Sonic R. System

TRADE SONICR
SIMPLICITY IS THE ULTIMATE SOPHISTICATION

Hi Fellow Traders,

My name is **Sonic,**

THE STORY

I have been trading for a near 4 years now (Since 2008) and been a blessing so far.

Just like many of you. I started out hunting for the holy grail <aka> indicators that gives buy/sell with 0 loss.

Soon, I found out that my trading statement is going nowhere, with messy charts and too many indicators to confirm. That causes the late signal trigger; minimizing my wins and maximizing my losses. I start to realize that indicators the one based on the prices happened can calculated according to the formulae, causing them lagging behind the price. movement.

After reading many TA systems, books and LIVE trading, I have found out about there is no systems or indicators can really predict where the price will go. I became to understand the importance of Money Management, General trend, S & R.

THE PHILOSOPHY

- ➢ Trading is a probability business.
- ➢ You can win and you can lose too.
- ➢ It is your job to minimize your loss and maximize your win.
- ➢ You will follow set of rules that will help you on the winning sides most of the time.

THE RISE OF SONIC R

Here is a simple, nice and profitable 15M swing system that I get inspired from Raghee 's book.

A Blindly followed Moving Averages system can be very successful in trending market, but I am around here long enough to witness the failure of it, when the market goes into ranging periods.

So, I fine-tuned the system with understanding of Trend line, S & R, Wave analysis and Price action, and I am getting high success rate on my position/swing trading.

I'd like to call it Sonic R.

Now, it is not the magic bullet, nothing is.

It is a simple EMA based yet effective system.

You can earn 50 to 400+ pips on a trade.

THE REASON

And why am I sharing this, while I do not earn a penny from you for my time and effort? Because I believe **Sharing is Caring.**

Sonic R. System Summary

Here is the Sonic R System Summary:

The Sonic R. System is a method of trading price movements between areas of support and resistance. It trades on the M15 chart. It uses a price activity WAVE at an S&R area to validate a trade setup, and technical indicators called the DRAGON and the TREND. The DRAGON is used for picking the trade entry. The TREND is used to confirm the correct trade direction. Historic S&R is used for picking the trade exit.

WAVE

L-H-HL starting below Dragon for longs**, H-L-LH** starting above Dragon for shorts, showing "bounce" or "breakthrough" at S&R. Best if WAVE leg #1 cross thru the Dragon.

DRAGON

Must be angled up with PA above it for longs, and angled down with PA below it for shorts.

TREND

This is a market bias indicator and it is best if PA is above it for longs and below it for shorts.

TIMING

Prefer not to open trade during Asian session. Recommend London session for best momentum. Trade can be closed anytime.

PAIRS

Prefer to trade the pair EUR/USD. Lowest spread. Usually a wide range. Most important is it is most traded pair, which means better volume and better momentum for the trade.

Placement of EP

Wait for a WAVE leg #3 candle to break out of the DRAGON, and place your entry order at least several pips beyond it. It is better if there is no strong S&R area just beyond the entry. Remember also, it is best if PA is above TREND for longs, below TREND for shorts.

Placement of Re-entry

It is best to let PA clear the most recent high, or low, and if there is no strong S&R area just beyond this re-entry.

Placement Of TP

Select a historic S&R level. Such levels can include whole/half/quarter numbers and the middle of consolidation areas.

Placement of SL

These are the rules for placement of the SL (see picture below that illustrates):

1. The SL must be beyond the H/L (for shorts/longs) of the recent large scale price swing.

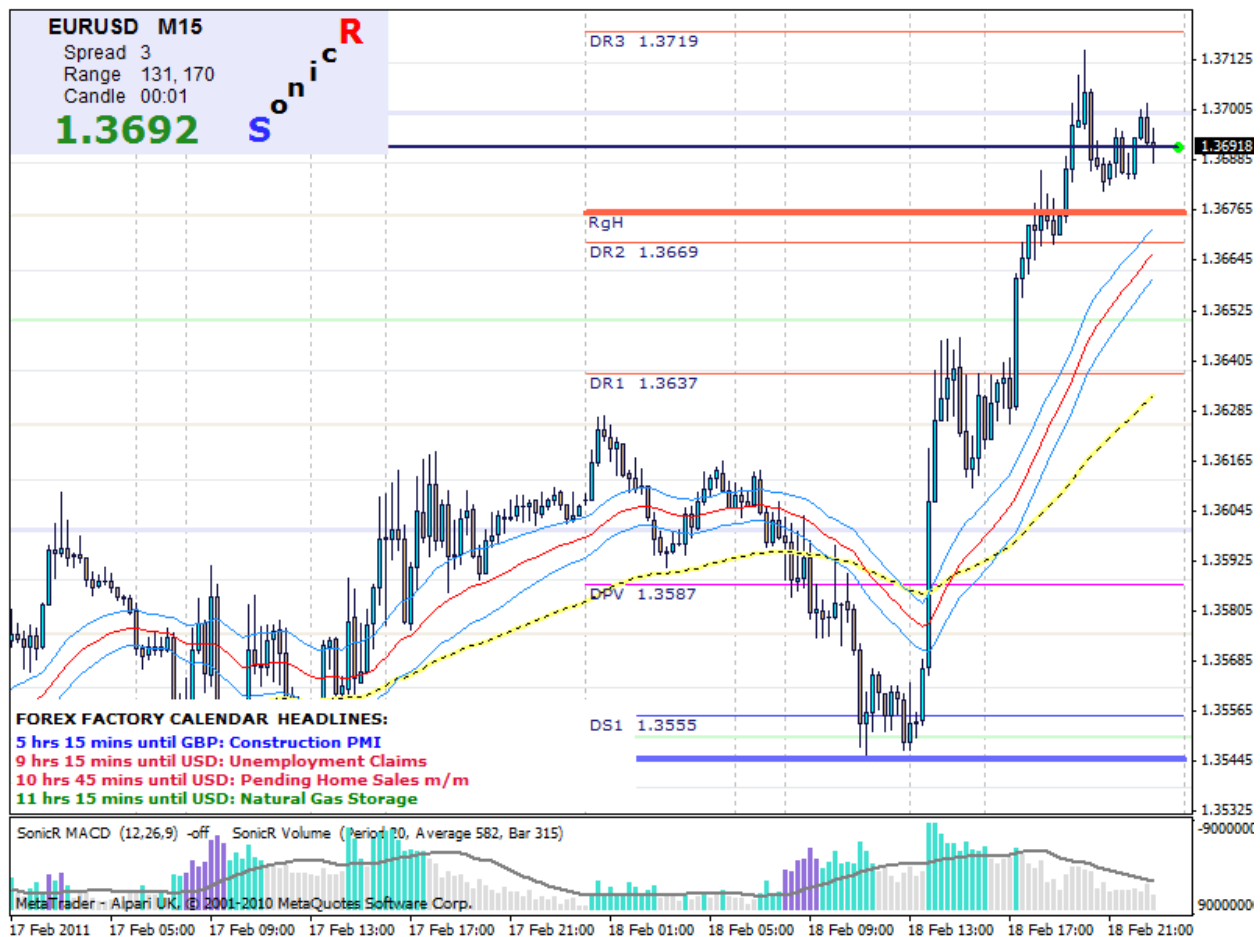2. The SL must not be more than 100-120 pips from the EP (for EUR/USD).

