



Solar Wind Trader Manual

1. Plots

1.1. Trailing Stop

This plot's value is set at a configurable Tick-based distance from below the reference price (uptrend) or above the reference price (downtrend).

It's the "Trailing Stop" plot that defines trend direction. In an uptrend, if the market closes below "Trailing Stop", the trend switches to a downtrend. In a downtrend, if the market closes above "Trailing Stop", the trend switches to an uptrend.

The "Trailing Stop" plot, as its name indicates, is reserved for exit management. When you have entered a position, you just need to attach your stop to "Trailing Stop" for automated stop trailing – with [NinjaTrader 8's built-in feature](#).

1.2. Trend Vector

Like "Trailing Stop", this plot's value is also set at a configurable Tick-based distance from below the Close price (uptrend) or above the Close price (downtrend).

From our experiences, "Trailing Stop" offset should **roughly double** "Trend Vector" offset. For example, if you set "Trailing Stop" at 60 ticks, "Trend Vector" should be 30 ticks. The ratio can also be adjusted up/down based on your feel, personal research or special uses.

It's the "Trend Vector" plot that defines trend strength:

- If the "Trend Vector" plot is flat, the trend is weak: maybe it's experiencing a correction, or it has matured with an imminent reversal.
- If the "Trend Vector" plot heads upward, the uptrend is strong.
- If the "Trend Vector" plot heads downward, the downtrend is strong.

2. Parameters

2.1. Offset

"Offset: Multiplier Trend" is the multiplier value for "Trend Vector", in Tick unit. For example, a setting of 30 means "Trend Vector" is 30 ticks from the Close price.

"Offset: Multiplier Stop" the multiplier value for "Trailing Stop", in Tick unit. For example, a setting of 60 means "Trailing Stop" is 60 ticks from the Close price.

2.2. Slowdown Scan

“Slowdown Scan” defines the period of trend slowdown required for trend strength to switch from strong to weak.

For example, let’s suppose “Slowdown Scan” is 5 bars. Then a strong trend needs to slow down for at least 5 **consecutive** bars for it to become a weak trend. If this number is not reached, the trend remains strong.

2.3. Weak-Weak Split

“Weak-Weak Split” is the minimum distance (in bars) between 2 consecutive weak-trend periods, characterized by flat segments of “Trend Vector”.

Please increase the value if you don’t want 2 consecutive weak-trend periods to stay closely.

You should also be aware that 2 consecutive weak-trend periods are 2 ladder rungs for the calculation of the so-called “Trend Step”, which is explained in the section below.

2.4. Pullback

“Pullback: Early” is the trigger to enable/disable the early mode of pullback signals. Please learn details about pullback signals in **section 4.2**.

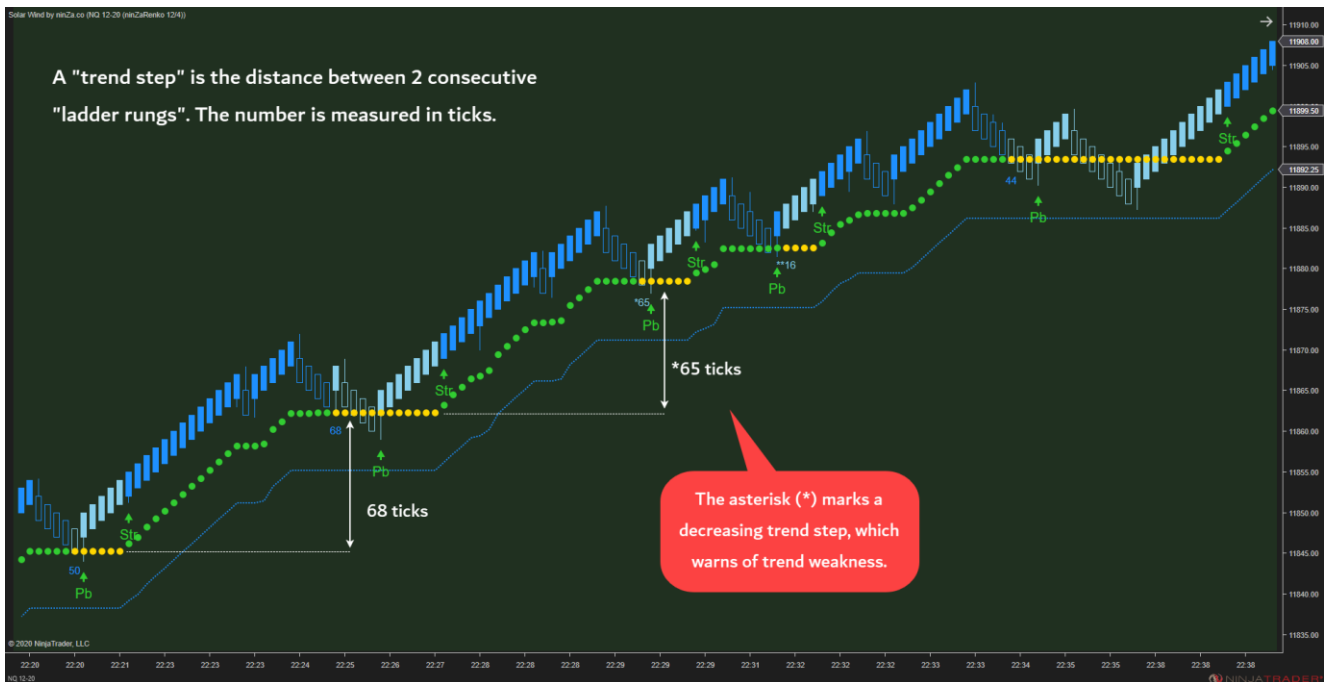
“Pullback: Split” is the minimum distance (in bars) between 2 consecutive pullbacks. The effect of this parameter will be reset at trend switches. A value in the range from **5** to **20** is suitable for most timeframes. Please be aware that a too high value (100 or higher) will erase most pullback signals.

