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Jul 9, 2010 6:33pm

1



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

Building an equity millipede

Good morning all

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

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

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

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

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

Moving on.

Quote

Jul 9, 2010 6:34pm

2



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

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

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

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

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

Moving on.



Jul 9, 2010 6:37pm

3

 **pipEASY**
crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Moving on.

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



Jul 9, 2010 6:37pm

4



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



My contribution wont sway many traders and it will be interesting to watch how this all works out. But if you are open-minded like I was when I first traded, then you too will receive a blueprint to a trading plan that guarantees to be beneficial of enormous proportions.

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

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

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

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

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

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

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

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

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

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

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

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

A position that survives for extended weeks, months turns into a tremendous profit and you will be very pleased that you risked a very small fraction of its gigantic return to establish that position. I cant help but smile.

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

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

Moving on.

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



Jul 9, 2010 10:22pm

1



pipEASY

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Member Since Dec 2009

10+yr 760 Posts



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



Jul 9, 2010 11:14pm

8



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+yr 760 Posts



Continuing on with the entries.

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

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

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

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

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

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

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

Moving on, and nearly at the end..

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



Jul 10, 2010 12:48am

10



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+^w [760 Posts](#)



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

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

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

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

Moving on.



Jul 10, 2010 9:57pm

11



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+^w [760 Posts](#)



Good morning all

It is a beautiful sunday morning here.

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

1. Position trading

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

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

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

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

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

Example of a common scenario;

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

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

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

6 months later..

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

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

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

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

And this is a very sensible estimation

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

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

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

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

Sorry deb.. 😊

Get the gist?

Moving on.

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



Jul 11, 2010 2:48am

12



pipEASY

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Member Since Dec 2009

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Good afternoon all

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

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

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

Now for point 2.

2. Entries

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

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

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

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

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

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

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

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

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

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

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

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

Moving on.

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



Jul 11, 2010 8:31am

16



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+ 760 Posts



Good evening all

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

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

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

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

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

Till then stay safe.

Graeme

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

Quote

Jul 12, 2010 4:54am

18



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+ 760 Posts



The power of participation.

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

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

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

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

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

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

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

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

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

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

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

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

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

Moving on.

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



Jul 12, 2010 8:44am

19



pipEASY

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Member Since Dec 2009

10+V [760 Posts](#)



Good evening all

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

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

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

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

In regards to the odds,

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

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

When you win, they pay you 1:1.

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

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

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

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

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

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

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

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

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

Moving on.

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



Jul 12, 2010 10:33pm

21




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by SkyzerFX 
*This is only theory. If there is any win system out there, then Robot

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

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

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

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

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

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

I would be more inclined to agree with you.



Jul 12, 2010 10:34pm

22



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



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

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

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

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

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



Jul 12, 2010 10:58pm

23



pipEASY

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Member Since Dec 2009

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

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

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

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

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

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

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

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

Get the gist?

Moving on.

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



Jul 13, 2010 5:40am

26



pipEASY

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Member Since Dec 2009

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Good evening all

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

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

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

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

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

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

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

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

Moving on.

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



Jul 13, 2010 6:05am

28



pipEASY

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Member Since Dec 2009

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Quote:

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

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

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

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

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

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



Jul 13, 2010 7:08am

31



pipEASY

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Member Since Dec 2009
10+Y 760 Posts



Quote:

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

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



Jul 13, 2010 7:11am

32



pipEASY

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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **xman**
*@PipEasy
Can you find one example and show us on the chart, please?*

yes i will soon. thank you



Jul 13, 2010 7:34am

33



pipEASY

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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **stevegee58**
pipeasy, you mentioned diversifying. Do you look at correlation at all? In other words, if you're already in a EURUSD position would you still

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

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

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

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

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

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

Good night all.

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

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



Jul 13, 2010 10:27pm

36



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **mlambole** ➤

Hello,

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

Hello mlambole and other members of the forum

Good question and my reply will be important.

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

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

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

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

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

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

From 2nd week of June it was obvious that the trend has changed when support was broken on the daily chart. It doesnt matter if trend didnt change cause I will diversify my holdings around that period of time.

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


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

Moving on.

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



Jul 13, 2010 11:15pm # 37



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y [760 Posts](#)



Good day all

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

Everyone has vice. I dont smoke, drink heavily or chase tail however I do collect comic books. My favourite is superman and Im an avid collector. There has been an occassion where I actually attended an auction house overseas to bid for a prized number in the series. In this trip I befriended a collector who had a wide interest and has been very successful in his field. I welcomed his friendship and attended few of the auctions with him.

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

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

He noticed that I wasnt talking much and he returned the same question to me. I replied, 'wilson, i do the same as you do..'

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


Moving on.




Jul 14, 2010 1:41am # 40


pipEASY
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Member Since Dec 2009
10+y [760 Posts](#)





Quote:

Originally Posted by **chonghm** 

Dear pipEASY,

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

Hello chonghm & carolco

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

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


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


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

Very good question indeed.

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

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

Quote

 Jul 14, 2010 2:24am



pipEASY


crede quod habes, et habes

Member Since Dec 2009

 760 Posts



Quote:

Originally Posted by **damosdmf** 

hi pipeasy

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

regards damien

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

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

Dear all fellow traders

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

Sincerely,

Graeme

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



Jul 14, 2010 2:35am

43



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **chonghm**

Dear pipEASY,

Thank you for your prompt reply.

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

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

Excellent question.

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

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

Graeme



Jul 14, 2010 2:53am

44



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Member Since Dec 2009

10+V 760 Posts



Welcome all and the newcomers.

So far I have explained in my posts

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

We have come a long way.

Topics left,

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

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

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

It starts from your perspective.

Moving on.

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



Jul 14, 2010 8:10am

47



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **stevegee58**
I've come to believe that hedging isn't for me, though I've met other posters claiming to use it profitably. Mathematically when you fully hedge a position you create a new position with a delta of 0, yet you've also increased your margin use to do it. If you close a position that's not working out, you reduce the margin used and also create a position with delta...

Thank you for your correspondence.

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

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

But there are also other sides to the story.

I enter what the market dictates.

January 1st

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

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

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

Above 2 weeks made me 10 legs.

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

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

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

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

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

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

1 week later - position 1,4 of buy still alive
position 6,9,10 of sell still alive

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

2 week later - position 1 of buy still alive
position 6,9,10 of sell still alive

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

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

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

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

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

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

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

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

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

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

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

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

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


Im glad you brought this up stevegee58.

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



Jul 14, 2010 8:11am


48




pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Someone** 

Pipeasy,

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

I look forward to reading more from you soon.

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

Graeme



Jul 14, 2010 10:06am

50



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Member Since Dec 2009
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Quote:

Originally Posted by **dexter_FX** 

This is a great thread, thanks for taking the time to share your knowledge.

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

Good evening dexter_fx

Thank you for your question.

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

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

It becomes two separate millipedes.

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

Sincerely


Graeme



Jul 14, 2010 10:56am


53

Member Since Dec 2009




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10+V760 Posts



Quote:

Originally Posted by **GEOFFREY62** 
Really good explanation of the way you enter and manage your positions

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

Good evening, Geoff

Thank you for your question.

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

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

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

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

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

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

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

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


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

Feel free to pm me.

Sincerely,

Graeme

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

Quote




pipEASY
crede quod habes, et habes

10+Y760 Posts



Quote:

Originally Posted by **stevegee58** 

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

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

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

Good evening, stevegee58

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

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

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

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

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

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


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

Its very late here. Good night all.

Sincerely

Graeme

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

Quote

Jul 14, 2010 7:54pm

56



pipEASY
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Member Since Dec 200910+Y760 Posts



Quote:

Originally Posted by **damosdmf** 

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

regards damien

Hello Damien

Good question.

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

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

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

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

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

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

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

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

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

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

Sincerely,

Graeme



Jul 14, 2010 8:12pm

58



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Member Since Dec 2009

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Good morning all

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

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

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

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

Trading system will help a trader to be profitable?

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

Do I need large capital?

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

Is it easy?

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

Do you think I can make it?

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

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

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

Beautiful day everyone. Enjoy your life.

Sincerely,

Graeme

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



Jul 15, 2010 2:54am

60



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Quote:

Originally Posted by **leggo**

Hi Graeme,

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

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

Hello Ben

Thank you for coming forward.

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

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

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

Approx. \$120 for margin per position. So I wouldnt be looking at holding more than 2 positions at the same time. 3 would be a overkill.

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

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

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

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

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

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

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

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

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

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

Sincerely,

Graeme

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



Jul 15, 2010 3:15am

#61



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Member Since Dec 2009

10+ yrs 760 Posts



Dear all fellow traders

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

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

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

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

necessarily have any benefits to be around.

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

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

God bless you all.

Kindest Regards,

Graeme

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



Jul 15, 2010 4:17am

63



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Member Since Dec 2009
10+y 760 Posts



Quote:

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

Good afternoon, Thijs

Excellent question.

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

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

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

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

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

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

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

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

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

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

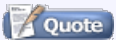
Apologies for the lack of chart to explain but it is very simple once you open a weekly gbp/jpy chart and zooming out to 100 candles or so.

Very good question indeed

Regards,

Graeme

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



Jul 15, 2010 6:37am

66



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Quote:

Originally Posted by **Someone**

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

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

Over the past few days I took a...

Good evening Someone

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

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

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

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

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

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

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

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

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

Soon there will be a post entirely on emotion control.


The reward will definitely be worthwhile.


Please dont stop with the questions.

Sincerely,


Graeme

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

Quote


 Jul 15, 2010 6:59am


67



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Member Since Dec 2009
10+V 760 Posts

Quote:

Originally Posted by leggo 

Hi Graeme,

Thank you for your quick response. The main way we were shown to trade was intraday, trading candle formations at previous levels of support and resistance. We were told to trade 1 hr charts and trade the trend. My profit comes from way more than 30 trades, probably nearer 50. I was up to \$780 at one point but that was over a month ago. We were told to trade with a 1/1.5 risk reward ratio. When we reached 60 pips for the week we were told to walk away. The idea was to build our bank organically and as our equity increased so did our risk. In...

Good evening Ben

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

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

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

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

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

Also, im aware of this common belief among traders to walk away when they reach a certain profit target for the week. All I can say is that the market doesnt know each individual traders profit target and certainly dont care. I never stop trading cause I reached certain limit.

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

And this applies to all days, not just fridays.

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

Sincerely,

Graeme

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



Jul 15, 2010 7:18am

69



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Member Since Dec 2009
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Good evening all.

Hope you are all warm and safe.

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

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

Sincerely,

Graeme



Jul 15, 2010 8:15am

72




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Member Since Dec 2009
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Quote:

Originally Posted by **leggo** 

Graeme,

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

I have a couple of questions.

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

Good evening Ben

Great questions.

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

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

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

But..

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

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

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

Im still evaluating but enjoying every moment.

Sincerely,

Graeme

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



Jul 15, 2010 8:16am #73



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Member Since Dec 2009
10+Y 760 Posts



Quote:
Originally Posted by **ludo willems**
.....and since then, i type my text in Notepad and copy/paste it in the forum. And thanks for this exellent tread.
Ludo

Good evening, Ludo

Your most welcome and thank you for the feedback.

Sincerely,

Graeme



Jul 15, 2010 9:49am #74



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Member Since Dec 2009
10+Y 760 Posts



Quote:
Originally Posted by **Someone**

Last question?

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

Thanks again

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

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

It seems my efforts may after all been worthwhile.

Sincerely,

Graeme



Jul 15, 2010 9:55am

75



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo**

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

Regards

Ben

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

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

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

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

You are on right track.

Sincerely,

Graeme



Jul 15, 2010 10:14am

77




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10+Y 760 Posts



Quote:

Originally Posted by **Wonko** 

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

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

Good evening, Wonko

Thank you for your enquiry.

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

Wonko, you will have many positions die on you. Please dont let this upset you in anyway. In regards to moving stop loss, once again the market dictates whether to move stop loss asap or let it endure little more.

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

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

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

Or not even use a stop loss at all.

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


Can you handle 20 or more losing streaks?

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

Then millipede will emerge.


Sincerely,

Graeme

Quote

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Quote:

Originally Posted by **Jigsaw** 

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

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

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

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

Good evening Jigaw

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

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

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

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

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

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

Thank you for the great questions.

Sincerely,

Graeme

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



Jul 15, 2010 11:09am

#81



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Member Since Dec 2009

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Quote:

Originally Posted by **stevegee58**

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

1) Diversification.

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

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

Good evening Stevegee58

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

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

2. Yes, all correct. I personally dont know bajillion books but it has my interest now. In my personal view high probability systems with lower r:r is a long road of frustration. Im sure there are many successful traders doing this and I wish them well. It will be a different kind of stress level. In forex there are so many long term trends currently starting now, in the middle, or changing. All we need to do is participate. The power of growth starts from participation.

40% loss is fair amount but im assuming some of them are hopefully BE. There is a surprise that awaits all long term position builders. Even though we can blissfully work out how much we can potentially make from our existing positions, at the end it will be so much more on the table and you wouldnt be bothered working out why.

Sincerely,

Graeme

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



Jul 15, 2010 11:14am

82



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crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **pillager**

Hi Graeme,

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

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

Thanks....

Good evening Pillager

Thank you for the question.

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

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

Please do not hesitate to ask me any other questions

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

Sincerely,

Graeme

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



Jul 15, 2010 10:04pm

88



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10+y

[760 Posts](#)



Quote:

Originally Posted by **sixx58**

Hi Graeme,

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

Greetings,

sixx

Good morning, Sixx

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

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

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

Sincerely,

Graeme



Jul 15, 2010 10:30pm

89



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Member Since Dec 2009

10+y

[760 Posts](#)



Quote:

Originally Posted by **Someone**

Hi Graeme,

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

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

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

Good morning, Someone

Great questions.

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

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

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

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

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

Entries are at your own personal discretion. Personally I write down the main weekly/monthly trend on a paper infront of me. I dont mind if they are against each other but I will be content to see them both heading same direction.

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

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

I will take as many low risk entries as the market gives me. However, this is possible if you have large capital pool. If you dont at the moment, please dont worry and let it effect your clairy or overshadow your participation. You might have to pick from two low risk entires but you are doing you job as per description. Well done.

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

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

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

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

Im very proud of your questions and hope you well

Sincerely,

Graeme

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



Jul 15, 2010 10:50pm

90



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Member Since Dec 2009

10+W 760 Posts



Quote:

Originally Posted by **GEOFFREY62**
*Morning Pipeasy,
A question if I may. Eur/usd had been in a long downtrend since about Jan of this year and you have built up some very nice legs on short side, now about june 8th price started to turn and have been going up on daily chart ever since so you start to build legs on long side, now lets suppose that on friday this retrace stops and price starts dropping again, and carries on dropping, so now what do you do with these long legs ? Do you just let them hit your breakeven stop and close out having lost quite a few pips? Do you close them...*

Good morning, Geoff

Your questions are always welcomed and they are excellent.

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

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

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

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

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

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

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

Sincerely,


Graeme

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




Jul 15, 2010 10:54pm

92




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **stimuls** 

Hi Graeme,

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

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

Good morning, Stimulus

Apologies, I nearly missed your post.

Your answer is correct. Increased risk doesnt necessarily increase profit. Please also read the reply I typed just now for member: someone. It will benefit you too.


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


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

Sincerely,

Graeme


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

 Quote




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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Someone** 

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

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

Good afternoon, Someone

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

Please dont allow any sentimental attachments to your legs or you will be disappointed when legs die out on breakeven due to fluctuations we have no control over. There should be no room for disappointment if you have done your job to the best of your ability.

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

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

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

Sincerely,

Graeme

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



Jul 16, 2010 4:54am

97



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Member Since Dec 2009
10+^W 760 Posts



Good afternoon all fellow traders

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

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

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

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

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

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

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

Amongst the people who have made it, Im sure there are scalpers, intraday, swing, position traders. All shapes and sizes. Anyone who can make it in the market deserves the reward they create. I have personally met a very successful swing trader who holds positions only for a week or two. Im the type of person who would never believe any claim thrown at me however this gentleman definitely has genuine success. We became good trading buddies and we would speak about the market to great lengths. He was very bold and direct and definitely wasnt shy about his actions. I could see his character through his method. It wasnt a surprise to see that his method has changed this persons natural character to an aggressive and on the edge temper. He was quick to conclusion and quick to change his mind. I didnt admit back then as there was no need but we were using same lot size and similar entry methods but my profits was many folds larger than his. He still thinks otherwise of me and thats all i care to do for now. Over the numerous meetings I would carefully advise that perhaps he should hold onto his hard earned positions indefinitely and let them grow to their potential. He retorted at such idea and didnt even give second thoughts. This person is definitely a better trader than I am and he could be so much more if he just followed the market. Unfortunately he is already locked up in his own box and the key thrown away a long time ago.

Just like my trader friend, everyone chooses to see what they wish to see. This will be the first hurdle that everyone needs to overcome to be a better trader and a better person in life. Even though I understand how and why some traders would like to only intraday trade. It is most likely they are looking for instant fulfilment when looking at the days profit statement or end of week. However, you need to become a bigger person and acknowledge that this market is so much more than a blip of 80 pip movement. And you certainly shouldnt be focusing so much on 80 pip movements everyday for the rest of your trading career.

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

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

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

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

Will try logging in later on.

Sincerely,

Graeme

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



Jul 16, 2010 7:12am

98



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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **chonghm**
Good morning Graeme,

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

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

Your opinion of this please?

chonghm

Good evening, Chonghm

I apologize for missing your question.

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

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

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

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

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

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

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

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

Kindest Regards,

Graeme

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



Jul 16, 2010 7:13am

99




pipEASY


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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **GEOFFREY62** 


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

Good evening, Geoff

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


Sincerely,

Graeme





Jul 16, 2010 7:14am

100




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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **Iolek** 

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

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

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

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


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

Good evening, Iolek

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

Sincerely,

Graeme



Jul 16, 2010 8:12am

102




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Member Since Dec 2009
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Quote:

Originally Posted by **pipcruiser** 
Hi Graeme,

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

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

BR

PC

Good evening, pipcruiser

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

Sincerely,

Graeme



Jul 16, 2010 8:25am

103




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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **pipcruiser** 
Hi again,

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

Thanks in advance

BR

PC

Hello again, pipcruiser

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

Great question.

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

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

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

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

Sincerely,

Graeme



Jul 16, 2010 10:19am

107



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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **sixx58**
Hi Graeme,

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

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

Good evening, Sixx

Thank you for the kind remark.

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

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

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

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

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

I know you will keep your promise with me.

Sincerely,

Graeme



Jul 16, 2010 11:00am

109




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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

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

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

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


Good evening, ozziedave

Thank you for your question. A very good one.

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

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


Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

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

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


Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

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

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

Quote:

Originally Posted by **ozziedave** 
Hi Pipeasy,

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

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

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

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

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

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

Feel free to pm me again, thank you.

Sincerely,

Graeme

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



Jul 16, 2010 11:02am

110



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **jcorp**

Believe that you have it, and you have it.

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

Good evening, jcorp

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

I hope only the best with your results.

Sincerely,

Graeme



Jul 16, 2010 11:21am

112



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **dexter_FX**

Fantastic thread and thanks again for your valuable insights.

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

Good evening, dexter_FX

Apologies for the lack of clarity.

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

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

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

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

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

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

Sincerely,

Graeme

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



Jul 16, 2010 8:39pm

116



pipEASY
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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **damosdmf**
hi graeme

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

regards damien

Good morning, Damien

Thank you for another excellent question.

I request everyone to please read my reply.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In regards to Damien's questions,

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

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


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

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

Sincerely,


Graeme

Last edited by pipEASY, Jul 17, 2010 11:00am



Jul 16, 2010 8:54pm

117




pipEASY

crede quod habes, et habes


Member Since Dec 2009

10+V

 760 Posts



Quote:

Originally Posted by **stimuls** 

Hi Graeme,

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

Good morning, stimulus

Good question.


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

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

Sincerely,

Graeme

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



Jul 16, 2010 9:24pm

119



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V

 760 Posts



Quote:

Originally Posted by **damosdmf** 

thanks for the reply i agree a thread should keep a flow or it will turn stagnant. and i dont see it as a personal attack at all.

your thread is full of great info that new and experienced traders can use.

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

regards damien

Good morning, Damien

Thank you for your correspondence.

I knew you would understand.

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

Sincerely,

Graeme



Jul 17, 2010 3:50am

121



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



Good afternoon, all

This is my last topic which is about emotional hurdles.

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

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

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

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

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

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

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

And thats that.

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

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

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

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

Onward and upward,

G.S

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



Jul 19, 2010 5:29am

137



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Good afternoon all fellow traders

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

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

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

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

Q. How did you start out trading in forex?

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

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

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

Q. What kind of return are you looking at?

- A. Whatever the market gives me. I do not pre-define my reward. If the market gives me 10,000 pips, I will take it. If the market gives me 5,000 pips, I will take it. Currently I have more than doubled my trading capital balance easily and still hold a very large unrealized profit that some traders might get squeamish with.
- Q. How is such reward possible? What is the trick?
- A. Size of my reward doesn't come from my lot size but simply following and accepting what the market gives me. I never try and predict what the market will do next hour, next day or next month. Nobody can. If anybody has an innate psychic ability then good for them, I don't.
- Q. Do you have a system you use? What indicators do you use?
- A. No system. The only indicators I use on my longer timeframe charts are 5/10/200 ema close. I do not base my entries on ema crosses however, 5/10 ema gives me a scope/angle of the trend but I find them sometimes stealing my focus from the actual prices. 200ema is my moving long term s/r.
- Q. What are your specific entry methods?
- A. I have 4-5 entry methods that I use all the time. I have practiced thousands of times and have performed thousands of live entries. I know them very very very well. I prefer entry methods that need to be broken out of range or squeeze. It needs to. It needs to. I will enter with flow and what the market dictates either buy or sell. I will know very soon after I enter, if it's playing out correctly to my expectations or something has gone wrong. If it does not play out right I will close out with minimal or zero loss and go back to the waiting line. Entries are something a trader must accomplish as their own personal quest. I would recommend 6months of constant practice to be anywhere near effective. I guarantee a trader will learn more than just entries after that much practice. After entering as per my own personal entry methods I will move sl to be of that position when I perceive the need to. Then my job is done. I have controlled the risk and now that position is at the mercy of the market.
- Q. What is your percentage of successful entry?
- A. I can vouch my entry methods and I know I can successfully enter a market most of the time and at least move the sl to breakeven. If I were to put a hard percentage, I would say 80% of my entries do exactly what I expect it to do and have its sl to be sooner or later. 20% would unfortunately not work out and I will close out the position with minimal loss or zero loss most times. If im present infront of my computer to manually enter the market, I would never use 100 pip stop losses on any timeframe, which is what I consider a sloppy entry. Losses I encounter will be 20-40 pips, but smaller on most occasions. I prefer to watch the actual market movements on 5min chart after manually entering and consider 5min chart as movements that are actually happening in real time.
- Q. Why enter buy and sell? Isn't that hedging?
- A. Seemingly. When I first started trading I was just like all others. I was looking for perfect set of indicators telling me buy or sell. Then I realized that I have no power or the intellectual capacity to try and anticipate where the market might be heading to. It was a lightbulb moment. I saw past the misconception most traders hold against entering both buy or sell of particular currency pair. Trust me, there is more to it than first meets the eye.
- Q. What are some of the strengths behind your method?
- A. Infinite yield, allowing the market and my positions to make me my profits and not the other way around.
- Q. From other successful trader/investor who would you compare yourself to and why?
- A. Jessie Livermore and Warren Buffett. Jessie Livermore's concept of sending out probes (small positions before a major investment) into the market is similar to what I do. Warren Buffett's concept of holding stock indefinitely is what I also do with my positions in forex.
- Q. Where would a trader find difficulty behind the concept of your method?
- A. Patience to wait for extended periods, often days and weeks. Unbending faith in ones ability. The reward is definitely worth the wait.
- Q. Why do you think most traders fail?
- A. Not knowing what to do and when. Traders should be vouching their own ability not the forum community. Also only choosing what they wish to believe and see.
- Q. So what is the required ability of a trader?
- A. This is the only job requirement: To allow the market in dictating opportunities and continuously executing clean low risk entries as per ones own entry methods on both buy and sell of the same currency pair. That's all it's required.
- Q. Which pair of currency do you focus on?
- A. Every pair of currency that is available except exotic. I have no regards for spread from my broker. Currently Im holding 170+ positions across the board. Every weekly/monthly trend accounted for and eager to add more and more and more.
- Q. What is the first surprise an intraday trader moving into long term trading will notice?
- A. Intraday trader targeting 2% increase on capital per week will be surprised to see that they can attain so much more by just holding onto their

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

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

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

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

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

Q. Future plan? And when?

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

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

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

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



Jul 19, 2010 5:30am

138



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Thank you for your patience.

Please step inside my focal interpretation through my charts.

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

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

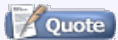
Cordially,

Graeme

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

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

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



Jul 19, 2010 5:51am

139



pipEASY

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Member Since Dec 2009

10+y 760 Posts



gbp/aud weekly



Jul 19, 2010 5:52am

140



pipEASY
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Member Since Dec 2009
10+y 760 Posts

gbp/jpy weekly





Jul 19, 2010 5:53am

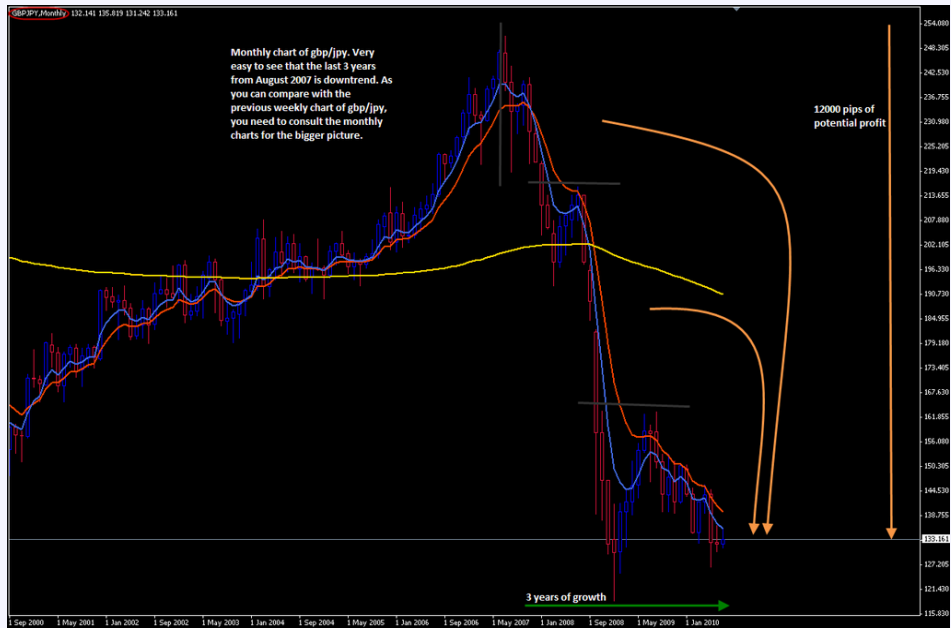
141



pipEASY
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Member Since Dec 2009
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gbp/jpy monthly



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Jul 19, 2010 5:53am

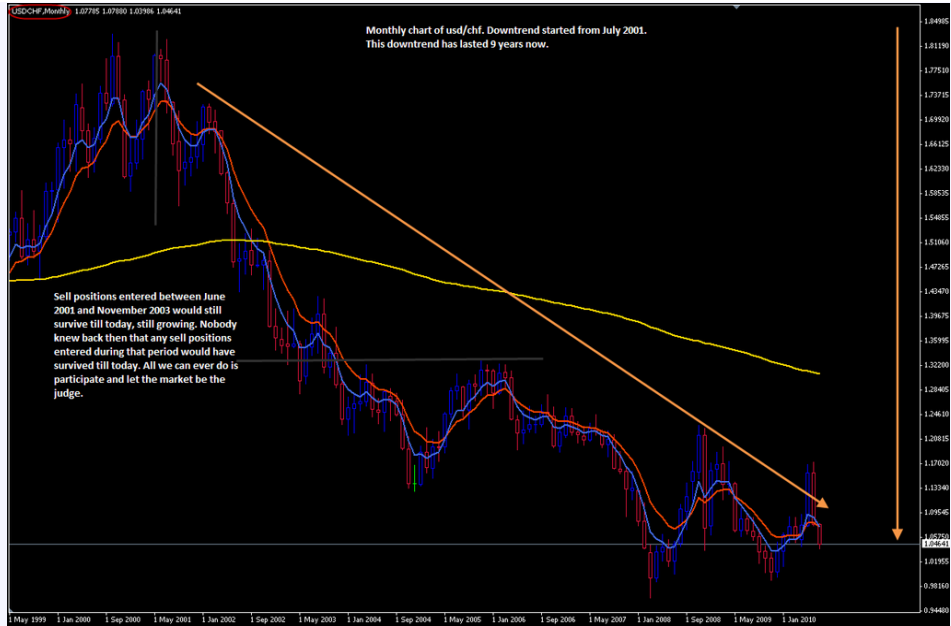
142



pipEASY
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Member Since Dec 2009
10+V 760 Posts

usd/chf monthly



Jul 19, 2010 5:54am

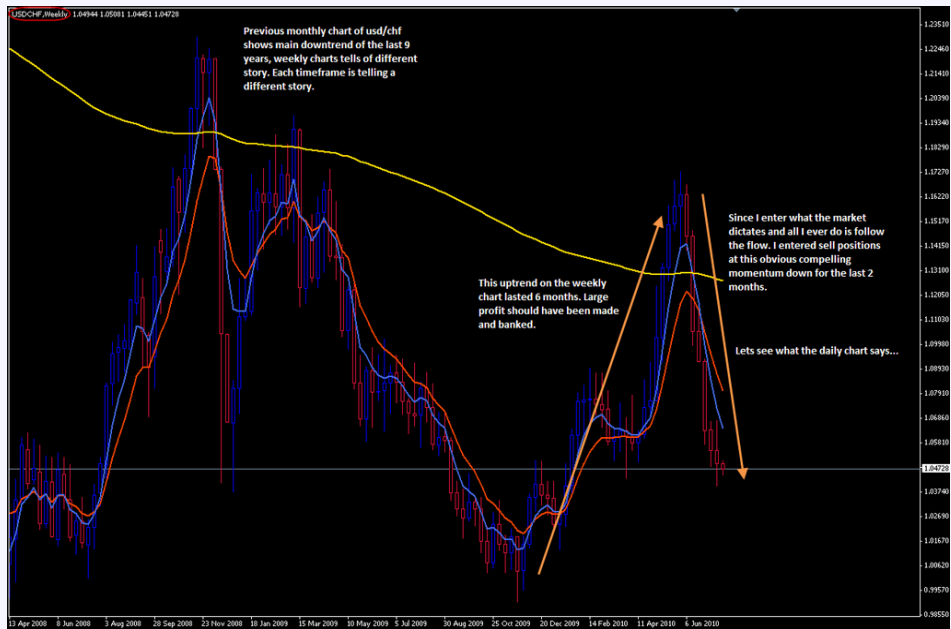
143



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

USD/CHF weekly





Jul 19, 2010 6:46am

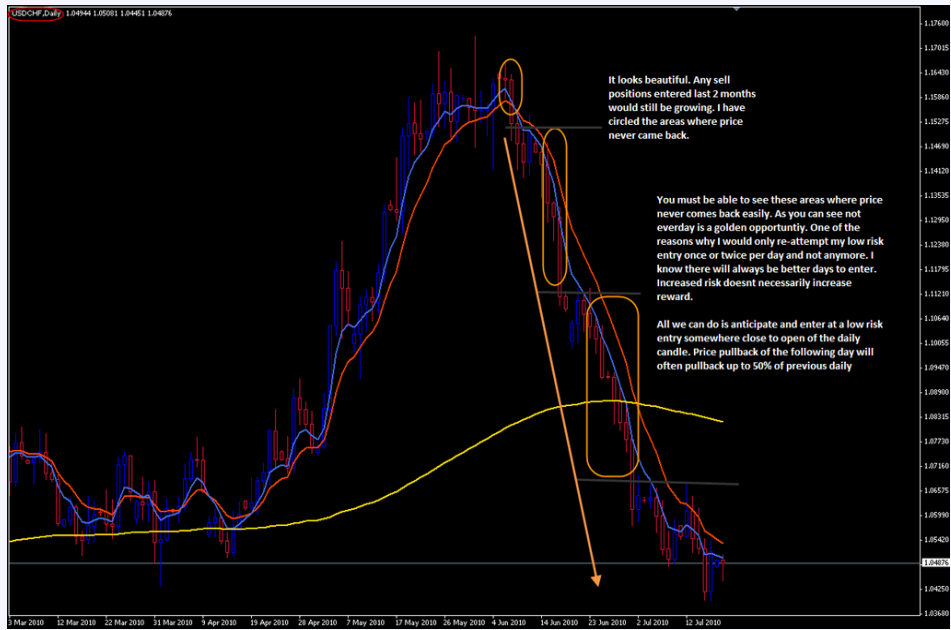
144



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

usd/chf daily



Jul 19, 2010 6:46am

145



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Good evening, all

Once again thank you for your patience.

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

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

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

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

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

Have a safe loving week.

Sincerely,

Graeme



Jul 19, 2010 7:19am

146



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Good evening, all

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

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

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

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

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

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

Sincerely,

Graeme

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



Jul 19, 2010 7:20am

147



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



4hr chart



Jul 19, 2010 7:21am

148



pipEASY
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Member Since Dec 2009
10+y 760 Posts

gbp/jpy 1hr





Jul 19, 2010 7:22am

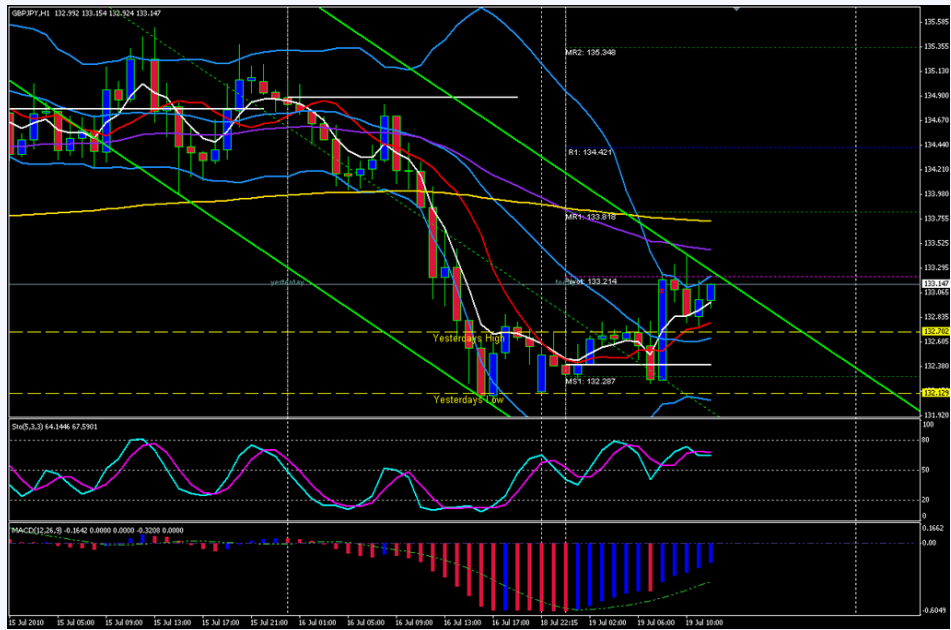
149



crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

gbp/jpy 1hr



Jul 19, 2010 7:23am

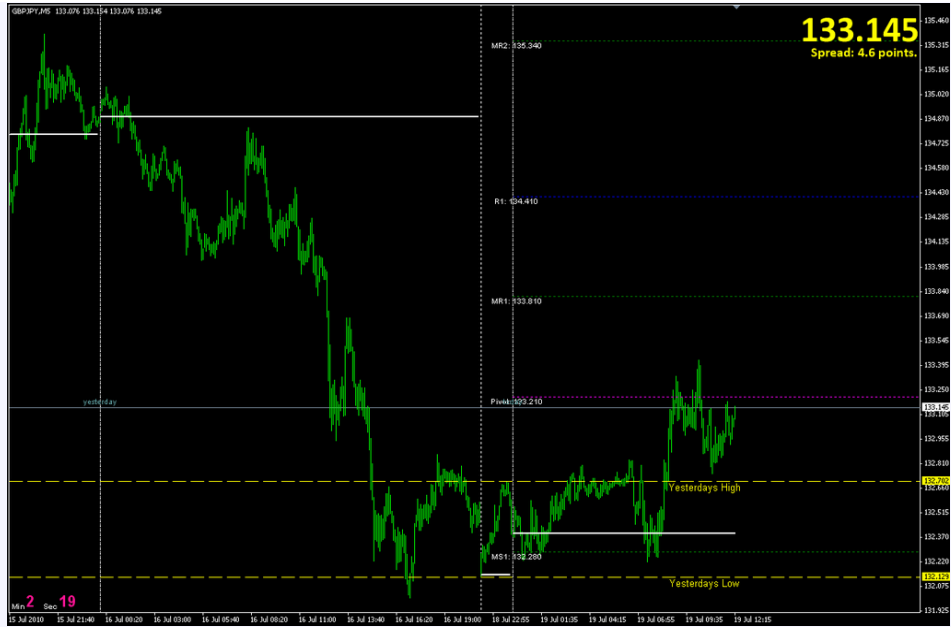
150



crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

gbp/jpy 5min



Jul 19, 2010 7:24am

151




credere quod habes, et habes

Member Since Dec 2009
10+V 760 Posts


gbp/jpy 1hr, fib and s/r





Jul 19, 2010 2:47pm

153




pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

760 Posts



Good morning all fellow traders.

Hope everyone is safe and warm.

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

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

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


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

There is no shortcut to aladdin's cave.

Sincerely,

Graeme

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





Jul 19, 2010 2:47pm

154



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

760 Posts





Jul 19, 2010 2:48pm

155



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

Not many traders have the required patience. But just like collecting rare comic books, these type of optimum weeks are rare find. However, they are worth the wait and effort. You will be rewarded with huge addition to your capital. Lets see this in monthly chart



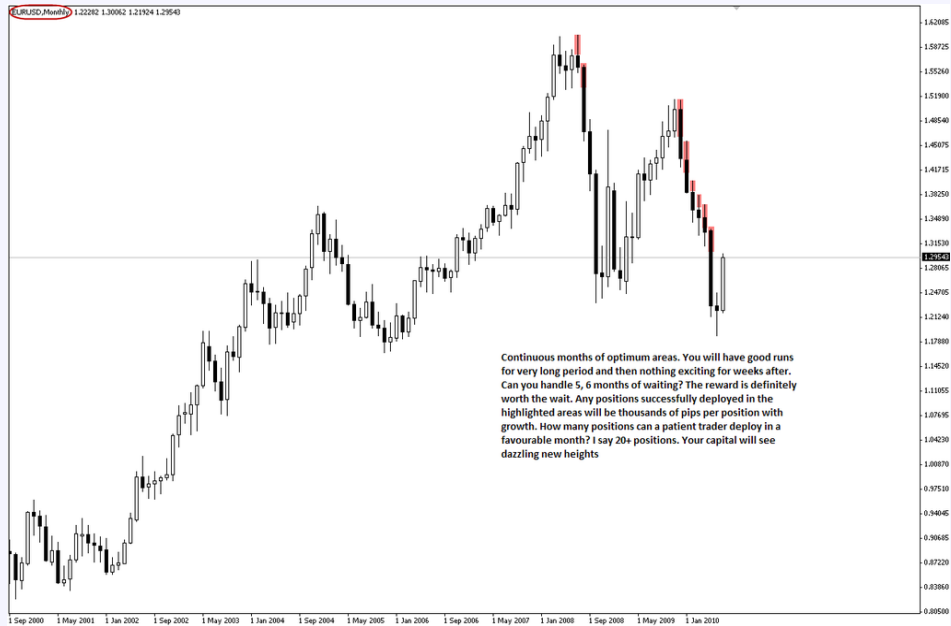
Jul 19, 2010 2:48pm

156



pipEASY
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Member Since Dec 2009
10+V 760 Posts



Jul 19, 2010 2:49pm

157



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Member Since Dec 2009
10+V 760 Posts





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



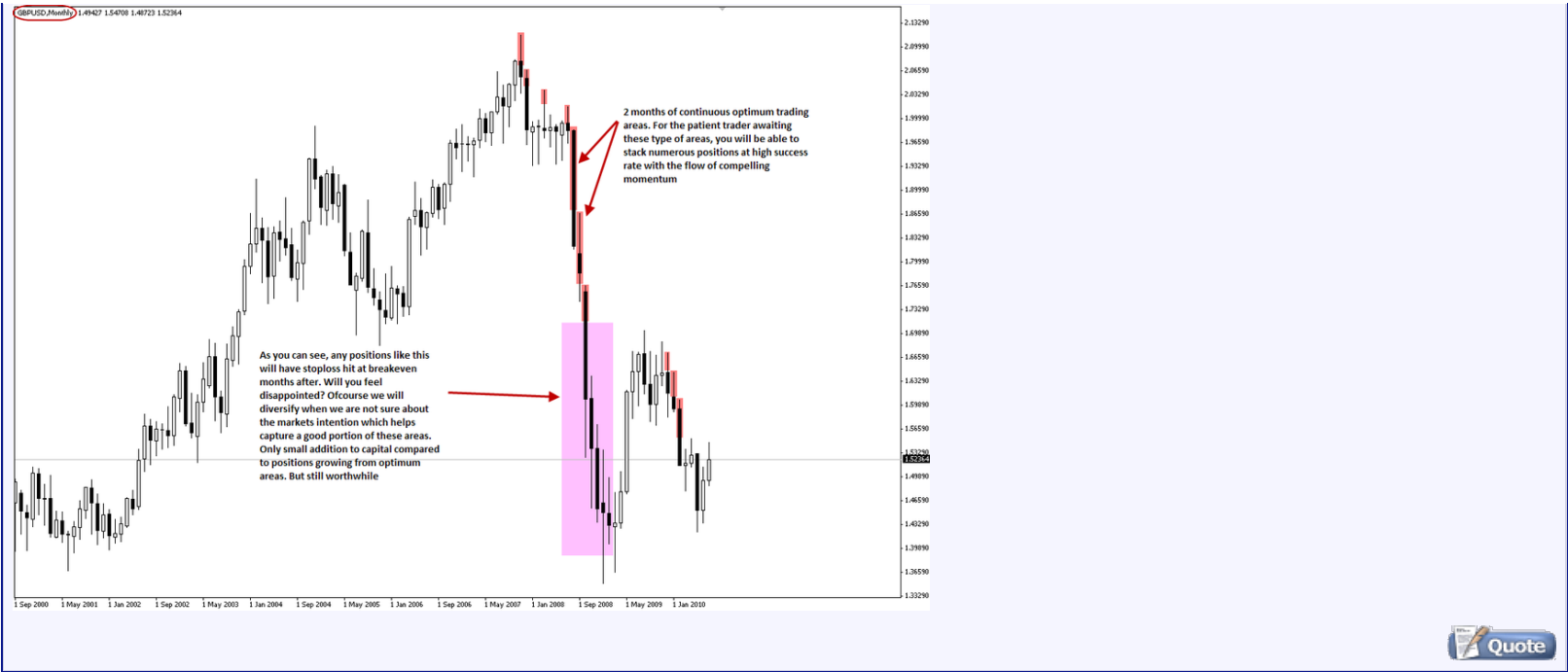
Jul 19, 2010 2:50pm

158




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Jul 19, 2010 3:10pm

159



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

Quote:

Originally Posted by pipz4me

Hi pipEASY,

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

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

I think your answer...

Good morning, pipz4me

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

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

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

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


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

I still hold almost all my sell positions intact.

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


Sincerely,

Graeme

Quote

Jul 19, 2010 3:29pm

161




pipEASY


crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **bdcurre** 

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

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

BDC

Good morning, bdcurre


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

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

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


Sincerely,

Graeme

Quote

Jul 19, 2010 5:25pm

165




pipEASY


crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **Eklavya** 

Hi Graeme,

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

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]

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

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

Good morning, Eklavya

Thank you for your feedback. It is appreciated.

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

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

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

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

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

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

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

Nobody answered or perhaps maybe I was too vague.

Sincerely,

Graeme

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



Jul 19, 2010 5:29pm

166



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **pip_daddy**

Hi PipEasy,

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

Good morning, pip_daddy

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

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

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

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

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

I can hear the rhythm, pace and the crescendo.

Sincerely,

Graeme



Jul 19, 2010 5:43pm

168



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **damosdmf**

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

regards damien

Good morning, Damien

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

Your contributions here is greatly appreciated.

Sincerely,

Graeme



Jul 19, 2010 6:02pm

169



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Good morning, all

In regards to questions about brokers.

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


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

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

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


Sincerely,

Graeme

Quote

Jul 19, 2010 7:45pm

171




pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V

760 Posts



Good morning, all

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

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

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

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

1. Money management

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

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

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

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

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

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]

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

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

Sincerely,

Graeme

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

Quote

Jul 19, 2010 8:13pm # 173



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

Quote:

Originally Posted by **pip_daddy**
Thanks again pipEasy.

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

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

Good morning, pip_daddy

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


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

Sincerely,

Graeme

Quote

Jul 20, 2010 3:23am # 174



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

Good afternoon all fellow traders

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

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

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

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

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

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

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

Currently this is you,

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

After this training,

Market -> Your action

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

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

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

Sincerely,

Graeme

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



Jul 20, 2010 6:04am

176



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+W 760 Posts





Jul 20, 2010 6:08am

177



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

Quote:

Originally Posted by **Saintsurfer** 
Hi Graeme,

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

Good evening, saintsurfer

Thank you for the clarification.

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

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

Sincerely,


Graeme

Quote

Jul 20, 2010 6:40am

178

Member Since Dec 2009



pipEASY

crede quod habes, et habes

10+V

760 Posts

Chart 2 - gbp/aud daily

I would like to show readers how a basic growth of positions for only 9 weeks on the main trend is profitable. This is a very basic and realistic example of what I do. I will show you with 5 positions

Lets look at the journal.

I had 35 sell positions but only 1,2,3,4,5 are still remaining

In the last 8 weeks I lost -1500pips from careless entries. This is too much but lets make it worst case scenario.

Lets diversify here

Sell position, current price 1.87408

1. Entry 2.07286, +1987 pips

2. Entry 2.04205, +1679 pips

3. Entry 2.02168, +1476 pips

4. Entry 2.00478, +1307 pips

5. Entry 1.93421, +601 pips

Total +7050 pips

Time of growth: 9 weeks

Now I know I lost -1800 pips in the last 9 weeks from sloppy entries. This is quiet bad and it should never be this big

I close out legs 3,4,5 for total +3384 and replenish my trade capital and add 1884 pips capital increase.

Remaining legs 1 and 2 are now completely free as all the loss is settled and accounted for. I will hold them for unlimited yield.

After 1 year, legs 1 and 2 is now worth

1. +3433 pips

2. +3125 pips

Total +6558 pips, extra 126 pips per week for just holding the position open

Chart 3 - gbp/aud daily

Same scenario but lets see how we can profit from countertrend as well. Only 3 sell positions and I will show all readers how time and growth on main trend will create huge increase in capital. And benefits of diversifying when market direction is unknown

Lets have a look at the journal.

I had 30 sell positions but only 1,2,3 remaining

I had 20 buy positions but only a,b remaining

This time I lost -2200 pips. This is way too large of drawdown but lets create this worst case scenario

Lets diversify

Sell position, current price 1.81295

1. Entry 2.07038, +2574 pips

2. Entry 1.98788, +1749 pips

3. Entry 1.95111, +1381 pips

Total: +5704 pips

Buy position, current price 1.81295

a. Entry 1.73692, +760 pips

b. Entry 1.76276, +501 pips

Total: +1261 pips

Grand total +6965 pips

Time of growth: 16 weeks

I can close legs 2,3,b for total +3631 and replenish trade capital and add 1431 pips capital increase.

Or you can close legs 3,a,b for total +2642 and replenish trade capital and add 442 pips capital increase.

Lets say I closed out 2,3,b

Remaining legs 1,a is now completely free as any cost/loss to make the legs has been settled and accounted as above through diversification. However Im covering both buy and sell

After 1 year, leg 1 is now worth

1. +3381 pips

a. Stopped out on breakeven few months later

No trend, range

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

Quote

file:///D:/Users/Chand/Documents/Trading/FLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]



Hi Someone

Thank you for your continued interest.

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

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

Feel free to ask me anything.

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

Sincerely,

Graeme

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



Jul 20, 2010 2:49pm

187



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **dlppat**

Hello! Graeme,

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

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

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

Thanks for your valuable advice.

Looking forward to get some more from you.

Dilip

Good morning, Dilip

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

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

Sincerely,

Graeme



Jul 20, 2010 2:49pm

188



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Rednose**

Hello Mr. Graeme,

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

You have my vouch for it.

I like the concept of trading the obvious.

Good luck and strong health for you.

Red.

Good morning Rednose,

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

I will also visit one of your threads with great interest


Sincerely,

Graeme



Jul 20, 2010 2:50pm

189




pipEASY

crede quod habes, et habes


Member Since Dec 2009

10+y

760 Posts



Quote:

Originally Posted by **ozziedave** 

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


Thanks for all of your effort with this thread.

Good morning, ozziedave

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

Sincerely,

Graeme



Jul 20, 2010 2:54pm

190



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

760 Posts



Quote:

Originally Posted by **charvo** 

Thank you so much, Graeme!

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

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

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

Good morning, Charvo

Thank you for great question.

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

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

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


Please take my word for it.

Sincerely,

Graeme

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






pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+ yrs 760 Posts



Quote:

Originally Posted by **sixx58** 
Thanks Graeme,

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

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

Good morning, sixx58

Thank you for your question.

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

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

Trust me the rewards are more than its worth.

Sincerely,

Graeme

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



Jul 20, 2010 3:13pm

192



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Member Since Dec 2009

10+y 760 Posts



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

I will add more charts tonight.

Keep practicing. It will get easier.

Sincerely,

Graeme



Jul 20, 2010 5:05pm

195



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **fiftylots**

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

--

Fifty

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

Good morning, Fifty


Thank you very much for your correspondence and the chart.

Im very happy to see that you have started.

You will be very pleased with the result.


Sincerely,

Graeme



Jul 20, 2010 5:06pm


196




[pipEASY](#)

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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by [dlppat](#) 

*Hi Graeme,
I am ready and prepared for the "emotional hurdle" as you said.*

Dilip

Good morning, Dlppat


Thank you for your correspondence.

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

Sincerely,

Graeme

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



Jul 20, 2010 6:25pm

198



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Member Since Dec 2009
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Good morning, all fellow traders.

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

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

I name the story, The Art of Perfection.

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

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

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

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

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

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

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

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

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

Sincerely,

Graeme

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



Jul 20, 2010 6:25pm

199




pipEASY


crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **damosdmf** 

hi graeme great info as always

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

regards damien


Good morning, Damien


That is fantastic.

Thank you for following my recommendation.


Sincerely,

Graeme


Quote


 Jul 20, 2010 7:26pm

201




pipEASY
crede quod habes, et habes

Member Since Dec 2009
 760 Posts



Quote:

Originally Posted by **leggo** 

Hi Graeme,

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

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

Good morning, Ben

Thank you for such a overwhelming feedback.

It has been my pleasure.

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

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

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

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

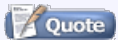
Dont be surprised that you just became a profitable trader.

Thank you again

Sincerely,

Graeme

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



Jul 20, 2010 8:41pm

203



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **willf** ➤

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

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

Good morning, Willf

Thank you for your question. A great question.

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

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

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

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

Sincerely,

Graeme

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



Jul 20, 2010 9:49pm

206



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts

Quote:

Originally Posted by **kurokyandoru**

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

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

Good morning, Rob

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

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

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

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

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

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

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

Sincerely,

Graeme

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

Quote

Jul 20, 2010 10:02pm

207

pipEASY
crede quod habes, et habes

Member Since Dec 2009
 760 Posts

Quote:

Originally Posted by **pip_daddy**

Hi Graeme,

Thanks for the charts. Very nice detail.

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

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

Good morning, pip_daddy

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

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

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

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

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

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

Sincerely,

Graeme

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





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Member Since Dec 2009
10+ W 760 Posts



Dear all fellow traders

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

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

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

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

3. Which timeframe?
Longer the better as I can see the potential capital growth of capturing the yearly trends.

4. Countertrend or trend following?
Why only one? I want to make profit on both.

5. How to prevent losses?
Traders ability to enter at optimum opportunity.

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

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

8. What happens when market goes into a range?
Any new legs will close on breakeven. Losses are only realized from sloppy entries due to traders lack of better intrepretation.

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

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

11. Main difference between your method and others?
I let the market decide my reward and not a system

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

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



Jul 21, 2010 3:55am # 211

pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y [760 Posts](#)



Quote:

Originally Posted by **tommbstone**

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

Good evening, tommbstone

Apologies for the lack of clarity.

1. Open a demo, 5000USD @ 1:100 leverage
2. Use 0.1 lot size.
3. Choose any currency pair, timeframe

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

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

Sincerely,

Graeme

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



Jul 21, 2010 3:58am

213



crede quod habes, et habes

Member Since Dec 2009
10+ W 760 Posts



Quote:

Originally Posted by **lolek**
Hi Graeme.

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

Today I started building my equity millipede.

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

*Many thanks,
Zlatko*

Good evening, Zlatko

Im very happy to hear you understand. Well done.

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

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

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


Sincerely,

Graeme




Jul 21, 2010 4:11am

215




pipEASY
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Member Since Dec 2009
10+Y 760 Posts



Quote:


Originally Posted by **lolek** 
I agree with Graeme, no one knows what will happened with a market in the future. But we can take a part in events. Sell currency when it falls and buy when it grows. You never know where it will take you. When I studied the charts, I found that the best entries are based on the previous day's happenings. If we consider the retracements of 1 / 3, 2 / 3 or 3 / 3 they give as possible entry points with relative small SL. If position survive we transfer it to environment of higher tame...

Thank you for the compliment. You are on right track so please dont give up now.

Sincerely,


Graeme

Last edited by pipEASY, Jul 21, 2010 4:48am

 Quote


Jul 21, 2010 4:19am

216




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **dlppat** 
*Hi Graeme,
Good Morning to you.
Looking at GBP/JPY monthly chart, yearly trend is down,but price seems to get strong support at 130.00 level.
Am I right?*

Dilip

Good evening, dlppat

Great speculation. I keep my personal speculation personal. There is a special reason behind this and I ask for your understanding. I did mention it in my earlier posts.

But, yes 130.000 to 131.157 is support. You should be able to tell that gbp/jpy has stalled since end of may. Price is currently in a range, please look at daily chart. I prefer not to focus on a pair of currency that has stalled on the higher time frame as there are so many other pairs that are trending very strongly at the moment that requires my attention. gbp/jpy is not working out and all your efforts will soon hit breakeven. However, I do glance at gbp/jpy and waiting for a very low risk opportunity to enter. At the moment all the traders are all over the place with this pair. There is no one to piggyback onto.

I request that this is my last speculation and hope you dont get offended at my request.

Thank you for great post.

Sincerely,

Graeme



Jul 21, 2010 4:39am

217



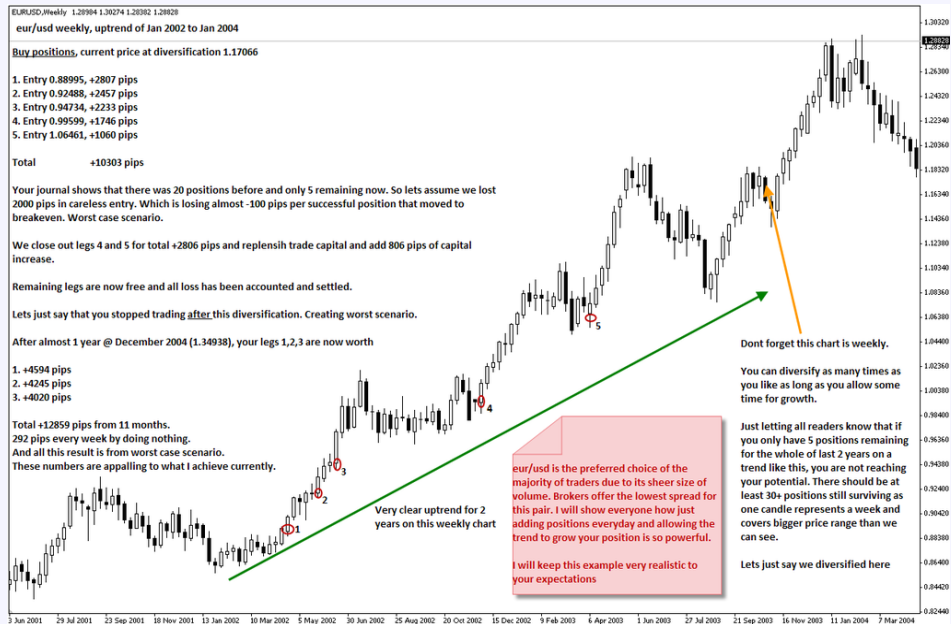
pipEASY
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Member Since Dec 2009
10+V 760 Posts

eur/usd weekly

I would like to show all readers how trend can powerfully make you profit

292 pips of growth every week is not even 5% of my current weekly growth



Last edited by pipEASY, Jul 21, 2010 5:23am



Jul 21, 2010 5:10am

218



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crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Good evening all

Please allow the above chart to soak in your thinking process.

I just noticed that Im typing my 150th post. It was possible to come this far due to everyone's contribution. Once again thank you.

Perhaps I should go out with a bang?

I want you to think about this very carefully: Most traders out there when talking about growth, they use set percentage from their capital balance.

When I say growth, I dont mean a set percentage of increase in my capital balance.


Growth of 2% from \$1000 capital is \$20. Period. Static.
Growth of 2% from 5 positions doesnt work out to be \$XXX amount of set dollars. Get it? Growth of 2% from 5 positions works out to be infinity....

I mentioned once before but nobody asked me why. There is a surprise that awaits all positions builders, at the end of the day there are so much more on the table but you wouldnt be bothered asking why.

Onward and upward,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:16am

Quote


Jul 21, 2010 3:22pm

225




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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **Iolek** 

Dear Graeme, one hypothetical question. You are building your millipede for years now. Open positions are worth very very much. Would you close them all and began to build the new millipede? If not too much, why?

Thank you, Zlatko

Good morning, Zlatko

Good question.

It is your responsibility to keep the flow and the health of your millipede growing. This is one of the easier tasks.

I would never close all my legs at once, however when I notice that main monthly trend is **possibly** changing, I will diversify but this time will start closing the largest legs of the largest group + the smaller legs of current group im focusing. But never all at once as it could be possible be just a correction.


In my above chart, if I was uncomfortable about keeping legs 1 and 2 for the next 11 months. Somewhere in between when there is a correction that goes against the main trend I will close out leg 2 while diversifying and keep leg 1 further. No need to worry as I have plenty more in my other sub-groups as well.

When diversifying, **its not a golden rule** for everyone to only close smaller half of legs of current group that is being focused. You have to mix and match. Think logically and sensibly and dont let hard rules of systems pre-define your entry/exits.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 3:34pm


Quote


Jul 21, 2010 3:23pm

226




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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **oztrader** 

I got it Graeme ,and I am most grateful for all your sharing and caring.


All the best to you buddy.

Good morning, oztrader

Thank you for the kind compliment.

Sincerely,

Graeme

 Quote


 Jul 21, 2010 5:01pm

228




pipEASY
crede quod habes, et habes

Member Since Dec 2009
 760 Posts



Quote:

Originally Posted by **pipz4me** 

Hi pipEASY

I have been doing some testing on this method on EURUSD from the beginning of 2010. I can see that there will be a very large number of losses and a very large number of breakeven trades but the legs that survive more than make up for the losses.

However at the point the long term trend reversed/retraced on EURUSD my very large short gain started to erode at an alarming rate of knots. Would it be possible for you to explain in more detail how you diversify/hedge? You mention entering both buy and sell orders, what prompts you to take...

Good morning, pipz4me

Good questions.

You should be very worried when you only trade one direction. Since I trade both directions, any change in monthly main trend or prolonged correction doesnt effect me at all.

When you are a position manager, you must think logically and sensibly. If you see there is a major change in the main trend, you do not need to panic and rush in to close out your largest group. How do you know that the change in the main trend is permanent? You cant.

Some traders consider my position management as scaling in and out of the market. You could also look at it that way. Please dont let it bother you that one of the largest leg was up +6000 pips last month but now you are closing it for only +5000 pips. That is greed.

What you can do is anticipate that it might change permanently and the next time you diversify you start closing out few of the largest legs of the largest group + the smaller half of the legs from the group you are focusing. The flexibility is yours. I have never diversified for a loss.

You are correct to say that one of my larger legs will surpass all losses.

Edit: 100 pip gaps per position is viable however during times of great momentum I could add positions that are only 30-40 pips apart.

But can you handle weeks of breaking even? Not many traders can.

I will post a scenario very soon.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:52pm



Jul 21, 2010 5:02pm

229



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **tommbstone**

*Good morning.. (for me its am) I see that price action fell below the opening so far.
As for your exercise I was not sure about the entry idea until I saw # 6 on your list. Got it now. Its my discretions.
thank you sir*

Good morning, tommbstone

Great to hear you understand.

This exercise will give you access to aladdin's cave.

Take my word for it

Sincerely,

Graeme



Jul 21, 2010 5:14pm

230



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo**

*Graeme,
Your % is growing exponentially, Its almost like compounding interest but instead of say property where you could expect 5 - 10% per annum, in this method you could be compounding that amount daily!*

*Please don't disappear from this forum to quickly!
Ben*

Good morning, Ben

Im glad to hear you see the power of exponential growth.

Yes, you are correct. I have interest in properties and shares as well and realistically I only expect 5 - 12% per annum on my return.

With forex, since Im controlling my risk and reward I expect my efforts to be rewarded properly.

I could close out all my positions today and retire from trading and my final realized profit will be my initial capital 2 years ago multiplied by x7. Lets leave it at that for now.

Sincerely,

Graeme



Jul 21, 2010 5:19pm

231



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **TJPLD**

Hello Graeme,

do you keep currency correlations in mind when you build your longterm positions?

Regards,

TJPLD

EDIT: Just found your post regarding this. Totally missed that. Thanks! Keep up the good work!

Good morning, TJPLD

Thank you for your question.

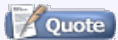
It is a great question.

Just for other readers please read my answer on post 33

<http://www.forexfactory.com/showpost...8&postcount=33>

Sincerely,

Graeme



Jul 21, 2010 5:30pm

232



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Member Since Dec 2009

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Quote:

Originally Posted by **xman** 
@ PipEasy

Thanks for charts.

EUR/CHF, excellent candidate?

Mounthly down, weekly down, daily down.

Good morning, xman

Thank you for your question.

I didnt forget about you and kept my promise with the charts.

I just had a long look in my journal before even opening my platform.

My current group that im building started in end of may. I have 5 positions of sell remaining and looks like last 4/5 legs have died recently on breakeven. I also notice that I have 2 buy positions in the same group.

So i have 5 remaining sell positions against 2 buy positions that were added recently, last week or 2. Before i even look at my daily chart, I already know that there was a good downtrend since end of may and last week or 2 was a retrace/correction against the downtrend.

Am I right so far?

To answer your questions after looking at charts:

1. Main long term trend: Down since end of 2007
2. Medium trend: Last 7-8 months has been down with great momentum
3. Short trend: Last 4 weeks have been great downtrend except for the minor correction in the last week or two. But we dont know if this correction could be start of something huge. Hopefully you would have entered as the market dictates and have buy positions on this correction. If the correction was only temporary you will find that the market will kill these buy positions sooner or later. If not, they will grow for you. Look for a low risk setup today near the open of the daily candle either buy or sell and enter as per your own entry method.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 5:46pm



Jul 21, 2010 5:48pm

#233



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Member Since Dec 2009
 [760 Posts](#)



Good morning, all

Could we possibly have everyone ask me anything they wish to know?

I would like to start wrapping up the topic.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:21pm



Jul 21, 2010 6:05pm

235



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Member Since Dec 2009

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Quote:

Originally Posted by **willf**

The 5 & 10 EMA you have on your chart do you use that to determine if a short term trend has changed. In other words is it part of the process for diversifying?

Good morning, willf

Great question.

The only purpose of 5/10 ema on my charts is so I can see the angle of the trend and the gap of the 2 lines.

They do not influence any of my trading decisions.

However, I do know that alot of traders base their trading decisions around ema crossovers and sometimes there is a strong movement around these areas. Not all the time but enough times. This gives me opportuntiy to piggyback on other traders for a lower risk entry.

Ema crossover is religiously followed by retail traders.

Perhaps you could build an edge around their misconception. I know I do.

Edit: In regards to the question. I never base my diversification on indicators. I diversify when there was enough time for growth on my positions of the current group that Im focusing on and when Im not sure about the current market sentiments. It locks in an increase in capital balance and gets that group out of my head. Clears the scoreboard.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 6:26pm



Jul 21, 2010 6:50pm

238



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Someone**

Hi Graeme,

I wondered if you would be able to answer a question I asked previously?

Thank you for your time.

Good morning, Someone

Thank you for the question.

Yes, I mention in one of my earlier posts at the start of the thread that I enter from open of the daily candle sometimes.

I would consider entering from enter of the daily candle as soon as it opens if there is a compelling momentum the days before. If I know that I will not be around a computer for the rest of the day I will use a hard stop or no stop when my focal interpretation tells me that it is not necessarily required. I would use no stop if I know all the retail traders are overly excited about the momentum so Im technically piggyback riding on them again.

Somedays when I dont use a hard stop and I enter on open of the daily candle, I will notice when I come back to my computer later in the evening that the price retraced more than 100 pips from the open but now currently positive and going forward in the intended direction. **I do not recommend such entry methods for anyone who is currently learning. This type of hindsight comes from alot of practice.**

If you are basing your manual entries from daily chart you will most definitely need larger breathing space for your position. I would recommend staying manual entries on the lower timeframe for the time being and you will find that you can perform hard entries on the dailies later on. Its a hindsight that grows with practice. For the last month on eur/chf, I opened a few positions on hard daily open with no stoploss. Something most traders cannot comprehend. I can do this cause I know it will be 20% chance of losing: 80% chance of successul entry at the end of the day. This is something only the advanced and pro traders should attempt. Hope I dont sound like bragging to everyone.

I do 65% manual entries on 1hr, 4hr timeframes. 35% on hard daily opens

Sincerely,

Graeme



Jul 21, 2010 7:06pm

239



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Member Since Dec 2009

10+yr 760 Posts



Quote:

Originally Posted by **willf**

I maybe wrong but looking at the charts posted I think he waits for a close below/above the daily bar in the trend direction. So I guess that would be a kind of momentum trade.

Good morning, willf

Good thinking.

However, not all the time. That is once again pre-defining my entry but I bend with the wind. I have many positions that are on the wicks of the daily candle.

Forum member: Someone, is asking about my specific entry method on daily which puts me in an awkward position as I cannot describe the process of my focal intpretation cause its not a step 1 to 10 kind of thing. This is not someone's fault and I hope I dont offend anyone. Im glad he has brought it out.

May I ask everyone to take a step back to basics and just continue practicing on entries for the next 6 months. You will find amazing related discoveries on the way.

I understand why everyone is asking about my specific entry methods. In their thinking process, they see my profits derived from my

entries/participation in the market and they would like to jump into action and try create similar profits which I totally understand as one of the basic to and fro thought process of the strategy section in a forum. However everyone must understand that entries are your own personal decisions. All traders entries must be different as all traders have different focal interpretation.


2 different traders, entering at different times, entering differently, with different risk control, different perception but of the same type of long term approach will find similar success between them.

Something I said about 20 times now..

Hope im not sounding as if im bragging but I know what I say sounds vague to most and I agree. But.

Sincerely,

Graeme

Quote

Jul 21, 2010 7:34pm

242



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **boz5** 

pipEASY,

Thanks for the thread.

I was thinking about the use of "hedging", for lack of a better term, in your method. I am, like others here, in the US and can't take advantage of that in my account. However, I would like to see what you think of this possible solution. What if, for instance, I am long 10 positions and get a short signal. Instead of having 10 longs and 1 short, I instead cover 1 long and end up 9 positions long, net? This would continue as signals are given and a person would always be either long or short but not long and...

Good morning boz5

Great question.

Broker issues are the least of the worries. There are many brokers in this world who are properly regulated and some even on the stock exchange that allow hedging.

In regards to your question,

10 long positions but you see an opportunity for a short. You dont enter short but cancel 1 long position.

What would happen if this short oppourtinty was start of some thing huge? You wont know and you would miss out.

When you close out 1 buy leg when a short opportunity arises you will increase your trade capital but also stopping your exponential growth. With your method you would be increasing your trade balance gradually and your equity curve will be smooth which has merits.

However, when trend changes, you will have no legs on the new trend.


Sincerely,

Graeme

Quote


Jul 21, 2010 7:40pm

243



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **pip_daddy**

I'm in the same situation. I thought about it for a few days now and I decided to open another account with an offshore broker. It's not too big a deal. You just send them a money order in the mail. There is a possibility you could do this with 2 separate US brokers as well (not sure if there are rules against that or not). As someone else has mentioned earlier you could also use separate subaccounts with your broker but that requires trading in more than one currency.

I believe what you are thinking about is basically averaging in and averaging...


Good morning, pip_daddy

Correct. Spot on.

Im not sure how you can backtest the anticipated positions of the future but if you create a worst case scenario for any currency pair and that you enter on all low risk opportunities for both buy and sell. Even if you think very low of the method there will be groups of legs that survives. It is an inevitable fact. It is this small fraction of legs that survive from all your countless low risk entries that will build you huge profits.

Sincerely,

Graeme

Quote

Jul 21, 2010 8:23pm

245



pipEASY
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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **mcornbill**

Hi pipEASY

I'm just onto page 7 of this thread and I must say I have found it inspirational.

I quit the rat race and took up full time forex trading in December last year. So I am a rerelative newcomer, and within that timeframe I have used up most of my capital. If people can burn two or three account balances and then go on to be some of the most successful traders in the world then I will not falter either.

However I don't feel disheartened, as over the past few months I have noticed that I am getting better. I start to see the setups, release...

Good morning Mark

Thank you for your post and the kind compliments. I found it very interesting.

Im sorry to hear that you have lost money.

1500 pounds, 0.1 lots is suitable starting point.

However, anyone with limited capital must be extra certain on their entries. Traders lose money on careless entries.

If you know for certain from your experience that you can enter manually 10 times and have more than half of attempt at least move to breakeven you are ready.

I can sensibly say that with good entry method and skill you will be growing your capital very quickly. This depends on your entry skills and patience. Growth will take care of you.

Good skill in entries protects your capital as well. And this is vital to your survival. Systems dont protect capital balance, its your skill to know what to do and when.

First 2-3 months will be the hardest.

Can you handle days/weeks of breakevens?

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 9:23pm



Jul 21, 2010 10:01pm

249



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **chonghm**

Hello Graeme,

This refers to post 178 pertaining to practicing of entries. Can I go to the lower time frame to look for entries like 5m, 15m or 30m?. Can I use indicators as a guide or do I have to trade naked to practice our feel and gut feelings?

Thanks again for your guidance "sifu"

*Sincerely,
chonghm*

Good morning, chonghm

Great question.

You can use any timeframe, 5min is fine. You can use as many indicators as you like as well. You can do anything you think it will work. But try not to use a method as such. Just enter mostly on gut feeling.

I assure you most people will have hard time hitting x3 20 take profits on most early days. And even if they do on lucky days they cant give an answer why they were able to achieve them. This is the first part of unconscious gut feeling.

Your insights will grow from:

unconscious gut feeling -> to good gut feeling -> to insight with reasons -> subconscious actions with plenty of reasoning

Sincerely,

Graeme



Jul 21, 2010 10:24pm

250



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Member Since Dec 2009

10+ 760 Posts



Good afternoon, all

Just a little bit of inspiration as undoubtedly traders would like to know how much they could potentially earn from long term growth.

Here are some facts:

Few post before I stated, '292 pips growth per week is not even 5% of my current weekly growth'

Since I have positions across the whole board it is impossible to place a hard number of growth of pips per week. I have just counted 187 positions that are currently still working for me. That works out to be 1.7 positions (that survived) per week over the period of last 2 years.

I had more than 4000 positions in the market one time or the other, which means I had entered successfully (moving the sl to be at least) into market 40 times per week.

Approximately 5% (slightly less) of my positions survived for long term growth. I would say 80% died from breakeven and 15% gave me profit during one of the diversification.

Basing on last few months of progress (not calculating on a daily basis), Im currently adding almost 7000 pips of unrealized profit every week. Obviously it fluctuates but the amount of pips is increasing as the time goes. IM confident I will reach 10000 pips per week comfortably by end of next year.

I will not increase my lot size cause that would hinder me from piggyback riding other traders (one of the reasons why banks have to stay with higher timeframe).

Instead of increasing lot size im increasing my exposure by having positions in every pair of currency. It works out exponentially better.

I can sensibly suggest that anyone starting with recommended 5000usd can turn it into 100000usd around 3-5 years (comfortably). This is based on my performance and please be advised performance varies from trader to trader.

Before you even get halfway there, you will stream tears, anguish and sheer frustration. I would say only a small percentage of trader will get there.

And no, I cant be billionaire from doing this because my exponential growth is still limited to the main monthly trend which can change direction anytime sooner or later. If the main monthly trends of all currency pair last 10+ years and I have growing number of positions across the board then its possible.

Does this motivate you? Then please stick to basics and keep practicing low risk entries everyday without fail.

Traders fail because they skip the basics and go straight to strategy section of the forum looking for steps 1 to 10 in making money from markets.

