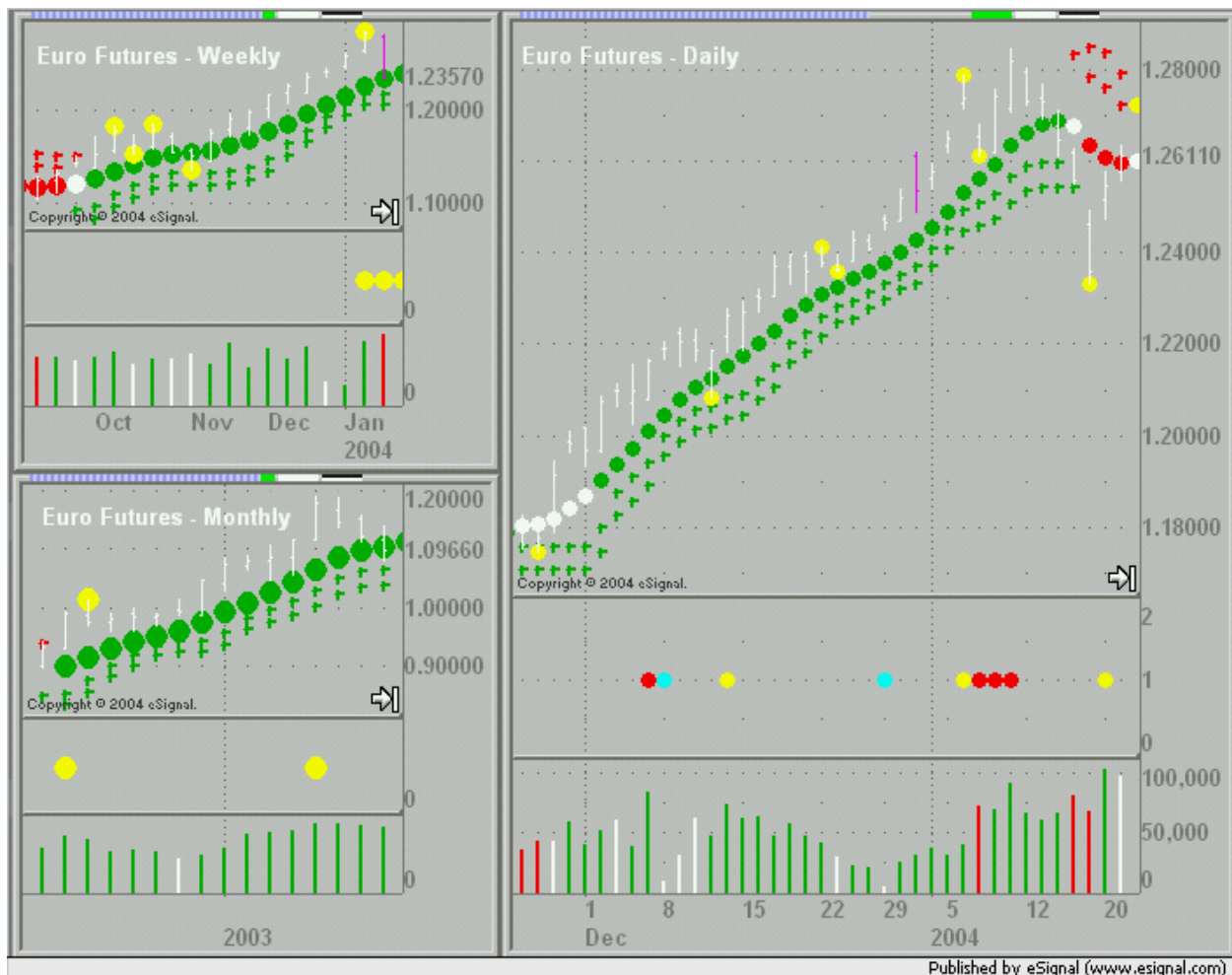


Documentation for the Hawkeye Indicators Available as Add-Ons to eSignal

The Hawkeye Indicators work on all markets and time frames with only minor adjustments.



Setting Up the Hawkeye Indicators on an eSignal Chart

FUTURES -- We suggest trading the daily time frame.

