Phoenix 2011
The Next Ultimate Guide

Latest version Phoenix EA v20 05 2011 (vDATE MONTH YEAR)
a modified version of the Phoenix 5_6_03.mq4

http://www.donnaforex.com/forum/index.php?topic=3642.0

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Improvements / Changes by Tjipke de Vries,
Netherlands

latest version 20 mei 2011
added 4/5 digits functions
pre or suffix in preffered currencie doesn't matter anymore
made it to work on ECN accounts
solution of modify error 1 + error 145
Signal 5 is now GMT timesetting
Now automatic micro or not micro account
In PhoenixMode 2 it is now possible to enter a second trade when
the first trade is some pips negative trading
Preffered settings will work only for the Timeframe they made for
Preffered settings can be created for the Timeframes M15, M30, H1, H4, D1

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About the PrefSettings

Phoenix EA v20 05 2011

This EA is still in progress, the old settings of the Phoenix 5_6_03 are not more profitable, backtesting old settings had not be done for a long period so they have been removed, there is some work to do finding new good settings.
Words of Hendrick about Phoenix 2007 *Only thing to be done is backward test every 2 weeks to see if the settings are still up to date.*
So I won't say the settings put in the EA are the best maybe you could do a good job searching a new setting and when it is a good one then I will be happy if you share those with me so I can put them in the EA. It means also do a backtest with the EA before you gonna use the preffered settings on a real account.

Tjipke

The parameter PrefSettings is now only working for

M15 USDJPY, GBPUSD, EURUSD
M30 ….....
H1
H4

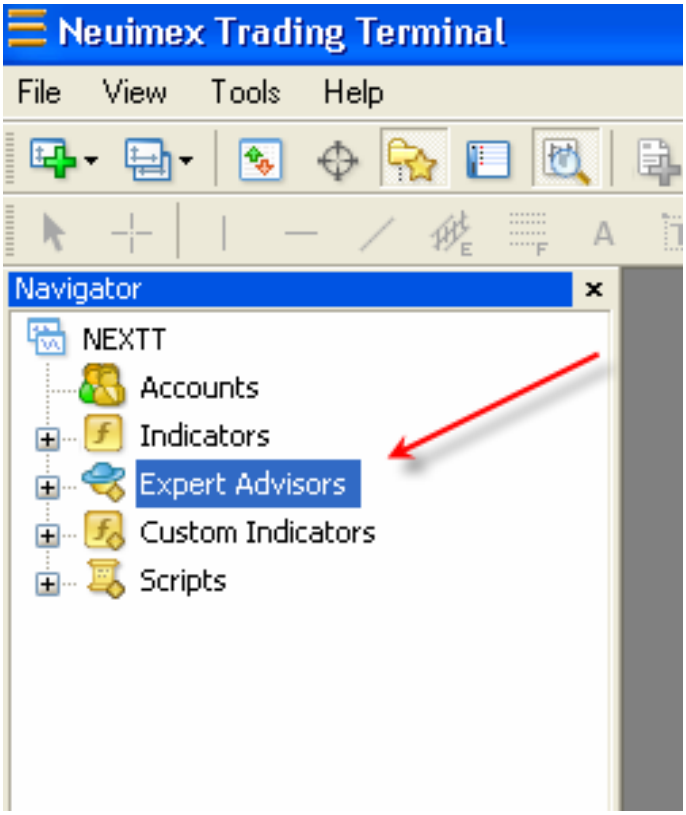
Theoretical it is possible to make it work for all the pairs there are

What is Phoenix?

Phoenix is an Expert Advisor for the MetaTrader 4 platform. More about MetaTrader and Expert Advisors you will find here:

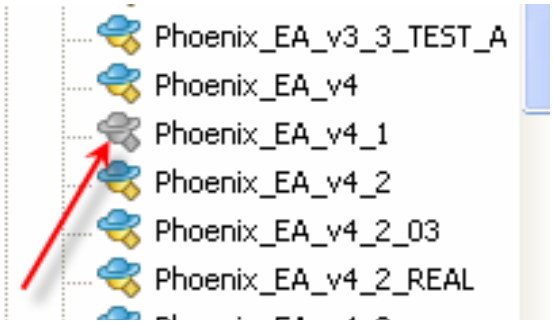
http://www.metaquotes.net/terminal

Phoenix (the Expert Advisor) comes as a file with the extension .mq4. You have to place this file in the subfolder “experts” of the folder where you installed the Client Terminal.



