

Nala66

May 29, 2019 3:55am | Post# 3266

1 Attachment(s)

Bit of a roller coaster here.

Went short, took the hedge long. Closed hedge and added another short.



Jazz1964

May 29, 2019 3:57am | Post# 3267

[Quoting Nala66](#)

Disliked

Bit of a roller coaster here. Went short, took the hedge long. Closed hedge and added another short. {image}

perfection

Jazz1964

May 29, 2019 4:10am | Post# 3271

1 Attachment(s)

Got a question on my first short setup, I took an exit at the price of the first entry.



But I thought that's a bad place and that was the case this time.

My thought was: I exit right at the middle of price action that decided to go south..... that should become resistance.... so the stop should be higher above price action, making the loss a bit bigger.

What's your thought, Alan?

Nala66

May 29, 2019 4:48am | Post# 3274

1 Attachment(s)

[Quoting Jazz1964](#)

Disliked

Got a question on my first short setup, I took an exit at the price of the first entry. {image}

But I thought that's a bad place and that was the case this time. My thought was: I exit right at the middle of price action that decided to go south..... that should become resistance.... so

the stop should be higher above price action, making the loss a bit bigger. What's your thought, Alan?

I would say you were hard done by this, this time. You were done by the retest or what is often called the "J" curve where the stop out is actually the entry point.

The HD you have was not a HD on my chart the HD came much earlier and was followed with a couple more.

That said it shows just how quick you need to get back in the saddle.



Nala66

May 29, 2019 5:02am | Post# 3275

[Quoting witowito](#)

Disliked

{quote} Very nice. I took first short then stoped me out BE and I got frozen looking how price drops without me... i guess the flexibility and speed come with experience 😊 **May I ask about that yellow EMA?**? Thnks

Ha, yes this is the fault of Jazz. He reminded me of something I wrote about long ago but as yet I have not been able to find the writing.

In essence we put the next higher time frame EMA on the chart and thus we see some strange things happen.

If you would like to put them on divide the next time frame by the number of bars you are looking at and multiply by 26.

Thus 1m into 5m = $5 \times 26 = 130\text{EMA}$

5m into 15m = $3 \times 26 = 78\text{EMA}$

15m into 1H = $4 \times 26 = 104\text{EMA}$

I wouldn't put more than the very next chart on because we have to keep an eye on the RSI also.

I will continue to look for my writings on the subject.

Nala66

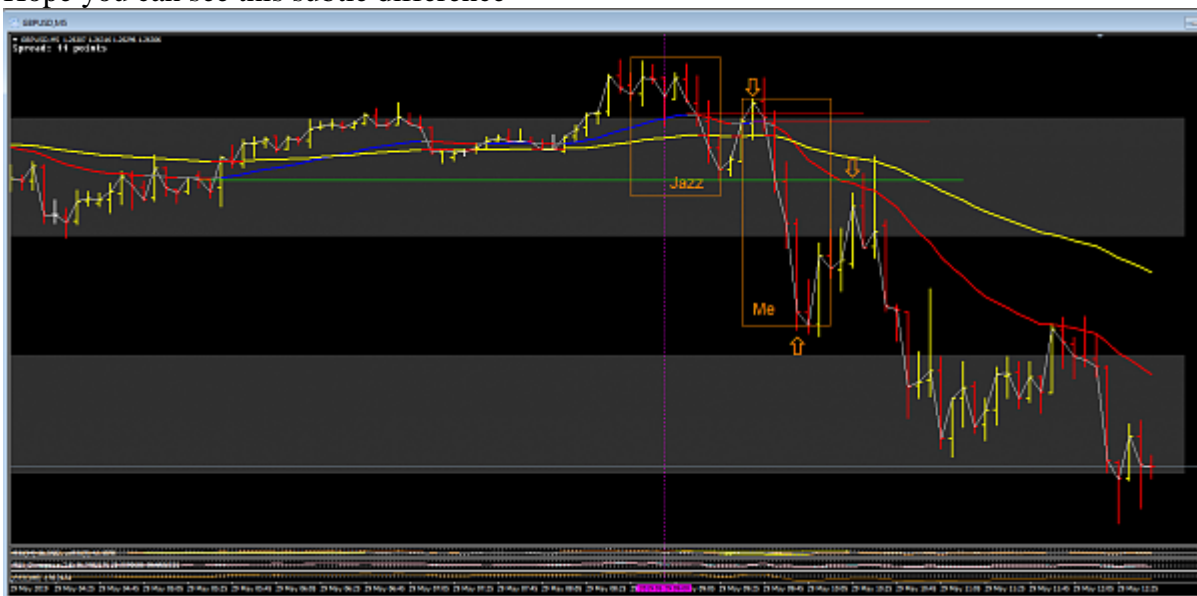
May 29, 2019 5:46am | Post# 3276

1 Attachment(s)

If you look at the differences between the trade Jazz took and the short I took you should be able to see that my trade was a failed average high

When Jazz took the trade price bounced off the average low. If price bounces off an average swing then there is no way for the average to make the LL.

Hope you can see this subtle difference



Nala66

May 29, 2019 6:50am | Post# 3278

[Quoting witowito](#)

Disliked

{quote} So making a resume too see if understood it correctly: 1)Price went to H1 EMA & average swim m5 and shows Divergences(HD) and fast RSI overbough at that level(where Jazz and my self took shorts) 2)Price start moving down breaking the EMA but could not find bear support (RSI made a J instead of HOOK) ... Bulls Diver at average swim and back up to test the EMA and the HH average swim. 3)Now price attempt to make HH average swim but again in RSI DIV and with the bigger picture in mind fails (also H1 EMA around that level) U took the short looking...

Yes correct.

Now observe if the 5m average is to make the LL price will also have to cross the 15m EMA (an advantage of having the two on the same chart)

Then this 15m average will also attempt to make the LL via the domino effect.

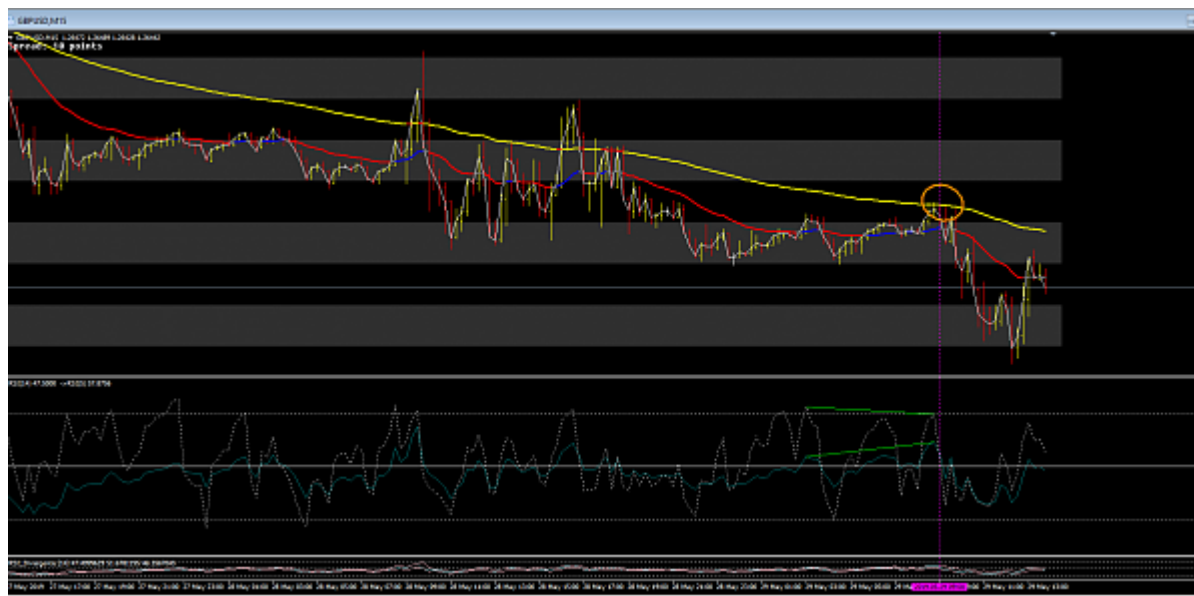
All this time we would be looking for something to stop this happening and would hedge it as insurance.

Nala66

May 29, 2019 6:56am | Post# 3279

1 Attachment(s)

We could also observe the 15 min chart and see the 15 average has been travelling below the 1hour average and at our time of interest we had an RSI div right at the ZOO point of the 1H EMA

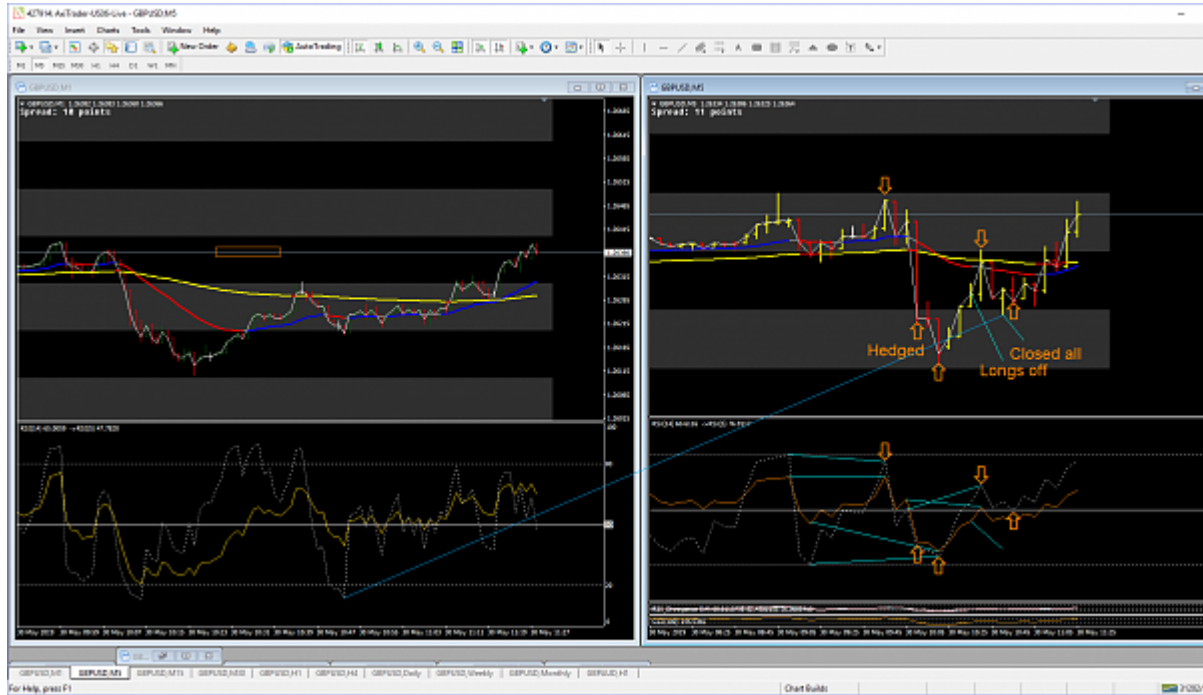


Nala66

May 30, 2019 4:30am | Post# 3291

1 Attachment(s)

Have a look at this mess...



Nala66

May 30, 2019 4:35am | Post# 3292

1 Attachment(s)

For a short time there it looked like the 1H was going to run straight to D. But it was stopped and turned at the 50%



Nala66

May 30, 2019 4:37am | Post# 3293

So if you are still long look for price hitting the 50% on the opposite side and possibly running to D also.

D is 2674

50% is 2656

1 Attachment(s)

[Quoting Nala66](#)

Disliked

On the 1H we could be looking at 2586 as the next lower level to visit.

Well we hit that, which only goes to show the power of the average over all the other signals.

Now unless the bulls can get across and find support the next lower level is 2531.

How low go it go?

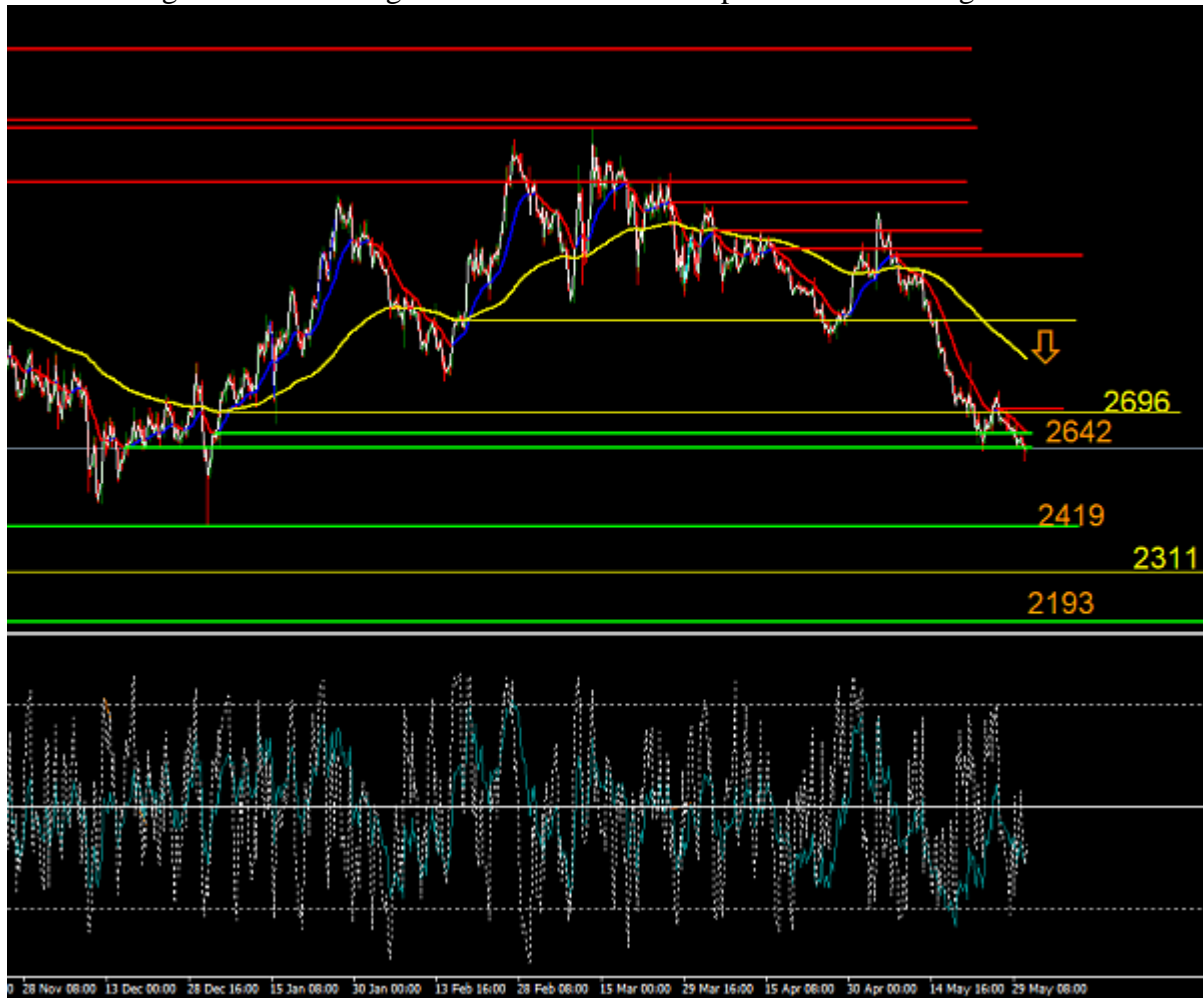
Mike was right the bears found support. ✓✓✓✓✓



1 Attachment(s)

On the 4 hour chart it is difficult to see anything bullish at all especially with that daily average barrelling down to the 2696 which would indicate a long term price drop to 2311

remembering that if the average is to break a level then price will be testing the next level.



Nala66

May 31, 2019 9:33am | Post# 3313

1 Attachment(s)

We are still waiting for the EMA to make the 2586 level and price to hit the 2531.

That is conditional that the bulls don't stop the average.



1 Attachment(s)

Here is the 5min chart showing the flow of indicators I use.

Beginning at X we have an RSI div so the long is taken expecting to make the EMA, it does and we win.

At the EMA the con/div is formed to give us the triangle abc and our target D. This is a short to D and we win.

At 2 we have a bull div and it fails to make the EMA we are long so we get stopped out and lose.

At 3 we have a bull div which does take us to the 5 min EMA and then onto the 15 min ema but does not find support so we close for the win at 4.

At 4 we have a possible con/div but both A and C are on the same side of the EMA, to me this is iffy.

At 5 price has made 50% of the con/div and we see an RSI div to take us long. This time at 6 the bulls find support so we are looking to hit the average swing target at least being 7.

At 8 we have achieved the target price and spot another RSI div so close the long and go short expecting to get back to the EMA which it does and we win again.

At 9 we have another con/div (on opposite EMA sides) with the target at 12 which it makes. 10 is the crossing for the 5 min swing HH and 11 is the crossing for the 15 min swing HH

By interpreting the signals given in the chart like this we can practically follow every move. Sure we can lose the odd trade but the probability is always on our side to be winners overall.



[Quoting witowito](#)

Disliked

{quote} Here i am a bit lost... Im gonna share me view and please correct me where i am wrong. Price was going UP while EMA was also same direction. 1. price make the HH 2. EMA Fails to do it. 3.RSI div at that point took the price back to EMA 4.Bear found support, so they will **attemp** new LL ?? Thnks {image}

This is correct but they failed in their attempt. We look for failures

Nala66

Jun 3, 2019 5:30am | Post# 3342

1 Attachment(s)

OK here goes with the 15 min.

ABC forms the CON/DIV but we have 3 possible C's. This gives us a range of levels to aim for i.e. 1, 2, 3

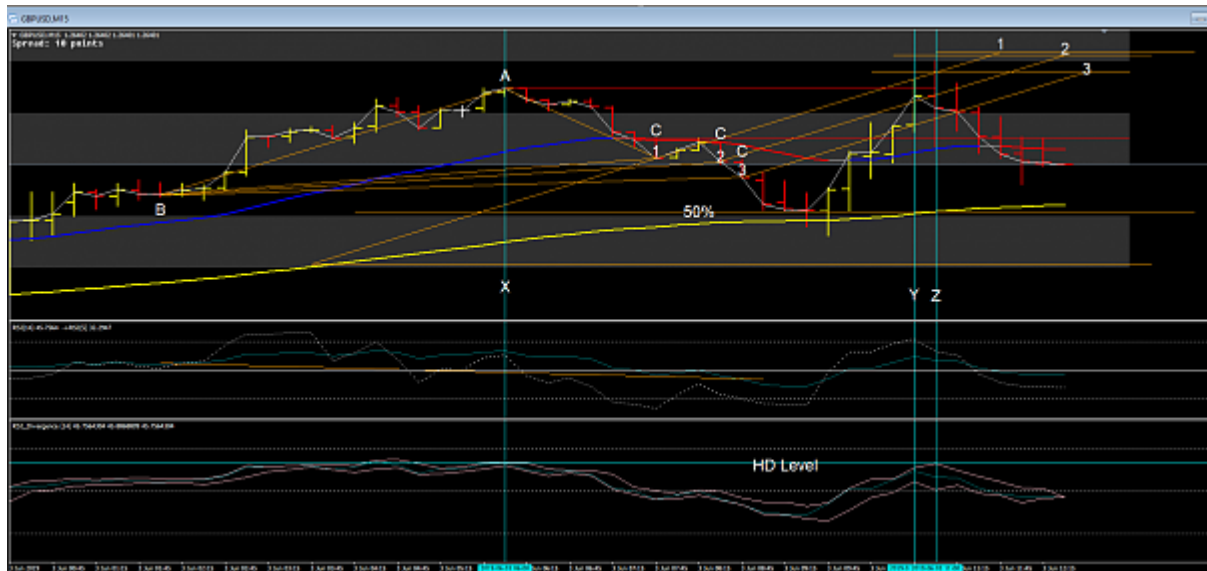
Now things to note are that it went 50% the wrong way. This was divergence on the 5 min but forget that for now.

Now A was the Apex marked with a vertical blue line.

Look now at Y and Z both of these passed the Apex but the RSI did not so both X and Y were in hidden divergence.

Z managed to push up into the 123 range and then the divs kicked in to bring price back across the EMA causing the average to fail to make the HH.

