Scooby-Doo
Original BOJ Basket Trading Robot

User Guide

Version 2.4

The Scooby-Doo Original BOJ Basket Trading Robot
is an Expert Advisor for the Metatrader 4 Platform developed by:

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with contributions from Scooby-Doo
and other contributors
to Forex Factory

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It is highly recommended that you do not trade The Scooby-Doo Original BOJ Basket Trading Robot on a live account until you have tested it on a demo account and have learned how it operates.

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Introduction:

The Scooby-Doo Original BOJ Basket Trading Robot was developed on the Forex Factory thread http://www.forexfactory.com/showthread.php?t=204646 by Steve Hopwood with the strategic inspiration and insights of Scooby-Doo.

Steve Hopwood is a frequent contributor to Forex Factory, producing many Expert Advisors and trade management tools.

Scooby-Doo is an experienced commercial Forex floor trader.

Other contributors to the concepts, coding, testing and development of the Robot, the indicators it uses and manual trading tools are Kang Gun, smjones, zzbrm, matrixebiz, challenger88, fxjedi and Dxtrade.

The main idea of the Scooby-Doo Original BOJ Trading Robot trading strategy is simple:

Trade xxxJYP currency pairs during times of day when The Bank of Japan (BOJ) intervenes in the financial markets to strengthen or weaken the value of the JPY.

Each trading day, The BOJ determines whether to take action to strengthen the JPY and/or weaken the JPY.

Why would The BOJ intervene? Think of it this way.

During Japan's business day, Japanese government and businesses import products such as oil, other commodities and materials. If the JPY is stronger, Japan has stronger buying power and obtains more value in their import purchases.

At the end of Japan's business day, a strong JPY is no longer needed. Other countries open for business buying Japanese exports result in an influx of more JPY per unit of foreign currency which may later be strengthened by intervention of the Bank of Japan the next business day.

So each day, The BOJ decides before the Tokyo session of the Forex market whether to intervene to strengthen the JPY. Then at the end of the Tokyo session, The BOJ decides whether to intervene to weaken the JPY.

The Scooby-Doo Original BOJ Basket Trading Robot trades during those times of day when the BOJ is most likely to intervene.

To get a deeper understanding, read the following two documents which are posted in the Forex Factory thread http://www.forexfactory.com/showthread.php?t=204646 on page1:

1. BOJ Intervention Policy.pdf.
2. BOJ Trading Method.pdf

A Look at the Strategy:

The Scooby-Doo Original BOJ Basket Trading Robot trades a basket of Yen currency pairs, rather than just one currency pair.

By trading a basket, the Relative Strength of several currencies can be measured against the JPY.

When a basket of xxxJPY currency pairs give the indication of the relative strength or weakness of JPY, it is a stronger indication than just measuring one currency pair.

This reduces overall risk of the Robot's trades and enhances the profitability of the Robot's trades.

However, the Robot incorporates a critically important contribution of Scooby-Doo:

> *One thing people should realise with the xxxJPY pairs...One well-known trading method with JPY currencies is that the BOJ intervene on a daily basis with them. So, if they are oversold prior to Tokyo open, then SELL them all. Likewise if they are overbought prior to Tokyo close, then BUY them all.*
>
> ---Scooby-Doo

As a result of this observation, the Robot looks for oversold and overbought conditions only around those times of day when the Bank of Japan is likely to intervene in the JPY.

Thus, the oversold or overbought conditions seen in Relative Strength in the xxxJPY currency pairs are likely to be more reliable and consistent indicators of a successful trade based on a movement driven by the BOJ.

The Scooby-Doo Original BOJ Basket Trading Robot looks at the following to identify a trade setup:

1. Time of day
2. The Relative Strength of JPY on the M15 and H1 timeframes
3. News & Holidays that could impact trading of the xxxJPY pairs
4. Trading waves

Let's take a brief look at each of these on the following pages.

A Look at the Strategy:
Identifying Trade Setups

1. Time of Day

The Robot trades during two windows of time per day:

      10:30pm GMT until 00:30am GMT

               and

      06:30am GMT until 08:30am GMT

These are the times that The Bank of Japan (BOJ) interventions are most likely to happen.

(These times are derived from Scooby-Doo's "BOJ Trading Method.pdf" which can be found on page 1 of the Forex Factory thread "scooby-doo BOJ JPY pairs trading robot" at http://www.forexfactory.com/showthread.php?t=204646)

From 10:30pm GMT until 00:30am GMT, the Robot monitors for SELL xxxJPY trades.

At the beginning of Japan's business day, when the Bank of Japan is most likely to intervene to strengthen the JPY, the Robot looks for basket SELL trades to ride the downward movement of the xxxJPY pairs.

When the Robot SELLS, this means it expects the value of the JPY to INCREASE due to The BOJ interventions.

From 6:30pm GMT until 8:30am GMT, the Robot monitors for BUY xxxJPY trades.

At the end of Japan's business day, when the Bank of Japan is most likely to intervene to weaken the JPY, the Robot looks for basket BUY trades to ride the upward movement of the xxxJPY pairs.

When the Robot BUYS, this means it expects the value of the JPY to DECREASE due to The BOJ interventions.

A Look at the Strategy:
Identifying Trade Setups

2. The Relative Strength of JPY on the M15 and H1 timeframes

The Robot looks at the Relative Strength of JPY for all the xxxJPY pairs using an index indicator.

The Robot looks at the Relative Strength of JPY on two timeframes, M15 and H1. This reduces whipsaw and filters the trades more effectively than looking only at one timeframe.

The reason for using the M15 and H1 timeframes comes from Scooby-Doo's guidance to use timeframes where the higher timeframe is at least 3 times the lower timeframe.

Lower timeframes are <u>not</u> used intentionally as they tend to be less reliable in measuring Relative Strength for purposes of the Robot.

It was confirmed by Scooby-Doo, Steve Hopwood and those contributing to the development of the Robot that the two timeframes most appropriate for the Robot were M15 and H1 to provide the best balance of reduced false signals while maximizing trading opportunities.

The Relative Strength indicator used by the Robot is "RS_GROUP_JPY_Strength_Index."

This indicator was developed originally by Kang Gun (see Forex Factory thread http://www.forexfactory.com/showthread.php?t=123284). It was later adapted to use with the Scooby-Doo Original BOJ Basket Trading Robot.

This indicator plots "Oversold / Overbought" Relative Strength of the JPY.

RS_GROUP_JPY_Strength_Index indicator
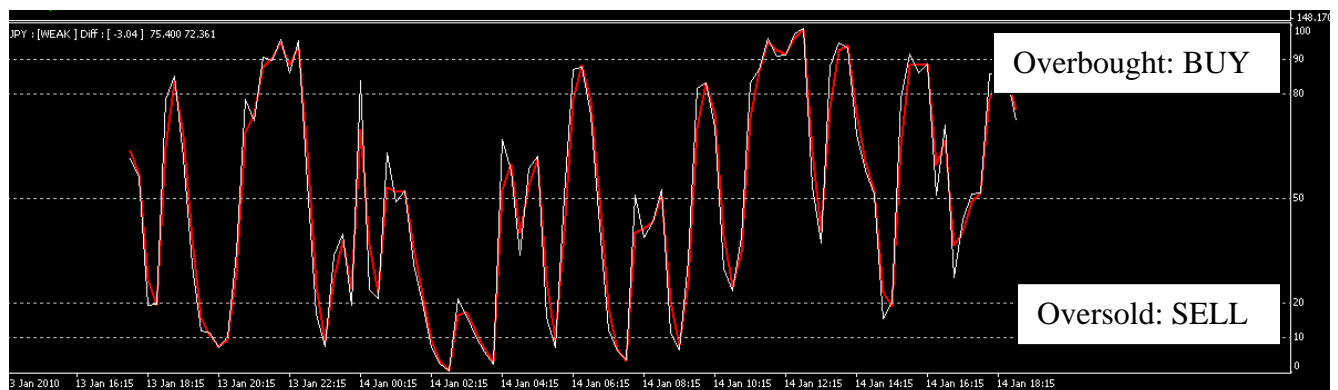
For those unfamiliar with this indicator, when viewing the indicator on a chart, it appears to be upside-down compared to commonly-used oversold/overbought indicators.

