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What is Artificial Intelligence?

The term 'Artificial Intelligence' (AI) was a term coined in 1956 by John McCarthy. AI is an offshoot of computer science with the aim to get computers or robots to duplicate human behaviour.

But in the field of Forex trading, because they cannot yet replicate human emotion AI can in fact can have an advantage, even what you could call an 'edge'.

What are the advantages of AI?

A ROBOT has the ability to trade with no emotion

- the major weakness of humans, which dramatically affects a persons trading results, is they make decisions based upon emotion. A robot will make decisions based purely upon its programming... I will cover this later in detail.

A ROBOT can trade non-stop

– 24/7, a person could trade a maximum 4-6 exhausting hours per day (even this would take its toll, and the person also needs to stop for food and toilet breaks).

A ROBOT can effortlessly trade multiple time frames

– a person could watch 2-3 maximum simultaneously, whilst a robot is unlimited and could effectively many multiple time frames.

A ROBOT can simultaneously trade many currency pairs

– again, a person could watch 2-3 maximum, whilst a robot can watch as many as you want – totally unlimited.

A ROBOT gives the trader the luxury of time

- with a robot a trader no longer needs to be in front of a computer screen for hours on end, they can spend their time as they wish whilst the robot continues to trade on their behalf.

A ROBOT will never break rules

- as the AI robot cannot 'think' it will never try to outsmart its own trading system, and/or get too greedy.

A ROBOT has built in Money and Risk Management

Money and Risk Management are paramount to successful trading. The robot will follow strict money and risk management – it will always place a Stop Loss and never exceed a certain 'maximum risk of account' that you tell it.

What exactly is an AI Trading Robot?

An AI Trading Robot is a small script that is an "add-on" to your MetaTrader 4 Broker Platform.

The installation is a simple process, and once up and running you won't need to touch it – it will just continue to trade away, day after day.

The AI Forex Robot is programmed with a unique trading strategy that is executed as soon as certain market conditions are presented.

As soon as these market conditions present at the blink of an eye the AI Robot puts the corresponding order through to your MT4 Broker and the trade is placed, most importantly with a stop loss to protect your capital.

The robot then continues to monitor the trade, adjusting the stop loss when needed, taking profit once your Profit Target is reached, and finally exiting when your 'sell signals' appear.

My belief is to utilise technology to improve trading performance in areas that humans lack, and the very reason that Trading Robots can give a trader an edge and enhance the trading experience.

But first let's look into the Foreign Exchange Market.

FOREX: the biggest of all!

There is no arguing that the Forex market could ever easily be over powered by any of the other financial markets. Each day it transacts over $3 trillion dollars alone! Many of the other markets combined could not outdo this powerful entity.

Basically, the Forex is the market place to exchange currencies. You are simply turning one currency into another; exchanging US Dollars for British pounds, just like you would if you were going on holidays. These price fluctuations is what traders speculate on in the hope to profit.

The Forex has been around for hundreds of years but lately through the advent of the internet, it has become a playing field to anyone who has a computer and connected to the world wide web. Which pretty much means almost every household. Initially it was only traded by large institutions, governments and individuals with big sums of equity.

One very exciting aspect is that the Forex is open 24 hours? – almost always open, 6 full days of the week, as it extends around the globe. You can come and go anytime you please. Now there aren't many other businesses or investment vehicles that can give you the benefits and features that the Forex offers.

If those are enough for you, well then there are even more benefits and features;

Access is easy

The internet creates easy access to this vibrant market place.

Income and wealth can be generated from home or even really remote locations worldwide. No more need to travel exhausting hours through peak hour traffic.

The financial markets offer total flexibility where you can choose the amount of time you put in, and with a robot trading on your behalf you have the time freedom that we all are striving for.

Some people assume that traders need to sit in front of computer screens all day. But we have the choice to utilise technology to our advantage and the very reason I choose to trade with robots. My goal is to ensure my trading is not intruding, but rather enhancing my lifestyle.

Unparalleled Leverage – making your money go further

Want to know the secret behind the wealth of all the super rich? Well it is leverage. Leverage means you are using your money as a margin to borrow larger sums of money to invest, and best of all share in the profits of larger amounts invested.

Now a days you can open a Forex trading account with a small amount of capital – it used to be a minimum of $500 but now you can open it with as little as $5, where each pip movement is worth 1 cent.

GoMarkets offer 'L' Plate (learner accounts) off the 1 cent per pip which means you can really reduce your risk significantly and have your stop loss further away from the general market noise. They also offer Demo accounts before you put your real money on the line. www.gomarketsaus.com

Leverage has allowed the mum & dad investors to become involved in the financial markets with smaller amounts of starting capital. You will see in later examples that the minimum amount of 100,000 currency units and historically that meant you would need to front up with a massive amount of cash to be involved in Forex trading… but those days have gone now leverage is an option.

