Peaky on Steroids User Guide

Introduction
Peaky is an accurate automation of the manual trading method I developed from ncoyte's teaching in the Daily Forex Circle. Read about DFC at [Introducing Captain Jack's Naked Premium Service](). Read my 100% endorsement of the service in post 2 and give serious consideration to joining. ncoyte (KJ) will teach you how to trade manually, simply and successfully. Peaky is not an automation of ncoyte's trading, so learn from the Master.

Peaky on Steroids is a multi-pair, multi-timeframe implementation of Peaky. The next section of this guide describes how Peaky trades. Read it to fill in the background if you do not already know how she trades, or skip to the "Peaky on Steroids" section if you do.

The Original Peaky
We have all heard the saying, "Buy low and sell high". This applies to any trading that is profitable. DFC taught me how to apply this to Forex charts. I now know which direction the market is heading on any given time frame, and where and why markets will stall and reverse temporarily. I trade the H1:
- Zoom the chart out to its fullest extent.
- Close down any windows on the left of the screen. Chart width is vital. Chart depth is irrelevant.
- Change the chart to line mode to cut out spikes.
- Spot the highest high and the lowest low. We call these the Peak High (PH) and Peak Low (PL):
  - The market direction is down if the PH is later than the PL.
  - The market direction is up if the PL is later than the PH.

We see immediately the direction in which we should be trading but we only trade from the peaks and take the first few pips available. I trade this on the H1 and my take profit is 100 pips.

The markets move in predictable cycles and will move from PH to PL and back again over and over again. They will reach a new PL from a previous PH, and vice versa, *eventually*. This is inevitable but *eventually* might be a while coming because each individual cycle is taking place within a higher time frame cycle. So, the H1 cycle is within the H4 cycle, which is within the D1 cycle, which is within the W1 cycle and so on.

Each cycle *will* complete *eventually*. The higher the time frame, the longer it will take to complete. Within that higher time frame cycle, the lower time frames will complete cycles of their own over and over again. Perform the zooming operation on the monthly and see how long the cycles take to complete there – years.

So you can understand that just because the market has reached a new PH on my fully zoomed out chart and will fall *eventually*, does not mean it is going to fall *now.* The market is following higher time frame cycles, so the market can, and often will, continue upwards on its inevitable journey to the higher time frame PH.

Here is where Sixths enter the picture. This is something that Nanningbob taught us a few years ago:
- Divide the chart into Sixths.
- Sell from the top Sixth back towards the middle.
- Buy from the bottom Sixth back towards the middle.

Peaky extends this slightly by encouraging us to calculate the Sixths over a much larger number of candle. Many of us were unsuccessful trading the way Bob posited – I even coded an unsuccessful EA. Some traders did well and I suspect they were the ones that had found the missing link – the number of candles to use to measure the Sixths. The more candles involved, the more likely a trade is to succeed.

Here is how Peaky trades. She:
- Draws solid PH and PL lines on the chart.
- Draws dotted yellow lines that delineate the top and bottom Sixths.
- When the market is at the top, sends a sell stop order 20 pips (a user input) below the dotted line.
- When the market is at the bottom, sends a buy stop order 20 pips (a user input) above the dotted line.

Here is a EURJPY H1 chart showing the Sixths that Peaky draws, and a current sell stop order in place:

You can see the current PH. Look back a few bars and you will see the previous PH. There is only a tiny difference between them, so the three grey rectangles roughly mark the spots where Peaky would have placed sell stop orders. The take profit line is hard to see, so I have marked it with a label.

The first sell stop filled and hit its TP within hours. The second filled but did not immediately hit TP; instead the market reversed back into the top Sixth. Remember that each time frame cycle is itself within higher time frame cycles; it holds within its own cycle all the lower time frame cycles. Here, there was an M5 long cycle completing, so the market had to rise before it could fall again.

That second trade eventually hit its TP. That is 200 pips so far. The market retreated inside the top Sixth again, so Peaky has obediently sent a third sell stop order – the third rectangle.

