

Finally we release the V3 version of the THV system in Forex Factory.
29th January, 2009

Something good (the V2 version) is difficult but not impossible to improve

This is the result of a teamwork, with 5 traders we formed a THV development work blog where we were able to discuss all about possible issues and progress of the new V3 version.

My special thanks to Tim and Zen for their unconditional work modifying the indicators to my requirements, Doblece (our technical director) , Tradewell, GofersPips and Special Ed for forward testing and revising this document.

The result is a clean and functional chart with rules that allow relative secure trades and early entries.

I experienced a hit rate of about 70 to 80% of winning trades; this result depends on the trading skills of every trader.

The THV team tested this system only on 1M and 5M time frame but it should work as well in higher TF's but we don't have experience on that trading style.

THV is not a click and forget system, neither a holy grail. Like any other system, it requires good Forex skills and basic knowledge of FX techniques together with a good MM.

For newbie's we recommend to visit www.babypips.com, an excellent source of basic knowledge.

I claim the copyrights of the modification of the indicators and the system in its totality.
Don't copy this system without my written permission.

This is freeware and I will make use of international laws if I see this system selling in Ebay or elsewhere. We spent endless hours, days and weeks on fining this system and give it away for free personal use, it is dirty to copy and sell the idea and work from someone else.

This is the only reason why I don't post the V3 MQ4 files, too many people copy.

Please read my risk disclaimer on page 5 post #75 in the FF THV thread [here](#)

The installation

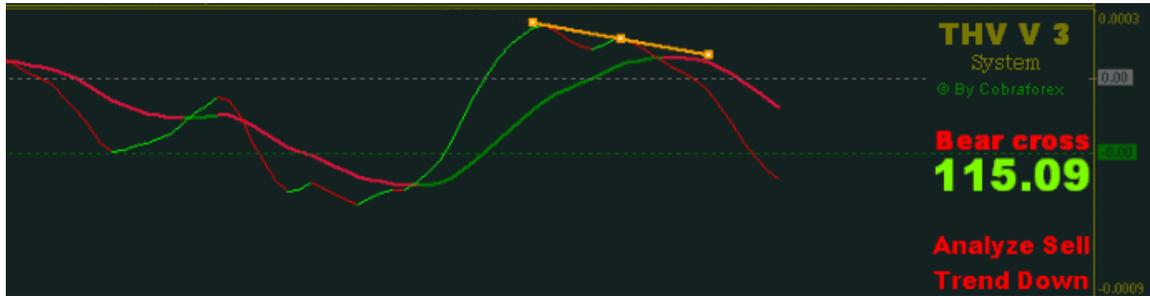
Step By Step : Update your MT4 platform to the last V220 version !!!

1. Download/unzip/Copy/Save the MQ4/EX4 file into your **C:\Program Files\your broker)MetaTrader 4\experts\indicators** folder
2. Copy and paste the template file .tpl in **C:\Program Files\your broker)MetaTrader 4\templates** folder.
3. Copy and paste the sound files in **C:\Program Files\your broker)MetaTrader 4\sounds**.
4. Close your MetaTrader application (assuming it's currently open ... Ignore this if the application hasn't been launched)
5. Launch your MetaTrader application
6. **Open a new chart and right click on it, select the THV template, ready**

The V3 template:



The template and his functions



The **Trix** is the heart of the system and show us early possible trend changes on cross of faster to slower Trix line. This indicator gives warning labels:

The Bear or Bull Cross on cross of the faster Trix line to the zero level.

The Analyze Sell or Buy on cross of the faster Trix line to the slower Trix line.