Leverage is just like when you purchase a property, rarely does anyone have the full amount in cash, so you supply a security deposit and borrow the balance.

This provides a powerful investment vehicle, where if used wisely, can catapult your wealth creation ahead dramatically.

Managing the Risk

You know the old saying "whatever goes up must come down"... well that rings true in the Forex market too!

But just because something goes down, it doesn't mean you are losing money. Making money when prices are falling in the financial markets is called 'short selling' or 'going short'... but more on that in the upcoming section.

First I want to talk about managing the downside to trading, whether it be in the forex market or trading stocks.

The important thing is you MUST know how much you could potentially lose before you even take the trade (this is through the use of a Stop Loss), and if it is too much either reduce your position size or don't even take the trade.

Forex trading can provide you with limited risk trading when trading currencies through a Forex Broker, this means your loss is limited to the amount in your trading account – essentially you could never lose more money than what is in your account (worst case scenario); so there is no need to wake up with a massive loss in your account where you would have to sell an asset to fund the loss.

This is because FX Brokers have Margin Policies where they liquidate all positions if your trading account falls below a certain level.

Futures and CFD (contracts for difference) trading can be hair raising because you can lose more than what is in your account; you can wake up to find that you may have forgotten to put on a stop loss and your account is in negative figures and you need to find money fast to repay your broker.

Stop Losses

A stop loss is your worst case scenario exit point! And a critical part of your risk management.

You must always trade with a stop loss, otherwise you could decrease your account very, very quickly.

The AI Robot will always place a stop loss as soon as it enters the market at the level determined within your Input area. By using a stop loss you can predetermine the exact amount you could potentially lose.

Other Risk Reducing Strategies

The trader who learns to effectively manage their risk will be the trader who remains in the market for the long term. Below you will find strategies that assist the trader to further reduce their risk.

Moving the Entry Stop to the Entry Price.

It is good, wherever possible, to not let a profitable trade turn into a losing one. So a great strategy is to move your Entry Stop Loss quickly to your Entry Price once the market has moved into your favour. This immediately puts your trade at a "break even" status should the market reverse and hit this stop.

However, a downfall to this strategy is that the stop loss is hit and the market continues into the traders favour and you miss the profitable trade.

The key is to not move it until the price has moved a reasonable distance from your entry.

For example:

1 Hour Chart	40 pips
15 Minute Chart	30 pips

So once the market has moved to the exact price quoted above, only then would the robot move the Stop Loss up to your entry price.

This is a great strategy for traders who are a little more cautious.

Position Sizing - Never Risking more than a % of total trading capital

So how can you reduce your risk through effective position sizing?

This strategy helps you to work out the size of the position you want to enter into, that is safe and should the market go against you, you aren't risking too much capital.

Conservative traders	= 1% to 3% of total capital.
Aggressive traders	= 3% to 5% of total capital (up to 10% for robots only)

So this means if you have a starting balance of $10,000 you don't want to risk more than $100 to $300 if you were conservative, or $300 to $500 if you were aggressive.

These calculations mean that you can be wrong a lot of times before you are totally out of the game.

Making money from the downside: Short Selling

SHORT SELLING baffles most people, but I feel is the greatest feature the markets offer – you can make money in any of the market conditions;

- rising prices,
- falling prices,
- and even sideways moving prices (non trending consolidation times).

When the markets start falling you don't need to go looking for another investment vehicle, you just need to change your strategy.

Short selling is a very unusual concept that takes most people a little while to grasp. But not understanding or even knowing the concept exists causes peoples to either avoid the markets altogether (never knowing the true power; where money can be made in both rising and declining markets); or worse trying to make money using Bull market strategies (rising market) in a Bear market (falling market).

The important factor here is to ensure you are trading the right direction – get the direction wrong and you lose!

The concept of 'short selling' is that you are essentially 'selling' before you are 'buying'. That sounds quite ridiculous doesn't it!

Let's first look at profiting from a rising market, 'going long'. I will use shares rather than currencies as most people are more familiar with them at this point of the workbook.

To profit from a rising market, you would need to enter the market opening a position by **BUYING Long.** (You click on the BUY button to open the position).

Then at some point in the future, when hopefully your position is in profit, you would close out that Long position by **SELLING** (click on the SELL button to close) this will realise the profit or loss.

To profit from a declining market ('selling short' or 'going short');

This is just the opposite of the above example… to profit from declining prices you enter through opening a short position by **'SELLING'** into the market first (you first click on the SELL button).

This is where people get really confused, as people assume you need to buy something first before you can sell it.

Have you heard that old saying "buy low and sell high"? Well the same is for the opposite "sell high and buy back low".

