry Signal

Item Value

Report description Summary - All T...

Position selection All trades

From date 07/15/1988

To date 10/13/2011

Chart By Date

Ignore trades <= -999,999,999

Ignore trades >= 999,999,999

Ignore big wins 0

Ignore big losses 0

Profit is >= 0.00

Report description  
The Summary report shows a summary of performance statistics. Calculations are done based on single unit trading (no money management).

**Summary - All Trades**

**Overall**

Total Net Profit:	\$89,641	Profit Factor (\$Wins/\$Losses):	2.04
Total Trades:	264	Winning Percentage:	56.1%
Average Trade:	\$340	Payout Ratio (AvgWin/AvgLoss):	1.60
Max Closed-out Drawdown:	-\$10,484	CPC Index (PF x Win% x PR):	1.83
Max Intraday Drawdown:	-\$13,078	Expectancy (AvgTrade/AvgLoss):	45.85%
Account Size Required:	\$14,023	Return Pct:	639.2%
Open Equity:	-\$797	Kelly Pot (AvgTrade/AvgWin):	28.63%
Percent in the Market:	98.6%	Optimal f:	0.73
Avg # of Bars in Trade:	22.06	Z-Score (W/L Predictability):	0.4
Avg # of Trades per Year:	11.4	Current Streak:	1 Losses

**Monthly Profit Analysis**

Average Monthly Profit:	\$324	Monthly Sharpe Ratio:	0.21
Std Dev of Monthly Profits:	\$1,397	Annualized Sharpe Ratio:	0.71

**Winning Trades**

Total Winners:	148
Gross Profit:	\$175,547
Average Win:	\$1,186
Largest Win:	\$6,484
Largest Drawdown in Win:	-\$2,719
Avg Drawdown in Win:	-\$450
Avg Run Up in Win:	\$1,880
Avg Run Down in Win:	-\$450
Most Consec Wins:	9
Avg # of Consec Wins:	2.21
Avg # of Bars in Wins:	26.45

**Losing Trades**

Total Losers:	116
Gross Loss:	-\$85,907
Average Loss:	-\$741
Largest Loss:	-\$4,484
Largest Peak in Loss:	\$2,922
Avg Peak in Loss:	\$459
Avg Run Up in Loss:	\$459
Avg Run Down in Loss:	-\$1,017
Most Consec Losses:	6
Avg # of Consec Losses:	1.73
Avg # of Bars in Losses:	16.46

This is a daily stock strategy that trades based on the two bar breakout conditions outlined in Active Trader Magazine. It will take a long position at the high plus a desired number of ticks once a down bar occurs. A short position is just the opposite. The trailing stop with a variable dollar amount is included with this strategy.