

(This one was a chart from last month but still being discussed)]



Two trades today on EA H1....one loser and one winner. A new channel is forming so neither of the trades were taken with profit targets at channel lines

Quoting Drewas

Nice to see you lose one. Proves you are human after all.

Drewas,

Sorry if I have painted a picture that I never have losses. I posted the one today just because I had pulled it up to the chart to review for myself why it had failed. I regularly have small losses but see no real benefit to anyone in posting them in the thread. I don't believe in focusing on the negative and I don't think anyone can learn much from a losing trade that I took.

I normally *average* one or two small losses for every ten trades I take but I do my best to minimize the amounts of those losses. There are times when I will go a week or more with no losses but there are always losing trades because no one can accurately predict market behavior every time. I subscribe to Big E's philosophy...if you enter an trade and it goes against you a few pips, exit immediately and chalk it up to the cost of doing business, forget it and wait for another setup. There is always another setup around the corner.



One trade today on EA H1. Entered shortly after London Open when price broke above the previous candle. Exited manually following price setting a triple top.

Quoting mact4

Was in a similar trade. Was hanging in as HA candles on H4 was still blue but 'cos you exited, thought I'd better too! +55 and +60 but profit is profit. How do you decide when to hang on and when to take profit? Would you re-enter if the previous high is taken out?

I exit when there is a signal to do so. In this case, the time of day and the triple top tell me that price has probably moved up as far as it is going today. But as always, news or other events can move the market anytime. Most of the time, when price has moved 50 or 60 pips, I will wait for a candle to close in the opposite direction. I have found that once price moves 60+ pips in one direction, it will usually consolidate for several hours before reversing. No, I would not re-enter long due to the time of day and the London session is winding down. Hope this answers your questions.

Quoting TheScorpS

Phx62 When in back-testing specially looking to learn about LO and NYO boxes and how to set the low, high, would you back-test while the boxes on the chart or you remove the boxes temporary when in back-testing mode? Thanks

Obviously, I use the boxes for a different purpose than breakouts. I leave them on my chart all the time, even when backtesting, because I am only interested in seeing the beginning and end of each session and the high and low set by each session. It is just a quick reference guide to see how price moved within each session. I can see at a glance what happened each day and each session. I downloaded them many years ago from a breakout thread here on FF but I cannot recall the name of the thread.



This weeks trades on EA H1. Mostly London Open trades.

Quoting fxFox.mb

Thanks Phx62 for your support with your new trades. I was concentrating this week on EURJPY, followed the EURAUD only on the side. Analyzing your chart as usual I have a question again. Please excuse me for assembling your chart a little for my question - to get a better view on situation - my question goes on. Comparing the two situations on 3/31 and 4/1 NY session. These two look similar with small deviations, regarding the 2-3 blue APBs before the red and a little smaller slope on TDI PL to the downside. You took the first (profitable)...

Simple answer.....my 1st London trade failed, so I took a nap and set my alarm to get up for the NY session. I saw an entry and made trade 1. On the second trade, I got a signal at LO and entered a trade and exited on a pullback. Once price moves 60+ pips in one direction, it will usually consolidate and range for a couple of hours, or more, before making another run. In this case, it ranged for a long while.

(Question regarding previous charts discussed by couple members)

Quoting fxFox.mb

Analyzing your chart as usual I have a question again.

Comparing the two situations on 3/31 and 4/1 NY session. These two look similar with small deviations, regarding the 2-3 blue APBs before the red and a little smaller slope on TDI PL to the downside. You took the first (profitable) trade, but not the second. => Simple question - why not? (I think I had taken this when price went 1,5 pips below the prev. red candle) fxfox



Direwolf: The second one being near the end of NY session would be my guess.

Hostwey: Looked on my chart and second candles look like consolidation candles to me. Also 100 EMA was acting as support. (On first trade PA had broken below 100 SMA).

