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Description

Blessing (B3) is a grid trader. The grid is started using 4 separate methods. The methods are as follows:

1. Moving Average/CCI. The moving average indicator is turned on by default. That is, if the other two methods are set to "false", MA is used by default. Blessing simply looks at the MA and decides whether the market is trending long or short. If CCI is turned on, CCI will override MA and CCI is used for trend. If long, it will place a BUY STOP and BUY LIMIT trade at a fixed distance either side of the current price by a fixed pip distance. More on that "distance" later. Market movement will hit either the STOP or the LIMIT trade, executing that trade then B3 will add an additional LIMIT trade a fixed distance from the current open trade in the short direction. If the trend remains long, profit is taken on a "Take Profit" calculated by Blessing. If the trend reverses short, another LIMIT is hit, all the Take Profits are synchronized to the same value and another LIMIT trade is placed in the short direction. This trading action continues until the market either continues short causing more trades to be added to the "basket" of trades or the market reverses long to hit the Take Profits that B3 has set and synchronized. Equity Protection prevents an account blowout if the trend continues against the trading routine. Equity Protection will be explained later. Should B3 determine the initial direction is short, it will place a SELL STOP and SELL LIMIT around the current price and do the opposite of what is described above. If, in the unlikely event, the MA is even (not long or short but ranging), a BUY STOP and SELL STOP is place around the current price. This scenario is unlikely but can happen.

2. Bollinger Band. Instead of placing a BUY STOP and LIMIT or SELL STOP and LIMIT, B3 will place a SELL trade if the market quickly moves long outside a set parameter determined by the Bollinger Band setting. LIMIT trades are then added the same as the routine described in the MA paragraph. The opposite is true if the Bollinger Band setting determines that the market quickly moves short. It will then place a BUY trade in this case.

3. Bollinger Band with Stochastic Confirmation. Like Bollinger Band above, Stochastic confirmation is added to help Bollinger Band by determining whether the quick movement is due to an overbought or oversold condition. This confirmation helps to refine B3's decision to either BUY or SELL.

4. Manual. B3 now has the capability to manually select the entry. The user simply selects the desired direction to trade with the ForceMarketCond parameter in the advanced settings sections and B3 starts to trade in that direction. See the appendix for the proper setting.

Several features mentioned above will be described in more detail throughout this manual. The menu settings will be described in the appendix of this manual.

Major Features

- Works on multiple pairs
- Multiple Entry Control Features
- Draw-Downs are relatively low
- Take Profit Trader
- Profit Trailing Stop Feature for extra profit
- Additional trades added to "basket" incrementally
- Power Out Stop Loss Features
- Portion control feature
- Manual account type selection
- Stop Trade Balance Protection
- Equity Stop Loss Protection
- Automatic broker decimal selection
- Chart overlays to monitor trades and account
- Manual or automatic money management features
- Broker spreads are not an issue
- Automatic trade magic number selection
- BUY/SELL trades sent with no SL/TP
    - Does not apply to STOPS/LIMITS
    - Modified later based on strategy selected

How to Use B3

B3 is placed on the hourly chart or, quite frankly, any chart period you desire to trade a grid. B3, in its basic strategy, was designed to trade the USDJPY pair on the daily chart. Newly added features have allowed B3 to trade other timeframes and pairs. These new features have created a better return and lower drawdowns on the hourly timeframe. B3 shows great potential on the one minute charts trading the EURCHF pair. Set files are being developed and will be posted outside the purview of this manual. Simply applying the tested set file to the timeframe and pair listed in the set file name will allow you to trade B3 with that pair. Set files will adhere to the MetaTrader 4/5 convention and the name will contain the pair and timeframe to trade, i.e: USDJPY H1.set or EURCHF M1.set.

B3 Strategy

B3 is a Grid Trader. Its basic design is to use MA to determine market conditions and bracket the current price with a STOP and LIMIT to profit in that direction. If the direction is long, BUYS are used to take profits. If the trend reverses, BUY LIMITS are hit and profits taken on the reversal. If the direction is short, SELLS are used to take profits. If the trend reverses, SELL LIMITS are hit and profits taken on the reversal.

Newly added features make B3 a quick reversal trader profiting in the overbought and oversold conditions of the current market. If no trades are out, B3 looks for price to move quickly outside of a price channel. Additional confirmation of this quick price movement determining an actual overbought/oversold condition will trigger a trade. It doesn't matter if overall trend is long or short in this case. Price quickly moving long will trigger a SELL trade and price quickly moving short will trigger a BUY trade. Once this initial trade is placed, LIMIT trades are placed and if price continues in the overbought/oversold direction, these LIMITS are hit so profits are garnered on the reversal.

Once the direction is determined and trading is started, B3 uses LIMIT trading to add to the basket of trades. If MA is used (and confirmed by CCI if turned on) B3 starts placing trades by "bracketing current price with STOP/LIMIT trades in a proprietary fashion. This proprietary

fashion using the MathMod function sets the STOP/LIMIT trades around the current price at distance of approximately ½ the pips defined by the first grid value, 25 in this case. Once either the STOP or LIMIT is hit creating the first trade subsequent trades are placed a fixed distance of 25 pips either side of the current price. Each LIMIT trade added is placed 25 pips above/below the last trade. The 25 pip amount is used until 4 open trades are out.

The fifth trade (LIMIT trade) is placed 50 pips above/below the forth outstanding trade. This 50 pip amount is used until 8 total trades are open. The ninth trade (LIMIT trade) is placed 100 pips above/below the 8th trade. This 100 pip amount is used for all remaining trades placed.

