

ForexMultiplier Guide

ForexMultiplier is the automation of an investment system based on the detection on the graphics of a pattern which always points to a tendency change, and the result of two years of work.

We are not going to tell the details about this pattern because, along the years operating on Forex, I've could see this kind of systems, which they work, once becoming popular and, therefore, be known, losing efficacy due to banks actions.

The banks have the power of creating "small" fluctuations on the market which can make lose any method. They're small for them, which 50 pips are nothing, but they can spoil a very profitable operation using what is called as "stoploss hunting".

The stoploss is like a security net every investor needs for being sure the money from his account won't disappear on one single operation when high volatility moments. Most of the experts consider them as essential and this system use them too. However, the big capitals need the losses from the small ones and sometimes they're able of creating a quick considerable raise just before a very big fall, or vice versa.

Therefore, is my goal keep in secret, as far as I can, the signals that make this system open an operation, and avoid the mentioned danger.



On the picture we can see an almost 50 pips raise just before going down. The stoploss is showed as a small red line.

About the pattern.-

Considering what was told above we can explain some things about the pattern avoiding the big details.

On environments with a big liquidity this pattern ALWAYS will point to a tendency change, while not on every tendency change the pattern will show up. The required liquidity and the stoploss reduce the effectiveness of this EA to the EUR/USD pair, as other pairs can get, and they get actually, bigger volatility moves which can make fail a lot of operations. Bigger liquidity makes market movements more “democratic” and less prone to specific controls from big capitals. Even with this, they are still there, though.

This pattern appears on all time frames, but ForexMultiplier only works on H1 because we are looking for big movements which worth a 50 pips or bigger stoploss.

At the moment the pattern appears, a new tendency has begun and the most of the times it goes on for an indefinite while. ForexMultiplier is designed with the purpose of following this way up or down until a clear sign of its end is detected. A parameter has been created on the EA in order the investor can decide whether the robot must follow exactly what the pattern is saying or take some risk following the statistic. The parameter “risk”, which will be explained deeper below, is there for everyone can choose its risk level, giving the option, for those who prefer follow exactly the pattern signals, of taking a short profit once detected end of pattern or indefinite signals, but letting those who prefer take some more risk looking for a big reward don't paying attention to those signals and going for the final of the race, with a bigger profit, trusting on it use to be like this statistically.



We can see on this Picture how the Ea looks to compete the whole raise, even if it is very long. Every green line corresponds to one hour, so, in this case, the buy operation has take 24 hours long..

About the EA.-

ForexMultiplier is an EA which, once based on a successful strategy, is completely focused to capital management. The investor will have the chance of deciding anytime how is managed the money from the account. You can select the option of investing always a specific amount, defined by the usually known "Lots" parameter, as the others EA do, or you may want the robot increases the investment as the benefits increase the account. You can choose to invest all the account money, or always taking a half, a third part, etc...

You should take in mind ForexMultiplier is designed for performing a small number of operations, but big profitable ones. If we consider the pattern doesn't show itself every time a tendency change happens and the time period is one hour, we will see our EA operating between one and four times per month usually. It will be strange a month out of that range, beyond four operations or, as happened December of 2008, don't taking any action on the whole month. During that month, euro went up on a way that a few of tendency changes happened. That was a very high volatility period too, so it was not a good time for our EA as well. Therefore, we must be patient.

The worst can happen when you start using this tool is waiting for weeks for something happens and when it does, the stoploss is touched. In spite of the EA didn't failed on the whole Q1 of 2009, there are, and will be, bad operations. Those failed trades don't come from a failing on the pattern; there are wrong interpretations from the EA, which detects the pattern when it is not present. The most of these cases are due to an uncertainty moment which happens some times when ForexMultiplier has started an operation. The indicators give the signal the pattern is there, but as time goes by the signals change on a way which they became a false positive finally. This happens very rarely anyway, and you will be able of checking the most of the operations which touch the stoploss, and therefore, are negative, would be successful with a greater stoploss. Somehow, it's kind of a vital part of the trade and this is the reason the EA let set it to the investor

The pattern is not perfect, nothing is, but it is close because it is right every time. The problem is you can see it on the graphic a posteriori, after it happened, but at the very moment some rude changes can happen which can make the indicators show something that will be different a bit later for a moment, but if at that moment the robot reads them those signals can be misinterpreted. This is a bizarre situation and that's why we must not wait for being sure the signals are right, because we would go in so late a lot more of the times it happens, so the benefits are greater working this way. This is explained for you understand the behaviour of the robot all the time.

On the other hand, as this is a system which can lose a maximum of 50-60 pips (you can set any stoploss, but these are the recommended values), but it can win over 100 pips or more, a failed operation is immediately compensated for the next winning one. This way, our account will follow its way exponentially upward as far as there are more good operations than bad ones. This makes there is not a limit on our goal whatever it is our beginning capital, is a matter of time we get the desired amount.

Another important point to know is, although ForexMultiplier is ready for working 24x7, the weekends are taken as special days due to a lot of brokers are not working on Saturdays and Sundays, so they're very low volume periods which you can find movements on the opposite direction of the tendency. Knowing that, in order of preventing a possible getting of the stoploss, the robot is designed for avoiding them as far as possible and will close a winning trade before the brokers close, on Friday night.



