



Forex Trading (<http://www.forex-tsd.com/forum.php>)

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cturner

09-26-2006 08:18 PM

HedgeMultiCorrelation needs help

2 Attachment(s)

ok i have tried to add the correlation indicator to this multi hedge EA as entry filter. It doesn't work correctly. I'm sure that i did not code it correctly. can someone take a look at it. i think that it is based on igorad's multiposition EA then someone else added something but i don't remember name. if this does not seem like good idea just tell me and i will stop racking my brain over it!!

thanks

kokas

09-26-2006 11:37 PM

Great Threat

Great this is just what I'm looking for... :)

Maybe you want to see [this two indicators](#) too

cturner

09-27-2006 01:26 AM

it seems the ea closes orders when in profit correctly, then reopens orders regardless of correlation. then it closes the new orders and reopens them again a few times. definately some bugs in there. kokas i see your indicators and really not sure how to use or code them into ea. maybe we get a coding guru on this thread b4 long.

kokas

09-27-2006 02:30 AM

that would be great! :)

Maybe you want to take a look at correlator by bill barnsley too. I'm testing it on demo account with very good results. Unfortunatly it cannot be used on live accounts.

kokas

09-27-2006 03:05 AM

The author

Ok the first author I believe is waltini maybe he wants to join us now :)

[The original thread](#)

kokas

09-27-2006 03:54 PM

I'm trying to add the indicator to the Expert without any luck so far...

But while I was doing this my demo account where I'm testing it suffered a big drawdown, at this point I wonder if it is not possible to profit with drawdowns, so I've done something, I've add a second chart with another EA with oposite positions and let it run. It is the hedge of the hedge. Two magic numbers, and one hedge supports the other. It is the perfect hedge system eheheh ... I'll continue the test and then put some results.

kokas

09-27-2006 05:18 PM

I've spotted the problem reagrding opening and close orders after first set is closed. The close signal must be turned to false after the execution of the close order.

If this is not done the script will close all post oppened orders, until it blow the account.

But I do not know how to code it :(

kokas

09-27-2006 05:41 PM

Done!!!! Great!!!!

1 Attachment(s)

This was my first adventure on this language... I think I'd spotted the errors and corrected them....

I'm testing...

PS: I've changed the name of the EA to a more friendly one... hope you do not mind

cturner

09-27-2006 06:38 PM

will try your fix. i tried a fix of my own will test both and see. i also had tried the double hedge idea. like you i kept seeing my hedge in negative numbers and thought why not go the other way too!! lol....ok we see how this goes.

kokas

09-27-2006 06:42 PM

Well, the negative balance will increase with time, so something need to be done about this, but it is a start. One idea e when the negative balance reach a value do not place more trades, until the other hedge recover

kokas

09-28-2006 12:03 AM

New Version Swap Included

2 Attachment(s)

Ok this version includes SWAP profits, eheheh I'm turning into a Pro!!! lol

well, hope this has some use.

You must use this indicator and not the original one, do not know why but with the original version it gives wrong values. I only change variable names inside this one.

It would be wonderful if someone explain how to add the indicator hardcoded on the EA.

Just try if you want I'll continue working on a V.3 (party)

cturner

09-28-2006 03:07 AM

good grief kokas!!! you been working on this a lot!! good job...a whole lot better than the original. i changed this line

```
Correlation= iCustom(NULL,0,"Correlation",Symbol1,Symbol2,20,0, 0);
```

changed last number from 1 to 0. i think this means it looks @ current bar. now numbers are almost identical. off by .00#. so i don't think it really matters. again very nice job on this. will test it and report back!!

cturner

09-28-2006 03:28 AM

found something kokas. the settings for long and short do not work. we gonna have to add some more open order codes or maybe a setting like scenario 1 long/long, scenario 2 long/short, scenario 3 short/short

```
extern double Scenario = 1;
```

```
if(ScanOpenTrades()==0 && Scenario==1 && !StopManageAcc){
```

```
CloseSignal=false;
```

```
OrderSend(Symbol1,OP_BUY,Lots1,MarketInfo(Symbol1,
MODE_ASK),3,0,0,comment,Magic,0,Blue);
OrderSend(Symbol2,OP_BUY,Lots2,MarketInfo(Symbol2,
MODE_ASK),3,0,0,comment,Magic,0,Blue);
```

something like this. but it late now and need to go to bed for work in AM will test and be back after work'

cturner

09-28-2006 03:14 PM

1 Attachment(s)

ok think i fixed the long/short options. test this one and see. looks good so far in testing.

kokas

09-28-2006 10:47 PM

MoneyManagement

1 Attachment(s)

So, now we have got to add MM functions to the EA. On the comercial version, it uses a daily

function to get swap returns invested. My idea is a little diferent. Everytime a pair is closed that earning is used on another subhedge. This is a dificult task to code, let's see. One important fact is that maximum loss must be very high I have to check if set 0 the EA does not use this function.

