

# ZENNER TRADING

**Presents**

## **Sledge Hedge**

### **The Ultimate Hedging Automated Trading Strategy**

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For this strategy, the trader sets up two parallel and opposing positions, both LONG & SHORT at the same time, at the current ASK & BID correspondingly.

The STOP for both positions should be the same. We use 100% to 150% from the current ATR in the 1H time frame.

The Risk Reward Ratio on both trades should be asymmetrical, at least 1:2 or higher, (profit target being always higher than stop loss) in order for the system to work properly. With this setup, one would always WIN 2 units profit and LOSE 1 unit. When you offset them, you are always left out with a POSITIVE 1-unit NET PROFIT. This comprises the very Bare Bones of the strategy, utilizing the Z2 variant on the Sledge Hedge.

Should you prefer to maximize your profit rate, one could extend the Z2 into a Z4 Sledge Hedge variant. In this setup, the trader opens two additional offsetting position, based on the existing ones. First one balances off the LONG leg of the hedge. The second, balances off the SHORT leg of the hedge in such a manner, so that it NEUTRALIZES the loss of the corresponding leg of the hedge, thus making it end up in a NET POSITIVE territory as well. It is very important to get the right price level positions entered correctly. For this purpose, we use an Excel Calculator Tool, which facilitates the determination of the proper Entry Points, Stop Losses and Take Profit levels. In this way, we have implemented the extended Z4 variant of the Sledge Hedge, where we are using 4 parallel EA to achieve a common goal.