Example

Below are an example of a Sonic R. System short setup and trade, and of the rules for placement of the SL. The key elements of the Sonic R. System are clearly labeled and illustrated.

Conclusion

To start with the Sonic R. System, read all of Post #1 and the linked material. Read the first 25-50 of Sonicdeejay's posts. Read at least the last month of all posts. Please do not ask any questions for the first month of studying this system, because as you read, reflect, and read more, all of your questions will become answered thru your own efforts.

The purpose of this thread is to be a "text book" on the Sonic R. System, which learners can read thru and grow. So, the fewer posts that ask/answer the same elementary questions from newcomers, the better for all to have fewer posts to read to progress! The Sonic R. System is elegantly simple. Believe me, any lingering questions you have will be answered as you read the thread and diligently study the trades and other information already posted here.

Sonic R. Short Setup & Trade
(PA Wave Showing Drop Thru Half Number Area)

EURUSD M30
Spread 2.10
Range 136, 135
Candle 00:00:01
1.3171

SL beyond Swing High

Wave

EP a few pips beyond 1st
Wave leg3 candle exiting Dragon

Trend (M15 Trend on M30 Chart)

Candle out of Dragon

Dragon (M15 Dragon on M30 Chart)

TP @ S&R

SL Placement Rules

USDCHF M30
Spread 4.20
Range 94, 98
Candle 00:00:01
0.9172

Large Scale Price Swing

TP selected by using historic PA S&R

EP at least a few pips beyond end of
first candle exiting Dragon in WAVE leg 3

PA Wave

a previous significant low

SL beyond Swing Low

1. SL beyond significant H/L of large scale price swing
2. SL not more than 100-120 pips away from EP (for EU)

You also can check out our best contributer Professor TAH's templates

Revision to New Release of TAH Indicators & Starter Templates

<u>Summary of Upgrade and Installation</u>

Attached are new TAH indicators and starter templates for the Sonic R. System. This upgrade fixes and improves the indicators, described as follows (Red Headings). Download the zip file. Extract it to yield the two folders for black and white charts that contain the individual indicator and template files. Paste the indicator files into the MT4/experts/indicators folder. Paste the template files into the MT4/templates folder. Restart your MT4 application.

Control Panel

Occasionally the vLines were incorrectly displayed when shifting between AM and PM hours. This issue is fixed. For brokers with "tail end" Sunday sessions (typically any broker at GMT) the vLines would be stacked atop each other at the open of this short session. This issue is fixed. The average range formula is improved. And changes were made to colors in the Clock so that both black and white templates use the same colors for active market hours versus non-market hours in shades of gray.

FFCAL Panel

At times the panel did not show upcoming events, or did not show multiple same time high impact events. This seemed to be only when low impact events were selected to be displayed. This issue is fixed.

Line Dragon-Trend, Solid Dragon-Trend

Brokers with short Sunday sessions (typically any broker at GMT) lack the data required to make the Dragon and Trend continuous when applying a different TF configuration to the chart (example: using M15 TF configuration of Dragon-Trend on the M30 or H1 chart). New coding identifies when there is insufficient data, and compensates so that the Dragon and Trend can be displayed as continuous.

VSA Histogram

The "sound only" alert called for a sound wave file that is not resident in MT4. The MT4 "alert2.wave" file is now called. Also, the ShortName coding has been improved to recognize and display when either alert is "On", but when the chart TF is M1, the alerts are (default to) "Off".

<u>Brief History of the Indicators</u>

These new indicators were first released 04/04/2012. The new SonicR Control Panel combines and replaces the previous SonicR Chart Panel and SonicR Clock Panel. The release added back the market vLines and TzPivots that were excluded in the final release of the SonicR Chart Panel 07/16/2011. With a live data feed, new coding handles the vLines and user requested TzPivots without special inputs, and facilitates making the one special input needed to display them when there is no live data feed. The release also included the new SonicR Solid Dragon-Trend indicator. Highlights of these new indicators follow (Blue Headings).

Control Panel

Replaces the Chart Panel indicator. It includes the Clock Panel and accesses it's coding to handle the time zone and Daylight Savings Time issues for proper year round vLines placement and TzPivots, while data feed is live. While feed is live, follow the instructions in the user notes to make the single input you will need to display the vLines and TzPivots whenever there is no live data feed. The default setting of this input is for a Broker at GMT. Both the Daily and Fibonacci formulas are included for pivots, and you can display mid-pivots. The default setting for TzPivots is GMT+3, the most widely used, but it can be changed. The "scale" placement of lines on the right of the chart adjusts automatically when the chart zoom is altered. An automatic indenting feature is included. The symbol display in the Panel is now clear of broker additions. The Clock automatically labels times matching Broker and Local times.

