

Nala66

Apr 24, 2019 1:28am | Post# 2887

[Quoting quangvision](#)

{quote} Hi Alan, welcome back! There was nothing to trade much last several days 😊

Yes I see that not much at all hey!.

I see there was a nice setup on the 1 hour yesterday for another continuation div that exceeded its target in a hurry.

So this makes me think business is looking up.

Just remember wait for the signals and don't try to guess the market.

The grid on this chart is 50 pips.



Nala66

Apr 24, 2019 4:13am | Post# 2892

I close longs the bears are trying hard to break this bull support. In fact the bears now have support on the 5 min.

This is ridiculous



Nala66

Apr 25, 2019 2:02am | Post# 2895

Well there you go it did make the 2904 average. Now let's see if the average can make this LL also.

On the 1H for a bullish trade we would now be looking for a div to take price back across the ema and for the bulls to find support there.

If nothing changes then it remains the same so currently we are still looking for bear trades.

The bears have supports at 2963 and 2930 whereas the next bull support is down at 2807.

Also on this 1 hour chart we have an AB = CD targeting 2857



Nala66

Apr 25, 2019 7:14am | Post# 2901

[Quoting mikeeating](#)
almost at a H4 target

and yellow in progress)



Nala66

Apr 27, 2019 3:45am | Post# 2916

[Quoting priyank20](#)

{quote} I appreciate your patience, Alen. What is line of sight on RSI?

The line drawn must not cut through any point of the RSI it must have a clear run from point to point.

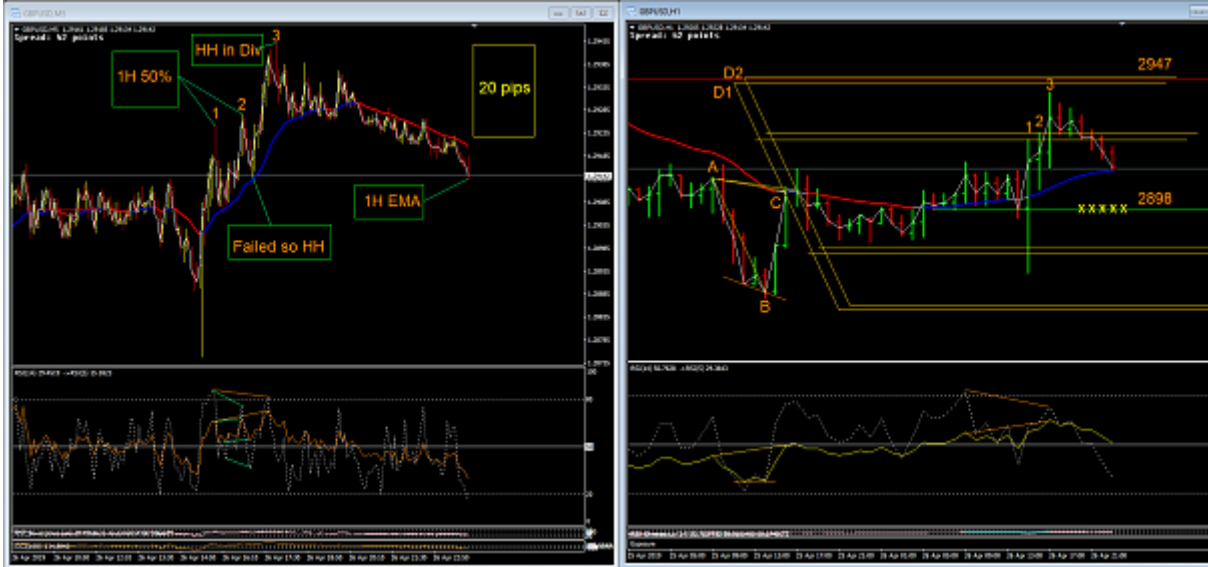
Line of sight simply means we cannot see round corners.

Now it is all very well creating these targets but it is very difficult to trade them because we just don't know which way it is going to hit them either above or below. So I just regard them as the ZOO points where I look to trade them back again.

Just as a swing high or low of the average is a ZOO point where price may falter and turn.

In other words we are looking for the failures at or close to the levels we have determined to be zones of opportunity (ZOO)

Here below we can see these zones in operation as we watch the 1H and 5M in conjunction.

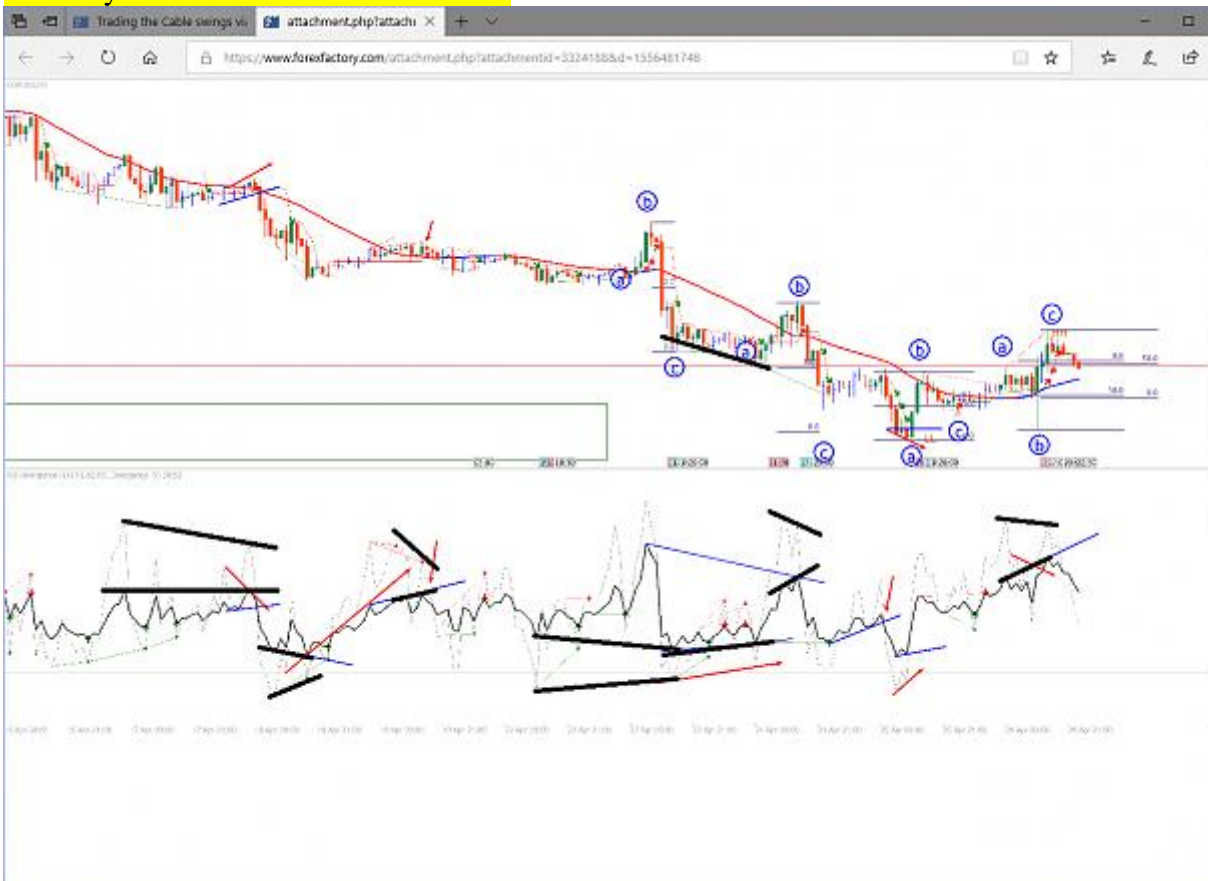


Nala66

Apr 29, 2019 4:22am | Post# 2923

I think you are seeing things correctly.

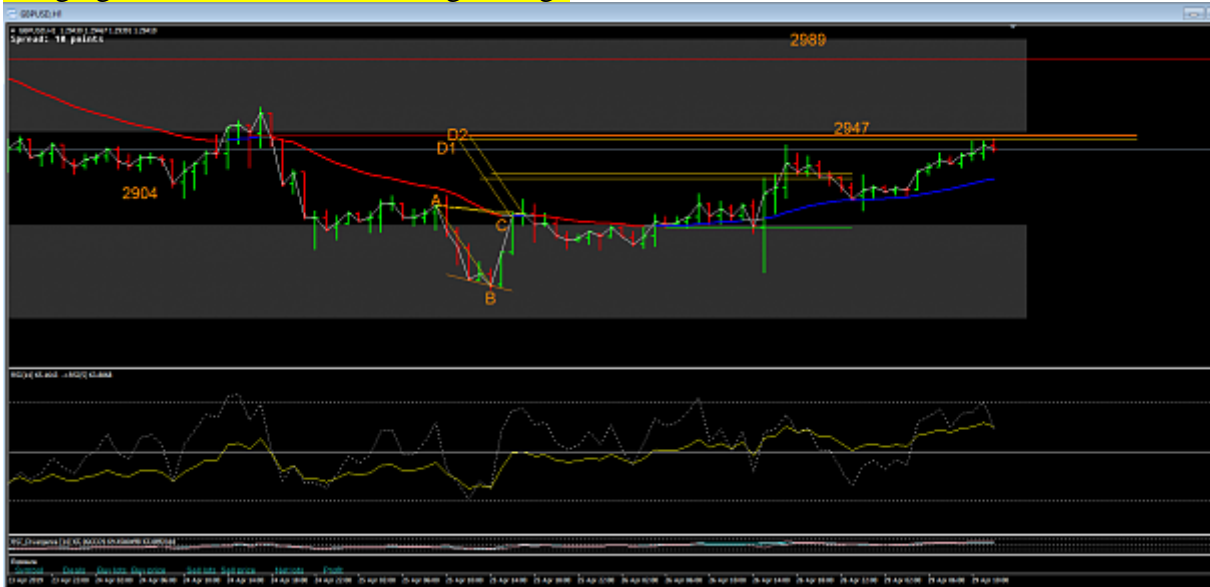
Here is your chart with a few additions.



Nala66

Apr 29, 2019 5:23am | Post# 2925

Banging its head on the 2847 swing average



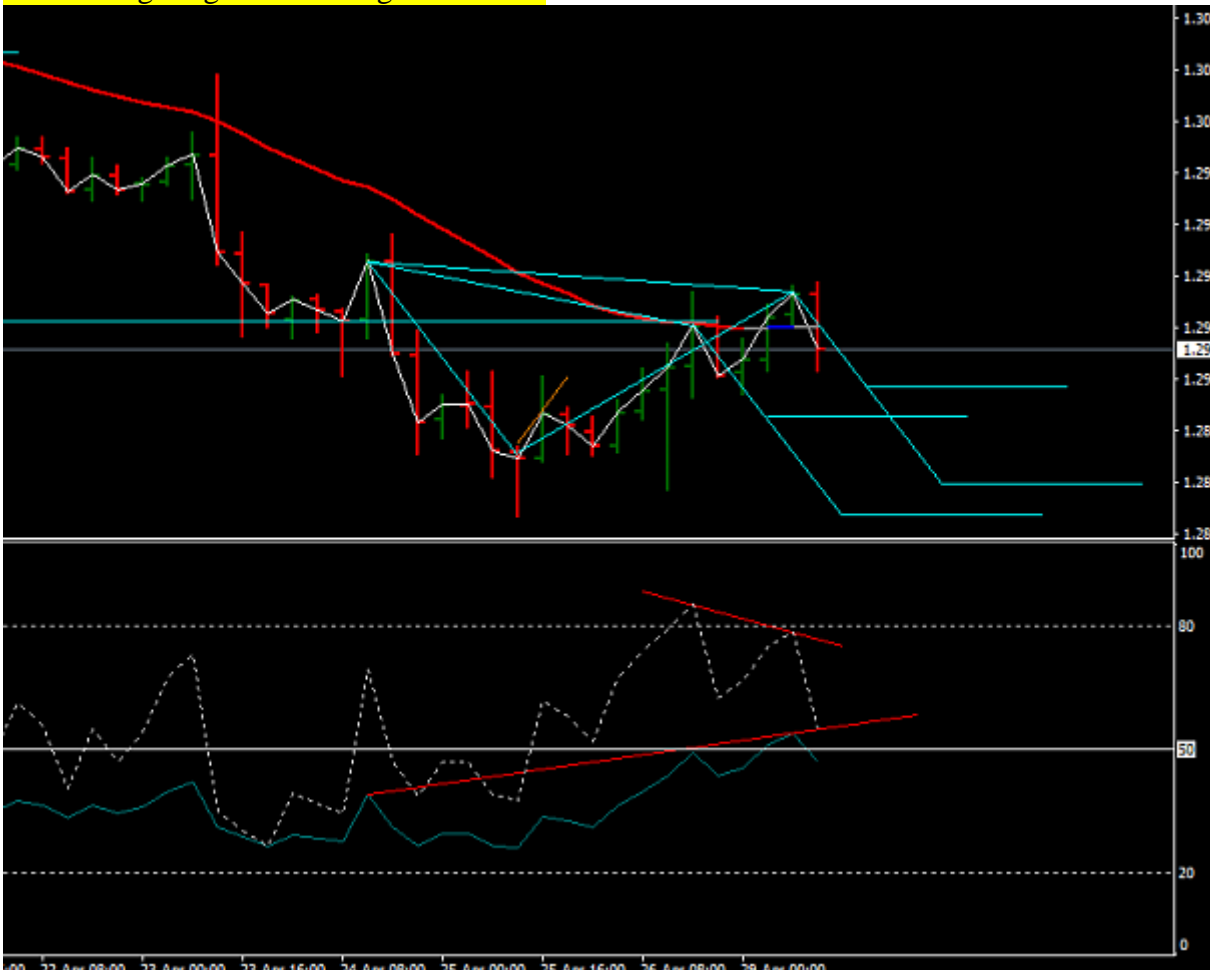
Nala66

Apr 29, 2019 7:00am | Post# 2927

[Quoting quangvision](#)

H4 as well with bearish RSI div and now hit MA. {image}

The 4H is giving a con-div signal to 2876/



[Quoting topor12](#)

{image}{image}

I have added 4 points of support, 3 bullish and 1 bearish.

Number 2 bearish failed to hold.

Number 4 bullish failed to hold.

Watch for these supports holding or failing.



Jazz1964

Apr 30, 2019 5:01am | Post# 2938

[Quoting HoangPhuong](#)

{quote} Post your chart pls I want learn all in group.tks

Disclaimer: I don't think I am the guru here at all 😊

I didn't take those 2nd and 3rd trades.



Nala66

Apr 30, 2019 5:38am | Post# 2939

[Quoting topor12](#)

{image} funny ,the truth of this trading system is indeed in Alan's explanations in the forum written,I copied it yesterday ,ha ha ,Alan I set up a chart as you write ,RSI 14 (20 80) 5 (50 and sma 26))) two lines and a yellow triangle))) nothing more ... there is no money in my pocket but they will now hopefully haha . I sat for 24 hours to remember Alan's explanation and also turn on the light bulb in my head though in his old age))) I post my drawings and started to blush as you scolded me))) everything will be right))) Alan ,in...

I must apologise if it sounds like a scolding, believe me it was not intended. I tend to be brief and to the point, If you want more waffle just ask.

Nala66

Apr 30, 2019 6:01am | Post# 2940

[Quoting davidmaree](#)

{quote} Well done Jazz. Nice to make pips on a slow day 😊. Don't forget that, if you have the margin, adding to trades is powerful. When London starts with a wimper the likelihood is a difficult session. Look back on your previous trades or even further back on the charts for situations where you could've added to trades and work these into your trading plan.

Yesterday, the consolidation toward the EMA with bearish RSI divergence just below the EMA gave a good location for adding to your trade. This reduced the required take from the original...

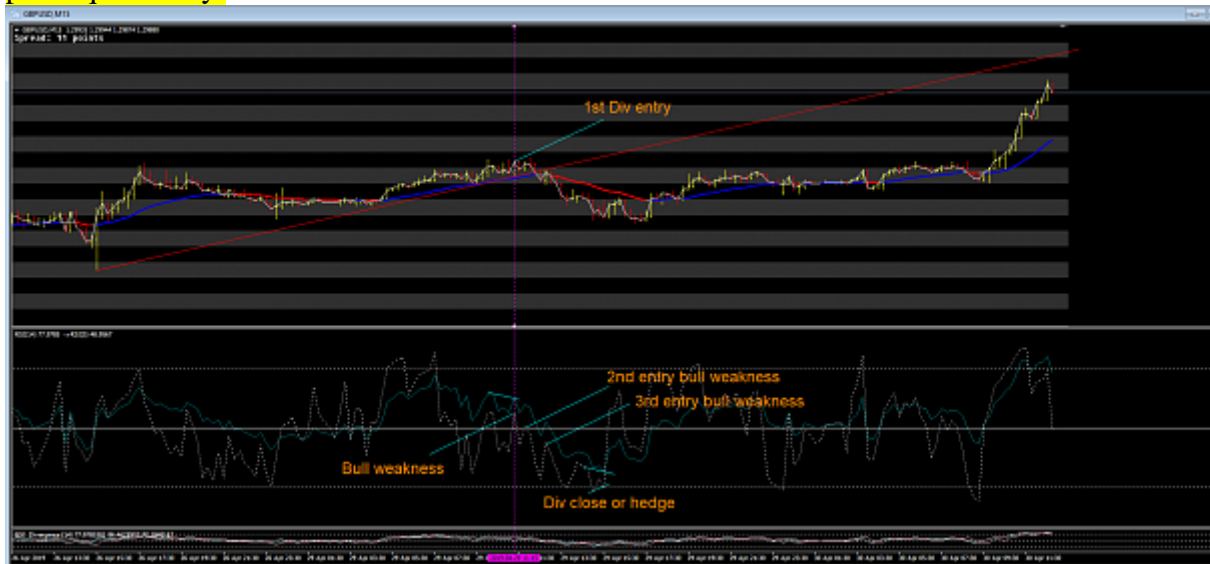
I would like to add a little to this post.

Adding additional trades to a winning situation makes a massive difference to your account rather than doing the % risk method.

So many people make the mistake of adding to losing trades in an attempt to average down the losing pips.

The fast RSI is a good indicator to take those additional trades, it shows where the weaknesses are.

Take a look at this 15 min chart from yesterday and see where those additional trades can be placed quite early.



Nala66

Apr 30, 2019 6:11am | Post# 2942

[Quoting Jazz1964](#)

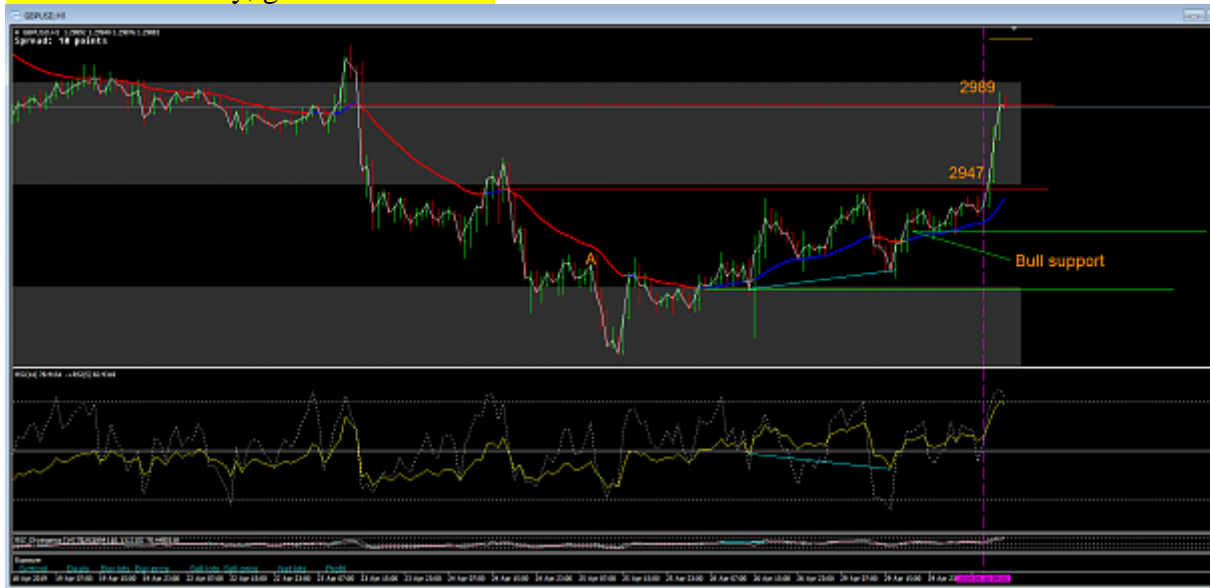
I am unsure of what to look for today. H4: we are above EMA but I won't call bull support yet. H1: Trading above EMA with Bull support. Fast RSI bear divergences with slow RSI. And Hidden divergence White charts showing H1 making HH and HL and H4 flat at the bottom. ZOO = 1.2948 again for a short. I entered on the M5 HD just before 108bar and closed it because M5 both RSI's diverged. EDIT (2 hours after 108 bar): I was wrong. H1 EMA made its first HL and HH... and there is bull support....trend is up. whatever I saw in bear div there, it brought...

That is all clear Jazz but I have to wonder why you use the 4 hour chart it can easily send you in the wrong direction. I would only ever use the 4H if I cannot spot a trade on the lower time frame of 1H max.

Today's 1h chart showed us a continuation div, then the 1H found support and when we come to the table at the 108 we see bullish div on the 5M for a long entry

Look at the 1H chart for accuracy of target hitting.

I didn't trade today, got home too late.



Nala66

Apr 30, 2019 10:59am | Post# 2949

[Quoting HoangPhuong](#)

{quote} Hi MR Lana I bought line yellow because i have to see div RSI 5M. I sold line green because touch 80 RSI. I dont known it right or wrong. Have you teach for me? Thanks Mr Lana. {image}

Here you go, this is your chart



Jazz1964

May 1, 2019 4:59am | Post# 2954

This is what I did today



Jazz1964

May 1, 2019 7:29am | Post# 2959

[Quoting mikeeating](#)

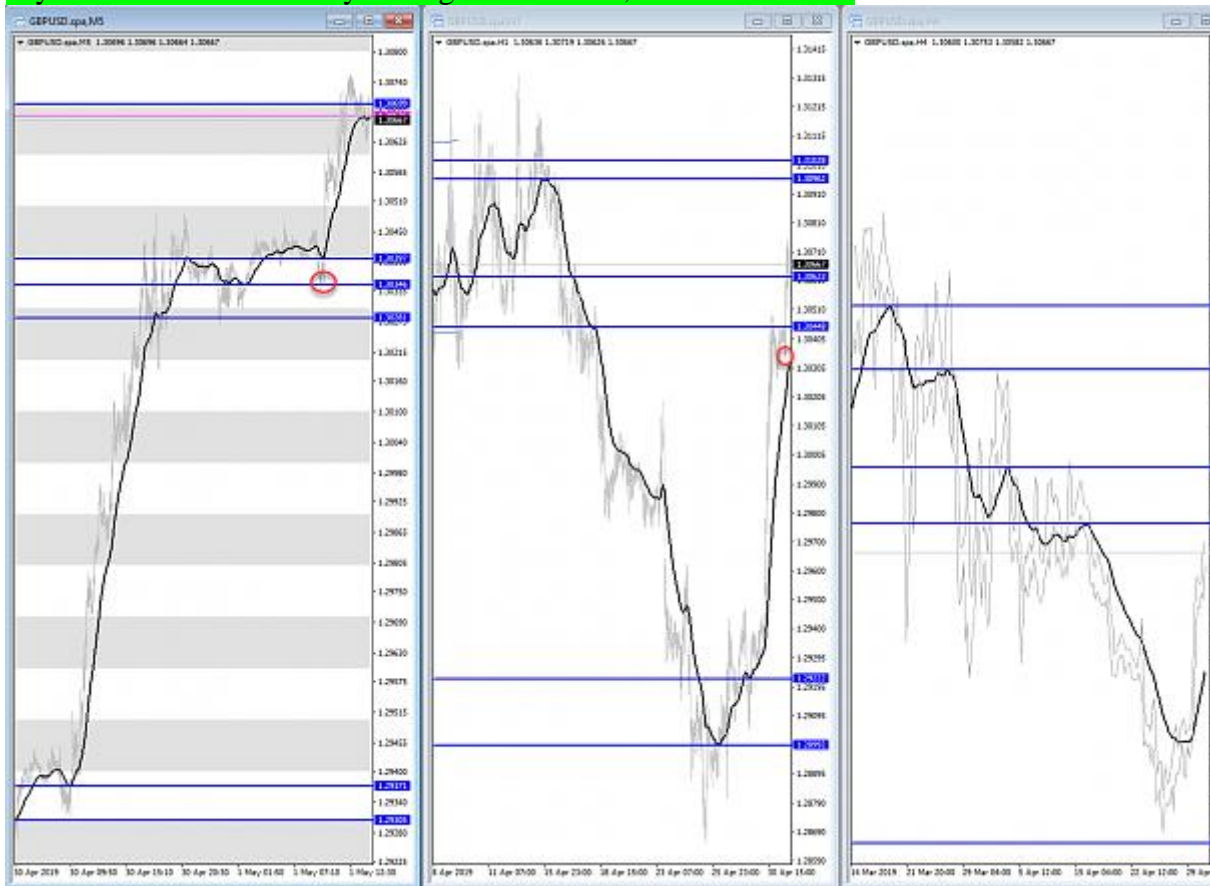
{quote} Hey Jazz did you stay long because the RSi dIv indicator stayed above support there?, not sure if thats why you circled

Not sure if I understand your question Mike.