**BOTH LEGS OF THE HEDGE TURNING OUT PROFITABLE!!!**

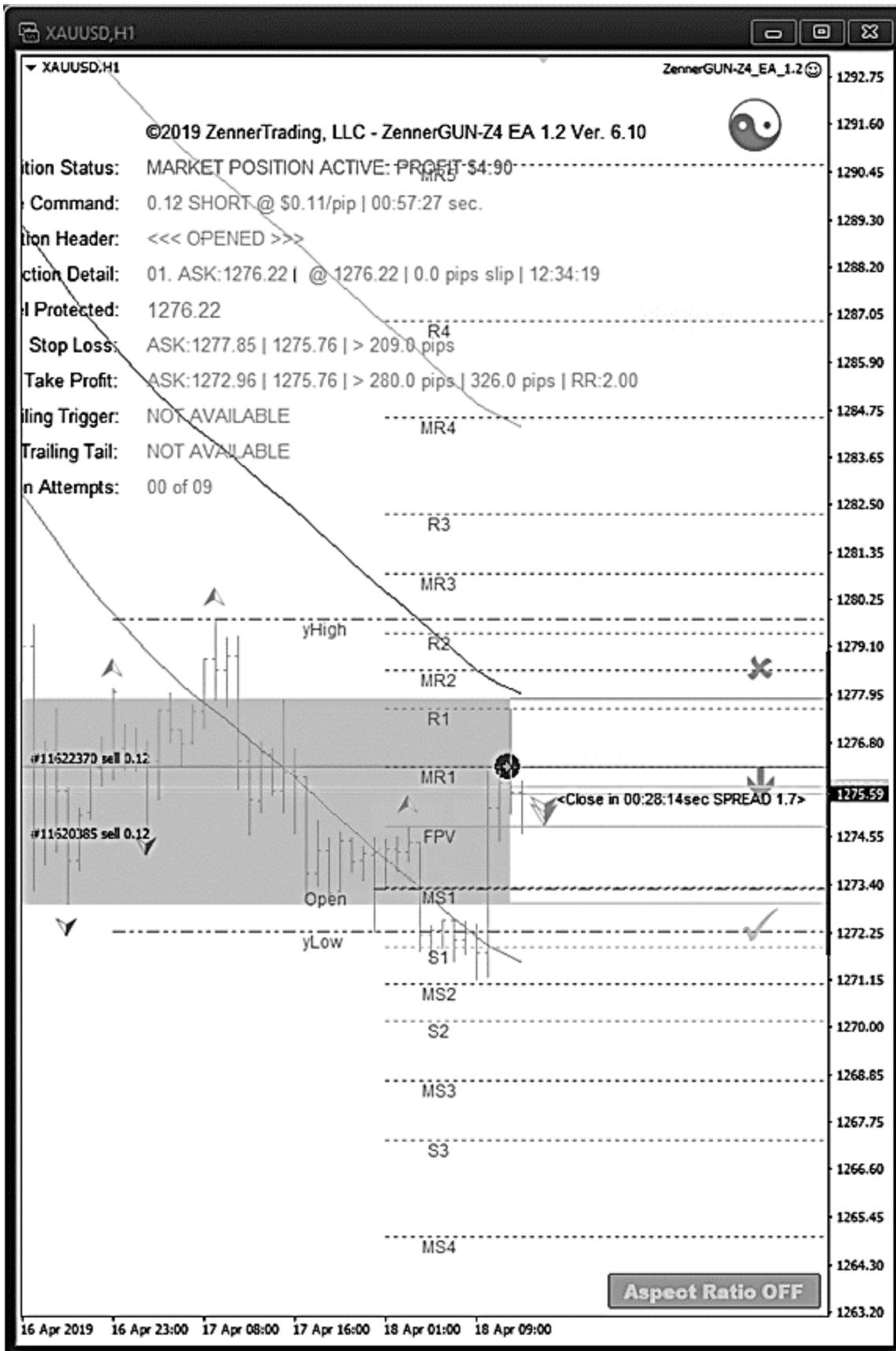


Fig. 1 Primary SHORT Leg of the Hedge

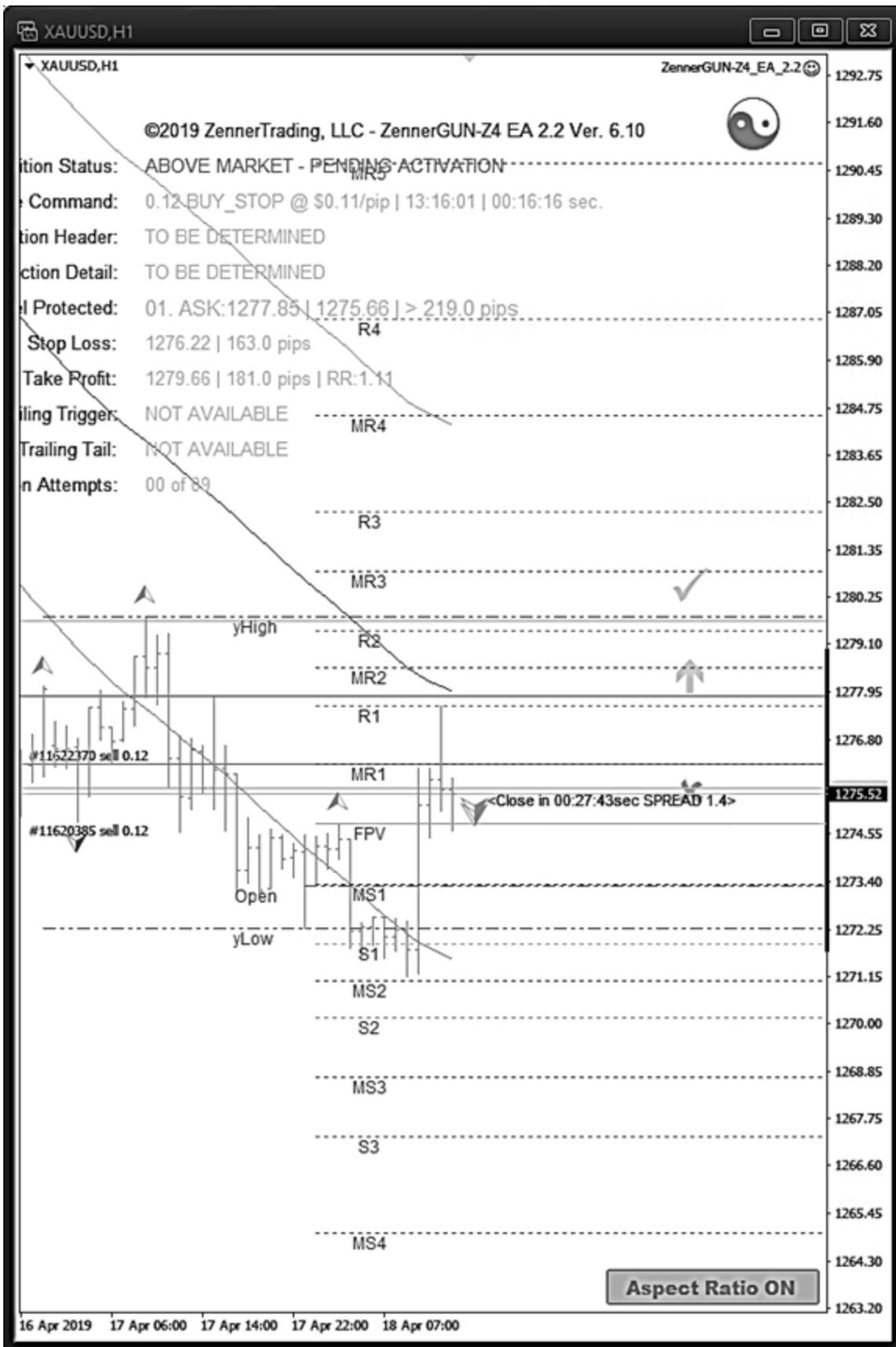