We can see this trade is closed a bit before the graphic discontinuation, which means the weekend.

Parameters.-

The flexibility we have wanted to give to this EA for everyone could choose the risk level and the way its capital is managed comes from the input parameters. These are the following:

- Lots: Typical parameter for the most of existing EA's. Here you can select the amount you want to invest on each operation as thousands units. It means 1.0 would correspond to 1000 €/\$. It is set on 0.5 (500 €/) by default. You must keep in mind this parameter is only valid when mode = 0 and is not used on other modes.
- Mode: The investor can use this parameter for choosing the way its capital should be managed by ForexMultiplier. If this parameter value is zero it will work, as the most of the EA's do: investing exactly the value selected on the Lots parameter, explained above. But if the value is greater than zero, this number will indicate the percentage of your account money that will be invested. If it is 1, the whole amount of your account will be used, if it is 2, a half of it, if 3, a third part, and so on. This way, you can choose your account fraction following your preferences with the minimum set by your broker. For instance, on a mini account you may prefer a small mode value, as 1 or 2, looking for a quick growth, as per a big account, interested on a lower risk long term, a greater value would be the best option. Notice this value is directly related with the risk, when smaller, more benefits, but assuming the risk of a bigger possible lose.
- Stoploss: Anyone who has performed a single operation on Forex, or even on stock market, would be familiar with this parameter. Here you must select the number of pips you want the stoploss to be set from the entrance price. It's important knowing the minimum stoploss value allowed by your broker as it will be the minimum value you will be able of setting here. If you set a value minor than that the operations will return an error and the robot wouldn't act on any time.
- Risk: This is a binary parameter which only accepts two values: true or false. "True" would mean you are taking the risk of going on with the operation even with the out-of-pattern signals. With "false", when ForexMultiplier detects that kind of signals, it would change its goal to get a small benefit by, whether closing the operation if it can take any profit, or setting a 10 pips takeprofit if there are no wins at that moment.
- Key: Here you must put the key for activating ForexMultiplier. This part is explained deeper on next and final section.

On the following pictures you can see a losing operation when risk = true versus the same operation, as good one when risk = false.



About the key.-

The key is provided at the moment of purchasing ForexMultiplier and it is a way of controlling the released copies.

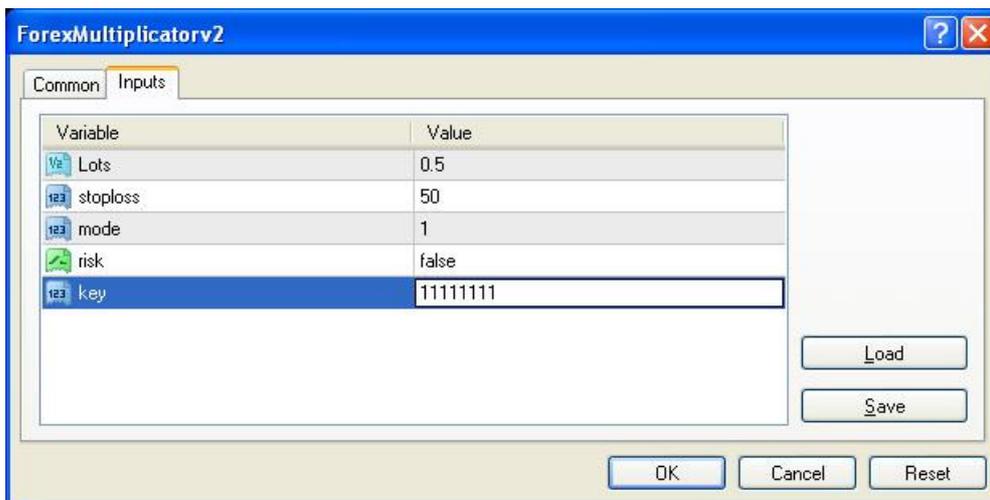
Without any key, or with a wrong one, the robot would never act making itself useless. This key is unique for each one and identifies every ForexMultiplier copy.

When you receive a key, you receive a commitment: the logic responsibility on any copyrighted software: don't distribute unlicensed copies of ForexMultiplier.

If an uncontrolled copy of the EA is detected, it will be possible to detect who was deliver it to and as first step, the communication (any help, problems support or enhancements on the EA) will be closed at once, then we will look for our legal chances.

The process of setting the key is a very simple one, but as it is so important it is going to be detailed here.

You must put all eight ciphers of the key on the corresponding parameter as in the picture, and click the OK button.



You can go to this box by typing F7 once the EA is loaded on the EUR/USD pair and this is the method for changing any of the other parameters too.

It's recommended to verify the key is correct and the better way of doing it is by using the Strategy Tester (F6) and checking there is any operation on a month at least. At this point, could help looking at the real time results of this EA on the website:

http://www.movildick.com/fxmultiplier/2009_Results.html

Any other doubts can be addressed to fxmultiplier@movildick.com