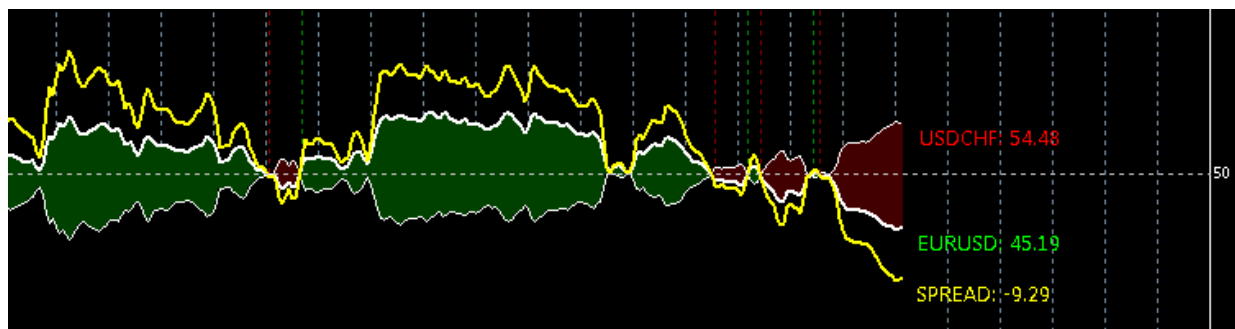


DuettoFX Manual

DuettoFX Indicator

The “DuettoFX” indicator is able to perform a calculation on two currency pairs at the same time. The most common setup is EURUSD vs USDCHF. By comparing the values computed on the two pairs DuettoFX displays a “cloud” which lets you trade the two pairs in opposite directions. A line also shows you the width of the cloud (the spread) so that it’ll be easier to understand the strength of the current price movement.



Please check out this page for a comprehensive list of resources related to DuettoFX: [“Trading With DuettoFX”](#). This page is updated each time a new post related to DuettoFX is published on the blog.

Installation

The installation process:

1. In case you haven’t done it already, you need to install the “Guardian” software and have your licence installed on it. Detailed instructions on this step can be found here: <http://www.pimpmyea.com/how-to-install-and-use-fx1-guardian/>
2. Copy the “**DuettoFX.ex4**” file into the “experts/indicators/” folder of your MetaTrader 4 installation.
3. Restart the Metatrader 4 platform.

How To Read and Trade It

The “DuettoFX” indicator is made up of several elements:

- on the main windows: a textual interface
- on the indicator’s subwindow: a green/red cloud delimited by two white curves, a solid yellow line, a dashed yellow line, 3 labels
- on both the main windows and the indicator’s subwindow: dotted vertical lines

The green/red cloud with its two white curves (also called “main curves” in this manual) are the only elements that are always displayed. All the other elements can be enabled/disabled in the settings. By default all elements are enabled with the exception of the dashed yellow line.

Here is a picture of the textual interface:

The interface changes in real time (tick by tick) showing in detail what’s happening on the two pairs. Here is the exact meaning of each row from top to bottom:

- the indicator's name (DuettoFX) and its version number (first released version is v1.0)
- a copyright notice (www.pimpmys.com)
- the two currency pairs involved in the calculation (e.g. "EURUSD – USDCHF")
- the period used for calculation and the relative time span (e.g. "120 bars (5 days 0 hours)" when DuettoFX has period 120 and is applied to a H1 chart)
- the correlation between the two pairs over the last "period" bars (e.g. "Period correlation: -99%")
- the Average Daily Range of the first pair (e.g. "EURUSD ADR: 122.00 pips")
- the lot size selected by the user for the first pair (e.g. "EURUSD Lot Size: 1.00 lots")
- the entry level of the last trade signalled on the first pair (e.g. "EURUSD Entry Level @ 1.31639")
- the floating Profit/Loss in pips of the last trade that was signalled on the first pair (e.g. "EURUSD Gain: 157.70 pips")
- the Average Daily Range of the second pair (e.g. "USDCHF ADR: 82.00 pips")
- the lot size suggested by DuettoFX for the second pair, taking into account the ratio of ADRs between the two pairs (e.g. "USDCHF Lot Size: 1.49 lots")
- the entry level of the last trade signalled on the second pair (e.g. "USDCHF Entry Level @ 0.91733")
- the floating Profit/Loss in pips of the last trade that was signalled on the second pair (e.g. "USDCHF Gain: 108.10 pips")
- the floating Profit/Loss in pips of the last 2 trades that were signalled on both pairs, taking into account the lot size of each pair (e.g. "Total Normalized Pips: 318.53 pips")

