

LEARN - BUILD - AUTOMATE

Algo Trading Master Class

Session 2 · Build Your First Algo Strategy

Rules, Logic & Backtesting

Disclaimer

This is for educational and informational purposes only and does not constitute financial advice. Refer - <https://stocko.in/stocko-disclaimer/>

11th June'26

Where We Left Off

1

Algo trading = your rules, run by a computer

No emotion, no missed entries, no missed exits.

2

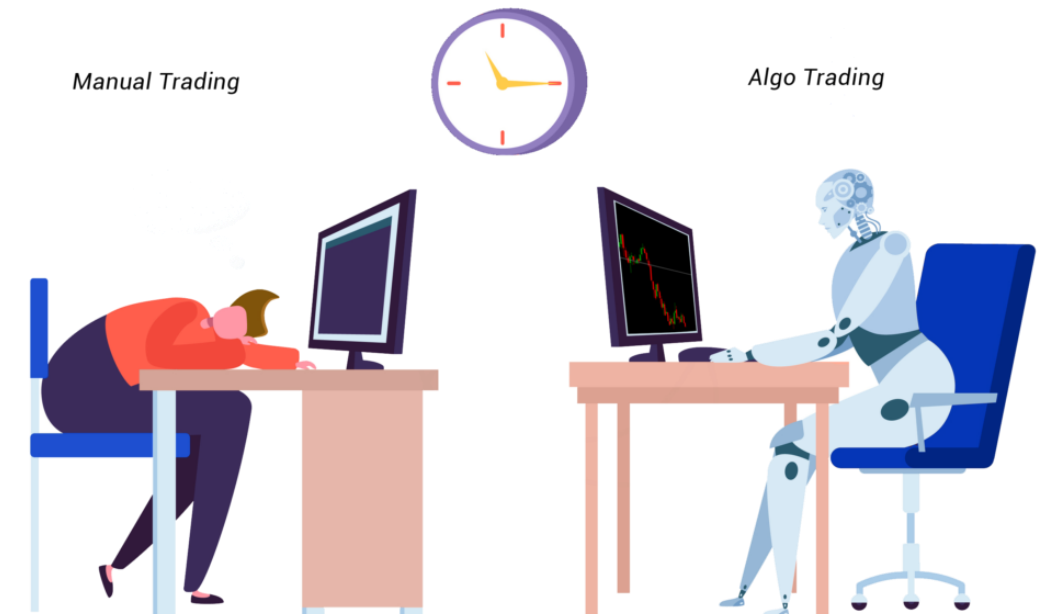
Five real edges

Speed, discipline, backtesting, scale and consistency.

3

The timing is right

Algos already dominate, and SEBI now regulates retail algo trading.



Today: You will get your first strategy - even if you don't have a trading idea yet.

Today's Plan

PART 1

Ready-Made Strategies

No trading idea of your own yet? Start here. Use proven, pre-built strategies from platforms like Algotest, Quantman and Tradetron.

PART 2

Build Your Own (No-Code)

Create your own strategy without coding. We'll build one multi-leg options strategy on Algotest, and one indicator-based strategy on Quantman.

Across both parts, we keep coming back to the three essentials: Rules · Logic · Backtesting.

PART 1

Ready-Made Strategies

For traders who don't have their own idea yet - start with proven strategies.

Don't Have a Strategy Yet? Start Here

This is for you if...

You like the idea of algo trading, but **you don't have your own strategy** yet.

That's completely fine. You don't need to invent a strategy from scratch to begin.

You can start with a strategy someone has already built and tested.

What is a ready-made strategy?

- A pre-built strategy with rules already defined.
- Already backtested on past market data.
- You can study it, paper trade it, then deploy it.
- No coding and no strategy design needed to start.

Where to Find Ready-Made Strategies



Pre-built option strategy templates you can backtest and deploy.



Ready strategies and scanners you can test on historical data.



