

# VOLATILITY INDICATOR AND HISTOGRAM

TRADING ALGORITHMS  
INDICATOR INSTRUCTIONS

- Trading Algorithms
  - Volatility Histogram
  - Volatility Indicator



# Main **goals** of the Volatility Bundle indicator

01.

## Building channels

The indicator dynamically builds channels with supports and resistances. These channels show boundaries of probable volatility in 4 modes: shortterm, intraday, daily and weekly volatilities.

02.

## Expanding volatility

It is very important for a trader to know when the market is in a trend and when it is not expedient to expect significant and fast movements. The indicator shows places and times when it is expedient to expect the beginning of a fast or trend movement.

03.

## Posting STOP LOSS

One of the main problems of a majority of traders is incorrect posting of STOP LOSS orders after opening positions. The indicator offers to post STOP LOSS orders beyond the volatility boundaries. We believe that it is one of the safest places at the moment of opening a trade.



# How the indicator works

01.

## Training on history

The indicator analyses a historical period, which is loaded to the chart, trains and builds boundaries of a supposed volatility range in real time.

02.

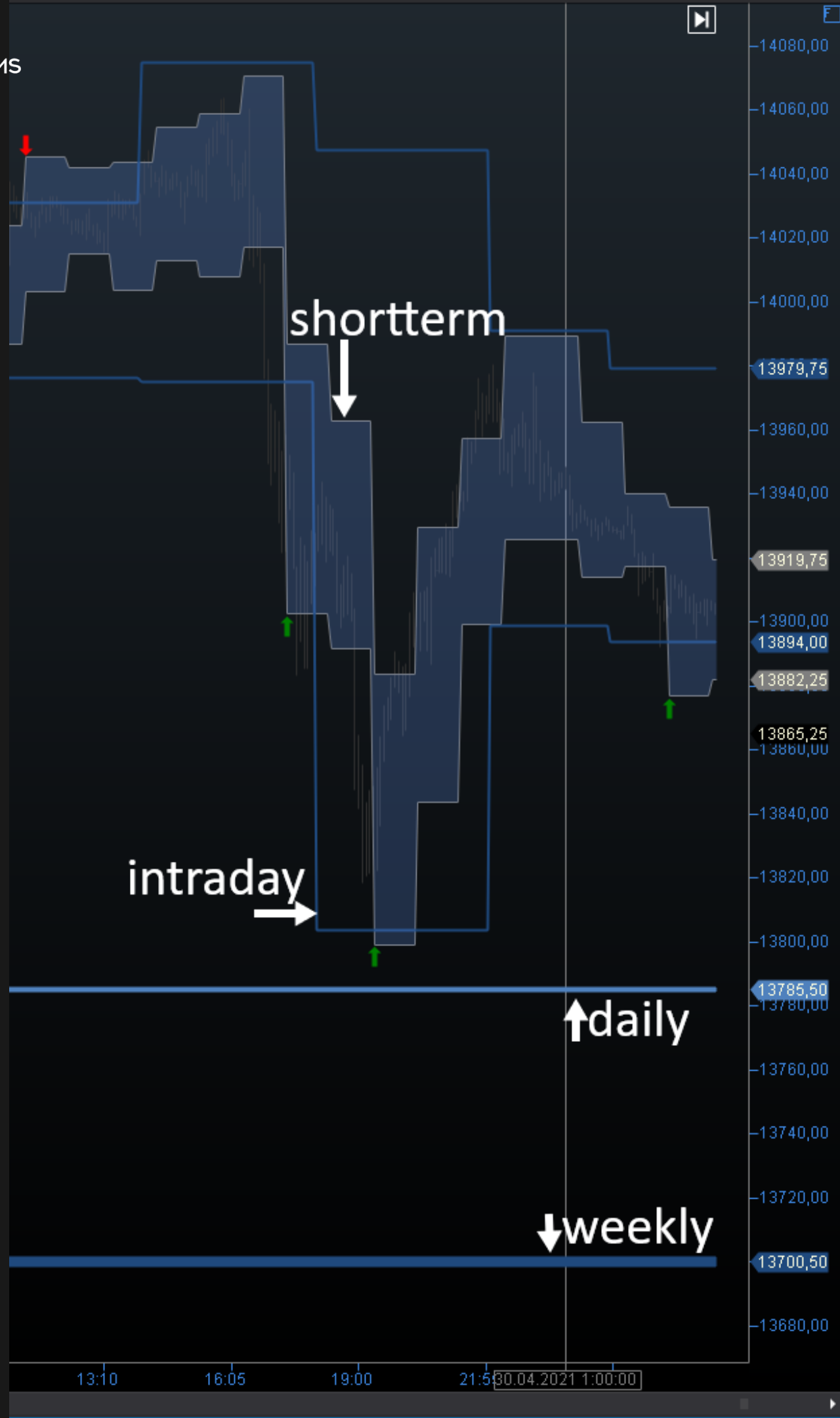
## Manual set-up mode

Analyse history with the help of the ATR indicator, find relevant areas, set range boundaries and help the indicator to train more accurately.