The circle in the Hidden Divergence indicator window shows why I took that exit.

If you wanted to know why I closed the sell from the hedge, my answer is possibly not too clear on that. I spotted RSI weakening quicker than price, that looked a bit like a continuation div. Plus, price stayed well above the MA for a while, I went for an AB=CD idea (which now points to 3099).

If you wanted to know why I Bought the market, here is the trend:



Nala66

May 1, 2019 10:32am | Post# 2962

[Quoting HoangPhuong](#)

{quote} Thanks Mr Nala I have question for Mr Nala. What is HD point? Are we compare RSI slow with line price or SMA?wright or wrong? Have we input entry 1:0.3lot input entry 2:0.6 entry3: 0.9 and wating..end 400 point(40 pip)?if we see div 5M time? So sorry because i dont understand all knowleg you teach in forum. I learn 1M to you. 😊 I hope you can teach for me Thanks sir!

HD is hidden divergence.

No the slow RSI compares to the fast RSI. It can signal divergence between the two or additional entries or possible exhaustion.

Yes these entries are correct for my particular situation and the 40 pip target begins once the third entry is made.

Entries begin at the approximate time of the 108 5m bar. Depending on the signals we see at about this time. For example look at todays 9am 1 hour bar the fast RSI is signalling possible exhaustion, then drop to the 5m to look for the long entries.

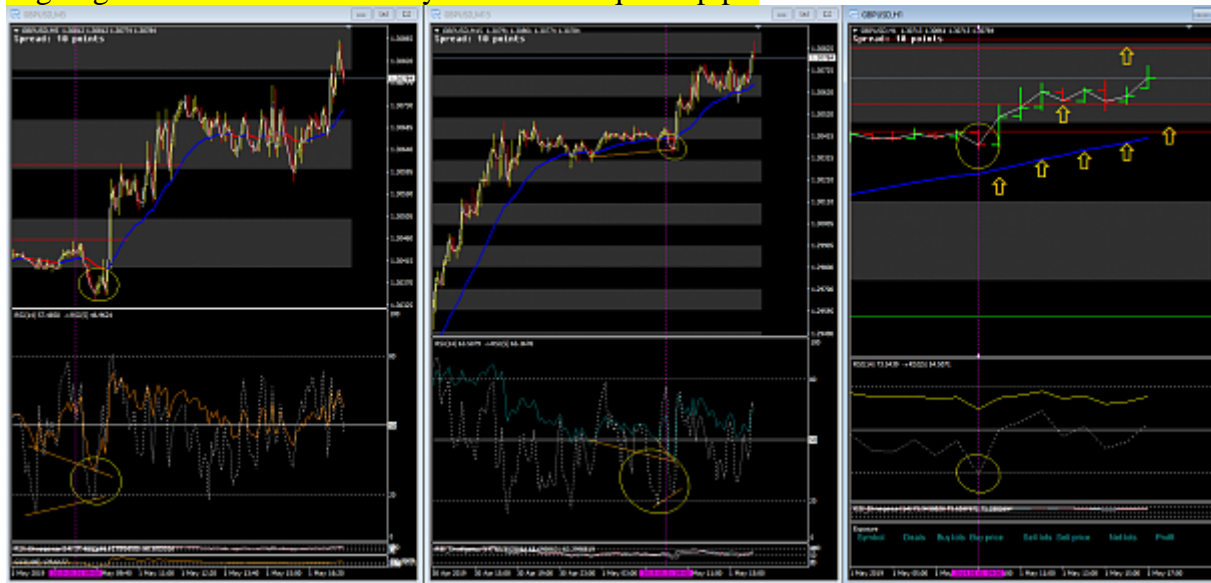
Ask are we trading above or below the average (above)

If above then have the bulls found support (Yes)

If yes then what is the likely price target. Bearing in mind price at this time makes a nice run most of the time.

Look at the charts below, where I have circled is the same time on each chart. Just look what

is going on here and how it easily makes the required pips.



Nala66

May 1, 2019 11:01am | Post# 2963

[Quoting Rodin](#)

{quote} Hello Alan, I have a couple of questions regarding the bull/bear support. - In the quoted picture, bull support isn't appearing earlier ? 5 bars before you state "div 1st entry". In other words after crossing MA and founding support ? - When price creates support, let's say bull support in this example, when do you invalidate the support ? when price CLOSE below LOW of support ? I like your system a lot and it fits my personality as well, so thank you in advance to clear this little confusion and also to share your thoughts and methodology...

Well Rodin the 1st entry was the div and from then on each trade is different depending on the situation. That is why I have broken down all the situations into their respective components to explain them. The market is always going to mix or shuffle these situations to make it as confusing as possible.

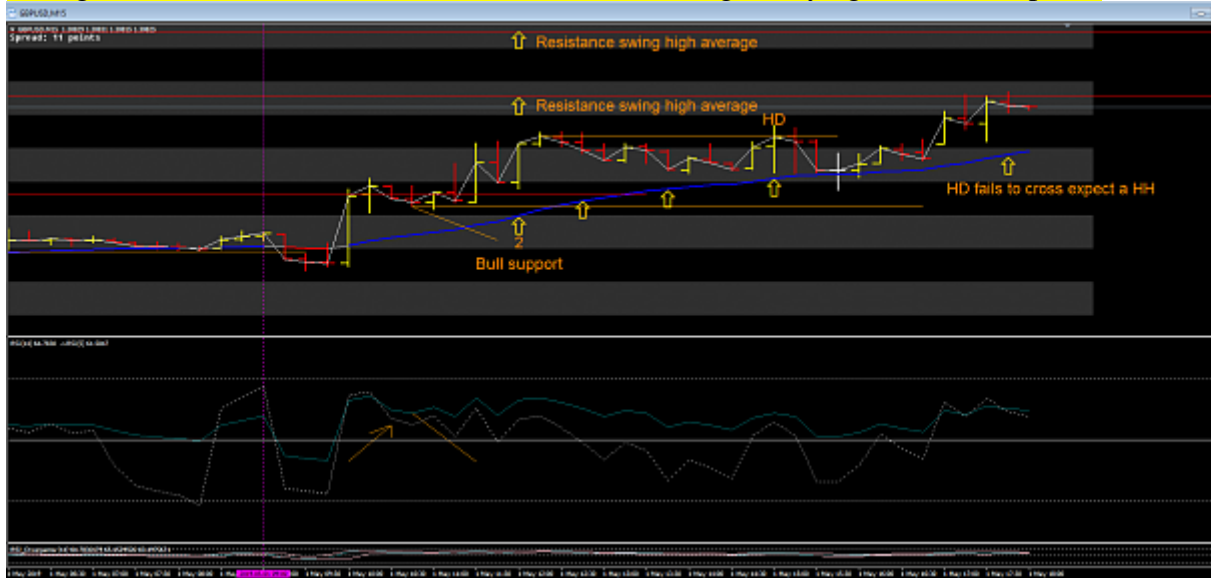
Now a support bullish or bearish is when price crosses the 26EMA (which is the same as the RSI 50% level) and fails to recross before a V is formed. So obviously a support is invalidated when price closes below it or price may turn and close back below the EMA.

On the 15 min chart below I have drawn in the two bullish supports (There are no bear supports on this shot at all)

Look at (1) price has crossed from below makes the pull back and finds support. As you can see this was later taken out but the bears could not find support.

Now look at (2) it made a two bar pull back to find bullish support and so far this has been retested by the bears but still holds good. Currently price is bouncing off the swing high

average which acts as resistance. All this time the average is trying to reach the price.



Nala66

May 1, 2019 11:20am | Post# 2964

[Quoting Rodin](#)

{quote} Another question 😊 On your M15 chart why did you say bull weakness here ? No divergence. Because of fast RSI below RSI ? I suppose you declare weakness when price closes in a red candle or do you anticipate it through M5/M1 bearish signals like divergence on ZOO and so on ? Thanks !

This is a little more complicated to explain than it actually is. It depends whether we are looking for weakness or exhaustion they are different things.

Examples.

Weakness. We have a bear div in play and see the fast RSI make a peak below the slow RSI. In other words we are seeing the last 5 count of the RSI was weaker than the last 14 count.

Exhaustion. Is when we see the fast RSI bolt away from the slow to form a valley. In other words the last 5 count of the RSI raced away from the last 14 count and runs out of puff.

We have to be careful in determining what we are looking for because these are opposites i.e. peaks and valleys.. I would suggest you look back over the charts and look how each plays out in relation to the price action.

Nala66

May 1, 2019 11:24am | Post# 2965

[Quoting Jazz1964](#)

This is what I did today {image}

Great stuff Jazz

Nala66

May 1, 2019 11:27am | Post# 2966

[Quoting Jazz1964](#)

{quote} Not sure if I understand your question Mike. The circle in the Hidden Divergence indicator window shows why I took that exit. If you wanted to know why I closed the sell from the hedge, my answer is possibly not too clear on that. I spotted RSI weakening quicker than price, that looked a bit like a continuation div. Plus, price stayed well above the MA for a while, I went for an AB=CD idea (which now points to 3099). If you wanted to know why I Bought the market, here is the trend: {image}

Everyone should take note of these charts see how much Jazz can see here. So much useful information on these simple charts.

This is what this thread is all about, trading the averages and the signals that take us from A to z.

Jazz1964

May 2, 2019 4:26am | Post# 2970

Although I didn't trade it due to having a visitor overhere, I was curious how yesterday would evolve into FOMC.

Beautiful how the measured move target on the M5 chart was reached and how that target was the exact H1 EMA swing high.

That, with bearish H1 divergence and H1 HD.

And M5 bear div and M5 HD.

That gave an easy 55 pips downward move



Jazz1964

May 2, 2019 4:44am | Post# 2971

For today's start it was clearly Long business to look for



Supported by H1 bullish continuation div

On M5 I couldn't find divergence but it is clearly RSI oversold in the ZOO area.

Long positions could be hedged or closed at the M5 HD



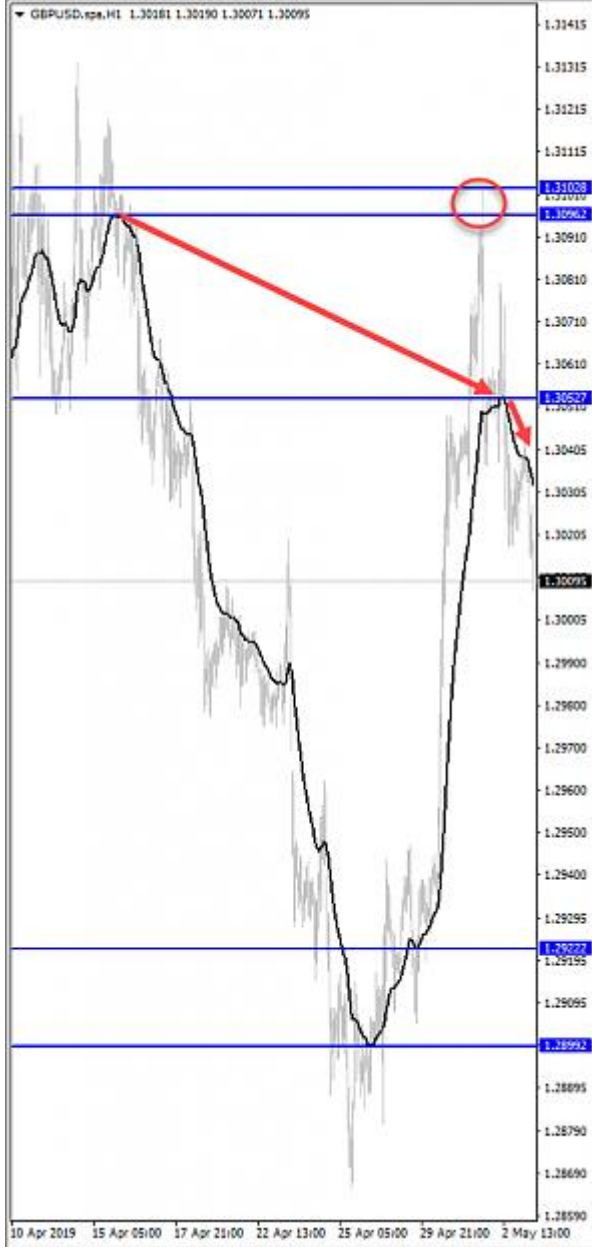
Jazz1964

May 3, 2019 5:17am | Post# 2975

So, yesterday H1 EMA couldn't make a new HH.

So now it's gonna test the other side with more than enough room for our daily profit.

The divergences on this chart were good to get involved in a short setup.





Jazz1964

May 3, 2019 5:59am | Post# 2977

I like 🎯



Have a good weekend all and once again, thank you, Alan, for sharing and clear education on your system!

Nala66

May 3, 2019 7:28am | Post# 2978

[Quoting Jazz1964](#)

I like 🎯 {image} Have a good weekend all and once again, thank you, Alan, for sharing and clear education on your system!

Perfect 🎓🎓🎓🎓 master class stuff.

davidmaree

May 3, 2019 7:44am | Post# 2979

[Quoting Jazz1964](#)

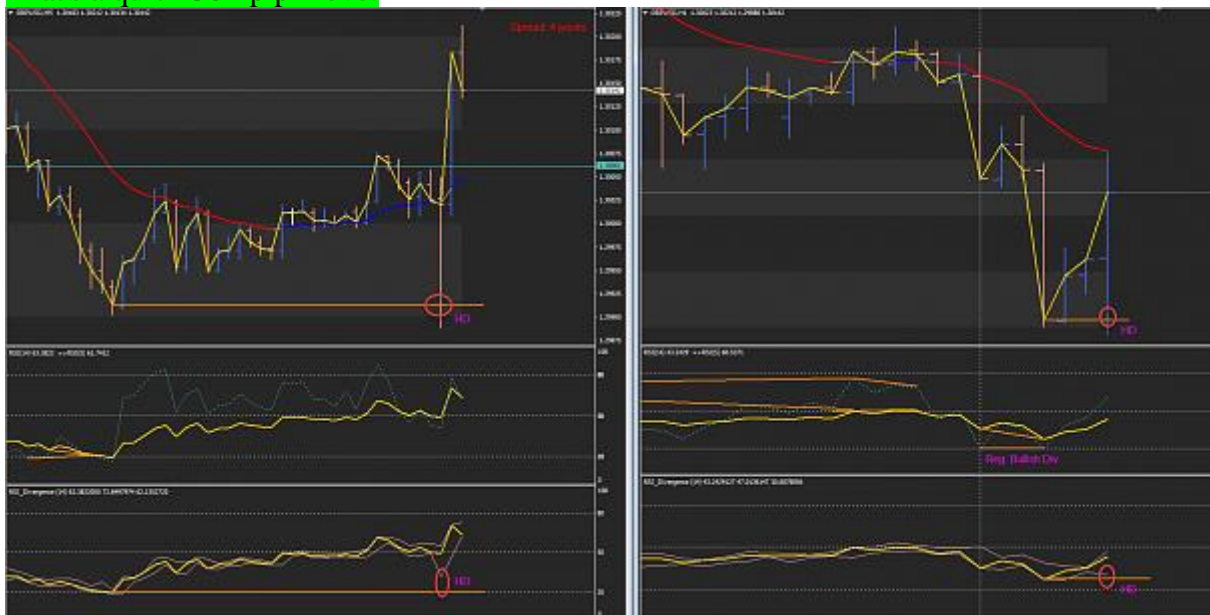
I like 🎯 {image} Have a good weekend all and once again, thank you, Alan, for sharing and clear education on your system!

So happy to see your persistence paying off Jazz. Really well done.

Jazz1964

May 3, 2019 8:48am | Post# 2980

Just an observation on the NFP news:
Price pulled down and then went up on HD. Then paused or stopped (for now) at the H1 EMA.
That's a quick 30+ pip move.



Jazz1964

May 7, 2019 1:52am | Post# 2992

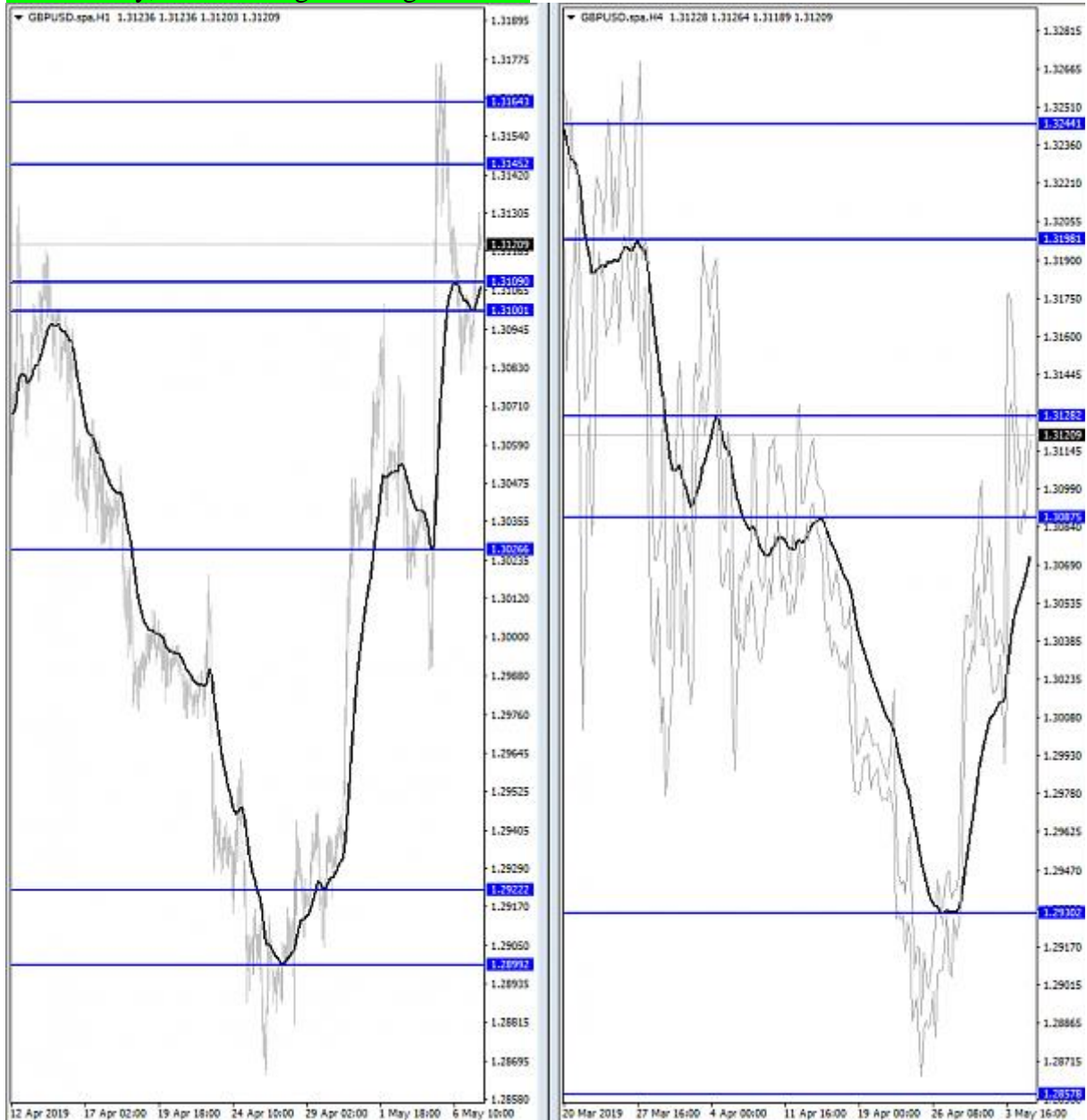
Yesterday I didn't trade too well. But hey.... our losses are small compared to winners!
I had this ZOO marked up on my chart, it's the 50% retracement of the NFP move.



Jazz1964

May 7, 2019 2:08am | Post# 2993

As for today, I am looking for Long business:



I still have an H4 AB=CD and an ABCD target to reach:



I am cautious due to H1 neg. div building up:



At this very moment no interesting M5 entry to spot.

Jazz1964

May 7, 2019 2:59am | Post# 2994

Looks like I missed a nice M5 entry



Jazz1964

May 7, 2019 4:14am | Post# 2997

In hindsight, on M5 there was bearish HD around bar108, in line with what we saw developing on H1.



H1 didn't make the EMA HH and Bulls didn't find support. Let's see if bears find support now.

Jazz1964

May 7, 2019 4:53am | Post# 2998

[Quoting quangvision](#)

{quote} Price is approaching your ZOO. Plan still stands?

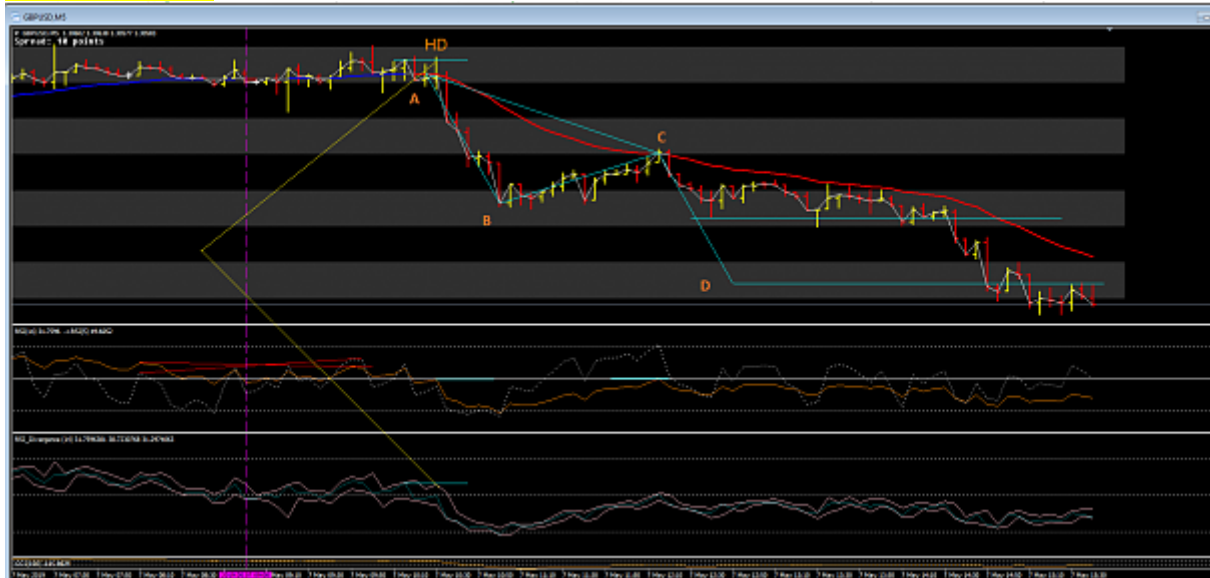
That ZOO was reached yesterday in my afternoon. It's not of value anymore. I posted that pic to show market structure.

