

Project Report: Trend Follow Trading Strategy Indicator

1. Introduction

"I need to build this indicator. If you don't understand something, you can ask. Please check it and let me know if you can do it or not. Right now, this is only 10% of the complete indicator. If you do this part correctly, I will give you the remaining work as well. First, I need to turn this strategy into an indicator. Then, it will be developed into a strategy indicator and tested with different settings. After that, it will be converted into an MT4 or MT5 trading bot. So, first, complete this part, then I will provide 30% more details to add. After that, I will share the remaining 60% data to fully complete the indicator. Once it's ready, we will discuss the strategy indicator and the MT4/MT5 trading bot."

This project focuses on converting a **Trend Follow Strategy** into a trading indicator. The strategy follows market trends using multiple time frames and identifies impulse and correction phases. The objective is to automate this strategy through an indicator that can visually mark key levels and trend changes.

2. Strategy Overview

2.1 Type of Strategy

- This is a **Trend Follow Strategy**, designed to identify market trends and reversals efficiently.

2.2 Time Frames

- The strategy utilizes **multiple time frames: 1D, 4H, 1H, 30min, 15min, 5min, and 1min.**
 - These time frames will be available as options in the indicator settings, allowing the user to enable or disable specific time frames as needed.
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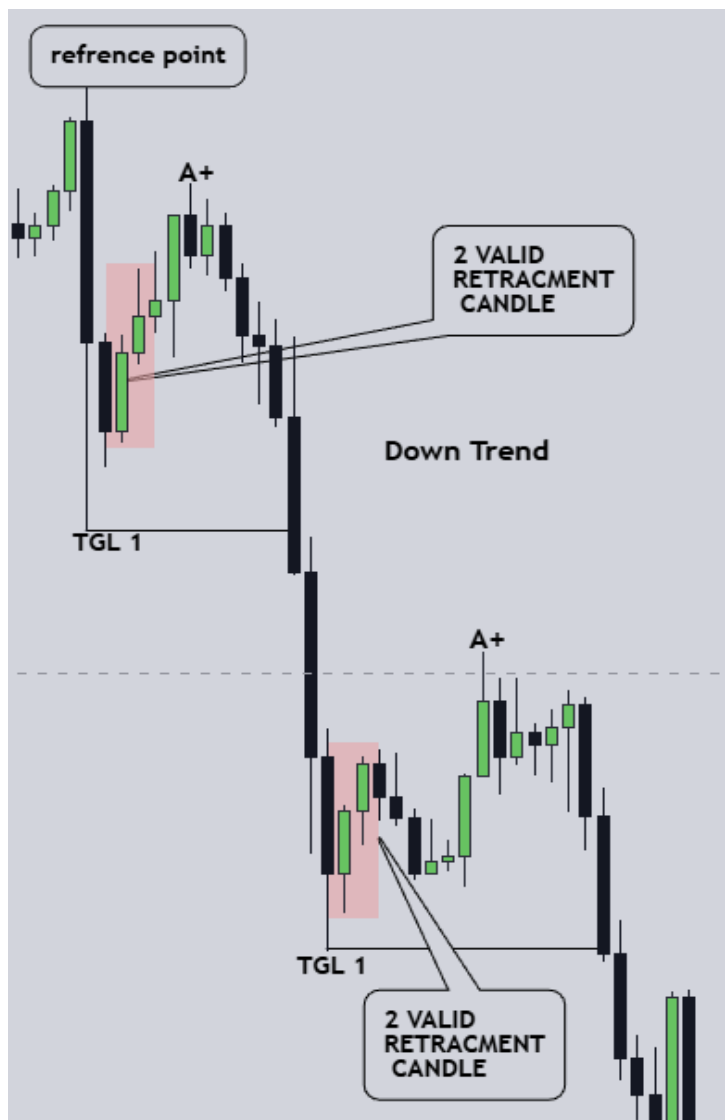
3. Marking Process

3.1 Initial Point Selection

- **Automated Approach (Indicator):** The developer will determine the most effective starting point algorithmically.

