

PotenzaFX Matrix Manual

Potenza Matrix Indicator

The “Potenza Matrix” indicator is able to calculate the correlations among the 8 major currencies (AUD, CAD, CHF, EUR, GBP, JPY, NZD, and USD) on your MT4 trading platform. Of course the matrix displays 8 rows x 8 columns.. The calculation can be performed on any timeframe at the beginning of each new price bar or in realtime (tick by tick). The following picture shows a classic setup on the daily timeframe:

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	33.2	-54.4	-32.1	-24.0	-38.7	24.7	-77.3
CAD	33.2	----	-0.1	27.7	39.2	-73.1	-53.2	-43.2
CHF	-54.4	-0.1	----	[86.5]	59.2	-13.9	-63.5	17.1
EUR	-32.1	27.7	[86.5]	----	65.2	-31.9	-72.8	-13.9
GBP	-24.0	39.2	59.2	65.2	----	-42.9	[-84.6]	-0.2
JPY	-38.7	-73.1	-13.9	-31.9	-42.9	----	28.3	49.1
NZD	24.7	-53.2	-63.5	-72.8	[-84.6]	28.3	----	-6.6
USD	-77.3	-43.2	17.1	-13.9	-0.2	49.1	-6.6	----

You can notice how the matrix highlights the best direct and inverse correlations (numbers that are close to +100 and to -100 respectively).

Installation

The installation process:

1. Copy the “**PotenzaFX_Matrix.ex4**” file into the “experts/indicators/” folder of your MetaTrader 4 installation.
2. Copy the “**PotenzaFX_Matrix.dll**” file into the “experts/libraries/” folder of your MetaTrader 4 installation.
3. Copy the “**potenzafx_matrix.tpl**“, and “**potenzafx_mtf_matrix.tpl**“ files into the “templates/” folder of your MetaTrader 4 installation.
4. Restart the Metatrader 4 platform.

How To Read and Trade It

The “PotenzaFX Matrix” is a matrix displayed in the main chart window. The most simple way of applying this indicator is with the default templates:

- **potenzafx_matrix**: displays the matrix on a single timeframe (daily by default)
- **potenzafx_mtf_matrix**: displays the matrix on multiple timeframes (15M, 30M, 1H, 4H, 1D, and 1W by default)

The following picture refers to the last template:

POTENZA_FX CORRELATION MATRIX v1.0 - <http://www.pimprmyea.com>
TIMEFRAME:15M - PERIOD: 24

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	23.5	-31.8	-0.6	5.8	-48.1	31.2	-29.6
CAD	23.5	----	[-80.1]	-62.0	9.5	-44.7	6.1	36.2
CHF	-31.8	[-80.1]	----	78.5	-36.2	33.8	-28.3	-24.3
EUR	-0.6	-62.0	78.5	----	-38.9	-8.7	18.1	-65.0
GBP	5.8	9.5	-36.2	-38.9	----	-31.3	2.2	-6.2
JPY	-48.1	-44.7	33.8	-8.7	-31.3	----	-58.7	42.5
NZD	31.2	6.1	-28.3	18.1	2.2	-58.7	----	-73.9
USD	-29.6	36.2	-24.3	-65.0	-6.2	42.5	-73.9	----

POTENZA_FX CORRELATION MATRIX v1.0 - <http://www.pimprmyea.com>
TIMEFRAME:30M - PERIOD: 24

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	42.4	-62.4	-54.4	-7.3	-51.3	29.6	-8.3
CAD	42.4	----	[-80.4]	[-83.5]	26.5	-66.2	-5.3	38.8
CHF	-62.4	[-80.4]	----	[91.2]	-26.3	42.5	-22.3	-33.4
EUR	-54.4	[-83.5]	[91.2]	----	-29.1	32.1	9.8	-53.6
GBP	-7.3	26.5	-26.3	-29.1	----	-24.5	-7.2	-15.7
JPY	-51.3	-66.2	42.5	32.1	-24.5	----	-34.8	23.0
NZD	29.6	-5.3	-22.3	9.8	-7.2	-34.8	----	-60.2
USD	-8.3	38.8	-33.4	-53.6	-15.7	23.0	-60.2	----

