



Auto News Trader Strategies

Predict The news

This strategy is very simple, just predict the market movement direction after news release, then set the plugin to open Buy or Sell order before or during news release. This method can maximize the profit and avoid slippage because order is opened when market is still idle, but it also can be harmful for you, when choosing to trade in wrong direction. This strategy is for traders who are willing to take risks.

This strategy assumes that the trader has some inside information or his own source of information or his own analysis. He knows in advance that after news release which direction price will move. Trader need not be so sophisticated or have high level contacts to trade this strategy. From experience, many traders have a bias regarding the direction of price move after news release. Many a times, markets move is a surprise, something good is announced and markets surprises everyone by moving against the announcement. Suppose key financial data is to be announced at 10:00:00 AM and a trader has a view that EUR/USD will rise after that data release. He can setup to trade this event automatically at the data release time and relax, while the news trader manages this trade for him.



Trader usually buys just before news release time 10:00:00 AM because at news release, there might be rapid price movement with wider spreads. So, trader sets up his trade to place Buy position few seconds before news release time, for example 10 seconds before news release. So, in effect he buys his position at 9:59:50 and ready to take advantage of the high volatility expected at 10:00:00

Symbol	<input type="text" value="SYMBOL"/>	Lot Size	<input type="text" value="0.1"/>	Strategy	<input type="text" value="Predict News"/>	Open	<input type="text" value="Buy"/>	at	<input type="text" value="60"/>	second(s) before news release	
Stoploss at	<input type="text" value="1000"/>	pip(s)	Takeprofit at	<input type="text" value="2000"/>	pip(s)	Trailing SL	<input type="text" value="500"/>	pip(s)	Start at	<input type="text" value="0"/>	pip(s) from entry
<input type="checkbox"/> Hide Stoploss											
<input type="button" value="Apply"/>											

How to configure this strategy

- Symbol - Default currency associated with the news release, select the Symbol to trade from the list.
- Lot Size – Default value is 0.1, but trader can choose any lot size.
- Strategy – Trader picks one strategy from the available options, in this case, it is Predict News.
- Open – Pick from “Buy” or “Sell”, the options available here. This depends on the trader’s view of price direction after news release. In the example above, trader picks “Buy”
- At x seconds before news release – Here the trader specifies when the plugin will place buy or sell. Default is 60 seconds, but trader can choose any value here. Time unit allowed is seconds only.
- Stop Loss – Stop loss level in pips. This stop loss is applied to the trade. The plugin, opens the new position at the specified time as market order, and after the position is opened, it applies the specified stop loss and take profit levels.
- Take Profit – Profit level from opened position entry point in pips.
- Trailing SL – Trailing Stop loss in pips. Trailing stop loss is a special kind of stop loss. After trade is opened, if the position moves in favor by specified number of pips, then trailing stop loss will become active. It will apply a stop loss below the highest point price reached after position opened in case of buy position. It will continue to modify the stop loss, as price moves higher and higher. This will lock in profits and exit the position when a counter price move begins. Value of 0 means no trailing stop loss is applied. So, trader can turn on and off trailing stop loss feature.
- Start at – This define the level to start trailing stop loss. If it is 0, then trailing stop loss will start at the trailing SL level entered above step.

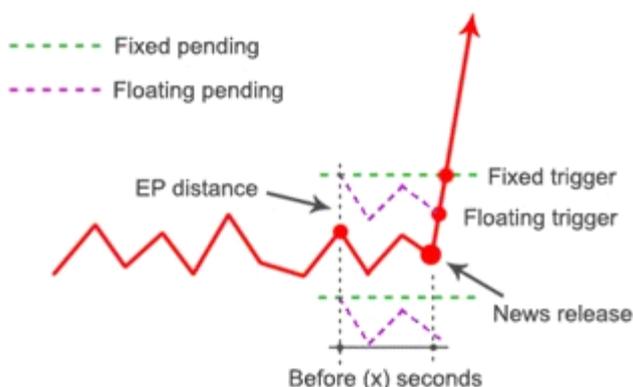
Predict The news

- Hide Stop loss. – This hides the stop loss to brokers. The plugin evaluates the stop loss hit conditions on every tick and if stop loss is hit, it will immediately closes the position as a market order. This is useful when trader has apprehensions about stop running by big hands. When stop loss is not hidden, it places normal stop loss and take profit on the opened orders normally. One point to be noted is that, if the plugin is closed or connection is lost, then the stop loss and take profit orders will not fire from plugin at the appropriate time, when the stop loss is hidden.

Pending Trap

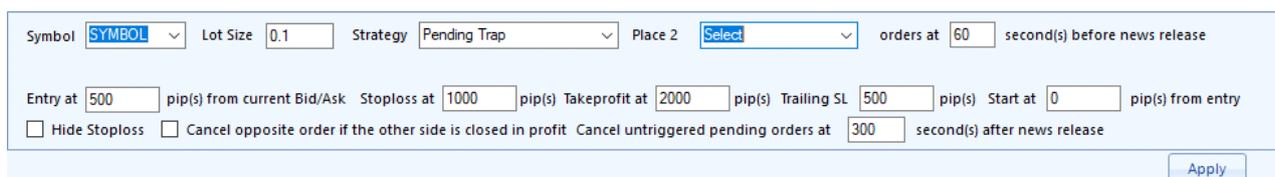
This is a typical strategy used when high volatility is expected. The trader places 2 opposite orders, one buy and another sell, at a fixed distance from current price. Because of the high volatility, strong price move in one direction will happen at these times. Thus, one order gets triggered and move into profit immediately. This is a breakout trading strategy. Sometimes both orders get triggered when the price direction suddenly reverses.

