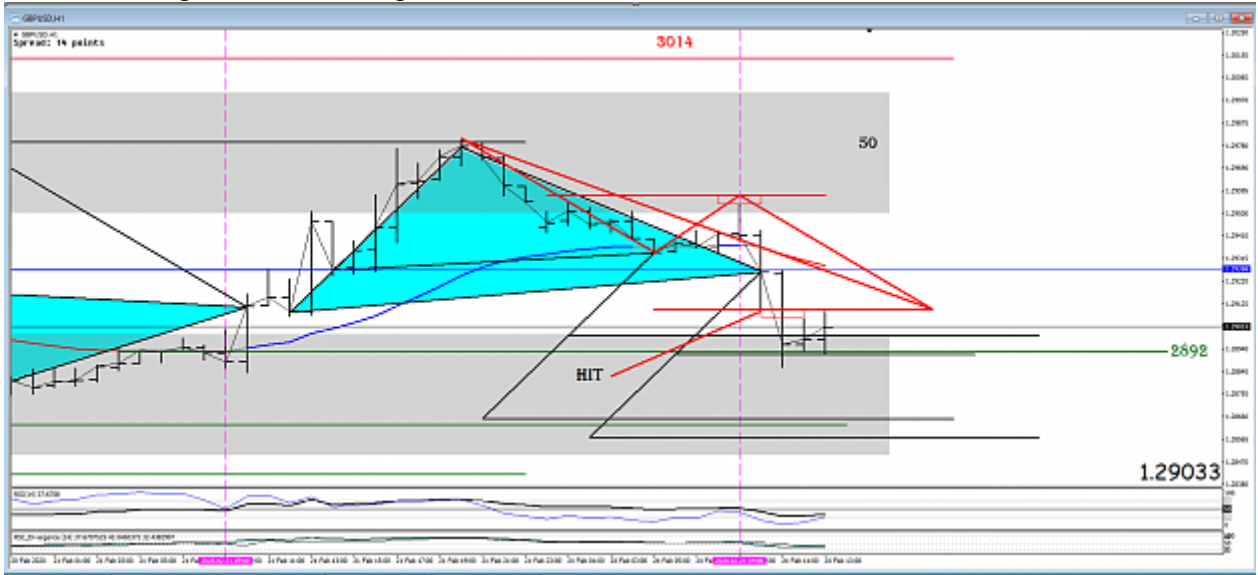


[Quoting Jazz1964](#)

Pretty large targets here {image}

I have the 1 hour AB = CD as already being hit. Now I am wondering if the D target which was support now has become a resistance.

Attached Image (click to enlarge)



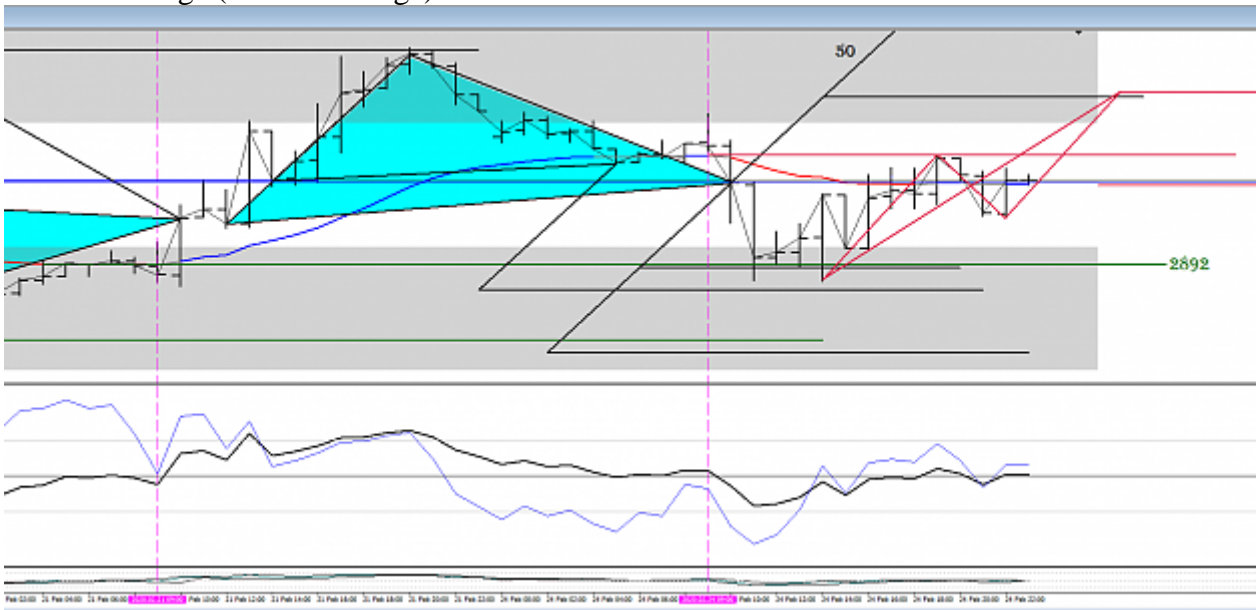
[Quoting huskyboy](#)

{quote} Alan apologize if I am missing something, but are the price projections of your first ABCD correctly drawn? Shouldn't it be like this? {image}

Oh my apologies I see what you mean now. I have use the second AB line to project both the smaller one and the larger one.

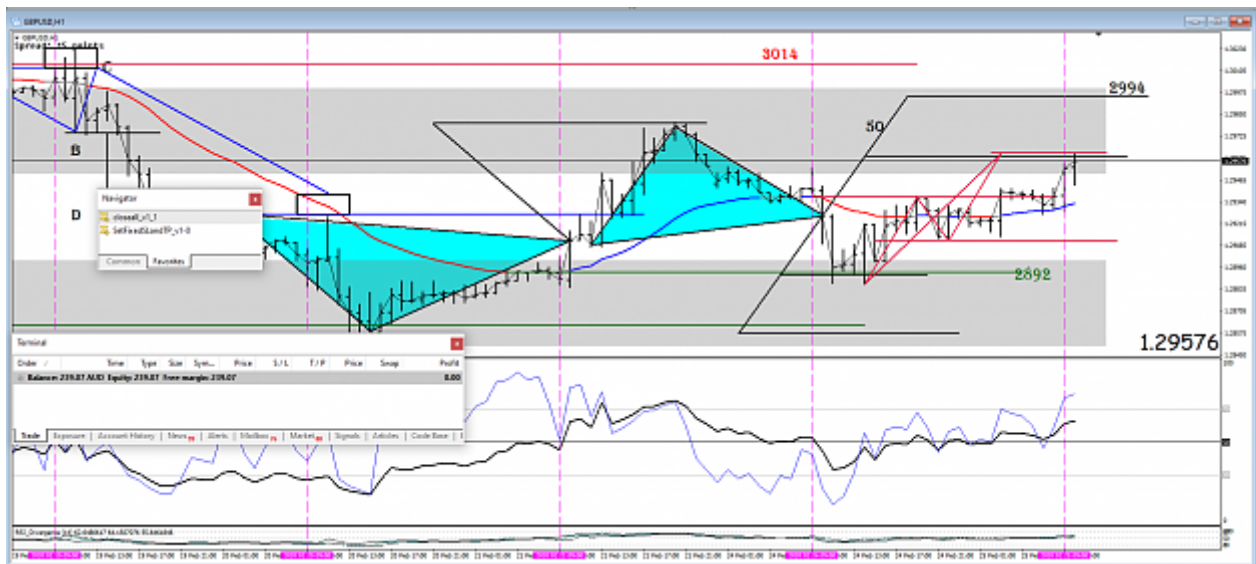
So even if I correct this error it still looks like it was the second target price was aiming for and only made the 50%

Attached Image (click to enlarge)



Hoobloodyray it finally made the AB =CD

Attached Image (click to enlarge)



[Quoting Nala66](#)

Hoobloodyray it finally made the AB =CD {image}

Yes it did! And I gained on it.

First a 3-phase Short, then the Long.

Attached Image (click to enlarge)



Now I am in a bonus trade Short, hmm I have a thought on that one 😊.... the M5 has a AB=CD to 1.2980 which is a horizontal ZOO for sure.

Instead of going for that, I went Short on the 50% ABCD on H1 (two of them!)

Bear div from H1 to M5.

I took that Short as a bonus trade with 4 pip risk / BE close / 30 pip profit into H1 EMA swing low 1.29257

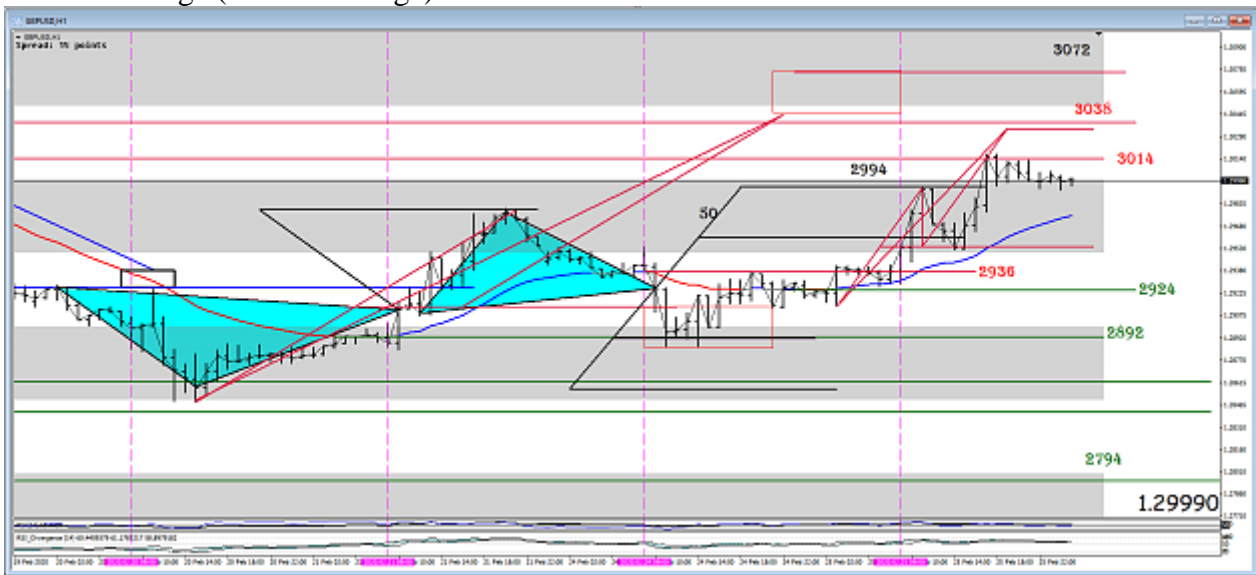
Finally trading Structure and PA only

It just goes to show that there is always something new to discover and we should never quit learning and recording our findings.

For our diary of events we see on the 1 hour chart below the average was attempting the 2936 and made it. In doing so price should reach the next level 3014 and it did that also.

Putting things together we have the swing averages as targets and the mechanics of getting there via our A---D setups and this comes together with a great deal of accuracy because it is based upon the equal swings of sentiment. That is to say a buyer sells and a seller buys as money passes from one hand to another. The beauty is that we can convert the math to a graphical chart we can all follow.

Attached Image (click to enlarge)



[Quoting mayflower](#)

Sorry about the slow response Jazz, I am a bit slow drawing these. I hope this helps. {image}

Hi Mayflower,

On your chart, I marked the original ABC plus the adjusted ABC as they are used in the thread.

Attached Image (click to enlarge)



Finally trading Structure and PA only

There has been a lot going on this week and it is still only Friday but this is what the 1 hour chart looks like for the diary of events.

Attached Image (click to enlarge)

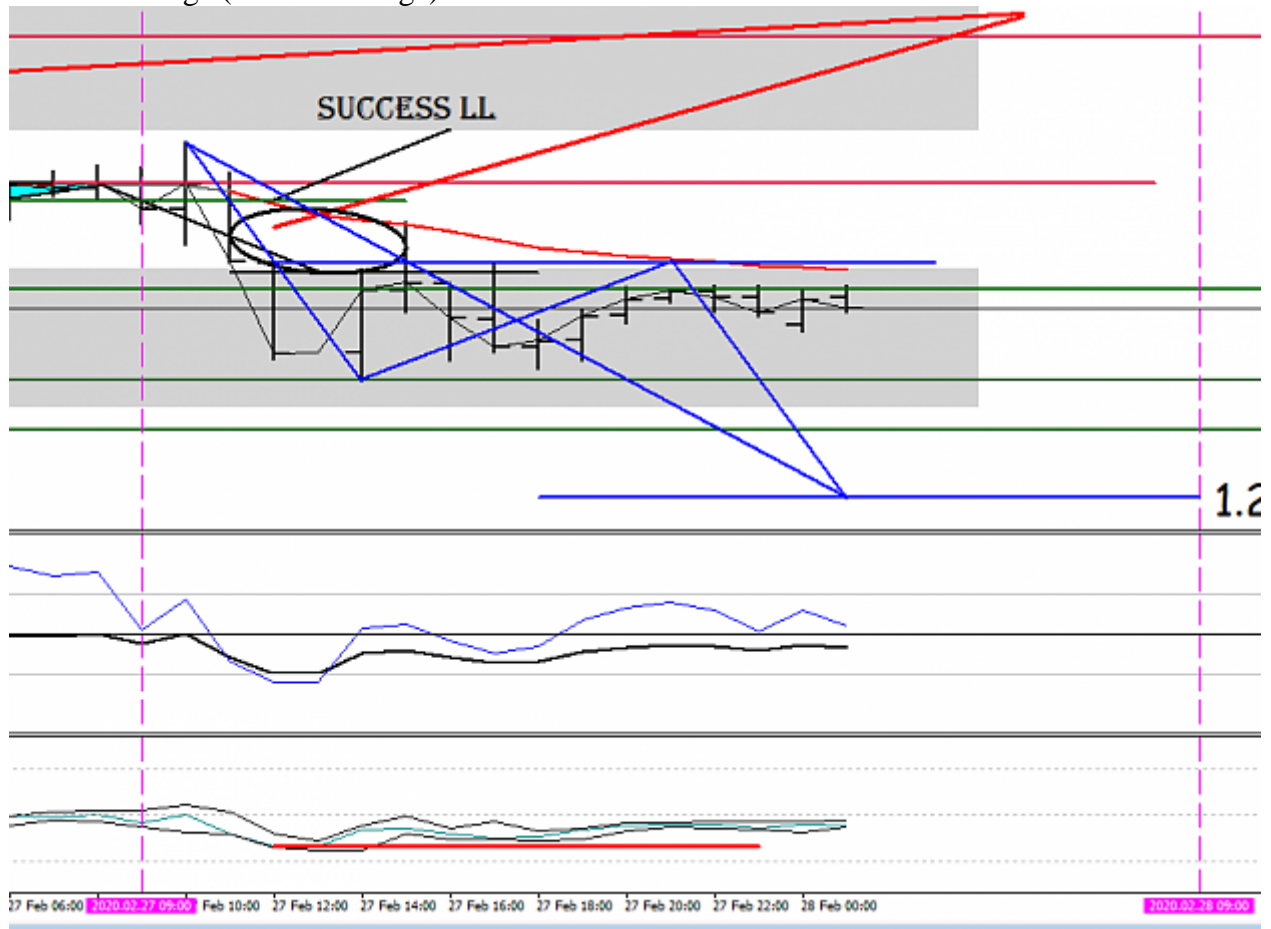


Interesting to note that from Thursday to Thursday Price did not move at all despite many fortunes won and lost over the period.

Note how there is always a mechanical method of taking price to the average swings and these are seen as good trends on the 5min chart.

Now are the bears going to make the LL average or are the bulls going to stop them? I am looking at this blue $AB = CD$ on the hour chart...

Attached Image (click to enlarge)



[Quoting 44johnw](#)

{quote} Hi Alan, Hoping you could clarify a couple of things for me if you dont mind. The H1 chart above are you drawing your average swing levels manually or using the indicator. Im using the indicator and the level you have at 2861 it plotted mine at 28581, thus price has not touched the level. I know its not a lot but with the precision of the system this tends to throw me out of whack with what I look at doing next. I have checked the swing level price on 2 different Brokers one of which you mentioned you use and I get the 2858 level. It is...

Yes I plot everything by hand. I rarely close on the exact location this just serves to give me an idea of the size of the trade. Once I get my pips then that is enough for me.

That line 2861 goes back a long way so much so the thickness of the line makes a difference.

I just checked on the 5 min chart and Des's plot does not allow for the divergence on the RSI however we could say the difference is a possible range to be hit and if we opt for the least then we won't be disappointed if it doesn't make the max.

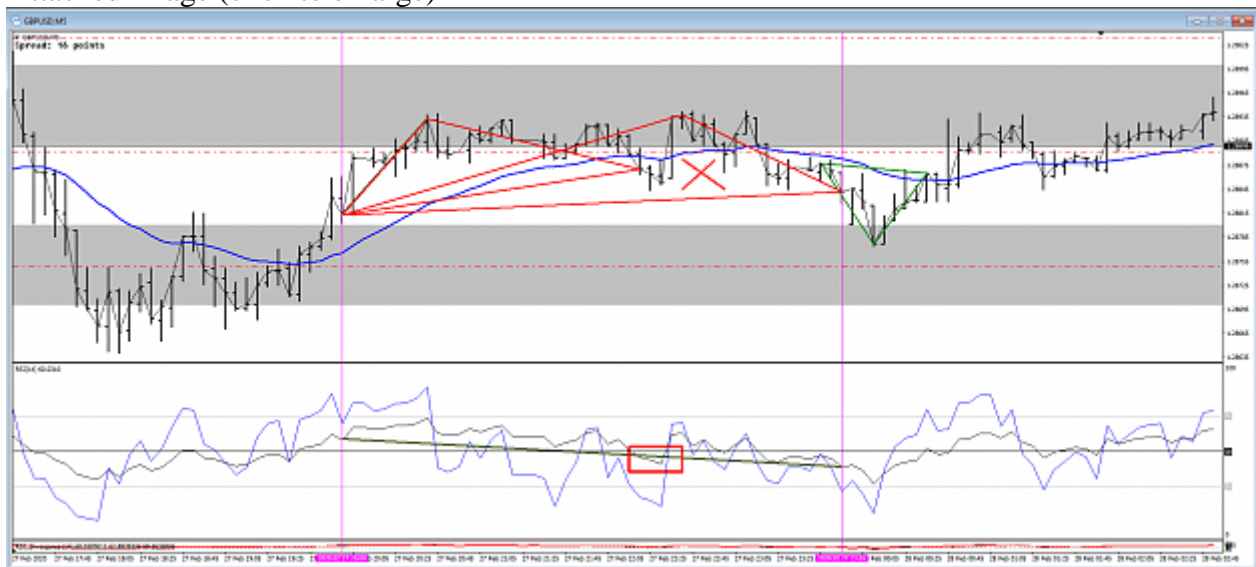
Attached Image (click to enlarge)



I deleted that last post because it was wrong.