Spread on: EURUSD - USDCHF
 Period: 120 bars (5 days 0 hours)
 Period Correlation: -99%

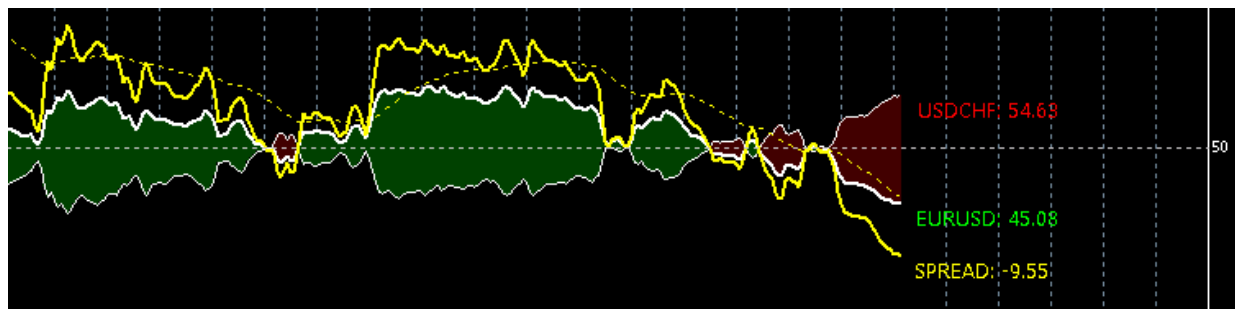
EURUSD ADR: 122.00 pips
 EURUSD Lot Size: 1.00 lots
 EURUSD Entry Level @ 1.31639
 EURUSD Gain: 157.70 pips

USDCHF ADR: 82.00 pips
 USDCHF Lot Size: 1.49 lots
 USDCHF Entry Level @ 0.91733
 USDCHF Gain: 108.10 pips

Total Normalized Pips: 318.53 pips

The interface also gives additional information through its color. The background color of the interface is directly related to the spread between the main curves of the two currency pairs being processed by DuettoFX. It goes from green (positive spread) to red (negative spread), passing through black (spread around 0). The brighter the color, the wider the spread, the more buying pressure (in case of green color) or selling pressure (in case of red color). Of course when the last cloud displayed on chart is red the textual interface will be red as well. When the last cloud displayed on chart is green the textual interface will be green as well.

On the indicator's subwindow two white curves represent the value computed by DuettoFX for each pair. These two main curves look mirror-like most of the time, but it is not always like that. The space within the curves forms a "cloud" which can be green or red. A green cloud stresses the opportunity of being Long in the market, a red cloud the opportunity of being Short. The cloud's width (the difference between the main curves' values) is called "spread" and is represented by a solid yellow line. DuettoFX can also display a moving average computed over the spread: it's a dashed yellow line like in the picture below:



You can also see that the last value of the main curves and the spread is displayed with three labels on chart.

The last (important) element of DuettoFX are the dotted vertical lines that appear when the two main curves make a new fresh cross. When you see a new dotted green vertical line then beware of a potential Long trade (a new green cloud is shaping up right now). When you see a new dotted red vertical line then beware of a potential Short trade (a new red cloud is shaping up right now).

Example of Use – Read Carefully

I'll describe how to use DuettoFX with the most typical setup: EURUSD vs USDCHF. First of all open two charts on your MT4 platform: H1 chart of EURUSD and a H1 chart of USDCHF.