Throughout our upbringing we are taught that money is only made when prices rise. Buy something for $5 and sell it for $12, and you have made a $7 profit. Quite logical.

So comprehending 'short selling' can be quite difficult at first. What you need to ensure you understand is that regardless of the direction, the way you profit is the 'price difference' between the open price and close price.

As mentioned, you need to ensure at the beginning you open the position up correctly so you profit from the direction you believe the market is going to go.

After we look at some Forex basics we will look at some profit calculations of both long and short trades.

The Nitty Gritty of Forex

Remember how I mentioned that the Forex is one currency against another? Well those two currencies are simply called a PAIR or CURRENCY PAIR.

It is the comparison of values, or actual exchange of one currency for another. Global shopping is common these days as consumers buy something from the other side of the globe as easily as it use to be to go to your corner store.

The only difference is ensuring the price conversion of the item you are buying translates well into your home currency.

Check out www.gocurrency.com

Sites like that allow you to find out what the exchange rates are from one currency into another.

If you lived in the USA and were about to go on a holiday to another country (England) with US$20,000 cash to spend you would need to convert that into the currency of the country you were visiting to be able to spend it in their shops.

If you were to convert your $20,000 (US) dollars into British Pound (GBP) the exchange at this point in time would mean you would have £12,290.

Currency Converter Results

Thursday, October 15, 2009

20000 US Dollar(s) = 12290 British Pound(s)
1 GBP = 1.62734 USD
1 USD = 0.6145 GBP

The global market place is now considered local, Forex participants are anyone and everyone from Governments, Banks, large Corporations right the way down to small business and individual traders.

The interesting thing is that around 95% of Forex participants are actually only people like you and me involved for profit on the price fluctuations, they do not take delivery of the physical currency.

The Major Pairs

There are two groups of Currency Pairs; the MAJORS and the CROSSES. Below are the Major pairs that are by far the most popular.

MAJOR Pairs	Name	Country
EUR/USD	Euro-dollar	Eurozone/US
GBP/USD	Sterling-dollar	United Kingdom/US
AUD/USD	Australian-dollar	Australia/US
NZD/USD	New Zealand-dollar	New Zealand/US
USD/JPY	Dollar-yen	US/Japan
USD/CHF	Dollar-Swiss	US/Switzerland
USD/CAD	Dollar-Canada	US/Canada

The first currency is called the BASE currency, whilst the second one quoted is called the COUNTER currency.

Profit and Loss

The Profit and Loss is measured in PIPS.

This measurement is a fraction of a cent. Normally we are used to the typical two decimal places used when we go shopping of Dollars & Cents, but in the foreign exchange market 4 or 5 decimal places is used (depending on the Broker).

This is for all Pairs, except the Japanese Yen, which uses only 2 or 3 decimal places.

First we will look at the pip movement for a 4 digit broker, as it is easier for you to understand first. The PIP price movement is the last two digits on the right.

1.42<u>77</u>

If the market moved up by 20 pips the new price would be;

1.42<u>97</u>

A 5 digit brokers would instead then see the price quoted like this;

1.42<u>770</u>

1.42<u>971</u>

So rather than the price increasing only by 20 pips – it would be quoted as increasing 20.1 pips.

But if we were only looking at dollars and cents…the price never moved… it was always at $1.42

Remember how I mentioned that historically only Banks, Governments, large Institutions and Investors with access to big amounts of capital were able to trade the foreign exchange, this is because the price movements of currencies is tiny and to make any sort of profit MASSIVE amounts need to be purchased.

That movement of 20 pips is not even 1 cent!

But for a trader, utilising the leverage now available, who entered into 1 Standard Lot (100,000 currency units) at US$10 per pip – their profit is $200 for that tiny 20 pip movement. Let's look at what Lots are and their sizes…

Parcels of Currency = Lots

Currencies are traded in LOTS. There are a few different Lot types;

- Standard Lots (100,000 currency units)
- Mini Lots (10,000 currency units)
- Micro Lots (1,000 currency units)

The value per PIP movement is different for each lot type and also the counter currency of the pair.

Trading the EURUSD 1 lot will give you;

- Standard Lots – US$10 per pip
- Mini Lots – US$1 per pip
- Micro Lots – US10 cents per pip
- Learner accounts can also provide 1 cent per pip

How does the broker make money?

The SPREAD is how the Broker makes the majority of their money - this is the difference between the BID & ASK prices (Sell & Buy) you will see displayed on your trading platform. Forex Brokers do not charge commissions, although some do charge a flat commission and a very small spread – which makes the cost of the trade more transparent.

Most spreads on the Major pairs are around 3 pips, but be aware that this can widen at highly volatile times, such as news releases.

Due to competition between Brokers, some offer a lower spreads than 3 pips to attract more clients.

