

The7 Trading System by The7

Here are the rules: Do not trade only 1 pair. Use your money management and positions wisely and allow room for as many pairs as possible. The point here is that we want the winners to outrun the losers..

Place a 5 EMA High and 5 EMA Low on the chart. Short when red candle closes inside the channel, long when blue candle closes inside the channel. Closing candle has to open outside the channel to become a valid signal. Let it run until you see opposite signal. Stop Loss is high/low from last candle.



Sorry if I was not clear enough about the entry rules. But honestly dont know how easier I can explain. If the candle closes inside the channel (5Ema High and 5 Ema Low) I immediately enter the trade. No buffer, no extra rules. (Again, not looking for perfect patterns)

If the candle touches both sides of the channel, I like to avoid the entry...
Edit: Second arrow on short is not an entry, due the touch of both channels.



Look at the 3 check signs. The candles are not closing inside the channel so we dont have a short signal. (To be honest with you I would still enter with the 3rd check because of the pinbar..love them..yes it would turn to be a loss)



The only other confirmation I always look is:
 Pinbars,
 Engulfing bars,
 Round number rejections(...00 and ...50)

The 5 Ema channel gives us a good feel where the market is heading. If we have a long trend followed with a short candle which opens outside but closes inside the channel we close the long trade and enter a short. In my second post I said "No hard rules" . If I see a pinbar, a engulfing bar with good round number rejections I choose to enter the trade, even it doesnt meet the requirements...

I have few buddies who like to exit when the price touches the other side of the channel, not me..I always like to ride...It is up to you.

If the signal candle has a wick towards the direction of the trade, try to avoid the entry. If there are long wicks on both sides the candle, avoid the entry.It shows uncertainty. The only wick we want to see is a pinbar...



I always loved the 5 Ema indicator...If you are looking for a more conservative approach, try entering the trade when candle closes above/below 5 EMA close.