

Double4 - Strategy

1. Basics

1.1. General

The strategy based on a pattern, which is possible in each time frame and is similar or close to double top and double bottom strategies.

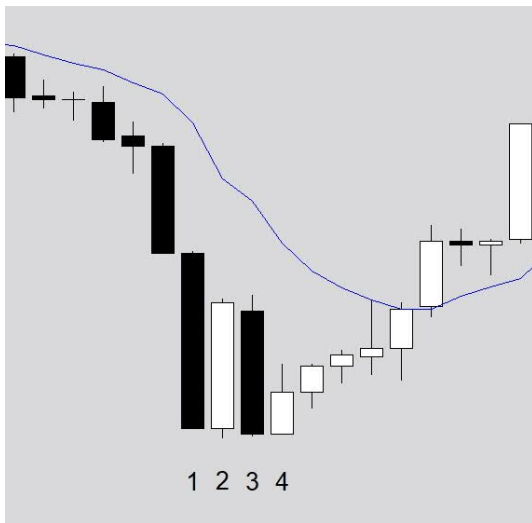


Figure 1: Standard pattern LONG

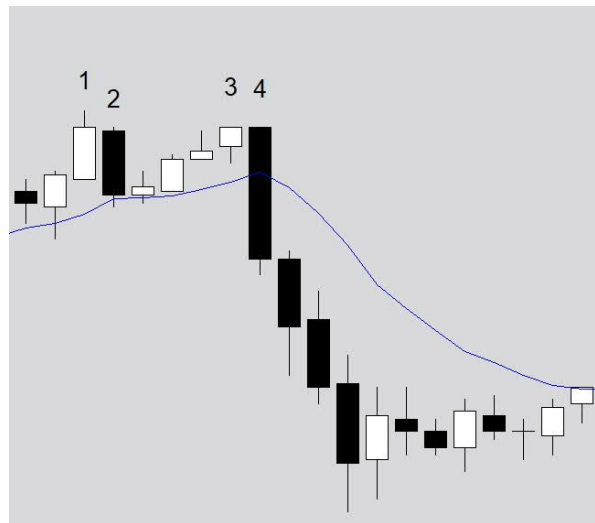


Figure 2: Bearish Pattern with 3 middle candles

The standard pattern consists of 4 bars or candlesticks. (Look at figure 1) The sequence of bullish or bearish candle is important as well as the range of closing and opening price of those candlesticks.

Standard Pattern Bullish

Candle 1: bearish

Candle 2: bullish / Doji

Candle 3: bearish / Doji

Candle 4: bullish

IMPORTANT:

The range of

Candle 1 close price

Candle 2 open price

Candle 3 close price

Candle 4 open price

The range can be defined by indicator or EA.
Highs and lows of the candles are not relevant.

Standard Pattern Bearish

Candle 1: bullish

Candle 2: bearish / Doji

Candle 3: bullish / Doji

Candle 4: bearish

IMPORTANT:

The range of

Candle 1 close price

Candle 2 open price

Candle 3 close price

Candle 4 open price

The range can be defined by indicator or EA.
Highs and lows of the candles are not relevant.

Also a simple and small deviation is possible. Between the candles 1-2 and 3-4 some additional candles can be there. (Look at figure 2)

The open and close prices of numbered 4 candles are important. The 3 middle candles are unimportant.

1.2. Signal / Entry

Signal or entry are with opening of candle 4 for bullish and bearish pattern, if the range is lower or equal of the given limit. The spread of the asset will be not considered.

1.3. Filter

1: Moving Average

All relevant prices of the pattern from candle 1-4 have to above (bearish) or below (bullish) the moving average.

2: X = amount of candles before the pattern candle 1 are below or above the moving average (filter 1).

$$X \geq 0$$

Example: X = 0 all patterns give a signal (figure 3)

X = 2 only pattern 1-2 / 4-5 give a signal, because minimum 2 candles before candle 1 are lower than the moving average. In figure 3 are it at maximum 4four candles



Figure 3: Three patterns

2. Indicator

The indicator is based on the basics of chapter 1. The indicator shall be a multi-timeframe screener only for one asset. At maximum 3 timeframes shall be screened parallel by each opening candle in the selected time frames and can be chosen by the settings.

