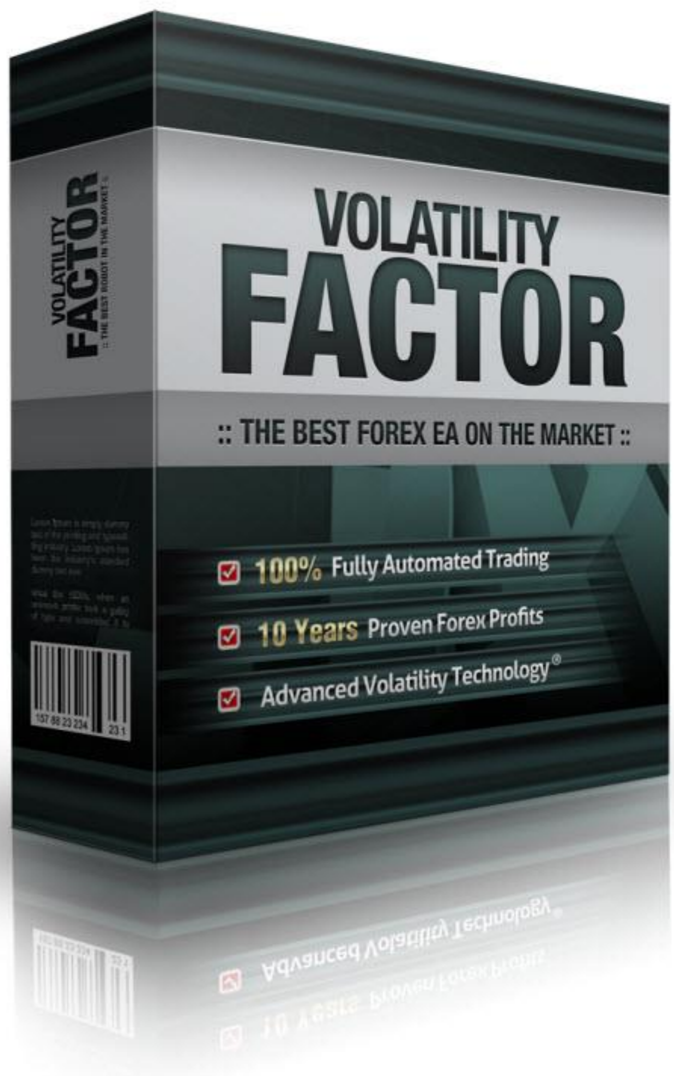
Volatility Factor EA

V7.0

User Guide



Contents

Getting Started

Before installing *Volatility Factor* on your computer and commencing trading on a real account, please read this carefully; it may be *crucial* for your future profits.

Trading forex entails risk, and each instance of negligence or inattention may lead to significant loss!

1. **We strongly recommend that you operate a demo account before trading with real money.** This will help you become familiar with the way *Volatility Factor* operates before you commit genuine funds to a real money account.

2. Please be exceptionally careful when determining trading volumes and setting automatic risk management parameters!

3. If you suspect that *Volatility Factor* might be operating incorrectly, please stop operations and contact us immediately!

WHAT YOU MUST KNOW BEFORE USING *VOLATILITY FACTOR* EA

- *Volatility Factor* was developed especially for the GBPUSD and EURUSD currency pairs.
- *Volatility Factor* is compatible with all MetaTrader 4 brokers, as well as with brokers using ECN order fulfillment. You do not need to change any settings.
- *Volatility Factor* is entirely compatible with NFA-regulated brokers applying No Hedge and FIFO.
- *Volatility Factor* automatically recognizes whether your broker offers four- or five-digit quotes. You do not need to change any settings. On no account multiply TakeProfit and StopLoss values by 10 if your broker offers five-digit quotes.
- We do not recommend that you launch and close your trading terminal too often. Ideally, it ought to work without interruption from market opening on Monday to closure on Friday.
- For best operation, use a computer with the following minimum configuration: 1.5 GHz processor, 1 GB RAM, and Windows XP, Windows Vista, or Windows 7 operating system.
- Maintaining a stable Internet connection is essential to ensure reliable *Volatility Factor* operation.

- It is the spreads offered by your broker that chiefly determine how much profit you can make by using Volatility Factor. The recommended spread for EURUSD is less than 2 pips, and for GBPUSD, it is less than 3 pips.
- Be on the lookout for brokers who steal pips and who try to fulfill each order at a price which is less favorable to you by 1 or 2 pips. This causes advertised 1 pip narrow spreads to easily work out to 3 or 5 pips, thus reducing profits made by Volatility Factor. Be particularly cautious of new brokers who advertise aggressively on the Internet.

The MetaTrader 4 (MT4) Trading Platform

Volatility Factor operates within the MetaTrader 4 trading platform. MT4 is a free trading platform available through most forex brokers.

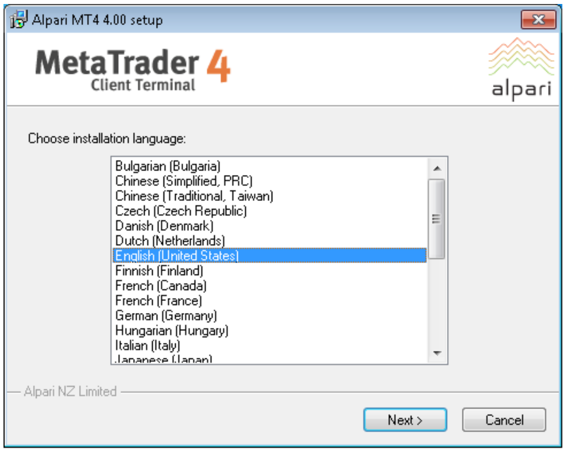
If you do not have MT4 installed on your computer, you can download a copy by going to one of the following brokers and requesting a demo account.

www.alpari.ru
www.alpari.co.uk
www.fxpro.com
www.fxdd.com
www.fxopen.com
www.finfx.fi