Now imagine this scenario: the market has entered the top Sixth, so Peaky obediently sends a sell stop order 20 pips below the dotted line. The market continues to rise as it

completes a leg on a higher time frame cycle. It forms new PH's that would leave the sell stop behind, looking rather silly and feeling ashamed of itself. Peaky adjusts the stop order's fill price at regular intervals, so the price retains its 20 pip relationship with the dotted line – I call the line the trading line in my own head.

There is another scenario that is inevitable – cycles within cycles within cycles, remember. The market enters the top Sixth and Peaky sends the sell stop. The market falls and the order fills. Then the market rises again, forming new PH's on its merry way to completing a HTF cycle or leg of a cycle. The market trade gets left further and further behind. There is the option to tell Peaky to send fresh sell stop trades at a pips interval of your choice. The market *will* fall eventually. *Eventually* might be a while but it *will* happen. The intervening stop orders will fill and the pips harvest will be huge.

Stop loss. Expert traders and those of us who have benefited from ncoyte's training already know what I am about to write. The rest of you will have to think about it, so remember; cycles within cycles within cycles. A cycle on one time frame will be part of a leg in the opposite direction of a higher time frame. It is possible to be buying and selling on different time frames on the same pair. **USING A STOP LOSS KILLS THIS TRADING STONE DEAD.**

Look at the first two trades from earlier. The sort of SL that most traders would use in relation to the TP of 100 pips would both have been hit. There would have been two losers instead of two winners. Peaky is not for you if you have the emotional need of a stop loss any other than a dire emergency stop of several hundred pips to guard against a Black Swan event. This is not up for discussion and any attempt to do so in my thread will result in the poster losing posting rights.

There will be times when Peaky will test your patience. Patience is required when trading like this.

A quick note about Forex brokers
The use of 'criminal' in my forum to describe the brokers, is only semi-humorous. The behaviour some of these cowboys is shocking. Use of 'criminal' or 'crim' in this document refers to these people.

Note that it **does not** apply to Global Prime, who are scrupulously honest. Global Prime is not only SHF's 'official' broker; it is *my* broker and I do not bother even to have nightmares about trading through any other firm. Read this post to discover why: Why you should sign up with Global Prime

Peaky on Steroids

I wrote in the first part of this guide about cycles within cycles within cycles...... The markets move in cycles. Each cycle repeats endlessly on all time frames. Peaky trades only in one direction on one time frame. Mine was the H1. The first thing we all found was that we would be trading opposite direction cycles on lower time frames. Here is why. Look at this picture, GJ H1:
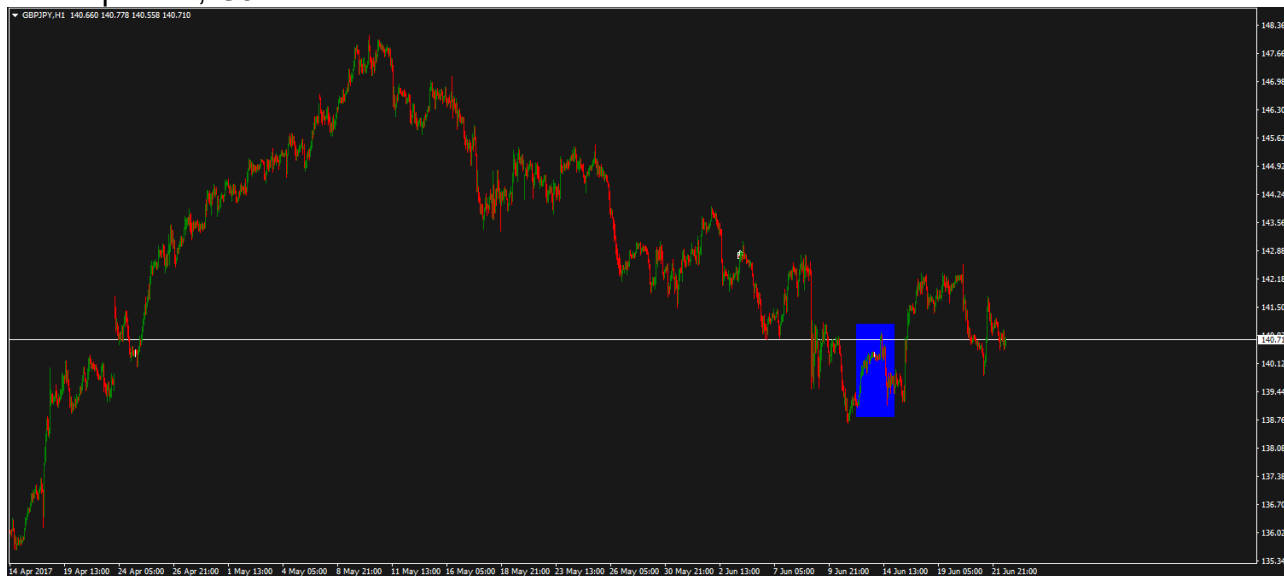
The market is moving down from its peak high. I would long ago have snaffled (and did with a live manual trade) my 100 pips take profit and be awaiting the next peak low. Traders happy to hold their trade until the next PL would be lots and lots and lots of pips to the good yet crying at every retrace and the swap costs. Not to worry; they will profit big time and soonish.

