



## **Gold Options Trader Settings & Rules**

- Trades can be issued in any trading session
- All trades are based on the 65-minute chart
- We use a positive scale PercentR for both fast and slow PercentRs
- We use a 5 Bar setting for the fast PercentR

- We use a 34 Bar setting for the slow PercentR
- We use a 20 Bar Average True Range for option selection
- Signal:
  - We look for the Fast PercentR to have consecutive closes below 38.2 and flip above 38.2 and for the slow PercentR to stay below 61.8  
(The 34 Bar slow PercentR serves as an intermediate-term trend filter. By requiring it to remain below 61.8 at the time of entry, we confirm that the broader momentum cycle has not yet reached an overbought extreme. This is a critical guardrail — without it, the strategy risks entering long positions near the upper boundary of the intermediate range, where upside is structurally limited and mean reversion works against the trade. Only when the slow oscillator is positioned in the lower-to-mid portion of its range does the market offer sufficient room for the anticipated recovery move to develop fully.)
  - The strategy is specifically designed to identify the precise moment when a short-term bearish impulse loses momentum and exhausts itself on the 65-minute chart. When the fast 5 Bar PercentR spends two consecutive bars below 38.2, it signals that intraday selling pressure has been sustained long enough to represent a genuine, measurable pullback rather than random noise. The subsequent cross back above 38.2 on the current bar is the exhaustion confirmation — it signals that sellers are no longer in control and that short-term momentum has

shifted. Combining this with the Fibonacci-derived threshold levels of 38.2 and 61.8 (derived from the golden ratio) ensures entries are anchored to mathematically significant momentum boundaries rather than arbitrary overbought/oversold levels. This structure captures mean-reversion entries at the point of maximum near-term pessimism within a non-extended intermediate trend, which is historically the highest-probability location to initiate long positions in gold-sector instruments.

- After a trade is entered, we use a +100% target and a -50% stop
- We will trade monthly expiration options expiring at least 4 weeks away
- We choose the option priced most closely to 2x the 65-minute 20 Bar Average True Range
- If the stop nor target are hit, we will close the open position the Monday of expiration week