

How to set up an Automated Forex Trading Terminal on Your Home Computer

This document will attempt to introduce you to the possibilities of automated Forex trading and it will also guide you through the setup of a fully automated Forex trading system.



What is Forex

The foreign exchange (currency or Forex or FX) market is by far the largest market in the world, in terms of cash value traded. It includes trading between large banks, central banks, currency speculators, multinational corporations, governments, and other financial markets and institutions. The trade happening in the Forex markets across the globe currently exceeds \$1.9 trillion/day.* Retail traders are a small part of this market.

Size and Liquidity

\$600 billion spot
\$1,300 billion in derivatives, ie
\$200 billion in outright forwards
\$1,000 billion in Forex swaps
\$100 billion in FX options.

*Average daily international foreign exchange trading volume was \$1.9 trillion in April 2004 according to the BIS study Triennial Central Bank Survey 2004

How can I participate?

There are hundreds of retail Forex brokers online. Most use their own trading platforms but many also use the Meta Trader 4 trading platform. Any individual can open a standard or mini forex trading account with a reputable broker and take part in the market. Free demo accounts are offered by 99% of retail brokers.

What is a Trading Platform?

A trading platform is the software that you have to install on your computer in order to be able to interact with the trading desk. It usually has a place for live market quotes, graphs and your account information. You typically use the trading platform to open or close trades, adjust take profit and stop loss levels and so on.



What is MetaTrader 4?

Meta Trader 4 is a FREE trading platform developed by a company called Metaquotes software www.metaquotes.net and is one of the most popular trading platforms among retail FOREX brokers. MetaTrader gives a trader the ability to write a program that completely automates the trading operations of the MT4 platform using the MQL4 programming language. These programs are called Expert Advisors, or EA's

Characteristics of the Forex market

Enormous trading volume

Low minimum investment

Very high liquidity

Geographically decentralized

Long trading hours - 24 hours a day (Closed on weekends)

Large variety of factors affect currency exchange rates



What is an Expert Advisor

An Expert Advisor (EA) is a program written in the MQL4 programming language that has the ability to automate the opening and closing of live trades on the MetaTrader 4 Forex trading platform. It can also manage stop loss, take profit and trailing stop levels according to pre-programmed parameters. Every EA is different. A well tested, solid EA can be left unattended to trade a live trading account with confidence that the balance will grow as a result of the program's logic to enter the market.

Requirements for setting up an automated trading system

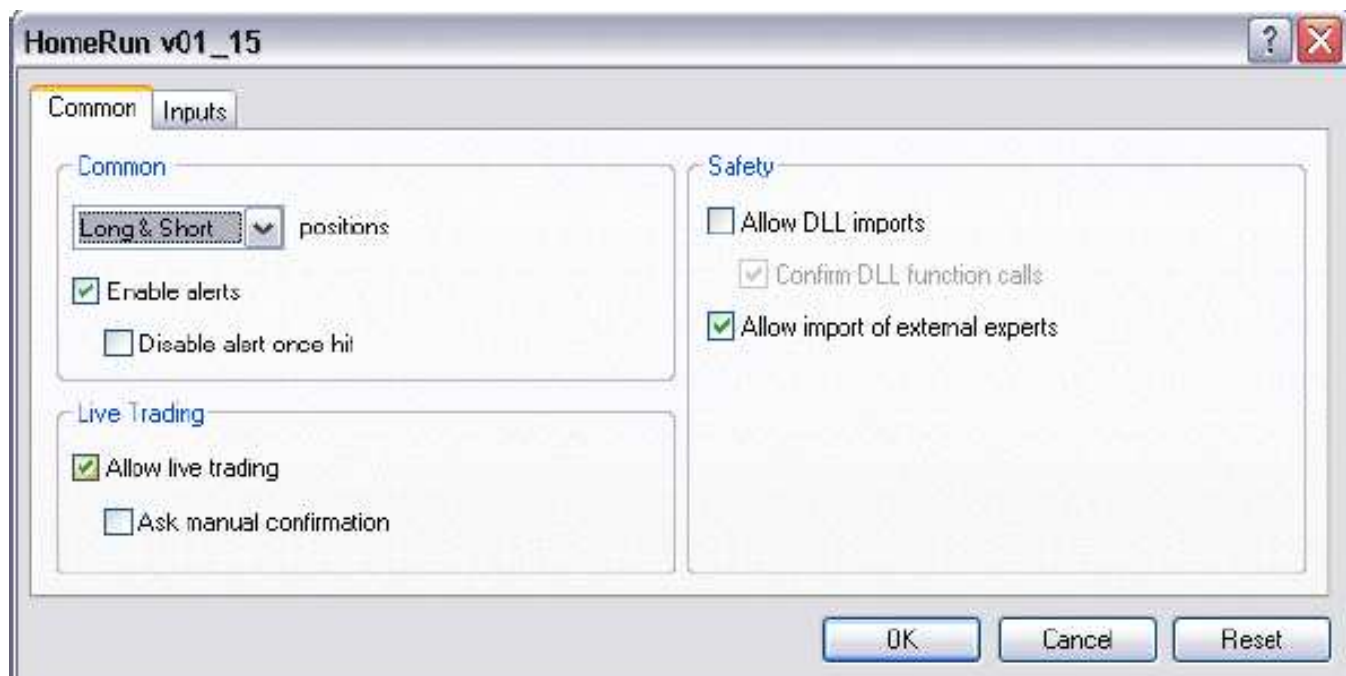
- A computer in good working order
- An Internet connection
- MetaTrader 4 (Free download)
- An Expert Advisor program (www.halcyonfx.com)
- A demo or live account with a Forex broker

