

# **Why and how to use Throne of Gold ?**

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## **Chapter 1. System Overview**

Throne of Gold is an automated trading system purpose-built for the spot gold (XAUUSD) market.

As the world's core safe-haven asset, gold (XAUUSD) features high liquidity, high volatility, and strong sensitivity to global macroeconomic policies, making it one of the world's most actively traded commodity instruments. Throne of Gold is designed to help users capture trading opportunities in the gold market.

This white paper provides a complete introduction to Throne of Gold's parameters, effectiveness analysis, deployment process and operation guidelines, to ensure users can operate the system in a scientific, prudent and efficient manner, and maximize Throne of Gold's Full Value.

## **Chapter 2. Core Strategy Architecture and Trading Logic**

### **2.1 Overview**

Throne of Gold features a comprehensive suite of built-in trading strategies that operate in synergy to conduct real-time price monitoring. When sharp price fluctuations within an ultra-short time window breach the pre-defined thresholds, the system identifies that the market has entered an active state, enabling it to accurately capture long and short trading opportunities in the XAU/USD (Gold) market.

### **2.2 Opportunity Identification**

The system anchors the broad trend direction via a 100-period moving average and executes trades in strict accordance with its trading logic. Subject to compliance with the trend direction, the system monitors the rate of price movement in real time. Only when the local breakout momentum exceeds the preset pip threshold and aligns with the main trend direction will the trade be allowed to enter the entry queue. This logic is designed to filter out market noise and only capture high-momentum trend-following breakout opportunities.

## **2.3 Trailing Breakout Entry**

The system adopts a Sell Stop / Buy Stop trailing pending order model. It does not make predictive left-side entries, and only triggers a trade when price confirms a secondary acceleration in the signal direction and breaks through the buffer zone.

## **2.4 Risk Control**

- **Hard Stop-Loss Strategy:** A physical stop-loss is attached to every trade upon entry, strictly limiting the drawdown of a single position.
- **Dynamic Protection Mutual Exclusion Logic:** After a trade is activated, the system implements mutually exclusive logic between "fixed target exit" and "dynamic profit trailing", to ensure profits are locked in during range-bound markets and maximum gains are captured in one-sided trending markets.

## Chapter 3. Parameter Specifications

Throne of Gold provides a variety of adjustable parameters, allowing users to customize settings based on their risk appetite, capital size and trading habits. The core parameters are divided into two modules: core trading parameters and news filter parameters.

### 3.1 Trading Parameters

Parameter	Description	Default Value
StopLoss_Pips	Stop loss pips per trade	50 for short-term opportunities, 500 for long-term opportunities (adjustable based on targets)
Fixed_TP_Pips	Fixed take profit pips per trade	30 for short-term opportunities, 300 for long-term opportunities (adjustable based on targets)
Use_Trailing_Stop	Master switch for trailing stop function	true
Trailing_Pips	Trailing stop trigger threshold and trailing distance	20 for short-term opportunities, 200 for long-term opportunities (adjustable based on targets)
Step_Pips	Step distance between pending order price and real-time market price	25
Use_Compound_Mode	Master switch for compound growth mode	true

Parameter	Description	Default Value
Compound_Ratio	Compound position calculation base (increase Base_Lots per corresponding amount)	500.0
Max_Spread_Pips	Maximum allowed spread	20
Fixed_Lots	Fixed lot size used when Use_Compound_Mode is false	0.1
MaxOrderTime	Order lifetime (seconds), pending orders will be deleted after expiration	30
Enable_Time_Filter	Enable/disable time filter	False
Bollinger_Bands_Deviation	Raise Bollinger Bands standard deviation for better trade quality but fewer trades. Lower it for more trades but poorer quality. Recommended values: 1.5, 1.8, 2.0.	1.8

### 3.2 News Filter Parameters

Parameter Name	Description	Default Value
UseNewsFilter	Enable/disable news filter	False
MinutesBeforeNews	Lockout period before news release (minutes)	10
MinutesAfterNews	Cool-down period after news release before resuming trading (minutes)	10
News For Active Symbol Only	Monitor only the current chart symbol	true
FilterHighImpact	Filter high-impact news	true
FilterMediumImpact	Filter medium-impact news	false

Parameter Name	Description	Default Value
FilterLowImpact	Filter low-impact news	false
FilterSpeaks	Filter central bank speeches and events	False
NewsUpdateHours	News calendar update interval (hours)	4
NewsTimeOffset	Time offset between trading platform server time and GMT 0 standard time	Manual calibration (see Chapter 7)

## **Chapter 4. System Deployment and Initial Configuration Guide**

### **4.1 Standard System Installation Process**

1. Complete the purchase on the MQL5 Market.
2. Open the MT4 terminal, right-click "Expert Advisors" in the Navigator window and select "Refresh" to complete the system loading.
3. Locate Throne of Gold in the Navigator window, and drag it onto the XAUUSD M5 timeframe chart.