3. Trend Step

A trend step is the distance (measured in ticks) between 2 consecutive “ladder rungs”.

Now what is a “ladder rung”? It is a **flat segment** of the “Trend Vector” plot, which is coincident with a weak-trend period.





As you can see, a ladder rung is exactly the period when a trend experiences a **correction**. Therefore, a trend step (the distance between 2 consecutive rungs) measures how well the trend recovers from its last correction. As a trend newly establishes, the recovery is good – expressed by a large & increasing trend step. As a trend matures, the recovery is weaker – expressed by a small & decreasing trend step.

For your easy recognition, a decreasing trend step is printed in a different color and marked by a user-defined symbol, which is the asterisk (*) by default. The number of (*) represents the number of **consecutive** trend steps decreases.

- If you see 1 symbol (*) before the trend step number, you know the trend step has just decreased for the 1st time.
- If you see 2 symbols (***) before the trend step number, you know that the trend step has decreased 2 times in a row.
- ... SO ON ...



Each trader, with his personal research and risk taste, has his own rule of exiting a trend based on the (*) count. From our experiences, most of trends just move 1 or 2 more waves after the first (*) appears. You should observe and benefit from this behavior of the market (e.g., take partial profits).

The more (*) you see, the weaker a trend's health, and the trend is coming to its end.

Like an old star shining vigorously before its death, a trend may "boom" with an impressive move after one or several trend steps decreases – but you know that the trend will likely reverse hard after that final, impressive move.

4. Indicator Signals

4.1. Trend Start

When the market crosses "Trailing Stop", the trend direction switches (uptrend to downtrend, or vice versa). This is just a signal of a new trend established. It may not be an optimal entry in many cases. Traders often wait for the very first pullback to enter a position.

4.2. Trend Pullback

As you know, a trend rarely goes straight, but often retraces – which creates great opportunities for pullback trading.

In Solar Wind RK, pullbacks are our **recommended** signals for entries. From our testing and experiences, the first and second pullbacks are usually the most reliable and optimal entries. Depending on your trading style, you can configure the indicator to get early or late pullbacks signals:

- "Pullback: Early" is enabled: You get pullback signal's **early** when a bar's low crosses below "Trend Vector" in an uptrend or a bar's high crosses above "Trend Vector" in a downtrend. This style is favored by **aggressive** traders.
- "Pullback: Early" is off: You get pullback signal's **late** when the market crosses "Trend Vector" in the trend direction, verified by a bar close. This style is favored by **conservative** traders.

4.3. Trend Strengthening

As its name states, this signal indicates that the trend is strengthening, and it is often coincident with a new peak (an uptrend makes a new high, or a downtrend makes a new low).

This signal is preferred by **classic** trend followers.