So now we are in a situation where have a failed HH so price should drag the average to test for a LL



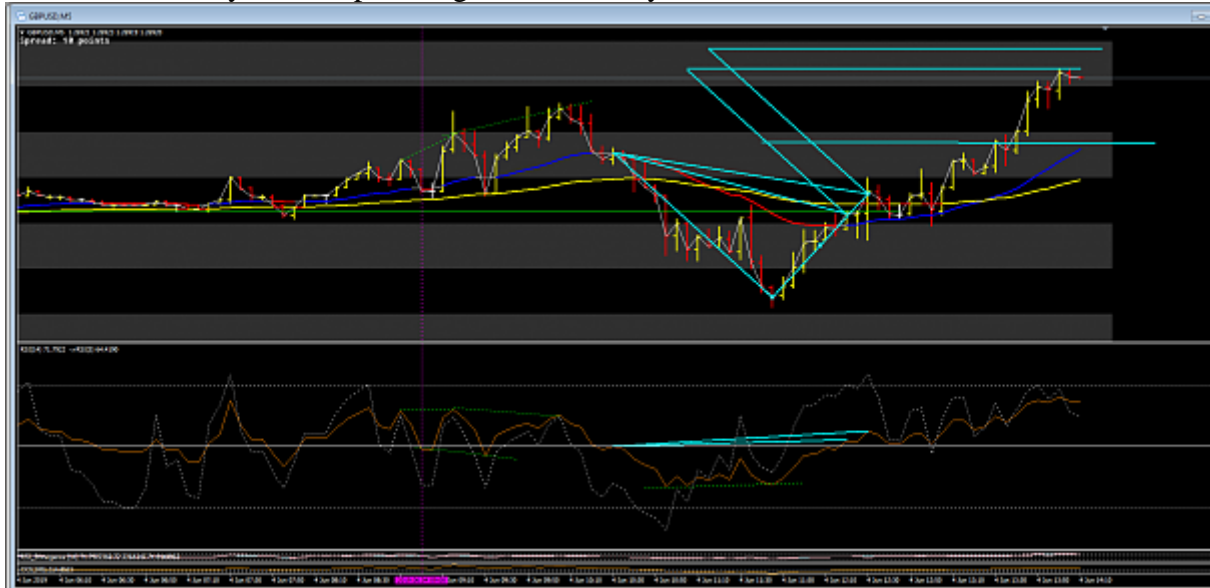
Nala66

Jun 4, 2019 7:11am | Post# 3345

1 Attachment(s)
[Quoting witowito](#)
Disliked

Improving step by step. I tried short early in the morning and I got stopped out and then saw how price drop without me... Then i took a long at the bottom and it worked pretty good so i have my money back and some profits... I also tried few hedge wich i think is the hardest part so Its next step for me 😊 So far so good... Happy with small profits while improving/learning. {image}

Glad to hear you are getting the hang of it. Keep plotting the charts though to keep in practice and after a while you will spot things automatically.



Nala66

Jun 4, 2019 9:55pm | Post# 3347

1 Attachment(s)

Here is a 1H chart covering the last few days.

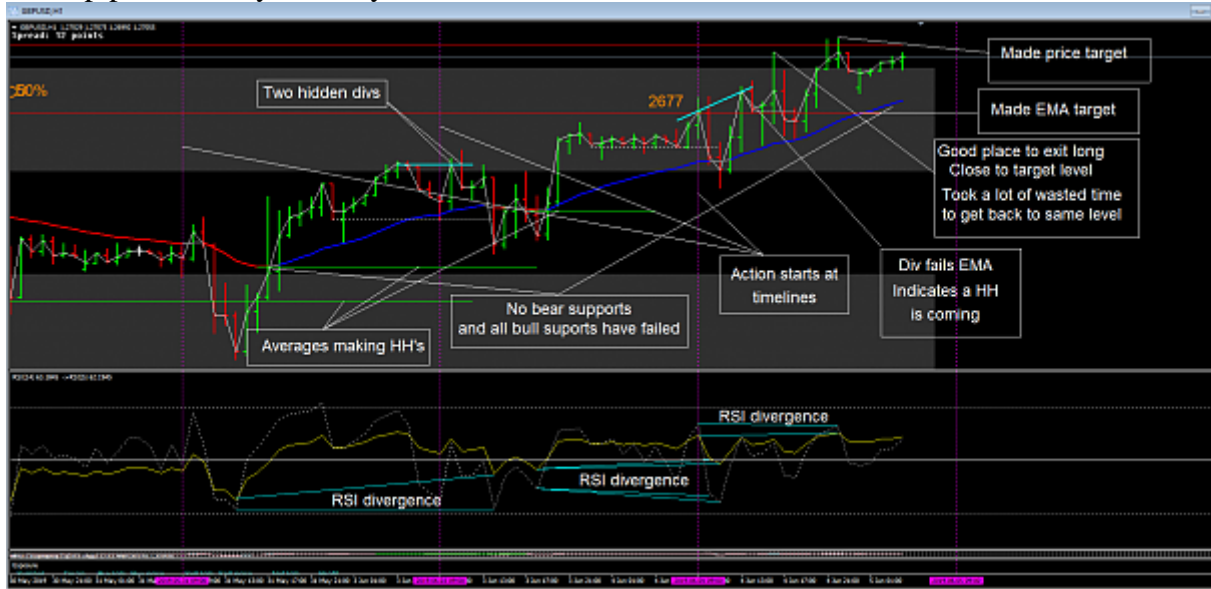
There are few signals for entries but we do have the inference that price is rising as for most of the time price has been trading above the average.

This is why I look for entries at the 5M level because there we can find plenty of signals, some long and some short.

You have to look hard at the chart to see it is the average that is influencing the price action keeping the average in the ascending direction. Price may hold for a while before resuming allowing the average to catch up a tad with the price position.

It should be noted that pull backs to the average are not always going to result in a change of direction however in some cases the pull backs are worth trading because they are worth quite

a few pips towards your daily total.



Nala66

Jun 4, 2019 11:17pm | Post# 3348

1 Attachment(s)

From a daily perspective things are looking iffy now...



Nala66

Jun 5, 2019 1:29am | Post# 3350

1 Attachment(s)

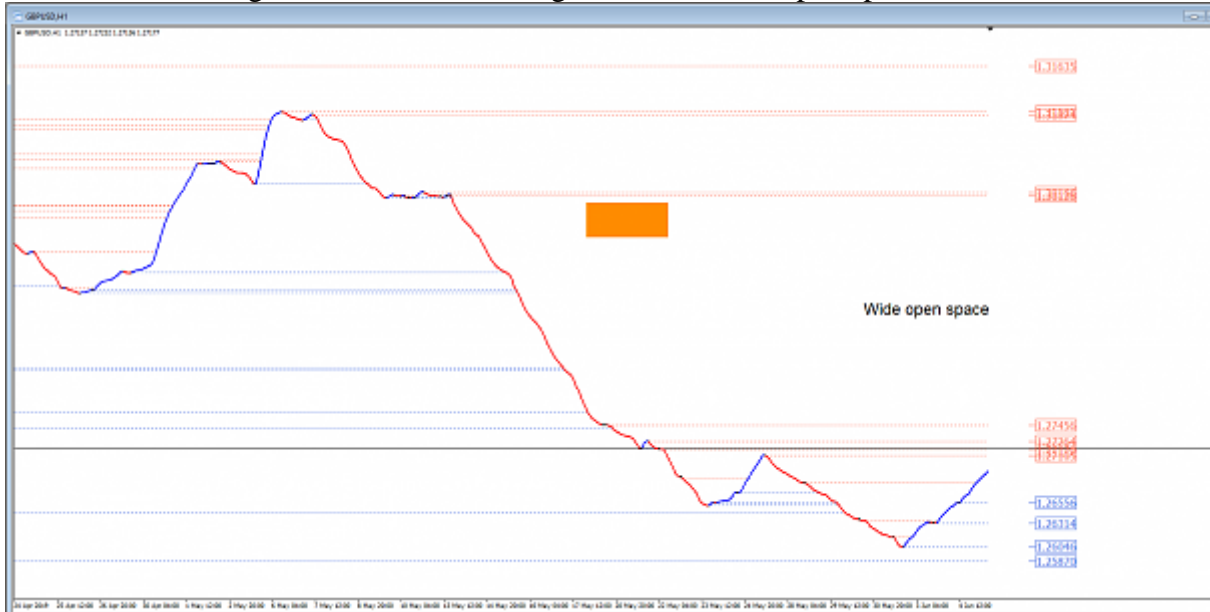
[Quoting mikeeating](#)

Disliked

Hi Alan, I was just wondering if you picked this level yesterday where I have boxed it on the 5m, where price turned? I saw there was divergence but interested to know if you had any other confluence {image}

Actually Mike I was finished by the time it got there.

It will be interesting to see if the bulls can get into this wide open space...

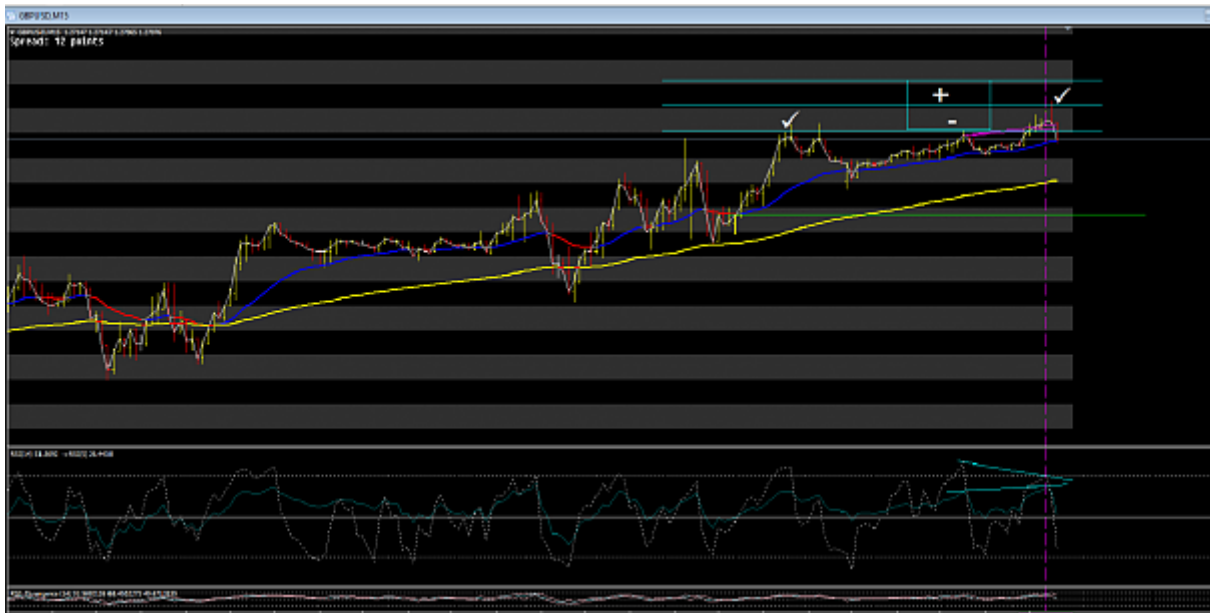


Nala66

Jun 5, 2019 2:35am | Post# 3361

1 Attachment(s)

See now as the 15 min hit the target it did so in div so down she comes to test the EMA...I took that.

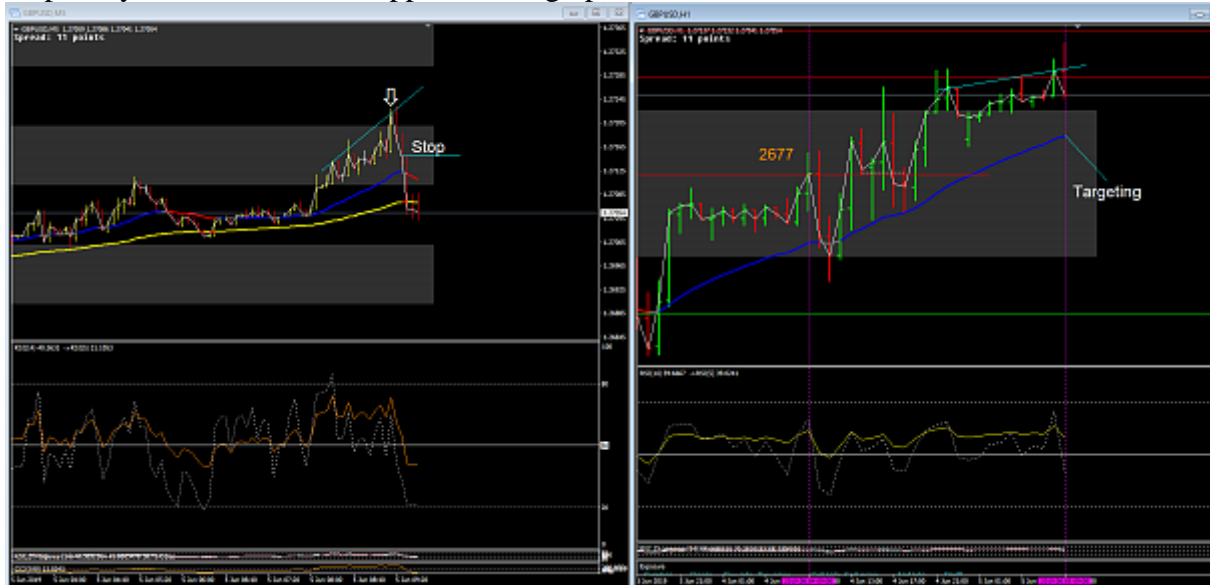


Nala66

Jun 5, 2019 2:43am | Post# 3364

1 Attachment(s)

Hopefully this is a 5m bear support coming up



Nala66

Jun 5, 2019 3:23am | Post# 3378

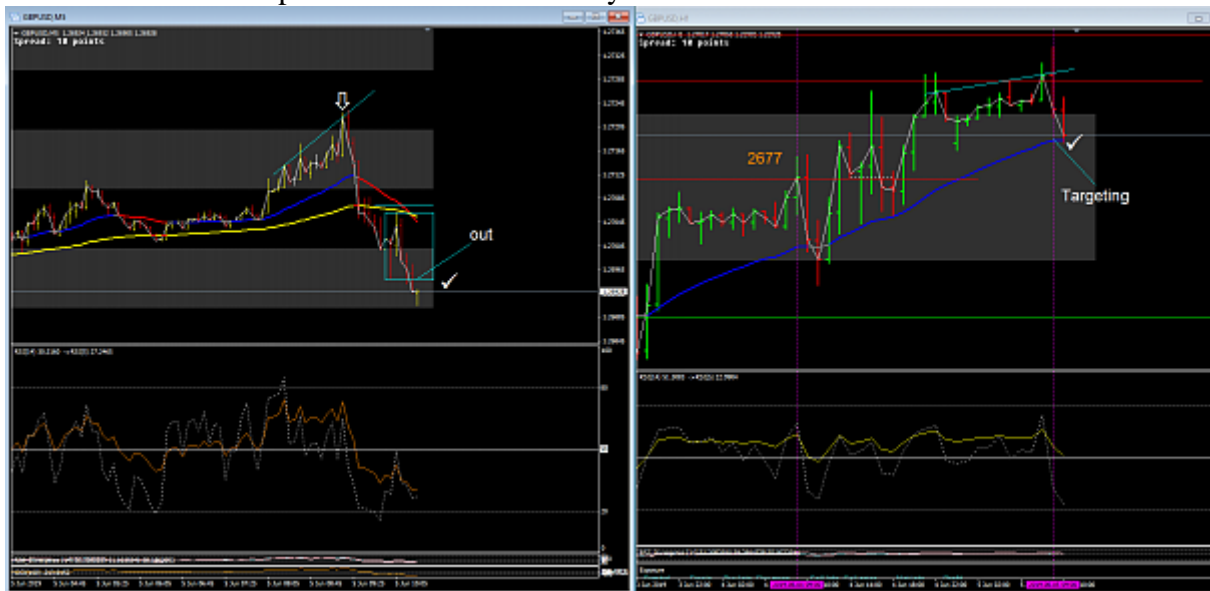
1 Attachment(s)

Ha that was clever of me.

I put two on set my stop to lose all my profits

Set my TP for 9 pips and went out for a smoke.

Come back and I am paid out...Done for the day.



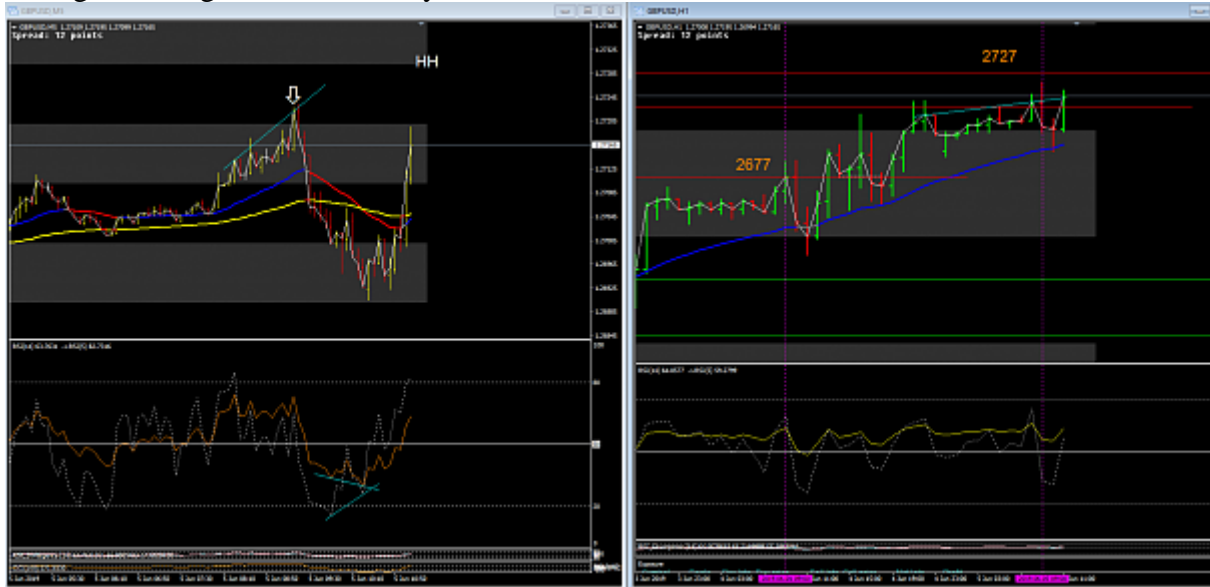
Nala66

Jun 5, 2019 4:10am | Post# 3386

1 Attachment(s)

So the failed div on the hour EMA sends price to make a HH

It all gets boring after a while hey!



Nala66

Jun 5, 2019 4:15am | Post# 3387

1 Attachment(s)

[Quoting mikeeating](#)

Disliked

in with longs again, hopefully see another 20 pips {image}

Quite late Mike



Nala66

Jun 5, 2019 6:09am | Post# 3406

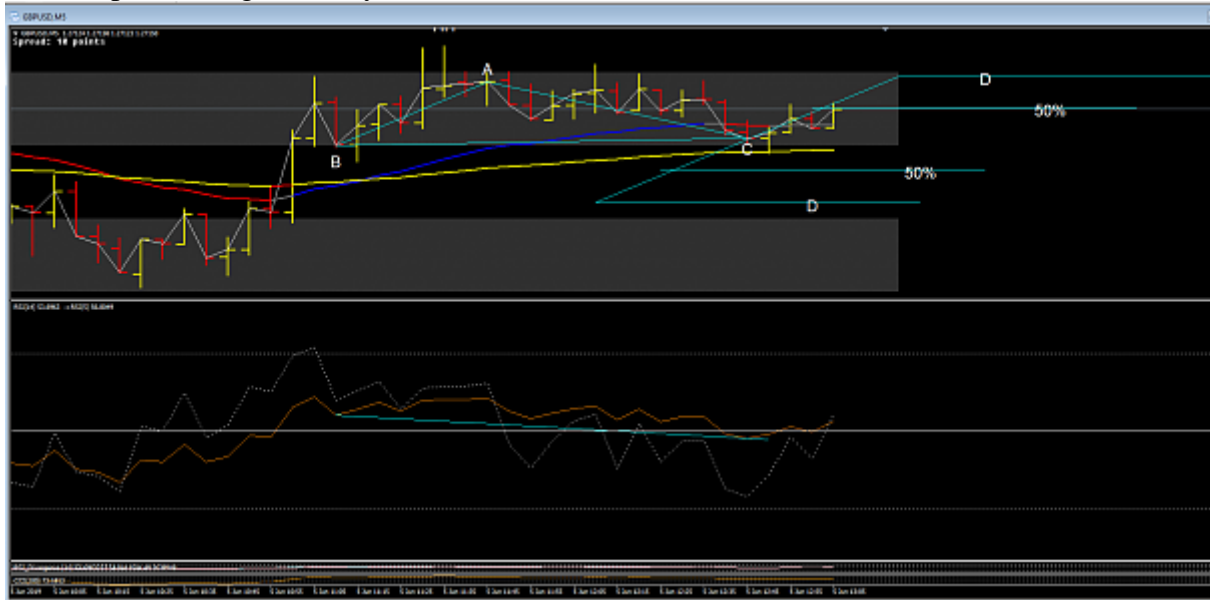
1 Attachment(s)

You also have a div triangle now on the 5 min

See on the underside of the RSI the line is sloping down.

