

COWABUNGA EXPERT ADVISOR USER MANUAL

By TheTradeMachine.com

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The Cowabunga EA is based on the Cowabunga System by PipSurfer as published on Babypips.com

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COWABUNGA INDICATORS

The Cowabunga System was created by PipSurfer on BabyPips.com. See the original system here: http://www.babypips.com/blogs/pip-my-system/so_youve_finished_the_school_o.html

Below are the indicators and settings used in the Cowabunga System. The Cowabunga Expert Advisor by TheTradeMachine.com makes use of these indicators, but you do not need to load them on your chart unless you want a visual display of indicators.

4 HOUR CHART SETTINGS

1. 5 EMA applied to the close
2. 10 EMA applied to the close
3. Stochastic (10,3,3) (Use slow and simple settings)
4. RSI (9) (Simple)

15 MINUTE CHART SETTINGS

1. 5 EMA applied to the close
2. 10 EMA applied to the close
3. Stochastic (10,3,3) (Use slow and simple settings)
4. RSI (9) (Simple)
5. MACD (12,26,9) (Exponential histogram)- Make sure the histogram displays the difference between the 2 lines (**NOTE: MT4 Indicator OsMA is used here**)

COWABUNGA RULES

ENTRY

The Cowabunga system trades off of the 15 minute chart, but uses the 4 hour chart to determine the underlying trend. Trades are only placed in the direction of the 4 hour trend.

4 HOUR CHART – MAIN TREND IS LONG WHEN:

1. 5 EMA must cross above the 10 EMA
2. RSI must be greater than 50
3. Stochastic must be headed up and not in overbought territory

4 HOUR CHART – MAIN TREND IS SHORT WHEN:

1. 5 EMA must cross below the 10 EMA
2. RSI must be less than 50
3. Stochastic must be headed down and not in oversold territory

15 MIN CHART – ENTER LONG TRADES WHEN:

1. 5 EMA must cross above the 10 EMA
2. RSI must be greater than 50
3. Stochastic must be headed up and not in overbought territory
4. MACD histogram must go from negative to positive OR be negative and start to increase value. (We want to catch trends early so the MACD histogram must be negative)

15 MIN CHART – ENTER SHORT TRADES WHEN:

1. 5 EMA must cross below the 10 EMA
2. RSI must be less than 50
3. Stochastic must be headed down and not in oversold territory
4. MACD histogram must go from positive to negative OR be positive and start to decrease in value. (We want to catch trends early so the MACD histogram must be positive)

STOP LOSSES

There is not a hard number that I use for a stop loss. Instead I use either the most recent swing low (for long trades) or the most recent swing high (for short trades) as my stop loss.

EXITS & TAKE PROFITS

Generally 50 and 00 levels will be your targets. What is a 50 or 00 level? It's simply any price that ends in 50 or 00. For example, **2550** and **2600** are examples of 50 and 00 levels respectively.

However, if you are too close to a 50 or 00 level you can also choose to set your target for the same amount of pips you are risking. For example, if you're going long and your entry is at 2445 and your stop loss is at 2425 you would be risking 20 pips. You could then set your target for 20 pips away from your entry. So in this example your target would be $2445 + 20 = \mathbf{2465}$.

NEWS

I will never trade a news candle or the candle before it. If I am in a trade and a major news event is coming up, I will exit my trade before the report is released. I will however trade a candle after the news provided all my criteria are met.

TRADING HOURS

12 Midnight ET – 4pm ET

COWABUNGA EA INPUT SETTINGS

CowabungaEA can be run on any chart timeframe, however when you first load it, you must make sure to load the chart history data for the 15 Minute and 4 Hour so that the indicators have tick data to run from. To do this, select each timeframe at the top and let the chart load. After doing this, we recommend running it on the 15 minute chart since this is the chart trades are made from.

StartTimeGMT – Enter the time you want to start trading (based on your server’s GMT time).

EndTimeGMT – Enter the time you want to stop trading (based on your server’s GMT time).

AutoCloseOrdersAtEndTimeGMT – Enter true/false based on whether you want the EA to automatically close any open orders at the end of your trading session. If you select true, it will close orders regardless of your trade being positive or negative at the time.