You need to learn how to walk before running let alone even flying.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 11:08pm



Jul 21, 2010 10:37pm

252



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Quote:

Originally Posted by **chonghm** 

Hello Graeme,

one more question. Since indicators are discouraged, do you use candlestick charts for interpretation for entries?

Thanks again.

chonghm

Good afternoon, chonghm

Yes, I use candlestick. But for me it doesnt matter now.


Have you tried the exercise yesterday?

How many attempts did it take you to hit x3 take profit?

Sincerely,


Graeme

 Quote




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Quote:

Originally Posted by **bdcurre** 

pipEasy,

I'm curious as to what the real RR that average trader can expect from this. One scenario presented by you was losing 100 pips per position moved to be. Based on that scenario the rr would be somewhere around 7 to 1. One certainly has to take into account the cost of producing those positions. My point is..... Would you not be similiarly or perhaps more profitable using a similiar rr that you are already achieving and applying it to each trade? 10 to 1 or 15 to 1....

12859 pips made after approx 2 years
2000 pip cost to produce those...

Good afternoon, bdcurre

Good analysis.

6.5 : 1 is the rr for that moment.

Then what is my rr if i entered a position with 20 stop loss and was closed 2 years later @ 6000 pips? Yes, not all my positions are like that but

the whole purpose of long term trading is for infinite growth.

You are correct that most of my diversification will close legs from anywhere from 1:7 (or less) to 1:15 (or more).

The more time you allow the group of legs to grow the more it will bring in.

You can use rr for a personal speculation but never allow it to pre-define your exits.

Very good question.

Sincerely,

Graeme

Last edited by pipEASY, Jul 21, 2010 11:54pm



Jul 21, 2010 11:26pm

255



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Quote:

Originally Posted by **kurokyandoru**

Hi Graeme,

I ran a very rough study over the EUR/USD from 3/12/09 to 7/6/10 on a daily chart. Allowing 2 trades each day with one sticking at BE even for a short while and the other averaging a -15 loss. (not good trading) On protruding candles I reckoned on about 29 alive that lasted the overall 3000 points fall over 159 days. With another 15 alive in divergences that were closed at profit once the main trend returned that covered losses of the failed entries. Even if I changed the losers to -30 the overall position if all was cashed in and closed...

Good morning, Rob

Well done with the project. You probably spent alot of time.

Your amway analogy is correct. I wish all my legs survived for long term but that would make things too easy. Most people fail on amway and I cant help but smile and nod that it will be the same here with the positions and the traders.

Can you imagine profiting from similar result on every pair of currency?

In regards to slippage, it is something that I neither ignore or focus. Yes it will effect me when I enter but it is something that I know I cant control.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 1:12am



Jul 21, 2010 11:28pm

256




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Quote:

Originally Posted by **chonghm** 

hello Graeme,

Good afternoon. like you said it not easy to make 3x 20 pips daily. If I can do that I would be happy n deemed to be successful already. Even with indicators I have a hard time doing that and I now I got to practice trading naked. Just imagine that. In fact I gave up forex trading after blowing up a few accounts but I do pop into ff once a while to check on new strategies which I feel will be workable for me.

Your concept of trading opens up my narrow minded ways and as you say there is no short cut and only a small percentage...


Hello chonghm


Thank you for the overwhelming feedback and the honour of naming me as your sifu. Im glad that you have seen trading the markets in different perspective to most others.

Believe in the long trends, practice, wait, and enter without hesitation.


Sincerely,

Graeme


 Quote


 Jul 21, 2010 11:58pm

258




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 760 Posts



Quote:

Originally Posted by **chonghm** 

Hello Mr. Graeme,

Since you enter your trades at various time frames, can you give me a guideline as to the numbers of pips up before you move your trade to break even to allow the breathing space.

Thank you,
chonghm

Hello chonghm

Good question.

That depends on my focal interpretation and it differs from case to case.

Usually Im looking at moving sl to be when I know the danger has passed and the movement will definitely go my way.

Sometimes I enter and then none of the traders are jumping in with me. I will look at closing that position with minimal loss or moving the sl straightaway to be if in slightly profit.

I prefer it when there is big spurt of momentum, then i enter, then the rest of the traders follow me. Im piggyback onto other traders participation. When i enter the guidance of momentum my position is immediately in profit.

Sincerely,

Graeme



Jul 22, 2010 12:48am

260



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Quote:

Originally Posted by **bdcurrie** 
Thanks for the reply.

Every trader is going to have a different rr on that trade. This approach it seems can only be defined by years of trading. I know you will say all trading is defined over years, and you are correct, but the real issue is time. This is the difficulty I'm having. I've put small %age of each of my trades towards this approach. Perhaps I'll increase that %age. I'll let you know in about 2 years what my rr is after I close pumpkin and watermelon 😊

Thanks again,

BDC

Hello bdc

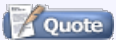
Thank you for correspondence.

I hope all the best for pumpkin and watermelon. Im still holding mine 😊

Had a good laugh. Thanks

Sincerely,

Graeme



Jul 22, 2010 4:49am

264



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **charvo** 
Master Graeme, Please mark my assignment.

1. enter a position, if wrong, stoploss is limited small, if right, profit is unlimited(over months/years). Unlimited profit vs Limited risk, this is why your method is such a success.

Correct. Its the only way to make large amounts of capital growth in forex. And thats why we are here!

I do not like using names to support my statement but thats exactly what Peter Crowns was talking about when he brought out inside bar method. Low risk but high potential is what inside bar trading is about. But traders kept on putting that unnecessary pesky 'defined' take profit rule @ 1:2, 1:3 and not aiming for more. TheRealThing steps in here and tries to explain to everyone that the secret to inside bar is the long tails aiming for, 1:50, 1:100, 1:300 or more. This means hold onto your hard earned positions and let it grow to its potential which is infinity yield. TheRealThing also asks 'can you handle long losing streaks?' And the answer should be YES. YES. Everyone seems to applaud at them but then choosing not to listen to what they are trying to say.

Taking pain now for enormous gain tomorrow.

In forex, you can aim at 1% risk for 2% growth everyday and see your capital increase slower than working at burger king and saving up your pay. Right now one of you is going to stand up and say, "excuse me graeme, your wrong, because we can increase our lot size as we grow our capital..." oh dear.... This is common myth that is wrong and will be the cause of your capital destruction when the day finally comes when you face 10 or more losing streaks. Increased risk doesnt necessarily increase your reward. You need to expand your **exposure** in the market to increase your reward.

Sincerely,

Graeme

Moving onto next question.

Last edited by pipEASY, Jul 22, 2010 5:47am



Jul 22, 2010 5:33am

267



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Quote:

Originally Posted by **charvo**

Master Graeme, Please mark my assignment.

2. but you don't really know(or try to outguess) market direction, so you have to participate both sides-- buy AND sell.

Nobody knows. Market is a generic infinite ever-changing transparent energy. Its not even a place or an item. It can be any shape and size. It has no bounds and no limits. Market is so much more than struggle between bears and bulls.

No one with 10+ voucher can forecast where the market will be tomorrow or next day. So stop listening.

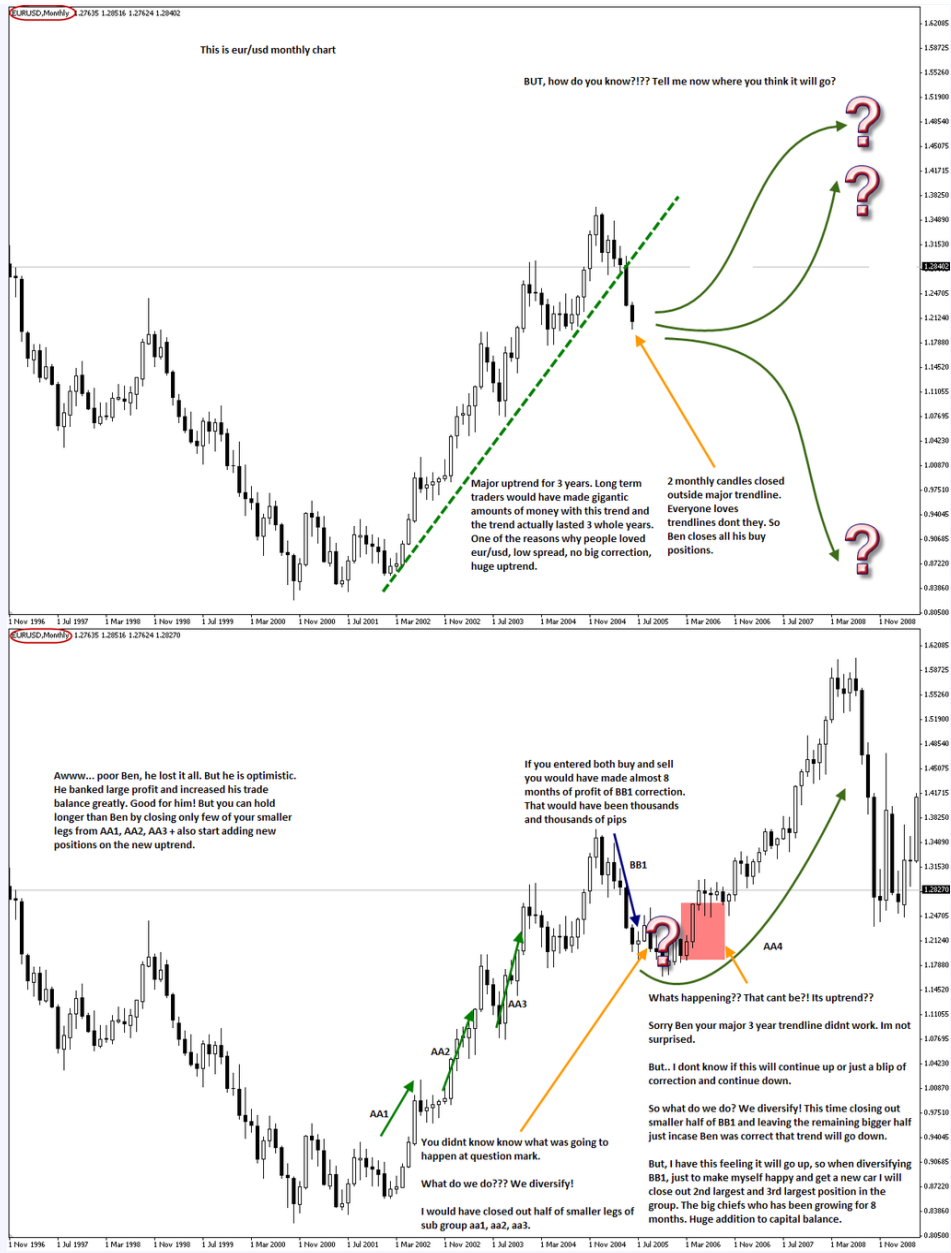
Can you tell me what you are going to do tomorrow at home?

'Yeh, sure Graeme, I will be going to cafe for breakfast and then a quick drive to real estate to pay rent and then home for lunch.'

Great plan but how many times does it not work out? More often than preferred. Thats exactly the same in market. People speculate what to do for the future but unfortunately reality most often does not meet expectation. Everyone needs to stop right now and think about it logically.

'Graeme, eur/usd had a long uptrend for the last 3 years. Its due to change main trend cause something happened with the u.s dollar and yeh, look at that candle. It just broke the major trendline, oh my god, its happening, its confirmed breakout cause it closed outside the line! Runnnnnn Graeme, its a downtrend now!'

oh dear.. get that man a trophy cause he has abilities that i certainly dont have.



Edit: You can diversify in anyway you like. There is no golden rule. It will all workout the same at the end. However, the main point of diversifying is keeping the 'larger' legs of the group and closing the smaller half to lock in profit into your trade balance. This also keeps your equity curve smooth and not jagged.

Im little tired tonight gentlemen so please pardon my tone. It is might sound raised when reading my post but its not. I spent last 2 days in this forum and I just need some personal time. Will be back to continue answering those excellent questions by charvo.

May I suggest everyone to please read this post as it has hard numbers which everyone can base their expectancy. Only 3-5% of my positions survive for long term. Can you handle 80% breakevens?

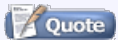
<http://www.forexfactory.com/showpost...&postcount=250>

Edit: Just wanted to say a big thank you to charvo for excellent well thought questions. I will return to answer them.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 6:11am



Jul 22, 2010 5:35am

268



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Quote:

Originally Posted by **tommbstone**
yes the 3x 20 is hard. I got a sell off on the EU 15m bellow support made my 20 then tried again later and lost 20. Its really hard. I've been scalping way to long on 5m charts I guess.

Good evening, tommbstone and also chonghm

Thank you for the honest feedback.

Yes it is hard at first for everyone. This exercise will show your inner traits as a trader.

Please keep it up

Sincerely,

Graeme



Jul 22, 2010 5:36am

269



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Quote:

Originally Posted by **Dopey**
Great thread, Graeme. I'd like to post a chart illustrating your idea of buying/selling in relation to the open. I believe one of the hardest things for people to do in trading is to sell when price is going down or buy when it's going up. I believe most try to pick turnarounds and are always getting it wrong.

This is a 5 minute chart of yesterday's Eur showing that there were many opportunities to sell with the momentum. I think it's self-explanatory, so I won't answer any questions. Using your simple method of 20 and 20, it would have been...

Good evening, Dopey

Thank you for your contribution, it is appreciated.

Nice chart and I agree with what you say.

Yes, momentum for me = piggyback onto other traders.

Please leave your chart as it is.

Sincerely,

Graeme



Jul 22, 2010 5:38am

270



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Quote:

Originally Posted by **fiftylots**

I want to thank you again for starting this thread, but most importantly for posting The 3x20 Exercise! In my opinion it is like doing 3x20 push-ups each and every day for 6 continuous months. Results should follow naturally... The exercise was an eye opener for me. Everything is so well thought over: 20, 3, Asia, London, Above and Below.

Thank You!

: -)

Good evening, fiftylots

Thank you for the feedback.

Did you find hard to hit x3 take profits?

Please try and do exercise everyday for 6months. You will find amazing related discoveries that none of the threads on the system (including myself) can teach you.

Trading is a self-learning experience.

Sincerely,

Graeme



Jul 22, 2010 6:01am

271



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Quote:

Originally Posted by **mojazz**

Hello Graeme,

I have been reading this thread with great interest and have to say this is one of the most effective ways I have seen of trading the forex markets.

This is defintely how I wish to trade going forward.

I have taken up your 3x20 pip challenge. This is my third day and I can say that to date I have been able to achieve the goal of 3 wins per day without any indicators, just following the rules you laid out. Brilliant!

One question though, Is it advisable to see out the 6 months of practicing entries before starting to live trade...

Good evening, mojazz

Thank you for your contribution.

Im glad to hear that you are doing well with the exercise.

I would recommend 6months exercise first from my point of view, however if you can honestly have the insight and the required focal interpretation to enter manually 10 times and have more than half easily moved sl to be without any difficulties. Then you are ready.

Sometimes traders think they are ready but then they find that it was not enough.

Hope to see more of your contributions here.

Edit: I should not have assumed you as a new trader in my original post. My apologies.

Sincerely,

Graeme

Last edited by pipEASY, Jul 22, 2010 6:36am



Jul 22, 2010 7:45am

275




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Quote:

Originally Posted by **Andrew N** 
Graeme,

thank you so much for the energy you have taken to convey your knowledge and perception to others. If more people on this planet operated in the realm of the whole or totality it would be a very different place.

This is one of the few threads on FF worth commenting on and should be mandatory reading for all traders, particularly those only starting on this path.

Cheers,

Andrew

Good evening, Andrew

Thank you for the overwhelming feedback.

It is greatly appreciated.

Sincerely,

Graeme



Jul 22, 2010 8:06am

276



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Quote:

Originally Posted by **Saintsurfer**

Hi Graeme,

I see that diverifiing works great probably when one trade looking at monthly and weekly charts. But if to only deside where we are going looking through daily, there is no need to diversify becose daily is a little bit quicker and if it changes so do I. In this case I mean that we (let us think that)know overall trend and we count on this tendency and do not take counter trend trades. With all respect to your trading style Graeme, does it make any sence? Thanks.

Good evening Saintsurfer

Thank you for the contribution.

I had to read it twice before typing to reply.

The reason I enter both buy and sell is because I do not know when the daily/weekly/monthly trend is changing. But if its changing I want positions already in there with the new trend.

If you know the correction that is happening right now is nothing permanent and the main trend will resume then its an ability I dont currently have. I know what you are saying by following the daily trend and its a sensible thought.

But you must agree with me that some corrections on daily chart last for days. What will you do if a correction against main trend lasts 7 to 15 days or more? Since you dont take opposite direction trades will you be sitting out for 2 weeks? And then how do you know when the trend resumes its really resuming? You may have enough experience to predict permanent change from temporary change but you could also simplify things further by just taking both buy and sell and letting the market decide who the winner will be.

However, during prolonged correction as above, I know you are sensible to shift your entries as the same direction of the correction which is also sensible thought. One of other reason I request all traders to upskill their entries is that the difference between a trader with a system and a trader with excellent entries is that during periods of range where price doesnt move at all: Trader with a system will lose alot while trader with excellent entries will also have losses but mostly breakevens. A big advantage in most scenarios.

I do not pre-define my entry in any way at all. If market gives me a beautiful looking inside bar setup but its on the wrong side of the trend, I still take it. Cause no one knows if this particular beautiful perfect setup might end up as a 10000pip leg 2 years later. Just one leg like this will save me more than half a year of all my potential small careless entries, hypothetically. And in that half a year how many more other long term legs could I add? My statistctics show I have been successfully adding 1.7 per week. Half year of that creates a huge huge huge difference and it all started from that one beautiful perfect inside bar setup that some refused to take cause its on the wrong side of the daily trend. Unfortunately you may be limiting your potential. Please think about it

I have small subgroups of positions everytime there is a correction against the main trend. Sometimes they die within a week and I dont mind. Sometimes they last 1-2 weeks and I pocket a good profit when I diversify this mini group when I see that the correction is finishing up. If the correction doesnt finish but continues to grow into a new trend then the diversification will ensure me that I have larger half of my legs already in place.

Im glad you have belief in the main trend which is a big leap from most of the new traders however you should be making profit on both side of the coin.


Diversification is just a safety measure I use to ensure there is a continuous increase in my trade balance and also keeping some positions for infinite growth. If I dont diversify, my accuracy will drop further than it currently is. That makes it too hard even for myself however the reward would be much bigger than it currently is.

Good insight but may I ask that there might be perhaps more than what you see.

Sincerely,


Graeme

Last edited by pipEASY, Jul 22, 2010 8:28am

 **Quote**

Jul 22, 2010 8:34am

278



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Quote:

Originally Posted by **Saintsurfer** 
Thank you very much Graeme for your time and efforts in this thread, you do a brilliant job. Your knowledge and experience are unik.

Good evening, Saintsurfer

Thank you for the kind compliment.

I understand what you are asking and its a very good question.

The answer you are really looking for is in my above post.

Hope I put in enough effort for you to perhaps read it one more time for me.

Edit: The day has taken its toll on me gentlemen. Good night to all. Stay warm and under loving care.


Sincerely,

Graeme

 **Quote**

Jul 22, 2010 10:58pm

286




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Quote:

Originally Posted by **charvo** 
Master Graeme, Please mark my assignment.

Q 1: you prefer low risk entry, so i guess when adding long positions in a bullish run, it is done MORE at a pullback/retrace-down THAN at a break-up? OR you prefer to add long positions at a key level being broken up?

Good morning, all

Just continuing on to answer charvo's excellent questions.

Good question but please think about the question for me. There is nothing wrong with the question by the way.

Once again, im asked whether I pre-define my entry/decision/actions. Whether I 'prefer' to enter on pullback/retrace **or** at key level breakouts. I would choose to use the word **and** then **or** in that sentence.

Market is infinite, nobody can set a pre-defined limit/bound in ones interpretation of the current movement.

You cannot say;

RSI is showing overbought and it is now dropping below 80. So its a sell! - How many times did RSI dip below 80 and then go straight up to 100 for the next few hours/days and moving 200+ pips. Thats **pre-defining** your entry basing on an indicator which is incorrect way of thinking. Market moves before your indicator does.

In regards to answering your excellent question, let me show you a chart.



Moving onto next question.



Jul 22, 2010 11:35pm

287



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Quote:

Originally Posted by **charvo**
Master Graeme, Please mark my assignment.

Q 2: following your answer to above question, No matter in which way, you simultaneously reduce short position size, right?

Good question again Charvo.

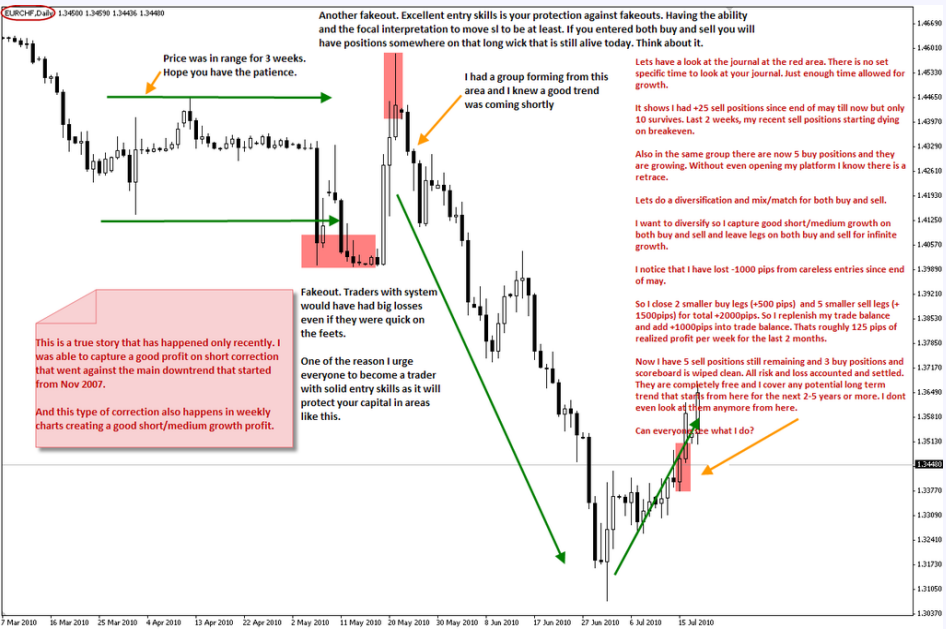
Perhaps Im not understanding your question as intended so I apologize.

'Simultaneously reduce my short positions on long term uptrend?'

I would be inclined to disagree and agree.

When you follow the market and enter at low risk setups either buy or sell. You will be creating groups of larger buy positions (on the main uptrend) and sub-groups of smaller sell positions within. So im not purposefully reducing any short position but perhaps increasing my short positions as the market had a correction against the main uptrend for the last week or two.

But, perhaps you are asking about diversification during a correction against the main trend. So I prepared another chart



Edit: Small calculation error on chart, but now fixed.



Jul 23, 2010 12:01am

288



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Quote:

Originally Posted by charvo

- a) but this leads to almost everyone's fundamental problem: entry picking and diversification timing. to me, this is in fact one thing--entry picking. Although in first page, you happened to mention that entry is not important, it turns out that

entry is in fact essential according to your recent explanation. And solution to entry skill, per your suggestion, is to do a 6 month manual trading exercise targeting to stably achieve 3x20 pips profit every day.

1.

Good questions, Charvo

1. Entries. As long as you are entering without any pre-defined limits such as indicators, common traders myth, and so on. Traders should be entering by judging that very moment that is happening out.

I mentioned in one of my first post that entry is not important.

Entry is not important. Its how you enter that is important. I only stopped at first sentence as I was leading all readers as per my intended flow of explanation.

Its how you enter that counts. Not only does excellent entries protect trader from unnecessary drawdowns and losses. When price ranges (and its quiet often), trader with a system and a pre-defined so called mechanical entries will face loss to the price fluctuation of the range. Traders skilled in excellent entries will have minimum drawdown and mostly breakevens. A big advantage.

2. Diversification is the easier part of your trading. Its so simple. You look at current group that you are building.

- 1. All sell positions and growing rapidly? Excellent downtrend.
- 2. All buy positions and growing rapidly? Excellent uptrend.
- 3. Majority sell but few buy positions? Retrace
- 4. Majority buy but few sell positions? Retrace
- 5. You look at period of growth for the current group. 1-2 months is good for short/medium term growth. Preferably at least more than 1 to 2 weeks. Anything less than 1,2 weeks is ignored.

Anything less than 1,2 weeks of growth? Just let the positions on the correction die, not worth diversifying for.

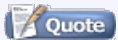
When diversifying,

You can diversify @ point 1 or 2 or 3 or 4. No golden rule as to when. But you must be diversifying for:

- 1. To settle all loss accounted for establishing the current group.
- 2. To replenish your trade capital to before you started creating the group.
- 3. To add realized profit into your trade balance and increasing its balance. To ensure a smooth equity curve in the long run.
- 4. To acknowledge that danger has passed and all loss/risk accounted for on your remaining bigger legs for now infinite growth which is ofcourse at the mercy of the markets.
- 5. Psychological safety: You know its over and done with that group. Legs have been closed for profits and legs have been promoted to upper group. It gets it off your mind.

Sincerely,

Graeme



Jul 23, 2010 12:17am

289



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Quote:

Originally Posted by **charvo**

If after 6-month exercise, I still cannot enter well. What if I change to another training method, but the target is always nice entry skill?

*In fact, I'd take a bold step (when learning, I'd better be bold, please forgive me) to say that the success of your method is **simply hold indefinitely (so profit is indefinite) if possible. To do that, learn how to enter market right (entry skill) first. That's it, isn't it?***

Many thanks, Master Graeme! Sorry for my long post, but I guess you might...

Good question, Charvo

Thank you for another great question. It benefits other readers too in their learning.

In regards to exercise. Do you have a large friend? Perhaps not so muscular but big in size. Ofcourse this friend can most likely pummel anyone smaller. One day he wakes up and decided to go for a jog for the first time in years. He finds that he cant even jog for 10minutes. Thats strange, he thought he was tough. Then he decided to do some pushups for the first time years. Thats weird, he can only do 15. Now what happens next is very important for his benefits.

He can,

1. Finally realize that even though he is big in size there is a big room for improvement. So he will take a step back to basics and start jogging every morning, pushups, chinups and so on. Its very hard in the beginning and its somewhat disappointing to realize his body is infact so weak. He wakes up from his misconception. He is now on the right path. But it takes more than just a week of jogging to be an ironman contendant and he is now humble in his judgement and knows this.

2. He scoffs. Who needs to do pushups? Im 6 foot 3, I can just step on anyone like a bug. Thats most of the traders in this forum.

So you can be 1 and be on the right path towards sculptured abs or you can be 2 and continue beating your chest as a territorial warning to others in forums.

If anyone finds that 6months of that exercise was nothing but waste of time, they are more than welcome to move on.

However, that simple exercise is just more than learning about entries. It will be an enlightenment with amazing related discoveries along the way.

Im honoured to be called knowledgeable by other traders, however the reason I sit here and enjoy my vast weekly growth and such comments from others is because of that exercise. Although my experience in running my imp/exp business did have a helping hand in believing long term trends but it was the exercise that created my trading abilities and insights. I did not learn it from a reading source.

At first I couldnt hit x3 20 take profit at all. Then I knew I was weak as a trader. After 6months, I rarely had a loss to take x3 20 take profit.

After 6 months, you dont even have to be a long term trader. With that much upskill in entry and hard earned insight, you can use any sensible method and it will become deadly in your hands.

Take my word for it.

Sincerely,

Graeme

Last edited by pipEASY, Jul 23, 2010 1:13am



Jul 23, 2010 12:45am

291



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **babyforecast**

My first question:

You explained that you try to enter to the market every day with a very short SL. And after letting the market do its work move the stop loss to the break even. I can't understand why don't you make a trail with the SL after that, let's say every 500 pips, and compensate the news hits with more legs.

Thanks

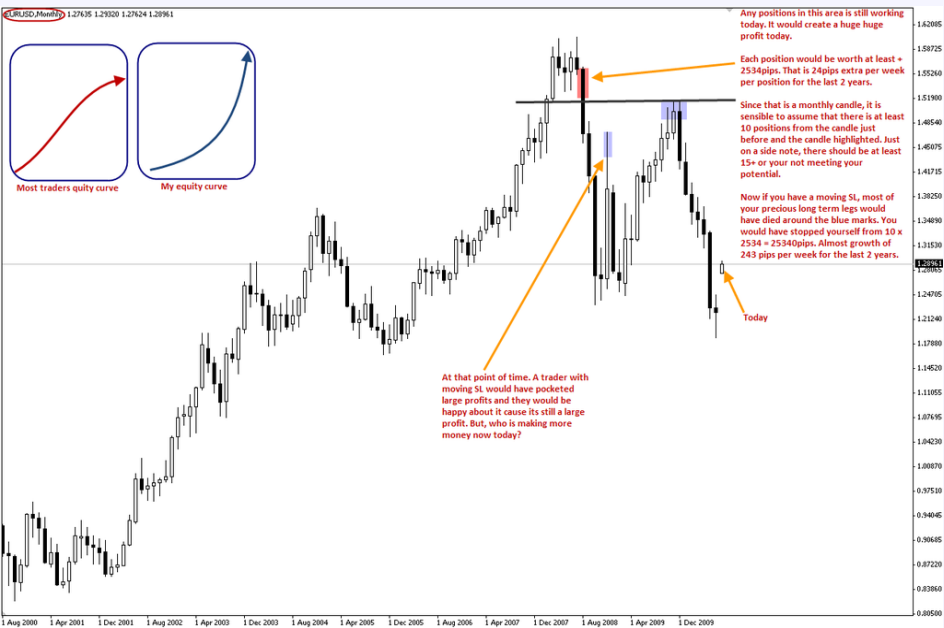
Good afternoon, xman

Thank you for letting me know.

I try my best to answer all but unfortunately some get missed out.

Moving SL is just another pre-defined exit strategy. Nothing should be pre-defined in the market.

I understand alot of traders, scale out of their positions. Its all relative. I focus on exponentially growing profits by the years and there are other traders who prefer capturing short/medium term growth.



The trader with moving SL has greater accuracy than me but lesser reward.
I have lesser accuracy (my statistic shows only 3-5% of my legs become long term) but greater exponential reward.

Just on a side note, I can get rid of my diversification and my accuracy will drop even further; Most likely, 0.5% to 1% of my legs will become huge long term legs and potentially double my current weekly growth. Its because of the diversification that I can distribute risk and reward evenly and to my level of long term trading.

Sincerely,

Graeme

Last edited by pipEASY, Jul 23, 2010 12:55am



Jul 23, 2010 12:58am

292



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Member Since Dec 2009
10+Y 760 Posts

Quote:

Originally Posted by **charvo**

Master Graeme:

I don't know what to say to express my gratitude for your huge efforts spent answering my questions (some of them, are dumb now, after your explanation.)

I truly appreciate your charts and explanations. I should develop a real flexible entry skills NOW before stepping on the path you've shown.

Thanks again, and please continue to my last question about my overall understanding(it is improved/completed by your recent posts!).

[u]P.S. guys, maybe, incase you want to re-read this thread in future, you might want to...

Hello Charvo

Thank you for the kind compliments. It makes my efforts worthwhile.

Yes you grasped the concept properly and Im also glad to see that you see any success in the market starts from practicing your entries.

Excellent entry skills is required for any method/system. Please dont allow pre-defined rules of a system tell you when to enter. It should be your subconscious focal interpretation in your head telling your finger to hit execute.

Sincerely,

Graeme

Quote

Jul 23, 2010 1:01am

293



pipEASY

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Member Since Dec 2009
10+Y 760 Posts

Quote:

Originally Posted by **TJPLD**

Dear Greame,
have you ever considered using COT (Commitments of Traders) Info for your trades? I've found out that changes in Traders Commitment give a good clue about the longer term trend since the COT Report is only released once a week.

I think the main problem that keeps Forex Beginners from Trading over many months and years is that they want instant gratification. It's easier to scalpe with some indicator system for a week or two to find out wheter or not you're sucessful with it than building positions that will pay of maybe next year....

Good afternoon, TJPLD

Thank you for your contribution.

Unfortunately, for me COT is above and beyond my understanding most times. Im sure it is a useful tool to a trader who can interpret the information from the report into their trading habits. I just couldnt.


In regards to instant gratification. Yes, you are absolutely correct. To lose weight and look great, you need to eat less and exercise. Taking pain for gain in other words. I hope all our fellow traders also see this.

Sincerely,

Graeme



Jul 23, 2010 1:03am #294




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Member Since Dec 2009
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Quote:

Originally Posted by [willf](#) 

Hi Graeme

This may sound obvious but how do you tell if a trend has changed or is changing?

Lets say the monthly, weekly and daily are all trending down and it's quite clear from the angle of descent but what you are saying is if the short term trend changes you would diversify and go long.

What factors influence you that you need to diversify? Do you use a trendline or are you looking at candle formation in the opposite direction?

Thanks

Good question, Willf

I only diversify when I dont know what is going to happen next and there was some time of growth allowed for the current group that Im building. Preferably more than 1/2 weeks. Anything less is ignored and I let the market kill the legs for me.

Please refer to my posts that I have poested today for charvo. Your answers are also in there.

IN regards to what factors? Factors pre-define my exit so I wont allow factors to dictate my actions. Nothing tells me when to exit however when im unsure i diversify and capture profit and let the market decide the fate on the other remaining legs. It gets it off my mind.

However when the main monthly trend seems to be changing, I do not close out completely but once again diversify and close out few of the larger legs in the larger groups to capture the profit but still hold on to many.

Sincerely,

Graeme

Last edited by pipEASY, Jul 23, 2010 1:25am



Jul 23, 2010 1:06am #295

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Member Since Dec 2009
10+V 760 Posts





Quote:

Originally Posted by **harmudge** 

Only read the first page as I'm off to bed because it's late here in the U.K but this does look like it's worth reading and by posting I will be notified of any future updates.

I will continue the reading either tomorrow or the weekend.

Best Wishes

Harmudge


Good afternoon, Harmudge

Your most welcome and thank you.


Sincerely,

Graeme





 Jul 23, 2010 1:07am

296




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Member Since Dec 2009
 760 Posts



Quote:

Originally Posted by **mlambole** 


*Interesting exercise. One question, the entries will have to be taken on a small timeframe like 15 min because we can't enter from the daily with a 20 stop loss. This exercise will train you to enter on small timeframes but the strategy uses daily and above. **I guess that if we learn how to enter on smaller timeframes it will be the same principles on the bigger, correct ?***


Good afternoon, mlambole

Bingo. 😊


Sincerely,

Graeme





 Jul 23, 2010 1:09am

297




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Member Since Dec 2009
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Quote:

Originally Posted by **pip_daddy** 

Just for giggles I picked 7 of the major pairs (with no consideration for correlation whatsoever) and followed the high go long low go short 20/20 entry method and to my amazement 3 hit 20pips take profit. The other 4 are in limbo and could go either way.

That's not a bad average considering I am not doing any thinking at all. Kind of the forex equivalent of cutting the head off a chicken and seeing which way it goes 🤔

So I guess the moral of the story is don't try over think it. Just keep it simple. Even with this method and perhaps slightly...

Good afternoon, pip_daddy

Im glad to hear you are finding interesting things during your exercise. This exercise will show you more interesting, useful insights.

After you upskill your entries to an excellent level, any sensible method will become deadly in your hands. Practice until then please.

Sincerely,

Graeme



Jul 23, 2010 1:22am

298



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Dear all fellow traders

I wish you all a wonderful trading career and a loving life.

Last 3 weeks has been a blessing on my par and I feel very content from my efforts.

At first I anticipated about 20-30 posts and no charts but it was possible to evolve this much from the support of many.

I have no doubts that many of the readers will achieve their dreams and be genuinely happy.

As I mentioned before, I would like to take a step back now.

I will pop in once a while to say hello to all.

Answers you seek are already inside you my friends.

Sincerely,

G.S



Jul 26, 2010 6:21am

340



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

 760 Posts



Good evening, all

Hope everyone is safe and warm.

I have returned to see how everyone is holding up. Im surprised to see that this thread still has interest of many and I thank you for your support.

I have read all your pms, emails and I will hopefully try find some time to answer them all. I apologize for my hastily departure however my participation was costing me alot of my personal time. I ask for your understanding.

Im pleased to see that the thread is now evolving on its own pace by the contribution of the public. Unfortunately, just like orbital decay of a roulette ball, all public discussions will soon decay in size and quality. Hence, I request all new readers to please consider reading the material I presented from the beginning of the thread.

I dedicated my time and efforts for the learners. I pushed aside my own agenda and invested personal time to bring this thread to the benefit of all.

All the answers you are looking for are in the first 21 pages of this thread. You can base your perception around the facts that I presented to you. You do not need to follow my method however there are facts embedded in my posts which will be of great help. I wish I had someone who presented the facts like I did when I was learning. It would have definitely saved me alot on my learning curve. Ironically, even if someone with the knowledge taught me the facts of the market when I was learning, I would have most likely chosen not listen to what they say. Just like parents telling their children what to do and it sounds so sensible to an adult ear but just nonsense to the children.

There is no need to reinvent the wheel and this is especially true in the markets. Traders fail cause they try to create a way to make money. It is so much easier when you just action the obvious.

If its up then BUY, if its down then SELL. You would be amazed at what secrets are behind that sentence.

I know I can completely ruin the integrity of this thread by saying the next, but you are ALL WAITING FOR ME TO SAY IT.

If you cannot be bothered doing the hard work of perfecting your entries, then here you go.

Entering a position at every .00

1. If the price is coming down from last .00, then enter 2 sell positions, 1 position at take profit 100 pips and other position has no take profit. Both positions to have stop loss -100 pips. If price reverses from your entry you lose -200pips but then enter another x2 lots of buy positions since price is coming up from .00
2. You let it run. After 100 pips, 1 position will close by taking +100 pips, and the other remaining position is completely free. Dont move the -100 stop loss of the remaining position, this is your free leg.
3. Hopefully this remaining leg will turn into a leg on your millipede.
4. Place a buy stop/sell stop on every .00

If price changes direction, and price comes from .00 to higher .00 then you would put in x2 buy positions with same rules at the coming up .00.

You need to still allow plenty of time of growth, at least 1/2 weeks before diversification. You will find there is still alot of positions dying now and also they are dying on -200 pips.

Draw a horizontal trendline at every .00 on 'zoomed out' daily chart and you will see that you can stack positions effectively with the above system. On a continuous trend you will have consecutive positions in a row. Make sure you diversify with enough growth.

Im definitely not pleased to share this entry system as you will have drawdowns as you are letting the market either hit the +100 of one position or losing both at -200.

Your accuracy will improve however your reward will be smaller in a sense and your drawdowns will be large. Perhaps you can think of ways to minimize your drawdowns, you will be surprised at related discoveries.

Use small lot size but expand your exposure in the market by putting in positions in many different currency pairs but with same rules as above.

The only reason im sharing the above entry system is so many traders are still asking me for an entry method despite my rants about practicing perfect entries. So, I thought I might as well get them started somewhere.

Im sure I wont sway many traders, however please believe me when I say that I have covered most general areas to be a prosperous trader and it is now up to you to build your own interpretation around what I have showed you.

You do not need to know 200 things to be pro in trading. You only need to be perfect in one thing to make zillions from this market.

I dedicate this thread to everyone. This is all for you.

Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 6:33am



Jul 26, 2010 6:43am

341



pipEASY

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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **6pack**

I agree. But how do you ensure that? What's the right time? That's probably the big question here. I'd like the market to tell me when to diversify. And one way the market conveys this message is by breaking SR levels - certainly not by retracing to my entries, which the market does not recognize.

I'm sure that in many cases, putting a SL at BE would turn out to be the right thing to do. In other cases, you'd be much better off with the approach I propose. Neither of us can tell a priori.

w.r.t your example: Unfortunately, I don't have...

Good evening, 6pack

Good question.

In market, there is no such thing as right time or wrong time (exiting, diversifying).

You are only wrong if you are closing your **final** position on a loss.

If you move your SL to s/r areas and have found success by closing your positions with profit then you too are winner.

I aim for something different to you. Also, when you become a position manager and your interest is not from 'just one or two positions' but groups of multi-layered positions across all pairs of currency, moving stop loss to s/r becomes irrelevant.

Perhaps you could try movign your stop loss to s/r and once you build a portfolio of positions you will understand that you dont have the time to worry about positions dying at BE or at s/r.

Below is something I put in alot of time to pass across. Highlighted purple is for your understanding. Please have a read.

"Diversification is the easier part of your trading. Its so simple. You look at current group that you are building.

1. All sell positions and growing rapidly? Excellent downtrend.
2. All buy positions and growing rapidly? Excellent uptrend.
3. Majority sell but few buy positions? Retrace
4. Majority buy but few sell positions? Retrace
5. You look at period of growth for the current group. 1-2 months is good for short/medium term growth. Preferably at least more than 1 to 2 weeks. Anything less than 1,2 weeks is ignored.

Anything less than 1,2 weeks of growth? Just let the positions on the correction die, not worth diversifying for.

When diversifying,

You can diversify @ point 1 or 2 or 3 or 4. No golden rule as to **when**. But you must be diversifying **for**:

1. To settle all loss accounted for establishing the current group.
2. To replenish your trade capital to before you started creating the group.
3. To add realized profit into your trade balance and increasing its balance. To ensure a smooth equity curve in the long run.
4. To acknowledge that danger has passed and all loss/risk accounted for on your remaining bigger legs for now infinite growth which is ofcourse at the mercy of the markets.
5. Psychological safety: You know its over and done with that group. Legs have been closed for profits and legs have been promoted to upper group. It gets it off your mind.

Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 7:07am



Jul 26, 2010 6:45am

342



pipEASY
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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **pip_daddy**

Can someone explain to me what Graeme means by doing that entry training with 20/20 sl, tp. He keeps saying that things will start to become more clear after awhile and I will start to discover how to predict the best entries etc.

I can't figure out if he is talking about things I am already aware of or if I still do not feel the force (star wars reference).

Doing the training I don't feel like I am getting anything out of it. Either I am being naive and impatient or I am already aware of the force. What am I supposed to be 'discovering'. I...

Good evening, pip_daddy

Please continue with exercise. You need to try longer.

20 pushups wont make you sculptured pecs.

Sincerely,

Graeme




Jul 26, 2010 6:51am

343



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **ozziedave** 

Hi Graeme,

The only problem with this chart is that no one would have taken a short trade in the area that you have indicated. Most traders would be seeing this as a pullback and would place long positions. What would prompt any trader to take a short position in the area you have indicated? I believe this is a major hurdle for most traders, how do I know when it's time to diversify my position?

I understand what you are trying to convey here but I'm not sure how to apply this is real trading. The entries you show seem so picture perfect and...

Good evening, ozziedave

Thank you for your question.


Ozziedave, please dont take this the wrong way. If you just have faith in what I say and try entering low risk setups on both buy and sell you will definitely have groups of legs forming on areas of optimum opportunities. It will take time but it is something that will happen.

I didnt pick that chart from a selection. I can pull out any chart.

If you want, you can choose a pair of currency and dates and I will show you for your benefits.

Sincerely,

Graeme

 Quote

 Jul 26, 2010 6:54am

344



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Member Since Dec 2009
 760 Posts



Quote:

Originally Posted by **tookey** 

Hello

graem enters from lower timeframe in anticipation of larger movements on the higher timeframe. why do you keep saying you dont understand ? u enter at good lowrisk on smaller timeframe and letting market decide and that position might become something later on which we let it grow?. we diversfy positions as means of risk-reward control. isnt that the whole concept of this method? its very simple . choose to understand matey

marion

Good evening, Tookey

Making money from market is hard.

Not to be taken lightly.


3-5% of my positions makes me the most profit for me.

Can you handle the rest?

Sincerely,
Graeme



Jul 26, 2010 6:58am # 345




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y [760 Posts](#)



Quote:

Originally Posted by **TJPLD** 

It's ok. I'd be happy to hear Graemes opinion too.

Excactly. The what I see it is that most aspiring traders wait for "that new indicator" or "that new way to look at the charts" that will finally make them profitable.

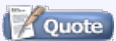
Good evening, TJPLD

Thank you for your support.


Correct, in what you say. No need to reinvent the wheel. Im glad you know this well. Hope all our other fellow traders wake up to this reality as well.

Sincerely,

Graeme



Jul 26, 2010 7:04am # 346




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Member Since Dec 2009
10+y [760 Posts](#)



Quote:

Originally Posted by **pip_daddy** 

I do see a possible solution to this psychological problem. Instead of letting the positions die at BE why not put your SL at +50 or +100. I am talking weeks later when you are already up several hundred. On these large time frames, 50 pips is not even a drop in the bucket so it's not really much different to BE in the overall scheme. But it's just enough so you don't feel like it was a total waste of time when you get stopped out.

I would be curious what Graeme would say about this as he is, of course, the ultimate authority.

Good evening, pip_daddy

Thank you for your contribution. Nothing is to my authority, i just wish everyone well.

If any trader feel safer from moving stop loss to +100, +200 after the price moves into +1000 profit then by all means go for it. You will capture

guaranteed small profits but sooner or later there will be an occasion when price retraced all the way back to near entry point only to have it continue on for next 1 year for 6000pip profit.

In forex everything is related


More risk (exposure) = more reward
Lesser risk (guaranteed, smaller profits from moving SL) = lesser reward

I can stop doing my diversification and just let positions run forever, this will reduce my current success rate of 3-5% of positions for long term growth to only 0.5% to 1% but bigger profit. Its give and take.

But believe me when I say that later on when you become a position manager with journal full of positions workign for you, you wouldnt be bothered moving SL to capture these so called small profits. You would be busy trying to expand your exposure in the market by adding more and more positions.

Sincerely,

Graeme

Quote

Jul 26, 2010 7:06am

347




pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

Quote:


Originally Posted by [willf](#) 
Maybe an option would be to place two lots and when you take a trade in the opposite direction (diversify) then take profit on one lot and let the other run.

Good evening, willf

Good idea, but if you simulate a scenario you will see that you will have big loss when price ranges.


Sincerely,

Graeme

Quote

Jul 26, 2010 7:21am

348



pipEASY

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Member Since Dec 2009
10+y 760 Posts

Good evening, all

Even though I have just posted an entry system, I still strongly urge you to practicing your entries to perfection. When you practice entries you are practicing so much more. You are building your very own focal interpretation of price action, market sentiments, areas of mass interest, momentum, price stalls. You can actually hear the market from the repetition of the exercise. You are training to be a very effective trading machine who can bend the will of the market into your own subconscious beliefs.

Once you perfect your entry, you can be, swing, intraday, position, scalper with any sensible method and still make alot of money.


Once you perfect your entry, you can be, swing, intraday, position, scalper with any sensible method and still make alot of money.

Once you perfect your entry, you can be, swing, intraday, position, scalper with any sensible method and still make alot of money.

Sincerely,
Graeme



Jul 26, 2010 7:41am # 350




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Member Since Dec 2009
10+y [760 Posts](#)



Quote:

Originally Posted by **Dezil** 
Hi Graeme. Thanks for interesting thread - the most interesting for me at current stage.

What do you mean by diversification in case when we always enter buy and sell every .00 level. Do you mean that after some grows in one direction we have to start to close some profitable legs?

Good evening, Dezil

Good question.

It looks like I have opened the can.

Yes, the principle of diversification always remains the same. It controls the risk/reward balance.

The .00 entry system will have all traders enter market and participate. If a downtrend continues for days, enter positions at every 100 pips (.00). Soon you will have stacks of position to manage/diversify.

For the benefits of all readers, I have posted a simple entry system that can make this happen.

However, I still strongly urge everyone to find their own low risk entry methods.

Sincerely,
Graeme



Jul 26, 2010 10:20am # 353




pipEASY
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Member Since Dec 2009
10+y [760 Posts](#)



Quote:

Originally Posted by **dlppat** 
Hi Graeme,
Thanks for another tips.Looking at .00 levels,it seems that currency pair move to certain Daily Range and,then, either stoll or reverce.
But for me, entry at OPEN works best.

Dilip

Good evening, Dilip

Im glad to hear that you have find that entry of open candle is suitable to you. Everyone has different comfort with entries. I still enter from open of daily candles as it has 'higher' chance of survivability.

However, Dilip, when price ranges in daily, hope you have your emotion under control. Perhaps you should look at 'some way' to filter range. Thats where your edge will be.

Sincerely,

Graeme



Jul 26, 2010 10:27am

354



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Saintsurfer**

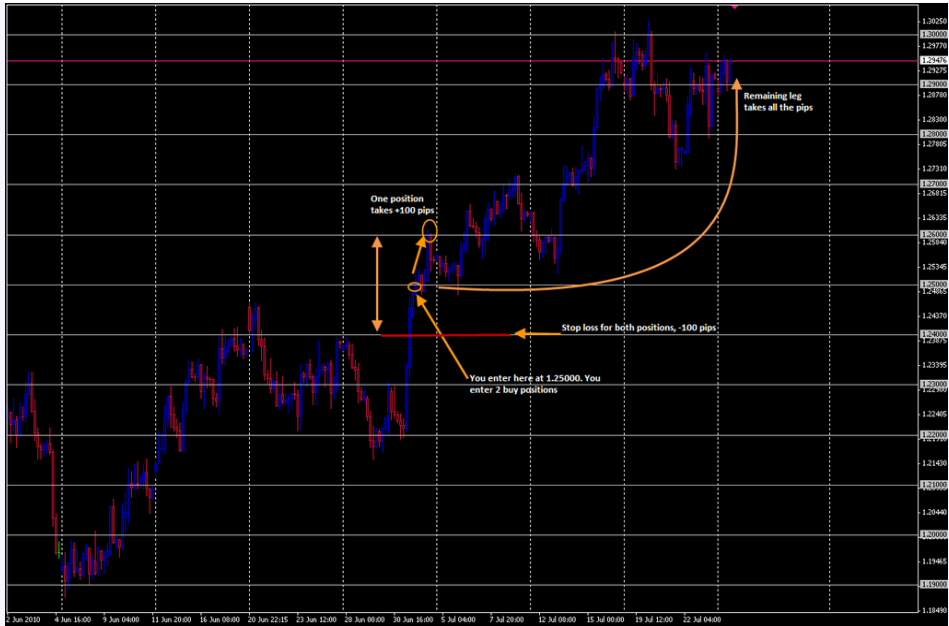
The 00 entry method is actually great. But just my personal opinion that there is no any advantage of taking two positions, becose if one would trade these entries just 100sl and 100 tp separately it is not profitable. Sometimes it is nise to get some profits early but on the long run it doesn` t give an edge unless one will take them only in the direction of the trend. I have tested it, it gives 1700 pips loss from 2009.01.01 until now. But us you have noticed I talk only about the second aditional trade which has 100 pips TP. The main positions...

Good evening, Saintsurfer

Im glad you find entering at .00 pleasing in your focal interpretation.

Im glad you did some backtest but there is more to be revealed.

Entering 2 positions and closing 1 positions @ 100pip and leaving the remaining position @ -100 SL is a mini diversification itself that allows the remaining leg a 'bigger breathing space' to breakeven. If this remaining leg is closed out later on, you would have pocketed both +100pip on first position and then whatever you closed on 2nd position. Many professionals use this method and it was asked by member: Jigsaw earlier on in the thread. It smooths the equity curve and also adds a bigger breathing space for the remaining leg for free.



Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 10:38am



Jul 26, 2010 10:42am

356



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Saintsurfer**

I understand that clearly, it is a kind of diversification. And it gives some profit takings in the account history. But maybe it is better just to close one of the positions that are in profit to diversify earlier if needed. Thanks a lot for your answers.

Good evening, Saintsurfer

Yes, good idea. You could also do that.

But as you probably realized the main purpose of 2 positions from the start is to give the remaining leg a free -100 pip stop loss. Hence a higher chance of survival. This will work out exponentially better for you in long run.

Please refresh as I added a chart in above post.

Sincerely,

Graeme



Jul 26, 2010 10:57am

357



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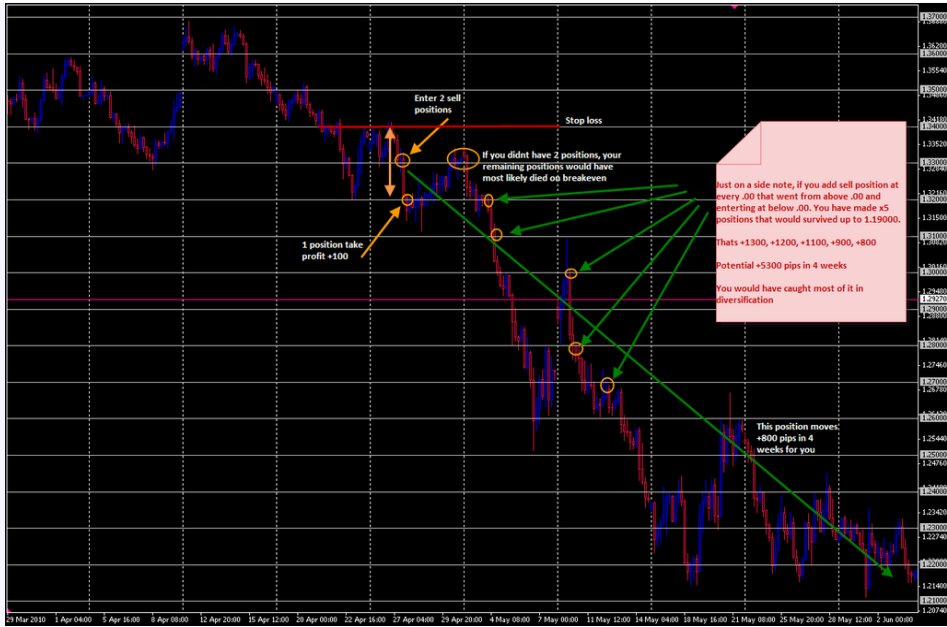
Why entering 2 positions is effective

EURUSD 4HR



Look at next example, and see the benefit of entering at .00 with 2 positions

EURUSD 4HR



Last edited by pipEASY, Jul 26, 2010 11:20am



Jul 26, 2010 11:09am

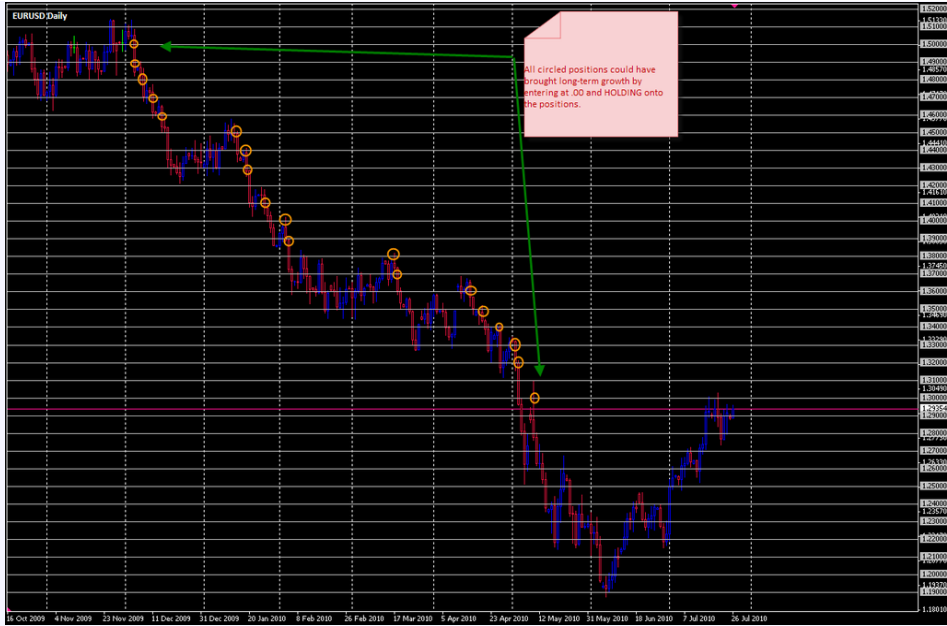
358



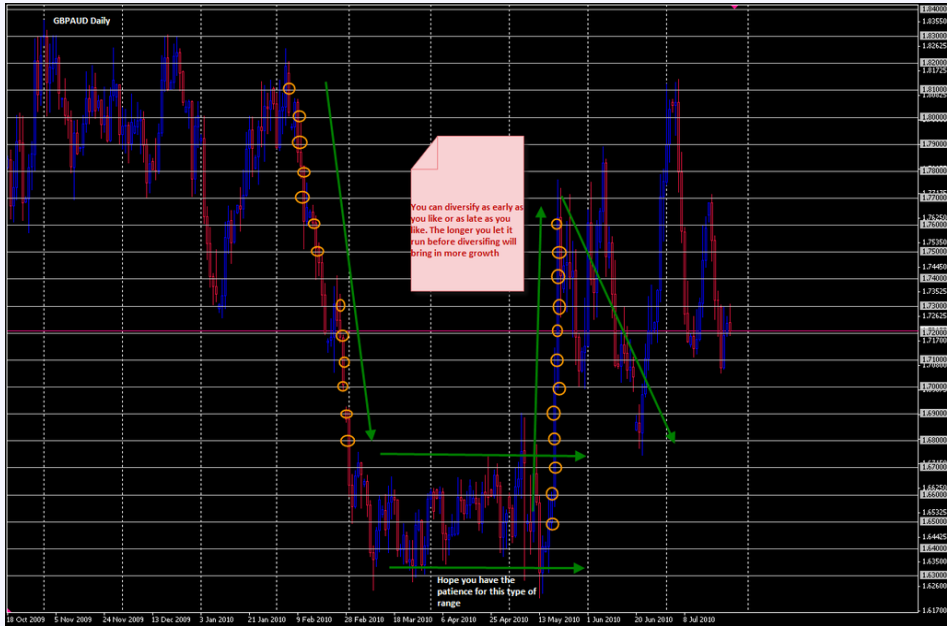
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Member Since Dec 2009
10+V 760 Posts

You can build your portfolio of positions from entering only from .00



Another example




Jul 26, 2010 11:13am




credere quod habes, et habes

360

Member Since Dec 2009
10+ w 760 Posts



Quote:

Originally Posted by **Saintsurfer** 

If I would trade with only one position I wouldn't move sl to BE. And it wouldn't be chaken out quicker then with two positions. I do not say that two positions are a nonsense. It just an alternative how to manage the trades.

Yes, correct.

2 traders with different entries, different entry method, different risk/reward control but both with long term trading will both have similar results.


Entering 2 positions will cause bigger drawdowns but will have higher number of positions surviving.


Entering 1 position will have smaller drawdown but will have smaller number of positions surviving.

Unfortunately, you have to choose only one of them for now.


Sincerely,

Graeme


Quote


 Jul 26, 2010 11:18am

361



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Member Since Dec 2009
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Ladies and Gentlemen

Hope my simple .00 entry system brings you more insight from using it.

The only reason Im bringing out this entry 'system' is because alot of traders understand the important of long term growth on main trend however stilll vague at entry methods.

I thought maybe I can ease this hurdle by giving you a sensible/reliable entry system. Be advised you will face drawdowns however if you persist, a prolonged trend that last anywhere from days to weeks will bring you stacks of positions at possibly every .00.

You can then proceed to diversify the group of positions after allowing it to grow for at least a week or two. **Preferably few months, as long as your capital can hold both drawdown and margin for positions.**

I still request that all traders stay with recommended exercise and find their own pin-point razor sharp entries which has hardly any drawdowns due to your upskill.


There will be BIG difference in profit from a trader using just above entry system and trader with 1 or 2 razor sharp entry skills.

Hope my contribution that came out of blue today give you another big boost.

I sincerely would like to see everyone successful.

Sincerely,

Graeme

Quote




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Quote:

Originally Posted by **GEOFFREY62** 

Graeme

Many thanks for returning to thread and again spending your valuable time trying to enlighten us, it mudt take a lot of patience on your part. Like the simple 00 method of entry and will give it a try.

Kind Regards

Geoff

Good evening, Geoff


Thank you for your kind compliments. It makes my efforts worthwhile.


I know my efforts will definitely help the traders looking for the right answers. .00 s/r entries are very reliable, however it must be improved on. It cannot be just used all the time. While you test the diversification method on groups of your positions (from .00 entries), please continue honing your entry skill.

We all need just 1 entry skill that we can rely on with our lives to make a living from the market easily. Please keep it up and all the best.

Sincerely,


Graeme

Quote



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Jul 26, 2010 11:45am # 364

Just before I go to bed,

Does everyone know that price must go from Support to Resistance and vice versa??


And one of the key support and resistance is .00.


You are seriously limiting your s/r if you ignore .00 and look at things like 33% fib instead.

Clever traders build an edge around this area. Please think about it.

Sincerely,


Graeme

Quote




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10+
760 Posts



Jul 26, 2010 12:03pm # 366



Quote:

Originally Posted by **Bakuli**

Thank you again Graeme for your invaluable help and your patience. Very much appreciated


Good evening, Bakuli

Thank you for the compliment. It is my pleasure.

Good night all and stay strong in your beliefs.


Sincerely,

Graeme



Jul 26, 2010 10:11pm

379




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Quote:

Originally Posted by **6pack**

Thank you for taking the time to answer my questions. Your dedication to the members here is admirable.

Graeme, I'd like to ask you a "logistical" question: How do you enter so many positions across so many currency pairs? More specifically, do you look for opportunities in all pairs every morning? How many different pairs do you typically initiate positions in every morning? Would you say your analysis and entries are "sequential" (i.e. you focus on one pair and don't move to the next till you're done with it) or "simultaneous"?

As...

Good morning, 6pack

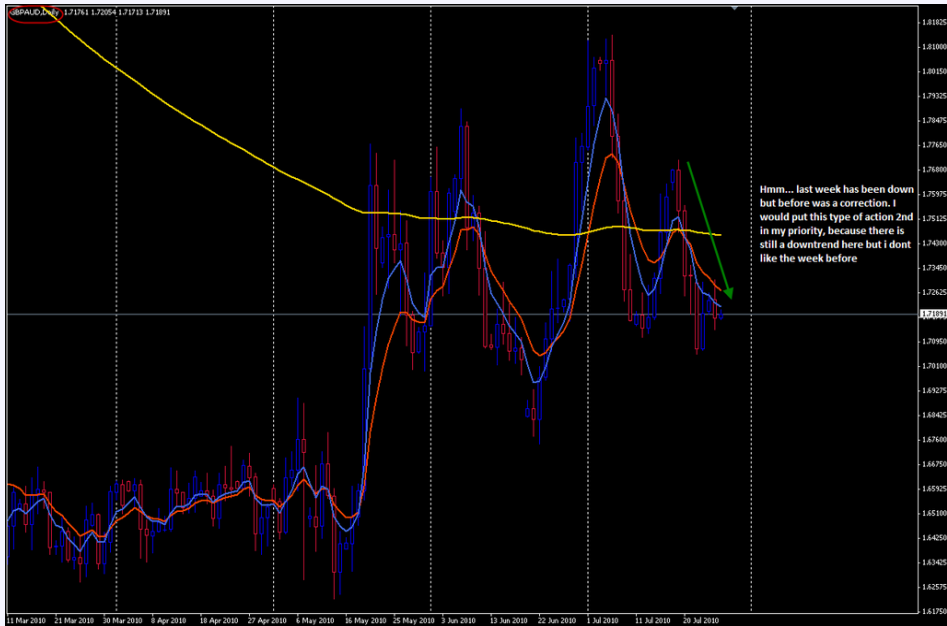
Thank you for an excellent question that has not been asked.

At first, traders are trying to look at everything, everywhere. Which is part of learning curve. This is like throwing punches aimlessly, and you will tire yourself out.

Pro fighter knows when to hit and where to hit. It is this intuition they can manage their trades efficiently.

Every monday, I scan the charts across the board and make notes/setup alerts to my cellphone in areas where i will be interested. Takes me 2-3 hours.

First I start with quick look at all daily charts across the board and 'tick' charts that I like and move that chart to the front of my platform tiles, at the bottom. I would spend about 5min on each chart







Jul 26, 2010 10:13pm

380



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This would be a typical 3rd priority chart for me



Never ignore charts on 3rd priorities.

Charts that are on first priority require less time on 4hr/1hr smaller timeframes as the trend is compelling for now.

Charts on 3rd priorities takes little more planning on the lower timeframes.

Edit: There is no reason to prioritise charts like the above however it does give me a 'slight' guidance to what and where. It gives me the scope of the coming week. I would enter just as many low risk entries on 3rd priority charts than 1st priority as I don't know what is going to happen tomorrow or next week on these charts. However I do know that charts on 1st priority requires lesser effort most of the times cause of the momentum that flows in from previous week. But also I would like to capture the compelling momentum on the 1st priority charts. It's a balance that may be confusing at first but once your thinking capacity can divide, manage, your charts and time effectively everything becomes a blur but in one continuous flow of action from one chart to next.

Sincerely,

Graeme

Last edited by pipEASY, Jul 26, 2010 10:54pm



Jul 26, 2010 10:18pm

381



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Quote:

Originally Posted by **xman**
@PipEasy

As I can see on yours example chart, you dit not folow all rules, am I right?

1. If the price is coming down from last .00, then enter 2 sell positions, 1 position at take profit 100 pips and other position has no take profit. Both positions to have stop loss -100 pips. **If price reverses from your entry you lose -200pips but then enter another x2 lots of buy positions since price is coming up from .00**
2. You let it run. After 100 pips, 1 position will close by taking +100 pips, and the other remaining position...

Good morning, xman

I looked at my charts and there is one or two that I have circled that shouldnt be there. You are correct about the small error however the rules above is firm.

If price moves from 135.000 to 134.000, then we enter 2 sell positions
If price moves from 134.000 to 135.000, then we enter 2 buy positions

If, price moved from 135.000 to 134.500 and then straight up to 136.000, then we enter 2 buy positions at 136.000. But then, if price goes to 136.500 but then down to 135.000, then we would enter 2 sell positions at 135.000.

As you can see you will face large drawdowns if price ranges between the range of 200 pips. It happens often but there will be much more wins.

The most important thing to do is let these surviving positions grow and then diversify for a profit.

This entry system is just getting you started at creating stacks of positions but it is a sensible entry system.

Sincerely,

Graeme



Jul 26, 2010 10:23pm

382



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Quote:

Originally Posted by **StoragePro**

Before you all go bonkers and pollute your chart with lines every 100 pips, (100 pips is ONE CENT on the EU) there are two things to keep in mind - first, if you draw enough lines on your chart, price will react at some of them.

Second - not every 00 is important. In fact, for some pairs, 00 is rather unimportant, but 20 and 80 are more so.

Take a look at every 000 and 500 first and go from there. When they line up with previous Support and Resistance, then you have a location that is full of meaning. Why do these areas mean more? Because a...

Good morning, storagepro

Thank you for your contribution.

I be more inclined to agree with what you say. However for the sake of the learners I have shown them how an entry from simple .00 and controlling the positions risk/growth can lead to large growth/profits in the long run.

What you state is correct, about hedge fund managers, buy/sell on dips with main trend, round numbers at 1.40, 1.80 and so on but lets not forget we are here to show the learners just the first step into their own thinking capacity.

You post will lead into more confusion than clarity, unfortunately.

Sincerely,

Graeme



Jul 26, 2010 10:26pm

383



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **pip_daddy**

It's up to you but I trust round numbers (ie. 100 pip lines) more than I do trendlines and fib lines and just about anything else. Of course it's best if there is confluence of several indicators but round numbers are a big part of that for a lot of traders. Just sayin.

Good morning, pip_daddy

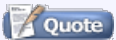
Entering from .00 should be just the first step of how you participate into the market. You can grow your insights from this. Dont stop your learning by just doing .00 entry. However you can still see profit on the long term but would be somewhat pre-defined profits as the entries are also pre-defined.

If you backtest .00 entry on a main trend that lasted longer than 6months you will see large growth.

Im showing our traders that participation (anyhow, even .00 entries) can create growth on your capital from the main trend.

Sincerely,

Graeme



Jul 26, 2010 10:46pm

384



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Member Since Dec 2009

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Good morning, all

Just before I go out for the day.

I reviewed all my posts for the last 2-3 pages.

Please do not forget that the whole idea of introducing .00 entries is to get all traders started somewhere. Majority of traders are asking for entry method but it is something that grows with your intuition.

I still request and recommend that everyone continues with x3 20 take profit exercise however the .00 entries will get you started.

Try demo on 3 pairs of currency with .00 entries. You will be very busy at entering buy stop/sell stop non-stop. If you find it too much you can also increase your entries to every 200 pips than 100 pips. Reward/Risk is similar.

Let surviving positions grow for few weeks and try your first diversification on the demo.

It will be part of everyone's enlightenment and you will be pleased with the result.

You will be pleased to see that a sloppy entry like this can also create large growth on your capital if you allow the time for the positions to grow on main trend.

To all your success,

Sincerely,

Graeme



Jul 27, 2010 2:39am

388



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **tommbstone**

I have to agree, every position I've opened all week has gone either positive then SI hit or just flat out negative. Extremely hard style of trading unless you use large stops to let it "breath" But I'm still tying to figure it out.

Good afternoon, tommbstone

I can see that you are at your first step.

Can you handle another 3-4 weeks of the above?

Sincerely,

Graeme



Jul 27, 2010 2:49am

389



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Good afternoon, all

Here are my current stats again so all traders could base their expectancy (this is from post 250),

Currently (from last 2 years):

181 positions still alive and working

4000+ positions in the last 2 years

That is roughly 40 positions per week, or 8 per day

80% breakeven

16% taken profit during one of the diversification (short/medium growth)

4% still growing on long term

This 4% makes me my most profit.

4% of 4000+ entries? Less than 200... (and thats from 2 years)
Statically speaking 1.7 positions per week make it to be long term
That is, 1.7 positions out of 40 positions every week

Current weekly growth (not calculated on daily basis) based on last few months of growth:

Adding almost 7000 pips of unrealized profit per week
All my positions are 2 standard lots, \$20usd per pip

Is it worth the trouble..? I must say most definitely.

Sincerely,

Graeme

Last edited by pipEASY, Jul 27, 2010 3:16am



Jul 27, 2010 3:24am

391



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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **oztrader**
thanks for taking the time Graeme, I hope lots of traders have read this thread.This is GOLD

Kindest regards

Good afternoon, oztrader

My pleasure.

Sincerely,

Graeme



Jul 28, 2010 2:26am

400



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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **zznbrm**
Well, that does add up to 100%. Where are all the small losses you discussed previously?

Good afternoon, zznbrm

Good observation but slightly off.

If you think about it, im talking about net profit here. All losses are accounted and settled within the numerous diversification during growth of the positions. All remaining legs are completely free as the cost and risk are all settled.

Every diversification will replace and add my trade capital and clears my scoreboard to zero.

Sincerely,

Graeme



Jul 28, 2010 2:27am

401



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Member Since Dec 2009

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Quote:

Originally Posted by **ozziedave**

Just thought I'd share this chart and some of the things I look for when determining trend and trend strength. Here is the EURUSD daily chart. We are in an uptrend the last two months since about 4th June. As you can see there are 3 significant pullbacks in the up trend. Take a look at number 1 and number 2 pullback and compare it to the number 3 pullback. Do you notice anything different about the pullbacks and subsequent break outs to resume the trend?

Note that on pullback 1 and 2 it only takes 1 or 2 candles to break the top of the pullback...

Good afternoon, Dave

That was a good price action analysis. Well done 😊

Sincerely,

Graeme



Jul 28, 2010 2:43am

402



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Member Since Dec 2009

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Quote:

Originally Posted by **pip_daddy**

Just put some numbers into Oanda interest calculator. If I am trading standard units the interest payments on keeping some of these positions open for a year or more runs into the thousands of dollars. Depending on which pair and whether it is long or short some will pay you interest but the sides that charge interest are usually a lot more. That would suck to fork out a few grand in interest only to have the position stopped out at BE.

You would actually have to be a bit careful with this because some sides of some pairs could get kind of expensive....

Good afternoon, pip_daddy

Very good observation which opens to a very good discussion.

I have 2 questions:

1. In forex, price always moves? YES.

Price last year will not be same as this year (unless you are super lucky to have a retrace back to entry price of last year which means that you are currently in a trend that lasted few months to come back). So in another words we are talking about price moving at least couple of thousand pips in a year.

2. Swap, slippage, is a necessary business cost (but it is relatively marginal). **However losses and drawdowns from sloppy entries are unnecessary business expense.**

You calculated \$4600 net loss for 5 standard positions (\$50 per pip) at 1 year? I believe in your calculations.

After working out on my calculator, thats, 92pips (since we have 5 standard lots).. So i can agree that it would be about 10 pips per month.

This is very small amount to pay for the potential of growing your positions on a main trend.

From my statistics, every position I hold is producing approximately 37 pips of **net** profit every week (calculated on the basis of last 4 months).

This is not gross before losses but net profit after accounting and settling all my losses through numerous diversification during growth.

If one position is roughly giving me 37 pips of growth per week or 148 pips per month. I would gladly trade 10 pips for a potential 148 pips anytime, all the time.

But, that 37 pips of net profit Im referring to has already accounted and settled:

1. All losses ocured when establishing positions
2. Any miscellaneous marginal swap rates

So technically I should say 37 pips of net profit is 'after' I have accounted and settled my swaps.

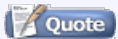
Swap, slippage, negatively correlated pairs, these kind of factors only hinder traders who are trying to capture small slice of profit from intraday or any other short term trading.

We, long term traders are above and beyond all that.

Please do not allow swap to effect your participation or judgement. I trade negative swap pairs all the time and have great results from them.

