

Malori ApaChE

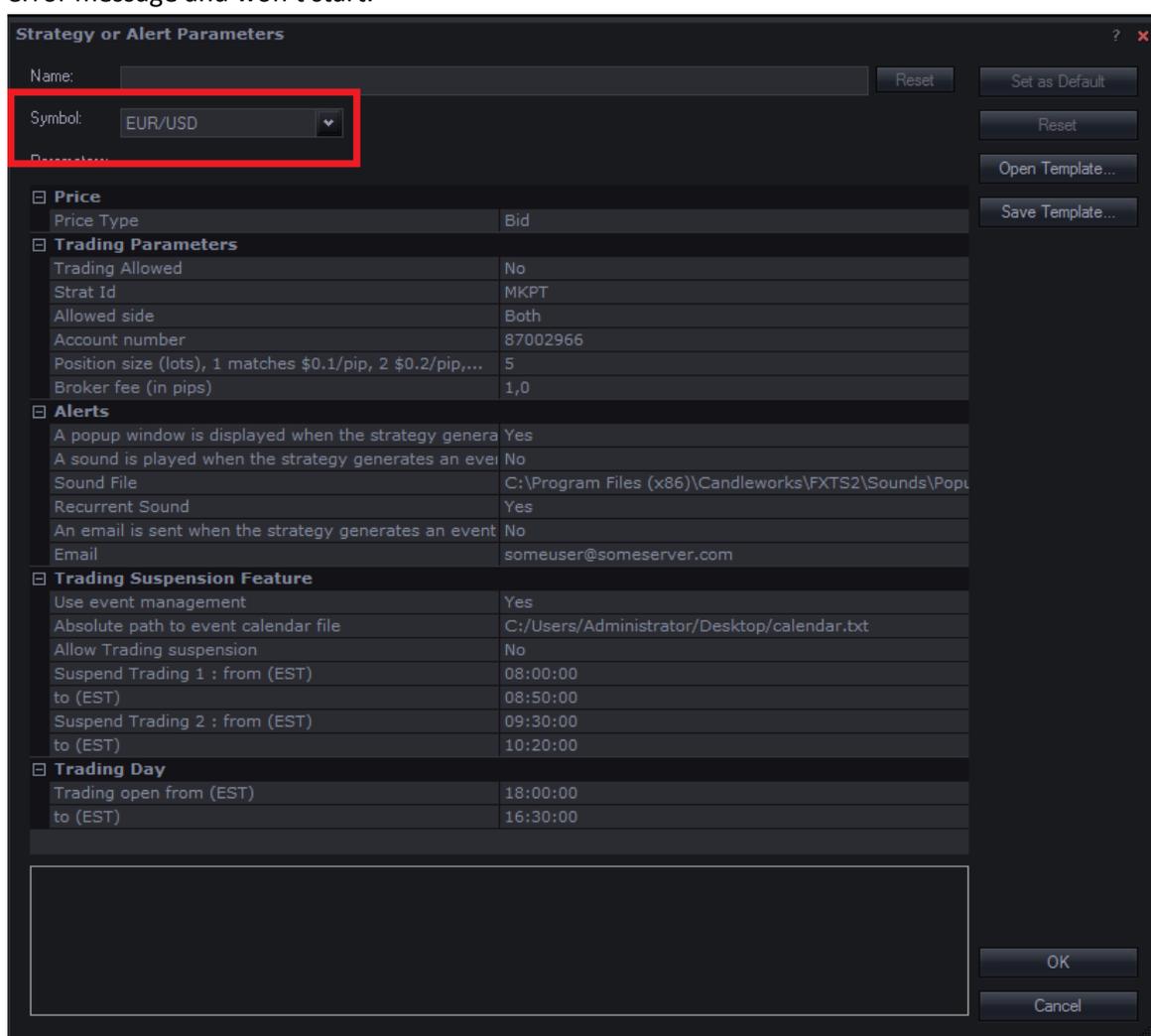
User's Manual

ApaChE is an algorithm which goal is to smoothly sclap the EUR/USD pair. Smoothly because Apache is not an aggressive algo that will generate tons of trades per day and it is taking care of protecting the trader's capital. Additonally, ApaChE only opens 1 position at a time.

However, the trader's account will have to bear drawdowns, and thus the right tuning of leverage is important as you will see in section 2).

Here is the configuration that the user needs to manage.

