

The 5th Free Runner EA (Rules, Scenarios, Possible Outcomes)

Concept (Revised)

- The EA will take the ATR reading (literally, same decimal places as price) of the Forex pair at a given Time Frame, ie: H1, H4, D1....
- User sets the multiplicative factors (eg: 1.5, 1, 0.5, 0.75 ... any positive numbers) as ratio to be applied onto ATR for respective TPs and SLs.
eg: AUDUSD, Long trade, Opening Price = 0.66000, ATR=0.00500,
SLi, initial SL to be set at 1.5*ATR away from OP,
=> 0.66000-1.5*0.00500 = 0.66000-0.00750 = 0.65250
TP1, [initial] TP to be set at 0.5*ATR from OP,
=> 0.66000+0.5*0.00500 = 0.66000+0.00250 = 0.66250
- TPs trigger Profit-taking and revision of SLs' position, as shown in ideagram.
- Every trade is supposed to be entered in lots of 5.
- Each time, a TP is hit, lock profit by closing 1 of the total lots.
- If trade progresses favourably, when TP4 is hit, if EA will send alert signal to user, informing of possible Free Ride ahead. User to decide, either take profit at pre-set T5 and close the entire trade, or, the set a new target for TP5.

User's error handling

- If for any adverse reason, user fired only 1 lot, EA will send alert.
If no follow-up action taken, EA closes the trade of 1 lot when TP1 is hit.
If only 2 lots were launched, take 1 lot off at T1 and closes the trade when TP2 is hit, and and so forth.

Special Note on ATR

Sometimes, trader would open a trade at the at a point of time the new candle has just begun forming (a baby candle). If the value of this candle is taken in as part of the ATR reading, it will render the reading inaccurate. I hope this EA can discriminate this baby candle and take the reading of the 14 candles before it.

Rules
Senarios (using a Long trade for illustration)
Initial Breathing Space is dictated by SLi position from OP

If Price [P, hereafter] slides south and hit SLi straight away,
action: Let SLi function to close all
unless the system I put up really sucks, or I let emotion take over
and made stupid mistake, this should not happen

If P proceeds from OP and hit TP1
action:close 20% order [lock profit],
action: move SL fr SLi to SL1
If the remaining reverts and touch SL1
action: close all the rest 80% of the trade

If P continues climbing and hit TP2
action: close another 20% order (1 lot) [lock profit]
action:move SL1 up to SL2
If the rest continues to slide and touch SL2
action: close all the rest of the trade [cut loss]

If P hits TP3,
action:move SL2 to SL3
action: close another 20% order [lock profit],
If the rest continues to slide to hit SL3
action: close all the rest of the trade

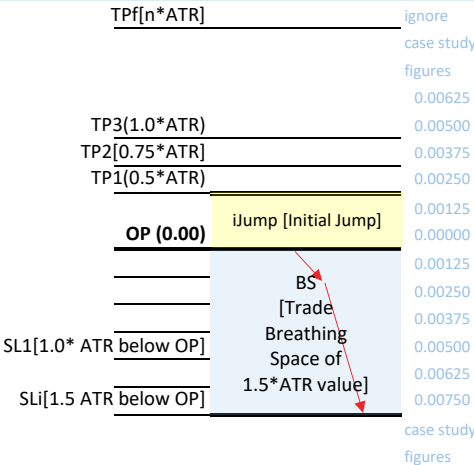
If P hits TP4,
action:move SL3 to SL4
action: close the 4th 20% of order [lock profit],
action: send alert to trader, reminding of possibly imminent TP5,
total free ride as SL progresses to OP position,
whether user would want to or manually manage the trade.
If the rest continues to slide to hit SL4
action: close all the rest of the trade

If P hits TP5,
Option 1
action: Close remaining 20% and take profit [Total close trade]
Option 2
action: reduce trade Breathing Space from 1.5*ATR to 0.5*ATR,
setting narrow stepped trailing SL behind Price, take profit
if P changes direction and hit the trailing SL.
Option 3
user manually manage the trade.

The 5th Free Runner EA (Ideagram)

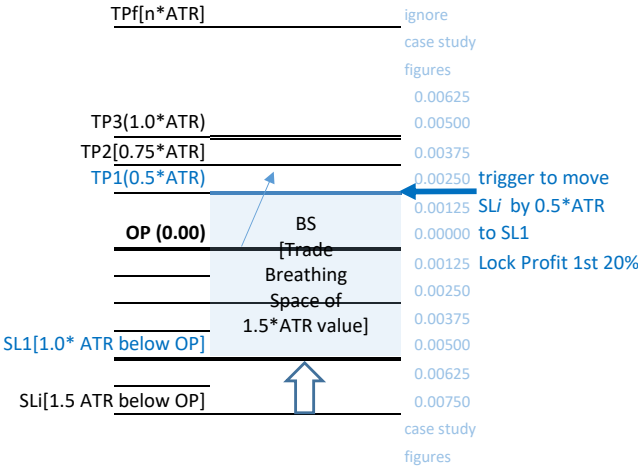
1

If Price [P, hereafter] slides south and hit SLi straight away
action: Let SLi function to close all



