

# Dynamic Grid Trend Following

Multiple Entry – Multiple Exit

*Disclaimer: Using this Expert Advisor is entirely at your own risk. Losses due to unexpected behavior of the EA are possible. Do not trade live until you have extensively tested on demo and until you understand how it works.*

The Dynamic Grid Trend Following (DGTF) EA is a trade manager that uses the principles as laid out by Emmanuel7788 in Trading Made Simple (TMS). It is my own interpretation of the ME/ME method. Important note is that the EA is not entirely the same as what he uses. If you are unfamiliar with the concepts of ME/ME, you should first read the material in the TMS thread.

## General Settings

- **Trend**

The EA is a trade manager. It does not generate any signals. The user needs to indicate whether to buy or sell.

If you want to BUY, then choose Trend = 1

If you want to SELL, then choose Trend = -1

Any other value for Trend will not work.

The EA will scan for existing trades. If you have manually executed a trade, it will search for this and continue from there. If there is no existing trades, the EA will handle the first order. If there is an existing trade, make sure your Trend value is the correct one. (i.e. Trend=-1 and an existing buy will not work)

- **Target**

This is your final target profit level. If price breaches this level, it will close the existing basket and abort. Important is a correct value for Target. If you are buying, Target needs to be above the current price. If you are selling, Target needs to be below the current price. If this input is wrong, the EA will not start trading and ask you to change the value.

- **End on SL**

Default set to *True*.

When set to *True*, the EA will stop when your SL is hit. If you set this to *False*, the EA will re-open a new basket in the same Trend direction when your SL is hit.

For actual trading, leave this set to *True*. Setting the value to *False* can be used for back testing.

## Position Sizing

The EA has 3 different options for position sizing. You can use the fixed lot size, the volatility-based lot size and the stop loss-based lot size. Choose one of the three values. The EA sets flexibility over risk management. This is important to keep in mind. A given Risk Percentage is used to calculate the position size but the actual stop loss is set independent of the Risk Percentage. There are combinations of settings that guarantee appropriate risk mgt but you need to figure this out yourself. I advise using very conservative values until you really understand what you are doing.

Default the EA is set to 0.01 fixed lot size for all entries.

- **Fixed lot size**

Size: base lot size for all entries.

Increment: multiplier for Entry 2+.

If you set Increment to 1, all entries will be done using the Size variable. If you set Increment to 2, every subsequent entry will be twice the previous' entry Size. Thus if you set Size= 0.01 and Increment= 2 the following position sizes will be used:

ME1: 0.01

ME2: 0.02

ME3: 0.04

ME4: 0.08

ME5: 0.16

Any value for Increment can be used.

- **Volatility based**

EA will calculate position size based on the Risk Percentage given and the ATR multiple. All calculations are done with the Account Equity value. Please note that the actual Basket risk depends on the choice of your SL. Setting Risk Percentage to 1% will not guarantee you cannot lose more than this.

- **Stop loss based**

EA will calculate position size based on the Risk Percentage given and the distance to the stop loss (See next section for more on stop losses). For a very wide stop loss, the calculated position size could be smaller than the minimum allowed lot size of your broker. The EA will set the lot size to the minimum allowed. Thus, in this case, it cannot be guaranteed your risk does not exceed your Risk Percentage value.

- **Scale-In**

Default is set to *False*. If you set this option to *True*, the EA will use realized profits in the position sizing calculation. This is an aggressive option. Keep in mind that there is no limit on this. If you leave the option set to *True*, it will use all realized profits until the trade turns against you. This option is only useful if you hit the Target level or if you set it back to *False* during the trade. If you wish to reset the Realized profit counter you need to remove the EA and attach it again.

## Grid options

The default values of the EA is using  $0.5 * \text{ADR}(100)$  as a grid with a minimum 4H delay between a maximum of 5 entries. The EA does not use limit orders but rather checks conditions and sends a market order when evaluated to do so.

- **Use ADR Grid**

You can use any multiple of the  $\text{ADR}(100)$  as your grid. Conservative for position traders is to use 0.5 as advocated by Emmanuel. However, more aggressive traders can use smaller grid sizes. I advise doing a lot of testing before using smaller grids.

- **Minutes Delay**

If you do not want to use any time delay between entries, simply set this value to 0. Default is set to 240, which is a minimum of 4H.

- **Use 15M X**

The EA has an option to use the 15M TDI cross as entry signals. It can be used both stand-alone or in combination with the ADR grid. The safe approach is to use it in combination. Using this option alone for entries will no longer make this a “grid” approach.

- **MaxEntries**

Maximum amount of entries for the basket. Default is set to 5.

## Stop loss options

The EA only uses a HARD stop loss that is sent to your broker. Trade invalidation or cut-losses need to be done manually. By default, the EA will use a 2-week lookback SL. Other options are  $x\text{ADR}(100)$ -trailing SL with a given multiple, fixed pips-trailing SL or a technical fixed SL. You have to choose a trailing SL. You cannot combine.

The Expert will print important actions in the “Experts” tab in the Terminal. If you have suggestions about the EA you can always share, but I do not guarantee they will be used in further development. You can also report bugs (of which I am sure that there are still remaining), but please do so in an informative way so I can at least have some idea what was going on. Again, I do not guarantee that all issues will be addressed as I want to take a step back from the development of the EA. I hope some better coders can step in and help out.