



Now compare



Aug 23, 2010 1:07pm

1266



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Member Since Dec 2009

10+y 760 Posts



Now to answer pip_daddy and for all readers

Can all traders see how I tighten my stop loss?

I do not need to force an entry.

If the big volatile movement happens before I enter: Too late

If the big volatile movement happens after I enter: Just right

Once you completely understand the important of low risk entries, this will answer pip_daddys question quiet easily.

Traders ask me how its possible to keep such low average loss per position?

It is because my realized loss of a position rarely goes over 10 pips on 5 min chart (except jpy cross which I will not go over 25 to 20).

This is possible cause most positions breakeven if they fail because **I enter on higher probability setups.**

Positions that does close as a loss is most often below 10 pips.

Today I took more than 10 entries during uk session however to roughly summarise 10 trades

3 loss, 3 breakevens, 4 still running.

3 loss = 18 pips

3 breakevens = 0 pips

4 sill running = 0 pips (stop loss moved to breakeven)

My average loss per position for 10 trades?

1.8 pips average loss per position.

Potential profit? Soooooooooo much more. This is my risk:reward

Im a statician. I can guarantee that my success is nothing but statistics. All I do is stack favour to my side and make sure all my choices are over 50% probability. I might experience short term drawdowns but numbers do not lie. Sooner or later I will win overall.

Thank you all.

I feel much better and returning to my bed

P.S Fantastic, cameronstar. Keep it up please. Tradestar, good question and I will address it in my next topic which will be using higher timeframe market sentiments into shorter timeframe.

Sincerely,

Graeme



Aug 23, 2010 1:11pm

1267



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Quote:

Originally Posted by **paul1**

Are these on 5 minute chart graeme ?

Yes they are zoomed in 5minute chart.

Graeme



Aug 23, 2010 10:00pm

1302



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Good morning, all

Thank you for the continued interest and the compliments. It is greatly appreciated.

I have read all the posts and I would like to explain few things.

Currently, alot of the traders do not have a personal trading data on themselves yet.

This is very important information that you can reflect back to improve your future trading plan/method

For example:

For the last 2 weeks a trader took 80 entries.

40 losses @ 15 pip each (im being fair with this amount)
30 breakevens
10 still alive

Total realized loss is -600 pips

Average loss per position is 7.5 pips.

That is well below suggested 10-15 pips average loss per position.

You are doing well as a professional trader and keeping your risk to minimum.

-600 pips doesnt look pretty for now but it is only a dip before the volatile breakout on your equity curve.

For the last 2 weeks, alot of the discussion was about entries. More specifically how I do it on the lower timeframe. Hence, I explained mini s/r breakouts, momentum breakout, price action at .00 and so on.

If the last 2 weeks was focusing on lower timeframe entries, allow me to show all traders how to bend with the wind by using hindsight from higher timeframe and zooming in.



Aug 23, 2010 10:16pm

1303



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What do you do on the weekend?

I log into my platform and draw up a battleplan for the coming week. Looking for areas of interest before monday. Do you do this?

Alot of traders ask how I can focus on almost 20 pairs. I pre-select my interest on the weekend before monday.

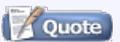
This is a true story that happened only recently. Hope readers gain a new insight.



Now I dont know what can happen after that flying buddha. However I do know that if the price after the flying buddha goes towards the preferred volatile breakout with change of direction that is huge potential for profit.



Now use this hindsight gained from weekly chart into lower timeframe



Aug 23, 2010 10:36pm

1304



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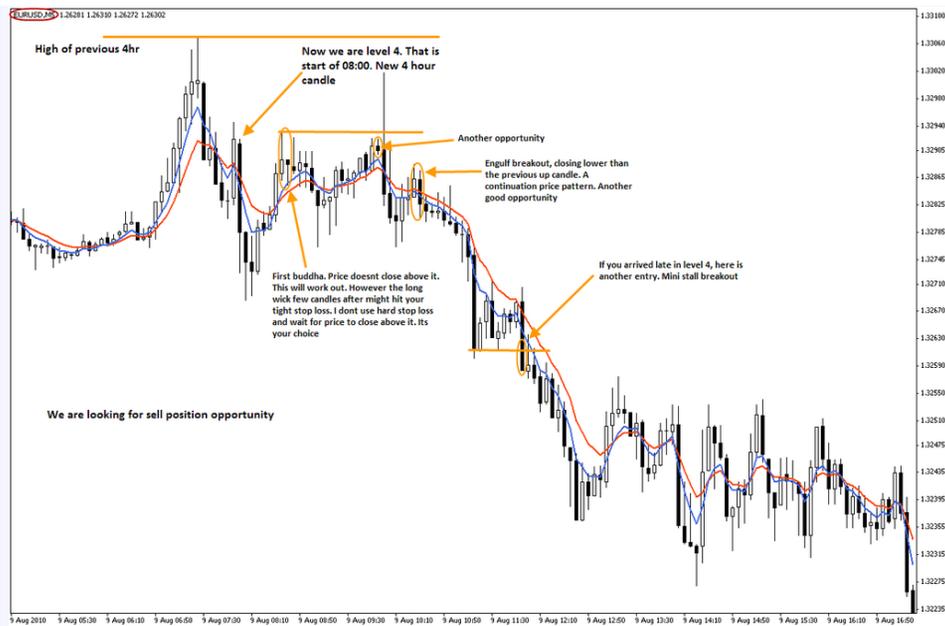
Now I zoom into next level down. Level 1. Has anyone seen the movie inception?



So lets stop here. Weekly candle (level 0) says down. 4hr chart (level 1) price setup also says down. Lets zoom into 5 minute chart (level 4) for a very very hardcore razor sharp entry. 1hr chart would be level 3.



1.33490
1.33175
1.32865
1.32555
1.32245
1.31935
1.31620
1.31310
1.31000
1.30690
1.30375
1.30065
1.29755
1.29445
1.29135
1.28820
1.28510
1.28200
1.27890
1.27580
1.27265
1.26955
1.26645
1.26335
1.26020



Last edited by pipEASY, Aug 24, 2010 3:29am



Aug 23, 2010 10:48pm

1306



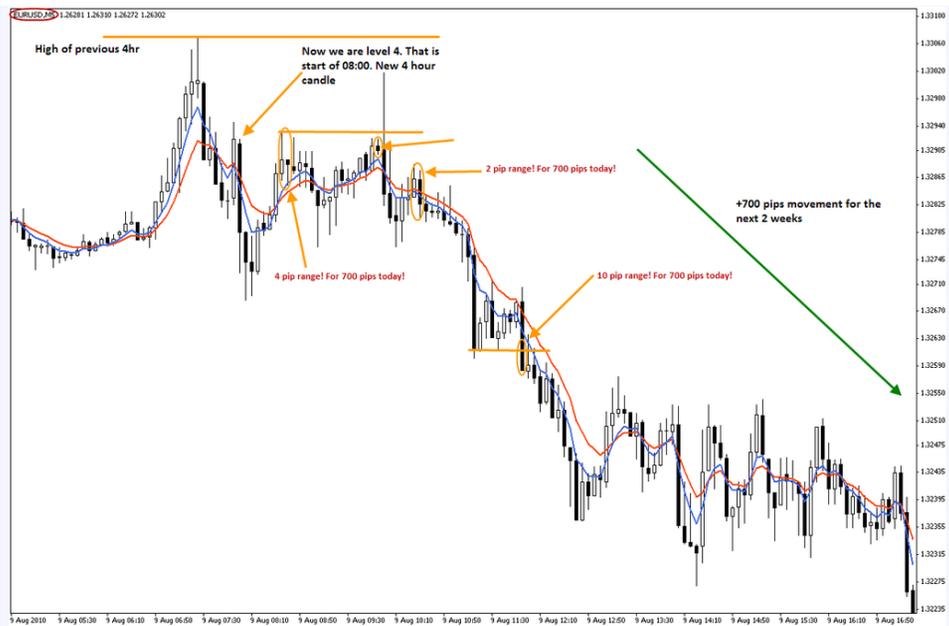
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So you gained hindsight from level 0 (weekly chart), entered level 1 (4hr chart) for a setup and then took it one step further and entered level 4 (5min chart).

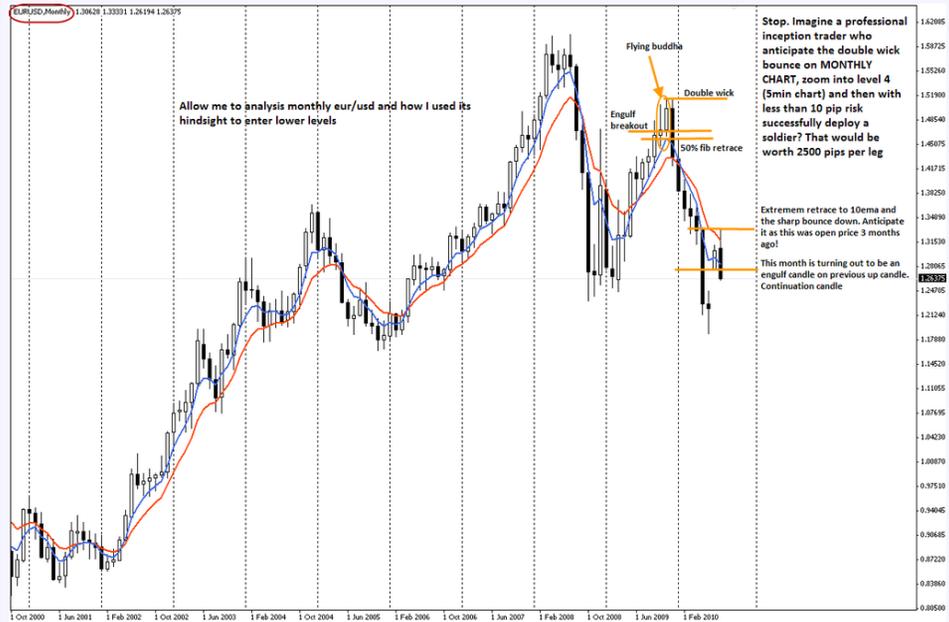
The more you enter levels the less you are risking for a higher profit but more smaller losses.



You can use inception to any way you like.

You could even gain hindsight from level -1 (monthly chart) and then keep entering/filtering all the way until level 4. Risking less than 10 pips for few thousand pips.

This is level -1. Monthly chart. Very very large battleplan. Its a shame not many traders venture here when the biggest profit is here on the monthly chart.



Can all traders see that the flying buddha 2 weeks ago on level 0 was all part of the plan from level -1?????

Must understand this



Aug 23, 2010 10:55pm

1307



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May I request all traders to please re-read the last few charts I have done today.

I believe that is the final link to what most traders are looking for.

If your question is any of these:

1. 5min chart feels so aimless. All I can see is losses and drawdowns.

-- You know that just entries on 5min chart is fruitless without a proper bigger goal/expectations in mind.

2. How do you know when to trade and where to trade

-- Using battle plan on level -1 and level 0 into level 4

3. We can see how you enter but I still dont understand how we can profit in the long run

-- This is because you have no idea what to expect. Last 2 weeks I was hoping/expecting a volatile breakout after the flying buddha on weekly chart (level 0) on eur/usd. Sometimes it doesnt work out but if it does then you hit a very very very large jackpot that will last you more than enough for the next golden opportuntiy. **My reward? +500 pips per position that I currently hold**

4. So why all these entries on lower timeframe

-- Doesnt matter if you can shoot 3 point basketball shots when you cant dribble properly across the field.

I request that all traders use the last few charts to connect everything we have discussed in the last few weeks; entries, breakouts into what I have shown today. All part of the intended flow.

It should click now.

Sincerely,

Graeme



Aug 23, 2010 11:19pm

1312



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Quote:

Originally Posted by **TradeStar**

Hi Graeme,

Going by your weekly plan last week's EUR/USD candle (I mean a week prior) also would have prompted to us to look for potential break

out to the down side with possibly some failed attempts

Is this understanding correct?

Thanks

TS

Thank you for the compliments wooli and great question.

I mentioned once before

"look inside of the inside of the inside"

Always anticipate then minimize your risk on entry and then let it play out.

Draw your battleplan on weekend on level 0 on all 20 pairs of currency marking all the pair that has interest. As the week plays out, zoom in for perfect entries.

Im just stepping out today and will return later on.

I have a final assignment for all the willing participants.

Sincerely,

Graeme



Aug 24, 2010 1:19am

1318



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Good afternoon all fellow traders

It has been 2months since I have started this thread and I appreciate the support and the care of the fellow traders out there.

I know how frustrating it is with so many information on how to trade but believe me when I say that trading effectively is far simpler than you think.

You will be amazed how complex yet simple our market is.

Some readers only need the small push in the right direction before they pick up momentum while some readers require a bigger re-conditioning of their perspective.

I never imply that my method/ideas are the only correct method however please acknowledge that I once too was sitting where you currently sit and what I do now has proven very successful over and over for myself.

Although I had benefits that Im fortunate enough to have when I started which is not the case to most. However, never let this be held against you as once the ball starts rolling your capital will grow faster than you think.

Currently, Im still working on the written material for all and will keep my promise. I can honestly say that I have contributed far and wide with enough details for any readers to use the pieces and the blueprint I have shown to form their very own juggernaut trading method.

I plan to push everyone who is willing to jump in faith and emerge what they have read and translate it into action in my next assignment. You do not need to participate if you do not want to.

My primary goal in this assignment is to prove that all readers are mostly ready to trade effectively. Im going to push you into depths that you

have not experienced and hopefully it will be the first step on each traders personal juggernaut trading method.

All the reference needed to complete this assignment is in this thread and there is no need to ask other participants if your answer is right. There is no right or wrong answer as we will all inevitably meet at the final door of profits.

Continuing on..

Last edited by pipEASY, Aug 24, 2010 3:22am



Aug 24, 2010 2:00am

1320



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I have been blessed by many readers to acknowledge my efforts and issue me with vouchers. They are greatly appreciated.

I feel obliged to also reward traders that I feel that are correctly interpreting and participating in the markets.

Plaese note I do not place myself higher authority to be a judge so please dont take it as an offence.

For the willing participants here is my next assignment for all.

We are going to use:

1. Drawing a battleplan on weekend using the recent completion of weekly candle to forecast the next 2 weeks of movement.
2. Inception into lower timeframe and the traders ability to pin-point tight entries.
3. Traders ability to minimize risk and safeguarding their capital
4. Managing the positions to stretch out the profits indefinitely
5. Using various position management tactic to ensure that your battleplan is working out as intended

If all the 5 points are ticked, I will guarantee you a big hefty profit after 2 weeks and my personal vouch for your efforts and positive outcome.

I have created an email address specifically for this project and its at [pipeasy at yahoo.com](mailto:pipeasy@yahoo.com)

Just like any good assignment I wish to see a properly structured flow of thoughts in the next 2 weeks.

Starting from this weekend:

1. Going through each 20+ pairs of currency and pre-selecting just 1 pair of currency that you deem to have a higher probability of intended movement. It could be a flying buddha, inside bar, engulf, ema crossover, pin bar or any you can think of. I want to see a clear valid reasons why
2. Once the monday opens after the weekend I want to see all traders using the hindsight gained from above point 1 and at least zoom into one level down. Preferably multi level down. I want to clearly see that your entries are respecting the hindsight you have chosen and you are also minimizing risk.
3. I do not want to see overexposure by revenge entries, thoughtless invalid entries or just for the sake entries.
4. I would prefer to see traders zoom in multi levels and finally use pure price action on 5mniute charts with average loss per position not exceeding 15 pips on any pair except jpy cross (for jpy 20-25 pips average loss per position). You can still multi level and draw battleplan from level 0 (weekly) and then price setup on level 1 (4hr) and then execute a precise low risk entry on level 3 (1hr)
5. I want to see effective position management. Profits should be maximised and risk should be minimized
6. I want to see full committment on your pre-selection that you did on 1st weekend until it 'clearly' doesnt work out.
7. If the pre-selected pair of currency does not work out as intended for the next 2 weeks, I want to see traders placing effort in minimizing their

drawdowns.

8. I want to see more effective stacking when the movement is working as intended on battleplan from level 0 and when movement doesn't I want to see traders prodding with extra small scouts.

9. I want to see that you clearly understand the difference between guessing and anticipating.

10. All work needs to be submitted with trades taken from your mt4/oanda platform. It can be demo or live and of course you can black out any sensitive personal id number.

Now for the template for you to work on

Continuing on..

Last edited by pipEASY, Aug 24, 2010 9:11am



Aug 24, 2010 2:31am

1322



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Member Since Dec 2009

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Please present your trading to myself as structured below and email me:

Date: (first weekend)

Pair: (pair of currency you have chosen)

Attach 1 weekly chart showing clearly your interpretation. Trendlines, s/r.. anything

Reason: (reason why you chose the above pair of currency to focus)

Entries: (post the trading sheet from your platform. However, I would like to see at least 3 entries with charts on how you entered)

Last edited by pipEASY, Aug 24, 2010 6:25am



Aug 24, 2010 2:40am

1323



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I wish to take a step back for the moment from this thread to allow some space for the traders to stand on their own.

It is now time for you to 'just do it'

I **earnestly** look forward to many participants with the new assignment.

If the initial battleplan did not work out as intended after 2 weeks, start again and re-submit your new choice.

I will print everyone's submission for personal reference and will post successful attempts into this thread to show all. (I will blackout any sensitive numbers that you might have forgotten to)

If you have any questions please private message me or email me thank you.

I sincerely hope that this big push will be the start of a successful trading career to the some that I have managed to touch.

Edit: I will submit my battle plan over this weekend into this thread as a guide/reference

Godspeed

Sincerely,

Graeme

Last edited by pipEASY, Aug 24, 2010 3:03am



Aug 24, 2010 7:00pm

1348



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Member Since Dec 2009

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Good morning, all

Thank you for the enthusiastic response to the assignment. I can assure all participants that you will reach new heights in your trading endeavour and I will push you into depths.

Its amazing to see the progression of questions at the moment. One month ago most of the questions were about entries and now most of the readers are experiencing their first emotional hurdle.

"Temptation to close early"

I have replied the below in a private message to a fellow trader but thought this information could benefit all.

By the way, I have read all the posts since yesterday and once again I thank you all and sincerely look forward to our collaboration.

For the traders who posted their current standing, they look impressive and I urge you on. Well done.

Good morning, (xxx)

Thank you for sharing with me your current experience.

I read your post twice and understand what you are asking.

Here are some straight answers that I hope will help you.

1. Are you surprised at the speed/strength of growing you equity from 5000 to 16000 in a relative short time? Im not as I know how hard and fast your equity grows once you have few positions gripped in the markets.

2. I know the emotional hurdle that is involved with the temptation to close out the larger legs. It was one of my emotional hurdles as well. I strongly recommend that you try and keep the largest legs. Perhaps for your peace of mind you could close just the 2nd largest for now? Sooner or later once you taste success on a live account I assure you that you will need no such assurance from myself and it is you who will be now tempted to hold onto more and more positions for a bigger reward. You will shift views very quickly.

3. Demo is great way to practice. However, I suggest that you move into a live account as soon as possible. The emotional hurdles involved will be a memorable struggle that you will always reflect back on in the years after. I still vividly remember back in the early phase that I spent 2 weeks debating furiously whether I should close 4 legs that grew for 2000+ pips for few months. The monthly candle closed above the previous downcandle signalling a reversal. Its hard to say no to 8000+ pips @ 2 standard lots. Can you handle this emotion?

I did close 3 of the positions and at first I was glad I did cause the price reversed strongly. The remaining leg started to dwindle down from 2000+ pips to almost 800 pips. I now had few legs on the reversal that were growing. I didnt care about the lonely leg that was dying. Infact I childishly pondered whether I should close that dying leg now for a little profit which is clearly against my trading principal.

8 months later, the reversal was just a deep retrace and that remaining one leg is still fighting for me and is currently worth 3000+ pips alone. I never hold any regret in trading but it is these pangs of regrets that sets me straight as a position trader. If all 4 positions were held that is potential 12000+ pips and still growing instead of realized 6000 pips. Yes, there are benefits to capture some realized profit but as long as your trade balance is holding its ground then you have no clear reason to close them early.

When I use to hold business meetings I always preferred a good steak and wine. Sometimes a meeting will take place at a japanese sushi restaurant. At first I held my ground and refused to order anything raw. Unfortunately at a japanese restaurant most dishes are raw and that leaves you with a mild tasting noodle soup or its variance. I couldnt understand why people payed alot more than a quality steak on something that was not cooked. This mini personal refusal lasted few years. Then one day my wife (who adores sushi) told me that I was choosing not to understand. Although she said it as a caring gesture, I quietly sat down and pondered. Only then did I admit that I never really tried to enjoy/understand this exquisite cuisine on offer. I was inside my little 'only steak please' box and refused to listen to anything else. Nowadays I enjoy japanese cuisine far more than my weetbix. Infact I frequently visit a nice sushi train bar to enjoy it all over it again. I now have wasabi/soy in normal daily dishes that wasabi clearly shouldnt be near.

And this happens in trading. Its amazing how quick a humans perception changes. Flick of the light switch.

At the moment all starting traders are worried and tempted to close their position right now to capture the profit.

After the first taste of live success it completely changes you.

Trust me when I say that you will be holding onto more and more positions without even the slightest notion of what you worried before. A complete reversal.

Fantastic results and I urge you on.

Onward and Upwards,

Graeme



Aug 25, 2010 6:03pm

1379



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Member Since Dec 2009

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Good morning, all

Beautiful morning here.

Im just about to step out for the day but thought I leave a post for the readers.

I can clearly see some of the areas I need to brush on before the start of the assignment this weekend.

It sounds most of the traders have the puzzle pieces and the blueprint required and they are trying to make the connection between the pieces but still missing the 'aha' moment.

I will touch on

1. Interpreting price action in a finer detail
2. Why inception method is valuable and how you are trading like the banks with the hindsight received.
3. Difference between guessing and anticipation.
4. How to use opposite signalling hindsight between different higher timeframe to your advantage on the lower timeframe.

Just quickly, yesterday daily candle of eur/usd had a double wick bounce in a 'tight' area which was also the open price of the previous 2 days before.

You can guess by saying 'price might go to the top of the previous days upper wick and then bounce back'

Or

You can anticipate by saying 'price is retracing, where is most likelihood of a bounce and where can I enter with a very tight stop loss for an awesome ride back down again? Ofcourse this is possible if market allows the bounce to happen in the first place but I will make sure to be participating around that area'

Now, even though the eur/usd daily candle is now an oddly shaped up candle against the main trend, I still used the hindsight of the higher timeframe on the lower time frame and made a very nice profit on only sell positions just from yesterday. Its because I participated and anticipated the wick bounce and was prepared to spend few pips. On 5min chart of eur/usd a flying buddha happened just around the top of the upper wick on daily chart (where I was anticipating/hoping a bounce) @ 3rd and 4th 5 min candles of uk session. It just doesnt get better than that. The smooth drop from there to daily open price had oodles of opportunities for stacking.

Please do not worry if the above is not making much sense. I will make sure I will go over the 4 topics before the assignment.

If I could please request all serious new readers to perhaps attempt to read the thread and please join us in the assignment this weekend.

Good day all and will come back later on

Sincerely,

Graeme



Aug 25, 2010 10:28pm

1382



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Thank you Traderray.

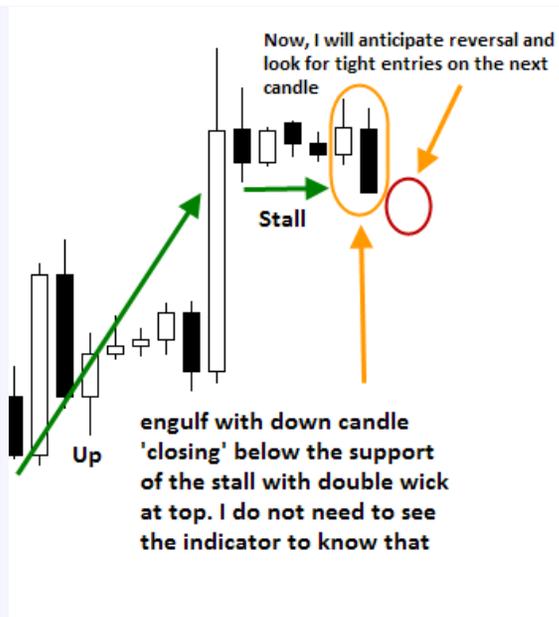
Your question is related to one of the topics I will touch on before this weekend. It is about using opposite signalling hindsight on different higher timeframe to our benefit on the lower timeframe.

First of all, I would like to take few steps back to basic and rehash on price action.

Alot of traders on this forum understand the importance of price action. This is true as price action is far more effective/faster than what an indicator might indicate. For example, most large engulfing price pattern that closes below/above the previous up/down candle will signal a reversal. However, this will show on ema crossover later on when the prime opportunity is already over.

Interpreting price action is very simple and it is heavily related to the phrase I have used few times, **if its up then buy, if its down then sell.**

Please allow me to add further clarity in price action first before advancing on to explain the other topics.



So we already have a 'hindsight' that price is reversing. This is interpreting pure price action. Lets add some emas.



Continuing on..

Aug 25, 2010 10:34pm

1383



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Interpreting price action effectively is deadly in a skilled traders hand.

Allow me to show all, candle by candle how I interpret price action. Interpretation is the same on lower timechart or higher timechart.

You will notice how simple and deadly it is. This is what happened last night for me.

This is eur/usd 5min chart of last night. Blue is uk session.



Aug 25, 2010 10:44pm

1385



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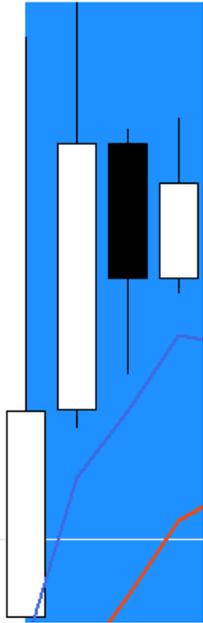
Member Since Dec 2009

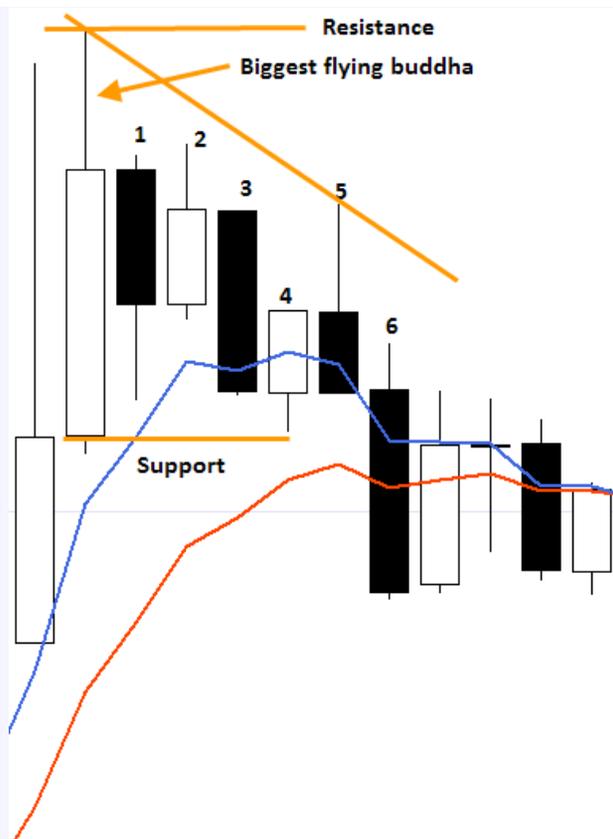
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uk session opens.

I note that price is coming up. First 3 candles are flying buddhas (for now im disregarding any hindsight from higher timeframe and just concentrating on price action on 5min)





This is my train of thoughts

1. First candle after flying buddha. Does not close below or above the s/r
2. Buyers pushed up but couldnt close over the previous down candle. Sellers still in charge but support not broken
3. Sellers push and break the support of candle 1 and 2 but not flying buddha. This is good sign.
4. I notice open price is same as the low of lower wick of candle 1. Buyers push up but close at 50% fib of candle 3. Not enough power from buyers. Goody.
5. Buyers gather strength to push it up but all they create is a wick. This new wick creates another descending wick pattern. Getting better.
6. Clear breakout of support from flying buddha and closing well below it. Now I know sellers in charge.

Continuing on..



Aug 25, 2010 10:57pm

1386



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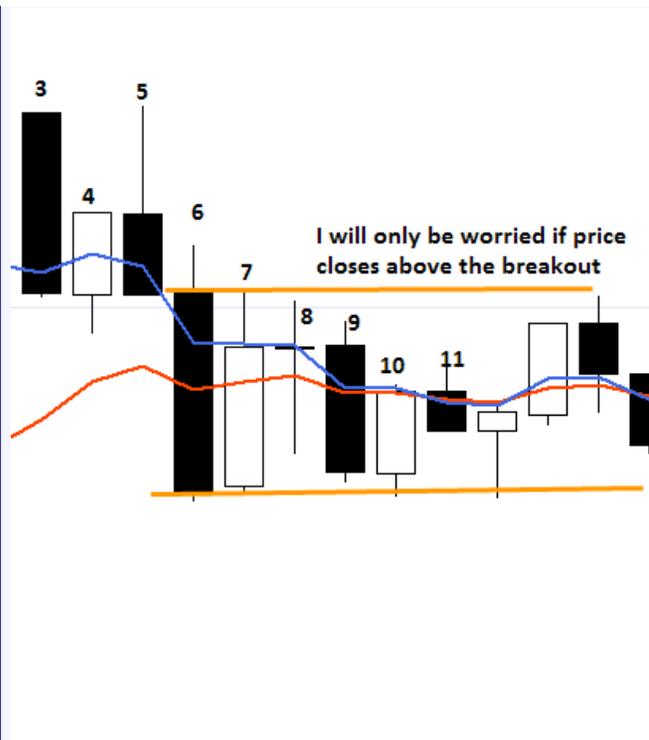
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Now I know sellers are in charge but I want a low risk, very tight entry from candle 7 onwards (by the way, I hope all traders are not looking at the charts this close..)



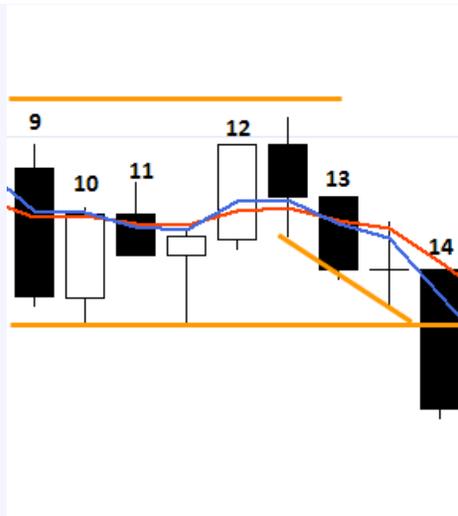
7. I do not want to enter at open of this candle as the stop loss is larger than what I think is required. However, yesterday I did (we will come to this later and the reason I entered sell at the open of candle 7 is because I had hindsight from higher timeframe). Price retraces past 50% of previous down candle. Uh oh. And then bounces off at open price of the previous candle. Yes, seen that all too often and another position around there. 2 positions on single 5min candle. This means im very confident but will not risk any more until something better comes out.

8. Im expecting a big drop of price. It doesnt. Uh oh. My only saving grace is the descending wick pattern. Still ok.

As long as price doesnt retrace and close above the breakout I will wait. Dont need a hard stop loss yet

9, 10. I notice the price is now stalled again in this mini range. Another support happening below candle 6,7. Not good but not bad.

11. I still see descending wick pattern. Buyers are away for now.



12. Uh oh. Price closed above the previous down candle. Not good. Is this the end to my 2 positions? Price couldnt close above upper wick of 9. Still ok.

13. Hmm... down candle? Closing below candle 12 the up candle. Good Good Good.

14. And there. Breakout again. My 2 positions was never in danger. Now I want to stack more

Continuing on..

Last edited by pipEASY, Aug 26, 2010 2:08am



Aug 25, 2010 11:05pm

1387



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15. I notice ema crossed over and now a gap is opening indicating strength between 5/10ema. Good Good. Price opens and retraces up. Excellent I say. As long as it doesnt close above the previous 14 down candle. Since this is fresh momentum. I add 1 position at open and another just around 50% fib. Need to be quick on fingers. Now 4 positions and I will close out 3rd and 4th position if price closes above candle 14.

16. Big rush down and I didnt want to add another position at open. Thats overexposure. No retrace but I note the very short upper wick of the previous candle. Not even 33% indicating sellers are well in charge with good strength (which also means other sellers are jumping on). Candle 16 retraces and I add another position at around 50% and ready to close this position if price closes above the previous down candle.

17. Goody. 5 positions and all ok. Candle 17 another retrace to 50% another position and finger ready to close it if price closes above the previous candle 16. If price closes above 16 I will most likely close this one and the one just before just to minimize my risk little further. Total 6 positions. Now every tick is worth 6 pips for me.

Continuing on..

Last edited by pipEASY, Aug 26, 2010 2:11am



Aug 25, 2010 11:16pm

1388



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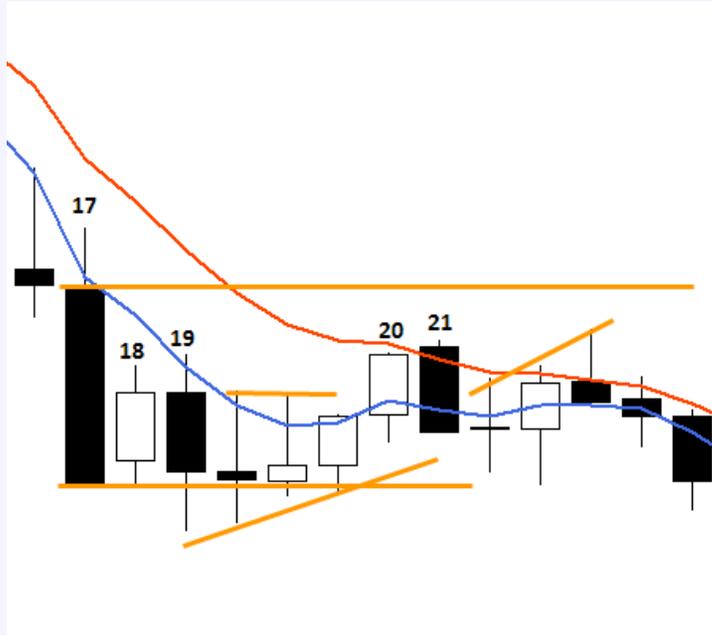
Member Since Dec 2009

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Now I know this long streak of opportunity could last very long time or stop very soon.

I stop stacking as soon as something happens against this momentum and go into defensive mode.



18. I remember placing another position when price retraced to 50% of candle 17. However didnt know it will close around that area. Uh oh. 7th position is now in danger. Im watching carefully now.

19. I really want to see price close below candle 18 as a engulf pattern. Please please please. Hmm.. it does close below 18 but it doesnt close below 17. Looks like a stall.

** Price all over the place, ascending wicks, double top wicks **

I need a clue very soon or I will start to close my legs.

20. Not good. Alarms ringing. 3 up candles with price closing over previous down candle of 19. This is not a good sign. My only saving grace is that the price did not close above 17. My 7th is now in danger and now Im going to get ready to close it if price moves sharply. Finger already on enter button here.

21. Hmm.. Engulf pattern. Buyers chickend out. Sellers pushed it down and closed below 20. Good sign but I want to see other sellers also seeing this.

See how I buy if its up and sell when its down???

Continuing on..



Aug 25, 2010 11:35pm

1389



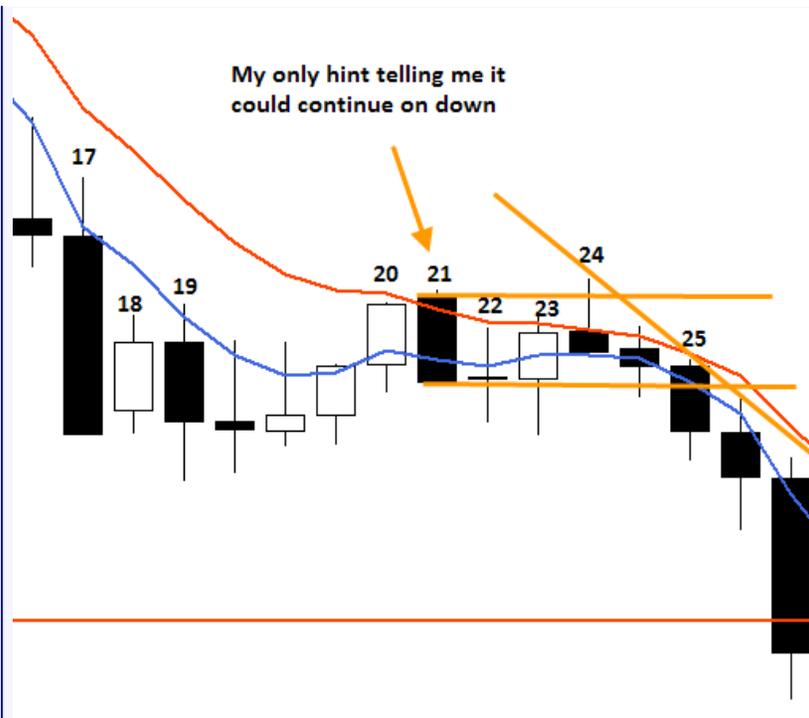
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Member Since Dec 2009

10+Y 760 Posts





Candle 21 is hinting a continuation. This is a good sign but I need more info. I will be extra tight and draw a s/r lines on this candle. I dont want to see price closing above this engulf pattern.

22, 23, 24. Stuck in another mini range in between candle 21. Not a good sign but not a bad sign either. Upper wick of candle 24 breaches resistance but does not close above it. Good.

25. Breakout. Danger is over and I held on with 7 positions.

I notice daily open line coming and I know there will be most likely a stall or clear breakout. I prepare for the worst case scenario.

Move all positions SL to BE and off to dinner.

7 positions, 0 loss.



When I came back it was up 400 pips. So I closed last 3 positions for a small profit and let it run.

Final end story?

All the remaining legs just died on BE today. Not disappointed but happy that I risked very small that could have been very large.

Now the above step by step interpretation is very important and I need all readers to understand what/why my train of thoughts. **It is linked to my next topic in a planned flow of explanation.**

I will address next topic tomorrow afternoon but until then I have a mini quiz for all

Continuing on..

Last edited by pipEASY, Aug 26, 2010 2:17am



Aug 25, 2010 11:41pm

1390



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This is quiet important quiz.

Can anyone tell me from the below 2 charts, which is 5 minute chart and which is weekly chart? And the reason why.

Chart A



Chart B



Chart A or Chart B?

Look forward to your answers tomorrow and will return to further add to what I have shown today

Sincerely,

Graeme



Aug 26, 2010 12:12am

1396



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10+
760 Posts



Just before I head out I should have mentioned that there is no right or wrong answer to the quiz (to a sense).

However, I appreciate a honest response for the willing participants.

Thank you.

Continuing on tomorrow.

Kindest Regards,

Graeme



Aug 26, 2010 5:09am

1422



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Quote:

Originally Posted by **TradeStar**

Few positions put in exactly on the lines of PA notes from Graeme

Only problem I have is, I am not comfortable to move the SL to BE, since they could cause the position to close.

Anyone having similar challenge?

Thanks

TS

Good evening, TS

Apologies but Im assuming the little arrows are entries. Please do not take any offence but your entries are little overexposure.

Im currently trading eur/usd from one hour before uk session open.

I have 3 sell positions. Very very similar areas to where you took them.

Im glad to see that you are interpreting price action accurately.

I have no stop loss set. No need to yet.

Price has stalled currently and im watching very carefully.

I was anticipating this week for eur/usd to be another down weekly candle. If this happens it will be tonight and tomorrow with huge momentum down and we are participating correctly to the hindsight from higher timeframe.

However even if weekly chart is indicating a down trend I see 3 daily candles ascending wicks.

I give myself 50:50 chance for a big profit or zero loss.

Please space out your entries as much as possible and sometimes purposefully miss few out. You will still have similar profits but much less drawdown or losses when things dont turn out to your plan.

I see triple upper wick bounce on 5min chart.

Its either a freefall down or a huge push up breaking the tips of those upper wicks.

Get ready to defend.

Sincerely,

Graeme

Last edited by pipEASY, Aug 26, 2010 5:23am



Aug 26, 2010 5:11am

1423



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eur/usd OUT.

Clear volatile breakout upwards.



Aug 26, 2010 5:19am

1424



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I just moved stop loss of all remaining positions on eur/usd to BE.

1 loss @ -5 pips.

Thats enough for me.

Before I step back to prepare the material to present to all for tomorrow may I request all readers to read the price action posts that I have posted today.

What I have explained today is what I only do in the markets. It is that simple to interpret pure price action.

It will be required knowledge for the next step tomorrow.

Sincerely,

Graeme

P.S I added a buy position on eur/usd after the flying buddha. **This respects the hindsight from daily candles (we will touch this topic tomorrow)**. Lets see what this leg can do for me. Never be biased with one direction. Keep moving.



Aug 26, 2010 5:39am

1428



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I keep forgetting to address some of the important issues on hand before hitting the submit button.

I see few traders who has grasped the correct mentality as a trader.

They can interpret action sensibly and it is looking well.

However, do you feel like its all still more luck than skill?

You still feel that your trades are not improving?

I have sensed a great excitement last few days from traders about their growth. I understand why its slightly died down as the whole market across the board is ranging.

On a lighter tone, from what I can see from your charts/questions, I can assure most of the participants are at least top 30% percentile of the mass traders. Unfortunately, most of the top 30% percentile do not make money in the long run. Im planning to push all willing learners into the top 10% percentile very soon. There is an intended flow of explanation in the next few days.

I see great potential in all the readers from the questions asked and I have genuine interest in everyone's trading success.

I assure all traders that it will soon be clearer. Im planning this weekend to be the cornerstone of such endeavour.

Just answering cameron1st, everything in the market is all relative. Different traders can draw different s/r lines at body of candle, wicks and still achieve same purpose. I shift from wicks to body without any second thoughts. Just what I see on the charts. You will fully understand this very shortly from the intended explanation im preparing.

Sincerely,

Graeme



Aug 26, 2010 5:53am

1430



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Quote:

Originally Posted by [dongsky](#)

Hi Graeme,

i happened to opened this thread last sunday and had read all through - unknowingly undoubtedly a goldmine 🤔

i tried using it last monday and continue experimenting with it and slowly it sheds light... and now i find a newer freedom. don't get me wrong, i've been trading forex for a while now and i can say i'm doing fairly well the reason that i don't bother reading other peoples success stories of their own system or methodology.

i am a bit excited because the longer i'm looking and more focus... the clearer i see the...

Good evening, Dongsy

Good to see a trader using line graph (1ema).

Thank you for the compliments.

Tradestar - Thank you. A lot of traders believe moving stop loss to breakeven is fruitless and leaving the random fluctuation to close the position when it could be a winner in the long run with some breathing space. Unfortunately not.

Let me assure you that an entry that grew more than +20 pips to reverse direction and come back is a fail. This reversal (or price against your beliefs) is a sign of **bigger things in the market**. No need to go against them. If price moves away from danger and stalls and coming back, you do not need to give a 'breathing space' in the stop loss to see if it survives **(unless its free. Remember this few posts back?)**. Its already a

worthless leg and your focus should move away.

muntu - No problem, sir. Feel free to start 2 weeks after this weekend when I plan to do it again for the readers who missed out. Obviously biggest kudos to the readers who participate first this weekend leading the class.

Dhaos - Good question, sir. Apologies but I cannot retrace my steps at this moment to answer your question. I ask for your understanding.

Now I will stop here and return tomorrow as I have an intended flow of explanation. This is important for me to get across before the weekend.

I will show many examples of battleplans which will be similar to what is asked from the readers this weekend.

Please dont fret as all of the readers are on the right track at the moment.

Sincerely,

Graeme



Aug 26, 2010 7:59am

1434



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Quote:

Originally Posted by **paul1**

Hello everyone seem to have fell behind with reading the posts.

Just got a micro account, so am trying to familiaries myself with the platform on demo.

hope this is last platform i have to learn so i can concentrate on this method.

Regarding the graph puzzle I would say: -

a) Is 5minute the ma's move further apart to me saying price moving sharply. So based on probabilities I'd put money on a= 5minute but with a tight stop loss lol.

Also in recent posts you concentrated on 5 minute for entries quickly stacking and contemplating exiting within hrs...

Good evening, Paul

Thank you for the post.

I just had to reply to this one.

At the moment, you are not the only one with that type of question.

There is a valid reason why I closed few of the legs last night. The answer for now (and tomorrow I will go into very deep detail why to this question) is that the 5 min chart I was analysing could have been a weekly chart in a sense (I wouldnt know if I randomly chose and covered up the label on top left). Many candles happened after my entries and even though each candle only represented 5 min timeframe, it was mature enough to diversify. Imagine the exact same chart but it was weekly. Those positions would have been matured for a diversification. **The only difference (and I hope some readers can connect the meaning) is the scale. Scale is different but its the same Paul.**

One candle on weekly chart represent a week.

One candle on 5min chart represent 5min.

The principal and purpose of diversification remains the same and has no regard to the difference of the timeframes. And this applies to everything else as well.