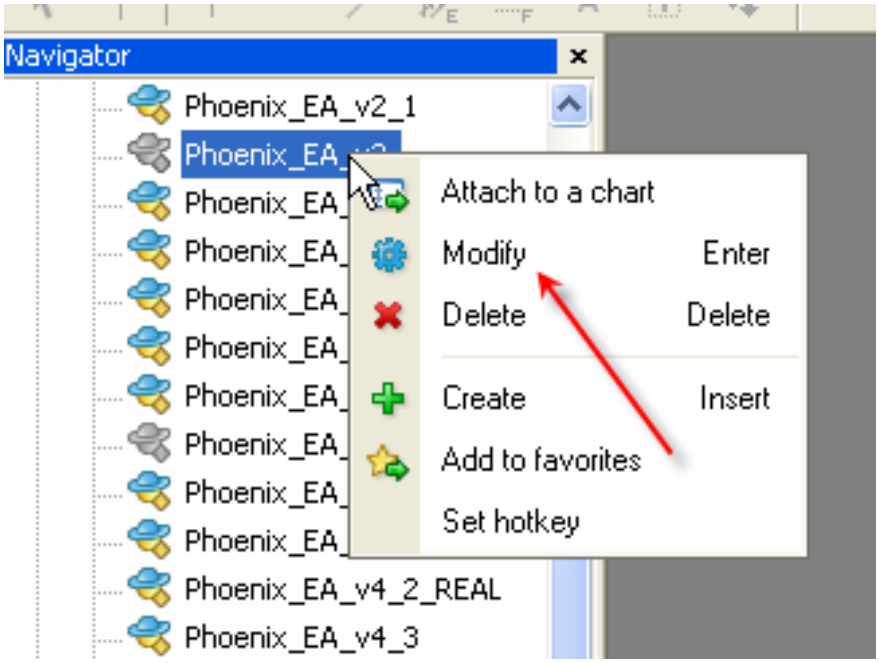
When you open the Client Terminal you will find the Expert Advisors option in your Navigator window:

Double-click “Expert Advisors” and you will see the newly added Phoenix EA.

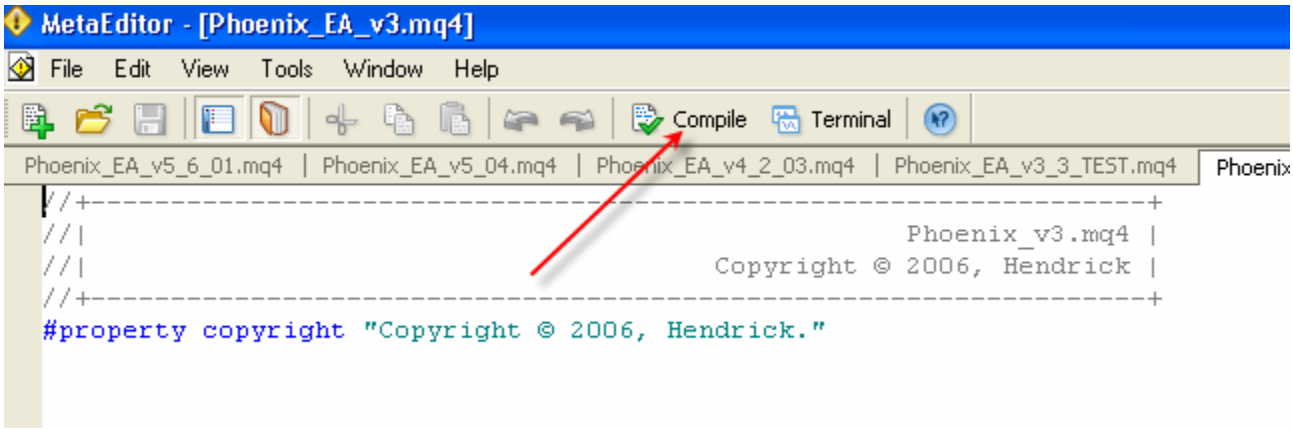


If Phoenix is greyed out like in this example then there is something wrong with the code.

