

Is Genotick's result random?

Short answer: No. Random trading would yield different profit characteristics.

Long answer:

We did an experiment to check if random trading gives different results than Genotick.

We chose 1000 most liquid, non-penny US shares. Then, on each stock, we run two tests:

1. Trade randomly. Use a computer-generated-coin as a signal. If it lands on heads: go long, if it lands on tails – go short. Make a note of final profit. Repeat 10 times.
2. Use Genotick on each stock. Make a note of final profit. Repeat 10 times.

Total number of runs was 10,000 (1000 stocks * 10 runs each)

We've found some differences between random trading and Genotick

Genotick is profitable more often

Random trading is profitable in 28.1% of runs (so around 1 in 4). Genotick makes a profit 45.2% of runs (nearly half of the time).

More stocks are always profitable

If you trade randomly – none of the stocks are always profitable. In other words: out of 10 runs for a single stock, at least one run will always be losing. On the other hand, there are 160 stocks where Genotick is profitable every time. If there is an edge – it consistently finds this edge.

More stocks are always losing

In random trading 56 stocks always lose (so 10 out of 10 runs yield a loss). For Genotick this number goes as high as 215. Yes, a lot more than random. Why? Genotick doesn't get lucky once in a while. If it can't find an edge, it simply loses money every time.

More stocks are usually profitable

For Genotick, 359 stocks are profitable at least 7 out of 10 runs. For random trading, it's 14. It's difficult to stay reliable if results are random.

It's still not a proof in the mathematical sense – you can't prove non-randomness. But it gives enough confidence to take it seriously.

We provide live, [trading signals](#) for most consistently profitable stocks.