

Tiger User Guide

Introduction

Whether we know it or not, we are always trading in one of three styles:

1. Trading the trend, trying to surf all the way to the crest of the wave.
2. Retracement, or counter-trend, trading. We figure the market is going to reverse direction for a while and so leap on this reversal.
3. Trading a ranging market that has no clearly-defined direction.

Ok, so there are a host of subtleties in there. *This* is what Tiger is going to explore.

This robot decides whether the market is trending or ranging, and switches to whichever group of trading strategies is appropriate. There are two groups (with maybe a third to come):

- Trend trading
- Range trading
- Possibly, later on, counter-trend or retrace trading, if this does not fall naturally into trend trading.

I am coding Tiger as a series of modules. The first is the **trend detection module**. Tiger has these methods for detecting uptrends, downtrends and ranges:

- Rsi
- Atr
- Adx

You will notice that the default period for the indicators is 21 rather than the usual 14. When Mr Wilder first came up with these indicators in the late 1970's, he was trading commodities on a 28 day cycle, so the default of 14 made sense to him as it was half the cycle. Scooby-doo tends to advocate a longer time scale for Forex trading, so I have plumped for this default; you are free to change back if you want.

Trend-detection could be described as the Setup. The trade trigger is the individual trading strategy that results in the trade being sent.

Next comes the **trade exits module**. There are a variety of exit methods.

Next comes the **trading methods/strategies module**. Each method is called from Tiger's start() function and are coded in their own modules:

I invite traders to submit ideas as follows:

1. Your favourite trend-detection methods. These could be an indi or set of indis, candlestick formation, s/r – whatever. If it looks promising, I can try to code it.
2. Your favourite trading strategy using any of the trend-detection tools in the robot.

I ask only one thing. Please suggest only tried-and-tested methods for both trend-detection and trading. I am not interested in any, "I think this just *might* work" ideas. A trading robot is at best 90% as good as the strategy it trades. If the strategy is rubbish, so is the robot.

Trend direction

Choose the trend direction module or combination of modules that is specified in the trading module descriptions, or that suits you best if there is a choice. I suggest you use just one, but you can use a combination. If you use a combination and there is a clash of results, the robot will show the trend is 'confused' and will not trade at all.

For each of the trend direction filters, there is a time frame for you to set – RsiTf and so on. To make the indi read the current time frame, leave this set to 0. If you want the robot trading a lower time frame, say the M15, but measuring the trend on a higher time frame, say the D1 then set the input to the higher time frame in minutes. These are the values:

- D1: 1440;
- W1: 10080
- MN1: 40320

The trend-detection methods available to you are:

Rsi: Tiger will return a trend description based on these values:

- Rsi > 55: trend is up
- Rsi < 45: trend is down
- Rsi is in between 45 and 55: market is ranging

Atr: works like this:

- 20 period Atr: D1 time frame (you can change this).
- The trend level is determined by Atr * 2.
- Take the opening price 10 days/candles ago.
- Compare this with the current price:
 - market is twice Atr higher than at open ten days/candles ago: trend is rising.
 - market is twice Atr lower than at open ten days/candles ago: trend is falling.
 - market is < twice Atr higher/lower than at open ten days/candles ago: market is ranging.

Adx: there is no substitute for understanding how this works, so if this brief description does not enlighten you sufficiently, then you need to do more research.

- The solid line shows whether there is a trend in place. It **does not** indicate the trend direction.
 - If the solid line is rising, there is a trend in place.
 - If the solid line is falling or moving sideways, there is no trend. The market is ranging.
 - If the Adx value is ≥ 35 , there is every chance that the market has reached a significant high/low.
- The two dashed lines show the *direction* of the trend:
 - +DI shows the number of times the price has risen within the period the indi is using for its calculation.
 - -DI shows the number of times the price has fallen within the period the indi is using for its calculation.
- The indi shows a rising trend when:
 - Adx is rising
 - +DI > -DI

- The indi shows a falling trend when:
 - Adx is rising
 - $-DI > +DI$

LSMA: we are indebted to MrPips for this. The easiest way to see what it does is to drag it onto a chart and look. Look in the Tiger Indicators zip file.

Trade exit strategies

There are several exit strategies for you to use. You can use a combination; take care that any combination you use does not conflict with the other(s) you use. You select a strategy by setting its Usexxx to true. Enter any pip values in 'proper' pips i.e. 4 digit quotes. The robot automatically detects and adjusts for 5 and 6 digit quotes. **Traders who have been with me a long time should note this. I have changed my approach.**

The approach Tiger takes to trade exit is this: when you use a particular exit strategy, he applies this to *all* trades taken by the robot, regardless of the trading strategy that triggered the trade. This is the simplest approach; we shall have to see if this needs amending with experience.