### **4.2 Mandatory Core Permission Configuration (Required)**

To ensure full functionality of the system, the following permission configuration must be completed:



1. Open the MT4 terminal, go to Tools → Options → Expert Advisors.
2. Check the two core permissions: "Allow automated trading" and "Allow WebRequest for listed URL".
3. Add the official news data source address to the WebRequest URL allow list: <https://nfs.faireconomy.media>
4. Save the configuration and restart the MT4 terminal for the permissions to take effect.

## **Chapter 5. Backtesting Analysis and Validity Verification**

### **5.1 Standard Historical Backtesting Process**

Before live trading, users must complete full-cycle backtesting verification in the Strategy Tester, following the standard process below:

- Test symbol: Gold (XAUUSD)
- Test timeframe: M5
- Modelling mode: Recommended "Every Tick" to ensure backtesting accuracy is consistent with live trading
- Test period: Recommended to cover at least 1 full interest rate hike/cut cycle, including extreme market and range-bound market conditions

### **5.2 Backtesting Analysis and Validity Verification**

#### **5.2.1 Ideal Environment Backtesting**

This section is theoretical backtesting based on an ideal market environment. The backtesting covers all trading days from January 2025 to April 2026, with no slippage, fixed spread of 2, trailing stop enabled, and Use\_Compound\_Mode enabled. The results are only used to verify the theoretical feasibility of the strategy logic, do not

represent live trading returns, and shall not be used as a basis for trading decisions.

Backtesting Results:

Bars in test	93517	Ticks modelled	53207949	Modelling quality	90.00%
Mismatched charts errors	30				
Initial deposit	500.00			Spread	2
Total net profit	4051016.81	Gross profit	5359046.81	Gross loss	-708030.00
Profit factor	7.57	Expected payoff	3216.47		
Absolute drawdown	0.00	Maximal drawdown	27400.00 (2.89%)	Relative drawdown	6.21% (425.80)
Total trades	1446	Short positions (win %)	538 (85.87%)	Long positions (win %)	908 (86.12%)
		Profit trades (% of total)	1244 (86.03%)	Loss trades (% of total)	202 (13.97%)
		Largest profit trade	197600.00	loss trade	-7500.00
		Average profit trade	4307.92	loss trade	-3505.10
		Maximum consecutive wins (profit in money)	40 (715100.00)	consecutive losses (loss in money)	4 (-399.00)
		Maximal consecutive profit (count of wins)	715100.00 (40)	consecutive loss (count of losses)	-22500.00 (3)
		Average consecutive wins	7	consecutive losses	1

Indicator	Value
Profit Factor	7.57
Expectancy Per Trade	3216.47
Max Drawdown	2.89%
Recovery Factor	169.74
Sharpe Ratio	18.72
Win Rate	86.5%
Total Trades	1446

5.2.2 High-Pressure Scenario Simulation Backtesting

This section conducts high-fidelity high-pressure simulation testing, covering all trading days from January 2025 to April 2026 using high-precision tick data, with spread set to 40, Use\_Compound\_Mode disabled, fixed lot size of 0.1, and trailing stop enabled. The test verifies the system's execution stability, risk

control effectiveness and entry timing reliability in complex market conditions, providing a core basis for live trading operation.

5.2.2.1 Basic Backtesting Data

Indicator	Value
Profit Factor	2.46
Expectancy Per Trade	3.31
Max Drawdown	2.05%
Recovery Factor	52.41
Sharpe Ratio	12.83
Win Rate	69.85%
Total Trades	1126

