

Phillip Nel

01-28-07 6:35pm

4 Hour Strategy (300+ Pips per Month)

2 Attachment(s)

I am using this 4 Hour strategy only for the last month as I have papertraded for 2 years trying everything and or system I could find. (I am trading equities for almost 10 years)I have decided that I will only go live(after some losses-not to serious) after I have studied the field of forex and are satisfied that I have a system that works. I do believe that we are trying to make it to impressive and difficult. This system is simple and easy to understand. I have backtested and forward tested it over more than 200 trades and it gives 300+ pips per month. I never had more than two consecutive losses. I never use a stoploss bigger than 50. There are enough chances to ignore the ones bigger than 50.

I am using this strategy only on the EurUsd and the GbpUsd. Have not tested it on other. I hope that you will find some use for it and that it put you on the road to financial independence.

MikeC

01-28-07 7:08pm

nice system

Thanks for posting your system. I am relatively new at this, so I will have to look it over a few times to be able to recognize entries. The consistent volume of pips is encouraging.

Phillip Nel

01-28-07 7:13pm

4 Hour Strategy

Quote:

Originally Posted by **MikeC** (Post 200464)

Thanks for posting your system. I am relatively new at this, so I will have to look it over a few times to be able to recognize entries. The consistent volume of pips is encouraging.

That is what everyone should do. Go to history and look at the MACD till you see the motion and the setups.

C.E.O.

01-28-07 7:19pm

Very nice Phillip. Well thought out, well documented. Thanks for the time and info.

Looks GoodQuote:

Originally Posted by **Phillip Nel** (Post 200456)

I am using this 4 Hour strategy only for the last month as I have papertraded for 2 years trying everything and or system I could find. (I am trading equities for almost 10 years)I have decided that I will only go live(after some losses-not to serious) after I have studied the field of forex and are satisfied that I have a system that works. I do believe that we are trying to make it to impressive and difficult. This system is simple and easy to understand. I have backtested and forward tested it over more than 200 trades and it gives 300+ pips per month. I never had more than two consecutive losses. I never use a stoploss bigger than 50. There are enough chances to ignore the ones bigger than 50.

I am using this strategy only on the EurUsd and the GbpUsd. Have not tested it on other. I hope that you will find some use for it and that it put you on the road to financial independence.

Phil

Thanks for sharing you have put alot of work into this method I will try this out and let you know how I get on

Thanks again

Sam

4 hour MACD strategy

This is the most detailed and specific trading strategy I have ever read after a year of reading and study. This is very practical and helpful. Thanks for sharing your strategy.

MACD Levels

Phil,

Thanks for sharing your system. Please comment on how the MACD levels (horizontal lines) relate to the MACD patterns you act on. Do the patterns have to reach certain MACD levels to be valid,

etc.? Also, do you enter with a fixed SL and then adjust it as the trade progresses? Thanks.

Raptor1

01-28-07 9:36pm

Thanks Phill

Thanks for sharing this strategy it looks very promising, and keep up the good work. I am grateful.

anthonyrae

01-28-07 11:28pm

Hi Philip,

I have just recently seen something like this on foex factory, so it looks that guy and yourself are onto something here!!

Great post and thanks for writing up the very detailed and thorough documentation !!! Makes it so much easier to understand than just saying my strategy is to enter a trade when x crosses y etc...

All the best with your trading and when you go live, keep us updated !!

Anthony

kamil007

01-29-07 12:19am

Thanks

Thanks a lot, it seems to be interesting. I'm gonna try it.
Kamil007

sagecss

01-29-07 12:35am

Phillip, thanks for sharing your strategy...I found it most informative :thumbsup:

drcole1

01-29-07 12:57am

Quote:

Originally Posted by **Phillip Nel** (Post 200456)

I am using this 4 Hour strategy only for the last month as I have papertraded for 2 years trying everything and or system I could find. (I am trading equities for almost 10 years)I

have decided that I will only go live(after some losses-not to serious) after I have studied the field of forex and are satisfied that I have a system that works. I do believe that we are trying to make it to impressive and difficult. This system is simple and easy to understand. I have backtested and forward tested it over more than 200 trades and it gives 300+ pips per month. I never had more than two consecutive losses. I never use a stoploss bigger than 50. There are enough chances to ignore the ones bigger than 50.

I am using this strategy only on the EurUsd and the GbpUsd. Have not tested it on other. I hope that you will find some use for it and that it put you on the road to financial independence.

Thanks for all of your hard work. I love the Macd. And I do think that you see it exactly the same way I do. I have a day chart setup and it seems to work pretty close to what you are doing with the 4 hour charts. I am looking forward to seeing more of this system as time goes on.

DC

~Shard~

01-29-07 1:28am

I am new to Forex Factory and have only been trading the news up to this point. I am finding all of these trading systems fascinating and look forward to giving them a try. Thanks for this!

Tw0eleven

01-29-07 1:48am

Phillip Nel, Looks like a nice strategy you have there. I was reading through your document and had just one question for you. On page 18, you mentioned that "you only trade the trades that give signals at 1700, 2100 and 0100(GMT +2)." Could you convert that into U.S. EST? My math says that's at 10am EST, 2pm EST and 6pm EST...is that correct?

Thanks!

Panjan

01-29-07 2:30am

Philip,

Very interesting cause I haven't pay much attention to MACD. But I like the 4hr time frame cause it fits my trading style.

Very detail documentation and easy to undertsand.

Wish you all the best.

Quote:

Originally Posted by **Tw0eleven** (Post 200613)

Phillip Nel, Looks like a nice strategy you have there. I was reading through your document and had just one question for you. On page 18, you mentioned that "you only trade the trades that give signals at 1700, 2100 and 0100(GMT +2)." Could you convert that into U.S. EST? My math says that's at 10am EST, 2pm EST and 6pm EST...is that correct?

Thanks!

Those times are correct, and switch to be 9am, 1pm and 5pm EST under DST (Daylight Saving Time).

Phillip Nel

01-29-07 3:21am

4 Hour Strategy

Quote:

Originally Posted by **rochemb** (Post 200513)

Phil,

Thanks for sharing your system. Please comment on how the MACD levels (horizontal lines) relate to the MACD patterns you act on. Do the patterns have to reach certain MACD levels to be valid, etc.? Also, do you enter with a fixed SL and then adjust it as the trade progresses? Thanks.

The horizontal lines is just there to show overbought and or sold levels especially on the EurUsd. Sometimes the movement is close to the zero and within the first MACD zone. I only use it as benchmarks as to where the MACD are at the moment. If one zooms in then you don't lose sight of the position of the MACD.

The MACD does not have to reach certain levels. It is only when it zig zag across the zero that one must be careful but it happens when the price is in a narrow channel waiting for a breakout. Stoploss is set at the most recent high or low or at least two bars away. Do a bit of backtesting to get the feel for it. I try not to use equal numbers like 30, 40 etc. I rather use 33, 43 etc. Equal numbers seem to be sometimes the target. Stoplosses also depend on the capital and risk profile of each individual. It is with what you are comfortable with but at least out of the way. Because this strategy normally produces a move right after the entry the stoploss don't have to be big.

Phillip Nel

01-29-07 3:25am

4 Hour Strategy

Quote:

Originally Posted by **doblece** (Post 200655)

Those times are correct, and switch to be 9am, 1pm and 5pm EST under DST (Daylight Saving Time).

Thanks

turk87

01-29-07 4:53am

Very cool, thank you very much for posting this. I have a question.

1. How long do you usually hold a position??

fjfx

01-29-07 5:42am

Thanks Phillip for your system and detailed explanation.

I'm still digesting your stuff and glancing at my charts.

Will fire my questions soon if there are any. ;) Thanks.

FXSnipe

01-29-07 6:48am

Thanks Phillip for the MACD system it looks good, will paper trade it for a while. I hope you don't mind me asking? Where are you from ? South Africa? Myself , I'm in Jo'burg.

SeekingLight

01-29-07 8:33am

Hi Phil,

anyone who can come up with something that made +409 in August 2006 has my respect ;)

I love price action and always knew the price patterns would reflect in the MACD, too. Great job finding them out and then sharing this system for free! *hugs* Also like the fact that you use the

sound logic of "if it goes past 50 pips stop it's not worth it anyway". I totally agree, either a trade goes - then you didn't need much stop - or it blows, then no size of stop can help you.

Great work!

My best regards,

SeekingLight

kaar411

01-29-07 9:00am

4 hour strategy

I use VT platform does anyone have the setup for the MACD, there is no fast or slow EMA settings and if you set the MACD at 1 there are no lines to read. Thanks

don perry

01-29-07 12:08pm

cool strategy. thanks for the time and dedication

SeekingLight

01-29-07 12:45pm

Quote:

Originally Posted by **kaar411** (Post 200830)

I use VT platform does anyone have the setup for the MACD, there is no fast or slow EMA settings and if you set the MACD at 1 there are no lines to read. Thanks

Kaar, he said he uses Mig, I assume the MIGFX demo feed as his basis, best to just get that and base your research on that accordingly.

And going from what he said he only trades the candles at 18:00 20:00 and 0:00 on Mig time? Please confirm this Phil, as I would really be interested in hearing that this is indeed the time, as that coincides really well with my evening ;)

Phillip Nel

01-29-07 2:00pm

4 Hour Strategy

Quote:

Originally Posted by **SeekingLight** (Post 200990)

Kaar, he said he uses Mig, I assume the MIGFX demo feed as his basis, best to just get that and base your research on that accordingly.

And going from what he said he only trades the candles at 18:00 20:00 and 0:00 on Mig time?

Please confirm this Phil, as I would really be interested in hearing that this is indeed the time, as that coincides really well with my evening ;)

Yes 16:00 20:00 and 0:00 on my platform.

Phillip Nel

01-29-07 2:01pm

4 Hour Strategy

Quote:

Originally Posted by **FXSnipe** (Post 200743)

Thanks Phillip for the MACD system it looks good, will paper trade it for a while. I hope you don't mind me asking? Where are you from ? South Africa? Myself , I'm in Jo'burg.

Ellisras in Limpopo

techno79

01-29-07 2:15pm

Quote:

Originally Posted by **kaar411** (Post 200830)

I use VT platform does anyone have the setup for the MACD, there is no fast or slow EMA settings and if you set the MACD at 1 there are no lines to read. Thanks

I'm assuming you put the numbers in order.
Fast is short, slow is long, and the 1 is MACD.

To get the lines, I had to use the third version of the MACD. Moving average convergence/divergence. Now it looks just like the pdf. Will have to see if it really is correct

though, but looks good so far.

I was accidently looking at the 15min instead of the 4 hour, looks right there.

Phillip Nel

01-29-07 2:19pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 200694)

Very cool, thank you very much for posting this. I have a question.

1. How long do you usually hold a position??

As long as I am still within my plan for the trade. From 1 Hour to a week.

FXSnipe

01-29-07 2:21pm

Quote:

Originally Posted by **Phillip Nel** (Post 201066)

Ellisras in Limpopo

Oh, my parents are in Tzaneen. Thanks once again for sharing your system, I have always used an MACD but yours adds some more ideas on how to apply it.

Phillip Nel

01-29-07 2:30pm

4 Hour Strategy

1 Attachment(s)

Hope you took this one

A. 1 Profit already in at 20 pips for 4 minilots

B. Have Set stoploss to 10 below entry for 6 minilots lots with 2 Prof(4 minilots) set at 1.2945

Just want to add that the rule says that when the price goes through the 89SMA it tends to pull back to the 21EMA before proceeding the trend. We have a situation now where the price went down through the 89SMA and has pulled back to the 21 EMA. Be aware of that. I have set my stoploss at 1.2905(10 below entry) to combat the move should the price comes down. The MACD will show me when the trend is continued below the 89SMA and then I will enter short.

I just have a feeling that we are going to see a test of the 89SMA.

Update:

Just closed other 4minilots at 1.2945 and set stop on other 2minilots at 1.2940

Update:

Closed other 2minilots at 1.2960

Update:

Total for the day was .4lots @ 20 pips, .4lots @ 30 pips and .2lots @ 45 pips for a total of 29 pips on a full lot

yen44x

01-29-07 3:44pm

Quote:

Originally Posted by **Phillip Nel** (Post 201065)
Yes 16:00 20:00 and 0:00 on my platform.

Phillip,

For those of us who live in other parts of the world, I'm curious if you chose your 3 times to place trades because other time frames did not perform as well in back testing or if it was more a case of coinciding better with your work schedule.

Thanks for sharing your method.

Golfpro

01-29-07 4:04pm

How to get vertical lines in MACD?

Hi Everyone! I like the looks of this system. One question, I use FX Trek Intellicharts. Can anyone tell me how to get the vertical lines in the MACD? Your help is greatly appreciated.

1Sundevil

01-29-07 4:22pm

Interesting system. You should start to post your specific trades or a journal of your activity so others can follow along and better understand your set-up's as they are happening.

Phillip Nel

01-29-07 4:23pm

4 Hour Strategy

Quote:

Originally Posted by **yen44x** (Post 201159)

Phillip,

For those of us who live in other parts of the world, I'm curious if you chose your 3 times to place trades because other time frames did not perform as well in back testing or if it was more a case of coinciding better with your work schedule.

Thanks for sharing your method.

It is just because of working schedule and limited internet access during working hours.

These were the amount of deals for 2006 per time (GMT+2)

01:00---25

05:00---34

09:00---17

13:00---46

17:00---52

21:00---29

alcastro

01-29-07 4:24pm

About stops

Hi Phillip,

I like your system. I will be forward testing it until I get a real feeling for the MACD. I have one question regarding your stops, though:

If the distance is less than 50 pips, and no S/R nearby, do you tend to put them at the low/high of the previous candle?

Thanks for your answer.

Alcastro

endy

01-29-07 4:35pm

Invalid trade on GBPUSD at 15.1.2007

Hi Phil,
thanks for the idea, it really rocks.

Moreover, I would like to ask, if you check Cable during January 15, it seems, the MACD shows pretty overbought state (the value reads 0.007), however as you can see, entering this trade (in my system it looks like I would enter SHORT on 20:00 candle (MACD started to sink)), would not work out very good.

Now I am just thinking how would one filter this trade.

It seems SMA200 is pretty close, could that be the sign, that actual price difference between SMA200 and price is not that big, so the trend is not mature yet ?

Or do I see some kind of SHS in this MACD (in the time of potential trade, it would be only SH, right shoulder was about to be finished) ?

Or how would you proceed with this trade ?

Thanks a lot,
Endy

Phillip Nel

01-29-07 4:43pm

Quote:

Originally Posted by **alcastro** (Post 201206)

Hi Phillip,

I like your system. I will be forward testing it until I get a real feeling for the MACD. I have one question regarding your stops, though:

If the distance is less than 50 pips, and no S/R nearby, do you tend to put them at the low/high of the previous candle?

Thanks for your answer.

Alcastro

That also depends on the profit targets. If I can only plan to manage 30 pips out of the deal I want my stoploss not to be greater than that. I sometimes even uses two candles back if the first one is a small candle.

Today's trade (post31) had entry at 1.2915 with stoploss at 1.2890 initially and the previous candles fell nice within that range.

I also takes profit in stages so that when a trade has run to the first S/R I like to get something in my pocket. I like to get to breakeven as soon as possible and then let the rest have its run.

alcastro

01-29-07 5:02pm

Quote:

Originally Posted by **Phillip Nel** (Post 201228)

That also depends on the profit targets. If I can only plan to manage 30 pips out of the deal I want my stoploss not to be greater than that. I sometimes even uses two candles back if the first one is a small candle.

Today's trade (post31) had entry at 1.2915 with stoploss at 1.2890 initially and the previous candles fell nice within that range.

I also takes profit in stages so that when a trade has run to the first S/R I like to get something in my pocket. I like to get to breakeven as soon as possible and then let the rest have its run.

Phillip,

thanks for your answer. It makes sense.

I am going through your PDF and I have found a pattern that I don't quite get, but where you seem to get a lot of pips from. For example, in the JAN 2006 chart, your 4th trade (that made +20 pips), did you consider that one a "through zero and pull back" even though it went pretty low? If that is the case which is the criteria to consider a "through zero" (if it doesn't go past the +/- 0.0015 MACD level?)

Phillip Nel

01-29-07 5:02pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **endy** (Post 201218)

*Hi Phil,
thanks for the idea, it really rocks.*

Moreover, I would like to ask, if you check Cable during January 15, it seems, the MACD

shows pretty overbought state (the value reads 0.007), however as you can see, entering this trade (in my system it looks like I would enter SHORT on 20:00 candle (MACD started to sink)), would not work out very good.

Now I am just thinking how would one filter this trade.

It seems SMA200 is pretty close, could that be the sign, that actual price difference between SMA200 and price is not that big, so the trend is not mature yet ?

Or do I see some kind of SHS in this MACD (in the time of potential trade, it would be only SH, right shoulder was about to be finished) ?

Or how would you proceed with this trade ?

Thanks a lot,

Endy

Your analyses of the situation sums it about up. MA's to close. Not a reasonable maybe head and shoulders forming. I would have taken one wrong trade the first one with a slight double top. After three even four candles it still did not produce anything. Cut your losses at that stage. A break of the 89SMA says a pull back to the 21EMA and then on with the trend. Exactly what happened. See the picture

Phillip Nel

01-29-07 5:14pm

4 Hour Strategy

Quote:

Originally Posted by **alcastro** (Post 201242)

Phillip,

thanks for your answer. It makes sense.

I am going through your PDF and I have found a pattern that I don't quite get, but where you seem to get a lot of pips from. For example, in the JAN 2006 chart, your 4th trade (that made +20 pips), did you consider that one a "through zero and pull back" even though it went pretty low? If that is the case which is the criteria to consider a "through zero" (if it doesn't go past the +/- 0.0015 MACD level?)

I liked the three little higher lows it made especially in the first zone below the zero and a possible breakout upwards. That is why profit was taken on the second doji as a sign of weakness and the high on 6Jan as resistance.

pavejon

01-29-07 5:30pm

I know you concentrate on the 4HR timeframe but have you paper traded at other TF's (1HR, 15M)?

Phillip Nel

01-29-07 5:38pm

Jan2006 4th Trade in PDF

1 Attachment(s)

The reason why I took that one is that I was anticipating a strong move upwards as the price is above the 89SMA which is bullish and it was around the 21EMA where the rule says it could go bullish. The three little higher lows also did it for me. It was not a perfect setup but when I saw the two little dojis I closed out on the second Doji even before it closed. I will only do such a trade when I am able to sit live.

nikim

01-29-07 5:40pm

I like the setup and rules of your system. Funny thing is I set my CCI to 41 and it basically mimics your MACD settings.

Bon success with trading.

Phillip Nel

01-29-07 5:43pm

4 Hour Strategy

Quote:

Originally Posted by **pavejon** (Post 201277)

I know you concentrate on the 4HR timeframe but have you paper traded at other TF's (1HR, 15M)?

Yes the 1hour. But there only a few setups I will look at and only if I can trade live. I havent done any testing on the 1hour just had a look. Seems to be to chaotic.

endy

01-29-07 6:57pm

today's cable

Hi Phil,

would you consider today's cable (around the time you took that EURUSD trade) also too "MA's crowded" ? it seems all MA's (but 365EMA) are quite tight. Also it seems, that the setup of 8/21/89EMA is not according that setup you use on 5 min TF. But there is perfect example in january 17.

I am starting to really like this.

Endy

Phillip Nel

01-29-07 7:11pm

4 Hour Strategy

Quote:

Originally Posted by **endy** (Post 201329)

Hi Phil,

would you consider today's cable (around the time you took that EURUSD trade) also too "MA's crowded" ? it seems all MA's (but 365EMA) are quite tight. Also it seems, that the setup of 8/21/89EMA is not according that setup you use on 5 min TF. But there is perfect example in january 17.

I am starting to really like this.

Endy

You are absolutely right. Remember also that the price has broken down through the 89SMA and a pullback to the 21EMA is the rule. But the MA's is too crowded so I will wait for a breakout first and then confirmation on the MACD as we are in a little consolidation phase. If the price moves away from the 21EMA coming down and the MACD shows our trend continue setup (move towards zero and then turn away) one can consider entering with first target 1.9500 and second one 365EMA. Also watch the trendline as from 8Jan. We are at support. Patience is the name of the game.

Phillip Nel

01-29-07 7:19pm

4 Hour Strategy

1 Attachment(s)

This is what I will wait for on the GbpUsd. Both setups according to the PDF.

If you wanted to take the trendline on as support with a rising MACD you should have done it 3 candles ago at 1.9550 which were a good overall support setup with first target 1.9600 and second 89SMA. This then becomes a high probability trade as you can set your stoploss close to your entry below the trendline with risk about 20-25 pips.

Walid Elhelw

01-30-07 12:01am

1 Attachment(s)

Hi,

Thanks a lot for sharing ur experience ,that was very interested
i have some comments about this system and i wish u accept it

1- The MACD Patterens are very strong and Great you even can Trade with it Only !!!! no comments
at all ...i valued a lot that u didn't Include zero line crossing cos this is very false signal .

2-The MACD Patterens need filters for best entry's ,TP & SL ... and u use MA's that i found it too
wake it's always cut ur profit

you have 2 Idea's :

a) working with MACD Patterens only long signal = entry & short signal = close and reverse
...or any of MM arts

b)useing Weekly Pivot for best Entries and best Targets (Check the acctachments)

3- I think that u should take a look on Gbp/Jpy and Eur/Jpy ,Good pips waiting us there

Status: Deeeep Backtesting mode :)

Have a great day/night

~Walid

DireXiv

01-30-07 12:17am

very interesting

I'm definietly interested.... I used the MACD for awhile, but moved away from it lately on other
systems I'm testing. I walked through you trades and really do see what you need for entry most of
the time, and the exits look quite good as well.

Thank you very much for showing us this in such great detail!

I do have one question - It seems as if sometimes when I would start to see a round and take the trade,
it would possibly turn as a heisitation and continue on as a continuation signal. How do you combat
that?

Thanks!

Tw0eleven

01-30-07 1:48am

Example Trade

1 Attachment(s)

Here's a trade I took last night. It was bed time for me so I used a 50pip stoploss and a 50pip target. When I woke up, price hardly changed but everything still looked good so I left it open while I went to work. When I came home, I found I was plus 50pips in my demo account. Looks like a good system Phil. Hope this post helps someone out in seeing trade setups!

Tw0eleven

01-30-07 1:50am

I'll be looking to see what happens around the zero line of the GBP/USD now.

Fx1618

01-30-07 4:40am

Tx Phillip, well documented Method and great talk through on trades, I will keep an close eye on the development thereof, currently busy with the final fwd testing of something else. :thumbsup:

alcastro

01-30-07 1:55pm

The benefits of hindsight

Hi Phillip,

I have some questions regarding which trades to choose. For example, in the chart (GBP/USD) in post #48, there was a lower high just after the dotted line that is between Jan 11 and Jan 15. Would you have taken the short trade (without the benefit of hindsight)? Why yes or why not? The same formation (a lower high) appeared again just after Jan 18. Same question.

Then, around Jan 25, a double bottom formed. Would you have taken the long trade?

As you can see, in the first two trades, if you have gone for them it would have resulted in a loss, and the third one—the double bottom, is still uncertain on where it will go.

My point is that the MACD tends to generate many opportunities to trade but if you take them all you would end up with more losses than the percentage you reported. I guess I am looking at this in the wrong way and would appreciate if you can let me know what is what I am not seeing in the three patterns that I referred to above.

Thanks,

AC

Tw0eleven

01-30-07 2:14pm

Hello Phillip,

Just thinking more about your system and wondering if news affects your system at all? By looking at the 4hr charts, you cover a lot of time and times when some major news comes out. So on the days news comes out, would you stay out of trades? Increase or decrease your stoplosses and pip targets? Tomorrow the US interest rate statement comes out, so if there was a good trade setup happening tonight on one of the pairs would you want to take it or skip it and wait for the news tomorrow?

Thanks!

p.s. So far I have used your system for two demo trades and gotten 50 and 25pips. Currently have some other trades open waiting to see how they turn out. Also, testing it on the USD/JPY pair to see how that works. Looks good so far. If anyone else is testing other pairs, please post your findings!

Phillip Nel

01-30-07 2:35pm

4 Hour Strategy

Quote:

Originally Posted by **Walid Elhelw** (Post 201602)

Hi,

*Thanks a lot for sharing ur experience ,that was very interested
i have some comments about this system and i wish u accept it*

*1- The MACD Patterens are very strong and Great you even can Trade with it Only !!!! no
comments at all ...i valued a lot that u didn't Include zero line crossing cos this is very false
signal .*

*2-The MACD Patterens need filters for best entry's ,TP & SL ... and u use MA's that i found
it too wake it's always cut ur profit*

you have 2 Idea's :

*a) working with MACD Patterens only long signal = entry & short signal = close and
reverse ...or any of MM arts*

b)useing Weekly Pivot for best Entries and best Targets (Check the acctachments)

3- I think that u should take a look on Gbp/Jpy and Eur/Jpy ,Good pips waiting us there

Status: Deeeep Backtesting mode :)

Have a great day/night

~Walid

I don't really use pivots unless there is no indicator to set my profit target to and that haven't happened yet. As to entry one can get too much involved in indicators and again does not know when to pull the trigger as out of three indicators one is in contradiction to the other and it becomes more confusing. I like it simple. The MACD tells me when to pull the trigger. After that I can focus on the management of the deal according to my plan. If there is really nothing I can set my profit target to I go fishing and I can tell you that does not happen often.

Phillip Nel

01-30-07 2:49pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **DireXiv** (Post 201607)

I'm definitely interested.... I used the MACD for awhile, but moved away from it lately on other systems I'm testing. I walked through your trades and really do see what you need for entry most of the time, and the exits look quite good as well.

Thank you very much for showing us this in such great detail!

I do have one question - It seems as if sometimes when I would start to see a round and take the trade, it would possibly turn as a hesitation and continue on as a continuation signal. How do you combat that?

Thanks!

I am glad you asked that question. If you take the round top/bottom against the trend you must know that your profit target is going to be to the 21EMA and if there is not enough room you must wait for the next signal. Let's take today's signal on the EurUsd. It gave a nice round top. Where are R/S. It found it against the trendline as well as the 89SMA. We had a shooting star???? which is in doubt by me. So I am not sure as to the direction really. We are around to many MA's. I will rather wait for the true direction. Patience is very important. Should it go below zero that I will take on.

endy

01-30-07 2:54pm

yen pairs

Regarding how this system works on yen pairs, my humble opinion is, that given the nature of yen pairs (that is, carry trades), where in recent times almost everyone was shorting yen, I would use this method for entry only when shorting yen, due to its prevailing trend. Note the "big" appreciation of yen (for example in the beginning of January this year). So after those intensive slumps in yen pairs, it

looks fine to go short yen again, when MACD shows entry. For many of those corrections, they stopped at one of MA's which Phil is showing in his system, also nice sign.
Anyway, at the moment, it seems quite risky to short yen, or do it with pretty tight stops..

Tw0eleven

01-30-07 3:01pm

Quote:

Originally Posted by **endy** (Post 202252)

*Regarding how this system works on yen pairs, my humble opinion is, that given the nature of yen pairs (that is, carry trades), where in recent times almost everyone was shorting yen, I would use this method for entry only when shorting yen, due to its prevailing trend. Note the "big" appreciation of yen (for example in the beginning of january this year). So after those intensive slumps in yen pairs, it looks fine to go short yen again, when MACD shows entry. For many of those corrections, they stopped at one of MA's which Phil is showing in his system, also nice sign.
Anyway, at the moment, it seems quite risky to short yen, or do it with pretty tight stops..*

Nice input Endy...thanks!

Phillip Nel

01-30-07 3:51pm

Trade according to the rules

1 Attachment(s)

Quote:

Originally Posted by **alcastro** (Post 202164)

Hi Phillip,

I have some questions regarding which trades to choose. For example, in the chart (GBP/USD) in post #48 , there was a lower high just after the dotted line that is between Jan11 and Jan 15. Would you have taken the short trade (without the benefit of hindsight)? Why yes or why not?

The same formation (a lower high) appeared again just after Jan 18. Same question.

Then, around Jan 25, a double bottom formed. Would you have taken the long trade?

AS you can see, in the first two trades, if you have gone for them it would have resulted in a loss, and the third one-the double bottom, is still uncertain on where it will go.

My point is that the MACD tends to generate many opportunities to trade but if you take them all you would end up with more losses than the percentage you reported. I guess I am looking at this in the wrong way and would appreciate if you can let me know what is what I am not seeing in the three patterns that I referred to above.

Thanks,

AC

See the PDF document

Phillip Nel

01-30-07 3:59pm

News

Quote:

Originally Posted by **Tw0eleven** (Post 202190)

Hello Phillip,

Just thinking more about your system and wondering if news affects your system at all? By looking at the 4hr charts, you cover a lot of time and times when some major news comes out. So on the days news comes out, would you stay out of trades? Increase or decrease your stoplosses and pip targets? Tomorrow the US interest rate statement comes out, so if there was a good trade setup happening tonight on one of the pairs would you want to take it or skip it and wait for the news tomorrow?

Thanks!

p.s. So far I have used your system for two demo trades and gotten 50 and 25pips. Currently have some other trades open waiting to see how they turn out. Also, testing it on the USD/JPY pair to see how that works. Looks good so far. If anyone else is testing other pairs, please post your findings!

As you can see in the samples that it seems that most of the time the MACD gives a positive signal before news comes out. And then I dont mean minutes before it. It will give it some time earlier. The big ones already knows before the news. I will set stoplosses at different levels to minimize the risk and yet to take advantage of the move should it go in my favour.

Inrerest rates and farm payrolls is always dicy and I prefer to close deals before that.

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 201607)

I'm definitely interested.... I used the MACD for awhile, but moved away from it lately on other systems I'm testing. I walked through your trades and really do see what you need for entry most of the time, and the exits look quite good as well.

Thank you very much for showing us this in such great detail!

I do have one question - It seems as if sometimes when I would start to see a round and take the trade, it would possibly turn as a hesitation and continue on as a continuation signal. How do you combat that?

Thanks!

It all depends on the stoploss size as well as the profit size. If we are in an uptrend and the MACD makes a round top it means we are going against the trend. Therefore our profit target is to the 21EMA or thereabout. If the reward is worth the risk take it otherwise wait for the next signal which might be the continuation one.

DireXiv

01-30-07 4:42pm

I was looking at that exact trade

From a previous post and answer from you, I was thinking the Ma's were too crowded also... so the signal is minimal and the profit could be very small if any. That is a good sign, for that particular position.

I guess this just like any other, will take some time to master the MACD signals too.

On the GBP/USD, the MACD shows a potential bounce off zero or a short stint above zero and then if it breaks would be a continuation of a short trade. Are the ma's too close on that one to make a trade too?

I think it would be great if you could continue on this thread posting trades you are considering if you could (maybe you don't want to give away too much? :)) I very much like the 4 hour setup for my other daily activities too along with the volatility being somewhat taken out by the longer time frame I use to.

Thanks!

Quote:

Originally Posted by **Phillip Nel** (Post 202248)

I am glad you asked that question. If you take the round top/bottom against the trend you must know that your profit target is going to be to the 21EMA and if there is not enough room you must wait for the next signal. Lets take today's signal on the EurUsd. It gave a nice round top. Where are R/S. It found it against the trendline as well as the 89SMA. We had a shooting star????? which is in doubt by me. So I am not sure as to the direction really. We are around to many MA's. I will rather wait for the true direction. Patience is very important. Should it go below zero that I will take on.

Phillip Nel

01-30-07 4:54pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 202410)

From a previous post and answer from you, I was thinking the MA's were too crowded also... so the signal is minimal and the profit could be very small if any. That is a good sign, for that particular position.

I guess this just like any other, will take some time to master the MACD signals too.

On the GBP/USD, the MACD shows a potential bounce off zero or a short stint above zero and then if it breaks would be a continuation of a short trade. Are the MA's too close on that one to make a trade too?

I think it would be great if you could continue on this thread posting trades you are considering if you could (maybe you don't want to give away too much? :)) I very much like the 4 hour setup for my other daily activities too along with the volatility being somewhat taken out by the longer time frame I use to.

Thanks!

I will most definitely show the ones I take. At this stage it looks like everyone is waiting for the news.

The Gbp has a nice shooting star and then a downbar. Again it is the profit targets that makes it not worth it. That bottom trendline is still in play. Patients.

Phillip Nel

01-30-07 6:03pm

4 Hour Strategy

I just want to emphasize something. I dont trade as to the exact pip. By that I mean if the 21EMA is 39 pips away I subtract my 2 pips spread and then put in a close order for 37 pips. I dont do it that way. Profit after 30 pips is good enough for me. I have lost to many deals with one or three pips to be that exact. If my profit target is at 1.2900 with a possible 40 gain I will take profit at 1.2890 for a sure 30 pips. I dont also trade every signal the MACD is given. Look at history to see which ones give definite gain and study the looks of it. See how it moved in relation to the MA's.

I have studied the market for two years papertrading before going live. Treat this strategy as a bussines. Draw up a bussines plan and write a Standard Procedure Instruction as to what are the steps in cronicle order when a setup is about to occur.

1. Is the setup according to the rules. Does it looks OK.
2. Are there news ahead
3. What is my risk. Stoploss. Can I afford it.
4. How far away are the first line of profit taking. Is it worth it.
5. How long do I plan to be in this trade. If we are at a 5 year low and I can get in at the bottom I surely wanted to stay in as long as possible. Is it a quick 20 pips against the trend on a pullback.
6. If I cant watch it live how will I manage and protect the trade. Might reduce the stoploss till I can attend live again etc.

This is only an example. Do your own.

A profit not yet taken is not a profit.

Mobsie

01-30-07 9:46pm

Hello Phillip,

thanks again for a nice system.

I now have to read all, and hope i understand.

Cheers
Mobsie

Phillip Nel

01-31-07 2:02pm

4 Hour Strategy

1 Attachment(s)

Gbp short @ 1.9540 with target at 1.9500 and it went passed to the Fibonacci 161%. At least 35 pips profit taking at 1.9505

Phillip Nel

01-31-07 2:08pm

4 Hour Strategy

1 Attachment(s)

I took this one for 15 Pips

Update:

I was busy posting this when 15 pip was reached.

Entry 1.2963 closed at 1.2978

SeekingLight

01-31-07 2:24pm

Quote:

Originally Posted by **Phillip Nel** (Post 203476)

I took this one for 15 Pips

Update:

I was busy posting this when 15 pip was reached.

Entry 1.2963 closed at 1.2978

Saw the 0 rejection, too. Coincided well with 2x 4h bars that made up a pin bar. Only took 6 pips out of it :S

Shoulda stayed in, had a lot of things suggesting near 1.3.

Oh well. Nice system, keep up the great work =)

Phillip Nel

01-31-07 2:34pm

4 Hour Strategy

Quote:

Originally Posted by **SeekingLight** (Post 203495)

Saw the 0 rejection, too. Coincided well with 2x 4h bars that made up a pin bar. Only took 6 pips out of it :S

Shoulda stayed in, had a lot of things suggesting near 1.3.

Oh well. Nice system, keep up the great work =)

I should have stayed in??????. The thought might be nice but I stucked to the rules that trendline can be resistance and took the profit as planned. It is not so much the pips but the discipline to stay to the rules and the plan that brings success. Otherwise we trade emotional. 1.3000 was the resistance it looks like.

DireXiv

01-31-07 3:14pm

Just took a quick 24 pips out of the gbp/usd as it flew through the next profit level....

Lets' see if the eur/usd makes it up the the next profit level as well....

Nice work guys.

Phillip Nel

01-31-07 3:31pm

4 Hour Strategy

What will the chance be that with this early up move that interest rates are going to be unchanged. Are we going to see a further up. Some comments

Phillip Nel

01-31-07 3:54pm

4 Hour Strategy

How about a strange Fed Interest news strategy. What will happen when interest rate are raised today totally against the expectation of the Market. Why not a short order at 1.2890 and let it run if right and cancel if wrong. You are not going to be right a lot with this attitude but when you are you surely will smile. Look what happened with the Gbp the other day. You do so on your own risk.

Triton18

01-31-07 5:07pm

4 H

1 Attachment(s)

Hi!

I have an hard time in replicating the charts I see. I checked with StrategyBuilder, IBFX and Metaquotes versions of MT, but all look like the chart I am posting.

Where am I wrong? :-(

DireXiv

01-31-07 5:32pm

I'm going to say we'll see a further uptrend with no rate change... But not too much to go on - just the movements here before the report

Phillip Nel

01-31-07 5:51pm

Chart

Quote:

Originally Posted by **Triton18** (Post 203742)

Hi!

I have an hard time in replicating the charts I see. I checked with StrategyBuilder, IBFX and Metaquotes versions of MT, but all look like the chart I am posting.

Where am I wrong? :-(

I don't have an idea why. It looks like there is an hour or two shift. My time are GMT+2.

Can someone help please.

Thanks

endy

01-31-07 7:26pm

Quote:

Originally Posted by **Phillip Nel** (Post 203787)

I don't have an idea why. It looks like there is an hour or two shift. My time are GMT+2.

*Can someone help please.
Thanks*

Well, the most simpliest reason for this is, that the 4H candle starts in different hour than the one on yours chart (my charts actually also don't look exactly like yours Phil, I am running FXDD MT), hence the MACD readings do not look exactly the same. I would say it depends on broker.
Am I right ?

DireXiv

01-31-07 9:56pm

good day!

Endy, your chart looks very similar to mine (I can be a little oblvivious sometimes), but I'm not sure how your's differs than just the grid numbers being longer/wider than what I'm use too and maybe Phil is using.

Btw - since I'm new to this technique I closed my trades a second ago and took 44 pips today. Not too shaby for looking at the charts a few times (while at my day job)....

I really like the laid out profit levels with the ma's. I usually just "see" and draw my own, but these seem to be pretty accurate so far. When a level is crossed, it continued to the next (of course using the previous level as resistance just like any other resistance type of trade). If it didn't cross.... it stayed or pulled back.

Managing the trade is much easier after entering, and with a trailing stop, I've at the very least come out even. Entering the trade on the MACD signs will still take some time for me to get use too, but decent so far. It's a pretty mechanical system... and that is a good thing!

Tw0eleven

02-01-07 12:59am

Great system Phillip!!! I made some great trades between shorting the GBP/USD and EUR/USD on last nights signal and going long on those two pairs with this mornings signals! You were right, you get good signals plenty of time before the news comes out. I hope everyone else did well today. If anyone had trouble, read Phillip's trading system again and again until you get it. Everything you need is right there! This is exciting stuff!

fjfx

02-01-07 1:58am

Quote:

Originally Posted by **Tw0eleven** (Post 204214)

Great system Phillip!!! I made some great trades between shorting the GBP/USD and EUR/USD on last nights signal and going long on those two pairs with this mornings signals! You were right, you get good signals plenty of time before the news comes out. I hope everyone else did well today. If anyone had trouble, read Phillip's trading system again and again until you get it. Everything you need is right there! This is exciting stuff!

Hi 211

Congrats on your trades!! Could you post both your short, then long trades so that we can learn, please.

Thanks

fj

Tw0eleven

02-01-07 2:14am

2 Attachment(s)

Hi FJ, here are the trades I took. On the short trades, I wasn't quite sure what price would do with the news coming out so I just set a 25pip profit target with a 50pip stoploss. On the long trades I set a 50pip profit target with a 50pip stoploss. The 50pip target/stoploss is was I typically use unless I see something that makes me take a smaller profit. If you have any questions, feel free to ask and I'll try to answer as best I can.

Tw0eleven

02-01-07 2:17am

Also, I want to let you know the trading I'm doing is in a demo account. I'm just trying to get the feel and hang of this trading method. So far so good and the 50 tp/sl has been working out.

fjfx

02-01-07 2:20am

Quote:

Originally Posted by **Tw0eleven** (Post 204249)

Hi FJ, here are the trades I took. On the short trades, I wasn't quite sure what price would do with the news coming out so I just set a 25pip profit target with a 50pip stoploss. On the long trades I set a 50pip profit target with a 50pip stoploss. The 50pip target/stoploss is was I typically use unless I see something that makes me take a smaller profit. If you have any questions, feel free to ask and I'll try to answer as best I can.

Brilliant! Thanks for your quick reply and sharing! Best of luck with your trading :thumbsup:

turk87

02-01-07 2:27am

The EUR/USD looks like its forming the round top. IF it starts sliding from these levels it will become a solid short under this system.

What do you think?

DireXiv

02-01-07 2:41am

eur/usd round

I went against my rule and got in a little early on this one (before the candle closed), and am down a bit. The reason I did get in early is the long trend line, several hits on the resistance line over this month (also the 200SMA), a double top, and nicely outside the 8 EMA. The RSI seems to be slowing, and hopefully tipping down....

I made the mistake and got in early, so now I'm just crossing my fingers for the round, but if all these signals don't make a case to get in early... I don't know what would.....

I'm also watching the NZD/USD... anybody else? It looks like a small head and shoulders may be at the end of the last shoulder with a small hesitation currently showing itself. It is also currently bottomed out at the 365 EMA with strong separation between the next profit levels. What do you all think?

turk87

02-01-07 2:46am

I think you might be safe, there seems to be resistance at theses levels...
(eur.USD) I was thinking of shorting now, but I will wait for it to make the curve.

What did you set your stop loss to?

DireXiv

02-01-07 2:51am

EUR/USD Short stop loss is set at 1.3048 just above the 200 SMA and the hard resistance line (at 1.033 or so).

I'm tired of being the guy that gets his stop loss hit right at the exact point everyone else does and seeing the price reverse as soon as I'm taken out. So, at this point, I'll take a few more pip lose by a little higher stop loss than needed to stay in on the bigger moves.

I feel decent about the position because of all the resistance like you and I agree upon... but to be consistent and feel good about it, I have to follow my rules.... and not deviate (not as easy as it sounds

as you all know) :(

turk87

02-01-07 3:00am

ALso, look at JPDY.USD ready to buy????

Soon I think, very soon.

DireXiv

02-01-07 3:09am

Usd/yen?

I think it's ready to go... it looks like a possible head forming and it's at the .30 MacD level as it pivots. Seems to be a resistance line at 120.48? I'd say target about 30 pips unless the last shoulder shows up and weather storm until it finishes out the head and shoulder pattern, or get out and back in if need be. That's what I'm think'n.....

fjfx

02-01-07 3:15am

Hi Phillip

Firstly thanks for a great system. Extremely detailed. Shows you've given it a great amount of thought.

I've got a question about setting stop loss.

I can't find it written in your article, except for Page 15 where you wrote "Stoploss have to be inside the breakout otherwise it can be triggered and then sometimes it can be very big"

Can you share where/how you set your stop loss? Or at least your thought process? Should it be the last low/high (then you combine it with money management to enter the corresponding no of lots?)

Sorry 2nd question. In the detailed examples of MACD, you tend to look out for recurring patterns. Does it mean you rarely take a signal if the MACD simply does a "V" top or "V" bottom?

An example of what I am referring to if your Figure 3 on Page 3 of your article. The fourth "L" (long) if a V bottom. It definitely doesn't qualify as a rounding bottom.

Care to elaborate, please. Many thanks in advance.

parlenk

02-01-07 3:29am

hmm thx for sharing.i love the macd explanation.:) it fit my PA

Phillip Nel

02-01-07 3:29am

Quote:

Originally Posted by **DireXiv** (Post 204270)

EUR/USD Short stop loss is set at 1.3048 just above the 200 SMA and the hard resistance line (at 1.033 or so).

I'm tired of being the guy that gets his stop loss hit right at the exact point everyone else does and seeing the price reverse as soon as I'm taken out. So, at this point, I'll take a few more pip lose by a little higher stop loss than needed to stay in on the bigger moves.

I feel decent about the position because of all the resistance like you and I agree upon... but to be consistent and feel good about it, I have to follow my rules.... and not deviate (not as easy as it sounds as you all know) :(

What you people did was taking on a high probability trade. The risk is higher as one needs to get in earlier (not so much earlier as to pips but to time) 1.3030 looks good.. There is a strong trendline at the top coming from 9Jan2007. There is the 200SMA. Double top as well. I will however wait for the round top to form. First target 1.30000 then the 21EMA. It went through the 89SMA so a pullback to the 21EMA is on and then maybe a continuation upwards.

Good luck

turk87

02-01-07 5:15am

Where would you put a stop philip?

How about 1.340?

I'm looking at shorting this one soon, it still hasn't formed the round top...

alamanjani

02-01-07 6:50am

Quote:

Originally Posted by **Phillip Nel** (Post 204287)

1.3030 looks good.. There is a strong trendline at the top coming from 9Jan2007. There is the 200SMA. Double top as well. I will however wait for the round top to form. First target 1.30000 then the 21EMA. It went through the 89SMA so a pullback to the 21EMA is on and then maybe a continuation upwards.

Yes, looks like it will be nice rounding pattern and some other indicators are pointing EUR down (so far) so, we should make some pips today :)

Phillip, thank you for this beautiful yet easy system!

I do have one quick question. Looking at your set up for MACD you typed:

3. MACD EMA 1

I'm using original MACD which is part of the MT4 and there is only SMA. You don't have option to change it into SMA. You can change slow and fast, but not MACD SMA.

First I thought that you maybe miss-typed. But observing your charts in detail I noticed, that red line on my MACD is smooth, and your a little more choppy, so looks like you really have SMA as you wrote :)

Any idea, how I can get SMA? Can you please post your MACD here?

To those with different charts. Yes, different brokers have different starting time. For example, my broker (FXDD) is operating in the GMT+2 time zone. Phillip said, he is trading based on GMT+2. But anyway, I will be placing my orders one hour after him. Because of this charts will be different. Sometimes I may not even get the signal when he will.

Mario

flytox

02-01-07 11:12am

The value of "1" could not be another thing than simple, even if it is exponential (exp of 1=1). So it's ok for you.

turk87

02-01-07 1:36pm

What do you think of the current EUR.USD? I shorted at 1.3025, was curious if its still in the sell category to you philip?

turk87

02-01-07 2:15pm

darn, i got stopped out.

DireXiv

02-01-07 2:46pm

I got stopped out too... just barely I myself don't see much to trade on with any of my charts this morning. Have to wait until later this evening I think and take a look. Thoughts by anyone else?

Allnn

02-01-07 2:57pm

Phillip,

Thanx for sharing your strategy. It looks very interesting , but since forex is quite new to me.Can some1 plz tell me what 200EMA, 8SMA, etc??????

Phillip Nel

02-01-07 3:04pm

4 Hour Strategy

1 Attachment(s)

It did not make a round top as it came to far down.I took the trade as it came down at 1.3028 with first target at 1.3010. If you entered at 1.3030 three to four candles back your first profit taking should have been at 1.3005-1.3010 and then the rest set at breakeven. At least 25 pips on half was achieved and the other half stopped out on breakeven. That is how I would have done it. I took the short trade on with a 33 pip stoploss.

Phillip Nel

02-01-07 3:07pm

4 Hour Strategy

Quote:

Originally Posted by **Allnn** (Post 204820)

Phillip,

Thanx for sharing your strategy. It looks very interesting , but since forex is quite new to me.Can some1 plz tell me what 200EMA, 8SMA, etc??????

200 Simple moving average.

21 Exponential moving average

Phillip Nel

02-01-07 3:10pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 204325)

Where would you put a stop philip?

How about 1.340?

I'm looking at shorting this one soon, it still hasn't formed the round top...

As it is a strong resistance they might tend to pierce it and then bring it down and that is exactly what happened. That is where shooting stars come from. 38 pips stop minimum is what I would have used.

Canadian_MAF

02-01-07 3:17pm

Much like the other users I have to commend you on the quality of your report, and thank-you for sharing it. However, myself being a mostly fundamental trader I find it hard to appreciate these systems. I am a firm beleiver that it's the news which shapes the markets, not charting trends/patterns.

Phillip Nel

02-01-07 3:18pm

4 Hour Strategy

Quote:

Originally Posted by **fjfx** (Post 204281)

Hi Phillip

Firstly thanks for a great system. Extremely detailed. Shows you've given it a great amount of thought.

I've got a question about setting stop loss.

I can't find it written in your article, except for Page 15 where you wrote "Stoploss have to be inside the breakout otherwise it can be triggered and then sometimes it can be very big"

Can you share where/how you set your stop loss? Or at least your thought process? Should it be the last low/high (then you combine it with money management to enter the corresponding no of lots?)

STOPLOSS

I haven't discussed the field of stoplosses in the PDF document as it is not a matter of pattern and or standard way. There are no definite rules as to where stoplosses should be placed.

This is the major cause for people losing money. *If stops wont be hit nobody will loose money. I just feel that to little time is spend on discussing stoplosses. We very easily come up with a strategy in detail but not a stoploss strategy. I have done the same giving very exact instructions in the PDF document as to the entries and profit targets but nothing on stoplosses. The question is now----- WHY???????*

I deliberately did not give any details as to stoplosses as that depends on each individual's profile. For some people a 20 pip possible loss is just to much to handle while other's can handle 50 pips. The question is how much capital do you have. If you risk 50 pips how much in percentage is that of your total capital. For anyone to expect trading over a long period of time it is of essential importance to risk as little as possible of capital. The excepted rule is not more than 3%-5% of capital.

If your capital is \$1000 then your stoploss should not be more than 3% of that which equal \$30 or about 3 pips.. Now that does not make sense on a leverage account. That is why trading a mini account(1 pip = \$1) with \$1000 makes it ten times better and the 3% risk now remains 30\$ but it now becomes 30 pips. Some have it that 5% on a system that gives 65+% correct deals is also acceptable. Thus we can risk between 30 and 50 pips on a mini account of \$1000 capital and will have a chance to trade over an extended period of time that when we hit that 3-5 losses in a row we will not be wiped out and will still have capital to recover. Now comes the question of where to set my stoploss when the MACD gives a signal. If your profile (3%-5% of capital) only allows you a 40 pip stoploss and the most resent low/high or two to three bars back or the trendline is more than that away you simply skip the trade. I have given a way to enter at three different levels to reduce the amount of pips risk in the PDF document. You can use that to make a 50 pip risk to about 35 pips overall. That is also done just to make sure that you stay in the business in the future.