FFCAL Panel

Additional refinements were made to prioritization coding, and new coding adjusts the background width automatically based on length of text in the event titles.

Line Dragon-Trend

Included as an alternative to the Solid Dragon-Trend, with new compatible colors.

Solid Dragon-Trend

Included as an alternative to the Line Dragon-Trend, for "easier on the eye" charts to help improve focus on PA. Components that make up the Solid Dragon can be set to adjust automatically to the chart zoom setting.

VSA Candlesticks

Places candles on top of the Solid Dragon, highlighting them with colors according to hard coded VSA settings. Candle widths can be set to adjust automatically to the chart zoom setting. The highlighting colors can be turned on/off.

VSA Histogram

Recoded for a more pleasing look, this provides a volume histogram in a chart sub-window, highlighting the bars with colors according to hard coded VSA settings. Histogram bar widths can be set to adjust automatically to the chart zoom setting. The highlighting colors can be turned on/off. Choices of two alerts, sound only and sound w/text, are provided for "Climax" candle events.

Instructions on the Use of the Indicators

User notes are provided in the compile of each indicator, and are quite extensive in some cases. They will answer most questions. And questions not answered probably will be with just a little use of, and experimentation with, the inputs to these indicators. Please read and reflect on the user

notes, and experiment with the inputs. Great pains have been taken to provide adequate user notes and instructions. Please don't ask questions already answered in the user notes simply because you have not bothered yourself to take the time to read them.

Once the indicators are installed into MT4 you can access the user notes. In the main MT4 window there is a yellow diamond icon with "i" in it. Click on it to open the Meta Editor, where you will find a list on the right that includes "indicators", where you will find the indicators you want to "open" in order to see the user notes at the top of indicator compile (code). Double click on any such indicator in the list and the code for it will appear in the MetaEditor window. You can scroll down the code to view. You will find user notes near the top.

Summary of Templates

Three starter templates are provided for both black and white charts. Many configurations of the display of Levels, pivots and range lines are possible using the extensive line placement controls in the External Inputs of the SonicR Control Panel. You are encouraged to experiment with these inputs to become familiar with what they do, and what they allow you to do to customize your charts. The starter templates are shown below.

The templates include both the Line Dragon-Trend indicator and the Solid Dragon-Trend indicator. The Line Dragon-Trend indicator is turned off. If you wish to use it rather than the Solid Dragon-Trend indicator, simply turn it on and turn the Solid Dragon-Trend indicator off.

Conclusion

These new indicators include more features, yet setup and use is simplified. The new Solid Dragon will give your charts a cleaner look. The user notes for each indicator have been meticulously written to instruct and to inform, and so to void any necessity to answer questions about the indicators.

Acknowledgements

I wish to express my sincere appreciation of CaveMan for his generous contribution to TzPivots coding and of Kent (Pips4Life) for his excellent Clock indicator. Were it not for the coding of these two gentlemen our Control Panel would not be half what it is. Thank you, CaveMan. Thank you, Kent.
Attached Thumbnails

Secret of Sonic R Entry

Before I explain what Sonic R is all about, let me explain to you, what make a profitable trade. I'm going to give you example using LONG trade in D1 TF.

For a Long position, one must buy in at a low price so that he can sell it out for profit at a higher price. Some call it, Buy Low, Sell High (BLSH).

Think about it. **It sounds easy or normal to do BLSH but in reality it ain't**.

When everyone is selling, who on earth dare to buy in? You chart is showing a dive in of the price. I know some professional and institutional traders do that as they know something we (retail traders) do not.

If a retail trader is buying in, he must be a kamikaze trader or simply do not know what he is doing.

See No.1 in attached pic.

But a smart trader does something smarter. He look/wait for 'lil signs of possible trend reversal'. He may not be getting in at a so-called lowest price but the probability of making his trade a profitable one is high... See No.2 in attached pic.