Other Charges

Other costs in the Forex is the SWAP – this is 'interest' either paid (long positions) or earned (short positions) on trades that are held overnight.

Currencies and World News

Currencies react significantly to world news, economic data, interest rate announcements, even natural disasters, and with no time delay as it is open 24hrs. This means, as soon as news hits the market reacts. But specific news does not tell you how the market will react; many times I have seen the market react positively to bad news and vice versa.

You can obtain a calendar of news releases either from your Broker or websites similar to these;

www.bloomberg.com

www.money.cnn.com

www.moneycentral.msn.com/investor/home.asp

Profit Calculations – Long & Short

As promised, let's look at the scenario of a 20 pip movement both upward and downward and the result whether you opened the position as a Long or a Short trade.

Long Position

Open the position by **BUYING** into the market.

Eg;	Open at - 1.2000	Close at - 1.2020 (20 pips **profit**)
	Open at - 1.2000	Close at - 1.1980 (-20 pip **loss**)

Short Position

Open the position by **SELLING** into the market.

Eg;	Open at - 1. 2000	Close at - 1. 2020 (-20 pips **loss**)
	Open at - 1. 2000	Close at - 1. 1980 (20 pip **profit**)

The ability to short sell gives the financial market a powerful advantage over other investment vehicles.

During the 2007 economic downturn the authorities put a Short Selling ban across the global equities markets (which had little affect if any) but traders lost a lot of opportunity to make money in that vehicle they were unable to trade with the trend (which was 'down' at the time).

But the best thing in Forex is there could never be a Short Selling ban as the trade requires two currencies to be traded against the other, (which I mentioned earlier is called a 'currency pair'), so one currency is rising whilst the other is falling.

So traders can make money regardless if prices are rising or falling, and feel good that authorities aren't going to ban one direction.

Here is a quick summary;

"GOING LONG" (profit from a rising market)

- If the trader believes the market is going to rise they need to open a LONG position to profit.
- If the market fell, this trader would lose money, (the difference between their opening and closing price).
- The trader clicks on the BUY button in their trading platform to open a position Long.

"GOING SHORT" (profit from a falling market)

- If the trader believes the market is going to fall they would need to open a SHORT position to profit.
- If the market rose, this trader would lose money, (the difference between their opening and closing price).
- The trader clicks on the SELL button in their trading platform to open a position Short.

Risk Management Calculations

Let's assume that you have a $10,000 trading account, and you have already calculated out that you do not want to risk any more than 2% of your total account on any one trade.

- $10,000 x 2% = $200

Next you calculate your position sizing ...

You may be trading a 1 Hour chart and decide that you do not want to risk any more than 100 pips on any trade.

So your Stop Loss is set at 100 pips away from your Entry Price.

This means your total risk per Lot is;

- Mini Account/Lot at $1 per pip = $100 (100 x 1 dollar)
- Micro Account/Lot at 10cents per pip = $10 (100 x 10 cents)
- Learner Account/Lot at 1 cent per pip = $1 (100 x 1 cents)

Next is working out the number of lots ...

Now that you know exactly the total amount you are willing to risk on your Trading Account ($200) and how far away you intend to set your Stop Loss (100 pips) then you can finally work out the number of Lots you can enter into and still fulfil your maximum Account Risk rule (max 2% risk).

So to do this, you simply divide your maximum account risk (e.g. 2%) by the total maximum risk per trade/per contract (100 pips x $1). Ensure the figure is rounded down.

Mini Account/Contract

- $200 divided by $100 = 2
- So in a Mini Account where you are risking $1 per pip you could purchase 2 mini lots.

Micro Account/Contract

- $200 divided by $10 = 20
- So in a Micro Account where you are risking 10 cents per pip you could purchase 20 micro lots.

Mini Account/Contract

- $200 divided by $1 = 200
- So in a Learner Account where you are risking 1 cent per pip you could purchase 200 lots.

Risk Management Summary

So, you can see, it is the traders that trade with knowledge, supported by strategies that they follow 100% of the time (which a robot will always do), are the ones who stay in the game for longer and find consistent success.

They predetermine the potential risk of every single trade, and know exactly the amount they could potentially lose well before they even enter the trade.

And, if this figure is not comfortable for them, the do not take the trade or they reduce it to a more comfortable figure.

The majority of people who lose money in the financial markets most certainly are not practicing these sorts of strategies or any strategies at all. They have no idea the amount they could potentially lose or there are others who do know, but don't have the discipline to execute their strategies.

Therefore, trading is NOT risky, as the risk can be managed. It could only be called risky if you are you are trading with no knowledge and no strategies.

Trading Psychology

Even though you will be most likely trading the AI system via the robot instead of entering the trades, it is your own psychology (mindset and emotional control) that is a major influence and ultimately determines your success.