3.2 Impulse and Correction Identification

- The market moves in an **impulse** followed by a **correction**.
- A correction is defined when **two valid retracement candles** are formed.
- **Criteria for Valid Retracement Candles:**
 - In an **uptrend**, the first retracement candle is red, and the second red candle **closes below** the low of the first candle.
 - In a **downtrend**, the first retracement candle is green, and the second green candle **closes above** the high of the first candle.
- Once **two valid retracement candles** are identified, the **previous high (for uptrend) or previous low (for downtrend)** is marked as TGL1.
- **After marking TGL 1 based on the first two valid retracement candles, the search for a new set of two valid retracement candles will not begin until the A+ level is marked.**



3.3 Marking Levels and Trend Line Formation

- The first identified level is marked as **TGL 1 (Trend Guide Level 1)**.
- When price moves and a **candle closes above TGL 1**, it is connected with a **trend line**.
- The lowest point between **TGL 1** and the **candle that closed above it** is marked as **A+ level**.
- The pattern continues, repeating the same process as new valid retracement candles form.
- **Trend Line Template:** Each time frame will have a **template** for trend line drawing.

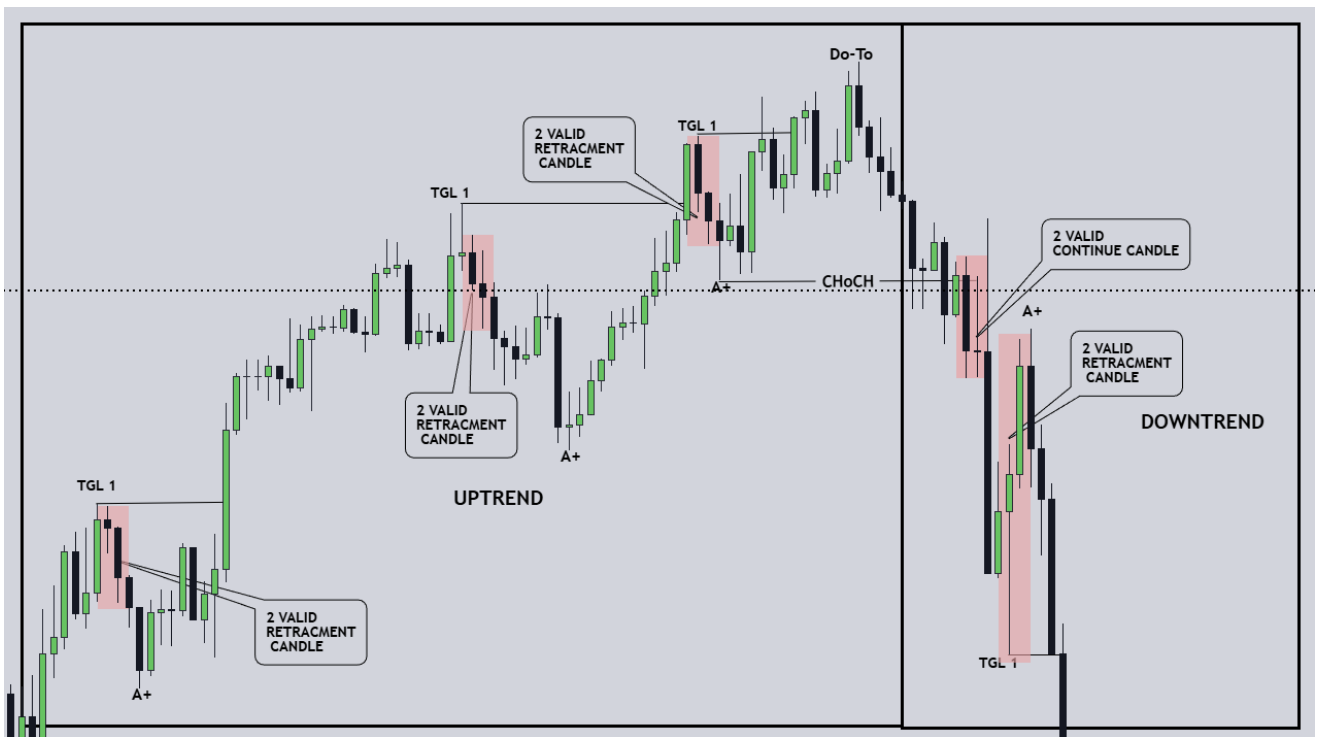
Uptrend



4. Change of Character (CHoCH)

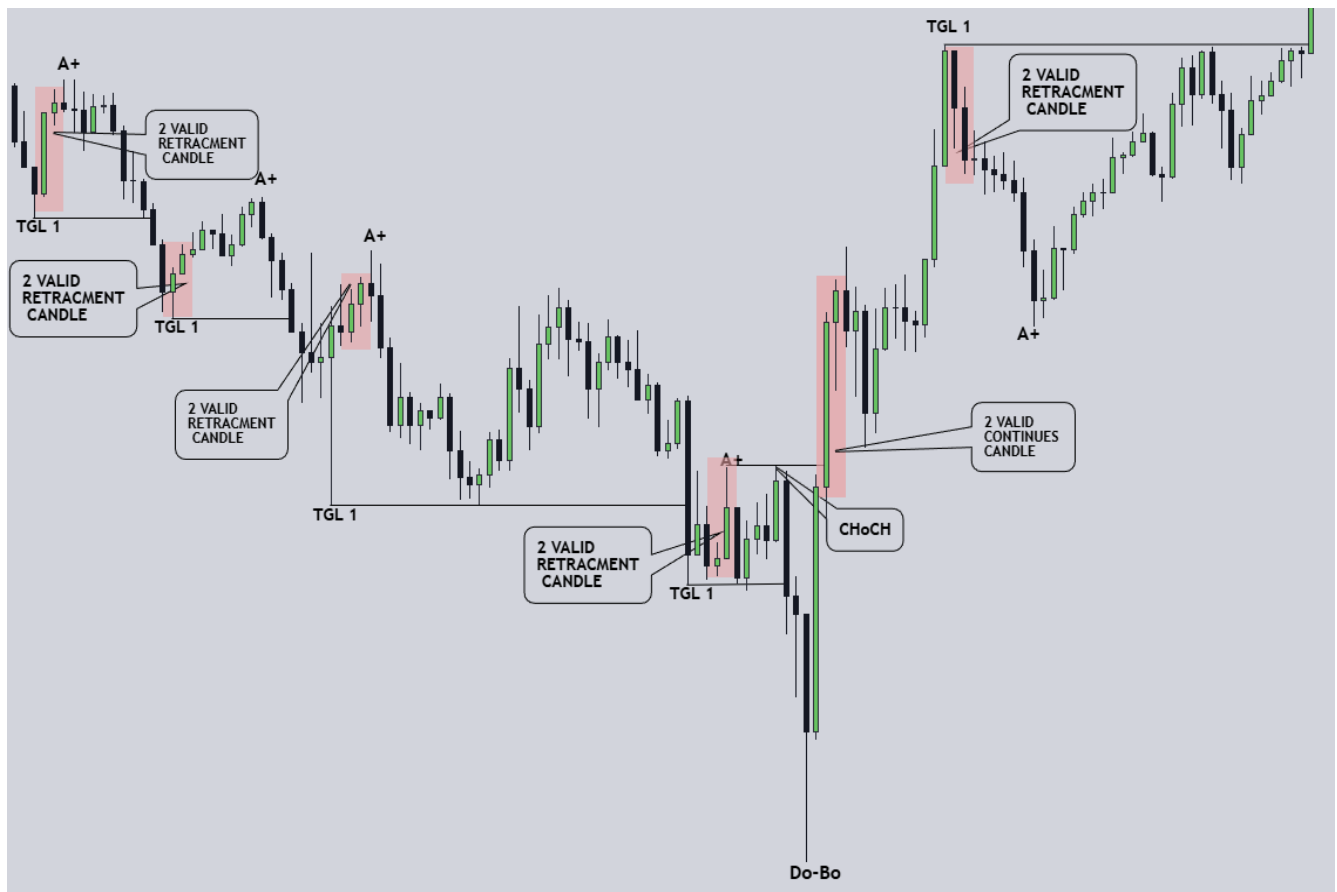
4.1 Uptrend to Downtrend

- If two consecutive candles close below Level A+, the Change of Character (CHoCH) will be confirmed.
- A trendline should be drawn connecting Level A+ and the second candle of CHoCH.
- Once CHoCH is confirmed, the downtrend will be validated in the respective timeframe where the CHoCH occurred.
