TRADERS´

Software-Review

NanoTrader from Fipertec GmbH, Berlin

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NanoTrader –
A Quantum Leap in Trading Software
Integrated Charting and Trading has never been so easy and flexible

Introduction

Since nearly a decade the Berlin based software company Fipertec continually surprises with inventions strongly influencing the trading software market. The new product „NanoTrader" continues this tradition with amazing new features – charting, trading and automated trading have never been easier or more flexible.

Made in Germany

The label „Made in Germany" is recognized worldwide as adorning sophisticated engineering and quality products. The German company Fipertec is a good example representing these qualities as they appear regularly on the market as trendsetters for trading software. With their product „Dynamite Sentimentor", released in its initial version in 2000, Fipertec surprised with a new and intuitive approach to analyze financial instruments by using so-called Sentimentors – „mood indicators". Each sentimentor contributes a mood indication from its specific perspective for each time period, e.g., technical, fundamental, personal experience, etc. By condensing the individual Sentimentors that have been chosen and configured by the trader then the software deducts the overall market sentiment and the trading activities resulting from this analysis.

With the fast-paced development of online trading and direct market access Fipertec steadily extended its software and most often was the first company to release features like trading from the chart, displaying and modifying orders

directly in the chart, or visualization of fills and stop adjustments. Significant technology providers such as Patsystems and a multitude of brokers provide the technology „Made in Germany" to their clients all over the world under their own brands.

NanoTrader – Fipertec's latest Coup

With its new product NanoTrader Fipertec bundles their experiences of the last 10 years and the intensive feedback of the user community. The main focus of NanoTrader is ease of use and flexibility. The seamless integration of charting and trading within a single platform is the declared objective of the company. At the same time NanoTrader shines with a most inventive new technology named „Tactics" targeted specifically to daytraders. Tactics provides an unparalleled flexibility to these traders facing today's highly volatile and sometimes chaotic markets.

The Complete Picture at a Glance – the DesignerBar

The look & feel of NanoTrader has been redesigned substantially as compared to its predecessor. All relevant settings for charting and trading are presented well arranged in the DesignerBar (Picture 1). Here the trader selects the account, the order size, the order types for the automated exit management as well as indicators and Sentimentors supporting the trading – either by providing visual hints for potential entries and exits or by trading fully automated.

The decorations of the charts and toolbars have been kept very slim thereby leaving more screen space for the charts themselves. This proves to be very pleasant as the screen is still a very limited resource, no matter how many monitors are connected to your computer.

NanoTrader Charting

The charting capabilities of NanoTrader fulfill all requirements for the practical use. Settings can be made easily through Wizards and favorites. Again, special care has been taken not to waste screen space, e.g, the parameters of the indicators can be adjusted directly in the chart so the DesignerBar can be rolled in.

NanoTrader supports the usual charting styles such as line, bar, candle, Renko, Point & Figure as well as some forty indicators and thirteen stop variants, e.g., even a drawn trendline can be used as a stop.

Specifically for discretionary traders the Filter feature is of great help. If an indicator is used as a Filter then the background of the chart is colored green, red or neutral depending on the tendency the indicator reveals. If multiple Filters are used the chart is colored red or green only if *all* Filters indicate the same direction. This way the trader is presented a highly visual and intuitive decision support tool for manual entries and exits (Picture 2).

The PageManager allows to save and recall arrangements of the windows. For single monitor systems the tabs in the main window are very helpful to easily

switch between various charts. NanoTrader allows to display any number of charts in any aggregation at the same time.

LiveTables present a tabular view of securities. Instead of just displaying price information securities of a LiveTable can be connected to a study and hence display their current signals. This way LiveTables can be used to easily monitor a multitude of markets simultaneously.

NanoTrader Trading

NanoTrader allows to place trades directly from a chart through various mechanisms. Using the Buy/Sell buttons of the chart's toolbar a classical order ticket dialog can be opened. The ChartTrader (Picture 3) allows to place orders with just one click directly from the chart. In addition, each chart can display an embedded SpeedTrader where the order placement is based on a price ladder representing the order book. (Picture 4).

All information relevant for the trading such as account, position size, stop settings, P&L, risk and profit expectation are displayed in the chart so the trader has constantly a total overview of the current setup without the need for hopping through various displays or dialogs.

TradeGuard - Perfect Position Management

No matter if you are a trading veteran or a newbie the TradeGuard functionality of NanoTrader is something you will not want to miss in your trading. Once the TradeGuard is activated through the DesignerBar it manages the current position corresponding to the settings of the trader. Usually the TradeGuard is configured to place profit target and stop loss orders at the exchange thereby handling all scenarios, e.g, it automatically adapts the orders once a fill or a partial fill is received. Also, if the position is increased the TradeGuard immediately adjusts the exit orders. The TradeGuard can handle multiple profit targets and stop loss orders to realize fade-out scenarios in a completely intuitive way.