Market is universal and neutral.

Price reversing? When your ready you will be able to profit on both side of the coin.

For now, may I request all readers to perhaps re-read (if needs be) some of the material I have presented over the last few weeks.

I have contributed earnestly for everyone and all I ask in return is their devotion just for this weekend. Allow me the opportunity to show you all on a tailored personal level that you are ready and if not, the areas you need to improve.

My next set of topics will connect everything into one smooth flow.

Please take a look tonight at eur/usd weekly chart. Look at the current shape of this week candle. That is a pitiful looking candle at the moment. Not many can make profit from that kind of looking candle.

It would be a completely different tune from traders if the weekly candle is either a bold up or bold down.

eur/usd market is taking all traders money at the moment. So let it take a position or two until its willing to give again.

Sincerely,

Graeme

Last edited by pipEASY, Aug 26, 2010 8:21am



Aug 26, 2010 6:12pm

1450



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Member Since Dec 2009

10+^w 760 Posts



Good morning, all

Thank you for the posts.

It is true that there is a possibility that im a fraud. A fraud with alot of time to invest in a thread that will reward me with fancy v's that alot of traders cherish more than their actual trading wellbeing.

Everyone has the freedom to express their opinions and in a sense I appreciate the feedback received. It made me reflect on my actions and my motive and made me wonder for a moment why I spend hours per day answering questions on private messages and now email as well. If its the attention I was seeking it is now certainly overwhelming to take any pleasure from.

May I request all readers to hold back from replying to the negative posts as there is no need to and focus on the important matters on hand which is the upcoming weekend.

Im confident that I have contributed positively to a number of traders and I know that there will be good results from this weekend which will authenticate the knowledge I have passed on but most importantly the traders own confirmation of their own abilities.

This is how I plan to authenticate.

I do not need to blog or post my current profit statement. It only makes me look just like one of them and for what purpose is such action required when I can prove to all through the success of others?

Lets move on.

Sincerely,

Graeme

Last edited by pipEASY, Aug 26, 2010 6:47pm



Aug 26, 2010 6:39pm

1451



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Im planning to spend a considerable amount of time/posts to connect everything today/tomorrow before the weekend project and then explain the project in further detail.

It **will** answer most of the questions that are currently circulating.

For the willing learners, may I request that you read my yesterday posts of interpreting price action and then take it one step further and open any chart and try apply what I have shown to the choice of your own pair of currency and any timeframe.

You will notice a definite similarity/occurrence that happens over and over again in the markets.

Its amazing how much hindsight is gained from watching price closing above/below to any s/r line you have drawn to your own personal discretion. Interpreting price action is very simple and straight forward and only requires a few key patterns/candlestick/wicks to be effectively taken advantage of in trading profitably.

If you are wondering how a project that runs 2 weeks will prove a trader to be profitable in the long run? Even though market is neutral and universal there are set repetition of generalized actions that occur in cycles. A professional trader knows this cycle very well and can apply the same principal he uses over and over in the same manner in any pair of currency and on any timeframe.

From the feedback received overnight, I assure you from the 400+ posts I have done in this thread. Im really only talking about key 5/6 topics. Unfortunately I had to stretch out my explanation and sometimes slightly step on different grounds to retrace and gather all readers to the same level of understanding before proceeding on forward together.

I cannot express how important this weekend will be to most as it will signal a final ending to my endeavour and also the final confirmation to the successful traders who make it.

My interest lies within your success and I look forward to our collaboration.

Edit: Will return in few hours as Im still preparing.

Sincerely,

Graeme



Aug 26, 2010 10:09pm

1468



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Quote:

Originally Posted by **leggo** ↘

Hi Graeme,

I know your busy with preparing for the weekend assignment. I just wanted to post this chart showing my failed stacking attempt. I tried stacking aggressively without initial stop loss. The problem I have with only closing positions after 5min candle has closed above or below s&r is that if the candle is huge you can end up with quite a substantial net loss compounded by stacking. I just wanted your take on it,(or anyone else's)as Im sure the below scenario is quite common.

Kind regards,
Ben

Good morning, Ben

I would like to step in here and answer your post.

I studied your charts and you have interpreted price action very well.

You did nothing wrong.

Lets go over the numbers:

5min chart entries, 4 positions.

3 positions closing for net -30 pips and 4th position for zero.

Thats 7.5 pips average loss per position. That is well below recommended 10-15 so its good.

What if the price was a clear breakout of .00 and never came back and went for 50+ pips?

200+ pips for the risk of 30-40 pips? I will do that everyday, everytime since sooner or later it will work into my favour. Thats statistics. And what stops a price at such 50 pips? Nothing, it could continue on for next 300+ pips.

Your question is also about the sudden large movements. Yes, I do experience a sudden big spike up from time to time. Market is fair and with all fairness there are times when price does spike towards my intended direction as well.

The difference?

Yes, a sudden price spike against our direction will cause a larger loss than usual (only a temperamental increase of loss) **but**

what about the other half of times when a sudden spike in price is towards our direction?

You would lose what you lose on '**x1' 5min candle** when it goes against you.

BUT

You will profit on at least x1 5min candle if it goes in your favour.

The loss remains static and pre-defined at x1 5min candle whilst the potential profiting is minimum x1 5min candle. Must understand this all

The 'occurrence' of such large spikes when they do happen would be more or less 50% of times to our favour and 50% of times against our favour (I will have to add here that one of the planned topics today will change the above % much more to our side).

It is the statistic fact that we will profit more when it goes to our favour and lose much less when it is against our favour.

Will I scare you to inform you that once I had 5+ positions on gbp/jpy to have a huge spike up against me for -40 pips on x1 single 5min candle. - 200 pips from that one single spike of price against my intended movement.

But I also remember many times when I have stacks of position and then 40+ pip movement towards my intended direction.

Everything is all relative in the markets/or any matter on the same plane of physics and if I can calculate my risk:reward for forex I can use the same universal principal to apply it to any given formulae on any given grounds to achieve results for the same universal purpose. In other words, r:r of the above simulation of my gbp/jpy story will also show and work out with positive expectancy on the intended series of random outcomes as the time line progresses on.

Sincerely,

Graeme

Last edited by pipEASY, Aug 26, 2010 10:21pm



Aug 26, 2010 10:18pm

1471



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Quote:

Originally Posted by [leggo](#)

Thanks Graeme,

I must admit it feels a bit like banging my head against a wall at present, however its good to know my application was sound. Just Random price action that took me out.

Regards

Ben

Ben,

I promise you tonight, that everything will be much much clearer.

I understand how you feel at the moment, and trust me few traders are feeling this right now.

One of the first emotional hurdles that I need to get all readers over tonight.

Everyone needs to keep their beliefs intact and see the bigger picture and I will add my next topic on top to make everything click into place.

Sincerely,

Graeme

Last edited by pipEASY, Aug 26, 2010 10:38pm



Aug 26, 2010 11:10pm

1474



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Quote:

Originally Posted by [TradeStar](#)

Graeme.

Please allow me to add my two cents as I am looking forward to learn as well based on what you think

Leggo,

Position 1 -- was perfect entry

2 -- was kind of too much for Stop loss, even though it broke the support, could have waited for some 50% retrace

3 -- is a good entry with a defined SL

4 -- is too soon given you just entered 3

Technically you could have only 1 and 3 or 1 and 4

Overall too many positions too close based on Graeme's feedback to my trades earlier.

This is for my learning as well; invite inputs

*Thanks
TS...*

Good afternoon, TS

I sincerely hope Ben doesn't feel cornered or take any offence as we are discussing his efforts from last night.

Ben I hope what TS has added is a help to you as TS has perfectly pin pointed 'tighter' entries.

If TS was trading the same pair of currency last night and the same setups, **the outcome is the same for both Ben and TS** however, TS will have much lower drawdown and less risk on the table and the potential of equivalent profits. This helps a lot in preserving/safeguarding your capital and it is very important. **But also adds a huge bonus on your emotional control.**

There was nothing wrong with Ben's entries, especially .00 breakout entry however with .00 breakouts you expect the order flow/interest of other traders pushing your newly added breakout entry almost instantaneously into profit with rows of long bold candles. If not, close out as it will stall on you and whipsaw around that area.

Ben, please feel free to question me as I'm always willing to help.

Sincerely,

Graeme



Aug 27, 2010 3:50am

1478



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Member Since Dec 2009

10+V 760 Posts



Good afternoon, all

Yesterday I posted how I interpret price action. I found a lot of readers not having a clear price interpretation and I deemed it necessary to re-hash again.

I hope you have gained positive insight from my posts.

Moving on in a planned flow of explanation, I asked everyone a mini quiz.

Which chart is 5 min and which chart is weekly

Chart A

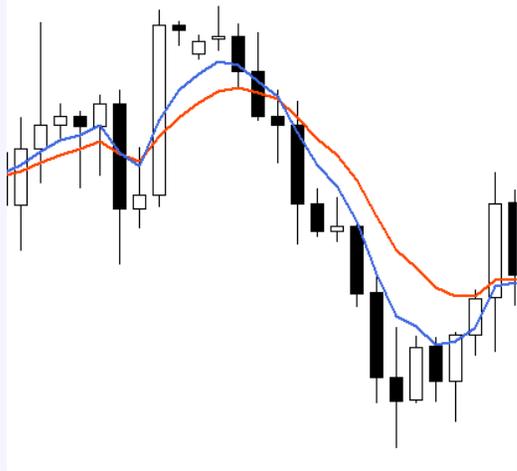


Chart B



I read all the answers and I thank the participants for their contributions.

Please do not take me the wrong way but I had no intention to reveal which chart is 5min and which chart is weekly.

The main purpose was to show all that nobody can tell the difference. It is exactly the same without any numbers. So why is this important?

I would like all readers to think with me.

If chart A and chart B has a big timeframe difference but looks exactly the same **then the only difference is the scale.**

Before I explain the scale, traders must agree that you could have drawn s/r lines, trendlines, price action (flying buddha, inside bar, engulf, pin bar) to **EITHER CHART A OR CHART B and still have same price interpretation. You must understand how important this is.**

I say a very very important sentence:

your profit expectancy depends on the scale

Continuing on..

Last edited by pipEASY, Aug 27, 2010 6:05pm



your profit expectancy depends on the scale

What do you mean Graeme?

Even though I would prefer my legs to grow on the main weekly/monthly curve for the next 2-10 years. First, I must be realistic in my expectation at the events that is going to happen before the 2-10 years of growth.

If you are entering positions on 5min chart then your realistic expectation after 20-30 candles is??



Even though it has moved very strongly down for us the potential profit is just over 60+ pips. And we all know market is more than just 60 pips on offer.

Now, the above chart can also be a weekly chart.

Exactly the same but the scale is different. Scale is the potential profitable 'ground.'

If the above was a weekly chart then you would all agree that 20-30 candles would be few thousand pips.

What is the difference??

Continuing on..



Aug 27, 2010 4:12am

1481



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Obviously the main differences are:

Weekly - few thousand pips for 20-30 candles

5min - 50+ pips for 20-30 candles

There is also the time difference.

x20 5 minute candle can be covered in a day but 20 weekly candle will take 5 months.

Apart from the reward and time inversed difference. **Everything remains unchanged.**

The market doesnt know you are looking at a 5min chart or a weekly chart.

Entries just from 5min chart, hoping to move SL to BE and then pray for a few years growth is about 90% of the readers here.

It is a correct mentality however when you are **dealing with 5min charts, REALISTICALLY you will first experience very small win and with great luck (?) that position may or may not grow the next day or the next week.**

You just became an average trader with professional traders mindset.

Continuing on..



Aug 27, 2010 4:23am

1482



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But Graeme, you said you take every low risk opportunity markets give either buy/sell and then let it grow indefinitely.

Yes, I do. But also I know just blind luck and skills required to make the above happen with higher probability.

I try to explain something on the left and all the readers shift their views completely to the left. To balance it out, I try to explain something on the right and then all the readers shift views to right.

Let us not forget why I got into explaining, .00 entries and entries on 5min chart. It was from a request.

At the moment, alot of readers are in the top 30% percentile of most retail traders. They have professional traders mindset however they are still blindly trading as much mechanical as possible. Mechanical trading means emotionless trading not what most readers believe.

All traders are still asking for rules and systems to apply. It is the easiest way for a human being to think. Being told what to do.

Flying buddha was suppose to be a hindsight (I think I have used this word at least 100 times in this thread). Hindsight is not a green flag for all to enter. Most traders here are treating flying buddha as a sign and then look for another sign to stack and a different sign to exit. This is all good but please read below:

**The more you trade mechanical, expect more defined and forecastable profit.
The more you take calculated risk, expect greater and infinity yield profit.**

Now....

Im going to reveal the last key. That will make you into top 10% percentile.

Continuing on..

Last edited by pipEASY, Aug 27, 2010 6:08pm



Aug 27, 2010 4:32am

1483



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Scale.

Please dont strain on the 5min entries as it never was the main course. If anyone recollects properly, entries on 5min was on request which I earnestly replied and then it just grew from there. There is nothing wrong to the information I have supplied so far **BUT** the required focus is not there but elsewhere.

I hope all readers practiced alot alot alot of entries on 5min as that was the main point about looking at a 5min chart. **PLENTY OF OPPORTUNITIES HARD AND FAST. And market doesnt know its a 5min chart your practicing on or a weekly chart. Everything works on all timeframe.**

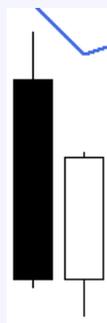
You will all agree that some buddhas work terrifically and some not so well.

Yes.

You only need 1 buddha/1 inside bar/1 pin bar/1 engulf.

You need just one calculated guess correct to make thousands and thousands for weeks and months.

Not forgetting what I just said,



This flying buddha works out to our benefit (im just letting you know upfront)

Again I ask you

What timeframe is this? (please dont answer in the post)

Continuing on..



Aug 27, 2010 4:35am

1484



pipEASY

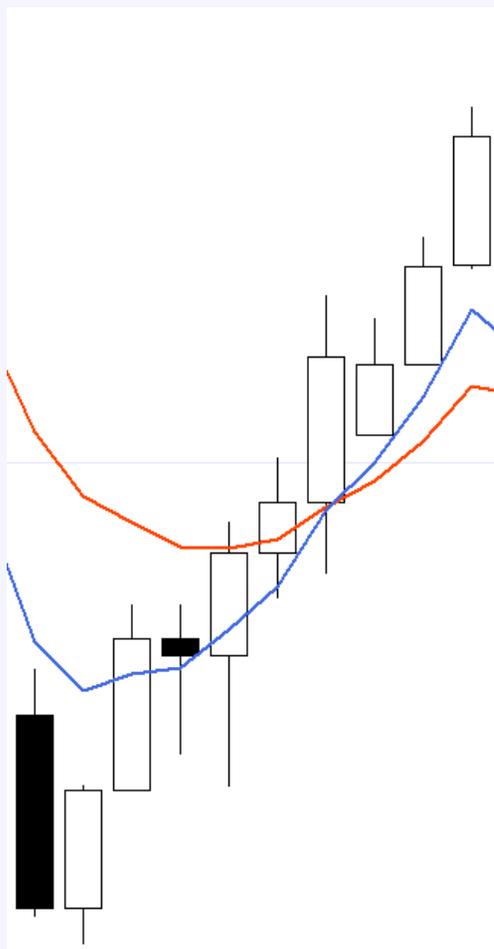
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I will show you what happened after this flying buddha.



Now again,

What timeframe is this? (please dont answer in post)

Continuing on..



Aug 27, 2010 4:41am

1485



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No one can tell what timeframe it is by looking at those 2 charts.

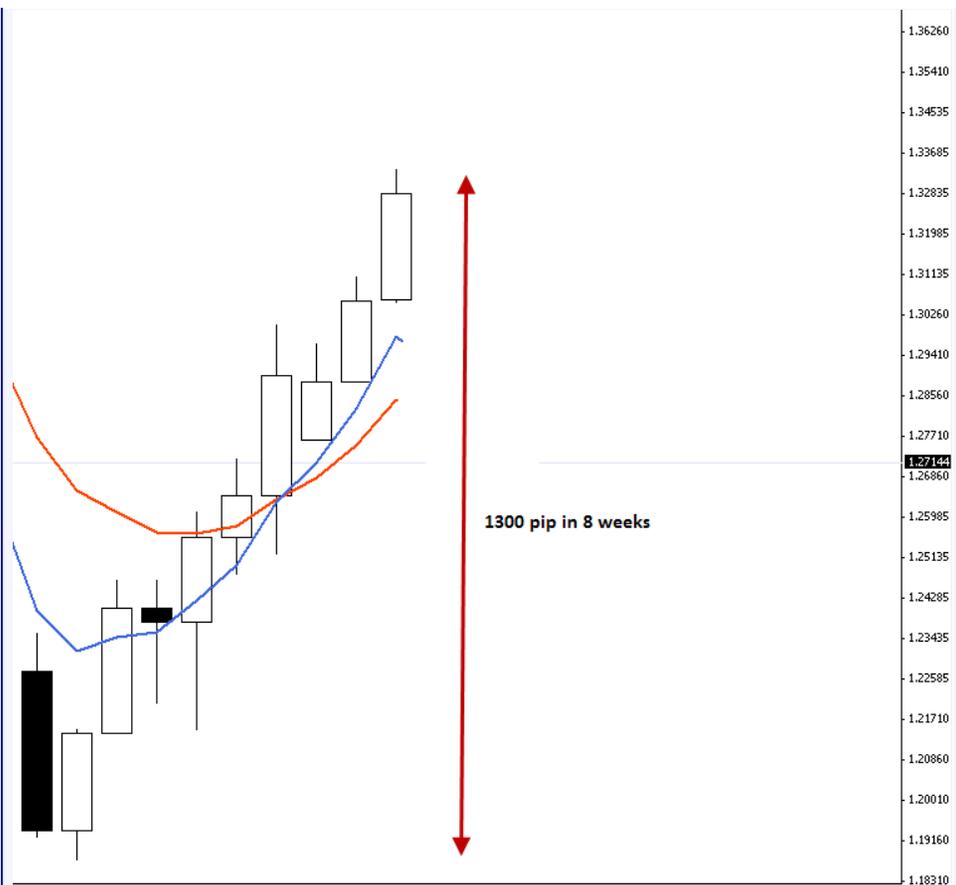
But they can tell it is a nice flying buddha that worked out fantastic afterwards.

"8 candles of up candles. But thats only 20-30 pips.

Im sure I can add a position in the middle somewhere and make it few more."

Is that you above?

That flying buddha is weekly.



You only need to get just 1 correct hindsight.



Aug 27, 2010 4:49am # 1486


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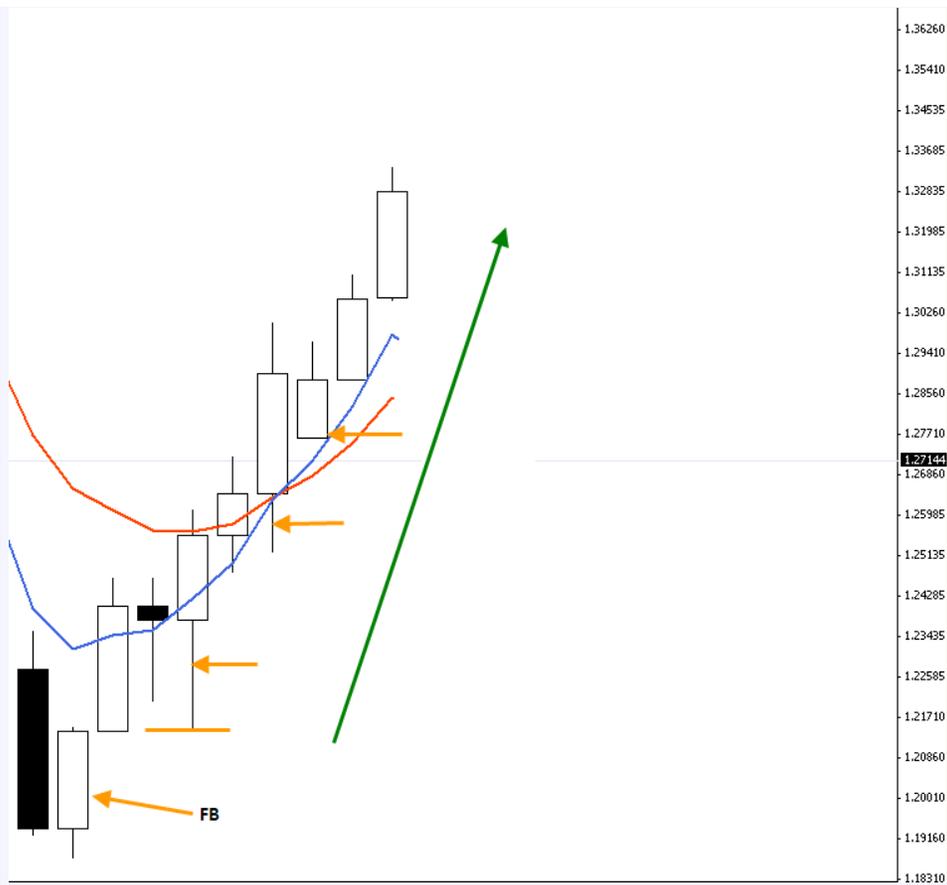
Member Since Dec 2009
 10+V 760 Posts



But I know what most readers are thinking **right now**

OK Graeme. We get it. So a flying buddha on a weekly chart will bring in more profit because bigger scale. And im guessing you use the same price interpretation right?

You're still 30% percentile. And you are looking at this weekly chart like this still



When I say hindsight, it means a forecastable vision of the near short future.

A flying buddha on 5min chart signals a reversal. It happens and continues 8 candles down. Pfft... 80+ pips??

A single flying buddha on a weekly chart that signals a reversal will mean few thousand pips.

Continuing on..



Aug 27, 2010 5:01am

1487



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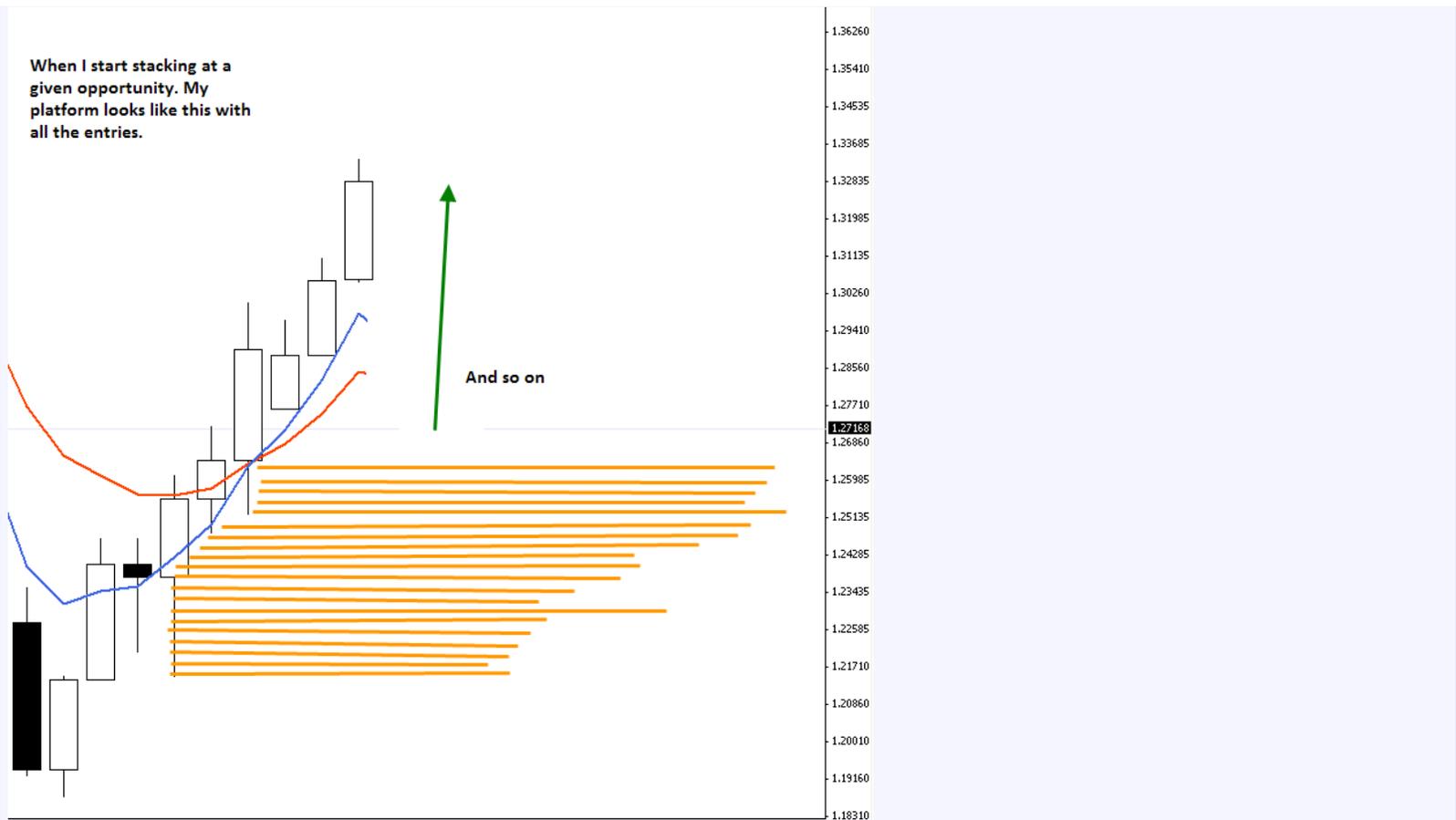
Member Since Dec 2009

10+V 760 Posts



To be the top 10% percentile you need to

take calculated risk and expect greater and infinity yield profit.



More or less like above. This is possible cause I use inception method to pin-point the area of my entries and then use an extra tight entry.

So I risk 10-15 pips for the potential of 1300 pips everytime.

How is this possible???

Continuing on..



Aug 27, 2010 5:07am

1488



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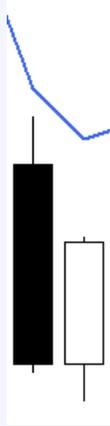
When you use weekly chart. You are slowing the time. Everything is slower and in slow motion.

One 5 minute candle is a flick of a light switch.

BUT

One weekly candle is 5 days of opportunity.

If you see a flying buddha on weekly



Treat it exactly the same as a 5min flying buddha. You all know what to **ANTICIPATE** after on a 5min flying buddha **DO THE SAME ON WEEKLY.**

For the above picture you are looking at UP trend.

Imagine only 2 candles of up after that flying buddha.

The scale is different and that would equate to few hundred pips.

Sooooooooo

YOUR HINDSIGHT IS??

Up.

Continuing on..



Aug 27, 2010 5:14am

1490



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Everything remains the same.

Price interpretation is **especially** the same.

WE NOW HAVE HINDSIGHT THAT IS WORTH AT LEAST FEW HUNDRED PIPS. SO WE HAVE MAXIMIZED OUR 'POTENTIAL PROFIT MAKING GROUND' AND KNOW THE PRICE WILL MOVE AT LEAST FEW HUNDRED PIPS IF IT WORKS OUT.

Thats only half of the equation...

ITS NO USE KNOWING PRICE WILL MOVE FEW HUNDRED PIPS WHEN YOUR TIGHT STOP LOSS ON WEEKLY CHART IS ALMOST A HUNDRED PIPS per open position

You need to do the **REVERSE THINKING** for your stop loss. YOU WANT POTENTIAL HUNDREDS OF PIPS BUT YOU ONLY WANT TO LOSE ONLY FEW PIPS AT A TIME.

HOW?!?!?

You bring the hindsight of higher time frame into the lower timeframe. You must use inception method and **SWING THE FAVOUR TO YOUR SIDE PERMANENTLY.**

Im going to prove all this..

Continuing on..

Last edited by pipEASY, Aug 27, 2010 5:27am



Aug 27, 2010 5:26am

1492



pipEASY

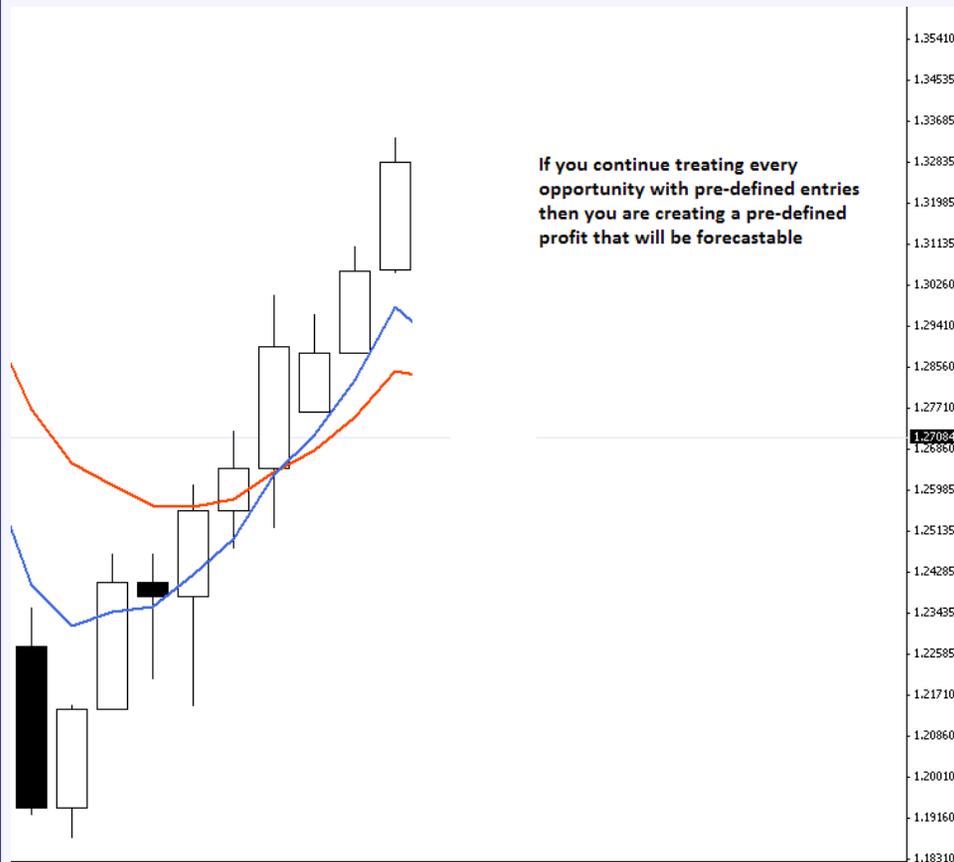
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Level 0. Weekly



If you only use level 0 (or just 1 timeframe consistently) you are pre-defining your actions. If you enter just from level 0, you will have 3 or 4 entries with stop losses just as big and the only thing that will save you is if the new trend continues longer than just 8 candles.

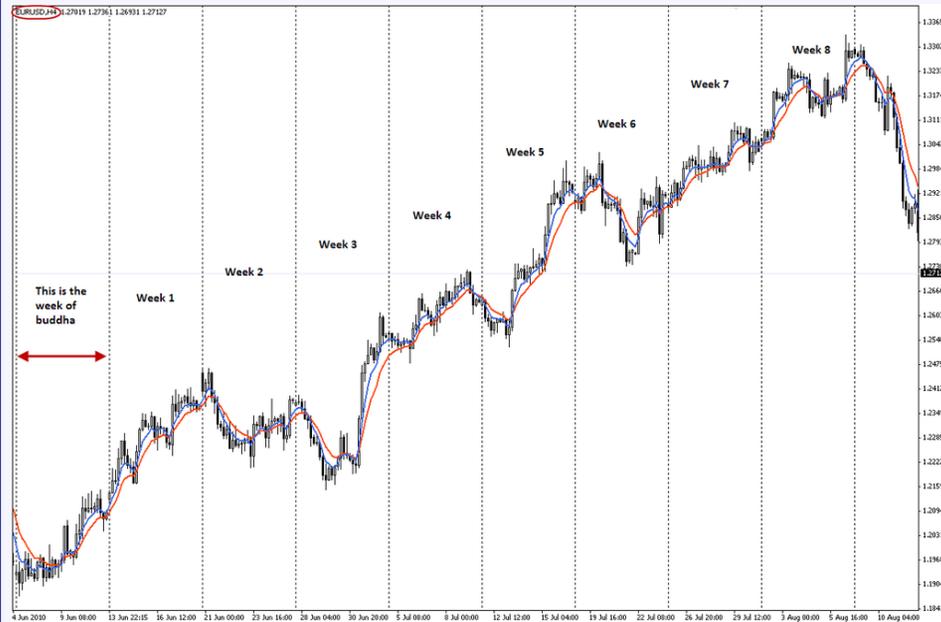
If you just stay on level 0 or any single timeframe, you may have increased/decreased your scale (profiting ground) but you have also brought the baggage of bigger/smaller stop loss. You need to detach these two completely to be top 10%.

Always always always remember:

**The more you trade mechanical, expect more defined and forecastable profit.
The more you take calculated risk, expect greater and infinity yield profit.**

Calculated risk???

Same period but level 1. 4hr.



Last edited by pipEASY, Aug 27, 2010 5:47am



Aug 27, 2010 5:44am

1493



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Compare.

Look.

What do you see???

Let me try and summarise it very short and direct

YOU HAVE JUST CREATED MORE ENTRIES WITH SMALLER STOP LOSS/RISK BUT STILL THE SAME POTENTIAL OF 1300+ PIPS.

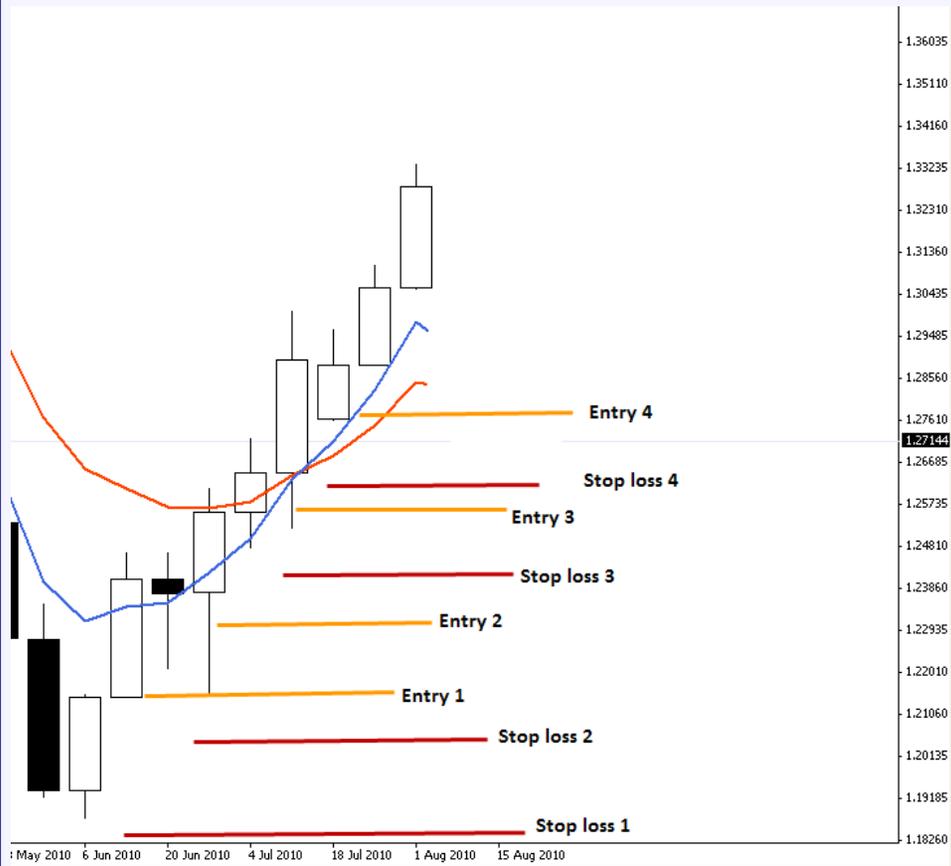
YOU HAVE JUST CREATED MORE ENTRIES WITH SMALLER STOP LOSS/RISK BUT STILL THE SAME POTENTIAL OF 1300+ PIPS.

YOU HAVE JUST CREATED MORE ENTRIES WITH SMALLER STOP LOSS/RISK BUT STILL THE SAME POTENTIAL OF 1300+ PIPS.

You have completely detached risk reward off its scale. Risk always followed reward and it frustrates a lot of traders to notice that more risk means more profit but could mean a bigger loss. They were always related.

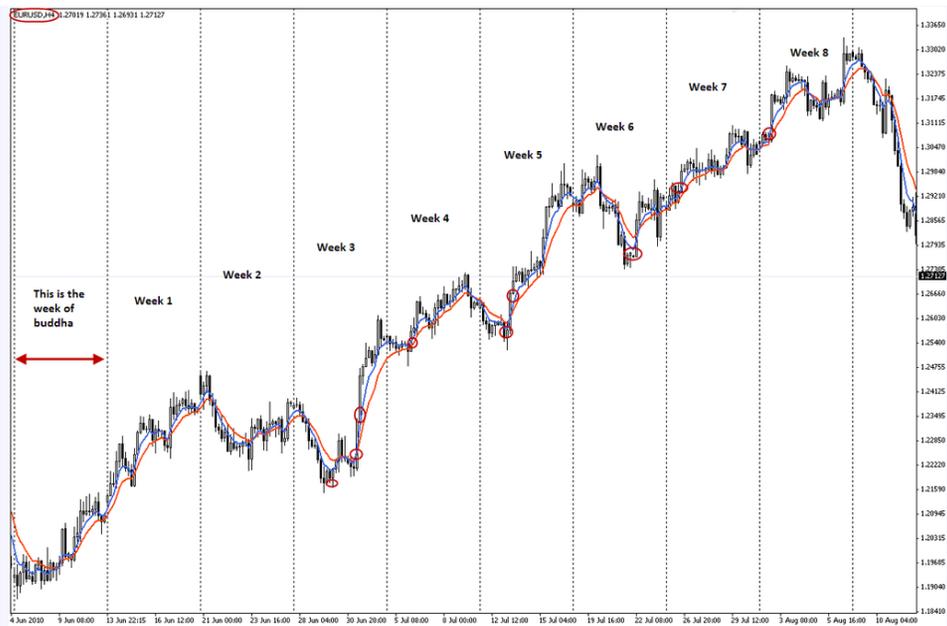
Now they are inversely correlated. Same/more profit for smaller/lower risk.

This is you with the current price action interpretation. There is nothing wrong with the interpretation but the parallel-related risk reward.



This is me **IF i just use one level inception**

Using the same price interpretation I showed yesterday: wick interpretation, flying buddhas, volatile breakouts, engulf I can roughly see this many entries that would have survived after 8 weeks, more or less.



ALREADY I HAVE MORE ENTRIES and the beauty is every new position will have much smaller stop loss/risk but the same goal or the potential to profit as the weekly.

This is creating a huge gap in the risk:reward



Aug 27, 2010 5:53am

1494



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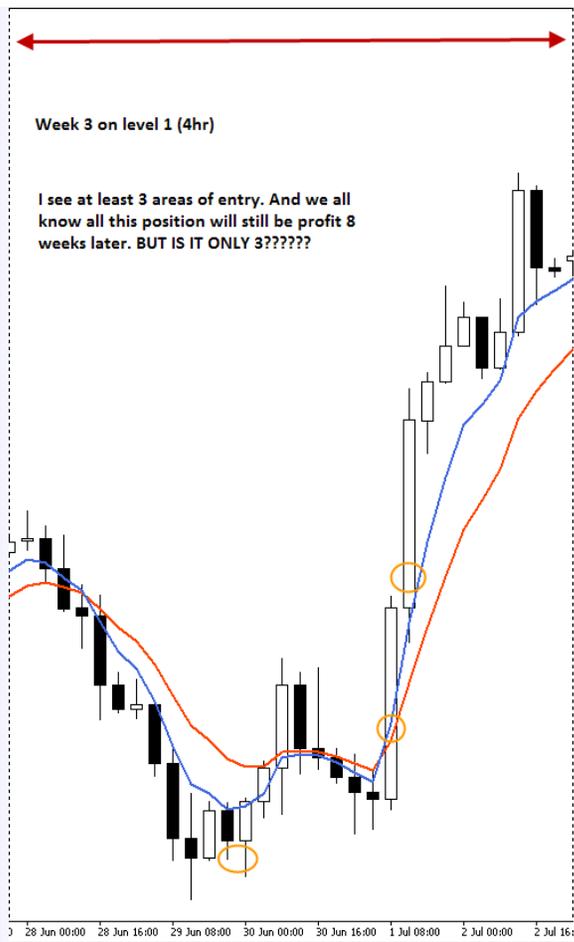
Member Since Dec 2009

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Im going to warp everything even further.

Lets look at level 1 (4hr) chart again. A closer look into 'week 3'



Obvious setups that we have done many times before.

Buddha, wick interpretation, volatile breakout. Usual stuff. Or should I say set repetition of generalized cycle??

Only 3 entries?

Im sorry but i can see more...

Where?



Aug 27, 2010 6:12am

1495



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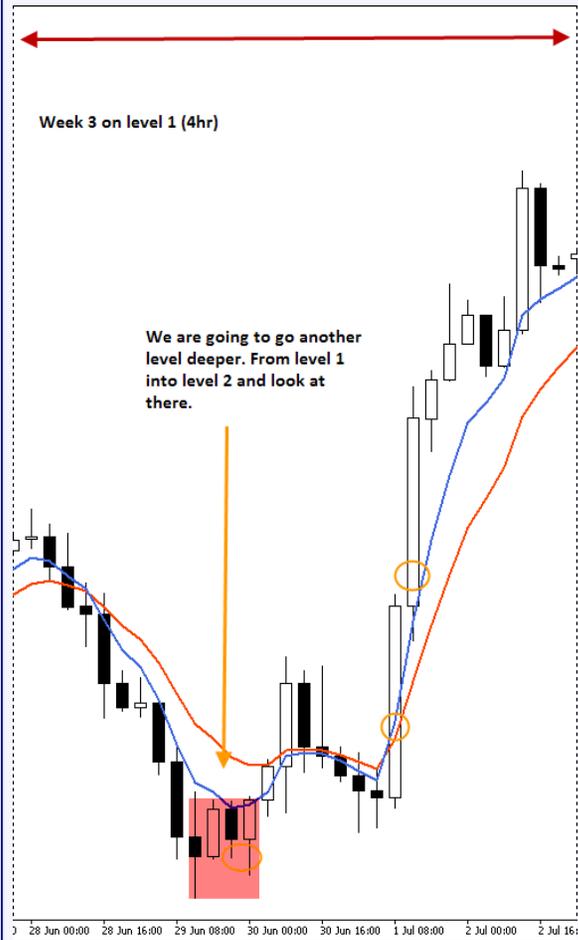
Member Since Dec 2009
10+Y 760 Posts



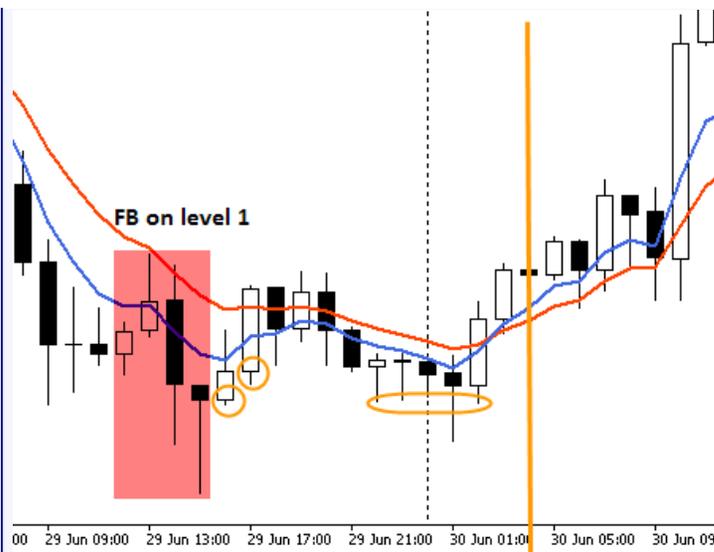
Where??

Inside of the inside.

Look how I warp these 'areas' of entry into an absolute money making bloodbath.



Into level 2. 1hr.



I have dissected the same one opportunity to now 3 opportunities AND cut the stop loss significantly. Potential is 3 times the total profit at end of 8 weeks and risk is not even half of level 1.

Risk:Reward is now so warped. Can you honestly think of 20 pip risk: 1300 profit? 1:650?

Apologies, I keep getting my level numbers confused as Im rushing but im sure all readers know what im talking about with 'levels'

Continuing on..



Aug 27, 2010 6:21am

1496



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I will make everyone head go spinning to enter one more level into 5min. I can dissect the 3 opportunities on level 2 into further 6-10 opportunities.

Just by using the same price interpretation we have been practicing.

And all this was from 1 opportunity on level 0 which was 1 flying buddha from weekly chart.

I can literally make all go crazy if I start the hindsight from **monthly chart** and then filtering into lower timeframes.

Ever thought of 15 pip risk for a 8000+ pips?

Continuing on..

Last edited by pipEASY, Aug 27, 2010 6:02pm



Aug 27, 2010 6:33am

1497

Member Since Dec 2009



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I can spend all night to prove to all that the market we know has a set of generalized action that repeats itself in a cycle. Pros know this well.

