

Building an equity millipede

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Jul 9, 2010 6:33pm

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pipEASY
crede quod habes, et habes

Member Since Dec 2009
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Building an equity millipede

Good morning all

A warm welcome to everyone here. Hope you are all safe and sound wherever you may be.

Before I begin, I wish to let all readers well aware that the purpose of this threads existence is of positive intentions. So please respect the fact that Im here because im willing to contribute.

I do not wish to participate in any ego-measuring contest, babysitting, or downright arguments. No need to prove myself to anyone. What is offered is what you will get if accepted as is.

I welcome questions and I will answer your question if I find that it will also benefit other readers.

Unfortunately, I find the necessity for the above points mentioned as there is blatant amount of testosterone being thrown around this forum. There is simply too much debris amongst the vast number of posts and i cant help but wonder if our initial good intentions is getting buried amongst the junk.

Moving on.

Quote

Jul 9, 2010 6:34pm

2



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Im a live trader. I have been trading live for 2 years. This is relatively short amount of time to be considered successful which I whole-heartedly agree. However, with all bias aside and after reviewing my trading strategy (which I happen to review at a constant basis), I can say with a degree of certainty that I will be profitable for the many years to come.

I have owned and managed import/export/distribution companies in my time, so it was no surprise when I phased into currency trading. When outsourcing overseas contact the foreign exchange rate plays a vital role as it has a direct impact on profit margin and the competitive edge. In a sentence, I had to forecast an expectancy of rise/fall in the price of goods in lieu with growth/decline of inventory demand. I had a constant tab on politics, and economics of both the country I reside and the country of our interest.

Exchange rate effects the overall operation of an import/export business. I have imported from surgical bandages, plastic bags, furniture, cars, electronics, sunglasses and much more. In the past, my company was outsourcing various types of surgical bandages from Taiwan to supply a

number of hospitals. For a lengthy period of time, Taiwan dollar declined against the rise of Australian dollar. I did not focus on daily price changes but as long as I was buying bandages cheaper than the previous year I was happy. I was very content to see the price of bandages getting cheaper by yearly. During my tenure as the main operating executive of a large i/e/d company my main responsibility was basically buying goods as/when cheap as possible and continue buying them cheap or cheaper. Now when I look back I smile at noticing that all I was doing was following the yearly trend and the bandages I was purchasing before is now my positions in forex. It is an uncanny resemblance in my perspective.

Moving on.



Jul 9, 2010 6:37pm

3



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Member Since Dec 2009

10+V 760 Posts



Thank you for your interest so far. Hope my life stories haven?t bored you however I find it necessary to reveal enough of me even though I feel exposed. I must admit im slightly reclusive and coming this far is out of ordinary for me.

Running a business has its ups and downs but the difficulties I had when I first started with forex was a completely different stress on a different level. At least in a business you have a reliable counsel in which you pay for advice however in forex there is advice everywhere and most of them completely free. Whenever I hear free advice I make sure my credit card is tucked away and my scepticism turned on high.

When I started in forex, I sought after the most expensive advice. It?s a habit that has grown on me. After all I could receive my forex trading was nowhere profitable. Capital wasn?t a problem for me so I started off live trading as soon as I worked out the buttons from demo. I kept my lot size relatively small.

From what I say might be already know to many and the obvious however traders fail cause they don?t action the obvious. Smoking kills, then quit. Action the obvious.

I quickly compiled a list of things that didn?t work for me:

- Indicators, especially moving average crosses that indicates entry/exit.
- Divergences
- Smaller time frames
- Advice from forums
- Advice from mass media

There was just too much information for my head to get around. I nosed around from forum to forum, post to post, looking for the perfect set of indicators that gave me entry and exits. Then I knew entry is not important.

There are no guarantees in life. You can never control your future but the future will control you. With me, I find the indicators/systems more obtrusive to the clarity of the bigger picture in forex. Im sure there are many successful traders with the perfect set of indicators tweaked at the best setting possible and you have my respect for something that I couldn?t simply accomplish.

I wasn?t in a rush to make money as I already have a very comfortable lifestyle. The most likely reason I didn?t give up in forex was probably the resemblance to what I do at my own company, which in return gave me confidence.

I stopped looking for daily/weekly profits. Traders focus too much on instant fulfilment. I also stopped using stop losses for most part of my trading. During my unsuccessful periods, I find that stop losses confirms my loss and just giving money to the brokers. I still use stop losses (sometimes) but they are much further apart. I can do this cause im comfortable and confident with my trades.

If I asked you, ?lets play a game. Everytime you roll this dice, you need to pay \$100. This is the reward: you win \$1000 everytime you roll 6 and lose your \$100 on 1,2,3,4,5. Would you play??

Some will say no, cause they cant see the bigger picture. Looking at indicators probably forecasting the next 2 or 3 throws.

Smart ones will say yes. Obvious reasons. But, how long will you last? Can you handle streaks of 20 or more losses? Perhaps you have the will to handle the stress but maybe not the capital?

I found my dice game. It wasn't in any forum or paid advice. It was just doing what I was already doing in my business.

Moving on.

Last edited by pipEASY, Jul 9, 2010 8:21pm



Jul 9, 2010 6:37pm

4



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My contribution won't sway many traders and it will be interesting to watch how this all works out. But if you are open-minded like I was when I first traded, then you too will receive a blueprint to a trading plan that guarantees to be beneficial of enormous proportions.

Currently, I'm holding a number of positions across several pairs. This is live trading (all numbers/dates are approximate so please don't hold it against me):

*All my positions have always been 2 standard lots each.

- GBP/JPY – 14 positions; 4 surviving from around 160.000, August 2009. 8 surviving from around 155.000, August 2009. 2 surviving from around 147.500, January 2010
- EUR/USD – 21 positions; 10 surviving from around 1.46600, December 2009. 11 surviving from around 1.41100, January 2010

I do have other positions however not as large as above. You can work out my profits if I closed them now. Also this is all profit as few of the 'legs' I have closed out in the space of months, which covers most of my total losses in establishing these positions.

These results are far from impressive however it pleases me greatly to know the return on my initial capital.

When I mentioned 'the obvious' and traders not following the obvious are this: The only thing obvious about forex markets is the trends. It pays you or destroys you.

For me, monthly trend **is the main trend. I tend to look at last 1-3 years of movement.**

My main and primary objective is building a pyramid of positions in lieu with the main monthly trend of the previous years. I enter from daily charts under guidance of weekly trend at market open (asian) and hope that the position survives the fluctuations of the day and transforms into another leg on my equity millipede.

More often than preferred, the daily position does not survive the price action of the day and most likely end up as a -30 pip loss (this is based on eur/usd). This does not worry me as im most interested in movements that start from the beginning of the day and charge forward following the intended weekly/monthly trend. Also it is comforting to know with a degree of certainty that when I decide to conclude all my positions after maturity, just a few of my bigger legs from my equity millipede will cover losses and the remaining as profits.

I do not care about 'moderate' small losses that occur when trying to establish my positions that will survive. As long as I do not try many times in one single day (and this is very important). This is also similar to my business, as I need to order an inventory before sourcing out distribution. Taking pain for gain.

If today is going to be a bear candle then whereabouts is the higher price? If we are in a downtrend (which is also in lieu with down weekly trend) and (unknowingly) today is going to be another down day. THEN tomorrow when we look back today, where is the most likely place for a position to survive?

It is at the near the top... Near the open of the daily candle. This insures that you catch the major move of the day + highest probability that the position will survive the pullbacks of next day (and the next 2-3 years hopefully).

A position that survives for extended weeks, months turns into a tremendous profit and you will be very pleased that you risked a very small fraction of its gigantic return to establish that position. I can't help but smile.

You need to allow the time for a caterpillar to turn into a butterfly.

As mentioned above, I do enter at the very start of market with a hard stop loss. Also I have a very simple 5,10 ema moving averages to give me clues on the strength of trend and the likely hood of mass traders entry. I despise any system based on sma/ema crosses but I would like to know the strength of the move by looking at the space between the moving averages. Also a 200 ema as a long term moving s/r and that's it for my indicators but I have few more tricks for entries.

Moving on.

Last edited by pipEASY, Jul 9, 2010 9:53pm



Jul 9, 2010 10:22pm

1



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Amazing, i just spent good 30minutes typing the next post and the site went down and it has perished in peril.



Jul 9, 2010 11:14pm

8



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Continuing on with the entries.

Entry is discretionary however I weigh the importance of the survivability of a position as most important which is near the top of the daily candle in a weekly down trend or bottom of the daily candle in an uptrend.

My hard stop gets hit often and when they are hit this signals for me to watch the market for another re-attempt. I will do a maximum of 2, 3 (rarely) re-entry per day and this is based mostly on support/resistance, reliable price patterns, and breakouts. Price that needs to be broken out is my favourite. Although I will go with the flow, Im biased towards my main weekly trend. Hopefully when you are ready to trade, you are efficient with the usage of support/resistance, few reliable price patterns and know the difference between a good/not so good breakout setups. This is entirely another story and you will need to do your homework.

I have had few positions placed on same day that has survived nearly a year. The price never came back to its entry. However, I will never try too hard to get a positive position in every day because most positions that does survive a day might not survive a month, or even 2 months. Can you handle that? Losing streaks of 20 or more.

What i say next will be interesting. Even though I had satisfying trades with great result I was looking at ways to enter more because I thought more positions meant more profit. However increased risk doesnt necessarily increase profit.

Once again, I scouraged the forums, magazines, and few seminars for another method. Back then I thought more methods meant more positions which hopefully meant more profit. To be honest, I find forums to be more stressful than the market itself. This endeavour cost me alot of unnecessary money. I stopped searching and just continued what was working.

My step down from a trader to a searcher gave me a full scope of the frustration and the struggle as I can test both sides of the world. Things are overly complicated than they are. You need to stop listening and throw out that guide book. Fortuantely I had it easier as I had alot more than necessary capital and a business that secured me financially and also taught me to be a trend trader before even stepping foot in the arena.

With all honesty, forex trading is simple. You can ask million questions on the forum and get burned, ravaged by the poster after you till no end. Stop, calm down, listen, and look for the obvious.

Moving on, and nearly at the end..

Last edited by pipEASY, Jul 9, 2010 11:31pm



Jul 10, 2010 12:48am

10



pipEASY

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10+^w [760 Posts](#)



There is more to it than the bulge. I believe this was one of the lines i used when i was dating my wife.

I say the same here. Even though my posts lack any charts, defined set entry/exit points, but there is definitely more here than the bulge. And all this is definitely a trading strategy nonetheless. For the intellectual traders they will pickup how/why my method works. **It is obvious.**

I feel no loss at sharing but disappointed after reviewing my posts that i may have not conveyed my strategies properly in depth.

However I do know that most searchers are looking for a system with numbers telling them what to do and less words. They wish to think less, but ironically you are at the right place.

Moving on.



Jul 10, 2010 9:57pm

11



pipEASY

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Member Since Dec 2009

10+^w [760 Posts](#)



Good morning all

It is a beautiful sunday morning here.

Looking back at yesterday's posts; I have covered my main trading principle and my entry strategy. I would like to touch base on what you have read so far and hope to give you a different but positive look at what I meant.

1. Position trading

Position trading is as exciting as intraday, swing. I find it much more exciting. Majority of traders are seeking the rush to be in the action constantly. They like to execute orders, close orders with profit, make an excel spreadsheet and enter their weekly profit, log into forum and boast their demo accomplishments and henceforth. And to add further damage, keen avid new traders will soak their comments and 'adapt' it. Now at the end of the day if they both find success then it was all worthwhile but you will find them sitting here behind their so called 'already known and preached principles' just garnishing in attention but not necessarily contributing positively. Call me cynic or realist?

Position trading has some of the best risk:reward. You actually risk much less for a greater reward. Yes, we do not execute as many orders as some new traders would prefer but if its excitement these new traders are all looking for then it is **very exciting** to see my legs on my millipede grow as the time goes. Once you shift your trading to 'longer' time frame you will find trading less stressful and more meaningful. And please dont stay on demo too long. You make progress but also in parallel you are growing a set of habits that will be a big surprise for its inefficiency once you start live. I have tested both sides of the world.

Also, I believe there is a common belief that position trading requires alot of starting capital. I was planning to address this on a separate post however will address it here. **NO**, you dont require a large starting capital. If you want to know, and if i were to suggest for the new traders;

USD \$5000 for 4-6 positions @ \$1 per pip (0.1 lot size)

The above is very realistic and very achievable however dont quit your day job yet. Try and keep a few thousands dollar in your savings account for backup and most importantly psychological safety.

Example of a common scenario;

You wait. Then you wait some more. You notice on monthly chart that gbp/jpy is dropping going down (its not hard, you look at last 10-15 candles preferably or less), you switch to weekly and see that price is above/near/just below the 200ema. I prefer the price to be somewhat 'near' to the 200ema. You enter on daily chart at beginning of market with hard stop loss (this is not a golden rule and as i mentioned in earlier posts, entry is discretionary) or do your homework and work out a low risk entry somewhere 'near' the open.

Moving on, if this position survives the fluctuation of the day, move the s/l to breakeven on the following day. You now have a leg on your millipede. **BUT**, you will find that often this hard earned leg will die some days, weeks later. I will be very suspicious if a leg dies months later... Something has gone wrong with the main trend. If you enter in a good trend you improve the chance that the leg will survive. And we like our leg soldier to be breathing and working for us.

Do this until you have 4-5 legs and preferably stop adding. Let time go past.

6 months later..

You will find avg pip per position will be 1200 (hypothetically)

1200 pip x 5 positions = 6000 pips. \$1 per pip will be \$6000

However, \$6000 wouldnt be all profit as you definitely had to endure few small losses trying to establish your positions. Lets take off 1500 pips which is alot more than probably required but hey, this is an example.

So total net profit will be \$4500. Hmmm... that would be almost 100% return on capital..... (in 6 months)

And this is a very sensible estimation

Im planning to close out 3 of my legs in gbp/jpy if it doesnt continue downtrend on weekly in the next week or two cause i dont like the looks of the current market. Weekly downtrend from the beginning of the year was not even great. And even in poor trends like this.. it is **very profitable**

Probably close out my medium sized legs; 3 positions x 1500 pip = 4500 pip total @ \$20 per pip.

I entered all 3 positions in the space of 2 days and was fortunate enough to catch an eye-popping momentum (this could also be another 'way' for you to enter). I had zero loss to accumulate these 3 positions. My risk:reward? Could have added more but then again..

I will be pocketing \$90000 for 6 months. Sometimes I wish I was 20 years younger doing this...

Sorry deb.. 😊

Get the gist?

Moving on.

Last edited by pipEASY, Jul 10, 2010 10:52pm



Jul 11, 2010 2:48am

12



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Good afternoon all

Hope you are spending time with your loved ones. The older I get, I find the bond you have with your loves ones are so very important. It is not the waterfront penthouses, fast cars or victoria secret model girlfriends but the sentimental links you preserve with the ones you dearly love and

care. There are plenty of times when money does come across relationships but manage them well and keep money out of equation as much as possible.

Continuing on with my previous post. Today, we were touching base on what I posted yesterday. Point 1 was about the importance and the power of long term trend trading (position trading).

Now for point 2.

2. Entries

Yesterday, I mentioned in my post that I open a position at the start of the new daily candle (which for me is open of asian market, 9am sydney time). I believe the common myth about trading the asian market is a big no no. Some of the reason why traders will avoid asian market is that most movements happen during UK business hours. I agree. I would also agree more if I was a pure intraday trader looking for great bursts of momentum or a 5 minute scalper who needs the participation of the greater number of traders. I consider myself standing above all this (in a non-egotistical way).

The most important thing to position building happens from entry. First you must be sure about the weekly trend. Its very simple. Open weekly chart and see what happened in the last 20-40 bars. Moving down? Then its down. Moving up? Then its up. Weekly trend is not going to change just because you finally arrived at the scene with a demo account. Please get over it, you're not that big.

All im interested is the 'area' of the daily candle where the chance for my position to survive not just todays price action but tomorrows and hopefully for the next 2-3 years. We want price to never come back to our entry. Where do you think this will happen? It will happen near the open of the candle. But sometimes the movement is so powerful that on some days any position on any area of the candle would have survived. Consider them a huge addition to your profits. With practice you will know with a certain degree of certainty when these candles will occur 😊

These days I continue to enter at the beginning of each new daily candle but not all the time. Experience has shown me that some areas are already 'exhausted' for any new legs to be created. Something like this just comes from experience (and good reference from weekly charts). There are no set rules.

Furthermore, some days I will use a hard stop 70 pips for jpy cross or a 30/40 pips for eur/usd but some days I know that stop loss is not necessary. **BUT** I will put an alert in my mt4 to message me instantly to my cell phone at extreme movements. Situation varies and so does my actions.

Occasionally, when I choose to monitor a uk session and I see a great setup forming. I look at s/r, trendlines and will enter at a minimal risk and as soon as it moves positive i will move my stop loss to breakeven and walk away.

My favourite is areas where price **needs** to breakout. This is an obvious statement, and yet alot of traders dont action the obvious. Price doesnt **want** to breakout **but needs** to breakout. I will go with the eventual flow but im biased towards main weekly/monthly trend. I request that you look into breakout.

If I were to give a hard advice for the intraday orientated traders is to buy when the price is above todays open and sell when the price is below todays open. This way you are in line with the trend.

Intraday movement doesnt interest me. What I am interested is the open price of the daily candle.

Conclusion is that I enter on the open of new daily candle towards the main weekly trend **however**, i do look at 5/10ema to see if the price is sensible and whether it is a new momentum or phasing out/retrace. I also keep in mind s/r and trendlines but do not entirely focus on anything particular. **One thing I want to be damn sure is my main weekly trend.**

Cant explain it any further, you must do your own research from here.

Entries is like learning to swim. You need to practice and one day you will realize that you were so much better than few weeks ago. It will come to you.

Moving on.

Last edited by pipEASY, Jul 11, 2010 3:22am



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Good evening all

Thank you for the warm remarks. It makes the effort worthwhile.

There are terrible events happening across the globe; environmental, political and biological. Let us not forget that we are fortunate individuals to have an opportunity to even discuss matters like forex at our leisure. Unfortunately my children will never grasp the full scope of their fortunate existence as they never had any insecurities.

Hence, you will never forget your learning phase in your trading career. It will outshine in your memory everytime you open your platform.

It is now Sunday evening and I must admit I have enjoyed contributing to the forum this past weekend. I feel obliged to help traders as I also received such unconditional help.

I have yet to explain other subjects like; money management, psychology, exit options, mid term exits, profiting short countertrends. And I will re-attempt on another weekend.

Till then stay safe.

Graeme

Last edited by pipEASY, Jul 11, 2010 10:09pm



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The power of participation.

This is my next subject. It flows concurrently with my points on entry. In my previous posts I have explained what I perceived as the reason why entry is important however it shouldnt be the only focus of your trading.

Alot of traders tend to focus 'pinpoint picture perfect entries' and 'razor sharp profit producing exits.' My personal take on entry is that as long as you clearly define the main momentum and have the ability/skill to see where you currently stand in that momentum this will give you the first reasons to why you should enter/exit. You need to read the road signs.

I understand entry/exit plays an important role if you aim for constant 80pip take profit with 40pip stop loss. You are looking too closely. Take a step back. What you conceive as 80pip profit is only a ripple in the ocean and you have just stopped yourself looking at the bigger picture and settled with just entree. Unknowingly you might still be focusing too much on todays profit or this weeks profit.

You are forgiven for sloppier entries when you start but as long as your position is towards the main trend you are already in good shape. Entries will improve over time. As far as entries are concerned, we want minimal risk entries (do your homework) that will give that position an opportunity to reach its full potential hopefully 8000 pips later.

And you will reap exponential rewards if you let it happen. Nobody knows where the market will be heading and this shouldnt hinder you in anyway. You need to participate to what is happening. You need to be in the market to make it happen. If its up then BUY, if its down then SELL. Yes, you have heard it before but do you know what it means and how to implement it?

Every month I receive an email from my regional offices showing me how much it would cost to buy another 100,000 units of a particular good to

be imported. I take three looks. One look at the current price i need to pay and two looks at previous prices i paid before which is price one month ago and price one year ago. If its cheaper I place an order and sign off on the cheque and thats that. If its not then I dont. Then I dont sit there and twiddle my thumbs and look exasperated. I ring the appropriate regional office and tell them to try export more of our goods to that particular country. If this blip of price fluctuation continues for months then I would shift my operational views with that particular country from importing to exporting.

I request that you think about my story. You might learn something.

Currently I have bundles of positions. Just like my business I categorise positions accordingly even though they may be from same pair of currency. Each bundle is different to each other and I treat each bundle as each individual entity. As long as that particular bundle exits completely with profit then its mission accomplished. I have bundles of positions that are sell and bundles of positions that are buy. They are not offsetting each other as you might perceived to be. Yes they may be from the same capital pool but I treat them as two different scenarios.

To help you understand, in some weekly trend, you will find that there are corrections. And this correction can last from days to weeks even. Even though last 8 months was down, the price right now is telling you up. Go with the flow and participate. Be in the action. You can speculate on the sideline with your certified indicator/system or be in the game and bring home the trophy and the prom queen home.

Review a week or two later (or more preferably) and you will see that your new legs becomes a solid profit making machine. This set of new legs is a different group to your main group of positions on the main trend. Keep your bias on the downtrend as this was your main trend for the last 8 months but you will have opportunities to make profit on the correction. Just like my export and import business.

Once the trend resumes, your main group of positions will continue producing profits and **you have opportunities to add positions to this group once again with greater probability of surviving**.

When I comeback from my dinner arrangement I will try and answer the PMs you kindly sent. Thank you

Moving on.

Last edited by pipEASY, Jul 12, 2010 7:19am



Jul 12, 2010 8:44am

19



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Good evening all

I like to mention something that should be the basis of your thoughts when you read about a system/method.

Many system/methods that claim xx% win rate concerns me on several factors.

First, how did the poster arrive at such xx%? I have seen scores of systems that claim anywhere from 50% to 90%. Some even lower. To justify any short expectancy the poster will then quote their r:r to prove that their numbers show profit. Profit is not the problem but the reliability of such numbers.

For example, there is a popular game called baccarat at most casinos these days. Its a simple game where you either bet the banker to win the next round of hand or the players side. Basically a coin toss but much more elaborate. I happen to have extensive knowledge in statistics (especially in gambling) and nothing below is conjured. This is hard facts.

In regards to the odds,

If you bet on banker to win, then your chance of winning is (roughly) 49%
If you bet on player to win, then your chance of winning is (roughly) 49%

When you win, they pay you 1:1.

Bet \$50 on banker and you won, then you receive your \$50 and then your win of \$50. Total \$100 back

So, either side you place the bet you are on the losing side already because you are not 50%. This is possible because casinos implement rules such as if banker wins on 6 then its only half win or other various small measures. These small measures ensure the casino to always have the upper hand and win rate of 51%. SO the difference is 2%.

Even though casinos only make 2% of all gross bets they still make millions every year. This is possible because the turnover of hands is quick and in the tens of thousands per day across dozens of tables.

Now that I have your mind thinking. Lets go back to our example.

A system posts 50% success rate and recommends risk/reward to be 1:2. This is still fantastic. If this was possible in casino, it will shutdown in a day.

So it looks good on paper, but here is where everything goes wrong. According to the system rules you could only realistically enter 10-20 times a week. Could be more but this is just example. To achieve this you need to consistently watch the market most of the time and be ready to execute your order. Now all this is fine as long as it works out at the end. **BUT** do you know how many 'rounds' of investment is required to prove such edge? It is in the tens of thousands. You actually need tens of thousands, even hundred thousands to prove an edge. Because the parameter is infinite you need to burn thousands of rounds to give a hard number and consider it as the edge.

The fluctuations are huge. After 500 'rounds' you could be well into profit but another 2000 'rounds' later you find yourself minus. Smart readers are already aware of this and implement sound r:r. But please take a step back and ask how long did the poster really try their system before posting on forum. They claim 50% win rate from what? 6 months of live testing? 40 attempt a week? That is still only 1000 times. You cannot claim that you have a system that works 50% of the time with results after only 1000 tries. Unknowingly you may be more or less gambling in the markets.

Fortunately, if the same poster turns out to be a successful trader. His/her success will be the result of having a defined edge in the market and the other saving grace will be their sound r:r. But what they will find (if they adhere to the same system for 10 years) is that the claim they made 10 years ago about the win rate wasnt even close (and unnecessary). They may be profitable after 10 years but it wasnt the success rate but their personal edge in the market. Something to consider closely.

You only need to be sure of only one thing in the market to make money.

Moving on.

Last edited by pipEASY, Jul 12, 2010 8:19pm



Jul 12, 2010 10:33pm

21



pipEASY

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10+y 760 Posts



Quote:

Originally Posted by SkyzerFX

This is only theory. If there is any win system out there, then Robot

can be implemented based on that and then you sleep while robot makes \$.

So? more likely there is no winning strategy at all, other than

Insider information, that's what bosses on the Wall Street using, otherwise

it's just a gambling. Cause really, placing so much money on just 10-30 pips

movement is a gambling. What is not gambling: buy EURCHF (on very low margin) and sell when it

hit 1.45-1.50 next year or 2. (just an example)

I would be more inclined to agree with you.



Jul 12, 2010 10:34pm

22



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Im sure there are successful traders doing well on shorter time frame however we can all do just as well and even better with longer approach.

I dont understand why traders shun the idea of long term trading but it is probably because they are looking for immediate solutions to a riddle that has existed for centuries.

Unfortunately, my method will not be favourable to many new traders with boiling young blood. Hope they are persistent enough to go around the block few times and then re-evaluate. Youth and money dont go along well.

Majority of the readers here unfortunately need a new perspective, not necessarily needs to be mine but hopefully from someone who is genuinely doing well and is here to unconditionally add some new perspective.

Most trading system threads starts off with set of pre-defined entry and exits. My method doesnt and it works very well for me.



Jul 12, 2010 10:58pm

23



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



I have closed one of my bundle of positions on usd/chf.

I personally called this group uc4s and it is one of the smaller groups that I currently hold on this pair.

I started adding positions into group uc4s around first week of june, **from** 1.15000. Not all on same day or same week.

From june there has been a very good down trend. I was little hesistent at first because april, may on weekly/monthly chart has been a bull run. **BUT** I took emotion out and went with the flow. I entered with minimal risk and see what would play out. I kept my bias of the downtrend as usd/chf has been down on monthly chart since 1999!

I had a small group called uc3s that took small profit of the 2 months bull run of april and may. Closed out on 3rd week of june.

Coming back to uc4s, I was adding positions very successfully. I hardly had any loss. It was just straight down. If any traders in the last month decided to intraday trade and had any orders for buy they probably had tough time pulling the rabbit out of the hat.

I exited with 11 positions @ 2 standard lot per position, around 1.05100. Its fair amount of money. I kept 2 of the larger positions and moved them to group uc4b and hope they survive for the next 2 years.

One of the reason I closed was the support around 1.04900 and what I consider to be an exhaustion of sellers.

Get the gist?

Moving on.

Last edited by pipEASY, Jul 12, 2010 11:12pm

Jul 13, 2010 5:40am

26



pipEASY

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Good evening all

Thank you for your interest so far. I know there are alot of information from my posts however i find them all relevant. Most likely you are an experienced trader and already know many of the points I illustrate. Hope you will appreciate my efforts at trying to pass on a method that works so well for me in a way that will make you think and adapt to its potential. Im trying to draw a blueprint of my method in your thinking procedure.

My previous post was about my mid term exit on usd/chf. Although I shun the limelight I found it necessary to reveal my exits/profits as this will eventually flow into my next topic: mid term exits.

There is nothing special to mid term exits. You could consider them as locking in the profit or I will consider them 'managing my positions.' Some may even consider as money management but I would like to consider it as position management. To me, position management is simply, managing the set of groups of positions that I control so that I can diversify the reward. Ofcourse I prefer my positions to run 2-3 years for 9000 pips per position for a stupendous return but some weekly trend can change after a year or less. However I can control the flow of the reward and keep the capital balance and equity both increasing.

I exited 11 positions for a large increase in my capital balance and holding 2 of the larger positions to ride the huge monthly trend that started from 1999. This will be my main big group. As you can see Im diversifying my reward.

If the main downtrend continues after correction I will start building again and after an extended period of growth, I will diversify the group by closing few legs to ensure my capital balance keeps growing and moving some legs to the main big group above for a long term growth. [This smooths out my equity curve.](#)

I wish I started doing this since 1999 on the usd/chf when the monthly downtrend began. The payout would be in the millions. But its never too late in forex.

Currently I hold \$100K+ worth of positions in gbpjpy. I will diversify very soon if price doesnt close below 131.280. But it doesnt matter if it does close below I will most likely still diversify the smaller group for an increase in balance and move any legs to the longer term group in gbpjpy. My main group started mid last year around 159.000 and current price is about 133.500. I will diversify and move remaining legs to this big group. This downtrend of gbpjpy started from mid 2007 and i only joined mid last year. I dont feel missed out in any sense.

\$100K+ worth of position is all profit because I was able to diversify earlier this year which covered all my losses. Returns like this is only possible cause I respect and follow the main trend.

Moving on.

Last edited by pipEASY, Jul 13, 2010 5:52am

Jul 13, 2010 6:05am

28



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Member Since Dec 2009

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Quote:

Originally Posted by **fugly**

thx for sharing your method, sort of reminds me of livermore's approach, he wrote about it in his book that to make big money in the stock markets one has to catch the big swings not jump in and out all day. He also says its a mistake to establish an entire position at one go

but rather to pyramid into the position as it proves you correct. There's no question about him being a very very successful trader.

However this is worthwhile only for people with a large a/c. Your positions are very impressive but can i ask how much money you started out...

My starting capital was 6 figures. However my capital never went -10%.

I can assure you, large capital is not needed. I have a good example on first page of the thread.

What you will realize is that most short term traders aiming at 1-2% increase per week can also be easily done by entering at a low risk and letting the position grow on the trend.



Jul 13, 2010 7:08am

31



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Member Since Dec 2009
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Quote:

Originally Posted by **carolco**

Hi. Your point of view is very interesting but I would like to ask You how much does Swap rates affect your trading system..?

good question. I will pm you with my reply as I would like to keep the intended flow of my explanation continuous without jumping forward and backwards.



Jul 13, 2010 7:11am

32



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **xman**

@PipEasy

Can you find one example and show us on the chart, please?

yes i will soon. thank you



Jul 13, 2010 7:34am

33



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Quote:

Originally Posted by **stevegee58**

pipeasy, you mentioned diversifying. Do you look at correlation at all? In other words, if you're already in a EURUSD position would you still

consider a USDCHF position even though they're negatively correlated? Having positions in both (say long EU and short UC) is really not diversified due to the negative correlation on average.

Good question and unfortunately this will be last for today as the day has taken its toll on me.

Even though im trading from one large capital pool i treat each pair of currency as individual investment project (in my words). Im well aware of the correlation between pairs of currency however it is something that i will neither focus nor ignore. I follow what the price is telling me and sooner or later the market will justify my actions accordingly. As long as my risk is covered I will let the market be the judge. But yes sometimes i do hold positions concurrently in same direction but are negatively correlated pairs only to find the market will be a fair judge.

When i mention diversifying my positions; **I meant the diversification of the already existing groups of positions within that particular currency pair**. The sole purpose of the diversification is to smooth out my equity curve.

I have noticed that you have interest in hedging. I dont know where your views stand in hedging however what would you say if i have groups of positions that are both buy and sell on the same currency pair? Will you also advise me that all im doing is offsetting each other?

Please dont take my questions as any form of disrespect as its not but perhaps trying to help you form a different perspective.

Good night all.

Also I would like to mention that the last 4 days definitely has taken its toll on me. I will try and complete my posts relatively soon.

Last edited by pipEASY, Jul 13, 2010 10:39am



Jul 13, 2010 10:27pm

36



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **mlambale** ➤

Hello,

You said "I took emotion out and went with the flow". I am asking myself, what flow ? As you said, in april and may it was a bull run, what made you go short beginning of june ?

Hello mlambale and other members of the forum

Good question and my reply will be important.

I cannot predict any 'intraday' movements especially the next 50-70 pips of movement. Certainly not from indicators and not in my focal/thinking capacity. **Also** I consider myself a bigger person (in a non-egotistical way) than to be sitting in my leatherbound chair and pondering where my next 50 pip opportunity is. My intentions are different and it is important why.

As long as I enter the market and participate, I could be **either** buying or selling on the same currency pair. I let the market decide my actions.

My job is to enter at minimal risk and let the market show me its intentions. Entering the market is something everyone needs to practice on. It is a quest that you must complete.

For me, I have various entry methods that are now second nature to me. One of my favourite is breakouts. Areas where price **needs** to breakout. And when it does breakout I will go with the flow of the mass. I request everyone to have a look.

Usd/chf had a bull run in april and may 2010. Around first week of june I started noticing that my newly added legs for the uptrend was struggling for survival. **But before I even noticed this I was already entering buy and sell from the 'market action.'**

As long as I do my job of entering with minimal risk either buy or sell I will let the market be the fair judge. **You will only notice the bigger picture of the market after a period of growth on your positions.** As long as you have controlled the risk, let your positions work for you.

From 2nd week of June it was obvious that the trend has changed when support was broken on the daily chart. It doesn't matter if trend didn't change cause I will diversify my holdings around that period of time.

It was group 'uc3s' that held positions on the uptrend of april and may. When I diversified this group, I closed out enough legs to ensure my capital balance has increased from this 'minor' endeavour. My profit was more or less around \$22K. Then I moved 3 of the larger legs that I did not close out into a new group that I called uc1b to continue fighting for me incase this 'april, may uptrend' is the start of something huge.

Unfortunately, group uc1b died in action (only recently) with breakeven. They had a good fight but the main monthly downtrend since 1999 was just too much for them. I have no remorse at their departure as I got hundreds more soldiers on the battlefield.

Moving on.

Last edited by pipEASY, Jul 14, 2010 8:21am



Jul 13, 2010 11:15pm

37



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Member Since Dec 2009

[760 Posts](#)



Good day all

Something I appreciate more as I get older is the beautiful weather and how it plays on my garden. Today is one of those days. Just before I head out for a lunch appointment I thought I tell you a story about myself.

Everyone has vice. I don't smoke, drink heavily or chase tail however I do collect comic books. My favourite is superman and I'm an avid collector. There has been an occasion where I actually attended an auction house overseas to bid for a prized number in the series. In this trip I befriended a collector who had a wide interest and has been very successful in his field. I welcomed his friendship and attended few of the auctions with him.

What I noticed at the time of the auction was that he was buying quite a few pieces of antiques. I don't personally see the point of buying a marble head of a roman imperial for \$600K even if it was 1800 years old. We were obviously not on the same level in antiques. He looked somewhat disappointed when I bid \$5000 for an egyptian jar apparently few thousand years old but I must admit I only bid cause I got carried away. Luckily it went under the hammer for much more. And it wasn't a jar but some important washing bowl..

Anyways, we had few quiet drinks and got to know each other a lot more. Our common grounds was that we were both traders. Trading different instruments but traders nonetheless. He continued telling me that his trip was not only about buying but also selling. From what he was showing me, he had sold few millions of antiques the last few months and his trip is just about to conclude. I asked what he considers to be the important aspect of his success and he said it was nothing but just buying at reasonable price and holding cause he knows that antiques of this calibre will only rise in value. Not all of them but most of them and he knows which ones do.

He noticed that I wasn't talking much and he returned the same question to me. I replied, 'wilson, i do the same as you do..'

Are you a trader? Then be a trader. We buy items to hold indefinitely increasing its value. The whole purpose of a trader is to buy something cheap or reasonable and selling it later on for a lot more. That's what I perceive as a trader.

Moving on.



Jul 14, 2010 1:41am

40

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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **chonghm**

Dear pipEASY,

Your system looks like the Turtle Trading System. A trend following system. In your case you maintain your core long terms positions and countertrade the short terms trade as well. How does the swap rates affect your profits?