- After CHoCH confirmation, the highest point between the candle that confirmed TGL1 and the candle that confirmed CHoCH should be marked as Do-To.
- **TGL 1 becomes CHoCH A+, and A+ becomes SBR (Support Becomes Resistance).**



4.2 Downtrend to Uptrend

- If two consecutive candles close above Level A+, the Change of Character (CHoCH) will be confirmed.
- A trendline should be drawn connecting Level A+ and the second candle of CHoCH.
- Once CHoCH is confirmed, the uptrend will be validated in the respective timeframe where the CHoCH occurred.
- After CHoCH confirmation, the lowest point between the candle that confirmed TGL1 and the candle that confirmed CHoCH should be marked as Do-Bo.
- **TGL 1 becomes CHoCH A+, and A+ becomes RBS (Resistance Becomes Support).**



5. Double Change of Character (Do-CHoCH)

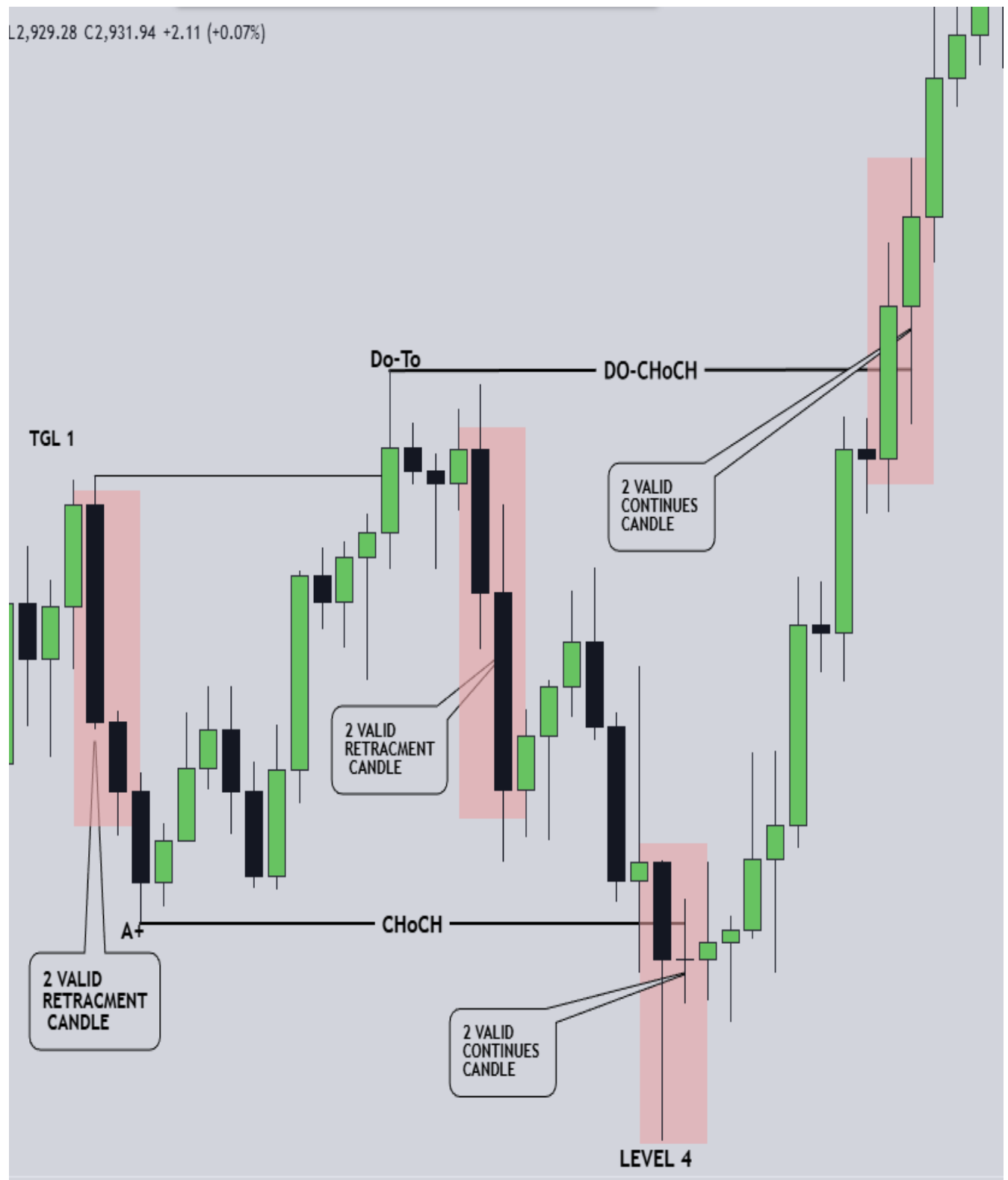
5.1 Uptrend to Previous Trend (Dwontrend)