Fig. 2 Secondary LONG offsetting position of the SHORT Leg of the Hedge

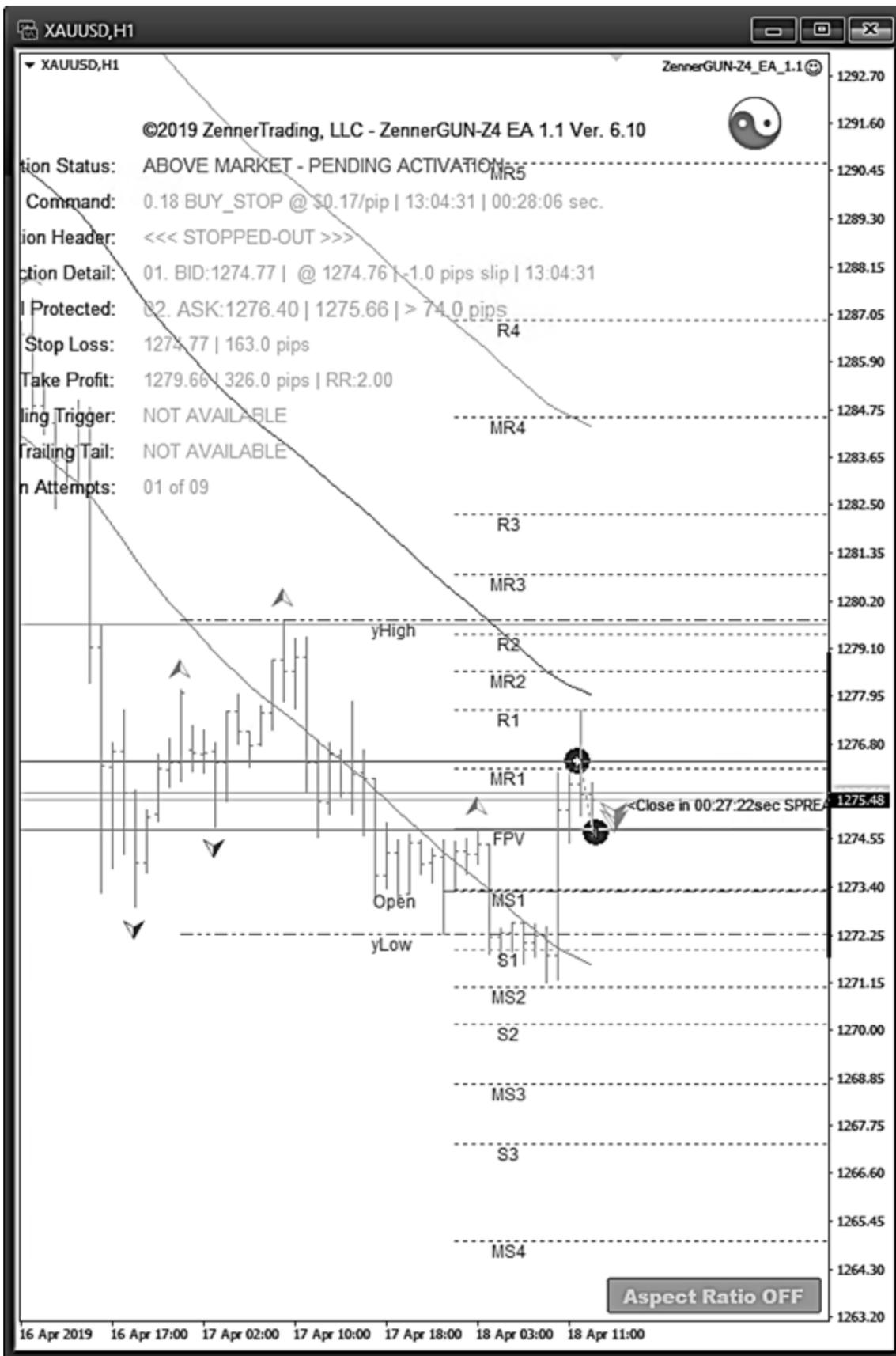


Fig. 3 Primary LONG Leg of the Hedge