For this strategy, each LIMIT trade added is called a "level". The number of trades at the 25 pip difference is user selectable and the number of trades at the 50 pip difference is user selectable. Remaining trades (9th level and beyond) placed at the 100 pip range is user selectable either. 25/50/100 remains **B3's** set grid but the grid can be squished or auto calculated (discussed later) without changing individual numbers listed in the menu.

Each new STOP/LIMIT trade that is added has a Take Profit value transmitted to the broker. If Bollinger Band with Stochastic confirmation is used, a SELL/BUY trade is NOT transmitted with Stop Losses or Take Profits to comply with some broker restrictions. The Take Profit value is later modified to match the strategy.

The Take Profit values are just double the grid values. 50/100/200 pips are the Take Profits that are coded into **B3** and can be modified via the menu. Auto Calculation and Grid Adjustment Factor are used to harmonically change the grid versus changing individual grid values.

Auto Calculation (AutoCal) is based on the Average True Range (ATR) indicator. This indicator is based on a 21 daily cycle of that pair and is not user selectable. This allows the user to create a "breathing grid" based on that pair's volatility. If a user wanted to auto calculate the grid they simply just turn on the AutoCal feature. What will it yield? Well, that's up to the user to determine! AutoCal simply finds the first grid number and replaces 25 pips with that number. The grid could look like 21/42/84 if AutoCal finds 21 pips as the ATR for that pair. The Take Profit values would then be 42/84/168.

A Grid Adjustment Factor (GAF) is also provided and is independent of the AutoCal feature. This gives the user the ability to widen or squish the grid based on the percentage value set. Leaving the GAF at 1 will leave the first grid number at 25 pips. Setting the GAF at .65 will change the first grid number to 16.25 (16) and the grid is now set at 16/32/64. The Take Profit values would then be 32/64/128.

A user can use both the AutoCal and GAF together, separate or not at all but it is through these functions where the user can control the size of grid that is laid out for trading.

Integral to laying out additional trades, B3 adjusts the lot size for that trade based on a user selectable multiplier. Every trade added as a LIMIT has a lot size incrementally larger than the previous based on the user selectable multiplier. This multiplier is directly tied to the Money Management routine developed in B3 and is proprietary to B3's routine. The multiplier and how it is used is explained in the Money Management Section.

The number of trades placed is user selectable. Because B3 places trades incrementally higher, the potential for larger draw downs may happen. Potential profit compared to the total number of trades out decreases dramatically above 10 total trades. In other words, the draw down due to placing the 10^{th} trade becomes large because of the multiplier increasing the size of the trade. The large draw down now becomes a factor if the trend continues against the basket and a potential to hit Equity Protection looms. A user can limit this potential further by simply stating, via a menu selectable item, the maximum number of trades that can be placed. Additionally, this large basket potentially bumping Equity Protection is stressful to even an experienced trader.

To get out of a basket of trades sooner by not going for a profit but by simply breaking even, a user can set a break even trade number in the menu. If the break even number is set at 12 for example, should the basket size reach 12 trades, instead of going for a profit, B3 will close out the trades once the profit of the basket reaches zero. With 12 trades out, B3 would need a larger reversal to get the profit it calculates.

B3 uses a proprietary method to calculate the profit potential of the basket of trades that are currently open. B3 takes the total number of trades out, uses the value of pip movement for the lot size of each

trade then calculates a "Potential Profit". This Potential Profit is converted to a Take Profit value for all trades then each trade is modified with the new Take Profit value. Profit Potential is displayed on the chart. A user simply needs to look at their chart overlay or their terminal area to determine where that Take Profit Value is set. B3 does not use a Stop Loss in its profit calculation nor does it send a Stop Loss to the broker. A user can send a Stop Loss via the Power Out Stop Loss feature explained later in this manual.

Indicators

Original designs of B3 yielded an Expert Advisor that relied solely on the Moving Average. The MA was set in the menu and B3 used this simply to place its first grid set of a BUY/SELL STOP/LIMIT at 25 pips. The idea was to always have B3 placing the grid once the basket of trades was closed. Occasionally, the direction was not perfectly selected. After all, it could simply be a flip of a coin (long or short)! B3 didn't make money with perfect entries but profited solely on the size of the grid.

CCI was added as a confirmatory indictor to MA. CCI looks at prices on the M5, M15, M30 and H1 timeframes of that pair and if the CCI is "trending" the same on all 4 timeframes, that trend is used instead of MA. If MA and CCI are the same trend then they agree and the direction is confirmed. If MA and CCI disagree, then CCI trend is used. CCI is user selectable via a menu set item.

Later iterations added a slowing feature. This allowed B3 to wait for the number of seconds set in the Time Grid setting before placing the next LIMIT trade hopefully stopping a runaway grid in the wrong direction. This worked very effectively and made trading on the USDJPY stable. However, concern existed for laying the start of the grid based simply on whether the MA said long or short so the Bollinger Band (BB) feature and Stochastic (Stoch) confirmation were added as user selectable indicators.

As stated previously, MA is always on by default. Based on the period set by the user, TREND UP or TREND DOWN is displayed in the overlay. If the Bollinger Band/Stochastic function (BBStoch for this manual) is set to false, MA is used to lay the grid. This is how B3 has always worked up until now. B3 gives the user the ability to now use BBStoch as an entry feature.

Users familiar with BB realize BB is a powerful indicator that "channelizes" the prices. Movement outside the bands is rare and when it happens, chances are a correction to the price to bring it back within the bands should happen. There are many user selectable items that could have been programmed into B3 but having all of these items in the menu would have made B3 unusable for most. The typical BB channel, upper and lower bands of the channel, are calculated based on a standard deviation away from the mean average of the MA. Usually 2 times the standard deviation is average and is what most traders use. Although user selectable, it's not recommended that the BB deviation is altered from 2. BB distance and period are what controls the "tightness" of the channel to price. 15 or less on the period and 13 or less on the distance will determine how often price touches or goes through the price channels of the BB indicator.

