

PIP Accumulator

Trading Strategy Manual

U.S. Government Required Disclaimer - Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risks. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading system or methodology is not necessarily indicative of future results.

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-OVER COMPENSATED 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.

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 the actual results subsequently achieved by any particular trading program.

Hypothetical trading does not involve financial risk, and no hypothetical trading record can Completely account for the impact of financial risk in actual trading.

All information on the website or any e-book purchased from the website is for educational purposes only and is not intended to provide financial advice. Any statement about profits or income, expressed or implied, does not represent a guarantee. 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 agree to hold Pip Accumulator and any authorized distributors of this information harmless in any and all ways. The use of this system constitutes acceptance of our user agreement.

Table of Content

1. Introduction
 2. How To Setup MT4 Platform
 3. How To Setup Pip Accumulator
 4. How To Setup Charts
 5. Pip Accumulator Trading Plan
 6. Trade Example
 7. Money Management
 8. Final Thoughts & Common Mistakes
 9. Frequently Asked Questions
 10. Question And Support
-

INTRODUCTION

Please Read this manual fully before continuing.

Thank you for purchasing Pip Accumulator. This manual has been written in order to enable you to make informed trades when following the Pip Accumulator trading strategy.

The Pip Accumulator strategy is a highly lucrative strategy that works on multiple currencies and has been optimized rigorously.

Pip Accumulator places different weight upon a number of indicators over different timeframes, to forecast prices of diverse currency pairs. The values are then passed through an intelligence system, which predicts the master probability of the trend.

You are therefore able to use different variations of the system in order to diversify and make your trading more profitable.

HOW TO SETUP MT4 PLATFORM

Please start trading first on a demo account, in order to firstly become acquainted with the system.

The Pip Accumulator Trading System has been designed and coded to be deployed over a free platform called Meta Trader 4 offered by innumerous FOREX dealers.

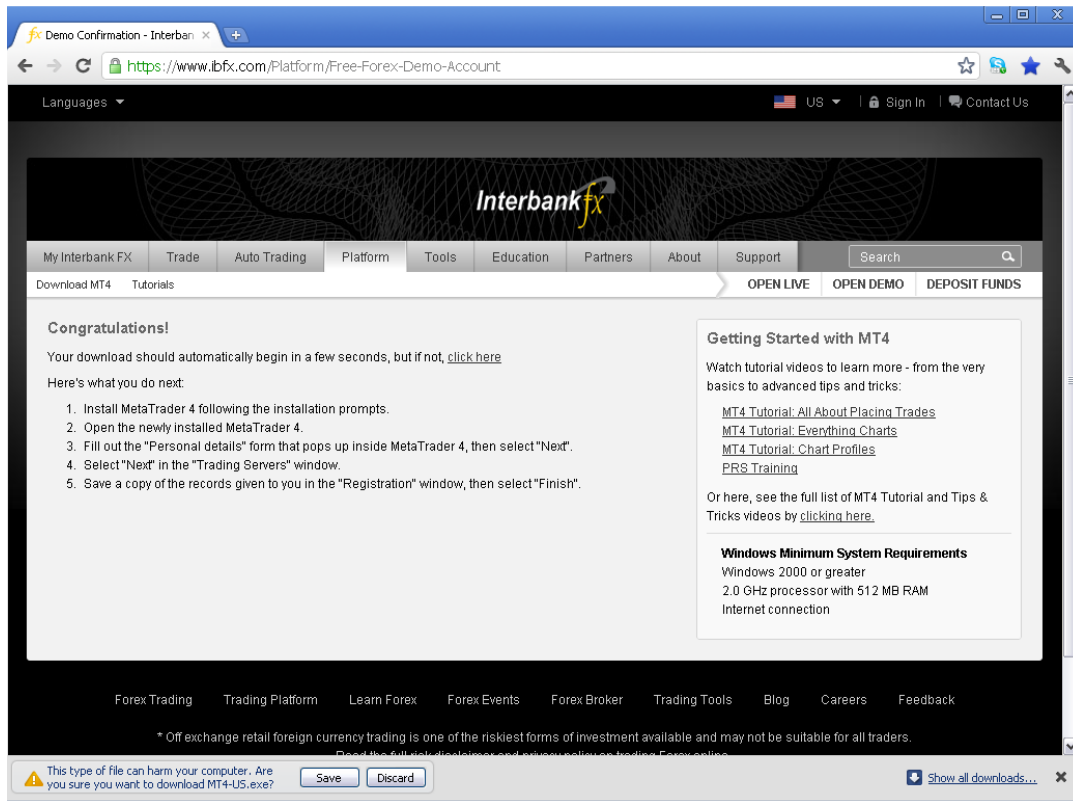
If you currently have an account with any other broker, which does not offer Meta Trader 4 Platform, you can create a free demo account to receive trade entry and exit signals from Pip Accumulator. In addition, you can also easily open an account with any of the brokers providing a Meta Trader 4 Platform.