This is typical strategy that places two opposite pending stop orders before news release to catch the breakout. Regardless of direction of the price move, we expect a large jump and it will trigger one of the pending orders. In this strategy, setting a reasonable SL, TP and trailing SL is critical.



Pending Trap

How to configure this strategy (Common fields described in detail earlier are not explained here again)



The screenshot shows a configuration window for the 'Pending Trap' strategy. The fields are as follows:

- Symbol: SYMBOL (dropdown)
- Lot Size: 0.1 (input)
- Strategy: Pending Trap (dropdown)
- Place 2: Select (dropdown)
- orders at: 60 (input) second(s) before news release
- Entry at: 500 (input) pip(s) from current Bid/Ask
- Stoploss at: 1000 (input) pip(s)
- Takeprofit at: 2000 (input) pip(s)
- Trailing SL: 500 (input) pip(s)
- Start at: 0 (input) pip(s) from entry
- Hide Stoploss
- Cancel opposite order if the other side is closed in profit
- Cancel untriggered pending orders at: 300 (input) second(s) after news release
- Apply (button)

-Symbol

-Lot

-Strategy – In this case it is “Pending Trap”

-Place 2 – Here options available are Fixed Stop and Floating Stop.

-Fixed Stop – Here plugin places orders just before news release, for example 30 seconds before news release. Buy Stop and Sell Stop orders are placed at fixed pips (set in the strategy) from the bid and ask rates at the time of order placing. One concern is before news release there might be high volatility and these orders may get triggered in false movement before news release. This can be eliminated by Floating stop orders.

-Floating Stop – In this case, after placing the 2 orders, the order is continuously monitored until news release time. Thus, it avoids false breakouts before news release.

Pending Trap

-Orders at x seconds before news release

-Entry at – This is the distance from current bid ask to place the orders. Suppose the bid ask at time of order placement are 1.12345 and 1.12349. Then stop buy order is placed at $1.12349 + 50$ pips and Sell order is placed at $1.12345 - 50$ pips.
Stop Loss

-Take Profit

-Trailing Stop

-Start at (trailing stop)

-Hide Stop Loss

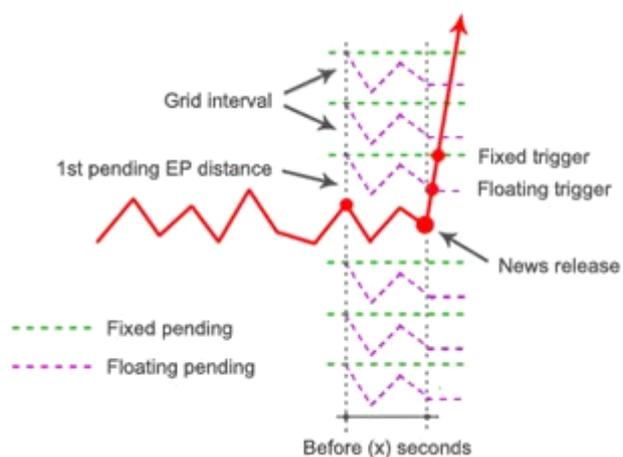
-Cancel opposite order if the other side is closed in profit.

-Cancel untriggered order at x seconds after news release – This is straight forward, we expect high volatility at news release and the breakout trade must happen immediately after news release. If it does not happen, then there is no rise in volatility at the news release due to lackluster trading or news is as expected by the market operators. Usually high volatility comes when there is a surprise in released data, that is the released data deviates significantly from the consensus forecast published by experts. This consensus data is available in the economic calendar.

Grid Pending Trap

Like pending trap strategy, but grid pending trap strategy sets a series of pending orders (like a grid). This strategy catches the price move in smaller parts and sums them up in the result.

In this strategy, many orders are placed above and below current bid ask at fixed intervals as shown in image. The key point is as price breakout and move in the breakout direction, we add to our profitable position, maximizing profit.



Symbol	<input type="text" value="SYMBOL"/>	Lot Size	<input type="text" value="0.1"/>	Strategy	<input type="text" value="Grid Pending Trap"/>	Place 2 x	<input type="text" value="3"/>	<input type="text" value="Select"/>	orders at	<input type="text" value="60"/>	second(s) before news release
First entry at	<input type="text" value="500"/>	pip(s) from current Bid/Ask, with grid interval	<input type="text" value="500"/>	pip(s)							
Stoploss at	<input type="text" value="1000"/>	pip(s)	Takeprofit at	<input type="text" value="2000"/>	pip(s)	Trailing SL	<input type="text" value="500"/>	pip(s)	Start at	<input type="text" value="0"/>	pip(s) from entry
<input type="checkbox"/>	Hide Stoploss	<input type="checkbox"/>	Cancel opposite order if the other side is closed in profit	<input type="checkbox"/>	Cancel untriggered pending orders at	<input type="text" value="300"/>	second(s) after news release				
<input type="button" value="Apply"/>											

The only additional item to be setup in this strategy is the grid interval (place 2 x 3, means 3 orders) and the grid interval in pips. All other items are same as that in Pending Trap strategy.

