Renko Ashi Trading System 2

By Mr, Nims

Introduction

This trading system is based on utilization of the Non Time-frame based analysis called the Renko Chart. In the Renko Chart time is not of concern or time is not what causes separation of one bar/candle to another, the emphasis is on the price and the movements in pips. Like a 10pip renko chart will display candles that are 10pips big and what separates one candle from another is 10pips of movement. Hence using a renko chart the noise of time-frame based chart are removed and it shows you the chart based on the movement of the market in pips. Time-frame is one easy way of losing money in Forex because if you are using a GMT Broker the candles look different, if you are using a GMT+2 broker candles look different and if you use a GMT+3 broker it looks different. So basically it's the best way of losing money because indicator reading looks different from broker to broker, candles look different from broker to broker. As forex traders we only need to be concerned of one thing that is the PRICE, because that's what we are dealing with, Price is what makes people want to buy or want to sell. Change of price is what is the deciding factor between Earning and losing. When the price of a currency is low it gets into supply/demand, when the price of a currency is high it gets into selling from buyers for a profit. So we just need to be concerned with Price and with Pips in Forex.

Installation

Step 1 – Check the images below.

Go to Tools>Options

Click the Charts Tab and check all the boxes, Input 9999999999999 in both the fields.
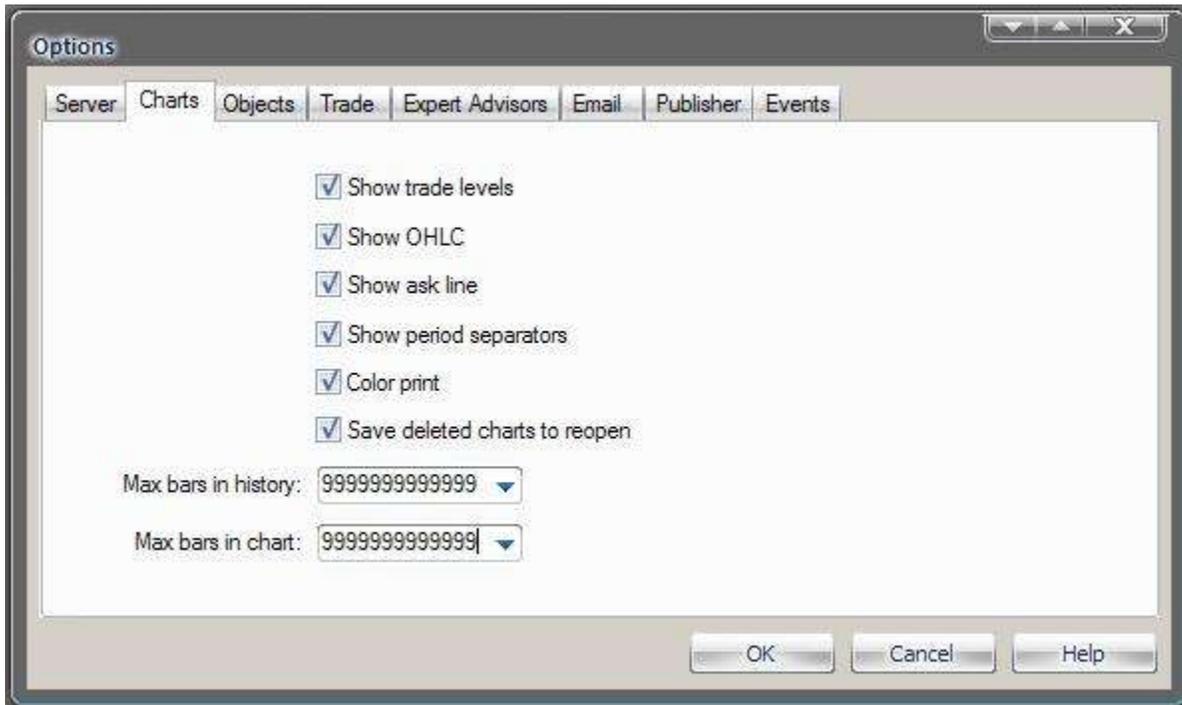
Click the Expert Advisors Tab and make sure 4 check marks like in the image below.

Click OK, That's should be about it with the settings.

Step 2 – Close the metatrader and copy all the contents of the Indicators.zip to experts/indicators folder in your metatrader installation folder. Copy the contents of Renko.zip to the experts folder in your metatrader installation folder. Copy the contents of templates.zip to the templates folder in your metatrader installation folder. Start Metatrader now.

Step 3 - Open a 1 minute chart for example like EURUSD and manually Scroll back the 1minute EURUSD chart as much as you can (You can simply keep pressing the HOME button on your keyboard), I recommend at least 1 or 2 months worth of 1minute chart data on your screen.