03.

## Dynamics or statics

Channels have 2 display modes - dynamic and static. Channels will change together with price movements in the Dynamic mode in the course of movement and exhaustion of the operating range for the current period. You will learn how long the price could move in the opposite direction.



# Building channels

## 4 MODES OF BUILDING CHANNELS

1. Shortterm - a short-term volatility, which may change every hour.
2. Intraday - an intraday volatility, which changes several times during a day.
3. Daily - a supposed volatility for the current day.
4. Weekly - a supposed volatility for the current week.



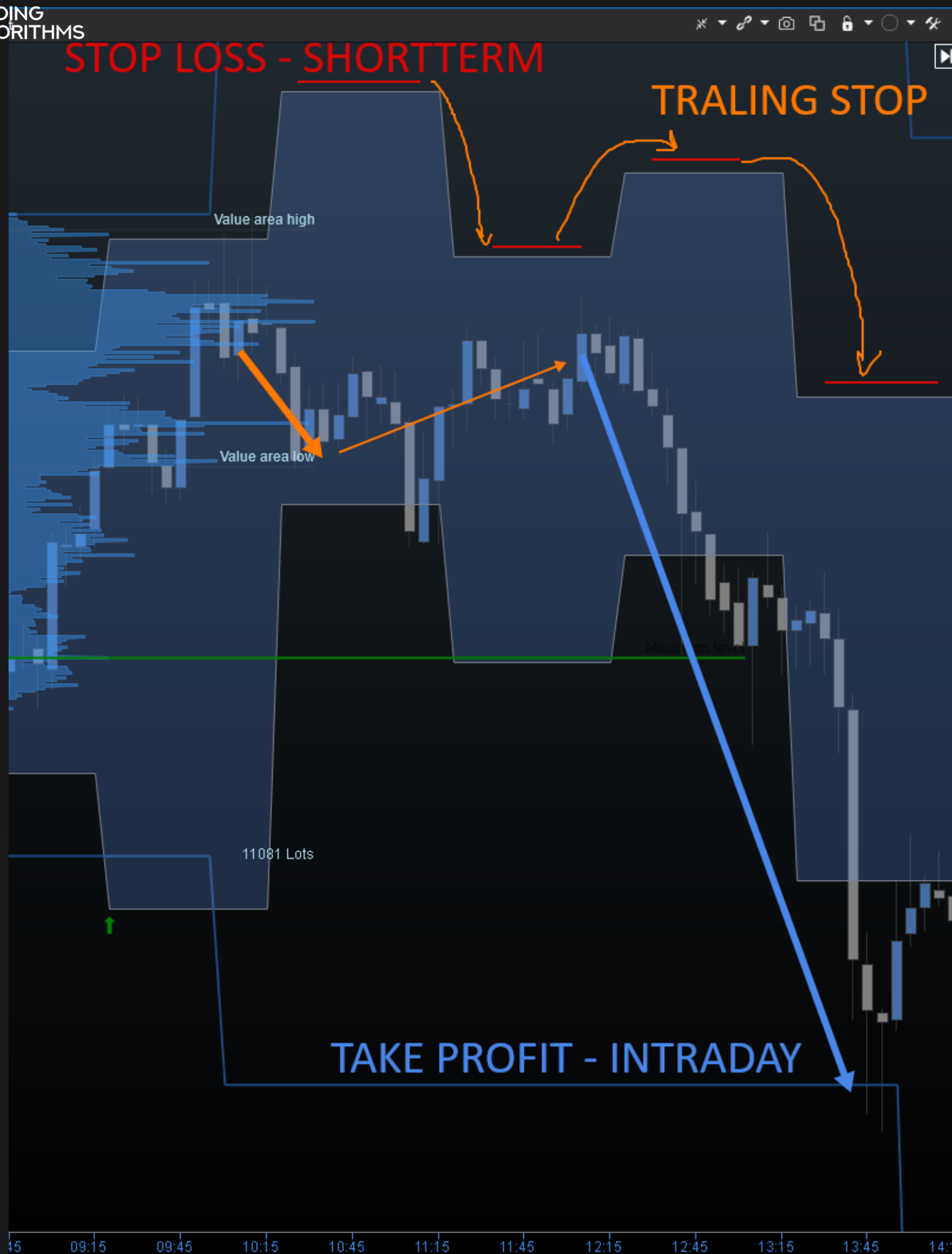
# Expanding volatility

## Beforehand forecasting

The indicator algorithm was developed for showing a probable expansion of volatility before movement starts.

If you observe that a narrow channel becomes wide, there is a big probability that the market starts a trend movement or candles would just become more volatile.

Now you are ready for good movements and may control your risks more adequately.