Sincerely,

Graeme



Jul 28, 2010 2:44am

403



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **tommbstone**

Graeme,

Will you adpot me? I have no real dad anyways to teach me about life fishing and trading. 😊 LOL



Edit: I just noticed that the time period of growth was more than 1-2 weeks so yes, i would have diversified my first group in the green area. Im interested to diversify anything that grew more than 2 weeks at least. Anything less is ignored

Edit: In the first chart, I meant to say that you should have held onto the positions that are ticked not circled. Orange circles in the first chart are your losses

Edit: I also noticed that on the 2nd chart there is much more than just x3 +100 pips from 1:1 positions. Apologies, I rushed to get the charts up here. I see x9 +100pips from 1:1 positions which means the net profit after the 1st diversification would have been 1400 + 900 = 2300pips

Last edited by pipEASY, Jul 28, 2010 5:54pm



Jul 28, 2010 9:44am

408



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Member Since Dec 2009

10+yr 760 Posts



Quote:

Originally Posted by **pipcruiser**

Hi Graeme,

just have a question in order to "understand" your trading routines...

You mentioned that it takes you 2-3 hrs a day to check charts etc.

You also mentioned, that in average you put on 8 positions a day. Do you put on these trades at start of day or do you wait for perfection entries, which basically can happen anytime 24/6...?

Can I ask you, do you consider yourself as a full time trader, meaning do you spend most of your day trading (or your imp/exp biz)?.

Im just trying to figure out how much time/screen-time it takes to...

Good evening, PC

Thank you for the question.

Please allow me to speak from my current statistics, it looks like I have been adding 8 positions per day for the last 2 years of every trading day.

I spend about 2-3 hours per day looking at areas of interest across all charts and setup alerts to my cell phone. I also spend a hour looking at my journal as it also tells me whether there is a clear trend or a retrace at the moment.

So in total I spend about 4-5 hours per day without fail. This amount of workload is considered full time trading.

Nowadays, I draw clear trendlines across the pair of currency on monday and adjust them little by little as the week goes. Some trendlines, fibs, s/r lines are few weeks old and all I do is just move them with the market flow.

It depends on your entry method. If you have an ema crossover entry method that uses momentum to enter safely before or at the crossover then you would need to watch the london/us session more closely. I use mostly entry methods where i get alerted when the price actually moves into preferable 'zones' from my personal focal interpretation.

Im still ambitious to add more positions and still consider myself an aggressive trader.

Personally, I believe that my growth/profit is only small compared to some of the larger traders. I havent met anyone personally but I doubt Im one of the biggest trader. I consider forex market as the best vehicle of growth investment currently available. The only catch is, there is a big learning curve to master. So practice will be definitely worth the reward

However, I must clarify that my \$7 million+ current annual growth rate is largely unrealized as I still hold onto the positions. Can you handle that? It will be one of the last emotional hurdle that is coming to you.

Does everyone know how to setup a VPS account, sign up smtp server, and have the alert sent to their phone? It is an instant notification for me.

I consider VPS server a must if your serious about trading and have the spare \$25usd per month.

Sincerely,

Graeme

Last edited by pipEASY, Jul 28, 2010 9:55am



Jul 28, 2010 9:50am

409



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Member Since Dec 2009

10+Y 760 Posts



Good evening, all

Thank you for your continued interest and I hope all readers have learnt something useful from my contribution.

These facts presented by myself is not something I was smart enough to create. All I ever do is follow the market.

I just want to let everyone know that all the PMs and posts of compliment are greatly appreciated.

Please do not take it the wrong way when I dont acknowledge them publically in the thread anymore. Unfortunatelly, we are already at page 27 of this thread which is beyond my personal intention and I wish to somehow stop this thread from growing. Such ironic thing to say but as we all

know, long tiresome threads are never better for the new readers.

Some of the recent compliments (in the last 5 pages) has been read and I thank you for such warm remarks.

Thank you all.

Sincerely,

Graeme



Jul 28, 2010 3:03pm #412




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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **indianguyinny24** 

PipEasy,

Its been like ages when i have to come to "TRADING SYSTEMS" and found something that has really vowed me....i read till 10 pages and i think i got the Jinx of what r u doing....i will just list some of my points that i love about ur trading.

1. You are a humble guy
2. You respect the market
3. You created your own system one that suits u.

Rest something i like may not be clear is your "RISK"... i am not a big fan of R:Reward but i am a big fan of thing called RISK...

But all in all a amazing thread...and for this you...

Good morning, V

Thank you for the compliment and the vouch.

Once again, I thank everyone for the support and wish everyone a successful trading career. There must be sacrifices made, pain taken to be successful at anything.

Only 10% (slightly less) of new businesses ever make it past 10 years of operation without going bust. I believe this statistic also applies to trading.

You are in charge of your own business.

Thank you too xman as well for a great question.

Sincerely,

Graeme



Aug 1, 2010 12:28am #422

Member Since Dec 2009



pipEASY

crede quod habes, et habes

10+V 760 Posts



Good afternoon, all

Thank you for all the compliments. It makes my efforts worthwhile.

Im glad to hear/see that traders are trying out the exercise. My only request is for you to continue with the exercise as it is the best advice I can give.

Your insights will grow from:

unconscious gut feeling -> to good gut feeling -> to insight with reasons -> subconscious actions with plenty of reasoning

From the exercise you will find related discoveries:

1. Areas of demand/support
2. Mass areas of other traders interest
3. Market sentiments
4. Upskilling your focal interpretation to know when its a good momentum and a slow momentum
5. Greater picture of the higher timeframe

You may have heard some pros on this forum quoting one of the obvious preached principles and then you find they will acknowledge each other at such obvious comments. Most comments are in such riddles that is baffling to comprehend at most times. Other recipients often reply in acknowledgement however, whether they truly understand what is being said will be a distant second. Im not here to discuss the integrity of other traders, but I wish to take little of your time to acknowledge together with you in what they are quoting.

1. Trend is friend - one of the favourites preached.

Trend is the only thing that will make you growth/profit in forex. It is not your uber intelligence/indicator/ea in trading but the fact that market 'actually' moves for you to profit on the difference of movement. Without trend/movement you cannot make growth/profit. However, there are scalpers/short term traders whom are very skilled in taking profits from random market fluctuations and they have my respect for something I cannot do. However, since their profit/growth lies within increasing their capital balance by certain % and then increasing their lot size it is a completely different stress level. If you are a profitable short term trader I urge you to hold onto your positions a little longer and you will find that without your assistance, the market will grow your profits for you. I prefer to roll the ball down the hill but if you wish to continue pushing it up the hill that is your choice.

2. Buy when its up, sell when its down - another favourite.

Unfortunately, not many traders actually know the true secret to this sentence. You will be surprised how easy your trading will become if you just follow the flow. For example, I have introduced .00 entry system to show all traders that you can enter simply from any direction the price is coming from and enter.

Price is coming down from .00 above, then enter sell at .00 below.

Price is coming up from .00 below, then enter buy at .00 above.

I can assure you most of the professional/successful traders use lesser indicators, lesser rules than the unsuccessful. Some may not even look at charts all together.

These professionals know the importance of low risk entry, power of participation and growth from holding. 3 very important ingredients to successful trading career.

All they ever do is: enter with the flow, hold for growth and thats it.

Yes, it is that simple. Sometimes the obvious sounds too plain but then you are choosing only to hear what you wish to hear. Traders fail cause they try to outthink, outsmart, outmove the market. No,no,no you cannot beat this market. Noboby has for centuries. There is no set parameter where you can implement on a constant random variables to achieve same results year by year. a.ka indicators/eas

3. Choose only one pair of currency and learn the characteristic - wrong

There is no such thing as characteristic of a pair of currency. Market is not a person or a lifeform, it moves on its own accord with/without its own agenda. It's a generic energy. For the last 4-5 years, traders loved eur/usd. Biggest liquidity, 3+ years of uptrend, hardly any major corrections, cheap spreads. They all considered eur/usd characteristic to be a passive, gentle, reliable. Then what happened last 2 years? Down 1 year, up 1 year (more or less). I see more reliability on gbp/aud downtrend than eur/usd (at the moment). Never get attached to one pair. You need to be selecting your currency pairs on a daily, weekly basis.

Alot of traders get confused and relate characteristic with volatility (especially jpy cross). It's 2 different things.

4. Hold them for growth - not a favourable one but it's around this forum

Market grows your profits for you. All you can really do is plant your seeds and hope for the best. Market decides whether to reward you or not. And if not, then hopefully you control your risk and lose nothing or minimal.

I had few pms thanking me for the .00 entry system. They can see that just holding onto positions and controlling the risk/reward brings in profits already. There is more to the .00 entry system and it certainly has room for improvements. But the most important lesson from this system was to show you, how entering and holding, either buy and sell can/will grow your profits if you allow some time for growth.

Because market always moves, up and down, all we can ever do is enter and let it play out at the mercy of the markets.

One of the problems with .00 entry system is the inevitable drawdown. Every system/eas has drawdown. We have drawdowns cause the market fluctuates in a given range. Undecided where to go so moving 50pip up then 50 pip down then 50 pip up and so on for prolonged periods. I have yet to see a trader, trading successfully within the range bound with a scalping system yet. My respects to you if you can.

It is at this point I would like to give another advice today. This advice will sound vague to most traders at the moment as they have not reached that part of enlightenment yet. But keep it somewhere in your learning mind and one day it will just dawn on you.

How do I avoid drawdowns?

I avoid the market as much as I can, in a sense.

It is very important not to over expose yourself to a certain pair of currency. It's like staring at the sun, you take just one look for few moments.

I do take every low risk entry given to me by the markets but my participation is almost 20 pairs of currency. Yes, i perform 7+ entries per day however never too much focus on one single pair. And one of the reason I don't focus too much on a given pair is that, there are periods of range which lasts for days. I can avoid the whole hassle of losses/drawdowns/breakeven by simply only entering **what i can see, when i can see. This is very important.**

Increased risk doesn't necessarily increase your reward. It means, do not try and stack multiple positions in one single day. You either tire yourself out or have multiple losses in a row as you are placing positions too close too each other and the market will simply gobble up any positions in an 'area.' However, I do stack positions aggressively sometimes when there is good movement but once again I do not try very hard. **I prefer to focus on spreading my exposure in all pairs of currency which also spreads out my risk and my reward.**

When you place **gaps of hours/days** between each position, yes, unfortunately you miss out on few golden opportunities but you also avoid 'all' or 'most' of the range periods. Think about it please. You only suffer the range of a pair of currency if you are trying to participate everyday, everytime on that particular pair.

You need to only participate on pairs of currency that are currently moving. When I know a pair of currency is trending more than usual this week, I stack positions heavily into that pair of currency. Then when actions dies down, I leave my legs behind and move on. It's mostly touch and go. I have mentioned few times in the earlier post that I never re-attempt a failed entry more than twice per day, rarely 3rd. I wish I had explained in more detail but when I fail my first entry (minimal loss from entry), I must have a very very very good reason for me to come back again for a 2nd re attempt.

You can enter 10 times frantically and suffer 8 losses and 2 winners. You hold onto 2 winners for growth and finally close +300 pips per position. +600 gross profit - 8 losses = approximately +350 pips net profit

Or

You can enter 4 times (at good momentum or spaced out) and suffer 3 losses and 1 winner. You hold onto 1 winner for growth and finally close at +300 pip. +300 - 3 losses = approximately +200 pips net profit

Scenario one had 20% win rate, scenario two had 25% win rate. Similar win rate however similar profit but two different stories with two different psyche levels.

The main difference between scenario 1 and 2 is the drawdown. You suffered 8 losses out of 10. This plays mind games on you. Since you lost 8 rounds, do you think you will be able to hold onto the winning 2 for growth? Most traders, after a consecutive 8 loss they try to recoup the losses by closing out their winning trades too early. Everyone should be guilty of this.

Furthermore, scenario 2 trader, plays all pairs and his other 1 or 2 positions that he slipped into other pair of currency at his leisure could bring in something.

See how he distributes his risk/stress on an even spread? Similar results, similar profits, half the stress, half the mind game.

This tactic of avoidance is also another risk control method and one of the more important one. Many professionals avoid the market in a sense.

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 8:18am



Aug 1, 2010 3:27am

424



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Good afternoon, ozziedave

Thank you for the detailed chart and the excellent question.

Ozziedave, I appreciate your input in this thread as you make the readers think. I certainly dont want to be someone just telling all what to do. I would prefer if everyone could think on their own and choose what is right and wrong. Please ask me anything in the future and no need to apologize.

Good detailed chart. Very well thought of.

1. It is very good for you to calculate realized loss and profit, but you focused your calculation on approximately 2 weeks of the market and not the following what happens. And that 2 weeks is also ranging. That is fine. Anyone can calculate one section of the market and it would look bad.
2. I can see that you dont take 2 positions at .00. I always take 2 positions, then 1, 12, 13 is alive all the way till end of that chart. Yes, i would lose -200 instead of -100 but it works out exponentially better. Also I take +100 pips here and there which helps at the end but most importantly it allows breathing space on the remaining position.
3. Unfortunately, market doesnt stop at one segment of ones focal interpretation. In other words, I would comfortably have 3 more positions at 20 july, 22 july, 23 july (and week before?). Yes there would be few more losses in between and I wont forget them.
4. I wouldnt normally diversify for a loss or to breakeven (for that chart) however I dont normally just use .00 entries either. .00 entry system was just to show all that entering anyhow, anywhere can also produce profits/growth from holding.
5. I calculate roughly +2400 pip profit near end of july (if i diversified there), and my loss would be around -2200. Not a good result from a possible drawdown of -1800 in one scenario. However this result is worst case scenario. While you look at that particular area, I wonder what happened to the positions week just before or the week just after? Just one position before that range or one week more of growth would have changed the result spectacularly.

Just to let all readers know, just doing .00 entries will face drawdowns cause its just another mechanical system. The only reason I introduced this entry system is to get all traders started somewhere. I have requested that traders need to improve on .00 entries.

Perhaps add,

Taking only few random entries, spacing out your entries. Purposefully but sensibly. This is what I talked about in my previous post.

However, I can confidently say even just .00 entry system, I can pull out any period on any pair of currency and produce a profit when I calculate 2 months of data. Because you cannot lose with growth of main trend on your side. **But, I dont do that cause the drawdowns are too much.** This will play havoc on your emotions.

What i say next is very important for ozzietrader and readers. This is where you make the understanding or break..

In the above chart by ozziedave, I would have only taken 4-5 positions out of 13 listed. I could have all 4-5 losses in which case I would just have to continue on until I build my positions but I have dramatically stopped/stunned/reduced my drawdown in that range. I would only having 2-3 attempts within that range. Also, I do not use -100 pip stop loss, I would know very soon after I enter if price has stalled and not going towards my intended direction then I would stop out at whatever Im at (much less than -100). Furthermore, when I know a pair of currency is in range, I place it in 3rd priority. This is why you need to trade multiple currencies and only trade the pair that are currently moving for you.

For that particular chart, I would most likely have 4-5 positions before that range on good uptrend, 1-2 attempts during that range, 3-4 positions after that range. This is possible because im not super smart but its possible because Im not in a rush to build my positions in one single area. Im glad this post actually flows nicely from my previous post.

The main reason that particular trader failed in ozziedave's chart is because he tried frantically to make positions when market is telling him to step away.

Can everyone see why successful traders try and stay away from the markets?

Someone asked me how I can manage up to 20 pairs of currency. I only trade what I see, when I see. It diverges my time/risk/reward on an even spread.

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 3:44am



Aug 1, 2010 4:16am

425



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Member Since Dec 2009
10+Y 760 Posts



Thought I would finish off today by explaining what I perceive to be ranging. This is just example

1. A trader sees a good momentum movement up, its from 50% fib, higher than open price, main trend is uptrend, and there is alot of participation. He has done this a thousand times.
2. You enter at nearest s/r. Can be .00 or any of your choice as it does not matter. It moves relatively easily into profit. Seen that many times before.
3. Something has gone wrong. Price suddenly stalled. Now price is having difficulty making higher high on 5min chart. Price slowing down, new sellers jumping aboard, now its making lower lows and moving into tight bound.
4. I exit now, -16 pips.

For me, this pair of currency is now ranging for me. Period. Im not wasting another 1 minute looking at this pair of currency wondering when it

would start picking up speed again. I simply flick over to next pair of currency.

Next pair of currency is hot.

Alot of movements. Monthly/weekly downtrend is aligned, price is higher than open but its losing pressure. I want to see final gasps of buyers before I execute. Surprise, buyers cant penetrate the support. Good, where is my piggyback? Yes! Look at all these sellers climbing aboard, they must have loved that oversold RSI >90 and macd and channel and bollinger band. Execute! (and im probably on the soon-to-be wick of the daily candle). Price approaching open price of the day, lets wait for it, can it penetrate pivot resistance? Yes, with ease, I enter just below again. Yes, its moved 20 pips profit easily, uh? What is happening? Price stalled. Oh bollocks. Not enough sellers? Sigh.. Retrace up? I dont care, move sl to be and move on.

Move on to next pair..

Holly Molly? I missed this action. Its already moved 100 pips in one hour. Dang rabbit! I spent 30minutes on the crap first pair of currency. Plenty of space between R1 and Pivot. Enter at .00 going up, good momentum but could be better. Can we breach mid channel? Traders love that, RSI rising sharply, so is macd, heh heh who am i going to piggyback on? Lets put a buy stop at next .50. Boom, im in. Scanning, scanning, hmm all looks good, ema just crossed over (traders love that), i love the slope too. God this momentum is fabulous im already +35 pips ahead. Move sl to be. I will wait until .00 since I entered at .50 and I will enter with hard stop loss 25 on both positions so I lose nothing. OK 2nd position in, uh.. what is this. Price stalled at resistance. Let it be? no, I will close 2nd out at -10 pips and let the other ride it out.

A failed entry for me, is a sign that market is ranging. It doesnt matter if market is really ranging or not. All i need to do is keeping moving around the pairs of currencies. I hope the above comical approach will be lighter to your understanding.

I had alot of fun typing out the above and its similar to what I do everyday in the markets. I trade what i see, when i see. You only know your progress when few weeks later there are still positions alive in your journal. There is no reason why this happens. Make it happen and it will happen.

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 5:14am



Aug 1, 2010 7:56am

436



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Member Since Dec 2009
10+V 760 Posts



Good evening, all

Thank you very much for the contribution and the backtesting.

Impressive analysis and kudos for everyones contribution.

If I add a honest review of the analysis,

1. Drawdown is too big. I would never allow such drawdowns and to let all new readers know that when I first introduced .00 entry system I informed all of such drawdowns. Hope everyone see the importance of holding onto your positions and better discretionary entry skills. Even after enduring almost -4000 pips in one scenario, market will grow your remaining positions and it gets bigger and faster the longer you hold.

2. +2600 net pips for 2 months is too large. This was achievable cause of the 'unnecessary' over risk we take by doing every .00 entry mechanically. If everyone can please reflect to my early post of today when I explain the importance of ignoring the market on given times you will definitely, reduce that drawdown by at least half + your perfect entry skills = your drawdowns will be minimal.

Edit: I just noticed this net profit is larger than my expectation as there was no diversification in the middle. My current statistic shows that each position is currently bringing in 37 net pips per week. Please consider this figure in your expectations.

3. I hope for the sake of all readers that they did not implement .00 entry system as it is.

Please allow me to show all the power of ignoring the market and how it saves your capital/stress/risk.

Anyone here please choose any 7 pairs of currency.

First reply will get the chance to choose

Sincerely,

Graeme

Last edited by pipEASY, Aug 1, 2010 12:32pm



Aug 1, 2010 8:27am # 440




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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **Chorlton** 

Hello Graeme,

Firstly, great Thread. The underlying concept of letting your profits run to such an extent that you can capture those profit "outliners/fat-tails" is something which I also strongly believe in.

However, as I am new to FX, I wonder whether you can answer a couple of questions for me.

1) When you close positions which have made gains (so that you can diversify), (i) what % of them do you close in relation to those that you keep running for the bigger gains, and (ii) how do you decide when to move a particular position to...

Good evening, Chorlton

Thank you for your question. Apologies that I missed it somehow.

1. I diversify when there was enough growth of the current group and the direction of the market is uncertain. I will diversify to replenish my trade capital and add realized profit to ensure a smooth growing equity. I will always hold largest legs of the group and move them to the group before on the higher level. No set %, diversification is the easier part of my trading.

2. For myself, open of daily candle is 9am sydney time (open of asian market). Im not sure if this differs from other traders in other timezome.

3. Mt4 is the first that I encountered. I havent tried anything else but I have everything I need in mt4. Thank you for the additional information on the other platform, I will keep in mind and one day try it out.


Thank you for great questions

Sincerely,

Graeme




Aug 1, 2010 8:31am # 441




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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Chorlton** 

I
IMO there is little benefit in assessing the drawdown over a short period (such as a few weeks) if the intention is to hold for much longer.


To try to expand on this I'd like to tell a quick story. I was once at a seminar where a graph of a system's drawdown & Equity was displayed. According to the graph (which displayed about 8 weeks of results) the equity kept on falling. My instant reaction and others in the room was why are you showing me the results of a losing system !??! However, when the graph was resized to cover the last 5 years...

Good evening, Chorlton

Correct. Absolutely. However, drawdowns must be avoided.


The mind games involved in drawdowns is devastating. You wont be able to sleep with a realized -4000 pips loss and all you have is 2 open positions now at +300 pips each.


The only way to avoid drawdowns..?



Sincerely,


Graeme

Quote




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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Gp144** 

Thank You PipEasy so much for this thread.

I have a small account (\$550.00) with Interbankfx in the US. With this broker, I can trade at a penny a pip (.01) which is the way I like it for now. I don't spend alot of time anymore at the computer because I been losing money for the past three and a half years. Now, I will be adding funds too my account shortly, to begin building equity.

Graeme, your style of trading has put things into perspective for me and others that this can be a "business of profitable investing", once you get survivable...

Good evening, George

Thank you for the compliment and Im sorry to hear that you have lost your money for the last 3 years. Could you explain why you think you have lost money? I can probably assume/guess however it would be nice if you would share with the community, if you dont mind.


I hope U.S brokers understand that there is no beneficial reason or any technically fundamental reason why buy and sell is considered a wrongdoing. People buy items from UK while living in japan and so does a uk citizen buying items from japan. Its a flow of buy and sell in a two way lane.

Sincerely,

Graeme



Aug 1, 2010 11:04am # 446



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Member Since Dec 2009
10+ [760 Posts](#)



Good evening, all

Ozziedave has chosen 7 pairs of currency for me. The first being gbp/usd.

Im not very sure if my next 7 charts, will help your understanding or add more confusion but I hope it helps in some ways.

Before you look at the charts, I just want to say with all earnesty that 2 traders cannot be the exactly same. Its not learning something from a textbook because trading is your very own personal interpretation of the present matter on hand.

I invite all how I 'possibly' use just basic moving higher high/lower low, .00 s/r, and pattern recognition helps me grasp the bigger picture of the market sentiment. This bigger grasp helps me notice trends happening 'before' i move into a zoomed view on 1hr timeframe for razor entries.

It may be alot to digest however believe me when I say I do the next 7 charts all in my head at one glance of an open chart. With all sincerity I hope this helps but I have my concerns. I will follow up with 6 further analysis of remaining pairs.

Price must move from support to resistance of moving higher high and lower lows. They use .00 as stepping stones on the way. Think about it.

First chart shows my complete focal interpretation of last 4 months.



Aug 1, 2010 11:08am

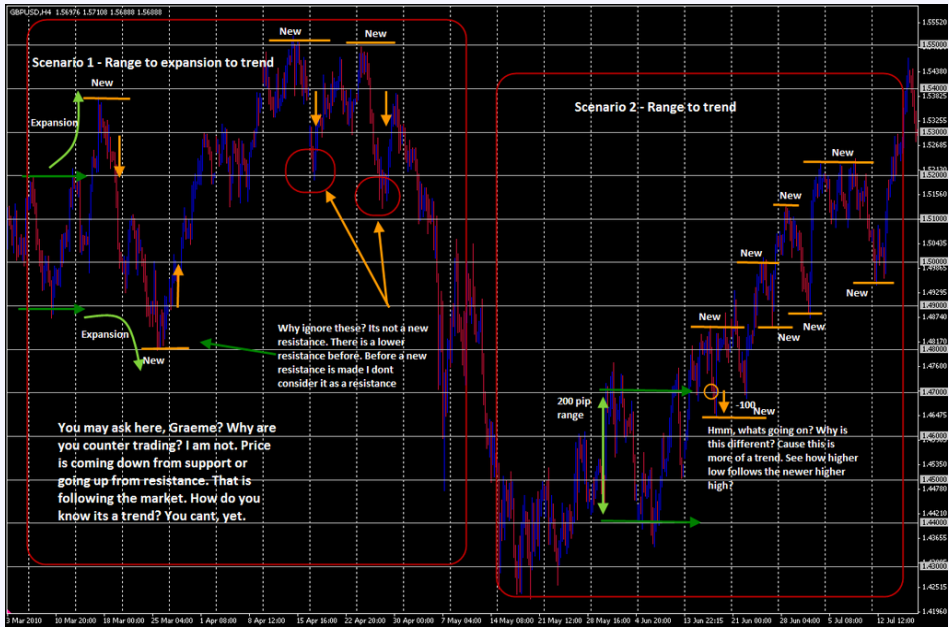


Member Since Dec 2009
10+yr [760 Posts](#)

My first focal interpretation of some possible future movement



There are 2 distinct price patterns in forex. Scenario 1 and Scenario 2. Small variations in between but its either one or the other more or less.



Last edited by pipEASY, Aug 1, 2010 12:02pm



Aug 1, 2010 11:12am

[pipEASY](#)

448

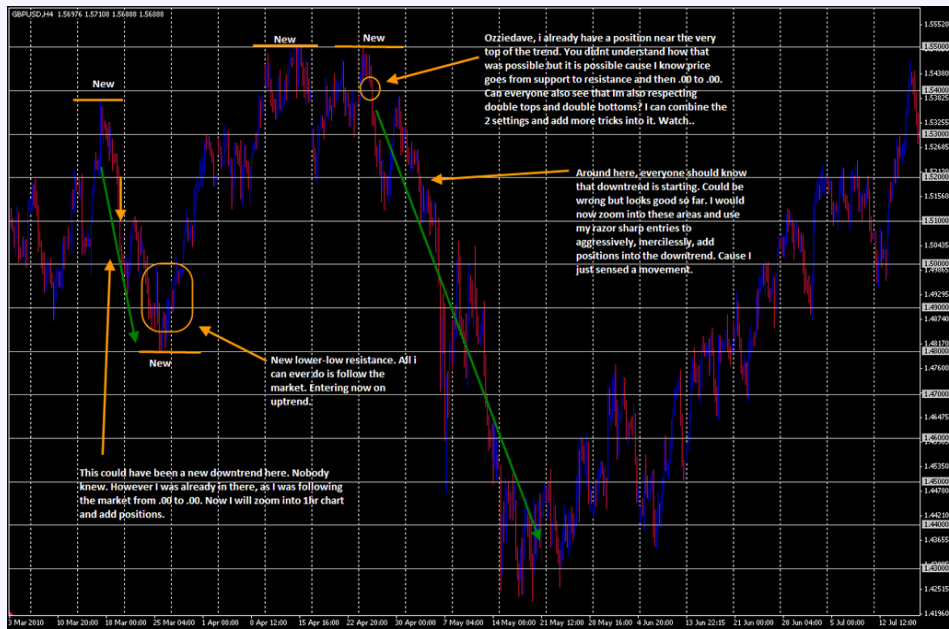
Member Since Dec 2009
10+V 760 Posts



crede quod habes, et habes



Can everyone see that a counter trade is also a start of a new trend? Nobody knows. As long as price is moving up from .00 then im buy, price moving down from .00 then im sell. My biggest helper.



Aug 1, 2010 11:14am

449



pipEASY

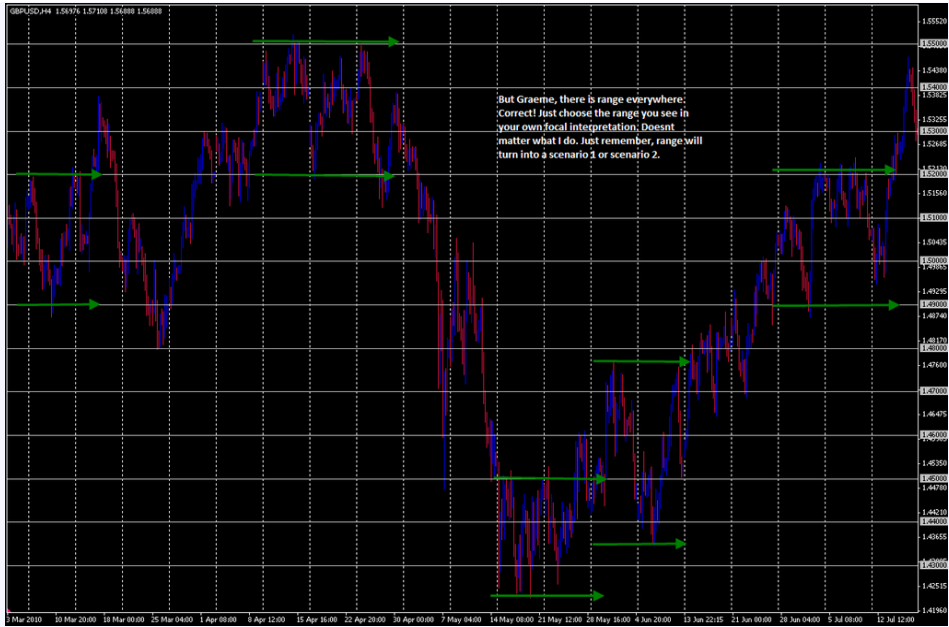
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Member Since Dec 2009

10+V 760 Posts



But, Graeme? I see different support/resistance to you, and different range to you. It doesnt matter. Its all relative. At the end the result will be same.



Aug 1, 2010 11:18am

450

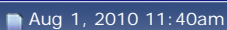
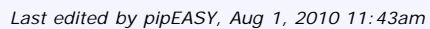
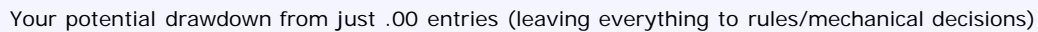


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Member Since Dec 2009
10+V 760 Posts




How entering at 'every' .00 will be a huge drawdown. And this applies to all systems on this forum that tries to pre-define entries and exits on certain rules/criteria/indicator/eas.




451

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Member Since Dec 2009
10+V [760 Posts](#)



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Good evening, all

Thank you for your patience.

Im not sure if I relayed my meaning clear enough in the last 7 charts. Alot of readers was eager to know how I see the market.

Just like my multi-leveled positions, market sentiment is also multi layered. I do not aimlessly wander around 1hr charts picking every low risk entry possible (even though that is hypothetically what I do). However I do know which pairs of currency to concentrate on. This is very important to know. Its knowing where to hit your opponent with one swift brutal attack.

You must focus on pair of currency that is currently moving for you. Also you need to be trading multiple pairs because there are periods of range where you should be just sitting tight until it breaks out.

Alot of traders know that range goes to trend and then back to range. It is true however do you know how to implement that? By just using moving higher high and lower low support/resistance and moving with the flow and entering at .00 is enough. But you can use your own methods here.

Most important thing I do on the 4hr/daily chart is look for a certain range to happen. I love it when range happens. Although I do lose a 1 or 2 good entries to actually find out that price has now gone into range, I wait and see what happens next as I know it will be a scenario 1 or scenario 2 or a mix of more or less both in a sense. No matter what it is, I implement a mix of counter trade (but following the flow) and mix of within the trend entries which are usually performed at 1hr.

Scenario 2 on gbp/usd was quiet tricky. It wasnt a simple explosion of uptrend but many minor dips with moving HH LL s/r close together. Terrible. I wouldnt waste more than few attempts to such poor movement. And this is very very very important in keeping your capital safe. There is no need to rush in once you know its a trend and try add position at every .00. You have to notice few things that is wrong with the trend.


Its like card counting in blackjack. All we need is a rough idea what it could be in the next 10-20 cards. Thats how professional card counters do. They count until there is only big 10 cards are 'mostly' remaining and they will enter heavily. Yes, they will still have losses but once they take a whiff of soon/potential good row of good cards thats when they signal each other to all jump in and bet heavily. True fact.


And thats what I do. All im doing with my focal interpretation is that, Im sniffing around the higher timeframe. I prod a position here and there, counter trades but following the flow (these are usually the start of trends), I do more prodding until I know that I caught something. I stay awake to add positions in that pair of currency once I know its just full of big 10 cards.

Please think about it. We can only speculate to a 'certain degree' of certainty and then we milk it dry.

Sincerely,

Graeme






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Aug 1, 2010 11:55am

452



Just wrapping up on what we covered on this thread,

If I breakup this thread for the new readers to navigate around:

First 5-10 pages, importance of long term

Member Since Dec 2009

10+y760 Posts

10-15, diversification
15-20, exercise to practice entries
20 onwards is mostly entry methods, my personal focal interpretation.
25 onwards is about ignoring the market

It seems like a long way here and I hope it was of help. I try cover the rest of 6 pairs of currency as chosen by ozziedave and then perhaps I really did cover everything I do. The last 6 would mostly cover the importance of not attempting every buy/sell signal.


May I remind you that the fastest person runs 100m in 9.58 seconds. That is humanly impossible to most. However, it is possible cause the fastest person in the world has stepped outside the bounds of normal perception.

Sincerely,

Graeme



Aug 1, 2010 12:19pm # 455



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Member Since Dec 2009
10+Y 760 Posts



Thank you for the compliments, bakuli and ozziedave.

Im astounded to hear that you can grab screenshots within mt4. Guess we all learn from each other.

Find a way to sniff the market on higher timeframe. I personally use counter trades with the flow taking both buy and sell. This ensures that Im covering both sides and my first position near the start of anything big that is starting.


Once you know how to sniff the market with your scouts (jessie livermore term), milk it bone dry in the lower timeframe. But please do not stack positions in one given area. I try cover that very soon

Sincerely,

Graeme



Aug 1, 2010 8:37pm # 460



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Member Since Dec 2009
10+Y 760 Posts



Good morning, ozzietrader

In forex, what you see as s/r is nothing to other traders focal interpretation. I prefer not to use long term s/r like the ones you marked in orange. No special reason however I only look for few things in higher timeframe.

1. I look for range. Why?? Cause it needs to breakout
2. How does it breakout?
 - scenario 1, where price expands in both direction and then one of the counter trades turn into a trend
 - scenario 2, where price moves out of range into a dedicated trend with higher highs and higher lows following together.
 - or it could be a mix of both.

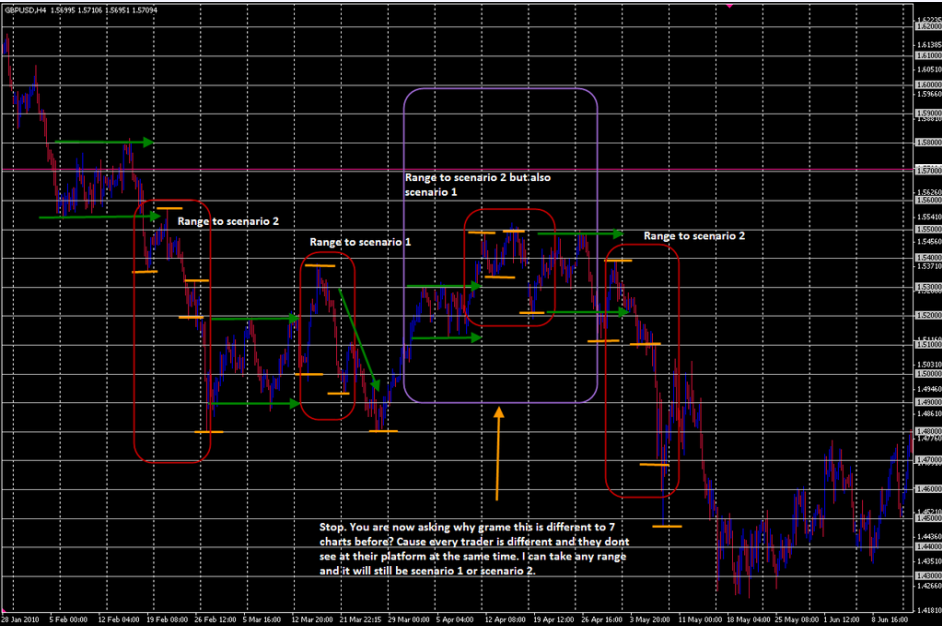
Please refer to my gbpusd charts, it has all 3 scenarios

Preference? I dont care as long as I enter with flow from moving HH LL s/r and .00 to .00.



This is how I look at your chart in my focal interpretation

See how I treat each range and breakout individually? This keeps my interpretation like liquid. I have no shape or size. I flow with the market.



Aug 1, 2010 8:53pm

461



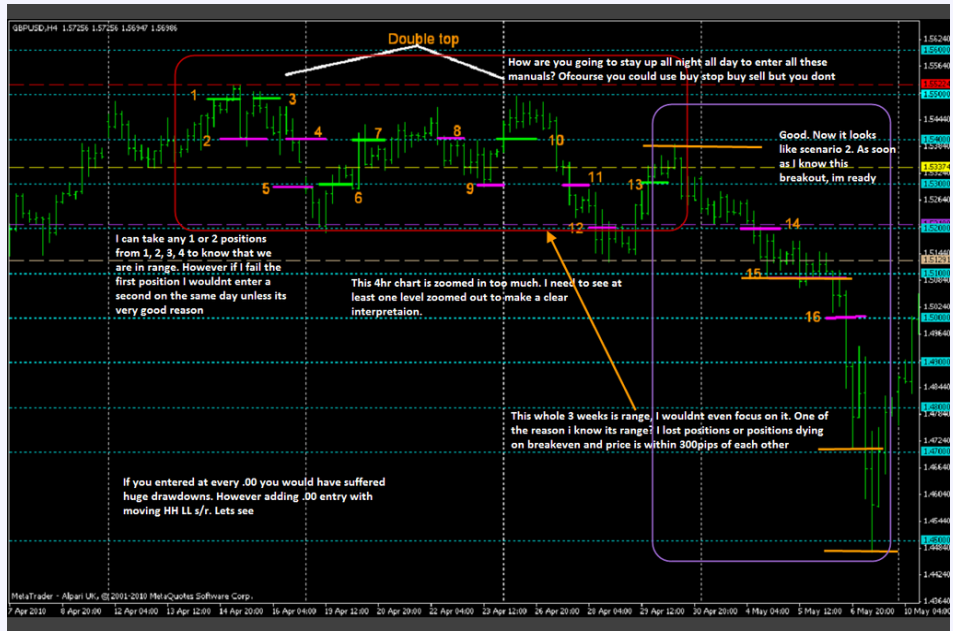
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Member Since Dec 2009
10+V 760 Posts



This is a classic reason why traders lose money.

1. They are on 4hr timeframe but zoomed in too much so they cant see anything above the steering wheel.
2. They try too much in one day/one week. This is one of the emotional hurdle. There are so many more pairs of currency that are moving for you right now and trader still stay with their beloved one.



Aug 1, 2010 9:00pm

462



pipEASY
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Member Since Dec 2009
10+V 760 Posts



Good morning, all

Thank you for the continued interest.

I can see how I have disinterested many readers and messed up the integrity of the thread by adding .00 entry system and my own charts of my own personal focal interpretation.

Can readers please acknowledge me either by pm or post here that they are somewhat following me?

I just have this unfortuante feeling that I have explained just too much for any room for enlightenment on the readers par and have turned this

thread into another, enter here and exit here type of thing.

I dont know how to rectify it without deleting last 100 posts of mine but I hope out of all this shamble you can at least find something that will work for you in the future.

Your focal interpretation must be like liquid. It can be any shape and size at your will. You must not limit the flow of the water, but actually flow in the direction with the market. After saying this am i making things worse?

Sincerely,

Graeme



Aug 1, 2010 11:00pm

#467



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Thank you for kind remarks

Perhaps for the sake of better learning I should ask questions.

I will show how each traders focal interpretation is different however the result will be same.

Since each traders focal interpretation is different, forum systems do not work to everyone's expectation.

I would like everyone to copy paste below chart and highlight what 'you' think is range and breakouts. And where you would participate. It doesnt matter right or wrong as I will show you in forex there is no right or wrong unless you close a position with a loss.

Im asking all readers to now come forward to me. Tony, rob, member:someone, bakuli, changhm, geoff, dave, pip_daddy, dllap, charvo, andrew and all others. Sometimes you must hit someone to learn how to box.

Show me how you interpret market action.



Edit: Just stepping out now for few hours. Please do not judge other people's interpretation, allow me to do that. Also I would like to see everyone including the new readers to step in here now and **show me**.

Last edited by pipEASY, Aug 1, 2010 11:10pm



Aug 2, 2010 1:03am

471



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **brucech**
Here it is....

Correct. Nice simple with plenty of space.

You respected the breakout and the flow afterwards.

You entered from .00 on counter trade down. Good.

May I ask where you would be taking buy positions?

Im asking this qusetion cause you have 'spaced out' your focal interpretation nicely. How do you know the middle correction of 100-300 pips was not the start of something new? But, Im confident to say that if that small correction was start of something new (or another range), you would have sent out a scout to test it out most likely when price goes from .00 below to above .00 and enter buy (once again following the flow)?

When you know that downtrend 'looks like' resuming hope you realize this is now a deck of cards with full of high 10 cards and you would enter sells from 1hr or smaller timeframe. Huge additions to your profits.

Overall, well done and im very content.

Sincerely,

Graeme



Aug 2, 2010 1:14am

472



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Bakuli**

My interpretation of your 4 hrly chart. I must confess that I have not much experience of the higher timeframes as I have mainly been trading very short TF's.

Good.

You have correctly analysed first range.

You respected the main downtrend, and tried to mix and match buy and sell positions to cover both sides, excellent however timing is little out of sync.

May I suggest you try .00 autoline indicator as this will help your focal interpretation. It is encouraged to draw your s/r lines on or close to .00. Try it please.

Lets consider your up and down arrows as your attempts, you would still be profit near the end of the chart. Your first 1,3 is definitely still surviving.

I hope this is a related discovery for you and notice that taking less trades reduces drawdowns significantly. This is a big help in emotions.

Lets do some more charts together after everyone participates with this one.

Sincerely,

Graeme



Aug 2, 2010 1:28am

475



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **charvo**

Master Graeme:

Thanks a lot for this exercise you recommended. I submit my assignment here to extract your further "diamonds".

Suffering from lack of "a photoshop", my pictures look sort of shabby, sorry for that.....

Assumptions of trades:

1. I pretended that I have to work during day, so I only use "daily close" as entry prices (everyday after I go home after work);
2. I can set limit/stop orders at every .00 levels unless there are special reasons.
3. I have not learned your today's recent posts, only trading my own dumb style...

Good.

I can see that you have mini support/resistance everywhere in your focal interpretation.

This is good and bad. Bad: You see entries everywhere and no doubt you would be eager to enter all. Good: You can use this on lower timeframe to great advantage. And you need to do the similar on lower timeframe when we know the higher timeframe is indicating a 'possible' trend soon.

On higher timeframe we are mostly sniffing and prodding

It is good to see the motivation in you to participate in the market however for the next chart we prepare after this one, for fun, take only 1 out of 3 entries and no buy and sell on same .00. **You might see a related discovery this way.**

Well done however I worry about your potential drawdown.

I do not wish to compare your charts with others but just for your learning sake, brucech and bakuli would have smaller reward than you at the end of the chart **however** they will have not even 15% of your drawdown.

This will be the most important lesson from this chart that I present to you.

Sincerely,

Graeme



Aug 2, 2010 1:32am

#476



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **Chorlton**

Graeme,

In answer to your question, I'm also one who is following your posts. The only criticism I have is that due to the content (and underlying message) within your posts there seems little reason to go out and buy some new forex books ;-) On a serious note though, as someone new to FX I'm definately glad that I came across your thread.

If you have time, could you reply to my previous post about ways to avoid drawdown. Am I on the right track or is there something else which I've missed which is equally important.

*Thanks in advance,
Chorlton...*

Good afternoon, chorlton

Apologies for missing your post somewhere before. I try and address each post but somehow keep missing yours in the flow.

I will definitely go back to it near the end of this chart exercise.

Kindest Regards,

Graeme



Aug 2, 2010 1:34am

477



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Member Since Dec 2009

10+Y 760 Posts



I would greatly appreciate it if more readers could please participate

Graeme



Aug 2, 2010 2:40am

483



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Chorlton**

Graeme,

In the absence of being able to post charts, can I ask how you would prepare for a trade entry when presented with a ranging period on the chart?

Would you (a) wait for price to break-out of the range and then take the trade, especially if it was in the direction of the bigger trend, or (b) could you place a Buy & Sell order (OCO) at either extreme of the ranging period and allow the Mrkt to fill you in real-time, which might be useful when away from your screen, although I would guess that there is more risk associated with it due to...

Hello Chorlton

Good question.

I never pre-define my entires/interpretation to anything or anywhere particular. This will confuse some, but you will find same success by just focusing on what is happening on the screen at that moment. You could be looking at higher timeframe or lower timeframe. Or you could be looking at trendline break on 5min chart. There is no such thing as one thing is better than other. ITS ALL RELATIVE. You can do either one of them and come out through a different door but as you travel on and go through more doors, as long as you stay within course (trend) everyone still arrives at the final door of profits as long as they let the positions grow.

Professional traders do not have inside bars, trendlines, s/r breaks, bollinger expansion, pivot breakouts and the rest to determine their future/present actions. They see something move, they enter, if it does work, they try add more but when the magic disappears they shrug and move on.

They just dooooo things in a sensible and realistic approach.

I could do breakouts, range, inside bar, trendline break, s/r, double top, bottom top as long as i do not try too many times on one single day on one single pair of currency.

I just keep going through doors not knowing where the market will take me but I know some doors are special doors and I would only know by keep going through doors. Special doors cannot be found with your indicator, it just happens. You look back 2 months ago and notice that door was

a special door and you didnt even know then. Can everyone please read this twice for me?


Keep your drawdowns down, perfect your entries, and hold onto your hard earned postiiions.

Sincerely,

Graeme



Aug 2, 2010 3:09am # 485




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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **harihebat** 

hi graemae,

may i join your excercise?

thanks

Good.

Nicely spaced out focal interpretation. Good.

You prefer to use trendline breaks instead range breaks. Good.

I hope all readers see that there is more than one way to make profit. You went through a different door to the other traders but you still end up same at the end with minimal drawdown and similar profit.

You have spaced out your buy positions so you still cover a possible trend change. Good.

Nice, simple, sensible, spaced out focal interpretation.

When you prod and sniff like this on higher timeframe and know that trend is coming soon I know you will apply same sensilbe approach on lower timeframe with same spaced out interpretation and add positions with minimal drawdown.


Good. Good.

Sincerely,

Graeme



Aug 2, 2010 3:13am # 486




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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **geoffrod** 
Here be mine graeme.

*lines denote, range boundries
arrows denote participation*

*cheers
geoff*

Good.

Nice, simple, spaced out interpretation. Covering both buy and sell sensibly.

You acknowledge range and then follow the flow.

You also see areas of range clearly and anticipate movement after.

Good. Good.

Sincerely,

Graeme



Aug 2, 2010 3:27am

488




pipEASY
crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **brucech** 
pipEASY,

Thank you for your response to the charts. Attached is the reasoning behind not taking any Longs on the charts.

You prefer biased market sentiment of downtrend on this chart. You are correct however you will need to be quicker to action when there is a change in trend. And this 'might' perhaps evolve into a bad trading habit as you try anticipate the next big movement. Must keep it under control and never overexpose yourself to the market.

You would have made the most profit/growth from all the participants as you preferred the downtrend to continue and your sensible position stacking. My concern is what happens when market changes trend. I know you will be sensible to 'quickly' change your trading approach.

Other participants made somewhat smaller profits and slightly more drawdown by taking buy positions as well. I choose to do this cause you may be taking the prom queen home this time but market changes without notice or regard.

However, I can see that you will be capable of such changes in the condition. Just for your learning sake, try taking 1 or 2 buy positions on corrections. It could be a loss unfortunately, but it also could be BE or the very bottom of a new uptrend. Definitely worth the efforts.

My next chart after this will have a trend change. Hope to see you contribute more.

Sincerely,

Graeme

Last edited by pipEASY, Aug 2, 2010 3:39am



Aug 2, 2010 6:48am

490



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Chorlton**

Hello Graeme,

Here is my attempt at your chart exercise.....

Be interested in your comments...

Thanks..

Good.

There is nothing wrong with **any of the traders personal interpretation**. Everyone's interpretation is more or less looking at capturing long term growth, which is fantastic.

However, i would have definitely caught that correction uptrend of 1.26 to 1.31 of 500pips. I could have caught that by:

1. Sending out a scout on 4hr timeframe, entering at .00 and just testing it out.
2. or, notice the correction and move into 1hr timeframe and use my razor sharp entries to move into it.

I could do 1 or 2 and I just dooooo it whichever comes first into monitor.

It does not effect me at all if I use 100, 200 pips to test out a possible new trend. I will gladly pay this price anytime everytime to have the first step on the new trend before anyone else. This also ensures that my profits are much larger than most traders who standby and wait for confirmation of trend.

May I say that once you confirmed the new trend it has already moved 500 pips? What if the total of new trend is only 1000 pips? You would only have space of 500 pips to stack positions. If I started at 100 pips into the new trend I would have much more than you and my profit/growth would be much larger cause of the extra exposure and extra time of growth. One of the important reason I try to cover both sides of direction.

If the retracement at 1.26 was start of new uptrend (which nobody can predict) there is unfortunatly only 2 traders here who was ready for it. And they were looking pass the loss of -100 or smaller but they now know for a fact that they were wrong **FOR NOW ONLY.**

I have traded that chart live and im glad to see that there are traders who took similar paths to me.

I remember taking a very small profit on that 1.26 correction. About 200 pips or so and I diversified keeping few of the larger legs just incase it was start of new uptrend but it died quickly once downtrend resumed.

Can everyone see that:

1. Spacing out entries spreads out the risk/reward?
2. Can you see the purpose of sending out scouts in higher timeframe?
3. **Can you see the importance of sniffing/prodding/scouting the intended markets movement in the higher timeframe? Cause this would be inside information to your lower timeframe trading.**
4. Can you see that we have used no indicators?
5. Can you see that we have only used 2 of the following: trendline, s/r, .00 lines?
7. Did you know that this is almost naked trading which all the pros seems to be talking about?
8. Did you know you have stopped your **bleeding** and stunned your drawdown?

9. Did you know everyone here has successfully made profit for last 3 months by taking less than 10-15 trades? Quiet big profits as well. At least 1000+ pips

10. Can you still see that you make profit with nothing, no knowledge, and just following?

Can you see/feel all this?

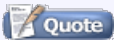
Well done all and I wish more people would post their chart as there is no right or wrong door.

We are going to do 1 or 2 more charts like above and then try some forward live testing. Until then could all new readers please post their answers to the above chart?

Sincerely,


Graeme

Last edited by pipEASY, Aug 2, 2010 7:07am



Aug 2, 2010 7:12am


491



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Member Since Dec 2009
10+y 760 Posts



To: pillager, guess 121, wonko, fiftylots, someone, willf, andrew_n, coobin, geoffrey62, mojjazz, scalpz, takeEASY and all others who have pmed me before.


Gentlemen, im sure you are here to learn, and im willing to contribute. There is no way to learn but to get your hands dirty.

May i please request your charts at least on the next coming one?

Its not compulsory but it might be an enlightenment to you to use an editing software to physically draw in s/r and notice something that you know you looked at before but did not 'feel' it before.

Sincerely,

Graeme



Aug 2, 2010 7:23am

493



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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **willf** >

What? Now we ggotta do homework? 😊

If you use this indicator it will draw S/R automatically 😊

Good evening, willf

😊

That indicator shows too much. Can all readers please compare the chart showing the indicator and what we drew manually? This is important.

I will use less than half of what that indicator is telling me.

Indicators are one of the main reason traders are attempting too many entries on one single session or day. You need to space out your entries.

Can you see that the average trader would be more confused?

We should be using personal interpretation as our indicator.

Thank you for bringing this up but could everyone please delete all indicators 'if possible'

Sincerely,

Graeme



Aug 2, 2010 7:37am

494



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Member Since Dec 2009

10+V 760 Posts



Good evening, all

Thank you for your continued support.

Hope everyone is learning something they can use to personal advantage in the markets.

Just wish to say on the side, after contributing just one month now, I notice how much 'we' are accustomed to things telling us what to do.

If 'A' happens then do 'AA'

If 'B' happens then do 'BB'

Everyone wishes there were steps/flow charts in forex where all they had to do is go around the chart and choose answers that are pre-defined and lead us to profits.

This is an ultimate failure. If you are here at this forum for answers you will be going around in circles for a very long time. If you are here in this forum for an enlightenment/insight into trading, then I encourage you on.

I understand that it is a basic human trait to prefer being told what to do as this is how we are nurtured by our mothers when we were young.

Then Im telling you with all earnesty,

"Look. See. Feel. Follow."

Sincerely,

Graeme



Aug 2, 2010 8:02am

496




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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Chorlton** 

Hi Graeme,

Regarding the move from 1.26 to 1.30-1.31, the reason I didn't mark it as a possible BUY is because IMO there was nothing that clearly suggested a retrace. From 1.26 price went sideways for a few days followed by a gap up. By this stage, I felt my risk was too high to enter at around 1.285, as the best location to place my SL would have been just under this new support at 1.26.

Can I ask what was your reasoning for entering at 1.26? What was unfolding could have easily been a temporary pause before recommencing the downward trend....

Good evening,

Very good question. Yes, it is difficult to express something and there is also another meaning within.

In my personal focal interpretation, I saw a stall in 1.26, I dont understand how traders know that this temporary stall was 'temporary'. How?

2 participants claimed that they were 'expecting' this stall and waiting for downtrend to resume. How do you 'expect' in forex.

Please allow me to give you a dose of reality.

Traders used word 'expect' cause you saw what happened after as this was backtesting. As if they had it planned according to their own forecasting ability. Im sorry I cant do this.

If that scenario was live trading and a trader saw that stall at 1.26 and just waited for the downtrend to resume which happened at 1.31. Most wouldnt know what to believe while it was going up. Is it up? down? Another stall at 1.31? Another 300 pip range perhaps?

And what happens if the 1.26 uptrend went to 1.31, stalled and went up as new uptrend? You expected that yes?

Everyone need to admit right now they cannot expect things to happen in forex to their 'expectations.'

Yes, selective in entries but also covering both sides of the direction. You do not need to have a position right at 1.26. But if I saw the correction at 1.26, I would at least place a buy position just to respect the market.

If I missed it, no problem, I missed it.
If I arrived late, no problem, I missed it.


If I see it happening now, I take it.
I dont wait for it
I dont expect it

This is what I mean by selective entries and spreading your entries. Dont glue your attention to the charts. No need to.

Good questions indeed.


Sincerely,

Graeme

 Quote



Quote:

Originally Posted by **saintmo** 
My messy attempt follows:

green line s/r
yellow arrows sell
pink arrows buy

I am a little confused by trying to coordinate .00 entries with higher highs-lower lows and s/r.

Thanks for the exercise. Not as intuitive for me as it should be.

Good evening Saintmo

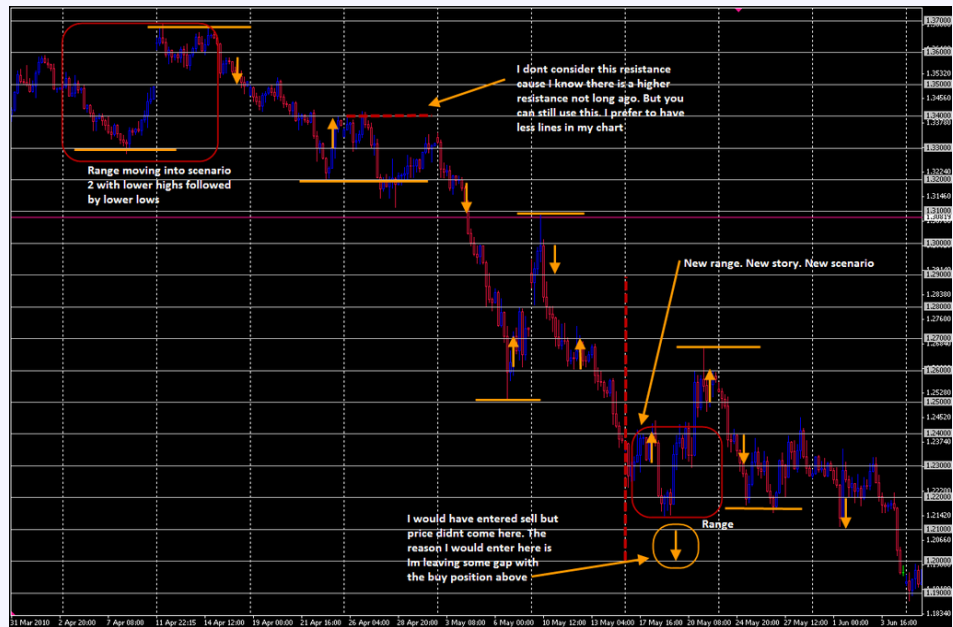
Thank you for your chart.

Why is it not intuitive when your focal interpretation is correctly analysing?

You still made alot of profit/growth at end of chart by trading only with s/r.

However, there is too many ranges in your interpretation. Yes, there are ranges everywhere and you do not need to take every single range that happens. Just space them out and take the ones you only see when you get a chance. This will greatly benefit you.

Below is what happened to me in real trading. It looks like I had more drawdown than some of the participants here. Near the end of chart, Im also in profit but not as big as a trader who only had bias on the downtrend.



The above result is close to what I did back then. Can you see that Im not a perfect trader?

Sincerely,

Graeme



Aug 2, 2010 10:22am # 508



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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **pillager**
Hi Graeme,

here is my chart as a part of the exercise. I must confess that I have used Ichimoku to draw my entries. I really don't consider ichimoku to be an indicator but rather a bunch of moving averages. Also you need to interpret a lot and take your own decision when you are using it. Besides, I am comfortable with it. If I am not following this methodology, my subconscious mind would have copied some of the techniques used by other posters.

Again, you are doing an outstanding job and continue to amaze me day after day. I don't post much....

Good.

You have good grasp of price moving out of range.

Good, you have spaced out your entries.

Your chart is closer to what would have really happened in live trading.

Excellent.

Sincerely,

Graeme



Aug 2, 2010 10:29am # 509



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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Behr**
Hi there,

Here you have my chart, trying to mark trend lines and some S&R (I feel more comfortable with trend lines). My criteria to buy and sell was going through .00 after trendlines breakouts.

Regards,
Behr.

Good.

I also use trendlines but for me personally just .00 is fine at the moment.

Your chart is also closer to what would have happened in live trading.


Nice coverage on both buy and sell and yet spacing them out sensibly.

You have more growth/profit than most participants cause you participate slightly more aggressively. In return your drawdowns will be higher than most others. Its give and take.

Good.

Sincerely,

Graeme


 Quote

Aug 2, 2010 10:45am

510

 **pipEASY**
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Member Since Dec 2009
10+Y 760 Posts

 Quote:

Originally Posted by **Wonko** 

Well then let's try to contribute. This is the history of my GBPUSD trades that I took since I decided to build up positions just as Graeme encouraged to do.

I am trading live because otherwise I feel I wouldn't learn anything at all. Right now I've got 10 positions on 12 pairs and am quite pleased with the result so far. And with result I don't mean monetary outcome, no, that's way to early to decide, though I am 10% up in unrealized profits right now. But the most important lesson for me is how easy things are now. It is quite stress free to...

Hello Wonko

Thank you for your update. I was thinking about your progress today.

Im glad to see that you are using multiple moving averages to see the market sentiment. Im sure you know very well the compression and expansion of ema arrangements.

Im very glad to see you are using .00 and trendline.

I encourage you on. May I ask (once again) are you ready for the upcoming emotional hurdles? Im sure you are battle ready.

May I please encourage trying few sell positions at corrections. You dont need to take every sell position but whatever you come across.

Im glad you are currently in a pair of currency that is trending very strongly. I also was adding into this pair today.

Currently my journal shows 14 positions since end of may. There was few sell positions in the middle june but at the moment I have all 14 buy positions which means without even looking at my charts we are in a clear uptrend. Nothing lasts forever, wonko. The first sign of weakness I will be diversifying this group, closing out smaller half of legs and get it off my mind.

Im sure you have everything under control. Just letting you know my intentions for the above info is for emotional support.

Sincerely,

Graeme

 Quote

Aug 2, 2010 10:48am

511



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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **rdwatkins** 

Graeme,

This is the second weekend since finding this thread of reading / re-reading your insights, experience and examples. I am finding it so instructive! I am not quite at the point of beginning my millipede but, am practicing my own entry skills based on Billy Ray Valentine S/R entries [No Brainer Trades - <http://www.forexfactory.com/showthread.php?t=86429>].

I do not intend to start using the .00 entry scenario that you are concerned is confusing traders here. I will add the BRV No Brainer education to your instructions (as they...

Good evening, RDWatkins

Thank you for suck warm compliments.

Also I would like to acknowledge all the other compliments that I have received but unfortunately lost in the flow. I ask for your understandings.

All the best to you


Sincerely,

Graeme



Aug 2, 2010 11:02am


512




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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **Chorlton** 

Graeme,

If you look to place a trade at every possible correction opportunity then doesn't one (who has limited discretionary trading experience and cannot read the Mrkt with confidence) run the risk of placing too many possible trades which in turn could greatly impact on their overall entry accuracy resulting in additional loss of capital?

*For me the bit I'm struggling with is choosing those entry setups which I have confidence in trading (in an attempt to be selective and preserve capital) **vs** the confidence to take new opportunities...*

Good evening Chorlton

Thank you for great question. The question flows nicely from 'ignoring' the market post I did yesterday.

I completely understand what you are asking. You would like to know for a trader with limited capital/understanding how he/she would choose/analysis to be selective on entries.

I hope my answer doesnt offend you cause im not joking around.

I also dont know...

But what I do know is I do not do multiple entries in one single area but I will try everytime I happen to come across that pair again. See my chart few post before which was my interpretation. You can tell I had few odd mistakes. They look odd cause I didnt know the future.

I will show you this in a chart tonight. The power of randomness. It will be for you

Sincerely,

Graeme



Aug 2, 2010 11:07am

513



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Member Since Dec 2009

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Quote:

Originally Posted by **rdwatkins**

Highlighted in large white lines are the primary support and resistance lines based on prior PA. The smaller white lines represent the likely entry points based on similar prior S/R flips.

The gray background areas are the separate trending vs. ranging areas I see.

Also note that there are key transition points; i.e. the first S/R flip at 1.3400 and the first higher low in near delineating the end of the trending period and finally the broken support near 1.2100. If I were to see the PA come back and reject the 1.2100 S/R line I would assume...

Good. Intriguing.

I spent the longest time on your chart. Im glad to see that you only use s/r and the flip of s to r and vice versa.

Im also very glad to see that you have the ability/confidence to forecast the near short future with s/r.

I prefer to use much less s/r lines or any lines. But, I know you are on good path. We go through different doors now but I know I will see you at the final door together.

May I suggest deleting half the lines just for fun? Perhaps it will be worse in your focal interpretation or perhaps it might be acutally better.

Sincerely,

Graeme



Aug 2, 2010 11:21am

514



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Member Since Dec 2009

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Quote:

Originally Posted by **chonghm** 
Hello Graeme,

This is my homework. I will trade the breakout at 0.000 and will use the one hour timeframe. I will use the support and resistance for my stop loss and all profits in trade will be moved to breakeven at 50 pips. This is the first time I am trading at this time frame. I am currently practicing your 3X 20 pips at the 5 minute timeframe. Your comments "Sifu".

*Sincerely,
chonghm*

Good evening, chonghm

Thank you for your detailed chart.

I looked at it closely for some time.

Good. You use .00 and mini s/r with the flow of market. Im happy to see you have connected .00 and x20 take profit. I was hoping you would.

It is now so much easier to see the price come down from .00 and then enter sell for take profit 20. Glad you made the connection.

No indicators. Looks beautiful.

chonghm, thank you for continuing the exercise.

When you think you have no improvements look back to 3 months ago and see the difference.

Use your mini s/r focal interpretation on higher timeframe to scout the markets sentiment and find the pair of currency that are trending strongly for the day/week. However, please space out your s/r on the higher timeframe.

Please continue with exercise but now try and practice scouting the higher timeframe. Once you scout easily then you would zoom in on lower chart for a precision hit on the intended move on the intended direction.

By adding scouting + excellent entries, you are now completely grasping the market sentiments.

Sincerely,

Graeme



Aug 2, 2010 11:39am

517




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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **ozziedave** 
Hi Graeme,

Sorry I'm so late with my home work chart. I had to go to, I'm going to use that four letter word...WORK...so I've been missing out on all of the fun.

Ok..4hr EU chart. Green are entries short, magenta entries long and orange lines are the ranges I would define in my trading. The trend is definitely down so my basis would be short.

I tried not to look at everyone's charts because I wanted to treat this like my first go. Let me know what you think.

Good evening Dave

Thank you for your chart.

Good spacing between entries. Nice clean simple interpretation.

You respect range and the flow after. Good

You have also covered possible uptrend. Good

Just roughly working out your stat on that chart

10 entries (not including last 2) - I see only 1 or 2 loss. But zero if you used 2 positions and closing 1 position @ 1:1. That is your choice.


I see only 1 or 2 winners which is still quiet good. I see from 10 potential trades you were able to capture at least 1100+ pips for 3 months. However that golden position at 1.31 which obviously we didnt know would be golden could have been a BE.

If thats the case your story would continue on as the market doesnt stop/end at the end of that chart.


Good interpretation and closer to live trading.

Sincerely,

Graeme

Quote

Aug 2, 2010 11:41am # 518




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Member Since Dec 2009
10+ 760 Posts



Quote:

Originally Posted by **rdwatkins** 

Graeme,

Thank you for your review of my chart. After reading your past reviews, I too noticed that I had more entry points than many who have been reviewed prior. I will do as you suggest and reduce them.


I also noticed on several occasions you mentioned that you prefer the trend line breaks as S/R lines. I intend to contrast and compare my horizontal S/R (Prior PA based lines) vs. your preferred trend line breaks as S/R lines. It seems to me your breaks would be more frequent drilling down from higher time frames in a trending market and afford...

Thank you again, rdwatkins.

As long as you do not over expose yourself to market you wont suffer damage to 'range'


Sincerely,

Graeme

Quote


Aug 2, 2010 11:46am # 519

Member Since Dec 2009



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10+Y760 Posts



Good evening, all

My next exercise will be something different.

Most common question I receive now through thread or pm is:

'Graeme, what do you mean selecting entries? I understand why it would be good at not stacking too much in one area but how do you choose?'

I replied, 'i trade what i see, when i see.'

To show you that:


1. you do not need to watch the same pair of currency everyday
2. you can enter anytime anywhere and still have same result
3. million different variations in participation but still one similar result
4. you do not need to over expose

Lets play a little game.


Please watch for my next chart

Sincerely,

Graeme




Aug 2, 2010 12:21pm# 520



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Member Since Dec 200910+Y760 Posts



Game rules

1. We enter 2 positions at each arrow
2. Both position -100 pips hard stop loss
3. 1 position closed @ 1:1 and the remaining position let it run with SL still at -100
4. All positions closed at 'X'

I have worked out the fate of each 15 positions.

All you need to do is choose 8 random numbers. Must be 'random'

Add the pips together and please post a reply in the thread.



Purpose of this game shows all readers that you do not need to try very hard and enter every possible entry.

You can enter only the ones you see when you see and still have similar results at the end.

Please note you could be unlucky at picking the random numbers and still have a loss at the end. Please consider this as close to real life but the worst case scenario. Almost pure random with completely no control.

This game may show related discoveries

Have fun

Sincerely,

Graeme



Aug 2, 2010 8:45pm

533



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crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



Good morning, all

Thank you for participating in the small game per se.

Thank you, mojazz, silberfx, bakuli, geoffrey62, swingman, geoffrod, scalpz, havillah, chorlton

I read all the posts. Thank you for compliments and contributions.

The purpose of the game is to show that **you do not need to enter the market every single day.**

The game is more realistic to what would happen in live trading. Opportunities happen anytime, it could be while we are asleep or just living a life outside the markets. Im letting all traders know that even if you take just the setups that you happen to come across it is still same result at the end. Infact it will be similar result in profits but half the stress/time/drawdown.

I have proved that from 15 entries (and they are also quiet random, just entering with flow), and only randomly choosing 8 positions (cause all traders have a life outside the market and they will open their platform at different time each time) **STILL** produce profits.

Traders fail cause they try/force/imply to make a profit
Pros know the randomness and only attempt at what they see, when they see

The difference?

Bob the fail trader looks at the same chart of gbp/aud as the game chart. He is live trader, and enters at every trendline break, s/r, bollinger band expansion and so on. Attempting more than 10 times a week and closing out trades @ 1:2 or anything ridiculously small. I dont have hard numbers but I guarantee we would have more profit than him or similar. Unfortunately, for Bob he looks at the chart 10 hours a day cause he is worried not to miss any setup. Health deteriorates, wife leaves him, dog doesnt even acknowledge his call.

John the pro took 8 entries, he knows he has missed few, but he knows the secret to randomness of the outcome. He just took what he came across when he opened his platform. Probably spending less than 30minutes per day at the charts.

Bob the fail - Potential high drawdown, giving alot of money to his brokers in spread, high level of stress. He took 80-100 trades for 'potential' - 3000 pips drawdown (considering he uses 30 pip stop loss which is quiet small) for 1500 pips profit at 'x' mark on chart. Good for him! But I feel he is rewarded little for his efforts.

John the pro - 8 entries, potential drawdown is -1600 but we know the 'realized' drawdown was around -800 more or less, still coming out with profit.

John also knows that if he didnt come out with profit at x marks the spot he wouldnt care less cause he knows life/market doesnt end at that x but continues on.

This game chart is so much more than your initial understanding. There are related discoveries to be told.

Sincerely,

Graeme



Aug 2, 2010 8:49pm

534



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+ W 760 Posts



Quote:

Originally Posted by **pip_daddy**
Hi Graeme,

Excellent thread. I am so glad I found it. I already have some legs of my millipedes going. By using your system I am learning to not try anticipate the market. To just go with the flow. Seems like a no-brainer but I now realize I was making that simple mistake far too often by using other trading methods. Your system forces me to think that way.

One question if you can find the time to answer. You mentioned you trade about 20 pairs. What pairs do you trade besides the 12 majors? Do you take into consideration some of the characteristics...

Good morning, pip_daddy

Good question.

Pairs of currency is always evolving. eur/usd was thought to have long yearly trend but look at last 2 years and now there are better trends happening in other pair of currency that most traders thought was 'volatile.'

Yes, true some pairs do move much more than anticipated for the year or much less than anticipated for the year.

My answer: I only know after I participate/enter the market with a position. It either grows largely for me or grows small for me. I do not spend time trying to work out which pair is the best trender (cause i dont have the ability to), I try just adding positions and let the market tell me few weeks/months later.

Sincerely,

Graeme



Aug 2, 2010 9:01pm

535



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Member Since Dec 2009

10+ yrs

760 Posts



Good morning, all

Lets do another chart together. This is 2nd chart and I welcome all new readers. We learn from contributing and huddling together.

I have purposefully chose the below chart. Its gbp/jpy and many traders run away from it.

I hope all readers consider:

1. Power of randomness from random entries
2. Never over expose
3. Spaced out interpretation
4. Go with flow, up or down

Also, could you try adding in 'ONE' diversification and what reasons did you have when you did it. You do not have to if you prefer not to.



Edit: Please do not judge other traders interpretation, please allow me. There is no right or wrong.

Sincerely,

Graeme

Last edited by pipEASY, Aug 2, 2010 9:15pm



Aug 3, 2010 6:09am

549



pipEASY
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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **harihebat**
hi graeme,

*this is my chart, please make advise to it
reason i took a diversification because after ranging period, there is suddenly movement of price almost 400 pips, i feel there is something
happen in next price*

*regards,
hari*

Good evening, hari

Good.

Nice, clean, spaced out interpretation.

Simplicity of just trendline break with .00 entries.

Im relieved to see that you did not try too many times during the range.

Nice mix of buy and sell but going with flow. Good Good.


I suggest all traders to try enter 2 positions at once with -100 stop loss on both positions and close 1 position @ 1:1. Leave the other remaining position with same stop loss but let it run.

I would have added buy position instead of sell position in the middle of the range at 1.45. Only a small suggestion.

Good.

Sincerely,

Graeme

 Quote

Aug 3, 2010 6:22am

#551



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Member Since Dec 2009
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Quote:

Originally Posted by **ozziedave** 

Hi Graeme,

Here is my take on the second chart.

All short entries are in magenta and all long entries are in green. Two lots entered at each position, +100 assumes 1 lot taken out at 1:1 and second lot taken out at BE. -200 both lots taken out at hard SL of -100. As I see it only entries A, B and C survive to what becomes the bottom of the down trend at 132.300. I know that price retraces to entry point A but I would have held this position based on the fact that I recognized the up wave as an Elliott wave 4th wave. So in this case I cheated...

Good chart Dave

Im glad to see the simplicity and the usage of just s/r lines.

Its also good to see that you enter 2 positions with 1 position @ 1:1 and the remaining left to run but with bigger breathing space. Hope other traders could also you this little nifty tactic to an advantage. This 2 position entry method is far more reliable on higher timeframe.

13 entries over 2months. Nicely spaced out.

Minimal drawdown but potential of high profit.

Good Good

Sincerely,

Graeme

Quote

Aug 3, 2010 6:29am# 552

**pipEASY**
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Member Since Dec 2009
 760 Posts

Quote:

Originally Posted by **pillager** 

Hi Graeme,

here is my take on the 2nd chart.

Thanks.

[Attachment 518189](#)

Nice entries.

Well spaced out with good, sensible coverage of both up and down.

Nothing wrong with your interpretation but may I suggest you try using 2 position entries. Then your first 3 sell positions would have all survived.

If you use 2 position entries you increase the short term drawdown
However, you increase your potential profits exponentially as a position stopped out at -100 is static while a position growing could yield an infinity return. A very large difference in the long run.