Hindsight is the most valuable source of information. As we all know flying buddhas dont work all the time but enough times.

If you think about my posts above you will clearly see how a skilled trader can, not only bend the market sentiments into his own focal interpretation but also bend the will of the market.

Everyone thinks r:r is a static and defined set of numbers that moves parallel to each other. The secret is doing what you can to tear these two numbers apart. Success to DIBS method? In the long tail is what petercrown said. Or is inside bar about stopping the risk at static 1 and letting profit grow?

I can guarantee that any willing readers to invest their own little time and flick through any pair. Choose a hindsight on higher timeframe and filter through few levels deep using same price interpretation you have mastered. You will get similar results in every scenario you test.

You now know the cycle of generalized action.

Sincerely,

Graeme

Last edited by pipEASY, Aug 27, 2010 7:04pm



Aug 27, 2010 6:42am

1499



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Member Since Dec 2009

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Thank you all for participating.

Apologies if my tone of voice was higher than usual but just like a good ending to a movie, tonights topic is one of the last on the list that I was working down. Im glad to see many readers that joined me from start still here. Thank you very much.

I will continue on tomorrow night as I would like to add little more to the thoughts I represented tonight.

Tomorrow I will show all readers how to literally stop the time in the markets.

And then the explanation of the weekend project to all which seals off everything nicely.

Good night all and stay warm

Kindest Regards,

Graeme



Aug 27, 2010 6:43pm

1545



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Quote:

Originally Posted by [pip_daddy](#)
So what about this? Graeme or others.

If one were trading this top down timeline approach what would one do when they see an opportunity on daily/intra-day that is not quite there on the weekly?

The reason I ask is that it appears u/j is forming a weekly pin bar. We won't know until the end of next week. But Daily is showing a bullish outside bar and H4 is showing a flying buddha (although not a great one, big wick). So those little voices in my head are saying "go long now before you miss the opportunity". Or at least I am starting to get...

Good morning, pip_daddy and all

Thank you for the question.

A very good question that is also on many other readers thoughts. I will address this question in great detail tonight as it is part of planned flow.

In regards to fundamentals, do you believe that fundamental data effects the movement of the markets or would you say that the fundamental data is already included in the movement of price?

Yes, a good news can trigger a sharp price fluctuation as soon as it is broadcasted but how long does a sharp price fluctuation last?

To answer myself, the amount of time that particular news effects the movement of the whole market is more or less a dot in infinite space and time.

I have invested alot of money into updates of fundamental news release, economic data and personal economic alert reports from reknowned economists.

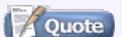
Believe me when I say that all the vast information (which sometimes is too technical to fully understand to most readers) they provide is being 'said' by the market already.

There is a reknowned economist whom is affiliated closely with a very large international finance management who sends her personal insights on a monthly basis to selected contacts. I appreciate her efforts and without any disrespect on her efforts, she is just reiterating what market is showing in terms and expressions synthesized by so called qualified individuals (humans) of the industry. Market is above and beyond all that.

I applaud at successful news traders but hope they spend some time to visit their roots and analysis their success. It isnt just the 'great news' that propels their positions in growth but the fact that they participate into the market through a low-risk entry and anticipate a higher growth on hopeful potential opportunity that is arising. That is how they are successful (and it is similar ideology to myself as to participate in a low risk opportunity for a greater reward) but whether they truly know how/why they are successful might not be unknowingly correct or not.

Sincerely,

Graeme



Aug 27, 2010 8:20pm

1547



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Member Since Dec 2009

760 Posts



Quote:

Originally Posted by [Forexcube](#)
Hello Warburg

Does that mean you have to make all these cognitions of 95% and switch completely early enough?

If I read economic newspapers and some well-known authors describes e.g. EURUSD are getting stronger,... concerning this and that... I can bet with my friends every time that the opposite will be true. In other words to educate the public incorrect is one aspect which big investment arrange cleverly.

*Kindest regards
FXcube*

Good morning, fxcube

If I may add, member: warburg already knows what I'm going to explain today in detail which is surprising. And yes, it is very possible to anticipate such movements in advance.

Perhaps, and only my suggestion, the news release/economic data released by government is more or less just another indicator. And we all know indicators lag.

When government say usd is weakening. It is not just doom and gloom for US as there are also benefits of weakening usd dollar. It is the weight of the benefit that moves the price.

Or it could all be a ploy from the government but there is quiet a possibility that a purposeful false announcement with malice intent can also backfire horribly causing a critical dent. I'm sure they have some sort of risk control to apply when things turn sour but we will never know for certain. The market watches all this happen below its feet.

Government, traders, banks they are all just part of the plan and each individual body of trading traits that are more or less ripples in the ocean of everlasting motion.

Do you know what makes up eur/usd? Just on the simple sides and not including anything on micro terms or any inter-related exchanges.

Companies buying/selling large stock in america/uk
Travellers going from eur to usd or vice versa
Internet shoppers buying goods from america/uk
Corporations taking over interest in america/uk

and us, retail traders.

A vast space of struggle that are inter-twined on various levels with each individual nodes all with its own and separate agenda. It is a mind-boggling unstoppable neutral force that a single entity cannot control.

Just going out for the day.

Enjoy life and cherish it everyday.

Sincerely,

Graeme

Last edited by pipEASY, Aug 27, 2010 8:35pm



Aug 28, 2010 5:19am

1569



pipEASY

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Member Since Dec 2009

10+ 760 Posts



Good evening, all

Thank you for the continued interest.

I hope everyone had a chance to think about what I have posted in the last 2 days.

Before I continue on with the intended material I would like to just take this moment to address something.

First of all, I do not have any plans to manage someone else's account. This will never happen.

Secondly, I did not start this thread for any personal agenda. I do not require any recognition or vouchers or the attention. Im the very opposite of an attention seeker.

Thirdly, I have received few offers through email/messages for a chance to create an e-book of some sort. I have no plans to create an e-book or book as such for financial gain. This will never happen.

Fourthly, I do not need to prove myself to anyone which is also on the first post of this thread. Im not here selling items as a salesman but Im here to genuinely help.

Lastly, I do agree that there are so much garble in this world or forex or forums that I will prove to all through the success of other traders that have learned something from me. **That will signal my end and their beginning. They can continue on and show to all and prove it.** I do not have any intentions to stay in this forum a minute longer than necessary.

I request all traders that are currently trading or planning to be a professional to reserve mutual respect for other traders. Successful trading begins from inside you first.

If I were to selfishlessly request something for myself is that when a trader is profitable through the methods I have presented **for a good length of time** to phoning any charity **of their choice, in any country, any cause** and donate whatever amount you think you can afford at that stage.

Just let me know in the future through a brief email, 'Graeme, thank you. It has been a xx years of profitable trading. I have donated xxx to xxx charity. Thank you.'

I may not reply back but these words will mean the world to me.

Sincerely,

Graeme



Aug 28, 2010 5:48am

1571



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Member Since Dec 2009

10+V 760 Posts



Filtering through deeper layers (smaller timeframe) from the hindsight from above level (higher timeframe) stacks the probability to your side.

It gives you an aim/goal: the potential profitable ground (scale) that we are aiming for. Anything from hundreds from daily, thousands from weekly/monthly.

I mentioned few times that alot of traders fail cause they do not know what they should expect. The hindsight that you pick on the higher timeframe gives you the required goal. You now know where to grip into so you can pull yourself up.

Currently, I do:

Monthly (hindsight) -> weekly (area) -> 4hr (smaller area) -> 5min (razor sharp entries)

However, this is also flexible. Sometimes I can just do:

Weekly (hindsight) -> 4hr (area) -> 1hr (smaller entries)

Or even:

4hr (hindsight) -> 1hr (area) -> 5min (razor sharp entries)

Everything is all relative. The above inception flow is all same except for one difference. What is it?

The scale.

If your hindsight is gathered on 4hr chart, expect the realistic profit first before you wonder whether this position will turn into a leg on your millipede.

For 4hr, expect a good movement to be 50-100 pips at minimum

For daily, expect a good movement to be 100 pips at minimum

For weekly, expect a good movement to be few hundred pips at minimum

For monthly, expect a good movement to be few thousand pips at minimum

For yearly, expect a good movement to be few thousand pips+ at minimum

The above is a realistic, sensible expectations from the hindsight received accordingly.

You can choose to be an intraday trader, so one of the possibilities are:

Daily (hindsight) -> 1hr (area) -> 5min (razor sharp entries)

There are so many variations and you dont need to follow mine.

At first I recommend weely or daily and then x1 area (4hr or 1hr) and then 5min.

You are aiming for profitable scale of higher timeframe but only risking what you will risk on smallest timeframe. This is basically encoding your risk:reward into your trading habit/actions already from the start. Alot of traders need to work out their r:r with numbers when it can also be set by your actions.

Continuing on..



Aug 28, 2010 6:42am

1572



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Member Since Dec 2009

10+ W 760 Posts



Apologies to all.

Im experiencing few technical faults on my side here.

I have spent few hours preparing few charts before starting to post but all the charts are unavailable. It doesnt open for me.

This is disappointing as I spent the afternoon preparing them and they all seem to be cracked?

Just for now, Im deleting the last 2 posts and going to back to fixing this problem.

Apologies to all.

Sincerely,

Graeme



Aug 28, 2010 6:49am

1574



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Member Since Dec 2009

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



Quote:

Originally Posted by **MidKnight**

Hmmm...both the images appeared just fine when I was viewing those posts minutes ago. The Internet can be a temper-mental thing, I'm sure it will right itself again 😊

*With kind regards,
MK*

Thank you, MK

However, its not the internet but the charts was on my usb storage. They open up to just small x in the middle. First 2 charts I just posted are fine on the usb storage but the remaining charts are just little x's with 0 kbps.

This is a sad loss on my par.

I will be back to post in the prepared flow.

Once again apologies to all.

Sincerely,

Graeme



Aug 28, 2010 7:01am

1576



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Member Since Dec 2009

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



To all readers

Apologies but nothing seems to work with the remaining charts.

I will have to prepare them again.

I simply cannot do it tonight so it will have to be tomorrow morning.

Sincerely,

Graeme



Aug 28, 2010 7:04am

1577



pipEASY

crede quod habes, et habes

Member Since Dec 2009

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



Quote:

Originally Posted by [traderray](#)

Hi Graeme,

Had this problem on many of your earlier charts; managed to resolve by:

-> mouse pointer over red 'x' -> right click -> select 'show picture' from menu. Usually workes, but not 100%.

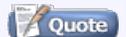
Thank you for the suggestion.

I believe it didnt save properly onto my usb storage. All the files are 0 kbts with no data.

Apologies to all I will return tomorow morning.

Sincerely,

Graeme



Aug 28, 2010 7:28pm

1591



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Member Since Dec 2009

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



Good morning, all

Thank you for the posts and the compliments.

Since we have more participants/readers now than when I first started the thread, I acknowledge all compliments in my mind and thank you for them. Apologies if I do not acknowledge them in the posts as I try my best to keep this thread from growing more than necessary.

Last few hours, I have read all the new questions in the recent posts, private messages.

I thought perhaps I could leave some of these questions for the question asker to step back and think. Because if they turn off their computer and sat silently and thought about what they were really asking, the answer might emerge from all the related information I have supplied so far. I assumed that alot of readers had this type of sensible realistic reasoning power.

This is not an attack on the integrity of the questions. There is no such thing as wrong question and I ask for your understanding.

It is common human behaviour/characteristic to ask a question and expect a direct answer back. However, for any of the readers who are in the education industry knows that this is not how we show/teach. The 'show-er' leads the question-asker just enough for the question-asker to have an 'aha' moment on their own. That is effective learning.

"Dad, I have a friend who's brithday is coming up but I dont know what to get him"

"Son, get him a new baseball cap. All boys like them"

The above dad may be true about boys liking baseball caps but what does this teach the son? All guys like baseball cap? Does dad's answer teach his son anything else but his personal assumption that boys like baseball caps? Im sure dad can stop there and answer his son with an answer that may sound slightly offhand but lead to a better understanding about not just his son's friends birthday but perhaps a related life teaching.

"Dad, I have a friend who's brithday is coming up but I dont know what to get him"

"Son, what do you think?"

"Dad, I dont know so Im asking you"

"Son, I dont know your friend well however I think if you get him any present you really think he will like than it is the effort your friend will appreciate"

"??? But dad, what I think he might like but he might not like"

"That is true son. And you wont know what he likes until you ask him but you wouldn't do that to ruin the surprise"

"Ofcourse Dad"

"Then son, you have to think. You have known your friend few years so you know what he likes. Perhaps he likes sport? Baseball? What do you guys do when you meet up?"

"Uhh... we play baseball often at the park. He loves it"

"Then what do you think, son?"

"OK dad. I sort of get it"

And thats what I do here.

However, before questions grow into problems and then disputes amongst the readers, please allow me to extinguish once for all the current questions/problems/discrepancies you may believe that you see.

Continuing on..



Aug 28, 2010 7:58pm

1592



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Member Since Dec 2009

10+W 760 Posts



There are many many questions on current readers lips.

For once I will supply a direct answer to the questions asked and then leave little space for you to think.

Why does Joe only trade sell?

Joe only trade sells as he also knows very well that in forex everything is all relative. You can trade sell/buy to potentially profit more and potentially take slightly more losses. However you can be just as effective to trade one direction **not just with flying buddha** but any price pattern; pin bar, inside bar, engulf and still achieve success. Why? Its because the important ingredient required is what you do during the opportunity. You need to stretch the given opportunity to the maximum profit taking and keep your loss static and as small as possible. Its not the flying buddha that creates profit for you but your ability to minimize risk and expand on profits. Joe has sharpened his focal interpretation to interpret price action very well when coming down. **We all agree that price action going down is exactly the same as price going up but we are looking at it upside down.** Joe agrees that he still cannot make a focal connection between price action coming down and going up. He knows its the same but he notices that **his personal focal interpretation is better** when price is coming down and as he knows very well **its all relative** in the markets hence he knows he can create just as much profit by participating one side of the direction. Hope this helps.

Graeme, you said this before and now you say this?

Good observation. If you are genuinely under learning mode and not auto-attack mode, I ask you to sit back and think.

First of all, my initial intention of this thread was roughly 10 pages. I didnt have time nor the intention to go into depth on any particular subject. Few readers comment that everything I have said is already said. Yes, true. But then I wonder if its already being said few times why there are still losing traders? Its because you cannot teach **everyone** and expect all of them to come down to your focal interpretation overnight. And since this is a public forum and your dealing with many many traders all with different skills, focal interpretation, trading traits, trading beliefs it makes it almost impossible. How many trading system threads actually created successful traders? I dare say not many. How do I know? Just like a dad looking at his son growing up, he can look down and into his own past to see where his son is currently standing. You can try and conceal very hard what you do not know and what you might know but it just shows in your writing. Think about this as you might think you are doing a great job covering your tracks but professionals who are above and beyond you, can just tell.

I had to squeeze what I do in the first 10 pages of this thread. All I intended to do was just tell them how I was trading 'briefly' and diversification and bid farewell. Which I did near the start.

Then I was asked about questions and my entries.

I moved on and explained to how to enter is not important but the participation.

This caused more interest and more questions.

So, through the sheer frustration, I showed everyone just .00 entries with 2 position entries. I failed when I saw all readers taking things literally.

It was a losing battle for me already.

All I could do is keep going and hopefully few do manage to connect.

And we are here now.

Im position trader -> I look at open of daily candle -> I diversify when there is growth -> Thank you

Im position trader -> I look at open of daily candle -> but also trade lower timeframes -> cause I know the importance of participation -> I diversify when there is growth -> Thank you

Im position trader -> I look at open of daily candle -> but also trade lower timeframes -> cause I know the importance of participation -> I diversify when there is growth -> yes, i also trade lower timeframe and these are the charts I use -> Thank you

Im position trader -> I look at open of daily candle -> cause I know what has happened from 2 weeks ago -> but also trade lower timeframes -> cause I know the importance of participation -> I diversify when there is growth -> yes, i also trade lower timeframe and these are the charts I use -> i use momentum on lower timeframe -> Thank you

Im not surprised its all confusing and I apologize and admit there was no intended flow. My writing was expanded and grew so I can answer all the questions and then pull any readers behind in the understanding before proceeding with the next topic.

I ask for your understanding.

I will return later on with the posts and further explanation of the project

Sincerely,

Graeme



Aug 28, 2010 11:30pm

1597



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by [ozziedave](#)

Hi Pip_daddy...

Yes, a weekly candle loss would sting a bit but you have to keep in mind that all of the winning trades went up or down from the entry multiple weeks and the other trades that I denoted as profit/BE typically went up or down from the entry 1-3 weeks. I would assume that most traders would take some profit out of those trades that were profit/BE. So if you look at a 50 week span you will make profit on 23 of the 29 entries with 19 weeks of no trades. That's nearly an 80% win rate.

Before I did this back test I would never...

Absolutely Dave.

Thank you for the explanation.

One single good flying buddha will bring in thousands and thousands for over an extended period of time. Some not so good flying buddhas will still bring in profits that are caught in diversification or closed out at traders personal choice. Both methods capturing both short/medium and the potential of infinity reward. Covering all possible scenario and still growing your equity little by little until that golden opportunity comes along with 10+ weeks of movement.

Consider a monthly hindsight that lasts 2+ years. Remember 2001 to 2007 eur/usd up trend? It all started with x1 single flying buddha at 2001 June which was also heavy support from 2000 oct and november. Price never came back for 6 years after that x1 flying buddha.

Im still waiting for one of those, thats why im still prodding here and there on the monthly. Some are growing but i dont know if they will grow like eur/usd 6+ years of uptrend. I can only 'anticipate.' And while Im anticipating Im capturing short/medium growth and continuing to add realized profit into my trade balance making sure worst case scenario I still have something for my efforts.

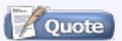
Just letting all readers know Im still preparing the lost charts from yesterday.

Edit: I should add that price for eur/usd 'still' hasnt come back and perhaps the downtrend of the last 2 years was only a 50% fib of this uptrend? Market doesnt know we are talking/looking at a monthly chart. Its all relative.

Talk to you all very soon

Sincerely,

Graeme



Aug 29, 2010 3:23am

1603



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As you know, one of the wonders in trading is how do pros/banks know when to trade and when to stay out. Do you have an answer? Or do you have an answer now?

I trade almost 20 pairs of currency. No person can monitor the action of 20 pairs. However, I can pre-select my interest beforehand. Some is correct to my hindsight but some are wrong. However, I do know for a fact and from real experience that the losses are very very small to what I can achieve **when it happens.**

When it happens may sound bleak but flying buddha, pin bar, inside bar, pennants, engulf are all above average good probability setups.

For the clarity of all, I would like to show one more inception method and I will move on to new material.

This is more for the intraday traders.

Daily chart



Nice flying buddha. Remember this is daily. So each candle is one day of price.

Realistic expectation from range? 100+ pips

Hindsight? Down

So after the completion of the daily flying buddha. We can write down on paper few things. Always write your plan.

1. Realistic expectation from range? 100+ pips
2. Hindsight? Down

Things to watch:

1. It might retrace first before it moves down.
2. Im interested in price that will close below that support to be classified as a volatile breakout after Flying Buddha.



What do I anticipate:

1. Retrace. Focus on 50%, open price of the flying buddha, top of the upper wick of flying buddha.
2. Volatility breakout; then there will be no retrace so I will have one position nice and early just to respect this fact.

Filtering levels:

Daily (hindsight) -> 1hr (area) -> 5min (razor sharp entries)

Level 0 ? Daily

Level 1 ? 1hr

Level 2 ? 5min

And this is your plan, nicely written. We write it down so our minds subconsciously encodes it into our thinking process and tells our eyes what to look for on the charts.



Aug 29, 2010 3:24am

1604



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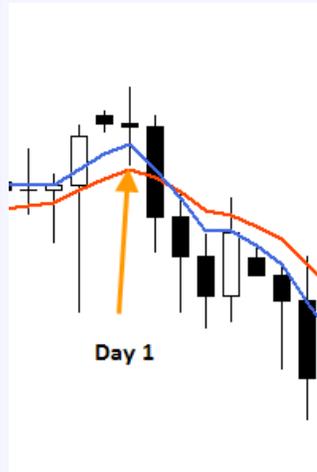
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Day 1



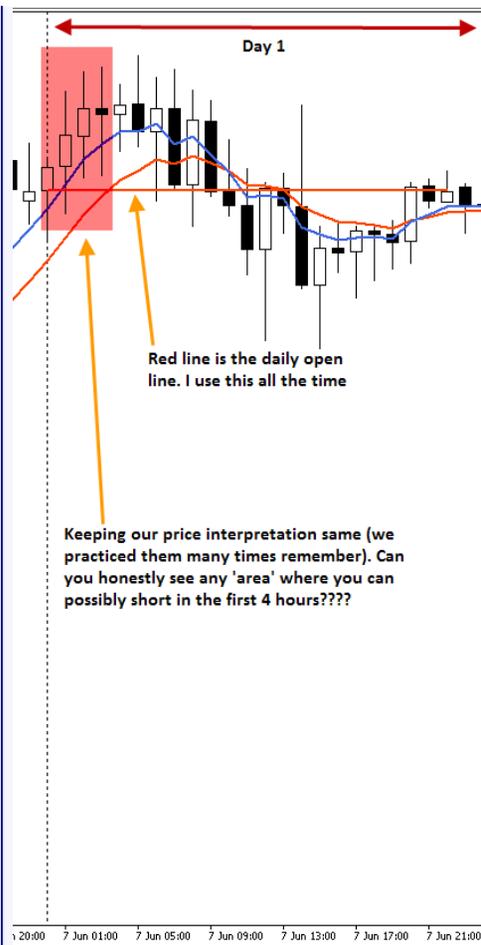
One thing wrong about this chart is that we know the outcome. For now, consider we don't know what happened after the flying Buddha.

Lets know zoom into level 1 (1hr)

We are anticipating DOWN. This is our hindsight. So we are looking at sell opportunities for now. On level 1 we are picking an area to sit down. Once we sit down we will zoom in closer for razor sharp entries.

With hindsight you cannot purposely make wrong decision. The hindsight says DOWN and as long as you keep your price interpretation same on all levels, you cannot enter wrong direction. Not sure what I mean?

Look below..



Unless you purposely want to go against your own hindsight: DOWN there is no ?area? on the first 4 hours to worth consider sitting down. See how this keeps you away from the market. **Learners will just enter here and there and everywhere.** Pros will only enter when there is A) low-risk entry B) higher probability



Aug 29, 2010 3:24am

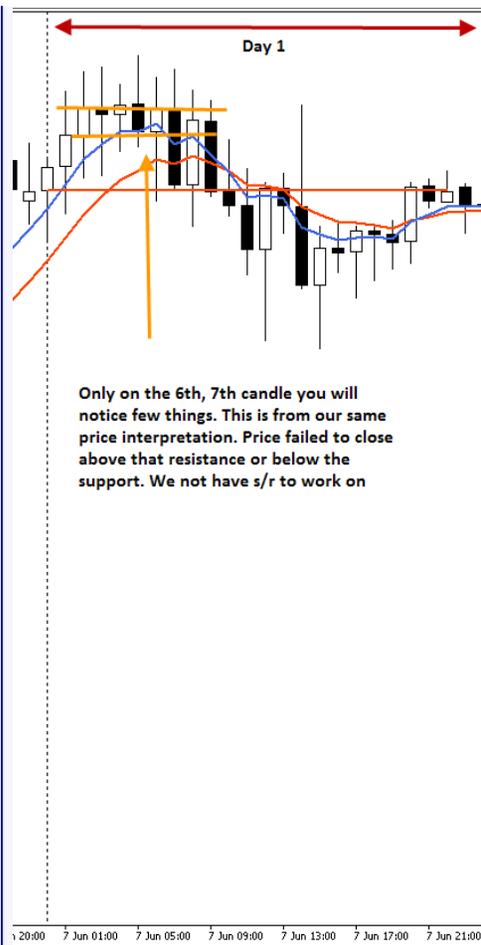
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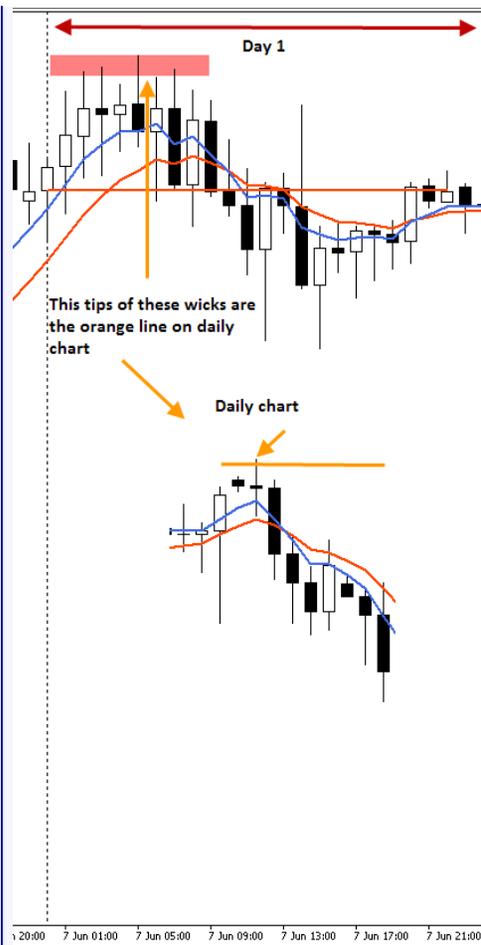
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The price is now in range. I want to know where the price is in daily chart. This next chart is very very important for your understanding. This is the secret.



This tips of these wicks are the orange line on daily chart

Daily chart

What do you see??

If you entered from just daily chart thinking you can make bigger profits because you are trading larger scale have just suffered a loss because the price went above much higher than the flying Buddha. However pros, looked at the flying Buddha on daily and then went into 1hr chart and saw it closer. And 1hr is now telling the trader ?NO. Wait?

And we do wait. We wait for the market.



Aug 29, 2010 3:24am

1606

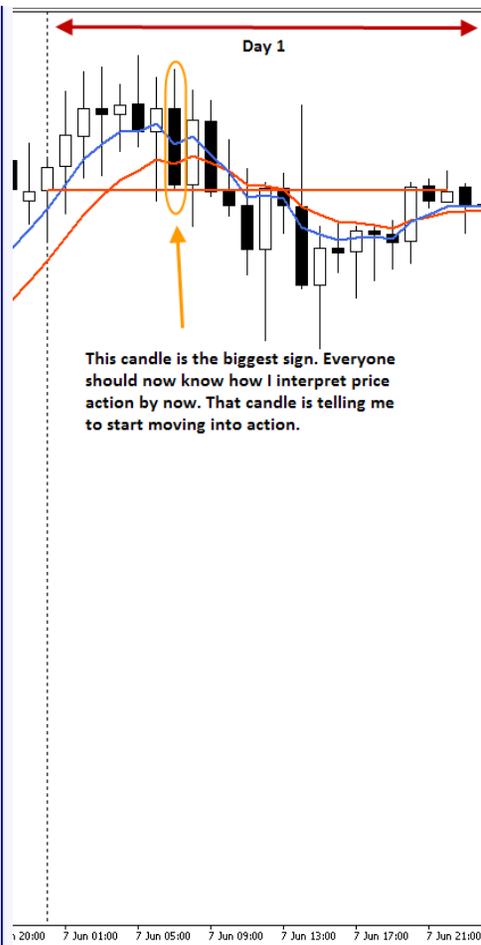


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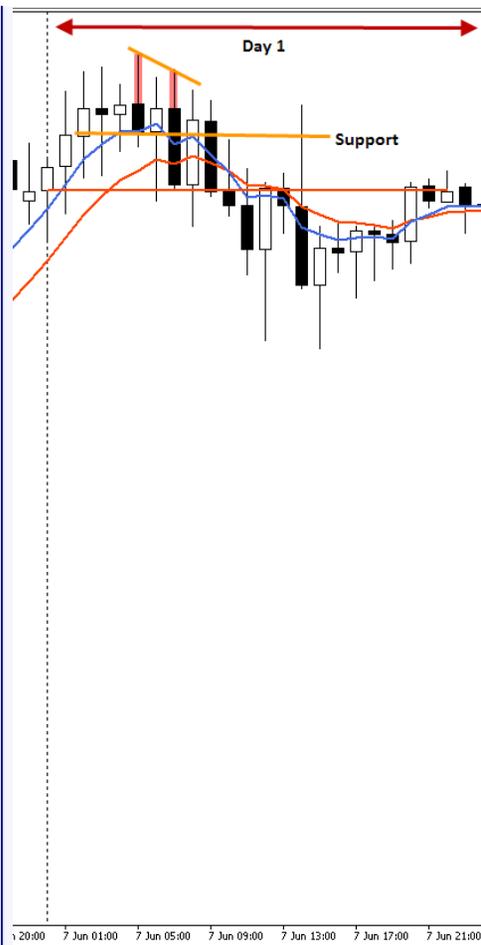
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For all traders who might not know why I might start moving into action after the completion of that candle here it is again:



See how one single candle explodes down cutting the support by almost twice. That is a lot of power. Descending wick pattern at top with long wicks (a sign of weakness for buyers and they cant get the price any higher as the time goes).

After the completion of that 1hr candle now I can sit down and write down few things.

1. Price did retrace. Infact it retraced more than most traders would like to see after a flying Buddha on a daily chart.
2. Lengthy period of time where price didn't move. Long upper wicks that are decreasing now.
3. A big momentum candle near UK start.

It is now time to look into razor sharp entries. It may not work out or it may work out but we have done the best we can and have stacked probability of winning to our side.



Aug 29, 2010 3:25am

1607

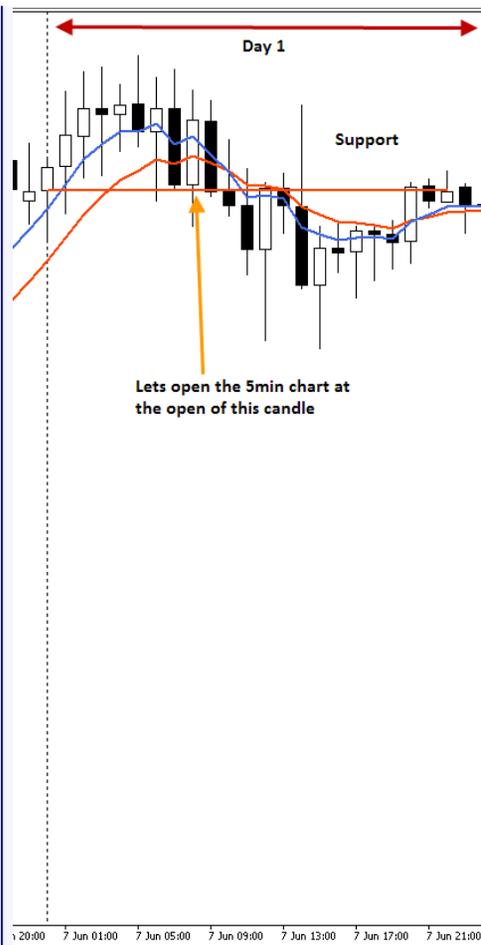


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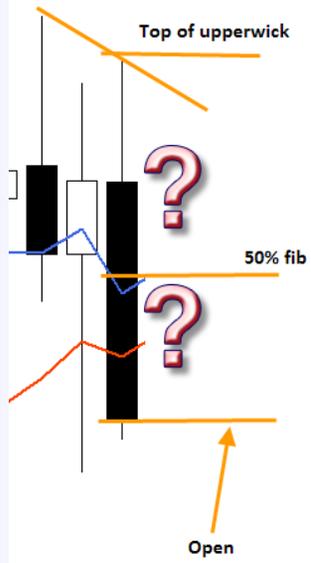
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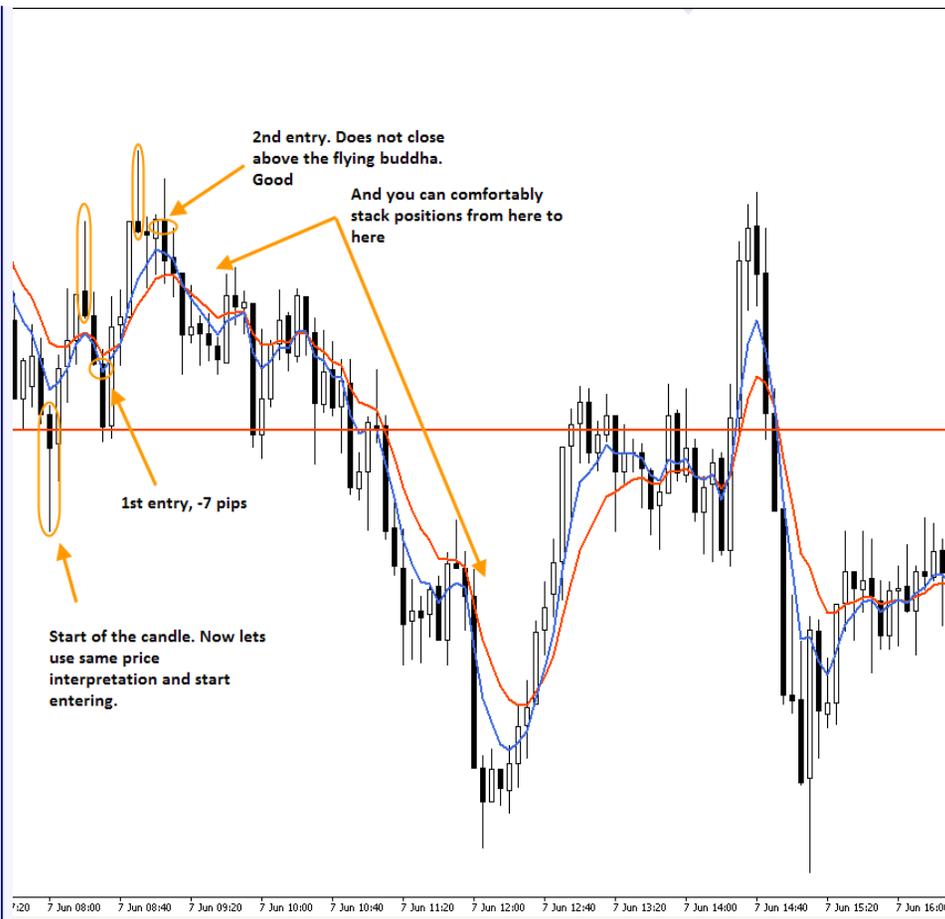


Now I write down few things Im anticipating

1. I will focus price action near 50% fib.
2. It might retrace but im anticipating a descending wick or at the worst case scenario a double wick bounce.



We are now looking for sell opportunities and know some areas that we are interested



7 Jun 08:00 7 Jun 08:40 7 Jun 09:20 7 Jun 10:00 7 Jun 10:40 7 Jun 11:20 7 Jun 12:00 7 Jun 12:40 7 Jun 13:20 7 Jun 14:00 7 Jun 14:40 7 Jun 15:20 7 Jun 16:00



Aug 29, 2010 3:26am

1608

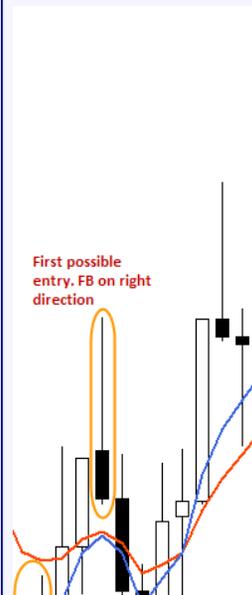
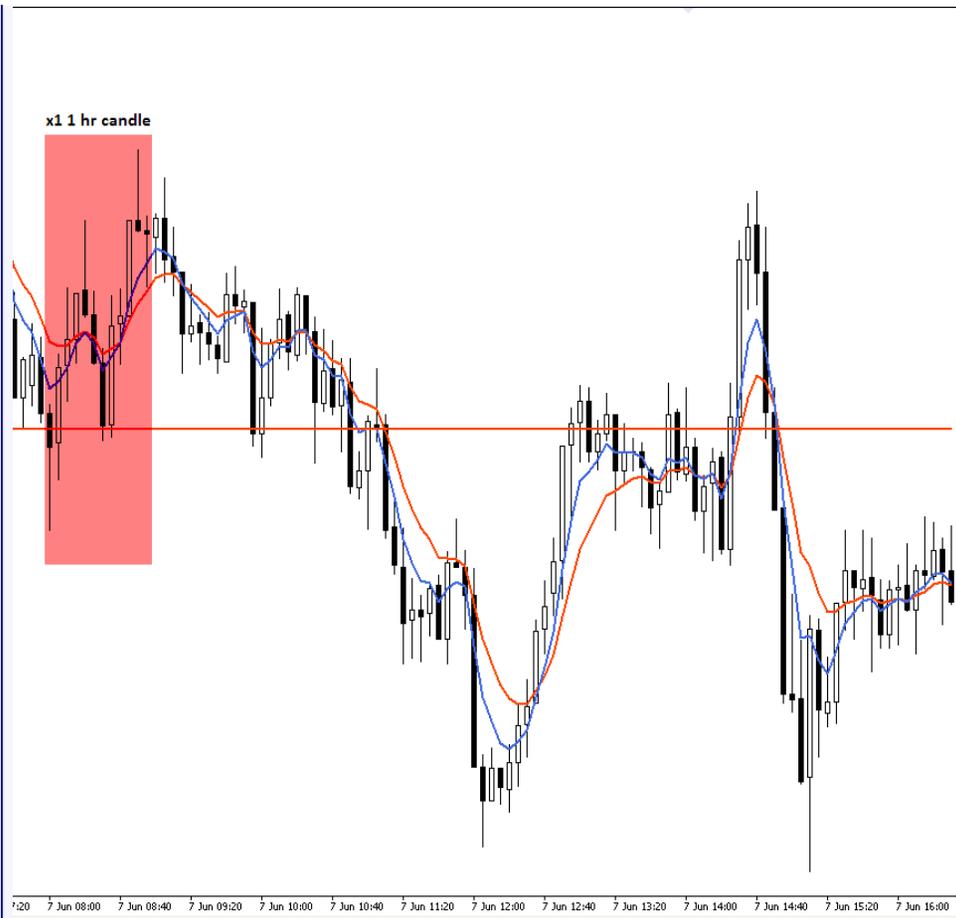


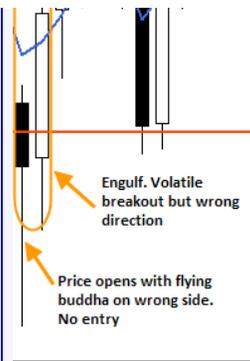
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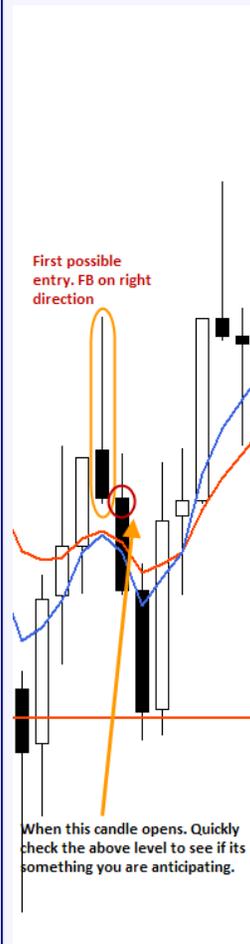


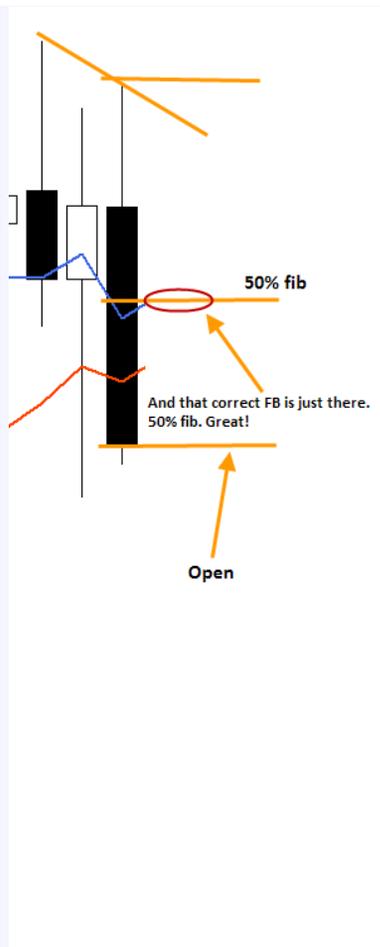
So we know what happens but lets focus on that x1 1hr candle in 5min chart which is this area.





So the second flying Buddha is now telling us to enter with a razor sharp entry. You must check where this price is on the 1hr chart/daily as a reference point to see if its part of your anticipation.





Last edited by pipEASY, Aug 29, 2010 3:37am



Aug 29, 2010 3:26am

1609



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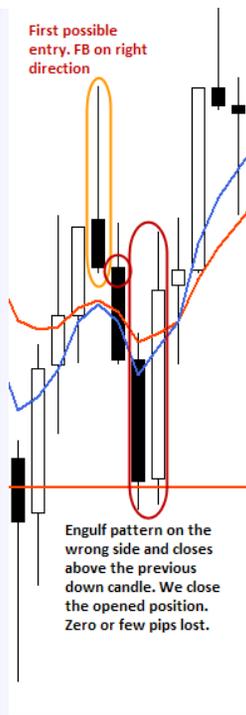
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But. It doesnt work out as the next few candles are the wrong price action.

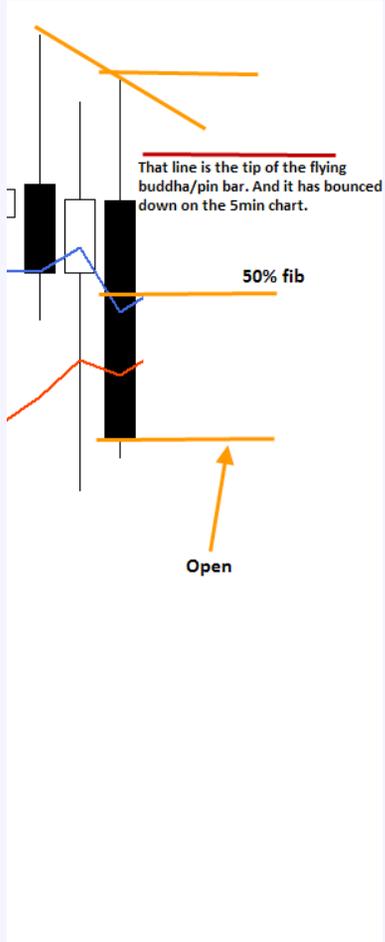
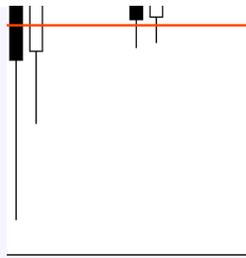




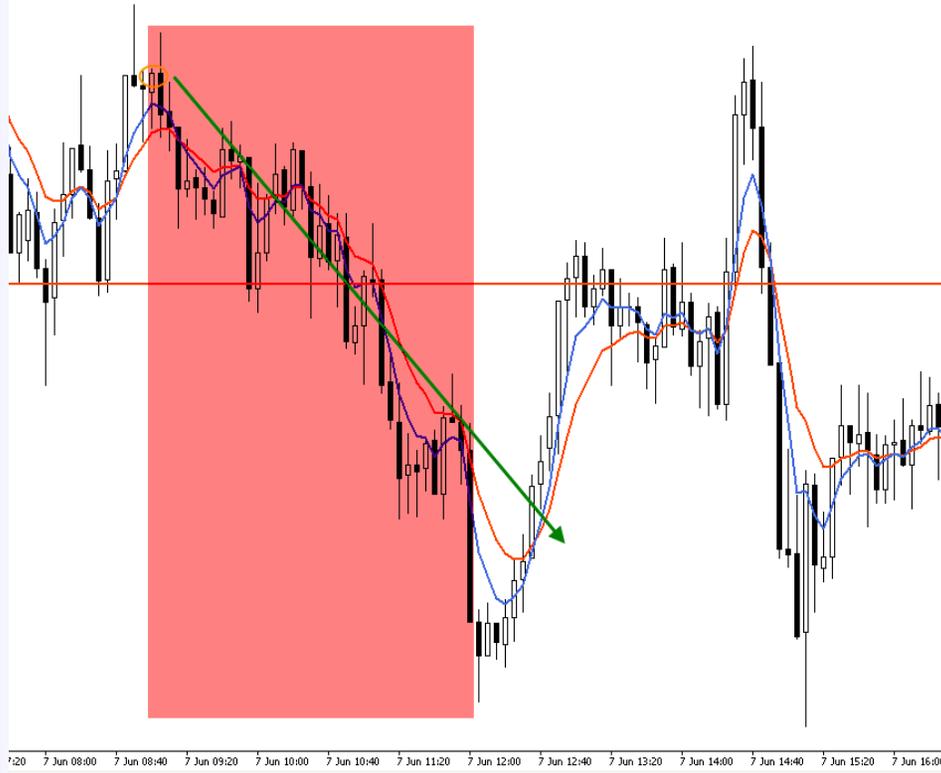
So the price wants to go higher. Than you must ask yourself how much higher?

