FREE GUIDE · TRADE-N-QUANT

The 3-Strategy NQ Playbook

How we test strategies before risking a dollar, why one strategy is never enough, and how we approach prop-firm accounts. Real backtest numbers, drawdowns included.

All figures are hypothetical backtest or simulation results on historical Nasdaq-100 futures data, with commissions and slippage included. They are not live trading results and do not guarantee future results. Futures trading involves substantial risk of loss. Educational content, not financial advice.

CHAPTER 1

The 6-point test every strategy must pass

Most strategies you see online were never tested properly. Before we trade anything, it has to pass all six of these. Use them on any strategy you buy or build, including ours.

- ✓ **Real costs.** Commissions plus at least 1 tick of slippage per side. Many "edges" disappear right here.
- ✓ **Realistic fills.** Orders fill on the next bar, not at the exact close that generated the signal.
- ✓ **Years, not weeks.** At least 5–7 years of data with very different markets: 2020 crash, 2022 bear market, 2023 chop.
- ✓ **Out-of-sample.** Choose parameters on one period (e.g. 2020–23) and check them on another (2024–26) that you never touched.
- ✓ **Neighbours.** Change each parameter a little. If results collapse, you found luck, not an edge.
- ✓ **Drawdown, not just profit.** Ask for the worst losing streak in dollars. If someone can't show it, walk away.

> **Red flags:** 90%+ win rates, no losing months, equity curves that look like a straight line, "lines drawn after the move", and screenshots instead of full trade lists.

Case study: the viral 5-minute ORB

We tested the popular 5-minute opening-range breakout on 7 years of NQ with realistic fills and costs. Once the bar timing was correct, it ended up barely break-even and negative with doubled costs. That's why it is **not** in our system. We also tested the viral "VWAP reclaim" idea: negative over 2022–2024 (profit factor 0.91).

CHAPTER 2

Variance: the enemy nobody talks about

Even a real edge has bad years. The market changes regime (trend, range, chop, breakouts) and every strategy has conditions where it struggles. Look at our three strategies, year by year (backtest, 1 NQ each):

Year	ORB	Liquidity	Noise	Together
2020	+$38,515	+$4,168	+$6,915	**+$49,598**
2021	+$26,115	+$22,060	+$15,255	**+$63,430**
2022	+$4,005	**−$7,209**	+$45,725	**+$42,521**
2023	**−$2,330**	+$16,634	+$8,810	**+$23,114**
2024	+$43,005	+$8,955	+$24,320	**+$76,280**
2025	+$68,680	+$17,151	+$35,900	**+$121,731**
2026*	+$97,980	+$39,546	+$35,245	**+$172,771**

*2026 to early November. Hypothetical backtest, costs included.

- ✓ The best strategy changes: ORB in most years, **Noise in 2022**, **Liquidity in 2023**.
- ✓ Daily correlation between them is only **0.04–0.22**; on 44% of trading days only one of them trades.
- ✓ In 53% of months at least one strategy lost money, but the portfolio as a whole was positive.

Takeaway: you can't remove variance, but you can spread it. Several real, low-correlation edges beat one "perfect" strategy. Combining them does **not** remove drawdowns: in the last 24 months the worst portfolio drawdown at 1 NQ each was −$27,542.

CHAPTER 3

The three strategies, in plain English

1 · Opening Range Breakout (ORB)

Builds a range in the first part of the morning session and trades a confirmed candle close outside it, with volume and range-size filters, a stop on the other side and a fixed 2R target. Not the 5-minute version from social media.

2 · Liquidity Sweep (LIQ)

Stops cluster above prior highs and below prior lows. When price runs those stops and then reclaims the level, the strategy trades the failed move with a tight stop and a distant target. Fewer trades, outsized winners.

3 · Noise-Band Momentum (NOISE)

Based on published quant research on intraday momentum. It measures the normal range of every minute of the session over the last 20 days and only trades when price escapes it, exiting on VWAP. It wins less often (≈31%) but its winners are much larger than its losers.

Last 24 months (backtest, 1 NQ)	ORB	Liquidity	Noise
Net profit	+$172,600	+$55,496	+$77,590
Win rate	62%	47%	31%
Profit factor	2.20	1.58	1.51
Max drawdown	**−$13,365**	**−$18,839**	**−$13,890**

Honest note: on an independent 2016–2019 dataset that we never used for design, ORB and Noise kept a real edge, but about half as large as in 2020–26; Liquidity did not. That's one more reason we never rely on a single strategy.

CHAPTER 4

Prop-firm accounts: think in expected value

With a funded-account challenge your maximum loss is the evaluation fee. That changes the math: the goal isn't "never lose", it's "maximize the expected payout per account bought".

What our lab found (simulations with official Lucid Flex rules)

- ✓ Best setup found: **Lucid Flex 50K, 2 MNQ, stop trading for the day at +$1,500** (keeps the consistency rule from blocking payouts).
- ✓ On independent 2016–2019 data: **73% of simulated accounts got at least one payout within 12 months**; the typical (median) account finished at **+$1,901** after fees.
- ✓ Over 6 months, the median account was still negative. Plan for 12 months, not 12 days.

The loop

Instead of buying several accounts on the same day, start a new evaluation every couple of weeks, up to the firm's limit (Lucid: 5 funded accounts per household). Each account is at a different stage (evaluation, funded, payout), so the expected value builds up over time.

> **Before you do this:** read your firm's rules on automated trading and on identical trading across accounts. More accounts also means more total risk. Simulations are not a guarantee and rules change: always check the firm's current terms.

Your emotions are the real risk

FOMO entries, revenge trades and moving the stop "just this once" are what usually blow accounts. A fully rule-based system executes the same way every day: entry, stop, target, daily loss limit and flat by the close.

CHAPTER 5

Start the right way

- ✓ **Week 1 on simulation.** Watch every entry, stop and target. Make sure you understand the drawdowns.
- ✓ **Then micro contracts.** MNQ is 1/10 of NQ: the same strategy with 1/10 of the risk.
- ✓ **Size for the drawdown, not for the best month.**
- ✓ **Keep a log.** Compare live results with the backtest every week. If live falls far below the expected range, pause.

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All three strategies, automated.

ORB + Liquidity + Noise for NQ/MNQ, with daily loss limits, prop-style trailing floor and funded-account sizing. Installation guide included.

🚀 **Launch offer: $39.99/month** (regular $79.99) or **$149/year**. Single strategies: ORB $29.99/month, Noise $24.99/month.

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