If the EA is greyed out, like the example



Then select the EA, click your mouse button and choose Modify. This will open the EA in MetaEditor where you have the option to compile it:

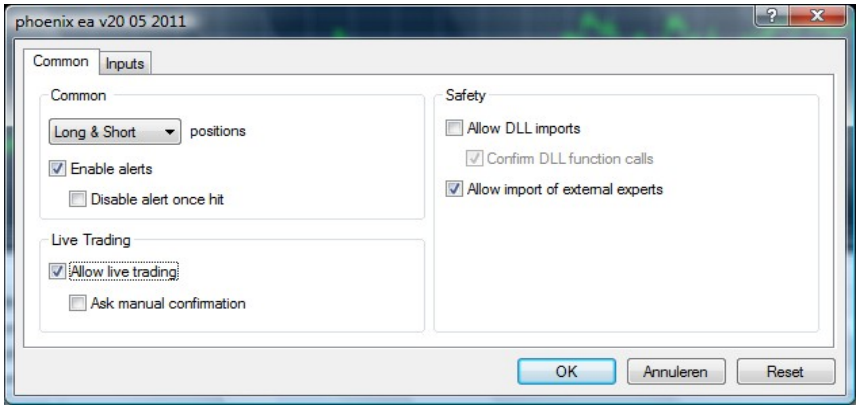


Compile it and close MetaEditor. If it's still greyed out and you don't know how to code, then you're in big trouble! The EA will not work. Try do download it once again or ask someone in the Phoenix forums to help you.

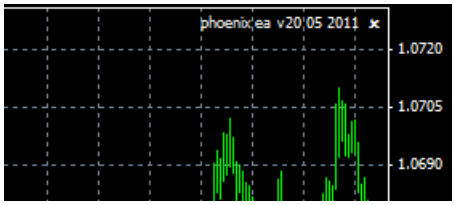
Attach Phoenix to a chart

Open a chart with the TimeFrame you wanna use for this EA. Select the EA in the Navigator window, click and hold your left mouse button and drag the EA onto the chart and release the left mouse button.

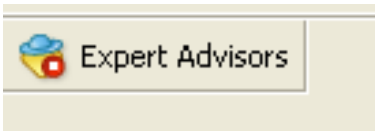
A new window is opened where you can set up the EA. First click the Common tab and make sure that you enable the Allow live trading option.



Then click the Inputs tab where you can set up the EA (more about that later). When you are finished, click the OK button. In the upper right corner you will see the name of the EA. In this case it has a cross at the end:



It means that you have to click the Expert Advisors button at the top of your Terminal to enable the Expert Advisors:



It will change into this

…. and the cross has changed into a happy smiling face!

Everything is ready now for the EA to do its work.

The three modes of Phoenix

You have to know the idea behind this EA before you understand how it trades. To explain this I quote Hendrick his words when he started in some forums a thread about the Phoenix EA.

The Original words from **Hendrick about Phoenix 2007**

What's the idea behind Phoenix 2007:

I'm one of these guys that believes that everything in this world is subject to some kind of natural law. The effects of these laws are known as patterns or cycles that seems to repeat themselves over and over again. Some of these patterns or cycles are well known: seasonal changes, day and night, the cycle of live and death, phases of the moon and so on. If you have knowledge of these patterns then you are able to predict the future. We all agree that after a summer there will be a winter. Is Forex subject to these laws too? Yes, I believe it is.

When we are studying our charts (the past) through Technical Analyses, we are trying to discover those repeating patterns, assuming that when these patterns are repeating themselves in the past they will do so in the future. Looking for patterns on charts has only one disadvantage: we can only discover patterns that are visible to the eye. And here comes my point: it's my belief that there are a lot more patterns in Forex than the ones you can see on your charts! Let's call them "hidden patterns". And that's where MT4 with its Strategy Tester comes on stage. By using the power of your PC and MT4 it seems that it's possible to find those "hidden patterns". You can't see this patterns on your chart and they only reveal themselves to you as that special combination of settings that gives you the best Net Profit.

And that's the idea behind Phoenix2007: keep on testing and changing until you have found this special combination of settings, that gives you a smooth up going balance-curve. There's no doubt about it that this balance-curve will continue in the same direction for at least the coming four to eight weeks because the law that's causing this won't stop or change. Only thing to be done is backward test every 2 weeks to see if the settings are still up to date.

I know that some people will call this "curve-fitting" or "over-optimizing" an EA. And it seems that most of them thinks it's not desirable. In my opinion there's nothing wrong with "curve-fitting" in this case. More about this later.

MY CONCLUSION

The Phoenix EA is an EA that trades hidden patterns, for finding those hidden patterns you have to use the power of an PC and MT4. A special combination of settings gives you the best Net Profit. They can stay profitable for long.....,
but when you found this special combination you have to backward test every 2 weeks to see if the settings are still up to date....

