



MACD Pullback Strategy (H4 and Currency Power meter strategy)

This strategy combines strength weakness with pullback. Unlike the typical price pullback, I prefer to focus on the MACD histogram pullback.

A simple step approach is as follows :

1. Identify which currency index is showing signs of histogram pullback on MACD.
2. Choose H4 as TF of choice.
3. Now look at currency power meter (CPM) for strength or weakness. Strength is indicated by +5 or more and Weakness is indicated by -5 or below.
4. Since we are trading H4 its very important that the index is strong or weak which means index is + or - 5 on time frames from M5 to H4. This ensures that we have a multi time frame approach and the index is indeed strong or weak on multiple time frames.
5. Once you identified the currency index which is strong or weak with a macd histogram pullback simply identify the currency moving opposite and trade that currency pair. Even better look at currency pairs in that group and look for pairs showing similar MACD pullbacks and trade those pairs.

Alternate way to trade the same strategy.

1. Wait for CPM to generate an email alert when a specific index aligns from M5 to H4 for a index.
2. Check if the index has a MACD pullback on that index. If yes follow the other steps mentioned above.
6. TP can be S/R however its important to use ATR projections to ensure you are not too late into the trade. Typically ATR projection indicator should be between 45 to 65 % If the MACD pullback has taken place and went too high then its best to leave the trade and wait for another alert.

Some tips :

- ... Ensure you are not late into the move.
- ... Use a few EMA's to see the price action more clearly.
- ... Trade the first histogram pullback after histogram crossed the "0" line
- ... Check if there are news releases which could affect your entry.

We have attached some examples of Index pullbacks for your reference.