- 0) ApaChE only works with the EUR/USD pair, so be sure to choose this "symbol" in the list of available assets. If you choose another asset than EUR/USD, the program will generate an error message and won't start.



1) **Price** : **Price type** the strategy will trade from.

Can be Bid or Ask : **It is recommended to leave it to Bid**

The screenshot shows the 'Strategy or Alert Parameters' dialog box. The 'Price' section is highlighted with a red box, indicating the 'Price Type' is set to 'Bid'. The dialog box contains several sections of parameters:

Price	
Price Type	Bid

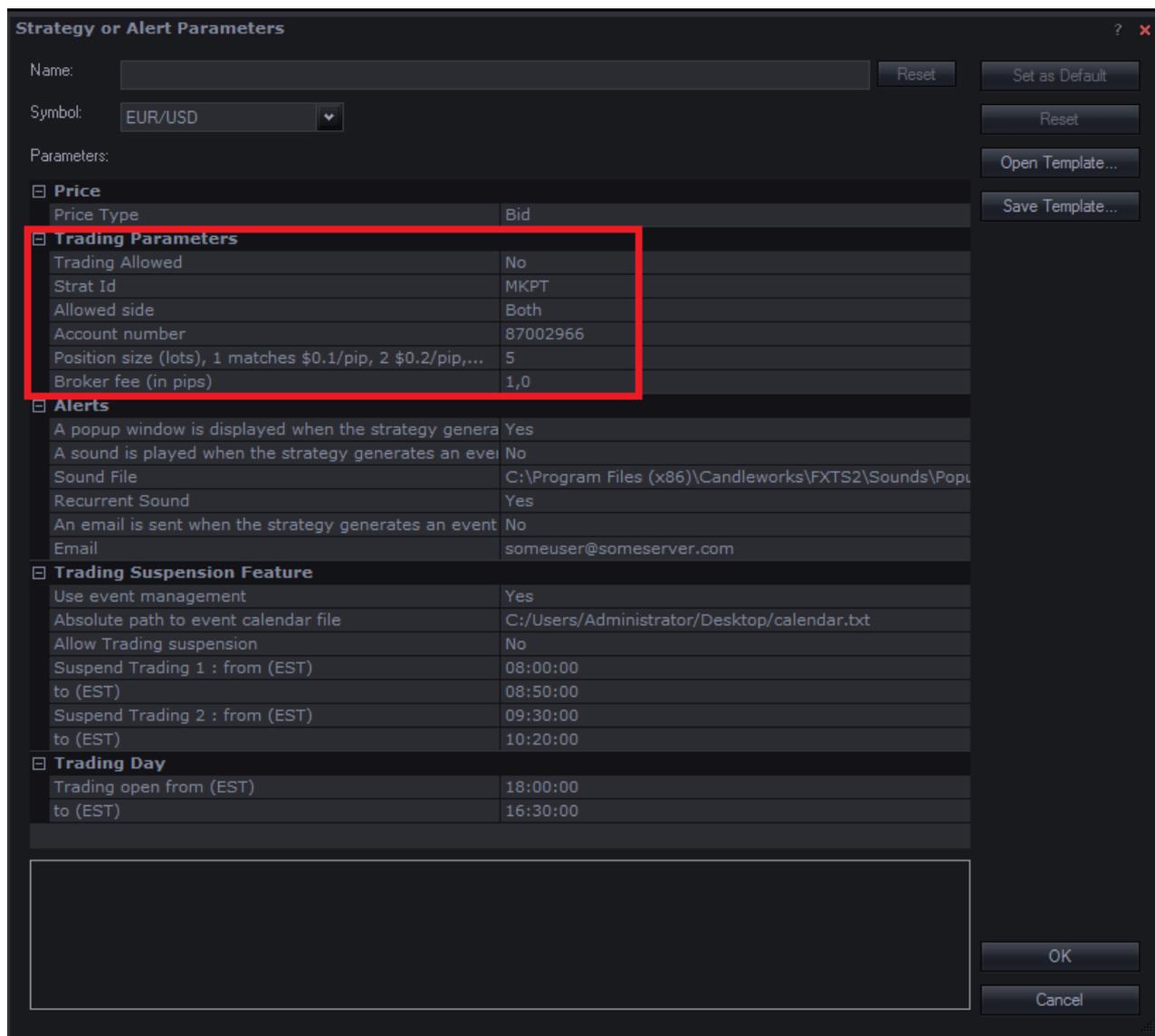
Trading Parameters	
Trading Allowed	No
Strat Id	MKPT
Allowed side	Both
Account number	87002966
Position size (lots), 1 matches \$0.1/pip, 2 \$0.2/pip,...	5
Broker fee (in pips)	1,0