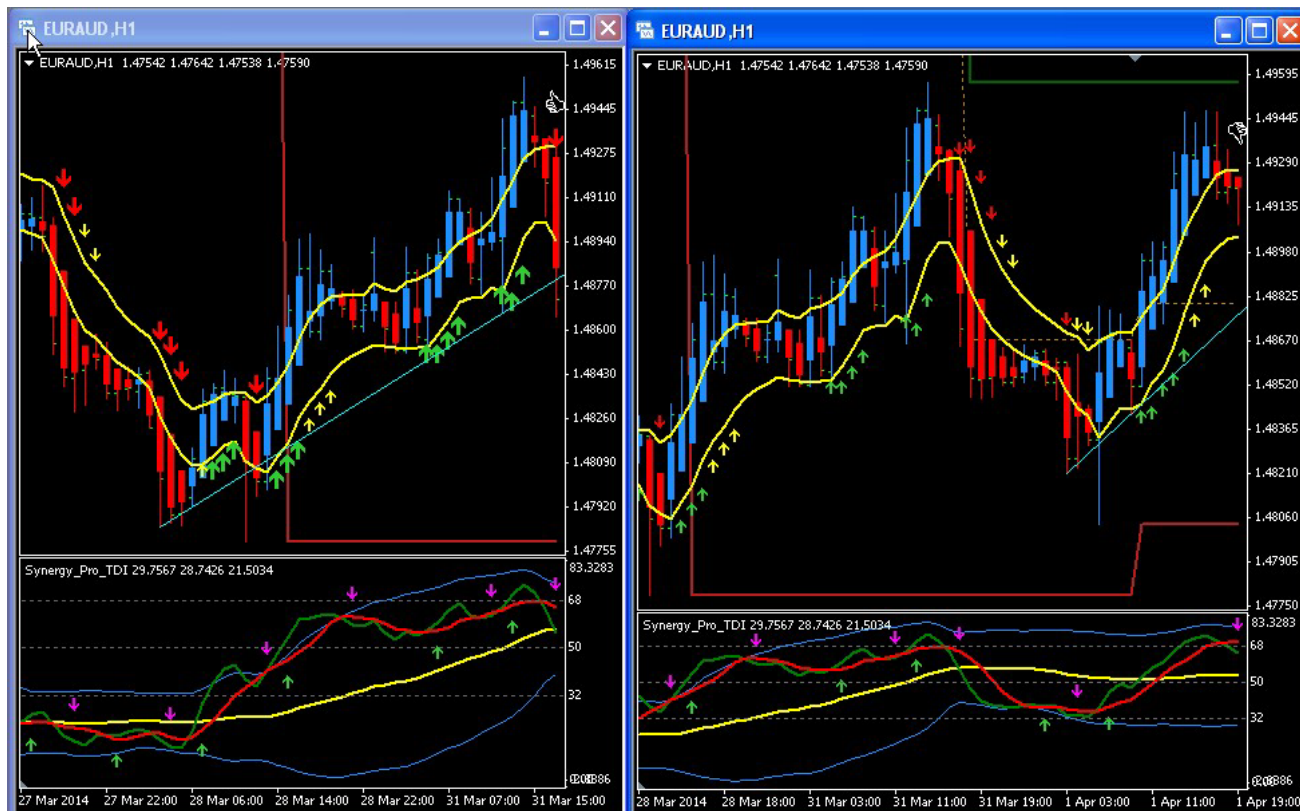


(Discussion continued)

Zoopots:

Try putting the entries side-by-side for study purposes. The 3/31/1700 Sell had a number of reinforcing technical positives: PA closed below uptrend line, PA closed below PAC, TDI (green) closed below MBL (this generates the Sell arrow on my chart (programmable)) which is normally dependable; the slope of the TDI line is -60 degrees (5 o'clock) and the move resumes the previous down trend.

The 4/1/1900 entry shows PA still inside the PAC; PA did not close below up-trend line, TDI is still above MBL (because of this there is no Sell arrow on the HA chart) and the slope of the TDI line is -30 degrees (4 o'clock).



Zoopots: Sixteen hours later, 4/2/1100, the entry is very nice and runs for +45 pips MFE.