On the underside of price the line is sloping up.

B is the pivot being tested by C



Nala66

Jun 5, 2019 6:13am | Post# 3407

1 Attachment(s)

We can see there were two possible places for C so this gives us a range.

We can see the move has failed at the bullish 50%



Nala66

Jun 5, 2019 6:18am | Post# 3408

1 Attachment(s)

At that 50% level we would call this a ZOO point and check the lower time frame in this case the 1 min and there we have bearish divergence.



Nala66

Jun 5, 2019 6:20am | Post# 3409

Of course these moves are only tiny so we would not get too excited about trading them.

Hope that helps Mike.

Nala66

Jun 5, 2019 8:54pm | Post# 3412

1 Attachment(s)

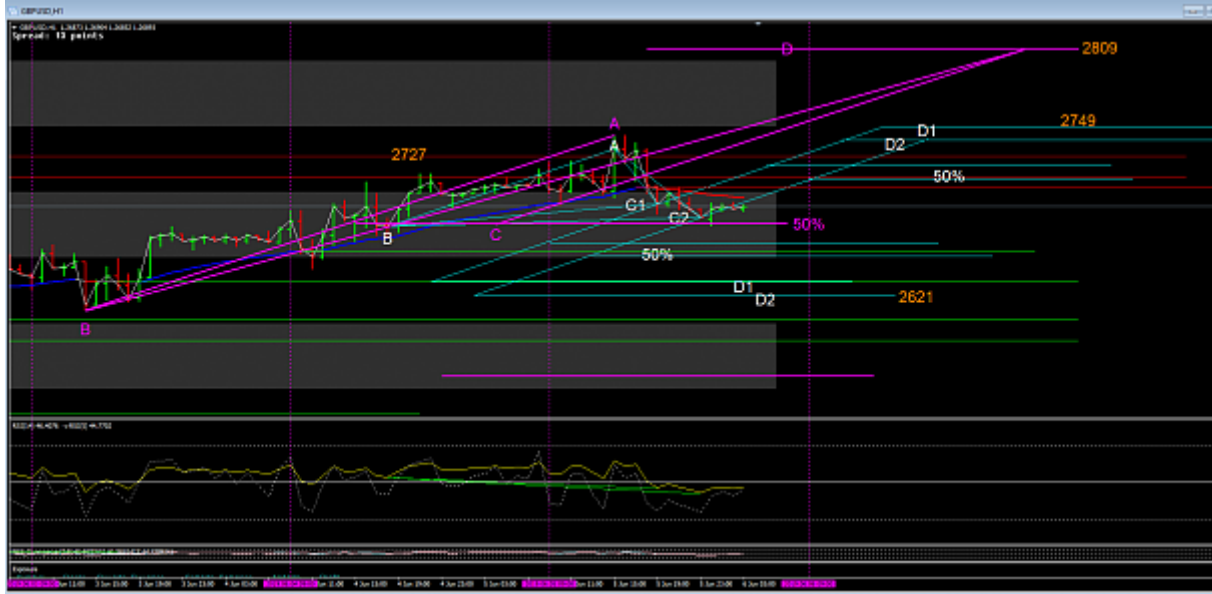
Well it made the 2740 to be exact it was 2743.

Now things are getting very interesting and complex.

We have both an ABCD (two options = range) and an $AB = CD$ to contend with. This makes the chart a tad difficult to follow so I have colour coded the two.

All in all it looks like some good moves ahead of us, I would prefer the long option to get price into the wide open space above.

Pity the price does not do what I want it to so don't jump the gun, wait for the 108 signals.



Nala66

Jun 6, 2019 4:05am | Post# 3418

1 Attachment(s)

Lost a bit getting started there but got it back

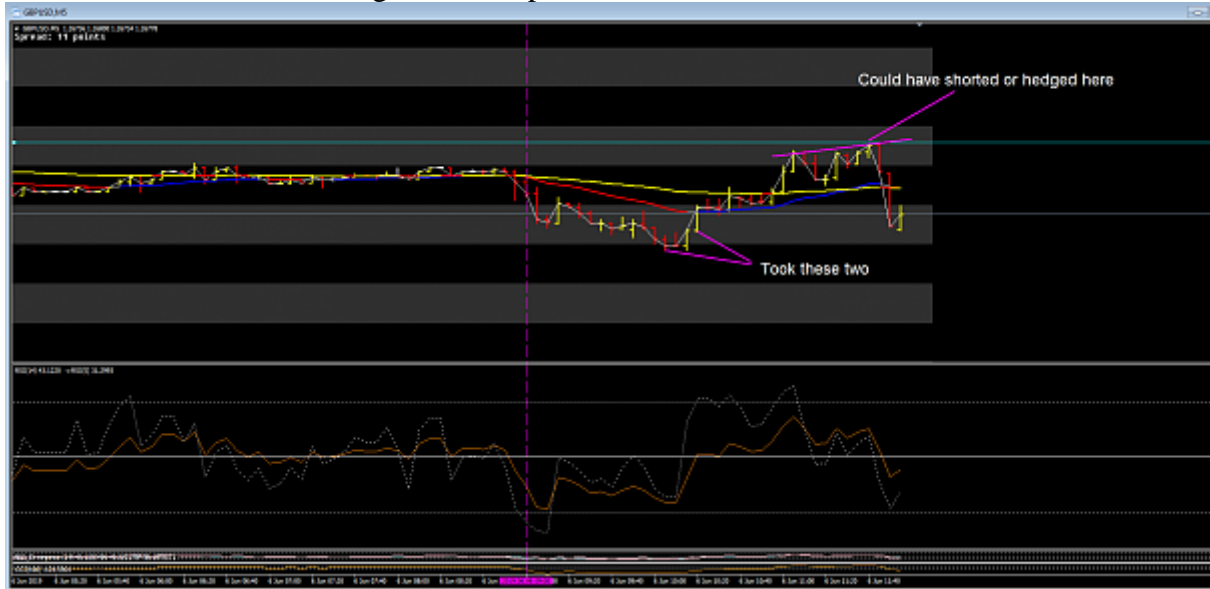


Nala66

Jun 6, 2019 4:58am | Post# 3431

1 Attachment(s)

Witowito this is where a hedge could be placed



Nala66

Jun 6, 2019 5:03am | Post# 3434

1 Attachment(s)

Yeah market is getting a tad busier.

This is where the hedge comes off



Nala66

Jun 6, 2019 5:15am | Post# 3435

Of course if we had shorted at the top then the hedge off would have been a hedge on.

Once the hedges are working it pays to just close the original trade and calculate how many more pips you need for the hedge to make.

Nala66

Jun 6, 2019 5:33am | Post# 3439

1 Attachment(s)

[Quoting mayflower](#)

Disliked

{quote} Thanks Mike

So the days work is split like this.

There is no need to watch the charts for hours on end.



Nala66

Jun 6, 2019 5:36am | Post# 3440

[Quoting mikeeating](#)

Disliked

got some longs running again but not sure if its bullish {image}

Always get those stops above your highest entry Mike

Nala66

Jun 6, 2019 5:41am | Post# 3442

You need to see that this 5 min RSI div fails the EMA cross and that means a HH

Nala66

Jun 6, 2019 9:41am | Post# 3443

1 Attachment(s)

Well there we go it hit the D2 which was the lowest of the targets and now looks like trying to stop the average making a HH.

I have lost faith in the other targets so I have removed them.

Also that hit on the hour was a bear div on the 5 min so it was a ZOO point.



Nala66

Jun 6, 2019 10:06pm | Post# 3444

1 Attachment(s)

Well as I awake this morning I see the bears did actually manage to stop the average.

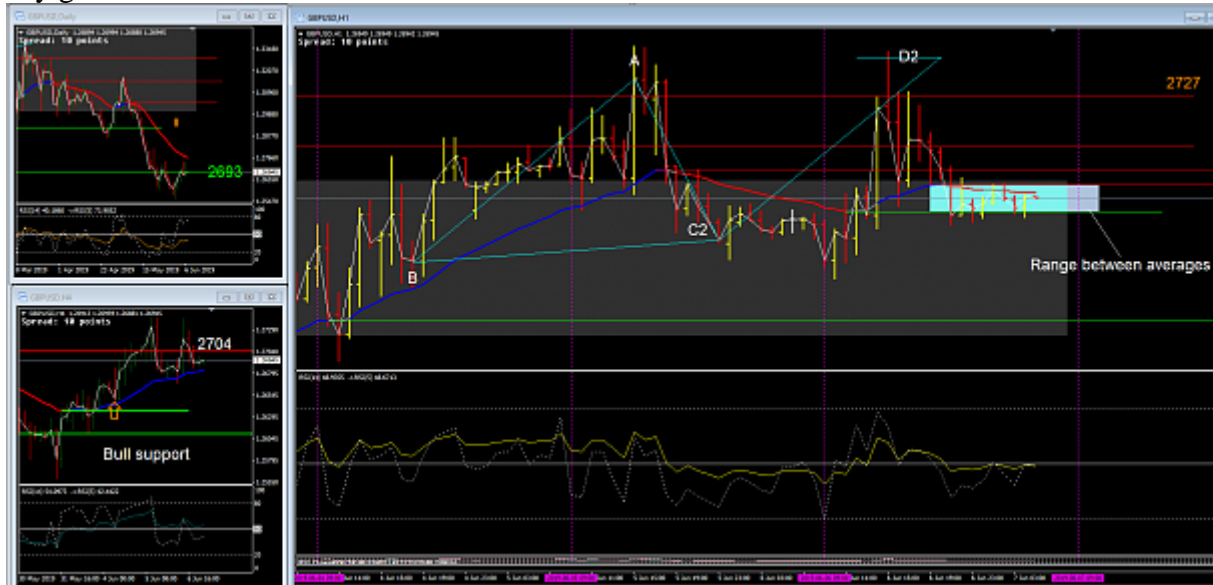
The bulls have now had two attempts at trying for the 2727 but beaten back each time (not forgetting the wide open space above this level).

Now the average is stuck between a narrow range probably waiting the 108 again. As yet I can't see a new signal on the hour so who knows what will happen today (Friday)

Looking at the daily chart it just appears to me the bears are holding their own letting the EMA catch up and possibly take out the 2693. One would expect the bulls to have something to say about that so the resulting argument should bring with it some good moves for us.

Looking at the 4 hour price is still trading above the average and looking to take it to the 2704 level. Is it any wonder we have a yo-yo market.

My guess is this battle will continue for a tad.



Nala66

Jun 7, 2019 12:33am | Post# 3449

1 Attachment(s)

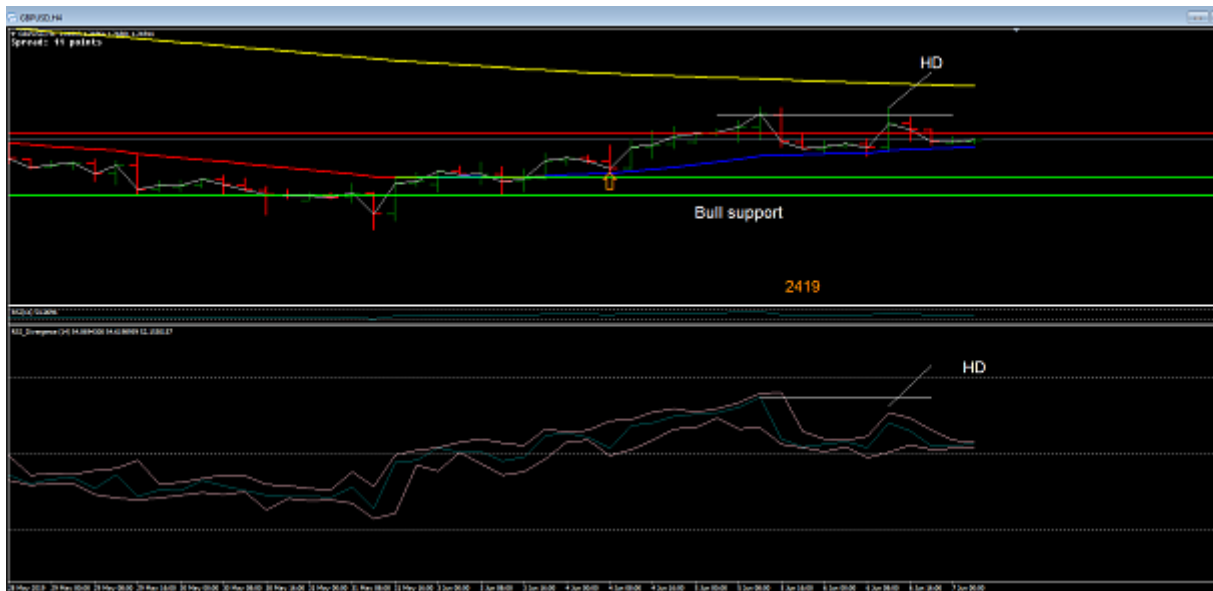
[Quoting Gilaforex13](#)

Disliked

{quote} Hi, Alan. I saw bearish divergence on H4 and also failed 2 times make HH. How about it?

I can't see what you are talking about on the 4H show us a screenshot.

I see this...



Nala66

Jun 7, 2019 1:54am | Post# 3453

2 Attachment(s)

[Quoting mikeeating](#)

Disliked

{quote} Hi Alan, can you please tell me how you picked "b" on that particular bar on the 1 hour chart there?

Yep.

B was the pivot both C1 and C2 were attempting to reach but the RSI was already past this B point. B and C were on opposite sides of the average



1 Attachment(s)

[Quoting mikeeating](#)

Disliked

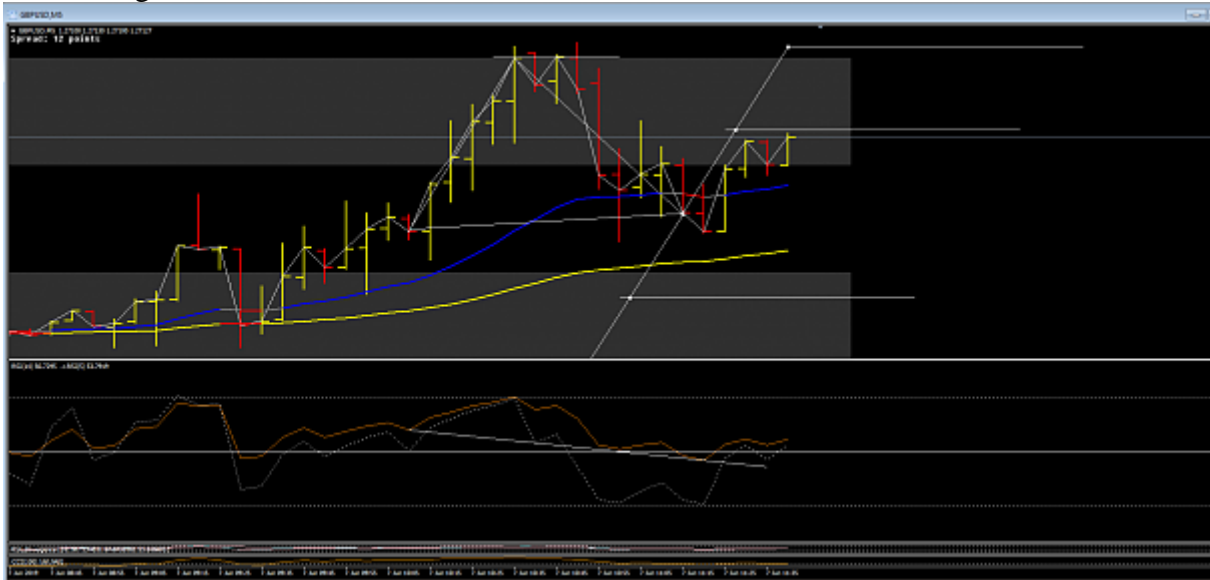
{quote} Hi Alan, can you please tell me how you picked "b" on that particular bar on the 1 hour chart there?

Yep see how both C 1 and C2 are attacking B. But look to the RSI and see it has already past B. We have to have a clear line of sight for these, in other words we can't chop stuff off just to make it fit. Look at the next low on the RSI and it was not a clear line of sight to B so this cannot be the correct pivot.



1 Attachment(s)

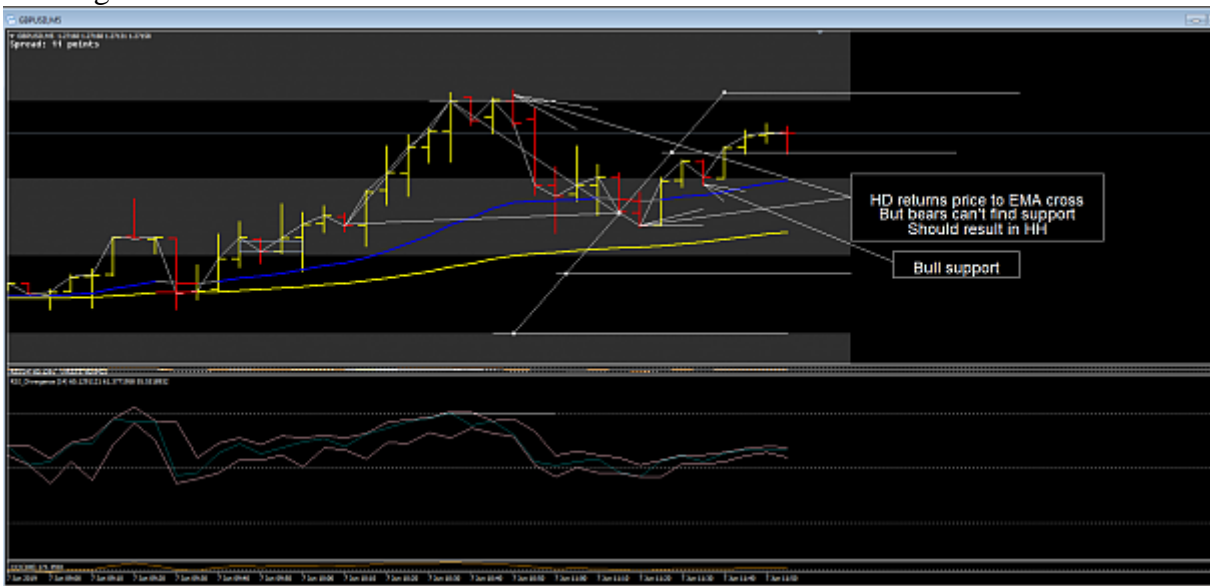
I'm looking at this on the 5 min



Nala66

Jun 7, 2019 4:59am | Post# 3463

1 Attachment(s)
Reading the chart...

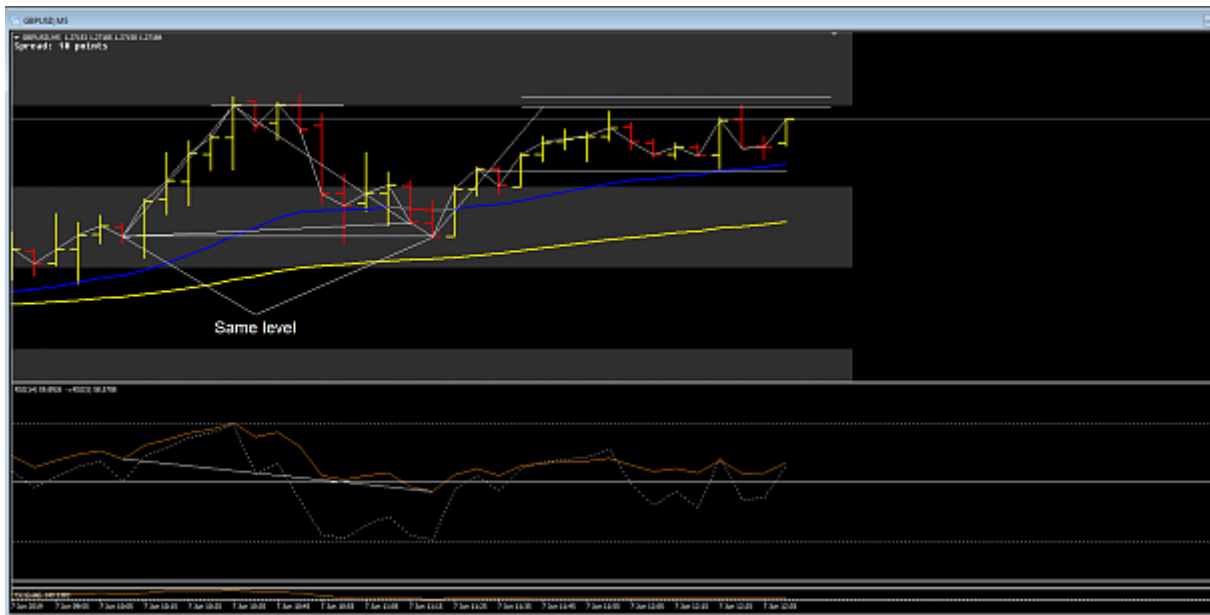


Nala66

Jun 7, 2019 5:43am | Post# 3470

1 Attachment(s)

I moved the target a tad lower because both these bars closed at exactly the same level? The 50% looked better too.



