

## High Probability Kumo Breakout trading

Time Frame: 15M

Ichimoku Settings: (9, 54, 52) you only make the TS and KS visible, combine it with a another ichimoku 9, 26, 52 settings and make only the clouds visible (thanks fxripper)

Trigger signal **LONG**: candle close above Kumo

Confirmation: CS above price and above Kumo (above key resistance)

Extra confirmation: CS, TS, KS, SSA, SSB are parallel and pointing up (the more acute the angle the better)

Entry: 2 lots at the open of next candle

SL: Mental stop (or hard, your preference) at the KS (-) spread and trail

TP1: Price close below TS but TS line still parallel to KS

TP2: Price close below TS and TS line is converging toward KS or CS crossing price and TS, or CSTLB

Re-entry or Add to position: Price bounce off KS and TS still parallel to KS

Trigger signal **SHORT**: candle close below Kumo

Confirmation: CS below price and Kumo (below key resistance)

Extra confirmation: CS, TS, KS, SSA, SSB are parallel and pointing down (the more acute the angle the better)

Entry: 2 lots at the open of the next candle

SL: Mental stop (or hard, your preference) at the KS (+) spread and trail

TP1: Price close above TS but TS line still parallel to KS

TP2: Price close above TS and TS line is converging toward KS or CS crossing price and TS or CSTLB

