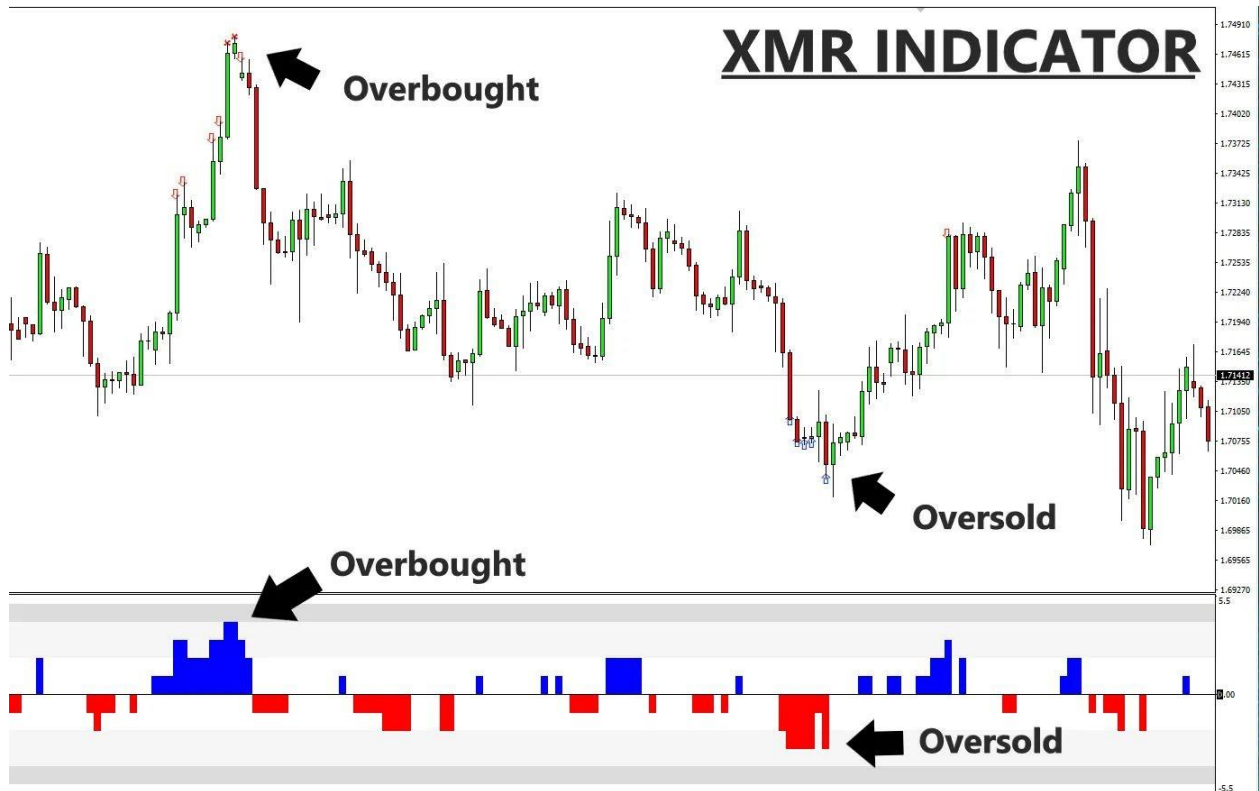


# XMR Indicator User Guide

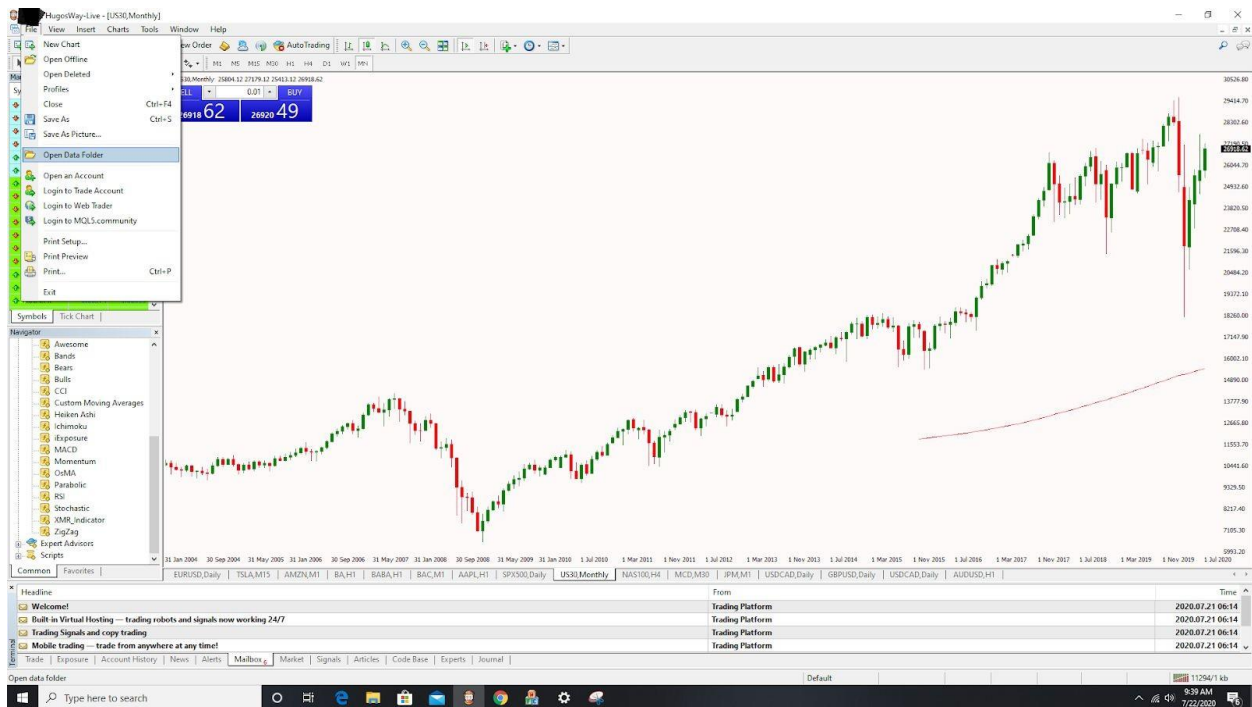