If you have used 2 position entries, at least 2 out of 3 positions at the end would have survived price fluctuation.


Good.


Sincerely,


Graeme


Quote

Aug 3, 2010 6:45am# 553

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Member Since Dec 2009
 760 Posts

Quote:

Originally Posted by **mcornbill** 

Hi Graeme

This is conservative approach using nothing but the 4 hour time frame for EP. You will note I have a thing for ema's still, I like to play power pivot and pinbar EP's off ema's. I realise that they are lagging indicators but I feel they hold some worth.

In reality I would be looking for better EP's on the hourly.

Cheers

Mark

Good evening, mark

There is nothing wrong with your moving emas or your preference for pin bar. Pin bars are one of the sought after 'reliable' indication that are around. Personally, I do not look for them.

Good area to diversify, you would have replenished your trade capital and added few hundred realized profit into your balance and you would have kept at least the first or second or both of the larger legs intact.

I can see that you have a conservative approach in entries. Im slightly more aggressive and prepared to lose one or two more positions to have a scout/position in as early as possible. However, I do not try to have an early scout all the time as that would cause slightly more drawdown than preferred.

However, a successful early scout for me creates a huge difference in profits few weeks later. This is why I spend extra few hundred pips now with no worries as it will be worthwhile later on.

My only concern is that with conservative approach you do save unnecessary drawdowns but you are one of the last to arrive on the buffet table. Its give and take. With conservative approach the last bit of uptrend on that chart where the movement is up but moving in jigjag might cause bit of drawdown.

There is nothing wrong with your interpretation

Sincerely,

Graeme



Aug 3, 2010 6:52am

#554



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Chorlton**

Here are my reasons for entering trades:

1. Price bounced off Support and broke thru mini-resistance - Go LONG
2. Large Range bar from Resistance - Go SHORT
3. Large Range bar - Break down from Support - Go SHORT
4. Large Range bar - Break down from Support - Go SHORT
5. Price in Mini-Range (suggests change of trend) followed by Breakout from Resistance - Go LONG
6. Narrow Range - Breakout from Resistance - Go LONG
7. *Risky Trade* Downbar with long downward wick hitting uptrend support followed by upbar - Go LONG
8. Breakdown thru support (triangle...

Thank you chorlton for a nice detailed response.

I looked at your explanation and chart closely.

Im glad you use channels.

I would like to work closer with you and pm you later this evening as to why.

Your effort is greatly appreciated and I hope I can help you little more through pm.

Sincerely,

Graeme



Aug 3, 2010 6:56am

555



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Member Since Dec 2009

10+^W 760 Posts



Quote:

Originally Posted by **chonghm**

Hello Graeme,

Here's my homework. For a volatile pair like gpb/jpy I will use breakout near the .000 level. From your chart I have 8 short and 7 long. If stop loss at the .000 mark all the shorts are still alive. 5 longs stopped out and 2 long still surviving. Total pips for short 4,394 less approx 500 pips stopped out equals to 3,894. This excludes the floating profit of 200 pips from long which is still alive. For diversification I would probably clear s7,s8,b6 and b7 if the price breach 142. For your comments "Sifu" Thank you once again. chonghm...

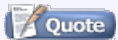
Good evening chonghm

Thank you for the detailed response.

Please dont take this the wrong way but I will pm you later. I like the usage of your trendlines but im confident that I can add more convenience into your trading/focal interpretation.

Sincerely,

Graeme



Aug 3, 2010 7:06am

556



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Member Since Dec 2009

10+^W 760 Posts



Quote:

Originally Posted by **Chorlton**

Hello Graeme,

Apologies as this is slightly off-topic from the current discussion but would it be possible at some point later on in this thread to discuss how you manage all these positions. Using the last chart as an example (which is only a couple of months), most posters would have a total of 10-20 trades.

For me, keeping track of all those positions and being able to initially group them and then move them from one group to another

(especially as the majority would be held for much longer) could become quite difficult.

Consequently,...

Good question, Chorlton

Managing positions is very simple.

I have a large journal book always opened.

It has many columns,

First column - group name

Second column - pair of currency

Third - date bought

Fourth - entry price

Edit: I should also add, I dedicate a whole page to each group of positions. Its not all mixed up. And then once every 6months I would reconcile all positions for a clearer viewing.

Then the rest of columns are empty.

All I do is once a while, I write down the current market price in the empty column and use a ruler and red pen to cross off if current price came to entry price. Thats it

Sincerely,

Graeme

Last edited by pipEASY, Aug 3, 2010 8:08pm



Aug 3, 2010 7:13am

557



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Member Since Dec 2009

10+ y 760 Posts



Quote:

Originally Posted by **Minka**

A bit late to the game:

I chose 2 4 5 7 8 9 11 13, specifically ignoring 1. Resulting in a loss of -100!

Minka

Good evening Jana

Im glad to see that someone lost.

I hope all readers are reading this as this is important.

Your -100 loss is fantastic!

You had 8 entries and your realized drawdown is only 100 pips for a potential of making thousands of pips.

Many traders would have -3000 pips or more drawdown to make few hundred pips.

Can all readers see that we are at the mercy of the market and its random outcome however we can do things to swing favour into our side.

Your -100 pip loss is not the end of market/life, it continues on. Im sure if the game continued on for few more weeks it would be a different story.

An unsuccessful trader that lost -3000 pips (realized) loss to comeback and make all the loss and profit of 300 pips. That is 3300 pips he had to make to come back as profit.

Pros prepared to lose much less -600 pips (reazlied) loss to comeback and make all the loss and profit 300 pips. This is only 900 pips he had to make. Huge huge difference.

Sincerely,

Graeme



Aug 3, 2010 7:16am

558



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **scalpz**

*Have based my trades on T/L breaks this time instead of S/R breaks.
Feels harder to set the T/L's when bigger moves have occurred.
Was quite surprised as thought it would have been easier to produce entries.
20 trades over all for the 10Jan - 17Mar period.
At the RH edge of the chart @ about 138.70 had 3 buys remaining and 6 sells, based on the 2 parts/trade, 1 @+100 hard TP, both @-100 hard S/L.
Didnt count on moving the S/L to BE, cause other +100 part was expected (that word again) to TP.
Actually ended up with only 2 that didnt, so they were...*

Good.

I like the trendlines and the usage of pennant.

Good detail.

Edit: Dear behr. Apologies to address you in a post that was meant for someone else but I would like to let you know that your focal interpretation is very similar to scalpz. Nothing wrong with your focal interpretation.

Please refer to my answer chart soon

Sincerely,

Graeme

Last edited by pipEASY, Aug 3, 2010 7:30am



Aug 3, 2010 10:43am

559



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Member Since Dec 2009
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Thank you all for the contribution with chart 2.

There is no right or wrong answers and everyone has done well.

The only differences in the charts are that some traders have a clearer picture of the market price while some traders are imposing lines onto chart to bend the markets sentiments into their own personal view. The difference is that the trader with clearer interpretation is simply following the flow.

Please do not take any of this as an attack on your personal ego as I stated above no one was right or wrong. And I hope everyone continue to participate.

This is my focal interpretation. Im not right or wrong.

Below is what happened in live trading back then. Just for clarity I only posted sell positions in this chart. Buy positions below that. I took 4 sell entries/scouts. 1 breakeven and 3 winners. At least 2000+ pips from just the scouts.

Pennants creates an area that needs to be broken out. Pennant lines are basically trendlines but you are purposefully creating an area for the price to breakout.



The chart below might look like cherry picked but assure all readers that when I draw pennants on the downtrend and I tried to enter a buy, I simply dont have any entries to enter.

I had only 2 buy entries and both breakeven.

This makes my total 6 entries with 3 breakeven and 3 winners and potential profit of 2000+ pips for this chart.



These charts shows a very close resemblance to what I did back then in my live trading. It might be confusing or unsettling to notice that there is hardly anything on the chart and yet still be profitable but if readers please think about it you will find a new discovery here.

Sincerely,

Graeme

Last edited by pipEASY, Aug 4, 2010 2:37am



Aug 3, 2010 9:34pm

#563



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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **EllisEdi**

Given :

1. We enter 2 positions at each arrow
2. Both position -100 pips hard stop loss
3. 1 position closed @ 1:1 and the remaining position let it run with SL still at -100

I closed all Short positions at the X because price had broken a previous High. The Long position f2 is still open at the end of this chart.

Total Pips made 1708.

I appreciate all the time you are taking with this.

Good.

Spaced out focal interpretation. Taking lesser trades, even though you miss few golden opportunities by purposefully waiting it out you still make 1900+ profit for 2 months.

Lesser entries is always always better.

Sincerely,

Graeme

Quote

Aug 3, 2010 9:48pm

564



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Member Since Dec 2009

10+y760 Posts



Quote:

Originally Posted by **willhuang** 

hii sorry for the late join

but these are the trades i would go in

i would diversify at trade 7 but.... because this is back testing, i really have no idea what i would do in a live environment.

Thank you for your chart, willhuang

There is nothing wrong with using indicators.

I understand what you are looking at but may I advise you that indicators are meant to be taken as reference only. Indicators should not be telling you when to enter, price should be telling you when to enter. I know this is said alot in the forum and never explained properly.

Just for fun, delete everything and just draw lines as you wish. Trendlines, range, s/r comes from your own personal focal interpretation, there is no right or wrong. Please give it a go.


Sincerely,

Graeme

Quote

Aug 3, 2010 9:52pm

565




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Member Since Dec 2009

10+y760 Posts



Quote:

Originally Posted by **geoffrod** 

Hi Graeme,

I hope i am not too late to submit this.

I started on it yesterday but only got back to it this morning.

Firstly i would like to say that this is a difficult task to try and stay truthful and honest with ones self after the fact.

i am takig the approach at the moment of 1 trade only annd move stop to BE after X pips of profit.

as i said it is ard to be totally honest after the fact, but here goes.

*trades 1, 5, 7, 11, 12 all survive till i decide i might diversify after 2 strong push's up.
so surviving in the end might be 1 and 5,
with...*

Thank you Geoff for the chart.

I looked at it closely and I could be wrong to say this but your entries have a certain mechanical feeling to them. Would I be confusing you to advise that your participation to be more fluid with the flow and live trading would be more random.

May I also suggest opening 2 positions at every entry and keeping both -100 and closing 1 at 1:1. Just try it for fun. Bigger drawdowns/losses in the short term but exponentially better in the long run.

Sincerely,

Graeme



Aug 3, 2010 9:54pm

566



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Member Since Dec 2009

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Good morning all

Thank you for the participation of 2nd chart.

Just like to say thank you to all.

I would like to address all readers, chonghm & charlton charts are not wrong but I thought I could give both gents some personal recommendation through pm which I have done.

Please do not hold any negative views on their integrity as they are both capable traders.

Sincerely,

Graeme



Aug 3, 2010 10:03pm

567



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Conclusion:

I hope all readers have noticed/learnt something from the past 5-7 pages.

The most important lesson is to have lesser trades in a sense.

Once I know that my scouts/positions on higher timeframe is getting larger in growth, I would zoom into smaller timeframe to add more positions while the movement of price is in my favor.

I can see many of the traders actually notice how beneficial NOT to overtrade. But..

When you start live trading...

Can you actually wait it out? Weeks?
How do you stop yourself from trading?
One of the first emotional hurdles everyone will come across

But I know everyone will be a bigger person.

Sincerely,

Graeme



Aug 3, 2010 11:24pm

570



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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **geoffrod**

*Hi Graeme,
as you know i for one am gaining a lot from participation in this thread, for that i thank you.*

as for my trading looking mechanical, that would be a fair asumption, my trading up to now has been to use a stable stationary device to enter trades, it got me into trades without fuss, and helped me minimise my risk, but i see it now as a step, to get to the point i am now, a point where you see the power of participating over the loooonng term, for growth, thinking about it and how you would handle it is one thing, experiencing it is a...

Excellent.

Spot on. Traders experience large drawdowns from unnecessary overexposure. You can still take things slower slower, and still acieve profitable trading.

In regards to your entries, im not implying they are incorrect but for myself personally I do not have 'anything' that tells me to enter. Im sure you will find success with your own personal interpretation with entries because we go through different doors now but we will meet sooner or later at the final door of profit.

Sincerely,

Graeme



Aug 3, 2010 11:29pm

571




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Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **wooli** 
Hi Graeme,

The quality of your thread is shown by the fact that I have yet to read any negative posts.!! Great work. I am really learning a lot.

I've almost caught up but I thought I would post my take on the homework lesson before proceeding further so that I wasn't influenced by others.

*All the best
Michael*

Thank you for chart.

Good.

Nice spaced out interpretation. Clean and simple but still achieving the result.

Good area to diversify, you could also do it earlier or later. Different results slightly however same in the long run.

Taking 11, 12 trades over 2,3 months. Good spacing.

When your scout is growing in profit, take this inside information to lower timeframe and milk it even further with tighter entries as you now know that the deck is full of high 10 cards.

Sincerely,

Graeme



Aug 4, 2010 4:25am

#575




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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **willhuang** 
this time with just trend lines, sr, round numbers
[Attachment 519057](#)
*up arrow is buy
down is sell
x is diversify*

im totally new to this haha but i am so glad i read this whole thread. i really appreciate all your teachings. hopefully one day i will be as good as you 

Good. Much much better.

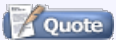
Hope you also feel the difference.

Clearer interpretation and well spaced out entries.

Good.

Sincerely,

Graeme



Aug 4, 2010 5:00am

576



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **wooli**

Hi Graeme,

Like you, I have been trading the Asian session and trying your 3x20 exercise on 5m to 30m charts. (Not with much success yet but I'll get there)

Generally, I've noticed that there is often not much volatility (or momentum?) till just before the London open I have placed some trades early in the Asian session which didn't reach the 20p target or get stopped out until the London session.

By this time I assume you have finished placing your trades for the day.

You also stated early in your thread that you prefer to watch the actual...

Good evening, Michael

Good question. When I zoom into smaller timeframe for precision entries, i use mainly one hour. I consider one hour still too fast for me. After entry I scan the 5minute chart as I consider this real time.

I use mini s/r in my focal interpretation when im looking at 5minute chart. For me momentum is simply long bodied candles in a row heading in one direction. I would consider price stalled when dojis, opposite coloured candle start to form 3,5 or more. These stalls usually happen at pivots, or .00 areas. Im interested in price that punctures through these zones very easily. Then you know you are piggyback riding all the others.

Edit: Your x3 take 20 exercise will improve greatly if you first, watch the price come from a s/r and then enter with the flow. Price coming from above .00 then enter sell at next .00, price coming from below .00 then enter buy at next .00. Some stalls around .00 can fluctuate more than 20 pips = then you should realize that you too should be looking at price that punctures these areas with ease. One of the related discoveries

Sincerely,

Graeme

Last edited by pipEASY, Aug 4, 2010 5:13am



Aug 4, 2010 5:37am

578



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **wooli**

So Graeme,

If you enter a trade and it stalls will you always exit and minimise your losses or would you sometimes leave say a 15p stop-loss in case it did take off in the predicted direction?

Thanks,

Michael

Good question,

If I know that something has gone wrong at -4 pips I would exit with -4 pips. I will never place a hard stop loss at -25pips and tell myself to wait and see.

When i mention piggyback, imagine yourself jumping on a moving train. When you use momentum your entry should be almost instantly in profit.

If price stalls when I enter, I will close out and change to other pair of currency. I will not sit there and try again, that is over exposure.

However, if it does work out, I will move s/l to be and then enter again at next s/r (but not always cause I know that this is overexposure and there might be a golden entry happening in other charts).

I would rarely do 3 entries per day for same curenrcy pair but sometimes I do when I see eye-popping momentum; something like single 30 pip 5min candle.


Edit: With enough practice you can be a successful 5min momentum scalper. Im not recommending this type of trading but what im implying is with that much upskill in focal interpretation anything becomes deadly in your hands.

Sincerely,

Graeme



Aug 4, 2010 11:09am #582




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+
760 Posts



Quote:

Originally Posted by **fugly** 

Graeme a big thanks for posts #576 and #578, it helps tremendously. If I may ask --- so when u enter the first trade of the day you find there's no momentum you immediately exit and then look at another pair? Or will you look for an entry again later in the day for the same pair? Reason I ask is some days just seem very hard for example 16th Jun on GU.

Could you advice what entries you would have made on that day for the GU? The yellow line on the chart was the asian open. Whenever price used to get above the yellow line and appear to breakout...

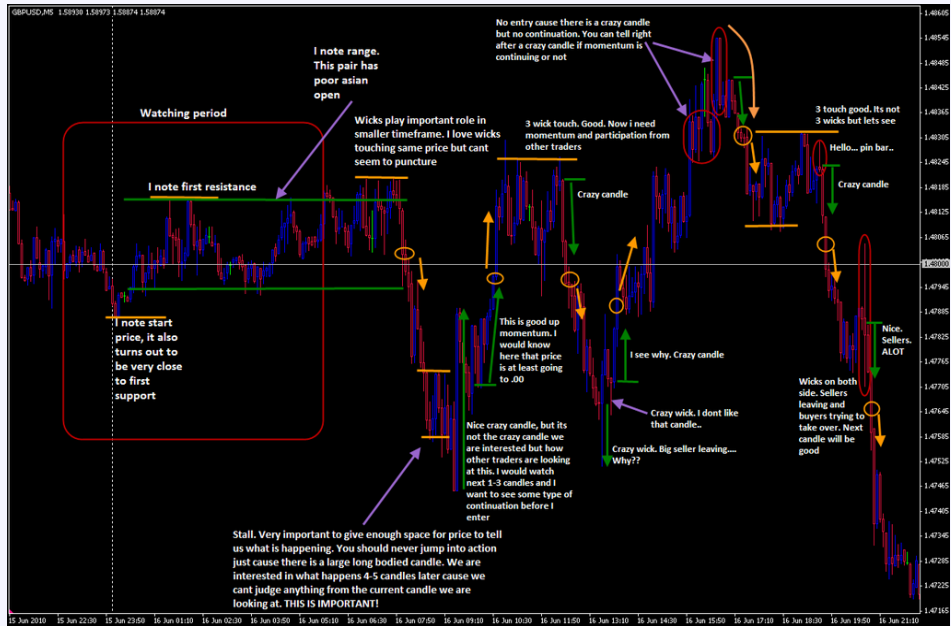
Good evening, fugly

Thank you for good question.

I do trade the 5min timeframe but not as regularly. With smaller the timeframe, I still apply same focal interpretation but Im more hesitant to enter unless I see something good.

With 5 minute chart or anything lower you are looking for momentum (greater participation of other traders to push your entry into profit). This is represented by momentum after a long bodied candle. Sometimes long bodied candle is ignored by rest of the market, its something we have no control.

This is what I would have done most likely on 5min chart.



This is my 5min focal interpretation. It is slightly different to higher timeframe and I base most 5min entries on momentum as I need other trades to help push my positions.

I know there is now alot of information on this thread and I hope im giving you enough information for all readers to piece the puzzle together in one big understanding.



Aug 4, 2010 11:11am

#583



pipEASY
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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **agapetos**

Hi,
I have been reading your posts (still not all of them, only 5 pages) and it sounded really simple (as you said) and in the same time a lot of profit, less stress (compared to intraday trading) and more time to spend with my family and on my job. So I decided to back test this method:
I used EUR/USD daily chart with a reference to a weekly chart. I started from 2001.01.01. and ended up with 2003.12.31. That is three years total, what is enough to say if the system is profitable or not (i presume). I entered only once per day when I saw a good...

Good evening, David

Thank you for sharing that information.

Im sure you have put in alot of effort to get the final hard number.

I encourage you on.

All the best with your trading.

Sincerely,

Graeme



Aug 4, 2010 11:45am

585



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **tommbstone**
*Agree with above. cherry picked charts and 20/20 hindsight are great.
But live/demo is a new ball game.
My damn bug has no legs as they keep dieing with the 30pip stop.
I can assure you that this is a very tearful frustrating way to trade as Pipeasy says. Looking at the usdchf one would think,"just sell at every 00 line" but it does not work (FOR ME) unless I open up the stop to a gut wrenching SL level.*

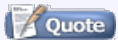
Pipeasy is correct- this is the best way to trade and I'm learning a boatload and playing with higher TF now like I used to back in...

Good evening, tommbstone

Thank you for sharing. Last 3 weeks on usd/chf is range and im sure many other traders has lost money or extremely frustrated. I still look at this chart but I have moved on with other pairs that are trending currently. I suggest that you move away something like this for now.

Sincerely,

Graeme



Aug 5, 2010 10:54am

602



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **triphop**
*PipEasy, can I pose a question?
If someone - anyone - was able to generate 3 x R:R 1 to 1 trades per day, there would be no need to even worry about long-term trends.*

If your entries are as good as this, why do you trade with the elaborate groups, counter-trades and longer-term trends? Trading 1:1 alone could get you an increase on account of at least 700% in a year compounded, without any long-term trade management?

Hell, I'm all for following trends, but I just don't get the necessity in this instance - for most mere mortals, the trend...

Question or statement?

Here is something for you to disagree as well, 80% of time I could enter on 5min and at least move stop loss to breakeven.

And my unrealized profit/growth on initial starting capital for last 14months have been more than 700%. But I still cant be a billionaire from doing this cause the growth of my long term positions are still limited to the change in the main monthly trend. But Im creating \$7million+ annual growth (calculating on last 14months of growth)

I would never goto your thread and dare ask (i shouldnt even consider your post as asking) on same level.

I may be wrong but I doubt you have read at least read the materials i presented with great effort before posting. Cause if you have read it, undoubtedly with your +10 voucher recommendation you wouldnt shoot off like that.

If it was a question I would have contributed some efforts to clarify any confusion for the benefit of your understanding. I big disappointment for someone who could be well respected and followed in this forum.

Now that this shit hit the fan, and some of the latest pm asking me to post live trades which is clearly unnecessary as I spent hours for the last month trying to show HOW and answering every question earnestly and give every guidance possible. Perhaps no one has read I dont babysit warning in my first post and still some blatantly have no regards. Traders asking same question that I have addressed thoroughly just 5 pages back and then purposefully choosing not to understand.

Consider me a con artist if you will and move on from this thread.

I understand expectations grow grow grow to a point I can no longer contribute and this is it.

Yes, it was all one big lie so move on.

I do not have any necessity to visit this forum. There will be no more correspondences from me. Im not taking triphop post to an extreme but it sealed off the feeling I was starting to receive.

I dedicate this thread to the open minded avid learners and I sincerely hope you all a happy healthy loving life.

G.S



Aug 9, 2010 10:41pm

#684



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+W 760 Posts



Thank you all for the pms and compliments.

I sincerely hope my hastily departure did not lessen your appetite for success in forex. What I experienced on first hand from showing/teaching just over a month is how frustrating it is to hold a thread that has only good intention to teach. I understand learning is a two way process and asking healthy questions are part of the readers enlightenment. However, when different readers/traders with different skill level and all with different perspective asking their own questions does throw the intended flow of teaching off balance. There is no such thing as bad questions and certainly this is not the readers fault but I place most blame on myself.

I feel obliged to a certain degree to help fellow traders to see success in forex. There is no financial motivation for such deeds nor do I bask in the glory of being acknowledged in a public forum. Infact I shun the limelight and have no intention to mingle with so-called other professional traders and scratch each others back. I simply do what I try to do because I genuinely care.

Believe me when I say that forum is far more chaotic than the market itself. I urge and request all readers to think for yourself and to act for yourself. Perhaps I can save a few. Information from forum can be helpful but could also be destructive. Stay away from forums as there is nothing interesting here. You do not have to trust me either but I request that you act/think for yourself. It is the only way to learn.

I hope I had placed enough efforts in my last 270+ posts that might merit another reading from you. Even though each post seemingly looks lengthy, there are great thoughts behind sentences that I have highlighted and underlined. There is a meaning within the meaning which would lead a reader to a related discovery.

In the last week, I attended a part seminar held in Sydney of a trader I have personally met in one of the GFT broker meetings few years ago. It was quiet surreal to see a trader before and after success. I duly note his humbleness and amazed to see that he has retained his calm collected attitude. He did not brag or force his points across, infact it was the other attendees who was trying to bash him down. No doubt we see this ill human behavior anywhere there is a public discussion. It was a relatively short but remarkable seminar and I applauded him from the back of the room. I have no doubt he is a successful trader and he has reached that level by thinking about forex while eating, working, dreaming everyday.

What I want to say today once again is that there is too much useless information. **You do not need to know 200 things in forex to be successful. You only need to know just 1 thing for certain to make millions.**

This 1 thing can be 1 entry method that you can vouch with your life.

This 1 thing can be 1 price pattern that works almost all the time.

This 1 thing can be the correct perspective you hold as a real trader.

The rest? Market will decide and reward you or not. And if the market doesn't reward you, don't be disappointed. You cannot tame the market but keep following it. Soon it will notice you and reward you. The reward is definitely worth the pain/wait/perseverance.

Please allow me today to throw some cold reality into your thoughts.

Human perception and focal interpretation is very interesting. You will only believe what you choose to see. And you cannot do any type of 'choosing' in the markets, only follow it.

The dancing girl on the bottom revolves left or right?



This is similar to what happens in traders focal interpretation. They use same indicators, trendlines, fibs but some days they see the dancing girl spinning left and some days they see the dancing girl spinning right. They are choosing based on the condition of their focal interpretation of the day. That's why it's so confusing as the day goes. Someone who knows what to look for, can actually force their focal interpretation so they can see the girl spinning left or girl spinning right at their own will. This is what traders need to do in the markets. Even when RSI is showing overbought, trendline broken, but your focal interpretation must be stronger and actually bend the markets sentiment into your own vision/understanding and then exercise an unbiased but true judgment in your executions.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 3:42am



Aug 9, 2010 10:46pm

685



pipEASY

crede quod habes, et habes

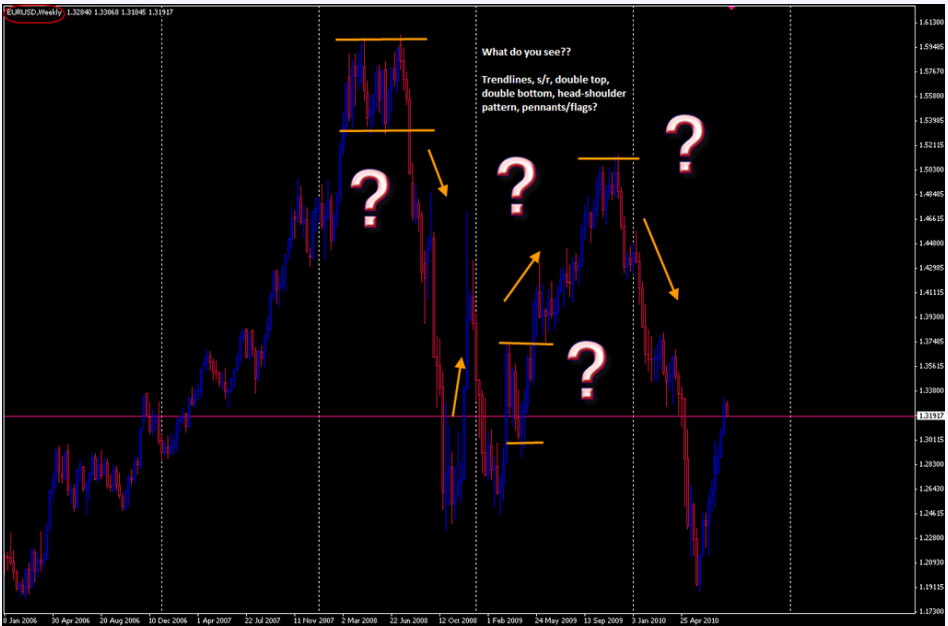
Member Since Dec 2009

10+y 760 Posts



Please allow me to show the readers something that I use everyday.


Did you know candlesticks are confusing for me? And I prefer not to use them nowadays.



I can still interpret most of the price action on the chart but now I have reached a level where I focus on bigger picture. This is what big managements do. They dont/cant concentrate on rows of candles at a time, as they control too much money, they usually bet big on already established trends. Also they know increased risk does not increase reward hence look for oportunities that will be prolonged.

Aug 9, 2010 10:47pm

686



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y760 Posts

FLRUSD Weekly 1.32940 1.33040 1.33140 1.33240

What about now???

What do you see????

1.413000

1.374000

1.335000

1.296000

1.257000

1.218000

1.179000

1.140000

1.101000

1.062000

1.023000

0.984000

0.945000

0.906000

0.867000

0.828000

0.789000

0.750000

0.711000

0.672000

0.633000

0.594000

0.555000

0.516000

0.477000

0.438000

0.399000

0.360000

0.321000

0.282000

0.243000

0.204000

0.165000

0.126000

0.087000

0.048000

0.009000

1.413000

1.374000

1.335000

1.296000

1.257000

1.218000

1.179000

1.140000

1.101000

1.062000

1.023000

0.984000

0.945000

0.906000

0.867000

0.828000

0.789000

0.750000

0.711000

0.672000

0.633000

0.594000

0.555000

0.516000

0.477000

0.438000

0.399000

0.360000

0.321000

0.282000

0.243000

0.204000

0.165000

0.126000

0.087000

0.048000

0.009000

1 Jan 2006

30 Apr 2006

30 Aug 2006

30 Dec 2006

1 Apr 2007

22 Jul 2007

11 Nov 2007

1 Mar 2008

22 Jun 2008

12 Oct 2008

1 Feb 2009

24 May 2009

12 Sep 2009

3 Jan 2010

25 Apr 2010

What do you see????

Quote

Aug 9, 2010 10:49pm

687



pipEASY

crede quod habes, et habes

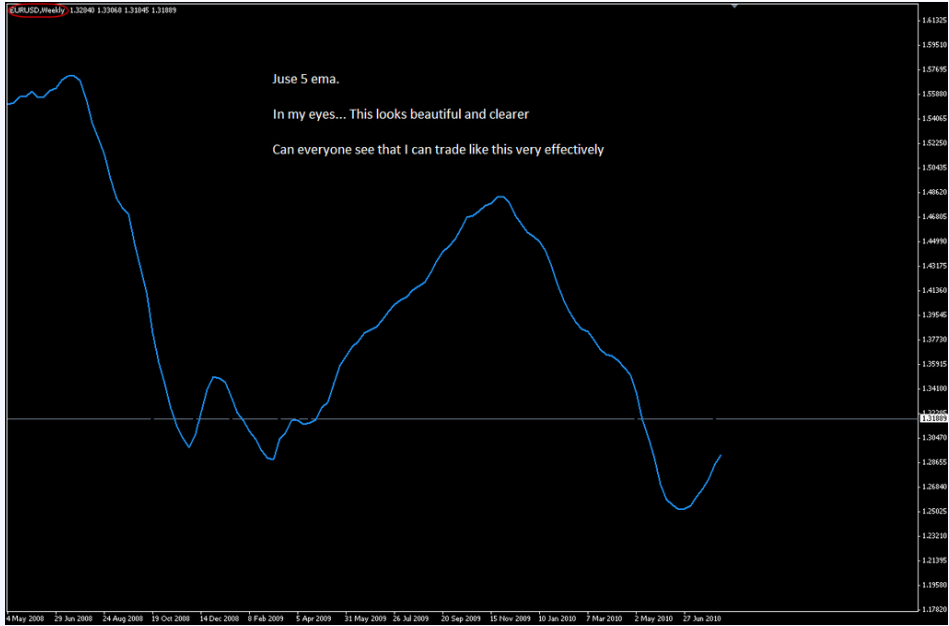
Member Since Dec 2009

10+y760 Posts

Have you ever considered just using ema??

Why not?

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]



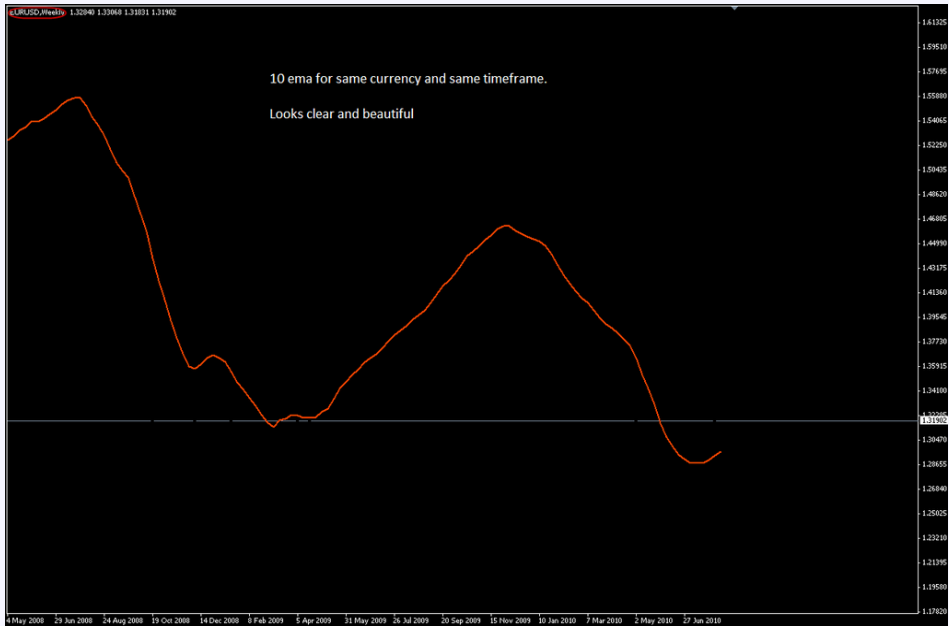
Aug 9, 2010 10:51pm

688



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts





Aug 9, 2010 10:53pm

689



pipEASY

crede quod habes, et habes

Member Since Dec 2009

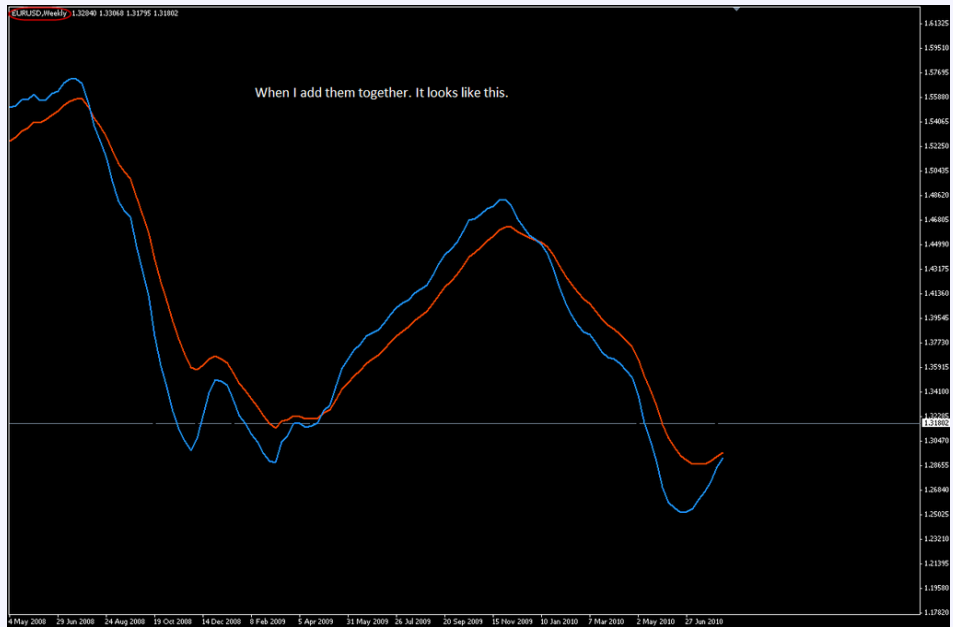
10+V 760 Posts



When you add them together.

10 ema becomes the direction AND
5 ema becomes the real price of the movement.

If price is at 5 ema or higher then its considered worth buying into as this would be retail price.



Last edited by pipEASY, Aug 10, 2010 3:43am



Aug 9, 2010 10:55pm

690



pipEASY

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Member Since Dec 2009

10+V 760 Posts

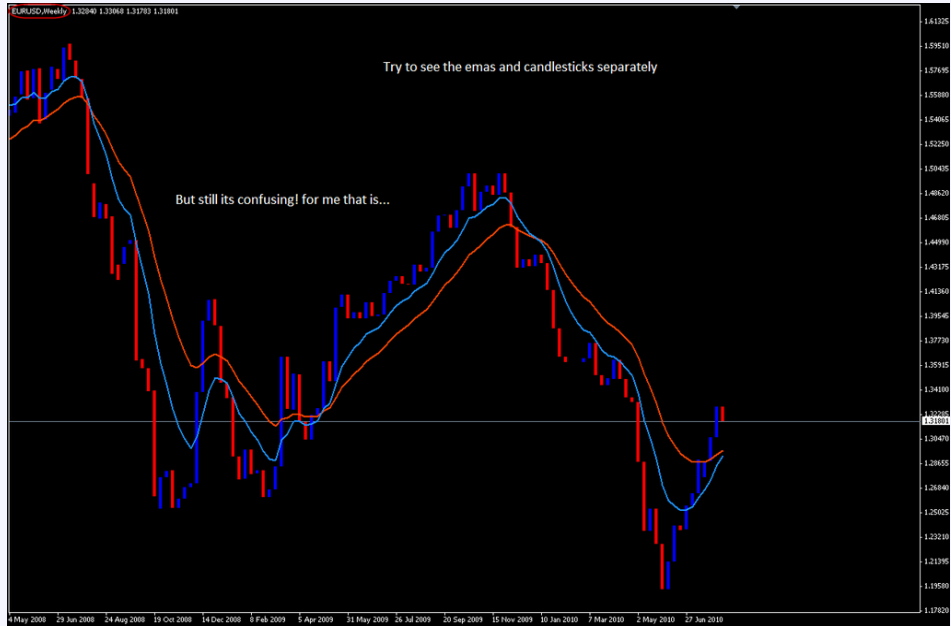


See how candles respect 5 ema.

Im interested when price touches back to 5ema.

BUT sometimes the price moves so strongly it might not come back to 5ema for some time.

You need to find a balance in between.



Aug 9, 2010 10:56pm

#691

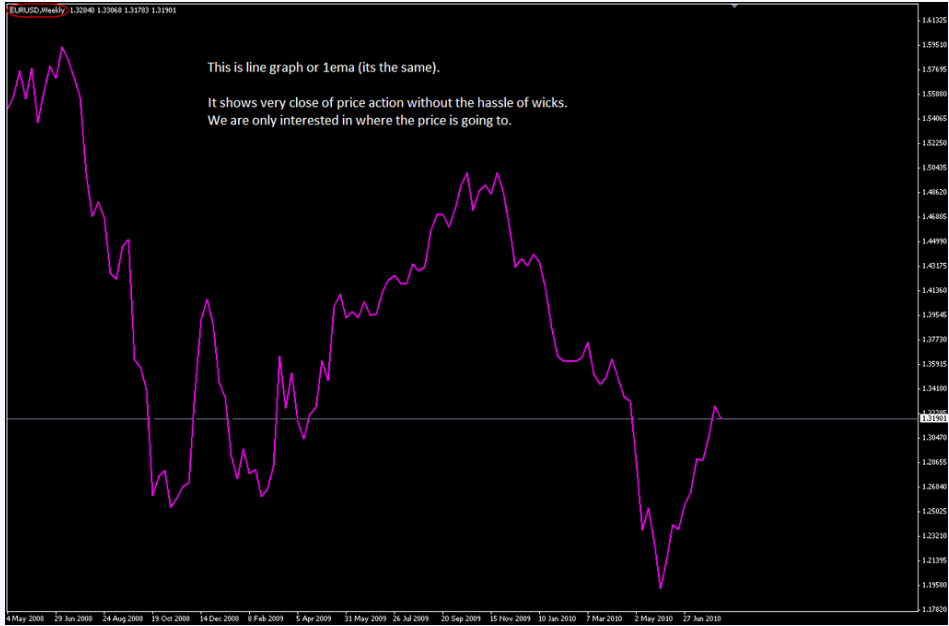


pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

So how do we base entries?

By looking at 1 ema close or line graph.



Aug 9, 2010 10:58pm

692

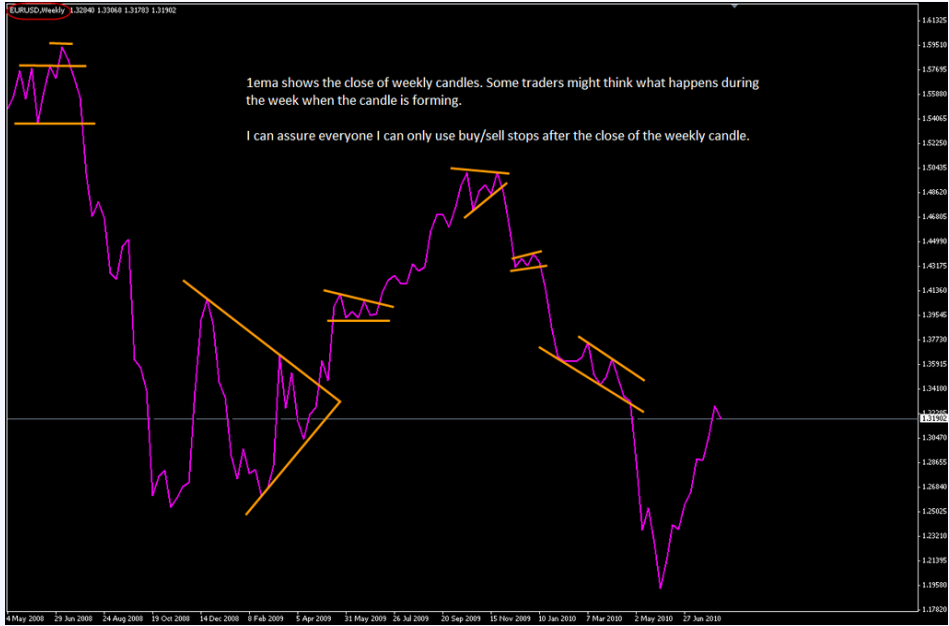


pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



See how trendlines, pennants, s/r is also respected well on line graph and higher timeframe.



Have you ever wondered how the pros only use buy/sell stop orders? This is one of the ways they do it.



Aug 9, 2010 11:00pm

693

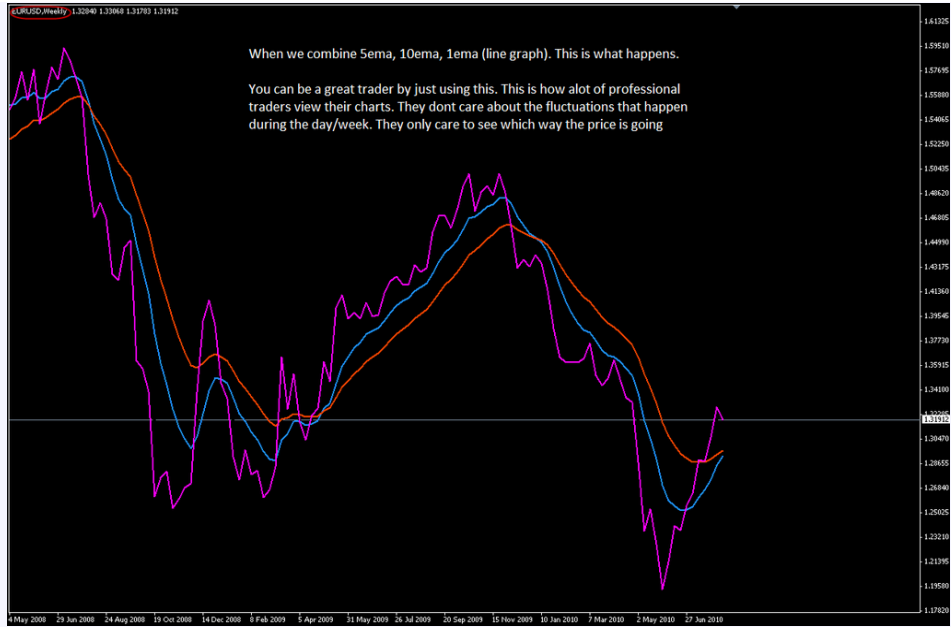


pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



When you combine. It shows the trend, strength of trend, dips/retrace very clearly. Can you agree that it is better without the candles?



Aug 9, 2010 11:00pm

694



pipEASY
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Member Since Dec 2009
10+y 760 Posts





Aug 9, 2010 11:03pm

695



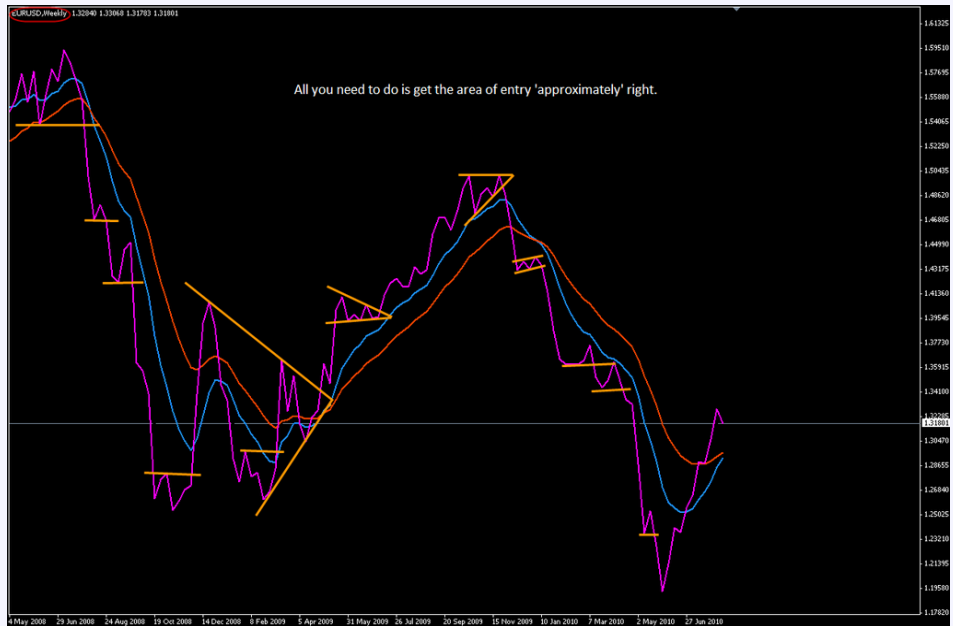
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Just the approximate area is all a trader needs.

Large management would also look for the same. They look for opportunities that will be prolonged. Cause its not easy moving around billions at a time.



Aug 9, 2010 11:05pm

696

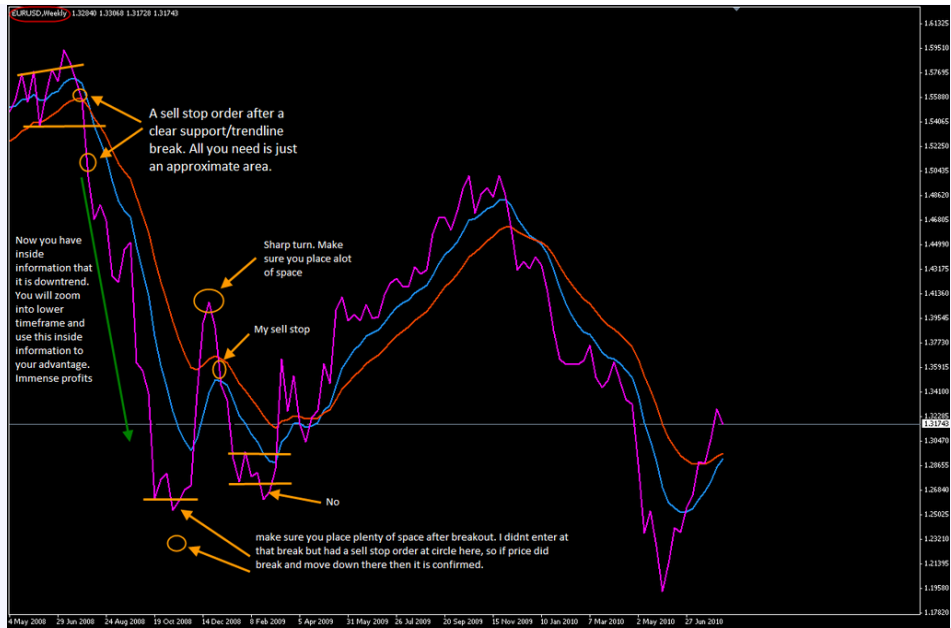


crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



This is another method for the readers.



Used by many professionals



Aug 9, 2010 11:17pm

697



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

Once again thank you for the personal messages.

They have been uplifting. Thank you to all.

This thread was initially started with intention of only 5-7 pages but now its coming towards 50 pages.

I understand readers are here to learn but I admit I cannot teach 'effectively' in a forum environment.

What I am planning to do is compile a very concise reading material with great planning.

Please allow 1-2 months.

I hope this reading material that I compile will help a jogger to run and then to fly. It will have an open ending so everyone's input can be added into it with updates. More or less wikipedia style. I believe this will be the most effective form to show you in a one straight line from start to finish and answering any questions on the way.

I assure everyone that I am not forcing you to follow my method but it disheartens to see so much useless information and potential traders soaking up ill information. All I represent in my posts is how the market moves and how we 'could' 'should' participate with it.

Im not the teacher but the market is.

Look forward to collaborating with everyone once the material is ready.

Till then please keep an open mind and let the market tell you what to do.

The last few charts hopefully add a different perspective to what most traders see. It is a very true and similar method used by fund managements, it was contributed by my son.

Kindest Regards,

G.S

By now I assume everyone is well into building their legs... if not,, what are you waiting for??



Aug 10, 2010 1:23am

701



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Thank you all for the kind compliments.

I will try my best to answer all the personal messages that I have received in the next day or two.

May i request that all readers still maintain a healthy dose of scepticism while reading anything on a public forum (and it would be only fair to include my thread as well).

Tips/hints from public forums should only be reference. The reason I mention this is that I would sincerely request all traders the ability to stand on their own two feets and jog without any aide. Im sure we are all intellectually capable to make sensible/realistic decisions in life or trading. I wont be content to see this thread turn into another 'group think' with one person leading the crowd with no disregard for freedom of expression or enquiries. However I do ask everyone (including myself) to maintain a certain level of professionalism when addressing each other. We are after all civilized professionals.

The reading material that Im preparing will be free.

And I assure everyone once again I have no financial motivation behind my deeds here. I would just like to complete the reading material to seal off what I have started 6 weeks ago and not leave too many loose ends behind. I have always completed the project i have started in my professional life.

I do hope that one day there are many traders creating extremely large growth from their positions and working less and less in the markets. To know that my small contributions have gone long way in helping the few that I have managed to touch.

Sincerely,

Graeme



Aug 10, 2010 1:40am

702



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



I hope everyone can see the benefit of the last few charts.

Even the candlesticks that we focus so much on is all relevant as well.

The last few charts are weekly chart.

I will guarantee any trader a surprising result from using the above charts.

Open an oanda account, deposit \$100, and keep your lot size at 0.01 = 10 cents per pip, leverage 1:50.

Then use the formation/setup I have used in the last few charts, wait until there is 'clear' breakout or use your very own entry method and enter with the flow with one position. No stoploss.

DISREGARD any daily price fluctuation. Review this position once a week.

1. If the entry is 'clearly' a mistake and the price has reversed on you. Close out on loss.
2. If the entry follows the ema, leave it open and let it grow.
3. Any minor decisions (exit timing), I leave it to you to decide.

Dont stop your learning and just watch the position grow. How can you use this information to your advantage??

The above is **not a system/method** but once again im showing all readers how to profit anywhere/anyhow as long as they have the main trend on their side.


It will be the best \$100 you will ever spend.

You are trading like the fund managements.

Sincerely,


Graeme

Last edited by pipEASY, Aug 10, 2010 3:34am


 Quote


Aug 10, 2010 2:02am

104



pipEASY
crede quod habes, et habes

Member Since Dec 2009
 760 Posts



'1 thing'

I have mentioned few times already:

We do not need to master/know 200 things in forex to be profitable.

We only need to master just 1 thing to make money.

Please allow me give everyone a dose of reality.

Everyone is unsuccessful because they do not have this '1 thing.'

May I ask all, do you really have this 1 thing that you know so so so very very very well that you know with almost 100% certainty that it will make at least few pips?

Some traders will say 'yes' but whether they truly have this one thing or not is questionable.

I promise everyone, **when you discover/create this one thing you can build your skill upon it.**

Please allow me to go first and tell everyone my '1 thing'

I know my weaknesses and strengths in trading. One of my strongest '1 thing' that I know I can rely on with my life in trading is judging good momentum to a bad momentum on shorter timeframe.

It took me a long time to learn from many trial and errors. Every momentum is different however each momentum either falls into category A or B for me. And I can perform all this on a subconscious level cause I have practiced/witnessed/felt so many momentums on 5min timechart while doing my exercise few years ago.

Its a shame to see that I dont use 5min charts anymore as I now focus on higher and bigger trends but I admit it was a strong foundation that I grew so much from.

This '1 thing' can be anything:

Your ability to judge:

1. Candlestick patterns
2. Patience/perseverance
3. Pennant breakouts
4. S/R
5. Trendlines
6. Price pattern
7. Fundamental analysis
8. Realistic expectations in lieu with sensible reasoning

AND SO MUCH MORE

May i ask what is your one thing??

If it took you more than 3 seconds to answer..? Then you dont have it..

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 11:21am



Aug 10, 2010 2:54am

706



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Thank you again for the kind compliments.

Hope I have added another perspective to your trading method. There isnt just one method that i use on a set schedule. Everything is all relative and I can do anything on any chart/any timeframe and still achieve same results.

1. I can enter on 5min chart using momentum and move stop loss to breakeven. **Weeks later**, I notice that the position is still alive. I can now treat this position as a scout and see its entry on the higher timeframe; 4hr, daily, weekly
2. I can use 4hr pennant breakout and enter with flow and move stop loss to breakeven. **Weeks later**, position is still alive and then stack positions thereafter.
3. I can also use weekly chart and use just line graph to enter around 'areas' of interest and stack positions on every dip/retrace.
4. I can use inside bar/trendline/range breakouts on 1hr chart and enter with flow at next .00 entry.

There is no set way. Its all relevant and it all achieves same result.

You can do anything as long as you do it sensibly and realistically (which means without increasing your risk).

Today's posts confirm that I will continue on to help however less on forum participation.

I will release the reading material into this thread once ready. 1-2 months from now is a realistic deadline for me.

Until then practice practice practice and find your '1 thing.'

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 3:55am



Aug 10, 2010 4:17am

109



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Good question.

I use,

Redorange - 10 ema close, smoothed

Dodgerblue - 5 ema close, smoothed

Magenta - 1 ema close, exponential

Edit: I looked at your charts carefully and it is the same to mine however I zoomed in one more level than yours

Sincerely,

Graeme



Aug 10, 2010 6:53am

113



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **Stumpy1**

How about this for an idea it doesn't matter which way the market goes just as long as you get in put on your break even stop and let it run.

Why not take one position long and one short with same pair then next day place break even stop on the one in profit and close the other presto you are in with a minimal risk and a break even stop

If it grows it grows if not you can try again till you get a millipede

Good idea.

Dont let anyone else tell you it doesn't work.

You should find out that if it works or not.

Try it, and please let us know.

May I forecast that your result will not achieve much and it will only lose out on the potential move for the winning position on day 1 and closing out losing position on day 2 is an unnecessary realized loss which could have been easily prevented.

I like your emotionless mechanical approach however it needs to be applied differently.

Sincerely,

Graeme



Aug 10, 2010 7:31am

#715



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **willf**
Welcome back

Thank you willf and all others as well.

Just letting all know again that I have started writing out a concise reading material. That will definitely have a flow of explanantion.

Apologies but this thread is unfortunately all over the place mostly due to my fault and starting from now I choose to limit my thread participation. I ask for your kind understanding.

However, there is alot of information in this thread that anyone could use to their advantage.

While I prepare the reading material for all please remember that Im only trying to show 3 things:

1. Power of long term trend
2. Holding positions for infinity yield
3. Low risk entries

I have elaborated to great lengths on each points and hope you can mix and match the information and choose the info that you prefer to use.

Not all traders are same, and I understand we all have different focal interpretation and everyone has their own signature in the markets.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 7:58am



Aug 10, 2010 8:19am

#719




pipEASY


crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo** 

*Great to have you back Graeme,
Here is my view:*

*I am knew to forex so I do not have the one thing.
So first off I am going to perfect my entries.
While I am doing this I am going to read and learn about long term trends.
When I have mastered my entries.....*

I am going to use them to add positions to the long term trend but also I am going to use them on the counter trend to keep my equity curve.....

What have I noticed while studying the 5 min charts so far(I am still learning) ?

When price comes down/up from .00 it can either...

Very good.

Thank you for coming upfront and being honest.

Ben, have you ever asked yourself why sometimes price punctures through easily?

Alot of traders, for some reason (and I dont care/need to know why), have placed their buy/sell stops at that .00 waiting for it.

And once they enter 'in mass' the next set of traders which are the breakout traders look at this as a breakout and enter, pushing it further.

I watch both traders jumping on and then I jump on both of them.


Can you see what Im doing?

I want to see many buy/sell stops at .00 towards the anticipated direction, and see other traders jumping on and then I will piggyback on both. Usually this is shown on 5min chart by long row of bold candlesticks with hardly any wick cutting straight across .00 line/pivot and the next candle is also another bold candle in the same direction.

Price has stalled when you see mix of up candles and down candles around .00 or pivot. That is a failed momentum and I wouldnt do anything.

Sincerely,

Graeme

 Quote


 Aug 10, 2010 8:25am

721




pipEASY
crede quod habes, et habes

Member Since Dec 2009
 760 Posts



Quote:

Originally Posted by **rdwatkins** 

pipEasy,

I love the simplicity of all your observations! I have been drowning in the 200 things and look forward to implementing the 1 thing as soon as I find my own.

I think I am nearing that one thing on SR flips, meaning when S becomes R so your recent line chart can simplify that further by removing the candles/bars. While I anxiously await your compilation, I am committed to practicing this and stripping the fluff from trading to all its simplest common denominators as you have encouraged us to do.

Thank you for your return and I hope...

Hello RDWatkins

I remember your s/r chart from previous exercise and you are well on the right track.

Just like the spinning girl picture, I honestly believe when a trader combines ema lines with candlesticks they are purposely choosing to confuse themselves and the sad part is they dont even know what they are doing.

I can trade effectively with just weekly 5ema, stacking positions, and diversification.

Banks probably take less than 10 trades a year as the sheer amount of capital they control is cumbersome to move around quickly.

We drive sedans but the banks drive 18 wheelers. We can turn corners easily but they need alot more room to turn. Think about this.

The biggest myth alot of traders have on this forum is that 'you cannot trade like the bank cause they have more money.'

That is completely wrong, and you can definitely trade similar style to large managements and also create a big 'growth.'

I know its possible cause Im doing it.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 11:37am



Aug 10, 2010 7:51pm

132



pipEASY
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Member Since Dec 2009
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Good morning, all

Apologies to condense my reply into one post, but please understand for the sake of new readers im trying to keep this thread modest sized.

Dave - It takes true warrior to admit his weakness. Thank you for sharing with all. Alot of traders dont even realize they dont have this '1 thing.' They believe the current system they are using is their '1 thing' but I assure all readers this '1 thing' will be something far simpler.

Fugly - Thank you for your continued contribution. I wasnt aware about the ignore list. However no one will be listed as I believe we are still part of public community and everyone is entitled to their personal opinion. Having said that, I have decided to place greater effort in preparing the one big reading material. Thank you for your honesty. It takes more to admit to ones weakness. Thank you

Rumpfunk - Hello there. Thank you and I understand and I will more or less decrease my thread participation and focus more on the material im preparing.

Gasservettes - Thank you for the kind remark.

Abailey - Thank you very much

Pip_daddy - Thank you for your continued contribution. Im glad to hear you have started. Always remember to spread your exposure and never get attached to one single pair of currency. How will you react if your current group dies on breakeven? I know you will be a bigger person and realize that if price cameback to close all current legs on breakeven, its most likely trending in opposite direction to your current group and you should have few legs growing on the new direction.

Knukk - Thank you

Gp144 - George, thank you as well

Stumpy1 - Good. Please let us know.

Sincerely,

Graeme



Aug 10, 2010 8:29pm

736



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Good morning, all

Thank you for all the personal messages, Im still replying to them.

I have mentioned this before in my earlier posts.

I asked anyone with modest success in trading to pull out a paper and calculator. Write down all their trades they have completed few months ago.

Just write down, Entry Price, amount of pips earned, buy/sell.

Example,

1. 132.000 +100 / Sell
2. 1.28000 +100 / Sell
3. 2.12500 +50 / Sell

And so on..

Now write down current price of the pair of currency next to it.

1. 132.000 +100 / Sell 124.000 (tick)
2. 1.28000 +100 / Sell 1.35000 ()
3. 2.12500 +50 / Sell 2.78000 ()

Compare it? What do you notice?

First list shows short term trader who knows how to trade effectively.
3 trades, 3 wins, +250 pips. Excellent.

Second list shows what happens if this short term trader decides to turn into a long term trader. He/she still uses same entry method however the only difference is; he/she holds onto the winning positions indefinitely.

3 trades, 2 breakevens, but..

+800 pips of unrealized profit. Im sure this trader has many other positions as well but he/she can close that x1 position of +800 pips right now through diversification and have trebled the short term trader by doing nothing. Accuracy drops significantly but it is the small number of legs that

survive which will be outrageously larger profit later on. Winning rate/percentage is not important, it is how much profit your winning rate/percentage brings that is important

Once a reader asked me through personal message who I admire in this forum. There are great traders out there and admire many. They have a sensible trading method and Im sure most of them enjoy their success. However it is this success that gets into their head and suddenly they close their mind on anything else. I know it will be fruitless to get through their wall of egoness but **they can be so much more by just holding onto their winning positions longer. Few weeks or more the better.** They will never go back to closing out their position at 1:3 or any other small r:r they managed to conjure and apply with some degree of success.

If you are well respected, successful trader please dont stop learning. I still attend local seminars just to feel it all again. Please stay true to your roots and admit that even if you are currently running ahead of the pack there are traders that are flying above you.

Sincerely,

Graeme



Aug 10, 2010 8:31pm

737



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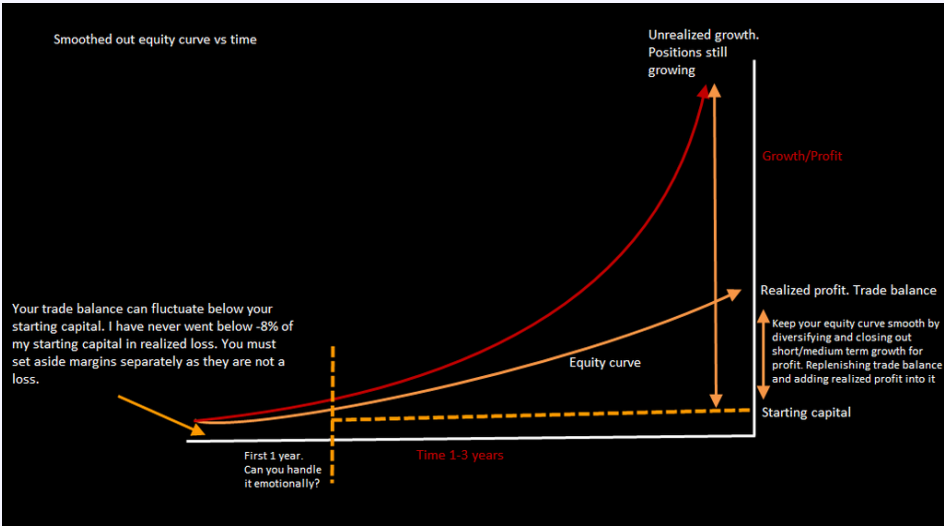
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Just on a side topic, I would like to show you a chart that is a true/similar representation to where I stand. This is not a bragging show but there is something that I wish all readers notice and learn.

This is what all traders should aim for in the long term



Aug 10, 2010 8:45pm

738




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I would like to talk one more topic before I retrace back and continue my efforts into the reading material.

Price Action.

I speak on behalf of all learners. What is price action? Action of the price?

How do you define price action?

I choose to interpret 'price action' as the current market sentiment of the movement in price that is on hand.


Im sure everyone knows to some extent what price action is but do you really know how to apply it?

This will be my longest and hardest topic to describe to all.

Let me start with wicks..

Everyone knows what wick is.

Can you explain it?



Aug 10, 2010 8:48pm

739



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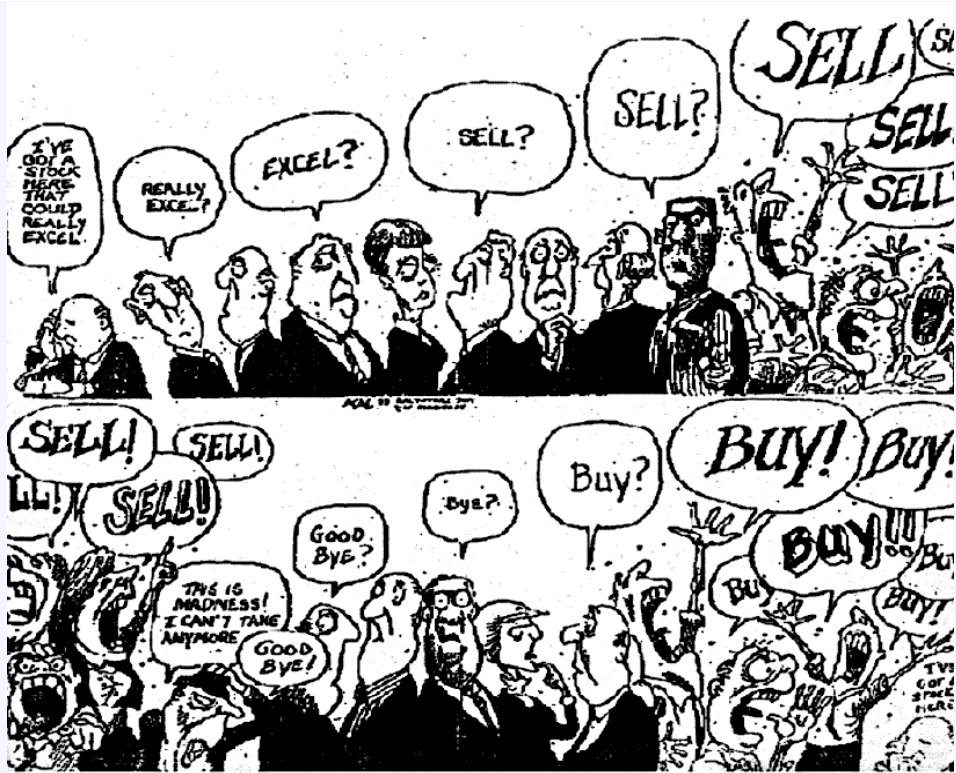
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Quote

Aug 10, 2010 8:53pm

740

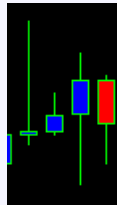


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2 guys approach each other.

Mr Buy: Hey, today I want to go my way
Mr Sell: Yesterday, you went your way so today im going my way
Mr Buy: Nooooo. Im pushing it my way and you cant stop me
Mr Sell: Pfft. As if I care if you push or not

Quote

Aug 10, 2010 8:55pm

742



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Mr Buy: Come on boys lets show these pansies
Mr Buy2: Oorah!
Mr Buy3: Push Push Push
Mr Buy4: Come on they running!

 **Quote**

Aug 10, 2010 8:59pm

746

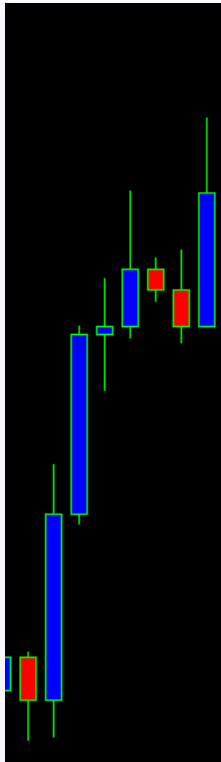


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Mr Buy4: My mama calling me. Gotta go
Mr Buy3: Meh.. I had my fun. Toodles
Mr Sell: I take you on all by myself. Where are my boys?
Mr Buy: Uggh... We not moving anymore
Mr Sell: They are not winning anymore but its not moving. I cant push them back! I need more on my side.



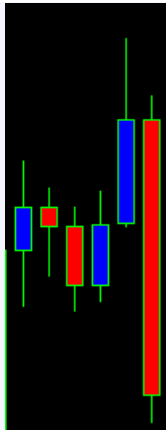
Aug 10, 2010 9:06pm # 747



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Mr Buy: Im surprised to see we have more here but we are not moving much. Only tiny steps. Where is jimbo the big bone zumbo?
Mr Sell: I will hold on until my guys get here
Mr Buy2: Well we not moving much and its already dark outside. If we dont move quickly forward I gotta go home.
Mr Buy: Bah... Jimbo didnt come..
Mr Buy3: I have a confession to make.. Sometimes I wear Mrs Sell's underwear. Im really a Mr Sell.
Mr Buy: How could you change sides now?
Mr Buy4: Yeh, me too im shifting cause look Mr Sell2 and Mr Sell3 is coming.
Mr Sell: Heh Heh. My turn.. PUSH!



Aug 10, 2010 9:16pm

#748



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Mr Sell: HAHA. Where is your buys now? We going down down down. No retrace just smooth sail down.
Mr Buy: Noooooooo. Stop running away you pansies and help me push again
Mr Buy3: (now wearing Mrs sell's underwear) I dont care as long as Im on the winning side. So im pushing sell now.

****Graeme arrives on the scene****

Graeme: Hello. Mr Buy your struggling by yourself there. Good luck. Mr Buy you made it to 1.35000 metres but couldn't push it further anymore. Infact not even 33% retrace back and everyone on your side left.

****Graeme jumps on Mr Sell's back and chuckles****

Graeme: Hmm.. Why we not moving again?? Oh well I dont care, I just move my stop loss and move on. See you around boys

Mr Buy: Im going to get you Mr Sell
Mr Sell: No.

Once again they are not moving and then Jimbo the zumbo arrived wearing 'i love Mr Sell' t-shirt.

Mr Sell: hahaha. Down Down Down

Last edited by pipEASY, Aug 11, 2010 5:53am



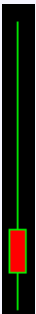
Aug 10, 2010 9:30pm

749



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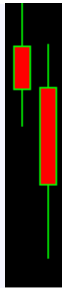
Leggo you are correct.

Each candle is telling you a story.

Look at that candle. Very long wick at top but the price closed below the open.

This means, there was a huge push by buyers but they lost control when sellers pushed it back down and past the open price. This means for now the sellers are in control.





The next candle will continue on the story. There is small/medium push from buyers but you must notice that it stalled at open price of the first candle and bounced down. For the astute traders looking at this (which is 4hr chart) they will then will zoom into 5min chart and see the bounce happen at the open price of first candle and then enter with a very small stop loss above the open price of the first candle. Very small risk for a huge profit. Do you see it?



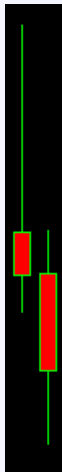
Aug 10, 2010 9:37pm

750



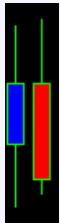
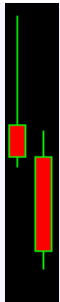
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And it happens all the time. You can forecast the bounce near the open of the previous candle or near the high of the wick. You can enter with very small stop loss and aim for a large return





See how buyers try very hard to push it higher but fail around the same/similar price as before? Once you see it happening, zoom in to smaller timeframe



Aug 10, 2010 9:41pm # 751



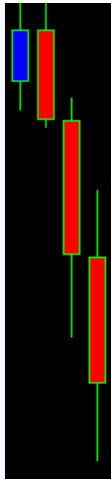
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Notice the huge push by buyers which fails and ends up closing lower than open price. See how the market reacts to this.





Aug 10, 2010 9:50pm

753

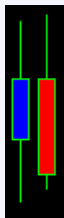


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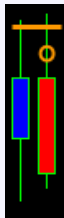
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We are focusing on long wicks. Long wicks is the first sign of weakness.

Look at first up candle. Hear its story. There was alot of buyers who pushed hard however sellers still managed to keep them under control and moved it back down creating that long wick.

We dont know what happens on next candle but when its forming I would watch price go back up to the tip of the high wick and 'bounce'




Once I witness the bounce I will enter 'with flow' and place a hard stop loss above the high of the wick (make sure you leave space)



Very small risk for something big. And it gets so much exciting when you allow this position to grow in line with the weekly/monthly trend



Aug 10, 2010 10:01pm # 754



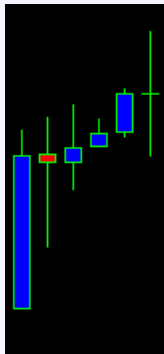
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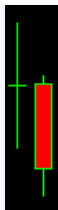


Wicks is the first sign of weakness. It shows traders leaving, and opposition entering.

Long wicks are sign of weakness.



Look at the uptrend. Notice the last candle. A struggle between buyer and seller. Their powers are evenly matched. They are telling a story. Sellers had enough of being pushed around and started gathering power. But failed to make a close lower than open. Anyways, the fact that buyers couldnt close higher than open price + long upper wick is a sign of weakness from buyers. I would focus on the next candle happening.



Look at the bold down candle. Very short wick at top. No short wick at top means no buyers or buying power. Buyers are now leaving and sellers had enough and pushing it hard down.


I will enter on next candle but this time, there is no wicks to base entries. I could use the open price of the down candle and try and find a bounce. Bounce happens near open of previous candle, 50% fib, or tip of the high wick. Look around that area for bounce.



Sometimes I enter at 50% fib if the hard stop loss I place above the previous candle is not too large and also on the looks of the current bold down candle.



Aug 10, 2010 10:12pm # 755



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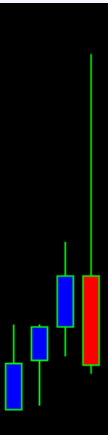
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It is disheartening to see many capable traders ignoring wicks. Wicks is the first sign before the formation of candle. Its how I have positions on wicks on daily candle and traders wonder how?

