Kwik*POP Black Box Builder

GLOSSARY DIRECTORY

SECTION 1: Indicator settings

SECTION 2: Trigger Settings

SECTION 3: Filters

SECTION 4: Exits

GETTING STARTED

Designing your strategy with KPBBB

Load in a chart with all indicators you use. A strategy attaches to a chart just like an indicator does. In fact, the procedure is the same. Right click on the active chart and Left click STRATEGIES.
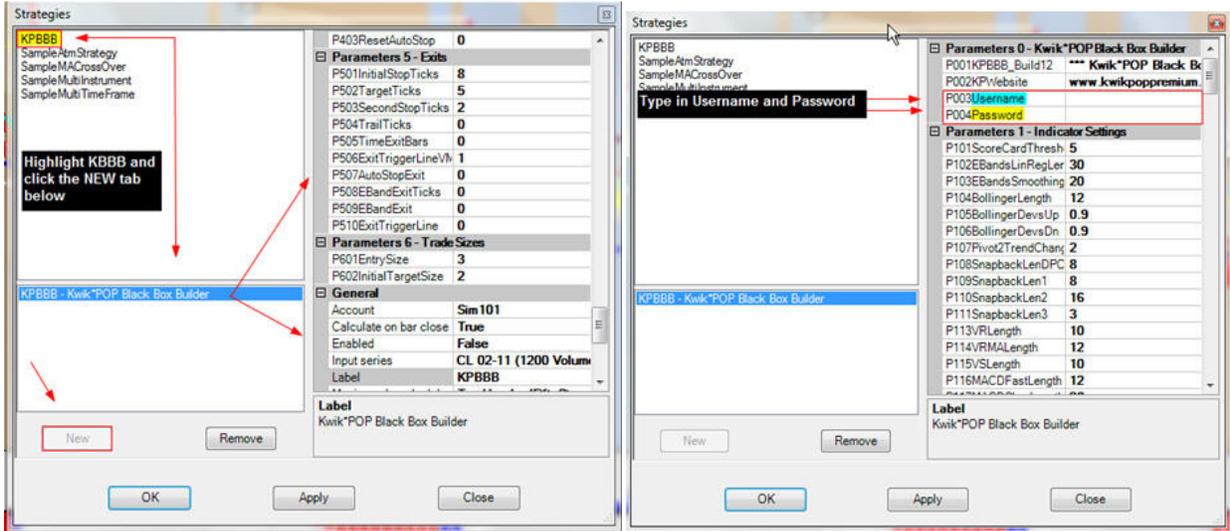
When the Strategies box opens, highlight KPBBB in the upper left side box and left click on the NEW tab on the lower left side. That drops KPBBB into the active box and activates all settings. In the right hand box, type in your Username and Password. Then scroll all the way down to the GENERAL tab.
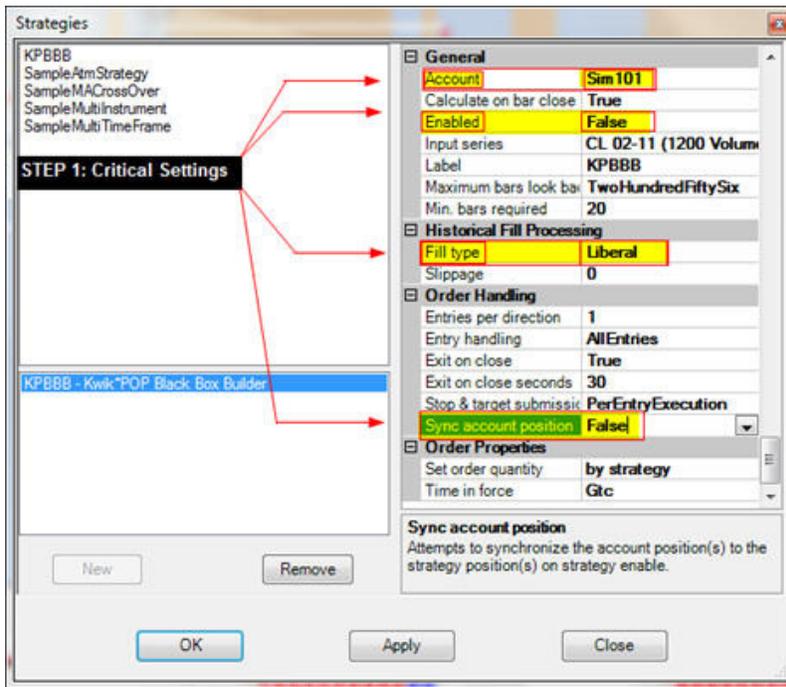
Be certain the account is set to your Sim Account or it will fire live trades on your real account.

Whenever you wish to make changes to any settings you must set the ENABLED tab to FALSE. Once you have made all changes set the ENABLED tab back to TRUE to lock in those changes.

Set the FILL type to LIBERAL for back-testing purposes.
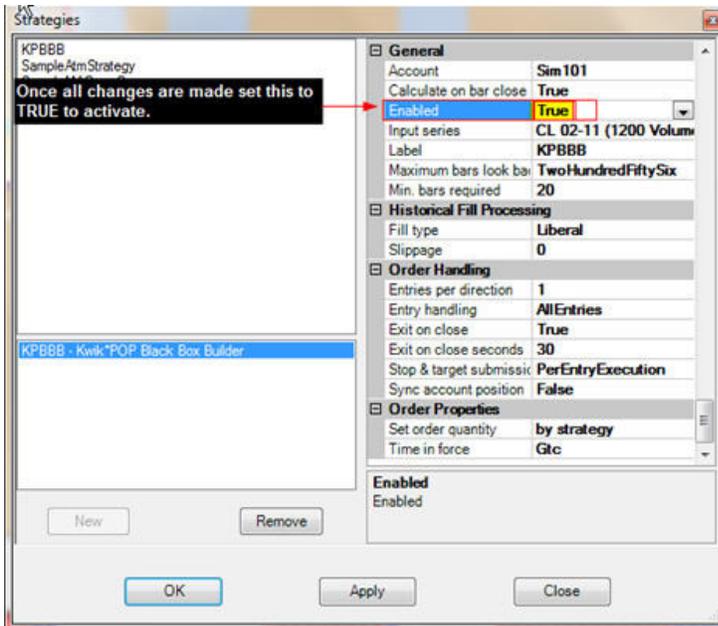
Please remember that in order to change any settings you must set the ENABLED tab to false and then hit apply. If you run a test and then go back into the BBB to change parameters for another test make certain the ENABLED tab is set to False and you hit APPLY to activate the parameter boxes.

Then, when you've made your changes go back to the ENABLED tab and change it back to TRUE and hit the APPLY button at the bottom of the box.

If the parameters settings are grayed out (unchangeable) go to the GENERAL settings and set ENABLED to FALSE. Then hit APPLY. That will activate the settings again.

