



Software Review

BY ROB KEENER

Trading Blox

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OVERALL RATING:



LEVEL: Beginner to advanced.

PRICE: Prices vary by edition from \$995 to \$2,990.

RECOMMENDED SYSTEM: 1 GHz Processor, 1 Gigabyte Ram, Win 2000/XP.

Ever thought the tools the professionals use were out of reach because they are too complex and too expensive? Trading Blox has created a product that let's you start backtesting systems right out of the box so you can immediately generate orders with the data provided. This software focuses on providing tools necessary to build robust trading systems.

Trading Blox is a software platform on which you can run commercial systems, public domain systems or develop your own system. It will help you backtest the system through a comprehensive set of simulations, including stepping the start date and duration of the test, changing the portfolio composition, commission/slippage/equity considerations and any other user adjustable parameters your system contains.

Trading Blox software allows you to thoroughly examine the performance of trading systems under a variety of different market conditions so you can better understand the performance characteristics of a trading system before you begin trading.

If the system is robust, the simulation results will reflect this. These good results will also give you the confidence to consistently apply the rules of your automated strategy during adverse market conditions. If your system is not

robust, you have the opportunity to improve it before putting your money on the line.

The portfolio manager can monitor the markets you are interested in trading and filter the markets based on various parameters including a percentile of slippage parameter, which is an approach that analyzes slippage instead of having a fixed value for each market.

The risk manager aspect acts as a filter to determine if orders will be executed based on the risk of a certain trade. It also determines when stops are placed and acts as a position sizing algorithm.

BACKTESTING:



Trading Blox's software encompasses a program with three distinct features for robust backtesting. It is an educational tool where you can glean enough information from the software to teach you the behavior and dynamics of international futures, forex, equities markets; or you can visit the forum dedicated to the support of the product to get additional information.

Trading Blox allows the user to backtest 10 strategies at a time on end-of-day futures, forex and equities. Also, while other similar products require third-party products to test on the portfolio level, Trading Blox has it built in. It also has the ability to control the allocation of equity to each system. This can easily give you an idea of how overtrading and bad position sizing on an inferior system can affect your bottom line.

You can test a system in multiple ways with Trading Blox. The company also includes a complimentary data download from CSI data so you can get started right away. The output is a quantitative bounty of information ranging from equity curves to draw-down analysis. An important item is the slippage designated as a percentage of the markets range rather than a fixed

RATING SYSTEM:

	= Excellent
	= Good
	= Adequate
	= Poor

dollar amount, and once you test a basket of strategies the reports show contributions by each model.

Within the Builder edition the user has the ability to edit the "blocks," which are effectively the various components of the system that include multiple entries and exits, and you can also create your own. There is no limit to the combinations you can create and test. You can also create your own combination of models or download the blocks from the forum, which is a good trading forum compared to others, and it is easily accessible from Trading Blox's Web site. A more advanced feature of the Builder edition is a system editor to code your own systems.

The software also has the ability to generate orders for each trading day and they are presented in a concise and easy to read html page that you can view with any Web browser. These orders can be placed by the end user, faxed or e-mailed to a broker, or you can even have a broker run a specific system for you and execute the orders that way. The level of participation is up to you on order entry and the software can also keep track of your positions.

Trading Blox can test on the portfolio level and combine portfolios with various strategies applied to each portion of the portfolio. It can generate signals and test infinite scenarios on equities, forex and futures. Trading Blox is a complete answer to back testing systems and implementing them.

SUPPORT:



While it is rare for users to base their purchase decision on the support pro-

vided by the developers, this software provides ease of working around data issues such as stock splits and custom indicators, with help always an e-mail or phone call away.

So, if you are interested in a tool that serves the novice as an educational tool to advanced trading professionals seeking backtesting and order generation, this is a great place to start. And the beauty of starting here is that it's just you and the markets. The software allows you to teach yourself how to solve problems and test your mettle against the market. This product is designed for end of day data and trend-following style trading.

Trading is all about details and Trading Blox has that covered. This will likely be the new industry standard for

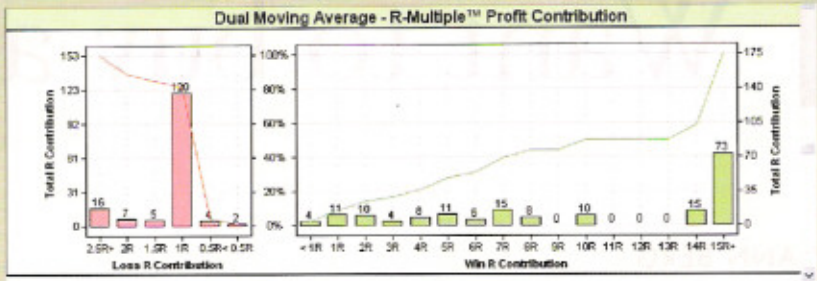
strategy back testing and development and they have a free trial available so you can see for yourself. It's a good thing to have an edge and this tool can cer-

tainly get you started in developing one.

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BIGGER VIEW

With Trading Blox you can see the slippage designated as a percentage of the markets range rather than a fixed dollar amount, and the reports show contributions by each model.



Source: Trading Blox