

RSI-R2 – SUPER RSI Expert Advisors Frequently Asked Questions

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The Improved R2 Strategy: 84% Correct with Just 6 Rules

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In early 2005, we published the R2 Strategy on TradingMarkets which quickly became one of our more popular strategies. The strategy was also presented at "The Traders Expo" in Fort Lauderdale last year. In the "MoneyShow.com Best Webcasts of 2006" it was voted the number one presentation in the "Best for Traders" category. We recently updated and improved our research, leading to this article that shares our latest findings with you.

What is the Improved R2 Strategy?

The Improved R2 Strategy is a simple six-rule Market Timing Strategy which uses the 2-period RSI as its primary tool. Our research has shown that there is little statistical evidence using the standard 14-period

RSI. But, when you shorten the period to a 2-, 3- or 4-period RSI, test results significantly improve. By using the 2-period RSI as we do here, you can see back-tested results of 84.31% correct in the S&P 500 Index going back to 1995 (12 years).

Here are the Rules:

The SPX is above its 200-day simple moving average (you can use any S&P 500 derivative product, including the SPYs, E-minis, etc).

Day 1 - the 2-period RSI is below 65. This tells us that the market is in a neutral to possibly oversold condition.

Day 2 - the 2-period RSI closes lower than Day 1.

Day 3 - the 2-period RSI closes lower than Day 2.

Buy the market (SPX, SPY, E-mini, etc) on the close Day 3.

Exit when the 2-period RSI closes above 75.

Comment by EA Author: The EA only references the closing values of RSI for the prior three days. Whatever RSI is doing during the current day has no bearing on anything and will not be taken into consideration for any signals. Therefore, a signal is generated immediately after closing of the 3rd day if all of the criteria are met, and that signal will be valid all day during the 4th day.

EA development history

a Yahoo MT Group member known as Bluto picked up the above story and developed an EA titled RSI-R2, which evolved in version 1.0 to 1.3. At that point, Bluto decided to add further refinements but keeping the code unavailable (Versions 1.4 onwards). At about the same time, another member (Dave Roland) developed the same EA but able to trade ALL currencies without needing to open a chart for each and add the EA into it manually. That EA's title is: Multipair RSI. It also developed several versions.

How it works

In layman's terms, this is how the RSI-R2 Ver 1.1 EA works:

With each new tick, the EA is called and control passes to the `init_start()` mainline

function. First, we perform the money management option via the `"Calc_Money_Management()"` function call if the value of the `UseMoneyMgmt` variable is set to true. This function calculates the appropriate lot size to use based on available equity and the `"RiskPercent"` setting. If money management is disabled, the value of the default `"LotSize"` variable is used.

-Then-

Using a daily timeframe, first, get the closing value of RSI three days ago (RSI_Day_1), the closing value of RSI two days ago (RSI_Day_2) and the value of RSI one day ago (RSI_Day_3) . Also, get the closing value of a 200-day simple moving average one day ago (SMA200_Day3). We will analyze the behavior of a short term RSI over the prior three days as our primary buy/sell trigger.

-Then-

Check for Buy Signal: We're looking for a decreasing value of RSI over the past three days into a deeper oversold status as price remains above SMA200. If the value of RSI_Day_1 < 65 and the value of RSI_Day_2 < RSI_Day_1 and the value of RSI_Day_3 < RSI_Day_2 and the value of Closing Price from one day ago is > SMA200_Day3, we have a Buy signal, so set the boolean Buy Flag (Buy_Mode) to True, otherwise set it to false.

-Then-

Check for Sell Signal: We're looking for an increasing value of RSI over the past three days into a deeper overbought status as price remains below SMA200. If the value of RSI_Day_1 > 35 and the value of RSI_Day_2 > RSI_Day_1 and the value of RSI_Day_3 > RSI_Day_2 and the value of Closing Price from one day ago is < SMA200_Day3, we have a Sell signal, so set the boolean Sell Flag (Sell_Mode) to True, otherwise set it to false.

-Then-

Before we act on any potential signals that may have fired, we do some housekeeping on any order that may already be open. The EA only allows one sell or one buy order to be open at a time. If we have an open Buy order in progress and the value of RSI_Day_3 > 75, we close the order because RSI is entering extreme overbought status (reversal coming?) If we have an open sell order and the value of RSI_Day_3 < 25, we close the order because RSI is entering extreme oversold status.

The order closures would actually happen on the opening bar of day 4 since we're on a D1 timeframe.

We then update trailing stop using Parabolic SAR. Managing these stops can cause an order to stop out if things get nasty.

-Then-

We now act on any new buy/sell signals:

- If we have a new buy signal and there isn't a buy order already open (`OpenBuyOrders = 0`), we check first to see if a sell order may be open and if so, we close it. Then we simply open a new buy order and increment the open buy order counter (`OpenBuyOrders++`). The counter keeps us from opening multiple buy orders since we only want one. - If we have a new sell signal and there isn't a sell order already open (`OpenSellOrders = 0`), we check first to see if a buy order may be open and if so, we close it. Then we simply open a new sell order and increment the open sell order counter (`OpenSellOrders++`). The counter keeps us from opening multiple sell orders since we only want one.

That's it. Control then passes back to MT4 via the last statement of `"return(0)"` in the `init_start()` routine until the next tick occurs and calls the EA at which point we repeat the entire process again.

I hope that this helps clarify what the EA is doing under the hood.

-bluto

Indicators used with the EA (not required to use the EA):

For those interested in knowing what is "under the hood" of the EA, there is a list of indicators which can be utilized with the EA.

R2_Arrows_v4 is an indicator for RSI_R2 EA by TransportDavid. It places buy/sell arrows. He also made another indicator for Robert's Optimized EA. (AnyMA_Rsi_R2_Indi_Opt.mq4)

Indicator written just for bluto's Super RSI does not exist at this time. But you can use R2_Arrows_v4 on it. It is close although not 100% since bluto's Super Rsi have some additions.