BBStoch is turned on in the menu essentially turning on both BB and Stoch. Setting the "Buy Sell Stoch Zone" to 50 essentially turns off the Stoch confirmation feature of BBStoch. Any value less than 50 turns on the Stoch confirmation and the lower the number, the tighter the Stoch indicator against the BB indicator.

Usually Stoch above 80 is an overbought condition and less than 20 is an oversold condition. Setting the BuySellStochZone menu item to 20 creates these "zones" in the math and when used in conjunction with BB, will help to confirm the trade. The user can select the typical Stoch parameters via the menu selectable items but the default settings have shown to be best when left at 10/2/2. Changes in the values have not shown huge changes to the entry conditions of B3 but the changing of the sensitivity of the zone has. Setting the zone to 20 yields more weight given the to the Stoch confirmation while a setting of 50 turns it off. Users should select something a value of 20-50 if BBStoch is on.

Once BBStoch is on, it looks for the condition where price is outside the bands. If outside the bands it will place a SELL trade if above the upper band or a BUY trade if below the lower band. Since price will typically move back the other direction, B3 will usually take a profit after one or two trades. This leads to a lower draw down over time and a better grid selection. If the Stoch zone is set less than 50, then Stoch comes into this decision and typically places fewer starting

trades. Having Stoch on yields fewer trades but hopefully a better direction and a better grid for profit.

For users willing to experiment with B3, lower BB period and distance numbers with lower Time Grid time will yield quicker grids. This allows users to use lower timeframes to take advantage of more reversals present on the lower time frames.

B3 *Money Management*

A wise man once sad, "The safest way to trade is to not trade at all". That being said, trading in any market, especially FOREX is very risky. One way or another, whether or not we are new, we are reading this because we want to make money. B3 is an Expert Advisor designed to help us automate our trading and unlike the previous quote, trading involves risk.

How much does someone risk to trade? That's a great question and we're still searching for the perfect amount of money to trade. Whether we trade a lot or a little, if we trade FOREX, dangerous waters are right around the corner if we risk more than we should.

Money Management in B3 helps us determine how many lots we *should* be trading with a Martingale Expert Advisor. B3 trades in a grid fashion using a Martingale routine. In addition, an Equity Protection routine is added to B3 to make it a more viable and safe Martingale trader.

First and foremost, how much should we trade? Should we trade 1% or 10%? How about 2% to 3% of our account balance or available equity? Everyone seems to have the right answer. Here's a simple and safe philosophy to use: Simply move the decimal place to the left four times for a standard account and three times for a micro account. This gives us the total "contract" we *should* have in open trades on our account. That amount is highest we should be trading. If we traded manually, one trade for this amount is it. If we wanted to trade two manual trades we take that figure, divide by 2 and trade those two trades at that new amount. Our contract with our broker is the total of those two trades.

What is a contract? It is the total number of trades we have out on our account. That is our contract with our broker. Here is what that looks like:

Safe Trading Contract Table

Account Size in $	Standard Account Contracts	Micro Account Contracts
1,000,000	100	-
500,000	50	-
100,000	10	-
50,000	5	50
10,000	1	10
5,000	.5	5
1,000	.1	1
500	.05	.5
100	.01	.1
50	-	.05
10	-	.01

Using this chart will help us in our trading. On our $5,000 account, we shouldn't have any more than .5 standard contracts or 5 micro contracts (micro account) out on trades. This is safe trading, this is smart trading and it's the approach B3 takes for trading money. It doesn't seem like a lot but it can make us money *over time.* If we trade this philosophy on a Martingale Expert Advisor, we have a more complicated issue to contend with.

A Martingale is a way of "doubling up to catch up". It isn't exactly like that but it does use a multiplier to calculate its next trade based on the current trade. B3 uses this trading method. It uses many levels and total profit calculation to make us money. If we let it run, it has the potential of completely wiping out our account (or making us wealthy). How do we trade B3 using the previous contract strategy and protect ourselves from complete disaster? We first must understand how the Martingale routine works then we protect our account.

First and foremost, we must make an assumption. B3 continues to take out trades using its next "Level" (LIMIT trade placed) and in rare cases, it could trade up to 12 trades (or more) at any one time. But B3 rarely goes past 7 levels and most of the time it trades 4 to 5

levels. It only goes higher if the market isn't helping out B3's trading strategy. This is how accounts are blown up. For the next section let's assume, at worst, B3 goes to 7 levels each and every time. A small percentage of the time it may go higher and if it decides to run away, we'll use Equity Protection to simply stop trading.

With an assumption of 7 levels, we can actually calculate what B3 will do to us, our trades and more importantly, how many trades we have out (contract). For this discussion, we will assume 7 levels and will enter that number in the menu as default. We can change this assumption via the menu set variable and apply the results to the discussion about to follow, however, to keep things simple, we will discuss how the lots are affected assuming only 7 levels. Here's the math:

x = lot
y = Multiplier (amount you are willing to increase each new trade)

Level 1 = x
Level 2 = xy
Level 3 = xy^2
Level 4 = xy^3
Level 5 = xy^4
Level 6 = xy^5
Level 7 = xy^6

Contract = $x + xy + xy^2 + xy^3 + xy^4 + xy^5 + xy^6$

Using simple algebra here's the formula for finding the number of base lots to trade on a standard account:

Contracts = Account Balance * (.0001) (***the safe trading method selection, standard***)
(.001) (***used if a micro account***)

Factor = $(y + y^2 + y^3 + y^4 + y^5 + y^6)$ (***the 7 level assumption***)

x = Contracts/ (1 + Factor) (***equation for base number of lots***)

It's simple to see the elegance of the math and how we can get the base lots knowing B3 might run the levels up to and past 7. Our hedge multiplier has a HUGE affect on our Martingale trading strategy!