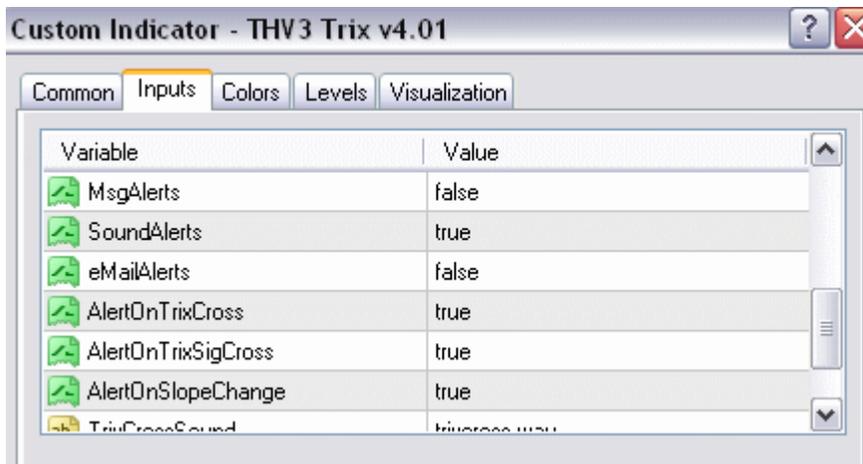
The Analyze Exit (not shown here but direct above the Analyze Sell label in yellow) on color change of the faster Trix line.

Those signals have also voice support but it is disabled by default and you should enable it only to your favorite chart TF.

These are not buy, sell or exit signals, they ask for attention to analyze !!!

The Trix shows, like in the above example, divergence, watch that out always, it's a money maker.

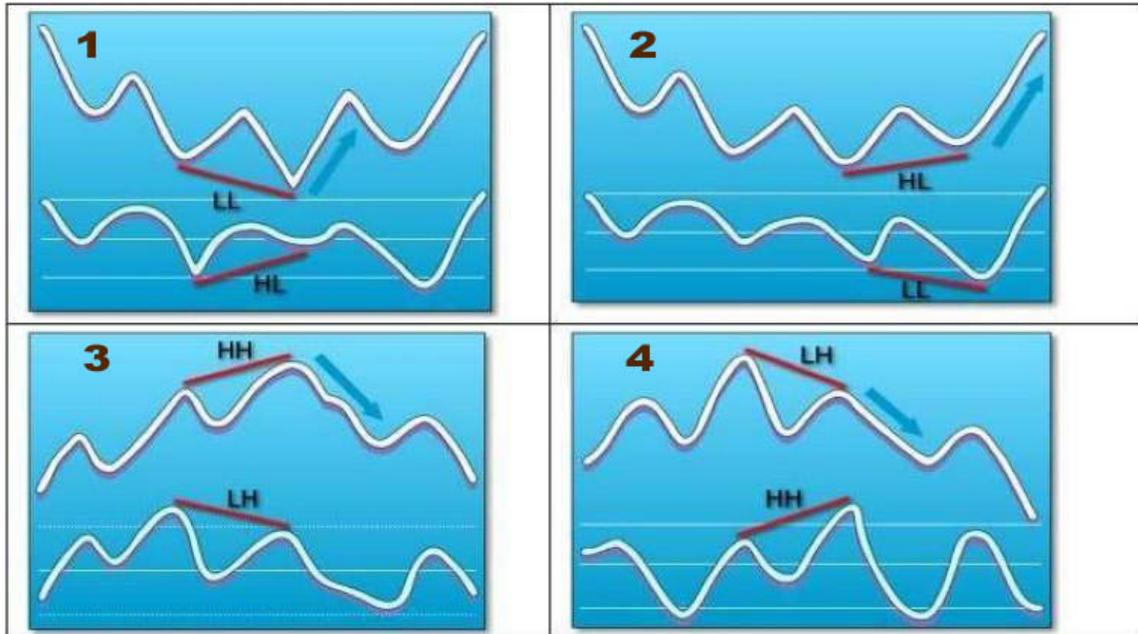
Here the settings for your main chart, on the other ones disable SoundAlerts (type false).



About divergence detection in Trix (code modified by Peterd) :

This indicator will plot divergence lines on the Fast Trix indicator and will give buy and sell signal by displaying green and red arrows. It also has a built-in alert function. As the original indicator, bullish divergence is plotted in blue lines while

bearish divergence is plotted in red. If the divergence is classic the line will be solid and if the type is reversed the line will be drawn in dots.