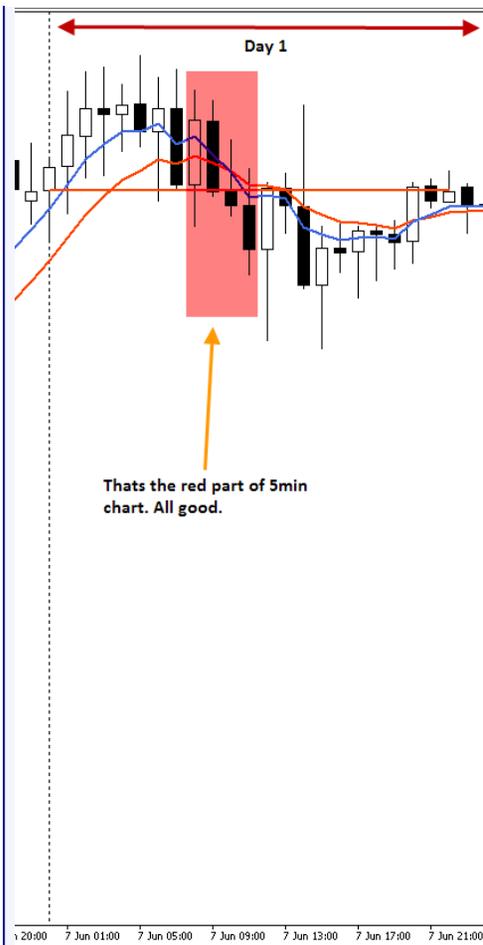
Perhaps the next is open of the previous candle or top of the upper wick perhaps?





So that position is now at the very top of the movement. Now you will stack positions on 5min chart cause you now know the market is on your side and paying you. Where is all this on the level above? I will just show you the red part on the higher level





Aug 29, 2010 3:27am

1610



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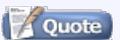
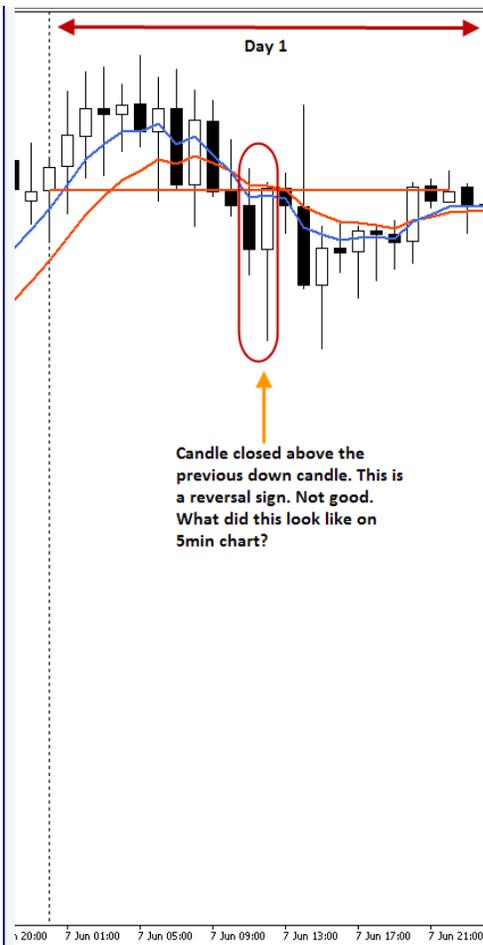
Every position you stack on the 5min chart has the potential to grow for days while the risk is limited to what you can lose on 5min chart. Risk reward?

Potential loss on 5min chart : Potential profit of days

You have encoded r:r into your trading habit.

But?

Look at that engulf 1 hour candle. Warning sign.



Aug 29, 2010 3:27am

1611



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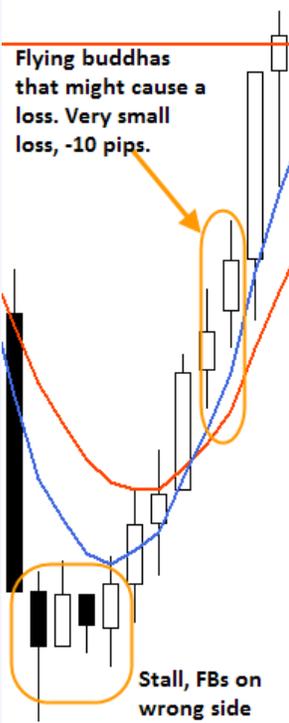
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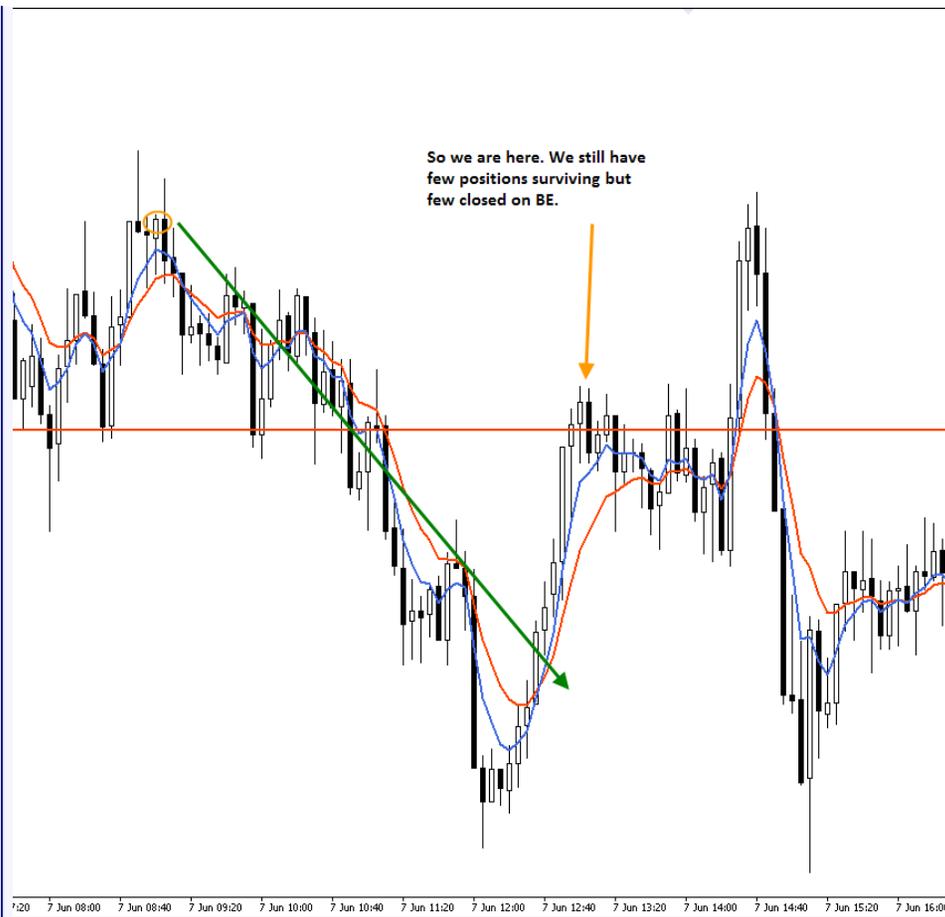
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Even if you want to enter on the 5min chart it wont allow you to.

That is the engulf candle.
Do you see any sell opportunities?





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Aug 29, 2010 3:28am

1612

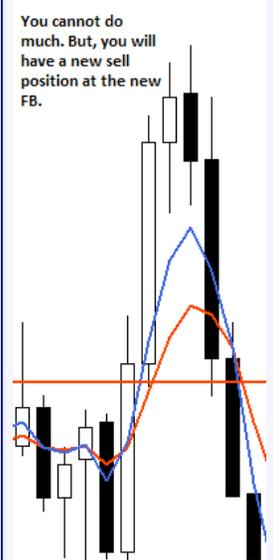
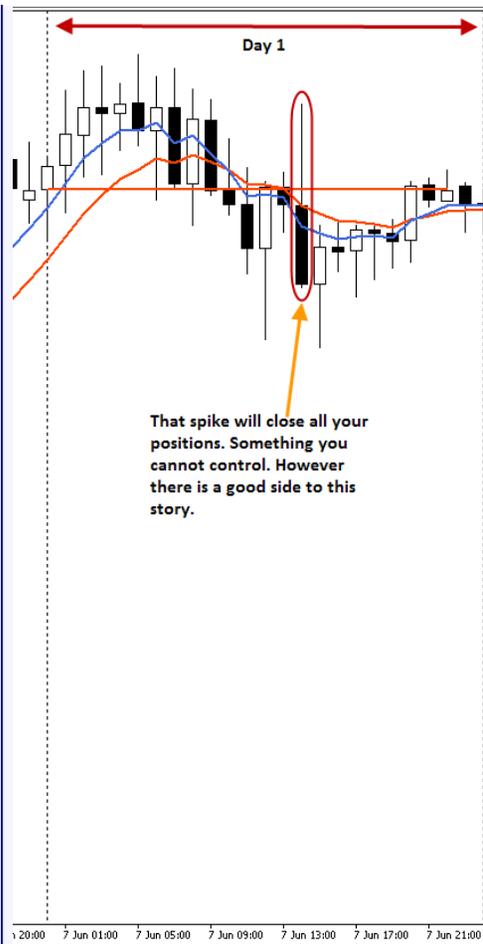


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Now something unexpected happens on the 1hr chart.

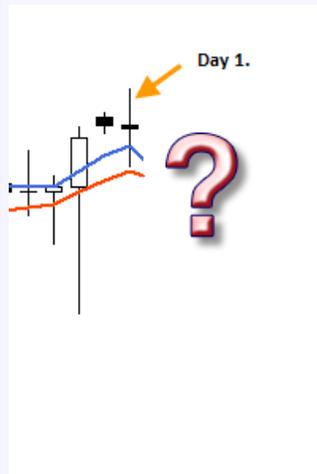


I tell you something. Any positions you entered after that flying Buddha survived for the next 2+ months and is still growing and worth +1300 pips each. Surprised?

So you had an interesting day. You had few stacks of positions but all of them died on breakeven. The only thing you managed to open was last 2/3 positions from the latest flying Buddha which you don't know at this stage if it will grow.

Always reflect back on higher timeframe to see that the current price is 'a part' of your anticipation.

Lets see what happened after day 1 on daily chart.



What do you think?

Is it part of your anticipation?

We were expecting/hoping for a big volatile breakout downwards. The only saving grace at the moment is price closed slightly below the open. This is not good or bad. If price closes above the flying Buddha then this opportunity is over. At least we didn't lose a lot.

And so on..

Now you would continue on choosing areas that are part of the higher timeframe hindsight and then razor sharp entries on the lower timeframe. As long as the hindsight remains **valid** you will continue entering towards the direction.

This is all you need to do. Very simple and it becomes very fast.

You know when to enter, how to enter and know what to expect.

But...



Aug 29, 2010 3:33am

1613



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I will stop here and say something to add.

Im not sure if you can actually see that there are continuous cycle of generalized price action. It repeats and repeats on all timeframes.

You need to know this cycle well so you know when to trade and when not to trade.

Imagine you see a perfect inside bar on weekly chart. And the following week is a volatile breakout towards the intended direction. This information alone is worth thousands and thousands of pips.

And the price continues until that golden opportunity is over.

You then rinse and repeat the above.

It is that simple but yet complex in a sense as well.

Continuing on..



Aug 29, 2010 3:50am

1614



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But?

Remember, I take every buy/sell opportunities?

So, if weekly hindsight says down then do I only look for sell opportunities?

No.

Let me quickly show you how you make quick short profit on both side of the coins.



Level 0 ? Weekly (hindsight)
 Level 1 ? 4hr (area)
 Level 2 ? 5min (scalp entries)

Lets write a plan before the start of the circled week candle.

Realistic expectation: 100+ pips
 Hindsight: Down (continuation trend)

Things to watch: 1. Oversold. Quiet possibly a deep retrace or a stall.
 2. Ema hasn't crossed under yet (its crossed on the chart cause the weekly candle completed). Quiet possibly a big movement down around the cross. Chances are good.

What do I anticipate: Continuous compelling momentum with hardly any retrace, if retrace preferably somewhere below 50% fib.



Aug 29, 2010 4:07am

1615



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Now we have a plan.

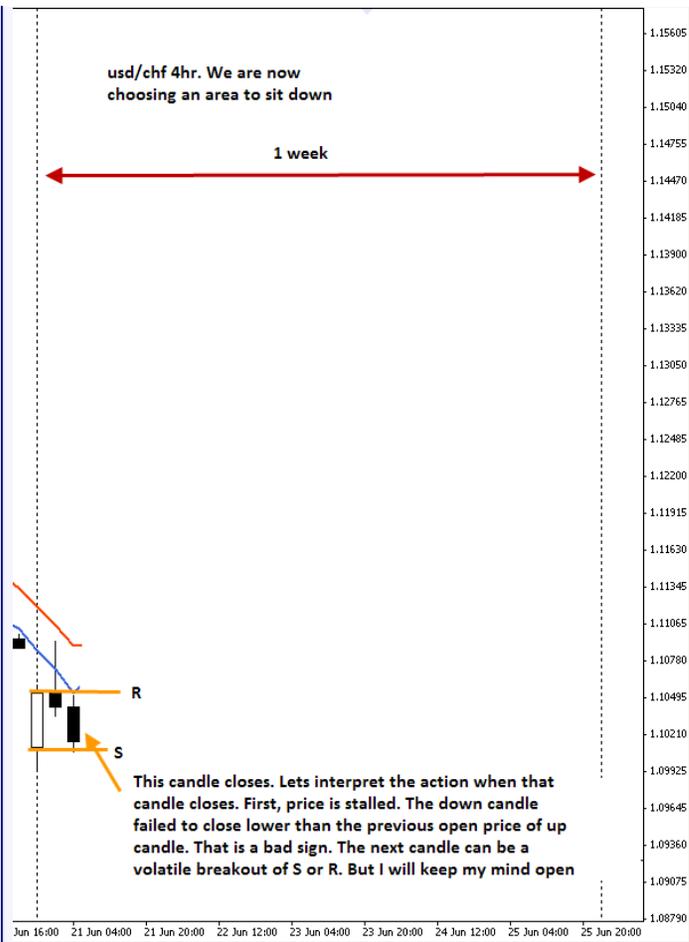
And the week starts..

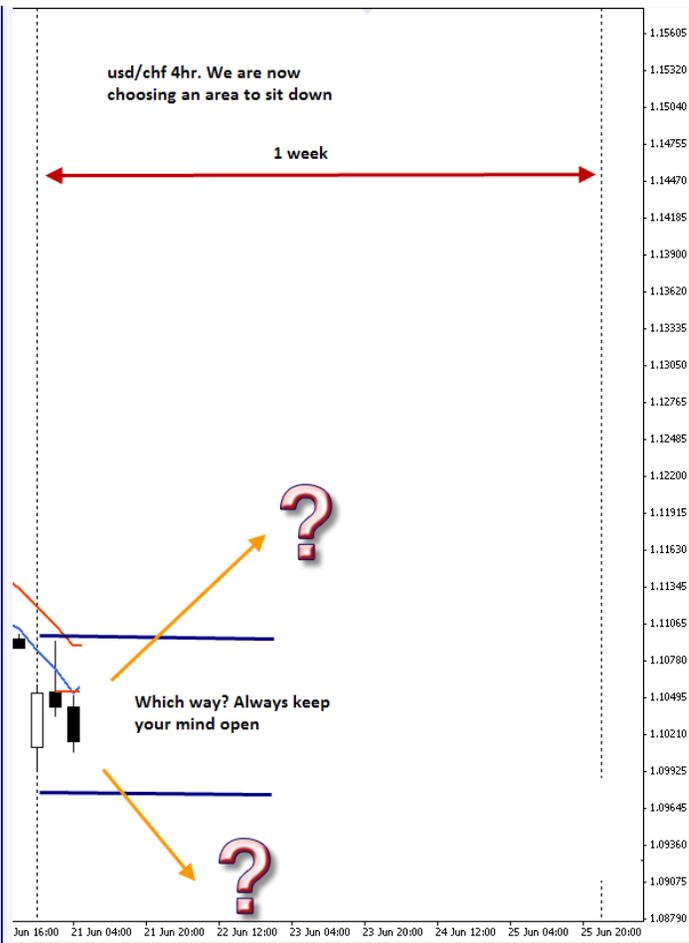


I always keep the hindsight in my mind but I also know to expect the **unexpected**. I always ask myself the opposite questions to my hindsight. If price does reverse against me and against my hindsight how should I be watching the above chart?

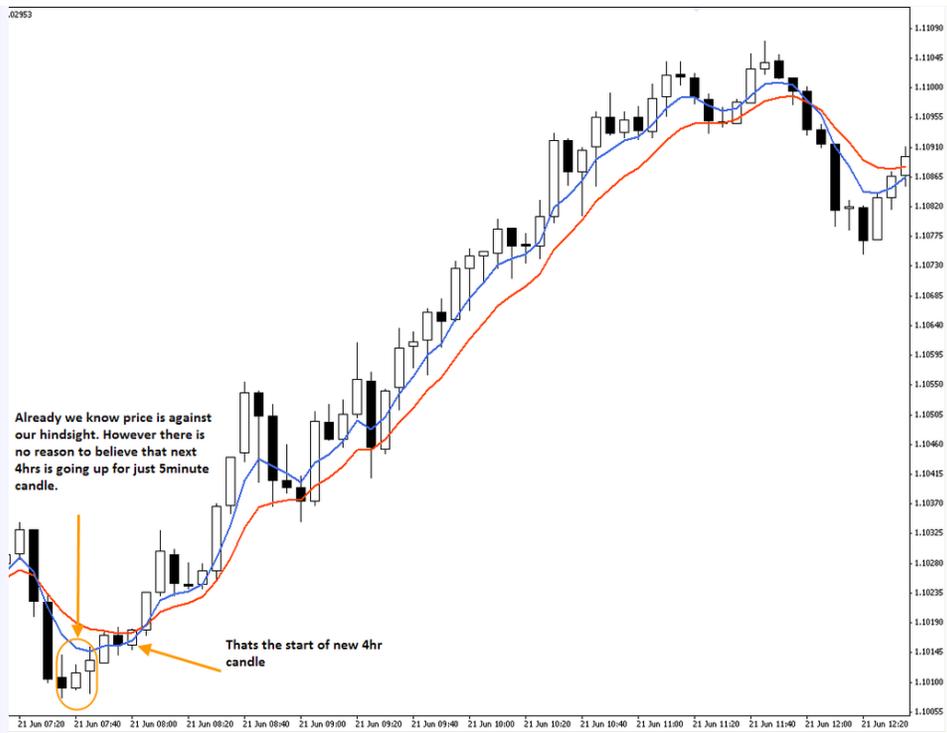
I know my hindsight is DOWN but **hypothetically** if I said it was up where should I look? Where are the obvious areas?

Once again use price action interpretation:









Aug 29, 2010 4:21am

1616



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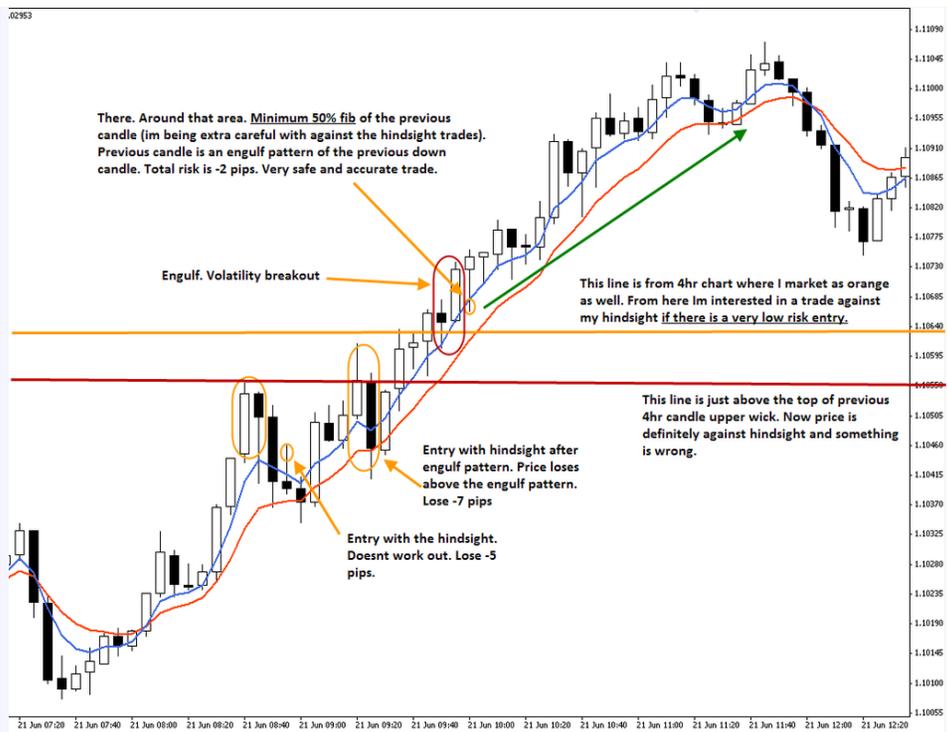
But, with trades against the hindsight require extra confirmation. Hindsight is your main objective and trades against your hindsight are just secondary punts.

You can still take calculated punts and create good source of short burst of profit.

Lets look back at 4hr chart and mark an area that if price does come I would be interested in taking a trade against the hindsight.



So where is the orange line from 4hr chart on 5min?



So you capture a short profit on the retrace of the weekly candle and once it bounces back down from 50% fib we would zoom in again into 5min and start capturing with more positions.

Last edited by pipEASY, Aug 29, 2010 5:19am



Aug 29, 2010 4:28am

1617



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Let me take a step back and place few golden tips on taking trades against hindsight.

First, you don't take any trades against hindsight until you are well skilled and comfortable with taking trade with the hindsight. Stick to one for now.

Secondly, if market is all relative then trends can start from weekly or 5min chart. It can begin where it should end or it should end where it should begin. How do you know a retrace on 5min chart is not the actual new trend? What if our hindsight was wrong? We are never right all the time so if our hindsight is wrong then the opposite must be correct.

I always take trades on the opposite of my hindsight. Few possible scenarios happen for me:

1. My higher timeframe hindsight is correct and I have built a whole stack of positions.
2. My higher timeframe hindsight was incorrect unfortunately but my secondary punts actually grow to be legs on my wrong hindsight.

You cover both scenarios by doing the above.

Another quick example..



Aug 29, 2010 6:36am

1622



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Good evening, all

I was planning to show another example of trades against the hindsight but I have decided not to continue.

I believe that the charts about trades against hindsight will cause more confusion than clarity.

However, I do believe that once you upskill following your hindsight trading you will inevitably phase into taking countertrades. Im confident this will happen as part of related learning and there is no need for me to show you now.

Lets all leave taking trades again hindsight alone for now.

Now lets move onto just one more topic.

Edit: Correct muntu. That would be a good idea to diversify. Or you can risk little more and leave the trades and push through till end with your hindsight. More exposure = more profit, less exposure may result in less loss (but is breakeven really a loss??) but also less potential profit.

Anticipation

Continuing on..



Aug 29, 2010 6:53am

1623



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Thank you for the continued interest and the compliments. They are greatly appreciated and makes my efforts worthwhile.

I mentioned before how I will show you to freeze time.

This also connects with my next topic 'anticipation.'

What is anticipation?

It is a partial hindsight of the next course of action that may or may not happen.

"Im anticipating for my dog to return home"

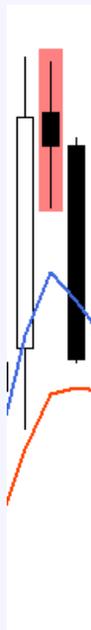
"Im anticipating a pay rise this year"

"Im anticipating to meet a new boyfriend this year"

Anticipation and guessing is different. Guessing is having absolutely no idea on the next course of event while anticipation is having some degree of knowledge of what might happen in due time and hope that it does happen.

Anticipation in forex creates alot of profit making opportunities.

Please see this 5min chart below:



Look at red candle. Now this is 5min. We dont know if that candle will be a flying buddha while forming. There are some things in forex that repeats and repeats. If I personally choose 3 things, they are

1. Price retrace to the previous candle's wick and 'bounce' off near the area or at the same price.
2. Price retrace to 50% fib and bounce off
3. Price retrace to open of the previous candle and bounce off

These are 3 things I watch happen all the time and I have built a trading edge over it. How?

Now that candle is 5min chart. The tick action of the above chart is too fast for me to react in time to get a position on the wick. Sometimes I can but most times I cannot.

If everything is all relative. Then that chart could be a weekly. The only way you know that chart is 5min is because I have stated that its 5min.

Action on 5min is very fast but action on weekly is very slow.

On weekly chart, we can actually wait to see the price approach the area and then what do you think we can do?

We freeze the time (in a sense).

We see the price approach the upper wick of the previous candle and with the mentality to spend few pips for something great we will participate.

Lets have a look at r:r

Risk of 5min entry : Potential profit of weekly

+ **(PLUS)** higher probability of a bounce

continuing on..

Aug 29, 2010 7:08am

1624

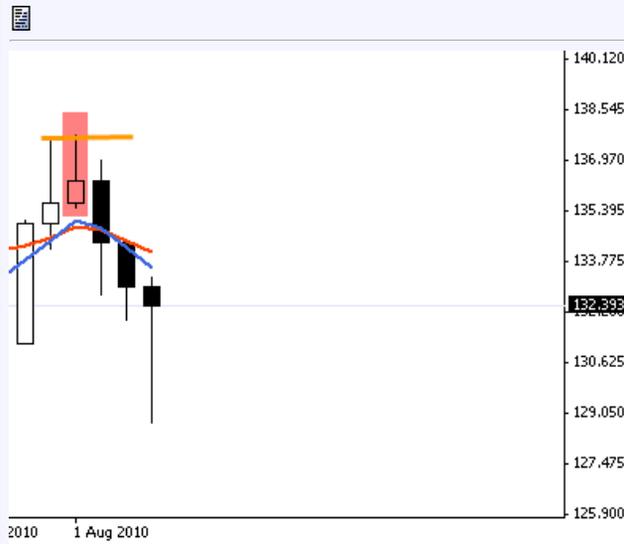


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Look at that weekly chart. Lets focus on red. We dont know when that weekly candle is forming that there will be a upper wick bounce and that it would turn out to be a flying buddha.

However, I would like to freeze time and zoom in and see very closely near the upper wick.

Just on a side note, main hindsight for the chart would be UP since the last 2 weeks is up.

But you must notice that long previous wick. That is a sign of weakness from buyers. Not all the times but enough times.

I always place an alert on the price which will send me an message on my phone when price reaches there.

Lets say the week opened and I received a message. Price has approached close to the upper wick of last week.

Lets see what level 1 say. (4hr)



Continuing on..



Aug 29, 2010 7:23am

1625



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If 5min chart is too fast for you to get a position in then on weekly there is more than plenty of time.

Infact, if you miss it then you have missed it. There will be more later on.

So lets just say you arrived on the scene at the open of the red candle. You are little late as the price seems to have bounced off the red line.



Lets zoom in level 3 (1 hr) for a smaller area. We are in process of freezing the time by decreasing our scale against the potential happenings of the weekly.



Aug 29, 2010 7:40am

1626



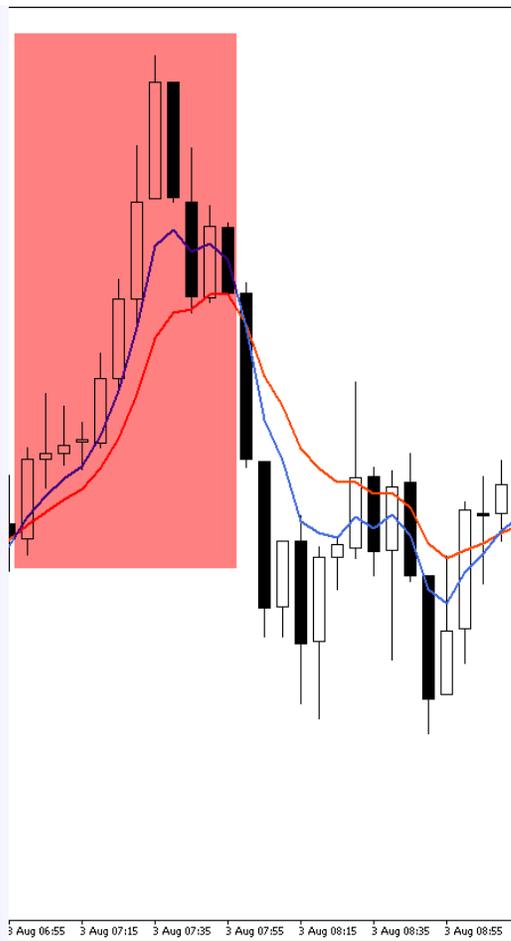
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Look at the above red candles. They are 5 minute candle. There is no way you could enter any sell positions on the first few candles.

This is prime time. It is in the area where something big 'can' happen.



They are now worth 900+ pips each and has the highest probability to survive as they are on the wick of the weekly.



You many wonder how many times a wick bounce happen. Well, a wick bounce on the exact same area is not often but you can anticipate many many setups before hand. Beauty is you will have positions on the wicks that has the highest probability of survival if the new trend continues.

Some areas that was possible to anticipate on the weekly chart.



Some weeks you can pull out good profit where normal traders will find it hard.

I do the above all the time with great success.

Now for the project..



Aug 29, 2010 7:43am

1627



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I hope there is enough times for the readers to absorb and think about the last few pages in this thread before attempting the project.

All I ask for the next 2 weeks is to keep things very simple.

We are doing:

1. Pre-selecting a pair of currency
2. Analysing the weekly price action
3. Form a hindsight and realistic expectation
4. Write down a plan
5. And execute

Allow me to show few examples that are from this weekend.



Aug 29, 2010 7:57am

1628



pipEASY

crede quod habes, et habes

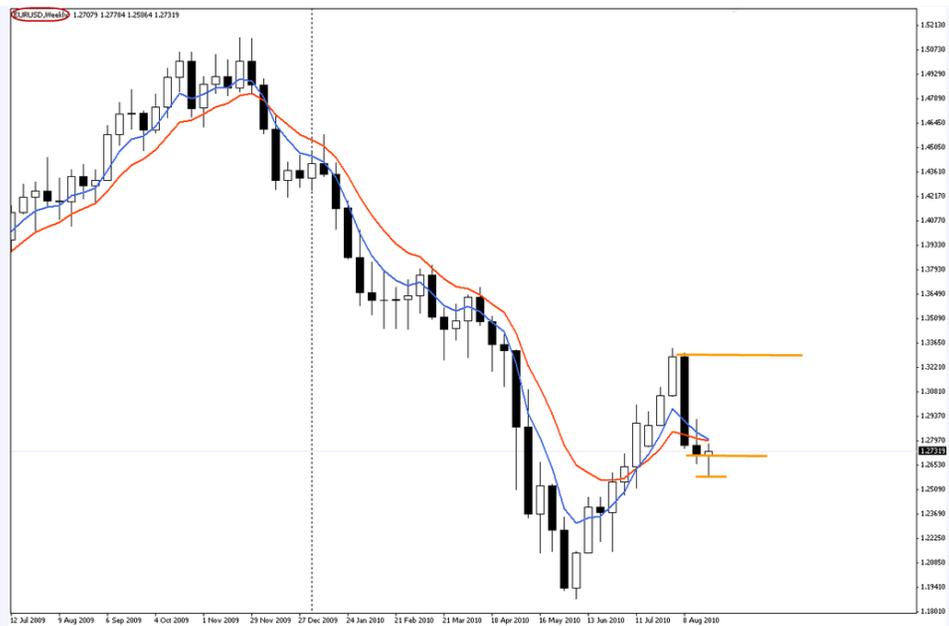
Member Since Dec 2009

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



Example 1

Pair: eur/usd

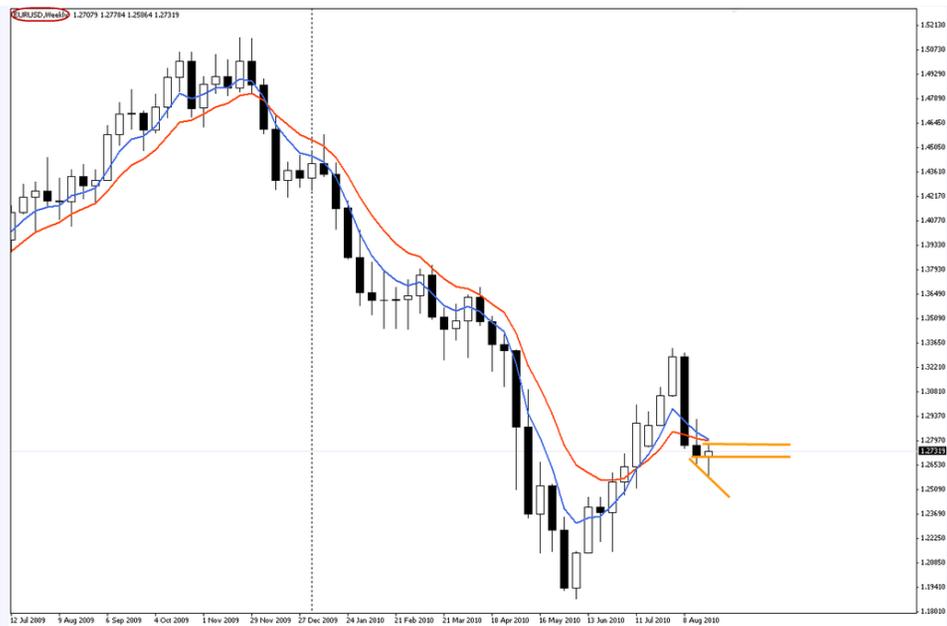


Realistic expectation: Weekly chart. 100+ pips minimum

Hindsight: Down, continuation trend

Analysis: Last week candle is a small non-movement. Price has stalled after a large bold down candle. I was hoping for continuation trend last week however it didnt. Price is slightly off ema so im expecting a retrace. Ema is about to crossover but that depends on the momentum of this week.

Anticipate: Im anticipating retrace. Im anticipating an upper wick bounce from last week and will send an alert to my phone at that area. For my hindsight to work I require a compelling momentum piercing the lower wick of last week. **Im aware that price might respect the descending wick pattern** and bounce back. I will anticipate this bounce up and will be ready to watch and go with the flow. Honestly I give this pair of currency 6.5 out of 10 chance that it will be a bold candle down.



Aug 29, 2010 8:05am

1629



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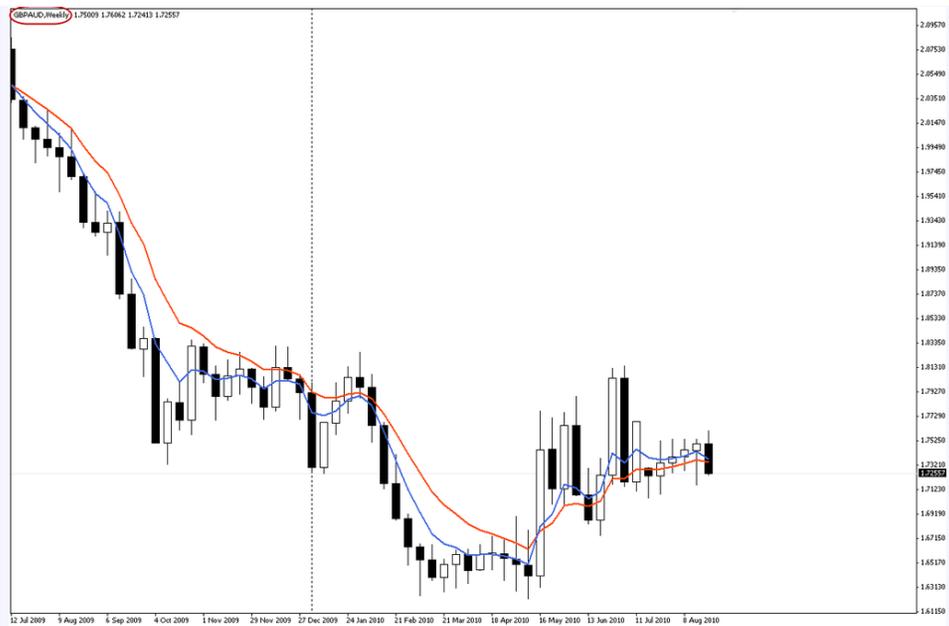
Member Since Dec 2009

10+y 760 Posts



Example 2

Pair: gbp/aud

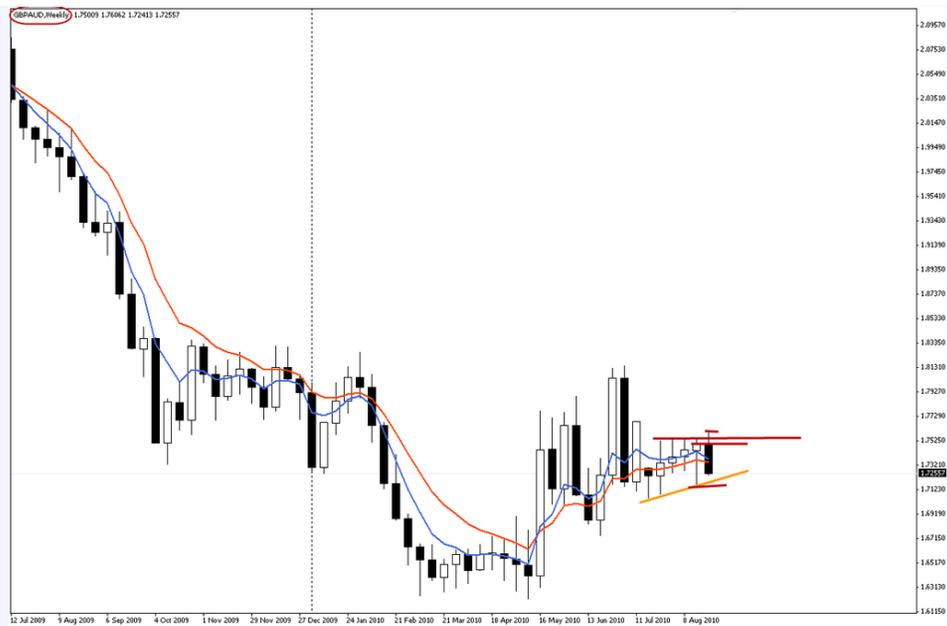


Realistic expectation: Weekly chart. 100+ pips minimum

Hindsight: Down, continuation trend after engulfing candle.

Analysis: Great momentum. Bold down candle that completely engulfs previous 3 up candles. There was 5 wick touch which means a strong resistance just around the tip of the upper wicks. Im not happy about the long lower wick of previous weeks candle. There is an ascending wick pattern that needs to be broken.

Anticipate: I anticipate a retrace but I hope something less than 33% to prove that buyers have definitely given up the fight and the momentum down is dominating. 7.5 out of 10 however I will cover all bases and send alerts to my phone on the red lines. I will be keeping this pair closer than others.



Aug 29, 2010 8:15am

1630



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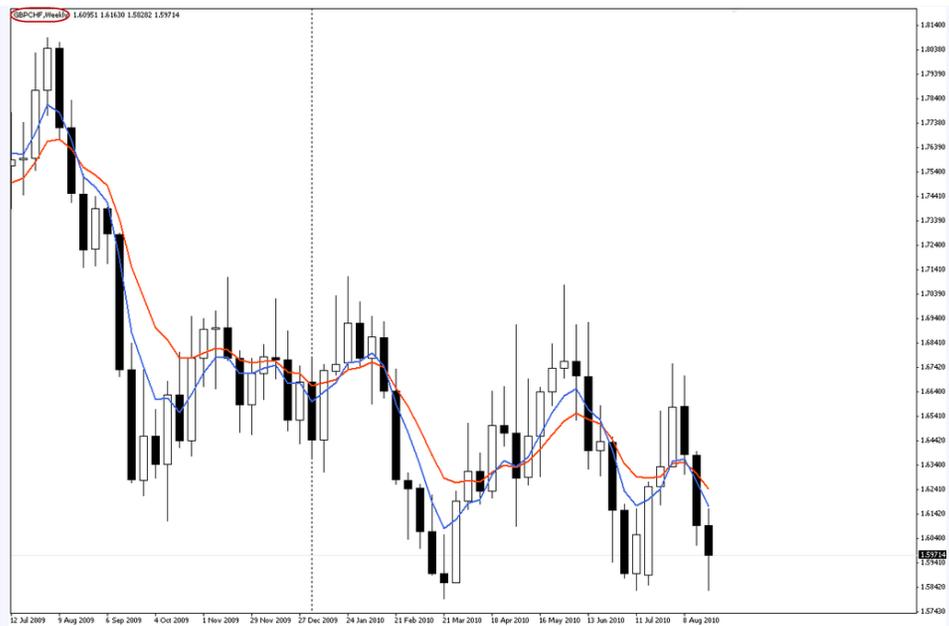
Member Since Dec 2009

10+y 760 Posts



Example 3.

Pair: gbp/chf

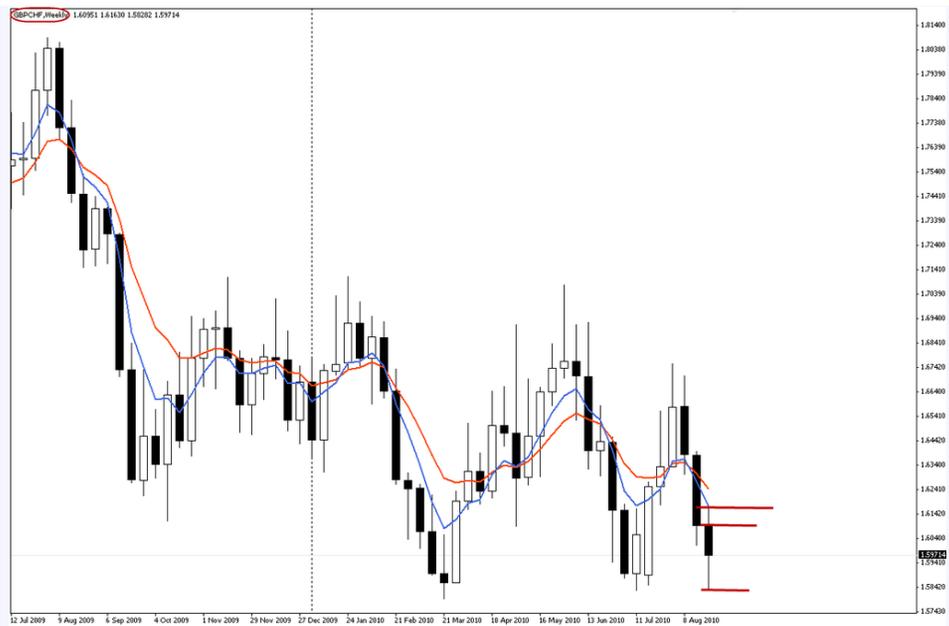


Realistic expectation: Weekly chart. 100+ pips minimum

Hindsight: Down, continuation trend after compelling momentum

Analysis: Last week was a good movement. Not great but good. Price retraced to 50% of weekly candle 2 weeks ago and came down. That could have been taken advantage of. Good move down but bounced up on support 1.58500 which had few bounces before. Ema crossed over recently, so good chance that this will follow through with another compelling momentum. Price is opening this week at 50% of last week already.

Anticipate: Since price is opening 50% of last week. If there is a retrace I will focus on open price of last week or tip of upper wick. Ema crossed over recently so good chance of compelling momentum down. I sincerely hope for a volatile breakout of 1.58500 which would cause huge potential of profit. I give this 7 out of 10 for a bold candle down.



Aug 29, 2010 8:24am

1631



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Member Since Dec 2009
10+V 760 Posts



If I could request all readers who are participating this project to send me a plan like the above. Similar layout is preferred but not essential.

Please send me to pipeasy at yahoo.com

I have already received few and I applaud the few members who are taking steps ahead of the rest.

When market opens tomorrow, even though you feel that you are ready and understand, trust me when I say it wont be easy. But I will guarantee it will get easier through more practice.

To keep things very simple, **for now, please send me your plan only and today think about what you will do this week. Pre-vision all your actions and what you are going to do.**

Do you know why professional footballers point to the sky towards the opposite goal before freekick? It is a very well known mind control that coaches teach. You are pre-visioning your action before it happens. You will be amazed how this pre-vision helps condition your mind and prepares you and even achieves what you visioned beforehand.

For now, just the plan and from tomorrow make your hindsight come true or minimize your loss if it doesnt.

As the week moves on I will let all participants know what is expected next.

Perhaps opening a new demo account just for this project as I would be very interested in the trades you take. **I will analysis each of your trade and see why you have taken them and then offer advice.**

You can email me questions or leave me answers on this thread regarding this project. Im just going to lie down for about a hour or two to rest so when I return I will answer questions to the project.

Sincerely,

Graeme



Aug 29, 2010 8:27am

1632



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Member Since Dec 2009

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



Just before I go lie down for 1 or 2 hours.

For all the members who have emailed me their project already, there is no need to formulate it again.

I will work it out.

Kindest Regards.

Graeme



Aug 29, 2010 10:02am

1635



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Member Since Dec 2009

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Quote:

Originally Posted by [ozziedave](#)

Hi Graeme,

On the euro chart you have a FB below the EMAs. Since you have an FB do you anticipate a reversal? I see in this case you didn't even mention the FB? In my review of the charts FBs seem to work in either direction so I would take an FB if price breaks above the high of the FB candle. Just wondering how you would approach this analysis if you were to take into consideration the FB?