GLOSSARY

Description of Strategy Inputs

SECTION 1: INDICATOR SETTINGS P101 through P127
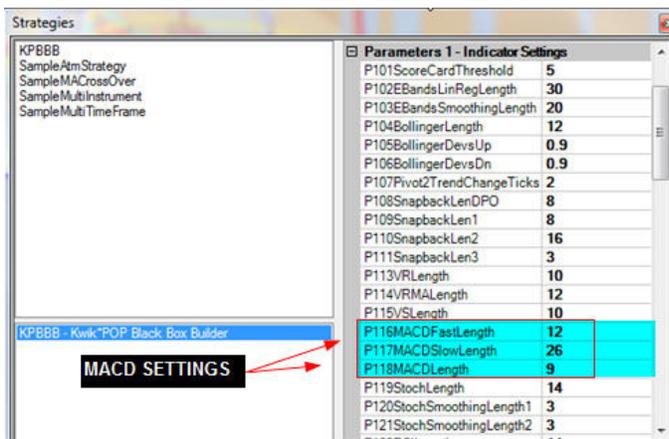
All indicators on your active chart have parameter settings. Match those settings in this section. The tester must have the same settings you are using on your chart.

EXAMPLE: MACD DEFAULT SETTINGS are 12,26,9. If you have different settings on your chart match them here.

ScoreCard Threshold: KP Scorecard Colors ranks 9 KP indicators to determine signal strength and the color of the price bars. A value of 5 or greater paints a blue price bar. A value of -5 or worse paints a red price bar. Yellow price bars occur when

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Scorecard is greater than -5 and less than 5. . For example, let's assume that based upon other variables you've defined, you want to test for taking a buy on a yellow price bar. You want a positive value on Scorecard to show a build in upside momentum, but want an early entry. In this instance you would use a value of 2 or 3. Those same values apply to sell signals but using negative values of -2 or -3. If I use a value of 3 for buy signals, the KPBBB automatically uses a value of -3 for sell signals as well. Whatever buy value you use in Scorecard Threshold, the inverse is used for sell signals. Please note that all actions used for Scorecard Colors are based upon the CLOSE of the current bar.

KP E-Band Settings You can change the inputs, but in the beginning we suggest using these default settings.

LINREG LENGTH: **30** SMOOTHING LENGTH: **20**
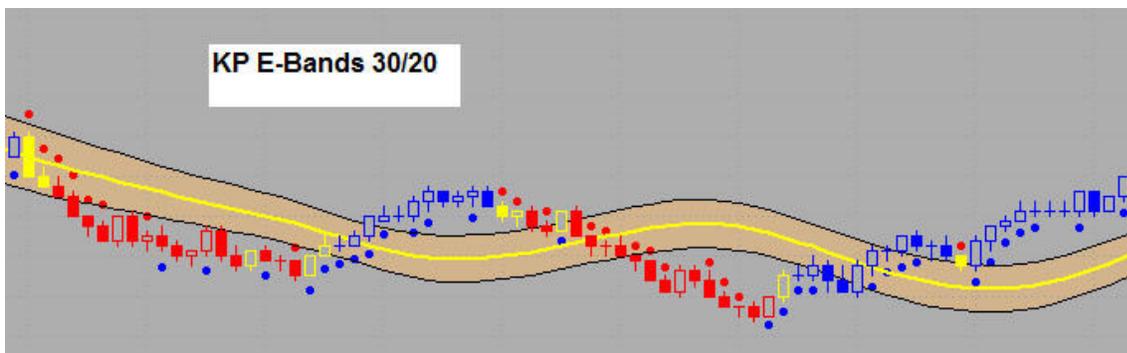
 KP E Bands can be used a couple of ways. You can target the middle of the E-Band as a TRIGGER. That means only take a buy on a close above the middle and only take a short on a close below the middle. Or, you can reference **E-Band Extreme Ticks** by stating a tick value above or below the outer E-Bands. (Take action on a close 1 tick above or below).

 Please note that all actions used for KP E-Bands are based upon the CLOSE of the current bar.

Bollinger Band Trigger Settings

Bollinger Bands are quite interesting as a reference point measuring market volatility. They can also be used in other ways, depending on the settings employed. The KPBBB has two categories for using Bollinger Bands. One is a Trigger and the other is a Filter. This section allows them to be used as a TRIGGER. Section 3 FILTERS allows them to be used as a FILTER. By altering the default standard deviation input, using a value under 1, you actually create something similar to a CCI, but it plots right on the price bars. We call this configuration Breakout Bands. BOLLINGERPRICE: Close BOLLINGERLENGTH: 12 BOLLINGERDEVSUP: 0.9 BOLLINGERDEVSDN: 0 .9 . When used as a TRIGGER, this configuration states whenever a bar closes above the upper band ..BUY and when a bar closes below the lower band ..GO SHORT.

KP Pivot 2 Trend Settings

KP PIVOT2 TREND turns BLUE when a higher pivot low (HPL) forms. It stays blue as long as HPL's keep forming. It turns RED when a lower pivot high (LPH) forms. It stays red as long as LPH's continue to form. If you only want to buy when a HPL appears, or go short only when there is a LPH use this as a TRIGGER. You can set the tick value for how many ticks above or below the support/resistance lines (KP Pivot2 Color) you want for confirmation on a new high or new low. PIVOT2TRENDCHANGETICKS: 2
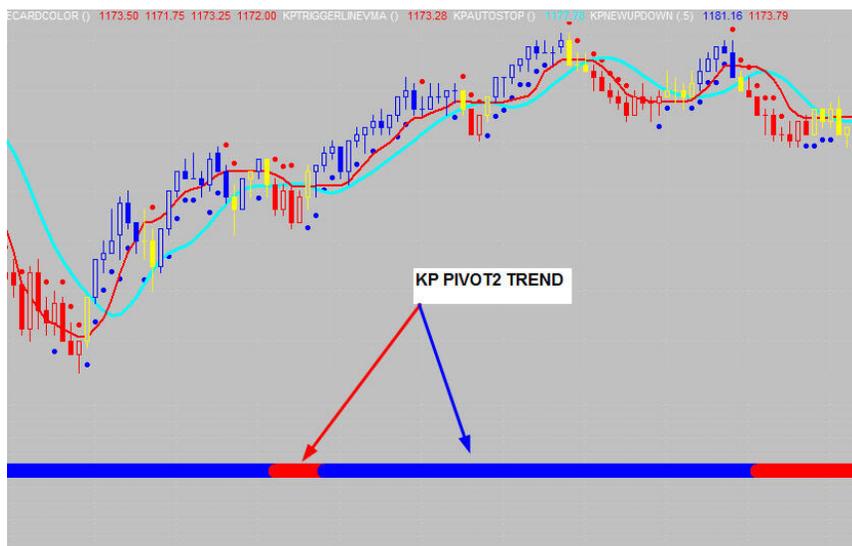
KP Snapback Settings

You can experiment with the settings, but in the beginning we suggest using the default settings

SNAPBACKLENDPO: **8** SNAPBACKLEN1: **8**   SNAPBACKLEN2: **16** SNAPBACKLEN3: **3.** We'll discuss various uses of Snapback in other sections.
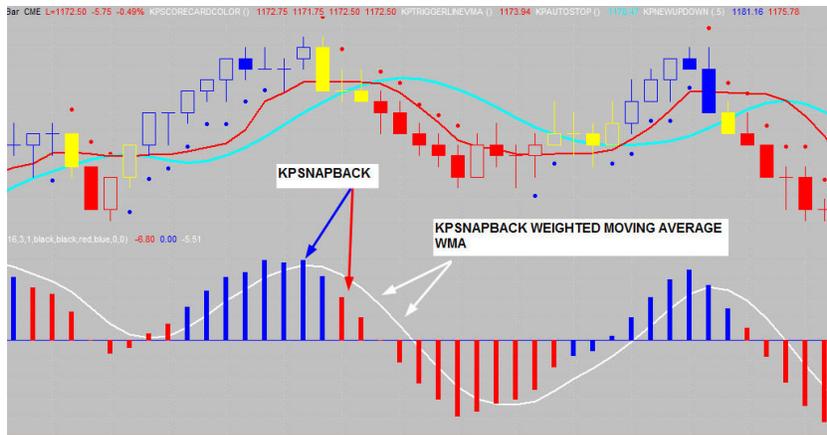
KP VS Settings

VS measures changes in Up Volume and Down Volume. We suggest using the default settings. VRLENGTH: **10** VRMALENGTH: **12** VSLENGTH: **10**. VS can be used as a FILTER and a TRIGGER. We'll discuss uses in other sections.

