Peaky 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 will teach you how to trade manually, simply and successfully. Peaky is not an automation of ncoyte's trading, so learn from the Master.

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 know 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 htf 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 doted 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 chart. **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.

Limit orders. There is an option to send a sell limit order at the PH price and a buy limit order at the PL price, when the market is outside the Sixths and there are no market orders open.

Open charts. I use my “DFC Dashboard EA” to open and close charts. Read the details after the Inputs section of this guide.

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

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**
  - **TradingTimeFrame:** the chart time frame you wish to trade.
    - The default of zero means the current chart, so changing time frames might muck up the ea.
    - If set to one of the standard chart tf's, the ea will continue to trade that tf

even if you change the chart tf.
    - **Lot:** your chosen lot size. Make sure your lot size is acceptable to your criminal.
    - **RiskPercent:** this tells an EA to calculate the lot size as a risk percentage of your account balance. It uses the pips count in StopLossPips.
    - **LotsPerDollopOfCash:** you can have your lot size automatically calculated 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.
    - **SizeOfDollop**: the cash increments used.
    - **UseBalance**: use the account balance for the calculation.
    - **UseEquity**: 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.
    - **StopTrading, TradeLong and TradeShort:** these allow you to control the trading direction or even stop trading altogether if all you want this EA to do is manage an open trade.
    - **TakeProfitPips:** your take profit.
    - **StopLossPips:** your stop loss.
    - **Magic number and trade comment:** leave these alone unless you know what you are doing.
    - **IsGlobalPrimeOrECNCriminal:** set this to true if your criminal insists on two-stage order-sending. This is irrelevant if you do not use StopLoss and TakeProfit. Remember that IBFX are ECN even though they do their best to hide this fact and stop all their 'valued clients' actually sending any trades; the EA has code to detect IBFX as the crim and set this input accordingly. It will also detect Global Prime accounts.
    - **MaxSlippagePips:** 'slippage' is the price changing in between you sending off your trade and it being accepted by the market maker on the other side of your trade. The trade is cancelled if slippage exceeds this figure.
- **Trading time frame Sixths**
    - **ChartDivisor:** the height of the chart is divided by this to create the Sixths. You can use different sized trading areas by altering this input.
    - **StopOrdersFromInsideTradingZone:** tells Peaky to trade using stop orders as I described earlier, instead of immediate market orders.
    - **PendingTradeBufferPips:** the distance from the dotted line to place the stop order.
    - **LimitOrdersAtPeaks:** tells Peaky to send limit orders at the peaks when the market is outside the Sixths and there are no market trades open.
    - **UseSixthsForTakeProfit:** sets the TP at 50% of the distance between the peaks.
    - This group of inputs are telling the bot to follow a market that has filled a stop or limit order before continuing in the wrong direction for the trade. Peaky will leave stop orders at (MarketDistancePips / 2) pips behind the market price. The purpose is to cash in on the inevitable reversal.
        - **FollowAdverseMarketWithStopOrders:** tells Peaky to place the stops as the market moves against our market trade.
        - **MarketDistancePips:** tells Peaky 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.
        - **MaxTradesAllowed:** this input is a part of all of my EA's, although it is hidden when the bot will definitely trade only once at a time. It is important here. Peaky will not send any more stop orders once the total of stop and market orders (i.e. OpenTrades for the coders) reaches this figure.
        - **TradesToConstituteBasket:** imagine this scenario: the market reaches the peak high and fills the limit sell order then retraces and fills the sell stop order; we are in a healthy profit position and can allow the market to proceed to our take profit. Now imagine instead that the market continues to rise: Peaky obediently leaves sell stop orders behind him - let's say 5; the market finally gets its bloody act together, does what it is damn well supposed to do and reverses; we are in a basic Recovery situation and trading the position as a basket. This input tells us how many trades we need to have open to be in Recovery and so treating the position as a basket. We simply want out and as soon as possible.
        - **BasketCashProfitTarget:** no need to suffer the pain of Recovery without some reward, so this input tells Peaky how much cash profit to lock in before closing the basket of trades.
    - **NoOfBarsOnChart:** this allows you to set the period over which Peaky calculates the PH and PL.
    - The next three inputs allow you some control over your chart display. Play with them. They are PeakHighColour, PeakLowColour, PeakLineSize.
    - **Zoom_Level:** this tells Peaky how far out to zoom the chart when she has calculated and drawn the Sixths lines.
- **Safety features**
    - **PostTradeAttemptWaitSeconds:** one of three functions designed to fight the worst excesses of CrapT4. Peaky will wait for a default period of 10 minutes after attempting to send a trade before contemplating sending another. She waits for this period of time whether the order send was successful or not.
    - **MinMinutesBetweenTrades:** is the post close sleep period. The EA scans the order history tab for the latest closed trade, and will not attempt to trade again until MinMinutesBetweenTradeshas passed.
    - **MinMinutesBetweenTradeOpenClose:** occasionally, a strange concatenation of coding bug, poor logic or criminal behaviour by your market maker will cause trades to open then close immediately for the loss of the spread. This can occur hundreds of times, draining your account. The EA scans your platform's History tab and triggers a 'rogue trade' event if it finds a trade that has opened and closed within MinMinutesBetweenTradeOpenClose. You will hear an alert and the EA will show a flashing message that says, " ********** ROBOT SUSPENDED. POSSIBLE ROGUE TRADING ACTIVITY. REMOVE THIS EA IMMEDIATELY ********** “
- **'Stealth technology'** **T**he EA can hide your real stop loss and take profit from your criminal:
    - **PipsHiddenFromCriminal:** the EA sends a 'hard' stop loss and take profit with the trade if instructed to do so by the StopLossPips and TakeProfitPips inputs.. These inputs have PipsHiddenFromCriminal added to them. The EA draws sl and tp lines on your chart at the correct values, and closes the trade when one of the lines is crossed. It will respond appropriately if you move the lines manually.
- **The Moving Average:** Nanningbob's trend detection filter. I have included it because it is popular but do not use it myself.