You can see many moves back upwards during the long fall. We call these 'retraces'. It occurred to me that these retracements could be one, or even several, of the cycles within cycles. The blue rectangle highlights a retrace.

Here is the same pair but on the M5. The blue rectangle is the one I drew on the H1, extended slightly:
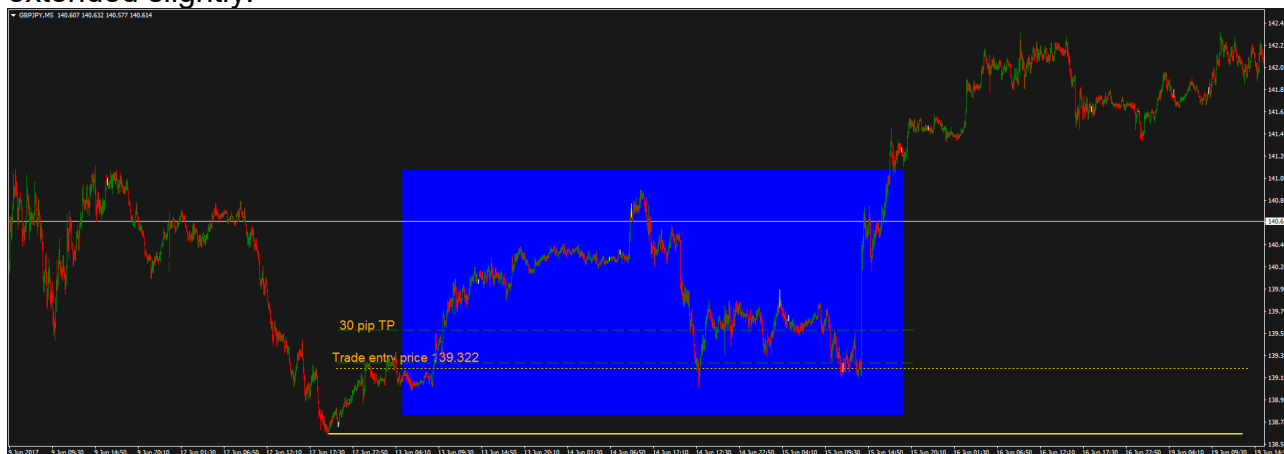
Here the market emerged from the trading area and hit tp quickly. It fell back into the trading area three times more. Peaky would have sent buy stops on two of those occasions, both of which hit tp - look over to the just past the middle of the box and then to right. That is +90 available both to me as the 100 pip tp guy, and to the hundreds and

hundreds of pips guy, now laughing all the way through the retrace.

It gets getter still. We know the market is eventually going to a new PL. The retrace will end. Here goes:

Here the market emerged from the trading area and hit tp quickly. It rose back into the trading area three times more. Peaky would have sent two more sell stops on two of those occasions, both of which hit tp - look over to the just past the middle of the box and then to right. That is +90 available both to me as the 100 pip tp guy, and to the hundreds and hundreds of pips guy, now laughing all the way through the retrace.

That is +180 where I would not have been trading at all and the longer term guys would have been gritting their teeth through the retrace and snarling at the swap costs.

You can repeat this exercise for yourselves to see the power involved:
• Pick a higher time frame and see which direction the market is moving.
• Highlight a recent retrace - has to be a recent one or the lower time frames will not have enough bars on their chart to show your highlighted box.
• Change time frames until you find one with a peak inside your highlighted box and see how many pips you could have made during the retrace.

