

Forex Cantata User Manual

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. Hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

All information provided is for educational purposes only and is not intended to provide financial advice. Any statements about profits or income, either expressed or implied, do not represent a guarantee. Your actual trading may result in losses as no trading system is guaranteed. By using the Forex Cantata EA, you agree that you accept full responsibilities for your actions, trades and profit or loss, and agree to hold the developers and authorized distributors of the Forex Cantata EA and this information harmless in any and all ways.

Please familiarize yourself with the method by which lot sizes are calculated. It is vitally important that you do not exceed the recommended lot size in relationship to your balance. There is no system of Forex trading that is guaranteed to be 100% safe, but following these lot size rules will help increase your chances of success over the long term.

What is Forex Cantata ?

Welcome to Forex Cantata, an automated foreign exchange trading system, or Expert Advisor, that runs on the Metatrader 4 platform. It can trade on either the AUDCAD or AUDNZD currency pair. If only using one pair, the AUDCAD is the preferred pair. The Forex Cantata features an exclusive Martingale Disrupter™ technology that helps protect your account balance. It also features a greatly simplified group of settings, making it easier to get started without being overwhelmed by too many potential settings. Before you can use Forex Cantata , you must download Metatrader 4 from a broker, and open an account. A demo account is recommended for those learning foreign exchange or getting started with Forex Cantata.

Getting Started

Metatrader 4 can be downloaded from any broker that uses the platform to manage its customers' foreign exchange trading. We recommend a broker that allows you to trade micro lots, ie, 0.01 lots. This is very critical. We also recommend that you use a broker that is not a dealing desk, so that they are not trading against you. You may wish to consider Interbank FX, out of Utah. They offer a mini account that allows you to trade 0.01 lots that are 1/10 the size of the standard micro lots that are offered by other brokers. This will give you more granularity in your lot sizes for the purposes of compounding. Other possibilities would be Forex.com, GoMarkets, FXDD, or other similar brokers. These are mentioned because of their reputation as established, regulated brokers, and not as to whether or not they function as a dealing desk. With these last mentioned brokers, you would not want a mini account, but would want a standard account that trades micro lots. As long as you can trade micro lots, feel free to use any broker that you feel comfortable with, and where you feel your money is safe.

What We Need From You

If you have not already specified a live account number, we need one live account number that you would like to have the Forex Cantata activated for. We also need up to 3 demo account numbers that you wish to use. Please send an email to the support address where you purchased the Forex Cantata, requesting that the EA be allowed to trade on those accounts.

Installing Forex Cantata

1. Close all open Metatrader platforms.

2. If installing the Forex Cantata from an installer application, simply run the Forex Cantata installer application. The EA and associated files will all be installed to their proper locations in each of your Metatrader platforms. If you wish to install the EA manually, then you will need to copy and paste the ForexCantata.ex4 file into the experts folder of your Metatrader 4 platform. You will also need to copy and paste the Forex-Goldmine.dll file into the libraries folder that is in the experts folder of your Metatrader 4 platform. All of the settings files would go into the presets folder that is in the experts folder of the platform.

3. Restart your Metatrader platform(s). From the Market Watch (Control-M), select a currency pair to open the first chart. It will display with a 1 hour (H1) time frame.
4. Display the Navigator (Control-N or View Navigator). Drag the Forex Cantata from the Expert Advisors branch of the Navigator tree onto the open chart.
5. In the open Forex Cantata dialogue box, under the Common tab, place a check beside "Allow Live Trading". This will allow the Forex Cantata Expert Advisor to work on the chart.
6. To turn on Expert Advisors, ensure that the Expert Advisors button on the Metatrader toolbar is green. If it is red, click on it so that it turns green. In the upper right corner of the chart, the word "Forex Cantata" should appear, followed by a happy face ☺.
7. If an x appears in place of the happy face, double check that the Expert Advisors button on the Metatrader toolbar shows a green hat and arrow. Click on it if it does not.
8. If a frowny face / appears in place of the happy face, open the dialogue box (by pressing F7), click on the Common tab, and make sure that there is a check next to Allow Live Trading. Press OK to close the dialogue box.

