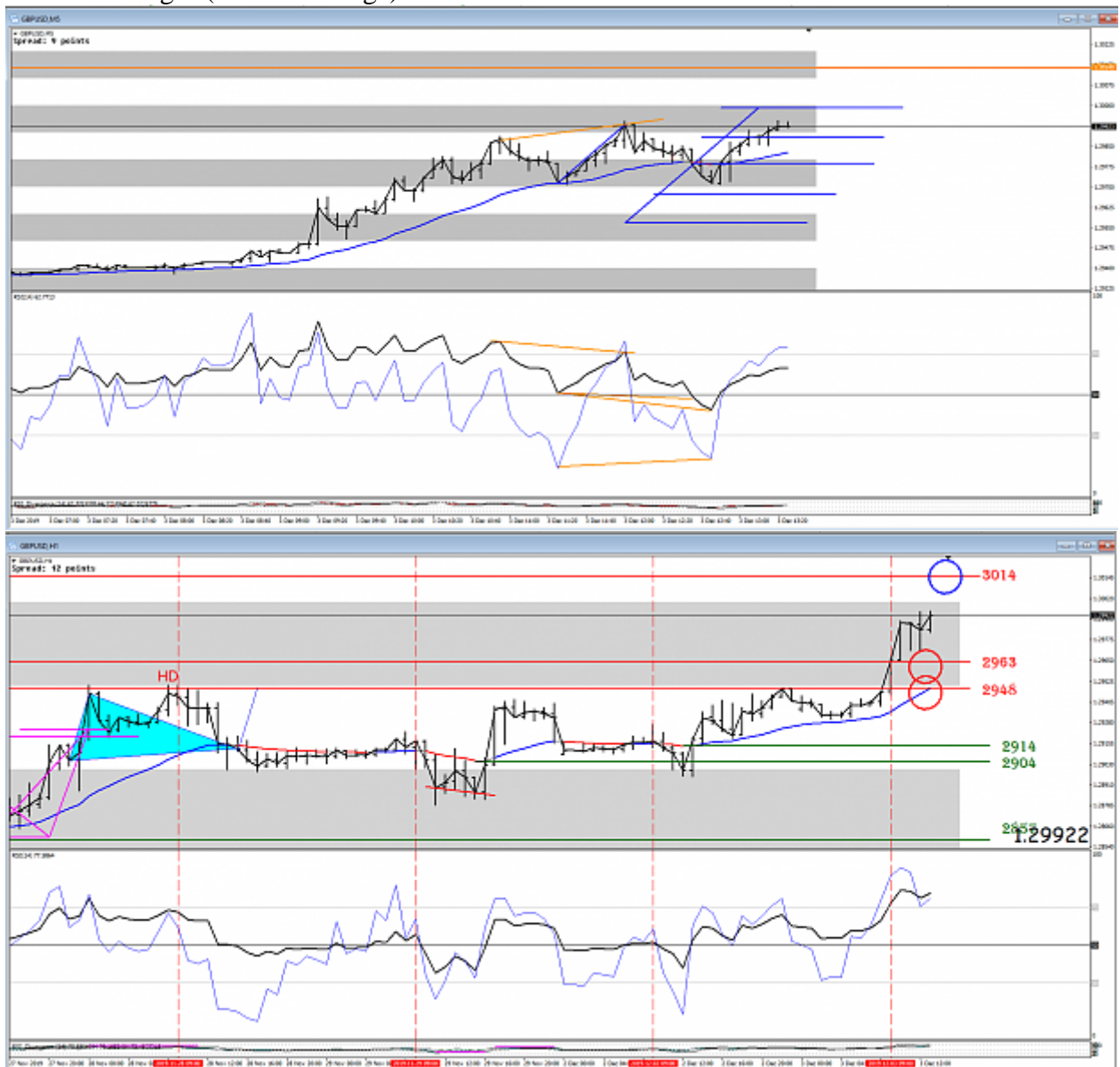


That 3014 on the hour is looming closer....  
Attached Images (click to enlarge)



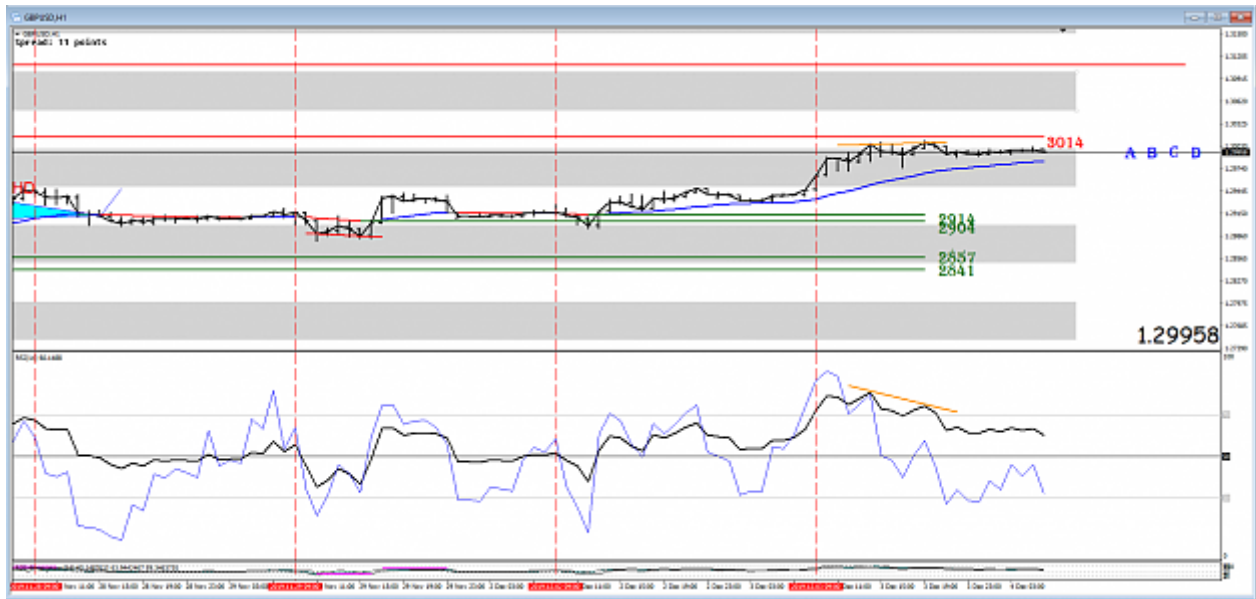
So what's on for today?

Looking at the hour I see the bulls have taken out those HH averages but failed to get across the 3014.

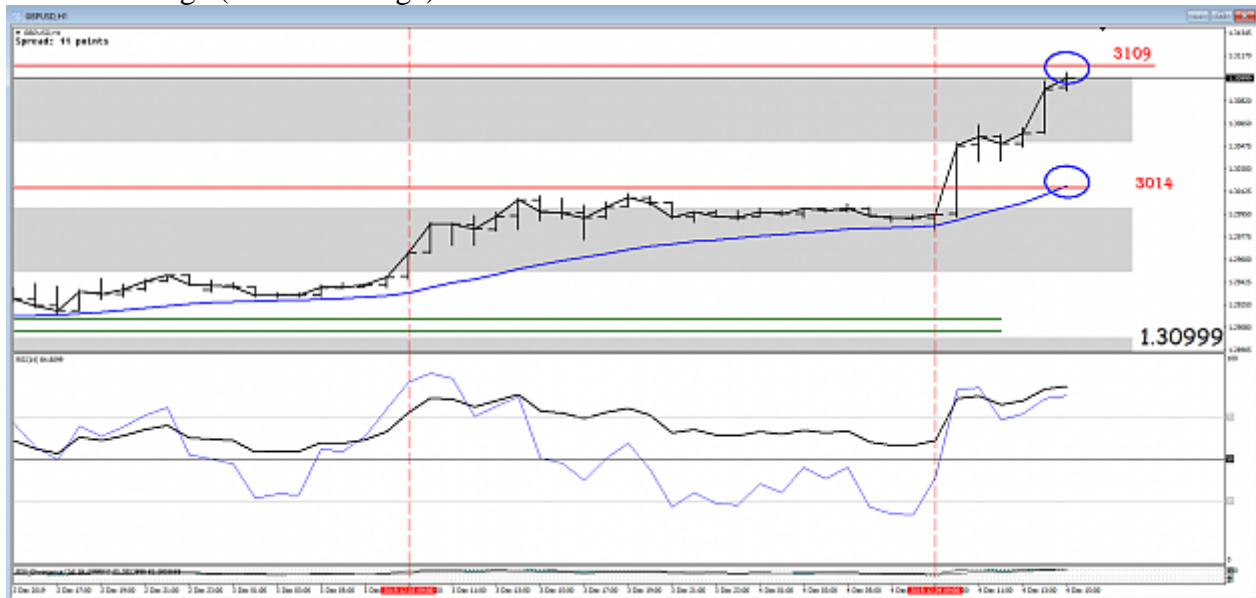
There is a bear div but the bears have not made it back to the EMA.

This is very confusing, I haven't got a clue here to go on at all.

So for now I don't know so I don't trade.  
Attached Image (click to enlarge)



Well it's not quite at the 3109 but that will do me for the day. The EMA has made the HH Attached Image (click to enlarge)



Well would you look at that, a couple of minutes later and the target was hit to the pip.

The hour easily took out the 3014 average which means the price itself has to make the next level 3109.

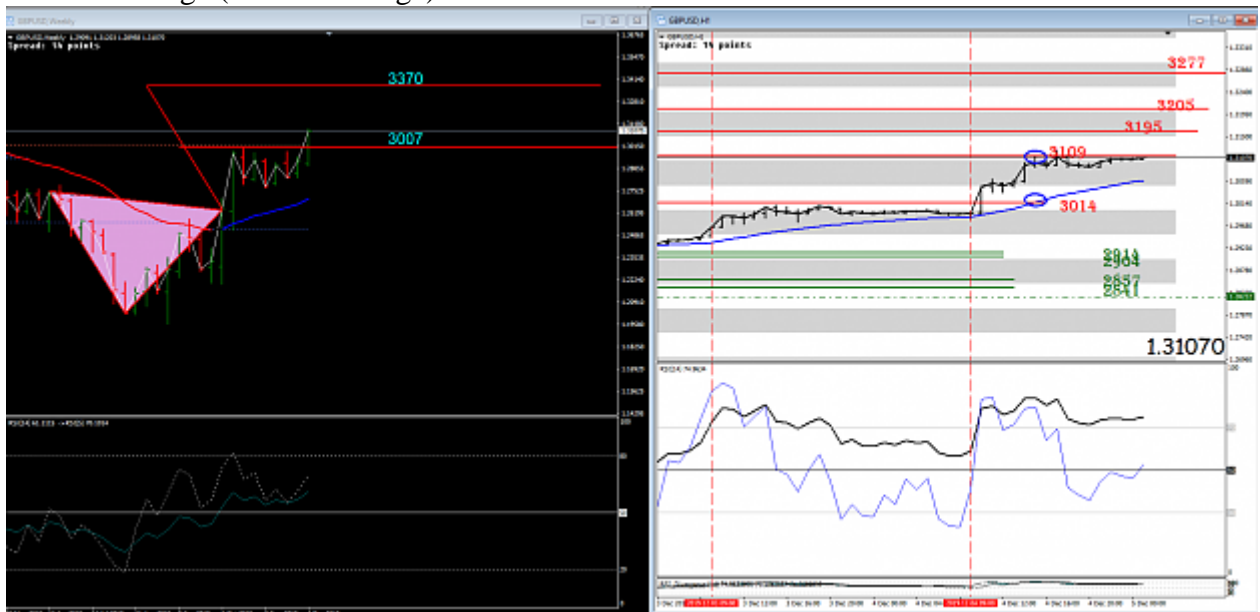
Notice how when it makes the distance it just goes into a hold pattern while the EMA catches up. Some call this consolidation but I prefer HOLDING because this suggest it is waiting for something and that something is the EMA.

Zooming out we see several more levels are looming but we haven't had an ABCD for some time so we may get a decent dip below sometime soon to give us one.

The daily too has made an average HH and price has reached the next level.

Another interesting chart is the weekly with an ABCD taking price to 3370 but I won't hold my breath for that just yet.

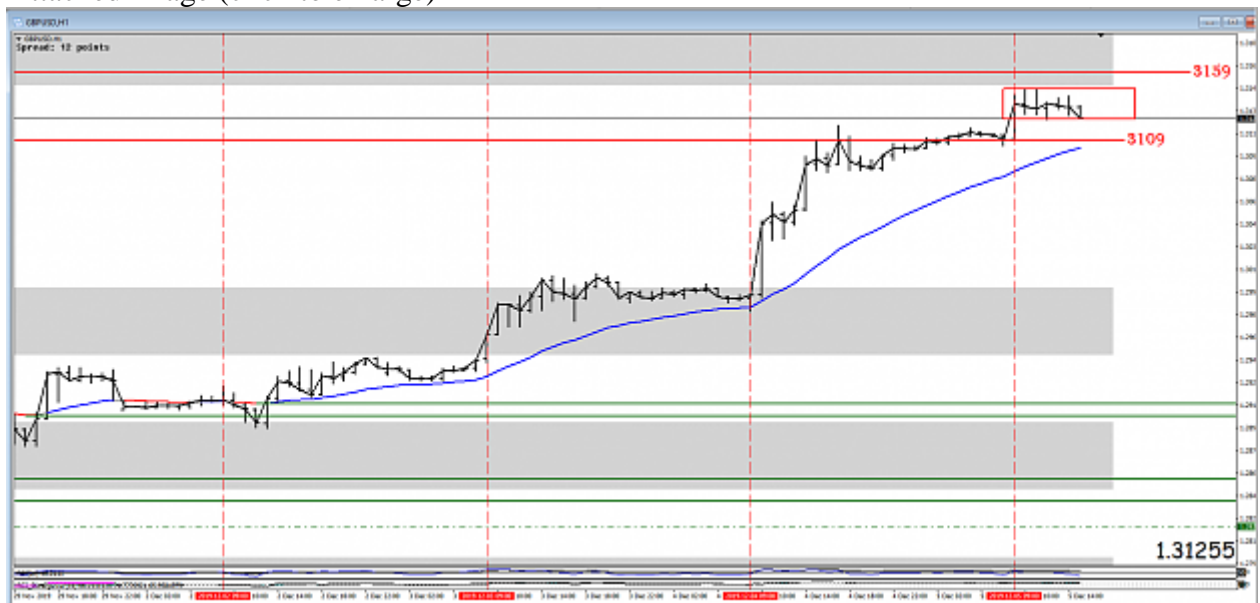
Attached Image (click to enlarge)



It looks like the bulls are failing to make the 3159 so it should turn here to stop the average HH.

