TradeSim + BullCharts — a Primer
How to install and use TradeSim with BullCharts
for back-testing your trading strategies

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Introduction

The process of back-testing is critically important for any share trader, in the development of their trading strategy, and before they actually start trading using their strategy.

A popular tool for performing back testing is the TradeSim software product from CompuVision Australia Pty. Ltd. In the past it has been in popular use with MetaStock; but it is also closely integrated with BullCharts so that BullCharts users can easily perform powerful back testing scenarios.

The BullCharts help files do include some good information on using TradeSim, but there is a limit to how much information can be squeezed into a help system.

This "*TradeSim + BullCharts — a Primer*" document provides some initial material to help the BullCharts user with installing TradeSim, and getting it up and running.

Brief Overview

Once both BullCharts and TradeSim are installed:

- Create and run a special "TradeSim scan" in BullCharts. This scan will contain the trading strategy criteria.
- The output from the scan is a "trades database" file containing a list of hypothetical trades for input into TradeSim.
- Running a TradeSim simulation will calculate and record relevant details for each hypothetical trade (eg. based on parameters that you set, it will determine things like position size, and tally up the profit/loss over the period).

Setup and installation overview

The following steps provide a brief overview of the steps to set up and install TradeSim:
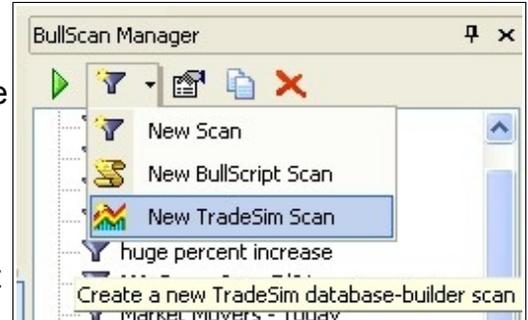
- BullCharts needs to be installed and operational.
- Exit BullCharts if it is running.
- Install TradeSim (see separate notes for details). The TradeSim installation process will detect BullCharts and it will want to install the required BullCharts plug-in module.
- If you have MetaStock installed, the TradeSim installer will detect it and want to install the required MetaStock plug-in module. If you don't want this to happen, it can be bypassed.

Operation Overview

This section provides an overview of the steps in performing a TradeSim simulation, and introduces some of the relevant terminology.

- Prepare a trading strategy in writing. That is: entry and exit criteria; start date and end date for the time window you wish to study; and your watchlist entries (either a list of stocks, or a selected market index).

- Start BullCharts.

- Create a special BullCharts scan. This will enable you to enter your trading strategy criteria. The scan is actually a "TradeSim scan", and you can copy the sample scan already provided, or create a new one (using the toolbar button in the BullScan Manager as shown in the screen shot at right).

- Having entered all criteria, you should "Apply and Run" the scan.

- The scan will automatically create a TradeSim "Trade database" which will contain a list of stocks where your entry criteria were satisfied for a trade purchase, and those where the exit criteria were satisfied for a sale.

- Start TradeSim, and open an existing Trade database (the one that was created in a TradeSim scan in BullCharts).

- Several "sub-windows" are opened up within TradeSim. Note:
  - You can review the list of trades in the "Trade Database Manager" window.
  - You can review summary details of the Trade database in the "Message Log" window.
  - You can change trade parameters in the "Trade Parameters" window.
  - If the open window panes get a little cumbersome, cluttered or untidy, you can choose Window>Cascade from the TradeSim drop-down menu.

- Click on the "Start Simulation" button in TradeSim to start a simulation. Once it is completed, note the following regarding three more window panes that will open:
  - The "Trade Log" window summarises all trades (including both open and closed trades).
  - The "Charts (Closed Trades)" window and chart which show the equity increase/decrease over time.
  - The "Trade Simulation report" window which provides a summary of the trades.

Summary and Conclusion

The above provides an introduction to using BullCharts and TradeSim to test out your trading strategy. More details are included in the BullCharts help (in BullCharts hit the <F1> key), and in the TradeSim materials.

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