Nala66

May 7, 2019 8:50am | Post# 3002

Just popped in to see how you guys read the charts today.

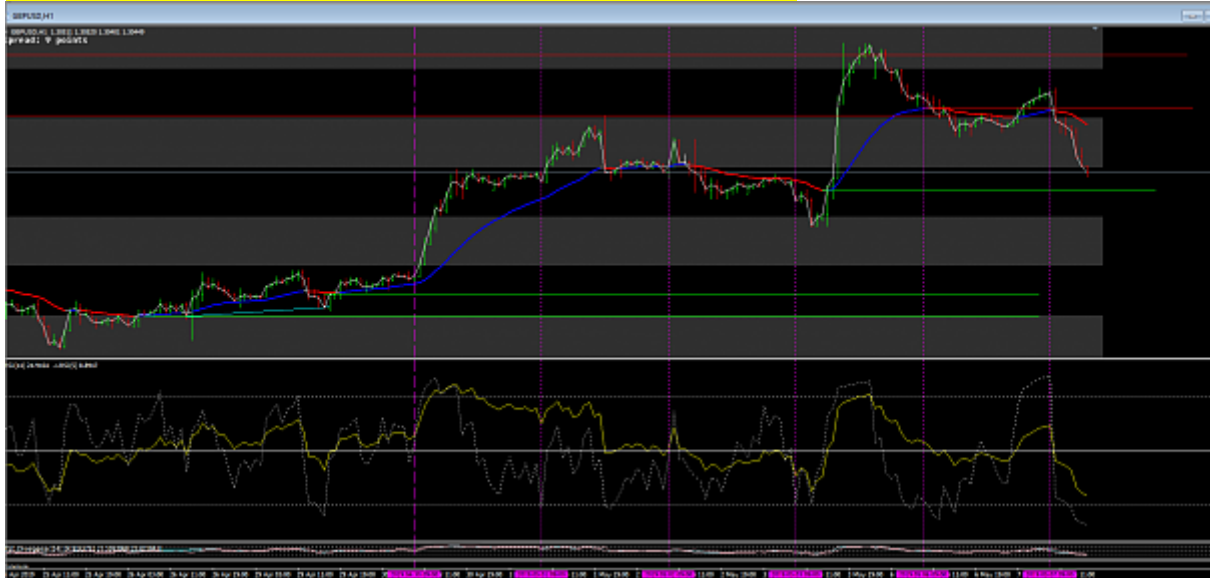
Here was mine..



Nala66

May 7, 2019 9:08am | Post# 3006

At a guess where would you expect this 1H to be heading for.



Nala66

May 8, 2019 7:30am | Post# 3017

There are actually two AB = CD's on the 1 hour chart the first hitting its target yesterday and the second closing in on its target today.

When measuring these don't forget the + or - at the 50% retracement and attached this to the

target area.



Nala66

May 8, 2019 8:08am | Post# 3018

Whoops I made a mistake drawing this second $AB = CD$.

The CD line should have started at the 50% level then the + or - to give us D.



Nala66

May 9, 2019 12:22am | Post# 3022

Today we can see that the 1H $AB = CD$ target was hit and then price flattened out without attempting the 2921 average level. The average has made the LL as we would have expected from the failure at the top to make the HH.

To me we need to take care today price could go either way.



Jazz1964

May 9, 2019 4:36am | Post# 3027



I took a bit less than 40 pips below the 3rd entry

Jazz1964

May 10, 2019 5:52am | Post# 3038

I wasn't really at my screen, birthday stuff, so my BE exit was triggered. Looking back to this session, it is remarkable how it still was possible to grab 40 pips.

Those divergences in all forms are powerful



Nala66

May 10, 2019 6:07am | Post# 3039

[Quoting Jazz1964](#)

I wasn't really at my screen, birthday stuff, so my BE exit was triggered. Looking back to this session, it is remarkable how it still was possible to grab 40 pips. Those divergences in all forms are powerful {image}

I had to place three different trades to do it today.

Nala66

May 10, 2019 6:12am | Post# 3040

We are stuck in the middle of the two averages.



Nala66

May 14, 2019 1:48am | Post# 3048

Well would you look at that. I had actually forgotten all about this 1 hour target.

Goes to show the market always remembers.



Jazz1964

May 14, 2019 2:24am | Post# 3049

There is another old H1 target



Nala66

May 14, 2019 3:28am | Post# 3050

[Quoting Jazz1964](#)

There is another old H1 target {image}

G'Day Jazz, the thing with that one is that both pivots are on the same side of the EMA and I don't like those..

Still it may still go for that as the 4 hour is trying to break through a div at this time.

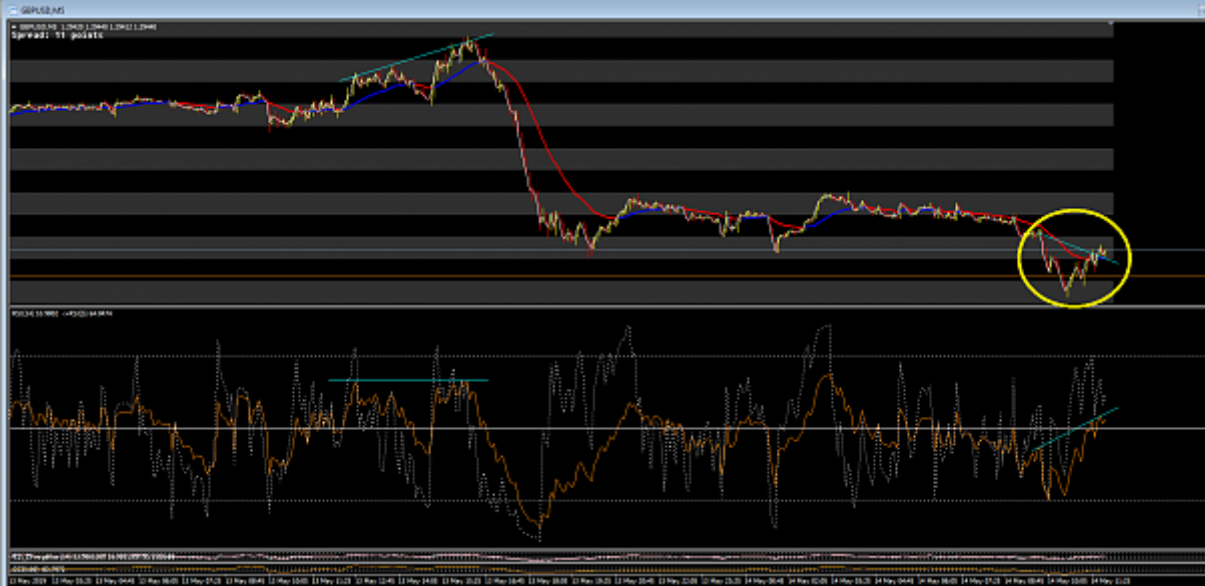
Nala66

May 14, 2019 4:52am | Post# 3064

[Quoting quangvision](#)

{quote} Nice, which exact point you got entered and what point you out for BE?

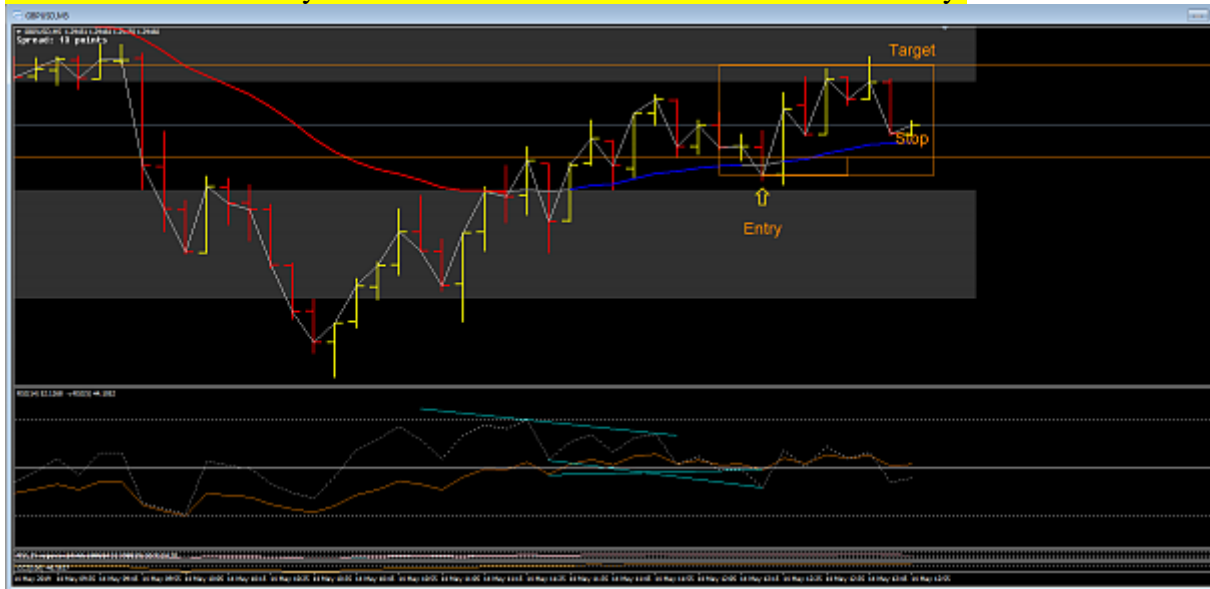
On the 5 min took the con div



Nala66

May 14, 2019 5:55am | Post# 3074

And as I return from my coffee break I see I am done and dusted for today.



Nala66

May 14, 2019 6:00am | Post# 3075

Generally I only watch the trade until I get the stop to BE from then on it either makes what I want or it doesn't.

Of course when wanting the bigger pips one has to keep an eye out for possible retraces.

[Quoting witowito](#)

{quote} Okey i took couple of longs today wich fail. Probably cause i dont have the understanding yet of the way u read price and indicators at EMA... I still reading the whole thread looking to get a deep understanding of the knowledge u are sharing. I have found at post 1360 one example wich could explain why my longs today wasnt valid... Correct me if im wrong please. This is today chart where u can see many divergeces in m5 when price was at h1 target EMA (red line){image} There was also h1 divergences at that point so i was expecting price...

Yes I understand your question.

With a divergence we expect a return to the EMA and to even cross it and find support.

In this case you are looking at bullish divergences going against the trend so in effect these are either scalps (which can turn into trades) or hedges to protect the short entries..

When the divergence fails to cross the EMA you should expect a lower low.

When the bulls fail to find support expect a lower low.

When the bulls cannot hold onto the support expect a lower low.

Your assumptions were correct to go long but this is risky because it is against the trend so at best it is a scalp or a hedge.

You will be far better off not trying to fight the market and go with the signals that aim to continue the trending direction this is the most likely way to extract your profit and much more quickly if done at the right time (108).

Clearly you can see the 1 hour is trading below the average and on the 5 min chart there were many signals to take the shorts...not longs.

On the 5 min chart you posted with a green box on the RSI. The contents of this box were all shorts so I am at a loss to understand why you were long.

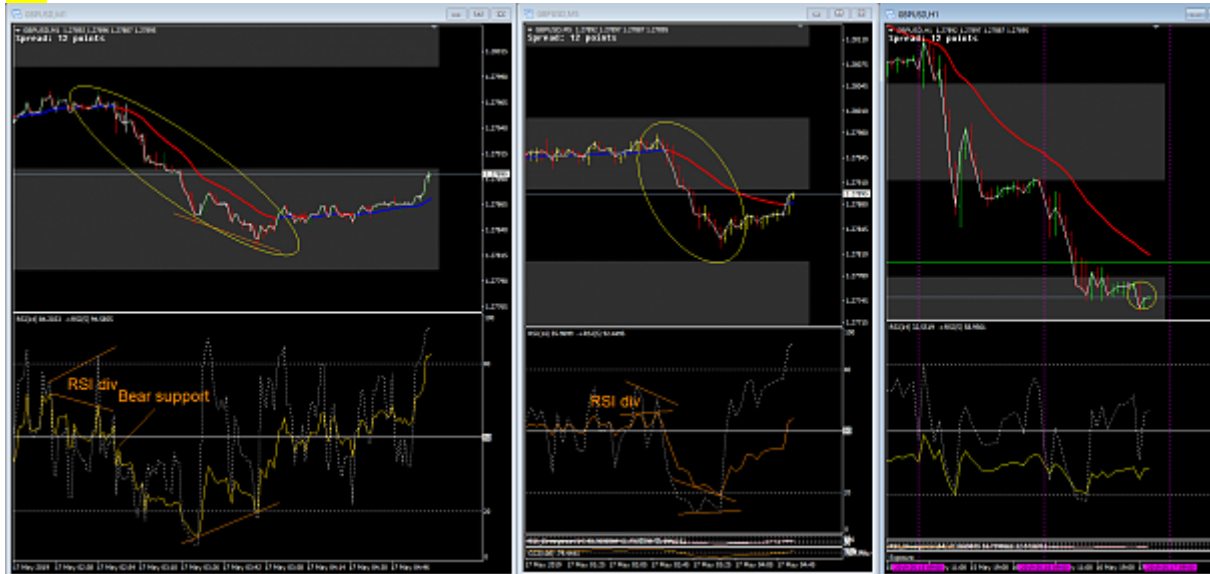
It is a common mistake to take a divergence and expect a good result when only 1 or 2 pips are there to be taken. This is why we have a three stage entry so we risk little. When trading below to EMA on the 1H look for the short entries on the 5 min it is the safer option.

It is a simple process.

Look below the 1 hour price is below the EMA dragging the EMA towards a lower swing low.

We see a signal both on the 1 minute and the 5 minute charts to say go short. Both of these also gave the indication to close i.e. 1M was a regular bull div and the 5M was an RSI bull

div.



Nala66

May 17, 2019 3:22am | Post# 3087

[Quoting witowito](#)

{quote} Thanks for the answer. So the Idea is: Respect the main trend and better dont fig it maybe just hedge if I was already in a trade or look for quick scalp moving fast to BE. I take notes and continue studing. Cheers

Yep, all moves are preceded with some form of signal. we have to determine whether it is worth our trading it or not.

Nala66

May 17, 2019 3:24am | Post# 3088

The 4 hour looks like it is attempting a lower average low



Nala66

May 17, 2019 5:01am | Post# 3090

[Quoting mikeeating](#)

Hey Alan are you working tonight? do you have a target ?

Just observing tonight. I don't see much happening at all.

Looking at the hour chart I would be expecting price to hit those lower average levels.



Nala66

May 17, 2019 5:14am | Post# 3092

Yes but I am very tired because of it...I need a break.

This 1 hour has probably got better numbers than my drawing



Nala66

May 17, 2019 5:35am | Post# 3094

[Quoting mikeeating](#)

{quote} I definitely need to buy a new set up so I get the screen size for the deeper levels. have good weekend, Maybe some fishing instead of trading next week 😎

I wish but her in doors insist I do some work around the house and garden and that is the only exercise I get.

The 4H is nearly there.



Nala66

May 19, 2019 5:06am | Post# 3103

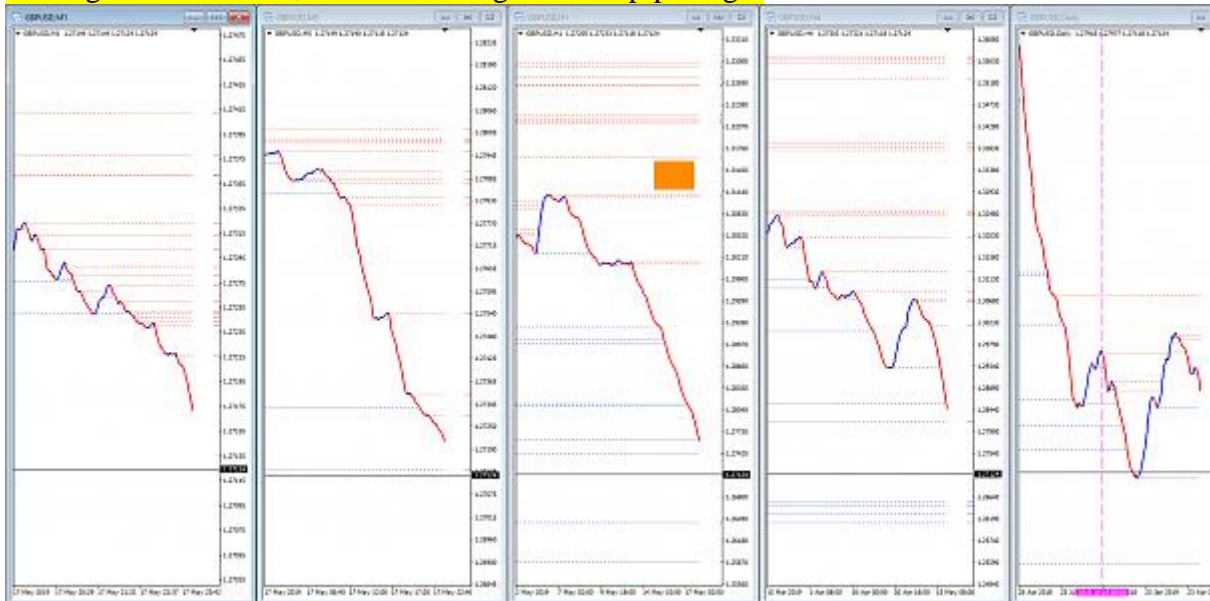
Well what is going to happen this week?

The dollar has been very strong of late and buyers seem to be demanding them wholesale but would we be too late to get in on the deals if we were to start now. I think so, we appear to coming to the end of the run and should begin our watch for a change in direction over the next 100 pips or so.

Looking at the daily chart we see that price has already made the minus box of an $AB = CD$ and looks like challenging the 2693 swing average level as the average itself looks set to challenge the 2915 for a lower low. The trouble now is that price can just hover around for a while waiting for the EMA to catch up or we could see a serious challenge by the bulls to stop the EMA but I would like to see a div for it to do that.



When we look at our average charts we can clearly see that the interest is in this daily chart making that lower low, with something like 100 pips to go.



As expected we still see the bears holding as the average is approaching the 2915 level.

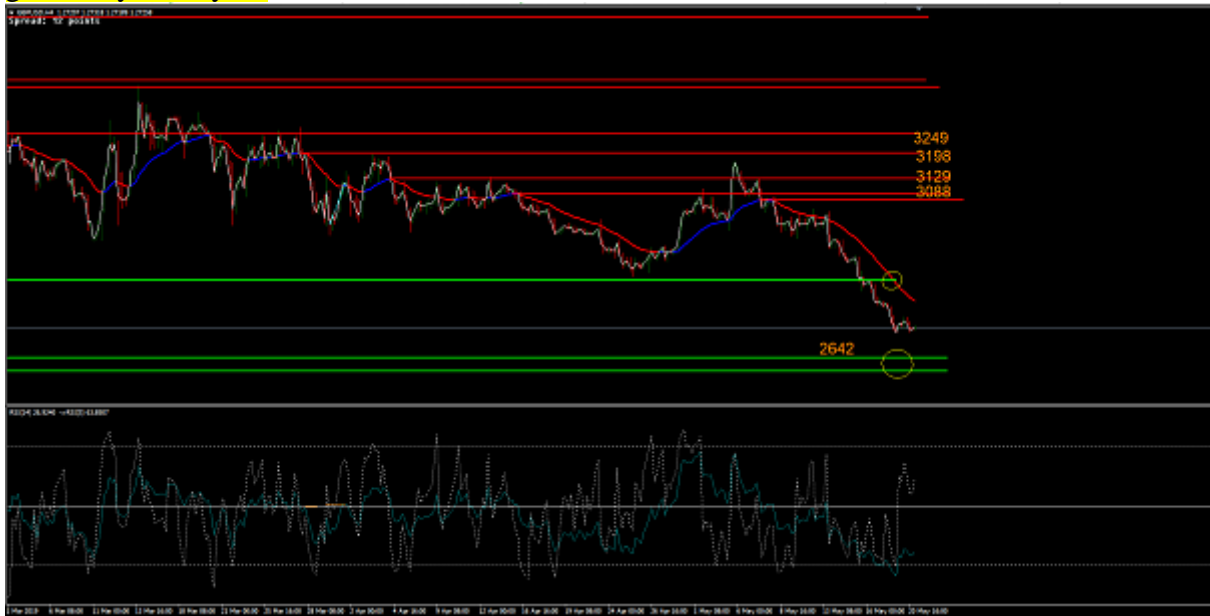
The market doesn't like to stay in these holding patterns for too long, people want to make money.

At the moment they are just putting it into the piggy bank and sitting on their hands. As we can clearly see the daily moves are not so great but they have been consistently short.

Obviously things will begin to happen firstly at the lower time frame levels and then domino up to the higher time frames. However I would advise not to try and catch the bus before it arrives, wait for the evidence no need to rush in blindly.

Even on this 4 hour chart there is nothing to indicate direction so keep things tight lest a trade

gets away from you.



Nala66

May 21, 2019 2:26am | Post# 3114

The next lower level on the Hour is 2643. We need to see a big push to make that level and seriously break yesterday's price low.



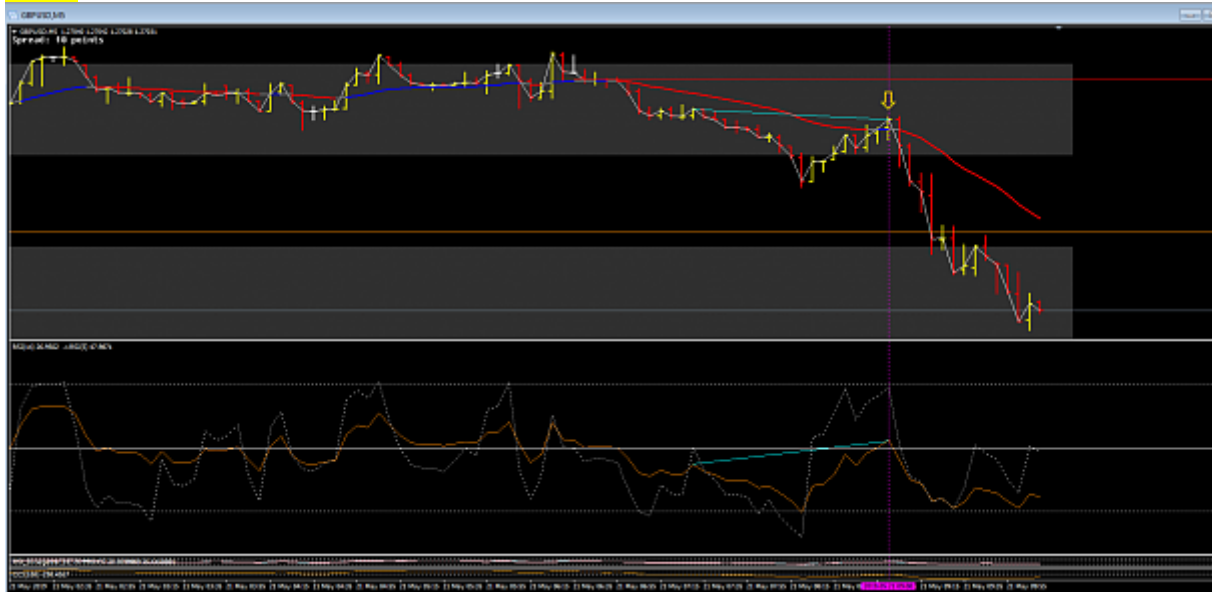
Nala66

May 21, 2019 3:08am | Post# 3119

I wouldn't worry too much looking for bull divs in a bear market.