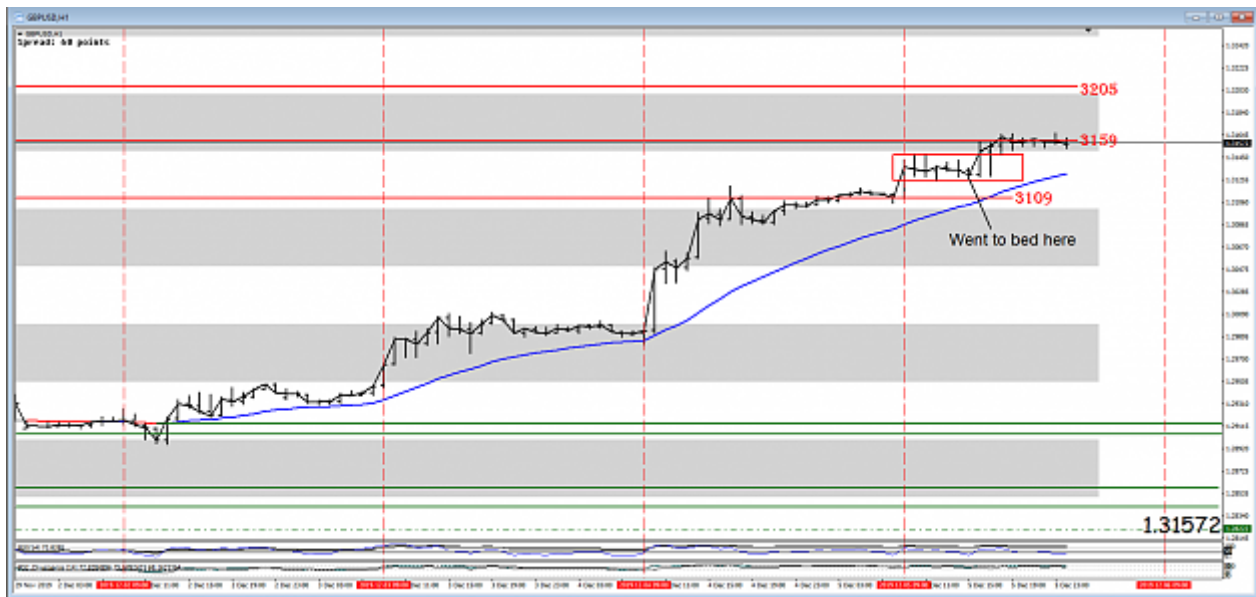
We wait and see...but it is also my bed time.

Attached Image (click to enlarge)



Oh my would you look at that... Just as I just as go to bed the price decides to hit the 3159. I think I have the solution to this problem but it involves not sleeping at all but I don't know how to manage that yet. Actually one more hour would have been OK.

Attached Image (click to enlarge)



It looks to me now like the average will try for the 3159 and price will make the 3205 to drag it there. I suspect this will happen before the NFP (maybe at the 108 open) whereupon it may even run to the next level 3277.

Price is now well above the nearest bull support some 250 pips or so with no sign at all of a turnaround.

Looking here at the weekly there is lot's of room upstairs for it to move as the average attempts the 3022 price attempts the 3741. This requires some strong up moves. Attached Image (click to enlarge)





So here is the order flow...

Just after bar 108 we see price dip below the EMA (5min) and we take a chance with our first entry that it is not going to get back, in other words find bear support.

They found this support now we are faced with the dreaded hook which tested the support but could not break it. 2nd entry placed and stops tightened a tad.

Price moves in our favour so stops go to break even.

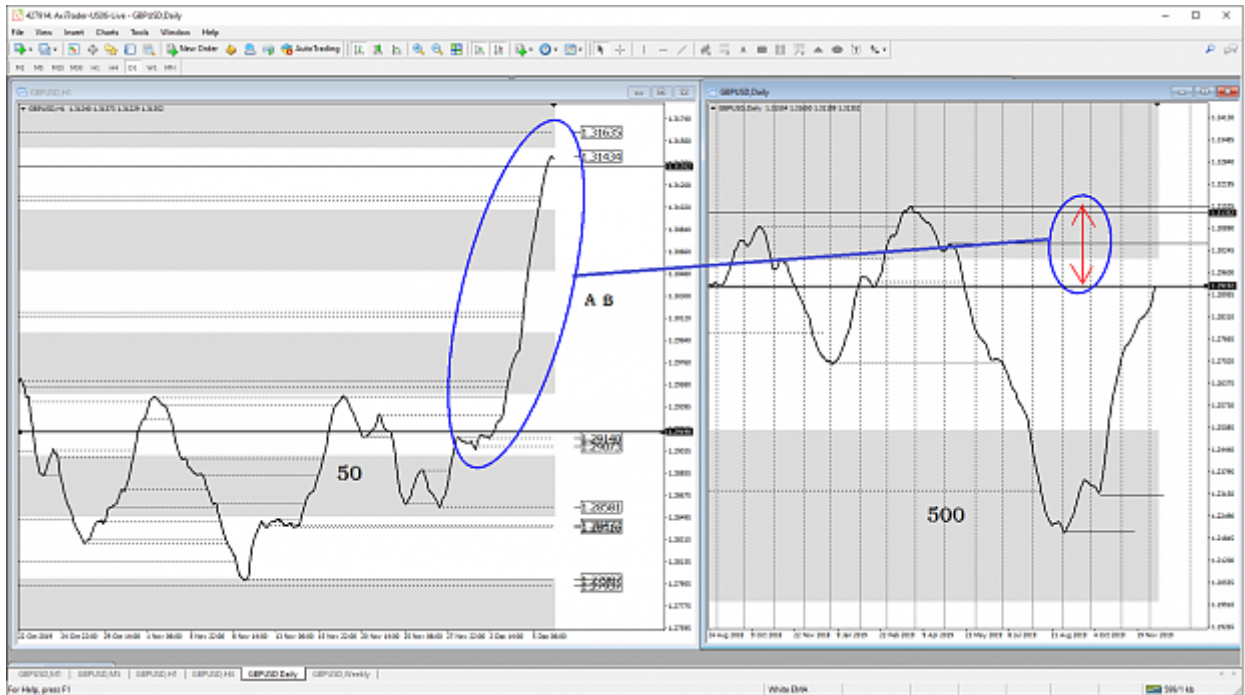
Now trying to work out where it is going I see the 50% on the hour is almost the same as the EMA swing low on the 5. Not a bad target 40 pips.

Once it had made a small pull back and the past the origin down of that pull back the stops lock in 50% of the profit and we await the result of our effort.

AnyIf we look here at what the averages are doing. We can see on the daily price has leapt ahead so it needs to hold off a tad to let the EMA catch up a bit.

On the hour we should expect a bit of chop now.

Attached Image (click to enlarge)



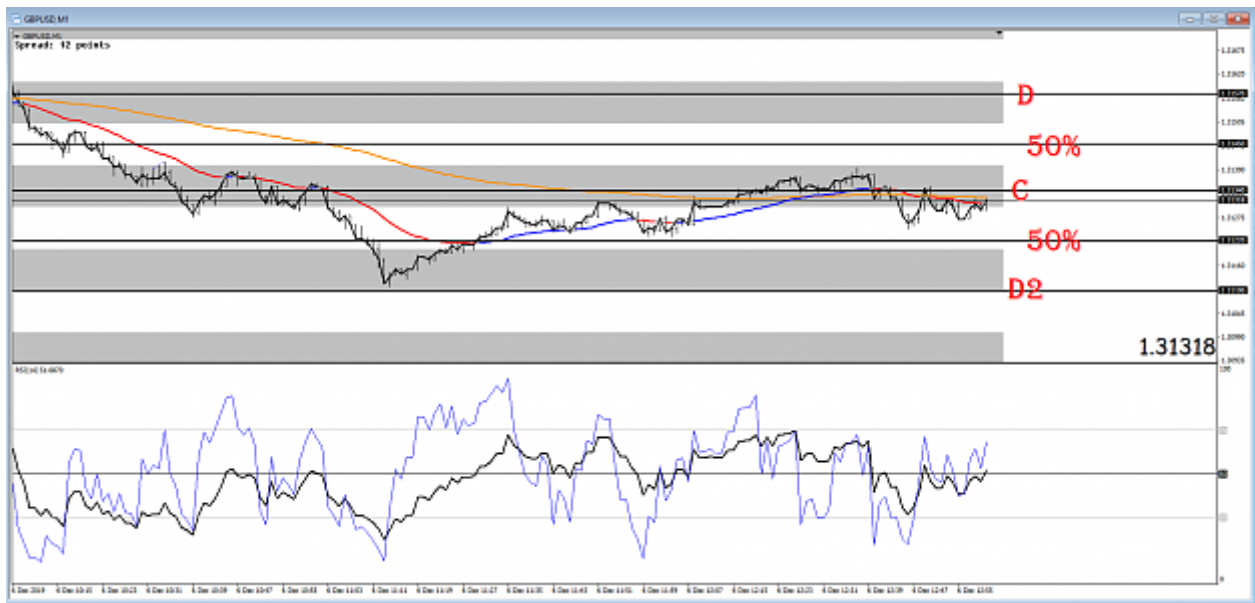
We can draw in our ABCD on the 5m and then look at the levels on the 1 min for possible entries

Attached Image (click to enlarge)



Drawing the targets on the 1 min we see so far it is ranging between the 50% levels

Attached Image (click to enlarge)



The current low of the day was both an (exact!) EMA swing low on M5 and M15. I had those levels as a ZOO, also because it was around Wednesday's highs. so I decided to take a Long there which did well. Back to H1 and M15 EMA's.

Attached Image (click to enlarge)



Let's see what happens next. H1 is interesting now, will Bears survive or will Bulls give continuation of the uptrend?

Well that was exciting, I took 10 pips off the bounce 😄

Attached Image (click to enlarge)



[Quoting KevinOwens](#)

Hi Alan, Thanks for your continuous support. I have a doubt regarding today's action. I get that Short is the way to go for today, as traded by you and probably Jazz1964. However, I'm confused about how we deal with these few bullish divergences along the way, as drawn in the picture. To me, this is one of the most confusing parts, as these types of situations happen pretty often. Please educate me. {image}

Hi Kevin

You started off well picking the HD but things fall apart after that. Remember this is the open and we expect good movement so once below the EMA we are short.

There is a good chance bull divs are not going to work in a bullish manner until we get where we are going so instead of making it to the EMA they make LL's instead.

Now if you are worried about them at all you can always hedge them however you have hardly made much money by the time the 1st one sets up after the hook so better to just move the stop to BE.

For me I am not looking for divs at all at this time I am looking where it may be going and for the signals that may take it there.

You haven't got the horizontal levels of the average swings on the chart so this makes things a tad difficult to see.

Anyway I have put all the stuff on your chart  
Attached Image (click to enlarge)



[Quoting limth](#)

{quote} Hi Alan: Traditionally we draw divergences between Price pivots and RSI indicator, however you've drawn divergences on double RSI, and also Price pivots vs RSI(14), any significant differences between both of them?

They are both types of divergence.

Plus we can spot the hidden divergence by using the RSI with a history attached like this. The outer black line is the history the red is the actual.

If the black does not get above the red but the price does then it is a bearish HD.

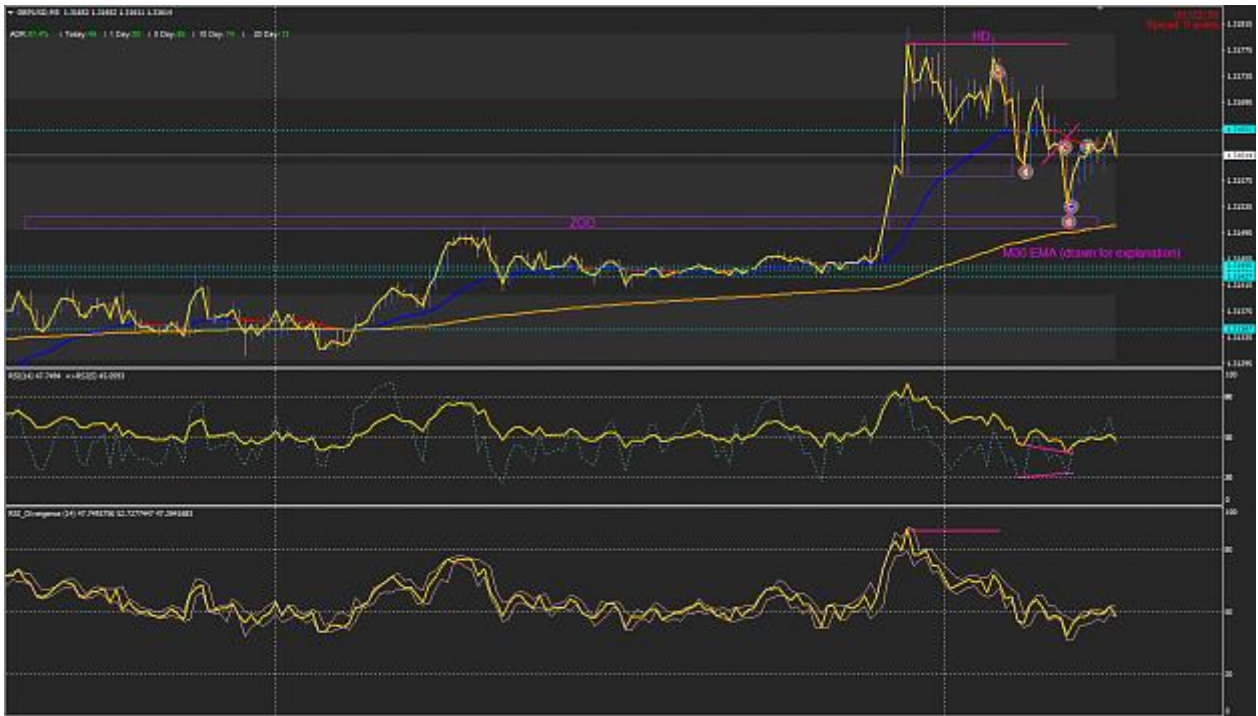
If the black does not get below the red but the price does then it is a bullish HD.

Attached Image (click to enlarge)



Talking about HD's, did you ladies and gentlemen also shorted the M5 HD back to the M30 EMA?

Attached Image (click to enlarge)



A two-step short, second entry after the M5 two-bar break.  
 Then, at that M30 EMA which is a ZOO (Horizontal previous resistance 1.3150) a Long into the M5 EMA.  
 Day is done.  
 M30 gave nice EMA touches last week and did that again today.