Hello chonghm & carolco

Swap rates shouldnt hinder you. Swap rate is something that I neither forget nor ignore. What you need to acknowledge is that the numerous positions you hold will grow 'exponentially' for you the longer you let it. You need to grasp this concept.

I can also reassure myself that the bundles of positions that I hold in other currency pair which rewards with positive swap balances out the small loss I incur in negative swap **or** the fact that my exponential growth in equity will outshadow any miscellaneous costs involved in the long run. Swap rates remain static however the growth of my equity is growing exponentially. Of course swap will play a vital role for a trader on short term, eroding away on their hard earned small lots of profits. And unfortunately they will be discouraged to trade such pairs which is quite disheartening to see.

You need to be become a bigger person and not let things like this hinder your actions.

Power of growth starts from your participation in the market. The trend of the market will grow your equity to new dazzling heights. And that is where your focus should be.

Very good question indeed.

P.S Im not aware of a a system/method called turtle. My contributions here are all personal.

Last edited by pipEASY, Jul 14, 2010 2:26am



Jul 14, 2010 2:24am

42



pipEASY

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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **damosdmf**

hi pipeasy

just thought i would say loving the thread so far lots of good info. im guessing most people round here will call your style of trading investing? keep the good info coming.

regards damien

I appreciate the warm remarks. It makes the effort worthwhile.

Yes, I dont mind the notion that im an investor however im also a trader + collector. And I collect healthy positions that will work for me. I collect comic books and collect positions in the market.

Dear all fellow traders

I have spent considerable personal time to relay my thoughts to the general public as concise as possible. Even though it is unfortunate that it is communicated through a public forum where the scepticism is naturally high. I request that if you appreciate my efforts to please consider a read from the beginning of the thread as the flow of my explanation was all planned out before starting the thread.

Sincerely,

Graeme

Last edited by pipEASY, Jul 14, 2010 3:52am



Jul 14, 2010 2:35am

43



pipEASY

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [760 Posts](#)



Quote:

Originally Posted by **chonghm**

Dear pipEASY,

Thank you for your prompt reply.

I suppose for your counter trend trades, you trade in a different account as the US forex co does not allow hedging.

Do you wake up everyday at the opening candle to watch and trade or do you use an EA. If an EA can you share it?

Excellent question.

Please click my profile for my broker. I believe you cant recommend a broker publically in this forum? My broker allows hedging on same account.

Daily candle open for me is 9am sydney time. Start of asian market. I dont have any ea.

Graeme



Jul 14, 2010 2:53am

44



pipEASY

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Member Since Dec 2009

[10+V](#) [760 Posts](#)



Welcome all and the newcomers.

So far I have explained in my posts

1. Benefits of long term trading and its potential reward
2. Starting capital
3. Importance of low risk entries and my recommendation on entries
4. Power of participation
5. Entering both buy and sell and how it benefits the trader on the long term
6. Diversifying groups of positions to control the flow of reward

We have come a long way.

Topics left,

1. Required thinking process to be a long term trader
2. Emotion control

As xman has previously requested I will soon organise some charts for a better understanding of my thinking process.

Trading system/method is so much more than just when to enter and when to exit.

It starts from your perspective.

Moving on.

Last edited by pipEASY, Jul 14, 2010 5:15am



Jul 14, 2010 8:10am

47



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+W 760 Posts



Quote:

Originally Posted by **stevegee58**

I've come to believe that hedging isn't for me, though I've met other posters claiming to use it profitably. Mathematically when you fully hedge a position you create a new position with a delta of 0, yet you've also increased your margin use to do it. If you close a position that's not working out, you reduce the margin used and also create a position with delta...

Thank you for your correspondence.

Im glad to hear that you have an open mind. Please keep your open mind for me as I will try and describe something to you.

When you fully hedge 2 equal positions you are offsetting each other and nobody can argue with that fact. I agree that you cannot squeeze water out of a stone. However you can hedge completely when the market goes against you to stun your loss. This is completely different story.

But there are also other sides to the story.

I enter what the market dictates.

January 1st

1. Monday - enter long because price pattern at support. Move sl to BE
2. Tuesday - enter sell after inside bar. Move sl to BE
3. Wednesday - enter sell at compelling momentum. Move sl to BE
4. Thursday - enter long at daily open candle in lieu with weekly trend. Move sl to BE
5. Friday - enter long at pennant breakout. Move sl to BE
6. Monday - enter sell at double top. Move sl to BE
7. Tuesday - enter long at 1hr trendline. Move sl to BE
8. Wednesday - enter long at daily open candle in lieu with weekly trend. Move sl to BE
9. Thursday - enter sell at compelling momentum. Move sl to BE
- 10 Friday - enter sell at diamond formation breakout. Move sl to BE

This is just example of 2 weeks but illustrates what I do.

Now I will never enter like the above, or be in the market everyday. This is just an example.

Above 2 weeks made me 10 legs.

To establish these 10 legs I made few sloppy entries that cost me a total -300 pips. I will write this down.

Buy positions - 1,4,5,7,8

Sell positions - 2,3,6,9,10

5 buy positions and 5 sell positions. Call this group a10.

Some legs die fast from the price fluctuations. Some legs continue battling out.

I will let this group a10 to settle down for a week or two or more. Basically letting the market decide their fate. Lets just say the main weekly trend has been down for the last 8 months.

1 week later - position 1,4 of buy still alive

position 6,9,10 of sell still alive

**I dont need to look at my capital balance or equity yet

2 week later - position 1 of buy still alive

position 6,9,10 of sell still alive

3 week later - only position 6,9,10 of sell still alive

but.. it doesnt stop here. Cause whilst group a10 has been fighting it out, I was collecting more positions and had another group b10. And this time I was more sloppier with my entries and lost -400 pips to establish group b10.

Now b10 had positions both in buy and sell as well cause all I ever do is just follow the flow of the market.

Fast forwarding few weeks, out of the positions in group b10 only 2 positions survived, peach and watermelon.

I will now diversify my groups and add a10 and b10.

I have 6,9,10 from a10 and peach, watermelon from b10. Total 5 positions. Im not surprised to see that the surviving legs are all sell.

I look at my watch and it is now mid february and market has followed the main trend and has moved 1200 points.

If I close all 5 positions now, each position has avg 600 pips. Obviously leg 6 will be the biggest then 9 then 10 then peach then watermelon.

So my total pip if i close all 5 would be 3000. But I dont forget that I lost -700 pips to establish these. I close 3 of the smaller ones; 10, peach and watermelon for a total 1500. So I increase my capital balance by 800 pips. What about 6,9 my bigger ones?

They are now promoted and moved to group godzilla1 where positions, zz, xx, yy already reside and have been for the last 1 year.

Now this is a scenario I conjured in my mind but its exactly what i do but I will do the above in a stretch of longer time frame.

Everything i do is multi-layered and I treat each individual groups of position as completely different entity even though they are from the same currency pair.

Im not technically hedging as you might think i am but alot of the readers categorize me immediately as that i am. When you first asked me how I effectively hedge it was little out of line to what I was trying to describe. Probably due to my poor description but I went ahead and answered and Im glad that I have

Im glad you brought this up stevegee58.

Last edited by pipEASY, Jul 14, 2010 10:07am




**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [760 Posts](#)

Quote:

Originally Posted by **Someone** 
Pipeasy,

I just want to thank you for taking the time to explain your trading method and experiences. I have just finished reading your posts for the third time and you have certainly changed the way I look at my trading.

I look forward to reading more from you soon.

Thank you someone. Your feedback is appreciated and it makes my efforts worthwhile. Please keep an open mind and all the best with your trading.

Graeme


**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [760 Posts](#)

Quote:

Originally Posted by **dexter_FX** 
This is a great thread, thanks for taking the time to share your knowledge.

How do you decide to close your biggest legs (1+ years)? Is it just based on when you think the monthly trend has changed?

Good evening dexter_fx

Thank you for your question.

I will only consider closing bigger groups when there is a considerable change in the weekly/monthly trend. Weekly trends that has been going for almost a year will not all of a sudden change trend in a week. It will take alot of power to change the main trend. With enough experience you will notice these. Even then I might not close out the large group completely but diversify again.

Do you know what happens when you cut a millipede into two pieces?

It becomes two separate millipedes.

There is a reason I compare my trading style to a millipede.

Sincerely


Graeme



Member Since Dec 2009



Quote:

Originally Posted by **GEOFFREY62** 

Really good explanation of the way you enter and manage your positions

*in post 47, thank you so much for taking alot of time to get it across to us . Think I will try this idea starting on monday, would you reccommend any pair to start with?
Geoff*

Good evening, Geoff

Thank you for your question.

I have started adding positions on downtrend for eur/gbp this week. Group egbb4

Undoubtedly you wish to know my intentions. I would prefer to keep my speculations personal however I will reveal why this time.

Eur/gbp had a big monthly trend change around september 2009. It failed to make new highs and the uptrend from 2007 was coming to a slow grind. Since february this year there has been compelling movement down and paving way for a new downtrend or a very deep retracement of the 2007 uptrend. Either way I dont focus on the why but focus on how I can participate.

My main group started in march which ended up as a shooting star. Didnt know it will turn out to be a shooting star. For march, I remember clearly that I had continuous low risk setups and all I did naturally is to follow the flow.

I had mixed positions both buy and sell. My bias was the new monthly downtrend but I let the market be the judge.

Soon the market destroyed all my buy positions and confirmed that we are running into a bear market. I had many positions and I diversified twice. The later diversification was only recently when the market went into range.

My biggest group is egbb2 which has 11 positions from 0.90150 and current price is 0.83300 @ 2 standard lot each. And it will grow exponentially from here if this new monthly trend continues for the next 2-3 years.

Current group egbb4 has many buy positions. You will see why if you open eur/gbp daily chart of the last 2 weeks. I just followed the flow. Hope they will be good legs and run but Im noticing that buy is losing pressure. Im not disappointed cause I will follow the flow and add sell positions to this group if given the opportunity. Added one today at market open 0.83749 which is still fighting for me. Moved its sl to be just now. Tomorrow I wont add a position on open of the candle if US market tonight doesnt break yesterdays low. If it doesnt break yesterday low I will watch for a low risk setup formation and enter.

Geoff, I have genuine interest in your trading however you need to know when a good setup is forming for a low risk entry. This is something you need to accomplish first. Position management will come to you when your ready.

Feel free to pm me.

Sincerely,

Graeme

Last edited by pipEASY, Jul 14, 2010 11:22am






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Quote:

Originally Posted by **stevegee58** 

Thanks for that detailed response. I have some questions about the snippets above.

On each of the 10 hypothetical entries you have the notation "Move sl to BE". To me that implied that each of those trades move in your favor and you moved the SL to BE and now had 10 effectively risk-free trades. But later you said you'd lost 300 pips from those trades that didn't work out.

How did you decide to close the trades that were losses?

Good evening, stevegee58

After i enter a new position I scan various timeframes for signs that I might be wrong. Some of the price pattern I rely on and breakout setups I favour knows me well and I know them well in return. This came to me from alot of trial and error.

Not all breakouts are the same. I look for specific reaction from the market when it plays out. If I dont see any of the intended reaction from the market unfortunately i close out. On some selected days I dont even have any stop loss. Actually more often than most traders would prefer to do.

In my example -300 pip is just from entries that has failed on me because of above reasons. However in reality it is uncommon for me to lose -300 pips to establish positions on a good daily/weekly trend. But I used worst case scenario for my example.

I hope I can be a better trader with no loss but I consider them as my miscellaneous business expense. When Im ready to diversify I know with a degree of certainty that they are already covered.

If you find that when your diversifying you are closing legs to cover your losses. Then a) better entries are required b) your trying multiple times on one single day to establish positions c) you didnt allow enough time for the market to judge your positions. I have never diversified for a loss. NEVER.

Entries tend to get better the more a trader practices and I urge everyone to find their own edge in entries and not try to emulate someone else's system.

Another good question and hope other readers think about what I say.

Its very late here. Good night all.

Sincerely

Graeme

Last edited by pipEASY, Jul 14, 2010 11:26am



Jul 14, 2010 7:54pm

56



pipEASY


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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **damosdmf** 

do you mean if it doesnt break yesterdays low you will look for entries or if it breaks yesterdays low you will look for entries?

regards damien

Hello Damien

Good question.

I will always look for entries but would have been very interested if price did break below 0.83156 (or around there) because this is support on daily chart.

When I look at charts I have mini support and resistance everywhere in my focal interpretation. It is one of the ways I guide myself in entering.

Entries are something everyone needs to work on at their own personal discretion. The reason behind is that two traders using same method will have different profits compared. It is not the integrity of the method but each traders individual focal interpretation of entry and exit.

With me, exits dont worry me at all. Please refer to the large example last night. Entries that has a greater chance of survival which is often at open price of daily candle.

If 0.83156 was broken overnight then today i entered on open of new daily candle with no stop loss. This is something that I have managed to upskill through trial and error.

Im aware of an exercise that Joel Rensink (aka TheRealThing in this forum) has recommended but from the replies after it looks like none of the participants never actually tried it.

How certain is a trader when they enter a market to take 1 pip profit.

He requests that you open a small live account on oanda and place \$50. Adjust the custom lots to 0.25cents per pip and enter when you believe you can be certain to make 1 pip take profit. If you dont, you cant close out but leave it as it is until the price finally makes you 1 pip or takes all of your \$50.

What you will learn from this exercise is some of the inner traits you hold as a trader. It will be an enlightenment.

TheRealThing is asking more than a traders' capacity to be able to make 1 pip. It is part of traders self-awakening.

Sincerely,

Graeme



Jul 14, 2010 8:12pm

58



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Good morning all

Thank you for coming this far with me. It is greatly appreciated.

I would like to ask everyone on a personal level. I would like you to answer the question outloud in your mind.

How long do you think it will take for a trader to be profitable in trading?

Anything under 6 months or 1 year needs to re-evaluate

Trading system will help a trader to be profitable?

No. It is the trader that makes the system/method profitable

Do I need large capital?

No, unless you are expecting large profits and sipping vintage Krug and scoffing down lobster mornay. If you expect above average or excellent return on your capital then you are on right track.

Is it easy?

No if you are asking the wrong questions and looking for wrong answers. Yes if you have the right perspective first as a 'trader.'

Do you think I can make it?

My friend, everyone can make it when they are ready.

Majority of traders unfortunately underestimate and overexpect. What a predicament.

Please dont take the above as an attack on any of a traders belief. All Im trying to do all this time is to help you form a different perspective as a trader.

Beautiful day everyone. Enjoy your life.

Sincerely,

Graeme

Last edited by pipEASY, Jul 14, 2010 8:31pm



Jul 15, 2010 2:54am

60



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo**

Hi Graeme,

I have read your thread several times with interest. I am what you would probably describe as,"young and hot blooded". I have been trading live for about 3 months. Prior to that I traded on a demo account for 3 months. I am only trading \$1.00 per pip at present with a \$500 dollar account. My wife and I attended a day trading seminar in November last year. It spoke of learning to read candle formations on hourly charts, trendlines, s&r etc etc.....

I must say that I have really tried to adhere to the principles laid out in that seminar...

Hello Ben

Thank you for coming forward.

Allow me to analysis your current progress. Please note I do not know the ins and outs of your current system/method but I hope i can contribute positively.

Below is my personal interpretation and a view of my thought process,

\$500 starting capital @ 0.1 lots is realistic and sensible.

Approx. \$120 for margin per position. So I wouldn't be looking at holding more than 2 positions at the same time. 3 would be a overkill.

Your progress is very good. That is 5% increase on your capital per month, 60% yearly return. This is outstanding but this is where gravity plays its part.

If, you have completed more than 30 trades in the last 3 months to achieve the above return then you will notice a correction on your equity curve sooner or later.

If, you have achieved this in less than 10 trades in the last 3 months, you are well on track.

If, you have an exit strategy where you exit after certain pips or at the sign of certain moving average crosses or any other 'limiting factors' you are cutting the potential of your profits too short.

If, you have an exit strategy where it is encouraged to hold indefinitely until a big change in the major movement of the currency pair you are on right track.

If your method is based on growing your capital **in line** with the main trend, you are doing right.

If your method only takes notice of the main trend then you are not reaching your trading potential.

If your method is based on capturing profits at price fluctuations intraday or intraweek, hopefully you hold your positions and let the market be the judge.

Nobody can predict the market. The market has been around centuries and countless people have tried to create a system to make money from it. No doubt this will continue on past our lives and until the end of time.

If nobody can predict or control the market then we traders should inversely allow the market to dictate us. Market is evolving, moving and it is a pure unstoppable force. The indicator/system that we know and cherish cannot sustain such infinite force by placing such parameters to its infinite actions. Nobody can outsmart or outmove the market.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 3:40am



Jul 15, 2010 3:15am

#61



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Member Since Dec 2009

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Dear all fellow traders

As per intended flow of my explanation I'm nearly at the end of my endeavour. I have taken great deal of care and patience in explaining my method however I understand if it's not settling down in your thought process smoothly as I hoped it would. Which is all natural as human perception only chooses to see what they wish to see.

Most likely by this weekend I will finish the last 2 topics.

1. Required thinking process to be a long term trader
2. Emotion control

I will summarise the whole method with charts at the end. My initial intentions was never to stay around the forum as I shun the limelight or

necessarily have any benefits to be around.

So please do not hold back any questions as I value your enquiries with genuine interest.

Please look forward to my last few posts and once again thank you for the support.

God bless you all.

Kindest Regards,

Graeme

Last edited by pipEASY, Jul 15, 2010 3:38am



Jul 15, 2010 4:17am

63



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **Thijs**

About the diversification: When do you start to diversify ? is it at an exact point in time or is it mere a gut instinct ?

Good afternoon, Thijs

Excellent question.

I diversify after some growth on the group and when the market cannot decide. You will notice these periods of undecision after considerable movement. Price can retrace, stall, range after a large movement and it is around this time I will diversify.

However the true power of diversification is when im not sure about the intended movement of the market. Diversification will increase my capital balance + balance out any losses incurred + opportunity to move few legs to a bigger group above for more growth.

For example, if all readers could please open a weekly chart of gbp/jpy and zoom out so you are looking at approximately 100 candles. It is an obvious downtrend. And this obvious downtrend started from mid 2007. Imagine growing your capital on this main trend for the last 3 years (and this is what everyone should be only doing).

I had a group that started on the first week of this year and until mid february it was a fantastic move down. I had many positions with comfortable entries. Then I noticed that my newer sell positions started dying and I had increasing number of buy positions then sell positions; which is a sign of range, retrace, or stall.

Even though I was confident that this was just a blip of fluctuation and downtrend would continue, I diversified here on 2nd week of February. This increased my capital for a fair amount which smooths out my equity curve. It is traders best interest to avoid jagged equity curves. Also from this diversification I was able to move few legs to the larger group which was formed from mid 2009 and they are all still alive to this day.

Interestingly from march until mid april there was a good movement up on gbpjpy. I noticed sell positions dying and buy positions growing. I let it happen and once I had a good number of buy of positions and enough time for growth I diversified again around end of April taking another bundle of profit on the countertrend.

Downtrend resumed and I followed and started another group. This group has now grown for me to consider another diversification.

Timing of diversification is not important as long as you gave enough time for growth. The market will decide the fate of your group. When you diversify you are accepting the markets judgement. And when you diversify it doesnt matter if the market is trending or ranging as the result is the same.

I said this before in previous post but I will say it again as this is important to diversification.

If you find that when your diversifying you are closing legs to cover your losses. Then a) better entries are required b) your trying multiple times on one single day to establish positions c) you didnt allow enough time for the market to judge your positions. I have never diversified for a loss. NEVER.

Apologies for the lack of chart to explain but it is very simple once you open a weekly gbp/jpy chart and zooming out to 100 candles or so.

Very good question indeed

Regards,

Graeme

Last edited by pipEASY, Jul 15, 2010 7:08am



Jul 15, 2010 6:37am

66



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Member Since Dec 2009

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Quote:

Originally Posted by **Someone**

Your method of trading makes so much sense to me its crazy. I am not new to trading Forex but it seems like I am slogging away months upon months to eventually after 100s of trades over the year 'hopefully' have my edge play out and manage to make a few % on my account.

Taking low risk trades and just walking away leaving them to mature makes total sense but I imagine it is very hard to do at first until you are used to it and see your first millipede starting to grow and produce nice profits.

Over the past few days I took a...

Good evening Someone

Im glad to hear that you have started testing out my method and I wish you all the best.

In regards to keeping track of the numerous groups. This will improve over time but its half manual and half mental. Personally I use a large journal but Im aware of the current groups im building. You will become accustomed to them over time.

Diversifying is the easier part of your trading and you can diversify with many different option. The main thing you do when diversifying is, you are moving the larger legs of the group to the group above and closing out the smaller legs. This is important as it will smooth out your equity curve. You can close more than necessary or move more than necessary as long as you are adding profit into your trade balance. It will look impressive either way.

Please do not rush to make positive positions everyday. You will soon learn why. Why do you think Im requesting you dont try adding positions everyday? Can you try answering for me?

Running into continuous breakevens and small losses will happen however as long as you are entering with low risk. Soon you will be able to pick your entries with high probability so please continue practicing low entries.

Please let the market dictate your entries and enter both buy and sell as it happens. The market will be a fair judge and decide their fate later on.

Someone, can you handle a streak of 20 breakevens or more? You need the willpower and the unbending faith in your own beliefs.

Your first hurdle in emotion will come when the legs die out on breakeven. Please dont grow any sentimental attachments as there will be plenty

more to come. Trust me when I say you must be a bigger person and not allow such emotion overshadow your clarity or participation in the market. If you are entering low risk entries on both buy and sell, the market will dictate the winning side sooner or later. Your job is to 'participate'.

Soon there will be a post entirely on emotion control.

The reward will definitely be worthwhile.

Please don't stop with the questions.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 7:55am



Jul 15, 2010 6:59am

67



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo**

Hi Graeme,

Thank you for your quick response. The main way we were shown to trade was intraday, trading candle formations at previous levels of support and resistance. We were told to trade 1 hr charts and trade the trend. My profit comes from way more than 30 trades, probably nearer 50. I was up to \$780 at one point but that was over a month ago.

We were told to trade with a 1/1.5 risk reward ratio. When we reached 60 pips for the week we were told to walk away. The idea was to build our bank organically and as our equity increased so did our risk.

In...

Good evening Ben

Thank you for your correspondence. Sounds like the equity correction was more than due and it is already underway.

Ben, I agree with most of the method of entry they showed you. Entries are not easy and requires a good deal of practice. It would take a keen learner a good 6 months to be effective. Consider positions closing breakeven as a good bonus cause you had a chance to stay in the market but unfortunately was stopped out from fluctuations that we have no control over.

Unfortunately, I still enter from 1hr, 4hr charts but definitely not as many as yourself. Probably not even quarter. And my entries have higher chance to at least make breakeven.

The stress must be overwhelming. The biggest problem with the method is 1:1.5. This is a big no. There is so much more in forex than the 80 pip Ben. Good portion of my legs I currently have are 1:70 or more. Positions that are 1:5 or less is not even a leg to me yet.

Entering with low risk is a big learning hurdle for everyone and it's a must. Exit is at our leisure and choice. You can diversify when you are feeling unsecured. Exit plays a major role in short-term intraday, intraweek traders whose profit and loss depends on the random fluctuations of a merciless market. For me exit doesn't excite me nor worry me and it is one of my lower priorities. When you are a long term trader you cannot lose on exiting after growth unless your on the wrong side of the road.

Also, I'm aware of this common belief among traders to walk away when they reach a certain profit target for the week. All I can say is that the market doesn't know each individual trader's profit target and certainly doesn't care. I never stop trading cause I reached certain limit.

No trades on Fridays? Yes if there are no low risk setups forming. No if there are low risk setups forming worth entering.

And this applies to all days, not just fridays.

Market decides whether a trader enters on friday or not. Traders can only follow the market.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 9:50am



Jul 15, 2010 7:18am

69



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Member Since Dec 2009

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Good evening all.

Hope you are all warm and safe.

Please dont stop with the questions as my intentions are to answer everyone on everything till weekend.

After my replies please refresh the page as I usually add more content that I missed out.

Sincerely,

Graeme



Jul 15, 2010 8:15am

72



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo** 

Graeme,

What you are saying makes far more sense to me. It should not be too hard to convert what I have learnt on the hourly chart to the weekly/monthly. The main principles of support and resistance and trendlines are the same.

I have a couple of questions.

1. Do you leave your stop at break even until you exit your trade or do you move it down every few hundred pips? The reason I ask this is because sometimes there are life changing events such as wars etc. Would something like this happening have the potential to wipe thousands of your accounts?...

Good evening Ben

Great questions.

I have no doubts that you will be able to shift your entry methods to higher time frame and also you will find few new ones.

1. Yes, I will leave my SL at BE until I close that positions. I dont use moving sl. I had far more success from using BE SL then using moving sl. Diversification will serve the purpose but on different level.

One quick example: I enter sell at 150.000. After 1 week it moves +250 pips so I move my sl to +150 pips to lock in 150 pips. Market retraces and takes my stop loss out. I shrug cause I just made 150 pips anyway...

But..

4 years later, price is now at 050.000 and has moved 10,000 pips... This single position would have closed out with so much more profit than all the small profits I made from moving my sl.

2. Yes I drew twice but mostly still in my capital pool. I do not require any income from forex to live.

My major plan is to building a huge equity millipede on monthly and yearly candles and will start looking for platforms with yearly candle charts. I will do exactly the same. I probably be able to only witness probably the next 30 or 40 yearly candles but it would be worth a try.

Im still evaluating but enjoying every moment.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 9:49am



Jul 15, 2010 8:16am

73



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Quote:

Originally Posted by **ludo willems**

*.....and since then, i type my text in Notepad and copy/paste it in the forum. And thanks for this exellent tread.
Ludo*

Good evening, Ludo

Your most welcome and thank you for the feedback.

Sincerely,

Graeme



Jul 15, 2010 9:49am

74



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Member Since Dec 2009

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Quote:

Originally Posted by **Someone**

Last question?

On average how many attempts does it take for you to initiate a group of trades? Would it be normal to have say 30 - 50 trades be taken out at loss or break even before you finally get a group running with the trend for the long term?

Thanks again

My apologies Someone, I seem to have missed your question.

Im glad to see that you have a realistic view. Yes it will be 30-50 attempts before a group appears. This is will definitely improve over time so please keep practicing entries.

It seems my efforts may after all been worthwhile.

Sincerely,

Graeme



Jul 15, 2010 9:55am

75



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo**

With your system the timing is not as critical because as you said these bigger trends take a lot longer to reverse. I am currently looking at shorting the pound with your system in mind. Its up around a trend line on the weekly. Am I on the right track??

Regards

Ben

My apologies to you too Ben. I seem to have missed your question as well.

Ben, entries are at your discretion however I would like to add some guidance.

I do use trendlines, support and resistance lines in my focal interpretations. However I will never solely rely on something. I will follow the market and enter at low risk. This might sound vague at first but you will understand soon.

Please keep an open mind and let the enlightenment approach you.

You are on right track.

Sincerely,

Graeme



Jul 15, 2010 10:14am

77



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Wonko**

Hi Graeme,

thanks for starting this thread and the time to explain your trading style in detail. However, there are still details unclear for me personally.

With your approach, you will inevitably have lots of dying positions and/or small losses due to your initial stop loss level (around 30+ pips if any, right?). So my first question is about the timing when to set your stop loss to break even for an individual position. Do you move it as soon as possible? Then of course many positions don't have the chance to evolve and will die rather sooner...

Good evening, Wonko

Thank you for your enquiry.

I had to read it twice before I started typing my answer.

Wonko, you will have many positions die on you. Please don't let this upset you in anyway. In regards to moving stop loss, once again the market dictates whether to move stop loss asap or let it endure little more.

For example, one of the ways (and preferred ways) I enter the market is pennant breakouts. When I decide to enter on the breakout I expect the majority of other traders also entering with me. If there is no momentum when I enter I will move sl immediately. Not all pennant breakouts are same and experience will teach you the ones to watch and the ones to ignore. Price doesn't want to breakout but needs to breakout. It needs to.

There are also areas where price is either going to stall or burst through. Major support resistance lines and round numbers. I use double zero and ignore 50. With enough screentime you will be able to create your own personal edge around these areas.

Practice entries on all timeframe, every pair, everyday. It will show your inner traits. And one day you will just know when to move that sl to be.

Or not even use a stop loss at all.

I have no intention to misguide you so I will answer your next question truthfully.

Can you handle 20 or more losing streaks?

Your entire focus should be only on how you can participate into the market. Enter at every low risk entry given and manage your sl and let the market decide your fate. Your only job is to enter the market for your positions.

Then millipede will emerge.

Sincerely,

Graeme



Jul 15, 2010 10:55am

80



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Member Since Dec 2009

760 Posts



Quote:

Originally Posted by **Jigsaw**

Wow, Great thread. I very much appreciate your efforts in detailing your trading strategy. I daresay this thread now contains some of the best content on here. Thankyou.

If I may ask a few questions on some of what you have already covered:

1) You talk of "legs": Can you explain how you personally define a "leg", I notice that you briefly mentioned them in terms of RR. If you do define them in terms of RR can you talk about the RR you are looking for and why you have picked that number.

[b]2) You also talk about the...

Good evening Jigaw

Thank you for your questions. They are very well thought after.

1. I do not have any pre-defined r:r as I find them as an excuse to close a leg for no apparent reason. My reward grows exponentially while my risk remains static. This is possible cause the risk has already been settled and accounted for through diversifications.

After completing few thousands entries, a hard stop loss becomes unnecessary. Hence I cannot claim a definite r:r. Multiple groups of larger positions all growing exponentially overrides any risk incurred when entering one single position but will be accounted for sooner or later in diversification. It now moves on its own and with all fairness I think I dont even have a r:r anymore. It could be my perception or the fact that stacks of positions growing larger by the minute on every main trend of every currency pair is simply too powerful to even be dent, let alone few sloppy entries.

2. Im well aware of entering 2 positions and closing 1 position @ 1:1 at certain amount of pips and leaving the remaining position virtually free but with a slightly bigger space to breathe. This entry method is also pleasing on the equity curve as you will be able to take profit of the 1:1 position and the final big position when it finally closes. But do we really want to close out our large main group?

Im confident I can implement this into my entries as well but at the moment I dont see the necessity for such measure. I was extra careful not to mention this in my thread as this would have caused more damage than good to our new starters.

3. Fixed lot size and unfortunately I dont have a special reason for this. It was a suitable lot size for the capital i started with. If you are enquiring whether I adhered to the market myth of 1% of your capital rule I have to say no.

Thank you for the great questions.

Sincerely,

Graeme

Last edited by pipEASY, Jul 16, 2010 1:08am



Jul 15, 2010 11:09am

#81



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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **stevegee58**

I'm forming some analogies in my mind to what I perceive as your concepts. Do they make sense?

1) Diversification.

I misunderstood what you meant by this at first, thinking that you meant trading more currency pairs. Now that I've actually read all your

posts, diversification seems more akin to "re-balancing" in a mutual fund portfolio. In mutual fund investing, you invest in a diverse set of funds, say 6. Some stock, some income, some bonds, some cash. You allocate capital to each investment based on beta, risk, etc. Every quarter you review...

Good evening Stevegee58

Thank you for excellent questions. I try my best to answer.

1. I read this three times and was amazed. Yes. And this happens not just in finance.

2. Yes, all correct. I personally don't know bajillion books but it has my interest now. In my personal view high probability systems with lower r:r is a long road of frustration. I'm sure there are many successful traders doing this and I wish them well. It will be a different kind of stress level. In forex there are so many long term trends currently starting now, in the middle, or changing. All we need to do is participate. The power of growth starts from participation.

40% loss is fair amount but I'm assuming some of them are hopefully BE. There is a surprise that awaits all long term position builders. Even though we can blissfully work out how much we can potentially make from our existing positions, at the end it will be so much more on the table and you wouldn't be bothered working out why.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 11:20am



Jul 15, 2010 11:14am

82



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **pillager**

Hi Graeme,

This is an awesome thread that you have going. I think it is a blessing for traders who cannot watch the charts all day long. Not a single chart shown yet; but I'm following it religiously. ☺

I have one question. Let's say EURUSD weekly is in a dominant uptrend right now. On a particular day if you feel like a small correction with a downtrend on daily is likely, would you enter a short position on that particular day?

Thanks....

Good evening Pillager

Thank you for the question.

I do apologize for the lack of charts but I'm currently learning how to take screenshots. It will be up soon.

Yes, I would enter short **if** I consider it to be a low risk entry and higher chance of my position to at least be. Even though I will keep my bias on the main weekly trend, I will enter. And once there is a correction and I find the need to move sl to be then our job is done. Name this position and write it in your journal book. It will be a lonely soldier amongst the other buy positions but let the market decide who the winner will be.

Please do not hesitate to ask me any other questions

Good night gentlemen. Day has taken its toll on me.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 11:24am



Jul 15, 2010 10:04pm

88



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **sixx58** ➤

Hi Graeme,

Thanks a lot for introducing this very interesting trading concept of yours. This absolutely makes sense and I'm especially glad that you're able to get your thoughts across in a simple and comprehensible manner. I think that so far I was fully able to understand your approach. But I'm sure there will be some questions occurring as soon as you share a chart example with us.

Greetings,

sixx

Good morning, Sixx

Thank you for the compliment. It makes my efforts worthwhile.

Just on a friendly note, human perception chooses to see only what they wish to see and believe. Please remember this in your journey of learning. I had no intention of adding charts into my explanation as I wanted all readers to soak and digest on their own thinking capacity. However, I will add some charts to my conclusion this weekend.

Please look forward to them and feel free to ask any questions.

Sincerely,

Graeme



Jul 15, 2010 10:30pm

89



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Someone** ➤

Hi Graeme,

Sorry I think i missed your first question to me, I'm sure it wasn't there the first time maybe you added it afterwards?

I believe trying to establish entries all at once on the same day would result in losing positions all at once. Instead, spreading them out a little and losing only a few on a retracement while the others may live to ride the long term trend if they are lucky.

Yes believe me it was more than worthwhile. I am very grateful to have stumbled on this thread, I think it may have changed the way i trade forever....

Good morning, Someone

Great questions.

Please keep your open mind for me as undoubtedly you will need my advice at the moment.

Your answer to my question is correct. If I may summarise in a single sentence, increased risk doesnt necessarily increase profit.

I would rarely add more than 3 positions per day. Its a rule I have adhered to this very day and will continue so.

I applaud at your mental strength to open a live account and I stand behind you as support. Please be ready for the emotional hurdles.

Hopefully you have 2 or 3 reliable entry methods that you know so well that you can write a phd thesis. If not, you will have tough time and this concerns me.

Entries are at your own personal discretion. Personally I write down the main weekly/monthly trend on a paper in front of me. I don't mind if they are against each other but I will be content to see them both heading same direction.

I would switch to 4hr, 1hr, and 'scan' the charts for obvious areas of interest (this is also my personal discretion and part of my own entry method). Under my belt I have 4-5 entry methods that I know very well. Then, I will enter the market as per my entry method whether it be buy or sell. I'm just following the market at that very moment. When I witness a breakout happening with excellent momentum, I enter with the flow; could be buy or sell. I will concentrate on this new leg and ensure the danger is past and before I walk away I will move sl to be and write down the position name in my journal.

Main trend when I enter is on my mind but 2nd in priority as my complete focus on hand is clean risk free entries.

I will take as many low risk entries as the market gives me. However, this is possible if you have large capital pool. If you don't at the moment, please don't worry and let it effect your clarity or overshadow your participation. You might have to pick from two low risk entries but you are doing you job as per description. Well done.

If you started with \$5000 USD, it is doubly important not to add positions on one single day. With limited capital, you must be extra certain about your entries. Let time pass and soon you will have 5-6 positions in your group. Wait till they are distilled and soon you will notice that the market killed off legs that were on the wrong side of the main trend. Soon after growth and market's judgement you will find that you have 2-3 legs left of the same side growing rapidly. Diversify here and hopefully you can keep 1 larger leg for more and 2 legs closed to replenish your capital balance and also adding profit. This ensures that your equity curve is smooth. Try and avoid jagged equity curves. You will understand later on about equity curves. Going back to the surviving leg, it is now promoted and will grow on its own for you. You have already done hard work for him.