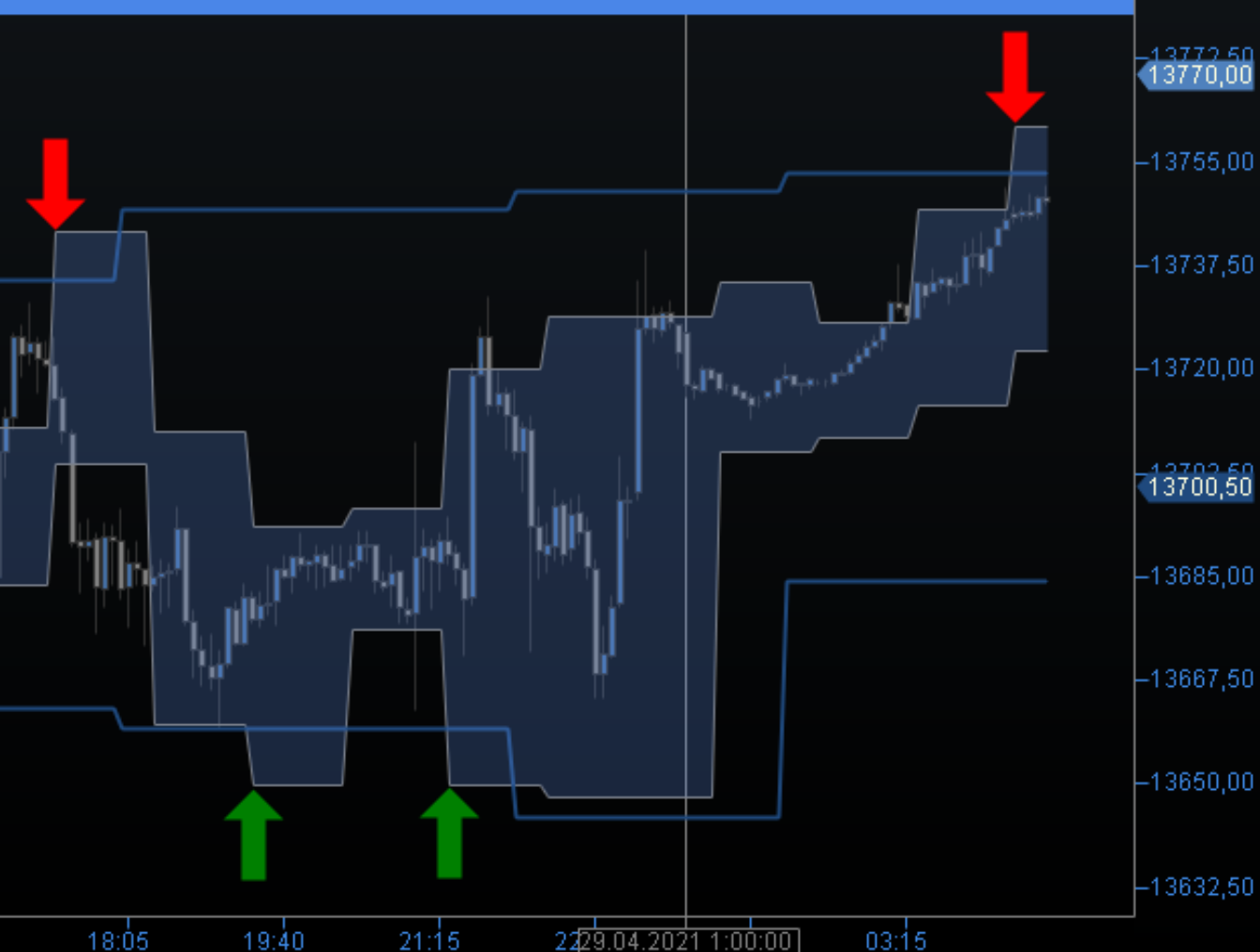
# Limiting risks

## Stop loss / take profit / trailing stop

Play with indicator modes. Post stop losses beyond senior periods to make them more reliable. Use smaller periods for more aggressive and short-term movements.

Move a Stop Loss to new volatility boundaries when necessary.

You may post a Take Profit at the opposite volatility boundaries where there is a big probability of movement exhaustion and reversal.



# Automation of the reversal point search

## Signals of forthcoming reversals

One more indicator advantage are reversal places at crossings of volatility channels of neighbouring periods.

Combinations, which are used for signal searching:

- shortterm + intraday,
- intraday + daily,
- daily + weekly.

You will receive a signal about a probable forthcoming reversal for your convenience when a junior period approaches and crosses a senior one.

In addition, we developed a Trading Robot, which would post orders and execute trades towards signals. We will consider settings further on.