- After CHoCH confirmation, if the market reverses and two consecutive valid candles close below Do-Bo, the Double Change of Character (Do-CHoCH) will be confirmed.
- The highest point between Do-Bo and the candle that confirmed Do-CHoCH should be marked as Level 4.
- **RBS becomes Do-SBR, CHoCH A+ becomes Do-CHoCH A+, and Do-Bo becomes Level 1.**

5.2 Downtrend to Previous Trend (Uptrend)

- After CHoCH confirmation, if the market reverses and two consecutive valid candles close above Do-To, the Double Change of Character (Do-CHoCH) will be confirmed.
- The lowest point between Do-To and the candle that confirmed Do-CHoCH should be marked as Level 4.
- **SBR becomes Do-RBS, CHoCH A+ becomes Do-CHoCH A+, and Do-To becomes Level 1.**

L2,929.28 C2,931.94 +2.11 (+0.07%)



6. Floating Window Display

- A floating window provides an overview of trend status across all active timeframes.

7. Rectangle Formation

7.1 Rectangle Placement

- Rectangles will be drawn at key levels including TGL1, A+, CHoCH, and Do-CHoCH levels (examples will be provided).
- Each timeframe will have a separate template/setting, allowing customization of the middle line, colors, and the text associated with each level.

7.2 TGL 1 (Not Drawn Until A+ is Confirmed)

Uptrend

- Rectangle Width: From the high of the candle marked as TGL1 to 15% of the candle body.
- Rectangle Length: Extends from TGL1 until it is tapped by two candles.

Downtrend

- Rectangle Width: From the low of the candle marked as TGL1 to 15% of the candle body.
- Rectangle Length: Extends from TGL1 until it is tapped by two candles.