Do not worry. It is not upside down.

On this indicator OVERSOLD means that JPY is oversold and the currencies being measured against JPY are overbought.

An OVERSOLD condition means JPY is WEAKER versus the other currencies. So, for oversold conditions, the Robot will SELL a basket expecting the xxxJPY basket to move down in price thereby strengthening the JPY.

Conversely, on this indicator OVERBOUGHT means that JPY is overbought and the currencies being measured against the JPY are oversold.

An OVERBOUGHT condition means JPY is STRONGER versus other currencies. So, for overbought conditions, the Robot will BUY a basket expecting the xxxJPY basket to move up in price thereby weakening the JPY.

Scooby-Doo's recommended Oversold and Overbought settings for the Robot are:

	JPY OVERSOLD Sell xxxJpy	JPY OVERBOUGHT Buy xxxJPY
M15	< 10	> 90
H1	< 20	> 80

The Robot has the above settings as default.

While the indicator looks at Relative Strength of all xxxJPY pairs, it only trades the GBPJPY and EURJPY pairs.

The Robot can trade a basket of all the xxxJPY currency pairs. However Scooby-Doo determined that for retail traders, the success rate of trades would be much higher if only trading the **GBPJPY** and **EURJPY** pairs.

The Robot default settings only trade these two pairs.

A Look at the Strategy:
Identifying Trade Setups

3. News & Holidays that could impact trading of the xxxJPY pairs

Trading near news events or Public Holidays can adversely affect the Robot's trade outcomes.

News events can trigger sudden volatility changes and short-term moves against trading positions which could lead to losses.

During Public Holidays, the banks are closed in Japan, significantly affecting the volatility and behavior of the xxxJPY pairs.

The Robot uses an indicator to read the Forex News Calendar from Forex Factory at http://www.forexfactory.com/ to shut the Robot down during news events.

In addition to news events, the Robot can be set to stop trading on Public Holidays in Japan.

As a user of the Robot you need to decide what types of news events you want the Robot to avoid. There is more about this in the "Settings" section of this User Guide.

There is also more information about how to set the Robot for Japanese Public Holidays in the "Settings" section of this User Guide.

For monitoring news events, the Robot uses a specific indicator called "FFCal Scoobs." This indicator is a modification of the "FFCal" indicator provided by Forex Factory. The Robot automatically reads this indicator.

The use of this indicator helps the Robot avoid trades near news events that could affect the successful outcome of xxxJPY basket trades.

Scooby-Doo noticed that Forex Factory's News Calendar would occasionally display upcoming news events differently than other news calendars. As a result, he feels the "FFCal" and "FFCal Scoobs" indicators are imperfect in accurately displaying some news events or their potential impact.

Therefore, it is wise to check news events with other Forex calendars to see if Forex Factory's calendar reflects the news events found on other Forex calendars.

As a user of the Robot, you can decide to simply turn the Robot off at times to ensure it does not trade during high impact news events.

A Look at the Strategy:
Identifying Trade Setups

4. Trading Waves

The Robot looks at movements (waves) in the rising and falling of prices and of the Relative Strength of the xxxJPY pairs.

These waves are caused naturally by traders looking at the market and making decisions to take trades in one direction or another which pushes price up or down and results in oversold or overbought conditions in Relative Strength measured by the RS_GROUP_JPY_Strength_Index.

While traders may drive prices up and down with their trade positions, The Bank of Japan (BOJ) also may intervene when traders have pushed prices in a direction opposite to which The BOJ wants to drive the JPY. More often than not, The BOJ will intervene.

For our purposes the Robot identifies these waves prior to the Tokyo Forex Session open and close to determine in which waves to enter trades.

For Example:

1. When traders observe the xxxJPY pairs before the Tokyo Forex Session open, they may determine the pairs are "strong" and find an opportunity to take a short (sell) trade. This is a Wave 1 trade.

    (The Robot sees this as rising prices for the xxxJPY pairs and an "oversold" condition of the JPY as measured on the RS_GROUP_JPY_Strength_Index.)

    Even though the strategy of the Robot is to start to look for <u>sell</u> trades one and one-half hours before the Tokyo Forex Session open, a downward wave (Wave 1) of price caused by traders taking short positions may occur which will be ignored by the Robot. This is normal behavior.

2. The short trade activity however will cause the xxxJPY pairs to fall in price and appear "weak."

    (The Robot sees this as falling prices for the xxxJPY pairs and an "overbought" condition of the JPY as measured by the RS_GROUP_JPY_Strength_Index.)

    Traders will see this as an opportunity to close their short positions and take long positions on the xxxJPY pairs.

    When this occurs, the Robot may take a buy trade if the proper conditions are met. This is called a Wave 2 trade.

Even though this appears to be opposite the strategy of riding the direction of the interventions of The BOJ. This is normal behavior of the Robot. Although the taking of Wave 2 trades may be disabled in the settings for version 2.4 of the Robot.

3. This buying activity moves the price of xxxJPY pairs up which in turn moves the JPY down, weakening the JPY and forcing the JPY downwards.

   At this point, The BOJ may intervene to strengthen the Yen.

   If the Robot detects an appropriate "oversold" condition of the JPY as measured by the RS_GROUP_JPY_Strength_Index, the Robot may enter a sell trade of the xxxJPY pairs. This is called a Wave 3 trade.

   This trade would be consistent with the underlying strategy of the Robot to sell the xxxJPY pairs, taking advantage of the market movement caused by the BOJ interventions.

The Example above outlines a scenario prior to the opening of the Tokyo Forex Session.

The opposite scenario may occur prior to the close of the Tokyo Forex Session. In this case, the Robot may enter into Wave 2 sell trades when the underlying strategy would suggest the Robot would enter Wave 3 buy trades as the BOJ is intervening to weaken the JPY.

The Robot is sophisticated enough to identify trade opportunities, whether buy or sell, during the designated trading window times during which the Robot trades.

Do not worry if you see both buy and sell trades prior to the Tokyo Forex Session open or close. Of course, version 2.4 of the Robot now allows you to disable Wave 2 trades if you choose.

Settings:

The Robot has many settings that a user can configure.

Most of the default settings are for a standard account.

However, you MUST confirm or change the settings for the following:

 - SellHourStarts
 - BuyHourStarts
 - NextPublicHoliday

These settings are very important for the Robot to work properly.

Each of these settings is input in **LOCAL TIME** which means the clock time of the computer on which you are running the Robot.

Local Time is not the time zone of your broker platform.

Keep in mind that Local Time may be in Standard or Daylight Savings Time depending on the time of year.

Please be sure you fully understand the concept of Local Time when entering settings values.

Included in Appendix A is a detailed explanation of how to enter these settings correctly. It is highly recommended that you read this Appendix.

On the following pages is a grid listing each Setting Name, the Default Setting and a Description of each Setting.

Setting Name	Default Setting	Description
PairsToTrade	GBPJPY,EURJPY	The default GBPJPY and EURJPY are the pairs that testing has shown are the best, least risky to trade with the Robot. Additional pairs can be traded by adding them to the list in the setting. For example, to add NZDJPY to the list the setting would read: GBPJPY,EURJPY,NZDJPY
SellHourStarts	22	This is the hour in which you want the Robot looking for short trades. This should be the Tokyo Forex Session opening time minus 2 hours expressed in LOCAL TIME. Local Time is the time on the clock of the computer running the Robot. You must set this setting for the correct time. Do not rely on the default setting. See Appendix A for detailed instructions for this setting.
BuyHourStarts	6	This is the hour in which you want the Robot looking for long trades. This should be the Tokyo Forex Session closing time minus 2 hours expressed in LOCAL TIME. Local Time is the time on the clock of the computer running the Robot. You must set this setting for the correct time. Do not rely on the default setting. See Appendix A for detailed instructions for this setting.
BaseLot	0.1	This is the minimum lot size used by the Robot to calculate differential lot sizes. If this setting is set to the lot size you want to trade and the setting for RobotCalculatesLotSize is set to "false," the Robot will trade on the BaseLot size you set here.