Nala66

Jun 7, 2019 5:55am | Post# 3476

1 Attachment(s)

[Quoting mikeeating](#)

Disliked

Things will heat up going into NY I think

This may be Mike especially if the bulls can make that wide open space.

A return to 100+ moves would be handy.

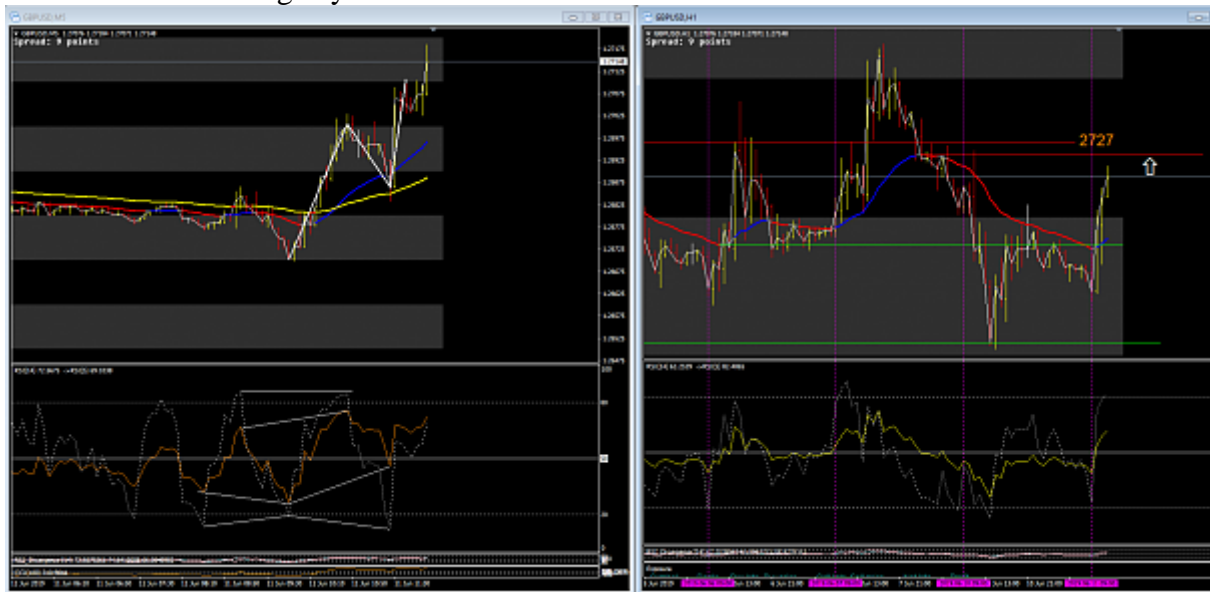


Nala66

Jun 11, 2019 5:03am | Post# 3494

1 Attachment(s)

Well that was exciting hey!



Nala66

Jun 11, 2019 7:58am | Post# 3501

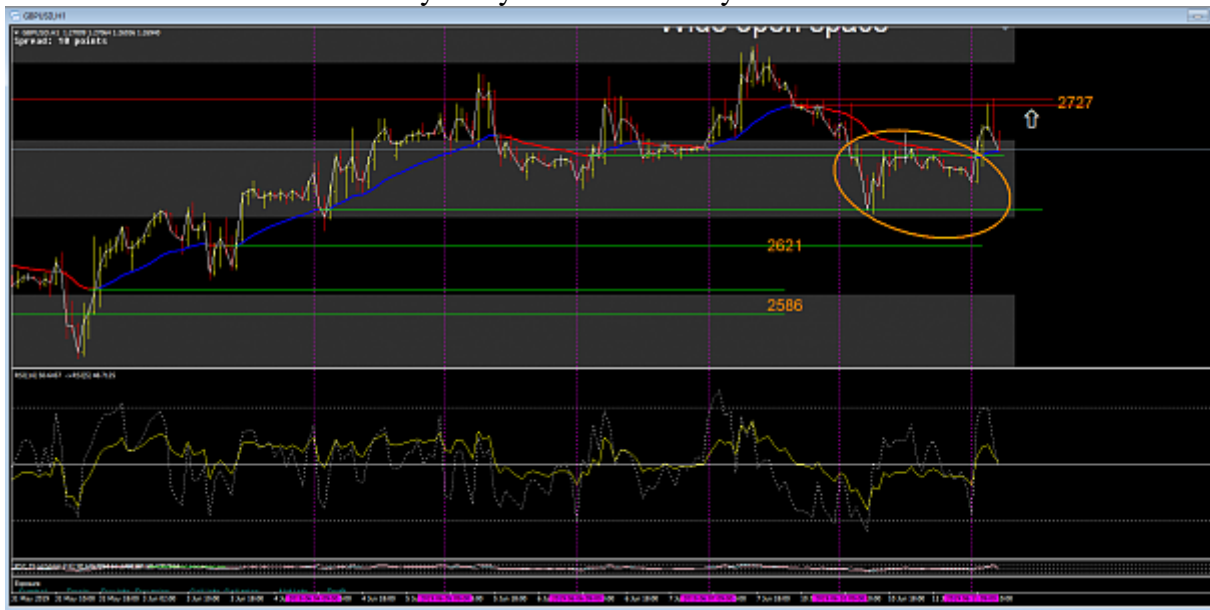
1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} still going through your 'notes' let say on H1 the price is below 26EMA for a long while, is there a point that where we may stop shorting and to go long to avoid/catch the potential reversal? Is it only done by trying? i.e. putting a hedge long trade and it then turns into our main trade and we close our initial short trade? Also, why do you pick 26 for the EMA? is there any market psychological/behaviour reason? or 26 is just the best match for GBPUSD? Thanks for your sharing

Look at the 1 hour chart carefully and you tell me what you see in the area I have circled



Nala66

Jun 11, 2019 8:00am | Post# 3502

The next question about the 26EMA.

If you observe the RSI 50% level you will find it is exactly the same as the 26 period EMA. So if we see the bulls or bears finding support above or below the EMA we will also have that same support above or below the RSI 50% level.

Nala66

Jun 11, 2019 8:47am | Post# 3508

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} So the bulls has initiated their attack to the North, does it mean that for the next few hours, as long as the price is not below the 26EMA, we should primary trade for buy signal, and only treat the short signal as hedge, unless the short signal appears near the history average swing high? I may have worry that I would be chasing high/low, and when I finally wait for a pull back, it is actually when/where the trend starts to reverse

Yes currently the bulls are looking for support on the 1 hour chart.

All the price swings on the 1 hour are ZOO points with respective entries on the 5 minute chart



Nala66

Jun 11, 2019 9:42pm | Post# 3515

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Thanks. Actually is it right to say that you only trade the divergence (at least for the primary trade) which also means you are catching a change of trend?

Not always no but it certainly plays a major part in trading.

It is a fat lot of good just thinking the market is going to do whatever, our time and effort is much better spent looking for the things that actually influence the decision to have a go or not at specific levels and at specific times.

I am not interested in so called trends or trend changes of direction. My task is to make my

daily profit in the shortest possible time.

To do this, I use a minimum of tools and respect these tools to get me my income. Not all the moves produce start signals but most do so just by going by the probability alone is enough to produce good returns.

Just look at this 1 hour chart and see there are plenty of signals, match this to the 5 min chart and you should find making the required 40 pips a day a piece of cake

I changed the grey/black grid here to 40 pips to show just how often we get score this as a regular daily target



Nala66

Jun 12, 2019 9:12pm | Post# 3528

1 Attachment(s)

Well how did you all go yesterday.

I saw the average was so close to the 2727 that I expected to see just a holding pattern so not many pips in it.

This morning I check and see the bears stopped the bulls once again from cracking the 2727 (**bull failure**) so it tests the opposite average and makes it with the price. Past my bedtime though. **Note** the bear div at the turnaround so this becomes a ZOO point to be traded with a signal on the 5M chart. **Then also Note** how the down move terminated at the swing level in an RSI div. Again a ZOO point to be looked at on the 5M chart but this didn't cross the EMA

to find any bull support.



Nala66

Jun 12, 2019 9:47pm | Post# 3529

[Quoting luckyvictor](#)

Disliked

{quote} Hi nala66 trying to follow ur logic but have a few questions, hopefully you can clear and help me see things correctly. 1. What is con/div? 2. Why do we have bull div at 2? Is it because of the RSI 14, the magenta line? 3. At 3, why do we have bull div? I can see a confirmation of a bullish div at the yellow bar which is 5 bar after the bar where you have placed number 3. 4. How can you tell it can not find support at 4? RSI 14 is above 50. 5. To close the long trade at 4, should not 4 is the red bar after the yellow bar where you put 4?...

- 1) A condiv is a continuation divergence where we can draw our ABCD to give us a target.
- 2) Yes
- 3) Same as two but this time the green line
- 4) Was at the 1h ema, in a condiv and because it has spent so much effort on the RSI it is unlikely to cross and find support.
- 5) No I would not have known there was a red bar to come just close on the ema
- 6) Following an RSI div we then look for support and the bulls found it at 6.

Nala66

Jun 12, 2019 9:52pm | Post# 3530

[Quoting mikeeating](#)

Disliked

Just found this chart of Alans, he has the 1.28 as the d, interested to see if it hits {image}

Mike later I said I had taken off that AB = CD (Magenta) in favour of the lesser target ABCD (Aqua)

The thing is not to get too transfixed with these targets and look to the most current signals.

Nala66

Jun 14, 2019 3:00am | Post# 3531

Looks like the 2654 is on the cards today

After that we may be facing the 2621

Whoops that should have been a 3 not a 2 = 2631

Nala66

Jun 14, 2019 3:02am | Post# 3532

Testing the 5 min bear support now

Nala66

Jun 14, 2019 3:12am | Post# 3533

1 Attachment(s)

I just noticed we are at the 50% retracement level of the up move.



Jazz1964

Jun 14, 2019 3:35am | Post# 3536

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{ quote } I found it difficult to analyse the graph for today, no any clear signal

This was my entry Short. It's on the H1 EMA.



Jazz1964

Jun 14, 2019 5:48am | Post# 3544

1 Attachment(s)



The hedges taken on M1 and M5... that's the hardest part.... when to hedge and when to reverse.

Nala66

Jun 14, 2019 6:07am | Post# 3547

1 Attachment(s)

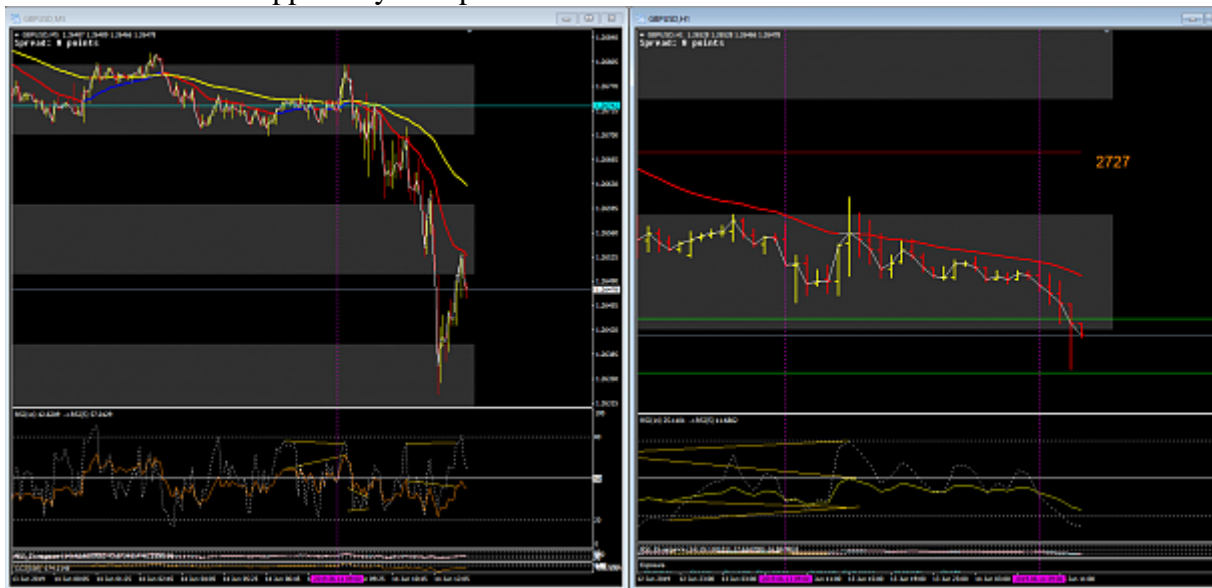
Seems to be a few problems afoot.

At the 108 open what was the hour up to... = Touching the EMA this is a ZOO point is it not?

Now did we have a div entry on the 5 min = yes.

Do we have a target = yes I posted it.

Did the bears find support = yes...I posted that



Nala66

Jun 14, 2019 6:14am | Post# 3548

This trade went 42 pips so there is no need to hedge unless you are greedy.

A hedge is only used when our primary trade is failing to make the required pips. Once the hedge is working the primary trade can be taken off and the hedge finishes the job.

We don't have to hedge at all it is just a safer method.

Nala66

Jun 14, 2019 6:41am | Post# 3552

1 Attachment(s)

When we look at this chart it shows the action much more clearly



Jazz1964

Jun 14, 2019 6:43am | Post# 3553

[Quoting Nala66](#)

Disliked

When we look at this chart it shows the action much more clearly {image}

I always have a screen with the M1 M5 H1 H4 white charts. Makes trading more clear for sure.

Nala66

Jun 14, 2019 6:43am | Post# 3554

I don't see any bull divergence on the hour so no reason yet to suspect a direction change.

Nala66

Jun 14, 2019 6:44am | Post# 3555

There you go guys, listen to Jazz he has it nailed

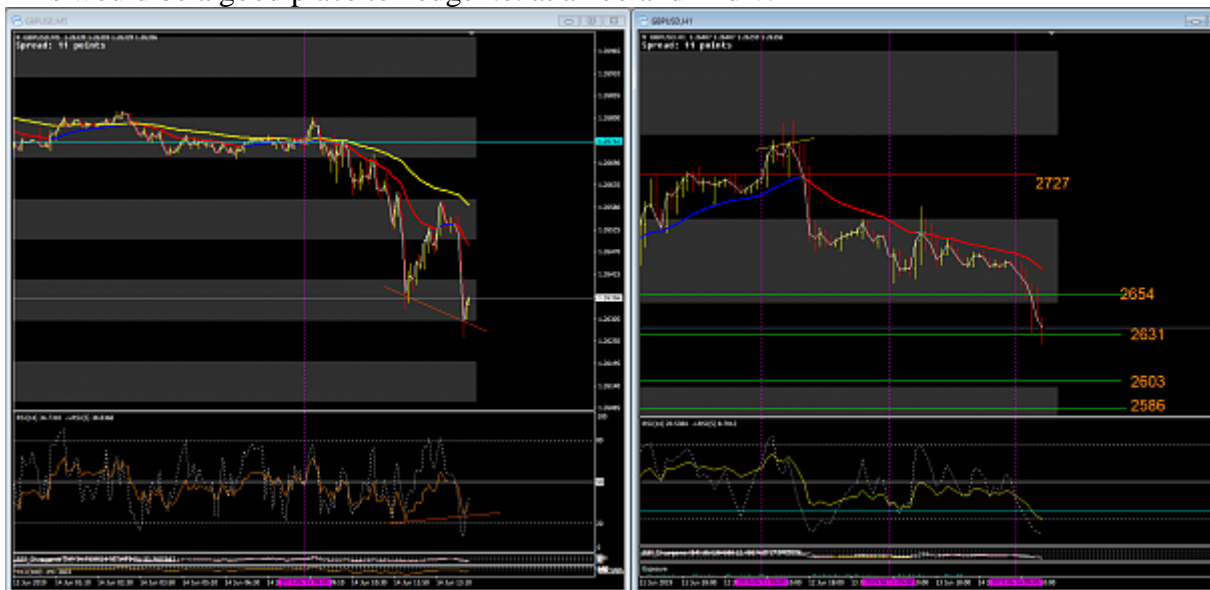
Nala66

Jun 14, 2019 7:11am | Post# 3556

1 Attachment(s)

Now look at the 2631 and question whether it is a ZOO point or not... Was there a Div on the 5 min?

This would be a good place to hedge i.e. at a zoo and in div.



Nala66

Jun 14, 2019 10:09am | Post# 3564

1 Attachment(s)

Here are both of them completed



Nala66

Jun 15, 2019 3:46am | Post# 3568

1 Attachment(s)

[Quoting MrMagnet](#)

Disliked

Here's my ABCD's on the 1hour chart that I was working from yesterday. 2 entries with 42 and 23 pips, job done. I'll also note that all the times frames were in sync with each other travelling under the 26ema and the 4h bear support put in the day before. So there was a lot of confluence for going short. {image}

This is a very well drawn example of just how frequent these signals are and one could, if they wished, just make these a speciality for trading.

If we look at the 1 hour chart we can clearly see that the bulls failed the 2727 which sent the price down to test the opposite side. Only now are we seeing an RSI div suggesting we have reached the bottom at the 2586 level.

The bears may hold this position for a tad allowing the EMA to break the 2631. May be even

the 2603.



Nala66

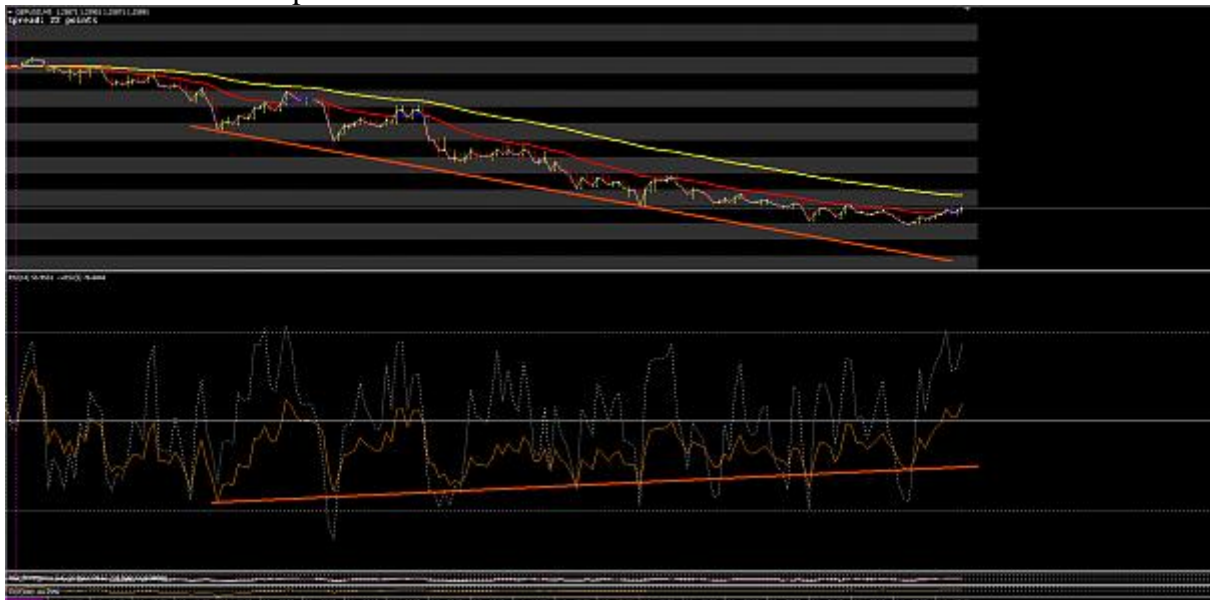
Jun 15, 2019 4:09am | Post# 3569

1 Attachment(s)

Now look to the 5 min chart and see all the bullish divergences that failed to cross the EMA let alone finding support above it.

This is exactly why when trading below the average all bullish divergences should be treated initially as scalps or hedges.

Better to look at the tops for con/divs rather than the bottoms.



