



# Optimum Wave Locator (OWL) Indicator

By TradersCoach.com®

Instruction Manual For MetaTrader 5 Users

## Introduction:

Welcome and thank you for purchasing the awesome OWL indicator which will act as one of the best trading filters giving you that important second opinion when you need it most.

You will want to use the OWL indicator as a filter to your current trading system or approach. You will need to still use your current trading system or approach for exact entries, exits, and risk control. We use the [ART® Trading Software](#) for exact entries, exits and risk control. And use the OWL indicator only as a trade entry and exit filter or as a second opinion.

This instruction manual will explain how to install the OWL indicator and illustrate how to adjust the settings of the OWL indicator so that you can change colors, etc. In addition, interpretation and best use practices using the OWL indicator will be discussed. We will also have some video recordings showing you how to use the OWL indicator as well.

## Loading the OWL Indicator Software onto your MT5 Charts:

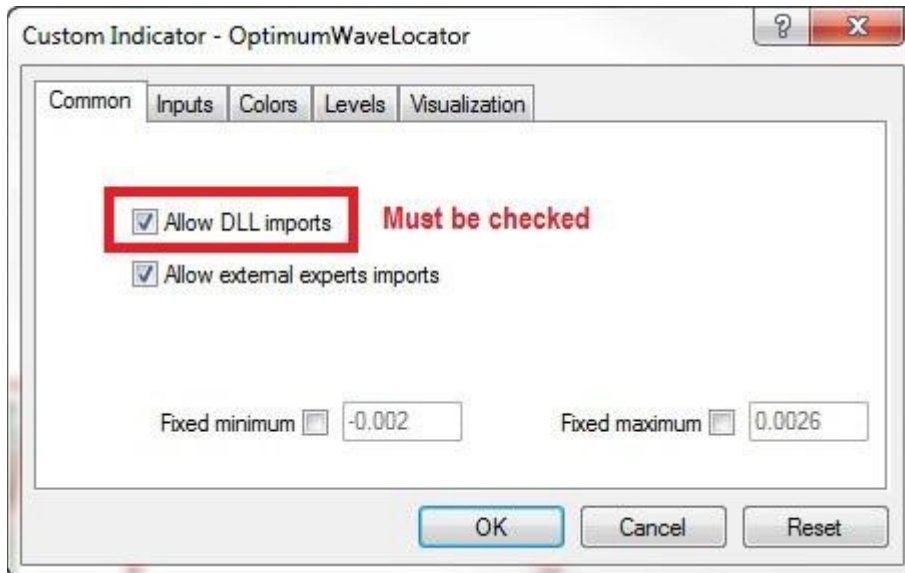
- 1) Load the OWL Indicator onto your MetaTrader 5 charts as follows using the diagram below, follow the numbers on the diagram:



[CLICK HERE](#) for full size diagram

2) Be sure to check the DLL box, see diagram below:

[CLICK HERE](#) for full size diagram



Your OWL Indicator is now loaded on the bottom of your chart.

## OWL Settings:

Once you have loaded the OWL Indicator onto your charts, the OWL Indicator settings are located in the "Indicator List" window which you can access by right clicking on the chart and selecting "Indicator List".

There are specific settings you can adjust on the "Indicators" window for the OWL Indicator. See the diagrams below:

[CLICK HERE](#) for full size diagram



There is one setting under the “Parameters” heading called “Extend Wave” that allows you change the look back from 144 price bars to 500 price bars. Changing this setting from true to false changes the amount of price bars the OWL Indicator uses to determine Wave 3. The default is set to false which is 144 price bars look back, and this setting is used most often since will measure the current dominate trend. The 144 price bar look back is significant since 144 is a Fibonacci number and usually designates the current Elliott Wave cycle. True setting looks back 500 price bars. See the next diagram.

The OWL indicator labels the 144<sup>th</sup> price bar of history, see this diagram.

[CLICK HERE](#) for full size diagram



On this next chart you will notice that the OWL Indicator has colored histogram bars of either green or red. The colors are dependent on a variety of proprietary histogram measurements that the OWL performs. The colors represent the dominate trend based on the “Extend Wave” setting that takes into account the history used for analysis. The color sensitivity is such that minor corrections in a dominate trend do not incorrectly change the color. This will help you to avoid dominate trend confusion.

**GREEN COLOR:** Indicates a bullish dominate trend

**RED COLOR:** Indicates a bearish dominate trend

[CLICK HERE](#) for full size diagram



## Interpreting The OWL Indicator & Best Use Practices:

The OWL indicator will be your best friend! When used in conjunction with your primary trading system, the OWL indicator will act as a filter and provide a reliable high probability second opinion at certain times. The OWL Indicator is used for dominate trend identification.