I wasn't trading yesterday and see now that I didn't miss much. We need to see a break one way or the other but the market is very thin at this time.  
 Attached Image (click to enlarge)



Shame I had to miss the Short due to a family obligation. I hoped I would be back in time to take it, but no.  
 With the Weekly chart showing we are in resistances,  
 H4 running out of steam,

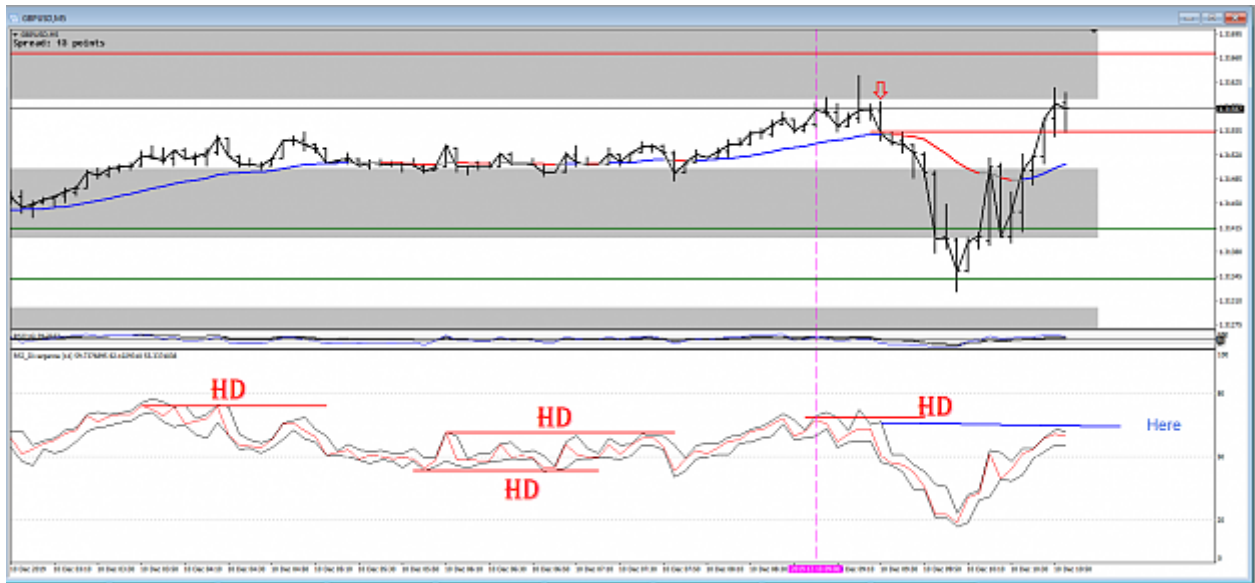
H1 flat EMA,  
My ZOO was the M15 swing high at 1.3162  
Attached Image (click to enlarge)



Finally trading Structure and PA only  
I think the market is just playing silly buggers, we need a decent break...  
Attached Image (click to enlarge)



Yep, well it was a sneaky one Jazz  
Attached Image (click to enlarge)



Attached Image (click to enlarge)



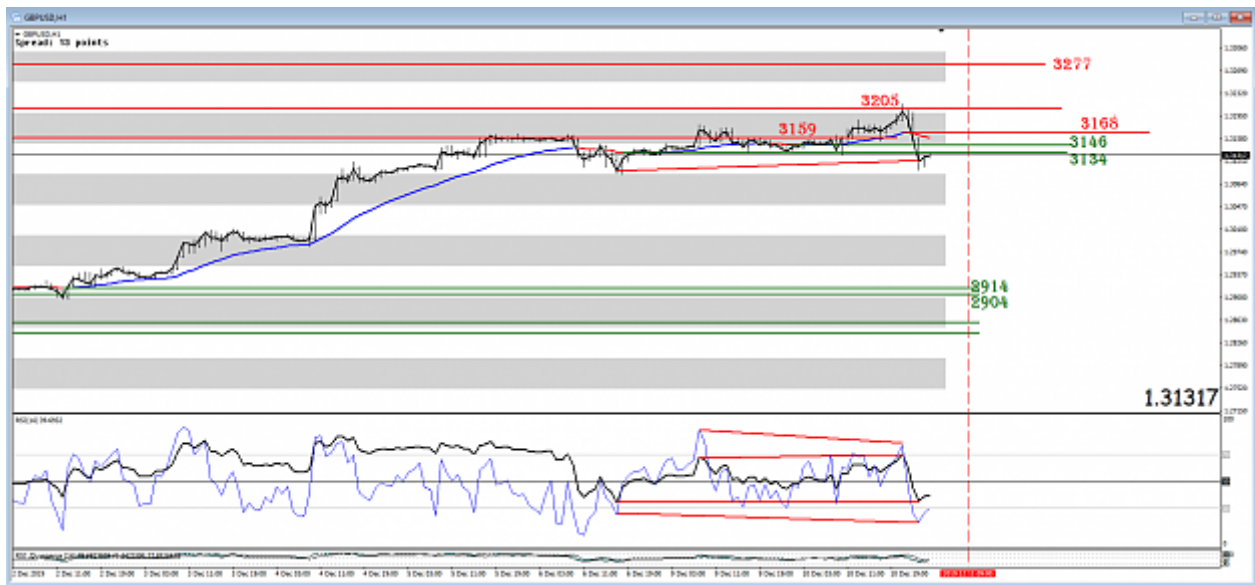
That Short was taken on H1 HD & M15 Div & M5 Div  
 The exit at M5 swing low.  
 All okay so far.

Just that closing of the Short is basically a Buy.  
 Meaning I wanted to Buy.  
 And yes, it is a good Buy setup, not to say a great one.  
 Just.... I had to put money on it.

That took forever for the average to finally break the 3159 and of course price runs to the next level 3205 arriving there in an RSI div.

Unless the bears can make a LL average we would expect the next level to be the 3277 as the bulls make the HH average. Already the bears have run into trouble so I would be expecting a continuation to the long side, but at this stage that would be guess work.

Attached Image (click to enlarge)



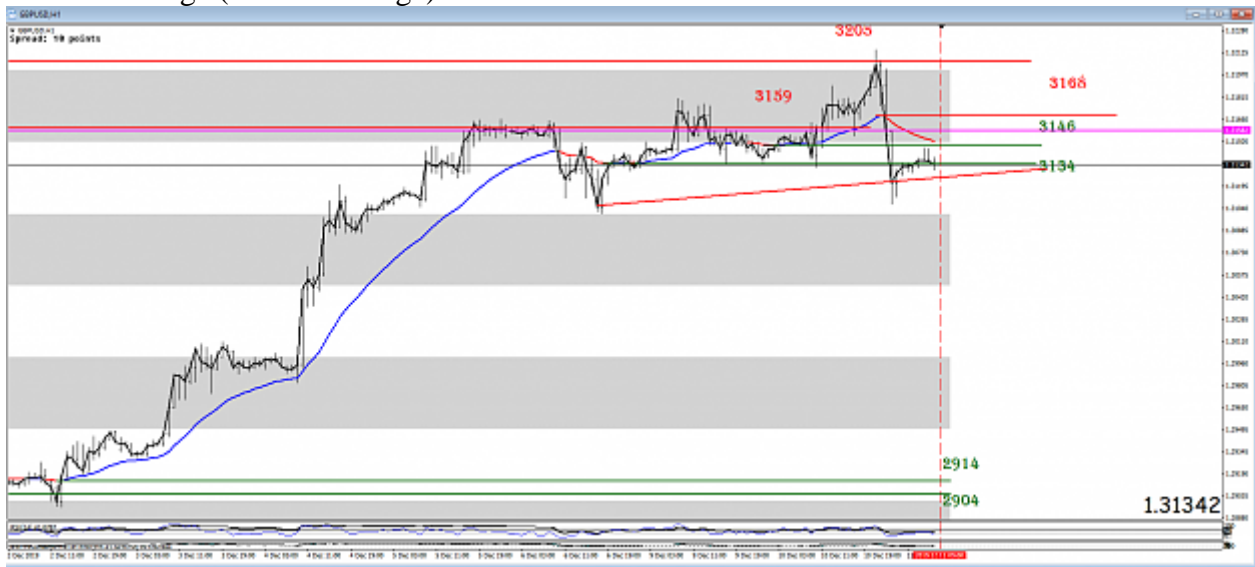
Just before our open I can't pick this just yet.

The bears are still fighting to gain support but the bulls have them in divergence.

The EMA is testing for a LL but the bulls don't seem to like that idea.

Going to wait and see for a while.

Attached Image (click to enlarge)



I should have taken the Short with a tight SL.

Attached Image (click to enlarge)



Regret always comes too late as we say here. I wanted to see price heading into the H1 EMA but the Bears didn't wait for that. The M30 EMA again was resistance. The H1 EMA currently attacks yesterday's sideways level as Alan pointed.

M15 targets:

Attached Image (click to enlarge)



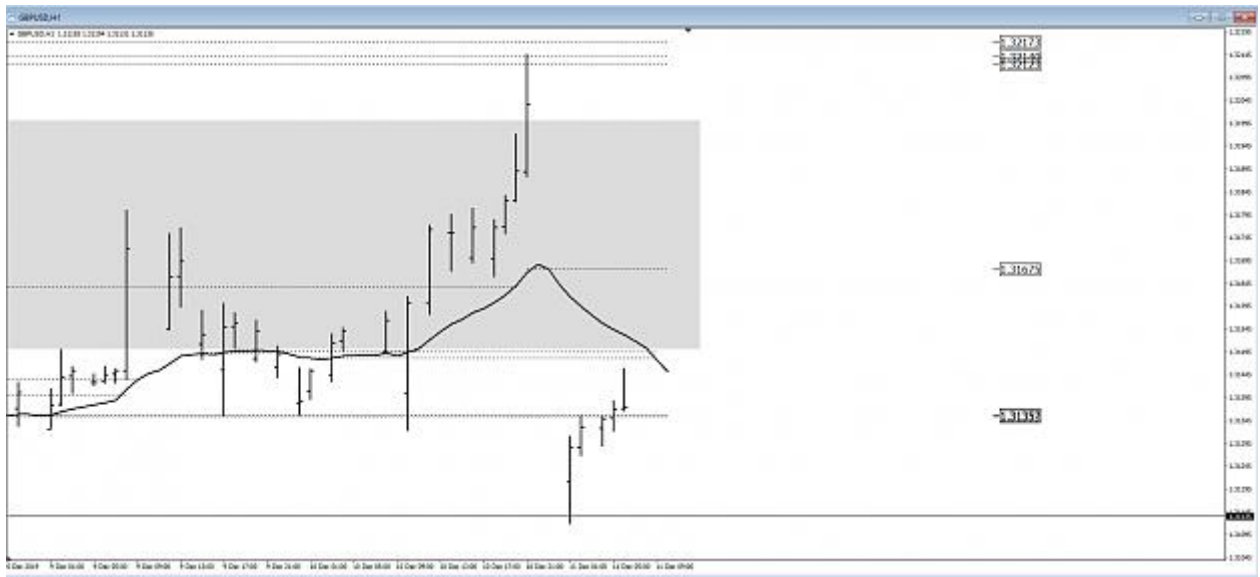
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[Quoting Jazz1964](#)

{quote} Instead of 1.3205 I have 1.3214 marked up. Which was the exact bounce. I just checked that number in history and I think it is correct. Maybe you should check it too, so we have a good picture of what swings are doing? I also have 3218 and 3225 and 1.3267 marked but those are no swing highs. Just a grey field between red and blue.

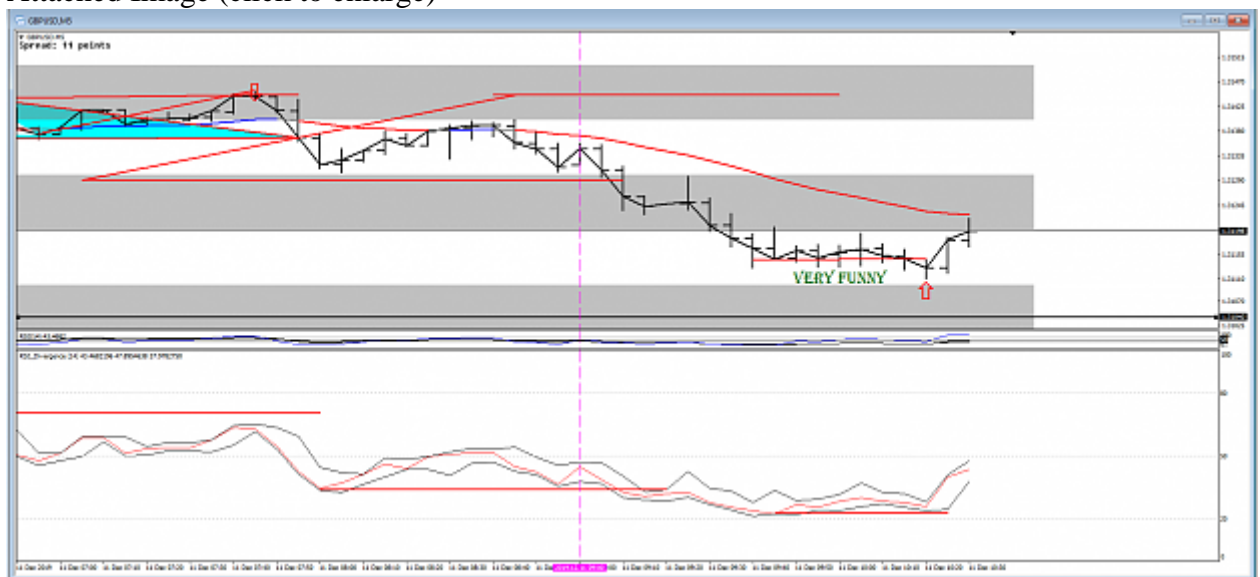
Mine was just a close enough but when I blow the thing right up I can see you are correct but then I would have been looking at the 32123...1.5 pips difference hey!

Attached Image (click to enlarge)



Got my stop to BE at last

These HDs kept stopping out, someone is playing silly beggars  
Attached Image (click to enlarge)



Needs to push up out of div  
Attached Image (click to enlarge)



Looking at the longer term daily chart I see this is progress...

The AB = CD is getting close now.

The EMA swing high is getting close now.

There is a possible local target to 3270 slightly above the D

No sign of a long term short

On a daily basis these are not huge targets to achieve.

So I guess we should be looking for longs on the lower time frames.