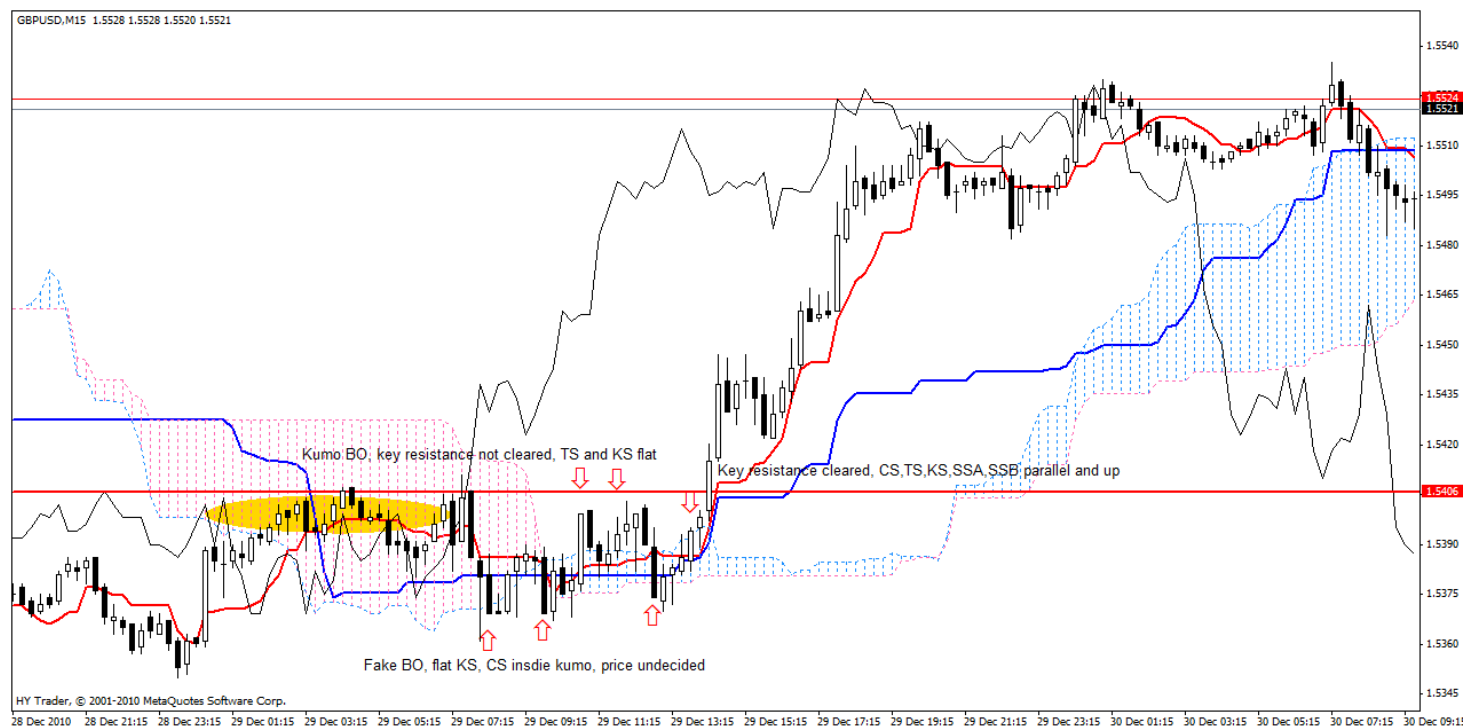
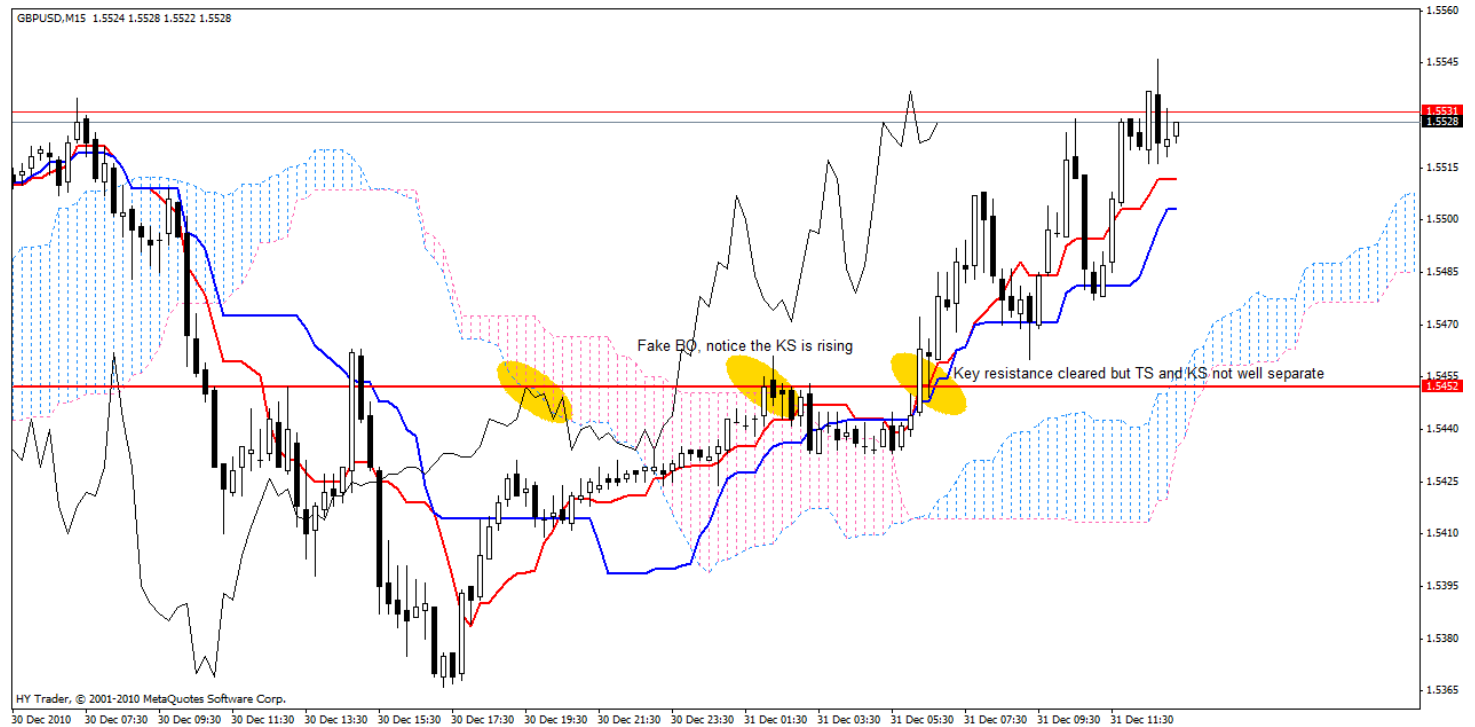
Re-entry or Add to position: Price bounce off KS and TS still parallel to KS