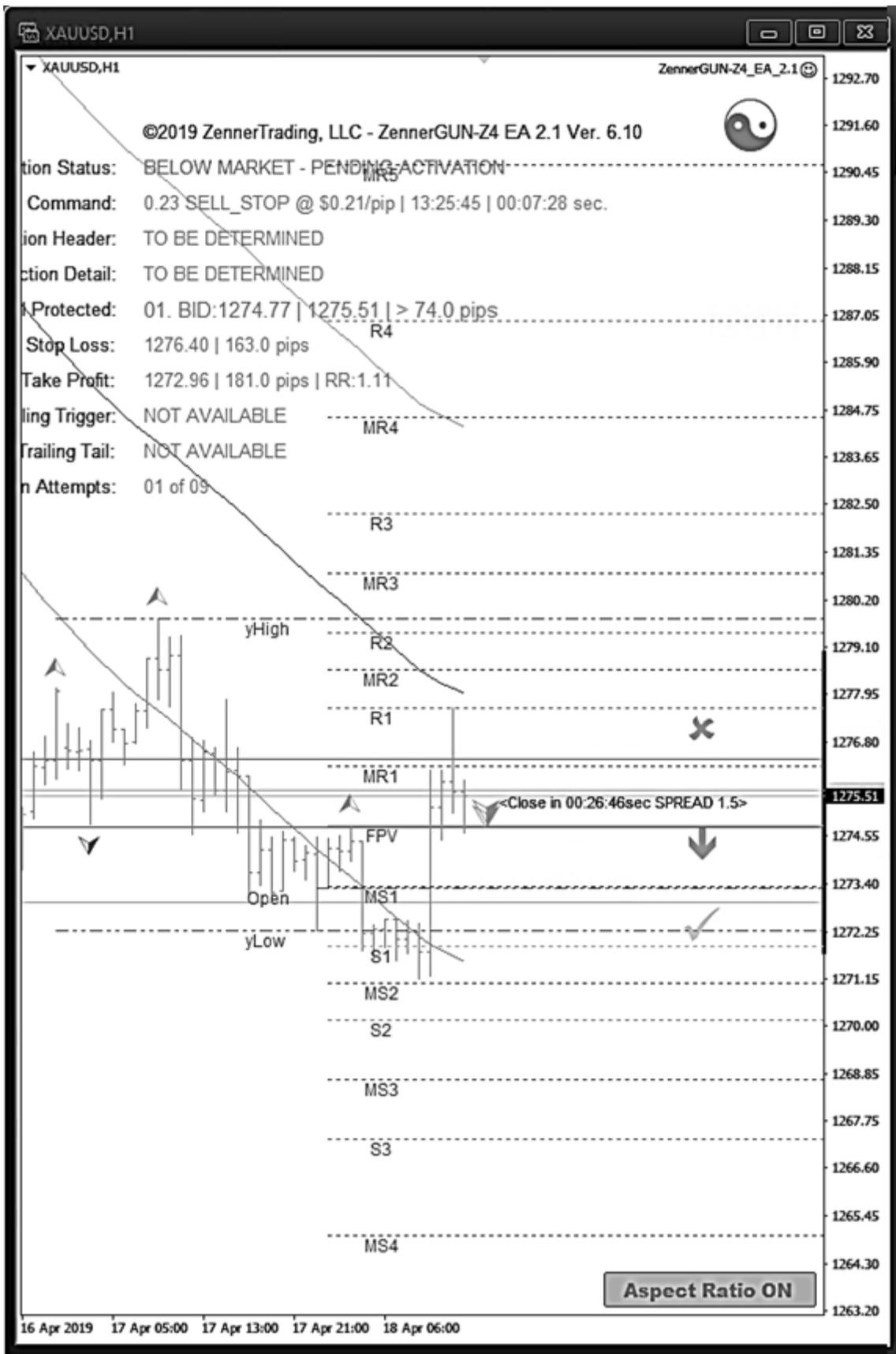


Fig. 4 Secondary SHORT offsetting position of the LONG Leg of the Hedge

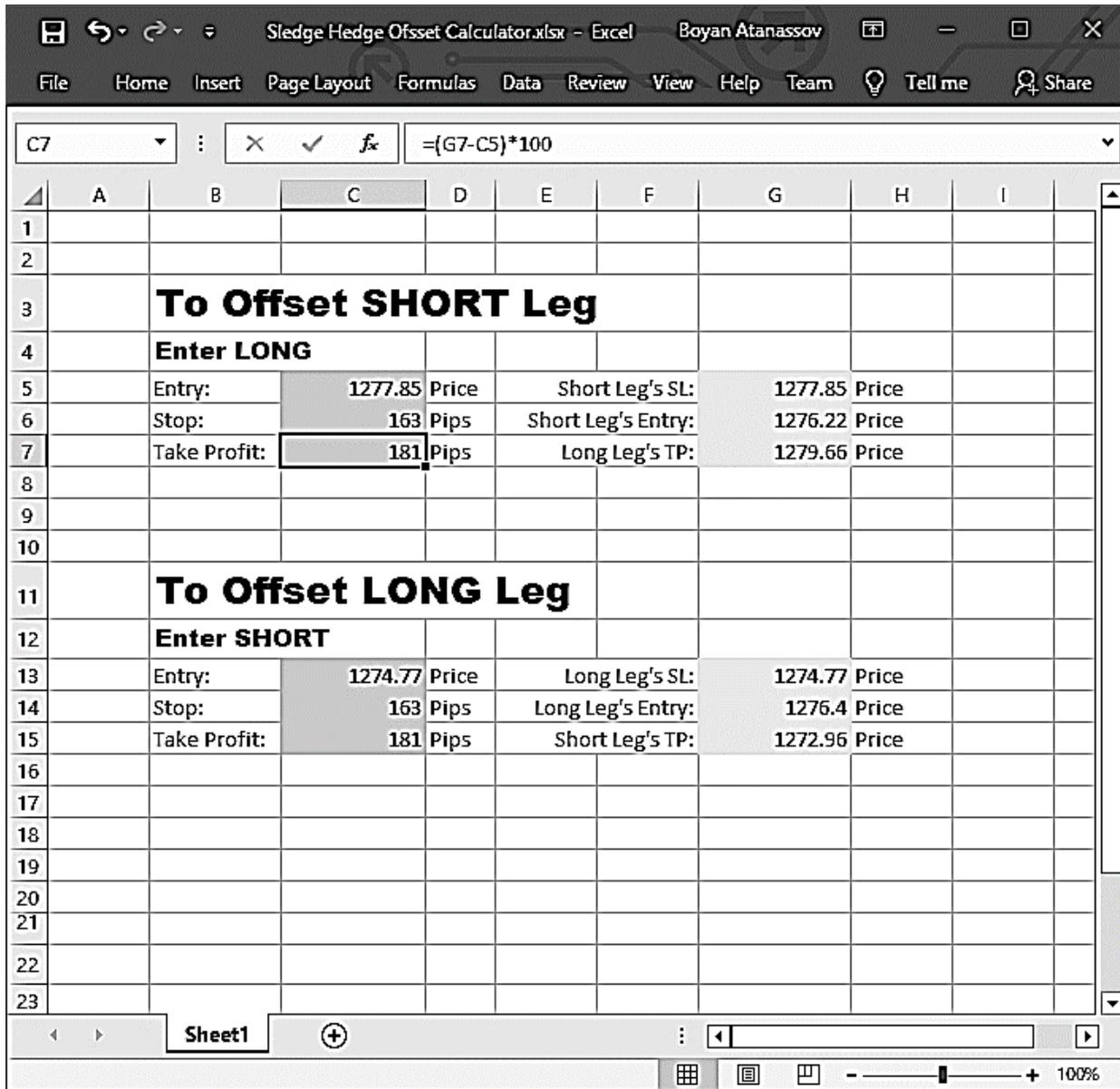