The indicators that are being used for finding the hidden patterns are
1 the Envelopes
2 SMA moving averages
3 OsMA indicator
4 Divergence
and we can use timesettings for trading or not trading the system
also the TakeProfit and the StopLoss setting have to be in balance with the system

With timesetting and these indicators we trie to find a hidden pattern in trading the pair through backtesting and optimization all the settings they use in the EA

Phoenix can be used in three different modes:

Mode1:

This is the *Phoenix Classic* mode. In this mode it's working the same as the first previous version (version 4.2) Hendrick gave free to use in 2006 But comparing it with this you have 3 extra options:

1 CloseAfterHours
With this parameter trades are closed after a certain number of hours. So CloseAfterHours=36 means that the trade will be closed (in profit or in loss) exactly 36 hours after the OrderOpenTime.

2 BreakEvenAfterPips
By using this option the StopLoss will be set to breakeven as soon as your trade is a certain number of pips in profit.

3 TrailingStop
If the profit is greater in pips then the trailingstop the EA will modifie the order so that some profit is locked in. To avoid this will happen at every 1/10 pip (5 digit) broker we use also a trailingstep

Mode2:

This is the *Phoenix Second Trade* mode. In this mode a second trade in the same direction will be opened as soon as your first trade is a certain number of pips in profit or in loose. The second trade uses a different SL and TP than your first trade.

There is an extra option you can use in this mode: Mode2_CloseFirstTrade. This option will only work if it is set to True and the first trade is in profit. The first trade will then be closed as soon as the second trade is opened.

Mode3:

This is the *Phoenix 123* mode. In this mode the number of lots will be split in three to open three trades at a time. Each trade has a different TakeProfit:
First trade TP is 0.5 * original TP
Second trade TP is original TP
Third trade TP is 1.5 * original TP

So with a TP of 42 we have the following:
TP first trade=21
TP second trade=42
TP third trade=63

Furthermore trade 2 and 3 will be closed as soon as trade 1 is a certain number of pips in loss.

By using mode 3 there will be less profit than using the other modes, but the max drawdown will be a lot less and there will be no peaks in your account balance.

Settings:

There are a lot of settings in Phoenix. Most of them are coded in the EA itself and part of them have to be set by the user. You may ask yourself why certain settings are available in the EA Inputs window if they are taken care of by the code itself. That's because when you want to back test the EA. You can easily then change those settings in the Input window instead of changing the code itself.

In the following summary you see all the parameters. One column is called LIVE. When you see a green L it means that this parameter is set directly from the code. A red L means that you have to set the parameter yourself.

General Settings	Default	Mode	Live	
PhoenixMode	1	1 2 3	L	You have to use here 1, 2 or 3 to select the Mode Phoenix will be used in.
Lots	1	1 2 3	L	Number of lots per trade. If MM=true then leave it at 1. MM will take care of the lot size.
MaximumRisk	0.05	1 2 3	L	
DecreaseFactor	0	1 2 3	L	Only valid if MM=true. As soon as you have two consecutive losses, MM will decrease the amount of lots. Default is 3.
MM	True	1 2 3	L	
ServerTimezone	0	1 2 3	L	If ServerTime is GMT + 2 ==> Servertimezone = 2
PrefSettings	0	1 2 3	L	Use PrefSettings=true for forward testing (and live-accounts). If PrefSettings=true the EA will use the following settings directly from the code:
CloseAfterHours	0	1 2	L	Close trade after x hours. With the value 0 the function will not be used.
BreakEvenAfterPips	0	1	L	As soon as your trade is an x numbers of pips in profit your SL will be moved to breakeven (OrderOpenPrice())

Phoenix Mode 1	Default	Mode	Live	"Phoenix Classic"
TakeProfit	0	1 2	L	
StopLoss	0	1 2	L	
TrailingStop	0	1	L	
TrailingStep	0	1	L	

Phoenix Mode 2				"Phoenix Second Trade"
Mode2_OpenTrade_2	0	2	L	a second trade in the same direction will be opened as soon as your first trade is a certain number of pips in profit or in loose.
Mode2_TakeProfit	0	2	L	TakeProfit for second trade
Mode2_StopLoss	0	2	L	StopLoss for second trade
Mode2_CloseFirstTrade	False	2	L	Option only for the situation first trade is in profit. The first trade will then be closed as soon as the second trade is opened.

