

Turtle Power: Finding Success with the Turtle System Automated Forex Trading

By DNA Tech

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The process and investigation in discovering one of the best automated trading systems

It was a long search but www.originalturtletrader.com was the end result of years of research, testing, and development.

I have traded stocks and forex for some time. To others it may seem green to the markets, but in the 7 years I have studied various trading techniques I have never found anything as systematic and successful as the turtle trading system. I was immediately drawn to the forex market for many obvious reasons. The ability to trade with high leverage and a small account was at the top of the list. Yet the free streaming charts, and no commission style trading was very enticing, not to mention the markets being open to trade 24 hours a day. The last statement turned out to not be much of anything as any experienced trader knows. Trading during the quiet hours is just a recipe for disaster. Once I had funded my account with my first \$250 I wasted no time to lose \$75 in the first week. Next step was to hone my technical analysis skills.

I studied technical analysis and researched every oscillator and moving average I could get my hands on. I kept looking for the one indicator that would make me rich. It took a while and many losses before I realized that was not going to happen. A few years later I grew as a trader and realized all indicators are lagging and that only true price action must be observed. I soon became fascinated with pivot points and Japanese candlesticks. Finally I would use a single chart on my screen without any indicators. I made some profitable trades with nothing but candlesticks on my chart. I was arriving as a trader. However, I was never able to be profitable, because I just did not have the discipline to be consistent and take trades only if they fit my trading plan. That is when I knew I needed to explore the realm of expert advisors.

I first looked at all the commercial ones available. "\$5,000 to \$125,000 in only 6 months!" I would read the headlines and get excited. I never did end up purchasing any of these to my credit. I read enough forum's and talked to enough traders to know that their claims were ridiculous and were actually created by cheating the backtester using delayed data. None of them work in the forward tests. I was determined that a profitable EA must exist, but it would have to produce more reliable and grounded results. Mark, my college roommate, was always fascinated with autotrading the forex market. While I had my doubts, he kept thinking about how amazing it would be to not have to start your trading day at midnight and finish up at noon each day. I always wanted to trade, but I did not want it to consume my life.

Having realized that working the graveyard shift in trading was less than ideal, Mark and I set out to create a profitable EA. We were first drawn to the Mark Fishers ACD system. We liked how he had significant price levels that must be broken and sustained before entering a trade. I read his book as if it was gospel and Mark set out to create an expert based off of the rules. As it turned out there was just too much human discretion that was needed to trade the system profitably. Mark was able to code all the elements of the system, the issue was that the ACD system was really not a system but more just ideas to trade off of. It was not going to produce results on its own. We needed a system that had set rules that if followed would create wealth.

Back to the drawing board we went. Mark and I liked how ACD was a breakout type system so we continued to explore possibilities in that area. I re-read my first trading book and it explained the theory and simple practice of breakouts. Mark and I both independently worked on ideas for a more complex system based off of breakouts. We had many conversations and developed a system that called for a breakout from a larger timeframe such as weekly candlesticks. Further it would let profits run and minimize risk using

strict money management. I searched the web looking for other ideas to improve our plans for the system. I stumbled across the turtle traders website. I had been there once before, but had discounted the worth of a website with the title "The turtle traders." I sure feel silly now, but am fortunate I revisited the site and decided to give it a chance. It turned out to be an inspiring story, but most of all the exact trading rules were written out on paper for a system that had a proven track record of over 20 years! After reading through the 20+ pages of rules I knew this is what Mark and I were looking for.

The turtle system laid out a more advanced money management system than we ever considered, but most importantly based stop loss off of an algorithm of the current price action environment. This was a very important concept that Mark and I immediately knew was a key part to this systems success. Taking market volatility into account allowed the system to be successful in different types of markets during different parts of the years. Basically the system would have the ability to be profitable each year in and out. I will not bog you down with the rest of the rules as they are readily available in another section of this website. What I will say is that Mark and I loved the simplicity of the system but even more the concrete rules for getting into and out of positions. They were all based on statistically significant timeframes. Since we had already independently researched a larger term breakout system we were convinced this was the way to go as it agreed with many of our principle ideas. Further, it was clear that these rules could be completely computer driven. We actually laughed at one point when reading the book about the turtle traders. They installed pool and ping pong tables in their trading office because they had to kill the time sitting around their computers watching the price all day. They were not performing intense fundamental analysis or drawing chart patterns. They simply waited to see the price cross significant levels and then made a call to their broker to place a trade. Now in 2008 with metatrader we can have the computer watch the price and make the trades while we are sleeping. Remember for people living on the west coast trading really starts each day at midnight

It didn't take long for Mark to start creating this system to be run in metatrader. Durring this time we had more conversations to make sure that the integrity of the original system was preserved in the code. Once we had the final product we were very excited. We have only run the program for a few months, but we have more than doubled our accounts in this time. Granted the markets have been very volatile in late 2008, we still are confident this system will work under all market conditions. There is no sure bet in trading, but this is a simple logical system that will produce well better than average terms, with acceptable levels of risk.

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DNA FX Trading has been in development for several years and only after months of testing has it been released to the public. Developed by a group of experienced traders and highly qualified programmers DNA Tech provides top quality professional automated trading software. DNA Tech has decided to program their systems for use with metatrader 4 due to the widespread availability of the platform for retail customers and abundant support by many forex brokers.

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