

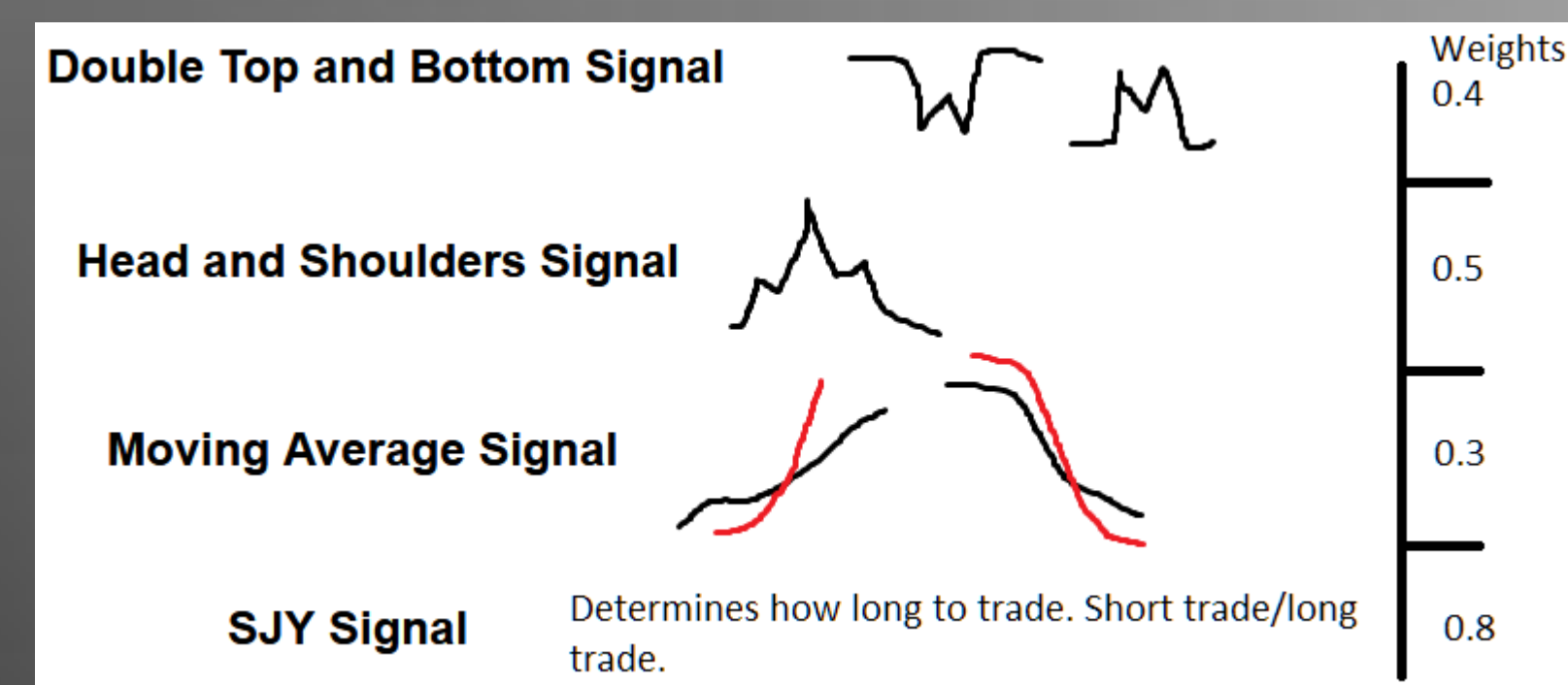
Empowered Forex Traders Trend Trading

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Overview

Previously we had a Foreign Exchange trend trading expert advisor called BigDaddyRubberBandExpert. I identified a way to increase sales by 1601.75% by improving the trend prediction accuracy which is the driving force for pattern prediction. If we improve the trend prediction accuracy then, we can improve the pattern prediction accuracy(and therefore increase sales). The moving average signal is what it relied on for a trend prediction, this is a very simple trend predictor.

Old BigDaddyRubberBandExpert



MA Bullish/Bearish Cross Signal

A bullish cross happens when a faster-moving average crosses a slower moving average.

When the faster moving average moves above the slower moving average, it can often give us an early signal of a potential new bullish uptrend. The opposite direction would be bearish.