'Trading Psychology' is the traders' ability to observe and be in control of their emotions whilst trading.

A trader needs to be aware of their reactions to various situations they are confronted with. Like if they get easily flustered, anxious, nervous, over excited or angry.

Some people aren't even aware how they react. They are confronted with situations and purely react without thinking first which actions would be the most helpful to assist them to accomplish what they are trying to achieve.

Trading requires a lot of personal introspection.

The majority of people react to varying everyday life situations via automatic responses, most of which were learned from our parents (or the most highly influential people in our lives). We have been taught through conditioning how to deal with external events.

Recently there was a great commercial on television which showed kids mimicking their parents; shadowing their reactions to daily issues. The aim of the commercial was to get parents to realise that the way we deal with life situations rubs straight off onto their children; we instil the same behaviour into them – both good and bad habits.

So as a result of the way our parents responded to peak hour traffic, to the way they interact with people of different ethnicity, to parenting skills, how they treat their spouse/friends/co-workers, the way they dealt with difficult situations…

...each of us are conditioned to behave the same way.

Unless and until, we make a conscious choice to behave otherwise.

If you have not been taught good coping skills to deal with stressful situations you will need to take the time to learn and develop those areas of weakness.

No one was born a perfect trader. So to become one we need to be realistic and identify and acknowledge our weaknesses so that we can turn them into strengths or outsource those we cannot conquer to someone who is competent in that area or functionality.

However, even a person with the calmest nature does not mean they will succeed. The reason is determined by their 'money habits'.

Money habits are how we handle and think about money. Each of these has a massive impact on how you manage all the money that comes into your life, and this has a direct impact on your final trading and investment results.

Money can easily come and go in trading. It is the efficient management of your money combined with risk minimisation strategies that will ensure your longevity within the trading arena.

Most traders do not even realise that they are predominately functioning from habits which may or may not bring favourable results to their trading.

Each of us learn our money handling skills mostly from our parents or the people in our lives with the most influence.

By doing so we fall under one of the following three categories.

Deficit Spender

- These people spend more than they earn,
- They have large household debt.
- many credit cards and little if no investments,
- They spend money on items that depreciate rather than appreciate,
- They are quickly peddling backwards,
- They are living beyond their means.

Break Even Spender

- These people spend what they earn,
- Again they don't really put much, if any, money towards investing or saving.

Surplus Spenders

- This group of people save and invest a minimum of %percentage of what they earn, (a common rule of thumb is 10%),
- They are conscious of whether they are buying items that appreciate or depreciate,
- They are keen investors and understand the economic cycles,
- They spend less than they earn.

So what has all of that got to do with the success of a trader?

Well, making more money is never the answer to becoming wealthy.

The answer to true wealth; is what we do with the money that comes into our lives that determines if we will be wealthy.

There are plenty of people who are earning a very low salary who end up as a millionaire. And many who earn hundreds of thousands per year with hardly anything to show or have massive debt.

If a trader cannot resist the temptation to take profits out of their trading account and go on a spending spree, they will not achieve the powerful affects of 'compounding interest' – where you are earning money on the money made (earning interest on the interest made).

Albert Einstein says that this is the 8th wonder of the world – which just goes to show how important compounding interest can be when propelling your wealth creation.

So regardless of how good a trader may be in making profit by their entering and exiting the market, if that person regularly draws money out of their trading account or is too aggressive with their position sizing or risk management, then they can go backwards very quickly.

Let's quickly look over all the components mentioned which a Trader needs;

- A consistent, successful Trading Plan (a trading robot).
- Trader must have good emotional control and does not get swayed by temptations to go against their Trading Plan (interrupting their robots trading).
- Trader has good money handling skills.

AI ROBOT TRADING SYSTEM

- Heiken Ashi
- 1 Hour Chart
- 8 Simple Moving Average

Long Entry RULES

- Enter Long on the bar open following "5 consecutive white candle closes" above the 8 Simple Moving Average.

Take Profit RULES

- Take Profit at 40 pips - close half of contracts.

Stop Loss

- Stop Loss is placed 80 pips from the entry price.

Long Exit Criteria RULES

- Close Long trade completely on the bar open following "5 consecutive red candle closes" below the 8 Simple Moving Average.

Short Trade Criteria

- Opposite of Long criteria's. (Long trades will immediately reverse into a short trade upon closing, and vice versa of Short into Long). This robot will almost lways be in the market.

