**DTO (Defi The Odds)**

**Trading strategy bible**

*The following document will act as the overall rules and strategies for the bot.*

*Some of the concepts might be general information and might OR MIGHT NOT help but might provide an idea for something that can enhance or perfect one idea or another.*

General rules

Market follows BTC and ETH

Model can anticipate movement by following BTC general trend or movement.

We trade with the trend – ONLY UP no side trends – no down trends

**Trading**

***INDICATORS***

**We will be using a few indicators to verify a STRONG Buy/Sell/up or down trend signals**

**MACD** – Macd has 2 lines crossing a center line (0)

BLUE LINE - MACD

ORANGE Line - signal

When the Blue line crosses and OVER the orange line UNDER THE 0 mark BUY signal should start looking at the rest of the indicators to confirm how strong the movement is.

As long as the Blue and the orange lines are running along the top of the 0 line we are in up trend.

When the orange line crosses and OVER the blue

line UNDER THE 0 mark BUY signal should start looking at the rest of the indicators to confirm how strong the movement is.

As long as the Blue and the orange lines are running along the top of the 0 line we are in up trend.

**RSI** – RSI runs up and down and provides us with tops and bottoms (High and low)

RSI lines go up and down with the peaks and bottoms representing the maximum a trade will go to either the top or the bottom

The two lines across run 70 and 30

If the line goes over the 70 mark we are heading to a top (HH)

If the line goes under the 30 mark we are heading to a bottom (LL )

When the line curves and become a pointy corner

That should be added to our STRONG BUY Signal

THIS IS THE BETTER WAY TO READ IT

Another way to use the RSI – is with a single 50 line –

Anything under the 50 line is down anything over is up

**STOCHASTIC** – Stoch is a movement indicator that allow us to identify power of motion CHANGE THE SETTINGS TO 5/2/3

There are two dotted lines that run across close to the top and the bottom

There’s an orange and blue line running up and down

The bottom bottom is consider to be ZERO 0

The top top will be considered to be ONE HUNDRED 100

The motion is calculated from 0 to 100

There is no meaning to crossover of the lines

When the two lines go under the bottom dotted line means we are at the bottom of the trade and the trade will likely reached its bottom or continue going down

If the two lines has reached over the dotted line and start going sideways means the trade have reached the max top and will likely end at that top

As long as the two lines are within the middle range they are defining the motion up or down

This can help us figure out TREND – and TRADE if we reached the top, if we are still moving up or down.

**EMA – 20 – 50 - Green RED**

These two lines allow us to identify A BUY and SELL signal

If these lines cross where the Green 20 is over the 50 red That is a strong buy signal

Once the 50 red crossed the 20 green and moved to the bottom under the red that is a strong sell signal

More important then buy and sell signal it’s the streingh of the motion if the 20 and 50 are up or down wide open in between them

**EMA – 100 – 200 Purple BLUE**

These 2 lines allow us to identify trend

If the 200 line is over the 100 line we are in a downtrend (or sideways)

If the 200 line is over the 100 line we are in an up trend (or sideways)

The 200 line is a strong indicator of the direction of the market

200 line over the candles down trend

200 line under the candles down trend

**VWAP** – The Vwap indicator allow us to find the resistance on a chart

If the line goes under the candles we are no longer pushing upwards

If the Vwap line is over the candle we are moving downwards

**HMA LINE** – A line that runs along the trade that provides us with a clear motion of the trade

***INDICATOR COMBINATIONS***

*(These are here to support the current strategy you already have, you may, or may not add any of the following to the strategy we will use)*

**The following indicator verification can take place to verify a buy or a sell (long or short)**

To get into a Buy (long) the following need to take place :

**TREND** – Up trend can be verified using the :

200 EMA line - running under the candles not over

HMA Line - running under not over the candles

VWAP line –

Entry To Buy – Version 1

RSI is over the 50 mark

MACD is over the 0 line crossing blue on top of the orange

EMA the 50 is over the 100 crossing it

EMA the 200 is under the candles

Buying confirmation

EMA 20 and 50 crossing each other and staying wide open

For Buy and or sell

Entry To Buy – Version 2(this is good when the trend reverses) Strong buy

RSI is Forming a down arrow far under the 50 line

MACD blue line has formed an arrow downwords

STOCH bottom down all the way either under the bottom dotted line or on it

EMA the 50 line crossed the 200 line

Exit a trade SELL – Version 1

RSI Line is dipping into (under) the 50 mark

MACD Crossover Orange is over the blue

STOCH is showing downwards movement