

Advanced Droid Tactics

Based on Forex MegaDroid™ Basic v1.11

**Alternative Setups for Trading with the Forex MegaDroid™
Version 3.0 Updated 7/23/09**

Beta Edition

**Experimental Setups Based on Back Testing
and Preliminary Risk Analysis**

<http://www.fxrobotman.com>

<http://www.droidtactics.com>

Do You Still Need to Buy a Forex MegaDroid License?

<http://www.fxrobotman.com/recommends/forexmegadroid>

droidtactics@gmail.com

Copyright Information

REPRODUCTION AND OR TRANSLATION OF ANY PART OF THIS WORK BY ANY
MEANS ELECTRONIC OR MECHANICAL INCLUDING PHOTOCOPYING BEYOND
THAT PERMITTED BY COPYRIGHT LAW WITHOUT THE PRIOR WRITTEN
PERMISSION OF THE PUBLISHER IS UNLAWFUL.

Copyright © 2009 by DroidTactics.com

All Rights Reserved under International and Pan-American Copyright Conventions.
Published in the United States by DroidTactics.com

License Agreement ("Terms of Use" or "Agreement")

Required Disclaimer and Risk Warnings

The Droid Tactics and/or FX Robot Man web site (the "Site") is an online information service provided by the Advanced Droid Tactics owner and author ("ADT" or "Droid Tactics" or "FX Robot Man"), subject to your compliance with the terms and conditions set forth below and at <http://www.droidtactics.com/terms/>.

Trading any financial market involves risk. All contents of the DroidTactics.com and/or FxRobotMan.com websites, associated websites, special reports, user manuals or any other publications, documents or correspondence are neither an endorsement, nor a solicitation of any sort, and cannot be considered as a promotional offering or an offer or solicitation to purchase or sell any financial instrument.

Although every attempt has been made to assure accuracy, we do not give any express or implied warranty as to its accuracy. We do not accept any liability for error or omission. Examples are provided for illustrative and educational purposes only and should not be construed as investment advice or strategy. No representation is being made that any account or trader will or is likely to achieve profits or losses similar to those discussed in this publication. Past performance is not indicative of future results.

All information you receive is unsolicited, private encoded communications of privileged, proprietary, and confidential information for you only and by purchasing or using the given product you agree to keep this information private, confidential, and protected from any disclosure. You agree to indemnify, defend and hold harmless Droid Tactics and/or FX Robot Man, its owners, authors, officers, directors, employees, agents, publishers, licensors, suppliers and any third party information providers to the Service from and against all losses, expenses, damages and costs, including reasonable attorneys fees, resulting from any violation of this Agreement (including negligent or wrongful conduct) by you or any other person accessing the Service.

The information provided herein is not intended for distribution to or for use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject us to any registration requirement within such jurisdiction or country. Should any of the practices described herein turn out to be unlawful in any jurisdiction, individuals pursuant to its legislation should restrain from any intentions or attempts to apply them in any manner, either personally or in partnership with other individuals or entities. Unauthorized copying and distribution of all or parts of this product are strictly prohibited and will result in civil liability and criminal charges brought against the violators and their aides.

Hypothetical performance results have many inherent limitations, some of which are mentioned below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and actual results subsequently achieved by any particular trading program.

One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect trading results. There are numerous other factors related to the market in general and to the implementation of any specific trading program, which cannot be fully accounted for in the preparation of hypothetical performance results, all of which can adversely affect actual trading results.

U.S. Government Required Disclaimer

Commodity Futures Trading Commission Futures and Options 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 futures, FOREX and options markets. Do not trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures, foreign currency or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed by Droid Tactics and/or FX Robot Man, their respective websites or in any other of its publications or communications. The past performance of any trading system or methodology is not necessarily indicative of future results.

Risk Disclosure

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. Your actual trading may result in losses as no trading system is guaranteed. You accept full responsibilities for your actions, trades, profit or loss, and you agree to indemnify, defend and hold harmless Droid Tactics and/or FX Robot Man, its owners, authors, officers, directors, employees, agents, publishers, licensors, suppliers and any third party information providers to the Service from and against all losses, expenses, damages and costs, including reasonable attorneys fees, resulting from these actions or trading decisions (including negligent or wrongful conduct) by you or any other person accessing this service and any other associated content and publications.

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-OVERCOMPENSATED 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 purchasing any Droid Tactics and/or FX Robot Man product or software, subscribing to our mailing lists, using our websites, or any associated publications or content serves as your acknowledgment and representation that you have read and understand these TERMS OF USE and that you agree to be bound by such TERMS OF USE ("Agreement").