Setting Name	Default Setting	Description
RobotCalculatesLotSize	true	Set to "true" the Robot will calculate your BaseLot size for you. This function uses Scooby-Doo's formula of (Account balance / 20,000). Set to "false," the Robot will use the BaseLot setting in BaseLot. Note: Scooby-Doo's formula for calculating the BaseLot size assumes a standard account. If you are using an account without a standard lot size RobotCalculatesLotSize will still calculate the lot size as (Account balance / 20,000). You may choose to set the BaseLot manually and set RobotCalculatesBaseLot to "false" and/or adjust downward the TpMultiplication Factor if using an account where 1 lot is less than one standard lot.
TpMultiplicationFactor	200	This is the factor by which the BaseLot is multiplied to reach a basket take profit. The default setting is Scooby-Doo's recommendation for a standard account. Leave it set to default until you understand the implications of changing it. The default setting of 200 is on the low side for safety as there is no proper way of ascertaining correct support and resistance etc. on retail trading platforms. Sometimes the TP will be too low and sometimes the TP will actually be too high depending on different market conditions. You can of course set this higher but do not be surprised if your baskets never hit TP or take hours, days or weeks to do so.

Setting Name	Default Setting	Description
TpMulitplicationFactor (continued)		Note: The TpMultiplicationFactor default assumes a standard account. If you are using an account, where 1 lot is less than one standard lot, you may choose to factor down the TpMultiplicationFactor value accordingly. Otherwise, the basket take profit may be too high to achieve on the pip values of the non-standard account.
BasketStopLossPercentage	10.0	This is the maximum percentage of the account balance the account will go into drawdown before "stopping out." This *has* to be set to a high figure. Trading baskets' UPL's change rapidly. A stop of 2% or 3% will get hit more often than not. The default setting takes both this factor and the overall safety of the Original trading strategy into account. Note: At the default of 10% on non-standard account, the risk/reward is significantly different from a standard account. You may choose to adjust the BasketStopLossPercentage accordingly.
EmergencyStopLoss	6000 (600 pips)	This setting is used in the case your Robot loses contact with your Broker's server. The default is coded for a 5 digit broker price feed. If using a 4 digit Broker, enter this value as if for a 5 digit broker. The Robot will automatically adjust the value to work on a 4 digit broker price feed.

Setting Name	Default Setting	Description
EmergencyTakeProfit	6000 (600 pips)	This setting is used in the case your Robot loses contact with your Broker's server. The default is coded for a 5 digit broker price feed. If using a 4 digit Broker, enter this value as if for a 5 digit broker. The Robot will automatically adjust the value to work on a 4 digit broker. Note: You may choose to modify this setting from the default. As of December 23, 2009, Scooby-Doo recommends an EmergencyTakeProfit of 2000 (200 pips) for a standard account.
MaxSpreadAllowed	100 (10 pips)	This setting establishes the maximum spread allowed for the Robot to enter the trade. This helps to avoid trading during a dramatic news period. The default is coded for a 5 digit broker price feed. If using a 4 digit Broker, enter this value as if for a 5 digit broker. The Robot will automatically adjust the value to work on a 4 digit broker.
MagicNumber	123456	This sets the Magic Number to distinguish the Robot's trades from trades of other systems on the same account.
OnlyTradingThisSystem	true	A setting of "true" tells the Robot to calculate lot size based upon account balance. If "false" lost size will be calculated using free margin instead.

Setting Name	Default Setting	Description
TradeComment	Original Basket Trade	This is the comment you will find attached to each trade in the Metatrader Terminal. You can set the comment to whatever you want or leave the default.
AllowWaveTwoTrading	true	This setting tells the Robot whether or not to take Wave 2 trades. The original intention of the Robot is to take Wave 3 trades, but users can choose to allow Wave 2 trades which occur before Wave 3 trades. See the section on "Trading Waves" for more information.
CriminalIsECN	false	This setting tells the Robot whether you are using an ECN-type broker. If "true" the Robot will place trades in a 2-stage order process with a trade entry order, followed by a modify order to transmit the stop loss and take profit. Leave this set to "false" if your broker does not require a 2-stage order.
TradeSundayCandle	true	When set to "true" this setting tells the Robot to trade on the Sunday candle. Set to "false" to tell the Robot to not trade the Sunday candle.
StopTrading	false	This setting tells the Robot to stop trading until the date/time specified in NoTradeUntil setting. This may be useful if you want to stop the Robot trading to automatically resume trading on the NoTradeUntil date.

Setting Name	Default Setting	Description
TradesWillExpire	true	When set to "true" the robot will close any open trades after the number of minutes indicated in the setting "TradesWillExpireMins" This setting is intended to limit how long a trade will be open. In cases where the BOJ does not intervene in the market, these baskets can remain open for hours, gradually drifting to a close at the basket stop loss. Set to "true" trades will close after the specified minutes to avoid costly stop losses
BuyTradesWillExpireMins	150	If "TradesWillExpire" is set to "true," this is the number of minutes a BUY basket trade will stay open before closing out.
SellTradesWillExpireMins	300	If "TradesWillExpire" is set to "true," this is the number of minutes a SELL basket trade will stay open before closing out.
NoTradeUntil	2009.11.23 22:00	The Robot will not take trades until the date and time set here if StopTrading is set to "true."
LowerTfOverBought	90.0	This is the value recommended by Scooby-Doo. Leave at default, unless you understand the impact of changing this setting.
HigherTfOverBought	80.0	This is the value recommended by Scooby-Doo. Leave at default, unless you understand the impact of changing this setting.
LowerTfOverSold	10.0	This is the value recommended by Scooby-Doo. Leave at default, unless you understand the impact of changing this setting.
HigherTfOverSold	20.0	This is the value recommended by Scooby-Doo. Leave at default, unless you understand the impact of changing this setting.

Setting Name	Default Setting	Description
UseNewsFilter	true	When set to "true" the Robot will use the "FFCal Scoobs" indicator to filter trading for news events. This should generally be left at the default setting of "true."
MinsBeforeNews	60	This tells the Robot how many minutes before a news announcement the Robot should stop trading. This should generally be left at the default setting of 60.
MinsAfterNews	30	This tells the Robot how many minutes after a news announcement the Robot should wait before resuming trading. This should generally be left at the default setting of 30.
NewsImpact	3	This tells the Robot what level impact of news to use to filter trading. The setting should be 3, 2 or 1 as follows: 3 = stops Robot trading during high impact news periods 2 = stops Robot trading during high and medium impact news periods 1 = stops Robot trading during all news periods During news events the Robot may not perform as well. Therefore, you should determine what level of risk to take based upon the level of news impact you want to filter.
NextPublicHoliday	2011.01.01 22:00	This needs to be set for the date and time of the next Japanese Public Holiday. See Appendix A for an explanation how to set this parameter.

Setting Name	Default Setting	Description
ShowImmediateBuyBasket	true	When set to "true" the Robot will draw a "button" on the screen called "Immediate Buy Basket." This button will allow the user to place a basket buy manually if desired. To use it, double-click, then drag the button to another spot on the chart. This triggers the trade. The button will then return to its usual place on the chart. Practice using the button on demo to be sure you understand how to engage the button properly.
ShowImmediateSellBasket	true	When set to "true" the Robot will draw a "button" on the screen called "Immediate Sell Basket." The Immediate Sell Basket button will allow the user to place a basket sell manually if desired. To use it, double-click, then drag the button to another spot on the chart. This triggers the trade. The button will then return to its usual place on the chart. Practice using the button on demo to be sure you understand how to engage the button properly.
ShowImmediateCloseBasket	true	When set to "true" the Robot will draw a "button" on the screen called "Immediate Close Basket."The Immediate Close Basket button will allow the user to close any open basket positions manually if desired. To use the button, double-click, then drag it to another spot on the chart. This will trigger the trade. The button will then return to its usual place on the chart. Practice using the button on demo to be sure you understand how to engage the button properly.