The following steps demonstrate how you can open a demo account with one of the brokers offering a Meta Trader 4 Platform.

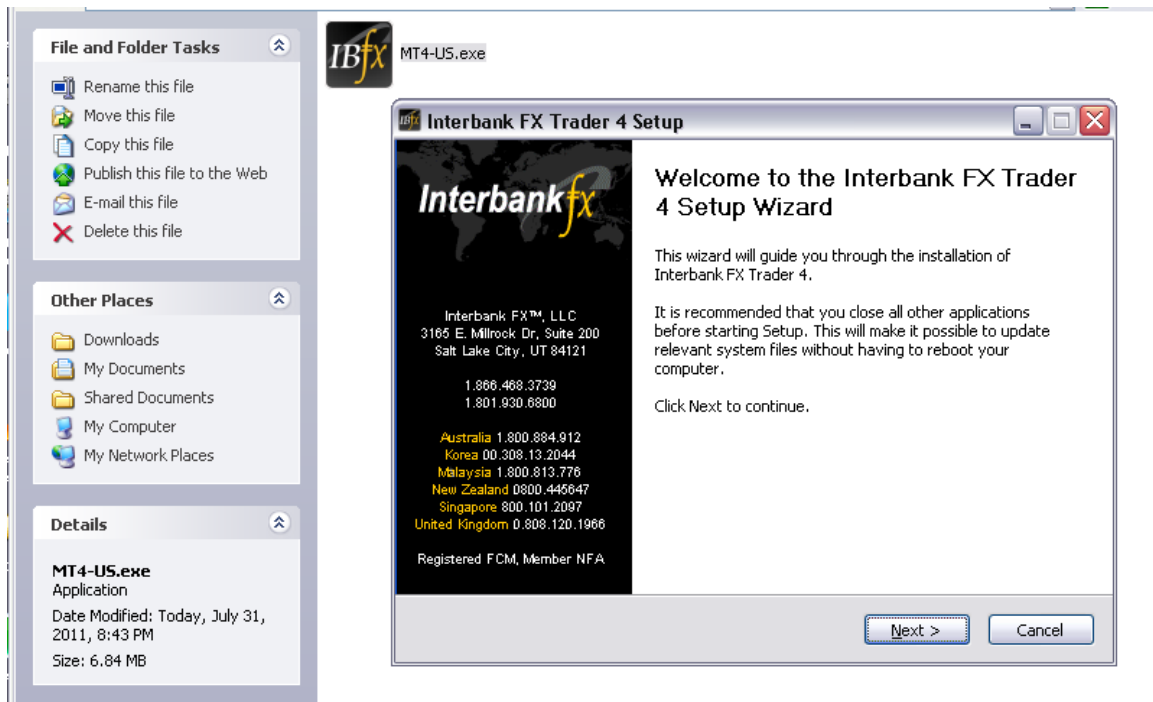
1. Open Website www.ibfx.com and click “Open Demo” or “Try It out for Free” as shown in the image below