Step 4 – Apply the RenkoLiveChart_v3.2 EA to the 1minute EURUSD chart, Make sure the settings are as the images below.
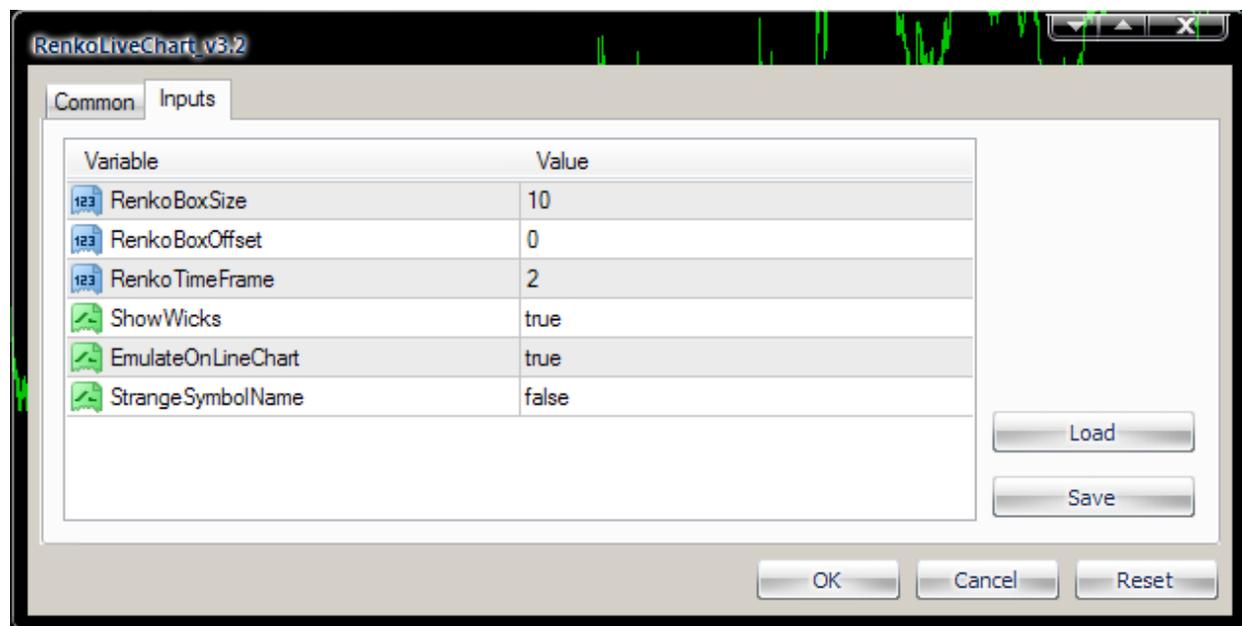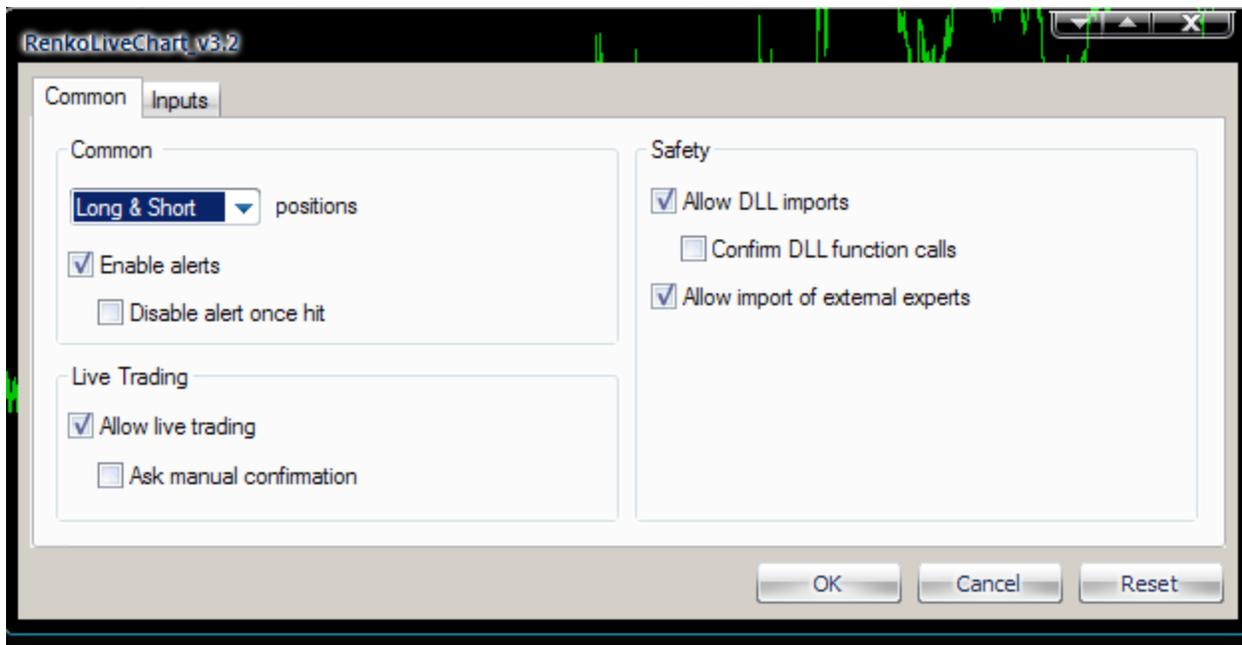
Click OK and Enable the Expert Advisors Button.

Now the Renko EA should be running and data from the 1minute chart should be able to feed data for your Renko Chart.

Step 5 – Open the Renko Chart, Check the images.