Doing the math on, say, a $5,000 account will give us the following:

Multiplier of 1.4

Level 1 = .02
Level 2 = .03
Level 3 = .04
Level 4 = .05
Level 5 = .08
Level 6 = .11
Level 7 = .15

This is a total of .48 trades out on contract which is less than our .5 from our table above. We can see if B3 decided to go higher, the next level of lot would be a factor of 1.4 greater and so on. If B3 did this and went all the way up to 12 levels, there's a possibility of a huge negative P/L (draw down) and probably, Equity Protection might be hit (depends on your tolerance). We need to know this math to trade smarter and safer with B3. All this assumed a standard account. We can simply multiply these numbers by 10 (if our account size was $500, the numbers above would be divided by 10) for a micro account and we can see that we're still within our parameters for safe trading. Intuitively, we should have at least $500 on a micro account to trade B3 safely.

With these numbers in mind we can see that if we want the base lot to be .01, we back out a contract size of .2385 or $2385 ($2500 for rounding sake) minimum required on a standard account and $239 ($250) on a micro account using a Martingale trading strategy. To safely trade B3 we will double that figure. If the formula calculates the lots less than .01, then B3 will fix the minimum lot size at .01 so we can try any amount we desire all the way down to $10! It is still recommended that B3 trade with a minimum of $500 for all the reasoning previously stated. Knowing that we need a minimum of $500 for a micro account and $5000 on a standard account, the base lot will come out to be .02 so we need a way of "adjusting" the base lot back down to .01 to truly be safe with B3. To that end, a Lot Adjustment Factor is added to affect this end and is described later. Knowing the minimum is good but what if we had a large sum of money?

If we were all fortunate enough to have a lot of money to trade with B3 that would certainly be a Blessing! But it is possible to have too much and not have enough levels to trade with. We can't trade more than 100 lots on a standard account and 50 lots on a micro account. Knowing that we can determine how much is too much before we ask to trade too much on the 7th level of B3. Without all the algebra, here is the formula:

(Assumes trades up to the 7th level)
Standard Account Max Lots of 100
Lots = $100/y^6$
Account Balance = 10000(Lots * (1 + Factor))

Micro Account Max Lots of 50
Lots = $50/y^6$
Account Balance = 1000(Lots * (1 + Factor))

Depending on the Multiplier used, your maximum base lots will be 13.2 lots on a $3,148,200 Account Balance (Multiplier of 1.4) on a standard account. On a micro account, your maximum base lots will be 6.64 lots on a $158,364 Account Balance (Multiplier of 1.4).

B3 calculates this maximum base lot figure for us so we have enough room for B3 to trade up to the 7th level without worrying that we'll get an "ordersend error" by asking for too many lots.

Lot Adjustment Factor

We now have an idea of how much we can actually trade safely and an even a better idea of how much we actually need to trade. $5000 on a standard account and $500 on a micro account is what we need to trade one pair using a Martingale trading routine. What if we wanted to trade $50,000 or $500,000? Using the chart above, the contract size for Martingale is 5 contracts and 50 contracts respectively on a standard account. The base lot size would be .2 lots and 2 lots respectively but maybe we don't want to trade even that much! First of all, good for us since we have done something correct in our lives to have this much money to trade FOREX. Or, maybe we are managing a large account for a group of people. Whatever the case may be, we may not want to trade even the smallest/safest contract from the table.

In this case, we want to be even more conservative so we need a way to adjust the money management calculated base lot size for this contingency. The Lot Adjustment Factor (LAF) will do this for us. In the example above, on a $50,000 account trading one pair, money management will calculate a base lot of .2 lots. We simply set our LAF in B3 to reduce this amount even further. Today, we want to only trade with .02 base lots on this account so we input .1 as our LAF and our base lot comes out to be .02 lots. Maybe we are feeling good and we want to throw caution to the wind. Although not recommended, we could set the LAF higher than 1. If we set it to 2, our base lots would be .04. Based on the previous discussion, this is asking for trouble but the LAF allows us to do this. Portion control can assist us in not only portioning out this large amount by setting and using money management, but also adjusting the lot size to be even more conservative.

Now, all of us who have traded demo accounts for a while have seen a demo blow up. Why is that? Because Martingale trading is inherently dangerous for the reasons we read about earlier and when we are new to this strategy, we want to see bigger gains. So, on our $500 account, we put in a micro lot of .5 lots. We can see how dangerous this thinking can be. Maybe we only have $50 on a micro account. Doing the math, B3 will blow that account in short order because the smallest micro lot contract we should be trading is .05. The trade levels with a Martingale will kill this account fast. If we put B3 on many charts on a $500 account, B3 will kill it. We simply must do the math to see. But what if we were all smart and actually used the smallest lot available manually, .01. B3 could still run away because of the market so we need Equity Protection.

Equity Stop Loss Protection

Equity Protection was developed to prevent a total blowout of our account. Knowing what we now know about B3 and "the basket", we can see if B3 started taking out higher lot values of trades, our Profit and Loss (P/L) might continue to go negative (or positive). That's good and bad. B3 needs room to breathe and large P/Ls are common to this Multiplier strategy but how much is too much? That's entirely a personal choice. B3 needs about 50% of your account balance before you should consider shutting it down. This feature is programmed into B3.

If we set 50%, B3 can use up to 50% of our account balance if it needs to continue trading. If it goes beyond that, it closes all trades and stops trading if that loss takes us below the Stop Trade Account Balance (Determined by the StopTradePercent setting) we had set in initially.