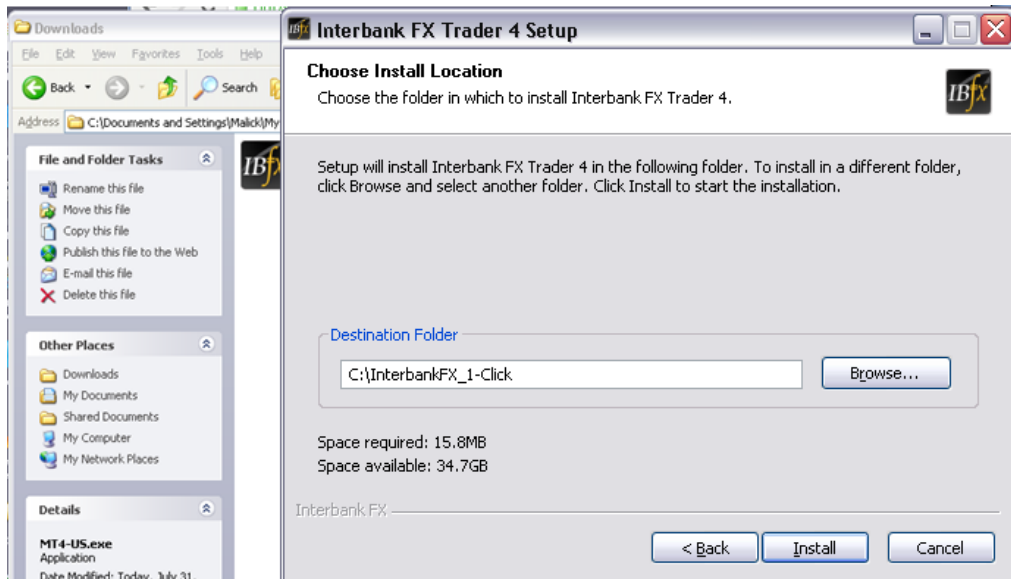
2. Fill in the form and click register.
3. An MT4 Platform Download will start with a screen confirming your demo account.



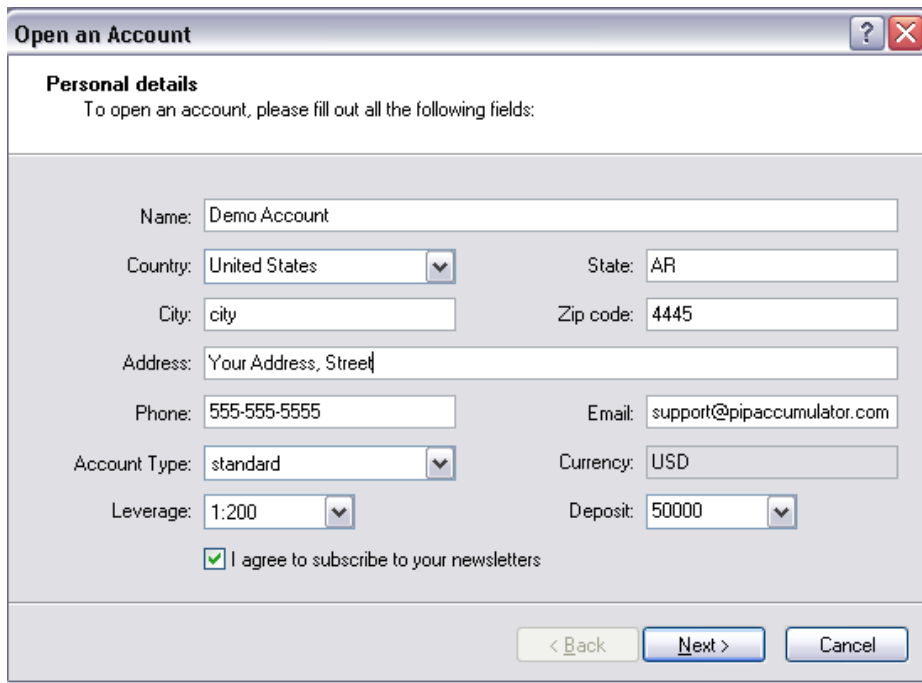
4. Once you have saved the MT4 Installation File, click the setup file to install the platform.



5. Select the installation Directory and click install.
(You have to copy PipAccumulator files to this directory after the setup is completed.)



6. Once you have installed the platform open the platform by clicking the icon on the desktop.
7. Fill out the "Personal details" form that pops up inside MetaTrader 4, then select "Next".



The screenshot shows a web browser window titled "Open an Account". Inside, there's a section titled "Personal details" with the instruction "To open an account, please fill out all the following fields:". The form contains several input fields: "Name" (filled with "Demo Account"), "Country" (dropdown menu showing "United States"), "State" (filled with "AR"), "City" (filled with "city"), "Zip code" (filled with "4445"), "Address" (filled with "Your Address, Street"), "Phone" (filled with "555-555-5555"), "Email" (filled with "support@pipaccumulator.com"), "Account Type" (dropdown menu showing "standard"), "Currency" (filled with "USD"), "Leverage" (dropdown menu showing "1:200"), and "Deposit" (dropdown menu showing "50000"). At the bottom of the form, there is a checkbox labeled "I agree to subscribe to your newsletters" which is checked. Below the form are three buttons: "< Back", "Next >", and "Cancel".

