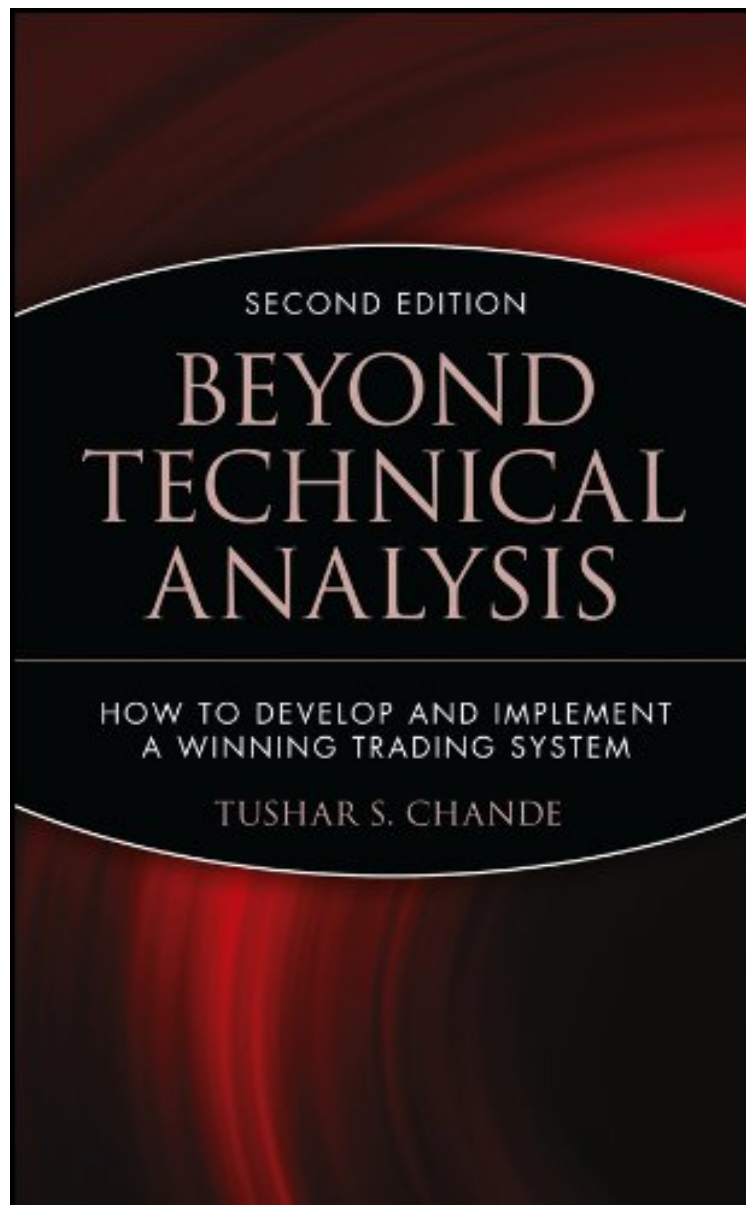



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Beyond Technical Analysis: How to Develop and Implement a Winning Trading System (Wiley Trading)

Tushar S. Chande

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Tushar S. Chande : Beyond Technical Analysis: How to Develop and Implement a Winning Trading System (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised Beyond Technical Analysis: How to Develop and Implement a Winning Trading System (Wiley Trading):

6 of 6 people found the following review helpful. Bringing it all together
By Steve Burns
This is a great book on trading because it does not examine just one topic in trading it brings together all the areas of trading one must master in the markets and shows the reader how to turn it into a complete trading system. This book points out that technical analysis by itself is not going to make you a successful trader unless it is incorporated into a system with a trading plan. The author explains that while creating your trading system you must understand the following: 1). Capital conservation is as important to top traders as capital appreciation. 2). Top traders do not trade anything until after they back test the system for historical performance. 3). There is a big difference between discretionary and mechanical system traders. 4). A proven system will give you objectivity and consistency to trade your system not the news. 5). A good system will have you taking profits slowly but cutting losses quickly. 6). A long term system should eliminate much of the emotions out of any one trade, you are concerned about the long term performance of the next 100 trades not the current one. 7). You must create a system that matches your beliefs about the markets. 8). Your system must match your tolerance for equity draw downs and risk. 9). You should limit your system to 10 rules or less. 10). You must understand that your system will perform only when the market is conducive to that system. Your system will consist of what markets to trade and indicators to use for your signals. You will have to determine position size based on volatility and risk of ruin. You need an entry signal to open the position. Also you will have to determine an exit signal whether it is a stop loss, a trailing stop, technical signal, or profit target. These are items that should be determined by personal preference and extensive back-testing to ensure you have a robust system. The most important part of the system is the trader's ability to follow it. We must understand that all trading systems have draw downs. We will have those ten losses in a row eventually. We must ensure we have confidence to stick with our system once we have tested it to our satisfaction. We must always risk no more than 1%-2% of our total equity per trade so we avoid blowing up our accounts during times when the market acts adversely to our system. I highly recommend this book: a new addition to my top ten most useful trading books. This book may be the missing piece for many traders trying to cross that bridge to success in the markets.

2 of 2 people found the following review helpful. Good one
By V. Narasimha
I have started reading and almost 40% done. So far its good and giving me really what i was looking for. Develop simple strategies and analysing them. Gives helpful information to enable one to create a new strategy or improvise on the existing strategies. Only problem I found, makes references to charts that are 2 -3 pages further out, this keeps us constantly going back and forth. A real distraction.