It cannot be an ABCD because it chops off the RSI in the red square.

Attached Image (click to enlarge)



This is V1.6

[Quoting Jazz1964](#)

I made 3 adjustments to the M5 ABCD. target is 1.2901 now

Target hit!

Attached Image (click to enlarge)



I admit this was not the best way to deal with the hedge 😞 I was slipped there a few pips negative and stayed perplex.

[Quoting des b](#)

{quote} Hi Alan, I completely missed that element of the Targeting, great to get your experience in reviewing the indi, I have amended the code in V1.8 to ignore all triangles in which the RSi breaks the HHLL/LLHH of the line between C and the pivot being targeting. Hope it's a bit more accurate now Cheers...Des {file}

Perfect adjustment IMHO,
just all those horizontal lines...

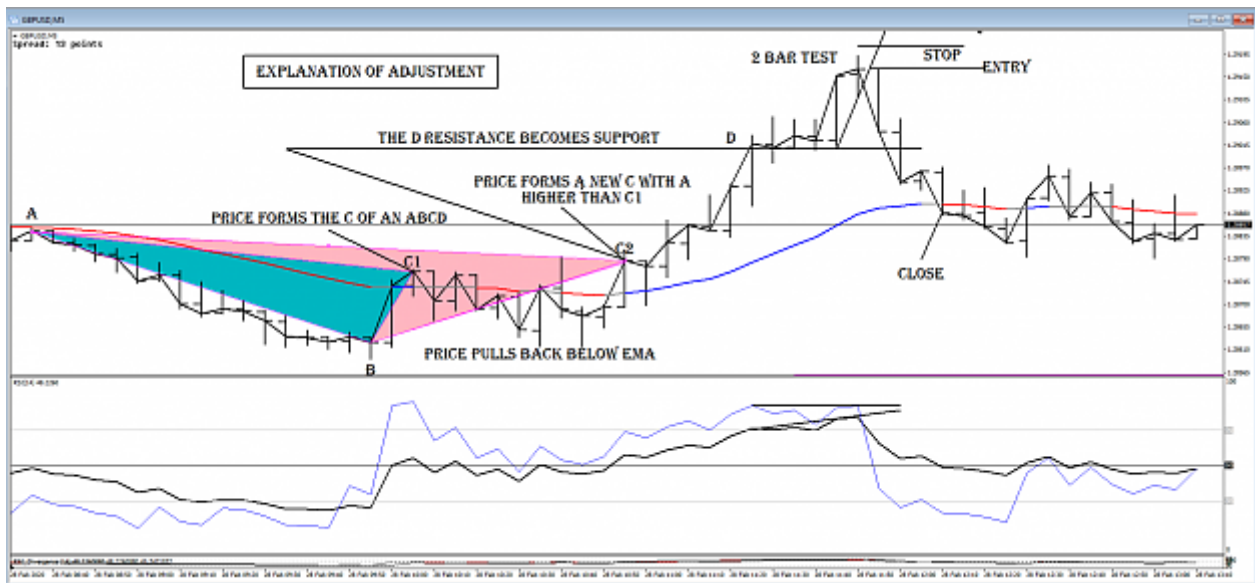
Attached Image (click to enlarge)



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I hope this makes it a tad clearer to spot these adjustments

Attached Image (click to enlarge)

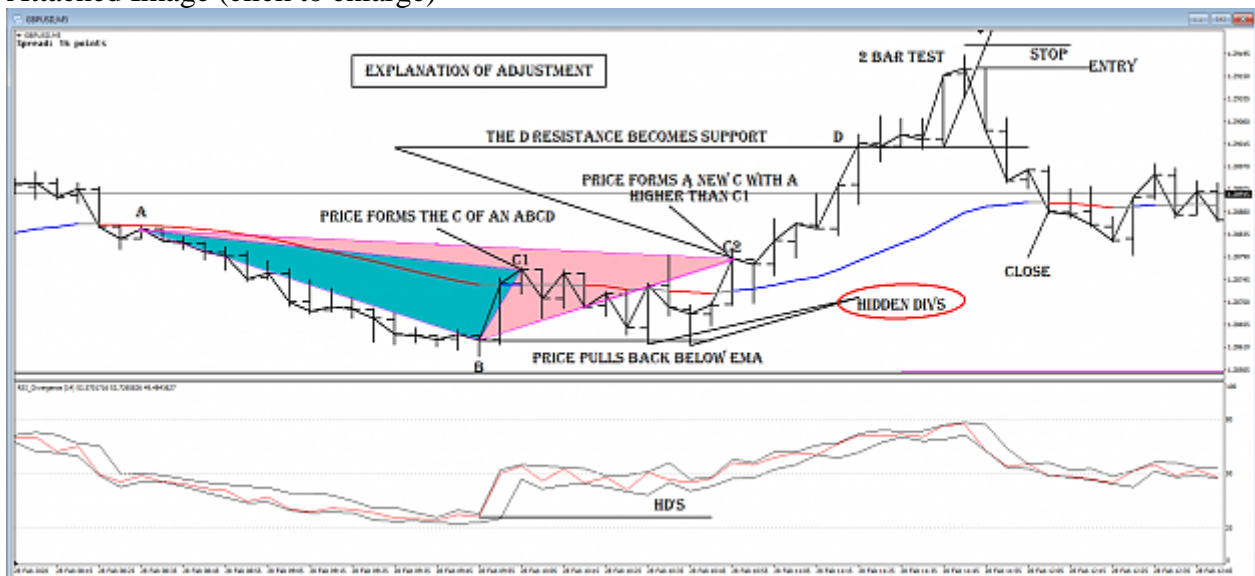


[Quoting Jazz1964](#)

{quote} "The D resistance becomes support" such a nice observation!

I'm sure I have mentioned this before.

What I did not show on the chart above was the hidden divs that sent it up in the first place
Attached Image (click to enlarge)



[Quoting des_b](#)

{quote} Jazz, the messy lines relate to a target from around 2.30 on 27th which have not been hit as yet, is there a point at which these become redundant, if so I can add a condition to reflect this, happy to know Alan's opinion on this as well Cheers...Des

I don't know what is going on with those lines... This is my 5m chart with V1.6 and I don't have any of them????????????????

Attached Image (click to enlarge)



Except the latest ones of course
 Lets see if this latest one on the 5 min makes the adjustment to the one in black.

Price made C1 then went back above the EMA and then down again to form a C2
 Attached Image (click to enlarge)



[Quoting des b](#)

Jazz, That's the targets hit on the 5Min and those pesky lines have eventually gone
 Cheers...Des V1.8

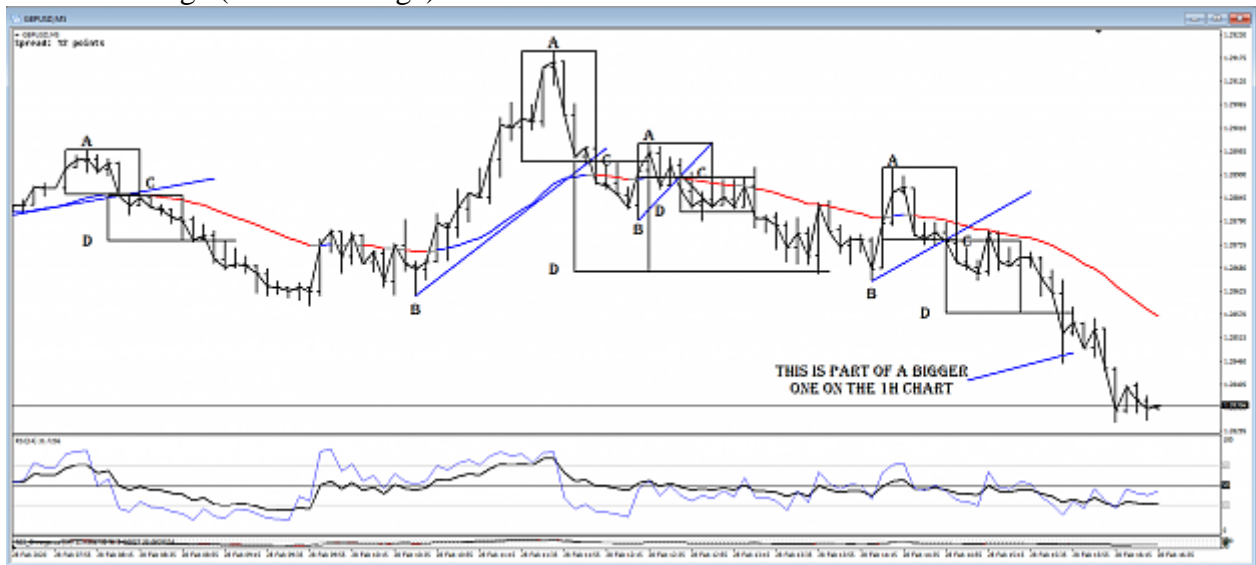
Well done that man.

Here is a little one for you to solve for X.

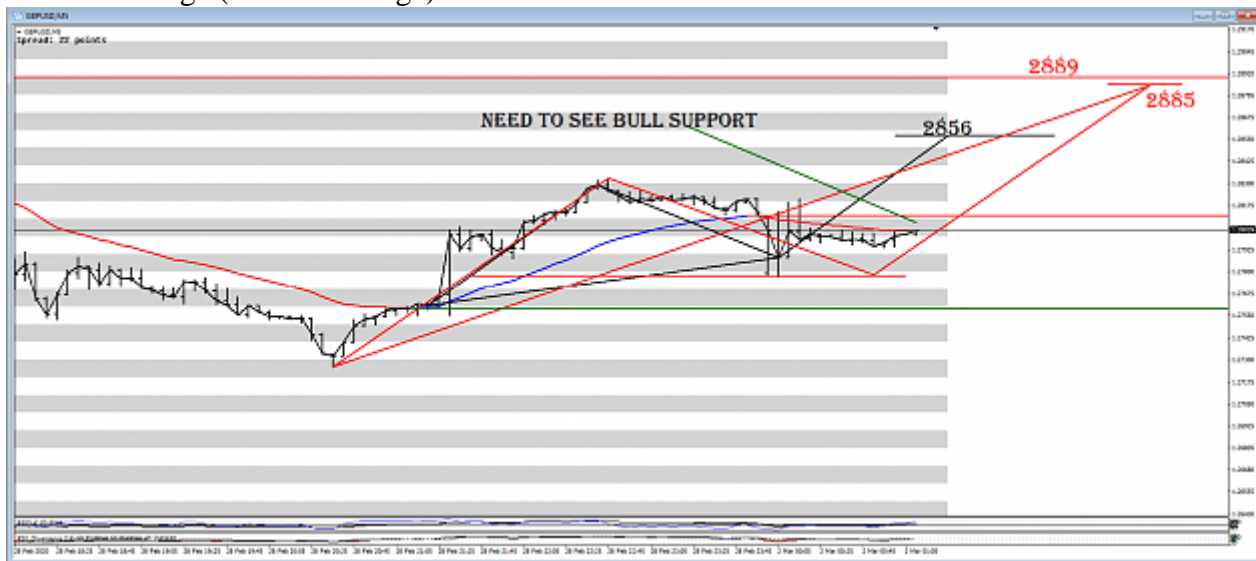
This is another method of finding equal swings I call a box trade because I use boxes to measure, copy and paste to find D.

These are not related to box trades found in reference books. This is one I found for myself.

Whoops I forgot the chart... That may help a tad hey!
Attached Image (click to enlarge)



Looking at the 5 min chart there are two long signals.
Attached Image (click to enlarge)



Today I was a bit ill, so I wasn't active.
I would have wanted to find a short in the direction of the H1 trend.
There were two horizontal ZOO price levels to watch on the hourly (white chart).
M5 showed clear div on the ZOO, so that was a go. Just a bit early so prollly I would have missed it.
Attached Image (click to enlarge)



Then the first entry I would have taken was the Short, at a perfect 50% retraced ABCD. Entry on two-bar-test on M5 (black chart). Target D hit, a quicky.

In the afternoon, I did one Short trade, left it with a set TP and BE+1, went to bed and found it closed at BE+1.

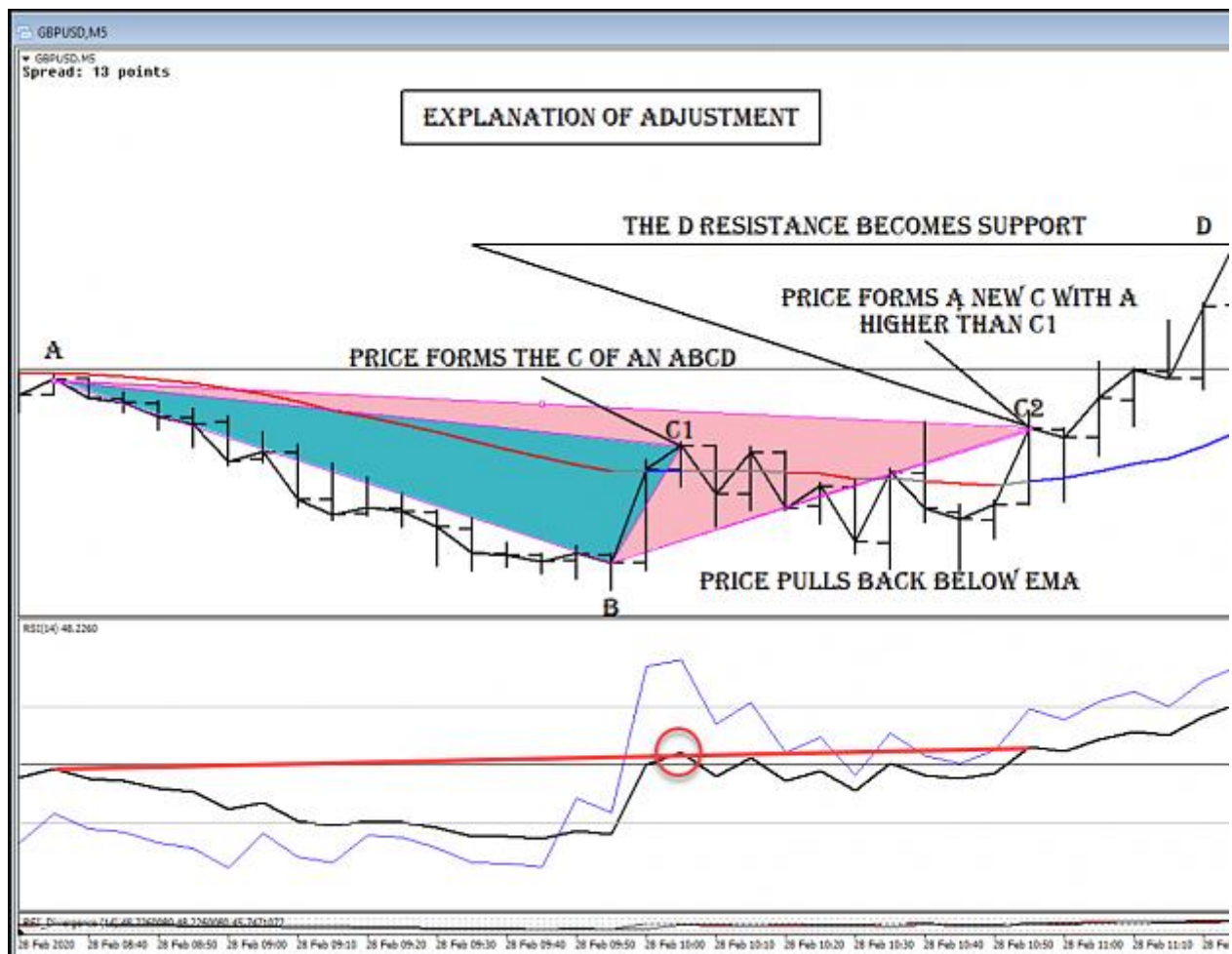
Finally trading Structure and PA only

[Quoting 44johnw](#)

{quote} Alan or Jazz I had the RSI divergence line cutting thru that high pivot on the adjusted ABCD so did not plot that one. Is that still the correct rule on an adjusted ABCD. John

Ow you are talking about this chart:

Attached Image (click to enlarge)



In the circle the RSI pierced at C1 through the straight red line indeed. Very well spotted!
Does that matter for finding an adjusted D via C2?

IMHO not but this is for Alan to answer. What's your opinion Alan?

Finally trading Structure and PA only

There seems to be a lot of emphasis on the mechanicals of price action and we seem to be getting away from the basics of trading the swing averages.

Here for your diary I only have the basics on the chart.

It begins at the approx. time with a div and a high RSI indicating a short with a good downtrend on the hour chart which also has an RSI div and the fast is high. My guess would be that this is not going much higher so a shorting opportunity exists.

Now on the 5 min we have a swing low average at X so this is our first hurdle but if the EMA is to attack X then price should go to A. Which it did and we would be about 50 pips in profit. By this time the bears have found support and attempt to take out the bulls supports.

At B we have the swing low average and a bull support so this is going to be resistance for the bears and indeed they had some trouble breaking this level but we have made plenty of profit so would close there and look forwards to the next day.

The point of today's diary is to stick to the simple stuff and not try to get tangled up in the mechanicals.

Attached Image (click to enlarge)



[Quoting Del62a](#)

{quote} Alan Thanks for your latest post. It's very well explained. My query is : You marked out a Bear DIV . My concern is that price went across EMA between the two peaks. **Is it still ok to use the two peaks to assess a reg div ?** Thanks L

Oh yes very much so, The only thing I use the EMA for is to determine if it is just a Continuation Div or and ABCD.

Here below I have plotted a few examples of various types of div. You can see the last Bull div did cross the EMA and is the one we would have traded long as a ZOO point with the target being the 2800 average swing followed by the 2832 after a lot of flapping about/ It finally made the 2832 but I was in bed by that time.