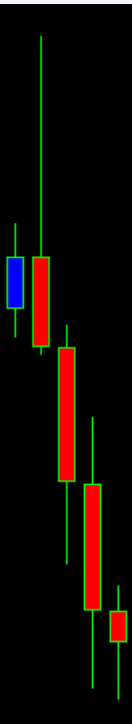
Pin bar. All traders agree pin bars are reliable indicators.

Its reliable cause of the long wick!



There are many shapes/sizes and placements of pin bars. However pin bar is a story of epic tragedy. The last candle is a pin bar in my personal opinion. Some traders disagree because its too large to their taste. However look at the previous 3 up candles. The body of the pin bar almost comes back 50% of total distance/price moved and the wick is almost twice as long as the price actually moved. That is a legit pin bar. Or whatever traders would like to call it.

Its telling a story about group of buyers making slow steady small progress, and then alot of other buyers gathered force. But, unfortunately, sellers couldnt take it anymore and totally dominated their efforts in one single move and ended up closing lower than open. And to add further embarassment to buyers sellers came down to 50% with one candle which buyers did it in 3 candles. That is a huge amount of power that will not 'suddenly' vanish in the next candle.



All other traders appreciate this remarkable push down and joined in. Candle after pin bar has small wick at top. What does it mean? Hardly any resistance from buyers.

The problem I dont like about pin bar is that most of the time the price move is so powerful I dont get a chance to witness a bounce near the open of the previous candle or top of the wick or 50% fib. I wouldnt enter by looking at this chart and place my stop loss at top of the pin bar, thats too much. However I now have inside information that at least for the next 4-8 hours it will be down. What do I do?

I zoom into smaller timeframe and use this inside information and stack positions aggressively.

Last edited by pipEASY, Aug 11, 2010 5:59am



Aug 10, 2010 10:22pm

#756



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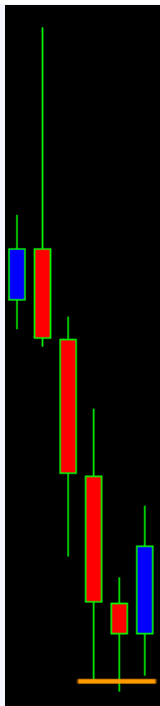
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Lets continue on.

Uhh? Whats the last small candles at the bottom?



Long down wicks??

What does it mean??

First sign of weakness for sellers

Its telling us another story. It means, sellers had enough fun and most are leaving the scene.

3 medium sized wicks 'bouncing' around the similar price. What does this tell you?

A very important message: Sellers cannot penetrate that area! They want to but not enough juice. What do you think it will happen?

Sellers will leave and become buyers and new buyers will jump into it at the sign of this weakness.



I can position myself ready to get in the action at 2nd/3rd bounce. I can use smaller timeframe when bounce happens and have a position on the wick and very small hard stop loss below the 3 wicks. Very small risk for something spectacular.

Last edited by pipEASY, Aug 11, 2010 5:59am



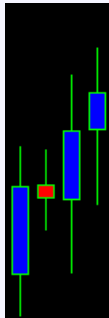
Aug 10, 2010 10:31pm

757



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Lets now focus on last 4 candles.

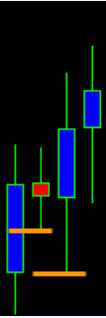
I like the bold up candle. Sellers are leaving and new buyers are jumping on at the sign of 3 wick weakness before.

Uh... but..

2nd candle is inside bar.

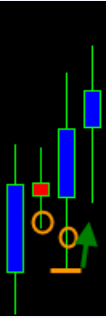
Does everyone know the story of inside bar?

Inside bar is when buyers and sellers are not pushing anymore and both staring at each other. Just like western movies when there is a pistol duel. They are standing facing each other in the dusty desert waiting for one of them to draw their pistol first. Its that very climatic moment which is called a inside bar.



Lets just say, I missed entering on the wicks before and ended up entering at inside bar candle. I wouldnt know it would be an inside candle cause I would have just entered at 50% fib and place my stop loss just below the open of the previous candle.

I would have suffered a drawdown but would have stayed in cause if price did breach/closed before the open of the previous candle, only then would I admit my defeat.



Close call. Price did come back to open of the bold up candle but couldnt breach. Infact it 'bounced' and I was hoping such move. What do i do??

I would now zoom into smaller timeframe and use this inside information and enter well with the flow of bounce. I will have a postion on the wick.

Sellers tried hard twice to push it down to new lows but couldnt. Their power is diminishing for now and that merits another position from me.

USE THOSE WICKS



Aug 10, 2010 10:42pm

758



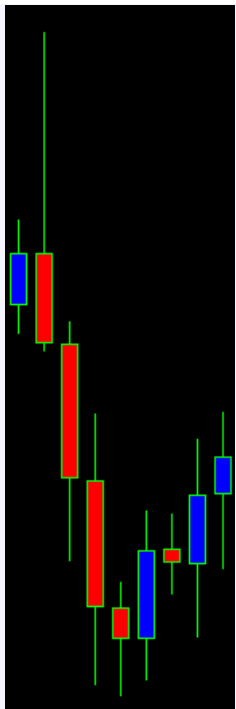
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We have just analysed/read the above. This is eur/usd 4hr chart. Each candle is 4 hours. Plenty of time/space for you to plan your pinpoint executions using the inside information here and then using that info in smaller timeframe.

I say this again, but it disheartens to see many many capable traders ignoring long wicks. This is first sign of exhaustion. If you are fighting someone professionally you need to look for signs of weakness; are they left/right handed, any repeating tell tale signs.

This weakness is the best place to attack.

The quality of decision is like the well-timed swoop of a falcon which enables it to strike and destroy its victim.

[Sun Tzu](#)

Last edited by pipEASY, Aug 10, 2010 10:58pm



Aug 10, 2010 10:56pm

759



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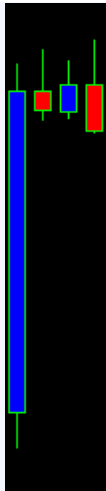
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Most often than preferred, you will arrive too late in the scene if you wait for the close of the current candle. You need to be looking within the candle when its 'forming'

You must look for clear bounces and then enter with very small stop loss at next s/r area but sensibly and not too tight. (Just one of the methods and I will explain more methods like this tomorrow)



All candles tell a story.

Look at that huge long candle. Looks like jimbo the zumbo has finally arrived for Mr Buy. Mr Buy, Mr Buy2, Mr Buy3 who is now back to wearing normal mens underwear and jimbo have gathered force.

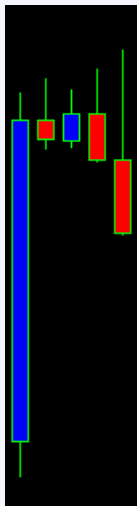
uh...

Price stalled. It has barely made new higher price on the next candle. Price went just above the wick of the previous candle but then bounced. However not enough energy for remaining sellers to push the bounce any further down.

I wouldnt do anything at the moment. Perhaps I might have 1 position when I saw the bounce but I will do nothing more. My stop loss would be just above the wick.

3rd candle is inside bar. *whistles western tune* Both buy and sell gunmen staring at each other waiting for someone to move first.

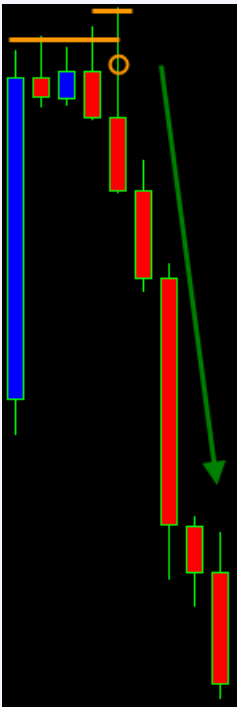
Unfortunately the last candle would have stopped me out on a loss. It happens.



Lets now focus what happened next. Price moved well below the range, this is a breakout! But i need to know for a fact that no smart buyers is going to jump in and surprise me. While the last candle is 'forming' I would notice price go above the previous wick and then 'bounce' down again

but this bounce down would be more rigorous then before as it covers more move/range (there is momentum on this bounce!).

I truly love seeing wicks reach a certain 'area' or price and cannot penetrate and when they bounce back with momentum you can bet that I will be already on there with my tight stop loss at top of the wick.



See how I arrive in the scene much earlier than most and have tighter stop loss than most and capture most profit.

Im scouting on 4hr timeframe using wick bounce.

I used this method for a long time and still use it often.

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 6:03am



Aug 10, 2010 11:18pm

#762



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Quote:

Originally Posted by **Chorlton**

Graeme,

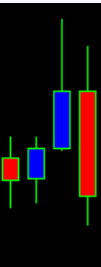
Quick topic-related question:

How many of the previous bars are important to take into account when analysing the current action? At what point do the previous bars become unimportant?

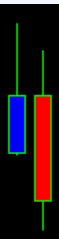
Good question.

Its all relative. It could be just one candle before or 10 candles before. Usually its between 1-4 candles.

To prove its all relative.



4 candles. Whats the story? Buyers are winning but only slightly. They are taking baby steps upwards. No momentum. They look tired. Sellers look at this sign of weakness and pile on pushing the price well below most of the buyers effort in the first 3 candles. Huge power down by sellers.



Or you can just look at that last 2 candles (this is same chart, candles). Buyers tried hard to make a new high but failed on the way. It couldnt make it to the top of the wick but I would notice the bounce when the price is coming down towards open of the red candle and then I would enter there at the open.

What happens after?



Look for long sized wicks. They are not common but definitely worth the wait.



Aug 11, 2010 3:05am

766



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Most important aspect of price action is that it gives a 'reliable' hindsight to which way the market might move.

When I mention 'reliable' it means not all the time but enough times.

It is very imporatan to interpret price action without any biased views.

It is also traders ability to control risk and prefer to use smaller hard stop loss but sensibly. **Just above/below the next s/r is the most sensible**. This is why inside bars are so attractive. Cause the price range of inside bar are usually small, traders can blindly enter on breakout and place stop loss at the opposite end of the whole inside bar and it will still be a relatively small loss.

On the other hand, pin bars have potentially a bigger range. I would never enter just cause I see a pin bar but I would prefer to see the price retrace to either open of the pin bar, 50% fib of pin bar, top of the wick of pin bar before bouncing down again. However I can enter if there is a big momentum without any retrace after the pin bar.

Now I say something very very important.

Interpretation of price action will never be 100% accurate. It will be a **reliable hindsight 'when' it happens.**

It is your job to 'ensure' when your interpretation of price action does happen to your 'forecast' to **MILK IT AS MUCH AS POSSIBLE** without increasing your risk.

When a pin bar happens on 4hr chart and you know its going as planned, please do not sit there and rub your hand in glee. **You should USE THIS INSIDE INFORMATION TO YOUR ADVANTAGE.** Jump into 1hr, 15min, 5min charts and enter as many positions towards the intended direction. Sensibly and as planned. This is where your razor sharp entry methods are required.

And after few stacks of position, monitor the strength of the move. If the movement is dying down and we have 5 positions alive what do we do?

Diversify. We close out smaller 3 positions for a small profit and keep the larger 2.

Mini diversification on mini timeframe is same as doing diversification on bigger timeframe after bigger growth.

Other systems/method on this forum limits its potential growth/profit. And it is very disheartening to watch it happen as there is so much more than the 80 pips they just extracted.

If there is a well known method to enter on s/r break on higher timeframe. Trader must not stop there they must use this inside information to the traders advatange and milk it as much as possible.

Below is a true story and very important for all traders to understand this story fully.

I remember few years back on gbp/jpy, there was an inside bar with a tremendous momentum breakout going down after it.

This breakout lasted 3 weeks, and it started with that inside bar on the 4hr timeframe. I could have been the 'average' trader and just enter on breakout with 1:3 and bank about 90 pips. Be very happy and move on and look for another one.

That is seriously limiting your potential.

For the next 3 weeks, price moved 900 pips. I based my first interpretation on the 4hr inside bar and then zoomed into smaller timeframe and comfortably stacked positions continuously. I diversified near the end of 3rd week and closed half of the smaller legs for a very large growth/profit into trade balance and kept larger half of the legs.

Most of the larger legs died however 3 remained to fight for me further 8 more months when I finally closed them out for thousands of pips each.

How did this all start??


From that single 4hr inside bar.

Look inside the inside of the inside.

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 5:46am

Quote

Aug 11, 2010 4:31am

769



pipEASY


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Member Since Dec 2009

 760 Posts



Quote:

Originally Posted by **songbo** 

hi Pipeasy,

Hope you can show examples of how you stack positions based on 4hrs setup. I like the idea of high probability setup and bet larger...

Good question.

What is your '1 thing?'

To see a pin bar on 4hr chart and to know which direction price is going is already knowing more than half of the information.


My '1 thing' is judging momentum on lower timeframe. I request that you look for your own '1 thing'


It could be trendline break, s/r break, .00 breakout, mini pennant breakout, order flow breakout, but we would know which direction to enter. This is putting the advatange on our side.

If we know our opponent is a left handed boxer, then we can anticipate heavier punches and more frequent punches than kicks and from his left flank. Not all the time but most of the time. Make sure when he does reach out to punch with his left, you are ready to intercept and pummel him in anticipation. However when he does use an occasional right handed punches make sure your defense is tight.


Sincerely,

Graeme

Quote

 Aug 11, 2010 4:42am


770




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Member Since Dec 2009

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Quote:

Originally Posted by **wooli** 

Hi Graeme,

Your thread just keeps getting better & better!!! Awesome!

I don't think this has been asked before and my apologies if it has.

When you enter off a wick/previous bar open/50% retrace do you:

a) Use a limit order

b) Wait for price to retrace past your proposed entry level and then use a stop order when price starts to flow in your anticipated direction

c) Use manual discretionary entry

Thank you

Michael

Good question, Michael

More B and C than A.

I will only use A when Im stepping out of office and the setup is very tempting.

For example, after a long wicked candle. I watch the next 'formation' of candle closely. I want to see a retrace.

Does everyone know what retrace is? It is the the last attempt of buyer/seller trying to push it back to their direction. The last gasp of breath before dying.

Retrace could be very short or could be quiet long. I prefer to focus when retrace suddenly 'stalls' at opening price of the previous candle, or at 50% fib of previous candle, or 'near' the price at top of the wick.

You need to look at smaller timeframes to see it stall, preferably use 5min. Sometimes the bounce is very clear and violent. Price reaches 50% fib of previous candle and then an opposite long bodied candle suddenly appears on 5min chart. That is order flow and anticipation of other traders. We dont care about x1 single 5min long bodied candle but the momentum after it. If there is momentum I will enter.

I prefer price to reach near the top of the long wick on the candle before and suddenly lose power and start dropping. You can set a very small stop loss above the top of the wick and enter. Very small risk for potential big returns. Not successful 100% of the time, but enough times to create a very large profit everytime it does happen.

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 5:27am



Aug 11, 2010 5:40am

171



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Quote:

Originally Posted by **luqmanz**

Welcome back sir .. thank you for your guidance ...

I've started practising your method since yesterday .. I just managed to deploy 11 positions with SL at BE in 12 currencies ...

I improved my entry with the golden rule that you taught "Long above Daily Open, short below Daily Open".

One question. How do u use the EMA to decide when to diversify .. ? Im planning to diversify when the price is between blue and red since it could be the turning point of the current trend.

Thank you sir.

Good evening, luqmanz

I almost missed your question.

11 positions with SL at BE is impressive. Good work.

May I ask the following for your benefit:

1. How much did you lose (realized) to establish 11? Hopefully less than 100 but no more than 300. If its larger then please look into tighter entries and practice. And try to participate less aggressively. **We need to space it out**.

2. How would you feel when one week later only 1 is alive?

3. How would you feel when one month later none of the legs from this group is alive?

I use ema just to see the direction of the trend (the angle/steepness). Although I personally see 5ema on daily/weekly chart as the 'real retail' price however I would choose not to base decisions on when to diversify/exit from what ema line is showing.

I diversify when I feel uneasy and there is nothing more than that, a gut feeling. The only thing you need to guarantee before diversification is ample time (weeks/months) for growth on the group and that you are diversifying for 3 golden things.

- 1. Replenish trade balance
- 2. Add realized profit into your trade balance, increasing your equity
- 3. Keeping few of the larger legs

This will clear the whole scoreboard to zero which definitely helps with your emotion.

When price reaches between blue/red could be a turning point for a new direction or could be a very cheap price to add position in the current trend.

But you are correct to diversify when price does enter between the 2 lines. I would most likely do the same or sometimes I risk little more and let it play out by not diversifying.

Lesser number of diversification = Greater growth/profit in the long term
More number of diversification = Smaller 'guaranteed' growth but also retaining a smaller interest for infinity growth.

Its give or take with pros and cons on both side.

Very good question

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 6:12am



Aug 11, 2010 10:55am #172



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Member Since Dec 2009
10+V 760 Posts



Today I have explained to all what wick really is. Im sure alot of traders already know what a wick is and what it represents but unfortunately it does not get mentioned enough.

I witness RSI divergence, macd, ADX being talked more frequently than the actual wicks or candles.

Did you know that after the wick, candle has formed and then this data is calculated into the indicator?

Price action -> wick (candle) -> indicator -> your action?

or

Price action -> your action

You will always arrive first on the buffet table by correctly interpreting price action. Indicators should only be used as a reference/confirmation of your beliefs.

Wicks are a great indication of exhaustion/weakness of current movement.

Question: If you are planning to attack on counter trend when do you think is the best time to execute an attack?

Answer: The best time to attack will be ofcourse when the opposition is slowing/stalling/losing strength. But never hit alone first, always hit together with other groups of attackers

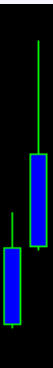
Wick entries do not result in 100% success however **more than enough**.

If I were to place a hard figure I would say out of 100 wick entries I do,

- 20** would be losers with small losses
- 30** will breakeven on first attempt and I will never reattempt 2nd on same wick or same setup
- 35** will produce a good short term profit captured in my mini diversification a few hours or few days later
- 10** will capture very large medium growth few weeks later
- 5** will remain growing as my infinity growth legs

These stats are very close to what I have achieved over the course of last 2 years.

Let me show you some failed wicks so I can lower any readers 'bloated' expectations.



Look at above candles. Long bold up candles. The excellent thing about these candles is there are no wicks on the bottom. What does this mean?

No selling pressure. Everyone is buy for now.

Look at second candle. Look at that huge wick. What does this mean?

Its a sign of weakness for buyers. And I have a feeling sellers are going to pounce at this opportunity.



Aug 11, 2010 11:03am

173

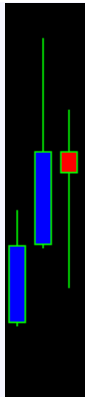


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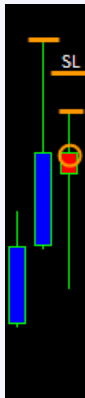
Member Since Dec 2009
10+Y [760 Posts](#)



I will now focus on what happens on the next candle. Im looking for a safe place to enter sell; open price of previous candle, 50% fib of previous candle, retrace near/same price as top of the wick.

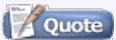


Interesting. What does the new candle try to tell us? Whats its story?



Open price is already 50% of fib of previous candle so im looking for something else. It starts to retrace upwards. Good I want to see buyers gasping for their last breath so I know they are dying. I was hoping a nice clean 'bounce' at/near the top of the wick but it fails to get there. Ok perhaps buyers didnt even get a chance for a last gasp. I would watch the bounce happen on lower timeframe (5min) and see the price coming down towards open of the candle again. I would enter and place a stop loss at top of the new lower wick. Why? Cause if price somehow finds enough strength to get back up again then it has a **strong purpose** and would most likely be a breakout upwards.

Good momentum with alot of power going down. BUT. Buyers start to gather force again and start to push back hard. Price closed lower than open but you must now look at lower wick of the new candle!



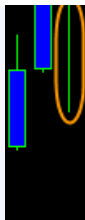
Aug 11, 2010 11:17am # 174



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Member Since Dec 2009
10+ 760 Posts

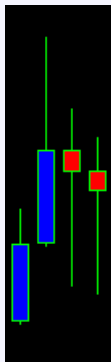




The table has now turned. Now we know the weakness is on the sellers side! I was hoping that candle would be a bold down candle but you cant expect anything to happen in forex. You just have to follow.

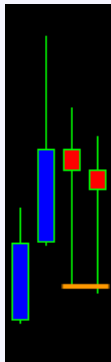
I would most likely move my stop loss to breakeven for that position cause as we all know when momentum dies I will move on to different pair.

What if I stayed? I now know many buyers have gathered their force and is not willing to lose this fight. What happens next? I would watch..



Sellers want to win this fight and they are fighting very hard but there is almost even number of buyers also fighting very hard not to lose. Price is not moving much but the wicks are crazy. It moves + into buy territory and then + into sell territory only to have the close price very close to open price. Its almost a draw but sellers are winning slightly.

What do you think I have noticed??? Something very very important just happened. What is it?



The new candle lower wick went to the same/near price of the previous wick and 'bounced'!!

But, unfortunately, I was away at dinner when that happens. But what does this tell us? That is two attempts by sellers to try push it harder but failed to make any new lows or close lower than before. Sellers are losing their grip here. Next candle I would look for buy entries now as I know sellers cannot continue pushing as hard as this, they will soon tire out.



Aug 11, 2010 11:41am

#176



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Member Since Dec 2009

10+y

760 Posts



Im hoping for a big push up with new buyers noticing this weakness of sellers. Sellers cannot continue pushing hard as this. They need other sellers to jump on but other sellers are not happy with those wicks too. Infact other sellers are now thinking of becoming buyers. Sellers are in real trouble here. Something big is coming.



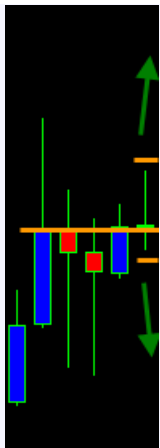
???

That is just embarassing. What a pitiful attempt by buyers. No short wicks and its telling me buyers only managed to push the price to open of candle just 2 candles before? There was no retrace so I would try and base my entries with momentum and Im sure there was no momentum in that midget candle. Something to notice here is that buyers did take back the control of the situation and pushed the price above the opening price. I dont know why but sellers are taking a rest at the moment.

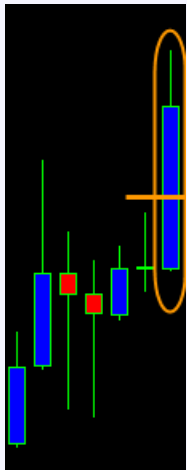


What does that tell us? Buyers and sellers now dont know what to do. They are baffled. Both tried so hard in the last 4-5 candles and now is almost same as 5 candles ago. They dont what to do.

In situations like this, you need to expect the unexpected but one thing for sure it will burst out of that pitiful range. Can you see the situation has now turned into a breakout setup?

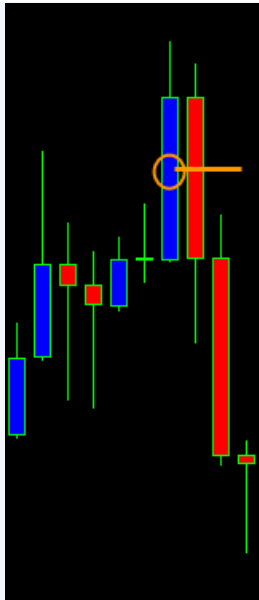


Price cannot stay in a range bound too long and it will breakout. I will only look for breakouts with great momentum. I will be poised to take buy or sell that breaks out from that last candle range.



Amazing momentum. No short wick. Sellers stayed quiet and buyers pushed the price clearly out of range. Fantastic! I would definitely have a position on the breakout and easily have SL moved to breakeven.

But in the markets, expect the unexpect to happen.



That was a surprise. Sellers had groups of friends waiting and the new buyers who pushed the price out of range decided to close out and go home. No warnings from the wicks.

2 attempts and 2 breakevens. No happy ending but Im content.

Can all readers see how I might interpret price action and minimize my risk to bare minimum but shooting for extra large rewards?

And this is just wicks....

I will try continue with candle bodies another day.

P.S You can be a successful trader by just using wick interpretation. It could be someones '1 thing'

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 12:01pm



Aug 11, 2010 11:49am

171



pipEASY
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Member Since Dec 2009
10+yr 760 Posts



Could someone kindly explain why some of my pics are broken?

It is disheartening to see my efforts dwindle away into a void.

Is it an imageshack issue?

Edit: Apologies, Im too tired tonight to continue. Please think about wicks for me. It can be used to a traders great advantage. Thank you all kindly. Good night

Edit2: Please disregard this message. The broken pictures came back and its showing correctly. Good night all.

Sincerely,

Graeme



Aug 11, 2010 10:06pm

786



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Member Since Dec 2009

10+ W 760 Posts



Good morning, all

Apologies to address all enquiries in a single post. I wish to keep this thread as condensed as possible for the sake of new readers.

Leggo - Good question. 50% is loved by alot of traders. Alot of retail traders look for retrace also. They are interested in 50% and the 33% and then 66%. I consider 50% as a psychological level. We should never tell ourselves, 'ok graeme, price is at 50% lets enter.' We should be really saying 'ok graeme price is at 50% which is loved/followed/believed/cherished by the larger group of traders lets see if they all join force and enter/place buy/sell stop orders there at 50%. I always witness the 'bounce' first and then enter when its coming back down. This ensures a much higher probability as you are piggyback riding.

Geoff - Thank you. You are correct, they are temperamental.

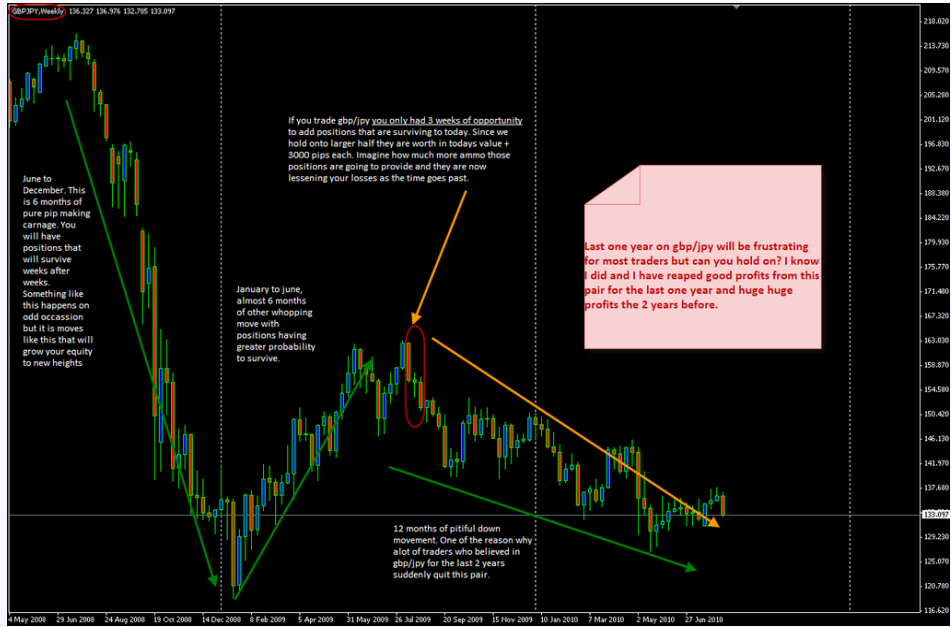
Sixx58 - Good question. Emotional control does/will improve over time. Position trading has the best rewards compared to the small risk taken. Part of the small risk is perserverance and unbending faith.

There is a very good reason why I urge all traders to sharpen their entry method non-stop. Cause this will help their emotional control immensely. If a trader has lost 8 positions before the 1 winning position he/she will most likely be greatly attempted to close the 1 winning position earlier to re-coup his losses. We are all guilty of this.

However, if you know your entry method very well and have kept your losses very minimal, you will look at your losses from a different angle. You will look at 8 losses/breakevens as just part of something you had 'no control' over cause you know there is nothing wrong with your entry skill but it was the inevitable fluctuations of the market that took you out. It is a very different psychological mind game.

Dave - Good question. For me, 250 pip leg is not worth the trouble to negotiate a close or not. **We prefer legs that are few thousand pips big.** However, you can cushion your emotional hurdle by capturing this good short term profit by diversifying and keeping 1/2 larger legs intact and watch what happens. Sooner or later you will undoubtedly prefer to hold them without my recommendation anymore. Then you are over that emotional hurdle. I pray for your enlightenment to happen soon.

Please allow me to show all readers some realistic expectations. This is answering to sixx58



Last edited by pipEASY, Aug 11, 2010 10:43pm



Aug 11, 2010 10:20pm

787

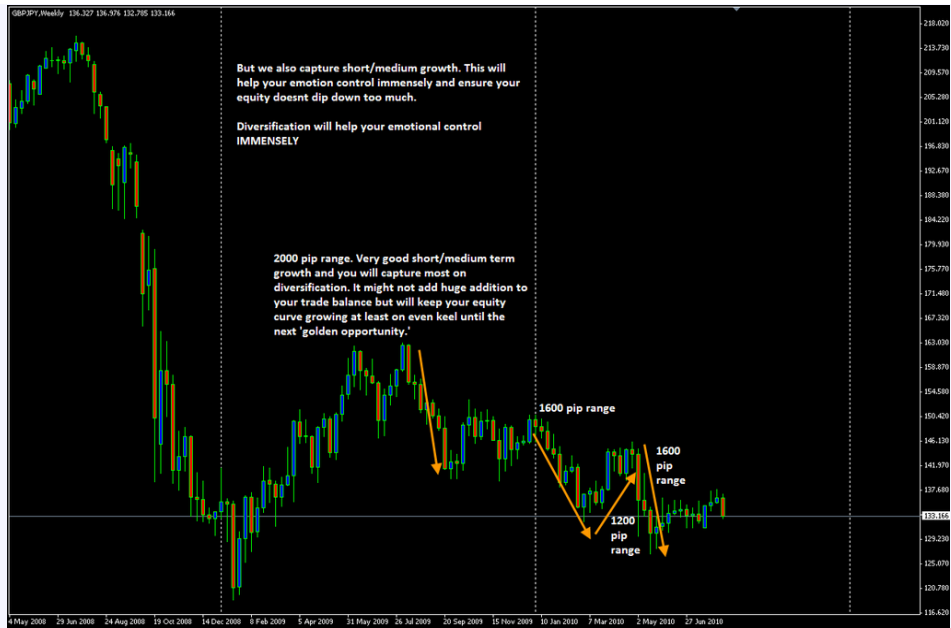


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Member Since Dec 2009
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The good side of this story, please look below



There is another reason why trading multiple pair of currency is to its advantage. While gbp/jpy had a lukewarm trend for the last one year and while we wait for the next golden opportunity, all traders must expand their exposure in the market by adding positions into other pairs.

This will balance the risk and reward proportionally.

Infact this will ensure that your equity curve keeps growing while you position yourself for an opportunity of infinite growth. **Since your participation is stretched out, you will have continuous flow of diversification throughtout the different pairs.** This is important and please think about it.

Yesterday, I have showed all readers, wicks. Please try using the interpretation method that I have showed into your own interpretation. You will be surprised that you are grasping the market sentiments better. It might lead to related discovery.

Sincerely,

Graeme



Aug 13, 2010 6:14pm

812



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Member Since Dec 2009
10+V 760 Posts

Good morning, all

Apologies to answer all question in one post. Answering in order of posts

jashanno - thank you for your contribution. what works for you then works for you and im glad to hear of your success. there is different purpose to why i place both buy and sell. if you interpret this as just hedging unfortunately please read my posts again. i do not care if i have one position on buy and one position on sell; what im doing is positioning my positions as the market flows and sometimes a flow can last weeks to months. how does a trader know the next s/r is going to be a change in trend? they cant. just follow with flow.

luqmanz - you are definitely on right track. Please do not feel bad cause your results are fantastic if not little too fast. Your legs will happen. Most important thing in trading is not to rush but take your time and space out your exposure. From my earlier posts, by spacing out, you will miss few golden opportunities but you will avoid all/most of ranging periods.

tommestone - im very glad that you have moved away from usd/chf current ranging period to a pair that is trending stronger. Can I ask for your learning benefits, how do you know a pair is trending stronger than other pairs? The answer will lead you to a very very important related discovery. Please try answer for me.

pip_daddy - good observation. Same reply to tommestone as above, how do you personally judge whether the pair is trending or not? I have hinted few times in my earlier posts that I use scouts on higher timeframe to prod into market sentiments **OR** the fact that market moved strongly in last 2-3 weeks will not 'suddenly' change and stop. It could but it will give alot of warnings before it does stall and change. May I also add for your enlightenment that for example, one of my wick entries could also turn into a long term scout and I can base my personal interpretation of market sentiments at its growth. Scout doesnt always start from higher time frame, it can also start on 5min timeframe. New trend can start from all of daily,4hr,1hr,5min timeframes.

Frenchcuff - thank you for your question. I have used heikenashi candles for some time. It is reliable source of 'indication' of trend and change with less short burst of whipsaws. Unfortunately with heikenashi users arrive little later than most traders on scene. I prefer to arrive first at buffet table with the mentality to spend few pips to know that I was right or wrong. If im wrong I will admit defeat and move on, **but if im right I will stay awake to capture most out of it.** May I suggest that there are many entry methods one can upskill so you can arrive at the scene much earlier with tighter stop loss than you can currently imagine.

knukk - thank you for your interesting charts. i looked at them closely for some time. You have contribtued alot of efforts into the charts. May I ask what the 2 question is that you would like answered? Im assuming its the 'x' on the charts? If so, and hopefully im answering to your question properly; price always moves .00 to .00. If price is coming down from .00 then look for sells, if price coming up from .00 then look for buys. If it does not work out, please try not to re-attempt but let the opportunity pass. It will be a hard mind game not to re-enter cause traders think there is an opportunity at every moment they glance at the charts. Once all traders understand the importance of 'ignoring' the markets they will find that 'somehow' they are avoiding ranging periods magically.

mcornbill - thank you Mark for a unique question that hasnt been asked before. I read your post twice and believe I can add some hindsight to your understanding. Personally it rarely takes me more than 30minutes to 1 hour to move my SL to BE when I enter manually. However, on days when I do need to walk out of office and see a good setup on higher timeframe, I would not use a SL but please do not use this approach as yet. All traders starting to build their millipede 'must' or 'prefer' to use entry methods on shorter timeframe or scout on higher timeframe and then zoom in to stack positions.

leggo - Good. Shorter timeframe for now Ben. Sooner or later you will phase into higher timeframe with no recommendation or assistance. There is a related discovery once this happens. Good result from skill than luck is a fantastic mentality. I urge you on.

luqmanz - Nice tight stop loss. Im sure you have your entry methods well planned and practiced.

glenj - thank you for your compliments. Yes, 50% is where most traders should watch other traders. But it also happens quiet often at the opening price of previous candle or the top/bottom of the wick. If I were to choose in order: 1. 50% 2. Opening of candle 3. Top/bottom wick. I personally prefer the wicks to touch a price or tight area and bounce off twice. That is a huge huge hint.

jashanno - you are mentioning scaling out? In forex, the more you lower your risk, then you ensure yourself a smaller guaranteed profits. I personally aim to minimize my risk when 'entering' and then letting the market reward me infinitely. 2 different perspective and I request that you please think abotu it. Your perspective is: lowering your risk as the position plays out, my perspective is: lowering my risk on **entry** and letting the market reward me indefinitely or close the position with no loss.

mechthildche - yes, you are referring to hedging. Im not hedging as such. Perhaps if you could please read the thread. Buy/sell should not be replicated in one net buy or sell position = cause that is just taking one sided opinion of the market. Alot of traders **seemingly** believe that nothing happens when you take one buy and one sell on same pair of cuurency. It is true when you look at capital balance/unrealized profits/loss however different result when you move both buy and sell positions to breakeven and let it play out for few weeks. I take both buy and sell at whatever opportunity market gives me cause I dont know where the market is heading towards for the next few months.

Sincerely,

Graeme

Last edited by pipEASY, Aug 13, 2010 9:11pm

Quote

Aug 13, 2010 8:04pm

814



pipEASY

crede quod habes, et habes

Member Since Dec 2009
 760 Posts



Quote:

Originally Posted by knukk 

Thank you for your answer. I'm afraid I might have been too unclear in stating my questions. The X's are just the liquidation points at which all positions are closed and have nothing to do with my questions. My questions are asked with a colored text in the attachment, with a corresponding colored illustration on the chart. I'll rephrase them:

I'll add the attachment from [my original post](#) to this post.

1) Question one is marked with cyan. Look at the cyan circle....

Thank you for your quick reply.

I read your post twice before typing and im assuming your question is more for all to think. Can you then please explain why you would think the cyan are weak and green would be a mistake?

Look forward to your reply


Sincerely,

Graeme

Quote


Aug 14, 2010 12:43am


817



pipEASY

crede quod habes, et habes

Member Since Dec 2009
 760 Posts



Good weekend to all

Hope everyone is safe and warm.

While explaining how to interpret wicks and the possible hindsight we can gain from its appearance on the charts I have noticed something very important and strange.

Im going to go ahead and break some common myths that are circulating amongst this forum.

What I say next might go against the beliefs of most but if you keep an open mind for me, readers mght be able to notice something important.

If I ask why a trader uses indicators/price pattern/price action, most will answer: cause it gives us an entry/exit with higher probability for a profitable trade.

Please read this carefully.

The main purpose of analysing/watching indicators/price pattern/price action is to gain an hindsight to which direction it may go. Not all the times but most times.

We then use this hard earned 'inside information' to our advantage and by using various personal entry methods, stack positions indefinitely **until this inside formation is no longer valid.**

Is this you??

You know pin bars are great 'indication' of change in trend.

1. You wait for pin bar
2. You see a pin bar on chart and notice the indicator also indicating that price is oversold.
3. You enter with r:r in mind. You decide 1:5.
4. You place stop loss at end of pin bar, e.g 40 pips. And then you place take profit at 200.
5. Your position goes your way and you exit with 200 pips. You move on to next opportunity.

That is most traders here.

Allow me to tell you one thing for certain.

Pros do not 'just' take 200 pips cause price moved 200 pips or cause its their defined r:r. They take **minimum** 200 pips if price moved 200 pips.

If price moved 500 pips, pros take minimum 500 pips, maximum: infinity
If price moved 1000 pips, pros take minimum 1000 pips, maximum: infinity

When I say **minimum**, this is worst case scenario.

I do not understand why alot of traders think stacking positions is too dangerous. This is a wrong myth and you are taking things too literally. It is only dangerous if you dont know what you are doing or more importantly dont know what you are expecting. And we should all be expecting/hoping infinity returns on our investments.

Please allow me to further explain what 95% of traders do and see how their trading perspective is actually hindering their potential growth/profit.

Trader awaits for the perfect evening star pattern to happen. He picks very carefully and expects everything to perfection and he admits the appearance of such perfect setups are often rare sighting. However he is confident that such perfect setups will be most likely a profit or a small loss. This trader has a good balance of r:r that he/she religiously apply to every trade to stay purely mechanical. The only discretionary decisions he does make is the entry and the rest he leaves to r:r for exit.

Now allow me to reliterate the above story in a different version but with the same ideology behind.

Group of highly trained blackjack players enter a casino. They have practiced thousands of hours (have you?) of playing advantage blackjack. When they refer to advantage playing it means they know 'when' to start playing to ensure a 'higher' probability of winning. They know when the remaining cards in the deck is full of high cards like 10, J, Q, K which changes their odds of winning against the dealer much higher. Even if the deck is almost full of high cards they know that their winning rate is only marginally over 50%. They dont care if the winning rate is just over 50% of the time, as long as it is over 50% they will consider that a premium opportunity to start playing.

One player will sit down alone on the table and start playing using +1 and -1 counting technique (personal entry method). He is playing very small bets and just watching the action, prodding here and there. Soon he notices a premium opportunity when the remaining cards in the deck is now mostly high cards. He then raises his betting size greatly as he knows the odds are in his favour. Soon after winning hand, he then leaves the table cause he just won more than he lost. He moves onto next table and starts counting again.

??????? No. Thats not how professional blackjack players win.

Lets rewind little bit. One player sits alone on the table and starts counting cards by playing with very small bets. Once this player 'knows' that the decks are full of high cards he will do a hand gesture or a signage for his other team members to now join this table. This table is now hot and ready for picking. Other team members will join this table and bet heavily into every hand as they know most cards are in their favour. As soon as they notice that the deck has lost its edge they will get up and leave with their winnings. This is a true story about a group of MIT blackjack players who made millions before being caught out.

They did not count all those cards to make one large bet and to walk away after winning one hand. Once they know the deck is in their favour they will milk it out as much as possible. The exact same perspective is required in trading. Do not focus on few minor losses you encountered over the last few days. Just make sure when a win does occur, you stack positions and exit with a much bigger profit that will cover all your losses before and adding a big chunk of realized profit into your trade balance which should be more than enough to cover any future small losses necessary for

the next golden opportunity. This is the correct required mind frame.

Sincerely,

Graeme

Last edited by pipEASY, Aug 14, 2010 9:01am



Aug 14, 2010 3:11am

#822



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Good afternoon, all

Darren teo - thank you for your continued interest. Your method will save you from doing pinpoint entries however this will result in a massive drawdown which will effect your emotion greatly. No one can stomach a 3000pip drawdown. My initial trade balance would have lost 40% realized loss if I allow such thing.

leggo - Yes, Ben. Momentum usually happens during uk/us sessions. However there are great spurts of momentum usually on jpy cross during asian session. I will try show few more tricks. Im wondering if Im confusing any of the readers by introducing too many new things.

pip_daddy - Thank you for your contribution

Sincerely,

Graeme

Edit: Does all readers understand my blackjack story in the above post? The message behind that story is important for all traders. You cannot profit greatly if you dont maximize the profit taking in a given golden opportunity.



Aug 14, 2010 3:44am

#823



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"Market cannot be beaten. Its to be followed"

"Trend is your friend if you allow your positions to grow on it"

"I admit that I cannot predict which way the market will go but I can follow it and still profit"

"Following the flow is simply; entering sell if price is coming down from .00 or entering buy when price is going up from .00"

"To stay with trend; only buy above the open price of the day and only sell below the open price of the day"

"I aim for infinity yield on my positions"

"I enter both buy and sell on same pair of currency cause I dont know what is happening today, tomorrow, next week, next month"

"I enter at every low risk opportunity given by the market. Risk is at entering, profit is allowing it to grow"

"I do not pre-define my entries, exit in anyway. R:R is calculated at the end of the trade"

"Entries are at your own personal discretion. Find out what works for you literally and psychologically"

"You should know your entry method so well you can vouch it with your life"

"You only need 1 or 2 entry methods but your participation in over 10+ pairs of currency. You will be very busy"

"Some positions last years, some positions last few minutes. We keep the ones that last years and we let the positions that die in few minutes rest in peace"

"Some of the most valuable insights I have is earned through practice not learnt by reading"

"20 x3 take profit exercise was my teacher and Im here cause of its related discoveries"

"You do not need to know 200 things in forex to make money. You only need to master just 1 thing"

"Most traders fail cause they dont have this 1 thing. Some think they do but whether they really have it or not is questionable"

"From last 2 years of live entries I can sensibly claim that 80% of my entries on 5min timeframe will at least have SL moved to BE by using momentum. This is my 1 thing"

"I piggyback on other traders when I enter. If there is no participation from other traders then I got no one to piggyback"

"From my stats, I have placed over 4000+ entries over the last 2 years. Thats about 40 positions per week, 8 positions per day. My participation in the market is almost 20 pairs"

"From my stats, my last 14 months have \$7 million+ annual growth rate. Most of it largely unrealized. I have easily doubled my trade balance in the last 2 years as realized profit"

"From my stats, 1.7 positions per week have survived for long term growth. Most closed on BE and some closed to capture short/medium term growth through the numerous diversification"

"From my stats, I currently have 194 positions. All positions SL moved to BE"

"From my stats, each position is currently bringing in 37 pips of net profit. Net profit is after losses are settled and accounted for and this includes any swappage"

"Diversification keeps my equity curve growing and smooth. It is traders best interest to stay away from zigzag edged equity curves"

"Diversification settles any losses encountered while trying to establish the current group of legs. After diversification the scoreboard is wiped clean to zero"

"Diversification replaces trade balance to before building the current gorup of legs + adds realized pips/profits into your trade balance + gets it off your mind"

"I have never went below -8% on my initial starting capital in realized loss"

"I will never increase my lot size (2 standard lot). Instead I will increase my exposure in the markets by having more positions in every pair of currency"

"Bundles of positions on every major trend on every possible pair of currency. That is your goal"

"I prefer to work less as the time goes not more or the same"

"If I lose 9 times in a row on entry I know im getting closer"

"You need to be selective on entries and not take every opportuntiy. All you need to do is space out your entries by hours/days. You miss few golden opportunities but you also avoid all/most of ranging periods. Profit will be similar"

"Im an investor-trader"

"If a position was +2000 pips last year but died today on BE; that means we are currently in trend for the last year and should have positions growing as the price came back"

"Forums are more chaotic than markets. At least market doesnt purposely mislead for its own personal agenda"

"You cannot profit greatly if you dont maximize the profit taking in a given golden opportunity"

"Losers log onto forum, winners take the prom queen home. Most important learning is done by yourself through practice on demo"

"Dont stay on demo too long. There are things to that can only be learnt on live"

"Emotional hurdle is when you cant sleep"

"Glass half empty: Anguish over position closing on breakeven. Glass half full: You had chance for infinity growth but unfortunately it closed on breakeven due to controllable market fluctuation. Engineers: Trying to close the position when its only little bit in profit"

"Never use the word 'expect.' Thats a lie. Life and market will never follow to your expectation. Expect the unexpected"

"Your mind only choose what you wish to believe. Keep an open mind to everything. Never have a biased opinion about anything in the market"

"Market is a generic ever-changing dynamic energy. You cannot use indicators to pre-define something that has limitless boundaries"

"It takes tens of thousands of rounds to define an entry system's edge in hard percentage. Some thread openers claim 60% success rate with 1:2 from 4 months of entries. Such claim would make staticians rolling on the floor laughing"

"Thread openers success in the last few months was due to a trend. Watch their posts when market ranges"

"250 pip position is not even a leg for me. 2500 pip position is a leg"

"Most traders have set static growth rate. Some aim at 2% capital increase per week. So for a \$5000 USD that is \$100. If market moved 300 pips in a given week and you only added 2% then you are not reaching your profit potential. Period"

"Some traders quit the week after reaching a certain percentage of profit. Market doesnt know each individual traders set percentage growth rate for the week and market certainly dont care"

"Dont trade Fridays? Yes, if there are no low risk opportunities. Trade, if there are low risk opportunity"

"Accept what the market gives"

"Market always moves first then indicators. Always move with/after the market moves not after what indicator shows"

"Before indicators is candles. Before candles is wicks"

"Wicks is the earliest warning"

"Biggest surprise that awaits position builders is that at the end of the day there will be more on the table and you wouldnt be bothered wondering why"

Last edited by pipEASY, Aug 14, 2010 7:42pm



Aug 14, 2010 5:55am

827



pipEASY


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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **daytrading** 
Dear Graeme,

I have been reading (most of) your posts with interest and some hidden admiration. Having worked in in the markets since the 80's in various positions - from trading bonds, currencies futures, interest rate derivatives etc. - I have never held a position for very long. I might be a left-over breed from the time before screen based trading, when we received our quotes through telex and voice box from the brokers.

Personally, this way of exploiting price movements has suited me in the past and will suit me in the future because it...

Good evening, daytrading

Thank you for the feedback. It is greatly appreciated.

Just for clarification, I would never impose/force my method to any trader. If any trader feels uncomfortable/uncertain than it is to their discretion to close when they choose to close.

However, I diversify when I feel insecure which captures short/medium term growth for positions that are only few weeks/months old. This diversification is also not imposed but suggested as a means to control ones emotional hurdles.

If you find success to your liking and you are closing your trades earlier then by all means please continue.

When I first started live trading, I too had difficulty keeping positions open for months. It was a difficult emotional hurdle for myself as well. However after a few diversification my trading method evolved on its own. It wasnt a forced implementation but a natural transition.

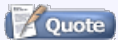
In the beginning, I was diversifying to only keep 1 leg for long term growth. This soon evolved into keeping half of the bigger legs. Accuracy drops but the reward is so much greater and worthwhile.

I appreciate your constructive feedback but when I mention 'for myself' I should really have mentioned 'to your related discovery' you will notice that you will eventually keep more of your bigger legs as you slowly taste success. Its how pros enter with 10 standard lots without even blinking. It wasnt a forced implementation but a smooth transition for them.

Too many traders fail cause they are underconfident of ones ability and then when a profit does appear they are in a rush to close it to capture it while fearful of losing it. My advice for all is to be a bigger person. In the markets, the bigger person you are the bigger your profits.

Sincerely,

Graeme



Aug 14, 2010 6:00am

828



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Member Since Dec 2009
 [760 Posts](#)



Good evening, all


One of the other common myths that is circulating is mechanical trading. Alot of interpretation of mechanical trading is when a trader has set rules with defined entry conditions and exit conditions adhered to everyday of their trading career.

I agree that some systems are very sensible and that good result can be achieved by following the same rules of entry and exit everytime however bigger rewards are available for traders who can trade without such limitations but also mechanically in such approach. Thats whats its meant by mechanical.

It is good to have a sensible entry system to indicate approximately when to enter however such information needs to be used in many different ways to extract more than just the 1:3 80 pip profit traders are aiming for.


I mentioned in my earlier posts about a fellow trader I have befriended last few years. This gentleman is also a very successful trader. He mostly swing trades and rarely holds positions more than a week. His success is above and beyond most traders. With his permission I wish to introduce all to one of his most used entry 'indication.' I do not know why but he calls it the 'flying buddha' but im sure most readers can relate to why.

Last edited by pipEASY, Aug 14, 2010 9:08am

Quote

Aug 14, 2010 6:14am

#830




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Member Since Dec 2009

10+y760 Posts



My colleague wishes to remain anonymous however I do have his full permission to share his knowledge for the benefit of all.

Please note that I have mentioned that is it an entry indication.

For the sake of my typing please allow me to call my colleague Joe. Not his real name.


Joe uses 2 indicators.

Orangered - 10 ema close, exponential
Dodgerblue - 5 ema close, exponential

He only uses 4 hour chart.

He does not base his entries on the indicators per se however he does wait for opportunities when the price is 'sticking out.' He does not know the fundamental reasons why but he likes his entry 'indication' cause of the low risk involved.

His winning rate on the initial entry is only marginally better than 40% however it is this winning 40% of the initial entry trades that are so much bigger than the losers with static loss. He makes sure that his winners are stretched out to maximum. That is his '1 thing.'

Quote

Aug 14, 2010 6:17am

#831




pipEASY


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Member Since Dec 2009

10+y760 Posts



Quote:

Originally Posted by **daytrading** 

Dear Graeme,

My apologies for wording it in such a way that you might have misunderstood - I was by no means suggesting that you were imposing on any reader.

While I agree with the confidence part, I personally traded huge size (over \$500m a clip when trading IR-swaps/options) and also quite huge size in FX without having any qualms about it. However, when working for institutions (and on the floor as I did), you have to figure in constraints that might not apply for the private retail trader here.

At times I was not allowed to hold positions...

Good evening,

Thank you for quick response. I also do apologize for my poor wording.

Personally I did not take any misunderstanding from your post but noticed that you had a greater intention in your meaning behind the post.

I rushed to answer yours and could have answered it in better detail.

Thank you for the compliment and Im glad to see ex-pit trader (apologies if this is not the correct title) here with us.


Please feel free to contribute as we are all here to share.

Sincerely,

Graeme



Aug 14, 2010 6:29am # 832



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Member Since Dec 2009
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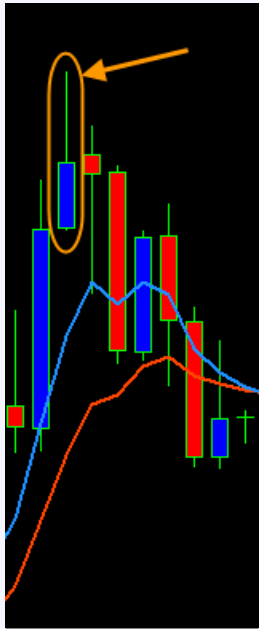
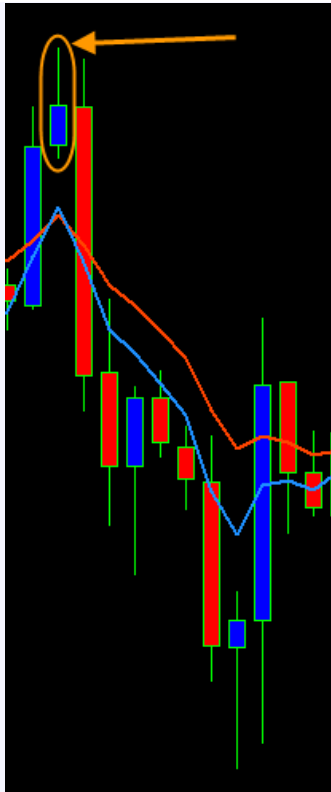


As a messenger in relaying his method I have personally used this entry 'indication' to great results as well.

Joe would only use sells. He never answered me properly why but Im sure if it works very well for sell then it will also obviously work well for buys. I do personally believe that his concentration is so great that he would prefer to focus just on one side of the coin. He still manages to live an outrageous lifestyle with this method so I do not further question why he only takes sell.

Joe waits for a certain candle to finish forming above the 5ema 'without' any of its body or wick touching the 5ema. He calls them flying buddha.





Aug 14, 2010 6:37am

#833



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Member Since Dec 2009
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Joe explains that his first advantage in this entry indication is that it is a very low risk most of the times with potential high profits. Very similar to why inside bars are so popular.

Below is a real trade that I took this week which has brought great profits. Its from eur/usd 4hrs.



Quote

Aug 14, 2010 6:45am

#834



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The rules are very mechanical.

Joe waits for a flying buddha to finish forming. He would enter sell at the open of the next candle with hard stop loss at the top of the flying buddha with little bit more space.

This is one of the other successful entries.

Eur/usd in May



Aug 14, 2010 6:53am

835



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Joe also describes that some of his flying buddhas are also inside bars occasionally that are positioned for a greater opportunity to be profitable.

Joe is a thrill seeking trader. This is in his own words. Even though his entry method is pre-defined (which is entering just after flying buddhas) he

will whet his appetite of risk taking by stacking positions while the flying buddhas are in effect. And he would only stack positions at 50% fib of the 'previous candle' mostly from buy/sell limit orders. Stop loss for the new position is set at above the high of the previous candle (including the wick) with little bit more space.



Circles are entries, lines are his hard stop loss. X is loss from entering 50% fib and hitting the hard stop loss above.

Joe stacks positions very heavily.

Last edited by pipEASY, Aug 14, 2010 7:27am



Aug 14, 2010 7:05am

836



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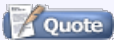


Joe would close a portion of his legs at the first sign of reversal which for him is when price closes above the previous **down** candle open price. He would hold onto the remaining positions and if the price continues down trend will continue stacking positions again at 50% fib of the previous candle. He is scaling in out and out of the market but using multiple positions instead of just one.

I mention again but flying buddhas have only marginally better than 40% win rate on the initial open position. Joe knows this and makes sure every winning opportunity is stretched out as far as possible and then he would go on a holiday.



He closes some of the larger positions and some of the smaller positions. Joe always tries to keep the larger 2 positions until the very end



Aug 14, 2010 7:22am

837



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Member Since Dec 2009
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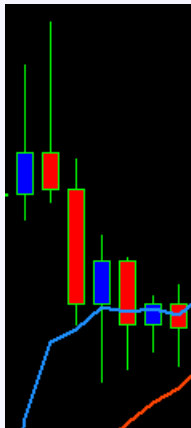
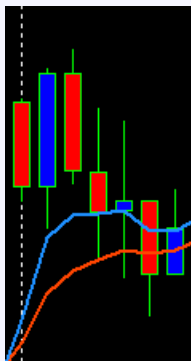
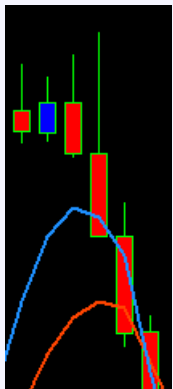


Joe has been a live trader for almost 5 years and trading flying buddhas exclusively. He uses 8-10 standard lots per position and his success can only be dreamed by most traders. He has almost 5 years of live statement to boast and it is definitely impressive.

Joe now admits that the main essence of profitable trading is not from taking flying buddhas but from stacking positions whilst the trend is established. He knows that he can enter any low risk entry and still swing the advantage to his side by stacking positions whilst the trend is intact. However to this day he still uses flying buddhas exclusively as he does not wish to start testing out variances to his already proven method.


Personally I also agree that his success is from stacking positions to his side when the market is favouring him with a trend.

Now to show all readers some of the failed flying buddhas.




Please note that one of the strengths of this entry indication is that loss is relatively small and static. Whilst any winning position will lead to a much greater reward without any limit to what it can achieve.

Joe once told me that a flying buddha lasted more than 4 weeks and ended up taking profit in 6 figures (hundreds of thousands). Im sure that will cover the next series of unlucky flying buddhas that doesnt work out



Aug 14, 2010 2:10pm

844



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Member Since Dec 2009

10+V

 760 Posts



Good morning, all

fluke - thank you for the compliment its greatly appreciated

mcornbill - yes, you are correct. Flying buddhas do most times trend change but not always. I have a habit of not re-attempting after first failed attempt however I will keep this in mind and when the trend does change I most often re-attempt knowing the hindsight that trend has changed.


pip_daddy - good question. Somedays I often have no entries. However, when I know a pair of currency is trending strongly than normal this week or a scout on higher timeframe has survived or a good price pattern or a strong wick signal or a flying buddha; I would use all this as **hindsight** and make the most out of it. May I please ask for the benefit of your understanding if you have a technique to signal you such hindsight? When your entry method dictates an entry im assuming its part of a trend and its the best place/time to enter. This opportunity does not usually just vanish but this information can be used further in a different angle.

willhuang - thank you very much

knukk - thank you very much, I read your answer 2 pages back which was very thought provoking. Your answer is on this post <http://www.forexfactory.com/showpost...&postcount=824>


Sincerely,

Graeme



Aug 14, 2010 2:31pm

845




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Member Since Dec 2009

10+V

 760 Posts

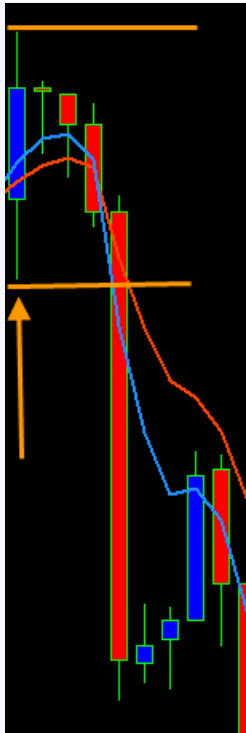


My next entry method is volatility breakout. I prefer price to be in an area that needs to breakout. Not wants to but needs to.

Does all traders know that most succssful breakouts are the volatile ones which means when the price does break out of range it moves very fast and hard. Im personally not interested in breakouts that are weak.

With this entry method, im planning to provide everyone a 2 hit combo. Knowing when to enter and how to stack positions. This is just my personal version but you can definitely contribute your personal touch into making it into your own.

On the 4 hr charts or 1 hr chart (preferably 4), I look for a candle that will completely engulf the next 2, 3 candles. The first big candle is the range that needs to be broken out. Please see below



Aug 14, 2010 2:34pm

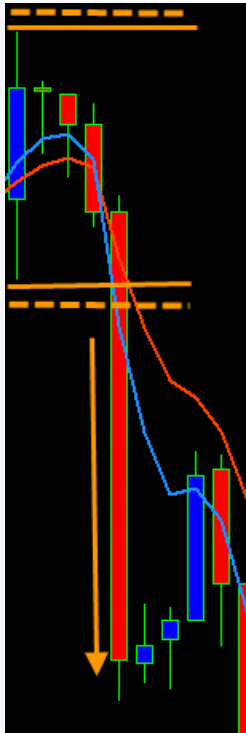
#846



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I place buy and sell limit orders just 5 pips below and above the first big candle. When price does breakout, I expect all the other traders pushing the price very hard and fast. If it doesnt, its failed.

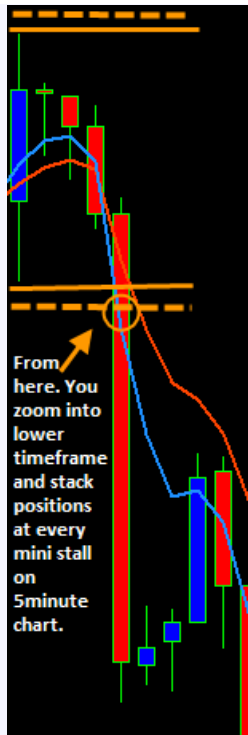


Aug 14, 2010 2:43pm # 848



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When a volatile breakout does happen make sure you maximize your profit taking by zooming into 5min chart and stacking positions.

Please allow me to show you mini-stalls.

When you enter positions on 5min chart, prepare to lose few positions but since its on 5min timeframe it will be very small losses compared to the amount of pips you will reap from multiple positions at the end.

When stacking positions right after volatile breakout it is important to try stack positions early on in the move. I use mini s/r in my focal interpretation and once a new position SL is moved to BE, I will enter again at the next mini stall until I lose a position or two and then I will stop adding.



Last edited by pipEASY, Aug 14, 2010 3:01pm



Aug 14, 2010 2:47pm

849



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **xman**
Joe waits for a certain candle to finish forming above the 5ema 'without' any of its body or wick touching the 5ema. He calls them flying buddha.

Seems to me there is much better signals if we use 3 EMA.

Good morning, xman

Joe personally believes 5ema gives him enough opportunities.

You will find some opportunities that are available on 5ema are not showing on 3ema and vice versa. Its all relative. Good question.

Sincerely,

Graeme



Aug 14, 2010 2:53pm

851



pipEASY


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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **wooli** 
Good Morning Graeme.

A while ago you asked several readers a question about "How do you tell a pair is trending?"

For me, this is the biggest obstacle to successful trading. How to avoid whipsaws (ranging markets).

I don't believe that there are any indicators to help and all you can use is your eyes, common sense and experience.

The different time frames are also important.

A pair may be obviously trending on the weekly or daily but when you go to a small time frame it appears to be ranging. I guess this is where you incorporate your breakout...

Good morning, Michael

Correct. Unfortunately, many traders cannot distinguish ranging to trending.

You know the market is ranging when a range is not broken with volatile force.

You know the market is trending when a range is broken out extremely fast and hard.

This is range breakout in force. This is trending.



This is range without the breakout. You should stay away from this pair of currency, for now



Last edited by pipEASY, Aug 14, 2010 5:56pm



Aug 14, 2010 2:55pm

852



pipEASY
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Member Since Dec 2009
10+y 760 Posts



This is a breakout that I wouldnt touch but move on. There are no other traders pushing.



Aug 14, 2010 3:00pm

853

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Member Since Dec 2009
10+y 760 Posts

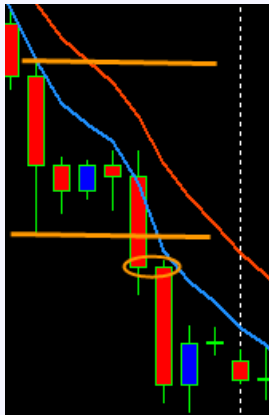


crede quod habes, et habes

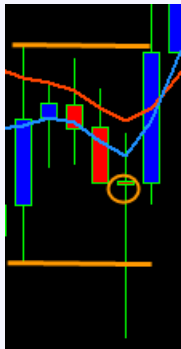


When my buy / sell limit order gets executed but the price doesnt close 'far' below/above the range then I will close it if price moves back into range and the candle close is inside the range.

Breakout with price closed just outside range. I will move SL to BE and look for oppotunrities on lower timeframe but im cautious as this is not a volatile breakout



Breakout with price closed back inside the range. I will close this position with loss and move on. Loss will always be small as it will go back inside the range and usually ranges are not large.



Can you see the difference?

Can you see the potential big rewards for a small loss?

Always 'donate' small losses for potential big wins.

Last edited by pipEASY, Aug 14, 2010 6:11pm



Aug 14, 2010 5:33pm


855

[pipEASY](#)

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Quote:

Originally Posted by **fugly** 

Graeme thx very much for teaching us this flying buddha entry method.

you said

From the chart you posted shows he doesn't attempt to stack positions at the 50% fib of every subsequent candle after his inital entry, could you please tell us how he selects which candles should be considered for possible additional entries at th 50% retracement.

Good morning, fugly

Apologies for the poor quality of the charts.

Sometimes the new candle opens at 50% of the previous candle - then he would enter with SL just above the high of the previous candle

Sometimes the new candle opens above 50% of the previous candle - then Joe would enter at open again and place SL just above the high of the previous candle. This is a bargain trade for him

Sometimes the new candle opens below 50% of the previous candle - then he would place a buy/sell limit order at 50% of the previous candle and stop loss again at the top of the previous candle

If you see that the next candle is too close to the previous then use 50% fib of the larger candle before the previous candle. But this is to your discretion and risk taking appetite.


When a candle closes above the previous down candle or below the previous up candle, then Joe would close a mix of larger and smaller positions and keep the largest 2 positions till the very end when he closes all positions.

All traders must understand that this method works:


1. Not because of 'flying buddha' but because maximizing the profit taking on a given golden opportunity.
2. Potential loss is very small compared to the potential profit.

Last edited by pipEASY, Aug 14, 2010 6:12pm

Quote


Aug 14, 2010 5:48pm

#856



pipEASY
crede quod habes, et habes

Member Since Dec 2009
 760 Posts



Good morning, all

Having explained few of the methods I personally use:

1. Wick interpretaion
2. Flying buddhas
3. Volatility breakouts

All traders must acknowledge that all methods that are sensible works because of the amount of risk is small compared to the potential profit (reason why inside bar trading is so popular but unfortunately most traders dont know exactly why it is). However, this alone does not guarantee profit in the long run. It is imperative for a trader to extract as much profit/growth from a given opportunity. This will swing the odds to your favour.

I cannot stress how important the above info is.

Allow me to tell you something that happens to all modestly successful traders.

It takes a good amount of time for a learning trader who is bleeding his/her capital everyday to stop the damage and be in a grey zone in profits. Trader didnt know what he/she was doing wrong but it seems that the bleeding has stopped. However, trader also notices that his/her capital balance is not growing to his/her her expectations. Its more or less just fluctuating just above/below the breakeven mark.

This is where the trader either gains a valuable lesson and advance to next stage or blow the capital.

1. Trader noticing he has stopped bleeding believes he can still be very profitable by raising his lot size dramatically. Sooner or later due to random nature of the market this trader will suffer a drawdown far greater than he anticipated and this will ruin his capital balance or his emotion or both. He has failed.

OR

2. Trader notices that he is roughly winning 50% of the time. Sometimes row of wins but sometimes rows of losses as well. He admits that he can stay in the game because of the r:r he has implemented. Traders keeps the lot size same however 'increases his exposure' in the markets by adding further positions into the trading opportunity currently happening. At the first sign of weakness he will exit portion of his positions and keep the rest for further profiting and continue to scale out if the condition worsens or scale back in if the condition gets better.

Which one are you?

Sincerely,

Graeme



Aug 14, 2010 6:18pm

858



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **ozziedave**

Hi Graeme,

On the flying buddha entry do you first determine the trend direction. For example, trend is down and we get a pullback above the 5 EMA and a flying buddha forms. This would be a short signal.

Good morning, Dave

Apologies, i have left that out and it is important.

Joe only takes sells and looks for flying buddhas when 5ema is above 10ema. He is a swing trader.

If you scan the charts you will notice flying buddhas quiet often. Please note that the success rate of the initial open position of flying buddhas are only marginally better than 40%.

Edit: Some of the larger countertrends often start with flying buddhas followed by momentum. Usually the next candle right after the flying buddhas will be a breakout.

Sincerely,

Graeme



Aug 14, 2010 8:35pm

861



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **geoffrod**

Hi Graeme, yet again you give us diamonds in your words.

i find this very interesting and wonder, if we where only to look and find the flying buddahs, but hold off on acting on them, until we are more certain it was a successful flying buddah, and enter and add to the position as you would normally???, the premise is we are still looking for the possible entry in the same way, but are not just blindly entering because of it???, and we are adding to the position with the momentum of the trend???

anyway just something that came to mind when i was...

Good morning, Geoff

Correct.

All readers please read Geoff's post as there is an important related discovery.

Most flying buddahs are strong indication of trend change but if you want to sincerely lower your drawdown/risk, you can 'add' a personal touch to flying buddahs and filter it. Accuracy may improve but you may also slightly lower your profit. Its all relative.

An amateur trader will look at flying buddahs and sigh at the low win rate but I assure you most sensible systems in this forum is less than 50% win rate.

Inside bar has a similar win rate however they offset the lower win rate by urging traders to enter 2 positions at entry and aim for 1:3 on one position and higher r:r on the second (apologies if the numbers are slightly off as I havent been on their thread for a very long time). Can you see what they are doing? Maximizing profit taking in one given golden opportunity by increasing exposure which in this case is using more than one position.

It is how we manage the trade to maximize our profit takings on a given opportunity that divides the amateurs from pros.

The easiest and most well known method in maximizing our profit is using higher r:r than 1:1. With a 50% win rate and 1:2 r:r you would be very rich sooner or later as the odds are on your favour. However, whether the 50% win rate is a true hard percentage or not is questionable in most cases.

Traders get confused when pros advise them to be mechanical in trading. In a sense the pros are referring to be mechanical in the 'approach' but not the trading. However, traders believe mechanical is when 'something' happens that they are waiting for which triggers their entry or exit. That is not mechanical but pre-defining your action and we all know how I feel about that.

Sincerely,

Graeme

Last edited by pipEASY, Aug 14, 2010 11:36pm

Quote

Aug 14, 2010 8:47pm

862



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Bakuli** 

Dear Graeme,

Thanks for your latest posts on entry methods. They are very much appreciated.

With regards to the early stacking of positions after a volatility breakout, am I right to assume that you stack by trading the breakouts of these mini SR in the 5 mins or do you do it differently?

Many thanks.

Bak 

Good morning, Bak

Good question. When I notice a volatile breakout it looks very similar to the chart I have posted. It will be more or less a straight express way down or up.

You are correct, I use mini s/r in my focal interpretation which can involve just 2 candles or few. Please try avoid overexposure.

A general rule I adhere to is that, Im aiming to stack just 2 more positions after the first entry on breakout. This is just a psychological reassurance that I am not in a rush.

Usually when I do zoom in, Im playing russian roulette. I continue to stack until I encounter my first loss and then I smile at the result and stop. Sometimes this could be just 3 more after the first position or it could be 17 more after the first position. It whets my appetite just enough for my personal risk taking.


Sincerely,

Graeme

Quote

Aug 14, 2010 9:36pm


865




pipEASY

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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **HornedGod** 

First of all, thanks to Graeme for such a quality thread. I very rarely read forex forums anymore as the signal to noise ratio is so incredibly low. I'm glad I ran across this thread on one of my infrequent visits to FF.

Graeme, I know that you keep each entry at 2 standard lots and have done so since you first starting trading this way. I'm guessing that you had a large enough starting equity balance that you have no need to change your entry size.

I'm sure the same is not going to be true of many people attempting to follow this methodology....

Good morning, hornedgod

Great question.

I would encourage doing both.

If you start off 5000USD with 0.1 lot size, that is reasonable. However I do hope all traders who are serious and have the mentality to take it seriously to continue adding funds into your capital trade 'when necessary.' Not because of the realized losses but because of the margin required. 0.1 lot size requires approximately \$120 usd per margin.

I wouldnt advise closing off all positions suddenly at the end of 0.1 lot size millipede as this would inject a very sharp increase in your trade balance but we are professional traders who know the importance of diversifying not just positions but risk and reward as well on an even keel.

My advice is when you have reached 1000 pips per week of unrealized growth/profit when calculated over the last 4 months to consider 0.2 millipede. It depends on each traders skill and risk tolerance however I can sensibly say it is achievable within 1-2 years. Once you have reached that stage you have tasted success and it will get so much clearer and easier. To phase into 0.2 millipede, start building 0.2 lot size positions but when time comes to diversify start closing off more than usual amounts of 0.1 legs. Soon you will have completely phased out in a smooth transition. Just like shedding skin for new skin.

Once you reach 2000+ pips per week of unrealized growth/profit slowly phase into 0.4 millipede with the same method.

The hardest is the first year, 2nd year will just astonish you. After 2nd year its all relative.

Can you hold out?

Sincerely,

Graeme



Aug 15, 2010 3:57am

#869



pipEASY

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Member Since Dec 2009

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Sorry to address multiple recipients in a single post.

midnight - thank you for your compliments. It is greatly appreciated. I had a long look at your chart. Nice spacing and well done with covering both buy and sell. Please do not forget that you much advance your skill by one more level from here. You can advance by adding your personal touch whether it is adding position whilst the trade is playing out to your advantage or some type of increase in exposure. Your loss should be forecastable and static while your growth/profit should always be maximized till the opportuntiy dies away.

leggo - Excellent. Your absolutely correct and Im glad someone has came out with it the same way you did. Alot of traders have the wrong mind frame. Its mainly due to not knowing what to expect from the market completely.



This is a gbp/usd 4hr chart. I have circled the positions that are added and x is a loss as the price retraced further than the previous candle high.

When Joe knows that the initial open position is working well, he will stack positions in 1hr, 15minutes as well with similar approach. When a golden opportunity buddha is happening he will stack very aggressively. He always ensures that the new addition has its SL always moved to BE before adding the next. He is quick to retreat when he notices price close above previous down candle open price or below the previous up candle open price. And once he believes the trend resumes he will start stacking again.