I've found this [article](#) very good on correlation and hedging strategies.

kokas

09-28-2006 11:55 PM

EA doest not load on GBPUSD

Some Setups to Test:

PAIR ONE

GBPUSD Long / USDCHF Long

Profit Target : 200

Use Pips : True

MaxLoss : 0

Use Correlation : True

PAIR TWO

GBPJPY Long / CHFJPY Short

Profit Target : 200

Use Pips : True

MaxLoss : 0

Use Correlation : True

cturner

09-29-2006 12:56 AM

what sort of time frames you gonna test. im trying the 1 min on lots of pairs with and without correlation filter. i will look at mm on other ea and see if i can work into this 1. not sure though i think my coding luck may run out soon (smile)

kokas

09-29-2006 02:32 AM

Correlation Indicator

I hope that you could figure out how correlation indicator works.

I'm not sure by now... I always thought that a correlation of:

+1 - Currency move on the same direction

0 - Random movment between currencies

-1 - Currencys move on opositte direction

I do not know if this is completly true on this indicator. Maybe Igorad may help us here.

We also have to make some tests when using correlation to what is the best entry for each setup.

Also remember that if you use Interbank with mini account the symbols must be EURUSDm for Euro etc...

kokas

10-01-2006 09:03 PM

What is expected from an EA

Usually there are some aspects that are always expected from any EA:

- 1 - Fully automated
- 2 - Turn out a small account on a big account with no risk involved
- 3 - Good Money Management to keep the risk low
- 4 - Avoid margin calls
- 5 - Good returns in short time frame

Well, this is all we can achieve with this EA, but as all of you know me and cturner are not experts on coding so we need all your help to code our ideas for this EA. As it is now, you can use it on your account (I personally am testing it real on IBFX with 0.2 mini lots since friday, so lets see how it will perform this week).

Usually hedge strategies requires large accounts, because if you use very good correlated currencies they will move together and you only get profit from swap. This is very true on GBPJPY long and CHFJPY short. If you have a large account you can bet that you will get great profit with this EA.

But there are some aspects that we need to add to the EA, like double hedge strategie, that consists on monitor two oposite pairs (forget swap on this case it will be nulled at the end). This strategies must be used with two pairs **that do not correlate so well as the above**, so in divergence periods we can close the hedge in profit and reopen it, and leave the other untouched. Eventually the trend of the hedge will change and the other pair will be on profit. This double hedge can be done just adding the EA to two charts with crossed parameters. So no big deal on this one.

Regarding Money management.. how this can be done in hedging, using only one pair? This is not so linear I think. The idea is to change the lot size with changes on the balance (if the EA is running alone on that account), or equity, (if you are running multiple EA's on the account).

I know that many of you are looking for short term long profits EA, but you must evaluate this one and spend some time with it.

:) Hope this will bring more people to our thread...

che

10-01-2006 10:27 PM

i start a demo original settings

thanks Kokas and cturner

hedge ea v2.2

kokas

10-01-2006 11:14 PM

Che,

the default values are not so good for this ea... our mistake. We must use for this two currencies that have big differences on swap like:

Symbol1: GBPJPY
Symbol1is long: TRUE
Symbol2: CHFJPY
Symbol2is long: FALSE

UseSwap: TRUE

UseCorrelation: TRUE or FALSE This must be tested and understand

che

10-01-2006 11:33 PM

OK THANKS

so gbpjpy /// chfjpy use a ratio

gbpjpy lot=1
chfjpy lot =1.8

and i understand its better enter when gbpCHF bollinger bands are botton

this EA study those parameters?

kokas

10-01-2006 11:41 PM

the only technical indicator that we have inserted is correlator, that show the actual correlation between the two currencies. If this is enabled is will only put the trades when this value is between some values.

In the case of that two currencies we need to put the trades on the market when the indicator is somewhere above 0.8, because the two currencies have a high positive correlation. this means that when they are moving together put the orders and on divergence it will take the profits if any, or carry the positions until they are in profit.

