ATR Optimizer Develoment

By **Alfredo** and **Carl** at **Forex Factory** thread, *Extreme TMA*

Mar 15, 2012 9:33am	#5448

Surfnomad
Question Regarding longer TF
Al I understand that the ATR Multiplier default is 2.0 and that's what I have on my charts, all timeframes 1 min. thru daily. When I add the H1 & H4 TMA to my Lower TF I change the ATR Multiplier to 3.0, I get that too. But the H1 & H4 bands on the Lower TF don't match the bands on the actual H1 or H4 chart with the AtrMultiplier at 2.0. Why the difference? **Should I use 3.0 ATR Multiplier on the actual Longer TF charts say above H1?** I hope this make sense and thank you in advance for your response.
Robert

Mar 15, 2012 9:43am	#5452

Alorente
Quote:

> Originally Posted by **Surfnomad** »
> *Al I understand that the ATR Multipler default…*

On the longer time frames, change the ATR Multiplier until it pretty much touches all the swings from the lower TF chart. This is just to give you a reference to the typical amplitude of the cycles in that TF. Whether it is 3 or 2.7, it makes no difference. Just fit it to the TF and the pair.

Mar 15, 2012 10:34am	#5467

Crodzilla
Quote:

> Originally Posted by **Alorente** »
> *On the longer time frames, change…*

So, what you are saying is, **if I add parameters to select the TMA ATR multiplier for each timeframe, we can set up the dashboard to find those potential trades automatically?** 😊

So when you see all GREEN Buys or all RED Sells for the 15-min, 60-min and 4-Hr timeframes...

Carl

Mar 15, 2012 11:34am	#5482

Alorente
Quote:

> Originally Posted by **crodzilla** »
> *So, what you are saying is,…*

Yes Carl. I have that in mind, but **I want to do more forward testing to be sure of the levels where the orders should trigger or we may end up with no orders at all. Definitely, the next rule (trigger) is going to be based on the bands of another time frame. I think it will be the H1, but _the ATR Multiplier will vary for each pair_**.

Mar 15, 2012 11:59am   #5486

Crodzilla
Quote:

> Originally Posted by **Alorente** ⊠
> *Yes Carl. I have that in mind,…*

I have an idea. I think I can write an optimizer (separate indicator). You will be able to tell the separate indicator you want the bands to contain 95% or whatever, of prices for the different timeframes over "X" number of bars, and the indicator will do the calculations and tell you what ATR multiplier will contain 95% of prices.
What do you think?
Carl

Mar 15, 2012 12:13pm   #5490

Alorente
Quote:

> Originally Posted by **crodzilla** ⊠
> *I have an idea. I think I can write an optimizer…*

I like it. It should take in at least 300 candles in the calculation.

Mar 15, 2012 4:48pm   #5552

Crodzilla
Quote:

> Originally Posted by **Alorente** ⊠
> *I like it. It should take in at least 300 candles in the calculation.*

Al, here is an indicator I quickly put together. ***Put it on the 15-min of any chart, of the Symbol you would like to find the optimum ATR Multiplier for.*** **It will optimize each timeframe as a tick comes in, so it doesn't lock up your MT4.**
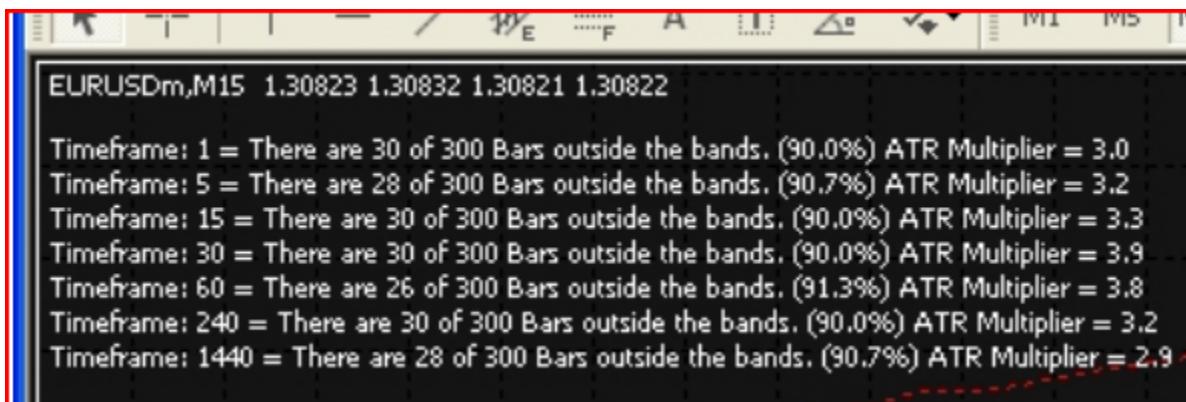**It will run once through all timeframes, then stop, so you can change your TMA's parameters** *then unload the optimization indicator.*
You can change the PercentInBands to your liking.
If you want 90% of the last 300 bars of history to be inside the bands enter .9. If you want 80% of the last 300 bars to be inside the bands, enter .8.

Carl
[ExtremeTMA Optimizer v2.ex4](#)   (7.5 KB)

Default settings on chart below.

Timeframe: 1 = There are 30 of 300 Bars outside the bands. (90.0%) ATR Multiplier = 3.0
Timeframe: 5 = There are 28 of 300 Bars outside the bands. (90.7%) ATR Multiplier = 3.2
Timeframe: 15 = There are 30 of 300 Bars outside the bands. (90.0%) ATR Multiplier = 3.3
Timeframe: 30 = There are 30 of 300 Bars outside the bands. (90.0%) ATR Multiplier = 3.9
Timeframe: 60 = There are 26 of 300 Bars outside the bands. (91.3%) ATR Multiplier = 3.8
Timeframe: 240 = There are 30 of 300 Bars outside the bands. (90.0%) ATR Multiplier = 3.2
Timeframe: 1440 = There are 28 of 300 Bars outside the bands. (90.7%) ATR Multiplier = 2.9

Mar 16, 2012 5:08am	#5599

Alorente

I spent hours on it last night. I think that is what gave me the migraine. The results vary a lot depending on how many candles you use. I tried 300, 1000, 5,000. The results were all over the place. After trying all the pairs, I settled for:

1 template for High ATR pairs (Over 70) and
another for Low Atr pairs (Under 70).

This will be good enough for our purposes. I am attaching them below.

These are the values we will use from now on.

extreme tma system - high atr - large.tpl (30.5 KB)
extreme tma system - low atr - large.tpl (30.5 KB)
extreme tma system - high atr - small.tpl (26.7 KB)
extreme tma system - low atr - small.tpl (27.9 KB)