Now the bulls have support on the 1 hour there is no reason they can't make the 2891 at this time.

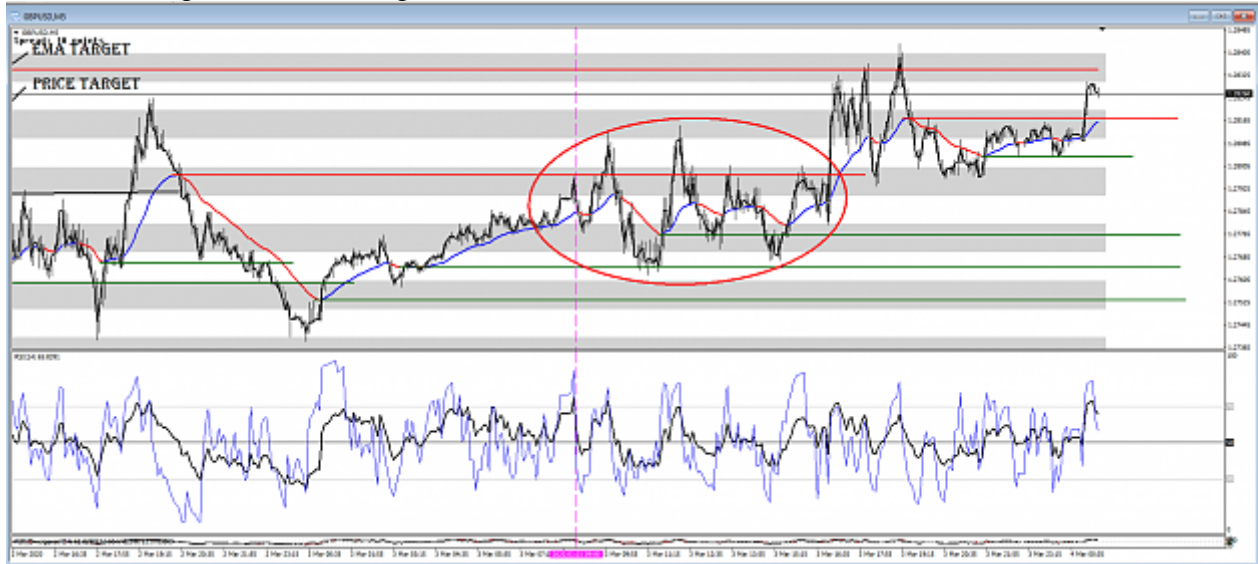
Attached Image (click to enlarge)



Yep I agree with Jaz after the first three hours the hook came for the bull div and that took another 4 hours making it a rocky start.

Looking at the chart from the five minute perspective the EMA swings were pretty close together, we need to see them much wider to get better runs on the board.

Attached Image (click to enlarge)



[Quoting asoriga](#)

Hey Jazz, I notice you register a lot of BE+1 trades, Alan as well actually, and was wondering how exactly you're thinking about managing stops. Is it a hard rule such as "if price goes in my favor N pips, move SL to BE +1"? Do you move it in steps with hard rules... if up 10 pips then move SL to BE+1, if up 20 pips move SL to +5 pips, etc., or is it less mechanical? Do you take price action into consideration at all? This seems to be my problem, misreading the price action... "oh it's just a hook it will turn" or if it's still in in divergence...

Yes the BE+1 exits are disturbing but it should not feel like a plague. Maybe you recall my own post regarding this, a week or two ago. After a lot of thinking on this, I am happy to keep the stops as per Alan's setup.

BUT the first remark to be made is regarding the entries! If you have a lousy entry, then the BE+1 will be hit by certainty. This means the entry is of importance.

I try to get the first trade on a.s.a.p. with a 10 pip SL maximum. 10 Pips sounds heavy and I hate them but it is on small size. I don't see them happening too often. To get the trade on a.s.a.p. means price being on an extreme when I push the button (not during a retracement) . Of course such entry needs some room to breath which is the 10 pips SL. As you have seen on many of my charts, such entries are often close to perfection. They'll see a sound move in the direction to the EMA, giving me often 8 to 10 pips. If I don't take the money (for whatever reason), I expect it to go further into profit. If I am wrong on that, I sure will take the BE+1 exit if that occurs.

These stops gets hit the most. I have to be patient with them and I 'know' that a good trade will come.

Without patience, I'll have too many entries (e.g. on every div during a steady trend). Without trust, I'll miss the best trade setup and end the day with a row of tiny losses.

In case my entry was on a two-bar-test, I'll have my Stop where the trade gets invalid. Meaning on a Buy trade, the SL is where Price itself made a lower low. With a two-bar-test, the entry is per definition not at or near the sharpest possible high/low and such trades are typically more pressurized for the BE+1 exit. Therefore I can decide to keep the trade, expecting the Hook. If the Hook fails, I am out with MAX 10 pips loss. MAX. typically 5 to 8 pips though, just where the trade became invalid.

If I get stopped out, it just implicate I need to find another setup. Or to stop trading if I feel that is better.

Then when the trade runs into nice profit, we have to secure a part of the pips.

+8 to +10 pips gives the BE+1 exit

+15 gives +5 to +7 exit.

+20 gives +10 and from there on keep 50%.

But hey, to secure profits there are the hedges. And there is the possibility to take profit at an S/R, swing, etcetera. And see if and how to get in again at a better price. Or reverse.

For 2nd and 3rd entries, I do my best to keep the plan as dictated.

After the 2nd entry, the stop is set to the entry price of the first trade.

After a 3rd entry, the stop is set to the entry price of the 2nd trade.

About and around that.

Keep the risk low.

We're able to get 25+ pip trades on the book on an M5 chart which is very good!

That is an art worthwhile to develop and exceptionally profitable at the end.

I am sure Alan will comment on this if needed.

Finally trading Structure and PA only

Yep that is exactly how it works, dozens of BE +1 stops outs.

Remember we have a profit target we are aiming for which represents 100% of the days workload.

The more times we achieve this result then the easier it gets because our account grows allowing us to place larger lot sizes reducing the pip distance.

BE + 1 is infinitely better than and minus result and thinking the trade will turn in our direction is just wishful thinking. The market is a dynamic thing and can catch you off guard very easily. That is what stops are for in the first place to protect us from these changes. Our trade is not always right, the only thing we have control over is our money management. We are always dealing with probabilities.

In the charts below we would have started with a short on the 5 min looking for price making the average swing lows which it did. Then the bears find it difficult to get past this level which we can also identify on the 1 hour chart. Look how low the fast RSI was on the hour, they are struggling here so we regard this as a ZOO level and start looking to go long on it.

However it was very choppy and BE + 1 would have been a pain we have to endure until it finally got underway. It could just as easily broke short and caught us napping. We are just speculating we are right and place a tentative trade.

Then we are looking to get the stop to BE =1 so we can get our second trade on and start to compound the profits as we head for the 2891 swing level of the hour chart.

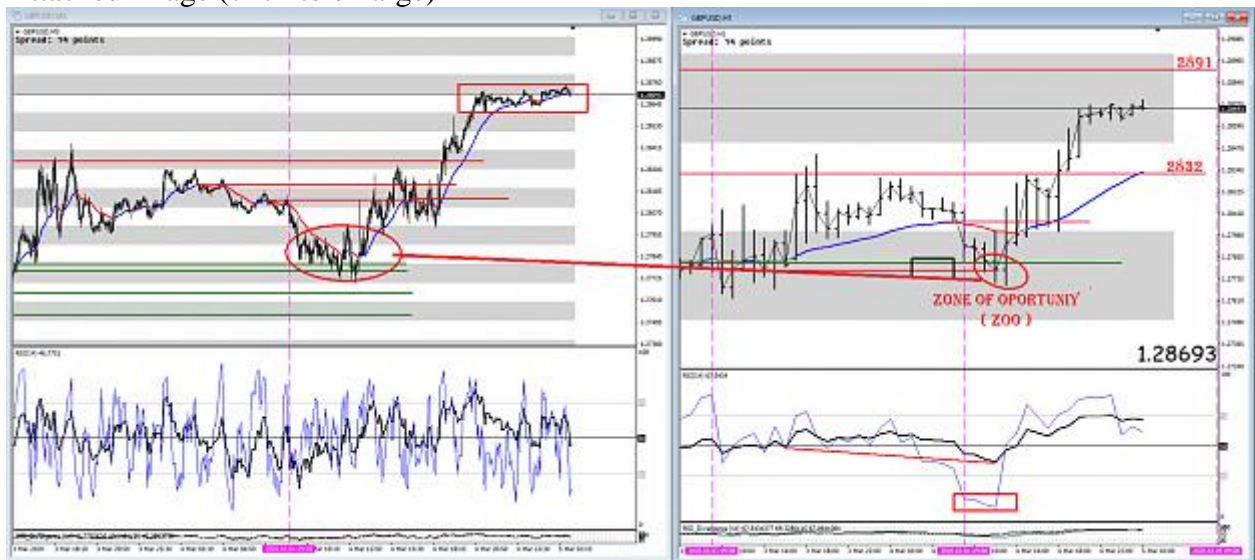
Once our second trade is on and we get the stops to BE + 1 again we start to look for our 3rd entry and getting this to BE + 1 so we can relax and wait for the money to come rolling in. So far this has done about 100 pips of movement but our daily profit target is well and truly done and dusted.

If we don't push for this result every time we take a trade then we will get nowhere and may even give the market our money.

On the 1 hour chart we would probably close the trade at the 2832 swing average because the combination of the smaller short and this long would have been plenty of profit.

So don't sweat the small losses or the BE + 1 they are just part of the road to riches provided you keep up the energy to do so.

Attached Image (click to enlarge)



[Quoting KevinOwens](#)

Jazz and Alan, With each of your posts, I learn something everytime. Thanks for the amazing and consistent support! I'm doing better on the trading part, identifying good setups and such. However, I'm still a bit clueless on the money management part. However, these two recent posts from you guys helped a bit. I'm sure that I'll get there soon. Agan, thanks guys! Also, Jazz, it's amazing to see you often double your account in two weeks and have days like 21%+. I would like to know what's the maximum drawdown you've ever seen in a day? And also,...

Very good to read you focus on risk.

Let's talk about the time since I am trading well. An intraday DD that happens once in a while is 30% to 40%. That's from a complete Basket loss plus some other losses. This is typically a situation where I will step back from the chart and look if I am fit or not, and/or if I can't make chocolate from the chart.

Said that, I am ready to bust my account. It is going to happen. I will just put new funds in it and go on the next day. Reason why that is appropriate, is clear from the picture below. Max floating (open DD) is 16%. An EA protects me at 20%DD.

Attached Image (click to enlarge)

Trade size 0.01 per \$16						
Entry	Size	Risk 1st trade	Risk Basket 2 trades	Risk Basket 3 trades	Basket Reward 25 pips	Basket Reward 40 pips
1st	0.01	6%			16%	25%
2nd	0.02		13%		50%	78%
3rd	0.03			16%	106%	163%

EDIT and NOTE: by purpose I extended the risk part a bit in the table above, making it a bit higher than the risk explained by Alan. This fits a bit better what happens during my trading, and still shows the extremely good risk to reward ratio.

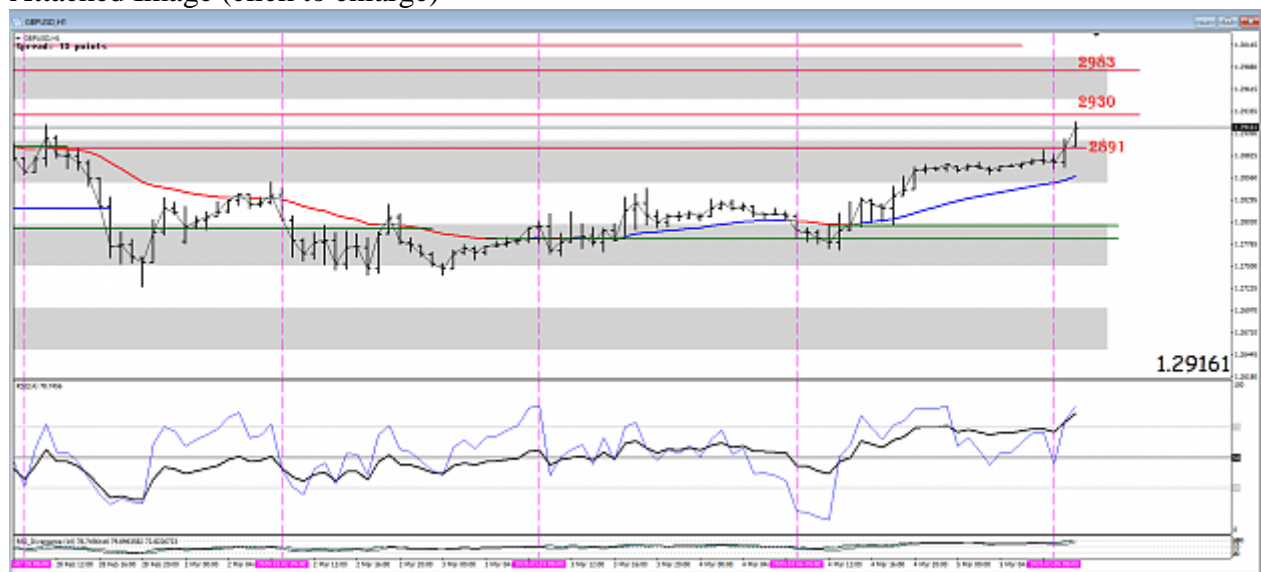
I trade quite aggressive with 0.01 per \$16. That makes that I am happy with 25 pips per day with only 1 position (=16%)

That doubles an account per week. The rest is bonus.

Finally trading Structure and PA only

This looks like it may run for the 2983 dragging the EMA above the 2891

Attached Image (click to enlarge)



[Quoting KevinOwens](#)

{quote} Thanks for the detailed explanation. I've a couple of doubts. Your table, does it mean that when you get three entries on, your account doubles with 25pips? And also, is it 25pips each entry? Also, the risks, do you risk 16% on the 3rd entry? or is it overall risk on 3 entries combined? Oh, I didn't understand the 0.01 per \$16. Does it mean 0.01 lot for every \$16 in your account? I appreciate your patience and help. Thanks again.

Your table, does it mean that when you get three entries on, your account doubles with 25pips?

Excluding spread and commission, yes. that's with 0.01 per \$16

And also, is it 25pips each entry?

25 pips from the third entry. Added some pips for the 1st and 2nd.

Also, the risks, do you risk 16% on the 3rd entry?

16% for the complete basket. again, with 0.01 start per \$16 account size.

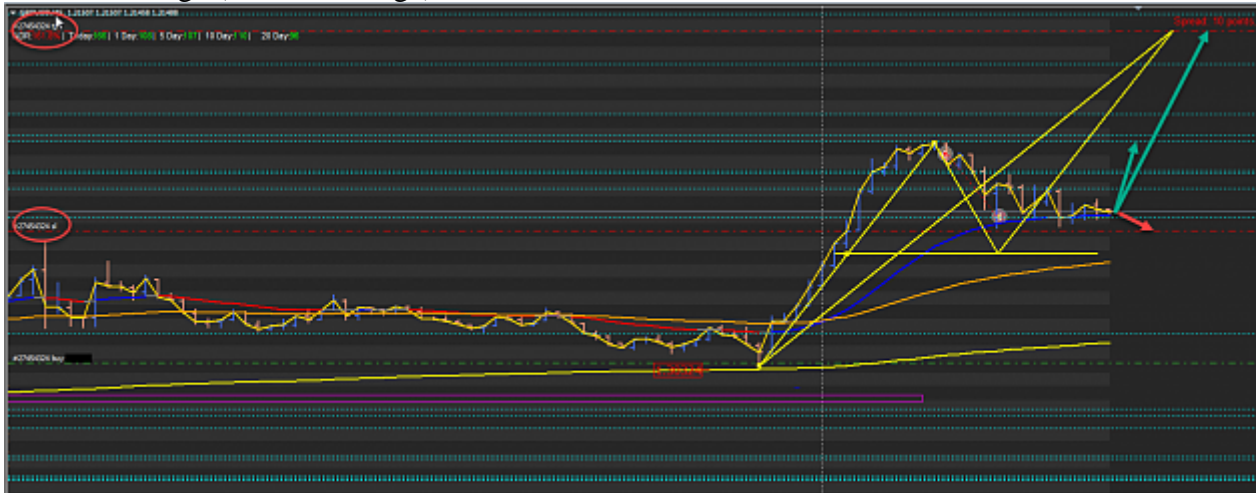
Does it mean 0.01 lot for every \$16 in your account?

For the first position, yes.

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This was the hedge.

Attached Image (click to enlarge)



It is close to the Buy SL.

Finally trading Structure and PA only

This is happening on the Daily chart

Attached Image (click to enlarge)



Finally trading Structure and PA only

On the D1 the question is if the EMA can break the grey flat level 1.2993ish. There are so many levels to cross and to do so price need to go to 1.3271 first.

H4 just made a higher EMA swing and we're interested to see if the bears are able to stop its rising. With 1.3001 being a previous swing high and the H4 EMA reaching that level we have a ZOO there.

H1 I marked the 50% of a possible ABCD at 1.2987. Also marked 1.2990 to 1.30 being Price support zones to the left. Also the 50% ABC 1.3003

Attached Image (click to enlarge)



We are trading below the H1 EMA and I could have taken a short on M5 bear div for 20 pips or more until we ran in bull div
 Attached Image (click to enlarge)



Did you take it?
 Finally trading Structure and PA only
 Those Longs would have given a great trade.
 Attached Image (click to enlarge)



Hedge with a short which should have been closed at BE or for a small loss.

Price went on going up.

That would have given a terrific day..... 75% to 100%

As said I was flat, waiting for the ZOO.....

Finally trading Structure and PA only

If you look at the 1 hour at the 108 that is a ZOO based on the timing. Then the 5 min is in a bullish div.

The pull up to the 1 hour EMA is the same distance as the swing average level on the 5 min...

By measuring we can see it is worth the risk because it exceeds the 40 pips I want.