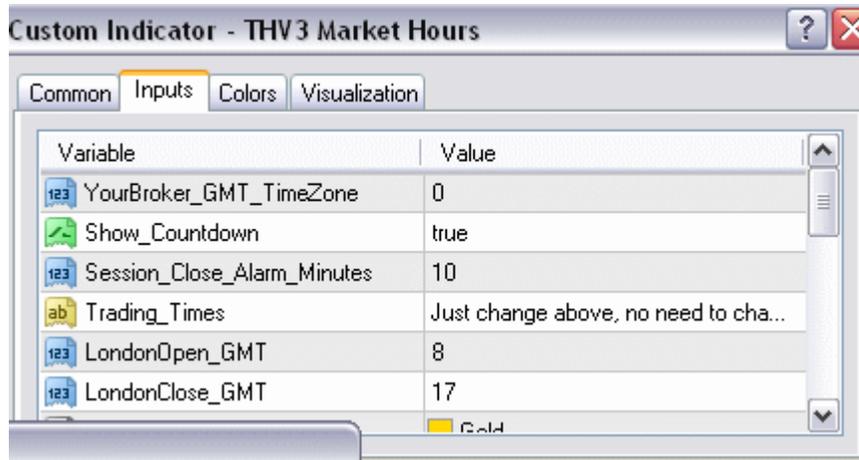
Divergence Type	Price/ Oscillator	Trade	Divergence Type	Price/ Oscillator	Trade
1 Regular (<i>bull Div</i>)	Lower Low/ Higher Low	BUY	2 Hidden (<i>bull Div</i>)	Higher Low/ Lower Low	BUY
3 Regular (<i>bear Div</i>)	Higher High/ Lower High	SELL	4 Hidden (<i>bear Div</i>)	Lower High/ Higher High	SELL
<i>Sign</i>	<i>trend reversal</i>		<i>Sign</i>	<i>trend continuation</i>	

The **Ichimoku cloud** gives us the decision on which direction to trade, above only long, below only short.

The **THV Trend** is in the lowest part of the workspace and indicates with colored bars the condition of the trend, be alerted when it changes to yellow (flat) because a trend pause or change can be on the plan.

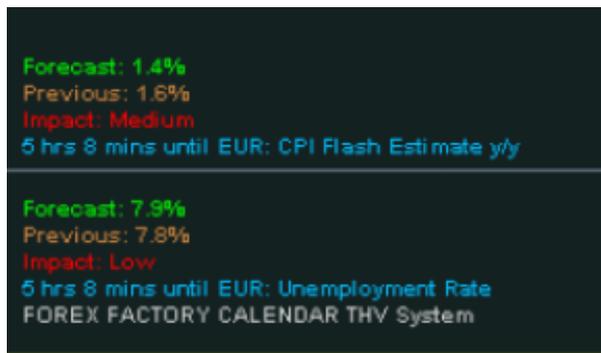
The **Stop loss indicator** is located on the very top left side of your main chart. It calculates the SL on the last moves based on ATR and give you an idea what could be your min. SL on the actual TF you are looking at. You can use it as well as a TP indicator while scalping, if the SL suggestion in 1M says 16 pips you can get a relative secure 8 pips scalp trade.

The **Session indicator** on the left upper corner of our chart needs to be synchronized with your brokers time, here is a web link to the Forex world session hours: [Forex Hours](#) only set the time shift to the difference that [your broker time zone](#) has to GMT, for example GMT -3. You can change the font size for the labels in the last position of the properties window.



The **News indicator** is called THV3 FFCal and is optional.

To install it properly make sure to check Allow DLL imports in the properties



The **Pivot indicator** is the most advanced one that you can find in the net and all credit on its modification belongs to Traderathome.

You can choose Standard Pivots or Fibonacci Pivots, the default in THV is the last one. You can setup mid pivots until level 5, show daily open and yesterday open and close as horizontal lines.

You can change all line styles and colors.

A good link to a pivot learning site: www.thefxpivotpoint.com/ supported and created by [acumen](#).