Fig. 5 Excel Secondary Offsetting Hedged Positions Calculator

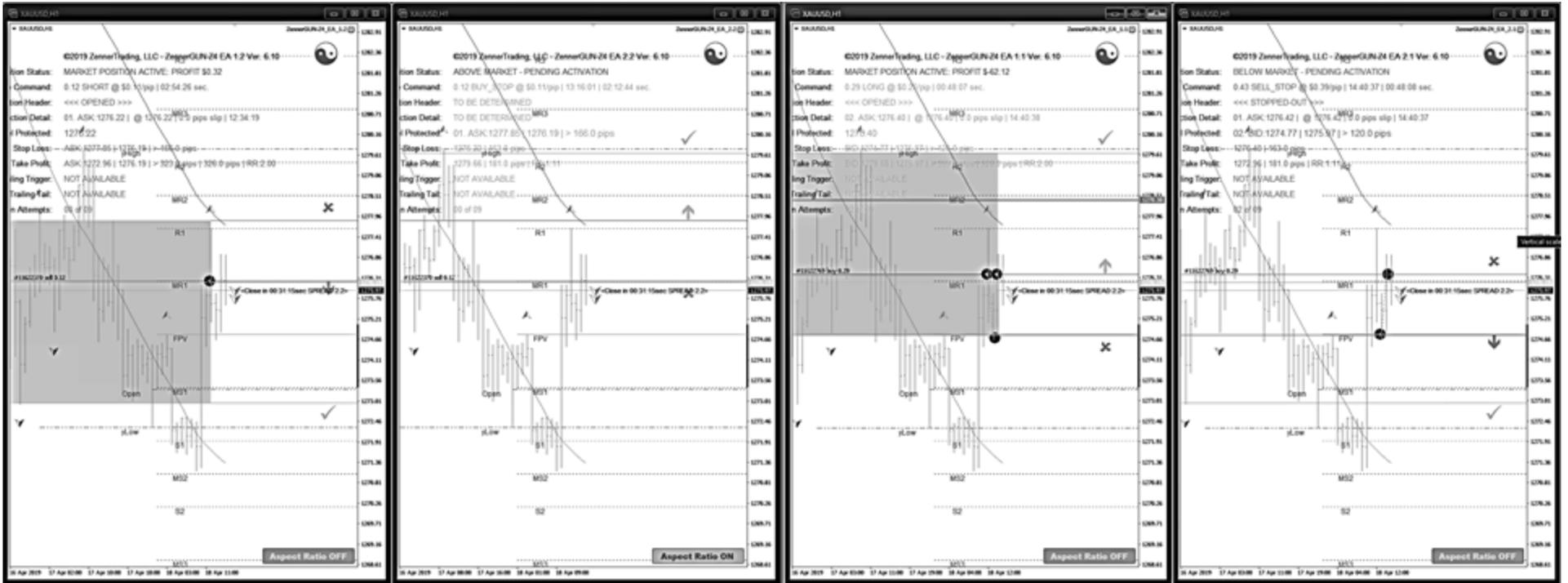


Fig. 6 Sledge Hedge Z4 Full Configuration with all 4 Parallel EAs in action