Setting Name	Default Setting	Description
LabelColour	Yellow	This sets the color of the Immediate Buy, Sell and Close buttons discussed above.
AllowHedging	false	If "true," this setting causes the Robot to open hedge trades if the open basket drawdown is equivalent to 50% of the basket stop loss Hedging is not available to traders using brokers that do not allow hedging. Check that your broker allows hedging before enabling this setting to true.
MaxHedgeTradesAllowed	5	Leave this setting at the default of 5 unless you know what you are doing or are testing altered settings of the Robot on a demo account.
HedgeAtLossPercent	5.0	Leave this setting at the default of 5.0 unless you know what you are doing or are testing altered settings of the Robot on a demo account.
PercentageToHedge	10.0	Leave this setting at the default of 10.0 unless you know what you are doing or are testing altered settings of the Robot on a demo account.
TrailingStopPips	1000 (100 pips)	This is the distance the stop loss will trail when a hedge trade is open. The default is coded for a 5 digit broker price feed. If using a 4 digit Broker, enter this value as if for a 5 digit broker. The Robot will automatically adjust the value to work on a 4 digit broker.
DisplayGapSize	30	Sets the horizontal distance from the left-hand side of the chart that the on chart information display will print. You my leave this setting at default.

APPENDIX A:

**Understanding Local Time and
Settings for SellHourStarts, BuyHourStarts and NextPublicHoliday**

What is Local Time?

The settings for SellHourStarts, BuyHourStarts and NextPublicHoliday need to be entered in Local Time.

Local Time is the time on the computer that is running the Robot. This computer might be a personal computer at your home or office, a remote server such as a VPS (virtual private server), a hosted remote computer, or some other computer.

The point to clearly understand is that you need to know the time zone on the clock of the computer that is running the Robot.

If you are running the Robot on your home or office computer, the Local Time is whatever the computer clock says (assuming you have your home or office computer clock set to the time zone where you live).

If you are running the Robot on a VPS, Local Time is the time on which the VPS clock is running. A VPS may be located in a remote location in another time zone than where you live. In this case, the Local Time for the VPS may not be the time where you live.

Do not enter the time based on your Forex Broker's server time like many other Expert Advisors, unless the computer on which you are running the Robot and your broker's server are on the same time zone.

Do not enter the time in GMT like other many other Expert Advisors, unless the clock on the computer on which you are running the Robot is set in GMT.

When is the Tokyo Forex Session?

What time does the Tokyo Forex Session open and what time does it close?

If you check the Internet for the answer to this question, you will get many different answers. Even checking with your Forex broker may not give you the correct information.

Knowing the correct times of the Tokyo Forex Session is critical to successful operation of the Robot.

Why? Because the strategy is based on the times of day that The Bank of Japan intervenes with JPY.

You must be able to input the correct settings for SellHourStarts, BuyHourStarts and NextPublicHoliday for the Robot to work properly.

First understand the <u>Tokyo Forex Session is 8 hours long.</u>

What time does the Tokyo Forex Session open?

For the purposes of trading the Robot, the answer can be inferred from Scooby-Doo in his "BOJ Trading Method.pdf" (which can be found on post 1 of the Forex Factory thread "Scooby-Doo BOJ JPY Pairs Trading Robot" at http://www.forexfactory.com/showthread.php?t=204646).

In that document, Scooby-Doo says that the trading method calls for trading between:

10:30pm GMT until 00:30am GMT

         and between

06:30am GMT until 08:30am GMT

Scooby-Doo has also indicated that the start of the trading time near Tokyo Forex Session Open is one and one-half hours before the actual session open.

Therefore, the time of 10:30pm GMT would be one and one-half hours before the Tokyo Forex Session Open.

This would place the time of the Tokyo Forex Session Open at 0:00 GMT.

Since the Tokyo Forex Session is 8 hours long, the Session Close would be 8:00 GMT.

Now, with the information about Local Time and Tokyo Forex Session open and close time, we can take a closer look at how to enter the settings for SellHourStarts, BuyHourStarts and NextPublicHoliday.

<u>Note for those reading the entire Forex Factory thread</u>: As of the writing of this User Guide, Steve Hopwood has confirmed the above Tokyo open and close times based on his understanding from Scooby-Doo. While Scooby-Doo later posted in the thread that the Tokyo open is 11pm GMT, pending further comment from Scooby-Doo, we shall rely on his original document "BOJ Trading Method."

SellHourStarts Setting

This setting causes the Robot to start looking for Sell trades <u>one and one-half hours before</u> the Tokyo Forex Session open. The way the Robot program code is written, <u>the SellHourStarts setting needs to be 2 hours before</u> the Tokyo Forex Session open.

The SellHourStarts setting identifies the hour IN which the Robot starts looking for short trades. But, the Robot does not actually start looking for trades at the hour that is set. It starts looking for trades *one-half hour later*.

The SellHourStarts setting value you should enter should be:

(Tokyo Forex Session Open time) minus (2 hours)…<u>expressed in Local Time</u>

Therefore the SellHourStarts setting would be 0:00 GMT minus 2 hours expressed in Local Time or 22:00 GMT.

Now, you need to convert this to the Local Time of the computer running the Robot.

And you need to take into account whether Local Time is Standard or Daylight Savings Time.

By using GMT as the starting point for determining the correct SellHourStarts setting, it makes it easier since both GMT and Tokyo are always on Standard time.

The easiest way to find the correct time for SellHourStarts is to go to the following website:

http://www.timeanddate.com/worldclock/converter.html

First select the time and place to convert from. For SellHourStarts, we would use GMT (UTC).

We determined above that the Tokyo Forex Session open is at 0:00 GMT. On the time zone converter……………………………………………enter the hour as **00/12 am**.

Then, enter **UTC/GMT** as the location in the top box:

The World Clock – Time Zone Converter

Do time zone conversions between two cities. This time zone calculator takes into account daylight saving time (DST), local time zone and accepts dates in past or future.

For current time, please use The World Clock instead.

Select time and place to convert from

Month: January ▼ Day: 16 ▼ Year: 2010 ▼ Hour: 00 / 12 am ▼ Minutes: 00 ▼

Location: UTC / GMT ▼   Other locations...   Time zones...

Select place to convert to

Location: U.S.A. - Washington - Seattle ▼   Other locations...   Time zones...

Convert time

Then select the place to convert to. This would be the time zone of LOCAL TIME. In the example above, we used U.S.A - Washington - Seattle.

Then click "Convert time" and the next screen appears:

The World Clock – Time Zone Converter – results

At the specified time, local time in Seattle was 8 hours behind UTC

Location	Local time	Time zone
UTC	Saturday, January 16, 2010 at 00:00:00	
Seattle (U.S.A. - Washington)	Friday, January 15, 2010 at 4:00:00 PM	UTC-8 hours PST

This tells us that the Tokyo Forex Session Open in Local Time is 4:00pm (or 16:00 GMT).

Now subtract 2 hours from this time and we get the correct SellHourStarts time.

In this example, the correct SellHourStarts time would be:

16:00 minus 2 hours = 14:00 Local Time

BuyHourStarts Setting

This setting causes the Robot to start looking for Buy trades <u>one and one-half hours before</u> the Tokyo Forex Session <u>closes</u>.

Since the Tokyo Forex Session is 8 hours long, it is easy to arrive at the proper setting for BuyHourStarts.

Just add 8 to the setting you have for SellHourStarts to obtain the BuyHourStarts setting.

<u>Be sure you express the result in 24 hour time.</u> Keep in mind that the Robot will be looking at time on a 24 hour clock, so if you add 8 to the SellHourStarts, be sure you use the result expressed in 24 hour time.