Droid Tactics and/or FX Robot Man, their authors, representatives and associates do not and cannot give investment advice. We reserve the right to change this Agreement without notice. You may check for updates to this disclaimer at any time without notification. The content of this publication and all related websites and correspondence are copyright and may not be copied or reproduced.

Additional Terms of Use Can be found at:
<http://www.droidtactics.com/terms/>

Table of Contents

CAVEAT EMPTOR	5
INTRODUCTION	5
Why Advanced Tactics	6
Advanced Tactics Methodology.....	6
The "Default" Setting	7
Default GmtOffset by Broker	7
The Key Charts.....	8
Broker Specific Examples	8
Aggressive & Recovery Settings.....	9
Note on the New NFA Regulatory Environment	9
The Two Key Setup Types	10
The "ADT Overlap Setup"	10
The "ADT Unified Setup"	10
Possible Magic Number Settings for Each Setup	11
One Potential Issue with the "ADT Unified Setup"	11
Hypothetical Performance	12
The Default -2 Chart	13
Recovery Mode	13
Risk Level Settings	13
What is Your Drawdown Tolerance?.....	14
Risk Levels for "ADT Overlap Setup"	15
Risk Levels for "ADT Unified Setup"	16
Save Your Templates.....	17
How to Save a Template	17
Do Not Trade Fridays!	17
Concluding Remarks.....	18
Using Discretion	18
Hypothetical Results and Preliminary Risk Guess-timates	18
Appendix A - Summary Back Test Data by GmtOffset	19
Note: Risk Levels	20
Appendix B - Comprehensive "ADT Overlap Setup" Risk Tables	21
Appendix C - Comprehensive "ADT Unified Setup" Risk Tables	23
Appendix D - NFA Compatible Version of "ADT Unified Setup"	25

CAVEAT EMPTOR

Let me be clear. I am in no way recommending that you follow my lead and trade real money with MegaDroid using the Advanced Tactics setups I will be describing herein. I am providing the details of my unique MegaDroid setups simply for informational purposes.

I am not a member of the MegaDroid Development Team or in any way a part of their company. The Advanced Droid Tactics ("ADT") have not been recommended nor approved by the MegaDroid Development Team. This report stands by itself and the views presented herein are completely my own and do not represent the views or opinions of the MegaDroid Development Team.

These setups should be traded, tested and evaluated on a demo account and by reading this document you agree that you alone are responsible for the results. You accept full responsibilities for your actions and trading decisions and any and all related profits and losses resulting from those decisions.

INTRODUCTION

The Forex MegaDroid™ system is one of the first Expert Advisors I have come across that has actually produced consistent results for me. The basic version of the system is designed to scalp trade the EURUSD four days a week during the Asian session, and even then only when a very restrictive set of conditions are met. The system does not take that many trades. This is by design and is what allows the system to boast of such an impressive winning percentage.

This high winning percentage is also what allows users to take larger risks per trade, and further, is it enables the system to use a built in Recovery Mode which doubles the lot size after a losing trade to take advantage of the unlikely result of a string of losses.

The down side of not trading very often is that some traders have become accustomed to automated trading robots which are always active in the market. Going several weeks with a couple of trades turns out to be a very frustrating scenario for many MegaDroid customers.

How often a system trades should never be the primary criteria for whether or not to purchase or retain a trading system. Rather, a system should be assessed based on whether or not the risk/reward, returns and draw downs fit within the specific trading plan and risk preferences of each individual trader.

My personal trading plan seeks to earn a 10% monthly return while keeping draw downs as low as possible (preferably in the range of 5-20%). In order to meet this criteria with Forex MegaDroid™ you need to set the Risk Level = 8-9% with all other settings at their default levels.

This is great! Forex MegaDroid™ fits perfectly into my trading plan!

Why Advanced Tactics

If Forex MegaDroid™ already meets your trading plan criteria why mess around with a good thing?
Why mess around with "Advanced Tactic" setups at all?

Those are good questions.

1. My goal is to see if I can increase the trade frequency of MegaDroid while still maintaining a profitable system. If I can profitably get more trades and more pips, then I can also reduce my risk per trade while still maintaining the same 10% return per month OR increase my return beyond 10% while still maintaining the same draw down level (and accelerate recovery time during drawdown periods).
2. The built in Recovery Mode makes me uneasy at higher levels of risk. I know some people who are trading MegaDroid with a risk level of 30% per trade. This means that they immediately face a 30% draw down on a loss and then the risk goes up to 60% on the next trades under the recovery mode. This is insane to me. If I can earn more pips then I am less tempted to take higher risks for the same level of return.

(And like many of you, no matter how irrational it is, I would prefer to see more trade activity.)

