He Uses Coding to Trade and Made $86K Profits

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TRADING ANALYSIS: HE USES CODING TO TRADE AND MADE $86K PROFITS

Trader: Sylvanus Adam | **Firm:** FundedNext | **Location:** Dar es Salaam, Tanzania

1. EXECUTIVE SUMMARY

Sylvanus Adam, a full-time software engineer and part-time forex trader from Tanzania, has built a semi-automated trading system that combines Bollinger Bands, moving averages, and ABC wave patterns into a custom-coded indicator to identify overbought/oversold signals on the 15-minute chart. His edge comes from applying statistical and scientific thinking to trading, using volatility-based stop loss and take profit calculations, and maintaining a disciplined 1:1 risk-reward ratio with a 55–60% win rate. He emphasizes that prop firms help enforce risk management discipline and that traders must prove a strategy has an edge before risking real capital.

2. KEY CONCEPTS

[11:25] Custom Indicator Development: Sylvanus combined Bollinger Bands and moving averages into a single coded indicator that generates overbought/oversold signals as colored dots on the chart

[12:01] Trend Identification via Moving Averages: Moving averages are used solely to determine trend direction and bias before any trade is considered

[12:06] Bollinger Bands for Overbought/Oversold: Bollinger Bands signal potential reversal zones; green dots below price indicate oversold, red dots above indicate overbought

[13:25] Signal Confirmation via ABC Wave Pattern: After a signal fires, a confirmation level is set 2–3 waves back from the signal point; a trade is only entered when price reaches that level

[18:48] Volatility-Based Stop Loss and Take Profit: Stop loss width equals half the average daily volatility of the pair over the prior quarter; take profit mirrors the same distance for a 1:1 ratio

[20:44] 1:1 Risk-to-Reward Rationale: Lower timeframes produce more random price movement, making high R:R ratios impractical; 1:1 with a 55%+ win rate produces consistent profitability

[22:01] Fundamental News as a Filter: High-impact news events are checked on a calendar daily; if expected figures conflict with the trade direction, Sylvanus steps aside until the news releases

[29:46] Back Testing in Pine Script: The strategy was first manually back tested, then coded in TradingView's Pine Script for automated back testing across large historical datasets, confirming a ~55% win rate

[38:08] Prop Firm Psychology Advantage: Trading a prop firm account reduces emotional attachment because the capital is not the trader's own, leading to more rule-adherent, disciplined execution

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3. TRADING STRATEGIES MENTIONED

Sylvanus's Semi-Automated Overbought/Oversold System

Entry Rules

- Wait for the custom indicator to print an overbought (red dot) or oversold (green dot) signal on the 15-minute chart
- After signal fires, identify the most recent swing low (for overbought) or swing high (for oversold)
- Count 2–3 waves back from that swing point to set a confirmation level
- Set a TradingView alert at the confirmation level
- When price reaches the confirmation level, manually execute the trade entry

Exit Rules

- Take profit is set at a fixed distance equal to half the average daily volatility of the pair for the prior quarter
- Stop loss is set at the same distance on the opposite side (1:1 ratio)
- Alerts are set at both TP and SL levels; the trade self-closes when either level is hit
- Trades are held until either TP or SL is reached regardless of time of day (can hold overnight)

Risk Management

- Risk per trade: 1%–1.5% of account balance (typically lands around 1.2%–1.3% after spread/commission variation)
- Risk-to-reward ratio: fixed 1:1 on every trade
- News filter: no trades taken immediately before high-impact scheduled news events
- If busy at work when alert fires, the trade is simply skipped rather than entered late

Example Given

[15:22] An overbought signal fires on a candle; confirmation level is set 3 waves back from the lowest point preceding the signal; subsequent signals are ignored until price either breaks the buy-side or sell-side confirmation level; when price eventually reaches the sell-side confirmation level, the trade is entered with volatility-derived SL and TP

Instruments Traded

- USD/JPY (primary)
- GBP/JPY (secondary)

Timeframe

- 15-minute chart exclusively for entries
- Strategy works on higher timeframes and is statistically more accurate there, but Sylvanus chooses 15M for intraday focus

Win Rates Observed

- Trending markets: ~60%
- Ranging markets: 53%–57%
- Automated back test result: ~55%
- Manual back test result: up to 80% (acknowledged as inflated due to hindsight)

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4. ACTIONABLE TAKEAWAYS

- Build or find a strategy grounded in statistical or mathematical logic to reduce discretionary decision-making pressure
- Combine a trend filter (moving average) with an overbought/oversold tool (Bollinger Bands) before taking any signal
- Never enter immediately on a signal; always require a secondary confirmation level to be breached first
- Calculate your stop loss using historical volatility data (e.g., prior quarter average daily range ÷ 2) rather than arbitrary pip values
- Match take profit to the same distance as stop loss (1:1) when trading lower timeframes where random noise reduces the viability of higher R:R targets
- Set TradingView or platform alerts at your confirmation level, TP, and SL so you do not need to watch the chart continuously
- Code your strategy in Pine Script or equivalent to run automated back tests across large historical datasets and across multiple market conditions
- Use a minimum automated back test win rate threshold (Sylvanus uses 55%) before committing real or prop capital to a strategy
- Journal trades directly on the chart by marking entry points with color-coded labels (green = win, red = loss, yellow = open)
- Check an economic calendar each morning and avoid entering trades directly before major scheduled news releases
- Skip a trade entirely if you cannot be at the screen for manual entry; do not chase entries after the fact
- Keep your income source separate from trading income until trading profits make income concerns irrelevant, to protect trading psychology
- Do not move from strategy to strategy; back test thoroughly, validate the edge, then commit and stick to it
- Use prop firm rules (daily drawdown limits, max drawdown limits) as a built-in risk management training tool rather than viewing them as obstacles