For example, if you add 8 to a SellHourStarts setting of 10, you would get 8+10=18 or 18:00 hours. In this example, the proper BuyHourStarts setting would be 18.

However, if you add 8 to a SellhourStarts setting of 22, you would get 8+22=30, which expressed in 24 hour time is 6. Therefore, the proper BuyHourStarts setting would be 6.

NextPublicHoliday Setting

This setting tells the Robot when the next Japanese Public Holiday will be. You must enter this setting before each new Japanese Public Holiday occurs. If you do not enter the setting for NextPublicHoliday, the Robot will stop trading until you do.

First you need to find out when the public holidays are. Use the following link:

http://www.worldtravelguide.net/coun...sia/Japan.html

At this website, you will find what you need.

How do you enter the NextPublicHoliday correctly? Again, use the following website:

http://www.timeanddate.com/worldclock/converter.html

This time we want to find out the Local Time equivalent of 00/12 am Tokyo time for the date of the next Japanese Public Holiday.

First select the Date, Time and Place to convert from.

Enter the **Date of the Japanese Public Holiday** and enter the hour as **00/12 am**.

Then, enter **Location** as Japan - Tokyo:

The World Clock – Time Zone Converter

Do time zone conversions between two cities. This time zone calculator takes into account daylight saving time (DST), local time zone and accepts dates in past or future.

For current time, please use The World Clock instead.

Select time and place to convert from

Month: January Day: 11 Year: 2010 Hour: 00 / 12 am Minutes: 00

Location: Japan - Tokyo   [Other locations...] [Time zones...]

Select place to convert to

Location: U.S.A. - Washington - Seattle   [Other locations...] [Time zones...]

[Convert time]

Then select the place to convert to. This would be the time zone of LOCAL TIME. In the example above, we used U.S.A - Washington - Seattle.

Click "Convert time" and the next screen will appear:

The World Clock – Time Zone Converter – results

At the specified time, local time in Seattle was 17 hours behind Tokyo

Location	Local time	Time zone
Tokyo (Japan)	Midnight between Sunday, January 10, 2010 and Monday, January 11, 2010	UTC+9 hours
Seattle (U.S.A. - Washington)	Sunday, January 10, 2010 at 7:00:00 AM	UTC-8 hours PST
Corresponding UTC (GMT)	Sunday, January 10, 2010 at 15:00:00	

This tells us the Local Time equivalent of the Japanese Public Holiday is:

January 10, 2010 at 7:00 am

Remember the Robot reads 24 hour time. In the example above 7:00am is 7:00 in 24 hour time. However, if the time had been 7pm instead of 7am, 7pm would be 19:00 in 24 hour time.

Now we can enter the correct setting for NextPublicHoliday in the Robot settings.

When you enter the setting for NextPublicHoliday, you enter it as:

"dd.mm.yyyy h:mm" format.

We would enter the example above as:

"10.01.2010 07:00"

After you enter the date and time, the format of the setting will change to "yyyy.mm.dd h:mm" Don't be confused by this.

After setting the new public holiday, the MT4 platform needs to be restarted.

APPENDIX B:

Installation of The Scooby-Doo Original BOJ Basket Trading Robot

1. Install the Files in Metatrader

The Scooby-Doo Original BOJ Basket Trading Robot consists of <u>4 files</u>.

You need to drag and drop each of these files in the correct folder for your Metatrader Program.

Be sure that your Metatrader Program is not running before you install these files.

Each file is shown below.

Scooby-Doo BOJ Basket Robot Original V2.3.mq4

⬥ scooby-doo BOJ basket robot Original V2.2.mq4

Note: Illustration shows version 2.2. A newer version may be available by the time you read this User Guide

ReconnectEA.mq4

⬥ ReconnectEA.mq4

Both of these files go in the "experts" folder in your Metatrader Program folder. In most cases your Metatrader Program Folder can be found on your C: drive (your primary computer hard drive):

⬥ scooby-doo BOJ basket robot Original V2.2.mq4

C:\Program Files\MetaTrader Folder\experts

⬥ ReconnectEA.mq4

RS_GROUP_JPY Strength Index.ex4
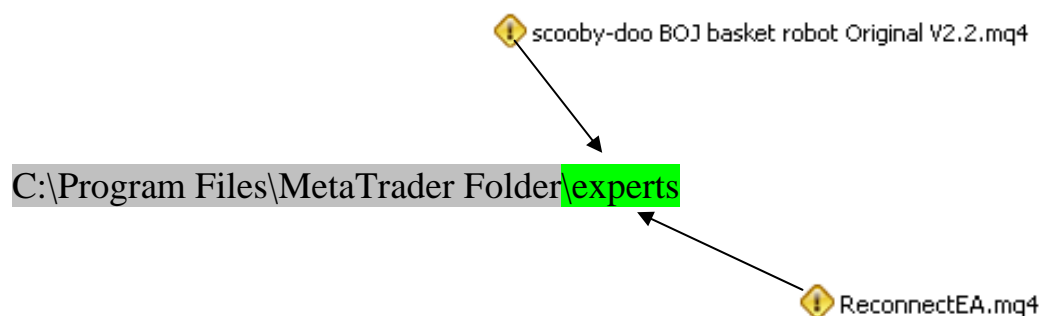
RS_GROUP_JPY Strength Index.ex4
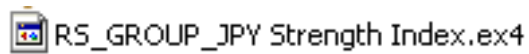
FFCal Scoobs.mq4

FFCal Scoobs.mq4
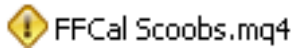
Both of these files go in the "indicators" folder found inside the "experts" in your Metatrader Program folder.

RS_GROUP_JPY Strength Index.ex4

C:\Program Files\MetaTrader Folder\experts\indicators

FFCal Scoobs.mq4

APPENDIX B: (continued)
Installation of The Scooby-Doo Original BOJ Basket Trading Robot

2. Configure Metatrader

Before starting the Scooby-Doo Original BOJ Basket Trading Robot, make sure that your Metatrader Program is properly configured to run an Expert Advisor and make DLL imports.

Start Metatrader. Go to the Tools – Options menu.
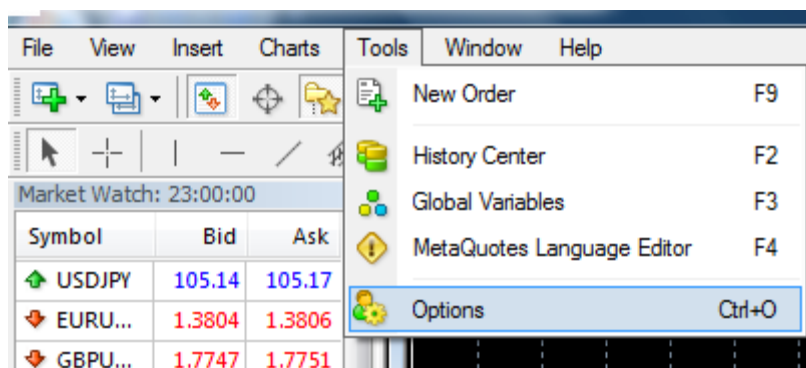
Next, select the Expert Advisors tab. Be sure to set the items as checked below.
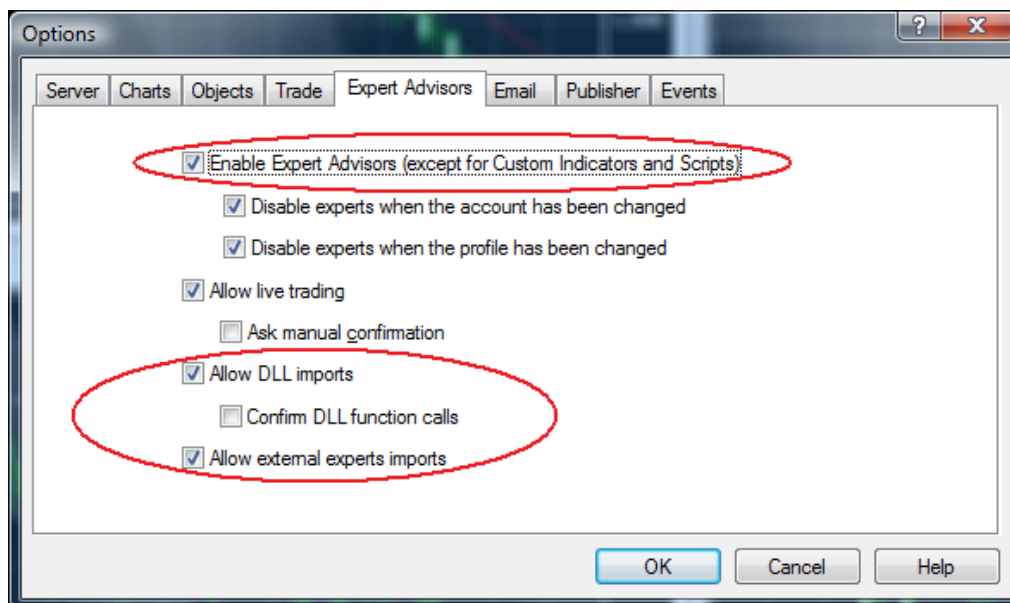
You must be sure to have the items checked as shown, or the Robot will not work.