5.2.2.2 Periodic Performance

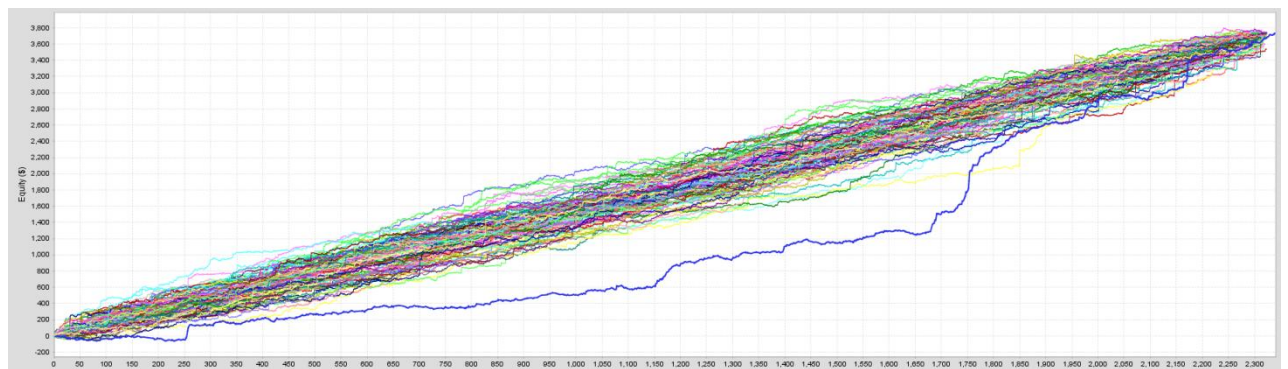


5.2.2.3 Monte Carlo Stress Test

**Test Method:** With the original strategy logic unchanged, the test randomly shuffles the order of trades, randomly skips trades,

introduces floating spreads and order execution delays, and adds random noise to price data.

**Test Objectives:** To eliminate path dependency and overfitting risks in historical backtesting, and verify the statistical significance of the trading logic. The test helps users identify the optimal position size and parameter thresholds for live trading, narrow the performance gap between backtesting and live trading, and ensure the stable replication of Throne of Gold's performance in live markets.



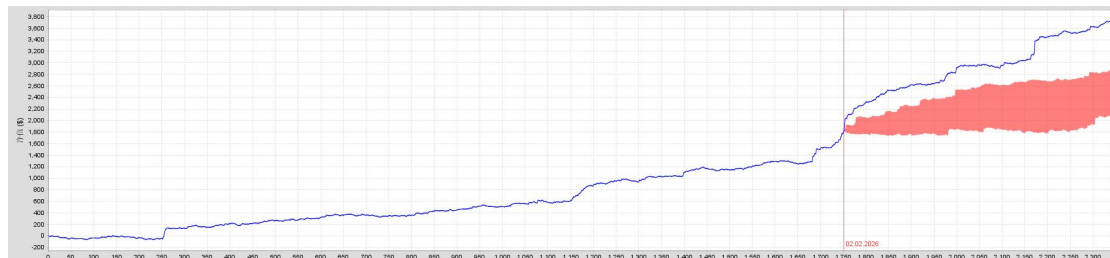
**Monte Carlo Stress Test Results:** The test simulated 1000 different trading performance scenarios. The results show that, under a 95% confidence interval, the maximum potential drawdown of the strategy remains within the expected range, and all equity curves show steady growth. This proves that Throne of Gold has extremely strong statistical stability, rather than overfitting historical data.

## 5.2.2.4 In-Sample and Out-of-Sample Validation

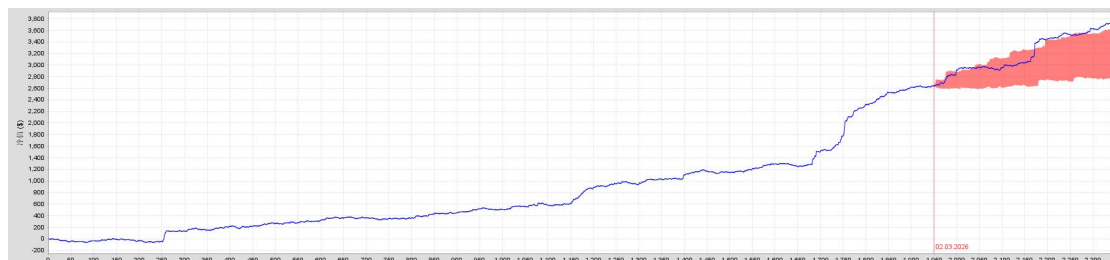
### 5.2.2.4.1 Out-of-Sample Backtesting Validation

To effectively mitigate curve fitting risks, Throne of Gold adopts a dynamic in-sample and out-of-sample segmentation method. We used data from January 2025 to February, March and April 2026 as the in-sample training set respectively, and set the market data from February, March and April 2026 to the present as the out-of-sample blind test interval, to simulate the unknown market environment in real trading.