It is harder at first but you will find with this type of trading method it will be like rolling a ball down a hill. It just gets so much easier as long as you do your job which is entering the market well for your legs.

I find other trading method concepts is like rolling a ball constantly up the hill. Continuously taking small lots of profit then find the ball rolled little back and then to continue pushing it up the hill.

Do you want to roll the ball down the hill or up the hill?

I'm very proud of your questions and hope you well

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 10:58pm



Jul 15, 2010 10:50pm

90



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **GEOFFREY62**

Morning Pipeasy,

A question if I may. Eur/usd had been in a long downtrend since about Jan of this year and you have built up some very nice legs on short side, now about june 8th price started to turn and have been going up on daily chart ever since so you start to build legs on long side, now lets suppose that on friday this retrace stops and price starts dropping again, and carries on dropping, so now what do you do with these long legs ? Do you just let them hit your breakeven stop and close out having lost quite a few pips? Do you close them...

Good morning, Geoff

Your questions are always welcomed and they are excellent.

Correct, eur/usd had a very good downtrend since early this year or end of nov last year to be precise.

And just on the side I would like to mention that anyone would have made large profits simply only selling below the days open price. It is obvious trend and very foolish not to be considering long term positions on this type of trend. Moving on.

Geoff, in times of uncertainty I will diversify. When I diversify, in my own terms, Im reducing my risk to zero + banking a healthy capital balance + its gets out my way in my mind. I dont decide the fate but the market will later on. Im just a position manager.

I request you grab a piece of paper and simulate a scenario of the one you mentioned above and what I would have done. You will find, profit on both side of the coin.

Please do not allow legs dying on breakeven to effect your emotion in anyway. Even if that leg was up 200 pips yesterday. As a long term trader we do not necessarily want 200 pip legs. If a leg only fought for you and reached 200 pips before dying on breakeven, this is not your fault but the legs fault. That leg doesnt even deserve a soldiers burial in my regards. Also please look at it as glass half full by assuring yourself, that leg had the potential to grow 3 or more years for you and finally exit with 10,000 pips at your leisure. You just had a chance to make 10,000 pips on a position and the beauty is, worst case scenario it would have died on breakeven. Wouldnt you consider that an extremely good payoff?

And yes, if market dictates that downtrend has resumed, I will do my job of entering with the flow at low risk setups. Im at the mercy of the markets judgement. When market resumes the downtrend, I will enter sell. You will notice in that particular group your building to have mix of buy positions and mix of sell positions. Allow time for the market to judge. If the downtrend resumes, you will find buy positions dropping like flies and sell positions increasing in number and size. Then you will know that the market has decided where to go. We cant do anything but follow.

Beautiful day everyone. Hope you all a wonderful loving day.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 11:18pm



Jul 15, 2010 10:54pm

92



pipEASY

crede quod habes, et habes

Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **stimuls**

Hi Graeme,

Thanks so much for sharing your trading method. I have always been drawn to intra-day trading. Having the patience to trade higher time frames was a problem of mine. Having read your thread, I now see the great potential and freedom position trading can be.

I'd like to take a stab at answering your question. Assuming the price has not moved much from day to day, adding new legs everyday will cause many trades to be opened around the same location. It would be the same as trading larger lot sizes. If you allow some space between scale-ins,...

Good morning, Stimulus

Apologies, I nearly missed your post.

Your answer is correct. Increased risk doesn't necessarily increase profit. Please also read the reply I typed just now for member: someone. It will benefit you too.

Moving sl is at your discretion. Once you know your entry method very very well, you will just know when to do what.

Keep practicing low risk entries on demo for all timeframe, all pairs, all setups, everyday. You will learn more than you anticipated. Sounds vague at the moment but you will smile then.

Sincerely,

Graeme

Last edited by pipEASY, Jul 15, 2010 11:16pm



Jul 16, 2010 1:26am

93



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **Someone**

I am already beginning to see what you mean by 'emotional hurdles', while testing this long term approach I now have 6 open positions all at break even over a couple of pairs. These positions were initiated with very little risk and are now in profit and showing a floating collective gain of 12% of my total account balance.

It is very hard to see 12% gain sitting there and not touch it or take any profits.

Good afternoon, Someone

Im very happy at the flow of your question. This is flowing nicely into my next topic.

Please don't allow any sentimental attachments to your legs or you will be disappointed when legs die out on breakeven due to fluctuations we have no control over. There should be no room for disappointment if you have done your job to the best of your ability.

As long as your capital holds (please be sensible and realistic), feel obliged to enter as many positions on same currency pair both buy and sell. The market dictates whether you enter buy or sell and your only responsibility is to participate with a low risk entry. As long as you have moved the sl to be your job is done.

Keep your emotion under control or it will control you which will effect your clarity and hinder your participation in the market. Your capital growth starts from your participation.

Imagine yourself as an army general and you are parachuting soldiers 'strategically' across the battlefield. Better deployment will have higher chance for the soldier leg to survive and continue fighting. Be a better general.

Sincerely,

Graeme

Last edited by pipEASY, Jul 16, 2010 1:49am



Jul 16, 2010 4:54am

97



pipEASY

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Member Since Dec 2009

10+W 760 Posts



Good afternoon all fellow traders

Thank you for coming this far with me. It is greatly appreciated and hope my contributions has opened a different perspective to your trading beliefs.

For the new comers, I request that you start the read from the start of the thread. I have put in alot of effort to come this far and if you are here for answers then I'm certain you will find something that you will like.

Im drawing closer to end and my next topic is about the required thinking process to be a long term trader.

How do you see the market? Do you know the size of a single currency pair? There are so many factors inside a single currency pair. Yes, there are ever growing number of traders out in the field all contributing their share into the market. This contribution from traders is nothing compared to what might be really going on in the background. It will be more or less a dot in an infinite space and time.

And it is far more than what fundamental traders, economist forecast. How many times has an economist been proven wrong? It will be less than the amount they were right but perhaps this is a folly from the newspaper or magazine who has an interest in selling publicity for their own personal profit taking. If an investing magazine publishes about an economist failure, who wants to pay money to read that? No one. It is mass medias interest to keep you interested in what you want to believe as long as you are buying their magazine. And this includes all trading seminars. Brokers? They want you to be an intraday trader. More executions, more risks, more revenge entries, more punts, more speculations. Thats what they want and they will allow you to do anything on their platforms to make you believe that you have it under control. Just like casinos supplying scorecards at their tables so the gamblers can draw little pictograms and work out the future from what happened in the past. I consider indicators to be the same and ofcourse the brokers will allow them by all means. I have just noticed that the word broker automatically becomes a hyperlink to click on. So perhaps the interest of this very forum is different to our traders interest too.

There has been countless and countless number of intellectually superior individuals over the centuries to try and work out how to make money from the markets. This riddle will never be solved. Or perhaps it wasnt suppose to be solved but respected and accepted as it is. There will be chaos if this riddle is solved and everyone will be very rich or it would be the doom and closure of every market in this world. There is no set of indicators or method that is readily available for anyone with an IQ of a warm room to adapt and make zillions from the market. Some of best and brightest minds on this earth are still researching. My son is currently hired by an international finance giant to create a model for listening to certain waves in the market. And he has a doctorate in astrophysics.

A very few percentage of people will make it happen. Just like there is professional gamblers who make millions from just gambling, some people just make it work. But it wouldnt be from the common belief of the majority. They made it cause they accepted the facts and looked outside the box away from the common crowd and diligently worked towards their dream with sensible and realistic efforts.

Amongst the people who have made it, I'm sure there are scalpers, intraday, swing, position traders. All shapes and sizes. Anyone who can make it in the market deserves the reward they create. I have personally met a very successful swing trader who holds positions only for a week or two. I'm the type of person who would never believe any claim thrown at me however this gentleman definitely has genuine success. We became good trading buddies and we would speak about the market to great lengths. He was very bold and direct and definitely wasn't shy about his actions. I could see his character through his method. It wasn't a surprise to see that his method has changed this person's natural character to an aggressive and on the edge temper. He was quick to conclusion and quick to change his mind. I didn't admit back then as there was no need but we were using same lot size and similar entry methods but my profits were many folds larger than his. He still thinks otherwise of me and that's all I care to do for now. Over the numerous meetings I would carefully advise that perhaps he should hold onto his hard earned positions indefinitely and let them grow to their potential. He retorted at such idea and didn't even give second thoughts. This person is definitely a better trader than I am and he could be so much more if he just followed the market. Unfortunately he is already locked up in his own box and the key thrown away a long time ago.

Just like my trader friend, everyone chooses to see what they wish to see. This will be the first hurdle that everyone needs to overcome to be a better trader and a better person in life. Even though I understand how and why some traders would like to only intraday trade. It is most likely they are looking for instant fulfilment when looking at the days profit statement or end of week. However, you need to become a bigger person and acknowledge that this market is so much more than a blip of 80 pip movement. And you certainly shouldn't be focusing so much on 80 pip movements everyday for the rest of your trading career.

I request all fellow traders who have some level of success in trading to keep a simple journal of all their live trades or serious demo trades. Write down entry and exit price and continue doing this for the next 2 months or more preferred. After 2 months please write down the current price of the market for all the pairs of currency you have traded in the last 2 months. Look at this journal and tick any positions if the price of the current market never came back to its entry price. Then work out how many pips have moved from the entry of the position to current price of every ticked positions. Add all the pips and compare this final total amount to your profits. This exercise will add new perspective to your current beliefs, you will be very surprised.

Let's be honest most traders won't even consider to do the above exercise and then I wonder why they are here in this forum in the first place? I thought we are here to learn from each other. But all I see is blind leading the blind. I know I'm treading on thin ice to say the next but perhaps readers only listen to someone in forum with 10+ vouchers? Perhaps my lack of posts or vouchers affects my credibility. This is not an attack on the integrity of this forum but all I'm trying to say is, as a searcher looking for answers you need to search far and wide. I don't see the necessity but I could also join other threads with lots of activity and quote something already known and preached, befriend few traders and have no doubts that sooner or later I will have the required recognition. Perhaps they are focusing more on forum activity than the actual trading itself.

Open your ears and your mind and perhaps someone with no vouchers and under 10 posts could give you that final piece of the puzzle. It can happen anywhere and anytime.

I will leave this post for now and will come back later to edit as there is something important I'm trying to convey. I do apologize but I have a dinner arrangement tonight.

Will try logging in later on.

Sincerely,

Graeme

Last edited by pipEASY, Jul 16, 2010 9:54am



Jul 16, 2010 7:12am

98



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+ 760 Posts



Quote:

Originally Posted by **chonghm**

Good morning Graeme,

Using your method my 2 legs on the cable is coming out nicely and stress free.

I tried to short the eur/gpb as an example but it got stopped out at 90 pips. Instead of a stop loss do you put a buy(hedge) in lieu of the stop loss because sooner or later its going to come down in tandem with the long term trend.

Your opinion of this please?

chonghm

Good evening, Chonghm

I apologize for missing your question.

Very good question and i hope other readers also read on.

First of all, Im very glad to hear of the 2 positions you have deployed successfully. I wish them the best. Although I have answered the same to other members of the forum I will answer again for you personally. Please do not grow any sentimental attachments to your legs and also please do not try too hard in one single day to get positive legs. Trust me when I say there is so much time to our side, we do not need to rush.

What I request you to do as the main exercise for the next 6months is to open a demo account and practice your entry everyday. Every timeframe, every currency pair and every setup possible. You need to know your entry method better than anyone.

In regards to your 90 pip loss, Im assuming you entered sell after you read post 53 when I advised Geoff that eur/gbp was losing pressure and that I already had a sell position in place. This is not your fault at all but this is one of the reason everyone including myself should keep their personal speculation personal as it will cause problems like this. Near the end of post 53 I explained that I will enter sell on the open of the next daily candle if price broke through yesterdays low. Price didnt break previous days low so I didnt enter sell but was ready to let the market tell me what is going on. There was no intention to misguide anyone but my actions is so much faster than what I can post here for the general view of the public. News 5 minutes ago is still old news

There was 2 breakouts from yesterday to today which should have been noticed. My sell position of wed died at be yesterday however added 3 more up positions in the last 2 days all now at be. Everyone should have definitely caught the todays range breakout as this is a classic setup.

I just had a look at group egbb4 and it has now all buy positions. What is this telling me? Clear up trend and the blip of retrace of mon, tues, wed is now over and done for now. Did i lose anything from retrace? No, but it gave me opportunity to add 3 more buy positions almost for free. And I was ready to enter sell positions and would have been the first in and building a group of them if the downtrend of mon, tues, wed continued. If this temporary down movement was the start of a new main downtrend on weekly/monthly chart, I would already be in at the very top and groups of legs already forming. **Power of participation.**

I will diversify group egbb4 tonight. Please dont follow me at all but please follow my concept. This group has been doing very well for last few weeks but it is on the wrong side of main monthly trend. This could be beginning of something huge, perhaps a new monthly uptrend. Nobody knows and Im not sure either so I will diversify to get it off my mind. I will diversify and close out smaller half of my legs to replenish and increase my capital pool and keep the bigger half of legs to remain fighting for me as my uptrend soldiers. If they die at breakeven later on I wont even care/notice because I have group egbb2 (refer to post 53) and egbb3 all ready to fight for me again as my downtrend soldier legs. Its like watching an action movie sometimes.

Chonghm, please read the above twice if necessary cause i know what you are really asking and it is in my story above.

Kindest Regards,

Graeme

Last edited by pipEASY, Jul 16, 2010 10:08am



Jul 16, 2010 7:13am

99



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **GEOFFREY62**

Afternoon Graeme

Many thanks for your reply, it clarifies a lot of things. Will do some more study at weekend and will probably have some more questions, please dont disappear too quickly.

Kind Regards

Geoff

Good evening, Geoff

My pleasure. Please read my reply to chonghm just above this post. This will benefit your learning.

Sincerely,

Graeme



Jul 16, 2010 7:14am

100



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **Iolek**

Graeme, thank you very much for all your efforts and charity.

Im reading this forum for about two years, but today I registreted just to greet you.

When I read your first post i knew this will be something big. From that day I hardly wait for every post you make.

I admit that you are changing my view of market and I belive I will soon realize what you are tring to say. Till then every best...

P:S: I now my English is not superior....

Good evening, Iolek

Thank you for your feedback. It makes my efforts worthwhile. Your english is fine.

Sincerely,

Graeme



Jul 16, 2010 8:12am

102



pipEASY


crede quod habes, et habes

Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **pipcruiser** 

Hi Graeme,

been reading this thread since start and must say this is one of the best threads here at FF.

Thanks for sharing all your knowledge with us here, it is priceless...

BR

PC

Good evening, pipcruiser

Thank you very much. It definitely makes my efforts worthwhile. Hope you find what you are looking for from me.

Sincerely,

Graeme



Jul 16, 2010 8:25am

103



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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **pipcruiser** 

Hi again,

how many different currency pairs are you trading and which ones?

Thanks in advance

BR

PC

Hello again, pipcruiser

Apologies for missing your first post hope you didnt get the wrong idea.

Great question.

I trade every pair possible except exotic and have no regards to spread from my brokers or the daily range. Obviously spread and daily range will be an important factor if you trade intraday or any shorter term with exit strategy already pre-defined.

I dont favour any particular pair but prefer pairs with huge monthly trends like usd/chf which started its main monthly downtrend since 2001.

I can say with all honesty, if I had started what I do since 2001, that single pair would have been millions. Hope everyone can finally see the power of growth from stacking positions on main trend and letting the trend do its work for you. Its just so much easier to have someone else do it for you.

At the moment, I have my finger in every pie and my journal shows more than 170+ positions across the board. Since everyone knows my lot size unfortunately you will be able to work out minimum amount I have in my capital pool. Its too close for my comfort to reveal anymore.

Sincerely,

Graeme



Jul 16, 2010 10:19am

107



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **sixx58** ➤

Hi Graeme,

With every post you make this entire concept of yours is becoming clearer and clearer. Thanks again for your effort to make such lengthy posts. Be assured, this is highly appreciated.

I will definitely start trading your approach in the near future with small money. My biggest problem will probably be that I might diversify too soon as for me - as well as for many others out there - it will repeatedly be a mental battle to have literally hundreds of pips of unrealized gain see (temporarily) slip away in the overall process. But with...

Good evening, Sixx

Thank you for the kind remark.

Your plan sounds great and I hope you will keep to it.

When you first start, your anticipation 'will' overcome you and yes, most likely you will diversify too soon.

Rest assured, this happens to everyone and it is one of the first mental hurdles up ahead. **As long as you kept loss at minimal while establishing your legs by low risk entries you know well of**, you will find even with only a relatively small period of growth for your positions, your diversification will be a success and will replenish and add to your capital pool. Hopefully you can hold onto at least few of the bigger legs and promote them to higher group.

Dont stop with practicing entries everyday. Good clean low risk entries is your only job requirement. The rest market does for you.

You need to be a bigger person and hold onto the initial stage of settlement and growth. Hardest is the first 2 months. I can only imagine what it will be like and I already applaud you on your intentions.

I know you will keep your promise with me.

Sincerely,

Graeme



Jul 16, 2010 11:00am

109



pipEASY


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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

Been following your thread and I must say if we could all learn to trade like this it would be great.

There is something that you've said that just doesn't seem to make sense to me. You stated that you enter the market multiple times in any given move or leg. You also state that you rarely, if ever, have loses that total 300 pips.

So my question is, if you enter multiple position you either have to have a large stop loss or large draw downs for the majority of those positions to survive. If you use smaller stop loses say like...


Good evening, ozziedave

Thank you for your question. A very good one.

I request when you have the time to read all my posts from the start of the thread. If you have done so perhaps another read will give you a deeper meaning.

Please dont take this the wrong way as I have good intentions by saying the following. From what I read from your post, something is amiss and Im sure its just the way im reading it.


Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

You stated that you enter the market multiple times in any given move or leg.

I only enter what the market dictates and as per my entry methods and what I conceive to be a low risk entry either buy or sell. Unfortunately i do not understand the underlined. Yes, it is true I will enter as many times the market allows me


Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

if you enter multiple position you either have to have a large stop loss or large draw downs for the majority of those positions to survive

have to? I know what you are asking but I assure you nothing is have to. What would you say on some selected days I dont even have a stop loss? Not because I cant be bothered but after an extended period of screentime you just know what the market is telling you and confident in your interpretation. What would you say that Im confident to 'manually' enter 10 times and perhaps 1 or 2 would be -20 pips loss each? And this is on gbp/jpy. Some gbp/jpy 1hr candle wicks can be more than 20pips easily so I must have a larger stop loss? Price can move away from my entry by 200pips but I will never allow that much damage to be done on me. I know very soon after entry if something is wrong. If you are referring to one of my early posts at the start of the thread about using a hard stop loss at open of daily candle. This is true but there was so much more to it than just that and i was revealing just enough to lead the readers smoothly into the next topic of low risk entries.

Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

If you use smaller stop loses say like 30, 40 or 50 pips most all of your positions would get stopped out and that would surely add up to 200, 300 or 400 pips in loses based on multiple positions.

From the thousands of entries I have performed, out of 10 'manual' entries, I would lose 1 or 2 at -20pips or so. And this is on gbp/jpy or any other currency pair.

Perhaps you have missed some of the important posts that I spent so much time typing in the middle of the thread. I understand its a bore to read

but entering from daily chart is not the only entries I do but also use 1hr, 4hr. Some days when I cant be around to enter manually I would open a position at open of daily candle and I would set a hard stop loss of 70 to 40. Often it gets hit but for me 70, 100 pip loss doesnt even worry me. It could be my perception or the fact that stacks of positions growing larger by the minute on every main trend of every currency pair is simply too powerful to even be dent, let alone few sloppy entries. 70, 100 or even 200 pip loss becomes just irrelevant. Also any loss will be settled and accounted for in my diversification and the market will technically pay for any of my careless mistakes. As long as im increasing my equity curve at every diversification then my scoresheet becomes zero. This is important for everyone to understand.

If anybody is allowing price to hit a 100 pip stop loss from a manual entry then they have major issues with their entry methods.

Hope you appreciate the detailed effort I put into my reply and was no way an attack on your beliefs or ego.

Feel free to pm me again, thank you.

Sincerely,

Graeme

Last edited by pipEASY, Jul 16, 2010 10:50pm



Jul 16, 2010 11:02am

110



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **jcorp**

Believe that you have it, and you have it.

Love your signature almost as much as your thread. Thank you for all your hard work. I will be funding a new account outside the US next week and get started.

Good evening, jcorp

Thank you for the kind remark. Yes its my life motto for a very long time.

I hope only the best with your results.

Sincerely,

Graeme



Jul 16, 2010 11:21am

112



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **dexter_FX**

Fantastic thread and thanks again for your valuable insights.

Just to confirm on your response above and to clarify the accuracy needed for entries, do you mean that you're typically losing 1-2 trades for every 8-9 b/e legs you create?

Good evening, dexter_FX

Apologies for the lack of clarity.

Hope I didnt sound like I was bragging in my reply to ozziedave and any of the other readers.

I have 4-5 entry methods that I constantly use all the time. I know them very well and I have practiced with them for a very long time.

If I were to enter 10 times into market, 1 or 2 will be closed out by -20 pips or so by myself cause it didnt work out and not doing what I expected. The remaining 8 successful entries will then have its sl moved to breakeven at my personal discretion.

You do not require the above accuracy but your own personal accuracy will improve with time and practice. If you have 100 pip stop losses then there is a big room for improvement. You should be able to know very soon after entry if something has gone wrong then you would close out with minimal or zero loss. One of the reasons why everyone needs to do their own homework on entry and know it very very well.

All you need is just 2 entry methods as there will be plenty of opportunities across all pairs of currency.

Sorry for the lack of clarity to ozziedave and to all readers.

Sincerely,

Graeme

Last edited by pipEASY, Jul 16, 2010 11:45am



Jul 16, 2010 8:39pm

116



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **damosdmf** 
hi graeme

just wondering is there any days you wont trade due to low volatility big news or anything else? probably doesnt fit in with your thread but there must be better days to add to positions than others. i personally avoid fridays due to ppl closing positions for the week.

regards damien

Good morning, Damien

Thank you for another excellent question.

I request everyone to please read my reply.

This is not your fault Damien, and Im glad it is brought out by you, but I would like to answer your question in the following way for the benefit of keeping the flow of thread as intended.

As any readers would have noticed, the last 2 pages has been circling around the topic on more or less, 'how/when to enter.'

Even though the questions are very well thought after, unfortunately readers will find that my answers will be very similar to each other and we will have no progress. Im aware this happens in most group discussions and it is a circle of question and answer that goes around and around and around. This is one of the reasons that I will be drawing conclusion this weekend as I have earnestly contributed with great detail already.

If any of your concerns/doubts/confusion/questions relate to **how** and **when** i may enter, it is more or less a question on entry.

Entry is everyone's personal discretion and it must be done by yourself for a period of no less than 6 months in my recommendation. Practicing everyday, every timeframe, every setup you perceive to be low risk. After such practice I assure everyone that they will find more than they anticipated.

It disheartens me to see every other thread on the 'system' section of this forum where the poster starts off his thread by, 'everyone, you enter right here when it says this. And you exit right there when it says that.'

How could the poster adjust the focal interpretation of **every** reader to his/her own level? This is also another reason why advice from strategy part of forum often fails.

Personally I like, daisies, I have garden full of them and I cherish them. Perhaps Bill next door hates them and only like roses. I know so much about daisies that I can talk everyday to great lengths about them but Bill wouldnt care to listen, because it is not in his interest nor any of his agenda.

There are many entry methods that will work sooner or later if you **practice**. But some readers are so focused on the profit profit profit and not concentrating what is on hand. Also ,one of the reason why intraday trading is popular amongst the new starters as it allows the opportunity for the trader to feel satisfied at the end of the day/week with a positive profit.

I assure everyone, most sensible sounding entry methods work as long as you practice practice practice sensibly and logically. Some entry methods on this forum is absolute bollocks from the start and just like I requested everyone in my long post 97, search far and wide for your answers.

Nobody can do entries for you. You only need 2 entries to be successful position/intraday/swing/scalper and be extremely profitable. However, you need to know the mechanism of your entry very very very well. To attain this depth of knowledge you need to practice practice practice.

Everyone knows they need to practice but they are too busy jumping from one thread to the next seaching for easier way. **There is no easier way if you want to make it.**

I apologize for the length of this post but it is far too important. It will help you on the journey of learning, not just with my method but any method.

This is not a personal attack on Damien so please allow me to thank him for the oppotunity to reply in this way.

In regards to Damien's questions,

1. low/high volatility - yes, if the market tells me to enter
2. better days to enter - yes, there are better days than others. And I will consider it as a better day when every retail trader, large hedge funds, financial institutions all agree with the same direction. You know these days when there are full long bodied candles straight across the timeframe and explosion of activity/movement as if it was waiting to happen. You can consider myself already in there (and this could be another way you could enter).
3. avoid fridays - yes if market tells me there are no low risk setups/opportunities. No, if there are low risk setups that are worth taking. I frequently trade friday but intraday, scalpers dont cause they need the participation of the larger mass of retail traders to pick pockets from.
4. many traders closing positions on fridays - forex is made up of retail traders (smallest percentage) and the rest of the world..

Please dont take it the wrong way Damien or any other readers for that matter, as I have genuine interest in all your trading progress.

Let us please stop with entry questions as I have answered all of them, so the answers are already scattered amongst the posts.

If you have an entry question please feel free to pm me and I will earnestly reply.

Sincerely,

Graeme

Jul 16, 2010 8:54pm

117

**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **stimuls***Hi Graeme,*

Since we are on the topic of entries, do you only look at 1hr, 4hr, and daily charts for entries? Because you are position trading, are the lower time frames less relevant for entries. I'm guessing the lower the TF, the less survivable the legs become. Thanks.

Good morning, stimulus

Good question.

Your entry method should work on all timeframe, any currency pair. Yes, lower timeframes does effect the survivability of new legs to some degree however it depends on your entry method and the skill of your focal interpretation.

You could also look for compelling momentum on 5min timeframe around s/r or .00 round numbers or even daily pivots and take note if the price stalls or breaks through with momentum. Soon you can build your edge around these areas but it will take practice to know what is when and where.

Sincerely,

Graeme

Last edited by pipEASY, Jul 16, 2010 11:19pm

Jul 16, 2010 9:24pm

119

**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **damosdmf***thanks for the reply i agree a thread should keep a flow or it will turn stagnant. and i dont see it as a personal attack at all.**your thread is full of great info that new and experienced traders can use.*

i also agree that there are enough threads of the blind leading the blind around here.(yours is not one of them). theres only so many times something can be said before the o.p gets tired of it and doesnt come back (peter crowns comes to mined). anyway enough of my rambling. eagerly awaiting your next post

regards damien

Good morning, Damien

Thank you for your correspondence.

I knew you would understand.

Please feel free to pm me and I will earnestly reply back.

Sincerely,

Graeme



Jul 17, 2010 3:50am

121



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Good afternoon, all

This is my last topic which is about emotional hurdles.

All traders will face emotional hurdles as part of an important learning curve. It is a mix of fear, anticipation, and greed. Even though we preach each other to be mechanical and to leave emotion out it is far easier said than done.

There are many reasons behind why we feel so agitated and anxious. In my personal thoughts I believe its because,

1. Fear of loss
2. Feeling insecure from/about the lack of capital
3. Greed to make more
4. Uncertain of their own personal ability and the market in general

Points 1,2,3 are straight forward but I would like to spend little more thoughts on point 4. We humans prefer being told what to do. Its one of the basic traits of a human being. Its also why systems that advise trader to enter here when this happens and exit here when that happens is so popular. They are perceived to be the easier road. Traders wont stay long enough to find out if the system does infact work or not. If they persevere, they might find more than they are actually looking for. Accidental discovery or related discovery?

There was a valid reason why I spent the last 2 pages of this thread advising everyone that I come across to practice entries at their own discretion on all time frames, all currency pair, all setups, everyday. Quiet simply there is no other easier way to learn how to trade.

If someone asks me what is some of the important part of my trading success? It is the indepth knowledge on how to enter the market at very good setups. Growth of capital starts from participation but before growth there is the participation. It is how we participate that makes us a pro trader or still a learner. Importance of main weekly/monthly trend, diversification of positions, exponential growth from stacks of positions can only be possible after I participate. Anyone can wildly enter but the professionals know when and where to hit. A street brawler with huge muscles can wildly hit away at a smaller opponent. But this smaller opponent is a professional fighter with much experience. He will evade and dodge until the time is right for a perfect, accurate, deadly strike to the area of maximum impact. This might not look as cool as the bigger fellow but they dont need to look flash to prove their point. Good entries is a must to be a pro trader. You cannot be a pro trader and have bad entries. No such thing. Learning and practicing countless entries teaches you so much more than just entries. I can assure you just from practicing entries, you will also discover that you are able to grasp market sentiments with amazing clarity. As you level up further you will be surprised at some of the things you werent aware of before but now making very clear sense and you could explain it all in great detail. Practicing entries everyday is part of traders self-awakening. What you will learn from this continuous practice is some of the inner traits you hold as a trader. It will be an enlightenment.

So what does all this talk of entries has to do with anything in emotional hurdles? It has everything to do with your emotion. Uncertain of ones ability is the very reason why you are experiencing confusion and anxiety. Just like a good driver can anticipate and plan the roads he will be taking in his journey is because he has driven that journey a thousand times. Just like a pro basketball player will stand on the free throw and just know cause he has already practiced shooting from the same free throw line a million times. These experienced individuals certainly dont feel the pang of anxiety from not knowing what to do or what to do next. And this should be us as well. Just like a masterchef cooking his 1000th perfect pasta, we should be entering our 1000th perfect low risk entry. Then our job is done.

And thats that.

Dear all fellow traders, I have contributed last 2 weeks of my time in contributing to this thread. To focus on conveying my thoughts properly and smoothly into your thinking process I entered my posts with great detail. I hope with all sincerity that everyone finds their success in the markets and I would be beamed to hear that later on someone has reached the upper echelon of trading success from my recommended method.

This is not a farewell as such but I would prefer to step back now and continue on with my personal trading and life outside this forum. The whole experience has been satisfying and I feel content for my efforts.

I may or may not be able to reply to your pms or posts and I ask for your understanding.

As promised, I will summarise everything in charts and will post in one long continuous chain of posts either tomorrow or monday. They are currently worked on.

Onward and upward,

G.S

Last edited by pipEASY, Jul 17, 2010 11:05am



Jul 19, 2010 5:29am

137



pipEASY

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [760 Posts](#)



Good afternoon all fellow traders

I have just completed reviewing all my posts from the beginning of the thread and I must say it's a long read. I can understand how a trader would be confused at such concept of opening both buy and sell with no pre-defined exit strategy and to add more insult just leaving the positions open at the mercy of the markets indefinitely. Ofcourse this is against the beliefs of the majority of traders, as they choose to be in control over their decisions, positions, and their profit. If you ever wake up from this common traders fallacy you will realize in a sense you have no control at all. You will find successful traders admitting that they are not cleverer than they thought they were and their success is more or less based on the markets final verdict. All they could ever do was to enter at the very best of the opportunities in their own focal interpretation.

For the hot blooded new starters, you will never admit defeat and unfortunately the market will punish your egotistical views sooner or later. And I hope sooner than later. It is up to you whether you truly admit defeat and approach trading in a constructive way or you can continue wearing your favourite hat with the slogan, 'NO, im still the best in the world' and pullout new indicators out of your bag and try setting a set parameter again to an infinite possibility of the market.

Unfortunately, I can already see the Chinese whispers game playing out in this thread and I know I have overstayed my welcome. Please take me honestly when I say, I have earnestly gave away all my trading secrets in my posts. I had no beneficial reasons to but I don't see how my help hinders any of my profits.

Now, before I post my long continuous posts of charts I would like to place a lighter tone by adding a small mocu-interview that I believe will help with everyone understanding. This is me in a potential traders interview. It will be amusing to see that I ask the question and I answer them. Enjoy.

Q. How did you start out trading in forex?

A. During my tenure as D.O of my imp/exp company I noticed some price for goods remain getting cheaper by the month, by the year. It was my job to keep buying goods at cheaper prices. I had constant tabs on politics of both country that I reside and operate and the country we were importing goods from. It was a smooth transition for me into forex trading. I have been live trader for 2 years.

Q. What type of trader are you? And why?

A. Long term (position) trader as I find potential profit of the obvious main trends of weekly/monthly trends that lasts many numbers of years to be an absolute profit making vehicle. Anyone can create exorbitant amounts of capital growth from just following the trend.

Q. What kind of return are you looking at?

A. Whatever the market gives me. I do not pre-define my reward. If the market gives me 10,000 pips, I will take it. If the market gives me 5,000 pips, I will take it. Currently I have more than doubled my trading capital balance easily and still hold a very large unrealized profit that some traders might get squeamish with.

Q. How is such reward possible? What is the trick?

A. Size of my reward doesn't come from my lot size but simply following and accepting what the market gives me. I never try and predict what the market will do next hour, next day or next month. Nobody can. If anybody has an innate psychic ability then good for them, I don't.

Q. Do you have a system you use? What indicators do you use?

A. No system. The only indicators I use on my longer timeframe charts are 5/10/200 ema close. I do not base my entries on ema crosses however, 5/10 ema gives me a scope/angle of the trend but I find them sometimes stealing my focus from the actual prices. 200ema is my moving long term s/r.

Q. What are your specific entry methods?

A. I have 4-5 entry methods that I use all the time. I have practiced thousands of times and have performed thousands of live entries. I know them very very well. I prefer entry methods that need to be broken out of range or squeeze. It needs to. It needs to. I will enter with flow and what the market dictates either buy or sell. I will know very soon after I enter, if it's playing out correctly to my expectations or something has gone wrong. If it does not play out right I will close out with minimal or zero loss and go back to the waiting line. Entries are something a trader must accomplish as their own personal quest. I would recommend 6months of constant practice to be anywhere near effective. I guarantee a trader will learn more than just entries after that much practice. After entering as per my own personal entry methods I will move sl to be of that position when I perceive the need to. Then my job is done. I have controlled the risk and now that position is at the mercy of the market.

Q. What is your percentage of successful entry?

A. I can vouch my entry methods and I know I can successfully enter a market most of the time and at least move the sl to breakeven. If I were to put a hard percentage, I would say 80% of my entries do exactly what I expect it to do and have its sl to be sooner or later. 20% would unfortunately not work out and I will close out the position with minimal loss or zero loss most times. If im present in front of my computer to manually enter the market, I would never use 100 pip stop losses on any timeframe, which is what I consider a sloppy entry. Losses I encounter will be 20-40 pips, but smaller on most occasions. I prefer to watch the actual market movements on 5min chart after manually entering and consider 5min chart as movements that are actually happening in real time.

Q. Why enter buy and sell? Isn't that hedging?

A. Seemingly. When I first started trading I was just like all others. I was looking for perfect set of indicators telling me buy or sell. Then I realized that I have no power or the intellectual capacity to try and anticipate where the market might be heading to. It was a lightbulb moment. I saw past the misconception most traders hold against entering both buy or sell of particular currency pair. Trust me, there is more to it than first meets the eye.

Q. What are some of the strengths behind your method?

A. Infinite yield, allowing the market and my positions to make me my profits and not the other way around.

Q. From other successful trader/investor who would you compare yourself to and why?

A. Jessie Livermore and Warren Buffett. Jessie Livermore's concept of sending out probes (small positions before a major investment) into the market is similar to what I do. Warren Buffett's concept of holding stock indefinitely is what I also do with my positions in forex.

Q. Where would a trader find difficulty behind the concept of your method?

A. Patience to wait for extended periods, often days and weeks. Unbending faith in ones ability. The reward is definitely worth the wait.

Q. Why do you think most traders fail?

A. Not knowing what to do and when. Traders should be vouching their own ability not the forum community. Also only choosing what they wish to believe and see.

Q. So what is the required ability of a trader?

A. This is the only job requirement: To allow the market in dictating opportunities and continuously executing clean low risk entries as per ones own entry methods on both buy and sell of the same currency pair. That's all it's required.

