Trade frequency per observation period

Research and evaluation | Original synthetic example | Edition 2026-11-26

Trade frequency divides the number of completed trades by the observation duration. It provides activity context and does not by itself measure liquidity, capacity or profitability.

FORMULA Frequency = completed trades / observation periods

SCENARIO 01: Observation span 20 sessions



WORKED EXAMPLE

50 completed trades over 20 sessions is 2.5 trades per session; activity does not establish profitability.

COMMON MISTAKE

Annualizing a short burst of trades without a stable activity assumption creates false precision.

BEFORE YOU USE THE CALCULATION

1. Define a completed trade.
2. Use consistent duration units.
3. Show the raw count and observation span.

COMPARE TWO MORE INPUT SETS

Scenario 05: Observation span 40 sessions. 50 completed trades over 40 sessions is 1.25 trades per session; activity does not establish profitability.

Scenario 10: Observation span 65 sessions. 50 completed trades over 65 sessions is 0.7692 trades per session; activity does not establish profitability.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.