## Index:

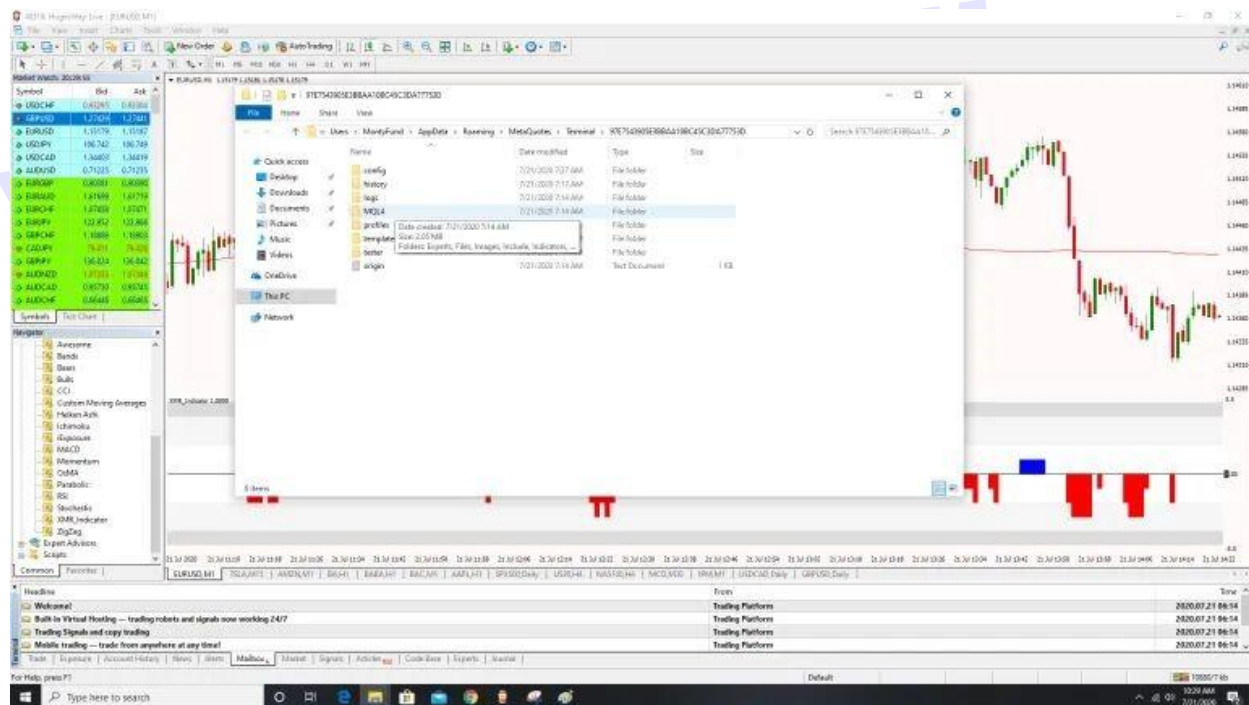
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# How to install:

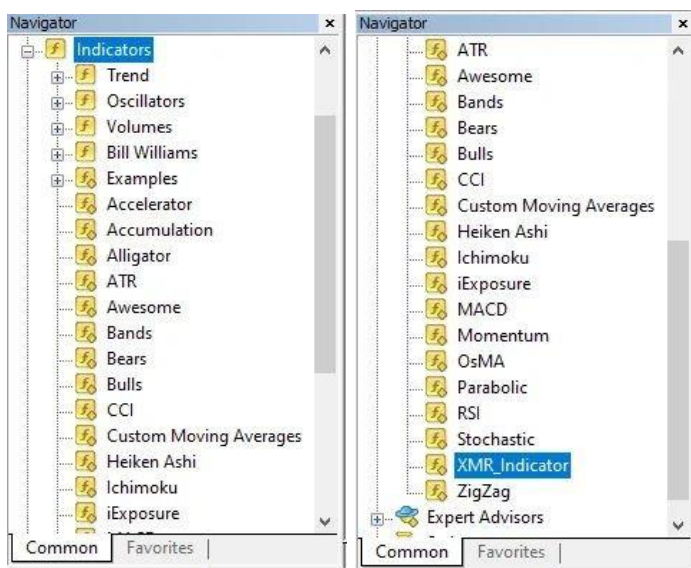
1. Download the scanner onto your computer, go into your MetaTrader platform and click on 'File' then 'Open Data Folder'.



2. Then, your folder should pop up and click on 'MQL4' >>> 'Indicators'. There, you will see all the indicators that are installed on your MT4 platform.