So what are the 'lil signs of possible trend reversal'? This is what James 16 is all about and J16 is the most popular thread in FF.
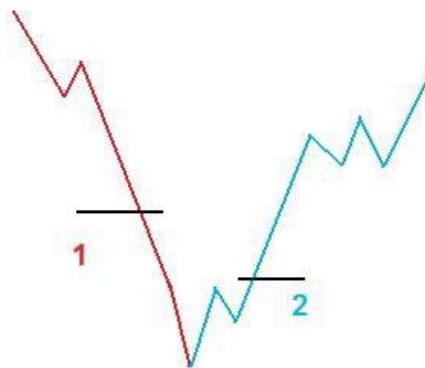
As it is in downtrend, the price go lower as usual but it starts to creep back up, and ends up closing higher/near its opens. In the chart it will be **hammer or Pin bar** with a long wick and it is one of lil sign of possible trend reversal. You can see an example on the D1 TF chart below.
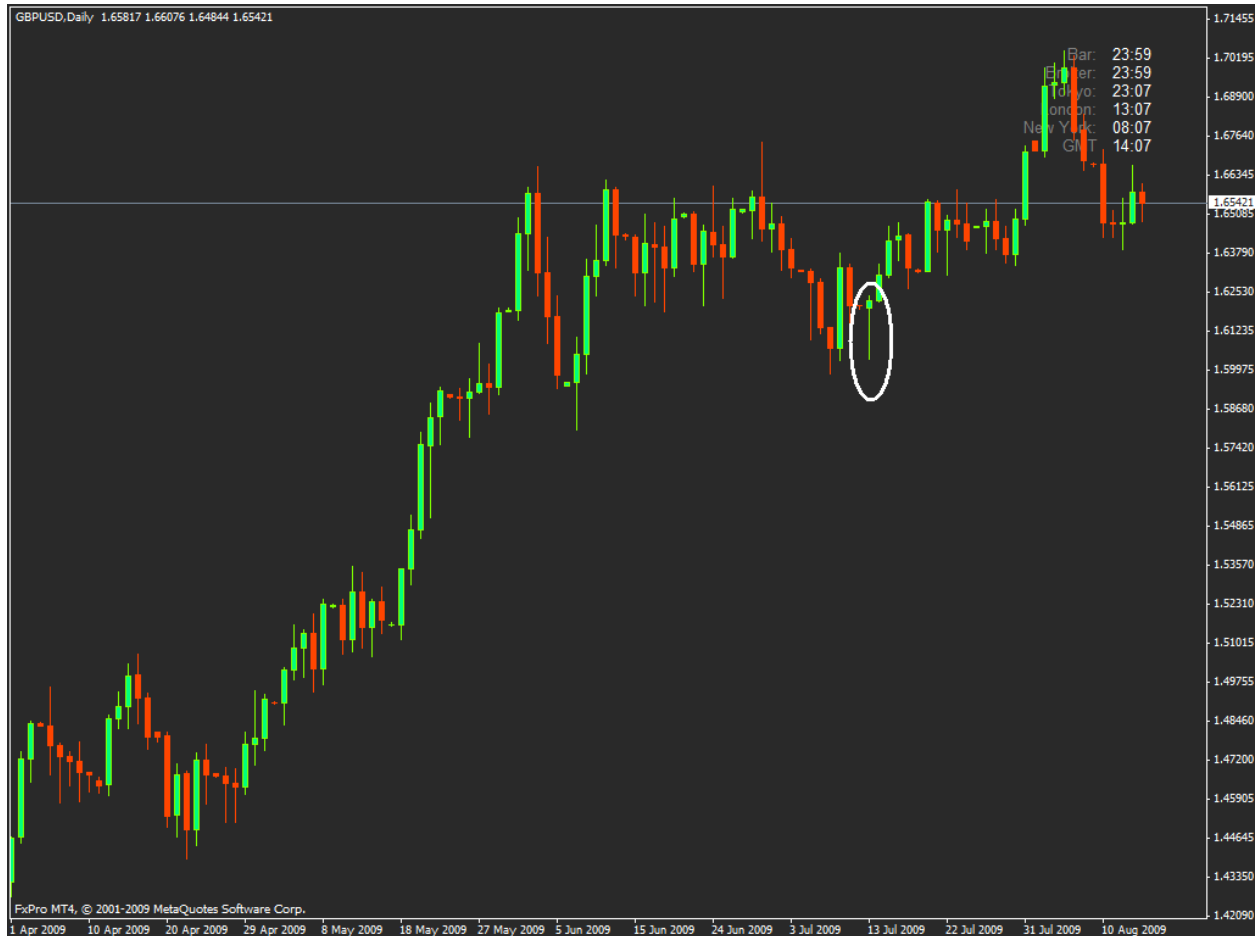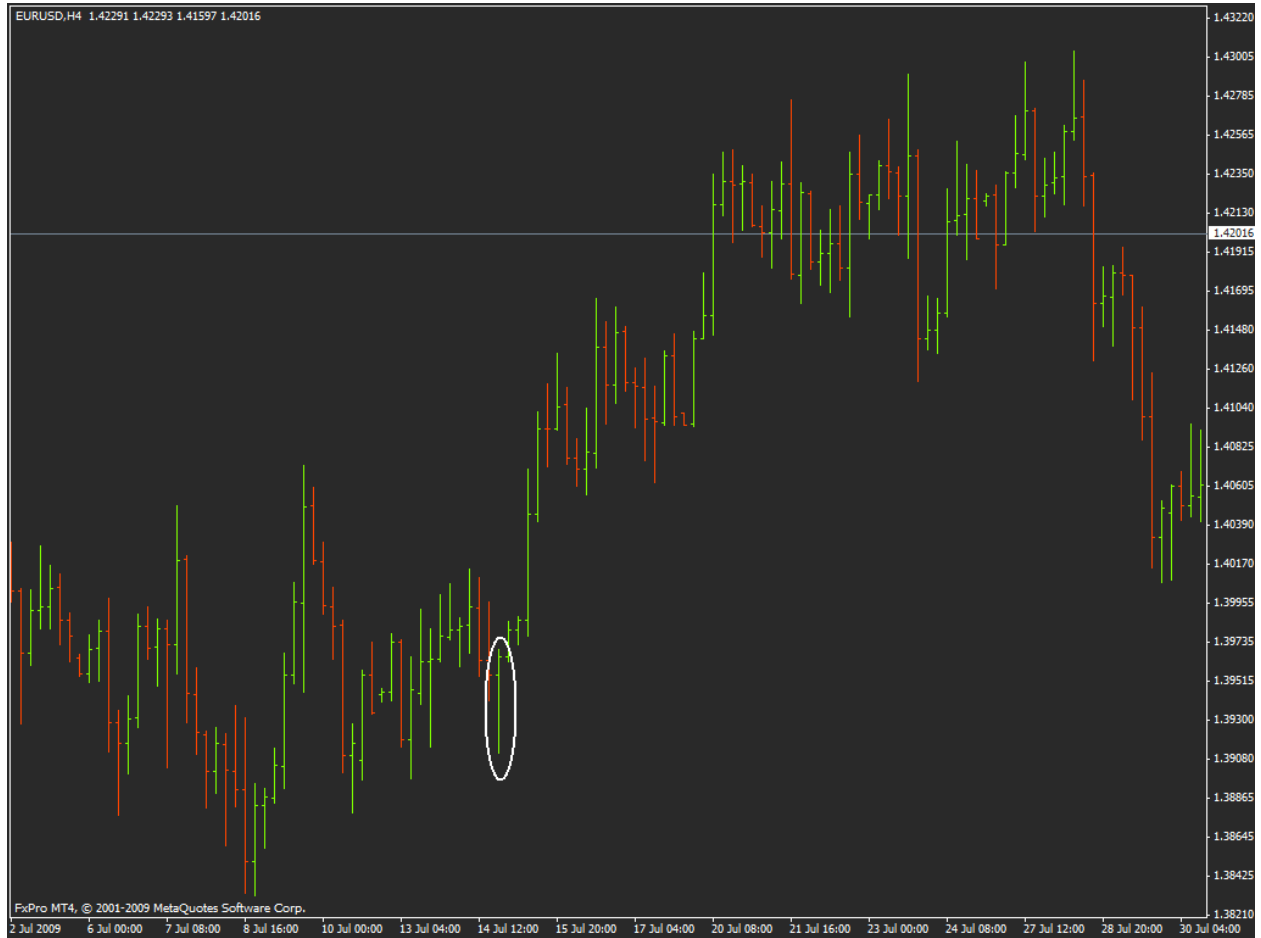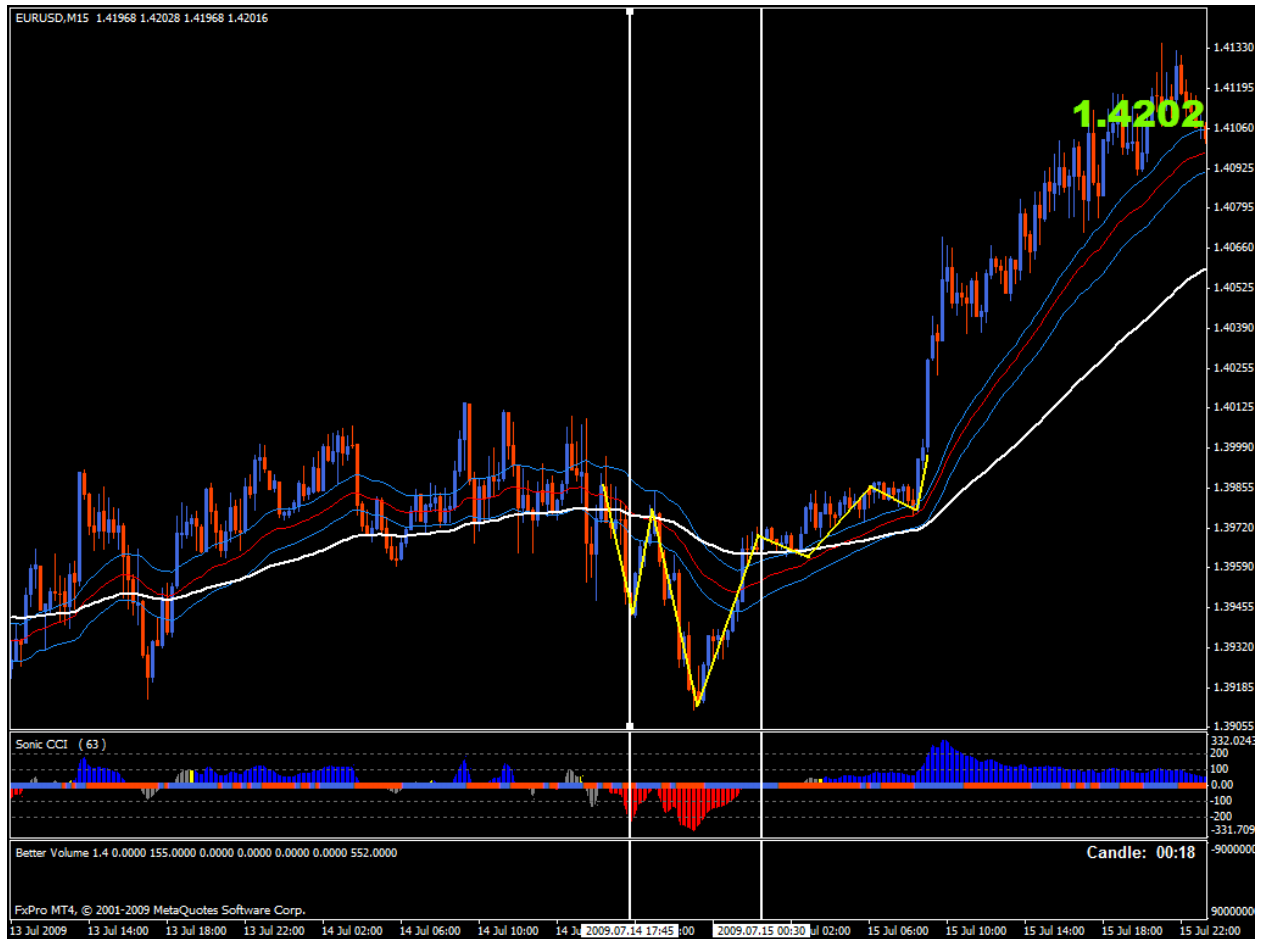