Much better to look for the continuation signals unless you feel the need to hedge a short

trade.



Nala66

May 21, 2019 5:20am | Post# 3121

Don't much care for news myself, I wouldn't be able to make sense of it anyway.

This is a very slow market probably due to the holding pattern.

Would have expected this 1H target to have been hit by now.



Nala66

May 22, 2019 3:21am | Post# 3124

Today we see the daily making the LL of the average, as predicted.

And price has just hit the AB = CD



Nala66

May 22, 2019 3:31am | Post# 3125

[Quoting Nala66](#)

{quote} I think it hit the target yesterday because when I checked I found I had the drawing wrong.

Scratch this.. I am confusing myself now.

My 1H looks like this now.



Jazz1964

May 22, 2019 7:18am | Post# 3132

Got ya 40 pips



Nala66

May 22, 2019 7:58am | Post# 3134

[Quoting Jazz1964](#)

Got ya 40 pips {image}

Not drawn correctly Jazz



Nala66

May 22, 2019 8:03am | Post# 3136

Looking at the 1H we see now that the average is trying for the LL than 2643 and should thus expect price to make the next level of 2587



Nala66

May 23, 2019 2:22am | Post# 3145

5 min is looking for bull support



Jazz1964

May 23, 2019 2:46am | Post# 3147

Crap



Nala66

May 23, 2019 4:23am | Post# 3154

This is ridiculous you have to see it...



Nala66

May 23, 2019 5:34am | Post# 3161

Looks like the bulls are trying to stop the average



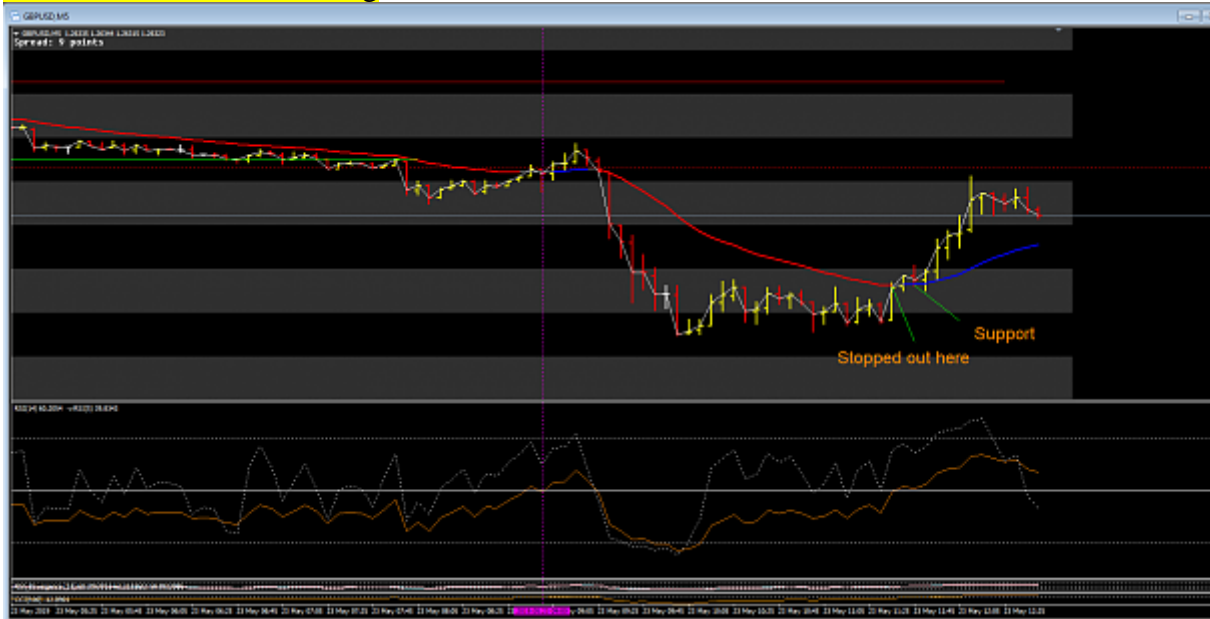
Nala66

May 23, 2019 5:44am | Post# 3165

[Quoting witowito](#)

{quote} Did not they found it here? {image}

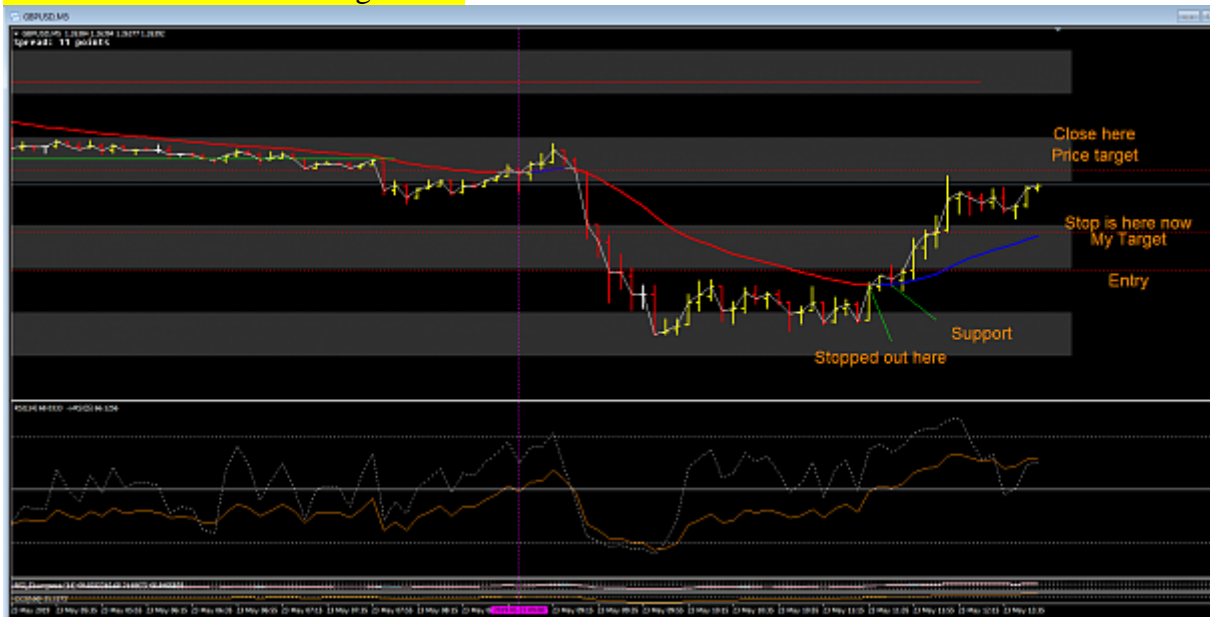
Yes that is where I went long



Nala66

May 23, 2019 5:53am | Post# 3166

You can see from this 5 min chart the profit is locked in with a stop but I may make a few more dollars if it runs to target level



Nala66

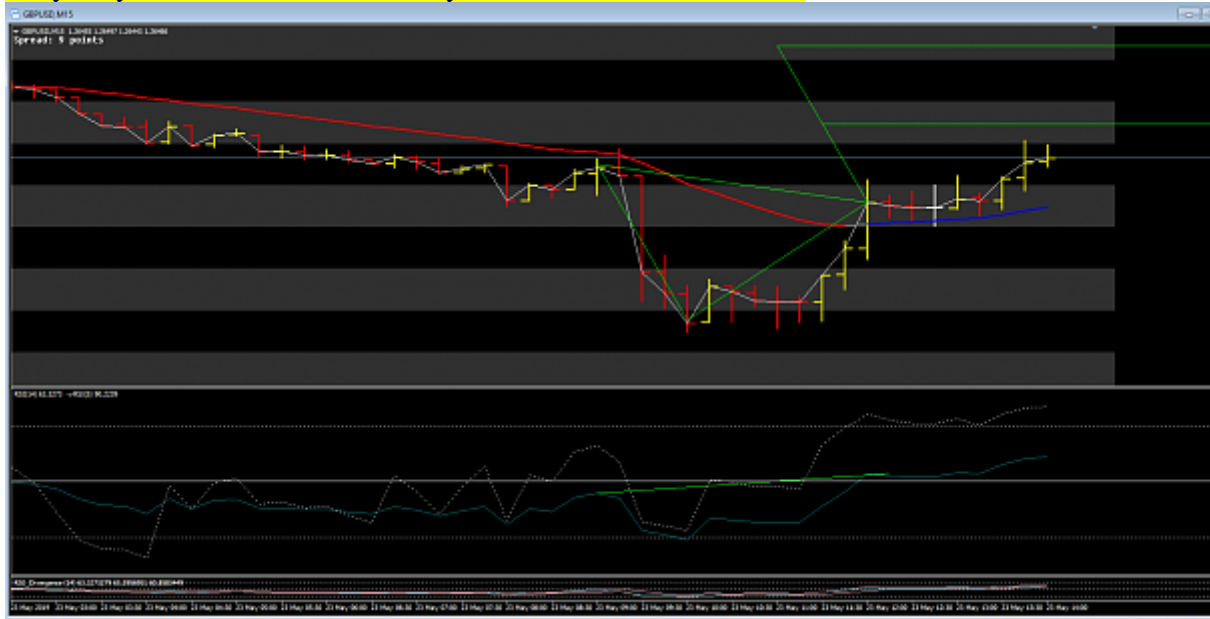
May 23, 2019 7:03am | Post# 3174

[Quoting witowito](#)

{quote} I wanted to short it also but could not find clear ZOO point to do it. If price reach H1 ema wich is more or less 50% of an m5 abcd i will look for shorts. Or h1 fast RSI at 80levels. What ZOO do u have there to look for shorts? Thnks

The price is at a zoo point now check your 1H EMA.

Why do you WANT to short it why not trade with the market?



Nala66

May 24, 2019 2:49am | Post# 3192

This is what I did.

This goes against the convention I have been showing but I thought it was worth the risk..

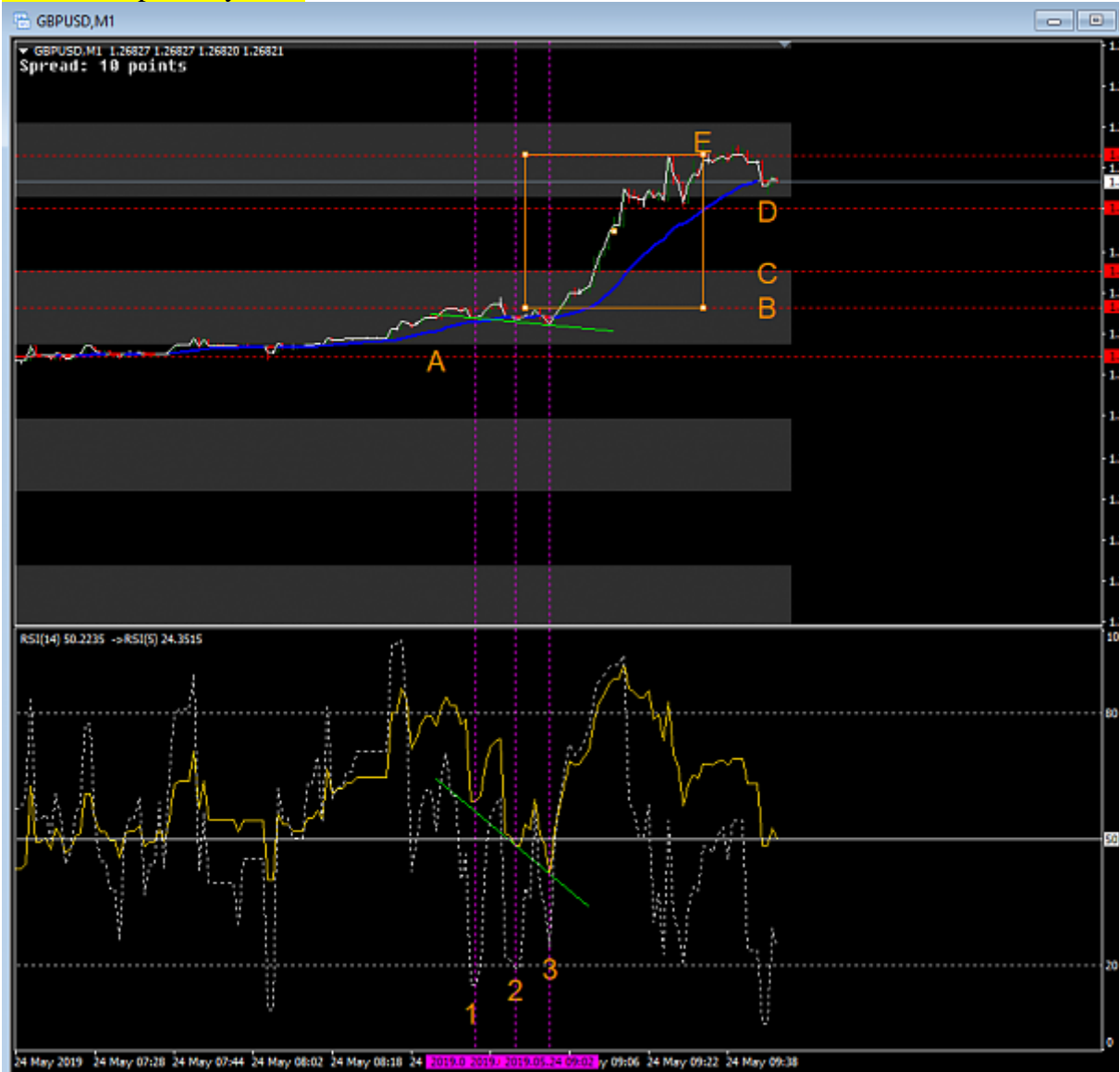
On the 1 minute chart close to the start of the day I went long on those three dips with all three stops at A.

Notice how I was entering with the market going against me.

Then I got the stops to B for approx. BE.
Then moved the stops to C locking in 5.
Then moved the stops to D locking in 13
Finally closed at E for 20.

I did not like the look of the chart by the time I closed price was in divergence for some time.

Best not to push my luck.



Nala66

May 24, 2019 3:20am | Post# 3195

[Quoting mikeeating](#)

mine currently looks like this, I entered slightly late, as I stated late, but I got all 3 on at bull support , I hedged at the 1 hour average and just waiting now for what's going to happen
{image}

In a case like this Mike I would have moved all three stops to the yellow level shown and also the tp for the hedge.



Nala66

May 24, 2019 3:25am | Post# 3196

[Quoting Nala66](#)

{quote} In a case like this Mike I would have moved all three stops to the yellow level shown and also the tp for the hedge. {image}

No my mistake the hedge was in Div so it should get back to the EMA so only the longs would be stopped out

Jazz1964

May 24, 2019 3:39am | Post# 3197

[Quoting Nala66](#)

... I went long on those three dips with all three stops at A. Notice how I was entering with the market going against me. {image}

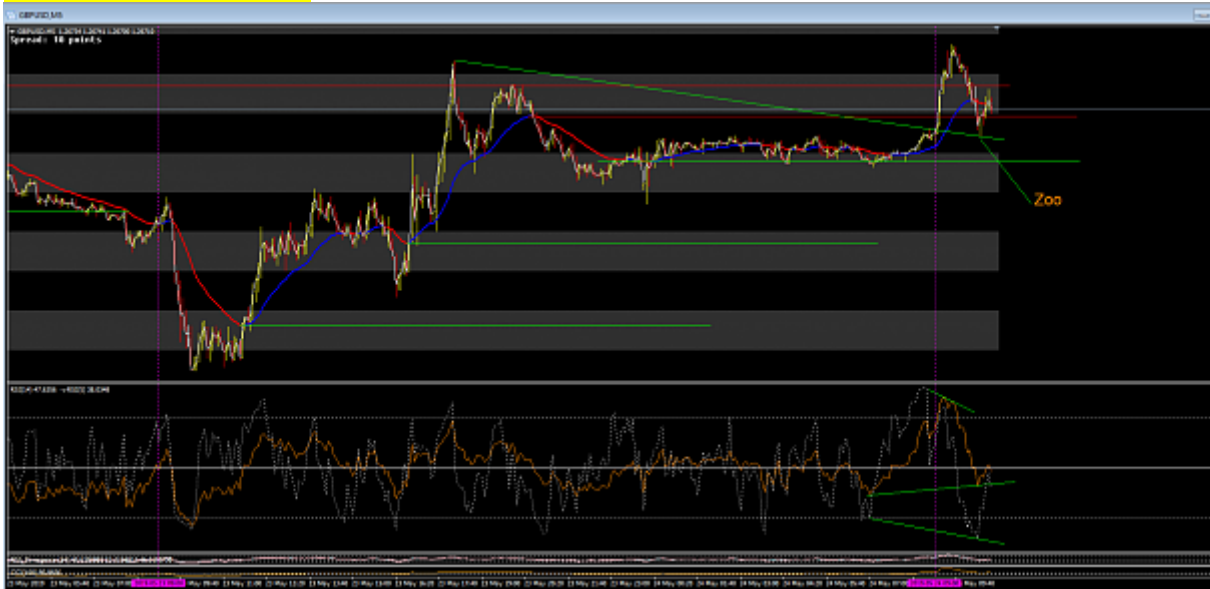
Seems you entered the 2nd and 3rd at a lower price than the 1st, this time.

Nala66

May 24, 2019 3:47am | Post# 3201

Glad I am out this is getting messy.

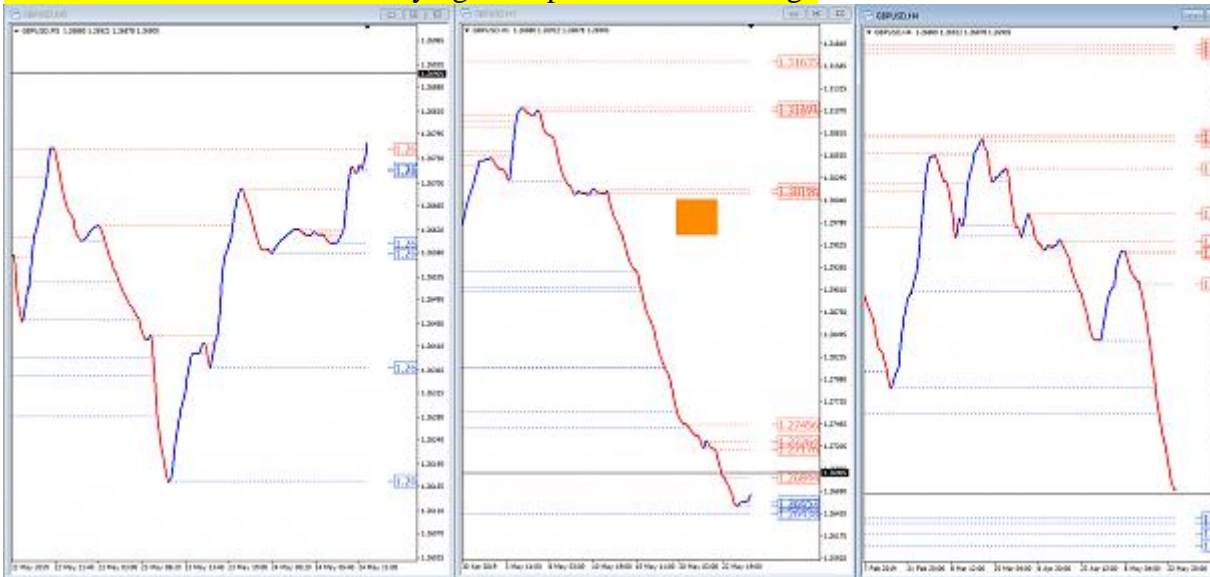
Look at this 5 min chart



Nala66

May 24, 2019 5:03am | Post# 3208

Looks to me like the bulls are trying to stop that 4 hour average



Jazz1964

May 24, 2019 5:09am | Post# 3210

the spike high was my 40 pip TP, just the spread was inbetween argh
Closed it manually with +30 pip



Nala66

May 27, 2019 2:24am | Post# 3220

I am wondering what will happen when price gets to D here on the 1 hour



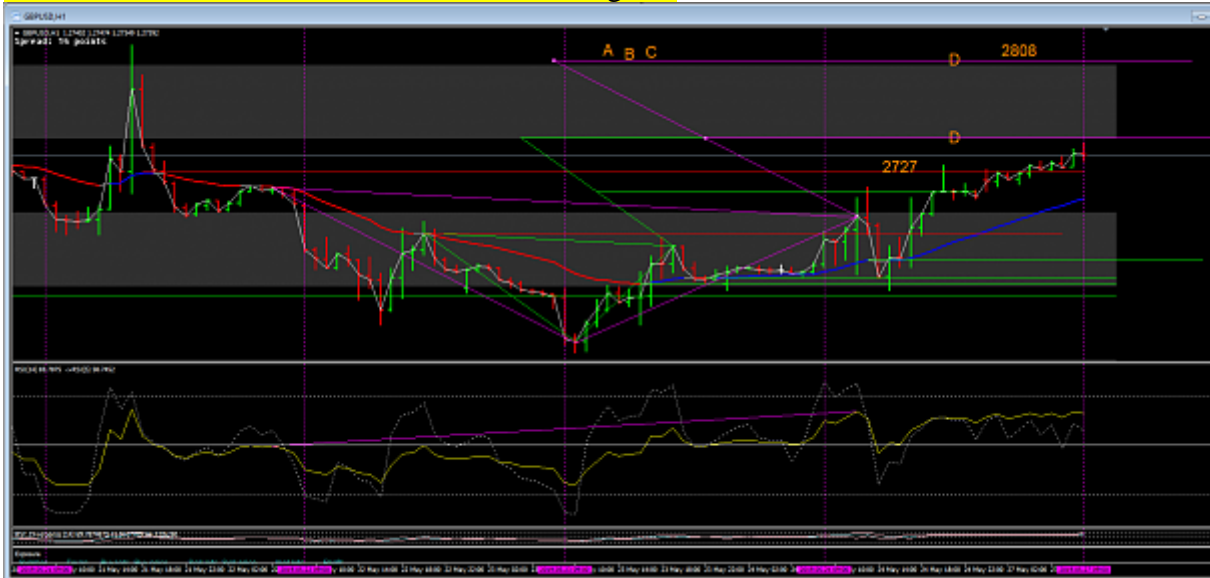
Nala66

May 27, 2019 2:33am | Post# 3224

[Quoting witowito](#)

{ quote } I was wondering the same cause its also 50% of a bigger one (yellow one) { image }

Yes that is correct I have that drawn in too..Magenta



Jazz1964

May 27, 2019 5:09am | Post# 3230

Done for today.

With the bear div's on H1, M15 and M5 my take was down. Although countertrend.

First trade was a loss.

Then 2 nice winners.



Nala66

May 28, 2019 8:06pm | Post# 3240

Looking at the 1 hour the average having failed the 2727 is now testing the opposite side of 2666 and is just about there.

Yesterday was very choppy and if one didn't get in at the 108 time (as Mike did) then you would probably have run into a lot of trouble in the chop.

On the hour only the one decent signal in the form of a smallish ABCD but even this took about 5 hours to execute.

The lower time frames got us in at the 108 to be short, good old 5 min chart.

A couple of hours ago the bears were in divergence (both regular bullish and RSI bullish) so we should see an attempt to run back up to the average. If the bears can overcome this then watch out for a rather large dive with an impulse bar dragging the EMA to a LL.

Anyway the story should unfold when we get to 108.



Nala66

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

Bit of a roller coaster here.

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



Jazz1964

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

[Quoting Nala66](#)

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

[perfection](#)

Jazz1964

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

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



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

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

What's your thought, Alan?

Nala66

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

[Quoting Jazz1964](#)

Got a question on my first short setup, I took an exit at the price of the first entry. {image}
But I thought that's a bad place and that was the case this time. My thought was: I exit right at the middle of price action that decided to go south..... that should become resistance.... so the stop should be higher above price action, making the loss a bit bigger. What's your thought, Alan?