Advanced Tactics Methodology

Okay. Enough background, theory, and philosophy. The Advanced Tactics setup system is quite simple and many of you may have already experimented with something similar.

1. Open three (or four) separate EURUSD H1 charts and trade MegaDroid on each chart using a different GmtOffset for each one: Default-2 (optional, more risky), the MegaDroid Default chart and a Default+4 and Default+6 chart.
2. Adjust the Aggressive setting and the Recovery Mode setting to get the best profit factor for each chart based on that chart's GmtOffset value. You must also choose between the "ADT Overlap Setup" option or the "ADT Unified Setup" option (or a mix of the two).
3. Choose the draw down level you can tolerate based on your psychological risk preferences and trading plan goals. Use the recommended risk setting tables to set the appropriate Risk Level for each individual chart.
4. Manually disable the Default +4 chart and the Default +6 chart before 1:00 GMT time on Friday of each week. MegaDroid will still trade these charts on Friday if we don't turn them off, and Friday trading is rarely profitable for MegaDroid.

The "Default" Setting

Important! Throughout this document whenever I refer to the **"Default"** chart for MegaDroid™ I will be referring to the default recommended **GmtOffset** value for your particular broker.

If you have not already done so, you need to determine the appropriate default GmtOffset before continuing any further. You can do this by simply attaching MegaDroid to the EURUSD H1 chart in your trading platform with GmtOffset=0, and AutoGmtOffset=true. Now quickly jot down the GmtOffset value displayed in the white system comments on your chart.

Once you know your value (i.e. +0 for IBFX, +3 for FXDD) then go back into your default MegaDroid charts settings, set AutoGmtOffset=false, and then manually enter that value into the GmtOffset field. I simply do not trust the AutoGmtOffset to always handle the trade times correctly and feel that this value should be set manually by everyone.

Default GmtOffset by Broker

The latest version of the Forex MegaDroid™ user manual lists the following GmtOffset values:

	Live Trading	Back Testing
ForexMeta	+3	+3
FXDD	+3	+3
InstaTrader	+3	+2
Alpari	+2	+1
Gallant FX	+1	?
Interbank FX	+0	+0
ODL	+0	+0
Forex.com	+0	?
I-Trade FX	-4	-5

The Key Charts

Now that you know what your Default GmtOffset value is you are prepared to setup the four key charts of the Advanced Droid Tactics trading methodology. Basically you will be adding and subtracting some numbers to determine the appropriate GmtOffset for each chart:

Chart One GmtOffset = Default -2 (optional, more risky)

Chart Two GmtOffset = Default

Chart Three GmtOffset = Default +4

Chart Four GmtOffset = Default +6

It is very important that you set the **AutoGmtOffset = FALSE** on every single chart just to make sure that each chart is trading with exactly the GmtOffset value that you are looking for.

Broker Specific Examples

Forex.com (Default GmtOffset = 0)

Chart One GmtOffset = -2

Chart Two GmtOffset = 0

Chart Three GmtOffset = 4

Chart Four GmtOffset = 6

Alpari UK (Default GmtOffset = +2)

Chart One GmtOffset = 0

Chart Two GmtOffset = 2

Chart Three GmtOffset = 6

Chart Four GmtOffset = 8

FXDD (Default GmtOffset = +3)

Chart One GmtOffset = 1

Chart Two GmtOffset = 3

Chart Three GmtOffset = 7

Chart Four GmtOffset = 9

I-Trade FX (Default GmtOffset = -4)

Chart One GmtOffset = -6

Chart Two GmtOffset = -4

Chart Three GmtOffset = 0

Chart Four GmtOffset = 2

Aggressive & Recovery Settings

Now that we have the four key charts identified we want to set the **Aggressive** setting and the **Recovery Mode** setting to maximize the profit factor of each individual chart. If you are interested in more detailed data from the back testing used to identify the best charts you can find the summary tables in **Appendix A**.

Setting the Recovery Mode = TRUE does carry more risk so if you are uncomfortable with using the Recovery Mode on a particular chart then just use the best of the two settings for the Recovery Mode = FALSE option.

	GmtOffset =	Aggressive =	Recovery Mode =
Chart One (optional, more risky)	Default -2	FALSE	TRUE (ADT Overlap) FALSE (ADT Unified)
Chart Two	Default	FALSE	TRUE
Chart Three	Default +4	TRUE	TRUE
Chart Four	Default +6	TRUE	TRUE

Note on the New NFA Regulatory Environment

For those of you using an NFA regulated USA broker, the new "First In, First Out" rules (FIFO) may have changed how your MT4 platform functions and is able to handle orders.