Phoenix Mode 3				"Phoenix 1 2 3"
Mode3_CloseTrade2_3	0	3	L	If the first trade is an x number of pips in loss then close trade 2 and 3.
Mode3_TakeProfit	0		L	TakeProfit mode 3
Mode3_StopLoss	0		L	StopLoss mode 3

Signals to open a trade

Signal 1	Default	Mode	Live	Envelopes
UseSignal1	True		L	
Percent	0		L	
EnvelopePeriod	0		L	
Signal 2	True		L	SMA moving averages
SMAPeriod	0		L	
SMA2Bars	0		L	
Signal 3				OsMA
UseSignal2	True		L	
OSMAFast	0		L	
OSMASlow	0		L	
OSMASignal	0		L	
Signal 4				Divergence
UseSignal4	True		L	
Fast_Period	0		L	
Slow_Period 0	0		L	
DVBuySell	0		L	
DVStayOut	0		L	
Signal 5				TradingHours
UseSignal5	True			
TradeFrom1	0			If you want to trade 24 hours then TradeFrom1 is 0 and TradeUntil1 is 24.
TradeUntil1	24		L	
TradeFrom2	0		L	
TradeUntil2	0		L	
TradeFrom3	0		L	
TradeUntil3	0		L	
TradeFrom4	0		L	
TradeUntil4	0		L	

Example

Suppose you want to do a forward test or want to use your live-account for the EURUSD in Mode 3. You have to change the parameters of the Input window as follows:

General Settings	Default	Live	
PhoenixMode	3	L	This is Mode 3
Lots	1	L	We're using the Money management function so we leave this to 1.
MaximumRisk	0.05	L	Default is 0.05 but if you feel comfortable with Phoenix and the EURUSD , you could risk some more than usual.
DecreaseFactor	0	L	From your back testing you've never seen 2 or more consecutive losses. So you don't need this function.
MM	True	L	I think it's very useful to use the Money management function.
ServerTimezone	0	L	If ServerTime is GMT + 2 ==> Servertimezone = 2
PrefSettings	0	L	Very important! For forward testing and liveaccounts you use PrefSettings=true. In that case all the green "L's" are directly taken from the code itself.
CloseAfterHours	0	L	Seems to work for some pairs. But in this case you don't want to use it.
BreakEvenAfterPips	0	L	Same as CloseAfterHours.

Phoenix Mode 1	Default	Live	"Phoenix Classic"
TakeProfit	0	L	
StopLoss	0	L	
TrailingStop	0	L	
TrailingStep	0	L	

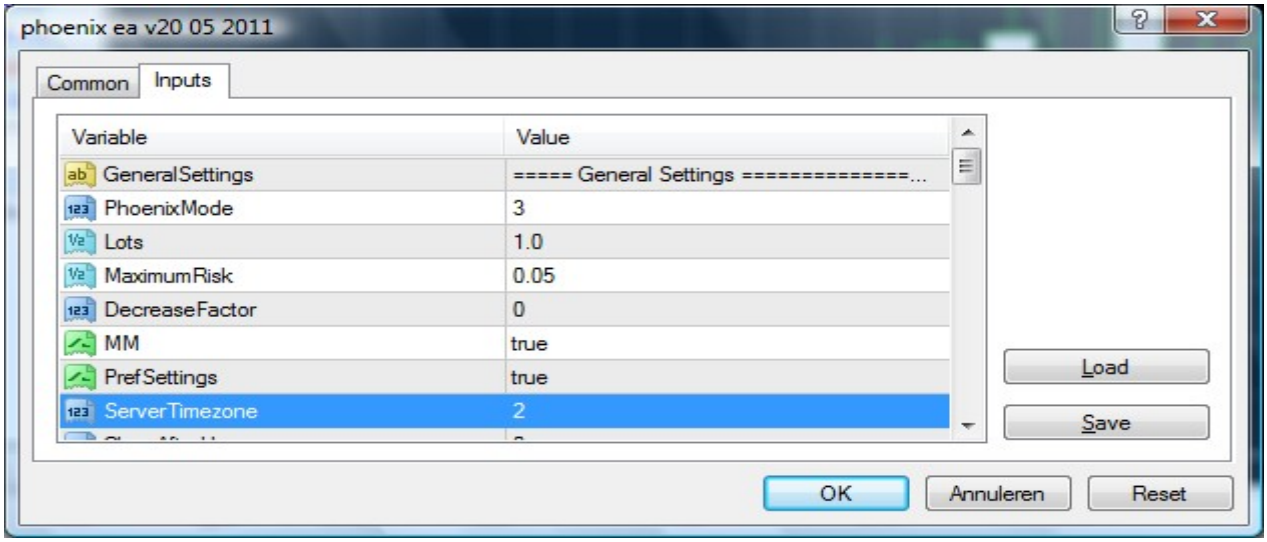
Phoenix Mode 2			"Phoenix Second Trade"
Mode2_OpenTrade_2	0	L	
Mode2_TakeProfit	0	L	
Mode2_StopLoss	0	L	
Mode2_CloseFirstTrade	False	L	Not important because PhoenixMode2 is set to False.