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

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

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



Nala66

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

[Quoting witowito](#)

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

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

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

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

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

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

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

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

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

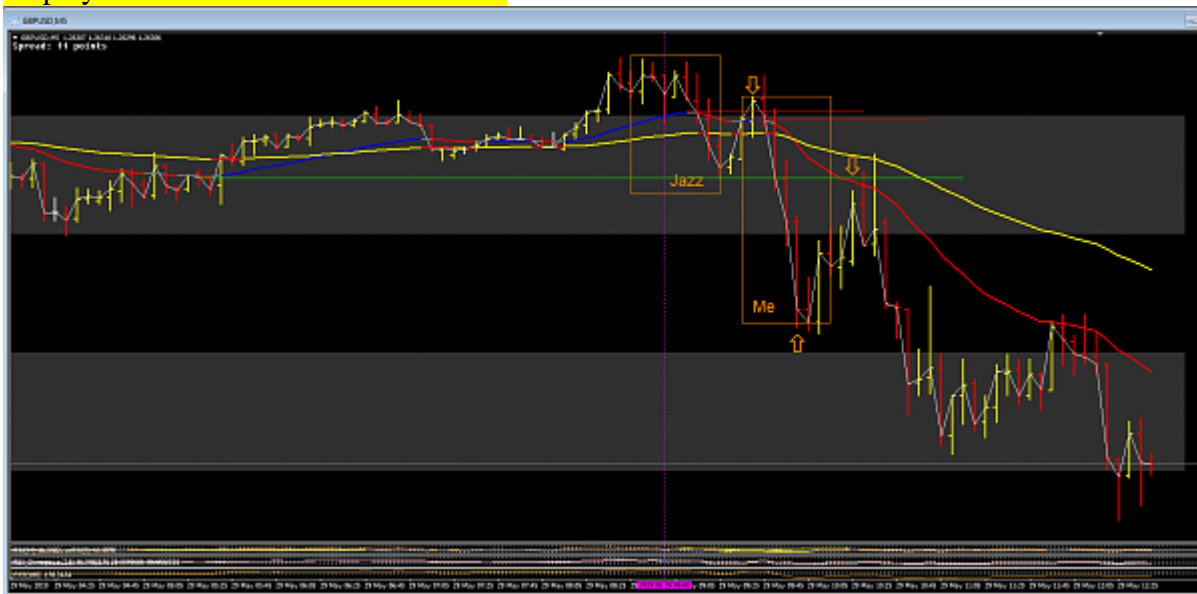
Nala66

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

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

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

Hope you can see this subtle difference



Nala66

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

[Quoting witowito](#)

{quote} So making a resume too see if understood it correctly: 1)Price went to H1 EMA & average swim m5 and shows Divergences(HD) and fast RSI overbough at that level(where Jazz and my self took shorts) 2)Price start moving down breaking the EMA but could not

find bear support (RSI made a J instead of HOOK) ... Bulls Diver at average swim and back up to test the EMA and the HH average swim. 3) Now price attempt to make HH average swim but again in RSI DIV and with the bigger picture in mind fails (also H1 EMA around that level) U took the short looking...

Yes correct.

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

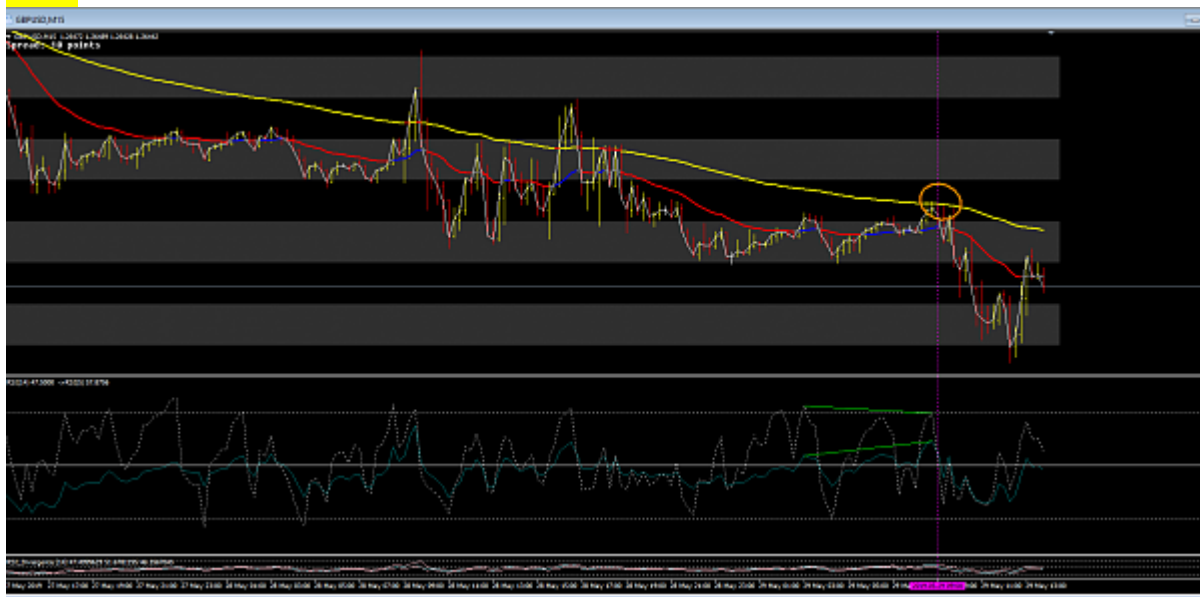
Then this 15m average will also attempt to make the LL via the domino effect.

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

Nala66

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

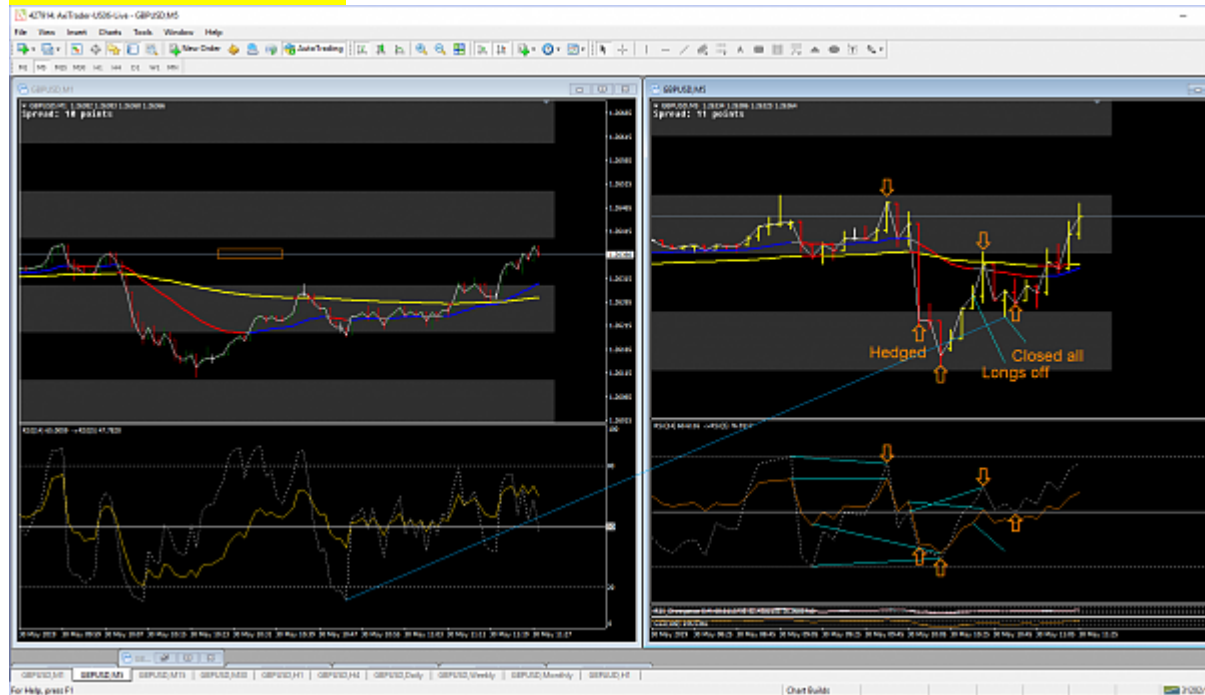
We could also observe the 15 min chart and see the 15 average has been travelling below the 1hour average and at our time of interest we had an RSI div right at the ZOO point of the 1H EMA



Nala66

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

Have a look at this mess...



Nala66

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

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



Nala66

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

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

D is 2674

50% is 2656

Nala66

May 30, 2019 7:24pm | Post# 3301

[Quoting Nala66](#)

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

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

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

How low go it go?

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

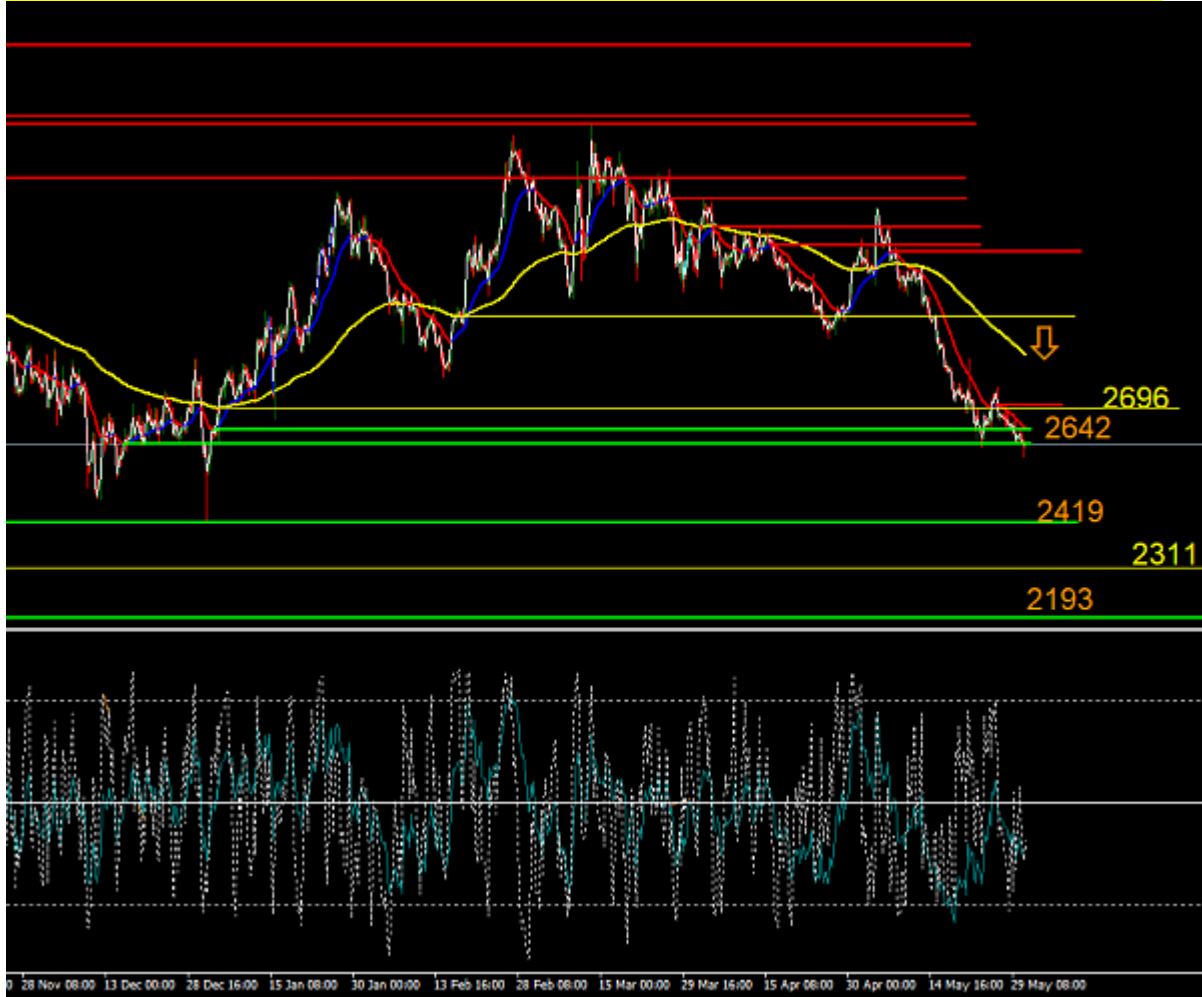


Nala66

May 30, 2019 7:42pm | Post# 3302

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

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



Nala66

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

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

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



Nala66

May 31, 2019 10:34pm | Post# 3317

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

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

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

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

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

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

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

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

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

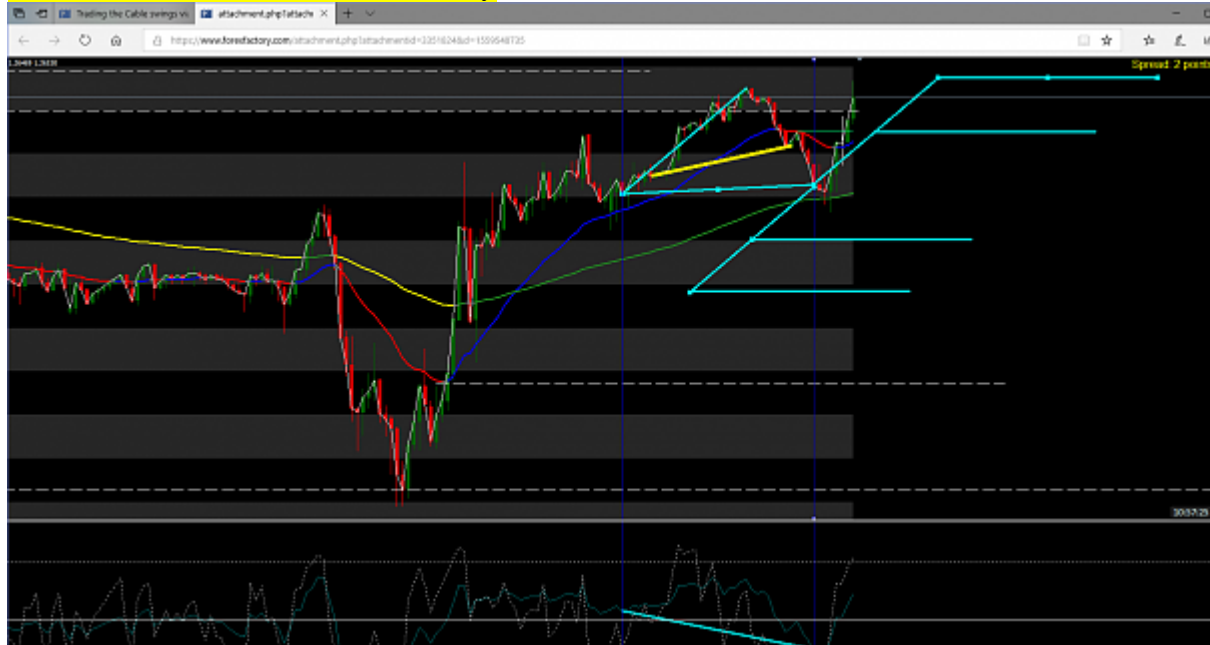
By interpreting the signals given in the chart like this we can practically follow every move. Sure we can lose the odd trade but the probability is always on our side to be winners overall.



[Quoting witowito](#)

{quote} Is this one of the ABCD that price has formed since broke The EMA? or is not drawn correctly either? {image}

You are correct it is drawn incorrectly



Nala66

Jun 3, 2019 4:15am | Post# 3335

Look to the EMA and determine where the failure was then look for the signals to take it the opposite way.



Nala66

Jun 3, 2019 4:19am | Post# 3336

[Quoting witowito](#)

{quote} Here i am a bit lost... Im gonna share me view and please correct me where i am wrong. Price was going UP while EMA was also same direction. 1. price make the HH 2.

EMA Fails to do it. 3.RSI div at that point took the price back to EMA 4.Bear found support, so they will **attemp** new LL ?? Thnks {image}

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

Nala66

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

OK here goes with the 15 min.

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

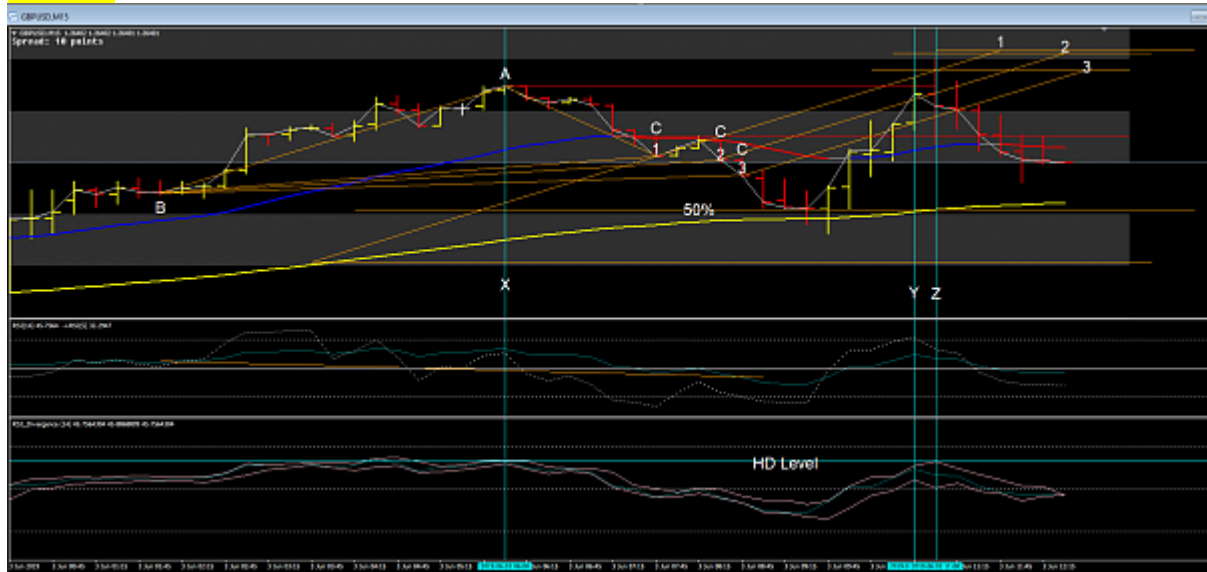
Now things to note are that it went 50% the wrong way. This was divergence on the 5 min but forget that for now.

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

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

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

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



Nala66

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

[Quoting witowito](#)

Improving step by step. I tried short early in the morning and I got stopped out and then saw how price drop without me... Then i took a long at the bottom and it worked pretty good so i have my money back and some profits... I also tried few hedge wich i think is the hardest

part so Its next step for me 😊 So far so good... Happy with small profits while improving/learning. {image}

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



Nala66

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

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

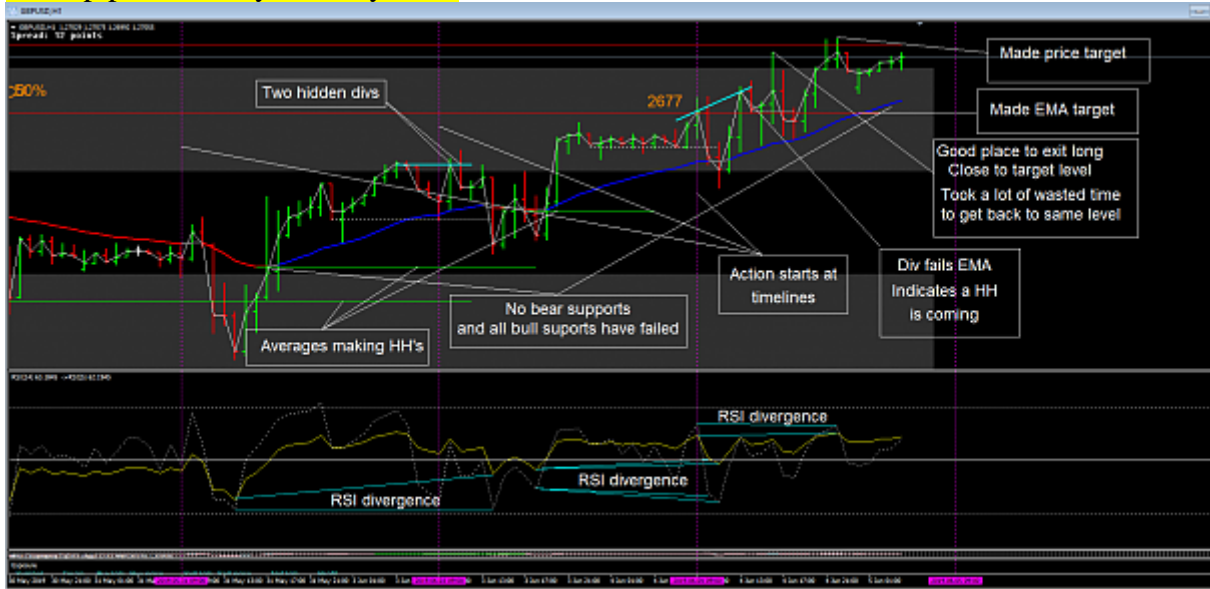
There are few signals for entries but we do have the inference that price is rising as for most of the time price has been trading above the average.

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

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

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

a few pips towards your daily total.



Nala66

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

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



Nala66

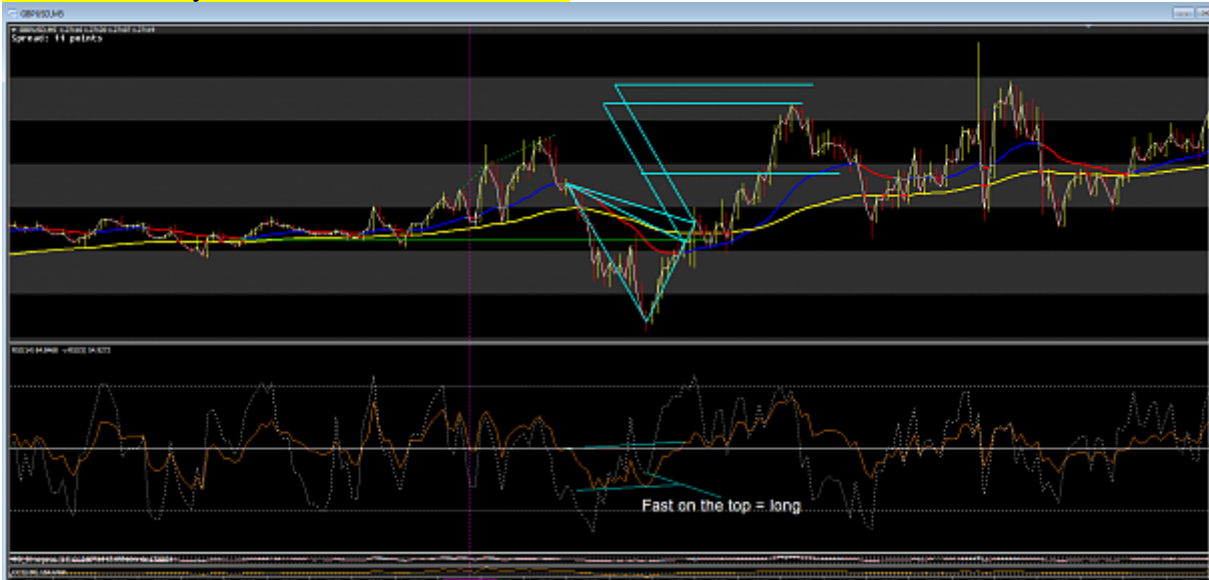
Jun 5, 2019 1:29am | Post# 3350

[Quoting mikeeating](#)

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

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

This is what my chart was like at that time...