With both EA you can also use another indicator which is regular RSI with daily dots on top of it, so you can easily see follow buy sell rules. Made by Accrete. Name RSI_LiDo.mq4 (included in V. 1.9)

The most recent versions (June 16, 2007) of this EA are

AnyMA_RSI_R2_EA_Opt.mq4 - Robert

Super RSI Ver. 1.7.ex4 - Bluto

Super RSI Ver. 1.8.ex4 - Bluto

Super RSI Ver. 1.9.ex4 - Bluto

Super RSI Ver. 1.9.1.ex4 - Bluto

These versions use the same logic, the same method, but they are different enough to try them. Robert is using addition filter HMA3.mq4. With Robert's EA you can play with different Moving Averages, not only simple as in original method. You can also try many different (trailing) stops.

Bluto's EAs offer two different exits. Default is parabolic stop. If you want to use his trailing stop, you should turn off parabolic stop (lots of Q's on this below).

What else? Open all charts on DAILY timeframe, put EA and both indicators on each chart, let EA use default settings - optimized RSI. Each, Bluto's and Robert's EA use different optimized RSI numbers.

Roberts numbers you will find inside EA in the code, and Bluto's optimized numbers you will find in setting menu of EA. Don't forget to enter correct RSI setting into each indicator for every chart. Remember, each chart has its own RSI settings.

Both EA's use Daily charts.

The RSI-R2 EA FAQ: mostly replies by Bluto (43) to questions (38). New with V. 1.9: "Authors comments"

Q: Bluto, are you using this EA (on Daily charts) on all of the currency pairs or just the 4 majors? Also, when you say "15 lots per signal", are these standard lots or mini lots and which broker are you using? Thank you.

A: I'm running the EA on a chart for every pair. It should work equally well for any pair. I'm using 15 mini-lots @ IBFX. And yes, those would be daily charts. The EA is coded to use daily RSI & SMA signals.

-bluto

Q: I've been running this on Velocity4x demo on 17 pairs since yesterday. One buy trade opened yesterday on eur/gbp at .6754...

The only change to defaults was to turn on money management, otherwise trades would not open (not enough margin in 10K demo for opening 10 lot trade!). So with money management turned on the above trade opened for .2 lots

A: Turn off MM and change the lot size from 10-Lots to 0.01-Lots. You'll have enough money for the 17 pairs.

Bodaire

Q: Can this EA be opened just at the brokers daily open (00:00) time for about 1 or 2 hours instead of leaving it on 24/7? Because, once it takes a trade, the trade will still be running on the brokers server, so we can turn off our computers. What do you think?

A: With the RSI-R2 trade orders, you don't want to turn off the EA and I'll tell you why in a moment. Likewise, I'm not certain what your logic is with regards to letting the EA run for the first few hours after broker daily open. There's nothing magical about those first two hours that gives a higher probability of

getting a signal. You don't know when the trade is going to signal....it could be anytime in a 24 hour period.

Whether you need to leave the EA up and running or not really depends on how it was designed. For an EA lets say that always places orders with a 20 pip takeprofit and a 20 pip stoploss, you've set the upper and lower limits so it doesn't matter if you turn the EA off or not...The order is on the broker server with all of the known parameters. With other EA's like RSI-R2, there isn't any fixed takeprofit or stoploss assigned to the order when it's placed....the EA manages this dynamically. In fact, takeprofit is assigned as an absurd value like 700 which means you'll let the order run as far as it can go. On the stoploss side, you definitely need the EA up and running because it uses a parabolic stop routine and continuously updates the stoploss value of the order on the server as time passes...sort of a dynamic trailing stop. The server will not maintain the parabolic stop and if you turn the EA off and the trade goes against you, it could get ugly. Hope that helps.

Q: If the EA gets a counter signal from RSI before the PSAR level is encountered doesn't it close the prior trade then also?

A 1:

Yes...indeed it does. However, the likelihood of that seems remote considering how infrequent the right conditions line up for a signal.

A 2:

Good questions. The buy/sell signal criteria is very strict and there's only one set of conditions each for buy/sell. Closing orders is a different subject. That line of code you mention is in fact a hard exit per the original criteria from the trade journal article. The author of the method says if you have an open buy order and RSI rises above a value of 75 (overbought), then close the order....presumably because momentum should be slowing and a reversal might be coming. That's one way to exit the order. Another method obviously is via the parabolic stop. Yet another one is....say you have an open buy order and RSI never rises above 75, the order isn't stopped out, and suddenly you get a sell signal (very unlikely).

A 3:

I have had 4 positive demo trades (each on a different currency pair) since March 23rd and I believe that all of them exited due to the condition I showed. None of them hit the PSAR level. Thanks for clarifying that point. Don't forget, some back test results show barely over 1 trade per month over 15 months of testing. So you are not going to be encountering tradable conditions that often.

A 4:

Yeah, that's what everyone has been saying. I've had it running when others have reported trades occurring so I thought it was something in my setup. I tested from 1/1 to current and it took only a total of 5-6 trades depending on the currency, so I will let it ride for the rest of April and see what happens. It does look promising. So simple, yet effective. I have to learn more about the RSI and its workings so that I understand what its doing, in order to go live with it.. we'll see.. I'm looking forward to Gremlin coming around as well. I have it running on 17 pairs in one instance of MT4. It has taken 5 trades all on different pairs.

Q: It gave me 9 trades, 6 on the GBPUSD and 3 on the EUR. My complaint was that my Balance never was above my initial \$10k and I ended up losing \$21.32 demo trading 0.10-Lots each time. Bluto was making money. This version has the same bug as the original. After a trade is stopped out it will not trade again.

09/04/2007

V2.0 runs in each chart, so to run all pairs the EA has to be in every chart. Multi_pair runs in GBP/JPY chart but trades all pairs.

11/04/2007

(Attached RSI Ver 1.1 to this message) Ok folks - here's the original....well almost. I made two small but beneficial tweaks.