Alerts	
A popup window is displayed when the strategy genera	Yes
A sound is played when the strategy generates an eve	No
Sound File	C:\Program Files (x86)\Candleworks\FXTS2\Sounds\Popl
Recurrent Sound	Yes
An email is sent when the strategy generates an event	No
Email	someuser@someserver.com

Trading Suspension Feature	
Use event management	Yes
Absolute path to event calendar file	C:/Users/Administrator/Desktop/calendar.txt
Allow Trading suspension	No
Suspend Trading 1 : from (EST)	08:00:00
to (EST)	08:50:00
Suspend Trading 2 : from (EST)	09:30:00
to (EST)	10:20:00

Trading Day	
Trading open from (EST)	18:00:00
to (EST)	16:30:00

2) Trading parameters



Trading allowed

No : trading is disabled

Yes : trading is enabled

Usually, this parameter is set to **No** when you install the strategy.

Strat Id

If you run more than one ApaChE in the same trading account, you need different « Strat Id » for each active instance. This string can be whatever you want.

Allowed side

If you wish the strategy to only take buy signals or to only take sell signals you can configure it here. However, ApaChE performance is roughly symmetrical (buy vs sell) so not taking both types of signals does not really makes sense.

It is thus recommended to leave this parameter to **Both**.

Account number

Nothing to configure here, this is your trading account number and it is set automatically.

Position size (lots)

Here you configure how much **leverage** you use. ApaChE can generate drawdowns in the range of 10% (with \$0.5/pip for \$1000 capital), so choosing the right leverage is **IMPORTANT**.

Recommendation (depending on your risk profile) :

- **\$0.3 to \$0.5/pip for \$1000 capital**, which is a position size of 3 to 5 with a standard FXCM account (5 is default configuration)
- For example, if you trade with \$10000 capital, it is recommended to set position size between 30 and 50, \$20000 capital set position size between 60 and 100, etc...

Broker fee (in pips)

Some brokers, like FXCM, charge a commission (a fee) when you enter or exit a position. At the time of this writing, that commission, for the EuroDollar pair, is \$0.8 per trade round turn for 1 microlot traded. In other words, if your position size is set to 1, the performance of each trade (whether it is a loss or a win) will be reduced by \$0.8.

In certain market situations, ApaChE will decide to exit a position at 0 profit; to prevent this 0 from becoming negative once lowered by the broker commission, one can decide at how much the trade should be closed using the "Broker fee" parameter. So if " Broker fee" is set to 1, instead of exiting the trade at 0, ApaChE will exit at + 1 pip, resulting in a slight profit after deduction of the transaction fee.

The recommended value for this parameter is 1.

3) Alerts

Strategy or Alert Parameters ? x

Name:

Symbol:

Parameters:

Price

Price Type	Bid
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Trading Parameters

Trading Allowed	No
Strat Id	MKPT
Allowed side	Both
Account number	87002966
Position size (lots), 1 matches \$0.1/pip, 2 \$0.2/pip,...	5
Broker fee (in pips)	1,0

Alerts

A popup window is displayed when the strategy genera	Yes
A sound is played when the strategy generates an eve	No
Sound File	C:\Program Files (x86)\Candleworks\FXTS2\Sounds\Pop
Recurrent Sound	Yes
An email is sent when the strategy generates an event	No
Email	someuser@someserver.com

Trading Suspension Feature

Use event management	Yes
Absolute path to event calendar file	C:/Users/Administrator/Desktop/calendar.txt
Allow Trading suspension	No
Suspend Trading 1 : from (EST)	08:00:00
to (EST)	08:50:00
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to (EST)	10:20:00

Trading Day

Trading open from (EST)	18:00:00
to (EST)	16:30:00

I will not describe every possibility of the alert section because I think that options speak for themselves. You have the possibility to be alerted by popup, sound and email. Alerts occur when the strategy triggers an action, like open/close a position, but also warns you about an ongoing event (see next section), or informs you about the expiration of the program.