# Indicator settings

**01.**  
Activate the filter of a historical period for analyzing the indicator training.

**02.**  
Set the historical period beginning and end - the indicator will train on this range.

**03.**  
Selection of one of 4 volatility channel modes and combinations for searching the signal reversals.

**04.**  
Selection of the static or dynamic mode of the channel display.

**05.**  
Fill color of the selected channel mode.

**06.**  
Activation of a sound alert for reversal situations.

**07.**  
Color and width set-up of every border of every volatility channel.

**08.**  
Color and width set-up of signal Up and Down arrows.

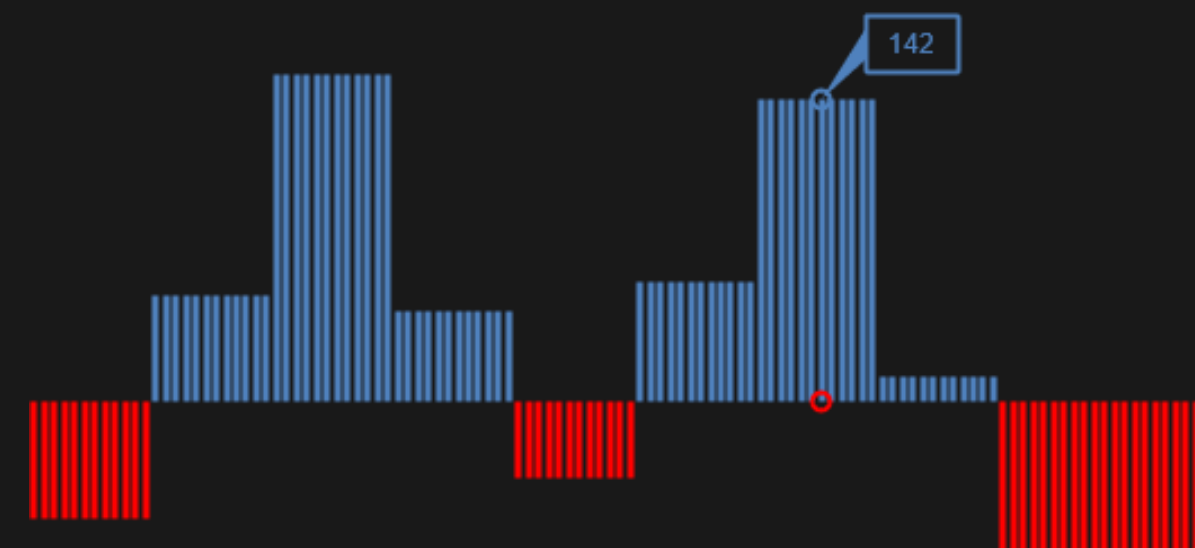
Indicator settings

- Time Filter**
  - Use filter  1
  - Range 4/30/2021 12:00:00 AM-5/1/2021 12:00:00 AM
    - From 30.04.2021 2
    - To 01.05.2021
- Settings**
  - TimeFrame Shortterm 3
  - Channel mode Static 4
- Visualization**
  - Fill color #3E6495ED 5
- Alerts**
  - Use alerts
  - Alert File alert1 6
- Drawing**
  - High Shortterm Line;Solid;1px
    - Show zero val...
    - Show value
    - Scale
    - Color #FF7F7F7F
    - Visual type Line
    - Line style Solid
    - Width 1 7
  - Low Shortterm Line;Solid;1px
  - High Intraday Line;Solid;2px
  - Low Intraday Line;Solid;2px
  - High Day Line;Solid;4px
  - Low Day Line;Solid;4px
  - High Week Line;Solid;8px
  - Low Week Line;Solid;8px
  - Up Up arrow;Solid;3px
  - Down Down arrow;Solid;3px 8

TimeFrame



# What the Volatility Histogram is good for



01.

## Contracting volatility

The indicator builds a negative histogram when the price is contracting and does not reach the volatility boundaries. You receive information about a number of ticks and can visually identify how strong the volatility has contracted.

02.