A marketplace where you can browse and subscribe to strategies.

Remember: these are tools to build and test. For live trading you connect your broker - like Stocko by InCred Money - for execution.

How to Pick & Deploy One

1

Browse the templates

Open the strategy library on the platform and shortlist a few.

2

Check the backtest

Look at returns, win rate and - most importantly - the drawdown.

3

Paper trade first

Run it without real money to see how it behaves live.

4

Connect broker & deploy

Link your trading account and start small.

5

Monitor & review

Track the trades; pause or adjust if it drifts from the backtest.



Before You Deploy: Check These

Past ≠ future

A great backtest is not a promise. Markets change.

Watch the drawdown

How much would you have lost at the worst point? Can you stomach it?

Count the costs

Brokerage, slippage and taxes can quietly eat returns.

Start small

Begin with minimum size; scale up only after you trust it.

Understand the logic

Never run a strategy you can't explain in one line.

Paper trade

Test with virtual money before risking real capital.

PART 2

Build Your Own (No-Code)

Turn an idea into a working strategy - visually, without writing code.

Every Strategy = Rules + Logic

Before we build, here are the parts every strategy needs. On a no-code platform, you just fill these in.

Instrument

What to trade - Nifty, Bank Nifty, a stock.

Entry rule

When to get in - a price, time or indicator condition.

Exit rule

When to get out - target hit, signal flips, or time.

Stop-loss

Your maximum loss per trade.

Target

Your planned profit per trade.

Position size

How many lots/quantity, and time window.

Strategy 1 - Algotest (Multi-Leg Options)

What is multi-leg?

A strategy that uses more than one option leg at the same time - combining buys and sells to shape your risk and reward.

Algotest lets you add each leg and backtest the whole combination - no code.

Example: a Bank Nifty Iron Condor - a defined-risk, non-directional strategy.

Build it in 5 steps

- ① Pick the instrument & expiry - e.g. Bank Nifty, weekly.
- ② Sell 1 OTM Call and Sell 1 OTM Put to collect premium.
- ③ Buy 1 further-OTM Call & Put as protection - this caps your loss.
- ④ Set entry time, square-off time, and an overall stop-loss.
- ⑤ Run the backtest over past expiries and review results.

Strategy 2 - Quantman (Indicator-Based)

What is indicator-based?

A strategy that enters and exits based on a technical indicator - like a moving average, RSI or Supertrend.

Quantman lets you set indicator conditions and backtest them on years of data.

Example: a Supertrend trend-following strategy.

Build it in 5 steps

- ① Pick the instrument - e.g. a liquid index or stock.
- ② Entry: when price closes above the Supertrend line (buy).
- ③ Exit: when price closes below the Supertrend line.
- ④ Add a stop-loss and a target to control risk.
- ⑤ Backtest over several years; check it across market phases.

Backtesting: Read the Right Numbers

A backtest shows how a strategy would have done in the past. Don't just look at profit - read these:

Total return

The headline profit - but never the whole story.

Max drawdown

The biggest peak-to-bottom fall. This is the real risk test.

Win rate

How often it wins - read it together with risk-reward.

Risk-reward

Average win vs average loss per trade.

Number of trades

Too few trades = not enough proof.

Avoid overfitting

A strategy tuned too perfectly to the past often fails live.

Recap & What's Next

Today, in one line

- No idea yet? Start with a ready-made, backtested strategy.
- Always check drawdown and paper trade before going live.
- Built your own on Algotest (multi-leg) and Quantman (indicator).
- Every strategy = Rules + Logic, proven by Backtesting.

NEXT WEEK · SESSION 3

Your Algo Toolkit & Setup

Brokers, APIs and platforms - and how to connect everything to go from backtest to live trading.

Your homework

Shortlist ONE ready-made strategy, or sketch one rule of your own, and paper trade it this week.

Q&A

Ask anything - and I'll see you next week for Session 3.

Disclaimer

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