One does not necessary have to have all your capital in your account with your broker. You might have \$10000 capital of which \$3000 is with your broker and the rest in your own bank account. You can than calculate your risk on \$10000 as long as that money is available for the Forex. The moment you use of that money (for personal use) your risk in terms of pips reduces as well because your capital is less.

When the MACD gives a signal it all depends how far away is the support and resistance levels. If it is more than your risk profile just let it passes by. This is how I do it. My risk profile allows for 50 pips max but I don't like using more than 43. I don't use equal numbers as you will notice how many times it exactly test those levels. I uses 23,28,33,38,43. Put your stops below the resent support/resistance.

The problem with most people is that they cannot afford 3 to 4 losses in a row as it will wipe them out. Any system has it bad patches. The MACD I believe can and will give 3 losses in a

*row sometimes. That means 150 pips could be on the cards. Can you still go on after such a loss. If not I suggest you save money till you can survive such a run of bad deals. I have made provision for 200 pips loss in a bad run.
Hope this helped in any sense.
Phillip*

Sorry 2nd question. In the detailed examples of MACD, you tend to look out for recurring patterns. Does it mean you rarely take a signal if the MACD simply does a "V" top or "V" bottom?

An example of what I am referring to if your Figure 3 on Page 3 of your article. The fourth "L" (long) if a V bottom. It definitely doesn't qualify as a rounding bottom.

Care to elaborate, please. Many thanks in advance.

That is high risk trades but normally with great profit. As the moves are normally fast I set my stoploss tight at max 23 pips waiting for the price to pierce a little back into the previous candle to give me that extra ten pips on the stoploss or so.

Phillip Nel

02-01-07 3:30pm

Technical vs Fundamental

Quote:

Originally Posted by **Canadian_MAF** (Post 204850)

Much like the other users I have to commend you on the quality of your report, and thank-you for sharing it. However, myself being a mostly fundamental trader I find it hard to appreciate these systems. I am a firm beleiver that it's the news which shapes the markets, not charting trends/patterns.

I went both ways in my trading path of almost 10 years. First fundamental and then technical. What I find was that there are some sort of a link between the two. People act upon information and most definitely on **their interpretation of that information**. It is not so much the info as the **interpretation thereof** that brings action according to the interpretation. I found that certain technical indicators are actually based upon this interpretation of info. Moving averages are just smoothing out the actions or movements based upon the interpretation of the information. The shorter the period the most resent info are carrying the weight and the longer the period the more and broader info are involved. That is why I don't trade crossovers of moving averages but rather studied the

movement around(support and resistance) this moving averages. To me I don't see the price or value of a currency but to me it is the actions of people based upon their interpretation of information they have. That's why one is buying and one is selling at the same time. Different strategies also play a role. To study fundamentals surely does have its place but for me I don't have the time nor the resources to do it. And then I will have to predetermine how are the people going to interpret it to try and predict the price movement and when will I enter and where will I exit a trade. I will rather watch the severity of the fundamentals reflected in the currency movements (actions of the people based upon their interpretation of the info) and base my involvement on that through a tested strategy. I am using two short term moving averages, one medium term and one long term moving average as guides as to the direction of movement. Along these different paths of actions I make my decisions. It is not only the MACD that I am watching. That only tells me to pull the trigger. The support and resistance levels tell me what people are expecting and what people are willing to pay for the information they have. Humans have the tendency to react the same under certain conditions and that is what support and resistance is telling me.

Good luck to you as fundamentals surely is very good as to longer term expectancy and accumulation and adding to positions.

Phillip Nel

02-01-07 3:31pm

Stoploss

STOPLOSS

I haven't discussed the field of stoplosses in the PDF document as it is not a matter of pattern and or standard way. There are no definite rules as to where stoplosses should be placed.

This is the major cause for people losing money. If stoplosses are not hit nobody will lose money. I just feel that too little time is spent on discussing stoplosses. We very easily come up with a strategy in detail but not a stoploss strategy. I have done the same giving very exact instructions in the PDF document as to the entries and profit targets but nothing on stoplosses. The question is now----- WHY???????

I deliberately did not give any details as to stoplosses as that depends on each individual's profile. For some people a 20 pip possible loss is just too much to handle while others can handle 50 pips. The question is how much capital do you have. If you risk 50 pips how much in percentage is that of your total capital. For anyone to expect trading over a long period of time it is of essential importance to risk as little as possible of capital. The accepted rule is not more than 3%-5% of capital.

If your capital is \$1000 then your stoploss should not be more than 3% of that which equals \$30 or about 3 pips. Now that does not make sense on a leverage account. That is why trading a mini account (1 pip = \$1) with \$1000 makes it ten times better and the 3% risk now remains 30\$ but it now becomes 30 pips. Some have it that 5% on a system that gives 65+% correct deals is also acceptable. Thus we can risk between 30 and 50 pips on a mini account of \$1000 capital and will have a chance to trade over an extended period of time that when we hit that 3-5 losses in a row we will not be wiped out and will still have capital to recover.

Now comes the question of where to set my stoploss when the MACD gives a signal. If your profile (3%-5% of capital) only allows you a 40 pip stoploss and the most recent low/high or two to three bars back or the trendline is more than that away you simply skip the trade. I have given a way to enter at three different levels to reduce the amount of pips risk in the PDF document. You can use

that to make a 50 pip risk to about 35 pips overall. That is also done just to make sure that you stay in the business in the future.

One does not necessary have to have all your capital in your account with your broker. You might have \$10000 capital of which \$3000 is with your broker and the rest in your own bank account. You can than calculate your risk on \$10000 as long as that money is available for the Forex. The moment you use of that money (for personal use) your risk in terms of pips reduces as well because your capital is less.

When the MACD gives a signal it all depends how far away is the support and resistance levels. If it is more than your risk profile just let it passes by. This is how I do it. My risk profile allows for 50 pips max but I don't like using more than 43. I don't use equal numbers as you will notice how many times it exactly test those levels. I uses 23,28,33,38,43. Put your stops below the resent support/resistance.

The problem with most people is that they cannot afford 3 to 4 losses in a row as it will wipe them out. Any system has it bad patches. The MACD I believe can and will give 3 losses in a row sometimes. That means 150 pips could be on the cards. Can you still go on after such a loss. If not I suggest you save money till you can survive such a run of bad deals. I have made provision for 200 pips loss in a bad run.

Hope this helped in any sense.

Phillip

irusoh

02-01-07 3:54pm

stoploss and risk management

I've picked a nice resolution to the question of stoploss and risk management elsewhere in this forum.

The idea is to express your max allowed loss in \$, like for \$5000 account 3% risk your max acceptable loss would be \$150.

Now lets say you have a trade and want to put stoploss at 30 pips.

at \$10 a pip on a standard account you may lose \$300 on 1 lot. now divide your stoploss by 1lot loss (150/300) you come up with 0.5. you can buy 0.5 lots.

Next trade your stop loss is at 75 pips. So that's \$750. Divide 150/750 you get 0.2. So you buy 0.2 lots.

This way in both cases you max loss is about \$150. Of course, if stoploss is so great it gives a value below a minimum lot allowed then you need to follow Phillip's advice and bypass the trade.

Phillip Nel

02-01-07 3:56pm

Stoploss

Quote:

Originally Posted by **irusoh** (Post 204899)

I've picked a nice resolution to the question of stoploss and risk management elsewhere in this forum.

The idea is to express your max allowed loss in \$, like for \$5000 account 3% risk your max acceptable loss would be \$150.

Now lets say you have a trade and want to put stoploss at 30 pips.

at \$10 a pip on a standard account you may lose \$300 on 1 lot. now divide your stoploss by 1lot loss (150/300) you come up with 0.5. you can buy 0.5 lots.

Next trade your stop loss is at 75 pips. So that's \$750. Divide 150/750 you get 0.2. So you buy 0.2 lots.

This way in both cases you max loss is about \$150. Of course, if stoploss is so great it gives a value below a minimum lot allowed then you need to follow Phillip's advice and bypass the trade.

Thank you. That just said it all.

Phillip Nel

02-01-07 4:16pm

Exercise

1 Attachment(s)

I am posting an exercise over a very difficult period and I want you to look at it and pick the deals that there is. I have picked 23 deals. I will post the deals the same time in 24 hours time and then I will post a discussion on all 23 deals 48 hours later so that you can see how I go about in doing those deals. After that you will exactly know how I do it and what you must look at and for.

turk87

02-01-07 7:04pm

Philip, at first your target was 1.30000, it didn't make it that far down as i'm sure you know.

I'm confused, it looked fairly round to me, and comparable with your other buy signals.

So how does it look to you now? It looks bullish to me now, I wouldn't short it...

So you are more weary when it doesn't form a complete round top? If its more V shaped you don't like it? A perfect example, USD.JPY how would you interept that macd?

Thanks.

alamanjani

02-01-07 11:19pm

Quote:

Originally Posted by **flytox** (Post 204543)

The value of "1" could not be another thing than simple, even if it is exponential (exp of 1=1). So it's ok for you.

lol you are right. I should sleep a little more!

Mario

alamanjani

02-01-07 11:24pm

Quote:

Originally Posted by **Phillip Nel** (Post 204828)

It did not make a round top as it came to far down.I took the trade as it came down at 1.3028 with first target at 1.3010. If you entered at 1.3030 three to four candles back your first profit taking should have been at 1.3005-1.3010 and then the rest set at breakeven.

I was only waiting, for a candle to form, that I forgot to check if it is still a round top. lol Good lesson!

Now, this part is confuzing me: "If you entered at 1.3030 three to four candles back your first profit taking should have been..."

There is no reason to enter short 3 of 4 candles earlier. Correct?

Mario

DireXiv

02-01-07 11:40pm

I think is what happened with the EUR/USD is that if you would have (and I did) get in on and short on the 2nd down candle after the initial rise, then if you would have been moving your stop to try and get to break even as quickly as possible (I didn't) you could have come out clean or taken a few pips because it went down slightly after that candle.

It didnt' go down enough for me to move my stop and the next candle shot up way past the resistance line, took out everyone's stops and then returned to it's normal level. Now it's just in somewhat of a consolidation pattern waiting for a break out I guess. The ma's still look like good profit can be taken... but at this point it's a risky trade.

If you look back to the last time it hit the same resistance line (on the 22nd), the way we were all thinking would have worked GREAT and taken a lot of pips by shorting and riding it down almost 100pips.

My 2 cents....

fjfx

02-02-07 2:39am

Quote:

Originally Posted by **Phillip Nel** (Post 204872)

STOPLOSS

I haven't discussed the field of stoplosses in the PDF document as it is not a matter of pattern and or standard way. There are no definite rules as to where stoplosses should be placed.

***This is the major cause for people loosing money.** If stops wont be hit nobody will loose money. I just feel that to little time is spend on discussing stoplosses. We Phillip*

Yes, I know setting stops is more an art than an exact science, especially with some of the big boys often doing stop hunting.

Anyways, thanks for letting me understand your thoughts on how you do things. :thumbsup:

fjfx

02-02-07 2:45am

Quote:

Originally Posted by **irusoh** (Post 204899)

I've picked a nice resolution to the question of stoploss and risk management elsewhere in this forum.

The idea is to express your max allowed loss in \$, like for \$5000 account 3% risk your max acceptable loss would be \$150.

Now lets say you have a trade and want to put stoploss at 30 pips.

at \$10 a pip on a standard account you may lose \$300 on 1 lot. now divide your stoploss by 1lot loss (150/300) you come up with 0.5. you can buy 0.5 lots.

Next trade your stop loss is at 75 pips. So that's \$750. Divide 150/750 you get 0.2. So you buy 0.2 lots.

This way in both cases you max loss is about \$150. Of course, if stoploss is so great it gives a value below a minimum lot allowed then you need to follow Phillip's advice and bypass the trade.

Well said! Actually that's exactly how I do it. But, what you shared is more on money management, which is of utmost importance! However, how do you come up with "30 pips" or "75 pips" is still the trickiest question.

I'm sure you'll agreed with me that numerous times your stops got hit, before the price reverses and continues in your expected direction. Aggravating!!

My conclusion for setting of stops is partially art/experience and partially science (recent highs/lows).

goodthings

02-02-07 2:54am

In trading GBPUSD sometimes a 35 pip SL the way to go or even 65 SL is the way to go. Depending of supports and resistance. This may sound funny but I never set anything more then a 35 SL until a couple of months ago and noticed I kept getting knocked out of trades that were going in my direction. So I started looking close at supports and resistance and upped my SL with discretion of course. I also found a 35 pip trailing stop that moves every 10 pips did not bring the results I wanted either.

anthony500

02-02-07 6:34am

Quote:

Originally Posted by **Phillip Nel** (Post 204917)

I am posting an exercise over a very difficult period and I want you to look at it and pick the deals that there is. I have picked 23 deals. I will post the deals the same time in 24 hours time and then I will post a discussion on all 23 deals 48 hours later so that you can see how I go about in doing those deals. After that you will exactly know how I do it and what you must look at and for.

Hi Phillip,

that's a great idea, thanks for taking the time to do that! I'm sure it will help!

DireXiv

02-02-07 8:38am

non farm payroll?

Just curious if anyone is trying to play non farm payroll at 8:30? What are you thoughts and how are you planning the trade. Or are you sitting out the trade and calling it a week since it's friday?

Phillip - great exercise thanks for putting it together. I'm very curious to see how I come out in relation to your picks.

Phillip Nel

02-02-07 9:52am

4 Hour Strategy

1 Attachment(s)

Here are the deals I got on the exercise as well as commentary about the EurUsd deal yesterday.

Look at all those deals and see which ones you would have taken and which ones not. Look at the support and resistance around the MA's as well as the trendlines. Very interesting. I will post the discussions the way I would have done it in 24 hours time more or less. Hope you learn something out of this.

Phillip Nel

02-02-07 9:59am

Non farm payrolls

Quote:

Originally Posted by **DireXiv** (Post 205628)

Just curious if anyone is trying to play non farm payroll at 8:30? What are you thoughts and how are you planning the trade. Or are you sitting out the trade and calling it a week since it's friday?

Phillip - great exercise thanks for putting it together. I'm very curious to see how I come out in relation to your picks.

Will definitely not trade it on the MACD strategy. Might do it on the 5 min chart with a different strategy. This is gamble money. Win or loose. Only 2 chances.

vrama

02-02-07 10:04am

Phillip, thanks for sharing your strategy, which is interesting and usefull.

Phillip Nel

02-02-07 10:20am

4 Hour Strategy

1 Attachment(s)

Just another warning signal. When the MACD comes down or up in such a straight line it means the speed is going to change. The direction is not definitely known beforehand.

Tw0eleven

02-02-07 11:31am

Quote:

Originally Posted by **DireXiv** (Post 205628)

Just curious if anyone is trying to play non farm payroll at 8:30? What are you thoughts and how are you planning the trade. Or are you sitting out the trade and calling it a week since it's friday?

Phillip - great exercise thanks for putting it together. I'm very curious to see how I come out in relation to your picks.

I don't think it would be wise to trade during the NFP news. A lot of bad things could happen. And I don't see any clear signs setting up on the 4hr MACD. However, just for fun in my demo account I may trade 1 mini lot. It appears we might be getting a BUY signal setting up for GBP/USD and EUR/USD and a sell on USD/JPY. But once again...I'm only guessing that it's forming that way so I'm not going to trade any real money! There could be spikes up and down before the trades actually go in my favor.

Also, if you noticed I mentioned the USD/JPY pair which Phillip does use in his method. I have tested it all week with good results. I did 4 trades on that pair and all ended up with positive pips! I traded it the same way as Phillip's system says, with one exception. For the MACD levels, you need to change them to read 0.45, 0.30, 0.15, 0.0, -0.15, -0.30, -0.45. If any one else is trading this pair, please share your results. Thanks!

Tw0eleven

02-02-07 11:41am

Quote:

Originally Posted by **Phillip Nel** (Post 205709)

Just another warning signal. When the MACD comes down or up in such a straight line it means the speed is going to change. The direction is not definitely known beforehand.

Exactly! No known direction, that's why I'm just going to play in my demo account and not risk any real money. My guess is that EUR/USD will spike down then continue uptrend...but if I'm wrong, no harm with fake money! Good call Phillip!

Tw0eleven

02-02-07 1:28pm

Quote:

Originally Posted by **Tw0eleven** (Post 205780)

Exactly! No known direction, that's why I'm just going to play in my demo account and not risk any real money. My guess is that EUR/USD will spike down then continue uptrend...but if I'm wrong, no harm with fake money! Good call Phillip!

Looks like I was wrong! Another lesson learned! Price spike up and then went WAYYYYYY down!
Have a good weekend everyone! :)

Phillip Nel

02-02-07 1:32pm

Non farm payrolls

1 Attachment(s)

Took a part of the downmove. 19 Pips on 2 lots. Took profit on Fib 61% of nearest hi-lo. Can still go down to 1.2960 (89SMA on 4 hour chart)

Tw0eleven

02-02-07 1:35pm

Congrats Phillip. Nice job! :thumbsup:

sarama001

02-02-07 1:43pm

Philip,

Is it only EUR/USD that is traded with the system? Because all of the graphs show the euro.

Phillip Nel

02-02-07 2:03pm

4 Hour Strategy

Quote:

Originally Posted by **sarama001** (Post 205998)

Philip,

Is it only EUR/USD that is traded with the system? Because all of the graphs show the euro.

This strategy is definitely also for the GbpUsd. It is just that I studied only the EurUsd for the last two years when paper trading that I prefer it because I know its movement. I made that decision to know one pair well as to know a bit of some. I will make a point in doing some analyses on the GbpUsd this week. I have nothing against the GbpUsd fans.

Have a great weekend

Tw0eleven

02-02-07 2:08pm

Quote:

Originally Posted by **Phillip Nel** (Post 205975)

Took a part of the downmove. 19 Pips on 2 lots. Took profit on Fib 61% of nearest hi-lo.

Can still go down to 1.2960 (89SMA on 4 hour chart)

Hope you still had a few pips open...price did go down to the 89SMA! Nice Call! I'm really beginning to see how to use the MA's.

fjfx

02-02-07 2:09pm

Quote:

Originally Posted by **Phillip Nel** (Post 205975)

Took a part of the downmove. 19 Pips on 2 lots. Took profit on Fib 61% of nearest hi-lo.

Can still go down to 1.2960 (89SMA on 4 hour chart)

Yes!! Brilliant Phillip! Just touch my 89 SMA (interbank fx low is 1.2961), then bounce up to 1.2970. Wow!

Quick question for your phillip : What time frame for your posted chart in post #126? I've switched various TF on my chart and my MACD doesn't look like yours?? Must be the difference in broker/timing. Just curious what TF you use to trade news?

DireXiv

02-02-07 2:23pm

1 Attachment(s)

Nice work Phillip. At this point, I can't allow myself to trade on news... to risky for me.

In anycase, I was able to take 12 pips off the EUR/AUD on a MACD trend and it followed the profit levels/ma's very nicely too. It's continuing down, but I was moving my stop for at least something because the spread was a little large, so I wanted to cover it as soon as possible.

Phillip Nel

02-02-07 2:24pm

Non farm payrolls

Quote:

Originally Posted by **fjfx** (Post 206052)

Yes!! Brilliant Phillip! Just touch my 89 SMA (interbank fx low is 1.2961), then bounce up to 1.2970. Wow!

Quick question for your phillip : What time frame for your posted chart in post #126?

I've switched various TF on my chart and my MACD doesn't look like yours??

Must be the difference in broker/timing. Just curious what TF you use to trade news?

Sorry it is the 5 min chart. Dont give notice to the MACD or MA's on that chart. I used the same 4hour chart, just set it to 5 min. I was only interested in the 8EMA. That is what I use to trade news. As long as the 5 min bar price is below the 8EMA I stay in.

anthony500

02-02-07 2:31pm

Hi Phillip,

Could you please post your MACD that you use on the 4h , because on all the documents you posted I can not duplicate exactly yours. Do you use the setting MACD SMA 1 or EMA 1 because in MT4 I can't seem to change and use EMA 1. Did you do that?
thanks!

fnmdx

02-02-07 2:32pm

Quote:

Originally Posted by **Phillip Nel** (Post 205975)

*Took a part of the downmove. 19 Pips on 2 lots. Took profit on Fib 61% of nearest hi-lo.
Can still go down to 1.2960 (89SMA on 4 hour chart)*

Hai Phil, I am a beginner in Fx trading. I found out your 4H strategy is very easy to understand and did try 2 trades before this NFP. Fisrt +17 pips but the second (as you warned straight MACD is unknown direction), the NFP spike stopped me at -24 pips. But recovered when followed down moved.

I still need to learn the MACD and MA as per your notes. I really appreciate your efford and time in making notes, sharing them and above all, update and post for others to compare and learn from them.

May I know if weekend/holiday data is still valid for MACD and MA's constructions? And what time frame was your above mentioned chart?

Thanks a million and keep-up the good deeds...

Phillip Nel

02-02-07 2:33pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 206072)

Nice work Phillip. At this point, I can't allow myself to trade on news... to risky for me.

In anycase, I was able to take 12 pips off the EUR/AUD on a MACD trend and it followed the profit levels/ma's very nicely too. It's continuing down, but I was moving my stop for at least something because the spread was a little large, so I wanted to cover it as soon as possible.

Very nice trade.

News is to risky. I only trade it from time to time. Not on a regular basis. When it goes the one way and turn around I like it.

fjfx

02-02-07 3:01pm

1 Attachment(s)

Quote:

Originally Posted by **Phillip Nel** (Post 205686)

Here are the deals I got on the exercise as well as commentary about the EurUsd deal yesterday.

Look at all those deals and see which ones you would have taken and which ones not. Look at the support and resistance around the MA's as well as the trendlines. Very interesting. I will post the discussions the way I would have done it in 24 hours time more or less. Hope you learn something out of this.

Thanks for the "answers" to your exercise.

Allow me to post what I tried to do when you first assigned the exercise earlier. Again, just trying to get inside your head and see if my thought process is in line with yours :) .

I marked the "reason" for each MACD signal based on your notes. The only one not in your notes is the "aggressive reversal" cos there's no price action/ pattern; simply a U-turn in price.

(BTW I didn't get all 23 signals, only 20 of them)

Does it make sense at all?

Phillip Nel

02-02-07 3:17pm

Exercise

Quote:

Originally Posted by **fjfx** (Post 206133)

Thanks for the "answers" to your exercise.

Allow me to post what I tried to do when you first assigned the exercise earlier. Again, just trying to get inside your head and see if my thought process is in line with yours :).

I marked the "reason" for each MACD signal based on your notes. The only one not in your notes is the "aggressive reversal" cos there's no price action/ pattern; simply a U-turn in price.

(BTW I didn't get all 23 signals, only 20 of them)

Does it make sense at all?

Very well done. I like your description Aggressive Reversal. I call it High Probability Trade but I like yours more. Will definitely use it in future. Now comes the question. Which of those trades would you have taken and which not and what is the possible pips made or lose on each trade. Have a good look at support and resistance to establish your targets and especially the stoploss amount for every trade and if it is worth it. There I have just given it away. That is how to do it.
Goodluck

Tw0eleven

02-02-07 3:26pm

Quote:

Originally Posted by **Phillip Nel** (Post 206077)

Sorry it is the 5 min chart. Dont give notice to the MACD or MA's on that chart. I used the same 4hour chart, just set it to 5 min. I was only interested in the 8EMA. That is what I use to trade news. As long as the 5 min bar price is below the 8EMA I stay in.

Hi Phillip, just curious what you looked for to enter your trade? Depending on whether your buying or selling, do you look for the 5min candle to close above/below the 8EMA or something else?

Phillip Nel

02-02-07 3:45pm

Non farm payrolls

Quote:

Originally Posted by **Tw0eleven** (Post 206157)

Hi Phillip, just curious what you looked for to enter your trade? Depending on whether your buying or selling, do you look for the 5min candle to close above/below the 8EMA or something else?

I took it on because of the turnaround and below the 38Fib. Was then below 8EMA. It also depends on the movement and I would say some experience. It is difficult trading news.

Tw0eleven

02-02-07 3:55pm

Quote:

Originally Posted by **Phillip Nel** (Post 206177)

I took it on because of the turnaround and below the 38Fib. Was then below 8EMA. It also depends on the movement and I would say some experience. It is difficult trading news.

Thanks! I'll have to do some studying and testing in a demo account.

DireXiv

02-02-07 11:23pm

Great exercise Phillip. Thank you for being so candid and detailed with all of us. The signals are all there, it's just being able to make informed decisions about them in real time.

I've taken away some great points and rules to apply, and just need to focus on some certain areas now. I'm still making some mistakes in judgement, but this is the most promising system I've tried so far and by far the most "mechanical" with great signals and explanations.

Making sure my stop loss moves accordingly and I get back to even combined with proper money management will really help sort out the non-quality trades, and minimize losses when I do take them. Also, the guaranteed profit taking you do is very important too. Unfortunately my mini account doesn't allow that easily. So, I just have to think it :)

Thanks for all the information and have a great weekend! Let's all make some money next week!

Phillip Nel

02-03-07 1:06pm

Exercise Commentaries

1 Attachment(s)

Here are the commentaries around each deal. Dont try to calculate the pips as to the exact. The concentration on this should not be on exactly how many pips but rather the story as to why there were pips or why there weren't on any specific deal. What was the motivations as to why the deal was made or not. If it is a risky one, how am I going to reduce my risk.

That should be the mindset when reading and working through this. When you are happy with the

mindset of each trade then you can go back and start with candle with candle scrolling to see how you would have done it and when and how would you have closed each trade.

Remember to take your time profile as to when you are available to trade in account when doing the actual testing.

Good luck and I hope this will help you in establishing a positive and precise attitude and mindset.
God bless.

Chandra

02-03-07 3:17pm

Quote:

Originally Posted by **Phillip Nel** (Post 201201)

It is just because of working schedule and limited internet access during working hours.

These were the amount of deals for 2006 per time (GMT+2)

01:00---25

05:00---34

09:00---17

13:00---46

17:00---52

21:00---29

Hi Philli,

Can U tell what is this "amount of deals for 2006 per time"?

Not able to understand what is your message here.

Thanks.

-Chandra

Phillip Nel

02-03-07 3:42pm

Signals

Quote:

Originally Posted by **Chandra** (Post 206702)

Hi Philli,

Can U tell what is this "amount of deals for 2006 per time"?

Not able to understand what is your message here.

Thanks.

-Chandra

That are the amount of signals that were given at those times. (GMT+2)

fnmdx

02-03-07 3:58pm

Quote:

Originally Posted by **Phillip Nel** (Post 206667)

Here are the commentaries around each deal. Dont try to calculate the pips as to the exact. The concentration on this should not be on exactly how many pips but rather the story as to why there were pips or why there weren't on any specific deal. What was the motivations as to why the deal was made or not. If it is a risky one, how am I going to reduce my risk. That should be the mindset when reading and working through this. When you are happy with the mindset of each trade then you can go back and start with candle with candle scrolling to see how you would have done it and when and how would you have closed each trade.

Remember to take your time profile as to when you are available to trade in account when doing the actual testing.

Good luck and I hope this will help you in establishing a positive and precise attitude and mindset.

God bless.

Superb explanation Phil...

But is still longway for me, only got 7 deals by using MACD only. I still need to read and understand your notes regarding SMA's and EMA's plus trendlines.

My rating is ...EXCELLENT!

Chandra

02-03-07 4:36pm

Quote:

Originally Posted by **Phillip Nel** (Post 201337)

You are absolutely right. Remember also that the price has broken down through the 89SMA and a pullback to the 21EMA is the rule. But the MA's is to crowded so I will wait for a breakout first and then confirmation on the MACD as we are in a little consolidation phase. If the price moves away from the 21EMA coming down and the MACD shows our trend continue setup(move towards zero and then turn away) one can consider entering with first target 1.9500 and second one 365EMA. Also watch the trendline as from 8Jan. We are at support. Patients is the name of the game.

Phillip,

Can you tell the significance of using a few SMAs and a few EMAs? Just curious though. In addition to your very scientific trading method, I very much appreciate of your analytical thinking! Is it an inborn gift or you attained such a clear analytical mind from your education or work experience?

Thanks for your help.

-Chandra

PS: Don't forget to respond to my first question on SMAs and EMAs please!

Phillip Nel

02-03-07 4:56pm

Moving Averages

Quote:

Originally Posted by **Chandra** (Post 206727)

Phillip,

Can you tell the significance of using a few SMAs and a few EMAs? Just curious though. In addition to your very scientific trading method, I very much appreciate of your analytical thinking! Is it an inborn gift or you attained such a clear analytical mind from your education or work experience?

Thanks for your help.

-Chandra

PS: Don't forget to respond to my first question on SMAs and EMAs please!

I studied the movements and interaction between the price movement and moving averages over a period of 2 years. I found that Fibonacci numbers gave the best results as to barriers that makes the price to stay there for a while. I have also found that there is a correlation between the MA's and the reactions of people regarding to their interpretation of news and where they are willing to take the price. It was more something I observed than what I worked out. You can look at history on any timeframe using that MA's and come and tell us what you have seen. You will be amazed to see it works on any timeframe. The 200SMA is not a Fib number but are a wellknown one amongst traders.

I like analyses and I am a draughtsman and I think that is where it comes from.

I have missed your first question on SMAs and EMAs and cant find it or is it the one in this post you were talking about. If not can you please put it again and I promise that I will respond.

Phillip

Chandra

02-03-07 5:02pm

Quote:

Originally Posted by **Phillip Nel** (Post 202230)

I don't really use pivots unless there is no indicator to set my profit target to and that haven't happened yet. As to entry one can get too much involved in indicators and again does not know when to pull the trigger as out of three indicators one is in contradiction to the other and it becomes more confusing. I like it simple. The MACD tells me when to pull the trigger. After that I can focus on the management of the deal according to my plan. If there is really nothing I can set my profit target to I go fishing and I can tell you that does not happen often.

Wahid's approach is a sophisticated, yet valid approach, but it is a diversion/distraction to your approach where your objective is to keep it simple (KISS). So stay on your track and Wahid may start a new thread for all of us to participate and discuss his approach.

-Chandra

Chandra

02-03-07 6:14pm

Quote:

Originally Posted by **Phillip Nel** (Post 203507)

I should have stayed in??????. The thought might be nice but I stuck to the rules that trendline can be resistance and took the profit as planned. It is not so much the pips but the discipline to stay to the rules and the plan that brings success. Otherwise we trade emotional. 1.3000 was the resistance it looks like.

Very well said {"The thought might be nice but ..."}.

Unfortunately, the very similar thoughts are harming us, making us to have more losing trades and reducing our emotional strength to ashes. Thoughts like that are not 'nice thoughts', they are our enemies in disguise as a friendly thought.

-Chandra

Phillip Nel

02-03-07 6:26pm

Thoughts

Quote:

Originally Posted by **Chandra** (Post 206751)

Very well said {"The thoght might be nice but ..."}.

Unfortunately, the very similar thoughts are harming us, making us to have more losing trades and reducing our emotional strength to ashes. Thoughts like that are not 'nice thoughts', they are our enemies in disguise as a friendly thought.

-Chandra

That is exactly our main enemy. It is those thoughts that change our mind and scatter our plans.
Thanks

dof

02-03-07 6:51pm

I'm wondering how long it will take for this strategy to get it's own forum?

I think it will happen the same thing that happend to mouteki. Everybody is so excited about it and then i see threads like this one <http://www.forexfactory.com/showthread.php?t=10985>. Aren't trendlines good? Yes they are, but many don't know how to use them.

I think this system is 50% completed, maybe less.

Having so many moving averages there i think it's a step back.

Anyway, happy trading

Chandra

02-03-07 9:35pm

Quote:

Originally Posted by **Phillip Nel** (Post 206757)

That is exactly our main enemy. It is those thoughts that change our mind and scatter our plans.

Thanks

Thanks Phillip.

What about large size trading? Is there any issues to be addressed if you go in for large l# of ots (200, 500, etc.)?

Thanks.

-Chandra

Pluto2

02-03-07 11:07pm

Hi Phillip,

I love your system. Thank you so much for sharing it with us. I have looked into applying the same strategy to daily chart. It seems that it would work with great results. Did you or anybody else out there look into it?

parlenk

02-04-07 10:05am

asking

where did that 0.0015,0.0030 etc come from? any special math rule on it? what about other pair since that number is not fit them well.thx..btw i like the macd explanation.

cheers

dsl258639

02-04-07 11:56am

Hello parlenk

I'm not attempting to answer for Philip, since ... well ... it's his system, but I think he's said a couple of times that everything is the result of two years of monitoring and demo trading Eur/Usd.

I'm looking into the system and I set the levels at long-term ATR. For Eur/Usd this is about 30 pips on the 4-hour chart and so the levels correspond to 50%, 100% and 150% of that (works for Usd/Jpy too). This gives you 0.0025, 0.0050, 0.0075 for a 4-hour Gbp/Usd (ca. 50 ATR long-term), 0.0020, 0.0040, 0.0060 for 4-hour Eur/Jpy (ca. 40 ATR long-term), 0.0065, 0.0130, 0.0195 for daily Gbp/Usd (ca. 135 ATR long-term).

It's just an idea, and it does the trick on my charts.

Cheers,

dsl

PS: Thanks for sharing this system, Philip.

Chandra

02-04-07 2:43pm

Hi Phillip,

Here is something I feel you missed a trade:

Page 8 of your PDF document, Trade from 17 Oct. to 10 November:

After your 4th trade ("Traded around zero,Trend continuous") and the 5th trade ("Lower High"), there

is a trade you missed. (it is either a "Double Top" or a "Lower High" trade). It could be a tiny trade, but you would not know it at the time it was forming! Please check and comment.

Thanks.

-Chandra

parlenk

02-04-07 3:17pm

Ok thx for the info.I will take a look on this method

cheers

Quote:

Originally Posted by **dsl258639** (Post 207040)

Hello parlenk

I'm not attempting to answer for Philip, since ... well ... it's his system, but I think he's said a couple of times that everything is the result of two years of monitoring and demo trading Eur/Usd.

I'm looking into the system and I set the levels at long-term ATR. For Eur/Usd this is about 30 pips on the 4-hour chart and so the levels correspond to 50%, 100% and 150% of that (works for Usd/Jpy too). This gives you 0.0025, 0.0050, 0.0075 for a 4-hour Gbp/Usd (ca. 50 ATR long-term), 0.0020, 0.0040, 0.0060 for 4-hour Eur/Jpy (ca. 40 ATR long-term), 0.0065, 0.0130, 0.0195 for daily Gbp/Usd (ca. 135 ATR long-term).

It's just an idea, and it does the trick on my charts.

Cheers,

dsl

PS: Thanks for sharing this system, Philip.

Chandra

02-04-07 3:39pm

Phillip,

I very much like your concept of treating Entry and the Exit as two independent issues.

Your MACD system has a group of guys (rules) that give "possibilities of good entries". That is it! That is all these guys (rules) do. These guys do not know anything about how to exit a trade just

entered. These entry guys are not held responsible to give exit orders. They just give "possibilities of good entries" and they wash their hands off, so to say.

There is another group of guys (rules) to take care of the exits. These guys are to give ONLY " Good Exit possibilities".

Entry group does not know anything about the exit group. It is our job to combine these two groups and make our pips.

Yours is a unique concept (as far as I am aware of) where entry guys (rules) are not asked to create 'Good exit possibilities" also. They are left alone once they do their job of identifying "Good entry Possibilities". Exit expert guys (rules) jumps in then, and play their expert-role on how to exit optimally the positions held. Similar to entry guys, these exit guys are also not asked to create any "Good Entry Possibilities".

Vey good concept. 😊

-Chandra

Chandra

02-04-07 4:22pm

Phillip,

In page 8, in the 17 Oct. chart, in the first trade, it looks you went long for 'just moved through zero and turned back ' signal and made 60 pips..

In page 9, in the August 2006 chart, the second signal ('just moved through zero and turned back ') it seems you took a short position and made 31 pips.

These two signals seems to be similar but positions were taken in the opposite direction.

Am I missing something here?

Thanks.

-Chandra

Chandra

02-04-07 4:34pm

Quote:

Originally Posted by **Phillip Nel** (Post 206731)

I studied the movements and interaction between the price movement and moving averages over a period of 2 years. I found that Fibonacci numbers gave the best results as to barriers that makes the price to stay there for a while. I have also found that there is a correlation between the MA's and the reactions of people regarding to their interpretation of news and where they are willing to take the price. It was more something I observed than what I worked out. You can look at history on any timeframe using that MA's and come and tell us what you have seen. You will be amazed to see it works on any timeframe. The 200SMA is not a Fib number but are a wellknown one amongst traders.

I like analyses and I am a draughtsman and I think that is where it comes from.

I have missed your first question on SMAs and EMAs and cant find it or is it the one in this post you were talking about. If not can you please put it again and I promise that I will respond.

Phillip

I was asking what is the significance of using some SMAs and some other EMAs.

Thanks.

-Chandra

Chandra

02-04-07 4:40pm

Phillip,

This is about "Moving Through Zero and Turn Back" signal. I am a bit confused here. Please clarify.

1. MACD moves through zero (from +ve to -ve) and turns back to +ve: Go long.

2. MACD moves through zero (from -ve to +ve) and turns back to -ve: Go short.

Am I right?

Thanks.

-Chandra

Chandra

02-04-07 4:57pm

Hi Phillip,

I think I am dumping a lot of questions on you. I hope it is ok with you. You can answer all of them in one attempt, though.

Here is one more!

How do you distinguish between Dbl to and lower high? Is it the magnitude of the bars or the distance between the bars. in your chart of 17 Oct. in page 8, the third trade (short) with 'Double Top' signal also looks like a 'lower high' signal for me. Please clarify. Thanks.

-Chandra

endy

02-04-07 5:16pm

Current EURUSD

Hello,

just looking at current EURUSD chart, it looks something (hopefully) is about to happen with this pair, as all MAs are within 100 pips range..

I guess it's not easy to trade in such conditions.. right ?
Endy

Chandra

02-04-07 5:22pm

Hi,
In page 9, Aug 2006 chart, two bars after the 4th trade (Trend continue) it seems u have missed a 'double bottom' trade. Am I right?
Thanks.
-Chandra

Phillip Nel

02-04-07 6:51pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 207149)

Phillip,

In page 8, in the 17 Oct. chart, in the first trade, it looks you went long for 'just moved through zero and turned back ' signal and made 60 pips..

In page 9, in the August 2006 chart, the second signal ('just moved through zero and turned back ') it seems you took a short position and made 31 pips.

These two signals seems to be similar but positions were taken in the opposite direction.

Am I missing something here?

Thanks.

-Chandra

That trade was also a long signal given. I only showed it in red down to show that it was a loss trade. It was a loss of 31 pips. All the red lines are losses.
Good luck

Phillip Nel

02-04-07 7:04pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 207104)

Hi Phillip,

Here is something I feel you missed a trade:

Page 8 of your PDF document, Trade from 17 Oct. to 10 November:

After your 4th trade ("Traded around zero, Trend continuous") and the 5th trade ("Lower High"), there is a trade you missed. (it is either a "Double Top" or a "Lower High" trade). It could be a tiny trade, but you would not know it at the time it was forming! Please check and comment.

Thanks.

-Chandra

Very well done. You are absolutely correct to spot it. But if you look at the price chart you will see that I was still in the previous deal and would have skipped that one. But if you weren't in any deals that was indeed a small double top and or lower high and could see a few pips gain.

Well done

Phillip Nel

02-04-07 7:21pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 207153)

I was asking what is the significance of using some SMAs and some other EMAs.

Thanks.

-Chandra

The EMA is giving more weight to the recent price movement than the SMA while the SMA is a flatter. Draw a 100EMA and a 100SMA on the same graph and see what happens. I just found that the 21EMA fits the most recent price movement better. The 89SMA is where if the price is above it the sentiment is bullish and visa versa is bearish. The 200SMA is according to me the overall reflector of the average interpretation of the news and the longterm trend. The 365EMA is long term but it gives more weight to recent data but I must admit it does not play a very prominent and active role. There are certain times when the price will test it away from all the other MA's. I use it then.

DireXiv

02-04-07 7:23pm

hmmm....

Hi Endy,

I was looking at that too. The close ma's mean there may be a break out possibly, correct? The MACD is still on a continuous downtrend after the nfp on friday, but the candles are smaller (again it was friday though). The one thing I see as a possible sign is that the RSI is well below 20 (set at period of 3). So, if there is one reversal candle (uptrend) that closes, I may go long, especially since there is a very small stop loss required to do this at this point. Even though the ma's are close, it looks as if a 30 pip take may be possible.

Thoughts please?

Quote:

Originally Posted by **endy** (Post 207181)

Hello,

just looking at current EURUSD chart, it looks something (hopefully) is about to happen with this pair, as all MAs are within 100 pips range..

I guess it's not easy to trade in such conditions.. right ?

Endy

Phillip Nel

02-04-07 7:40pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **Chandra** (Post 207166)

Hi Phillip,

I think I am dumping a lot of questions on you. I hope it is ok with you. You can answer all of them in one attempt, though.

Here is one more!

How do you distinguish between Dbl to and lower high? Is it the magnitude of the bars or the distance between the bars. in your chart of 17 Oct. in page 8, the third trade (short) with 'Double Top' signal also looks like a 'lower high' signal for me. Please clarify. Thanks.

-Chandra

You can treat it as a lower high no problem. I just saw it as a double top due to the "V" it formed between the two and the right top are not that far below the other but you are not wrong the way you

see it. The main thing is to see it as a signal.

About the going through zero and then pulled back if the price comes from the negative to the positive and go across to the negative again it is "short". If it happens over to many pips it then becomes another signal like a round bottom etc

Phillip Nel

02-04-07 7:59pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **DireXiv** (Post 207256)

Hi Endy,

I was looking at that too. The close ma's mean there may be a break out possibly, correct? The MACD is still on a continuous downtrend after the nfp on friday, but the candles are smaller (again it was friday though). The one thing I see as a possible sign is that the RSI is well below 20 (set at period of 3). So, if there is one reversal candle (uptrend) that closes, I may go long, especially since there is a very small stop loss required to do this at this point. Even though the ma's are close, it looks as if a 30 pip take may be possible.

Thoughts please?

The price is within two main trendlines. It found support with the last 4 hour candle on a inbetween trendline as well as the 89SMA but that candle can be a continuation one as well. I will wait for the MACD to give the signal as drawn and will never take a breakout trade should it break to the downside unless the MACD confirms. If it turns upside I will act on the two signs as given. I favour an upside.

endy

02-04-07 8:06pm

Eurusd

Quote:

Originally Posted by **DireXiv** (Post 207256)

Hi Endy,

I was looking at that too. The close ma's mean there may be a break out possibly, correct? The MACD is still on a continuous downtrend after the nfp on friday, but the candles are smaller (again it was friday though). The one thing I see as a possible sign is that the RSI is well below 20 (set at period of 3). So, if there is one reversal candle (uptrend) that closes, I may go long, especially since there is a very small stop loss required to do this at this point. Even though the ma's are close, it looks as if a 30 pip take may be possible.

Thoughts please?

I dare to post one more "guess" in this matter, although I am not so sure about its "value". I believe it's worth to look also at crosses (especially when unclear situation). Take a look at EurYen and \$Yen. Situation on EYen is similar to the one on EUR\$ (also closing flag on 4H chart). Whereas \$Yen broke its trendline support recently (which could now become resistance!). MA's situation on EYen (and also GBPYen) seems to be more clear than the one in EURUSD. So Yen could weaken more and that would cause EYen to go up, dragging EURUSD with it. Anyway, it's probably my fantasy, but at one point, one should also consider cross pairs when the situation is not that clear. I just hope Phil doesn't mind me messing his great thread with my thoughts. Have a great week everyone.

Phillip Nel

02-04-07 8:26pm

4 Hour Strategy

Quote:

Originally Posted by **endy** (Post 207278)

I dare to post one more "guess" in this matter, although I am not so sure about its "value".

I believe it's worth to look also at crosses (especially when unclear situation).

Take a look at EurYen and \$Yen. Situation on EYen is similar to the one on EUR\$ (also closing flag on 4H chart). Whereas \$Yen broke its trendline support recently (which could now become resistance!).

MA's situation on EYen (and also GBPYen) seems to be more clear than the one in EURUSD. So Yen could weaken more and that would cause EYen to go up, dragging EURUSD with it.

Anyway, it's probably my fantasy, but at one point, one should also consider cross pairs when the situation is not that clear.

I just hope Phil doesn't mind me messing his great thread with my thoughts.

Have a great week everyone.

Nothing wrong in looking at other pairs as long as you understand its movement in correlation with the one you comparing it with. I might use it just to anticipate a possible direction as to get my plan

in order but I will still act upon the facts in front of me and not on an other pair. The MACD still tells me when to pull the trigger.

DireXiv

02-04-07 8:59pm

That's what I was thinking too Phillip. I just started using RSI as a "pre trend" direction indicator. If RSI shows a signal then I wait until a signal from the MACD. I backtested it on EUR/USD this weekend to see if it would help sort out the quality of signals shown on the MACD as you mentioned before, and looked decent when combine with the other factors. I was running into what Chandra mentioned and what I mentioned before (for example) how do you know for sure if the MACD is showing a round, or if it is just a hesitation and will then show a trend continuation (as is the beginning of a head and shoulder).

So, I'm completely with you on waiting for the MACD signal if an uptrend starts especially with the ma's all closing in together. I'm done with getting in too early. But if I had to guess (a bad thing), I would bet on an uptrend before long. Hopefully we'll see a round come into play and get a signal. We'll see! Thanks for all your input everyone.

Quote:

Originally Posted by **Phillip Nel** (Post 207273)

The price is within two main trendlines. It found support with the last 4 hour candle on a inbetween trendline as well as the 89SMA but that candle can be a continuation one as well. I will wait for the MACD to give the signal as drawn and will never take a breakout trade should it break to the downside unless the MACD confirms. If it turns upside I will act on the two signs as given. I favour an upside.

Chandra

02-05-07 12:40am

Quote:

Originally Posted by **Phillip Nel** (Post 207273)

The price is within two main trendlines. It found support with the last 4 hour candle on a inbetween trendline as well as the 89SMA but that candle can be a continuation one as well. I will wait for the MACD to give the signal as drawn and will never take a breakout trade should it break to the downside unless the MACD confirms. If it turns upside I will act on the two signs as given. I favour an upside.

Hi Phillip,

Tell me please the name of the MACD signal you have drawn in this chart for short and for long. Is it

- (i) "Lower High" signal for short trade you have shown.
- (ii) "Round Bottom" signal for the first long trade you have shown and

(iii) "Higher Low" signal for the second long trade you have shown

Thanks.

-Chandra (... again! 🤔)

Chandra

02-05-07 2:15am

Hi Philip,

I am doing your Exercise!

It is amazing, where and how did you find energy to develop this exercise?

In the page where you gave us all the 23 signals on a chart, (COMPLETE PICTURE"), you ended your comment by saying "Look at the Tails". You even highlighted it to emphasis its importance. Please expand a bit on the importance of 'the Tails' in a candle strick.

Thank you.

-Chandra

Chandra

02-05-07 3:03am

Is it absolutely true?

Hello everyone,

I am placing below my two interesting observations for your scrutiny and comments:

1. A 'Higher Low' will always have a 'Trend Continue' signal (to go short) a couple of candles earlier.
2. A 'Lower High' signal will always have a 'Trend continue' signal (to go long) a couple of candles earlier.

Philip, if my observations are wrong, then I have to go back to books again.

Thanks.

-Chandra

fjfx

02-05-07 8:19am

Quote:

Originally Posted by **Chandra** (Post 207473)

Hello everyone,

I am placing below my two interesting observations for your scrutiny and comments:

1. A 'Higher Low' will always have a 'Trend Continue' signal (to go short) a couple of candles earlier.

2. A 'Lower High' signal will always have a 'Trend continue' signal (to go long) a couple of candles earlier.

Philip, if my observations are wrong, then I have to go back to books again.

Thanks.

-Chandra

Hi Chandra

Yes, I would certainly agree. For Higher Low, or Lower High, you definitely need a valley between the 2 peaks, otherwise the pattern would not be set up. Anyway, this is all on hindsight after things happen.

But, as prices unfold, we wouldn't know whether it will form a Lower High, or Higher High. You can just take the "trend continue" signal, but filter it with Philip's method of deciding whether the risk reward ratio is worth the trade.

But, I like the Higher Low or Lower High pattern (after they are formed), cos they usually also show divergence. So even one additional reason to trade.

Philip, would you agree to this?

Chandra, does it make sense to you? Not sure whether you understand my writing? ;)

Chandra

02-05-07 12:11pm

Quote:

Originally Posted by **fjfx** (Post 207602)

Hi Chandra

Yes, I would certainly agree. For Higher Low, or Lower High, you definitely need a valley between the 2 peaks, otherwise the pattern would not be set up. Anyway, this is all on hindsight after things happen.

But, as prices unfold, we wouldn't know whether it will form a Lower High, or

Higher High. You can just take the "trend continue" signal, but filter it with Philip's method of deciding whether the risk reward ratio is worth the trade.

But, I like the Higher Low or Lower High pattern (after they are formed), cos they usually also show divergence. So even one additional reason to trade.

Philip, would you agree to this?

Chandra, does it make sense to you? Not sure whether you understand my writing? ;)

Yes, I understand your points. By the way, the "Trend Continue" signal can be taken and it can use the "Higher Low" or the "Lower High" signal as exit if no other exits are available/defined earlier. (Philip, pardon me if I am trying to use your entry signals for exiting. In fact, this exit I am talking about is in addition to your well-proven exits of MAs, Trend lines and Price levels, just in case we need additional one).

Your observation of divergence is very good and the divergence is a very strong confirmation. Thanks for this meaningful discussion.

-Chandra

Chandra

02-05-07 12:26pm

Anybody There!!!

Monday 8:24 AM (GMT 13:24).

Can anybody confirm CAD/USD developed 'Lower High' signal?

Thanks.

-Chandra

Chandra

02-05-07 12:36pm

Quote:

Originally Posted by **pipmy4x** (Post 207761)

Look like a short might be coming on:)

Thank you.

Also, I like your quote.

Intellectuals solve problems; geniuses prevent them."-- **Albert Einstein :thinking:**

Can we expand it like this?

