

RICKY-D SYSTEM AND INDICATOR SET

Indicator set by Shimodax (some based on previous work) for use with the RickyD strategy by Rick Matthews and contributions from the forum on StrategyBuilderFX.

Online Resources:

StrategyBuilder Forum:

<http://www.strategybuilderfx.com/forums/showthread.php?t=15187>

Online Chat:

<http://www.freejavachat.com/chat.php?chan=rickyd>

PDF book describing a similar trading system (highly recommended):

<http://www.spreadtrade2win.com/specialfx.zip>

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Preface:

I highly recommend reading this document from start to end. I inserted the strategy descriptions and a few posts by Ricky and myself from this forum and I will probably add to it as the discussion here evolves. It may be a lot of text, but you can learn a lot about the system and even more important about trading in general from the excerpts. However, if you do not want to read and if you are looking for a fool proof golden key that just says "buy when you see this or that signal" this strategy is probably the wrong tool for you.

All indicators here are provided in source code. Original versions of indicators are also inside as a separate ZIP archive for reference. Feel free to comment on the source or notify me of bugs. Feel free to make modifications and additions.

To protect the integrity of the package, I kindly ask that modified versions of the indicators are published under a different file name.

And now please explore this system.

May it help you to generate more and better pips!

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Table of Content

Version History:	3
Ricky D's Strategy (System and Rules).....	4
Trading.....	4
Requisites.....	4
Trade Entry	4
Trade Exit	5
Installation	6
Indicators in this Package	7
RD-Combo.....	7
RD-ForecastOsc	8
RD-BT2Stop.....	8
RD-PivotLines.....	8
Expert Advisor in This Package.....	9
Inputs.....	9
Backtests.....	9
Forum Excerpt: Comments by Ricky and Others.....	10
Ricky: Introduction	10
Ricky: Explanation of the System.....	10
Shimodax: BrainTrend Versions (Post #46).....	11
Ricky: Clarification, Tools, BrainTrend, Trading in General (Post #82).....	11
Ricky: More about the System and Trading (Post #89).....	12
Shimodax: About Sytem Trading/Mechanical Trading.....	13
Creating Your Own Expert-Advisor on RD-Combo	15

VERSION HISTORY:

V0.50

- ForecastOsc changed to exclude cross signal dots and some optimization
- Bug fixed in BT2stop (thanks to Nicolas)
- Pivot indicator rewritten
- First version of RD-Combo (not yet included in this archive)

V0.51

- Alert functions for intro/exit on Combo
- First public

V0.52

- ExpertAdvisor added
- Pivots indicator with time zones

V0.53

- Bug in RD-Pivots fixed

Things to do:

Test, optimize, improve ... J

If you have ideas, comments, please post them in the strategybuilderfx forum or email me through my profile there.

If you find bugs, please email a fix to the address below!

Enjoy the pips ...

Markus

RICKY D'S STRATEGY (SYSTEM AND RULES)

Below are the requisites and rules according to Ricky's system. The formatting was slightly changes from the original posting, but no modifications have been made to the content. Please also see the Forum Excerpts chapter for clarifications.

Trading

EURUSD, GBPUSD, USDJPY, USDCHF on the 15M and 30M timeframe. Trading time 2:00AM till about 10:00AM "ish" EST (-5 GMT).

Requisites

Basic Indicators:

- 5MA (Linear Weighted/Close)
- 20MA (Linear Weighted/Close)
- CCI (5) Line at +100, 0, and -100
- Forecast Oscillator: Regress (15) t3(3) and b(0.7) Line at 0
- Relative Vigor Index (1) Line at 0
- ADX (14) Line at 20
- Volume

Directional Indicators:

- 100MA (Linear Weighted/Close)
- 200MA (Linear Weighted/Close)

Show Stoppers:

- 100MA (Linear Weighted/Close)
- 200MA (Linear Weighted/Close)
- Pivot Lines and Mid-Pivots (mid point between pivots)
- BT2Stop (or Stops from original BrainTrend)

Trade Entry

The cross of the 5MA with the 20 MA favors the direction of the trade, : 5MA on top favors Long trade, 5MA on bottom favors Short trade. And don't trade too close to the 100MA, because it acts as a resistance line.

Long:

- The CCI needs to be greater than (0).
- Forecast Oscillator needs to have both lines above the 0 line with the blue line on top.
- The RVI needs to have both lines above the 0 line and the style (Blue) line on top.
- The ADX Main and DI+ need to be at least 20 and rising.
- No BT2Stop in the way of the entry bar.
- Must be 15 pips away from a support or resistance line (Pivot or Mid-Pivot).
- The 100MA(LW/Close) no closer than 20 pips in the direction of the entry.