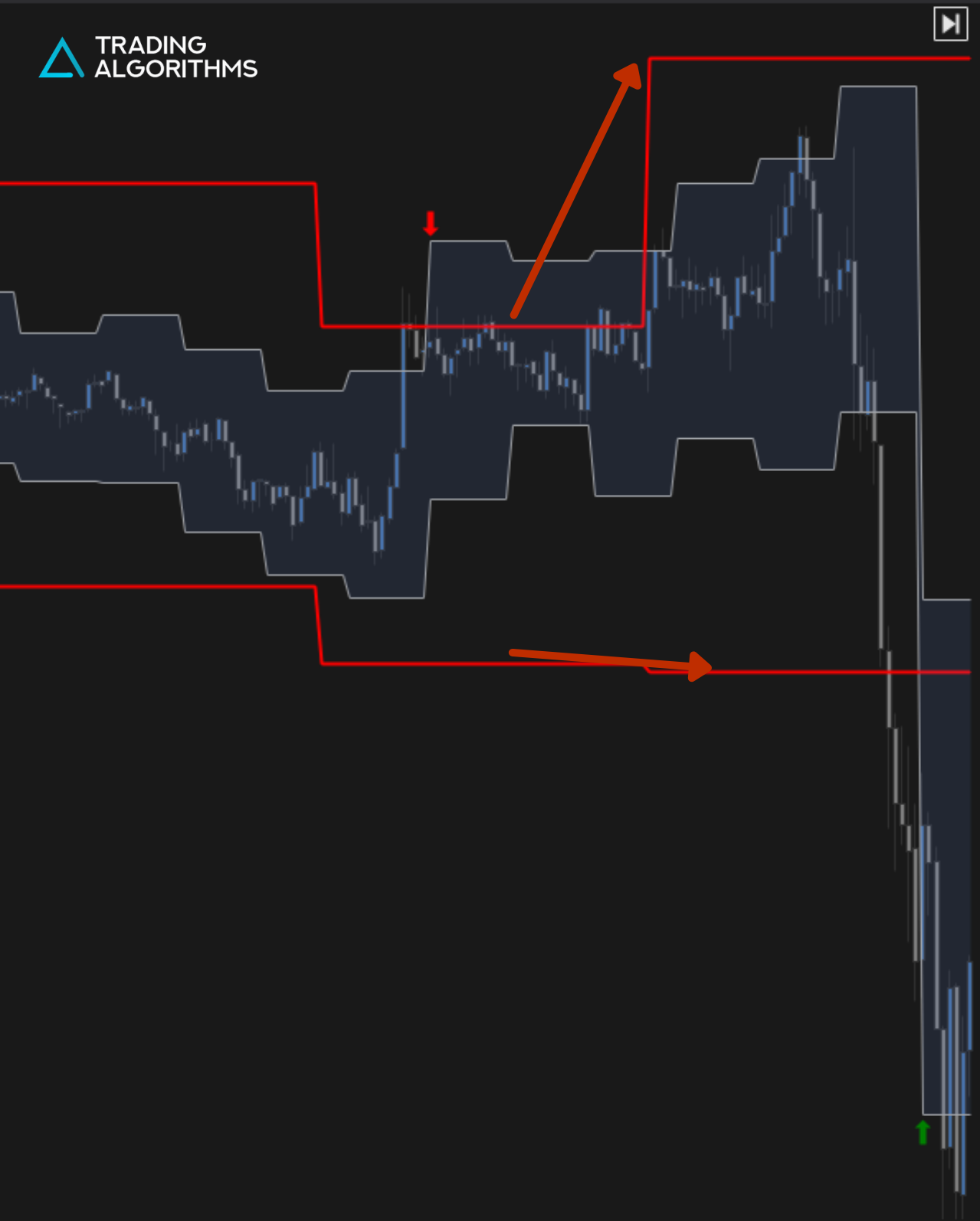
## Expanding volatility

You will see a positive histogram when the price exceeds a forecasted volatility and goes beyond the channel boundaries. It could be a signal for the trend beginning or continuation.

03.

## Forecasting an impulse

Volatility contraction always precedes its growth. Monitor series of negative histograms and find the very beginning of a trend movement. At the same time, you should not reckon upon good movements when there are series with negative histograms.

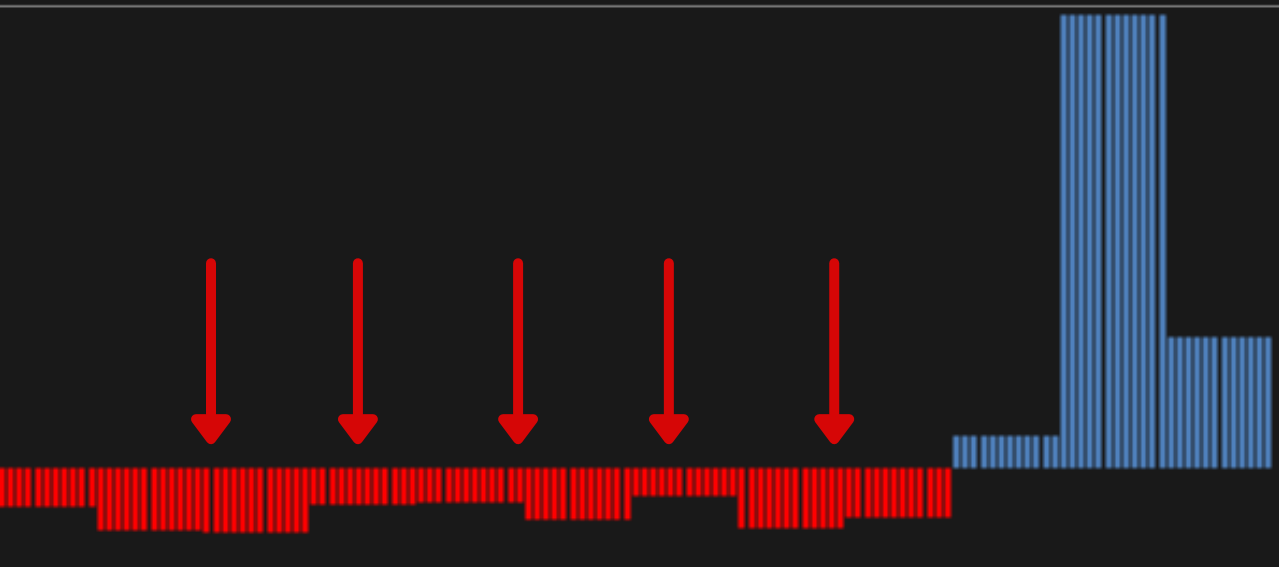


# Combine both indicators

## Complex forecasting

Series of negative histograms and channel range expansion testify to the fact that actual volatility was contracted and there are signs of a forthcoming growth on the expanding channel.