Attached Image (click to enlarge)

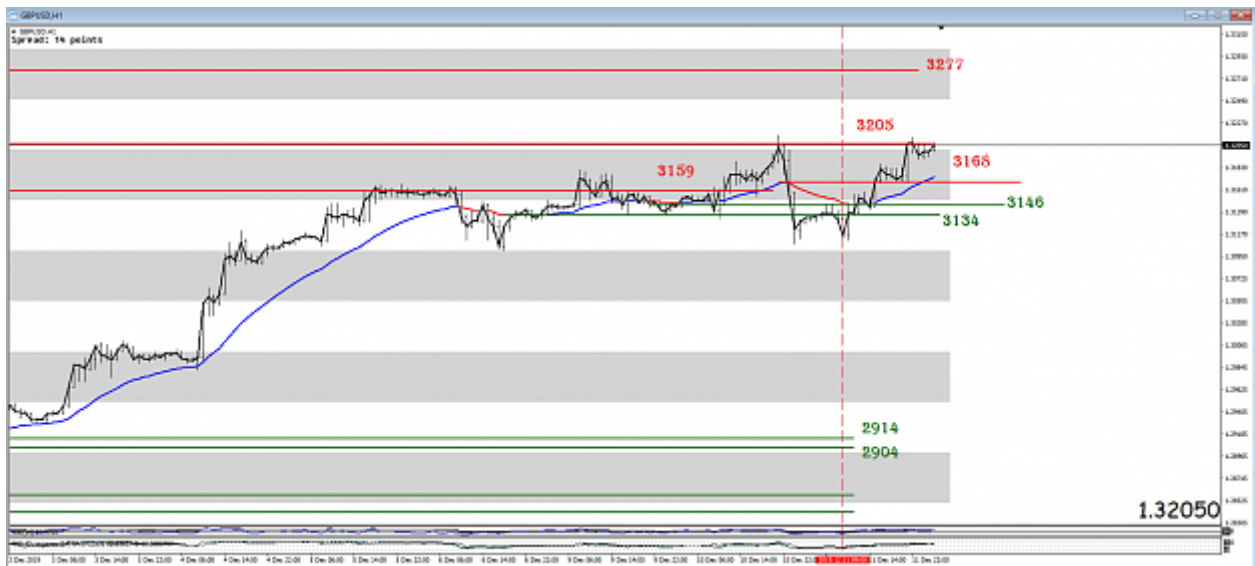


On the 1 hour chart the EMA has made the HH so it has to reach the 3205 which it did.

Now if the EMA is to make the 3205 then price should pull it up by reaching the 3277.

So once again still looking for those lower time frame longs.

Attached Image (click to enlarge)



SWING LOW

- [Jazz1964](#)
- Joined Apr 2008 | Status: Member | [942 Posts](#)

### [Quoting KevinOwens](#)

{quote} Hey Jazz, I hope you are having a great time. It's very good to have you back. You were one of the founding members of this thread and I'm sure that you've mastered this strategy. It feels good to again see your insights. Please keep continuing to post your trades and analysis.

Hi Kevin, thank you for your kind words but remember my FF signature 😊

I had to fight mainly two issues. The first one was my mindset, coming from EA development and trading for the last 10 years or so, I had to get used to taking responsibility for my manual decisions and positions again. Problem solved.

The second issue was chart reading. I gave far too much weight to all those divergences against the trend, expecting a reversal. That gives loss after loss. Now I read the chart with a helicopter view: what are the EMA's telling me? Swing highs and lows? What is the trend on all timeframes (trend reading buy EMA swings). Where are the ZOO's?

Success in Trading = knowledge + experience + hard work.

Go for it!

I just did one trade today, was busy autumn gardening and sure a bit cautious because of the elections.

But below here my considerations.

I agreed with Alan's post with an overall Long Bias. (I am not married with such Bias; need to be flexible!)

But we got to see that before 108 we have H1 divergence (within both RSI's), so I would expect to see Price going to the H1 EMA, which it did.

Attached Image (click to enlarge)



I wasn't at my screen so early before 108 bar, but here is a nice Long on a ZOO. I definitely like the setup and would have tried it with a tight stop (against the H1 div, I know).  
 Attached Image (click to enlarge)



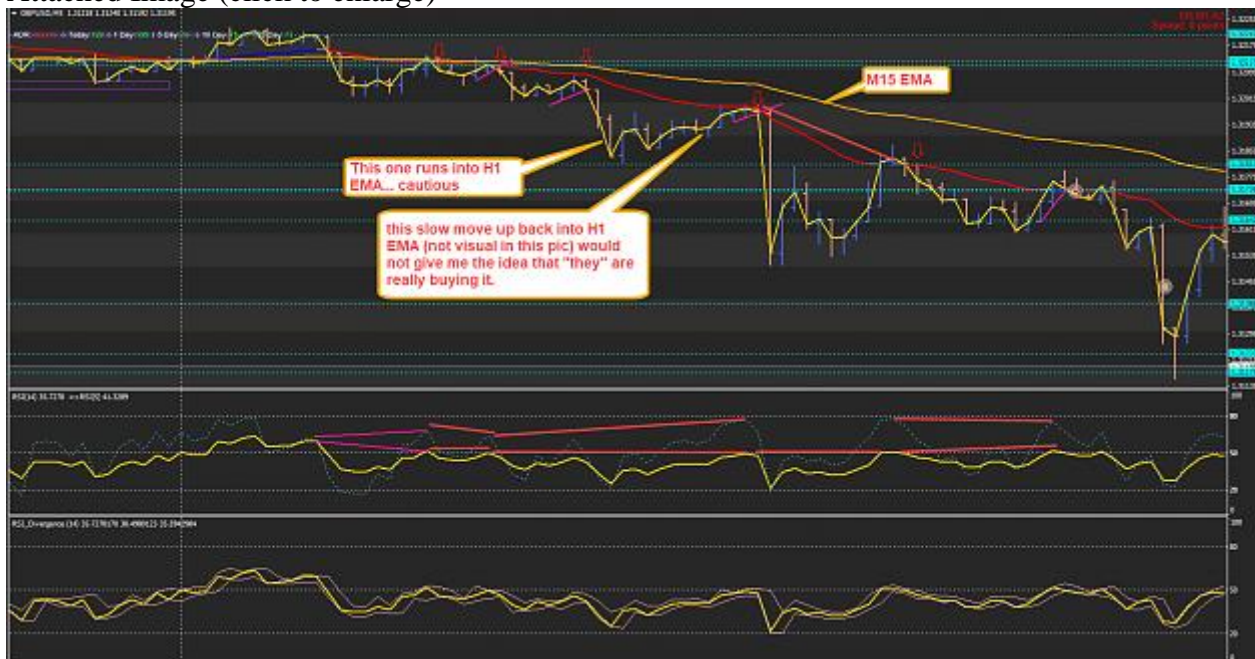
But be careful, H1 div.

That's why the Long target at the EMA Swing High is a good one.

In the pic above you can also see a setup for the first Short of the day.

And of course, there were many great short setups further on:

Attached Image (click to enlarge)



Finally trading Structure and PA only

Every hour that passes now is really going to drag that 1H EMA skywards.

The daily is well into that wide open space and the monthly is on track to hit its target (3615).

The weekly has crashed through the D of the ABCD and is on track to hit the EMA swing high of 3760.

Attached Image (click to enlarge)



I hope everyone made bucket loads of money because I wasn't trading yesterday nor today.

Here is a shot of my daily showing and  $AB = CD$  for a change.

Note also how the EMA is about to make the HH and this big push we have just had looks nothing more than an impulse bar to get it over the line... Funny that huh!

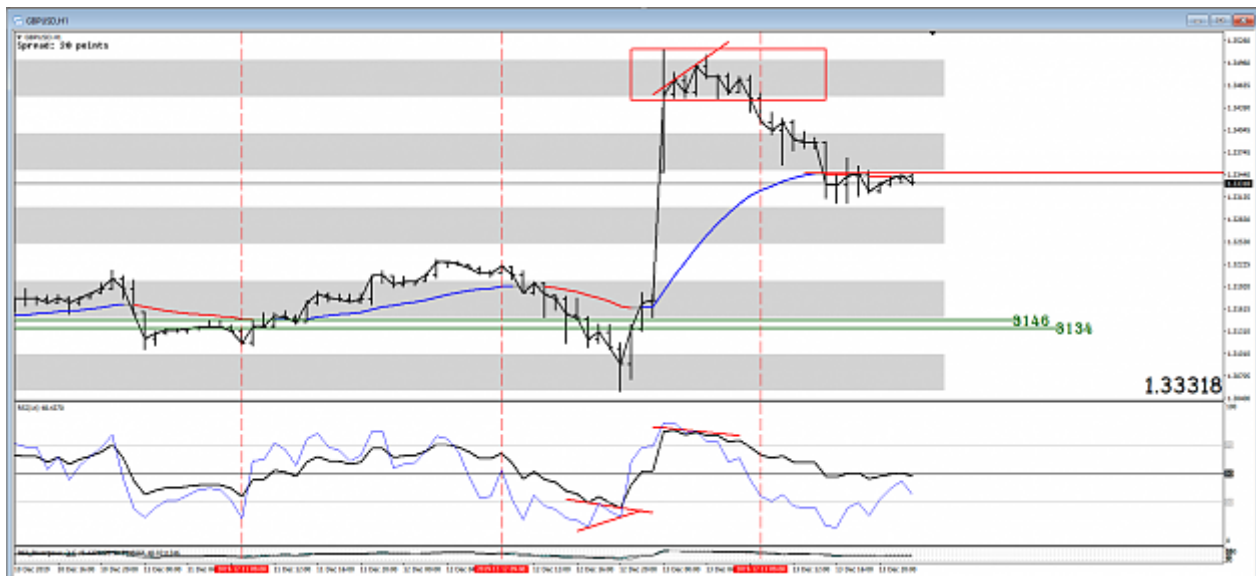
Attached Image (click to enlarge)



The bear div on the hour chart sent price back to the EMA, that's a lot of pips, you guys must have made a fortune.

The bears have not found support as yet running into a tiny RSI bull div, it is hovering on the EMA now.

Attached Image (click to enlarge)

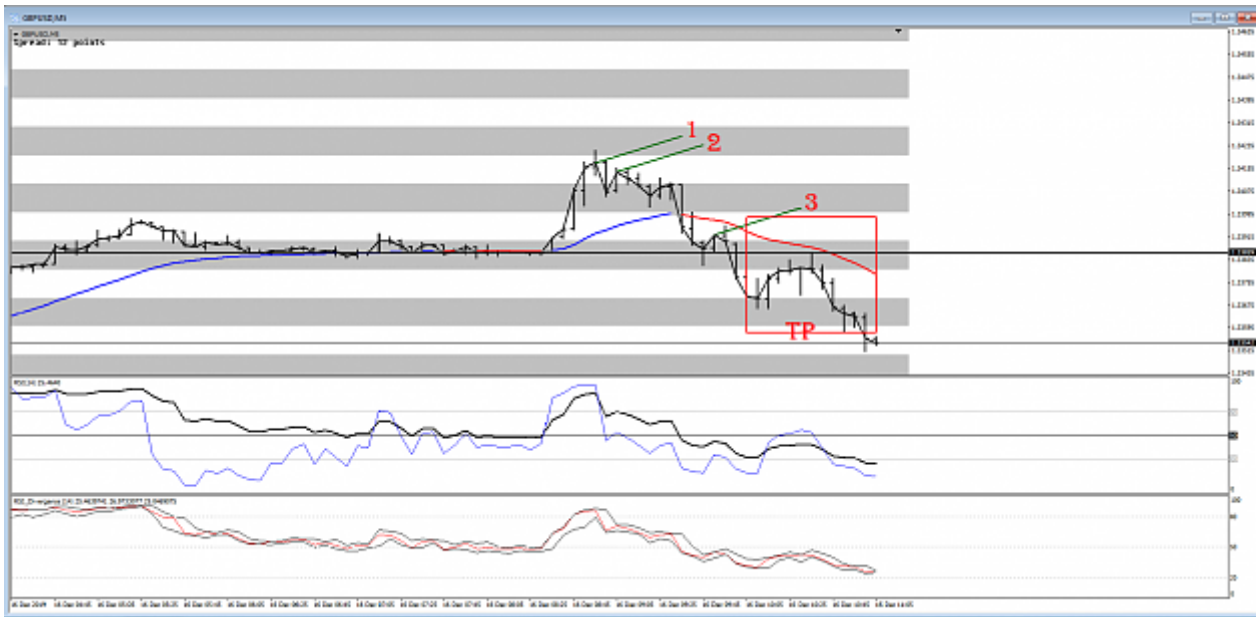


Today's trading from my marked Zone of Opportunity:  
Attached Image (click to enlarge)

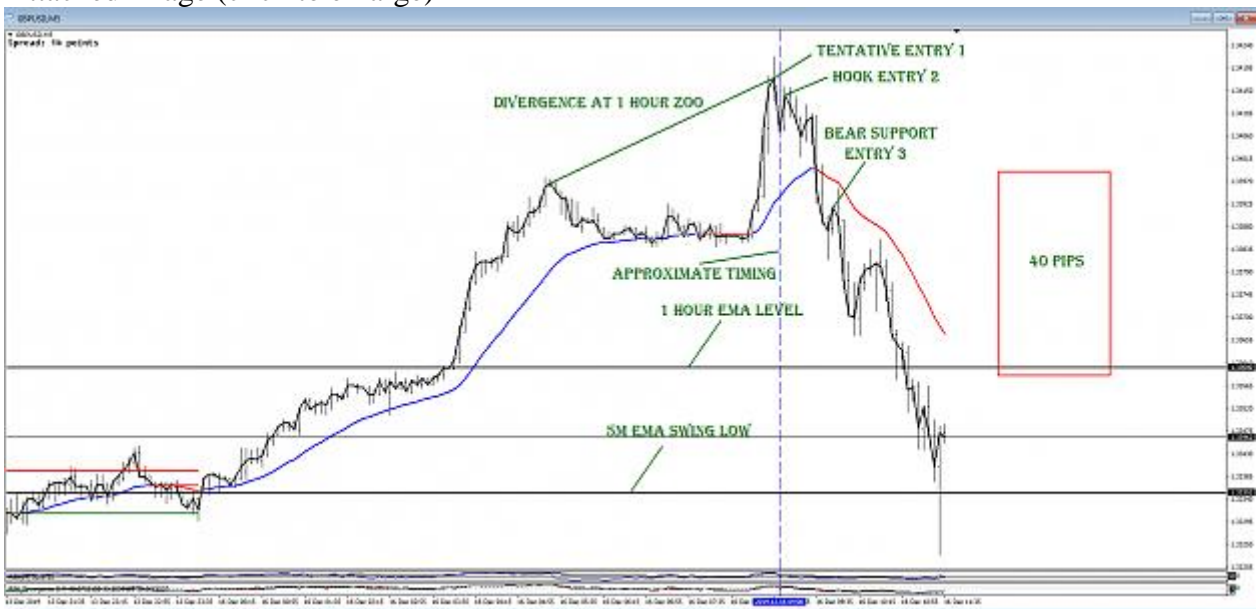


That's how it is done.  
Define the ZOO, as marked on the H1 chart.  
Do the analyses when price gets there.  
Keep your risk tight.  
Go. I'm done now too.  
It hit my line before but still had the spread to go....