5. NinjaScripts Signals

5.1. Signal: Trend

"Signal: Trend" holds information about the direction and strength of a trend:

- 2 = uptrend strong
- 1 = uptrend weak
- -1 = downtrend weak
- -2 = downtrend strong

5.2. Signal: Trade

"Signal: Trade" is all you need for automated trading:

- 3 = uptrend strengthening
- 2 = uptrend pullback
- 1 = uptrend start

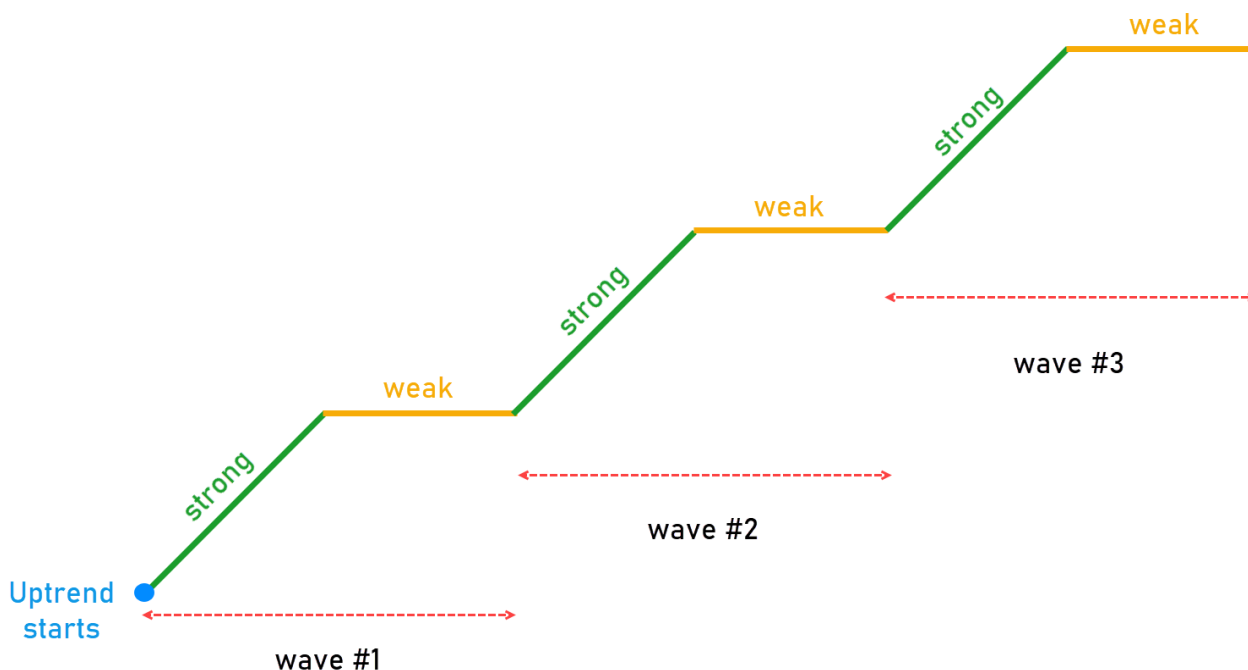
- 0 = no signal
- -1 = downtrend start
- -2 = downtrend pullback
- -3 = downtrend strengthening

5.3. Signal: Wave

“Signal: Wave” provides you with wave information of a trend.

For example, a value of 1 means an uptrend is in wave #1; a value of -3 means a downtrend is in wave #3 (positive values for an uptrend, negative values for a downtrend).

Solar Wind relies on “Trend Vector” phases to count waves:



For your information:

- “Strong” is a period when the trend moves.
- “Weak” is a period of trend correction.
- The logic of Solar Wind makes sure that a trend is **always strong** at its beginning.

You can make use of “Signal: Wave” to filter your entries. For example, if you just wish to enter on the first pullback, please add a condition that “Signal: Wave” is 1 in an uptrend or -1 in a downtrend. In most scenarios, the first pullback just happens in the first wave of a trend.

6. How to Trade

How to get the best out of Solar Wind RK system? That’s the question!