The settings should be:

- Only long, only short, long & short signals
- How many middle candles are allowed ($i \geq 0$)

- Time frame 1
 - o Selecting of time frame
 - o define the range of open and close prices in pips or points
(e.g.: 10 = 1 pip by EURUSD and 100 = 1 point by US30 or DE30)
2 options: fixed value
 by Average True Range ... multiplied by a factor X (e.g. $x = 0.5$)

- Time frame 2
 - o Selecting of time frame
 - o define the range of open and close prices in pips or points
(e.g.: 10 = 1 pip by EURUSD and 100 = 1 point by US30 or DE30)
2 options: fixed value
 by Average True Range ... multiplied by a factor X (e.g. $x = 0.5$)

- Time frame 3
 - o Selecting of time frame
 - o define the range of open and close prices in pips or points
(e.g.: 10 = 1 pip by EURUSD and 100 = 1 point by US30 or DE30)
2 options: fixed value
 by Average True Range ... multiplied by a factor X (e.g. $x = 0.5$)

- Filter 1
 - o Enable filter 1 true / false
 - o Moving Average Method: Simple, Exponential, ...
 Period: ...
 Shift: ...
 Price: Open, Close, HLC/3, ...

- Filter 2
 - o X = amount of additional candles before the pattern candle 1, which have to be below or above the moving average (filter 1)
 - o $X > 0$; X = 0 than disabled

- Alerts
 - o show signal with arrows true / false

- (color can be chosen too for bullish and bearish signals)
- by window true / false
- by sound true / false

3. Expert Advisor

3.1. General

The basis of the EA is the long and short signal of the described indicator with all settings. The EA shall work only for one timeframe!

- General
 - Only long, only short, long & short signals
 - How many middle candles are allowed ($i \geq 0$)
 - Time frame
 - Selecting of time frame
 - define the range of open and close prices in pips or points
(e.g.: 10 = 1 pip by EURUSD and 100 = 1 point by US30 or DE30)
 - 2 options: fixed value
 Average True Range multiplied by a factor x (e.g. x = 0.5)
- Money Mangement
 - Risk in percentage (0 = disabled, > 0 = auto lot) 0.5
 - Manual lots (0 = disabled) 0.01
 - Maximum allowed open trades 2
 - Maximum allowed draw down 0% - 100%
 - Maximum allowed slippage in points 5
 - Maximum allowed spread in points 10
- Trade Mangement
 - Alert for opening of a trade (sound, window)
 - Enable Trade time filters (broker server time) both have to be separate
true / false
 - Trading from time to time (for opening of a trade)
 - Close all open trades at time (for closing of all open trades)
- Stop loss:
 - Fixed in pips / points
 - ATR-Filter (period, factor for multiplication e.g. x = 0.5)
- Break Even
 - Fixed in pips / points (if = 0 than disabled)

- Additional option for BE after x candles (x = 0 is disabled, e.g. x = 1 is BE after closing of candle 4 look at figure 1; x = 2 is BE after closing of the candle after candle 4 and so on for x = i and i > 2)
- Trailing stop:
 - Fixed in points / pips (0 = disabled)
 - ATR-filter (period – 0 = disabled, factor for multiplication e.g. x = 0.5)
 - Trailing step in points / pips
- Take profit
 - The EA shall work with partly closing of the open position every time
 - Therefore, it can be an advantage by opening that the EA open 3 positions, which will be handled as one position, acc. the percentage of the partly TP's
 - TP 1 in pips / points with x in percent of closing of the hole position
 - TP 2 in pips / points with x in percent of closing of the hole position
 - TP 3 in pips / points with x in percent of closing of the hole position
 - Option for closing hole position by reverse signal true / false
- filter:
 - Enable filter 1 true / false
Moving Average (Method, Price, Period, Shift)
 - Enable filter 2
X = amount of candles before the pattern candle 1 are below or above the moving average (filter 1)
X > 0; X = 0 than disabled