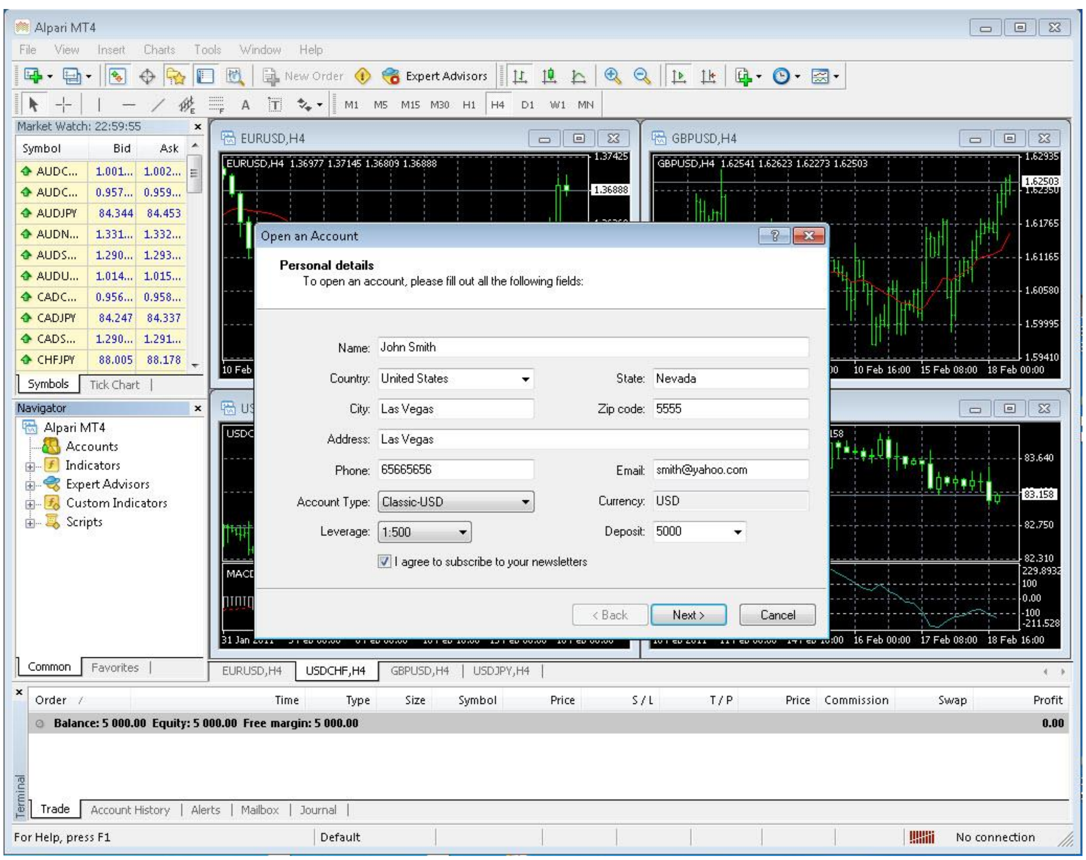
This list is for reference only. We are not affiliated with any broker.

Installing MetaTrader 4

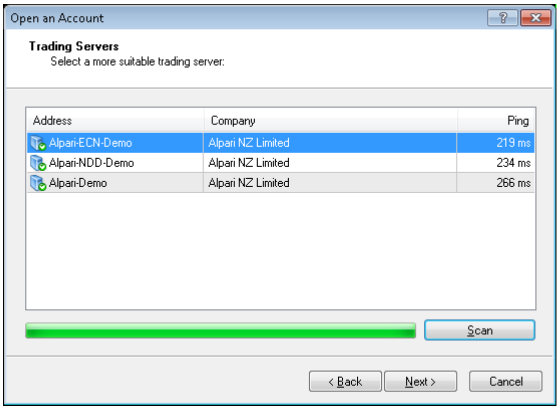
Browse through this section if you are familiar with MT4 and already have a broker account.

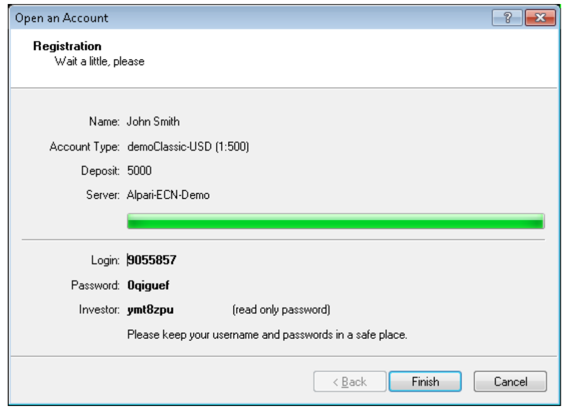


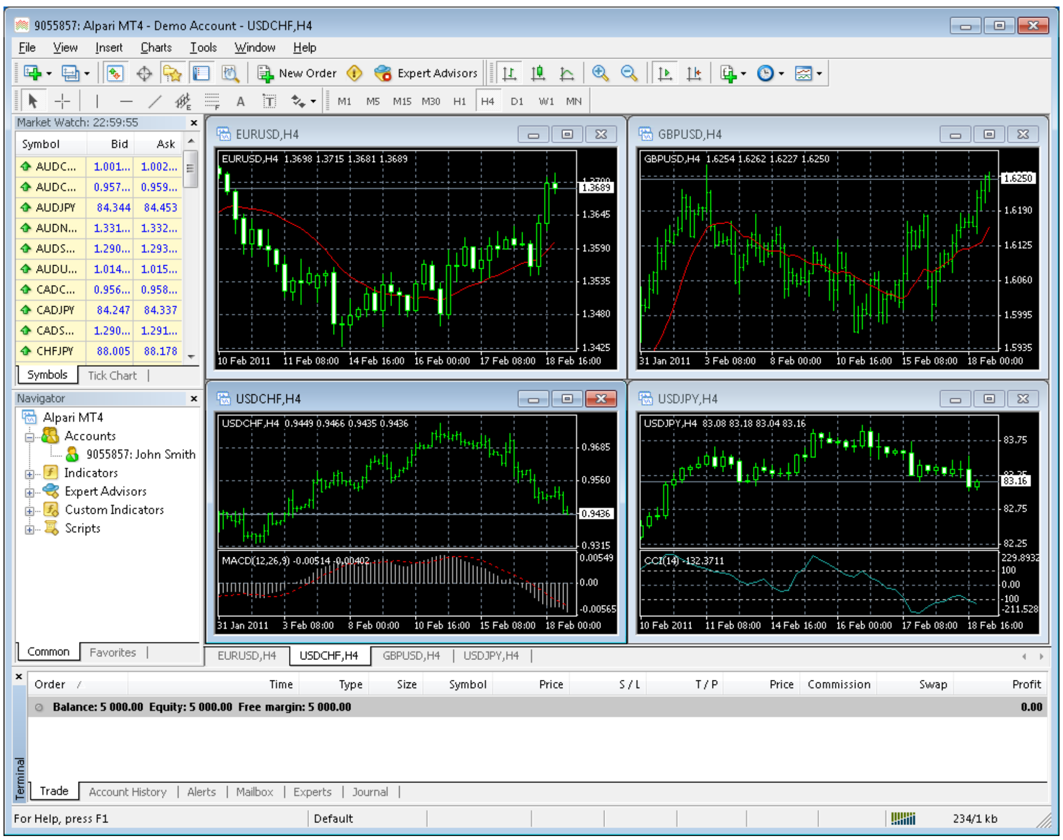
After completing installation, you will be asked to create a demo account. Fill in the details and select the amount of the account deposit. Enable *Agree to subscribe to your newsletters*, and then click *Next*.



The program will ask you to select the trade server to which it should connect. Click *Next*. In the next window, click *Finish*.







Your demo account is now opened. Close MT4 so that you can install Volatility Factor.