Heiken Ashi Chart

The Heiken Ashi Indicator is found in the MetaTrader 4 Trading platform;

Go to INSERT, then INDICATORS, then CUSTOM

The Heikin-Ashi technique is used to identify trend more easily. It is a type of candlestick chart that shares many characteristics with standard candlestick charts, the difference is that instead of using the open-high-low-close (OHLC) bars like standard candlestick charts the Heikin-Ashi technique uses a modified formula:

- Close = (Open+High+Low+Close)/4
- Open = [Open (previous bar) + Close (previous bar)]/2
- High = Max (High,Open,Close)
- Low = Min (Low,Open, Close)

When the White Candles dominate they signal to the trader that the trend is UP, where as when the Red Candles dominate they signal to the trader that the trend is DOWN.

1 Hour Chart

The AI Robot was created and tested thoroughly on the 1 Hour chart. This time frame allows the trader to get into the market in a timely manner but also not too big so that the indicators signals start to lag and profit is lost.

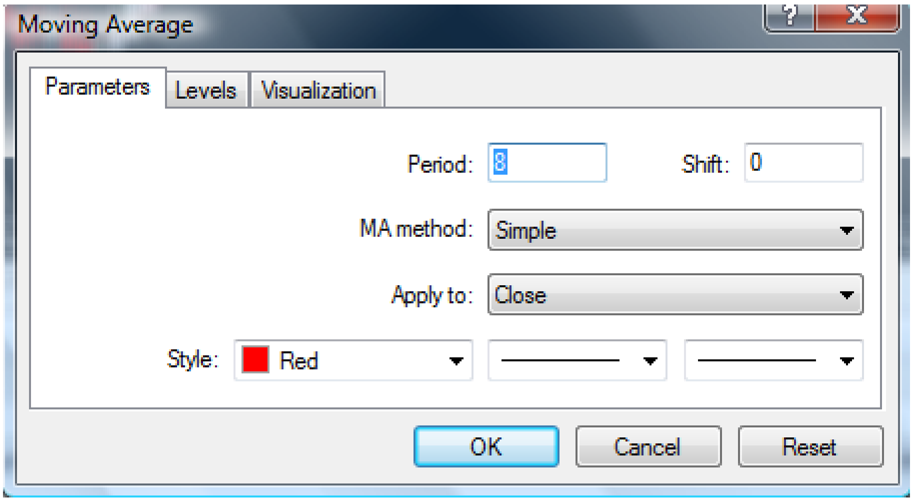
Apply a 8 Simple Moving Average (on the Close)

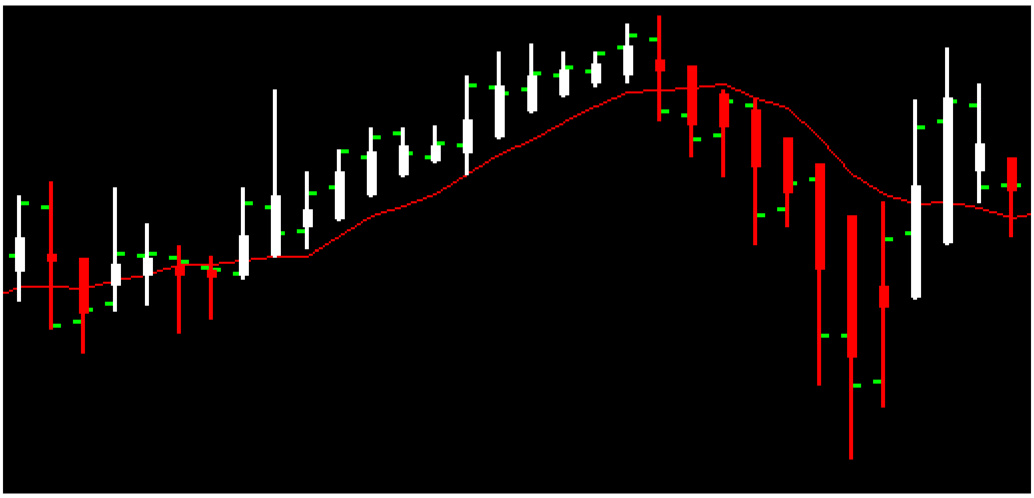
A Simple Moving Average is a indicator that 'smooths' out the price action over time, and can assist the trader to see what the 'trend' of the market is.

The 8, simply means the indicator is taking the average of the CLOSE prices for the past 8 time periods, which in our case is the last 8 hourly bars. It then connects the results with a line.

This can be added to the chart by going to INSERT then INDICATORS then TREND then MOVING AVERAGE.