When this happens, be ready for a reversal or good trend movement in the market.



# Volatility Strategy is a trading robot

## Trade reversal signals

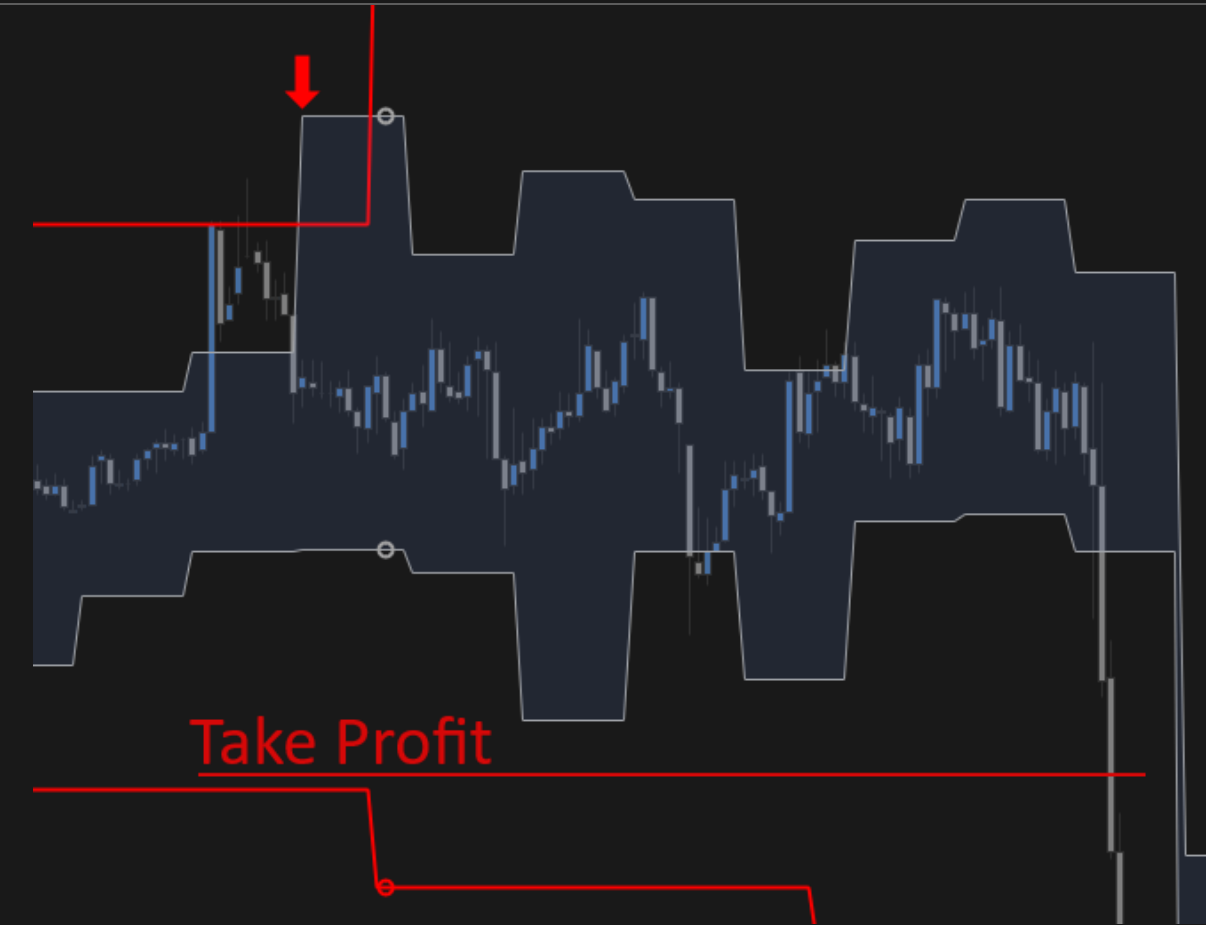
When you see the Up or Down arrow, the market often stops or reverses in the opposite direction. Set the robot parameters for your trading instrument and catch reversals automatically.



## Control your risks

The following settings are available in the robot:

- Trading Volume,
- Stop Loss values,
- automatic cancellation of unexecuted orders.



## Automatic Take Profit

A Take Profit order will always be posted before the opposite volatility channel boundary. This will allow not to bother about where to post orders on your own. However, you always can control your order manually.