Attached Image (click to enlarge)



This trade is so common it is well worth specialising in it so I have posted it all below.  
 Attached Image (click to enlarge)



It is these averages that we are measuring and trading so even if you are a tad late you can still get in  
 Attached Image (click to enlarge)



[Quoting KevinOwens](#)

{quote} Hi Jazz, apart from the H1 div, do you have any other bias? It looks like a sup/res or sup/dem as you've drawn on H1.

Hi Kevin,

It is trading below the H1 EMA which is making a Lower Low swing. My overall Bias is down. Possibly the election gap will be closed.

What a night. The second leg down started early today, missed it completely.

This is not a market where I feel comfortable, tbh.

Mainly I should try to get in short business from M5 M15 EMA.

But H1 completed an ABCD in divergence

Attached Image (click to enlarge)



3243/3235 Asian low is obviously a level to watch for at least a retracement back. If we get there it seems to be with div. I will watch this on the M5 for an HD.

3186 previous resistance

3152 previous support and 3163 (edit) H1 EMA swing low

3124 M15 swing low

Finally trading Structure and PA only

#### [Quoting Jazz1964](#)

{quote} Hi Kevin, It is trading below the H1 EMA which is making a Lower Low swing. My overall Bias is down. Possibly the election gap will be closed. What a night. The second leg down started early today, missed it completely. This is not a market where I feel comfortable, tbh. Mainly I should try to get in short business from M5 M15 EMA. But H1 completed an ABCD in divergence {image} 3243/3235 Asian low is obviously a level to watch for at least a

retracement back. If we get there it seems to be with div. I will watch this on the M5 for an HD....

A couple of corrections to this chart...

This is where we paly detective and ignore the div because we can see where both the EMA and the price are heading. Any bull div is likely to fail.

Remember when the AVERAGE makes a LL price will reach the next level. Both ABCD's and  $AB = CD$ 's are the mechanisms for making these targets.

Attached Image (click to enlarge)

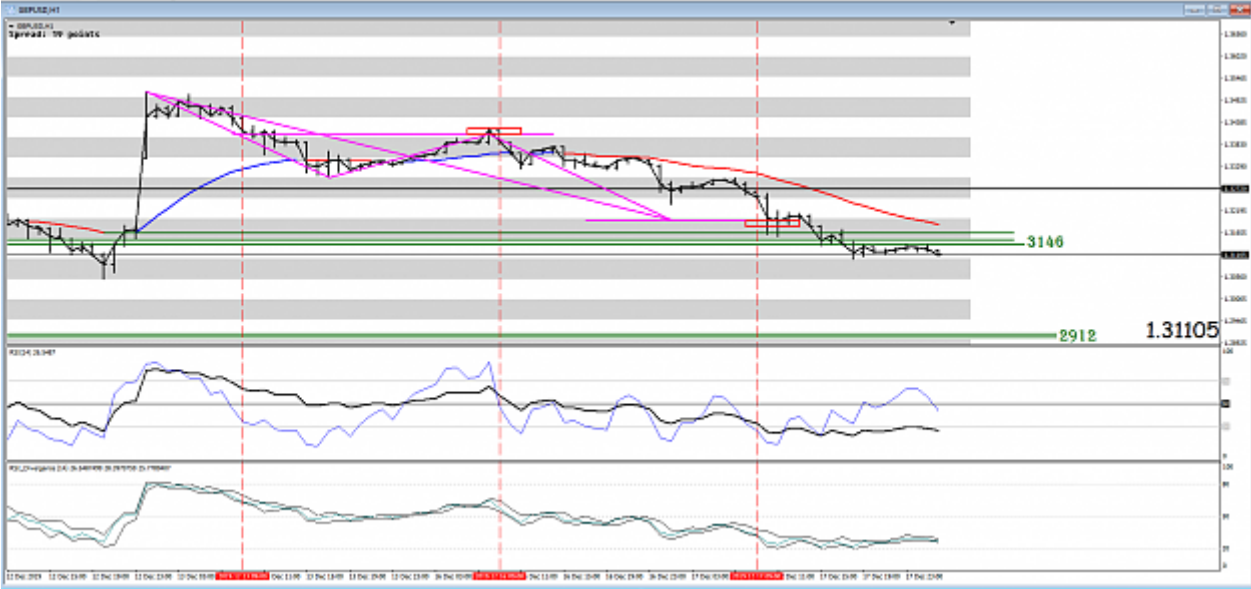


Thanks to Jazz and others for posting their charts this is the only way I can tell what folks are thinking about. I can't read minds only charts so if you don't post how can I make corrections.

By drawing up your charts you also learn a lot more quickly about all the elements we consider and it becomes a winning habit to do so.

Here we see the AVERAGE is trying for the LL so have a guess where the price should stretch for.

Attached Image (click to enlarge)



This gives a bias we can work with at the lower time frame.

If you wanna know where my Zone of Opportunity was:

Attached Image (click to enlarge)



Traded from there, with the divergences.

Day is done!

Heading to the D1 EMA

Attached Image (click to enlarge)

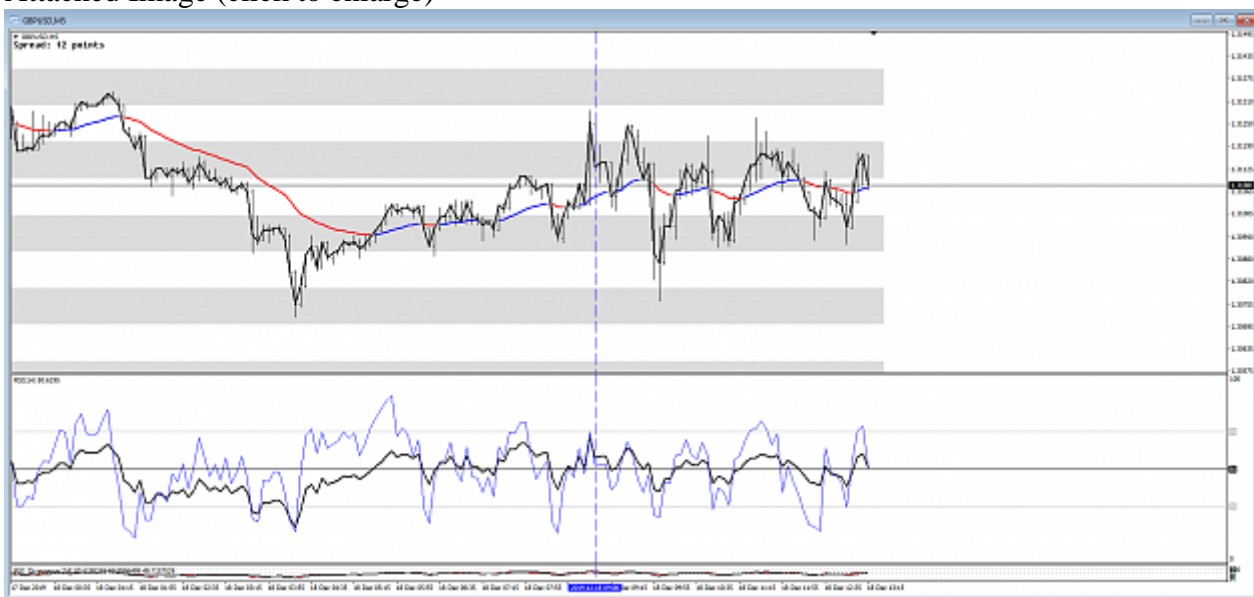


Finally trading Structure and PA only

Just popped in to have a look, temperature is absolutely roasting hot here..

I see neither side has been able to find and hold support so we need a breakout.

Attached Image (click to enlarge)



[Quoting huskyboy](#)

{image} Hey Jazz, can it been seen this way, this morning i marked the last price swing high on the H1 as a ZOO, it was close to that EMA 26 swing high on the M15. It was reached on the H1 in a bearish rsi/rsi and on the M15 in a HD (and i missed that) From then i started looking for shorts and i entered on the M5 after the hook and closed at the bottom off the range as it was ranging this morning. So can previous price swing highs or lows been seen as a ZOO on the H1?

My answer is yes sure.

I like your chart, good analyses.

Just your entry could have been earlier and higher IMHO. Look at the pic below here, I have marked the HD clear. As soon as price came back in the balance area you could have jumped in, e.g. at the next bar open.

Attached Image (click to enlarge)



Finally trading Structure and PA only

[Quoting huskyboy](#)

{quote} ... But what do you mean with the balance area? {image}

Attached Image (click to enlarge)



Finally trading Structure and PA only

### [Quoting bridgstarr](#)

...The H1 EMA is making lower lows, and price is below EMA, but there was a divergence yesterday, so expect price to move back across the H1 EMA. This would give me a long bias.

Expect Price to go to the EMA. Possibly it goes through.

If we then get a bull support, we are long-biased. As long as I don't see the bull support, I am cautious with Longs ( I don't say I never take them).

### [Quoting bridgstarr](#)

...Through the Asian session there are various divergences both ways - I haven't marked them all to avoid too much clutter.

I guess you talk about lower TF charts like M5. Indeed I only draw div's there which are relevant to the 108 bar.

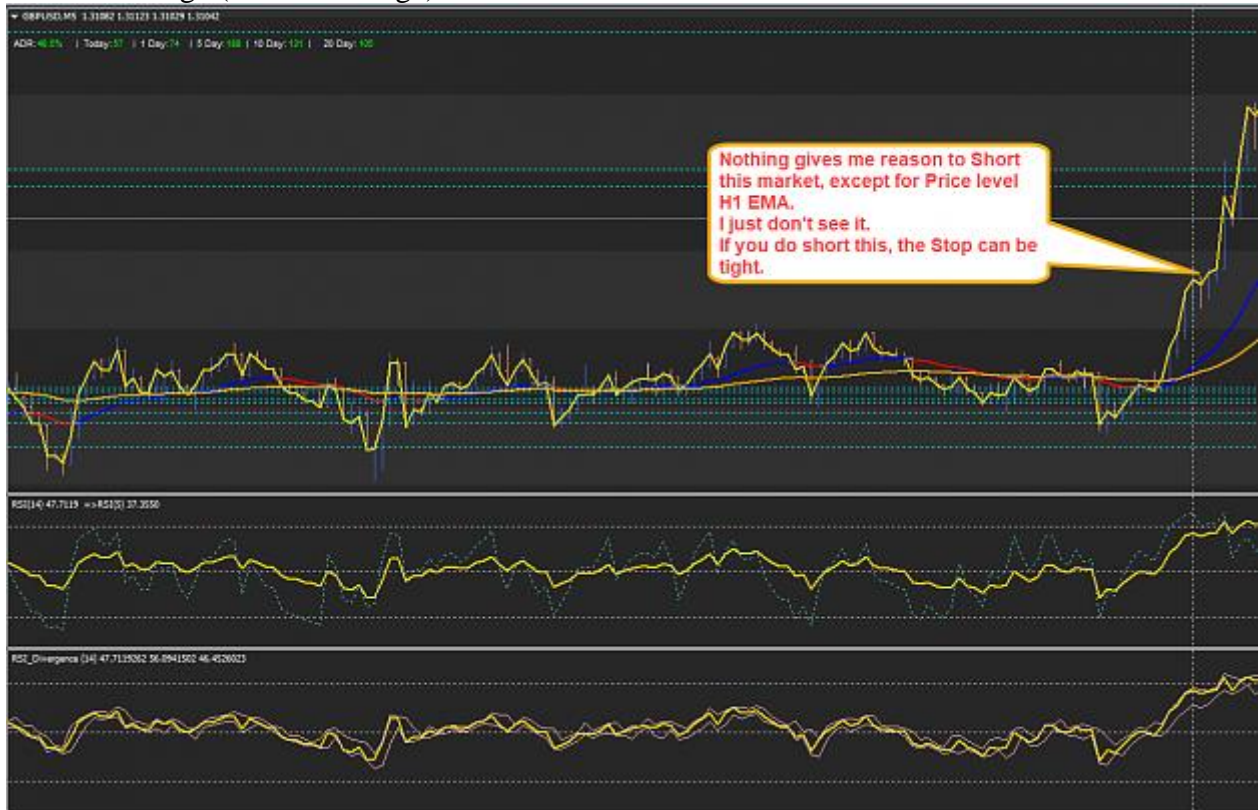
Next to that when I enter my computer in my morning, I draw all the EMA swing high/lows. I prefer to do that manually, so its development is printed in my head.

### [Quoting bridgstarr](#)

At 06:00 there was a bullish divergence, so again a reason to go long, and on M5 RSI went below 20, so a reason for entry 1 (too early for me - was in bed), then the pull back at 2, where fast RSI stays below the slow RSI. However at that point (08:30 by my broker), the previous hour candle had closed in bearish divergence and the current hour candle was also in bearish divergence, so now I'm thinking I should be looking for short.

I am with you. Partially. Yes I saw the H1 div south too when price hits the EMA around bar 108. I was eager to get in a short but I couldn't get it done.

Attached Image (click to enlarge)



What I miss in your story is the mentioning of ZOO's.

H1 EMA was a ZOO but it was very stand alone. I didn't find confirmation.

An EMA is not a line that can't be passed.

### [Quoting bridgstar](#)

At 09:00 on m5 the EMA movement is telling me long, but the price is at the H1 EMA, it is overbought on M5, the 08:00 H1 candle has just closed in bearish divergence, so in my eyes there is at least as much telling me to short as there is to go long. I always see conflicting signals, and when I don't have a grasp on the long term bias it means I get out of the trades early. I have never managed to get 40 pips, and never managed to get more than two trades on, because I don't have the confidence that I am reading the charts correctly. Hope you can...

So my question is, where do you have your ZOO's marked up?

Regarding my Bias for today, that was kinda undecided. Remember the Daily chart I posted yesterday? that is still in my mind. Next to that, the downtrend given by the H1 is clear.

So I look for shorts .... on a ZOO.

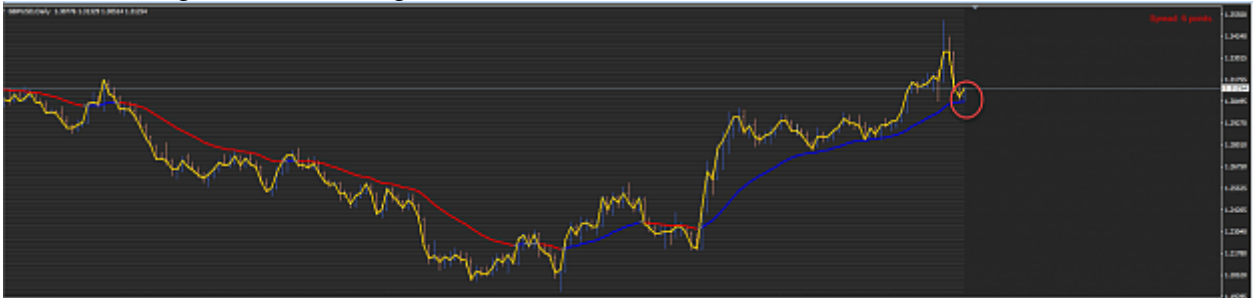
Guess what... daily target reached.