2 of 2 people found the following review helpful. A
By myfrenke
This is a very useful book for an aspiring systematic investor. This book builds a foundation of how to think about building a viable trading system. The material in this book is very detailed and easy to follow. The author gets some criticism on the actual triggers he proposes but in my opinion definitions of such triggers are largely up to the system developer. This book's value is in giving the reader a clear and comprehensive framework for testing such triggers and developing them into viable trading systems. I highly recommend this book. I found it very valuable.

A technical analysis classic, newly updated to help traders develop and forward-test a high-performance trading system for today's markets In trading, a winning system is everything. While it is theoretically possible to buy a "canned" trading system, most experts agree that the best system is proprietary to each trader--developed, implemented, and tested by the individual to suit his or her exact requirements. A stimulating mix of cutting-edge techniques, timeless principles, and practical guidelines, this updated edition of a technical analysis classic offers traders a comprehensive methodology to develop and implement your own trading system, bridging the gap between analysis and execution. Tushar Chande (Pittsburgh, PA) holds nine U.S. patents for creative solutions to flexible manufacturing problems using high-power lasers and optical fibers. A contributing editor to *Technical Analysis of Stocks Commodities* magazine, he has been a registered Commodity Trading Advisor and is the principal author of *The New Technical Trader* (0-471-59780-5) (Wiley).

From the Publisher
In this book/software package, acclaimed technical trading system developer Tushar Chande shows individual and professional traders how to develop and implement a winning trading system, and how to test its future performance through computer simulation. Users can "paper trade" their personal trading system before using it in the real world, accurately estimating how well they can cope with the day-to-day pressures of implementing the system when their capital is at risk and emotions are involved.

From the Inside Flap
Beyond Technical Analysis A bulletproof trading system is essential for trading success. You also need an effective system for trading to implement that trading system consistently. Otherwise, your trading experience will be stressful at best and insanely inconsistent at worst. Though you can always get a "canned" black-box trading system, few traders ever stick with them for long: experts agree that the ideal system for each trader is unique to his or her trading style; proprietary systems created by the individual. Now acclaimed system developer Tushar Chande shows you how to create "real-world" systems that meet your trading needs. A stimulating mix of cutting-edge techniques, timeless principles, and practical guidelines, *Beyond Technical Analysis* offers a comprehensive methodology to develop and implement your own system, bridging the gap between analysis and execution. Chande begins with a crucial first step: assessing your trading beliefs. As he points out, "Your beliefs about price action must be at the core of your trading system. This allows the trading system to

reflect your personality, and you are more likely to succeed with such a system over the long run." Once you've pinpointed your beliefs, you can then build effective systems around them. To help you construct and use these systems, Chande starts with the basics and ends at the state of the art. With easy-to-read charts and numerous examples, Chande explores the following: Foundations: diagnosing market trends, the perils of optimization, setting initial stops, selecting data, choosing orders, and understanding the summary test results New systems: trend following, pattern-based, trend/anti-trend, inter-market, filtered and extraordinary market opportunity systems, plus variations Equity curve analysis: measuring smoothness, portfolio strategies, monthly equity curves, and triggering effects Money management: risk of ruin, projecting drawdowns, changing bet size Data scrambling: a new method to generate synthetic data for testing A system for trading: starting, risk control, compliance, full traceability To foster consistent execution, Beyond Technical Analysis provides software that enables you to "paper trade" your system. A demo disk of Chande's Secure trade management software and data scrambling utility will let you test your system on "true" out-of-sample data and track your emotions and PL as you transition the system from computer table to trading desk. A complete, concise, and thorough reference, Beyond Technical Analysis takes you step-by-step through the intricacies of customized system design, from initial concept through actual implementation. From the Back Cover "A bulletproof trading system is essential for trading success. You also need an effective system for trading to implement that trading system consistently. Otherwise, your trading experience will be stressful at best and insanely inconsistent at worst. Though you can always get a "canned" black-box trading system, few traders ever stick with them for long: experts agree that the ideal system for each trader is unique to his or her trading style; proprietary systems created by the individual. 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A demo disk of Chande's Secure trade management software and data scrambling utility will let you test your system on "true" out-of-sample data and track your emotions and PL as you transition the system from computer table to trading desk. A complete, concise, and thorough reference, Beyond Technical Analysis takes you step-by-step through the intricacies of customized system design, from initial concept through actual implementation. Acclaim for Tushar Chande's revolutionary approach for developing and implementing your own winning trading system "Tushar Chande provides insightful but clear-cut techniques which will enlighten the savant as well as the newcomer. I would urge traders of all levels of experience to apply Chande's tremendously useful strategies!" — Charles Le Beau President, Island View Financial Group Inc., author, Computer Analysis of the Futures Market "The chapter on 'Equity Curve Analysis' alone will share with you concepts which have cost large trading houses millions of dollars to discover." — Murray A. Ruggiero, Jr. Contributing Editor, Futures Magazine President, Ruggiero Associates "Tushar Chande is an accomplished quantitative technician, but in this book he's gone far beyond grinding numbers. His coverage of system development is the first thorough treatment disclosing both specific trading systems and the practicalities of their implementation." — John Sweeney Technical Editor, Technical Analysis of Stocks Commodities magazine author, Maximum Adverse Excursion: Analyzing Price Fluctuations for Trading Management "For any aspiring CTA, this is a must-read on developing [his or her] trading system." — Rick Leesley Jack Carl Futures