Martingale Pending Trap

Also known as “Never lose again” strategy, martingale strategy uses lot size increase to cover its previous losses (if any). This is great when combining with news, when the price usually has big move. However, do not set the initial lot size too large since if there are spikes on the news, your account will be margin called before price moves in one direction.

Martingale position sizing is a special position sizing strategy. Suppose the first trade stops out, then plugin opens opposite position at stop loss level with double lot size. Then again if we stop out, plugin doubles the lot size and opens new trade. This process continues until plugin close one trade in profit or the maximum lot size trader can handle is reached. There is high risk in this kind of position sizing, as with a sequence of losing trades, the lot size will increase to big numbers. So we advice to use this strategy with caution.



To setup this strategy, the new items needed in trade panel are “Scaled Lot Size” and “Repeat This x Times”. Scaled lot size is the lot size multiplication factor after a losing trade. Repeat this x times sets the number of times this process of opening trades when stop loss is hit with scaled lot size.

Symbol	SYMBOL	Lot Size	0.1	Strategy	Martingale Pending Trap	Place 2	Floating Stop	orders at	60	second(s) before news release				
If any order triggered, then opposite pending order will be opened at it's SL with scaled lot size. Scaled lot size = 2 x previous lot size. Repeat this 2 times.														
Entry at	500	pip(s) from current Bid/Ask	Stoploss at	1000	pip(s)	Takeprofit at	2000	pip(s)	Trailing SL	500	pip(s)	Start at	0	pip(s) from entry
<input type="checkbox"/>	Hide Stoploss		<input type="checkbox"/>	Cancel opposite order if the other side is closed in profit		<input type="checkbox"/>	Cancel untriggered pending orders at		300	second(s) after news release				
<input type="button" value="Apply"/>														

Actual News Release

This strategy waits until the actual report of the news is loaded, then compare it to forecast/previous data in order to decide the direction of the trade. This strategy is suitable for important news that impact the market in mid to long-term.

This is based on the released data. The released data is compared to consensus forecast by experts or against previous data. If there is significant deviation in announced data, then a strong directional move in price is expected. The strategy takes advantage of this.



The plugin manages this strategy by collecting the released data from sources and then comparing released data. This may take little time, may be 10-20 seconds to get the released data. Then the strategy fires the trade as defined in the strategy setup panel.

Symbol	<input type="text" value="SYMBOL"/>	Lot Size	<input type="text" value="0.1"/>	Strategy	<input type="text" value="Actual News Release"/>										
If actual is	<input type="text" value="Higher"/>	than	<input type="text" value="Consensus"/>	by	<input type="text" value="0.00"/>	then	<input type="text" value="Buy"/>	If actual is	<input type="text" value="Lower"/>	than	<input type="text" value="Consensus"/>	by	<input type="text" value="0.00"/>	then	<input type="text" value="Sell"/>
		Stoploss at	<input type="text" value="1000"/>	pip(s)	Takeprofit at	<input type="text" value="2000"/>	pip(s)	Trailing SL	<input type="text" value="500"/>	pip(s)	Start at	<input type="text" value="0"/>	pip(s) from entry		
<input type="checkbox"/> Hide Stoploss		Not trade if actual data is loaded later than <input type="text" value="300"/> second(s) after news release													
<small>*Caution Depending on news and data source, actual data may be loaded slower than its official announcement time</small>															<input type="button" value="Apply"/>

-Symbol

-Lot

-Strategy = Actual News Release

-If actual Is – Higher or Lower (options). This defines the comparison operator. Than Consensus/Previous – Defines the actual data is to be compared against consensus or Previous data.

-By 0.00 – This defines the amount of difference between actual released data and consensus/previous data. If the difference is high, then a big price move is expected. For each news release trader must pick a suitable level of difference to open trade. Here only numeric value can be entered. Currency sign, percentage symbol etc. must be avoided.

-Then Buy/Sell – The action to take when the difference is greater than threshold level. When all these items in the panel are read together it makes better understanding. “If Actual Is Higher/Lower than Consensus/Previous by x.xx then Buy/Sell”

-Next part defines the criteria for opposite trade. This means if the difference between consensus and released data is greater than a certain number, then open buy trade and if difference is less than a certain number then open sell trade. These together defines the buy and sell criteria. After news release, the announced data is fetched from the source, comparison is made and order is fired accordingly.

-No trade if actual data is loaded later than 300 seconds. Here user can enter the time in seconds. When the data is received from sources too late, the price move have already happened and we are late to open trade. This handles the maximum time we wait for released data. If the data is not received in the stipulated time, we do not trade.