FS Price Hacker Indicator

MOMENTUM TOOLS

Future Script
Algorithmic Trading Software.
Powerful and intuitively designed software for today's professional trader
Future-Script.com | www.futurescript.com

The Price Hacker

The Price Hacker is a combination of three trading techniques based solely on price action. The relationship of the price bars to one another is used in context with the previous group of bars to identify good trading opportunities. The first technique is the concept of a bar that crosses through a handful of bars in a single motion on a closing basis. This signal indicates there is a sudden change in the supply and demand of the contracts creating the opportunity to now act upon the situation.

The crossing of prices through the close of multiple bars is recorded and a number is painted to display how many closes were crossed. Set the "minimumCloseBars" to the required closes crossed to display a signal. Set the "chokeBars" or "hackBars" to the number of bars in the evaluation. The default value is 10 so the maximum number to be displayed would be 9 given that the last bar would potentially cross through the other 9. The "smearTicks" will allow for close enough setups and less explicit triggers.
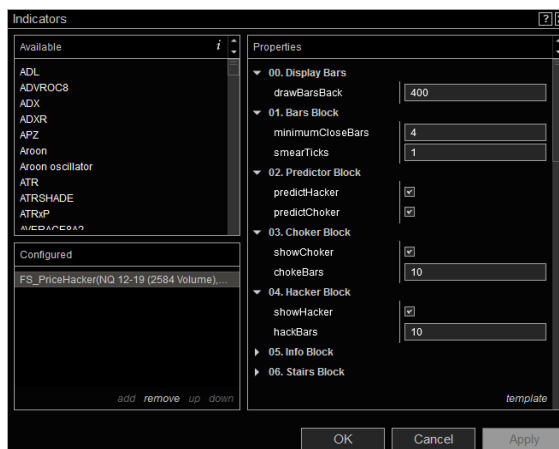
The "predictor" block can be enabled to draw predictive lines where the cross of the required closes will occur. These values also can be accessed via the output data series embedded in the indicator when calling it inside of a strategy.
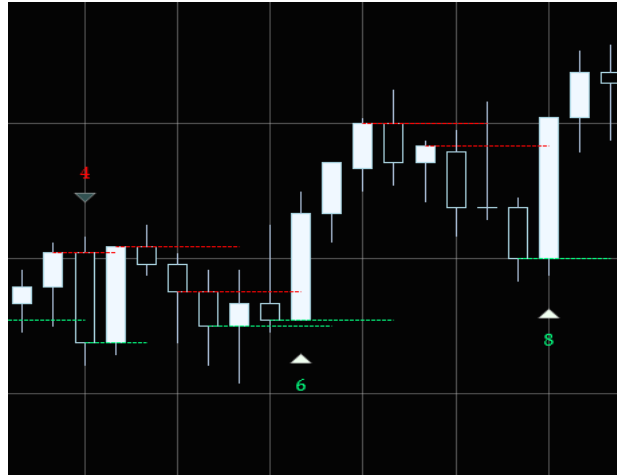

The next set of techniques is contained within the "stairs" block. When the market is marching higher with consecutive higher lows or descending with lower highs the break of this pattern can and often will produce a sharp or quick countermove as players exit from advantageous positions in an attempt to lock in as much profit as possible. This signal can also be used to enter a position when the market has thrust into a desired area and the momentum has not yet confirmed the move in the opposite and anticipated direction.


The "xxx" marks the level where the activation price must qualify in order to trigger the setup. This tool is most useful in trending, active markets with large waves in both directions. Entering a trade with another signal or the staircase signal itself and then using the staircase to exit can be very effective in these types of markets. The use of constant volume bars can also enhance this type of approach because it will enable a very quick response to the trading activity in contrast to time bars which wait for a chime on the clock to close.