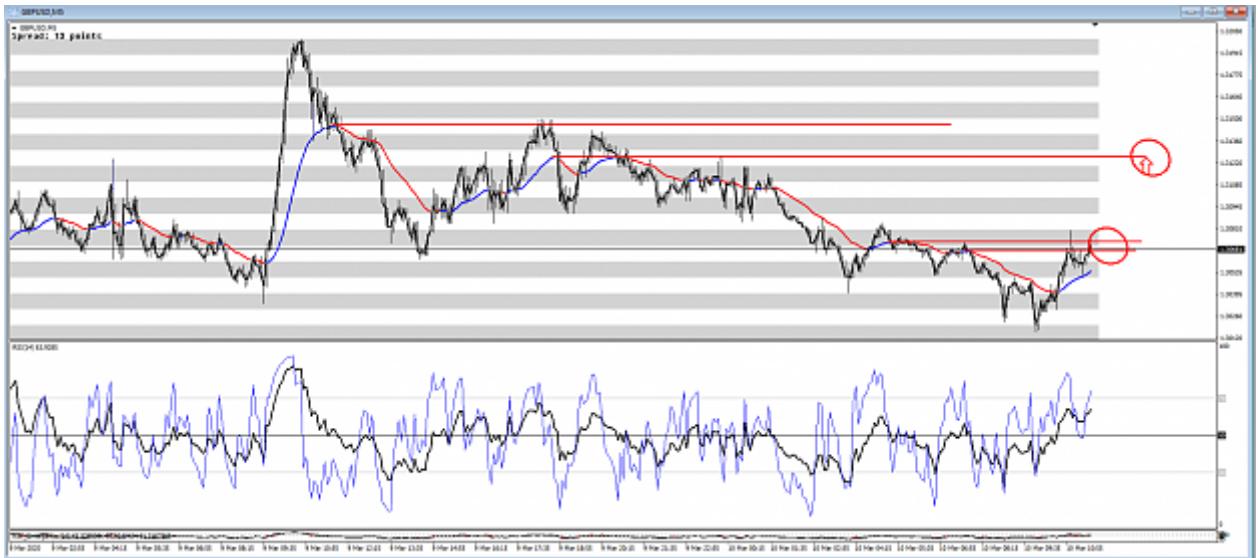
Also the bear support on the hour was tested. If it breaks this then the long ABCD target is likely. Even more so if the bulls find support on the hour.

Attached Image (click to enlarge)



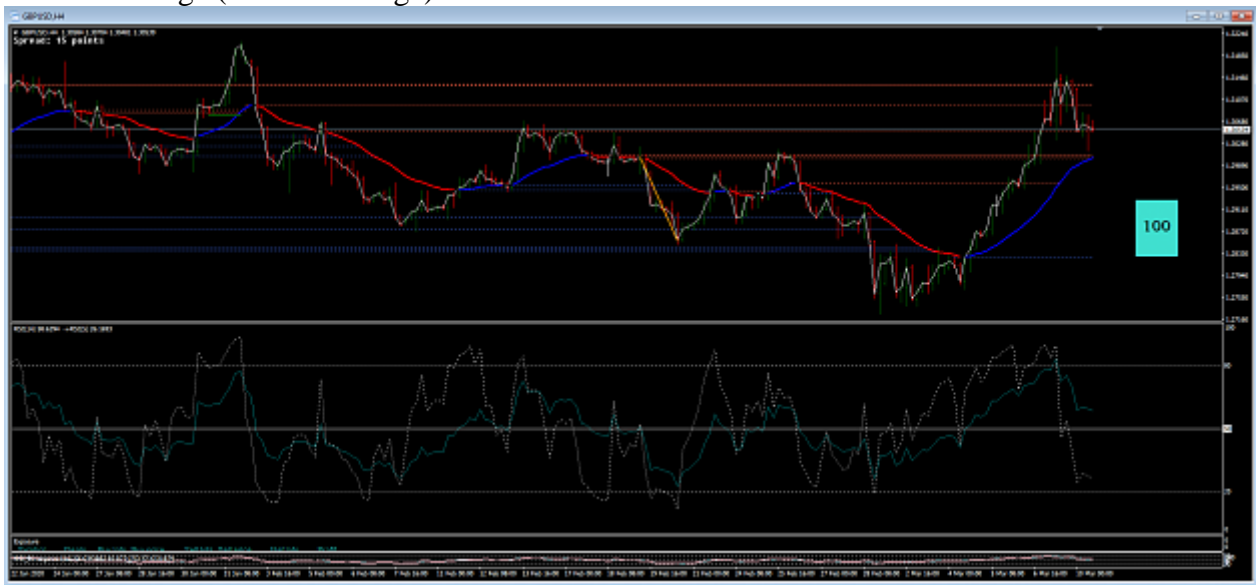
If the 5 min is going to break the long swing average then look where price is likely to go....

Attached Image (click to enlarge)



Look what is happening on the 4H. The EMA is trying to take out the average swing so price is just about in a holding pattern while the EMA catches up to it.

Attached Image (click to enlarge)



That's it for me then

Attached Image (click to enlarge)



19+24 pip

Finally trading Structure and PA only

For your diary of events

So the bulls could not take out the bear support suggesting the target is to the short side on the hour chart.

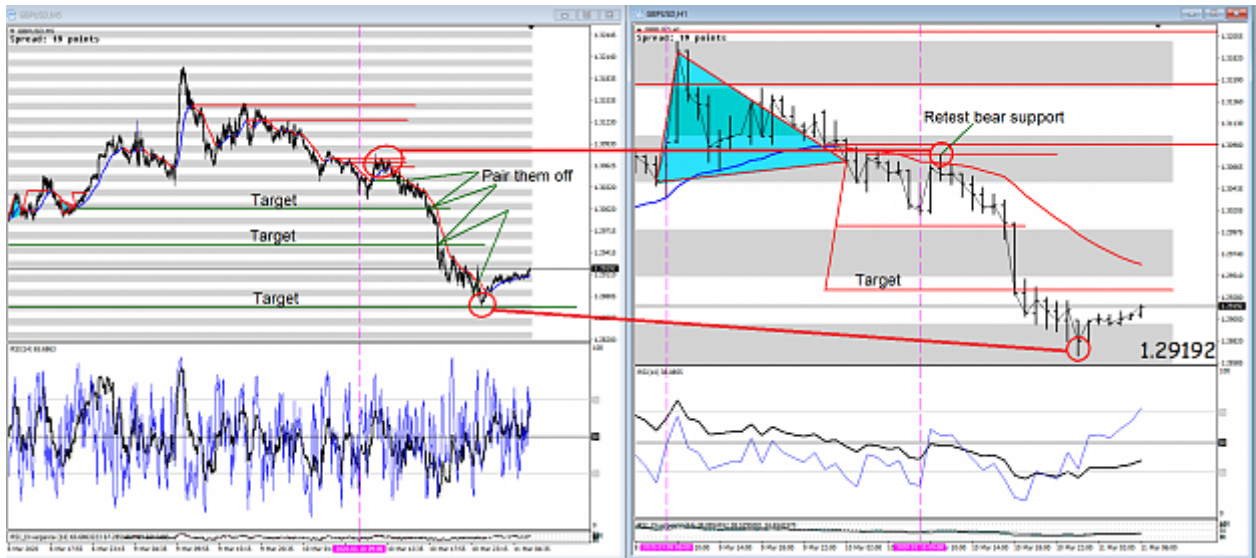
On the 5 min we saw the bulls unable to break the swing high level...so they are going to test the swing low which they did.

They smashed this to test both the next level and subsequently the one after also. If you pair them off as I have done you will see if the average is to make the lower low then the price will reach the next level.

Note how when price reached this final level on the 5 min it was a div, so we go long if we want more money than we can poke a stick at.

This whole process took a whole day but paid very nicely. I don't like to be in a trade for so long, in fact I would have been asleep for most of this.

Attached Image (click to enlarge)



Attached Image (click to enlarge)



Finally trading Structure and PA only

Look where the spike stopped on the H4
Attached Image (click to enlarge)



Finally trading Structure and PA only

[Quoting Jazz1964](#)

{quote} Terrific. That's what i wrote in the past, I want to have the flexibility and speed to look for such spots to reverse. At the other hand, an unexpected bank rate decision like today can end up with a far bigger spike than we saw right now.

Well when the short was on I had just gone to the loo so I missed that.

On my 5 min chart I have the swing levels for each time frame colour coded the same as the EMA for those time frames so I can see just by looking at the 5 min where the various levels are. I was ready to add another trade if this pulled a few pips more down to the daily S1 which it failed to hit by about 5 pips.

Seeing everything was oversold on the lower time frames I figured price had to pull up somewhat and it did well past the C level of the ABCD 4H.

This is all part of my preparation process. Looking for the possible levels and marking the 5 min with them.

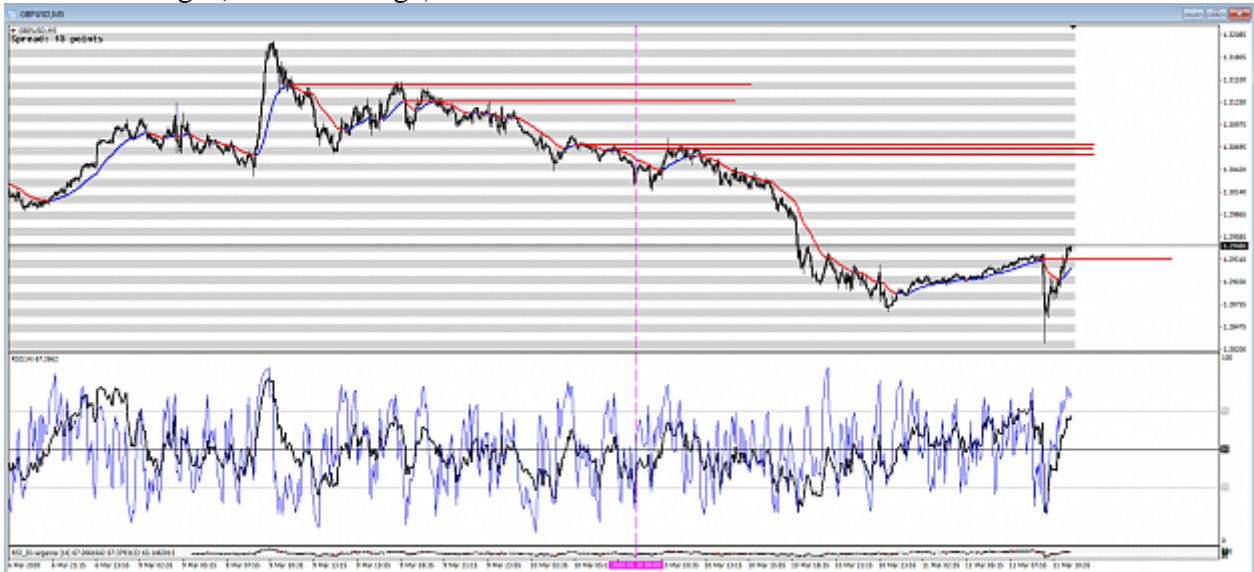
[Quoting Jazz1964](#)

Sold at 1.29346

See I would not have done that because the 5min failed to make the swing low LL so it should make the HH. Price has done that but there is a huge open space to the next level.

Sorry about the chart delay I had to clean it up a tad..

Attached Image (click to enlarge)



Last week we talked about the BE+1 exits which occurs often.

I then said they happen more often when our entries are weak.

On today's chart you can see how I try to enter on extremes, to the rate of BE+1 exits becomes smaller.

Attached Image (click to enlarge)

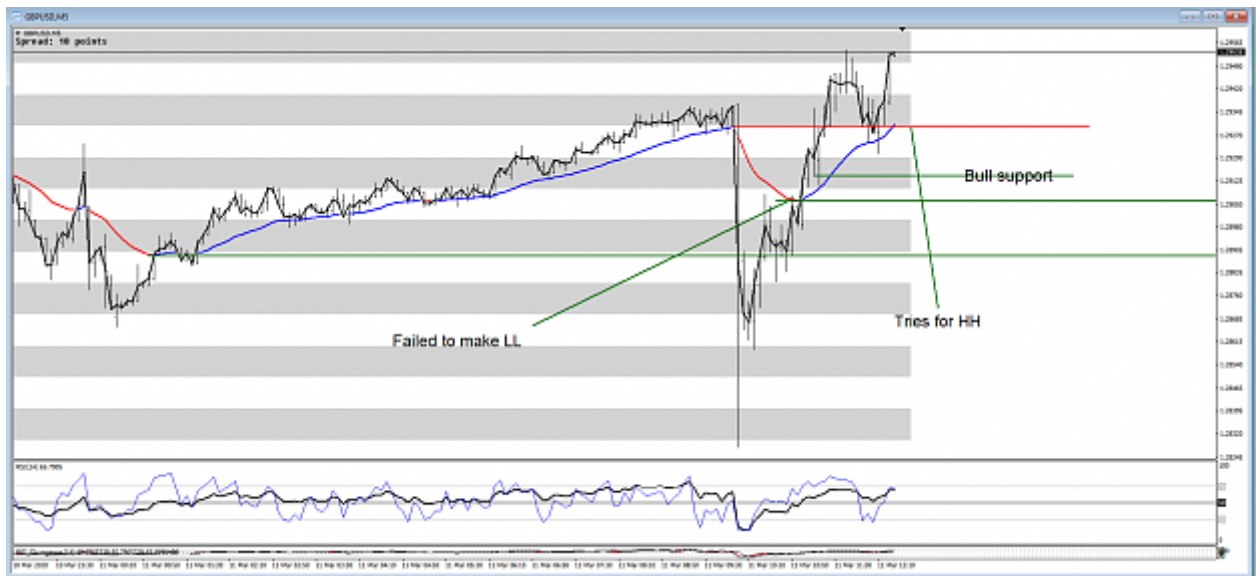


Yes, my second short is a BE+1 while I could have taken profit just above the M5 EMA (or as soon as the M5 bull support was proven) but this is a bonus trade for me (low risk exit or big profit).

Finally trading Structure and PA only

And there we go... The 5 min makes the HH average.

Attached Image (click to enlarge)

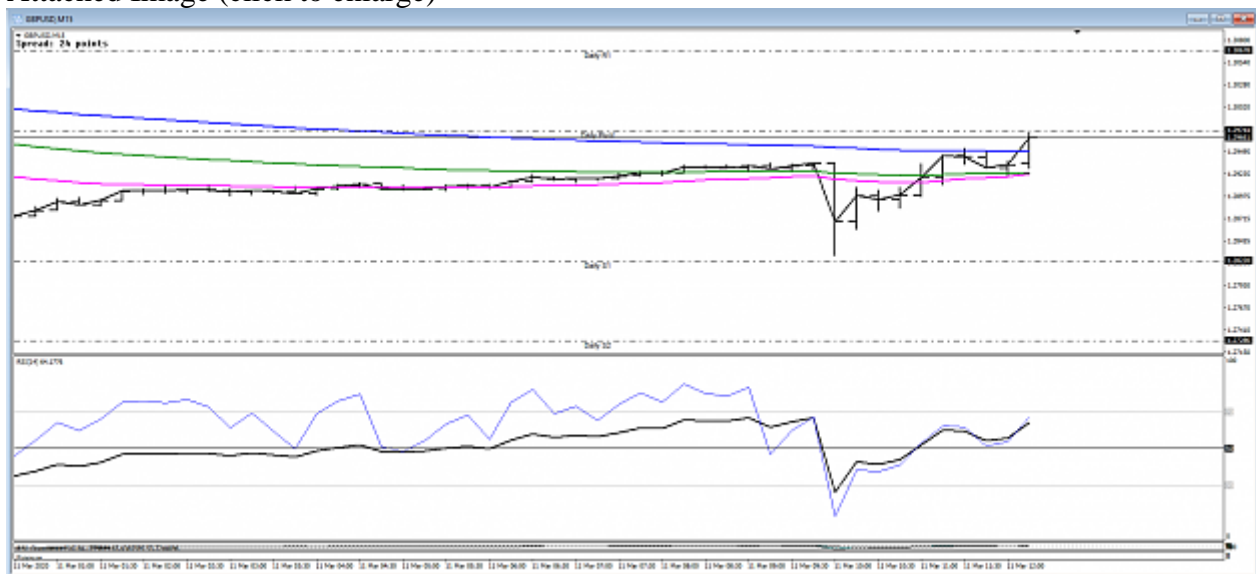


[Quoting Jazz1964](#)

{quote} Can you please elaborate a bit on the Daily S1 level, with a chart please? Looks like I am lost on that. Very nice that you have the Swing level of HTF charts on your M5. That sure should help. 🙌

Yeah Jazz I keep the daily pivots on my 15 min chart because I don't use it much. When the pivots line up approximately with targets then it gives added confirmation.

Attached Image (click to enlarge)



Thank you Bonus trade

Attached Image (click to enlarge)



Finally trading Structure and PA only

[Quoting KevinOwens](#)

{quote} Great trading. What made you persistent about the bearish bias, despite being stopped out BE+1 couple of times?

every single Short entry was an a ZOO with divs on multiple TF's.

My bias comes from H1 and H4 EMA direction. All entries on ZOO's with Divs.

Attached Image (click to enlarge)



As you can see all my entries were on extreme prices which help to have less BE+1 exits. Reason I took BE+1 exits instead of taking profit nearby the M5 EMA is because I was dealing with bonus trades.

Finally trading Structure and PA only

For the diary of events today.

We have just had two ABCD's on the 1 hour chart and I would say the thing to note here is

that on both occasions the price didn't start its run for the target D until it had retested the bear support with a hook. Interesting huh!
Attached Image (click to enlarge)



The Daily is ready to make a new lower EMA swing low.
Attached Image (click to enlarge)



The next level is at 1.23xx
It would not surprise me if we see that level again in a short time. No explanation here but it has to do with Weekly resistance line +61% fib + distribution seen on the Daily ==> potential sell off.

Not that we only should Sell!