Short:

- The CCI needs to be less than (0).
- Forecast Oscillator needs to have both lines below the 0 line with the red line on top.
- The RVI needs to have both lines below the 0 line and the red line on top.
- The ADX Main and the DI- need to be at least 20 and rising.
- No BT2Stop in the way of the entry bar.
- Must be 15 pips or more away from support or resistance line.
- The 100MA(LW/Close) no closer than 20 pips in the direction of the entry.

Trade Exit

The RVI lines cross with the wrong color on top and a slight separation in them (0.2) **(or)** the RVI Style line crosses the 0 line against the trade. (up while in a short / down while in a long) **which ever happens first.**

INSTALLATION

- Copy all MQ4 files from experts\indicators to c:\program files\metatrader 4\experts\indicators
- Copy all MQ4 files from experts to c:\program files\metatrader 4\experts
- Copy the TPL file c:\program files\metatrader 4\templates
- Restart Metatrader
- Open a 30M chart (e.g. EURUSD)
- Select View, Templates, RickyD

Eventually you should see a chart like this:



The indicators you see here are described below. For the general interpretation see the links at the top of this document.

INDICATORS IN THIS PACKAGE

Most of the indicators, except for RD-Combo which is new, are the same as Ricky's and should produce the same results, just some differences are noted here.

RD-Combo

Brand new All-In-One indicator based on the RickyD entry rules. :-)

It takes the five base indicators (MA, CCI, RVI, ADX, Forecast) together and adds them up for long and short (each gets a value of +1/-1 for long/short). A sum of +5 or -5 indicates that all point in the same direction.

Important! This does not implicate that you should enter a trade at these points. You will still need to look out for resistance and support as described in Ricky's strategy.

The golden line signals the exit condition of a trade if it falls back to zero.

Inputs:

DoAlertForEntry: Show a message and play sound when conditions are signaling a trade.

DoAlertForExit: Show a message and play sound when the trade should be closed.

HistorySize: Max. number of past bars for which to compute the signal

ColorThreshold: Level of the Combo signal where bars turn red or green (more or less only a level of 5 makes sense here).

DebugLogger: Output the trigger values to the Experts tab in the Metatrader Terminal pane.

DebugLoggerData: More output of the base values for the trigger to the Experts tab in the Metatrader Terminal pane. Quite extreme, only use with small *HistorySize* (less than 50).

RD-ForecastOsc

More or less same as Ricky's. The dots in the original which mark crossings in the signal lines and which are irrelevant for the method were removed and some minor changes made to the code.

Options have been removed and are fixed to Ricky's value for 15M, 30M and 1H trading (15, 3, 0.7).

RD-BT2Stop

BrainTend clone by Alejandro Galindo which only displays the BrainTrend stop points. It is basically same as the one Ricky provided, but the following bug was fixed (bug found by Nicolas):

```
Buffer1[bar]=0; // fixed, was: Buffer1[shift]=0;
Buffer2[bar]=0; // fixed, was: Buffer2[shift]=0;
```

RD-PivotLines

I used Ricky's and optimized it a bit. Values should remain the same. Ricky uses Pivots and Midpivots (halfway between the Pivots). Camarilla should be set to false.

This indicator now supports time zones.

LocalTimeZone: Your local time zone, e.g. +2 for European daylight savings time (e.g. Germany), or -5 for EST or -4 for EDT.

DestinationTimeZone: Time zone upon which the pivots are calculated. Should usually be zero for GMT (Greenwich time).

EXPERT ADVISOR IN THIS PACKAGE

Inputs

OnlyEnterOnFullBars: Enter trades only after a bar has been completed (disabling this will be slooow on a backtest).

OnlyExitOnFullBars: Close trades only after a bar has been completed (disabling this will be slooow on a backtest).

EnableTrailStopExit: In addition to the close signal from the strategy also use an initial stop loss and take profit leven and trailing stop for exit.

LocalTimeZone: Local time zone (e.g -5 for EST or +2 for European day light savings time).

TradingHoursGMT: Only enter trades during these hours. Must be exactly HH:MM-HH:MM. Times given in GMT time (Greenwich time). Recommended time based on Ricky's trading time is 07:00-15:00

DebugLogger: Enable debug output to Journal or Experts tab.