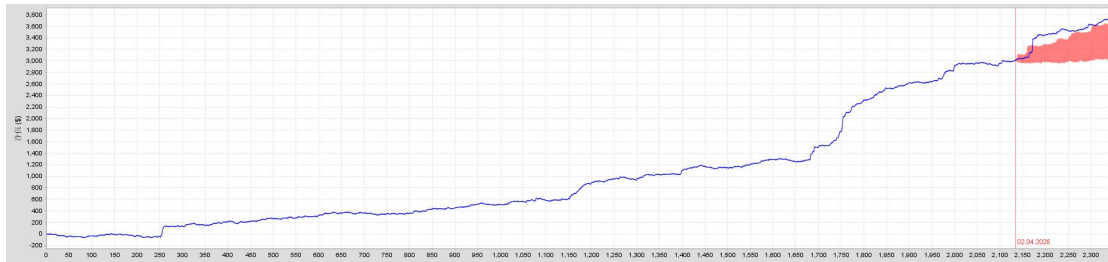
#### February 2026 :



#### March 2026 :



**April 2026 :**



### **Validation Results:**

Throne of Gold passed the Walk-Forward Efficiency robustness test. During the out-of-sample validation periods in February, March and April 2026 respectively, the strategy used the learning results of the lookback window to simulate and predict the subsequent periods. The results show that all profit curves under high pressure meet or exceed the predicted results, indicating an extremely high correlation between the out-of-sample profit factor and the in-sample profit factor. This proves the high consistency of Throne of Gold's logic in different volatility environments, and confirms that the prediction results have strong guiding significance for live trading.

#### **5.2.2.4.2 Walk-Forward Validation**

##### **Walk-Forward Validation Results After April 30, 2026:**

Throne of Gold has confirmed the anti-volatility of its logic through multi-cycle blind test validation. Based on the extremely high data correlation of the multi-stage in-sample and out-of-sample validation

above, we have sufficient statistical grounds to infer that Throne of Gold will still achieve profit levels similar to or higher than the walk-forward validation results after April 30, with low drawdown risks, in complex market conditions in the future.



## **Chapter 6. Live Trading Operation and Full-Cycle Monitoring Specifications**

### **6.1 Throne of Gold Operation Status Confirmation**

The core indicator of normal system operation is a continuously displayed smiley face icon in the upper right corner of the chart. If a sad face icon appears, users must immediately check the permission configuration, program file integrity and network connection status.

### **6.2 Fully Automated Pending Order Management**

The system has a built-in MaxOrderTime automatic expiration pending order clearing logic, which can automatically delete untriggered expired pending orders, to avoid margin occupation and unintended risk exposure from invalid pending orders. The automatic disappearance of pending orders on the chart is a normal operating mechanism of the system, and no manual intervention is required.

### **6.3 Optimal Operating Environment Configuration**

To ensure low latency and high stability of trade order execution, it is strongly recommended to deploy the system on a VPS for 24/7

uninterrupted operation, to avoid trading risks caused by force majeure such as local network fluctuations and power outages.

## **Chapter 7. In-Depth Configuration Guide for News Event Filter Module**

The time base of the system's news filter module is GMT 0 standard time. Due to the different time zones of different brokers' trading servers, the NewsTimeOffset parameter must be manually calibrated to ensure the accurate operation of the news filter function.

### **7.1 Offset Calculation Formula :**

NewsTimeOffset = Current MT4 Platform Time - GMT 0 Standard Time

### **7.2 Standard Calibration Steps**

1. Check the real-time platform server time displayed at the top of the "Market Watch" window in the MT4 terminal.
2. Query the current GMT 0 standard time synchronously.
3. Subtract the two times, and the resulting integer is the time offset.
4. When the daylight saving time / standard time switch occurs every year, the parameter must be manually updated in a timely manner (usually 2 or 3) to avoid time base misalignment.

## **Chapter 8. Risk Warning and Disclaimer**

**Risk Warning:** Margin foreign exchange and commodity trading is a high-risk financial investment activity with significant leverage risk, which may result in the total loss of principal, and is not suitable for all investors.

The trading logic, parameter recommendations and operation guidelines provided by the Throne of Gold automated trading system are for illustrative purposes of the quantitative trading tool only, do not constitute any investment advice, and do not guarantee any form of profit or principal protection.

Algorithmic trading may be interfered by force majeure factors such as network latency, quote slippage, liquidity gaps, sudden news events, and policy changes, and actual trading results may differ significantly from backtesting and demo account results.

The development team of this system shall not be held liable for any direct or indirect legal and financial liability for any account profit and loss or investment loss incurred by the user as a result of using this program. It is strongly recommended that all users conduct sufficient demo account testing and risk assessment before live trading, and use this system prudently according to their own risk tolerance.

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