Using Forex Cantata

Forex Cantata user settings are made in the dialogue box. To open the dialogue box, select the chart on which you want to adjust Forex Cantata settings, and press F7. Once you have made changes to the settings, save the new settings by pressing OK.

User Settings

DoTrades (default = true)	The default value of true will allow Forex Cantata to open trades. If this is set to false, Forex Cantata will not open any new trades, but it will continue to manage any open trades.
MonitorAndClose (default = false)	If true, monitors and continues an existing trade sequence as needed, and closes trades when appropriate but does not allow any new trade sequences to be opened.
TradeBothDirections (default = False)	Should be set to false if the user is a U.S. trader. If from outside the U.S. (so you can trade both directions at once), this can be set to true, but false is still recommended for lower drawdown.
ModifyMartingale (default = true)	If true, then the martingale sequence is modified to repeat the lot size of the first trade for the second trade. Thus, the sequence would be 1, 1, 2, 4, 8, 16. If false, the regular martingale sequence of 1, 2, 4, 8, 16, 32 would be used as in previous versions of the EA. The advantage of using this is that a much lower overall total number of lots will be opened, and thus the BalanceFactor can optionally be lower due to the decreased risk. However, if you do reduce your BalanceFactor, be sure to set ModifyMartingale to true!
AggressiveTradeRange (default = false)	If true, then the TradeRange is 22 Pips. If false, then the TradeRange is 40 pips.

UseMartingaleDisrupter (default = true)	If true, turns Martingale Disrupter on. This is set to false by default, because the newest TradeRange settings do not absolutely need the Martingale Disrupter like the old settings did. You can get a better return with it set to false. Setting it to true only slightly increases your safety with the new settings.
MaxBuyMartingaleLevel (default = 6)	This sets the maximum martingale level that is allowed to be opened on a buy series. If the trading comes to the point where a higher level would normally be opened, the EA will close all trades in that series and start over at level 1. U.S. traders should set this at 6. Non-US traders with higher leverage can use 7, but 6 will cause lower drawdown.
MaxSellMartingaleLevel (default = 6)	This sets the maximum martingale level that is allowed to be opened on a sell series. If the trading comes to the point where a higher level would normally be opened, the EA will close all trades in that series and start over at level 1. U.S. traders should set this at 6. Non-US traders with higher leverage can use 7, but 6 will cause lower drawdown.
MaxDrawDownPct (default = 100.0)	The maximum drawdown that can occur between the account balance and account equity before the EA will close all of its trades. It is a protection measure to avoid too large a loss to your account.
TradeLots (default = 0.00)	This should be left at 0.01 or 0.02 unless you have an unusually large account. This sets the size of the first trade in the Martingale series. If this is left at 0.0, then the BalanceFactor is used to calculate lot sizes.
BalanceFactor (default = 3000)	Not used if you specify an amount in TradeLots. Calculates the TradeLots for you, as 0.01 lots per BalanceFactor worth of account balance.
MagicNumber (default = 734775)	The number series assigned to trades opened so that Forex Cantata can control exits. If Forex Cantata is attached to more than one currency pair, the MagicNumber must be changed so that each instance of Forex Cantata will control its own trades. Use this feature when trading any currency pair.

How to Set Up the Send Email Feature in Metatrader 4

To use the send e-mail feature, you must have access to an SMTP mail server that does not require TTL or SSL. It must allow a straight transfer of e-mail without either of those encryption methods. You also need your user login and password and the port number for that server. Once you have that information, go to your Metatrader Platform and at the top, click on "Tools". Then, when the menu drops down, click on "Options". Then find the E-Mail tab and click on that.

Next, you need to put a check in the "Enable" box to turn this feature on. Then fill out the required information with your SMTP server and E-Mail account information.

*** Important: You must put a port number after the name of your SMTP server, preceded by a colon (:). For example, if your server uses port 26, then your server name would be entered as follows: yourservername:26

It might look something like this: smtp.servername.com:26 or
(another server using port 80) smtp.mailserver.net:80

You can have the e-mail sent as a text message to your cell phone. Follow the instructions from your cell phone provider on what to enter as the email address in that case. For Verizon, it would look like this: your_10_digit_phone_number@vtext.com or 5551112222@vtext.com.