The staircase inputs can be calibrated from the settings window. The "priceActivation" sets the price needed trigger the staircase in effect. The "CLOSE" setting requires that the bar close beyond the level whereas the "TOUCH" setting merely needs price to hit on a low or a high. The "stairCount" will require the minimum hike or decline in the price bars to qualify the staircase setup and the "stairTicks" will adjust the ticks at the highs or the lows to allow less explicit setups to occur. A setting of "0" requires that the highs or the lows are successively higher or lower. The next high needs to be less than previous high, and the next low needs to be higher than the previous low. A setting of "1" will allow equal values to be recognized as steps in the staircase. A setting of "2" or greater will allow extremes less than or greater to in sequence.
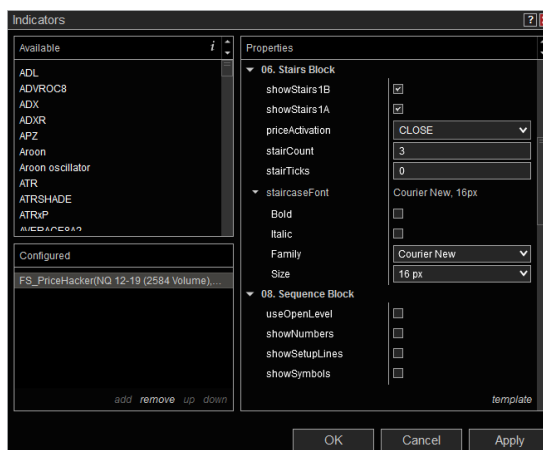

The third technique is the "sequence" theory. A buying bar in a down sequence marks the change in the direction of prices and starts a buying sequence. The numbers will continue to count higher as long as a selling bar doesn't appear to reverse the direction. This is a purely price defined trend indicator and although rather simple in construction it can be very effective in identifying turning points to get in trades, exit trades, and stay in trades. A buying bar is marked with a "B" and a selling bar is marked respectively with an "S". The critical levels are the buying bar open or low selectable in the settings window and conversely the selling bar high or open. These levels are designated as important in the evaluation of the trend because this is the price area where the move started. It is wise to observe how the market moves thru these support and resistance levels. It is generally accepted in the trading world that support becomes resistance and resistance becomes support as the territory changes regimes. Support lines that recycle higher are bullish in nature as the market steps up and reaches new highs. Support that is broken will offer resistance as the market cycles down and selling pressure overwhelms the buyers.

Trading the sequence can be approached in many different ways. There is no right or wrong way to use this indicator. There are many useful features that can be implemented for a variety of purposes. A sequence that flips through a critical level is an indication of a strong trend and should be recognized as a shift in sentiment. When the market is reacting to critical levels it is wise to observe how the price is trading about these levels. Tags to critical levels or strong rejections from them are signs that the previous sequence is dominating the scenario and new recurring sequences are likely to form thus giving the opportunity to not delay a possible entry waiting for the initial sequence bar. The pattern of short lived sequences followed by longer sustained sequences is a clear indication of stronger underlying currents and minor overlapping waves.
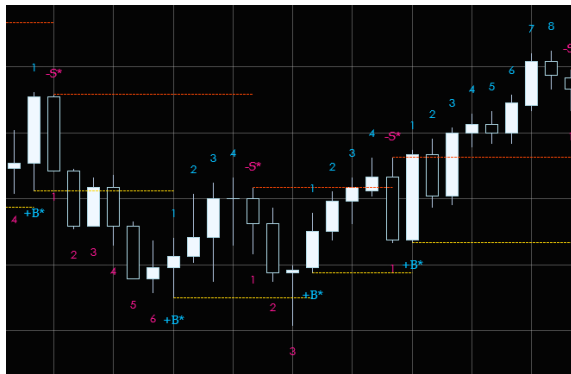
The only input for the sequence is the "useOpenLevel" which will determine what the critical buying or selling level will be marked as. When this is true the buying or selling bar's open will be used. When it is false the selling bar's high will be used and the buying bar's low will be used. Set the desired "show" switches to display the appropriate features about the sequence. The numbers are the displayed sequence count, the setup lines are the critical buying and selling levels, and the symbols are the "B" and the "S".
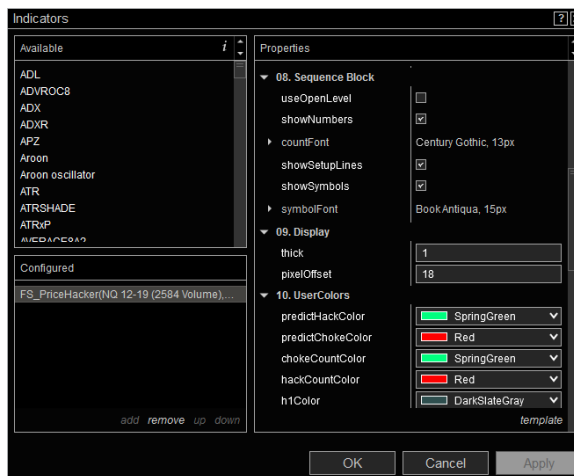
The line thickness can be controlled with the "thick" and the "pixelOffset" controls the spacing of the symbols and numbers about the price bars.