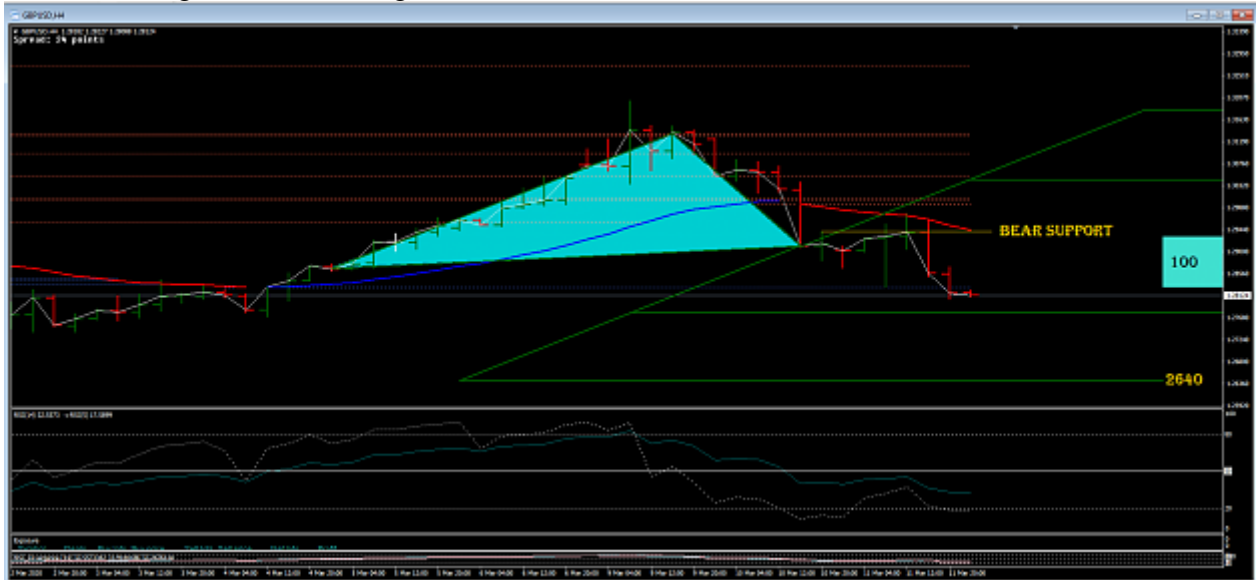
Finally trading Structure and PA only

If we then look at the 4H chart we see exactly the same thing happening...

ABCD is formed... Bears find support... Bulls test the support (resistance)

In this case the first time the bulls tested the bear support and failed, price ran to the swing low average. Then it went back up to test the bear support again and now one would expect it to run to D or more as it drags the EMA down to attempt a LL.

Attached Image (click to enlarge)



When we consider the daily chart we need to keep a handle on perspective. With a 26 EMA price has to influence the preceding 25 periods to bend the EMA so of course the numbers of pips in a move are much greater.

On a daily basis the bulls are having a very hard time to make any average HH since 2020/01/31 but the bears are doing all the work to make all the LL's.

Also on the daily chart it doesn't tend to run to the EMA's the same way as the lower time frames because the daily is actually setting the pace or standard. So rather than run directly to a level it tends to snake its way there and of course the bulls are looking always to stop the drop.

Finding a ZOO level on the daily is difficult because there are a lot fewer of them but that doesn't mean we take our eye off the ball.

Attached Image (click to enlarge)



By the way From A at the top of that AB = CD to the spike we had a couple of days ago the period was 26 days, interesting huh! So price had to do much better going long than all those periods in between and since most of those were making better moves short, price would have had to make a massive move long to bend the average up to make a HH. You can do the math if you are interested in that sort of thing and calculate just how high the price would need to climb to make the HH

I was looking at the road in front of my car. No ZOO's nor div's there. Just came home to see I missed the trade I expected.

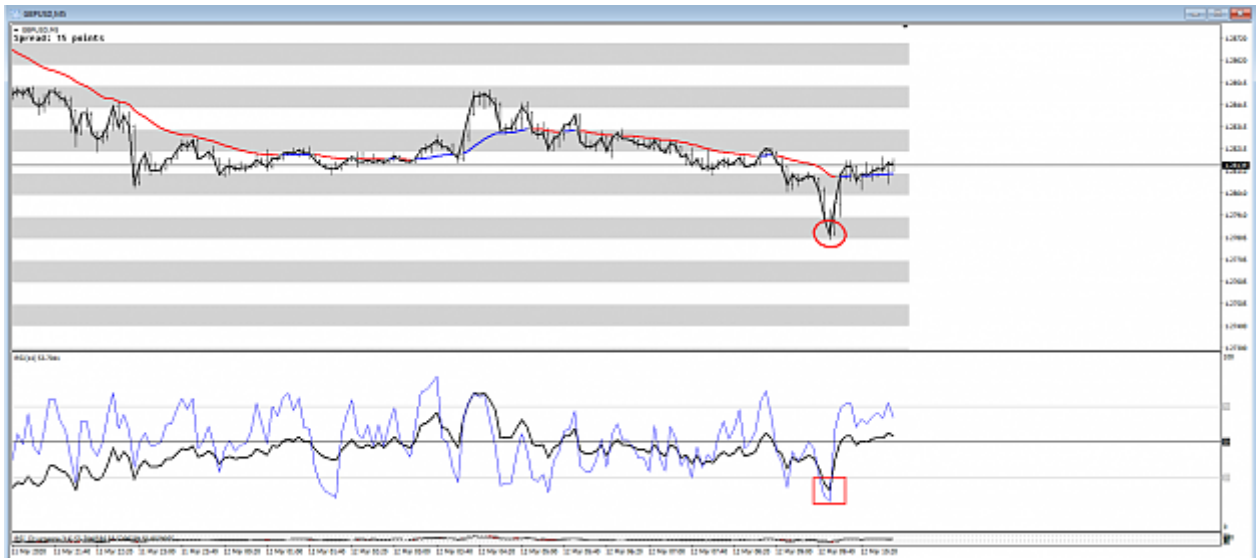
Attached Image (click to enlarge)



Plenty of room to take a Long
 Finally trading Structure and PA only
[Quoting huskyboy](#)
 {quote} but there was no signal on the M5

With a div on the hour look where the RSI was on the 5, how much lower would you expect it to go?

Attached Image (click to enlarge)



Attached Image (click to enlarge)



Hourly already gave a bear div

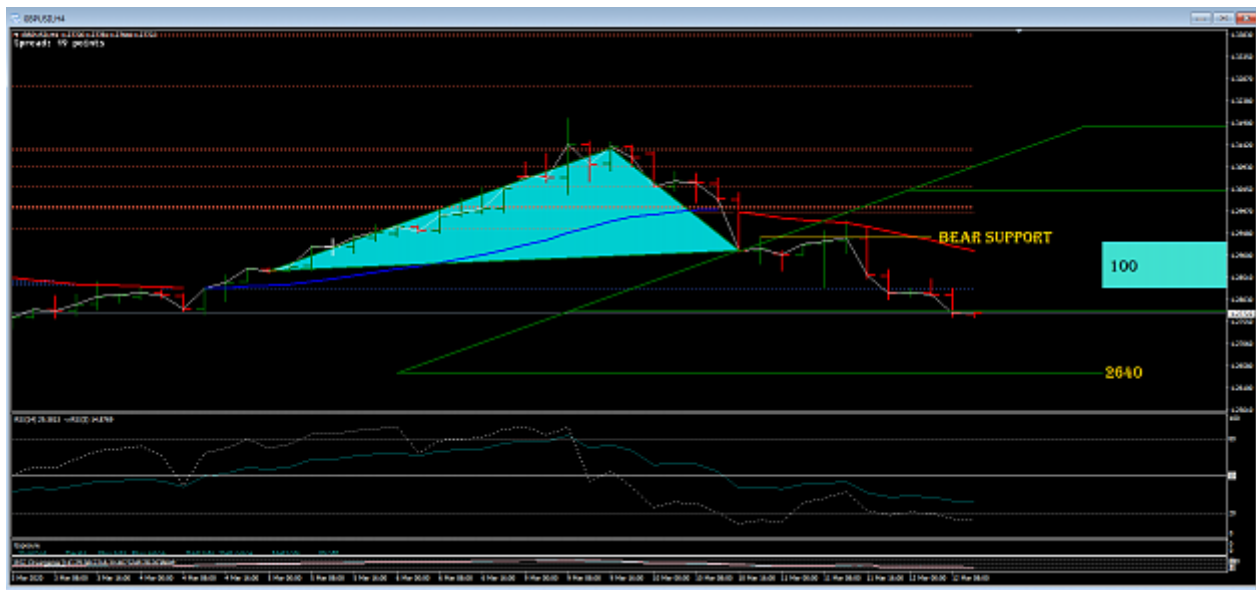
M5 did it too

I was too picky

Finally trading Structure and PA only

You may be thinking there is no target for the hour but don't forget the good old 4 hour has a target and it has hit the 50% level.

Attached Image (click to enlarge)



[Quoting des_b](#)

{quote} and currently also sitting bang on the Daily "D" as well, need to confirm with Alan on cancellations !!!!

Well there you go maybe there is no cancellation.

This doesn't stop me trying to solve riddles we have to keep pushing for knowledge and testing to verify it.

It is this logical process that has led me to discover so much that has a very high probability of being true.

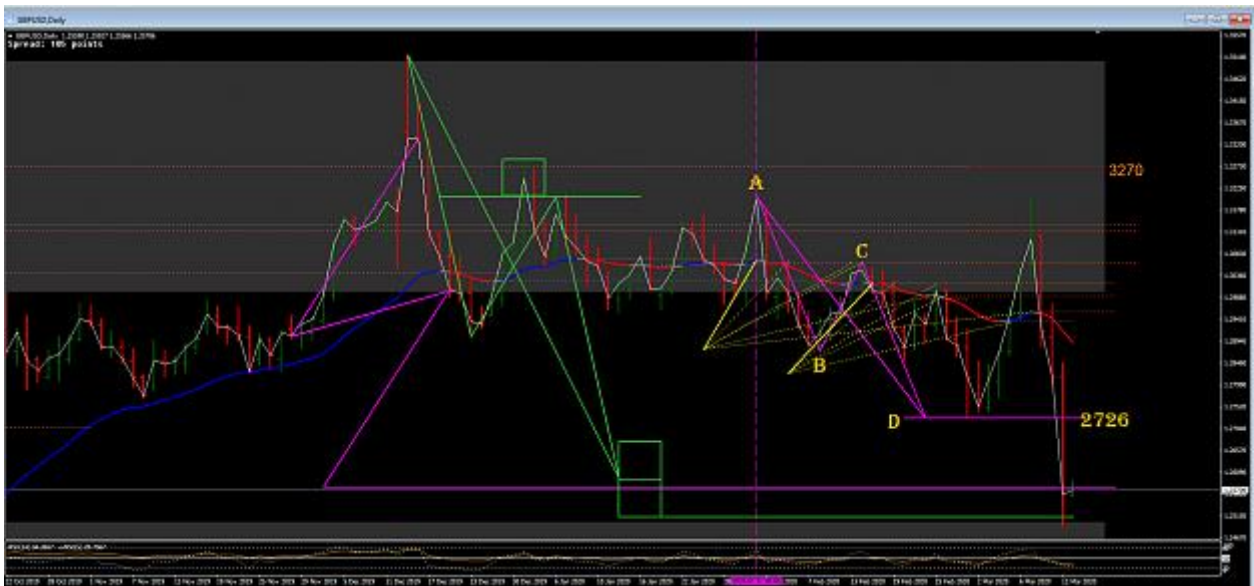
It would be nice if others contributed their discoveries advancing our combined knowledge exponentially.

That was an amazing run down yesterday and I see that at one time it made a 160 pip retracement which would normally be a whole days move.

Looking for answers this is what I found on the daily which I had not noticed previously...

Lime green $AB = CD$

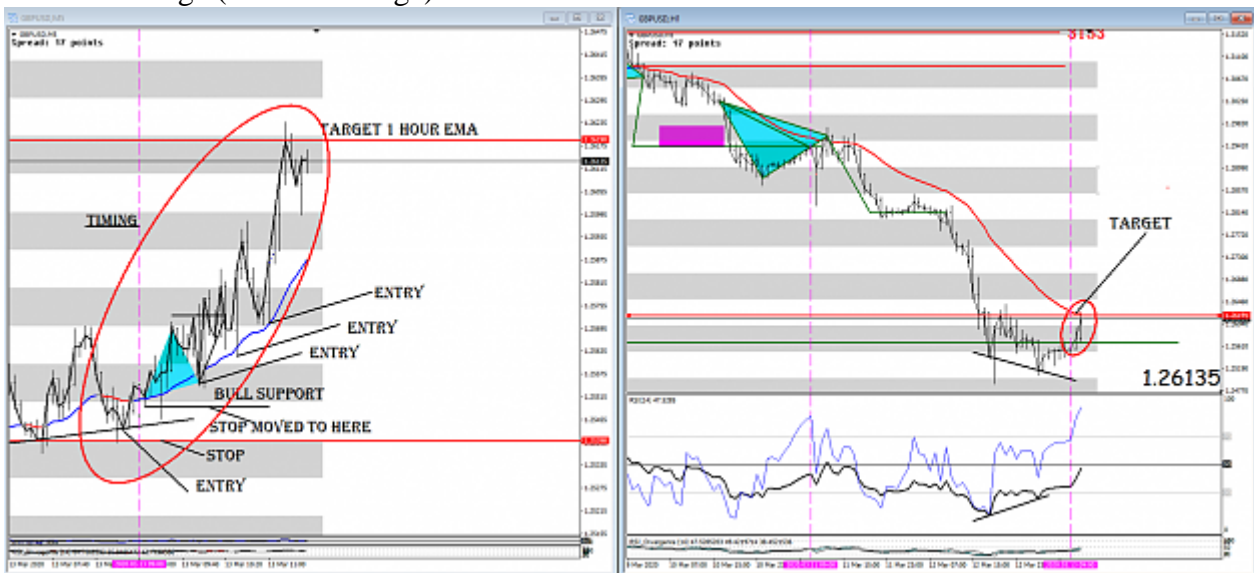
Attached Image (click to enlarge)



Yes it did.

Here was my take on the action....

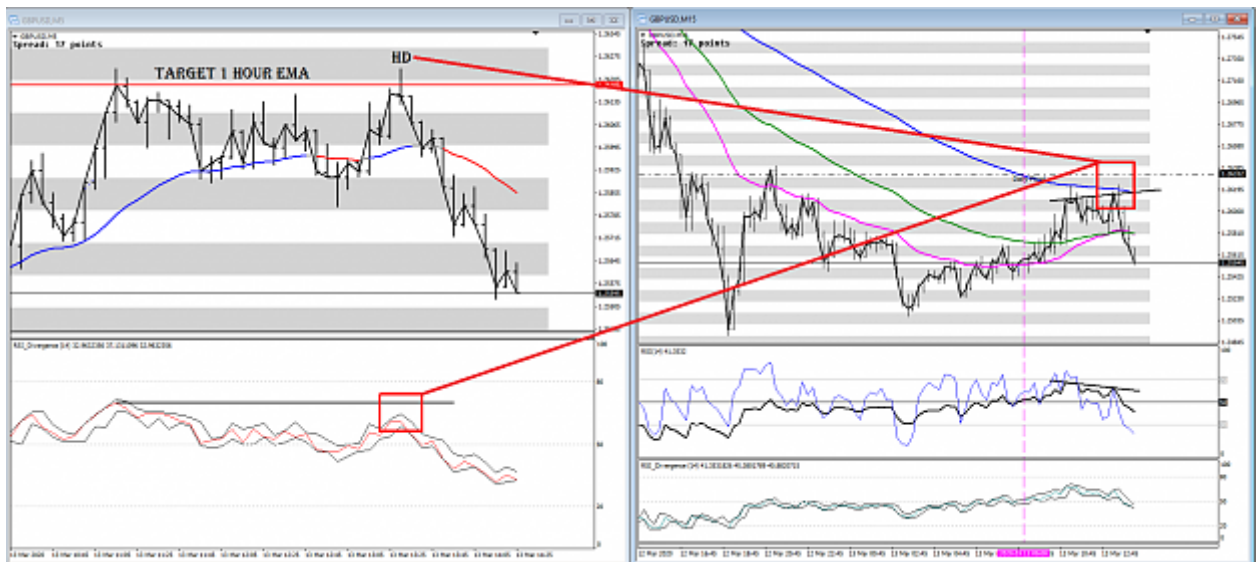
Attached Image (click to enlarge)



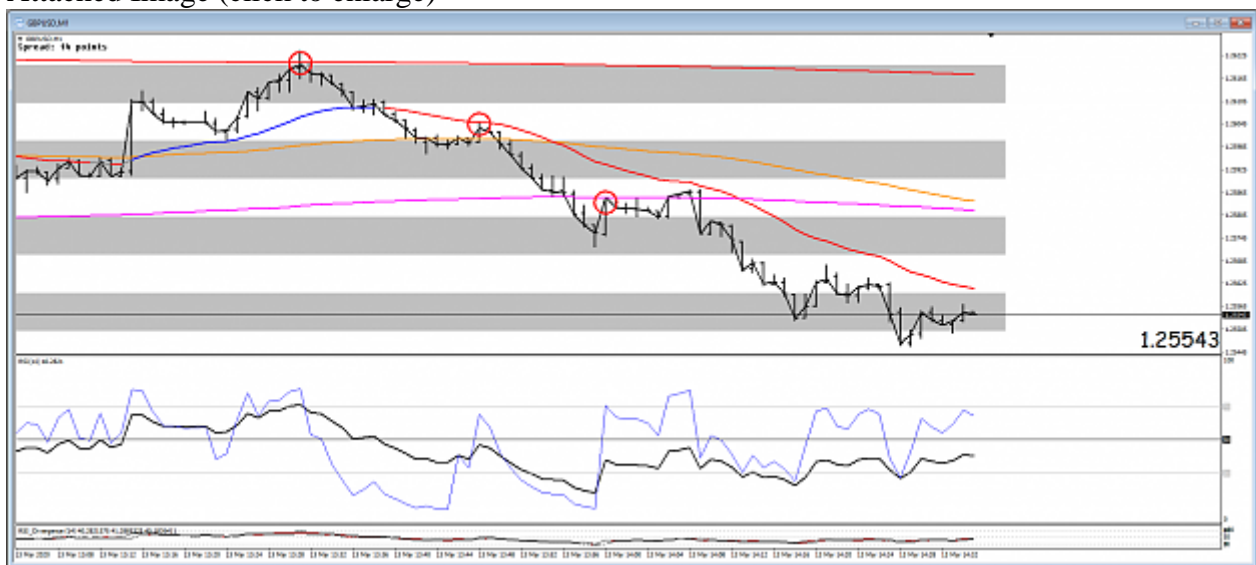
Here again was another trade to take it short based on what I said about the hour chart and the EMA going lower.

To do that price will have to go lower also, so we look for the short and here below is where I would have taken it.