Nala66

Jun 5, 2019 2:07am | Post# 3357

[Quoting witowito](#)

{quote} I was looking at this (H1&m15)when took that DIV for longs yesterday. I dont know if is correct but just my view at that time... Let see what Alan have to say lol. {image} {image} {image}

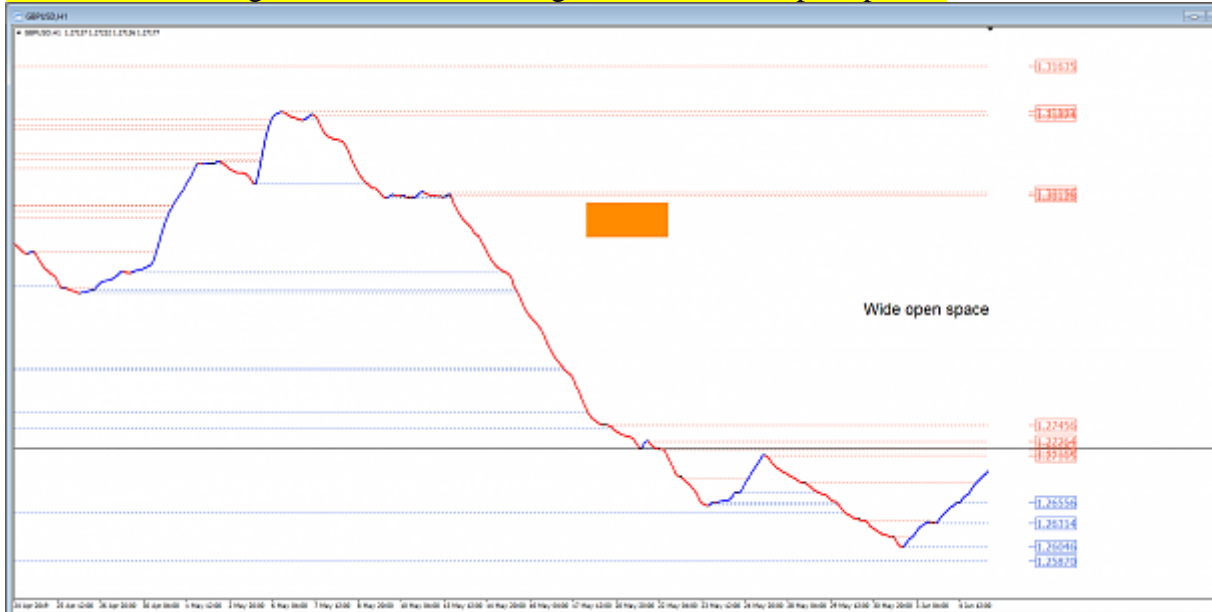
When drawing the $ab = cd$ I draw it like this...



Nala66

Jun 5, 2019 2:27am | Post# 3360

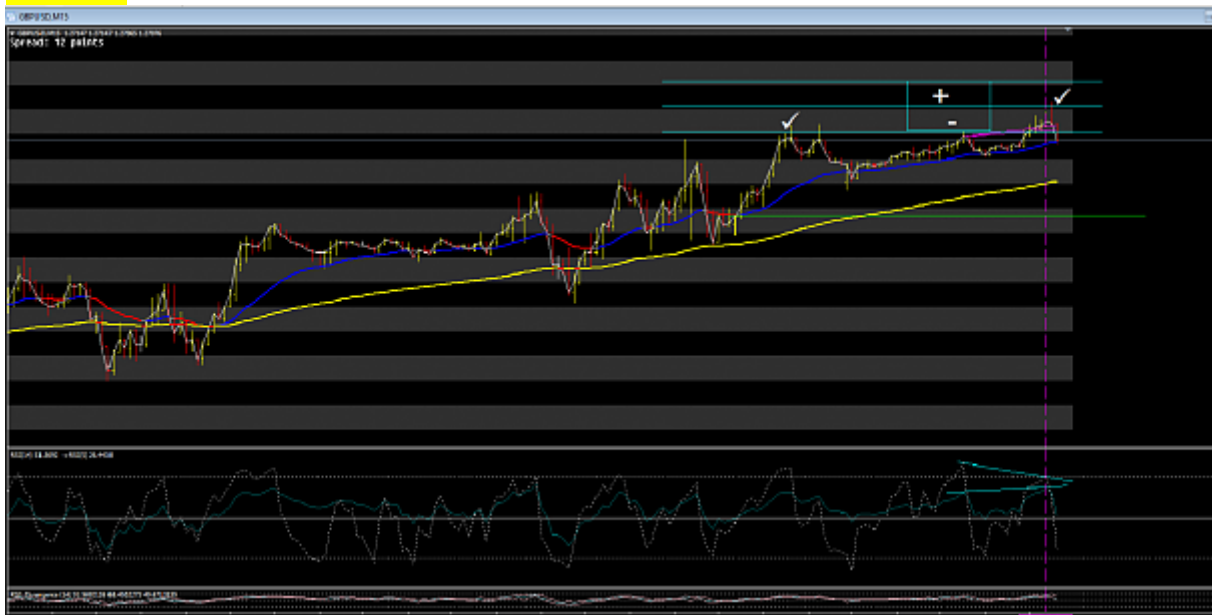
It will be interesting to see if the bulls can get into this wide open space...



Nala66

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

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



Nala66

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

Hopefully this is a 5m bear support coming up



Nala66

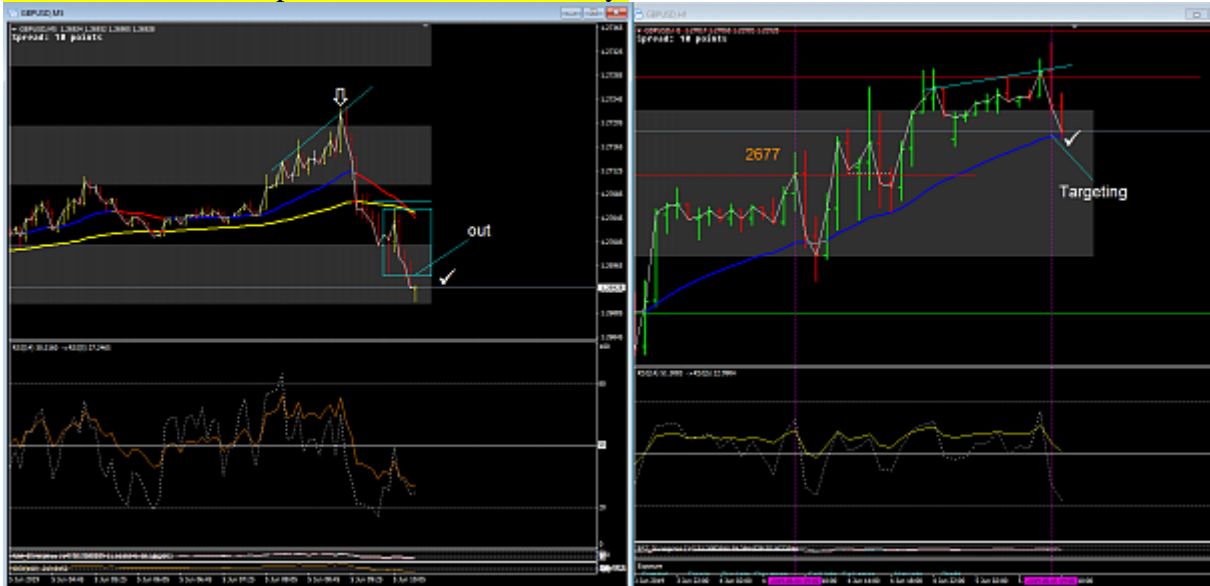
Jun 5, 2019 3:23am | Post# 3378

Ha that was clever of me.

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

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

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



Nala66

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

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

It all gets boring after a while hey!



Nala66

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

[Quoting mikeeating](#)

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

Quite late Mike



Nala66

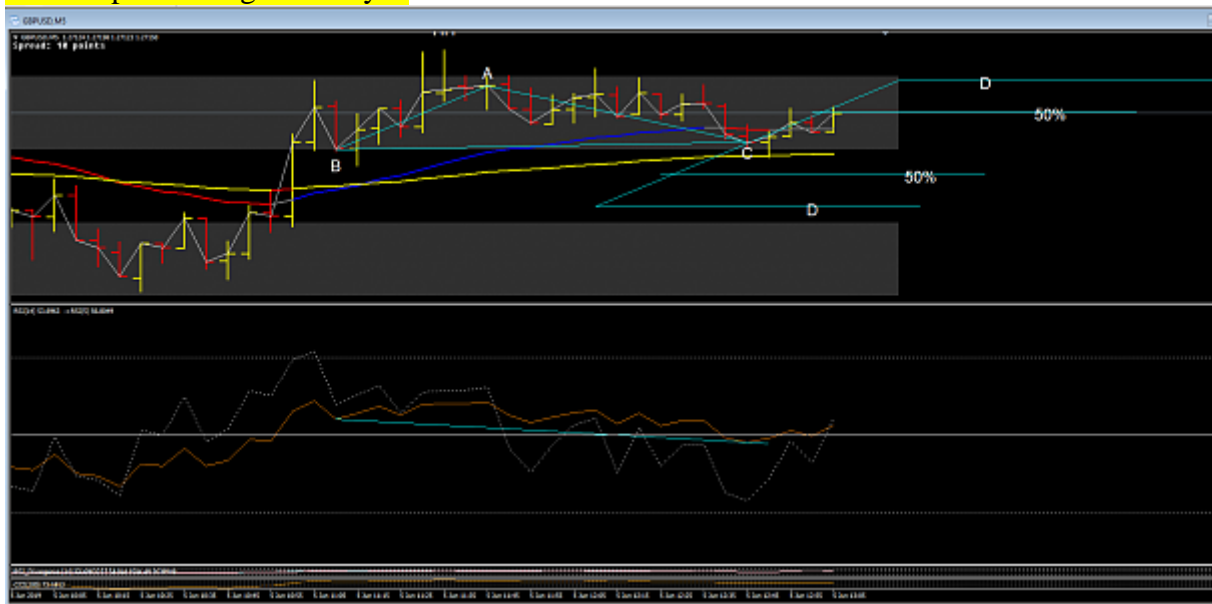
Jun 5, 2019 6:09am | Post# 3406

You also have a div triangle now on the 5 min

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

On the underside of price the line is sloping up.

B is the pivot being tested by C

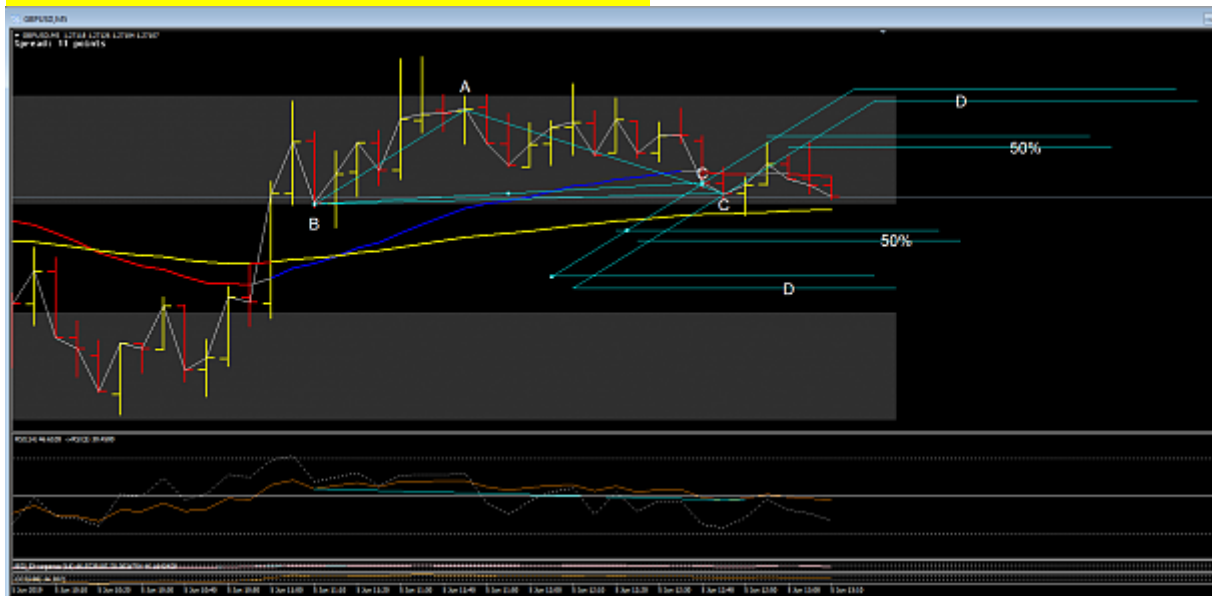


Nala66

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

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

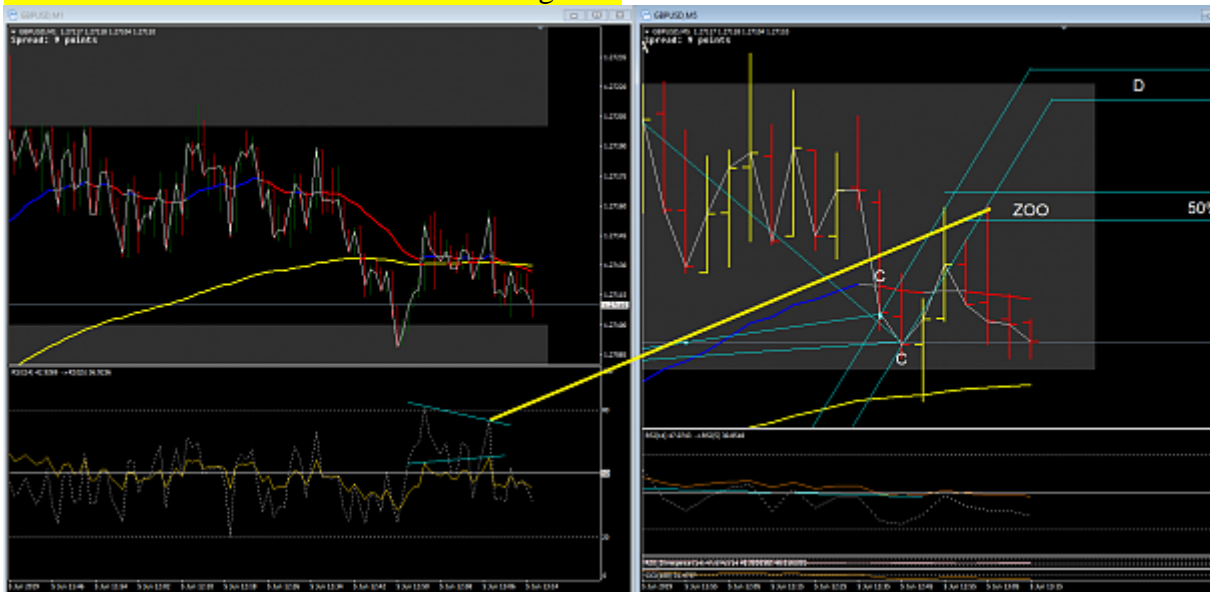
We can see the move has failed at the bullish 50%



Nala66

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

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



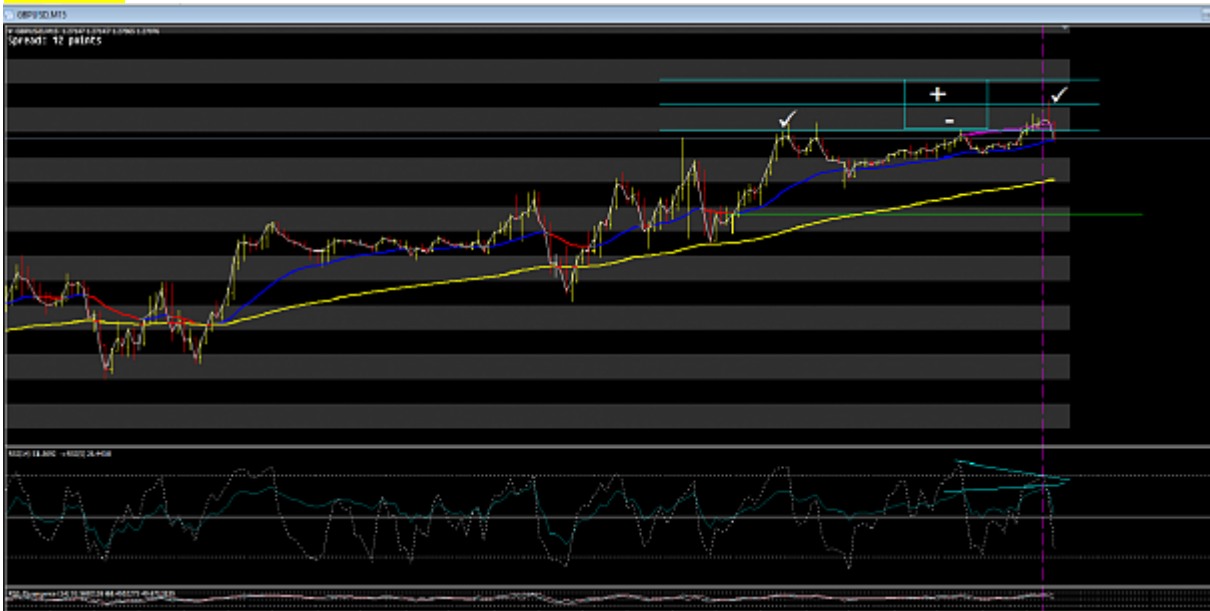
Nala66

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

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

Hope that helps Mike.

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



Nala66

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

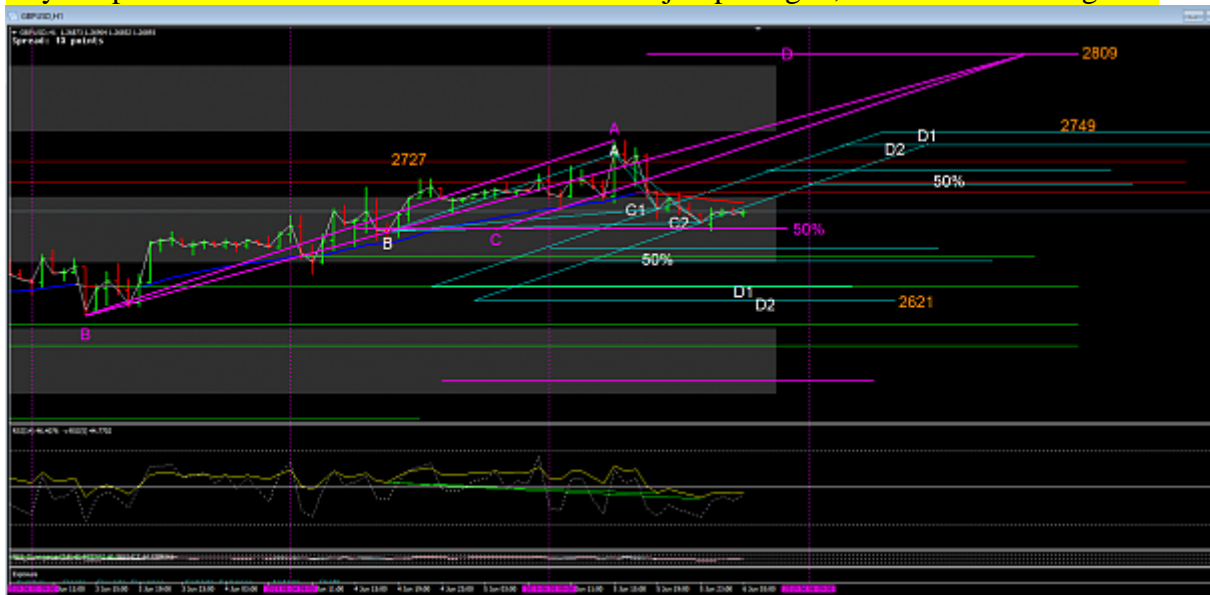
Well it made the 2740 to be exact it was 2743.

Now things are getting very interesting and complex.

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

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

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



Nala66

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

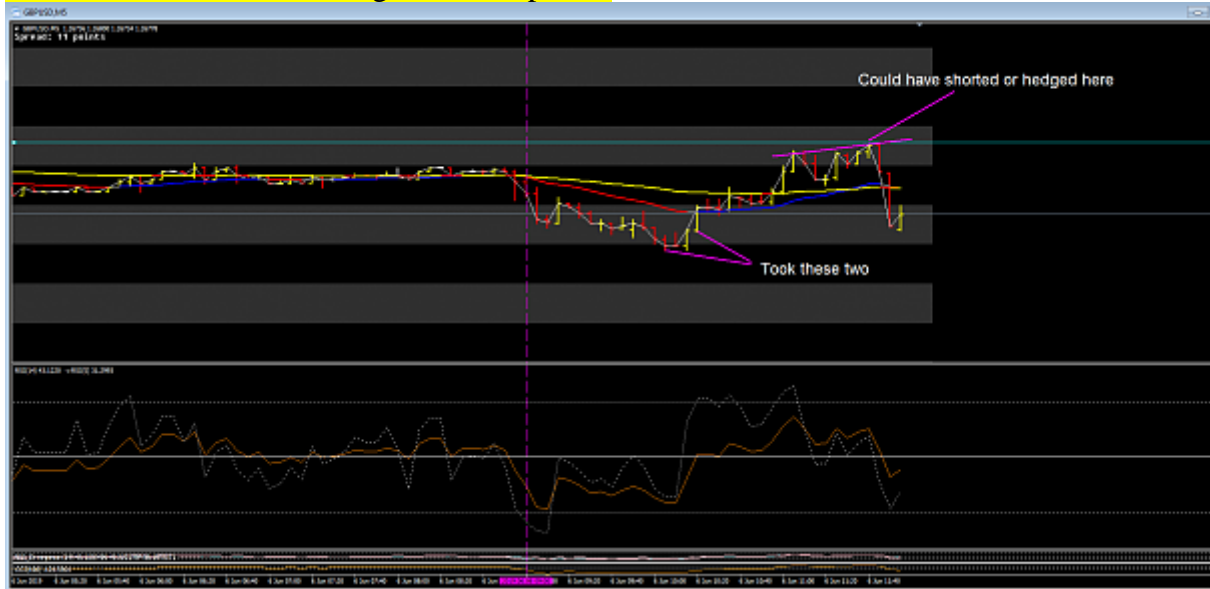
Lost a bit getting started there but got it back



Nala66

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

Witowito this is where a hedge could be placed

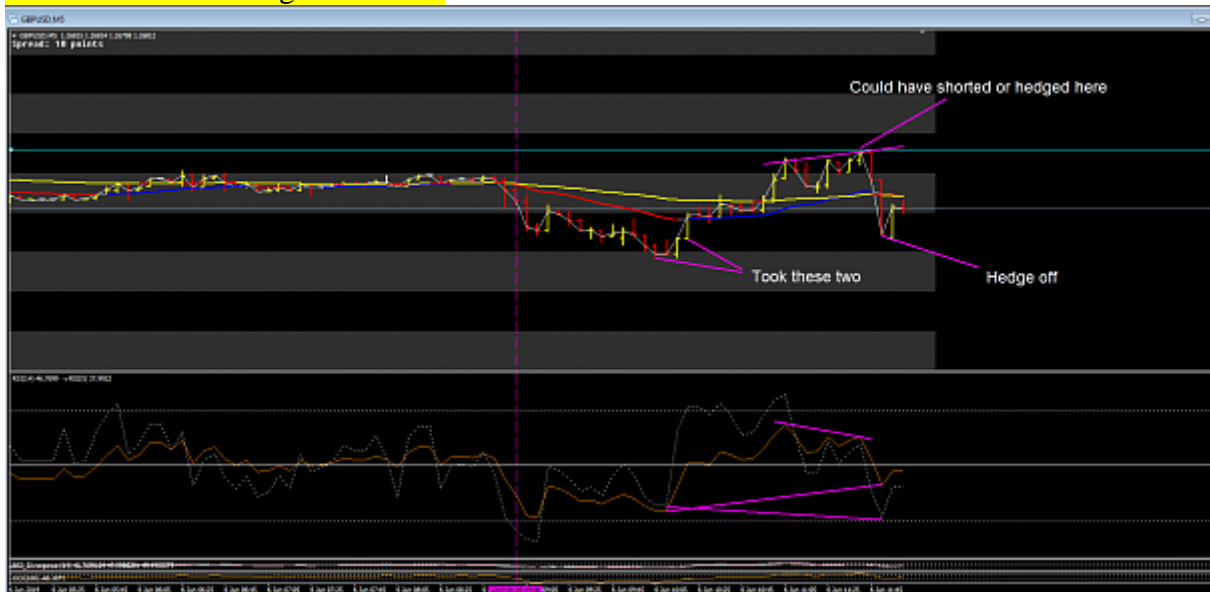


Nala66

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

Yeah market is getting a tad busier.