How to set up a fully automated currency trading system

- 1- Download and install MetaTrader-4 (Free download at www.metaquotes.net)
- 2- When you run MT-4 for the first time it will prompt you to open a demo trading account. Do so. It is free. In fact you can open as many free demos as you want over and over on the same instance of Metatrader without re installing the MetaTrader-4 software by simply going to File > Open Account. To add to that, you can install multiple instances of MT 4 and run them all at the same time as long as you install them each in their own directory. I have about 12 instances of MT-4 on my computer because I write and test Expert Advisor programs so I need a lot of MT-4 instances for testing purposes.
- 3- You need an Expert Advisor in order to automate MetaTrader 4. Without an EA, MetaTrader is just like any other platform. (Please visit www.halcyonfx.com for high performance Expert Advisor programs)
- 5- Place the EA file (usually a file ending in .EX4) in the "experts" folder while MetaTrader is not running. The 'experts' folder of your MT4 installation is usually: C:\Program Files\MetaTrader 4\experts
- 6- Start MT-4. You will notice the new EA in the navigator window on the left under "Expert Advisors"



- 7- Drag-and-drop the icon of the EA to the chart you want to run it on. This will result in a pop-up box (shown on next page) that will allow you to enter any external variables that may be needed on the "inputs" tab. Also make sure you click on "Allow live trading" under the 'common' tab of that box so the EA will work.



Click OK. If you did everything right you will see a tiny smiling face at the top right hand corner of the chart with the name of the Expert Advisor program that you are running next to it. Your automated trading system is now up and running.

NOTE: If the little face is not smiling, (if it has a frown) it means you did not check the "allow live trading" check box when you attached it (common mistake) to fix this simply left click anywhere on the chart, and select "expert advisors" from the drop down menu and then "properties" to get to the current EAs properties. Once there, on the common tab, click to allow live trading and click OK.

That is it! This system could be set up in less than one hour!

Reputable brokers who support the MT4 Platform

FXDD (USA)- <http://www.fxdd.com/index.html>

InterbankFX (USA) - <http://www.interbankfx.com>

Alpari (UK) - <http://www.alpari-idc.com>

MIG Investments (Switzerland) - <http://www.migfx.ch>

DISCLAIMER: THE RISK OF LOSS IN TRADING FOREIGN EXCHANGE (FOREX) CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN FOREX TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS. Forex trading offers large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the Forex market. Don't trade with money you can't afford to lose. No single system is perfect. By using our expert advisors or any other Halcyon Forex system you agree to hold Halcyon Forex and anyone involved in the development, production and distribution of any expert advisor program purchased through Halcyon Forex free of any responsibility or liability for any losses sustained while trading with live funds. Any live trading that you do, be it manual or automated, you are doing so at your own risk and discretion. Forex is a very risky and unpredictable business. You can lose large sums of money by taking the risk of trading in the live market. Halcyon Forex shall not be held responsible for any losses that you might incur during any trades. This is neither a solicitation nor an offer to Buy/Sell currencies, futures, stocks or options on the same. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed verbally or written on any literature by Halcyon Forex. The past performance of any trading system or methodology is not necessarily indicative of future results. No guarantee is made that you will be able to replicate the same results.