This daily bar was formed in 13 July 2009. And another thing, do you agree that 1 bar of D1 TF means 96 bars in M15 TF? Let's take a look at 13 July bars in 15M TF. You can notice a very nice Sonic R Long set up at that day, and as the story goes, it was a extremely profitable trade.
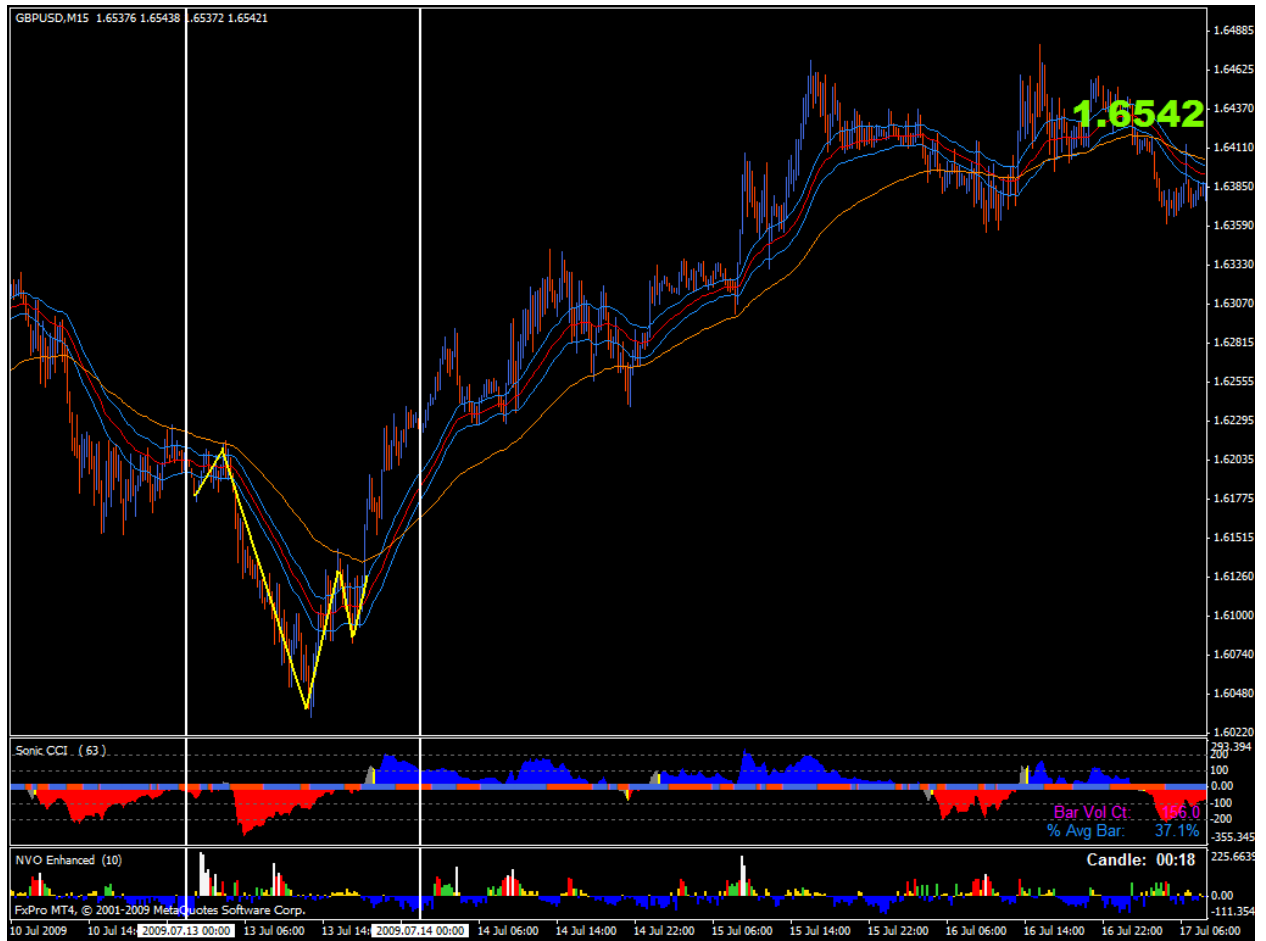
Here is another pairs of EUR/USD examples in H4 TF and M15 TF.