Create 3 windows within one workspace, as shown in the example chart. Insert daily data in window 1, weekly data in window 2 and monthly in window 3. Plot the Hawkeye Indicators per the list provided subsequently.

Daily Chart:

Plot Data1 on subgraph 1 and format the data bar color white. Plot the Hawkeye Trend, Hawkeye Stop, Hawkeye ISHL and Hawkeye Wide Bar on subgraph1. Plot the Hawkeye Volume Radar on subgraph 2. Plot the Hawkeye Volume on subgraph 3.

Hawkeye Stops -- Set the Far Stop to 1.75 and the Near Stop to 1.25. This is at your discretion.

Hawkeye Trend -- Set the Far Stop to the same input value used with the Hawkeye Far Stop (1.75).

Weekly Chart:

Plot Data1 on subgraph 1 and choose white as the data bar color. Plot the Hawkeye Trend on subgraph 1 with a suggested Far Stop setting of 1.0. Plot the Hawkeye ISHL on subgraph 1. Plot the Hawkeye Volume Radar on subgraph 2. Plot the Hawkeye Volume on subgraph 3.

Monthly Chart:

Plot Data1 on subgraph 1 and format the data bar color white. Plot the Hawkeye Trend on subgraph 1 with a suggested Far and Near Stop setting of 1.0. Plot the Hawkeye ISHL on subgraph 1. Plot the Hawkeye Volume Radar on subgraph 2. Plot the Hawkeye Volume on subgraph 3.

STOCKS -- We suggest trading the weekly time frame.

Create 3 windows within one workspace as shown previously. Insert daily data in window 1, weekly data in window 2 and monthly in window 3. Plot the Hawkeye Indicators per the list provided subsequently.

Weekly Chart:

Plot Data1 on subgraph 1 and format the data bar color white. Plot the Hawkeye Trend, Hawkeye Stop, Hawkeye ISHL and Hawkeye Wide Bar on subgraph1. Plot the Hawkeye Volume Radar on subgraph 2. Plot the Hawkeye Volume on subgraph 3.

Hawkeye Stops -- Set the Far Stop to 1.75 and the Near Stop to 1.25. This is at your discretion.

Daily Chart:

Plot Data1 on subgraph 1 and choose white as the data bar color. Plot the Hawkeye Trend, Hawkeye Stop, Hawkeye ISHL and Hawkeye Wide Bar on subgraph 1. Plot the Hawkeye Volume Radar on subgraph 2. Plot the Hawkeye Volume on subgraph 3.

Hawkeye Stops -- Set the Far Stop to 1.75 and the Near Stop to 1.25. This is at your discretion.

Hawkeye Stops -- Set the Far Stop to 1.75 and the Near Stop to 1.25. This is at your discretion.

Hawkeye Trend and Hawkeye Add -- Set the Far Stop to the same input value used with the Hawkeye Far Stop.

Monthly Chart:

Plot Data1 on subgraph 1 and choose white as the data bar color. Plot the Hawkeye Trend on subgraph 1 with a suggested Far and Near Stop setting of 1.0. Plot the Hawkeye ISHL on subgraph 1. Plot the Hawkeye Radar on subgraph 2. Plot the Hawkeye Volume on subgraph 3.

When to Take a New Position

Futures -- Take a new position when the daily Hawkeye Trend, the daily Hawkeye Volume, and both daily Hawkeye Stops are green and the close of the current bar is greater than the open. The previously described rules are all included in the Hawkeye Trend, which will automatically turn green when all these rules are confirmed.

Also, check that the weekly Hawkeye Trend and the weekly Hawkeye Volume are showing signs of strength. In addition, check the monthly chart to give you an understanding of the long-term trend and ensuring that you are trading in harmony with the direction of ALL the underlying time frames. Note: the monthly is too slow to trade, so all you are looking for is strength (i.e., volume white or green, trend white or green or a major isolated low in the background).

Stocks -- Take a new position when the Hawkeye Trend, Hawkeye Volume, and both Hawkeye Stops are green and the close of the current bar is greater than the open. The previously described rules are all included in the Hawkeye Trend, which will automatically turn green when all these rules are confirmed.