Click on File>Open Offline
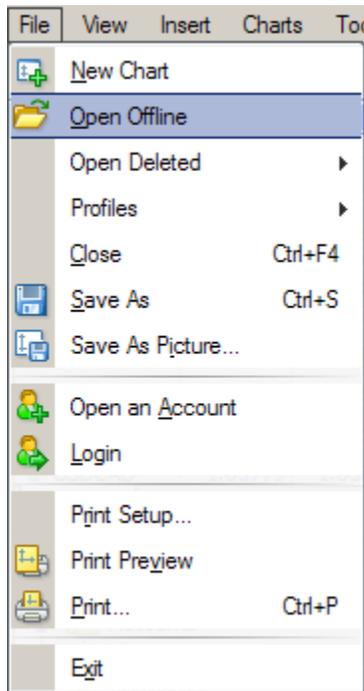
Search for EURUSD M2 from the list and click on Open.
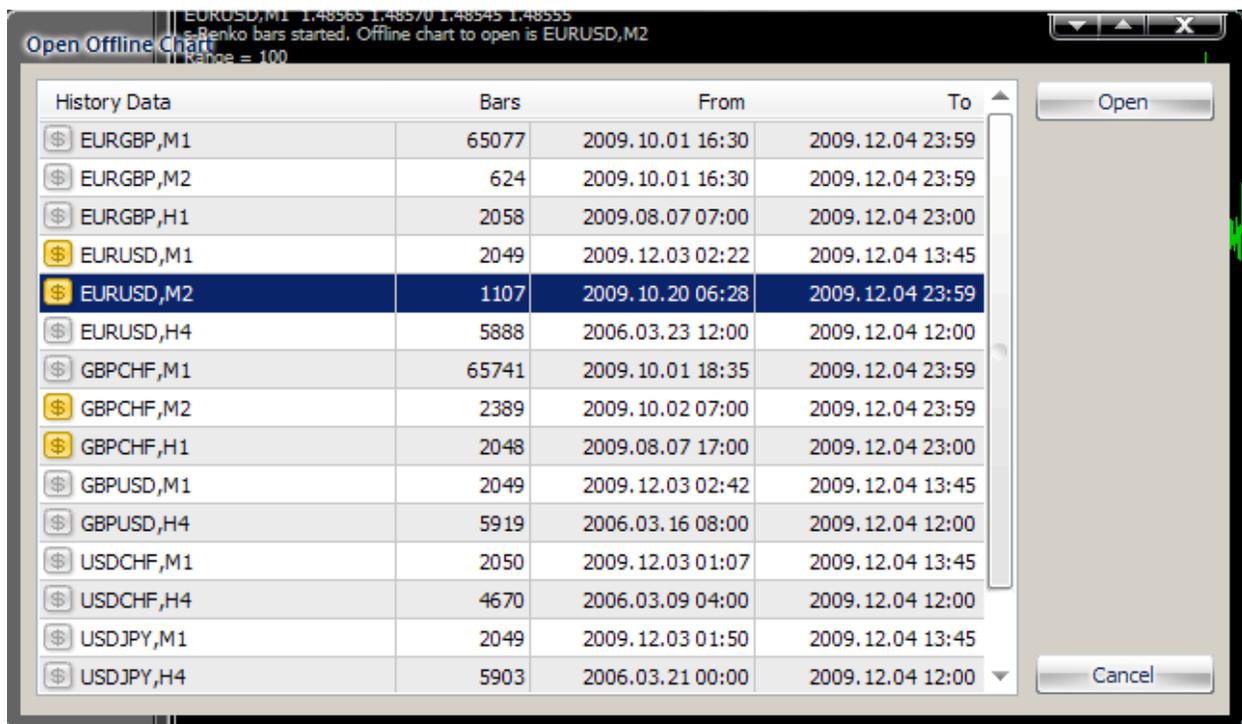
Now you have the renko chart running in a M2 Offline chart. Remember that you need to have the 1minute chart as well as the EA running at all times , because data from the 1minute EURUSD chart is feeding data to the EURUSD M2 Offline chart via the Renkolivechart_3.2 EA.

That's about it about how to start a renko chart in metatrader. You need to do the same steps for any other pair you wish to run a renko chart for.

Final Step – Applying the Template. Check the Images below

Right click on the M2 Offline Renko Chart, in the menu select templates and load the renko_ashi_2 template.
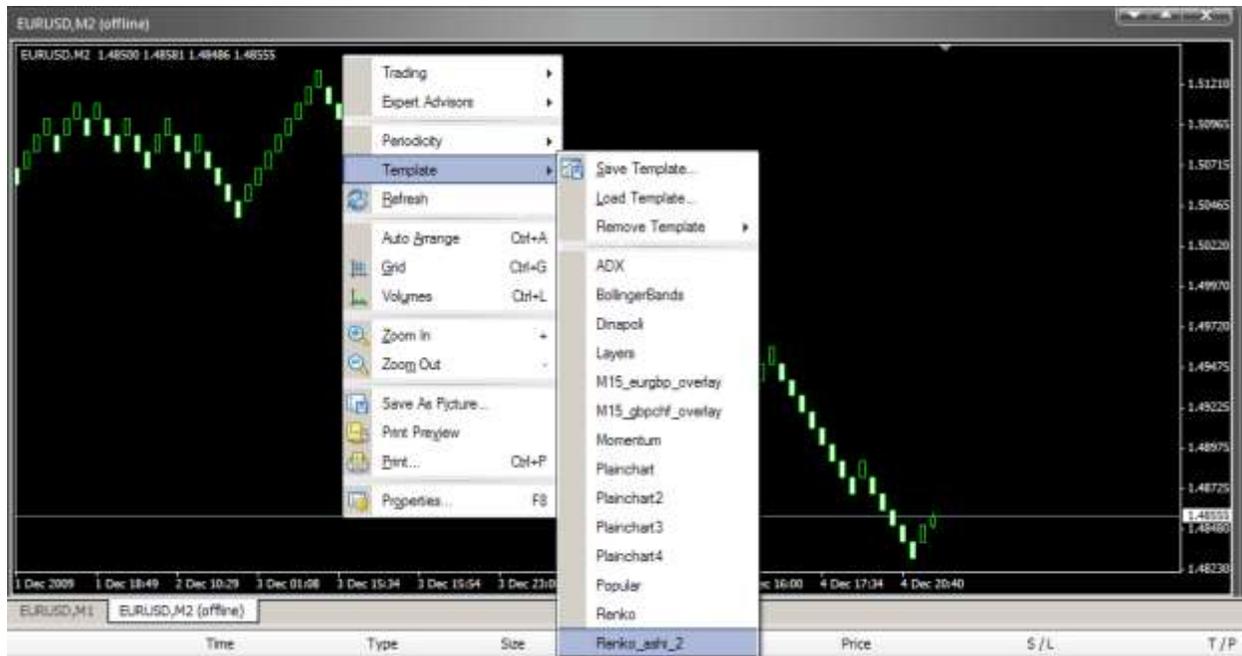
The Indicators and what they mean