DLC Bullish Cross

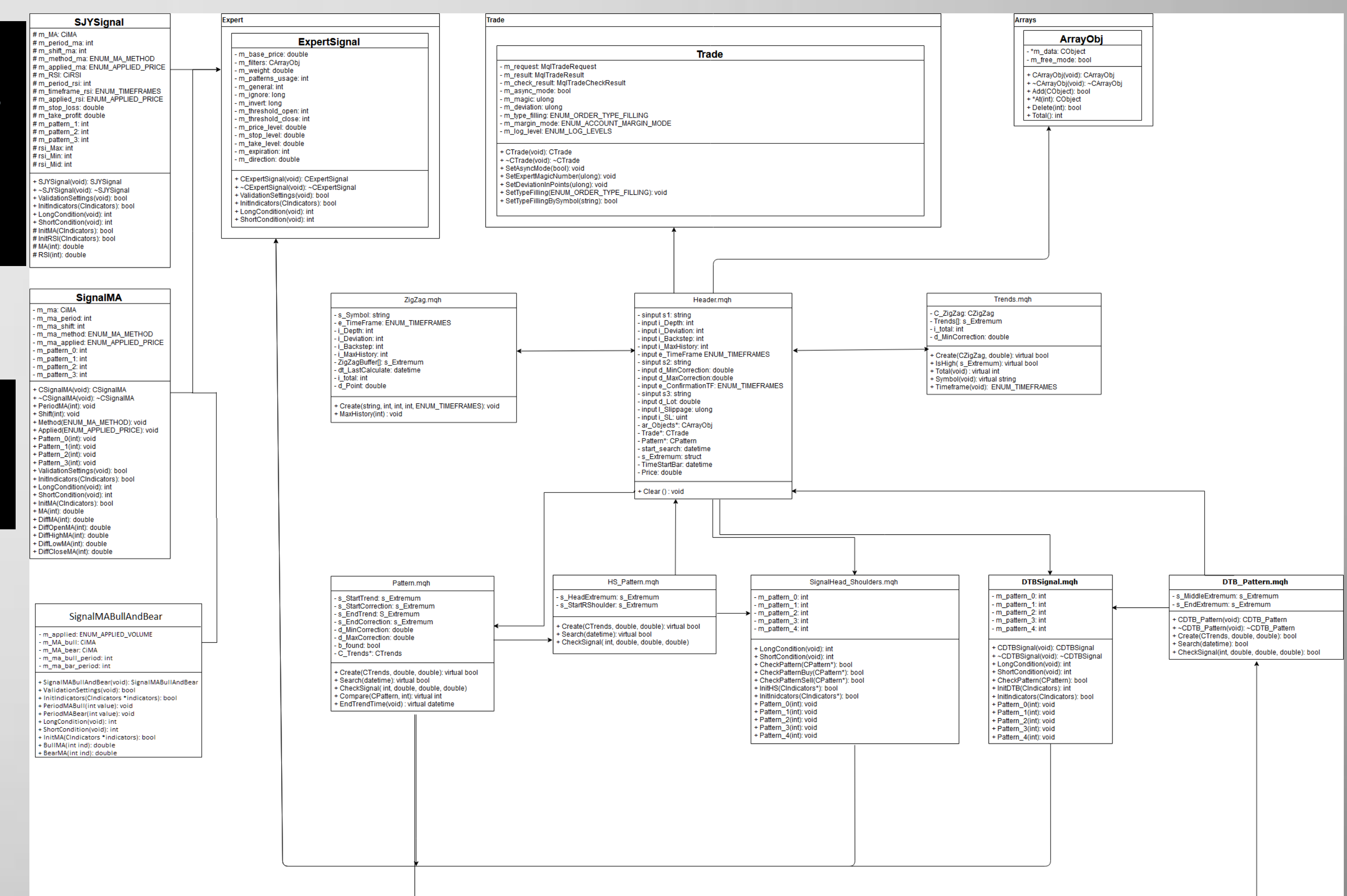
If we supplement the moving average signal with a bullish + bearish MA cross we would further increase our trend prediction accuracy. We call this combined signal the DLC Bullish Cross and added it to the old BigDaddyRubberBandExpert, resulting in fewer but more profitable trades.