Jazz1964

Jun 15, 2019 5:14am | Post# 3570

[Quoting Nala66](#)

Disliked

Now look to the 5 min chart and see all the bullish divergences that failed to cross the EMA let alone finding support above it. This is exactly why when trading below the average all bullish divergences should be treated initially as scalps or hedges. Better to look at the tops for con/divs rather than the bottoms. {image}

that's extremely important indeed and I think this is the temptation for most peeps here.... trading divergences all over the place especially against the trend. We have to be sharp as a knife with our analyses and the sharp as a knife with selecting setups..... ZOO's sharp as a knife with executing both entries and exits.

Nala66

Jun 17, 2019 3:15am | Post# 3575

1 Attachment(s)

[Quoting fxpractice](#)

Disliked

Hello Alan. This is 1H TF. My question is: can I see that as divergence? I mean the importance of using only last H/L for div charting. {image}

Yes certainly but notice how the action doesn't start until about the 108 (9am chart time)



Nala66

Jun 17, 2019 4:19am | Post# 3590

1 Attachment(s)

[Quoting witowitzo](#)

Disliked

{quote} Bears DIV at ema for selling again u mean? (m5)

Yep

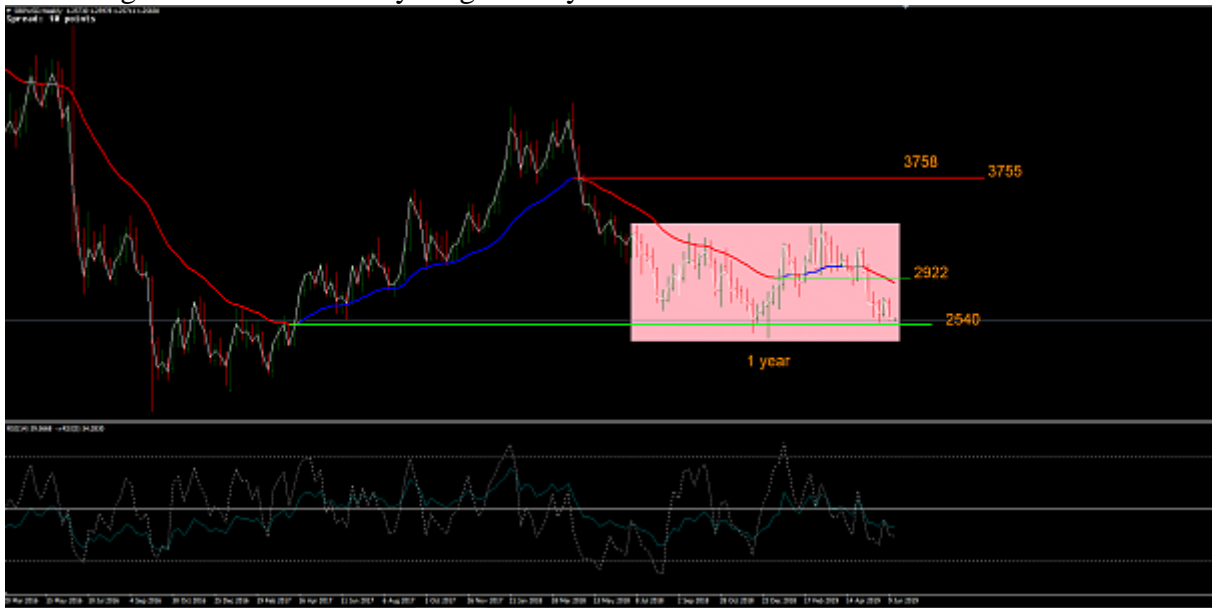


Nala66

Jun 17, 2019 4:27am | Post# 3594

1 Attachment(s)

This thing has been in a weekly range for a year now



Jazz1964

Jun 17, 2019 11:17am | Post# 3603

2 Attachment(s)

My bonus trade of the day:



H1 had div between the RSI's at the EMA touch
 M5 also divergence there.
 That ZOO worked out.

I wonder if you can agree on the green target lines I drew sir.

Jazz1964

Jun 18, 2019 7:03am | Post# 3612

1 Attachment(s)

[Quoting david321](#)

Disliked

hi jazz1964. just joined the forexfactory so that i can post in this forum, i have read the whole thread and grasped what allen has told, only bit i am struggling where to put the stop loss. if you can post a chart with the short entry you take today as well where was the stop loss that will be very helpful. thank you

Hi David, welcome.

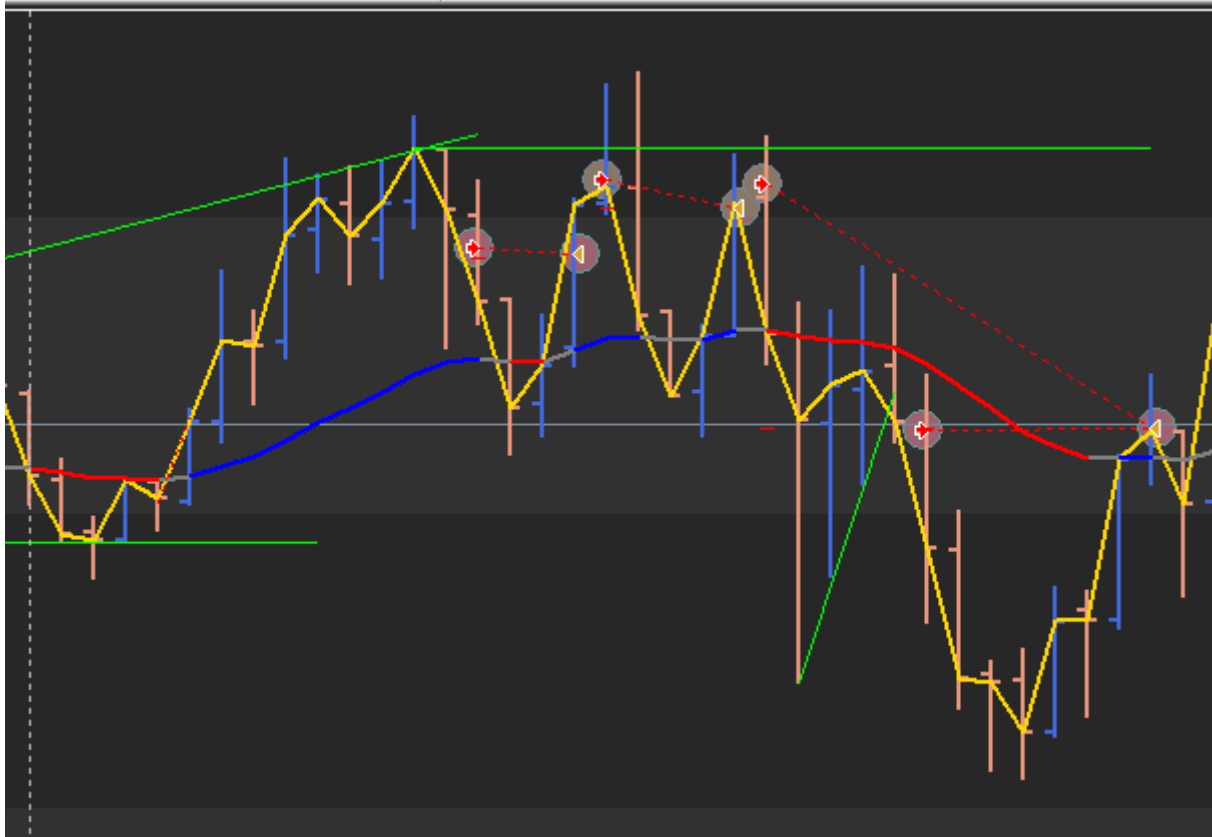
When the trade works out, it should not make a HH or LL price against. Meaning the stops

should be just above the HH or below the LL level. That's for the initial trade when you just enter.

Then when the trade is evolving like we want in favor, then we move the stop to BE. Yes it will get hit often, just accept it to cover your risk.

When we have a runner, we move our stop to secure profits.

Alan can correct/complement 😊



Nala66

Jun 18, 2019 10:35pm | Post# 3626

Sorry guys I wasn't at the PC yesterday and may not be for the rest of the week but I will try to pop in sometime during the day to keep up with queries.

OK it seems stops are a bit of a topic now.

This is a major part of the money management and should have a thread all by itself but let me spend a couple of days on this here so you should note the post number down in your diary with the heading Money Management.

Let me go right back to basics so everyone is covered from beginner to the more experienced and I will start with the traditional scenario method.

OK Polly is new to trading but wishes to get involved in this very exciting business. She has at hand a disposable sum of AUD\$500 which she can easily afford to lose or to put it another way spend on her education.

The question is how can she manage this sum to her best advantage and get the biggest bang for her buck.

Let's assume the same leverage etc as me 400:1

\$500 will buy approximately 1 standard lot+ returning \$10+ per pip. This could also lose \$10+ per pip so a ten pip loss makes a massive dent in the account of over \$100 making this a most undesirable situation. It should be obvious the lot size is far too big for the account to sustain for any period of time. Any trade should be able to be repeated a good number of times and we should be letting the number of pips become a part of the equation to maximise the profit potential.

At the same time we don't want to create a situation where the profits are so tiny it is pointless to trade. Making a few cents here and there is just going to create boredom and this will probably lead to the trader taking a bigger risk and coming unstuck. A management plan is required and one that can be sustained for a long period of time and make big profits when the iron is hot to cover any losses when the iron runs cold.

This is where all sorts of management systems come into play, where people talk of risk/reward, % of risk, width of stops relative to the % and so on.

I find that a scalable entry is far superior than any other in terms of risk protection and the maximisation of profits.

This is why we take the first entry as a tentative trade just dipping our toes in the water so we don't burn our leg off. How big should this initial trade be depends on the objective. The goal of the day or even the week, we are all going to vary at this point because we all have different objectives.

Let's assume Polly wants to attempt to double her account on a monthly basis (20 trading days)

The equation then begins with $\$500/20 = \25 a day. This will be reviewed on a monthly basis.

If we then want to make the \$25 in the time price makes 40 pips then it is simply $\$25/40 = 62.5$ cents per pip and already our ten pip stop looks good since we are risking just \$6.25. (I am assuming USD is the base currency, my base is AUD so this would equate to \$6.25 x 1.4ish)

This would be a 10:40 risk/reward but can we do better than this? = Yes

By scaling into our trade we can control the loss to whatever we like, far less than \$6.25 as low as just \$1 which is 10c pep pip or 1 micro lot.

As the trade begins to work in our favour we add another 20c per pip (now 30c is on) and we move the stops

Again as the trade continues we add the balance of 30c. We cannot get the decimal so perhaps we may just round it to 40c again moving the stop so we never expose ourselves to more than the original \$6.25. So now we are off and running with 70c a pip looking for our daily target of \$25.

What Polly has done here is made the safest possible entry. The \$500 account is going to last a very long time and has the potential to reward her with the 100% per month.

If this was kept up for a year it would exceed two million dollars 😊

Here comes the tricky bit... Don't for 1 minute imagine the trade is going to run the full 40 pips+, it can and often does but we have to remain vigilant until we have it in the bag. This is where some of us have the option to hedge the trade locking in the profit, closing to take the profit and await another shot at the title until the \$25 is achieved for the day. We may take the second or even the third trade at the full lot size since we are risking profits already made. If we have opted to hedge then this may be the trade that wins the day closing our primary trades on the way.

So where and when we place stops is always dependent on our money management plan and we have to do the math to stay in control of the situation and stick to it rigidly. If we fall a tad short of the objective for the month we don't worry about it as a new objective is created then as we continue to rinse and repeat.

Phew!

Any questions thus far.

Nala66

Jun 19, 2019 11:41am | Post# 3640

1 Attachment(s)

[Quoting huskyboy](#)

Disliked

{quote} i could be wrong but shouldn't it be like this {image}

You have missed this



Nala66

Jun 19, 2019 8:35pm | Post# 3643

1 Attachment(s)
[Quoting Trade Time](#)

Disliked

{quote} Hi Alan, Thanks for sharing a remarkable trading method plus all the time you have put in to help people. Re Money Management: As I understand it, - each of the 3 entries are placed with a 10 pip stop-loss. - each of the 3 entries are placed with a (hopeful) 40 pip take-profit. - the first entry is brought to break even before the second entry (@ twice the risk) is made. - the second entry is brought to breakeven before the third entry is made (this would be 3 times the risk but the profits from the first 2 entries reduce the risk to about...

Hi David.

It is hard to be so specific about the stop distances because the actual trades vary a tad. However having said that you have a good understanding there of the best practice. It could well be the case that even additional entries can be made in a relatively safe manner.

The main point is to construct a fiscal plan which plots the road to glory and you can track your progress as you work through the plan.

For example here is the Polly Plan from the previous post above(3626). You can see that even making small increases every 20 days the annual total can be substantial and that at some stage during this journey you will find your own level to hold at.

Note how this is a **much more passive** way than trying for 40 pip doubles, this requires 800 pips to double and is much more suited to someone lacking the experience to put the whole trade together. As experience grows then **the fiscal plan can also evolve**.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2		Account	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target
3		500	500	1000	2000	4000	8000	16000	32000	64000	128000	256000	512000	1024000	2048000
4	Begin	Day	1	2	3	4	5	6	7	8	9	10	11	12	13
5	Jul-01	1	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
6		2	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
7		3	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
8		4	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
9		5	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
10		6	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
11		7	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
12		8	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
13		9	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
14		10	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
15		11	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
16		12	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
17		13	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
18		14	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
19		15	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
20		16	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
21		17	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
22		18	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
23		19	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
24		20	25	50	100	200	400	800	1600	3200	6400	12800	25600	51200	102400
25		Total	500	1000	2000	4000	8000	16000	32000	64000	128000	256000	512000	1024000	2048000
26		Entry 1	\$0.10	\$0.20	\$0.40	\$0.80	\$1.60	\$3.20	\$6.40	\$12.80	\$25.60	\$51.20	\$102.40	\$204.80	\$409.60
27		Entry 2	\$0.20	\$0.40	\$0.80	\$1.60	\$3.20	\$6.40	\$12.80	\$25.60	\$51.20	\$102.40	\$204.80	\$409.60	\$819.20
28		Entry 3	\$0.40	\$0.60	\$1.20	\$2.40	\$4.80	\$9.60	\$19.20	\$38.40	\$76.80	\$153.60	\$307.20	\$614.40	\$1,228.80
29		Total	\$0.70	\$1.20	\$2.40	\$4.80	\$9.60	\$19.20	\$38.40	\$76.80	\$153.60	\$307.20	\$614.40	\$1,228.80	\$2,457.60
30		X 40 pips	\$28.00	\$48.00	\$96.00	\$192.00	\$384.00	\$768.00	\$1,536.00	\$3,072.00	\$6,144.00	\$12,288.00	\$24,576.00	\$49,152.00	\$98,304.00
31															
32															

1 Attachment(s)

There are going to be days when much more than 40 pips is on the table, such as yesterday.

A look at the average charts clearly identifies these. It is the average we are interested in and what does price have to do achieve these averages.



Nala66

Jun 19, 2019 9:15pm | Post# 3646

1 Attachment(s)

[Quoting huskyboy](#)

Disliked

{quote} true, great eyes you have 👍 but cant the triangle end on the bar after that bull support?

Yes but I always take the smaller more reliable target first. I can look at other options later down the track.

Look at this 1 hour chart with the 1) Yellow target 2) Aqua target and 3) the Magenta target currently in progress.

Couple this to the average trying to once again attack the 2727 and we see these targets are achievable.

Note: All three of these are on opposite sides of the RSI waterline and of course the EMA.

That is to say the A point is below and the C point is above.



Nala66

Jun 19, 2019 10:41pm | Post# 3647

[Quoting simon.says](#)

Disliked

{quote} So it was easy to see on the bright chart that we had some distance up to the next MA pivot. What to me is still unclear is how to trade a situation with conflicting 1H signals. On the way up to the next level, there were numerous H1 inferences with a bearish bias. At what point do you accept/determine that the bulls will continue? {image}

I am not seeing the 1H inferences of a bearish nature you speak of. Only in the last hour or so have we had a bearish signal in the form of a regular bearish div. However this is a ZOO point and there was matching div on the 5m.

Remember also we are trading above the EMA so any signal short should be treated initially as a scalp or a hedge if taken at all.

Those RSI divs you show traded at the 5M level would have been worth a few pips as scalps or hedges.

Nala66

Jun 20, 2019 8:27am | Post# 3673

1 Attachment(s)

[Quoting mayflower](#)

Disliked

The 240m chart has always caused problems in that there are different four hour start and finish times. My last 240m candle came at 08:00hrs (the London open) this morning. It has just closed at 12:00hrs and just started a new one. This is my chart and it tells me we have already had bullish support. {image}

Yep very different. But look at how mine turned exactly on the average swing point.



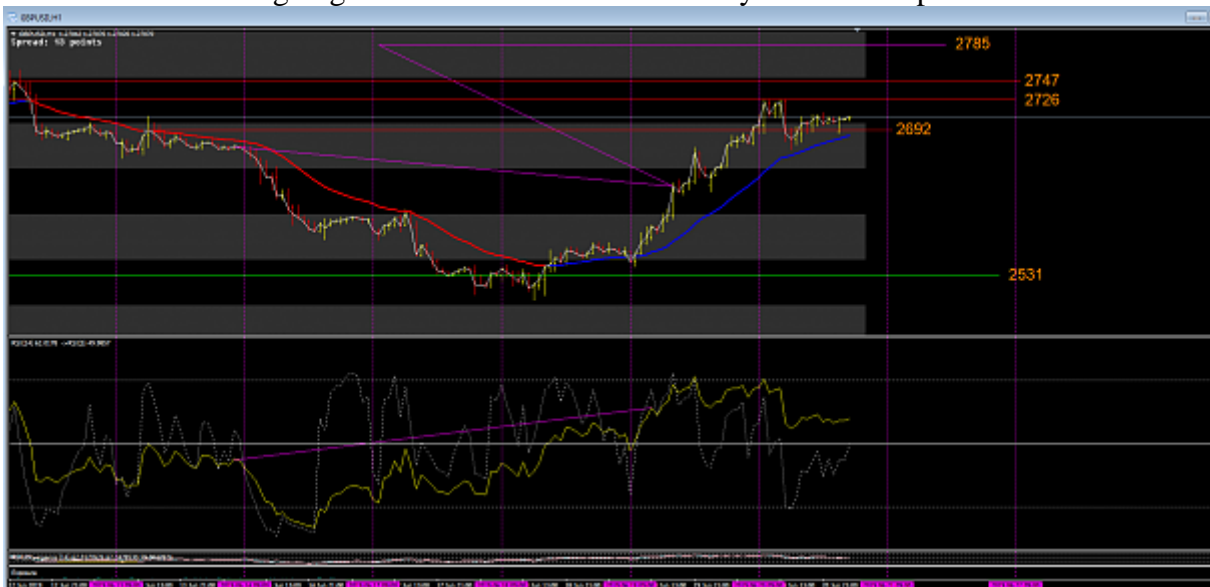
Nala66

Jun 20, 2019 7:51pm | Post# 3674

1 Attachment(s)

Well as suspected yesterday was just a holding pattern allowing the EMA to catch up a tad to price as it heads for the 2692. It should break through this swing during the Asian session today.

I still have 2785 as a potential target which takes price up into the wide open space the bears have been protecting for some time now. Still no indication for a short trade and I suspect at 108 we should see it going north a tad. This means we buy the 5 min dips.



Nala66

Jun 20, 2019 8:52pm | Post# 3675

1 Attachment(s)

Now back to Polly.

It is vital for newbie traders to keep their money under total control. So many lose their first, 2nd, 3rd and so on accounts because they are simply out of control. It may seem like small potatoes initially but the idea is to develop discipline at this stage of the game not fast bucks.

Recall newbie Polly has \$500 and during month 1 has to make \$28 a day.

What happens if only \$20 is made on day 1. Most would try to make it up the next day and immediately they are out of control as they chase losses.

The correct thing to do is to divide the deficit by the number of days left in the month because this is the bottom line target. This makes the deficit very tiny and a much safer to trade for. About an additional 42c a day.

What if Polly doesn't make a profit at all and actually loses \$10. Again divide by the days left in the month which would increase the daily target by about 52 cents.

The third scenario is that Polly makes a killing and goes \$10 over the daily target. This would reduce the following days in the month by about 42 cents.

Keeping everything under control with low risk relative to the size of the account is the tortoise and the hare situation.

One can almost guarantee that a spectacular win will crop up at some stage during the month, we live for those days or should I say survive until they arrive.

This is what the three scenarios would look like.