Here's a little table for the Pivots indicator (THV3 SDX-TzPivots_v4) timezone settings:

GMT TIME	BROKER TIME	DAY START TIME (line shows at)	SETTINGS
00:00 (Tokyo Open)	00:00 (GMT)	00:00	0, 0
08:00 (London Open)	08:00	08:00	0, -8
22:00 (NY close)	22:00	22:00	0, 2
00:00 (Tokyo Open)	01:00 (GMT+1)	01:00	1, 0
08:00 (London Open)	09:00	09:00	1, -8
22:00 (NY close)	23:00	23:00	1, 2
00:00 (Tokyo Open)	02:00 (GMT+2)	02:00	2, 0
08:00 (London Open)	10:00	10:00	2, -8
22:00 (NY close)	00:00	00:00	2, 2
00:00 (Tokyo Open)	19:00 (GMT-5)	19:00	-5, 0
08:00 (London Open)	03:00	03:00	-5, -8
22:00 (NY close)	17:00	17:00	-5, 2

1st setting (Local_HrsServerTzFromGMT):

The GMT hourly difference of your broker to GMT (-5 EST, 0 GMT, +1 and +2 Europe, etc...)

2nd setting (Destination_HrsNewTzFromGMT):

The start candle happens "x" hours later (-) or "x" hours earlier (+) than the 00:00 candle on the broker.

Some Brokers Timezones:

IBFX, ODL = GMT

ALPARI = GMT +1

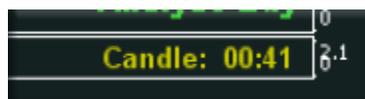
FXDD, FXPRO, Ikon Royal, Windsor = GMT +2

FxSol, Altrade, AFB = GMT +3

Other brokers will be added to this list as soon as we know their timezone, if your own is not listed, you can send us a PM on the thread with the corresponding timezone and we will add it.

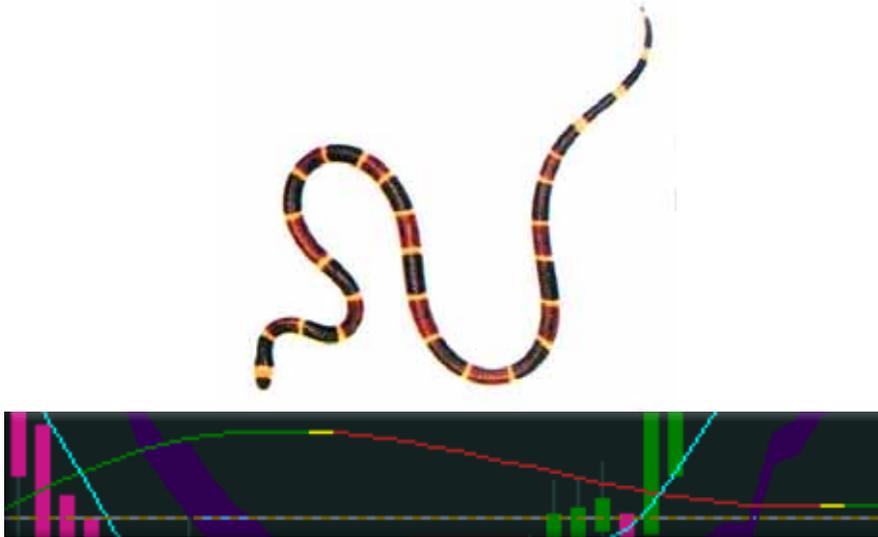
Note: some of these settings may vary when DST is in effect, you will have to adjust accordingly at that time but we then will issue a DST recalculation.

The **candle clock** indicator is highly modifiable and all credits on the modification belongs to Traderathome.



The **Coral** is optional depending on your risk level, the red, green and yellow line on the main

window is our line in the sand and shows us the trading direction for the TF we are trading. It is the line in the sand that divides us from short and long trades. I called it coral because it looks similar to the highly venomous Coral snake and you may get hurt if you don't respect her. You can setup several alarms, by default they are disabled



The **News indicator** is called THV3 FFcal.ex4 and shows you upcoming news. You can setup alerts as well. Please set this indicator manually only to your main chart because it will eat you bandwidth if you use it in several charts

Why Heiken Ashi Candles?