Update: It appears that InterbankFX (IBFX) customers can continue to trade their EA's on the MT4 platform with no changes at all. IBFX is dealing with the new FIFO rules through their back-office accounting – thus no changes are being made to the trading functionality of their MT4 platform.

If you want to trade with hedging (which may possibly occur with the ADT Overlap setup) then you will need to be trading with a non-NFA regulated broker. The only one in the U.S. that I know of is FXDD, but you could also open accounts at FSA regulated brokers in the UK which still allow for hedging. Possible UK brokers include Alpari UK, Forex.com UK and FXCM UK.

****** If you need to make sure MegaDroid only has one trade open at a time then you will need to set **Aggressive = FALSE** on every chart, and will also need to use the **"ADT Unified Setup"** option described in the next section. **See Appendix D for the quick setup table for this option.**

The Two Key Setup Types

The final piece before discussing the risk settings involves how to set the "**S1_Reference**" and "**S2_Reference**" numbers on each chart. These numbers can also be called the "**Magic Numbers**" which is how they are referred to in the MQL4 programming language.

The "**Magic Numbers**" are what allows MegaDroid to identify which trades belong to the system and which trades belong to which strategy. These numbers allow MegaDroid to know which trades it is supposed to be managing.

The "ADT Overlap Setup"

If you set the "**S1_Reference**" and "**S2_Reference**" numbers (respectively) to different values on each chart then each chart will trade the **S1** and **S2** strategies independent of the other charts.

I will call this the "**ADT Overlap Setup**" because trades from one chart will be allowed to overlap with trades from the other charts. **You will get more trades and more pips with this setup option!**

This means you could have multiple **S1** and/or multiple **S2** trades opened at the same time.

Important! This Can Result in "Hedged" Entries if Allowed by Broker

If your broker allows you to engage in "hedging" it is possible (though probably rare) for the "**ADT Overlap Setup**" to have two MegaDroid trades in opposing directions opened at the same time. i.e. An open **S1 SELL** trade from the +4 chart alongside an **S2 BUY** trade from the +6 chart.

The hypothetical results below assume this to be the case. It is not a big deal if your broker does not allow you to open hedged positions, but you may get slightly different results.

The "ADT Unified Setup"

If you set the "**S1_Reference**" and "**S2_Reference**" numbers (respectively) to the same values across all four of the charts, then MegaDroid will trade them as if it is simply one large unified chart with extended trading hours. Therefore, I will call this the "**ADT Unified Setup**".

No matter which setup chart originated the trade, each individual chart will believe that every opened trade belongs to it. The key feature of this setup is that only one **S1** trade and/or one **S2** trade will be opened at any given time. **You might get slightly fewer trades with this option compared to the ADT Overlap setup, but it is still better than the default MegaDroid setup!**

Note: If you only want one MegaDroid trade to be open at any given time (perhaps because of the way your broker has decided to deal with the new NFA requirements described on page 9 above) then you should consider using the settings in **Appendix D**.

Possible Magic Number Settings for Each Setup

	"ADT Overlap"	"ADT Unified"
Default -2 (optional, more risky)	S1_Reference = 21 S2_Reference = 22	S1_Reference = 1 S2_Reference = 2
Default	S1_Reference = 1 S2_Reference = 2	S1_Reference = 1 S2_Reference = 2
Default +4	S1_Reference = 41 S2_Reference = 42	S1_Reference = 1 S2_Reference = 2
Default +6	S1_Reference = 61 S2_Reference = 62	S1_Reference = 1 S2_Reference = 2

One Potential Issue with the "ADT Unified Setup"

Although I have not personally witnessed it yet there is a potential issue with the **"ADT Unified Setup"** causing a **"Trade Context Is Busy"** error in the MT4 platform.

The reason this may occur is that MT4 only allows one EA to enter orders at any given time. Because each of the four ADT charts will identify and try to manage any open trades there could potentially be four orders entered simultaneously by MegaDroid to close a trade.

MegaDroid has built in checks to avoid placing orders if the "Trade Context is Buys" so I don't think this will be an issue. I just wanted to give you a heads up in case you start getting "Trade Context is Busy" errors showing up in your Experts tab of the MT4 terminal.

Hypothetical Performance

Forex MegaDroid™ was released at the end of March 2009 for the first full trading week in April 2009. The Advanced Droid Tactics setups were initially developed by running multiple back tests and optimizations using the Alpari, IBFX and ODL platforms at 90% modeling quality.

I focused on the period from April 2009 through the first week of July 2009 to isolate the main charts to trade, and then extended the back testing period as far back as January 2003 to verify their feasibility. The performance of each chart seems to remain viable over that period.