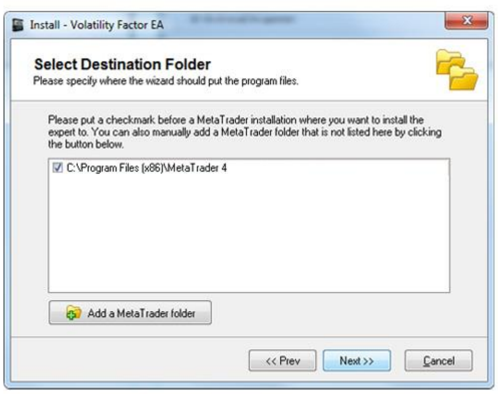
Installing *Volatility Factor EA*

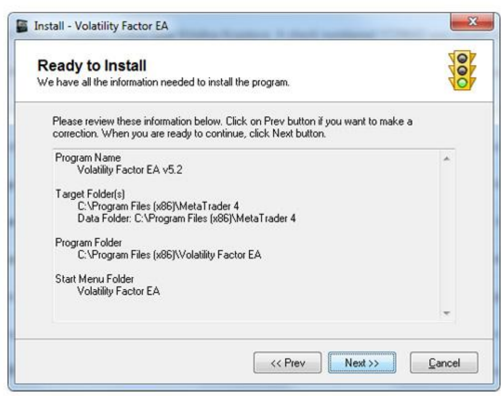
We offer you two ways of installing our software:

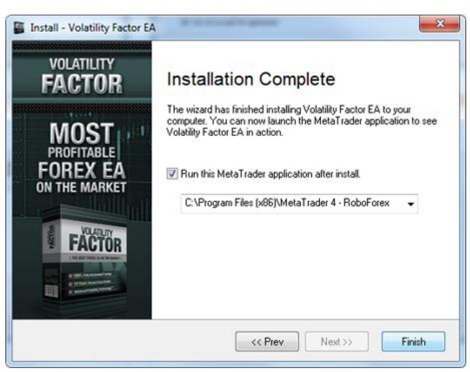
Automatic installation using VolatilityFactorInstaller.exe

- After logging into the member zone with the username and password provided, download "VolatilityFactorInstaller.exe" from your personal download page to a convenient location on your computer.

- Install Volatility Factor. During installation, select the installation folder of your MetaTrader4 terminal. This folder usually has the name of your broker and is found in C:\Program Files in a 32-bit version of Windows or in C:\Program Files(x86) in a 64-bit version of Windows.







❖ If you did not close your MetaTrader4 terminal before installing Volatility Factor, you need to restart it now.

Installation by copying

❖ After logging into the member zone with the username and password provided, download the VolatilityFactor_vXXX.ex4 and VolatilityFactor.dll files from your personal download page to a convenient location on your computer.

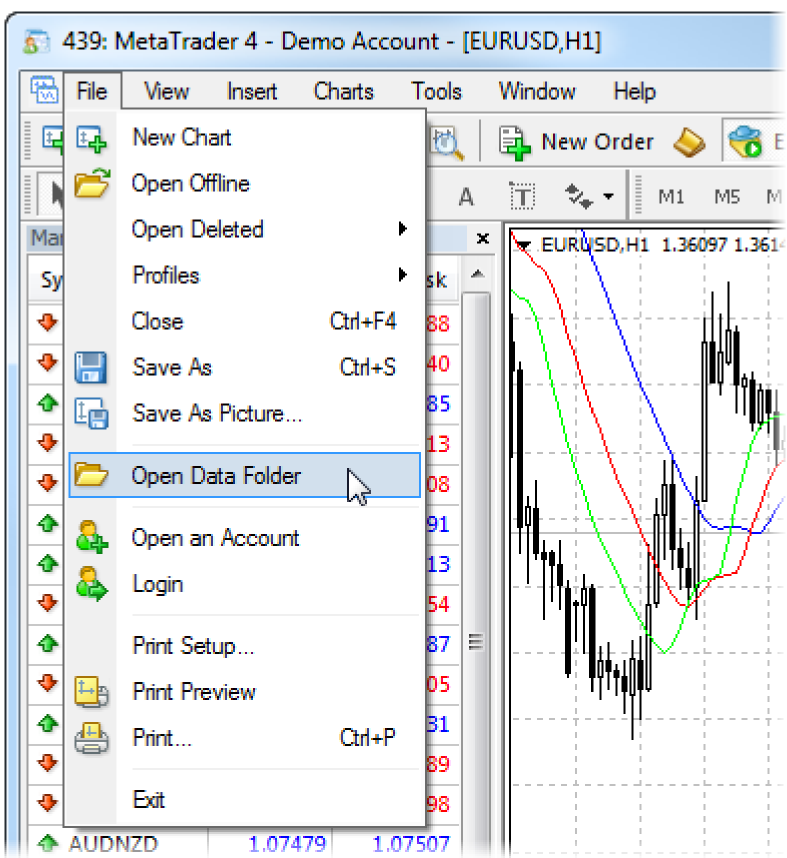
❖ Copy VolatilityFactor_vXXX.ex4 into the Experts folder within the MetaTrader4 trading terminal directory. After this, copy the file VolatilityFactor.dll into the Experts\Libraries folder within the MetaTrader directory.

❖ If you did not close your MetaTrader4 terminal before installing Volatility Factor, you need to restart it now.

IMPORTANT! If your MT4 build is 600 or above, follow the installation instructions from below!

1. Identify your "Application Data" folder.

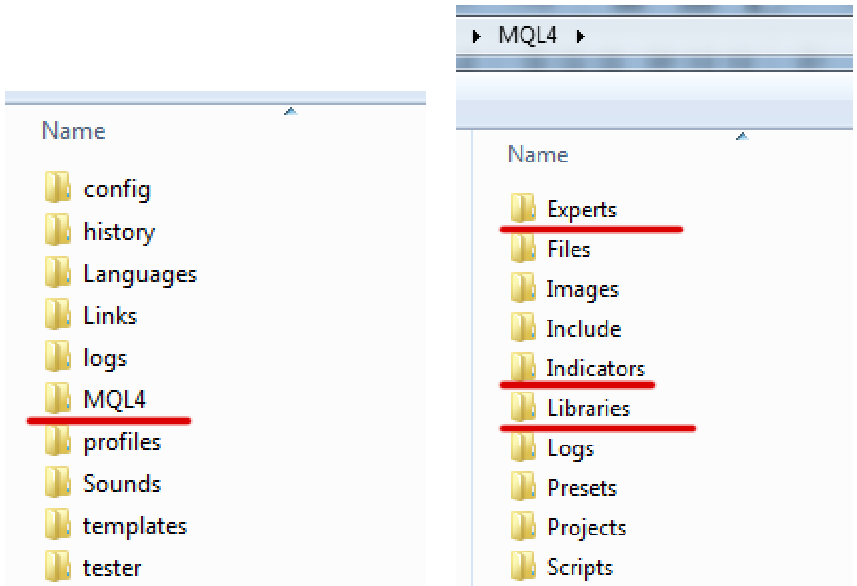
First you need to locate your Application Data folder of the MT4. To do this, go to the File menu in the MT4 platform and click on "Open Data Folder" (check out the image below).



2. Place your robot files in the right location.

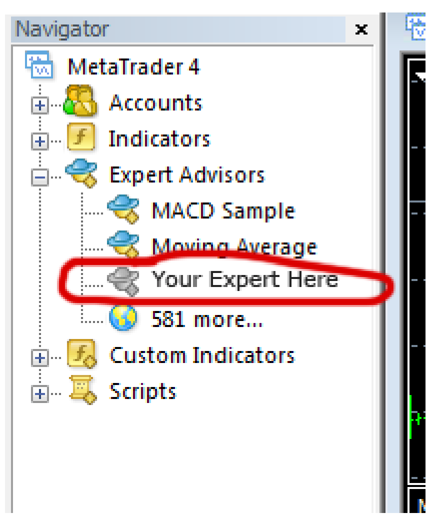
First thing to do is to open the MQL4 folder, which is in the "Application Data" folder (which you already see). The next steps are very easy:

- Place your "VolatilityFactor_v7.0.ex4" file in the "Experts" folder inside the "MQL4" folder.
- Place your "VolatilityFactor_v7.0.dll" file in the "Libraries" folder inside the "MQL4" folder.