Backtests

- Select View, Strategy Tester
- Select the RD-Expert in Expert Advisor
- Select Symbol (e.g. GBPUSD) and Period (e.g. M30)
- Select Model "Every tick ..."
- Click "Use date" and select a time period (e.g. August 2005)
- Enable "Recalculate" for the first test (always needed on a first or when changing the time period.
- Click Expert Properties and select the inputs for the test
- Click Start
- You can view Journal, Graph or Results while the test is running
- Double click on the Graph will bring up the corresponding deal in Results
- After test completes select Report or click "Open Chart". If the combo does not show anything on the chart, click Ctrl+I and increase the History setting in the RD-Combo.
- The deals have tool tips (when hovering the mouse over the symbols) with the trade # (from Journal or Results)
- Double click on an entry in Results locates this deal on the chart
- For most details, go to Journal, right click "Open" and view the Journal file. (Be sure to occasionally right click, Delete All Journals).

FORUM EXCEPRTS: COMMENTS BY RICKY AND OTHERS

Quotes from the Strategybuilder.com thread (thread #15187). Some interesting excerpts to understand the system and trading. Please refer to the full thread for more.

Ricky: Introduction

Well, thanks to all who think I am some kind of topgun FXer but I am just a guy trying to work the market just like the rest of you. I am too old but have adopted two special needs babies (now 4 and 5) and trying to make a living, and keep up with life. THEN emails flying at me faster than I can even read them all asking about and for my system. I made a mistake a few months ago in responding to a thread on Brain Trend and that has been overwhelming as well. SO, I will do the best I can to provide you with the full details of the Ricky D Strategy/ System and do what I can with the time I have to help with it.

First let me say I have learned so much just reading the forum and have had so many help me along the way that it is really hard to say no when it is my turn. I have used and taken from so many different systems and ideas others have shared I wish I could give all of you credit but I can't even remember them all at this point. I spent untold hours running more indicators on the charts than I even care to remember and as a result have come up with what I now use. It has been worked and reworked as the market has changed, using trend and price indicators to help make sense of the market and try to catch my share of pips per day.

I trade from 2:00AM till about 10:00AM "ish" EST (-5 GMT) and trade the 4 majors. (My preference) It would not help you much to tell you how I do as we all put something different into our trades with emotion and knowledge that we don't even think about. I found that out as I was trying to get the rules down to have an expert made. After many attempts I found the only way to get it was write down what I did and thought about as I was trading and that is what has become the Ricky D Strategy / System.

This is a dirty trick I know but I don't have time today to get the system typed up and posted so I will do it I promise in the next couple of days. I needed to make sure everyone that is emailing knows it is coming and believe me this will be much faster than I could respond to all the emails. I will give great detail as entry and exits and I believe I have made both pretty darn good and easy to follow so please don't be angry and give me a chance to make it right for all.

I first started on the MT3 and found it was pretty slow with the indicators and went to the MT4 so I have indicators for both so whichever one you choose will work fine.

I need someone to tell me how to attach files to the post as I know not how and it will make my life so much easier.

Ricky: Explanation of the System

One thing I have to say as I have heard over and over, I used such and such system and it just didn't work for me. I heard this about the FX Wizard and as far as I am concerned it was one of the best systems I have used. I made good money at it and found and used some of its best stuff here in my system. So what is the problem? First of all you have to

follow the rules and not try to improve it before you know how to use it. I read where the founder of the Turtle System said he did not fear putting it out because only a very few would follow the rules and be winners with the system. So, this system is as good as you will be at following the rules and setup. I have taken the best of many systems I have obtained and made one that works for me. I have added some things as the market has changed since I have been using it and it pretty much works on any market that has some volume and movement, driven by trend or price. Just don't trade it on a choppy market all you do is pay your broker his spread and you lose.

I have worked the settings on these indicators until they work. They can be used on the 15, 30 minute, and 1 hour with success. They will even work fairly well on the 5 minute if anything really does. I like to use the 30 minute and just so you know I don't check other time frames, I just park and trust the indicators.

I trade the 4 majors and trade from 2:00AM till about 10:00AM or the volume drops EST or (-5 GMT). I try not to be in a trade during news releases.

I have found as many have said, a trend is not a trend until it starts to move. I follow what the chart is doing, not what I think it will do. I used to give up to many good trades thinking the market was in a certain trend. My bias did not help me but hurt me and my trades. You can only act upon what is happening on the charts so anything else will kill your trades.

I am sure many more questions and comments will start to come and I will do my best to answer them with the time I have. So with no more words, here it is.

