

Some basic tips to start arbitrage trading.

1. Choosing broker.

- a. Big regulated brokers usually are not so good for arbitrage, because they know a lot about it. So, the execution maybe not so good, latency doesn't appear as often. But they are good for long stable trading with moderate profit. You can earn 10-50% a month from a middle deposit and broker will allow you to trade without any worsening trading condition.
- b. Not regulated or new brokers can give you incredible latency and execution opportunities, but you can have problems with your profit.
- c. Don't ask a brokers if they allow profitable scalpers / arbitrage and other similar questions.
- d. When you open account, first you should test the latency and execution of your new broker. (use our TEST preset)
  - i. Use minimum allowed lot
  - ii. Check the experts and journal logs at the bottom of MT4 with attention. The potential of your deals in sum should be positive.

2. Trading.

- a. If the test passed you can start trading. Depending on your risk preferences you can try to make huge % from your deposit or try to get stable profit.
  - i. For big profit you should use fast deals and floating lot, rising after every profitable trade. Use our HIGH RISK preset. Be ready to get a fast surprise from broker: big slippage, long time execution. All this parameters you can controls on every deal in our bot logs. If you see any changes comparing the tests parameters - stop the trading. You shouldn't make a withdrawal request right away. Wait to see if your deals will not be cancelled and wait for broker to send you a daily report showing all your profit. After you try to withdraw part of deposit, not all. If it withdraws successfully, you can try to get the rest of the deposit.
  - ii. If you are going to trade with moderate and stable profit you should use more sophisticated tactics. Use long take profits, or try to keep profit deals in market and close them manually later. Don't use aggressive floating lot. Also you can lock

profitable trades and close them later. You can start with our Low Risk preset for this.

3. Recommendations for EA and VPS use.

- a. Use your EA only on a VPS. You should choose the VPS located near your broker. US if it is USA broker, UK if it is Europe /Asia. Check the ping to your broker from MT4 terminal. If ping is greater than 20ms it should be better to find another VPS. You can ask the VPS provider what location would be better for your broker. All good VPS providers have this info.
- b. It is not necessary to use high performance hardware on you VPS. 2gb RAM is enough.
- c. When trading do not use any EA comments. Use comments only when testing brokers execution if it is suitable for you.

4. How to use MT4 and Experts logs

- a. There are two types of logs in metatrader4, in terminal tabs (at the bottom) you will see EXPERTS and JOURNAL.  
The "Journal" tab contains information about the actions of the trader and the client terminal within the current session. You can study full info about this record on the official MT4 website:

[https://www.metatrader4.com/en/trading-platform/help/overview/terminal/terminal\\_journal](https://www.metatrader4.com/en/trading-platform/help/overview/terminal/terminal_journal)

- b. The "Experts" contains the entire information about the attached expert, including opening/closing of positions, modifying of orders, the expert's own messages, etc.

The standard "experts" records and "how to use this window" you can study on MT4 website

[https://www.metatrader4.com/en/trading-platform/help/overview/terminal/terminal\\_experts](https://www.metatrader4.com/en/trading-platform/help/overview/terminal/terminal_experts)

- c. But also, it can contain useful information which is generated by the EA. In ARBITRON you can find all you need to analyze your deals.

Below the example of open position log:

**2019.08.14 15:49:12.315      Arbitron GBPUSD,M1:  
Opening... SELL**

This says date and time when Arbitron started opening sell position on GBPUSD

**2019.08.14 15:49:12.517      Arbitron GBPUSD,M1: open  
#83447896 sell 33.66 GBPUSD at 1.20566 ok**

This record report success opened position and show date/time, Symbol, order ticker, lot volume and opened price.

**2019.08.14 15:49:12.564      Arbitron GBPUSD,M1: Set  
takeprofit to 1.20066**

**2019.08.14 15:49:12.517      Arbitron GBPUSD,M1: Set  
stoploss to 1.20616**

Next two records inform than Arbitron set take profit and SL and their levels according on this EA parameters setup.

**Price=1.20579;Opened  
at1.20568;fastBid=1.20541;fastAsk=1.20555;slowBid=1.20579  
;slowAsk=1.20597;EXECUTIONTIME=421ms;SLIPPAGE=-  
10;POTENTIAL=17;**

This is the most important string where you can check the quality of execution and make a decision about expediency of trading with your broker. There are three main parameters:

**EXECUTIONTIME** – the difference between Arbitron sent order to broker and get response. Measured in milliseconds. You should check this parameter always when you start testing your broker and in active trading process to see the change in time. The average good for trading execution of all brokers is 50-500ms.

Example: You start trading new broker and see execution time 300 ms. It is ok for arbitrage trading. After getting some profit you notice execution time 1500ms. You should stop the trading, because broker for sure mark your account as toxic. In some cases execution time rise on news or big market moves. So, when you notice rising execution time, right tactic will be to

stop trading, wait a day and try to open deals with minimum lot to check the execution time. Make several deals with 0.01 lot simply from MT4 terminal or change deal size in Arbitron. If the execution time will return to normal, you can start trading. If it is was changed to big – it`s time to take your money out of the account and move to a new account or broker.

**SLIPPAGE** – this shows the difference between price you ask from broker and the price you actually get. The best case is when slippage zero. But all ECN brokers return slippage, so you should check this parameter in dynamic. And evaluate perspective of profitable trading with the next parameter:

**POTENTIAL** – the difference between actual trigger and slippage you get in current deal. The magic of profitable arbitrage trading is simple: summary potential of your deals should be positive. Number of deals to count summary potential may be various. Usually we take a pack of deals after a day or a big market move. 1-5 deals can have negative potential in sum. But 10-20 deals potential should be positive. Potential can be positive even if slippage is negative.

Example from log higher:

We have a deal GBPUSD sold at Opened at 1.20568

Our trigger was setup 20, so to have a sell signal we need to get difference between fast ask and slow bid >20.

We have fastAsk=1.20555 and slowBid=1.20579.

$1.20579 - 1.20555 = 24 > 20$ .

We start selling at 1.20579 but get actual opened price 1.20568. So, the slippage = -11. But even with negative slippage we have positive potential = 13.  $24-11=13$ . It is our potential profit in this deal in pips.

Slippage and potential measured in pips if it is 5 digit account

Your value profit will be approximately equal to the sum of all potentials in all deals.

## 5. Presets in starter package.

In the Arbitron package you can find 3 ready to go presets (you can change all parameters as you wish):

- a. TEST preset will make many 5 minute duration 0.01 lot size deals. You need this set up to test broker execution. It meet the goal to do more deals with lowest risk and doesn't attract brokers attention.
- b. HIGH RISK preset will make very fast deals with floating lot size counting in percent from account equity. It has short trailing stop which allow to take small profits with very high probability. The risk on every deal for major trading pairs is about 5-10% of your deposit.
- c. LOW RISK preset use fixed lot size. (0.1 lot as default, you should change it according your account balance). Stoploss is set as 50 pips for 5 digits accounts. It is good stop size for all major pairs with average spread not more than 40 pips. Trailing stop is set to cover deals if the price with zero profit goes a little bit in profit side and squeezes back. And if the price shows good profit move it will trail it with distance 50 pips. This preset meet the goal – cut the losses and let profit grow up. We try to get more pips in profit and the deals with longer duration.