The "drawBarsBack" setting is used to save processing power by only marking the chart the specified number of bars back. This helps to conserve resources and declutter the chart.

The "showOutput" switch will print the available values to the output window. The output designations are labeled as follows:

SIGNALOUT = type of signal as an "int". Possible values are:
        2 = Staircase Buy
        1 = Choker Buy
        -1 = Hacker Sell
        -2 = Staircase Sell
HKL = Predictive Hacker Sell Level as "double"
CHL = Predictive Choker Buy Level as "double"
BARTYPE = type of sequence bar as an "int"
        1 = Buying Bar
        0 = Neutral Bar
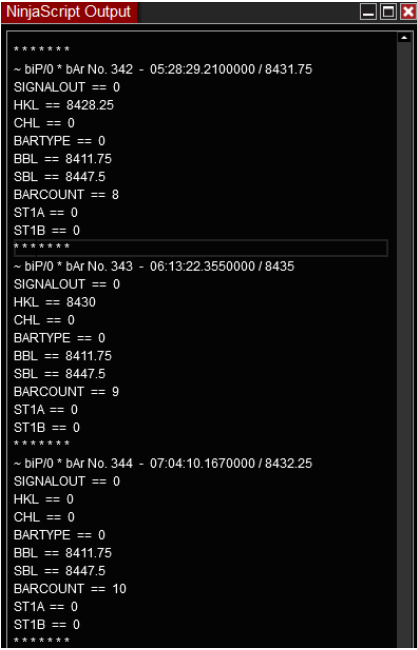   -1 = Selling Bar
BBL = Buying Bar Level as "double"
SBL = Selling Bar Level as "double"
BARCOUNT = Positive "int" values are for a buying sequence, negative for a selling sequence
ST1A = Staircase Level Sell as "double"
ST1B = Staircase Level Buy as "double"

```
NinjaScript Output                      _ □ ✕
* * * * * * *
~ biP/0 * bAr No. 342  -  05:28:29.2100000 / 8431.75
SIGNALOUT == 0
HKL  == 8428.25
CHL  == 0
BARTYPE  == 0
BBL  == 8411.75
SBL  == 8447.5
BARCOUNT  == 8
ST1A == 0
ST1B == 0
* * * * * * *
~ biP/0 * bAr No. 343  -  06:13:22.3550000 / 8435
SIGNALOUT == 0
HKL  == 8430
CHL  == 0
BARTYPE  == 0
BBL  == 8411.75
SBL  == 8447.5
BARCOUNT  == 9
ST1A == 0
ST1B == 0
* * * * * * *
~ biP/0 * bAr No. 344  -  07:04:10.1670000 / 8432.25
SIGNALOUT == 0
HKL  == 0
CHL  == 0
BARTYPE  == 0
BBL  == 8411.75
SBL  == 8447.5
BARCOUNT  == 10
ST1A == 0
ST1B == 0
* * * * * * *
```

END OF LINE.