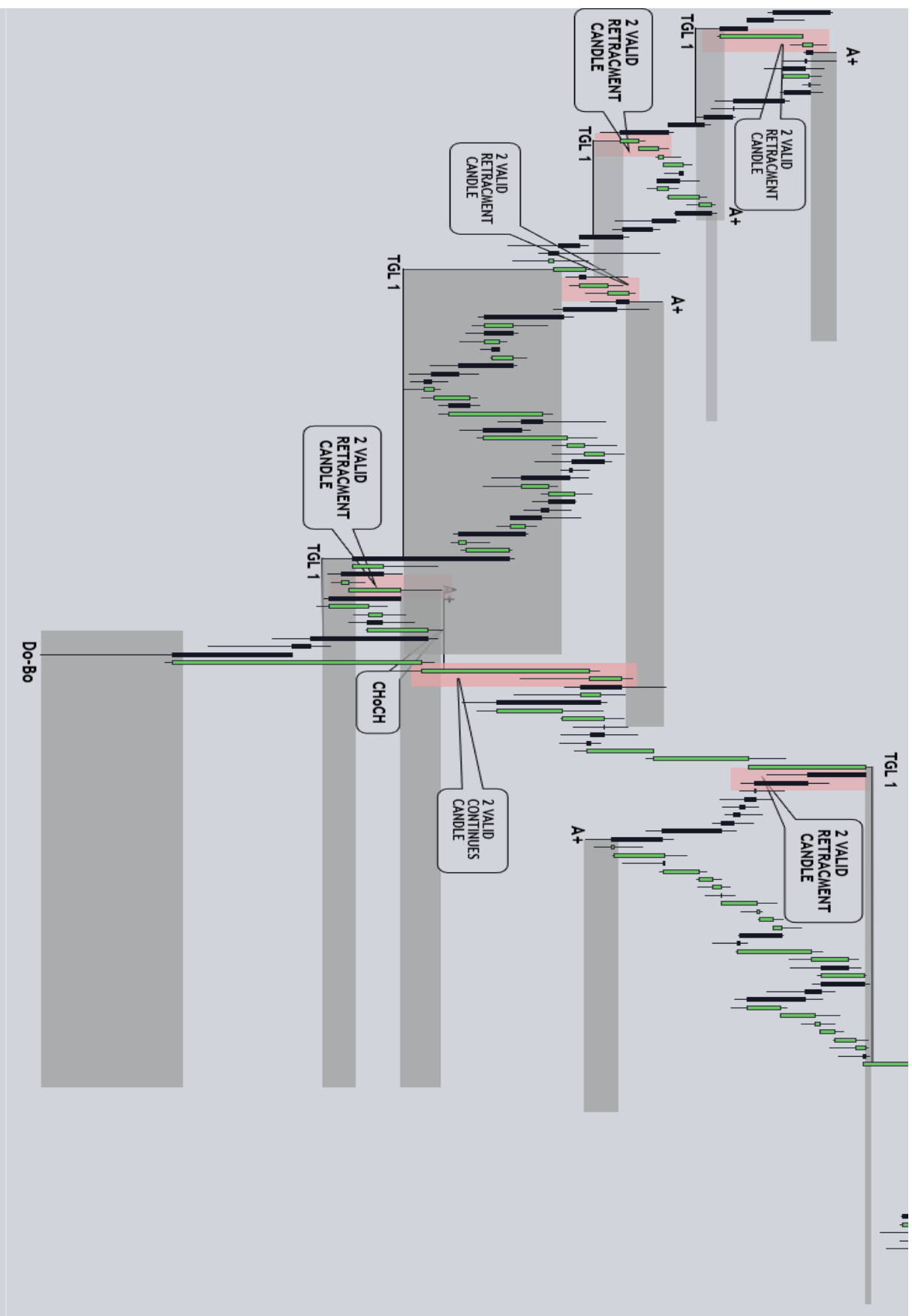
7.3 A+

Downtrend

- Rectangle Width: From the high of the candle marked as A+ to 15% of the candle body.
- Rectangle Length: Extends from A+ until it is tapped by two candles.

Uptrend

- Rectangle Width: From the low of the candle marked as A+ to 15% of the candle body.
 - Rectangle Length: Extends from A+ until it is tapped by two candles.
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8. Tools Settings

8.1 Tools Used

1. Text Labels

- Colour: Black
- Size: Editable
- **Visibility Rules:**
 - 1D, 4H, 1H, 30Min, and 15Min level texts are visible in all timeframes.
 - 5Min level texts are visible in 30Min, 15min , 5Min, and 1Min only.
 - 1Min level texts are visible in 5Min and 1Min only.