This is where the hedge comes off



Nala66

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

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

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

Nala66

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

[Quoting mayflower](#)

{quote} Thanks Mike

So the days work is split like this.

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



Nala66

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

[Quoting mikeeating](#)

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

Always get those stops above your highest entry Mike

Nala66

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

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

Nala66

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

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

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

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



Nala66

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

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

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

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

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

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

My guess is this battle will continue for a tad.



Nala66

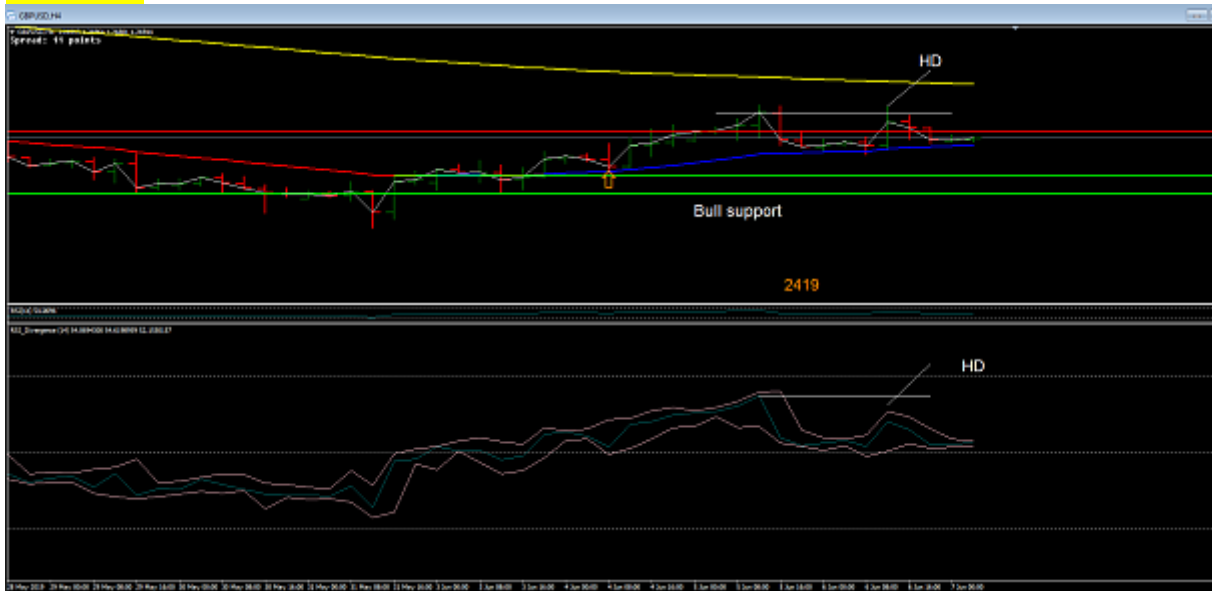
Jun 7, 2019 12:33am | Post# 3449

[Quoting Gilaforex13](#)

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

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

I see this...



Nala66

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

[Quoting mikeeating](#)

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

Yep.

B was the pivot both C1 and C2 were attempting to reach but the RSI was already past this B

point. B and C were on opposite sides of the average



Nala66

Jun 7, 2019 2:01am | Post# 3454

[Quoting mikeeating](#)

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

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

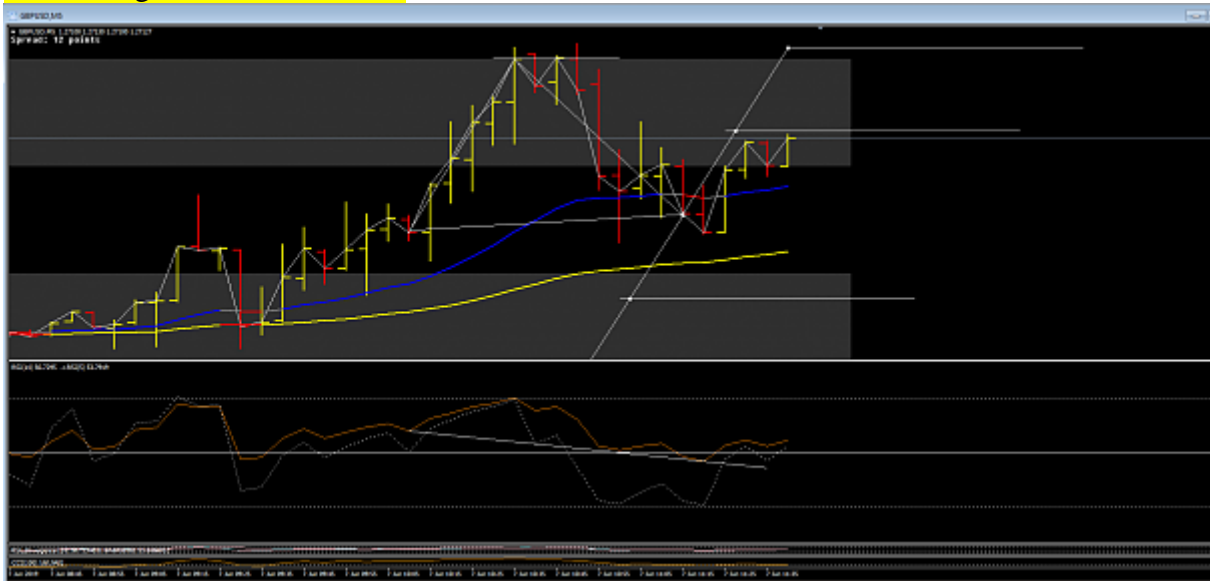
cannot be the correct pivot.



Nala66

Jun 7, 2019 4:42am | Post# 3461

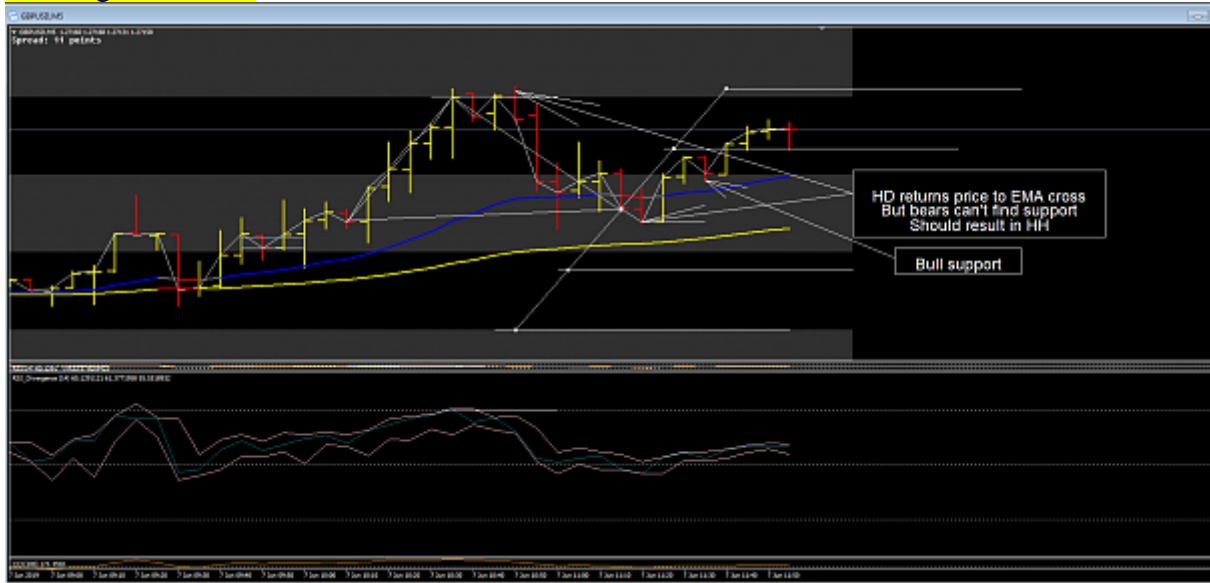
I'm looking at this on the 5 min



Nala66

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

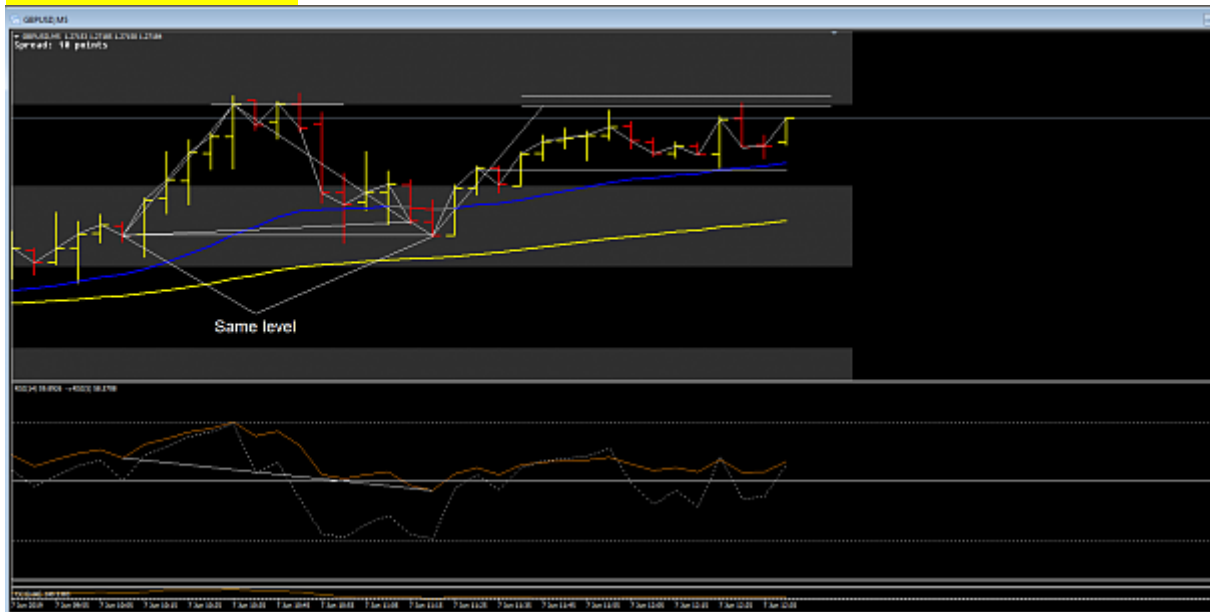
Reading the chart...



Nala66

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

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



Nala66

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

[Quoting mikeeating](#)

Things will heat up going into NY I think

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

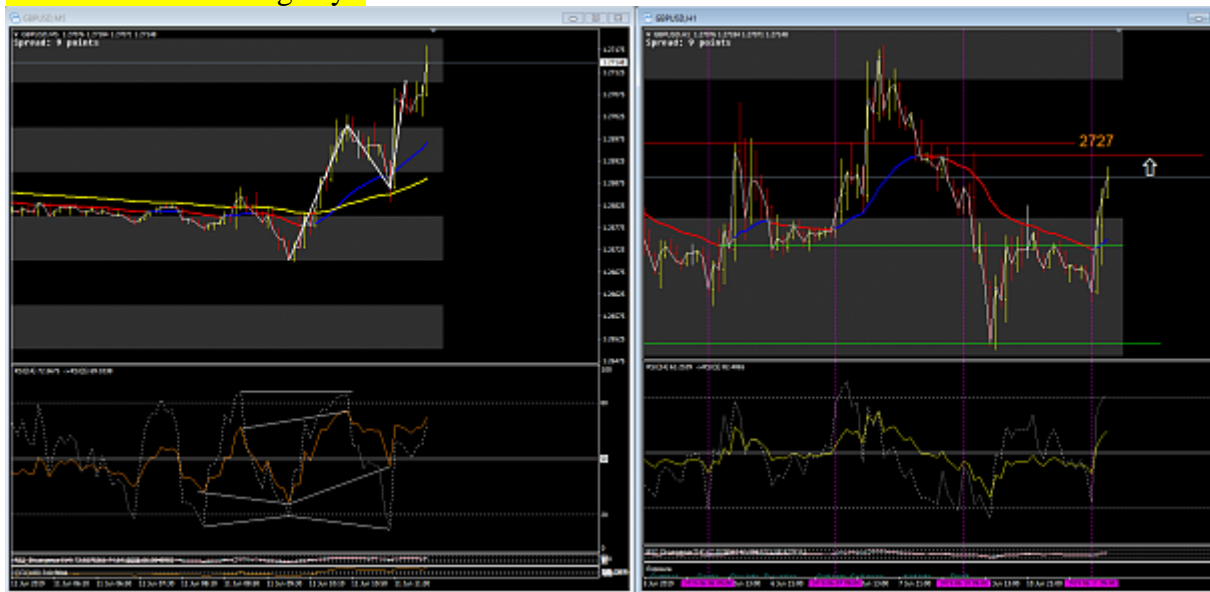
A return to 100+ moves would be handy.



Nala66

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

Well that was exciting hey!



Nala66

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

[Quoting luckyvictor](#)

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

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



Nala66

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

The next question about the 26EMA.

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

Nala66

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

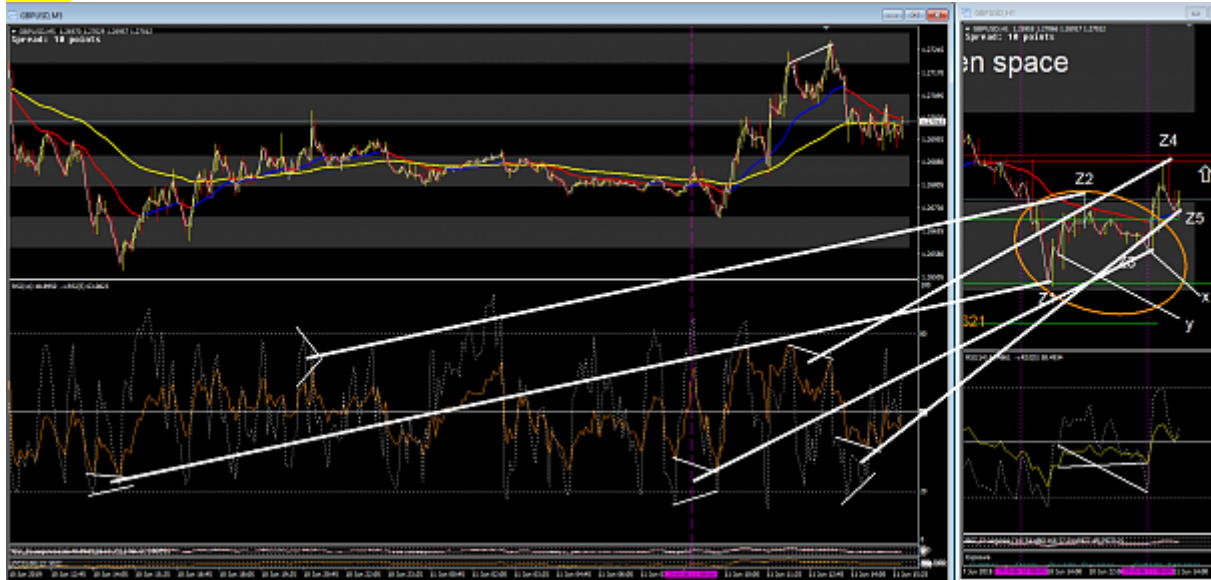
[Quoting luckyvictor](#)

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

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

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

chart



Nala66

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

[Quoting luckyvictor](#)

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

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

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

I am not interested in so called trends or trend changes of direction. My task is to make my daily profit in the shortest possible time.

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

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

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

regular daily target



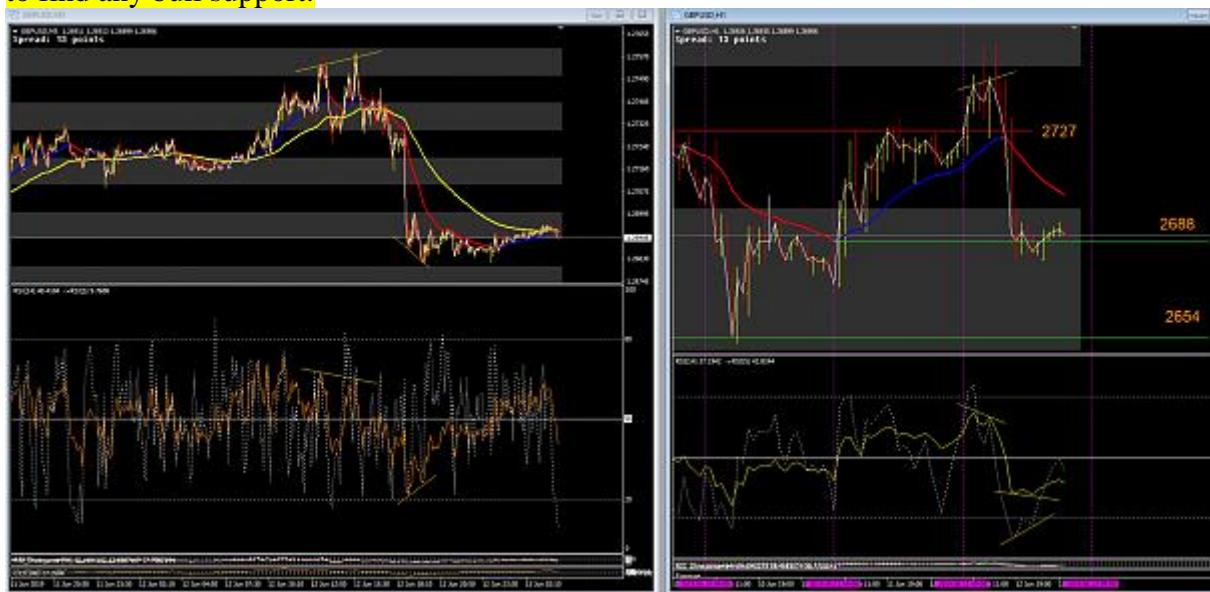
Nala66

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

Well how did you all go yesterday.

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

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



Nala66

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

[Quoting luckyvictor](#)

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

1) A condiv is a continuation divergence where we can draw our ABCD to give us a target.

2) Yes

3) Same as two but this time the green line

4) Was at the 1h ema, in a condiv and because it has spent so much effort on the RSI it is unlikely to cross and find support.

5) No I would not have known there was a red bar to come just close on the ema

6) Following an RSI div we then look for support and the bulls found it at 6.

Nala66

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

[Quoting mikeeating](#)

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

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

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

Nala66

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

Looks like the 2654 is on the cards today

After that we may be facing the 2621

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

Nala66

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

Testing the 5 min bear support now

Nala66

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

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



Jazz1964

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

[Quoting luckyvictor](#)

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

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



Jazz1964

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



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

Nala66

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

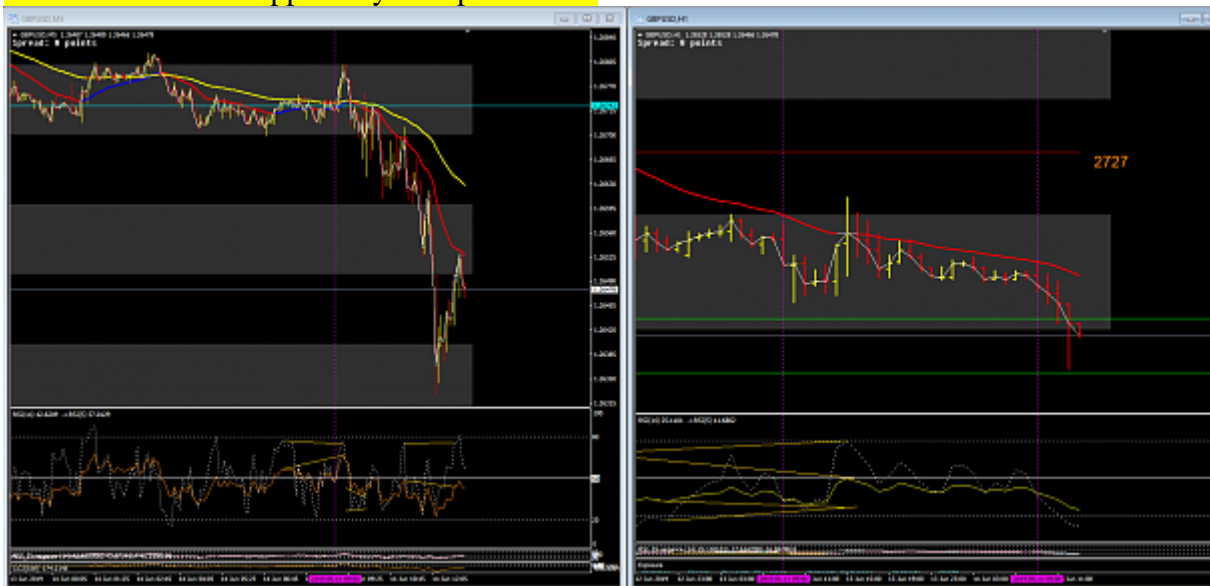
Seems to be a few problems afoot.

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

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

Do we have a target = yes I posted it.

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



Nala66

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

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

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

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

Nala66

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

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



Jazz1964

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

[Quoting Nala66](#)

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

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

Nala66

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

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

Nala66

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

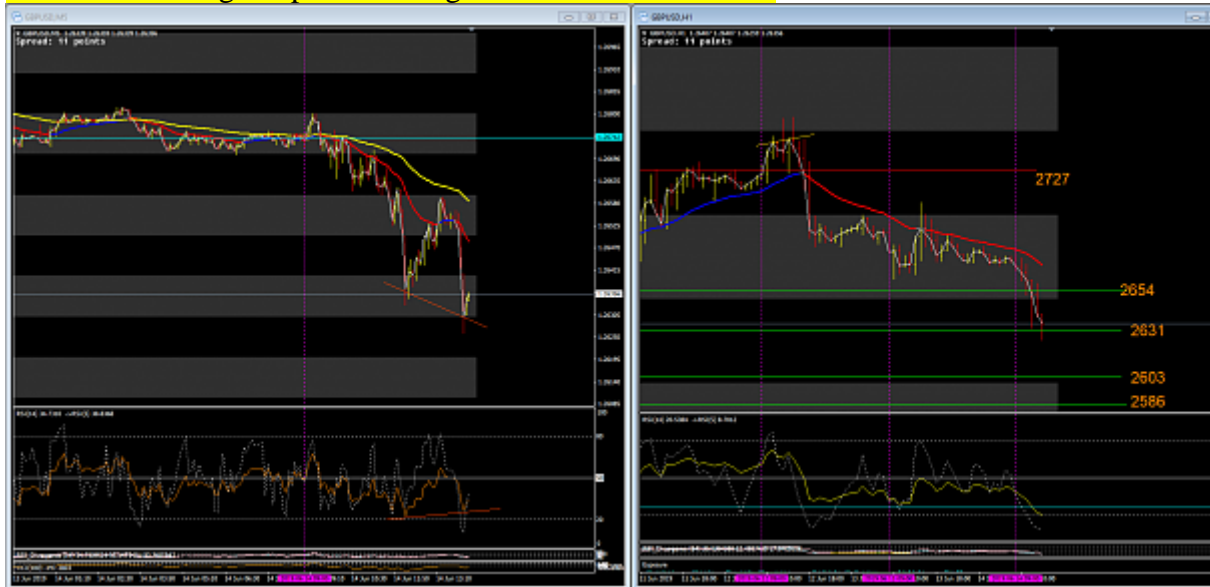
There you go guys, listen to Jazz he has it nailed

Nala66

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

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

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



Nala66

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

Here are both of them completed



Nala66

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

[Quoting MrMagnet](#)

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

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

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

reached the bottom at the 2586 level.

The bears may hold this position for a tad allowing the EMA to break the 2631. May be even the 2603.