Intellectuals solve problems; geniuses prevent them; Politicians create them to keep

intellectuals and geniuses employed. :thinking:

pipmy4x

02-05-07 12:37pm

:rofl:

fnmdx

02-05-07 1:04pm

Round Bottom coming...?

signalexpert

02-05-07 3:02pm

Thank you for sharing!

Thank you for sharing 100&100&100:s of hours hard job!
Well done dear Phillip!
Good luck and wish you the best!

Chandra

02-05-07 3:08pm

Quote:

Originally Posted by **fnmdx** (Post 207807)
Round Bottom coming...?

Where? I mean what pair you are seeing round bottom coming,
Thanks.
-Chandra

Phillip Nel

02-05-07 3:14pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 207745)

Yes, I understand your points. By the way, the "Trend Continue" signal can be taken and it can use the "Higher Low" or the "Lower High" signal as exit if no other exits are available/defined earlier. (Philip, pardon me if I am trying to use your entry signals for exiting. In fact, this exit I am talking about is in addition to your well-proven exits of MAs, Trend lines and Price levels, just in case we need additional one).

Your observation of divergence is very good and the divergence is a very strong confirmation.

Thanks for this meaningful discussion.

-Chandra

We have ADSL connection problems. Working on Mobile GPRS. Takes ages to load a page. Will give some more info when up and running. I like the interaction that is happening. Keep it up. When a round top is busy to form (in an uptrend) and the price is above the 21 and 8EMA the possibility for a continuation is also on the deck. I will only take the round top if there is enough to the 21EMA because in a trend the price tend to retrace to the 21EMA and then continue its path. Always work out your risk:reward to see it it is worth it. No problem to use the round top after a good run as an exit and then the continuation pattern as re-entry unless it is a lower high.

Chandra

02-05-07 3:14pm

Hi Phillip (or any trader),

It is 11:11 AM EST. Can you look at AUS/USD and comment on it please? Thanks.

-Chandra

Chandra

02-05-07 3:19pm

Quote:

Originally Posted by **Phillip Nel** (Post 207990)

We have ADSL connection problems. Working on Mobile GPRS. Takes ages to load a page. Will give some more info when up and running. I like the interaction that is happening. Keep it up.

When a round top is busy to form (in an uptrend) and the price is above the 21 and 8EMA the possibility for a continuation is also on the deck. I will only take the round top if there is enough to the 21EMA because in a trend the price tend to retrace to the 21EMA and then continue its path. Always work out your risk:reward to see it it is worth it.

Great Phillip! Thanks a lot.

Please give us more information on this subject once your connection problem is resolved (I hope it

be done soon).
Thanks again.
-Chandra

DireXiv

02-05-07 3:22pm

Chandra

Aud/USD is a high spread trade on my platform (10), so be aware of that before placing a trade on that pair (really messes up money management and price level to look at). I stopped trading it because of that.

Looks like EUR/YEN may be coming into play soon. Long term trend line, far away from ma's, touching/over the -.45 MACD, and RSI is much below 20. Thoughts?

Didn't quite get the EUR/USD sign this past candle either..... but it's hitting resistance on long term TL, double bottom, with a low tail/shadow the previous candle, and RSI is well down too. Thoughts?

Quote:

Originally Posted by **Chandra** (Post 207991)
*Hi Phillip (or any trader),
It is 11:11 AM EST. Can you look at AUS/USD and commet on it please? Thanks.
-Chandra*

Phillip Nel

02-05-07 3:52pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 207991)
*Hi Phillip (or any trader),
It is 11:11 AM EST. Can you look at AUS/USD and commet on it please? Thanks.
-Chandra*

Does not have a feel for this pair. I had a quick look and I will change the MACD settings to 8,21,1 to

give it a smoother motion. Have a look and tell me what you think. The current movement is too much around the zero. Makes me nervous.

Chandra

02-05-07 3:56pm

Hello Phillip,

I am trying to draw MACD for a pair containing JPY. I think the levels (-0.0015 to +0.0045) needs to be adjusted to (0.15 to 0.45). This is only for pairs made with JPY. Please confirm.

Thank you so much.

-Chandra

Phillip Nel

02-05-07 3:59pm

E-Mails

For those that send e-mails. I will answer them as soon as my ADSL is sorted out.

Phillip Nel

02-05-07 4:13pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 208053)

Hello Phillip,

I am trying to draw MACD for a pair containing JPY. I think the levels (-0.0015 to +0.0045) needs to be adjusted to (0.15 to 0.45). This is only for pairs made with JPY. Please confirm.

Thank you so much.

-Chandra

That is right

irusoh

02-05-07 4:25pm

MACD Signals

I noticed 2 signals since last night.

One was a zero bounce on USDJPY at 9pm est yesterday

Another was small V-top on USDCHF at 9am est this morning.

Both seem to be working out well.

fnmdx

02-05-07 4:54pm

Quote:

Originally Posted by **Chandra** (Post 207984)
*Where? I mean what pair you are seeing round bottom coming,
Thanks.
-Chandra*

Phil,

Do EUR/USD can qualify as Round Bottom now, or have to wait for present candle to close?

Phillip Nel

02-05-07 5:15pm

The price goes to where the demand is

1 Attachment(s)

I want to show you something very important. When a breakout of a pattern is about to occur the smart money (institutions like banks, Etc) have already position themselves accumulating at zone A. When the breakout occur at point 1 the breakout orders are triggered around zone B and the price goes up as people are prepared to follow the breakout. The orders then dry up and the price slow down. If this is a true breakup the price will return to the breakout level 3 and then go up again. Why is it like that. After the breakout occurred and the price went up the smart money puts there orders just above the breakout level. When the orders at higher levels dry up the price will eventually go to where the massive orders is lying and that is zone C. That is where the demand is at that stage and it is there where the stoplosses are taken out. And that is where the MACD gives it continuation pattern normally with a round valley and a certain profit is on the cards.

If the price pulls back below the trendline the MACD does not show any direction change and just continuous. The direction will be down as the orders below the trendline is short orders. If I see something like that happened I take the odds on that it was a false breakout and that the direction will be in the opposite direction of the breakout. Just another high probability trade.

Phillip Nel

02-05-07 5:35pm

Wait

Quote:

Originally Posted by **fnmdx** (Post 208104)

Phil,

Do EUR/USD can qualify as Round Bottom now, or have to wait for present candle to close?

Unfortunately it is the close of the candle.

mandoaddam

02-05-07 6:28pm

hello phil

first I wana till u how much this strategy is work with me so grate. ... and dona know how to thank you

I start use it on gbp/usd & eur/usd on my live account this days

and I think it's good with me

I use some alert indicators with it just to be sure

like >>>> macd 2 lines -5 bar reversal - trend signal - wolf

.....

I just need some training with it

if u plz I need your opinion now on Gbp/usd

and is there a divergence on it

Benf

02-05-07 6:44pm

H4 Macd Ea

Hi Phil,

Thank you for sharing the experience, your method definitely is worth of studying. Did you try to program it as an automatic trading system or buy/sell signal generator?

turk87

02-05-07 7:29pm

Eur/Usd looks round right now, I'm gonna wait a bit before i jump on.

I've decided I'm going to move my stop up to a 50 pip stop... 30 pips just isn't enough.

superdezi

02-05-07 8:07pm

looks like a well rounded system to me

Dave
-superdezi.com

abgcompu

02-05-07 8:27pm

Quote:

Originally Posted by **Phillip Nel** (Post 200456)

I am using this 4 Hour strategy only for the last month as I have papertraded for 2 years trying everything and or system I could find. (I am trading equities for almost 10 years)I have decided that I will only go live(after some losses-not too serious) after I have studied the field of forex and are satisfied that I have a system that works. I do believe that we are trying to make it to impressive and difficult. This system is simple and easy to understand. I have backtested and forward tested it over more than 200 trades and it gives 300+ pips per month. I never had more than two consecutive losses. I never use a stoploss bigger than 50. There are enough chances to ignore the ones bigger than 50.

I am using this strategy only on the EurUsd and the GbpUsd. Have not tested it on other. I hope that you will find some use for it and that it put you on the road to financial independence.

I love this system.
Thanks for shanring

DireXiv

02-05-07 10:48pm

gpb/usd/

1 Attachment(s)
Hi Phillip,

What would be your take on the GPB/USD at this point? Looks like maybe long? When would you go in? A bit above a long term TL, tails upward, possible round but just above -.0015, 20 pips below 8EMA.

Thanks!

fnmdx

02-06-07 1:56am

Quote:

Originally Posted by **DireXiv** (Post 208370)

Hi Phillip,

What would be your take on the GBP/USD at this point? Looks like maybe long? When would you go in? A bit above a long term TL, tails upward, possible round but just above -.0015, 20 pips below 8EMA.

Thanks!

DireXiv,

I am not sure whether that can be considered as Double Bottom because it has passed MACD 0.0000, but the later looks Round Bottom to me, comments? (Sorry I do not know how to paste image).

Tw0eleven

02-06-07 2:11am

Quote:

Originally Posted by **DireXiv** (Post 208370)

Hi Phillip,

What would be your take on the GBP/USD at this point? Looks like maybe long? When would you go in? A bit above a long term TL, tails upward, possible round but just above -.0015, 20 pips below 8EMA.

Thanks!

I may be wrong here, but I don't think you have a Double Bottom on the GBP/USD pair. I think the Double Bottom only occurs when Macd forms the bottoms next to each other below the zero line. In your example, Macd went from below the zero line, then above it, and back below again. You may have a rounded bottom happening though.

I myself agree with looking to go long though...but all the moving averages are so close I don't know

if it's worth it on the GBP/USD pair. The USD/JPY pair might be worth looking at...may be a buy situation there. Any comments on that would be appreciated.

Tw0eleven

02-06-07 2:12am

Quote:

Originally Posted by **fnmdx** (Post 208462)
DireXiv,

I am not sure whether that can be considered as Double Bottom because it has passed MACD 0.0000, but the later looks Round Bottom to me, comments? (Sorry I do not know how to paste image).

You beat me to it! HA!

DireXiv

02-06-07 2:27am

:)

Got it. As you can see I tend to keep quite a few "notes" on my charts :) I guess I had the notion that it could function like a plain candle pattern and have a neckline ect... but that wouldn't make too much sense I guess. Thanks for the info both of you! The more knowledge the better.

I'm also keeping a very close eye on the EUR/YEN... Looks like it may happen, but I have to keep my hand away from the trigger (or mouse button) for awhile.

Quote:

Originally Posted by **Tw0eleven** (Post 208475)
You beat me to it! HA!

Phillip Nel

02-06-07 3:33am

4 Hour Strategy

I also wont consider the Gbp as a double bottom because of the cross over zero. The round bottom is

also not perfect but it was surely on. We had a power failure just after the close of the 21:00(gmt+2) candle. The movement is yet slow as to get momentum so we might see some testing of the botoom resistance again especialy EurUsd. Just be aware of that. It might then form a double bottom which will be the confirmation. Just be aware of the break downwards. We are in a 4 week consolidation of around 100pips. It will go some direction and when it gets to support or resistance we have to be carefull for the breakout. Dont enter to early. Wait for the MACD to give a signal.

I am currently long the EurUsd at 1.2927 with stop at 1.2889 with first profit at 1.2945
Good luck.

DireXiv

02-06-07 11:22am

Unbelievable....

I got stopped out last night on the gbp/usd negating a 75 pip take..... I guess I'll just have to mandate a 40 pip S/L until I can get better at them. that will also limit my trades do to the risk/profit ratio needed. So, may work out better in long run anyway.....

fjfx

02-06-07 12:27pm

Quote:

Originally Posted by **Phillip Nel** (Post 208518)

I also wont consider the Gbp as a double bottom because of the cross over zero. The round bottom is also not perfect but it was surely on. We had a power failure just after the close of the 21:00(gmt+2) candle. The movement is yet slow as to get momentum so we might see some testing of the botoom resistance again especialy EurUsd. Just be aware of that. It might then form a double bottom which will be the confirmation. Just be aware of the break downwards. We are in a 4 week consolidation of around 100pips. It will go some direction and when it gets to support or resistance we have to be carefull for the breakout. Dont enter to early. Wait for the MACD to give a signal.

*I am currently long the EurUsd at 1.2927 with stop at 1.2889 with first profit at 1.2945
Good luck.*

Hi Phil

Just to check :

Your entry was after a MACD confirmation of a rounding bottom, right?

Your stop @ 1.2889 is a trendline support, right?

Your first profit is between MA8 and 21, right?

Next, risk/reward is 1 : 0.47 (38 pips loss vs 18 pips profit)

So, how come you still went ahead with the trade?

Or, should we have used MA89 as the profit target @ 1.2964.
So, risk : reward is almost 1 : 1 (38 pips loss vs 27 pips profit)?

Kindly share your experience.

By the way, good trade, Phil! :money:

tamkras

02-06-07 1:11pm

22 pips

1 Attachment(s)

tried Phillip's system with entry and exit strategy on EUR/USD pair. Result - 22 pips gain. Trade is attached.

Phillip Nel

02-06-07 2:14pm

4 Hour Strategy

Quote:

Originally Posted by **fjfx** (Post 208878)

Hi Phil

Just to check :

Your entry was after a MACD confirmation of a rounding bottom, right?

Your stop @ 1.2889 is a trendline support, right?

Your first profit is between MA8 and 21, right?

Next, risk/reward is 1 : 0.47 (38 pips loss vs 18 pips profit)

So, how come you still went ahead with the trade?

Or, should we have used MA89 as the profit target @ 1.2964.

So, risk : reward is almost 1 : 1 (38 pips loss vs 27 pips profit)?

Kindly share your experience.

By the way, good trade, Phil! :money:

Remember I said first profit. It does not mean that when the price is moving up that you have to take

partial profits at the first target. When it went passed the first one the 89SMA was the next target. I sold 0.5 lots at 1.2960 and the rest is breakeven + 10. We have a touch of the 21EMA as well. Next up target 1.2980-1.3000 at 365EMA to 1.3000 pricelevel.

Sorry I did not answer all your questions.

Stoploss was below trendline support.

Risk:reward was calculated to what I expect this trade will go and not my first partial profit as that target was not the dominant one. Price levels, 89SMA and 200SMA are the big ones.

Phillip Nel

02-06-07 2:20pm

Gbp

Quote:

Originally Posted by **DireXiv** (Post 208832)

I got stopped out last night on the gbp/usd negating a 75 pip take..... I guess I'll just have to mandate a 40 pip S/L until I can get better at them. that will also limit my trades do to the risk/profit ratio needed. So, may work out better in long run anyway.....

Where were your entry and stops on the Gbp. Entry was on 1.9600 after confirmation of a turnaround at 0.000 Gmt and stoploss at 1.9555 with first profit target 1.9675. Our power were off otherwise that would have been the deal. Hope someone took it. It did not start as a double bottom but 0.0000 Gmt after the close of that candle showed the up move. There was a nice morning star that formed at the bottom.

Phillip Nel

02-06-07 2:23pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 208230)

Eur/Usd looks round right now, I'm gonna wait a bit before i jump on.

I've decided I'm going to move my stop up to a 50 pip stop... 30 pips just isn't enough.

Hope you took it.

Phillip Nel

02-06-07 2:31pm

Consolidation Management

1 Attachment(s)
Just some info.

Phillip Nel

02-06-07 2:51pm

4 Hour Strategy

Quote:

Originally Posted by **tamkras** (Post 208922)
*tried Phillip's system with entry and exit strategy on EUR/USD pair. Result - 22 pips gain.
Trade is attached.*

Nice one. Did not run that well but at least we made profit.

Phillip Nel

02-06-07 2:58pm

Gbp Last night

1 Attachment(s)
As the Gbp deal looked.

DireXiv

02-06-07 4:05pm

What a great day for the MACD!!!.... except I only came out with 12 pips because of moving my stops to try and keep some profit. If I could have lasted another 45 minutes... I would have come away with around 200 pips on 3 trades Eur/usd, Eur/Yen, and GBP/Usd. :eek:

So, here is the "money" question for me -

Phillip, when do you move the stop loss to get back to even? I can't take partial profits on my account because it's a mini account, so I can't trade exactly as you do at this point. Because of that, should I just set my stop loss where needed initially and not move until the major move is over? Then just plan on taking a loss if it comes? I'm trying to only take the best moves, so maybe that would be my plan?

I know that's not how you do it, but your opinion would help a lot.

Thanks!

robertnicoud

02-06-07 4:13pm

New fan

I discovered last Sunday the 4 hour strategy.

I am very surprise of the results.

As I am not familiar with the moving averages lines I used the Pivot lines its work very well.

Robert

turk87

02-06-07 4:23pm

Hey Philip, I also took the EUR.USD trade last night. I went long at 1.2925.

I'm still holding, I want to lock in a at least 1R (50 pips profit, which was my stop loss).

Anyways good stuff, are you still holding on to it?

Chandra

02-06-07 4:37pm

Quote:

Originally Posted by **Phillip Nel** (Post 209028)

As the Gbp deal looked.

Phillip,

I am always puzzeld about this kind of signal you have shown in the chart. What is the exact name of this signal? It is not 'Higher Low', it is not 'Trned continuation', it is not 'zero croos and reverse' and it is not 'close to zero line and back'. What is the name of this signal? Can you tell me where is it explained in the document?

Thank you.

-Chandra

Phillip Nel

02-06-07 4:40pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 209067)

What a great day for the MACD!!!.... except I only came out with 12 pips because of moving my stops to try and keep some profit. If I could have lasted another 45 minutes... I would have come away with around 200 pips on 3 trades Eur/usd, Eur/Yen, and GBP/Usd. :eek:

So, here is the "money" question for me -

Phillip, when do you move the stop loss to get back to even? I can't take partial profits on my account because it's a mini account, so I can't trade exactly as you do at this point. Because of that, should I just set my stop loss where needed initially and not move until the major move is over? Then just plan on taking a loss if it comes? I'm trying to only take the best moves, so maybe that would be my plan?

I know that's not how you do it, but your opinion would help a lot.

Thanks!

Take the good ones till you have 150 pips gain then add another minilot. Then take 2 minilots with one at first profit and second to breakeven etc etc.

Add another lot for every 150 pips gained.

Phillip Nel

02-06-07 4:48pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 209091)

Phillip,

I am always puzzled about this kind of signal you have shown in the chart. What is the exact name of this signal? It is not 'Higher Low', it is not 'Trned continuation', it is not 'zero croos and reverse' and it is not 'close to zero line and back'. What is the name of this signal? Can you tell me where is it explained in the document?

Thank you.

-Chandra

It is not a round bottom but it is the closest to it. The MACD turned around upwards from trendline support together with a morning star. I think the odds were on. I call it a high probability trade. Even if it made a "V" bottom over three bars with those support and candle pattern the odds must be taken. In the exercise I called it a aggressive reversal I think.

Phillip Nel

02-06-07 4:50pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 209080)

Hey Philip, I also took the EUR.USD trade last night. I went long at 1.2925.

I'm still holding, I want to lock in a at least 1R (50 pips profit, which was my stop loss).

Anyways good stuff, are you still holding on to it?

Took 50% on 1.2960 and his raised stop on rest to 1.2945. Waiting for 1.2980 and up.

Phillip Nel

02-06-07 4:53pm

4 Hour Strategy

Quote:

Originally Posted by **robertnicoud** (Post 209069)

I discovered last Sunday the 4 hour strategy.

I am very surprise of the results.

As I am not familiar with the moving averages lines I used the Pivot lines its work very well.

Robert

If you are familiar with pivots it is OK. I dont like the horizontal lines. The MA's tend to follow the price if it is trending with an angle squeezing a bit more pips out as the angle allows for it.

mandoaddam

02-06-07 5:13pm

hi phil

this stratgy v.good with me thanks

I opend 2 positions

1 on gbp/usd [long @ 1.9619](#)

1 on eur/usd long @ 1.2934

I close .5 of each

still have the other .5

so how now could I recognize my 2ed target for each ...plz help
>>>>>>>>>> thanks again

oh yes plz something else >> do u think I beter get out of market in news time

Phillip Nel

02-06-07 5:28pm

4 Hour Strategy

EurUsd. Moved stoploss to 1.2965. Target 1.3000

Gbp. Set stoploss to 1.9675 just about at 89SMA. Next target previous closest high of 1.9740-45.

Good luck

Phillip Nel

02-06-07 5:32pm

4 Hour Strategy

Quote:

Originally Posted by **mandoaddam** (Post 209127)

hi phil

this stratgy v.good with me thanks

I opend 2 positions

1 on gbp/usd [long @ 1.9619](#)

1 on eur/usd long @ 1.2934

I close .5 of each

still have the other .5

so how now could I recognize my 2ed target for each ...plz help

>>>>>>>>>> thanks again

oh yes plz something else >> do u think I beter get out of market in news time

See post 227 for targets.

If there is news coming just tighten your stoploss ot close part of the deal and give the other part the benefit of going. Set stoploss so that no loss will occur should the trade go wrong. Also look at news expectations and whether it might influence the market.

Phillip Nel

02-06-07 5:34pm

4 Hour Strategy

Eur ran into 365EMA. Set stoploss to 1.2972.

Phillip Nel

02-06-07 5:40pm

4 Hour Strategy

1 Attachment(s)

Be aware. Set stoploss to at least 1.2970. Lets see if it can go over the trendline and 365EMA. If yes then 1.3000 is on.

mandoaddam

02-06-07 6:01pm

ok phil ... first thanks for quick reply

So ... for learning

if we goes over 1.3000 so I could inter again cause macd continu or what???

or it's gona be risky ?

Phillip Nel

02-06-07 6:17pm

4 Hour Strategy

Quote:

Originally Posted by **mandoaddam** (Post 209181)

ok phil ... first thanks for quick reply

So ... for learning

if we goes over 1.3000 so I could inter again cause macd continu or what???

or it's gona be risky ?

I will only enter when the MACD makes a pullback and give a trend continue signal. 200SMA is only about 20 pips above 1.3000. Not worth it I would say.

Phillip Nel

02-06-07 6:22pm

Gbp

1 Attachment(s)

Look at this chart. A breakout started. Watch for the pullback after it did run a while if it does.

alcastro

02-06-07 6:31pm

About post #233

Hi Phil,

thanks for your continuous posting with trade examples. This thread is a great learning experience on your system.

I have a question regarding your post #233. The MACD has not form any discernible pattern that will advice a long trade. Of course the price action may suggest it: TL breakout and possible candle formation. Would you wait for MACD confirmation, or would you jump into the trade based on the previous data?

Alcastro

turk87

02-06-07 6:38pm

1 Attachment(s)

Philip... What happens if you are long a position and the MACD goes up and breaches the 0 line. Do you accumulate more?

I am thinking of buying more at these levels.

mandoaddam

02-06-07 6:40pm

[sory phil cause I keep asking.....](#)

[but this thread is so helpfull to me](#)

[now I have some thing rong >>>> when I look to my shart I found the candles not like yours .. it's some thing else](#)

[I trade with velocity..... so is this a problem in my trades ?](#)

[if yes >>> how I fix it ?](#)

[thanks](#)

Phillip Nel

02-06-07 6:58pm

4 Hour Strategy

As to the Gbp breakout trade I will wait for the MACD to give a signal. I like it conservitave. I will never add to a trade. Only my way. If I have to do so I will only do it if the MACD crosses the line from within the 15 MACD zone. If it comes from the 30 or 45 it means it could be exhausted. Only my opinion.

Never forget the whole picture. You must allways have it in your mind and on your screen. It will give you all the options. We have concentrated on this one deal only and might have forgotten about the bigger picture. Just zoom out so that you can see at least 10 weeks of data and re-evaluate your trendlines and get an overall picture again.

Chandra

02-06-07 7:01pm

Quote:

Originally Posted by **Phillip Nel** (Post 208989)

Where were your entry and stops on the Gbp. Entry was on 1.9600 after confirmation of a turnaround at 0.000 Gmt and stoploss at 1.9555 with first profit target 1.9675. Our power were off otherwise that would have been the deal. Hope someone took it. It did not start as a double bottom but 0.0000 Gmt after the close of that candle showed the up move. There was a nice morning star that formed at the bottom.

Phillip,

Can you tell us what prompted you to have the stop loss at 1.0555?

Thanks.

-Chandra.

Phillip Nel

02-06-07 7:02pm

4 Hour Strategy

1 Attachment(s)

This what I have drawn just to give me that overall picture on the EurUsd.

Dropplan

02-06-07 7:02pm

Chart Problem

Quote:

Originally Posted by **mandoaddam** (Post 209210)

*sory phil cause I keep asking.....
but this thread is so helpfull to me
now I have some thing rong >>>> when I look to my shart I found the candles not like
yours .. it's some thing else
I trade with velocity..... so is this a problem in my trades ?
if yes >>> how I fix it ?
thanks*

DragonSlayer,

Maybe I can help. If you want to have your charts replicate Phil's, you must adjust your charts timezone to GMT+2. After you have done that you will still not be able to replicate any of the previous charts up untill the point in which you made the time change. However, after that they will be identical.

Hope that helps.

Phillip Nel

02-06-07 7:07pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 209227)

Phillip,

Can you tell us what prompted you to have the stop loss at 1.0555?

Thanks.

-Chandra.

I would have set it to below the opening of the candle. Only by experience I know that the price very seldom on a morning star comes below the opening of that candle. You could have set it below that candle which would have been around 1.9550. On a morning star you can even set it a bit higher than usual.

Chandra

02-06-07 7:46pm

Quote:

Originally Posted by **Phillip Nel** (Post 209235)

I would have set it to below the opening of the candle. Only by experience I know that the price very seldom on a morning star comes below the opening of that candle. You could have set it below that candle which would have been around 1.9550. On a morning star you can

even set it a bit higher than usual.

Great, Phillip!

I have a nice, small, ready recognizer for Candle stick patterns. I will brush it up. It seems Candle stick pattern study helps here.

Two more things to share with all:

(i) Psychological price numbers (at xx.20; xx.50; xx.80 and finally xx.00) are important levels for both entry and exit. If these price values are close to your entry, then place your long entry a bit above and your short entry a bit below these important psychological numbers.

(ii) Trend lines are as important as the five moving average given by Phillip. We can incorporate in the template the five MAs given to us, but we have to draw manually the trend lines and, as Phillip said, **DRAW THEM THICK!** In IBFX, there is an indicator "IBFX-GPS" written by Parerick that draws trendlines and a few other patterns automatically. Go to Interbankfx.com and search for the indicator IBFX-GPS and install it into your indicator folder. It is a bit confusing, but worth it if you are using IBFX platform.

DireXiv

02-06-07 10:41pm

I had basically that setup, but changed because of a couple things I did wrong with my trading platform, and just plain messed up. Nothing to do about it now but look for another one like that.

If I would have stayed with original setup I would have been sitting nicely.

Quote:

Originally Posted by **Phillip Nel** (Post 208989)

Where were your entry and stops on the Gbp. Entry was on 1.9600 after confirmation of a turnaround at 0.000 Gmt and stoploss at 1.9555 with first profit target 1.9675. Our power were off otherwise that would have been the deal. Hope someone took it. It did not start as a double bottom but 0.0000 Gmt after the close of that candle showed the up move. There was a nice morning star that formed at the bottom.

pipette4x

02-07-07 12:35am

gbp/usd setting up

Phil

Thanks for sharing your method. i came across the forex factory forum 2 days ago and just started reading this forum yesterday. it's alot to absorb but i think i'm getting the hang of it.

I have a quick question. Is the gbp setting up for a short after this candle closes. It's not a rounded top, but the MACD came up, peaked, and is now in the process of having a lower high. i'm using InterbankFx charts. so if this is correct, assuming i have a good RRR, i would enter on the open of the next candle.

Thanks again for sharing this method

K

fjfx

02-07-07 2:12am

Quote:

Originally Posted by **Phillip Nel** (Post 208981)

Remember I said first profit. It does not mean that when the price is moving up that you have to take partial profits at the first target. When it went passed the first one the 89SMA was the next target. I sold 0.5 lots at 1.2960 and the rest is breakeven + 10. We have a touch of the 21EMA as well. Next up target 1.2980-1.3000 at 365EMA to 1.3000 pricelevel.

Sorry I did not answer all your questions.

Stoploss was below trendline support.

Risk:reward was calculated to what I expect this trade will go and not my first partial profit as that target was not the dominant one. Price levels, 89SMA and 200SMA are the big ones.

Thanks for always being so helpful! Good trading to you!

Chandra

02-07-07 2:39am

Quote:

Originally Posted by **Phillip Nel** (Post 201066)

Ellisras in Limpopo

Where is Ellisras in Limpopo, anybody knows (except Phillip)? 😊😊

-Chandra

Phillip Nel

02-07-07 3:18am

Gbp

Quote:

Originally Posted by **pipette4x** (Post 209516)

Phil

Thanks for sharing your method. i came across the forex factory forum 2 days ago and just started reading this forum yesterday. it's alot to absorb but i think i'm getting the hang of it.

I have a quick question. Is the gbp setting up for a short after this candle closes. It's not a rounded top, but the MACD came up, peaked, and is now in the process of having a lower high. i'm using InterbankFx charts. so if this is correct, assuming i have a good RRR, i would enter on the open of the next candle.

Thanks again for sharing this method

K

The setup starts to look promising. We are however just above the 89SMA which can turn out to be support. I will rather wait for the continuation pattern for a long to occur or another down candle will confirm the downmove. There are plenty of chances. Be patience.

colbru

02-07-07 5:47am

Timeframe?

Let me ask if this has been tried on different Timeframes?
Why not using it on 1H or Daily charts?

Best Regards

fxnewbie 71

02-07-07 5:59am

worst drawdown?

Hi phil, thanks for sharing your system! can i also check with u whats the worst drawdown with this

system(in pips) and do u have a filter for the drawdown? thanks!:D

pipco

02-07-07 8:15am

Quote:

Originally Posted by **Chandra** (Post 209615)

Where is Ellsras in Limpopo, anybody knows (except Phillip)? 😊😊

-Chandra

It's in South Africa and it gets very hot !

endy

02-07-07 8:50am

broker

Hi Philip,
could you tell us who is your broker please ? (for sake of data origin).
Endy

NKE

02-07-07 9:23am

Exercise commentaries

Philip

Just finished reading your commentaries. (post 143)
Very impressed at how thoroughly you examine each trade and look carefully at the risk reward before placing trade
Your use of the MAs and trendlines would make this tricky to program to back test, but manual testing does not take too long
I tested your strategy on GBP USD for 3 months Oct to Dec 05 and it was certainly profitable
I guess my only comment is that I don't see how you maximise profit where there is a trend; do you use a trailing stop once price has broken out from trend lines/MAs?

tamkras

02-07-07 11:49am

shorting now?

looks like EU & GU are at the strong resistance and round top is almost completed. EU had a reversal candle from price level 1.3.

DireXiv

02-07-07 12:35pm

1 Attachment(s)

Phillip,

Take a look at the EUR/YEN from last evening, just a few candle ago. Am I right or was that a perfect retracement and continuation? I got in, and pulled a few pips out before going to bed and closing the trade (still not that comfortable), but it ended up racing up afterwards.

I have never been able to recognize and work with a retracement that well, but that worked great.

pipette4x

02-07-07 12:53pm

Quote:

Originally Posted by **tamkras** (Post 210064)

looks like EU & GU are at the strong resistance and round top is almost completed. EU had a reversal candle from price level 1.3.

Whats GU?

anthony500

02-07-07 1:08pm

Quote:

Originally Posted by **pipette4x** (Post 210128)

Whats GU?

cable

DireXiv

02-07-07 1:11pm

GBP/USD showing the making of a head and shoulders? Thoughts on direction and how far?

comeinvest

02-07-07 1:12pm

Any trades for now? :)

comeinvest

02-07-07 1:15pm

Round top forming on GBP/USD?? going short??:)

mandoadam

02-07-07 1:20pm

I think it's gonna be good **Short** trade from here on cable
1st target for me 1.9610
waiting for some ones till me am I rong or what?

any comments from you will help

Benf

02-07-07 1:59pm

EUR/USD uptrend continuation

Yesterday I've closed the trade with +52 pips profit but now I'm thinking it's an uptrend continuation pattern forms in H4 MACD. The time to go long again?

DireXiv

02-07-07 2:09pm

25 pips between ma's, still above first ma to hit (not bad, but close to no trade by my rules now), and the current candle has an upward tail. The MACD looks like maybe a round (looks a little bit rough on my chart?), and it seems to be hitting a lot of resistance right now. No big news coming out to affect it. I would look to go short, but definitely wait for the candle to close for confirmation (only 1 hour to go), and maybe check the 45 minute chart for confirmation too.

Those are my thoughts...anyone else.

Update - don't forget about retracement.....

Quote:

Originally Posted by **mandoaddam** (Post 210162)
*I think it's gona be good **Short** trade from here on cable
1st target for me 1.9610
waiting for some ons till me am I rong or what?*

any comments from you will help

Sunseeker

02-07-07 2:14pm

Quote:

Originally Posted by **mandoaddam** (Post 210162)
*I think it's gona be good **Short** trade from here on cable
1st target for me 1.9610
waiting for some ons till me am I rong or what?*

any comments from you will help

Yep i think a short is on ,i think though this 4hr bar has to lock in ,then its a true signal , maybe Phillip can confrim this .

Sunseeker

Ebenst

02-07-07 2:31pm

Hi

1 Attachment(s)

What a nice system. Suits my trading style perfectly. Would the be possible short on G/U ?.Round top at strong resistance. Can anybody comment please? Hope the picture uploaded lol

pipette4x

02-07-07 2:37pm

Quote:

Originally Posted by **DireXiv** (Post 210218)

25 pips between ma's, still above first ma to hit (not bad, but close to no trade by my rules now), and the current candle has an upward tail. The MACD looks like maybe a round (looks a little bit rough on my chart?), and it seems to be hitting a lot of resistance right now. No big news coming out to affect it. I would look to go short, but definitely wait for the candle to close for confirmation (only 1 hour to go), and maybe check the 45 minute chart for confirmation too.

Those are my thoughts...anyone else.

Update - don't forget about retracement.....

I agree about going short. My only concern is that we're sitting on the 89 SMA which has been acting as support also. I would want to see a close below this on a smaller timeframe to confirm short. A close below the 60 trendline would do this for me. I have a price projection around 1.9630 based on my 60 trendlines. the 200 sma is about 1.9610

tamkras

02-07-07 2:53pm

going short

I am short with cable from 1.9696 - 1hr pin looks good to me. Target @ 1.9615. Stop @ 1.9725.

broc0501

02-07-07 3:30pm

Just started looking at this method. Just wondering right now. How do you apply the moving averages: apply to close, open, high, low, median price, etc. Thank you.

irusoh

02-07-07 3:31pm

1 Attachment(s)

I noticed that often times a small round top (like about halfway below 15 level) results in continuation rather than reversal. Would you comment on that, please, Phillip.

Phillip Nel

02-07-07 3:32pm

4 Hour Strategy

Quote:

Originally Posted by **Benf** (Post 210205)

Yesterday I've closed the trade with +52 pips profit but now I'm thinking it's an uptrend continuation pattern forms in H4 MACD. The time to go long again?

I am a bit late today. Had to do something. Good evaluation. Did not make a nice valley but the continuation pattern could be taken on. I like the valley to be a bit deeper but it worked out well. Target 200SMA.

Phillip Nel

02-07-07 3:34pm

Quote:

Originally Posted by **DireXiv** (Post 210218)

25 pips between ma's, still above first ma to hit (not bad, but close to no trade by my rules now), and the current candle has an upward tail. The MACD looks like maybe a round (looks a little bit rough on my chart?), and it seems to be hitting a lot of resistance right now. No big news coming out to affect it. I would look to go short, but definitely wait for the candle to close for confirmation (only 1 hour to go), and maybe check the 45 minute chart for confirmation too.

Those are my thoughts...anyone else.

Update - don't forget about retracement.....

Just watch the 89SMA

Phillip Nel

02-07-07 3:36pm

4 Hour Strategy

Quote:

Originally Posted by **Ebenst** (Post 210233)

What a nice system. Suits my trading style perfectly. Would the be possible short on G/U ?. Round top at strong resistance. Can anybody comment please? Hope the picture uploaded lol

You can if you can enter to squeeze some pips to the 89SMA and your risk reward is OK

Phillip Nel

02-07-07 3:39pm

4 Hour Strategy

Quote:

Originally Posted by **pipette4x** (Post 210240)

I agree about going short. My only concern is that we're sitting on the 89 SMA which has been acting as support also. I would want to see a close below this on a smaller timeframe to confirm short. A close below the 60 trendline would do this for me. I have a price projection around 1.9630 based on my 60 trendlines. the 200 sma is about 1.9610

Very well done. You have just plan your trade and that is what it is all about. If it goes wrong you will know exactly where to get out and if it goes well you know where to take your profits.

Phillip Nel

02-07-07 3:40pm

4 Hour Strategy

Quote:

Originally Posted by **broc0501** (Post 210280)

Just started looking at this method. Just wondering right now. How do you apply the moving averages: apply to close, open, high, low, median price, etc. Thank you.

To the close

Phillip Nel

02-07-07 3:44pm

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 210281)

I noticed that often times a small round top (like about halfway below 15 level) results in continuation rather than reversal. Would you comment on that, please, Phillip.

You are absolutely right. That is why I said this morning that with support of 89SMA on the Gbp and also on the Eur we must wait for a possible trend continuation. The down move must be confirmed even if it takes another candle. The move is up between two trendlines therefore a continuation pattern was on the cards.

This the actual posting this morning for the Gbp. The same apply to any pair.

The setup starts to look promising. We are however just above the 89SMA which can turn out to be support. I will rather wait for the continuation pattern for a long to occur or another down candle will confirm the downmove. There are plenty of chances. Be patience.

Phillip Nel

02-07-07 3:50pm

4 Hour Strategy

Quote:

Originally Posted by **fxnewbie 71** (Post 209762)

Hi phil, thanks for sharing your system! can i also check with u whats the worst drawdown with this system(in pips) and do u have a filter for the drawdown? thanks! :D

Over three months only two wrong trades in a row 90 pips max. 45 Pips per trade. Only take the good signals is my filter. Never take a trade if the 89SMA or 200SMA are nearby and my risk reward is less than 1:0.9. If the risk is more than the pips towards those MA's I skip. That is part of my filter.

Phillip Nel

02-07-07 3:58pm

4 Hour Strategy

1 Attachment(s)

Here are the last part of this 4Hour Strategy. Might get some reaction but that is how I see it. Hope it will be received positive. If you can manage the two parts together you will win.

Chandra

02-07-07 5:19pm

Quote:

Originally Posted by **DireXiv** (Post 210156)

GBP/USD showing the making of a head and shoulders? Thoughts on direction and how far?

18:12GMT.

I rather seeing a round top than head & shoulder for GBP/USD. Can plan for a short with a sell stop order below 89 MA and the 200 MA could be the target.

Please comment, all of you, including Phillip.

Thanks.

-Chandra.

PS: If we type in/enter the time of our posting (in GMT), then it helps others to go and see the chart. Just an opinion,

Chandra

02-07-07 5:23pm

10:22 GMT

Hi Phillip,

Is there any trade when MACD crosses zero line as it is done in EUR/USD a couple of bars back? Just plain crossing, nothing else. It is very tempting to take a position when this happens.

-Chandra

Phillip Nel

02-07-07 5:33pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **Chandra** (Post 210381)

10:22 GMT

Hi Phillip,

Is there any trade when MACD crosses zero line as it is done in EUR/USD a couple of bars back? Just plain crossing, nothing else. It is very tempting to take a position when this happens.

-Chandra

Yes you can if R:R is OK. Normally you would be in a trade when that happens. If not just enter at the 8EMA more or less.

Your previous post I think he ment the priceaction

pipette4x

02-07-07 5:39pm

Quote:

Originally Posted by **Phillip Nel** (Post 210298)

You are absolutely right. That is why I said this morning that with support of 89SMA on the Gbp and also on the Eur we must wait for a possible trend continuation. The down move must be confirmed even if it takes another candle. The move is up between two trendlines therefore a continuation pattern was on the cards.

This the actual posting this morning for the Gbp. The same apply to any pair.

The setup starts to look promising. We are however just above the 89SMA which can turn out to be support. I will rather wait for the continuation pattern for a long to occur or another down candle will confirm the downmove. There are plenty of chances. Be patience.

That's why it's important to trade what you see, not what you think

pipette4x

02-07-07 5:45pm

what pairs are you applying this method to

hi everyone

I'm wondering what pairs people are applying this method to. i'm at my folks right now so i just have my laptop to work off of but i look forward to having multiple charts up when i return. are any of you looking at pairs other than the pound and euro and have had success with it?

This has been fun for us to discuss these as a group and share ideas and opinions. that's how we'll all grow to be independent traders is by sharing what we see and getting feedback from each other. I am on EST and don't get up for the london open so i'll miss those entries unfortunately for me.

Phillip Nel

02-07-07 6:03pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 210376)

18:12GMT.

I rather seeing a round top than head & shoulder for GBP/USD. Can plan for a short with a sell stop order below 89 MA and the 200 MA could be the target.

Please comment, all of you, including Phillip.

Thanks.

-Chandra.

PS: If we type in/enter the time of our posting (in GMT), then it helps others to go and see the chart. Just an opinion,

Will wait for a candle to close below 89SMA. If there is room to the 200SMA I will enter.

Chandra

02-07-07 6:07pm

Quote:

Originally Posted by **irusoh** (Post 210281)

I noticed that often times a small round top (like about halfway below 15 level) results in continuation rather than reversal. Would you comment on that, please, Phillip.

Very interesting point! Can we generalize this observation by saying " any valid signals in the area of 0.0015 (+0.0015 to -0.0015) should be treated as less reliable? Phillip once said to watch out the signals near the zero line.

-Thanks.

-Chandra

Phillip Nel

02-07-07 6:19pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 210420)

Very interesting point! Can we generalize this observation by saying " any valid signals in the area of 0.0015 (+0.0015 to -0.0015) should be treated as less reliable? Phillip once said to watch out the signals near the zero line.

-Thanks.

-Chandra

As it is said. Look at the candles to see any direction. Near the zero for some bars mean consolidation even if it is over a short period so wait for confirmation either continuation or break through zero.

pipette4x

02-07-07 6:21pm

Quote:

Originally Posted by **Phillip Nel** (Post 210312)

Here are the last part of this 4Hour Strategy. Might get some reaction but that is how I see it. Hope it will be received positive. If you can manage the two parts together you will win.

Hi Phillip

Nice completion to your strategy. If i understand correctly, you're suggesting that we don't blindly follow just the MACD, that we use our other knowledge of the market such as location of MAs, candle patterns, sup/res etc to finalize our decision to enter a trade, oh and good money management.

This past summer i took all indicators off my charts because i was so buried in those that i wasn't looking at the most important thing, price itself.

Well put!

supaq

02-07-07 6:28pm

usdchf

1 Attachment(s)

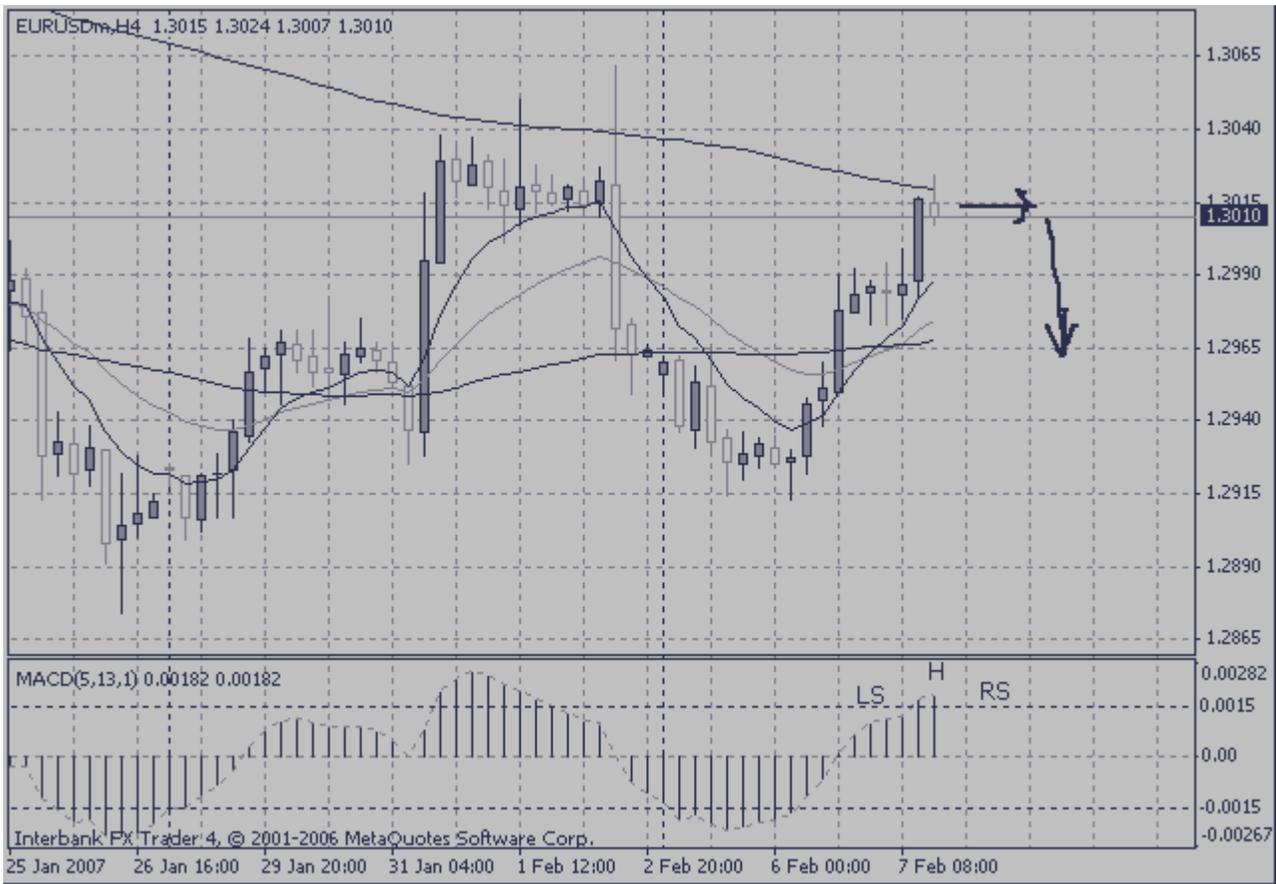
Phillip really great work you have done with this MACD trading system. Just wanted to get some feed back on the usdchf looks like a round bottom if this bull candle closed high "Morning star"

Benf

02-07-07 6:40pm

EUR/USD. The reversal coming?

Just closed my long with +20 pips profit because I think the pair reached a strong resistance level and H4 MACD is forming a head-n-shoulders pattern. The left shoulder and half of head is clearly visible, will wait for the rest. I suppose, the Trichet's speech tomorrow at 8:30 EST may stimulate the reversal.



Ebenst

02-07-07 6:40pm

Usd/chf

1 Attachment(s)

Hi Phillip

When looking at the usd/chf pair we see that price is bouncing from support with macd forming a round bottom. There is also enough space for the first tp. Would this be the setup you would be looking for?

Ebenst

02-07-07 6:42pm

sorry

Sorry supaq

Didn't see your question lol

Chandra

02-07-07 6:47pm

Quote:

Originally Posted by **Phillip Nel** (Post 210298)

You are absolutely right. That is why I said this morning that with support of 89SMA on the Gbp and also on the Eur we must wait for a possible trend continuation. The down move must be confirmed even if it takes another candle. The move is up between two trendlines therefore a continuation pattern was on the cards.

This the actual posting this morning for the Gbp. The same apply to any pair.

The setup starts to look promising. We are however just above the 89SMA which can turn out to be support. I will rather wait for the continuation pattern for a long to occur or another down candle will confirm the downmove. There are plenty of chances. Be patience.

Phillip,

Glad you emphasized so strongly the importance of MAs particularly the 89MA and 200 MA. I see it clearly now!

Thank you.

-Chandra.

DireXiv

02-07-07 6:50pm

Usd/chf

7:49 GMT

If it matters I got in this trade a bit early after the 1st upward candle (I tend to do that by "accident"). With my stop around the 365 EMA, I was able to stay in and not get stopped out. Finally it looks like it may start and complete the round top for a few pips. We'll see.

Quote:

Originally Posted by **Ebenst** (Post 210445)

Hi Phillip

When looking at the usd/chf pair we see that price is bouncing from support with macd forming a round bottom. There is also enough space for the first tp. Would this be the setup you would be looking for?

Ebenst

02-07-07 6:55pm

usd/chf

I also got in earlier but put my stop to tight. it was at previous low and i am looking to get back in again

DireXiv

02-07-07 7:17pm

Eur/yen

8:14 GMT

Thoughts on EUR/YEN. It looks to be topping out at a strong TL, and the 89EMA, with a tall tail/shadow up, round forming at approximately the .3 MACD level. But are the other ma's too close to get in at this point? Assuming this new candle ending in 4 hours closes correctly.

I know the 89 EMA is a big factor, but since it looks like it will be trending away from the 89 EMA that is a good signal right? If it was trending towards a closely related 89 EMA, that is a poor signal correct?

RSI is maxed out too FYI

endy

02-07-07 7:22pm

yen pairs

Check out all three yen pairs, that is: eyen, \$yen, gbpyen, they all seem to be on upper trendline resistance. let's see what happens.

DireXiv

02-07-07 7:28pm

I noticed it on the USD/YEN, but the 8 and 21 ema's are too close to get in (I believe Phillip mentioned that on a previous post?) Please correct me if I'm wrong... or I'll keep using that as a guideline :)

Quote:

Originally Posted by **endy** (Post 210498)

Check out all three yen pairs, that is: eyen, \$yen, gbpyen, they all seem to be on upper trendline resistance. let's see what happens.

endy

02-07-07 7:33pm

Quote:

Originally Posted by **DireXiv** (Post 210503)

I noticed it on the USD/YEN, but the 8 and 21 ema's are too close to get in (I believe Phillip mentioned that on a previous post?) Please correct me if I'm wrong... or I'll keep using that as a guideline :)

The situation slightly reminds 20/22 october (see your charts). So we will have to wait for the confirmation I guess.