1. Provision to indicate if broker permits fractional lot sizes. Comes in handy if you're using money management. Also moved money management code into a function call.
2. Added an external variable to store the RSI Period value which was previously a hardcoded value of 2. Through backtesting with high quality modeling, I've found that each pair has optimum values for RSI Period which are different from each other. I think the value of 2 from the original trade journal where this method was described was applicable to stocks. I've assigned the optimum value to each pair in the opening initialization function. These have worked real well for me.

Folks - I think we're on to a good thing with this EA. Let's keep the EA private to our community here if possible instead of broadcasting it all over the place unless that goes against policy. Let me know if you have any questions.

-bluto

20/04/2007

Attached is the latest version of RSI-R2 (Ver 1.3). I added a check to compare the daily close to the SMA200. If a long trade is open and price has closed below the SMA200, the order is closed. Likewise, if a short trade is open and price has closed above the SMA200, the order is closed. This should help to address doomed trades like the current USDCAD that just keep moving in the wrong direction. Kudos to Mike for the suggestion.

bluto.

21/04/2007

Some individuals using RSI-R2 Ver 1.2 have voiced their reservations about the effectiveness of the default PSAR stop routine. I've been doing some hardcore testing of various alternative trailing stop routines for the past few days. My conclusion is that the existing PSAR is quite suitable for this particular EA. Being that it runs on a daily timeframe, it needs a lot of headroom to do its thing and the other conventional trailing stop methods I've tested have caused trades to stop out prematurely. Therefore, I'm going to leave the default PSAR method in place unless somebody discovers a better alternative. Another discovery due to closer inspection is that three pairs in particular positively thrive under this EA: GBPJPY, CHFJPY & EURJPY. Keep an eye on these pairs and possibly consider allocating larger lot sizes because the profitability under several years of backtesting using the optimized RSI settings in Ver 1.2 is phenomenal. Any feedback is always appreciated.

bluto

Comments:

RSI-R2 comes under the category of dip-buyers. Most dipbuyers that I have seen work best with no stop at all -- correct me if I am wrong, but the original strategy that this EA is based on didn't have one either. This causes large intratrade drawdowns which is unfortunately a feature of dip-buying.

So the best strategy may be simply to have a fixed disaster-prevention stop which rarely gets hit, at 500 pips or so from the entry price, or several ATR.

I think its best to concentrate on tuning the entry. Since this is an overbought-oversold trigger, how about using more than one overbought/oversold indicator such as unsmoothed Stochastic(2) (my tests show that this does reduce drawdown), or simply a % change of closes?

22/04/2007

This template was put together by Anica & Mario Slavinec. It will give you what you want. Put the rsi2_v2.tpl in templates and R2_Arrows_v2.mq4 in indicators. Hope this helps

David AKA spiritfriends

21/04/2007 : The dawn of "Super RSI"

I've made some significant enhancements to RSI-R2 Ver. 1.3 to further increase the probability of a winning outcome. I've added a few new EA property settings as well. New properties are:

(1.) TradePositiveSwapOnly: self explanatory

(2.) UseInternalOptimizedRSIPeriods: true by default; if true, uses the individual optimized RSI_Period values built into the EA for each pair. Set to false if you want to use the Default_RSI_Period for your own optimizing. I will later expose the optimized values as individual pair property values you can change if you want to.

(3.) Default_RSI_Period: default value = 4

I've also changed the name of the EA to "Super RSI" and I'm only furnishing the executable version from here on out because I've employed some private proprietary code functions. This will also keep the original trade approach uniform and free from the clutter of all the EA mutations and clones. Sorry if anyone takes exception to this. I'm here to share EA's that can help you make money, not to teach others how to roll their own EA's from mine or how to program by copying my code.

Drop the EA on as many DAILY charts as you want, set the lot size and any other settings, and let the EA do it's thing. Remember - the EA doesn't trade often so if you like a lot of action, perhaps a different EA is what you need. If you want limited market exposure and fewer trades with a high probability of success, this EA is for you.

Cheers!

Super RSI supercedes RSI-R2 with some enhanced internal workings to improve the probability of winning trades.

-bluto

22/04/2007 : Super RSI Ver 1.1

I had determined the optimized RSI values for each pair using IBFX historical data. The Optimized RSI values were previously hardcoded into the EA. However, for folks that don't use IBFX and may want to determine and use their own optimum RSI values based on their broker data, I made some changes to the EA to accommodate this. The RSI optimum RSI values for each pair are now individual properties that can be set as you wish and contain my optimum RSI values by default.

(1.) Set "UseOptimizedRSIPeriods" to false.

(2.) Use the optimizer and backtest each pair using the Default_RSI_Period as the value to optimize with a starting value of 2, step of 1 and stop value of, say 10.

(3.) Run the optimizer and determine which RSI value gives you the best profit, least drawdown, etc.

(4.) Update the specific OptimumRSI_xxxxxx property for the pair you've optimized with the RSI value determined in step 3.

(5.) Rinse and repeat for all pairs.

(6.) When you're done, set UseOptimizedRSIPeriods back to true.

bluto

24/04/2007

Remember - Super RSI is a bit pickier about which trades it opens based on other trend related criteria above and beyond just RSI & SMA signals. You can run RSI-R2 Ver 1.3 if you want slightly more action, but the chances of a trade going south are slightly greater. In any event, watching this EA (RSI-R2 or Super RSI) and waiting for it to put on trades would be a bit like watching paint dry....oil based paint that is.

bluto

25/04/2007

Super RSI Ver 1.2 - Plz use this version

A few minor tweaks and enhancements to provide better signals. You can use this without affecting any existing open trades.

bluto

27/04/07

The only difference between Super RSI & RSI-R2 is a proprietary little function I added to Super RSI to better qualify the trend which should enhance the chances of a winning trade.

bluto

Robert's versions:

Q: Please, can anybody tell the differences between:

RSI_R2_EA_multi_pairSelect_v1.1

RSI_R2_EA_multi_pairFixed

RSI R2 EA multi pairV1.1

RSI_R2_EA_V2.1

A:

1. RSI_R2_EA_multi_pairSelect_v1.1

This is the version I added inputs as someone requested to allow users to select what pairs they want to trade. This way they would not need to trade all pairs. It also has the bug fix.