POTENZA_FX CORRELATION MATRIX v1.0 - <http://www.pimprmyea.com>
TIMEFRAME:1H - PERIOD: 24

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	62.0	-62.9	28.4	0.6	[-91.4]	[81.0]	[-94.0]
CAD	62.0	----	-59.5	9.5	28.4	[-82.8]	32.8	-61.5
CHF	-62.9	-59.5	----	35.2	2.1	59.0	-58.8	44.2
EUR	28.4	9.5	35.2	----	-7.5	-37.6	28.4	-51.6
GBP	0.6	28.4	2.1	-7.5	----	-18.9	-34.1	0.1
JPY	[-91.4]	[-82.8]	59.0	-37.6	-18.9	----	-70.7	[92.2]
NZD	[81.0]	32.8	-58.8	28.4	-34.1	-70.7	----	[-82.0]
USD	[-94.0]	-61.5	44.2	-51.6	0.1	[92.2]	[-82.0]	----

POTENZA_FX CORRELATION MATRIX v1.0 - <http://www.pimprmyea.com>
TIMEFRAME:4H - PERIOD: 30

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	20.8	-53.5	-55.7	38.8	-48.8	26.7	-51.4
CAD	20.8	----	-37.2	-7.2	-39.9	-52.3	-0.7	-32.6
CHF	-53.5	-37.2	----	78.9	-12.5	15.1	-64.7	41.0
EUR	-55.7	-7.2	78.9	----	-32.5	-14.0	-39.6	8.2
GBP	38.8	-39.9	-12.5	-32.5	----	-18.5	20.0	-24.6
JPY	-48.8	-52.3	15.1	-14.0	-18.5	----	-33.4	76.2
NZD	26.7	-0.7	-64.7	-39.6	20.0	-33.4	----	-69.7
USD	-51.4	-32.6	41.0	8.2	-24.6	76.2	-69.7	----

POTENZA_FX CORRELATION MATRIX v1.0 - <http://www.pimprmyea.com>
TIMEFRAME:1D - PERIOD: 20

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	32.3	-54.9	-32.6	-22.9	-38.9	25.0	-77.1
CAD	32.3	----	0.2	27.7	40.6	-72.6	-53.7	-42.2
CHF	-54.9	0.2	----	[86.0]	58.2	-12.1	-64.0	17.8
EUR	-32.6	27.7	[86.0]	----	65.5	-31.3	-72.9	-13.6
GBP	-22.9	40.6	58.2	65.5	----	-43.7	[-84.0]	-2.0
JPY	-38.9	-72.6	-12.1	-31.3	-43.7	----	27.2	49.2
NZD	25.0	-53.7	-64.0	-72.9	[-84.0]	27.2	----	-6.6
USD	-77.1	-42.2	17.8	-13.6	-2.0	49.2	-6.6	----

POTENZA_FX CORRELATION MATRIX v1.0 - <http://www.pimprmyea.com>
TIMEFRAME:1W - PERIOD: 27

	AUD	CAD	CHF	EUR	GBP	JPY	NZD	USD
AUD	----	-14.9	-56.0	-11.7	[-90.5]	-2.6	43.5	14.7
CAD	-14.9	----	71.4	-25.0	24.1	[-81.0]	64.9	-78.6
CHF	-56.0	71.4	----	5.2	57.6	-75.4	40.7	-79.9
EUR	-11.7	-25.0	5.2	----	22.1	-14.9	-24.7	0.3
GBP	[-90.5]	24.1	57.6	22.1	----	-12.7	-38.1	-26.5
JPY	-2.6	[-81.0]	-75.4	-14.9	-12.7	----	-76.7	[81.2]
NZD	43.5	64.9	40.7	-24.7	-38.1	-76.7	----	-71.4
USD	14.7	-78.6	-79.9	0.3	-26.5	[81.2]	-71.4	----

The color green is associated to direct correlation (positive numbers), while the red color is associated to inverse correlation (negative numbers). The numbers within brackets are the best direct and inverse correlations (by default bigger than +80 and smaller than -80 respectively). There are many ways a trader can use this information for making sound trading decisions. As an example if you use the PotenzaFX indicator you have a better chance of entering a winning trade after a Powerlines' cross if the two currencies show a strong inverse correlation in this matrix.