MACD Entry Filter

MACD Fast Length: The length of the fast exponential average.

MACD Slow Length: The length of the slow exponential average

MACD Length: The length of the trigger line.

Stochastic Entry Filter

StochLength: The look back range. NOTE the settings are for 'Fast Stochastic' for %k and %d

Stoch Smoothing Length 1: Smoothing constant for fast %K.

Stoch Smoothing Length 2: Smoothing constant for fast %D

RSI Entry Filter

RSI Length: Number of look back bars

CCI Entry Filter

CCI Length: Number of look back bars.

Fast MA Length: Select the length of the shorter moving average

Slow MA Length: Select the length of the longer moving average.

BB FILTER **(Length) Look back periods:** Select the simple moving average length in the band calculation.

BB Minimum Deviations: Select a standard deviation level for a trade to be executed. For example; if you place 1 in the box it says .. Don't take a buy unless the close is 1 standard deviation above the moving average and don't take a short unless the close is 1 standard deviation below the moving average.

BB Maximum Deviations: Select a standard deviation level for the trade NOT to be executed. For example; if you place 2 in the box it says .. Don't take a buy if the close is 2 standard deviations above the moving average and don't take a short if the close is 2 standard deviations below the moving average.

ADX FILTER LENGTH Number of bars for ADX calculations.

SECTION 2: BASIC TRIGGER SETTINGS P201 through P217
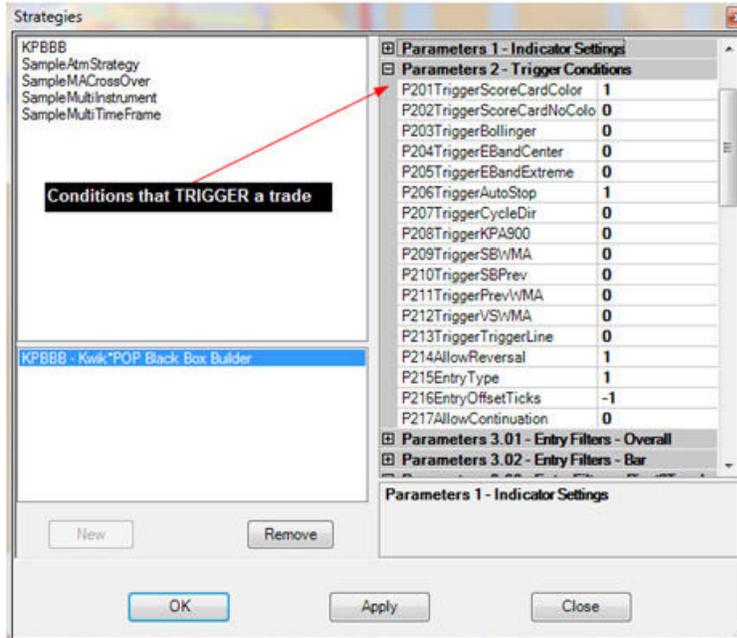
TRIGGER SCORECARD COLOR: "0 means take no action" language... 1 means the particular kind of setup condition is required for a trigger to happen, 0 means the setup condition is not required and is ignored in determining whether or not it is a trigger bar. Using a 1 in this box means a red bar for a short and a blue bar for a buy.

TRIGGER SCORECARD NO COLOR: if you set this to 1, it requires a yellow bar to enter a trade (would need additional trigger conditions to determine in which direction). This setting is not compatible with trigger scorecard color, because a single bar can't be both yellow and (red/blue) at the close. Only use this box or the box above with scorecard. Don't use both.

TRIGGER BOLLINGER: Using the settings in BOLLINGER BANDS TRIGGER SETTINGS above, this would trigger a buy on a close above the upper band and a short on a close below the lower band.

1 means activate, 0 means take no action.

TRIGGER EBAND CENTER: Using the settings from section 1 this triggers a buy on a close above the midpoint of the E-Bands and a sell on a close below the midpoint of the E-Bands. 1 means activate, 0 means take no action.

TRIGGER AUTOSTOP: Triggers a buy on a close above Autostop and a sell on a close below Autostop.

1 means activate, 0 means take no action.

TRIGGER CYCLE DIRECTION: When the bars are red (sell cycle) Buy on the first blue bar closing above Autostop. When the bars are blue (buy cycle) sell on the first red bar closing below Autostop. 1 means activate, 0 means take no action.

TRIGGER KPa900: Buy on a close above a900. Sell on a close below a900. 1 means activate, 0 means take no action.

TRIGGER SBWMA: Buy when KPSNAPBACK is above its weighted moving average and sell when its below its moving average. 1 means activate, 0 means take no action.

TRIGGER SB PREV: Buy if Snapback is greater than its previous value. Sell if snapback is less than its previous value

TRIGGER PrevWMA: Buy if the current Snapback bar is above its WMA only if the previous bar is also above the current bars WMA. Sell if the current Snapback bar is below its WMA only if the previous bar is also below the current bars WMA. 1 means activate, 0 means take no action.

TRIGGERVSWMA: Trigger a buy if VS is greater than its WMA, or a sell if VS is less than its WMA

ALLOW REVERSAL: If a trade is bombing out, but conditions reverse strong enough to trigger an opposite trade this allows the system to reverse before the trailing stop loss on the losing trade is hit. For example, you are in a long trade with a 8 tick stop loss, after 3 ticks the market reverses and all triggers flash sell, this triggers a short trade. Once filled short, the trailing stop loss on the earlier buy signal is automatically canceled. We suggest activating this. 1 means activate, 0 means take no action.

ENTRY TYPE: The triggers can be one of three order types. Using **0** designates a market order. Using **1** designates a limit order. Using 2 designates a stop order to enter a trade. We suggest using **1** for a limit order on all trades.

ENTRY OFFSET TICKS: When using a limit order in ENTRYTYPE you can activate this box. **0** means use the close of the trigger bar for a buy target or the close of the bar for a sell target. Prices must trade at your limit or better to be filled. **1** means target 1 tick above the trigger bar close on a buy, or 1 tick below the close of the trigger bar on a short. **-1** means target 1 tick below the close of the trigger bar on a buy or 1 tick above the close of the trigger bar on a short. Since most price bars tend to retrace a portion of the prior price bars range, we suggest using a -1 target on limit orders. This would be similar to buying at the bid, or selling the ask on your trading dome.

TRIGGER TRIGGERLINE: This means that whenever triggerline crosses above, or below triggerline VMA and trade response is generated.