Each cell phone provider has their own domain to use, so check with your company if it is not Verizon.

When you have entered all of the information, then click on the "Test" button and then close that form by clicking on the OK button. Then look under the journal tab at the bottom. It will tell you whether the test e-mail was sent or whether an error was encountered. In some cases, it may take several seconds for the message to show up under the journal tab.

Money Management and Safety

Forex Cantata is designed to be as safe as possible, although no forex trading system can be 100% safe. Consequently, it is highly recommended that users consider withdrawing 1/2 of any profits generated at the end of each month from their accounts, and set this money aside. This should be done until an amount equivalent to the original investment has been withdrawn. At this point, only profits are being traded, and the original principal can no longer be lost.

How Forex Cantata Works

The objective in designing Forex Cantata was to achieve a reasonable risk level in forex trading while generating significant profits comparable to other forms of investment. The Forex Cantata uses a Martingale method of setting lot sizes for each trade. Normally, the martingale method is frowned upon by experienced traders, because it can be very dangerous. However, we have invented a new exclusive technology that we have chosen to call the Martingale Disrupter™ which helps protect your account balance. It tames the martingale so to speak, and allows you to use it with much less danger than is normal. While no martingale system is absolutely 100% safe, it is our belief that the methods we use to mitigate the dangers will go a long way to help avoid the usual problems associated with the martingale system. The martingale system and the Martingale Disrupter™ are explained in more detail in the following pages.

Important Note

Even though the Forex Cantata EA uses the Martingale Disrupter™ to help the martingale to be less dangerous than normal, the martingale system should still be respected as being potentially dangerous. The developer and distributors of this EA cannot give you trading advice, but we can tell you that we would not use aggressive settings if we were not thoroughly experienced with this EA, and did not understand the principles behind it. There is a place for the more aggressive settings, but not when you first use the EA.

For Moderate Risk Settings: Minimum balance in a standard account with 100K lot sizes would be \$5000, with \$6000 preferred when trading only the AUDCAD pair. TradeLots=0.01 . If you are trading in an IBFX mini account with a base lot size of 10K, then your minimum balances would be \$500 with \$600 preferred to trade the AUDCAD pair only. In either case, you should make certain that you are able to trade 0.01 lots as your minimum lot size.

Detailed Explanation of How the Martingale System works:

The martingale is a system, or pattern that some gamblers have used in casinos. They bet on either black or red on the roulette wheel, for example. (This is a very simplistic example that does not take all the elements of a roulette wheel into consideration.)

They bet \$1.00 on black.

Red comes up.

They lose. So they bet \$2.00 on black.

They lose.

They bet \$4.00 on black and lose.

They bet \$8.00 on black and it comes up black. They win enough to cover all their previous losses and make a little bit besides.

The problem is...

1. In theory, it is possible to lose so many times that you just don't have enough money to double your bet again.

2. The casinos have a table limit, that you cannot bet more than x dollars in one bet. That keeps people from cleaning them out with the martingale pattern.

In the Forex Cantata EA, each trade, buy and sell is totally separate. The following explanation is only for the buy side, but it applies in reverse for the sell as well.

The EA buys 0.01 lots at a price of 1.0000, for example, and the TakeProfit is set at 1.0040 (40 pips).

The price goes down (We lose that bet, but the trade is still open).

When the price goes down 40 pips to 0.9960, the EA buys .02 lots. Notice that we just doubled our bet by doubling the lot size. As soon as that second trade is opened, the take profit on both buy trades is set to the opening price of the previous (or first) trade.

The price goes down again. We lose again, but both trades are still open.

The EA buys 0.04 lots at 0.9920 (40 more pips down). The TakeProfit is now set to the opening price of the next to the last trade, or 0.9960 on all trades.

This time, the price goes up 40 pips and all 3 trades close at 0.9960. Because of the 0.04 lots on the lowest trade, we actually come out ahead, even though the first trade was a loser, the 2nd trade broke even, and the last trade won 40 pips.