8. Select "Next" in the "Trading Servers" window.
9. Save a copy of the records given to you in the "Registration" window, then select "Finish".

HOW TO SETUP PIP ACCUMULATOR

Once the MT4 platform is successfully installed on your computer it's time to install and set up the Pip Accumulator System and custom indicators.

1. Go to the folder entitled "Pip Accumulator" in the "zipped" file that you received when you purchased the system. Once you've opened the folder and see the indicator files, go to 'EDIT' in the toolbar at the top of your computer and choose 'SELECT ALL' to put them on your clipboard so that you may copy these files into your MT4 platform.

The files should be saved in the following directory on your computer:
"C:/PROGRAM FILES/METATRADER (or NAME OF BROKER; for example INTERBANK FX TRADER 4)/ EXPERTS/INDICATORS"

2. Once you have the broker's "INDICATORS" folder open, just click on 'EDIT' again in the toolbar and choose 'PASTE'.
3. Now install the template that will help you automatically set up your charts. In order to do this, go to the "Pip Accumulator" folder in the "zipped" file emailed to you or downloaded from the member's area when you purchased the system.

When you open it, you'll see a few different files. Each is a template. Once you see the files, click 'EDIT' and 'SELECT ALL' to copy them to your clipboard. The files should be saved to the following directory:
(Please pay attention and make sure you have the correct folder open. There are two folders labeled "TEMPLATES" inside MT4 and if you put the templates in the wrong location they won't show up when you open the platform).

"C:/PROGRAM FILES/METATRADER (or NAME OF BROKER)/TEMPLATES "
Again, please double check that you have the correct folder open... NOT the

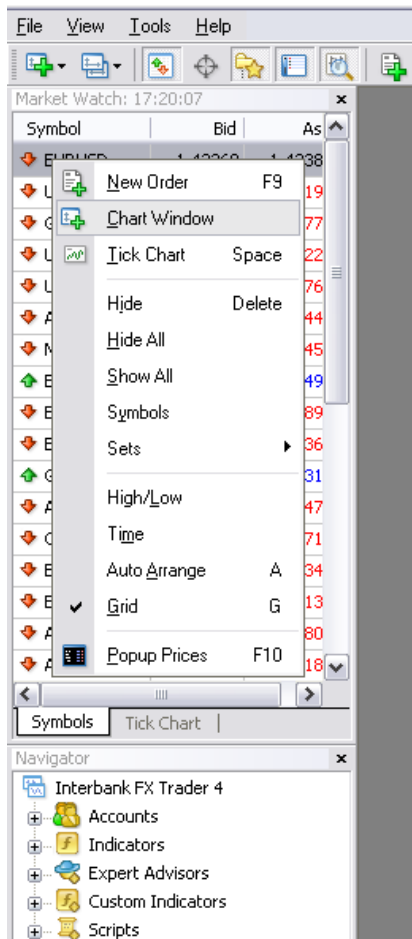
“TEMPLATE” folder located inside the “EXPERTS” folder.

4. Once you are sure you have the correct “TEMPLATE” folder open, just click on ‘EDIT’ in the toolbar and choose ‘PASTE’.