Nala66

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

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

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

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



Jazz1964

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

[Quoting Nala66](#)

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

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

Nala66

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

[Quoting fxpractice](#)

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

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



Nala66

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

[Quoting witowito](#)

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

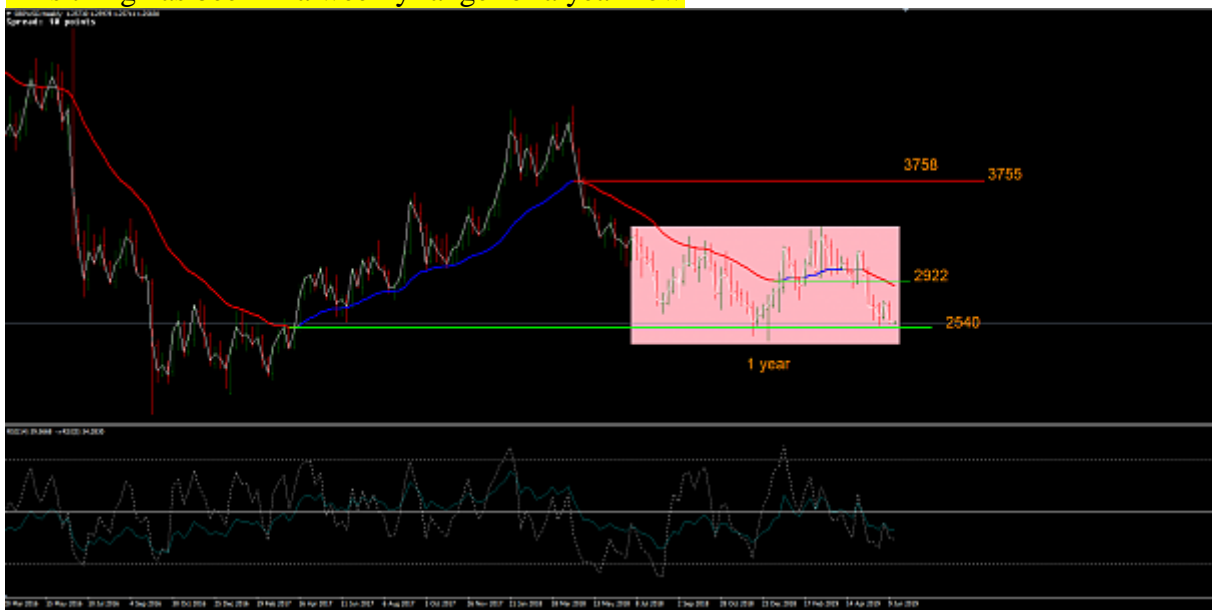
Yep



Nala66

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

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



Jazz1964

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

My bonus trade of the day:



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

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

Jazz1964

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

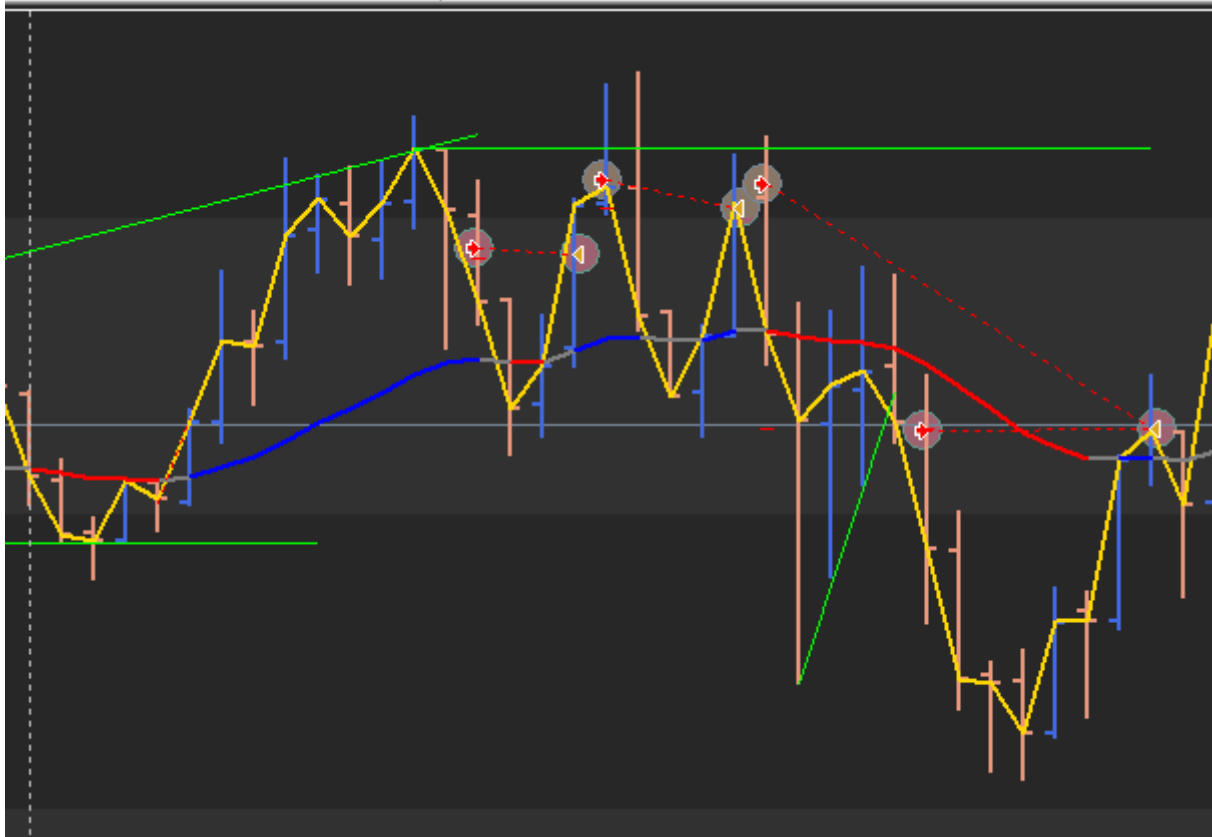
[Quoting david321](#)

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

Hi David, welcome.

When the trade works out, it should not make a HH or LL price against. Meaning the stops should be just above the HH or below the LL level. That's for the initial trade when you just enter.

Then when the trade is evolving like we want in favor, then we move the stop to BE. Yes it will get hit often, just accept it to cover your risk.
When we have a runner, we move our stop to secure profits.
Alan can correct/complement 😊



Nala66

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Phew!

Any questions thus far.

Nala66

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

[Quoting huskyboy](#)

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

You have missed this



Nala66

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

[Quoting Trade.Time](#)

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

Hi David.

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

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

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

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

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

Nala66

Jun 19, 2019 8:52pm | Post# 3644

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

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



Nala66

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

[Quoting huskyboy](#)

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

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

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

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

Note: All three of these are on opposite sides of the RSI waterline and of course the EMA. That is to say the A point is below and the C point is above.



Nala66

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

[Quoting simon.says](#)

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

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

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

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

Nala66

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

[Quoting mayflower](#)

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

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



Nala66

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

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

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



Nala66

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

Now back to Polly.

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

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

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

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

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

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

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

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

This is what the three scenarios would look like.

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

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

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

Nala66

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

[Quoting luckyvictor](#)

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

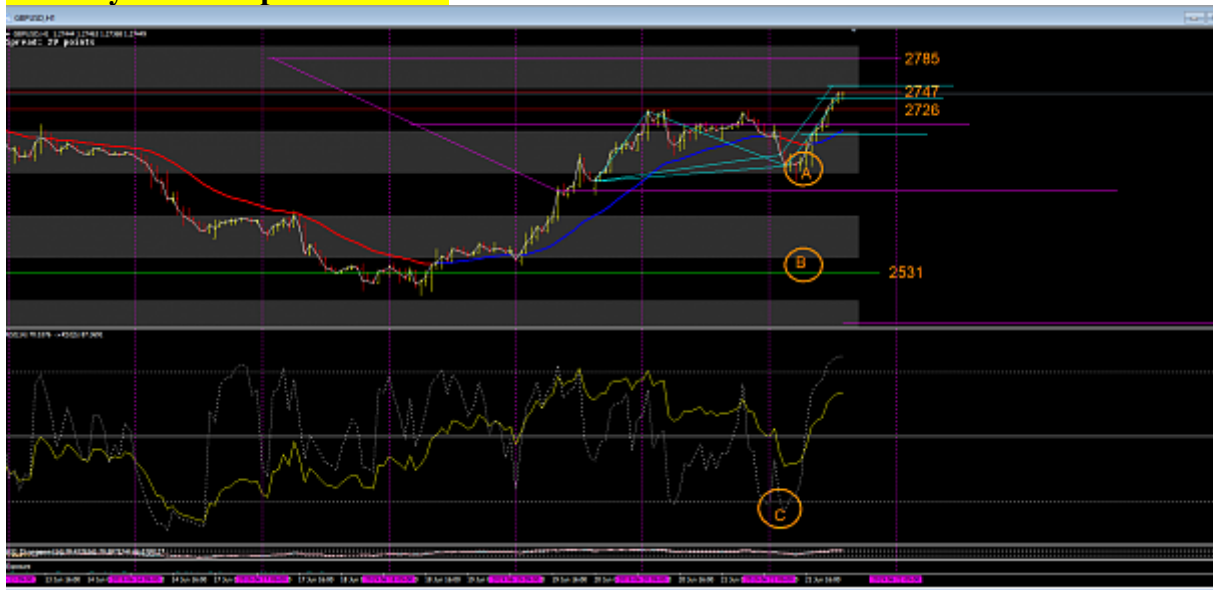
Always remember it is the movement of the averages we are interested in over and above any signals. So if trading above the average any bear div should be initially treated as a hedge or a scalp.

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

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

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

So A is your ZOO point is it not.



Nala66

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

Back to the money management.

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

There are two good reasons for this...

1) It is not the potential profit that is important so much as the potential loss. The account has to weather the storms waiting for the days when the sun shines and hay can be made.

2) When the good strong runs become evident having backup money to add to winning positions is highly desirable to seriously compound the profits.

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

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

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

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

This answers how we build confidence into our trading, we virtually trade risk free.

Nala66

Jun 22, 2019 9:56pm | Post# 3685

[Quoting luckyvictor](#)

{quote} Hi Alan Really appreciated for your generous sharing, I think it can really help a lot of people to build up a second income. (I myself is trying working hard to pick up the skill) I always believe retail trader does have disadvantage over the big player, because they have the money to virtually manipulate the market. As a small individual trader, we can and we should gather our power to help each other, simply reason, when you buy at price x, I also buy at/near price x, and more people to do the same, we are building the support zone and...

I'm afraid I cannot agree with you on the so called power of the so called big players. Have you ever heard of an institution making 100% or even half that over an entire year, let alone a month, week or day. Retail traders tend to lose more because they risk more and trade without fiscal plans. They chase losses and try to average down losses by adding to losing trades. There are many other reasons but none are associated with what others do be they retail or institutional. We command what we do, when we do it and how much we risk, the ball is always in our court, it is always our decision.

The very common impulse bar is often blamed as a stop hunter whereas I regard it simply as an attempt to bend the average. In fact all the so called stop hunt moves can be readily explained if the traders takes the time not to play the blame game and look at the logical aspects of the moves. If we come to the trading table with this negative attitude we set ourselves up to lose through our own thought processes whereas it is not for us to think trades we simply respond to the signals we have identified as giving us an edge.

I love the often quoted number that 95% lose but isn't this true of anything. 95% of football players will lose the championship whereas 95% of drivers will survive on the roads. It all depends on how you look at stat numbers. 95% of people have religious convictions and



Nala66

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

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

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

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



Jazz1964

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



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

Nala66

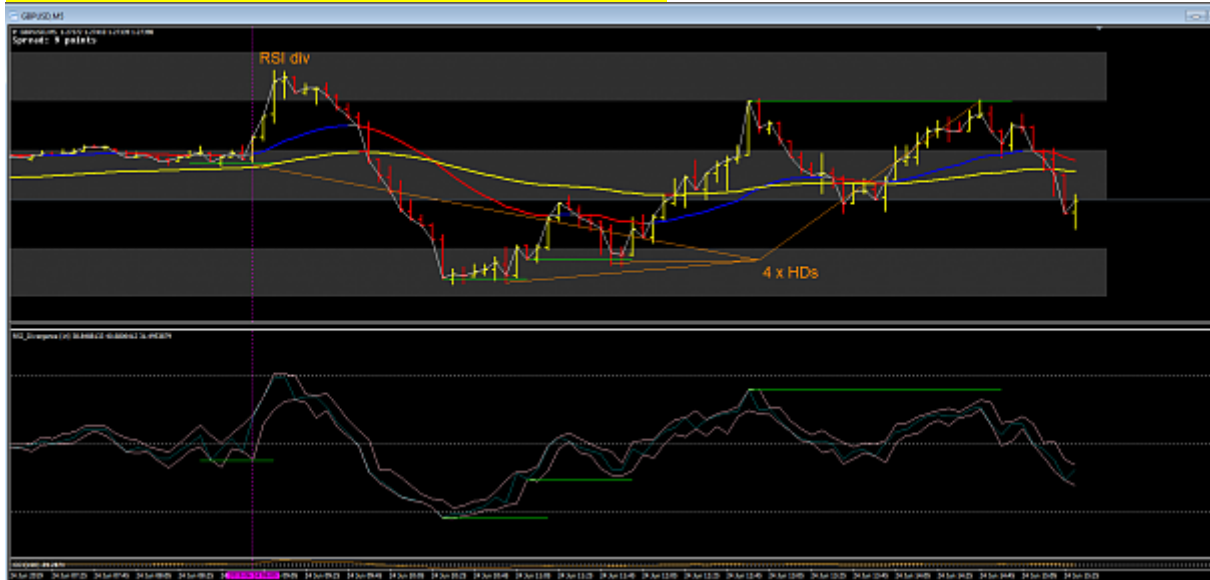
Jun 24, 2019 8:34am | Post# 3697

[Quoting luckyvictor](#)

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

Allow me...

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



Jazz1964

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

[Quoting luckyvictor](#)

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

Arg sorry, that was not HD but regular divergence.



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

Just before 108 price made a HH.

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

Nala66

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

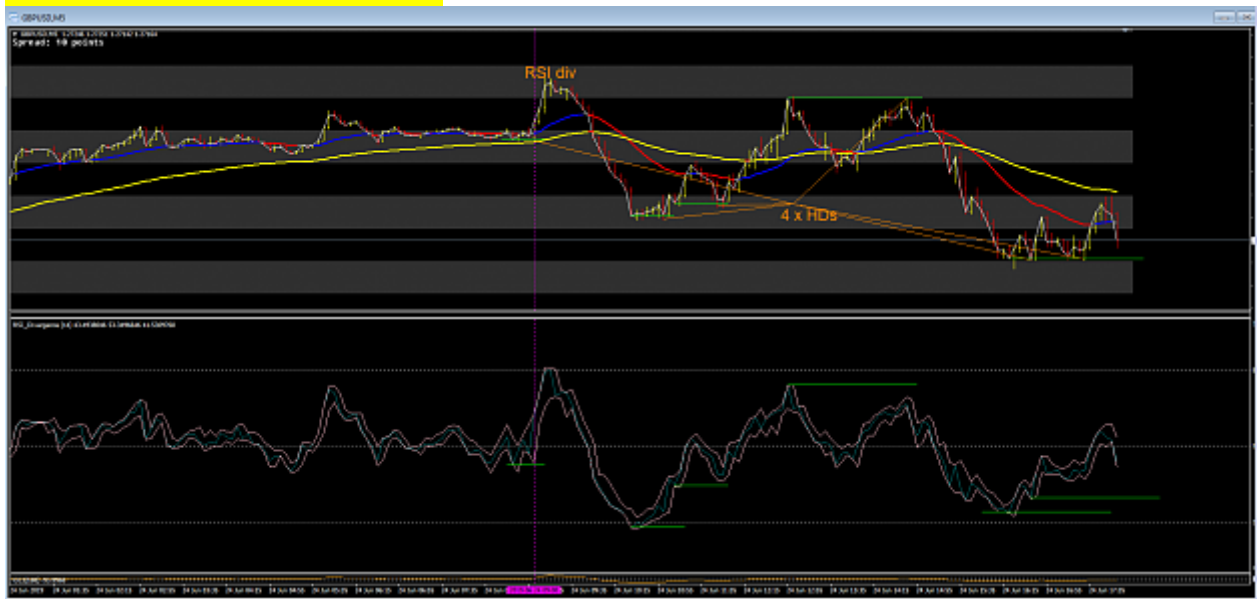
[Quoting luckyvictor](#)

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

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

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

Here two more have been added...



Nala66

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

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

The 2785 price target is still looming above.

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



Jazz1964

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

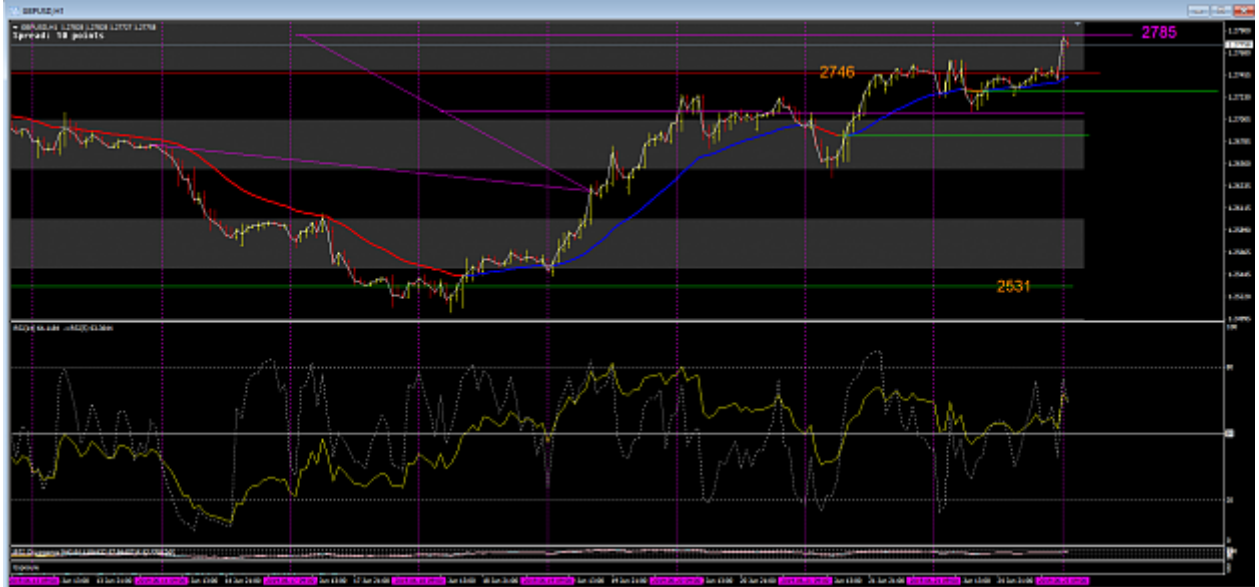
M5 bear div brought price quite close back to H1 EMA, <2 pips in between with M5 bull div going up now, no M5 bear support



Nala66

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

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

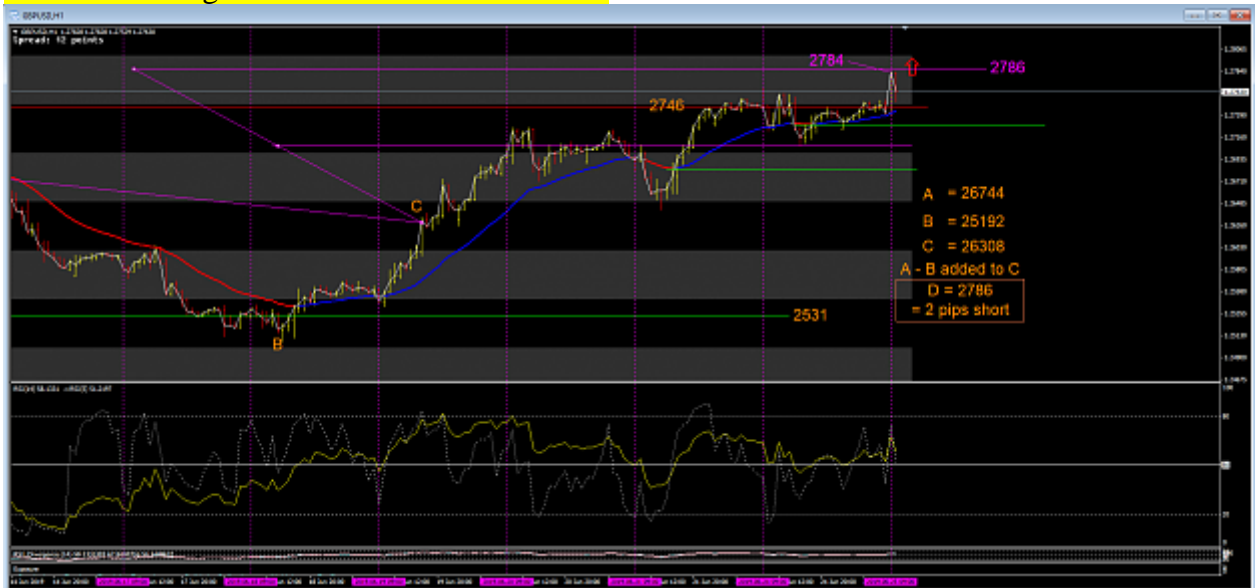


Nala66

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

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

The 2746 average looks set to be busted at last.



Nala66

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

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



Jazz1964

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

[Quoting david321](#)

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

This was the one I was pointing to



Nala66

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

[Quoting david321](#)

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

Jazz is away today so allow me.

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

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



Nala66

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

[Quoting luckyvictor](#)

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

Here...



Nala66

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

[Quoting huskyboy](#)

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

Glad you spotted this key point.

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

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



Nala66

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

[Quoting luckyvictor](#)

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

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

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

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

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

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

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

can be ZOO points.

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

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



Nala66

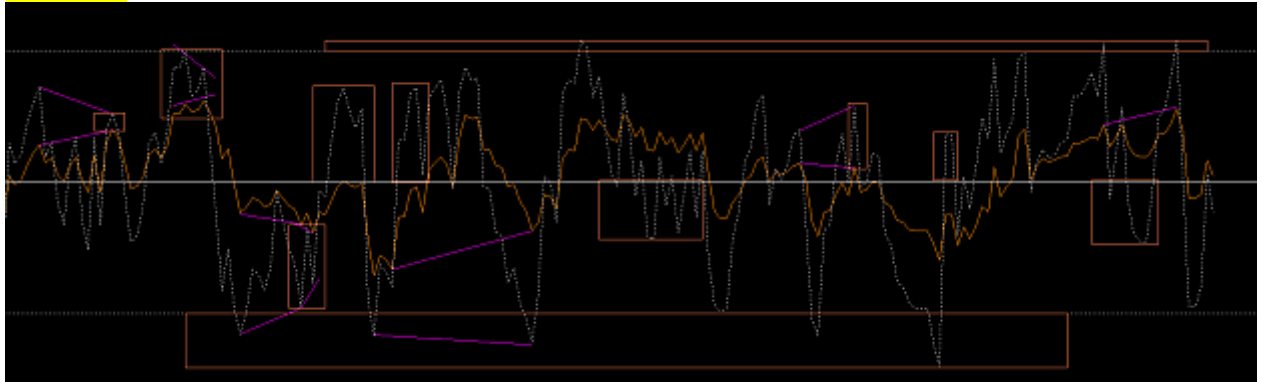
Jun 26, 2019 8:26pm | Post# 3748

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

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

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

the other.



Nala66

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

Divergence is a funny animal.

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

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

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

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

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

Nala66

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

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

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

At A would we not expect a good run.

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

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

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

to the signals we see.



Nala66

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

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

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

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

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

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



Jazz1964

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

[Quoting fxpractice](#)

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

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

below you can find the corrected chart.



Nala66

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

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



Nala66

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

[Quoting luckyvictor](#)

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

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

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

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

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



Nala66

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

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



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



Here is the open today...

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

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

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



The hook is a test of the Div



Yesterdays 1H hook. Testing the div