Q. Which pair of currency do you focus on?

A. Every pair of currency that is available except exotic. I have no regards for spread from my broker. Currently Im holding 170+ positions across the board. Every weekly/monthly trend accounted for and eager to add more and more and more.

Q. What is the first surprise an intraday trader moving into long term trading will notice?

A. Intraday trader targeting 2% increase on capital per week will be surprised to see that they can attain so much more by just holding onto their

position and letting the market and time grow it for them. Also they will notice that it is a completely different type of stress.

Q. You must have huge drawdowns to hold that much positions.

A. Zero. All risk has been accounted for, all positions sl moved to be. Worst it will do to me will be a zero loss. Any losses encountered from sloppy entries on my par are already settled on my diversifications. I consider drawdowns when position is negative in loss. I dont consider it as a drawdown when a position is up 2000pip last month but now only 1000pip up this month. Thats just part of trading and everyone needs to become a bigger person.

Q. Do you see yourself changing your method sooner or later?

A. Never. I truly believe in my method and I have my profit statement to confirm my beliefs. There is always room for improvements but at the moment I don't see any necessity. It's working extremely well at the moment.

Q. Future plan? And when?

A. Continue building my equity millipede. When I quadruple my initial starting capital in my trade balance (not including any of my unrealized profits), I will increase my lot size to 10 standard lots and focus more towards monthly candles. Based on last 2 years, I will comfortably reach my target in next 2-5 years but this also is at the mercy of the markets. You are never too late in forex. You are always too early.

Q. Do you have any worries in regards to trading?

A. Nowadays, my large unrealized profits worries me. I don't know my broker on personal level and Im thinking about meeting them to arrange some type of special agreement, preferably in a legally binding contract. They have been content with my business and I have also been content with them.

Last edited by pipEASY, Jul 19, 2010 6:38am



Jul 19, 2010 5:30am

138



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Thank you for your patience.

Please step inside my focal interpretation through my charts.

Try and imagine how I see and think of the market, it will help.

And a warm thank you to everyone who had contributed in the thread the past few days. It is greatly appreciated.

Cordially,

Graeme

The next 6 charts are about how I see the market in general.

I will add more charts on specific topics few days later. Apologies for the delay.

Last edited by pipEASY, Jul 19, 2010 5:55am



Jul 19, 2010 5:51am

139



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Member Since Dec 2009

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gbp/aud weekly



Jul 19, 2010 5:52am

140



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gbp/jpy weekly



Jul 19, 2010 5:53am

141



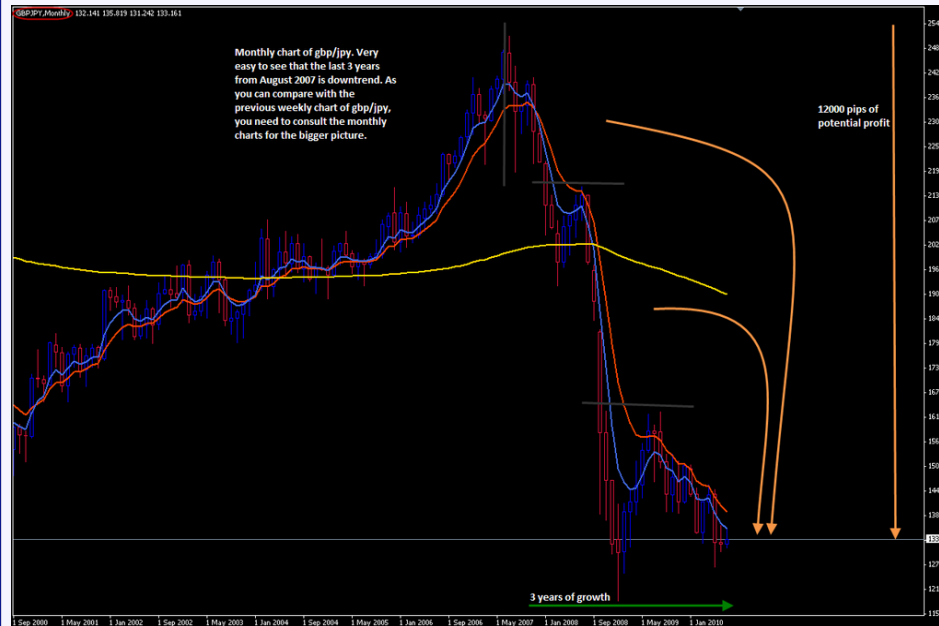
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Member Since Dec 2009

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gbp/jpy monthly



Jul 19, 2010 5:53am

142



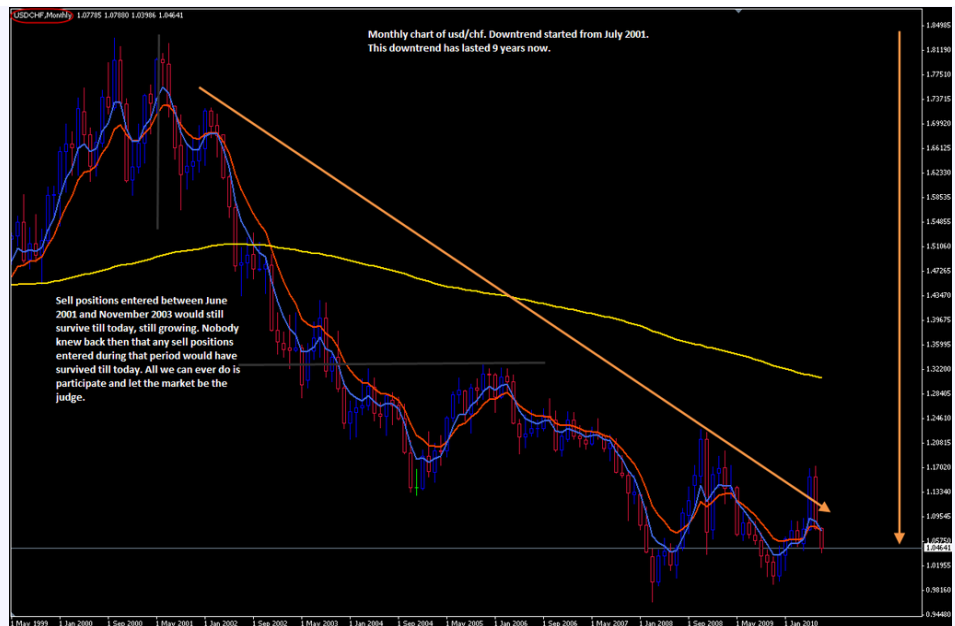
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Member Since Dec 2009

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usd/chf monthly



Jul 19, 2010 5:54am

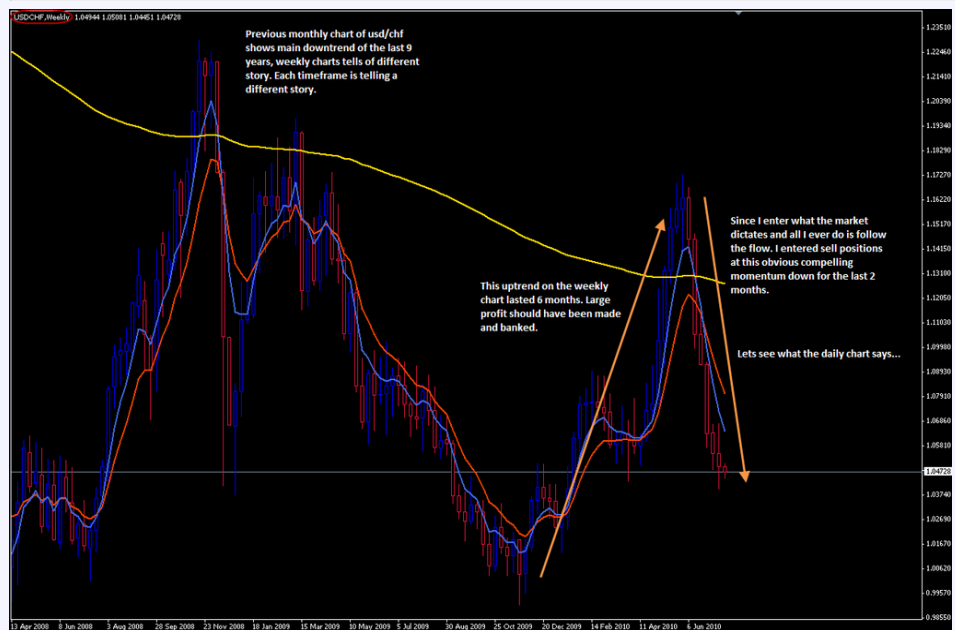
143



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Member Since Dec 2009
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USD/CHF weekly



Jul 19, 2010 6:46am

144



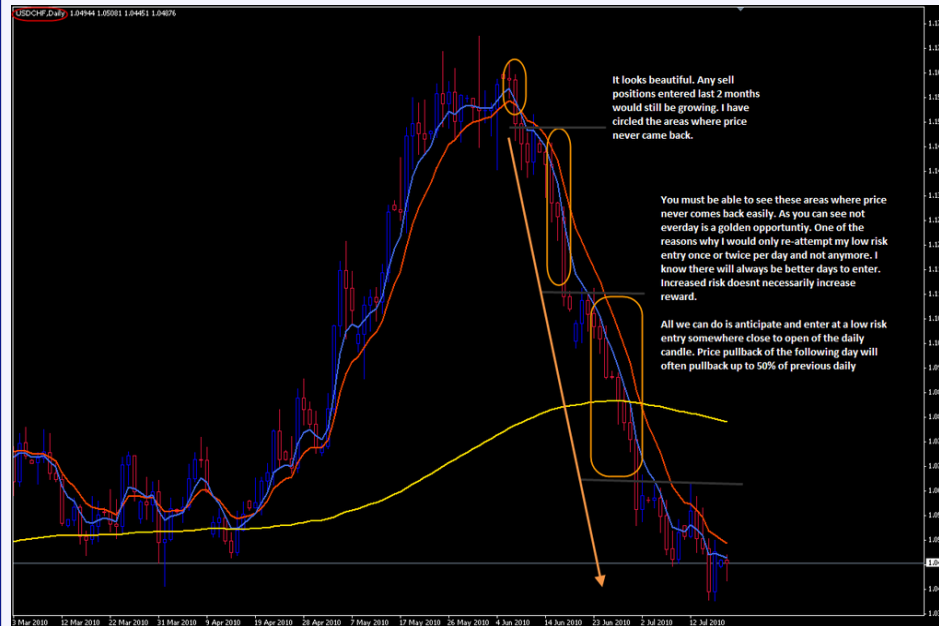
pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts

usd/chf daily



Jul 19, 2010 6:46am

145



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts

Good evening, all

Once again thank you for your patience.

Apologize for the delay. I had to get my head around the picture editing software.

I will leave 6 charts for now. These are only my personal view of the market and its long term trends.

Hope you all could see how much potential these long term trends represent.

I will simulate a few diversification through charts in the next few days.

Please allow the time to soak and digest in viewing potential profit from the usual smaller timeframes to daily, weekly, monthly. It won't be a smooth transition in most of the traders focal interpretation. Let the enlightenment come to you.

Have a safe loving week.

Sincerely,

Graeme



Jul 19, 2010 7:19am

146



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Good evening, all

Next 5 charts is all i need for my manual entries for any currency pair. There are indicators however I assure all readers I dont rely on them at all.

But I would like to know what the other majority of traders are looking at.

Can anyone answer me why I might be interested in other traders view?

I spend most of my time/analysis on 5th chart for manual 1 hr entries.

The next 5 charts are part of my personal speculation and I request all traders to find their own battleplan. Please dont waste time and try use indicators that I have placed on my chart to help your trading. I say this again but in regards to entries, it is your own personal quest and with practice you will be able to form your very own battleplan like below but tailored to your very own focal/mental interpretation needs.

You need to create your own edge and the market will grow and reward your efforts.

Sincerely,

Graeme

Last edited by pipEASY, Jul 19, 2010 7:44am



Jul 19, 2010 7:20am

147



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4hr chart



Jul 19, 2010 7:21am

148



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gbp/jpy 1hr



Jul 19, 2010 7:22am

149



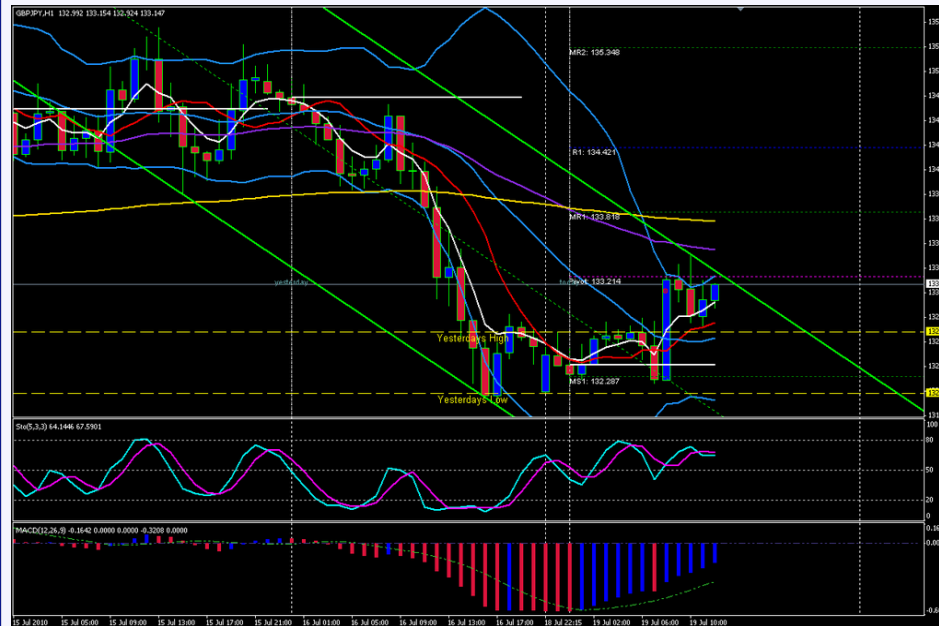
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gbp/jpy 1hr



Jul 19, 2010 7:23am

150



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Member Since Dec 2009

10+V 760 Posts

gbp/jpy 5min



Jul 19, 2010 7:24am

151

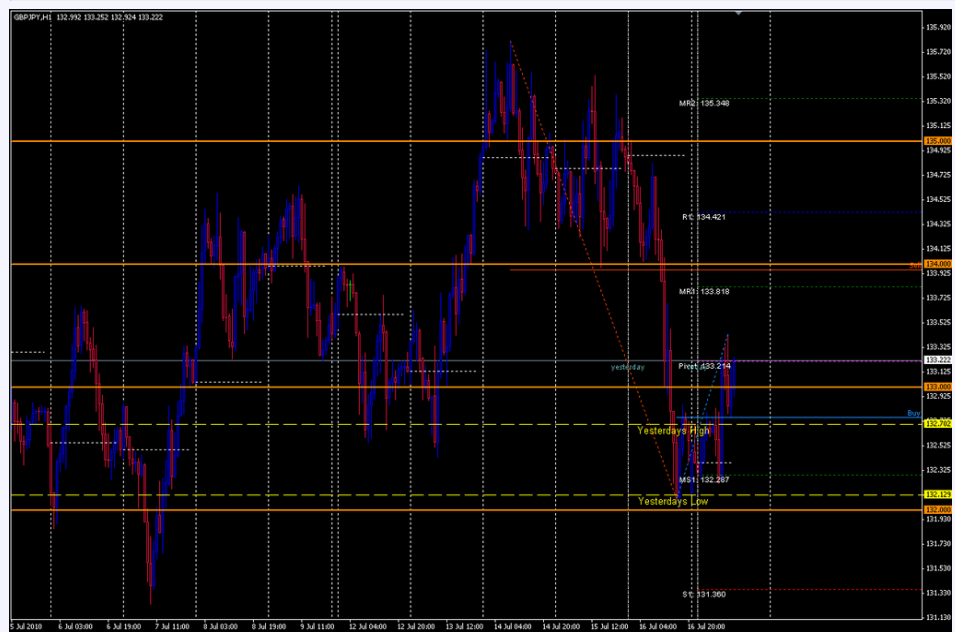


pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts

gbp/jpy 1hr, fib and s/r



Jul 19, 2010 2:47pm

153

[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

 [760 Posts](#)

Good morning all fellow traders.

Hope everyone is safe and warm.

I would like to now place a different spin on the matter.

I have no intentions to give misleading false hopes to traders but the following charts are a realistic expectations. It could be a cold awakening to some.

These next charts will definitely disappoint some of the readers. However your disappointment derives from seeking short term fulfillments.

If you wish to be a successful trader you need to lose that type of high expectations as of now.

There is no shortcut to aladdin's cave.

Sincerely,

Graeme

Last edited by pipEASY, Jul 19, 2010 3:00pm


Jul 19, 2010 2:47pm

154

[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

 [760 Posts](#)



Jul 19, 2010 2:48pm

155



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Jul 19, 2010 2:48pm

156

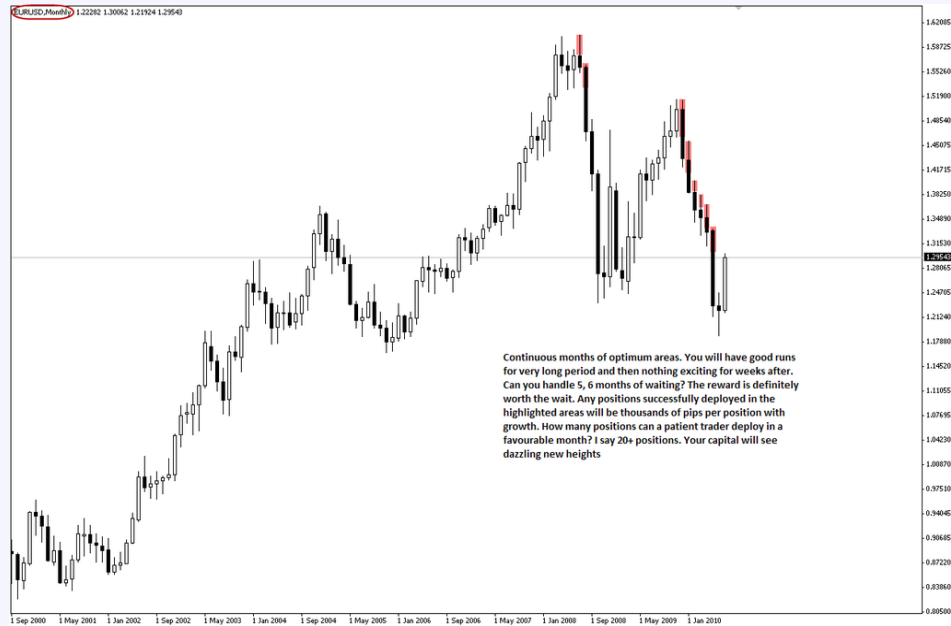


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Member Since Dec 2009

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Jul 19, 2010 2:49pm

157



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts





Last edited by pipEASY, Jul 20, 2010 5:15am



Jul 19, 2010 2:50pm

158



pipEASY
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Member Since Dec 2009

10+V 760 Posts





Jul 19, 2010 3:10pm

159



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **pipz4me**
Hi pipEASY,

Many thanks for sharing your trading methods with us. By its very nature of buy/sell and hold long term its anathema to most traders mindsets. Because of this its actually very interesting and enlightening to read through your posts. I applaud you.

One question I have that is bugging me is this. To what degree would you allow a monthly trend to retrace or reverse before closing positions? For example GBPUSD retraced nearly 50% on the monthly TF during the first 6 months of 2009 before continuing the downtrend?

I think your answer...

Good morning, pipz4me

Thank you for the warm remarks. It makes my efforts worthwhile.

Yes, you are correct to say that I will take profits on both downtrend and uptrend. Some retrace/correction like the gbpusd can last weeks or months. However it takes alot more to change my views on the main monthly trend that started from end of 2007 for gbp/usd.

However, nobody knows when a correction/retrace could be the start of something huge. Hence, I will enter market both buy and sell in such anticipation. Market is my judge and I follow its verdict.

In regards to how long I will hold onto my long term positions. It depends on personal threshold.

One of the options in diversification is also close out 1 or 2 of the biggest leg in the largest group of positions to add huge gain into trading balance. There is no rush to exit. I believe for gbp/usd, I did close out 1 of my largest legs from my biggest group somewhere in the middle of the prolonged retracement of 2009.

I still hold almost all my sell positions intact.

Last 1-2 months for gbp/usd has been a good uptrend. I have a group already forming on this uptrend. This could be start of a something huge and I will let the market show me its intention.

Sincerely,

Graeme



Jul 19, 2010 3:29pm

161



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **bdcurre**

The way i understand it is that he has developed a skill in regards to entries. The light bulb is beyond the scope of this forum. Perhaps theres a 10,000 entry rule 😊

Now that I think about it... I'm good at only 1 entry. Why....??? Because its the only entry I've ever put a significant amount of time into.

BDC

Good morning, bdcurre

Thank you for your contribution and the warm remark 2 pages before.

Yes, most traders look for answers and the answers are awaiting for them from practicing entry. It is the basic hurdle all traders need to accomplish first. There is always a better way to enter.

I have practiced far and wide to reach this far and yet I still make mistakes and still learning. However it is almost like driving my car.

Sincerely,

Graeme



Jul 19, 2010 5:25pm

165



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **Eklavya**

Hi Graeme,

Thanks a lot for the nice thread. I think most traders face difficulties on the entries itself. In your case just the entries itself would make an

excellent trading method with good expectancy and a smooth equity curve.

Given that your stop losses are very small, a 80% hit ratio is a method many would die for.

Good morning, Eklavya

Thank you for your feedback. It is appreciated.

Due to alot of requests, I will spend some time just going through the topic of entries. This will hopefully add some new insights.

One of the secrets to entries is to piggyback ride the mass of majority of traders. This may already be known to the experienced traders but please allow me to expand on this for all the readers.

My entry methods are mostly based on areas where price needs to breakout. Price cannot stay static and remain in a range bound. It needs to breakout and I will be there on the sideline waiting and watching this happen.

Now, let me show you what I mean by piggyback riding other traders. Even if you have practiced your entry methods a thousand times and your skill is more than competent, you require the assistance of the other traders. Let this soak in your thoughts.

Imagine you intepreted the perfect pennant breakout on the charts. It will be only considered perfect opportunity when other traders/banks/rest of the world also jump into the participation and actually moves the price out of the range that needs to breakout. Before that happens its not a breakout.

I would like to use the phrase 'compelling momentum.' I anticipate the flow first and only enter with the rest of the crowd when they are climbing on board. Im using their participation to help my position to make at least breakeven. All I do is cheer with the crowd whether its a buy or sell. I never enter first and then expect the market to follow me. You are never too late in the markets, you're always too early. Dont forget that please.

I asked in post 146 why I would have indicators on my charts and yet I dont use them?

Nobody answered or perhaps maybe I was too vague.

Sincerely,

Graeme

Last edited by pipEASY, Jul 19, 2010 5:36pm



Jul 19, 2010 5:29pm

#166



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **pip_daddy**

Hi PipEasy,

Thank you very much for the charts. I think I understand most of what you are doing now. However, you do not show on your charts what you are doing when the trend changes on you and you start taking opposite positions. You mostly just show the taking of one position over weeks and months of the long term trend. I totally get that and love that idea. It's the counter trend part that bothers me. I see the logic of it. But what about exits of existing positions. While you are counter trading (or as you call it, diversifying) your opposite...

Good morning, pip_daddy

Thank you for your contributions into this thread. It is appreciated and I hope all readers learn something from the replies generated.

Im reading your post after I just posted about compelling momentum. You read my mind first.

80% success rate is nothing impressive. Humans cannot comprehend what they perceive to be impossible. I assure you nothing is impossible. Running 20km marathons is beyond most humans capabilities and yet people can still achieve this by waking up early in the morning before work and going for a long run. As the time goes past, they will find that they can run alot longer and easier. After months of practice they will look back and only then they can really reflect on their achievements.

Please allow me to correct any confusion. 20-30 pip stop loss daily entries is impossible for me as well. Perhaps I wasnt clear enough in my earlier posts. I will enter from dailies when I know I will be away from my computer to do any manual entries. Upon my intepretation I will use a larger hard stop loss or open a position with no stop loss, it depends on the strength of the trend that is happening. Its the manual entries I perform from mainly 1 hr charts and then I scan 5min chart to see the actual price movements in real time to judge when to move stoploss to be or let it endure more. The manual entries usually has 20-40 pip loss on unfortunate scenarios.

Does it sound queer when I say that watching the 5minute chart is like listening to music?

I can hear the rhythm, pace and the crescendo.

Sincerely,

Graeme



Jul 19, 2010 5:43pm

168



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **damosdmf**

i noticed it was macd and stochs they are the most used indis apart from m.as so you know theres a huge amount of people watching them.

regards damien

Good morning, Damien

Yes, absolutely. Traders love them and I need their assistance.

Your contributions here is greatly appreciated.

Sincerely,

Graeme



Jul 19, 2010 6:02pm

169



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Good morning, all

In regards to questions about brokers.

Im aware U.S based brokers do not allow hedging. I do not understand why they would implement such measures. There must be a valid reason but I dont personally see any reason for this type of measure.

The strength behind my method is to anticipate movements for both buy and sell.

Im aware that non U.S brokers allow hedging and thats how it should be.

Im aware of the hassle to use multiple accounts but Im sure everyone can work around this minor hassle.

Sincerely,

Graeme



Jul 19, 2010 7:45pm

171



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Good morning, all

Thank you for your interest in this thread. It makes my efforts worthwhile and I feel satisfied at the current progress.

From the last 2 weeks of my contributions here at this forum, I have noticed by first hand some of the fears traders hold.

Even though I have tried to address these problems, I know my efforts is against multitudes of bad habits originating from one bad trader to next.

I wish to address some of the common known myths about the markets.

1. Money management

You will find many traders discussing money management here and there. Most discussions start like this, 'So everyone. With this system all you need is good money management. For good money management, you risk 1% of your capital and aim for 2% growth.' Then everyone will nod their heads in approval and applaud each other at this breakthrough.

The above plan for 1% risk for 2% growth is sensible. Not feasible but sensible. First I would like to address the 2% growth. Why stop at 2%? Who is telling you to stop at 2% growth? We all know market has cycles of good trends and cycles of no trend. It is our responsibility to milk every single pip out when there is a trend. You would be risking 1% risk for 100% growth or more. Ofcourse the accuracy will drop dramatically however you are stopping your own growth by setting pre-defined exits. Market moves 2000 pips in one month, you enter 5 times for 2% growth each. Since its a very good trend you add 10% capital growth into your trade balance. And then you bask in the glory because thats an excellent return? Trust me, if the market moved 2000 pips for you in one month and if you banked only 10%, you are not reaching your potential. Period. When I know from my experience that the charts are telling me a good trend I become very aggressive in stacking.

1% risk? Most traders will say, 1% of my capital is \$50 so my stop loss is 50pips so my lot size is 0.1 or \$1 per pip. Your risk should really be your chance of losing out in the market not a pre-defined loss. You should really be saying, I know I have performed my breakout entry a thousand times and I can see that a 'good' setup is occurring. Hmm... I give myself 20% chance of losing out with loss and 80% success of at least making breakeven. 20%:80% thats 1:4 risk/reward so I will enter. Hmmm... no participation from other traders.. uh oh not a good sign.. hmm.. i will close out now for -15 pip loss.

But, most traders will enter with pre-defined stop loss. They enter with 50 pip stop loss because the average daily range dictates so and considers that breathing space for their position. I would never allow a position to hit 50pips loss if I knew at -3 pips that something is wrong.

Im not implying that only my thoughts are correct but there is a certain degree of pessimistic views traders hold and it gets passed around.

2. Protect your capital

Another common myth thrown around alot. Everyone should be safeguarding their capital reserve. From what? From yourself and your thoughtless, pointless entries at times when you should be watching everyone else. Does traders realize how a good entry also protects their capital? Unfortunately not. Knowing a good setup and bad setup will avoid thoughtless punts, hence protects your capital from any unnecessary losses or drawdowns. Thats how you protect your capital.

Step outside the bounds of human imagination. Its why we have lightbulbs, combustion engine, microwaves, airplanes.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 6:52pm



Jul 19, 2010 8:13pm

173



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **pip_daddy**

Thanks again pipEasy.

I completely understand how your system can blow away many other systems in terms of potential growth. The money management rules go out the window too because all legs are at break even so you can be 100% invested right up to your margin and still be technically safe with 0% risk.

I would REALLY have to trust my broker though because there is nothing stopping them from just closing out all your positions one day even if you have been slowly building them up for months or even years. Maybe it's because you hit your margin...

Good morning, pip_daddy

You are absolutely correct. My very large unrealized profit is starting to worry me. Im also looking at ways to become a broker myself for my own personal trading.

However, I can say brokers wont play folly as I do bring them good business. They make money on spread everytime we enter market. But you are correct by saying I should be doing something.

Sincerely,

Graeme



Jul 20, 2010 3:23am

174



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Member Since Dec 2009

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Good afternoon all fellow traders

Before I post the next group of charts I would like to take this opportunity just before the charts to say something important and hope it becomes a cold awakening to all.

Most of us will unfortunately fail as a trader. Vast number of people will lose great deal of money, their home, business to ventures like forex trading. Forex trading is the apex of high risk/high return. And this lure will attract countless souls forevermore. Forex is now mostly made up of overbloated hype and false hopes which devours innocent souls and robbing them blind in a sense. It can financially and emotionally ruin people.

Alot of readers are still searching for the exclusive formulae to solve their problem. This business is hard and its not going to be that easy. You have to earn your learnings.

Now, if I were to choose which part of my contribution in this thread is worth remembering is the next part Im here to say.

Open a demo account with 5000USD and leverage 1:100. You can watch the market anytime that suits your trading. Only one rule, enter only sell if the price is below the daily open or enter only buy if the price is above the daily open (of asian or london). Stick to this rule. Enter with 20 pip take profit including spread and 20 pip hard stop loss from entry. You cannot close the position unless you take 20 pip profit or you lose 20 pip loss. Also you cannot overlap your positions. Only one position open at a time. If the price was higher than open but later went below open then you would only enter sell. No entry methods to be used. Just enter blindly but only buy if higher than open price or sell if lower than open price. If you blow your demo account open another one at same 5000USD and 1:100.

I want you to achieve x3 20 pip take profits before quitting for the day. You failed if you couldnt achieve x3 20 pip take profits for the day. Do this everyday without fail. After 6months you will be a completely different trader.

What does this exercise accomplish? It conditions you to be an effective trading machine. You will connect with the market on subconscious levels. You will be able to see, hear and smell the market. You will have different look in your eyes. Your trading decision are now almost reflex actions.

Currently this is you,

Market -> Indicators -> Your thoughts -> Your action

After this training,

Market -> Your action

After 6months of this exercise, your subconscious decisions will enter the market for you to the second of market movements.

You will have amazing clarity in market sentiments, and can hear/out think what the other traders are anticipating. Most of the time you do not require a hard stop loss cause you can judge very soon after entry whether its going to work out or not.

With this amount of skill any sensible method becomes deadly and you will listen to your inner voice than what you see on s/r lines, trendlines. Price action becomes slow motion in your focal interpretation.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 3:32pm



Jul 20, 2010 6:04am

176



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Member Since Dec 2009

10+W 760 Posts





Jul 20, 2010 6:08am

177



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **Saintsurfer**

Hi Graeme,

do you mean it is possible to get three 20 pips profit trades after minusing the losses? Thanks.

Good evening, saintsurfer

Thank you for the clarification.

Daily achievement of x3 20 pip take profit with no regards to any losses but cannot have more than one position open at a time. If you enter and the market takes your -20 stop loss you still need to get x3 20 pip take profit.

Dear readers this simple exercise will help you turn into a trader and you will be amazed at the related discoveries along the way.

Sincerely,

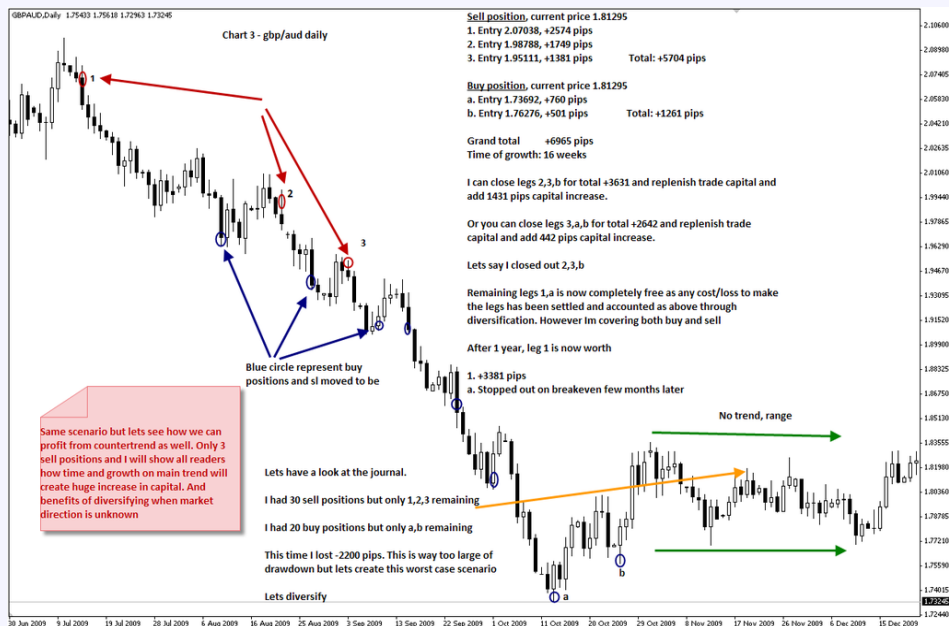
Graeme



Jul 20, 2010 6:40am

178

Member Since Dec 2009



Last edited by pipEASY, Jul 21, 2010 3:48am





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Last edited by pipEASY, Jul 20, 2010 3:03pm



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Someone**

Hi Graeme,

I have been following every one of your posts with great interest, to me your charts make your whole method very clear. Thank you for taking the time to create them.

Regarding the entries you marked on the last charts, as far as I can see you were not entering at the open of the daily candle. I guess you would have been taking the entries on the 1H charts as you discussed in earlier posts?

Earlier in the thread you mentioned that sometimes you take a trade at the open of a new daily candle instead of trading the lower time frames,...

Hi Someone

Thank you for your continued interest.

Yes, I would prefer to manually enter the market as per my own personal entry method somewhere near the open of the daily candle. Im not in a rush to build my positions but I do religiously try adding everyday.

I could be wrong but I feel that you already hit the first emotional hurdle and you are stalled.

Feel free to ask me anything.

It sounds like alot of trouble but once you get into routine, time flies. Makign money from the markets is the hardest anyone could ever do.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 2:58pm



Jul 20, 2010 2:49pm

187



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **dlppat**

Hello! Graeme,

In last 3 charts,you have really explained clearly and precisely what you do.

I read those charts 5 times and absorbed the information in my mind.

As per your clearcut advice on entry at OPEN,I have banked 70 pips on GBP/JPY this morning.I am dermined to do so everyday now.

Thanks for your valuable advice.

Looking forward to get some more from you.

Dilip

Good morning, Dilip

Thank you for for the warm remark. It makes my efforts worthwhile.

Dilip, there are far more emotional hurdles than one would expect. Are you ready? I applaud you for your intentions

Sincerely,

Graeme



Jul 20, 2010 2:49pm

188



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Member Since Dec 2009

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Quote:

Originally Posted by **Rednose**

Hello Mr. Graeme,

Thank you very much for taking your time to share such precious information about your view on the markets.

You have my vouch for it.

I like the concept of trading the obvious.

Good luck and strong health for you.

Red.

Good morning Rednose,

Thank you very much for the warm feedback and the voucher.

I will also visit one of your threads with great interest

Sincerely,

Graeme



Jul 20, 2010 2:50pm

189



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **ozziedave** ➤

The last three charts really helped with my understanding of where you might enter your positions and how you might enter counter trend trades.