Good evening, Dave

Apologies. You are correct, I should have clearly indicated that last week candle is a FB.

My analysis still remains the same and I too will look for breakouts in either direction.

Although I would have preferred the FB to be little larger body. This is just my personal thing that I have accumulated from looking at so many FBs.

Looking forward to your contribution

Good night all.

Best of the luck this week.

Sincerely,



Aug 29, 2010 8:32pm

1675

**pipEASY**

crede quod habes, et habes

Member Since Dec 2009

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Good morning, all

Thank you all for the participation.

Most readers are charging forward and it is fantastic to see.

Keep it very simple please.

Weekly hindsight down. 4hr price action says UP. **No trade.**

Weekly hindsight down. 4hr price action says DOWN. 5min price action says UP. **No trade until 5min also agrees.**

Throughout the week, ask yourself is price action really to your anticipation.

Most of the time it will be not.

This is a psychological aspect. The market moves slower than most traders expectations vs time. Please remember that.

Also, you do not need to stay up all night as that will affect your health. There is no such thing as too late in forex but always too early. I sense that many traders are in a rush which is a healthy dose of motivation however market moves much slower than your motivation.

At the end of 2 weeks. "Graeme, my weekly hindsight 2 weeks ago didnt work out. However, for the potential profit of few hundred pips, I lost - 200 pips overall."

That is a fantastic result. A weekly opportunity that works out will reap thousands and thousands while you stretch the profit taking and you took calculated risk but unfortunately turned out -200. Remember world/life/market doesnt end with this one opportunity.

This is where your money management may come into practice. Tell yourself, I spent 200 pips just on the last weekly hindsight. How many more can I sustain? If its anything above 20 more opportunities (for the new starters) than your capital is fine. And thats all to money management. Even if you adhered to one pair of currency, look at x20 weekly candles. Im sure there are few segments within that 20 candles (5 months) that are absolutely profit making. All agree?

For now I will take a step back and let all traders take hold of their actions and prove to themselves they can. And I say you can. You can.

All the answers are here but inside you already. Everyone is doing well.

Thank you for private messages/emails I will answer them shortly.

Sincerely,

Graeme

Last edited by pipEASY, Aug 29, 2010 8:56pm



Aug 30, 2010 6:50pm

1726

pipEASY

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Member Since Dec 2009

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



Good morning, all

Apologies if I seem too quiet however I would like all traders to think on their own.

Im reading all the emails and private messages and have printed out all of them. There are currently 30+ participants.

It is good to see all participants have **sensible realistic expectation of the next 2 weeks that has the potential for alot of profit.**

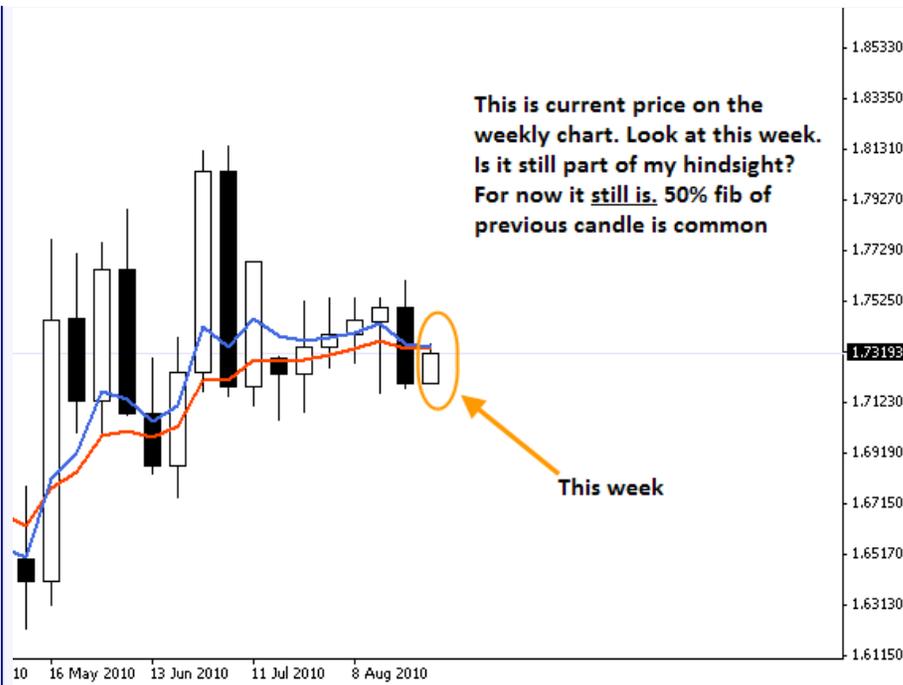
There are few things I would need to say as part of learning.

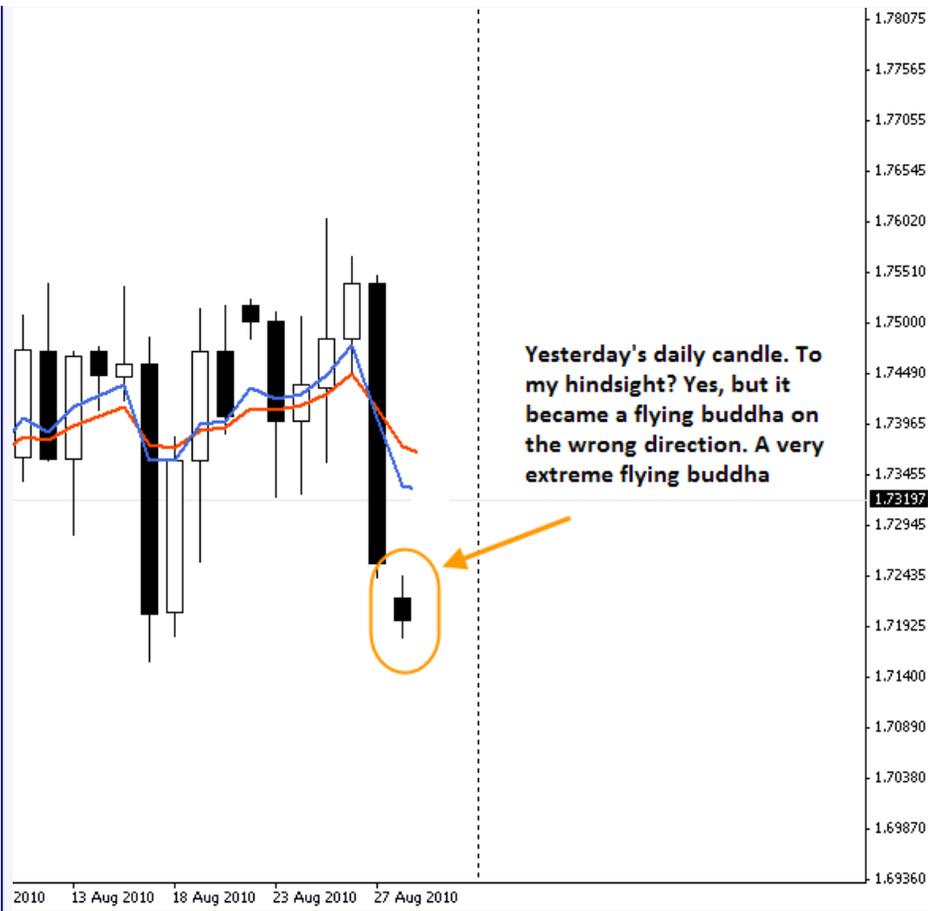
1. It has now been **1** day after hindsight. Look at the daily candle just formed. Is it part of your hindsight??
2. Where is price now to your hindsight?? Is it part of your anticipation?
3. Please only stack when the price in **your favour. The worst case scenario when prive reverses is perhaps the loss of last 1 or 2 positions and rest BE (unless there is a volatile sharp price spike).**
4. For now, I suggest keeping things very simple and only trade with the hindsight.

For everyone's reference, I chose gbp/aud as my project this week. Hindsight is DOWN

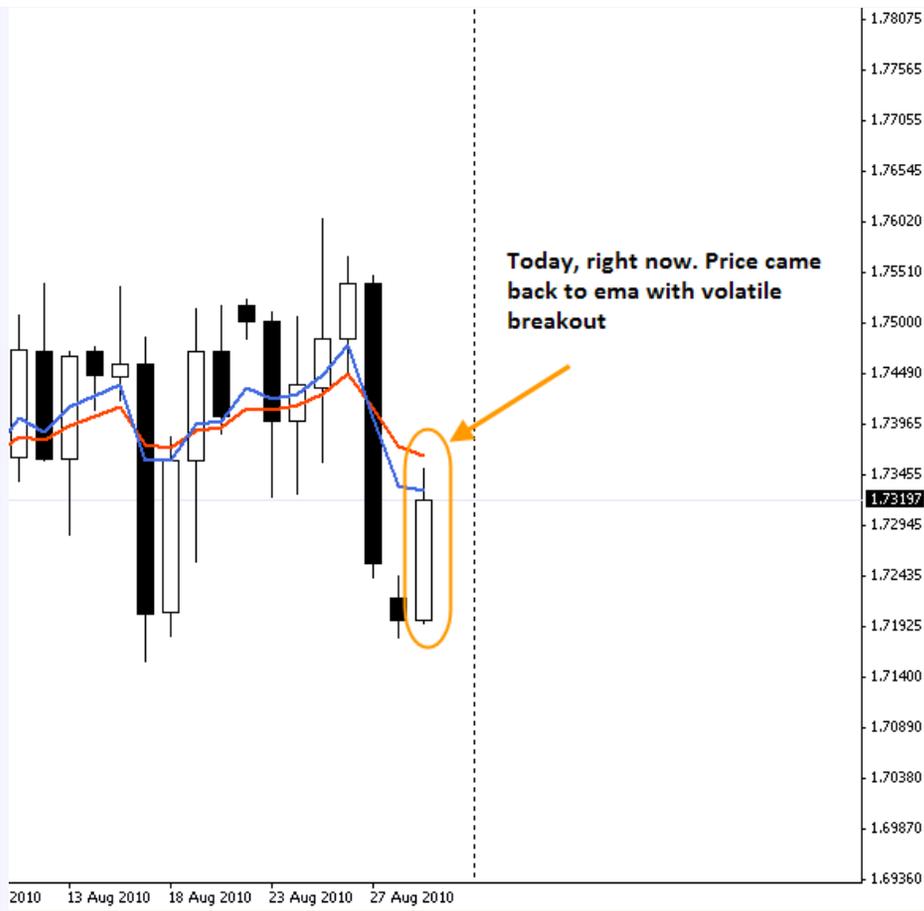


The above chart was before market open this week.





So what do you think might happen now with higher probability? Yes, price is now against my hindsight so I will walk away from computer until its over.



EDIT: will return to post correct chart of yesterday not last week *

Sincerely,

Graeme

Last edited by pipEASY, Aug 30, 2010 10:32pm



Aug 30, 2010 8:38pm

1733



pipEASY
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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **boz5** 
pipEASY,

I read the reply of marion/joe regarding the FBs. One thing that struck me was that you had mentioned marion/joe had been trading this

technique for 5 yrs, almost exclusively. marion/joe mentioned it was you who came up with the FB and, I assume, the methodology. However, you stated you have only been trading for 2 yrs. I was wondering if you could explain the discrepancy?

Now, I am not here to cause trouble, as I have learned from the thread. But, when I see things like this it gets in my head and I just have to ask.

Thanks

Good observation, boz5

Marion was my business aide for many years. I wasn't aware that he was trading forex until one evening.

Before I met him, he was already an established successful trader on his own with 50% fib method only. My suggestion of price irregularity of flying buddhas that had him combine both elements of 50% fib and FB.

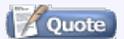
He made the connection between flying buddhas and 50% fib whilst I only suggested the price irregularity of FBs.

The last 2-3 years of his trading career has been solely on the new found arrangements of 50% fib and FBs only. Before our collaboration he was already successful in using just price action at 50% fib of every 4hr candle.

Hope this clears any confusion and apologies.

Sincerely,

Graeme



Aug 31, 2010 5:32pm

1793



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Member Since Dec 2009

10+V [760 Posts](#)



Good morning, all

Thank you for the continued interest.

I have been observing individual traders and noticed few things of importance.

Many of the traders are trying to force the price to happen as per their hindsight

Market doesn't know about your intentions nor has any interest in your hindsight. If your weekly hindsight is DOWN then there is no need to take every sell opportunity that you come across.

Today, is first day of september.

What does this mean?

Im gravely interested in movement that **opens:**

First day of month and charges forward to end of the month

First day of week and charges forward to end of the week

First hour of the day and charges forward to end of the day

Taking every FBs

I mentioned in my earlier posts that FBs only have 40% chance of probability. I will apply this generalisation/ratio to inside bars, pin bars, engulfs.

60% probability of loss + spread = losing games to all traders already

It is your responsibility to make sure the failed FBs **does not** dent your capital or your emotions.

Aggressive stacking

You will greatly maximize profit taking with the mentality to add just 1 or 2 more positions on top of the initial position. Yes, I do stack several tens of positions when it does work out for me however I also control the positions well enough so any large changes will only cause me to lose 1 or 2 positions that were recently added. Is that you?

Price Interpretation

Would you like to know if your price interpretation is upskilled?

You can test it yourself.

GO back to any 5min chart, any session, and pair. Use your current price interpretation and enter accordingly. **Dont look at the pips you make but how many candles go your way.**

If your price interpretation is correct and the price moves **at least 3 candles to your intended direction without the price closing below your buy entry or above your sell entry then your price interpretation is upskilled enough.**

3 candles on 5min chart would mean less than 10 pips but 3 candles on weekly chart would mean hundreds or thousands. Do you get the point? Remember the scale is different

If market is all relative then use the same price interpretation of 5min chart on the weekly chart to create your hindsight.

I can honestly say, 8 or 9 out of 10 price interpretation entries on 5min chart will always goto my direction by at least few candles.

At the end of 2 weeks:

Scenario A

Trader with large drawdown but weekly hindsight didnt work out

It was your responsibility to minimize your losses and it needs to be looked at. Hindsight not working out is all part of the plan/trading.

Scenario B

Trader with large drawdown but weekly hindsight was correct

Losses greater than your profit. Price interpretation may have been correct but you need to lower your risk taking/stacking/entries greatly

Scenario C

Trader with small profit and weekly hindsight was correct

It means you have been selective of your entries to avoide drawdowns and positioned yourself for greater profits only to have random price fluctuation to take your winning positions out early. This is good sign and sooner or later you will hit it big with this approach.

Scenario D

Trader with complete profit that grew for 2 weeks and according to hindisight

Same as scenario C trader but the only difference is you sat infront of your computer at a different time. Price moved towards your hindsight for the complete 2 week candles.

Which one are you?

Sincerely,

Graeme



Aug 31, 2010 6:26pm

1800



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Member Since Dec 2009

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



Quote:

Originally Posted by [mjaymay](#)

Dinopips and fguru,

You are welcome and thanks for the acknowledgment. The main point that I feel is important to recognize is the difference between techniques and principles. We are drawn to techniques because they give us the impression that things can be the same all of the time. But things are not always the same. They are alive so we need to understand their nature in order to be able to follow them. If you understand the principles you can then create the technique that is appropriate for that moment.

We can see that when someone asked...

Apologies, I had to step in.

Absolutely.

Absolutely.

Kindest Regards,

Graeme



Aug 31, 2010 6:33pm

1803



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Member Since Dec 2009

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



Good morning, all

This may be the last post before I allow more space for the traders to continue on.

Does everyone remember the random number game we played in earlier part of the thread?

You do not need to be present at every given opportunity.

This is a very important sentence with alot of meaning..

"Trade what you see, when you see it"

It is that simple. And this will help you avoid most/all of the range periods. Yes, you will miss out few golden opportunities but is this the only one.?

If you run out of ammo then what use is your gun?

I applaud at all the participants and its great to see all traders taking the project seriously but it will become better/faster/clearer.

The purpose of the project:

It now gives each trader: what to expect in profit, a clear defined goal, knowing when to trade and when not to. And above all risking very small for potential very large profits. A true professional traders mindset.

Please continue on.

Sincerely,

Graeme



Aug 31, 2010 6:55pm

1804



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Member Since Dec 2009

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



I was planning to write this post some time this weekend but I will address it now.

It is great pleasure (without any cynical intent) to see traders on the project struggling.

This is your first emotional hurdle and I would like everyone to feel the complete extent of it for your future benefits.

A trader may look at his stats now and say

"Graeme. What in the world is going on??? I had 15 entries and total loss of 150 pips. Average loss per position is 10 pips. Its not working"

"Ok. Jim.."

Soon when the **inevitable does happen.**

"Graeme. 4 positions lasted 2 weeks of profiting. Average profit per position is 350 pips making my gross profit 1400. And this was from my 3rd attempt on the project. I lost 150 pip each project and now Im up net 950 pips. I started with \$2000 usd and now sitting on \$2950, a 50% increase (slightly lower)."

Trust me when I say im not the least surprised...

And I hope the above trader closes out just the smaller 3 legs and keep the largest one for something more spectacular. 😊

Sincerely,

Graeme

Last edited by pipEASY, Aug 31, 2010 7:46pm



Aug 31, 2010 7:27pm

1805



pipEASY

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Member Since Dec 2009

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



Just replying to a question on private message

I receive instant alerts to my cellphone which helps me with my trading immensely.

There are 2 things you need. smtp server and VPS server.

I have used the same company for almost 2 years with no problem at all.

For smtp server:

I use www.authsmtp.com and pay \$40 USD annually for 2000 emails a month.

For VPS server:

I use www.vpsland.com and pay \$24.99 USD per month for the value deal. When I signed up 2 years ago the deal was slightly different but it is better priced now. The lite deal @ \$19.99 USD per month is more than enough if you dont use multiple trading platforms and eas.

For phone, I use blackebrry bold 8800.

Im not sure about Iphone but blackberry has true push email. Which means there is **no lag** to when I receive new emails on my phone.

Smtip will send the email from mt4 to my blackberry email address which is xxxxxx@blackberry.net.au which arrives instantly on my phone with less than a second delay. This is important and you need true push email capabilities on your phone. I used samsung phone before which had a lag of anything from 5min to 15minutes for the email to arrive on my phone and alert me. Check if you can organise a true push alert on your phone.

There are few bad reviews of vpsland.com however I had very good experience so far for the last 2 years. This is only my personal experience and Im not affiliated with either of the companies.

You do not need to click on the hyperlinks above but simply type in the address in your web browser if you believe that I am affiliated with either of the companies.

The benefit of having vps server is that you can run your mt4 24/7 so you dont need to leave your computer on at home all day. Also you can place price alerts on all the pairs that has your interest and once price reaches the point of interest it will shoot an email to my phone so I can start walking to my computer at home to trade. I do daily shutdowns when I wake up.

Sincerely,

Graeme



Aug 31, 2010 7:56pm

1808



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **VEEFX**

Thanks for all your posts today Graeme. Wondering if you could address one challenge I am facing with trading 5M FB with candlesticks. Not factoring spreads in the TA/PA tend to skew my results. Based on the charting software, Candles can form based on bid, ask or midpoint. My current demo is set to BID price by default. Just curious if you have a preference between Bid or Ask on your chart candlestick setting. Perhaps I am thinking too detail on this and it really doesn't matter in the broad scheme of things (long term results).

Good question, veefx

Hope you dont take any offence at a such short answer but its all relevant.

Yes, in the broader scheme of things it doesnt matter.

Price, market is all universal and neutral.

Everything works yet everything doesnt work.

and if everything is all relative, I can say the above sentence backwards and it still applies.

Sincerely,

Graeme



Aug 31, 2010 10:10pm

1811



pipEASY

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Member Since Dec 2009

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



In regards to what all traders are currently experiencing.

Would you like to know the emotional hurdle after this one?

It is worse than you can expect.

First emotional is:

holding your anticipation and minimizing your drawdown and keeping your beliefs intact.

You will get over this when you experience a weekly hindsight that will work to your favour. It is inevitable that it will happen as the probability is on your side. Remember casinos do not make money from every gambler immediately. They have designed the game so on the long term they **are the only winners by shifting the probability of winning towards the casino. This is what we do in trading. We are the casino and we require the patience and the bank to sustain the short term fluctuations.**

Second emotional is:

holding onto your winning position and not closing out too soon.

Second emotional hurdle is a complete different feeling. Finally you have positions that are growing and they suddenly start to decrease in size. What will you do?

I didnt have as much first emotional hurdle as I base many of my principals and beliefs in statistics with the long term vision. I wasnt in a rush as I did not look at trading as a means of financial freedom per se.

Base your beliefs with statistics to cement your intent.

I can assure you, 5-20 attempts (on different times) is required before a 5min entry will grow for 2 weeks.

15pips average loss per position x 20 attempts = -300 pips

Worried? Why?

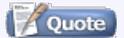
That is only a dip on your equity curve before a volatile breakout upwards. Then another small dip before another woosh! breakout.

Once you start collecting enough data on your trades you will definitely see that you are always making new higher-lows and the equity curve will never come below the previous dip as long as you keep your beliefs/method/trading/habit consistent.

I will guarantee this.

Sincerely,

Graeme



Sep 2, 2010 11:05am

1882



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **VEEFX**

Looks like you are based in pacific time zone like me. I am also having similar time zone challenges and find it quite stressful to my eyes to stare at a 5 min chart. I am also trying 4H breakout zones with entries in 5M and getting some success doing that. One has to define 'attack zones' and send out soldiers only in these zones where price volatility is expected. Just patiently look for every 5M FB is not advisable.

Once we have a few 500+ pips legs open, we could easily move to 1H TF and take FB entries. Only the scale is different. If one...

Good evening, all

Correct.

Im addressing this post for all and not just veefx.

Many of the traders cannot get over the mentality of drawdowns.

In trading, loss is part of creating profit.

There is no such thing as **the perfect system or the perfect method** that creates a 'surefire' guarantee for profit without losses.

Everyone needs to become a bigger person.

Im hoping/anticipating that the least I can achieve from this project is to get the message across to all potential professional traders that losing is part of winning, and that can be said for life as well.

I hope that many traders evolve their mindset through the project. Im not wishing traders to win but I want traders to lose.

Flying buddha is not the holy grail. I already mentioned it few times:

1. Participation
2. Low-risk entry
3. Growth

You only need to add 3 ingredients.

Few have already started to make connections.

They will soon connect that **if** 5 min chart is the same as a weekly/monthly/4hr/1hr/30min then..... ????

Once traders start **adjusting** to endless, countless, rows of losses on 5min entries that dies on breakeven.

They will evolve.....

To higher timeframe with same trading method/focal interpretation.....

And thennn... ??

They notice that scale is different and few candles on 1hr/4hr chart is worth few hundred pips.

And thennn... ??

Endless, countless, rows of losses on 5min entries that go forward for few candles which is about 10-15pips only is now the exactly the same scenario on higher timeframe but the scale has changed and the profit pips much larger.....

And thennn... ??

Something clicks.

Entries on 5min chart that goes against you might lose you -15 pips

Entries on 4hr chart that goes against you might lose you -40 pips

But....

The scale has changed and the potential profit from just few candles become much bigger profit.

BUT...

You notice a change in your emotional stability. You are now trading on 4hr timeframe but you dont worry about the drawdown. Why?? Cause you know that the price action will at least go forward by few candles which will be stretched out on all the smaller timeframes.

You have a thick skin of resistance against drawdowns and you dont care about positions going into drawdown as long as they dont close above your sell opening price or lower then your buy opening price.

You start looking at losses as positive contribution.

So... ??

Stacking happens in the lower timeframe whilst the scout on the higher timeframe grows.

Voila.

Does all readers feel like they have just went back 100 pages of this thread when I pleaded to all readers to practice x3 20 pip take profit exercise?

Well everyone is doing this exercise now.

Remember the explanation of using a scout on higher timeframe?

You use the same price interpretation of any timeframe on higher timeframe to **justify** your hindsight first and then zoom in the lower timeframe to stack.

Hindsight -> Price Action -> Scout -> Stacking

Which is first? Chicken or egg? It starts where it ends and it ends where it starts.

Can all readers in this thread acknowledge that everything I have mentioned so far is all linked?

Ladies and gentleman, you are still looking at profit and loss statement too closely.

You are not allowing the enlightenment to come to you.

Not the method, but the approach.

Sincerely,

Graeme

P.S This post might sound like random rambling or something that really hits you. I hope its the latter.



Sep 2, 2010 11:11am

1883



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



I might have confused some readers with my last post so please allow me to ask all a question.

Which timeframe does a new trend start..?

Would you say on 5min?

or Would you say on higher timeframe like 4hr?

Look forward to your replies.

Once again no right or wrong but perhaps an useful insight on how everything in the market really is all relative **and there is no answer because there is no question..**

Sincerely,

Graeme

P.S There is no method. You can enter after every small up/down candle with tight stop loss and let it run. This also works and I can prove it on the charts. Watch how all traders now ask for more detail and try implement it as a method when its not a method but just participating at a low-risk entry anticipating growth.



Sep 2, 2010 11:21am

1884



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



There is no method

ATR, ADX, Fibs, ema, sma, RSI , macd...

Flying buddhas, inside bars, pin bar, engulf...

They all work while they dont work.

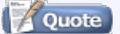
- 1. Participation**
- 2. Low-risk entry**
- 3. Growth**

Sell when its down and buy when its up

Thats all its required.

It is so much simpler to trade very effectively..

Think about it please.



Sep 2, 2010 11:38am

1885



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Tomorrow,

I will show to all readers on charts what I mean of the posts today.

I will show again that

1. Participation
2. Low-risk entry
3. Growth

+

Sell when its down, Buy when its up is applied.

Sincerely,

Graeme



Sep 2, 2010 6:16pm

1919



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Good morning all

Thank you for the continued interest and the compliments. They are greatly appericiated.

Today I would like to step in and if I may re-adjust/ammend mindset that is required.

Before I begin, everyone is doing fine and it is all part of the learning curve.

First post of today, I would like to tell a quick story and this will answer the small quiz from last night.

When does trend start?

Thank you for your contributions and they are all correct to some degree. If market is universal and neutral then all your answers are correct whilst they are wrong as well.

Having said that, if the market is universal and neutral then trends start anytime, anywhere.

It can start from the tick of the minute chart or the double wick bounce of the 4hr chart. No one can ever state with proof that trends start on any particular timeframe. Nothing is pre-defined and destined.

All you could ever do is participate **at the cost** of a low-risk entry and let it grow. <-- And that is all about trading.

Many of the traders are trying to implement/add **mathematical variables** to an equation with no numbers.

Trust me when I say, you cant. Look around for many of the established traders on this forum. They had an 'aha' moment which was simply throwing out everything they were doing and finally just following the market.

Market is coming down, they enter sell, and then they risk control the position. When they enter, they want to see price continuing, not stalling or indecisive. So the pros start honing their skills to when they can enter so the price will at least go towards their direction by at least few candles.

If you are still trying to work out things in % and numbers, you will soon realize there is no such parameters to an infinite variables. And trading effectively is so much easier.

Continuing on..



Sep 2, 2010 6:49pm

1923



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Its all relative.

Although age, marriage, children, grandchild finally dawned the meaning to its full extent on myself but surprisingly I still have moments of enlightments when I connect the happenings of reality to that very sentence.

I can only imagine what thoughts was going through Einstein's thought process when he cemented that phrase for the centuries to come.

There is no one definitive or conclusive answer.

What is love?

What is death?

What is evil?

Throughout the thread I have given examples from casino games. I have great interest in gambling and believe that is the best business in the world. Since I know statistics very well, gambling is one business that you cannot lose unless there is no customers. However, I do agree that the moral behind the business is questionable and I justify myself by donating much of the profits.

Although I didnt quiet financially succeed enough to purchase a casino, I do have minor stakes in gambling operations overseas and various local and interstate pokie machines.

And they are absolute gold mine. Gambling interest is highly sought after and very hard to purchase for a realistic amount.

From my personal minor stakes in overseas gambling interest, I have become very well accustomed to all table games and its 'house edge.'

The least favourite game from the owners point of view is poker and blackjack. House only takes ante from poker and professional card counters take advantage of any shoe of cards without CSM (continuous shuffling machine).

Apart from the above 2 games, everything else cannot be beaten without any mechanical intervention.

Today I would like to tell you a true story that happened during one of the routine visits some time ago.

There was a gentleman who made an exorbitant amount of money whilst he was staying at a casino. He only played roulette and seem to have the midas touch. The management couldnt work out if this person is experiencing a genuine stroke of long lasting luck or something else. There was 20

personnel watching his every move and only on the 3rd day of his gambling spree did we notice that he was continuously tapping his feet before placing his bets. It was a definite set routine of action before placing his bet. Is it a habit? We wondered. Many of the large gamblers have telltale signs and habits whilst they gamble. After few hundred bets, the computers calculate the gamblers % of edge and it was alarmingly higher than most gamblers. A % that cannot be sustained continuously and it seems to be rising whilst it should be decreasing. Something was going on. We thought perhaps the wheel had a fault and it was aligned on an angle to cause a bias but this person would sit on different tables and different dealers.

Soon it was realized that this person had a mechanical palm device with a camera attached in the middle of his heavy framed glasses he was wearing. The camera takes few still images of the ball rotating around the wheel and then calculates the orbital decay of the ball and forecasts the trajectory on the 'segment' of the wheel the ball will land. And then the 'segment' is broadcasted in a very concealing earpiece. So before the ball is launched by the dealer, he would place few small bets here and there. You can continue placing bets whilst the ball is in motion and whilst it was in motion he would receive an insight to which segment it will land so he will place bets in that segments before the dealer calls out no more bets. He tapped his feet to reset the program for the next spin but since the palm device was in his shoe he couldnt tap it correctly without few attempts to reset. So we caught him out.

Continuing on..



Sep 2, 2010 7:07pm

1927



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And there was another gentleman.

He was a swedish person. Very quiet and calm and soft spoken. He was a regular patron who respected other gamblers and the dealers and would often be comped by the management. He was genuinely liked.

Some days he won, some days he lost.

He played few table games but stayed mostly on roulette. And then our tech team analysed that he had an edge over the game of roulette. After calculating his last few hundred bets he had a % edge over the house. It was miniscule but definitely alarming. Genuine stroke of luck or something else?

Is he a feet tapper? No, but technology always gets better.

And we couldnt catch him out. He became our target and every action was monitored and archived. After more data, it was hard statistical fact that he had an edge. We called him in.

What happened was amazing, he admitted he has a skill. He honestly upskilled his focal interpretation enough to actually calculate the orbital decay though his eyes and mind. It was not as accurate as using a mechanical device but it definitely beat over the house edge and he was making money. We had a long debate whether it is classified as cheating as many punters try to imagine the orbital decay but this person took it one step further and actually upskilled in it. And to call this person a cheater would place all other gamblers who try to calculate the orbital decay as cheating as well. We were cautious as this gentleman was very calm and collected and above all educated. Before we even asked how, he admitted to practice it at home on a real size roulette table. It took him many many many thousands of live viewing and now it became second nature. A single look at the ball spinning for a normal punter doesnt mean anything whilst a single look from this gentleman gave him 1000 details of the next outcome. This was the first time he was caught as he preferred to gamble on our grounds more often as it was closer to his home.

We let him keep the winnings however banned indefinitely from our grounds.

As far as I know he travels around the world doing what he does best.

Continuing on..



Sep 2, 2010 7:57pm

1930



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SO what does my story has to do with trading?

Well the underlying mathematical variables between gambling and trading is very similar.

Both dealing with infinite variables.

There are average gamblers who think they can come up with patterns on the previous win/lose streaks, increasing bet size, decreasing bet size, martingale, anti-martingale and all sorts. They all fail as they try to attach a mathematical variable to infinite randomness. And amusingly this happens in trading with so many traders looking at indicators of past history to forecast future. Thats why all admit that indicators do not work well but when they do work, do you think it worked cause of the indicator or just pure randomness that happen to give the trader using that indicator a stroke of luck?

There is one very large advantage to trading then to gambling. Even though both are dealing with infinite possibilities with both similar 'patterns' of past history but trading has the key element of growth.

Growth.

In gambling, you cannot let a bet ride since sooner or later the next hand will go against you and will lose everything that has grown in a single instance.

However, in trading, you can let a position grow and grow and grow and you could possibly diversify and capture the short/medium term profit when it goes against you.

And everything else is the same..

Participation.

Gambler placing bets, traders placing entries

Low-risk entry

Gambler placing a bet on red as the last 7 outcome was red believing this is prime opportunity, trader placing an entry on volatile breakout

But growth alone cannot make you the best trader. You also require that special edge that the swedish gentleman had. And the great thing about trading is that there are special edge already proven by professionals of past era and present era that have worked wonders over and over and over again.

Please allow me to show you something new today on the charts..



Sep 2, 2010 8:16pm

1931



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Look around this forum and notice few established and followed traders.

Some mention volatile breakout.

I have mentioned volatile breakout twice before but it had less reception than the flying buddha.

Reason?

Flying buddha gives the trader a definite answer to when to enter whilst volatile breakout requires slightly more lateral thinking.

Volatile breakout is my bread and butter.

Where is the volatile breakout in this established volatile downtrend?





2 things happen.

1. Price will hit your sell stop and **clearly close below the sell stop. That is volatile breakout.**
2. Price will hit your sell stop and stall creating a new support at your sell stop. This is failed and you close the position if the price closed above your sell open price or below your buy open price.

Lets see what happened to the above



What happens at the circled? Price retraces all the way back to sell open price but doesnt close above it. There is possibility that you have moved your SL to BE after the bold down candle but for me I usually dont place stop loss unless there is important news coming up. Most often I will leave the position and when I need to go out for the day then I would move SL to BE.

Let me show you a failed volatile breakout.



Sep 2, 2010 8:28pm

1932



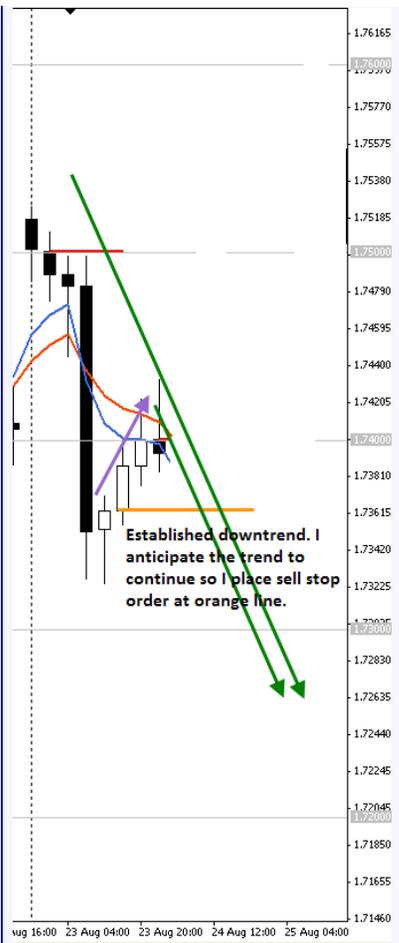
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Member Since Dec 2009

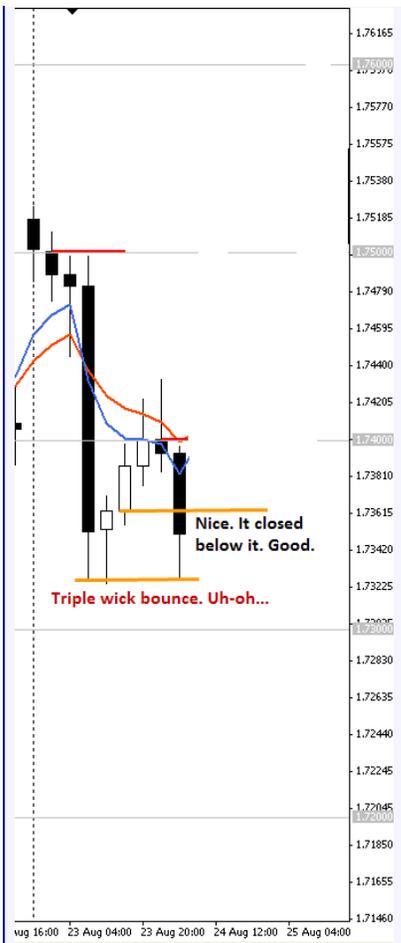
10+V 760 Posts



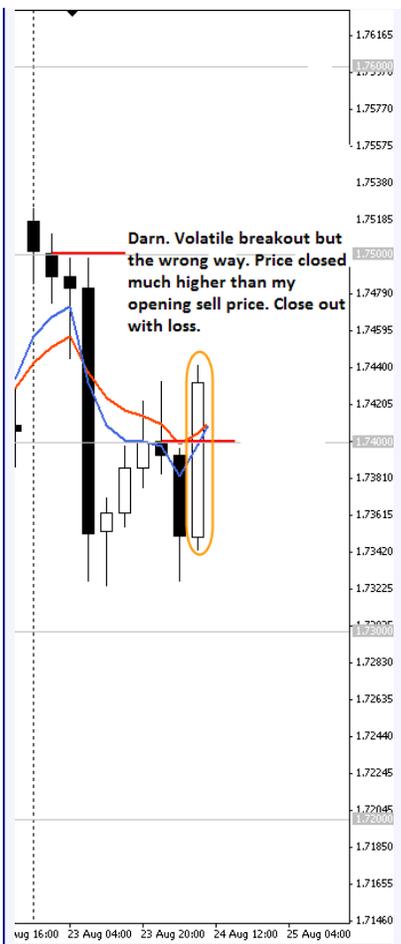
This is failed breakout



Established downtrend. I anticipate the trend to continue so I place sell stop order at orange line.



Most likely I wouldnt have SL but be very cautious about the triple wick bounce.



But what if a different trader using same breakout method came little later than the first trader and went towards the opposite direction.



And we all know what happens..

What about another example..



Sep 2, 2010 8:43pm

1933



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What happens if the next 4hr candle hits the sell stop but doesnt close below it?



So it became a failed breakout. I usually close it for a small loss.

Sell stop gets hit and price closes below it. Leave it to grow.

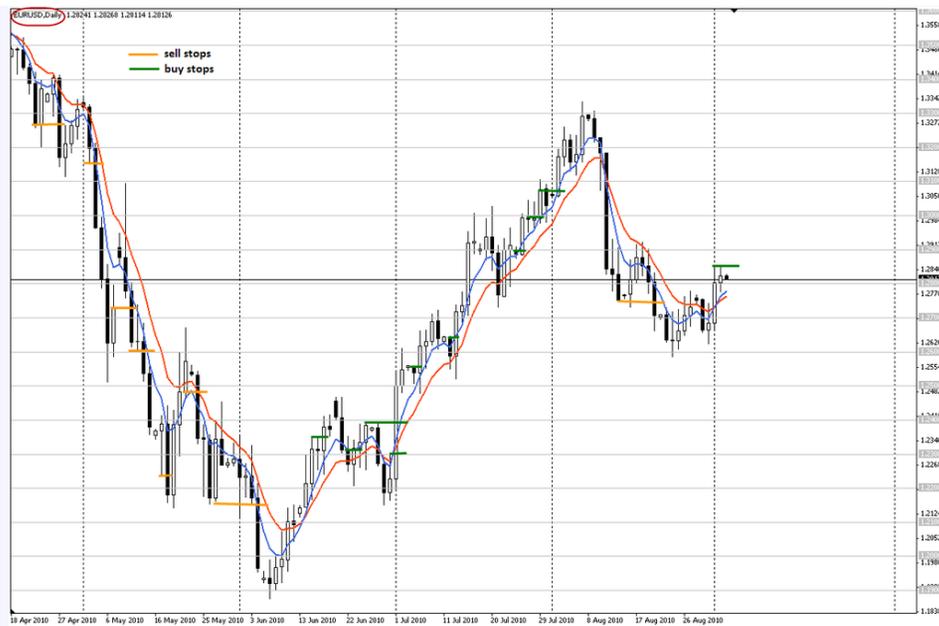
Buy stop gets hit and price closes above it. Leave it to grow.

Sell stop gets hit and price closes above it. Close it.

Buy stop gets hit and price closes below it. Close it.

This way we are only taking volatile breakouts. Please allow me to show you on eur/usd daily chart.

And only sell when 5ema is down and buy when 5ema is up



And it happens everywhere.. but the trick is to always pick your volatile breakout so your hard stop loss if you use one is very small



Sep 2, 2010 8:58pm

1935



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Just with breakouts is profitable.

So why is everything seem to work?

It all works because we add 3 ingredients.

1. Participation
2. Low-risk entry
3. Growth

Then everything works.

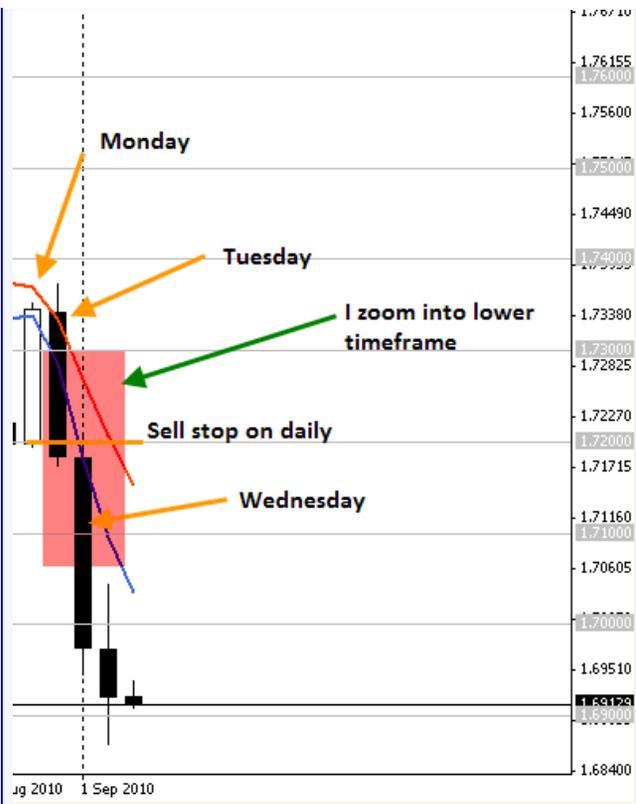
I chose gbp/aud as my project the next 2 weeks. It was one of my examples from the weekend and I mentioned I will be keeping this pair close to me.

See how I only used breakouts to have positions comfortably. I purposefully did not use any flying buddhas just to show all that everything works whilst it doesnt work.

Weekly gbp/aud



Daily gbp/aud



4hr gbp/aud



Some areas on 4hr chart where I would zoom into 5min chart for razor sharp entries



Sep 2, 2010 9:06pm

1936



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Quote:

Originally Posted by **cameron1st**

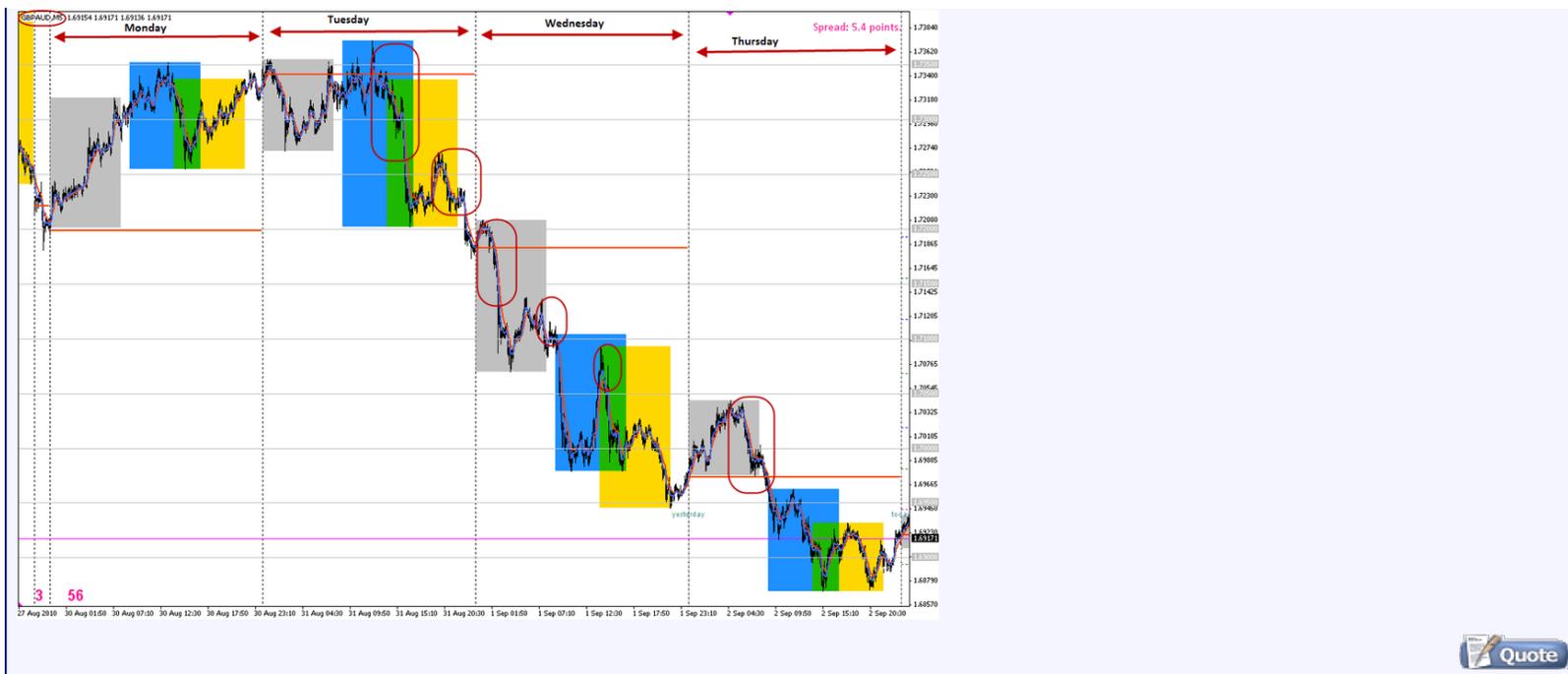
Graeme, excellent lesson, thank you very much ! It's 1:50 AM UK time but I had to stay awake and see these posts :-)

I trade volatile breakouts when I can find them, but now with this information I am going to be more confident when doing so.