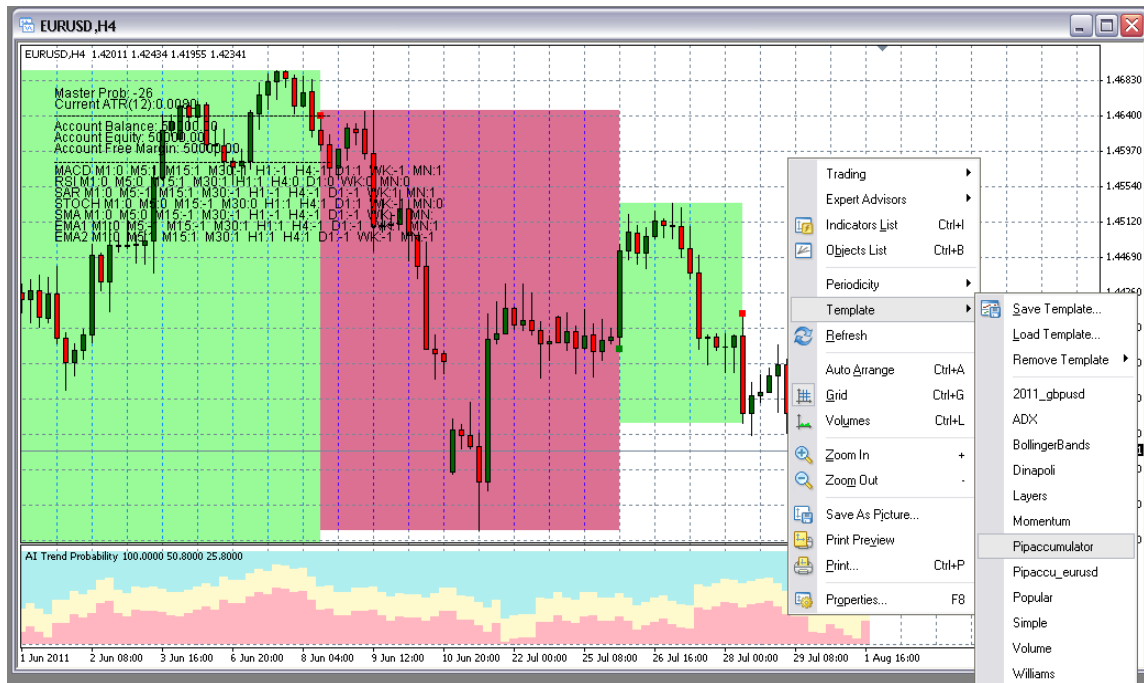
That’s it! If the platform was already open on your computer, you must close it and re-open it before the indicators and templates will show.

HOW TO SETUP CHARTS

1. Open EurUsd or GbpUsd currency pair chart from the market watch window as shown in the picture below.



2. A chart window will open.
3. Right click on the chart from template select "pipaccumulator" as show in the picture below:



4. It is recommended that you use Pip Accumulator at 1 Hour or above timeframe.

PIP ACCUMULATOR TRADING PLAN

Please start trading first on a demo account, in order to become accustomed to the system.

Pip Accumulator comprises of two major indicators

1. Trend Square
2. Master Probability



Pip Accumulator places different weights upon a number of indicators over different timeframes, to forecast prices of diverse currency pairs. The values are then passed through an intelligence system, which predicts the master probability of the trend and acute turning point marked by the colored square boxes indicator.

LONG ENTRY RULES

The Master Probability number shows the overall probability of the direction of trend. Therefore, when looking for a long entry we need to confirm that the master probability is at least greater than 20.

A Small Square on the chart shows a sharp turning point, it indicates that the previous trend is exhausted and prices might go in the other direction. Once you have deployed the indicator you will wait until a new square appears. A green square indicates that the price is expected to move up.

SETTING STOPLOSS

Setting a predefined stoploss is crucial in Forex Trading, it helps to manage risk. The Pip Accumulator strategy uses two different stoploss placement methods, in order to diversify between different methodologies and avoid temporary drawdown. This further helps to obtain profitable and consistent results.

Set stoploss 10-20 Pips below the recent dip or trend box low.

Use 12 period atr value shown on the indicator to identify the stoploss level.

In order to set to the different stoploss level you should open 2 trades for each valid signal.

SETTING TAKE PROFIT

Setting a predefined takeprofit is similar to setting stoploss. If you are trading multiple lots you set different take profit levels for individual trades.

Set Take profit at the recent swing high or trend box high.

Multiply 12 period ATR value by 1.5 - 2 to identify the take profit distance in pips.

EXIT

There might be times when neither the take profit nor stoploss is triggered but the price moves to a point where it is no longer ideal to proceed with the current trade. Therefore you need to close the trade at a prevailing price.

The following are situations when you should exit a trade.

Red square appears in case a long trade is active.

Master Probability is equal to or less than 0.

SHORT ENTRY RULES

Short entry rules are the opposite to long entry rules.

Master Probability numbers show the overall probability of the direction of trend. Therefore, when looking for short entry we need to confirm that the master probability should be less than -20.

A small Square on the chart shows a sharp turning point, it indicates that the previous trend is exhausted and prices might go in the other direction. Once you have deployed the indicator you will wait until a new square appears. A Red square indicates that the price is expected to move down.

SETTING STOPLOSS

Set stoploss 10-20 Pips above the recent swing high or trend box high.