I am currently testing these setup on forward running demo accounts (and some live money) using the IBFX and Forex.com UK platforms. I have since terminated the IBFX demo account due to the NFA regulations going into effect August 1st, 2009.

Results of Different Setups

MegaDroid : Just trade MegaDroid as is out of the box with the default settings.

ADT Unified: Trade MegaDroid on four separate charts using **identical** S1_Reference and S2_Reference numbers on each chart so that only one S1 and one S2 trade can be opened at a time. This also allows the Recovery Mode to be engaged on any chart regardless of which chart made the losing trade.

ADT Overlap: Trade MegaDroid on four separate charts using **different** S1_Reference and S2_Reference numbers so that each chart trades independent of the others. If your MT4 broker allows hedging this also means one chart could have an open SELL and another chart could have an open BUY at the same time. **Analytical limitations make it difficult to estimate the performance of the Overlap setup, but it is expected to be as good as and probably better than the ADT Unified Setup.**

Hypothetical Trading Results April 5th - July 3rd 2009

	Number of Trades	Pips Earned	Winning %	Return on 15% Draw Down	May Involve Hedging
MegaDroid	45	296	95%	65%	NO
ADT Unified	149	605	93%	140%	NO
ADT Overlap	149-195	600-1100	93-95%	157% - ??	Depends on Broker

The Default -2 Chart

The Default -2 chart has been performing pretty well in the past several months (going back to April), but actually struggled through parts of 2007 and became especially more volatile and less consistent through the financial crisis in 2008 and the first quarter of 2009.

It is for this reason that I consider the Default -2 chart to be a slightly riskier option to include in the ADT setups. That being said, the performance from 2003-2006, and also since April of 2009 suggest that it has some serious potential with profit factors >2 and reasonable draw downs during those periods as well.

Recovery Mode

If you want to include the Default -2 chart in your ADT setup then you should consider carefully how to set the Recovery Mode setting.

Because the Default -2 chart may be considered more risky and less reliable in certain market conditions I think it best to keep the **RecoveryMode = FALSE** for this chart. You will only get a slight bump in the profit factor using **RecoveryMode = TRUE** with a very large comparative increase in the draw downs.

If you really have the desire to trade the Default -2 chart with **RecoveryMode = TRUE** then please only do that on the ADT Overlap setup, or at least set the Default -2 charts **S1_Reference** and **S2_Reference** numbers to be **different than the other three charts**.

By taking a more conservative approach to the Default -2 chart I feel more comfortable about still including it within the ADT setups.

Risk Level Settings

I have taken a slightly different approach to developing the recommended risk settings for trading MegaDroid with the ADT setups.

Most trading systems will tell you how much to risk in order to earn a certain percent return. For instance, to earn the types of returns advertised on the MegaDroid sales webpage you might have to risk 20-30% per trade.

However, once I identify a profitable system I care a lot more about the maximum amount I can risk without exceeding my draw down or risk tolerance levels than I do about trying to earn outrageous return percentages.

For instance, how much can you risk without experiencing a drawdown greater than 15%?

In the study of economics, finance and psychology there is a phenomenon that is referred to as “Risk Aversion” which is the observation that people generally hate losing money more intensely than the love winning money. We hate losing 5% much more than we will love making that same 5% in profit.

Whether this is rational or not is the subject of many an academic article, but rather than fight this phenomenon we ought to acknowledge it as a reality of trading psychology. This is why I will define the risk settings in terms of the hypothetical draw downs you might experience with those particular levels of risk.

What is Your Drawdown Tolerance?

Every trader should have a well defined and written down trading plan. Part of this trading plan should define what strategies or systems you will use, what your return expectations are and what your draw down expectations are.

My personal Forex trading plan is looking for monthly returns on the order of 10% with draw downs in the neighborhood of 15-20%. That 15% is based on my own trading experiences and a little self-reflection. Sitting at a 15% loss I usually feel pretty comfortable sticking to my trading plan. Once I hit the 20-25% range I feel uneasy, and at 30-35% I start being irrational.

So, what is your draw down risk tolerance? Once you can give an honest and conservative answer to that question you can then use the risk setting tables below to customize your Advanced Droid Tactics setups to match your own personal risk tolerance.

These risk tables are not perfect and are based on past results. That being said they should at least get you in the right neighborhood.

Risk Levels for "ADT Overlap Setup"

					Draw Down Risk Tolerance															
	Aggressive	Recovery	Magic Numbers		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
Default -2 (optional, more risky)	FALSE	FALSE	S1 = 21 S2 = 22	Risk Level =	0.05	0.06	0.07	0.08	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18	0.19
Default	FALSE	TRUE	S1 = 01 S2 = 02		0.06	0.07	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.16	0.17	0.18	0.19	0.20	0.21	0.22
Default +4	TRUE	TRUE	S1 = 41 S2 = 42		0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.11
Default +6	TRUE	TRUE	S1 = 61 S2 = 62		0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.09	0.10

Instructions

Simply choose the level of draw that you think is acceptable from the columns in the right half of the table and then set the Risk Level setting on each respective ADT setup chart according to the recommended level in that column.