Thank you for the compliments, Cam

It makes my efforts worthwhile.

And my last chart. 5min of gbp/aud this week



Sep 2, 2010 9:21pm # 1939



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Im currently

9 positions; unrealized 2200+ pips

21 breakevens (mostly on 5min)

18 losses; Average 21 pips loss per position, total just over 380- pips.

Current r:r if I close 1:6. This is not great and I wouldnt even consider it.

The only reason Im currently ahead of the group is **not** because im a super trader but:

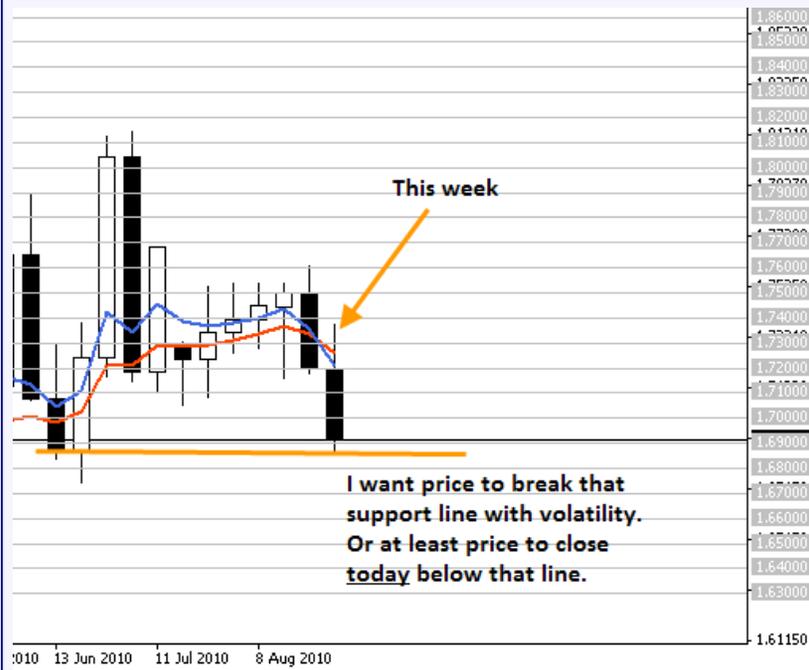
1. Im not in a rush
2. I keep things **simpler**
3. Hindsight is working to my favour
4. Profit taking is stretched out

I have to admit, I could have been super aggressive and stayed up tuesday and wednesday and stacked heavier but I know everything is all relative and there is no point to overexpose myself.

I took it much slower and missed most/all of range and also missed few golden ones. It doesnt matter.

I want to say it again but the only reason Im in profit is because the market allowed it and my price interpretation/weekly forecast is correct.

My forecast for next week on gbp/aud?



Next week, I will watch for retrace.

But here is a list of things that I anticipate in preference of order

1. NO retrace. Just volatile breakout down
2. Less than 33% retrace and then volatile breakout down
3. 50% fib
4. Uh oh... Price coming back near open price of this week's candle which means I will start again.

Most likely will be 2 or 3. But who am I to judge the market but just follow.

If next week is 1 or 2 then I would be easily 4000+ pips end of 2 weeks.

I prefer not to see 3 because 50% retrace would mean most of the legs will be closed out on BE and then I would have to start again at 50% fib which I dont mind and I know its part of my job requirements.

Godspeed to all and I will take a step back again.

Sincerely,

Graeme

Last edited by pipEASY, Sep 2, 2010 10:03pm



Sep 2, 2010 9:37pm

1942



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Member Since Dec 2009
10+V 760 Posts



Just before I go and start answering private messages;

We are currently practicing on one pre-selected pair.

Once your trading 'habit' per se becomes professional level, you will pre-select 5, 6 pairs and monitor them together and notice that even though the pair of currency is different there is striking similarities with all of them.

When you start trading multiple pairs with the same method you are practicing at the moment, **you are spreading your risk thinner whilst increasing your potential profit larger.**

When you focus on one pair of currency, you either have one loss or one breakeven or one win.

When you focus on multiple pairs, you have mix of loss, breakeven, win **BUT** with the r:r **encoded in your trading method/habit** you will find almost all the time that few pairs that does loss = 1 pair of currency that did win. And you can be **versatile/universal** and diversify the winning profits from the winning pair of currency to replenish what you lost on the losing pairs of currency and keep the rest of the positions spread around alive on all the other pairs. Hiding and growing.

Voila. You are keeping the principal of diversification same and diversifying multiple pairs of currency. Hence you are now spreading your potential profit/**exposure across the whole board of pairs of currency.**

Welcome to my world

Sincerely,

Graeme



Sep 2, 2010 9:42pm

1943



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Quote:

Originally Posted by [leggo](#)

Morning Graeme,

Could I please ask a couple of questions.

1, Is there a reason you prefer bodies to wicks for resistance? I know its all relative but i'm interested if there is an advantage to using bodies?

2, What would happen next week if price bounced at a level you did not anticipate i.e. 60% or 20%? What i'm trying to say is do you only trade in specific areas or are you more flexible?

Thank you I am learning so much its untrue!

Regards,

Ben

Good morning, Ben

Good question and I will answer it before I go.

Please do not take any offence at my short answer but

Its all relative.

You can do wick/body at any time and still serve the same purpose in the aim of the bigger picture.

True, there is bounce at other areas such as 60%, 20%, even 80% and so on. I do not look at the very price of 33%, 50% however look at the area. If price is destined to bounce at 60% next week, trust me, there will be plenty of price action giving buckets of warnings before the bounce back down.

Now having said that, how do I know if price that is retracing is not the new trend? I cant. **I can only participate at low risk entry anticipating growth.**

However to be fair to all readers, I will adhere to the rules of the project and will only trade in one direction for now but yes, I would take both buy/sell normally.

I recommend any traders who just started preferably not to be taking both buy/sell, you will undoubtedly burn yourself out before any enlightenment.

Sincerely,

Graeme



Sep 3, 2010 2:26am

1951



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Thank you very much for the compliments.

Apologies if I do not address them directly on the posts anymore. It is not from any ignorance however I wish to somehow keep this thread as condensed as possible for the newer readers.

But, I do deeply acknowledge all compliments and it does make my efforts worthwhile.

I hope I can touch as many traders as possible.

Tomorrow is 1st weekend after 1 week of project. I can already estimate where most of the participants are. I know some have already been unsuccessful in getting their weekly hindsight correct which is just normal part of trading however did they take any measure to reduce their drawdown is the importance.

If your weekly hindsight have been incorrect (but it still too early to tell unless price is going to close extremely far away from your hindsight at the end of this weekly candle) it can always be upskilled by opening any 5min chart and practicing endless amounts of entries. **All you need is for the price to go towards your direction by just few candles.** Once you hit 8 out of 10, you are just like the swedish roulette gentleman and ready.

Hitting the weekly hindsight correct is just as important as hitting the price action interpretation correct on any lower timeframe. **Your interpretation on the weekly/or any lower timeframe must be constant and there must be no bias on the difference of the timeframes.**

I will show all readers something important to add this weekend.

Sincerely,

Graeme

Last edited by pipEASY, Sep 3, 2010 2:58am



Sep 3, 2010 5:49am

1954

Member Since Dec 2009

760 Posts



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10+V



Quote:

Originally Posted by [traderray](#)

Hi Graeme, in your posts you state that if the breakout closes above your sell entry or vice versa then you close the trade. Just for clarification if the breakout is on a 4 hour or higher TF candle then I presume the close you are talking about is on the monitoring TF, i.e. one hour or lower? Is that correct. Also if you get a volatile breakout and a 50% retrace on the major TF candle would you have two positions?

Good evening, traderray

Good question.

When a volatile breakout is based on 4hr TF then the close of next 4hr candle is taken into account.

Usually a good volatile breakout will not hit your sell stop and then retrace 50% fib of the previous 4hr candle. However sometimes they do and yes whilst my breakout position is still in play I will zoom into lower timeframe to trade a different setup. I will have as many low-risk entries as the market allows me to.

Feel free to pm me to work closer, traderray

Sincerely,

Graeme



Sep 3, 2010 9:32pm

1983



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Member Since Dec 2009

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Good morning, all

Thank you for sharing your results.

First topic I wish to discuss over this weekend is about [hindsight](#)

There are participants who:

1. Correct hindsight, positions entered accordingly
2. Correct hindsight, very few attempts with mostly breakevens
3. Incorrect hindsight, overexposure and bigger drawdown
4. Incorrect hindsight, less exposure and smaller drawdown

I would prefer all traders to be more number '2' then number '1'

If you are number '3' then it is your mentality and slower approach is required.

If you are number '4' (which means you have less than -200 pips drawdown this week) you are doing well and you will find a correct weekly hindsight will pay you back that -200 by few folds at the least.

So, having said the above, today I would like to talk little more about hindsight.

What is hindsight?

It is a certain degree of probability that an intended course of action will happen in the upcoming events.

What does this mean in trading?

It means alot of \$\$\$

I have mentioned few times that many of the starting traders fail because they do not know what to expect in profit terms or losses. **If you dont have a target or a goal in profit terms then you have no reasons/answers to justify the drawdowns/losses you have just encountered.**

In life/trading/business you need goals. You need few multiple goals all inter-linked together. Especially in business, you have end of week targets to meet, end of month and end of year. And the business managers will push forward little by little **but they know which way they are going.**

Many traders do not know which way they are going, they are trying very hard to understand all the ins-and-outs of trading however they dont have a **goal**.

Unfortunately, to justify their lack of understanding they plough deeper into depths of working out indicators, numbers, methods, systems. Many many threads/posts in this forum tell of an 'aha' moment. There is nothing much to 'aha' moment apart from the fact that you finally throw out all indicators and simply follow the market. Thats it.

Hindsight gives you that goal you require. Hindsight places a trader in the equation where it is now solvable. It is the guiding stars in the dessert.

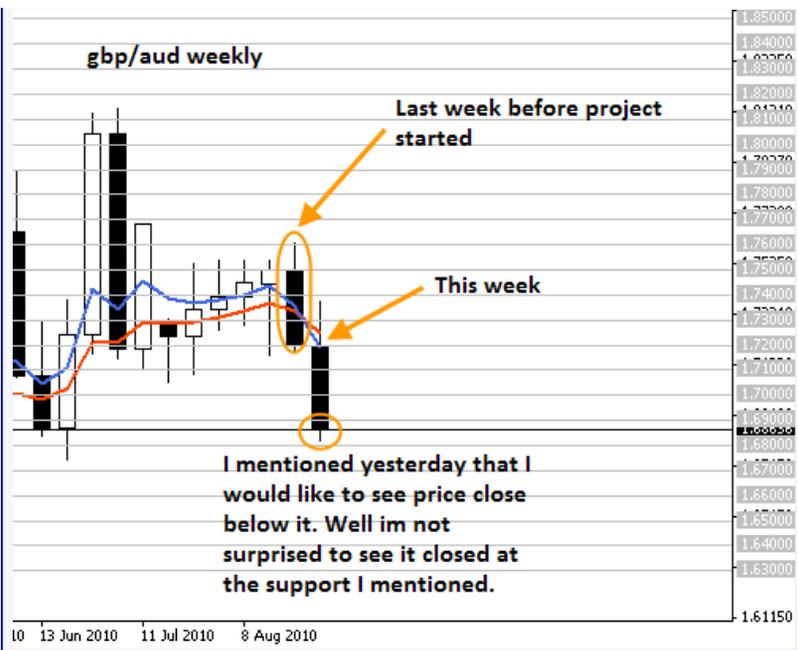
How much is a hindsight worth?

Some hindights are not much but still worthwhile.
Some hindights will pay you for the next few years.

You will never know untill you participate
And how do we participate? Via low-risk entry that **agrees** with your hindsight
And then you let it do its job and grow

I know I may be reiterating what has been said in the last 40 posts but do all readers completely understand the critical importance that Im trying to relay here. Without hindsight you dont have a map to your destination.

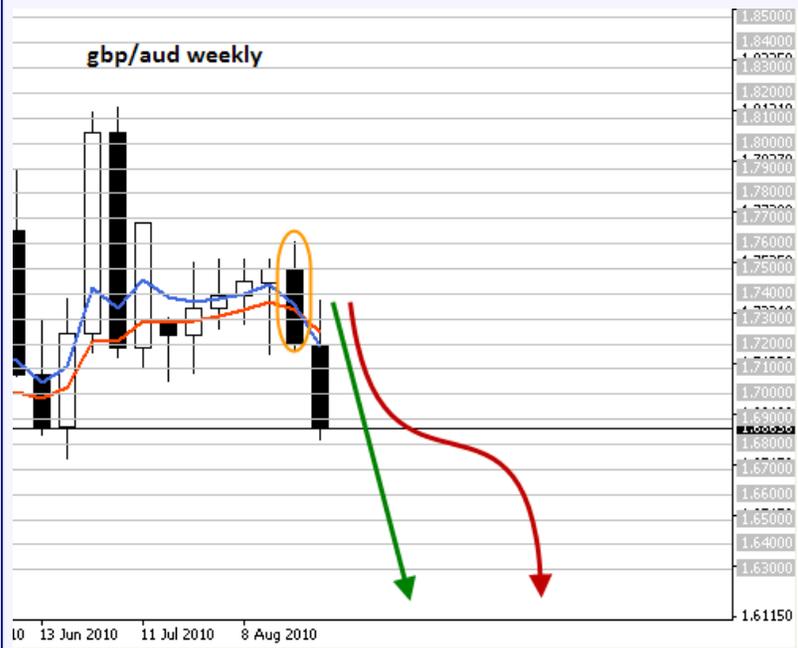
I chose gbp/aud as my project and posted an analysis on Monday and yesterday (Friday)



My hindsight is working at the moment (for now) and im in good profits. Before the start of the week how much profit did I anticipate? How much is hindsight is worth?

Its an open ended question with no answer.

It can be the next 2 weeks or next 2 months or next 2 years.

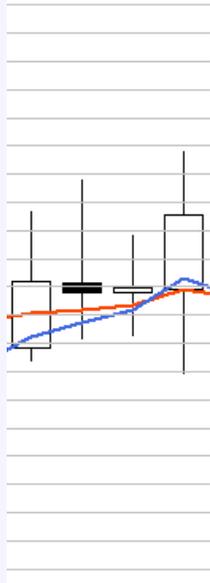


However the true worth in dollar terms/traders effort is worth more than any previous hindsight that didn't work out added together. This is a fact.

Using weekly or monthly is swinging with very large bat. It may be heavy to swing and you might miss few balls but once you hit it correct, it will score you a run to the 1st or 2nd base at the very least or a homerun.

If I say just less than 50% of your weekly hindsight will be golden, what will you do? Do you have the patience and the unbending belief to continue on due course for the aim of a home run? Many don't but I hope you do.

Imagine this for me.



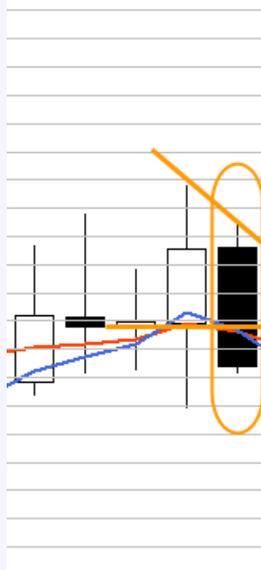
A trader picks this pair of currency. 4 weeks of nothing. He/she may have captured short burst of profit between the weeks but in the overall long term perspective there is nothing exciting.

And that's 4 weeks! Not many traders have the patience to even last 4 days let alone 4 weeks.

However this trader has a bigger picture and is holding on. Minimizing his drawdown yet taking all possible low-risk entry. At the end of 4 weeks, he/she may be already -1000 pips.

Then..

The week after shows something.



Engulf pattern; no long upper wick, closes past the previous week, descending wick pattern.

This trader is now wondering if this is the opportunity that has been waiting him.

Well.. what do you think?



I still have positions from the weeks after that engulf still surviving now after a year.

Largest is 3500+ pips whilst most legs are 2200+ pips.

Total unrealized is 20000+ pips so far.

I never knew that the weeks after that engulf bar was start of something huge. However, I continued with unbending belief of the bigger goal intended.

If I look at my largest leg of 3500+ pips and then see the loss from the 4 weeks before the engulf candle which was -1000 pips (roughly). Then that would mean if I close just the biggest leg right now, it would cover the loss of that 4 weeks + almost 8-12 weeks of future unsuccessful weeks? Then if I close out largest leg + few of the middle sized legs now then..

I cover myself for the next 52 weeks (1 year) of unsuccessful weeks?

But, how many golden opportunities will arise from now and the next 52 weeks?

Answer: There will be few more opportunities that will last the next 1-2 years.

So the more time passes, Im virtually trading for free?

Answer: Bingo. I mentioned few times before. **"There is a surprise that awaits position builders. There will be so much more on the table and you wouldn't be bothered wondering why or how."**



Sep 4, 2010 2:21am

1992



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Member Since Dec 2009

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



Good observations, rdwatkins

If market is neutral and universal where the only constant variable is price (of supply/demand) then it is very true that any trading principal that respects the nature of randomness of the market will work.

I apply my trading method to many instruments of investing and it is amazing to see how universal and neutral all markets are. For the interest of all you can 'map' numerical data of median sale price of properties for a selected area for the last 10 years and you will be able to see dips and retraces, volatile breakouts. Yes, there are no specific governing force that controls the demand/supply of properties except the reserve bank increasing/decreasing interest rate but you will also be amazed how insignificant such releases will be to the actual price movement.

A trading method must work on all timeframes **but also** on any market.

There are very small percentage of elite traders who does have special advantage in trading which is inaccessible to most retail traders and there are special markets that do have somewhat pre-defined supply and demand which ofcourse will be a different story for a different discussion.

It is great to see that you understand how neutral and universal market is and you have confirmed yourself when you can connect your understanding to different investing instruments that are available in this world.

All traders must understand the principal of trading before the specifics on how to trade.

Sincerely,

Graeme

Last edited by pipEASY, Sep 4, 2010 2:48am



Sep 4, 2010 2:40am

1993



pipEASY

crede quod habes, et habes

Member Since Dec 2009

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



Quote:

Originally Posted by [leggo](#)

Hi RD Watkins,

I feel I could have written the above myself. I agree whole heartedly. My entries are crap too, worse than yours looking at the stats. Everything improves with time though.

Cheers

Ben

Good afternoon, Ben

Please allow me to step in and explain something for the benefit of all.

I hope the information I provide in this post will be aide as an emotional support as Im well aware how you might perceive or feel.

And this applies to all traders who are currently down.

If you compare, my stats are very similar to yours (or if bigger drawdown). The only difference (for now) is the unrealized profit which can change this week.

The only reason I currently sit on unrealized profit is because the market has moved as anticipated as per my weekly hindsight.

If, the market did not move towards my hindsight, I would be far worse than you.

Market/life does not end with this one opportunity and will continue as long as 2 things still remain intact:

1. Your unbending belief which starts from believing yourself as a trader first.
2. Minimizing your drawdown/losses as per your skill in order to **preserve your capital** till the golden hindsight does **inevitably** happens.

I know you can.

Sincerely,

Graeme



Sep 4, 2010 6:05am

2000



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

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



Good question, Tradestar

eur/jpy is showing a **conflict of interest** between monthly and weekly.

It is the conflict of interest that causes a trader to be uncertain of what to expect.

Do they take into consideration of monthly chart?

or

Do they take into consideration of weekly chart?

eur/jpy last month closed below the previous 2 months. This is a good sign. Price currently at 50% fib of last month candle which is nothing special (almost classic). If price retraces any higher than 50% I would be cautious but for now it is DOWN on monthly chart.

eur/jpy last 2 weekly candles has ascending wick pattern and long lower wicks. This shows weakness for sellers. So the correct price interpretation is UP for weekly.

So what do you do?

You know that trends start at any timeframe.

When there is a conflict of interest it is best to only take certain higher probability trades but keep your bias neutral.

The excellent thing about keeping your goals on the higher timeframe is that there are plenty of space.

Imagine the conflict is between 4hr and 1hr. Even if you are a super duper trader who takes both buys/sells you wont be able to catch both conflicts but when your dealing with weekly/monthly where the scale is much bigger there is chance that you can create short bursts of profits on both direction and then keeping the positions that the price finally moves onto.

For now, lets keep it simple and if you choose the weekly hindsight then I personally will choose UP as per my price interpretation. But im sure there are better pairs available than that one at the moment.

Hope this helps.

Kindest Regards,

Graeme



Sep 4, 2010 6:29pm

2012



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **tjfxtrader**

September has started and we know the monthly open price. When the market opens next week we will have a new weekly open price. A weekly open above the monthly open would mean price is up for the month. Price dropping from the weekly open would mean price is down for the week. There is a conflict, yes? Price dropping below the monthly open would end the conflict, no? On the other hand, price going up above last's week's high price would indicator price is moving up. Would it not be wise to wait and let others resolve the conflict prior to entering...

Good question, tjfxtrader

Any trader with some degree of experience in trading will all agree that market indeed often have periods with conflicting interest in the difference of the timeframe.

4hr says UP

1hr says DOWN

Weekly says UP

and so on.

This is a normal part of randomness in the markets. Like any method/ideology/system in the markets there are **both** pros and cons:

If, you wait for the conflict of interest to line up between 2 different timeframes before entering, most often you will arrive late to the trend and most of the valuable and volatile movement have already happened. You can still create profit if the trend continues on for extended period of time.

If, you believe you have the flexibility to participate into the market via a low-risk entry at given opportunities for both buy/sell and attempt

placing positions for the next upcoming big movement, I recommend using conflict of interest on daily and 4hr and nothing less. The reason is that any conflict of interest on lower timeframes, e.g; 4hr/1hr is too **insignificant** + potential profiting range too small (scale too small) + not enough space to move around. Eur cross has less than 30 pip range on most of the 1hr bar, which means it is very hard to quickly enter and exit when 2 pip spread is 7% of the movement already.

I personally prefer conflict of interest between monthly and weekly.

Sooner or later it will line up to one side of the direction. But I do know that waiting for the line up to happen first and then entering would have cut my potential profit greatly.

I anticipate and watch price action at important areas and for the example of eur/jpy I will watch the tip of the lower wick, 50% fib of the weekly candle that just closed, tip of the upper wick. However, I will also keep in mind if the intended movement of this week is volatile Im aware that less than 33% retrace before a move that continues all the way until friday. And to respect that I will have 1 or 2 positions early in a low risk entry to respect that. If they hit it will be big, if they dont I know I have to see what the market is telling me.

I hope this information helps.

Kindest Regards,

Graeme



Sep 4, 2010 10:03pm

2015



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Good morning, all

Thank you all for the updates. Everyone is doing well and it is all part of the learning curve.

In regards to answering VEEFX:

1. If your weekly hindsight did not work last week or still pending (price did not close against your preferred intended movement) it is wise to flick through the pairs and pre-select a new pair. For example, eur/jpy is not a prime candidate for this week at the moment.

2. In regards to trading multiple pairs, you are welcome to attempt trading multiple pairs if you believe your actions are fast enough to handle the changes of price action on the fly. Many readers are having difficulties with one pair and if so please continue practicing one pair for now. For all readers who was successful with last week hindsight then you could try multiple pairs this coming week.

3. Diversification is at your own personal leisure. I have mentioned few times but as long as you are not diversifying for a loss and you have allowed **time** for the positions to grow then please go ahead and diversify. You will find that if you diversify early = you guarantee a small profit but stop the potential bigger profit. If you take slightly more risk and let the position grow or close on breakeven = you are aiming for the bigger growth but less accuracy. Its give or take.

4. There will be no major changes to the project however few recommendation that I will address little later.

Hope this answers your questions, VEEFX.

Kindest Regards,

Graeme



Sep 7, 2010 5:54pm

2112



Good morning, all

Thank you all for the private messages/compliments.

I have been away for few days as I had few medical examination to be done. It is nothing new as it has been ongoing for awhile.

I will try my best to answer all the emails/private messages in the next 2 days unless Im unavailable again.

During the weekend, I spent most of the time in my bed with a laptop. I read this thread which was started 2 months ago.

It is great looking at past history to see how far you have come and also see that many of the readers have taken positive insight from the information I passed on into their trading.

Although the current project started just over a week ago, I know it will be the start to profitable trading to the traders that I have been able to touch or a new trading perspective to many of the traders.

There are 100+ pages in this thread and even though I was mainly responsible for the lengthy posts, a smart reader can notice that all the information can be condensed to a single post. However, whether the single post of information can be successfully interpreted by others is the concern.

There are only few things of importance in trading to make you profitable. And then time, positive expectation, exposure will **inevitably** create your profits.

It is now time to apply your understanding into your trading with respects to law of nature/probability/expectancy

If I try to summarise everything I do in one sentence:

I will risk/pay \$10 for the chance of minimum \$100 reward anytime, anywhere as long as I know by statistically that the given 'risk-taking opportunity' has a higher probability in 'potential profit vs time' compared to most given occurences.

And this perspective can be applied universally to any business/life/problematic models.

Please do not forget.

Sincerely,

Graeme

Edit: Stay away from forums.

Last edited by pipEASY, Sep 7, 2010 6:22pm



Sep 8, 2010 6:40pm

2145



Good morning, all

Thank you for the continued interest.

Although I am currently bed-stricken I keep my word and continue monitoring your progress.

Im looking over the participants of the project and from the input some participants have provided I have noticed few things:

Their weekly hindsight from weekend 2 weeks prior is now well in intended direction and notice that traders are still in drawdown. How do you think this is happening? It is because your very own beliefs were shaken by yourself. Even though I urge all traders to keep a neutral view of the market at all times, the purpose of weekly hindsight is that it gives you a goal/aim to project your trading forward. In trading you are dealing with infinite combination of variations where there is no open/close equation, hence it is very easy to get lost in the 'randomness.' The weekly hindsight is the guiding stars in the dessert and you ruin the whole purpose if you and only yourself neglect its importance/agenda.

There are also traders who got the hindsight correct after a prolonged delay/retrace but the sloppy entries they punted too early has caused a critical dent in **both** emotional/financial capacity. This needs to be worked on your very own **psychological** traits. Why are you rushing? Is it the urgency to create money? I assure you, if you try creating profit at your whim you will be disappointed everytime as the market moves slower than traders expectation vs time.

There are also traders who unfortunately got their weekly hindsight wrong. This is just part of trading. The only important thing is to keep/maintain your beliefs/emotion/capital under control. I assure you Warren Buffet, Jessie Livermore also make wrong hindights which are obviously never publically broadcasted but their winnings are always known. They are both very successful traders (per se) and they also know that the important element in their success is that winnings are maximized (held/added) and losses are minimized. There is nothing new to trading.

If there is nothing new to trading, then why do you think new traders all fail..?

If a trader knows 200 things on how to trade, then why do you think they still fail..?

Perhaps there is no such thing as failure but just the acceptance of loss which is mistaken for a failure? Failure and loss is different. Loss is temperamental whilst failure is permanent.

I have personally met many successful individuals. Many wealthy individuals who command vast commercial empires. They are all different to one another apart from one similarity. They are larger than most individuals. Not the physical attributes but in mental capacity. Or would it be easier to describe them half humourously that they have bigger cajones than most.

Joe is one of the individuals that I admire. He is an actuarian and an avid chess player. Even though I have an edge over most average chess players, I have only won twice against him and one of the occasion was his own personal forfeiture of a rook. At first, I was amazed and confused how the tide of the game drastically improves over time to his advantage. What was he doing that I wasnt? Was I too aggressive or too defensive? Perhaps I was thinking about it in too much detail. Most of the times I do take his knight or bishop first but I still manage to lose.

Then he said the magic phrase. He anticipates the next 5 movements from myself. He anticipates before it happens and when it does happen to his hindsight, he will move his pieces to take advantage of the situation. I was silently stunned at such remark. Its exactly what we do in trading and it was at that moment that once again I acknowledge how everything is all relative. He doesnt care that I have just taken his rook or bishop. That is just a small retrace/loss in the bigger scheme of things for him.

I believe most traders know how to trade. It is the emotional support they require.

Sincerely,

Graeme



Sep 8, 2010 7:13pm

2148



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **cameron1st** ↗

Hi Graeme,

Very enthusiastic to have read the new post, and happy to have you around. Wise words, and I think that if we really understand them, not just read, but understand them, it would help tremendously with the emotional struggles.

Kindest Regards,

Cam

Thank you for the kind compliment and your private message yesterday. It is greatly appreciated.

I personally love impressionist/comedians.

I have seen great impressions on Al Pacino, Nicholas Cage and they are all very amusing to watch. It is amazing to see such great impressions done so vividly and accurately.

Just on a lighter side, this is a great impression of Nicholas Cage

I thought it was very funny.

An impressionist does not focus on '**what**' the actual actors say.

They focus on '**how**' they say it. They step into the thoughts of the actual actors and envision on '**how**' they say it.

If you search for any publically broadcasted trades/investments of Warren Buffet or Jessie Livermore, and carefully analysis their thought process. Ask yourself how they trade not why or what.

There is a constant repetition in their trading traits and same trading principals that are always consistent amongst all successful traders. Trading is nothing new.

Sincerely,

Graeme





Good questions, VEEFX

You have placed alot of effort into the questions so in return I will reply as detailed as possible.

1. Marion starts as soon as FB is formed. He prefers the entry to be closer to the higher price of the flying buddha candle as his stop loss will be tighter however sometimes it will be at the very bottom of the flying buddha if the flying buddha is a down candle. We **both prefer volatile breakout** to happen after the flying buddha and not a prolonged streak of stall or fluctuations. In the first chart you have posted with 4 circles. I can clearly see 2 or 3 of them with the price **not** closing above the FBs. There may be wicks that might pierce the high of the flying buddha but most importantly does not close above it. They are all good FBs.
2. Marion is an aggressive stacker. He will stack at every given opportunity on 1hr/15minutes as long as the 4hr FB is still in play. Once an engulf candle closes above a down candle, this will signal his half exit on all positions. I have viewed his profit/loss statement and noticed that he has many small -10, -20 pips against few +70, +100 pips. When marion places a trade on 1hr timeframe(or any timeframe) he places a hard stop loss above the previous candle. If price moves up and hits the stop loss, he will stop stacking on 1hr timeframe until a new engulf candle closes below it and will continue on. His/mine focus is on price closing above or below the open price.
3. I have one loss its over rule. He doesnt. Once a FB happens on 4hr timeframe and his position closes on stop loss, he will watch. His stop loss is just above the high of flying buddha. Does price close above the FB? If not, he will attempt again. See how he always only loses one position at a time. But once price moves into his favour he will keep stacking numerous positions whilst its moving into his way.
4. His positions on different timeframes are separate entity from each other. He treats positions on 4hr timeframe as one group, 1hr timeframe as the other group, and separate group for 15min positions. There are always only 1 position in play in each timeframe. If he adds position at every 50% fib of previous candle on that particular timeframe, there are; 1 position on 4hr, 1 position on 1hr, and 1 position on 15min.
5. He considers 15minutes as just a big gamble and huge addition to his profit if it does happen. And most often few of them do. He always keeps the larger positions of each timeframe 'group' whilst closing out smaller positions from each group but more on 1hr timeframe and less on 4hr/15min. 15min closes often on breakeven or small loss which he doesnt care much. He knows just x1 or x2 positions from 15min timeframe that does survive for the 'duration' of the flying buddha will cover all the losses incurred on all timeframes (but this ofcourse depends on the logevity of the FB in effect).
6. No. Independent. As long as the 4hr FB is in play he treats each timeframe a separate entity with same rule/principal. If price closes above the previous down candle (of 1hr/15min). He will stop stacking. If price closes above the previous down candle of 4hr, thats a warning that the FB opportunity is due to finish soon. But once the movement resumes on 4hr timeframe he will start again. His exposure increases and increases without any limit until he will cash out one giant profit. There are times when the FB only works for short time and then he would acknowledge his loss and move on. Sometimes few hundred pips. For him loss of few hundred pips is nothing to what he extracts on good opportunities.

I still remember the occasion when a FB opportunity on 4hr timeframe lasted 3 weeks or more. Joe still jokes that all his expenses are covered for the next 2 years.... How many more good FBs will there be in the next gap of 2 years?

Hope my answers help and please feel free to ask me if I have missed something.

Sincerely,

Graeme



Just continuing on with questions from VEEFX.

2. Marion considers the FB is still in effect **until** an engulf candle completely forms on the 4hr chart against the movement. So we are looking at a bold up candle that has a close price above the previous downcandle open price. Engulf pattern is when a bold candle forms opposite to the previous candle with the close price above the open of the previous down candle or below the open of the previous up candle. That is engulf and it is a strong indication. This price action alone is an alarm for both myself and marion. We do not want to see such action happen especially on higher timeframes against our intended movement.

Marion trades much larger lots than myself. I have restricted my lot size to 2 standard lots while he trades 8-10 standard lots per position. He closes 'one position' as a whole when he is diversifying. He does not reduce lot size. However, we all know everything is all relative and both you and Marion will arrive at same final door of profits with either methods of reducing exposure. He closes his positions out completely for the simplicity of it.

4. Marion stacks exclusively at 50% fib. 50% fib of 4hr candle, 1hr candle, 15min candle. He does it well mentally.

5. This is also at your personal discretion. As long as you are keeping legs on all timeframes to cover all aspects of result, you will still be profitable.

However, Marion has been using this method as a main source of income for the last 2 years so I will place trust/faith in what he is currently doing.

Having mentioned this, he is now reducing his lot size to 3 standard lots and looking at using timeframes daily, 4hr and 1hr with longer periods of growth.

My last correspondence was tuesday night and he is currently in eur/usd after monday FB on daily which happened to have a volatile breakout on the next candle (daily candle). If this week's weekly candle for eur/usd closes as an engulf pattern closing lower than last weeks open price of the weekly candle than he is in the best possible scenario for thousands of pips. Ofcourse this is all at the discretion of the market.

Sincerely,

Graeme



Sep 8, 2010 10:39pm

2160



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+M 760 Posts



Quote:

Originally Posted by **Ari Gold**

He probably means most people subconsciously or intuitively know what would make them money... but the constant battle with fear and greed muddies the water, we lose clarity and screw things up. Once we make a mistake its tricky NOT to enter some kind of downward spiral that throws the whole endeavour out of whack.

Thank you Ari Gold

Absolutely.

Sincerely,

Graeme



Sep 9, 2010 12:10am

2163

Member Since Dec 2009



pipEASY

crede quod habes, et habes

10+Y 760 Posts



Continuing on with VEEFX

1. Marion is also selective by only trading what he sees, when he sees. He does not stay on one particular pair. There are myth amongst traders that JPY cross has a stronger sell than buy... Could that possibly be from the fact that most JPY crosses has been in a strong downtrend for the last few years?
2. My explanation of spacing is slightly different and different context to Marion's method. I space out my opportunities across the width of the board, whilst Marion may spread his 'interest' across the board of pairs however once a FB works on a particular pair he is looking at its a different approach between him and myself.
3. Marion started with a large capital. It was 6 figure as well (not millions). If I may suggest: \$5000 USD capital, 0.1 lot and double your lot size at every time your capital is trebled (300%). 300% increase and only 200% increase in risk (think about this). This will keep things under control. Im hesitant to apply such figures as a rule, as a long streak of losing FBs will dent your capital and emotion. And we all know bad things happen as soon as we turn the corner of anticipation.
4. Marion doesnt have any EAs as there is a certain factor of personal discretion he applies to his trading that an EA cannot decide for him. I believe the personal factor he is referring to his when price closes against him on 4hr timeframe he decides 'how many' positions he should close or leave open. I will answer this question with toombstone below.
5. Marion has just switched form FXCM to Oanda. And in regards to keeping track I will answer with toombstone below.

Sincerely,

Graeme



Sep 9, 2010 12:23am

#2164



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **tommbstone**

*How does Joe keep track of so many positions? I guess if I ran 2 trading platforms on two screens, keep a 4h on one and 1h and 15m on another but still it must be never wracking. Or maybe I'm just not a good multi tasker. LOL
I can barley keep my hands off one winner/loser let alone multiple sets on same currency pair.*

Good question, Toombstone & VEEFX

If you think about it for a moment you may realize that it is far simpler than most think or most actually do.

4hr candle closes as FB. Sell stop placed at 50% fib.

4 hours later (completion of the next candle), price has moved into our direction. He then places a sell stop at the 50% fib of previous candle with hard stop loss or opens a sell position if the price is already at 50% or higher. He opens 1hr chart; if price is already at 50% or higher, sell position is opened, if not, stop sell is placed with hard stop loss. He then opens 15min and does the same.

If you think about it, you are only placing trades at maximum only every 15minutes if you choose to trade 15min timeframe and once per hour on 1hr timeframe and once per 4hr on 4hr timeframe.

4hr = Once every 4hr
1hr = Once every 1hr
15min = Once every 15min

Your primary focus is on the current open positions which means you will only be looking at placing a trade every 15minutes if you choose to do so.

There cannot be multiple positions on one given 15min/1hr/4hr candle. There are only 1 position each. And if price closes against our direction in 15min/1hr/4hr then stacking stops and the 'last' position in play either hits stop loss or continues on hopefully.

If you want sleep place your last set of positions with hard stop loss and then go sleep. If the price continues when you wake up then you continue, if not, then shrug and move on. All part of the plan.

You can clearly see all 3 trades when you cycle through 4hr -> 1hr -> 15min, a distinctive green opened position line on our MT4 at 50% of subsequent candles of appropriate timeframe.

Sincerely,

Graeme

Edit: It sounds like many are interested in FBs so I will post some charts tonight.



Sep 9, 2010 7:28am

2177



pipEASY
crede quod habes, et habes

Member Since Dec 2009

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



Good evening, all

Just a quick message from myself.

Earlier on, I promised to post some charts to further clarify FBs.

Unfortunately I was too strung out to make out to my desktop tonight. Hope this doesnt sound like an excuse.

Without any notion of ignoring any responsibilities, I ask for your understanding.

Im also still answering many PMs.

Sincerely,

Graeme

P.S Geoff - I would like to work closer with you as you only need a small nudge towards the right direction. Thank you.

P.PS - Trust me when I say that most of the participants of the project/thread is capable to be a profitable trader. Ask yourself why you may not be? Ari Gold summarised it very directly earlier today..

Cam - Correct. All 'sensible' method works in trading. However, to be profitable in the long run; profit taking needs to be maximized whilst losses are minimized. That is all that is required. It is that simple. **You can trade trendline break with the same ideology and be equally successful.**

Skyline - Thank you. Greatly appreciated.



Sep 18, 2010 11:15pm

2374



Good morning, all

Thank you for the continued interest and the compliments.

Apologies for my abrupt absence from this forum as I had personal complications with health.

I thank all the participants in contributing in this thread during my absence. I have read all the posts after my last post and the private messages/emails.

From what I have read and noticed, it compels me to step in and adjust/confirm what is currently said or believed.

This post is not a rebuke **to anyone or any post in particular so please do not feel disheartened or discouraged.**

We are all capable individuals of intelligence and aptitude. This forum consists of a vast variety of individuals each with its own and unique capabilities which can be applied to trading universally for a profitable outcome.

However, as long as means of communication remain there will always be a group think, group discussions that might seemingly look positive progression however the opposite in effect.

When I opened this thread 3 months ago, I pondered which category does my intended thread belong to. And I carefully/purposefully chose 'strategy'

And with all earnesty I have presented my trading strategy in detail. I must admit it is somewhat cumbersome to pass on my own thought process into a readers mind through typed words. How does a reader know where I place my emphasis in a sentence? Hence, I kept it simple by underlining/bold captioning the sentences that I am literally screaming at the top of my lungs as it has a critical factor of importance.

Now, it is a common human behaviour/characteristic to choose what you wish to believe. And this is evident in every aspect of communication between two entities that co-exists.

You are out drinking with friends, and for the first time you chose not to ring your girlfriend as it is already late in the night. But the main reason you chose not to ring is because she has an important meeting early in the morning and you do not wish to disturb her sleep with any petty talk.

However, your girlfriend chooses what she wishes to believe.

Your girlfriend believes that you didnt ring out of negligence because you were having such a great time with friends or new girls. She is clearly upset and feel let down. Her meeting is distracted by her thoughts and when she finally rings you after the meeting, she sounds bitter and distant. However, you do not know this and you act cheerful and ask how the meeting was which ofcourse will be met with a sharp rebuke from her. Then there might be a argument which could lead to far greater demise. And this all starts from 'humans choosing what they wish to believe.'

It happened when:

330BC, Aristotle finally proved that earth was spherical and not 'flat.' What do you think the vast majority chose to believe? But then Aristotle thought Earth was the centre of our solar system..

1800 years later, Galileo disagreed with the famous Aristotle and stated that the sun was the centre of the solar system. The vast majority chose to believe otherwise and Galileo was tried by the Roman Church and found guilty of heresy. Served a life imprisonment till death for something that was found to be correct after all.

So whats all this history lesson has to do with your trading. It has everything to do with your learning of how to trade as you are also human and also bound by common human characteristic. It is your nature, unfortunately.

Why do you think there are countless numbers of traders on this forum that has been here for years still here? Its only a personal assumption and I speak in broad sense when I say that they are still here cause they are still searching. If this forum was a blank A4 piece of paper and black dot

represents a trader still looking for answers and white dot represents a true professional trader. That paper will look like the sky of a dark night in a crowded polluted urban city.

And why do I believe that? Its because the intricacies of trading is same to any other struggle/pursuit that humans pertain. And to become the top of anything you need to step outside the physical/psychological bounds of the average peers.

Everyone cannot be a billionaire. Then there is no such thing as rich person. If everyone is billionaire than soon an exceptional human being will break the bounds of impossibility and step outside the circle to become a trillionaire setting new standards. Billionaire becomes the support and a new trillionaire will become the resistance or the new higher high.

Perhaps Im talking too much and I know less is always more but believe me when I say that Im genuinely interested in everyone's trading success. And this very post is for you. I dont know you but if everything is all relative than whatever difficulties you are experiencing can be solved by any universal solution under the same context. Trading is one arena that Im happy to assist as your profit does not effect into mine (perhaps it will if we are both scalpers on a very low time frame). The currency market is so unimaginably huge and structured in an intricate layers of multi-layered push and pulls that no one or any entity can manipulate/understand/control it. And that includes you and me

Im not surprised to see that many are struggling especially with flying buddhas. I was hoping that the few traders I do manage to touch on deeper understanding might have stepped outside the boundaries of normal thought process.

I have preached that the market is universal and neutral. **You will fail without a shred of doubt if you trade with any pre-defined actions.** This is why we have traders still searching for answers after years of searching. And these traders are more than capable in intellectual capacity. Its a shame to watch them ask the wrong questions and look for the wrong answers. They may know every little thing about trading to the finer detail but they are confused to see that they are still not profitable. You have to ask yourself why is that...?

Ask yourself, you have read most of the threads in this forum. Countless published articles, hundreds of hours of screentime. Why is it still not working..? Perhaps the answers you are looking for are in different context.

Joe trades FB profitably. With that type of trading approach I can guarantee that he will be also successful in trading inside bars, pin bars, engulf bars and any other type of price action setups. There is no such thing as a professional trader trading flying buddhas profitably but loses money on other setups. Think about this.

Its not the FB that creates you profit. FB is a potential opportunity. Potential opportunity.

What is opportunity?

Opportunity is a selected period of time that allows the individual to partake in a given scenario that might yield a positive or negative outcome.

In trading, there are only 3 tangible ingredients to profitable trading.

1. Low risk-entry
2. Participation
3. Growth

Other factors are negligible in pursuit of profitable trading. Negligible factors include: continous small losses, continuous breakevens, prolonged periods of no growth or profit decay. These factors are minor struggles in the bigger scheme of your goal. If you worry about 15 continuous small losses then trading is not for you... You will never find a system with high win rate **WITHOUT** compensating one or both terms: TIME, RISK SIZE (stoploss size). Market is universal and if you take 2 from it, it will also take 2 from you. And thats the problem with trading, you need to take more than you are willing to give. This is called risk:reward.

Excellent risk:reward can be encoded into your trading habits by simply taking entries on lower timeframes but aiming at profits of the higher timeframe. And thats it.

Consider this for me. And this is reverse engineering and creating your own system but backwards. Its like playing the maze game but starting from the end not the start. This is what many business analysts do, more or less.