Joe scales out by almost halving the number of positions. If he has 11 positions before the first reversal candle he will close 5 position leaving 6. If the trend resumes then he will continue stacking however if the next candle is also a reversal candle on the wrong side, he will further close 2 position leaving 3. But if it picks up then he will continue stacking from 3 positions.

He finds this very exciting and once told me that he reached 40+ positions before the first reversal candle and then continued to stack 30+ more positions before the next reversal candle. He believes that he banked enough pips for the next 100 rows of unlucky flying buddhas. What that means is, any loss accumulated from the next 100 rows of unlucky flying buddhas are already accounted and settled. A different mentality to most traders.

Sincerely,

Graeme



Aug 15, 2010 2:58pm

871



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Good morning, zznbrm

Losses are always 1 position

while..

Winners are always maximized with stacks of positions

Even if there was 10 months of uptrend and 1 months of downtrend Joe always makes money.

Besides he trades multiple pairs of currency spreading his risk potentially 'thinner' and increasing his potential profit 'opportunities' wider.

Cant see clearly but I see few successful flying buddhas on your chart.

Joe would make sure he stretches out his opportunities.

Sincerely,

Graeme



Aug 15, 2010 8:30pm

875



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Member Since Dec 2009
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Quote:

Originally Posted by **leggo**

Morning Graeme,
You mention that there is sometimes volatility on yen crosses. This appears to be happening this morning. When it happens do you try and

build positions on multiple currencies or do you concentrate your efforts on one? I am finding it hard to concentrate on more than one 5 min chart at a time especially when trying to add positions on every mini s&r.
Thanks and Regards,
Ben

Good morning, Ben

Im currently trading so I keep this short. Very large volatility at the moment.

Currently I have 5 sell positions on eur/usd (big retrace on 5min just now)

3 Buy positions on gbp/aud

Yes, it is hard to concentrate on more than 1 5min chart but it gets easier and more frantic.

When your ability grow you will phase into higher timeframe with same entry methods.

Good luck trading to all this morning

Sincerely,

Graeme



Aug 15, 2010 8:33pm

876



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Sorry need to keep this short

Traders must know when to trade and this morning (asian session) is perfect

4hr/1hr support broken on eur/usd **with momentum**

This is prime time.

Sincerely,

Graeme



Aug 15, 2010 8:36pm

877



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eur/usd 1.27335 is support at the moment. Price is stalling. Can everyone see?

7 sell positions, 4 moved to BE. If price reverses I will move all positions to BE and move on.

Retrace/change on eur/usd 5min is starting right now.

Get ready to defend all



Aug 15, 2010 8:38pm

878



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gbp/aud 1.75185 is resistance on 5min.

4 buy positions, all moved to BE.

Momentum died.



Aug 15, 2010 8:41pm

879



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10+y 760 Posts



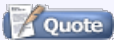
eur/usd 1.27335 breaking.

6 sell positions moved to BE, 7 in total

Added one more on break.

I will keep adding until this momentum dies or I suffer one loss.

Im moving away from gbp/aud, I will let the market decide the fate of the 4 legs.



Aug 15, 2010 8:43pm

880



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1.27335 leg (8th) is fighting. Where are other traders??

No piggyback.



Aug 15, 2010 8:44pm

882



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Member Since Dec 2009

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1.27335 8th leg is in drawdown.

5min chart is in range bound between 1.27446 and 1.27335

Momentum is gone. Traders now watching each other doing nothing..



Aug 15, 2010 8:47pm #883



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Member Since Dec 2009
10+Y 760 Posts




1.27446 is broken. 8th leg is closed with loss.

Im moving out of eur/usd



Aug 15, 2010 8:49pm #885



[pipEASY](#)
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Member Since Dec 2009
10+Y 760 Posts




eur/usd has larger potential for down this week than up.

The reason: Fantastic explosive downtrend last week. Momentum like this just doesnt 'vanish.' It will take alot 'more' power to change such momentum.

However, I sit out while the traders debate this. I wait for the next volatility breakout



Aug 15, 2010 8:54pm #887



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Member Since Dec 2009
10+Y 760 Posts




eur/usd 1.27450, entered 1 buy.

All 7 sell positions on BE.



Aug 15, 2010 8:55pm #888




[pipEASY](#)
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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **Froggy10** 
good idea pipeasy... eur/jpy seems to have more down side as well.. i'm waiting for a retrace and put more shorts on..

!!!!!!

missed it.....

thats why **never** focus on one pair...

edit: unless you have 4 heads and 20 eyes... keep moving around the charts



Aug 15, 2010 8:58pm

889



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Member Since Dec 2009

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eur/usd

2 buy positions growing. Momentum picking up

Sell positions dying on BE...



Aug 15, 2010 9:01pm

890



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Member Since Dec 2009

 [760 Posts](#)



gentleman, im just following the market using momentum.

eur/usd

2 buy

3 sells

what does this tell me?



Aug 15, 2010 9:04pm

892



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eur/usd

3 buys, 2 sells

1 loss (12 pips)

sellers all leaving. Traders are temperamental. They are unfaithful and unloyal. I dont like the look of the current up momentum. A big crash or retrace is due.

Getting ready to defend and will enter buy after retrace.



Aug 15, 2010 9:14pm

895



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eur/usd

i was watching price coming down towards 1.27500 which was also 4hr support.

I was anticipating momentum which was present however it stalled and died. This is quiet often and I do not regret it didnt work out cause they will always be more prices approaching .50 and .00.

I prefer to watch price action at .00 but this morning I just happen to be on my computer.

Currently I have 2 sells and 3 buys, all moved to BE and 1 loss of about -12 pips.

That is enough for now.

I will try again later.

Sincerely,

Graeme



Aug 15, 2010 9:19pm

896



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Member Since Dec 2009

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I forgot about gbp/aud

3 buys still remaining.

8 positions added for this morning.

Total cost of our little adventure this morning. -12 pips.

I will gladly pay that price everyday, anytime for the opportunity to catch something many many many times bigger in rewards.

This 8 positions could be start of something huge, nobody knows and I will now leave them alone for the market to decide

Sincerely,

Graeme



Aug 15, 2010 9:26pm

897



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10+y

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eur/usd

1.27500.. you should be watching

Momentum??



Aug 15, 2010 9:29pm

898



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Member Since Dec 2009

10+y

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eur/usd

2 sells, 1 buy.

See how price stalls/lingers around 1.27500. That is not momentum.

If there was a stack of sell limit orders on 1.27500 then it would be a large bold candle down.

I wouldnt touch this.

Oh dear... wick bounce @ 1.27391

Rmemeber wicks?



Aug 15, 2010 9:45pm

900



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Just before I go out for the day

Does all traders know the cons and pros of trading higher and smaller timeframes?

Lower timeframe

More losses (less accuracy) and more drawdown. Potentially higher profit as you will be in the trend much quicker. More micro management if possible in the traders skill set.

Higher timeframe

Fewer losses and lower drawdown (hypothetically). Potentially similar profits however for the less amount of risk you would expect slightly lesser

rewards. Less micro management needed which is not necessarily a good or bad attribute.

Pros recommend learners to start on higher timeframe as you would need a stronger mentality and skills on lower timeframe.

Traders often get discouraged at the number of losing trades. Pros dont care at the 'amount' of losses however ensure that each winning trades are stretched out to cover more than all the losses combined. This is the required mindframe.

Edit: Fantastic job Ben. Keep watching the markets for the next volatile breakout.

Sincerely,

Graeme



Aug 15, 2010 10:01pm

903



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **zznbrm**

This is very confusing to me.

Why are you trading both sides of the EURUSD from a M5 chart during the Asian session? You started with sells tonight and then changed to buys a few minutes later. So, your discussion on the first page of the Monthly/Weekly/Daily trends means very little to your entry strategy? Really, you are just looking for short-term momentum in which you will hopefully find a few trades that will "stick" for long term growth. You've already taken over 10 trades on EURUSD alone...that seems like many more trades than you mentioned...

ok.

I have no intention to contribute to your learning seeing the nature of your post.

I took the trades as there was momentum available which is quiet rare during asian session and I was present at the computer.

8 entries per day is worked out from the average number of entries i performed over the last 2 years. It varies day to day. Soemdays I have 1 entry while somedays I may have more than 10.

I took both buy and sell from s/r breaks and momentum stalls.

Asian session is open price of the daily candle which I look forward to as open prices have a greater probability of surviving for the long term.

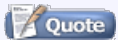
Trends start from 5min charts as well as daily, 4hr.

Perhaps if you were confused you should ask questions without throwing around blatant assumptions.

No offence taken and I also wish you well in your trading.

Graeme


Last edited by pipEASY, Aug 15, 2010 10:26pm



Aug 15, 2010 11:50pm


909

Member Since Dec 2009



pipEASY
crede quod habes, et habes

10+Y760 Posts



Quote:

Originally Posted by **ozziedave** 

Hi Graeme,

I was just looking at the EURUSD 1hr chart from the start of the day on Monday. You talked about seeing momentum on the EURO, I'm trying to figure out what you saw that gave you the indication there was momentum and where you started to place trades. On the hour chart there is a break down from a small area of consolidation that only last 1 candle. Is that the area you placed your trades in?

Good morning, Dave

Good question.

I was particularly interested in eur/usd this morning as there was a very large move last week.

I noticed that 1.27500 was also 4hr/1hr support. As we all know I only trade when there is a volatile breakout. Volatile breakouts are usually price that breaks the support/resistance and closes far away from it. If it retraces back that is not a volatile breakout and I will close out with a small loss.

Im not sure if you witnessed the movement this morning but from 9am sydney time, after first 7 5min candles you can clearly see mini range breakout followed by clear downward movement. The very first 5min candle is a flying buddha and that was my first position. What I saw at first break of 1.27500 was a single long bodied down candle which clearly pierced the support. This move would have been very large if the price didnt stall at 1.27325 but continued on as a volatile breakout.

I knew it was all over when the price stalled and the double wick bounce at 1.27327 15minutes after on the 5 minute chart. This double wick prompted me to enter buys.


Now we can see that it was a failed breakout.


I will show some charts later tonight on volatile breakouts. Best breakouts are the ones that travel very far from s/r in one single candle. These are usually the beginning/resume of a trend.

Sincerely,

Graeme

Last edited by pipEASY, Aug 16, 2010 12:19am

Quote




pipEASY
crede quod habes, et habes


Aug 16, 2010 12:18am

#911

Member Since Dec 2009
10+Y760 Posts



Quote:

Originally Posted by **leggo** 

Hi Graeme,
Could you please share with us when you move the stop to B.E. on the 5 min chart? Do you just do it from feel or do you have a set number of pips?
Regards,
Ben

Good question, Ben

5minute charts are very fast and furious.

Its like driving very fast. You do not need to look behind you or the side mirrors as long as you know your direction/destination very well and drive straight.

I do not have set number of pips, its all personal discretion however when price stalls I will move most positions to BE.


Sometimes when price stalls I close the last 1,2 positions that are in very small profits to minimize my exposure.

Sincerely,

Graeme



Aug 16, 2010 12:36am #913




[pipEASY](#)
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **charvo** 

that was very "real" breakout at that moment. i actually followed eurjpy, and buy and sell both, but both didn't work out, just exit with same reason of yours.

i love these LIVE trading examples. i LIVE them too.

Good afternoon, charvo

Im glad that my live comments helped out.

Yes, you are correct. That breakout was an official momentum/volatile breakout for that moment and I too was looking forward to it.

There will always be more price action at the next s/r or .00.

Thank you to Froggy10 as well who helped out.

Unfortunately I missed out on eur/jpy as I was glued at eur/usd.

Traders must be moving around from pair to pair.

Edit: I reassure myself mentally by knowing that it was a possible golden opportunity that I could have profited big but unfortunately due to fluctuations I have no control I ended up with -12 pip loss.

I still have buy positions on both eur/usd and gbp/aud alive as we speak

Sincerely,

Graeme



Aug 16, 2010 3:27am #917

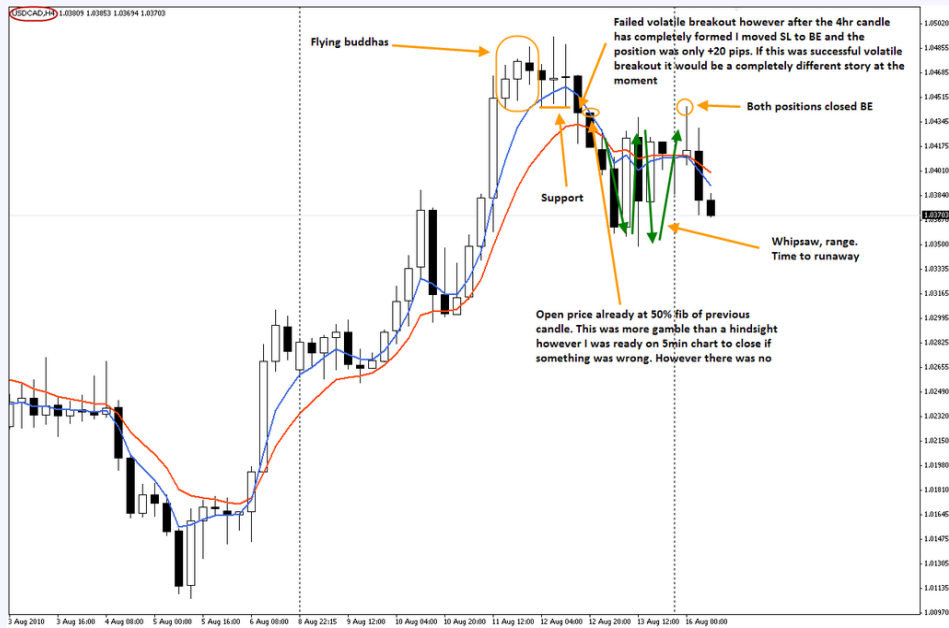


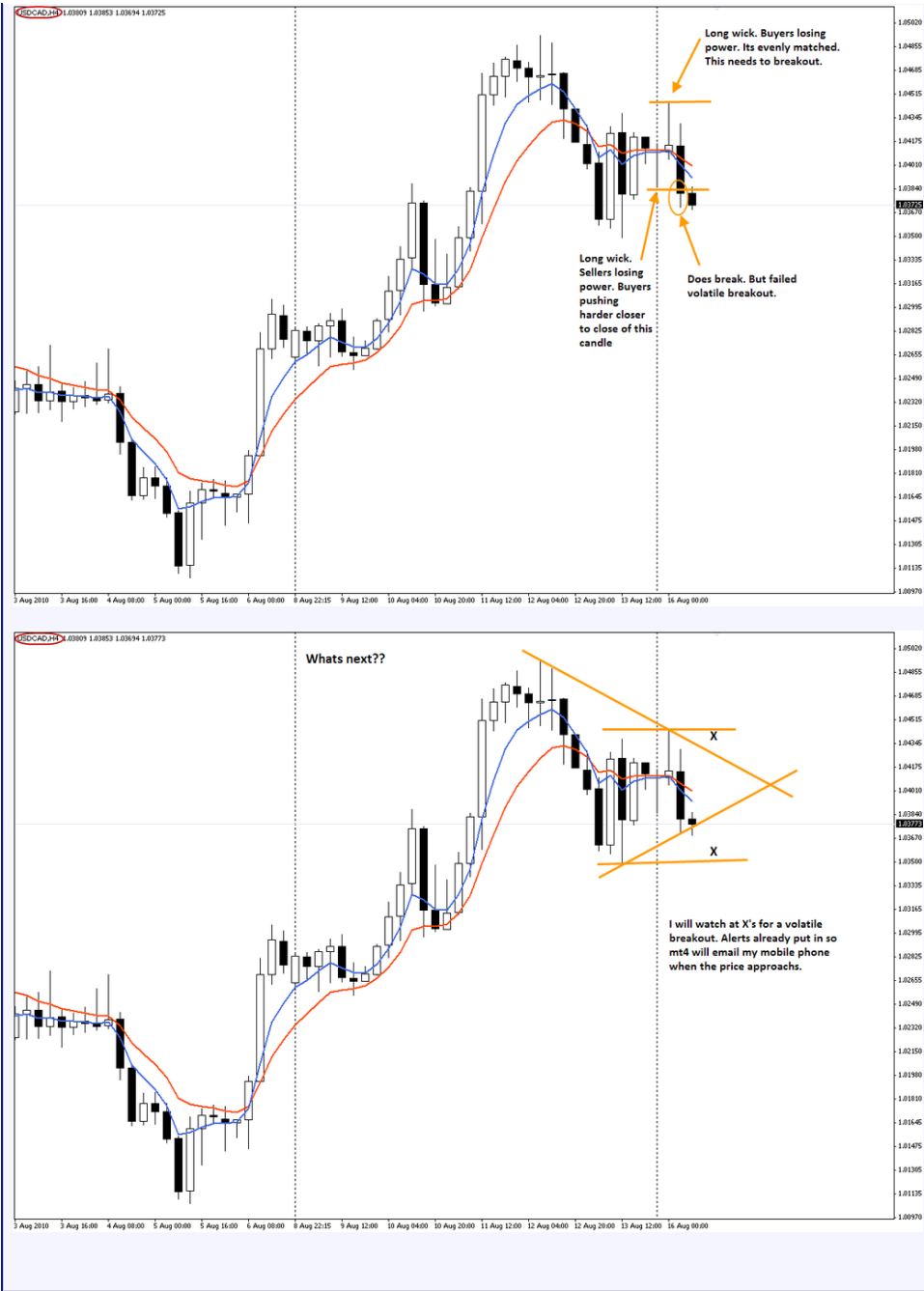
pip_daddy - true. Many volatile breakouts happen during uk/us. However when your present at your computer during an asian session and there is a valid volatile breakout there is no reason not to take it.

mjotic - Nice observation. There is no such thing as wrong observation however there is huge difference meaning between 'observation' and 'expectation.' Dont expect anything in forex and you will be fine. I was looking forward to 1.27500 this morning as I know volatile breakout would mean alot of profit and this comes from witnessing/watching many many many breakouts. I have a slightly different mentality to yourself which is **choosing to arrive at the action earlier if possible without increasing my risk.**

The first 4 hour candle was definitely a valid breakout (with momentum) however it failed and retraced back. I was positioning myself for a greater reward if the breakout was successful and hoping it would continue to close at the bottom of the now wick of that 4hr candle at 1.27300. Most likely 8+ positions comfortably.

usd/cad has a great move last week. Series of flying buddhas at 1.04700 should tell you that price is stalling and having difficulty to continue upwards. The most optimum entry was a volatile breakout at 1.04460 to break the 3 wick touch. I have a sell position just there and another 1.04400 as this was 50% fib of previous candle. Both positions closed at BE this morning and I lost nothing for the opportunity.





Aug 16, 2010 3:30am



218



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

Quote:

Originally Posted by **luqmanz** 
Thanks for your good lessons... 
Just to share what I discovered.

It seems to me that it's difficult (for new traders) to maintain a cool head when suffering from a string of losses if trader have a fixed R:R like 1:3 ... the reason is because, for new traders, high accuracy is something almost impossible to do. Lose 3 times and trader will start to question his ability.

Only by having a large R:R ratio .. 1:50 or 1:100 (or 1:infinity) can new traders feel comfortable during losing streaks ... They feel they can lose many-many times and still...

Good.

You are correct. Just to add more to it, alot of traders are anxious to close a winning position to re-coup their previous losses they had but more importantly they are not sure what they are expecting.

The above trader definitely does not have '1 thing'

Sincerely,

Graeme



Aug 16, 2010 3:45am

920



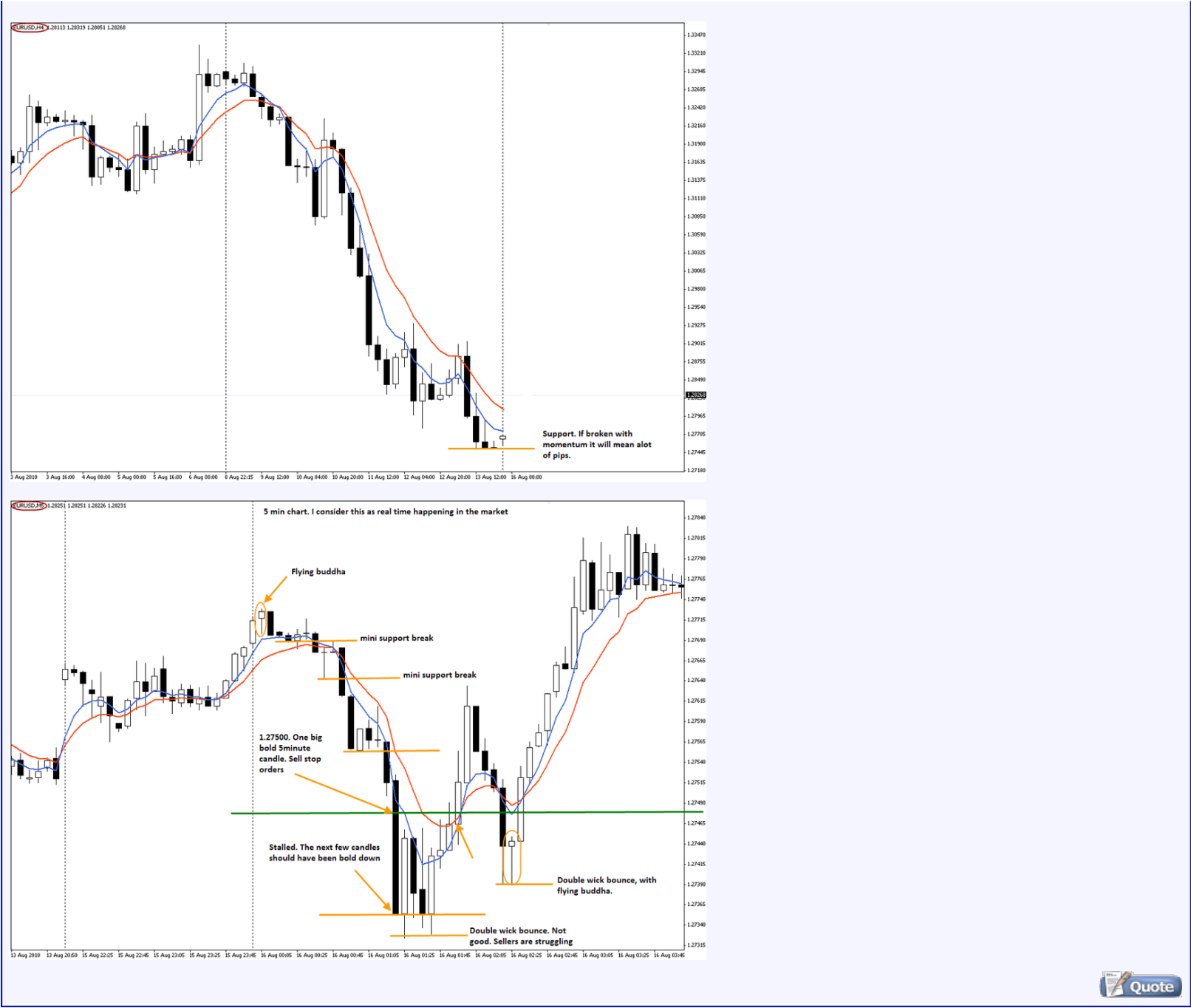
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Why did I trade/watch eur/usd this morning?





Aug 16, 2010 3:48am

922




pipEASY


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Quote:

Originally Posted by **leggo** 

Just been taken into my first "volatile breakout" on Chf/Jpy 4hr chart. Lets see how it works out. If it closes above I will zoom in to 5 min and try some stacking of positions.


Regards,

Ben

Im there too Ben


2 flying buddhas few 5min candles before.

Other than that plenty of space to move up.

Quote


Aug 16, 2010 3:52am


924




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 760 Posts




Quote:

Originally Posted by **leggo** 

Hope so! Starting to stall on 5 min though will have to wait and see.

If wick bounce on 82.353 it would be golden. If broken then Im out.

Quote


Aug 16, 2010 3:54am

925



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Member Since Dec 2009

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Price at close of previous 4hr candle @ 82.407.

Double wick bounce confirmed at 82.353


Closing soon above resistance

Good Good

Quote


Aug 16, 2010 3:56am


926




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Im expecting 50% retrace of previous 5min candle to 82.461, if not its even better. However, there are not many buyers at the moment.




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10+y760 Posts




Quote:


Originally Posted by **leggo** 
Looking at daily its stalled a few times at 82.50 in recent days needs to clear that if not it could head south!

If 82.355 double wick support is broken then its south.

If 82.50 breaks with eye-popping momentum, yes Im in too.




Aug 16, 2010 4:08am# 935




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Quote:

Originally Posted by **leggo** 
Sorry Graeme I missed this post! Ill follow your advice thanks

We had the potential to capture a golden opportunity which cost us very little for something that could have been great.

We missed gbp/cad momentum breakout at 1.61990



Aug 16, 2010 4:14am# 936



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chf/jpy

Are you watching? 😊




Aug 16, 2010 4:25am# 940




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Member Since Dec 2009
10+y760 Posts



Quote:

Originally Posted by **leggo** 
Eur/Chf is going well this is my longest serving leg its from all the way back to Thursday! I had my first successful stack on it earlier this afternoon. Both stops at B.E. let the gods decide! I have had a couple of small losses today but seeing these legs grow makes the losses

seem insignificant. my entries are still really sloppy though!! Got plenty of practice to do yet.
Regards,
Ben

Good job Ben.

Keep practicing.

Always keep moving around the pairs.

A clear volatile breakout is very easily noticed. When price approach .50 or .00 price should puncture with no effort.

Sincerely,

Graeme



Aug 16, 2010 4:31am

941



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Member Since Dec 2009

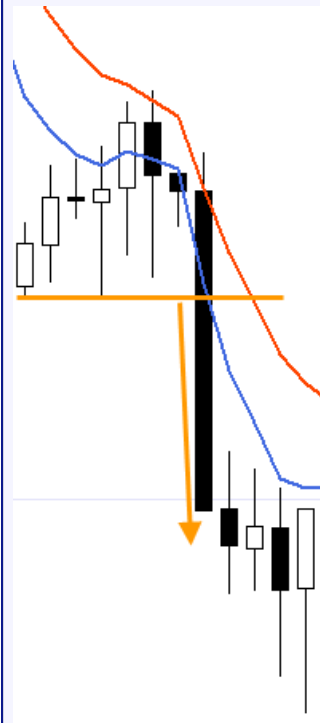
10+Y 760 Posts




The beauty with volatile breakout is you are risking relatively small for something great. Also some failed volatile breakouts still lose on breakeven most times as it still closes outside range.

Here are few successful ones









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760 Posts



Quote:


Originally Posted by **leggo** 
Yes it broke through with a nice long bullish candle but then stalled so I have not entered again yet

Exactly.

It pierced but we care about what happens after. The next candle after the break should move fast and furious but it just stalled and lingered there. So we got no one to piggyback on.


This pair is not moving.

I have one position at BE

Quote


Aug 16, 2010 4:55am

945




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Member Since Dec 2009
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760 Posts



Quote:

Originally Posted by **fugly** 
Graeme in the above example I'd just like to ask:

1)You mentioned he moves to Be before adding each new position, can i ask at what point he moves to BE, for example will he move to BE on the close of the candle he made the entry? Od does he move to BE later?

2)In the above example as he moves to BE before making an additional entry so he makes the inital entry after the flying buddha marked by the first orange circle, on the close of that candle he moves to BE. He makes the second entry on the next candle marked by the second orange circle...

Good afternoon, fugly

Great question and observation

Joe moves his position to BE at the opening of the next candle if its in profit. And then will place another order at 50%. Yes, that X will close first 2 positions at BE and 1 at loss on the 4 hour chart.

Joe uses same principle to stack on 1 hour (and on 15minutes most times as well). So when that X candle is going up it is also closing out few of his 1 hour positions as well. However, he will continue stacking positions until a 'confirmed' 4 hour candle does close over the open price of the previous candle which in this case it doesnt. So in another words he would have positions when price is coming back down on 1hr chart that does not show on that 4 hour chart. When the first confirmed 4 hour candle does close over the open price of the previous candle then he closes half of all his positions including 4 and 1 hour.

His '1 thing' is in stacking positions without the anxiety attack most traders experience. This is up to each individual traders personal risk tolerance.


Even if the price only moved 2 4hr candles down he would still manage his positions to close out on profit and keep the rest for free.

To be honest that chart is not showing a optimum opportunity but even that chart would have pocketed Joe a tidy profit.

If you zoom out and look at a 4 hour chart, you will notice some buddhas run for days. Im not exaggerating to say that Joe would stack many many tens of positions quiet comfortably whilst ensuring that he is reducing/increasing his positions simultaneously.

Sincerely,

Graeme

Quote


Aug 16, 2010 5:05am

947




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Quote:

Originally Posted by **alter** 

*Hello Pipeasy.
This thread is very itneresting, however I feel u dont need to hold positions for months or years to be profitable. U said u take 8 trades per day on avarage.
You move SL to BE when price moves 20-30 pips in your favor and u use 20-30 pips SL. U also said u are able to move SL to BE 80% of the time.
So 6 out of 8 trades goes in your favor, and if u took profit just for 20-30 pips with RR 1-1 u would be up 120pips - 2 trade that hit SL for 40 pips. Just by your precise entry u are able to make 80 pips per day.
Now u trade 200...*

Good question, alter

And this would be last before supper.

I have practiced many many many times to know which is a good momentum. However, you do not need special eyes to notice volatile breakout. You will clearly see them when you watch them. You need to witness roughly 50 volatile breakouts before knowing very clearly.

I chose long term trading cause I wish to work less and less. 5min trading is very exciting however I only do it occasionally. Most of my trades are buy/sell stops. Most readers here are still practicing greatly on lower timeframe and I thought I could lend everyone my focal interpretation as a small guide.

Your correct. I can daytrade 5 minute momentum breakout candles everyday and still create a large profit. Do you realize that this is a very very stressful way to trade.

Perhaps I have a different perspective to trading as to most but I choose to have my positions work for me and not the other way around. I do realize however good positions are rare which excites me very much when I do find a good rare one. It feels like picking up a large diamond from the fields.


This reward pleasure is very different to trading intraday when im pushed with time and goal to create a profit everyday, everyweek.

2 completely different psychological mind frame.

Edit: Currently, calculated on last 14 months my unrealized profit is over 700% of my initial starting capital


Sincerely,

Graeme

Quote


Aug 16, 2010 7:26pm

965




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Member Since Dec 2009
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Quote:

Originally Posted by **leggo** 
*Morning Graeme,
Can I ask when we were trading live last night you kept refering to fib level retraces on 5 min chart. Do you add these levels after the end of each 5 min candle? Or do you just have a rough idea in your head?*
Regards,
Ben

Good morning, Ben

Good question.

All my personal focal interpretation is done on fly. This is from alot of practice.

If I were to set golden rules about fibs

When price retraces:

33% of previous candle - stronger move that will most likely continue
50% of previous candle - evenly matched buying/selling power
66% of previous candle - stronger opposition power

If you look across any pair, any timeframe, you will notice:

Strongest trend will have less than 33% retrace
Stronger trends will have 33% to 50%
Weaker trends will have 50% to 66% retrace

Basically you are gouging/prodding the selling/buying power to gain a hindsight to what might happen next.


Doesnt happen all the time but most/enough times.

Fibs are not about buying/selling oportunities as most traders believe but it is an indication of buying/selling power. Is the power slowing down or is the opposite power increasing? That is purpose of fibs.

If trend is downwards and price retraces to 50% and then close at 33% of previous candle. That is a stall and the tredning momentum has halted. Alarm bells should be ringing and you should be preparing to phase out your positions.

Sincerely,

Graeme

Quote



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Quote:

Originally Posted by **leggo** 

So when you look to enter after a 50% retrace do you prefer the price to come back to open before you add another position? Or do you try and get in as it heads back to the open so your entry is on the wick?
Thanks for your time
Ben

Good question.

This is where pros and learners get divided.

Learners will enter what they believe is mechanical trading and will 'just' enter at the sight of 50%. They will close if they think its not working. Wrong.

I prefer to watch the 50% get tested which in my interpretation is:

Struggle to pierce 50% with momentum

and this applies to all areas of s/r (including .00)

When price drops, I must see other traders (momentum) also acknowledging what I believe as well for a much higher chance of moving my SL to BE at the very least. This is where pros and learners get divided.

Learners will enter cause its at 50%

Pros will enter after looking at what happens at 50% or any other valued s/r areas.

Traders must interpret price action properly to be successful. Price action is basically gouging/prodding the selling/buying power that is happening in the market on the screen.

Sincerely,

Graeme



Aug 16, 2010 9:38pm

#969



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It deeply worries me that alot of traders know that price action is important however not doing anything about it.

The statement 'price action is king' is everywhere in this forum but I dont think it is completely understood by all. Even if it was acknowledged, traders are looking elsewhere for an 'easier' answer and there isnt if you truly believe price action is king.

Interpreting price action through your own personal interpretation requires actual live viewing of price at 5min timeframe. You need to clearly mark on the chart with .00 and other s/r areas and watch what happens. I would say after 50 live viewings you will have a good grasp.

You do not need special eyes to know a good momentum.

Good momentum is a clear pierce through the s/r lines. But we are interested in what happens after. Is there other traders also joining in with the break?

Volatile breakouts are the safest way to enter the market lower timeframe. It has the highest percentage of succesful trade.

Volatile breakouts are my bread and butter.

Sincerely,

Graeme



Aug 16, 2010 9:57pm

#971



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Member Since Dec 2009

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Quote:

Originally Posted by **leggo**

Hi Graeme,

Thank you so much. Sorry to clog the thread up but can I ask just one more question? You said that the trend is stronger if the retrace is only to 33% but both You and Joe prefer 50% retest for your entries. I just wondered the reason for this.

Thanks and Regards,

Ben

P.S. I have learnt more in the last week trading the 5 min timeframe than in the previous 8 months of forex. It is hard going at times but I know once I master this then any system I implement will succeed.

Good question.

Joe has more mechanical approach to myself. He would enter price without any personal interpretation on 5minute chart. His strength is in the increasing number of his positions and taking an advantage of a trend to its maximum capacity.

Personally, Im very different to Joe and I honestly have better success rate with my entries. I always always always prefer to have bare minimum drawdown. That is my mentality.

I do trade higher timeframes which has drawdowns that most traders would consider large however it is relatively small to what Im trying to achieve on the higher timeframe with a bigger goal.

50% fib is where most retail traders are watching and it is a strong 'psychological level.' Remember that I always try to piggyback ride and obviously it would be at areas where there is the most attention from others.

All trends start first at lower timeframe so it is very useful to master price action on 5min chart.

However, positions on lower timeframe has lower success rate as the random price fluctuation will take you out more often than the higher timeframe.

Lower timeframe = smaller losses but more number of random losses

Higher timeframe = larger losses but less number of random losses

Its give and take. Which one do you choose?

I believe its always better to learn from smaller timeframe and apply the success over to higher timeframe because you will have much more chances on the lower timeframe to demo your skill.

Methods that work on lower timeframe should also be working on higher timeframe with the exact same effect but just bigger in scale.

Hope my detailed explanation clears some of the confusion.

Sincerely,

Graeme



Aug 17, 2010 6:44pm

985



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Member Since Dec 2009

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Good morning, all

Apologies for the lack of replies. I had to travel interstate for few things on agenda.

Is everyone watching the price action on eur/usd today?

On 4hr chart:

Previous candle is a flying buddha and 3 long wicks touching 1.29000.

This should be a big hint to most traders as the price failed three times/struggle to break 1.29000.

Remember price action is gouging/prodding the buying/selling power.

Joe and I are watching carefully.

Im 'hoping' for a volatile breakout to south but Joe is already in with one position. Best of luck to him.

Sincerely,

Graeme



Aug 17, 2010 7:20pm

991



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Quote:

Originally Posted by **Antra**

EURGBP to consider as well?

😊...a nice FB on the 4 hr...is it nice?

Good morning, Antra

Yes, that is a flying buddha, however comparing the eur/usd to eur/gbp I would personally choose to focus on eur/usd as it has higher probability of success as there is more than one evidence of decreasing buying power.

Personally I believe that flying buddha at eur/gbp is a stall in the trending momentum just before.

I phoned Joe just now and he has positions in both pairs of currency and also agree that eur/usd has a higher probability.

Please remember that all traders need to maximize their profit taking if this opportunity is indeed a golden one.

Sincerely,

Graeme



Aug 17, 2010 7:25pm

#992



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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **Antra** 
*Only problem I feel that there is not a lot of momo around this time of the trading day....hence I was looking at a yen x but even that is quiet on the Asia open.
Still you never know.*

There are two sides of the coin.

If the market is quiet and doesnt move then there will be no large drawdowns.

More often than preferred it is the shift of short term views (fluctuations) of the mass traders during uk and us that causes losses and drawdowns.

It is the false, misleading short term shift of views from traders that cause random price spikes.

Sincerely,

Graeme





Aug 17, 2010 7:37pm

#994




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Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **leggo** 
Thats true. There are a few F.B.s on Euro crosses trouble is do you take them all? I worry about been over exposed. I suppose that's the beauty of practising on 5 min time frame if you can get your stop to zero then you are only exposed to profit!!!!

Good question.

There is something weird and wonderful about purposefully ignoring the market. Even though you will miss out on few golden opportunity for now, you will notice that if you keep your principal constant your result in the long run will be the same.

Always choose the pair with the higher probability/trending.

Your mentality for 5 minutes is correct.

However can you handle constant number of breakevens and small losses?

How about 1 out of 40 entries will be long term leg.

Can you handle that mentally?

Trust me, when you finally come across a position that survives and becomes a leg that grows and grows, the feeling you are rewarded cannot be described. It is very thrilling and **addictive**.

All traders need to taste this mental reward on a live account to experience what you think you will feel.

Sincerely,

Graeme



Aug 17, 2010 8:11pm

999



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traderray - correct. eur/usd is the pair with the highest probability at the moment. Im not surprised to see flying buddhas on all eur cross. This happens from time to time and it is caused by the fundamental changes in the common currency involved.

Always choose the pair of currency that has highest probability. Be creative and always confirm your beliefs with a choice of your personal indication on top of price action you interpreted.

leggo - now its a breakout on 4hr chart with momentum.

My stop loss is moved to 1.29000 as I have to walk out of office for the day. Joe just sent me a message and he is excited to see this happening.

If price does stall and revert back to 1.29000 then there are 'other bigger factors' in play. Most likely it will continue south for the moment but will it continue is not known.

We can only participate and let the market reward us or not.

Sincerely,

Graeme



Aug 17, 2010 8:55pm

1002



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Just stepping out for the day unfortunately.

Just seeing momentum on 5 minute.

This must pierce 1.28500 with ease.

Watch the price action around 1.28500 this could turn out to be your first live viewing of volatile breakout or a stall.

My 2 positions are now moved to BE @ 1.28800

Good trading to all.

Sincerely,

Graeme



Aug 18, 2010 2:44am

1026



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crede quod habes, et habes

Member Since Dec 2009

10+ W 760 Posts



Good afternoon all

I just came back to office for a few hours and decided to log in and see where the other traders are.

Thank you for your live participation and I hope it is contributing positively.

What I say next is with great importance.

It is exciting to see many traders successfully taking advantage of a given opportunity to maximum.

1. Good opportunities are rare and need to be taken advantage of completely. Not just 1 positions with 1:4 take profit and then bask in the glory but stacks of positions scaling in at the best times and then scaling out and locking in profits when the opportunity is diminishing.
2. To keep 1 or 2 of the larger legs.
3. Please dont overexpose yourself and get carried away with stacking. Each entry needs a valid reason. It is easy to lose control.

Now I need to unfortunately kick the sand castle.

1. How will you feel when the price now fluctuates and comes back closing most of your positions at breakeven?

A. Hopefully you look at this is as glass half full and reassure yourself that you were shooting for the stars (maximum profits) but ended up with minimal or zero losses from the random fluctuations which we have no control over.

2. What will you do if you have 15+ positions?

A. This is just one opportunity and good opportunities do not happen everyday. However when it does happen I hope you have the risk tolerance required to take its advantage and stretch out the profits to the extreme.

Today, was a very classic flying buddha and it happens randomly at any session. However please do not forget that opportunities like this can end in 10 minutes, 2 hours or 2 days or 2 weeks.

Can you handle it emotionally if it only lasts few hours?

Personally for me breakevens and small losses are not even noticed as I know sooner or later when a single golden opportunity comes along I will win back everything by many folds.

Just for your info I just spoke with Joe and have advised what is happening on the forum. He too is happy to hear that many others can start to see the potential of his flying buddhas.

He had few close calls but still managed to stack 10 positions on eur/usd with all legs at breakeven so he knows even if this opportunity suddenly ends he will at least make something from it. However if the price continues more than 200 pips from now, I have seen the potential amount of money he creates from it. Enough to cover the next 100-200 unlucky buddhas. Imagine how many more golden buddhas will appear in that gap of now to next 200 buddhas? That is his mentality. In his words, Joe believes he has saved enough ammo for the next 3000 unlucky buddhas just in his current trade balance.

Please do not bring short term success to your head but please keep trying. Im curious to see traders comments when a failed buddha comes along. Undoubtedly some will continue to search for other systems because few rows of unsuccessful flying buddhas. Will you?

Unfortunately with that mentality nothing will work.

In the markets, we only have slim chance at certain times to create profit. We must learn to overcome the losses and **persist** to look at maximizing profits when the opportunity does finally arrive.


Sincerely,

Graeme

P.S Just stepping out again.



Aug 18, 2010 4:38am # 1032



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Member Since Dec 2009
10+Y 760 Posts



Thank you all for the compliments.

Apologies if I dont respond to them or the private messages as Im travelling abroad. I will get around to them.

My phone just buzzed. Eur/usd opportunity is unfortunately over.

May I ask all participants how they honestly feel? Honest answers please as there are no right or wrong.

Sincerely,

Graeme



Aug 18, 2010 5:10am # 1037



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Member Since Dec 2009
10+Y 760 Posts



Thank you all for the honest replies.

Yes, disappointment. Good.

Do you think you can handle consecutive days of more breakevens?

Not many can.

However sooner or later the golden opportunity, or the golden position that will survive for the next year does happen. Not because you were lucky but it is inevitable.

Inevitable.

Inevitable.

The immense emotional pleasure from such findings are pure ecstasy to the first time experiencers. It is a very addictive feeling and once tasted with live account there is no going back.

Poke, poke, poke, poke, tap! ??? WOAH!!

Not many traders get to woah phase emotionally.

I sincerely hope all traders get over this emotional hurdle.

I assume most traders are demo at the moment. Nothing wrong with that but the emotional hurdle will feel much bigger on live account.

18 out of 20 (just my personal estimate) traders will fail at this first stage as they cannot sustain the emotional rollercoaster. They will continue on looking for the next method and the next method after not realizing that the secret is just around the corner they were standing at.

I hate to use names to support my statement but just like TheRealThing and Peter Crowns said, "so after 20 or more consecutive losses, tell me, are you going to quit? Hmm I like to know"

What do you think they are talking about?


Remember TheRealThing mention about one of his inside bar position he entered with 11 pip hard stop loss that grew for \$250000.00 over few years. Trust me, it took more than few hundred entries. Can you do that? What if I told you there is no other way... will you believe me or look for something easier?

Sincerely,

Graeme


P.S Just rang Joe to inform him of the outcome. He lost 1 position with -17pips. He just paid 17 pips for the potential to win thousands. Its a risk:reward that me and Joe will pay everyday, everytime.

Everyone's first emotional hurdle is here 😊

 Quote


Aug 18, 2010 8:08pm

1059



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Member Since Dec 2009
10+Y 760 Posts



Just very quickly.

Hope everyone noticed the first 1hr candle of eur/usd.

That is volatile breakout at best. 5 out 5 star.

Breaking 1.28500
Breaking 1.28440 (area, of the low wicks before)

No stalls, no resistance from buyers, just pure simple explosion.


Breakouts like this has the highest probability.

Hope you witnessed it live and see the difference between this type of excellent breakout to what we experienced yesterday.

I had 2 positions on 1.28500, just moved SL to BE as I have to leave the office for the day.


Sincerely,

Graeme

 Quote


Aug 18, 2010 8:30pm

1061



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crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Just before I head out again.

Some traders would like to know how I can get my positions in so early.

Its because I 'anticipate' the breakout.

This morning wicks pierced 1.28500 but couldnt close below it.

I know that if price does puncture such areas that were tested but failed before it will move fast and hard.

I always enter first with the mentality to lose very small or win very large.

If the breakout was slow, I would move my SL to BE very quickly and change charts.

If the breakout was also another wick retrace and also a lack of momentum then I will close the positions for a small loss.

If the breakout is explosive like now, I will stack very aggressively knowing this is a given opportunity that needs to be stretched out.

If Im not travelling abroad i would definitely have 4+ positions easily in that move and more and more.

It could turn out to be another failed golden opportunity or it could be start of something huge. But the point is, I have risked zero to very minimal for something that can be huge if it happens.


This is my risk:reward

Sincerely,

Graeme


P.S Just noticed 2nd 1hr candle went 50% fib and then dropped like a rock now stalled below 1.28000. 50% fib = big psychological area for mass traders. Classic

Last edited by pipEASY, Aug 18, 2010 8:40pm




Aug 18, 2010 8:38pm

1063




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **mcornbill** 

I got two positions in on Euro short, one @ 1.28417 and one @ 1.27950. Giving the one in profit some breathing room for today, will see if it can hold out for whole of UK session then move to BE.

Just a word of advice for your benefit. Hope you dont take any offence.

If price moved with momentum and then returns back. This means a bigger factor is in play. May I suggest that you dont need a breathing space to judge whether it will work or not.

Positions closing on breakeven should be enough evidence that its not working out.


Please try and not set a defined hard stop loss and consider it as a breathing space and hope for the best. If the price has reversed/stalled then the show is over and its time for you to move on.

Sincerely,

Graeme



Aug 19, 2010 6:18pm # 1087



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Good morning, all

Hope everyone is safe and warm. It is winter here in Australia and it now changing season to Spring. As I grow older I can actually feel and smell the season changing. Something that I couldnt do when I was much younger. When I was young, I knew it was Spring when everyone started wearing short sleeved shirts and the jacket I was wearing is no longer necessary. However as I age more I can add more reasons to why I personally believe season is changing. Its the different glow in the morning when the sun is coming up, the smell of early spring flowers, the extended sunlight in the afternoons. Its experience and age telling me that Spring is arriving with greater 'clarity.'

Much like trading, a learner has reasons to indicate what is happening in the markets because it was told at a seminar, a strategy thread, or by an indicator. It is the age and experience that will add clarity into this interpretation. However, most traders will not make it there. Everyone is born as a trader however it is up to each individual traders approach to make it happen.

All of us expect to make an outrageous lifestyle out of trading. Just like a real estate investor aiming to mark his name on the Forbes magazine or the newly releashed hip hop artist trying to make it to billboard chart number 1. We are all doing the same thing by trying to be the best in the industry. The amount of practice required for a hip hop star to sing and dance to an awe-inspiring effect it is just more than few sessions, it is years of hard work. They do not whinge that its hard work and things are not working out at the moment. Its their unbending beliefs in themselves and the bone-aching sessions they go through to maintain their voice and body **will payoff later on much greater than all his/her efforts put together for now. Risk:Reward**

The key lesson for the past week is perserverance. Does everyone know the definition? It simply means not giving up or steering away from the intended goal.

What is your intended goal then?

It is your positions that could have been few pips loss or zero loss that turn out to be few hundred pips.

Does it happen often?

Not enough but just enough.

Not enough to drop all whinging, nagging pessimistic traders off the board. And just enough for the unbending true traders to profit over them.

Market knows your efforts. The more you try in a constant attempt, the market will soon notice your efforts and repay you more than you lost to get there. It is your job to minimize the losses and stretch the profits when market is finally giving you a good opportunity. And the market doesnt offer good opportunities everyday or everyweek. That would create too many millionaires.

Remember Joe lost -17 pips 2 days ago. Market took notice and gave him back more than 17 pips. Only a small opportunity but he still cashed out 200+ pips last night.



Aug 19, 2010 6:27pm

1090

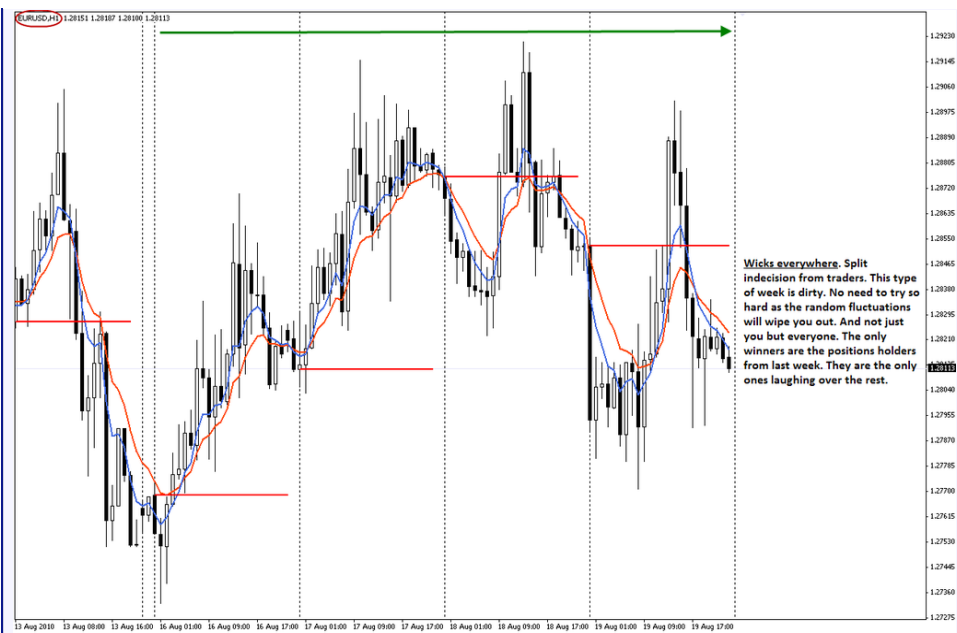


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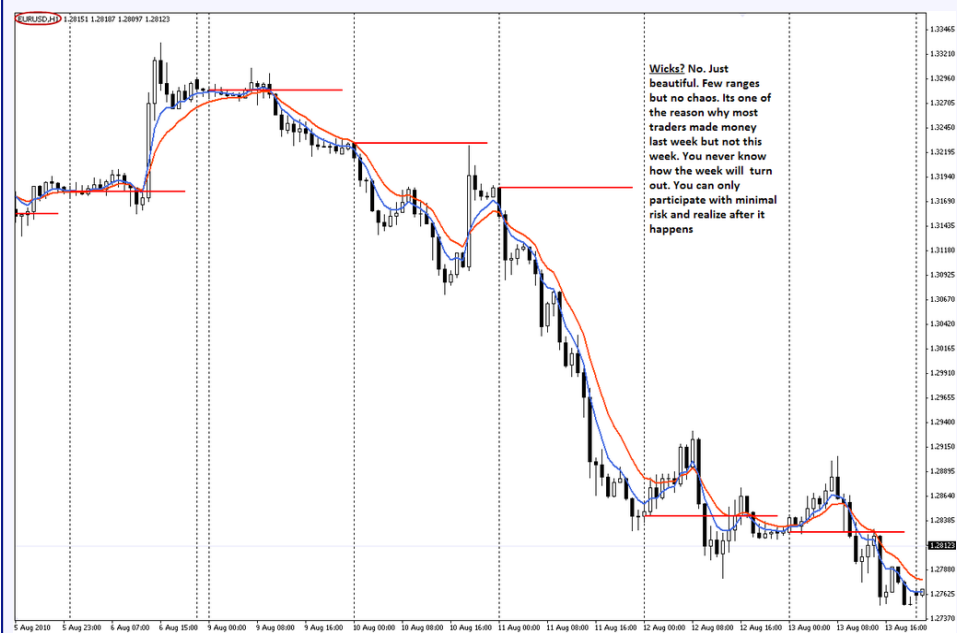
Member Since Dec 2009
10+V 760 Posts



This is a dirty week. Why? Wicks.




How about last week then? Which was very hard and fast downtrend. Compare.



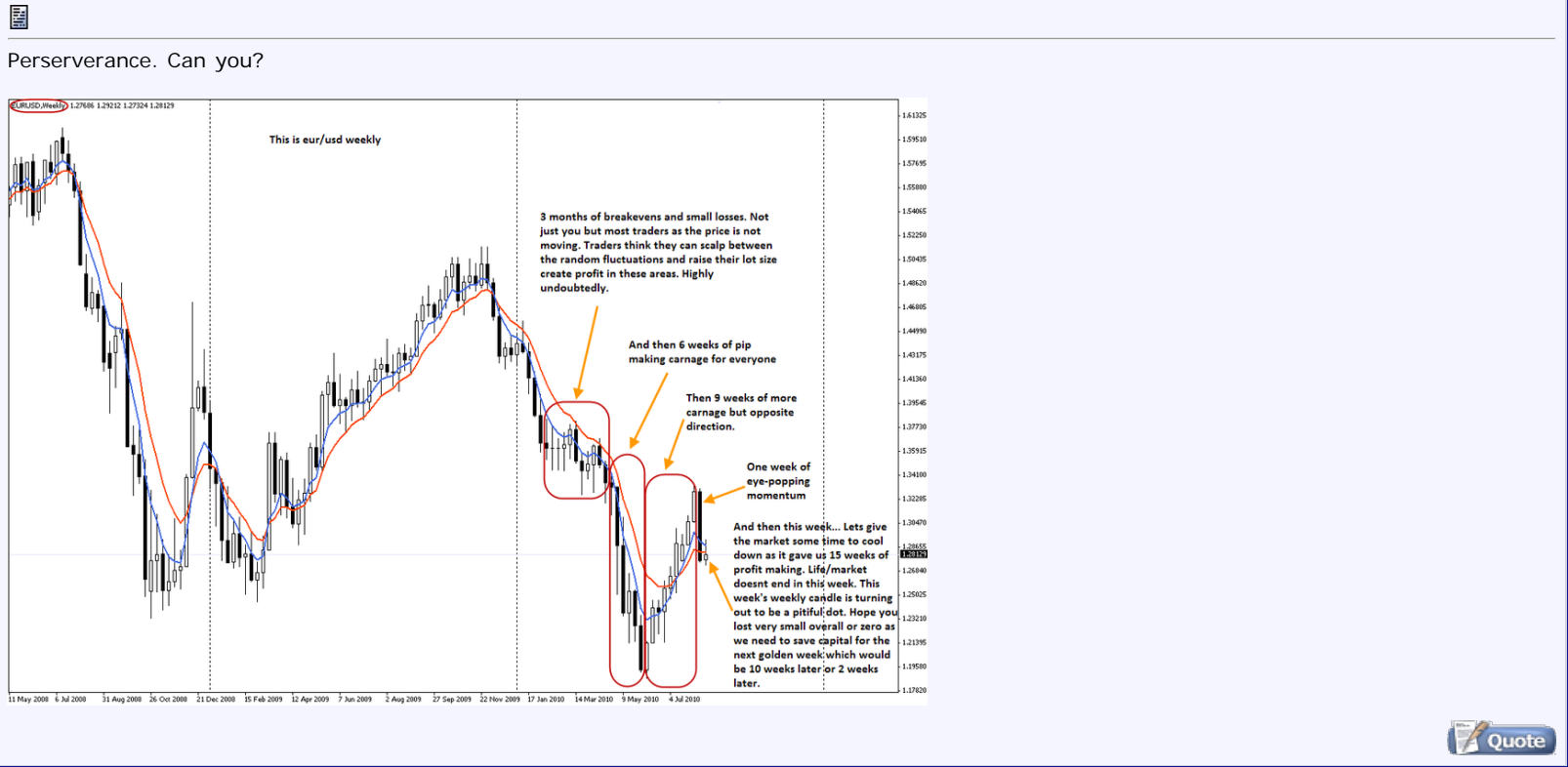
Aug 19, 2010 6:35pm

1091



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Member Since Dec 2009
10+yr 760 Posts



Aug 19, 2010 6:55pm

1095



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **geoffrod**

Graeme,

thanks again for your elegantly simple explanation of the weekly action, i personally am becoming very frendly with the weekly line chart as you showed it a while back, for me, it is easy to see the area's of consolitation, and to pinpoint where i might be taking some acton, put out my feelers,

cheers

geoff

Good morning, Geoff

Absolutely.

And im so glad to see you made the connection.

May I add that I have been using 1ema charts for daily/weekly chart for the last one year to great success.

Its very simple and powerful. But most importantly gets rid of all the candles, wicks, ranges.

Sincerely,

Graeme



Aug 19, 2010 6:58pm

1096



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo** ➤

*Morning Graeme,
Does Joe use 1hr chart for flying buddahs too? I only ask because there was no flying buddah on 4hr last night only 1hr.
Kind Regards,
Ben*

Hi Ben

Yes, Joe uses flying buddhas on 4hr and 1hr. All methods should work on all timeframe. Just different 'scale'

Joe knows that 4hr golden flying buddhas work just as well as 1hr golden flying buddhas however different scale.

It can also work on smaller timeframe than 1hr but it would be useless as the golden opportunity will be relatively small for the efforts.

1hr is the smallest timeframe he will look for them.

He uses only sell flying buddhas and 50% fib only.

Sincerely,

Graeme



Aug 19, 2010 7:03pm

1098



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **hayseed** ➤

*hey pipeasy.....a question if ya have the time..... in post 1087, in the picture someone has written, 'double wick bottom it's over'.....

curious as to what is thought to be over and how a double wick bottom suggests it.....

if ya have the time.....thanks.....h*

Good question.

Few posts ago I explained to all the importance of interpreting long wicks.

Long wicks are great pressure for the price to continue but failed due to equal/stronger opposite force. Long wicks are the first sign of weakness for the current movement.

Some price or tight area cannot be breached and gets tested twice or third times to finally see the price reverse strongly to opposite direction.

Not all the times but enough times to keep in mind all times.

This can be used very effectively as a trader can set a very tight stop loss just pass the tip of wick when he notices a wick bounce on the 2nd or 3rd wick. Risking very small for something much bigger. Such like inside bars, flying buddhas.

Most important aspect of long wicks are that it shows first weakness of buying/selling power before the complete formation of the candle.

Sincerely,

Graeme



Aug 19, 2010 8:45pm

1105



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Quote:

Originally Posted by **occamsrazors** ➤

Hi Graeme

Very interesting thread. I have query about where entries need to be positioned in order to survive the pullbacks in a trend. I'm not sure if I'm missing something basic.

Below is a H1 chart for EU that has a 600 pip uptrend over 12 days from July (sorry for the big chart, but I wanted to get the whole trend in). The blue areas highlight where a trade would need to be taken in order to survive the uptrend without being taken out by a pullback at breakeven.

Only one breakout area from a range (purple) survived and that was half way...

Good question.

It looks bleak doesnt it.

As long as you continue participating the market on low/zero risk and keeping the largest legs for long term growth it will inevitably happen.

I do not know when it will happen but I know sooner or later it will. It looks like you zoomed in 12 days worth of 1hr chart? 12 days is not even a dot on the infinite space and time of the markets.

I understand what you are asking but I have no answer but suggest that all you can ever do in trading is just participate and the rest market does for you.

Good portion of short/medium term growths are captured in one of the numerous number of diversification along the way of long term growth for the surviving legs.

Having said all this, I will forecast with greater probability that the downtrend of eur/usd that started last week if it continues: any positions you held onto from last week will at least survive weeks or months. I have seen it all too often.

Occam, its like growing hair. Have you grown your hair before? Back in my younger days, grunge was a huge thing. And I too participated in growing my hair.

Everyday I take a shower and notice a whole clump of hair falling out. But after 2 years I had very long overall hairstyle. How is that possible when I lose big clumps of hair everyday? Its because some of the longest strand of hair that did survive 2 years makes my hairstyle look very long when in fact most of the hair that covers my scalp are medium to short strands. Please think about it as it is very close analogy to my trading concept.

Sincerely,

Graeme



Aug 19, 2010 8:51pm # 1106



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10+V 760 Posts



Quote:

Originally Posted by **leggo**
Two failed flying Buddahs this morning Im dissapointed that I over exposed myself should not have tried 2 x AUD crosses. Lesson learnt! For a while they looked really promising tested the wick of the previous candle then came back down. Unfortunately they then pushed back up and wiped me out. I will keep an eye on them though and may trade one with hindsight later on.
Regards,
Ben

Ben

Write down your losses and keep going. Hope the initial entry after flying buddha is just one position and after the success/SL moved to BE and then you would stack. This way you arrive nice and early for the first position and the next would be in line with the confirmed direction of the movement. I know this is harder on 5min charts but the benefit of 5min chart is very very small lossess.

Sincerely,

Graeme



Aug 19, 2010 8:54pm # 1108



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Member Since Dec 2009
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For the moment, buyers have the upper hand in eur/usd. **I have one position @ 1.27950 when price bounced for the 3rd time. Stop loss @ 1.27850. Im risking 13 pips for perhaps the start of the next 2 years of uptrend?** I dont know but I will participate and let the market tell me. Watch this one everyone.



Aug 19, 2010 9:00pm

1109



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Member Since Dec 2009
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Thank you for the compliments fxsurfer and all others.

Sorry for the lack of replies recently in posts or private messages.

I will be returning home this weekend.

Please keep practicing.

We are fishing for the big catch. Although we brought limited amount of bait with us, we cannot help when the line gets snagged or the small catches until the big large one. We keep some of the small ones to feed on and the large ones to bring back to cherish and boast on.

Sincerely,

Graeme

P.S Just stepping out for the day.



Aug 20, 2010 6:03am

1123



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Quote:

Originally Posted by @mel
Good morning Graeme,

I came across your thread the other day and I decided to read it because the title of the thread got me intrested. There is no doubt here for me that you are a great trader, I believe that you are doing a great job at teaching your methodes to others, even if our way of trading is completly different, I really liked what you have to say here.

I took the liberty of posting my first reply to your thread, as I have notticed something concerning the "flying buddha" methode, and I hope you will not mind. If you do please tell...

Good evening, Mel

Excellent observation.

Flying buddhas that does work out tends to be the upper corner (or the lower corner if on opposite direction) of the (triangle) pennant. Yes, correct and both Joe and I know this very well.

It also can be a high probability inside bar.

It also can be the very start of a major trend change.

It also can trigger a volatile breakout and explode towards the intended change of direction.

Flying buddhas are the apex of the change. Its either going to change very large creating a very large opportunity or create a small loss.

With flying buddhas, you only need maximum; 1 initial entry and 1 re-attempt afterwards to know for certain if its not working out.

I choose not to re-attempt but Joe waits for a clear breakout for a single re-attempt before admitting his loss.

To maximize your profit taking, the stacks should be taken soon after the initial position is moved to BE and immediately after on the 1hr chart at every 50% fib.

If you scroll back your chart and choose any flying buddhas that did work out well, you will see that you will have multitudes of positions before the first sign of weakness on the 4hr chart in which you scale out and then scale back in if the trend picks up again.

Hope it enlightens all readers little further

Sincerely,


Graeme

Last edited by pipEASY, Aug 20, 2010 6:32am



Aug 20, 2010 6:17am

1126




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Member Since Dec 2009

10+y 760 Posts



Mel

You said the golden phrase.

Biggest move happen when price doesnt retrace back to trendline. (or any type of s/r, .00)


Readers need to really know this...

Its why volatile breakouts are used by alot of pros as it has

1. Greater probability to create a profit
2. Big moves usually are start of something huge. Not always but plenty of times.


Sincerely,

Graeme



Aug 20, 2010 6:24am

1127




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Member Since Dec 2009

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I hope all traders are noticing the explosive momentum happening on eur/usd.

Today is Friday. See how market doesnt care about such wrong myths.

My little position died on -13 pips @ 1.27850 but I wanted a breakout to south when price pierced that area with volatility if it happened.

1.27500 was stalled for a moment before being cut into by a explosive momentum. Hope all traders caught this as this is the easiest way to make money in forex; volatile breakouts.

Unfortunately I missed all this cause I was at dinner. I know there are plenty more next week.

My positions on eur/usd from last week are now well into profits and I believe this is start of something very large.

Good weekend to all.

Edit: I would like all readers to notice 3 long upper wicks on 1hr eur/usd chart before the compelling momentum. Buyers pushing hard but losing power. Tested a tight area of price 3 times before finally succumbing to sellers. Sellers had enough and blasted back. Everyone should see the wicks as the first warning and then after the first notice of explosive volatility should have piggyback rided all other traders for an awesome ride.

Sincerely,


Graeme

Last edited by pipEASY, Aug 20, 2010 6:43am

Quote

Aug 20, 2010 6:37am

1129




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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **geoffrod** 

*definitely with you on this one graeme
up nearly 100 pips so far
it is great to be on the good side of the strong momentum.*

i got out of my eur/gbp trade -15 little loss for being on the wrong side of the momentum, it may turn around again, but it was going the wrong way for me with momentum.

Well done, Geoff

Its also a skill to know when to quit. Wrong side of momentum is the worst thing I can think of. Its going the wrong direction of one way lane.

There is something that will happen today.

I call it law of elasticity.

Newton's law: There is always equal and opposite force.

Such steep price movement will be corrected by a steep opposite force. Stack early and when momentum slows down, STOP stacking.


Watch this elasticity bounce happen tonight. Price cannot continue on at 170 degree steepness.

Edit: The best thing sellers can do on eur/usd is stall the price. That is the best. But traders are very temperamental. They will close their position in fear of losing their hard earned profits. I see a long wick already. First sign of weakness. Your stacking should have stopped many minutes ago.

Sincerely,


Graeme

Last edited by pipEASY, Aug 20, 2010 6:48am

Quote

Aug 20, 2010 10:01am

1134




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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **pip_daddy** 

Hi Graeme. Thanks for your continuing contributions. I know I have benefitted tremendously from it.

In all honesty I do not see what you are seeing . Without knowing the 3rd candle was going to breakout, what makes those 3 candles that much different from the previous 17 candles? I see at least 2 groups of 3 doing the exact same thing but nothing came of it those times. What I do see is that these last 3 came at the start of Frankfurt/London session and that is significant to me. Is that part of what you like

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]

about those 3 candles? Reading your...

Good question, pip_daddy

I trade when I have the time to sit at my computer. I do not have a set routine when to trade. That is defining my action and I do not pre-define anything in the markets.

Alot of traders believe that they need to take every opportunity they come across to maintain some type of consistency to create profit. Trust me when I say it is the very opposite. You only take few of the opportunities that come across. Remember the random number game we played few weeks ago?

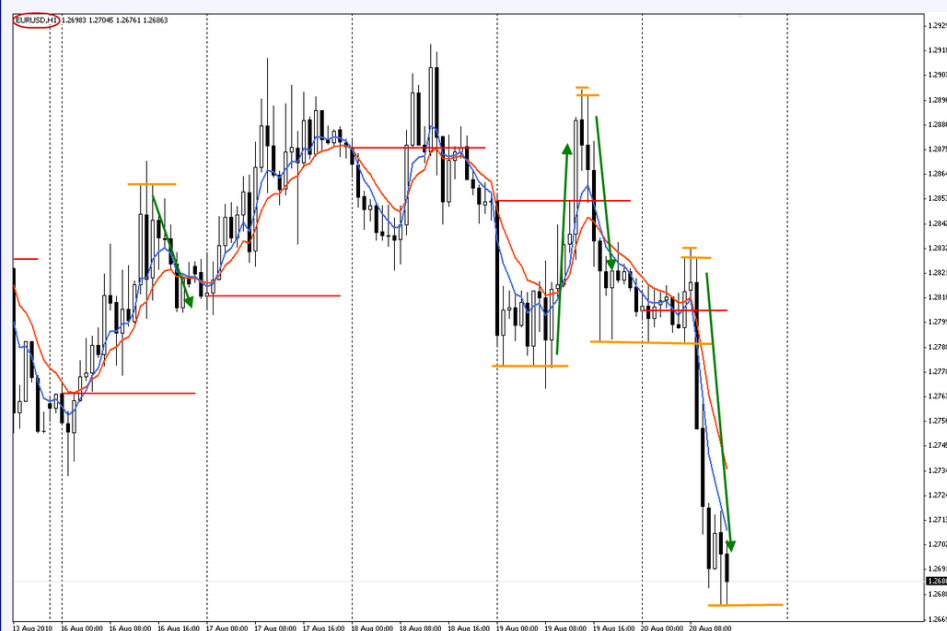
This random participation works out very well for me as I'm 'unknowingly' spacing out my entries.

Yes, I miss few golden opportunities (like today, on eur/usd) but I also fortunately miss most/all of ranges. Profits are similar on the long run.

Wicks warns first. Wicks are before the complete formation of a candle.

They give great hindsight. Not all the times but enough times. Focus on extra long wicks. They are there for a purpose.

Look at this week eur/usd. Some major wick interpretations



I use long wick interpretation all the time to great success

Sincerely,

Graeme



Aug 20, 2010 10:09am

1135



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I wish to say something very important.

This is an important lesson.

Does all traders know that all indicators, support/resistance, trendlines differ from each individual traders??

And yet the market is completely **neutral and universal** it will **accomodate all traders** different lines (focal interpretation).

In other words, a trader who uses 21 ema can have equal success to a trader using 40 ema.

Also, two traders using just trendline break can interpret little differently and yet both still make profit?

I could draw a support line but you wouldnt.
You would draw a support line but I wouldnt.

But we both still win? (or both lose)

Does anyone know why??

If you really know why..

Then what **universal 'element'** exist between two different traders that at the end cause similar results?

Sincerely,

Graeme





Aug 20, 2010 10:37am

1138



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10+y

760 Posts



While I have your minds thinking about my question above.

Allow me to add another tool to your interpretation.

I also use this to gain a hindsight to what might happen next.

Not all the time but plenty of times.

I hope all readers remember my long wick interpretation with charts many posts back. Allow me to add the icing on the cake.

Does all traders agree with me that wicks show weakness in the movement?

What if I know with greater probability that the weakness is genuine?

So in other words Im looking for a decrease of power on the charts?

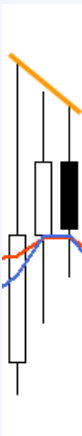
That would be a very useful and powerful tool to have. To know that buyers are losing power or sellers are losing power by using price action and not by an indicator.

This is the final and advanced level of wick interpretation.

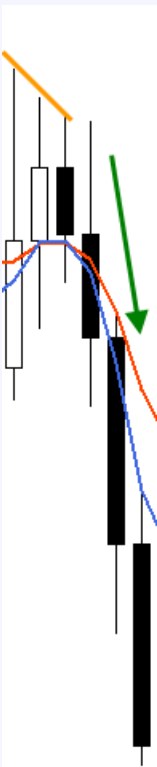
A decreasing slope indicates buyers losing power as time goes. A greater chance of sellers to push price down hard.

They are on top of the emas as we are looking for buyers weakness.

Here are few. They need to be good angle (not too steep) and very close in pippage.

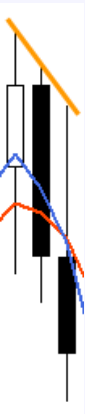


What happens after?



There must be at least 2 but preferably 3 wicks. The wicks need to be relatively longer than usual. The slope must not be steep but reasonable.

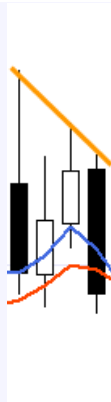
Here is another



What happens after?



Preferably next to each other, but could be little apart but the angle must be reasonably not too steep.



Aug 20, 2010 10:41am

1140

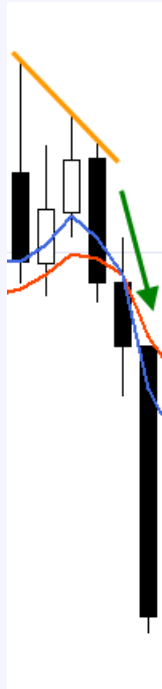


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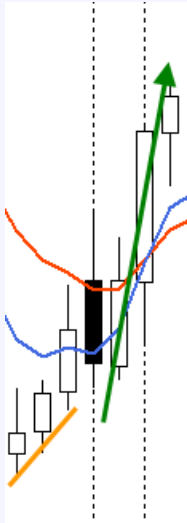
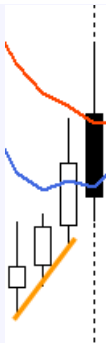
Member Since Dec 2009
10+V 760 Posts



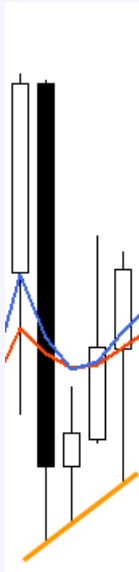
What happens next?