ALLOW CONTINUATION: When using one target in a test you can have the system continue to buy or sell multiple times within each pivot swing. For example; If you buy on certain conditions and go flat at a 4 tick gain, the system will buy another contract after offsetting the initial trade as long as all conditions warrant a buy. It will stay long until 4 ticks of profit have been gained and you go flat, or until your trailing stop loss order is hit. In long extended moves it will continually re-enter the market as long as the proper conditions are present.

We suggest that you do not use this variable in the beginning until you've thoroughly refined your strategy. It can be misleading. 1 means activate, 0 means take no action.
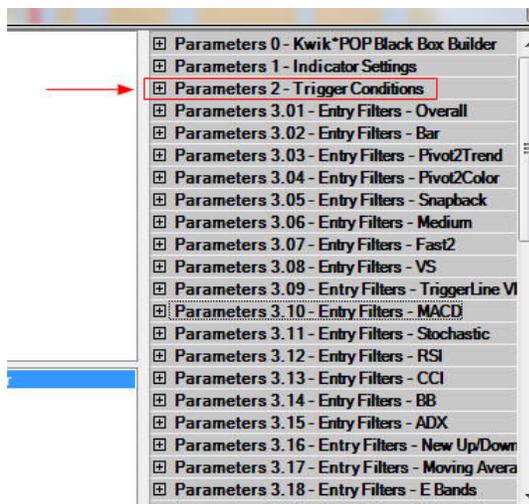
SECTION 3: FILTERS

After all triggers are set go to Parameters 3.01 ENTRY FILTERS. You'll notice that there are many more filters than triggers.

Using filters properly is the key to improved trading performance. Remember, you are looking for set ups offering optimal gains and filtering out signals of lesser strength.

KPBBB allows you to match numerous variables to filter trade set ups.
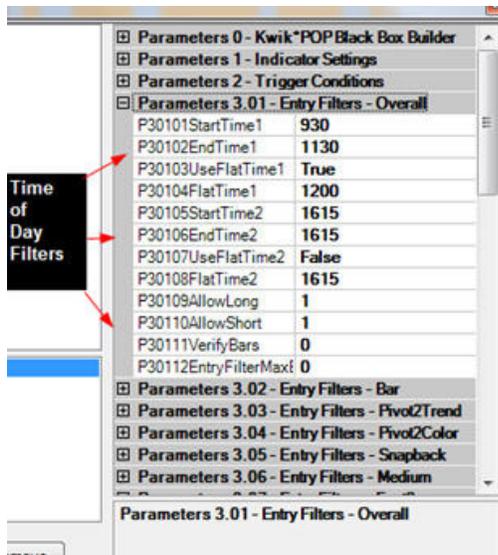
Start Time1: Designates a starting time every day. The system runs tests during those hours. Times must be in HHMM format (e.g. 930 = 9:30am, 1530 = 3:30pm)

End Time1: Tells the system what time to stop running tests. . Type in a number without any colon

Use Flat Time1: If you are still in a trade at End Time1 you can designate a time to go flat. This allows you to stay in that trade until the Flat Time expires. The system will take no new trades after End Time1, but will hold any open positions until Flat Time 1 expires. At that time the positions will be exited on a market order. Type true to use this feature and false if you don't want it in your test parameters.

Flat Time1: The system will automatically close out all positions at this time. Type in a number without any colon

Start time2 : Designates a second starting time every day. This allows you to trade the afternoon session at different hours. Type in a number without any colon. The system runs tests during those hours.

End Time2: Tells the system what time to stop running tests. . Type in a number without any colon

Use Flat Time2: The system will automatically close out all positions at this time. Type in a number without any colon.

Allow Long: Take buy set ups. Type 1 to activate

Allow Short: Take short set ups. Type 1 to activate.
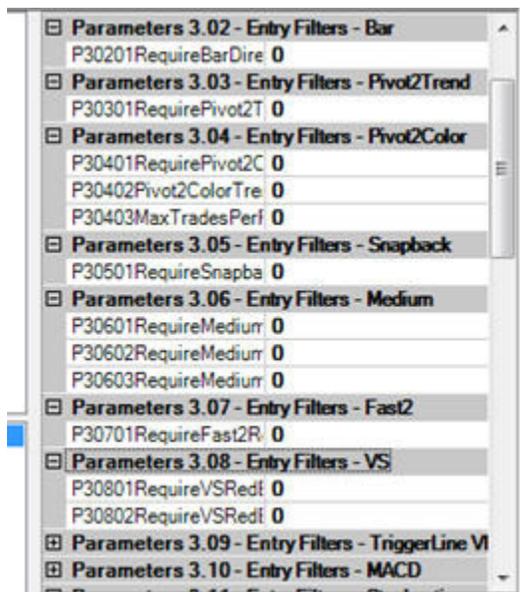
Require Bar Direction: The bar that triggers a buy must close higher than it opened. The bar that triggered a short must close lower than it opened. A Doji (close = open) works for long or short based on other conditions. Type 1 to activate.

Require Pivot 2 Trend: Pivot 2 Trend must be blue on buys and red on short trades. For a description and diagram of Pivot 2 Trend refer to section 1 under Pivot 2 Trend on page 6.

 Use 1 to activate.

Require Pivot 2 Color: Support line must be blue on buys and resistance line must be red on short trades. Use 1 to activate.

Pivot2 Color Trend Change Ticks: Designate how many ticks above resistance or below support for the colors to change. Use a value of 2 to start. That means price must exceed the bands by 3 ticks to confirm.
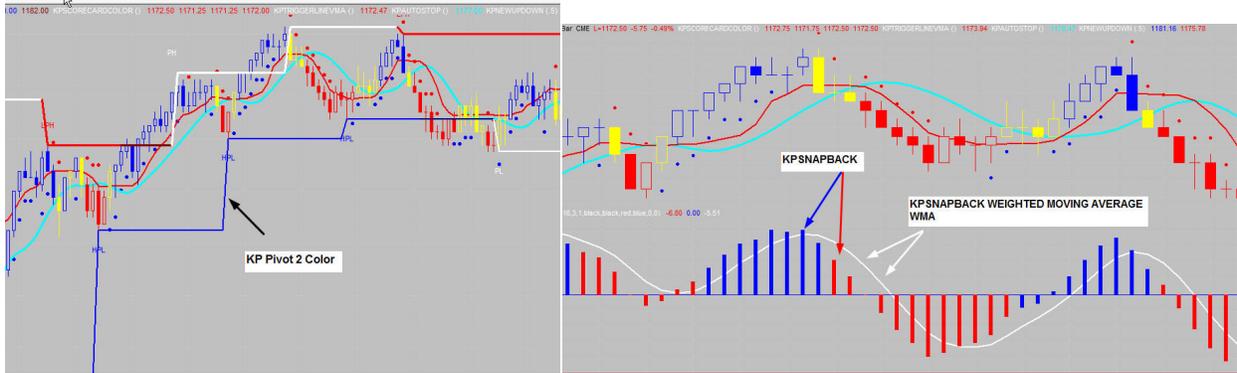
Require Snapback Red/Blue: Snapback must be blue on buys and red on short trades. Use 1 to activate.

