



Backtest #50390 · ESNT · ESNT · GG4_Bollinger_Squeeze (auto)

ROI	Sharpe	Win Rate	Max Drawdown
+13.44%	1.15	100.0%	-7.08%

EQUITY CURVE202 sessions · starting at \$10000.00



ANALYST NOTE

Hera local LLM

The ESNT Bollinger Squeeze backtest shows a deceptive 100% win rate on only two trades, creating a statistically insignificant sample that masks potential regime failure. While the +13.44% return and 1.15 Sharpe ratio look promising, the max drawdown of 7.08% suggests volatility clustering that hasn't been tested across different market cycles. Relying on such a small dataset risks overfitting, where the strategy appears perfect simply because it hasn't encountered a loss scenario yet. We must expand the historical testing window and introduce walk-forward analysis to verify robustness before live deployment. The next step is to run a Monte Carlo simulation on these parameters to assess the probability of extreme outcomes.

ADDITIONAL METRICS

CAGR	13.44%
Sortino Ratio	0.88
Turnover	4.17x
Total Trades	2
Initial Capital	\$10000.00
Final Capital	\$11347.26