Here is the list of available exit strategies:

1. **Set sl & tp in pips:** the usual way. I do not recommend this and suggest you try one of the more adaptive methods.
 2. **Atr sl and tp:** uses multiples of Atr to set a 'hard' sl and tp.
 3. **Rsi exit:** closes a buy trade when Rsi goes over bought, and a sell when it goes over sold.
 4. **Adx exit:** uses the Adx value you set here to close a trade at this point.
 5. **Exit on change of trend to range or vice versa:** take a guess at what this does.
 6. **Chandelier trailing stop:** this is an interesting one invented by Chuck LeBeau, one of the best traders in the business. He calls it the Chandelier because the stop loss hangs off the most recent high in an uptrend. Not sure what he calls in during a down trend – 'bar stool' perhaps? For a buy trade (reverse everything for a sell trade):
 - Each time the market makes a new high, the stop loss is moved by this price minus $Atr * ChandelierAtrMultiplier$.
 - Because Atr can change quickly with increasing/decreasing market volatility, this becomes a highly adaptable stop that moves lower during volatile periods and higher during stable ones.
 - This is a trend-trading stop loss, so the ChandelierAtrMultiplier will decrease as the trade becomes more profitable, initially reducing risk and eventually locking in more of the profits:
 - when the profit reaches a multiple of 4 Atr's, ChandelierAtrMultiplier will reduce to 2.
 - when the profit reaches a multiple of 6 Atr's, ChandelierAtrMultiplier will reduce to 1.
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Trend trading strategies

Moving average cross

A trade is sent in the direction of the trend following a cross of a slower moving average by a quicker one. In order to cross, the market must have retraces to allow the faster ma to achieve this cross, so we are trading a resumption of the trend.

I suggest users play around with the MacFastMa and MacSlowMa to see which setting works best.

When playing around with the method inputs:

- 0 = simple.
- 1 = exponential;
- 2 = smoothed;
- 3 = linear weighted

When playing around with the applied price inputs:

- 0 = close;
- 1 = open;
- 2 = high;
- 3 = low;
- 4 = median;
- 5 = typical;
- 6 = weighted

Octomanoak Simple Reversal Candle Strategy

Here is how octo described the strategy to me. I have added some comments in bold italics:

"TRADE ENTRY MODULE:

This strategy module requires a 3-4 candle setup: ***I have coded a 3 candle trigger***

1. Reference Candle
2. Reversal Candle
3. Entry Candle

Look for a candle followed by an opposite color candle. The first candle is the Reference Candle ("RFC"). The opposite color candle is the Reversal Candle ("RC").

Look for the next candle to form, the possible Entry Candle ("EC"). If the possible EC price moves in the same direction as the RC (is the same color as the RC) and its price breaks the high/low of the RC by 2 pips, confirm the trade by checking the Trader's Dynamic Index ("TDI"), and if there is confirmation, enter a trade.

If the possible EC does not break the RC, wait for the next candle to form to see if it may break the RC. If so, confirm entry with TDI.

If this candle (4th candle in the setup) does not break the RC, move on to the next RC setup.

The Traders Dynamic Index (default colors) green line is the line to look at for confirmation. If the slope of the green line is angled up by 0 - 60 degrees, this confirms a LONG trade. If the green line is angled down 120-180 degrees this confirms a SHORT trade. [0 degrees is straight up. 180 degrees is straight down.] ***I know of no way to measure the angle of the green line, so I am using the difference between Rsi at the close of the reference candle and the time the robot is looking for a trade (the green line is an Rsi measurement). OctoMinRsiMovement is the minimum no po points Rsi must move to allow a trade; the default is pure guesswork.***

The strategy works on M15, H1, H4 and D1.

Be sure to trade ONLY in the direction of the trend. The Tiger trend module can be used for this purpose.

It is best to trade this strategy during London Session where there is more Daily Range available. But it can work in any session.

Stop Loss ("SL") and Take Profit ("TP") depends on the timeframe and session traded. However, one "universal" SL method is to place the SL 2 pips plus spread above/below the most recent swing high/low. ***I have coded the stop to be 2 pips plus spread above/below the reference candle and will change this if necessary***

TP can be anywhere from 10 - 30 pips or more if using scaling out and moving to break-even. Can also try using with MPTM. ***The OctoTakeProfitPipsinput is the one to look for.***

There are additional subtleties that could be added to filter trades using TDI, but I have provided the basic approach above. ***Let us see if the basic approach works when automated, then we can add the subtleties.***

I have attached a copy of TDI for your convenience." ***Included in the indi zip file. You do not need it on the chart.***

- **Range trading strategies**
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- **Bollinger Bands**
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- Trades the bounce off the upper/lower BB lines. Trades long on a bounce off the low band, short off the upper.

- **SERIOUS WARNING**

- Most Forex traders lose all their money.
- Using the robots posted here in trading Forex does not guarantee success.
- Trading these robots could lead to serious financial loss.
- Trading these robots without understanding their underlying trading strategies *guarantees* traders will lose their money.
- A trading robot is a maximum of 90% as good as the manual strategy it trades:
 - just because the manual strategy is profitable does not guarantee the robot will replicate this success.
 - if the trading strategy is rubbish, so is the robot.

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- **YOU TRADE THIS ROBOT AT YOUR OWN RISK**

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- **A note to coders**

- I retain the copyright to the code only because that is a fact of law here in the UK. I hereby grant permission for coders to use, adapt, pinch, copy, laugh at in any way compatible with the spirit of Forex Factory.
- I have aimed for compatibility between variable names to facilitate code editing.
- I have made it as easy as possible to navigate around the functions – look at the top of the code for the list of 'modules' and associated functions.