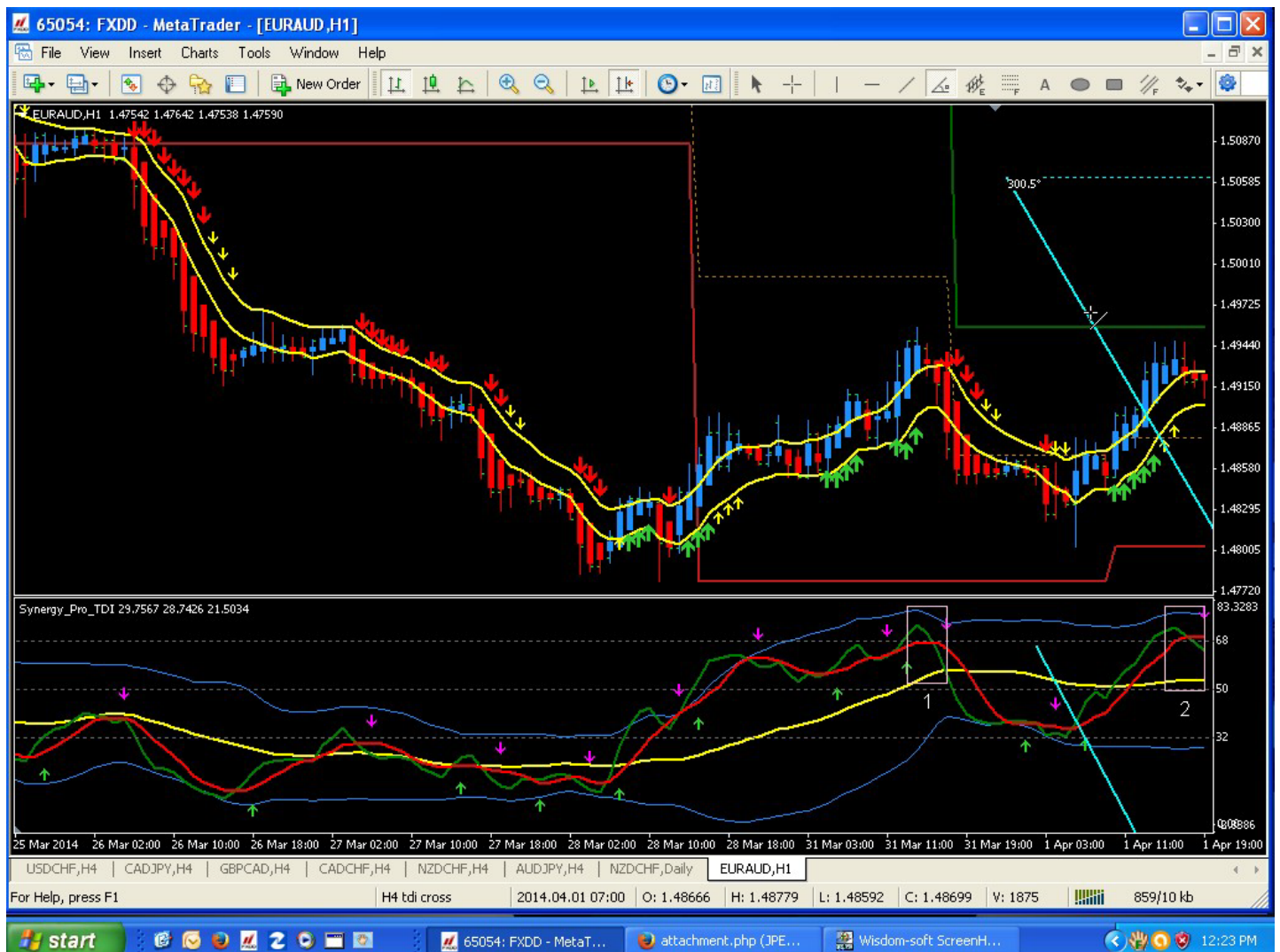


Zoopots continue:

You may want to experiment using the "Trendline by Angle" tool in MetaTrader to measure the slope of the TDI line. When back testing, I would recommend doing this with your chart in real time (entry signal on the far right side of the chart so you won't be swayed by what your eye/brain knows is coming). The picture below shows the tool as you put it on a chart, just slew it to the current TDI line and it will measure the slope (in degrees) from horizontal.