If Joe, spends \$50 per day on every weekdays to buy x10 \$5 lotto scratchy tickets. Then this would cost him \$250 per week, \$1000 per month, \$12000 per year. But his total winning over the year is \$5000

His risk:reward is \$12000 : -\$7000 which is 12 : -7. He is expected to lose -\$7 for every \$12 spent. This is very common scenario in gambling.

But we are not gambling but trading. We certainly do not want to spend \$12 to lose -\$7.

Lets create our own r:r

I have a day job that pays me \$850 per week after tax. Unfortunately Im still single (till I succeed in trading and god knows what thereafter) and live with parents. I can **set aside** \$50 per day in trading expense (note I used the word expense).

So I choose:

Taking only 1 trade per day

\$50 = x8 \$5 pips + 2 pip spread

Risk 10 pips for the reward of.... 1000 pips? Sounds good.

1:100 is good. Now...

1:100 is only viable **IF** 1000 pip rewards happen more often that 1 per 100 cycle.

100 rounds in trading is 5 months of trading if I only take x1 trade per day. 5 per week, 20 per month, 100 in 5 months.

Now I got all the numbers in the field and all I do is input them into empty fields, then I create a theorem:

Im looking for, opportunities that are less than 10 pip risk, one per day, that will run for 1000 pips take profit but the occurences of such opportunity must be less than 1 per 100 cycle.

Then you open your charts or whatever EA you can encode and plug in the data until a trading method sticks and proves your above theorem correct over a prolonged length of time (at least a year).

When you find a 'method' that is constructed from your own theorem you will find a related discovery... What do you think this might be?

There will be an irregularity in the sequence of the numbers. I will come back to this little later.

Lets create a theorem together and all you do is fill in the gaps:

Taking only ___ trade per day

\$___ = x___ \$___ pips + ___ pip spread

Risk ___ pips for the reward of.... ___ pips?

_: ___ is good. Now...

_: ___ is only viable **IF** ___ pip rewards happen more often that _ per ___ cycle.

___ rounds in trading is _ months/weeks/days of trading if I only take x_ trade per day. _ per week, ___ per month, ___ in 5 months.

Theorem:

Im looking for, opportunities that are less than ___ pip risk, ___ per day, that will run for ___ pips take profit but the occurences of such opportunity must be less than ___ per ___ cycle.

Now, open your chart and find it by using your theorem as a guide. Once you find a method, your theorem will be confirmed profitable over a prolonged period of time (more than 1 year).

You are now creating your own systems and do not need to refer to other traders system/methods. **This reverse engineering is used all the time for myself.** I devise and create new methods but the difference between me and you is that you look at indicators, shapes, sizes of candles or patterns whilst I look at hard statistical numbers **first**. And I know that shapes and sizes of candles might lie but numbers do not lie.

I have few theorems and with the help of my son and his team, the theorems are emulated into correct form of data and plugged into years of price history across the whole board. **EVEN** theorems have periods of range/consolidation then a volatile profitability. Its amazing to see a graph of

line chart of a particular theorem backtested on past 10 years of price history and without the heading on the chart I couldnt tell if it was 4hr, daily, or 5min before my son pointed out that it was not a timeframe of a currency market but the profitable equity curve of one of the theorems I have presented. Everything really is all relative.

I would love to see your theorem in this thread and then you place effort into searching for answers to prove your very own theorem correct. **You have found a profitable trading niche that fits your own psyche/financial levels.**

I currently have a profitable theorem on eur/usd that risks 10 pip for a take profit of 1000 pips that has been profitable for more than 2 years but backtested over last 10 years. It brings net 28.7 pips per week so far for the last 2 years. So every \$100 spent is bringing in \$128.70. If you know investing well, this is an outrageous return.

Another theorem is based on price action on daily charts at 200 ema exponential close and take profit is at least 1000+ pips and taking profit at extreme points of price expansion and re-entering when price contracts and re-tests the 200ema.

I will not elaborate any further in the above 2 theorems as I know this will lead to no progress in your learning phase. What works for me is for me.

Now coming back to what I briefly mentioned before; which is irregularity of sequence of numbers. Statisticians also call this **Law of uneven distribution.**

If you grab a coin and toss it 100 times, at the end of 100 rounds you will have a result that is 'almost' 50% heads and 50% tails. If you write down the outcome of each round you will notice few things. There are periods of 'consolidation' where heads win once then tails then back to heads and so forth. And then there is periods of volatile breakout with long streaks of more than 6+ wins on either heads or tails. This is the law of uneven distribution and this applies to all matters that exist in same plane of physics. You will see that even with a 'genuine' 50% win rate (coin toss) you will run into inevitable streaks of losses. There is no way to intervene and stop what happens against you. And this happens in all matters of scenarios that has pending random outcome. Just accept it as it is. You cannot avoid the losses with your indicators and eas but you can minimize it whilst keeping your potential profit much much larger. Everything has a seasaw effect. One comes up while one goes down.

Whats interesting is, no matter what you deploy as a betting strategy you will not make money from 50% win rate with 1:1 risk reward. you will be more or less breakeven after few thousand rounds or the technical phrase would be 'sooner or later.' However you will become very profitable once you adjust the potential reward greater than 1 and try lower your potential loss below 1. The further you rip apart these two numbers will be the holy grail to your profit making then the only essential element that is required is 'time' to exercise the inevitable outcome. Its not an easy road to go against the path of nature. You either get mercilessly punished or rewarded stupendously.

This post alone took me few hours to type as I keep editing and re-typing. I hope the inner meanings of my words reach far into your thought process and not buried on the outskirts. Everyone is a potential professional trader and everyone is very close. Close but not close enough. That last special enlightenment is not found in forum or indicators. **Its already inside your knowledge but a different angle to the understanding you currently perceive. Different angle.**

This thread has expanded to almost 160 pages but I can assure you everything is in this one post. Condensed and hidden, not purposefully by myself, but unfortunately by the reader and their choice to understand what they wish to understand. It is just human nature,.. unknowingly and unfortunately.

Sincerely,

Graeme

Last edited by pipEASY, Sep 19, 2010 5:35am



Sep 19, 2010 12:12am

2376



pipEASY

crede quod habes, et habes

Member Since Dec 2009

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



Quote:

Originally Posted by [thx1139](#)

Hi Graeme,

Good to see you back. That one quote you made above pretty much sums up this entire thread. Thanks again for your continued wisdom.

Good afternoon, thx1139

Yes.

Absolutely.

Sincerely,

Graeme



Sep 19, 2010 6:51pm

2401



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Continued from yesterday post at <http://www.forexfactory.com/showpost...postcount=2374>

Thank you all for the compliments. It is greatly appreciated.

And just a correction that needs to be addressed first. Copernicus was the first scholar to present that the sun was indeed the centre of our solar system about 100 years before Galileo took any further initiative. Apologies for the misrepresentation but my focus was the connection between Aristotle and Galileo.

In the course of next 2 days I will reply to all private messages/emails. My reply might be short but it will be direct and concise.

I hope all readers had some time to digest and soak what I have posted yesterday. If you are looking for answers, I'm confident you will find something of value in the information. Rest assured, none of the information I represent is something that I have personally created but it is a 'set course of trading habit/ideology/principal' that has existed amongst the successful traders over the course of centuries. Technology have advanced forward but the principal of trading remains the same against the test of time.

If you are still searching for answers like a flow chart of solutions then you will **need to fail** (and hopefully only once or twice) before realization. Your failure is not my best interest however to learn how to run, falling few times finally gives you enough impact both physically/emotionally to never make the same mistake. However, what saddens me is to see potential professional traders, repeating mistakes that is costing them dearly and then to move onto what they believe as a new method seemingly in their perception but then to ofcourse fail again. And they wonder why and how? Perhaps you 'repeat' to fail cause you are 'repeating' the same failed trading principal. **Changing timeframe, indicators is not trying a different approach.** That is basically doing the same as just before that has failed. And ofcourse you know this already but then why would you do it again?

Passing on information about trading is a honour for me. I feel obliged to help fellow traders as I too have received unconditional help when I first started my i/e/d business. Help that has propelled me forward financially that has created a very comfortable life for myself and my family. There is nothing more one could wish for. I feel complete when I review my life endeavours however there is one small knot at the end of my line which I will earnestly complete.

Yesterday, I mentioned the law of uneven distribution. Hope everyone understands that even with 'genuine' 50% win rate (coin toss) you will encounter streaks of losses against you. Please try it. Select heads or tails before tossing a coin 100 times. Keep your choice from the start till end. You will notice:

Amount of wins and losses are similar (there is a reason why it is not exactly 50% head and 50% tail at end of 100 tosses but irrelevant information to trading) after 100th toss. **BUT** the 'occurrences' of your wins and losses are unevenly distributed. Huh? So..?

Well.. its the same in trading.

Even with a 50% win rate you will still face streaks of losses and streaks of wins. They are grouped together and then dispersed evenly then grouped together again. It is these groups of 'streaks' that professionals take advantage of. And this groups of 'streaks' is called an **irregularity of price movement**. Market is neutral and universal **which is true over the course of thousands of candles, months, years, decades, centuries.** **But on given selected time period** there are '**moments**' that lasts days, weeks, hours (pending on your chosen 'scale'. Remember scale?) that can be taken advantage of. When this given moment/opportunity is 'depleted' then the market will swiftly make up for it and balance the upset (a.k.a price returning to MA).

If streaks of wins on a coin toss is translated into our forex charts, it would be the compelling momentum/trend of the price.

If consolidation (head wins once, then tails and then back to heads) of wins/losses of a coin toss it would be translated into our forex charts as range/consolidation of price.

Its the exact same.

Irregularity of price movement is your edge. Large financial institutions plug in countless models into their data to find this edge/irregularity. They macro control the movement of the markets. And you will be pleased to know you could do it also.

I would like one volunteer who has the time and patience to assist me for the next week or two in bringing something important for the rest of the readers.

This volunteer must be able to post charts and edit them and have the time to place trades accordingly.

First come, first serve basis and I will let this volunteer know what is required in the thread. All charts and results will be posted by the volunteer live into the thread for the viewing of all.

Hope this intended project keeps the explanation tight and direct to the rest of the community.

Please place your hands up if you wish to participate with me.

Sincerely,

Graeme

Last edited by pipEASY, Sep 19, 2010 7:10pm



Sep 19, 2010 7:15pm

2403



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **VEEFX** 
Count me in SIR !!!

Good morning, VEEFX

Thank you very much for your prompt reply.

For the sake of all readers please state which timezone you are currently residing.

Im Sydney, Australia and currently it is 09:18 of Monday morning.

Sincerely,

Graeme



Sep 19, 2010 7:27pm

2405



pipEASY

crede quod habes, et habes

Member Since Dec 2009

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



Quote:

Originally Posted by **VEEFX**
I am based in Sunny California (Pacific Time Zone)
EDIT: it is Sunday 4:17pm PST at the moment

Thank you.

I know we have recently completed a 2 week project which had ups and downs. By the way, today or tomorrow I will post results of the participants.

My intentions are; through the public interaction between myself and VEEFX, I will show the rest of the community, directly and concisely the principal of profitable trading.

Continuing on..



Sep 19, 2010 7:37pm

2407



pipEASY

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Member Since Dec 2009

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



Quote:

Originally Posted by **geoffrod**
Hi Graeme,
I am sydney time zone as well 9:30am monday morning

Good morning, Geoff

Thank you for sharing and I greatly appreciate your offer of assistance.

For now, unless a dire change of circumstances, I have agreed the assistance of VEEFX first.

Your input is always appreciated.

VEEFX,

Please state your intended starting balance (demo or live) and fixed lot size.

Sincerely,

Graeme



Sep 19, 2010 7:48pm

2412



pipEASY

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Member Since Dec 2009

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



Good morning, tjfxtrader

Thank you for your prompt offer of assistance.

It is greatly appreciated and your input is highly regarded.

For now, until dire change of circumstances, I have agreed the assistance of VEEFX.

VEEFX,

May I please request that you open a separate account with \$5000 USD or any realistic amount. So the rest of the readers will not get confused when viewing your statements. I would like to keep this simulation attainable for other readers as well.

\$5000 USD and 0.1 lot size? Is that ok with you?

Sincerely,

Graeme



Sep 19, 2010 8:28pm

2416



pipEASY

crede quod habes, et habes

Member Since Dec 2009

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



Good morning, Tradpat

Yes, im happy to recommend few tips and I will PM you within 2 days. Apologies for the delay.

VEEFX - I was awaiting your reply however it seems that you were awaiting mine as well. Apologies.

VEEFX, you and I will be taking a set course of trading actions over the course of days/weeks.

Before we even begin, I would like to create a theorem with you and the numerical data is at your discretion.

We will be taking hindsights on 4hr TF and taking trades from 1hr.

Please suggest your

1. R:R
2. Fixed stop loss size
3. Fixed take profit (for now)

Sincerely,

Graeme





Quote:

Originally Posted by VEEFX

1. Risk:Reward: I choose to go with 1:4
2. Fixed stop loss size: 20 pips (since we will be taking trades on H1 timeframe)
3. Fixed take profit (for now): 80 pips

- Vee

Thank you.

All good. Sensible and realistic.

The program I use to capture and edit is Snagit.

Please allow me 30 minutes from now for my next post.

Sincerely,

Graeme



VEEFX,

Our mission statement is very simple.

Im looking for, opportunities that are less than 20 pip risk that will run for 80 pips take profit but the occurrences of such opportunity must be less than 1 per 4 cycle.

We will leave the above statement as it is for now but I would like to alter it as we progress. There is a reason for it and I will only reveal it later.

Now that you have your theorem, may I please request that you open any pair on 4hr chart and please place

1. 10 ema exponential close - red
2. 5 ema exponential close - blue
3. 200 ema exponential close - yellow

Please post a chart to show the above setup for the clarity of our readers.

Sincerely,

Graeme





Quote:

Originally Posted by **VEEFX** *Here's the chart with the above mentioned settings.*

Excellent work VEEFX

For all readers and VEEFX, does everyone know the purpose/functionality of moving averages.

It calculates the average price of last X amounts of periods. More or less without the indepth technicalities.

If moving average 5 shows us 100.00 that is the median price for the 5 previous periods.

Hence, if MA 200 shows us 100.00 that is the median price for the 200 previous periods.

What is the difference between 5 MA and 200 MA?

If you said time or period that is only half correct. Correct answer is the scale. They both serve the same purpose however the scale is different. Jsut like the scale difference between the lower and higher timeframe it is the same principal behind lower and higher MAs as well.

You will have price always fluctuating around the MA line. Obviously as the line itself represents the history of previous price. Many traders have a common myth/belief about MAs. They think greater the period of MA, it is slower... This is not correct. MA doesnt actually move slower or faster. It represents what it is suppose to represent on the chosen **SCALE**. Obviously the higher the MA then higher the scale you are choosing to analysis.

If you trade 10 EMA then you are choosing a smaller scale and hence your potential profiting grounds are 'expected' to be smaller.

If you trade 200 EMA then you are choosing a larger scale and hence your potential profiting grounds are larger than expected.

Please do not forget what I have posted many times in this thread. Your holy grail to profit making is when you skillfully adjust the R:R so your loss is always smaller and wins are always larger. This R:R doesnt have to be just entries it can be applied to all aspects of trading, even on MAs to the same positive effect.

We are basing our profits on 200 EMA profiting grounds and using price action/5,10EMA of 1/4 hr TF to skillfully enter.

What does this accomplish?

The very same thing as I always talk about. Taking trades on lower risk for potential rewards on higher and different scale.

VEEFX, it is very important you understand this completely as you will be the one showing us all.

There is little more I would like to discuss but for now, any questions?

Sincerely,

Graeme





VEEFX,

Im aware that you have good price interpretation.

We are looking for price that is currently nearing 200 EMA on 4hr chart. Usually I place alerts so I will be notified when price is about 20-40 pips away from 200 ema.

Our point of entry is around the 200 ema line. There is no special reason apart from the fact that we are basing our profiting grounds on the scale of 200 EMA.

What you will find is 2 scenarios time over time over time.

Lets consider the area above the 200 ema line as the + territory and area below the line as - territory.

1. Price will volatile breakthrough the 200 ema and enter the opposite territory like hot knife going through butter.
2. Price will stall and re-test the 200 ema few times before moving away from ema.

We are interested in either options however there should not be more than 4-6 attempts per opportunity in a given pair of currency and 4 losses is the absolute maximum per given scenario.

Whilst price approaches the 200ema, it is time to zoom into 1 hr and use your own price interpretation for tight entries. Please remember your ammo is only 20pips (lets not include spread and there is reason behind this which will be revealed later) per shot. You only have 4 shots per opportunity.

Profiting grounds of 200 ema
Price action of lower timeframe
Tighter entries off 1hr timeframe (or lower if you can)

We have encoded excellent r:r into 'every' aspect of successful trading.

Any questions?

Sincerely,

Graeme



Sep 19, 2010 10:20pm

2431



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **VEEFX**

Thanks Graeme. I guess you would shed some light on how to make tight entries based on EMAs? Apart from that, I do have one question:

1. Wondering why you mentioned "...4-6 attempts per opportunity..." instead of just 4 attempts knowing that each attempt would result in either an positive or negative outcome. Based on our R:R rules, shouldn't we allow only 4 entries on H1 or lower TFs on any given pair?

Regards,

Vee

Good questions, VEEFX

Entries are done by your own price interpretation. Wicks, engulf, pin, any setup you classify as low risk. Entries are not based on EMAs. EMA is just there to signal that the price is drawing closer to the favourable area.

Correct, since we are aiming at less than 1 per 4 cycle. Im assuming some of our attempt will be breakevens. They are free costs. Maximum 4 **losses** per opportunity on any given pair of currency.

Any other questions?

Sincerely,

Graeme



Sep 19, 2010 10:36pm

2434



pipEASY

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Member Since Dec 2009

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



Quote:

Originally Posted by **VEEFX** 
No questions for now Graeme.

Thank you, VEEFX

Please do not worry as I will give plenty of guidance.

Now we wait.

Please scan all 4hr charts to see if any price is approaching 200 ema.

We will take action when it does.

Please do not worry if we miss one or two whilst we are unavailable or sleeping.

Sincerely,

Graeme



Sep 19, 2010 10:51pm

2437



pipEASY

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Member Since Dec 2009

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



Good questions, VEEFX

I promise to be back in 3-4 hours from now as Im due for a meeting in my office now.

If you are unavailable please do not worry as I will leave plenty of guidance for you.

Please do not feel pressured as there is no need to.

Speak to you soon

Regards,

Graeme



Sep 20, 2010 2:59am

2453



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Member Since Dec 2009

10+y 760 Posts



Good afternoon, all

Thank you for your patience.

Let us continue, but first I will answer VEEFX questions

(1)

- On H4, we are looking only at 200 EMA as a early alert/warning setup.

- On H1/M15, we completely ignore where 200EMA is located and just focus on PA/focal interpretation/candle patterns to trigger tight entries?

Yes. 200ema is only a reference guide to the 'area' we will start trading. It is ignored when looking for entries.

(2) Is it considered a false alert if price has pierced 200EMA several times like in the attached chart? To me, we have arrived a bit late on GBP/NZD pair

Price stalls often around 200 ema. It is just part of trading and we will minimize/avoid the range period together and I will show all how.

(3) You mentioned hindsight on H4. Did you mean hindsight 'direction' on whether 200 ema is above or below the current price and then only take trades in the direction of hindsight?

200ema will signal the area we are interested in entering and does not dictate any direction. Price action on 4hr/1hr will determine the direction and I will guide you more.

In regards to the question that surrounds less than 1 out of 4 cycle.

Quick mathematic question:

What happens if, you have 20 SL and 80 TP but after 100 rounds you find that you had 1 (win) out of 5 cycle occurrence??

What happens if, you have 20 SL and 80 TP but after 100 rounds you find that you had 1 (win) out of 3 cycle occurrence??

My 1 out of 100 cycle example @ post <http://www.forexfactory.com/showpost...postcount=2374>

shows that I currently trade 10 SL and 1000 TP. This is 1:100 r:r. What happens if the win occurrence is higher than 1:100?? What happens in the long run?

Sincerely,

Graeme





VEEFX,

I know you now have alot of responsibility and I will guide you thoroughly.

Please see these charts.

This is what we want to achieve together.

eur/chf 4hr



gbp/jpy 4hr



We are going to do it live together and show it to rest of the readers.

Any questions?

Sincerely,

Graeme



Sep 20, 2010 3: 14am

2456



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **Fun Demental** [↗](#)
... cont from post 2400

Here is my algorithm, says the newb, as he's trying to make sense of all that's been said: Im looking for, opportunities that are less than 1 pip risk, 50 per day, that will run for 1000 pips take profit minimum but the occurences of such opportunity must/should/can/may be less than 1 per 10 cycle/session/set/trades.

Any ideas ? asks newb because he hasn't the faintest idea how or wher to even start looking. Crossing of the 200 ema? where did I hear that pop track around in this forum?

fun_demental

Good afternoon, fun_demental

Thank you for your posts.

I understand where you are coming from and I understand what you are really asking.

Unfortunately, I might not have the answer you are looking for but I do have answers to questions you might ask in the future when your trading does not progress to your expectation. Im not looking down on you nor any disrespect but Im happy to assist to hasten your learning curve.

There are too many posts in this thread which I apologize and it is mind boggling for any reader to start reading it all and then to digest the information before more is posted.

Perhaps, this new project between myself and VEEFX for the viewing of all add enlightenment to your learning.

Sincerely,

Graeme



Sep 20, 2010 3:23am

2458



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Member Since Dec 2009

10+ 760 Posts



Quick mathematic question:

What happens if, you have 20 SL and 80 TP but after 100 rounds you find that you had 1 (win) out of 5 cycle occurrence??

What happens if, you have 20 SL and 80 TP but after 100 rounds you find that you had 1 (win) out of 3 cycle occurrence??

My 1 out of 100 cycle example @ post http://www.forexfactory.com/showpost.php?p=4031871&postcount=23_74

shows that I currently trade 10 SL and 1000 TP. This is 1:100 r:r. What happens if the win occurrence is higher than 1:100?? What happens in the long run?

Apologies, but I will answer myself and you can verify it for yourself.

20 SL and 80 TP but after 100 rounds you find that you had 1 (win) out of 5 cycle occurrence??

You lose money in the wrong run. That is negative expectancy.

20 SL and 80 TP but after 100 rounds you find that you had 1 (win) out of 3 cycle occurrence

You win money in the wrong run. That is positive expectancy.

What happens if the win occurrence is higher than 1:100?? What happens in the long run?

You lose money if the reward is x100 but you find that you are finding 1 win occurrence in more than 100+ rounds.

This is simple statistics.

VEEFX, do you understand this?

Sincerely,

Graeme



Sep 20, 2010 3:43am

2460



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+ [760 Posts](#)



Quote:

Originally Posted by **VEEFX**

Welcome back Graeme. I have no questions so far. While you were gone, I was busy looking at all the pairs in my platform and came up with my watchlist for the following pairs that are 'near' the 200ema.

eurnzd, eurCHF, eurhuf, cadCHF, audCHF, gbpnzd, gbpcad, gbpCHF, usdmxn

Good afternoon, VEEFX

Please do not hold back any questions in the thread and also any other readers as well. For the other readers, please feel free to ask however may I please request to send me the questions through private messaging.

VEEFX, so it begins.

May I please suggest leaving the exotics out for this project as FXCM does not support them for now. Is that ok?

cad/CHF 4hr - Looks like we just missed it.



cad/chf 1hr - This is my price interpretation



However, VEEFX I would keep this pair close.

Why?

Do we really need to be at the exact pip value of a good opportunity? We can take a slice of the good action near the area.

If this setup works then we could be entering around the area of the green area.

Never rush. We are always too early.



Sep 20, 2010 3:51am

2462



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **VEEFX**

Yes sir. I re-read your example post 2374 several times and your last sentence "You lose money if the reward is x100 but you find that you are finding 1 win occurrence in more than 100+ rounds" brought further clarity. I just need to play with some more examples (offline) around this concept with different R:R scenarios to completely (and subconsciously) blend the concept in my head. I think the use of term 'cycle' is a bit confusing to most.

Regards,

Vee

Thank you, VEEFX.

I didnt look at it that way and apologize to other readers.

Please call me Graeme and I hope its ok for you when I address you VEEFX.

gbp/nzd 4hr - watching?

This is it VEEFX.



Sep 20, 2010 5:27am

2466



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **tradpat**

Hi Graeme

I hope you don't mind...

Which is the MT4 broker you use currently?

I use GoMarkets/FXDD/FXLite, but neither has the pairs you mentioned.

I thought to ease my learning process by having the same MT4 platform as yours. 🙄

Thanks.

Cheers

Good evening, tradpat

I currently use FXCM.

You can download their mt4 and use it as a demo.

It looks like forexfactory was down for the past hour or so and VEEFX has logged off.

Sincerely,

Graeme



Sep 20, 2010 5:36am

2467



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



While we wait for VEEFX.

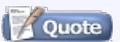
I mentioned just before forexfactory went down to watch gbpnzd.

Please allow me to take this opportunity to show a potential tight entry that has just happened on gbpnzd.

Everyone will notice my price interpretation is **always the same and applied universally to all timeframes.**



If we weren't interrupted I would have urged VEEFX to take a single trade in the green area on 1hr timeframe. And here is the reason why:



Sep 20, 2010 5:44am

2469



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



My pleasure, Tradpat

Continuing on..

So what do I anticipate on gbp/nzd?

Currently, this is what I want (green arrow)



I dont know what the market will do.

But the single trade that could have been taken on the 1hr TF above in my previous post is participating into the market with the current flow. And that is the best any trader can do.

Just on a side topic to above chart.

Please allow me to show you the exact same chart above in 1ema line chart



For me the 1ema chart is much clearer but perhaps this is only my personal focal interpretation.

Last edited by pipEASY, Sep 20, 2010 5:56am



Sep 20, 2010 5:53am

2470



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Member Since Dec 2009

10+y 760 Posts



I do not wish to divert off the current intentions by leading into a description about my price action interpretation.

Please pm me if you wish to ask price action interpretation or if you have the time you will find the answers in the previous pages of this thread.

Everything is exactly the same as I always did.

I will slowly and eventually explain everything as they unfold. It will be clearer as VEEFX and myself work further down.

Can anyone direct me to a pair with price approaching 200ema? Preferably within 20-40 pip away.



Sep 20, 2010 6:14am

2474



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **dongsky** 
Here's a Eur/Chf... possible volatile breakout?

Good evening, dongsky

Thank you very much for the input.

Perfect example.

Please allow me to start without VEEFX for now.



This is my interpretation and my anticipation and my forecast





Current 1hr



Having said the above entry on 1hr timeframe. This opportunity is over if price closes above the mini range anywhere in the red area. Why? Cause that would mean price closed against my anticipation and became an engulf/breakout on the wrong direction. Do you understand?



Sep 20, 2010 6:32am

2475



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **paul1**

Ok have i got this,

cycle = 1000 pips (target profit minimum.)

risk /stop loss = 10 pips per entry.

(therefore we can have 100 losers to actually lose money.)

That also gives us the 1:100 r/r. Or broken down 10:1000 r/r

So as long as we win 1000 pips more than one time in one hundred,

eg :-

Lose 99 win 1 == profit 10 pips

lose 98 win 2 = profit 20 pips
lose 97 win 3 = profit 30 pips

But I do realise aiming for 1000 pips winners could be weeks/ months away .

Have i got it ?

Good evening, Paul1 and Skyline

Sorry to address both of you gentlemen in one post.

Skyline - thank you

Paul1.

This is very important for everyone.

You said something golden. Something large institution do everyday.

You have got the numbers correct in your calculations.

Lets focus on your last sentence.

"But I do realise aiming for 1000 pips winners could be weeks/ months away ."

What if...

What if...

There are methods (correct term is price irregularity) when backtested for last several years shows that the occurrence is less than 2 months..... or definitely less than 1:100.

You will have periods where 2 or 3 of them happen within a month and then months of nothing until 1 win and then few months of nothing and then 2 or 3 of them happening again. What is that? Its called law of uneven distribution

Remember tossing the coin 100 times..

It has 50% head and 50% tail chance. How do you explain streaks of 14 wins of tail and then streaks of 13 wins of heads from 50% win rate on each toss..??

That is price irregularity and as long it happens more often than your set r:r, you will create unimaginable wealth.



Sep 20, 2010 6:43am

2476



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Let us all wait for VEEFX and adhere to our objective.

Please feel free to pm me any questions.

Right now, it wont make much sense but I assure you the further VEEFX and I collaborate everything will be clearer.

I will guide VEEFX hands to build it together and show all at the same time how.

I sincerely hope this project will have a far more direct and concise impact to all.

If many of the traders do click at the end of my collaboration with VEEFX, I will start another 2 week project and personalise my showing to you directly.

Lets hope there is no downfall till that happens and hope I can complete it to everyones satisfaction.

Sincerely,

Graeme

P.S Dinner for myself. Good night all

EDIT: I believe it is currently very late in california. Very early morning I say. Lets allow some rest for VEEFX. I will continue with him.



Sep 20, 2010 7:04am

2478



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Member Since Dec 2009

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



Quote:

Originally Posted by **Fun Demental**

Paul,

The calculations are not quite correct. If they were - the whole system here will be unprofitable.

win 1 loose 99 is a non loss (+10 pips). loosing 98 and winning 2 is a win of 1020 pips. 2030 if you win 3 and loose 97 and so on. The concept that is tried to convey to you is of roulette tables and card games: Probability. the only difference is that the odds in forex are supposedly on your favor. The only reason they are is because of trends. that is all.

Good observation,

I miss read paul1.

2 wins would be not +20. What paul was meant to say is 98 losses before 1 win.

Sincerely,

Graeme



Sep 20, 2010 5:22pm

2510



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Member Since Dec 2009

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



Good morning, all

VEEFX - Good morning. It is 07:18am here in Sydney. I will be here waiting for you. There is no need to rush.

I have decided to stay home today and dedicate the whole day to this endeavour.

I will create a msn live account so we can interact 'faster' and pm you the detail. For now I will just give you the detail.

The yellow ema line on my charts are always 200ema.

Im wondering why skyline/others have a different feed.

Skyline/others if you are using FXCM UK can you please confirm your daily open line is 09:00 sydney time? Apologies I dont know what that is in other timezones. So in another words its 07:22 at the moment and in 1hr and 40min @ 09:00 I expect today's daily candle to finish forming and new daily candle open. Can anyone else using FXCM please confirm this with me?

Does FXCM mt4 shift server time based on each individual clients timezone?

Sincerely,

Graeme



Sep 20, 2010 5:47pm

2513



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Member Since Dec 2009

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While we wait for VEEFX I would like to take this time to briefly re-touch on tight entries. It is asked alot and I understand why.

It is very important to be able to 'save' unnecessary expenses in your business. And trading is your business. One of the best business in the world where it is not bound by unfair legislation or anti-competitive movements.

Personally I like to consider myself a surgeon making a percision cut or a sniper waiting for a single shot single kill. Whichever humourous way you consider them to be, 'tight entry' is nothing more than **entering on the same criteria with smaller stop loss/risk.**

When you try to enter with smaller stop loss/risk you sometimes also miss few golden movements that has no retrace. But being a versatile trader im sure you will be able to catch those golden movements as a volatile breakout? Think about this please.

Last night, I gave one live example that unfolded together that I would like to go back explain little more to the newer readers.

This was eur/chf. First chart is from last night and rest is from this morning

eur/chf 1hr



And currently (for now),



Last night, a trader not using a tight entry could have entered at the orange circle.



However, you and I need to have professional standards.



I assure all traders that I too experience long streaks of losses. It is inevitable but I do know that I will try very hard to minimize the losses as above. The market can take 10, 14, 17 pips from me as long as I know (as a hard statistical fact) **sooner or later** that it will give me 200, 300, 3000. Just need to wait.

P.S Thank you cameron1st and good morning to you too. Thank you Geoff, greatly appreciated.

Sincerely,

Graeme



Sep 20, 2010 6:06pm

2518



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Member Since Dec 2009
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Quote:

Originally Posted by **VEEFX**

Excellent post! I have tried this to gain a statistical 'edge/advantage' in my live trading but in a different manner. I try to look for recurring 'patterns' and assess the root cause behind their recurrence. Based on the theory that 'If they happen a 1000 times in the past, it will happen atleast another 50 times in the future.

What you mentioned in your post above is quite intriguing to me. I have been focussed on price regularities instead of irregularities.

I guess the billion dollar question to unimaginaire...

Just one more post as we wait for VEEFX.

How? Good question.

There is a niche in retail forex that sooner or later a bright individual or group of bright individual will create a business from.

It is backtesting against 10+ years of price history across the whole board on models.

The results are of critical importance and it would save alot of time for the trader.

I have personally seen how much hard statistical fact you can extract.

It shows you so much inner workings of a method that I cannot describe them all.

VEEFX, you've selected 20 stop loss with 80 take win. And I mentioned that we will keep it like that for now but I will reveal something later.

Your r:r will not work out and I will guide you when it happens.

Please allow me to share a hard statistical fact with all readers.

From the past 10+ years of price history across the whole board: a model based on price expansion from 200ema has an average 400+ pip expansion per opportunity.

Institutions will 'saturate' their risk by entering 2 different spectrum of investment by x1 position take profit @ less than the average and x1 position take profit @ more than the average. Why would that be?

kcarvey - Thank you for the great effort. I hope readers think about your post twice as there is a related discovery within your experiment.

Last edited by pipEASY, Sep 20, 2010 6:18pm



Sep 20, 2010 6:11pm

#2519



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Member Since Dec 2009

10+ 760 Posts



Quote:

Originally Posted by **skyline**

Good Morning Graeme,

yes it seems that daily candle opens is the same as your, actually my platform time is 22:52 so daily candle will open in about 1 hour and 8 minutes. I still wondering why the ema200 is different between the two platforms on GBPNZD 😊

Edit : just a thought : it seems only final portion of your ema200 differ from our, since this is an ema200 then latest value need 200 previous candle to be calculated precisely, is it possible that you didn't had at least 200 candle loaded on your 4H chart timeframe ? Please just try...

Good morning, skyline

My server time is the same as yours. And yes daily candle will open in 1 hour.

This is my current gbpnzd



Could it be we were talking about a different pair of currency?

starvin4pips - That is unusual. Not that it matters as everything is all relevant. Did you download from FXCM **UK**?

Sincerely,

Graeme



Sep 20, 2010 6:29pm

2522



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Member Since Dec 2009

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Quote:

Originally Posted by [skyline](#)

Now your GBPUSD H4 chart looks right ! 😊

In your previous post, it was different as you can see : <http://www.forexfactory.com/showpost...postcount=2462>

So maybe my theory is correct. When you posted that chart, your platform didn't loaded enough candles to produce correct ema values.

So problem is solved 😊

Cheers,
Skyline

That surprised me alot.

I have never seen that before. Yes you are correct there is a big difference. Thank you very much for pointing that out. Although it concerns me as to why and I would like to find out.

cam - Correct. Also they diversify their reward:risk on a different context.



Sep 20, 2010 7:23pm

2528



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **VEEFX**

Hi all,

I am all caught up. Let's proceed.

EDIT: my FXCM/UK platform draws a new daily candle at 4pm pacific, 9am Sydney time just like Graeme. So we should have similar looking charts

Good morning, VEEFX

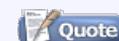
Im here as well.

In regards to your previous post. You can take trades from your own interpretation. I will only guide you when I believe something has happened that is very important.

Let us scan charts and see any price near 200ema. Im also interested in price that has recently pierced 200ema as well.

Sincerely,

Graeme



Sep 20, 2010 7:39pm

2531



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **VEEFX**

Sure Graeme. would you like me to post my trades/interpretation as and when I take it or only after the fact? I scanned all my pairs and only EURNZD has pierced 200 ema.

Please feel free to trade as you normally would.

Once you take a trade please take screenshot and post into thread.

Let us start with eurnzd then.

What do you think about this pair at the moment?



Sep 20, 2010 7:50pm

2533



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Quote:

Originally Posted by [tjfxtrader](#)



GBPUSD near H4 200ema.

Good morning, tjfxtrader

Excellent.

VEEFX - eurnzd and gbpUSD. Lets write these 2 pairs down.

Let us all wait for VEEFX interpretation and anticipation of eurnzd. He is currently writing a post.

Sincerely,

Graeme



Sep 20, 2010 8:06pm

2537



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10+V 760 Posts



Quote:

Originally Posted by **VEEFX** 
eurnzd pair has been ranging for past 4 days within a 110 pip range. top range is 7987 and bottom range is 7877. It has closed on the bottom range on past 4 H1 candles indicating strong support. Unfortunately there is only 48 pips room to go south and touch 200 ema and break. Better to wait and enter after it closed below 1.7877 price. If it does, I plan to enter short at 50% of that breakout bear candle.

working on editing my charts now... wanted to get this out first.

Good work, VEEFX

Now an interpretation and anticipation on 1hr chart please.

Graeme



Sep 20, 2010 8:31pm

2543



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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **VEEFX** 
H1 timeframe interpretation

Excellent.

Your price interpretation is very good.

Today if you could please adhere to your own interpretation and anticipation and take trades accordingly.

At the moment there is no movement in the market. Let us continue closer to UK session.

Just before everyone goes and they might be interested in my interpretation. Here is mine

4hr chart



But the most important price interpretation **at the moment**



1hr chart. It doesnt look good as the current price movement is closing over the resistance and the price is moving up **(for the moment)**



VEEFX is unavailable for the next 3 hours. Let us continue from 1-2 hours before the london opens as the market is currently not moving at all in this asian session.



Sep 20, 2010 8: 44pm

2545



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Member Since Dec 2009

10+ W 760 Posts



Just before we all retire for few hours.

There are few things that everyone needs to know.

Price cannot stay around 200ema line for a long time (or any ema for that matter). It needs to break it or bounce from it but must move away from it. It is the nature of price contraction and expansion.

When price hovers around 200ema that is when price is balanced on even keel. Head wins and then tails and then heads again.

When price expands away from the 200ema is when you are experiencing price irregularity. 14+, 15+ streaks of wins on one side of the coin.

But, there is equal and opposite force. When there is expansion, there will be a contraction. This balances the upset. Then you will see price returning to the 200ema.

Some breakaways from 200emas last for weeks ending at gigantic few thousand pip reward. But we all know on average it is 400+ pips. This data takes every expansion/contractions on 200ema of last 10+ years across the whole board.

May I request you to think about this..?

There is an exploit here.

Last edited by pipEASY, Sep 20, 2010 9:02pm



Sep 21, 2010 1:15am

2555



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So this is our first attempt.

Let the logs show this as

1. eurnzd 21/09/10

In regards to your first entry





Sep 21, 2010 1:24am

2556



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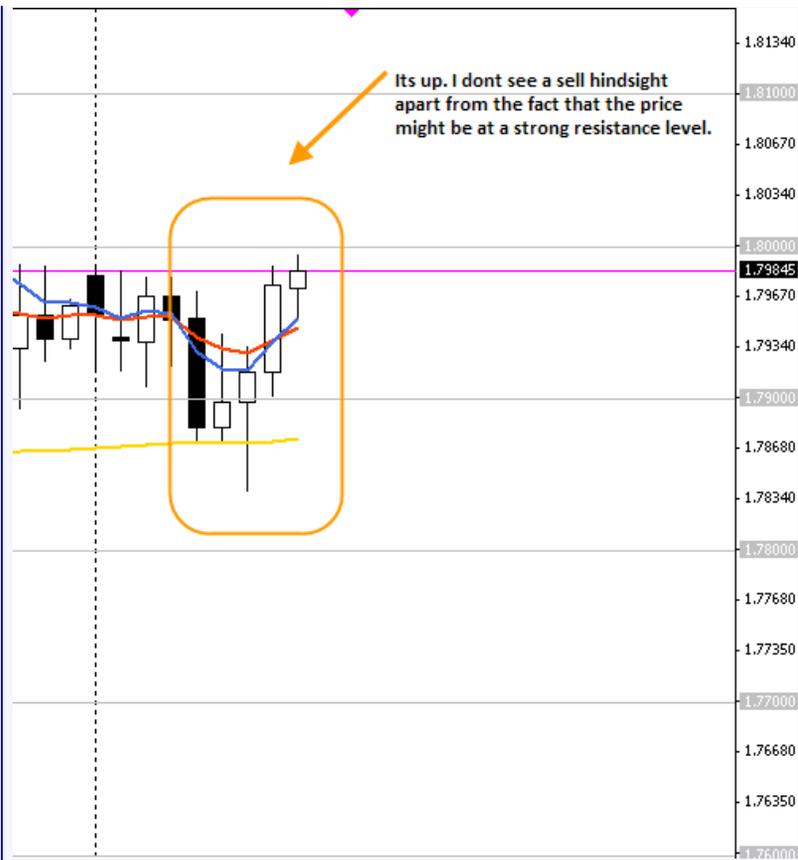
VEEFX, you have just spent your first ammo.

Entry was great 3.5/5
Timing was average 2.5/5

It seems you jumped into 5min chart when you saw something you liked. Unfortunately that position has much more chance of loss than win at current stage. Why?

I personally dont see any hindsight on the higher timeframe to take a sell in 5min **yet**.

4hr



1hr



I hope it doesnt sound like im criticizing you.

Sincerely,

Graeme



Sep 21, 2010 1:35am # 2558

Member Since Dec 2009
 10+V [760 Posts](#)

Quote:

Originally Posted by **VEEFX**

Thanks Graeme. Appreciate your feedback. My thought process at entry time to share with the readers. Perhaps, I placed a little more emphasis on resistance line during my entry

Good work, VEEFX

It is your trade and your the captain of your own ship.

For myself, I always wait confirmation first. If Im looking for sell then I want to see price close below the open of previous up candle.

Most of the times I arrive late as price will not retrace up to 50% or higher for a tight entry but I save alot of money by not losing as much as most traders.

Lets all watch how this plays out.

You have 3 ammo left on this particular pair and Im looking forward to see you manage your position or enter another trade.

Graeme



Sep 21, 2010 1:47am

2559



pipEASY

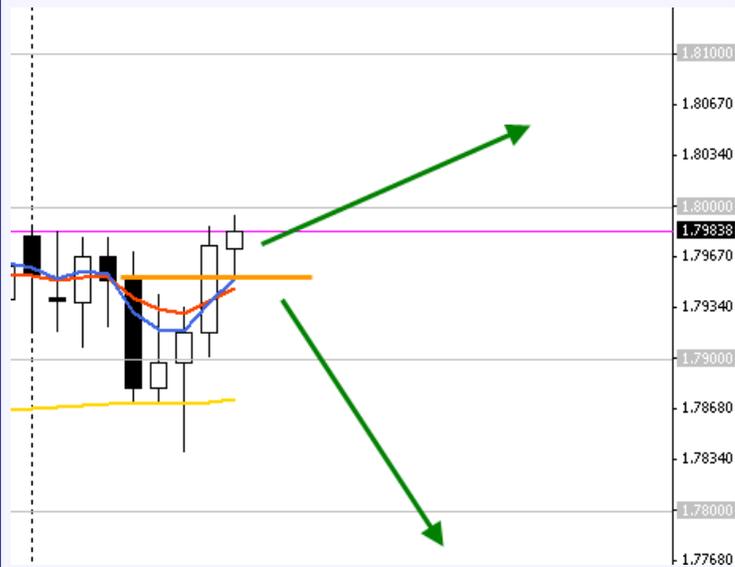
crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



eurUSD 4hr, its up at the moment. The last 4hr candle closed above the open of the previous down candle



eurUSD 1hr



You are doing well VEEFX. 😊

Sincerely,

Graeme



Sep 21, 2010 2:33am

2562



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **VEEFX**
Hi Graeme,

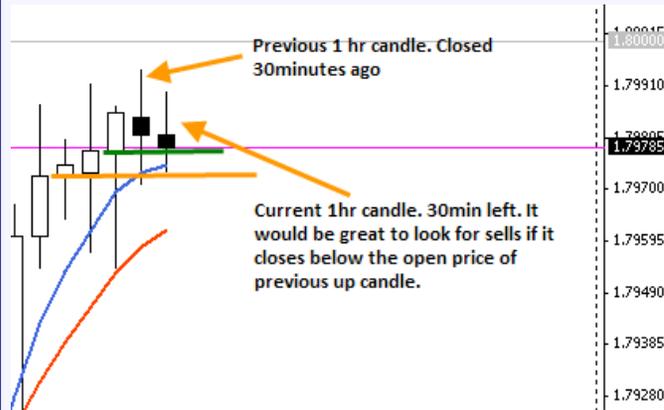
Great feedback on my trades. Please keep them coming as I (and hopefully for our readers also) am learning a great deal. I need all the criticism I could get to improvise on my entries.

Forgot to mention this... apart from strong purple resistance, I was also basing my short entry on a down trend line on H4 touching 3 wicks. Now, that H4 candle has closed above the down trend line, it introduces an interesting scenario. If first H1 candle of the new H4 candle closes above the resistance line, that would be a very strong indication...

Good.

eurnzd is in a range that needs to be broken out. Needs to.

Go with the flow.



Sep 21, 2010 2:54am

2564



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **TradeStar**

Hi Graeme,

A dumb question while we wait on some action on Eur Nzd.