Tick Value – It will display the value of 1pip (minilot) and the spread.
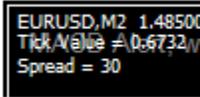
IINwmarrows – Shows when to sell and when to buy. You can check it at mql codebase catalog.

http://codebase.mql4.com/3311

SMC4Scalper Candles v3.1 – We will use this indicator instead of heiken ashi , provides more details other than buy/sell colors, like if the price is moving above the open of the candle it will display a Aqua box and if the price is moving below the open of the candle it will display a Gold box.

Two Moving Average Channel – We will be using 2 Smoothed Moving averages, one based on the High prices and one based on the Low prices to create a channel. This concept has been taken from the Synergy system; it helps identify Range bound/Trending and breakout Scenarios. It is also to be used to place our stop loss which would be on the other side of the channel.

Range Bound

Breakout and Trend

Our Stoploss would be placed here. On the other side.
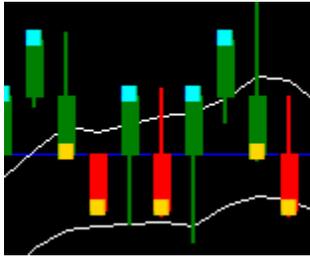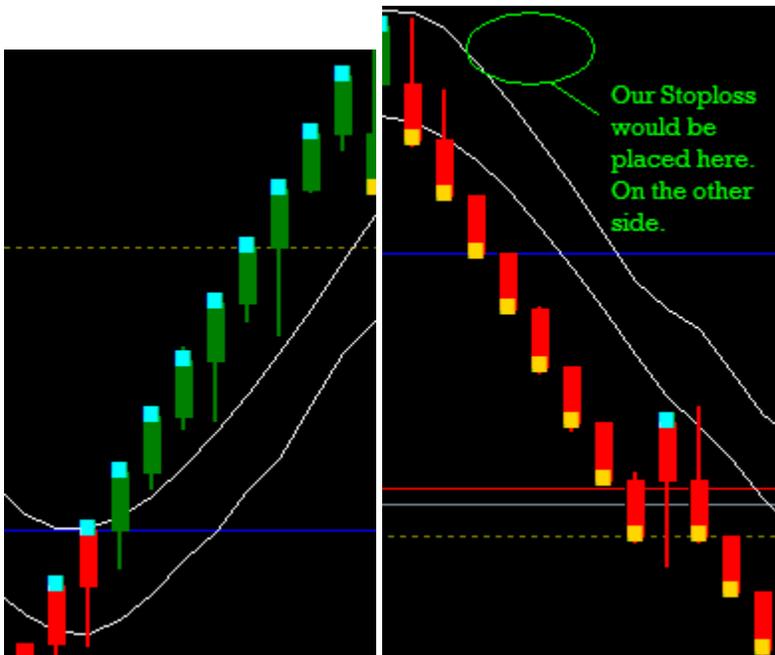
MA_In_Color_wAppliedPrice – We will use a Linear Weighted MA in Color of 10 periods to see the next probable direction for a 100pips of movement.

Blue Means Buy
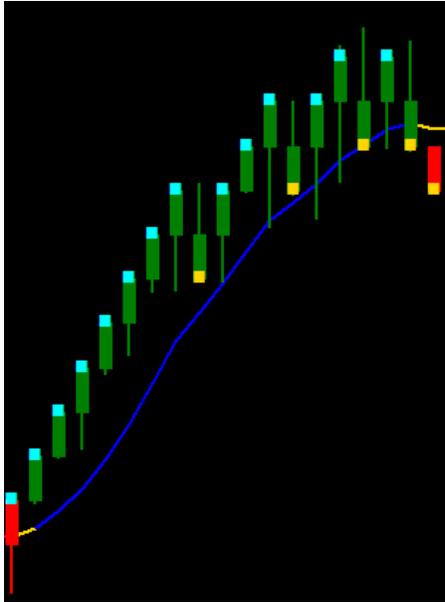
Red Means Sell
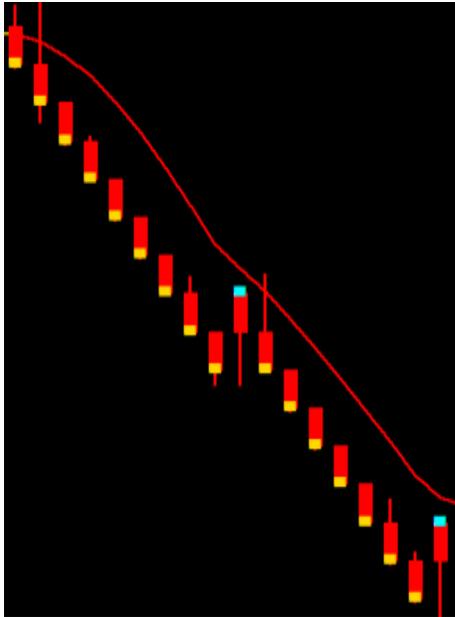
MACD with Alert – We will be using a MACD (Moving Average Convergence Divergence) Indicator to see the crossover of 10 EMA vs 20 EMA and Convergence/divergence between them, We will be using a 5 periods Signal SMA on the MACD.