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5. IMPORTANT TIMESTAMPS

[1:14] Sylvanus introduces himself: software engineer at Timeless Corporation, Dar es Salaam, Tanzania, and part-time forex trader

[4:41] Trading journey begins: got introduced to forex in 2016 while in college after hearing about a young South African who made $1M from forex

[5:14] First attempt at learning forex via YouTube courses ended in confusion; gave up initially

[5:16] Second attempt: gave capital to a friend for account management; that also failed, prompting him to start learning independently

[6:01] Opened a real account, burned multiple accounts, traded on and off until 2022 when he became consistently active

[8:13] Started trading with prop firms in 2022; had bad experiences with MyForexFunds and True Forex Funds (both since closed) before moving to FundedNext

[11:07] Screen share begins; strategy walkthrough starts

[11:25] Explains the core logic: Bollinger Bands plus moving averages coded into one custom indicator

[13:09] Describes signal visualization: green dots below price for oversold, red dots above for overbought

[15:22] Live chart example walkthrough of an overbought signal and how confirmation levels are set on both the buy and sell side

[18:48] Introduces the second indicator: volatility-based stop loss and take profit calculator using the prior quarter's average daily range

[20:44] Explains the 1:1 risk-to-reward rationale specific to the 15-minute timeframe

[22:01] Describes how fundamental news is used as a filter, not a primary signal

[29:46] Reveals that the strategy was coded in Pine Script on TradingView for automated back testing; 55% win rate confirmed across large data sets

[37:52] Compares psychology when trading prop firm capital vs. personal capital; prop firm trading is less emotional but rule-focused

[41:00] Identifies the three main challenges new traders face: unrealistic expectations, inability to structure information into a coherent approach, and insufficient starting capital

[45:23] Core advice to new traders: have a strategy with a proven edge and stick to it; the $7 trillion/day forex market has room for every strategy to find its edge

[48:24] Final suggestion to FundedNext: increase maximum capital allocation from $300,000 to $500,000

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6. VOCABULARY/TERMS DEFINED

Overbought: A market condition where price has risen to a statistically extreme level relative to its recent range, signaled by red dots above candles in Sylvanus's indicator, suggesting a potential reversal downward

Oversold: A market condition where price has fallen to a statistically extreme level relative to its recent range, signaled by green dots below candles in Sylvanus's indicator, suggesting a potential reversal upward

Confirmation Level: A predefined price level set 2–3 waves back from the signal candle that price must reach before a trade is executed; acts as a second filter to avoid false signals

ABC Wave Pattern: A three-wave price structure used by Sylvanus to count back from a swing point and locate his confirmation level; borrowed from Elliott Wave concepts

Average Daily Volatility (ADV): The average range (high to low) a currency pair moves in a single day, calculated over the prior quarter; used to size stop loss and take profit distances

Pine Script: TradingView's proprietary scripting language used to code custom indicators and back test strategies programmatically against historical data

1:1 Risk-to-Reward (R:R): A trade setup where the potential profit equals the potential loss; chosen by Sylvanus because 15-minute price movement is too random to reliably target higher R:R ratios

Statistical Edge: A measurable, repeatable advantage that causes a strategy to win more often than it loses over a large sample of trades; Sylvanus defines his minimum acceptable edge as a 55% win rate

Scientific Art (Trading): Sylvanus's phrase describing the nature of trading: part science (statistics, volatility, back testing) and part art (pattern recognition, discretionary judgment at execution)

Daily Drawdown: A prop firm rule capping the maximum loss a trader can realize within a single trading day, forcing conservative position sizing

Maximum Drawdown: A prop firm rule capping the total cumulative loss from peak equity allowed on the account before it is closed or reset

Ranging Market: A market condition where price oscillates between a support and resistance level without a clear directional trend; Sylvanus's win rate drops to 53–57% in this condition

Trending Market: A market condition where price moves consistently in one direction; Sylvanus's win rate rises to ~60% in this condition

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7. QUOTES & INSIGHTS

> *"I'm trying to accommodate my trading approach using the expertise of a software engineer."*

> *"I trade forex like a program — I created a program to trade forex."*

> *"Trading is never science alone. Trading requires some arts. That's why trading is very hard. Trading is a scientific art."*

> *"Psychology is like a muscle. The more you trade, the more you improve."*

> *"When I trade the prop firm account, I become less emotional about my trades because the money on the line is not mine."*

> *"If you are trading while you expect to get money from the charts, the psychology of trading will be a little bit hard."*

> *"Your mind should be clear of getting money from trading. If you're lucky enough to trade until the money is not an issue, you can switch to full-time trading."*

> *"Ten percent of a small capital will never motivate you to continue trading." (On why small retail accounts create psychological problems)*

> *"I'm sure there is a place where every strategy can have an edge to perform over the long run." (On the $7 trillion/day forex market)*

> *"Make sure you have a strategy which has an edge over the market — and stick to that strategy."*

Key "Aha" Moments

[30:37] Sylvanus realized after full automation back testing that a 55% win rate was sufficient and realistic, whereas his manual back tests showed up to 80% — he correctly identified the manual figure as inflated by hindsight bias and chose the conservative, automated number as his benchmark

[38:08] The insight that prop firm rules function as enforced risk management training is a reframe that turns a common trader complaint into a genuine advantage

[43:08] The interviewer's personal anecdote confirms Sylvanus's psychology point: quitting a day job to trade full-time immediately made performance worse because every trade suddenly needed to produce income, validating the advice to keep income independent of trading results