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
1	Made	20	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$28.42	\$
		-8	\$2/19=.42																	
2	Made	-10	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$28.52	\$
		10/19=.52																		
3	Made	38	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	27.48	\$
		+10	10/19=.52																	

Nala66

Jun 21, 2019 9:09pm | Post# 3682

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Why don't we treat this as bearish div signal (in attached) please? {image}

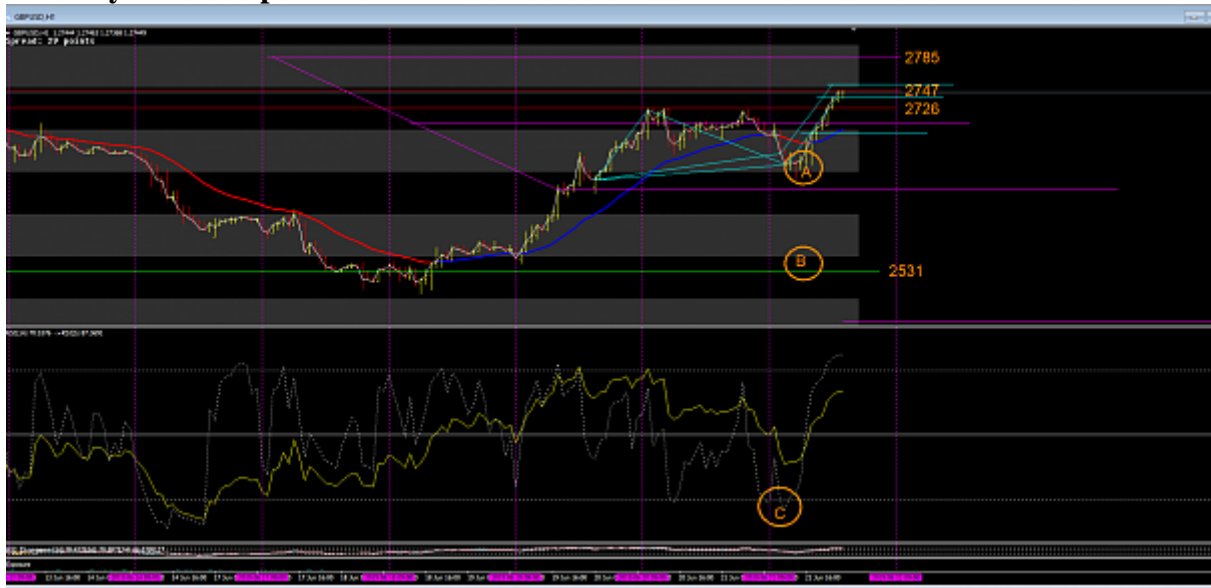
Always remember it is the movement of the averages we are interested in over and above any signals. So if trading above the average any bear div should be initially treated as a hedge or a scalp.

I wasn't here yesterday but look at this ! hour chart.

It shows a bullish continuation div in Aqua (there is also a larger one in Magenta.)

Look at the pull back at A. It is trying to turn the average when it runs into this signal. Does it look like it has a chance to make B with the RSI way down at C.

So A is your ZOO point is it not.



Nala66

Jun 22, 2019 8:20am | Post# 3683

Back to the money management.

We may well ask Polly why trading with a \$500 account only about 70 cents per pip is put on the line when the account can afford a standard lot being \$10 a pip.

There are two good reasons for this...

- 1) It is not the potential profit that is important so much as the potential loss. The account has to weather the storms waiting for the days when the sun shines and hay can be made.
- 2) When the good strong runs become evident having backup money to add to winning positions is highly desirable to seriously compound the profits.

This does not mean these trades can be added without supporting evidence of a strong continuation we still have to act with due care.

We may for example add several more 70cent trades making sure to move the stops. We could in fact get a dozen of these additions on before we run out of funds exploding the profits. One or two of these in a month makes a massive difference.

Suppose Polly was to make double her target of \$500, then going into the following month she has an additional sum of \$500 of risk capital this is worth ten trades of \$50 risk or 1 lot at \$10 a pip. Or to put in into perspective every +5 pips is one days work completed. There is no risk because it is only using the excess profits. So 100 positive pips gets the 1K required rather than the 800 required as per the schedule.

These excesses of profits when used like this can rapidly make a huge impact and take us into the following months with confidence.

Here is an example, the pink line is the RSI history.

Take the RSI history away and we have no idea if it was in divergence or not, it is hidden. It certainly didn't close in divergence.



Nala66

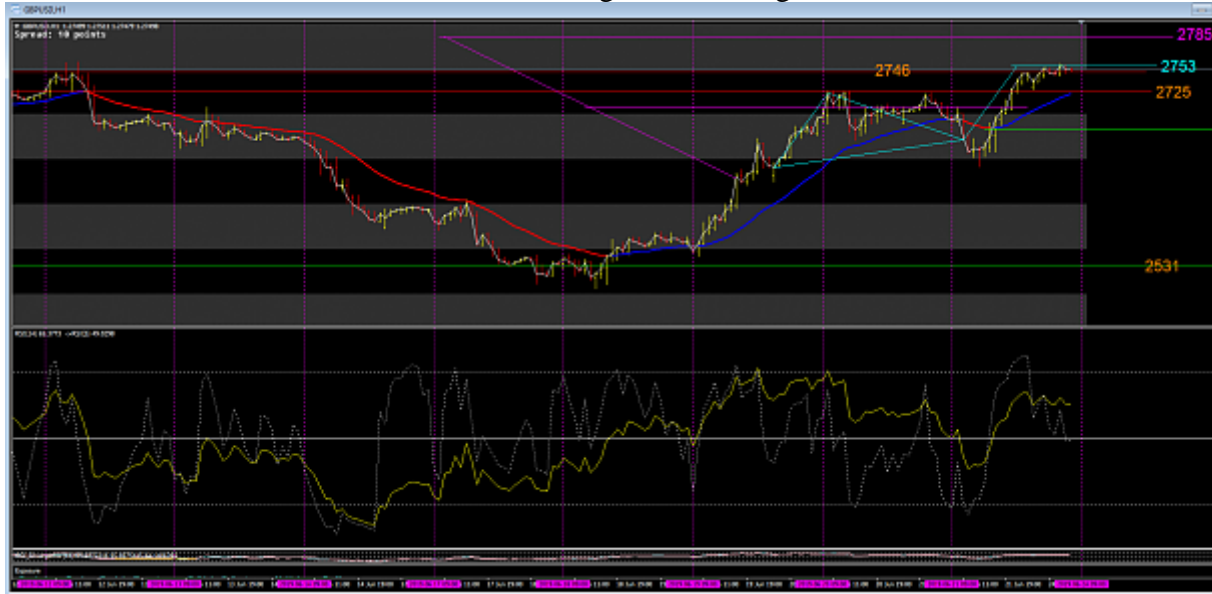
Jun 24, 2019 1:03am | Post# 3691

1 Attachment(s)

As we come up to time today we see the bulls are still in control and may push for the 2785 and finally take the EMA above the 2746 after many past attempts.

The Aqua target has been hit and the magenta one is not that far off now.

However the 1H is in a bearish div so for it to gain more height it will have to break the div.



Jazz1964

Jun 24, 2019 4:51am | Post# 3693

1 Attachment(s)



That first short was on HD but I was too early entering. Price should have come back under the green line first. Then that stop 1t -10 pips could have been tighter.

But well.

Nala66

Jun 24, 2019 8:34am | Post# 3697

1 Attachment(s)

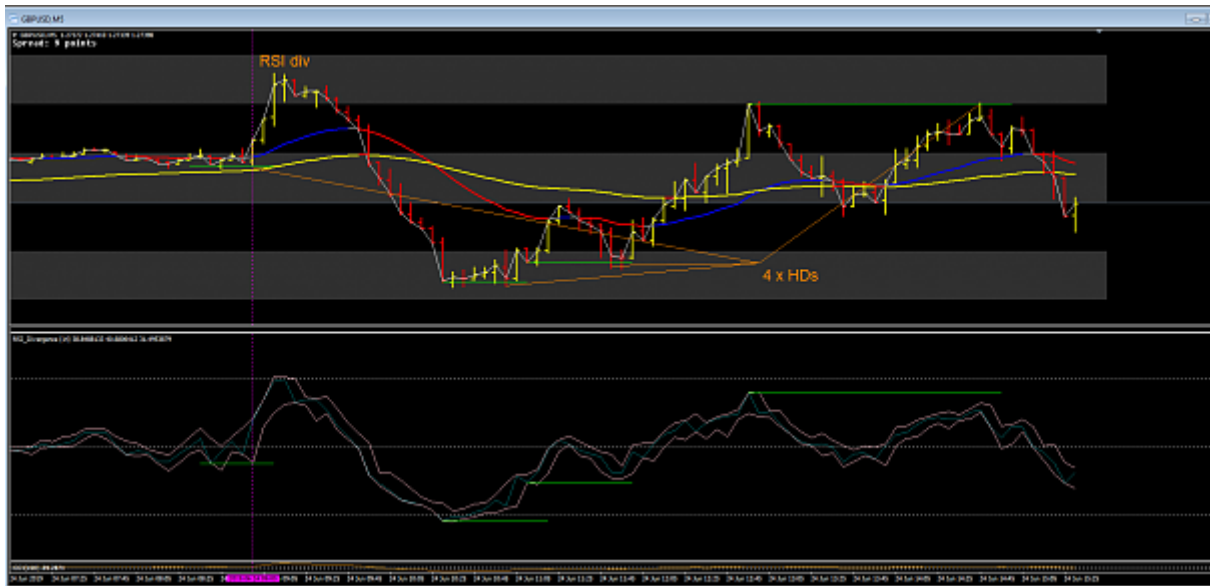
[Quoting luckyvictor](#)

Disliked

{quote} Hi Jazz I am still having difficulty on HD, why is it HD? if it wasn't hidden, how it might look like please?

Allow me...

I see 4 HDs so far and 1 RSI div which Jazz shows.



Jazz1964

Jun 24, 2019 8:35am | Post# 3698

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Hi Jazz I am still having difficulty on HD, why is it HD? if it wasn't hidden, how it might look like please?

Arg sorry, that was not HD but regular divergence.



On that pic you see I drew a lime colored line on the close of the highest bar from the asian session.

Just before 108 price made a HH.

I have also a lime colored line on the RSI. If you watch closely the RSI did not make a HH. That's why I was interested in a short (in teh direction of H1 bear div), but I was too early.

Nala66

Jun 24, 2019 11:02am | Post# 3701

1 Attachment(s)

[Quoting luckyvictor](#)

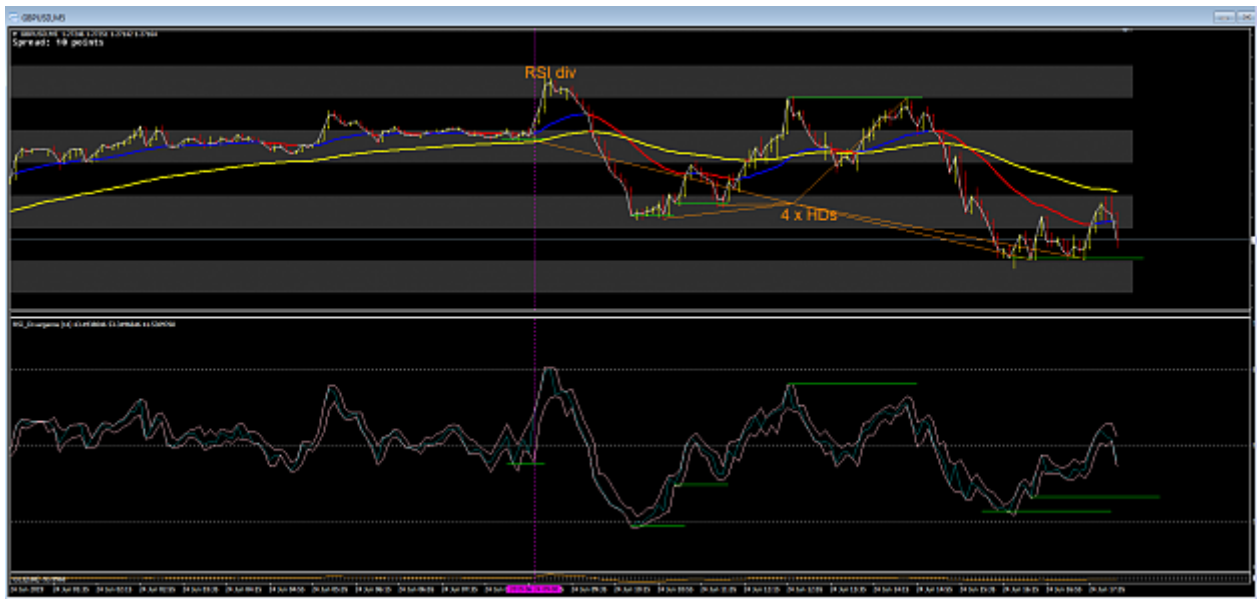
Disliked

{quote} From your example, i think I can imagine the HD. The first, second and third one, the price would have made a LL but the price has snapped back, so it didn't go the opposite direction to the RSI. For the forth one, same reason but change the side, price didnt have the change to make HH but snapped back, otherwise it would look like a regular divergence. So in all these cases, does it mean we can just trade with the direction of the RSI? i.e the first to third, RSI is stepping up, so we except price to go up. and vice versa for the forth...

For the life of me cannot see where you have a problem with the of HDs.

The RSI is a strength indicator, price is attempting a move but has no strength. No strength means weakness the market buys or sells these weaknesses depending whether they are bullish or bearish weaknesses.

Here two more have been added...



Nala66

Jun 25, 2019 12:54am | Post# 3706

1 Attachment(s)

As we approach the open one would think surely today is the day the bulls crack the 2746 average as it struggles to make it in any sort of a hurry.

The 2785 price target is still looming above.

The RSI div has failed to make it back to the EMA so I am expecting a HH.



Jazz1964

Jun 25, 2019 2:15am | Post# 3708

1 Attachment(s)

M5 bear div brought price quite close back to H1 EMA, <2 pips in between with M5 bull div going up now, no M5 bear support

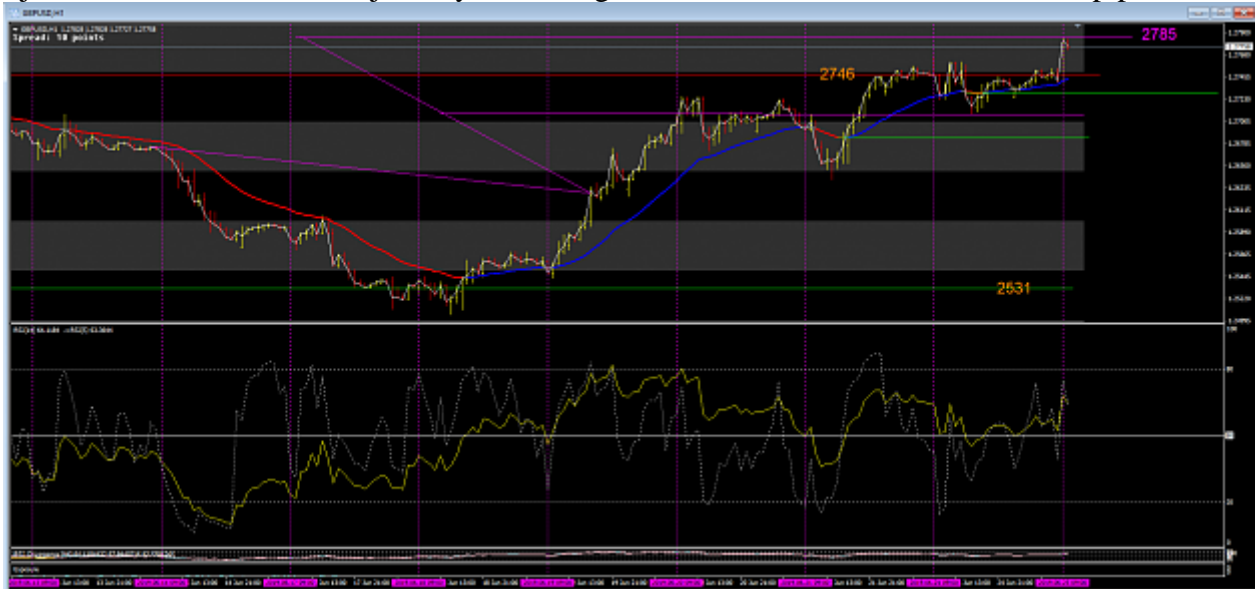


Nala66

Jun 25, 2019 3:03am | Post# 3711

1 Attachment(s)

I just closed that as it closed just shy of the target. Couldn't be bothered with the odd pip or so.



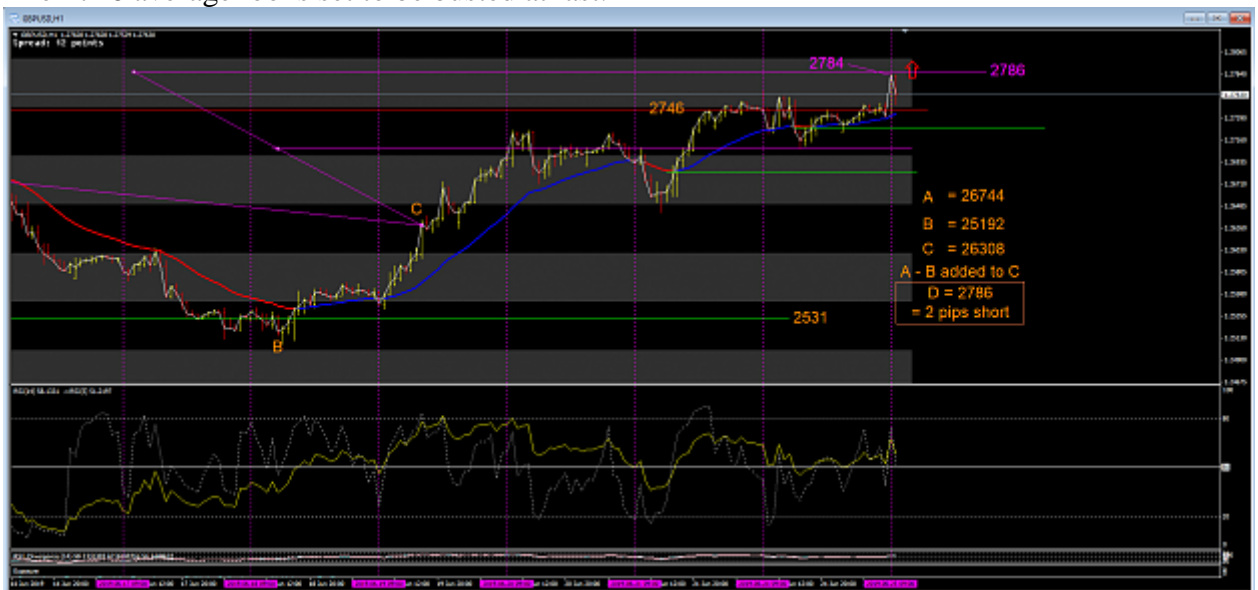
Nala66

Jun 25, 2019 3:35am | Post# 3712

1 Attachment(s)

This is the actual math way of doing this and since it has not been there yet I would expect a HH

The 2746 average looks set to be busted at last.



Nala66

Jun 25, 2019 9:26pm | Post# 3717

1 Attachment(s)

For me I went long at the 108 and closed at the 1H target where is was also a bear div. Could have taken a short there but I was done for the day.



Jazz1964

Jun 26, 2019 1:54am | Post# 3723

1 Attachment(s)

[Quoting david321](#)

Disliked

{quote} hey jazz, can you show me on chart how you take a 2 bar test entry as i know about other two entries, but 2 bar test i still get confused

This was the one I was pointing to



Nala66

Jun 26, 2019 3:14am | Post# 3726

1 Attachment(s)

[Quoting david321](#)

Disliked

hey jazz , please check my chart and tell if this bull rsi to rsi divergence correct{image}

Jazz is away today so allow me.

You have chopped through the slow RSI to make a line fit, we cannot do this.

Had you looked at the 15 min chart you would have seen one there.



Nala66

Jun 26, 2019 7:43am | Post# 3733

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{ quote } Hi Alan Happen to have a day off today, so i have the chance to watch the market live, and possibly speak to you live! Actually, looking back when things happened, it looks (relatively) easy to spot the opportunity, but still, these are the only 2 trades that I can find. Would you please show where you made the long and 3 shorts please? Also, how would you determine the target today? i.e. you can manage to take 10 pip each, i mean how do you make the decision to exit the trade? Today is just too choppy, when a peak in RSI is formed, a few...

Here...