The trend line placed on the TDI is sloping exactly to 5 o'clock (60 degrees from horizontal). You can compare the slope of TDI in box 1 with that of box 2 and recognize the earlier TDI signal is much more valid with respect to TDI pointing to recommended clock positions.

If you wish, you can clone a previously placed Trendline by Angle tool by double clicking it, holding down the Ctrl key, left click and hold on the center block of the trendline, and dragging it to your new position. Or you can just drag the one you have. I normally have a 5 o'clock one and a 1 o'clock one on my TDI Indicator to be used if I feel the need. However, your eye will soon develop the ability to make this judgment without this angle indicator.



(Apr 11, 2014, P.1781 #35,608)

My EUR/AUD H1 trades for this week.....



mike1349

Thanks Phx62. Nice trades as usual.

I was struggling with EJ for the last couple of days since it was range and I was looking forward to your charts to see how did you handle it but you traded EA. I was wondering do you have any specific strategy to pick a pair to trade or how you see a pair trending or in range? Thanks

I look at the ADR to determine which pair I am going to focus on. The ADR for the EA pair has been among the top performers for several months so I focus on that pair right now. When trading one pair you learn the nuances of that pair after some time. It helps to understand how price might react in certain circumstances. I also look for pairs that don't have a lot of candles with long wicks at one or both ends. I look for pairs that move steadily up or down. Success to you.....

akwunomy

You are really proficient in this approach and the last time I asked you how you incorporate the breakout box from London and newyork in your trade and never hear from you. All the same, happy for your wonderful result and hope you keep it up.

I'm think I did answer you but here goes again. I do not use the breakout box for entries or exits. My only purpose of having those boxes on the charts is to show me at a glance what the high or low of the session is and the total movement of the pair during each session.....no looking at dates and time.....the boxes show what I need at a glance. Have a good day....

mike1349

Do you use any website to give you these statistic? I mean when you say " EA pair has been among the top performers for several months" you watch it yourself or you get it from a website

I check the ADR on my charts.

heispark

Thank you always Sir for your quality charts. Regarding 2014.04.10 04:00 trade, was this a pending order? (Perhaps expecting a channel bounce?) It was a news candle and it moved very fast even on 5M. I am a bit curious how you caught this... Thank you.

Yes, it was a pending order that was picked up. Sometimes pending orders won't get picked up if price is moving too fast but in this case, it was. I actually set the pending order based on the PCRF that price formed just before the news release and a cross of the TDI. I put the pending order a few pips below the PCRF, in case price spiked up first. Also, I did not give it much room to breath. I set my SL very close to the top of the PCRF so there was a very small risk. Success to you.....

gavman

Hello Phx62, I must say I admire the way you trade - very inspiring! I want to ask if you use an indi for the breakout boxes on your charts, or do you 'draw' them in manually?

The boxes are indicators. They are listed in the paperclip area at the top of the tread as London breakout box and NY session breakout box. As I stated above, I do not use them as breakout boxes, just session highs & lows and an easy way to watch what price does or did during any session.

MrAussieFX

I have gone through Phx trade for the week on EA H1 and tried to see what he might have thought as a trade opportunity following simple rules and not over complicating the things and running for 100 pips profit per trade mentality.

I have done it as a homework and thought someone might find it helpful. I am sharing it out of respect to Phx and not judging him financially. The simplicity of Phx style of trading shows a class of a master. I believe Phx won't mind me sharing it here.

Deep Back Test Analysis of Phx EA trades for week 07-04-2014

Please note: This is my own views on how the trades might have been taken using TMS method. Phx may have considered other factors into his trading.

The total amount shown on the chart is for educational purpose only and purely based on the lot size provided by Phx in his chart. There is no guarantee that you will earn the same amount consistently and one must consider proper money management before placing trades.