Peaky on Steroids is:
• A multi-pair bot so we do not need hundreds of charts open. Load her onto a single chart and let her do her thing.
• Capable of trading 4 time frames per pair. You could be buying and selling the same market at the same time. Retraces will be a thing of beauty, not of pain.

The Peak HiLo Indicator
Use this if you want to see a chart as PoS is seeing it. Load up a chart, drag the indi onto it, make sure the time frames are the same as those you are trading with PoS and cycle through the time frames to see what PoS is 'seeing'.

Here is a handy tip for you: drag a trade onto a chart and the chart will automatically change to that of the trade – saves loading up lots of different charts.

PoS Inputs

Enter all pip inputs as pips. Forget the x digit crap so beloved by the crims; my EA's all convert your pips into the points required by your crim. We are indebted to Lifesys for the code.

- **General Inputs**
    - **Pairs to trade:** this is a list of the pairs you want to trade. Each one is separated by a comma. There is no need to add pair suffixes if your broker has one – Peaky should take care of this herself. Contact me if not.
    - **EventTimerIntervalSeconds:** PoS does not wait for a quote before leaping into action as single pair traders such as Peaky does. It would make no sense to have a multi-pair trader wait for a tick on one particular chart. Instead, she as an OnTimer event that does all the calculations when this function is called. EventTimerIntervalSeconds tells PoS how long to wait in between calling the function; the input is in seconds, so the default is 10 seconds.
    - **BrokerAllowsHedging:** this is for US traders whose crim has not worked out a way around the ludicrous US trading restrictions. Some have, by using a computer programme that lumps all individual trades into one single position at the back end, invisible to the user. US victims, if your crim has not done this, then find one who has. This input stops PoS from trying to send sell trades when she already has an open buy on a different time frame, and stops buying if there is already a sell trade open.
    - **MinimumMarginPercent:** this is to prevent over-trading taking your margin level down to dangerous levels and so risking a margin call. PoS will send no more trades once your margin level reaches this point. Set it to zero to turn the safety feature off all together, but on your head be it if you do.
    - **TradeLong:** for our friends in the US. This allows them to disallow long trades.
    - **TradeShort:** for our friends in the US. This allows them to disallow short trades.
    - **MaxPairsAllowed:** this is a filter to help avoid over trading. It tells PoS how many individual pairs are allowed to be trading at any one time.
    - **PostTradeAttemptWaitSeconds:** the time in seconds to wait after attempting to send a trade, before looking for the opportunity to send another. This combats a spectacularly nasty trick played by CrapT4 when it was written back in the days when the more criminally-minded of the crims and the Cretins at Crapperquotes were in cahoots. That these bastards now loathe each other is a cause for great satisfaction on my part. Here it is:
        - An order sent to the broker's server appears in the platform's trading window immediately. The trader assumes that all is well.
        - He trade does not not appear in the platform's memory until it receives a 'return receipt' from the broker's server. There can be a delay in this receipt turning up – often a substantial delay.
        - This does not matter to a manual trader, but here is what happens to an EA trading instant market trades at every tick:
            - EA finds a trade trigger, yells, "Yippee. Time to party," and sends a trade. The receipt is delayed.
            - Along comes the next tick. The EA has done its checking and 'knows' there is not already an open trade – the trade is not in that section of the platform's memory that holds ticket numbers etc because the return receipt has not arrived. Obediant EA spots the trade trigger, jubilantly yells, "Yippee. Time to party," and sends a trade.
            - And again.