Nala66

Jun 26, 2019 8:49am | Post# 3737

1 Attachment(s)

[Quoting huskyboy](#)

Disliked

finding them afterwards no big problem, trading them live big problems 😞 {image} i see Alan traded the m15 today

Glad you spotted this key point.

Look at the 1 H there was no ZOO point for me to trade. So drop the time frame until you find where life is at today.

From the 15M chart it was easy to find ZOO points and trade them at the 1 minute level. Not the ideal and we cannot expect the larger moves of the 1H but hey we have to work with what we have.



Nala66

Jun 26, 2019 7:50pm | Post# 3746

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Hi Alan Sorry to have another question, study all day and hence all these questions. Going back to this old posts, why are those points ZOO? how do you determine whether a point/area is ZOO? I have this question because I am trying to follow your process, first look at 1H and look for any inference, ZOO, and hence I have the question how to find ZOO. Many thanks

A Zoo point can be anything you want it to be. It is just a zone on the higher time frame where one would expect something to happen. Then we drop to the lower time frames and look there for the entry into the direction we expect.

For example yesterday at the beginning of our shift we had a bullish divergence on the 1 hour so we drop to the 5 and look for the entry confirmation which we got and that was my first trade.

Then we saw this bull trade wasn't going to far by running into opposing signals so I close the long and take the short.

Now stored in my grey matter is the information telling me if the 1 H div fails to make the EMA it will make a LL. I looked for a target price and found the 1M gave me a con/div which means price is indeed going to make a LL and it hit this exactly to the pip.

Having made the LL the 1H was still in a bullish div but I was done by this time. Then this time the div did take the price back to the EMA but it fail to find support for the bulls so down it comes again.

So the 1H div could have been a ZOO point, the 1H Ema could have been a ZOO point. The 15M EMA swing low could have been a ZOO point. Extended peaks on the higher times frames can be ZOO points.

Look at these extended white peaks...heaps of them, then simple look to a lower time frame for the short entries.

Now you made a bold statement saying we cannot determine where price is going. Isn't that what I have been trying to show you all this time

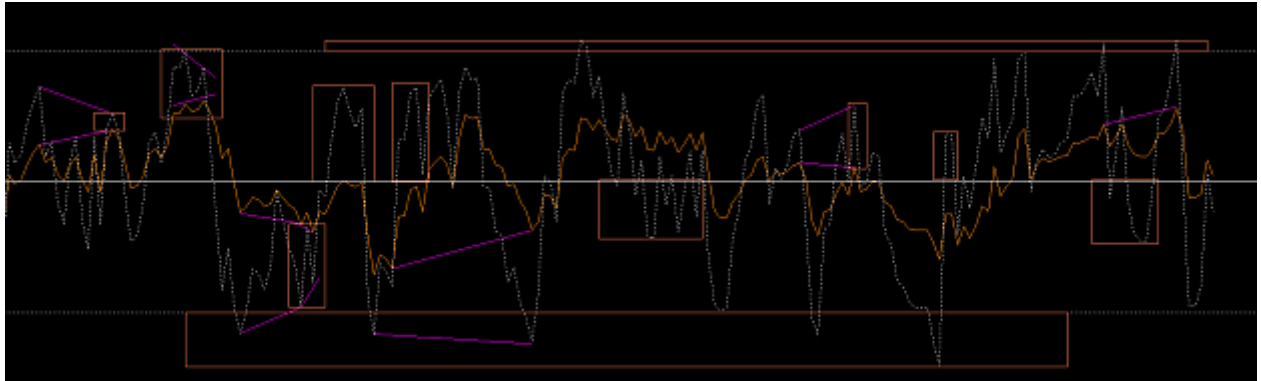


1 Attachment(s)

Everything in boxes here are potential ZOO points where we can look to lower time frames for entries.

We are not compelled to trade in just one direction, nor do we have to take every trade.

If we are trying to follow a so called trend then we may be hedging on one side and loading on the other.



Nala66

Jun 26, 2019 10:56pm | Post# 3751

Divergence is a funny animal.

Most people tell me that it often fails as if I don't know this.

That is why they are taken at specific Zoo points relative to a higher time frame where we would expect to find it.

A divergence will return the price to the average and when it fails to do so price will make a HH or LL depending which way we are going. This being the case then there is no point holding onto a failed divergence, better to close it and trade against the divergence.

Often once a divergence has happened we will in fact often see a retest forming a J or a hook. the actual hook point is also a Zoo point we can take at the lower time frame.

The situation is always changing such as the difference between price just crossing the EMA as opposed to having crossed a while back. The initial cross with a subsequent support will take price to the next EMA swing point as it is always testing both sides of a range of prices. So by being selective with the trade direction choice at the appropriate time and manage with our MM we are always putting the odds in our favour and not fighting the market.

Nala66

Jun 26, 2019 11:10pm | Post# 3752

1 Attachment(s)

If we currently look at the hour chart we must consider what the EMA is trying to do and work out if it is indeed a good opportunity to trade.

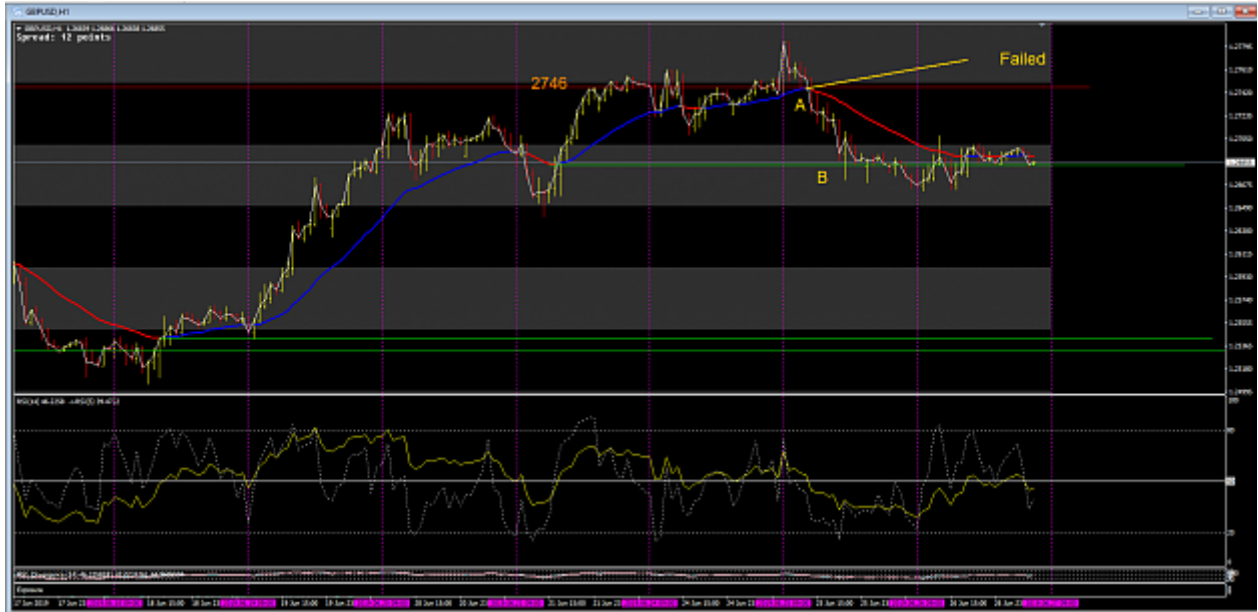
What would you consider to be a better time at A or B

At A would we not expect a good run.

At B would we not expect some sort of battle as the EMA closes in on this position.

Both A and B can be good trading opportunities but we have to recognise they are completely different methods applied to each.

A would be based upon a targeted price whilst B is choppy and we have to respond very quickly to the signals we see.



Nala66

Jun 26, 2019 11:22pm | Post# 3754

1 Attachment(s)

Now look at the point C on the same one hour chart.

Does it look like it is going to attack the swing low with it already being so low down or the RSI. So putting two and two together if it is not going to test the low it must be going to test the high. (With the average not the price)

Does not the price lead the average by its nose. Well if the average is to make the HH then certainly the price must also have to do so.

So again we could refer to C as being a zoo point and look to get in on the lower time frame.

There is no one trade fits all we have to learn to read and react.



Jazz1964

Jun 27, 2019 3:50am | Post# 3756

1 Attachment(s)

[Quoting fxpractice](#)

Disliked

{quote} Hi Alan. Could we say that average is currently sandwiched between its Hi and Low? And it has to beat one of two levels and find support to continue to appropriate direction? Thank you {image}

Hi FXPractice, please allow me to respond. The upper yellow line which you drew was already beaten.

below you can find the corrected chart.



Nala66

Jun 27, 2019 7:37am | Post# 3764

1 Attachment(s)

Here is an example of the hook, you can see late entries are exposed to it.



Nala66

Jun 27, 2019 10:00am | Post# 3768

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Really? I was expecting something in my current method could be wrong. May I have another question please? 26 EMA and 14 RSI, how do we combine the information from both of them to give us a better edge to trade the next move? For example, when price is raising above the 26 EMA, we see rsi is above 50, and vice versa, but really we dont need the 26 EMA to show us the duplicate info. So am I missing some other important message from the use of them?

That is correct but without the EMA it would be difficult to tell if the average is making HHs or LLs.

Also it is these swing highs and swing lows that give us the potential targets for price to hit.

See here on the 1 min chart how it ran to the 5min swing level.

At that point it was way down in the dumps on the RSI so we would expect a bounce there.

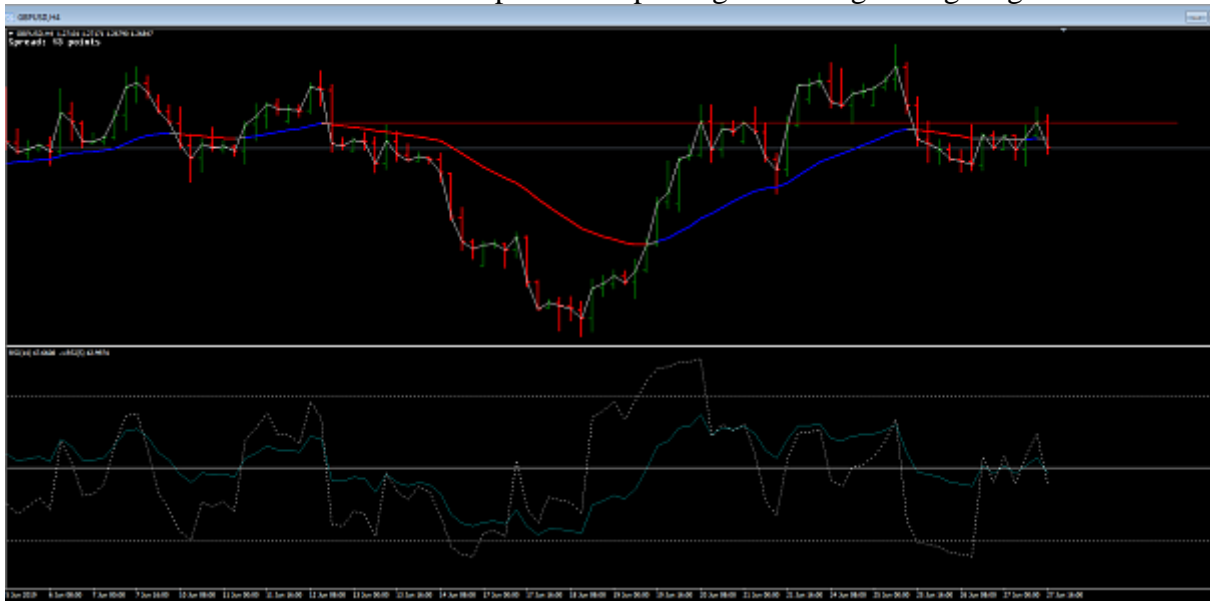


Nala66

Jun 27, 2019 10:15am | Post# 3769

1 Attachment(s)

Look at this 4 hour chart and see how price is respecting this swing average high.



Nala66

Jun 27, 2019 10:18am | Post# 3770

1 Attachment(s)

Look even at the weekly how price is respecting the swing average low.



Nala66

Jun 28, 2019 3:33am | Post# 3796

1 Attachment(s)

Here is the open today...

On the hour we see a HD with a target level above.

On the 5 min we see an RSI div and we are low on the RSI.

Now you enter on the 5 min with your first trade with a ten pip stop. **Even if you do get stopped out it is for peanuts.**



Nala66

Jun 28, 2019 3:36am | Post# 3797

1 Attachment(s)
The hook is a test of the Div



Nala66

Jun 28, 2019 3:40am | Post# 3798

1 Attachment(s)

Yesterdays 1H hook. Testing the div



Nala66

Jun 28, 2019 4:28am | Post# 3803

1 Attachment(s)

I am trying to get the point across for the Money management and Hope this drawing I just did helps.

See how the 1,2,3, entry is the safest way we can get in but this does not always turn out to be the primary paying trade.

A signal at the top causes us to hedge. The hedge is a safety net it doesn't matter which way price goes we have locked in the profit. So we are safe again.

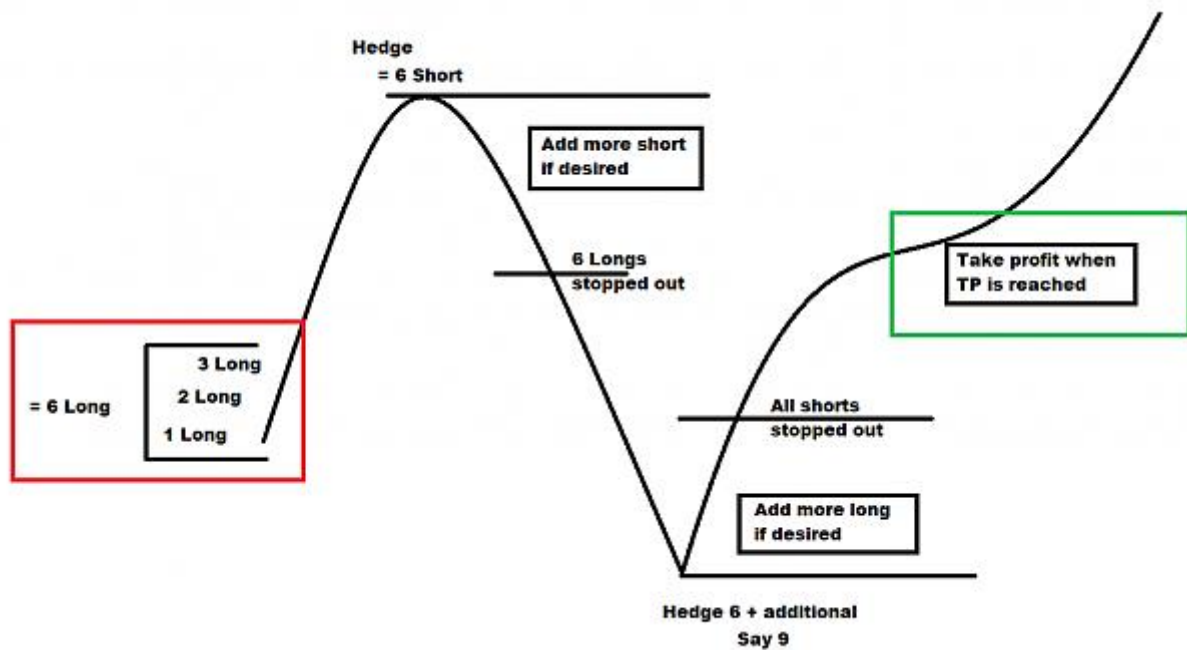
Hopefully as shown in the drawing price moves down so we can add to our hedge because all our funds are freed up to do so.

We close the longs with a TP stop.

We may now hedge again at the bottom and even add to it because again all our funds are freed up.

The first hedge is stopped out and the long trade wins the day.

I have made the drawing simple so you can understand the principle.



Nala66

Jun 28, 2019 5:13am | Post# 3808

1 Attachment(s)

See the hook.. Often the best trade of the session.



Jazz1964

Jun 28, 2019 5:17am | Post# 3809

Let me put some volume in the market so it starts moving

Nala66

Jun 28, 2019 5:21am | Post# 3810

1 Attachment(s)

That was the signal and here is the entry



Jazz1964

Jun 28, 2019 5:28am | Post# 3813

[Quoting Nala66](#)

Disliked

That was the signal and here is the entry {image}

Yup I caught that.

In these months I improved a lot to watch all the details. And to act on them (that's quite important too 😊)

Jazz1964

Jun 28, 2019 5:55am | Post# 3814

[Quoting Nala66](#)

Disliked

I am trying to get the point across for the Money management and Hope this drawing I just did helps. See how the 1,2,3, entry is the safest...{image}

Clear clean and important. Good to see the stops drawn in too.

Jazz1964

Jun 28, 2019 6:16am | Post# 3815

1 Attachment(s)

It's very flattish today so I wonder if I get my target short

Zoo zone with M5 bear div

Bear support M5

1.2663 ABCD M5

1.2651 for just a reasonable daily range

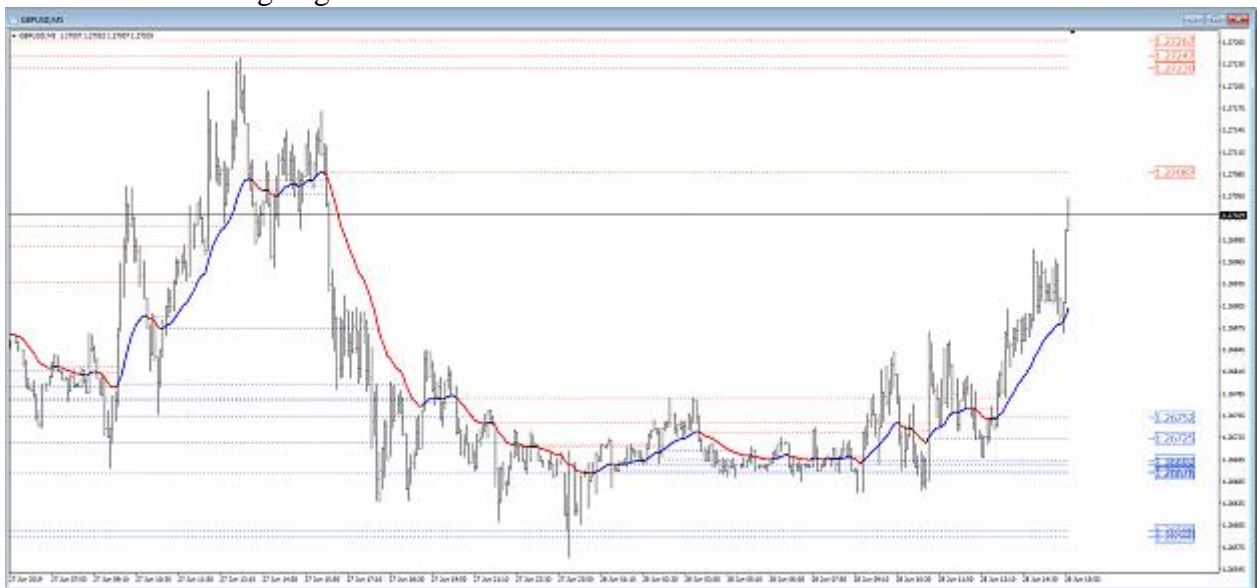


Nala66

Jun 28, 2019 8:57am | Post# 3819

1 Attachment(s)

Where is the 5 min going? Guess!