Endy

mandoaddam

02-07-07 8:15pm

Quote:

Originally Posted by **DireXiv** (Post 210483)

8:14 GMT

Thoughts on EUR/YEN. It looks to be topping out at a strong TL, and the 89EMA, with a tall tail/shadow up, round forming at approximately teh .3 MACD level. But are the other ma's too close to get in at this point? Assuming this new candle ending in 4 hours closes correctly.

I know the 89 EMA is a big factor, but since it looks like it will be trending away from the 89 EMA that is a good signal right? If it was trending towards a closely related 89 EMA, that is a poor signal correct?

RSI is maxed out too FYI

I have a sell limet order on eur/jpy @157.35 >>> good point to get down from

Tw0eleven

02-07-07 10:00pm

Quote:

Originally Posted by **pipette4x** (Post 210408)

hi everyone

I'm wondering what pairs people are applying this method to. i'm at my folks right now so i just have my laptop to work off of but i look forward to having multiple charts up when i return. are any of you looking at pairs other than the pound and euro and have had success with it?

This has been fun for us to discuss these as a group and share ideas and opinions. that's how we'll all grow to be independent traders is by sharing what we see and getting feedback from each other. I am on EST and don't get up for the london open so i'll miss those entries unfortunately for me.

Hi Pipette4x,

I live in the Central time zone and also find it hard to trade the London session. I have tried this system on the USD/JPY pair and just this week I have taken 7 trades(some in my demo account and some live) and all 7 were winners. Also, most of these trades were taking in the evening around the beginning of the Asian session. One thing I have done is only set my pip goal around 20-25pips because there isn't usually a lot of action during this time like there is during the London or US sessions. Hope that helps!

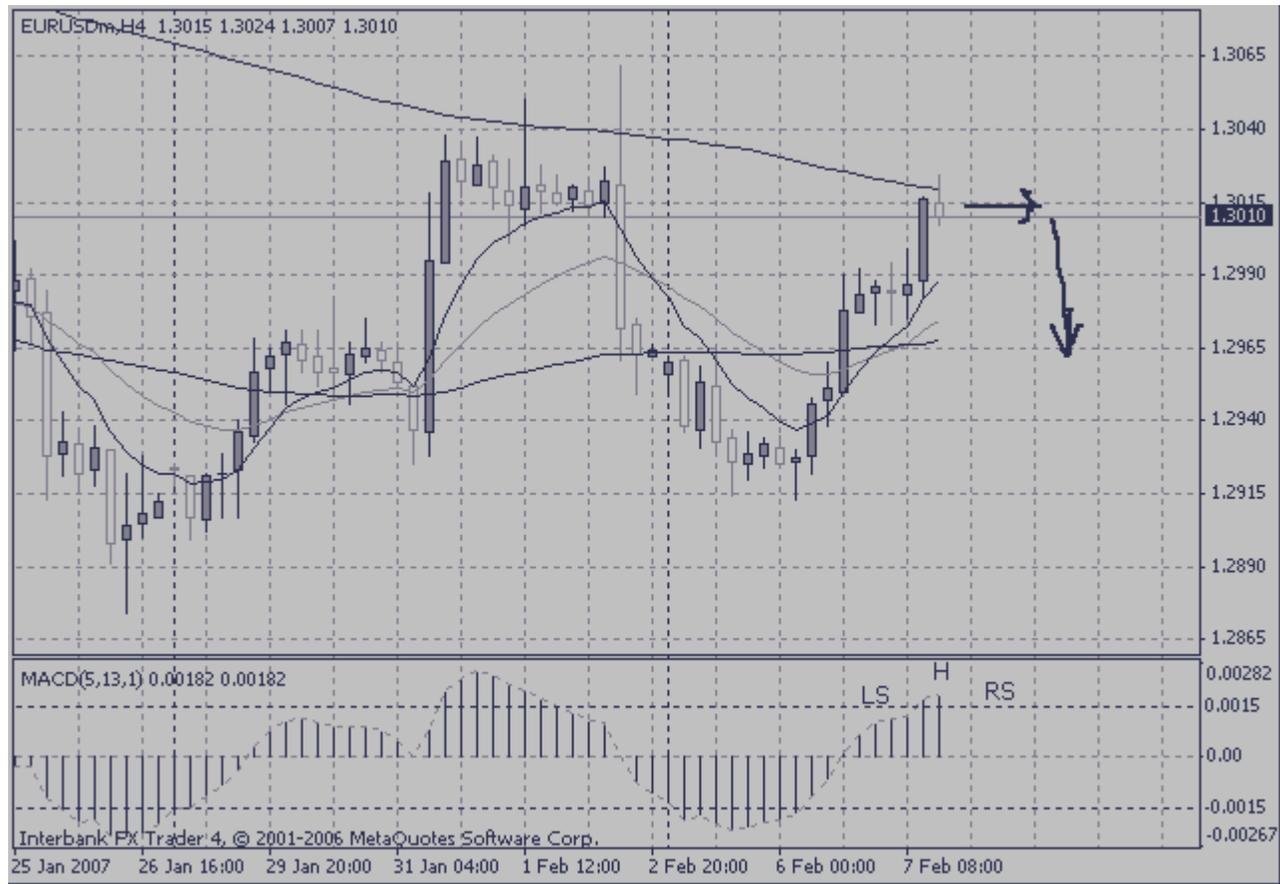
Chandra

02-07-07 11:23pm

Quote:

Originally Posted by **Benf** (Post 210444)

Just closed my long with +20 pips profit because I think the pair reached a strong resistance level and H4 MACD is forming a head-n-shoulders pattern. The left shoulder and half of head is clearly visible, will wait for the rest. I suppose, the Trichet's speech tomorrow at 8:30 EST may stimulate the reversal.



Ben, There is another wof looking at it. Notice MACD has completed "Trend Continius" (when GMT 0:00 bar completed). This is a more completed signal than the Head & Shoulsder you are taklking about. Of course, H&S may form down the line, but currently it is much closer to "Trend continius"
-Chandra

Ebenst

02-08-07 6:28am

eur/usd

1 Attachment(s)

Hi there

Looks like the eur is forming a round top at trendline as well as 200 SMA.I will be looking to short this. Any comments would be appreciated

Eben

turk87

02-08-07 7:07am

I hope Ya'll took the CHF trade. Currently up 50 pips :--)

EUR looks okay to short... but i'm a little suspicious of it...

ranlee

02-08-07 7:14am

Heikin Ashi Candle Stick ..

i love this system and currently i'm using Heikin Ashi Candlestick ...
check it out guys ...
it looks really nice on 4 hour chart ...

loved the system Phill

DireXiv

02-08-07 7:28am

8:30 gmt

I took 34 pips out of it.... but had to wait long enough :) the eur/yen just left a large upward tail/shadow and is forming head and shoulders? lots of room for profit..... take a look

Quote:

Originally Posted by **turk87** (Post 211017)

I hope Ya'll took the CHF trade. Currently up 50 pips :--)

EUR looks okay to short... but i'm a little suspicious of it....

Chandra

02-08-07 11:46am

Trend Lines

Phillip,

After learning the importance of 'Tails' A doubt has come to me about trend lines(I am a Master of doubts. Pl. bear with me and my questions).

When you draw trend lines, is it wise to take Tails also into consideration or is it better if we ignore

Talis and draw the trend line to the 'Body' of the candles ONLY. Thanks.

-Chandra

Chandra

02-08-07 12:01pm

"Tails, Tails, Tails...."

Hi Phillip,

Here is a "Tails' event I am following.

GMT 12:55.

GBP/USD has already crossed down 200 EMA and sitting on its trendline.

MACD just crossed to negative side. I see two alternatives to go short:

- (i) Go short once the trendline is broken to downside or
- (ii) Wait for the trend line is broken to downside by a "Tail" and the price pulls back to trend line and then, only then, enter short.

Your comment please.

Thanks.

-Chandra

(GMT 12:55).

DireXiv

02-08-07 12:03pm

89 SMA and 200 SMA?

1 Attachment(s)

13:00 GMT

Hi Philip,

I think I'm getting a pretty good handle on your system and would like to continue filtering until I only have the best trades. By the chart attached GBP/USD, you mentioned yesterday that it was close to the SMA and you wouldn't normally trade (ignore the fact that it followed the trend we had "hoped" for, not to mention interest rate news came out).

So, am I to understand that in this particular case (I've seen it several times), Your risk vs profit ratio was very low since the 200 EMA was very close and that's what you would have used to determine your ratio? Or was it more of that since the 200 EMA was just below the trading point, it had a good chance of bouncing up (was resistance, now support) as shown? Or is it a combination of both factors?

Thanks in advance, this system is working very well for me..... and I really appreciate all the time you put into answers everyones questions.

pipmy4x

02-08-07 12:04pm

Does anybody see a head and shoulder on us jp?

mandoaddam

02-08-07 12:10pm

Quote:

Originally Posted by **pipmy4x** (Post 211369)
Does anybody see a head and shoulder on us jp?

I can see one sholder and a head :D

kietaibl

02-08-07 12:57pm

Unbelievable

Quote:

Originally Posted by **mandoaddam** (Post 211379)
I can see one sholder and a head :D

This sytem is unbelievable.

Thank you Phillip.

Since last night, about 10pm Pacific time (Vancouver time) I made 125 pips.

EUR/US 27 pips

GBP/US 51 pips

CHF/US 20 pips

US/JPY 27 pips

Started trading Phillips system Feb. 1st, no losses.

Josef

Phillip Nel

02-08-07 2:11pm

4 Hour Strategy

1 Attachment(s)

I could not be involved in any trading today. EurUsd I would have passed. Not smooth setup but the Gbp gave a sitter. Trendline test 4 times, 2 little tails and MACD confirm(lower high) with first prof target 89SMA(+25 pips) and 200SMA (+90 pips).

There was enough pips to breakeven or even made some down to the 89SMA when MACD gave signal. The worst for me would have been breakeven. So you could take the odds on for a downmove.

As you can see. Wait for it. No need to rush it. There is plenty good trades.

Phillip Nel

02-08-07 2:17pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 211348)
Phillip,

After learning the importance of 'Tails' A doubt has come to me about trend lines(I am a Master of doubts. Pl. bear with me and my questions).

When you draw trend lines, is it wise to take Tails also into consideration or is it better if we ignore Talis and draw the trend line to the 'Body' of the candles ONLY. Thanks.
-Chandra

I like to draw it to both. Just for me to know if they do it what can I expect.

Phillip Nel

02-08-07 2:28pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 211367)
13:00 GMT

Hi Philip,

I think I'm getting a pretty good handle on your system and would like to continue filtering until I only have the best trades. By the chart attached GBP/USD, you mentioned yesterday that it was close to the SMA and you wouldn't normally trade (ignore the fact that it followed

the trend we had "hoped" for, not to mention interest rate news came out).

So, am I to understand that in this particular case (I've seen it several times), Your risk vs profit ratio was very low since the 200 EMA was very close and that's what you would have used to determine your ratio? Or was it more of that since the 200 EMA was just below the trading point, it had a good chance of bouncing up (was resistance, now support) as shown? Or is it a combination of both factors?

Thanks in advance, this system is working very well for me..... and I really appreciate all the time you put into answers everyones questions.

The tails that formed against the trendline and the MACD lower high suggested a downmove. There was about 25-30 pips to the 89SMA which could act as support. The risk reward ratio was 1:1 to the 89SMA so to take the odds on and set stoploss to breakeven the moment 20-25 pips gain was achieved you could sit back and give your position the chance to go below the 89SMA and take the ride or being stopped out at breakeven and then wait for the trend continuation signal of the MACD and the go long above the trendline. Both ways you would have been on the winning side.

Phillip Nel

02-08-07 2:37pm

UsdChf

1 Attachment(s)

If you like the hydrinaline to pump you could take these tails on when they occur at support and resistance. Just be aware of the MA's.

See chart. Stoploss just a few pips above 89SMA. Quick 20 pips

tamkras

02-08-07 2:37pm

learning curve

Hi Phillip,

I missed your last lesson on tsunami and, probably, made some mistakes in the last EU swing from high to low. I just want to share my notes hopefully they can be useful to others viewing the thread:

- 1). Last night as price reversed from new high (1.3025) my impression was it bounced from 200SMA and I shorted the pair at 1.3008. My stop was placed at 1.3028, just 3 pips above the recent high. Target price was 1.2971. R:R ratio looked o.k. to me.
- 2). It turned out euro made a temporary pullback before the Asian session and started gaining again.
- 3). I wished I read your notes on tsunami as this is what I was hit with, or, rather, the last wave. Just 1

pip mattered! How many times do we find ourselves with such vexing situation? Alas, too late!
4). Since I found my mistake, realized that it is NOW the time to short and ride the wave, I found myself facing another dilemma - price is below 200SMA but still above major price level 1.300. What should I do? Should I wait for the breach of this level?
5). I placed a sell-stop order with my broker at 1.2993 only to see a small gain in the long run.

I atone. But can you confirm what plays a major role if you would have faced similar dilemma - 200SMA or price level? From where to start?

Thanks, Phillip, and hope these mistakes could help me and others improve trading style.

Phillip Nel

02-08-07 2:50pm

4 Hour Strategy

Quote:

Originally Posted by **tamkras** (Post 211592)
Hi Phillip,

I missed your last lesson on tsunami and, probably, made some mistakes in the last EU swing from high to low. I just want to share my notes hopefully they can be useful to others viewing the thread:

1). Last night as price reversed from new high (1.3025) my impression was it bounced from 200SMA and I shorted the pair at 1.3008. My stop was placed at 1.3028, just 3 pips above the recent high. Target price was 1.2971. R:R ratio looked o.k. to me.

2). It turned out euro made a temporary pullback before the Asian session and started gaining again.

3). I wished I read your notes on tsunami as this is what I was hit with, or, rather, the last wave. Just 1 pip mattered! How many times do we find ourselves with such vexing situation? Alas, too late!

4). Since I found my mistake, realized that it is NOW the time to short and ride the wave, I found myself facing another dilemma - price is below 200SMA but still above major price level 1.300. What should I do? Should I wait for the breach of this level?

5). I placed a sell-stop order with my broker at 1.2993 only to see a small gain in the long run.

I atone. But can you confirm what plays a major role if you would have faced similar dilemma - 200SMA or price level? From where to start?

Thanks, Phillip, and hope these mistakes could help me and others improve trading style.

You should wait for the close of that specific 4 hour candle and then calculate your situation again. Never get in on motion alone. I tend to get in the moment I see the price starts to move and might miss an opportunity till I discover to wait till the end of a candle and then look at the situation. You can already see 5 minutes before the close whether it will be worth it.

The 1.3000 was in the way so I would have passed it. Too many barriers in the way.

Phillip Nel

02-08-07 2:53pm

Tsunami

The tsunami. Did it make sense what I said. Like to know.

fxnewbie 71

02-08-07 3:08pm

hi phil, can i check with u abt the success rate for this system and how long have u been using it? is it possible to use it on shorter time frame? thanks:D

Phillip Nel

02-08-07 3:22pm

4 Hour Strategy

Quote:

Originally Posted by **fxnewbie 71** (Post 211640)

hi phil, can i check with u abt the success rate for this system and how long have u been using it? is it possible to use it on shorter time frame? thanks:D

You can look at the charts in the document and do some backtesting and see what the success rate will be for you. I have been papertrading for two years and studying the EurUsd pricemovement and read everything I could lay my hands on so for me I have about one wrong for every ten. It is not always the system but also the experience. I did spend at least 3 hours per day on learning as much of forex for the past 2 years. There is very little indicators I did not try. If you keep it simple and know when to hold them and when to sell them you will be OK.

You must have a plan and you must trade that plan

fxnewbie 71

02-08-07 3:27pm

[quote=Phillip Nel;211660]You can look at the charts in the document and do some backtesting and

see what the success rate will be for you. I have been papertrading for two years and studying the EurUsd pricemovement and read everything I could lay my hands on so for me I have about one wrong for every ten. It is not allways the system but also the experience. I did spend at least 3 hours per day on learning as much of forex for the past 2 years. There is very little indicators I did not tried. If you keep it simple and know when to hold them and when to sold them you will bo OK.

You must have a plan and you must trade that plan[/quote]

Wow! u r good phil! u r almost 90% right! can u say that u have found the holy grail? have u try this system on other pairs? like Gbp/Jpy? if so,whats the settings for macd? thanks!:D

Phillip Nel

02-08-07 3:40pm

4 Hour Strategy

[quote=fxnewbie 71;211669]

Quote:

Originally Posted by **Phillip Nel** (Post 211660)

You can look at the charts in the document and do some backtesting and see what the success rate will be for you. I have been papertrading for two years and studying the EurUsd pricemovement and read everything I could lay my hands on so for me I have about one wrong for every ten. It is not allways the system but also the experience. I did spend at least 3 hours per day on learning as much of forex for the past 2 years. There is very little indicators I did not tried. If you keep it simple and know when to hold them and when to sold them you will bo OK.

You must have a plan and you must trade that plan[/quote]

Wow! u r good phil! u r almost 90% right! can u say that u have found the holy grail? have u try this system on other pairs? like Gbp/Jpy? if so,whats the settings for macd? thanks!:D

Setting for MACD the same.

Out of the nine right deals not all gave positive pips as I set my stoploss to breakeven to give the position a chance to mature and then I would say about 2-3 endup breakeven. The rest give 40-80 pips.

Sunseeker

02-08-07 3:43pm

The tsunami.

Quote:

Originally Posted by **Phillip Nel** (Post 211612)
The tsunami. Did it make sense what I said. Like to know.

Phillip ,

Yes it made sense and it also painted a good visual in my "mind eye"
Ive found you lessons informative and directive .
Many thanks

Sunseeker

endy

02-08-07 3:46pm

Tsunami

Quote:

Originally Posted by **Phillip Nel** (Post 211612)
The tsunami. Did it make sense what I said. Like to know.

Great post regarding tsunami!

One needs to keep his horizon broad and from time to time just sit quietly, not look in charts, but rather stare into space and think about things from different angle and perspective. Not everyone is able to do that, I think. Reading your pdf made me wonder a lot.

You have my big gratitude, hats off.

Endy

fxnewbie 71

02-08-07 3:46pm

[quote=Phillip Nel;211696]

Quote:

Originally Posted by **fxnewbie 71** (Post 211669)

Setting for MACD the same.

Out of the nine right deals not all gave positive pips as I set my stoploss to breakeven to give the position a chance to mature and then I would say about 2-3 endup breakeven. The rest

give 40-80 pips.

phil,correct me if i am wrong,i have tried your setting on Gbp/Jpy(4hr chart) but it seem to be v.hard to see,let alone to read whats on it,what should i do now? pardon me for my amateur's question,thanks!

Phillip Nel

02-08-07 3:50pm

4 Hour Strategy

1 Attachment(s)

The Eur are sitting on trendline resistance. The MACD signal was not worth it as the R:R was BAD. Wait either for a lower high or if it break out above trendline wait for trend continuation.

Watch for the tail. Never take a breakout. Wait for the pullback and the MACD to confirm continuation of trend.

DireXiv

02-08-07 3:53pm

Usd/cad

Would like opinions on what we're seeing in the USD/CAD. I don't normally trade it, and it's very tight within two long TL's, but currently 35 pips from 89 SMA on a short, and even further to the 200 SMA. 2 small upward tails/shadows with one touching the TL. Possible round forming, but it's very low on the MACD (below 15).

It has to break out of the TL's soon, but which direction? Toward the SMA's I would imagine.....

Thoughts?

irusoh

02-08-07 4:17pm

re: tsunami

1 Attachment(s)

Tsunami makes a lot of sense, though hard to put in practice without much experience.

Took a long position in USDCHF last night based on MACD sloping up and lots of tails pointing down (looks like everybody is running up from the tsunami).

Though couldn't stay in long enough (well that's always been my problem; too quick to release :), but what a WAVE.

comeinvest

02-08-07 4:29pm

Gbp/usd

Will the rally go further down to 365MA?? The support trend line have been breached, so will it go further down?? :)

DireXiv

02-08-07 4:36pm

eur/usd

7:35 GMT (edit, myfault I thought you mentioned the EUr/USD.... In the GBP/USD my trend line (goes back months) is giving it support, I was expecting it to come back up.)

I would just like to comment that one of the guys I trade with showed me a potential long trend line that has been hit twice higher up... zoom out and take a look. It will probably come down in the short term, but keep that in mind.....

zoom out and get the big picture every so often... I have to remind myself of that....

Quote:

Originally Posted by **comeinvest** (Post 211757)

Will the rally go further down to 365MA?? The support trend line have been breached, so will it go further down?? :)

Becky

02-08-07 4:37pm

Your tsunami letter

Hi Phillip,

First of all thank you very much for your kindness and time and willingness to help all of us in this forum. I joined this forum just so that I could thank you and participate in discussions.

You are a genuine teacher who not only offers the nuts and bolts on how to trade your methodologies but also by using clever analogies in your tsunami letter, you've helped us to gain a better understanding of how the markets work behind the scenes. It is not enough that we just focus on where the markets are, the macd and the moving averages, but through a better understanding of how to read the candlesticks, we actually can get a very good pulse on what the big dogs are doing before they leave us behind playing in our sandboxes! I've never had this information presented to me before in the manner in which you have presented the information and it sure makes a lot of sense to me!

I sure appreciate all your help and time that you are so generously providing to us as I know this is

very time consuming for you.
Thank you!:)
Becky

comeinvest

02-08-07 4:50pm

Gbp/usd

1 Attachment(s)
this is my setup, do you think i draw the correct support line?? :)

Please correct me if i'm wrong~~~:)

DireXiv

02-08-07 5:22pm

gbp/usd TL

6:20 GMT

I can definitely be wrong on this so other opinions are welcome, but my TL starts on sept 29 and is hit multiple times.

My own little rule for a "true" trend line is to be hit at least 3 times. Otherwise it's just a guideline. My 2 cents... :)

Quote:

Originally Posted by **comeinvest** (Post 211779)
this is my setup, do you think i draw the correct support line?? :)

Phillip Nel

02-08-07 5:30pm

4 Hour Strategy

[quote=fxnewbie 71;211708]

Quote:

Originally Posted by **Phillip Nel** (Post 211696)
phil,correct me if i am wrong,i have tried your setting on Gbp/Jpy(4hr chart) but it seem to

be v.hard to see,let alone to read whats on it,what should i do now? pardon me for my amateur's question,thanks!

If it is the horizontal lines I will change them to 0.6 0.4 0.2 0.0 -0.2 -0.4 -0.6 Hope it works. Only for the GbpJpy change the hor lines to these settings.

Phillip Nel

02-08-07 5:51pm

GbpUsd

1 Attachment(s)

Look at this chart. Something is about to happen very soon I think.

pipco

02-08-07 5:54pm

Tsunami

Quote:

Originally Posted by **Phillip Nel** (Post 211612)
The tsunami. Did it make sense what I said. Like to know.

Hello Phil !

A Very Big "Baie Dankie" for you efforts ...it is a really helpful and practical system you have shared with us all !!

Please help....I can't seem to find the Tsunami pdf .
Which post # is it at ?

Warm regards from Edna in Johannesburg

turk87

02-08-07 5:55pm

Indeed. I was notcing the same thing. But I won't get in untill it confirms.

I made nice 82 pips with the CHF trade. thnx Philp for this system.

DireXiv

02-08-07 6:03pm

Hmmmm....

7:03 GMT

I was actually thinking about asking you about this... but since you brought it up :)

Do you change your strategy at all when you see converging TL's like this? I've noticed it in other pairs too. Or do you just use more caution and take the same approach.

Thanks!

Quote:

Originally Posted by **Phillip Nel** (Post 211839)
Look at this chart. Something is about to happen very soon I think.

turk87

02-08-07 6:05pm

HOw does USD/JPY look at the moment? Round top formed. Any comments?

DireXiv

02-08-07 6:08pm

usd/yen

7:05 GMT

I see a head and shoulder on my chart? and it's just coming down on the head. I'm only going in if it closes below the 89 EMA... so I'm looking to get in as the EUR/YEn has cooled off too, after a very large rise.

Quote:

Originally Posted by **turk87** (Post 211852)
HOw does USD/JPY look at the moment? Round top formed. Any comments?

hensch

02-08-07 6:09pm

Quote:

Originally Posted by **Phillip Nel** (Post 211612)
The tsunami. Did it make sense what I said. Like to know.

Phil, just got finished studying your system/exercises. Awesome man, really brilliant.

Your Tsunami file is fantastic too. Really great eye opener! Hope to collaborate on this great thread.

Henry

Phillip Nel

02-08-07 6:10pm

4 Hour Strategy

Quote:

Originally Posted by **pipco** (Post 211841)
Hello Phil !

A Very Big "Baie Dankie" for you efforts ...it is a really helpful and practical system you have shared with us all !!

*Please help....I can't seem to find the Tsunami pdf .
Which post # is it at ?*

Warm regards from Edna in Johannesburg

If you go to Trading systems and the 4 Hour strategy you will see a paperclip right above the rating. There you will find all the attachments to download.

supaq

02-08-07 6:11pm

usdjpy

1 Attachment(s)

looks like a good round top with good profit targets if it closes below 89sma

turk87

02-08-07 6:11pm

Also keep an eye out for EUR/CHF. This thing ran up really fast, and is at the ceiling. Philip what are your thoughts on Steep round tops? it looks like EUR/CHF will form a steep round top if it falls. Are these less reliable than smoother, flatter, round tops?

thnx

Phillip Nel

02-08-07 6:13pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 211854)
7:05 GMT

I see a head and shoulder on my chart? and it's just coming down on the head. I'm only going in if it closes below the 89 EMA... so I'm looking to get in as the EUR/YEn has cooled off too, after a very large rise.

I just took that one as it is a evening star as well. Target around 121.80

Sorry 120.80

turk87

02-08-07 6:16pm

Philip do you mean the USD/JPY? I am confused why you are bullish since it formed a round top. Could you explain please?

Phillip Nel

02-08-07 6:18pm

UsdJpy

1 Attachment(s)
Mine closed below 89SMA

Phillip Nel

02-08-07 6:21pm

Sorry

Quote:

Originally Posted by **turk87** (Post 211862)
Philip do you mean the USD/JPY? I am confused why you are bullish since it formed a round top. Could you explain please?

Finger error. Hope you got it. Target 1.2080

turk87

02-08-07 6:21pm

Isn't that a negative thing? I thought your system was based on shorting pairs that form round macd tops. However you think it will go up to 121.80, an 80 PIP rise from current levels. Was that a typo?

EDIT: Lol I knew it!! thanks PHilip.

I jumped on this one, sell @ 121.04- stop at 121.53 (I put 50 pip stops on all my orders)

Sunseeker

02-08-07 6:29pm

Question

Quote:

Originally Posted by **Phillip Nel** (Post 211839)
Look at this chart. Something is about to happen very soon I think.

Phillip ,

Do you expect a strong break out of one side of the trend lines or the other ?
Sunseeker

Phillip Nel

02-08-07 6:38pm

4 Hour Strategy

Quote:

Originally Posted by **Sunseeker** (Post 211878)
Phillip ,

Do you expect a strong break out of one side of the trend lines or the other ?
Sunseeker

I like what I see. Tripple bottom against the trendline. Previous two was morning stars. This one is starting with the possibility of another morning star. A close above the 200SMA will get me interested. All the emotion is there for a big move.

The problem with a morning star is that you will only know when it is finish. At the moment that liitle candle can be a continuation. Next candle close will give some clue.

Phillip Nel

02-08-07 6:47pm

Stoploss

Quote:

Originally Posted by **turk87** (Post 211868)
ISn't that a negative thing? I thought your system was based on shorting pairs that form round macd tops. However you think it will go up to 121.80, an 80 PIP rise from current levels. Was that a typo?

EDIT: Lol I knew it!! thanks PHilip.

I jumped on this one, sell @ 121.04- stop at 121.53 (I put 50 pip stops on all my orders)

No problem to take it out of the way but remember your risk:reward. I also take my stop out of the way if I am watching live but I have my actual stop with a horizontal line and will allow only a few pips off that before closing it and take the loss. On a morning star or evening star just above the shoulder will be sufficient as if it goes above that it means the evening star is no longer valid.

flytox

02-08-07 7:00pm

1 Attachment(s)

Bonjour, it will go up because my channel.

irusoh

02-08-07 7:13pm

proper stoploss

I backstudied a number of MACD signals from May 06 to Nov 06, and I noticed that the first 2 candles after the signal normally are if not high reward but usually low risk. That is, the average drawdown in pips runs around 20, and rarely goes above 40. Therefore I concluded it would be safe to place 50-60 stoploss there, which will protect you in case of some unusual activity but will not take you out with those stoploss chasing tails.

BTW I am in USDJPY and will try to follow Phillips recommendations on proper trading of it.

Phillip Nel

02-08-07 7:22pm

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 211923)

I backstudied a number of MACD signals from May 06 to Nov 06, and I noticed that the first 2 candles after the signal normally are if not high reward but usually low risk. That is, the average drawdown in pips runs around 20, and rarely goes above 40. Therefore I concluded it would be safe to place 50-60 stoploss there, which will protect you in case of some unusual activity but will not take you out with those stoploss chasing tails.

BTW I am in USDJPY and will try to follow Phillips recommendations on proper trading of it.

Your right. The only thing here is that we did not come from the trendline resistance although it was from closeby high on 02/02/2007. I will set my stoploss to breakeven after 15 pips gain just for incase it is a pullback. My current stoploss are at 121.35. I must admit that I have never traded the UsdJpy. It is a first time for me. Does not really know its motion. New experience.

irusoh

02-08-07 7:29pm

is my understanding correct?

judging by GBPUSD chart we will need 3-4 sideways candles (hopefully downtailed) in order to form a good round bottom or maybe a sharp up candle to form a v-top. In other words do we have to wait for a definite MACD signals before jumping in?

pipette4x

02-08-07 7:56pm

[quote=Phillip Nel;211816]

Quote:

Originally Posted by **fxnewbie 71** (Post 211708)

*If it is the horizontal lines I will change them to 0.6 0.4 0.2 0.0 -0.2 -0.4 -0.6 Hope it works.
Only for the GbpJpy change the hor lines to these settings.*

hi Phillip

is there any chance you could update your original write up or create a new one that would list the different MACD lines depending on the pairs?

Thanks

benfranklin

02-08-07 8:48pm

I went short on EUR/YEN. Anyone else thinking about trading this pair?

wfieb

02-08-07 9:02pm

Quote:

Originally Posted by **benfranklin** (Post 212031)

I went short on EUR/YEN. Anyone else thinking about trading this pair?

BEN - I got in too. just got home, goint to be my first trade with Phil's strategy. I set my stop at 158.18. how bout you? if you don't mind me asking.

DireXiv

02-08-07 9:06pm

Eur/Yen

10:03 GMT

I did also. Thought it looked overall like a pretty solid setup... hoping it doesn't continue. head and shoulders, above .45 MACD line, RSI maxes, tail/shadow up, way above ma's, with large price point for profit, and not that big of stoploss, along with a double top candle pattern (actually triple top) to boot as resistance from going higher...

Quote:

Originally Posted by **benfranklin** (Post 212031)

I went short on EUR/YEN. Anyone else thinking about trading this pair?

benfranklin

02-08-07 9:06pm

SL=158.30 for me

O'Zeeke

02-08-07 10:13pm

Tsunami

Quote:

Originally Posted by **Phillip Nel** (Post 211612)

The tsunami. Did it make sense what I said. Like to know.

Phillip, I am very thankful to you for all that you do to help us be better traders. Your tsunami is helping me to think more from the perspective of a trader and not from the outside trying to look in as i has been doing. So far i do 2 trades on eur/usd for 31 pips and 23 pips. One question is do you ever consider looking at smaller graphs like 1 HR fro a earlier entry? Thank you for sharing your generous contributions with us alls .

O'Zeeke

tamkras

02-09-07 12:27am

eur/jpy breakout

Quote:

Originally Posted by **DireXiv** (Post 212051)
10:03 GMT

I did also. Thought it looked overall like a pretty solid setup... hoping it doesnt' continue. head and shoulders, above .45 MACD line, RSI maxes, tail/shadow up, way above ma's, with large price point for profit, and not that big of stoploss, along with a double top candle pattern (actually triple top) to boot as resistance from going higher...

watch out this breakout above 158.05. It moves there briskly.

EDIT time: 8:52 EST. Looks like those 'filthy' (as Phillip wrote in his tsunami letter) got us @158.30 (158.27 plus spread) and we could probably see a long tail from here (reversal). Do they read our posts I wonder, eh? :)

turk87

02-09-07 3:08am

Is anyone still in the USD/JPY trade? Philip did you get stopped out? Its gone against us around 20 pips. I got my stop at 121.50

Phillip Nel

02-09-07 3:16am

Jpy

Quote:

Originally Posted by **turk87** (Post 212329)
Is anyone still in the USD/JPY trade? Philip did you get stopped out? Its gone against us around 20 pips. I got my stop at 121.50

Yes. Got stopped out at 121.35. 24 pips. Was not 100% comfortable from the start. Did not come off solid resistance but I liked the evening star. It found support on the 89SMA. Does not look good. Might form a small double top. I will stay with the EurUsd and GbpUsd in future. More relaxed with them.

The EurUsd and GbpUsd start to look good. Wait for the Eur to show MACD as a possible move upwards is very strong on the cards.

ikimashu

02-09-07 3:39am

Quote:

Originally Posted by **Phillip Nel** (Post 212334)

The EurUsd and GbpUsd start to look good. Wait for the Eur to show MACD as a possible move upwards is very strong on the cards.

Can you give a bit more detail on this? as I do not see EUR/USD moving upwards.

Learning your system!

if you could post a chart on this will be appreciated!

turk87

02-09-07 3:48am

Philip do you have a file with a history of all of your LIVE trades under this system? If so, would you mind sending it to me? I would like to do some analysis.

I am currently making one, I currently have 3 trades recorded and charted, up 101 pips.

comeinvest

02-09-07 4:18am

Quote:

Quote:

Originally Posted by **Phillip Nel** [▶](#)

The EurUsd and GbpUsd start to look good. Wait for the Eur to show MACD as a possible move upwards is very strong on the cards.

Can you give a bit more detail on this? as I do not see EUR/USD moving upwards.

Learning your system!

if you could post a chart on this will be appreciated!

Ya i do agree with you. It seem like stop at previous support trend line which become a resistance trend line. I would be wrong, those have other explanation please share with us.

Thanks:)

DannyW

02-09-07 5:47am

Hi really enjoying going over this method, I,m still getting my head around it and look foward to trading it

fnmdx

02-09-07 5:51am

Eu & Gu

Guys, looks like EU in progress of Double-top and GU Round Bottom. I wait until 5:00 EST to confirm. Any comments?

anthony500

02-09-07 6:41am

EUR/USD setup

1 Attachment(s)

Good setup on the eur this morning I went short and still on the trade now. I entered a bit late because I was still sleeping when the current bar opened, but it works nicely. I already took some profit out at the yellow line which is the 200 MA

ikimashu

02-09-07 8:56am

I had to wait until now to short in ~

no more major datas today.. wish it will work according to the chart without intervention

comeinvest

02-09-07 9:27am

Gbp/usd

1 Attachment(s)

After the shart fall, it's still unable to breach the support line. So based on the trend line support, it

will go long~~

Any1 got other opinion? Please share :)

superdeziqn

02-09-07 11:15am

Quote:

Originally Posted by **comeinvest** (Post 212631)

After the shart fall, it's still unable to breach the support line. So based on the trend line support, it will go long~~

Any1 got other opinion? Please share :)

it should at least hit the 9420 mark before it makes any major directional changes

tamkras

02-09-07 11:28am

be patient

Quote:

Originally Posted by **comeinvest** (Post 212631)

After the shart fall, it's still unable to breach the support line. So based on the trend line support, it will go long~~

Any1 got other opinion? Please share :)

my opinion, after such fall, we'd rather wait for daily reversal candle before going long. I use vegas daily tunnel to eye-ball if cable still has some downward inertia. Cable has also just fallen out from the 20 Bollinger on the daily which, to me, is not good either, for the long.

DireXiv

02-09-07 11:41am

eur/yen

12:40 GMT

haha! I saw your post right after I got taken out.... just barely by a few pips... oh well, live to fight

another day. They got us this time.... maybe they do read the forum????? Phillip stop posting so much good information! :)

Quote:

Originally Posted by **tamkras** (Post 212209)

watch out this breakout above 158.05. It moves there briskly.

EDIT time: 8:52 EST. Looks like those 'filthy' (as Phillip wrote in his tsunami letter) got us @158.30 (158.27 plus spread) and we could probably see a long tail from here (reversal). Do they read our posts I wonder, eh? :)

tamkras

02-09-07 11:53am

eur is on the zero macd

I am watching euro now as it rests on the neutral (macd) line. I do not like sitting it right under 200SMA. Any ideas, Phillip?

tamkras

02-09-07 11:56am

I am with you, too

Quote:

Originally Posted by **DireXiv** (Post 212737)

12:40 GMT

haha! I saw your post right after I got taken out.... just barely by a few pips... oh well, live to fight another day. They got us this time.... maybe they do read the forum????? Phillip stop posting so much good information! :)

I lost 11 pips on this as I manually close the deal. I saw a rounding bottom on 5-min chart and price jumping quickly.

irusoh

02-09-07 12:31pm

Flag Psychology

1 Attachment(s)

Good Morning Phillip,

As I was watching gbpusd last night, I didn't have a good feeling about the round bottom it was forming. This looked more like a flag formation (a continuation pattern) especially as it bounced against 8ema. So I stayed out.

Could you comment on flag formation psychology as a small sideways movement slightly against the trend before the next big move. Actually it happens quite often in a trending market.

DireXiv

02-09-07 12:53pm

I thought about closing manually, but I've been saved from losses with good stop losses so many times these past few weeks, I'm at the point where I just have confidence in my stop loss and if I get taken out... it's ok... the times before that I didn't and went on to make large gains. However when the morning star started getting overrun... I should have gotten out... but I was asleep...

Quote:

Originally Posted by **tamkras** (Post 212749)

I lost 11 pips on this as I manually close the deal. I saw a rounding bottom on 5-min chart and price jumping quickly.

Phillip Nel

02-09-07 1:05pm

Bad Mistake

Quote:

Originally Posted by **Phillip Nel** (Post 212334)

Yes. Got stopped out at 121.35. 24 pips. Was not 100% comfortable from the start. Did not come off solid resistance but I liked the evening star. It found support on the 89SMA. Does not look good. Might form a small double top. I will stay with the EurUsd and GbpUsd in future. More relaxed with them.

The EurUsd and GbpUsd start to look good. Wait for the Eur to show MACD as a possible

move **upwards** (**Wrong**) is very strong on the cards.

I just got home and saw the replies about an Eur going upwards and when I had a look I could not believe what I have written. I must have had the UsdYen in mind as that was the one we were taken out. The strategy clearly shows a round top as well as a double top off resistance so it was very obvious that a downmove was on the cards. My mind was definitely not by what I was doing. It won't happen again.

I am going to stick to only the EurUsd and the GbpUsd as they are the ones I have tested. I am not going to give signals on the other.

Phillip Nel

02-09-07 1:09pm

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 212787)
Good Morning Phillip,

As I was watching gbpusd last night, I didn't have a good feeling about the round bottom it was forming. This looked more like a flag formation (a continuation pattern) especially as it bounced against 8ema. So I stayed out.

Could you comment on flag formation psychology as a small sidewyas movement slightly against the trend before the next big move. Actually it happens quite often in a trendning market.

Only a close above the 200SMA would have me interested. On any narrow or channel or triangle movement a breakout is going to occur sometime. One must be aware of that.

turk87

02-09-07 2:07pm

Whats going on with the EURO/USD? I have a short in at 1.3009. But I don't feel comfortable with this one.

irusoh

02-09-07 2:10pm

Quote:

Originally Posted by **turk87** (Post 212924)

Whats going on with the EURO/USD? I have a short in at 1.3009. But I don't feel comfortable with this one.

It shows 1.2990 on my chart (NF) at this time and bumping against 365sma maybe its time to take half profits and move sl to break even. It may go down to 89ma

Piece Of The Pie

02-09-07 2:16pm

Gbp/usd

Time to buy GBP/USD !!!

tamkras

02-09-07 2:20pm

revenge

Quote:

Originally Posted by **Phillip Nel** (Post 212833)

I just got home and saw the replies about an Eur going upwards and when I had a look I could not believe what I have written. I must have had the UsdYen in mind as that was the one we were taken out. The strategy clearly shows a round top as well as a double top off resistance so it was very obvious that a downmove was on the cards. My mind was definitely not by what I was doing. It won't happen again.

I am going to stick to only the EurUsd and the GbpUsd as they are the ones I have tested. I am not going to give signals on the other.

it's ok, Phillip. I feel those 'filthy' just played revenge on your tsunami revelations. But I am with you on eur/usd pair. Please, continue to teach us. we have to discern the right signals ourselves and try not to be overzealous.

Phillip Nel

02-09-07 2:22pm

Experience

A wealthy old lady decides to go on a photo safari in Africa, taking her faithful, elderly poodle named Cuddles, along for the company.

One day the old poodle starts chasing butterflies and before long, Cuddles discovers that he's lost. Wandering about, he notices a leopard heading rapidly in his direction with the intention of having lunch.

The old poodle thinks, "Oh, oh! I'm in deep doo-doo now!" Noticing some bones on the ground close by, he immediately settles down to chew on the bones with his back to the approaching cat. Just as the leopard is about to leap the old poodle exclaims loudly, "Boy, that was one delicious leopard! I wonder if there are any more around here?"

Hearing this, the young leopard halts his attack in mid-strike, a look of terror comes over him and he slinks away into the trees. "Whew!", says the leopard, "That was close! That old poodle nearly had me!"

Meanwhile, a monkey who had been watching the whole scene from a nearby tree, figures he can put this knowledge to good use and trade it for protection from the leopard. So off he goes, but the old poodle sees him heading after the leopard with great speed, and figures that something must be up.

The monkey soon catches up with the leopard, spills the beans and strikes a deal for himself with the leopard.

The young leopard is furious at being made a fool of and says, "Here, monkey, hop on my back and see what's going to happen to that conniving canine!"

Now, the old poodle sees the leopard coming with the monkey on his back and thinks, "What am I going to do now?", but instead of running, the dog sits down with his back to his attackers, pretending he hasn't seen them yet, and just when they get close enough to hear, the old poodle says...

"Where's that @##### monkey? I sent him off an hour ago to bring me another leopard!"

Moral of this story....

Don't mess with old f @ rts...age and skill will always overcome youth and treachery! Bullsh # t and brilliance only come with age and experience.

turk87

02-09-07 2:25pm

:thumbsup:

Phillip Nel

02-09-07 2:28pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 212924)

Whats going on with the EURO/USD? I have a short in at 1.3009. But I don't feel

comfortable with this one.

It surely is jumping up/down/up. If you wont mind taken out at breakeven making no profit it is OK to set to breakeven and give it rope to just above 89SMA for some profit or you can take some now and set to breakeven. Only my opinion.

There is a small trend line starting 07/02/2007. Found support on it.

fxnewbie 71

02-09-07 2:30pm

agreed!!!

Quote:

Originally Posted by **Phillip Nel** (Post 212945)

A wealthy old lady decides to go on a photo safari in Africa, taking her faithful, elderly poodle named Cuddles, along for the company.

One day the old poodle starts chasing butterflies and before long, Cuddles discovers that he's lost. Wandering about, he notices a leopard heading rapidly in his direction with the intention of having lunch.

The old poodle thinks, "Oh, oh! I'm in deep doo-doo now!" Noticing some bones on the ground close by, he immediately settles down to chew on the bones with his back to the approaching cat. Just as the leopard is about to leap the old poodle exclaims loudly, "Boy, that was one delicious leopard! I wonder if there are any more around here?"

Hearing this, the young leopard halts his attack in mid-strike, a look of terror comes over him and he slinks away into the trees. "Whew!", says the leopard, "That was close! That old poodle nearly had me!"

Meanwhile, a monkey who had been watching the whole scene from a nearby tree, figures he can put this knowledge to good use and trade it for protection from the leopard. So off he goes, but the old poodle sees him heading after the leopard with great speed, and figures that something must be up.

The monkey soon catches up with the leopard, spills the beans and strikes a deal for himself with the leopard.

The young leopard is furious at being made a fool of and says, "Here, monkey, hop on my back and see what's going to happen to that conniving canine!"

Now, the old poodle sees the leopard coming with the monkey on his back and thinks, "What am I going to do now?", but instead of running, the dog sits down with his back to his attackers, pretending he hasn't seen them yet, and just when they get close enough to hear, the old poodle says...

"Where's that @##### monkey? I sent him off an hour ago to bring me another leopard!"

Moral of this story....

***Don't mess with old f @ rts...age and skill will always overcome youth and treachery! Bullsh #
t and brilliance only come with age and experience.***

Phil, u r one damed funny guy but i appreciate both your system and your humour, keep up the good work!!!

DireXiv

02-09-07 2:32pm

Eur/usd

15:30 GMT

I'm in too... trying to pull out a quick 25 pips. I figured that it's friday and there wouldn't be enough momentum to work through the EMA and would come down to the other EMA or close. Along with the signal I thought it would be ok. Maybe flawed thinking? We'll see I guess.

Piece of the Pie, what makes you sure to go long on GBP/USD. I'm still more than a little skeptical, but the signal may come. I'm just curious.

Quote:

Originally Posted by **irusoh** (Post 212930)

It shows 1.2990 on my chart (NF) at this time and bumping against 365sma maybe its time to take half profits and move sl to break even. It may go down to 89ma

O'Zeeke

02-09-07 3:16pm

Quote:

Originally Posted by **Phillip Nel** (Post 212945)

A wealthy old lady decides to go on a photo safari

Having fun while learning, you the man, Phillip

Handelaar

02-09-07 4:14pm

Doing well!

Yes, thanks Phillip

I am getting the hang of this now. Will certainly be part of my regular trading in future.

Dankie!

H

metto

02-09-07 4:15pm

Set SignalMAPeriod to 3

1 Attachment(s)

Hi Phillip & all,

If I set MACD signal period to 3 it giving me more confidence when round top/bottom and other patterns formed.

Please take a look and share ur opinion

Freewheelin

02-09-07 6:16pm

Hello Philip,

WOW - what an outstanding method you've provided. And you teach it very well.

Now I must add my questions :D

I walked and worked through your pdf-files you attached earlier this thread where you explained trade by trade why you entered, where to put s/l etc.

What I recognized was that you add 8ma and 21ma to the charts but never refer to them.

Your decisions of trade entry and money management don't need those MA's? Or do I have overlooked somewhere something? :thinking:

Once again, WELL DONE - since you opened this thread I followed and papertraded, and soon this will become my no.1

At the and of that pdf you asked if it is good for teaching others.

YES, IT IS ! :thumbsup:

Phillip Nel

02-09-07 8:13pm

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 212787)
Good Morning Phillip,

As I was watching gbpusd last night, I didn't have a good feeling about the round bottom it was forming. This looked more like a flag formation (a continuation pattern) especially as it bounced against 8ema. So I stayed out.

Could you comment on flag formation psychology as a small sideway movement slightly against the trend before the next big move. Actually it happens quite often in a trending market.

As it found resistance against the 200SMA you could see it as a flag in a downmove. It was just that the trendline I drew that made me not expect as a flag. When the morning star did not mature fully I knew something was up but I still believed it will go up. But I only would have entered above the 200SMA.

Phillip Nel

02-09-07 8:25pm

4 Hour Strategy

Quote:

Originally Posted by **Freewheelin** (Post 213181)
Hello Philip,

*WOW - what an outstanding method you've provided. And you teach it very well.
Now I must add my questions :D*

*I walked and worked through your pdf-files you attached earlier this thread where you explained trade by trade why you entered, where to put s/l etc.
What I recognized was that you add 8ma and 21ma to the charts but never refer to them.
Your decisions of trade entry and money management don't need those MA's? Or do I have overlooked somewhere something? :thinking:*

*Once again, WELL DONE - since you opened this thread I followed and papertraded, and soon this will become my no.1
At the end of that pdf you asked if it is good for teaching others.
YES, IT IS ! :thumbsup:*

If you look at page 12 you will notice that when there is a strong trend the price will retrace back into the 8 and 21EMA and then proceed with the trend. As long as you are in a position and the price action do that you stay in the trade till it brakes below the 21EMA. It helps with the stoploss. When the price moves above the 8EMA in an uptrend and the MACD gives a signal (round top etc.) your first profit target is the 21EMA if the R:R ratio is OK. Remember that when the price is above the 8EMA in an uptrend a round top signal given is a pullback to the 21EMA and then then the trend might continue. Will give some examples.

flytox

02-09-07 8:43pm

Quote:

Originally Posted by **metto** (Post 213067)
Hi Phillip & all,

*If I set MACD signal period to 3 it giving me more confidence when round top/bottom and other patterns formed.
Please take a look and share ur opinion*

Hello what is the indicator telling the time left to the end of the candle??

Phillip Nel

02-09-07 8:47pm

8EMA and 21EMA

1 Attachment(s)

When looking at the chart you will see that the price retraces back to the 21EMA and then continue the uptrend.

At A the MACD gave a short signal that if there is enough pips to be made to the 21EMA and the R:R ratio is OK then the deal is on. Take full profit in the area B. Then the MACD shows a long signal at C which are taken and due to the speed of the market the stoploss can be set just below the 21EMA and followed upwards. You can still use price levels as resistance and set your stops according etc.

When the price is trending it normally breaks through the 89SMA and then pulls back to the 21EMA and then when it continues it could be the start of a strong trend.

Phillip Nel

02-09-07 9:17pm

4 Hour Strategy

Quote:

Originally Posted by **metto** (Post 213067)
Hi Phillip & all,

*If I set MACD signal period to 3 it giving me more confidence when round top/bottom and other patterns formed.
Please take a look and share ur opinion*

You can do that. It just might be that your entries will be a 4hour candle later or you will have to enter on motion inbetween a 4hour which I dont like.

Freewheelin

02-09-07 9:23pm

Phillip,

now it's understood - and your example caused another question. Sorry...

At point C (continuation pattern) the price seems to be too close to 1.3200, a "special" price level. Would or do you have entered that trade? If so, then I think S/L would be set to 21ma? Please be kind and tell us what you have in mind if you have entered that trade.