Use 12 period atr value shown on the indicator to identify the stoploss distance in pips.

In order to set to different stoploss level you should open 2 trades for each valid signal.

SETTING TAKE PROFIT

Setting predefined takeprofit is similar to setting stoploss. If you are trading multiple lots you set different take profit levels for individual trade.

Set Take profit at the recent swing low or trend box low.

Multiply 12 period ATR value by 1.5 - 2 to identify the take profit distance in pips.

EXIT

There might be times when neither the take profit nor stoploss is triggered but the price moves to a point where it is no longer ideal to proceed with the current trade. Therefore you need to close the trade at prevailing price.

The following are situations when you should exit a trade.

Green square appears in case a short trade is active.

Master Probability is equal to or greater than 0.

TRADE EXAMPLE

LONG TRADE EXAMPLE

We will enter long on a green square after confirming the master probability is greater than 20.

The Following diagram shows a long trade entry at 1.4255 ,



Stoploss 1 was set a few pips below the immediate swing low at 1.4222 whereas stoploss 2 was set at 1.4210 i.e. 45 pips ATR value at the time of trade entry.

Take Profit 1 was set at immediate swing high at 1.4372 shown by the green line. Whereas take profit 2 was set twice the ATR stop loss distance i.e. $(45 \times 2 = 90)$ at 1.4345

SHORT TRADE EXAMPLE

We will enter short on a red square after confirming the master probability is greater than -20.

The Following diagram shows the short trade entry at 1.4498 ,



Stoploss 1 was set a few pips above immediate swing high at 1.4552 whereas stoploss 2 was set at 1.4523 i.e. 25 pips ATR value at the time of trade entry.

Take Profit 1 was set at immediate swing low at 1.4332 shown by the green line. Whereas take profit 2 was set twice the ATR distance i.e. $(25 * 2 = 50)$ at 1.4448



MONEY MANAGEMENT

INTRODUCTION

Money management is one of the most important aspects of trading and is also the most overlooked aspect of trading. Money Management rules help us protect our equity and also makes trading profitable in the long-term. Trading without sensible money management rules is merely playing Russian roulette.

No strategy will produce optimum results unless sound money management rules are incorporated and followed.

PROTECT YOUR CAPITAL FIRST

The primary goal of successful trading is the safeguarding of capital.

It is important to incorporate sensible risk management into trading. This can be achieved by setting stop losses at a level which you can afford to lose on a trade without any substantial affect on the account equity. This greatly varies depending on the strategy that one is trading and from trader to trader.

NEVER RISK MORE THAN 2% PER TRADE

One of the cardinal rules of trading. Traders lose substantial amounts of their account equity in one single trade only by taking too much risk. You will find hundreds of stories about traders who lose years of profits on a single trade that goes terribly wrong. This is the chief reason why the 2% stop-loss rule should not be violated.

The table below demonstrates that large losses are extremely difficult to overcome

Amount of Equity Loss	Amount of Return Necessary to Re-store to Original
25%	33%
50%	100%
75%	400%
90%	1000%

The best way to avoid this is to have proper risk management and to avoid large losses. For this reason the 2% rule should hold utmost importance in trading. If you limit 2% loss per trade this means that you can sustain 10 consecutive losing streaks in a row with a total drawdown of 20% of you account equity.

POSITION SIZING

Position sizing is the main topic for money management and vital component for successful trading. Position sizing strategies can be classified into two broad categories martingale and anti martingale.

Martingale is a strategy for position sizing which increases the trade size as the trade suffers drawdown or after a losing trade. Anti-martingale strategy is the opposite of martingale strategy, which increases position sizing after a winning trade or when the trade moves in trader favor.

FIXED POSITION SIZING

Many traders make the mistake of choosing an arbitrary number such as 1 standard lot per \$5,000 capital or so on when they take their first steps toward trading. Using fixed position sizing has many disadvantages as it does not take into account the dollar value and volatility characteristics of the instrument being traded. Moreover fixed lot sizing does not allow a trader to trade large contract

size on trades with high chances of winning and lower the trade size on lower probability of success.

For instance a financial instrument of 100 units with \$20 value fluctuates 5% a day and does not present the risk/reward for a second instrument of 100 units with \$30 which fluctuates 1% a day.