# Trading Robot settings

**01.**  
Entry No. 1 settings section.

**02.**  
Entry No. 2 settings section.

**03.**  
Volume of limit order 1 for entering a trade. The protective order volume will be similar.

**04.**  
The Take Profit order offset from the channel boundary, before which it is posted. For example, it would be 4 ticks above the volatility channel support boundary for selling.

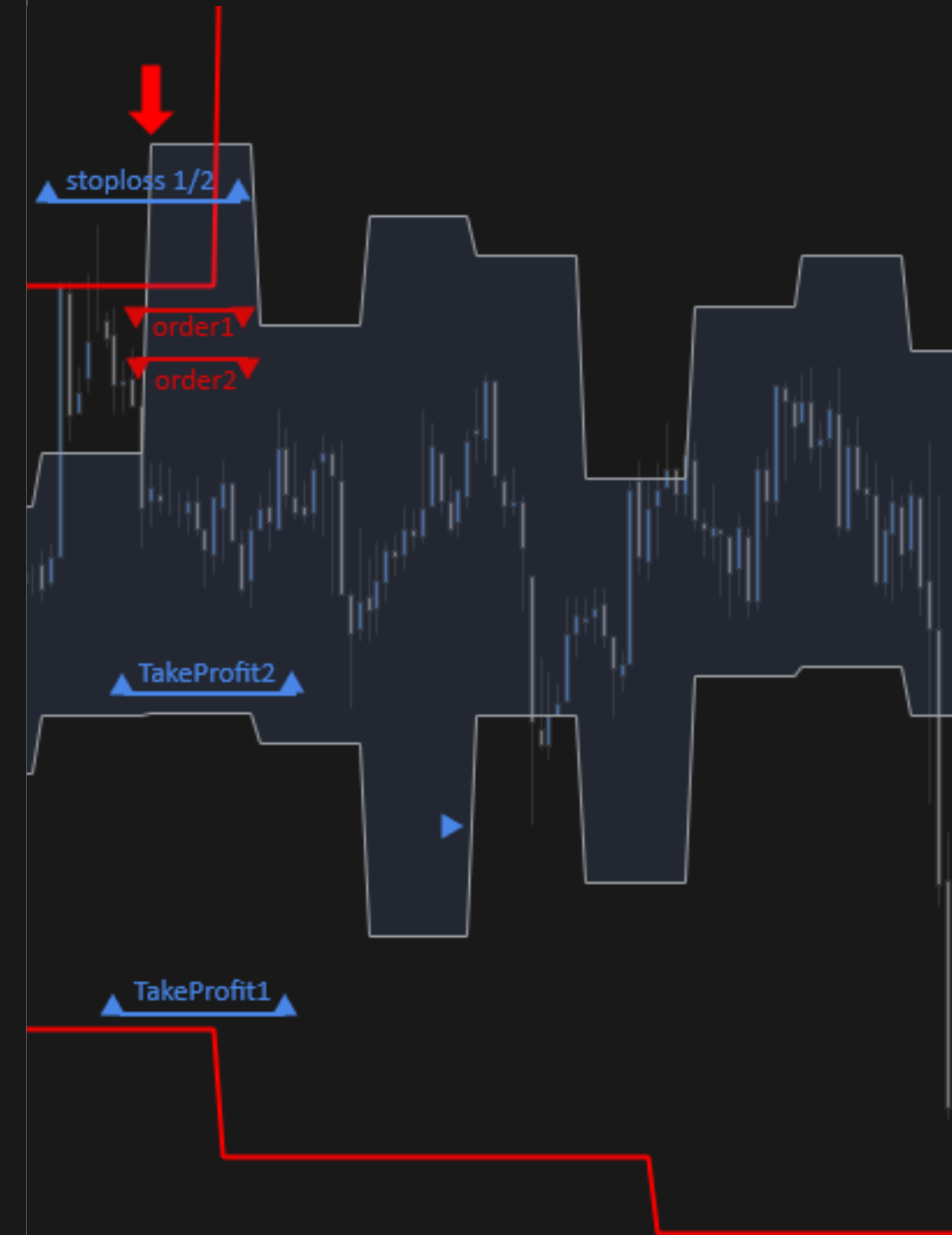
**05.**  
The Stop Loss order offset beyond the channel boundary, after which it is posted. For example, it would be 4 ticks above the resistance boundary for selling.

**06.**  
The limit order posting offset before the channel boundary level. For example, it would be 3 ticks below the resistance boundary for selling.

**07.**  
Similar settings of items 3-6 for the second entry into a trade.

**08.**  
The tick distance from the Take Profit price for cancelling unexecuted orders. In other words, if order 1 / order 2 is not executed and the price moves towards a profit, orders will be withdrawn when reaching this value.

Order 1 1	
Volume	1 3
Take-Profit Ticks	4 4
Stop-Loss Ticks	4 5
Limit Order Ticks	3 6
Order 2 2	
Volume	1
Take-Profit Ticks	4 7
Stop-Loss Ticks	4
Limit Order Ticks	8
Orders	
Cancel Ticks	2 8



# How to **set up** indicators

01.