CashBullExpert

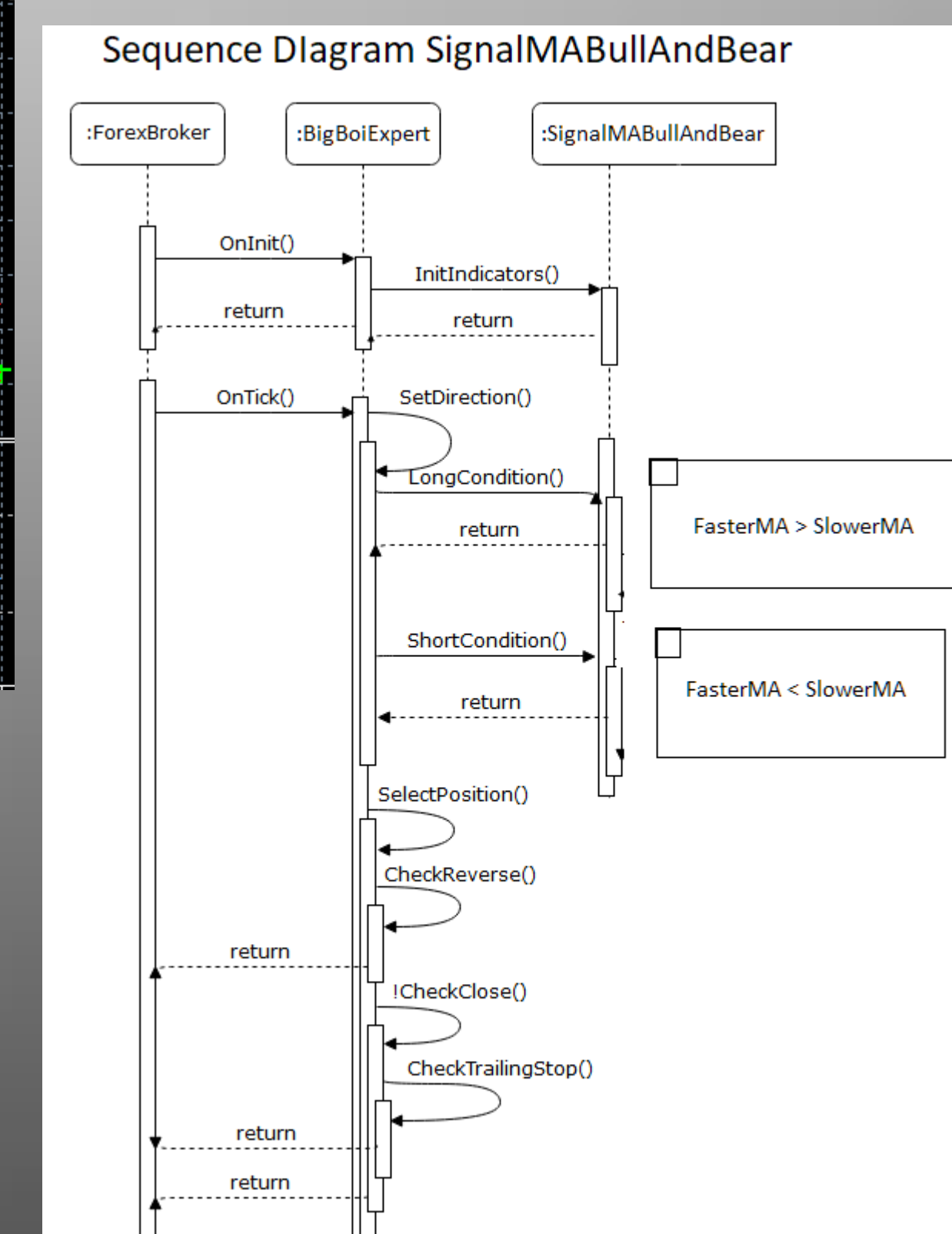
We merged the DLC Bullish Cross w/ the previous BigDaddyRubberBand signals, resulting in fewer but more profitable trades. We call this new expert advisor the CashBullExpert. It increased profit by 1601.75%!