Here's an example:

Our Stop Trade Account Balance is $500 (automatic calculation).
B3 starts to trade big and it's been working great so our balance is up to $800.
B3 continues to trade but unfortunately the basket hits a -$400 P/L and closes all trades because we set our protection at 50%
Our account balance is now $400, below $500 so B3 stops trading.
In a different example, if our account balance were up to $1001, the loss would have been -$500.
B3 would have continued trading because our balance is $501.

Equity Protection (EP) is simply a must with this trading routine. Can we trade B3 on multiple pairs? Sure, if our account balance is multiplied by the number of pairs we trade. This is the safest way to trade! B3 has shown in backtesting that the total number of trades out at any one time has not used a significant portion of our margin nor has the P/L been significantly negative.

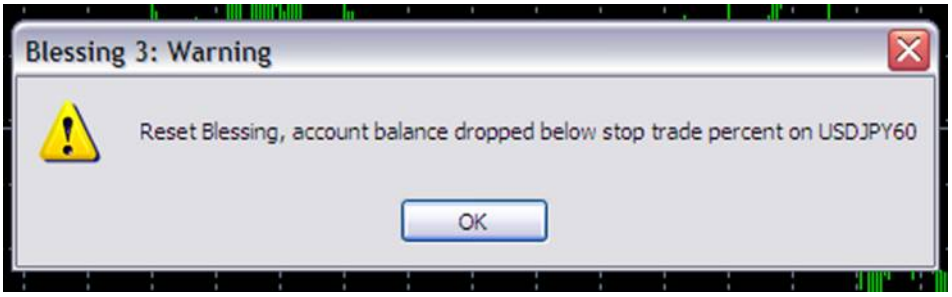
Account Protection

Account protection relies on the Stop Trade Percent feature of B3. Previous versions of B3 had a user entering a Stop Trade Balance amount however, with the latest version of B3, you simply enter a percent value into the menu setting StopTradePercent. You do not have to worry about your Stop Trade Balance because B3 sets this for you based on the percent number you set in. What is your stop trade balance?

Equity Protection was a way of protecting your account from complete blow-out. B3 needs to use large portions of your account to trade but testing has shown that B3 rarely goes beyond 50% of your account balance when proper settings were used. If 50% is hit, the basket is closed and your account is now 50% lighter than before but without

Account Protection, B3 would keep trading. Account Protection puts a stop to B3 while you figure out what happened.

The Stop Trade Percentage you enter in the menu takes your account Balance, subtracts this percentage value, and sets this as your Stop Trade Balance. On a $10,000 account, your Stop Trade Balance is set at $9,000 (assuming 10 is used in the menu set item). This balance remains at $9,000 until the account gains 10% (menu set number). At $11,000, the Stop Trade Balance is then reset to $9,900. Should you hit an Equity Stop Loss protection, your account would drop to $5000, below your Stop Trade Balance of $9000 and you would get a warning window popping up stating that you have dropped below your Stop Loss Balance.



If you wanted to continue trading on this pair, you would have to remove B3 from the chart to reset the internal variables of B3 then reapply B3 to the chart once again. Again, this is designed to protect you from B3 if is just wasn't B3's day.

Portion Control

We touched on the portion set feature in the previous paragraph. This feature gives our trading even more control than previously imagined. Not only will it identify to B3 that we want to take our account a divide it proportionally to calculate the proper lot size but it also manages EP even better.

As mentioned earlier, if we have money management enabled, it will properly identify the correct base lot size. If we want to trade multiple pairs on our account, we would want to make sure we have the proper minimum balance for each pair. 4 pairs on a micro account would be $2000. With money management enabled, the base lot would be calculated on $500 for that pair if "portion" was set to 4. From the previous formula, that base lot would be .02 for that pair. Again, if we

left it at 1, not only would the base lot be calculated on $2000 (.08 lots), we are allowing B3 on this pair complete access to the full account. If that pair ran away, it could hit the 50% EP draining our account to $1000 or less.

Portion control controls not just the base lot calculation in money management, it sets the amount of our account we want to trade with this pair. It does this by dividing your account into "portions". We can use any portion number we desire. 1 would be the whole account, 2 would be half of the account, and 3 would be a third and so on. This has a great potential for us in so many ways.

Let's go through a few examples and you'll see what we mean. We have $2000 on a micro account and we want to trade B3 on this account on 4 pairs. We know that we need a minimum of $500 to trade one pair so we are set with our $2000. If we know each of these pairs are stable, we simply place B3 on each pair, set the Stop Loss Account Balance in each instance of $1800 (see appendix for reasoning) and set the portion control to 4. B3, on that pair, will calculate the proper lot size for that pair and use EP on that pair alone! How does it do it? B3 knows the profit for its pair. From that it will know its portion of account balance to use (portion set 4). From that, B3 can determine the pair's own equity (its own P/L) and compare it to the allowable account portion you gave it (portion control). Example:

Example:
$2000/4 = $500 allowed to use on that pair
B3 current pair profit = $30
B3 current pair equity = $530
EP logic:
500 – 530 > 50% * $500 (will close trades on that pair if this logic is true!)

If that pair went crazy and lost $300, it will close those trades and stop trading that pair because the account portion you told it was 4 and $500 - $300 = $200 and $200 is not greater than $450 (1800/4) so B3 stops on that pair. In another example, if that pair's balance were to increase to $1000 and the same thing happened, $700 is greater than $450 so that pair will continue to trade. Here's the beauty of this strategy. One pair may earn more than another and they all contribute to total account balance. B3 on that pair uses total

account balance to determine its account portion so it is a living function.

