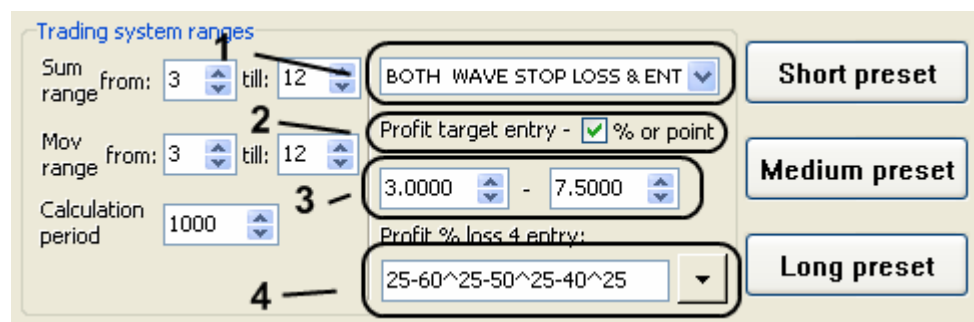


TrendMedium 2.75 has several new features compared with TrendMedium 2.50.

- STOP rules
- Out Of Sample test feature
- Auto Adjust for finding optimal stops
- Margin Ratio and Commission settings will help finding optimal parameters.

How to Set Up the Trading System Parameters:



1. There are 10 possible stop rules.

<u>Stop Rule</u>	<u>Entry Rule</u>	<u>Exit Rule</u>
DO NOT USE STOPS	no stop rule used	no stop rule used
LONG ENTRY PRF.	long positions only	profit target only to exit/sell
SHORT ENTRY PRF.	short positions only	profit target only to exit/buy
BOTH ENTRY PRF.	both long and short positions	profit target only to exit both
LONG ENTRY & STOP LOSS	long positions only	profit target and/or stop loss to exit (sell)
SHORT ENTRY & STOP LOSS	short positions only	profit target and/or stop loss to exit (buy)
BOTH ENTRY & STOP LOSS	both long and short positions	profit target and/or stop loss to exit
LONG WAVE STOP LOSS & ENTRY	long positions only	profit target and/or stop loss keep in the trend by wave s
SHORT WAVE STOP LOSS & ENTRY	short positions only	profit target and/or stop loss, and keep in the trend by wave stop rule
BOTH WAVE STOP LOSS & ENTRY	both short and long positions	profit target and/or stop loss, and keep in the trend by wave stop rule

2. Define Profit Target in terms of % from last or average close (if box checked), or in point value (box not checked).

3. Define the Profit Target and STOP LOSS, optimize start and finish range.

For example: % Profit Target- 3 means 3% profit of price is the target; Point Target- 0.0033 for EUR/USD means 33 pips profit is the target.

4. WAVE STOP RULE string.

The Wave Stop Rule is my own development. It allows the model to be in the trend for as long as possible.

You should define wave values separated by the ^ character. The last value is a single number, not a range.

What do these values mean? 10-35 means that TrendMedium 2.75 will stay with the trend with an initial loss (wave down) between 10 min. and 35% max. Consider this method to be a stop loss on the positions equity curve, and not the price. It allows for a drop in equity from the “high water mark” of between 10 and 35%, to be a wave. Less than 10% is a minor correction and not a wave; more than 35%, and the position is closed.

For example, consider a setting of a 4% Target and a 30-60^30-50^30-40^30 Profit Trailing Wave Stop Rule.

You have entered a Long position at a price of \$100, and the profit target is 4%.