It doesn't matter that you have a few tight losses as long as you make them on important spots on the charts. Just don't trade every divergence you see.

Finally trading Structure and PA only

That MPC Official Bank Rate Votes took Price down to the exact D1 EMA

Attached Image (click to enlarge)



Finally trading Structure and PA only

Well having tried to fathom out all of the above and I am still confused.

There was nothing different yesterday than any other day with the exception of that huge bullish spike after the target was hit which is actually no so unusual.

Attached Image (click to enlarge)



Too late for me to trade now...Off to bed..

Attached Image (click to enlarge)



Interested to see if the Bulls on H1 find support.  
 If not, this is a possible scenario targeting for the Bears 1.2914  
 Attached Image (click to enlarge)



Finally trading Structure and PA only  
 Well that was a nice long pull back by the bears.

The thing to note here is the passing of the 3131 level resulting in price making the next level of 2904. Lots of 40 pip trades to be had in that little lot hey!

Now because price has not broken the 2904 we would be expecting price to try and halt the decent of the average and possibly turn it around.

Attached Image (click to enlarge)



There has been lots of entry signals to the short side and if one is prepared to wait a couple of hours then the 40 pips pays big time. This was something like a 600 pip down move.

Going to try a couple of tactical changes this coming new year, hopefully to blast the account into the heavens.

More on the when I return in February.

Hi Girls and Guys,  
Hope you all enjoyed a good holiday.  
Just a heads-up on this system:  
Attached Image (click to enlarge)



Just one trade setup today.  
Enjoy weekend!

And this was yesterday, I was late a my screens  
Attached Image (click to enlarge)



Finally trading Structure and PA only

[Quoting huskyboy](#)

{image} I had this in mind the moment i entered and off course the H1 EMA swing low @ 1.29697

IMHO this is correct:

Attached Image (click to enlarge)



Finally trading Structure and PA only

[Quoting Del62a](#)

Jazz and Huskyboy Here is the ABC i drew on Sunday night . I am still trying to figure this out. More homework for me over the weekend. I am still learning to draw these , but it did give me an idea of where price was heading if it was going up or down. Thanks for all your help. Happy trading Del { image }

I would draw it like this:

Attached Image (click to enlarge)



Shame the base point A is not below the EMA but that is not that holy as we can see in a picture from Alan, example at the right of the chart:  
Attached Image (click to enlarge)



The RSI is in divergence.

Finally trading Structure and PA only

[Quoting huskyboy](#)

{image} HD was also confirmed by a reg bull div H1

Hope you don't mind... the HD you drew there is just a regular div. those two blue bars at the bottom are not in hidden divergence because their Lows are not in divergence with the close of the base bar.

I marked a correct HD on your chart.

Attached Image (click to enlarge)



Maybe you compared the Price Bar lows the RSI low? Yes that shows a divergence too.

I bet Alan will correct me if I am wrong on my posts 😊

Finally trading Structure and PA only

[Quoting PhillipmC](#)

I'm, a little bit bummed about last night I missed the move down which was ok because I didn't really see an entry point to short at open no real divergence. I then tried to long just before news which was a bad idea and got stopped out pretty much straight away then I was so disappointed I didn't try again because of fear of losing again.. if I had I would of made up my loss and been in good profit.. how do U guys handle that first stop out ?

The 3-step entry helps a lot but if you are a bit like me, it takes quite a while before you can manage that.

Maybe your risk is larger than what you feel comfortable with?

After a Loss, I watch for the next setup at a ZOO.

And if I am not happy about my mindset, I walk away.

Here is a suggested chart with a loss and several winners based on Two Bar Tests. The positive Pip results are conservative determined.

You can also find the first setup before 108 with its divergence.

Attached Image (click to enlarge)



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[Quoting Jazz1964](#)

{quote} . Here is a suggested chart with a loss and several winners based on Two Bar Tests. The positive Pip results are conservative determined. You can also find the first setup before 108 with its divergence. {image}

A couple of points here.

The first two bar test entry was fine, we are below the EMA looking for shorts.

The second was very iffy going against the trend of the EMA, we should be looking for shorts. A two bar test above this would have given us a second entry and so on.

We should also be looking at these as being ZOO points to be traded at the 1 minute level.

If we are to go long against the EMA trend then it should only be considered as a hedge or a scalp.

A proper long on the 5 min chart would take a ZOO point on the 1 hour chart.

There is nothing wrong with trading like this but since mostly we would only get first entry trades it would require us to get some 230 pips in total.

Approx:

1st entry trades require a 230 pip total.

2nd entry trades require a 77 pip total

3rd entry trades require a 30 pip total.

All the time managing the stops to limit risk.

### Quoting PhillipmC

{quote} Hi jazz .....

1) i noticed that on the the first trade you drew your div line on the bottom of price while on the rsi you drew it on top i thought we always had to draw the same side of price and rsi ? or do i have that confused ?

.2) .....did you miss the trade down like i did ?

3)..... i think i know why about the first trade was i because it tested the 5MA then showed weakness on the RSI ?.....

4) Jazz the yellow MA you I'd that 60MA ? So what number is that MA on the M5 ?

1) the white little lines in the price windows are Two Bar tests instead of divergence.

2) yes

3) not sure what you mean, sorry

4) That is EMA(78) which is  $3 \times 26$  and thus equals the EMA on the next higher TF M15.

I had the same fight against fear. I had to limit my funds to 35 Euro so I could invest time seriously, instead of serious money.

As soon as I was getting consistently profitable, my account grew in six weeks time to the level I wanted.

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### Quoting PhillipmC

{quote} .. last week I traded so well with your system still trying to work out why I lost focus..

I had the same fight last year and mine was harsh. Some trader friends from this thread gave terrifically advise like:

"I have a few absolute rules that I stick to, like never countertrade in a strong trend, never add to losers, step away for at least one hour after 20 pips down, never move a SL away from price only towards BE, and a few more. And if I break any of these absolute rules I force myself to quit for the day.

I also have a rule of not trading when upset or emotionally unbalanced. This one is more subjective, but it has helped me to focus on being sharp when I trade. If I for some reason (also not trading related) my mind is preoccupied with something other than trading then I do not want to risk my money, cause I know I need to be sharp and present to read the market correctly."

"From what I see here I think you need to compile a trading plan with all your rules set out for the different scenarios to prevent this from happening. A brief example of the technicals for this scenario would've been:

Short trades: within a short HTF environment first trades are taken with every bearish divergence after xxh00 (RSI, regular, hidden) at x lot size. Second trades are taken after price is in favour and upon 2 bar test or

subsequent divergence at y lot size. Third trades are taken upon favourable price movement, divergence or passing a price pivot at z lot size.

Stops are set to \$x and moved to BE when \$y in profit. If stopped out subsequent bearish trades are taken at x+y+z lot size upon divergence....etc

Hedges are taken.....

Perhaps take a screenshot or two of previous trades for a visual will be beneficial within your plan too."

Attached Image (click to enlarge)



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I am successful with trading from a ZOO. As a kid I hated them because they stink, but the older I get, the more interested I am.

Today before 108 bar Price came into a Zoo (Zone of Opportunity) from Sunday night (H1 chart).

M5 showing divergence within both RSI's.

I Sold with a 3-step entry, 3rd entry a bit late probably. It worked. Reached my daily target via profit taking, bounce on M1 EMA, hesitation, and re-entry.

Attached Image (click to enlarge)



Look how beautiful the AB=CD worked. BC was 50% retracement. At D, Price ended after News a little above the M5 and M15 EMA Swing Low. Finally trading Structure and PA only

[Quoting Del62a](#)

Jazz This in my latest attempt at ABC triangle Is it correct? Del {image}

Here is your picture with a correction.

Attached Image (click to enlarge)

lel62a published on TradingView.com, January 15, 2020 10:55:06 GMT

FX:GBPUSD, 60 1.30027 ▼ -0.00138 (-0.11%) O:1.29919 H:1.30043 L:1.29880 C:1.30027



Got it?

(I am not sure if we normally call "A" what I called A on this picture but for the method that doesn't matter).

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That exit at 1.30266 would have been a great entry Long up to the 1.3072

Attached Image (click to enlarge)



Finally trading Structure and PA only  
 That's a precise projection  
 Attached Image (click to enlarge)



Finally trading Structure and PA only  
[Quoting huskyboy](#)

{image} Jazz, how to manage the SL off that second long, I first set it to BE +1, then after that pullback i placed it there and got stopped out. Do we let it at BE +1 and going for the target, next swing H1? afk

A few notes on that.

I don't see that second entry as a separate trade, you are just more or less Long from that terrific Buy entry from the bottom (Well done!) So a BE+1 makes no sense to me.

Alan mentions he takes 50% exits which would have been executed. I doubt he will do that in this case.

The exit you took, a tiny bit below the noise, is almost asking for that to occur, which it did.

I suggest you draw EMA swing highs and swing lows as horizontal lines on your chart. You would have seen that M5 has 3 of such lines around current high. M15 has an exact swing high there..... time to get out of your trade! That's something like 30 pips from your first entry. Check the exit of my short and several other exits which I posted lately. often at such highs and lows because I watch the swings and other S/R carefully. Then check if (if!) you want to buy again, cheaper.

[Quoting huskyboy](#)

{quote} ...At least thats what it did on my m5 chart with a 312 EMA Humps MA breaks line on it (26x12), but i dont see those ema swing lows on my H1 chart with a 26 EMA Humps MA breaks line on it, strange. {image}

I think that has to do with this behavior of the 26 EMA Humps indicator:

[Attachment 3531104](#)

Problem is that the line should stay until the *EMA* breaks the horizontal line (and not Price itself).

Attached Image (click to enlarge)



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I received this picture from a trader, who took the Short (just like me). Great to see this trading from a ZOO

Attached Image (click to enlarge)



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[Quoting huskyboy](#)

{quote} great Jazz, but were you trading before 108, there was a bear H1 div (first Arrow), price didn't get to the EMA ,so price went up and again it ended in a bear RSI/RSI div (second Arrow). How did you trade that, long or short? {image}

I didn't want to short before one of the ZOO's I had in mind:

1.3097 level visible on H4

1.3112 Swing High on H1

First I took a Long with one position with full risk because it was trading with the trend. Closed after the M5 bar closed at divergence.

Then I waited for the ZOO. The first one 1.3097 was obviously countertrend and I wanted to go for a 3-phase entry meaning the first position at lowest risk. I could not get a 2nd and 3rd and got stopped out for a tiny loss.

The next ZOO was just before the News. Divergences on H1 and M15 M5. Because of a possible spike, I decided to go for 1/3 risk with a manual SL.

Exit target was H1 EMA or the M5 M15 EMA swing lows, decided to go for the highest of them.

Attached Image (click to enlarge)



That first Short that I took is from 1.3097 Level, horizontal resistance to be seen on H4.

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[Quoting PhillipmC](#)

{quote} But we should of been looking for long s as we were above the 26 ema ?

It is difficult for me to comment without charts for examples but you are correct to be looking for longs, however the situation changes when confronted with a div or several of them on the 1 hour chart. These would be ZOO hedges or scalps to the short side against the trend. All turnaround trades start off as scalps or hedges and develop into full blown trades.

Had anyone gone long at the 108 then they would have been stopped out for no loss having moved the stop to BE+1. The same thing would have happened even if they went short BE+1.

Then they may have shorted again on the 5 min div and again been stopped out for BE+1. Finally the 5 min price reached average swing high and this was the trigger to short again and paid the money.

The point is that with the money management in place we only lose a little if anything at all by moving the stop. By sticking to the plan 100% would have easily been achieved, indeed much more so even the past losses would have been made up I just want to say before the weekend starts, that I developed a deep understanding of the GU moves by studying the EMA26 swings and bounces on TF's between H4 and M5. Last two days in that tight range, then that move up to the M15 EMA swing high in div's made the finished business and started the move down. From there amazing to see the Bears found support on M5. Thank you Allan! You are allowed to take a beer today, cheers 😊

I am trading quite cautious on small risk but I double my account in two weeks. I can tell you my best month was 700% with very sound RRR. And I know it can be far better, also today. That's all I want to say about results.

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[Quoting KevinOwens](#)

{quote} That's very encouraging to hear. Thanks for your contribution. I am on my way of picking up this method. Alan's and your posts help a lot. I have a small request for you. Yesterday was very chaotic and tough for me. Can you please show/tell how you would have dealt with yesterday's market and trades and achieve the target?

Yes, yesterday with that tight range was difficult when you (like me) missed the initial trade before 108.

Look at my charts,

H1 ZOO's, which did work again, before 108 bar a nice Long at the double bottom from the Asian session. Look at the M5 for the HD div which would give the Entry Long and a nice move Up. I missed it completely because I wanted to see the H1 EMA. That's one of my errors; expecting price to get to a level *I want*. The 2 Bar Test and the Div should have been my wake up call.

At this point (before 108 bar) I expected a continued upmove into 1.3206 (H1 Swing High).

But we came soon into the highs of the Asian session with div's from H1 and lower TF's (reason to close any Long, or hedge). I took a 2-step Short with a bit of loss, but still saw the Div's into the ZOO and was able to get in a 3-step Short which brought a nice winner.

At that point in time, M15 made a higher EMA Swing Low and M5 was about to print a lower EMA Swing High. We could expect a problematic session.

From there on I saw M15 turning grey again trying a higher EMA Swing Low, while M5 made a higher Swing Low. With a clear HD. I bought it on a 2-bar test break. 2-Step Entry, then the ZOO again which was tricky, M5 div's exit. Earned some pips again. And enough to call it a day in that market.

Attached Image (click to enlarge)



\*) When I look back to that chart, I have to say I don't like the Short Entry at the golden star. The blue upbar was too bullish, no 2-Bar Test whatsoever. I rather would have taken an entry one bar later, at a worse price with a bit extra loss.

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Here is a possible breakdown of yesterday's chart

Attached Image (click to enlarge)



And look how nice the second leg of the sell off was an exact measured move from the first leg:

Attached Image



(no '50% boxes' added to the pic)

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Day is done for me.

H1 Divergence brought price back to its EMA. That was my expectation, therefor bought the market.

Then at the H1 EMA looking for a reason on M5 to short it.