So what you're basically seeing is a 100 pip average vs. a 200 pip average with a 50 pip signal line on the MACD in the Renko Chart. This indicator will generate a sound and popup box alert.

Buying
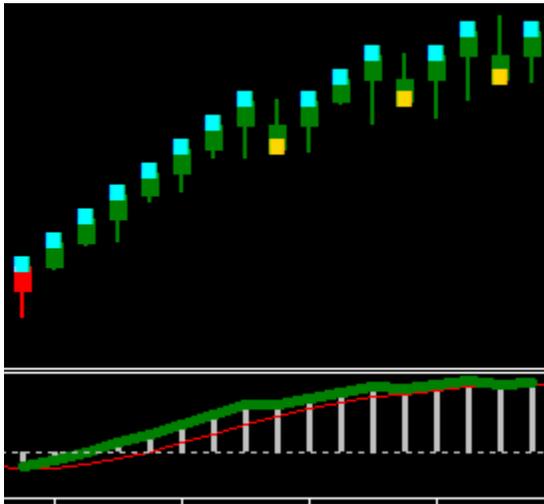
Selling
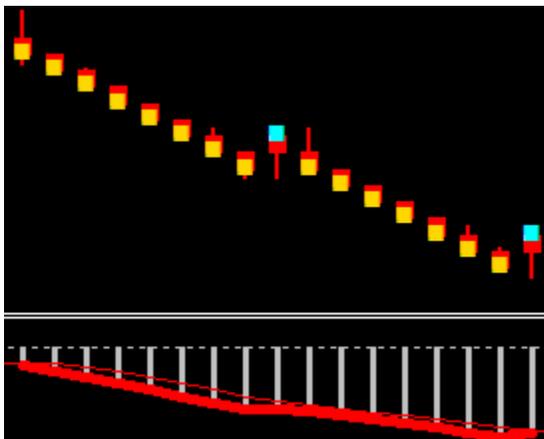
Wick-O-Gram – This indicator will basically show you the wicks generated by the renko candles in a histogram window. Green bars means that the price went up before going down and red bars means the price went down before going up. You can also see how many pips the size of the wick by placing the mouse cursor over the bar, It should show you the + or – pips so you have the details.

Histograms showing how many pips price went against the trend before heading back into the intended direction.

Remember that in the Renko System if the price goes against 2 times the size of the renko candle, it is a reversal of the trend. In the Renko Ashi 2 System It would be 20 pips.

RenkoAM_v2.0 – This is the most important indicator of the Renko Ashi 2 system. You have to know that there is a flaw in the renko chart and that is the absence of Time, you can really never know how much time it took for one candle to another looking at a renko chart, further more you can really never tell if there was a sudden big movement and the renko chart shows you a trend, but in actuality it was not a tradable scenario because the movement was too fast to be able to trade, like for example a big sudden movement due to news, spikes or volatility.

For this reason we will need to pay attention to this indicator, It displays the time taken for the renko bars in a histogram, Now it's not much of a concern if it took more time for the renko candle to close, But it is of Major concern if it takes too little time or due to the sudden big movements, So we use this indicator to detect untradeable scenarios.

The green bars on the histogram grows every minute more the Renko candle takes and the maximum a green bar can grow is 30 minutes (you can change the settings for more). I have put a horizontal red line on 5minutes, so if the green bars and renko candles closes below the red line, it is probably an untradeable scenario and not actually a tradable setup.

Check the images below for some illustration.

A Healthy Tradable Scenario, Because the candles took more than 5minutes and are above the red line.