Manymany thanks again for your work.

Freewheelin
(a german in greece)

Phillip Nel

02-09-07 9:23pm

4 Hour Strategy

Don't try to take every signal the MACD is given. When there is none on the EurUsd or the GbpUsd we jump to other pairs and then we are actually looking for a trade and it is not going to be long and we will find one. You must not look for a trade. If the system does not have one there is not one.

Stay with the currencies you are familiar with.

The facts are in front of me therefore I will do this and that

4 Hour Strategy

Quote:

Originally Posted by **Freewheelin** (Post 213317)

Phillip,

now it's understood - and your example caused another question. Sorry...

At point C (continuation pattern) the price seems to be too close to 1.3200, a "special" price level. Would or do you have entered that trade? If so, then I think S/L would be set to 21ma? Please be kind and tell us what you have in mind if you have entered that trade.

Manymany thanks again for your work.

Freewheelin

(a german in greece)

I call the moving averages highway lanes. Each define a certain speed. The 200SMA very slow, 89SMA slow, 21EMA mediumfast and the 8EMA very fast. If you look at the chart above you will notice that the speed of the market was fast to very fast so that pricelevel won't stop or slow down the price.

When the price is finding support on the 89SMA twice in a row the speed is slow etc.

Currently the speed of the EurUsd is slow to very very slow as it is around the 200SMA and 365EMA lane

The price then tend to Hoover around the support an resistance levels untill the speed changes.

Freewheelin

02-09-07 9:43pm

Quote:

Originally Posted by **Phillip Nel** (Post 213322)

I call the moving averages highway lanes. Each define a certain speed. The 200SMA very slow, 89SMA slow, 21EMA mediumfast and the 8EMA very fast. If you look at the chart above you will notice that the speed of the market was fast to very fast so that pricelevel won't stop or slow down the price.

When the price is finding support on the 89SMA twice in a row the speed is slow etc.

Currently the speed of the EurUsd is slow to very very slow as it is around the 200SMA and 365EMA lane

The price then tend to hoover around the support an resistance levels untill the speed changes.

Phillip,

you are one of the best, really. Not only providing a method which is outstanding. No!
You have skills to be a hell of a teacher! :notworthy

Now the puzzle is complete (<----hoping :))

It's great to have such a board with very polite and skilled people.

Thousand thank yous are not enough!

Freewheelin

superdeziqn

02-09-07 9:53pm

was i fooled?

Taking a look at the GBP/USD..

i went long at the second to last candle.. im down 11 pips right now and getting nervous.. philip, even though the MACD shows a big turn around and it is ripe for a correction do you think it will a least go up to the next MA or should i just call it quits here and exit the trade? I hope to hear back soon!

Thanks for all your help! This is definitely an amazing strategy

Dave

Freewheelin

02-09-07 10:55pm

1 Attachment(s)

Hi Superdeziqn,

attached you'll find a pic. Is it the last (red) candle you are talking about? If so, then there is something to tell about:

assume it is Monday, Tuesday, ... Thursday I would have entered that trade. The MACD gives a

signal to go long.

BUT:

It is Friday, it is the last candle of the day before weekend. That's why you shouldn't enter! Of course, you can wait until Sunday to see what happens.

Personally, I wouldn't trade the last 4 hours of Friday. But maybe Phillip has other suggestions. There it is, that next question Phillip : Do you enter the market on last candle of Friday? And what about exit: Hold or quit before forex closes?

Greets

Freewheelin

Dropplan

02-09-07 11:12pm

8 & 21 MA angle/seperation

Phillip,

First I would like to commend you for all of your contributions. I would like to add an observation as to a potential filter to the MACD. It seems the more the angle & seperation between the 8 & 21 MA---the stronger the move and the probability of staying in the trade longer (even if the MACD gives a change signal.) As long as there is good angle & seperation and the candle is not closing on the opposite side of the 8 MA (depending on the trade direction of course , the probabiliy is good.

What do you think? Thanks

tamkras

02-09-07 11:24pm

can be just a deceiving pullback

4 Attachment(s)

Quote:

Originally Posted by **Freewheelin** (Post 213373)

Hi Superdezign,

attached you'll find a pic. Is it the last (red) candle you are talking about? If so, then there is something to tell about:

assume it is Monday, Tuesday, ... Thursday I would have entered that trade. The MACD gives a signal to go long.

BUT:

*It is Friday, it is the last candle of the day before weekend. That's why you shouldn't enter!
Of course, you can wait until Sunday to see what happens.*

Personally, I wouldn't trade the last 4 hours of Friday. But maybe Phillip has other suggestions.

*There it is, that next question Phillip : Do you enter the market on last candle of Friday?
And what about exit: Hold or quit before forex closes?*

Greets

Freewheelin

I agree with Freewheelin but I have something to add. This is what I noticed on 4Hr cable when played with MACD strategy, not sure about eur/usd pair. But the question was about GU and I got interested to investigate this particular scenario. here are my findings. I noticed that when the price pierced thru the critical 89 or 200SMA lines, it is a major sign and I believed Phillip wrote about it, too, somewhere but I can be wrong. I then used fast 5 EMA on these charts. Please, have a look at them all. I can find more. So, in all the cases, the target price on this rising candle was fast 5 ema. What do you think, folks?

ADDITION: I attach 1 more example (fourth image) of the critical sma's crossovers and look how price reacts afterwards. As Phillip said it is not always automatic, do not take every MACD signal for jumping into a trade.

Dropplan

02-09-07 11:50pm

Price Projection on GBP/USD

It looks to me like a "downward continuation pattern" with a price projection of 1.9420 - 1.9412.

superdeziqn

02-10-07 12:04am

Quote:

Originally Posted by **tamkras** (Post 213391)

I agree with Freewheelin but I have something to add. This is what I noticed on 4Hr cable when played with MACD strategy, not sure about eur/usd pair. But the question was about GU and I got interested to investigate this particular scenario. here are my findings. I noticed that when the price pierced thru the critical 89 or 200SMA lines, it is a major sign and I believed Phillip wrote about it, too, somewhere but I can be wrong. I then used fast 5 EMA on these charts. Please, have a look at them all. I can find more. So, in all the cases,

the target price on this rising candle was fast 5 ema. What do you think, folks?

Makes me feel a little bit more confident about the trade. Thanks for at least giving me some peace of mind this weekend while my trade floats at a negative.

I understand that I may have made a mistake trading at the end of a friday, but I was only hoping for maybe a quick 10-15 pip profit. It looked so ready for a correction I thought I could have pulled it off. Guess I will have to wait and see. Thank you for investigating this buddy, and I hope you are right.

I would still appreciate some commentary from phillip just to see what he thinks.

Take it easy guys

Dave

Freewheelin

02-10-07 12:05am

Quote:

Originally Posted by **Dropplan** (Post 213398)

It looks to me like a "downward continuation pattern" with a price projection of 1.9420 - 1.9412.

Hi Dropplan,

would you please add a chart. Because I don't see a continuation downward pattern. Added the template to several brokers - and for me it is always a long signal on opening of last candle.

irusoh

02-10-07 12:35am

1 Attachment(s)

Quote:

Originally Posted by **flytox** (Post 213283)

Hello what is the indicator telling the time left to the end of the candle??

Here is a time telling indicator from antoher thread.

Dropplan

02-10-07 12:35am

Response

2 Attachment(s)

Quote:

Originally Posted by **Freewheelin** (Post 213409)

Hi Dropplan,

would you please add a chart. Because I don't see a continuation downward pattern. Added the template to several brokers - and for me it is always a long signal on opening of last candle.

There is a TL break at the close today that leads me to believe the trend will continue down.(at the least to the 89 SMA where it may bounce). I feel the GBP is topped out and heading south. I've also attached a PP and how I arrived at it.

metto

02-10-07 4:59am

Well I see that,
Thank you Phillip
Quote:

Originally Posted by **Phillip Nel** (Post 213311)

You can do that. It just might be that your entries will be a 4hour candle later or you will have to enter on motion inbetween a 4hour which I dont like.

Phillip Nel

02-10-07 8:49am

4 Hour Strategy

Quote:

Originally Posted by **Freewheelin** (Post 213373)

Hi Superdeziign,

attached you'll find a pic. Is it the last (red) candle you are talking about? If so, then there is something to tell about:

assume it is Monday, Tuesday, ... Thursday I would have entered that trade. The MACD gives a signal to go long.

BUT:

It is Friday, it is the last candle of the day before weekend. That's why you shouldn't enter! Of course, you can wait until Sunday to see what happens.

Personally, I wouldn't trade the last 4 hours of Friday. But maybe Phillip has other suggestions.

There it is, that next question Phillip : Do you enter the market on last candle of Friday? And what about exit: Hold or quit before forex closes?

Greets

Freewheelin

If there is a signal the second last candle on a Friday I will enter but I never go over a weekend with any deals open. Any bad news can happen and the open on Monday might be much lower or higher. I will close it on Friday night and if it looks good to continue on Monday I will re-enter on open Monday if there wasn't any big news and if the open is within the closing range of Friday.

Phillip Nel

02-10-07 8:59am

4 Hour Strategy

Quote:

Originally Posted by **Dropplan** (Post 213383)

Phillip,

First I would like to commend you for all of your contributions. I would like to add an observation as to a potential filter to the MACD. It seems the more the angle & separation between the 8 & 21 MA---the stronger the move and the probability of staying in the trade longer (even if the MACD gives a change signal.) As long as there is good angle & separation and the candle is not closing on the opposite side of the 8 MA (depending on the trade direction of course , the probability is good.

What do you think? Thanks

Fore sure that is the case. It is just emotional hard to see a gain of 70 or so pips came down to 20 or

so before heading up again. You can only trade those type of trends and ignore all other and still make money. It means much less trading as those trends does not occur regular but they are very rewarding.

I know of some people that when the price is way above the 8EMA and the MACD gives a short signal open a short trade while still have their long open (your account stay level) and if the turnaround comes at the 21EMA close the short and then ride the up again. Only a way of money management.

Phillip Nel

02-10-07 9:05am

4 Hour Strategy

Quote:

Originally Posted by **tamkras** (Post 213391)

I agree with Freewheelin but I have something to add. This is what I noticed on 4Hr cable when played with MACD strategy, not sure about eur/usd pair. But the question was about GU and I got interested to investigate this particular scenario. here are my findings. I noticed that when the price pierced thru the critical 89 or 200SMA lines, it is a major sign and I believed Phillip wrote about it, too, somewhere but I can be wrong. I then used fast 5 EMA on these charts. Please, have a look at them all. I can find more. So, in all the cases, the target price on this rising candle was fast 5 ema. What do you think, folks?

ADDITION: I attach 1 more example (fourth image) of the critical sma's crossovers and look how price reacts afterwards. As Phillip said it is not always automatic, do not take every MACD signal for jumping into a trade.

I agree 100%. The only thing that got me was the third support on the trendline together with MACD long signal. I would however only have entered above the 200SMA. That would have kept me out of a wrong deal.

Phillip Nel

02-10-07 9:12am

4 Hour Strategy

Quote:

Originally Posted by **Dropplan** (Post 213419)

There is a TL break at the close today that leads me to believe the trend will continue down.(at the least to the 89 SMA where it may bounce). I feel the GBP is topped out and

heading south. I've also attached a PP and how I arrived at it.

When the price move through the 89SMA and break a trendline and pulls back towards the 21EMA and then continue the trend it is a sign that we might be in a real trend. The 8EMA shows that the price is below on a down trend which indicate we are in the very fast lane. If you go long now on a MACD signal it would on a retracement to inbetween the 8EMA and 21EMA. Check the R:R ratio.

tamkras

02-10-07 6:27pm

finding gems with MACD strategy

1 Attachment(s)

hope everyone has a great weekend. I believe Phillip gave a wonderful start for the MACD strategy – look at the accelaration rate of this thread view.

while we have some time away from the market, I wanted to go thru some cable 4HR charts with an idea to find MACD gems, that is high–high probability trades. I am so far enjoying it. Here is one. Look at the confluence of patterns, t'was hard to miss it, indeed.

tamkras

02-10-07 6:56pm

finding gems with MACD strategy

1 Attachment(s)

here is another one

Phillip Nel

02-10-07 7:01pm

4 Hour Strategy

[quote=tamkras;213788]here is another one[/quote]

Well done. That is the motion part of the price action showing its emotion.

tamkras

02-10-07 7:18pm

finding gems with MACD strategy

even 1 trade per month at such confluence gives you 100+ pips.

Phillip Nel

02-10-07 7:32pm

4 Hour Strategy

Quote:

Originally Posted by **tamkras** (Post 213794)
even 1 trade per month at such confluence gives you 100+ pips.

That's why it is not necessary to chase every signal of the MACD of 5 currency pairs. 8 trades per month will give 300+ pips. One currency pair gives between 8-12 signals. If you trade only the top 5 signals you will get above 200 pips per month.

fewhills

02-10-07 7:37pm

Few bars earlier

1 Attachment(s)

[quote=Phillip Nel;213789]

Quote:

Originally Posted by **tamkras** (Post 213788)
here is another one[/quote

Well done. That is the motion part of the price action showing its emotion.

Yes, but what about this one (see yellow arrow)?

- 1) MACD signalbar for a long
- 2) Strong bullish price candle above MACD signal bar bouncing off the 89 SMA
- 3) Next candle open at the 8 EMA and at that moment for me not clear enough to know which way it would go

Great job and special thanks to you for this very interesting thread!

Phillip Nel

02-10-07 7:37pm

Uptrend

1 Attachment(s)

Look at this uptrend and see how many signals were given and why the ones marked with a purple dot was not made. Remember the rule is that when the price goes through the 89SMA and it pulls back to the 21EMA and then continue the trend it is normally trending for some time. If a counter trend trade is made the profit target is around the 21EMA. Dont work on the exact pip as it sometimes does not goes exactly to the 21EMA. Give a couple of pips for slippage.

The green rectangle is the open of the candle next to the signal candle.

Phillip Nel

02-10-07 7:47pm

4 Hour Strategy

[quote=fewhills;213802]

Quote:

Originally Posted by **Phillip Nel** (Post 213789)

Yes, but what about this one (see yellow arrow)?

1) MACD signalbar for a long

2) Strong bullish price candle above MACD signal bar bouncing off the 89 SMA

3) Next candle open at the 8 EMA and at that moment for me not clear enough to know which way it would go

Great job and special thanks to you for this very interesting thread!

You are absolutely right as it bounced off the 89SMA. But that trade was made just after a lower high MACD which made 100+ pips. The stoploss on this was 38 according to me. So 100 made, 38 lost, and then you take the trade as it developed further as in the picture and another 100 pips. That is why it is important to stay with two pairs only otherwise random is going to nail you. Three trades made with more or less 160 pips made. seems OK to have made that long trade which ended in a loss.

fewhills

02-10-07 8:02pm

Divergence

Phillip,

Your system can also be very well combined with divergences. Do you use them?

Phillip Nel

02-10-07 8:09pm

4 Hour Strategy

Quote:

Originally Posted by **fewhills** (Post 213819)

Phillip,

Your system can also be very well combined with divergences. Do you use them?

A lower high in an uptrend is MACD divergence in most cases. A double lower high (MACD making two lower highs) in an uptrend is very strong divergence. So to make it easy, a lower high does not need much explanation and it is the same thing.

tamkras

02-10-07 8:32pm

finding gems with MACD strategy

[quote=fewhills;213802]

Quote:

Originally Posted by **Phillip Nel** (Post 213789)

Yes, but what about this one (see yellow arrow)?

1) MACD signalbar for a long

2) Strong bullish price candle above MACD signal bar bouncing off the 89 SMA

3) Next candle open at the 8 EMA and at that moment for me not clear enough to know which way it would go

Great job and special thanks to you for this very interesting thread!

Ha-ha, when I posted this trade, I was expecting this question about the second bullish bar. Phillip perfectly responded to this and let me comment a few words.

Yes, it bounced from 89SMA. However, in my interpretation of the MACD signal, the third bar on the MACD which signified potential reversal for the long was not at all that aggressive, so a true reverse V was not quite clear. In the hindsight even if I would have taken the long trade I could

realize the mistake with the next bearish candles and true MACD continuation pattern.

tamkras

02-11-07 2:56am

thoughts on euro for the next week

2 Attachment(s)

since euro is caught again between two SMA's - 89 & 200, let me share my thoughts on the possible continuation scenarios.

Scenario 1:

This is bearish indicator because price did not find support @ 200SMA but was pushed under it. Four consecutive candles could not drive it up enough. We might expect bounce from this resistance line towards 89SMA.

Scenario 2:

This is incomplete head-and-shoulders pattern where price may pull out slightly again above 200SMA towards 1.3025 but then retrace sharply to the level of 1.2935-45. Two previous heads bounced (sorry for the unintended pun!) from 365SMA. This head failed to reach 365SMA and we may see further decline. Again, bearish indicator.

Scenario 3:

Last week was a busted breakout towards 365SMA. Magical level 1.3050 is still intact with all the news hype around euro. All busted patterns are fairly reliable. Again, bearish signal.

These are just the thoughts and only the market (read MACD strategy) will point us to the right direction next week. Any ideas on what the future of euro holds for us?

fnmdx

02-11-07 5:11am

MACD Exercise

1 Attachment(s)

Quote:

Originally Posted by **fnmdx** (Post 206712)
Superb explanation Phil...

But is still longway for me, only got 7 deals by using MACD only. I still need to read and understand your notes regarding SMA's and EMA's plus trendlines.

My rating is ...EXCELLENT!

Hi Phil,

I am using FXDD Meta4 as my charting platform. Compared with your chart, I notice there are differences. For some examples, look at my chart (Red lines correspond to your signal bar (MACD) while blue lines are mine, and the number is the Deal number). These differences not only would have caused me some pips, but also might lose the trade.

FYI, I can only enter SingalSMA=1 instead of MACD EMA=1 in my MACD properties. Does this cause the difference? Does anybody knows how to change to MACD EMA=1 in FXDD MT4? What platform do you use, Phil? I know this is a bit late to ask, but I am still trying to learn and figure out why I got only 7 deals out of your 23 total? Thank in advance for any comments.

Phillip Nel

02-11-07 10:34am

4 Hour Strategy

[quote=tamkras;213833]

Quote:

Originally Posted by **fewhills** (Post 213802)

Ha-ha, when I posted this trade, I was expecting this question about the second bullish bar. Phillip perfectly responded to this and let me comment a few words.

Yes, it bounced from 89SMA. However, in my interpretation of the MACD signal, the third bar on the MACD which signified potential reversal for the long was not at all that aggressive, so a true reverse V was not quite clear. In the hindsight even if I would have taken the long trade I could realize the mistake with the next bearish candles and true MACD continuation pattern.

That is why I say. Patience. You will get more than enough good chances.

Phillip Nel

02-11-07 10:49am

4 Hour Strategy

Quote:

Originally Posted by **fnmdx** (Post 213998)

Hi Phil,

I am using FXDD Meta4 as my charting platform. Compared with your chart, I notice there are differences. For some examples, look at my chart (Red lines correspond to your signal bar (MACD) while blue lines are mine, and the number is the Deal number). These differences not only would have caused me some pips, but also might lose the trade.

FYI, I can only enter SingalSMA=1 instead of MACD EMA=1 in my MACD properties. Does this cause the difference? Does anybody knows how to change to MACD EMA=1 in FXDD MT4? What platform do you use, Phil? I know this is a bit late to ask, but I am still trying to learn and figure out why I got only 7 deals out of your 23 total? Thank in advance for any comments.

This has been adressed earlier. 1SMA or 1EMA remains the same. The time difference is with the broker closure time of their 4hour candle. That is why the closurs of your 4hour candle differs from mine. I am using Metatrader4 with data supply by MIG.

Phillip Nel

02-11-07 11:11am

Live trades

Someone aked me about the live trades I made with this system. The only live ones I made with this system so far are the ones I have done and described in this thread and the live one in the manual. There were one made the 29 Jan 2007 16:00(GMT) on the GBP with gain 109 pips I did not describe as the thread was just introduced. My backtesting showed over 300pips per month. My live trades are going to be described on the thread as I am doing it. I only do the EurUsd and the GbpUsd and entries will be on 16:00 , 20:00 and 0:00 GMT time as I cannot enter at other times due to working conditions.

If you are familiar with other currencies you are welcome to enter those and give as some feedback and charts for discussion. I am not going to get involve in predicting what may be as I have found that people act upon those thoughts with live accounts.

I believe in the rule that the facts are in front of me therefore I will do this and that. I will only act if the MACD shows a signal and I have worked out the probabilities and only if that is in my favour will I enter.

tamkras

02-11-07 11:42am

FXDD data feed

Quote:

Originally Posted by **fnmdx** (Post 213998)

Hi Phil,

I am using FXDD Meta4 as my charting platform. Compared with your chart, I notice there are differences. For some examples, look at my chart (Red lines correspond to your signal bar (MACD) while blue lines are mine, and the number is the Deal number). These differences not only would have caused me some pips, but also might lose the trade.

FYI, I can only enter SingalSMA=1 instead of MACD EMA=1 in my MACD properties. Does this cause the difference? Does anybody knows how to change to MACD EMA=1 in FXDD MT4? What platform do you use, Phil? I know this is a bit late to ask, but I am still trying to learn and figure out why I got only 7 deals out of your 23 total? Thank in advance for any comments.

Hi fnmdx,

I am using FXDD Meta4 too and I am aware that they have a different clock setting. You can not change it as it is server-related. It may sound somewhat odd to you but you can open a demo account with InterbankFX and your 4HR charts will be o.k. This is what I do.

Gygs

02-11-07 11:47am

Philip Nel

Hello Philippe Nel,

You launched a thread on 01.01.2007 named the "**5min intraday system**" base on MM. The 01.28.2007 u launched the "**4 Hour Strategy**" based on MACD. I am just wondering which one of those strategy you are trading on? Both?

Cheers,

Phillip Nel

02-11-07 2:12pm

5 Min Strategy

Quote:

Originally Posted by **Gygs** (Post 214111)

Hello Philippe Nel,

You launched a thread on 01.01.2007 named the "5min intraday system" base on MM. The 01.28.2007 u launched the "4 Hour Strategy" based on MACD. I am just wondering which one of those strategy you are trading on? Both?

Cheers,

Both. As the 5 min is when I have the time to sit and after some news.

DireXiv

02-11-07 4:48pm

highway analogy

Hi Phillip,

In relation to your highway analogy, the EUR/USD, and the GBP/USD really shouldnt' be going anywhere quickly and they are along the 365 EMA which is what you mentioned a slow lane. When they hit the slow lane, what do you look for? do they follow the same signals?

I'm looking for what to do with both of them. are you holding for a certain signal inparticular?

Thanks!

Phillip Nel

02-11-07 6:55pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 214216)

Hi Phillip,

In relation to your highway analogy, the EUR/USD, and the GBP/USD really shouldnt' be going anywhere quickly and they are along the 365 EMA which is what you mentioned a slow lane. When they hit the slow lane, what do you look for? do they follow the same signals?

I'm looking for what to do with both of them. are you holding for a certain signal inparticular?

Thanks!

When the price is in the slow lane it does not mean that there is not going to be some movement. All it says is that before the price gets direction it tends to test that slow lane again. So when the price move away from the slow lane and turn around it is going to test it again and then there will be direction. It can also stay around the slow MA but then it becomes a consolidation. The normal MACD signals apply. It is just if you know the motion around these slow MA's you can set your targets for profit taking better.

The EurUsd I have found that when the price hits the 200SMA twice the trend(the lane it is in) tends to continue.

DireXiv

02-11-07 9:52pm

Eur/usd

1 Attachment(s)
10:46 GMT

So Phillip,

If the Eur/usd closes above the 200 EMA, would you take that as a zero bounce situation, and expect it to continue the upward trend?

JArbuckle

02-11-07 10:04pm

4 hour strategy

Quote:

Originally Posted by **Phillip Nel** (Post 214095)

This has been addressed earlier. ISMA or IEMA remains the same. The time difference is with the broker closure time of their 4hour candle. That is why the closurs of your 4hour candle differs from mine. I am using Metatrader4 with data supply by MIG.

If you want to have charts that are exactly like the MACD examples, you can open a demo acct from MIG forex at: www.migfx.ch. Use the demo account to identify the MACD entry points and use your current broker to manage your trades.

turk87

02-11-07 10:24pm

How does the GDP/USD look to everyone?

Tw0eleven

02-11-07 10:37pm

Quote:

Originally Posted by **turk87** (Post 214433)
How does the GDP/USD look to everyone?

Personally, I think it's too early to tell. It could go up a little and then down to form the right shoulder(of inverted Head&Shoulder pattern) on MACD. Any thoughts?

DireXiv

02-11-07 10:55pm

Gbp/usd

12"00 GMT

That is my feeling too for what it's worth. I am waiting to see if the other shoulder appears.

Quote:

Originally Posted by **Tw0eleven** (Post 214447)
Personally, I think it's too early to tell. It could go up a little and then down to form the right shoulder(of inverted Head&Shoulder pattern) on MACD. Any thoughts?

tamkras

02-11-07 11:13pm

cable

Quote:

Originally Posted by **Tw0eleven** (Post 214447)
Personally, I think it's too early to tell. It could go up a little and then down to form the right shoulder(of inverted Head&Shoulder pattern) on MACD. Any thoughts?

looks like it is in the making. Cable might be testing 365SMA level at this moment - only 10 pips apart. I would wait for the close of this new candle and see what happens.

Tw0eleven

02-11-07 11:29pm

Looks like it retraced to the 8EMA. Perhaps back down to the 365 and if that holds I think a Long trade is on the table. But only time will tell!!! Time to be patient.

tamkras

02-11-07 11:42pm

when I look at how many critical support levels of the cable were breached within the last week - 89, 200 and 365, I want to take sides with the strongest when MACD confirms it.

ATTENTION: Cable is forming a straight line right now on the MACD. There is Phillip's warning about this sign in post 122. We probably should wait for the close of this candle. I would not be able to wait more – God of Sleep will want me.

<http://www.forexfactory.com/showthread.php?t=14630&page=9>

Tw0eleven

02-11-07 11:46pm

Anyone else looking at the EUR/USD? MACD starting to show a Buy signal. Also looks like price is being supported by the 200, 21 and 8 ma's. Anyone see the same or something else?

DireXiv

02-12-07 12:41am

Eur/usd

I took it already to try a zero bounce since I also saw the support forming. We'll see how it plays out. down a few pips now.... but expecting to see that support and bounce up again.

GBP/USD - Looks like it may make it to the 365 again. If that happens, and another shoulder forms. That would be a very high probability trade no?

Quote:

Originally Posted by **Tw0eleven** (Post 214494)

Anyone else looking at the EUR/USD? MACD starting to show a Buy signal. Also looks like

price is being supported buy the 200, 21 and 8 ma's. Anyone see the same or something else?

tamkras

02-12-07 1:05am

Quote:

Originally Posted by **DireXiv** (Post 214558)

I took it alreay to try a zero bounce since I also saw the support forming. We'll see how it plays out. down a few pips now.... but expecting to see that support and bounce up again.

GBP/USD - Looks like it may make it to the 365 again. If that happens, and another shoulder forms. That would be a very high probability trade no?

I will take it as high probability short trade.

tamkras

02-12-07 2:56am

Quote:

Originally Posted by **Tw0eleven** (Post 214494)

Anyone else looking at the EUR/USD? MACD starting to show a Buy signal. Also looks like price is being supported buy the 200, 21 and 8 ma's. Anyone see the same or something else?

I am waiting for the next candle close for euro or subsequent one (more likely). It seems euro is on 200 SMA support now but this close gave a flat (indecisive) line on my MACD chart.

Chandra

02-12-07 4:57am

Quote:

Originally Posted by **Phillip Nel** (Post 213803)

Look at this uptrend and see how many signals were given and why the ones marked with a purple dot was not made. Remember the rule is that when the price goes through the 89SMA and it pulls back to the 21EMA and then continue the trend it is normally trending for some time. If a counter trend trade is made the profit target is around the 21EMA. Dont work on

the exact pip as it sometimes does not goes exactly to the 21EMA. Give a couple of pips for slippage.

The green rectangle is the open of the candle next to the signal candle.

Pillip,

With this chart, you have answered my repeated question "Why some trades are taken and some other are not?". You taught me (in this chart) how to view MACD signals in conjunction with the position of the price with respect to 9 MA, 21 MA and 8 MA. It is a very signifiant piece of knowledge for me. Thank you.

You have also answered my request to give white background to charts to save us printing ink.

Thanks again

I have a few questions posted here and in the 5-minute thread, if you find time please respond. I appreciate it very much.

Thanks again.

-Chandra

tamkras

02-12-07 10:20am

Quote:

Originally Posted by **tamkras** (Post 213963)

since euro is caught again between two SMA's - 89 & 200, let me share my thoughts on the possible continuation scenarios.

Scenario 1:

This is bearish indicator because price did not find support @ 200SMA but was pushed under it. Four consecutive candles could not drive it up enough. We might expect bounce from this resistance line towards 89SMA.

Scenario 2:

This is incomplete head-and-shoulders pattern where price may pull out slightly again above 200SMA towards 1.3025 but then retrace sharply to the level of 1.2935-45. Two previous heads bounced (sorry for the unintended pun!) from 365SMA. This head failed to reach 365SMA and we may see further decline. Again, bearish indicator.

Scenario 3:

Last week was a busted breakout towards 365SMA. Magical level 1.3050 is still intact with all the news hype around euro. All busted patterns are fairly reliable. Again, bearish signal.

These are just the thoughts and only the market (read MACD strategy) will point us to the right direction next week. Any ideas on what the future of euro holds for us?

Scenario 2 is completed.

O'Zeeke

02-12-07 11:49am

scenerio 2

Quote:

Originally Posted by **tamkras** (Post 214987)
Scenario 2 is completed.

Excellent prediction, Tamkras, If i may ask in your scenerio 2, how did you arrive at 1.2937 - 1.2945? Did you use the previous low of the 21 EMa? This is where i has trouble setting TP. Thanks Tamkras

O,Zeeke

tamkras

02-12-07 12:13pm

thanks

Quote:

Originally Posted by **O'Zeeke** (Post 215043)
Excellent prediction, Tamkras, If i may ask in your scenerio 2, how did you arrive at 1.2937 - 1.2945? Did you use the previous low of the 21 EMa? This is where i has trouble setting TP. Thanks Tamkras

O,Zeeke

thanks, O,Zeeke. we all are trying for the best of Phillip's MACD strategy. If you read my previous posts, my analysis was based on mere price action last week and Phillip's lessons on critical SMA's 1.2937-1.2945 was arrived by drawing a support line from the previous two lows of the head/shoulders. Quite simple.

Last night I took a high probability short trade on cable as I confirmed 2 posts before. 72 pips gain. I

will post a trade later to confirm it.

Tw0eleven

02-12-07 12:29pm

Quote:

Originally Posted by **tamkras** (Post 215066)

thanks, O,Zeeke. we all are trying for the best of Phillip's MACD strategy. If you read my previous posts, my analysis was based on mere price action last week and Phillip's lessons on critical SMA's 1.2937-1.2945 was arrived by drawing a support line from the previous two lows of the head/shoulders. Quite simple.

Last night I took a high probability short trade on cable as I confirmed 2 posts before. 72 pips gain. I will post a trade later to confirm it.

Nice call Tamkras! I see exactly how that trade unfolded. Unfortunately I sleep during the London session due to my time zone and wasn't able to trade. Looking ahead, any ideas what we can look for now? Of course we need to wait for confirmation...but I'm seeing a that price bounced off a trendline down around 1.2940 and price is well below the MA's. So would I be correct in thinking that price will tend to go back to re-test the MA's? Possibly the 1.2980 to 1.3000 area? That's also if we get a "rounded bottom" on the MACD for a signal! Anyone else have any comments?

DireXiv

02-12-07 12:41pm

Eur/usd

13:00 GMt

That is exactly what I'm seeing. I actually put in a small 'test" trade a little bit ago, and it's going well.

Quote:

Originally Posted by **Tw0eleven** (Post 215078)

Nice call Tamkras! I see exactly how that trade unfolded. Unfortunately I sleep during the London session due to my time zone and wasn't able to trade. Looking ahead, any ideas what we can look for now? Of course we need to wait for confirmation...but I'm seeing a that price bounced off a trendline down around 1.2940 and price is well below the MA's. So would I be correct in thinking that price will tend to go back to re-test the MA's? Possibly the 1.2980 to 1.3000 area? That's also if we get a "rounded bottom" on the MACD for a signal! Anyone

else have any comments?

Tw0eleven

02-12-07 12:51pm

Quote:

Originally Posted by **DireXiv** (Post 215086)
13:00 GMT

That is exactly what I'm seeing. I actually put in a small 'test' trade a little bit ago, and it's going well.

I'm doing the same thing on a demo account. Just to see how it goes. I'm liking the inverted Head&Shoulders pattern forming on the MACD of the GBP/USD pair too. Just need to wait for confirmation.

Phillip Nel

02-12-07 2:09pm

4 Hour Strategy

1 Attachment(s)

The MACD made a run towards zero and then turn up giving a signal for long.

1. Signal was turnaround above zero
2. Direction = long
3. Where is resistance = ± 20 pips away to trendline
4. Stoploss to below 200SMA or 1.3000 = ± 20 pips
5. R:R OK
6. Go long with profit target trendline = 15-20 pips
7. Not very much room to trendline so set breakeven after 10+ pips.

That would have been my way

The Gbp I said that it broke through the 89SMA and pulled back to the 21EMA so a trend is on. The scenario was a pullback to the 21EMA and then trend continue. Unfortunately the down move was sudden. Did not give MACD signal.

DireXiv

02-12-07 2:16pm

Eur/usd

Thanks for the feedback Phillip. That's exactly what I did and pulled out 13 pips before major downtrend. So, it was a little dangerous, but setup properly it worked out!

Quote:

Originally Posted by **Phillip Nel** (Post 215172)

The MACD made a run towards zero and then turn up giving a signal for long.

1. Signal was turnaround above zero

2. Direction = long

3. Where is resistance = ± 20 pips away to trendline

4. Stoploss to below 200SMA or 1.3000 = ± 20 pips

5. R:R OK

6. Go long with profit target trendline = 15-20 pips

7. Not very much room to trendline so set breakeven after 10+ pips.

That would have been my way

The Gbp I said that it broke through the 89SMA and pulled back to the 21EMA so a trend is on. The scenario was a pullback to the 21EMA and then trend continue. Unfortunately the down move was sudden. Did not give MACD signal.

Phillip Nel

02-12-07 3:01pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 215181)

Thanks for the feedback Phillip. That's exactly what I did and pulled out 13 pips before major downtrend. So, it was a little dangerous, but setup properly it worked out!

Well done. It was not that dangerous as you could have set your stoploss just below 200SMA at

around 15 pips. If it broke through the trendline up you would have been in for a ride. It is not just to make 10-15 pips but to have an opportunity should it break through. At least you had a chance if it did.

tamkras

02-12-07 3:02pm

Quote:

Originally Posted by **Tw0eleven** (Post 215078)

Nice call Tamkras! I see exactly how that trade unfolded. Unfortunately I sleep during the London session due to my time zone and wasn't able to trade. Looking ahead, any ideas what we can look for now? Of course we need to wait for confirmation...but I'm seeing a that price bounced off a trendline down around 1.2940 and price is well below the MA's. So would I be correct in thinking that price will tend to go back to re-test the MA's? Possibly the 1.2980 to 1.3000 area? That's also if we get a "rounded bottom" on the MACD for a signal! Anyone else have any comments?

Hi Tw0eleven, we shall need to see some form of bulls' consolidation to make a long call. Let me get back to you with what I think later day. Just busy right now...

irusoh

02-12-07 3:30pm

Tuned up MACD indicator

1 Attachment(s)

I find it difficult to follow MACD signals at times of good strong trend.

MACD gives clear signals against the trend which are often dangerous, and almost none against the trend. So it seems that during the trend one can enter using 5-min strategy. enter into trade at pullback between 8 and 21 mas and then enter with small s/l under 21 ma hoping that trend continues.

What would be the best technique entering into the trend?

anyway here is improved MACD (I hope). It shows 2 colors for up movement and down movement. This will allow to clearly see change in direction. It also scaled in pips. This way all currencies will have the same levels regardless of decimal point. It is preset for H4-300pips strategy 5-13-1 with levels set at 45,30,15,-15,-30,-45.

Phillip Nel

02-12-07 3:32pm

4 Hour Strategy

Watch the 89SMA and 200SMA getting closer to one another with all the other MA's inbetween. We are in for something.

Sorry. The EurUsd and with lesser extend the Gbp

alcastro

02-12-07 3:46pm

Quote:

Originally Posted by **Phillip Nel** (Post 215249)

Watch the 89SMA and 200SMA getting closer to one another with all the other MA's inbetween. We are in for something.

For which pair Phillip?

Phillip Nel

02-12-07 3:51pm

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 215245)

I find it difficult to follow MACD signals at times of good strong trend.

MACD gives clear signals against the trend which are often dangerous, and almost none against the trend. So it seems that during the trend one can enter using 5-min strategy. enter into trade at pullback between 8 and 21 mas and then enter with small s/l under 21 ma hoping that trend continues.

What would be the best technique entering into the trend?

anyway here is improved MACD (I hope). It shows 2 colors for up movement and down movement. This will allow to clearly see change in direction. It also scaled in pips. This way all currencies will have the same levels regardless of decimal point. It is preset for H4-300pips strategy 5-13-1 with levels set at 45,30,15,-15,-30,-45.

The 89SMA is the indicator for a trend. If price is below then the mood is bearish and visa versa. If the price is below the 89SMA and it pulls back to the 21EMA and gives a MACD trend continue signal that is when you enter and as long as the price stays below the 21EMA you sit and collect pips.

Phillip Nel

02-12-07 3:53pm

4 Hour Strategy

Quote:

Originally Posted by **alcastro** (Post 215268)
For which pair Phillip?

Sorry. The EurUsd and the Gbp also but with lesser extend.

irusoh

02-12-07 4:01pm

1 Attachment(s)

Is this a good setup coming up on GBP?

Though it shows tails and didn't break thru 365ma :(

fnmdx

02-12-07 4:19pm

Quote:

Originally Posted by **JArbuckle** (Post 214416)
If you want to have charts that are exactly like the MACD examples, you can open a demo acct from MIG forex at: www.migfx.ch. Use the demo account to identify the MACD entry points and use your cuurent broker to manage your trades.

Thanks. I will do that.

Phillip Nel

02-12-07 4:24pm

4 Hour Strategy

1 Attachment(s)

Look at the chart and work out the amount of pips gained or lossed in total over all the signals. Remember that countertrend trades are to the 21EMA area only. Check the R:R ratio.

See where the trades are made with a trend.

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 215285)
*Is this a good setup coming up on GBP?
Though it shows tails and didn't break thru 365ma :(*

Wait for 4hour candle to close. Could be a head and shoulder on the MACD. Only then decide. 365EMA and 1.9500 price level barriers in the way. Wait,,wait,,wait..

Remember that we are in a downtrend on the Gbp. It broke the 89SMA downwards and pulled back twice towards the 21EMA.

tamkras

02-12-07 4:34pm

Quote:

Originally Posted by **tamkras** (Post 215225)
Hi TwOeleven, we shall need to see some form of bulls' consolidation to make a long call. Let me get back to you with what I think later day. Just busy right now...

my take on euro and cable at this moment:

- 1). euro bounced off weekly support line and made a nice 1 hr pin. we need MACD pattern to confirm the bulls power. If solely played on 1 hr pin, my target would be around @1.2983. But I can not initiate long position as there is no MACD signal yet.
- 2). cable looks promising for the long with MACD unfolding better. The last swing low of the bears has failed to produce similar or longer 4-hr bear candle. Price bounced off swing high of the previous W pattern dated January 8th.

General remark: both pairs, in my view, are forming an ascending triangle on 5-min chart. This is not always a bullish structure. If busted, we can see further downturn. Sorry, as I do not sit at my trading computer, I can not provide some charts. But this is what I see. I am looking at the MACD unfolding for cable and breakout from the triangle.

Phillip Nel

02-12-07 6:24pm

4 Hour Strategy

EurUsd have not shown anything yet.

1. No action

GbpUsd shows a tiny round bottom backed by a not so perfect MACD inverted head and sholder.

1. Signal long

2. Target 365EMA and 1.9500 = +20 pips (Have already been tested-previous candle)

3. Stoploss = 25+ pips.(Below 2 candles back)

4. R:R < 0.9 NOT GOOD

5. I will pass this one.

6. Wait for further MACD guidance at 0:00 GMT

mandoaddam

02-12-07 6:26pm

dear phillip

I ask u if u plz stay with us till the end of this candle

I'm looking for gbpusd

i think it's gona be good lesson to me

I see a divergance >>> and also could be head and shoulders
but it also could drop down again.. if it close low near 1.9430
so I need your opinion when the candle close

meny thanks

mandoaddam

02-12-07 7:04pm

so any one can see any thing new ... ???

tamkras

02-12-07 7:22pm

Quote:

Originally Posted by **mandoaddam** (Post 215448)
so any one can see any thing new ... ???

There is Phillip update just above. No new positions so far.

Cable's recent 4HR candle is bearish and the new one is just testing its previous low. Let's have lunch, folks.

Chandra

02-12-07 8:08pm

Quote:

Originally Posted by **Phillip Nel** (Post 215172)

The MACD made a run towards zero and then turn up giving a signal for long.

1. Signal was turnaround above zero

2. Direction = long

3. Where is resistance = ± 20 pips away to trendline

4. Stoploss to below 200SMA or 1.3000 = ± 20 pips

5. R:R OK

6. Go long with profit target trendline = 15-20 pips

7. Not very much room to trendline so set breakeven after 10+ pips.

That would have been my way

The Gbp I said that it broke through the 89SMA and pulled back to the 21EMA so a trend is on. The scenario was a pullback to the 21EMA and then trend continue. Unfortunately the down move was sudden. Did not give MACD signal.

Phillip,

With regards to Gbp, don't you consider the MACD gave a 'Round Bottom' as well as a 'Lower High' signals on 207-02-08, 0:00 GMT? These signals told to go short! Please comment. It is important for me to clear some confusion.

Thanks.

-Chandra

Chandra

02-12-07 8:53pm

Quote:

Originally Posted by **Phillip Nel** (Post 215308)

Wait for 4hour candle to close. Could be a head and shoulder on the MACD. Only then decide. 365EMA and 1.9500 price level barriers in the way. Wait,,,wait,,,wait..

Remember that we are in a downtrend on the Gbp. It broke the 89SMA downwards and pulled back twice towards the 21EMA.

Hi Phillip,,

In the case of GBP chart posted by Irusoh (#466) I agree that the price should break the 365 MA and the 1.9500 price barrier to be considered for a long. Regarding the H&S formation, even if the MACD is make H&S, it is going to be a long trade. So, what is the significance of waiting to confirm whether it is a H&S or not. I appreciate your observation and comment on this

Thanks.

-Chandra

Chandra

02-12-07 9:05pm

Quote:

Originally Posted by **Phillip Nel** (Post 215420)

EurUsd have not shown anything yet.

1. No action

GbpUsd shows a tiny round bottom backed by a not so perfect MACD inverted head and sholder.

1. Signal long

2. Target 365EMA and 1.9500 = +20 pips (Have already been tested-previous candle)

3. Stoploss = 25+ pips.(Below 2 candles back)

4. R:R < 0.9 NOT GOOD

5. I will pass this one.

6. Wait for further MACD guidance at 0:00 GMT

Phillip,

What an observation!!! My God!!!

You are so much into your system and have so much confidence in you and in your method!! I don't think you will have any second thought about your observations! So much convinced of your method and so much committed to it in your intellect.

I love your committment to teach us too! Can we come up to your conviction and committment, Do you think we can raise up to your expectations? ? I wish we all can reach that level of yours!

But, but..... we are getting at it though, slowly but steadily. We understand you and THAT IS A GREAT ACHIEVEMENT TO MANY OF US!! In few days or weeks or months (or years?) we will be able to think like you!!

Thanks for your intellectual ability and willingness and determination to pull us all up to your level

(inspite of many moving average resistances and trendline resistances and price barriers 😊)
-Chandra.

Chandra

02-12-07 9:10pm

Oops !!!

Oops!,
In my posting #475 I said 'Round Top' instead of 'Round Bottom'. I immediately edited it though.
Sorry.
-Chandra

Chandra

02-12-07 9:41pm

Quote:

Originally Posted by **Phillip Nel** (Post 215304)

Look at the chart and work out the amount of pips gained or lossed in total over all the signals. Remember that countertrend trades are to the 21EMA area only. Check the R:R ratio.

See where the trades are made with a trend.

Phillip,

Referring to the chart you attached to this posting on 'counter trend trades:

It is a great chart!

1. If price crosses below the 89 SMA, we are in down trend.
2. In this down trend, take all short signals given by MACD in normal way with appropriate s/l and tp using trend lines, MAs and price barriers.
3. If you get a signal in MACD to go long while you are in this down trend situation, make sure your long trade is going to be upto 21EMA area ONLY and, based on that, calculate R:R ratio.
4. If R;R ratio is one or better, take it. Otherwise skip the trade.
5. Same rules apply to up trend. (Of course, in reverse order 😊).

Please comment.

Thanks.

Phillip Nel

02-12-07 10:04pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 215488)

Phillip,

With regards to Gbp, don't you consider the MACD gave a 'Round Bottom' as well as a 'Lower High' signals on 207-02-08, 0:00 GMT? These signals told to go short! Please comment. It is important for me to clear some confusion.

Thanks.

-Chandra

The first part referred to the EurUsd to go long to trendline

Phillip Nel

02-12-07 10:12pm

4 Hour Strategy

It is getting very interested on the Gbp. Last three candles have tails pointing up and on them alone is forming a head and shoulder formation. More reason to wait.

EurUsd starts to show nice round bottom prospect. Will see at next candle close.

Phillip Nel

02-12-07 10:15pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 215549)

Phillip,

Referring to the chart you attached to this posting on 'counter trend trades:

It is a great chart!

- 1. If price crosses below the 89 SMA, we are in down trend **MOOD**.*
 - 2. In this down trend, take all short signals given by MACD in normal way with appropriate s/l and tp using trend lines, MAs and price barriers.*
 - 3. If you get a signal in MACD to go long while you are in this down trend situation, make sure your long trade is going to be upto 21EMA area ONLY and, based on that, calculate R:R ratio.*
 - 4. If R:R ratio is one or better, take it. Otherwise skip the trade.*
 - 5. Same rules apply to up trend. (Of course, in reverse order 😊).*
- Please comment.*

Thanks.

That is exactly

DireXiv

02-12-07 11:46pm

WOW....

Now that sums it up. Thank you very much both of you for putting that so "eloquently" :) Sometimes it takes certain wording or grouping for me to take it all in.

Thanks!

Quote:

Originally Posted by **Phillip Nel** (Post 215580)

That is exactly

Quote:

Originally Posted by **Chandra** (Post 215549)

Phillip,

Referring to the chart you attached to this posting on 'counter trend trades:

It is a great chart!

- 1. If price crosses below the 89 SMA, we are in down trend.*
- 2. In this down trend, take all short signals given by MACD in normal way with appropriate s/l and tp using trend lines, MAs and price barriers.*
- 3. If you get a signal in MACD to go long while you are in this down trend situation, make sure your long trade is going to be upto 21EMA area ONLY and, based on that, calculate R:R ratio.*
- 4. If R:R ratio is one or better, take it. Otherwise skip the trade.*
- 5. Same rules apply to up trend. (Of course, in reverse order🤖).*

Please comment.

Thanks.

turk87

02-12-07 11:50pm

I am really curious when you would pull the trigger for the USD/GDP pair. WHEN does a head and shoulders pattern confirm bullish? and when negative?

Thanks.

tamkras

02-13-07 1:14am

cable second chance

now is cable second chance to breakout.

EDIT: well done, dear! there must be some buy orders above 1.9490.

~Shard~

02-13-07 1:28am

I'm still very new to this method, but it looks as though the EUR/USD is forming a rounded bottom, which would signal a move to the upside. Does anyone agree or am I not reading the chart right?

mandoaddam

02-13-07 1:46am

I wana ask about something :confused:
if the eur/gbp is going short
is that mean that eur/usd will go short and gbp/usd will go long
or there isn't relative between the move of eur/gbp down and the other tow bairs
??

Phillip Nel

02-13-07 3:09am

4 Hour Strategy

Quote:

Originally Posted by **mandoaddam** (Post 215694)
*I wana ask about something :confused:
if the eur/gbp is going short
is that mean that eur/usd will go short and gbp/usd will go long
or there isn't relative between the move of eur/gbp down and the other tow bairs
??*

They sometimes move together but lately not.

O'Zeeke

02-13-07 3:21am

Quote:

Originally Posted by **Phillip Nel** (Post 215580)

That is exactly

Professor Phillip, Thank you for all your valuable teaching and could you explain hows you position the trend line on your graphs. Thanks

O'Zeeke

Phillip Nel

02-13-07 3:22am

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 215624)

I am really curious when you would pull the trigger for the USD/GDP pair. WHEN does a head and shoulders pattern confirm bullish? and when negative?

Thanks.

GbpUsd

If the 365EMA was 35+ pips away I would have went long 2 candles ago. It is only the 365EMA and 1.9500 pricelevel that prevents me. It might turn out a true sHs (does not look that well) but I am to aware of the fact that we are going south with the trend.

I like the last candle on Gbp and must force myself not to go long for a couple of pips.

EurUsd

89SMA to close. Wait for a touch of the 89SMA and a turnaround for a trend continuation to go short. Target at trendline 1.2940. Trade balans news might give direction and a break below the trendline is on if it is good news for the Usd

At the moment the MA's are to close to one another so it makes it difficult. There is no smooth

movement.

turk87

02-13-07 3:29am

1 Attachment(s)

Wouldnt you consider going long, EUR/USD??

There seems to be a smooth bottom.

Chandra

02-13-07 3:55am

Quote:

Originally Posted by **turk87** (Post 215752)

Wouldnt you consider going long, EUR/USD??

There seems to be a smooth bottom.

