

# Dynamic SL and TP example 1

3) We add 2 pips to the stop loss in this example.

1) Creating dynamic stop-loss by using custom indicator (uploaded earlier)

Stop loss will be 2 pips lower than blue line (2 pips below support level) for buy orders

Stop loss will be 2 pips above red line for sell orders

4) Choose Blue line for buy stop loss

2) From Metatrader Data Window (ctrl+D) we find out that this indicator gives currency price of support and resistance levels, so we choose "Price" from the list above

5) Stop loss for sell would look like the same, just choose red line instead

6) Creating take profit by using indicator ATR

### Benefits of dynamic SL and TP:

- > SL and TP are wider when volatility is higher and narrower when market is moving less.
  - > SL and TP can be set to some price levels which are important (like support and resistance)
- Adaptation to market conditions may make EA more profitable.

Note: If you are using automatic money management, then risk will always be the same, even stop loss and take profit is different for every order.

Higher volatility = wider take profit

7) ATR indicator do not show price like the one used for SL, but it shows calculated value which can be treated as pips, just in fractional format, so we choose it as "Actual size". For more info click on the question mark above this list (there will be several examples).

8) ATR shows volatility, but it may be beneficial to multiply or add some value in order to make TP wider or smaller, depending on which timeframe you are using it. By analyzing indicator output values you can get idea what operation to use for stop loss or take profit

**Useful:** indicators can sometimes give values which are too small (or too large) for stop loss (or take profit). Too little SL can turn into fast loss. You can avoid such situations by setting minimal and maximal SL and TP values in EA inputs. If calculated SL and TP are too small or too large then position will not be opened.

**Advice:** for TP or SL use indicators which always have some value higher than 0, that EA would know what size TP or SL should be at order opening moment. There are many such indicators which you can upload and use.

9) You may choose different parameters or timeframe. Testing different variations will show what fits best for your strategy.

10) Creating dynamic TP for sell which looks alike TP for buy