2. RSI_R2_EA_multi_pairFixed

This version has the bug fix that was found in the original and still found in the original multipair version.

3, RSI R2 EA multi pairV1.1

I do not have this version.

4. RSI_R2_EA_V2. 1

This is the version with modular coding instead of straight line code. It also has many options to try for trailing stop as well as ideas posted by Gideon. Everything selectable by turning switches on or off using setting of 0 for off and 1 for on.

As stated in a prior post the bug had to do with the original ea not correctly recognizing the close of a trade when the trade hit the stop or take profit. It did not happen often. I discovered this bug because the backtest of one of the pairs did not place trades after Sept 2006 even though it placed trades if I set the start date to Oct 1, 2006.

Robert

05/05/2007 : RSI EA Version 2.1

Here is the latest version of the RSI_R2 ea.

Someone requested a check to prevent a trade from being placed on the same day a trade was closed.

I have not seen bluto post this so I am attaching my version with that function added. The input useDelay is used to select this function. Set to 1 to use it, 0 otherwise.

11/05/2007

Robert,

Your suggestion regarding use of CCI50 vs. RSI 14 is most likely the best solution to the trend reversal issue in this EA.

CCI50 when tracing below 100 then above 0 provides better signals than RSI 14. Each time CCI traces < 50 the EA will wait for a new signal long until < 100 then 0. You have already coded CCI50 regarding open positions.

I appreciate your effort and work with this and other EAs. Regarding the many EA concepts I have followed at this site RSI_R2 is most similar to the reverse divergence concept which is a successful method.

Incidentally CCI50 low value on this chart identified a reverse positive divergence thus confirming a long position in this TF. Subsequently CCI traced a classic positive divergence the price low of which touched the 200 sma. This observation is immaterial to the EA. Nevertheless CCI50 is doing a better job of identifying first a RPD then followed by a CPD which is the actual trade event manually. This phenomena identifies a tradable event with the trend which is lower risk.

To the extent you are able to develop this EA I appreciate and thank you.

Regards,

Loren

12/05/2007

I found that I did not have a correct understanding of the RSI signal. From further study of the code I have found that the RSI buy signal is valid when all three bars are below 65. Sell signal is valid when all three bars are above 35.

I have made the following changes to the EA.

1. Removed ideas that did not help like MFI.
2. Replaces MA Angle with HMA for filter (Hma3 indicator attached)
3. Added code to only check signal once per completed bar
4. Made new RSI and CCI exit methods selectable from menu for easier testing for best method
5. Made modifications suggested by Loren

Require daily RSI 14 weighted close ≥ 35 for long to correct the premature entry

problem where price continues to decline for an indeterminate period.

The reverse of this for shorts w/ RSI 14 ≤ 65 .

For the benefit of other programmers I added more comments.

Backtest results show that using the filter and confirmation helped on the USDCAD but did not

help on the GBPUSD.

What helped more on the GBPUSD was using different buy and sell levels and the filter.

Robert

19/05/2007

I think you'll find Super RSI 1.3 to be hands down the most profitable version of all. If you want the version 1.5 which has some additional secret sauce, email me.

bluto

01/06/2007

Here's an updated version of Super RSI that contains a few more optimizations and improved order handling to protect from opening more than one order for a given signal the same day. You can simply replace any previous versions of Super RSI that are active without worrying about affecting any open orders.

(Attached RSI-R2_EA_Ver._1.6.ex4)

bluto

05/06/2007

Q: Bluto,

Are you still running the EA live in all the pairs and long only positions or you changed something in your strategy? Thank you for sharing this great EA.

Deep

A: Yes....all pairs. The EA trades both long & short...and always has. Haven't changed anything with the original strategy but I've tightened up the signal over the past few revisions to avoid danger. Next up....improved stop feature.

bluto

June 8, 2007: Version 1.7

Folks:

Attached is the latest version 1.7 which includes a few enhancements:

1. The EA has been fixed so that it will absolutely not open another order the same day.
2. Added a new trailing stop feature. In the EA properties window, set either "UseStandardTrailingStop" to true (default) or set UseParabolicStop (the older method) to true. Whichever one you set to true, set the other method to false. If you set "UseStandardTrailingStop" to true, you must specify a StopLoss value (100 by default) which will be the initial stop that then trails as price moves favorably.

You'll have to backtest and play around with the new stop features to see what works best, but remember to leave plenty of headroom for the trade. I'm continuing to develop a new stepped trailing feature for the near future.

Let me know if you have any issues. Go forth and make money.

bluto

Q: on the usdjpy and while I was watching it the EA initiated a stop loss at 121.60 while it was currently trading at 121.73. It must have sensed a change in the market and it entered a stop to preserve my profit. Bluto, is that how it normally works?

A: Yes indeed! Smart little cookie....most of the time.

Version 1.8 FAQ:

June 10: Here's an updated version with a few more tweaks:

1. Added "OverrideMagicNumber" as requested for those who want to run the EA for the same chart under two or more different MT4 sessions. Use a unique override Magic Number on the 2nd, 3rd, etc. sessions to avoid order conflicts on the broker server.

2. Per Loren's suggestion, added a boolean flag option to use the 200 day EMA instead of the default 200 day SMA for the signal criteria. In my preliminary testing, I saw no difference in using either method.

bluto

The EA uses HMA only as a filter to verify the current trend. The EA still looks at price above SMA 200 to place a buy trade or below to place a sell trade. If HMA trend is currently opposite the direction taken by the price vs SMA 200 relationship the filter does not allow the trade. This resulted in reducing the drawdown while a trade was active by a significant amount.