The Martingale Disrupter™

Now, since the Forex market can move fast at times, and because we only have so much margin that we can work with, we do not want to keep doubling our trade lot sizes too quickly. So, starting with level 3 or 4 (your OnlyAfter setting) the EA begins to utilize the various elements of the Martingale Disrupter™. You will notice a different size for each element of the trading grid, and the trades might close even earlier than what was shown in their TakeProfit setting. All of that is working together to put the "brakes" on the martingale, making it safer than if we had not put it to use.

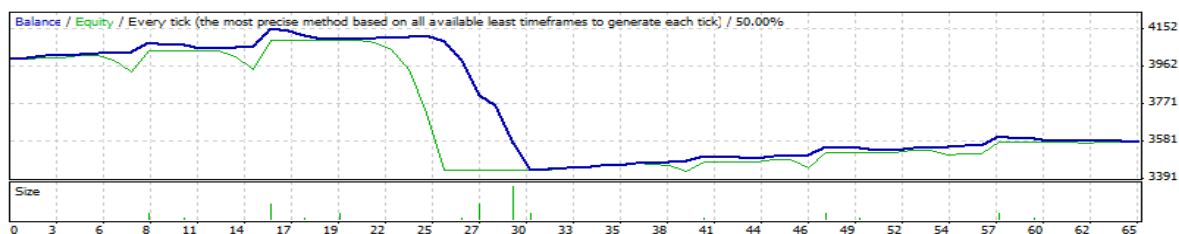
It is possible for prices to move in such a way that the main elements of the Martingale Disrupter™ do not have a chance to work, and so you always have to be prepared for more extreme measures. In this case, once you reach the level that is the equivalent to your MaxMartingaleLevel setting, if the prices move so that the EA would normally try to open yet another trade at double the lot size again, the CloseBeyondMax settings can be set to instruct the EA to close all the trades in that series instead (at a loss). The idea is to get out of that series and pick up the pieces and continue on from there. Fortunately, the Martingale Disrupter™ does work most of the time, and such occurrences, where a trade series has to be closed at a loss, are relatively rare. But they still can happen.

Finally, while the buy side is doing all of what we have explained so far, the sell side is doing the exact same thing, with its own series of trades (if you are a non-U.S. Trader and can trade both directions at once), and it is keeping track of them totally separate from the buys, except that the sells have to go down 40 pips to win, and up 40 pips to lose. So, even if a buy trade loses because the price went down 40 pips, a sell trade just won because of that.

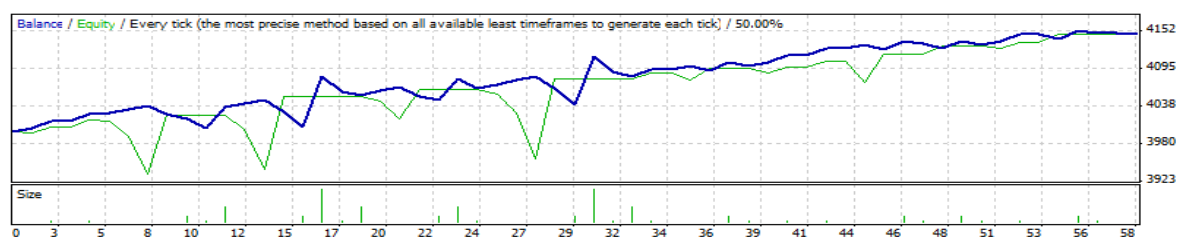
How the Martingale Disrupter™ Helps Your Trading:

The first graphic shows the equity and balance curve on an AUDCAD backtest for the month of Oct. 2009. The MaxMartingaleLevel setting is set to 6, but the OnlyAfterLevel setting is set to 8, so that the Martingale Disrupter™ never activates. For the second graphic, all settings were left the same, except that the OnlyAfterLevel setting was set to 3, so that the Martingale Disrupter™ was able to activate.