Next you need to load the Robot onto a chart. Continue to the next page >>>

APPENDIX B: (continued)
Installation of The Scooby-Doo Original BOJ Basket Trading Robot

3. Load the Robot onto a Chart

The Scooby-Doo Original BOJ Basket Trading Robot should be loaded on the GBPJPY M15 chart.

To do this, open a GBPJPY M15 chart and then drag the Robot from the Navigator sidebar in Metatrader onto the chart.

After you drag the Robot to the chart, you will see a screen pop up to enter settings and confirm functions.

The pop-up screen will have 2 tabs. First select the "Common" tab by clicking on it if it is not already selected:
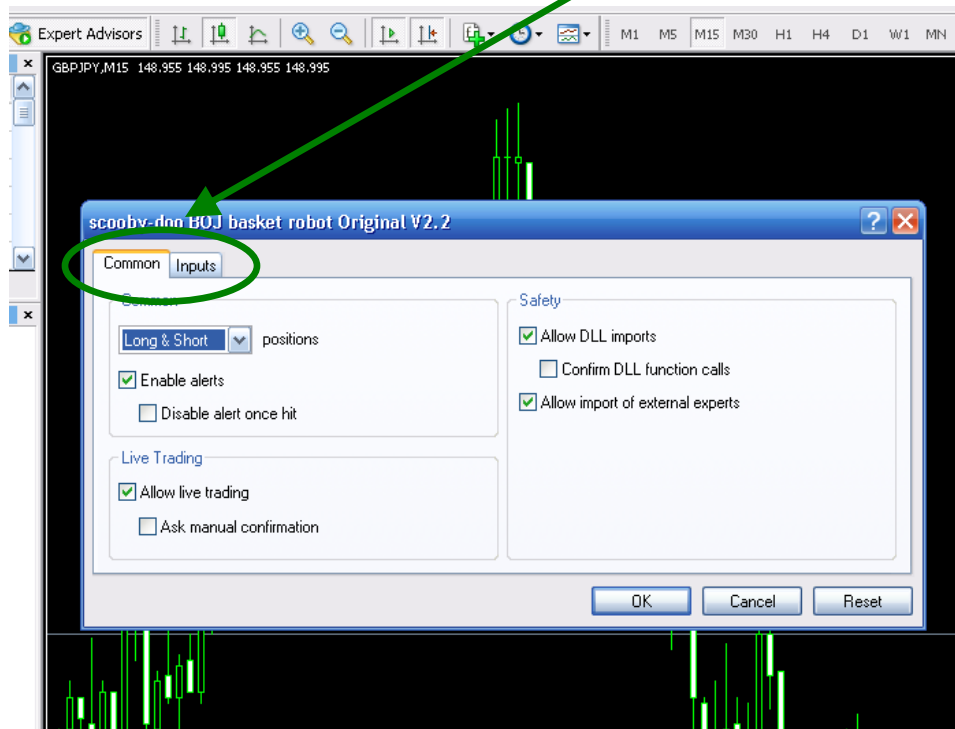
Be sure the boxes are checked on the Common tab <u>exactly</u> as you see below:
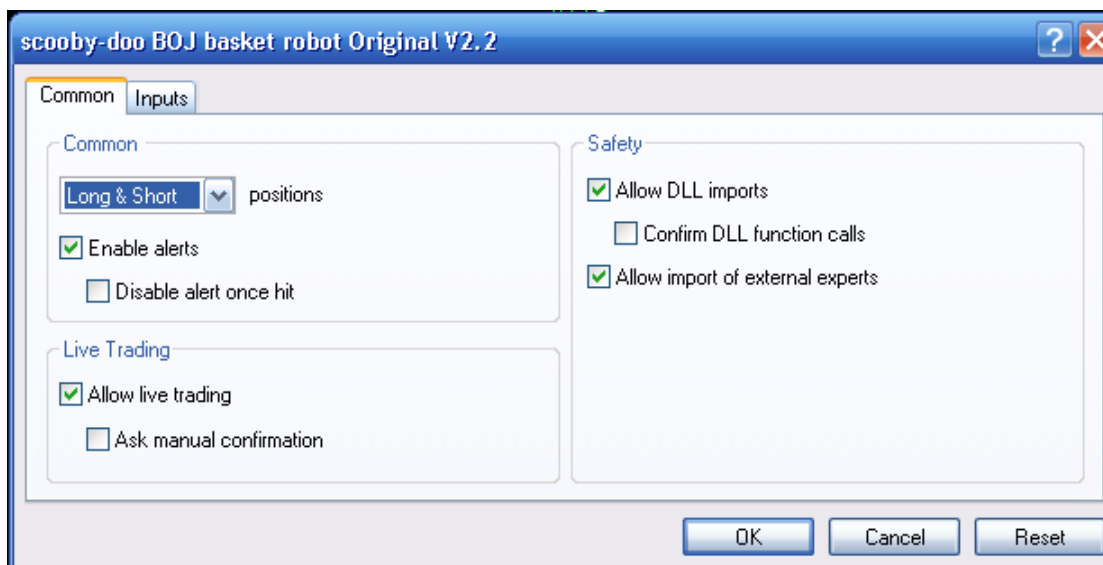
Next click on the Inputs tab next to the Common tab. You will see the following:
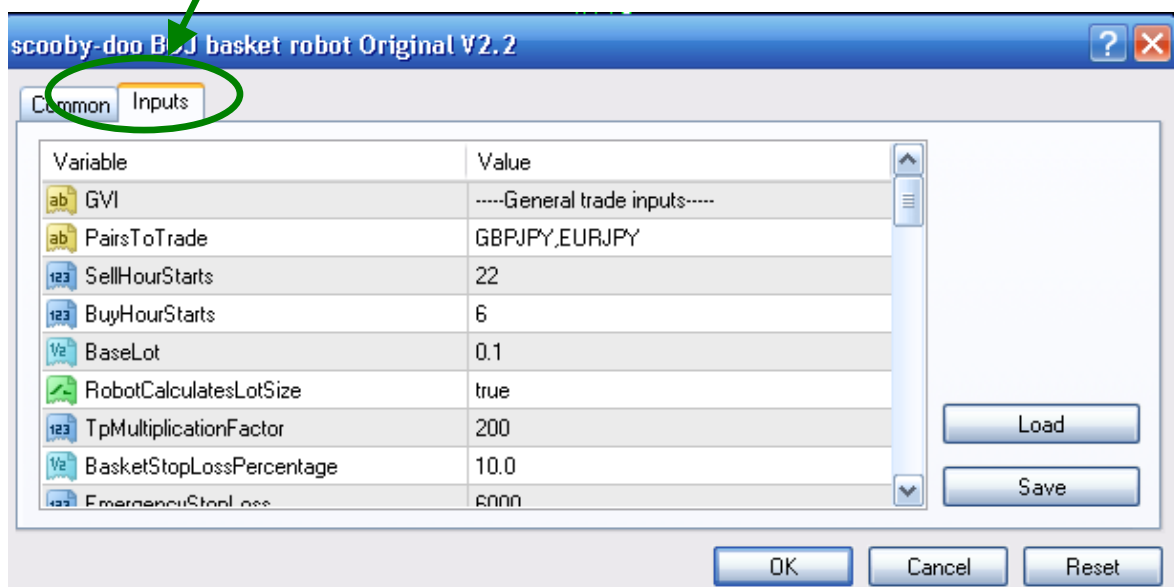
In this window you will enter settings you wish to use with the Robot. Each of these settings is discussed in the "Settings" section of this User Guide.