Another improvment that can be done, is to insert any trend indentificator, to put only trades when currency 1 is rising (if long). this is only another idea.

But any other idea should be considered (and coded eheheh)

thanks

cturner

10-02-2006 02:00 AM

lol glad to see we have a third person in on this topic che!! kokas i almost have mm to point where i can post it and we run on demo. it ain't pretty but seems to work ...well works sometimes. lol

kokas

10-02-2006 02:05 AM

yeap soon we will conquer the world :) ehheheh

glad for MM what kind of MM are you implementing? great you continue the EA.

I'm testing it real with IBFX. as soon as I get some results I'll post it.

che

10-02-2006 11:55 AM

ok KOKAS

thanks

i start gbpjpy///chfjpy
lots=0.1
i will report statemets

che

10-02-2006 11:57 AM

kokas

please do you have the indicator correlator to put on the graph ?

kokas

10-02-2006 12:35 PM

Correlator Indicator

You can find the indicator at post 11 of this thread.

:) Hope this helps...

che

10-02-2006 01:42 PM

Kokas

thanks

so we use the indicator on h1 ? or day ?

kokas

10-02-2006 01:46 PM

Hello Che, until we got an answer from Igorad I do not know what to recomend you.

I'm running on M1 and H1...

che

10-02-2006 05:07 PM

OK CTURNER AND KOKAS

i like a lot this ea

hedge ea v 2.2
i start 4 demos

5k miniaccount ibfx
200:1
h1

lot=1
lot=1

gbpjpy//chfjpy buy/sell...the best swap

gbpusd//usdchf.... buy/buy.. 80%correlations
eurusd//usdchf.... buy/buy.. 98%correlations

gbpusd//eurusd... buy/sell

maxloss=0

kokas

10-02-2006 05:18 PM

Well, we have to figure out the best take profit for each pair. If we close too soon we will have to recover the spread again. And if we close too late we must wait more for recovery.

But we are on the right track now ;)

Sure this will be a lot better with large accounts, where you can assume some pontual drawdown, and continue to earn interest, but in small accounts we have to consider short take profits.

I think... :)

cturner

10-03-2006 01:02 AM

1 Attachment(s)

ok here is first version with mm added. it really doesn't work all that well. only opens 1 trade then will not open trade on second pair. figuring the mm was kind of tricky but i used some code from other ea's. maybe kokas u see what wrong with it. i think all settings are self explained. if not just ask and i try to answer. and remember i am no coder!!

kokas

10-03-2006 02:21 AM

Version 4 NOT STABLE!!!!!!!

3 Attachment(s)

I have this version working right placing all the orders.

But I do not fully understand what you did with MM. Remember that we are placing two orders each time, not one like probably the EA you take the code from. Have you consider this?

Can you read the code and understand the logic? :) It would be great that you explain it to me.

I've also changed the default settings to a pair that is far more profitable with a single hedge strategie.

PS: For some strange reason the EA does not work with Ratio=1.5 and lotsize =0.1 ... I must had make some mistake... this is the only combination that I could find that do not work well. It places only a trade for the first pair with MM disabled.

Maybe the problem is in this lines:

```
if(MoneyManagement) {
OrderLots1 = LotSize(); //Adjust the lot size
OrderLots2 = OrderLots1 * Ratio;
} else {
OrderLots1 = Lots;
OrderLots2 = Lots * Ratio;
}
```

I've changed it to:

```
if(MoneyManagement) {
OrderLots1 = NormalizeDouble(LotSize(),2); //Adjust the lot size
OrderLots2 = NormalizeDouble(OrderLots1 * Ratio,2);
} else {
OrderLots1 = NormalizeDouble(Lots,2);
OrderLots2 = NormalizeDouble(Lots * Ratio,2);
}
```

But still the same results.... Only one trade when ratio = 1.5 and Lot = 0.1

I do not know for sure, but here you have the EA it is working fine with default settings.

THIS VERSION IS NOT STABLE!!!!

che

10-03-2006 01:18 PM

Kokas

i think your last version 4

have for default :

lot =0.1
and

radio=1.5

what do you think about ?

kokas

10-03-2006 01:25 PM

This setup wont work...

I do not know why yet, but 0.1 and 1.5 wont work.