Shimodax: BrainTrend Versions (Post #46)

However, you may want to read the BrainTrend thread. As far as I understand, Ricky is using the retail version of BrainTrend. Since it costs money he also tested it with BrainTrend clones.

It is my understanding (and purely mine), that the clones do more or the same as the retail version. The signals are not used in Ricky's system, only the stops need to be on the right side of deal (out of the way) and there the BT versions match up most of the time. The worse that can happen is that you skip a deal, but you won't make a false deal due to the differences, because the BT-Stops are just used as show-stoppers.

Ricky seems to use this system with success, but he seems to be an experienced trader. He shared it because everybody pestered him to disclose the details and now here we are to see if we can put it to good use or not.

Ricky: Clarification, Tools, BrainTrend, Trading in General (Post #82)

The MA's are use for me to know just how the current price relates to past and present. The 5 and 20 help know if it is a good direction to take a trade. The 5 on top shows a "better" long than short, the 5 on the bottom of the 20 show a "better" short. The 100 and 200 tell me if I am taking a long position way out on a "extrem" they also are strong resistance and will slow or stop a move.

The M lines on the Pivots are Mid Pivot points you indicator also has camarilla lines as well but I don't use those they are set to "false". It is up to you if you choose to use anything I do but I do use the indicators as set and use the Mid points to determine entries if they are too

close. I want to have a good chance to make 10 pips + spread when I make an entry.

I do use the real Brain Trend indicators, I have a couple of friends who use my system and they use the clones I sent you, they work for them and the indicators have not shown a problem with the system. If you read the rules you will see I only use the Bt2stop to make sure they don't block a move on entry. They show "good resistance" and it has to be a strong move to go past them if they are in place against the trade.

I am finding it is hard to put what you do perfectly on paper, there are always small judgement calls you are making all the time and they can not even be taught let alone put on paper. But the most of it is in the rules. And if the rules had much more it would be hard to follow.

As for the volume issue, I have had all good signals but the trade goes nowhere because the volume is not up. What is a good volume? I wish I could give a good answer but it depends on the pair and the time. And there are a few times when the price make a run and I look at the indicators and volume and say what is going on? There are times in the market that nothing makes sense but it is still doing whatever.

Sounds as if some of you like a clean screen without a lot on it. I do too but the indicators are "my tool box" and I am only as good as the tools I have. I want to know all I can about the game I am playing so the screen gets "used". I can now watch the indicators and tell you what is going on, on the chart. So to me they are all serving a purpose. You choose to use whatever you are most comfortable with and use them. I use the 100 and 200 MA why? I have taken a long position and been hanging out there and the price never came back to let me out. I don't like buying or selling in extremes, I will let pips go so as not to get out where I can only lose or wait a week to get profit, I don't have deep pockets like the managers, and it is MY money I am losing. And history says if it passes the 100 and 200MA it is going to turn and come back and that leaves me out on the wrong side of the MA and my pocket with me.

Some of you will not like waiting for the ADX to come into play because it cost you pips and that will drive you crazy. So take the jump for early pips and after you get burned in a few trades you will see it is better to lose what you never had than to loss out of your account what you DID have for real. This is a business and there are expenses, it is better when the expense doesn't come directly out of "your" pocket. But YOU choose how you are going to enter YOUR trades, I am telling how I enter mine that is the best I can do. When I trade with some one I tell them why or why not I am going to enter, then THEY decide if they are going to put there money on the line to enter, not me. It is YOUR money you are playing with and MINE that I am playing with and we will all make our decisions.

Oh well, sorry if it sounded hard but we are playing a hard game with real money on the line. I want to win a little for myself and you want to win a little for yourself. I am just telling you how I do it, it doesn't have to make sense to you but this is how I do it and why. The way you trade has to fit you, that is why even after making money with FX Wizard and Brain Trade, FX Money Maker, and more, I made this to better suit ME and in the process make more by taking what worked from all I have used.

I think I answered all the stuff so far, good luck today! Use and choose YOUR tools wisely.

Ricky: More about the System and Trading (Post #89)

The key here is to not give up or walk away from anything discouraged or thinking you just can't..... So, study the indicators first and decide what you can do with this information. I

showed you how to spot a spike often has nothing to do with the news. That alone is worth more pips than some of you are getting now. Go after those alone and with what you are doing now. Little by little you can "see" what is happening on the charts as it relates to the indicators. I put a new indicator on my charts for weeks and just see if it tells me anything. Put these indicators on your charts and run the cross hair over it slowly and see how the chart and indicators act and react together. It is much better than backtesting because "you" are learning something. That is how and why "these" indicators are on this system. That is how I found the spike set up. I first learned to read the bars, 1, 2, 3, etc. Now when I am ready to take a trade if I see three flat tops together I wait before I go with that direction etc. Everything being done has value, but do you see it? Can you slow down long enough to "use" it? Practice it?