After you have entered the settings you wish to use, click the "Save" button to save a copy of the settings to a file.
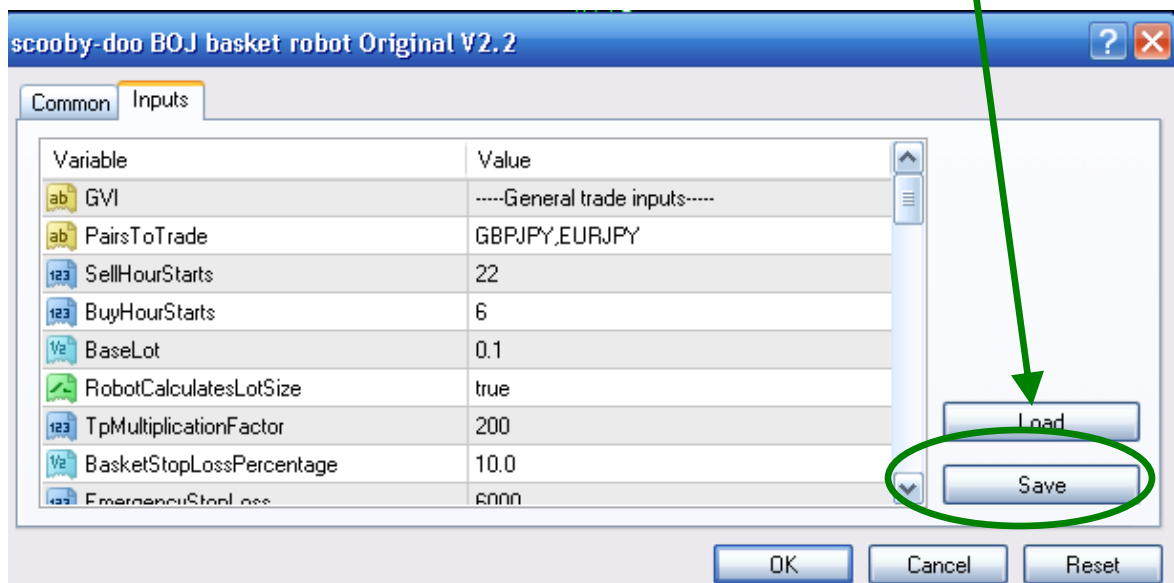
After you have completed saving a copy of the settings to a file, click the "OK" button.
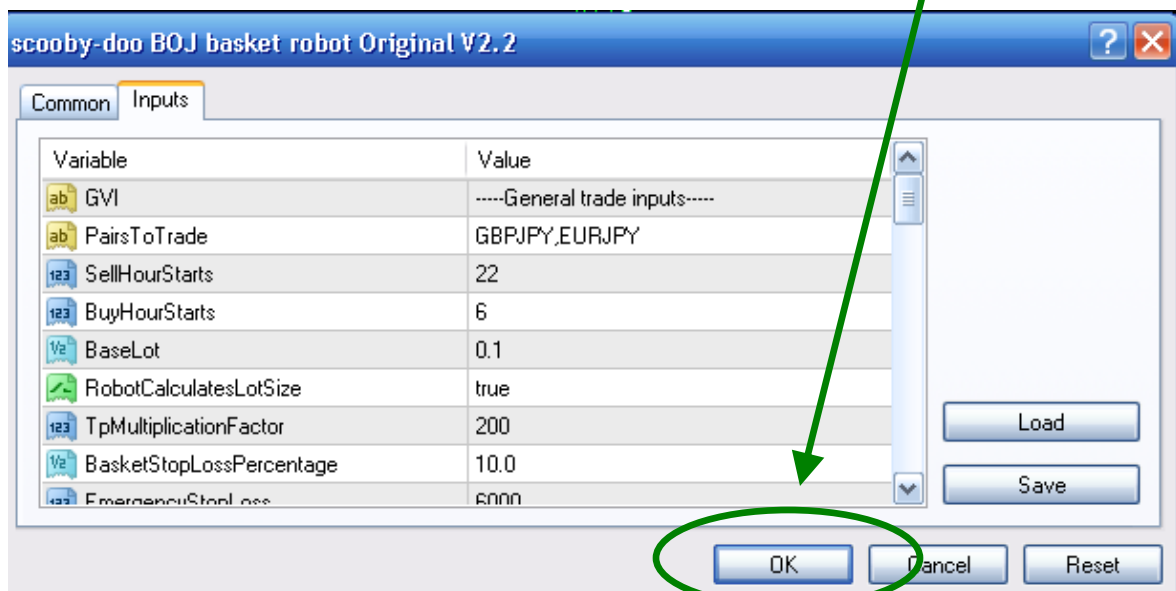
DO NOT CLICK "OK" UNTIL you are sure of the settings you wish to use. Once you click OK the Robot can begin trading.
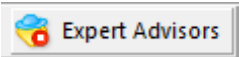
Check to be sure you see the name of the Robot and a "smiley" face in the upper right corner of the chart.
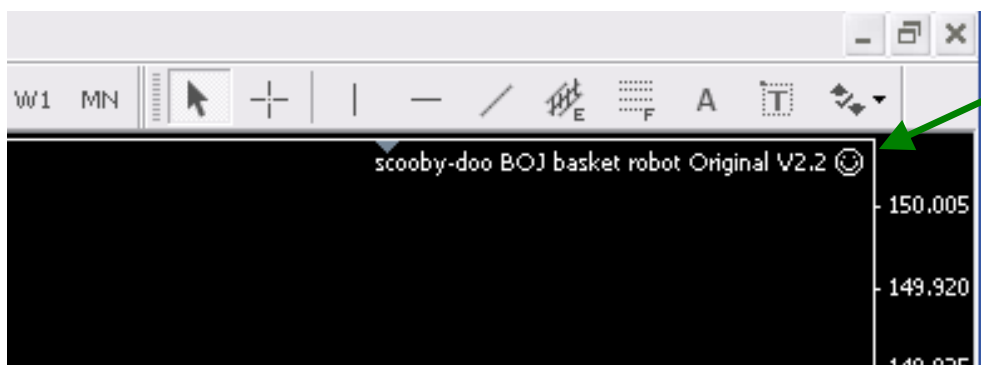
If there is no smiley face, check the "Expert Advisors" button on the top of your Metatrader Program

Be sure it looks like this: **Expert Advisors**   with the green.

If it looks like this: **Expert Advisors** with the red, click the "Expert Advisors" button once and it should change to green. Then you should see the smiley face in the upper right corner of the chart.

Now your Robot should be up and running.

Next you need to load the ReConnectEA to a chart.