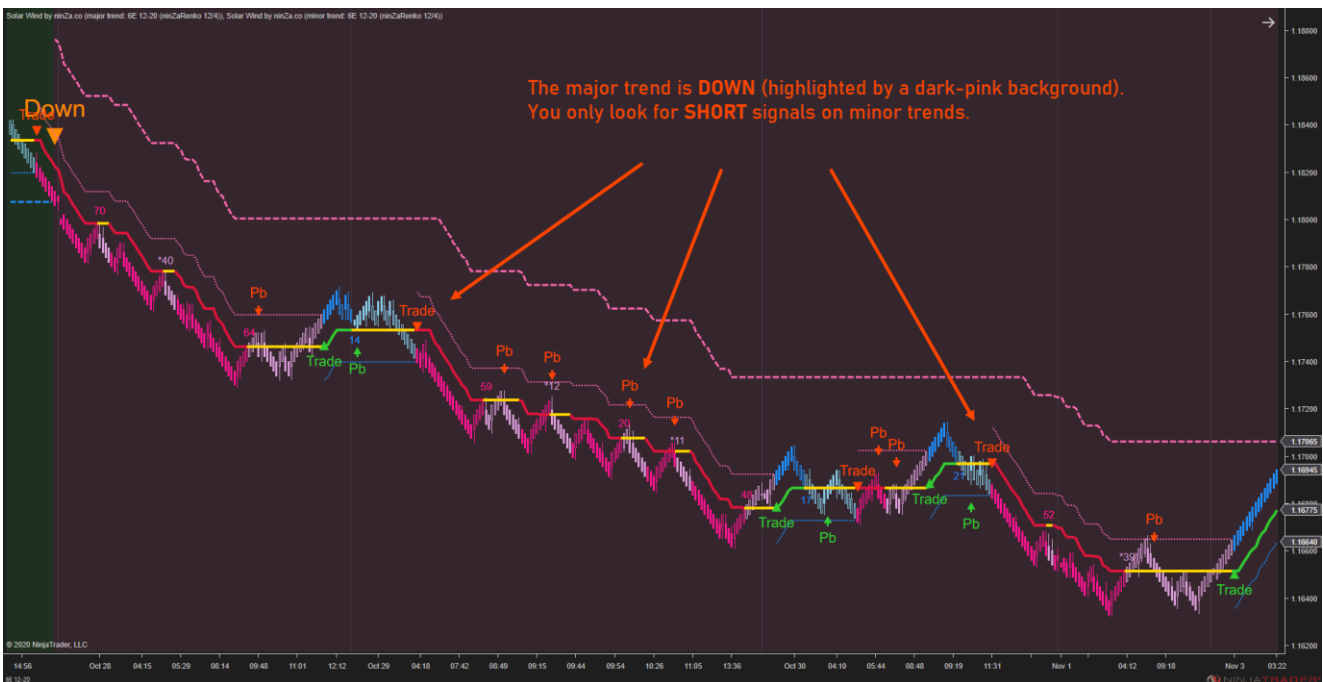
Solar Wind RK is optimized for renko charts, especially ninZaRenko or KingRenko\$. Therefore, Solar Wind RK + ninZaRenko/KingRenko\$ is just a perfect fit.

For the best use, you will need 2 instances of Solar Wind RK on a chart: one for major trends, and another for minor trends. You only trade minor trends that are **ALIGNED** with the major trend.

- For major trends: You use 120 ticks for “Trailing Stop” and 60 ticks for “Trend Vector”.
- For minor trends: You use 60 ticks for “Trailing Stop” and 30 ticks for “Trend Vector”.

Please feel free to adjust those Tick settings personally. Here we just wish to provide a general trading idea.

If the major trend is up, you only look for **long signals** on minor trends. If the major trend is down, you only look for **short signals** on minor trends.



Where to enter? An entry is right after there is a marker notifying a trend start, trend pullback or trend strengthening on minor trend (which types of signal you take are up to you – depending on your trading style). Of course, you don't have to take all signals. Please consider other trading factors like news, support/resistance, volume, volume delta, price-action highs & lows... Pick only high-quality signals!

Where to exit? Exiting can be automated using "Trailing Stop" (minor trend). Ride a trend to the very end, until it kicks you out. You can also feel free to use other exit strategies that prove great.

Regarding the visual, you should style major-trend Solar Wind RK and minor-trend Solar Wind RK differently for easy trading:

- Major-trend Solar Wind RK: You should enable background (so that you can easily identify major trends), disable bar painting, make plots thicker, make triangular markers larger.
- Minor-trend Solar Wind RK: You disable background, enable bar painting, make plots thinner, make triangular markers smaller.

A purchase includes those stylings as 2 ready indicator templates for your quick use, without having to configure them yourself. Ready to use out of the box!

As a final word, trading with Solar Wind RK alone is similar to driving a car without Google Maps which warn you of high-risk traffic points or abrupt road changes ahead. Therefore, to identify potential profit targets and minimize the risk of buying at tops, selling at bottoms, you should use Solar Wind RK along with [Market Extremes](#), [Supply/Demand Discovery](#), or a relevant [support/resistance indicator](#).