PROEA LAB · CHEAT SHEET · CHECKED 27 OCTOBER 2026

SuperTrend and the ATR trailing stop

SuperTrend is an ATR trailing stop that flips. How it is built, what its two settings change, how it differs from a close-based ATR trail and the Chandelier Exit, a checklist for using one, and what a written-first test of a SuperTrend-style rule found. In our words.



Real gold candles (Dukascopy XAUUSD bid, 4-hour), 17 February to 17 April 2026, with TradingView's ta.supertrend at 10 × 3: green trails a rise, red a fall, a dot marks each flip. One example of the mechanics, not a result.

How SuperTrend is built

Step	The most-boosted SuperTrend's defaults
ATR	The average true range of 10 candles, Wilder's smoothing
Middle	Each candle's midpoint, (high + low) / 2
Bands	Midpoint − 3 × ATR below, midpoint + 3 × ATR above
Ratchet	The lower band only rises while the close stays above it; the upper band only falls while the close stays below it
Flip	A close through the active band flips the trend, and the line moves to the other band

Three ATR trails

Trail	Distance measured from	Common default
SuperTrend	The candle's midpoint	ATR(10) × 3
ATR trailing stop	The close	varies by script
Chandelier Exit	The highest high (long) or lowest low (short) of the last N candles, or their highest or lowest close	ATR(22) × 3

What the multiplier changes

On the chart above: SuperTrend flipped 13 times at 10 × 2, 3 times at 10 × 3 and 3 times at 10 × 4; the Chandelier Exit, on the highest and lowest close, flipped 8 times at 22 × 3. A tight trail flips on pullbacks inside a trend; a wide one waits for the turn and gives back more before it flips.

The checklist

1. **Pick the trail.** Midpoint (SuperTrend), close, or the trend's extreme (Chandelier Exit).
2. **Write down the settings.** ATR length, multiplier and the chart's time frame, before you trade them.
3. **Count the flips.** On the last two months of your chart. Each flip is a trade's cost.
4. **Closed candles only.** A flip on the live candle can vanish by the close; alert once per bar close.
5. **Direction or exit?** Decide whether the flip sets your direction, ends your trade, or both.
6. **The entry.** At the flip, or wait for a pullback towards the line, which brings the stop closer.
7. **The stop.** The line, plus a small buffer. Size the position so that distance is your 1R.
8. **The costs.** Fees and slippage × flips. A tight trail pays them more often.
9. **Long, short or both.** Test each side on its own; in our test the shorts were what lost.
10. **Against holding.** Compare the rule with simply holding. If it doesn't beat holding, its job is risk control.

What our test found. A SuperTrend-style band, Drift Desk's, tested the written-first way on 20 Binance coins, 4-hour candles, after costs (protocol frozen 23 September 2026). Both ways, Drift Free 1.3.1 lost −141.86R over 3,249 positions. A long-only research edition made +264.37R over 5,793 positions, but failed its profit-factor gate (1.2), and on the untouched coins holding long made more (+299.09R against +197.60R). proea.app/en/blog/drift-desk-what-we-measured

Read it in full

The formula, the settings and the drill: proea.app/en/blog/supertrend-indicator
Ours, Drift Desk: a SuperTrend-style band that flips on a close, full Pine v6 source: proea.app/en/pine-library/drift-desk

Formula: KivancOzbilgic's SuperTrend and everget's Chandelier Exit, their Pine source read 27 October 2026; the drill implements TradingView's ta.supertrend. Test: the Drift Premium test's public export (ProEA Lab, 24 Sep 2026). Our summary, checked 27 October 2026. Educational, not financial advice. © ProEA Lab · proea.app