NanoTrader allows to grant each stop order its own life, e.g., it can be declared to act as a trailing stop, linear stop or parabolic stop, just to name a few. Very interesting is the so-called „ClickStop". It is placed automatically with the opening of a position with a predefined offset from the fill price and is visualized in the chart as a slider. The trader can slide it directly in the chart to modify its stop price. By clicking on the slider the available Tactics are displayed (Picture 5).

Tactics – the Beauty of Simplicity

Have you had this experience? Sometimes there are new inventions that are so obvious that you cannot understand why they have not been available before. For instance the usage of thumb and index finger for zooming into a graphic on a handheld device. The Tactics of NanoTrader fall into this category. Once it is there your don't understand how it should work otherwise.

A tactic is usually understood as the means of how to achieve a short term goal whereas a strategy refers to a long term goal. Now assume a trader monitoring an open position. That position might have been opened manually or automatically based on a thoroughly tested trading system (strategy). Suddenly a surprising news is broadcasted that moves the market heavily – a breakdown of a bank, an unexpected FED decision, a merger announcement. In such a case it is often appropriate to switch from a long term to a short term perspective (tactic). In the mentioned scenarios the market movements are very fast or even eruptive and hence manual order management becomes very difficult: typing on a keyboard is far too slow and error prone and even sliding an order in the chart might require a degree of sensibility that you may lack in the depicted moments.

The same is true on a regular basis for scalpers trying to take profit out of small movements. Speed and accuracy in the order manipulation are a must.

The Tactics of NanoTrader have been designed exactly for this purpose: For each working order a number of potential Tactics is available. A specific Tactic is activated by a simple mouse click. For example with a single click a static stop can be converted into a trailing stop that automatically adjusts itself with every incoming tick and thus ideally exploits the mentioned fast movement (Picture 6). Other Tactics have a one-time effect and assign a new price to the stop such as the „BreakEven"-Tactic. Once clicked the stop is immediately amended one tick above the entry price. Other Tactics allow to constantly keep the order on the best bid or ask. Should the orderbook change without the order being executed then price is automatically adapted.

NanoTrader provides a whole palette of preconfigured Tactics. In addition to Tactics that rely on the order book each standard stop can also be used as a Tactic, e.g., Parabolic Stop, Linear Stop, Kase Deviation Stop, etc. In addition new Tactics can be designed with the programming language NanoTrader-Express.

Practice Makes Perfect

For perfecting one's trading capabilities a lot of practice and experience in reading the market movements is required. NanoTrader supports this in various ways. Using a paper trade account the trader can test and improve his personal style. NanoTrader simulates a virtual exchange by handling and filling the orders just as a real exchange would do. Thus the trader acts in an environment that is very close to reality.

Also the PlayBack functionality of NanoTrader proves very helpful, specifically the possibility of converting the previous day's trading session into a PlayBack. This enables the trader to train with market data that he has not seen before and thus being fully unbiased. Newcomers who can only train in the evening will love this feature.

NanoTrader and System Trading

NanoTrader is fully backward compatible to its predecessor Dynamite Sentimentor. It supports the Sentimentor technology and specifically the „Instant Backtesting", i.e., the evaluation of a trading system in terms of statistics and signal visualization is updated instantly with each incoming tick or change of a system parameter (Picture 7). As opposed to so many other products NanoTrader does not require a special run to compute this information. This enables an extremely graphical and interactive approach when designing a trading system.

NanoTrader provides many tools to a system designer for creating robust systems: filter, optimization, out of sample tests, restrictions, robustness tests, walkforward optimization, intermarket analysis, multiple timeframe analysis, etc. The specialists will enjoy the rich environment serving their purposes.

Once a trading system was tested and tweaked it can be set into live trading mode with just one click. It will trade fully automatically – beyond the emotional stress factors a discretionary trader is facing.

Express – the integrated Programming Environment

NanoTrader is designed such that there is no need for programming. The user can create TradeGuards and trading systems without programming a single line of code by just assembling and configuring the provided building blocks. However, as an additional module NanoTrader-Express allows to create new building blocks such as indicators/Sentimentors, filters, stops or Tactics. The Express building blocks can be used exactly as the built-in building blocks. Even users without the Express license can execute and thus incorporate Express modules.