Right now we're sure you're saying, "what if I lose right away"? You've set your protections in each instance of B3 and it determines whether it continues to trade based on the account balance you have set. Everything just stops. "What if I have a volatile pair that I like and want to trade?" you ask. Change the portion size on that pair to a higher number and it will divide the account by that higher number thus using a lower balance for its trading.

Example:
Pair 1 $3000/4 = $750 allowed to use on that pair
Pair 2 $3000/6 = $500 allowed to use on that pair
Pair 3 $3000/2 = $1500 allowed to use on that pair
Pair 4 $3000/4 = $750 allowed to use on that pair

The numbers all don't add up to $3000 though. It doesn't matter because through portion control, we are allowing that pair access to that amount. If there is overlap, our gut tells us the EURUSD is the safest so we give it the portion of 2 while the AUDUSD is the most volatile so we give it the portion of 6. What about expert advisors other than B3?

We must do the math before we even begin to trade and set our controls based on our assessment of the volatility of each pair and each expert advisor. One account with 5 pairs and 3 expert advisors could yield this:

$5000 base micro account
B3 is going to be used on 3 pairs
EA 1 will be used on one pair
EA 2 will be used on another pair
Total of 5 pairs
B3 1 pair is volatile so we will give it a portion of 10 = $500 to trade
B3 2 is wonderful and we think it will perform well. We give it a portion of 2 = $2500 to trade
B3 3 is unknown but tests have shown it works well so we give it a portion of 5 = $1000 to trade
EA 1 trades OK. We can control its portion with whatever means we can, we set its risk with manual lots or money management and use stop losses or equity protection to protect our account.
EA 2 principles are the same as EA 1.

Portion control gives us wonderful capabilities with B3 and protects us from ourselves and our hard earned money. This feature gives B3 the control we need to successfully employ complete money management and equity control.

Trade Tracking and Security

A security feature is added for our convenience. B3 sends a trade comment with each trade to the broker. This feature helped us track our trade in the MT4/5 platform by showing which EA took out which trade in the comments section of our terminal section. If you don't see the comments section in the terminal area of your MT4/5 platform, right click in the gray bar in the terminal and select "comment". It will show the comment of each trade. This feature is not without concern.

There are rumors that brokers shut off expert advisors that perform too well. Whether or not B3 performs well, we still have a security risk by sending trade comment information to the broker. We do want to track that trade though so how do we do it?

The trade comment is now a user settable feature via the menu. We put in whatever we want to secure that trade and still track it in our MT4/5 platform. Type in words, numbers or anything else and you have trade security and tracking available.

Profit Taking

B3 monitors the total number of trades out and calculates a potential profit for that basket and sends a modification of all orders to the trades that are out and "synchronizes" all of the "Take Profits" (TP) to the same value. If more trades are out, the TPs are sync'd closer and closer to the actual price making the reverse required for a profit less of a movement. Additionally, we can now turn on a Profit Trailing Stop (TS) feature.

This Maximize Profit feature has several advantages. B3 calculates a potential profit in its routine and it's through this calculation we set a percentage of profit we are willing to live with. If the trend starts to reverse, our basket becomes a positive value. B3 already knows its profit potential but we tell B3 we want to set TS at a set percentage of that profit potential. This feature is menu selectable (see appendix).

Additional to this TS feature, B3 now has a way of moving the TPs once TS is set. In other words, once the basket becomes positive and TS is set, you can now tell B3 to move the TPs by a set number of pips. This gives the basket a new profit potential and will move the TS should the profit trend continue. This gives you the potential of moving the TS taking advantage of any run that may occur. You tell B3 the number of times this move can occur in the menu. This is another powerful feature of B3 allowing B3 to take profits in two more ways, the traditional TP way with moves or a TS way.

Power Out Stop Loss Protection (POSL)

B3 sends TPs but not Stop Losses. What happens if you lose your internet connection? B3 can not monitor its trades for profit but worse, you have several trades open at your broker without a stop loss. That's where the power out stop loss protection feature comes in.

We don't want POSL to interfere with the logic of our grid trader while, at the same time, protecting our trades and our hard earned money should our internet connection fail so how is this done?

POSL is calculated base on our EP value to not interfere with B3's profit taking logic. It is based on the formula:

POSL = PortionBalance X (Stop Loss Percent + 1)/100)/(pipvalue X Total Lots X correct)
Where correct = 1 or
if(Accounttype = 1 and pipvalue < 5) correct = 10 and
pipvalue=MarketInfo(Symbol(),MODE_TICKVALUE);