Attached Image (click to enlarge)



Again I could have been wrong and lost a minor trade the additional entries would have been made on the 1 min chart for this 15 min move.
Attached Image (click to enlarge)



Each time the 1min showed a bull div I would have moved my stop to protect some profit.
Price just hit 1.24592 an ABCD that Des's code picked up on the 12th...5 min chart
Attached Image (click to enlarge)



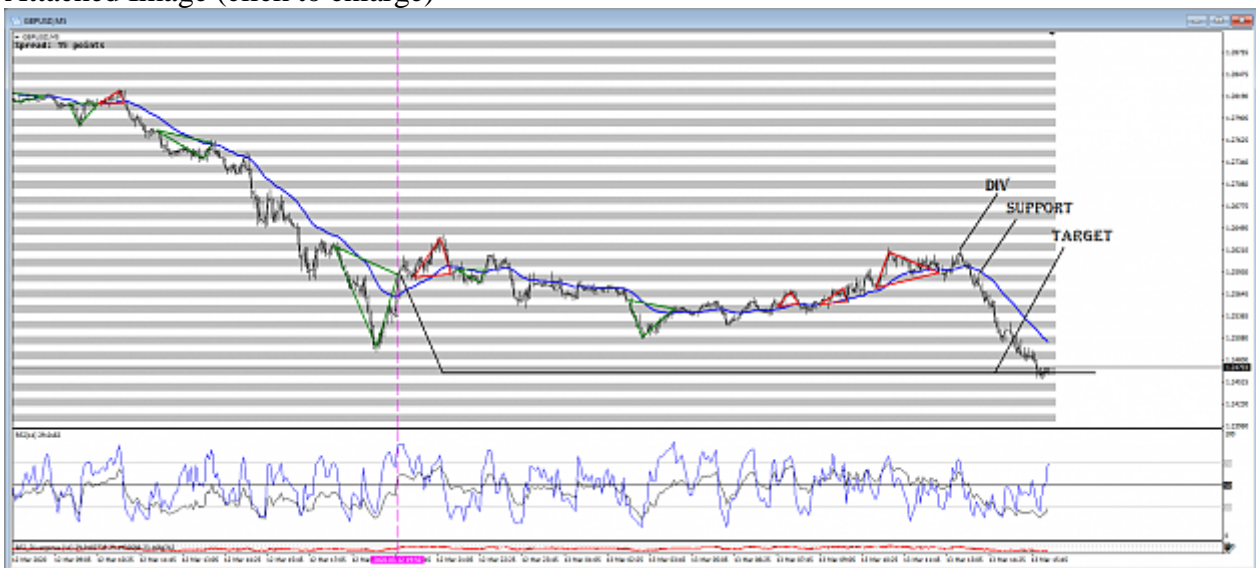
We can work this out...

If the swing average is not going to take out the previous swing average high then it should test the swing low. This is exactly what happened.

Now if the average it is going to test the swing low average then where is the price likely to go.... To the D of the ABCD

You guys should be communicating what you see by now and all that is needed is on the chart below..

Attached Image (click to enlarge)



All that needs to be said is...

Bearish HD on 5m
Potential ABCD target 2459

There is no need for long winded analysis unless someone wants more details.

[Quoting Jazz1964](#)

The Daily is ready to make a new lower EMA swing low. {image} **The next level is at 1.23xx It would not surprise me if we see that level again in a short time.** No explanation here but it has to do with Weekly resistance line +61% fib + distribution seen on the Daily ==> potential sell off. Not that we only should Sell!

That was quick!

Attached Image (click to enlarge)



Finally trading Structure and PA only

[Quoting Jazz1964](#)

{quote} That was quick! {image}

Fast alright, this thing is moving something like 50 pips an hour both up and down. With this kind of action we should be considering halving our entry and doubling our stop and TP distances.

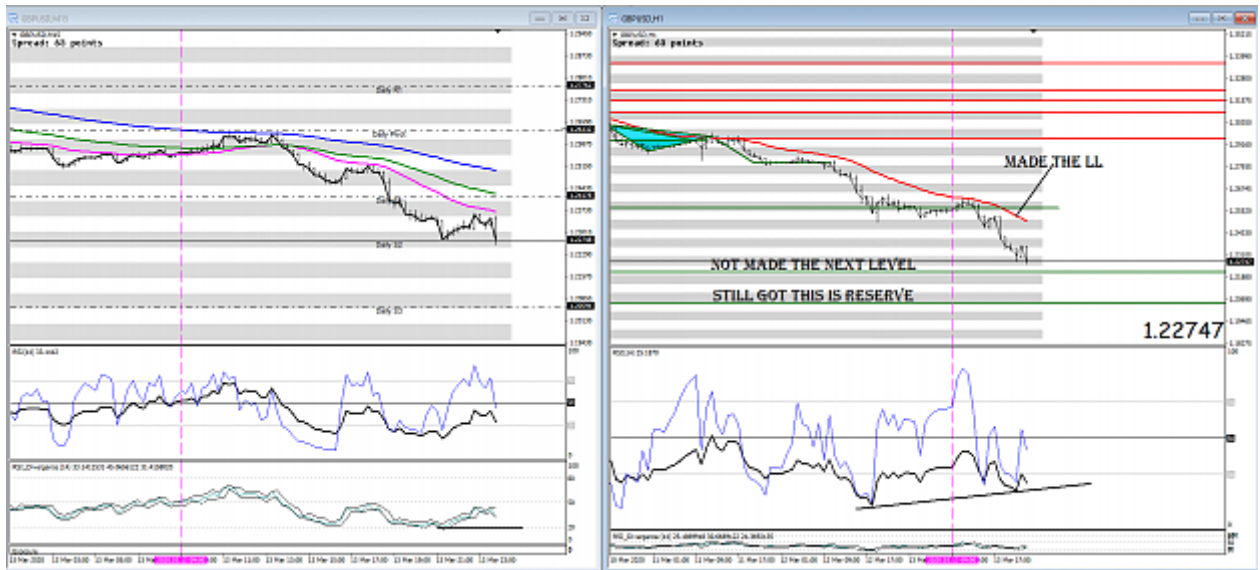
On the hour the EMA has made the LL as I suspected but interestingly the price has not quite reached the next level 2211 and is in bullish div.

This gives us pause to ponder if this is the time for the bulls to stop the drop.

Of course we know what happens when a div fails so don't hold your breath just yet. There is still another LL at 204. Also price is currently halting at exactly the S2 daily pivot level and in hidden div on the 15 min, I wouldn't be surprise to see it gap to the upside on the Monday open.

Anyway since we are trading below the average all longs are regarded as scalps until they turn into trades.

Attached Image (click to enlarge)



[Quoting cuchufrito](#)

{quote} You shorted that 15 min. divergence right? (at the open)

These were two Longs

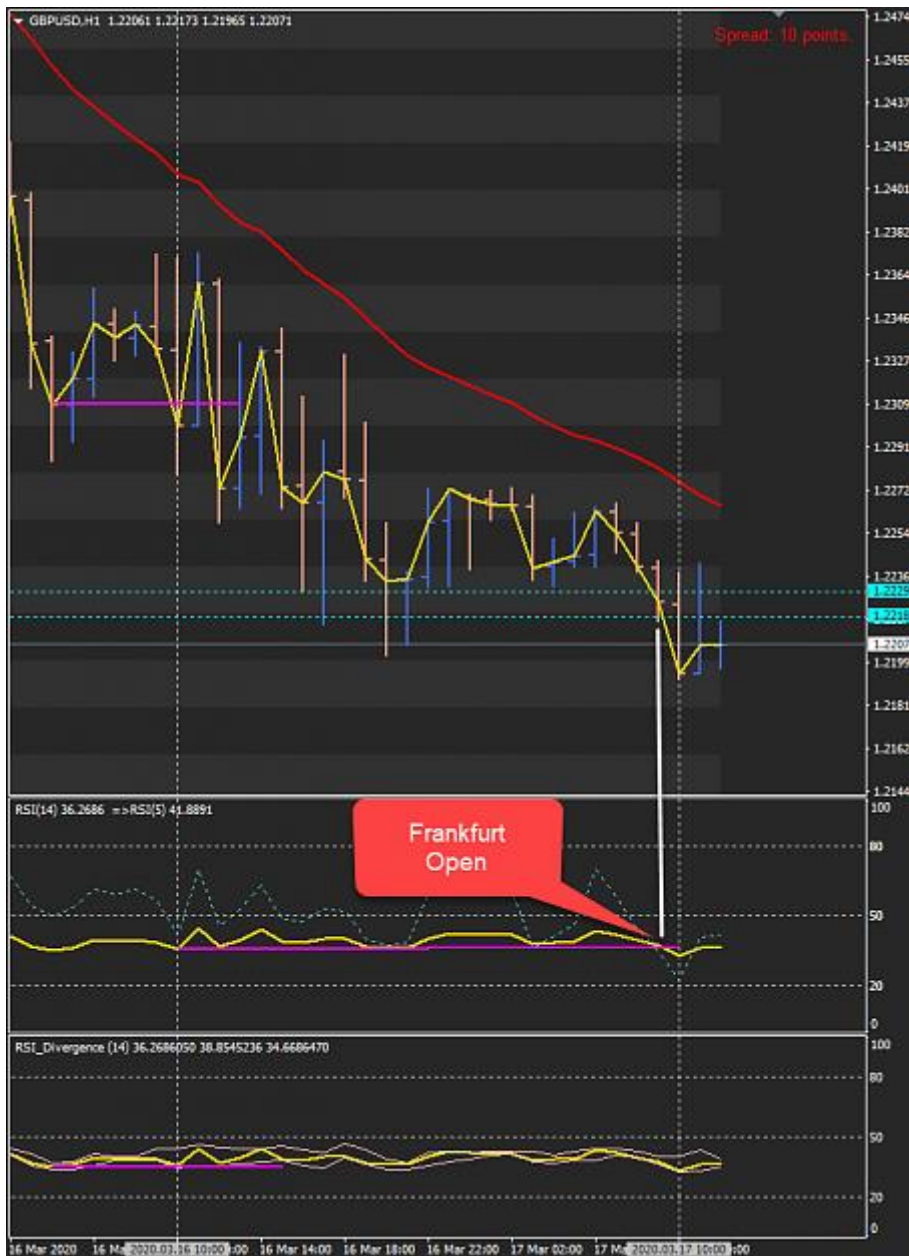
Attached Image (click to enlarge)



At 108 Frankfurt Open, in the H1 the RSI was diverging with Price.

At London Open, the H1 didn't tell me much but the M15 and M5 were clear enough to take a Long. Had to be safe and closed it soon enough.

Attached Image (click to enlarge)



Finally trading Structure and PA only

I wouldn't be going long unless scalping because it looks to me like the average is trying to make the LL 2231 and price may well reach the 2041.

Attached Image (click to enlarge)



[Quoting 44johnw](#)

{quote} Is that with your - range Alan, thats what I have with the +/- range. I have cut my target short cause I get caught to many times

There is also this larger one on the 15 min
Attached Image (click to enlarge)



[Quoting 44johnw](#)

{quote} Missed that one That 2041 average swing level you have Alan, **how far back does that go**. I have no more levels below the 2213. Cheers John

2019:09:03 I had to make the chart 4 feet wide to see that

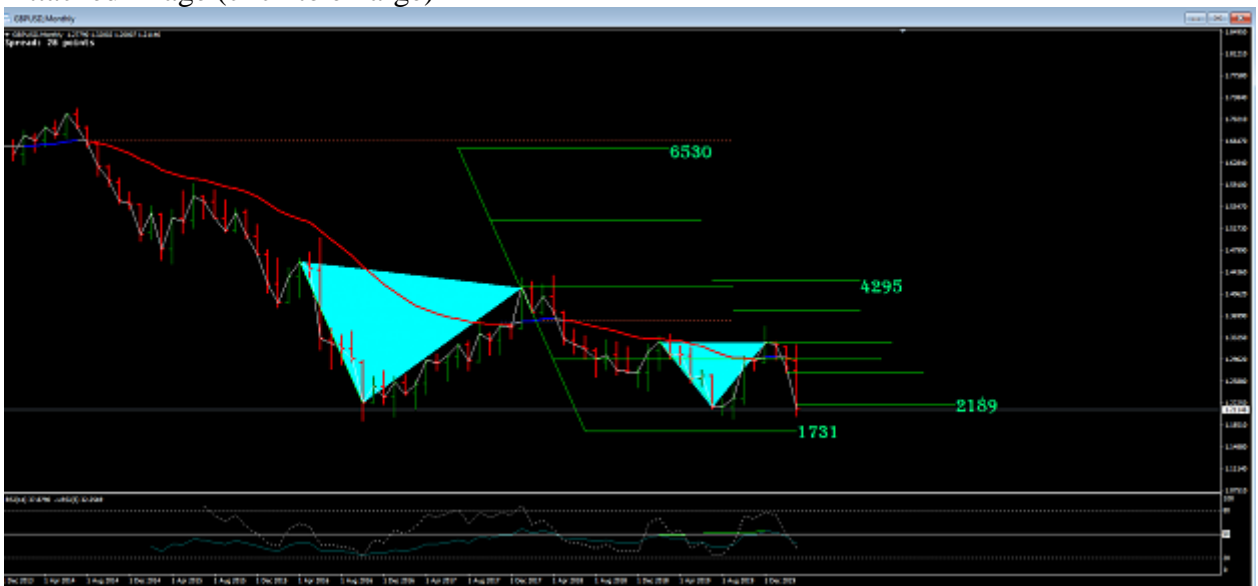
That is the last target I have all the AB= CD's have been hit.
Attached Image (click to enlarge)



[Quoting 44johnw](#)

{quote} Alan do you still have the Monthly ABCD that is targeting 1822

I have two on the monthly 2189 which has been hit and 1731 which we appear to be approaching. However a month is a long time and the daily swings within can be huge. Attached Image (click to enlarge)



[Quoting 44johnw](#)

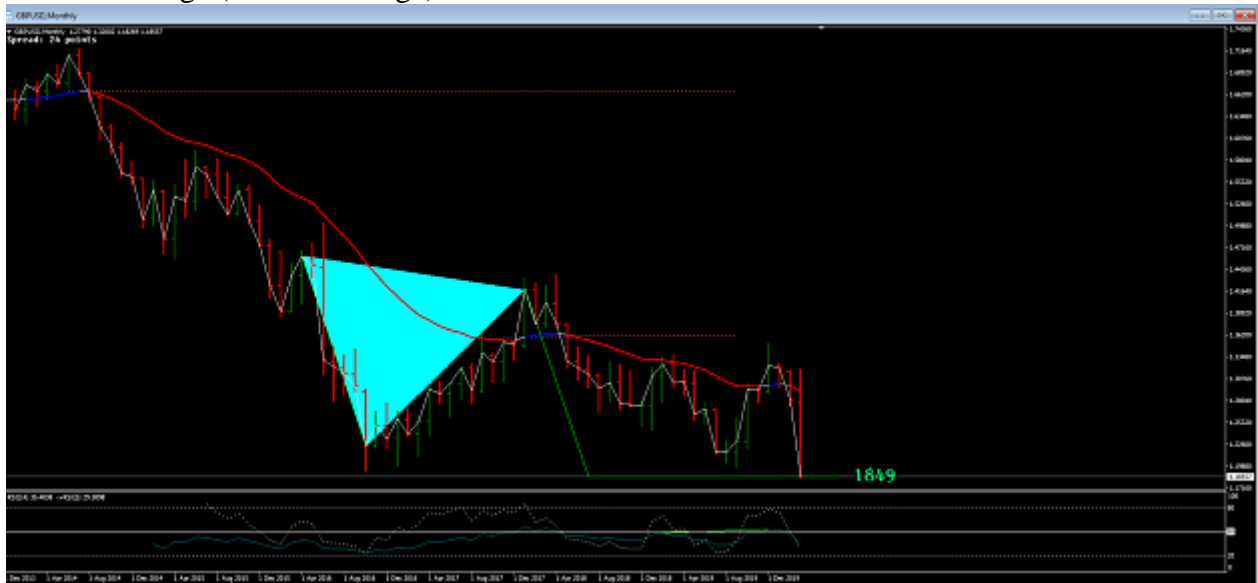
Cut myself short again tonight Alan. Still trying to get my confidence happening both in extra entries and letting it run to targets. Im determine to get there though. Entry was 15M Bear Div and Support Target was 15M AB=CD but cut short at DS1 Cheers John {image}

No worries you just have to keep working at faith in what you are doing.

I have been out all day...Kids birthday

I was just checking the charts on my laptop and the monthly I posted above was incorrect... That is I hadn't drawn it very accurately.

The target has actually just been hit, surprised none pulled me up on it.
Attached Image (click to enlarge)



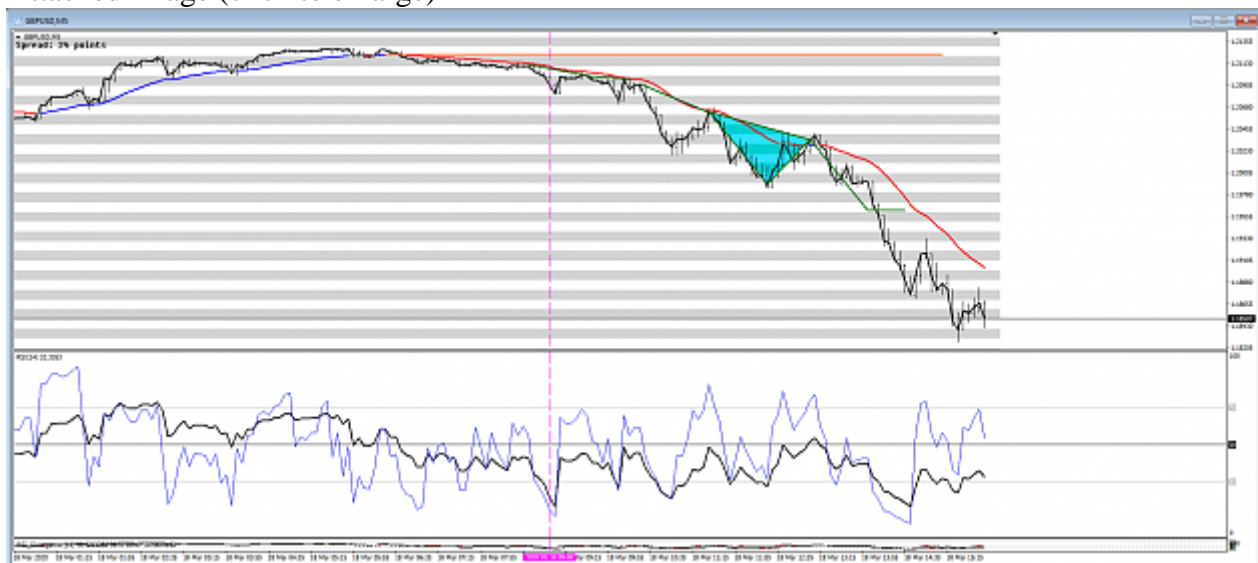
So easy to make errors of this magnitude on a monthly chart. The lines are 50000pips thick

Now that target on the monthly was the same as the S2 daily pivot and we are see on the hourly that the average is trying to make the LL than 2041

From the onset of our timing bar 108 we were trading below the EMA on the 5 min and that chart produce bear divergences one after the other including one ABCD.

