

The Beast



A Steve Hopwood Production
Original Screenplay by MacMan
Directed By Nanningbob
Production Assistant FX Dragon
Supporting Cast and Credits: All other contributing members at Forex Factory too numerous to list

Remember: **this is an H1 trading system.** Trading the lower tf's is a waste of time; trading the higher buggers up The Beast's calculations.

The Beast is a retrace system based on an idea by MacMan. It uses a "sixths-line" calculation to find optimum Entry and Exit points calculated from bar history for individual pairs. These calculations produce 5 horizontal lines which are automatically plotted on your chart for you; these lines are then used by The Beast for Entries and Exits. The bar history is recalculated at every new bar - enough movement and you get new Entry and Exit points; any unfilled pending orders are deleted and new orders are placed based on the latest info - as the market changes, so does The Beast.

Relevant User Inputs are in **red**; brief descriptions of important inputs are in **blue**. The Trade Management Module is basically from the Multi Purpose Trade Management EA coded by Steve Hopwood, and so it isn't covered in depth here. If you aren't familiar with it you should be - very nice piece of work. Both the MPTM EA and the detailed instructions .pdf can be downloaded here:

<http://www.forexfactory.com/showthread.php?t=89371>

Nanningbob's original method can be found here:

<http://www.forexfactory.com/showthread.php?t=246113>

Live trading

I trade TB live on the four majors and GJ. Once the transfer of my funds from IBFX US to the Ausie branch is complete, I shall add more pairs. I release TB using the inputs I am trading live, apart from the lot sizes.

If you trade TB live on an account, it is best not to trade another system on the same pairs. If TB comes across a second open trade with the same lot size as its own Primary_trade_Lot_size, it will regard the pair as being in Recovery and behave appropriately.

Users need to hide as much information about their activities from the criminals as possible. Magic numbers and trade comments make it obvious when a trader is using a trading robot. This is why TB has no magic number and I release it with blank trade comments; differentiate between primary and secondary trades by lot size. The crims can still work out we are using a

robot, but there is no need to make it easy for them.

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Trading Strategy

The Beast has two levels of trade:

1. Primary trades, taken at the top/bottom gold lines:
 - sell at the top gold line
 - buy at the bottom gold line
2. Secondary trades, taken at the top/bottom green lines
 - sell at the top green line
 - buy at the bottom green line

Now, here is the *really* clever bit. TB doesn't simply blunder into the trades the moment the market hits one of these lines. Instead, it waits until the market has passed them, then sends pending trades to catch the move back into the middle of the screen.

This shows the pending trade levels. Top gold and green are the pending sell levels, vice-versa for the buy



Of course, the market often retraces sufficiently to fill the pending trade then reverses again to carry on its merry way, leaving the trade in dd.

When this happens, TB has a way of dealing with the problem because of the way it responds to the formation of a new candle or a move of the Sixths lines:

- At the start of a new candle, it deletes any *pending* trades and looks to start sending fresh orders.
- If the Sixths lines move, TB deletes any *pending* trades and looks to start sending fresh orders.

You can easily find yourself with more than 1 trade open; when this happens, TB starts looking for opportunities to close the position at breakeven, using Bob's Recovery system

Take profit line

When TB send a Primary pending trade, it adds a gray take profit line just a few pips away from the middle white line. Whilst this line is gray, TB will ignore it. If you select the line by double-clicking it, you will see it change colour to your choice in the inputs (default blue). TB will attempt to move the tp of all its open trades to the price of the tp line. It will ignore the line if in Recovery or Hedging is in operation. To deactivate the line, select and delete it.

Nanningbob-Style Recovery System

TB should not take out Primary trades at less than **MinPipsFromLastEntry** pips distance from an existing trade (at the time of writing defaults to **50**). This means that the first trade is quite a long way into drawdown when the second is taken.