3. Run the EA.

After you have successfully placed the files in the correct folder, all you need to do is to restart your MT4. If you have done everything correct, the EAs should appear in the "Navigator" Tab of your MT4.



Activating *Volatility Factor EA*

You should activate your copy of *Volatility Factor* for your demo and real accounts through our website. Login to our member zone, and then find the account activation page. Type your account number into the input field and click *Activate*. Repeat this procedure for each account. You need to activate the demo accounts in the field for demo account activation, and the real money account in the real money account activation field.

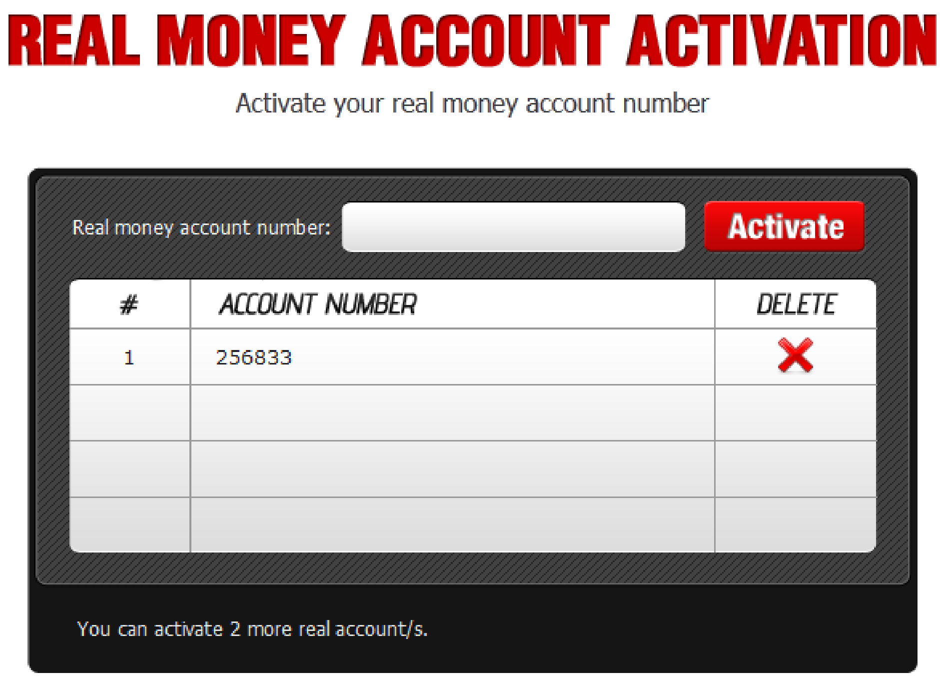
Your *Volatility Factor* license is valid for an unlimited number of demo accounts and for one real money account. The license is not tied to one computer. You are free to trade using your accounts on any computer at home, in the office, or on a VPS.

In addition, you have an option to remove an account that you do not use and activate a new account in its place.

You should activate your demo or real account even if you just wish to back-test Volatility Factor.

Your online authentication procedure may take some time.
If you see an error alert, wait a couple of minutes and try again.
If the problem persists, contact us at

support@volatility-factor.com



DEMO ACCOUNT ACTIVATION

Activate your demo money account number

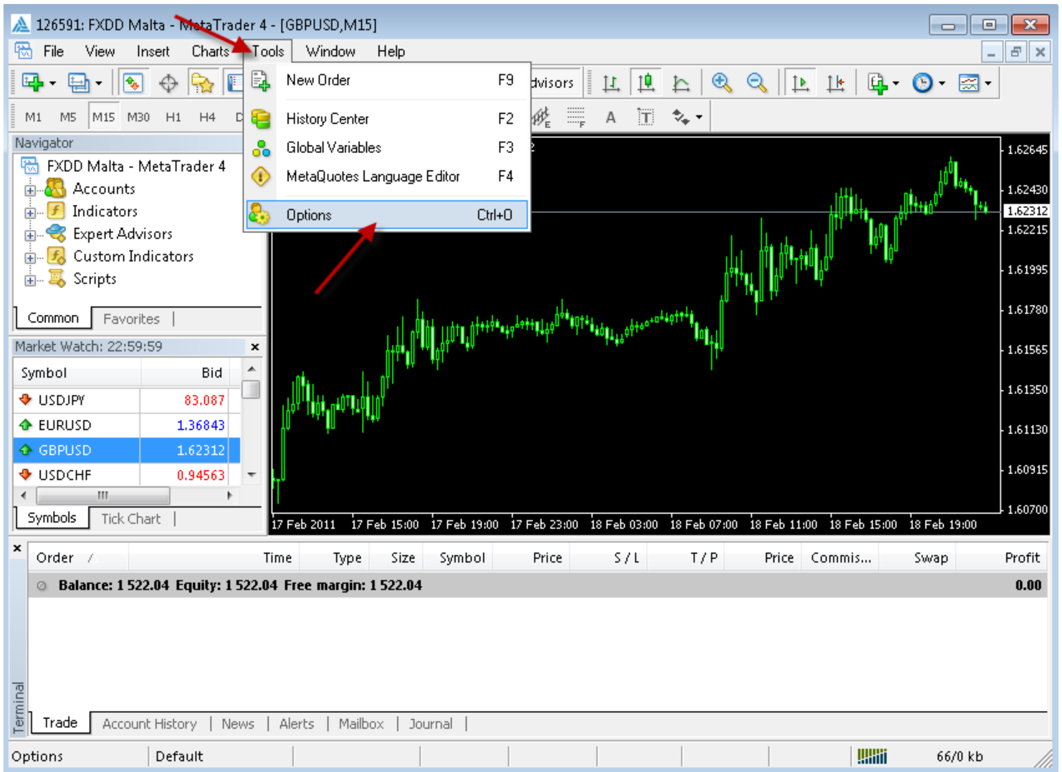
Demo account number: Activate

#	ACCOUNT NUMBER	DELETE
1	3271215	❌

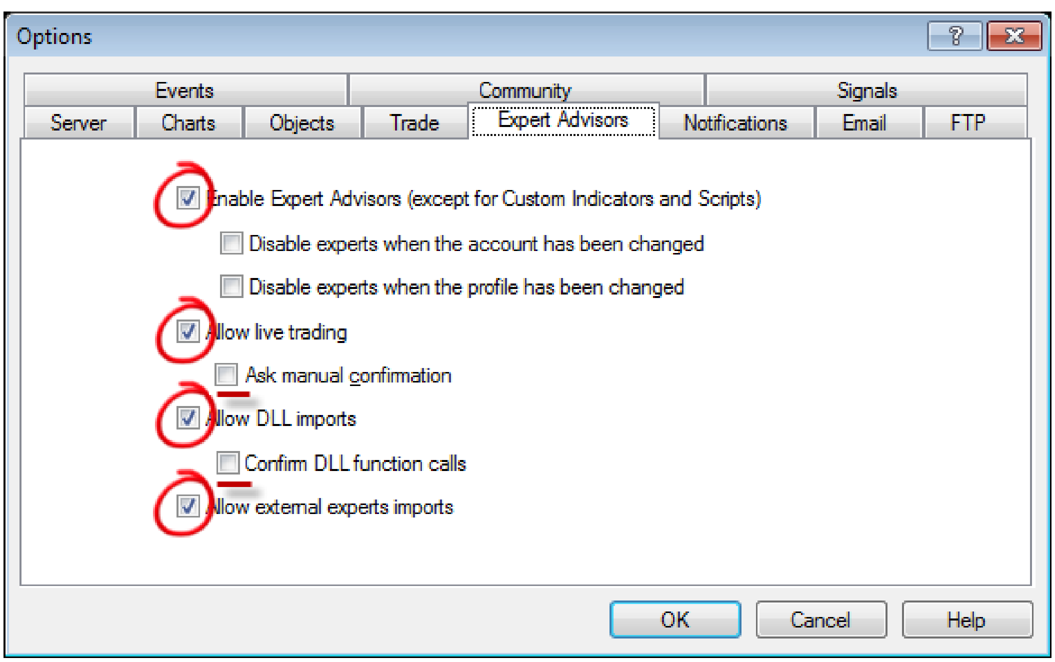
You can activate unlimited demo accounts.