Robert

Q:

I had commented earlier on a broader window for entering a trade matching the GMT to GMT+3 of the

brokers we use. Any thoughts on that? (Dave Roland)

A: Funny you should ask about that...I'm studying this whole broker time zone thing as we speak and have some ideas. Perhaps a "window of opportunity" could be used based on a range of time around GMT to detect the RSI signals rather than a hard End-Of-Day3/Opening-Of_Day4 basis driven by the broker's server clock. I think it's feasible.

(Dave Roland)

If the trades opened by FXDD at GMT+3 are just as valid as different trades opened three hours later at

Velocity4X for example then our EA should pick up all the valid trades. How broad that time frame should be

I don't know but today, Velocity4X picked up three new trades that I didn't get on FXDD. This is significant.

If the trades at Velocity4x meet your criteria and work, this could really blow your already great EA into the stratosphere. If we on average, doubled the number of trades. Wow.

Bluto: Ok....consider it the next feature of ver. 1.9 I'm on it. The GMT plus/minus timezone swings will be user entered property values.

Q: Does anything (are there any) limits to use Super RSI?

A: As long as you behave yourself and treat other people with respect....

Q: When I did the research a few weeks ago based upon what I read it started as RSI R2 and Bluto's version spun off from it and became Super RSI. All the iterations of Super RSI 1.0- 1.8 are the same premise with modifications, fixes and additions. You will find tons of info here including a FAQ http://www.forexmt4.com/mt_yahoo/ and files on both RSIs. Version 1.7 has the trailing stop as well as the parabolic stop where 1.5 or 1.6 was only the parabolic stop. 1.6 or 1.7 fixed multiple or same pairs being opened once a position closed in a 24 hr period. 1.8 added new features with magic numbers and other things. 1.9 (not published yet 16/06/2007) - I believe Bluto is adding more features including a broker time shift option.

A: It started out as RSI-R2 but I changed the name of it when I decided to add some proprietary signal code to it and distribute the .ex4 version only.

Q: You have the default RSI values for 19 currencies. That's just so... well, PRIME. I see you have the non-specified pair default at 4. Can you recommend a 20th pair you think would work well with the default RSI 4? I'd like to run an even 20.

Thanks

-Derk

A: There are only 19 currency pairs available with my broker, IBFX, so those were the ones I was able to optimize. It's easy to perform the optimization if you have additional pairs for your broker. Just set the

"UseOptimizedRSIPeriods" to false and then optimize the "Default_RSI_Period" value for the given pair, usually based on a range of 3 - 8.

Q: how could you optimize a specific RSI value for each pair?

Q: Can we trade mini? I started it last nite and had it set for 0.1 lots but it opened a standard lot. Does it only trade on the 4 hr chart?

A: The EA is designed to work with any type of account. Make sure you set the "BrokerPermitsFractionalLots" to true, but better yet, make sure your broker in fact permits this. Optionally, use the money management feature to take the headaches out of determining lot sizes based on broker permissions and your desired risk.

bluto

Q: If the stop loss is set to other than "0" will it interfere with the parabolic stop loss?

Thanks,

Jeff

A: The stoploss value is designed to work only with the newer stop mechanism. If you want to use the parabolic method, set it to true, set the newer method to false and leave stoploss set to zero. The two

methods are mutually exclusive. If parabolic has worked well for you in the past, then by all means, continue using it. They're both very viable stop mechanisms. I gather you monitor your trades pretty closely, so you always have the manual method at your convenience if things turn for the worse.

Q: Excellent trades. In your experience, are there any pairs you have decided specifically not to trade?

A: The method is universal...it works with all pairs. Some may move a little more slowly than others but the signal is usually good across the board.

bluto

Q: What's your preference, bluto? The new stop or the parabolic stop?

Bodaire

Q: Is the parabolic or trail stop the only way Super RSI exits a trade? How does it handle the situation when the parabolic is on the wrong side of price?

A: Well, remember that these are daily trades we're dealing with. The only solution would be to run a tighter stop but then you increase the risk of shadowing the trade too closely and getting stopped out prematurely....backtests and forward tests have demonstrated this over and over. The only alternative I can think of is to monitor the trades manually and get out when you feel a reasonable profit objective has been met. There really is no single solution....such is the fun of trading...half technicals, half artform.

In spite of what they may give back, the EA generates a tremendous amount of profit over the long haul.

bluto

Q: It was mentioned here that in the versions v1.7 and 1.8, the parabolic stop loss is only activated only after a profit.....

Is it the same for v1.6 that has only parabolic stop loss?..... In version 1.6, if the trade does not see a profit level; will it be without a stop loss?... Or it will take care of the stop loss no matter it sees any profit level or not?...

Q: Does anyone know if Super RSI has the ability to reverse position? The trade I'm concerned with is the eurUSD long. It's about -60 and has been down from the beginning. And parabolic is on the wrong side to trigger a stop loss. How does Super RSI treat trades like this? Can it reverse or exit on it's own per some other rule? Thx.

A: No, not currently. You'd have to exercise manual discretion. However, I'm always open to fresh ideas and I'm working on a few of my own.

Q: Pardon but... that still does not answer Ben's question (and I asked the same thing a while ago): How does Super RSI deal with trades that go negative rapidly, if the parabolic and trailing stops cannot thus work?

A: The parabolic stop is not foolproof as we've seen. For the time being, if it doesn't catch a trade going in the wrong direction from the get-go, then manual discretion can/should be used ASAP subject to how much steel your stomach is made of. The RSI value check is also another threshold that will be used to close trades automatically, but considering that these are daily charts, the time delay in waiting for that exit signal to occur may be too late to avoid serious negative damage. At this time, I don't have an answer for the lead balloon trades, but fortunately, with the winning trade percentage, they shouldn't occur too often.