Price levels and price velocity (known as momentum) cause the OWL Indicator Histogram to increase and decrease. The OWL Indicator is always monitoring these changes and always comparing the OWL Histogram values for important measurements to indicate significant trends and the dominate wave structure.

The OWL has a special feature built into it called the “Extend Wave” that allows you change the look back from 144 price bars to 500 price bars. The default is set to 144 price bars and this setting is used most often since this is measuring the current significant trend and wave. The 144 price bar look back is significant since the number 144 is a Fibonacci number usually aligns with the current Elliott Wave cycle.

You can use the OWL Indicator on any market and any time frame. You can use the OWL Indicator on multiple time frames of the same market and you may want to do this if you like to know what the dominate trends are on higher and lower time frames.

The OWL Indicator will give you a forecast as to trend direction, use Fibonacci retracement, extension, and time levels to locate price and time “Target Zones”. It is vital to know where Wave 3 is on your chart before you can properly use Fibonacci studies. We cover using Fibonacci analysis for “Target Zone” identification in the online Elliott Wave Home-Study Course. [CLICK HERE](#) for more information.

## So how can this help you?

The OWL Indicator will locate, label, and color the dominate trend on any chart you load it on. It works on all time frames and markets.

There are two main premises of the OWL Indicator. The Wave 3 labeling is associated with the Elliott Wave forecasting method. In Elliott Wave analysis there are five (5) waves in any bullish or bearish impulsive wave. Waves 1-3-5 go in the direction of the dominant or impulsive trend, wave 3 is the strongest of these waves in momentum, price movement, and OWL Histogram levels. Waves 2-4 are corrective waves within the dominate trend. So wave 1 is the first wave in the dominate trend, followed by wave 2 which is the first correction in the dominate trend, then wave 3 is the next and most significant wave in the dominate trend, followed by wave 4 which is the next correction in the dominate trend, and finally wave 5 is the next and final wave in the direction of the dominate trend.

The chart below will help illustrate this:



If you want to learn more about the Elliott Wave, we have a great online home-study course on Elliott Wave analysis. [CLICK HERE](#) for more information.



The OWL Indicator will identify these major dominate “Impulsive Elliott Wave” trends on your chart. It also will color code the dominate trend as bullish or bearish, and identify the impulsive Elliott Wave 3 for you. This is illustrated on this chart.



[CLICK HERE](#) for full size chart

On this chart the OWL Indicator has identified Elliott Wave 3 on the OWL Histogram. Notice that wave 3 has the greatest OWL Histogram level and the OWL Background Color is green. Then the market enters a correction and the OWL Oscillator goes negative (that usually happens on wave 4 corrections). Prices then rise again in the bullish trend and the OWL Histogram goes positive but never goes above the wave 3 OWL Histogram. This is also called “Bearish Divergence” and is common on an Elliott Wave 5 when the dominate trend is almost completed. This can also occur on bearish dominate trends as well, but the color would be red and the OWL Histogram would be negative.

## **The OWL Indicator “Extend Wave” Setting:**

Adjusting the “Extend Wave” setting from true to false changes the amount of price bars the OWL Indicator uses to determine Wave 3 and identifying the dominate trend color. The default setting is set to false and the OWL Indicator is looking back only 144 price bars to identify the current dominate trend. When set to true, the OWL Indicator looks back 500 price bars to see if the possibility if a more dominate trend than that of the current trend (based on just the 144 price bar look back). The 144 price bar look back is significant since the number 144 is a Fibonacci number usually aligns with the current Elliott Wave cycle.

And it is important to realize that the current dominate trend is most often used because of its current and often immediate profit potential.

## **OWL Indicator Software Updates:**

OWL indicator software updates will be announced at the TradersCoach.com® FORUM. [CLICK HERE](#) to access this Forum, and register now as a member so you get notified upon any updates that become available. Registration is free.

OWL indicator software updates will be available to download from the OWL indicator software download page. Your order confirmation as the link along with your username and password to access OWL indicator software download page. Please keep and print a copy of your username and password for future reference.

## **Technical Support:**

If you need technical support, [CLICK HERE](#) and use the TradersCoach.com® FORUM to post any questions you may have. Also before posting your question, read posts from others for answers to your question. If you don't see an answer to your question, then go ahead and post your question and our technical support team will answer you quickly. The FORUM is the first and quickest way to get answers to your questions. If our technical support team needs to remote into your PC to assist you, we can do that but only after you have tried to get help via the TradersCoach.com® FORUM.

**Have fun and thank you for purchasing the OWL Indicator!**

[CLICK HERE](#) after you read this to watch the instructional video.

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