- And again...................................
- You have seen how many ticks a fast moving market can generate within just a few seconds. A trader can leave the platform for a few minutes and arrive back to a blown account when several hundred market trades were placed, all went into instant draw down and bled the account dry.
- **Trading time frames:**
  - There are four of these with identical inputs apart from the trade number identifiers Trade1.... Trade2.... Trade3.... trade4.... I shall describe the Trade1 inputs here. You apply this to the other time frames:
  - **ChartDivisor:** This is common to all 4 time frames. one Sixth of the chart = (Peak High – Peak Low) / ChartDivisor. The default divides the chart into sixths. An input of 4 would divide it into quarters and so on.
    - **TradeTF1:** trade this time frame.
    - **Trade1TimeFrame:** the time frame you are trading this group of inputs.
    - **Trade1NoOfBars:** the number of bars over which to calculate the PH and PL. If this is greater than the available bars, PoS alters the input to the maximum available.
    - **Trade1BufferPips:** this is the distance outside the trading area to place your stop orders. I suggest that the higher the time frame, the bigger this input should be, but the defaults are pure guesswork.
    - **Trade1MagicNumber:** this identifies which trades belong to which time frame. This is essential knowledge for PoS, so the four magic numbers *MUST* be different.
    - **Trade1TradeComment:** this is to help you identify which time frame generated a trade. This will aid gathering information about results on the different time frames. PoS uses the trade comment during the function that checks to see if a trade needs to be closed. It uses the comment to identify which time frame generated the trade. **YOU MUST NOT** alter the trade comment once there are open trades. PoS will be exceptionally rude to you if you do.
  - **Lot sizing:**
    - **Trade1Lot:** your chosen lot size. Make sure your lot size is acceptable to your criminal.
    - **Trade1LotsPerDollopOfCash:** you can have your lot size automatically calculated at this lot size per amount of cash in the account balance or equity. The default settings would deliver 0.01 lots per $1,000. A zero input turns this feature off.
    - **Trade1SizeOfDollop**: the cash increments used.
    - **Trade1UseBalance**: use the account balance for the calculation.
    - **Trade1UseEquity**: use the account equity for the calculation.
      - Example of use, choosing the equity:
        - equity = $2133.56
        - LotPerDollopOfCash = 0.01.
        - SizeOfDollop = $1,000.
      - Calculated lot size is 0.02.
  - **Closure:**
    - **Trade1TakeProfitPips:** your 'hard' take profit.
    - **UseSixthForTrade1TakeProfit:** this tells PoS to use the value of one Sixth as a take profit.
    - **Trade1StopLossPips:** your 'hard' stop loss. I do not recommend using a

stop loss.

- **UseSixthForTrade1StopLoss:** this tells PoS to use the value of one Sixth as a stop loss. I do not recommend using a stop loss.
- Trade1PositiveSwapTradesOnly: this tells PoS to trade only when the swap on the trade will be positive. Trades can be open for a long time and negative swap causes pain. This also cuts down the number of potential trades – another help to avoiding over-trading.
- **Trade1CloseOnOppositeSignal:** this allows you to disable trade closure when the latest peak indicates that you should be trading in the opposite direction. This is most likely to be helpful on the lowest time frames. For example, imagine you have a buy on the M1:
  - The market moves against you by 100 pips and you have MarketDistancePips (fill the gap inputs next section down) set to 50. You will have an open buy at -100 pips and a buy stop waiting to fill at 50 pips above the market price.
  - The market rises and fills the stop order so you now have two market trades open. The M1 range is narrow and the market may now be at a peak high. This might not be a good place to close those sells – better perhaps to wait for the market to rise again at some point in the future. Lower time frame candles hurtle up and down like a demented elevator and we can use this to our advantage.
- **Recovery:** imagine this scenario:
  - You have a buy trade open.
  - The market drops 100 pips and PoS has left a buy stop at the buy trade open price minus MarketDistancePips (next set of inputs down).
  - The market rises and fills the stop order. We have two market trades.
  - The market falls another 100 pips (yep, it happens) so PoS leaves another buy stop order.
  - The market rises again and fills the stop order. We now have 3 market trades:
    - Trade 1 is -100 pips.
    - Trade 2 is -50 pips.
    - Trade 3 is at 0 minus the spread.
  - Now imagine the market rises 50 pips:
    - Trade 1 is -50 pips.
    - Trade 2 is at breakeven.
    - Trade 3 is at +50 pips.
  - .We are at break even over the group of trades and can close without loss, or at worst with a tiny one from commission, spread and swap. That is what Recovery is all about, and is a modified version of Bob's 10.x teaching. The inputs are:
    - **Trade1UseRecovery:** turns this feature on/off.
    - **Trade1TradesToConstituteRecovery:** the number of market trades that need to be open before PoS considers the position to be in need of Recovery.
    - **Trade1RecoveryProfitPips:** no need to suffer the pain of Recovery without some reward, so this input tells PoS how many pips profit to lock in before closing the group of trades.
- **Trade1 Basket Trading:** this allows PoS to treat each time frame's trades as members of a 'basket' of trades, and close them at your choice of profit

target:
- **Trade1AsBasket:** turns this feature on/off.
- **Trade1BasketCashTarget:** a 'hard' cash profit target.
- **Trade1BasketCashPercentageTarget:** sets the profit target as this percent of the account balance.

