

Errata for *Mean Reversion Trading Systems*

Look at the bottom of page 4 of your book to determine which printing you have. If your book is the second printing or later, there is a notice to that effect.

The second and third printings have these uncorrected errors:

Page 19, fourth line. Change "Chapter 3." to "Chapter 2."

Page 120, program listing 6.1, case 3. The second argument to the AMA function should be a smoothing factor rather than a length. The AmiBroker User's Guide gives an example of creating a smoothing factor based on recent volatility. Or, replace AMA with DEMA where the second argument is a length.

Pages 192-197, Listing 9.4 has an uninitialized variable. Listing 9.4A corrects that error.

The error occurs when there are values remaining in the Buy array after the final system. The correction is to add these lines of code:

```
////////////////////////////////////  
//      Additional code for the "A" version  
// Reinitialize Buy and Sell  
Buy = 0;  
Sell = 0;  
////////////////////////////////////  
Just before this line in the program as published:  
  
// Choose which to use  
// Compare recent results
```

In addition to those listed above, the first printing has these uncorrected errors:

Page 36, first line of sixth paragraph. Change "extend" to "extent".

Page 41, second line of fourth paragraph. Change "set a rules" to "set of rules".

Page 42, first line of third paragraph. Change "To insure" to "To ensure".

Page 131, text in mid-page. Change "Figure 9" to "Figure 6.3".

Pages 198-200, Listing 9.5, has a future leak. Listing 9.5A corrects that error.

The error is:

```
ER5 = L < LimitEntry;
```

The correction is:

```
ER5 = L < Ref(LimitEntry,-1);
```

Also replace:

```
BuyPrice = LimitEntry;
```

With:

```
BuyPrice = Min(O,Ref(LimitEntry,-1));
```

Page 218, final complete line on fourth paragraph. Change “potential in” to “potential is”.

Page 218, second line of fifth paragraph. Change “should be coded” to “should be, coded”.

Page 230, third line of second paragraph. Add “.com” and “.html” to the url. The complete url is:

<http://www.MeanReversionTradingSystems.com/Programs.html>

Differences between test results published and test results from your runs

This is not strictly errata, but it might be of concern to readers and this is a good place to post my comment.

Data vendors periodically adjust historical data. It might be to correct errors, or perhaps to back-adjust for distributions or splits. Whatever the purpose, results from running the same backtest using the same ticker and the same date range two times – once before the adjustment and again after the adjustment – might result in slightly different test results.

It appears that there has been a data adjustment to SPY that causes the results of running the program in Listing 3.1 to be different than those published in the book. The book is intended to be an educational document. If the results you get when you run the programs are slightly different than those in the book, continue with your study and testing.

end of errata