    - Works like this:
        - time frame = H4: Period = 240: applied to the Open price.
        - Market > the the MA: buy trades only.
        - Market < the the MA: sell trades only.
    - **MaTF**: Moving Average Time Frame. Defaults to H4.
    - **MaPeriod**: Moving Average Period. Defaults to 240.
    - **MaShift**: for highly specialised use and will rarely be visible.
    - **MaMethod**: Moving Average Method. Defaults to LWMA.
    - **MaAppliedPrice**: Moving Average Applied Price. Defaults to Open.
- **Trading hours.** This is fantastic functionality provided by Baluda.
    - Sort these out for yourself, using the information here. *Never* ask questions about it in my threads. You will regret doing so should you ignore this warning.
    - use the 24 hour clock format.
    - Enter trading periods in your own local time. Forget broker server time and GMT offsets.
    - Enter as many trading times as you want:
        - precede trading start times with a '+' e.g. +08.00
        - precede trading stop times with a '-' e.g. -13.15
        - separate each value with a comma. **Do not leave spaces.**
        - An example. Imagine you want to trade between 7 and 11 am and 1 and 5.30 pm, your input will look like this:
            - +07.00,-11.00,+13.00,-17.30
- **Trade balance filters:** these help you to avoid entering trades that could prove detrimental if the market turns against you for a particular currency, and to avoid entering trades at news-release times.
    - **UseZeljko:** named after Zeljco who corrected the code for this filter and made it work. This filter ensures 'balanced' trading. The easiest way to describe it is to use hypothetical trades. Imagine that:
        1. this EA buys GBPUSD.
        2. this EA buys GBPJPY. You are now heavily exposed to GBP.
        3. Something unexpected happens (and something unexpected *always* happens in Forex) and the pound plummets, dropping like a stone into the abyss. Both your trades scream into huge drawdown.
        4. To avoid this, having taken the GBPUSD trade, this EA will not buy another GBPxxx pair. Imagine instead that a Sell GBPJPY trade arises, just before the market plummets. This time, your GU trade is screaming into the abyss, but your GJ trade is going stratospheric. One trade 'balances' the other in the event of something dramatic happening.
    - **OnlyTradeCurrencyTwice:** works in conjunction with UseZeljko. Again, imagine the above scenario nos 1 & 4. Now you have a GU Buy and a GJ sell open – perfectly balanced trades. If you now further trade any pair involving GBP, you will unbalance your trading again, leaving you exposed to unexpected events. This filter prevents a third trade being opened involving GBP.
    - Note: both UseZeljco and OTCT work more deeply than the example I have just given. For example, now you have a GU buy open, balanced trading does not allow a further buy xxxUSD trade to open, only a sell xxxUSD – then OTCT kicks in again..... Got a headache yet?
- **Swap filter:** some pairs have dreadful swap in one direction. This filter allows you to avoid trading pairs in the direction that would cost a fortune in swap. How much relevance this has to a system that could follow a trend for hundreds of pips is open