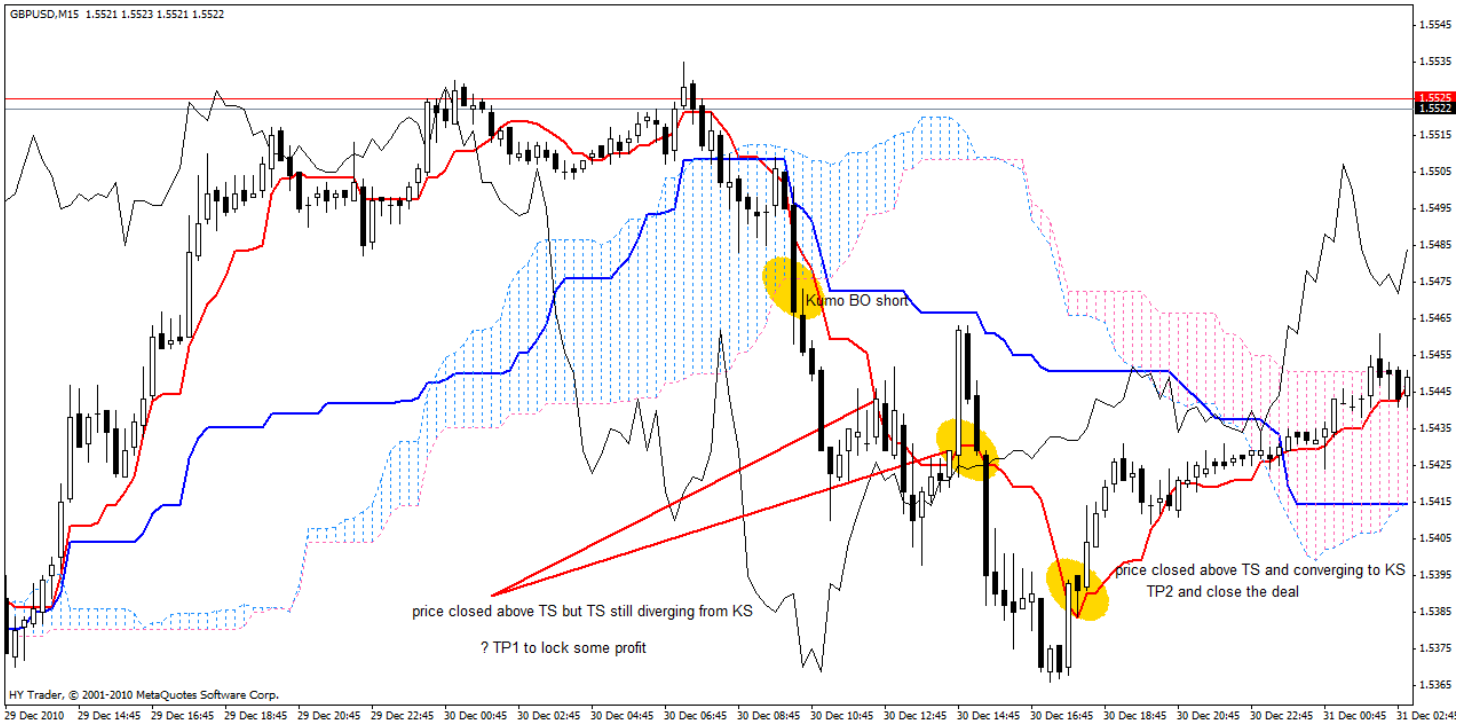
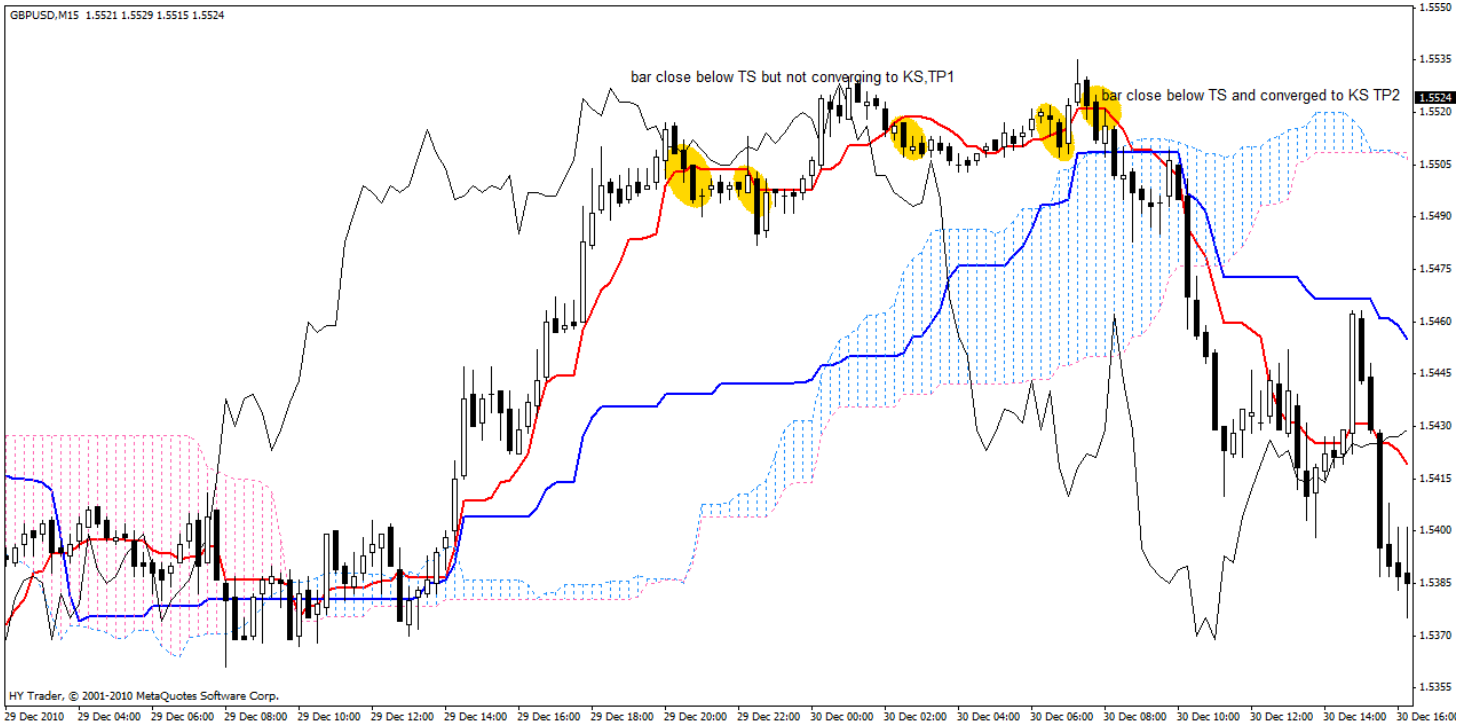
The exact numbers for the TS/KS settings are probably by trial and error, so no need to analyze why, but it does create a good separation between TS and KS, and also it flattens the KS when price is faking the signal keeping the TS separate, which should alert the trader to a possible temporary pullback of the price toward the KS.

You could keep the standard settings and it works, but as I said the other settings give a better separation between TS and KS earlier in the game.

A simple alert for the trigger signal is by creating an alert (provided by metatrader4) above the key resistance level, this way you get a sound alert when price crosses this limit, then you move your focus to the pair in question if you are watching another pair.

A more sophisticated way would be for someone with coding knowledge to program an indicator to do the same thing but at the close of the bar above the level rather than at the cross of the level.





False exits with sustained up move, re-entry soon after. Smoothed HA could help stay in the trade but settings should be individualized for each pair, EURUSD 2,30,3,2; USDJPY 2,6,3,2; GBPUSD 2,15,3,2; these I found to be optimal.