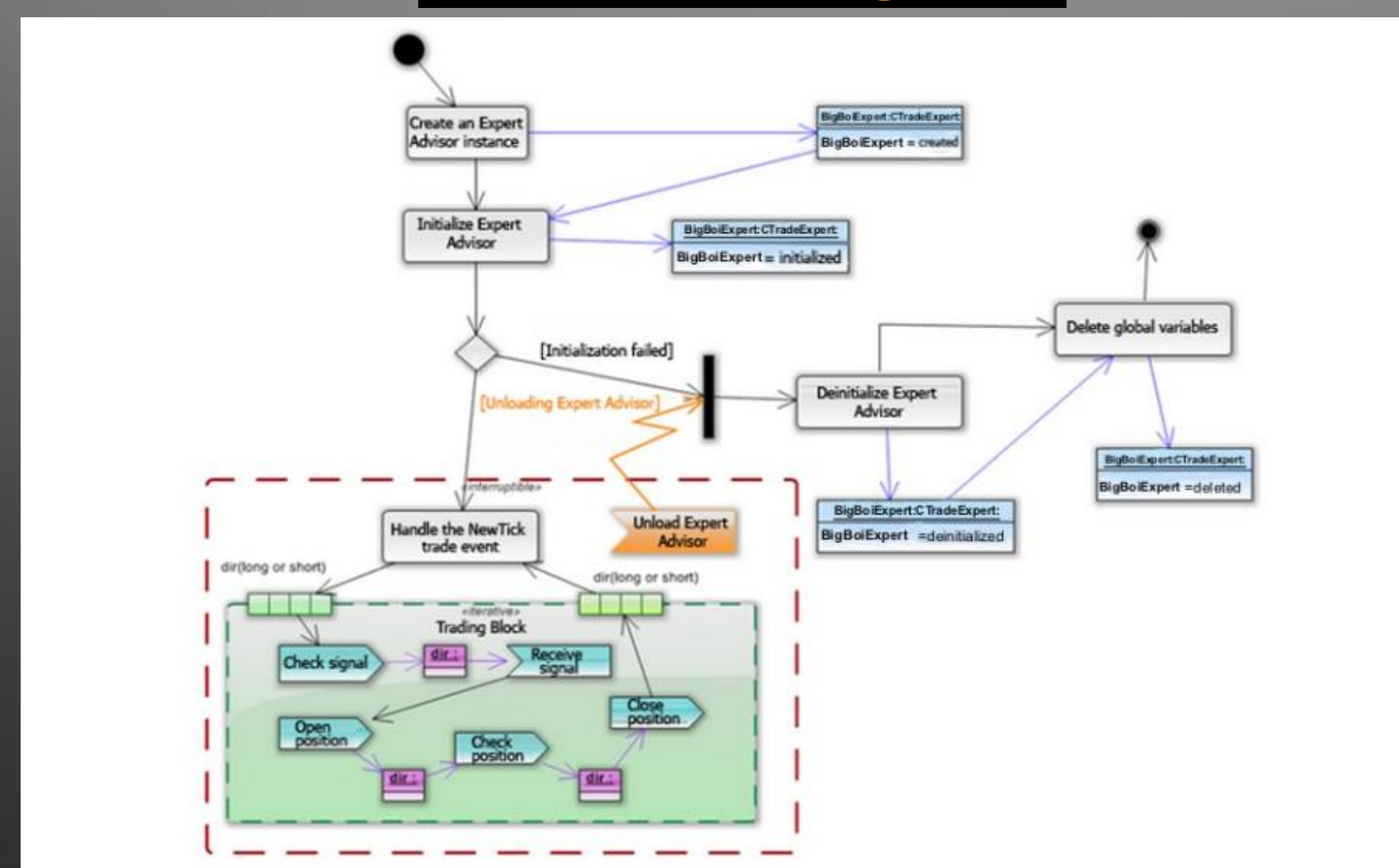
CashBullExpert Class Diagram



SignalMABullAndBear Sequence Diagram



Architecture Diagram



Results

Expert Advisor Year Profit

| Expert | Profit |
|-------------------------------|-----------------|
| BigDaddyRubberBandExpert | \$20.52 |
| MA Bullish/Bearish DLC Signal | \$234.49 |
| DLC Bullish Cross Signal | \$841.94 |
| Cash Bull Expert | \$242.80 |
| Big Boi Expert | \$349.00 |

Background

Simple Moving Average

$$SMA = \frac{A_1 + A_2 + \dots + A_n}{n}$$

where:

A = average in period n

n = number of time periods

The simple moving average calculates the arithmetic mean of a security over a number (n) of time periods, A.

Long Condition: Vote to purchase
Short Condition: Vote to sell

Acknowledgement

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