to debate, but once you have seen one of these adverse-swap pairs hang around going nowhere for a couple of weeks, you will see why a lot of us want nothing to do with them.

- **Margin checks:** these help avoid over-trading by limiting the number of trades that can be opened. this EA will make the calculations before sending a trade and abort if there is insufficient margin to allow further trading. There are two to chose from; the default indicates my preference.
  - **Scoobs** check: scooby-doo is a former pro trader with the big banks; we have benefited hugely from his advice. This filter compares the current account margin with the free margin divided by 100, and aborts the trade if the margin is greater than the result of this calculation.
  - **ForexKiwi** check.ForexKiwi contributed this filter. It looks at the margin percent figure and aborts the trade if yours is less than the figure you specify in FkMinimumMarginPercent.
- **Average spread inputs:** We do not want an EA trading during a stop hunt. To learn about the crim's stop hunting tactics, go to CJ's thread at http://www.stevehopwoodforex.com/phpBB3/viewtopic.php?f=59&t=1572. There is code to calculate the average spread and store it for retrieval every time you restart the bot.
  - The first time you run the ea it will take time to calculate the average spread. The screen will display a message telling you how far into the process it is.
  - **TicksToCount**: the number of ticks to use as the averaging period.
  - **MultiplierToDetectStopHunt**: this multiplies the average spread and pauses the bot if the spread exceeds this.
  - The EA keeps a running tally of the spread and recalculates the average every 500 ticks. The chart includes a display of the average, along with a notification of the widest spread since the EA was last started/restarted.
- **Chart snapshots after opening and closing trades:**
  - The EA can take a picture of your chart when it opens or closes a trade. Use this to take pictures if you suspect that the EA has not behaved as expected. There is a section of inputs just underneath the minimum pips section, with inputs to turn this featureon/ off and to adjust the height and width of the snap. Files are saved with the name "ChartScreenShot" and the ticket number, when the EA opens or closes a trade. Navigate to the files via File/Open Data Folder/MQL4/Files. Remember to delete these files from time to time to avoid clogging up your disk drive.
- **Email thingies**: these features need enabling via Tools|Options on your platform.
  - **EmailTradeNotification:** tells the EA to email you an alert when it has sent a trade.
  - **SendAlertNotTrade:** tells the EA not to send a trade when it discovers a trigger. Instead it will:
    - sound an alert on your platform.
    - Send you an alert via email.
  - **AlertPush:** sends either/both the above alerts and sends a 'push' to the latest mobile devices such as iPad etc.

Trade Management

The remaining inputs are all about individual trade management. Management is a cut-down module from Multi-purpose trade management EA available from http://www.forexfactory.com/showthread.php?t=89371. The full management EA has a wide range of extra features, and there is a User Guide to describe it.