May be NOT BEFORE the price crosses upwards the 89 SMA and closes above 89SMA. Remember, price crossing below the 89SMA puts the market in to down trend mood. (So said Phillip. Go a couple postings back and you will see all the important things he has said about 89SMA and 21 EMA).

Good trading.

-Chandra

turk87

02-13-07 4:36am

Don't put too much emphasis on the moving averages. Just look at the chart, its trending up and near the lows of the trend, with the round MACD forming. Also its in a choppy pattern, so moving averages are pretty much useless in this case.

Just my opinion.

Tw0eleven

02-13-07 5:47am

Thanks for getting back with me Tamkras! Looks like the GBP made it up to test the 9500 area. Now I'll be looking for a short signal to continue the downtrend.

EUR/USD, as Phillip has mentioned, looks ready to do something. Not sure what yet...will have to wait and see on this pair too! But with MACD heading to the zero line on both pairs, Perhaps it will touch and head back down giving a Downtrend continuation signal!

Time will tell!!!

Quote:

Originally Posted by **tamkras** (Post 215315)
my take on euro and cable at this moment:

1). euro bounced off weekly support line and made a nice 1 hr pin. we need MACD pattern to confirm the bulls power. If solely played on 1 hr pin, my target would be around @1.2983. But I can not initiate long position as there is no MACD signal yet.

2). cable looks promising for the long with MACD unfolding better. The last swing low of the bears has failed to produce similar or longer 4-hr bear candle. Price bounced off swing high of the previous W pattern dated January 8th.

General remark: both pairs, in my view, are forming an ascending triangle on 5-min chart. This is not always a bullish structure. If busted, we can see further downturn. Sorry, as I do not sit at my trading computer, I can not provide some charts. But this is what I see. I am looking at the MACD unfolding for cable and breakout from the triangle.

turk87

02-13-07 6:04am

Long EUR.USD @ 1.2968

siddharta73

02-13-07 6:18am

Quote:

Originally Posted by **turk87** (Post 215861)
Long EUR.USD @ 1.2968

good move turk87 ... ;)

btw I read a lot of times in the posts the R:R ratio ... sorry all, I tried to search on google too, but I didn't find anything about it, may someone can explain me what the R:R ratio is ?

thanks in advance !!!

turk87

02-13-07 6:28am

:rofl:

It crossed the 89, there you go, jump on board if you wish.

endy

02-13-07 6:28am

R:R ratio

Quote:

Originally Posted by **siddharta73** (Post 215879)
good move turk87 ... ;)

btw I read a lot of times in the posts the R:R ratio ... sorry all, I tried to search on google too, but I didn't find anything about it, may someone can explain me what the R:R ratio is ?

thanks in advance !!!

It's Risk:Reward ratio, that is at the end of the trader, if it would go either way, how much would you gain or loose. If the ratio is favourable in gain part, then the risk should be less.

DireXiv

02-13-07 10:09am

Eur/usd And Gbp/usd

I made some grea pips (48 and 36 a total of 129 if you count the multiple lot trading taechnique like phillip uses)) today on both before the big pullback. It may not have been the ideal setup, but I learned from it again, and will be able to see things develep better in the future. Thanks again for all you advice and teachings!

What in the world is the EUr/usd going to do now?!?!?!? Still looks like a big break out has to happen soon? Maybe break the 200 EMA and continue up? since now over the 89? Spinner candle is currently right under the 200

tamkras

02-13-07 10:34am

I went long yesterday with cable but my TP was 1 pip apart from the market turnaround point. Since I had a tight stop I lost only 23 pips. I missed this cable move. It bounced off 21SMA in a spectacular

manner! Where was I?!

tamkras

02-13-07 10:40am

Quote:

Originally Posted by **turk87** (Post 215861)
Long EUR.USD @ 1.2968

Way to go, Turk87!

tamkras

02-13-07 10:56am

Quote:

Originally Posted by **DireXiv** (Post 216084)
I made some grea pips (48 and 36 a total of 129 if you count the multiple lot trading taechnique like phillip uses)) today on both before the big pullback. It may not have been the ideal setup, but I learned from it again, and will be able to see things develep better in the future. Thanks again for all you advice and teachings!

What in the world is the EUR/usd going to do now?!?!?!? Still looks like a big break out has to happen soon? Maybe break the 200 EMA and continue up? since now over the 89? Spinner candle is currently right under the 200

Great work, DireXiv!

endy

02-13-07 11:08am

Quote:

Originally Posted by **DireXiv** (Post 216084)
I made some grea pips (48 and 36 a total of 129 if you count the multiple lot trading taechnique like phillip uses)) today on both before the big pullback. It may not have been the ideal setup, but I learned from it again, and will be able to see things develep better in the future. Thanks again for all you advice and teachings!

What in the world is the EUR/usd going to do now?!?!?!? Still looks like a big break out has to happen soon? Maybe break the 200 EMA and continue up? since now over the 89? Spinner candle is currently right under the 200

Would you mind sharing your view in those trades (when (what price/time) did you enter and what was your approach) please ?
if possible also attach picture.. thanks a lot.

Chandra

02-13-07 12:17pm

[quote=siddharta73;215879]good move turk87 ... ;)

btw I read a lot of times in the posts the R:R ratio ... sorry all, I tried to search on google too, but I didn't find anything about it, may someone can explain me what the R:R ratio is ?

thanks in advance !!![/quote]

Sidhartha,

R:R stands for Risk-to-Reward ratio. That means it is the ratio of Stop Loss to Profit target. It should be one (1) or greater than one for a good trade.

If the profit target you calculated for a new trade you are planning to take is divided by the stop loss you are planning to give for that trade and the dividend is one or higher, then the trade is a good trade. Other wise do not take the trade because yo are risking more money to gain a smaller amount.

-Good Trading.

-Chandra

DireXiv

02-13-07 12:28pm

I sure will

I'll do it later this afternoon as I'm at work right now, and have limited time to trade and post :)

On another note, I'm 20 pips up further on the eur/usd as I got back in based on Phillips above/below the 89 EMA Long/short "mood" rule..

What a GREAT system!!!!

Edit: Just closed the second eur/usd trade for 24 pips.....

Quote:

Originally Posted by **endy** (Post 216151)

*Would you mind sharing your view in those trades (when (what price/time) did you enter and what was your approach) please ?
if possible also attach picture.. thanks a lot.*

fnmdx

02-13-07 12:35pm

Candle shape...

I came accross quite a number of times that Phillip mention about 'Morning Star', 'Evening Star' and 'Engulfing candle'. I tried to identify which one are those but still not very sure. Can anybody help me with these? Thanks in advance.

DireXiv

02-13-07 12:40pm

I love this little thread on this forum we have here. Everyone involved provides great feedback and insight... and now Tamkras is giving pats on the back! :)

Quote:

Originally Posted by **tamkras** (Post 216142)
Great work, DireXiv!

Quote:

Originally Posted by **tamkras** (Post 216127)
Way to go, Turk87!

thunder

02-13-07 12:48pm

formations

Quote:

Originally Posted by **fnmdx** (Post 216216)

I came accross quite a number of times that Phillip mention about 'Morning Star', 'Evening Star' and 'Engulfing candle'. I tried to identify which one are those but still not very sure. Can anybody help me with these? Thanks in advance.

Check out this website for formations I found it usefull

http://www.trade2win.com/traderpedia...stick_charting

maarf01

02-13-07 12:51pm

Hello,

Please, where are the two currencies (Euro and Cabble) heading? Can anybody give me an insight?

fnmdx

02-13-07 12:56pm

Quote:

Originally Posted by **thunder** (Post 216230)

Check out this website for formations I found it usefull

http://www.trade2win.com/traderpedia...stick_charting

Thanks Thunder.

gklp

02-13-07 12:58pm

after the us trade balance data , it seem eu try to break 3080 ,gu leading to 9500 where the move actually started.

maarf01

02-13-07 1:22pm

gklp

Quote:

Originally Posted by **gklp** (Post 216249)

after the us trade balance data , it seem eu try to break 3080 ,gu leading to 9500 where the

move actually started.

Thanks, does that means that the ensuing down trend has finally changed on Euor?

endy

02-13-07 1:34pm

Quote:

Originally Posted by **maarf01** (Post 216280)

Thanks, does that means that the ensuing down trend has finally changed on Euor?

As Philip mentioned, EURUSD at the moment kinda sux, as now it is 6 weeks since it is in roughly 150 pips range (see 4h charts since 2nd january week). Also 89SMA is almost flat now, so let's hope the range brakes soon.

kevmcfooster

02-13-07 1:35pm

Hello Phil

Interesting system. But have you tried using divergence for this method? I wonder how that would work

kevin

Phillip Nel

02-13-07 2:00pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 215752)

Wouldnt you consider going long, EUR/USD??

There seems to be a smooth bottom.

Sorry. I ment the price movement overall not smooth. The MACD gave nice round bottom. 89SMA

was the barrier. I knew the Gbp is in a downtrend and was looking for the EurUsd to follow. The 4 hour candle before I went to work this morning was not closed yet. At 8:00 GMT the candle closed and a perfect round bottom was formed. Waiting for it to crass the 89SMA with about 5-10 pips was the entry signal. The round bottom was so perfect that you could have entered after the candle close.

tamkras

02-13-07 2:01pm

Quote:

Originally Posted by **DireXiv** (Post 216220)

I love this little thread on this forum we have here. Everyone involved provides great feedback and insight... and now Tamkras is giving pats on the back! :)

I was indeed happy seeing success of this system, even this time I lost by a pip! I am glad I did not turn my small win into a great loser.

GPS - Great Pipastic System.

Phillip Nel

02-13-07 2:05pm

4 Hour Strategy

Quote:

Originally Posted by **turk87** (Post 215861)

Long EUR.USD @ 1.2968

Remember that the MA's are only barriers. If there was a trend continuation it would have been at or close to the 89SMA. You took the long at exactly the perfect place after a perfect round bottom. I would took it above the 89SMA.

mandoaddam

02-13-07 2:31pm

could we consider this candle on Gbp/usd as A *bullish harami*
which come in the end of down trend

>>>>>>>>> *or am I just hoping it goes up :(*

tamkras

02-13-07 2:33pm

fundamentals vs technical

Quote:

Originally Posted by **gklp** (Post 216249)
after the us trade balance data , it seem eu try to break 3080 ,gu leading to 9500 where the move actually started.

Hi gklp, please, see Phillip's post on fundamentals vs. technicals

<http://www.forexfactory.com/showthre...l#post 204871>

Tw0eleven

02-13-07 2:41pm

1 Attachment(s)

Quote:

Originally Posted by **Phillip Nel** (Post 216352)
Remember that the MA's are only barriers. If there was a trend continuation it would have been at or close to the 89SMA. You took the long at exactly the perfect place after a perfect round bottom. I would took it above the 89SMA.

Hi Phil and Turk, could you post your charts on the EUR/USD so I can see this "perfect" round bottom? Below is my chart and while the the MACD started forming a "perfect" round bottom on the left side, but then price took off on me on the right side so that by the time my "signal" candle closed...most of the move was already over.

Also, could you analyze why you thought Long on this pair? When I was looking at it, I saw price close below the 89SMA so I was thinking to Short this pair. I was waiting for a retrace and test of the 89, or 21 ma's. But then I saw 4 candles go up and "test" the 89SMA but never penetrate it so I was also thinking short.

Thanks! Good system, just need more practice with it!

DireXiv

02-13-07 3:24pm

Gbp/usd

16:23 GMT

Are we going to see the gbp/usd test the 21 EMA again later today on another "round"? (It's below 89 EMA so we would be bucking the trend again).

Seems to be forming like it did the previous time. Thoughts?

Phillip Nel

02-13-07 3:33pm

5 Min Strategy

Quote:

Originally Posted by **Tw0eleven** (Post 216390)

Hi Phil and Turk, could you post your charts on the EUR/USD so I can see this "perfect" round bottom? Below is my chart and while the the MACD started forming a "perfect" round bottom on the left side, but then price took off on me on the right side so that by the time my "signal" candle closed...most of the move was already over.

Also, could you analyze why you thought Long on this pair? When I was looking at it, I saw price close below the 89SMA so I was thinking to Short this pair. I was waiting for a retrace and test of the 89, or 21 ma's. But then I saw 4 candles go up and "test" the 89SMA but never penetrate it so I was also thinking short.

Thanks! Good system, just need more practice with it!

I also were looking for a short trade of the 89SMA. If you look at our round bottom you will see that if the price went above 89SMA I would have long it to the 200SMA with portion profit and the rest to trendline. The candles also forms a round bottom that indicates a long. There was not room to the 89SMA for a long but he moment it went above it the next barrier was in sight.

Phillip Nel

02-13-07 3:38pm

4 Hour Strategy

1 Attachment(s)

Here are my chart.

Look at the tail 4 candles back. Only the 89SMA had to be overcome to continue the up move.

Tw0eleven

02-13-07 3:40pm

Quote:

Originally Posted by **Phillip Nel** (Post 216437)

I also were looking for a short trade of the 89SMA. If you look at our round bottom you will see that if the price went above 89SMA I would have long it to the 200SMA with portion profit and the rest to trendline. The candles also forms a round bottom that indicates a long. There was not room to the 89SMA for a long but he moment it went above it the next barrier was in sight.

Thanks Phillip, I understand what you are saying...it makes sense. I'm still curious as to what your chart looked like, if you could post it? Does my chart look like yours? Does your MACD pretty much for a straight line up on the right side of the "rounded bottom"?

DireXiv

02-13-07 3:53pm

Eur/usd Earlier/later Last Evening

Probably the biggest reason that I decided to go long, was that I had a very strong trend line drawn from going back month and hit multiple times. The candles were bounding right off of it. So that combined with the round based on the rules I follow was a high probability trade (although there was not much room, the T/L was a big indicator for me)

I'll post charts later today as I said.

Quote:

Originally Posted by **endy** (Post 216151)

*Would you mind sharing your view in those trades (when (what price/time) did you enter and what was your approach) please ?
if possible also attach picture.. thanks a lot.*

Phillip Nel

02-13-07 4:00pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 216430)
16:23 GMT

Are we going to see the gbp/usd test the 21 EMA again later today on another "round"? (It's below 89 EMA so we would be bucking the trend again).

Seems to be forming like it did the previous time. Thoughts?

Gbp

Nothing prevent it from doing that. We are heading for MACD double higher low. 1.9500 Can very well be in sight after this 4 hour candle on Gbp if MACD shows long signal. All depends on the size of this candle for our stoplos to determine R:R ratio

Phillip Nel

02-13-07 4:04pm

4 Hour Strategy

Quote:

Originally Posted by **DireXiv** (Post 216461)

Probably the biggest reason that I decided to go long, was that I had a very strong trend line drawn from going back month and hit multiple times. The candles were bounding right off of it. So that combined with the round based on the rules I follow was a high probability trade (although there was not much room, the T/L was a big indicator for me)

I'll post charts later today as I said.

Great. Your stoploss was also smaller and you gave yourself the chance of a big move. Even if it bounced of the 89SMA you would have known and being prepared for the opposite move and could cut your loss early and went with the other wave.

irusoh

02-13-07 4:07pm

I also got confused by gbpusd and eurUSD last night. I was expecting gbp to continue trend, so I wasn't very receptive to eur round bottom. It turned out they went their separate ways. I guess one has to treat these two pairs separately. Good correlation exists between eurUSD and usdchf which was demonstrated last night one could have gone long on eur and short on chf in unison. usdjpy often signals direction for eurUSD as it often goes first maybe because tokyo session starts early. It was way down yesterday long before eurUSD and usdchf moved. So it seems that gbpusd is thing on itself.

Exactly, and again, thanks for all your feedback. I'm getting more and more confident in my rules (that came from you and everyone else's comments) all the time, while trying to stay humble and not get "excited" on moves that are not "filtered." Patience is key as you all keep pointing out. The system works when done as you have so patiently described.

Quote:

Originally Posted by **Phillip Nel** (Post 216477)

Great. Your stoploss was also smaller and you gave yourself the chance of a big move. Even if it bounced off the 89SMA you would have known and being prepared for the opposite move and could cut your loss early and went with the other wave.

Phillip Nel

02-13-07 4:13pm

4 Hour Strategy

Quote:

Originally Posted by **irusoh** (Post 216482)

I also got confused by gbpusd and eurUSD last night. I was expecting gbp to continue trend, so I wasn't very receptive to eur round bottom. It turned out they went their separate ways. I guess one has to treat these two pairs separately. Good correlation exists between eurUSD and usdCHF which was demonstrated last night one could have gone long on eur and short on CHF in unison. usdjpy often signals direction for eurUSD as it often goes first maybe because Tokyo session starts early. It was way down yesterday long before eurUSD and usdCHF moved. So it seems that gbpusd is thing on itself.

It looks like after the previous rate increase it went its own way. Treat it with what you see in front of you as a stand alone

endy

02-13-07 4:16pm

Nice indicator

I want to point others also to this nice indicator. Well done irusoh. This makes life even easier. Thanks.

Quote:

Originally Posted by **irusoh** (Post 215245)

I find it difficult to follow MACD signals at times of good strong trend.

MACD gives clear signals against the trend which are often dangerous, and almost none against the trend. So it seems that during the trend one can enter using 5-min strategy. enter into trade at pullback between 8 and 21 mas and then enter with small s/l under 21 ma hoping that trend continues.

What would be the best technique entering into the trend?

anyway here is improved MACD (I hope). It shows 2 colors for up movement and down movement. This will allow to clearly see change in direction. It also scaled in pips. This way all currencies will have the same levels regardless of decimal point. It is preset for H4-300pips strategy 5-13-1 with levels set at 45,30,15,-15,-30,-45.

endy

02-13-07 4:23pm

Quote:

Originally Posted by **Phillip Nel** (Post 216475)

Gbp

Nothing prevent it from doing that. We are heading for MACD double higher low. 1.9500

Can very well be in sight after this 4 hour candle on Gbp if MACD shows long signal. All depends on the size of this candle for our stoplos to determine R:R ratio

Philip, shouldn't we be already in ? I mean, the candle which started on 12:00 was already on MACD higher then the previous one. So in the candle which started at 16:00 (and is still running at the present) we should be already in, or am I missing something ?
Thanks.

PS: I am running on MIG demo..

Phillip Nel

02-13-07 4:32pm

4 Hour Strategy

Quote:

Originally Posted by **endy** (Post 216497)

Philip, shouldn't we be already in ? I mean, the candle which started on 12:00 was already on MACD higher then the previous one. So in the candle which started at 16:00 (and is still running at the present) we should be already in, or am I missing something ?

Thanks.

PS: I am running on MIG demo..

My MACD values shows it -0.00323 and -0.00322. You could have taken it on based on the double higher low forming even if the two MACD were the same. It is a matter of that feel inside as well with border cases like this one. Nothing wrong to take the odds on. Just be honest to admit when you were wrong and bail out to minimize loss.

fnmdx

02-13-07 5:52pm

Nice Indicator

Quote:

Originally Posted by **endy** (Post 216488)

I want to point others also to this nice indicator. Well done irusoh. This makes life even easier. Thanks.

I totally agree with you Endy. For those who want to download but do not know how, you can follow the steps below (Irusoh/Endy, please correct me if I miss something):

Step 1: Before downloading, find where is the MetaTrader4 directory (created by default when first installed Trading Platform software). For example MIG platform, the directory is in C:\Program Files**MIG Trading Station**.

Step 2: Go to Post #461 and double click the attached file (MACD_H4_300_v100.mq4). Save the file into the the default directories as follows; C:\Program Files**MIG Trading Station**\experts\indicators. (As for FXDD, the default directory is **FXDD-MetaTrader4**).

Step 3: Open-up the trading platform. Create new chart and enter all SMA's and EMA's as per Phillip's 4 hour Strategy document (as before except MACD). Then insert the colour coded MACD, by clicking the pull-down menu INSERT=>INDICATORS=>CUSTOM=>MACD_H4_300_v100.

Step 4: Change the colour and line style as per your preference. Good luck.

Thanks Irusoh for your effort and sharing.

Phillip Nel

02-13-07 5:56pm

4 Hour Strategy

Quote:

Originally Posted by **fnmdx** (Post 216545)

I totally agree with you Endy. For those who want to download but do not know how, you can follow the steps below (Irusoh/Endy, please correct me if I miss something):

Step 1: Before downloading, find where is the MetaTrader4 directory (created by default when first installed Trading Platform software). For example MIG platform, the directory is in C:\Program Files\MIG Trading Station.

Step 2: Go to Post #461 and double click the attached file (MACD_H\$_v100.mq4). Save the file into the the default directories as follows; C:\Program Files\MIG Trading Station\experts\indicators. (As for FXDD, the default directory is FXDD-MetaTrader4).

*Step 3: Open-up the trading platform. Create new chart and enter all SMA's and EMA's as per Phillip's 4 hour Strategy document (as before except MACD). Then insert the colour coded MACD, by clicking the pull-down menu
INSERT=>INDICATORS=>CUSTOM=>MACD_H4_300_v100.*

Step 4: Change the colour and line style as per your preference. Good luck.

Thanks Irusoh for your effort and sharing.

Yes. Just downloaded it and works perfectly. Thanks

Phillip Nel

02-13-07 6:19pm

4 Hour Strategy

Usd - Nothing yet. I missed the deal at 8:00 GMT this morning due to working conditions.

Gbp

1. Double lower high
2. Long signal

3. First target 365EMA + 21EMA + price level 1.9490-1.9500 = +45pips
4. Stoploss below 1.9400 = +43 pips OR (To below previous candle 28 pips)
5. R:R = OK

Action:

The risk of +43 is huge. If you can handle it the signal is on.

I went long at 1.9440

I am going to risk to only the previous candle 1.9413 (28pips)

Set breakeven after 20 pips

I treat this as a high probability pullbacktrade in a downtrend

If I could get the one on the EurUsd this morning I would have skipped this one and go to bed. But let me go by the rule as it satisfy all criteria.

Chandra

02-13-07 6:34pm

Quote:

Originally Posted by **Phillip Nel** (Post 216565)

Usd - *Nothing yet. I missed the deal at 8:00 GMT this morning due to working conditions.*

Gbp

1. Double lower high

2. Long signal

3. First target 365EMA + 21EMA + price level 1.9490-1.9500 = +45pips

4. Stoploss below 1.9400 = +43 pips OR (To below previous candle 28 pips)

5. R:R = OK

Action:

The risk of +43 is huge. If you can handle it the signal is on.

I went long at 1.9440

I am going to risk to only the previous candle 1.9413 (28pips)

Set breakeven after 20 pips

I treat this as a high probability pullbacktrade in a downtrend

If I could get the one on the EurUsd this morning I would have skipped this one and go to bed. But let me go by the rule as it satisfy all criteria.

GBP TRADE:

PERRRRFFFFFECT TRADE PLAN. I love your way of thinking.

It is counter-trend trade. Right?

-Chandra

Phillip Nel

02-13-07 6:40pm

Quote:

Originally Posted by **Chandra** (Post 216577)

GBP TRADE:

PERRRRFFFFFECT TRADE PLAN. I love your way of thinking.

It is counter-trend trade. Right?

-Chandra

Yes countertrend. Gain already 16pips. Price halted at 8EMA as previous 2 candles. Set stoploss to -5pips 1.9435.

Phillip Nel

02-13-07 6:51pm

Gbp Position

1. Gain 19 pips. Set stoploss to breakeven 1.9440
2. Profit target 1.9488 (Just a feeling. No calculation)
3. Set 20 pip trailing stop. Going to bed as I have a free ride. Need some rest. Wont be able to watch it live.
4. If you want to catch some profit the 61.8% Fib of todays move is at 1.9475

Thanks for all the posts and support

Phantomflyer

02-13-07 7:49pm

Very Profitable System

I just want to thank Philip & others who have contibuted to this thread. Philip, this system has been working great for me too, last night I netted a total of 131 pips on three different currencies. I appreciate all the information & lessons you've taught here, Thanks

mandoaddam

02-13-07 9:12pm

tamkras

I went long with gbp/usd from 1.9442 according to this thread i'll keep inside till the macd give me a sign to close is but in the last discations >>> i see phill and other was talking about taking profit @ 1.9488

will u plz explain that to me :confused:

tamkras

02-13-07 9:17pm

usd/cad

special thanks to fnmdx for the indicator - a better visual for the eyes (they need some rest sometimes!).

I'm interested to see if usd/cad will pull out and make some nice double-bottom on the MACD. I will see it within the next 2-3 bars to confirm a reversal. MACD pattern provided ideal set-up for the short trade when the pair bounced off 200SMA - there was enough time to enter as opposed to the recent, almost instantenous, eurodollar and cable movements, the signal was there on the MACD but for many it was a missed signal. Just my thoughts.

I went long with cable @1.9455 - was away from the computer but still saw an opportunity to jump in. I like the previous 4HR inside candle.

Shazzz

02-13-07 9:23pm

Quote:

Originally Posted by **mandoaddam** (Post 216724)

tamkras

*I went long with gbp/usd from 1.9442 according to this thread i'll keep inside till the macd give me a sign to close is but in the last discations >>> i see phill and other was talking about taking **profit @ 1.9488***

will u plz explain that to me :confused:

thats where the 365EMA is (+- 2 to 3 pips)....could act as a barrier..

mandoaddam

02-13-07 9:30pm

thanks shazzz

so do u think I close half of my posetions @ 1.9488
and stay with the other half
or it's gona retrace from there

.....
by the way usd / cad making double bottom and have a divergance to

tamkras

02-13-07 9:38pm

Quote:

Originally Posted by **Shazzz** (Post 216743)
thats where the 365EMA is (+- 2 to 3 pips)....could act as a barrier..

that's correct. As confirmed by Phillip this is a counter-trend trade and there are many barriers on the way up. Partial profit-taking has already started from 1.9472 - you can easily see it now happening (Phillip said about this fib level quite recently), there are 3 other barriers on the way up, 21SMA, price level 1.9500 and 365SMA. At each of these levels a further downtrend may resume. Trend is our friend. A tight stop (trailing stop) might help lock in some profits if you are away from the computer and downtrend is resumed. But, there will be a zillion of other chances.

DireXiv

02-13-07 9:40pm

usd/cad

1 Attachment(s)
10:40 GMT

I didnt' know if anyone else was watching this, or i would have posted to get all your thoughts. I actually just got in. although early, it seems to be a good forming trade, lower/higher, against trend line (although recent, it still has 3 hits, and feel really confident when good T/L's are in play), and the 365 is right below the trend line, so my stop is...

Edit: my platform shows an upward closing candle... yours may not.... I didn't check my MIG demo account before making the trade... my mistake.

-just below the 365, and outside the trendline at 1.1644.
-I went long at 1.1673,
-and my target for first profit is - 1.1708 for 35 pips,
-and final target to complete the trade is 1.1734 for 61 pips
-RR: 30 pip risk with 35 pip at first take = good and 61 pip potential = good.

We'll see how it ends up working out. It looks like the gbp/usd setups we've done well on today.

Again, I'm in early (not sure why exactly just seemed good setup), so.... at your own risk at this point.

Edit: Adding Chart

Quote:

Originally Posted by **tamkras** (Post 216735)

special thanks to fnmdx for the indicator - a better visual for the eyes (they need some rest sometimes!).

I'm interested to see if usd/cad will pull out and make some nice double-bottom on the MACD. I will see it within the next 2-3 bars to confirm a reversal. MACD pattern provided ideal set-up for the short trade when the pair bounced off 200SMA - there was enough time to enter as opposed to the recent, almost instantenous, eurodollar and cable movements, the signal was there on the MACD but for many it was a missed signal. Just my thoughts.

I went long with cable @1.9455 - was away from the computer but still saw an opportunity to jump in. I like the previous 4HR inside candle.

DireXiv

02-13-07 9:46pm

gbp/usd

1 Attachment(s)

10:42 gmt

Exactly, I took 20 pips early profit with 1 lot and I'm hoping it will make it up to my second tartget at 1.9490. My stop is moved up since I already took profit so that even if it completely resumes the downtrend aggressively, I take away 5-10 pips on my last lot.

Attached is my current trade still on... you can see my "in", and what I now have for "outs" and the pip values at those points.

Quote:

Originally Posted by **tamkras** (Post 216761)

that's correct. As confirmed by Phillip this is a counter-trend trade and there are many barriers on the way up. Partial profit-taking has already started from 1.9472 - you can easily see it now happening (Phillip said about this fib level quite recently), there are 3 other barriers on the way up, 21SMA, price level 1.9500 and 365SMA. At each of these levels a

further downtrend may resume. Trend is our friend. A tight stop (trailing stop) might help lock in some profits if you are away from the computer and downtrend is resumed. But, there will be a zillion of other chances.

DireXiv

02-13-07 10:04pm

usd/yen

for what it's worth, you may take a look at the usd/yen. It's starting up, and the macd is starting to round. It's above 89 EMA, so the "mood" is up, and it looks like it will continue and bounce off the 89 EMA. The pair has face resistance up to 122.00 twice forming a candle double top, which would give a move of around: 59 pips with very little stop loss if it does fully form.

I traditionally haven't really like to trade this pair all that much, but keep your eyes on it!

Ben

irusoh

02-13-07 10:04pm

who is trading actual money here

I was just wondering, is anybody trading live here?

Because I hear it everywhere, I just made 100 pips, and so forth. But then it turns out that it was all worth like 30 bucks with some micro account and even that was on demo.

This system seems to be worth it try it live.

DireXiv

02-13-07 10:12pm

I have only a min accoutn, but with multipl lots I made a couple hundred \$ today.....

Quote:

Originally Posted by **irusoh** (Post 216781)

I was just wondering, is anybody trading live here?

Because I hear it everywhere, I just made 100 pips, and so forth. But then it turns out that it was all worth like 30 bucks with some micro account and even that was on demo.

This system seems to be worth it try it live.

turk87

02-13-07 10:16pm

Anyone still holding on to the EUR.USD pair? It's feeling a little topish I am thinking of selling soon. If it forms a round top I'll reverse my position ;-)

DireXiv

02-13-07 10:28pm

eur/usd

I took all my profit awhile back, but my chart does show a pretty heavy horizontal resistance line around 1.3032. I would look to short it on the turn around, but I'm starting to feel a little uncomfortable with the converging triangle the trend lines are forming. Thoughts?

Quote:

Originally Posted by **turk87** (Post 216792)

Anyone still holding on to the EUR.USD pair? It's feeling a little topish I am thinking of selling soon. If it forms a round top I'll reverse my position ;-)

turk87

02-13-07 10:36pm

Sit out and wait. If it breaks above these levels I think its a pretty solid bullish indicator, I would buy there. 1.3050 ish.. I use this similar chart pattern in my swing trading for stocks, if it breaks above the resistance and is forming an ascending triangle, without hesitation I buy.

As for myself I'm going to hang on to my position untill it forms a round top. I do have a funny feeling its going to break above this resistance in the not too distant future :D

DireXiv

02-13-07 10:40pm

eur/usd

I would agree.... I have a T/L that is sitting at about 1.3150 right now, that I believe it will reach soon.... especially since we are seeing the converging triangle of T/L's. Although I'm out, we're now above the 89 EMA which means a positive market "mood" and any long signal I'll take.

Quote:

Originally Posted by **turk87** (Post 216807)

Sit out and wait. If it breaks above these levels I think its a pretty solid bullish indicator, I would buy there. 1.3050 ish.. I use this similar chart pattern in my swing trading for stocks, if it breaks above the resistance and is forming an ascending triangle, without hesitation I buy.

As for myself I'm going to hang on to my position untill it forms a round top. I do have a funny feeling its going to break above this resistance in the not too distant future :D

tamkras

02-13-07 11:16pm

Quote:

Originally Posted by **DireXiv** (Post 216768)

10:42 gmt

Exactly, I took 20 pips early profit with 1 lot and I'm hoping it will make it up to my second target at 1.9490. My stop is moved up since I already took profit so that even if it completely resumes the downtrend aggressively, I take away 5-10 pips on my last lot.

Attached is my current trade still on... you can see my "in", and what I now have for "outs" and the pip values at those points.

Now, we know who caused this little dip.. just kidding, DireXiv. I think I will hold this cable long for now. Maybe, I am wrong.

turk87

02-13-07 11:46pm

Eur.Usd Looks like its coiled and ready to spring.

tamkras

02-14-07 12:02am

Quote:

Originally Posted by **irusoh** (Post 216781)

I was just wondering, is anybody trading live here?

Because I hear it everywhere, I just made 100 pips, and so forth. But then it turns out that it was all worth like 30 bucks with some micro account and even that was on demo.

This system seems to be worth it try it live.

3 live trades using MACD 4hr system:

eurodollar + 22 pips, too early exit;

cable + 72 pips;

cable - 23 pips.

total: 71 pips gain.

p.s. this board is serious about making money using the MACD 4HR strategy. it's ok to demo the trades, too, until someone feels comfortable.

tamkras

02-14-07 12:16am

Quote:

Originally Posted by **DireXiv** (Post 216764)

10:40 GMT

I didnt' know if anyone else was watching this, or i would have posted to get all your thoughts. I actually just got in. although early, it seems to be a good forming trade, lower/higher, against trend line (although recent, it still has 3 hits, and feel really confident when good T/L's are in play), and the 365 is right below the trend line, so my stop is...

Edit: my platform shows an upward closing candle... yours may not.... I didn't check my MIG demo account before making the trade... my mistake.

-just below the 365, and outside the trendline at 1.1644.

-I went long at 1.1673,

-and my target for first profit is - 1.1708 for 35 pips,

-and final target to complete the trade is 1.1734 for 61 pips

-RR: 30 pip risk with 35 pip at first take = good and 61 pip potential = good.

We'll see how it ends up working out. It looks like the gbp/usd setups we've done well on today. Again, I'm in early (not sure why exactly just seemed good setup), so.... at your own risk at this point.

Edit: Adding Chart

waiting for positive 4HR cable close and confirmed MACD pattern. At this stage, I am not sure. Seems like this thing fell really hard and needs some rest...

tamkras

02-14-07 12:23am

89sma on daily

1 Attachment(s)

funny, if you would switch cable chart right now from 4HR to daily with all the SMA's in place, you will see it is sitting right on 89SMA, plus there is yesterday's doji.

JArbuckle

02-14-07 12:29am

Quote:

Originally Posted by **irusoh** (Post 216781)

I was just wondering, is anybody trading live here?

Because I hear it everywhere, I just made 100 pips, and so forth. But then it turns out that it was all worth like 30 bucks with some micro account and even that was on demo.

This system seems to be worth it try it live.

I've been live for 1 week. Trading 10 mini lots per trade. Look at the results!!!!

EUR/USD +22

USD/CHF +80

GBP/USD +72

EUR/USD +33

USD/JPY +20

GBP/USD +10

USD/CHF +17

Total Pips for 1 week = 254, 7 winning trades, 0 losers

Could have been more, and will be as I continue to refine my exit strategies. A lot of pips were left on the table, but more importantly, no losing trades. The most difficult part of the Forex market is the entry points. This system completely takes the guess work out of the entry. Study the thread, study the charts, if not comfortable, paper trade, paper trade, paper trade..... Patience is a virtue with this system. Let the trades come to you. If they are not there, leave.

Phillip.....you're the man!!!!

tamkras

02-14-07 12:34am

eur/jpy

if this eur/jpy red candle closes below 0 on the MACD, I am in. I'm itchy to jump in now with japanese markets working at full swing.

EDIT: EUR/JPY - short @157.93. Can't watch more - need some sleep.

stopped out - 36 pips loss. t'was mistake. I am out of this pair so far.

alcastro

02-14-07 2:54am

What do you guys think of the Cable? It looks like it is ready to drop.

Forming a rounded top.

Almost against daily high

Waiting for MACD confirmation to jump in.

~Shard~

02-14-07 3:00am

Quote:

Originally Posted by **alcastro** (Post 216942)

What do you guys think of the Cable? It looks like it is ready to drop.

Forming a rounded top.

Almost against daily high

Waiting for MACD confirmation to jump in.

Do you mean the EUR/USD? The Cable appears is still below the zero line...

irusoh

02-14-07 3:03am

4:30 am (EST) news on GBP. Is it going to be repeat of yesterday?

5forMe

02-14-07 3:22am

Quote:

Originally Posted by **JArbuckle** (Post 216872)

I've been live for 1 week. Trading 10 mini lots per trade. Look at the results!!!!

EUR/USD +22

USD/CHF +80

GBP/USD +72

EUR/USD +33

USD/JPY +20

GBP/USD +10

USD/CHF +17

Total Pips for 1 week = 254, 7 winning trades, 0 losers

Could have been more, and will be as I continue to refine my exit strategies. A lot of pips were left on the table, but more importantly, no losing trades. The most difficult part of the Forex market is the entry points. This system completely takes the guess work out of the entry. Study the thread, study the charts, if not comfortable, paper trade, paper trade, paper trade..... Patience is a virtue with this system. Let the trades come to you. If they are not there, leave.

Phillip.....you're the man!!!!

Can you give us more info about your trades, maybe some charts, entry times and stops and exits. Anything to help us paper traders move on to the real money!

Phillip Nel

02-14-07 3:31am

EurUsd

If the EurUsd is going to break above the T/L it will either comes bck to test it or it will come back to the 21EMA and then goes North. We are above 89SMA so the mood is bullish, The rule is that it might pull back to the 21EMA before proceeding. If round top is forming for a short the first target will be 21EMA.

Have a great trading day.

alcastro

02-14-07 3:36am

Quote:

Originally Posted by **~Shard~** (Post 216949)

Do you mean the EUR/USD? The Cable appears is still below the zero line...

You are right. I meant the EURO..but it is going up.
Lets wait till next candle

~Shard~

02-14-07 3:37am

Quote:

Originally Posted by **alcastro** (Post 216978)

*You are right. I meant the EURO..but it is going up.
Lets wait till next candle*

Agreed. I'll be watching this one...

turk87

02-14-07 6:12am

I like!!!!!! 1.3060 Its breaking out.

ranlee

02-14-07 6:34am

Gbpusd

anyone following Cable ?
about to cross zero line MACD

turk87

02-14-07 7:07am

If it closes with support above the 21 sma, then I would go long the cable.

I'm in an interesting position with the EUR.USD, my original plan would tell me to sell at a 110 pip gain, however I think this is a chart break out and I feel it has another 100 pips at least to go in the next 24 hours. Therefore I'm going to keep my long position and move my stop up to 1 R (50 pip gain).

Would you trade this in a similar fashion Phillip?

by the way thanks for the pips phillip :-)

pips4uandme

02-14-07 7:40am

If Euro can hit 1.3100 expect at least another 100 pips

Way to go, Turk87!

Entered my first trade using Phillip's system: Long cable at 1.9513 Profit target is the 200 (1.9590). Having a bit of difficulty w/the stop. Placed it at 1.9442 (below support line). But think I should move it closer to the 21...any thoughts? Plan to move to BE at 1.9554

Hope UK Claimant count surprises w/better than expected number! Lots of event risks...of all nights to try a new system :)

Also, if Eur/USD can knock out the exotic option barrier at 1.3100 it should run to 1.3300 pretty easily (my opinion).

Thanks for all your work on teaching this system to us, Philip!

tamkras

02-14-07 10:39am

cable

congrats to all cable and euro longs. I hope you enjoyed this move. I am up with my original 2 lots on cable and closing 1 now.

+ 180 pips to my MACD basket.

alcastro

02-14-07 10:46am

Made some pips on the euro

I made some pips on the euro last night (I am in the EST zone). Could have done more but set a limit order at 1.3080 and went to sleep. Woke up this morning with this nice surprise.

I am not jumping into cable since it is already in the move.

An idea: what if every 15 min before the 4hr candle close we post our analysis about how we expect to trade the next candle? the conclusions of his analysis would be pretty obvious:

- go long
- go short
- stay out
- stay long
- stay short

Of course the most important analysis would be Phillip's.

On my end I would only be able to post m analysis at 9:45 PM, 1:45 AM, and 5:45 AM (15 mins before Metarader 4 hr candle close, EST).

Just a suggestion

endy

02-14-07 10:54am

Check out the resistance on cable at around 1.96:

- round number
- SMA89
- SMA200
- continuing trendline resistance (earlier support broken jan 09)

Let's see what happens, that is if we get there, US data will probably show more..

mandoaddam

02-14-07 11:00am

Quote:

Originally Posted by **alcastro** (Post 217356)

I made some pips on the euro last night (I am in the EST zone). Could have done more but set a limit order at 1.3080 and went to sleep. Woke up this morning with this nice surprise.

I am not jumping into cable since it is already in the move.

An idea: what if every 15 min before the 4hr candle close we post our analysis about how we expect to trade the next candle? the conclusions of his analysis would be pretty obvious:

- go long*
- go short*
- stay out*
- stay long*
- stay short*

Of course the most important analysis would be Phillip's.

On my end I would only be able to post m analysis at 9:45 PM, 1:45 AM, and 5:45 AM (15 mins before Metarader 4 hr candle close, EST).

Just a suggestion

So great idea :thumbsup:

any one see thats good now to go long on usd/cad
or wait for news ?

could any one give me his opinion plz >>>>

illy

02-14-07 11:25am

still looking forward 4 macd ema..

i've been reading through this wonderful system and dialogs the last couple of weeks and found very much interest in it, beeing a newbie..

First i must congratulate the developer and followers 4 their efforts to share their knowledge with others.

And if i may, i saw this question asked and couldn't find if and when it was answered, so please tell - how do u make an EMA macd trigger line , while mt4 only offers SMA (mine as previos asker, by interbank).

it seems as though the idea works also with the SMA, but still my charts look a bit different, and i am sure that there is a lot of thought and knowledge behind this specific choice of oscilator.

tnks

Illy

robertnicoud

02-14-07 12:00pm

Quote:

Originally Posted by **alcastro** (Post 217356)

I made some pips on the euro last night (I am in the EST zone). Could have done more but set a limit order at 1.3080 and went to sleep. Woke up this morning with this nice surprise.

I am not jumping into cable since it is already in the move.

An idea: what if every 15 min before the 4hr candle close we post our analysis about how we

expect to trade the next candle? the conclusions of his analysis would be pretty obvious:

- go long*
- go short*
- stay out*
- stay long*
- stay short*

Of course the most important analysis would be Phillip's.

On my end I would only be able to post m analysis at 9:45 PM, 1:45 AM, and 5:45 AM (15 mins before Metarader 4 hr candle close, EST).

Just a suggestion

Its a good idea it will be usefool for beginners like me
Robert

Tw0eleven

02-14-07 12:06pm

Quote:

Originally Posted by **Phillip Nel** (Post 216446)
Here are my chart.

Look at the tail 4 candles back. Only the 89SMA had to be overcome to continue the up move.

Hi Phillip, thanks for posting your chart. I don't know if you noticed, but I see a flaw with my chart. After the "tail" candle on my chart(post #520), I only had **three** 4hr candles before price skyrocketted upwards. Now if you look at your chart(post #523), you have **four** 4hr candles after your "tail" candle to go with your perfect round bottom. However, my chart didn't form that perfect round bottom, but instead MACD formed a straight line up.

I'm assuming my candles close at different times than yours so it's it's giving me different entry signals. Is there anything I can do to fix this? I've had quite a bit of losing trades lately and losing my confidence...but I think I have just figured out it's because of my charts. Any help would be appreciated. From anyone. Thanks!

Chandra

02-14-07 12:07pm

pips4uandme

02-14-07 12:14pm

I'd wait

Hi Mandoaddam,

I'm new on the forum, so take my advice lightly...

I'd wait to place a trade on any USD pair until after the retail sales....and possibly (I won't be placing a long term trade strategy) until after Bernake releases his speech today. Think the market could have large swings. Just being cautious.

Chandra

02-14-07 12:19pm

Quote:

Originally Posted by **tamkras** (Post 216871)

funny, if you would switch cable chart right now from 4HR to daily with all the SMA's in place, you will see it is sitting right on 89SMA, plus there is yesterday's doji.

What is your comment/opinion on this new thing you observed?

Any useful ideas out of this observation for us?

Thanks for postingg.

-Chandra

Tw0eleven

02-14-07 12:23pm

Quote:

Originally Posted by **tamkras** (Post 214110)

Hi fnmdx,

I am using FXDD Meta4 too and I am aware that they have a different clock setting. You can not change it as it is server-related. It may sound somewhat odd to you but you can open a demo account with InterbankFX and your 4HR charts will be o.k. This is what I do.

I am using an InterbankFX demo account, but still not getting the same looking charts. Any ideas?

Quote:

Originally Posted by **Tw0eleven** (Post 217450)

*Hi Phillip, thanks for posting your chart. I don't know if you noticed, but I see a flaw with my chart. After the "tail" candle on my chart(post #520), I only had **three** 4hr candles before price skyrocketed upwards. Now if you look at your chart(post #523), you have **four** 4hr candles after your "tail" candle to go with your perfect round bottom. However, my chart didn't form that perfect round bottom, but instead MACD formed a straight line up.*

I'm assuming my candles close at different times than yours so it's it's giving me different entry signals. Is there anything I can do to fix this? I've had quite a bit of losing trades lately and losing my confidence...but I think I have just figured out it's because of my charts. Any help would be appreciated. From anyone. Thanks!

The only way to get exact same charts would be go to MIG, where phillip is.

pips4uandme

02-14-07 12:24pm

data feed?

Hi TwoEleven,

my charts are a bit off too. pretty sure it is b/c of time zone/data feed. remember something in an earlier post re:the issue and remedy had to do w/changing the time zone on your charting options. i'm trying it w/my data....figure if i follow rules, s/r, ma's etc. that results should be pretty close especially if the system is robust. the trades still seem to trigger the same signals as Phil, just candles a tiny bit different (my charting platform seems to track slow during volatility and i noticed a candle close before update in price....changed the whole look..sorta freaked me out...but the signal still came in the same...maybe your chart is doing the same w/your data?? Keep the confidence up...don't let a few losers make you question the calls made. sometimes it helps to backtest the last week of data and see what trades you would have taken and how your actuals fared. i've learned alot about my live trading style by looking back over the market.

sorry, didn't mean to make this post so long!

hope you capture many pips today :)

Chandra

02-14-07 12:25pm

Quote:

Originally Posted by **tamkras** (Post 216875)

if this eur/jpy red candle closes below 0 on the MACD, I am in. I'm itchy to jump in now with japanese markets working at full swing.

EDIT: EUR/JPY - short @157.93. Can't watch more - need some sleep.

stopped out - 36 pips loss. t'was mistake. I am out of this pair so far.

In this trade of yours, I do not see any reason to go short at all! Can you drop a line or two explaining the reason which made you to go short?

Thanks.

-Chandra

pips4uandme

02-14-07 12:29pm

+21 pips

decided to close my position at 8:03 am. for a 21 pip gain on GU. got nervous about the retail sales and wanted my first 4 hr system trade to finish in the money. think the 200 could still be hit, but a bit nervous trading against such a pronounced downmove...w/so much of an upmove... so much for nerves of steel :)

Phillip, thanks for the 21! Pips and EMA :)

TwoEleven

02-14-07 12:32pm

Thanks Irusoh and Pips4uandme. I just found the post with the link to MIG. I'll have a look at it. Thanks for the encouragement too!

Quote:

Originally Posted by **pips4uandme** (Post 217467)

Hi TwoEleven,

my charts are a bit off too. pretty sure it is b/c of time zone/data feed. remember something in an earlier post re:the issue and remedy had to do w/changing the time zone on your charting options. i'm trying it w/my data....figure if i follow rules, s/r, ma's etc. that results should be pretty close especially if the system is robust. the trades still seem to trigger the same signals as Phil, just candles a tiny bit different (my charting platform seems to track

slow during volatility and i noticed a candle close before update in price....changed the whole look..sorta freaked me out...but the signal still came in the same...maybe your chart is doing the same w/your data?? Keep the confidence up...don't let a few losers make you question the calls made. sometimes it helps to backtest the last week of data and see what trades you would have taken and how your actuals fared. i've learned alot about my live trading style by looking back over the market.

sorry, didn't mean to make this post so long!

hope you capture many pips today :)

pips4uandme

02-14-07 12:53pm

A Bigger Picture supports 89

Hi Chandra,

I think that TamKras was pointing out that the market was undecided about a daily direction, but had found support at the 89 (like Phillip uses in this strategy).

Personally, I use the 62 & 89 ema's on my daily chart b/c they provide a great dynamic support/resistance. Also, the doji indicates indecision (which means today's news would be important). Also, on my daily chart, I use Stochastics at a modified setting, and yesterday's doji was in oversold territory....meaning a short was in the cards w/a break below the daily low (which was a few pips from a longer term support tl at 1.9421).

Just my take on the great post by TamKras.

pips4uandme

02-14-07 12:54pm

TamKras,

You are a trading God/Goddess!! 180 more pips in your piggy bank!!! AWESOME!!!!!!!!!!!!!!

Chandra

02-14-07 12:55pm

Quote:

Originally Posted by **Phillip Nel** (Post 216973)

If the EurUsd is going to break above the T/L it will either comes bck to test it or it will come

*back to the 21EMA and then goes North. We are above 89SMA so the mood is bullish, The rule is that it might pull back to the 21EMA before proceeding. If round top is forming for a short the first target will be 21EMA.
Have a great trading day.*

May I please draw attention of all to this posting of Phillip.

This site is growing fast, not just by size, but even from the point view of observations, opinions, etc. WE ARE ELEVATING, slowly but surely, to the level of Phillip's thinking. (Using trend lines, MAs, tails effect, games played by big guys, counter-trend trades, etc. instead of just looking at a bunch of mundane signals given by MACD and trading those signals mechanically.)

As a penalty to be paid to be this professionals, we rather confine ourselves to express our professional observations rather than IFs and BUTs. We have evolved to a higher plane, (thanks to Phillip), let us not slip down to our earlier level of guessing, wishing and praying. (Last time when I prayed God to save me from that ONE LOUSEY TRADE, He said he is too busy helping Millions of fools like me and cannot be of any help to me at that moment).

Now, coming back to the posting of Phillip (quote above), observe his professionalism! I do not find a single word in it that I can remove as redundant.

Did I hurt anybody, no my friends, I am trying to help ourselves.

-Chandra.

anthony500

02-14-07 12:55pm

Quote:

Originally Posted by **Tw0eleven** (Post 217464)

I am using an InterbankFX demo account, but still not getting the same looking charts. Any ideas?

