DUSTBIN

> *Hi Gleneagles,*
>
> *I drew my S/R lines for the London session today. I was wondering you must surely start your lines from the high of the session (resistance) then calculate 20 pip gaps from that, till the low of the session. Does that mean you disregard S/R levels lower than the highest line.*
>
> *Thanks*
> *Steve*

I look for typical patterns that form around levels approximately 20 pips apart when I start looking for levels for the trading day..not the highs/lows of a trading session. If it forms a confluence with the high/low..great stuff but I let the PA decide what levels it will follow and then stick with it until it forms a new range.

> Originally Posted by **Gleneagles** ⟩
> *00 round number will normally cause some sort of reaction when PA reaches it, look at bounce now from 92, it is still in play from earlier today.*

Thrust ..rejection..continuation pattern .. bounce 20 pip lower at 92
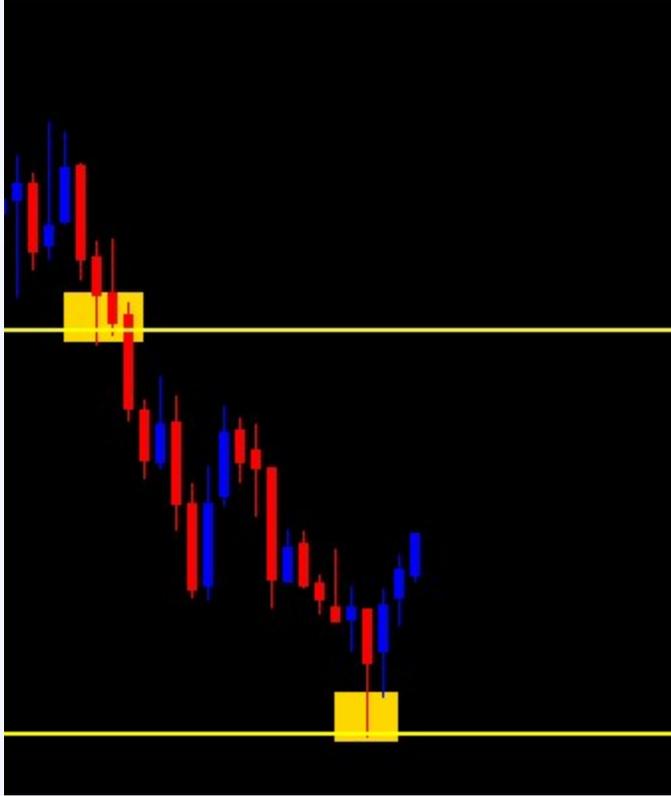
> Originally Posted by **shivas** ⊡
> *Gleneagles/ AllyB:*
>
> *A question if I may:*
> *A new level consisting of a spread of 22p has just now*
> *formed,.41222-.41005 ,would you now change your levels to trade the*
> *Asian session.*
>
> *THx*

The beats/swings are seldom spot on 20 pips. It varies between 16-23 approximately. You will see that the levels will cut of the wicks at times.
It is just a rough guide or a roadmap to try and anticipate where price is going and how it reacts at the next anticipated level.

I like to see 2 or more "established" levels before I will consider changing anything.
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Quote:

> Originally Posted by **FibbinArchie** ⊡
> *seriously tho' glen if you got a system that actually works and it's your own*
> *intellectual property, then you should think about marketing it, nothing*

> *wrong with additional revenue streams...*

Trading price patterns is an age old trading style. Trading price patterns around harmonic beats is a fairly common style of trading used by a lot of Asian traders. Trading price patterns from patterns formed by indicators is a new development. There is nothing unique or special about it..not yet.

If the neural network boffins can develop a pattern recognition code that can be traded, it will sell.

In the meantime, I just trade it manually 😊

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Quote:

> Originally Posted by **Mrgreener** ⟩
> *So if PA forms one of your patterns at a level then you would place a trade, even if the next level occurred 10 pips after your entry and wait until the 20-ish pip level was reached?*
>
> *Thanks in advance*
> *Steve*

I want to make sure that the levels I look at have "earned" the right to be on the chart before I start trading them. How did price behave at those levels before?
There are often "hidden" levels on the charts that may not be obvious until after a pattern is formed. I note them and if a pattern repeats 20 pips up or down from that level , I will consider adjusting the current levels if it is out by more than 4-5 pips.

It does not take long to see on the charts whether your levels are correct. You will never be 100% correct with the levels because the price swings are seldom 20 pips spot on. It is a rough guide to trade price patterns.

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