In other words everything said go short and once the trade got under way protect with BE +1 and then let the trade run its course to your TP or more.

Attached Image (click to enlarge)



Rapidly running out of targets as we enter this unknown zone but the 5m is still producing targets...

Attached Image (click to enlarge)



The lower one is way down there at 1.13985.

From the onset of the 108 bar on the 5m chart if we are trading below the EMA then stay short.

Trying to second guess the market by thinking whatever is a bottom is just deluding yourselves. Go always with the reality and accept that it has to make pull backs which you can attempt to exploit. If you fail it is no big deal and only a small loss compared to getting it right and making a ton of money.

This is why we make tentative entries to test the waters before we boil our heads. The sooner you get use to losing the odd few pips and capitalising on the far bigger wins the better. It is a habit we must train for, lose a little v win a lot.

Not to be an alarmist but if this monthly chart does turn out to be an AB =CD then the GBP is in for a roasting in the coming months.

I worked these numbers out mathematically so they should be more accurate than just drawing lines.

Attached Image (click to enlarge)



Quoting Traffex

{quote} Not sure in what context you are talking about here. There is always a level which is the EMA and if trading is below it then we start the pull backs irrespective of whether is a div or not but most likely there will be, a two bar test will determine your entry and stop. However it is nice to know where the price itself may be heading and at this time that is difficult to do. So if we wait a while until things sort themselves out it may be beneficial to do so. We need the things to qualify for a trade. The entry The stop The target The money...

If you have the direction (H1) and trade in the 5 min, **which divergence against the direction do you trade** (hedge) and which not?[/quote]

None of them unless you wish to. The point of a hedge is to protect the gains you have made so you only apply it when you believe the 1 hour is at a point it may turn for a tad such as any of the numerous ZOO points we have considered.

Most of the time in a bear trend a bull div will fail so you should be looking for bear divs to add to your positions until you reach a 1 hour ZOO point.

Consider the chart below where we have shorted to stay with the trend. Price runs into a 1hour bull div i.e. a ZOO point. We hedge all the shorts to protect our profit.

Price continues to fall and the first and second div fail. What is happening to our profits we have locked in...absolutely nothing we are safe and don't need to take any other action at this point.

Then the 3rd divs kicks in returning price to the EMA so once the hedge is making money why are we holding onto the shorts...we close them and our stop protects the hedge + 1 pip when it become safe to do so.

Now having said all this it is totally not needed unless you are trying to own the world. the profits just from the shorts are huge. Better to restrict your hedging of trades when the market is far less volatile.

Attached Image (click to enlarge)



If you are really desperate for the additional money you could have held the hedge until price reached the average swing level once it broke the EMA.

The hedge has the additional properties of grouping all the trades placed into one lot so it is much easier to control stops and TP's with only the one to make adjustments on.

For your diary.

Yes the same processes apply to other pairs.

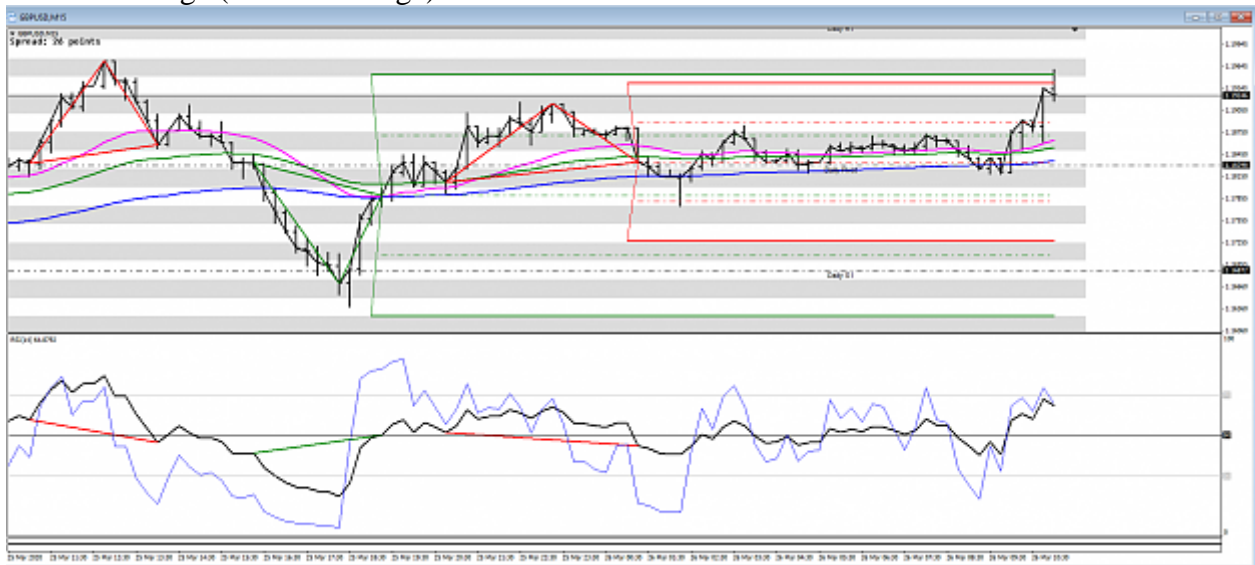
Here below is the monthly chart of the AUD/USD with a very nice $AB = CD$

Though the lot sizes are very much cheaper I wouldn't trade this pair because over a month it barely makes 50 pips in normal conditions.

Attached Image (click to enlarge)

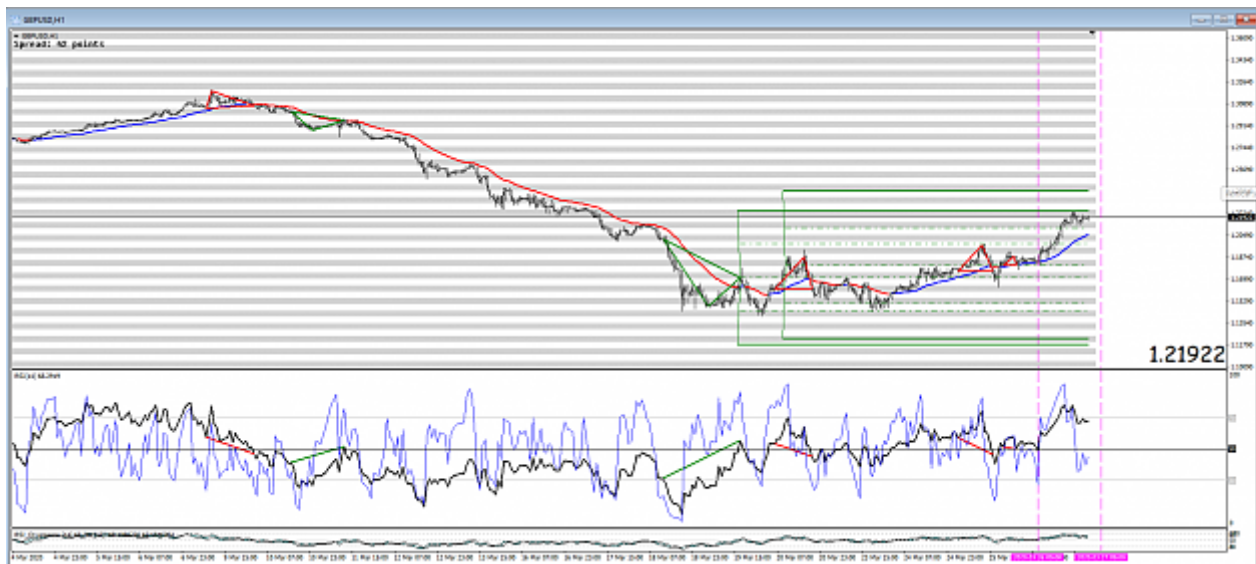


Talk about killing two birds with one stone.....
 Attached Image (click to enlarge)



On this one hour chart I am not looking at the swings because the distance is huge, this is a 50 pips grey grid.

What we do have is two ABCD's within this vicinity so **I would be looking for pull backs to go long on the lower time frames.**
 Attached Image (click to enlarge)

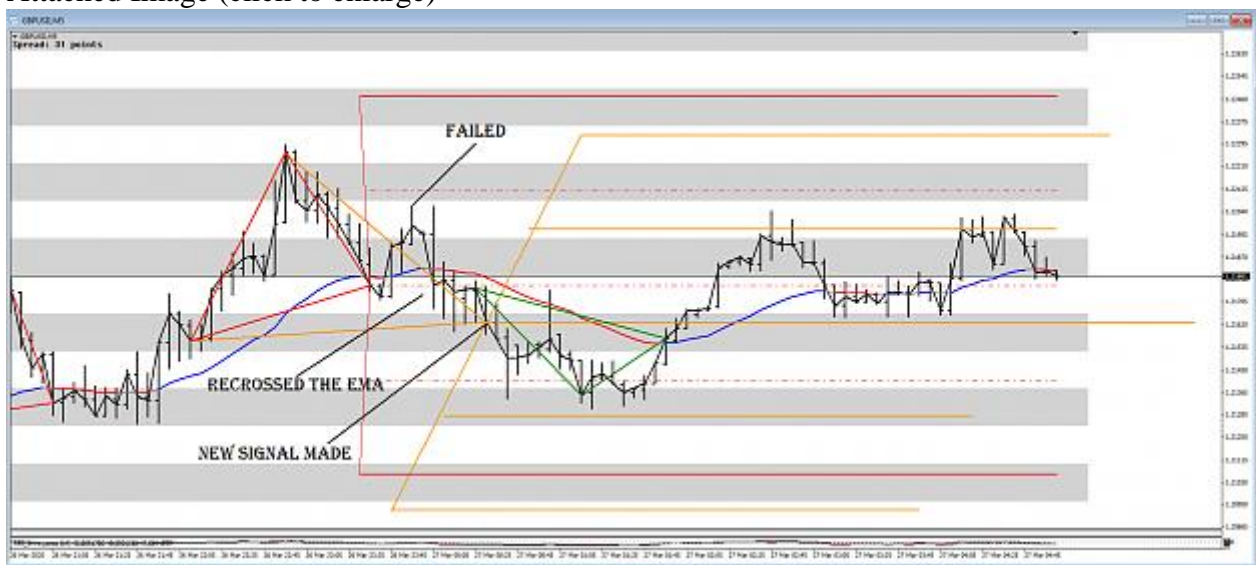


This is what I mean by the market making target adjustments.

The red target formed and Des's tool picked this nicely.

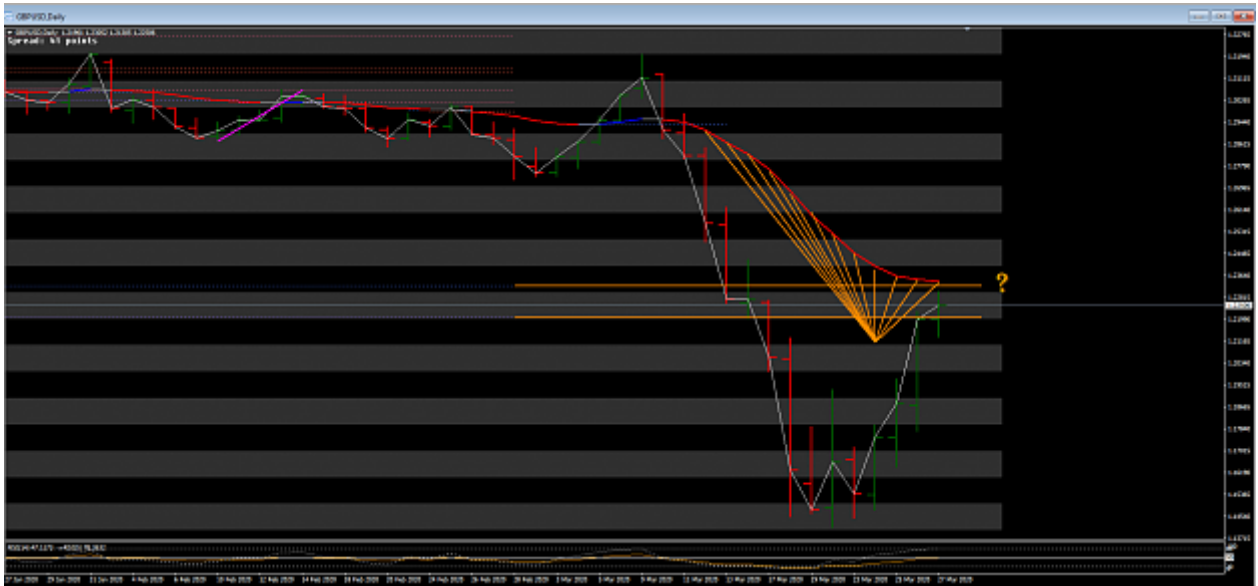
Now price failed the top D target and recrossed the EMA finally closing in a new ABCD position (orange). We see now we are travelling between the 50% long and short so we are stuck in this range for the time being.

Note how the new C level is being respected.
Attached Image (click to enlarge)



Looking at the daily chart this is a very dangerous situation. Are the bulls going to stop the bears or are the bears going to continue.

I might take this day off, or scalp a few later.
Attached Image (click to enlarge)



Today was fairly standard the difference being the large numbers of pips.
 Attached Image (click to enlarge)



Here is another weird one...
 Attached Image (click to enlarge)



[Quoting cuchuflito](#)

{quote} Thanks, des Yes, I hedge with OANDA. EU Session spreads are decent, problem is the Asian Session, you can also forget about keeping positions open over the weekend. The spreads multiply by 20 and more..

The Asian sessions have nothing to do with the trading method I have explain in some depth. Nor is holding trades open for extended periods of time.

It is a process of taking the elements of timing, signals, stops, targets and money management to push the market a heck of a lot harder than it pushes us.

You mention trading several pairs to find more opportunities but to me this is counter productive because I have only developed this method for the GU, other pairs have totally different methods applied. The timing is different and the application of the actual trading method is different. Just for example the chart below is the AJ at the start of the Asian session... the spread is 1.7 pips (top left corner) the grid is 12 pips but it is fluctuation to 2.4 ps. This pair has completely different habits than the GU so it requires a completely different approach, I find it very difficult to lose any money at all on this pair and the lot cost is half that of the GU. So for me here is Australia it is a handy way to make a few bucks in the morning. However these are not normal times, volatility is very high so normally I would not even bother. The method I use on the AJ does not work on the GU.

You mention trading while doing other things so the 5 min is too fast for you. Well there are a number of things wrong with this and the first involves concentration on the task in hand. You have to have your wits about you especially up to the time when you can get your stop to BE after that we can relax a tad. The next thing is that we are looking for ZOO points on the hour chart, the 5 min is used to get the better entry rather than waiting a hour or so. Thirdly, and I'll stop here, is that we monitor several charts of the same pair at the same time to add more pairs makes it very difficult to do this hard and unnecessary work, it also makes it easy to make a mistake.

Hope this sheds some light...

Attached Image (click to enlarge)

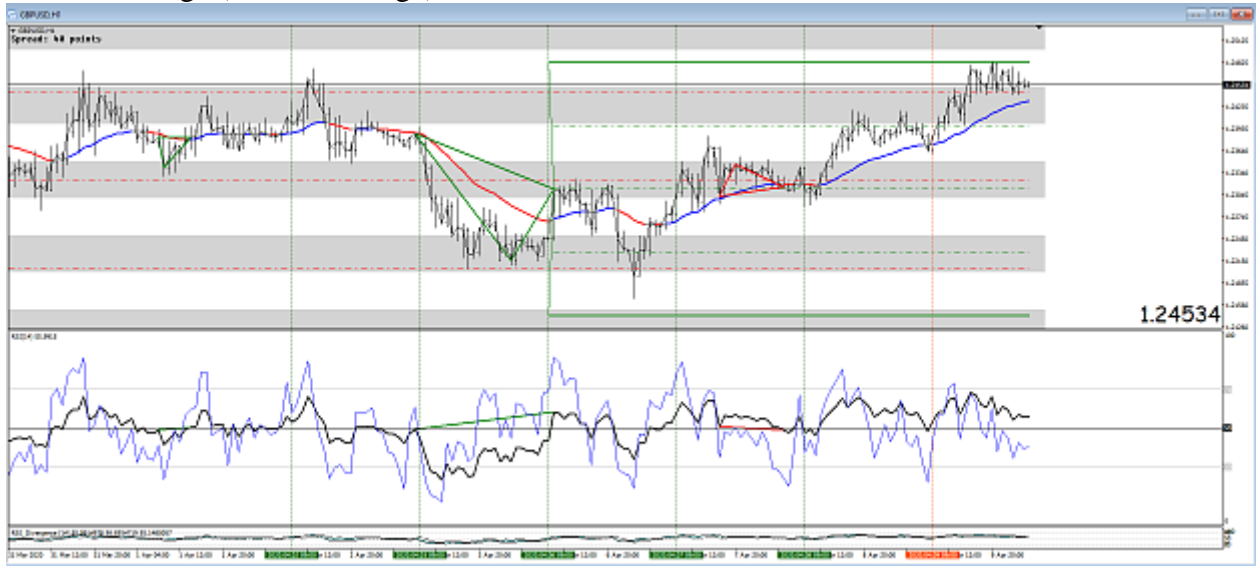


Well everyone seems to be very quietly making their fortune (I Hope).

The GU has to say the least been very choppy these last few days, however, targets are still being hit despite whatever news articles pop up.

The swings within this 1 hour target were enough to pay our profit without having to traverse the whole distance.