Ensure your settings then reflect the image below;



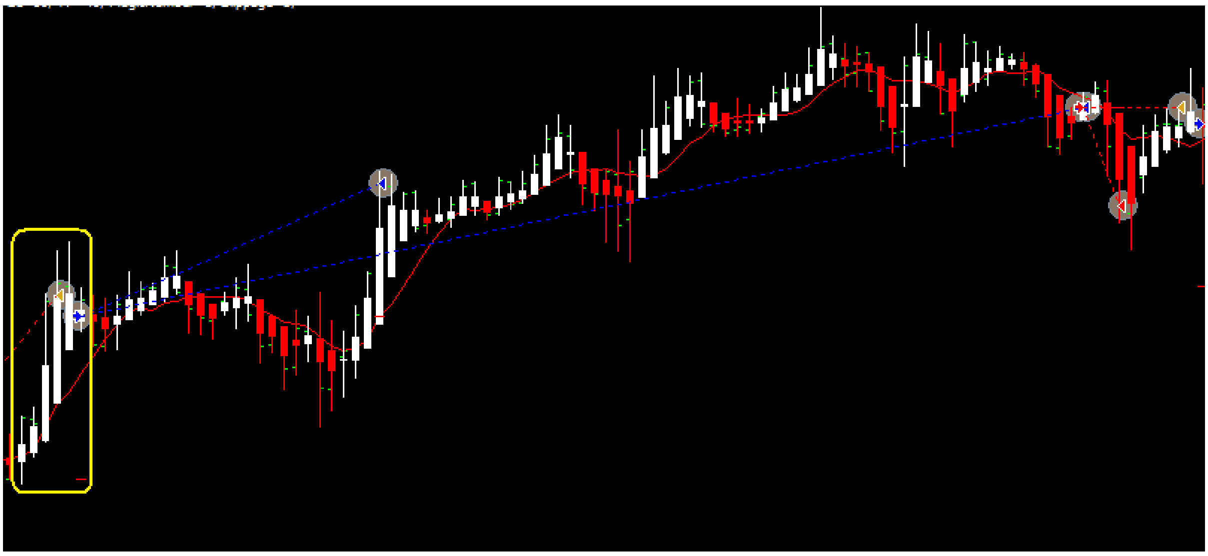


Long Entry Criteria

- **Enter Long on the bar open following "5 consecutive WHITE candle closes" above the 8 Simple Moving Average.**

When the above condition applies it is our signal to enter the market. Lets take a visual look at a chart and also break the entry conditions down.

1. First we are looking for 5 consecutive white candle closes above the 8-SMA. See the green tick to the right of each candle – that is the closing price for each Hourly bar. In the image below I have circled the first five white candles that have their 'closing' prices above the 8-SMA. The entry is on the open price of the 6th candle.



Take Profit

- **Close 50% of the position at 40 pips.**

Traders are to close out half of their trade when 40 pips is reached. Taking profit assist to reduce or even eliminate the risk of the trade should the market suddenly reverse down through your entry stop loss.

Long Exit Criteria

- **Close Long trade completely on the bar open following "5 consecutive RED candle closes" below the 8 Simple Moving Average.**

This is simply the opposite of the Long Entry – there must be 5 consecutive closes below the 8 SMA on RED candles. The trade closes on the open of the following candle.

Short Trade Criteria

- **Opposite of Long criteria's. (Long trades will immediately reverse into a short trade upon closing, and vice versa of Short into Long).**

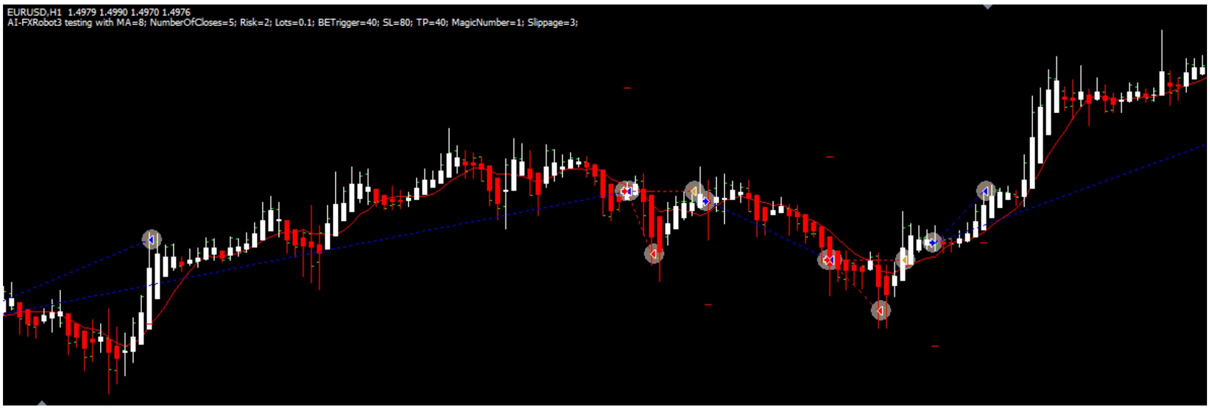
The short entry is simply the opposite of the Long entry (which so is the exit for the Long trade – this means then the robot continually reverses from long to short to long to short.