Thanks for all of your effort with this thread.

Good morning, ozziedave

Thank you for your support from the very begining of the thread.

Sincerely,

Graeme



Jul 20, 2010 2:54pm

190



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **charvo** ➤

Thank you so much, Graeme!

You feel like a distant master to me (you know, master in Chinese kong-fu sense). I truly appreciate your teaching your wisdom here. and your style is actually what I've been looking for.

Last three charts are most helpful of all your charts. It showed what exactly "participation" means, and how "diversification" rebalance capital.

You overall fundamental idea is pretty much clearly expressed, in my humble opinion. It is the illustrative charts like the last 3 showing that your trading way, very valuable. More...

Good morning, Charvo

Thank you for great question.

If you practice one of your entry method for 6months on all timeframe, you will learn so much more than entering the market. It is the only way to learn how to trade. I requested all readers a few posts earlier to a simple exercise for the next 6months which wont be simple to most when they start.

I urge all readers, there is no easy road to aladdin's cave. It takes alot of hard work and it starts from perfecting your entries and developing a subconscious connection with the market.

After 6months of practice you will notice that everything you learned for yourself is already listed in the james16 thread. You will smile then.

Please take my word for it.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 3:05pm



Jul 20, 2010 2:56pm

191



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Member Since Dec 2009

10+ yrs 760 Posts



Quote:

Originally Posted by **sixx58**

Thanks Graeme,

Those charts you posted explained most of my remaining questions about your overall approach.

When the market is ranging for an extended period of time in the daily timeframe, do you still open new positions during that stretch or do you wait for the pair to break out of the range before adding new positions?

Good morning, sixx58

Thank you for your question.

Nobody knows when the start of next 10 year main trend is or when its ranging or when its correcting. Yes, I enter everyday when a good low risk opportunity that I know very well that I can control its risk appears for me. Its like shaving for me.

Unfortunately the only thing we can do for us is to participate into the market to the best of our ability.

Trust me the rewards are more than its worth.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 3:11pm



Jul 20, 2010 3:13pm

192



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Member Since Dec 2009

10+y 760 Posts



Apologies to all but chart 2 has been corrupted on the image sharing server.

I will add more charts tonight.

Keep practicing. It will get easier.

Sincerely,

Graeme



Jul 20, 2010 5:05pm

195



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **fiftylots** 

This is an excellent thread, Graeme! It always amazes me how the most valuable information is usually free of charge :-) Nice work!!!

--

Fifty

p.s. Even in the chart I've attached to this message there is much more than the three "training trades" suggested by pipEasy 🙄

Good morning, Fifty

Thank you very much for your correspondence and the chart.

Im very happy to see that you have started.

You will be very pleased with the result.

Sincerely,

Graeme

Jul 20, 2010 5:06pm

196


**pipEASY**

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Member Since Dec 2009

 [760 Posts](#)

Quote:

Originally Posted by **dlppat** *Hi Graeme,**I am ready and prepared for the "emotional hurdle" as you said.**Dilip*

Good morning, Dlppat

Thank you for your correspondence.

Im glad to hear it and I know you will be a bigger person when it happens sooner or later.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 2:53am

Jul 20, 2010 6:25pm

198

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Member Since Dec 2009

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Good morning, all fellow traders.

It is very cold winter morning here. As I get older, one of the things that doesnt go well along with me is the coldness. Stay warm and under loving care from your loved ones.

If I may, I would like to tell another story.

I name the story, The Art of Perfection.

During my time, I had witnessed, met, heard about well known individuals who practices the art of perfection.

The first person is a dear old friend of mine. He is unknown in person to many but I find his life story definitely worth sharing. His name is Joel (not Joel Rensink, aka TheRealThing). Joel was a proud and successful owner of a very well known pizzeria in Sydney Australia. He has sold his interest in his business and the secret behind his dough making to a company who is currently expanding very rapidly as a chain. His pizzas are quiet simply amazing. I have to admit some of his secrets has worn off from the transition from his hands to this new company but even still they are great pizzas. Joel loved making pizzas. Even though he was the owner, he would never come out of the kitchen. He personally designed and decorated each pizza sold. Every pizza that came out of his woodfire was more than just food but his life work. His pizzeria was not even on the main streets but tucked away from common sight but it was always fully booked. People appreciated his pizzas and he returned his appreciation by always taking one extra step in detail.

Most people believe making a pizza is simply googling a recipe (or joining a forum) and just following the steps from 1 to 10. Ofcourse the result will still be a pizza but whether it will taste good or bad is distant second. Joel had a passion for pizza since he was young. His parents are both avid pizza makers as well. Joel just knew he was going to be making pizzas for the rest of his life. He took his interest many steps further than most people would. Joel hated using the tomato sauce base from a commercial bottle. He searched his answers far and wide and spent 3 years just on the tomato sauce base. One evening he told me over a nice hot slice that he has used everything from grinding mandarin peels, fermented cheese extracts, peanut oil, and sunflower seeds. He didnt continue telling me his secret and I had no intention to learn it but it was amazing to hear that he really did search far and wide. And I wasnt surprised as I can simply taste the richness of quality. Then he continued telling me that he spent a further 3 years again in perfecting the dough base. He considered thin base was too thin and pan base was too thick and he definitely didnt want to use commercial base. Due to him I believe we now have middle crust but thats just what I think. He learned everything from germification of yeast, perfect cooling temperature to proof the base, and the perfect measurement. His pizza base is so chewy and delicious I always finish eating the crust handle. Im not surprised at his long term success.

About 20 years ago I had the distinct pleasure of personally viewing Vincent Van Gogh's *'Portrait of Dr Gachet'* at a New York viewing. A very well known piece by Van Gogh and one of his last works before death. Even though I appreciate this calibre of art unfortunately I do not know the finer details in what makes an art so valuable. But, my initial viewing took my breath away. It was simply amazing and I can feel and see the immaculate details Van Gogh contributed to this piece. Some say he was insane when he drew it but I say he was insane from the heights of his enlightenment. The depth of every minute detail were amazing and every stroke of his brush appreciated. I stared at it for a very long time and strangely I can feel Van Gogh's presence reaching out into my mind. The piece was sold for \$80 million back then. Its whereabouts is currently unknown.

9.58 seconds is the current world record for fastest 100m mens sprint, carved by Usain Bolt. I can only imagine the sheer determination and focus required to be the fastest person in the world. Beating over 6 billion other lives. To be of that calibre, everything you eat, drink, sleep needs to be watched. Continuous track exercise, gym workouts and other repetition of rigorous exercise regime. I wouldnt be surprised if most give up or breakdown emotionally. I truly wonder where the bounds of human capabilities are. Can you imagine to run 10 metres in the time of pronouncing the word 'one?' Most people cant dream of it but they know its now possible.

They all practice the art of perfection. Creating financial wealth from their endeavours is distant second. Once you reach this type of pinnacle success money follows you. My pizzeria friend is now a multi-millionaire, van gogh unfortunately didnt see much wealth from his work while alive but now they are priceless in value. Fastest person in the world pocketed over \$15 million last year on all the endorsements. However they wont look back and rub their hands in glee because of the millions. They look back and smile because they have beaten everyone and became the top of the industry.

We are all here because we all want to be professional traders. What separates winners from losers is the determination they exert onto their learnings. Winners do everything to learn and purposefully choose the harder road. They want to be top of their game and they focus on perfecting every move they do in the market. Subconsciously they can bend the will of the market into their focal interpretation. Just like Michael Jackson doing his 1000th perfect moonwalk we should be able to perform our 1000th perfect entry to the same awe-inspiring effect. Then you dont worry about the profit cause you will know that your actions are top of its calibre and money will follow you.

All guys think they are tough in one way or the other. Your exterior could be much bigger than your peers hence the wrong impression. But one day for the first time in years you try skipping rope. You will be surprised that you cant do 20. That's strange, Im still a big tough boy. So you try pushups for the first time in years. You cant do more than 20. Then you realize that the perception about yourself was incorrect. You are not as tough as you think you are.

We need to practice art of perfection as traders. And it starts right now in the right perception. Get ready to stream tears and anguish and sheer frustration. The rewards are worth it. If you can perform 1000th perfect entry just as effective as Michael Jackson performing his 1000th perfect moonwalk, you are of same calibre and I wouldnt be surprised that you are making as much as he does.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 6:46pm



Jul 20, 2010 6:25pm

199



pipEASY


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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **damosdmf** 
hi graeme great info as always

i have opened a demo to do your exercise starting from today

regards damien

Good morning, Damien

That is fantastic.

Thank you for following my recommendation.

Sincerely,

Graeme



Jul 20, 2010 7:26pm

201




pipEASY
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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **leggo** 
Hi Graeme,

I am going to print this thread, bind it and have it by my side whenever I trade.

Not only has your wisdom and advice been a great read, it has also changed my perception of the markets. My only issue is capital. I cannot afford 300 pip 'sloppy entries' at present as it would wipe my capital out. But I feel I can transfer some of your methods into my daily trading until my capital is such that I can take a longer term view. I have also changed my view on T.P. I am constantly looking at my trades to see if they line up with weekly/daily...

Good morning, Ben

Thank you for such a overwhelming feedback.

It has been my pleasure.

May I add, poor entries is the very reason traders face unnecessary drawdowns and losses. It is the area where most traders will fail. Nobody should allow/accept/even consider a 300 pip loss from sloppy entries. That is not the work of a professional trader. Professional traders should be able to whip the fly off his horses ears while on the reins.

The exercise will show your inner traits as a trader. I wouldnt be surprised if people find that they cant even hit x3 20 take profits everyday with ease. It will be a surprise to most.

After 6 months you will be able to hit x3 20 take profits so much easier and clearer. And this will be just the beginning of your accomplished insights.

With that much upskill you will be able to turn \$300 or even less into many thousands more with relative ease as you can control/know your real risks from your optimum entry which has stacked odds onto your side by entering at the perfect opportunity given. You will also have complete understanding of market sentiments and can describe in great details. You wont even know how you came that far.

Dont be surprised that you just became a profitable trader.

Thank you again

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 8:07pm



Jul 20, 2010 8:41pm

203



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **willf** ➤

Great thread Graeme. A real breath of fresh air from the multi-coloured, indicator bloated junk that's on FF of late 🍷

Have you considered [Jacko's anti-hedging](#) technique as perhaps an alternative to diversifying? Looks like it could be well suited to your style of trading.

Good morning, Willf

Thank you for your question. A great question.

Im well aware of jacko's anti-hedging; when a position gets stopped out and price moves away by 50pips or more, you would enter a buy/sell limit order on the same price as stopped out. So when the main trend resumes and the price returns it will simply pickup the order on its way. This is a great method and ensures that the trader stays with the main trend. I have no doubts jacko is a skilled trader and I value his contribution in this forum.

However, what if the main trend never comes back? Im aware that main monthly trends that has been ongoing for years will require alot of power to change direction however that doesnt stop the market to go into a correction for the next one year moving against the current main trend for many thousands of pips. Some corrections happen quiet often and can last several weeks. However I agree that eur/usd is prone to such big corrections. Or is this another misguided common myth amongst the traders? Im not sure if he has changed his method to take profit on both directions but the last time I heard he only trades one direction. Please correct me if im wrong.

The only reason I continue opening both buy and sell is to anticipate such changes/corrections because it can happen anytime, anywhere. I dont know what the market will do tomorrow or next month, all i can do is follow.

It doesnt hurt me to enter at a low risk and moving sl to be and letting the market either destroy my position or reward me. I will take any reward market gives through my diversification and keep larger legs for long term growth.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 10:28pm



Jul 20, 2010 9:49pm

206



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **kurokyandoru**

Graeme, Thank you for this great thread and it has encouraged me to finally join and post. By far the best thread I have ever read. You have thrown a spanner into my NY open systems though that I have been spreadsheet crunching and trading on for 6 months. Still BE but system number 439 is looking promising at this stage.

I live traded a system a year ago (I live trade all my crazy systems as it is the only way I find their real faults) that worked the GBPJPY Monday break out and tried to hang in there for 500+ pips each time. Worked a few...

Good morning, Rob

Thank you for your contribution and your warm remarks. It makes my efforts worthwhile.

Im well aware of the monday breakout on gbpjpy and the strength behind the method is capturing compelling momentum that starts from monday and charges to friday. Hope its the same method we are both referring to. Even though the concept of capturing good momentum is a good idea, my personal feedback on the entry is that it is leaving too much on chance.

If I know that this week for gbp/jpy will have a strong momentum that starts from monday to friday, this tip off will trigger my interest and I will pay more attention to that currency pair. I could build my edge around this insight. Im usually looking at the strongest trending currency pair of the week or the month.

I usually dont trade US markets because my focus is the survivability of my positions. More often than preferred, the following day retrace will most often be 50% of previous day. That overlaps the price range of u.s market in a sense. I dont prefer to stay awake for us session only to have my positions have greater chance of closing on breakeven. This is not true all the time and trading the u.s session is also fine as many compelling momentum from u.s session will flow into the following day's asian market. You will find similar success.

Im interested in open of the daily candle or around that area. This area has higher chance of a position to survive in the long term. Lets assume the main compelling trend is down. Somedays there is a retrace into the previous days and thats fine with me (even better actually). But I know as soon as this retrace loses strength and its nothing permanent, I will enter as it comes back down towards to open price of the daily candle. Thats why I have many of my positions on the long wicks of gbp/jpy.

Please do not try this yet, it will just come to you from practicing the entries on demo.

It sounds like you have experienced your first emotional hurdle. Some traders cannot watch a position that was +500 pips, close out on breakeven. Must see the bigger picture as we do not need 500 pip legs per se. I treat each leg as my worker and I want all my workers working hard for me.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 11:49pm



Jul 20, 2010 10:02pm

207



pipEASY

crede quod habes, et habes

Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **pip_daddy**

Hi Graeme,

Thanks for the charts. Very nice detail.

Early on in this thread you said that the long term trend was the most important thing and to always trade with the trend. Now it seems you do not emphasize the long term trend so much. In fact all you need to care about is intraday trend when you are taking both sides on daily charts and just let the market decide.

So has your method evolved to largely ignore long term trend now or do you still at least weight your bias from day to day with the long term trend. Taking more trades in that...

Good morning, pip_daddy

Long term trend - very important. Must follow to stack positions. Long term trends that 1+ years creates huge growth for surviving legs. This is my top priority. I prefer legs that are 10000 pips than 1000 pips. The only way to create extremely large payoffs.

Medium trend - Capturing good long term trend also capturing prolonged countertrends. Some corrections can last weeks to months. I will capture this correction that goes against the main trend and add profit into trade balance and hold onto bigger legs just incase this correction is start of a new main monthly trend.

Short trend - Brief corrections against main trend. Anything from days to 4 weeks. Good burst of potential profit.

As we all know long term trend doesnt move in one straight line but rises and dips of waves. Although I want my positions to grow on these 1+ years of trend I also dont mind taking profits on short/medium corrections/countertrends. Perhaps I focused the last few pages too much in taking profits on countertrend. I started off this thread with the importance of long term trend and its power and then flowed through to diversification which captures short/medium trends/countertrends. All part of the intended flow of my explanation.

I do well in any session. Alot of intraday traders needs the greater participation of other traders to be effective as they are basically scratching each others back. I also prefer u.k session as I like piggyback riding on other traders but I also do very well on asian session. However there is pros and cons. During asian session I cant do as much piggyback riding on traders like u.k session but asian session will most likely reach the higher price of the day and u.k will push it down with the main downtrend. Not all the times but enough times.

Some asian session for some currency pair does nothing but some currency pair moves alot. I only watch currency pairs that is trending strongly for the week.

Sincerely,

Graeme

Last edited by pipEASY, Jul 20, 2010 10:57pm



Jul 21, 2010 1:01am

208



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Dear all fellow traders

I had a request asking why the mechanism of my method seem to work so well.

At first I felt disappointed at such request but perhaps there is just too much info in my posts. I know less is more so perhaps the below will help clairfy things on simple terms.

1. I wanted a method than system.
System is based on numbers. Method is based on traders own skill.
2. I wanted long term growth on my capital. More than 15% per annum.

My growth is so much more than 15% and Im very content.

3. Which timeframe?

Longer the better as I can see the potential capital growth of capturing the yearly trends.

4. Countertrend or trend following?

Why only one? I want to make profit on both.

5. How to prevent losses?

Traders ability to enter at optimum opportunity.

6. Required skill?

Only my skill. I will never base any required attributes from a system.

7. Strongest point of your method?

The ability to manage positions to diversify risk and profit on an even distribution. Adding continuous profit into trade balance for a smooth equity curve and yet holding onto potential positions aiming at infinite yield.

8. What happens when market goes into a range?

Any new legs will close on breakeven. Losses are only realized from sloppy entries due to traders lack of better interpretation.

9. What happens when market changes trend?

Since im entering what market dictates on both buy and sell, Im already positioned for any major changes or minor corrections in the market.

10. Biggest problem with the method?

Required patience. Some days, weeks before optimum areas of trading. Traders own ability to enter market on his/her own accord and have the required insight to know that the position will at least move to breakeven.

11. Main difference between your method and others?

I let the market decide my reward and not a system

12. Anything else to say?

All I ask is traders to practice entries on continuous basis. Everyday for 6 months. There is no other way.

Last edited by pipEASY, Jul 21, 2010 3:05am



Jul 21, 2010 3:55am

#211



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **tommbstone**

"Open a demo account with 5000USD and leverage 1:100. You can watch the market anytime that suits your trading. Only one rule, enter only sell if the price is below the daily open or enter only buy if the price is above the daily open (of asian or london). Stick to this rule. Enter with 20 pip take profit including spread and 20 pip hard stop loss from entry. You cannot close the position unless you take 20 pip profit or you lose 20 pip loss. Also you cannot overlap your positions. Only one position open at a time. If the price was higher than..."

Good evening, tommbstone

Apologies for the lack of clarity.

1. Open a demo, 5000USD @ 1:100 leverage

2. Use 0.1 lot size.

3. Choose any currency pair, timeframe

4. You can do this daily exercise on any session
5. So when you open your platform, look at current price. You can use the open price of the asian market. If this current price is higher than open price then you can only enter buy. If current price is lower than open price you can only sell.
6. You can enter as you wish. No method. Just enter when you think it will make profit.
7. Set take profit of 20 pips and stop loss of 20 pips. Wait until you take profit or your stop loss gets hit.
8. Only one position at a time.
9. Your daily mission is to get x3 20 pip take profit before allowed to turn off platform.
10. Everyday. 6 months please.

Please have a look at post 178. My 2nd chart is back up again.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 4:19am



Jul 21, 2010 3:58am

213



pipEASY


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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **lolek** 
Hi Graeme.

I examined all your posts and now I get it!!!!

Today I started building my equity millipede.

I hope I will be faced of a distinct trend at the beginning. I will concentrate on EUR/USD and USD/CHF at the same time. It seems to me that pairs are perfectly complementare with this way of trading.

*Many thanks,
Zlatko*

Good evening, Zlatko

Im very happy to hear you understand. Well done.

All the best with your millipede. I hope you are sincerely ready for the emotional hurdles. I know you will do well.

Yes, more positions on more pairs of currency actually balances out the risk and the reward as well in the long run. It is very beneficial. Very important that you noticed.

Please have a look at post 178. My 2nd chart is back up again.

Sincerely,

Graeme



Jul 21, 2010 4:11am

215



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Quote:

Originally Posted by **Iolek**

I agree with Graeme, no one knows what will happen with a market in the future. But we can take a part in events. Sell currency when it falls and buy when it grows. You never know where it will take you. When I studied the charts, I found that the best entries are based on the previous day's happenings. If we consider the retracements of 1 / 3, 2 / 3 or 3 / 3 they give as possible entry points with relative small SL. If position survive we transfer it to environment of higher time...

Thank you for the compliment. You are on right track so please don't give up now.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 4:48am



Jul 21, 2010 4:19am

216



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **dlppat**

*Hi Graeme,
Good Morning to you.
Looking at GBP/JPY monthly chart, yearly trend is down, but price seems to get strong support at 130.00 level.
Am I right?*

Dilip

Good evening, dlppat

Great speculation. I keep my personal speculation personal. There is a special reason behind this and I ask for your understanding. I did mention it in my earlier posts.

But, yes 130.000 to 131.157 is support. You should be able to tell that gbp/jpy has stalled since end of May. Price is currently in a range, please look at daily chart. I prefer not to focus on a pair of currency that has stalled on the higher time frame as there are so many other pairs that are trending very strongly at the moment that requires my attention. gbp/jpy is not working out and all your efforts will soon hit breakeven. However, I do glance at gbp/jpy and waiting for a very low risk opportunity to enter. At the moment all the traders are all over the place with this pair. There is no one to piggyback onto.

I request that this is my last speculation and hope you don't get offended at my request.

Thank you for great post.

Sincerely,

Graeme

Jul 21, 2010 4:39am

217



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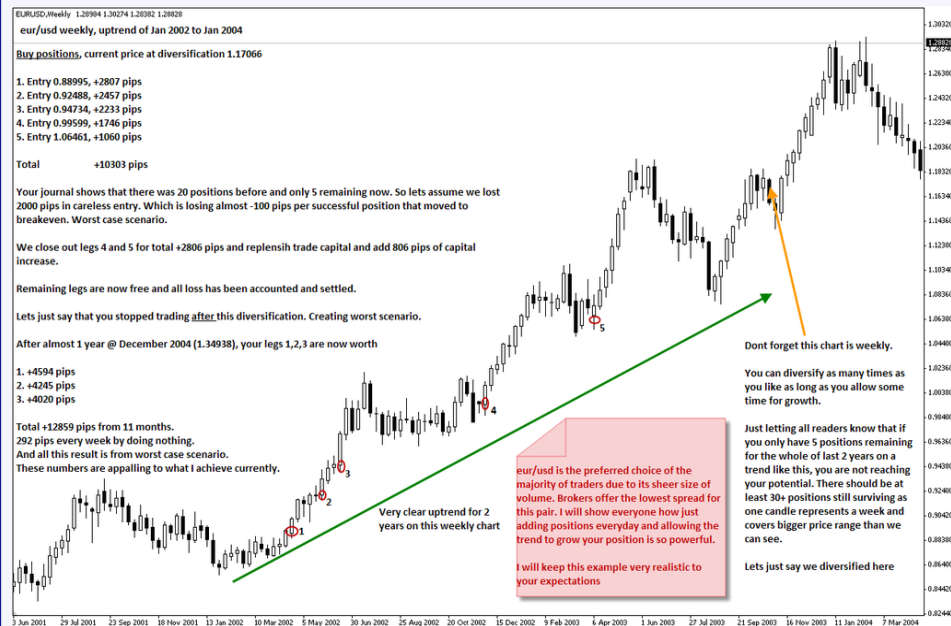
Member Since Dec 2009

10+V 760 Posts

eur/usd weekly

I would like to show all readers how trend can powerfully make you profit

292 pips of growth every week is not even 5% of my current weekly growth



Last edited by pipEASY, Jul 21, 2010 5:23am

Jul 21, 2010 5:10am

218



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Good evening all

Please allow the above chart to soak in your thinking process.

I just noticed that Im typing my 150th post. It was possible to come this far due to everyone's contribution. Once again thank you.

Perhaps I should go out with a bang?

I want you to think about this very carefully: Most traders out there when talking about growth, they use set percentage from their capital balance.

When I say growth, I dont mean a set percentage of increase in my capital balance.

Growth of 2% from \$1000 capital is \$20. Period. Static.

Growth of 2% from 5 positions doesnt work out to be \$XXX amount of set dollars. Get it? Growth of 2% from 5 positions works out to be infinity....

I mentioned once before but nobody asked me why. There is a surprise that awaits all positions builders, at the end of the day there are so much more on the table but you wouldnt be bothered asking why.

Onward and upward,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:16am



Jul 21, 2010 3:22pm

225



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Quote:

Originally Posted by **Iolek**

Dear Graeme, one hypothetical question. You are building your millipede for years now. Open positions are worth very very much. Would you close them all and began to build the new millipede? If not too much, why?

Thank you, Zlatko

Good morning, Zlatko

Good question.

It is your responsibility to keep the flow and the health of your millipede growing. This is one of the easier tasks.

I would never close all my legs at once, however when I notice that main monthly trend is **possibly** changing, I will diversify but this time will start closing the largest legs of the largest group + the smaller legs of current group im focusing. But never all at once as it could be possible be just a correction.

In my above chart, if I was uncomfortable about keeping legs 1 and 2 for the next 11 months. Somewhere in between when there is a correction that goes against the main trend I will close out leg 2 while diversifying and keep leg 1 further. No need to worry as I have plenty more in my other sub-groups as well.

When diversifying, **its not a golden rule** for everyone to only close smaller half of legs of current group that is being focused. You have to mix and match. Think logically and sensibly and dont let hard rules of systems pre-define your entry/exits.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 3:34pm



Jul 21, 2010 3:23pm

226



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Quote:

Originally Posted by **oztrader**

I got it Graeme ,and I am most grateful for all your sharing and caring.

All the best to you buddy.

Good morning, oztrader

Thank you for the kind compliment.

Sincerely,

Graeme



Jul 21, 2010 5:01pm

228



pipEASY

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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **pipz4me**

Hi pipEASY

I have been doing some testing on this method on EURUSD from the beginning of 2010. I can see that there will be a very large number of losses and a very large number of breakeven trades but the legs that survive more than make up for the losses.

However at the point the long term trend reversed/retraced on EURUSD my very large short gain started to erode at an alarming rate of knots. Would it be possible for you to explain in more detail how you diversify/hedge? You mention entering both buy and sell orders, what prompts you to take...

Good morning, pipz4me

Good questions.

You should be very worried when you only trade one direction. Since I trade both directions, any change in monthly main trend or prolonged correction doesn't effect me at all.

When you are a position manager, you must think logically and sensibly. If you see there is a major change in the main trend, you do not need to panic and rush in to close out your largest group. How do you know that the change in the main trend is permanent? You can't.

Some traders consider my position management as scaling in and out of the market. You could also look at it that way. Please don't let it bother you that one of the largest leg was up +6000 pips last month but now you are closing it for only +5000 pips. That is greed.

What you can do is anticipate that it might change permanently and the next time you diversify you start closing out few of the largest legs of the largest group + the smaller half of the legs from the group you are focusing. The flexibility is yours. I have never diversified for a loss.

You are correct to say that one of my larger legs will surpass all losses.

Edit: 100 pip gaps per position is viable however during times of great momentum I could add positions that are only 30-40 pips apart.

But can you handle weeks of breaking even? Not many traders can.

I will post a scenario very soon.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:52pm



Jul 21, 2010 5:02pm

229



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Quote:

Originally Posted by **tommbstone**

Good morning.. (for me its am) I see that price action fell below the opening so far.

*As for your exercise I was not sure about the entry idea until I saw # 6 on your list. Got it now. Its my discretions.
thank you sir*

Good morning, tommbstone

Great to hear you understand.

This exercise will give you access to aladdin's cave.

Take my word for it

Sincerely,

Graeme



Jul 21, 2010 5:14pm

230



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Quote:

Originally Posted by **leggo**

Graeme,

Your % is growing exponentially, Its almost like compounding interest but instead of say property where you could expect 5 - 10% per annum, in this method you could be compounding that amount daily!

Please don't disappear from this forum to quickly!

Ben

Good morning, Ben

Im glad to hear you see the power of exponential growth.

Yes, you are correct. I have interest in properties and shares as well and realistically I only expect 5 - 12% per annum on my return.

With forex, since I'm controlling my risk and reward I expect my efforts to be rewarded properly.

I could close out all my positions today and retire from trading and my final realized profit will be my initial capital 2 years ago multiplied by x7. Lets leave it at that for now.

Sincerely,

Graeme



Jul 21, 2010 5:19pm

231



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10+y 760 Posts



Quote:

Originally Posted by **TJPLD**

Hello Graeme,

do you keep currency correlations in mind when you build your longterm positions?

Regards,

TJPLD

EDIT: Just found your post regarding this. Totally missed that. Thanks! Keep up the good work!

Good morning, TJPLD

Thank you for your question.

It is a great question.

Just for other readers please read my answer on post 33

<http://www.forexfactory.com/showpost...8&postcount=33>

Sincerely,

Graeme



Jul 21, 2010 5:30pm

232



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Quote:

Originally Posted by **xman** 
@ PipEasy

Thanks for charts.

EUR/CHF, excellent candidate?

Mounthly down, weekly down, daily down.

Good morning, xman

Thank you for your question.

I didnt forget about you and kept my promise with the charts.

I just had a long look in my journal before even opening my platform.

My current group that im building started in end of may. I have 5 positions of sell remaining and looks like last 4/5 legs have died recently on breakeven. I also notice that I have 2 buy positions in the same group.

So i have 5 remaining sell positions against 2 buy positions that were added recently, last week or 2. Before i even look at my daily chart, I already know that there was a good downtrend since end of may and last week or 2 was a retrace/correction against the downtrend.

Am I right so far?

To answer your questions after looking at charts:

1. Main long term trend: Down since end of 2007

2. Medium trend: Last 7-8 months has been down with great momentum

3. Short trend: Last 4 weeks have been great downtrend except for the minor correction in the last week or two. But we dont know if this correction could be start of something huge. Hopefully you would have entered as the market dictates and have buy positions on this correction. If the correction was only temporary you will find that the market will kill these buy positions sooner or later. If not, they will grow for you. Look for a low risk setup today near the open of the daily candle either buy or sell and enter as per your own entry method.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 5:46pm



Jul 21, 2010 5:48pm

#233



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Member Since Dec 2009

 [760 Posts](#)



Good morning, all

Could we possibly have everyone ask me anything they wish to know?

I would like to start wrapping up the topic.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:21pm



Jul 21, 2010 6:05pm

235



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Quote:

Originally Posted by **willf**

The 5 & 10 EMA you have on your chart do you use that to determine if a short term trend has changed. In other words is it part of the process for diversifying?

Good morning, willf

Great question.

The only purpose of 5/10 ema on my charts is so I can see the angle of the trend and the gap of the 2 lines.

They do not influence any of my trading decisions.

However, I do know that alot of traders base their trading decisions around ema crossovers and sometimes there is a strong movement around these areas. Not all the time but enough times. This gives me opportuntiy to piggyback on other traders for a lower risk entry.

Ema crossover is religiously followed by retail traders.

Perhaps you could build an edge around their misconception. I know I do.

Edit: In regards to the question. I never base my diversification on indicators. I diversify when there was enough time for growth on my positions of the current group that Im focusing on and when Im not sure about the current market sentiments. It locks in an increase in capital balance and gets that group out of my head. Clears the scoreboard.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:26pm



Jul 21, 2010 6:50pm

238



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10+Y 760 Posts



Quote:

Originally Posted by **Someone**

Hi Graeme,

I wondered if you would be able to answer a question I asked previously?

Thank you for your time.

Good morning, Someone

Thank you for the question.

Yes, I mention in one of my earlier posts at the start of the thread that I enter from open of the daily candle sometimes.

I would consider entering from enter of the daily candle as soon as it opens if there is a compelling momentum the days before. If I know that I will not be around a computer for the rest of the day I will use a hard stop or no stop when my focal interpretation tells me that it is not necessarily required. I would use no stop if I know all the retail traders are overly excited about the momentum so Im technically piggyback riding on them again.

Somedays when I dont use a hard stop and I enter on open of the daily candle, I will notice when I come back to my computer later in the evening that the price retraced more than 100 pips from the open but now currently positive and going forward in the intended direction. **I do not recommend such entry methods for anyone who is currently learning. This type of hindsight comes from alot of practice.**

If you are basing your manual entries from daily chart you will most definitely need larger breathing space for your position. I would recommend staying manual entries on the lower timeframe for the time being and you will find that you can perform hard entries on the dailies later on. Its a hindsight that grows with practice. For the last month on eur/chf, I opened a few positions on hard daily open with no stoploss. Something most traders cannot comprehend. I can do this cause I know it will be 20% chance of losing: 80% chance of successful entry at the end of the day. This is something only the advanced and pro traders should attempt. Hope I dont sound like bragging to everyone.

I do 65% manual entries on 1hr, 4hr timeframes. 35% on hard daily opens

Sincerely,

Graeme



Jul 21, 2010 7:06pm

239



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Member Since Dec 2009

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Quote:

Originally Posted by **willf**

I maybe wrong but looking at the charts posted I think he waits for a close below/above the daily bar in the trend direction. So I guess that would be a kind of momentum trade.

Good morning, willf

Good thinking.

However, not all the time. That is once again pre-defining my entry but I bend with the wind. I have many positions that are on the wicks of the daily candle.

Forum member: Someone, is asking about my specific entry method on daily which puts me in an awkward position as I cannot describe the process of my focal intpretation cause its not a step 1 to 10 kind of thing. This is not someone's fault and I hope I dont offend anyone. Im glad he has brought it out.

May I ask everyone to take a step back to basics and just continue practicing on entries for the next 6 months. You will find amazing related discoveries on the way.

I understand why everyone is asking about my specific entry methods. In their thinking process, they see my profits derived from my

entries/participation in the market and they would like to jump into action and try create similar profits which I totally understand as one of the basic to and fro thought process of the strategy section in a forum. However everyone must understand that entries are your own personal decisions. All traders entries must be different as all traders have different focal interpretation.

2 different traders, entering at different times, entering differently, with different risk control, different perception but of the same type of long term approach will find similar success between them.

Something I said about 20 times now..

Hope im not sounding as if im bragging but I know what I say sounds vague to most and I agree. But.

Sincerely,

Graeme



Jul 21, 2010 7:34pm

242



pipEASY


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Quote:

Originally Posted by **boz5** 
pipEASY,

Thanks for the thread.

I was thinking about the use of "hedging", for lack of a better term, in your method. I am, like others here, in the US and can't take advantage of that in my account. However, I would like to see what you think of this possible solution. What if, for instance, I am long 10 positions and get a short signal. Instead of having 10 longs and 1 short, I instead cover 1 long and end up 9 positions long, net? This would continue as signals are given and a person would always be either long or short but not long and...

Good morning boz5

Great question.

Broker issues are the least of the worries. There are many brokers in this world who are properly regulated and some even on the stock exchange that allow hedging.

In regards to your question,

10 long positions but you see an opportunity for a short. You dont enter short but cancel 1 long position.

What would happen if this short oppourtinty was start of some thing huge? You wont know and you would miss out.

When you close out 1 buy leg when a short opportunity arises you will increase your trade capital but also stopping your exponential growth. With your method you would be increasing your trade balance gradually and your equity curve will be smooth which has merits.

However, when trend changes, you will have no legs on the new trend.

Sincerely,

Graeme



**pipEASY**

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Member Since Dec 2009

[10+V](#) [760 Posts](#)

Quote:

Originally Posted by **pip_daddy**

I'm in the same situation. I thought about it for a few days now and I decided to open another account with an offshore broker. It's not too big a deal. You just send them a money order in the mail. There is a possibility you could do this with 2 separate US brokers as well (not sure if there are rules against that or not). As someone else has mentioned earlier you could also use separate subaccounts with your broker but that requires trading in more than one currency.

I believe what you are thinking about is basically averaging in and averaging...

Good morning, pip_daddy

Correct. Spot on.

Im not sure how you can backtest the anticipated positions of the future but if you create a worst case scenario for any currency pair and that you enter on all low risk opportunities for both buy and sell. Even if you think very low of the method there will be groups of legs that survives. It is an inevitable fact. It is this small fraction of legs that survive from all your countless low risk entries that will build you huge profits.

Sincerely,

Graeme

**pipEASY**

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Member Since Dec 2009

[10+V](#) [760 Posts](#)

Quote:

Originally Posted by **mcornbill**

Hi pipEASY

I'm just onto page 7 of this thread and I must say I have found it inspirational.

I quit the rat race and took up full time forex trading in December last year. So I am a relative newcomer, and within that timeframe I have used up most of my capital. If people can burn two or three account balances and then go on to be some of the most successful traders in the world then I will not falter either.

However I don't feel disheartened, as over the past few months I have noticed that I am getting better. I start to see the setups, release...

Good morning Mark

Thank you for your post and the kind compliments. I found it very interesting.