- **Individual trade management:**
  - **Breakeven :**
    - **Trade1UseBreakEven:** turns this feature on and off.
    - **Trade1BreakEvenPips:** the number of pips profit at which to move the stop loss to breakeven.
    - **Trade1BreakEvenProfitPips:** some pips to lock in by setting the stop loss at order open price +- Trade1BreakEvenPips.
  - **Jumping stop:**
    - **Trade1UseJumpingStop:** turns this feature on and off.
    - **Trade1JumpingStopPips:** jump the stop loss whenever the stop loss whenever there are this many pips in between the stop and the market.
    - **Trade1JumpAfterBreakevenOnly:** you would use this if you wanted PoS to move the stop loss to breakeven using the Breakeven feature, before initiating the jumping stop.

- **Fill the gap inputs:** This group of inputs are telling Pos to follow a market that has filled a stop or limit order before continuing in the wrong direction for the trade. PoS will leave stop orders at (MarketDistancePips / 2) pips behind the market price. The purpose is to cash in on the inevitable reversal.
  - **FollowAdverseMarketWithStopOrders:** tells PoS to place the stops as the market moves against our market trade.
  - **MarketDistancePips:** tells PoS how far the market must move before sending a stop order. The order will be a half way between the most recent order open price (market or stop makes no difference) and the current price.
  - **MaxTradesAllowedPerTimeFrame:** this is the maximum number of trades per per time frame that PoS is allowed to send. The default is 6, so if you are trading all four time frames then your maximum no of trades per pair is 24. If MaxPairsAllowed is set to its default of 5, then that gives a potential of 120 trades on the platform.

- **Whole position basket trading:** you have the option to treat every trade on your account as a member of a basket of trades, regardless of the origin of that trade. Time will tell whether this is helpful or not.
  - **AllTradesBelongToBasket:** tells PoS to treat every trade open on the account as a basket member.
  - **BasketCashTakeProfit:** a hard cash take profit figure.
  - **BasketCashPercentageTarget:** tells PoS to calculate the BasketCashTakeProfit as a percentage of the account balance. As your balance grows, so will your lot size if you are using dynamic lot sizing, and so will the basket cash take profit.

- **Rollover time:** 'Rollover' is a period of a couple of minutes where the criminals apply their Swap. Spreads typically go wild during this period and you *really* do not want to be trading during it. It is best to allow some extra rollover time as it can take a while before swaps return to normal.

- **Chart feedback display.** The shells place information about the EA's inputs on the chart. You have the option to use the general Comment text, which you cannot personalise, or the text function provided by Paul Bachelor (lifesys) at SHF.

- ○ **ShowChartFeedback:** this allows you to turn the chart display off. PoS still displays the header as this includes the clocks. Their function is to show that PoS is still working; she has stopped if the local time display has stopped for more than EventTimerIntervalSeconds.
- ○ **DisplayAsText:** tells the EA to use Paul's display function. This puts text into labels drawn on the chart; these sometimes split words and so sometimes appears a little strange.
- ○ **KeepTextOnTop:** stops the chart candles from obscuring Paul's text.
- ○ **The remaining inputs** control the start point, font and colour of the text in Paul's labels. Play with these to personalise your feedback.

Disclaimer and Risk Disclosure:

Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. The high degree of leverage can work with as well as against you. Before deciding to invest in foreign exchange you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor should you have any doubts.

I will put this a tad more bluntly:
Most Forex traders lose all their money.
- • Using this EA in trading Forex does not guarantee success.
- • Trading with this EA could lead to serious financial loss.
- • Trading this EA without understanding its underlying trading strategies *guarantees* traders will lose their money.

Good luck. Have fun.