

CONGESTION BREAKOUT INDICATOR:

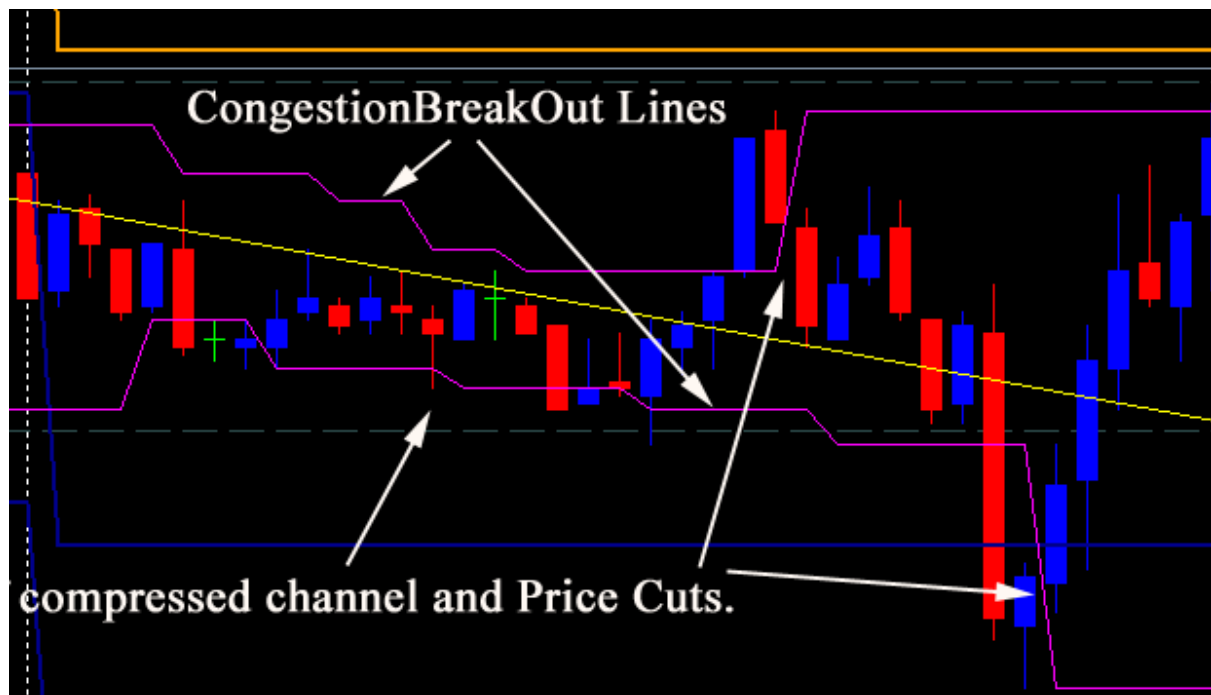
Two clean lines are created to stay at recent support and resistance prices and to only change when the trend changes. The indicator calls attention to these trend changes and allows you to see breakout movement when the price has been flat for a significant period and then exceeds a previous price peak. There are two signals that are important here.

Click the image for a larger version



First is the break out from a congestion period that will be signaled under two different conditions. The first occurs when a price bar closes outside of a narrow channel formed by the two lines. The second occurs when a bar moves from inside to outside of the congestion channel and moves enough to exceed a boundry beyond the channel edge(default 10 pips). The bar close alert means that price has exceeded a recent high or low when it crossed the line. The alarm triggered by the still moving bar that exceeds a boundry will catch a price surge that runs away from the channel but has not yet closed the bar.

Click the image for a larger version(more details)



Second, one of the lines may cut through the price when trend reverses. That is a visual signal that the trend has changed and you may get a strong movement afterwards depending on where price is in the price channel (not the channel formed by the indicator) and by the overall, long term trend. Note that the line only changes after a bar has reversed and closed. This is added protection that you see a real reversal rather than a fake. But nothing is guaranteed. In a flat or choppy market, the moves are smaller, less profitable and more easily fake you out. After a significant move, the market is more likely to move significantly in the other direction.

Either a break out or the sudden surge of a bar beyond the lines will cause a sound or a voice to alert you to the event. Fourteen pairs are handled by the voice event. New sound files reduce the announcement to one simple phrase which does not lock up metatrader while the sound plays. Instead of telling up or down, it just says "Break Out!" and then the name of the pair.

You can put this on several pairs and be called to the screen when something significant happens.

A narrow channel between the lines in a congestion field will undulate up and down as new highs and lows are found within the flat price range. Be careful not to mistake a temporary narrow channel break out for a real break out. Look at the collection of lines that lie in the immediate past. They form a collective support or resistance. Consider more than the last line segment when you look at the price moves to break out of the channel. Of course, the alert only considers the last line segment.



This last image shows a steady down trend. The indicator will give both Trend Change and Breakout signals as it stairsteps up or down the slope. Once you realize you are in a trend, it would then be up to you to ignore the Trend Change signals. The first bad trade as the trend continues, rather than reversing, should be a signal to you to evaluate the state of the trend and which signals are important.

The voice alerts are in the AnnouncerAudioFiles product elsewhere on this site. If you already purchased the audio files, you may need to download that product again to get these most recent sounds. I've sent previous owners a link. One change I made is that instead of making Metatrader say the product, then the pair and then the timeframe, I made new audio files to compress it all into one file. That prevents the lock up of Metatrader to prevent a later audio from stepping on a previous file while playing. These new files put a single command such as "Breakout!" in front of the pair name. You have to find the correct pair and evaluate the situation yourself. You are free to make your own audio files if these are not pleasing or you don't want to spend the \$7. A default alarm sound is used if you turn off the voice alerts.