As long as everyone can be aware of this, some manual judgment and a watchful eye isn't too steep of a price to ask considering the overall profitability of this EA.

One other point on this topic...the parabolic method may slip on the early catch of a bad runaway trade, but the alternate latest method I added would certainly halt the losses and contain them to whatever the Stoploss setting is. That's why I included this feature in the most recent build.

I wonder if this is possible for v1.8. If it is I think it would give people the security of a trade not going against and still allow them to use the Parabolic stop.

Q: Could v1.8 first be set so that your alternate method would stop any bad runaway trade - then, when the trade is in profit, could the trade use F7 to switch to the Parabolic stop?

A: Sure. You could start of with the traditional stop, and then once a pre-determined profit level is attained, the parabolic method could kick in. The target profit level could be a pip value setting that you set. Easy to do.

bluto

Q:I have been using it with the parabolic stop and am quite happy with it. I am not exploring (much for now) the Trail option.

But you have said that if one is using the parabolic, to set StopLoss to zero. Now, if true that the parabolic only controls the stop once it is in profit, why could not one just use the stoploss value with the parabolic option, just to make sure that if it goes negative right off, that one only loses "X" amount?

A: You could but it behaves a bit more squirrely depending on which side of the trade PSAR happens to be on as opposed to the fixed location of the stop used with the standard method. I've had mixed results with this so I don't use it. This is still an area I'm devoting a lot of attention and research into. We'll come up with a more robust method yet. I have a new stop-stepper thingy I'm working on and it seems to be pretty cool so far.

bluto

Q: I like the money management feature. Would you code an external variable which allows the user to select the % risk assumed. 2% is popular but does not fit ever pair. As you know there is code in AnyMA_RSI_R2_EA_Opt which permits this feature. Thank you

A: The risk variable is a user setting and can accommodate whatever value you want to set it at per pair. Maybe I'm not understanding what you're asking for, but whatever it is, I can certainly add it in. Give me a little more detail on what you're looking for.

bluto

Q: Guys what are the main difference between 1.6 and 1.7?

A: There is absolutely no difference between 1.6 & 1.7 with regards to the signal and trade logic. All features added for the last few revisions have dealt with things like adding a new stoploss method, override magic number, and preventing more than one order in a given day. If you're seeing differences in EA performance between your two brokers, it's purely a function of the different broker data feeds and server clocks.

bluto

Q: do I expect trade to be initiated right after enabling this EA first time? I am using RSI 1.8 and have a smiley face on.

A: When you fire the EA up, if there was already a signal for that day, it will immediately initiate a trade. If there were no valid signals for that day, then the next possible time for any new signals would be at the opening of a new daily bar per your brokers server clock. Therefore, for this particular EA, it's probably wise not to start it late in the day since you might be too late for the party on an active signal that day....start the EA up right at the beginning of a new day just to be safe. If there are fresh signals, you'll get into them early that way.

1. If you set money management = false, then risk percent is ignored. You then set your own lot sizes.

2. The Stoploss value only works with the newer standard/traditional method recently added. If you're using the Parabolic Stop method by setting it to true, then leave stoploss = 0 and set the other method

to false.

3. Override magic number was a recently requested feature. It's for folks who want to run the EA on more than one chart for the same pair on the same account but on different sessions of MT4. The EA automatically assigns a unique internal magic number specific to each pair by default. If you're running the EA for the same pair more than once, you need a way to set a different magic number for that 2nd session and the override magic number is how you do it. This keeps each instance of the EA from messing with each other's open orders on the broker server.

bluto

Q: In regard of my closed trade e/u with SL 100 may I change other open trades to use ParabolicStop instead of StopLoss and StandartTrailingStop?

I've tried (changed) SL to 0, UseStandartTrStop to false and Parabolic to true but orders still stay with initial SL.

Should I modify manually SL to 0 on open (by SuperRSI 1.8) orders?

A: Remove the stoploss, set parabolic to true and standard method to false, and then reset your MT4 session. That should allow the parabolic method to assume control of the stop mechanism.

Q: Can manual trades on the pairs that the EA is attached to be opened and closed without the EA attempting to manage them and without affecting any trades that the EA already has in progress or is contemplating?

A: 1. If you set money management = false, then risk percent is ignored. You then set your own lot sizes.

2. The Stoploss value only works with the newer standard/traditional method recently added. If you're using the Parabolic Stop method by setting it to true, then leave stoploss = 0 and set the other method to false.

3. Override magic number was a recently requested feature. It's for folks who want to run the EA on more than one chart for the same pair on the same account but on different sessions of MT4. The EA automatically assigns a unique internal magic number specific to each pair by default. If you're running the EA for the same pair more than once, you need a way to set a different magic number for that 2nd session and the override magic number is how you do it. This keeps each instance of the EA from messing with each other's open orders on the broker server.

The EA manages only those orders it has placed and identifies them by a unique internal magic number.

bluto

Q: How/where can we see the magic number for a particular trade?

A: Go to the trade tab in Metatrader. Run your cursor along the profit column. If an EA has a magic number it has an id number.

You can also check in the code in Metaeditor with most EA's.

Q: Can I delay the restart of this EA Sunday night after 00:00gmt on IBFX to avoid variable pip spread and not miss any new trades once I turn it back on? the spread usually tightens back up in an hour or so.

A: Yes.

Q: Someone reported multiple orders a few days ago, and it got me to thinking.

If there are multiple orders open on a pair, and they all have the same magic number, will SuperRSI close them *all* when profit/loss is reached?