Thats why I put the version as unstable.

kokas

10-04-2006 12:59 PM

Ok, any idea why this line does not work with OrderLots2=0.15

I do not ave any clue about it:

```
OrderLots1=0.1;  
OrderLots2=0.15;
```

```
OrderSend(Symbol1,OP_BUY,OrderLots1,MarketInfo(Sym  
bol1,MODE_ASK),3,0,0,comment,Magic,0,Blue);  
Print(Symbol1,"Lots: ", OrderLots1);  
OrderSend(Symbol2,OP_SELL,OrderLots2,MarketInfo(Sy  
mbol2,MODE_BID),3,0,0,comment,Magic,0,Red);  
Print(Symbol2,"Lots: ", OrderLots2);
```

The first order is placed the second nop...

kokas

10-07-2006 02:30 AM

Anyone has results to publish?

Well, my hard disk burn out this week and I've lost all statments, well, i do not lost them but do not know the account numbers and passwords where they are running...

this was a mess, hopefully I had uploaded the bug version first..

For now I do not think that version has a bug I believe that is a limitation of the accounts that I was demoing...

I'll begin new tests next week...

kokas

10-07-2006 03:27 AM

Volatility as a Clue

Volatility as a Clue

Most traders have heard the story of Long Term Capital Management (LTCM). For those who have not heard the story, LTCM was a hedge fund designed to take advantage of situations where the price volatility of a financial instrument would go from higher than average to normal (the mean). Can lowly traders such as ourselves take advantage of volatility as a warning that large moves are coming? The answer is yes. Most traders would agree that

periods of high volatility are usually followed by periods of low volatility. But what about the other way around? Are periods of low volatility followed by periods of high volatility? They are indeed (most of the time). Today, we will briefly discuss a strategy that you can use to take advantage of volatility explosions.

Here is a quantified signal to take advantage of these occurrences. We are going to focus on getting clued in on volatility increases before they occur. Optimized historical tests have shown that it's effective to compare 6-day historical volatility against 100-day historical volatility. When 6-day historical volatility is 50% or less than 100-day volatility, this tells us that the stock or index has calmed down and it becomes likely that a large market move is about to happen. Keep this in mind if you are considering entering a straddle. You can use this technique to find ideal entry points. One extremely effective technique for entry is to find a stock that fits this low volatility criteria. Once the stock breaks out of a tight range (which should be in place based on low volatility), trade the stock in the direction of the breakout. So if the stock plummets downward, then sell short, and if the stocks shoots up, go long. Usually, the longer a stock or market index stays in this low volatility state, the larger the move will be once it breaks out.

You should use stops with this technique in the following way. Once you get a breakout following the period of low volatility, take note of the high of the breakout day if it is a bullish breakout. Once the stock closes above the high of the breakout day, then go long on the stock. Use the low of the breakout day as your stop loss price in order to reduce risk.

Price Headley is the founder and chief analyst of BigTrends.com.

Now! How to implement this on our EA?? This would improve a lot our strategy! :)

kokas

10-07-2006 03:33 AM

How to implement auto ratio...

Can we use this code to implement auto ratio on our EA?

We can set an option to UseAutoratio True/false ...

```
//+-----+
//+ Calculate cost in USD of 1pip of given symbol
//+-----+
double PipCost (string TradeSymbol) {
double Base, Cost;
string TS_13, TS_46, TS_4L;

TS_13 = StringSubstr (TradeSymbol, 0, 3);
TS_46 = StringSubstr (TradeSymbol, 3, 3);
TS_4L = StringSubstr (TradeSymbol, 3, StringLen(TradeSymbol)-3);

Base = MarketInfo (TradeSymbol, MODE_LOTSIZE) * MarketInfo (TradeSymbol,
MODE_POINT);
if ( TS_46 == "USD" )
Cost = Base;
else if ( TS_13 == "USD" )
Cost = Base / MarketInfo (TradeSymbol, MODE_BID);
else if ( PairExists ("USD"+TS_4L) )
Cost = Base / MarketInfo ("USD"+TS_4L, MODE_BID);
```

```
else
Cost = Base * MarketInfo (TS_46+"USD" , MODE_BID);

return(Cost) ;
}

//+-----+
//+ Returns true if given symbol exists
//+-----+
bool PairExists (string TradeSymbol) {
return ( MarketInfo (TradeSymbol, MODE_LOTSIZE) > 0 );
}
```

PS: I've very sorry but I'm a little worried about my hard disk so i'm dumping here all the ideas that I have regarding the EA ... :)

All times are GMT +1. The time now is 03:48 AM.

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