Continue to the next page >>>

APPENDIX B: (continued)
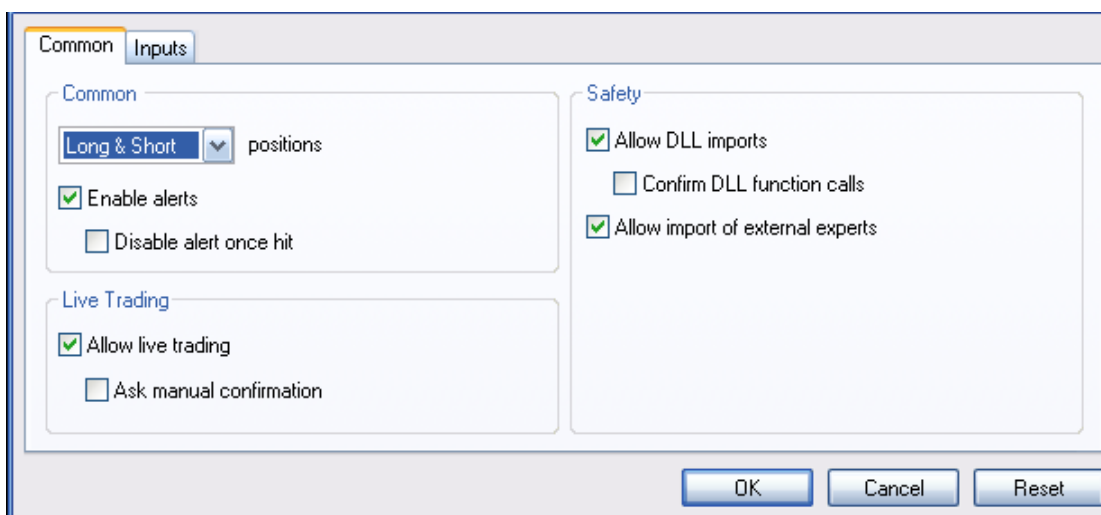**Installation of The Scooby-Doo Original BOJ Basket Trading Robot**

4. Load the ReConnectEA to a Chart

The ReConnectEA is useful to be sure that if your Metatrader Program loses contact to your Broker's servers. The ReConnectEA will reconnect your Metatrader Program to your broker automatically.

But you need to load the reConnectEA to a chart for it to work. DO NOT try to load it to the chart you put the Robot on.

The simplest thing to do is open a EURJPY M15 chart and load the ReConnectES to that chart. In the same way you loaded The Scooby-Doo Original BOJ Basket Trading Robot to the GBPJPY M15 chart.

You do not need to change any settings for the ReConnectEA, but be sure that it is enabled in the Common tab of the pop-up screen by checking that the following boxes are checked:

APPENDIX B: (continued)
Installation of The Scooby-Doo Original BOJ Basket Trading Robot


5. RS_GROUP_JPY Strength Index and FFCal Scoobs

You do not need to do anything to configure anything for these indicators. If you have these indicators in the "indicators" folder as explained above, the Robot will do all the work.

If you want to see the RS_GROUP_JPY Strength Index indicator in operation, you may simply drag and drop it onto your M15 GbpJpy chart which is running the Robot.

Find the indicator in the Navigator sidebar on the left of your chart. Look for the grouping of Custom Indicators and click the "+" sign next to it. This will open a list of all the custom indicators installed on your Metatrader platform.

Scroll the list to find the "RS_GROUP_JPY Strength Index." Click and drag the indicator to your M15 GbpJpy chart.
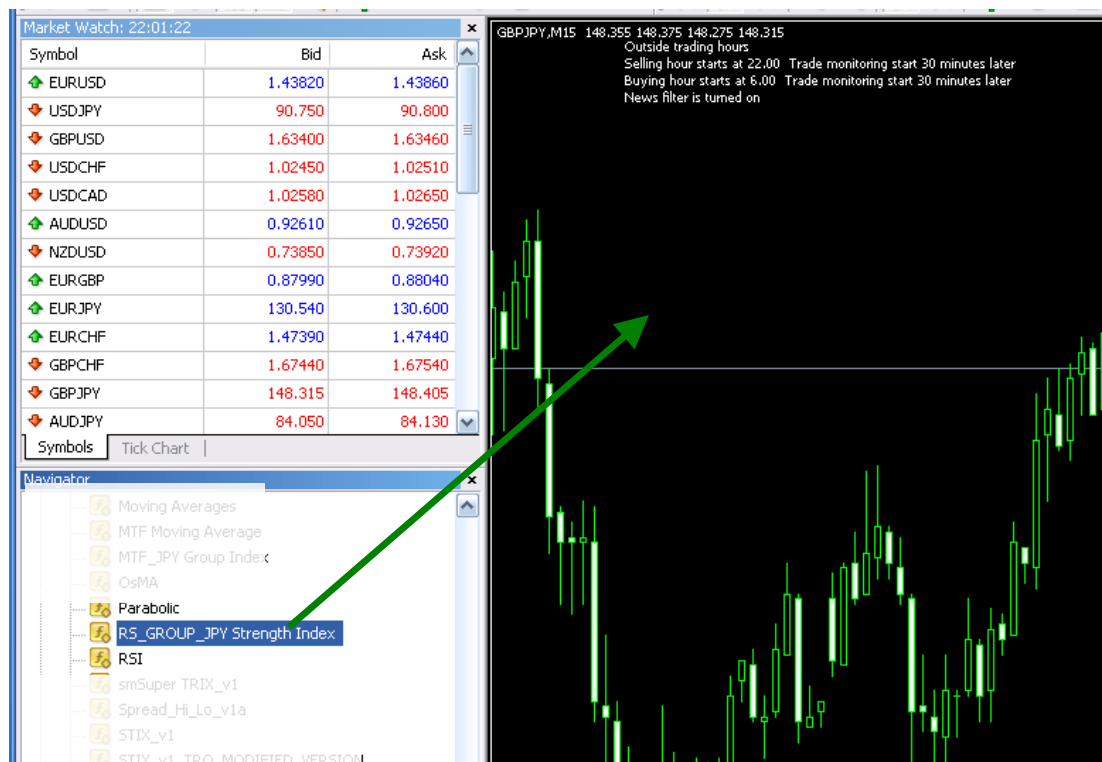
Once you drag over the indicator, a screen will pop up.

You do not need to change any settings. Just click "OK."
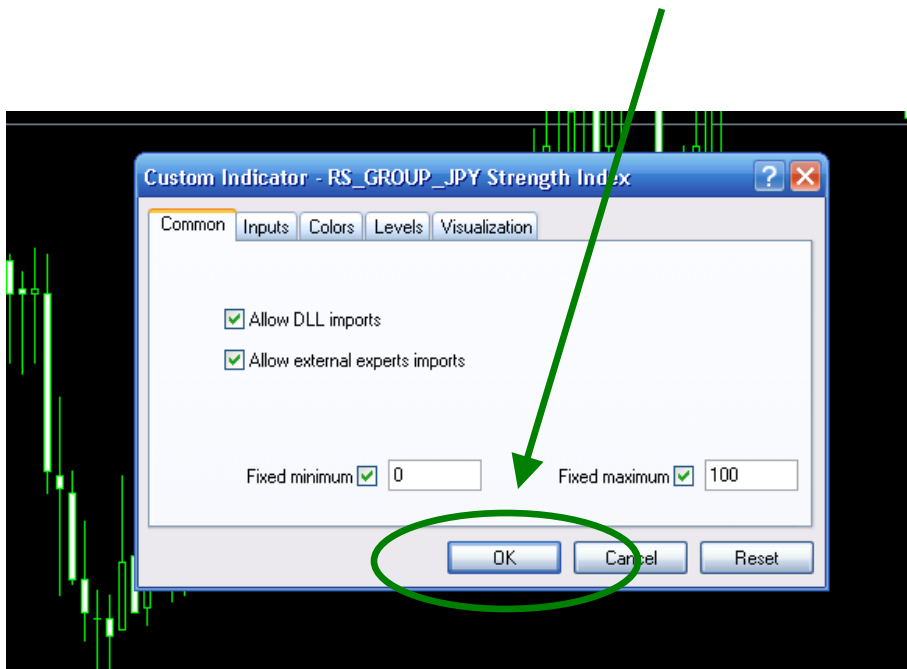
Then you will see the indicator on your chart.