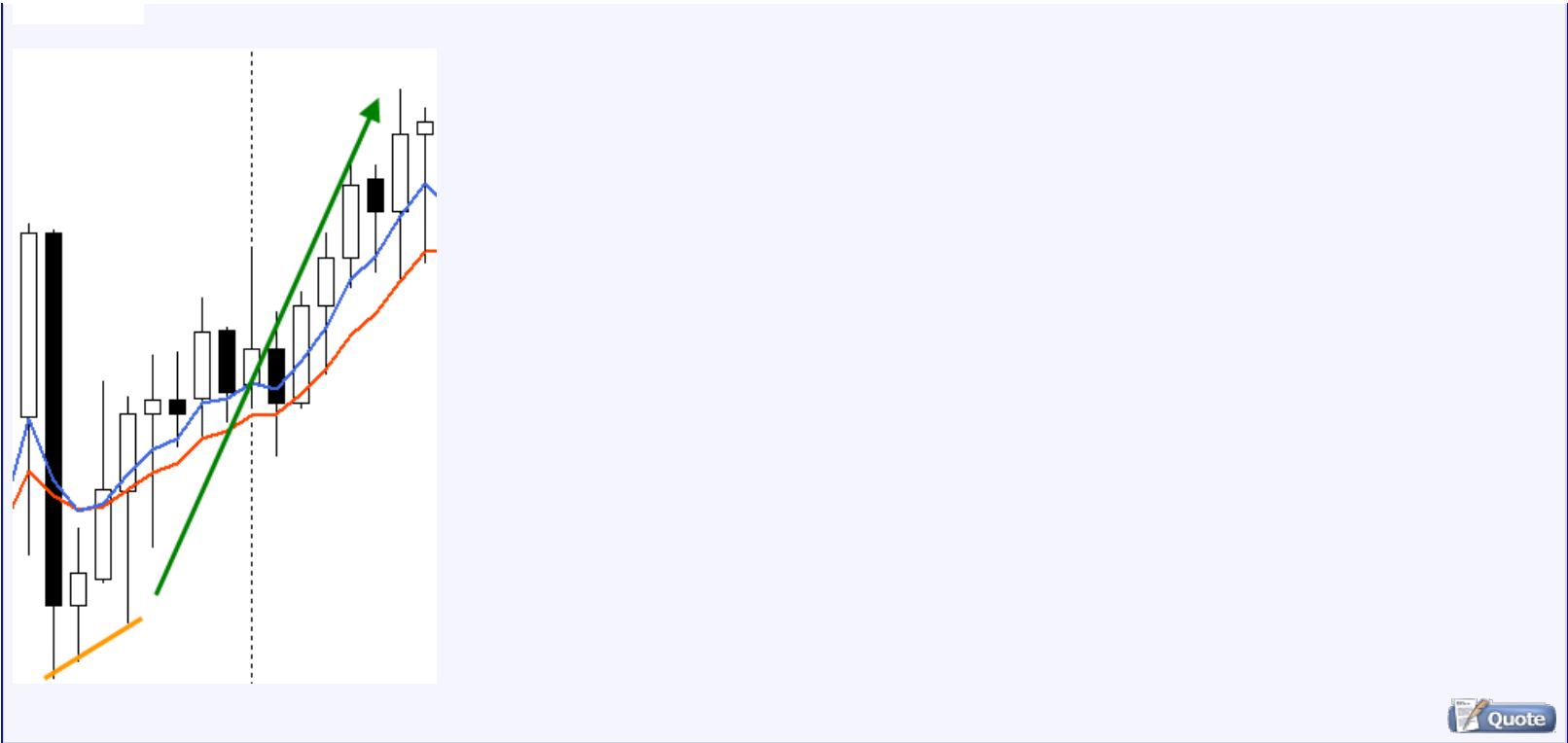


How about some sellers weakness. We are now looking below the ema.



Another one





 Quote

Aug 20, 2010 10:44am

1141



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Member Since Dec 2009

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760 Posts



songbo, willf

Thank you very much for the answers.

I was looking for 2 answers specifically and glad to see them as the first two.

Yes.

Participation and Trend. Superb!

ozziedave

Thank you for sharing. Im absolutely thrilled to hear your new found hindsight and also glad to see that you have overcome your emotional hurdle. Thank you for staying from the very start. Only the best wishes to your trading.


Sincerely,

Graeme

 Quote


Aug 20, 2010 11:04am

1143




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Member Since Dec 2009
10+y 760 Posts




Quote:


Originally Posted by **ozziedave** 
Universal element is price. Everyone has their own interpretation of trend lines, support and resistance and even indicators but price is the only consistent element.

Excellent.

Excellent.

Dave took it one step further.


 Quote



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Member Since Dec 2009
10+y 760 Posts

Aug 22, 2010 12:04am #1161



Good weekend to all

Apologies to address everyone in one single post

stimulus - Yes, that would work as well. Everything works cause its all relative. The reason why various applications work is because the risk is minimized to a static small loss while the profit is maximized to the very end of the opportunity. Static loss versus infinity growth?

dsan - Yes, all correct. Traders needs the risk tolerance required to take small losses to achieve bigger goals. Following the flow of the market to create profit and maximizing their profit by stacking positions. All correct.

fugly - Yes. I will come to this topic today in detailed post. Thank you

mjtotic - Yes, I will also come to this topic today. Thank you

Midknight - Yes, I will also address something for your benefit today. Thank you

Swingman - Thank you for your critical contribution. Greatly appreciated.


Today, I wish to spend few hours to address some of the common questions that are always asked. There is no such thing as wrong questions and I understand why similar questions are asked.

I understand that this thread is now very long and unfortunately it jumps around from topic to topic without any constructed flow. Even though the puzzle pieces are all over the place there is enough blueprint here for any avid new learners to piece the information together.

I hope that the next 10 or more posts that I do here will be the strings that attach those puzzle pieces together.

Sincerely,

Graeme

 Quote



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Member Since Dec 2009
10+V 760 Posts



Why is stacking important? How does it benefit a trader in the long run?

Market is never always a perfect opportunity. Most times, the market will make you lose. It is the traders ability to minimize these losing periods. There are many ways to minimize losses but the main purpose of minimizing losses is that you are conserving your capital for the next better opportunity.

The best way to minimize a drawdown is being upskilled in your entries. Knowing when to enter and how to enter. Growth/profit starts from your participation however there are bad ways to enter and good ways to enter.

Never overexpose. There are many traders trying to hard on one single day. I rarely do more than 1 re-attempt after a failed entry. Anything more is overexposure. Sometimes I have streaks of successful entries. I simply continue adding more positions until I encounter first loss and then I move away from the pair of currency.

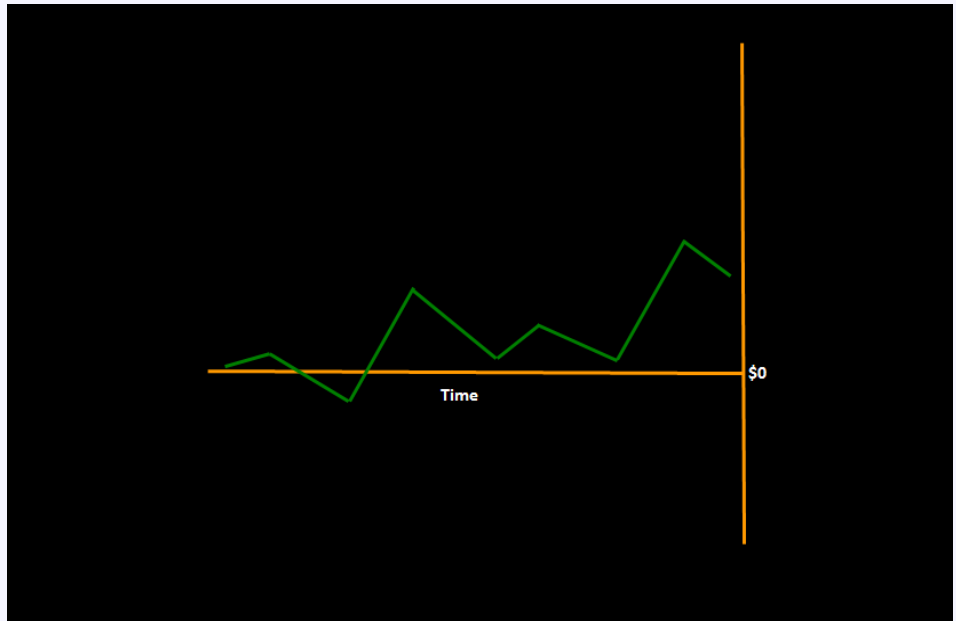
All the above has been said few times already in this thread so I wont continue anymore.

Market is neutral and universal.

If you set a pre-defined entry and exit like:

Enter after pin bar, 40 stop loss + 160 take win. (or anything similar)

Will you agree with me that your equity curve is more or less look like below?



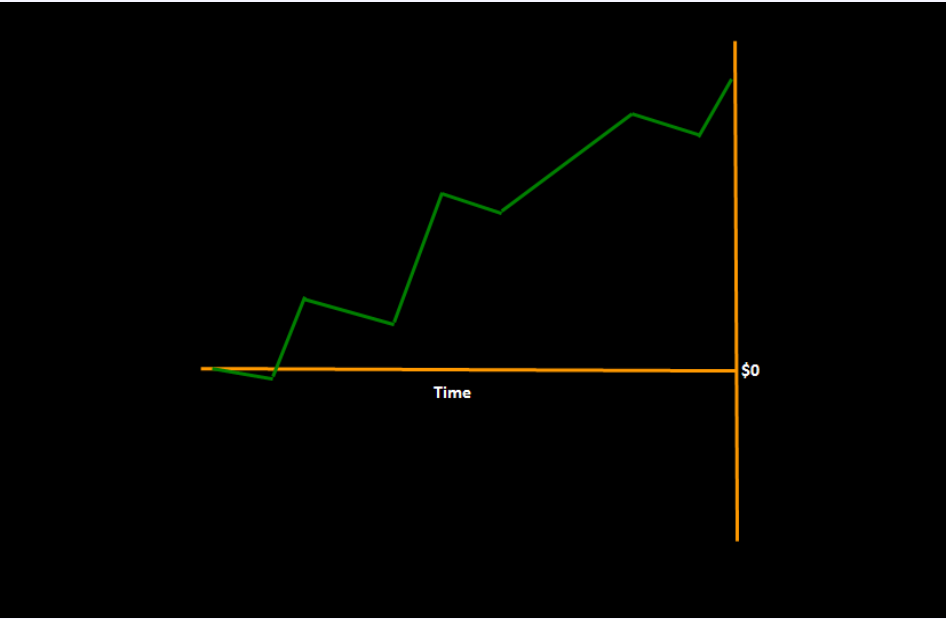
The time represented in the above chart could be over a span of few weeks or months. Even though the curve is slowly arching away from the \$0 but we all know how painfully slow it takes for the trade balance to grow. Would you agree?

There are few traders who believe that they could raise their lot size to compensate a good return but assure all traders that is very dangerous.

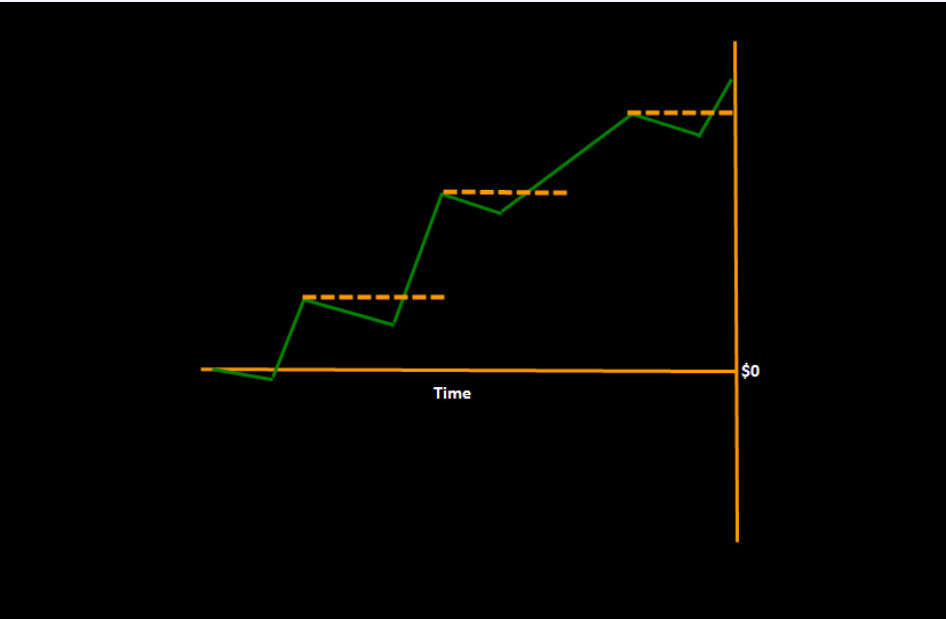
You should never raise your lot size to make your profits look bigger.

You should raise your lot size when you know you can make your profits bigger.

This is the ideal equity curve for the same period.



Ofcourse we all prefer the above equity curve. Lets analysis the above equity curve. Technical analysis work everywhere in life. Not just forex markets.



The dips are much shallower and the sharp injection of profit is almost a volatile breakout. How can we achieve this?

Continue on next post..



Aug 22, 2010 1:12am

1163



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Member Since Dec 2009

10+y 760 Posts

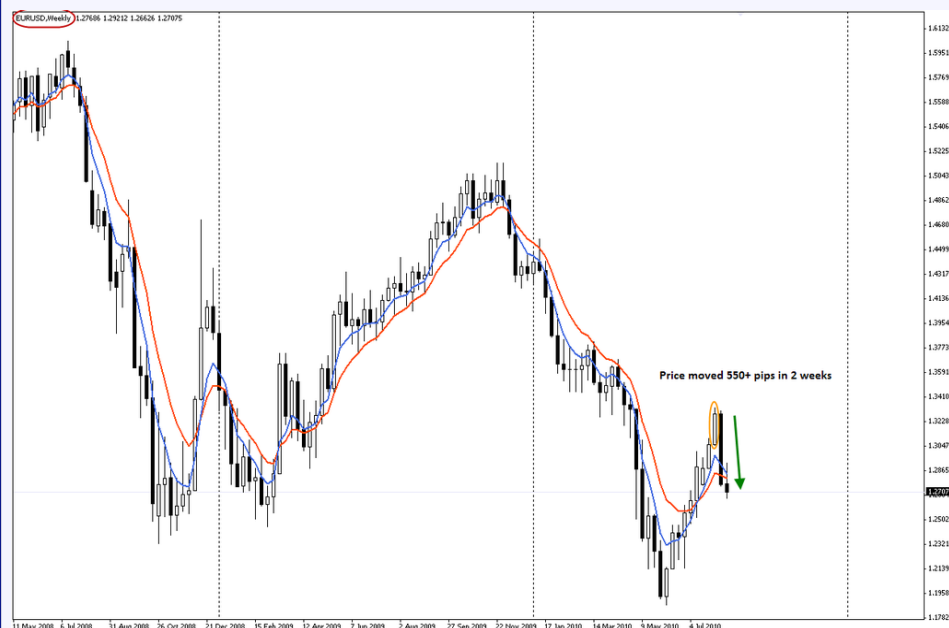


It is by stacking positions into a given golden opportunity.

Last 2 weeks of eur/usd has been fantastic. A rare opportunity that should have been caught by many. There are plenty more coming so please do not worry if you missed it (infact I missed most of last week).

Why did I focus on last 2 weeks on eur/usd? It was golden buddha on the weekly chart. 😊

Nobody mentioned this so Im assuming that most traders are not looking at weekly chart. I spend more time on weekly, daily chart then the smaller ones. Weekly/monthly charts are your total battlefield. Smaller charts are precise locations to deploy your soldiers.



Now if price moved 550+ pips for you and a trader captures 190+ and basks in the glory unfortunately they are on the losing team in the long run.

How many 550+ for 2 weeks movement do we experience in eur/usd? Not often...

A trader enters with 20 pip stop loss and 180 take win. He is thrilled that he got it cause its 1:9. Shame, thats not what risk:reward is there for.

I assure you, if this same trader does the same thing everyday, everyweek, he will notice one very important fact.

1:9 is very hard to achieve.

Lets stop here and analysis 1:9.

Market is neutral and universal. It would be safe to 'assume' that a trade with 1:9 has approximately 10% chance to achieve its final reward. All numbers are related and correlated with universal happenings and items. However in the markets, numbers (expectations in %) are slightly bent out of reality. If you have 1:9 trades you will find after few months of trades that your successful positions are not 10% of all your trades taken. This is because of the random fluctuation of the market.

Thats why alot of traders say trading is a zero sums game and it is very true.

However, you can play this dirty game against the market itself. If market is going to play tricks on you then you can use the very same principal against the market.

When market wants to take your money. Let him. Let him take 1 lot.

But when market needs to payout, make sure you always take more than he took from you.

Its a give and take game but when he takes you only give 1. When you take you take infinity. Thats when your making money from the markets.

Range is when market is taking money off traders.

Trend is when market is paying out.

1. Your entries must be tight
2. Never overexpose
3. Always be willing to give some to the market

2 traders looking for the flying buddha pin bar. Trader A has fixed stop loss and take profit. Trader B looks at stacking and keeping his losses minimum.

Trader A & B both suffered -100 pips over the last week.

Finally a good flying buddhas comes along.



Trader A takes 150 pips and is very happy that he has covered - 100 pips of last week and made net profit of 50 pips. He moves onto next opportunity.

Trader B adds 2 more positions after the initial and his average pip per position is 100, total 300. Trader B closes 3 positions and banks net 200. 4 times more than trader A.

The risk? It was the same for both traders.

Trader A risking with stop loss for 1 position.

Trader B risking positions @ breakevens and 1 position with stop loss.

Same risk for 2 different rewards.



Aug 22, 2010 1:23am

1164



crede quod habes, et habes

Member Since Dec 2009
10+ 760 Posts

So what happened last week?

Two weeks ago we noticed the flying buddha on eur/usd weekly chart. He noticed it first and text me.

Joe made a whole bundle for the last 2 weeks +1000 pips at least. All his positions closed.

Myself?

Last 2 weeks on eur/usd

I have 112 pips of total loss and 5 positions still open.

Average pip per position: 200 pips
Current unrealized: 1000+ pips
Total realized loss: 112 pips
Total realized profit: 0

Joe is winning for now but if the current downtrend continues for few more hundred pips I would double his golden opportunity by doing nothing.

I will gladly pay 112 pips everyday, everyweek for something similar.

Sincerely,

Graeme

Aug 22, 2010 1:57am

1165

pipEASY
crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)

Graeme what entry methods do you use?

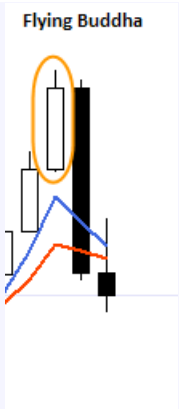
I use the very same entry methods that I use on lower timeframe in the higher timeframe.

Alot of pros recommend traders to use highter timeframe first and then move onto lower timeframe.

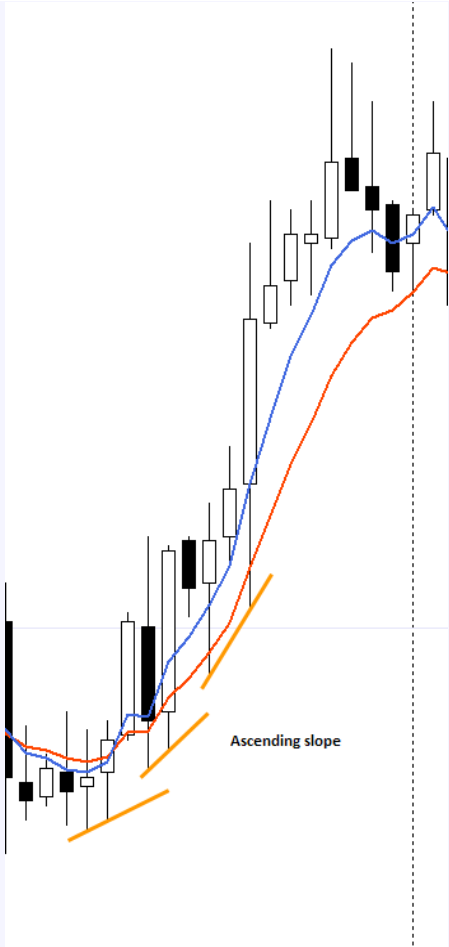
I recommend the opposite.

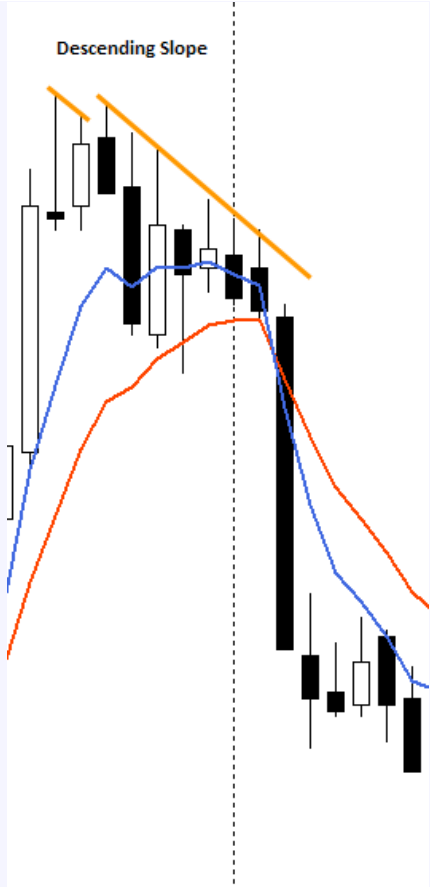
I believe that all traders have alot of unnecessary fear. To overcome this fear I believe all starting traders need to experience some pain purposefully. Pain on the shorter timeframe equates to smaller losses. Pain on the higher timeframe is big drawdowns.

1. Low risk setups; flying buddhas, inside bars, pennants.



2. Price action; wick interpretation, price pattern





 Quote

Aug 22, 2010 1:58am

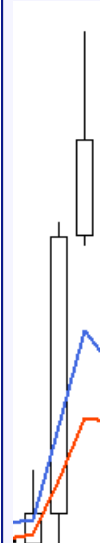
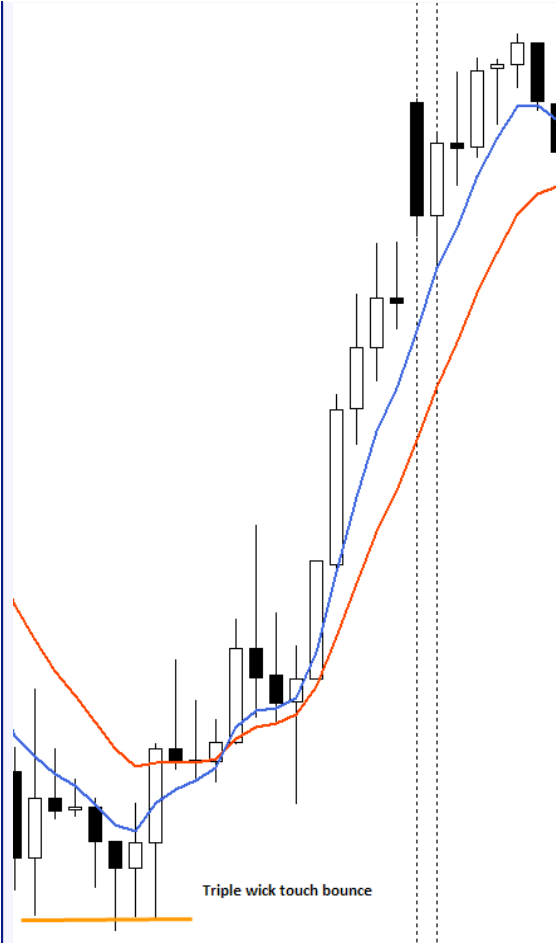
#1166

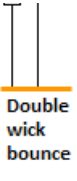


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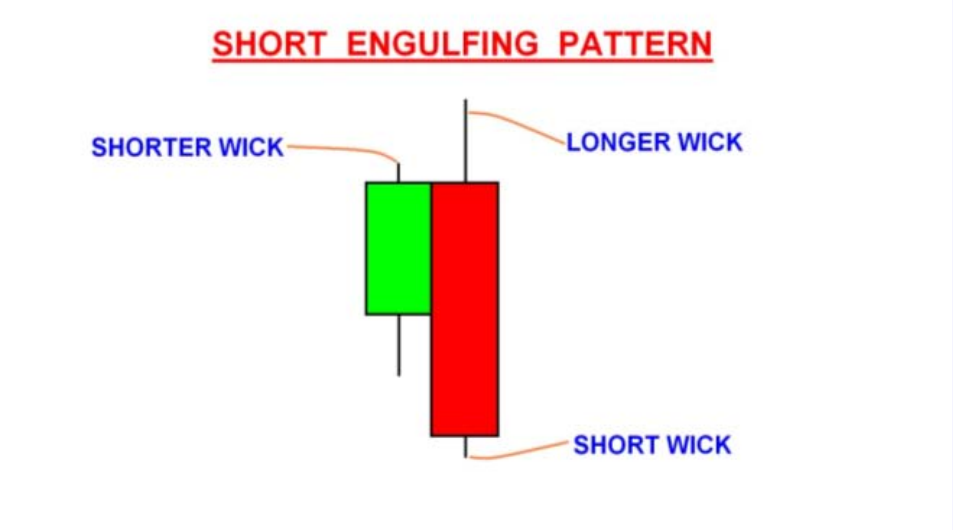




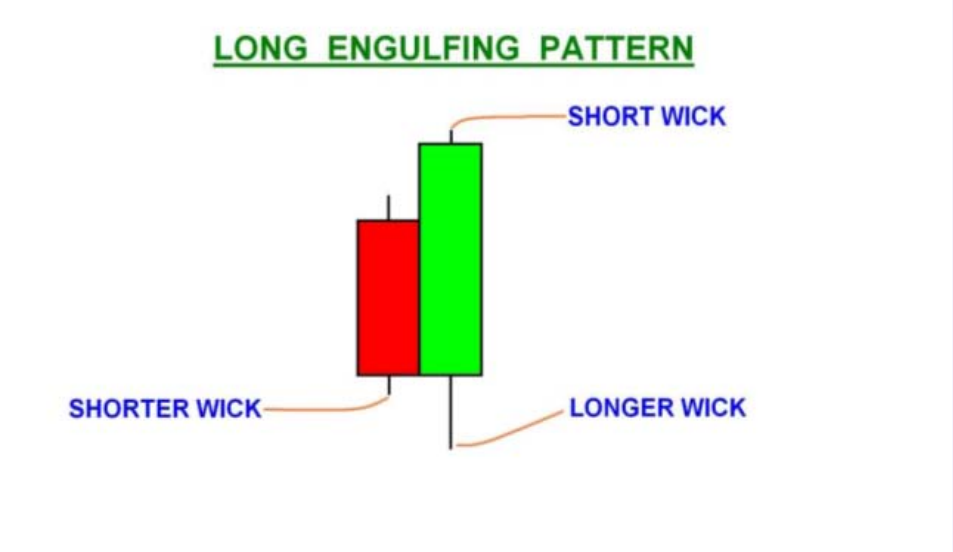


Price pattern at .00, outer limits of bollinger band, 50% fib of major weekly/daily trend

For Short



For Long



Aug 22, 2010 2:13am

#1167



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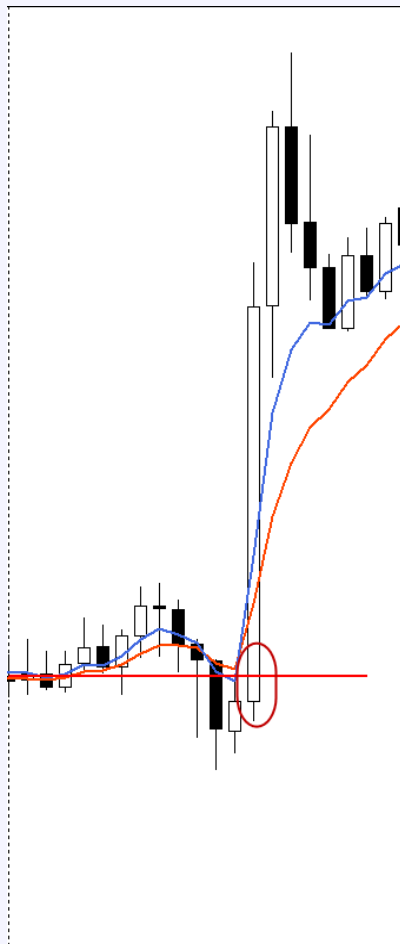
10+V 760 Posts



3. I look for volatility breakouts all the time.

- a. Open price of the day
- b. .00 and .50
- c. Continuation breakout

Open price volatility breakout



.00 breakout



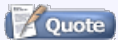
Continuation breakout



Best advice I can give the starting trader is to experience a few dozen small losses on shorter timeframe and once you taste the success you will know that small losses/drawdowns are inevitable and necessary for the bigger cause. Once you can really get your emotion under control then you would move to higher timeframe with bigger losses and drawdowns but doesnt effect you mentally.

Sincerely,

Graeme



Aug 22, 2010 2:31am #1168



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Member Since Dec 2009
10+V 760 Posts



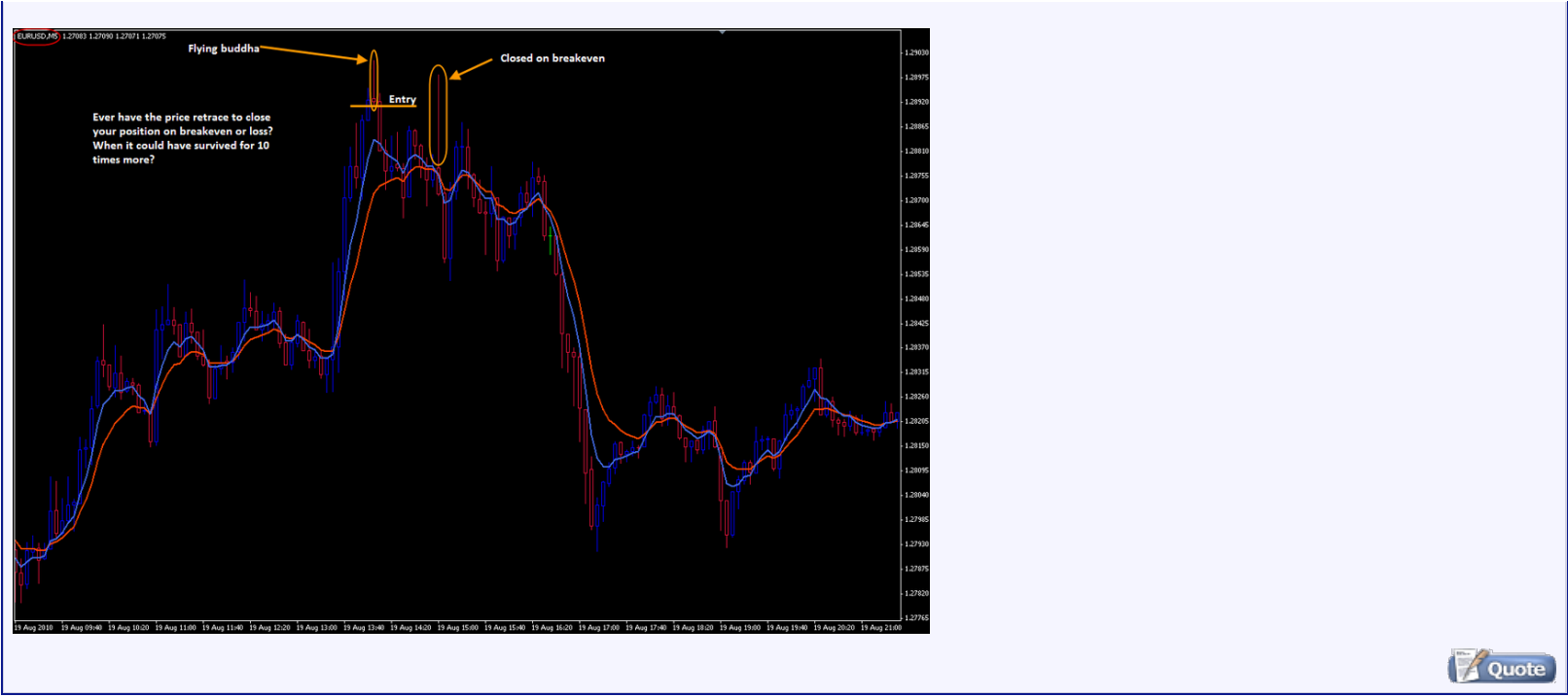
Today I would like to show you another way to manage your positions on the lower timeframe.

I have used this method for some time and works well.

It helps with emotional control + managing stacks of positions + allows to keep larger leg for bigger growth

Does your positions on lower timeframe die when it could have been a golden win?

Does this look familiar?



Aug 22, 2010 2:34am

1169



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Member Since Dec 2009
10+y 760 Posts

Another common scenario. Agree?



Aug 22, 2010 2:44am

1171

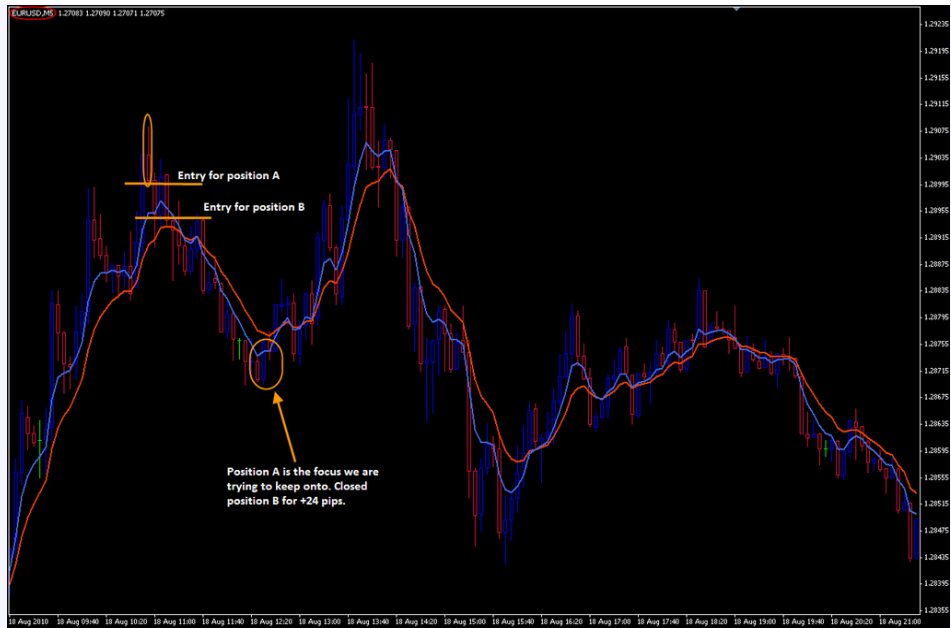


pipEASY
crede quod habes, et habes

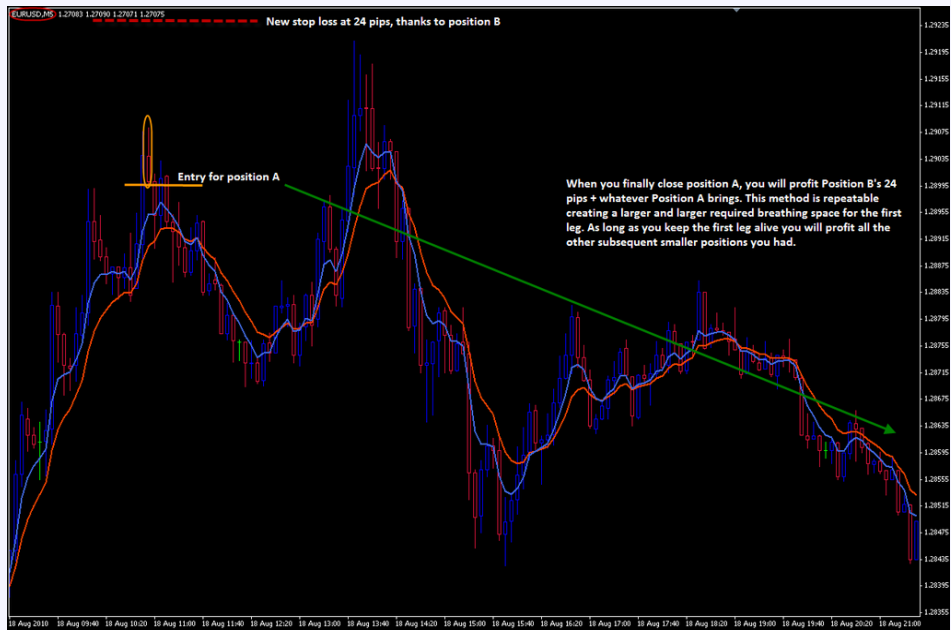
Member Since Dec 2009
10+y 760 Posts

Watch carefully please.

Did you know stop losses can also be a benefit?



So you banked +24 pips from position B. **This is where I use this 24 pips to my advantage and add it into position A as the stop loss.** If the stop loss is hit then 1 position is lost for 2 positions. If price doesnt hit the stop loss you have captured position B for 24 pips + gave position A the chance to run homerun. Can you see this??





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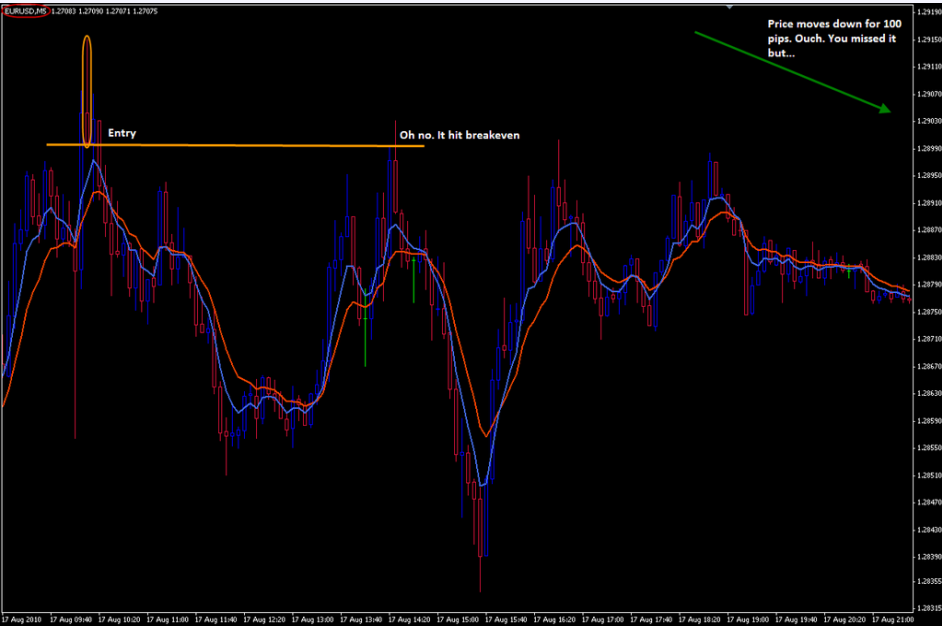
10+V760 Posts



And this method is bendable to anyway you like.

You can focus on your initial position and once price is far away you can start it again and again. It is repeatable. Risk:Reward is always on your side as you are risking 1 position for the profit of 2 positions. The more you add into it, you still only risk 1 position but now profiting from more than 2 positions.

Another common scenario. Agree?





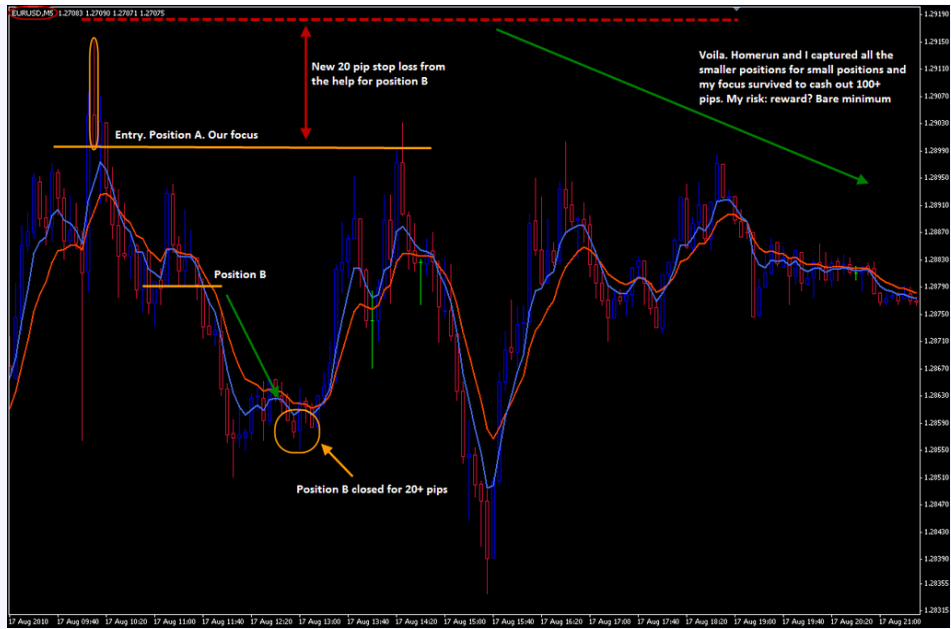


pipEASY
crede quod habes, et habes

Aug 22, 2010 2:55am

Member Since Dec 200910+V760 Posts# 1173





Aug 22, 2010 3:02am

1174



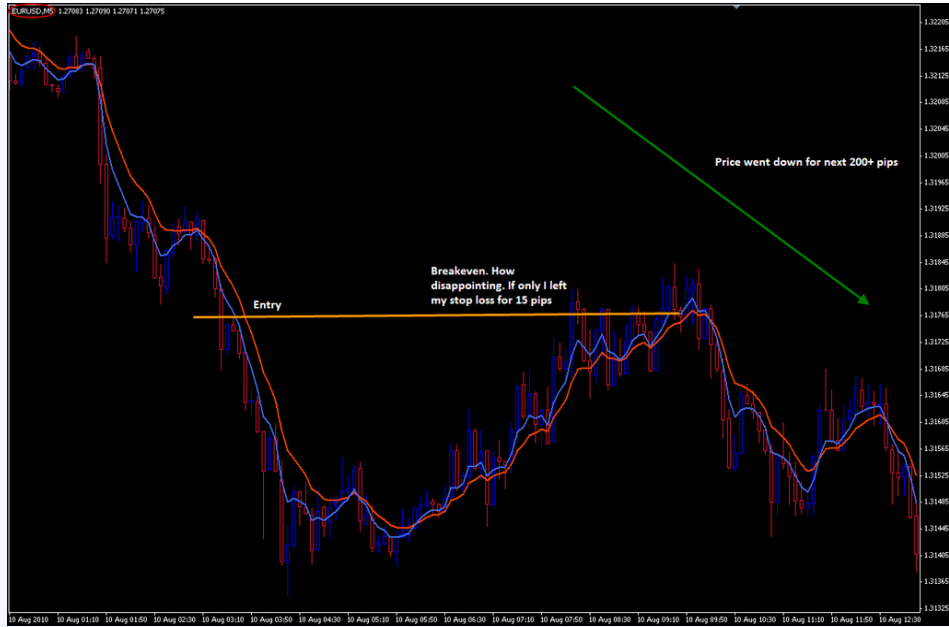
pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

You would be amazed how a small 10 pip help from your subsequent position could have helped. Not all the times but enough times.

The risk:reward is always in your favour and you are capturing all the small positions if the focus position survives. Even if the focused position dies you will lose nothing or 1 position.

Hope this position management helps.



Aug 22, 2010 3:49am

1177



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crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

Quote:

Originally Posted by **Bakuli**
Thanks Graeme for showing another approach to position management. One of the approaches I use, when trading the 5 mins TF, is taking off 50% of my initial position when I reach +20 and then leaving the remaining 50% at -20 sl, which gives that position more breathing space but also a breakeven trade should price reverse on it. The flipside to it is that my position has been "diluted" so any runs captured would also be 50% less. I like the approach you just showed as it adds on to the value of the focus position if it survives. The risk to reward...

My pleasure, Bak

You will find the above position management will help your emotional control as well.

Good evening all

Sincerely,

Graeme



Aug 22, 2010 6:32pm

1186

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Member Since Dec 2009
10+V 760 Posts



Good morning, all

Thank you for the kind compliments. It makes my efforts worthwhile.

The position management above is used by many. I have used it in the earlier days of trading. The benefit is quiet simple:

1. You are risking much less for greater reward so the r:r is always in your favour
2. If the focus position dies, you lose nothing or 1 position
3. If the focus position lives until you close with profit then you take profit on all the smaller position you added into its stop loss + the profit of the focus
4. It gives the focus position a much greater survivability
5. You can do this any timeframe and you will be capturing short bursts of profit and the short term growth of the focus position
6. It is repeatable in any way you like

Sorry to address all in one single post again

cameron1st - Yes, alot of traders open 2 positions. For the slight increase in risk you would be looking at slight increase in profit. On 5 minute timeframe I recommend just opening 1 position at a time as the random fluctuation of 5 minute timeframe whipsaws alot. On the higher timeframe, opening 2 positions at the same time is more viable. Correct, once the price moves away from the focus position by alot then you would move the stop loss to breakeven which captures the profit of the smaller positions that were helping out.

Bak - thank you, Lee

Ray - Fantastic results. Soon you wont even notice that you were up 1000 pips but now only 250. 1000 pips wont even get you out of bed anymore as you know that the market offers more for the resilient. Keep it up, Ray

George - Correct. Less risk for potential bigger profits. Im sure you have methods that you use to filter any bad trades as entries only from .00 with hard stop loss at 100 will cause a large drawdown. Im just saying this as I have genuine interest in your trading and hope you take no offence. I understand we have work committments however just adding the smallest touch to your current trading will work wonders. May I ask what this small touch could be?

Starvin4pips - Greatly appreciated. Thank you

pip_daddy - Also a warm thank you

flyer415 - Very true. A very small sacrifice that could turn the whole battle into our favour. How many times did we get stopped out by 2 pips for the price to move our way for 200+? Plenty.

Dear all,

You can use the position management much more than the shown.

One of the key notes I would like to address is when you see that focus position is correct and now growing larger. Add positions to double, treble your profit.

When market is in one of those dark moods and ranges. Runaway or be willing to give one position as a maintenance fee.

When market pays out, make sure you always take more than you gave to him.

Just with this mentality, you are already ahead of the rest of the group.

Good day to all

Sincerely,

Graeme



Aug 22, 2010 7:25pm

1188



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo** 
*Morning Graeme,
Can I ask a question? I was wondering if you ever take a small gamble of sorts and try and get right on the tip of a four hr wick? I have shown what I mean in the chart below. It seems to me the best place to go short is as soon as the price hits the previous 4hr candle high. This way you can enter with very small risk and have your trade right on the apex of the retrace. If the price pushes through this resistance and takes you out then it wasn't to be and you can maybe try again if there is a breakout later on? It is something...*

Good question Ben

Yes, I will always anticipate what might happen.

I would normally watch price action at such areas. If its a bounce and retrace then I would enter with the flow early and place stop loss above the area. If the area breakout with momentum then I will follow the flow and enter a buy with stop loss below the area.

This also works for yesterdays high/low, daily open, and .00

It happens everywhere.

Edit: Most important thing is never to re-attempt more than 1. We are looking for trades that goes to profit with one attempt. And when the first attempt works out, we would stack until the first loss and then stop. But this is at everyones personal risk tolerance.

Sincerely,

Graeme



Aug 22, 2010 9:03pm

1190



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Member Since Dec 2009

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Quote:

Originally Posted by **fguru** 
*Hi Graeme,

I want to thank you very much for this wonderful thread and your great support.

I see a Flying Buddha on USD/CAD H4 time frame. Checking lower time frames like M30 I see there could probably be a breakout at 1.0470. Do you think this is worth watching?
Your comment would be very much appreciated.*

Good morning, fguru

Flying buddhas are always worth watching.

Consider the tip of the upper wick of the flying buddhas a strong resistance. If price closes above it then it failed. If price closes below the flying buddha then the chances are on your side.

We can only participate with low risk and see how it plays out.

If it doesnt work out, we lose 1 position
If it does work out, we stack positions until the opportunity is over which could be few hours later, few days later, or weeks.

We will never know by sitting on the sideline and just speculating. We have to participate at low risk entry.


Your profit/growth starts from your participation.

You have clearly marked s/r on 1hr/30min. The key to successful breakouts is in the volatility.

"we are interested in breakouts that never retrace back to its entry"


Sincerely,

Graeme



Aug 23, 2010 1:02am


1195



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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **leggo**

*Hi Fguru,
I am watching this too, 3 FB's on 4hr and counting. On my feed the last 3 wicks have a nice downward slope as Graeme discussed a few posts back. Could be one to watch.
Thanks,
Ben*

Good observation, Fguru and Ben

Notice the slight decrease in slope which is a hint.

Top of the wick of the tallest flying buddha still holding resistance.

I would be very interested to what happens 'after' this range.

Current 4hour candle is below the range, but its important to close below it and not retrace up.

Not a volatile breakout but if you had a position at 50% fib of the tallest flying buddha candle, you are participating well.

See how you are participating on a small risk, approximately less than 20 pips for something that could yield so much more if it happens.

Once the momentum picks up and drives the price further down, zoom in and stack till the opportunity is over. It could end in few hours or few days.

20 pips for the potential of unlimited profit. Perfect risk:reward and definitely worth a position for.

It is also a psychological assurance to see that to break the flying buddha upwards, price needs to pierce 1.05000.

Volatile breakout to the north or the south?


For now, its south. The only thing that worries me is that there are no momentum after the flying buddha. Im interested in volatile movement after a flying buddha. Anything else is a stall.

Willf - I use to use 1,2,3 however noticed that what I do now is very similar to what could be done when using 1,2,3 more or less. If it works for you then please keep to it but remember to stretch out your profits when the opportunity does arise.

swingman - thank you for the continued contribution.

Sincerely,

Graeme

Quote


Aug 23, 2010 1:13am # 1196



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Member Since Dec 2009
 [760 Posts](#)



At the moment Im focusing on gbp/usd 5min.

Triple wick bounce @ 1.55720

I prefer these type of high probability low risk entries.

My entry is at sell 1.55670 & stop loss is at 1.55760. Just over 10 pips for something spectacular.

Im also interested in adding more positions into eur/usd this week and was anticipating an upward retrace.

Only low risk entry I took notice was few hours ago on 5min chart of a flying buddha @ 1.27210. I entered and stop loss above it @ 1.27260. Risking less than 10 pips for something that would be huge if the price continues the downtrend of the last 2 weeks. If this position is successful then it would be on the upper wick of the down weekly candle at the end of this week.


So at the moment just over 22 pips is on risk at the moment. But can you see that if any hits that would be at least few hundred for me + the opportunity to keep larger legs in my millipede.

All the above is slightly different to what I mainly do in position building but Im participating into this thread and doing what all traders should be doing for now. Which is low risk entries for infinity yield.

For now, Im prodding here and there

Sincerely,

Graeme


Quote

Aug 23, 2010 1:52am # 1197



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Member Since Dec 2009
 [760 Posts](#)

Just an update:

gbp/usd 5min is now well into my intended direction. Stop loss moved to BE and another position added into 1.55600. Good compelling momentum at the moment.

eur/usd 5min is now well into my intended direction. Price now dropping back to open price of the day. Another position at 1.27100 and initial position also moved to breakeven. Good momentum pierced daily open line.

Can traders see what Im doing?

Sincerely,

Graeme

Aug 23, 2010 1:59am

1199

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10+

760 Posts

The more price moves towards the intended direction the bigger my potential profit but the **same small risk.**

I can do this everyday, everyweek.

If price reverts back to its entry I lose nothing.

Will I feel disappointed? Absolutely not. Do I feel excited? Absolutely not

Why?

Cause I know **inevitably** market will take notice of my efforts and give me a great golden opportunity where price does move few hundred pips easily.

Does all traders know the secret to ema??

Price always comes back to ema.... whether it is 5ema or 200ema.

Im sure many traders know this little trick but do they implement it?

Unfortunately not

Traders are looking for crossovers for entries, meanwhile I look for direction.

Sincerely,

Graeme

Aug 23, 2010 2:01am

1201


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Member Since Dec 2009

10+

760 Posts



Quote:

Originally Posted by **geoffrod** 

hi graeme/leggo

i have been watching this one for a little while myself, waiting for it to show its hand.

either way i will be going with the flow

cheers

geoff


Very nice 1ema line chart.


Yes, I use 1ema line charts all the time.

It gives very accurate market sentiments.


Sincerely,

Graeme





 Aug 23, 2010 2:18am

1203



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Member Since Dec 2009
 760 Posts



Update:

4 positions closed.

2 at breakeven, 2 @ -6, -8 pips.

I paid 14 pips for the chance of so much more with 4 positions. I will do this over and over again. Average loss per position is just about 4 pips.

Wouldnt you pay 4 pips for every good setup?

There should be no hesitation in your answer. It is a definitive yes.


Eurusd had a perfect pin bar which was also a flying buddha 20 minutes ago on 5min chart indicating up.


For the traders who missed the opportunity I took but took the opportunity that was just now on eur/usd, you will be already 20 pips up and stacking.

See how all traders are different. I miss what someone else takes and I take what someone else misses. At the end of the day we still meet at the final door of profits.

Sincerely,


Graeme






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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by **leggo** 

*Hi Graeme,
So what your saying is the further the flying buddah is away from the ema the better because by the time the price gets back to the ema(which it always does) you are in profit??*

*Regards
Ben*

Good question, Ben

Not better or worse per se. However, I prefer the actual flying buddha to have a smaller range from top of the upper wick to the very bottom of the lower wick.

Why?

This would be a tighter entry with smaller hard stop loss


I remember a perfect inside bar which was 14 pips on 1hr chart in total range which worked out to a 200+ pip movement after.


I do not overlook larger flying buddhas/inside bars/pin bars however, I would prefer tighter entry and usually wait for the price to slightly retrace for my entry to have a tighter entry.

This is what I mean by tighter entry.

Sincerely,


Graeme

Quote




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



Aug 23, 2010 3:46am #1208

Quote:

Originally Posted by **paul1** 

*Hello,everyone.
Pipeasy,Thankyou from me and my family.
I'am 44yrs old with a wife and 3 children.
My business in consruction collapsed in 2008 due to recession.
I've always had an interest in money markets but didnt think it was possible for someone like me to participate.
And also while my construction business was alive I would never have got the time to devote to deep study of this business.
I would love to find success in this,because I
would be doing something I love and find very satisfying.*

Over a period of six months I've been demo trading...

Good evening, Paul1

Thank you for sharing your experience with us. I read your post twice before typing this reply.

Im sorry to hear your loss. I sincerely hope that you find the success you seek in the markets.

I too experienced a failure in a business venture fortunately early in my life. However, it is this failure that has kept my spirit stronger and my motivation greater.

Also would like to say thank you to miracle16 for his compliment and all others for their kind and loving support.

I sincerely hope that all traders do achieve what they are looking for in the markets. We do not need to be anti-competitive in the markets as there is no need to. There is abundance of wealth to be made for the willing that is almost everlasting and without limits.

It wouldnt be a bluff to say that anyone with a sensible approach will/can efficiently create an extraordinary source of wealth from the markets.

Once again thank you all.

Sincerely,

Graeme



Aug 23, 2010 6:08am

1211



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **paul1**
*Entry eur/usd 1.2710 now at be.(short)
previous attempt stopped out at b.e.
I would previously took profits on these 2 on first sign of reverse.
But am sticking to your method of getting to be even.*

Perfect.

You took the entry on flying buddha which was a breakout to below. I missed the flying buddha you took.

I have 2 positions from 1.27262 from 5min chart. Entered with hard stop loss @ 1.27320, risking 8 pip each position. Both positions @ +30 pips each. The area had 4 long wicks and I was prepared to anticipate another wick bounce. If not, I lose very small for something great once again.

I took 2 positions @ 133.120 on gbp/jpy 5min chart. Hard stop loss just above flying buddha @ 133.36. Risking 28 pips each position. Flying buddha also near high of today's. Current price at 132.630 making both positions @ +47 pips each.

With jpy crosses you need to be extra careful and tighter entries when possible.

Tighter entries are simply smaller tighter hard stop losses.

You can be slightly aggressive and enter immediately after a flying buddha or be conservative and wait for the next candle to retrace a little making your hard stop loss smaller.

While I took gbp/jpy, I flicked chart to usd/chf to notice a row of 3 flying buddhas on the 5min chart. Each flying buddhas had long lower wick which hints a struggle of sellers to push it down. 1.03055 was my entry with 3 buy positions and hard stop loss at 1.02980, risking 9 pips per position. Currently price is at 1.03420, +37 pips per position.

Can everyone see what I do?

I normally wont trade this many entries on 5min charts as I use higher timeframe as I aim for bigger goals. Im doing this for the benefit of all readers.

But what I do on lower timeframe is exactly the same as higher timeframe. The reason why I suggest all traders to start on 5min chart is that your drawdowns are only few pips. Once you emotionally get over the fact that small losses are part of winning then you can apply this mentality on higher timeframe with the same principal but obviously with bigger losses/drawdowns but much bigger profits.

Everything I do on 5min chart is done on 4hr, daily, weekly.

I took 11 entries today at the higher probability setups.

2 breakevens, 2 losses totalling -14pips.

7 positions roughly +260 pips and counting. All 7 positions stop loss are moved to breakeven.

If I close out now my risk:reward for today is 1:18. See how I calculate my risk:reward at end of the day and not pre-defined when I enter?

But I do not necessary want 1:18. I know the market is offering more if I persist even further.

Are you doing similar to what im doing?

Sincerely,

Graeme



Aug 23, 2010 6:10am

1212



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **paul1**
put order to stack 2 at 1.2680 (short if it gets there)

Paul1

Your doing well. May I suggest that you shouldnt forecast in terms of price.

Please do not condition your trading habits to tell you that you should enter @ 1.2680 if price gets there. Market will disappoint you more than you prefer.

The required mentality is that you should be entering buy/sell at what is happening at the moment.

Sincerely,

Graeme




Aug 23, 2010 6:24am

1213


pipEASY

Member Since Dec 2009

10+V 760 Posts



crede quod habes, et habes



update:


eur/usd closed below 1.27000 after a longish looking flying buddha. Double wick bounce. Buyers cannot seem to control the sellers for now. This is ideal sell opportunity but I would like to see a tighter entry

gbp/aud is a homerun tonight and including myself I missed it sadly. Triple wick bounce just below daily open which was also high of the day. The biggest tell tale sign was at the 2nd 5min candle when uk session opened. Dark, bold and commanding. Very easy pair that should have been taken advantage of with many opportunities for stacks of position with tight entries.

All traders need to keep flicking charts and look for 'better' opportunities.


Sincerely,

Graeme



Aug 23, 2010 6:27am


1215



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Member Since Dec 2009
10+
760 Posts




update:

eur/usd 5min chart. Long bold up candle completely engulfing previous 2 small down candles. Everyone should wait and see how far the buyers can push this up. Higher than the bold candle down after flying buddha means buyers are back and pushing price towards open price and even higher. If this current 5min candle stops around 50% of the bold down candle and then stall, that is a sell opportunity.


Sincerely,

Graeme



Aug 23, 2010 6:29am


1216



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+
760 Posts



Quote:

Originally Posted by paul1

thank you graeme i just have 1.2680 as the break below what i see as current range and 1.2730 as break above range. is it ok to have orders at these prices?

Good question,

Orders are fine however on smaller timeframes all decisions should be up to date and live on the fly.

I interpret price action just before my entries on 5min chart and use orders on higher timeframes.

However, if it works for you please perservere and enhance your current working method even further.

Sincerely,

Graeme



Aug 23, 2010 6:32am

1217



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **pipEASY**

update:

eur/usd 5min chart. Long bold up candle completely engulfing previous 2 small down candles. Everyone should wait and see how far the buyers can push this up. Higher than the bold candle down after flying buddha means buyers are back and pushing price towards open price and even higher. If this current 5min chart stops around 50% of the bold down candle and then stall, that is a sell opportunitiy.

Sincerely,

Graeme

And boom. Volatile breakout.

if you had orders that were triggered before the current huge 5minute up candle then you have a significant loss that could have been avoided.

May I suggest that **average loss per position on 5minute chart** should not exceed 10-12 pips. This is your responsibility.

Sincerely,

Graeme



Aug 23, 2010 6:38am

1218



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Am I contributing too much into this thread?

Sometimes less is more and I feel that I have lost few readers.

Does anyone have any questions for me?



Aug 23, 2010 6:54am

1222

pipEASY

Member Since Dec 2009

10+V 760 Posts



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Quote:

Originally Posted by **leggo** 

*Hi Graeme,
From my point of view you cannot contribute enough! Every day is like been back at school. I have had a frustrating day today. I seem to be moving my stop to b.e. to soon and then get taken out. Do you have any advice on when would be a good time to move stop to b.e. on 5 min chart.
Regards,
Ben*

Good question, Ben

Im prepared to lose few pips and move stop loss when the trade is away from danger.

If price reverts as soon as I enter then I will wait for the close of the 5min candle and then close it out.

The price should never revert back to your entry and then close above if your sell position/below it if your buy position.

That is sign to close with loss.


Until the above happens I will leave the entry with no stop loss for until the move develops.

Some days are great and some days are slow. Please do not be disheartened. I know you are a bigger person and you will make it.

Sincerely,

Graeme







pipEASY
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Aug 23, 2010 6:58am

1223

Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **paul1** 

*Up to now just been ranging on eur/usd. Don't mind the b.e. stuff.
I'll try get buy an sell to break even at best price i can if thats acceptable.*

Paul1,

Please have a look at last week on eur/usd. Mon, Tues was great upward movement followed by a stall and crash south causing the completion of weekly candle as a down candle. Thurs and Fri who have made more profit then what you would have lost on mon, tues.

1.27128 is triple wick bounce on eur/usd 5min. Im expecting a flying buddha very soon and I will enter will flow.

Sincerely,

Graeme



Aug 23, 2010 7:10am

1226



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Member Since Dec 2009

10+y760 Posts



Thank you Ben and Lee

I thought maybe it was too much and more confusing than adding clarity.

I just added a sell position after the breakout down on eur/usd 1.27056 on 5min.

Triple wick bounce with breakout to south with momentum. I could have done a better entry and anticipated the wick bounce and entered closer to the top of the wick for tighter entry.

I will close this position if price comes up and closes above it.

I will think of a better and faster way to relay my thoughts to all readers who might be interested.

Sincerely,

Graeme





Aug 23, 2010 7:26am

1230



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crede quod habes, et habes

Member Since Dec 2009

10+y760 Posts



update

im out on eur/usd for -3 pips.

Price closed above my sell entry. That is a fail.

When I enter I expect momentum to the intended direction.

This places me 3 losses with total of -17 pips on eur/usd.

Graeme





Aug 23, 2010 7:30am

1231



pipEASY

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Member Since Dec 2009

10+y760 Posts



Thank you for the compliments.

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]

While we were debating on eur/usd, eur/jpy had a clear flying buddha breakout which we missed.

eur/usd is over for me for today. I will hold onto 2 positions at 1.27262 and move on.


I will flick around now and enter on other pairs live for all

Sicnerely,

Graeme



Aug 23, 2010 7:43am #1234



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Member Since Dec 2009
10+Y 760 Posts

I like aud/chf at the moment.

If price closes below 0.92666 I will enter sell


Looks like the flying buddha that played out few bars ago is still in effect.

Im entering 2 sell positions on 1.41811 of eur/aud, hard stop loss @ 1.41920.

Graeme



Aug 23, 2010 7:51am #1235



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crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts

Quote:

Originally Posted by **geoffrod**

hey graeme,
not all of us missed this

i added 3 positions to my e/j millipede,
i also added legs to my u/j as well

Excellent.

See you at the final door of profits


Graeme




Aug 23, 2010 8:20am #1241


pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts






Quote:


Originally Posted by **leggo** 
Im short on eur/chf after flying buddah and 3 wick bounce on 5min

Good. Im in now with 1.31680 with hard stop loss above the wicks. Hard stop loss at 1.31770.





Aug 23, 2010 8:21am

1242




pipEASY
crede quod habes, et habes


Member Since Dec 2009
 [760 Posts](#)



Quote:

Originally Posted by **pipEASY** 
Good. Im in now with 1.31680 with hard stop loss above the wicks. Hard stop loss at 1.31770.

Volatile breakout and we are on the wrong side. OUT



Aug 23, 2010 8:26am

1244



pipEASY
crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)




Keep moving guys.

Keep calling entries. I will try enter with everyone on all calls




Aug 23, 2010 8:29am

1245



pipEASY
crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



Im in gbp/chf buy 1.61110

eur/jpy sell 108.225



Aug 23, 2010 8:50am

1249

Member Since Dec 2009



pipEASY
crede quod habes, et habes

10+Y760 Posts



Quote:

Originally Posted by **leggo** 
OUT -6 pips. Starting to make sloppy entries now just for the sake of it!! Going to bed good luck everyone.
Regards,
Ben

Ben

chf/jpy buy position is correct

Double wick bounce, flying buddha and up candle engulfing previous downcandle.

This is a good trade, Ben.

I know you are not upset but you are doing everything correct and taking best setups.


Im in this one too with you.

If this good setup doesnt work out I will call it a day as well.

Graeme


Quote

Aug 23, 2010 8:52am# 1250




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Member Since Dec 200910+Y760 Posts



Quote:

Originally Posted by **@mel** 
Hi Graeme,

May I ask if you enter the eur/jpy based on a FB? Because I don't have a FB around 108.225 on my chart. Maybe this is because we are using a different broker with different time zones...?

Thanks
Mel


Hi Mel

I took it after the previous buddha and then a engulfing pattern after the up candle.

That position just died on BE. I was hoping the price would pierce S1 but stalled.


Sincerely,

Graeme

Quote

Aug 23, 2010 12:12pm

1258



pipEASY

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Member Since Dec 2009

10+V 760 Posts

Good evening, all

I couldnt sleep well knowing that I have unfinished my previous task of today.

I spent a good uk session entering trades live with fellow participants. I felt what they felt and it concerns me to a degree.

It is all part of healthy learning and that is the whole purpose Im dedicating my efforts here.

First I will reply some posts,

miracle16- I will answer your question together in a chart now.

ozziedave- perfect. Wick interpretation is spot on, tight entry with perfect looking flying buddha. This should most likely made you alot of profits

pip_daddy- good question and I will answer in my next chart

Quote

Aug 23, 2010 12:23pm

1260



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Member Since Dec 2009

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First of all.

Tight entries.

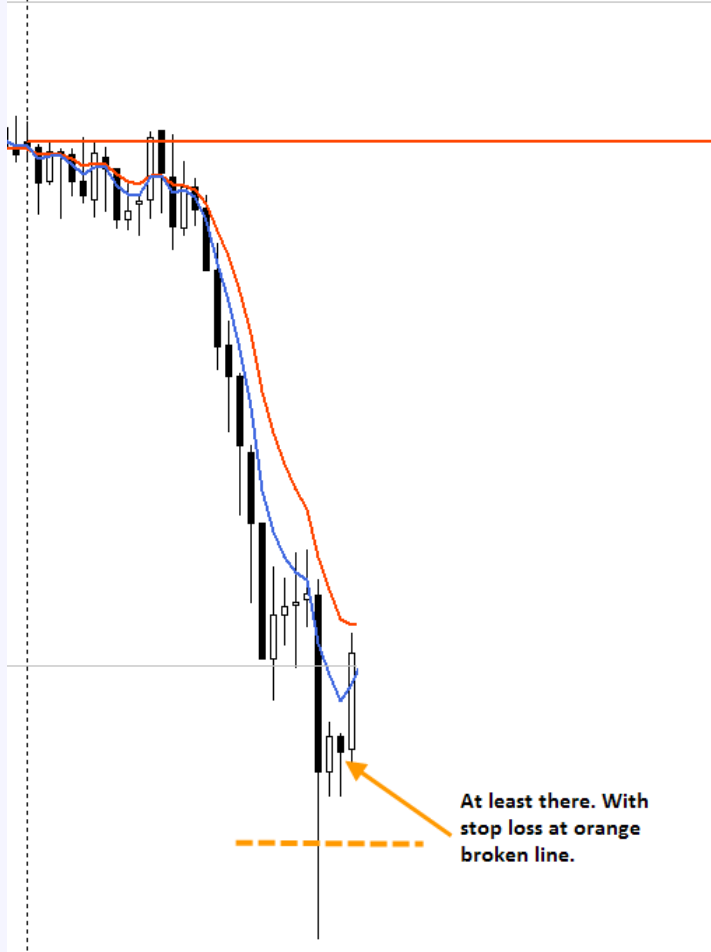
What is a tight entry?

Tight entry is when you spend or anticipate to spend less than the required hard stop loss.

Where would you enter?









Aug 23, 2010 12:34pm

#1262

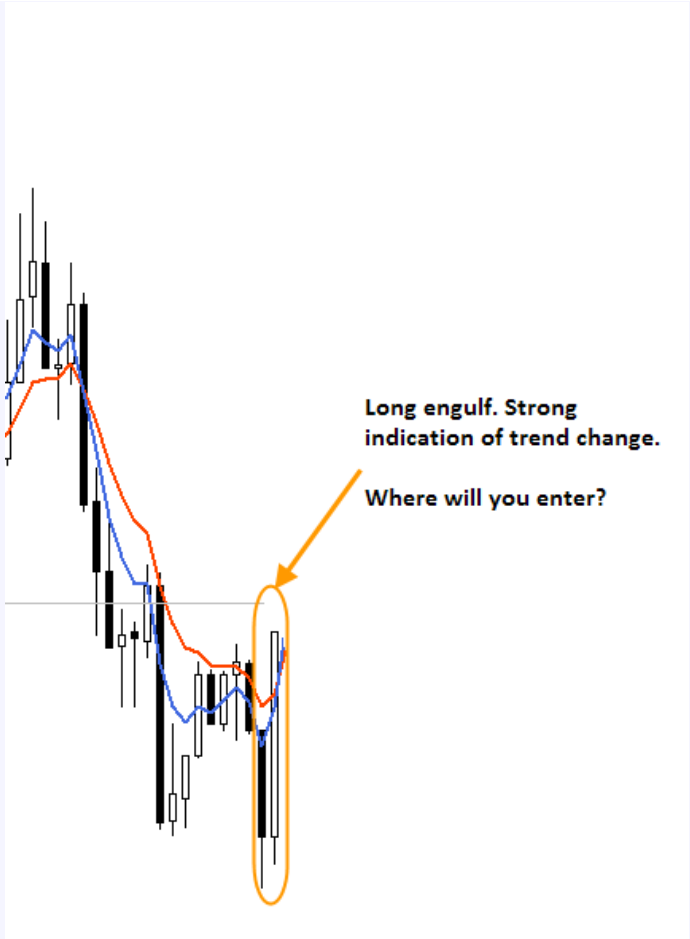


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Member Since Dec 2009
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Another example of what you might be currently doing





Movements like this should be avoided if you missed it. Dont try to enter movement like this after it happened. Its too late and your leaving too much for stop loss.

Watch next charts



Aug 23, 2010 12:46pm

1263

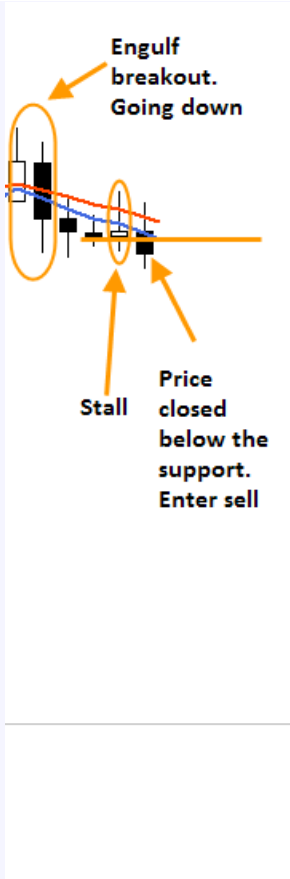


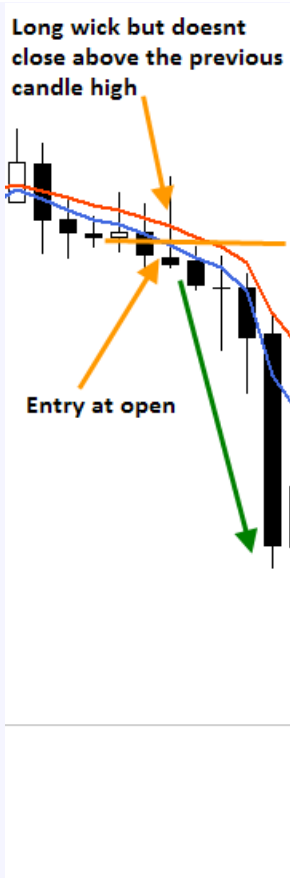
pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+ W 760 Posts

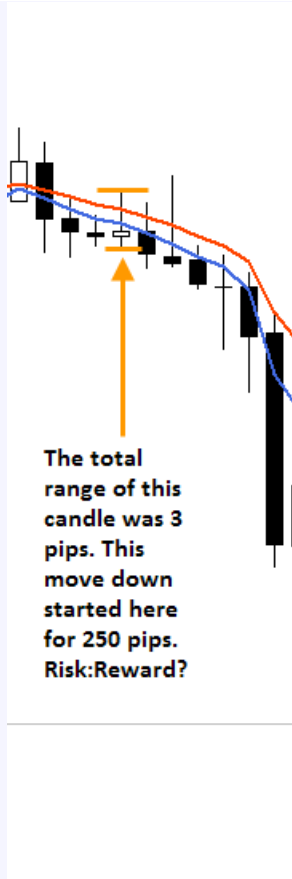


Risking less and less is always better. This is exampe of the best tight entry I have performed.





Total risk was 3 pips



Aug 23, 2010 12:55pm

1264



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Member Since Dec 2009
10+y [760 Posts](#)

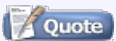


Another one









Aug 23, 2010 1:07pm

1266



pipEASY

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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

 Quote

Aug 23, 2010 1:11pm

1267



pipEASY
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Member Since Dec 2009
10+Y 760 Posts



Quote:

Originally Posted by paul1 
Are these on 5 minute chart graeme ?


Yes they are zoomed in 5minute chart.