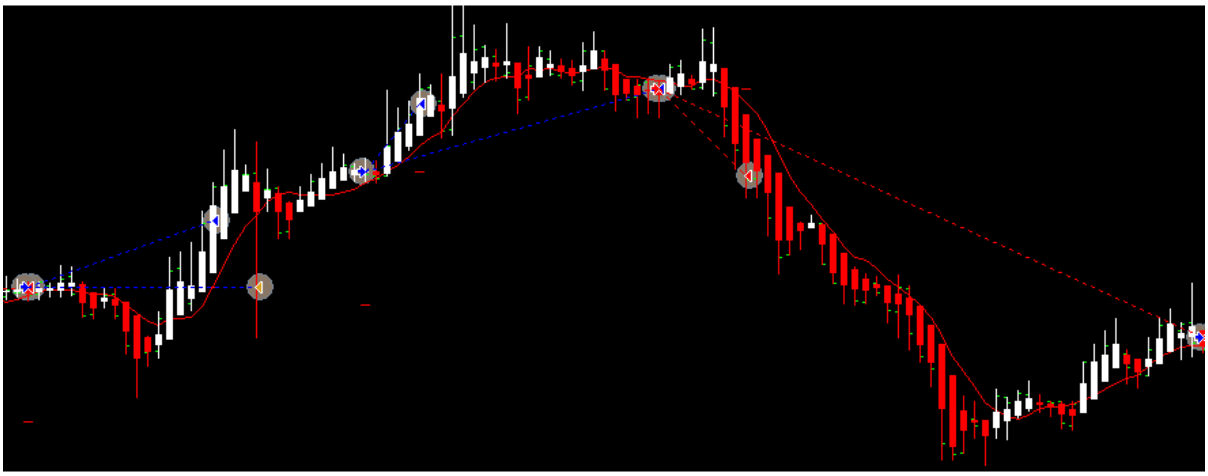
Trade Examples

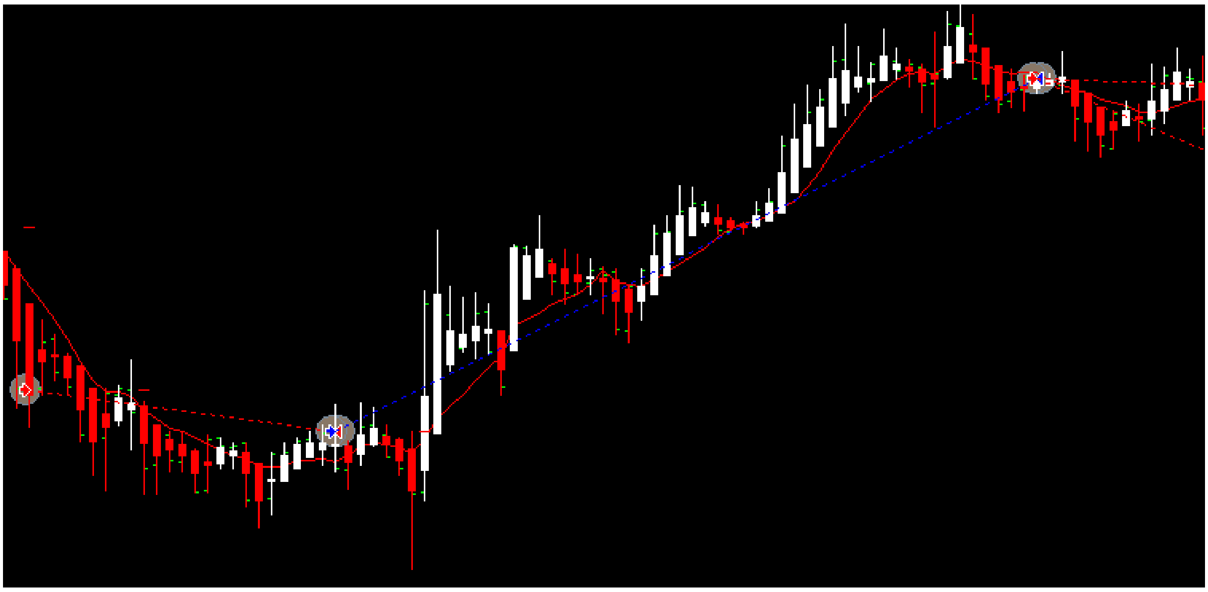
Following you will see a number of trade examples.

- the blue dotted lines show the robot taking ‘long’ trades (profit from rising prices) and,
- the red dotted lines show the robot taking ‘short’ trades (profit from falling prices).

You will also see the robot close out half the trade at the profit target.








4 Sep 06:00
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9 Sep 15:00
9 Sep 23:00
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10 Sep 15:00
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11 Sep 15:00

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