CASE 011 · THE RULEBOOK

The breakout that earned a demo account.

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

THE STRATEGY, EXACTLY AS WE RUN IT

An Asian-session range breakout on USD/JPY. The rules have never changed and they are still boring, which is rather the point.

1. **Measure the Asian session range**: the high and the low of the quiet hours before London wakes up, 00:00 to 04:00 UTC.
2. **A candle closes above the range high, go long.** Below the low, go short.
3. **The stop sits at the opposite end of the range**, so the range itself defines the risk.
4. **Flat at 18:00 UTC** if the trade is still open.
5. **One trade per day, USD/JPY only**, risking 1% of equity.

USD/JPY only, because the same rules on EUR/USD returned a profit factor of 1.00, which is a polite way of saying every dollar it made went to the spread. The Asian range means something on the yen's home session and nothing on EUR/USD.

THE CLAIM, AND OUR OWN FINE PRINT

This is the strategy that started the project, and the first number it produced was **$35,000** on paper. That number was worthless. The session window had been tuned over the same years it was then scored on, with no held-out data anywhere in the process.

A backtest you tuned and scored on the same years is not a test, it is a memory of those years. The only honest thing to do with a number like that is to say so out loud, and then go and run it properly.

WHAT WE RAN

Market	USD/JPY, M15, Dukascopy tick data
Account	$10,000 start, 1% risk per trade
Costs	Commission modeled at $3.50 per side per lot
Out of sample	2022 to 2026, frozen, run once, no parameters touched
Also run	Cost stress, 10,000 Monte Carlo resamples, buy-and-hold benchmark

WHAT WE FOUND

1,012 trades on four years the rules had never seen.

+$10,230
NET ON $10,000

96%
OF ITS EDGE KEPT

23.7%
MAX DRAWDOWN

FORWARD TEST

Profit factor 1.163, win rate 45.75%, 19.3% a year. It survived the cost stress. Resampling those 1,012 trades 10,000 times puts the probability of a losing window at **4.0%**. Risk adjusted it beat buy-and-hold by **1.51x**, a MAR of 0.815 against 0.539.

And it still failed our gate. Our limit on out-of-sample drawdown is 20%, and this ran to 23.7%. Profitable is not the same as good enough, so it is not called validated and it does not get real money.

Reshuffling the trade order puts the 95th percentile drawdown at 41.5%. Size against that figure, not the 23.7% we happened to get.

THE LIVE FORWARD TEST

Since 30 July it has run on its own IC Markets demo account, read through a read-only investor login, every closed trade published. The first eleven:

Closed trades	11, of which 3 were winners (27%)
Net	+£205.79
The backtest expected	45.75% wins, about 21 trades a month
Why it is up anyway	Three trades made £175, £181 and £394; the other eight bled small amounts. The shape of every breakout system

Eleven trades prove nothing, and one good month is not evidence. That is exactly why it is on a demo.

THE RULES YOU CAN REUSE

Tuned and scored on the same years is not a test.

If the window that chose your parameters also graded them, the result is a memory.

A low win rate is not a broken strategy.

Breakouts win rarely and large. Judge them on expectancy, not the percentage.

Have a gate that can reject a profitable strategy.

Ours rejected this one at 23.7% against a 20% limit. A bar you always clear is not a bar.

THE VERDICT

Forward testing on a demo account. A real edge that held out of sample and survived every robustness check we own, carrying more drawdown than we will sign off on. The demo settles what the backtest cannot.

Honest scope: tick-data backtest with modeled commission, plus a young demo record.

See the full evidence

The full write-up:
yuratrading.com/blogs/range-breakout
Every live trade as it closes:
yuratrading.com/forward

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