



V/ Learning to analyze the results of a strategy

Let's go to the next level and interpret the results of private strategies !

For this, you will have to go to:

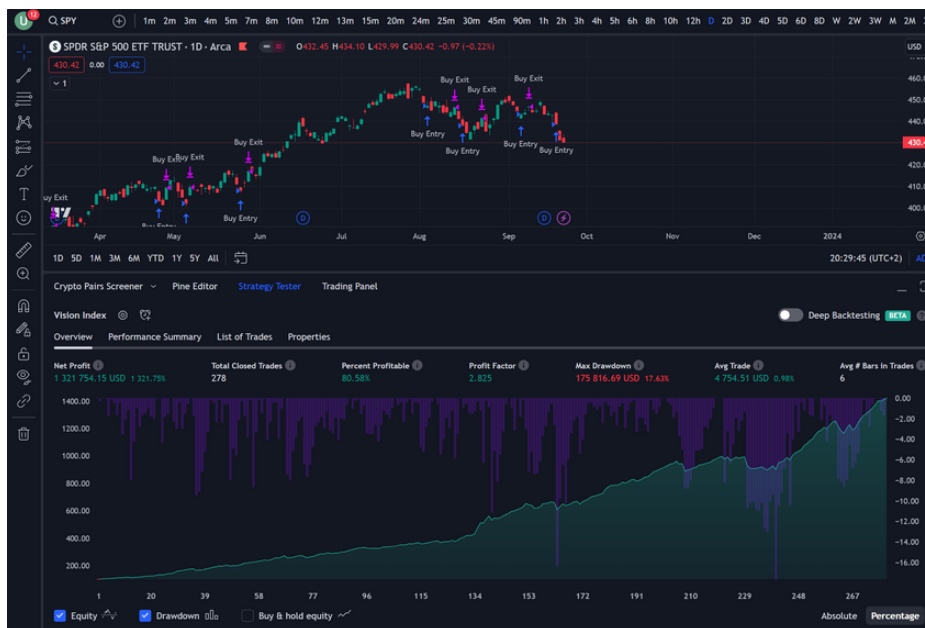
- Indicators
- Private only

Once you have our script displayed on your screen, click on :

- Strategy Tester

That's it, we can analyze the results of the strategy !

How to read the first interface of the Trading View back testing tool ?



+ Net Profit:

This is the final result you will have obtained

+ Total Closed Positions:

Total number of positions (buy, buy exit, sell, sell exit) triggered



+ Winrate:

This is the number of winning positions compared to the losing ones.

- With a trend strategy we can aim for 40% because our gains will be much higher than our losses
- With a mean reversion strategy we should aim for 60% to 70% as our gains will essentially equal our losses.

+ Profit Factor:

This is the sum of the gains over the sum of the losses.

- If less than 1, the strategy is not profitable
- If between 1 and 2 the strategy is profitable but high risk
- If higher than 2 the strategy is profitable

+ Drawdown:

This is the highest value the portfolio has reached compared to the lowest value. On Tradingview the drawdown is calculated on the positions. You can have an open position that has registered a drawdown without it actually being realized.

+ Average Trade:

The average profit percentage for a trade.

+ Average Number Of Trade Bars:

A bar represents a unit of time, the average time spent in a position is 16 x 4h for example which gives 64h.



How to read the Performance summary interface?

In this category we will focus on 2 ratios:

+ Sharpe Ratio:

This is a measure that allows you to evaluate the performance of an investment by taking into account the overall risk. The higher the Sharpe ratio, the better the risk-adjusted performance.

+ Sortino Ratio:

Like the Sharpe ratio, it measures the relationship between the return earned and the risk incurred to earn it, but focuses on the risk of loss rather than the overall risk. The higher the Sortino ratio, the better the risk-adjusted performance.