So, by looking at the pictures above, do you know what the secret of Sonic R is now?

In words, Sonic R is basically trading in Hammer and Bullish engulfing bars D1 TF/H4 TF by looking for an entry M15 TF. That make Sonic R set up the highly profitable ones.

Waves :

Before we go to entry setups, let me tell you that the most important method that is used in this system is wave analysis. For you to understand it better, I'm going to show you some examples. It's better that you study more about waves by yourself.
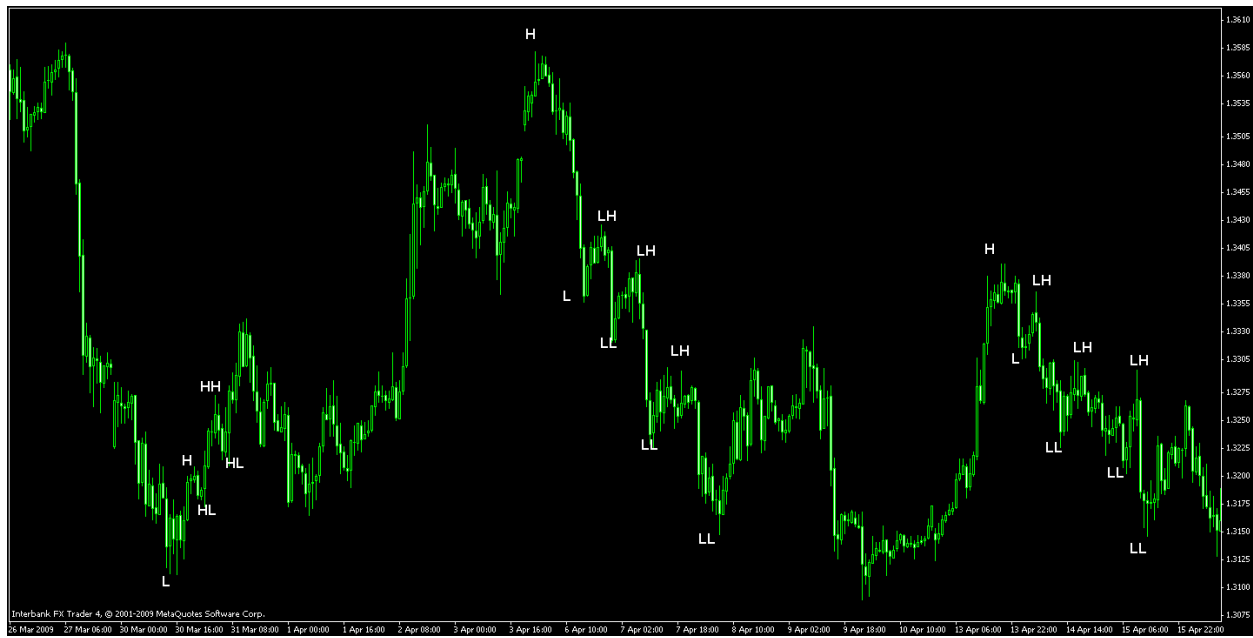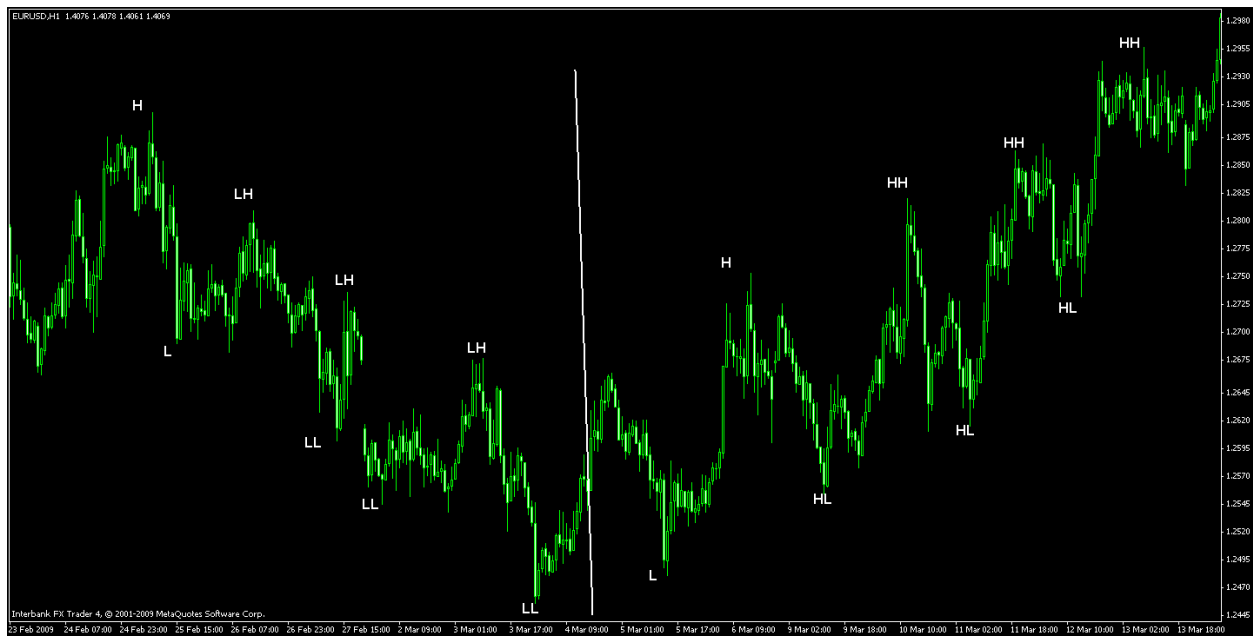
There are some words in the examples, here are the meanings :

