



MESA ES

An algorithmic trading system for the E-Mini S&P500 futures

MESA ES is a statistical-edge algorithmic trading system for the E-Mini S&P500 futures contract. The system produces trading signals based on quantitative methods originally developed for the military and aerospace industries. MESA ES utilizes proprietary digital signal processing (DSP) techniques to generate short-term trading signals by isolating highly correlated events from noisy market data. The MESA ES system is 100% mechanical and typically trades several times per month with holding times of less than 1 week.

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Description

MESA ES typically trades several times per month 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 65% of the time. All trades are at the market without stop or limit orders.

The equity growth chart below shows simulated results from trading a single E-Mini S&P500 futures contract over the five year period from January 2005 through December 2009 with no allowance for slippage or commissions.

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

MESA ES 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 S&P500 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 ES offers an algorithmic trading solution for the E-Mini S&P500 with a respectable historical performance and reward-risk ratio.

Total Net Profit	\$68,587.50	Profit Factor	1.69
Gross Profit	\$168,500.00	Gross Loss	(\$99,912.50)
Total Number of Trades	293	Percent Profitable	58.70%
Winning Trades	172	Losing Trades	120
Even Trades	1		
Avg. Trade Net Profit	\$234.09	Ratio Avg. Win:Avg. Loss	1.18
Avg. Winning Trade	\$979.65	Avg. Losing Trade	(\$832.60)
Largest Winning Trade	\$7,375.00	Largest Losing Trade	(\$3,337.50)
Max. Consecutive Winning Trades	8	Max. Consecutive Losing Trades	6
Avg. Bars in Winning Trades	21.84	Avg. Bars in Losing Trades	17.95
Avg. Bars in Total Trades	20.22		
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Trading Period	5 Yrs, 4 Hrs, 45 Mins	Percent of Time in the Market	64.77%
Max. Equity Run-up	\$70,387.50		
Max. Drawdown (Intra-day Peak to Valley)		Max. Drawdown (Trade Close to Trade Close)	
Value	(\$8,137.50)	Value	(\$6,725.00)
Net Profit as % of Drawdown	842.86%	Net Profit as % of Drawdown	1019.89%



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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