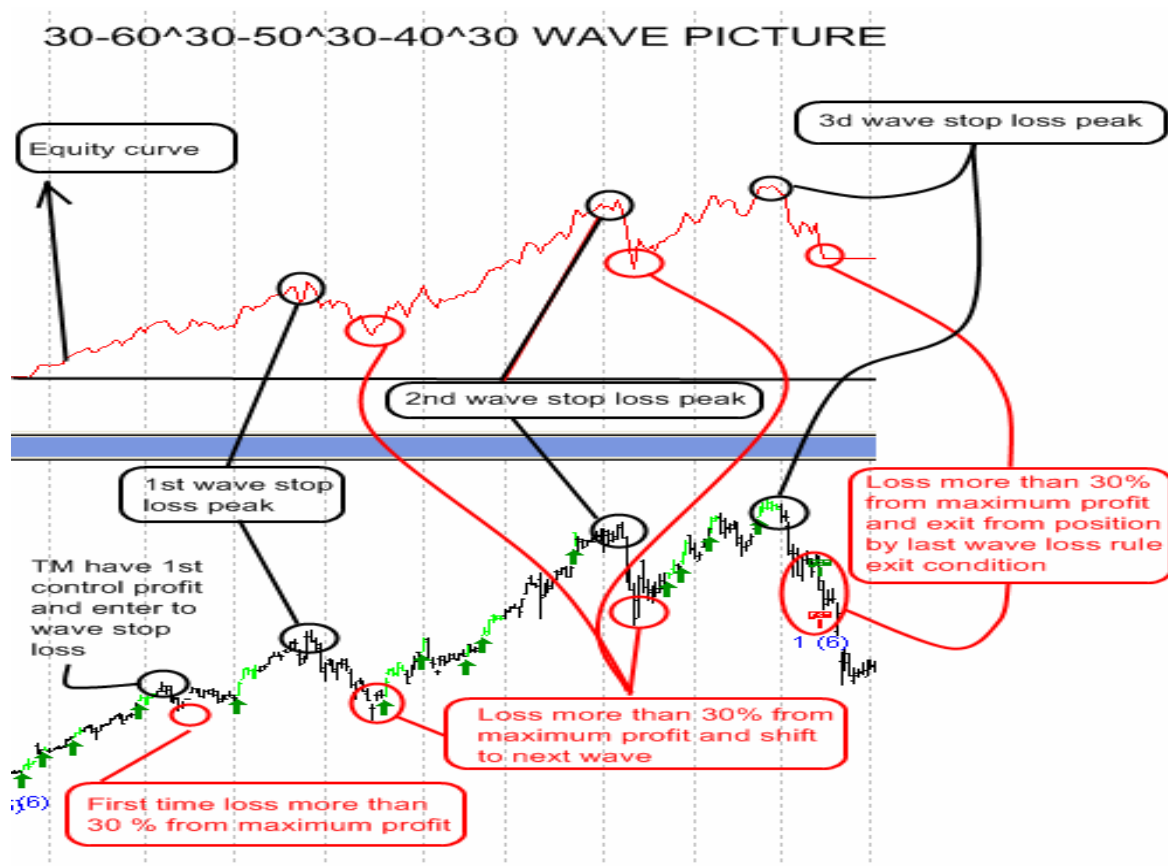
When the price is over \$104, the Wave Stop Rule will start for this position.

TrendMedium 2.75 will stay with this trend and position if the profit loss is between 30% and 60%. It would close the position if the profit drops below a 60% loss.

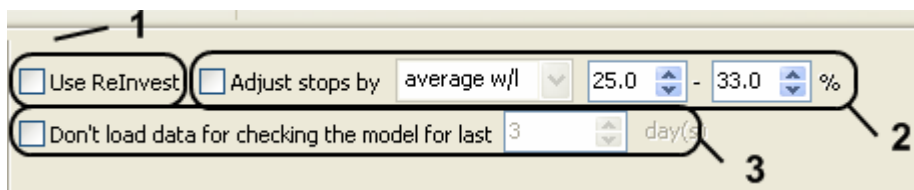
If the profit loss is more than 30% but less than 60% TrendMedium 2.75 will keep the position. If the profit loss is less than 30% TrendMedium 2.75 will wait then next Wave Stop range of 30%-50%. It'll enter to this Wave Stop range when profit loss will be more than 30%. And step by step it will go to the last Wave Range of 30%.

In that case, TrendMedium 2.75 will wait for a position loss of 30% from the maximum profit and then close the position.

See example graph below:



Additional parameters.



1. This feature will allow you to use, or not to use, Reinvesting profits during the system calculation.

2. This will allow you to specify the Out Of Sample period in days. After the trading system model calculates, you can see how the TrendMedium model works in the future.

Angled arrows show TrendMedium 2.75 signals walking forward bar by bar using this model without the benefit of the future data. Straight arrows show the current TrendMedium 2.75 signals using all data.

3. Adjust Stops will run 2 iterations. The first iteration will run a system calculation without stops. Then TrendMedium 2.75 calculates the average win / loss values and sets the stops from the defined range.

“w/l” means win & loss value; “l” means loss value; “w” means win value.

This power feature allows the system to adjust to current market volatility.