Example of Use – Read Carefully

I'll describe how to use **PotenzaFX Matrix** with 4 timeframes on the same chart: M1, M5, H1, and H4.

Here are the steps you should follow:

1. apply the "potenzaafx_matrix" template
2. press Ctrl+i and put timeframe=1 in the settings
3. apply a second PotenzaFX_Matrix indicator on the same chart
4. press Ctrl+i and put timeframe=5, startx=500 in the settings of the last PotenzaFX_Matrix listed
5. apply a third PotenzaFX_Matrix indicator on the same chart
6. press Ctrl+i and put timeframe=60, starty=200 in the settings of the last PotenzaFX_Matrix listed
7. apply a fourth PotenzaFX_Matrix indicator on the same chart
8. press Ctrl+i and put timeframe=240, startx=500, starty=200 in the settings of the last PotenzaFX_Matrix listed

When you see the 4 matrices correctly displayed on chart, the best thing to do is to save them in a template, so that you can apply it each time you want with a single mouse click without having to edit the settings again. I've personally saved the settings described above as "**potenzafx_scalper_matrix.tpl**" on my MT4 platform. You can save as many templates as you wish in this way.

Limitations

Please keep in mind PotenzaFX Matrix elaborates data coming from 28 currency pairs. For this reason you may experience some "strange" behavior on your MT4 platform, like the indicator not showing up immediately when you restart the platform, or some blank cells or cells with weird numbers in the matrix. Unfortunately this is caused by inherent MT4 limitations. Most of the time you can just switch timeframe back and forth on your chart in order to see PotenzaFX Matrix displayed correctly. Another warning: when you apply PotenzaFX Matrix for the first time on a chart the indicator may not be displayed correctly, because MT4 has not elaborated ALL the data (from all currency pairs) that are needed. Usually switching timeframes on the chart is the best way to make sure that the indicator is properly set. Also make sure you select "Show All" in the MT4 Market Watch window.

Options

algo (2)

It lets you select the oscillator to use to calculate the currency score.
Here are the options:

1. for RSI
2. for Williams Percent R (default)
3. for Stochastic
4. for Bollinger Bands %B"

use_default_periods (true)

If set to true, the indicator will ignore the value of "period" option but will use default values for each timeframe:

for the 1M timeframe – period = 30
for the 5M timeframe – period = 24
for the 15M timeframe – period = 24
for the 30M timeframe – period = 24
for the 1H timeframe – period = 24
for the 4H timeframe – period = 30
for the 1D timeframe – period = 20
for the 1W timeframe – period = 27
for the 1MN timeframe – period = 24

period (20)

If "use_default_periods" is set to false, then the indicator will use this "period" value to calculate the score. Otherwise "period" is ignored.

correlation_level (80)

This is the threshold used by the indicator in order to highlight the best direct and inverse correlations. According to the default value (80) only correlations which are $\geq +80$ or ≤ -80 are highlighted in the matrix.

timeframe (0)

If 0 the correlation matrix is always computed on the timeframe of the chart, otherwise it is calculated on the specified timeframe (1=M1, 5=M5, 15=M15, 60=H1, 240=H4, 1440=D1, 10080=W1).

realtime (false)

If true than the correlation matrix is computed at each new incoming tick. This can be very CPU consuming, so the suggested value is false (matrix updated at the beginning of each new price bar).

base_text_size (7)

It is the size of the numbers below “correlation_level” in the matrix.

startx (0)

It is the number of pixels the PotenzaFX Matrix is translated on the horizontal axis of the chart. The default value (0) is the best setting in most cases.

starty (0)

It is the number of pixels the PotenzaFX Matrix is translated on the vertical axis of the chart. The default value (0) is the best setting in most cases.