CLAUDIAS PIVOT POINT SYSTEM

This is a very simple system I have been trading profitably for some years now based on pivot points. It is far from ground breaking but works for me.

I trade manually and mainly gbp/usd

Brokers - I use IG in the UK and have done so for about 8 years with no problems and fortunately they now offer MT4. Also use Alpari from time to time. Spread betting in the UK is currently tax free.

Manual System

I trade from 7.00 am London time (Frankfurt open) and very simply wait for a close of the hour bar above or below the daily pivot. Doesn't happen every day. I then look for + 20 with risk reward 1:1 although this is discretionary. I always move stop to break even at + 10. ds1/rs1 are for sure good targets.
My weekly target is + 100 and I stop when that has been hit. As always money management is important and I rarely go over 2.5%. Support and resistance can obviously be used for take profit/loss.   Crossing of the pivot means nothing to me its the close of the bar I look for.

I trade mainly GBP/USD.
I stick to floor pivots. I work from midnight London for pivots.

Trading this system the trend to me doesn't matter. Time frame I just stick with the 1 hour. Erebus uses the 15 mins which works for him. I will sell and buy on the same day for sure. Doesn't happen often though.

Try it on gold and silver that can be fun. I normally stick to cable and UK equities

 Monday and Fridays are always funny days and we had no news today. I agree watching pa is the way but the ea is a challenge maybe. Why the hour bar? I just look for 20 a day and find it easy on the hour bar watch the pa watch the news and its not difficult. I also watch the adr very closely if it has moved say 20 overnight its obvious its gonna go mad at some time during the day up to around the 100 area or so.

you can take a trade any time of the day. As long as the H1 bar closes above or below the pivot simple as that.

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   The quote above confused me. Are you stating that price must move from one side of the pivot point to the other side of the pivot point after the Frankfurt Open in order to determine trading direction and thus be a valid trade entry? "It doesn't happen every day" because price doesn't always cross the pivot point?

Or, do you just wait for the 1st hourly candle to close and take a trade direction depending on whether that price is above or below the pivot point? If this assumption were correct, then, the occurrence would happen every day.

Price must cross the pivot and close. If above buy, if below sell. I see no trades so far today I see the pivot acting as support at the moment. Keep asking I will answer.

Time of day doesn't matter. The system is to enter when the hour bar closes above/below the pivot. It doesn't happen every day as sometimes market will open above/below pivot and continue in a direction.

Do you enter long/short at the closing candles body or wick?
Candles body.

I don't double up think it's asking for trouble. I also don't run for more than + 20. Look for + 100 week with a high hit rate that is achievable (not saying happens every week). People will disagree I know but that's what I do. + 20 a day no doubling up and do not be greedy! See what other contributors have to say.

Transactions per day ?
Normally one some times two. Some times none. (One pair)

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what if candles close up and down the pivot in a row? I noticed in visual backtest that it happens sometimes. Do you then take all these entries or you limit your trades by 1-2 per day and just skip the rest? And also - do you somehow filter or choose your trades or take them almost mechanically?

If the candle closes up or down I will trade. If I get a buy entry then it goes the other way I take a loss then take the sell. Its very rare you will get more than 2 entries a day but no doubt tomorrow will prove me wrong. This is a system where you do not need to be greedy wait for the right set up. Demo the ea see how you get on. Hope this makes sense and answers your question. You know we got people here from all over the world with different time zones lets demo different pairs

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Yes, pivots certainly depend on when the broker's day starts. Hereby I show my GBPUSD from August, 1. Then it will be clear what I was talking about How would you handle such day? {image}

More important how would the ea handle it. On that day I would probably have taken a loss.

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Minimum amount of pips above/below? I just get in on the close of the bar. Just follow the system it works on GU I am 50 points up for the week at half way through the week. Right on target.
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For instance, Yen pairs as well as AUD and NZD pairs work well during Asian session. Some serious pips can be made if you get in early. Often times it keeps running throughout European session. Asian session is least volatile IMO, if you get in early and in the right direction, it usually runs for awhile. Not so choppy as European & US sessions. Very good scalping strategy Claudia
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 If a candle blasts through and closes 40 pips or more above or below the DP, do you then still take the trade? And if you are in a trade an get a new signal do you take the new signal aswell?

If it blasted through +40 and closed probably wouldn't enter or wait for a pull back. Don't see how you could get a new signal. Only way is if went the opposite way by which time you should be out.

Yes I get slippage with IG but it's all part of the game. They are the best of a bad bunch but they pay out quick and in maybe 8 or so years never had a reason to complain.

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The entry trigger is a candle that straddles the daily pivot (DP), i.e. its high is higher than the DP, and its low is lower than the DP. Then if it closes above the DP, we place a buy trade; if it closes below the DP, we place a sell trade. (I received a private message from a very helpful lady (who hasn't yet posted on your thread) explaining this).

Candle B in my screenshot meets this criteria. It would generate a buy trade, with the possible exception that in post #1 you say that you don't take trades before the Frankfurt open (candle G). But this doesn't matter, because the EA allows you to define the time intervals during the day for which trade entries are valid, hence you can adjust this to anything that you want.

With a TP=20 and SL=20, the trade would survive candle H's low and reach its TP near Candle I's high. The EA will also let you nominate R1/S1 as a TP, instead of 20 pips. Either way, this trade would have reached its TP.

Now Candle G would normally trigger a sell trade, because it has straddled the DP, and closed below it. But because we are already in a buy trade at this point, this sell trade is ignored. The same applies to Candles C and D.

The first trade reaches its TP near the high of Candle I. Now Candle I also straddles the DP, and by

the time it closes below the DP, the first trade has closed. Because there are no open trades, it is valid to open a second trade for the day (a sell trade in this case).

This sell trade quickly reaches its TP of 20 pips, or S1, whichever you have chosen, due to the price falling heavily in Candle J. So now we have 2 profitable trades for the day.

Candle S straddles the DP, and is still in progress, but if it closes above the DP, then it generates a buy signal. Because there are no trades currently open at this point, the EA will open a buy trade, but only if it is still within the valid time interval(s) that you've specified.

That is now my current understanding. Please correct me on any points where I'm wrong, and I'll make the necessary modifications to the EA. I would like to get it as near to being correct as I can, before I send it to you. Hence it is probably still 1-2 days away. I would like to finish it this week, so that I can return to my other projects.
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