There are five primary signals that identify trends and buying opportunities:

- **Positive candles (green) containing no wicks:** There is strong uptrend momentum in the session and it will likely continue. Here, the trader will have a hands-off approach to profits while strongly considering adding on to the position. Positive candles with no lower "shadows" indicate a strong uptrend: let your profits ride!
- **Positive candles (green) containing shadows or wicks:** Strength continues to support the price action higher. At this point, with upside potential still present, the investor will likely consider the notion of adding to the overall position.
- **A smaller candle body with longer wicks:** Similar to the doji candlestick formation, this candle suggests a near-term turnaround in the overall trend. Signaling indecision, market participants are likely to wait for further directional bias before pushing the market one way or the other. Traders following on the signal will likely prefer confirmation before initiating any positions.
- **Negative candles (red) containing shadows or wicks:** Weakness or negative momentum is supporting the price action lower in the market. As a result, traders will want to begin exiting initial long positions or selling positions at this point.
- **Negative candles (red) containing no shadows or wicks:** Selling momentum is strong and will likely support a move lower in the overall decline. As a result, the trader would do well to add to existing short holdings.

These signals show that locating trends or opportunities becomes a lot easier with this system. The trends are not interrupted by false signals as often, and are thus more easily spotted. Furthermore, opportunities to buy during times of consolidation are also apparent.

Sources: <http://www.investopedia.com/articles/technical/04/092204.asp>
<http://www.investopedia.com/articles/forex/07/heikinashi.asp>

* * *

The rules

The risk levels:

If you are a very experienced trader you can ignore the coral (risk level 1) when you think it will be still a good trade, **for newcomers I recommend to stay with the coral rules (risk level 2) until you have min. 10% monthly gains for at least 3 month in row.**

Trading direction.

The green and red, interrupted by yellow line (Coral) is our line in the sand to determinate the trading direction.

We only take a long trade when the cloud and price is above the Coral and short below the Coral (here a V2 chart).

I would use the coral only on 1M and 5M time frames.

Entry:

Above Coral only long, below Coral only short
Price crosses cloud - both Trix cross each other and have the same color.
Best and most secure trend confirmation is a cross of the fast Trix on the zero level.

Exit:

Faster Trix changes color and/or touch of a known good resistance/support level.

Filter choppy market condition.

We have, thanks to the Coral, the possibility to filter choppy market conditions like early Asian or late Fridays session.
You see that we didn't get permission to enter any trade in the area highlighted in the red boxes (V2 version chart).

The green boxes show trading conditions after breaking the Coral and retest the Coral or cloud or a pivot level.
 But this screenshot was made in the late Friday session and it is best to avoid trading that time.



Overbought-oversold conditions

Each TF presents different settings on the Trix levels and passing those levels we can consider them as overbought and oversold. If you like you can confirm them on your Analyze candlestick chart with the RSI indicator.

If you see the PA passing those levels and the fast Trix changes color you can switch to 1M and look for a fast scalp trade, they have a very high hit rate.



Here a trading example, a good short setup, the fast Trix on all Tf's (1,5,15) hide to the south (red), once the support of the 1M TF is broken and retested we can take the trade



The Analyze chart

In all HA candle systems it is recommended to use an additional candlestick chart. We offer the analyze chart where you draw your TL's, HL's, Fib's, channels, Pivots etc.

It includes a RSI indicator for additional reference of overbought and oversold areas.

Between the green lines you have bull territory and between the red ones bear territory.



Other additional indicators in the optional folder:

FerruFX multi indicator for trend strength in %

Trading simulator for MT4, coded by Quantem

Old hull replacement for the ones that miss the hull toooo much

Trading FX is patience, wait for the right setup and take the trade, you will be rewarded mostly if you don't forget the rules.



More information on money management and other FX basics in www.cobraforex.com

Happy trading

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