- Once **Start_Recovery_at_trades** trades are open (defaults to **2**), TB concludes that Recovery is necessary and begins the process.
- You have 2 choices of Recovery:
 - 1.1.3.3
 - 1.1.2.4
- TB works out the breakeven tp for the basket of open trades and adjusts the tp's accordingly.
- It draws a breakeven line on the screen. If users highlight and move this line, TB will adjust the tp's according to the new value of the line.
- When in Recovery, TB draws the re-entry line - you have to understand Bob's Recovery to understand this. You can set the re-entry line distance with the **ReEntryLinePips** input. Leave this set to zero to have TB calculate it for you.
- By the time Recovery kicks in, the market has a fair way to go to recover to breakeven. A move strong enough to do that most likely has some strength left, so **RecoveryBreakEvenProfitPips** allows you to add a few pips to the breakeven tp.

You can opt out of Recovery and have a stop loss instead. Just do not opt for *both* Recovery and SL - you will cause chaos.

Hedging

There is an unbreakable, unshakable, unavoidable rule when trading Forex and it is this: if an event *can* happen, and said event is bad for you, then it *will* happen. Therefore, there will come a time when a pair trends massively against you and leaves your initial and Recovery trades ridiculously into drawdown.

In this event, TB will attempt to hedge you out of trouble. The first thing TB tries to do is ascertain whether the market is trending against you by consulting the D1 Rsi(20). This will result in 3 possible readings:

- Rsi > 55: market is trending upwards
- Rsi < 45: market is trending downwards
- Rsi in between 45 - 55: market is ranging

There is a multi-timeframe Rsi attached. This will display the D1 Rsi(20) on your H1 charts. You don't need it, but it is available if you want it.

If you have hedging turned on (i.e. **UseHedging = true**) then TB will hedge trades at **HedgeAtLossPips** if the market is trending in favor of the hedge trade and against your original trade. TB will then monitor the entire position and close it at breakeven.

The long term success of this strategy is yet to be proven. Remember also that hedging is not available to those of you whose accounts are held by US criminals; you need to remember to turn hedging off.

Stop Loss

If you turn the stop loss on and leave it set to zero, TB will calculate the stop for you, using $Atr(20) * 3$.

Here is the really, *really* clever bit:

Those of us familiar with macman's contributions know that he has a fantastic analytical brain. He figured that there must be optimum Sixths BarCount settings and has been optimizing this setting. His conclusions so far are that this system is best traded on the H1 tf with these bar counts:

- GU - 155
- GJ & UC 180

TB (and the attached indi) is coded to automatically adjust to these settings. For all other charts, then the best input is a matter of guesswork. The default equates to one week of H1 candles.

Setting up TB

Close down your MT4 platform.

- The Beast calculates the Sixths lines for you. The indicator it simulates is attached for you to play with, but you do not need it.
- download 'The Beast.mq4' to your Expert's folder.

Restart your platform.

- if on demo, start as many charts as you want (don't trade live until you understand the behavior of the bot).
- **Use H1 charts**
- load The Beast onto each chart.

If this is a newly downloaded demo, you need to make sure Expert Advisors are enabled. MT4 defaults to a neat little trick; ea's are disabled and you can stare at one for days wondering why it is refusing to work. So:

- click Tools|Options and select the Expert Advisors tab.
- put ticks in the boxes next to:
 - Allow Expert Advisors
 - Allow live trading
 - Allow DLL imports
 - Allow external experts imports
- remove ticks from all other boxes
- click the OK button
- if EA's are now enabled, yours will be showing a smiley face in the top right corner of your chart. Previously, it would have been wearing a frown.

TB EA Inputs and Options

Note: all pip inputs require you to enter them as 'proper' pips as shown in the defaults. TB automatically adjusts these inputs to cater for different digit criminals.

----General inputs----

General EA inputs settings are defaults and have been optimized. It is recommended you leave them at these settings until you are familiar with TB and how it operates.

BarCount=0

Leave at 0 to have TB calculate Bars Back for you (highly recommended)

StopTrading=false

true, turns off TB EA

false, turns on TB EA

TradeLong=true

true, allows long trading (i.e. Buys)

false, stops long trading

TradeShort=true

true, allows short trading (i.e. Sells)

false, stops short trading

MaxTradesAllowed=5

Maximum number of trades per pair after original Entry

Primary_trades=true

true, Primary Trades at enter at gold lines

false, Primary Trades are not taken

Secondary_trades=true

true, Secondary Trades enter at green lines

false, Secondary trades are not taken

Primary_trade_Lot_size=0.03

User defined Lot sizes for Primary Trades. Make sure the lot sizes are acceptable to your criminal.

