

CASE STUDY: A BRITISH POUND TRADING SYSTEM, 1984 TO 1985

The chart on the right shows a simulated trend-following system on the British pound-US dollar exchange rate between 1984 and 1985, a notable trend where the British pound nearly reached parity with the US dollar during the miners' strikes. The red line on the corresponding chart underneath shows a simulated profit and loss (P&L) for the strategy.