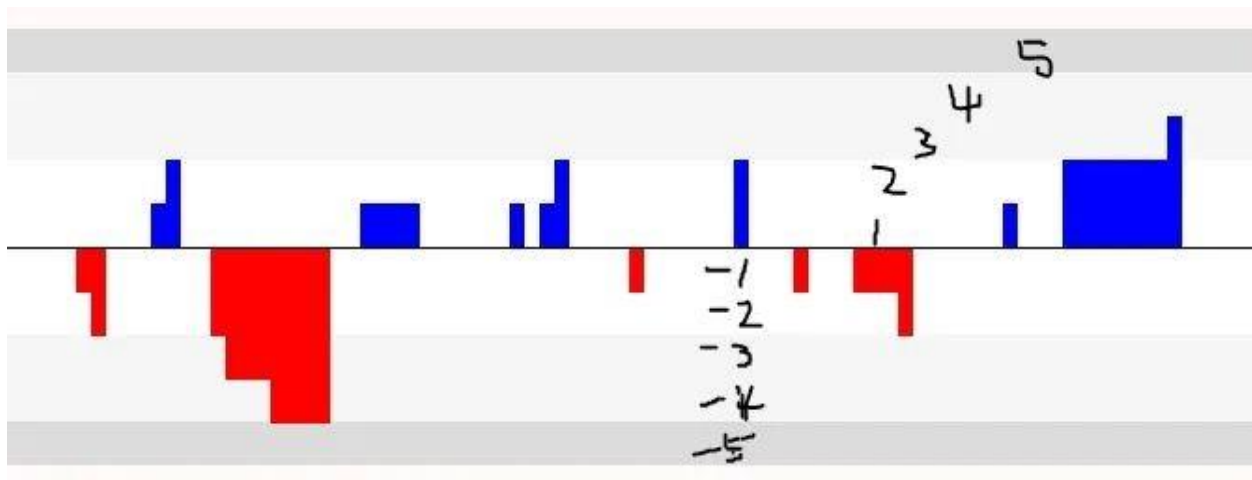
- Once you're there, drag the 'XMR\_Indicator' file you downloaded into your 'Indicators' folder. Next, close and restart your metatrader platform. Go to 'Indicators' on MT4 in the navigator window. Scroll down to the XMR Indicator



4. Finally, drag the indicator on to any chart reading on the Monthly time frame and it will start running. Important: the indicator must be dragged onto the monthly indicator first, in order to calculate properly. Then, you can change to any other timeframe you'd like.

## How it works

The extreme mean reversion indicator (XMR) is a chart indicator used to identify potential reversals in a financial market. The XMR indicator specializes in scanning previous price action in order to signal potential overbought or oversold conditions in a market. The XMR is displayed as a bar chart, with a set range from -5 to +5. +5 is considered extremely overbought, and -5 being extremely oversold (dark gray areas).