LotSize – Enter the lot size to trade.

MagicNumber – Enter a unique integer. MagicNumber lets you select a unique integer identifier to distinguish orders apart from other Expert Advisors or multiple instances of the CowabungaEA.

By selecting a different magic number for each instance of the CowabungaEA, you can run multiple instances of the CowabungaEA on the same or different currency pairs for the same forex account.

MinTP – Enter the minimum take profit in pips. This should be at least 10 pips. Some trading servers require more.

Take profits are generally taken at the closest 00 or 50 levels according to PipSurfer’s specifications. However, there may be times when the nearest 00 or 50 level is very close. This allows you to select a minimum take profit in pips.

MinStop – Enter the minimum stop loss in pips. Stop losses are based on recent swing highs or lows, however sometimes price may be within a few pips of the swing high/low. This value ensures that the stop loss is placed at least so many pips away from the entry price. (Default: 15 pips)

MaxStop – Enter the maximum stop loss in pips. Stop losses are based on recent swing highs or lows, however sometimes a swing high/low may be more pips than you want to risk. This value lets you set the maximum stop loss in pips. (Default: 50 pips)

TradeIfStopsGreaterThanMaxStop – Enter true/false based on whether you want to enter trades when the swing high/low is larger than your *MaxStop* value.

This setting lets you opt out of trading if the swing high/low is beyond your maximum stop loss. You may not want to enter the trade if the stop loss can't be placed behind the most recent swing high/low while still remaining within your *MaxStop* limits.

If you select False, you will not take these trades with stop losses in excess of your *MaxStop*.

If you select True, your stop loss will equal your *MaxStop* in situations when the swing high/low is too far away.

TPMustBeGreaterOrEqualToStop – Enter true/false. True if you want your take profit to be greater than or equal to the value of your stop loss. False if you do not require your take profit to be greater than or equal to the value of your stop loss.

This setting is a risk/reward setting. Take profits are generally taken at the closest 00 or 50 levels according to PipSurfer's specifications. However, there may be times when the nearest 00 or 50 level is very close and your take profit is considerably less than your stop loss risk. If you select True, the EA will set the take profit to the same size as the stop loss in the cases where it is less.

EMA4HrFastPeriod – Let's you change the exponential moving average period (Default 5)

EMA4HrSlowPeriod– Let's you change the exponential moving average period (Default 10)

EMA15MFastPeriod– Let's you change the exponential moving average period (Default 5)

EMA15MSlowPeriod– Let's you change the exponential moving average period (Default 10)

AvoidNewsStart1 – Enter GMT start time of news event 1. (Note: You must enter the time in correct format with a digit in all 4 positions: **00:00**)(See below) The EA will not trade during the start and ending time periods you select. You must select both a start and ending time. You must also set them back to 00:00 at the end of the day or they will skip this time period again the next day.

AvoidNewsEnd1– Enter GMT end time of news event 1.

AvoidNewsStart2 – Enter GMT start time of news event 2.

AvoidNewsEnd2– Enter GMT end time of news event 2.

AvoidNewsStart3 – Enter GMT start time of news event 3.

AvoidNewsEnd3– Enter GMT end time of news event 3.

Correct News Time Examples:

07:00

12:00

04:17

14:45

Incorrect News Time Examples:

7:00

12

4:17

14.45

TERMS AND CONDITIONS

Please read before using the CowabungaEA-by-TheTradeMachine or any of our products or services. By requesting our services and using our software you agree to be bound by these terms and conditions.

Risks and Disclaimers

Forex trading carries substantial risk of loss. Please consider your risk tolerance, bankroll and trading abilities before trading real money on the Forex market. Forex - (Currency Trading) is a high risk investment strategy. Please understand that you can loose some or all of your investment.

While The Trade Machine goes to great lengths to code auto trading programs that are accurate and profitable, we cannot guarantee the profitability or accuracy of any expert advisor.

It is recommended that you thoroughly backtest any expert advisor, as well as forward trade it on a demo account for several weeks before using it on a live account. Please note that actual trading results may not correspond to optimized or backtested results.

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