Im sorry to hear that you have lost money.

1500 pounds, 0.1 lots is suitable starting point.

However, anyone with limited capital must be extra certain on their entries. Traders lose money on careless entries.

If you know for certain from your experience that you can enter manually 10 times and have more than half of attempt at least move to breakeven you are ready.

I can sensibly say that with good entry method and skill you will be growing your capital very quickly. This depends on your entry skills and patience. Growth will take care of you.

Good skill in entries protects your capital as well. And this is vital to your survival. Systems dont protect capital balance, its your skill to know what to do and when.

First 2-3 months will be the hardest.

Can you handle days/weeks of breakevens?

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 9:23pm



Jul 21, 2010 10:01pm

249



pipEASY
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Member Since Dec 2009

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Quote:

Originally Posted by **chonghm**

Hello Graeme,

This refers to post 178 pertaining to practicing of entries. Can I go to the lower time frame to look for entries like 5m, 15m or 30m?. Can I use indicators as a guide or do I have to trade naked to practice our feel and gut feelings?

Thanks again for your guidance "sifu"

*Sincerely,
chonghm*

Good morning, chonghm

Great question.

You can use any timeframe, 5min is fine. You can use as many indicators as you like as well. You can do anything you think it will work. But try not to use a method as such. Just enter mostly on gut feeling.

I assure you most people will have hard time hitting x3 20 take profits on most early days. And even if they do on lucky days they cant give an answer why they were able to achieve them. This is the first part of unconscious gut feeling.

Your insights will grow from:

unconscious gut feeling -> to good gut feeling -> to insight with reasons -> subconscious actions with plenty of reasoning

Sincerely,

Graeme

Jul 21, 2010 10:24pm

250

**pipEASY**

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Member Since Dec 2009

10+ 760 Posts



Good afternoon, all

Just a little bit of inspiration as undoubtedly traders would like to know how much they could potentially earn from long term growth.

Here are some facts:

Few post before I stated, '292 pips growth per week is not even 5% of my current weekly growth'

Since I have positions across the whole board it is impossible to place a hard number of growth of pips per week. I have just counted 187 positions that are currently still working for me. That works out to be 1.7 positions (that survived) per week over the period of last 2 years.

I had more than 4000 positions in the market one time or the other, which means I had entered successfully (moving the sl to be at least) into market 40 times per week.

Approximately 5% (slightly less) of my positions survived for long term growth. I would say 80% died from breakeven and 15% gave me profit during one of the diversification.

Basing on last few months of progress (not calculating on a daily basis), Im currently adding almost 7000 pips of unrealized profit every week. Obviously it fluctuates but the amount of pips is increasing as the time goes. IM confident I will reach 10000 pips per week comfortably by end of next year.

I will not increase my lot size cause that would hinder me from piggyback riding other traders (one of the reasons why banks have to stay with higher timeframe).

Instead of increasing lot size im increasing my exposure by having positions in every pair of currency. It works out exponentially better.

I can sensibly suggest that anyone starting with recommended 5000usd can turn it into 100000usd around 3-5 years (comfortably). This is based on my performance and please be advised performance varies from trader to trader.

Before you even get halfway there, you will stream tears, anguish and sheer frustration. I would say only a small percentage of trader will get there.

And no, I cant be billionaire from doing this because my exponential growth is still limited to the main monthly trend which can change direction anytime sooner or later. If the main monthly trends of all currency pair last 10+ years and I have growing number of positions across the board then its possible.

Does this motivate you? Then please stick to basics and keep practicing low risk entries everyday without fail.

Traders fail because they skip the basics and go straight to strategy section of the forum looking for steps 1 to 10 in making money from markets.

You need to learn how to walk before running let alone even flying.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 11:08pm

Jul 21, 2010 10:37pm

252



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **chonghm**

Hello Graeme,

one more question. Since indicators are discouraged, do you use candlestick charts for interpretation for entries?

Thanks again.

chonghm

Good afternoon, chonghm

Yes, I use candlestick. But for me it doesnt matter now.

Have you tried the exercise yesterday?

How many attempts did it take you to hit x3 take profit?

Sincerely,

Graeme



Jul 21, 2010 11:22pm

254



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **bdcurre**

pipEasy,

I'm curious as to what the real RR that average trader can expect from this. One scenario presented by you was losing 100 pips per position moved to be. Based on that scenario the rr would be somewhere around 7 to 1. One certainly has to take into account the cost of producing those positions. My point is..... Would you not be similiarly or perhaps more profitable using a similiar rr that you are already achieving and applying it to each trade? 10 to 1 or 15 to 1....

*12859 pips made after approx 2 years
2000 pip cost to produce those...*

Good afternoon, bdcurre

Good analysis.

6.5 : 1 is the rr for that moment.

Then what is my rr if i entered a position with 20 stop loss and was closed 2 years later @ 6000 pips? Yes, not all my positions are like that but

the whole purpose of long term trading is for infinite growth.

You are correct that most of my diversification will close legs from anywhere from 1:7 (or less) to 1:15 (or more).

The more time you allow the group of legs to grow the more it will bring in.

You can use rr for a personal speculation but never allow it to pre-define your exits.

Very good question.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 11:54pm



Jul 21, 2010 11:26pm

255



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **kurokyandoru**

Hi Graeme,

I ran a very rough study over the EUR/USD from 3/12/09 to 7/6/10 on a daily chart. Allowing 2 trades each day with one sticking at BE even for a short while and the other averaging a -15 loss. (not good trading) On protruding candles I reckoned on about 29 alive that lasted the overall 3000 points fall over 159 days. With another 15 alive in divergences that were closed at profit once the main trend returned that covered losses of the failed entries. Even if I changed the losers to -30 the overall position if all was cashed in and closed...

Good morning, Rob

Well done with the project. You probably spent alot of time.

Your amway analogy is correct. I wish all my legs survived for long term but that would make things too easy. Most people fail on amway and I cant help but smile and nod that it will be the same here with the positions and the traders.

Can you imagine profiting from similar result on every pair of currency?

In regards to slippage, it is something that I neither ignore or focus. Yes it will effect me when I enter but it is something that I know I cant control.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 1:12am



Jul 21, 2010 11:28pm

256



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Member Since Dec 2009

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Quote:

Originally Posted by **chonghm** 
hello Graeme,

Good afternoon. like you said it not easy to make 3x 20 pips daily. If I can do that I would be happy n deemed to be successful already. Even with indicators I have a hard time doing that and I now I got to practice trading naked. Just imagine that. In fact I gave up forex trading after blowing up a few accounts but I do pop into ff once a while to check on new strategies which I feel will be workable for me.

Your concept of trading opens up my narrow minded ways and as you say there is no short cut and only a small percentage...

Hello chonghm

Thank you for the overwhelming feedback and the honour of naming me as your sifu. Im glad that you have seen trading the markets in different perspective to most others.

Believe in the long trends, practice, wait, and enter without hesitation.

Sincerely,

Graeme



Jul 21, 2010 11:58pm

#258




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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **chonghm** 
Hello Mr. Graeme,

Since you enter your trades at various time frames, can you give me a guideline as to the numbers of pips up before you move your trade to break even to allow the breathing space.

*Thank you,
chonghm*

Hello chonghm

Good question.

That depends on my focal interpretation and it differs from case to case.

Usually Im looking at moving sl to be when I know the danger has passed and the movement will definitely go my way.

Sometimes I enter and then none of the traders are jumping in with me. I will look at closing that position with minimal loss or moving the sl straightaway to be if in slightly profit.

I prefer it when there is big spurt of momentum, then i enter, then the rest of the traders follow me. Im piggyback onto other traders participation. When i enter the guidance of momentum my position is immediately in profit.

Sincerely,

Graeme



Jul 22, 2010 12:48am

260



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Quote:

Originally Posted by **bdcurre**
Thanks for the reply.

Every trader is going to have a different rr on that trade. This approach it seems can only be defined by years of trading. I know you will say all trading is defined over years, and you are correct, but the real issue is time. This is the difficulty I'm having. I've put small %age of each of my trades towards this approach. Perhaps I'll increase that %age. I'll let you know in about 2 years what my rr is after I close pumpkin and watermelon 😊

Thanks again,

BDC

Hello bdc

Thank you for correspondence.

I hope all the best for pumpkin and watermelon. Im still holding mine 😊

Had a good laugh. Thanks

Sincerely,

Graeme



Jul 22, 2010 4:49am

264



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Quote:

Originally Posted by **charvo**
Master Graeme, Please mark my assignment.

1. enter a position, if wrong, stoploss is limited small, if right, profit is unlimited(over months/years). Unlimited profit vs Limited risk, this is why your method is such a success.

Correct. Its the only way to make large amounts of capital growth in forex. And thats why we are here!

I do not like using names to support my statement but thats exactly what Peter Crowns was talking about when he brought out inside bar method. Low risk but high potential is what inside bar trading is about. But traders kept on putting that unnecessary pesky 'defined' take profit rule @ 1:2, 1:3 and not aiming for more. TheRealThing steps in here and tries to explain to everyone that the secret to inside bar is the long tails aiming for, 1:50, 1:100, 1:300 or more. This means hold onto your hard earned positions and let it grow to its potential which is infinity yield. TheRealThing also asks 'can you handle long losing streaks?' And the answer should be YES. YES. Everyone seems to applaud at them but then choosing not to listen to what they are trying to say.

Taking pain now for enormous gain tomorrow.

In forex, you can aim at 1% risk for 2% growth everyday and see your capital increase slower than working at burger king and saving up your pay. Right now one of you is going to stand up and say, "excuse me graeme, your wrong, because we can increase our lot size as we grow our capital..." oh dear.... This is common myth that is wrong and will be the cause of your capital destruction when the day finally comes when you face 10 or more losing streaks. Increased risk doesnt necessarily increase your reward. You need to expand your **exposure** in the market to increase your reward.

Sincerely,

Graeme

Moving onto next question.

Last edited by pipEASY, Jul 22, 2010 5:47am



Jul 22, 2010 5:33am

267



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Quote:

Originally Posted by **charvo**

Master Graeme, Please mark my assignment.

2. but you don't really know(or try to outguess) market direction, so you have to participate both sides-- buy AND sell.

Nobody knows. Market is a generic infinite ever-changing transparent energy. Its not even a place or an item. It can be any shape and size. It has no bounds and no limits. Market is so much more than struggle between bears and bulls.

No one with 10+ voucher can forecast where the market will be tomorrow or next day. So stop listening.

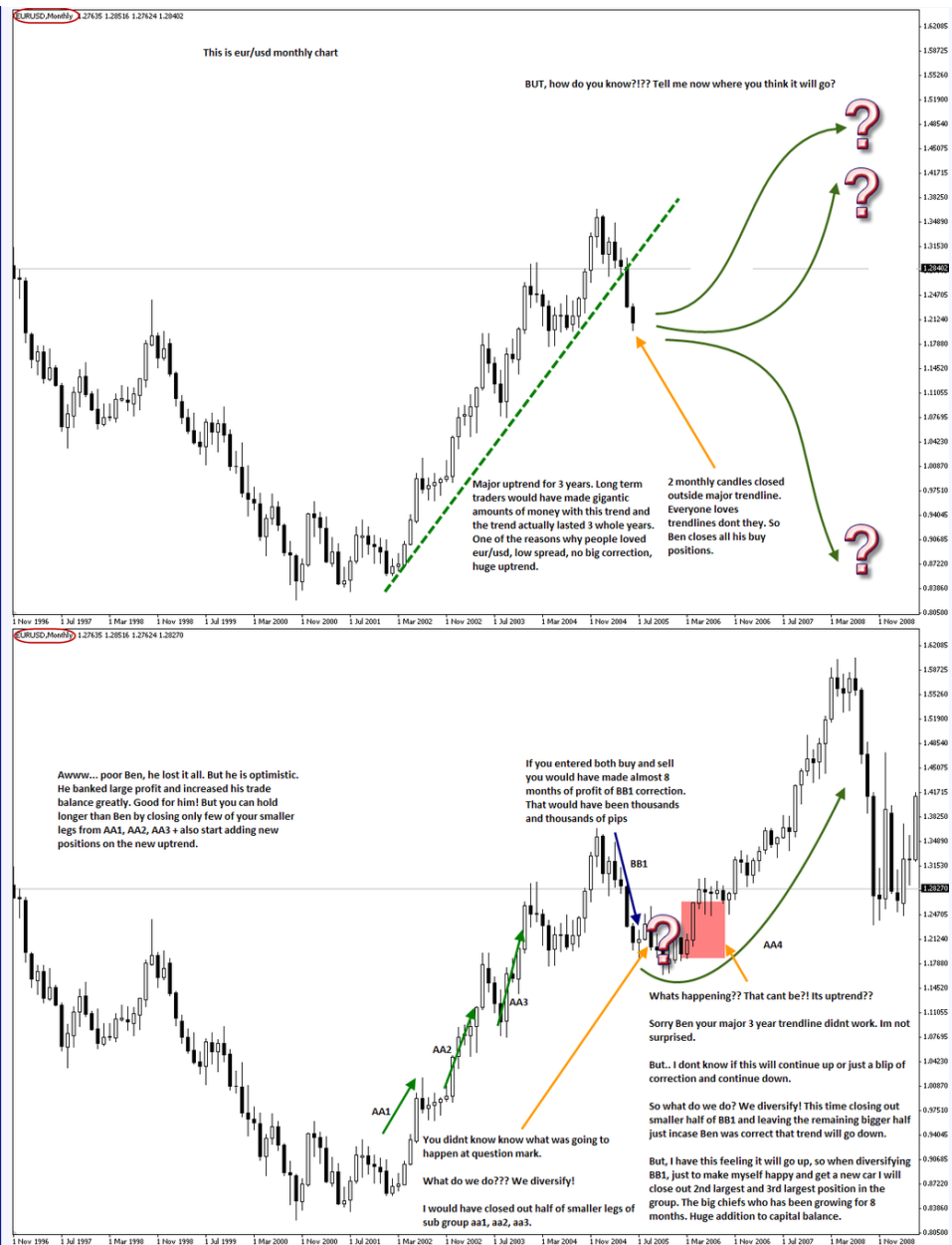
Can you tell me what you are going to do tomorrow at home?

'Yeh, sure Graeme, I will be going to cafe for breakfast and then a quick drive to real estate to pay rent and then home for lunch.'

Great plan but how many times does it not work out? More often than preferred. Thats exactly the same in market. People speculate what to do for the future but unfortunately reality most often does not meet expectation. Everyone needs to stop right now and think about it logically.

'Graeme, eur/usd had a long uptrend for the last 3 years. Its due to change main trend cause something happened with the u.s dollar and yeh, look at that candle. It just broke the major trendline, oh my god, its happening, its confirmed breakout cause it closed outside the line! Runnnnn Graeme, its a downtrend now!'

oh dear.. get that man a trophy cause he has abilities that i certainly dont have.



Edit: You can diversify in anyway you like. There is no golden rule. It will all workout the same at the end. However, the main point of diversifying is keeping the 'larger' legs of the group and closing the smaller half to lock in profit into your trade balance. This also keeps your equity curve smooth and not jagged.

Im little tired tonight gentlemen so please pardon my tone. It is might sound raised when reading my post but its not. I spent last 2 days in this forum and I just need some personal time. Will be back to continue answering those excellent questions by charvo.

May I suggest everyone to please read this post as it has hard numbers which everyone can base their expectancy. Only 3-5% of my positions survive for long term. Can you handle 80% breakevens?

<http://www.forexfactory.com/showpost...&postcount=250>

Edit: Just wanted to say a big thank you to charvo for excellent well thought questions. I will return to answer them.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 6:11am



Jul 22, 2010 5:35am

268



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Quote:

Originally Posted by **tommbstone**

yes the 3x 20 is hard. I got a sell off on the EU 15m bellow support made my 20 then tried again later and lost 20. Its really hard. I've been scalping way to long on 5m charts I guess.

Good evening, tommbstone and also chonghm

Thank you for the honest feedback.

Yes it is hard at first for everyone. This exercise will show your inner traits as a trader.

Please keep it up

Sincerely,

Graeme



Jul 22, 2010 5:36am

269



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Quote:

Originally Posted by **Dopey**

Great thread, Graeme. I'd like to post a chart illustrating your idea of buying/selling in relation to the open. I believe one of the hardest things for people to do in trading is to sell when price is going down or buy when it's going up. I believe most try to pick turnarounds and are always getting it wrong.

This is a 5 minute chart of yesterday's Eur showing that there were many opportunities to sell with the momentum. I think it's self-explanatory, so I won't answer any questions. Using your simple method of 20 and 20, it would have been...

Good evening, Dopey

Thank you for your contribution, it is appreciated.

Nice chart and I agree with what you say.

Yes, momentum for me = piggyback onto other traders.

Please leave your chart as it is.

Sincerely,

Graeme



Jul 22, 2010 5:38am

270



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Quote:

Originally Posted by **fiftylots**

I want to thank you again for starting this thread, but most importantly for posting The 3x20 Exercise! In my opinion it is like doing 3x20 push-ups each and every day for 6 continuous months. Results should follow naturally... The exercise was an eye opener for me. Everything is so well thought over: 20, 3, Asia, London, Above and Below.

Thank You!

: -)

Good evening, fiftylots

Thank you for the feedback.

Did you find hard to hit x3 take profits?

Please try and do exercise everyday for 6months. You will find amazing related discoveries that none of the threads on the system (including myself) can teach you.

Trading is a self-learning experience.

Sincerely,

Graeme



Jul 22, 2010 6:01am

271



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Quote:

Originally Posted by **mojazz**

Hello Graeme,

I have been reading this thread with great interest and have to say this is one of the most effective ways I have seen of trading the forex markets.

This is definitely how I wish to trade going forward.

I have taken up your 3x20 pip challenge. This is my third day and I can say that to date I have been able to achieve the goal of 3 wins per day without any indicators, just following the rules you laid out. Brilliant!

One question though, Is it advisable to see out the 6 months of practicing entries before starting to live trade...

Good evening, mojazz

Thank you for your contribution.

Im glad to hear that you are doing well with the exercise.

I would recommend 6months exercise first from my point of view, however if you can honestly have the insight and the required focal interpretation to enter manually 10 times and have more than half easily moved sl to be without any difficulties. Then you are ready.

Sometimes traders think they are ready but then they find that it was not enough.

Hope to see more of your contributions here.

Edit: I should not have assumed you as a new trader in my original post. My apologies.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 6:36am



Jul 22, 2010 7:45am

275



pipEASY


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Quote:

Originally Posted by **Andrew N** 
Graeme,

thank you so much for the energy you have taken to convey your knowledge and perception to others. If more people on this planet operated in the realm of the whole or totality it would be a very different place.

This is one of the few threads on FF worth commenting on and should be mandatory reading for all traders, particularly those only starting on this path.

Cheers,

Andrew

Good evening, Andrew

Thank you for the overwhelming feedback.

It is greatly appreciated.

Sincerely,

Graeme



Jul 22, 2010 8:06am

#276



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Quote:

Originally Posted by **Saintsurfer**

Hi Graeme,

I see that diversifiing works great probably when one trade looking at monthly and weekly charts. But if to only deside where we are going looking through daily, there is no need to diversify becose daily is a little bit quicker and if it changes so do I. In this case I mean that we (let us think that)know overall trend and we count on this tendency and do not take counter trend trades. With all respect to your trading style Graeme, does it make any sence? Thanks.

Good evening Saintsurfer

Thank you for the contribution.

I had to read it twice before typing to reply.

The reason I enter both buy and sell is because I do not know when the daily/weekly/monthly trend is changing. But if its changing I want positions already in there with the new trend.

If you know the correction that is happening right now is nothing permanent and the main trend will resume then its an ability I dont currently have. I know what you are saying by following the daily trend and its a sensible thought.

But you must agree with me that some corrections on daily chart last for days. What will you do if a correction against main trend lasts 7 to 15 days or more? Since you dont take opposite direction trades will you be sitting out for 2 weeks? And then how do you know when the trend resumes its really resuming? You may have enough experience to predict permanent change from temporary change but you could also simplify things further by just taking both buy and sell and letting the market decide who the winner will be.

However, during prolonged correction as above, I know you are sensible to shift your entries as the same direction of the correction which is also sensible thought. One of other reason I request all traders to upskill their entries is that the difference between a trader with a system and a trader with excellent entries is that during periods of range where price doesnt move at all: Trader with a system will lose alot while trader with excellent entries will also have losses but mostly breakevens. A big advantage in most scenarios.

I do not pre-define my entry in any way at all. If market gives me a beautiful looking inside bar setup but its on the wrong side of the trend, I still take it. Cause no one knows if this particular beautiful perfect setup might end up as a 10000pip leg 2 years later. Just one leg like this will save me more than half a year of all my potential small careless entries, hypothetically. And in that half a year how many more other long term legs could I add? My statistctics show I have been successfully adding 1.7 per week. Half year of that creates a huge huge huge difference and it all started from that one beautiful perfect inside bar setup that some refused to take cause its on the wrong side of the daily trend. Unfortunately you may be limiting your potential. Please think about it

I have small subgroups of positions everytime there is a correction against the main trend. Sometimes they die within a week and I dont mind. Sometimes they last 1-2 weeks and I pocket a good profit when I diversify this mini group when I see that the correction is finishing up. If the correction doesnt finish but continues to grow into a new trend then the diversification will ensure me that I have larger half of my legs already in place.

Im glad you have belief in the main trend which is a big leap from most of the new traders however you should be making profit on both side of the coin.

Diversification is just a safety measure I use to ensure there is a continuous increase in my trade balance and also keeping some positions for infinite growth. If I dont diversify, my accuracy will drop further than it currently is. That makes it too hard even for myself however the reward would be much bigger than it currently is.

Good insight but may I ask that there might be perhaps more than what you see.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 8:28am



Jul 22, 2010 8:34am

278



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Quote:

Originally Posted by **Saintsurfer**

Thank you very much Graeme for your time and efforts in this thread, you do a brilliant job. Your knowledge and experience are unik.

Good evening, Saintsurfer

Thank you for the kind compliment.

I understand what you are asking and its a very good question.

The answer you are really looking for is in my above post.

Hope I put in enough effort for you to perhaps read it one more time for me.

Edit: The day has taken its toll on me gentlemen. Good night to all. Stay warm and under loving care.

Sincerely,

Graeme



Jul 22, 2010 10:58pm

286



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Quote:

Originally Posted by **charvo**

Master Graeme, Please mark my assignment.

Q 1: you prefer low risk entry, so i guess when adding long positions in a bullish run, it is done MORE at a pullback/retrace-down THAN at a break-up? OR you prefer to add long positions at a key level being broken up?

Good morning, all

Just continuing on to answer charvo's excellent questions.

Good question but please think about the question for me. There is nothing wrong with the question by the way.

Once again, im asked whether I pre-define my entry/decision/actions. Whether I 'prefer' to enter on pullback/retrace **or** at key level breakouts. I would choose to use the word **and** then **or** in that sentence.

Market is infinite, nobody can set a pre-defined limit/bound in ones interpretation of the current movement.

You cannot say;

RSI is showing overbought and it is now dropping below 80. So its a sell! - How many times did RSI dip below 80 and then go straight up to 100 for the next few hours/days and moving 200+ pips. Thats **pre-defining** your entry basing on an indicator which is incorrect way of thinking. Market moves before your indicator does.

In regards to answering your excellent question, let me show you a chart.



Moving onto next question.



Jul 22, 2010 11:35pm

287



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Quote:

Originally Posted by **charvo**
Master Graeme, Please mark my assignment.

Q 2: following your answer to above question, No matter in which way, you simultaneously reduce short position size, right?

Good question again Charvo.

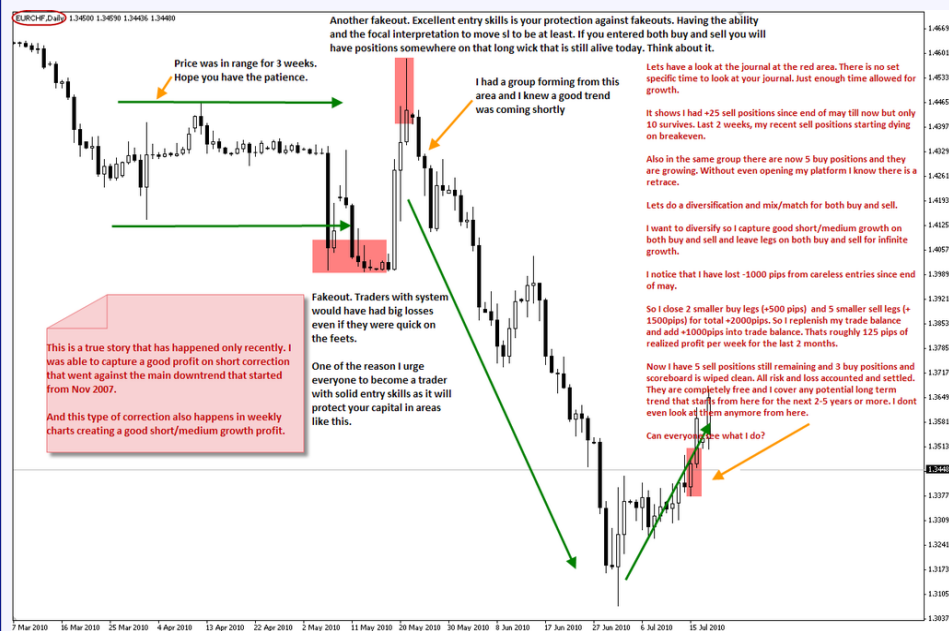
Perhaps Im not understanding your question as intended so I apologize.

'Simultaneously reduce my short positions on long term uptrend?'

I would be inclined to disagree and agree.

When you follow the market and enter at low risk setups either buy or sell. You will be creating groups of larger buy positions (on the main uptrend) and sub-groups of smaller sell positions within. So im not purposefully reducing any short position but perhaps increasing my short positions as the market had a correction against the main uptrend for the last week or two.

But, perhaps you are asking about diversification during a correction against the main trend. So I prepared another chart



Edit: Small calculation error on chart, but now fixed.



Jul 23, 2010 12:01am

288



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Quote:

Originally Posted by **charvo**

1. a) but this leads to almost everyone's fundamental problem: entry picking and diversification timing. to me, this is in fact one thing--entry picking. Although in first page, you happened to mention that entry is not important, it turns out that

entry is in fact essential according to your recent explanation. And solution to entry skill, per your suggestion, is to do a 6 month manual trading exercise targeting to stably achieve 3x20 pips profit every day.

1.

Good questions, Charvo

1. Entries. As long as you are entering without any pre-defined limits such as indicators, common traders myth, and so on. Traders should be entering by judging that very moment that is happening out.

I mentioned in one of my first post that entry is not important.

Entry is not important. Its how you enter that is important. I only stopped at first sentence as I was leading all readers as per my intended flow of explanation.

Its how you enter that counts. Not only does excellent entries protect trader from unnecessary drawdowns and losses. When price ranges (and its quiet often), trader with a system and a pre-defined so called mechanical entries will face loss to the price fluctuation of the range. Traders skilled in excellent entries will have minimum drawdown and mostly breakevens. A big advantage.

2. Diversification is the easier part of your trading. Its so simple. You look at current group that you are building.

1. All sell positions and growing rapidly? Excellent downtrend.
2. All buy positions and growing rapidly? Excellent uptrend.
3. Majority sell but few buy positions? Retrace
4. Majority buy but few sell positions? Retrace
5. You look at period of growth for the current group. 1-2 months is good for short/medium term growth. Preferably at least more than 1 to 2 weeks. Anything less than 1,2 weeks is ignored.

Anything less than 1,2 weeks of growth? Just let the positions on the correction die, not worth diversifying for.

When diversifying,

You can diversify @ point 1 or 2 or 3 or 4. No golden rule as to when. But you must be diversifying for:

1. To settle all loss accounted for establishing the current group.
2. To replenish your trade capital to before you started creating the group.
3. To add realized profit into your trade balance and increasing its balance. To ensure a smooth equity curve in the long run.
4. To acknowledge that danger has passed and all loss/risk accounted for on your remaining bigger legs for now infinite growth which is ofcourse at the mercy of the markets.
5. Psychological safety: You know its over and done with that group. Legs have been closed for profits and legs have been promoted to upper group. It gets it off your mind.

Sincerely,

Graeme



Jul 23, 2010 12:17am

289



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Quote:

Originally Posted by **charvo**

If after 6-month exercise, I still cannot enter well. What if I change to another training method, but the target is always nice entry skill?

*In fact, I'd take a bold step (when learning, I'd better be bold, please forgive me) to say that the success of your method is **simply hold indefinitely (so profit is indefinite) if possible. To do that, learn how to enter market right (entry skill) first. That's it, isn't it?***

Many thanks, Master Graeme! Sorry for my long post, but I guess you might...

Good question, Charvo

Thank you for another great question. It benefits other readers too in their learning.

In regards to exercise. Do you have a large friend? Perhaps not so muscular but big in size. Ofcourse this friend can most likely pummel anyone smaller. One day he wakes up and decided to go for a jog for the first time in years. He finds that he cant even jog for 10minutes. Thats strange, he thought he was tough. Then he decided to do some pushups for the first time years. Thats weird, he can only do 15. Now what happens next is very important for his benefits.

He can,

1. Finally realize that even though he is big in size there is a big room for improvement. So he will take a step back to basics and start jogging every morning, pushups, chinups and so on. Its very hard in the beginning and its somewhat disappointing to realize his body is infact so weak. He wakes up from his misconception. He is now on the right path. But it takes more than just a week of jogging to be an ironman contendant and he is now humble in his judgement and knows this.

2. He scoffs. Who needs to do pushups? Im 6 foot 3, I can just step on anyone like a bug. Thats most of the traders in this forum.

So you can be 1 and be on the right path towards sculptured abs or you can be 2 and continue beating your chest as a territorial warning to others in forums.

If anyone finds that 6months of that exercise was nothing but waste of time, they are more than welcome to move on.

However, that simple exercise is just more than learning about entries. It will be an enlightenment with amazing related discoveries along the way.

Im honoured to be called knowledgeable by other traders, however the reason I sit here and enjoy my vast weekly growth and such comments from others is because of that exercise. Although my experience in running my imp/exp business did have a helping hand in believing long term trends but it was the exercise that created my trading abilities and insights. I did not learn it from a reading source.

At first I couldnt hit x3 20 take profit at all. Then I knew I was weak as a trader. After 6months, I rarely had a loss to take x3 20 take profit.

After 6 months, you dont even have to be a long term trader. With that much upskill in entry and hard earned insight, you can use any sensible method and it will become deadly in your hands.

Take my word for it.

Sincerely,

Graeme

Last edited by pipEASY, Jul 23, 2010 1:13am



Jul 23, 2010 12:45am

291



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10+Y 760 Posts



Quote:

Originally Posted by **babyforecast**

My first question:

You explained that you try to enter to the market every day with a very short SL. And after letting the market do its work move the stop loss to the break even. I can't understand why don't you make a trail with the SL after that, let's say every 500 pips, and compensate the news hits with more legs.

Thanks

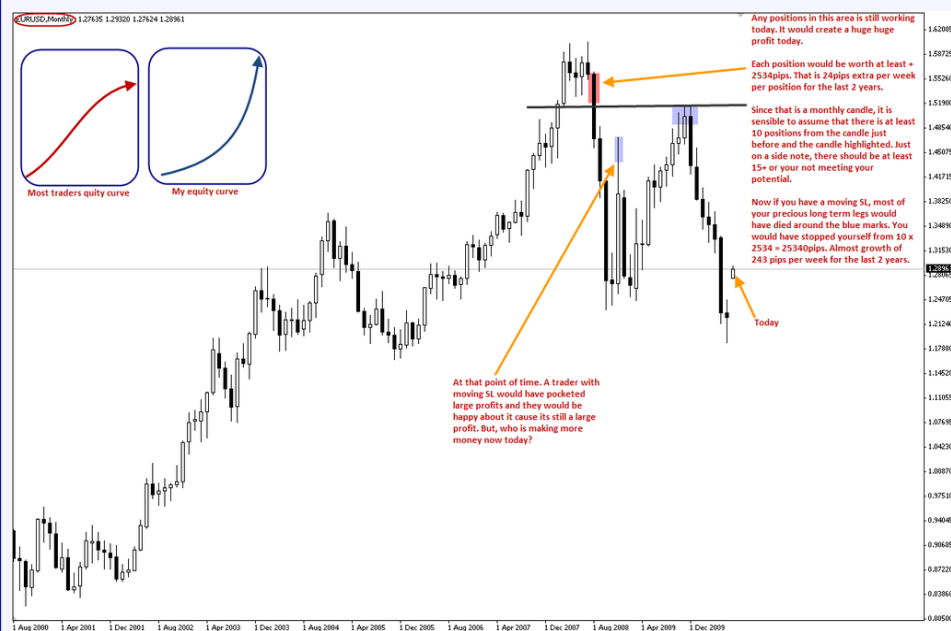
Good afternoon, xman

Thank you for letting me know.

I try my best to answer all but unfortunately some get missed out.

Moving SL is just another pre-defined exit strategy. Nothing should be pre-defined in the market.

I understand alot of traders, scale out of their positions. Its all relative. I focus on exponentially growing profits by the years and there are other traders who prefer capturing short/medium term growth.



The trader with moving SL has greater accuracy than me but lesser reward.

I have lesser accuracy (my statistic shows only 3-5% of my legs become long term) but greater exponential reward.

Just on a side note, I can get rid of my diversification and my accuracy will drop even further; Most likely, 0.5% to 1% of my legs will become huge long term legs and potentially double my current weekly growth. Its because of the diversification that I can distribute risk and reward evenly and to my level of long term trading.

Sincerely,

Graeme

Last edited by pipEASY, Jul 23, 2010 12:55am

**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

[760 Posts](#)

Quote:

Originally Posted by **charvo** *Master Graeme:*

I don't know what to say to express my gratitude for your huge efforts spent answering my questions (some of them, are dumb now, 🙄 after your explanation.)

I truly appreciate your charts and explanations. I should develop a real flexible entry skills NOW before stepping on the path you've shown.

Thanks again, and please continue to my last question about my overall understanding(it is improved/completed by your recent posts!).

[u]P.S. guys, maybe, incase you want to re-read this thread in future, you might want to...

Hello Charvo

Thank you for the kind compliments. It makes my efforts worthwhile.

Yes you grasped the concept properly and Im also glad to see that you see any success in the market starts from practicing your entries.

Excellent entry skills is required for any method/system. Please dont allow pre-defined rules of a system tell you when to enter. It should be your subconscious focal interpretation in your head telling your finger to hit execute.

Sincerely,

Graeme

**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

[760 Posts](#)

Quote:

Originally Posted by **TJPLD** *Dear Greame,*

have you ever considered using COT (Commitments of Traders) Info for your trades? I've found out that changes in Traders Commitment give a good clue about the longer term trend since the COT Report is only released once a week.

I think the main problem that keeps Forex Beginners from Trading over many months and years is that they want instant gratification. It's easier to scalpe with some indicator system for a week or two to find out wheter or not you're sucessful with it than building positions that will pay of maybe next year....

Good afternoon, TJPLD

Thank you for your contribution.

Unfortunately, for me COT is above and beyond my understanding most times. Im sure it is a useful tool to a trader who can interpret the information from the report into their trading habits. I just couldnt.

In regards to instant gratification. Yes, you are absolutely correct. To lose weight and look great, you need to eat less and exercise. Taking pain for gain in other words. I hope all our fellow traders also see this.

Sincerely,

Graeme



Jul 23, 2010 1:03am

294



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **willf**

Hi Graeme

This may sound obvious but how do you tell if a trend has changed or is changing?

Lets say the monthly, weekly and daily are all trending down and it's quite clear from the angle of descent but what you are saying is if the short term trend changes you would diversify and go long.

What factors influence you that you need to diversify? Do you use a trendline or are you looking at candle formation in the opposite direction?

Thanks

Good question, Willf

I only diversify when I dont know what is going to happen next and there was some time of growth allowed for the current group that Im building. Preferably more than 1/2 weeks. Anything less is ignored and I let the market kill the legs for me.