- **L   = Low**
- **H   = High**
- **LL = Lower Low**
- **HH = Higher High**
- **LH = Lower High**
- **HL = Higher Low**

You can see serials of Higher High (HH) and Higher Low (HL) in a uptrend while Lower High(LH) and Lower Low(LL) in a downtrend.

Example #1
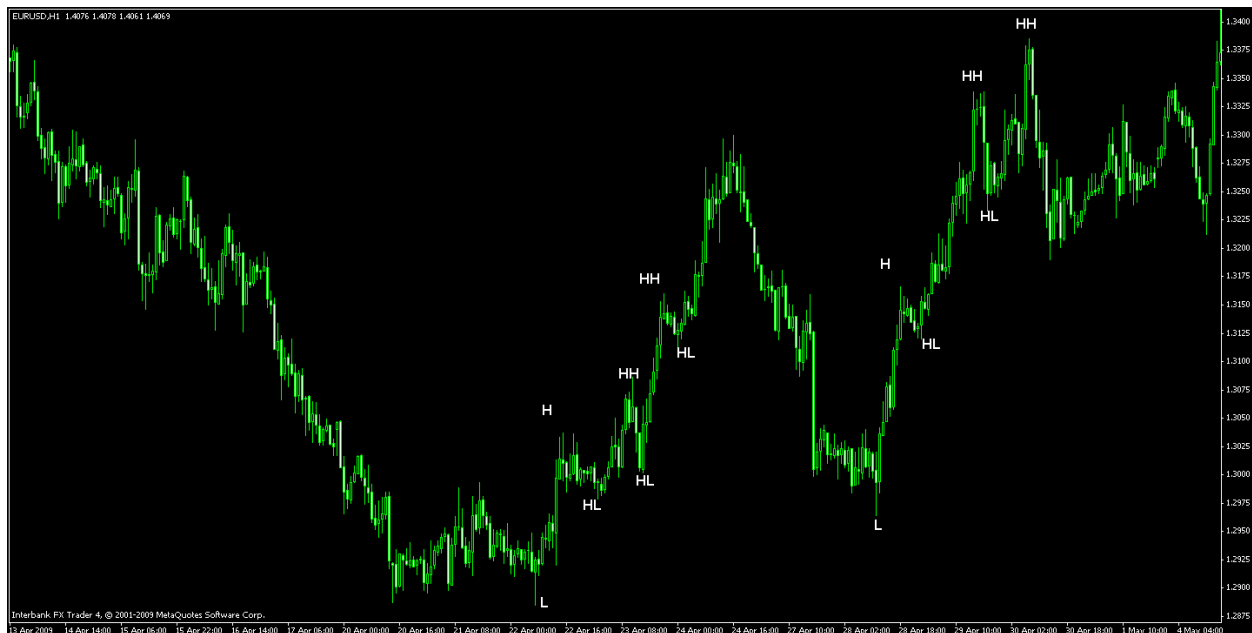
Example #2 :

Example #3 :

Trading time :

1 a.m. – 4 a.m. EST (UK session)
7 a.m. – 11 a.m. EST (US session)
This is the recommended trading time, they are in EST, so that plz adapt to your time zone accordingly).

Pairs :

You can use it in any pair. Try EUR/USD & GBP/USD or if you choose XXX/JPY pairs, change your trail stop and stop loss at least 80 pips.

Time Frames :

M5 & M15 (Recommended)

<u>DOCUMENT UPDATE FROM 18 JUNE 2012</u>

<u>TERMS USED IN THIS DOCUMENT</u>

SonicR Solid Dragon (**SSD**) = Consist of three 34 moving Average
Line(34EMA High, 34EMA Close, 34EMA Low)

SonicR Line Dragon (**SLD**) = 89 Moving Average (89 EMA Close)

How to trade :

As the **Sonic System's** experience grows some of the basic indicators used in the 1st page has been dropped and new indicators and new improved templates used. Plz use TAH 05-01-2012 Release.