If you have decided to trade with slightly different settings for your charts a comprehensive list of all possible charts and their respective risk levels can be found in **Appendix B**.

Risk Levels for "ADT Unified Setup"

					Draw Down Risk Tolerance															
	Aggressive	Recovery	Magic Numbers		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
Default -2 (optional, more risky)	FALSE	FALSE	S1 = 01 S2 = 02	Risk Level =	0.04	0.05	0.06	0.07	0.08	0.09	0.10	0.11	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18
Default	FALSE	TRUE	S1 = 01 S2 = 02		0.05	0.06	0.07	0.08	0.09	0.10	0.12	0.13	0.14	0.15	0.16	0.17	0.18	0.19	0.20	0.21
Default +4	TRUE	TRUE	S1 = 01 S2 = 02		0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.09	0.09	0.10	0.10	0.11
Default +6	TRUE	TRUE	S1 = 01 S2 = 02		0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.09

Instructions

Simply choose the level of draw that you think is acceptable from the columns in the right half of the table and then set the Risk Level setting on each respective ADT setup chart according to the recommended level in that column.

If you have decided to trade with slightly different settings for your charts a comprehensive list of all possible charts and their respective risk levels can be found in **Appendix C**.

Save Your Templates

Once you have either the “ADT Overlap” and/or the “ADT Unified” setup on your trading terminal it is highly recommended that you save each separate chart as a “Template” from within MT4. This will make it easier to get back up and running each weekend after you shut down the Default +4 and Default +6 charts every week on Thursday evening (before Friday at 1:00 GMT).

How to Save a Template

Working one by one through each chart you simply right-click on the chart and then select "Template > Save Template...". Give the template a descriptive name such as "ADT_Overlap_minusTwo_14pct_risk". Do this for each of the four charts in your setup.

Now all you have to do to get each chart up and running in your setup is to open a fresh EURUSD H1 chart, right-click on the chart, select "Template > " and then simply choose one of your saved templates to apply to the chart. This will instantly restore MegaDroid to the chart with the appropriate settings along with any other indicators you had on your template chart.

[Beta Edition: I plan to create a video tutorial on how to save templates for the ADT setups]

Do Not Trade Fridays!

Just in case you missed **point #4 of the ADT Methodology** on page 5 above let me repeat that you must manually shut down the Default +4 and the Default +6 charts before 1:00 GMT on Fridays. The way MegaDroid filters Friday trading will not prevent those charts from placing trades.

Depending on market conditions it might not be the end of the world if you forget to do this, but you will get much better results by not allowing trades to be opened on Friday. The hypothetical results listed on page 11 also assume that you DO NOT trade on Fridays.

What to do on Thursdays

The easiest way to do this, is to just wake up on Thursday morning and see if there are any trades still open for the Default +4 or the Default +6 chart. As soon as all of those trades are closed out (usually by 14:00 GMT) then simply close the Default +4 and Default +6 charts.

What to do on Mondays

At some point on Monday when the market opens back up just take a few minutes to re-load your Default +4 and Default +6 charts. The easiest way to do this is to open to fresh charts and then apply the templates you saved for the Default +4 and Default +6 charts as described previously.

Concluding Remarks

It has been my experience that the Forex MegaDroid™ is a quite powerful and consistent automated trading robot. However, like most automated systems, it is even more effective when used a trading tool rather than a black-box.

MegaDroid is a scalping system the uses overbought and oversold conditions during the ranging period of the Asian session to consistently "scalp trade" for profits. Because of this, trading conditions and world events may make trading this type of system inappropriate at times.

Using Discretion

Do not be afraid to shut MegaDroid down if you have reason to believe that the Asian market session might be too volatile or too trendy for MegaDroid to successfully trade. If there are major news releases in Europe or Asia that may have a large impact on the markets, then you might want to use a little discretion and let MegaDroid sit it out on the sidelines. You might miss out on some profits, but you might also miss out on some large draw downs.

Again, think of MegaDroid as a trading tool rather than as a set-and-forget black-box trading machine. It works great as a set-and-forget trading machine, but sometimes a little discretion can go a long way if you are savvy in your approach and intuition.

Hypothetical Results and Preliminary Risk Guess-timates

Although I have made every effort to carefully analyze how MegaDroid trades as well as the particular performance metrics of each chart in the ADT setups it is important to remember that I am human and the analysis is based on back tested results from past data.