Please refer to my posts that I have poested today for charvo. Your answers are also in there.

IN regards to what factors? Factors pre-define my exit so I wont allow factors to dictate my actions. Nothing tells me when to exit however when im unsure i diversify and capture profit and let the market decide the fate on the other remaining legs. It gets it off my mind.

However when the main monthly trend seems to be changing, I do not close out completely but once again diversify and close out few of the larger legs in the larger groups to capture the profit but still hold on to many.

Sincerely,

Graeme

Last edited by pipEASY, Jul 23, 2010 1:25am



Jul 23, 2010 1:06am

295

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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **harmudge**

Only read the first page as I'm off to bed because it's late here in the U.K but this does look like it's worth reading and by posting I will be notified of any future updates.

I will continue the reading either tomorrow or the weekend.

Best Wishes

Harmudge

Good afternoon, Harmudge

Your most welcome and thank you.

Sincerely,

Graeme



Jul 23, 2010 1:07am

296



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **mlambole**

*Interesting exercise. One question, the entries will have to be taken on a small timeframe like 15 min because we can't enter from the daily with a 20 stop loss. This exercise will train you to enter on small timeframes but the strategy uses daily and above. **I guess that if we learn how to enter on smaller timeframes it will be the same principles on the bigger, correct ?***

Good afternoon, mlambole

Bingo. 😊

Sincerely,

Graeme



Jul 23, 2010 1:09am

297



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **pip_daddy** 

Just for giggles I picked 7 of the major pairs (with no consideration for correlation whatsoever) and followed the high go long low go short 20/20 entry method and to my amazement 3 hit 20pips take profit. The other 4 are in limbo and could go either way.

That's not a bad average considering I am not doing any thinking at all. Kind of the forex equivalent of cutting the head off a chicken and seeing which way it goes 🤔

So I guess the moral of the story is don't try over think it. Just keep it simple. Even with this method and perhaps slightly...

Good afternoon, pip_daddy

Im glad to hear you are finding interesting things during your exercise. This exercise will show you more interesting, useful insights.

After you upskill your entries to an excellent level, any sensible method will become deadly in your hands. Practice until then please.

Sincerely,

Graeme



Jul 23, 2010 1:22am

298



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Dear all fellow traders

I wish you all a wonderful trading career and a loving life.

Last 3 weeks has been a blessing on my par and I feel very content from my efforts.

At first I anticipated about 20-30 posts and no charts but it was possible to evolve this much from the support of many.

I have no doubts that many of the readers will achieve their dreams and be genuinely happy.

As I mentioned before, I would like to take a step back now.

I will pop in once a while to say hello to all.

Answers you seek are already inside you my friends.

Sincerely,

G.S



Jul 26, 2010 6:21am

340



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Member Since Dec 2009

 [760 Posts](#)



Good evening, all

Hope everyone is safe and warm.

I have returned to see how everyone is holding up. Im surprised to see that this thread still has interest of many and I thank you for your support.

I have read all your pms, emails and I will hopefully try find some time to answer them all. I apologize for my hastily departure however my participation was costing me alot of my personal time. I ask for your understanding.

Im pleased to see that the thread is now evolving on its own pace by the contribution of the public. Unfortunately, just like orbital decay of a roulette ball, all public discussions will soon decay in size and quality. Hence, I request all new readers to please consider reading the material I presented from the beginning of the thread.

I dedicated my time and efforts for the learners. I pushed aside my own agenda and invested personal time to bring this thread to the benefit of all.

All the answers you are looking for are in the first 21 pages of this thread. You can base your perception around the facts that I presented to you. You do not need to follow my method however there are facts embedded in my posts which will be of great help. I wish I had someone who presented the facts like I did when I was learning. It would have definitely saved me alot on my learning curve. Ironically, even if someone with the knowledge taught me the facts of the market when I was learning, I would have most likely chosen not listen to what they say. Just like parents telling their children what to do and it sounds so sensible to an adult ear but just nonsense to the children.

There is no need to reinvent the wheel and this is especially true in the markets. Traders fail cause they try to create a way to make money. It is so much easier when you just action the obvious.

If its up then BUY, if its down then SELL. You would be amazed at what secrets are behind that sentence.

I know I can completely ruin the integrity of this thread by saying the next, but you are ALL WAITING FOR ME TO SAY IT.

If you cannot be bothered doing the hard work of perfecting your entries, then here you go.

Entering a position at every .00

1. If the price is coming down from last .00, then enter 2 sell positions, 1 position at take profit 100 pips and other position has no take profit. Both positions to have stop loss -100 pips. If price reverses from your entry you lose -200pips but then enter another x2 lots of buy positions since price is coming up from .00
2. You let it run. After 100 pips, 1 position will close by taking +100 pips, and the other remaining position is completely free. Dont move the -100 stop loss of the remaining position, this is your free leg.
3. Hopefully this remaining leg will turn into a leg on your millipede.
4. Place a buy stop/sell stop on every .00

If price changes direction, and price **comes from** .00 to higher .00 then you would put in x2 buy positions with same rules at the coming up .00.

You need to still allow plenty of time of growth, at least 1/2 weeks before diversification. You will find there is still alot of positions dying now and also they are dying on -200 pips.

Draw a horizontal trendline at every .00 on 'zoomed out' daily chart and you will see that you can stack positions effectively with the above system. On a continuous trend you will have consecutive positions in a row. Make sure you diversify with enough growth.

Im definitely not pleased to share this entry system as you will have drawdowns as you are letting the market either hit the +100 of one position or losing both at -200.

Your accuracy will improve however your reward will be smaller in a sense and your drawdowns will be large. Perhaps you can think of ways to minimize your drawdowns, you will be surprised at related discoveries.

Use small lot size but expand your exposure in the market by putting in positions in many different currency pairs but with same rules as above.

The only reason im sharing the above entry system is so many traders are still asking me for an entry method despite my rants about practicing perfect entries. So, I thought I might as well get them started somewhere.

Im sure I wont sway many traders, however please believe me when I say that I have covered most general areas to be a prosperous trader and it is now up to you to build your own interpretation around what I have showed you.

You do not need to know 200 things to be pro in trading. You only need to be perfect in one thing to make zillions from this market.

I dedicate this thread to everyone. This is all for you.

Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 6:33am



Jul 26, 2010 6:43am

341



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **6pack**

I agree. But how do you ensure that? What's the right time? That's probably the big question here. I'd like the market to tell me when to diversify. And one way the market conveys this message is by breaking SR levels - certainly not by retracing to my entries, which the market does not recognize.

I'm sure that in many cases, putting a SL at BE would turn out to be the right thing to do. In other cases, you'd be much better off with the approach I propose. Neither of us can tell a priori.

w.r.t your example: Unfortunately, I don't have...

Good evening, 6pack

Good question.

In market, there is no such thing as right time or wrong time (exiting, diversifying).

You are only wrong if you are closing your **final** position on a loss.

If you move your SL to s/r areas and have found success by closing your positions with profit then you too are winner.

I aim for something different to you. Also, when you become a position manager and your interest is not from 'just one or two positions' but groups of multi-layered positions across all pairs of currency, moving stop loss to s/r becomes irrelevant.

Perhaps you could try movign your stop loss to s/r and once you build a portfolio of positions you will understand that you dont have the time to worry about positions dying at BE or at s/r.

Below is something I put in alot of time to pass across. Highlighted purple is for your understanding. Please have a read.

"Diversification is the easier part of your trading. Its so simple. You look at current group that you are building.

1. All sell positions and growing rapidly? Excellent downtrend.
2. All buy positions and growing rapidly? Excellent uptrend.
3. Majority sell but few buy positions? Retrace
4. Majority buy but few sell positions? Retrace
5. You look at period of growth for the current group. 1-2 months is good for short/medium term growth. Preferably at least more than 1 to 2 weeks. Anything less than 1,2 weeks is ignored.

Anything less than 1,2 weeks of growth? Just let the positions on the correction die, not worth diversifying for.

When diversifying,

You can diversify @ point 1 or 2 or 3 or 4. No golden rule as to **when**. But you must be diversifying **for**:

1. To settle all loss accounted for establishing the current group.
2. To replenish your trade capital to before you started creating the group.
3. To add realized profit into your trade balance and increasing its balance. To ensure a smooth equity curve in the long run.
4. To acknowledge that danger has passed and all loss/risk accounted for on your remaining bigger legs for now infinite growth which is ofcourse at the mercy of the markets.
5. Psychological safety: You know its over and done with that group. Legs have been closed for profits and legs have been promoted to upper group. It gets it off your mind.

Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 7:07am



Jul 26, 2010 6:45am

342



pipEASY
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Member Since Dec 2009
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Quote:

Originally Posted by **pip_daddy**

Can someone explain to me what Graeme means by doing that entry training with 20/20 sl, tp. He keeps saying that things will start to become more clear after awhile and I will start to discover how to predict the best entries etc.

I can't figure out if he is talking about things I am already aware of or if I still do not feel the force (star wars reference).

Doing the training I don't feel like I am getting anything out of it. Either I am being naive and impatient or I am already aware of the force. What am I supposed to be 'discovering'. I...

Good evening, pip_daddy

Please continue with exercise. You need to try longer.

20 pushups wont make you sculptured pecs.

Sincerely,

Graeme



Jul 26, 2010 6:51am

343



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Quote:

Originally Posted by **ozziedave**

Hi Graeme,

The only problem with this chart is that no one would have taken a short trade in the area that you have indicated. Most traders would be seeing this as a pullback and would place long positions. What would prompt any trader to take a short position in the area you have indicated? I believe this is a major hurdle for most traders, how do I know when it's time to diversify my position?

I understand what you are trying to convey here but I'm not sure how to apply this is real trading. The entries you show seem so picture perfect and...

Good evening, ozziedave

Thank you for your question.

Ozziedave, please dont take this the wrong way. If you just have faith in what I say and try entering low risk setups on both buy and sell you will definitely have groups of legs forming on areas of optimum opportunities. It will take time but it is something that will happen.

I didnt pick that chart from a selection. I can pull out any chart.

If you want, you can choose a pair of currency and dates and I will show you for your benefits.

Sincerely,

Graeme



Jul 26, 2010 6:54am

344



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **tookey**

Hello

graem enters from lower timeframe in anticipation of larger movements on the higher timeframe. why do you keep saying you dont understand ? u enter at good lowrisk on smaller timeframe and letting market decide and that position might become something later on which we let it grow?. we diversfy positions as means of risk-reward control. isnt that the whole concept of this method? its very simple . choose to understand matey

marion

Good evening, Tookey

Making money from market is hard.

Not to be taken lightly.

3-5% of my positions makes me the most profit for me.

Can you handle the rest?

Sincerely,

Graeme



Jul 26, 2010 6:58am

345



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Quote:

Originally Posted by **TJPLD**

It's ok. I'd be happy to hear Graemes opinion too.

Excactly. The what I see it is that most aspiring traders wait for "that new indicator" or "that new way to look at the charts" that will finally make them profitable.

Good evening, TJPLD

Thank you for your support.

Correct, in what you say. No need to reinvent the wheel. Im glad you know this well. Hope all our other fellow traders wake up to this reality as well.

Sincerely,

Graeme



Jul 26, 2010 7:04am

346



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Quote:

Originally Posted by **pip_daddy**

I do see a possible solution to this psychological problem. Instead of letting the positions die at BE why not put your SL at +50 or +100. I am talking weeks later when you are already up several hundred. On these large time frames, 50 pips is not even a drop in the bucket so it's not really much different to BE in the overall scheme. But it's just enough so you don't feel like it was a total waste of time when you get stopped out.

I would be curious what Graeme would say about this as he is, of course, the ultimate authority.

Good evening, pip_daddy

Thank you for your contribution. Nothing is to my authority, i just wish everyone well.

If any trader feel safer from moving stop loss to +100, +200 after the price moves into +1000 profit then by all means go for it. You will capture

guaranteed small profits but sooner or later there will be an occasion when price retraced all the way back to near entry point only to have it continue on for next 1 year for 6000pip profit.

In forex everything is related

More risk (exposure) = more reward

Lesser risk (guaranteed, smaller profits from moving SL) = lesser reward

I can stop doing my diversification and just let positions run forever, this will reduce my current success rate of 3-5% of positions for long term growth to only 0.5% to 1% but bigger profit. Its give and take.

But believe me when I say that later on when you become a position manager with journal full of positions workign for you, you wouldnt be bothered moving SL to capture these so called small profits. You would be busy trying to expand your exposure in the market by adding more and more positions.

Sincerely,

Graeme



Jul 26, 2010 7:06am

347



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Quote:

Originally Posted by **willf** >

Maybe an option would be to place two lots and when you take a trade in the opposite direction (diversify) then take profit on one lot and let the other run.

Good evening, willf

Good idea, but if you simulate a scenario you will see that you will have big loss when price ranges.

Sincerely,

Graeme



Jul 26, 2010 7:21am

348



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10+y 760 Posts



Good evening, all

Even though I have just posted an entry system, I still strongly urge you to practicing your entries to perfection. When you practice entries you are practicing so much more. You are building your very own focal interpretation of price action, market sentiments, areas of mass interest, momentum, price stalls. You can actually hear the market from the repetition of the exercise. You are training to be a very effective trading machine who can bend the will of the market into your own subconscious beliefs.

Once you perfect your entry, you can be, swing, intraday, position, scalper with any sensible method and still make alot of money.

Once you perfect your entry, you can be, swing, intraday, position, scalper with any sensible method and still make alot of money.

Once you perfect your entry, you can be, swing, intraday, position, scalper with any sensible method and still make alot of money.

Sincerely,

Graeme



Jul 26, 2010 7:41am

350



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Quote:

Originally Posted by **Dezil**

Hi Graeme. Thanks for interesting thread - the most interesting for me at current stage.

What do you mean by diversification in case when we always enter buy and sell every .00 level. Do you mean that after some grows in one direction we have to start to close some profitable legs?

Good evening, Dezil

Good question.

It looks like I have opened the can.

Yes, the principle of diversification always remains the same. It controls the risk/reward balance.

The .00 entry system will have all traders enter market and participate. If a downtrend continues for days, enter positions at every 100 pips (.00). Soon you will have stacks of position to manage/diversify.

For the benefits of all readers, I have posted a simple entry system that can make this happen.

However, I still strongly urge everyone to find their own low risk entry methods.

Sincerely,

Graeme



Jul 26, 2010 10:20am

353



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Quote:

Originally Posted by **dlppat**

Hi Graeme,

Thanks for another tips.Looking at .00 levels,it seems that currency pair move to certain Daily Range and,then, either stoll or reverce. But for me, entry at OPEN works best.

Dilip

Good evening, Dilip

Im glad to hear that you have find that entry of open candle is suitable to you. Everyone has different comfort with entries. I still enter from open of daily candles as it has 'higher' chance of survivability.

However, Dilip, when price ranges in daily, hope you have your emotion under control. Perhaps you should look at 'some way' to filter range. Thats where your edge will be.

Sincerely,

Graeme



Jul 26, 2010 10:27am

354



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Saintsurfer**

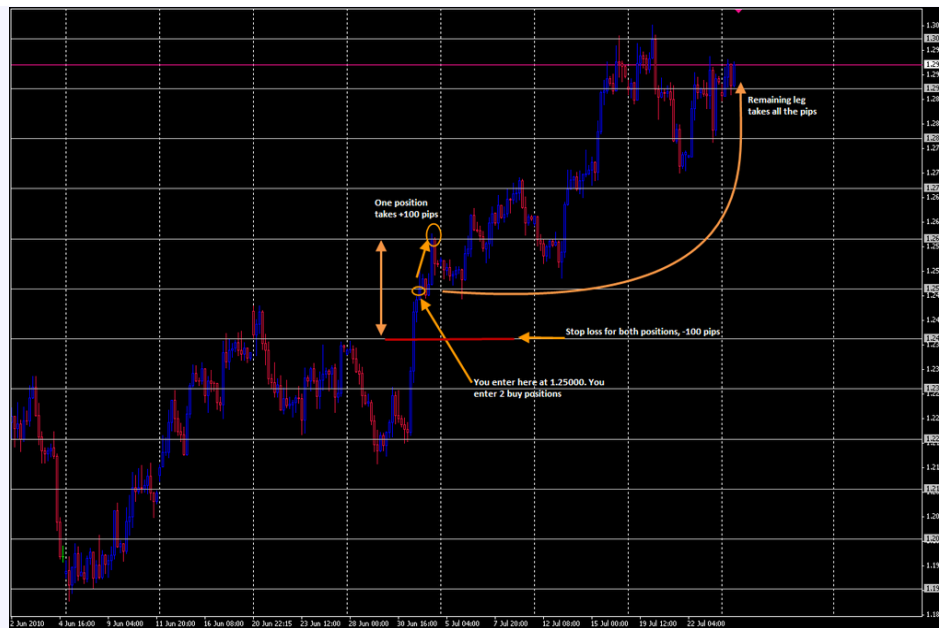
The 00 entry method is actually great. But just my personal opinion that there is no any advantage of taking two positions, becose if one would trade these entries just 100sl and 100 tp separately it is not profitable. Sometimes it is nise to get some profits early but on the long run it doesn` t give an edge unless one will take them only in the direction of the trend. I have tested it, it gives 1700 pips loss from 2009.01.01 until now. But us you have noticed I talk only about the second aditional trade which has 100 pips TP. The main positions...

Good evening, Saintsurfer

Im glad you find entering at .00 pleasing in your focal interpretation.

Im glad you did some backtest but there is more to be revealed.

Entering 2 positions and closing 1 positions @ 100pip and leaving the remaining position @ -100 SL is a mini diversification itself that allows the remaining leg a 'bigger breathing space' to breakeven. If this remaining leg is closed out later on, you would have pocketed both +100pip on first position and then whatever you closed on 2nd position. Many professionals use this method and it was asked by member: Jigsaw earlier on in the thread. It smooths the equity curve and also adds a bigger breathing space for the remaining leg for free.



Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 10:38am



Jul 26, 2010 10:42am

356



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Saintsurfer**

I understand that clearly, it is a kind of diversification. And it gives some profit takings in the account history. But maybe it is better just to close one of the positions that are in profit to diversify earlier if needed. Thanks a lot for your answers.

Good evening, Saintsurfer

Yes, good idea. You could also do that.

But as you probably realized the main purpose of 2 positions from the start is to give the remaining leg a free -100 pip stop loss. Hence a higher chance of survival. This will work out exponentially better for you in long run.

Please refresh as I added a chart in above post.

Sincerely,

Graeme

Jul 26, 2010 10:57am

357



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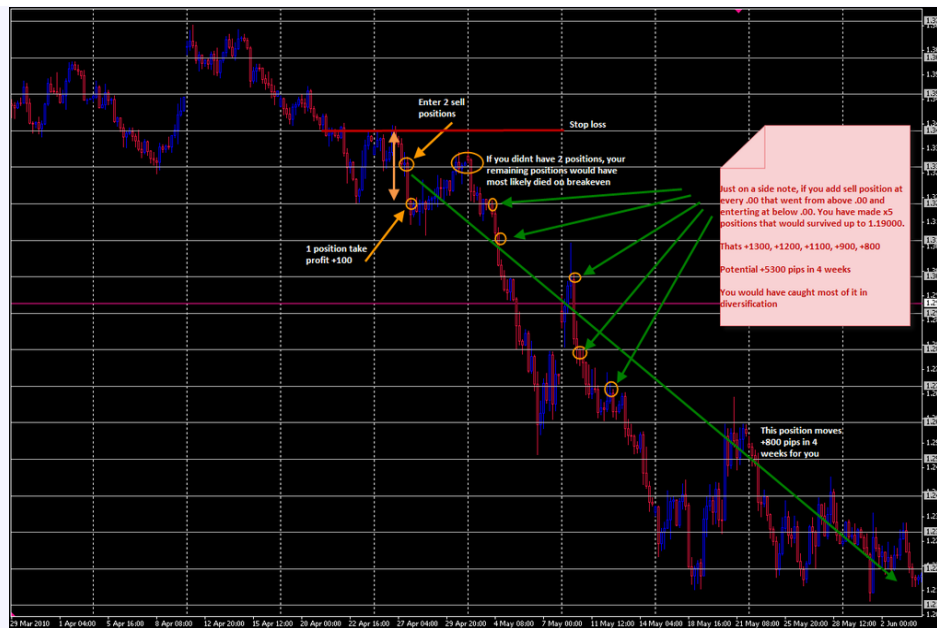
Why entering 2 positions is effective

EURUSD 4HR



Look at next example, and see the benefit of entering at .00 with 2 positions

EURUSD 4HR



Last edited by pipEASY, Jul 26, 2010 11:20am



Jul 26, 2010 11:09am

358



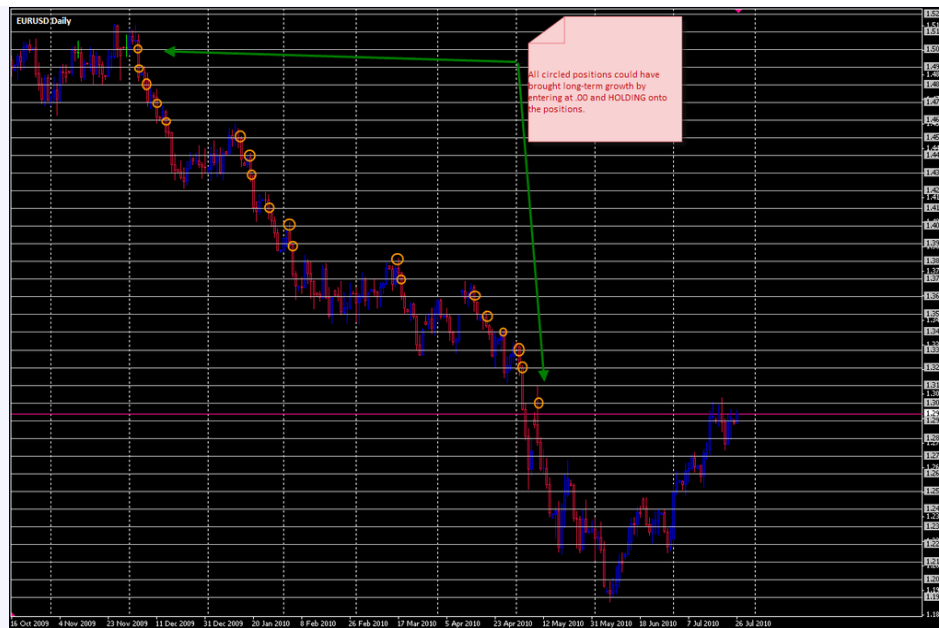
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Member Since Dec 2009

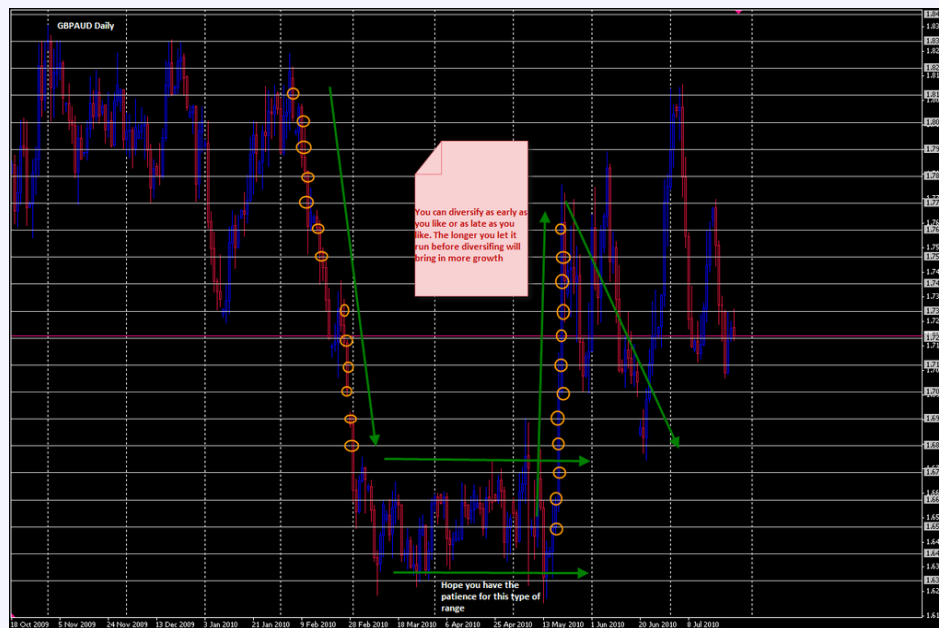
10+V 760 Posts



You can build your portfolio of positions from entering only from .00



Another example



Jul 26, 2010 11:13am



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360

Member Since Dec 2009

10+ w 760 Posts



Quote:

Originally Posted by **Saintsurfer**

If I would trade with only one position I wouldn't move sl to BE. And it wouldn't be chaken out quicker then with two positions. I do not say that two positions are a nonsense. It just an alternative how to manage the trades.

Yes, correct.

2 traders with different entries, different entry method, different risk/reward control but both with long term trading will both have similar results.

Entering 2 positions will cause bigger drawdowns but will have higher number of positions surviving.

Entering 1 position will have smaller drawdown but will have smaller number of positions surviving.

Unfortunately, you have to choose only one of them for now.

Sincerely,

Graeme



Jul 26, 2010 11:18am

361



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Member Since Dec 2009

[760 Posts](#)



Ladies and Gentlemen

Hope my simple .00 entry system brings you more insight from using it.

The only reason Im bringing out this entry 'system' is because alot of traders understand the important of long term growth on main trend however stilll vague at entry methods.

I thought maybe I can ease this hurdle by giving you a sensible/reliable entry system. Be advised you will face drawdowns however if you persist, a prolonged trend that last anywhere from days to weeks will bring you stacks of positions at possibly every .00.

You can then proceed to diversify the group of positions after allowing it to grow for at least a week or two. **Preferably few months, as long as your capital can hold both drawdown and margin for positions.**

I still request that all traders stay with recommended exercise and find their own pin-point razor sharp entries which has hardly any drawdowns due to your upskill.

There will be BIG difference in profit from a trader using just above entry system and trader with 1 or 2 razor sharp entry skills.

Hope my contribution that came out of blue today give you another big boost.

I sincerely would like to see everyone successful.

Sincerely,

Graeme



Jul 26, 2010 11:35am

363



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **GEOFFREY62**

Graeme

Many thanks for returning to thread and again spending your valuable time trying to enlighten us, it mudt take a lot of patience on your part. Like the simple 00 method of entry and will give it a try.

Kind Regards

Geoff

Good evening, Geoff

Thank you for your kind compliments. It makes my efforts worthwhile.

I know my efforts will definitely help the traders looking for the right answers. .00 s/r entries are very reliable, however it must be improved on. It cannot be just used all the time. While you test the diversification method on groups of your positions (from .00 entries), please continue honing your entry skill.

We all need just 1 entry skill that we can rely on with our lives to make a living from the market easily. Please keep it up and all the best.

Sincerely,

Graeme



Jul 26, 2010 11:45am

364



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Member Since Dec 2009

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Just before I go to bed,

Does everyone know that price must go from Support to Resistance and vice versa??

And one of the key support and resistance is .00.

You are seriously limiting your s/r if you ignore .00 and look at things like 33% fib instead.

Clever traders build an edge around this area. Please think about it.

Sincerely,

Graeme



Jul 26, 2010 12:03pm

366



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Bakuli** 

Thank you again Graeme for your invaluable help and your patience. Very much appreciated

Good evening, Bakuli

Thank you for the compliment. It is my pleasure.

Good night all and stay strong in your beliefs.

Sincerely,

Graeme



Jul 26, 2010 10:11pm

379



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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **6pack** 

Thank you for taking the time to answer my questions. Your dedication to the members here is admirable.

Graeme, I'd like to ask you a "logistical" question: How do you enter so many positions across so many currency pairs? More specifically, do you look for opportunities in all pairs every morning? How many different pairs do you typically initiate positions in every morning? Would you say your analysis and entries are "sequential" (i.e. you focus on one pair and don't move to the next till you're done with it) or "simultaneous"?

As...

Good morning, 6pack

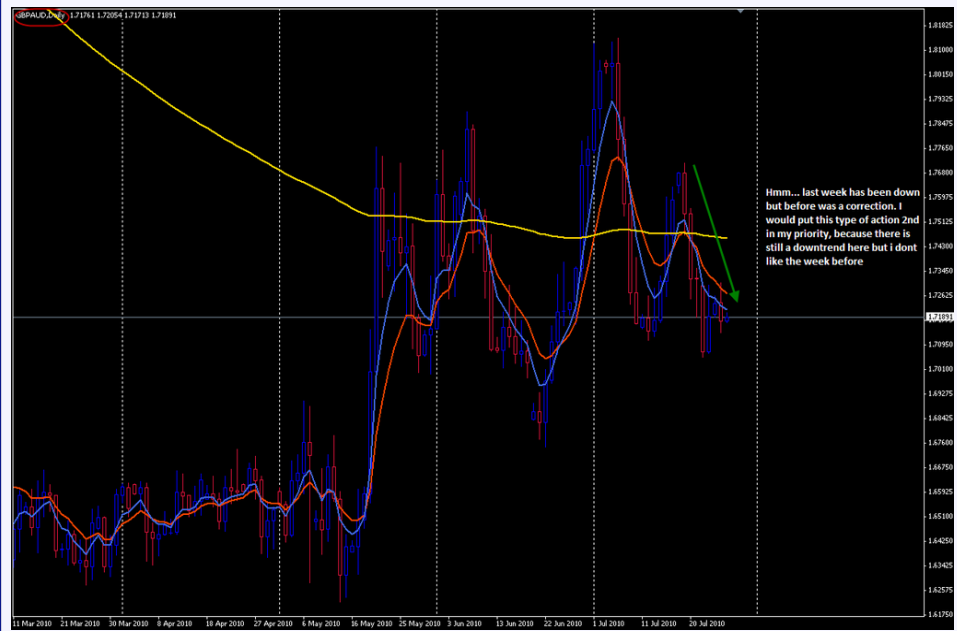
Thank you for an excellent question that has not been asked.

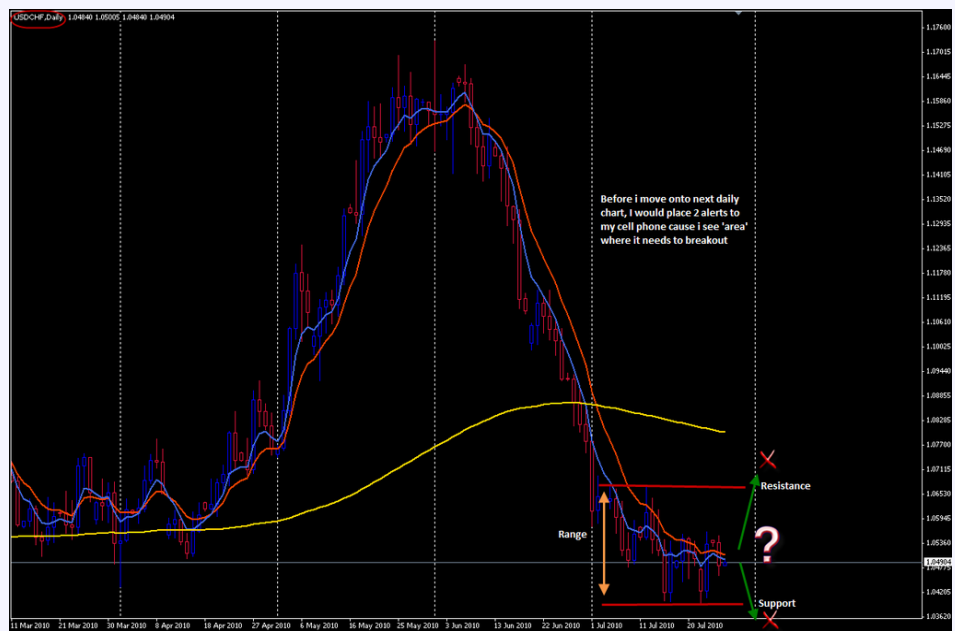
At first, traders are trying to look at everything, everywhere. Which is part of learning curve. This is like throwing punches aimlessly, and you will tire yourself out.

Pro fighter knows when to hit and where to hit. It is this intuition they can manage their trades efficiently.

Every monday, I scan the charts across the board and make notes/setup alerts to my cellphone in areas where i will be interested. Takes me 2-3 hours.

First I start with quick look at all daily charts across the board and 'tick' charts that I like and move that chart to the front of my platform tiles, at the bottom. I would spend about 5min on each chart







Jul 26, 2010 10:13pm

380



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This would be a typical 3rd priority chart for me



Never ignore charts on 3rd priorities.

Charts that are on first priority require less time on 4hr/1hr smaller timeframes as the trend is compelling for now.

Charts on 3rd priorities takes little more planning on the lower timeframes.

Edit: There is no reason to prioritise charts like the above however it does give me a 'slight' guidance to what and where. It gives me the scope of the coming week. I would enter just as many low risk entries on 3rd priority charts than 1st priority as I don't know what is going to happen tomorrow or next week on these charts. However I do know that charts on 1st priority requires lesser effort most of the times cause of the momentum that flows in from previous week. But also I would like to capture the compelling momentum on the 1st priority charts. It's a balance that may be confusing at first but once your thinking capacity can divide, manage, your charts and time effectively everything becomes a blur but in one continuous flow of action from one chart to next.

Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 10:54pm



Jul 26, 2010 10:18pm

381



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **xman**

@PipEasy

As I can see on yours example chart, you dit not folow all rules, am I right?

1. If the price is coming down from last .00, then enter 2 sell positions, 1 position at take profit 100 pips and other position has no take profit. Both positions to have stop loss -100 pips. **If price reverses from your entry you lose -200pips but then enter another x2 lots of buy positions since price is coming up from .00**
2. You let it run. After 100 pips, 1 position will close by taking +100 pips, and the other remaining position...

Good morning, xman

I looked at my charts and there is one or two that I have circled that shouldnt be there. You are correct about the small error however the rules above is firm.

If price moves from 135.000 to 134.000, then we enter 2 sell positions

If price moves from 134.000 to 135.000, then we enter 2 buy positions

If, price moved from 135.000 to 134.500 and then straight up to 136.000, then we enter 2 buy positions at 136.000. But then, if price goes to 136.500 but then down to 135.000, then we would enter 2 sell positions at 135.000.

As you can see you will face large drawdowns if price ranges between the range of 200 pips. It happens often but there will be much more wins.

The most important thing to do is let these surviving positions grow and then diversify for a profit.

This entry system is just getting you started at creating stacks of positions but it is a sensible entry system.

Sincerely,

Graeme



Jul 26, 2010 10:23pm

382



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **StoragePro**

Before you all go bonkers and pollute your chart with lines every 100 pips, (100 pips is ONE CENT on the EU) there are two things to keep in mind - first, if you draw enough lines on your chart, price will react at some of them.

Second - not every 00 is important. In fact, for some pairs, 00 is rather unimportant, but 20 and 80 are more so.

Take a look at every 000 and 500 first and go from there. When they line up with previous Support and Resistance, then you have a location that is full of meaning. Why do these areas mean more? Because a...

Good morning, storagepro

Thank you for your contribution.

I be more inclined to agree with what you say. However for the sake of the learners I have shown them how an entry from simple .00 and controlling the positions risk/growth can lead to large growth/profits in the long run.

What you state is correct, about hedge fund managers, buy/sell on dips with main trend, round numbers at 1.40, 1.80 and so on but lets not forget we are here to show the learners just the first step into their own thinking capacity.

You post will lead into more confusion than clarity, unfortunately.

Sincerely,

Graeme



Jul 26, 2010 10:26pm

383



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **pip_daddy**

It's up to you but I trust round numbers (ie. 100 pip lines) more than I do trendlines and fib lines and just about anything else. Of course it's best if there is confluence of several indicators but round numbers are a big part of that for a lot of traders. Just sayin.

Good morning, pip_daddy

Entering from .00 should be just the first step of how you participate into the market. You can grow your insights from this. Dont stop your learning by just doing .00 entry. However you can still see profit on the long term but would be somewhat pre-defined profits as the entries are also pre-defined.