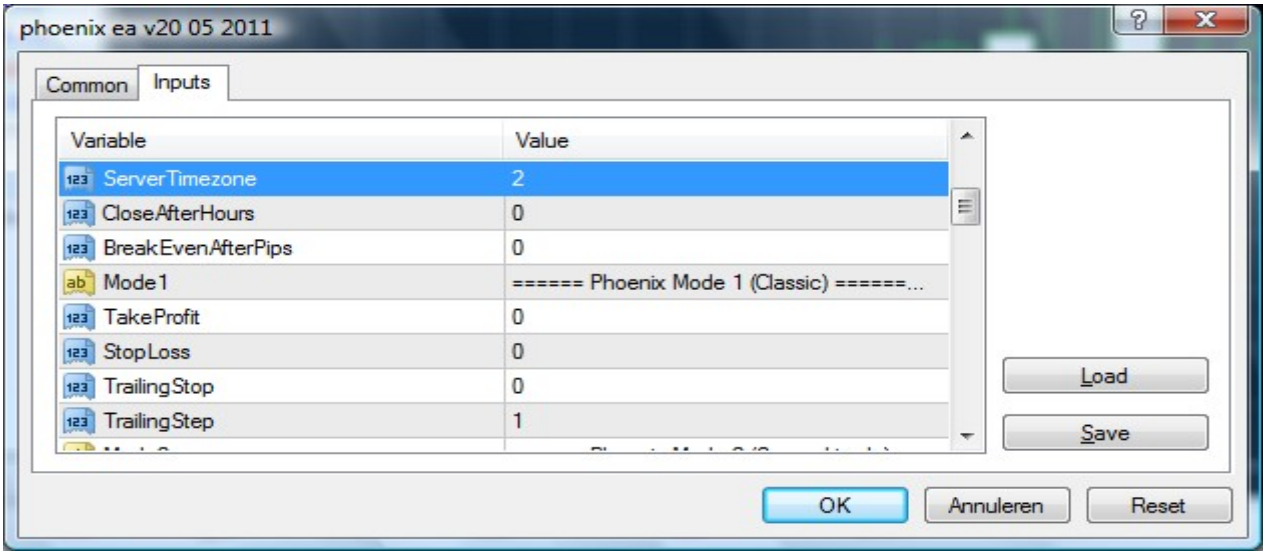
Phoenix Mode 3			"Phoenix 1 2 3"
Mode3_CloseTrade2_3	0	L	It's green, so we let the EA use the setting from the code itself.
Mode3_TakeProfit	0	L	Same
Mode3_StopLoss	0	L	Same