Conclusion

Fipertec's new product NanoTrader is extremely innovative and sets new standards in the area of integrated charting and trading. Its ease of use makes it very easy to jumpstart using the product and to take advantage of its many helpful tools for the daily trading process. Specifically the invention of Tactics grants an amazing new flexibility which is not available in any other platform. Also the capabilities for creating full-fledged trading systems are impressing. They allow those traders being interested in this area to create systems without the need to switch to another software.

NanoTrader is available in English and German versions and currently supports trading through patsystems (derivatives exchanges) and Interactive Brokers. The entry version already contains the charting and the complete trading functionality including the TradeGuard technology. With a monthly fee of 39 € the entry version provides an excellent price-quality ratio. Additional modules such as Express, tradingsystem design and spread trading can be added at wish.

More information is available at www.fipertec.com.

Pictures

Picture 1: Each chart contains a DesignerBar that allows to view and modify all settings concerning trading and charting. To save screen space the DesignerBar can be rolled in.

Picture 2: Two indicators being used as filters. Regions where both filter indicate a long or short tendency the chart background is colored green or red. A very efficient visual tool for decision support.

Picture 3: Next to the chart the ChartTrader is shown. Using a single click an order can be placed at the price level where the click occurred. The right part of the window displays the SpeedTrader depicting the order book. The SpeedTrader also allows to place trades with a single click. Working orders are displayed in the chart. They can be slided with the mouse to change their trigger price.

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Picture 4: After opening a position the TradeGuard placed a profit target order and a stop loss order to protect the position. By clicking on the slider the available Tactics are shown. A Tactic can then be executed by clicking on it.

Picture 5: The Trail-Tactic was activated so the stop was automatically adjusted by NanoTrader. The activated Tactic can be changed any time. The profit target order was adapted manually. NanoTrader visualizes the trajectories of the stops.
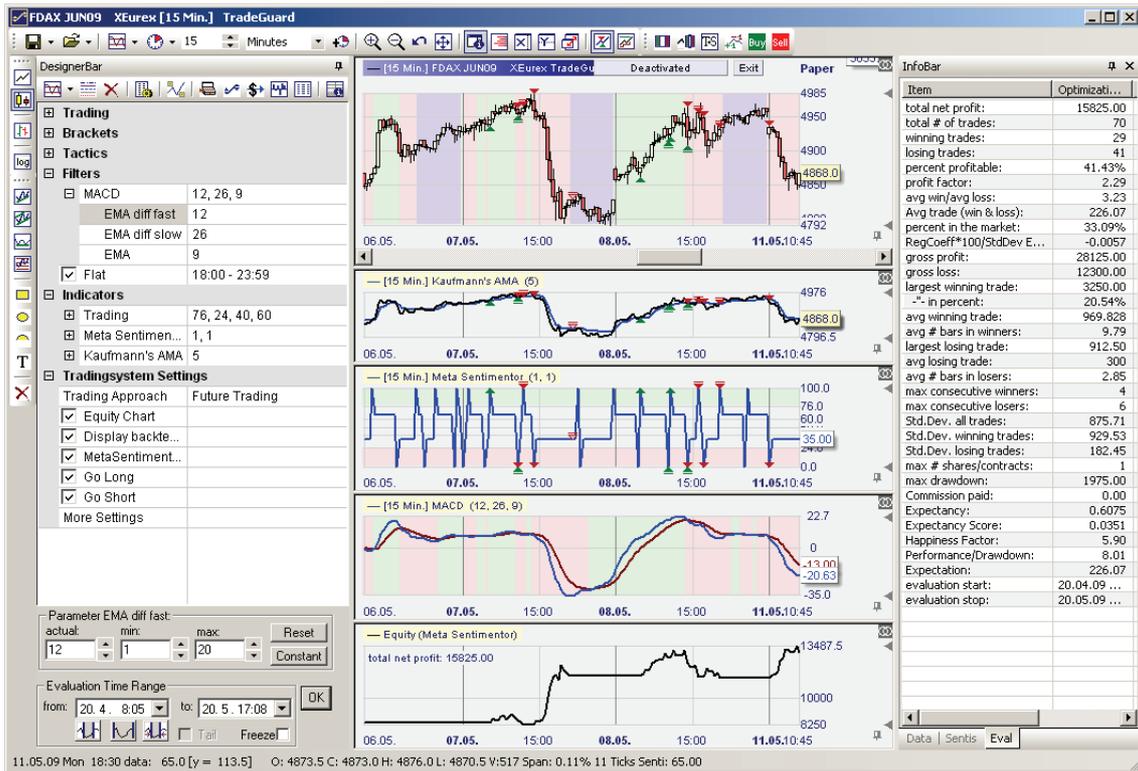
Picture 6: The InfoBar continually displays the backtesting results. Each change in the system settings is immediately reflected in the statistics as well as in the charts where the signals are visualized („Instant Backtesting").