4) Trading Suspension Feature

NB1 : Time must be entered in 24h format.

NB2 : If Alerts are enabled (see 3), events in this section will trigger a notification.

This part of the configuration is **important**. Indeed, we are willing to avoid, as much as we can, the volatility spikes that may occur on the EUR/USD when a planned event occurs. To achieve that goal, ApaChE has 2 mecanisms.

The screenshot shows the 'Strategy or Alert Parameters' dialog box. The 'Trading Suspension Feature' section is highlighted with a red box. The parameters are as follows:

Parameter	Value
Name:	
Symbol:	EUR/USD
Price Type	Bid
Trading Allowed	No
Strat Id	MKPT
Allowed side	Both
Account number	87002966
Position size (lots), 1 matches \$0.1/pip, 2 \$0.2/pip,...	5
Broker fee (in pips)	1,0
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A sound is played when the strategy generates an eve	No
Sound File	C:\Program Files (x86)\Candleworks\FXTS2\Sounds\Popu
Recurrent Sound	Yes
An email is sent when the strategy generates an event	No
Email	someuser@someserver.com
Use event management	Yes
Absolute path to event calendar file	C:/Users/Administrator/Desktop/calendar.txt
Allow Trading suspension	No
Suspend Trading 1 : from (EST)	08:00:00
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Use event management and Absolute path to event calendar file

ApaChE uses a system of automatic trading suspension based on the content reading of an “event” file. This file, which is filled by the user, is a simple text file containing the known events that can generate volatility on the EUR/USD pair. Its content must comply with the following format, with 1 event per line.

27/04/2017,07:15:00,10:00:00,ECB MONETARY POLICY MEETING

The user can virtually enter any event in this file, as long the format above is respected.

To enable the use of the event file, simply set the parameter to "Yes" and specify the location of the event file to ApaChE (calendar.txt here) with the "Absolute path to event calendar file" parameter. If you set this parameter to 'No', the file will be ignored.

It is strongly advised to use this protection system.

WARNING : time must be set to EST timezone (New York time). **Dates must be entered in European format : dd/mm/yyyy.**

Tip : It is recommended to set the start time of the events 30 minutes before the event actually starts. It will allow ApaChE to manage a possible ongoing trade before the event.

You will find the file calendar.txt available for download prepopulated with important events for the current year.

Allow Trading Suspension

In addition to the event file, ApaChE offers the possibility to choose 2 daily timeslots during which trading will be suspended. Indeed, when important news come out, it may be important to stay out of the market. Typically the user may wish not to trade during US 8:30 (EST) and 10:00 (EST) news which often bring volatility to the pair.

To enable the daily trading suspension, set the parameter to "Yes" and enter your timeslots (EST)

WARNING : time must be set to EST timezone

Tip : It is recommended to set the suspension start time 30 minutes before the news actually gets released. It will allow ApaChE to manage a possible ongoing trade before the news comes out.

Tip : if you are willing to manage only 1 daily suspension, set the timeslot of the second suspension to 00:00:00

5) Trading Day

NB1 : Time must be entered in 24h format.

NB2 : Time must be set to EST timezone (New York time).

The screenshot shows the 'Strategy or Alert Parameters' dialog box. The 'Trading Day' section is highlighted with a red box. The parameters are as follows:

Section	Parameter	Value
Price	Price Type	Bid
	Trading Parameters	
Trading Parameters	Trading Allowed	No
	Strat Id	MKPT
	Allowed side	Both
	Account number	87002966
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Alerts	A popup window is displayed when the strategy genera	Yes
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Trading Suspension Feature	Use event management	Yes
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	Allow Trading suspension	No
	Suspend Trading 1 : from (EST)	08:00:00
	to (EST)	08:50:00
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	to (EST)	16:30:00

Here you tell Apache when it should actually work.

It is advised to avoid trading EUR/USD around 17h00 EST. Indeed, this is the time when the forex trading day ends...and begins. As you may know forex market is open continuously from Sunday to Friday and it has been chosen that 17h00 EST is when you move from one day to the next; around this time, spreads can increase a lot and create aberrations, this is thus a trading time to avoid.

In the above example, trading stops at 16:30:00 and restarts at 18:00:00.

It is recommended not to change this configuration.

Tip : On Fridays, it is recommended to stop trading at 14:00:00 (instead of 16:30:00) in order to avoid that a position gets opened just before the week end.