Require Medium Red/Blue: Medium must be blue on buys and red on short trades. Use 1 to activate.
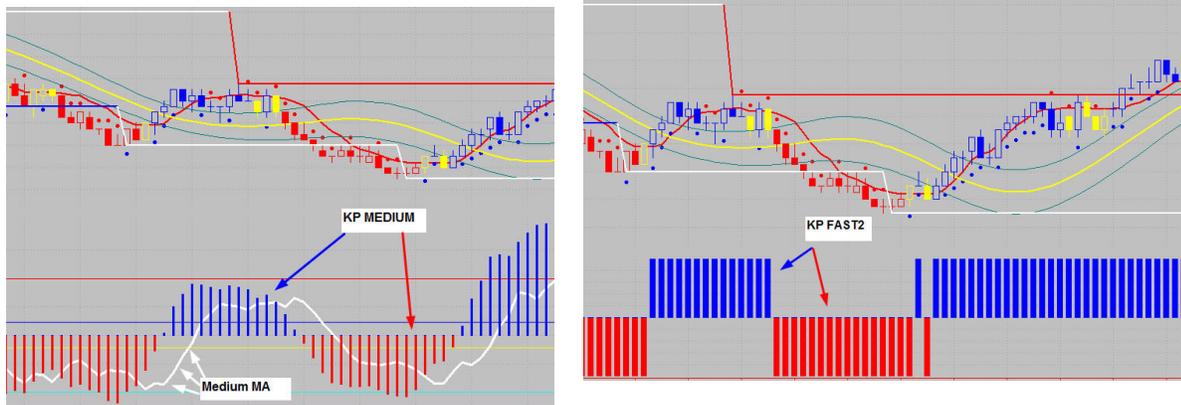
Require Medium Outside M.A.: Medium must be above its moving average buys and below its moving average for short trades. Use 1 to activate.

Require Medium Inside M.A.: The inverse of the above condition. Use 1 to activate.

Require Fast2 Red/Blue: Fast2 must be blue on buys and red on short trades. Use 1 to activate.

Require VS Red/Blue: VS must be blue on buys and red on short trades. Use 1 to activate.

Require VS Red/Blue/Yellow: Allows a buy signal if KPVS is blue or yellow. Allows a short trade if KPVS is red or yellow. Use 1 to activate.
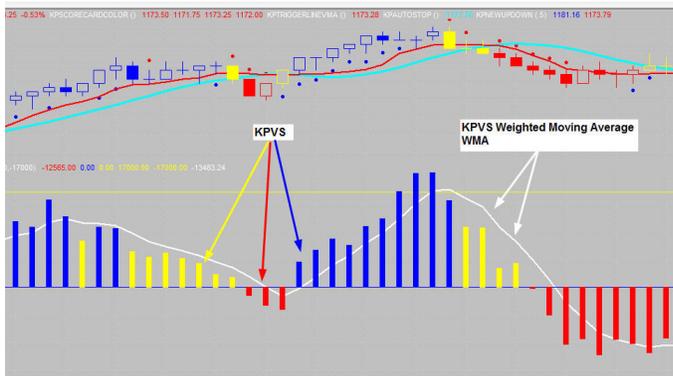
Require Triggerline VMA: For a buy price must close above the VMA. For a short price must close below VMA. Activate with a 1.

Require MACD: Activate with a 1.

Require MACD Sign: MACD must be above 0 on a buy and below 0 on a short trade. Activate with a 1.

Require MACD Slope: Slope of MACD must be up on a buy and down on a short. Activate with a 1.

Require MACD Bias: MACD must be above the trigger(exponential of MACD) on a buy and below the trigger on a short. Activate with a 1

Require Stoch: Use 1 to activate

Require Stoch Bias: %K must be above %D on a buy and below for a short. Use 1 to activate
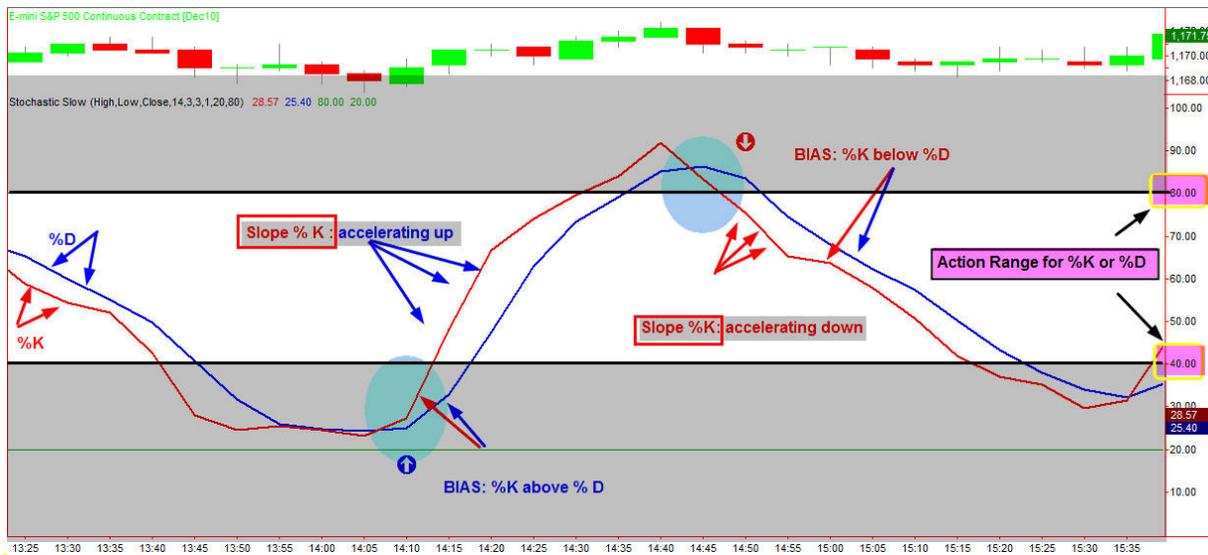
Require Stoch Fast Slope: The slope of %K must be up on a buy and down on a short. Use 1 to activate

Require Stoch Slow Slope: The slope of %D must be up on a buy and down on a short. Use 1 to activate

Require Stoch Fast Range: Use 1 to activate

Stoch Fast Range Min: Stochastic has a range of 0-100. Place the value needed for a filtering action to confirm. For example; A value of 30 states that no buy signal can be taken until %K is at or above 30. 30 is 3 increments above 0, so on the sell side, no short trades can be taken unless %K is at or below 70. 70 is 3 increments below 100. The value you plug in determines the minimum threshold on buys and shorts.

Stoch Fast Range Max: This states the maximum value for a trade. For example; if you plug in a value of 75, that means no buys can be taken if %K is at or above 75. On the sell side, no shorts can be taken if %K is at or below 25.

Require Stoch Slow Range: Use 1 to activate

Stoch Slow Range Min: This is for %D. Same definition as above.

Stoch Slow Range Max: This is for %D. Same definition as above.

Require RSI: Activate with a 1

Require RSI Slope: Up slope on buys and down slope on short trades

Require RSI Range: RSI is scaled from 0-100. This allows you to target an action range based upon the levels you specify. Activate with 1

Require RSI Range Min: Set the minimum action range value.

Require RSI Range Max: Set the maximum range value.

Require CCI: Activate with a 1

Require CCI Slope: Current value of CCI must be greater than previous values for a buy, and must be less than previous values for a short trade. Activate with 1.

