

AmiBroker Houston Conference
The Four S's: Setup, Screen, Study, Select
-- A Complete System for Trading Stocks
By Greg Cook

I will start by providing a setup condition that is a combination of several technical indicators programmed in AmiBroker. Then, I will demonstrate using the AB Explore function to scan the universe of stocks for candidates that meet the setup criteria. That takes care of the first two S's.

The list of candidates from the first screen will be studied using Stock Scouter -- a free stock selection tool from MSN.

(<http://moneycentral.msn.com/content/investing/findhotstocks/p38814.asp>) I will show the selection criteria I use to narrow the list of stocks down to an elite few. Finally, I conduct a walk-forward optimization (using IO) on the elite list to find the stocks that perform well historically using the setup and buy trigger (breakout). Those stocks that back test well are selected for the final buy list, and buy stop orders are entered at the breakout point. The walk-forward optimization results are also used to determine the stop loss and profit targets.

Clearly, the audience should be at an intermediate to advanced level with regards to trading. The beauty of this system is that it can be adapted to any setup that can be programmed in AB. I will provide a setup condition and all the associated AB code to do the back testing. The audience can choose their own setup condition if they prefer.