Attached Image (click to enlarge)



Lot sizing:

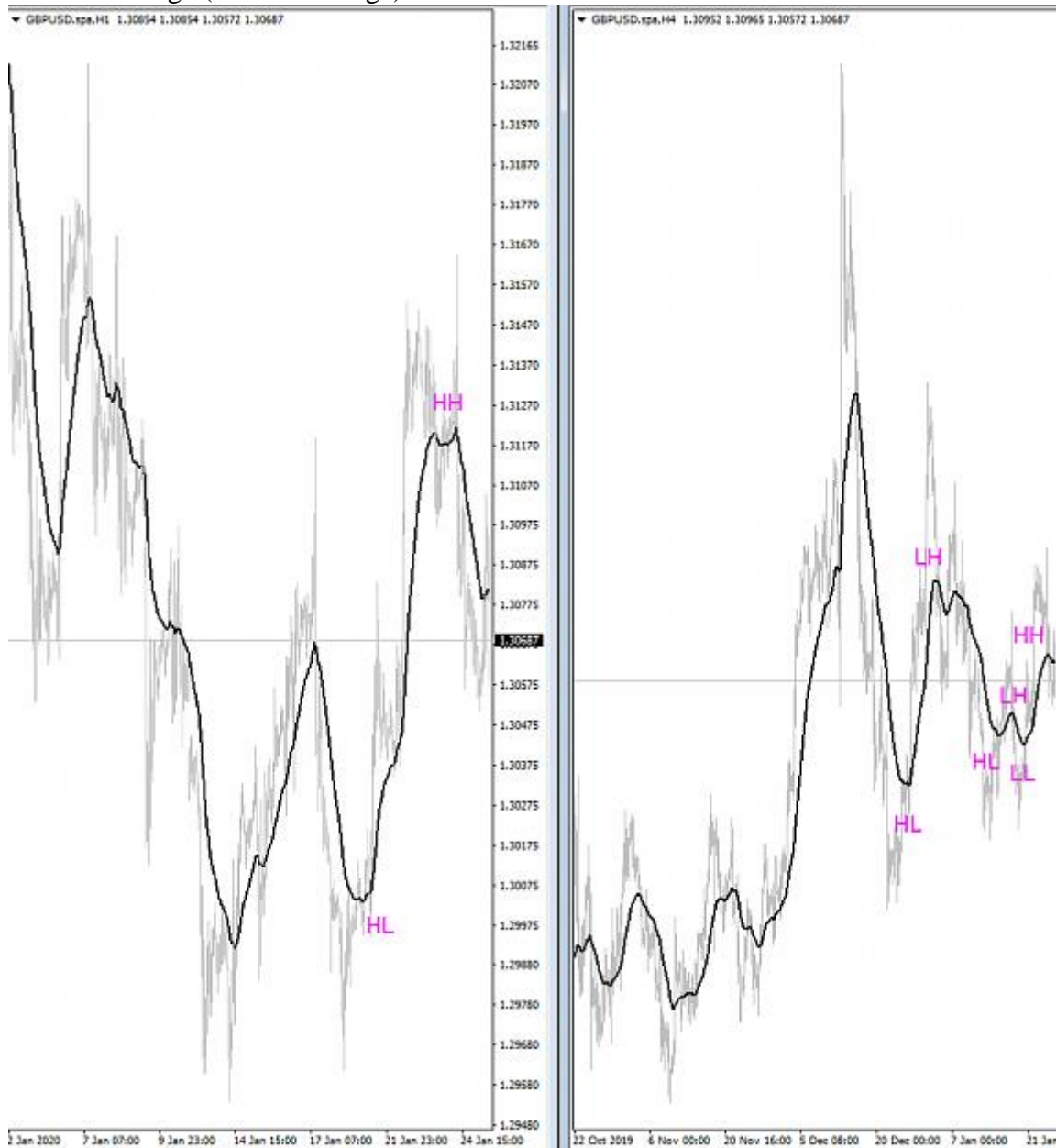
Long with 3-phase entries as per the risk rules.

2nd Long and the short with complete risk.

[Quoting huskyboy](#)

{quote} isn't price in a bearish mode, H1/M15/M30 all bearish so for that I was only searching bearish entries on the M5 or am I missing something? I know H1 is now above its EMA

I think we first have to see that the market is getting tighter:  
Attached Image (click to enlarge)



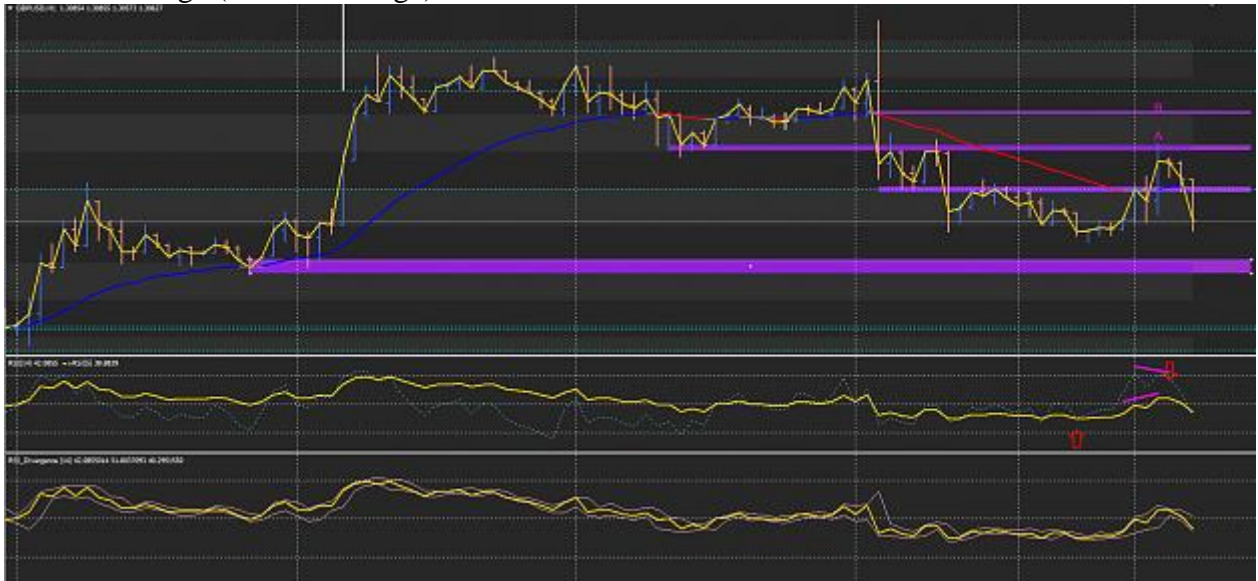
Your main idea was the H4 with the Bears found support. That was a good point but we got to think on what we see from the Average Swings.

Around 108 we had bull Divs on all TF's. That's why I dared to buy into the H1 EMA and Sell from there, but carefully.

Bears could not find support, instead Bulls on M5 found support and brought Price to the next ZOO (which I had not printed). In the picture below you can see that at the letter A.

A question you can ask yourself at that moment: will the bulls be able to pull the H1 EMA up to make a new HH (above B)?

I don't think so, right there at that point in time.  
So that Short would have been good.  
Attached Image (click to enlarge)



M5 Bear Div there, so it is completely valid to short that.  
Attached Image (click to enlarge)



Overall I think it was not bad at all to keep your stops tight, with the H1 EMA printing a higher Swing Low. But keep the bigger picture in mind from the first picture in this post: market is converging. That's where we are right now.

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[Quoting huskyboy](#)

ooooohhh didn't notice this this morning, ABCD H1 and by now its filled (the green one).  
You have to be so focused ... {image}

What about this HuskyMan?

Attached Image (click to enlarge)

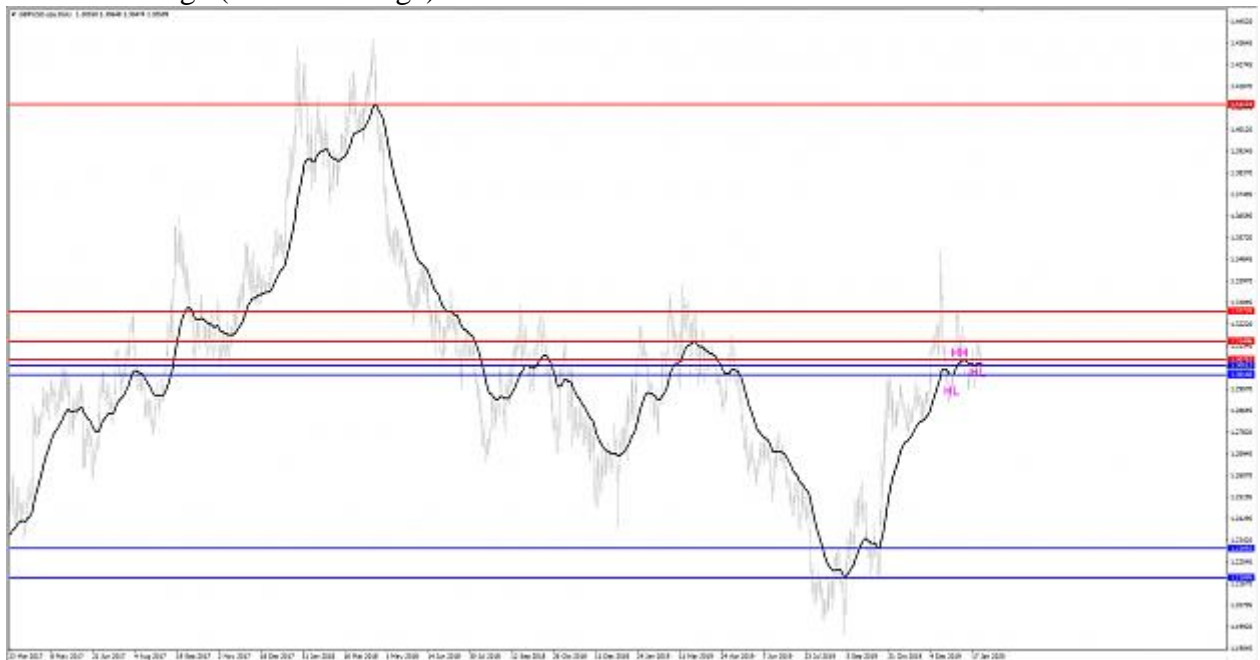


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The white charts to get an idea of direction:

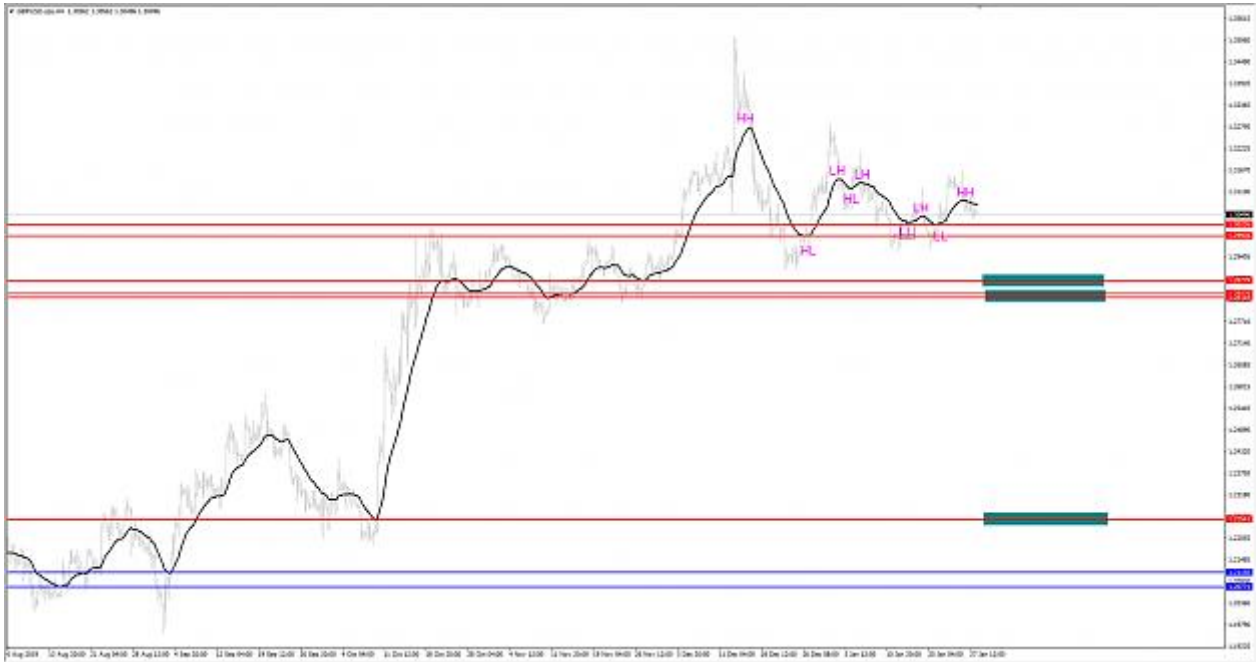
Daily prints a bit of HH's and HL's but it looks more like sideways:

Attached Image (click to enlarge)

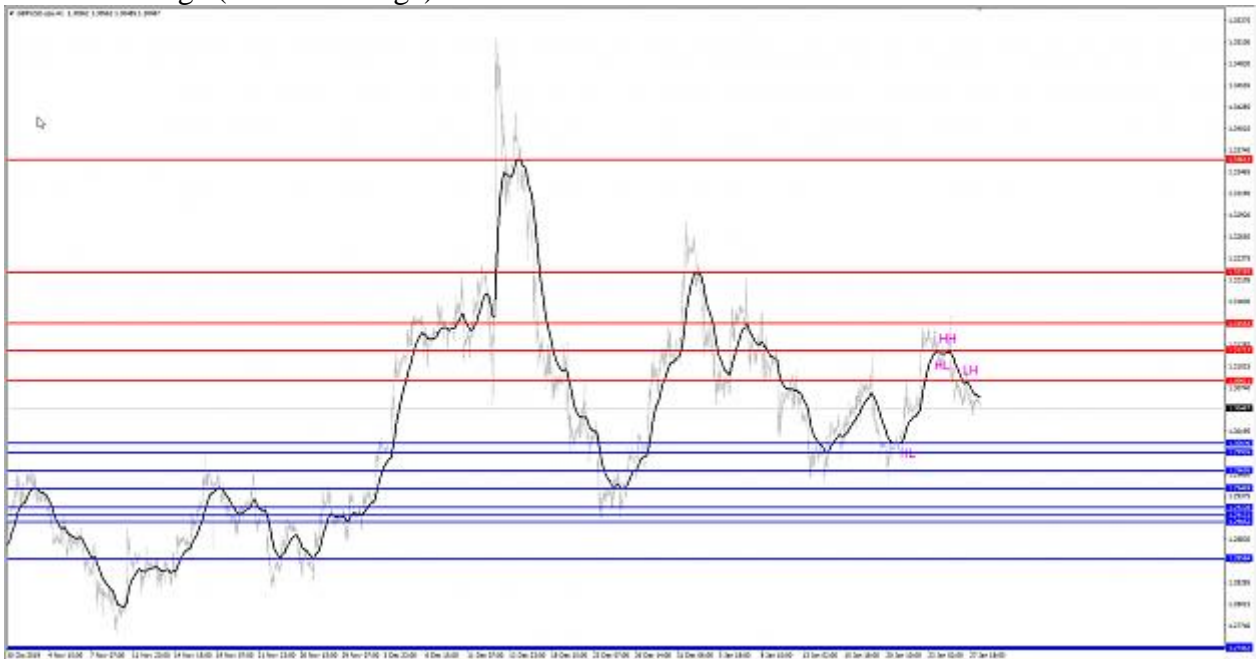


H4 sideways:

Attached Image (click to enlarge)



H1 Bulls tried to go for it but failed:  
Attached Image (click to enlarge)



Until we see a Breakout (false or/and directional) we'll have to deal with this tight ranges.  
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I call it a day, it's enough.  
Attached Image (click to enlarge)

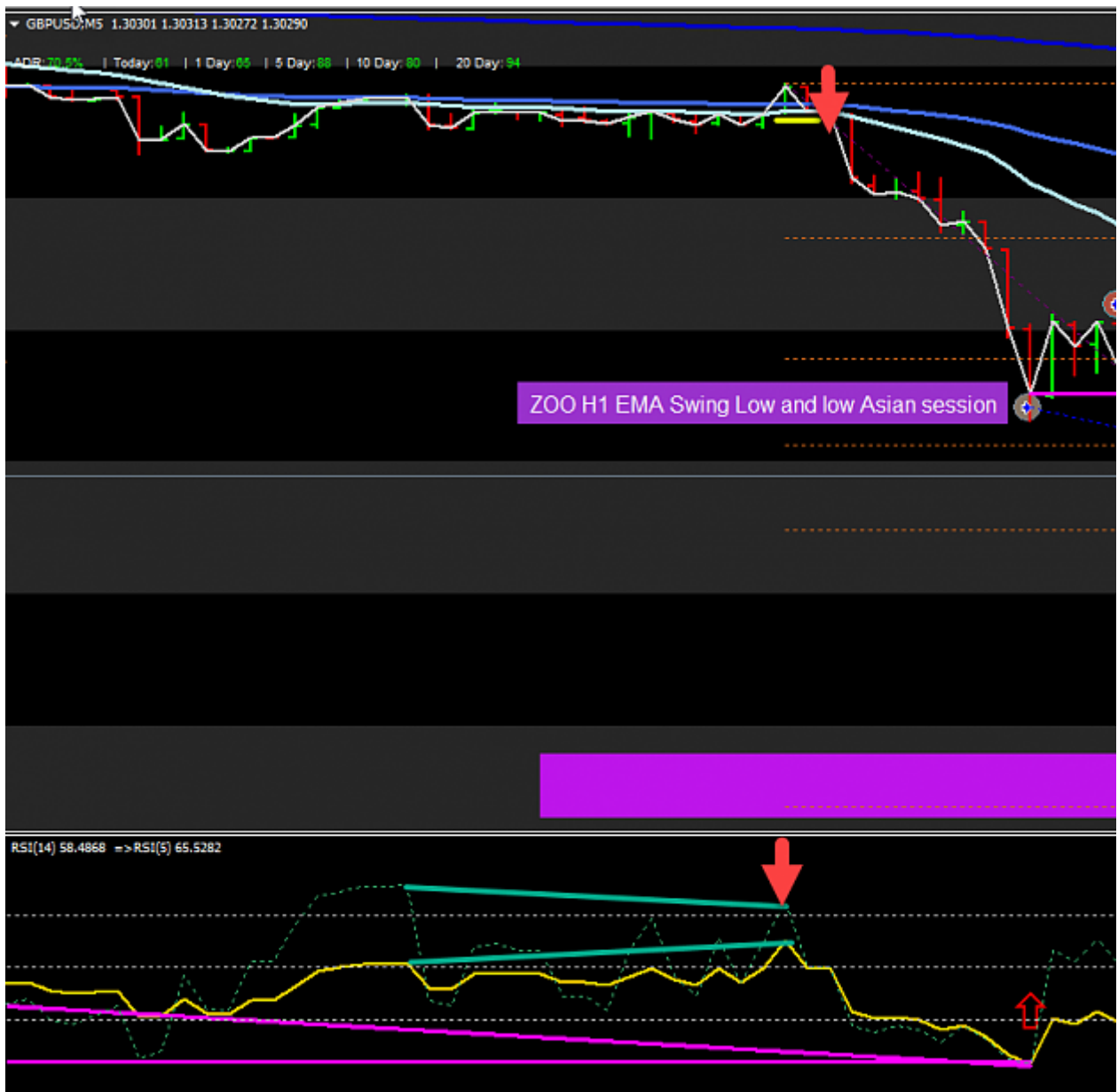


Exit at 50% retracement = EMA M15

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I missed the initial Short, that happened before I was at the screens.

Attached Image (click to enlarge)



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It is very important to get in a trade early, meaning to Buy cheap and to Sell expensive. That's what you do too when you buy or sell a car, isn't it!!!!

Trading currencies is not different from buying a wash-machine *at a discount*.

With that in mind, your first two trades were not the best 😞

Then your last trade, I have an issue with that regarding getting kicked out at BE+1. In fact this is something where I would love to read Allan's comment.

I do understand this helps to limit losses. But I get the strong idea that 'they' know that too and 'they' are specialist in finding liquidity at that BE+1 spots. These are so often the 'hooks'!

This makes me ask: why would my precise entry be that important to exit a trade +1pip? Isn't it better to just check Price itself in chart context? My answer strongly tends to be a Yes.

Hi guys I'm back and will begin trading on Monday...

Something here for you to study...

Apart from the shorts much earlier in the day take a look at these two longs 1 and 2

We see on the 1 hour chart we have hit a level and we see a bullish divergence there. This means we should be looking for something to take it long on the 5 min since we have a ZOO point.

Now when we look at the 5 min for scalp 1 we see we are at an average swing low level and we also have a bull div, on the 1 hour we can see there is a nice distance back to the EMA so all in all worth a punt and we enter by putting our toe in the water with our first tentative entry.

We got a tiny hook but our stop was safe and we would be whistling Dixie now hoping the price would cross the 5 min EMA and as it approached it we move our stop to BE+1 and get ready to place our 2nd trade. BUT alas all was in vain as price failed to cross the EMA from a div that means a lower low is on the cards which happened and subsequently stopped out the trade for no loss.

Then we come to the next scalp number 2. Same entry on the EMA 5 min swing with the same inference from the 1 hour.

Again we have a div also at this level, we get the hook but again our stop is safe and this time we do whistle Dixie as we do cross the EMA and entry 1 is safe and protected by the stop.

So now we know where we are going... 1hr EMA

We need to get more entries on namely number 2 and 3.

However we are now on the 5 min chart so look to the 1 min for these entries.

This is how we play the charts until we reach our target point.

Attached Image (click to enlarge)

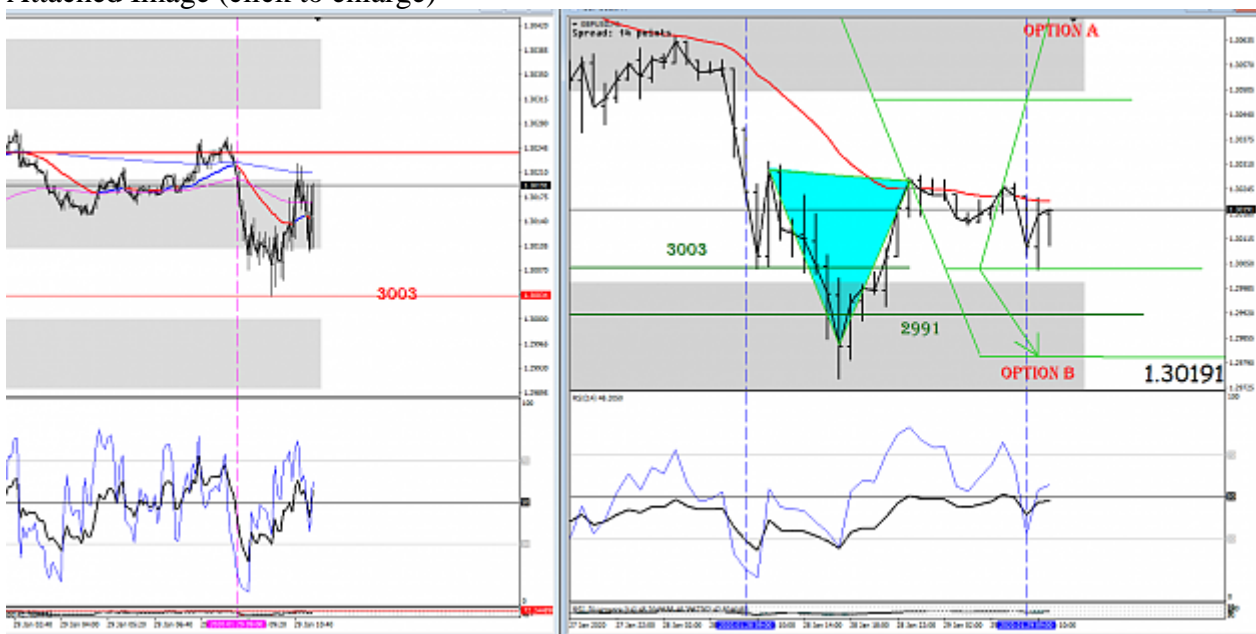


[Quoting huskyboy](#)

{quote} bull support???? there's an ABCD on the H1 for the short there was next EMA swing 1.30036

Yes bull support... Because option A here is much better than option B.

Attached Image (click to enlarge)



Here was the ZOO...

Attached Image (click to enlarge)



[Quoting KevinOwens](#)

Hi Jazz, were you able to catch that bullish move? Would like to see your trades. I couldn't find proper Zoo's today.

Hi Kevin,

Sorry, I was off and could not respond to what I read on my phone.

I did not want to do anything around 108 bar because of that flat H1 EMA I had no guts, altogether with the upcoming interest rate News, I wondered if there would be any move during the morning session. Meaning I had my ZOO's further away.

Attached Image (click to enlarge)



Ow, also that Daily support line from MrMagnet was interesting.

Here are my entries on M5.  
Attached Image (click to enlarge)



That first Long was so so but it is easy to keep the loss tight.

I also had initially a bit of trouble to find good ZOO's, firstly I marked up too many levels but erased several ones.

Look at the ABCD being filled on the H1 chart!

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[Quoting Jazz1964](#)

{quote} **Look at the ABCD being filled on the H1 chart!**

Filled in divergence at the bear resistance levels... So we look to go long to the much bigger target of 3080 being the next average swing level.

So the ABCD is filled on both sides. However the long option was by far the better option.

Now if the average is to hit the 3080 level then price should hit the 3121 level.

A question we should be asking is if we are just looking for small trades or do we want to catch the much larger ones.

Attached Image (click to enlarge)



It now depends on how high the average is going to swing because there are some good targets up there.

Attached Image (click to enlarge)



### [Quoting asoriga](#)

Just reviewing a few trades from the week and wondering how others would have played them, appreciate any feedback. {image}

I have made a mess of your charts for you to consider.

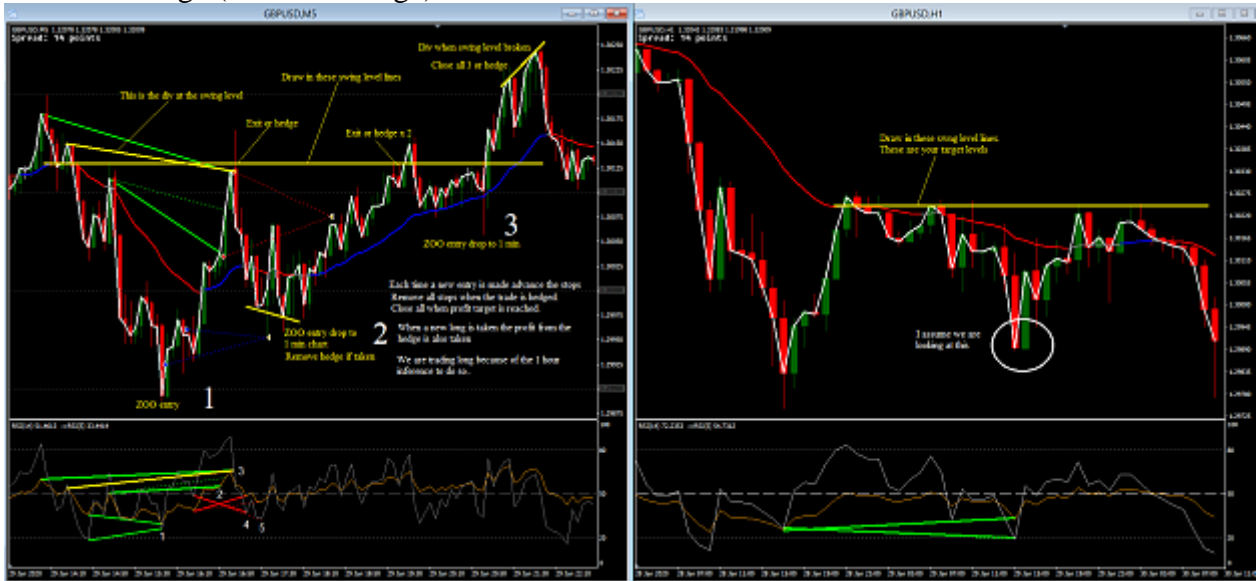
When below on the 1 hour we should be looking for shorts yes, but, all things come to an end and the div you have is going to send price back to the EMA so if the distance is worth it why not take it?

You haven't put the average swing levels on any charts here, I know not why since this is a

major point of the whole system.

It is a combination of all the elements I have described that enable me to read the chart events. We cannot just use 50% of the alphabet to decipher a book.

Attached Image (click to enlarge)



### [Quoting asoriga](#)

Just reviewing a few trades from the week. {image}

I am glad this came up because it helps me to explain why hedging is important to build the trade to maximise the profits in a very safe manner.

On the 5 min chart we see at the top a div where the 3rd hedge was taken. This was the swing average of the 1 hour so we would be expecting a short there being a 1 hour ZOO point.

So if the price is going to swing down again there is little point in holding onto the 3 long positions we have tied up in the trend up.

Our third hedge has moved into profit so we can close the longs and place a stop to protect the hedge

Now the hedge has become the primary trade and we have all our money tied up in it SAFELY. We still have some money left because we made a profit from the previous two hedges and have made a tidy profit from the 3 long entries.

The 3rd hedge moves down and makes up any shortfall for our profit target. We can keep this up indefinitely if we wish, constantly hedging from one direction to the other and can even increase the value of the hedges with the profits collected along the way.

We see on the hour the direction did change and we are at the top of the tree with a bucketful of money short. We can add to this both from profits realised and the equity built into the current winnings..

These short trades would become spread out again and would then be grouped together again with a long hedge at the bottom and as long as you can keep your eyes open you can continue with this.