

Increase the Profit of Any Expert Advisors

I came across this technique by accident. I was testing a feature for an Expert Advisor I was building for a client. This technique - like most powerful techniques - is actually pretty simple. But there are a few important secrets to make the whole thing work.

You see, I was building a feature that was designed to close a trade based on profit alone, in dollars. My client did not want to use a take profit. Actually, in this case, the client was not so much trying to hide his stops from his broker (more on that later). He mostly wanted to close trades on consistent *dollar* values across different account types and different currency pairs. I called the feature a "profit manager".

Whenever I create a new EA for a client, I test it first using the back-tester and after that looks good, I forward test on a live demo account. My testing is pretty exhaustive. I like to test on all 4 of the major currency pairs and in both directions. So, while testing this feature, I randomly opened a few orders on the EURUSD and the GBPUSD. Sometimes in the same direction - sometimes in opposite directions.

This is where it gets weird. Whenever I randomly opened a few trades, ran the "profit manager" with a target of about \$200 and then left the EA to run for a while - to my amazement - about 80% of the time, the trades were closed for the \$200 profit! This was on randomly opened trades!

Now it may seem obvious, but to take advantage of this technique, you need to open more than one trade, each on a different currency pair. You can open these trades manually, using your discretion as a trader, or automatically using any EA.

In either case, you just run a "profit manager" EA that monitors the total profit of all of your trades and closes all of them the *instant* the profit target is reached.

The key to this technique is that the EA is able to *constantly* monitor all of your trades, sum the profit and losses of all open trades, and close all of the trades the

second the profit target is reached. Even if it's only reached for 1 millisecond. It's simply crazy how often this happens.

This works with any type of trading system: breakout, trend following, reversals. It does not seem to matter. It also does not even seem to matter if the trading strategies are very similar and are run on correlated pairs.

For example, the EURUSD and the GBPUSD tend to move together. (This is called *positive* correlation). Now, even if you run the same exact EA on both of these pairs, the "profit manager" stills grabs a profit most of the time. And that's a good thing, because *all* of the currency pairs are actually correlated in some way.

It seems there is enough noise in the FX markets that at some point the collective profit of your open trades reaches the profit target most of the time.

Of course, we can do better than randomly opening trades. When you use even a really, simple trade-entry strategy - something better than random - to increase your odds of opening a winning trade and then combine it with the "profit manager", you can do much better than 80%.

There are a couple of important things I found:

- It's better to open the trades without a stoploss or takeprofit value. I'm not particularly paranoid about brokers stop-hunting my trades, but the "profit manager" technique works better with very large, or no stops. **Warning:** If you lose your internet connection, or your EA stops running for any reason, the trades will not have a stoploss. This can be *really* bad.
- You must set a maximum loss target. The FX market is volatile, so you can, and will, sustain some losses. It's important to have a maximum amount that you can lose. Common sense and decent money management imply the maximum loss should be, at a minimum, about the same as the profit target. The maximum loss should never be significantly larger than the profit target. For example, a max loss of \$1,000 and a profit target of \$200 are not good. That's not trading - that's just waiting for a disaster.

- I like to avoid news events. It may work in your favor, but it's not likely. News events create super-volatile markets. There may be a way of trading news events with this technique, but I choose to stay away.
- If you use an EA to open your trades, you can assign each trade a unique number that can be used to identify the trade. This is called a "magic number". When your trades have magic numbers you can monitor different sets of trades with different profit targets. This helps quite a bit as some currencies tend to be more volatile than others.

So to recap, here is the technique:

- Manually, or programmatically, open 1 position for 2 or more currency pairs. The direction (long or short) does not matter. Use whatever direction you think has a better probability of winning.
- Set the stoploss and takeprofit values to zero or a very large number. This will prevent any single trade from being stop-hunted.
- Run a "profit manager" EA. It's pretty simple: On each tick, calculate the sum of the profit and losses of all trades and if the sum is greater than your target, *immediately* close all of the trades.
- Important: Also check for a maximum loss on each tick, and close the trades if the loss exceeds your maximum. *I know it hurts*, but you have to close the trades if the loss becomes too great. This is one reason why EA's are great for trading. The EA will close the trades without emotion. *Closing losing trades manually is extremely difficult and is the number 1 reason most traders fail.*
- Remember, the maximum loss should be about the same as the profit target. Don't be tempted to set a large loss and a small profit target. It will work for a while, but eventually you'll get hit hard and lose all of your gains.

- If you want to get fancy, have the "profit manager" use a magic number to manage sets of trades. This way you can customize the targets for different currency types.

I hope you find this technique useful. I'm sure if you combine it with some of your own strategies it will help you make money.

If you have any experience writing MQL code to build Expert Advisors you should be able to create your own "profit manager" pretty easily.

If you're interested in a ready-made solution, I offer a very inexpensive package that includes the profit manager EA and two breakout EA's, one for the EURUSD and another for the GBPUSD. [Click here for more information.](#)

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