Rules, the reason they are there is no keep us out of "bad" trades, every time I lose on a trade I try to see why and add a rule to help me avoid the mistake a second time. Indicators, the reason they are there is to help me see a good trade. So every rule I take out, and every indicator I take out means I will make the mistake that the rule or indicator was meant to help me avoid. I paid for every rule and every indicator that comes with my system. I share them in hopes you can avoid those same mistakes and not have to pay the price for.

I trade with a friend and he keeps getting mad and taking an indicator off or ignoring the rules. After he loses and complains I remind him of the choice he made and he puts it back on or starts following the rules again. He says why are you not taking a position on that, I say, because the rules say no! He laughs and at the end of the trade is no longer laughing.

You think I am here just to help you, but truth is I look for you to help me also. You have many good ideas and will share them with me and will challenge me as to why I so somethings, then I will have to see if something is really important or valid. We all learn and the system will be made better. If only one of you becomes a better trader then this will be most worth while.

Let's trade this and MAKE it work even better than it is now. When you see the need for a rule or indicator lets add it and lets make some money at this business we are in. LET'S DO IT!

Shimodax: About Sytem Trading/Mechanical Trading

However, I followed a thread on on system trading in a German forum for some time, these guys have spent years to develop an automatic trader for index futures. I've learned quite a bit there, and there are two important thing to mechanical trading.

First: Markets change. There is an effect called overoptimization. What it means is that if you fit the system too tightly to a specific market situation it will fail quicker when the markets and moves change ever so slightly. A robots system on the other hand may not catch every good deal, but will not create too many fals signals in different market situations or pairs. One good example is the FxOverEasy system on S'Builders forum. It performed quite well in EURUSD/August, but failed miserably on the same pair in February, March and May and in some other currencies. Behaviour was very erratic if the conditions changed. This is the good thing in backtests. Make a modification that serve you, test it for some time (but these test times are always limited in time) and then check how the change performs on a sample of data (time period) towards which it was not optimized. What may be a Winner in September may fail you in October ... and a backtest that indicates can give a hint to such situations.

The second thing is losses. What system traders say is: Losses are not your enemy, it's part of the system. Generally in system trading the goal is to have 50% or more winners and an exit strategy that has a higher average win than than the average loser. It's like betting roulette on colors with a 50:50 chance of winning, but getting a profit of 1.5 per win and only a loss of 0.8 per loser. Everybody could see that this would produce solid returns over a statistically meaningful period. Trying to get a system (or in our case the Combo indicator) much higher, will most likely result in overoptimization. As they say ... losses are part of every system, just keep them smaller than the wins and everything will be fine.

All this applies to mechanical trading, but maybe as well for human driven trades (you can't beat statistics ;-)).

CREATING YOUR OWN EXPERT-ADVISOR ON RD-COMBO

Here is a code snippet in case, you want to create an expert advisor based on the combo indicator.

Note: The Combo indicator is quite intense in cpu usage, it is only recommended to use for a new bar.

```
if (OnlyTradeFullBars) {
    if (Volume[0]>1)
        return(0);
    else
        lookupidx= 1; // look at the values of the
                    // previous bar (recently completed bar)
}
else {
    lookupidx= 0;
}

graylevel= iCustom(NULL, 0, "RD-Combo", 0, lookupidx);
redlevel= iCustom(NULL, 0, "RD-Combo", 1, lookupidx);
greenlevel= iCustom(NULL, 0, "RD-Combo", 2, lookupidx);
intrade= iCustom(NULL, 0, "RD-Combo", 3, lookupidx);

if (greenlevel!=0)
    result= greenlevel;
else
if (redlevel!=0)
    result= redlevel;
else
    result= 0;

Print("Result =", result, " (combo: green= ", greenlevel,
      ", red= ", redlevel, ", gray= ", graylevel,
      ", intrade= ", intrade, ")");

if (result>=ComboTriggerLevel) { // LONG
    doopen= OPENLONG;
}

if (result<=-ComboTriggerLevel) { // SHORT
    doopen= OPENSHORT;
}
```