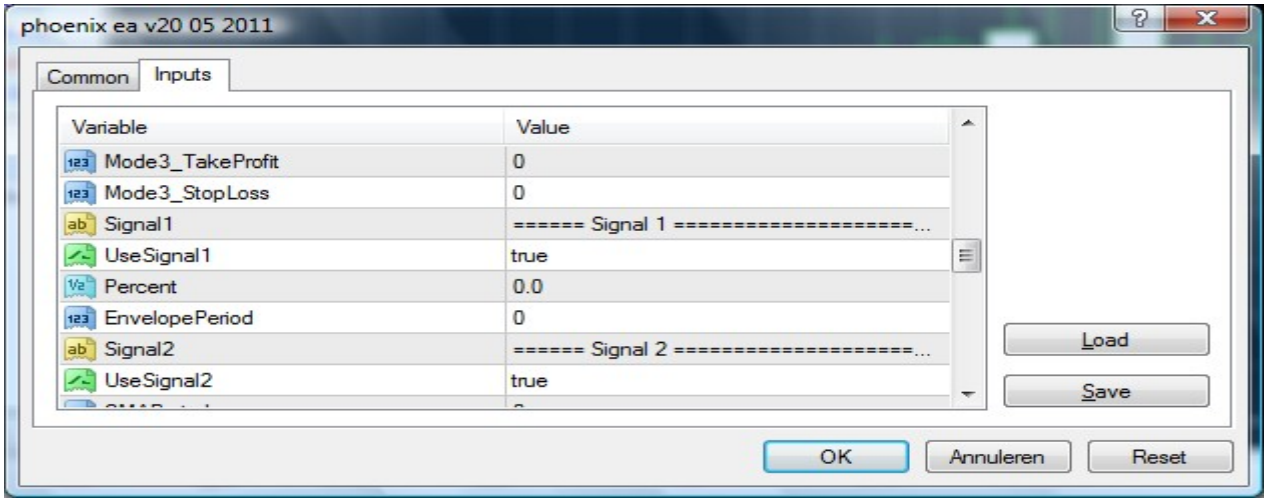
Signals to open a trade

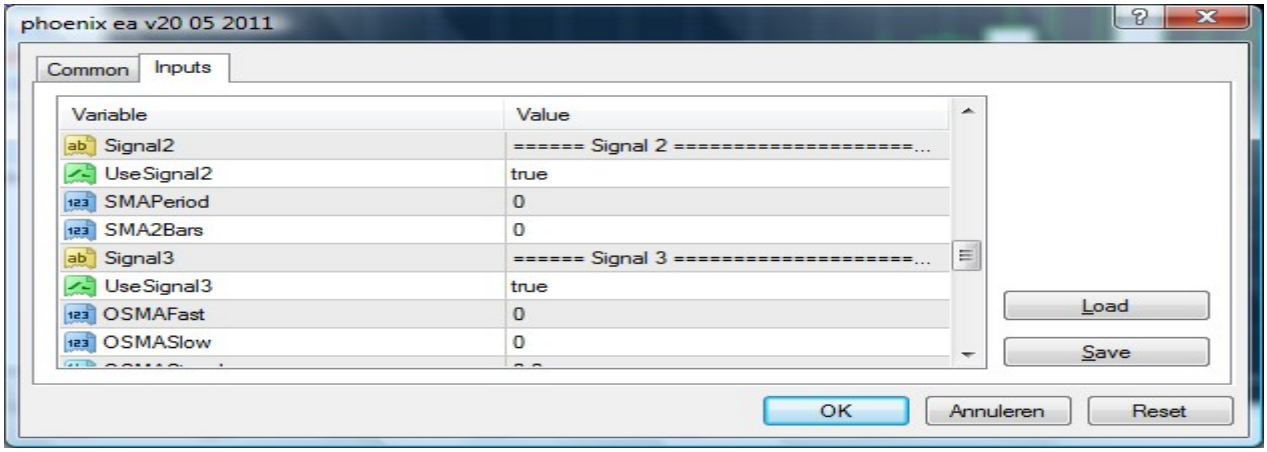
Signal 1	Default	Live	Envelopes
UseSignal1	True	L	Always use True
Percent	0	L	
EnvelopePeriod	0	L	
Signal 2			SMA moving averages
UseSignal2	True	L	Always use True
SMAPeriod	0	L	
SMA2Bars	0	L	
Signal 3			OsMA
UseSignal2	True	L	Always use True
OSMAFast	0	L	
OSMASlow	0	L	
OSMASignal	0	L	
Signal 4			Divergence
UseSignal4	True	L	Always use True
Fast_Period	0	L	
Slow_Period 0	0	L	
DVBuySell	0	L	
DVStayOut	0	L	

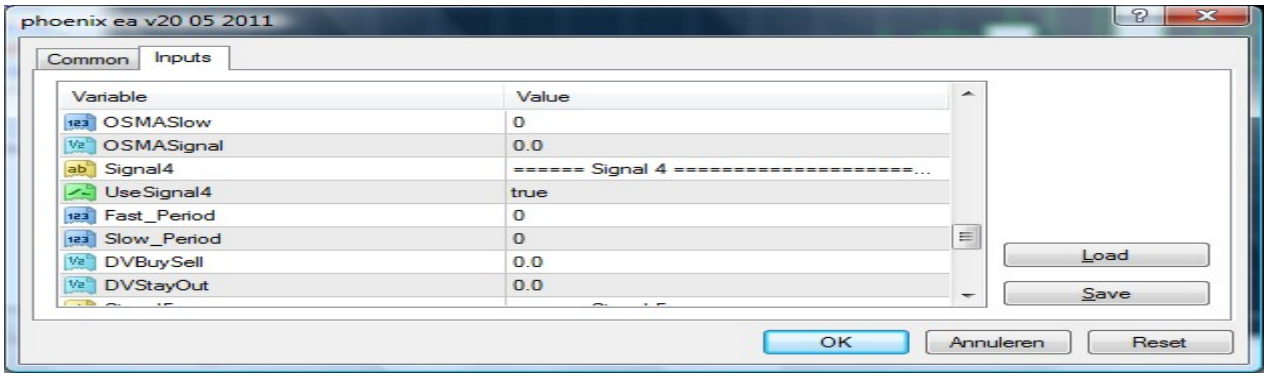
Signal 5			TradingHours
UseSignal5	True	L	Always use True
TradeFrom1	0	L	
TradeUntil1	24	L	
TradeFrom2	0	L	
TradeUntil2	0	L	
TradeFrom3	0	L	
TradeUntil3	0	L	
TradeFrom4	0	L	
TradeUntil4	0	L	We want to trade 24 hours a day. In that case we use 0 for this parameter and 24 for the following.