If you backtest .00 entry on a main trend that lasted longer than 6months you will see large growth.

Im showing our traders that participation (anyhow, even .00 entries) can create growth on your capital from the main trend.

Sincerely,

Graeme



Jul 26, 2010 10:46pm

384



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Good morning, all

Just before I go out for the day.

I reviewed all my posts for the last 2-3 pages.

Please do not forget that the whole idea of introducing .00 entries is to get all traders started somewhere. Majority of traders are asking for entry method but it is something that grows with your intuition.

I still request and recommend that everyone continues with x3 20 take profit exercise however the .00 entries will get you started.

Try demo on 3 pairs of currency with .00 entries. You will be very busy at entering buy stop/sell stop non-stop. If you find it too much you can also increase your entries to every 200 pips than 100 pips. Reward/Risk is similar.

Let surviving positions grow for few weeks and try your first diversification on the demo.

It will be part of everyone's enlightenment and you will be pleased with the result.

You will be pleased to see that a sloppy entry like this can also create large growth on your capital if you allow the time for the positions to grow on main trend.

To all your success,

Sincerely,

Graeme



Jul 27, 2010 2:39am

388



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **tommbstone**

I have to agree, every position I've opened all week has gone either positive then SI hit or just flat out negative. Extremely hard style of trading unless you use large stops to let it "breathe" But I'm still trying to figure it out.

Good afternoon, tommbstone

I can see that you are at your first step.

Can you handle another 3-4 weeks of the above?

Sincerely,

Graeme



Jul 27, 2010 2:49am

389



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Good afternoon, all

Here are my current stats again so all traders could base their expectancy (this is from post 250),

Currently (from last 2 years):

181 positions still alive and working

4000+ positions in the last 2 years

That is roughly 40 positions per week, or 8 per day

80% breakeven

16% taken profit during one of the diversification (short/medium growth)

4% still growing on long term

This 4% makes me my most profit.

4% of 4000+ entries? Less than 200... (and thats from 2 years)
Statically speaking 1.7 positions per week make it to be long term
That is, 1.7 positions out of 40 positions every week

Current weekly growth (not calculated on daily basis) based on last few months of growth:

Adding almost 7000 pips of unrealized profit per week
All my positions are 2 standard lots, \$20usd per pip

Is it worth the trouble..? I must say most definitely.

Sincerely,

Graeme

Last edited by pipEASY, Jul 27, 2010 3:16am



Jul 27, 2010 3:24am

391



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **oztrader**
thanks for taking the time Graeme, I hope lots of traders have read this thread.This is GOLD
Kindest regards

Good afternoon, oztrader

My pleasure.

Sincerely,

Graeme



Jul 28, 2010 2:26am

400



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **zznbrm**
Well, that does add up to 100%. Where are all the small losses you discussed previously?

Good afternoon, zznbrm

Good observation but slightly off.

If you think about it, im talking about net profit here. All losses are accounted and settled within the numerous diversification during growth of the positions. All remaining legs are completely free as the cost and risk are all settled.

Every diversification will replace and add my trade capital and clears my scoreboard to zero.

Sincerely,

Graeme



Jul 28, 2010 2:27am

#401



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **ozziedave**

Just thought I'd share this chart and some of the things I look for when determining trend and trend strength. Here is the EURUSD daily chart. We are in an uptrend the last two months since about 4th June. As you can see there are 3 significant pullbacks in the up trend. Take a look at number 1 and number 2 pullback and compare it to the number 3 pullback. Do you notice anything different about the pullbacks and subsequent break outs to resume the trend?

Note that on pullback 1 and 2 it only takes 1 or 2 candles to break the top of the pullback...

Good afternoon, Dave

That was a good price action analysis. Well done 😊

Sincerely,

Graeme



Jul 28, 2010 2:43am

#402



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **pip_daddy**

Just put some numbers into Oanda interest calculator. If I am trading standard units the interest payments on keeping some of these positions open for a year or more runs into the thousands of dollars. Depending on which pair and whether it is long or short some will pay you interest but the sides that charge interest are usually a lot more. That would suck to fork out a few grand in interest only to have the position stopped out at BE.

You would actually have to be a bit careful with this because some sides of some pairs could get kind of expensive....

Good afternoon, pip_daddy

Very good observation which opens to a very good discussion.

I have 2 questions:

1. In forex, price always moves? YES.

Price last year will not be same as this year (unless you are super lucky to have a retrace back to entry price of last year which means that you are currently in a trend that lasted few months to come back). So in another words we are talking about price moving at least couple of thousand pips in a year.

2. Swap, slippage, is a necessary business cost (but it is relatively marginal). **However losses and drawdowns from sloppy entries are unnecessary business expense.**

You calculated \$4600 net loss for 5 standard positions (\$50 per pip) at 1 year? I believe in your calculations.

After working out on my calculator, thats, 92pips (since we have 5 standard lots).. So i can agree that it would be about 10 pips per month.

This is very small amount to pay for the potential of growing your positions on a main trend.

From my statistics, every position I hold is producing approximately 37 pips of **net** profit every week (calculated on the basis of last 4 months).

This is not gross before losses but net profit after accounting and settling all my losses through numerous diversification during growth.

If one position is roughly giving me 37 pips of growth per week or 148 pips per month. I would gladly trade 10 pips for a potential 148 pips anytime, all the time.

But, that 37 pips of net profit Im referring to has already accounted and settled:

1. All losses ocured when establishing positions
2. Any miscellaneous marginal swap rates

So technically I should say 37 pips of net profit is 'after' I have accounted and settled my swaps.

Swap, slippage, negatively correlated pairs, these kind of factors only hinder traders who are trying to capture small slice of profit from intraday or any other short term trading.

We, long term traders are above and beyond all that.

Please do not allow swap to effect your participation or judgement. I trade negative swap pairs all the time and have great results from them.

Sincerely,

Graeme



Jul 28, 2010 2:44am

403



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **tommbstone**

Graeme,

Will you adpot me? I have no real dad anyways to teach me about life fishing and trading. 😊 LOL

Good afternoon, tommbstone

Thank you. I had a great laugh

Sincerely,

Graeme



Jul 28, 2010 9:36am

407



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by xman

1. If the price is coming down from last .00, then enter 2 sell positions, 1 position at take profit 100 pips and other position has no take profit. Both positions to have stop loss -100 pips. **If price reverses from your entry you lose -200pips but then enter another x2 lots of buy positions since price is coming up from .00**
2. You let it run. After 100 pips, 1 position will close by taking +100 pips, and the other remaining position is completely free. Dont move the -100 stop loss of the remaining position, this is...

These charts are for you xman and everyone else. It will clear alot of things





Edit: I just noticed that the time period of growth was more than 1-2 weeks so yes, i would have diversified my first group in the green area. Im interested to diversify anything that grew more than 2 weeks at least. Anything less is ignored

Edit: In the first chart, I meant to say that you should have held onto the positions that are ticked not circled. Orange circles in the first chart are your losses

Edit: I also noticed that on the 2nd chart there is much more than just x3 +100 pips from 1:1 positions. Apologies. I rushed to get the charts up here. I see x9 +100pips from 1:1 positions which means the net profit after the 1st diversification would have been 1400 + 900 = 2300pips

Last edited by pipEASY, Jul 28, 2010 5:54pm



Jul 28, 2010 9:44am

#408



pipEASY

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Member Since Dec 2009

10+yr 760 Posts



Quote:

Originally Posted by **pipcruiser**

Hi Graeme,

just have a question in order to "understand" your trading routines...

You mentioned that it takes you 2-3 hrs a day to check charts etc.

You also mentioned, that in average you put on 8 positions a day. Do you put on these trades at start of day or do you wait for perfection entries, which basically can happen anytime 24/6...?

Can I ask you, do you consider yourself as a full time trader, meaning do you spend most of your day trading (or your imp/exp biz)?.

Im just trying to figure out how much time/screen-time it takes to...

Good evening, PC

Thank you for the question.

Please allow me to speak from my current statistics, it looks like I have been adding 8 positions per day for the last 2 years of every trading day.

I spend about 2-3 hours per day looking at areas of interest across all charts and setup alerts to my cell phone. I also spend a hour looking at my journal as it also tells me whether there is a clear trend or a retrace at the moment.

So in total I spend about 4-5 hours per day without fail. This amount of workload is considered full time trading.

Nowadays, I draw clear trendlines across the pair of currency on monday and adjust them little by little as the week goes. Some trendlines, fibs, s/r lines are few weeks old and all I do is just move them with the market flow.

It depends on your entry method. If you have an ema crossover entry method that uses momentum to enter safely before or at the crossover then you would need to watch the london/us session more closely. I use mostly entry methods where i get alerted when the price actually moves into preferable 'zones' from my personal focal interpretation.

Im still ambitious to add more positions and still consider myself an aggressive trader.

Personally, I believe that my growth/profit is only small compared to some of the larger traders. I havent met anyone personally but I doubt Im one of the biggest trader. I consider forex market as the best vehicle of growth investment currently available. The only catch is, there is a big learning curve to master. So practice will be definitely worth the reward

However, I must clarify that my \$7 million+ current annual growth rate is largely unrealized as I still hold onto the positions. Can you handle that? It will be one of the last emotional hurdle that is coming to you.

Does everyone know how to setup a VPS account, sign up smtp server, and have the alert sent to their phone? It is an instant notification for me.

I consider VPS server a must if your serious about trading and have the spare \$25usd per month.

Sincerely,

Graeme

Last edited by pipEASY, Jul 28, 2010 9:55am



Jul 28, 2010 9:50am

409



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Good evening, all

Thank you for your continued interest and I hope all readers have learnt something useful from my contribution.

These facts presented by myself is not something I was smart enough to create. All I ever do is follow the market.

I just want to let everyone know that all the PMs and posts of compliment are greatly appreciated.

Please do not take it the wrong way when I dont acknowledge them publically in the thread anymore. Unfortunatelly, we are already at page 27 of this thread which is beyond my personal intention and I wish to somehow stop this thread from growing. Such ironic thing to say but as we all

know, long tiresome threads are never better for the new readers.

Some of the recent compliments (in the last 5 pages) has been read and I thank you for such warm remarks.

Thank you all.

Sincerely,

Graeme



Jul 28, 2010 3:03pm

#412



pipEASY


crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **indianguyinny24** 
PipEasy,

Its been like ages when i have to come to "TRADING SYSTEMS" and found something that has really vowed me....i read till 10 pages and i think i got the Jinx of what r u doing....i will just list some of my points that i love about ur trading.

- 1. You are a humble guy*
- 2. You respect the market*
- 3. You created your own system one that suits u.*

Rest something i like may not be clear is your "RISK"... i am not a big fan of R:Reward but i am a big fan of thing called RISK...

But all in all a amazing thread...and for this you...

Good morning, V

Thank you for the compliment and the vouch.

Once again, I thank everyone for the support and wish everyone a successful trading career. There must be sacrifices made, pain taken to be successful at anything.

Only 10% (slightly less) of new businesses ever make it past 10 years of operation without going bust. I believe this statistic also applies to trading.

You are in charge of your own business.

Thank you too xman as well for a great question.

Sincerely,

Graeme



Aug 1, 2010 12:28am

#422

Member Since Dec 2009



Good afternoon, all

Thank you for all the compliments. It makes my efforts worthwhile.

Im glad to hear/see that traders are trying out the exercise. My only request is for you to continue with the exercise as it is the best advice I can give.

Your insights will grow from:

unconscious gut feeling -> to good gut feeling -> to insight with reasons -> subconscious actions with plenty of reasoning

From the exercise you will find related discoveries:

1. Areas of demand/support
2. Mass areas of other traders interest
3. Market sentiments
4. Upskilling your focal interpretation to know when its a good momentum and a slow momentum
5. Greater picture of the higher timeframe

You may have heard some pros on this forum quoting one of the obvious preached principles and then you find they will acknowledge each other at such obvious comments. Most comments are in such riddles that is baffling to comprehend at most times. Other recipients often reply in acknowledgement however, whether they truly understand what is being said will be a distant second. Im not here to discuss the integrity of other traders, but I wish to take little of your time to acknowledge together with you in what they are quoting.

1. Trend is friend - one of the favourites preached.

Trend is the only thing that will make you growth/profit in forex. It is not your uber intelligence/indicator/ea in trading but the fact that market 'actually' moves for you to profit on the difference of movement. Without trend/movement you cannot make growth/profit. However, there are scalpers/short term traders whom are very skilled in taking profits from random market fluctuations and they have my respect for something I cannot do. However, since their profit/growth lies within increasing their capital balance by certain % and then increasing their lot size it is a completely different stress level. If you are a profitable short term trader I urge you to hold onto your positions a little longer and you will find that without your assistance, the market will grow your profits for you. I prefer to roll the ball down the hill but if you wish to continue pushing it up the hill that is your choice.

2. Buy when its up, sell when its down - another favourite.

Unfortunately, not many traders actually know the true secret to this sentence. You will be surprised how easy your trading will become if you just follow the flow. For example, I have introduced .00 entry system to show all traders that you can enter simply from any direction the price is coming from and enter.

Price is coming down from .00 above, then enter sell at .00 below.

Price is coming up from .00 below, then enter buy at .00 above.

I can assure you most of the professional/successful traders use lesser indicators, lesser rules than the unsuccessful. Some may not even look at charts all together.

These professionals know the importance of low risk entry, power of participation and growth from holding. 3 very important ingredients to successful trading career.

All they ever do is: enter with the flow, hold for growth and thats it.

Yes, it is that simple. Sometimes the obvious sounds too plain but then you are choosing only to hear what you wish to hear. Traders fail cause they try to outthink, outsmart, outmove the market. No,no,no you cannot beat this market. Noboby has for centuries. There is no set parameter where you can implement on a constant random variables to achieve same results year by year. a.ka indicators/eas

3. Choose only one pair of currency and learn the characteristic - wrong

There is no such thing as characteristic of a pair of currency. Market is not a person or a lifeform, it moves on its own accord with/without its own agenda. It's a generic energy. For the last 4-5 years, traders loved eur/usd. Biggest liquidity, 3+ years of uptrend, hardly any major corrections, cheap spreads. They all considered eur/usd characteristic to be a passive, gentle, reliable. Then what happened last 2 years? Down 1 year, up 1 year (more or less). I see more reliability on gbp/aud downtrend than eur/usd (at the moment). Never get attached to one pair. You need to be selecting your currency pairs on a daily, weekly basis.

A lot of traders get confused and relate characteristic with volatility (especially jpy cross). It's 2 different things.

4. Hold them for growth - not a favourable one but it's around this forum

Market grows your profits for you. All you can really do is plant your seeds and hope for the best. Market decides whether to reward you or not. And if not, then hopefully you control your risk and lose nothing or minimal.

I had few pms thanking me for the .00 entry system. They can see that just holding onto positions and controlling the risk/reward brings in profits already. There is more to the .00 entry system and it certainly has room for improvements. But the most important lesson from this system was to show you, how entering and holding, either buy and sell can/will grow your profits if you allow some time for growth.

Because market always moves, up and down, all we can ever do is enter and let it play out at the mercy of the markets.

One of the problems with .00 entry system is the inevitable drawdown. Every system/eas has drawdown. We have drawdowns cause the market fluctuates in a given range. Undecided where to go so moving 50pip up then 50 pip down then 50 pip up and so on for prolonged periods. I have yet to see a trader, trading successfully within the range bound with a scalping system yet. My respects to you if you can.

It is at this point I would like to give another advice today. This advice will sound vague to most traders at the moment as they have not reached that part of enlightenment yet. But keep it somewhere in your learning mind and one day it will just dawn on you.

How do I avoid drawdowns?

I avoid the market as much as I can, in a sense.

It is very important not to over expose yourself to a certain pair of currency. It's like staring at the sun, you take just one look for few moments.

I do take every low risk entry given to me by the markets but my participation is almost 20 pairs of currency. Yes, i perform 7+ entries per day however never too much focus on one single pair. And one of the reason I don't focus too much on a given pair is that, there are periods of range which lasts for days. I can avoid the whole hassle of losses/drawdowns/breakeven by simply only entering **what i can see, when i can see. This is very important.**

Increased risk doesn't necessarily increase your reward. It means, do not try and stack multiple positions in one single day. You either tire yourself out or have multiple losses in a row as you are placing positions too close to each other and the market will simply gobble up any positions in an 'area.' However, I do stack positions aggressively sometimes when there is good movement but once again I do not try very hard. **I prefer to focus on spreading my exposure in all pairs of currency which also spreads out my risk and my reward.**

When you place **gaps of hours/days** between each position, yes, unfortunately you miss out on few golden opportunities but you also avoid 'all' or 'most' of the range periods. Think about it please. You only suffer the range of a pair of currency if you are trying to participate everyday, everytime on that particular pair.

You need to only participate on pairs of currency that are currently moving. When I know a pair of currency is trending more than usual this week, I stack positions heavily into that pair of currency. Then when actions die down, I leave my legs behind and move on. It's mostly touch and go. I have mentioned few times in the earlier post that I never re-attempt a failed entry more than twice per day, rarely 3rd. I wish I had explained in more detail but when I fail my first entry (minimal loss from entry), I must have a very very very good reason for me to come back again for a 2nd re attempt.

You can enter 10 times frantically and suffer 8 losses and 2 winners. You hold onto 2 winners for growth and finally close +300 pips per position. +600 gross profit - 8 losses = approximately +350 pips net profit

Or

You can enter 4 times (at good momentum or spaced out) and suffer 3 losses and 1 winner. You hold onto 1 winner for growth and finally close at +300 pip. $+300 - 3 \text{ losses} = \text{approximately } +200 \text{ pips net profit}$

Scenario one had 20% win rate, scenario two had 25% win rate. Similar win rate however similar profit but two different stories with two different psyche levels.

The main difference between scenario 1 and 2 is the drawdown. You suffered 8 losses out of 10. This plays mind games on you. Since you lost 8 rounds, do you think you will be able to hold onto the winning 2 for growth? Most traders, after a consecutive 8 loss they try to recoup the losses by closing out their winning trades too early. Everyone should be guilty of this.

Furthermore, scenario 2 trader, plays all pairs and his other 1 or 2 positions that he slipped into other pair of currency at his leisure could bring in something.

See how he distributes his risk/stress on an even spread? Similar results, similar profits, half the stress, half the mind game.

This tactic of avoidance is also another risk control method and one of the more important one. Many professionals avoid the market in a sense.

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 8:18am



Aug 1, 2010 3:27am

424



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Good afternoon, ozziedave

Thank you for the detailed chart and the excellent question.

Ozziedave, I appreciate your input in this thread as you make the readers think. I certainly don't want to be someone just telling all what to do. I would prefer if everyone could think on their own and choose what is right and wrong. Please ask me anything in the future and no need to apologize.

Good detailed chart. Very well thought of.

1. It is very good for you to calculate realized loss and profit, but you focused your calculation on approximately 2 weeks of the market and not the following what happens. And that 2 weeks is also ranging. That is fine. Anyone can calculate one section of the market and it would look bad.
2. I can see that you don't take 2 positions at .00. I always take 2 positions, then 1, 12, 13 is alive all the way till end of that chart. Yes, I would lose -200 instead of -100 but it works out exponentially better. Also I take +100 pips here and there which helps at the end but most importantly it allows breathing space on the remaining position.
3. Unfortunately, market doesn't stop at one segment of one's focal interpretation. In other words, I would comfortably have 3 more positions at 20 July, 22 July, 23 July (and week before?). Yes there would be few more losses in between and I won't forget them.
4. I wouldn't normally diversify for a loss or to breakeven (for that chart) however I don't normally just use .00 entries either. .00 entry system was just to show all that entering anyhow, anywhere can also produce profits/growth from holding.
5. I calculate roughly +2400 pip profit near end of July (if I diversified there), and my loss would be around -2200. Not a good result from a possible drawdown of -1800 in one scenario. However this result is worst case scenario. While you look at that particular area, I wonder what happened to the positions week just before or the week just after? Just one position before that range or one week more of growth would have changed the result spectacularly.

Just to let all readers know, just doing .00 entries will face drawdowns cause its just another mechanical system. The only reason I introduced this entry system is to get all traders started somewhere. I have requested that traders need to improve on .00 entries.

Perhaps add,

Taking only few random entries, spacing out your entries. Purposefully but sensibly. This is what I talked about in my previous post.

However, I can confidently say even just .00 entry system, I can pull out any period on any pair of currency and produce a profit when I calculate 2 months of data. Because you cannot lose with growth of main trend on your side. **But, I dont do that cause the drawdowns are too much.** This will play havoc on your emotions.

What i say next is very important for ozzietrader and readers. This is where you make the understanding or break..

In the above chart by ozziedave, I would have only taken 4-5 positions out of 13 listed. I could have all 4-5 losses in which case I would just have to continue on until I build my positions but I have dramatically stopped/stunned/reduced my drawdown in that range. I would only having 2-3 attempts within that range. Also, I do not use -100 pip stop loss, I would know very soon after I enter if price has stalled and not going towards my intended direction then I would stop out at whatever Im at (much less than -100). Furthermore, when I know a pair of currency is in range, I place it in 3rd priority. This is why you need to trade multiple currencies and only trade the pair that are currently moving for you.

For that particular chart, I would most likely have 4-5 positions before that range on good uptrend, 1-2 attempts during that range, 3-4 positions after that range. This is possible because im not super smart but its possible because Im not in a rush to build my positions in one single area. Im glad this post actually flows nicely from my previous post.

The main reason that particular trader failed in ozziedave's chart is because he tried frantically to make positions when market is telling him to step away.

Can everyone see why successful traders try and stay away from the markets?

Someone asked me how I can manage up to 20 pairs of currency. I only trade what I see, when I see. It diverges my time/risk/reward on an even spread.

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 3:44am



Aug 1, 2010 4:16am

425



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Thought I would finish off today by explaining what I perceive to be ranging. This is just example

1. A trader sees a good momentum movement up, its from 50% fib, higher than open price, main trend is uptrend, and there is alot of participation. He has done this a thousand times.
2. You enter at nearest s/r. Can be .00 or any of your choice as it does not matter. It moves relatively easily into profit. Seen that many times before.
3. Something has gone wrong. Price suddenly stalled. Now price is having difficulty making higher high on 5min chart. Price slowing down, new sellers jumping aboard, now its making lower lows and moving into tight bound.
4. I exit now, -16 pips.

For me, this pair of currency is now ranging for me. Period. Im not wasting another 1 minute looking at this pair of currency wondering when it

would start picking up speed again. I simply flick over to next pair of currency.

Next pair of currency is hot.

Alot of movements. Monthly/weekly downtrend is aligned, price is higher than open but its losing pressure. I want to see final gasps of buyers before I execute. Surprise, buyers cant penetrate the support. Good, where is my piggyback? Yes! Look at all these sellers climbing aboard, they must have loved that oversold RSI >90 and macd and channel and bollinger band. Execute! (and im probably on the soon-to-be wick of the daily candle). Price approaching open price of the day, lets wait for it, can it penetrate pivot resistance? Yes, with ease, I enter just below again. Yes, its moved 20 pips profit easily, uh? What is happening? Price stalled. Oh bollocks. Not enough sellers? Sigh.. Retrace up? I dont care, move sl to be and move on.

Move on to next pair..

Holly Molly? I missed this action. Its already moved 100 pips in one hour. Dang rabbit! I spent 30minutes on the crap first pair of currency. Plenty of space between R1 and Pivot. Enter at .00 going up, good momentum but could be better. Can we breach mid channel? Traders love that, RSI rising sharply, so is macd, heh heh who am i going to piggyback on? Lets put a buy stop at next .50. Boom, im in. Scanning, scanning, hmm all looks good, ema just crossed over (traders love that), i love the slope too. God this momentum is fabulous im already +35 pips ahead. Move sl to be. I will wait until .00 since I entered at .50 and I will enter with hard stop loss 25 on both positions so I lose nothing. OK 2nd position in, uh.. what is this. Price stalled at resistance. Let it be? no, I will close 2nd out at -10 pips and let the other ride it out.

A failed entry for me, is a sign that market is ranging. It doesnt matter if market is really ranging or not. All i need to do is keeping moving around the pairs of currencies. I hope the above comical approach will be lighter to your understanding.

I had alot of fun typing out the above and its similar to what I do everyday in the markets. I trade what i see, when i see. You only know your progress when few weeks later there are still positions alive in your journal. There is no reason why this happens. Make it happen and it will happen.

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 5:14am



Aug 1, 2010 7:56am

436



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Member Since Dec 2009

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Good evening, all

Thank you very much for the contribution and the backtesting.

Impressive analysis and kudos for everyones contribution.

If I add a honest review of the analysis,

1. Drawdown is too big. I would never allow such drawdowns and to let all new readers know that when I first introduced .00 entry system I informed all of such drawdowns. Hope everyone see the importance of holding onto your positions and better discretionary entry skills. Even after enduring almost -4000 pips in one scenario, market will grow your remaining positions and it gets bigger and faster the longer you hold.

2. +2600 net pips for 2 months is too large. This was achievable cause of the 'unnecessary' over risk we take by doing every .00 entry mechanically. If everyone can please reflect to my early post of today when I explain the importance of ignoring the market on given times you will definitely, reduce that drawdown by at least half + your perfect entry skills = your drawdowns will be minimal.

Edit: I just noticed this net profit is larger than my expectation as there was no diversification in the middle. My current statistic shows that each position is currently bringing in 37 net pips per week. Please consider this figure in your expectations.

3. I hope for the sake of all readers that they did not implement .00 entry system as it is.

Please allow me to show all the power of ignoring the market and how it saves your capital/stress/risk.

Anyone here please choose any 7 pairs of currency.

First reply will get the chance to choose

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 12:32pm



Aug 1, 2010 8:27am

440



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Quote:

Originally Posted by **Chorlton**

Hello Graeme,

Firstly, great Thread. The underlying concept of letting your profits run to such an extent that you can capture those profit "outliners/fat-tails" is something which I also strongly believe in.

However, as I am new to FX, I wonder whether you can answer a couple of questions for me.

1) When you close positions which have made gains (so that you can diversify), (i) what % of them do you close in relation to those that you keep running for the bigger gains, and (ii) how do you decide when to move a particular position to...

Good evening, Chorlton

Thank you for your question. Apologies that I missed it somehow.

1. I diversify when there was enough growth of the current group and the direction of the market is uncertain. I will diversify to replenish my trade capital and add realized profit to ensure a smooth growing equity. I will always hold largest legs of the group and move them to the group before on the higher level. No set %, diversification is the easier part of my trading.

2. For myself, open of daily candle is 9am sydney time (open of asian market). Im not sure if this differs from other traders in other timezome.

3. Mt4 is the first that I encountered. I havent tried anything else but I have everything I need in mt4. Thank you for the additional information on the other platform, I will keep in mind and one day try it out.

Thank you for great questions

Sincerely,

Graeme



Aug 1, 2010 8:31am

441



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Quote:

Originally Posted by **Chorlton**

I

IMO there is little benefit in assessing the drawdown over a short period (such as a few weeks) if the intention is to hold for much longer.

To try to expand on this I'd like to tell a quick story. I was once at a seminar where a graph of a system's drawdown & Equity was displayed. According to the graph (which displayed about 8 weeks of results) the equity kept on falling. My instant reaction and others in the room was why are you showing me the results of a losing system !??! However, when the graph was resized to cover the last 5 years...

Good evening, Chorlton

Correct. Absolutely. However, drawdowns must be avoided.

The mind games involved in drawdowns is devastating. You wont be able to sleep with a realized -4000 pips loss and all you have is 2 open positions now at +300 pips each.

The only way to avoid drawdowns..?



Sincerely,

Graeme



Aug 1, 2010 10:09am

445



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Quote:

Originally Posted by **Gp144**

Thank You PipEasy so much for this thread.

I have a small account

(\$550.00) with Interbankfx in the US. With this broker, I can trade at a penny a pip (.01) which is the way I like it for now. I don't spend alot of time anymore at the computer because I been losing money for the past three and a half years. Now, I will be adding funds too my account shortly, to begin building equity.

Graeme, your style of trading has put things into perspective for me and others that this can be a "business of profitable investing", once you get survivable...

Good evening, George

Thank you for the compliment and Im sorry to hear that you have lost your money for the last 3 years. Could you explain why you think you have lost money? I can probably assume/guess however it would be nice if you would share with the community, if you dont mind.

I hope U.S brokers understand that there is no beneficial reason or any technically fundamental reason why buy and sell is considered a wrongdoing. People buy items from UK while living in japan and so does a uk citizen buying items from japan. Its a flow of buy and sell in a two way lane.

Sincerely,

Graeme



Aug 1, 2010 11:04am

446



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Member Since Dec 2009

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Good evening, all

Ozziedave has chosen 7 pairs of currency for me. The first being gbp/usd.

Im not very sure if my next 7 charts, will help your understanding or add more confusion but I hope it helps in some ways.

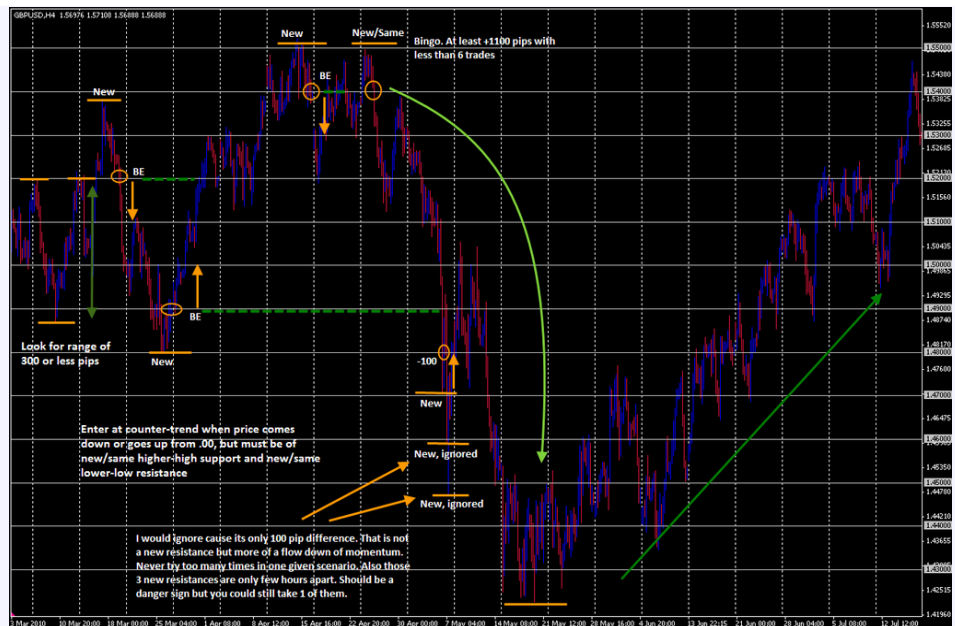
Before you look at the charts, I just want to say with all earnesty that 2 traders cannot be the exactly same. Its not learning something from a textbook because trading is your very own personal interpretation of the present matter on hand.

I invite all how I 'possibly' use just basic moving higher high/lower low, .00 s/r, and pattern recognition helps me grasp the bigger picture of the market sentiment. This bigger grasp helps me notice trends happening 'before' i move into a zoomed view on 1hr timeframe for razor entries.

It may be alot to digest however believe me when I say I do the next 7 charts all in my head at one glance of an open chart. With all sincerity I hope this helps but I have my concerns. I will follow up with 6 further analysis of remaining pairs.

Price must move from support to resistance of moving higher high and lower lows. They use .00 as stepping stones on the way. Think about it.

First chart shows my complete focal interpretation of last 4 months.



Last edited by pipEASY, Aug 1, 2010 12:34pm



Aug 1, 2010 11:08am

447



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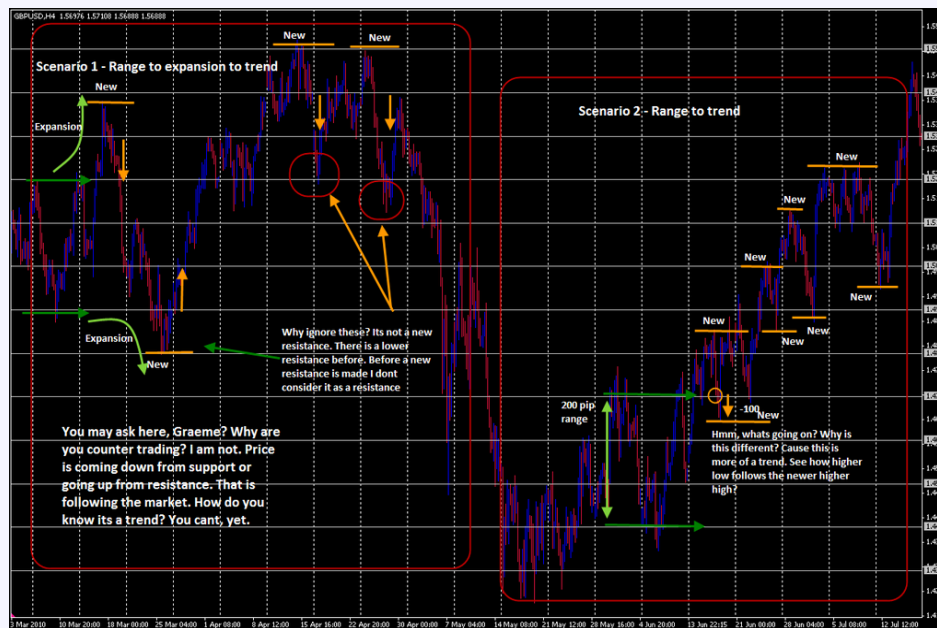
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My first focal interpretation of some possible future movement



There are 2 distinct price patterns in forex. Scenario 1 and Scenario 2. Small variations in between but its either one or the other more or less.



Last edited by pipEASY, Aug 1, 2010 12:02pm



Aug 1, 2010 11:12am

[pipEASY](#)

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Member Since Dec 2009

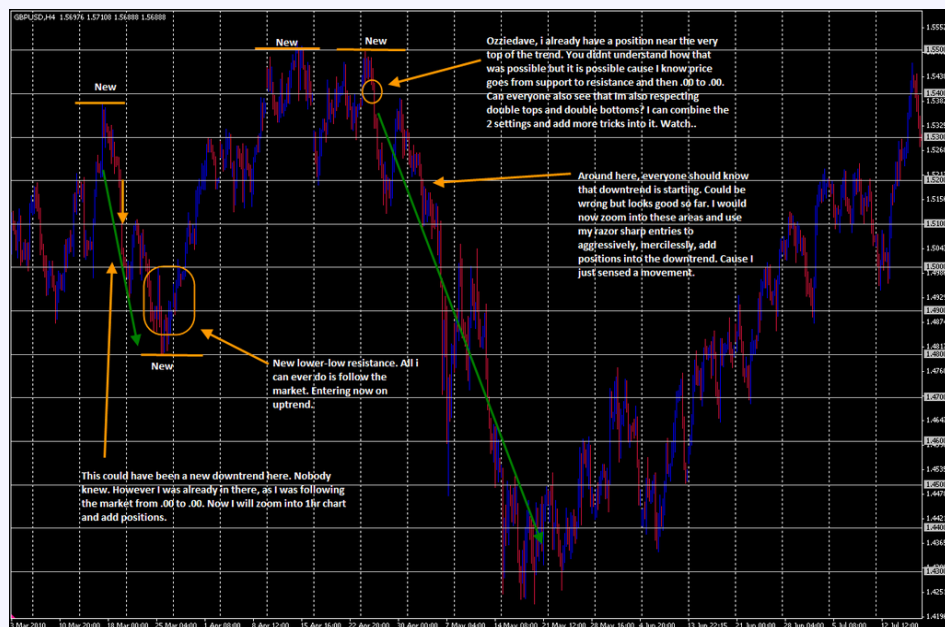
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crede quod habes, et habes



Can everyone see that a counter trade is also a start of a new trend? Nobody knows. As long as price is moving up from .00 then im buy, price moving down from .00 then im sell. My biggest helper.



Aug 1, 2010 11:14am

449



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Member Since Dec 2009

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But, Graeme? I see different support/resistance to you, and different range to you. It doesnt matter. Its all relative. At the end the result will be same.