The risk levels and setup details are all based on my best efforts to improve the performance of MegaDroid and to provide a guide book and set of tools for you to use in your own trading - but past results are no guarantee of future performance. **Please be prudent in your approach to trading the ADT setups and fully vet them by trading demo accounts - I can make no guarantees as to the viability or performance of these setups.**

Beta Edition: Forthcoming Tools

In future editions of "Advanced Droid Tactics" I plan to include: 1) analysis and performance of ADT setups on forward testing accounts, 2) video tutorials on setting up ADT and saving templates, 3) a custom indicator to help predict MegaDroid trading conditions and 4) a video on how to use MegaDroid as a tool for manually entering scalping trades by hand.

Appendix A -

Summary Back Test Data by GmtOffset

These tables contain the key summary data used to identify the highest profit factor charts used in the Advanced Droid Tactics setups. The one exception in the data below is the Default -2 chart where I have relied on back test data going back to 2003. Although **RecoveryMode=TRUE** has a higher PF for the Default -2 chart in the tables below, this advantage in recent months is not enough to justify the higher risks for that chart. The results were obtained through 90% modeling quality back-testing using the IBFX platform on EUR/USD tick level data from 04/05/09 - 07/05/09.

	= 1st Best Chart to Trade
	= 2nd Best Chart to Trade

Chart One = Default -2

Aggressive	Recovery Mode	Total trades	Profit factor	Expected Payoff
FALSE	FALSE	37	2.27	3.63
FALSE	TRUE	37	2.89	5.39
TRUE	FALSE	47	1.47	2.42
TRUE	TRUE	47	2.02	5.17

Chart Two = Default

Aggressive	Recovery Mode	Total trades	Profit factor	Expected Payoff
FALSE	FALSE	37	8.92	7.53
FALSE	TRUE	37	9.42	8.01
TRUE	FALSE	45	4.13	7.14
TRUE	TRUE	45	4.67	8.38

Chart Three = Default +4

Aggressive	Recovery Mode	Total trades	Profit factor	Expected Payoff
FALSE	FALSE	45	3.59	5.39
FALSE	TRUE	45	4.21	6.66
TRUE	FALSE	59	5.68	7.42
TRUE	TRUE	59	6.4	8.56

Chart Four = Default +6

Aggressive	Recovery Mode	Total trades	Profit factor	Expected Payoff
FALSE	FALSE	41	1.75	2.66
FALSE	TRUE	41	2.4	5
TRUE	FALSE	62	3.92	6.88
TRUE	TRUE	62	4.57	8.41

Note: Risk Levels

At first I was quite hesitant to include the Recovery Mode = TRUE charts in the ADT setups. Because of the increased number of trades and the increased probability of a string of losses there is the potential for the risks to escalate when using Recovery Mode = TRUE.

However, I quickly realized that by using the ADT Overlap strategy each chart would be managed independently, and the increased number of pips from the ADT trading setups allows us to trade the system with overall lower levels of risk per trade with a similar level of trading results.

Thus, I decided to stick with the highest profit factor charts for the core ADT setups.

Appendix B -

Comprehensive "ADT Overlap Setup" Risk Tables

Default -2 Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.05	0.06	0.07	0.08	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18	0.19
FALSE	TRUE		0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.09	0.09	0.10	0.10	0.11	0.12
TRUE	FALSE		0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.08	0.09	0.09
TRUE	TRUE		0.02	0.02	0.03	0.03	0.04	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.07	0.08	0.08

Default Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.06	0.08	0.09	0.10	0.11	0.13	0.14	0.15	0.16	0.18	0.19	0.20	0.21	0.23	0.24	0.25
FALSE	TRUE		0.06	0.07	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.16	0.17	0.18	0.19	0.20	0.21	0.22
TRUE	FALSE		0.03	0.03	0.04	0.04	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.11
TRUE	TRUE		0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.09

Appendix B - cont'd

Comprehensive “ADT Overlap Setup” Risk Tables

Default +4 Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.04	0.05	0.06	0.07	0.07	0.08	0.09	0.10	0.11	0.12	0.12	0.13	0.14	0.15	0.16	0.16
FALSE	TRUE		0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.09	0.09	0.10	0.10	0.11	0.11
TRUE	FALSE		0.03	0.04	0.04	0.05	0.06	0.06	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.11	0.12	0.13
TRUE	TRUE		0.03	0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.11

