

DIBS + Millipede

Trading Style :

Position

Pre Market Routine:

Manage existing Legs and Groups

Homework : estimate strongest/weakest pair via recent strenght indicator
draw in close of Previous day bar

Chart Analysis:

as we allready have our last day close/open drawn in (24 hour wide)
we now wait for an inside bar to form and as soon as an inside bar
is spotted we prepare for execution and management

insidebar = An inside bar is a bar or series of bars which is/are completely
contained within the range of the preceding bar, i.e., it has a higher low and
lower high than the bar immediately before it

Execution:

we start trading at Frankfurt open (8 uhr)

First rule: We buy on a break of an IB if price is above the daily open and sell if it's below
Put the buy/sell 1 pip outside the IB range and remember to add the spread. the SL is always set
at the opposite side of the entry

Example: IB range is high @ 1.5500 and low @ 1.5400.

Buystop: 1.5501 + spread, SL 1.5399, BE 1.5503 + spread.

Sellstop: 1.5399 + spread, SL 1.5501, BE 1.5397. + spread

Additional Notes :

What if an IB has it's high above the daily open and it's low below the daily open?

Then you take the break that occurs, if it breaks to the downside then sell and vice versa.

2, 3 or more IB's in a row – which one to take?

I would take the first one which is the largest just to be on the safe side.

Management:

if we have an open position we look where our First trouble areas are , if we overcome the FTA we pull our SL to BE

as soon as our SL is at BE we have a Leg wich we will lable

Manage legs:

a leg can only consist of a position wich SL has pulled to BE
each leg is managed individually,surviving legs will be added to groups,

Group Management:

we have several groups overtime, where the oldest will be the highest ranked group
each group consist of several legs , depending on age and size if we diversify some legs of a group , the remaining legs in that group will be put to the next higher ranked group

Exit:

Diversify positions to keep the equity curve smooth , and recover losses
risk max 5% of account

Diversify:

we diversify to keep balance/equity on a smooth upwards stride and recover losses, to gain buying power and to keep balance alive if we recover losses , we also look to close as manny legs to keep the gain at least 2times the loss