Require CCI Range: Activate with a 1

CC I Range MIN: Minimum action level value

CCI Range MAX: Maximum action level value

Require BB Filter: 1 to activate. These values were plugged in under settings in section 1, on page 10. This allows you to define an action threshold based upon a specific standard deviation value.
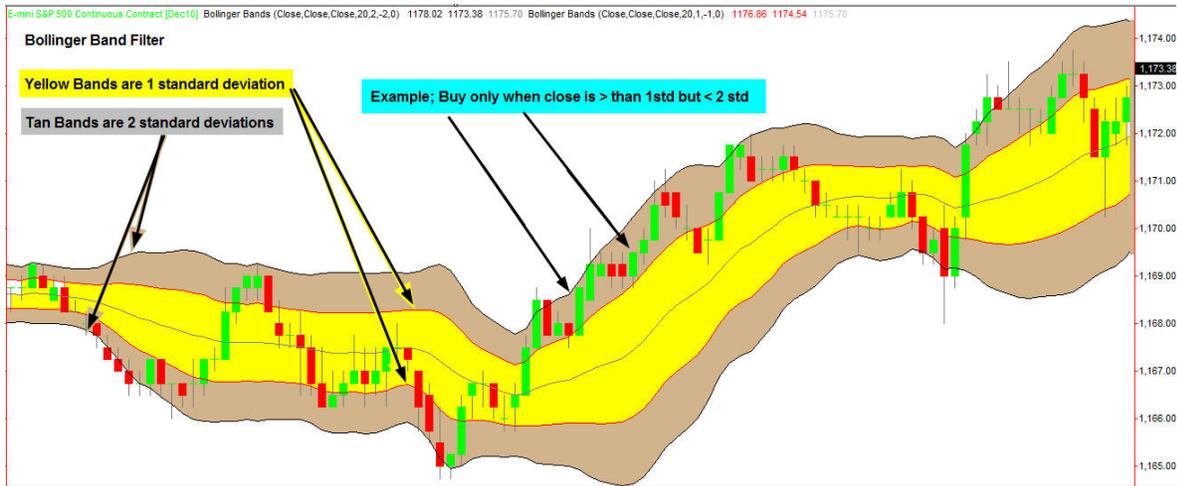
Require ADX Range: Activate with 1

ADX Range Min: Value for minimum action zone. Trade at this level or greater

ADX Range Max: Value for Maximum action zone. Don't trade at this extreme.

Require New Up/Down: Activate with 1. This means a blue dot must be on the bar that triggers a buy and a red dot that triggers a short.

Require 2 MA: Activate with 1. This uses the values designated in section 1 on page

Require Price Fast MA: Activate with 1. Price must close above the fast MA for a buy and close below the fast MA on a short trade.

Require Price Slow MA: Activate with 1. Price must close above the slow MA on a buy and close below the slow MA on a short trade.

Require Fast MA Slope: Activate with 1. The slope of the fast MA must be up on a buy and down on a short trade.

Require Slow MA Slope: Activate with 1. The slope of the slow MA must be up on a buy and down on a short trade.

Require Fast/Slow Bias: Activate with 1. The fast MA must be above the slow MA on a buy and below the slow MA on a short trade.
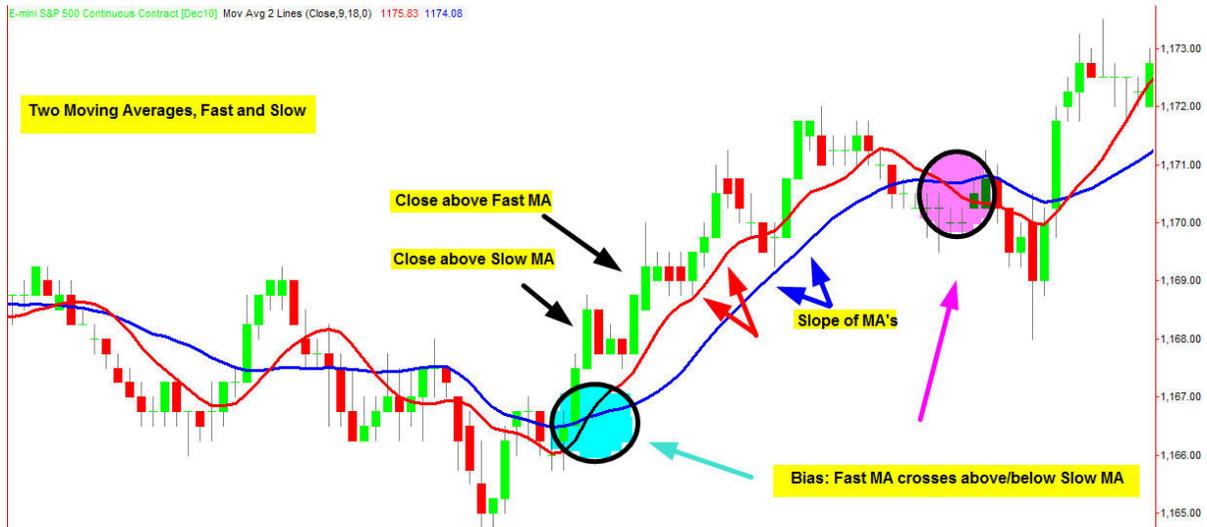
E-Band Extreme ticks: Define the number of ticks above/below the outer e-bands for an action to be taken

Require E-Band Extreme: Activate with 1.

Reset Color Change: Activate with 1. This refers to Scorecard colors. In an up move, if the bars change from blue to yellow and back to blue again, reset all triggers and filters for another buy. If the bars turn from red to yellow and back to red, reset for another short trade.

Reset Midline: Activate with a 1. If flat, buy if prices have closed below the midline of the E-Bands and then close back above the midline. If flat, short sell if prices have closed above the midline of the E-Bands and then close back below the midline. Reset in a pivot swing only occurs when flat.

Reset Autostop: Activate with a 1. If flat, buy if prices have closed below AutoStop and then close back above AutoStop. If flat, short sell if prices have closed above AutoStop and then close back below AutoStop. Reset in a pivot swing only occurs when flat.

SECTION 4: EXIT SETTINGS

Initial Stop Ticks: This number defines the number of ticks used for a stop loss on your entire position (1 contract or multiple contracts). On a buy or sell, if the market moves X ticks against your position you will be stopped out based upon this tick value.

Target Ticks: This value defines the number of ticks in profit needed to offset all or part of your position based upon Trade Size. If trading only 1 contract you will be flat when profits equal this tick value.

Second Stop Ticks: When trading multiple contracts you need to define the stop loss value (in ticks) for all contracts greater than one contract. A value of 0 means the stop on runners moves to breakeven after the initial profit target is hit.

Trail Ticks: this is the # of ticks behind the best price seen. so, for example, if trail ticks is set to 10 and we're in a long position, every time a new high is made on price, the stop will be pulled up to that high minus 10 ticks. It only goes up, never back down, and always stays this X number of ticks behind the best price seen during the trade.

Time Exit Bars: State the maximum number of bars allowed for price to hit your profit target or hit your stop loss target. If neither target has been hit in x bars close out the trade. 0 means don't use this filter.

Exit Triggerline VMA: 1 to activate. Exit on a close above/below Triggerline VMA.

AutoStop Exit: 1 to activate. Exit a buy on a close below Autostop. Exit a short trade on close above AutoStop.

E-Band Exit Ticks: Define the number of ticks above/below the outer e-bands to exit a trade.