An Unhealthy Untradable Scenario, because the green bars are below the red line which indicators the candles closed too fast, This was the NFP news movement and hence you really would not be able to call this a setup or trade it.
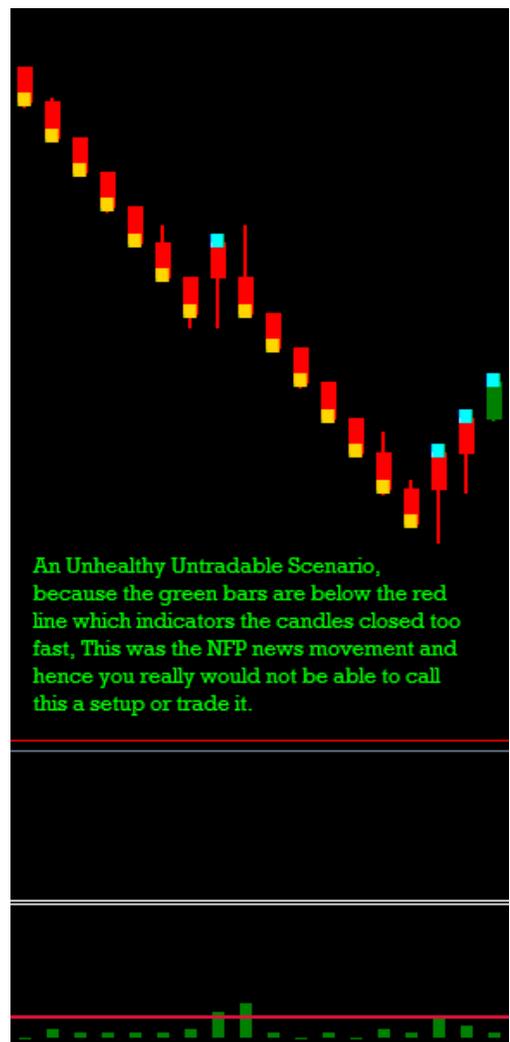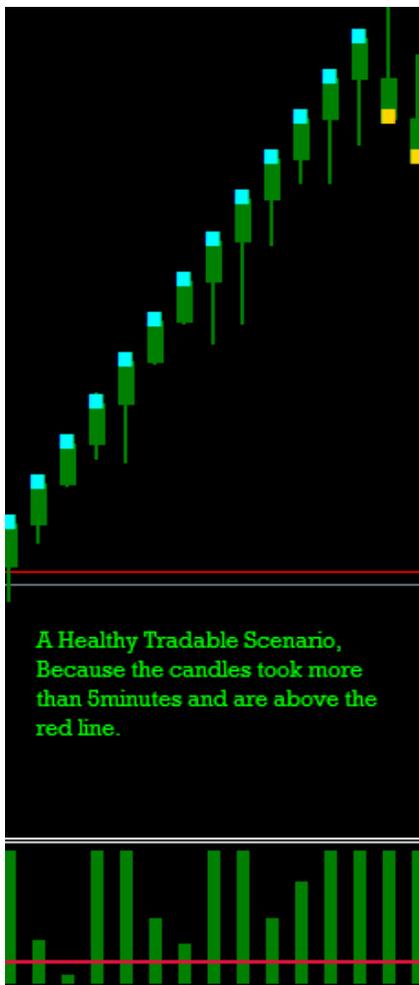
Miscellaneous Indicators

New Candle Alarm – This will send a sound and popup box alarm each time a renko candle closes.

MM Price THV – This will show the price of the currency, Green means going uptick and red means going downtick. I have modified this indicator so it shows you 4-digits even on a 5-digit broker which is convenient to see.

Candle TIME THV – This indicator will show you the time left for the candle, This indicator will basically go into negative time on the renko chart, you just need to disregard the – sign and add 2minutes to the number your seeing, That would basically be the amount of time the renko candle is currently taking.

SweetSpots – This is a custom Price based Grid that shows you level of price, like 100 levels and 50levels. 100 levels are in Blue horizontal lines and 50levels are in olive horizontal lines, 100 levels means for example EURUSD at 1.5000 and 50 levels means for example EURUSD at 1.4950 (Please note that I am using a 5-digit broker, so if you're using a 4-digit broker you would need to change the values in the indicator to match)

Optional Stuff

Probability Meter – This indicator will show you the strength and weakness between each currency and also show you which way 21 indicators across all time-frames are pointed and the combination of all this to generate a probability Percentage which is quite helpful to decide which way to trade, But please do not follow this indicator blindly its just to be used for additional Information.

Renko Script– This works the same way as the RenkoLiveChart_v3.2 EA to generate a renko chart and feed data from the 1minute chart, except that you can use it to plot renko charts even on weekends when the market is not moving, because the Renko EA will only function when the market starts to move, The script can also be used for back testing purposes like back testing a Renko EA or back testing a renko manual strategy on the trading simulator.

Trading Simulator – This Is a trading simulator that simulates the market so you can test your manual trading strategy on metatrader.

The Optional Stuff are copywriter material and hence I will not be able to share it openly on the forum or on the web, If you need these Optional Stuff please send me an e-mail from the forex-tsd forum and I will be able to send it to you.

RULES

Buy Rules

1. Make sure the candles are green in color
2. Make sure the MA_in_applied price is blue
3. Make sure the candles are broken out of the 2 Moving Averages channel
4. Make sure the MACD is flipped Up and Signal is Green
5. Enter a Buy and place the stoploss on the other side of the 2 moving averages channel.
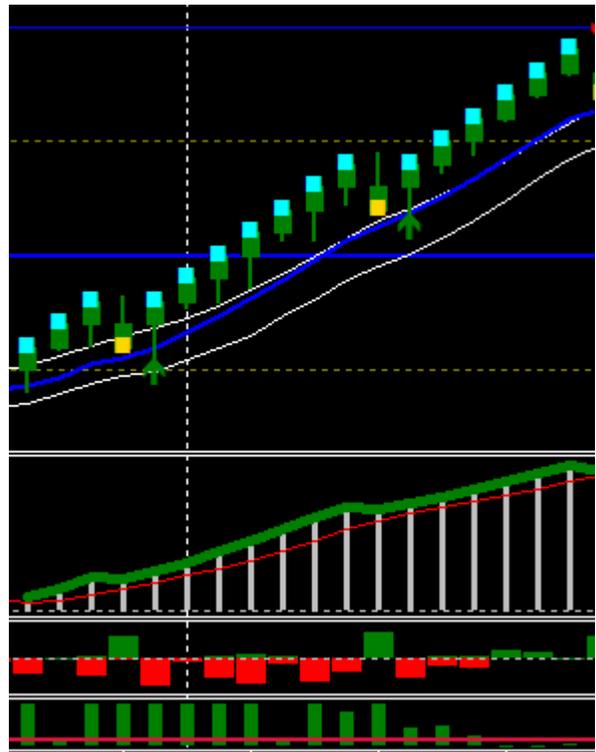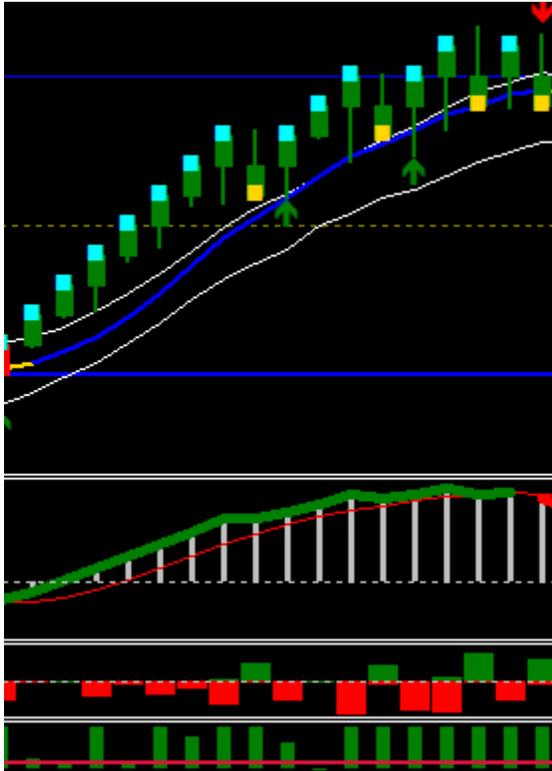
Sell Rules