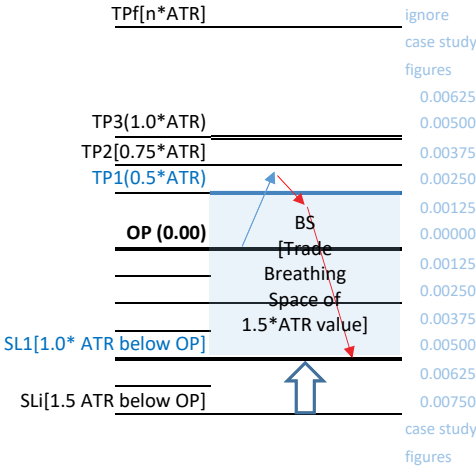
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If P proceeds from OP and hit TP1
action: close 20% order [lock profit], move SL fr SLi to SL1



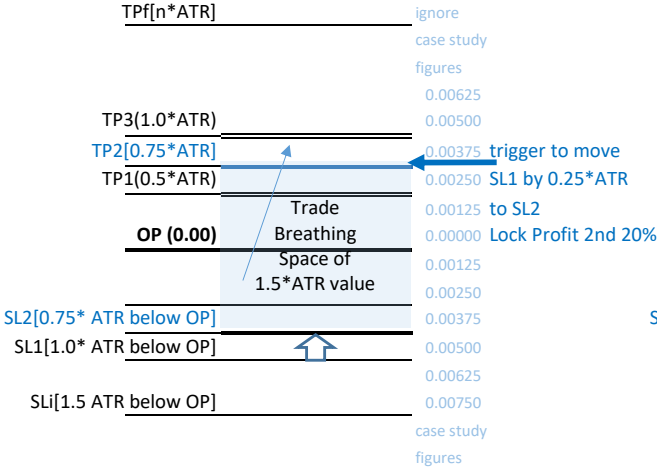
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If the remaining reverts and touch SL1
action: close all the rest 80% of the trade



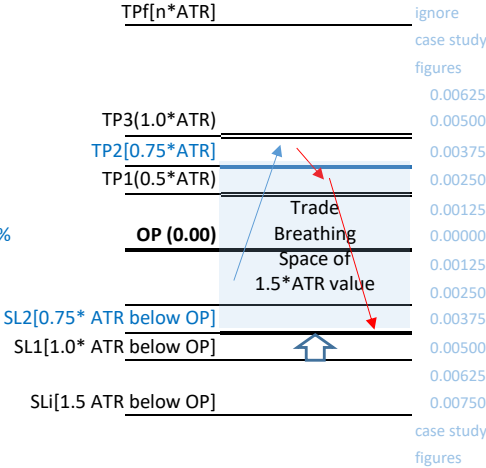
3

If P continues climbing and hit TP2
action: close another 20%, move SL1 up to SL2

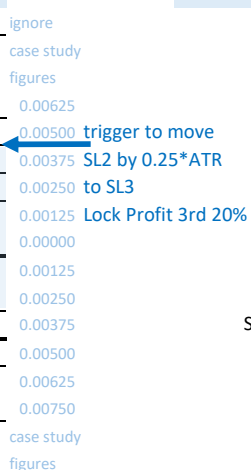


3a

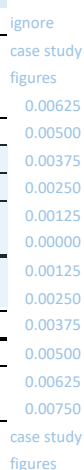
If the rest continues to slide and touch SL2
action: close all the rest of the trade [cut loss]



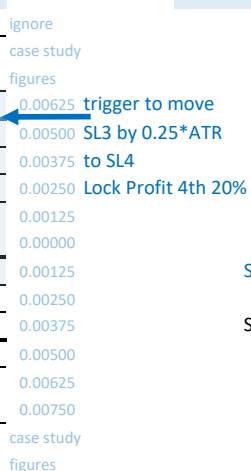
If P hits TP3,
action: close another 20%, move SL2 up to SL3



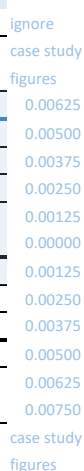
If the rest continues to slide and touch SL3
action: close all the rest of the trade [cut loss]



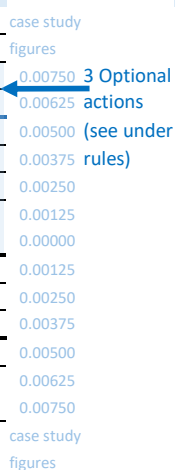
If P hits TP4,
action: close the 4th 20% of order [lock profit],