Secondary_trade_Lot_size=0.01

User defined Lot Sizes for Secondary Trades

Primary_trade_comment="P"

User comment field for tracking purposes, "P" designates a "Primary" trade in this case

Secondary_trade_comment="S"

User comment field for tracking purposes, "S" designates a "Secondary" trade in this case

MinPipsFromLastEntry=50

Minimum number of Pips away from last trade before re-entry

PipsBufferFromTradeLine=**10**

Buffer zone from entry point in Pips before trade is placed

----Take profit----

UseTpITp=**false**

true, uses the take profit line to set a take profit for open trades

false, ignores the line and closes trades as usual at the middle white line

TakeProfitLineColour your choice of colour for the line

----Recovery----

UseRecovery=**true**

true, uses Macman style Recovery

false, Recovery is disabled

Start_Recovery_at_trades=**2**

Number of trades before Recovery kicks in

Use1.1.3.Recovery=**false**

Use1.1.2.4.Recovery=**true**

ReEntryLineColour=**Yellow**

BreakEvenLineColour=**Aqua**

ReEntryLinePips=**0**

Leave at 0 to have TB calculate Bars Back for you (highly recommended)

RecoveryBreakEvenProfitPips=**10**

Number of pips above BE to attempt small profit when in Recovery Mode

----Stop loss----

UseStopLoss=**false**

false, Stop Loss is not used

true, Stop Loss is used – Warning – Do NOT use with **UseRecovery=true**

StopLoss=**0**

Number of Pips to use for Stop Loss if enabled

----Trade management module----

Defaults are those I am using in my live trading:

DoNotOverload5DigitCriminals=**true**

Break even settings

BreakEven=**true**

BreakEvenPips=**40**

BreakEvenProfit=**30**

HideBreakEvenStop=**false**

PipsAwayFromVisualBE=**5**

Jumping stop loss settings

JumpingStop=**true**

JumpingStopPips=**30**

AddBEP=**false**

JumpAfterBreakevenOnly=**true**

HideJumpingStop=**false**

PipsAwayFromVisualJS=**10**

Trailing stop loss settings

TrailingStop=**false**

TrailingStopPips=**50**

HideTrailingStop=**false**

PipsAwayFromVisualTS=**10**

TrailAfterBreakevenOnly=**false**

StopTrailAtPipsProfit=**false**

StopTrailPips=**0**

Hidden stop loss settings

HideStopLossEnabled=**false**

HiddenStopLossPips=**20**

Hidden take profit settings

HideTakeProfitEnabled=**false**

HiddenTakeProfitPips=**20**

----Hedging----

UseHedging=**true**

true, opens opposite position

false, Hedging is not used

HedgeAtLossPips=**500**

Number of pips in DD before beginning Hedging function

HedgeLotsMultiplier=**2**

Multiplies your Entry Lots by this number

----Trading hours----

Trade_Hours= "Set Morning & Evening Hours"
Trade_Hoursi= "Use 24 hour, local time clock"
Trade_Hours_M= "Morning Hours 0-12"
start_hourm = **0**
end_hourm = **12**
Trade_Hours_E= "Evening Hours 12-24"
start_houre = **12**
end_houre = **24**

----Odds and ends----

ShowManagementAlerts=**true**

Disclaimer and Risk Disclosure:

Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. The high degree of leverage can work with as well as against you. Before deciding to invest in foreign exchange you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor should you have any doubts.

I will put this a tad more bluntly:

Most Forex traders lose all their money.

- Using The Beast in trading Forex does not guarantee success.
- Trading with The Beast could lead to serious financial loss.
- Trading The Beast without understanding its underlying trading strategies *guarantees* traders will lose their money.
- To trade The Beast, you have to understand how to use the Sixths indicator. To learn how to do this you need to learn NanningBob's V5 trading system, so go to <http://www.forexfactory.com/showthread.php?t=246113>

Good luck. Have fun. The rest of us are.