CASE 009 · THE RULEBOOK

# Gotobi on EUR/JPY: we changed nothing.

The exact rules, our test, and what we found, so you don't have to run it yourself.

## THE STRATEGY, EXACTLY AS WE RAN IT

Japanese import companies settle invoices on calendar days divisible by five, the gotobi days. Their banks sell yen to cover those payments ahead of the 9:55 JST Tokyo fix, and that scheduled flow leaves a drift in the hours before the fix. Ito and Yamada documented it. We validated it on USD/JPY in Case 004.

1. **Trade only gotobi days**: calendar dates divisible by five. When the date lands on a weekend, the preceding business day carries it, following Japanese settlement convention.
2. **Buy at 15:55 UTC the evening before**, nine hours ahead of the fix.
3. **Exit at the fix, 00:55 UTC**, win or lose. The anomaly ends there, so the trade does too.
4. **60 pip catastrophe stop** and a 3 pip spread filter, both inherited untouched.
5. **One trade per gotobi day**, risking 1% of equity.

## WHY THIS TEST IS DIFFERENT

The flow is a **yen** story, not a dollar story. Importers sell yen, so any yen cross should feel the same calendar, and EUR/JPY inherits the pressure through its yen leg without a single setting being changed.

That is the whole point. Most backtests answer "did these parameters fit this market?" A frozen transfer answers something better: **"is the mechanism real?"** The most dangerous button in a backtesting platform is the one marked optimize, and on this pair we never pressed it.

## OUR TEST

Every parameter inherited from the USD/JPY strategy. No optimizer ever saw EUR/JPY, and the pair got exactly two runs on real tick data: one in-sample confirmation, one out-of-sample verdict. That is the entire history of this strategy on this market.

| | |
|---|---|
| Market | EUR/JPY, Dukascopy tick data |
| Account | $10,000 start, 1% risk per trade |
| Costs | Commission modeled at $3.50 per side per lot, swaps charged natively |
| In sample | 2019 to 2021: 213 trades, profit factor 1.56 |
| Out of sample | 2022 to 2025, run once, no parameters touched |

## WHAT WE FOUND

283 trades on four years the rules had never seen, on a pair the rules were never built for.

| 1.42 | 6.1% | 4 of 4 |
|---|---|---|
| PROFIT FACTOR | MAX DRAWDOWN | YEARS POSITIVE |

## FORWARD TEST

Win rate 54%. Net profit $2,625 on a $10,000 account after commission and swap. By year: **+$1,317, +$869, +$234, +$205**.

**And there is the honest part, sitting in those four numbers.** 2024 and 2025 earned a fraction of 2022, and the USD/JPY original showed the same decay direction. The effect is alive, and it is fading. Both things are true and the chart would betray us if we said only one.

Resampling those 283 trades ten thousand times puts the probability of a losing window at **1.4%**, with 95% of outcomes between +$331 and +$5,019. Reshuffling the trade order puts the 95th percentile drawdown at **9.3%**. Quote that figure, not the 6.1% we happened to get.

## THE OBJECTION YOU SHOULD RAISE

"You were long EUR/JPY from 2022 to 2025. The yen collapsed. You just rode the trend." The right challenge, with two answers.

The benchmark: buy-and-hold returned 8.9% a year at a 10.9% drawdown, a MAR of 0.81. The strategy returned less, 6.0% a year, but at a 6.1% drawdown its MAR is 0.99. Risk-adjusted it beat holding the pair by **1.22x**.

The arithmetic, which is stronger: the strategy is in the market about **7% of the time**, and that much exposure to pure drift pays roughly 0.65% a year. It paid 6.0%, about **nine times** the pair's own drift, and it also made money in the in-sample years when the yen went nowhere.

## THE RULES YOU CAN REUSE

**A frozen transfer beats another optimization.**
Re-fitting on a new market only proves the optimizer works. Freezing everything tests the mechanism, and only the mechanism can keep paying.

**Check your exposure before you credit the trend.**
Time in the market is the cheapest sanity check there is. At 7% of the hours, a rising market cannot be most of the answer.

**Report the drawdown you could have had.**
The realized 6.1% is one shuffle of the deck. Reshuffled, the 95th percentile is 9.3%. Size against that.

## THE VERDICT

**Forward test.** Frozen rules, one out-of-sample run, and the edge held on all four years. That earns a demo account, not real money, and the forward test settles what the backtest cannot: whether the fade keeps going.

Honest scope: a backtest on tick data with modeled commission and native swap, not a live track record.

**See the full evidence**

The full write-up, with the equity curves and the interactive Monte Carlo:
**yuratrading.com/blogs/gotobi-eurjpy**
The gate-by-gate report card:
**yuratrading.com/results/gotobi-eurjpy**

The Backtest Files: a new case every week. **YouTube** · **Instagram** · **TikTok** · **Facebook**