Please keep in mind that default settings were tested with hourly charts, so you should learn how to use DuettoFX on H1 charts first.

On the EURUSD chart you must put: instrument_1 = "EURUSD" and instrument_2 = "USDCHF".

On the USDCHF chart you must put: instrument_1 = "USDCHF" and instrument_2 = "EURUSD".

When you see a new green cloud on the EURUSD chart you will also see a new red cloud that is shaping up in the USDCHF chart: you can consider taking a long trade on EURUSD and a short trade on USDCHF at this point.

On the contrary when you see a new red cloud on the EURUSD chart you will also see a new green cloud that is shaping up in the USDCHF chart: you can consider taking a short trade on EURUSD and a long trade on USDCHF at this point.

Of course **you could also have only 1 chart instead of two specular charts opened at the same time:**

- you can use a single chart to enter long one pair and short the other pair, or vice versa, since the two trades are always triggered at the exact same time, or..
- or you can elect to trade only one of the two pairs, so you definitely don't need to look also at the chart of the other pair

The **most common inversely correlated "duettos"** are:

- EURUSD vs USDCHF
- AUDUSD vs USDCHF
- GBPUSD vs USDCHF
- EURUSD vs USDCAD
- AUDUSD vs USDCAD
- NZDUSD vs USDCAD

The **most common directly correlated "duettos"** are:

- EURUSD vs EURGBP
- GBPUSD vs EURGBP
- GBPCHF vs USDCHF

We will suggest other profitable "duettos" in the coming weeks.

Options

period (120)

It's the number of bars DuettoFX looks in the past in order to calculate its value. The default value 120 corresponds to 1 forex trading week when it is applied on hourly charts.

instrument_1 ("EURUSD")

instrument_2 ("USDCHF")

You should put instrument_1 equal to the currency pair of the chart DuettoFX is applied on, while instrument_2 is another pair which is directly or inversely correlated with the first pair.

If your broker uses non standard symbols (e.g. “EURUSDm” instead of “EURUSD”) then make sure you write them properly in the setting (for example: instrument1=“EURUSDm”, and instrument2=“USDCHFm”).

smoothing (2)

It is the number of bars used to average the two indicator's main values. If 1 no averaging is made. If 2, the scores of the last 2 bars are used etc.

first_pair_lot (1)

It is the number of lots that you would like to trade on the first pair. Given this value, the textual interface displays the suggested lotsize to be used on the second pair of your duetto. The calculation is based on the ratio of the respective Average Daily Ranges.

show_spread (true)

By setting the option to true, you enable the showing/calculation of the solid yellow representing the cloud's width (or spread). If you set it to false you disable it.

show_spread_ma (false)

By setting the option to true, you enable the showing/calculation of the dashed yellow representing a moving average over the spread. If you set it to false you disable it. Please note that show_spread must be true if you want to enable show_spread_ma.

MA_period (24)

It is the period of the moving average (MA) computed over the spread. Please note that this parameter is taken into account only if show_spread and show_spread_ma are both set to true.

MA_mode(2)

It is the calculation method for the moving average (MA) computed over the spread. You have 4 options: Simple moving average (0), Exponential moving average (1), Smoothed moving average (2), and Linear weighted moving average (3). Please note that this parameter is taken into account only if show_spread and show_spread_ma are both set to true.

show_text_interface (true)

By setting the option to true, you enable the DuettoFX textual interface in the upper left corner of the main window. If you set it to false you disable it.

show_crosses (false)

By setting the option to true, you enable the showing/calculation of the vertical dotted lines that are drawn at the cross of the two main curves. If you set it to false you disable them.

show_labels (true)

By setting the option to true, you enable the 3 labels in the indicator's subwindow. Two labels display the value of the main curves, while the third label displays their spread. If you set it to false you disable them.

text_size (10)

It lets you set the size used for the labels in the indicator's subwindow.

text_font (“Segoe UI”)

It lets you set the font used for the labels in the indicator's subwindow.