Starting and Configuring *Volatility Factor EA*

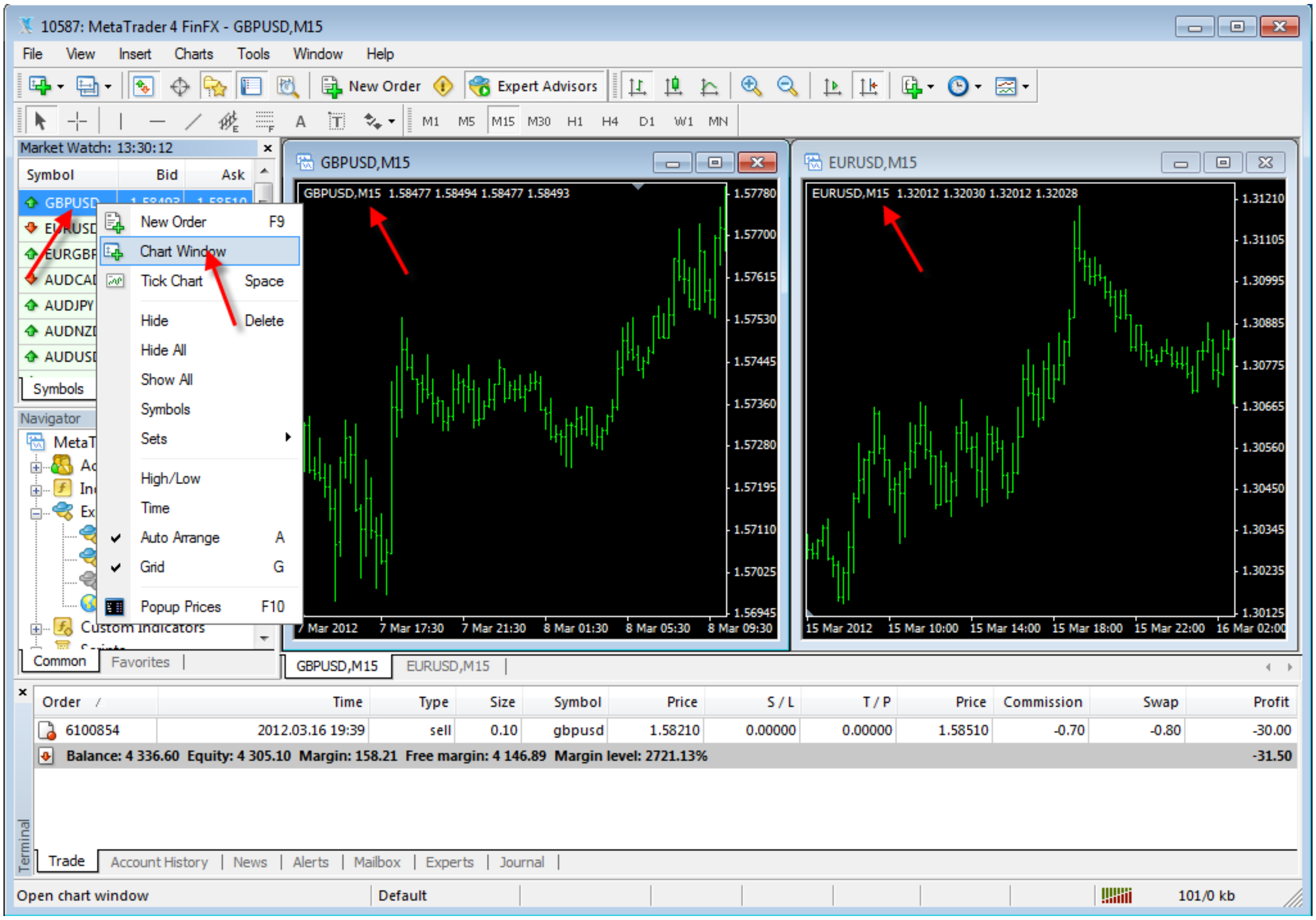
After installing and activating Volatility Factor, launch your trading terminal and click **Tools->Options**.



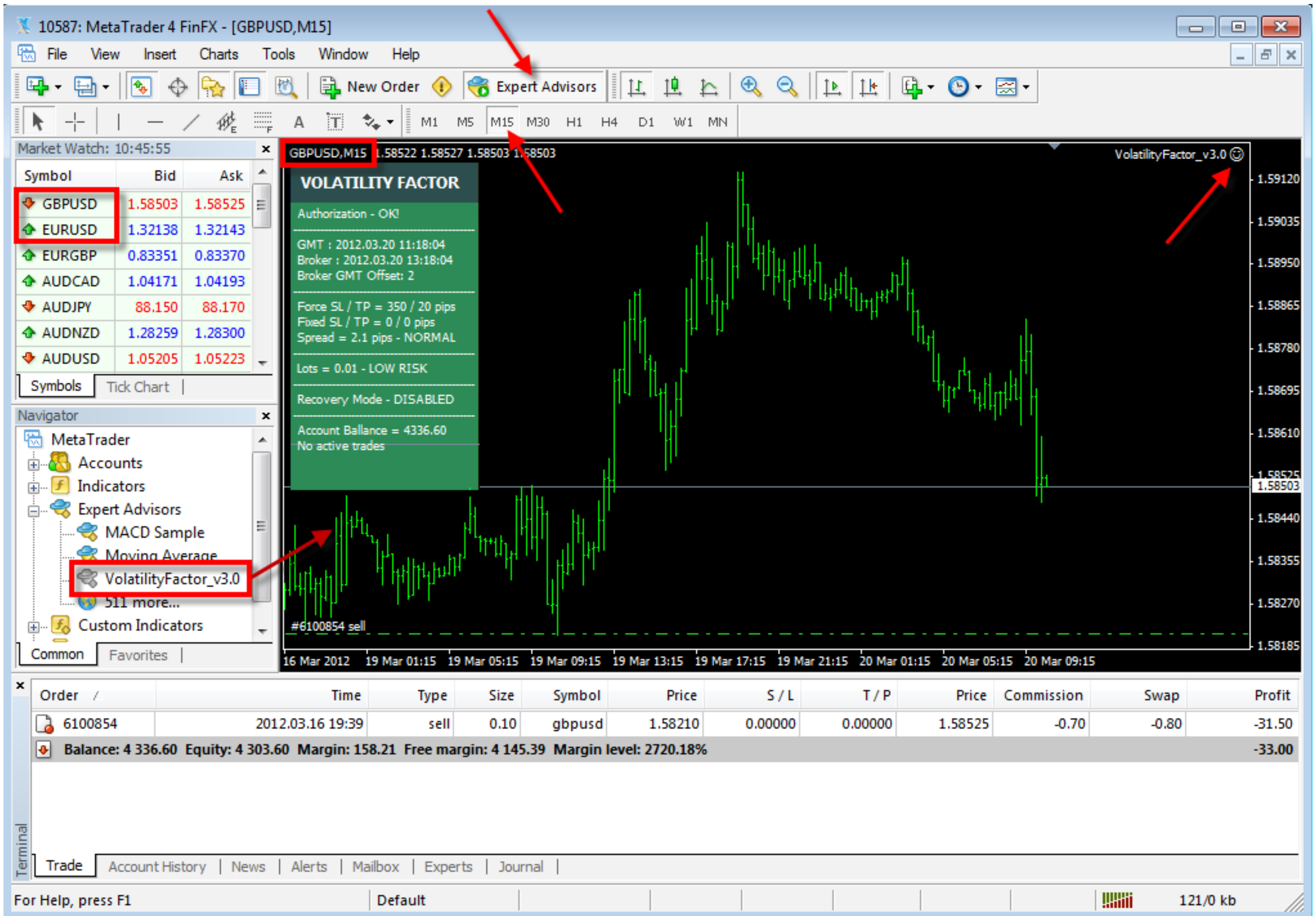
At this stage, **make certain** that you have checked and unchecked all the boxes exactly as shown below in order to ensure *Volatility Factor* operates correctly.