Entry for buy or sell :

This strategy is based on wave analysis. So it's important that you have a good understanding of waves. First you should see a **LOW** in the price , then price should make **HIGHER LOW**s (**HL**). After making a **HIGHER LOW**, look for the candle go above upper white line (upper band of SonicR Dragon indicator) and **wait** till the candle closes. Then put a buy stop few pips above the **high** of that candle.

Pay attention to the angle of the slope on SSD (or three 34MAs). The steeper, the better. Avoid horizontal ranging periods. (Direction of angle : Long 1 to 2 O'clock, Short 4 to 5 O'clock, avoid 3 O'clock ranging)

Have general trend/bias in mind, you can check it in higher time frames like H1, H4 and daily. Using SHI_Channel_MTF on a new chart you can easily determine the trend of each TF.

It's better that price be above the **SLD** for a long entry and below for short.

Lookout for divergence. You can check it out in **QQE** or **CCI** indicator either.

General approach to Long/Short:

Price can often cross the SSD with 3 patterns.

1. **SLD above SSD ie (SLD above 34 EMA High of the SSD)**
2. **SLD below SSD ie (SLD below 34 EMA Low of the SSD)**
3. **SLD middle of the SSD ie (SLD between 34 EMA High and 34 EMA Low of the SSD)**

For Long entry based on the above point 1 situation

Wait for current candle high cross **SLD** and make sure the previous candle high is lower than **SLD**. Wait for the current candle to close. Now mark that candle high + 5 pips as your long entry and any candle cross that level become your entry for long.

In the example above, none of the candle cross point 1 candle high + 5 pips and price drops below **SLD**. Now you should reset your entry and wait for the price cross again **SLD**. In this case from 2nd point candle high + 5 is your entry for long.

The same applicable vise versa for Short based on **point 2 situation.**

For Long entry based on the above point 3 situation

Wait for current candle high cross **SSD** 34EMA High and make sure the previous candle high is lower than **SSD** 34 EMA high. Wait for the current candle to close. Now mark that candle high + 5 pips as your long entry and any candle cross that level become your entry for long.

In the example above, none of the next 3 candle cross point 1 candle high + 5 pips and this is same for point 2 and the price drops below **SSD's** 35EMA high. Now you should reset your entry and wait for the price cross again **SSD's** 35EMA high. In this case from 3nd point candle high + 5 is your entry for long.

The same applicable vice versa applicable for short**.**

The same rule applicable for going Short based on **point 1 situation (SLD** above **SSD's** 34 EMA High but price crossing **SSD's** 34EMA Low).

The same rule applicable for going Long based on **point 2 situation (SLD** below **SSD's** 34EMA Low but price crossing **SSD's** 34EMA High).

Importantly you should decide and enter short or long when the price cross the SSD's 34 EMA High and 34EMA Low and based on

**where the price moving inside trend channel of your TF (15M or 5M).
Use SHI_Channel_MTF.mql. So you can avoid fake entries.**

Channel is useful for analyzing a trend of a particular TF. But It will grow (gap between upper channel and bottom channel) in the trending market and shrink in the ranging market.

For Long price should running from the bottom of the channel and there should be enough room **(atleast 10-15 pips gap)** for price to flow up to the top of the channel. If the price running at the top of the channel wait for price to break the upper channel. It is safe to enter long after Price breaks the channel and new candle open after the channel high.

For Short price should be running from the top of the channel and there is enough room **(atleast 10-15 pips gap)** for price to flow down to the bottom of the channel. If the price running in the bottom of the channel wait for price to break the bottom channel. It is safe to enter short after Price breaks the channel and new candle open after the channel low.

While price breaking either channel top or bottom watch **SonicR VSA Histogram**. When the price to break either channel it should resist the supply and go. So there is some thrust in the volume. The volume is slightly higher than previous volume that confirm price break.

Don't take long above **DR2** and short below **DS2** that is called bottom trading. In an extreme condition market will trade above or below that level will bounce back soon.

For example your chart TF is 15M**.** You load 15M, 1H and 4H Channel.

1) **H4 trending Higher H1 trending Higher M15 trending Higher**
2) **H4 trending Higher H1 trending Lower M15 trending Lower**
3) **H4 trending Higher H1 trending Higher M15 trending Lower**
4) **H4 trending Higher H1 trending Lower M15 trending Higher**

5) **H4 trending Lower H1 trending Lower M15 trending Lower**
6) **H4 trending Lower H1 trending Higher M15 trending Higher**
7) **H4 trending Lower H1 trending Lower M15 trending Higher**
8) **H4 trending Lower H1 trending Higher M15 trending Lower**

You can even compare D1 TF. This will increase the combination.

Take Profit :

Trading against the Higher TF from shorter TF (2-4 and 6-8), you might be in the side of retracement of a Higher TF or you are in the beginning of the new trend. Analysis Higher TF. IF you are in the retracement period in Higher TF don't expect long run and book profit where ever the upper channel or bottom channel or nearby DS & DR. If the channel breaks you can look for next higher channel or use PPZ (Pivot Point Zones) or resistance or round numbers for take your profit. And there is no strict rule to book your profit.

If you trade with the Higher TF (1 and 5) you can expect long run and price may break the top or bottom channel and you can expect price reach new high or low and you can catch good profit. You can use PPZ (Pivot Point Zones) or resistance or round numbers for take your profit. Or you can use Trailing Stop.

Stop Loss :

Put your SL above or below the nearest Fractal (ie) the Fractal should be higher than 2 fractal from its left for short and the Fractal should be lower than 2 Fractal from its left for long.

Conclusion :

Trading Fx is like searching treasure in the sea bed. Often shark attack may occur (**Smart Money** ready to take your SL). It is not an easy job and one has to work hard and learn new tricks. As per my view none of the technical indicators predict the trend of the market. 90% of the indictors are repainted one and are based on price movement. Using this system you can stay and trade in the right side of the market and even this will lead to wrong trade in a ranging market. You can win more trade than losing trade which increase your profit and make you a winner.