I'm not sure but I think it's because Interbank uses GMT+1 and MIG , which is what uses Philipp, uses GMT+2.

Chandra

02-14-07 1:00pm

Quote:

Originally Posted by **Phillip Nel** (Post 216973)

If the EurUsd is going to break above the T/L it will either comes bck to test it or it will come

*back to the 21EMA and then goes North. We are above 89SMA so the mood is bullish, The rule is that it might pull back to the 21EMA before proceeding. If round top is forming for a short the first target will be 21EMA.
Have a great trading day.*

Phillip,

See where is ERUSD now (2007-02-14, 14:00 GMT) and beam with pride for this posting of yours!

-Chandra

Chandra

02-14-07 1:09pm

Quote:

Originally Posted by **pips4uandme** (Post 217156)

Way to go, Turk87!

Entered my first trade using Phillip's system: Long cable at 1.9513 Profit target is the 200 (1.9590). Having a bit of difficulty w/the stop. Placed it at 1.9442 (below support line). But think I should move it closer to the 21...any thoughts? Plan to move to BE at 1.9554

Hope UK Claimmant count surprises w/better than expected number! Lots of event risks...of all nights to try a new system :)

Also, if Eur/USD can knock out the exotic option barrier at 1.3100 it should run to 1.3300 pretty easily (my opinion).

Thanks for all your work on teaching this system to us, Philip!

Hello Pips4uandme,

You made some great observations in your posting! thanks a lot for your efforts!

Will you please substantiate your observations with technical reasons so that we can understand the reason behind such observations and be educated ourselves? It helps us a lot. For example what was the reason for your prediction that the EUR/USD may go to 1.3300 if it crosses up beyond 1.3000?

Thank you. Great work!

-Chandra

tamkras

02-14-07 1:14pm

1 Attachment(s)

Quote:

Originally Posted by **pips4uandme** (Post 217494)

Hi Chandra,

I think that TamKras was pointing out that the market was undecided about a daily direction, but had found support at the 89 (like Phillip uses in this strategy).

Personally, I use the 62 & 89 ema's on my daily chart b/c they provide a great dynamic support/resistance. Also, the doji indicates indecision (which means today's news would be important). Also, on my daily chart, I use Stochastics at a modified setting, and yesterday's doji was in oversold territory....meaning a short was in the cards w/a break below the daily low (which was a few pips from a longer term support tl at 1.9421).

Just my take on the great post by TamKras.

absolutely so! I like to see a bigger picture where I believe I need to find proof of turnaround. I feel more confident when I see support on daily. I pointed to strong confluence of patterns yesterday on the cable:

- 1). MACD long signal;
- 2). 4HR inside candle - please, see picture;
- 3). And I found proof on the daily chart - the chart was posted before.

That's why I jumped into trade although I was there later than others and decided to keep all my lots - even when I saw profit-taking starting @1.9472.

Chandra

02-14-07 1:15pm

Quote:

Originally Posted by **alcastro** (Post 217356)

I made some pips on the euro last night (I am in the EST zone). Could have done more but set a limit order at 1.3080 and went to sleep. Woke up this morning with this nice surprise.

I am not jumping into cable since it is already in the move.

An idea: what if every 15 min before the 4hr candle close we post our analysis about how we expect to trade the next candle? the conclusions of his analysis would be pretty obvious:

- go long*
- go short*
- stay out*
- stay long*
- stay short*

Of course the most important analysis would be Phillip's.

On my end I would only be able to post m analysis at 9:45 PM, 1:45 AM, and 5:45 AM (15 mins before Metarader 4 hr candle close, EST).

Just a suggestion

Very good suggestion as long as we stick to GMT time to avoid confusion. Also, we avoid many redundant postings and the time we spend.

Thanks.

-Chandra

pips4uandme

02-14-07 1:16pm

wanted to share an observation that I made earlier today regarding Cable's price action when below the 365. noticed that price usually did not fall too far below the 365 ma as long as the 8 ema did not cross below the 365. When the 8 crossed below than a serious drop in price has historically occurred. Longs should be carefully considered until the 8 starts to turn back up towards the 365. The 8 was very close to the 365 yesterday, and turned right before a merge occurred. This observation was made w/ 3 years of data and held true when price pierced the 365 from above.

Just something to consider before placing a contra trend trade when the 8 and the 365 are on top of each other...

tamkras

02-14-07 1:18pm

Quote:

Originally Posted by **pips4uandme** (Post 217495)

TamKras,

You are a trading God/Goddess!! 180 more pips in your piggy bank!!! AWESOME!!!!!!!!!!!!

this is just the beginning of Phillip's GPS - Great Pipastic System.

tamkras

02-14-07 1:23pm

Quote:

Originally Posted by **Chandra** (Post 217468)

In this trade of yours, I do not see any reason to go short at all! Can you drop a line or two explaining the reason which made you to go short?

Thanks.

-Chandra

I accept criticism. I acknowledged the mistake - I saw downtrend for this pair below zero line of the MACD and did not wait for the 4HR close. My mistake and I am out of this pair for the time being.

Chandra

02-14-07 1:33pm

May I please make some observations to all of us and especially to new our comers.

Don't stay in paper trading too long. Paper trading has many inherent disadvantages of its own. If you stay there too long, you may develop some bad habits (like fungus) and when you move to live trading, you go with fungus. I can make a list of the funguses we may develop but it is not important. Stay in paper trading ONLY for a few trades and jump in to live trading. Ah! not so fast, make sure you trade 0.01 of a mini lot and see how your money grows or falls IN CENTS!, yes, IN CENTS, not IN DOLLERS. THAT is the real-life trading; loosing in cents and making in cents. With \$500 in the account, you can be a real-life trader for a long, long time to come and still be in the business. See how you made 12 cent today and feel proud of it! Feel the pain of losign 21 cents in a bad trade you made. Also, feel the confidence of completing a trade perfectly as per the rules of the game, even though you lost a few cents in that trade (This a very important feeling to be developed to be a successful trader).

Do this for a few months, until your trading activities become so mechanical, your decisions are made automatically (as we give accelerator when the green light comes on!). Then, ONLY THEN, when you have become a robot of your trading method, only then you go for a full-size lot where every pip is \$10!

Hope this is going to be as much useful to you as it is to myself.

-Chandra

tamkras

02-14-07 1:37pm

euro beams

1 Attachment(s)

Let me show you 1 one example of bigger picture - hope you saw it, too. In my humble opinion, eurodollar is developing a set of beautiful beams. Here's the beauty. If this resistance is broken, there is a reason to stay long with the MACD signal.

Natural barrier now - Price Level.

Which is broken as we speak.

Chandra

02-14-07 1:39pm

Quote:

Originally Posted by **endy** (Post 217363)

Check out the resistance on cable at around 1.96:

- round number

- SMA89

- SMA200

- continuing trendline resistance (earlier support broken jan 09)

Let's see what happens, that is if we get there, US data will probably show more..

Endy,

can you throw some additional explanation on that point (-continuing trendline resistance (earlier support broken Jan 09)?

Thanks.

-Chandra

maarf01

02-14-07 1:47pm

Hi Chandra,

Please, what is your own take on the present formation on Loonie Usd/Cad?

Please i need your response.

Thanks

pips4uandme

02-14-07 1:54pm

Euro rationale

1 Attachment(s)

Hi Chandra,

predictions for euro were based on s/r from the daily charts. Euro has a longterm trendline that is way above 1.34 level and is not on the attached chart b/c it is not relevant at this time. what is important are the levels where current trendlines intersect, downtrend tl from nov highs and the double top trendline. Once the exotic option barrier was hit, the upside for euro should have cleared up b/c

protection selling would cease (major resistance would no longer be a problem)..and of course 1.3100 is a huge psychological barrier and would no longer be an issue. Option volatility also increased today w/the hit of 1.3100. What all this means is simply people are getting excited about the probable run up in the euro and a momentum break is likely....

also, when you look at the chart, we have an ascending triangle on the dailies....important zones are now 1.3157, 1.3250 (think this will be a little tough to penetrate because of intersecting trendlines), 1.3296 is double top.

Not saying that this level will be hit tomorrow, but we could see a run to this level within the next few months.

endy

02-14-07 1:55pm

Quote:

Originally Posted by **Chandra** (Post 217555)

Endy,

can you throw some additional explanation on that point (-continuing trendline resistance (earlier support broken Jan 09)?

Thanks.

-Chandra

Trendline is coming from 2006.11.17, was hit at 2007.01.08, 2007.01.31, 2007.02.08, later on that day (2007.02.08) it was broken, hence turned to resistance and was hit last monday from bottom..

Endy

superdezi

02-14-07 2:02pm

round top

Looks like EUR/USD just broke the resistance point.. when will it end?

tamkras

02-14-07 2:14pm

cable

closing my second cable lot - enough for today...

Chandra

02-14-07 2:15pm

Quote:

Originally Posted by **tamkras** (Post 217536)

I accept criticism. I acknowledged the mistake - I saw downtrend for this pair below zero line of the MACD and did not wait for the 4HR close. My mistake and I am out of this pair for the time being.

Hi Tamkras,

I was not criticising you! I was honestly trying to find what was your chain of thought at the time you took the trade so that I can learn.

Please don't read my posting as a criticism? I think I must be more careful about my postings because this is a great site and many good sites got ruined by personal criticism, ego and things like that. I don't want to be the reason for such bad things to happen to this site. We are a bunch of hard working traders (new and seasoned) who are working to learn the great method given to us by Phillip. My apologies if I have hurt your feelings. Let us keep up the nobility of this site.

-Chandra

DireXiv

02-14-07 2:22pm

I thought it was a great point, and hopefully no one takes criticism poorly as I should have "de-energized" myself last evening, cause I made some poor decisions on emotion and some "guesses" I thought were good. Stick to the rules and we'll all do well.

Pips for all!

Edit: I'm staying away from the yen pairs as I have yet to consistently make trade with them.... Just my thinking I guess... but I'm sticking to the eur/usd and gbp/usd as phillip has mentioned and concentrate on making trades with them and getting to know them intimately for sentiment and mood.

Quote:

Originally Posted by **Chandra** (Post 217607)

Hi Tamkras,

I was not criticising you! I was honestly trying to find what was your chain of thought at the time you took the trade so that I can learn.

Please don't read my posting as a criticism? I think I must be more careful about my postings because this is a great site and many good sites got ruined by personal criticism, ego and things like that. I don't want to be the reason for such bad things to happen to this site. We are a bunch of hard working traders (new and seasoned) who are working to learn the great method given to us by Phillip.

My apologies if I have hurt your feelings. Let us keep up the nobility of this site.
-Chandra

tamkras

02-14-07 2:23pm

Quote:

Originally Posted by **Chandra** (Post 217607)

Hi Tamkras,

I was not criticising you! I was honestly trying to find what was your chain of thought at the time you took the trade so that I can learn.

Please don't read my posting as a criticism? I think I must be more careful about my postings because this is a great site and many good sites got ruined by personal criticism, ego and things like that. I don't want to be the reason for such bad things to happen to this site. We are a bunch of hard working traders (new and seasoned) who are working to learn the great method given to us by Phillip.

My apologies if I have hurt your feelings. Let us keep up the nobility of this site.

-Chandra

absolutely no problem. I wanted to ostracise myself for the trade I entered - this kind of trades we should avoid. Gains are not always guaranteed, the more important it is to protect them. This is great system and we should stick to it. Thanks, Chandra!

pips4uandme

02-14-07 2:26pm

Hi Chandra & new comers (that's me too!)

I agree w/papertrading vs. live trading....w/one exception. Backtesting a strategy is very important. Phillip referenced traders who know how to think on their own in his tsunami document. The ability to think about what will most likely happen is learned from observation. Backtesting gives you an expectancy that allows you to mentally withstand losing streaks b/c you know what your system is all about.

I came across this thread a few days after it started and have spent everyday studying the setups and backtesting the strategy. Last night was the first live trade and i went smaller than normal b/c of event risk and this is the "forward" testing phase.

Nothing is better than winning....and nothing is worse than losing trade after trade b/c the skills havent been mastered and execution is sloppy. This is a profession that takes an awful lot of work and sacrifice i.e. sleep, education, did i say sleep? :)

Phillip tested this system for 2 years before he went live! Talk about dedication...he has worked out the kinks, all we have to do is look back through 50 -200 trades and see how they work out for us and what the positive expectancy of the system is. How can we allocate risk properly if we don't know what the winning ratio is? OK, I'm being a bit tough, and you were right on to advocate penny wins/losses....but I want to live on my profits...and have expensive tastes...hehehe....which reminds me....Happy Valentine's Day Everyone!!!!

Phillip Nel

02-14-07 2:27pm

4 Hour Strategy

1 Attachment(s)

The tsunami has hit. **Look at the bigger picture**

What a move. The emotional buildup was high over the past 5 weeks. Luckily we entered at an early stage last night with the Gbp. Although the chart I gave is the EurUsd one the buildup was for the GbpUsd as well.

I took 50% profit on 1.9488 and set the rest to run with 20 trail stop as I went to work this morning.

Trailing stop taken out at 1.9518.

Profit

50% of 48pips and 50% of 78 for total of 63pips. Wish I could sit live as this was a great breakout.

Chandra

02-14-07 2:39pm

Quote:

Originally Posted by **maarf01** (Post 217565)

Please, what is your own take on the present formation on Loonie Usd/Cad?

Please i need your response.

Thanks

1. Here is my observation about USD/CAD on Feb 14, 2007 at 3:19 PM GMT. USD/CAD is in **down trend mood as Phillip quoted earlier** (because it is below 89 MA).
2. Has completed a counter-trend trade upwards (long) when it completed (i) 'higher low' and (ii) 'bottom round' signals, even though the bottom rounding was not perfect.
3. The counter-trend trade just turned out to be a flat trade and ended touching 8 MA and was not

profitable.

4. Recently initiated a 'trend continue' signal (at one bar before the current bar) and it will complete this initiation of the 'trend continue' signal once the current bar is completed at 16:00 GMT.

5. It has gone down a lot in value (after crossing below 89 MA), hence trend continuing further down is week, never the less it is a 'trend continue' signal to go short.

6. There is no signal to go long at this time (3:32 GMT) as the previous two up-going signals ('higher low' and 'bottom round' signals) have done their job with that small counter-trend trade I mentioned earlier.

Phillip, please analyse my observations in detail and comment. I want to make sure I am in the right track with you.

Thanks.

-Chandra

superdeziqn

02-14-07 2:46pm

other pairs

How should you adjust the MACD system to fit other currency pairs?

pipmy4x

02-14-07 2:46pm

anybody what is your take on gj since it bounce off the 89 is down?

Chandra

02-14-07 2:48pm

Quote:

Originally Posted by **pips4uandme** (Post 217576)

Hi Chandra,

predictions for euro were based on s/r from the daily charts. Euro has a longterm trendline that is way above 1.34 level and is not on the attached chart b/c it is not relevant at this time. what is important are the levels where current trendlines intersect, downtrend tl from nov highs and the double top trendline. Once the exotic option barrier was hit, the upside for euro should have cleared up b/c protection selling would cease (major resistance would no longer be a problem)..and of course 1.3100 is a huge psychological barrier and would no longer be an issue. Option volatility also increased today w/the hit of 1.3100. What all this means is simply people are getting excited about the probable run up in the euro and a momentum break is likely....

also, when you look at the chart, we have an ascending triangle on the dailies....important

zones are now 1.3157, 1.3250 (think this will be a little tough to penetrate because of intersecting trendlines), 1.3296 is double top.

Not saying that this level will be hit tomorrow, but we could see a run to this level within the next few months.

Hi Pips4U and me,
Great Study!! It is beyond my perspective! Thank you.
BTW, does this relate to 4hr MACD? I am seeing things confined to 4hr. MACD.
Thanks.
-Chanda

Today, 9:55am
[endy](#)  vbmenu_register("postmenu_217580", true);
Junior Member
Join Date: Jan 2007
Posts: 18



Quote:
Originally Posted by **Chandra** 
*Endy,
can you throw some additional explanation on that point (-continuing trendline resistance (earlier support broken Jan 09)?
Thanks.
-Chandra*

Trendline is coming from 2006.11.17, was hit at 2007.01.08, 2007.01.31, 2007.02.08, later on that day (2007.02.08) it was broken, hence turned to resistance and was hit last Monday from bottom..

Endy

Endy,
OH! you go back that far!
Impressed!
How do I see it in perspective of 4hr MACD?
Thanks.

-Chandra.

Phillip Nel

02-14-07 3:13pm

4 Hour Strategy

1 Attachment(s)

Going back in time on a daily, weekly, monthly chart to do some analyses must only be to set target levels after an entry has been made by the MACD strategy otherwise you end up making entries based upon other symptoms. The entry level must be based on the MACD. After that support and resistance is the target levels. If it breakout of your S/R levels than you must look for further assistance as to a longer time period etc etc but it is only to define target areas of a trade you already have open.

I include an account I opened on the 17Jan2007 and did some serious random trades as well as random lot sizes and increase the lot sizes when I was down to catch up the losing ones etc. etc. I still managed some profit.

The objective is to show you that by making a profit does not mean that you are successful. To be successful you must have a set of rules and a systematic approach that is constant all the time.

I can almost predict that in two months time this account might be wiped out due to randomness.

Dont analyse in a random way or chase different ways. You must have a routine with the same field players so that you can recognize their behaviour.

pips4uandme

02-14-07 3:14pm

Long term trendlines

Hi Chandra,

Yes, the levels for the eur and cable do relate to the 4 hr macd trendlines, you just need to include longterm trendlines on your charts....look back at least 30 days. I have trendlines drawn from Nov last year b/c of the historical highs achieved.

Cable tends to travel in channels for long periods of time, and the channels overlap and seem to come into play often. I think that the 4 hr system is amazing! Phillip has explained exquisitely market action and has helped me immensely w/patience and discipline! The system is based on basic technical analysis and long term trendlines (major trend lines) are really the cornerstone of the system. The MACD gives the directional signal, but you need to know where we are in the market's price action in order to determine if the trade is worth taking. Remember Phillip didn't take every MACD signal b/c price action didn't justify the trade; or he took a trade b/c price was at a support level w/MACD trigger which led to a high probability trade. It is a serious mistake to follow MACD signal only....in a strong trend you will most likely end up losing more than is necessary.

Just zoom out on the 4 hour chart for a year and draw some long term trendlines...that way they are easily seen and you won't need to flip back and forth.

Hey, on another note, Nice Job on USD/CAD analysis!!!

pips4uandme

02-14-07 3:16pm

Oops, my mistake on TL

Chandra,

Just saw Phillip's post on long term trendlines. My interpretation was incorrect. Please forgive me for providing my wrong opinion/interpretation.

maarf01

02-14-07 3:30pm

Wonderful

Quote:

Originally Posted by **Chandra** (Post 217646)

1. Here is my observation about USD/CAD on Feb 14, 2007 at 3:19 PM GMT.

*USD/CAD is in **down trend mood as Phillip gouted earlier** (because it is below 89 MA).*

2. Has completed a counter-trend trade upwards (long) when it completed (i) 'higher low' and (ii) 'bottom round' signals, even though the bottom rounding was not perfect.

3. The counter-trend trade just turned out to be a flat trade and ended touching 8 MA and was not profitable.

4. Recently initiated a 'trend continue' signal (at one bar before the current bar) and it will complete this initiation of the 'trend continue' signal once the current bar is completed at 16:00 GMT.

5. It has gone down a lot in vlaue (after crossing below 89 MA), hence trend continuing further down is week, never the less it is a 'trend continue' signal to go short.

6. There is no signal to go long at this time (3:32 GMT) as the previous two up-going signals ('higher low' and 'bottom round' signals) have done their job with that small counter-trend trade I mentioned earlier.

Phillip, please analyse my observations in detial and comment. I want to make sure I am in the right track with you.

Thanks.

-Chandra

Chandra,

Thanks so much, I really appreciate that your superb analysis, very well thought out.

Phillip can add to the Chandra comment as she humbly asked.

Thanks phillip for given us 'The Rookies' this great opportunity.

More pips to everybody in the house

maarf01

02-14-07 3:30pm

Wonderful

Quote:

Originally Posted by **Chandra** (Post 217646)

1. Here is my observation about USD/CAD on Feb 14, 2007 at 3:19 PM GMT.

*USD/CAD is in **down trend mood as Phillip qouted earlier** (because it is below 89 MA).*

2. Has completed a counter-trend trade upwards (long) when it completed (i) 'higher low' and (ii) 'bottom round' signals, even though the bottom rounding was not perfect.

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Phillip, please analyse my observations in detial and comment. I want to make sure I am in the right track with you.

Thanks.

-Chandra

Chandra,

Thanks so much, I really appreciate that your superb analysis, very well thought out.

Phillip can add to the Chandra comment as she humbly asked.

Thanks phillip for given us 'The Rookies' this great opportunity.

Many more pips to everybody in the house

Chandra

02-14-07 3:34pm

Hi Phillip,

I am looking at USD/ CAD 2007-02-14, 16:00 GMT bar.

CAD has travelled a long way south after crossing 89 MA and the previous bar (0:00 GMT) has made a long 'down tail' at which time a not-so-good 'trend continue' signal formed. Do you think we can enter a short now (16:33 GMT)?

Thanks.

-Chandra

Phillip Nel

02-14-07 3:35pm

4 Hour Strategy

Quote:

Originally Posted by **pips4uandme** (Post 217699)

Hi Chandra,

Yes, the levels for the eur and cable do relate to the 4 hr macd trendlines, you just need to include longterm trendlines on your charts....look back at least 30 days. I have trendlines drawn from Nov last year b/c of the historical highs achieved.

Cable tends to travel in channels for long periods of time, and the channels overlap and seem to come into play often. I think that the 4 hr system is amazing! Phillip has explained exquisitely market action and has helped me immensely w/patience and discipline! The system is based on basic technical analysis and long term trendlines (major trend lines) are really the cornerstone of the system. The MACD gives the directional signal, but you need to know where we are in the market's price action in order to determine if the trade is worth taking. Remember Phillip didn't take every MACD signal b/c price action didn't justify the trade; or he took a trade b/c price was at a support level w/MACD trigger which led to a high probability trade. It is a serious mistake to follow MACD signal only....in a strong trend you will most likely end up losing more than is necessary.

Just zoom out on the 4 hour chart for a year and draw some long term trendlines...that way they are easily seen and you won't need to flip back and forth.

Hey, on another note, Nice Job on USD/CAD analysis!!!

No problem zooming out to draw some longterm trendlines. They are necessary as they are support

and resistance areas. When the MACD gives an entry signal this trendlines together with the MA's gives you the playing field where you can expect movement changes or even trend confirmation if it found support at those levels. It is only to prepare your plan of action as to profit taking and stoploss levels.

Phillip Nel

02-14-07 3:45pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 217722)

Hi Phillip,

I am looking at USD/ CAD 2007-02-14, 16:00 GMT bar.

CAD has travelled a long way south after crossing 89 MA and the previous bar (0:00 GMT) has made a long 'down tail' at which time a not-so-good 'trend continue' signal formed. Do you think we can enter a short now (16:33 GMT)?

Thanks.

-Chandra

I haven't tested the MACD with the current settings on this pair. I don't really know if it works on it. Do some backtesting first to see if settings suit it.

Phillip Nel

02-14-07 3:51pm

4 Hour Strategy

1 Attachment(s)

Gbp went back to trendline and found resistance against it for the time being.

Tw0eleven

02-14-07 4:05pm

Hello All, I was just curious if anyone else had noticed a time when you typically get a trade entry signal candle? For me, I have observed that you typically get a signal late in the Asian session or beginning of the London session. Has anyone else noticed this? Maybe this will help some people out who work day jobs and can only trade during certain times...this will give them a time they can try to focus on.

Phillip Nel

02-14-07 4:35pm

4 Hour Strategy

Quote:

Originally Posted by **Tw0eleven** (Post 217775)

Hello All, I was just curious if anyone else had noticed a time when you typically get a trade entry signal candle? For me, I have observed that you typically get a signal late in the Asian session or beginning of the London session. Has anyone else noticed this? Maybe this will help some people out who work day jobs and can only trade during certain times...this will give them a time they can try to focus on.

Most definitely. On the 1hour strategy that is prime time trading. Unfortunately I am at work when that happens.

Phillip Nel

02-14-07 4:43pm

4 Hour Strategy

Quote:

Originally Posted by **pips4uandme** (Post 217699)

Hi Chandra,

Yes, the levels for the eur and cable do relate to the 4 hr macd trendlines, you just need to include longterm trendlines on your charts....look back at least 30 days. I have trendlines drawn from Nov last year b/c of the historical highs achieved.

*Cable tends to travel in channels for long periods of time, and the channels overlap and seem to come into play often. I think that the 4 hr system is amazing! Phillip has explained exquisitely market action and has helped me immensely w/patience and discipline! The system is based on basic technical analysis and long term trendlines (major trend lines) are really the cornerstone of the system. **The MACD gives the directional signal, but you need to know where we are in the market's price action in order to determine if the trade is worth taking.** Remember Phillip didn't take every MACD signal b/c price action didn't justify the trade; or he took a trade b/c price was at a support level w/MACD trigger which led to a high probability trade. **It is a serious mistake to follow MACD signal only....in a strong trend you will most likely end up losing more than is necessary.***

Just zoom out on the 4 hour chart for a year and draw some long term trendlines...that way

they are easily seen and you won't need to flip back and forth.

Hey, on another note, Nice Job on USD/CAD analysis!!!

Absolutely true!!!!!!!!!!!!!!!!!!!!!!

See PDF document on Trend trading with MACD

endy

02-14-07 4:45pm

1h strategy

Hi Philip,
will you also give us some hints regarding your 1h strategy ?
Thanks.

maarf01

02-14-07 4:54pm

Hi Phillip

Quote:

Originally Posted by **Phillip Nel** (Post 217751)
Gbp went back to trendline and found resistance against it for the time being.

Please, does this means that a break of this support turned resistance trendline cable 'd move to 1.9700 area?

alcastro

02-14-07 4:55pm

Quote:

Originally Posted by **Phillip Nel** (Post 217807)
Most definitely. On the 1hour strategy that is prime time trading. Unfortunately I am at work when that happens.

PHILLIP,

where are you located? Which time zone?

tamkras

02-14-07 4:59pm

Quote:

Originally Posted by **Chandra** (Post 217463)

What is your comment/opinion on this new thing you observed?

Any useful ideas out of this observation for us?

Thanks for postingg.

-Chandra

Sorry for the late response, Chandra. As I commented earlier on this trade (post 595), personally I would like to see confirmations for the trade. Why am I entering, is it not an impulsive trade, do I see something else? these types of questions I should ask myself. It's like being always ready for financial audit of your business. Because MACD-based trading is NOT a scalping system, our trade can last from hours to days. Therefore, I want to know a bigger picture, too (i.e. daily price travel).

I saw yesterday 3 confirmations for the trade and I am glad they turned out well.

- 1). MACD signal is number 1;
- 2). 4HR inside bar;
- 3). Daily doji.

These are my just personal observations.

The very fact that this doji was sitting on daily 89SMA has nothing to do the MACD 4HR strategy. It is something we can elaborate beyond this board and we would have missed a lot of good trades in the meantime should we wait for this touch of 89SMA.

Briefly, confluence of patterns provides me confidence in a trading decision.

Phillip Nel

02-14-07 5:05pm

4 Hour Strategy

Quote:

Originally Posted by **maarf01** (Post 217831)

Please, does this means that a break of this support turned resistance trendline cable 'd move to 1.9700 area?

If it breaks up above trendline then 1.9700 could be on. If you are not in a position now it could be dangerous to try and get in. Stoploss must be well out of the way. I will wait for a possible testing of the 89SMA and 200SMA and go with a trendcontinue signal from the MACD. If it does not give a clear signal I will sit till it does. I rather make 5 good deals a month giving 200 pips than 10 deals also making 200 as the emotions will be very mixed.

Phillip Nel

02-14-07 5:09pm

4 Hour Strategy

Quote:

Originally Posted by **alcastro** (Post 217833)
PHILLIP,

where are you located? Which time zone?

GMT+2

Get on the buss just before the close of eastern session. That is normally when there is some movement.

Phillip Nel

02-14-07 5:13pm

4 Hour Strategy

Quote:

Originally Posted by **tamkras** (Post 217839)

Sorry for the late response, Chandra. As I commented earlier on this trade (post 595), personally I would like to see confirmations for the trade. Why am I entering, is it not an impulsive trade, do I see something else? these types of questions I should ask myself. It's like being always ready for financial audit of your business. Because MACD-based trading is NOT a scalping system, our trade can last from hours to days. Therefore, I want to know a bigger picture, too (i.e. daily price travel).

I saw yesterday 3 confirmations for the trade and I am glad they turned out well.

- 1). MACD signal is number 1;*
- 2). 4HR inside bar;*

3). *Daily doji.*

These are my just personal observations.

The very fact that this doji was sitting on daily 89SMA has nothing to do the MACD 4HR strategy. It is something we can elaborate beyond this board and we would have missed a lot of good trades in the meantime should we wait for this touch of 89SMA.

Briefly, confluence of patterns provides me confidence in a trading decision.

Your observation was 100% filled with confidence. You measured the daily emotion with that doji and support of 89SMA. All those observations coming together just strengthens the MACD signal.

Phillip Nel

02-14-07 5:16pm

1 Hour Strategy

I won't be able to handle a 1hour strategy as well at this stage. Maybe later when 4 hour is on standing feet.

erdenmensch

02-14-07 5:31pm

Hi,`

i'm looking for this MACD but I can't find it. Can somebody help me?

Thanks for help!

5forMe

02-14-07 5:44pm

Phillip -

I am a newbie and am trying to learn the 4 hour strategy. I would like to set up charts like yours so I can interpret entry signals correctly.

I have a demo account from Mig but I have yet to figure out how to add SMA, EMA and correct MACD. If you can help in anyway, let me know. If this is not the charting you use, please let me know.

Am I understanding correctly ...

Enter on 4 hour when I see the MacD signal

only use the Moving Averages for assistance with stops and limits.

Thanks for any help... I appreciate it.

Nanette
(Mom to 5 boys)

Phillip Nel

02-14-07 6:13pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **5forMe** (Post 217887)

Phillip -

I am a newbie and am trying to learn the 4 hour strategy. I would like to set up charts like yours so I can interpret entry signals correctly.

I have a demo account from Mig but I have yet to figure out how to add SMA, EMA and correct MACD. If you can help in anyway, let me know. If this is not the charting you use, please let me know.

Am I understanding correctly ...

Enter on 4 hour when I see the MacD signal

only use the Moving Averages for assistance with stops and limits.

Thanks for any help... I appreciate it.

Nanette

(Mom to 5 boys)

Hope this help

superdeziqn

02-14-07 6:19pm

Quote:

Originally Posted by **erdenmensch** (Post 217874)

Hi,

i'm looking for this MACD but I can't find it. Can somebody help me?

Thanks for help!

Its an indicator that should be on your platform,
if you do not see MACD, look for a Moving Average Convergence Divergence Indicator

Benf

02-14-07 6:21pm

Selecting the right Time Zone

The Phillip's method is awesome, the best I ever read at FX newsgroups. But there is a question arises: what time serves better as a start of the day? I mean the time when the first H4 candle starts. This choice is crucial because it might affect the whole picture. For example I have two FX accounts and two trading platforms. The first is Visual Trader that use GMT-5 (EST) time zone, and the second is MT4 that implements GMT. As you may see there were a bearish candle yesterday before rally and that may by judged as a a round top pattern in progress.

Who knows, maybe a GMT+2 is not the best time zone for all the cases, may be it must be adjusted to some other value that is either not a constant.

Using the ready H4 data feed from any brOkker provides no flexibility. What if to use a customizable charting software which allow to move the start of the day to any value in GMT±12 time range?

Images removed by Moderator as they exceeded 600x600 size and forced side to side scrolling on subsequent posts. Please repost your images no larger than 600x600.

Triton18

02-14-07 6:30pm

Basic template

1 Attachment(s)

Quote:

Originally Posted by **5forMe** (Post 217887)

Phillip -

I am a newbie and am trying to learn the 4 hour strategy. I would like to set up charts like yours so I can interpret entry signals correctly.

I have a demo account from Mig but I have yet to figure out how to add SMA, EMA and correct MACD. If you can help in anyway, let me know. If this is not the charting you use, please let me know.

Hi!

Let me try to help on the fly.

Provided that you have Mig Metatrader, go to the folder of the program itself, usually C:\Programs\Metatrader, and there drop the file I am attaching here into the folder templates. Then quit the program, if open, and launch it again.

Open a bare chart of EUR/USD, for example. Then, point the cursor in the chart, right-click, and from the opening drop menu choose TEMPLATES, and then 4hours.

Voilà, you should have it OK! :-)

Phillip Nel

02-14-07 6:37pm

4 Hour Strategy

1 Attachment(s)

Quote:

Originally Posted by **Benf** (Post 217914)

The Phillip's method is awesome, the best I ever read at FX newsgroups. But there is a question arises: what time serves better as a start of the day? I mean the time when the first H4 candle starts. This choice is crucial because it might affect the whole picture. For example I have two FX accounts and two trading platforms. The first is Visual Trader that use GMT-5 (EST) time zone, and the second is MT4 that implements GMT. As you may see there were a bearish candle yesterday before rally and that may be judged as a round top pattern in progress.

Oversized images removed by Moderator to prevent side to side scrolling of subsequent posts. Please limit image sizes to 600x600 pixels.

Who knows, may be a GMT+2 is not the best time zone for all the cases, may be it must be adjusted to some other value that is either not a constant.

This is where I would have made my deals on your chart. Does not seem to give more losses.

Chandra

02-14-07 7:11pm

Quote:

Originally Posted by **tamkras** (Post 217839)

Sorry for the late response, Chandra. As I commented earlier on this trade (post 595), personally I would like to see confirmations for the trade. Why am I entering, is it not an impulsive trade, do I see something else? these types of questions I should ask myself. It's like being always ready for financial audit of your business. Because MACD-based trading is NOT a scalping system, our trade can last from hours to days. Therefore, I want to know a bigger picture, too (i.e. daily price travel).

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- 3). Daily doji.*

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The very fact that this doji was sitting on daily 89SMA has nothing to do the MACD 4HR strategy. It is something we can elaborate beyond this board and we would have missed a lot of good trades in the meantime should we wait for this touch of 89SMA.

Briefly, confluence of patterns provides me confidence in a trading decision.

Thanks a lot. I am begining to understand how to look at a MACD signal in a broader way.
Thanks again.
-Chandra

tamkras

02-14-07 7:27pm

Quote:

Originally Posted by **Chandra** (Post 217951)

Thanks a lot. I am begining to understand how to look at a MACD signal in a broader way.

Thanks again.
-Chandra

I am honoured, if I may, to further contribute to the success of Phillip's MACD strategy and work together with wonderful participants of this board.

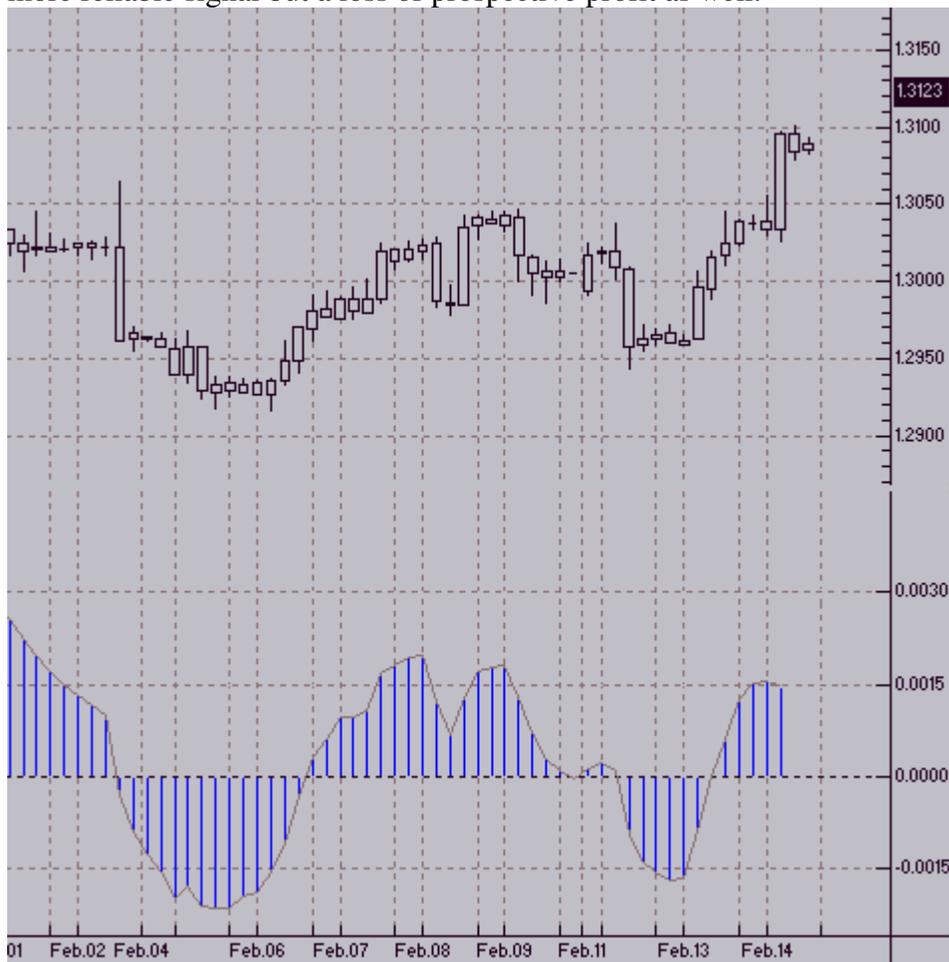
Benf

02-14-07 7:30pm

Quote:

This is where I would have made my deals on your chart. Does not seem to give more losses.

Sorry, I have highlighted the wrong candle. Now it's is fixed. Everything is clear when all the patterns are finished. Actually, when the red candle highlighted with yellow was closed, the next candle in progress was also bearish initially. It looked like this. Waiting for the third bar progress would be a more reliable signal but a loss of prospective profit as well.



The round top was visible and I went short. It would not happen if I use a GMT chart, where there was no bearish candles at that time at all. IMHO time zone is of great importance.

maarf01

02-14-07 8:15pm

Hi,

Please, can anybody here give more details as per the best broker?

I am currently using Fxsol but it seems their spread is on high side now, so i will like to get a better broker with tight spread.

Thanks

superdezi

02-14-07 8:20pm

Quote:

Originally Posted by **maarf01** (Post 218012)

Please, can anybody here give more details as per the best broker?

I am currently using Fxsol but it seems their spread is on high side now, so i will like to get a better broker with tight spread.

Thanks

FXDD is great. Have had no problems with them and their spreads are not bad at all either. I have had accounts with way to many brokers, and FXDD has been the best so far

maarf01

02-14-07 8:27pm

Quote:

Originally Posted by **superdezi** (Post 218020)

FXDD is great. Have had no problems with them and their spreads are not bad at all either. I have had accounts with way to many brokers, and FXDD has been the best so far

Thanks so much

maarf01

02-14-07 8:31pm

Aussie

Please, can anybody here say something on what going on with this currency (Aus/Usd)?

benfranklin

02-14-07 9:23pm

Quote:

Originally Posted by **maarf01** (Post 218032)

Please, can anybody here say something on what going on with this currency (Aus/Usd)?

I'm in a NZD trade and wondering the same. The both are forming nice round tops with the 4hr. Both pairs have broke a 4hr trend and might test the daily trends at 68-70. If it breaks these number expect a bullish trend.

Also the news at 4:45 did not have much effect on NZD and pulled back down after hitting 55 so I think it might be on its way down very soon.

Just my opinion.

superdezi9n

02-14-07 10:23pm

Quote:

Originally Posted by **benfranklin** (Post 218068)

I'm in a NZD trade and wondering the same. The both are forming nice round tops with the 4hr. Both pairs have broke a 4hr trend and might test the daily trends at 68-70. If it breaks these number expect a bullish trend.

Also the news at 4:45 did not have much effect on NZD and pulled back down after hitting 55 so I think it might be on its way down very soon.

Just my opinion.

I checked it out on the 4hr chart myself and it looks like it is pretty bearish, in fact I am short eur/usd right now

superdezi9n

02-14-07 11:30pm

anyone else feeling euro short?

turk87

02-14-07 11:39pm

I would NOT short EUR at these levels. Wait for it to form a round top. It would probably take <12 hours to form a proper round top.

I feel there is room for at least another 50 pip run in the short term.
This has been the longest hold for me using this system, I went long on monday.

pips4uandme

02-14-07 11:57pm

I'm feeling Euro correction too, but am waiting for a better entry signal to form on the chart. maybe in another 4 hours after the bar closes...looking promising now on my chart, but am afraid of trend continuation as momentum is really behind this pair now.

Cable looks the same...a few more hours and we might have a signal.

Also, USDCHF looks to be forming a round bottom and is sitting on trendline support...the pair has been trending upward (granted we are pretty late in that trend cycle) and it may provide a few pips (40 to 21 MA, 76 to 89ma and 142 to resistance).

tamkras

02-15-07 12:07am

usd/cad

1 Attachment(s)

it is getting very tight for canuck (loonie) in the falling wedge. Please, see chart.

for those who consider to buy dollar/loonie pair, there are 2 bullish signs on the plate with MACD signal still outstanding, for the want of this candle close.

If price continues to slide further and touch 365SMA, then waiting time for the bullish symptoms will be extended.

If this candle turns green at the close, MACD will provide 3rd bullish sign. However, wait to see what side of the wedge price is breaking out.

I will try this pair once I have confirmed MACD signal and conditions above. I have a mental price of 1.1685 which the pair should break to go long.

turk87

02-15-07 12:26am

Cool thanks for the chart. I have my eye on the USD/CAD and the USD/CHF.

As for the EUR/USD I have a feeling it might break out again :) It just crossed the 1.3140 barrier

Shazzz

02-15-07 12:31am

USD/CHF seems to be sitting on the 200SMA on the daily chart @ 1.2378...might get interesting if it goes below this point..

tamkras

02-15-07 12:40am

Quote:

Originally Posted by **turk87** (Post 218230)

Cool thanks for the chart. I have my eye on the USD/CAD and the USD/CHF.

As for the EUR/USD I have a feeling it might break out again :) It just crossed the 1.3140 barrier

it is free to fly within this upper beam (post 601), I agree.

ADDITION: maybe I am wrong this time but after such long price channelling, this released force may create 2 daily bullish candles in a row above the channel, or diamond figure, whatever one prefers to see.

tamkras

02-15-07 1:07am

Quote:

Originally Posted by **Shazzz** (Post 218233)

USD/CHF seems to be sitting on the 200SMA on the daily chart @ 1.2378...might get interesting if it goes below this point..

yes, it also bounced off 365SMA on the daily 2 days ago, too. Yesterday's fall seems to have terminated bullish uptrend started December 8 last year. So far price does not show willingness even to test this trendline.

pips4uandme

02-15-07 1:08am

Psychology of trading

Quote:

Originally Posted by **Phillip Nel** (Post 217845)

If it breaks up above trendline then 1.9700 could be on. If you are not in a position now it could be dangerous to try and get in. Stoploss must be well out of the way. I will wait for a possible testing of the 89SMA and 200SMA and go with a trendcontinue signal from the MACD. If it does not give a clear signal I will sit till it does. I rather make 5 good deals a month giving 200 pips than 10 deals also making 200 as the emotions will be very mixed.

This is a great example of patience and discipline along with trade planning! It is so easy to want to jump on board after a pair has moved (we are afraid of missing out) only to find ourselves in a losing trade. Yet, it is so very hard to exercise control and wait for a trade to come to us. Sorry I'm speaking in generalities...I should specify myself and past trading history. It is only recently that I have discovered that it is possible to sit back and wait for the trade to come to me rather than chasing.

This 4 hour system is great because it gives us time to plan our trades rationally and to assess the R:R in an analytical manner! Let's remember to exercise patience....pass on the not so good trades....follow our plan...and before you know it, our trading accounts are filled with pips!!!!!!

Benf

02-15-07 1:14am

Quote:

Originally Posted by **superdezi** (Post 218187)

anyone else feeling euro short?

I expect for EUR/USD correction during the end of Asian session or in London one. Went short at 1.3132 with 30 pips SL (above the daily resistance). A bit risky, of course, so I trade 1/2 my usual lot size.

=====

I have closed my short this morning on break-even. It seems if the signal did not get proof during next 2-3 candles, it must be considered as false. Go long.

The H4 MACD round top/bottom works fine on ranging markets only. When a trend starts, those produce too many false signals. Look at history charts and you'll find a lot of examples when price goes higher and higher every time a round top fails to finish and new top forms.

rishi

02-15-07 1:26am

Daily?

Phillip

Thanks for sharing your strategy and helping us in understanding the intricacies of the system.

I know this system is designed for 4 hrs, but did you happen to try on a DAILY with any different settings ?.

Iam thinking this strategy might yield more on a DAILY.

Thanks again for your patience.

DireXiv

02-15-07 1:30am

gbp/usd

1 Attachment(s)

I shorted the gbp/usd. I have 3 converging trend lines at the peak, with the MACD forming a signal at .45, along with this coming after a very sharp uptrend, I feel it's a pretty good setup, but maybe not for evreryone.

It may not go too far as the 89 and 200 are fairly close, but we'll see what happens. Attached is a chart.

In: 1.9625

S/L: 1.9664 R:R ok

I also use the MIG demo to see what you all are seeing too. Sometimes, my broker shows earlier moves... sometimes later.... it's that 1 hour candle difference....

turk87

02-15-07 1:41am

GPD.USD hasn't formed a proper MACD top.

Or am I incorrect?

Hope your trade works out :-)

fnmdx

02-15-07 1:42am

AUD/USD - Candle will close at 0300GMT

1 Attachment(s)

At 0200GMT.

Take a look at AUD/USD. I think it will go South... (against trend):

1. MACD Round Top almost complete.
2. Strong Resistance from 4 candle back.
3. Dojis and TL at Resistance level.
4. SL = 0.7849 just above recent high.
5. TP = 0.7790 at 21EMA.
6. RR = 1:1.95 good.
7. If candle closed and MACD confirms, deal is on.
8. Barriers: i. 200SMA at 0.07708.
ii. Price level at 0.7700.

Any comments?

alcastro

02-15-07 2:20am

Short on the EURO

I went short on the Euro (10:18 PM EST) @ 1.3131

MACD rounded top
Stop @ 1.3157 - 10 pips above resistance
Target profit @ 1.3104 (8MA & TL confluence)

R;R =1

turk87

02-15-07 2:28am

Good luck alcastro, I'm planning on reversing my position as well (short).

I will enter if it can't hold the 30's.

pipette4x

02-15-07 3:02am

Quote:

Originally Posted by **alcastro** (Post 218301)
I went short on the Euro (10:18 PM EST) @ 1.3131

*MACD rounded top
Stop @ 1.3157 - 10 pips above resistance
Target profit @ 1.3104 (8MA & TL confluence)*

$R;R = I$

According to MIGFx, there hasn't been a reversal on the MACD. It appears that this current candle may result in a reversal/retracement but i have another 3 hours to wait for candle close and i'll be sleeping by then.

The AUD/USD looks good for an entry. I went short at 7831, with a 25 pip stop (several pips above current high). My target is set for 7806, given the 200 SMA and the centennial along with the 38% fib retracement level.

I'm not sure what to make of the CAD. It appears to have a rounded bottom formation, for lack of a better description. i'll observe for tonight.

This is a great group. i appreciate how everyone pitches in and helps each other. thanks to all

pipette4x

02-15-07 3:04am

Quote:

Originally Posted by **fnmdx** (Post 218282)
At 0200GMT.

Take a look at AUD/USD. I think it will go South... (against trend):

1. MACD Round Top almost complete.
2. Strong Resistance from 4 candle back.
3. Dojis and TL at Resistance level.
4. SL = 0.7849 just above recent high.
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6. RR = 1:1.95 good.
7. If candle closed and MACD confirms, deal is on.
8. Barriers: i. 200SMA at 0.07708.
ii. Price level at 0.7700.

Any comments?

Great analysis. i got in but my target is set above the centennial. If i was up to trade this, i'd take partial profits off along the way. But since it's bedtime, i'll be satisfied with 25 pips, provided it doesn't continue up and stop me out

alcastro

02-15-07 3:37am

Quote:

Originally Posted by **pipette4x** (Post 218323)

According to MIGFx, there hasn't been a reversal on the MACD. It appears that this current candle may result in a reversal/retracement but i have another 3 hours to wait for candle close and i'll be sleeping by then.

The AUD/USD looks good for an entry. I went short at 7831, with a 25 pip stop (several pips above current high). My target is set for 7806, given the 200 SMA and the centennial along with the 38% fib retracement level.

I'm not sure what to make of the CAD. It appears to have a rounded bottom formation, for lack of a better description. i'll observe for tonight.

This is a great group. i appreciate how everyone pitches in and helps each other. thanks to all

You are right. I think I jumped a little early, breaking the cardinal rule of patience, and waiting until this candle was closed. Now i have to hope for the best...this is not ideal since my outcome will depend more on luck than in analysis.

~Shard~

02-15-07 3:40am

Any thoughts on the USDCHF? Looks like a rounded bottom is forming, signaling a potential upside move... or is it still too early to tell?

lhn196

02-15-07 3:46am

Looking at the GBP-USD.

Hello All - The previous daily bar for GBP-USD was over 185 pips and it closed near the top of the day. Usually, when this happen the next daily bar tends to continue in the direction of the previous bar for 100 pips - more or less. I think the pound can go up another 100 pips before turning south.

- Frank -

I am not advising you to buy or sell the pound, I am just making an observation.

5forMe

02-15-07 3:59am

According to my MigCharts the Euro Macd looks good. It is about to close after forming a round top. I don't see any resistance close, but I am still trying to understand the moving Average lines and interpret them.

I don't know how to add a pic of my chart or else, I would of course.

Does anyone else see this as a good entry to go short?

Thanks to all- this is a great forum with a lot of knowledge spewing.

bisar_x

02-15-07 6:18am

Short EUR/USD?