Attached Image (click to enlarge)



[Quoting CptOrlando](#)

Hello, Found, this thread and have been looking at it for a while but I am still not sure how to get in some moves. Especially today. At the 108 bar, There was a rsi bear div but both 5m rsi were at the bottom, the fast 1h was also there as well. We were at the 1h ema as well so I took the 5m HD bull div instead but got stopped out. Could not find any bear entries to get in except for a continuation bear div (which looked like it did not have any support). Does anyone have anything I missed? Thanks {image}

Ok look at the 1 hour it gave the target at the time we expect...

Drop to the 5 min and see we are indeed trading below the average.

So each time the fast RSI climbs above the average then it is overbought so sell it...

We see the move started in the Asian session and the accelerated from 108.

We get paid quickly today.

Don't dwell so much on finding divs even though there were plenty of RSI divs to be had.

Attached Image (click to enlarge)

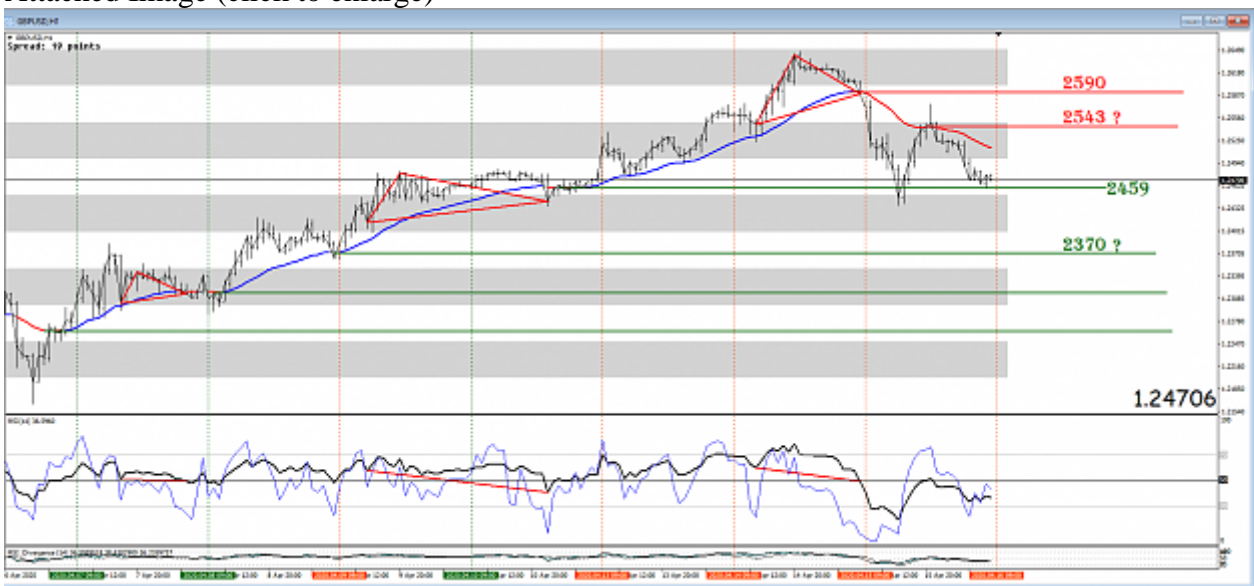


So looking at today's setups on the hour we have the 2370 if the average is to break the 2459'

Or if the bulls are going to stop the bears making this average LL then the 2543 to 2590 is on offer.

Our attention is currently on the bears breaking the 2459 or not.

Attached Image (click to enlarge)



[Quoting Dubtrader](#)

{quote} More like I was caught ball watching Alan. I was looking at the H1 which had bear support above the average. I saw the bearish Divs made the first entry only. Got the stop to break even but didnt add the two other entries because I was still watching the hourly. Even missed the hook, again looking at the ball and not the bigger picture. Ow well. There is definitely an element in my trading of worrying about being stopped out, even when I have the stop at break even + 1. Several things I need to work on. Thanks Alan

No worries no one says it is easy at all. It takes practice and commitment to doing the job almost without a care.

Course I cannot teach how to be bold, we are all different in this respect.

Here below I have tries to make it as visual as I can.

Trust me I get stopped out heaps of times but lose very little. When I win I win very big.
Attached Image (click to enlarge)



[Quoting Rodin](#)

{quote} Hello Alan, Can you explain your first entry please ? It was at the close of the up bar ? I mean the next bar could have been higher and invalidate the div. Also we were above the 1 hour ema, I thought that we only think longs in this case ? I get that we were on a M5 ZOO at 108 + a div but still don't understand how you enter in the first place in this exact bar. Last but not least, how do you manage the second and third entries, M1 ?

Sure, I have not got the chart in front of me now but the story is always the same, day in day out...

I have a div FORMING on the 5 min, I am well above the 1 hour EMA so I could get a decent pullback.

So I drop to the 1 min and look for a short... = entry 1.

Then expecting the hook on the 5 min, which we got again look to the 1 min for a short... =2nd entry. Stops are adjusted and it is here I get stopped out a lot. However not this time.

Again another 5 min pull back and again drop to the 1 min for the 3rd entry.

That is the entries covered next I have to think of protecting the trade entirely with the stops and where is price going today, what is the target.

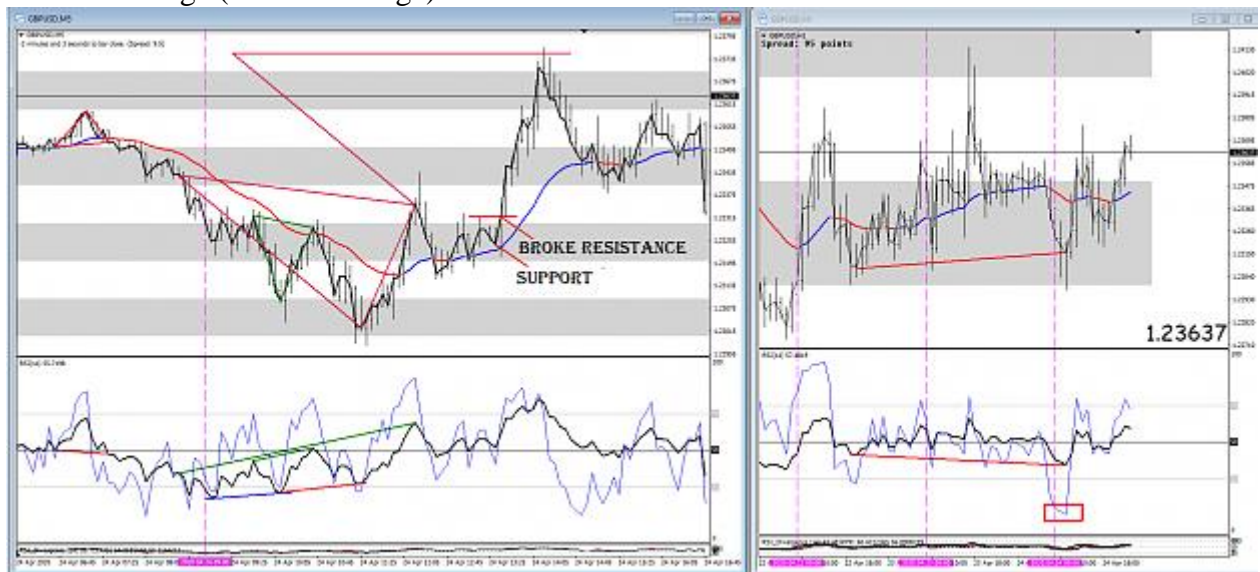
I have a good idea because I can see the AB distance even though I am not sure where C is yet. Once I have C I have the distance sorted. At this stage I can also adjust the balance of my lots and add a tad if I need to in order to reach my profit target at the price target.

When I say we are trading above the 1 hour EMA it does not mean there will not be pull backs and even crosses.

Does that make sense?

This was difficult to trade yesterday (Fri 24th)

Attached Image (click to enlarge)



[Quoting CptOrlando](#)

{quote} Hello, Just wondering but have I drawn this abcd correctly because you did not mention it in your 1h? {image}

Not quite correct and by using candles and no 1period sma you are making things difficult for yourself to see stuff.

Attached Image (click to enlarge)



Look at mine here below how clean it is to see the stuff beginning with the div at the bottom.

Candles clutter charts

Attached Image (click to enlarge)



Unless you have a specific reason for using candles I would stick to electricity.

[Quoting logic38](#)

{quote} Thanks Alan for that comment, i also found it difficult, we had two rsi hooks on the 5 minuet chart with divergence, at 7.10 am and 8.10 am, the one hour rsi was over sold so i was buying at these 5m divergences, they also coincided with previous one hour lows. The first hook I got stopped out for a loss, infact i had a few losses for being inpatient and fringed i will miss the boat, this is a bad habit and something i am trying to curb in my trading, thankfully i eventually bought the low so made good, did you have the low of 1.22969 marked...

Actually this brings up the question of persistence.

We should not be discouraged by stop outs and if we use a good money management practice they should have little effect on our bottom line.

If we keep to the notion of losing a little but winning a lot and our entries are based on good probabilities of being right we should be OK.

Now for that low and why we had so much trouble.

The fast RSI was way down low but this can also mean momentum but we both seem to have taken it as oversold (for want of a better term) and took the 5 min div.

This div (marked as wrong div) did return and cross the EMA but the bulls did not find support and it formed an ABCD (green 5 min)

Price hit the D target on the short side and then formed another bull div after the target was hit. **I find these are the better divs.**

Again we take the bull div but as yet we can't see the target. This forms later (magenta) when the line of sight comes into view on the RSI and on the price they points are still on opposite sides of the EMA. Once the bulls eventually found support it ran straight to the target D.

I know this is messy and this is why it was hard to trade. However as I said persistence pays, I

wasn't persistent and quit too early.

That was the logic Logic38 I hope that was logical.

Whoops forgot the picture... Here it is.

Attached Image (click to enlarge)



[quote] Thank you for the detailed reply! I guess I was just curious what limitations exist when a trader makes such impressive profits , which might limit the long term reliability of trading the forex market, but I think I will find that out as time passes. This method is actually the one I trade in a more conservative way, using the principles outlined here , for which I thank you. What I haven't clearly understood yet , however , is your exact criteria for identifying the bull/bear support on the 5 minute chart. Perhaps you could briefly describe...[/quote]

No worries. I cannot answer what would happen when trading with telephone numbers because I generally withdraw lump sums on a monthly basis to pay myself. However since we are in lockdown (here in Yatala) I can't spend it so I will let it run longer and let you know what happens say in a months time.

As for the bull and bear supports... Here on the AJ we have both examples so I'll use this chart.

First we put the word FINDS in front of the word support. So when the price crosses the EMA we need to see the bull or bears FIND support.

I take this to be the first pull back after crossing where the opposition fails to get back across the EMA. If they do get back across then they have failed to FIND support for their continued move. The support point is the actual top or bottom of the bar (wick)

See in the chart below where they both FIND support to continue the move and how the opposition cannot close across this support.

Hope this is clear...

Attached Image (click to enlarge)



Now look at the previous bear support it only held for a short time so the price get's back across the EMA and the process is reset.

Remember we are looking at that EMA making a LL and prices dragging it there.
Attached Image (click to enlarge)



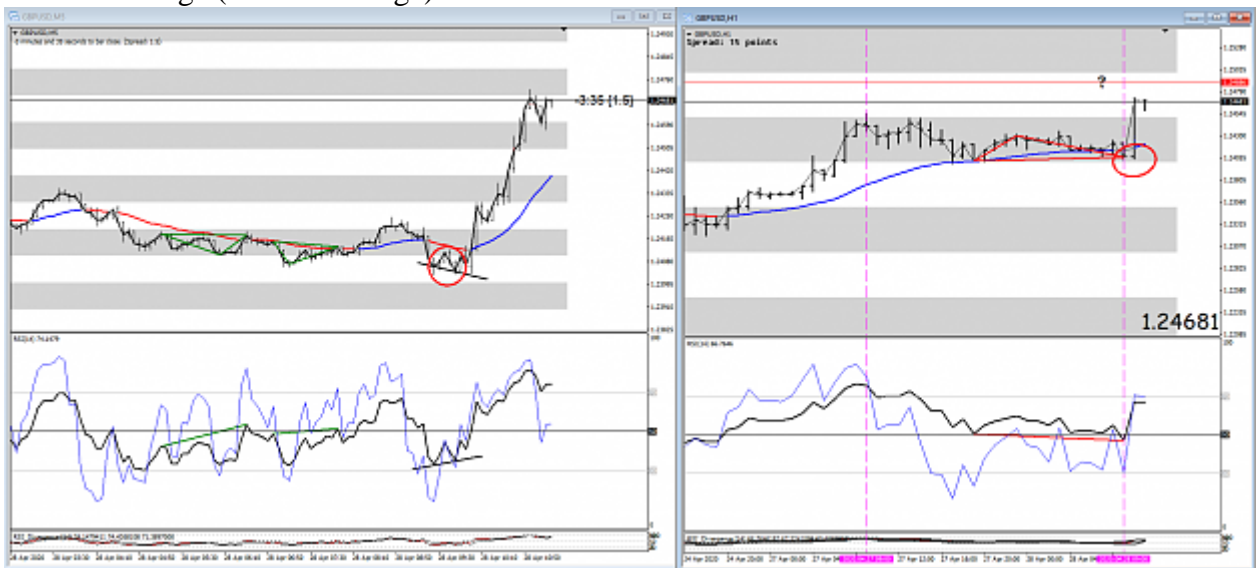
[Quoting Trade Time](#)

Hi Alan, Please forgive such a basic question, but today, are we looking for signals that lead price to head towards the ema turns at either 1.2487 or 1.2341? I don't see a bias yet, although, it has been going up [on H1] and is now in a holding pattern so if forced to choose I would say it's time for a retrace down, but..... Oops, forgot a chart {image}

Don't try to out guess the chart just stick with the signals
Attached Image (click to enlarge)



See the one hour printed ABCD and we had the div on the five min. Price has shot to the R! daily pivot taking out all the ABCD's on the way. Attached Image (click to enlarge)



[/quote] So you just focus on the first pullback , without considering factors like distance from ema or the actual structure of the bar (length of wick etc.) . I understand now. Do you think it would be practical to take just one entry once support is found for a less aggressive approach (provided the other criteria is met on the 1 hour) ? Also, do you always consider a 1 hour pullback to the ema a potential entry provided no divergence occurs? Thank you[/quote]

I would never consider just one entry because this works out to win one lose one and so on making little profit..

Consider the charts below..

The one hour is in div so we look to the 5 min for a long entry.

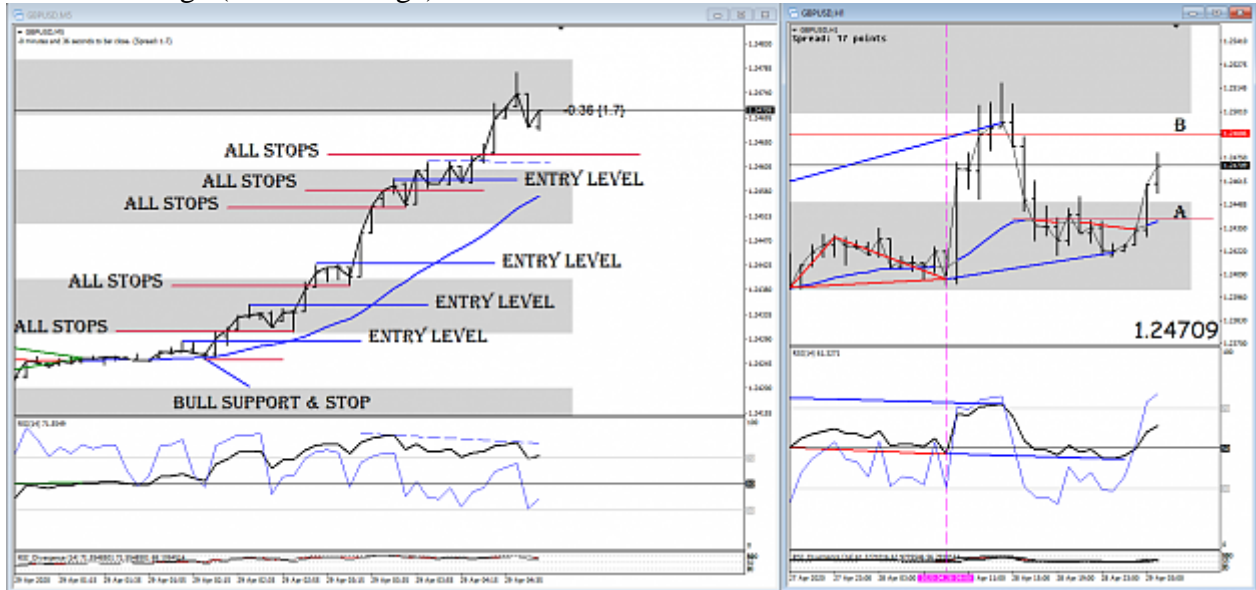
Now to do as you say wait for the bulls to FIND support it works like illustrated. At this stage on the 1 hour I am expecting the EMA to make the HH (A) and thus price to reach the next level (B)

Note I could have taken another trade on the 5min at the dashed line but this would mean the stop would be below two entries, I don't like that. Better to move the stops instead and lock in more profit.

Note how the 5 min is in a bear div but the 1 hour has not made B yet so we may or may not get stopped out for a tidy profit.

If we don't get stopped out we move the stops again and take another trade at the top. Just keep going until stopped out.

Attached Image (click to enlarge)



I made a mistake in the drawing... The blue dashed line should be just a red line stop as below. It was a stop move rather than another entry.

Attached Image (click to enlarge)



Also we cannot take another trade at the top because the stop would be in the same place it is now. This would mean just giving money back

Following on from yesterdays chat about supports...

Look at this 5 min chart and notice how it takes a bull support to take out a bear support and vice versa.

Attached Image (click to enlarge)



It pays to zoom out and look at what is happening in the analysis phase of your daily trading activity.

The other day it was price trying to make the EMA target on the hour, which it did.

Then yesterday we see the EMA trying to make this HH EMA and price makes the next level.

Next we see a wide open space so we would expect a series of zigzags if it is going to close this. At the same time we watch for a change in direction altogether.

It is a matter of balancing what we see on the day and trying to determine our best option and look for the signals to execute this option.

Attached Image (click to enlarge)