Thanks,

Ron

A: By design, Super-RSI only allows either one buy order or one sell order for the same chart/pair/magic number to be open at the same time. There is logic that closes orders based on an RSI threshold being attained, and the logic does use symbol + magic number as the key. The only way I can see multiple orders being opened for the same pair is if someone puts the EA on multiple instances of the same chart. Once that happens, the magic number becomes visible on the broker server and is subject to being clobbered by another instance of the EA running on another chart for the same pair.

bluto

June 17, 2007: Super RSI Ver. 1.9

1. Added in some core logic from the Delta-9 engine to significantly improve profitability for the major pairs. Backtesting @ 90% modeling quality indicates the following profitability increases over prior versions of Super-RSI:

GBPUSD - 31%

EURUSD - 32%

USDCHF - 28%

USDJPY - 336% (that's not a typo)

I used the parabolic stop method with stoploss set to 0. That's my preferred method. A new boolean property setting "UseTurboChargerOnMajors" is set to true by default to enable the new profitability algorithm. Be mindful that this is a more aggressive technique that will result in more frequent trades and occasional losses, but I think it's worth it in the big picture of things. Only the above four pairs are affected by this algorithm for the time being but others are being tweaked.

Some more enhancements are on deck including a new stair-stepper trailing stop method which blows away any of the current methods. Also working on including +/- GMT offset settings to deal with capturing signals across a wider window of opportunity. Go forth and make many pips.

A word to the wise - I'd really like to keep the enthusiasm about Super-RSI to a low roar if you catch my drift. Let's try to contain usage and discussion of this EA to the members of this group so we can protect it's future viability. I'd hate to see us overrun by barbarian hordes at the gates who haven't contributed anything worthwhile slipping in here just to snag this EA and potentially ruining it for the rest of us down the road. I'm already seeing rumblings about the EA on other Fx sites...fortunately most don't seem to know where to find it yet. Do yourself a favor and protect this thing, ok?

It will certainly continue to trade on all pairs. In fact, if you set UseTurboChargerOnMajors = false, it will continue to use the same trade algorithm as in past versions for all pairs.

bluto

Q: Bluto is there a way you can set the magic numbers as external variables so if one is still using any of the early versions of SUPER RSI he can change it and there will not be a conflict in MAGIC NUMBERS.

A: It is already in EA from number 1.8. Check "OverrideMagicNumber" setting in the EA

Q: Do we use default "UseEMA200" setting @ false?

A: It really doesn't matter...I added that option a version or two ago in response to a request by someone but I haven't seen any difference between using EMA200 vs. SMA.200

Q: is there a way you can set the magic numbers as external variables so if one is still using any of the early versions of SUPER RSI he can change it and there will not be a conflict in MAGIC NUMBERS?

A: The "OverrideMagicNumber" property setting will accommodate this. For each additional instance of the EA running on a chart for the same pair, simply supply your own unique value for this before allowing live trading.

Q: What do i set it to if I need to attach it to the same pairs?

A: Any value you want. If it makes you more comfortable....use 109523. Or 577031.

A: You have this EA on several instances of MT4 - That is OK, if you set new magic numbers for more than one instance of MT4. So first instance of MT4 you can leave how it is, but for every new instance of Mt4 you need to set new magic number for every pair/chart.

That way, if you are running 4 instances of MT4 - then you have the same Super RSI 1.8 EA on say 4 charts GBP.USD, correct? Now you have to make sure, that each of those 4 pairs have different magic number.

One way to do it:

1st MT4; charts from 1 to 19; Magic numbers 111001, 111002.... 111019 (or just leave it as it is)

2nd MT4; charts from 1 to 19; Magic numbers 222001, 222002.... 222019

5th MT4; charts from 1 to 19; Magic numbers 555001, 555002.... 555019

And so on...

Q: The risk with 1.9 is if you use it unquestioningly without stops. I ran a backtest on USDJPY with Blutos suggested settings of only the parabolic stop, from 2000 to 2004 and it lost money, with very large drawdowns, including 1000+ pip losses on single trades!! The system appears to be designed to make a lot of money in great conditions but without appropriate risk management you could lose your account.

In a study I conducted of the major pairs over a 7 year period on v 1.7, I found that using the set stop rather than a parabolic stop was consistently profitable with reasonable drawdown. The best settings

for minimising loss in the long term would be to run v 1.7 on USD/JPY with a 180 stop and GBP/USD with a 190 stop. Other pairs did not generate nearly as good results in my study.

Similar studies by Robert of the level of risk when not using a hard stop identified the same issue. I hope this helps,

Matt

A: You know, I've pondered this method a lot and I'm not so certain that it's one of those here today, gone tomorrow kind of algorithms we've seen. I mean look at it...who woulda thunk...it's a traditional and timeless RSI dipper and thruster. Markets may change but you're always going to have ebbs and flows in price that RSI will track the same exact way. There's nothing special about it...in fact it's so simple it's downright silly. Unless markets get either wildly volatile or flat as a carpenter's dream, I just don't see this method running out of steam anytime soon, especially on daily charts. I also don't see a darned thing any brokers could do to wreck it, short of sending out huge spikes to stop us out....and then you'd really see some angry hordes. Just my 2 cents worth.

bluto

Q: What's the difference between Version 1.6 and 1.7?

A: There is absolutely no difference between 1.6 & 1.7 with regards to the signal and trade logic. All features added for the last few revisions have dealt with things like adding a new stoploss method, override magic number, and preventing more than one order in a given day. If you're seeing differences in EA performance between your two brokers, it's purely a function of the different broker data feeds and server clocks.

bluto

Q: Can someone tell me what time frame should I be using ? Also do I expect trade to be initiated right after enabling this EA first time. I am using RSI 1.8 and have a smily face on.

A) When you fire the EA up, if there was already a signal for that day, it will immediately initiate a trade. If there were no valid signals for that day, then the next possible time for any new signals would be at the opening of a new daily bar per your brokers server clock. Therefore, for this particular EA, it's probably wise not to start it late in the day since you might be too late for the party on an active signal that day....start the EA up right at the beginning of a new day just to be safe. If there are fresh signals, you'll get into them early that way.

Q: I see you are using IBFX also, do you run your Super RSI EA on market open Sunday evening (6pm est)? or do you let the spread tighten up a bit?

A: leave it up 24/7 untouched except for a weekly reboot I do on Saturday just to clear the cobwebs.