Without the Martingale Disrupter™ :



With the Martingale Disrupter™ :



BeeksFX VPS: Trading with Security

PipStrider™ can operate on a Virtual Private Server (VPS) for added security. A VPS is a secure server on which you can open a personal account for trading with the Metatrader Terminal and install the PipStrider™ EA just as you would on your home computer. With BeeksFX VPS, your PipStrider™ trading platform is hosted remotely from your computer, so when you lose your Internet connection or experience computer down time due to maintenance or power outages, your PipStrider™ continues to trade uninterrupted. BeeksFX VPS offers several levels of service to suit the needs of all levels of trader. I can personally recommend this particular VPS because they state explicitly that they do not limit you on processes. Most VPS providers will give you a decent amount of RAM, such as 768 MB, and will give you a decent amount of disk space, such as 10 or 15GB. But then they turn around and limit you to only enough CPU usage to allow for 2 Metatrader platforms. That is inadequate for most serious Forex traders. I am pleased that BeeksFX does not play that game and does not put those unrealistic limits on your CPU usage.

For additional information on BeeksFX VPS, or to open an account, go to:

<http://3f910hydrzz2q858u5wmstzj2h.hop.clickbank.net/>

In the interests of full disclosure, that is a referral link. But I would recommend this VPS even if you do not use that link.

For instructions on how to connect to a VPS from your computer desktop, go to:

<http://www.youtube.com/watch?v=d7-oadqBRzM>

On Chart Display

Forex Cantata displays information on the currency pair chart in order to keep you informed of its status and trading. The on-chart information is summarized in the following table:

Forex-Cantata x.xx	EA name and release number
Current Server Time	The current time according to your broker's server
Account Leverage	The leverage on your account.
Spread	Shows the current spread for the currency pair.
Balance Factor	Displays what you have in your BalanceFactor setting.
Current Equity Drawdown Percent	Current Equity Drawdown Percent
Trade Lots	Trade Lots
Base Lots	Base Lots
MagicNumber	MagicNumber
Trade Direction (default=3)	Trade Direction (default=3)
Price Where Trade Direction Changes	Price Where Trade Direction Changes
Set Trade Range	Set Trade Range
Average True Range	Average True Range
Calculated Trade Range	Calculated Trade Range
Maximum Allowed Buy Level	The maximum buy trade level allowed per the MaxMartingaleLevel setting.
Maximum Allowed Sell Level	The maximum sell trade level allowed per the MaxMartingaleLevel setting.
	Not Used Currently
	Not Used Currently
	Not Used Currently
	Not Used Currently
	Not Used Currently
	Not Used Currently
	Not Used Currently
	Not Used Currently
	Not Used Currently
Next Buy Price	The price at which the next buy trade will be taken.

Buy Side TakeProfit	The current TakeProfit on the buy side.
	Not Used Currently
Calculated Buy Disrupter Price	This is a calculated estimate of when the Martingale Disrupter™ will close the trades on the Buy side. It only is applicable at OnlyafterLevel or above. Below that trade level, it displays 0.0000 .
Next Buy Lots	The anticipated lot size of the next buy trade.
Next Sell Price	The price at which the next sell trade will be taken.
Sell Side TakeProfit	The current TakeProfit on the sell side.
Calculated Sell Disrupter Price	This is a calculated estimate of when the Martingale Disrupter™ will close the trades on the Sell side. It only is applicable at OnlyafterLevel or above. Below that trade level, it displays 0.0000 .
Next Sell Lots	The anticipated lot size of the next sell trade.
Current Buy Level	The current Martingale level on the buy side.
Current Buy Side Profit	The current profit for all open buy positions.
Current Sell Level	The current Martingale level on the sell side.
Current Sell Side Profit	The current profit for all open sell positions.
Maximum Sell Level Reached	The Maximum sell martingale level reached historically in trading since the last time this value was reset.
Maximum Buy Level Reached	The Maximum buy martingale level reached historically in trading since the last time this value was reset.
Account Authorized	True, if your account authorized for trading. Demo accounts are authorized, but live accounts must have a license purchased in order to be authorized.
Monitor And Close	Displays the current setting for the MontorAndClose setting. If true, the EA will monitor the current trade sequence for each side, and will even open additional trades if needed to carry the existing sequence to its normal conclusion. However, once a buy or sell sequence is closed, a new trade sequence will not be opened.
DoTrades	Displays the current setting of the DoTrades setting. If true, the robot will trade when the price is hit and the expert button is green, allowing the order to be sent.