2. Trend Lines

- **Types Used:**
 - QML
 - CHoCH
 - Do-CHoCH
 - 5 WAVES CHoCH
- **Settings:**
 - Colour: Black
 - Size: 2px
 - Text Alignment: Middle, Center
 - Text size :- 12
 - Text :- timeframe with where it is used.
 - Example :- (15min QML,15min CHoCH,. 15min Do-CHoCH, 15Min 5Waves CHoCH)
 - Example Screenshots: To be provided.
- **Trend Line Visibility Rules:**
 - 1D, 4H, 1H, 30Min, and 15Min levels are visible in all timeframes.
 - 5Min levels are visible in 30Min, 15min, 5Min, and 1Min only.
 - 1Min levels are visible in 5Min and 1Min only.

3. Rectangles

- **Sections:**
 1. Uptrend
 2. Downtrend
 3. CHoCH
 - Uptrend to Downtrend
 - Downtrend to Uptrend
 4. Do-CHoCH
 - Uptrend to Previous Trend
 - Downtrend to Previous Trend

- **Rectangle Visibility Rules:**
 - 1D, 4H, 1H, 30Min, and 15Min levels are visible in all timeframes.
 - 5Min levels are visible in 30Min, 15Min, 5Min, and 1Min only.
 - 1Min levels are visible in 5Min and 1Min only.

8.2 Rectangle Settings

1. Uptrend Levels

- **TGL 1**
 - Text: Timeframe with TGL 1
 - Color: Editable
 - Opacity: Editable
 - Text Alignment: Right, Inside
 - Middle Line: On (Default)
 - Middle Line Style: Dashed(-----)
- **A+**
 - Text: Timeframe with A+
 - Color: Editable
 - Opacity: Editable
 - Text Alignment: Right, Inside
 - Middle Line: On (Default)
 - Middle Line Style: Dashed(-----)

2. Downtrend Levels

- **TGL 1**
 - Text: Timeframe with TGL 1
 - Color: Editable
 - Opacity: Editable
 - Text Alignment: Right, Inside
 - Middle Line: On (Default)
 - Middle Line Style: Dashed(-----)
- **A+**
 - Text: Timeframe with A+
 - Color: Editable
 - Opacity: Editable
 - Text Alignment: Right, Inside
 - Middle Line: On (Default)
 - Middle Line Style: Dashed(-----)

3. CHoCH Levels

Downtrend to Uptrend

1. CHoCH A+

- Text: Timeframe with CHoCH A+
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

2. RBS

- Text: Timeframe with RBS
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

3. Do-Bo

- Text: Timeframe with Do-Bo
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

Uptrend to Downtrend

1. CHoCH A+

- Text: Timeframe with CHoCH A+
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

2. SBR

- Text: Timeframe with SBR
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

3. Do-To

- Text: Timeframe with Do-To
- Color: Editable

- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

4. Do-CHoCH Levels

Downtrend to Previous Trend (Uptrend)

1. Do-CHoCH A+

- Text: Timeframe with Do-CHoCH A+
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

2. Do-RBS

- Text: Timeframe with Do-RBS
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

3. Level 1

- Text: Timeframe with Level 1
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

4. Level 4

- Text: Timeframe with Level 4
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

Uptrend to Previous Downtrend

1. Do-CHoCH A+

- Text: Timeframe with Do-CHoCH A+
- Color: Editable
- Opacity: Editable

- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

2. Do-SBR

- Text: Timeframe with Do-SBR
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

3. Level 1

- Text: Timeframe with Level 1
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

4. Level 4

- Text: Timeframe with Level 4
- Color: Editable
- Opacity: Editable
- Text Alignment: Right, Inside
- Middle Line: On (Default)
- Middle Line Style: Dashed(-----)

9. Customization & Features for the Indicator

- **Multiple Time Frame Support:** Users can select which time frames to enable/disable.
 - **Alerts & Notifications:** Optional alerts when CHoCH or Do-CHoCH occurs.
 - **Example Templates:** Predefined templates for different market conditions.
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