Jazz1964

Jun 28, 2019 6:48pm | Post# 3827

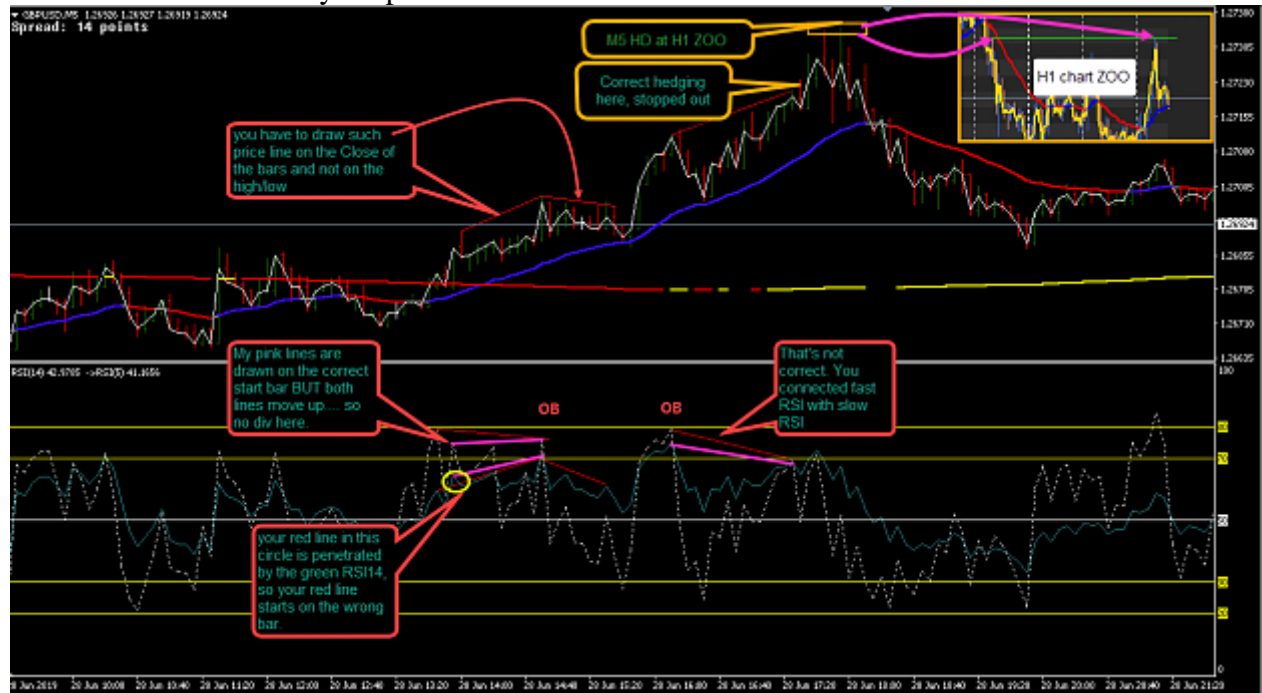
1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Sure, I should have done it, and later I took another one, and failed again. Reason for my actions: 1. H1 fast RSI is above 80, so i drill down to M5 to look for bear div opportunity. 2. M5 did show bear div, so hedge the long. I guess the first one did return to EMA, and stop right at the 26EMA at M5, but the second one failed. I mean I don't mind it stopped out, as long as I act right. And I know probably it is too late to trade in the day anyway, i.e. target profit has been pocketed, but all these are learning experience for me. {image}...

Here are some notes on your picture



Jazz1964

Jun 29, 2019 2:47am | Post# 3830

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Jazz, appreciate for your note!! Please allow me to have some questions 1. Why that point is H1 ZOO? is it a previous swing high/low? 2. You said my red line is penetrated by the green RSI 14, so if it is penetrated, it can not be used for making div decision? 3. I have actually "corrected" my red line on price and RSI to show my 'believed' bear div, so based on the above, it is penetrated, so is not valid, is it correct? and some side questions if you dont mind 1. Would you trade on smartphone? is there any good app (either platform app...

From your post #3822, I understand you were long, and you are aware the target was reached. But here we talk about how to hedge.

On your new picture, I see in your first circle you draw the lines below the price in a rising market. That's wrong, it should be drawn on Close prices at the upside, just like the RSI line. I get the idea that you have to work on knowledge before you can start to push the button.

1. Why that point is H1 ZOO? is it a previous swing high/low? It's the high of the first bear support below the EMA.



2. You said my red line is penetrated by the green RSI 14, so if it is penetrated, it can not be used for making div decision? Correct.

3. I have actually "corrected" my red line on price and RSI to show my 'believed' bear div, so based on the above, it is penetrated, so is not valid, is it correct? I don't see a correct drawn bear div on your corrected chart. The RSI you draw is penetrated thus not valid.

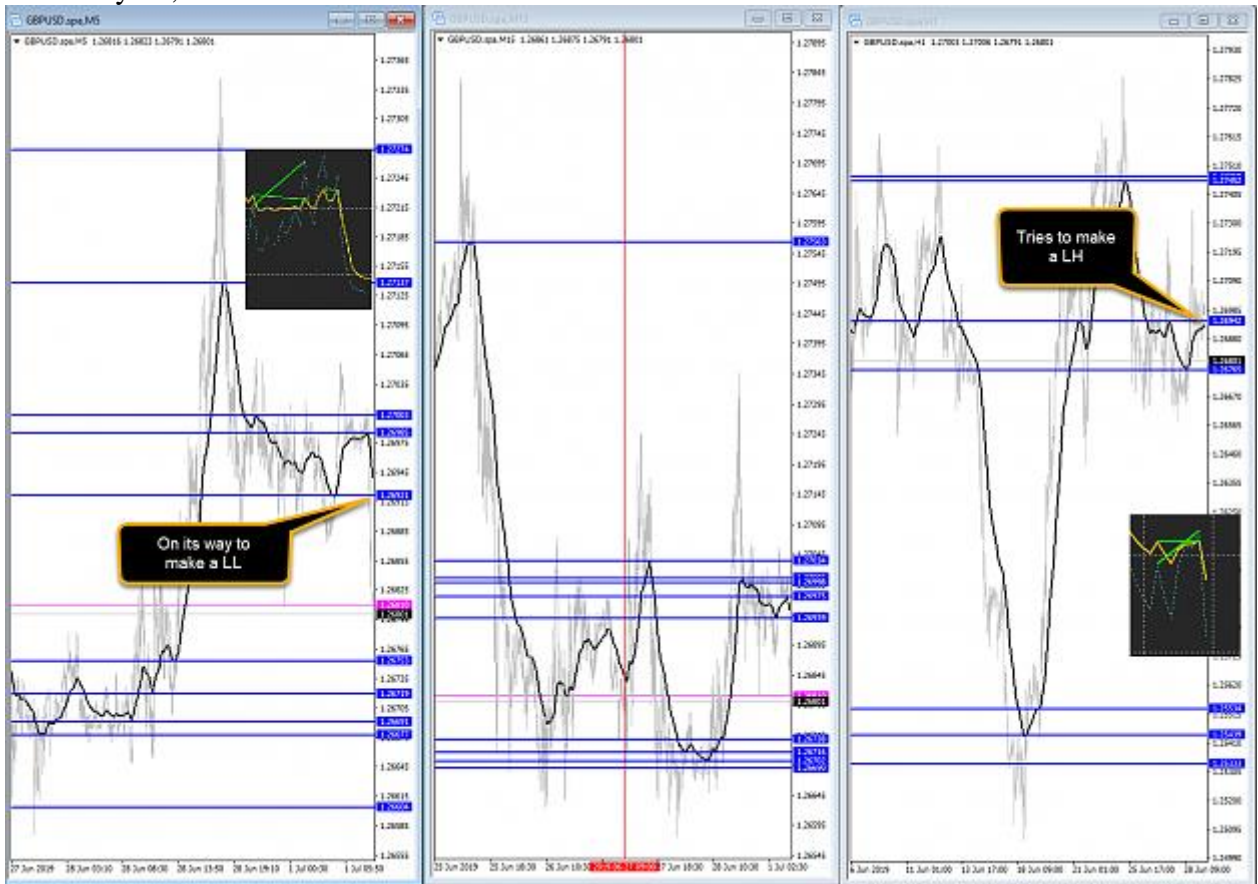
Trading this from a smartphone, that's not possible, you never can see the details IMHO. I wonder if you understand how focused you need to be. One computer screen is not enough for me since I want to see the white charts and the black charts. I rather would have three screens. I have no idea about FF instant mssgs when a new reply is added. I trade with ICMarkets. They are just good enough for me.

Jazz1964

Jul 1, 2019 1:37am | Post# 3838

1 Attachment(s)

Good day all, the market started to move earlier than I did.

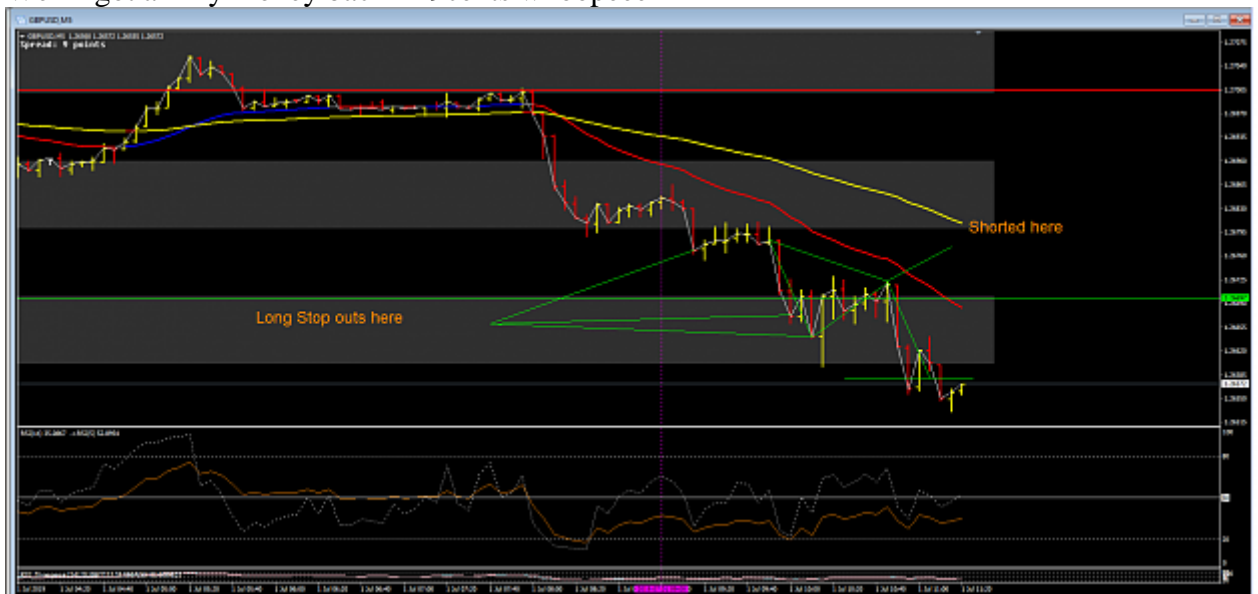


Nala66

Jul 1, 2019 4:15am | Post# 3849

1 Attachment(s)

Well I got all my money back +29cents whoopee



Nala66

Jul 1, 2019 6:27am | Post# 3854

1 Attachment(s)

[Quoting fxpractice](#)

Disliked

{quote} Hi Alan I'd like to ask about your morning longs. Have you took this decision based on the 5 minute chart only? May be I'm wrong but I did not see the signal on the higher timeframe. And you have noted constantly that you always start with the H1 TF. Or may be you decided to begin with something like hedge? Without H1? Thank you.

Those divs on the 5 min were at the swing low average on the 1 hour... So I was wrong but have since corrected and made the target \$29

And for luckV it was moving at the time



Nala66

Jul 1, 2019 8:34am | Post# 3857

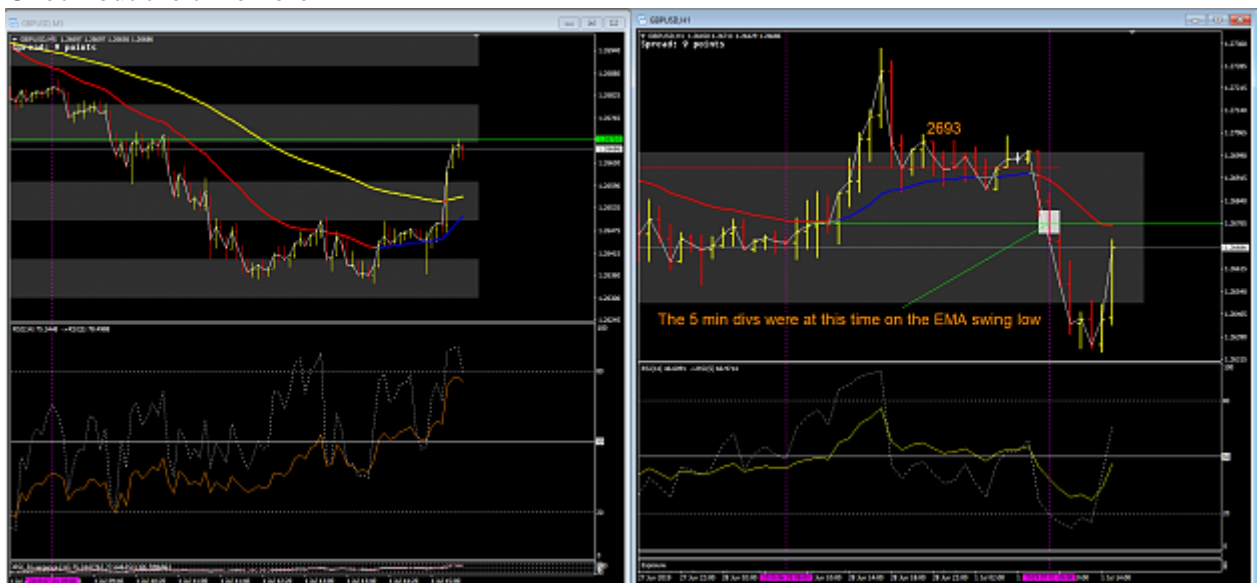
1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Sorry, but I understand this moving at the time, can you please explain a little bit more?

Check out the time here

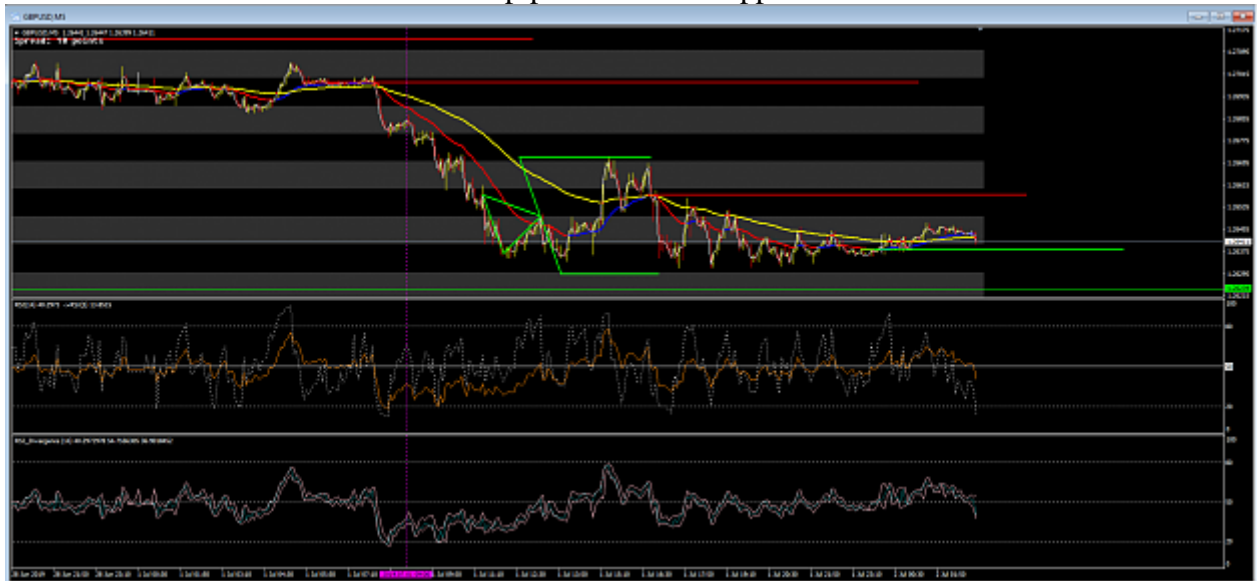


Nala66

Jul 1, 2019 8:08pm | Post# 3871

1 Attachment(s)

Ah look at that Jazz we nailed it to the pip and then it dropped back



Jazz1964

Jul 2, 2019 2:54am | Post# 3883

1 Attachment(s)

[Quoting david321](#)

Disliked

hi jazz , how are you, i have a question , when do you move your sl to breakeven . do you have set pips like 5 or 10 as i am having trouble with this part, some times i am moving too early while sometimes i am too late

That's for me also a *tough subject*. I tend to do that around +8 to +10 pips.

Yesterday I did that too and they kicked me out with that J Hook thingy behavior. 10 pips in a second down.



Chart-wise, price didn't make a fresh low so in fact, there was nothing wrong yet with my position.

My thoughts on this is: I should judge if there is any reason to think I trade in the wrong direction.

If I get kicked out, *I don't hesitate* to get in again when I see reason.

That's why it is beautiful if you develop your trading to the point where you are able to get a 2nd and 3rd trade on.

Jazz1964

Jul 2, 2019 3:03am | Post# 3884

1 Attachment(s)

[Quoting fxpractice](#)

Disliked

{quote} Thanks a lot...

Here you can see such HD



Also, note price could not pass the 50% ABCD.
Now hoping for M5 bear support
Nala66

Jul 2, 2019 3:57am | Post# 3890

1 Attachment(s)

[Quoting Jazz1964](#)

Disliked

{quote} Here you can see such HD {image} Also, note price could not pass the 50% ABCD.
Now hoping for M5 bear support

That is where I shorted Jazz for the ABCD target and done for the day now.



Jazz1964

Jul 2, 2019 4:20am | Post# 3896

1 Attachment(s)

[Quoting luckyvictor](#)

Disliked

{quote} Hi Jazz Would you mind explain how to draw the ABC triangle please? Specially how you define the pivot point? The PDF doesn't seem to explain it although it shows a lot of examples Many thanks

(edited)



C is the recent high pivot

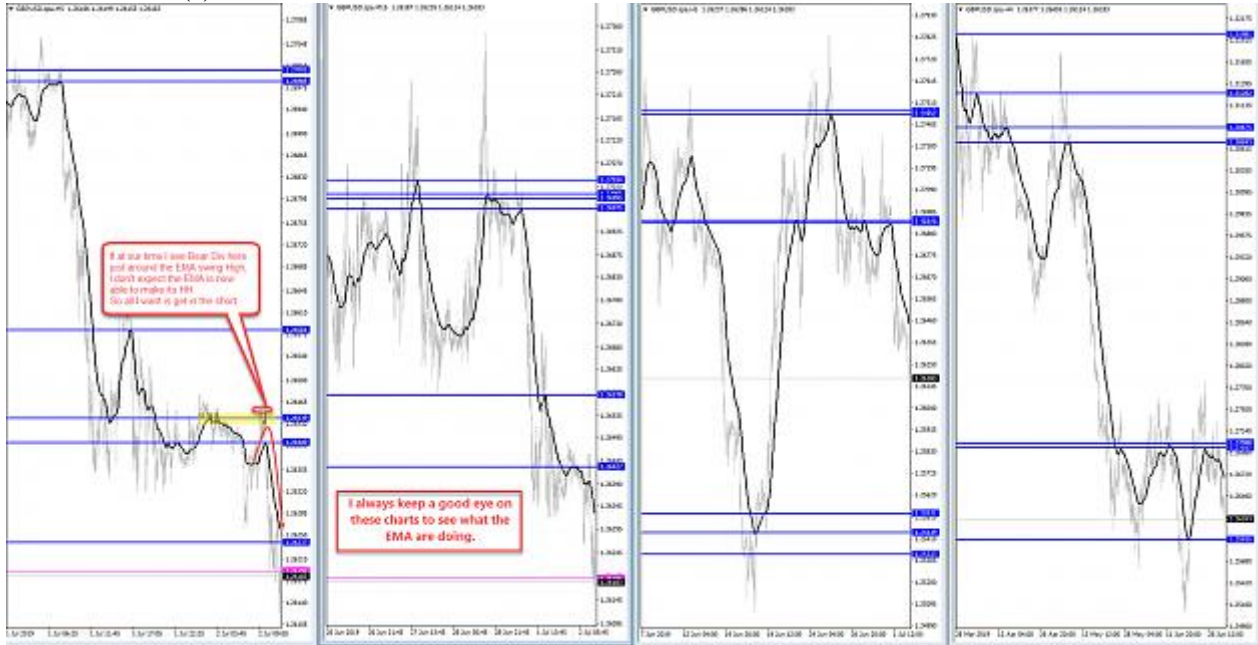
you can connect C to A which is the first pivot above C which has the cont div then you look for low between A and C. That's the B.

Then select the AB line, press your Ctrl key and copy-paste AB to fit C.

preferably A and C are each on a different side of the EMA.

A pivot high is a bull bar which close is higher than the close of the bar(s) to its left and right: \wedge
 A pivot low as a bear bar which close is lower than the close of the bar(s) to its left and right: \vee
 Jazz1964 Jul 2, 2019 4:56am | Post# 3901

1 Attachment(s)



I draw the blue lines on each top and bottom as the day develops and erase passed ones. I don't use the indicator to do this for me because now I am extra aware what move the EMA makes and which tops and bottoms are taken out.

Defining trend by the EMA is so much better than defining trend by price H+L.

Who invented that?

Nala66

Jul 2, 2019 6:03am | Post# 3904

1 Attachment(s)

Here it goes again



1 Attachment(s)

I bought the bottom

Now let me c how to get out

Will it fail to pass the 50% D level?

Remarkable is that D is exact the M5 EMA swing high and the H1 EMA