Now, open the graphs for the currency pairs you wish to trade. We recommend *Volatility Factor* for the GBPUSD and EURUSD currency pairs. Select the 15-minute graph, M15.

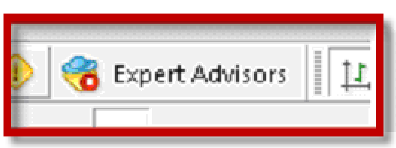


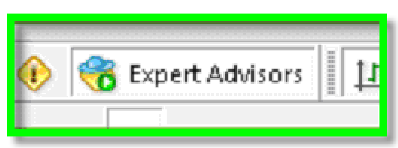
Now you are ready to place *Volatility Factor* on the chart. In the Navigator window, double-click Expert Advisors to expand it. You should now see all Expert Advisors, including *Volatility Factor*. Now you can right-click *Volatility Factor* and select *Attach to a Chart* or, alternatively, simply drag *Volatility Factor* onto the chart.



After placing *Volatility Factor* on the chart, **you should see a smiley face in the upper right-hand corner of your chart.** This means the robot is running. If you do not see a smiley face, make certain that under Properties on the menu bar, the *Allow Live Trading* box is checked. If it is checked and you still do not see a smiley face, go to Tools on the menu bar and select Options. A popup will appear. Select the Expert Advisors Tab and check both the *Enable Expert Advisors* box and the *Allow Live Trading* box.

You can enable or disable *Volatility Factor* from the Expert Advisor button at any time.





Volatility Factor EA SETTINGS

You can edit *Volatility Factor* settings by right-clicking anywhere on the chart and selecting **Expert Advisors -> Properties**.

Magic: An unique identifier through which *Volatility Factor* recognizes and manages its own positions. **If you use other expert advisors on the same account, please ensure that each of them has a distinct unique identifier.**

EA_Comment: You can type a comment here if you wish to mark the *Volatility Factor* trades.

Signal_1 true/false: Activates the trading signal, which is generated in the direction of the current market impulse.

Signal_2 true/false: Activates the trading signal, which is generated aggressively against the current market impulse. This signal is generated only in specific hours and this is the only strategy which is affected by the GMT_Offset and the DST_Usage parameters. If you do not want to use this signal you should not worry about the GMT_Offset and the DST_Usage parameters.

MaxSPREAD: Maximum allowed spread in standard (4 digits) pips. We recommend MaxSpread=3.5 for GBPUSD and MaxSpread=2.5 for EURUSD.

Slippage: Maximum allowed slippage in standard (4 digits) pips.

NFA true/false: Use "true" if your broker is NFA regulated, or if you do not want to have hedged trades.

AutoGMT_Offset true/false: Change to false only if you want to use the ManualGMT_Offset in your live trading. In this case, please ensure that you have used the correct ManualGMT_Offset for your broker.

ManualGMT_Offset: In back-test mode, please ensure that you have used the correct GMT offset for your broker. Otherwise, your back-tests will be incorrect.

DST_Usage true/false: If your broker shifts the GMT_Offset with +1 hour in the end of March and change it back in the end of October, you should set **DST_Usage=true** for live trading. This is important for the correct functioning of the second trading system (Signal_2).

BetterPricePips: Minimal distance, in standard (4 digits) pips, between the initial position and the additional positions. In the *Volatility Factor* settings, this value is zero, which means that the default value of BetterPricePips is used. For GBPUSD the default value of BetterPricePips is 11 pips. For EURUSD the default value of BetterPricePips is 13 pips.

MaxNegAdds: Shows how many additional positions can be added to the initial position when the price is moving in a negative direction.

ForceProfit: The average profit for all open SELL or BUY positions, in standard (4 digits) pips, on which *Volatility Factor* will close all positions by market. In the *Volatility Factor* settings, this value is zero, which means that the default value of ForceProfit is used. You have information for the default ForceProfit and ForceLoss values in the *Volatility Factor* HUD (Heads-up Display).

ForceLoss: The average loss for all open SELL or BUY positions, in standard (4 digits) pips, on which *Volatility Factor* will close all positions by market. In the *Volatility Factor* settings, this value is zero, which means that the default value of ForceProfit is used. You have information for the default ForceProfit and ForceLoss values in the *Volatility Factor* HUD (Heads-up Display).

FixedTakeProfit: A fixed TakeProfit level in standard (4 digits) pips, which is identical for all open SELL or BUY positions. In the *Volatility Factor* settings, this value is zero, which means that FixedTakeProfit is not used. This allows your exit levels to be hidden from the broker. You can use FixedTakeProfit by your estimation.

FixedStopLoss: A fixed stoploss level, which is identical for all open SELL or BUY positions. In the *Volatility Factor* settings, this value is zero, which means that FixedStopLoss is not used. In this way, your exit levels will be hidden from the broker. Use your judgment to decide when to use FixedStopLoss.

CloseOnlyOnProfit true/false: when this mode is enabled, positions close to system signals only, when they are in profit (**MinProfitPips**), or where stoploss may be reached. If CloseOnlyOnProfit= false /default/, positions close to system logic even it is on a loss.

MinProfitPips: The minimum average profit in standard (4 digits) pips, on which *Volatility Factor* will close all positions by system exit signal, when **CloseOnlyOnProfit** is **true.**

Risk management is fundamentally important in attaining optimum forex trading results. It pays to think carefully before deciding what percentage of your account to expose to risk in each individual transaction.

RecoveryMode true/false: When RecoveryMode is activated, an algorithm effectively compensates current drawdown through smooth increases of trading volumes. This mode is active only when AutoMM is greater than zero (AutoMM > 0). **Before activating RecoveryMode, please bear in mind that it can significantly increase risk to your account. For this reason, RecoveryMode ought to be used at low values of the AutoMM parameter: AutoMM =1 or lower.**

FixedLots: The extent of the fixed trading volume. If you use **AutoMM>0,** the value of the FixedLots parameter does not matter.