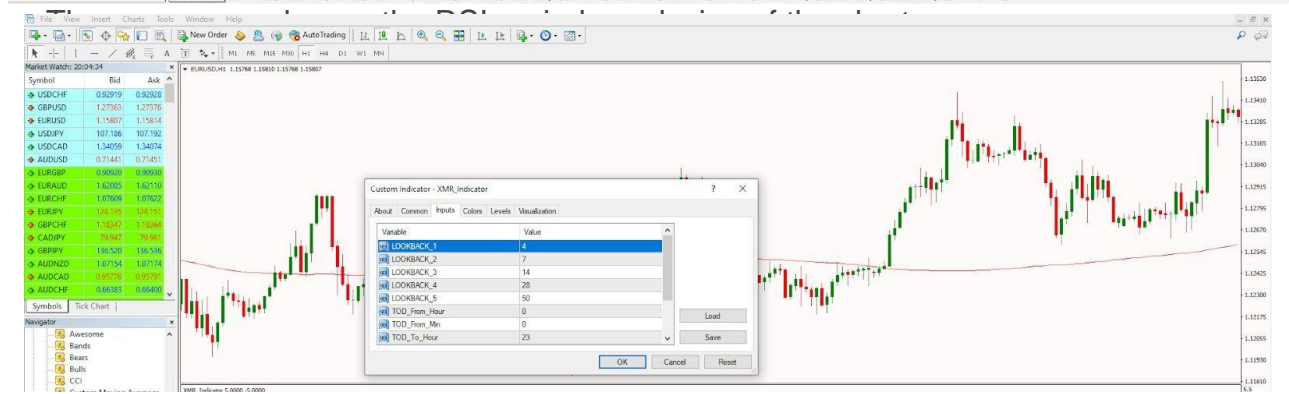
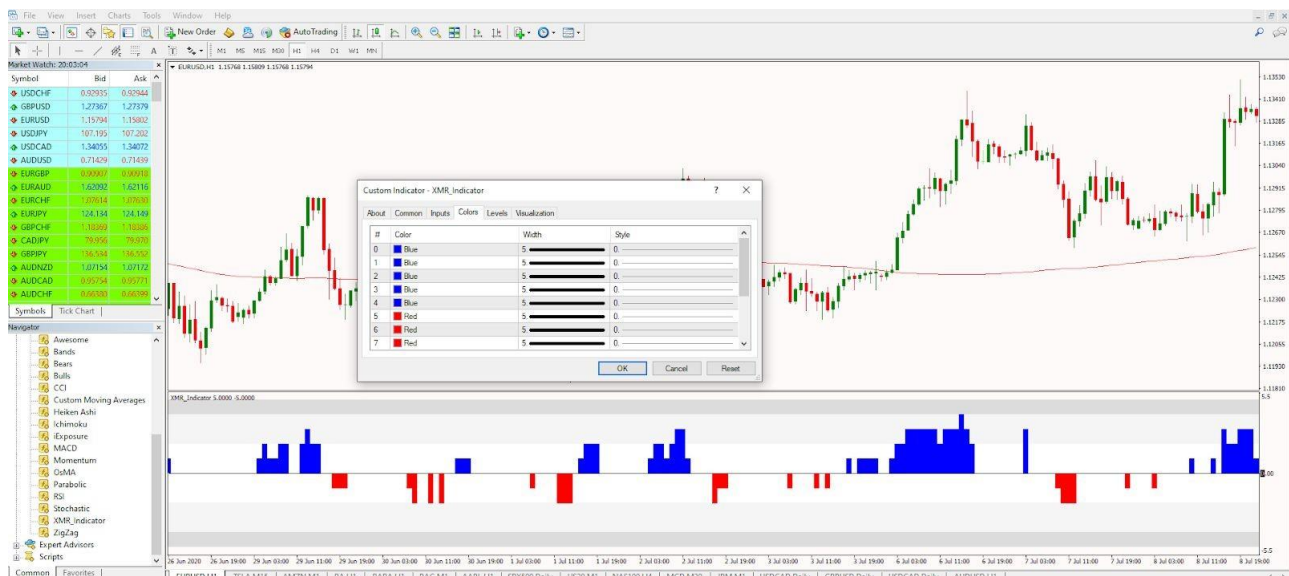


The tool was built with the concept of mean reversion; the idea that markets often return to historical means. With this in mind, this tool can be utilized to look for markets that have significantly moved away from their historical means and may be due for a reversal.

## Customization

The scanner already has RSI periods built in to the input, but you can choose whatever time periods as well as whatever design you want.

Right click on the indicator and click 'Indicator Properties'.





## How we like to trade with it



Here is an example of a short trade on EUR/USD using the XMR Indicator. Notice how the blue bars mark when price is overbought (OB), and red bars mark when price is oversold (OS). The white areas of the chart mark less extreme conditions of OB and OS which range from -2 to +2. Harsher conditions measure -3 to -4 or +3 to +4. Usually when price reaches to a -3 or +3, it has ended up being a good time to enter long or short positions. A -5 and +5 are very rare, but are the most extreme readings when looking for an OB or OS reversal setup.



Here is a -4 reading on GBP/USD during the crash in early 2020. A buy at that mark would have made over 1,300 pips from lows. The screener obviously works best in extreme conditions, but can also signal for potential longs or shorts above +2 or below -2.



This is another example, with a +5 reading on USD/CAD using the XMR. Notice how prices on the daily chart hit +5 and price reversed, and the next several months became a downtrend.

## Conclusion

The purpose in making this scanner was to help traders use software to spot extreme market moves, that may be due for a reversal. No indicator is perfect, but they can be used as tools for insight on any kind of market you want to trade, and may offer valuable insight for your analysis. This indicator is meant to help the user gauge a market move or alert them when prices enter a new territory of overbought or oversold readings.

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