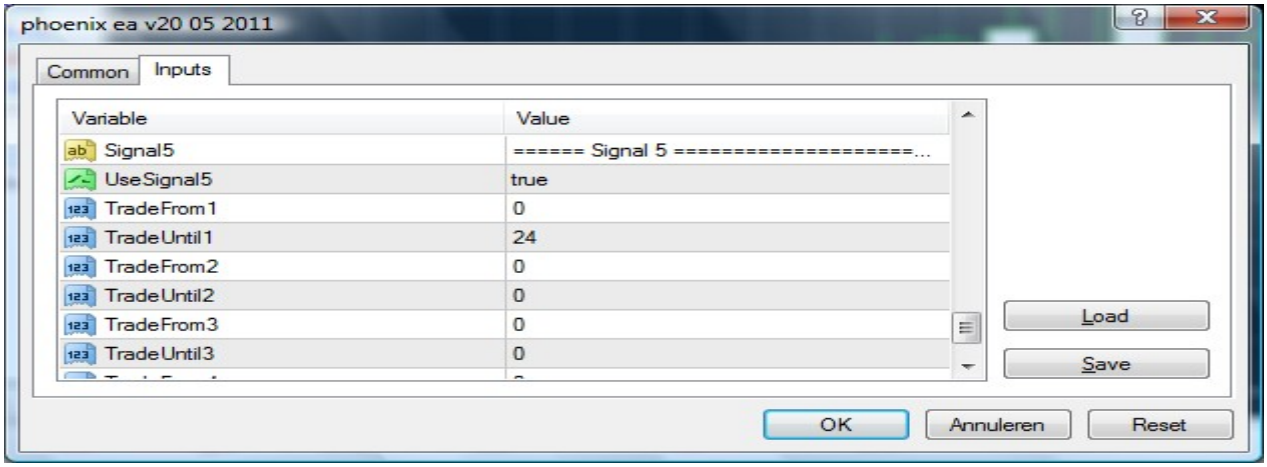





phoenix ea v20 05 2011
Common
Inputs
Variable
Value
Mode3_TakeProfit
0
Mode3_StopLoss
0
Signal1
====== Signal 1 ======...
UseSignal1
true
Percent
0.0
EnvelopePeriod
0
Signal2
====== Signal 2 ======...
UseSignal2
true
Load
Save
OK
Annuleren
Reset


phoenix ea v20 05 2011
Common
Inputs
Variable
Value
Signal2
====== Signal 2 ======...
UseSignal2
true
SMAPeriod
0
SMA2Bars
0
Signal3
====== Signal 3 ======...
UseSignal3
true
OSMAFast
0
OSMASlow
0
Load
Save
OK
Annuleren
Reset


phoenix ea v20 05 2011
Common
Inputs
Variable
Value
OSMASlow
0
OSMASignal
0.0
Signal4
====== Signal 4 ======...
UseSignal4
true
Fast_Period
0
Slow_Period
0
DVBuySell
0.0
DVStayOut
0.0
Load
Save
OK
Annuleren
Reset


phoenix ea v20 05 2011
Common
Inputs
Variable
Value
Signal5
====== Signal 5 ======...
UseSignal5
true
TradeFrom1
0
TradeUntil1
24
TradeFrom2
0
TradeUntil2
0
TradeFrom3
0
TradeUntil3
0
Load
Save
OK
Annuleren
Reset

How to get a Modeling Quality of 90% when testing EA's in MT4

I have this written in a separate manual
Explanation how you create a separate MT4 platform for testing your EA's
Always same spread, same data to test with
So weekends you can also test with normal spread

How to optimize Phoenix.pdf

this manual is still to use for the EA how it is now
the manual is written by
Vince The Beast

Hope you did find this manual useful and please let me know were or how I could improve it
please !

Regards,

Tjipke de Vries