

Supertrend Settings & Test Sheet

Supertrend is one of the few indicators whose construction fits on an index card: ATR bands that trail price and flip with trend. This sheet gives the construction, sensible settings by timeframe, and the test that shows what it can and cannot do for you.

1. The construction, in plain terms

- ☐ Two bands are drawn around price: an upper and a lower band, each offset from the midpoint of the candle range by a multiple of ATR (the multiplier), over an ATR period (commonly 10).
- ☐ The band only moves in the trend's favour: in an uptrend the lower band ratchets up and never down; a close below it flips the indicator to downtrend, and vice versa.
- ☐ Consequence: on a closed candle the line cannot repaint. Inside a live candle it moves constantly, because the candle's own range is still forming. "Supertrend repaints" complaints are almost always intrabar readings.

2. Settings to test (period / multiplier)

Use	ATR period	Multiplier	Behaviour
Fast intraday (M5–M15)	10	2.0–2.5	Responsive; more flips in chop
Intraday standard (M30–H1)	10	3.0	The common default; balanced
Swing (H4–D1)	10–14	3.0–4.0	Slower, holds through pullbacks; bigger stops if used as exit

3. What the test will show (expect it, don't discover it)

- ☐ In trends it will look brilliant, including in hindsight. In ranges it will flip repeatedly and bleed small losses — count the flips in the last range before trusting it.
- ☐ Used as an exit (close when it flips), it gives back a real share of open profit. Measure the give-back across 20 trades and decide if the protection is worth the price.
- ☐ It has no opinion about levels, news or volatility regime. Pair it with your own: it is a regime/exit tool, not an entry system.
- ☐ Free MT5 implementations vary (some recalculate history differently). Verify yours: flip points on closed candles must match between the live chart and a strategy-tester visual run.

The test-sheet rule: judge Supertrend as a trailing regime line, never as a fortune teller. Its value is discipline in trends; its cost is chop. Your settings choose the exchange rate between the two.