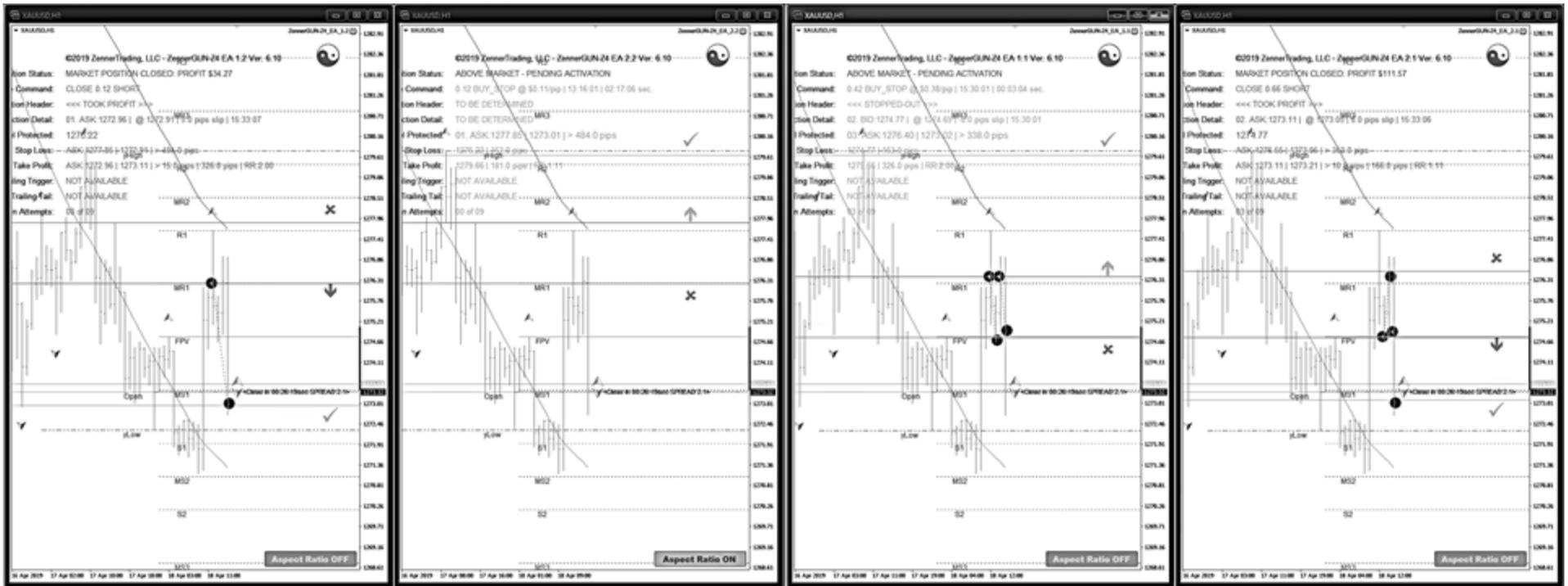


Fig. 6 Sledge Hedge Z4 as the Markets Develops into its final position

### SHORT Leg of the Hedge

11622370	2019.04.18 12:34:19	sell	0.12	xauusd	1276.22	0.00	0.00	2019.04.18 15:33:07	1273.01	0.00	34.27
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**+\$34.27**