1. Make sure the candles are red in color
2. Make sure the MA_in_applied price is red
3. Make sure the candles are broken out of the 2 Moving Averages channel
4. Make sure the MACD is flipped Down and Signal is Red
5. Enter a Sell and place the stoploss on the other side of the 2 moving averages channel.
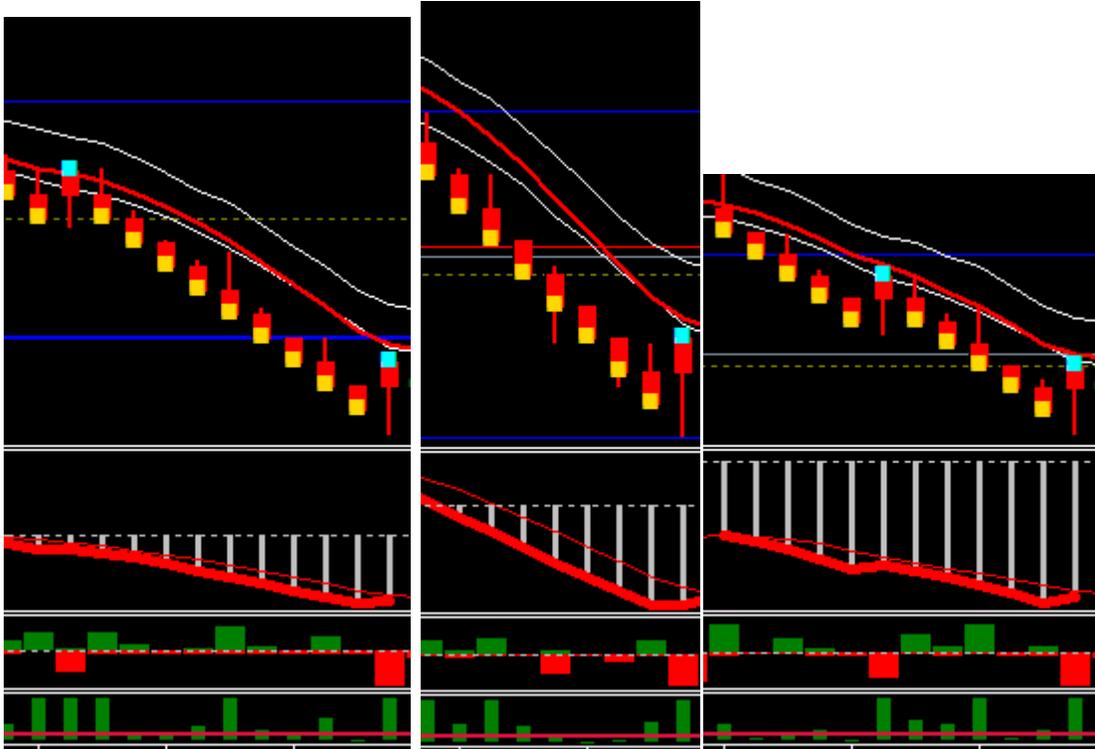
Final Words

This System has brought to me a new hope in life of making enough money for a forex retirement someday. I have made a lot of success ever since I discovered the renko and started using it. I must Frankly let you know that just like any other system or strategy, This is not a 100% winning system or a holy grail thing, there will be losers here n there and moreover, I and the use of this system has put full focus on getting the best entries, It is still flawed in the department of finding the perfect exit strategies, I still have to come across someone or something that knows the perfect exit strategy and exit timings. This is as fool-proof as possible manual trading system today. Anyways I welcome you all to the world of making easy pips from forex and I am sure you will end up consistently profitable even in the long-term from the use of Renko Ashi 2.

Money Management, I'd always recommend that go very easy with it using this system, I would recommend like no more than 5% and a maximum of 10% if the probability is high. Keep compounding on the lot size as the balance grows, by 5% in lot size, you will be amazed that how in like 10,000-20,000 pips you could make it to millions just by increasing your lot size by 5% of your growing balance. Also I would like to suggest that do not put pressures on your trading with daily goals like trying to make 100 pips everyday by forcefully trading, That is not how you do long-term survival business in forex, Just wait for the right setup whenever it happens and take what the market can easily give you, keep repeating this over and over again till success.