The MACD shows a nice rounded top with a strong resistance on 1.3150. Two times hit this level. What do you think? Dont forget about the news in 2 hours. Cable might have a strong influence on euro.

turk87

02-15-07 6:45am

I think this is almost shortable :)

anthony500

02-15-07 7:25am

eur/usd

1 Attachment(s)

Hi :) I went short this morning, when the signal bar closed I was still sleeping so I entered at 1.3139 when I woke up, took some profits at 20 pips and my next take profit would be near the 8 ma and price level 1.31. I set my stop to breakeven now. We'll see..

G-Man

02-15-07 9:15am

Quote:

Originally Posted by **DireXiv** (Post 218274)

I shorted the gbp/usd. I have 3 converging trend lines at the peak, with the MACD forming a signal at .45, along with this coming after a very sharp uptrend, I feel it's a pretty good setup, but maybe not for evreryone.

It may not go too far as the 89 and 200 are fairly close, but we'll see what happens. Attached

is a chart.

In: 1.9625

S/L: 1.9664 R:R ok

I also use the MIG demo to see what you all are seeing too. Sometimes, my broker shows earlier moves... sometimes later.... it's that 1 hour candle difference....

Looks like you were a bit unlucky there Dire, getting stopped out just before 100+ pip drop after consumer spending numbers.

G-Man

DireXiv

02-15-07 10:56am

ya.....

Welll.... that happens sometimes. I woke up this morning and told my computer what I thought of it :mad:..... Live and learn, and make some more pips later. Shouldnt' have been in by looking at the MIG data, but my data showed ok. Trying to strike a balance, but I think I'll just have to stick with the MIG data and miss out on some trades.

G-Man

02-15-07 11:27am

Well it is best to be philosophical about these things. They are going to happen, so it's best to accept it. If you traded correctly according to your rules then that's all you can do.

The next time it may go in your favour. Stopped out just before news, which goes against your position and you miss out on large slippage.

G-Man

maarf01

02-15-07 11:28am

Hi Direx

Did you reload the boot when the news was in the direction of your trade or just ignore the whole thing?

Better pips are on the way

All the best

irusoh

02-15-07 12:00pm

perfect stoploss !!!!!

I've backtested a few months back and found that best stoploss should be 60pips or more, if you dare to put such stoplosses. The other not bad alternative about 35pips. You'll be taken out a few more times more often, but maybe you'll sleep better. I tested EURUSD only. I still have to forward test this technique. It seems most times what happens is that there was stop chasing and then price goes your way, like it happened last night with gbp or in the end the candle closes with a loss but better than than your stoploss.

On the other hand if in the end macd shows a new opposing signal, like for axample you had a round top and then it turned against you, so you might be showing a continuation of opposing trend you just sell losing trade and reverse it. Overall it seems to work better than having tight stoplosses.

fnmdx

02-15-07 12:04pm

Quote:

Originally Posted by **fnmdx** (Post 218282)
At 0200GMT.

Take a look at AUD/USD. I think it will go South... (against trend):

- 1. MACD Round Top almost complete.*
- 2. Strong Resistance from 4 candle back.*
- 3. Dojis and TL at Resistance level.*
- 4. SL = 0.7849 just above recent high.*
- 5. TP = 0.7790 at 21EMA.*
- 6. RR = 1:1.95 good.*
- 7. If candle closed and MACD confirms, deal is on.*
- 8. Barriers: i. 200SMA at 0.07708.*
ii. Price level at 0.7700.

Any comments?

Ooouch! Was kicked-out....

DireXiv

02-15-07 12:05pm

I was asleep at that point. I only get up at 3:00 eastern to feed my new little girl.:D So I get to check trades then.

Unless I really feel amazingly good about a trade, I do not reverse or get back in. Take the loss, accept it and move on trying to catch the next trend.

Quote:

Originally Posted by **maarf01** (Post 218677)

Did you reload the boot when the news was in the direction of your trade or just ignore the whole thing?

Better pips are on the way

All the best

tamkras

02-15-07 12:13pm

Quote:

Originally Posted by **DireXiv** (Post 218710)

I was asleep at that point. I only get up at 3:00 eastern to feed my new little girl.:D So I get to check trades then.

Unless I really feel amazingly good about a trade, I do not reverse or get back in. Take the loss, accept it and move on trying to catch the next trend.

Life has to be simple and joy-filled. Balancing it and trading is another side of this game.. I am taking my 9-year daughter to school right now and what on earth trading can I get into, ha-ha?

pipette4x

02-15-07 1:27pm

Quote:

Originally Posted by **fnmdx** (Post 218708)

Ooouch! Was kicked-out....

Me too. Does anyone see a reason that we shouldn't have taken this trade?

DireXiv

02-15-07 1:35pm

nzd/usd

Those of you looking to trade nzd/usd, my chart shows it bouncing at an upper Trend line. If you were looking to get in, a good time will be coming soon with the next MACD signal. I like to see TL bounces combined with MACD signal. I'm not trading this pair, but I know some of you look at it. Just my observation from afar.

Good luck!

superdeziqn

02-15-07 1:38pm

When is the 8MA the strongest? what are some indications that it will hit it and bounce off?

tamkras

02-15-07 2:02pm

Quote:

Originally Posted by **tamkras** (Post 218238)
it is free to fly within this upper beam (post 601), I agree.

ADDITION: maybe I am wrong this time but after such long price channelling, this released force may create 2 daily bullish candles in a row above the channel, or diamond figure, whatever one prefers to see.

Turk, hope you had a stop profit @1.3170. Looks like you can leave the longs now and visit your bank branch. Oops, I was right again, so sorry..

Chandra

02-15-07 2:20pm

Conflict of views - MACD Method by hillip

Phillip.

I try to bring forth the conflict of views we (at least I) experience when evaluating a possible trade.

1. When you taught us MACD signals in the early stage we simply used to take a position based on the MACD signal.

But, later on, you introduced us to more advanced/accurate approach by using MAs, Price barrier and Trend lines. And, later on you further introduced us to counter-trend trades (pull down / bounce up to 8MA- 21 MA range).

We earnestly learned all levels of your trading approach, step by step.

Now, with these sophistications introduced, it has brought up one or two new issues that needs to be addressed. The Million Dollar question that comes up to me when I have to make a trading decision is:

(i) When MACD gives a signal, do we wait for the other barriers to be removed (such as, the price has to break the MA or the Trend Line or whether the price is inside the 8 & 21 MA range or the price has to break the price barrier)?

OR

(ii) When the other things happen (such as the price has broken the MA or the Trend Line or the price is inside the 8 & 21 MA range or the price has broken the price barrier), then we wait for MACD Signal to trigger before we enter a trade?

It may be pretty simple issue for you, but, trust me, it is not so to us (at least me). So, beconsiderate and explain your approach.

My second question refers to GBP/USD chart. While I am writing this, the chart is plotting its Feb. 15th, 12:00-4:00 candle. (All times are in GMT).

If we go back 4:00-8:00 candle, there was a mild "Trend Continues" signal. It means we could have bought next open. We assume we did go long because the next opening (opening of 8:00-12:00 candle) was above all MAs and also above the long term trend line. But, the completion of this candle (8:00-12:00 candle) tells us to go short ("aggressive approach" signal. I hope you got the picture of my conflict. To be long as per the "Trend Continues" signal that triggered at the completion of 4:00-8:00 candle or to go short at the completion of 8:00-12:00 candle ("Aggressive approach" signal). Please guide us with your experience. Please refer to GBP/USD chart.

Thank you.

-Chandra.

kevmcfoster

02-15-07 2:26pm

Quote:

Originally Posted by **tamkras** (Post 218789)

Oops, I was right again, so sorry..

Hey tamkras,
you cheeky little Devil...I envy you for being right all the time :money:

O'Zeeke

02-15-07 2:28pm

Quote:

Originally Posted by **irusoh** (Post 218707)

I've backtested a few months back and found that best stoploss should be 60pips or more, if you dare to put such stoplosses. The other not bad alternative about 35pips. You'll be taken out a few more times more often, but maybe you'll sleep better. I tested EURUSD only. I still have to forward test this technique. It seems most times what happens is that there was stop chasing and then price goes your way, like it happened last night with gbp or in the end the candle closes with a loss but better than than your stoploss.

On the other hand if in the end macd shows a new opposing signal, like for axample you had a round top and then it turned against you, so you might be showing a continuation of opposing trend you just sell losing trade and reverse it. Overall it seems to work better than having tight stoplosses.

irusoh, I agree with your observations, i got stopped out after entering short on eur/usd on the signal from macd 4 hr. I was a little reluctant to take it short especially with the bullish mood the price is showed. Did it look like it was the right signal at 0400 GMT or did i mistake it? Thanks to everyone for this great forum.

O'Zeeke

pips4uandme

02-15-07 2:33pm

Do we know if it works w/AUD?

Quote:

Originally Posted by **pipette4x** (Post 218741)

.

Me too. Does anyone see a reason that we shouldn't have taken this trade?

Hi!

Has anyone backtested the system with the pair? I do't trade the Aussie so I don't know it's price

action.

pips4uandme

02-15-07 2:39pm

8 MA

Quote:

Originally Posted by **superdezn** (Post 218756)

When is the 8MA the strongest? what are some indications that it will hit it and bounce off?

Hi Superdezn!

In a strong trend :) Look for a widening in the MA's and a fan in perfect order. also, take a look at the angle and direction of the indicator. & it will be stronger if corresponds w/trendline...haven't really looked for that, so I don't know if it exists....hmmmmm

Phillip Nel

02-15-07 2:55pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 218807)

Phillip.

I try to bring forth the conflict of views we (at least I) experience when evaluating a possible trade.

1. When you taught us MACD signals in the early stage we simply used to take a position based on the MACD signal.

But, later on, you introduced us to more advanced/accurate approach by using MAs, Price barrier and Trend lines. And, later on you further introduced us to counter-trend trades (pull down / bounce up to 8MA- 21 MA range).

We earnestly learned all levels of your trading approach, step by step.

Now, with these sophistications introduced, it has brought up one or two new issues that needs to be addressed. The Million Dollar question that comes up to me when I have to make a trading decision is:

(i) When MACD gives a signal, do we wait for the other barriers to be removed (such as, the

price has to break the MA or the Trend Line or whether the price is inside the 8 & 21 MA range or the price has to break the price barrier)?

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(ii) When the other things happen (such as the price has broken the MA or the Trend Line or the price is inside the 8 & 21 MA range or the price has broken the price barrier), then we wait for MACD Signal to trigger before we enter a trade?

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Please guide us with your experience. Please refer to GBP/USD chart.

Thank you.

-Chandra.

EurUsd

1. MACD gave signal end of 8:00 to 12:00 candle at 1.3133
2. Stoploss = above resistance = trendline = 50+ pips or 1.3200 = +70
3. Target1 = 1.3100 = 33 pips
4. Target 2 = 21 EMA1.3067 = 66 pips

Action.

If you want to take the trade on to make R:R worth it it must go to target 2 and stoploss +70. If you have done that you would still be in the trade.

I never use stop above 48 pips.

Skip for the time being my action

I took the trade after the 16:00 candle at 1.3145 and stoploss 1.3173 with first target 1.2320. Risking 28pips of yesterdays 60+ gain. There money not mine. It is also a risky one as it havent test the longtermtrend at 1.3180

GbpUsd:

1. Macd did not give short signal.
2. You called it a "mild" continuation pattern. I will never trade on that. You have just explain with that word what you think of that pattern. Not very convincing.
3. When the MACD gave a short signal your stoploss had to be over 100 pips to cover the previous candle.

Action

Skip for the time being.

Made over 60pips yesterday. See the post.

superdeziign

02-15-07 2:59pm

Quote:

Originally Posted by **pips4uandme** (Post 218837)
Hi Superdeziign!

In a strong trend :) Look for a widening in the MA's and a fan in perfect order. also, take a look at the angle and direction of the indicator. & it will be stronger if corresponds w/trendline...haven't really looked for that, so I don't know if it exists....hmmmmm

so basically, its not to be considered strong unless it converges with another form of resistance, is that what you are saying?

Chandra

02-15-07 2:59pm

Quote:

Originally Posted by **O'Zeeke** (Post 218819)
iruosh, I agree with your observations, i got stopped out after entering short on eur/usd on the signal from macd 4 hr. I was a little reluctant to take it short especially with the bullish mood the price is showed. Did it look like it was the right signal at 0400 GMT or did i mistake it? Thanks to everyone for this great forum.
O'Zeeke

Iruosh,

In my opinion, you were right as per MACD 'Round Top' signal when you entered a short on 4:00 candle, but you seems to have stopped out because of the trechorus "TAIL" (as Phillip emphasises its importance). The solution of giving bigger stop loss provision as suggested in the previous posting seems to be a good idea. Sure you lose more by giving bigger s/l but at the same time, you get hit fewer times.

I hope I am right. Phillip to comment please.

-Chandra.

superdeziqn

02-15-07 3:02pm

yea I have been short Eur/usd for a good while now,

Im taking profit at 1.3070 and I entered at 1.3133

MACD gave me a signal to go short, was slightly unsure for a while, but it looks as though it hit its top :)

Phillip Nel

02-15-07 3:04pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 218868)

Iruosh,

In my opinion, you were right as per MACD 'Round Top' signal when you entered a short on 4:00 candle, but you seems to have stopped out because of the trechorus "TAIL" (as Phillip emphasises its importance). The solution of giving bigger stop loss provision as suggested in the previous posting seems to be a good idea. Sure you lose more by giving bigger s/l but at the same time, you get hit fewer times.

I hope I am right. Phillip to comment please.

-Chandra.

Stoploss were to big. See previous post.

Phillip Nel

02-15-07 3:11pm

4 Hour Strategy

1 Attachment(s)

Look at Chart.

DireXiv

02-15-07 3:18pm

very good

That's a great chart Phillip. Several of us posted that it looked to be going up to the further trendline, and it hadn't made it there, and it didn't seem as if much stood in the way as Tamkras or Chandra said... it had free range to get there.

Quote:

Originally Posted by **Phillip Nel** (Post 218888)
Look at Chart.

Phillip Nel

02-15-07 3:18pm

EurUsd

Can you tell me to what resistance have you worked out your Risk:Reward ratio when taking the deal. If it were the closest high your stop would have been 18 pips max. That was worth the risk for a full target to 1.3100

I would like to see the resistance levels that were considered in determining the stoploss.

Chandra

02-15-07 3:20pm

Phillip,

I sent you a email about the conflict of thoughts while entering a trade.

Here is one more to ponder over.

There seems to be easier provision in forex tradig for big guys to take away stop losses compared to in the futures and commidities trading. The reason seems to be, in futures and commodities you have a huge heard of buyers and sellers on both sides of your broker's window. For a public buyer, there has to be a public seller, not an institutional seller.

But in forex trading, for a public buyer, there is only one (institutional) seller. So, the selling price

does not reflect the fair selling price dictated by the huge public market. The selling price is dictated by one single institution. And you know how fair they can be. They need not be fair because there is no other competitor out there to compete their selling price!

So, how much they may shout on the top of their voice that this forex market is a huge market, bla, bla, they are not telling the truth. Yes, it is a huge market with several trillion dollar of trading. But it is not the dollar amount that should decide whether it is a huge market or not. It is the number of participants that should decide it. With the banks always sitting on the other side, we always buy or sell on their terms (prices decided by them) and there is not much With such a control whip in their hands, can we really win? I still feel we can still win provided we out smart them and that is what you are trying to do with your methods, etc.

By the way, are there more than one bank (institution) as market makers behind our broker so that they would compete among themselves to give us a better rate? If there is only one bank (institution) as market maker, "God, protect us".

Thanks.

-Chandra

pips4uandme

02-15-07 3:29pm

Quote:

Originally Posted by **superdezi** (Post 218866)

so basically, its not to be considered strong unless it converges with another form of resistance, is that what you are saying?

Hi again!

No, that's not what I'm saying. The 8 seems to provide a bounce in a strong uptrend. That is when it is "strong." the 8 by nature, is a short term indicator and gives us an idea of what recent price action has done.

If it happens to converge with support along the way, then I would definately consider it to be stronger than normal. Don't really expect it to converge with trendlines too often, but I've never looked, so I don't know.

superdezi

02-15-07 3:31pm

Quote:

Originally Posted by **pips4uandme** (Post 218921)

Hi again!

No, that's not what I'm saying. The 8 seems to provide a bounce in a strong uptrend. That is when it is "strong." the 8 by nature, is a short term indicator and gives us an idea of what recent price action has done.

If it happens to converge with support along the way, then I would definately consider it to be stronger than normal. Don't really expect it to converge with trendlines too often, but I've never looked, so I don't know.

thank you

Phillip Nel

02-15-07 3:33pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 218902)

Phillip,

I sent you a email about the conflict of thoughts while entering a trade.

Here is one more to ponder over.

There seems to be easier provision in forex tradig for big guys to take away stop losses compared to in the futures and commidities trading. The reason seems to be, in futures and commodities you have a huge heard of buyers and sellers on both sides of your broker's window. For a public buyer, there has to be a public seller, not an institutional seller.

But in forex trading, for a public buyer, there is only one (institutional) seller. So, the selling price does not reflect the fair selling price dectated by the huge public market. The selling price is dectated by one single institution. And you know how fair they can be. They need not be fair because there is no other competiter out there to compete their selling price!

So, how much they may shout on the top of their voice that this forex market is a huge market, bla, bla, they are not telling the truth. Yes, it is a huge market with several trillion dollar of trading. But it is not the dollar amount that should decide whether it is a huge market or not. It is the number of participants that should decide it. With the banks always sitting on the other side, we always buy or sell on their terms (prices decided by them) and there is not much With such a control whip in their hands, can we really win? I still feel we can still win provided we out smart them and that is what you are trying to do with your methods, etc.

By the way, are there more than one bank (institution) as market makers behind our broker

so that they would compete among themselves to give us a better rate? If there is only one bank (institution) as market maker, "God, protect us".

Thanks.

-Chandra

You can not outsmart them. It is impossible. The price moves where the demand is and they create it. You have to get in flow with them. That is what the Tsunami is all about.

tamkras

02-15-07 3:35pm

Quote:

Originally Posted by **kevmcfoster** (Post 218816)

Hey tamkras,

you cheeky little Devil...I envy you for being right all the time :money:

let's us all be a little be smarter than the market. Sounds impossible but market can not hide its emotions (as Phillip wrote), either. There is optimism, hesitation and pessimism all the time. MACD system is not only about mechanical trading. I would be surprised to see an mq4 script adjusted well to this system, ha-ha.

tamkras

02-15-07 3:37pm

Quote:

Originally Posted by **Phillip Nel** (Post 218929)

You can not outsmart them. It is impossible. The price moves where the demand is and they create it. You have to get in flow with them. That is what the Tsunami is all about.

Phillip, I guess we can if we flow with them. This is, probably, one more way of looking at it.

Phillip Nel

02-15-07 3:38pm

4 Hour Strategy

Quote:

Originally Posted by **pips4uandme** (Post 218921)

Hi again!

No, that's not what I'm saying. The 8 seems to provide a bounce in a strong uptrend. That is when it is "strong." the 8 by nature, is a short term indicator and gives us an idea of what recent price action has done.

If it happens to converge with support along the way, then I would definately consider it to be stronger than normal. Don't really expect it to converge with trendlines too often, but I've never looked, so I don't know.

You are absolutely right. When the trend is very strong the price does not allways pull back to the 21EMA but bounce of the 8EMA. If MACD confirm up bar close the deal is on.

pips4uandme

02-15-07 3:44pm

Quote:

Originally Posted by **Chandra** (Post 218902)

Phillip,

I sent you a email about the conflict of thoughts while entering a trade.

Here is one more to ponder over.

There seems to be easier provision in forex tradig for big guys to take away stop losses compared to in the futures and commidities trading. The reason seems to be, in futures and commodities you have a huge heard of buyers and sellers on both sides of your broker's window. For a public buyer, there has to be a public seller, not an institutional seller.

But in forex trading, for a public buyer, there is only one (institutional) seller. So, the selling price does not reflect the fair selling price dectated by the huge public market. The selling price is dectated by one single institution. And you know how fair they can be. They need not be fair because there is no other competiter out there to compete their selling price!

So, how much they may shout on the top of their voice that this forex market is a huge market, bla, bla, they are not telling the truth. Yes, it is a huge market with several trillion dollar of trading. But it is not the dollar amount that should decide whether it is a huge market or not. It is the number of participants that should decide it. With the banks always sitting on the other side, we always buy or sell on their terms (prices decided by them) and there is not much With such a control whip in their hands, can we really win? I still feel we

can still win provided we out smart them and that is what you are trying to do with your methods, etc.

By the way, are there more than one bank (institution) as market makers behind our broker so that they would compete among themselves to give us a better rate? If there is only one bank (institution) as market maker, "God, protect us".

Thanks.

-Chandra

Hi Chandra,

The Forex market is a decentralized without 1 single institution controlling prices. Banks do compete for rates within the community resulting in the most competitive market.

Banks do communicate with one another regarding investor positions. Yes, they know where the stops are. London and Tokyo are notorious stop runners, and it is common practice for dealers to "clear the books." It is not a conspiracy against us, only a business practice. Dealers can move markets because they have huge amounts of money behind them. Yet, they must be prudent too...to move the market with your capital means you are risking lots of capital and a central bank may be on the other side....or a huge hedge fund.

You are right, we need to be smarter. We need to place stops outside of areas that are common and obvious. Sometimes we get hit...sometimes we don't. It is frustrating. Forex is the most mentally demanding thing you can do with your time. There is so much to learn. The most important thing to learn is to identify support and resistance. This is the basics to any system because it is how we identify risk and reward points. Don't get frustrated...just focus on one thing at a time and practice practice practice!! Take time and backtest.

You are doing a great job! Keep a positive attitude and keep perfecting your trading skills on step at a time!

Phillip Nel

02-15-07 3:44pm

4 Hour Strategy

Quote:

Originally Posted by **tamkras** (Post 218941)

Phillip, I guess we can if we flow with them. This is, probably, one more way of looking at it.

If you study the emotions around the turnarounds you will see their emotion as well as motion. Just look at the 4hour spinner that was formed with the previous candle. Haven't heard anybody talking about it. Could it be some emotion showing. The current candle will give there motion away I think. I

took the trade on that emotion. Hope I am right

superdeziqn

02-15-07 3:56pm

Quote:

Originally Posted by **Chandra** (Post 218902)

Phillip,

I sent you a email about the conflict of thoughts while entering a trade.

Here is one more to ponder over.

There seems to be easier provision in forex tradig for big guys to take away stop losses compared to in the futures and commidities trading. The reason seems to be, in futures and commodities you have a huge heard of buyers and sellers on both sides of your broker's window. For a public buyer, there has to be a public seller, not an institutional seller.

But in forex trading, for a public buyer, there is only one (institutional) seller. So, the selling price does not reflect the fair selling price dectated by the huge public market. The selling price is dectated by one single institution. And you know how fair they can be. They need not be fair because there is no other competitor out there to compete their selling price!

So, how much they may shout on the top of their voice that this forex market is a huge market, bla, bla, they are not telling the truth. Yes, it is a huge market with several trillion dollar of trading. But it is not the dollar amount that should decide whether it is a huge market or not. It is the number of participants that should decide it. With the banks always sitting on the other side, we always buy or sell on their terms (prices decided by them) and there is not much With such a control whip in their hands, can we really win? I still feel we can still win provided we out smart them and that is what you are trying to do with your methods, etc.

By the way, are there more than one bank (institution) as market makers behind our broker so that they would compete among themselves to give us a better rate? If there is only one bank (institution) as market maker, "God, protect us".

Thanks.

-Chandra

Philip please correct me if i am wrong:

There are market makers in every market, and when there is a lack of sellers they become the seller and when there is a lack of buyers they become the buyer. Brokers in this market act the same way. Our brokers are the market makers and that is why alot of times spreads will widen. You must be careful because alot of brokers are hard set on hunting your stops and will knock you out of every trade that you are on the right side of.

There are certain ways to protect yourself, but these rules apply in all markets. Such as not

overtrading, never bet the farm on one deal, and watch the margin call

..again philip, if i said anything that is incorrect, please let me know.
Just trying to help

-Dave

Phillip Nel

02-15-07 4:05pm

4 Hour Strategy

2 Attachment(s)

Sum reading stuff about Trade your PPlan and Papertrading

You will see I refer to market conditions that determine the type of ride it is going to be. See the conditions as supp/res , news, chart patterns etc.

Chandra

02-15-07 4:10pm

Quote:

Originally Posted by **Phillip Nel** (Post 218859)

EurUsd

1. MACD gave signal end of 8:00 to 12:00 candle at 1.3133
2. Stoploss = above resistance = trendline = 50+ pips or 1.3200 = +70
3. Target1 = 1.3100 = 33 pips
4. Target 2 = 21 EMA1.3067 = 66 pips

Action.

If you want to take the trade on to make R:R worth it it must go to target 2 and stoploss +70.

If you have done that you would still be in the trade.

I never use stop above 48 pips.

Skip for the time being my action

I took the trade after the 16:00 candle at 1.3145 and stoploss 1.3173 with first target 1.2320. Risking 28pips of yesterdays 60+ gain. There money not mine. It is also a risky one as it havent test the longterm trend at 1.3180

GbpUsd:

1. Macd did not give short signal.
2. You called it a "mild" continuation pattern. I will never trade on that. You have just

explain with that word what you think of that pattern. Not very convincing.

3. When the MACD gave a short signal your stoploss had to be over 100 pips to cover the previous candle.

Action

Skip for the time being.

Made over 60pips yesterday. See the post.

Thanks, Phillip.

I completely understand your explanation on EUR/UD.

About GBP/USD:

1. Was there not 'Round Top' sell signal in MACD after the completion 8:00 to 12:00 bar?

2. You said "When the MACD gave a short signal your stoploss had to be over 100 pips to cover the previous candle."

I did not get the meaning of this statement. Can you please expand a bit on this.

Thank you.

-Chandra

Phillip Nel

02-15-07 4:10pm

4 Hour Strategy

Quote:

Originally Posted by **superdezi** (Post 218965)

Philip please correct me if i am wrong:

There are market makers in every market, and when there is a lack of sellers they become the seller and when there is a lack of buyers they become the buyer. Brokers in this market act the same way. Our brokers are the market makers and that is why alot of times spreads will widen. You must be careful because alot of brokers are hard set on hunting your stops and will knock you out of every trade that you are on the right side of.

There are certain ways to protect yourself, but these rules apply in all markets. Such as not overtrading, never bet the farm on one deal, and watch the margin call

..again philip, if i said anything that is incorrect, please let me know.

Just trying to help

-Dave

I don't really know how they operate and how they do it. I just noticed that there is a tendency to do the same thing over and over again. **Tails**. I watch them with a magnifying glass.

Phillip Nel

02-15-07 4:18pm

4 Hour Strategy

Quote:

Originally Posted by **Chandra** (Post 218987)
*Thanks, Phillip.
I completely understand your explanation on EUR/USD.*

About GBP/USD:

1. Was there not "Round Top" sell signal in MACD after the completion 8:00 to 12:00 bar?

2. You said "When the MACD gave a short signal your stoploss had to be over 100 pips to cover the previous candle."

I did not get the meaning of this statement. Can you please expand a bit on this.

Thank you.

-Chandra

The 8:00 to 12:00 candle gave a signal on the MACD. The candle was over 100 pips. If you went short there the safest stop was above that 100pip candle and then you had to make 100pips to get a 1:1 ratio. Not for me.

I never chase a candle that goes 100pips and give a MACD signal with that candle. I really don't think a deal is on.

DireXiv

02-15-07 4:48pm

That's a great statement. Another sign to show the "emotion" going on in the market. I will definitely keep this in my mind when looking to "buck" the trend at anytime.

Quote:

Originally Posted by **pips4uandme** (Post 218921)

Hi again!

No, that's not what I'm saying. The 8 seems to provide a bounce in a strong uptrend. That is when it is "strong." the 8 by nature, is a short term indicator and gives us an idea of what recent price action has done.

If it happens to converge with support along the way, then I would definately consider it to be stronger than normal. Don't really expect it to converge with trendlines too often, but I've never looked, so I don't know.

tamkras

02-15-07 4:51pm

testing other pairs for MACD strategy

Quote:

Originally Posted by **tamkras** (Post 218215)

it is getting very tight for canuck (loonie) in the falling wedge. Please, see chart.

for those who consider to buy dollar/loonie pair, there are 2 bullish signs on the plate with MACD signal still outstanding, for the want of this candle close.

If price continues to slide further and touch 365SMA, then waiting time for the bullish symptoms will be extended.

If this candle turns green at the close, MACD will provide 3rd bullish sign. However, wait to see what side of the wedge price is breaking out.

I will try this pair once I have confirmed MACD signal and conditions above. I have a mental price of 1.1685 which the pair should break to go long.

as an update (for anyone interested in this pair - usd/cad), remember I've put a limit price of 1.1685 to tell me it is surviving. I did not jump in there yet and looks like so far they did not get me. MACD signal confirmed reversal on the 4HR chart, a strong engulfing bullish candle, bounce off 365SMA - everything is crying 'buy me, buy me!' But I WAIT!

I am just hoping this double-bottom on the 1HR price chart will develop into a W pattern. Keep watching in the meantime.

superdeziqn

02-15-07 5:07pm

Quote:

Originally Posted by **Phillip Nel** (Post 218989)

*I don't really know how they operate and how they do it. I just noticed that there is a tendency to do the same thing over and over again. **Tails**. I watch them with a magnifying glass.*

Philip,

This tail you keep mentioning, what exactly is it. Excuse me if I am being naive, for I may know what it is, I just may call it something else

Thank you

ajasso

02-15-07 5:07pm

Quote:

Originally Posted by **Phillip Nel** (Post 218996)

The 8:00 to 12:00 candle gave a signal on the MACD. The candle was over 100 pips. If you went short there the safest stop was above that 100pip candle and then you had to make 100pips to get a 1:1 ratio. Not for me.

I never chase a candle that goes 100pips and give a MACD signal with that candle. I really don't think a deal is on.

Thank you so much for this program. I have been studying it and it is very useful.

I have one question. When you say the candle gave a signal, is there an EA that some one wrote?

Appreciate your help.

AJ

Phillip Nel

02-15-07 5:13pm

4 Hour Strategy

EurUsd

1. MACD gave signal end of 8:00 to 12:00 candle at 1.3133
2. Stoploss = above resistance = trendline = 50+ pips or 1.3200 = +70
3. Target1 = 1.3100 = 33 pips
4. Target 2 = 21 EMA1.3067 = 66 pips

Action.

If you want to take the trade on to make R:R worth it it must go to target 2 and stoploss +70. If you have done that you would still be in the trade.

I never use stop above 48 pips.

Skip for the time being my action

I took the trade after the 16:00 candle at 1.3145 and stoploss 1.3173 with first target 1.2320. Risking 28pips of yesterdays 60+ gain. There money not mine. It is also a risky one as it havent test the longtermtrend at 1.3180

Update

Price reached 1.3125. Set stoploss to breakeven. Reason for that is that the price have not tested the upper trendline. I have at least a free ride should it turn against me. If it goes my way i will take some profit around 1.3100

~Shard~

02-15-07 5:13pm

Quote:

Originally Posted by **superdezi** (Post 219038)

Phillip,

This tail you keep mentioning, what exactly is it. Excuse me if I am being nieve, for I may know what it is, I just may call it something else

Thank you

The tail is simply the bar that extends either from the top or from the bottom of the candle itself. If the candle is the "body" then the line is the "tail".

pips4uandme

02-15-07 5:28pm

flight plan

Hi Phillip,

Thanks for the pre-flight checklist! You have made some very interesting metaphors for us to apply

to our trading. The images are so vivid and it really helps us stick to disciplined plan. A thousand thanks for your efforts. Now, it is our responsibility to take the tools and apply them like professional traders!

Love that you brought up the business plan element too. We all need to remember trading is our business and not our hobby. Businesses have blueprints for success and so should traders!

Phillip Nel

02-15-07 5:34pm

4 Hour Strategy

Quote:

Originally Posted by ~**Shard**~ (Post 219048)

The tail is simply the bar that extends either from the top or from the bottom of the candle itself. If the candle is the "body" then the line is the "tail".

Shooting stars is what I learned they are called and I have noticed some names like adam for the opposite ones.

tamkras

02-15-07 5:40pm

[quote=Phillip Nel;219047]**EurUsd**

first target 1.2320.

Phil, did you mean 1.3120? Looks like a typo. I am in short @1.3135. I can risk 50 pip of my yesterday's cable gain.

Phillip Nel

02-15-07 6:13pm

[quote=tamkras;219079]

Quote:

Originally Posted by **Phillip Nel** (Post 219047)

EurUsd

first target 1.2320.

Phil, did you mean 1.3120? Looks like a typo. I am in short @1.3135. I can risk 50 pip of my yesterday's cable gain.

YeboYes. 1.3120

Benf

02-15-07 7:02pm

I don't think a round top will work until uptrend is in progress

<http://www.forexfactory.com/showpost...&postcount=662>

I keep a EUR/USD long position since this morning (EST). Also Goldman-Sachs's opinion.

Phillip Nel

02-15-07 7:06pm

4 Hour Strategy

Just got stopped out on 1.3145. Breakeven.

1. MACD might give a continuation pattern should this bar goes up to the trendline. Be carefull. Give it rope to show its colours.

superdeziqn

02-15-07 7:08pm

Quote:

Originally Posted by ~**Shard**~ (Post 219048)

The tail is simply the bar that extends either from the top or from the bottom of the candle itself. If the candle is the "body" then the line is the "tail".

ohhhhhh

I call that the shadow!

well anyways, I know they have some significance such as forming reversal spikes and doji stars.

Do they have any other meaning that I am unaware of? Apparently Philip follows them with a magnifying glass... so, they must be much more important then what I believe them to be

Phillip Nel

02-15-07 7:25pm

4 Hour Strategy

Quote:

Originally Posted by **superdezi** (Post 219148)

ohhhhhh

I call that the shadow!

well anyways, I know they have some significance such as forming reversal spikes and doji stars.

Do they have any other meaning that I am unaware of? Apparently Philip follows them with a magnifying glass... so, they must be much more important than what I believe them to be

If you work through the Exercise.pdf you will see their importance

turk87

02-15-07 7:27pm

Philip what do you think about my trade of the EUR.USD??

I shorted this at 1.3127 when it first broke below 1.3130. Was this a bad trade?? I mean, there was a round top, and it broke below the support of 1.3130. I got stopped out at 1.3163.

superdezi

02-15-07 7:45pm

Quote:

Originally Posted by **Phillip Nel** (Post 219158)

If you work through the Exercise.pdf you will see their importance

Great!

where do i find this exercise.pdf?

Tw0eleven

02-15-07 7:51pm

1 Attachment(s)

Just looking at the Daily chart for the EUR, if this candle closes today similar to this. Should we start thinking to short? Perhaps it's run out of steam for now?

~Shard~

02-15-07 7:51pm

Does anyone else think that the AUDUSD is set for a fall?

Any thoughts on the cable?

~Shard~

02-15-07 7:53pm

Quote:

Originally Posted by **Tw0eleven** (Post 219181)

*Just looking at the Daily chart for the EUR, if this candle closes today similiar to this.
Should we start thinking to short? Perhaps it's run out of steam for now?*

I have also been following the BB Method for fun and, for what it's worth, it appears to be giving a sell signal on the EURUSD as well. Consensus isn't a bad thing... ;)

O'Zeeke

02-15-07 8:06pm

Quote:

Originally Posted by **Phillip Nel** (Post 218982)

*Sum reading stuff about Trade your PPlan and Papertrading
You will see I refer to market conditions that determine the type of ride it is going to be. See
the conditions as supp/res , news, chart patterns etc.*

Hi Phillip, This does make a lot of sence to me as you have a very good way of explanation. Thank you again for your strategy and could you please explain what the signifcnce of tails are. Thanks to everyones on this forum for helping us all.

O'Zeeke

pips4uandme

02-15-07 8:08pm

I think euro is trending too

Quote:

Originally Posted by **Benf** (Post 219141)

I don't think a round top will work until uptrend is in progress

<http://www.forexfactory.com/showpost...&postcount=662>

I keep a EUR/USD long position since this morning (EST). Also Goldman-Sachs's opinion.

Look at the MA's on the chart. They are about to cross in perfect order. I use another system for hourly trades, and it started trending too a few candles back (system is very similar to Phil's 4 hour).

Be wary of round top in a strong trend! Use MA's and s/r...MACD could whipsaw you if used alone!!

Then again, I could be wrong :) But, be careful with shorts...use tight stops!

mandoaddam

02-15-07 8:11pm

Quote:

Originally Posted by **Tw0eleven** (Post 219181)

Just looking at the Daily chart for the EUR, if this candle closes today similiar to this.

Should we start thinking to short? Perhaps it's run out of steam for now?

I exactly see it from the same Point of view

But >>>>>>> tomorrow's news on usd isn't looks good
so I think it will take eur and gbp more up

pips4uandme

02-15-07 8:14pm

Round top may only be consolidation pattern....before the next run.

~Shard~

02-15-07 8:18pm

Quote:

Originally Posted by **mandoaddam** (Post 219208)

I exactly see it from the same Point of view

But >>>>>>> tomorrow's news on usd isn't looks good
so I think it will take eur and gbp more up

Yeah, but the news reports have had a tendency to be off lately... I wouldn't set my watch by them...
;)

pips4uandme

02-15-07 8:19pm

Hello again!

Has anyone looked back over historical history for this MA pattern and noticed anything strange? I just looked over 4 years worth of data and found similar patterns in both Feb. of 05 and Feb of 06 maybe currencies have "seasons" too?

Tw0eleven

02-15-07 8:19pm

Quote:

Originally Posted by **pips4uandme** (Post 219210)
Round top may only be consolidation pattern....before the next run.

Yep, I was going to wait and see what happens at that trendline...whether it holds or if price breaks&closes above it.

rp0029

02-15-07 8:19pm

Loss of 162 pips in eight days while backtesting this system...

Phillip,

I really enjoy reading about your trading strategy. If I could only make the gains that you are, I'd be looking at a very early retirement. I am new to the forex and am still trading on demo accounts, but your strategy and the results you post are very promising. However, I can't seem to get the gist of it. I am constantly faked out while using the system, and I am sure there is something I am missing with it. I have backtested this system on about 8 previous months between 2005-2006 using Metatrader 4. I do it by picking a month, advancing one candle at a time, looking for your patterns, and then buying or selling based upon the patterns, while setting stoplosses according to the EMAs, recent candle shadows, support and resistance lines. And I am constantly losing pips.

I really think this system is a winner and I would really like it to work for me. I must be doing something wrong. I read your examples, thought I understood them, and re-read all of your PDF files, and attempted another back test starting the first month of May 1, 2006. I would really appreciate your insight into what I am doing wrong, so I kept a strict diary of my trading. If I would have traded for real in May of 2006, I would have lost 162 pips in 8 days. Here is my journal, with a screen shot of what I did for those days. Your advice would be greatly appreciated. Thanks.

In the image below, I only drew lines where I lost pips. I actually did not trade on a couple of trades and made pips trade. Below that is the journal.



Trade 1

5/1/06 at 00:00 (EST)

Sell. It appears that there is a "high probability trade" as you mention in deal 1 in the example exercise. The MACD is over .0045, the candlesticks appear to be a very similar pattern to your Deal 1 in your example. A big move crosses the 8 and 21 MAs, only to bounce a bit back. I thought it was a high probability trade. The price is at 12610 I set my stop at 12643 (a couple points above the previous high shadow), looking to take profit at around 12539 only to have the price come out at 12:00 EST at 12643.

33 pip loss.

Trade 2

5/1/06 at 16:00 (EST)

Sell. MACD appears to be a lower high with a close price of 12619. 69 pips. I'd consider a stop loss at 12688 (prev candle high) and a 50% take out at 12577 (avg between the 8 and 21 MA lines) for a possible 44 pips, with the rest where the trend lines are at 12476, for what would look to be 143 pips. $44 \text{ pips} + 143 = 93$ possible pips. Good risk. With the next candle we get our selling point of 12577 (for 44 pips) as hoped, and sell off 50%. Since there is no shadow on that candle I'd bet the price is going down more, so I would change my order to close out on the rest at the original sell short price.

Next candle (5/2/06 00:00) raises a bit. Followed by a drop down at 04:00. At this point I don't know what to expect will leave my order in as I already have 22 pips in the bag. At the 8:00 candle I am stopped at the original sell price. 22 pip gain.

Trade 3

5/2/06 at 8:00 (EST)

Buy. I notice what appears to be an MACD continuation pattern, so I look. The previous low was 12557, and the previous four candles show decent support there, while the recent high (6 candles ago) is 12688. Current price is 12642. Stop would be 12557, or 85 pips. Even a trend line at based upon recent high and lower highs gives 12707 as resistance. 65 pips. 1:76 risk/reward ration. NO DEAL AT ALL.

Sure enough, a spinning top forms in the next candle.

Trade 4

5/2/06 16:00 (EST)

12616 Close price. Looks like a lower high. Recent upper support at 12666, so possible loss = 50. Recent low is 12535. Trade is 60% take out at 12557, with the rest at support level 12535. $59/81 = 67$ pips. Good risk/reward ratio. STOP OUT at 12666.

Loss of 50 pips.

Trade 5

5/4/06 12:00 (EST)

Buy. Return from zero. - Probable buy at 12644. Classic reversal pattern. Currently has support from lower trending high trend says 12671, previous low says 12569, signal candle too low, 12644. Risk/reward is bad.

No deal.

(would have made 26 pips at least on this one)

Trade 6

5/5/06 8:00 (EST)

Sell. Round top. Probable buy at 12689. 12720 is recent support level above. Risk is 31. 50% takeout is between support and 21 MA at 12638, with recent low tail at 12607 @ 12:00. Good risk/reward ratio.

Price goes the ceiling with next candle, loss of 31 pips.

Trade 7

5/5/06 12:00.

Buy. 12745 with continuation pattern. Signal candle is low 12675. Resistance then becomes support as resistance i

through and also offered around that same level. Risk of loss is 70. However, trendline from recent highs is over 1
Good ratio.

Stopped out at 675 on the 8th.

Loss of 70 pips.

In eight days I have lost 162 pips in total.

Please let me know what you think I am doing wrong. Your help is greatly appreciated.

pips4uandme

02-15-07 8:21pm

Quote:

Originally Posted by **~Shard~** (Post 219216)

Yeah, but the news reports have had a tendency to be off lately... I wouldn't set my watch by them... ;)

that's really funny since you are the Time Lord!

~Shard~

02-15-07 8:22pm

Quote:

Originally Posted by **pips4uandme** (Post 219217)

Hello again!

Has anyone looked back over historical history for this MA pattern and noticed anything strange? I just looked over 4 years worth of data and found similar patterns in both Feb. of 05 and Feb of 06 maybe currencies have "seasons" too?

Interesting concept. I am very familiar with seasonality in the stock market world (my area of expertise) but being that I am very new to the forex world, I don't know if this would be the case or not. An intriguing thought nonetheless...

~Shard~

02-15-07 8:22pm

Quote:

Originally Posted by **pips4uandme** (Post 219223)
that's really funny since you are the Time Lord!

Haha, I suppose so! ;) :D

pips4uandme

02-15-07 8:23pm

Quote:

Originally Posted by **Tw0eleven** (Post 219218)
Yep, I was going to wait and see what happens at that trendline...whether it holds or if price breaks&closes above it.

You have the right idea!

Chandra

02-15-07 8:26pm

Quote:

Originally Posted by **~Shard~** (Post 219182)
Does anyone else think that the AUDUSD is set for a fall?

Any thoughts on the cable?

Whyd would you think AUDUSD may fall?

For the benefit of all please post your reasons so that we can learn and also comment.

Thanks.

-Chandra

techno79

02-15-07 8:30pm

Question on best patterns

If this wasn't asked already.

I read things about chart patterns, and some have much higher success rates than others. And some experts have what percentage of the time each pattern works. This method has a lot of different potential patterns on the MACD. I think I have a favorite that I've noticed on a few time frames after reading this plan the first time that I now notice.

If we aren't looking to trade every trade, or we want to slowly work our way through the system(it's a very big system), has anyone done a study on which set-up has the highest probability and then work from there?

It's a bit overwhelming if you can't give 100% of your time, and I think such info would be critical.:surprised

pips4uandme

02-15-07 8:31pm

the trend is our friend

Hi rp0029!!

Great job on all the testing and retesting!! I love your style:D

I can tell right off where the losses occurred from your posted chart. Did you notice the Moving Averages? The major trendline is also a definite trend! MACD signals are dangerous in trending environments. Try retesting with the idea of waiting for buying opportunities when you see that type of pattern and avoid contra-trend trades.

I can tell from all the work you've put in this far, you will be very successful (and rich) from your trades!! Don't forget us little folk.;

pips4uandme

02-15-07 8:39pm

Quote:

Originally Posted by **techno79** (Post 219241)

If this wasn't asked already.

I read things about chart patterns, and some have much higher success rates than others. And some experts have what percentage of the time each pattern works. This method has a lot of different potential patterns on the MACD. I think I have a favorite that I've noticed on a few time frames after reading this plan the first time that I now notice.

If we aren't looking to trade every trade, or we want to slowly work our way through the system(it's a very big system), has anyone done a study on which set-up has the highest probability and then work from there?

It's a bit overwhelming if you can't give 100% of your time, and I think such info would be critical.:surprised

Betcha 100 pips the answer is probably not....But I think you have a great idea if everyone contributes a bit. Still think Support and Resistance are the basic, most critical along w/trend detection. Those pieces alone should give us high probability trades w/MACD confirmation.

Every now and then I go back and see what has happened w/similar patterns on the EUR or GBP for the last 3 - 4 years. Mostly looking to see price direction. Discovered Price does not fall too far past 365 unless the 21 and 8 are below and pointing down. As soon as they turn upwards, price rebounds. Maybe this will help someone make a decision when a MACD signal is given around that level.

Chandra

02-15-07 8:41pm

Phillip,
Regarding posting of RP0029 (Posting #743).

May I ask you to dissect each of his seven trades and comment? All of us will be benefitted from your explanation.
Thank you. -Chandra

RP0029,
you have done a great job by posting it. Phillip's response will help the whole community here.
Thank you.
-Chandra.
PS: I wish you success in your trading.

~Shard~

02-15-07 8:43pm

Quote:

Originally Posted by **Chandra** (Post 219234)
Whyd would you think AUDUSD may fall?
For the benefit of all please post your reasons so that we can learn and also comment.
Thanks.
-Chandra

Sure, no problem. I'm very new to this, so please tell me if I'm simply wrong, but I think the AUDUSD might fall for the following reasons:

- peak followed by a lower high on the MACD (trending lower?)
- reports that carry trades on the AUDJPY might start unwinding, therefore negatively impacting other AUD pairs

As I said, I could be wrong, just trying to learn myself... ;)

Tw0eleven

02-15-07 8:48pm

Quote:

Originally Posted by **pips4uandme** (Post 219252)

Every now and then I go back and see what has happened w/similar patterns on the EUR or GBP for the last 3 - 4 years. Mostly looking to see price direction. Discovered Price does not fall too far past 365 unless the 21 and 8 are below and pointing down. As soon as they turn upwards, price rebounds. Maybe this will help someone make a decision when a MACD signal is given around that level.

Hi pips4uandme, is the reverse true? If price goes way above the 365 and are above pointing up? Then, as soon as they turn downwards, price rebounds?

Seems like what's going on with the EUR at the moment.

mandoaddam

02-15-07 9:00pm

Quote:

Originally Posted by **~Shard~** (Post 219182)

Does anyone else think that the AUDUSD is set for a fall?

Any thoughts on the cable?

yes ... 1st target .7812

pips4uandme

02-15-07 9:02pm

Quote:

Originally Posted by **Tw0eleven** (Post 219261)

Hi pips4uandme, is the reverse true? If price goes way above the 365 and are above pointing

up? Then, as soon as they turn downwards, price rebounds?

Seems like what's going on with the EUR at the moment.

Hi Tw0eleven!

The answer is sort of. Yes when the 8 turns, price turns too. I don't think I'd consider the Eur pattern a turn down yet, it's more like a flat line...again reminds me of consolidation rather than correction.

& notice too, that the 89 is just now crossing the 200 and 365. They are pretty close together and I don't know if this means the upward move will be shortlived.

These are just my observations...don't know the validity of them since they haven't been tested (except perfect order as trend indicator)!

~Shard~

02-15-07 9:03pm

Quote:

Originally Posted by **mandoaddam** (Post 219270)
yes ... 1st target .7812

Thanks - are you actually in this trade yourself then or is that just what others have been saying? If it's the former, what are your entry and TP points?

I am thinking of entering a short position with a small lot... perhaps I will wait for the next candle in a couple hours...

mandoaddam

02-15-07 9:11pm

Quote:

Originally Posted by **~Shard~** (Post 219275)
Thanks - are you actually in this trade yourself then or is that just what others have been saying? If it's the former, what are your entry and TP points?

I am thinking of entering a short position with a small lot... perhaps I will wait for the next candle in a couple hours...

I went short @.7847
tp 1 .7812
I think his best target **.7767** (.38 fibo and also 89 EMA) :thumbsup:

~Shard~

02-15-07 9:14pm

Quote:

Originally Posted by **mandoaddam** (Post 219279)
I went short @.7847
tp 1 .7812
*I think his best target **.7767** (.38 fibo and also 89 EMA) :thumbsup:*

Thanks, good to know I'm not completely out to lunch... As I said, I might enter with a small lot as a test and will keep your quoted price targets in mind.

Thanks.

Chandra

02-15-07 9:24pm

Quote:

Originally Posted by **Phillip Nel** (Post 218888)
Look at Chart.

I follow your analysis. You skipped this short trade because the stop loss (to the trend line above the price) was too big.

Now onwards, I too start considering skipping a trade if it goes beyond my reasonable stop loss. It is a great thing emotionally that I can do myself. (SKIPPING A GOOD-LOOKING TRADE!!!).

Thanks for the great chart.

-Chandra.

pips4uandme

02-15-07 10:15pm

What about waiting for a retracement?

Do you guys remember in Phillip's strategy pdf the scale in version if stop is too big? Enter at opening, enter at 30% of previous bar and enter at 45% of previous bar. Wouldn't it be possible to use