Features included here:

- **Break even settings**: set a break even stop loss after the price reaches the setting in BreakEvenPips. You can use this in conjunction with the Part-closure routine (details later), as well as a stand-alone routine.
  - **BreakEven:** set to true to enable this facility.
  - **BreakEvenPips:** the number of pips you want the market to move in your favour before setting the stop loss to the order entry price, ensuring the trade cannot turn into a loss.
  - **BreakEvenProfit:** will add this to the stop loss to a buy order, subtract it for a sell order. My default of 2 pips means the sl is set to break even + 2, ensuring a minimum of 2 pips profit. Set it to 0 if you do not want this feature.
  - **HalfCloseEnabled:** will close half the trade when the market reaches your breakeven point. It is up to you to ensure that your lot size allows this.
- **Jumping stop loss settings:** this will jump the stop loss by JumpingStopPips when the price moves in your favour by that number of pips. Many traders consider this to be a better option than a straight trailing stop. The first time this option is triggered by the market price, it will set the stop loss to break even. After that, it will increment the sl by JumpingStopPips every time the market moves sufficiently in your favour.
  - **JumpingStop**: set to true to enable this facility.
  - **JumpingStopPips:** the number of pips to jump. For example, my default of 300 works like this:
    - Market price hits order open price + 300: moves sl to break even.
    - Market price hits order open price + 600: moves sl to + 300.
    - Market price hits order open price + 900: moves sl to + 600.
  - **AddBEP:** adds BreakEvenPips to the break even if set to 'true'.
- **Candlestick jumping stop.** This jumps the stop at the close of a candle:
  - **UseCandlestickTrailingStop:** turns this on/off.
  - **CstTimeFrame:** this allows you to use a different time frame to that of the chart. Use integer values to correspond with your chosen time frame I.e. 1 for M1, 240 for H4, 1440 for D1 etc.
  - **CstTrailCandles:** the number of candles ago to use as the trail. For example, you are in a buy trade and want the stop loss to trail the default of 1, then the EA will set the stop at the low of the previous candle, so long as this is higher then the current stop loss.
  - **TrailMustLockInProfit:** tells the EA to start moving the stop loss only when it will be moved to > break even.
- **Trailing stop loss settings:** works like the conventional trailing stop you can enter into the MT4 platform.
  - **TrailingStop:** turns this on/off.
  - **TrailingStopPips:** your trail distance.

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.

- **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.

The “DFC dashboard EA”

You can open all the charts you want to trade and load Peaky onto them. Thing is, the fewer charts you have open, the lower is your cpu usage. This is especially significant if you are using a VPS

The dashboard EA will:

- Scan the charts for those where the market is inside one of the trading zones, with an option to use a close proximity.
- display a list of potential trades.
- open charts and add your chosen template to each new chart when the market is in a trading or close proximity zone. Make sure your PercentOfTradingAreaForProximity input is the same for both Peak Hilo and the dashboard EA.
- delete the chart if there are no open trades and the market has moved outside the trading zones.
- optionally minimise the charts to save cpu resources as minimised charts use far less than maximised ones. This is invaluable if you are using a VPS.
- the inputs are:
  - AutomateChartOpeningAndClosing: tells the ea to open and close charts automatically. Turn this to 'false' if you want complete control of your charts.
  - MinimiseChartsAfterOpening: this tells the EA whether or not to minimise all the charts.
  - ReservedPair: this is the chart that will host the EA. It will leave this chart alone. It should be a pair that you would not usually trade. I load it onto XAAUSD.
  - TemplateName: the name of the template to apply to each chart.
  - MagicNumber: this tells the EA whether it should recognise open trades. Manually-sent trades have a magic number of 0.
  - TradingTimeFrame: the time frame for each chart that the EA opens.
  - EventTimerIntervalSeconds: this EA does not work with quotes from the broker. It works on a timer and this input controls how often the timer fires. This is in seconds, so the default is every 10 minutes.
  - TradingZoneProximityPips: this is an area above the buy zone and below the sell zone that the the EA considers as setting up for a potential trade. You will be familiar with the other Sixths inputs.
- To use the EA:
  - Set up a chart as you wish it to look, and save the template - you can also use the one I have attached here.
  - Load your 'reserved chart';
  - Drag the EA onto the chart, inserting your template name into the TemplateName input.

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.