

Blackbeard Strategy Templates - Optimization Process for Entry Logic (updated 2.25.2025)

2.25.2025 Bi-Weekly Power Practice Session LIVE Event Example

BBLong9 MNQ 1 Minute RTH Optimization 2.25.2025

BBRange MNQ 1 Minute RTH Optimization 2.25.2025

IMPORTANT: Before doing anything, remove the cache and all historical data by going into your `\Documents\NinjaTrader 8\db` folder and deleting ONLY these four subfolders: `\cache`, `\day`, `\minute`, and `\tick`.

First and Foremost... determine the best combination of Predictive Time Windows

Before choosing the predictive time window(s):

- rename **Template name** and **save template** with new name (to avoid overwriting original template)
- make sure you have correct instrument(s) with current expiry in **Another instrument** (i.e. NQ) and in the **Data Series** (i.e. MNQ) and update **End date** to yesterday and choose the **Trading hours** template (i.e. Blackbeard US Equities RTH or Blackbeard CME US Index Futures ETH)
- choose **Start time**, **End time**, and **Close time** based on when you want the bot to trade (suggest use an End time of 15 to 30 minutes prior to Close time to avoid entering new trades during last few minutes of the trading day)
- uncheck ALL values in **Exits** and **Daily Limits** except for **Show stop+target** and **Close position on limits reached**
- uncheck **"HTF Filter -> Enabled"**
- **Run** backtest

What does the backtest **Summary Performance AND Equity Curve** (Analysis -> Cumulative Net Profit) look like for each individual predictive time window backtest run? Run backtests for each predictive time window and write down the backtest results to compare against each other.

Determine the best combination of predictive time windows. Suggest combining two predictive time windows (with **Combine filters via AND** checked). For example, if trading MNQ, look at backtest using NQ frequent and NQ medium to start, and then run backtest using NQ frequent and ES medium. Try different combinations when optimizing for index futures. For MCL, start by looking at combining CL frequent with CL medium. For MGC, start by looking at combining GC frequent with GC medium.

See the 2.17.2025 Bi-Weekly Power Practice Session LIVE Event recording for determining the best combination of Predictive Time Windows

IMPORTANT NOTE: When optimizing **Entry Logic** and looking at different backtest results... consider not only **Max Drawdown** but **Max Time To Recover** as well!

What's most important to you?

For example, if one optimization backtest result shows a Total Net Profit of \$20,407 with a Max Drawdown of (\$742), and a Max Time to Recover of only 37 days... this may be preferred over an optimization backtest result showing a Total Net Profit of \$21,753 with a Max Drawdown of (\$549) and a Max Time to Recover of 73 days. A higher Return to Max Drawdown ratio may not be the most preferred option... Consider giving weight to the historical Max Time to Recover performance metric!

In addition to **Total Net Profit**, **Max Drawdown**, and **Max Time to Recover**, keep in mind other performance metrics such as **Profit Factor**, **Total # of Trades**, **Percent Profitable**, **Ratio avg win / avg loss**, **Max consec winners**, **Max consec losers**, **Avg # of trades per day**, and **Profit per month**.

Optimizing Entry Logic

IMPORTANT NOTE: Optimize **Entry Logic** PRIOR TO optimizing **Exits** and **Daily Limits**.

Optimizing Entry Logic on the Blackbeard Long Nines Bot

Settings -> MA1 type, MA1 period, MA2 type, and MA2 period

Step 1) Optimize **Settings -> MA1 type** and **MA1 period** simultaneously: for example, optimize ALL the **MA1 type** moving averages together (check **DEMA, EMA, HMA, etc.** and be sure to leave **None** unchecked) with the **MA1 period**. Optimize the **MA1 period** between a minimum of 10 and a maximum of 50 in intervals of 10. Choose the optimal **MA1 type** and best **MA1 period**.

Step 2) Once you have determined the optimal **MA1 type** and the best **MA1 period** (in multiples of 10) in Step 1, refine the **MA1 period** further by optimizing the values 10 increments below and 10 increments above the best **MA1 period** (identified in Step 1) in intervals of 1.

Step 3) Optimize **Settings -> MA2 type** and **MA2 period**: for example, optimize ALL the **MA2 type** moving averages together (check **DEMA, EMA, HMA, etc.** and be sure to leave **None** unchecked) with the **MA2 period**. Optimize the **MA2 period** between a minimum of 10 and a maximum of 50 in intervals of 10. Choose the optimal **MA2 type** and best **MA2 period**.

Step 4) Once you have determined the optimal **MA2 type** and the best **MA2 period** (in multiples of 10) in Step 3, refine the **MA2 period** further by optimizing the values 10 increments below and 10 increments above the best **MA2 period** (identified in Step 3) in intervals of 1.

HMM Filter -> DO NOT USE!

Optimizing Entry Logic on the Blackbeard Range Raiding Bot

Price Filter -> Min ticks 2, Max ticks 1, and Min ticks 1

Step 1) Set **Price Filter -> Enabled:** for example, to True

Step 2) Set **Price Filter -> Min ticks 2:** for example, to a value of 21.

Step 3) Optimize **Price Filter -> Max ticks 1** and **Min ticks 1** simultaneously: for example, optimize the **Max ticks 1** between a minimum of 4 and a maximum of 20 in intervals of 1 while at the same time optimizing the **Min ticks 1** between a minimum of 2 and a maximum of 20 in intervals of 1.

Step 4) Optimize **Price Filter -> Min ticks 2:** for example, after determining the optimal **Max ticks 1** and **Min ticks 1** in Step 2, optimize **Min ticks 2** between a minimum of 2 and a maximum of 20 in intervals of 1.

KNN Filter -> Past items to evaluate, N Closest matches, and Weight closer matches

Step 1) Set **KNN Filter -> Enabled:** for example, to True

Step 2) Set **KNN Filter -> Weight closer matches:** for example, to True.

Step 3) Optimize **Past items to evaluate** and **N Closest matches** simultaneously: for example, optimize the **Past items to evaluate** between a minimum of 50 and a maximum of 250 in intervals of 50 while at the same time optimizing the **N Closest matches** between a minimum of 10 and a maximum of 50 in intervals of 10.

Optimizing Entry Logic on the Blackbeard Scalp Raiding Bot

We will cover this in the 3.11.2025 Bi-Weekly Power Practice Session LIVE Event.

Optimizing Entry Logic on the Blackbeard Trend Raiding Bot

We will cover this in the 3.11.2025 Bi-Weekly Power Practice Session LIVE Event.