E-Band Exit: 1 to activate.

Entry Size: This number defines the number of contracts traded per signal.

Initial Target Size: This number defines the number of contracts offset at the first target price.

SPECIAL NOTES:

Create a new chart and place all of the indicators you wish to study on that chart. The first time you try a test on KPBBB we suggest that you start with loading in a minimum of 3 months worth of back data on the chart you are using for your test.

Once your chart is 'all tricked out' add the KPBBB Strategy to that chart. The KPBBB Strategy attaches to an individual chart, just like an indicator. If, for example, you want to run three different tests, using different parameters on a 7,500 chart of ES, we suggest creating multiple charts.. Load in three ES 7,500 charts with all of your indicators on each chart. Attach the KPBBB Strategy to each of the 3 charts. Set your different strategy parameters on each chart. Each chart can have a different strategy attached to it. When you close out of NT and it asks if you want to save all settings on that chart/workspace, say YES TO ALL. When you open up that chart/workspace again, all of your strategy settings for each individual chart on the workspace will be intact. **PLEASE NOTE: Each Strategy is attached to a specific chart just like an indicator.**

REVIEWING TEST RESULTS

In the CONTROL CENTER click on STRATEGIES. Right click on KPBBB. Left click on Strategy Performance. Left click on historical. The test results are broken down in numerous categories including performance graphs. There is a lot of interesting information contained in the test results so take some time to familiarize yourself with all categories. Pay attention to the frequency of trades. In designing a trade management strategy the objective is to take the fewest trades and garner the greatest average gain per trade. In fast moving, volatile markets, that's easier said than done. It will take a little time to master the KPBBB and more time to design an effective strategy tailored to your trading personality.
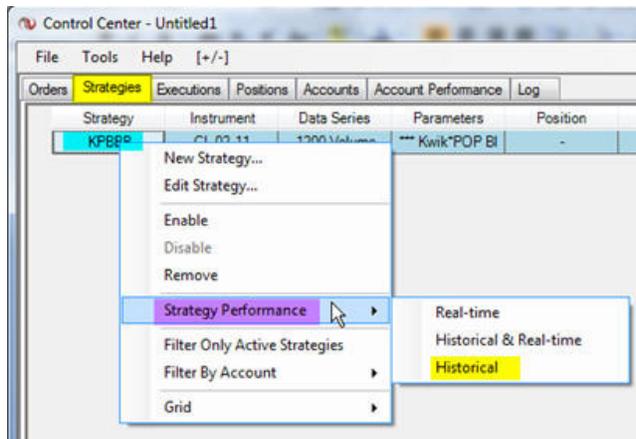
Initially, on your first several tests, you'll notice that the arrows on the charts don't line up with the trigger event you … *thought* … you described in the settings. Please remember that all trigger events are based upon the CLOSE of the trigger bar. That means the trade cannot be executed until the open of the next bar. Also, many times when you check your settings box you'll discover that you have something active that you did not want active for your test. That is why you need to print out the settings on each test you run and make certain that all test parameters are what you envision.

REASON FOR 3 MONTHS DATA … MINIMUM … ON EACH TEST

Market volatilities are changing constantly and that means you need to use a large enough data sampling to compensate for any short term aberrations. Sometimes you'll catch a 10 day period where the results of your strategy produce a 90% win ratio. *DO NOT BE MISLEAD BY THOSE RESULTS*.

From a statistical analysis 'perspective' you need a minimum of 1000 trades to provide a reliable probability factor that can be used for 'real-time' trading. Any test report that has under 1,000 trades in the log should be looked upon as questionable. Once you've discovered a winning strategy that is tradable using 90 days worth of data, re-test using 120 days worth of data. If things still look pretty good load in 1 years worth of data and run the test again.

A viable strategy will survive the test of time. One years worth of data will prove out your methodology as that is a sufficient amount of time to cover all aspects of the markets personality.

Indicator/Strategy Library

The sum of the content on KPBBB can be considered the first generation of this new application. We intend to build upon this library over time, based upon the demands of our customers. We'll build a more comprehensive library of tools based upon the feedback from our customer base of active users on a quarterly time frame using a customer survey format.

Every 60 days we'll accept requests for additions to the library. This will be done with a customer survey distributed via e-mail. When a majority of requests are centered on certain indicators, analysis techniques or strategies we'll have our programmer expand our library of tools at our cost.

Addendum A

Since the initial release of the Kwik*POP Black Box Builder, we have added a few more conditions that can be inserted and back tested to provide you the opportunity to further adjust your strategy.

3.02 Entry Filters

We have added a filter that allows you to require that the close of the last bar is within a certain portion of the entire bar.

There is a "RequireBarRangePercent" that can be set to 0 or 1. If set to 1, this condition means that the close must be in a certain range of the entire bar, which is defined by "MinBarRangePercent" to "MaxBarRangePercent". For example, if you set the "MinBarRangePercent" to 75 and the "MaxBarRangePercent" to 100, then if this filter "RequireBarRangePercent" is turned on (set to 1), the bar must close in the top 25% of the total range of the bar for a buy, whereas a short must close in the bottom 25% of the entire bar range.

Parameters3.02	"*** Entry Filters - Bar ***"
RequireBarDirection	0
RequireBarRangePercent	1
MinBarRangePercent	75
MaxBarRangePercent	100

Parameters 2   Trigger Conditions   Parameters 3.18 Entry Filters-E Bands

We now have the ability to back test the penetration of the close of the bar against the upper and lower E Bands. This is different than the trigger "TriggerEBandExtreme" which tests the bar close above the upper EBand Line and below the lower EBand Line.For example, if "TriggerEBandReturn (Found in Parameters 2 Trigger Conditions) is set to 1 (enabled), and the "EBandReturn Ticks" (Found in Parameters 3.18 Entry Filters -E Bands) is set to 2, then to trigger a buy condition, the prices must go from below the lower EBand Line and close above it by 2 ticks. For a short condition to be triggered the bar must go from above the upper E Band and close below it by 2 ticks.

Name	Value
Parameters2	"*** Trigger Conditions ***"
TriggerScoreCardColor	1
TriggerScoreCardNoColor	0
TriggerBollinger	0
TriggerEBandCenter	0
TriggerEBandExtreme	0
TriggerEBandReturn	1

Parameters3.18	"*** Entry Filters - E Bands ***"
RequireEBandExtreme	0
EBandExtremeTicks	0
EBandReturnTicks	2

Other filter additions include the following in Parameters 3.19:

At the close of the bar, we want to refer to Triggerline above or below Autostop. This is accomplished by setting RequireTLAutoStop to 1 (Enabled). With this setting, for a buy filter, Triggerline must close above Autostop, for a short filter, Triggerline must close below Autostop.

At the close of the bar, we want to refer to TriggerlineVMA above or below Autostop. This is accomplished by setting RequireTLVMAAutoStop to 1 (Enabled). With this setting, for a buy filter, TriggerlineVMA must close above Autostop, for a short filter, TriggerlineVMA must close below Autostop.

At the close of the bar, we want to refer to the close of the bar above or below TriggerLineVMA. This is accomplished by setting RequireCloseTLVMA to 1 (Enabled). With this setting, for a buy filter, the bar must close above TriggerLineVMA, for a short filter, the bar must close below TriggerLineVMA.