AutoMM: Automatic risk management activates at values greater than zero:

- Example 1: At AutoMM = 1, *Volatility Factor* opens positions equal to 0.1 lots

(10,000) given an account extent of 10,000. This places 1% of the account extent at risk per individual transaction at a loss of 100 pips.

- Example 2: At AutoMM = 2, *Volatility Factor* opens positions equal to 0.2 lot (20,000) given an account extent of 10,000. This places 2% of the account extent at risk per individual transaction at a loss of 100 pips.

AutoMM_Max: The maximum permitted risk expressed as a percentage of the account per individual transaction, calculated on the basis of a 100-pip loss. This parameter concerns the **RecoveryMode** only.

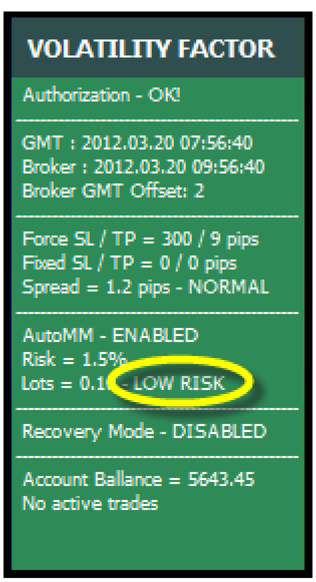
We can conditionally define the AutoMM with the next examples:

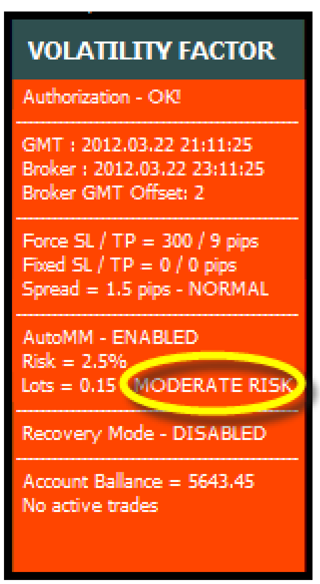
AutoMM=1.5 and lower can be considered reasonably low risk. If using this level of risk with Volatility Factor, your account will survive in any circumstances. You will have enough margin to recover even after very bad drawdown periods. At the same time, you will have enough potential to realize profits and double your account every year. We recommend this level or a lower risk level for accounts of significant importance.

AutoMM=1.5 to 3 can be considered reasonably moderate to medium risk. If using this level of risk, you will have excellent potential to realize profits and the risk for your account will remain reasonable. In this case, you can expect up to 1000% ROI on an annual basis. This is our favorite risk level, and we use exactly this level of risk in our public real account.

AutoMM=3 to 5 can be considered relatively medium to high risk. If using this level of risk, the potential for profits is greater, but the risk for your account will be significant as well. The drawdowns of the equity could look really dramatic. It would be reasonable to use this level of risk only on small accounts at the beginning if you want use the advantage of the full risk and profit potential.

AutoMM>5 can be considered very high risk. We do not recommend a level of risk greater than AutoMM=5.





Risk management is fundamentally important in attaining optimum forex trading results. It pays to think carefully before deciding what percentage of your account to expose to risk in each individual transaction.

Avoid_News true/false - if you wish to use the news filter function, you should set **Avoid_News**=**true**

Include_Medium_News true/false - if you wish to avoid the medium impact news too, you should set **Include_Medium_News**=**true**

Wait_Before_News - the number of minutes before the news event, during which trading will be switched off

Wait_After_News - the number of minutes after the news event, during which trading will be switched off

(NEW!) Time Management settings

These settings have been specially developed to help traders avoid certain hour periods during the trading week when the Forex market behaves more unpredictable.

NoAddsAlso true/false – when this parameter is enabled, the EA will not open any additional positions during the forbidden trading hours.

MondayTrading true/false – enables trading on Monday.

MondayHoursForbidden – sets forbidden trading hours for Monday (applies only when **MondayTrading** is enabled). You can set several values between 0 and 23 separated with commas. For example, if you set MondayHoursForbidden=9,10,11 the EA will not trade from 9:00 till 11:59. The hour values for this parameter are related to your broker's server time (the Market Watch)!

TuesdayTrading true/false – enables trading on Tuesday.

TuesdayHoursForbidden – same as **MondayHoursForbidden** with the difference that you set forbidden hours for Tuesday.

WednesdayTrading true/false – enables trading on Wednesday.

WednesdayHoursForbidden – same as **MondayHoursForbidden** with the difference that you set forbidden hours for Wednesday.

ThursdayTrading true/false – enables trading on Thursday.

ThursdayHoursForbidden – same as **MondayHoursForbidden** with the difference that you set forbidden hours for Thursday.

FridayTrading true/false – enables trading on Friday.

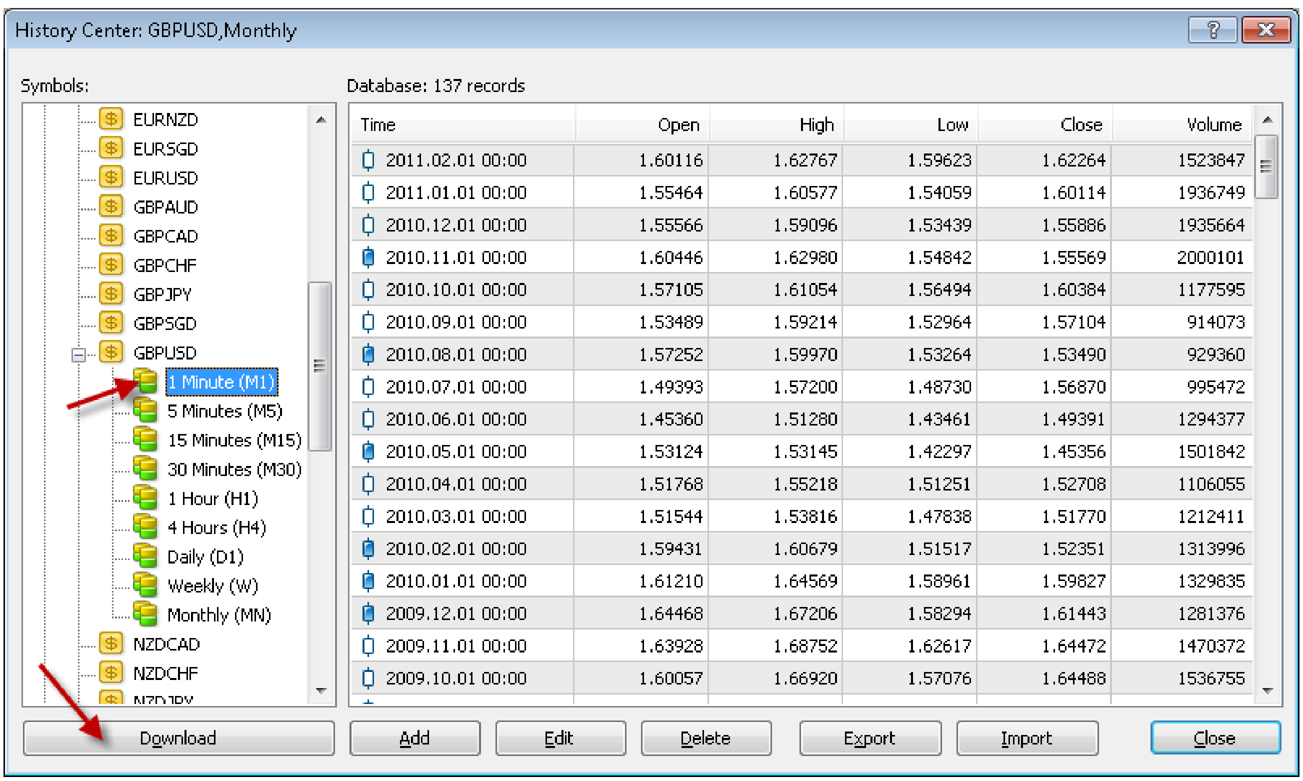
FridayHoursForbidden – same as **MondayHoursForbidden** with the difference that you set forbidden hours for Friday.