Q: is there a way you can set the magic numbers as external variables so if one is still using any of the early versions of SUPER RSI he can change it and there will not be a conflict in MAGIC NUMBERS.

A: The "OverrideMagicNumber" property setting will accommodate this. For each additional instance of the EA running on a chart for the same pair, simply supply your own unique value for this before allowing live trading. Any value you want. If it makes you more comfortable.... use 109523. Or 577031

June 24, 2007: Super RSI V. 1.91.

Here is the latest version with some additional tweaks:

1. EA integrates with Accrete's RSI_LiDo indicator by exporting the RSI Period value for the current pair/chart as a global variable.
2. Altered Parabolic Stop method to provide three flavors....Conservative, Medium and Tight. These are true/false settings and use varying degrees of PSAR steps & max values. Set the one you want to true and the others to false. To preserve the same parabolic stop behavior as in prior versions, set "UseConservativeParabolicStop" = true and the others to false.
3. The "UseTurboChargerOnMajors" now works for EURCHF & EURGBP. Code reworked a bit for stronger more optimum signals. This is a really good feature.
4. Added a "UseBrokerTimeHourOffsets" true/false setting. If set to true, you must specify values for the "BrokerTimePreOffsetHours" (default=2) and the "BrokerTimePostOffsetHours" (default=2). The purpose of this is to widen the window of opportunity for finding Day-3 RSI values to generate a trade signal instead of using a hard end-of-day3 RSI closing value. As an example, if you enable this and set BrokerTimePreOffsetHours = 3 and BrokerTimePostOffsetHours = 5, the EA will evaluate RSI values for Day-3 starting at 21:00 on Day-3 and continue doing so until 05:00 on Day-4. The offsets are expressed as hours relative to the broker server clock @ midnight on Day-3. You can figure out what values you'll need for these settings based on your broker's timezone relative to GMT.

For example: FXDD is GMT+3. So you if you set UseBrokersTimeHourOffset to true, you should set BrokerTimePreOffsetHours and BrokerTimePostOffsetHours to 3.

Note: The purpose for this mod was to address the fact that some folks with Broker "A" were getting trade signals folks with Broker "B" weren't getting. The mod may be a partial solution for this, but broker data differs and there will probably continue to be differences.

have found that the default settings work best for me. In particular, I'm excited about the UseTurboChargerOnMajors=true because this allows picking up some nice countertrend pullbacks and

thrusts that would be otherwise missed by adhering strictly to the SMA200 rule. I also use IBFX and all of the RSI settings for each pair are currently optimized for IBFX.....you should be good to go out of the box.

This will be the last Super-RSI update posted on the Yahoo MT-4 group site. Future versions will be posted on my new private group. This version will continue to work with any open orders generated under earlier versions. Please test to determine your preferred settings. The defaults are what work best for me.

Happy Trades!

Bluto

Q: How would I know whether SuperRSI is optimised for my broker?

A: If you are not using IBFX as your broker, then the RSI values that are stored in the individual pair settings such as OptimumRSI_AUDJPY = 7; etc. might need to be optimized for your broker. The RSI values you see currently in these settings were originally optimized for each pair using IBFX data. Remember to that if the "UseOptimizedRSIPeriods" is set to false, then the value in the Default_RSI_Period setting is used.

bluto

Authors comments

1) I know a few here have pondered what the heck is going on with Super RSI 1.9 with regards to some of the trade signals it has taken this past week (June 10-15). It's not broken. It's doing what it was designed to do as a result of setting the new param "UseTurboChargerOnMajors" to true. Setting this to true causes the EA to ignore where the SMA200/EMA200 is and allows it to detect pullbacks/thrusts and react to them. Some of these signals haven't worked (USDJPY) and some have (USDCHF). My testing indicated that over the long run, profitability is increased tremendously for the majors by permitting

these trades to be taken. Take a look at a chart and look at all of the really good trades that are missed by sticking to the hard SMA200 rule. As the EA evolves, there will be other rules discovered that may deviate from the original trade journal method, but that's what it's all about. If you want to retain the original behavior of ver 1.8 or earlier, simply set this parameter to false.

2) The core method is consistent. It hasn't changed in about a month once the original EA stabilized, and it won't change going forward. It's simple and it works. There's also a good history of success with the method in trading stocks based on the trade journal the method was derived from. What you will see in future revisions of the Super-RSI are additional trade options that revolve around the core method, and these options will be selectable by a true/false setting. The biggest area for improvement is the stop control piece, and that will only get better. Code control is an experiment of mine with this EA and so far, it has worked very well to contain the mutations and hybrids that only serve to confuse the landscape as to what works. Users of this EA know that and can willingly choose to trade with the EA or ignore it.

3) 1. If you set money management = false, then risk percent is ignored. You then set your own lot sizes.

2. The Stoploss value only works with the newer standard/traditional method recently added. If you're using the Parabolic Stop method by setting it to true, then leave stoploss = 0 and set the other method to false.

3. Override magic number was a recently requested feature. It's for folks who want to run the EA on more than one chart for the same pair on the same account but on different sessions of MT4. The EA automatically assigns a unique internal magic number specific to each pair by default. If you're running the EA for the same pair more than once, you need a way to set a different magic number for that 2nd session and the override magic number is how you do it. This keeps each instance of the EA from messing with each other's open orders on the broker server.

4. Draw some equidistant trend channels around the daily chart price action and look at the typical swings that oscillate around the mean. You can get real technical about this stuff and start rattling off fibs and divergences and things, but just look at a simple channel and notice how price swings from channel to channel. Shi-Channel's are equally good. Look at how far the price action swung below the

lower channel in the past few days. It's extreme. Price always finds it's way back home to the mean, almost like a magnet....unless we're dealing with a trend shift here which I don't think we are.

(Last update: June 24, 2007 17:00 GMT) by Roger Fuchs

(Converted to PDF format: June 25, 2007) by Russell Savige