Apologies for not using PM instead of this forum as you mentioned. I thought this might be in others mind as well.

You mentioned no more than four attempts. Is it because Vee chose 1:4 R:R OR just a coincidence.

*Regards,
TradeStar*

Good afternoon, Tradestar

Good question.

It is because VEEFX has chosen 20 SL and 80 TP which is 1:4 r:r.

If you are trading for x4 profit but takes you 5 attempts for 1 win on average, you will lose money on the long run.

However, VEEFX can try more than 4 times in one given opportunity/pair but that would be overexposure and stepping inside negative expectancy.

Sincerely,

Graeme



Sep 21, 2010 2:54am

2565



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Member Since Dec 2009
10+V [760 Posts](#)



Is there any price nearing 200ema at the moment apart from eurnzd?



Sep 21, 2010 3:06am

2567

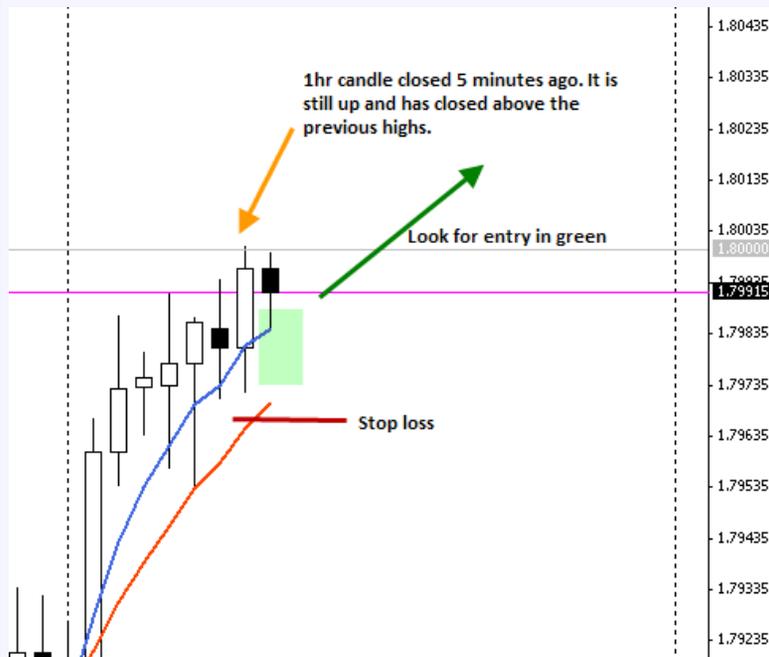


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eur/nzd 1hr update.



Edit: Tradestar you are correct. But something is not right if it takes more than 4 attempts in one single opportunity for a win. After few hundred rounds of trades will we see from our statistics whether we had less than 4 attempts per 1 win or more than 4 attempts per 1 win. Obviously the later will reflect the minus on the capital.



Sep 21, 2010 4:36am

2581



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Member Since Dec 2009
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Quote:

Originally Posted by **VEEFX** 
My Final trading outcome for today explained in charts:
H1 Chart:

[Attachment 546952](#)

Account History/Trade log:

Closed Transactions:

[Attachment 546956](#)

Account Summary:

[Attachment 546957](#)

Trade #1 at BE and trade #2 at SL.

Good work VEEFX

Please join me and pass on our gratitude to VEEFX as he has placed alot of efforts in the last 2 days.

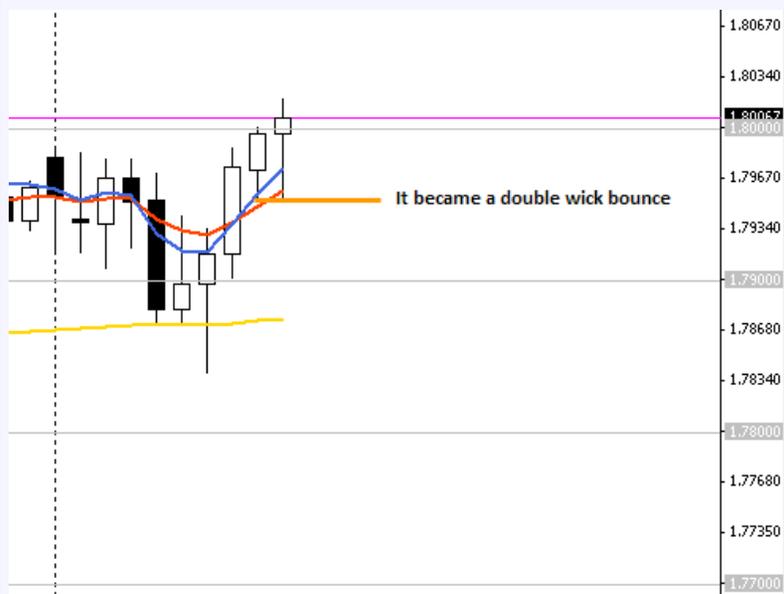
Please allow me to explain why it didnt work out today.

It is important to take higher timeframe hindsight. Sure there are times big trends happen first on lower timeframe however it is the higher timeframe that sets the size of the profiting ground.

Our profiting grounds needs to be large enough for us to play ball effectively.

If the higher timeframe says UP however lower timeframe says DOWN most often the DOWN movement of the lower timeframe will just be the retrace of the higher timeframe.

euruzd 4hr



Last edited by pipEASY, Sep 21, 2010 4:55am



Majority of the new traders anticipate too early and then participate too early.

This is a common fallacy and everyone needs to stop doing that as that will erode your capital very quickly.

There is no rush but to wait for a confirmation which is simply price closing higher or lower.

The confirmation will swing the favour to your side all the time.



Last 1hr candle closed below the previous up candle. This would have made me lose my 1 buy position from the green zone. But even though there is strong indication from the 1hr chart that the price is now heading down that down candle was just part of a retrace on the 4hr chart.

We have talked about using price interpretation to create hindsight on higher timeframe and I can see many traders doing this but are they applying their hindsight accordingly.

For myself, I have also lost 1 position which was a buy position around the green area as mentioned few hours ago. Even though my hindsight is currently proving to be correct I too have lost a -21 pip loss.

However, I do know that VEEFX will now always take the hindsight/advice of the higher timeframe and apply it accordingly to lower timeframe.

Good work and lets do it again tomorrow, starting 2 hours before london open.

Sincerely,

Graeme

Last edited by pipEASY, Sep 21, 2010 4:55am



Sep 21, 2010 4:52am

2583



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Member Since Dec 2009

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



Just one more post.

I understand why VEEFX took sell positions on eurnzd today.

He mentioned something about a strong resistance. Also many other traders use resistance and support.

What is more important?

Price movement of the last x1 candle of 1hr/4hr or price resistance that was from last week or longer?

Yes, price does 'react' at these levels but I have a question for all.

There is no area that price doesnt react to.....

Draw a trendline blindfolded and you will find that when price reaches that level it will react. Is it magic? Or is everything universal and related so everything seems to work?

I too use s/r all the time however Im most interested in what price is happening right now first then s/r second.

A very important lesson to all.

Good night and thank you for coming.

Sincerely,

Graeme



Sep 21, 2010 5:06am

2584



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Member Since Dec 2009

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





I just drew 4 trendlines with my eyes closed.

It seems to me price reacts/appreciates/respects my lines that I drew with my eyes closed. How can that be?

It makes me wonder why we do analysis when 'perhaps' the easiest way to trade is to go with the flow.

If its UP then BUY, if its DOWN then SELL.

But we look for bargains that has an antiquity value on it.

Sincerely,

Graeme



Sep 21, 2010 5:19am

2587



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **cameron1st**
Hello Graeme, excellent work you and Vee thank you very much.

If I may comment on the two statements I'd say that: price reacts to lines because there are so many market participants and each have their own focal view of what S/R lines are, that's it's almost impossible to not run into a S/R line... basically the S/R lines work because there are other participants using them.

And... I think we do analysis in order to not overtrade... to maximise the profits and reduce the risk.

Kindest Regards,

Cam

Good answer, Cam

Excellent answer and it is definitely worth reading twice.

If I may suggest just one small correction on this sentence,

"basically the S/R lines work because there are other participants using them"

It should read: **ALL** S/R lines work because there are whole world of commerce that are pulling and pushing price from millions and millions of transactions that are inter-twined with its own and separate agenda.

Sincerely,

Graeme

P.S My pleasure, dongsky



Sep 22, 2010 2:40am

2652



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **VEEFX** 

FB on H1... looks like it will drop hard

EDIT: Anticipation - gbpacd is going to touch 1.60'00' level before london open.

Good afternoon, VEEFX and all readers

Yes I am now logged in.

I wish you the best with trades.

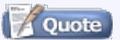
Please post when you enter trade.

For gbpacd 1hr, I already see volatile breakout happening.

I will be on the standing line watching as well.



Sincerely,
 Graeme



Sep 22, 2010 3:01am

2656



pipEASY
 crede quod habes, et habes

Member Since Dec 2009
 10+V 760 Posts



Out of gbp cad, gbpjpy, usdjpy

I would personally choose usdjpy.

I know what most traders feel as soon as they open usdjpy on 4hr/1hr. They think they are too late when infact the best moment to trade is approaching.

Why do you think I think otherwise to most traders?



Sep 22, 2010 3:04am

2658



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Member Since Dec 2009
 10+V 760 Posts



Quote:

Originally Posted by **VEEFX** 

Allow me to beat myself up by entering too early again. 1st trade for GBPCAD stopped at BE and 2nd trade @ 1.6028 is currently running - 10 pips.

Graeme: H1 just closed within the green zone you identified. Would you take a new short entry at 50% fib of previous H1 candle?

Well done, VEEFX.

Please do not beat yourself up. No one is going to criticize you for your efforts.

VEEFX, you repeated same mistake twice now.

What is it?



Sep 22, 2010 3: 19am

2664



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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **VEEFX** 

Did not follow this rule.. "If Im looking for sell then I want to see price close below the open of previous up/green candle" when taking entries on H1.

Unfortunately, I became impatient but did follow the above entry rule by zooming into M5 (or was it M15??) timeframe. Perhaps, I should only make entries on H1 from now on.

There is nothing wrong with your actions.

However you jumped too early.

4hr hindsight is our profiting grounds. And 4hr currently says up.



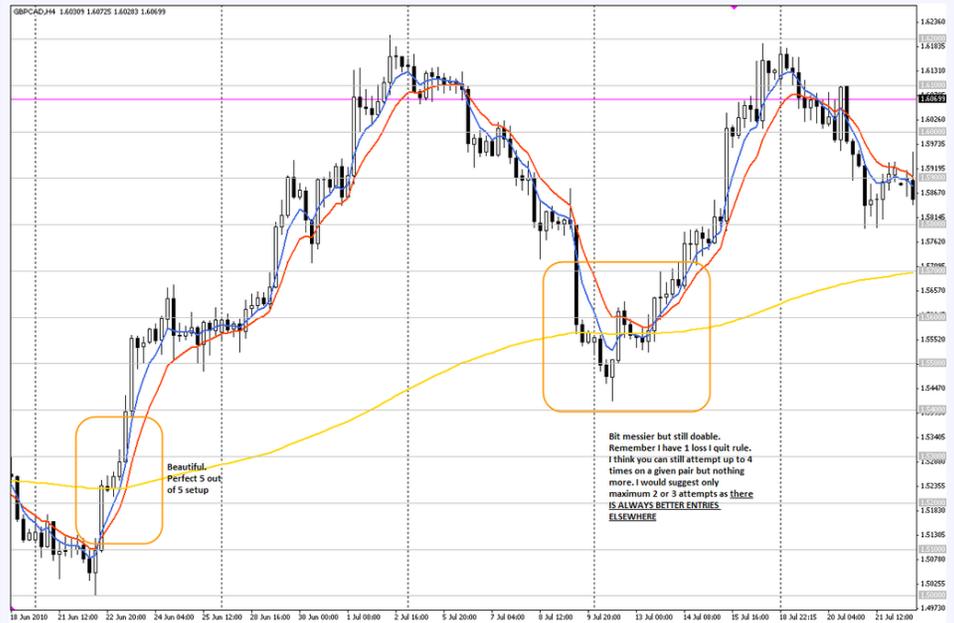
If I were to forecast gbpcad 4hr



But do you really like the shape of our current gbpcad 4hr??



It looks messy doesnt it? I like it clean. Like this..





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Member Since Dec 2009

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



Quote:

Originally Posted by **VEEFX** 

Interesting... Is it because the previous 2 H4 candles closed below 200ema with no upper wicks? i.e. There are no Buyers of U/J in the market.

VEEFX.

Please look again.

usdjpy is making me very excited at the moment.

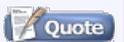
Tonight this pair is going to make me 1 or 2 -10 pips each or....

few hundred/thousand pips.

Edit: This was usdjpy 1hr when I typed this post



Tradpat - You can use larger stop loss but you could also use smaller stop loss? There is a common belief that jpy cross needs bigger stop loss. It is true but then I would look for tighter entries. But you are more than welcome to adjust stop loss by + or - 10 or 15 pips. Anything more on 1hr is unnecessary.



Sep 22, 2010 3:26am

2666



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Just before VEEFX takes control again something important has come up.

Cameron1st has just hinted this which also happened when I was helping Marion.

What makes most of you think usdjpy 4hr/1hr is currently too late...?

I would sincerely like to know why.



Sep 22, 2010 3:28am

2669



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Member Since Dec 2009

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



Quote:

Originally Posted by **VEEFX** 
Hi Graeme,

I love the "one loss and I quit" rule per pair/opportunity and I would like to stick with it for both eurnzd and gbpcad pairs. Currently looking at some other alternatives. Wondering if you have any other pair in mind. You mention U/J earlier... the threat of another BOJ intervention is keeping me away from this pair (and gbpjpy which had a nice move also).

Your call VEEFX.

USDJPY will drop



Sep 22, 2010 3:29am

2670



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



I forgot to add. By alot.



Sep 22, 2010 3:37am

2674



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Member Since Dec 2009

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



Quote:

Originally Posted by **VEEFX** 

ok... let's try U/J but first.. i don't have an answer to the question you posted. Why will it make a ton of pips?

usdjpy daily



usdjpy 4hr



usdjpy 1hr



Sep 22, 2010 4:12am

2686



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Member Since Dec 2009

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Quote:

Originally Posted by **fxtrader2k7** [↗](#)

Hi Graeme,

Thank you for sharing and trying to impart some knowledge to us.

I think we are not too late on the UJ is because of the strong up candle last week, then for the next 4 days the bulls could not push it up any higher and in fact the bears were pushing just as hard, evidence by the 2 small body candles. Then yesterday we had the volatile break to the downside with very little wick below the body, showing the bears were in firm control. Today's candle just continue with the momentum (no upper wick). So the train is rolling down hill...

Correct. And 4hr price movement has broken every support buyers managed to create.

Movement like that just doesnt disappear.

FB? Daily chart is FB + a volatile breakout

You would be worried when price tests a new support and struggles to break it.

At the moment its either 1 or 2 -10 pips or few hundreds/thousands pips profit.

In regards, to JPY intervention. That is nothing new. It happens more times than it is publically announced. It makes the japanese goods more attractive when lowering the yen and then tempered to make imports cheap. BOJ tries its best for the benefit of the countrys trade requirements. In other words you wont see long sharp bold candles magically happen when someone from BOJ pushes a button. That announcement has no intrinsic value to consider.

Let us all look forward to VEEFX next trades.

Sincerely,

Graeme



Sep 22, 2010 5:14am

2693



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **VEEFX**
Update: going 20+ pips strong

Superb.

Great work.

Please join me to pass on our gratitude to VEEFX.

Currently it is very late for VEEFX in his timezone.

I admit that I have half forced VEEFX into usdjpy and I will continue to let him trade more and more and more on its own.

I hope VEEFX and others are learning together live.

If yesterday lesson was about 'respecting the hindsight of the higher timeframe' then today is ?



Sep 22, 2010 5:40am

2697



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To all readers,

Thank you for your participation today.

Today we have discussed some very important topics.

It is selecting your pairs.

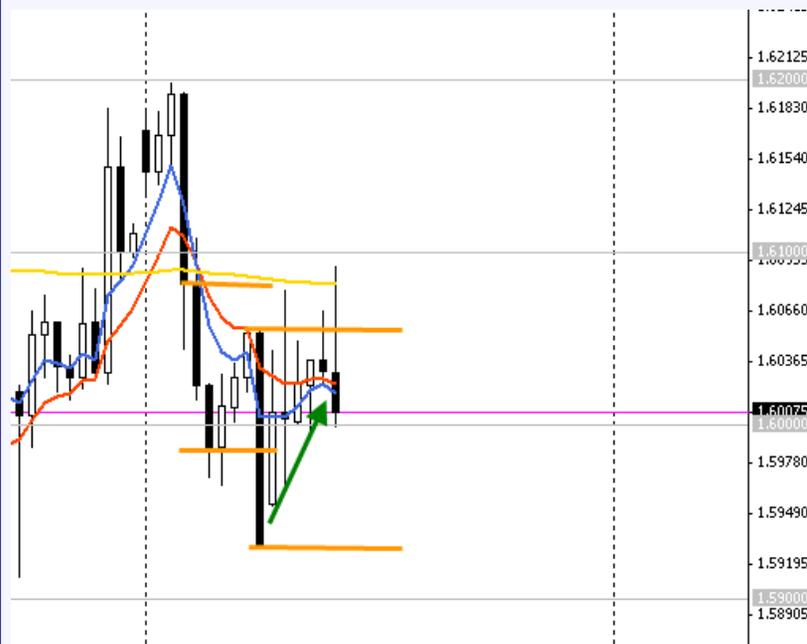
VEEFX has chosen gbpcad near london open, and Im sure he has valid reasons.

However, there are pairs that are moving 'nicely' and there are pairs that are 'nasty.' And it very simple to tell.

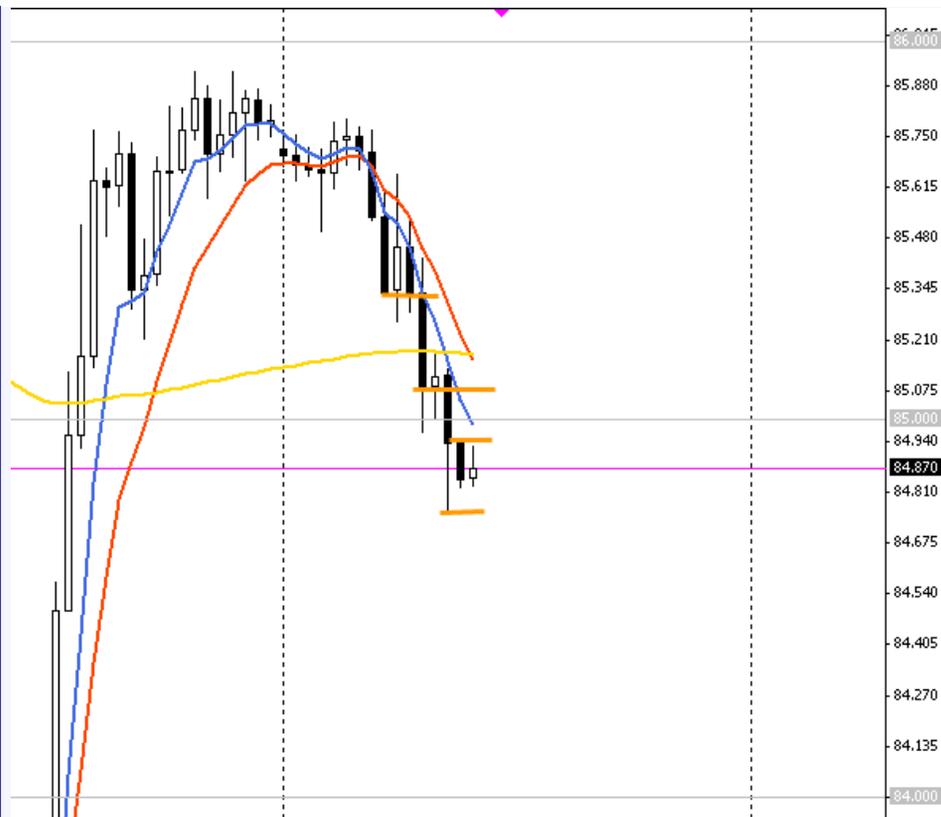
Also answering tradpat while continuing to explain.

gbpcad had a messy price action. Too messy with long wicks everywhere.

gbpcad 4hr



now compare to usdjpy 4hr



Can you feel/see the difference. Its so much cleaner with 50% fib retrace everywhere and most importantly none of the up candle closes above the open price of down candle. Nice smooth sail.

Now I know why alot of traders thought it was too late. They have just seen a large movement of 50+ pips and think large part of profit is already taken. But its the opposite and Cam said it right. You are never late but always too early.

I assure all traders a large clean movement that is volatile is not going to stop suddenly just because you have finally arrived on the scene. It will most likely continue on or at the very worst stall. Either case its a win win situation.

Now usdjpy 1hr is looking like this



Nice and easy trade today. Moved stop loss to breakeven and its over for that one.

There are many many pairs of currency. I have over 20 on my platform. Always trade the pair that is moving for you and there are always a better pair to trade.

I will leave it here for today and continue tomorrow 2 hours before london open again with VEEFX.

Well done everyone

Sincerely,

Graeme



Sep 22, 2010 3:07pm

2771



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Member Since Dec 2009
10+Y 760 Posts



Good morning, all

It is 05:00 in Sydney Australia and I just woke up.

Its great to see the discussion happening as they are all very well thought of.

Please allow VEEFX to trade as he sees fit.

For this project please allow VEEFX to control however let us all be so kind to only suggest our 2cents.

I like the ideology of walking away as per tradestar. I do that all the time.

In regards to statistics and probability I will reply to you in private message, tradestar and apologies that I have missed it. Also any traders who has question but was ignored on the thread please do not take any offence but to send me the question through private messaging.

If lessons:

21-09 Respecting hindsight of higher timeframe

22-09 Pre-selecting 'nice' pairs

For the newer readers, I understand how this thread has expanded to many many pages but you will realize that overall Im just saying the same thing over and over and over again but in different angles for a clearer and faster understanding for all.

Looking forward to our next class today at 2 hours before london open.

Sincerely,

Graeme



Nov 1, 2010 5:47pm

3346



pipEASY
crede quod habes, et habes

Member Since Dec 2009

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



Good morning, all

It has been some time since my last post in this thread. I pray that everyone is safe and sound.

Apologies for my abrupt absence as it was an unscheduled event.

I have read most posts after my last correspondence and my sincerest gratitude to the contributors who continued on. A special thank you to VEEFX. It is a honour to be part of a community of individuals with intellect and aptitude.

SO where to from now?

I would like to continue on where we left off. Im sure many readers have forgotten some of the important points in trading hence please allow me to 'briefly' reiterate for the benefit of all.

There are only 3 core elements to successful trading;

1. Participation
2. Low-risk entries
3. Growth

It can be further enhanced to explain that

"since I dont know which direction market will go, I will enter at a low risk opportunity and let the market either take me out for a small loss/BE or reward me"

The above sentence is a broad/general common logic behind successful trading. I understand that the above sentence alone cannot make a trader profitable. However, it is the required mindset to be successful.

Successful trading starts from the re-conditioned trading approach and not new set of fandangled eas or indicators.

To know that your current approach does not work requires first to fail. Unfortunately, you will not know the sweet taste of success to its full extent until you first taste the sourness of failure first. Until then you will continue on looking at new eas, new indicators, new ideas.

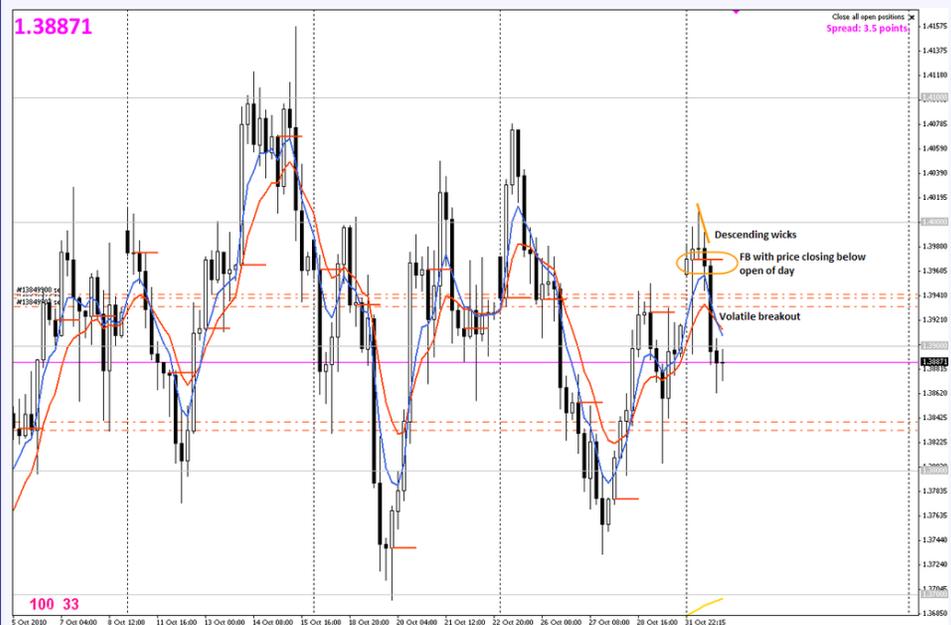
Just before my absence, we were watching VEEFX trade and the side talk about statistics. Before we go there let us all slowly come back to our open minded learning mode before we press on.

Till then this is 3 trades that I took yesterday just to also start me off slowly as well. (eur/usd 4hr)

For now Im looking for at least 100 pip intraweek opportunities with intentions to holding onto half of the positions.

3 trades. 2 @ 100 TP

All positions moved to BE, current realized loss is -31 pips. Average 10 pip loss per position.



However, Im ready to take buy positions very soon if the current stall develops into momentum



Im planning to spend this week catching up on personal matters as well as the work on this forum.

Please understand if I dont reply as quick as before but will gradually press on as before.

Sincerely,

Graeme

Last edited by pipEASY, Nov 1, 2010 6:16pm



Nov 1, 2010 8:39pm

3351



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **hubbahubba**

Good to see Graeme back,

Unfortunately I feel the need to be a bit of a downer. I take full responsibility for my results. No blame on anyone but myself and I have not given up as the math still makes sense to me.

I have been trading this system since Graeme started the thread. I have used very conservative money management the whole time. I never trade more than 0.5% of my capital on any one trade. I use very similar entry techniques to Graeme. Price action and candles. My entry success is pretty good. 70% survive long enough for me to...

Good morning, Hubbahubba

Thank you for your question and others for their warm remark.

I feel obliged to answer your question with great depth as this is the question that rages in most of the readers.

How come Graeme finds long term approach successful but i dont?

I have thought about this question for a long time whilst I was away and glad to see that you have brought it up as my answer will also answer as to why I started the project with VEEFX and the last side talk on statistics.

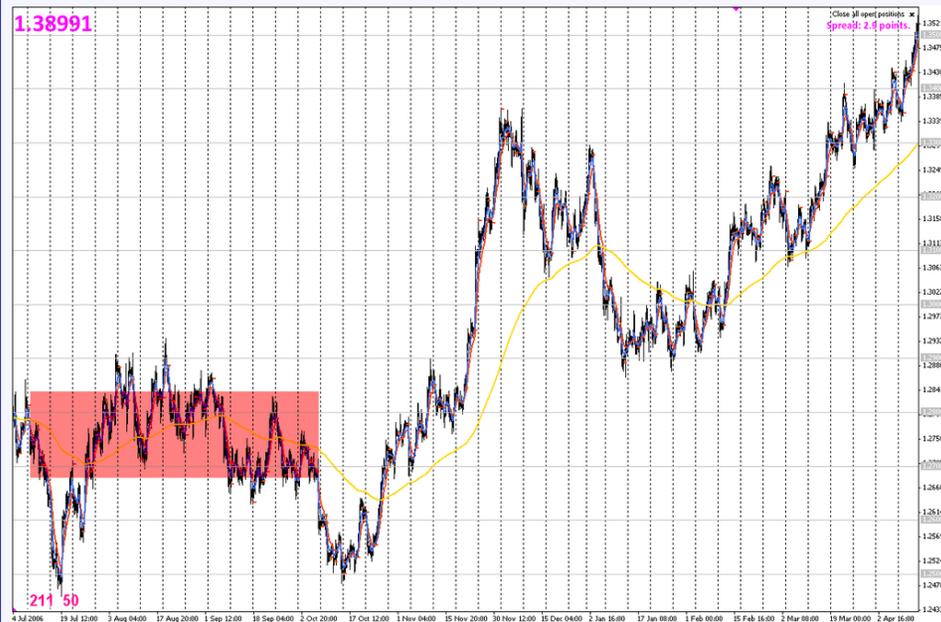
I will answer earnestly and honestly for all but need everyone to think about what Im saying on their own terms. Im not forcing my thoughts onto anyone.

The 200ema project I have run with VEEFX had a final surprise. VEEFX chose the r:r of 1:4 which I explained that I have something important to explain later on. Unfortunately, due to my abrupt absence we didnt get to the part where I explain the surprise.

The surprise was that after 10 or 20 trades and some time after it will show that his trades that were closed for profit would have been far more if he has not closed them.

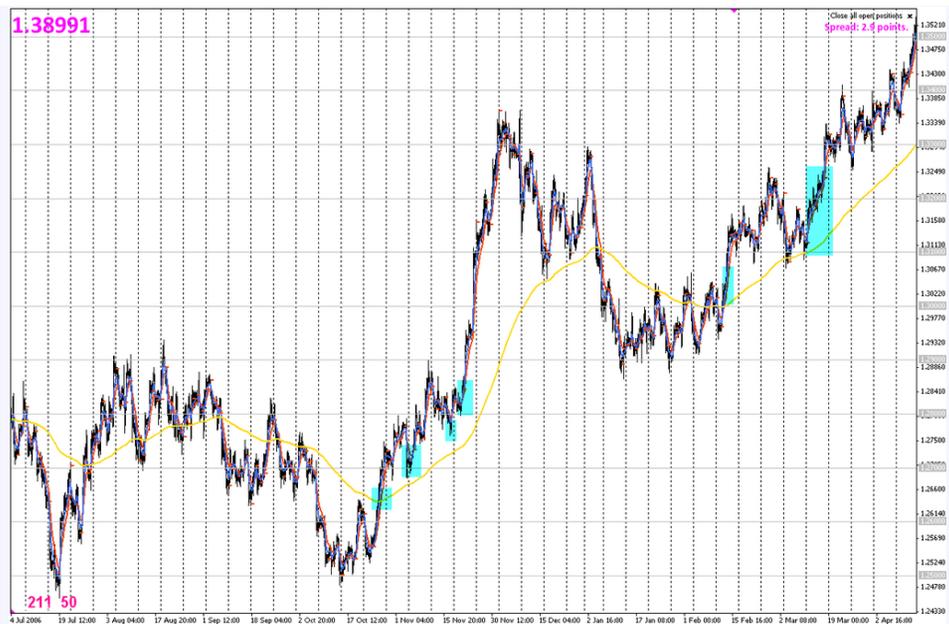
The reason?

This is eur/usd 4hr zoomed out to the max. It shows roughly 9 months of movement. There are **almost** 4 months of ranging period where the price does not exceed more than 200/300 pips (highlighted in red).



But, there are areas just around the 200ema break where the price extends 1000+ pips. Really?

Aqua highlights area that went 1000+ pips.



You might think to yourself, 'ah geez, out of 9 months I only have 6 weeks of good trading opportunity?'

Yes.

Is it worthwhile?

Definitely. And it requires very little time. What more do we need to ask for?

If we are trading 200ema breaks then most of 9 months period we are not even staring at our computer screen. Setup alerts to your phone so when price nears the ema by 50-100 pips you know its time to watch again.

If we take low-risk entries towards the direction of 200ema breaks and control our risk/intention/greed. **Yes, you will suffer a short term drawdown but at the end of it all you will reap greater.**

WAIT.

I want to re-focus on my last sentence in purple.

This is where there are personal difference in between each trader.

"..you will suffer a short term drawdown.." What do you personally consider as a short term? For me, its 3-4 months.

"..but at the end of it all you will reap greater.." What do you personally consider as reaping greatly? For me, its at least 1000 pips no less.

This is the parameter which differs from each trader. But you are not born with certain limits and tolerance. Tolerance is built and changes over time.

Now, it is your responsibility to manage your loss during range sessions. If it is 30% drawdown with 0.5% per trade, can I assume that is 60 losses? (unless you change your lot size as you fluctuate up and down your capital balance)

Lets stop here and look back at first chart. The red area that denotes ranging period. Its almost 4 months. What do you think you will honestly lose in that period? 30-50 times? Hopefully at least a quarter of them breakevens

It has never cost me 1000 pips to make 1000 pips.

I know that there are some traders looking for instant fulfilments when it comes to profit taking. Making 1000 pips over 9 months with 4 months of range might not tickle most traders fancy. That amuses me as this is still an excellent return. Please humble yourself by saying aloud you cant drive that new Ferrari Italia by end of this year or write a nasty resignation letter with derogatory comments to your employer. Not yet and not in the next 2-3 years.

Lets say you missed most of the optimum 6 weeks of trading and only managed to place 2 positions that went to +1000 pips each.

Lets say you have lost 1000 pips to get these 2 positions (which is quiet extreme!)

So after 9 months, +1000 pip net profit. That is +27 net pips profit per week.

As we all know I currently have roughly +30 net pips growth per week.

And this is almost guaranteed result but the requirements is that you control your risk and tolerance. Not many will even try to do it.

I do not know which direction the next 100 or 200 pips might go but I do know for a fact that market will move up or down by thousands of pips in the months/years ahead. That is a fact.

The above 2 charts was from 2007. Trend wasnt that great.

In a real trending period (and I would say about 1 in every 3 or 4 years)

Look at eur/usd of Nov 2009 9 months.



Another 6 weeks of optimum trading area. All would be +1000 at least.

How many positions do you think you can have in a gap of week? 2 per week at swing low or swing high?

What if you adhere to do the above and after 9 months, you have 6 positions that are +1000 pips each. You close 5 of them and keep 1. Just for luck because you are already up by few thousand pips profit anyway. Imagine 5 years later that 1 position is still alive. This hasnt happened to me yet but I still have bundles of positions that are 2 years old. (and yes Geoff, it was around 200ema)

Some might say, thats not enough excitement for the efforts required. Trust me when it is far more exciting to watch your positions grow then to

place a trade aiming for the next 50 pips and fret with worry when it goes against you by 20 pips. And then you scoff at the idea of mere 27+ pips per week per position..

Hubbahubba, if you can have 50% of your positions moved to BE you are way ahead of most. What do you aim for? 1000+ pips? There will only be 2.4 months of 1 year that will happen. That is statistics for you. Unfortunately that 2 months is not together but spread out.

There are so many side related info I could provide to the above but I think this post is enough for now.

Good day all.

Sincerely,

Graeme

Last edited by pipEASY, Nov 1, 2010 9:08pm



Nov 1, 2010 9:16pm

3352



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Member Since Dec 2009

10+V 760 Posts



Just before I head out. I saw a setup on eurUSD.

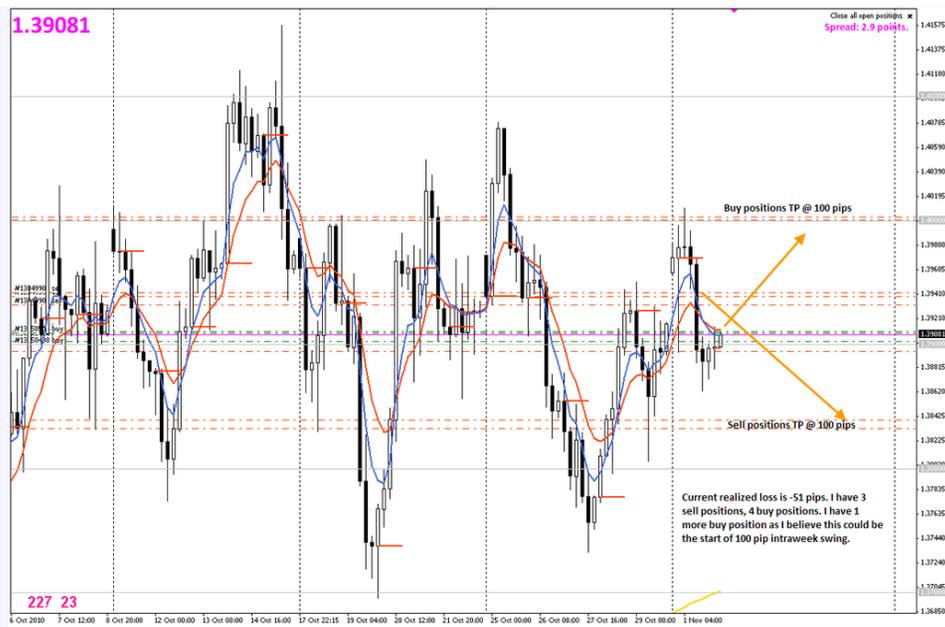
I took it but I dont have the time to see what is going to happen.

Moved SL so if the new 3 positions are taken out I lose -18 pips in total. What a bargain..

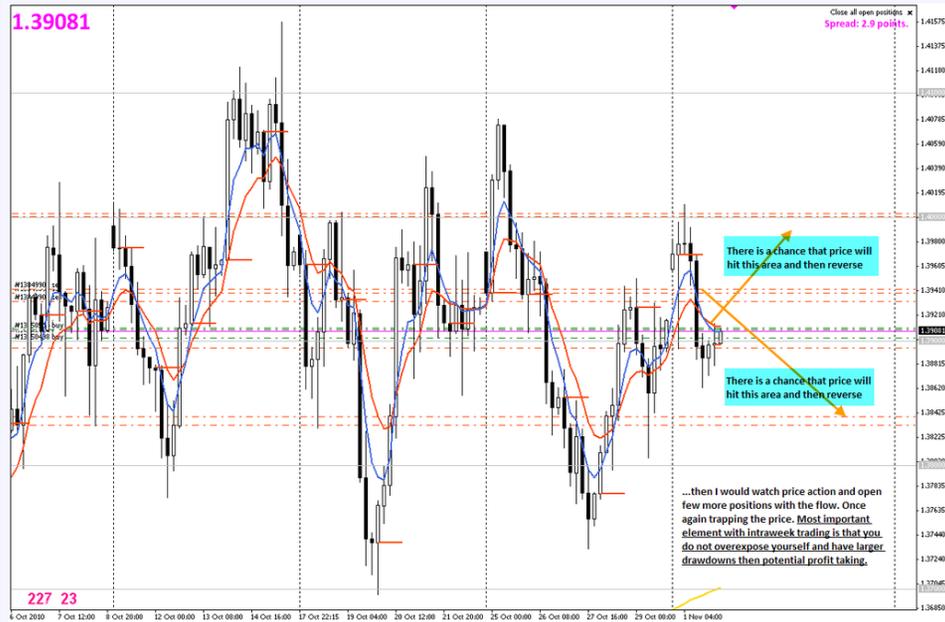
4hr chart



5min chart



which means,



I was waiting for volatile breakout up when... (roughly 4 minutes ago)



Placing myself in this scenario... In between my positions.



Whats my next intention?

I dont know. But if the current upward movement stops and reverses I will let it hit the stop losses (which is currently BE or below 6 pips) and then reconsider entering again on the open of the 4hr candle but most likely down.



You may wonder, Graeme your trading method has changed?

No, my trading approach has not changed. Only the scale has changed so I can show all what I do on higher timeframe but on lower timeframe to hasten things up.

I have said it many times. Everything is all relative. And if it works on higher timeframe it will also work on lower timeframe.

Let us watch.

Sincerely,

Graeme



Nov 2, 2010 1:34am

3358



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Member Since Dec 2009

10+y 760 Posts



Hubbahubba - Please look into taking tighter trades. I take trades off 5min chart when Im looking at tight entries. Do you know how to interpret price action? Have you practiced entries before?

Most times when I enter price moves to my direction by at least few pips very soon. If it doesnt then I time my exit so I lose very few pips.

You do not need to take entries off 5min however, with your approach of 100 SL for 1000 TP it will not work out **unless... you learn when to trade... and when not to. Timing.** That will be your **1 Thing**

Midnight - Thank you for your kind words. I mentioned briefly not long ago how I note myself mentally to judge whether im performing tight entries on 5min. And for myself I simply add how much I have lost whilst building current number of positions. From yesterday I have 7 positions. I took entries off 5min chart. I suffered few minor losses and breakevens and the total loss is -51 pips. I then divide the total realized loss to the number of current positions remaining (this is my potential profit) which gives me an average of -7.3 pips per position established. What does this

mean?

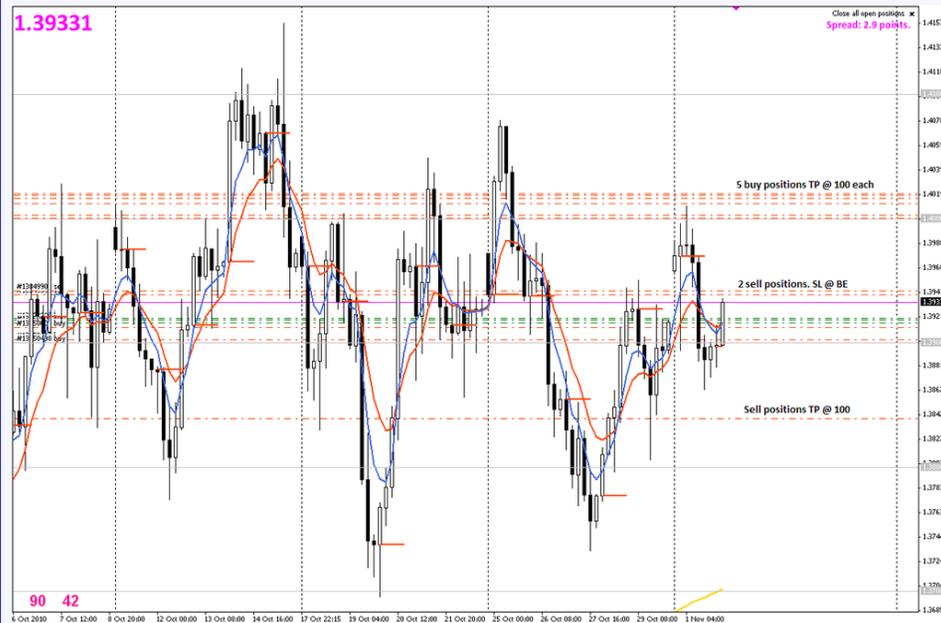
It means it has costed me 7.3 pips on average to establish 1 position. I aim to have less than -15 pips of realized loss per position established. This simple calculation tells me whether im currently performing tight entries or not. Most often it will cost me just around -15 pips per position established on pairs except jpy cross which then I allow -20 to -25 pips of realized loss per position.

Update; 1 out of 3 sell positions have closed on BE. Remaining 2 is just about to close out on BE as well. However, I now have 6 buy positions (added 2 more) all growing. I have stopped adding buy positions and let it play out until the current up movement dies down and then I will start adding sell positions.

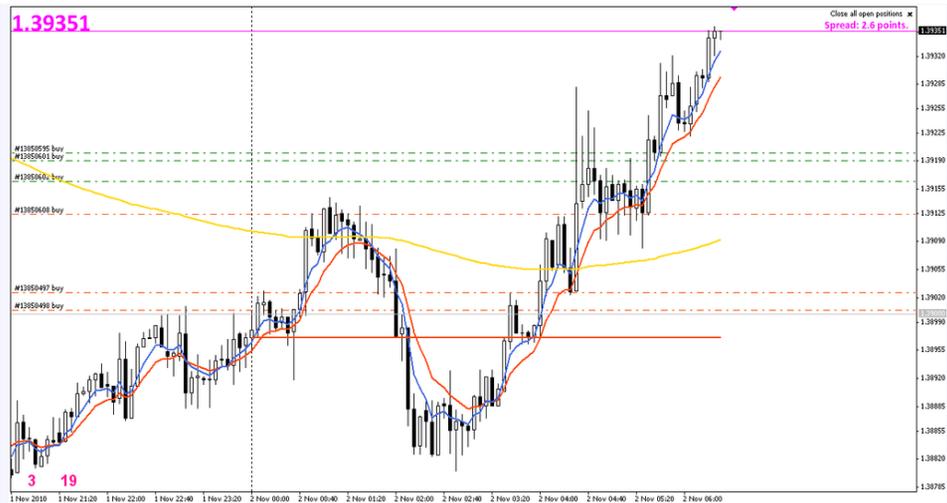
Current realized loss is -72 pips. 8 positions established which gives me an average loss of -9 pips per position established. Still within my limits so im happy with that.

As you can see, I was selling yesterday but it is foolish to hold onto such beliefs/sentiments in trading. Today is up? Then buy. Today is down? Then sell. Yesterday is past. Very simple.

Currently, eur/usd 4hr



Last set of buy positions. Can you see where I might be taking the trades on the 5min chart?



Sincerely,

Graeme

Last edited by pipEASY, Nov 2, 2010 3:04am Reason: minor calculations



Nov 2, 2010 2:17am

3361



pipEASY
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Member Since Dec 2009
10+Y 760 Posts



Midnight - This is for you.

Price action lesson #1

Learning when not to trade.

At the moment eur/usd is at the moment of 'dont trade'