SaturdayTrading and **SundayTrading true/false –** enables trading during Saturday and Sunday respectively. Due to big GMT offset, some brokers trade during weekends and for that reason we added these parameters as well.

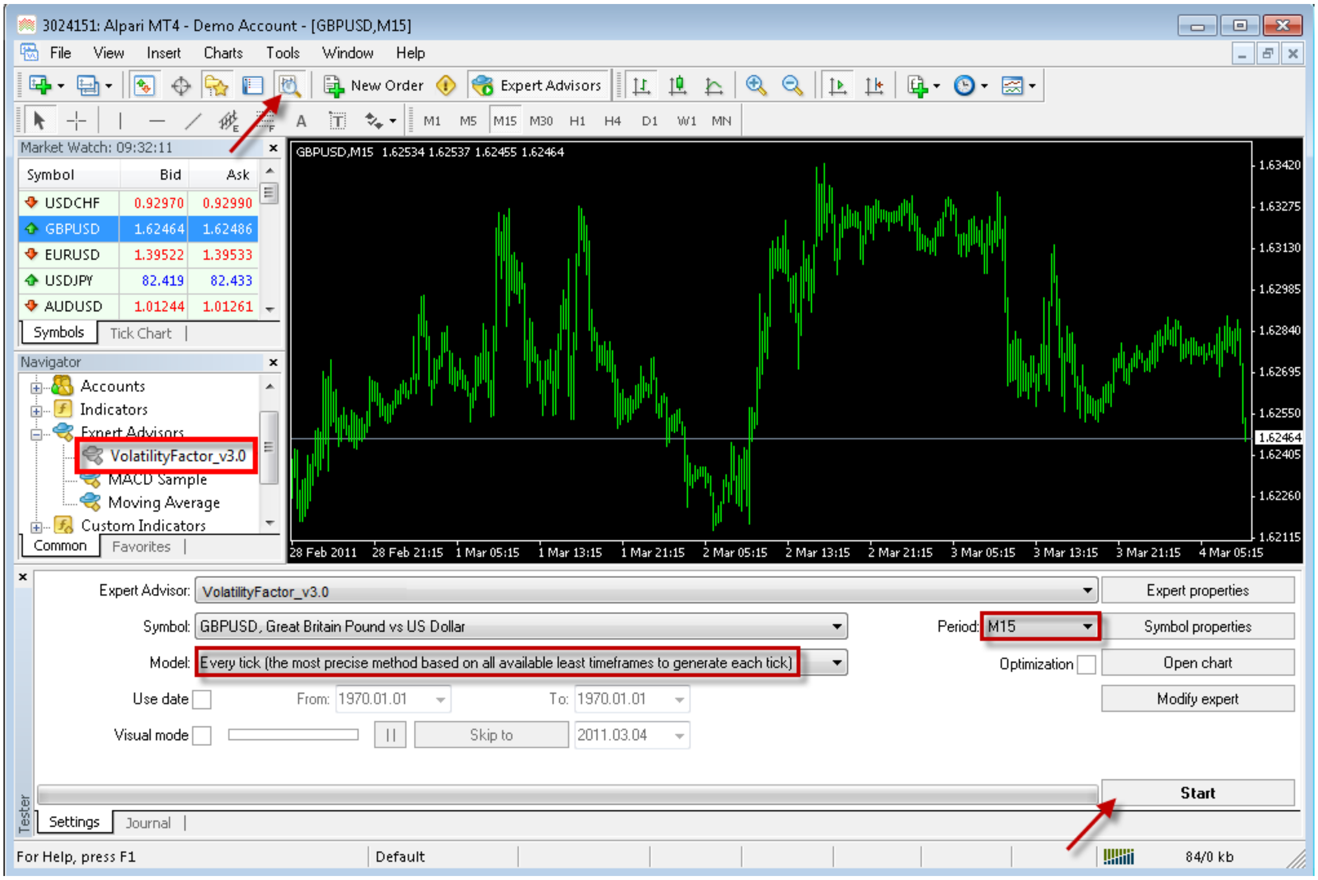
How to Back-test *Volatility Factor EA*

Please do not forget to activate your demo or real account, even if you only wish to back-test *Volatility Factor*!

If you wish to back-test *Volatility Factor*, you should first download history from the MetaTrader history center: click *Tools -> History Center*, or press the F2 key on the keyboard. In the list, find the currency pair that you wish to back-test and double-click to expand it. Click *1 Minute (M1)* and then click *Download*. When the download process is finished, double-click on *5 Minutes (M5)* and *15 Minutes (M15)* to convert the M1 data. Close the History Center window.



To open the Strategy Tester window, click the *Strategy Tester* button in the MetaTrader menu, or press Ctrl+R on the keyboard. In the Strategy Tester window, choose *Volatility Factor*, then choose one of the supported currency pairs (GBPUSD, EURUSD), then choose M15 timeframe, and finally, choose the method "Every tick ...", as shown below. Click Start to start the back-test.



Using the back-test *Every tick…* is the most precise, but it is very slow. If you wish to save time, you can run the back-test with M1 timeframe using the *Open price only…* method, and this will also be correct.

Important notice: If you run a back-test and at the same time you have *Volatility Factor* attached on the chart in live trading mode, this can overload your MetaTrader4 terminal and can cause a MetaTrader 4 terminal crash. Do not run back-tests on the same MetaTrader 4 terminal that you use for live trading!

We strongly recommend that you operate a demo account before trading with real money. This will help you become familiar with the way *Volatility Factor* operates before you commit genuine funds to a real money account.

We wish you successful trading with *Volatility Factor*!

Terms of Use and Risk Disclosure

U.S. GOVERNMENT REQUIRED DISCLAIMER
FOREX trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the FOREX markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell currencies, futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site.
The past performance of any trading system or methodology is not necessarily indicative of future results.
Trading foreign exchange on margin carries a high level of risk and is not suitable for all investors. The high degree of leverage can work against you. As with all investments, you should not invest money that you cannot afford to lose. Before deciding to invest in foreign exchange, you must carefully consider your investment objectives, level of experience, and risk appetite. Additionally, you must be aware of all the risks associated with foreign exchange trading and seek advice from an independent financial advisor. Past results are not necessarily indicative of future success.

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.

By using **Volatility Factor**, you acknowledge that you are familiar with these risks and that you are solely responsible for the outcomes of your decisions. We accept no liability whatsoever for any direct or consequential loss arising from the use of this product. It's to be noted carefully in this respect, that past results are not necessarily indicative of future performance.

Your purchase *Volatility Factor* serves as your acknowledgement and representation that you have read and understand these TERMS OF USE and that you agree to be bound by such TERMS OF USE ("License Agreement").

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Website: www.volatility-factor.com