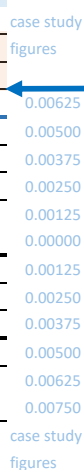
If the rest continues to slide to hit SL4
action: close all the rest of the trade



If P hits TP4,
action: 3 possible optional actions



If P hits TP4, setting narrow stepped trailing SL behind Price, take profit at trailing SL



The 5th Free Runner EA (Inputs & a Case Study)

Proposed Dialogue Box (Draft)

Inputs		Explanation notes
Variable	Value	not for user's input
ATR	???	When EA is attached to a chart, dialogue show "???" . After attaching is confirmed, EA shows ATR reading when user clicks the smiley symbol
Options		
Apply to all charts	True/False	
Enter n factor value		Note for user to enter n value
TP5 [n*ATR] , n =	1.50	
TP4 [n*ATR] , n =	1.25	
TP3 [n*ATR] , n =	1.00	
TP2 [n*ATR] , n =	0.75	
TP1[n*ATR] , n =	0.50	
SL5 = OP, [n*ATR], n = 0	0.00	Back to OP 0.0 Position No need for use's input
SL4 [n*ATR] , n =	0.25	
SL3 [n*ATR] , n =	0.50	
SL2 [n*ATR] , n =	0.75	
SL1 [n*ATR] , n =	1.00	
SLi [n*ATR] , n =	1.50	
Options for T5		
1. Take profit	1	Choose action to be taken
2. Narrow Trailing		
3. Manual Handling		
Number of retrial	3	If order is not being accepted by broker, how many times it will retry.
Magic number	0	
Max Slippage in Points	10	
Alert Settings		
Sound Alert	True/False	
Sound File		
Push Notifaciton	True/False	

Case Study

AUDSUD
 OP [Opening Price] = 0.66000
 Standard Acc
 Pair Pip Value = 10
 Lot volume = 0.01
 Spread Max = 20 Pnt
 Actual Pip Value = 0.10 USD
 Actual Pnt Value = 0.01 USD
 Trade Order Volume = 0.01*5
 Cost per order @ OP = 0.8 Pnt
 ATR = 500 Pnt
 ATR-L = 0.00500
 SLi [1.5*ATR] = 750 Pnt
 1 step value [0.25*ATR] = 125 Pnt
 TP1[0.5*ATR] = 250 Pnt

Glossaries

ATR-L = ATR Literal Reading
 OP = Open Price
 TPf = Final Take Profit
 SLi = Initial Stop Loss

Possible Scenarios and Outcomes

a. P fell straight to hit SLi, a total loss						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
100	5	750	3750	0.01	37.50	
						-37.50 total
b. P climbed and hit TP1, Lock Profit 20%, the rest 80% dropped and got killed (close all remainder) by SL1						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
20	1	250	250	0.01	2.50	
80	4	500	2000	0.01	20.00	
						-17.50 total
c. (says, the remainder 80% from previous survived) P resumed climbing to hit T2, LockProfit 2nd 20% P dropped back and the rest 60% killed (close all remainder) by SL2						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
20	1	250	250	0.01	2.50	
20	1	375	375	0.01	3.75	
60	3	375	1125	0.01	11.25	
						-5.00 total
d. (says, the remainder 60% from previous survived) P resumed climbing and hit TP3, lock profit 3rd 20% P dropped back and the 40% remainder got killed by SL3						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
20	1	250	250	0.01	2.50	
20	1	375	375	0.01	3.75	
20	1	500	500	0.01	5.00	
40	2	250	500	0.01	5.00	
						6.25 total
e. (the remainder 40% from previous survived) P resumed climbing and hit TP4, lock profit 4th 20% P dropped back and the 20% remainder got killed by SL4						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
20	1	250	250	0.01	2.50	
20	1	375	375	0.01	3.75	
20	1	500	500	0.01	5.00	
20	1	625	625	0.01	6.25	
20	1	125	125	0.01	1.25	
						16.25 total
fi. (the remainder 20% from previous survived) P resumed climbing and hit TP5, Lock Profit last 20% (default setting)						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
20	1	250	250	0.01	2.50	
20	1	375	375	0.01	3.75	
20	1	500	500	0.01	5.00	
20	1	625	625	0.01	6.25	
20	1	750	750	0.01	7.50	
						25.00 total
fii. Depending on what option is taken End result may get a lot better than above fi, unlikely to be too far worse than fi.						
%	bid qty	d-Pnts	Total Pnts	Pnt Value	USD	
20	1	250	250	0.01	2.50	
20	1	375	375	0.01	3.75	
20	1	500	500	0.01	5.00	
20	1	625	625	0.01	6.25	
20	1	???	???	0.01	???	
						???