

Check list for the test of „Blackbox“ Systems with Zen Monte Carlo Simulator v5

The following input data (system test or „back test“ results) must be present or has to be delivered from the system supplier:

- the number of “winning” trades
- the number of “losing” trades
- the average profit of a „winning“ trade
- the average loss of a „losing“ trade
- (optional: the max. loss of a single trade)
- the number of test price bars or OHLC bars, which are used in the system test („back test“)
- the number of price bars / time unit, thus the kind of data concerning the system tests (weekly data, daily data, hourly data, minute-by-minute data etc. ?)

These few input data on the part of the system supplier are sufficient, in order to accomplish a system simulation with the **Zen Monte Carlo Simulator** and to make first statements concerning the chance evaluation and the risk analysis of the system!

(Hint: if the historical test data of the system supplier is available, it is possible to do a professional analysis or validation of the system using the data simulation feature of the software.)

Example:
System simulation with **Zen Monte Carlo Simulator v5.0e**

The screenshot displays the 'Zen Monte Carlo Simulator v5.0e - System simulation' window. The interface includes a menu bar (File, Edit, Help) and a main area with input fields and checkboxes. A red oval highlights the input fields for the system name, number of winning and losing trades, average profit and loss, number of test price bars, and the number of simulation runs. Below the input fields, there are checkboxes for 'Show Monte Carlo Simulation Chart' and 'Expand Chart'. The bottom section of the window shows performance metrics for profit and account drawdown, with values displayed in green and red boxes. At the bottom, there are buttons for 'OK', 'Cancel', 'Data simulation', and 'Help'. A status bar at the very bottom indicates 'Calculation finished!'.

Parameter	Value	Ratio	Parameter	Value
Name of the system:	System test (Blackbox system)			
Number of winning trades:	300	TR: 0.55	Number of losing trades:	250
Average profit of a trade:	51	PR: 1.46	Average loss of a trade:	35
Number of test price bars:	756	PX: 1.75	Number of price bars / time unit:	252
Currency value of a point:	25		Statistical reliability (VaR):	95.00%
Number of trades / simulation run:	252		Number of simulation runs:	10000
<input checked="" type="checkbox"/> Show Monte Carlo Simulation Chart		<input type="checkbox"/> Expand Chart		
Profit / time unit, min.:	6,948	Account drawdown, min.:	1,275	
Profit / time unit, max.:	100,797	Account drawdown, max.:	-16,025	
Profit / time unit, average:	54,674	Account drawdown, average:	-1,199	
Average case ratio (ACR):	0.02	Worst case ratio (WCR):	2.31	
Estimated profit / time unit, VaR:	30,322	Estimated drawdown, VaR:	-5,365	

Buttons: OK, Cancel, Data simulation, Help

Status: Calculation finished!