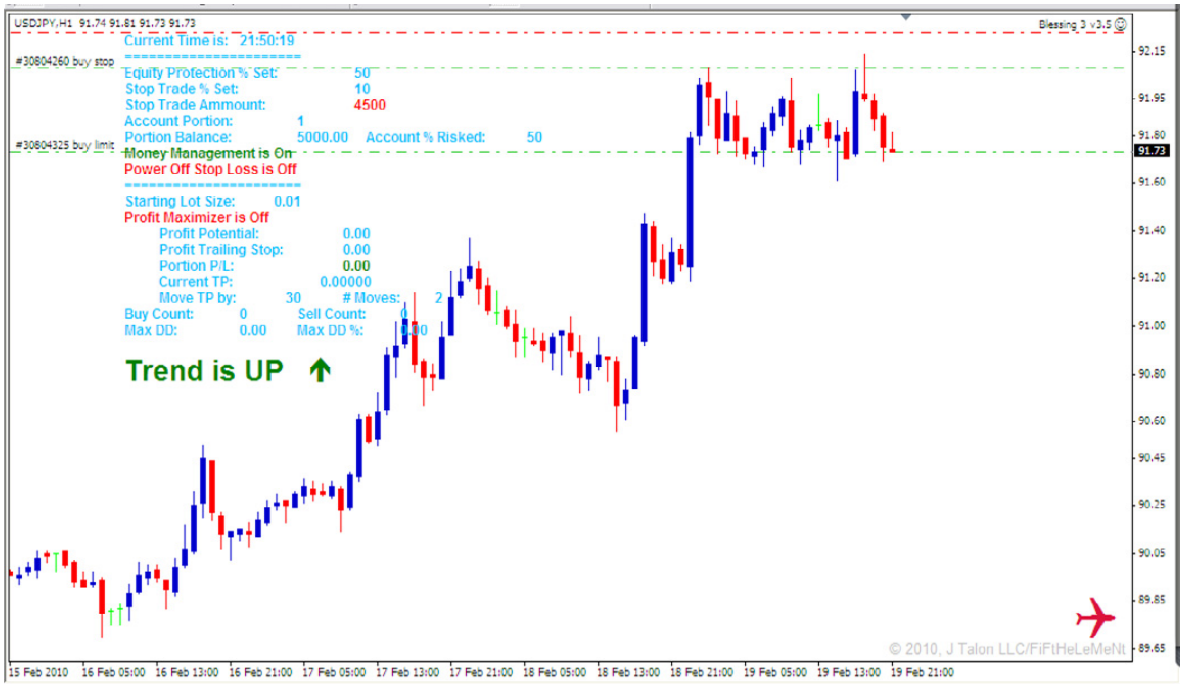
Initially, when B3 starts, it places a BUY or SELL trade at .01 lots. If you do the math, you can see a rather large POSL is calculated. So, while small lots are sent, the POSL sent is no larger than 600 pips.

As more trades are added to the basket, each trade is modified with the newly calculated POSL thus synchronizing all open trades with a common stop loss. This POSL gets tighter and tighter as more trades are placed which keeps all open trades in line with your Equity Stop Loss Protection plus 1%. An additional 1% is added to the Stop Loss Percent to avoid interfering with B3's profit taking logic yet protect

your open trades with a stop loss should your internet connection fail. This is a very powerful feature for protecting your hard earned cash. If you elect to not use this feature, no SL will be sent to the broker. Since B3 is a Grid trader, the logic does not depend on a SL.

Chart Overlay

B3 provides users a visual overlay of the "action" that is occurring. A trader can quickly identify how their trading is going simply by looking at the chart overlay:



The chart overlay feature quickly gives the trader information about how B3 is trading on that pair. The overlay feature is user selectable. See appendix for details. The Trend Feature is based solely on the MA calculation you have set into B3. You can quickly gather all the required information on your trading with B3.

Optimizing B3

B3 is takes a very concerted effort to optimize. Optimization is not what this manual is about. Explaining the base features of B3 is what this manual is about. The user of B3 should apply due diligence in optimizing B3 for the pair they which to trade. Should you happen to

achieve a stable backtest of B3 on the pair you wish to trade, forward that set file for publishing for all to share!

Backtesting, downloading history data and the utilization of the strategy tester are subjects not discussed in this manual as it is assumed the user of B3 to be knowledgeable of these features in the MT4/5 platform.

Conclusion

B3 is a very unique and powerful 24/5 trader. Several features make B3 safe and profit taking is very powerful. The math is simple and money management will increase our base lot size as we get a higher balance. Make sure the EP is enabled. 50% is a great amount to use. Turn on portion control and limit that pair's access to your total account.

We believe B3 to have a great potential in this fast moving market of FOREX. Most of all have fun in your trading. We design many Expert Advisors but we have not seen an Expert Advisor with the potential B3 has shown. Low draw-downs and reasonable margin usage make B3 a new weapon in the FOREX trading market.

Happy Trading!

Respectfully,

Jeff Hubbard and FifthElement

J Talon LLC
Investment Management

Appendix

Variable	Explanation
TradeComment	Insert whatever you like. This information is not only transmitted to the broker but can be displayed in the terminal portion of the MT4/5 platform so you can track which trade belonged to which EA, i.e: USDJPY B3
StopTradePercent	This setting determines your Stop Trade Balance. Setting this to 10 calculates, on a $10,000 account, a Stop Trade Balance of $9,000. The Stop Trade Balance is automatically adjusted as the account grows in size by the same number. So, once the account balance becomes $11,000, the Stop Trade Balance is moved to $9,900. Stop Trade Balance is moved in increments of the number selected in this setting. Default is 10 (10%)
IBFXmicro	Used to tell B3 that you are using a micro account (penny a pip). Set to true or false.
UseMM	Turns on the Money Management Feature of B3. See explanation in this manual on use of Money Management. Set to true or false.
LAF	Adjusts the base lot size used in B3. See manual for explanation.
lot	Set number of manual lots for base lot if manual lot control is desired.
Portion	Used to divide the StopTradeBalance into portions. Trading B3 on multiple pairs, this function divides and allocates only portions of your account balance to that pair to prevent account blowout. Set at the number of pairs we are trading with B3. Two pairs and two B3s would need a 2 in this variable. 4 pairs with two B3s and two other EAs would require a 4 in this variable. These are recommendations only! Portion how you see fit. A more detailed explanation of Portion control is listed earlier in this manual.
MaxDDPercent	Amount in percentage of Account Balance we are willing to float into the negative before we close the trades. 50% is a recommended amount