Name	Value
Parameters3.19	"*** Entry Filters - TriggerLine ***"
RequireTriggerLineMid	0
RequireTLAutoStop	1
RequireTLVMAAutoStop	1
RequireCloseTLVMA	1

Addendum B

We have completed another upgrade to our Kwik*POP Black Box Builder. This upgrade provides additional parameters for back testing and Automatic Trading. The settings are examples only.

Parameters 1-Indicator Settings

We have added the KPTrend2 indicator to our list of indicators available for back testing and within this section you have the ability to set various Channel lengths. While Trend2 incorporates our Ebands, you can set different lengths for each indicator. Entries made in this section only set the values, the actual initiation is made in Parameters 3.21

P128Trend2ChannelLength1	80
P129Trend2ChannelLength2	14
P130Trend2Length1	9

Parameters 2-Trigger Conditions

A new variation for the use of KPMedium has been added to this section. Now you can use the condition--red medium bar and blue Medium arrow as a long trigger or blue

Medium bar and red Medium arrow as a sell trigger. This can be activated by entering 1 instead of zero.

P216TriggerMedium   1

Parameters 3.01- Entry Filters-Overall

Many times when the market has flattened out into a narrow range or the market has moved too much, it takes an excessive number of bars to plot a reversal bar. For example, the market posted a low and just meandered around in a narrow range with multiple bars without plotting a blue bar--finally plotting one setting up a buy signal that you do not want to enter on. Now you can block any long trade that is more than 5 bars (for example) after the most recent red candle, or any short that is more than 5 bars after the most recent blue candle.

P30113MaxBuySellCycleBars   5

Parameters 3.02-Entry Filters-Pivot2Color

This section has been updated--**RequirePivot2ColorSR** has been added to block all short trades above resistance as created by KPPivot2Color and block long trades below support as plotted by KPPivot2Color. This can be activated by entering 1 instead of zero.

P30404RequirePivot2ColorSR   1

Another addition to this section is **MaxSRBars.** This option lets you filter on when pivots are formed. For example, if this set to 3, that means that you have allowed 3 bars for all conditions to be in place 3 bars after the pivot is formed.

P30405MaxSRBars   1

Parameters 3.20-Entry Filters-Mrange

KPMrange is an indicator based on the crossing of 2 other indicators --KPStopline and KPTightstop. Mrange plots red, white and blue in a subgraph. If you set this to 1, it will filter on red and blue--must be blue for a buy and red for a sell.

P32001RequireMRange   1

Parameters 3.21-Entry Filters-Trend2

This is another filter based on the KPEbands. Earlier, we entered the various values for the Trend2 indicator but it is not active until you make an entry in this filter. This can be activated by entering 1 instead of zero.

P32101RequireTrend2   1

Parameters 5-Exits

Extensive modifications were made to this section. You now have more control over your exits-- all contracts and runners. These settings will apply to trades handed off to the ATM Dome in NinjaTrader.

P505TrailFloorTicks ---This setting controls the activation of TrailTicks. If set to 0, this will activate TrailTicks immediately when the order is filled. If set to,3 for example,TrailTicks will initiate when 3 ticks of profit is achieved.

P506InitialTriggerLineVMAExit --set this to 1 and **_all_** your positions will be closed when prices close above TriggerlineVMA if short or below TriggerlineVMA if long

P507SecondTriggerLineVMAExit --set this to 1 if you have a **_runner_** and it will be closed when prices close above TriggerlineVMA if short or below TriggerlineVMA if long

P508InitialAutoStopExit -- set this to 1 and **_all_** your positions will be closed when prices close above AutoStop if short or below AutoStop if long

P509SecondAutoStopExit -- set this to 1 if you have a **_runner_** and it will be closed when prices close above AutoStop if short or below AutoStop if long

P513InitialFast2Exit --set this to 1 and **_all_** your positions will be closed when Fast2 turns red if long or blue if short

P514SecondFast2Exit -- set this to 1 if you have a **_runner_** and it will be closed when Fast2 turns red if long or blue if short

Parameters 6-Trade Sizes

Important--this section deals with handing off your strategy to the ATM or Matrix. Make SURE that you have the dome and strategy set to your Sim Account!

An additional feature of the Kwik*POP Black Box Builder is that it is now possible to hand off your strategy to the ATM or Matrix for automatic trading. In NinjaTrader, you can have the ATM manage your trades and at the same time, you can make adjustments to your limit and stop. In Tradestation, you can hand off the strategy to the matrix but you must enter and manage your limit and stop.

For NinjaTrader users

The first step to automate your strategy is to create the ATM strategy within the NinjaTrader ATM dome. Here you just enter the stop and targets that you evaluated during the backtesting process. Once you have this information entered, it is time to name and save your strategy by right clicking on the dome and selecting "Manage ATM Strategy Templates". Enter a name and click save. Let's give our strategy the name 2cCL for 2 contracts of the Crude Lite

Now go back to your Black Box Builder strategy and enter the same name in the line next to ATMStrategy in Parameters 6 section. For example

      P603ATMStrategy   2cCL

TestTrade should only be used in the beginning to check your settings making sure that the signal is handed off correctly to the ATM. This entry normally should be set to zero. In test mode, 1 fires off a long trade, -1 sends a short trade.

      P605TestTrade   0

Parameters 7-Alerts

This is a new section that has been added to the Black Box Builder that will provide audio and email alerts when activated.

To enable the alert function of the Black Box Builder, just set EnableAlerts to 1, 0 for no alerts

      P701EnableAlerts   1

AlertSoundFile provides the capability to play an audio alert when the signal is sent to the ATM or Matrix. For an example, C:\Windows\Media\chord.wav would be one entry. You can select your sound by going to C:\Windows\Media.

      P702AlertSoundFile   C:\Windows\Media\chord.wav

The next line--AlertSoundSeconds is just the number of seconds to repeat the Alert Sound. The default is 3

      P703AlertSoundSeconds   3

The next 2 lines provide the ability to send an email with the alerts. But before this can be enabled, you must set up the email feature in NinjaTrader. From the NinjaTrader Control Center click on Tools > Options > ATI and place a check

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mark in the Enable SMTP server box. Then click on the Misc tab and enter the email address that you want the alerts to go to in the "Mail Alert Message to:". Leave the Mail Setup section blank. Click on the "Test"box to verify that your settings are correct.

Now go back to your Black Box Builder and add your email address that the alerts are going to be sent to--both entries are the same.

P704AlertEmailFrom   enter email address here

P705AlertEmailTo   enter same email address here

KPBBB is an educational tool and was not designed for real time trading. The KPBBB strategies can be run in real time on your live trading account if you elect to do so. We <u>do not</u> advise you to run the strategies in real time on your personal trading account.

There is substantial risk in trading futures contracts and additional risks may develop when trading electronically via the internet. Power outages, internet problems, computer and software problems may have an adverse impact on a computer driven automated trading system.

If you decide to automate the Strategy Trading Signals developed from the KPBBB application you do so at your own risk and TS Leasing Group Inc. and its affiliates assume no liabilities for any losses incurred.

ADD-ONS

Whenever we add new TRIGGERS and FILTERS to KPBBB we will update our glossary with definitions in this section (ADD-ONS). We will also post an e-mail alert for all subscribers. If you would like additional triggers or filters please contact us a kwikpop@kwikpop.com