



## Indicator of Hammers

The indicator displays hammers on the graph with a black arrow under the candle. Works on all TimeFrames.

You can find all our instructions in video format on our Youtube channel (english subtitles available):

<https://youtu.be/nGQqltgNeVQ>

### I. User Guide

The display depends on the adjustable parameters allowing to change the hammer's validation criterias. Such as the minimum length of the lower wick.



The values shown above are given as example and do not constitute an optimal or recommended setting, everyone should find his own settings.

- MaxUpperWickLength = Maximum length of upper wick in multiple of the body,
- MinLowerWickLength = Minimum length of lower wick in multiple of the body,
- MaxPenetrationPreviousCandleBody = Maximum percentage of penetration of the hammer into the body of the previous candle. The hammer's body must not penetrate more than this setting (in percentage) the previous candle body to validate the pattern. This setting allow to define the relative position of the hammer to the previous candle.
- RRtoSMAOK = filtering to have the stop (lower wick) less far than the moving average in objective (Risk Reward = 1 at minima). This setting is a filter for the risk reward ratio. When activated, the hammers won't be returned unless the RR is  $\geq 1$ , using the lower wick for the stop and the mobile average defined in the following parameter. Checked = Activated / Not Checked = Disactivated.
- SMAPeriod = period of the moving average in objective for the filter above.

- ConfirmationCandle = the indicator will display hammers if the following candle is a confirmation of the hammer. The confirmation closing is higher than the hammer body. Note that the arrow will be above the hammer and not on the confirmation candle. Checked = Activated / Not Checked = Disactivated,
- Last3ClosingBearish = because hammer candles are reversal signals, we can activate this filtering to display hammers only if they appear after a minimum of 3 bearish closings in order to have a short bearish trend. Checked = Activated / Not Checked = Disactivated,
- PreviousCandleRed = the previous candle must be red, Checked = Activated / Not Checked = Disactivated.

**NB: Pay attention to have the same parameters in the indicator and the screener, in order to have the indicator showing screener's result on graph.**



#### **DISCLAIMER**

Our proposed tools (indicators and screeners) are not investment advices but tools allowing everyone to find specific graphic configurations.

Investing in the financial markets involves risks up to and including the total loss of capital.

The user of the proposed tools understands and accepts that the use of these tools is under his sole and entire responsibility. P2C Trading declines all responsibility in the use of the tools and the consequences that would result.