% RISK MODEL

The next level of sophistication in determining your position size is by using percentage risk method. In the % risk based model contract size is determined by the risk on each trade in provisions of a percentage of your capital. As we have seen, traders who risk more than 2% of their capital on any one trade are usually not successful in the longterm.

% VOLATILITY MODEL

Volatility based position sizing considers how much the price of a financial instrument fluctuates over a given period of time. ATR (Average True Range) is an indicator which shows the volatility of any financial instrument over a period of time. Value obtained from ATR can be used to determine your stop loss level in addition to the position size of the instrument you are trading.

For instance, a trader has \$100,000 in trading capital and he is looking to buy EUR/USD which is at 1.3580. After pulling up a chart of EUR/USD currency pair and adding the ATR it shows a value of 0.0084. As you will remember from our starting topic 1 pip represents \$10 when trading standard lots. So taking this into consideration the volatility in dollar per contract for EUR/USD is equal to $\$10 \times 84$ which is \$840.

Therefore if the trader is willing to risk 2% of his trading capital, then on volatility basis this equals to \$2000. This means under this model the trader can enter approx. 2.3 standard lots.

FINAL THOUGHTS & COMMON MISTAKES

Pip Accumulator is a successful trading strategy, if executed correctly with persistence; you can exponentially increase your trading income.

Please read the following points carefully and follow them in your trading.

- Most traders start with a new system on a real account, they are not comfortable with the system and when they suffer temporary drawdown they quit and move to the next system.
You should first trade the strategy on a demo account until you multiply your account balance three fold, once you are confident and comfortable with the system only then should you switch to a live account.
Most traders close immature trades at temporary drawdown as they have not tested and are not confident with a strategy.
- The 2% stop-loss rule should not be violated.
- Never add to a losing trade. Often traders increase their position size and keep on adding to it if a trade goes against them. In such scenarios a smart trader will typically close the position and head towards the next trade.
- It is not uncommon to see a trade go up by 30 pips in couple of minutes and then it completely reverse to hit your stop loss at 40 pips in a short while.
Traders should learn to protect their profits. There are two easy ways to protect your capital and bank pips. You can add trailing stop loss to your orders. The second method is to use multiple lots and exit positions on different levels including a trailing stop.
- Maintain a trading journal to document trades even for a demo account.
You can simply write down details of your trades in a notebook or a word

document. Successful trader look at each experience or loss as a chance to learn and grow.

- Most Traders also blow up their account by trading impulsively. If you ask a beginner trader the reason for taking a long position on a currency pair, you might hear the answer, “Because it has gone down enough – so now it’s bound to go positive.” This is an example of impulsive trading and wishful thinking; the trade decision is not based on a logical reason. Logical trading is far more precise than impulsive trading.
- It might take you some time to master the system, so practice with patience.

FREQUENTLY ASKED QUESTIONS

Q. What is Pip Accumulator?

A. Pip Accumulator is a Forex trading strategy that works on multiple currency pairs and intelligently analyzes the market in order to give profitable trading signals. Pip Accumulator identifies and indicates profitable entry points.

Q. On what instruments or currency pairs does Pip Accumulator Analyze to produce signals?

A. Pip Accumulator works over multiple currency pairs, having produced profitable live trading results for years on EURUSD and GBPUSD.

Q. I cannot open the Pip Accumulator Program or ex4 files?

A. Pip Accumulator Strategy works with Meta Trader 4 platform. It is a free trading platform offered by most Forex brokers. The Indicator is then applied to the chart in the platform to identify trade entry and exit points. Please read the full manual. For help contact me at support@pipaccumulator.com

Q. What should be the lot size of the orders I place?

A. Position size or money management is the most important aspect of trading. Lot size of the order depends on different factors, including your equity, drawdown, stoploss, and probability. Please read the chapter on money management.

Q. What are the recommended timeframes?

A. It is recommended that you use Pip Accumulator over timeframe 1 hour and beyond to achieve a high percentage of winning trades and clear signals. It is also suggested to incorporate multi-frame analysis and/or trading on multiple timeframe like 1 Hour and 4 Hours.

Q: Important: Demo or Real account?

A: You should always test your strategy on demo first to check if you are comfortable with the system and can follow the rules with strict money

management for a few weeks. NEVER trade on Real account without testing on Demo first!

QUESTION AND SUPPORT

If you have any questions, queries or comments please feel free to contact us via email at support@pipaccumulator.com

Your email will be answered within 24 hours.