Also, check that the daily Hawkeye Trend and Hawkeye Volume are showing signs of strength. In addition, check the monthly chart just to give you an understanding of the long-term trend and ensuring that you are trading in harmony with the direction of ALL the underlying time frames. (Note: The monthly is too slow to trade, so all you are looking for is strength [i.e., volume white or green, trend white or green or a major isolated low in the background]. Only stocks showing signs of strength -- as confirmed by the stock selector -- should be traded.) (See the Stock Selector question and answer.)

Placing Stops

The Hawkeye Stop indicator has two inputs -- the Far Stop and the Near Stop. When a trade commences, use the Far Stop value. If the Hawkeye Volume turns red or white, use the Near Stop value. If the Hawkeye Volume turns back to green, revert to the Hawkeye Far Stop value. (Note: Sometimes, you may observe that the near stop has flipped above the market, showing congestion. In this instance, use the green Far Stop value.)

How to Handle a Wide-Ranging Bar

Do not enter a new trade or add to an existing position if a wide bar occurs. (Note: The bar will automatically be painted magenta.) Wait until the next bar. If the close of that bar is greater than the open, enter; if not, wait for a bar that has a close greater than the open. (Note: The trend will not go green until these conditions are met.)

Exiting a Trade

You should be stopped out at one of the Near or Far Hawkeye Stop values 90% of the time. You may also decide to exit a trade owing to fundamental reasons (i.e., crop reports, interest rate announcements, etc.). Exit all contracts.

Adding to a Position

Use the indicator Hawkeye Adds. The Adds are an algorithm of volume and average true range. This strategy is a combination of methodologies used by the famous Turtle Traders and the legendary 1950s

stock trader, Nicholas Darvas, in his book *How I Turned \$10,000 into \$2 Million*. Adding the volume conditions and observing the relationship of close to open, we feel, greatly enhances the previously described adding strategy.

There are 5 inputs to Hawkeye Adds:

1. Long_Short -- Enter 1 for Long and -1 for Short.
2. Trade_Entry -- Enter the close value of the bar you entered the trade on.
3. ATR_1 -- Entering a 1 will plot a line 1 Average True Range (ATR) from the entry price (close painted magenta). You can set the ATR inputs to your own liking, depending on how aggressively you wish to trade. If you want to see the price move through 2 ATR before taking your first add, enter a 2...
4. ATR_2 -- This input is the number of ATRs from the value of the first ATR line. You may wish to put in 1 because an uptrend has been identified.
5. ATR_3 -- This input is the number of ATRs from the value of the second ATR line. You may wish to put in 1 because an uptrend has been identified.

(Note: These inputs values are at your discretion. Sometimes, a price bar will go through 2 or 3 ATR levels. When this occurs, expand the input value of the first ATR, so it encompasses this move.)

FUTURES

Formula: $1 + 3 + 2 + 1 = 7$

The formula shown previously should be implemented this way: You start with one contract; then, add 3 and so forth. Add to the position when the price has closed above the first ATR line, the current bar volume is green, the close is greater than the open and your position is in profit. Add when each subsequent ATR is breached according to the previously described rules. If you are stopped out during a trade and the trend resumes, you should re-enter only using one contract and do not use the adding formula.

STOCKS

Formula: $1 + 1 + 1$

The formula shown previously should be implemented in this manner: You start with whatever size your money management allows and then add twice more with the same amount of stock (providing your first position is in profit). Add to the position with each new close above the ATR lines (providing the volume is green and the close greater than the open). If you are stopped out during a trade and the trend resumes, you should re-enter only using one position with no further additions.

Exit all contracts simultaneously. This formula capitalizes on trend runs, so traders will only be exposed to a small loss (1 contract) at the commencement of a trade.

Using a Money Management Stop

If you find that the Hawkeye Stops are greater than your capital risk per trade, use your money management stop

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Settings for Hawkeye Stops

The indicator has two inputs -- Far and Near. Suggested settings: Use 1.75 Far, 1.25 Near; or 1.5 Far, 1 Near. It is a matter of judgment, but it is quite apparent when seen on a chart, which one is the more appropriate. Intraday traders might wish to use tighter stops (i.e., 1 Far, 0.75 Near).

Or, [visit the Hawkeye website](#). You may also contact Hawkeye Trading via email: team@hawkeyetrading.co.uk