Register on the ATAS.net web-site and download the ATAS platform from your Personal Area.

02.

First 14 days are free for all, after which crypto-exchanges continue to be free.

03.

Pay for the **trial access** to or annual subscription for the Volatility Bundle indicators.

5-day trial period = USD 1

Lifetime subscription = USD 399

04.

Send us your **ATAS login** after you have paid for opening an access to indicators

05.

We will send you a '.dll' file, which you will need to put into the '**Documents\ATAS\Indicators**' directory.

06.

Go to the properties of the downloaded file and **unblock** it, so that it is displayed in ATAS.

07.

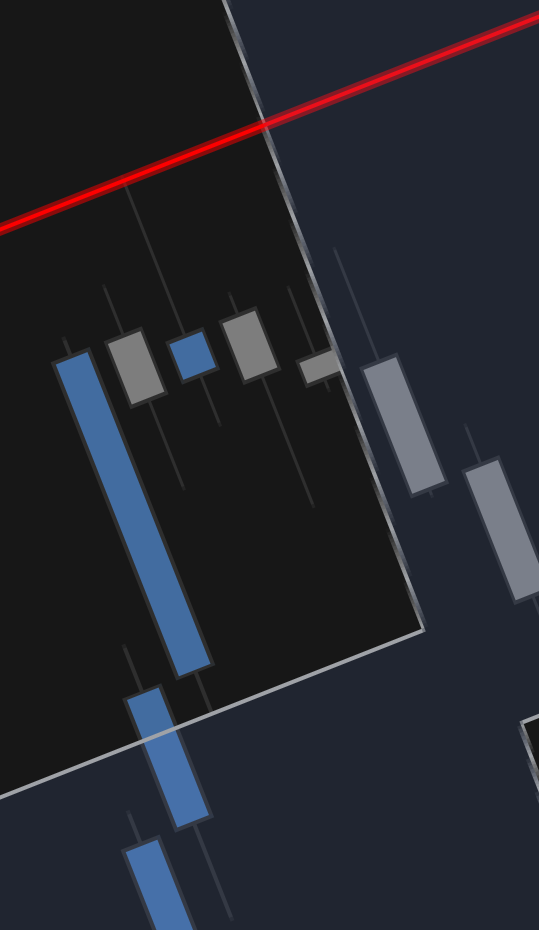
Press the **blinking sign** in the lower panel in the main ATAS window or reload the platform.

08.

Open a **new chart** from the main window, mouse over the chart, click the right mouse button and select the **Indicators menu** item.

09.

Find the **Trading Algorithms** section with available indicators in the indicator list at the very bottom.



# Some trader's Life Hacks

01.

If you load the BTC/USD chart for different exchanges, first, open, for example, LTC/USDT, set the chart scale equal to 500, apply the made change and, after that, change the instrument to BTC/USD. This would allow accelerating history loading and would remove many empty cells with zero values in the FOOTPRINT.

02.

Use Volatility Bundle with such indicators as Dynamic Levels Channel, TPO and Profile, Volume, Delta and monitor volume accumulations and splashes during the volatility boundary tests. These indicators clearly show a probable tendency change.

VOLATILITY BUNDLE

03.

When selecting a section on history, try to find the maximum similar section with the same volatility. This would allow an indicator to pass training with maximum accuracy.

04.

When you download templates, do not forget to change the tab to SNAPSHOT for proper template download.

05.

It is necessary to load the minimum number of historical days for each out of 4 modes:

- Shortterm: 7-14 days,
- Intraday: 30-60 days,
- Dailty: 180-360 days,
- Weekly: 360-720 days.

If there are less data, an indicator will not pass the complete training and, sometimes, it will not be able to produce a supposed volatility correctly.

06.

If the Volatility Histogram indicator shows negative values or positive values only nearly always after selection of a historical period for training or selection of a too big historical period, it means that you need to select a more proper historical period or to load less history. Try to stick to the numbers from [section 5](#).

07.

If you see too narrow channels, most probably, you have not loaded enough history for indicator training.

08.

The STATIC mode is set in the settings by default but you can change it to DYNAMIC in the settings.

XX.

Remember that these indicators are not the Grail but faithful assistants to a trader in market analysis. The Grail is a comprehensive assessment of a situation, trading plan development and observance, and observance of the RM and MM rules.

# Contacts



<https://trading-algorithms.pro/> - our site

[https://t.me/Technical\\_task\\_TA\\_bot](https://t.me/Technical_task_TA_bot) - send your technical task for the development of an indicator or a robot

[support@trading-algorithms.pro](mailto:support@trading-algorithms.pro) - write to us by email

[https://t.me/trading\\_algorithms\\_bot](https://t.me/trading_algorithms_bot) - add and find out what we offer traders.

<https://t.me/CryptoManyaki> - crypto community

**[DOWNLOAD TEMPLATES WITH INDICATOR](#)**