Default +6 Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.04	0.05	0.06	0.07	0.08	0.08	0.09	0.10	0.11	0.12	0.13	0.13	0.14	0.15	0.16	0.17
FALSE	TRUE		0.03	0.04	0.05	0.05	0.06	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.12	0.12	0.13	0.14
TRUE	FALSE		0.03	0.04	0.05	0.05	0.06	0.07	0.07	0.08	0.09	0.09	0.10	0.11	0.11	0.12	0.13	0.13
TRUE	TRUE		0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.09	0.10

Appendix C -

Comprehensive "ADT Unified Setup" Risk Tables

Default -2 Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.04	0.05	0.06	0.07	0.08	0.09	0.10	0.11	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18
FALSE	TRUE		0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.07	0.07	0.08	0.08	0.09	0.09	0.10	0.10	0.11
TRUE	FALSE		0.02	0.03	0.03	0.04	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.09
TRUE	TRUE		0.02	0.02	0.03	0.03	0.03	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.07	0.07	0.07	0.08

Default Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.06	0.07	0.08	0.09	0.11	0.12	0.13	0.14	0.15	0.17	0.18	0.19	0.20	0.21	0.22	0.24
FALSE	TRUE		0.05	0.06	0.07	0.08	0.09	0.10	0.12	0.13	0.14	0.15	0.16	0.17	0.18	0.19	0.20	0.21
TRUE	FALSE		0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.09	0.10	0.11
TRUE	TRUE		0.02	0.03	0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.06	0.07	0.07	0.08	0.08	0.09

Appendix C - cont'd

Comprehensive “ADT Unified Setup” Risk Tables

Default +4 Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.04	0.05	0.05	0.06	0.07	0.08	0.08	0.09	0.10	0.11	0.12	0.12	0.13	0.14	0.15	0.15
FALSE	TRUE		0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.08	0.08	0.09	0.09	0.10	0.10	0.11
TRUE	FALSE		0.03	0.04	0.04	0.05	0.05	0.06	0.07	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.11	0.12
TRUE	TRUE		0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.07	0.08	0.09	0.09	0.10	0.10	0.11

Default +6 Chart

			Draw Down Risk Tolerance															
Aggressive	Recovery		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
FALSE	FALSE	Risk Level =	0.04	0.05	0.05	0.06	0.07	0.08	0.09	0.09	0.10	0.11	0.12	0.13	0.13	0.14	0.15	0.16
FALSE	TRUE		0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.12	0.12	0.13
TRUE	FALSE		0.03	0.04	0.04	0.05	0.06	0.06	0.07	0.07	0.08	0.09	0.09	0.10	0.11	0.11	0.12	0.12
TRUE	TRUE		0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.06	0.07	0.07	0.08	0.08	0.09	0.09

Appendix D -

One Trade at a Time Version of “ADT Unified Setup”

If for some reason you only want to allow MegaDroid to carry one open trade at a time – either to meet your own trading style preferences or perhaps because of certain trading restrictions with your broker – then you should consider using the following setup.

To accomplish this you need to use the “ADT Unified Setup” and use Aggressive = FALSE for every single chart. The summary setup table and respective risk levels are as follows:

					Draw Down Risk Tolerance															
	Aggressive	Recovery	Magic Numbers		5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
Default -2 (optional, more risky)	FALSE	FALSE	S1 = 01 S2 = 02	Risk Level =	0.05	0.06	0.07	0.08	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18	0.19
Default	FALSE	TRUE	S1 = 01 S2 = 02		0.06	0.07	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.16	0.17	0.18	0.19	0.20	0.21	0.22
Default +4	FALSE	TRUE	S1 = 01 S2 = 02		0.03	0.03	0.04	0.04	0.05	0.05	0.06	0.06	0.07	0.08	0.08	0.09	0.09	0.10	0.10	0.11
Default +6	FALSE	TRUE	S1 = 01 S2 = 02		0.03	0.04	0.05	0.05	0.06	0.06	0.07	0.08	0.08	0.09	0.10	0.10	0.11	0.12	0.12	0.13

THE END

<http://www.fxrobotman.com>
<http://www.droidtactics.com>

Do You Still Need to Buy a Forex MegaDroid License?

<http://www.fxrobotman.com/recommends/forexmegadroid>

droidtactics@gmail.com

Copyright Information

REPRODUCTION AND OR TRANSLATION OF ANY PART OF THIS WORK BY ANY MEANS ELECTRONIC OR MECHANICAL INCLUDING PHOTOCOPYING BEYOND THAT PERMITTED BY COPYRIGHT LAW WITHOUT THE PRIOR WRITTEN PERMISSION OF THE PUBLISHER IS UNLAWFUL.

Copyright © 2009 by DroidTactics.com

All Rights Reserved under International and Pan-American Copyright Conventions.
Published in the United States by DroidTactics.com