I would recommend only using the renko ashi 2 system on the following pairs

EURUSD, GBPUSD, AUDUSD, NZDUSD, USDCAD, USDCHF, USDJPY, EURJPY, GBPJPY, AUDJPY, CHFJPY, CADJPY, GBPCHF, EURGBP or any forex pair that has a spread of less than 10 pips is just fine.

Please make sure that you are aware of the major sessions for the pairs you trade and to make sure of the newsbreaks and events for each of the pair by using an economic calendar. You can use this calendar located at forex factory, http://www.forexfactory.com/calendar.php to check on events for your currency pairs. You can also use a timezone clock and install an alarm to check up on sessions for the pair your trading, The one I'm using is a free forex clock available on the web, http://qlock.com . For Example EUSUD only starts to move a lot after 7GMT when Frankfurt in Germany is open and GBPUSD only starts to move a lot at 8GMT when London in UK is open and USDJPY only starts to move a lot when Tokyo is open and vice versa for other pairs. Please also pay attentions to these two important days of the week, its probably usually the only times you could make a hell of a lot of pips, that is when the week starts on Monday, Monday markets really move a lot, sometimes enough to make your weekly target and Fridays when the market ends there is usually a big movement to make a lot of pips, so keep your eyes peeled on Mondays and Fridays.

You can discuss or research more about the Renko Ashi Trading System 2 In the following forum topic at forex-tsd

http://www.forex-tsd.com/suggestions-trading-systems/21823-mr-nims-renko-ashi-scalping-system.html

Finally I have planned to open up a Skype Room Dedicated to Renko Ashi 2 Traders where you can chat, have fun and trade together this great system. You may add me at skype ID: mr-nims

Recommended Broker

This is the best Broker on the Internet I've found so far, It has over 150 Currency and 500 CFD to trade Low Spread on all pairs and leverage of 1:500 or 1:1000
The best part is that its a GMT Broker so its very easy to trade sessions as you candles are on GMT Timezone
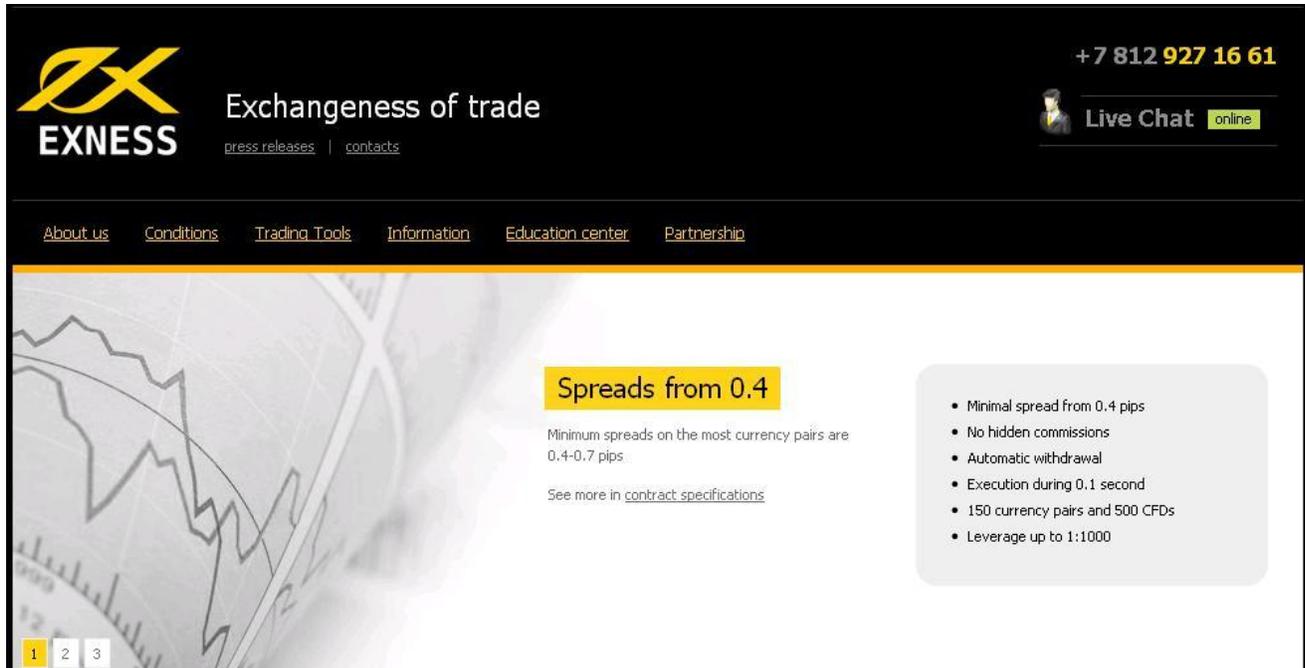
https://www.exness.com/a/2705

And there may be many more MT4 brokers with good spreads and trading conditions, you will need to hunt them yourself, This is just the brokers I have been using since 3 years with no problems absolutely.

Risk Disclaimer

Trading in the Forex market is risky, you can lose partially or even completely all your funds in the forex market, Please make sure you are in sound financial condition and in light to accept any risk before trying to trade with live money. I will not be held liable or responsible for losses from the use of my trading system, Please trade my system at your own risk. Thank you.