### LONG Leg of the Hedge

11622371	2019.04.18 12:34:20	buy	0.12	xauusd	1276.40	0.00	0.00	2019.04.18 13:04:31	1274.70	0.00	-18.13
11622656	2019.04.18 13:39:38	sell	0.23	xauusd	1274.79	0.00	0.00	2019.04.18 14:40:37	1276.40	0.00	-32.90
11622769	2019.04.18 14:40:38	buy	0.29	xauusd	1276.40	0.00	0.00	2019.04.18 15:30:01	1274.96	0.00	-37.15
11623067	2019.04.18 15:30:02	sell	0.66	xauusd	1274.92	0.00	0.00	2019.04.18 15:33:06	1273.02	0.00	111.57

**+\$23.39**

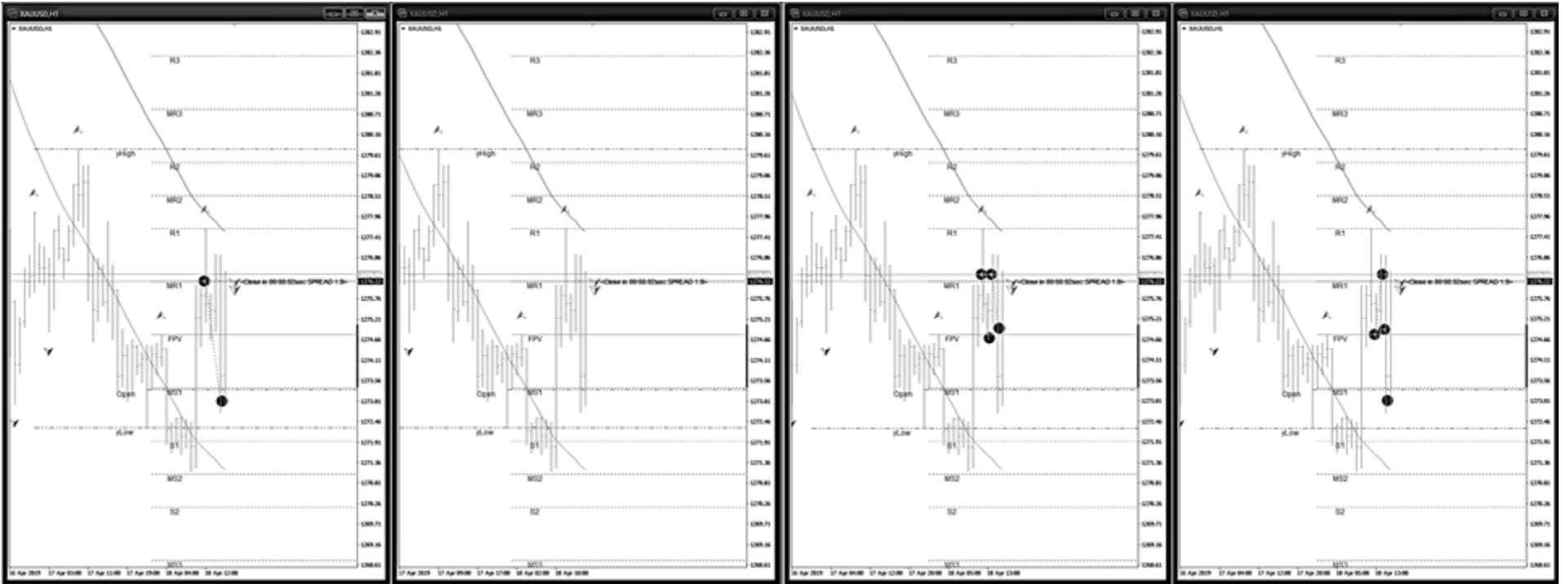


Fig. 7 Sledge Hedge Z4 End Game Looks & Feel