	because B3 needs negative P/L at times in order to affect its trading
Multiplier	Recommended range of settings is 1.2 to 1.5. The next level of trade is set by multiplying the current lot level by this factor (along with Total Orders. Each subsequent size of lot is continually increased by this factor which creates "the grid". Default setting is 1.4 and should be increased or decreased by factors of .01 for desired results.
MaxTrades	The maximum number of trades you are willing to place into the grid. A value between 7 and 12 has yielded best results.
BreakEvenTrade	The number of trades at which you desire the basket to close out with no gain versus going for the B3 calculated profit potential. B3 will continue to place trades so setting this does not determine maximum number of trades. The MaxTrades feature is used for setting maximum trades allowed.
MaximizeProfit	Turns on the Profit Trailing Stop feature of B3. Set to true or false.
ProfitSet	B3 calculates a profit potential based on the number of trades placed. This figure, when multiplied by the profit potential will set the profit trailing stop amount locking in that basket's profit. The profit potential and profit trailing stop amount are displayed on the overlay. i.e: $10 profit potential x .6 profit set = $6 profit trailing stop
MoveTP	Number of pips to move TP on open trades once a profit trailing stop has been set.
TotalMoves	Use in conjunction with ProfitSet and MoveTP, this is the number of times B3 will move open trades TP to move the profit trailing stop. If set to 0, then TPs will not be moved and only a profit trailing stop is set once the basket is positive over the ProfitSet point x profit potential then profit is garnered on the trailing stop or the TPs.
BollingerStochEntry	Turns on the Bollinger Band/Stochastic indicator comparison factors to start B3 trading. Set to true or false.
CCIEntry	Turns on the CCI indicator comparing M5, M15,

	M30 and H1 CCI to determine trend. Used in conjunction with MA, if MA and CCI disagree, CCI sets the trend direction
MAPeriod	Moving average period used for basic B3 settings. Value can be adjusted from 5 – 100. 100 yields the most stable entries for MA only entries.
UsePowerOutSL	Turn on to use the Power Out Stop Loss feature explained in this manual. Set to true or false.
AutoCal	Turn on to auto calculate the grid sized base on the Average True range indicator explained in the manual. Set to true or false.
GAF	Grid Adjustment Factor. Used to widen or squish the grid based on the explanation in this manual.
TimeGrid	Amount of time in seconds before B3 places the next level trade after triggering a previous level LIMIT trade. Values are anywhere from 500 for lower time frames to 2400 to daily time frames.
AdvancedSet	Menu items under this section are determined to be advanced features. Users are cautioned about changing these values unless they know exactly how they want to trade a particular pair. Defaults are listed in this menu section and supplied to the user. Even though the grid is now an adjustable item, the grid defaults are proprietary to Blessing's trading routine and changing these values will have severe consequences on the desired outcome. Change the grid at your own risk!
BollPeriod	Period used in BB calculation. 9 - 15 are typical values. Default is 10
BollDistance	Distance used in the calculation of the BB channels. 6 – 13 are typical settings. Default is 10
BollDeviation	Multiplier used against the standard deviation used in BB channel calculation. This is usually set at 2. User can change value in increments of .1. Default is 2
BuySellStochZone	Number sets the zone and/or turns of the Stoch comparator. Values are set 20 – 50. 50 is off, 20 is the tightest. Default is 20
KPeriod	See Stoch indicator for explanation of setting. 9 – 10 are typical for smaller time frames. Default is 10

DPeriod	See Stoch indicator for explanation of setting. 2 – 3 are typical for smaller time frames. Default is 2
Slowing	See Stoch indicator for explanation of setting. 2 – 3 are typical for smaller time frames. Default is 2
Set1Count	Level 1 max trades at GridSet1. Default is 4
Set2Count	Level 2 max trades at GridSet2. Default is 4
GridSet1	Set 1 Grid Size. Default is 25
TP_Set1	Set 1 Take Profit. Default is 50
GridSet2	Set 2 Grid Size. Default is 50
TP_Set2	Set 2 Take Profit. Default is 100
GridSet3	Beyond Set 2 Grid Size. Default is 100
TP_Set3	Beyond Set 2 Take Profit. Default is 200
d	Used to offset entry to round numbers, for example if you set d=5, it will place its sell order on 1.5795 instead of 1.5780. Default is 5
ForceMarketCond	Turns B3 into a Manual Direction trader. Default setting is 3. 3 turns this feature off. If set to 0, you are telling B3 to start it's trading with a Buy Stop and Buy Limit. If set to 1 you are telling B3 to starts it's trading with a Sell Stop and Sell Limit. If set to 2, it will start with a Buy Stop and Sell Stop. Blessing will continue to trade in this fashion until you turn it off (setting it to 3).
bufferPIP	Blessing calculates the profit potential of a basket of trades. If that basket of trades is potentially negative due to level arrangement and TP calculations, you can turn on the bufferPIP function to get the basket of trades back to either a break even value or positive value. The bufferPIP value is the number of pips to move the TPs. After the move, Blessing recalculates the basket profit potential. If it is still negative, it moves the TPs again by this amount. This action continues until the basket is not negative. Set to 0 to turn off this function checking capability. Default is 5.
Level	Number of Levels assumed that Blessing will take out each and every time. This drives the calculation of the base lot. If number is lowered, the base lot will get larger. If higher, the base

	lot gets lower. Default is 7.
DisplayControl	Items listed below adjust the overlay display
displayOverlay	Turns the overlay display on and off. Default is true.
displayLogo	Turns the Copyright and Logo on and off. displayOverlay variable must be true to adjust this setting. If displayOverlay is false, this is automatically false. Default is true.
displayXcord	Adjusts the chart overlay left and right. Default is 100.
displayYcord	Adjusts the chart overlay up and down. Default is 15.
displayFontSize	Changes the size of the display characters. Default is 9.
displaySpacing	Changes the spacing between the lines only. Default is 14.
displayColor	Color of display characters. Directional information such as P/L, Trend and Stop Trade Balance are not changeable. Default is Deep Sky Blue.