Buy trades = **Green vertical lines**

Sell trades = **Red vertical lines**

Average price bars used

200 EMA(Aqua blue dotted), 100 EMA (Red dotted) , 5 EMA shift +3 close (Yellow dotted), PAC (solid yellow)

Fractal Support and Resistance

Asian Session indicator (5 hours)

Big Round Numbers



MrAussieFX post continue

Trade 1 (50 pips): Asian session 5 hours range 24.8 pips and PA rejected by 1.47355 resistance. This session showed bullish PA and once PA broke the PAC and bounced TDI with MBL coming above 32. Strong candles with momentum broke resistance (1.47937) and only got stopped at 100 EMA and 1.48347 resistance. See TDI curving.

Trade 2 (70 pips): Sell trade aligned with the bigger TF bearish trend. Bullish PA got rejected at 100 EMA and 1.48347 resistance. 1st bearish candle closed outside PAC and below 5EMA, TDI strong bounce pointing 5 O'clock. Profit taken at 1.47355 resistance where 8th candle pulled back too much.

Trade 3 (50 pips) See 15 min chart aswell: Asian session 5 hours 35.5 pips. This one looks like a 15 min chart entry where PA got rejected by 100 EMA and 4th candle entry on 15 min when PA closed below 5EMA and TDI pointed 5 O'clock down. Profit taken when TDI hooked back, flattened fortunately at the same time price got stopped at 1.47000 number.

Trade 4 (-7 pips): Just a bad luck.

Trade 5 (50 pips): Traded aligned with the overall bearish trend when PA moved below 5EMA and got rejected by 100 EMA. TDI cross pointing 5 O'clock and profit taken when sharp hook in TDI.

* There was a bounce trade entry on bearish candle number 6 which could have given an extra 35 pips.

Trade 6 (50 pips): Traded against the trend simple TMS entry with MBL moving upward. Strong Bullish candle with momentum, 2nd candle entry and above 5EMA and 1.47000 number. Profit taken when TDI turned flat.

Trade 7 (50 pips): Bounce trade entry after PA got out of PAC and above 100 EMA. Profit taken at the TDI flat and 200 EMA rejection.

Trade 8 (50 pips): Traded with the overall trend. As soon as PA changed color and bullish got rejected by 200 EMA, below 5 EMA and TDI pointing straight down and profit taken when TDI hooked back.

Overall, Class of a master. 342.2 pips after the spread.



MrAussieFX,

A very interesting analysis but not completely accurate. I began following Big E a long time ago when he opened the Craig Harris thread. He was still developing the TMS method, so I had an opportunity to watch his trading methods grow and change. The first thing I learned was to "KEEP IT SIMPLE". My trade analysis is much simpler than you have described here but I appreciate your efforts to understand how I trade.

I have tried the PAC channel and the 5EMA and the other EMA's and stochastics and numerous other indicators but always come back to simple price action and using the TDI for confirmation. As lastingwell stated above, I watch price on 3 time frames.

- The M15 keeps me aware of bigger movement that are beginning
- H4 give me a look at trends and reversals.
- I also do a weekly top down analysis with the higher time frames to be aware of important S/R areas and significant reversal areas.

Most of my trades are taken on candle patterns, reversals, and TDI bounces or crosses. Example....

- Trade 1...the TDI bounced on red after price failed to break the low of the LO candle. Once price broke the high of the LO candle, I entered.
- Trade 2...another TDI bounce trade after price broke below the low of the NY session. I moved my TP to 70 based on the long Frankfurt candle and the time of day.....expecting that the London session might continue the downtrend.

I focus on trading the London session and with the EA pair, I watch for entries following Tokyo-/Aussie Open, since both currencies are tied to that session and my normal workday has ended. I look for the London session to set a high or low and then enter as price moves away from that high or low. Experience tells me that often price will move as Big E described...3 to 8 candles in one direction before reversing or consolidating during the London session. Hope this gives a little more insight into how I trade and nice job of analyzing. Success to you.....