Graeme

 Quote


Aug 23, 2010 10:00pm

1302



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



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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Member Since Dec 2009

10+V 760 Posts



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



pipEASY

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Member Since Dec 2009

10+

760 Posts



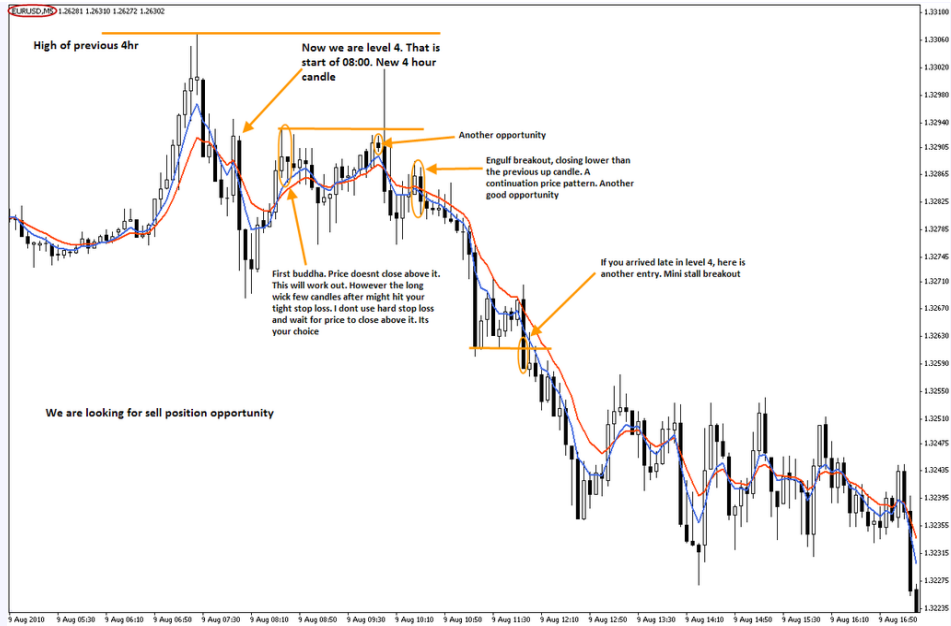


Now I zoom into next level down. Level 1. Has anyone seen the movie inception?



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.





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



Aug 23, 2010 10:48pm

1306



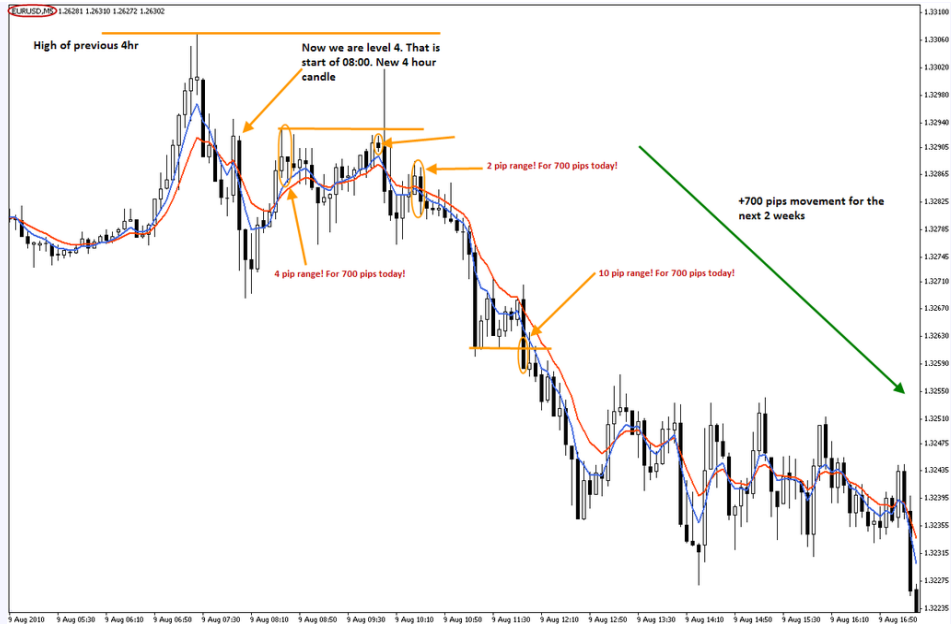
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Member Since Dec 2009
10+V 760 Posts



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).

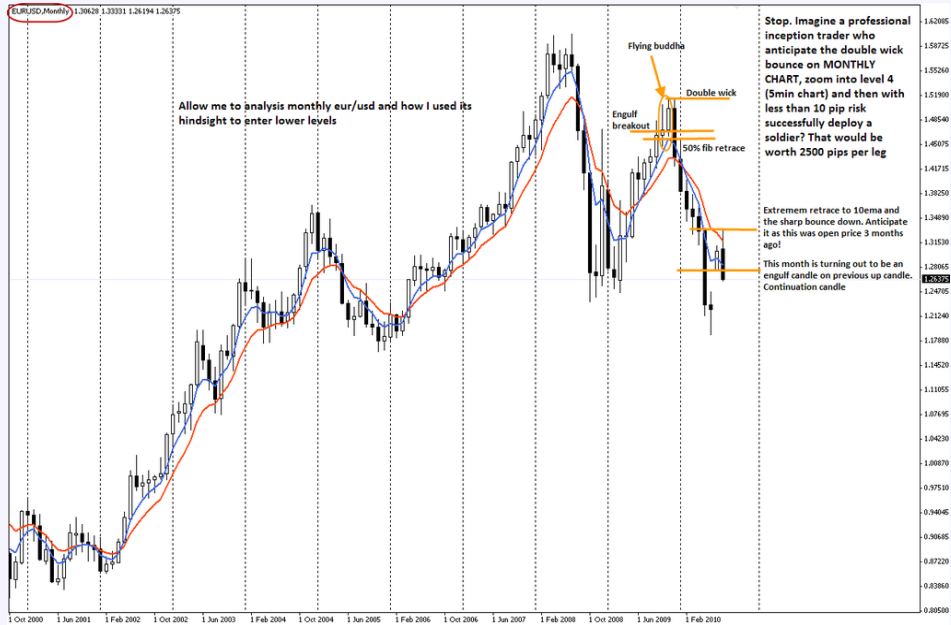
The more you enter levels the less you are risking for a higher profit but more smaller losses.



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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Member Since Dec 2009

10+V 760 Posts



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 opportunitiy. **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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+ 760 Posts



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 doesnt 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 ofcourse 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

Quote

Aug 24, 2010 2:31am

1322



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

760 Posts



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

Quote

Aug 24, 2010 2:40am

1323




pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

760 Posts



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

Quote

Aug 24, 2010 7:00pm

1348



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y

 760 Posts



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



crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



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



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Thank you Traderray.

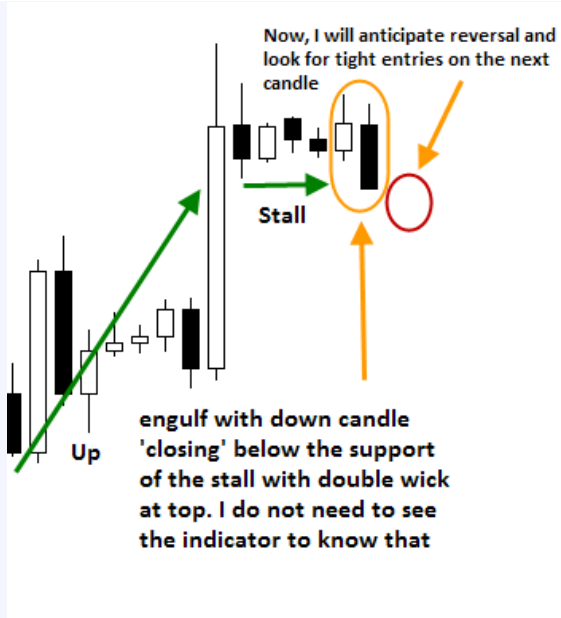
Your question is related to one of the topics I will touch on before this weekend. It is about using opposite signalling hindsight on different higher timeframe to our benefit on the lower timeframe.

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..

Last edited by pipEASY, Aug 26, 2010 2:02am

Aug 25, 2010 10:34pm

1383



pipEASY

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Member Since Dec 2009

10+y 760 Posts



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

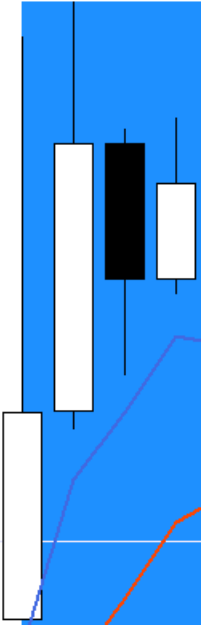
10+y 760 Posts

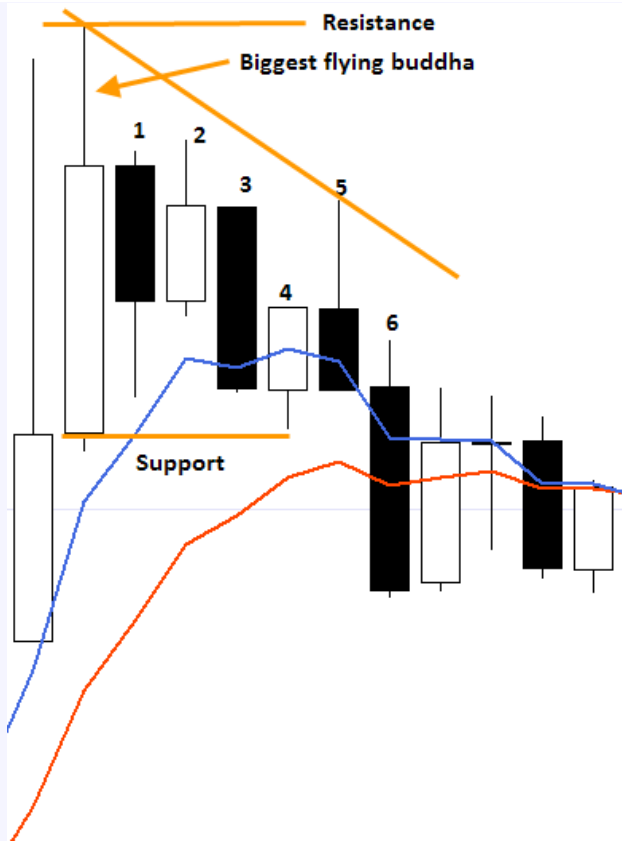


uk session opens.

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



pipEASY

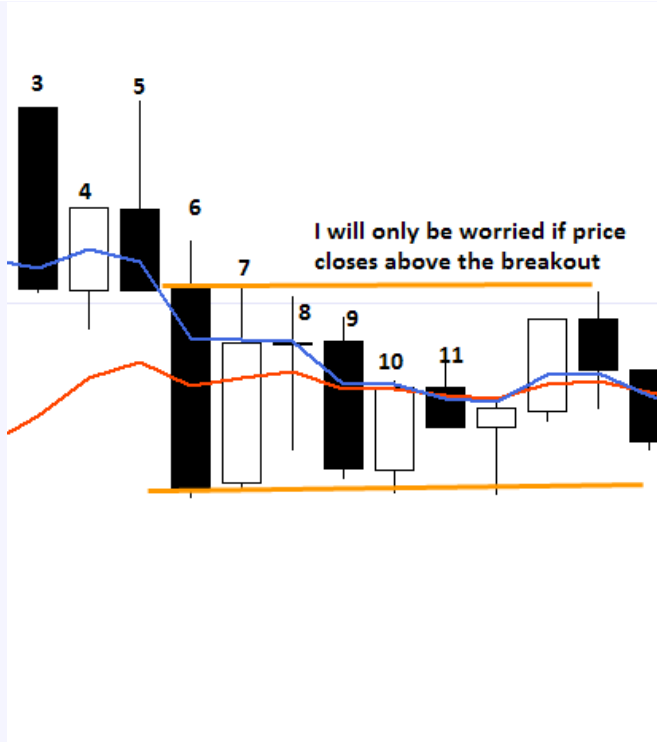
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Member Since Dec 2009

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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..)



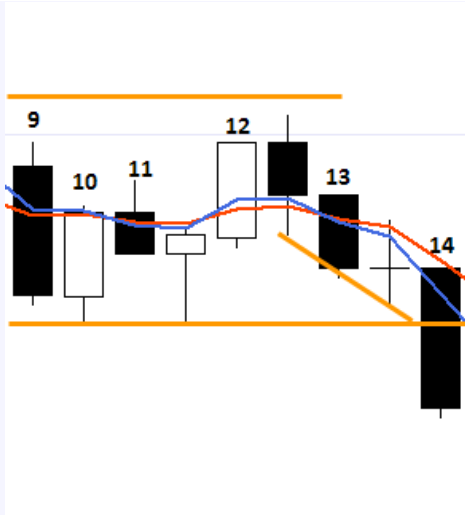
7. I do not want to enter at open of this candle as the stop loss is larger than what I think is required. However, yesterday I did (we will come to this later and the reason I entered sell at the open of candle 7 is because I had hindsight from higher timeframe). Price retraces past 50% of previous 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 uppoer 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



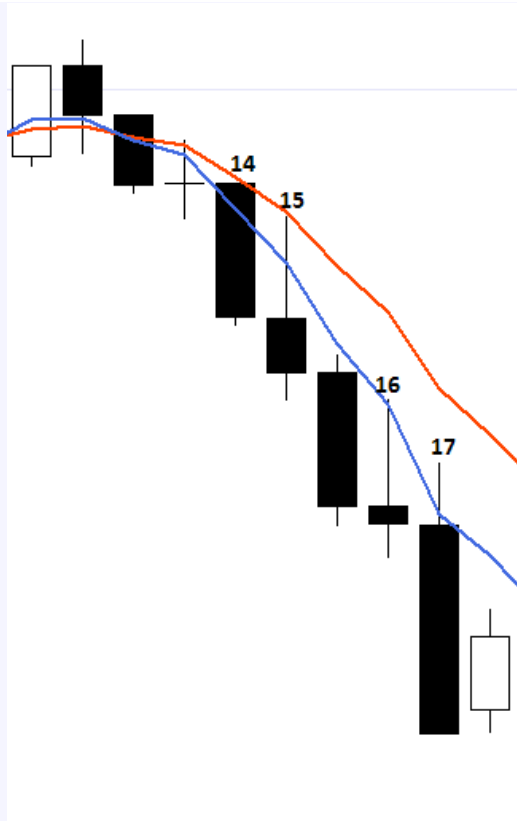
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Member Since Dec 2009

10+V

[760 Posts](#)



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 uppper 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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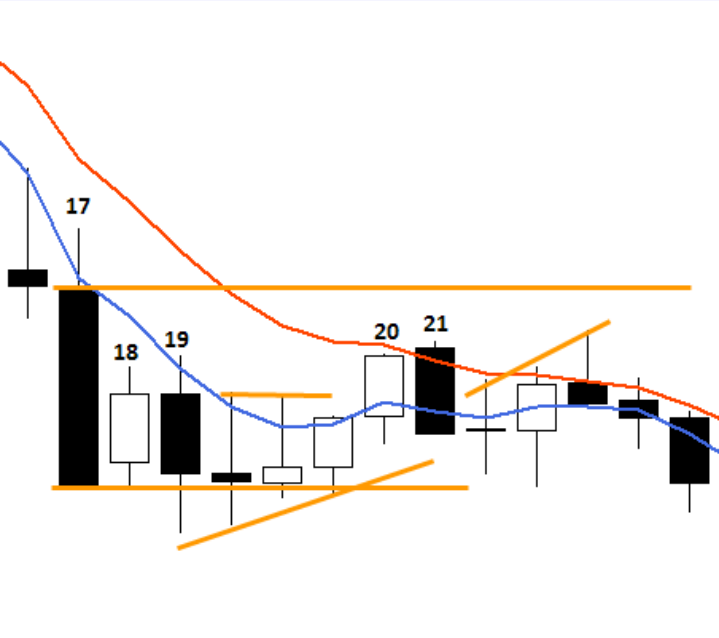
Member Since Dec 2009

10+Y 760 Posts



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



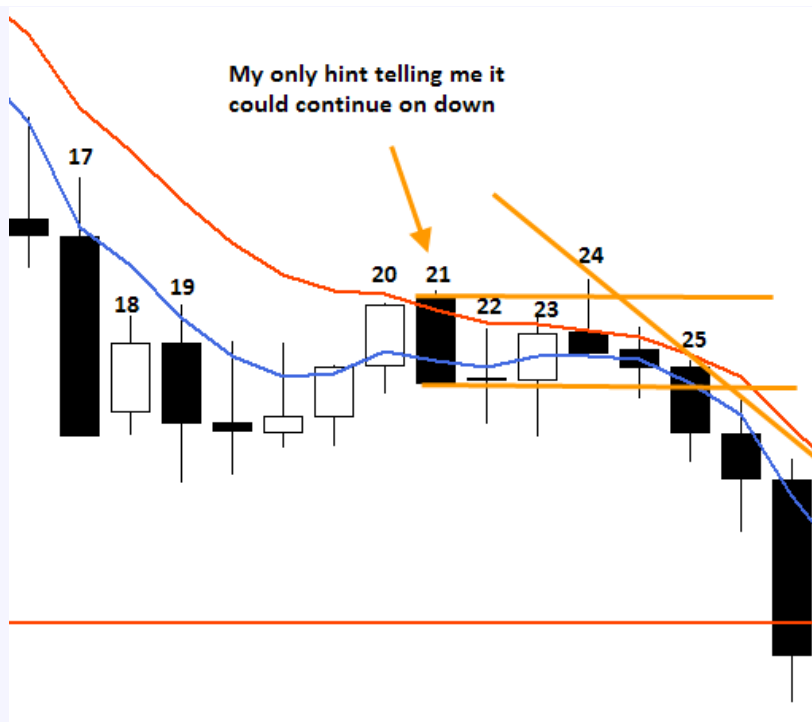
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Candle 21 is hinting a continuation. This is a good sign but I need more info. I will be extra tight and draw a s/r lines on this candle. I dont want to see price closing above this engulf pattern.

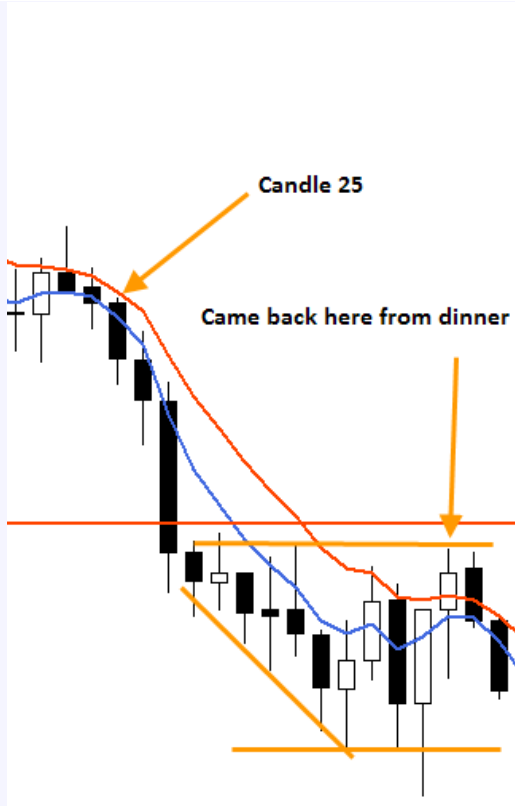
22, 23, 24. Stuck in another mini range in between candle 21. Not a good sign but not a bad sign either. Upper wick of candle 24 breaches resistance but does not close above it. Good.

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



pipEASY
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Member Since Dec 2009
10+V 760 Posts



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



1396

pipEASY

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Member Since Dec 2009

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




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



eur/usd OUT.

Clear volatile breakout upwards.



Aug 26, 2010 5:19am

1424



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Member Since Dec 2009

10+V 760 Posts



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



pipEASY

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Member Since Dec 2009

10+V 760 Posts



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




# 1430



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts

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, Dongsky

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

Thank you for the compliments.

Tradestar - Thank you. Alot 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




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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



pipEASY

crede quod habes, et habes

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




pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y

 760 Posts



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/occurence 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




pipEASY

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Member Since Dec 2009

10+Y

 760 Posts



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



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



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



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



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





pipEASY

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Member Since Dec 2009

10+V 760 Posts



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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Member Since Dec 2009

10+Y 760 Posts



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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Member Since Dec 2009

10+Y 760 Posts



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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Member Since Dec 2009

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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.**

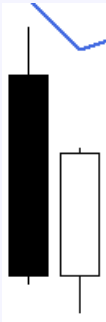
You will all agree that some buddhas work terrifically and some not so well.

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

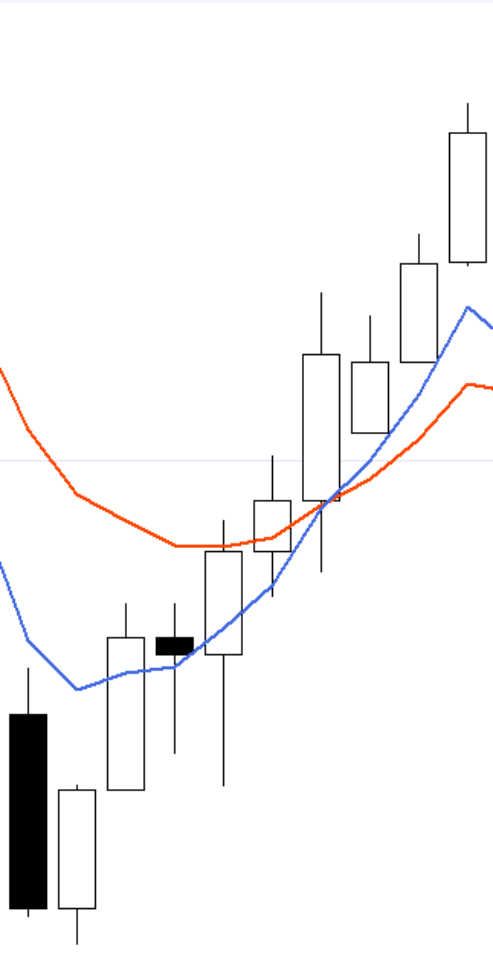


pipEASY
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Member Since Dec 2009
10+Y 760 Posts



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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Member Since Dec 2009

10+V 760 Posts



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

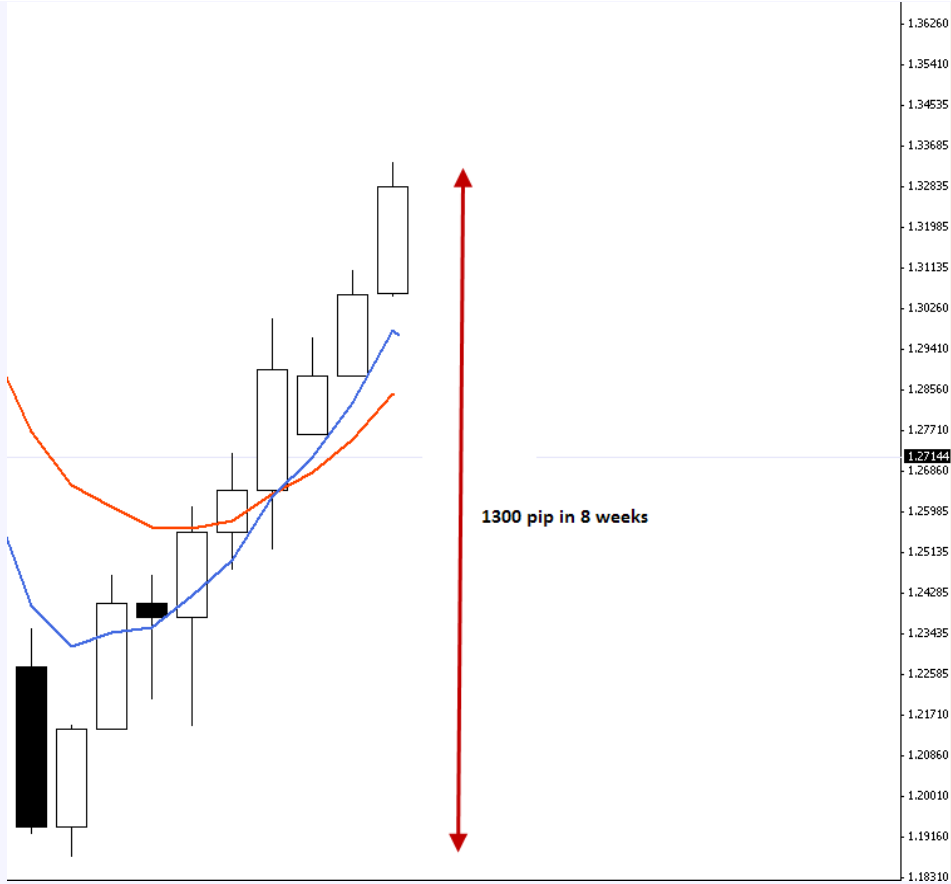
But they can tell it is a nice flying buddha that worked out fantastic afterwards.

"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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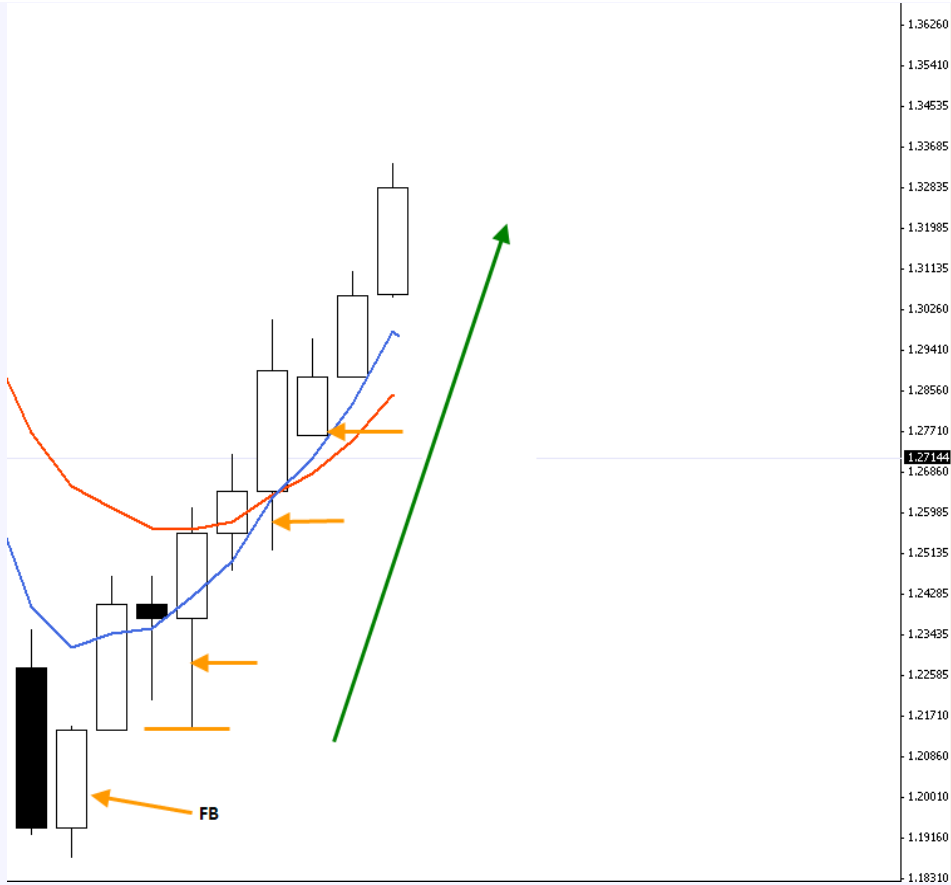
Member Since Dec 2009
10+V 760 Posts



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

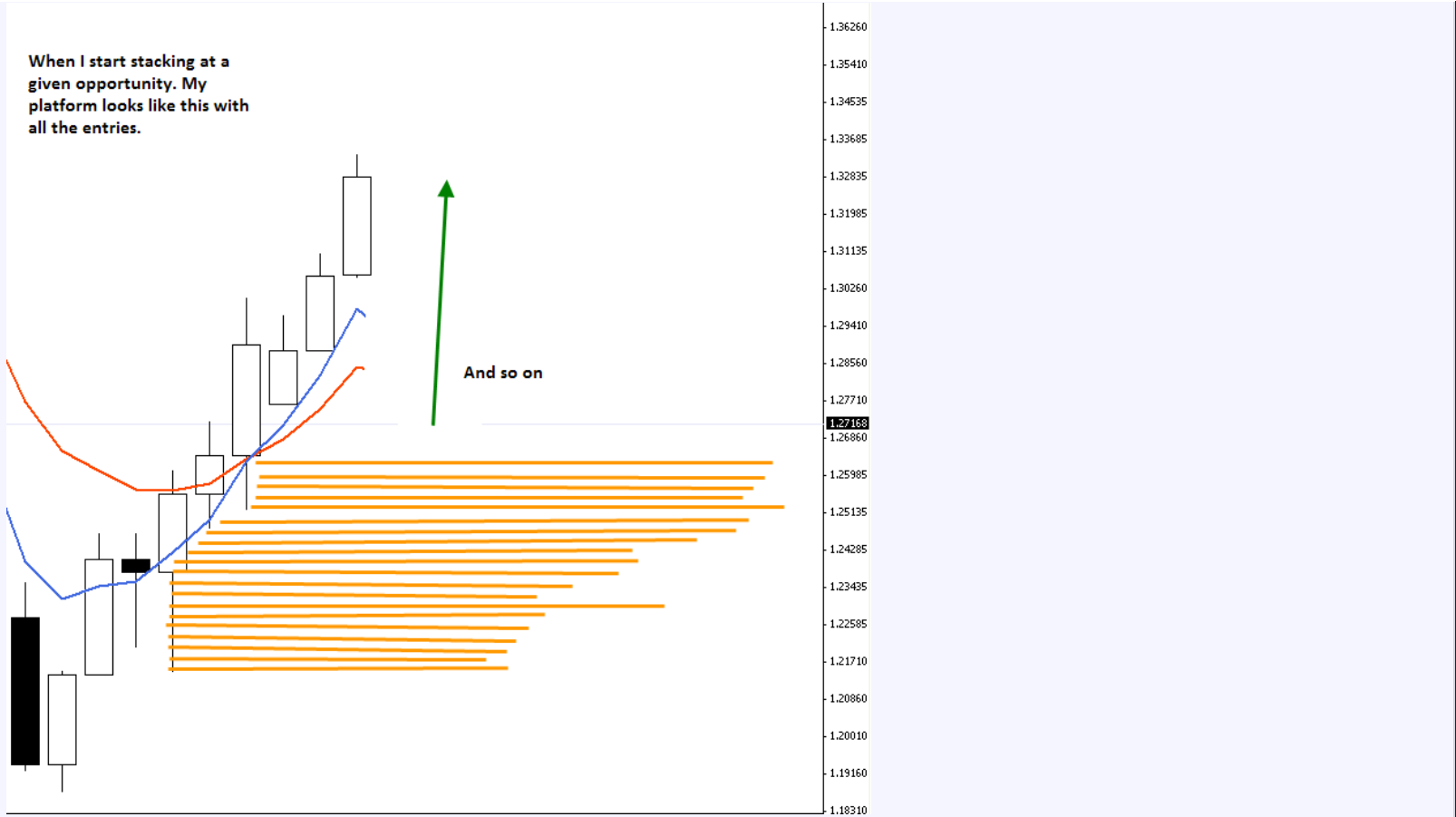


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Member Since Dec 2009
10+V 760 Posts



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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Member Since Dec 2009
10+ W 760 Posts



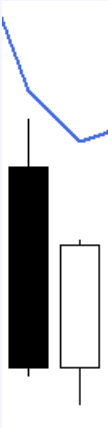
When you use weekly chart. You are slowing the time. Everything is slower and in slow motion.

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.

Soooooooo

YOUR HINDSIGHT IS??

Up.

Continuing on..



Aug 27, 2010 5:14am

1490



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Member Since Dec 2009

10+V 760 Posts



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

Quote

Aug 27, 2010 5:26am

#1492

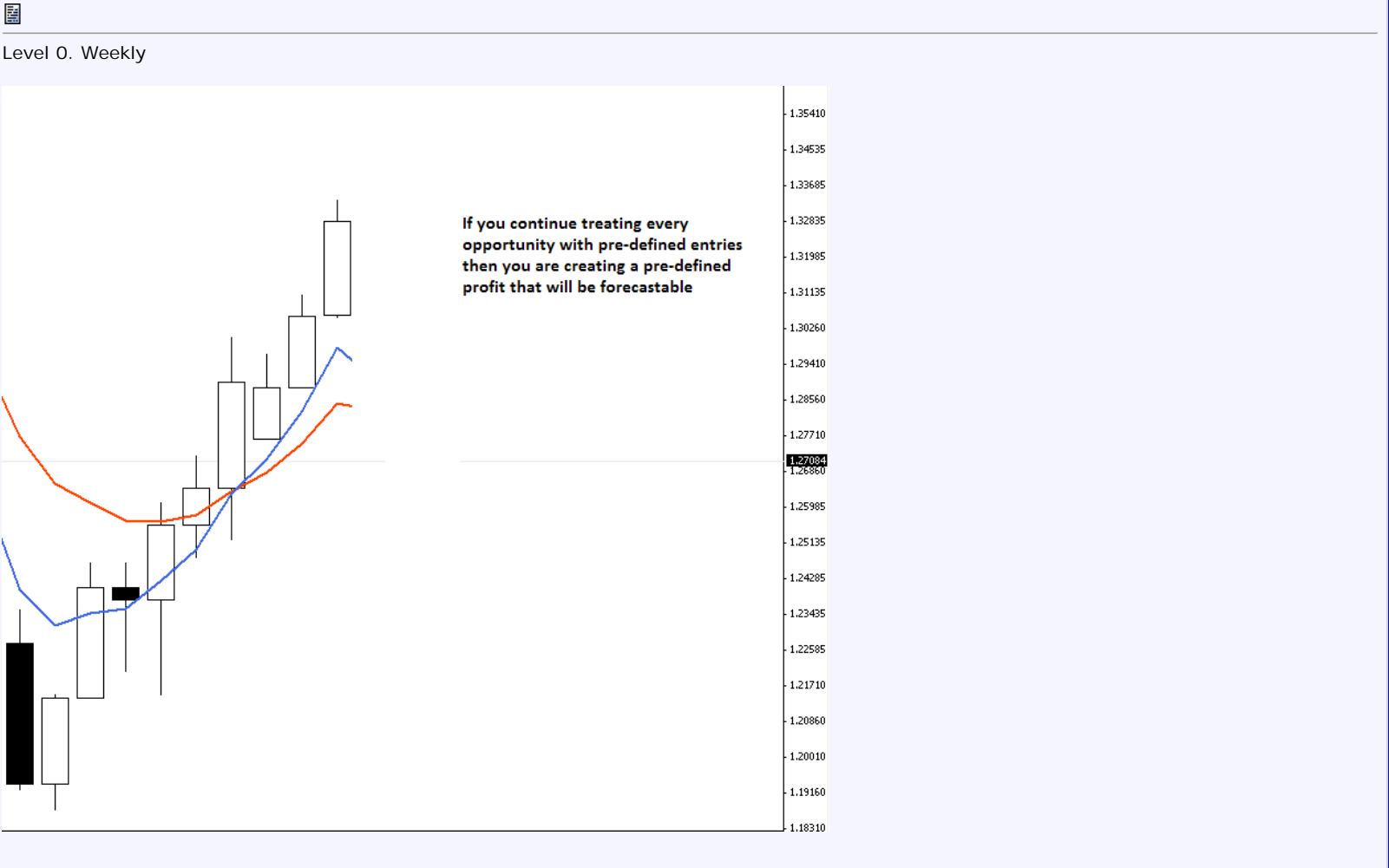


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Member Since Dec 2009

10+V 760 Posts



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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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.

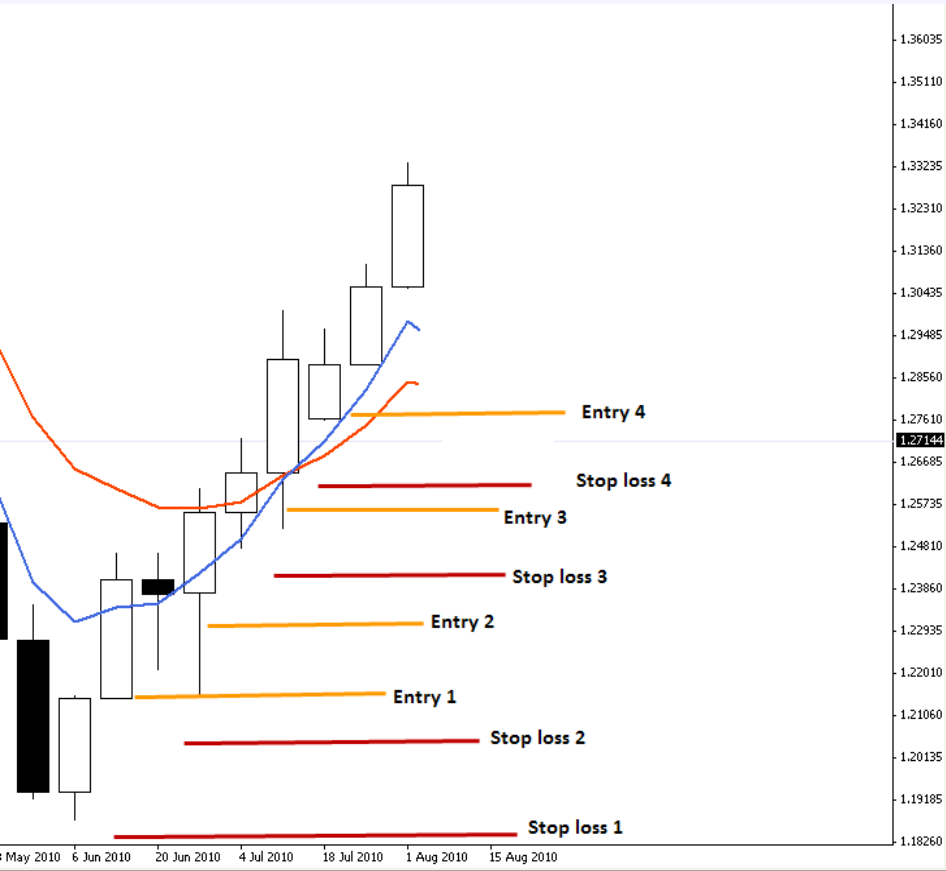
YOU HAVE JUST CREATED MORE ENTRIES WITH SMALLER STOP LOSS/RISK BUT STILL THE SAME POTENTIAL OF 1300+ PIPS.

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 alot 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



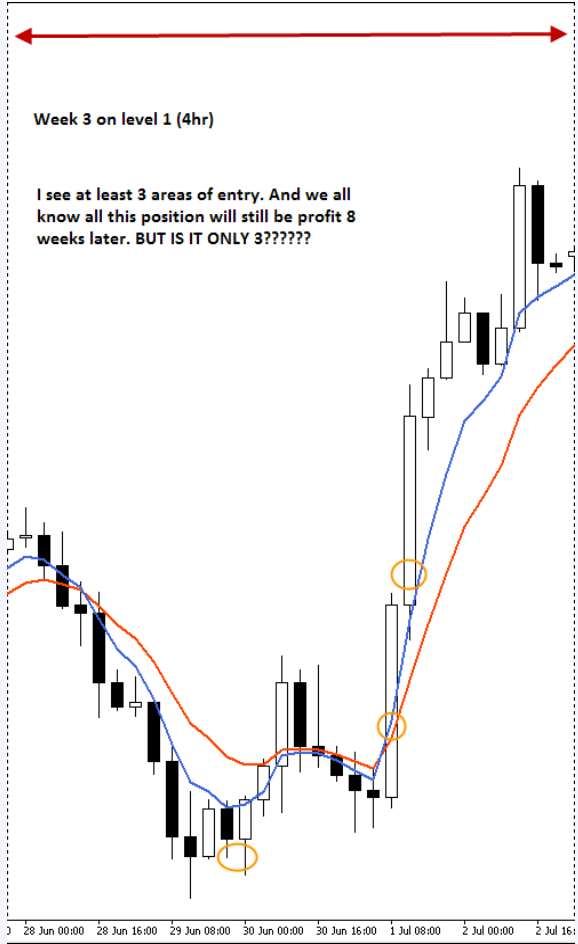
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Member Since Dec 2009
10+V 760 Posts



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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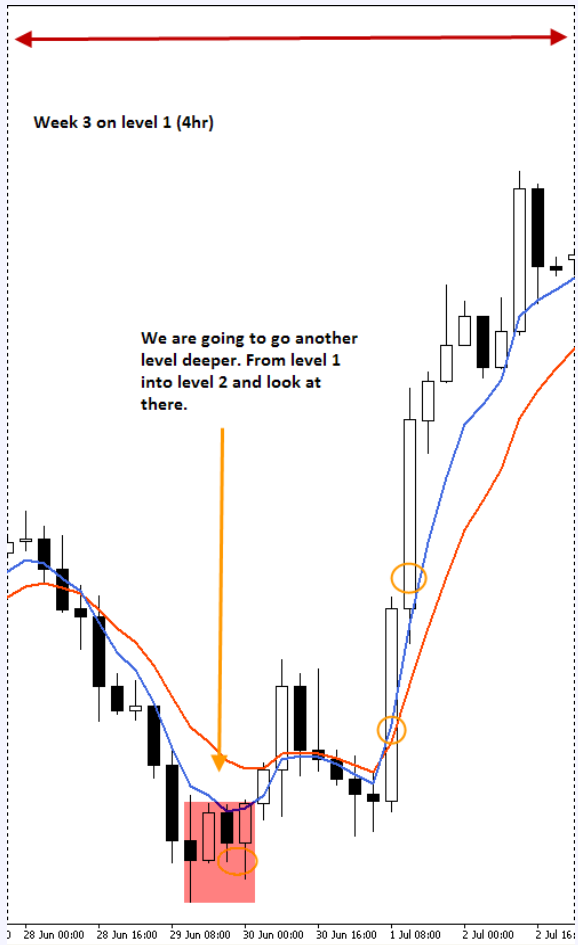
Member Since Dec 2009
10+y 760 Posts



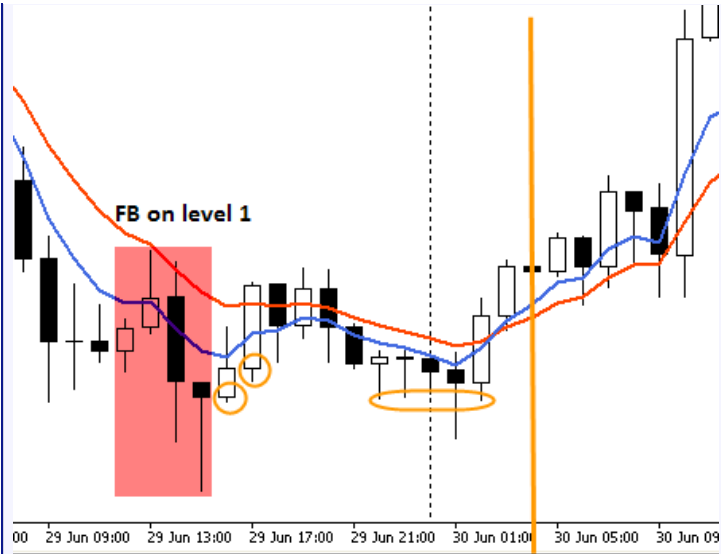
Where??

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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Member Since Dec 2009
10+Y 760 Posts



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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10+y760 Posts



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



pipEASY
crede quod habes, et habes

Member Since Dec 200910+y760 Posts



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




pipEASY
crede quod habes, et habes

Member Since Dec 200910+y760 Posts



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

 Quote

 Aug 27, 2010 8:20pm

1547



pipEASY
crede quod habes, et habes

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 Im 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 annoucement with malice intent can also backfire horribly causing a critical dent. Im 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
crede quod habes, et habes

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 phonerig 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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 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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crede quod habes, et habes

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

Quote

Aug 28, 2010 6:49am

1574



pipEASY

crede quod habes, et habes

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

Quote

Aug 28, 2010 7:01am

1576




pipEASY

crede quod habes, et habes

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

Quote

Aug 28, 2010 7:04am

1577



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 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 tomororw morning.

Sincerely,

Graeme





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Member Since Dec 2009
10+y 760 Posts

Aug 28, 2010 7:28pm # 1591



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+ 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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Member Since Dec 2009

10+V 760 Posts



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 expectaion from range? 100+ pips

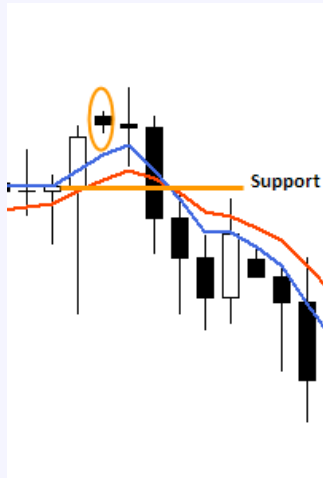
Hindsight? Down

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

1. Realistic expection 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



pipEASY

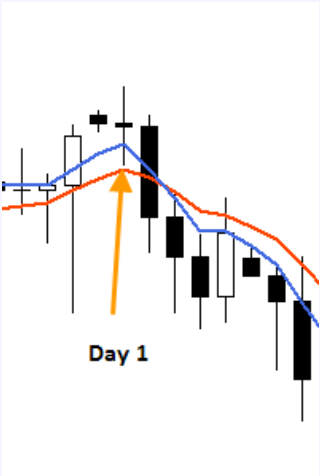
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Day 1



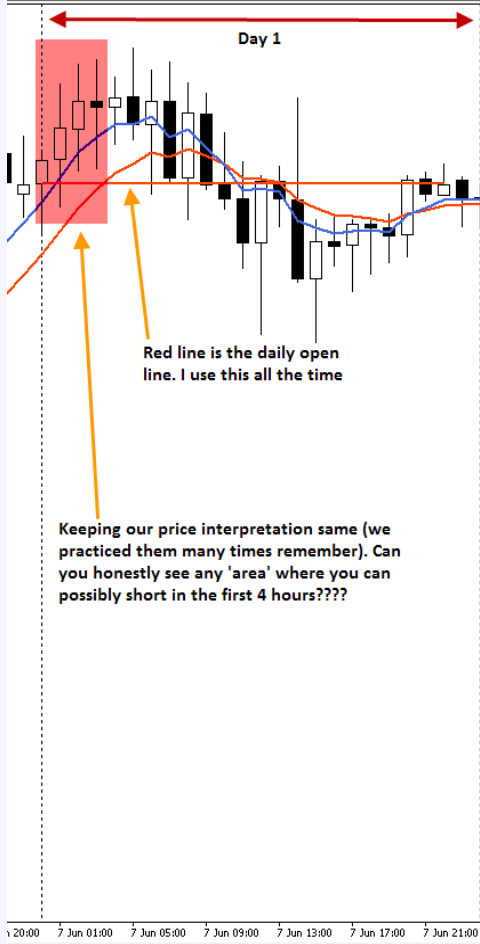
One thing wrong about this chart is that we know the outcome. For now, consider we don't know what happened after the flying Buddha.

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



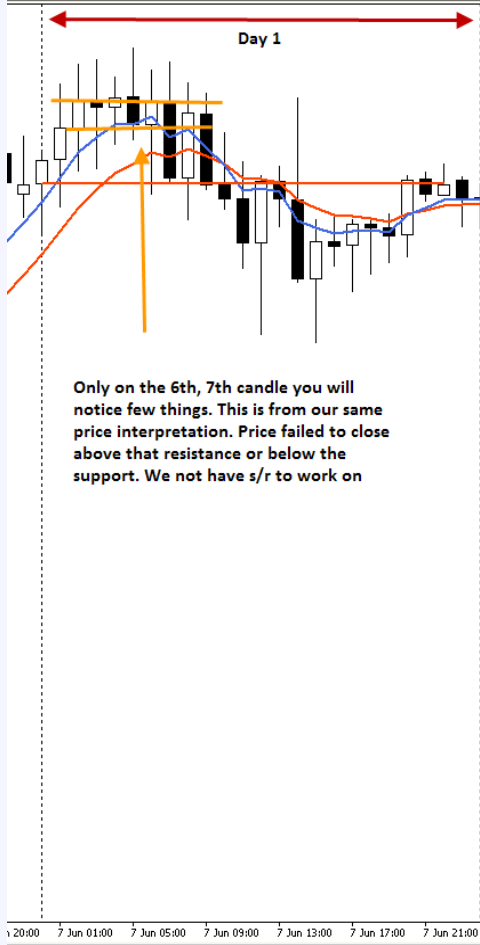
Aug 29, 2010 3:24am

1605

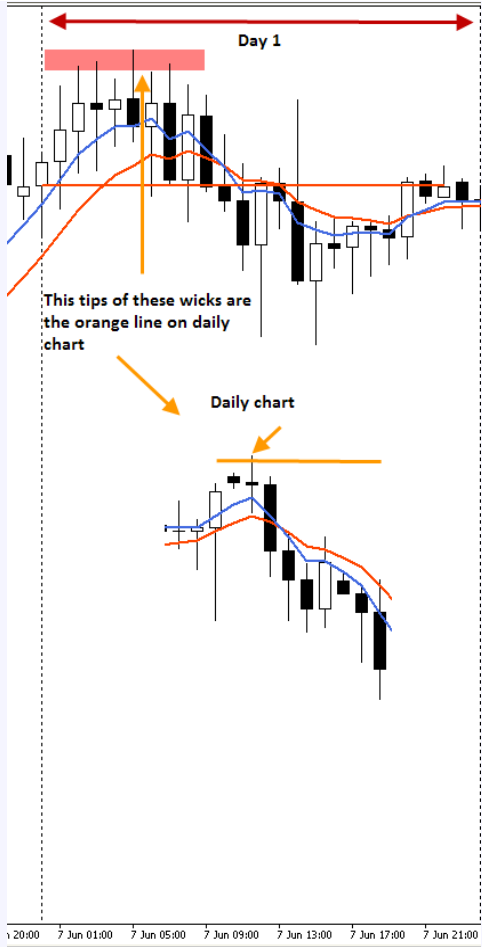


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The price is now in range. I want to know where the price is in daily chart. This next chart is very very important for your understanding. This is the secret.



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

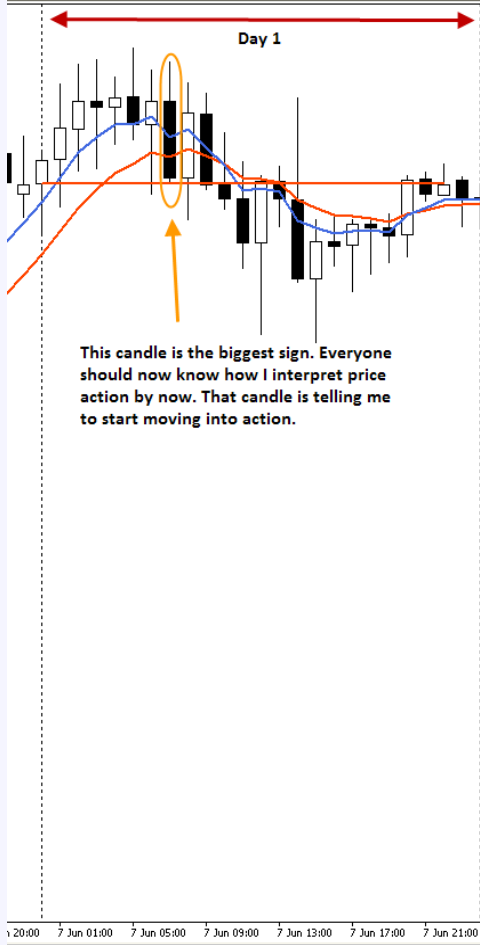
1606



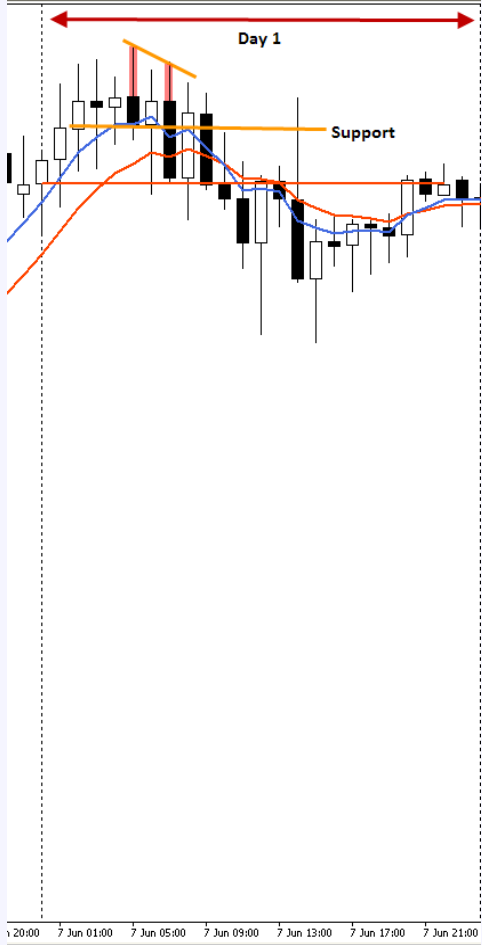
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Member Since Dec 2009
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For all traders who might not know why I might start moving into action after the completion of that candle here it is again:



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.



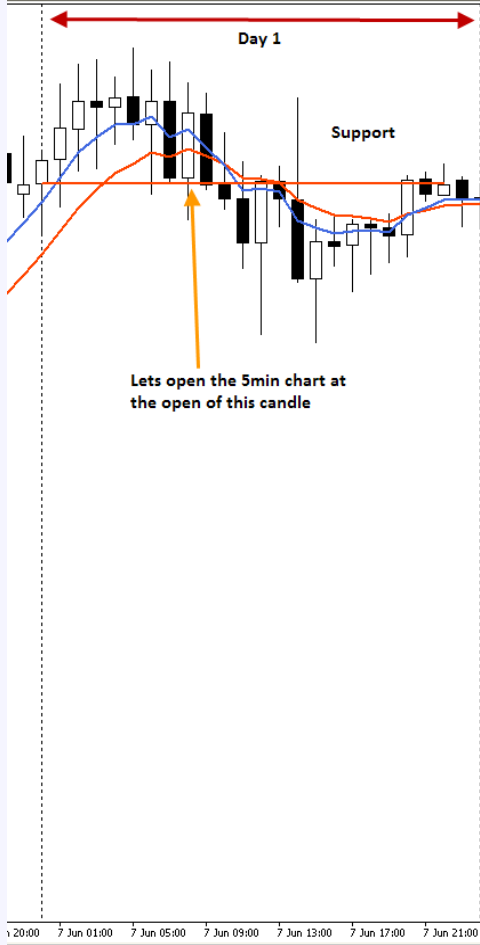
Aug 29, 2010 3:25am

1607



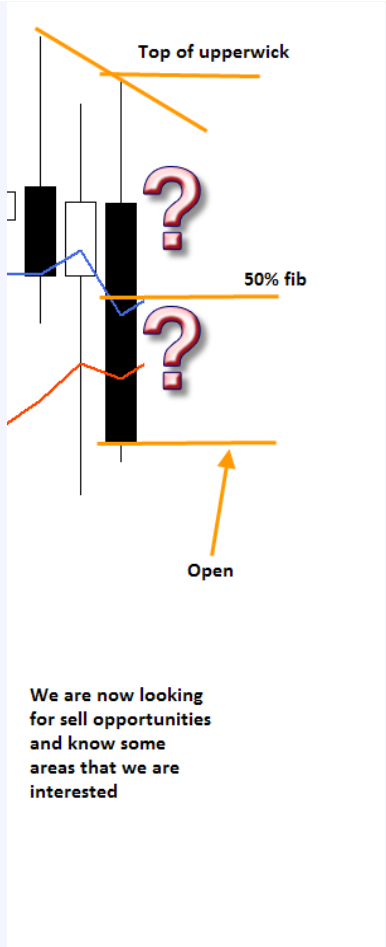
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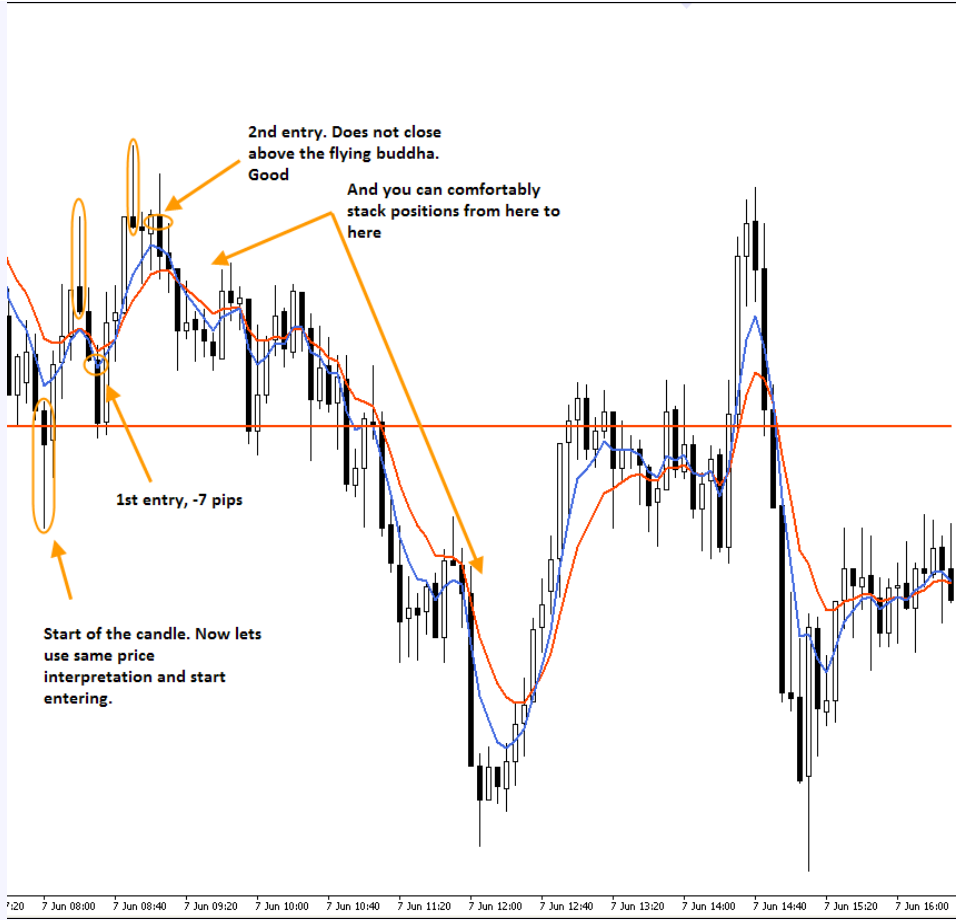
Member Since Dec 2009
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Now I write down few things Im anticipating

- 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.





Aug 29, 2010 3:26am

1608

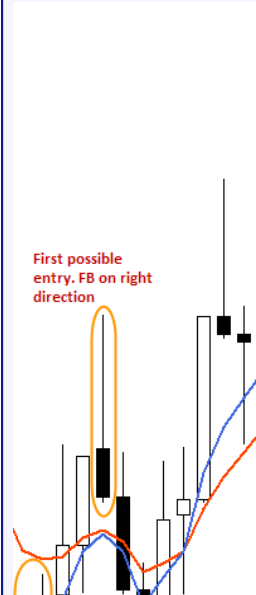
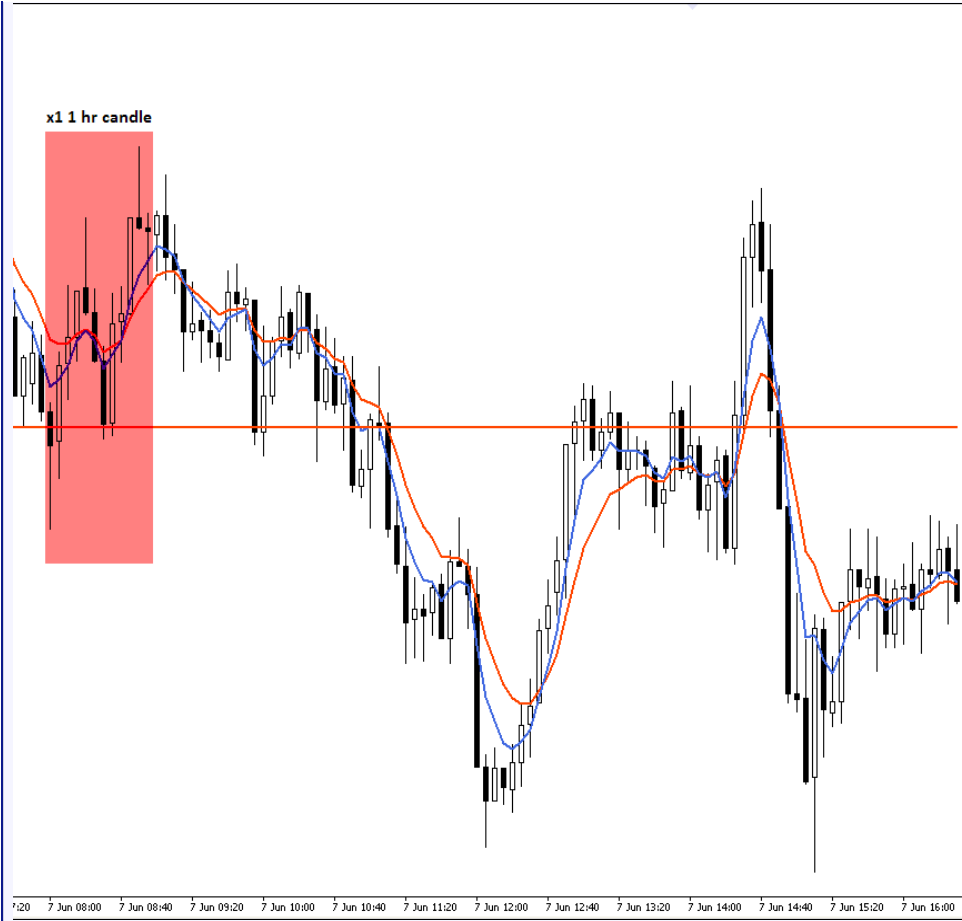


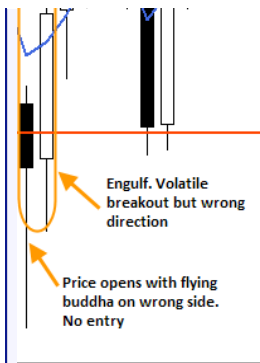
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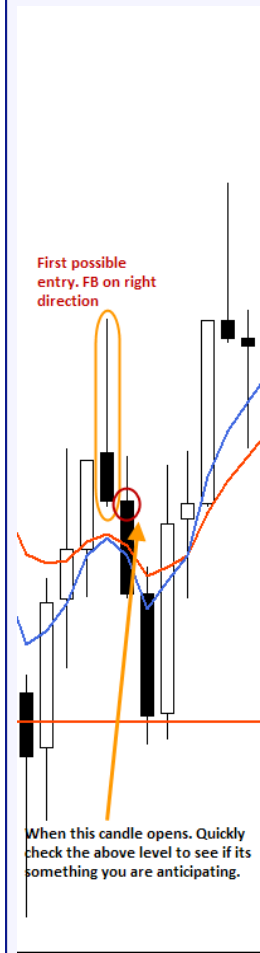


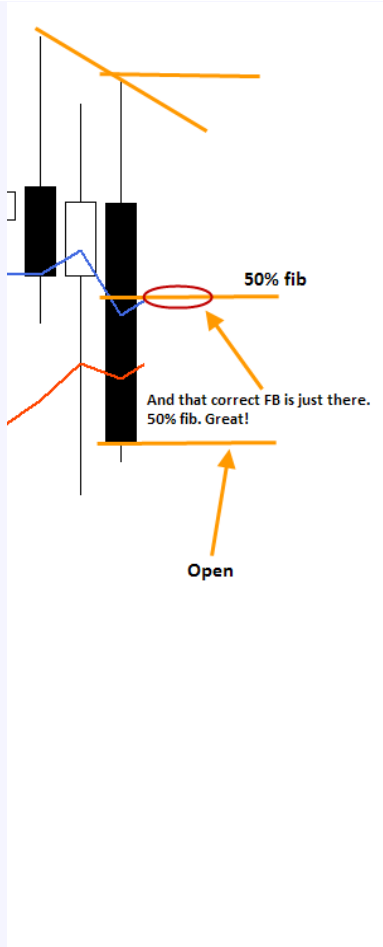
So we know what happens but lets focus on that x1 1hr candle in 5min chart which is this area.





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

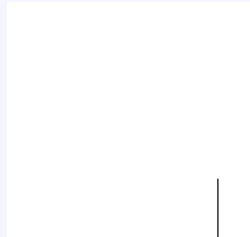


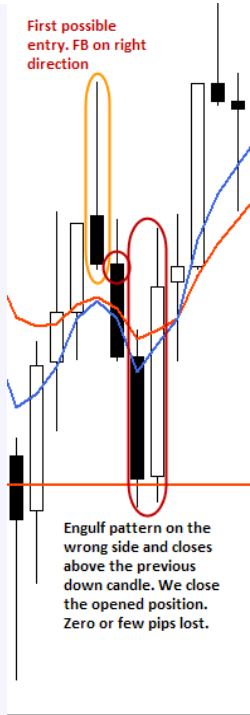
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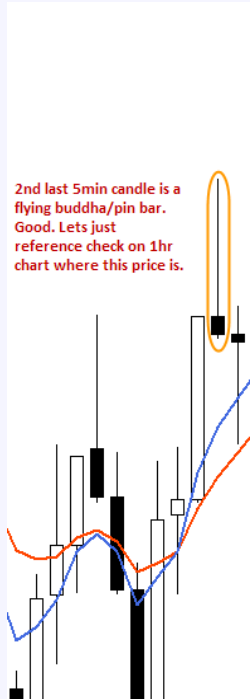


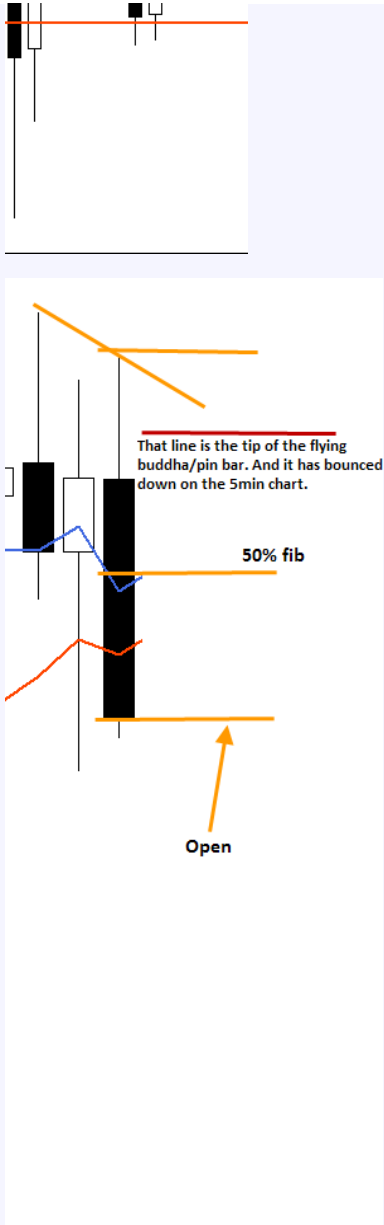
But. It doesnt work out as the next few candles are the wrong price action.

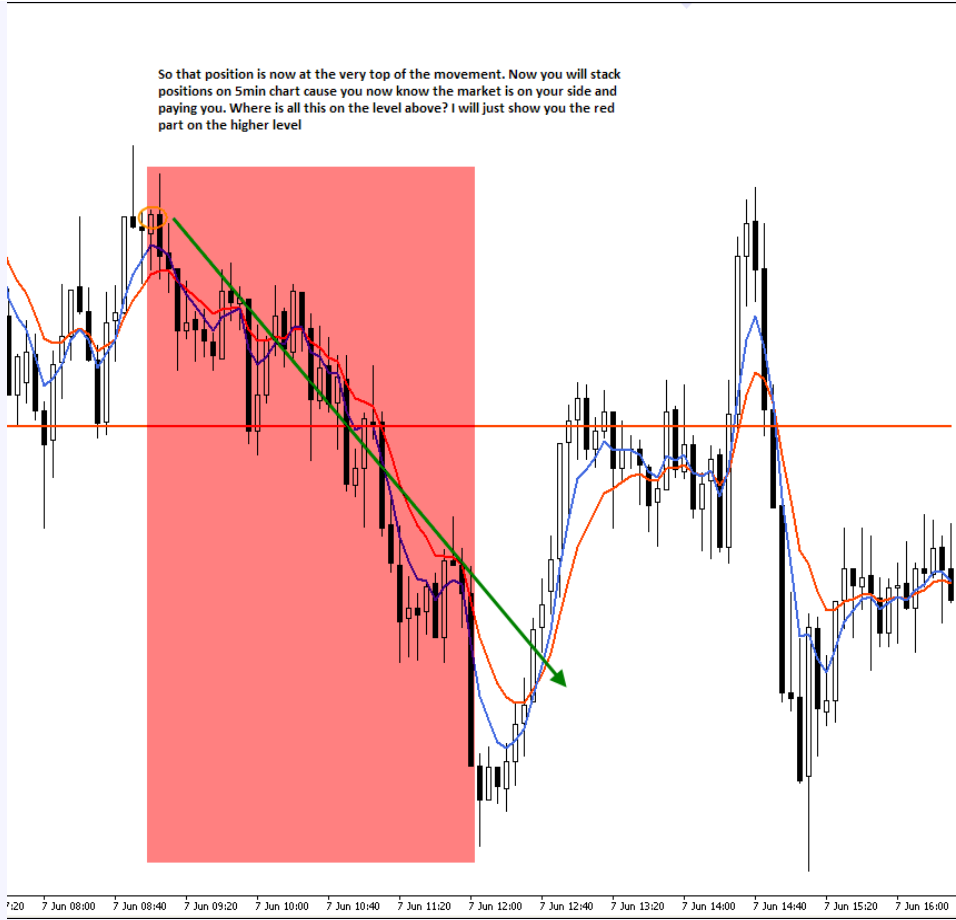


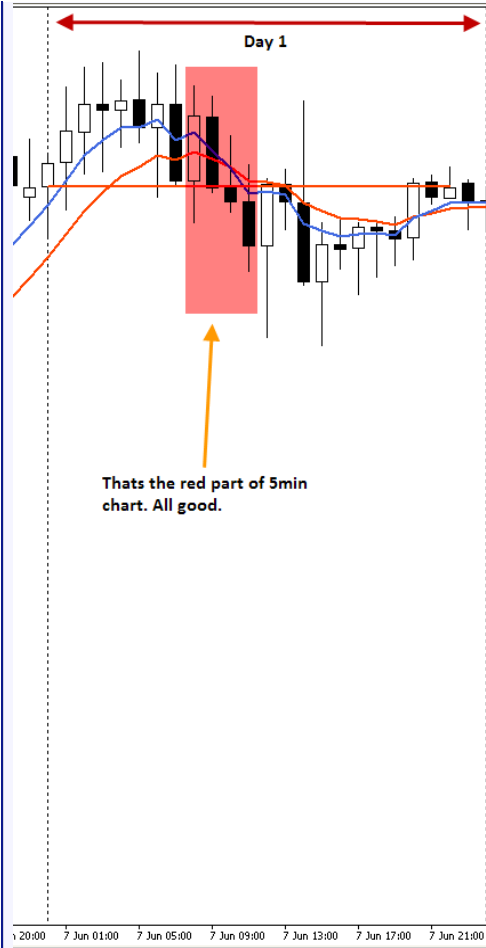


So the price wants to go higher. Than you must ask yourself how much higher?
Perhaps the next is open of the previous candle or top of the upper wick perhaps?










Aug 29, 2010 3:27am #1610



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Member Since Dec 2009
10+V 760 Posts



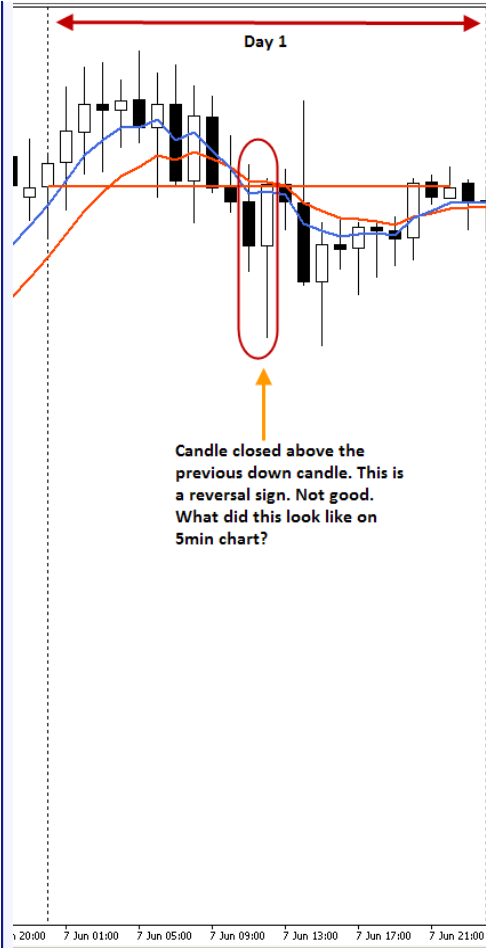
Every position you stack on the 5min chart has the potential to grow for days while the risk is limited to what you can lose on 5min chart. Risk reward?

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

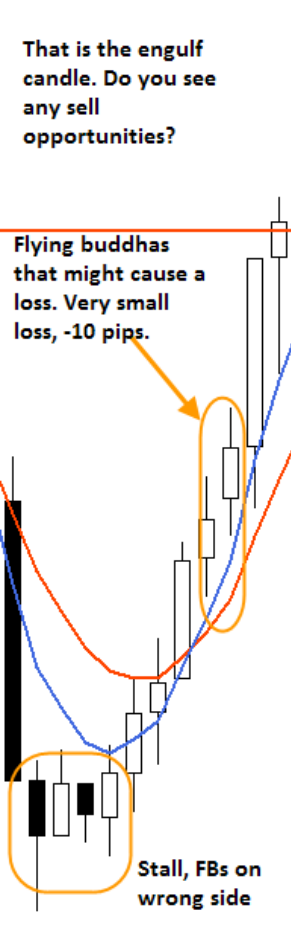


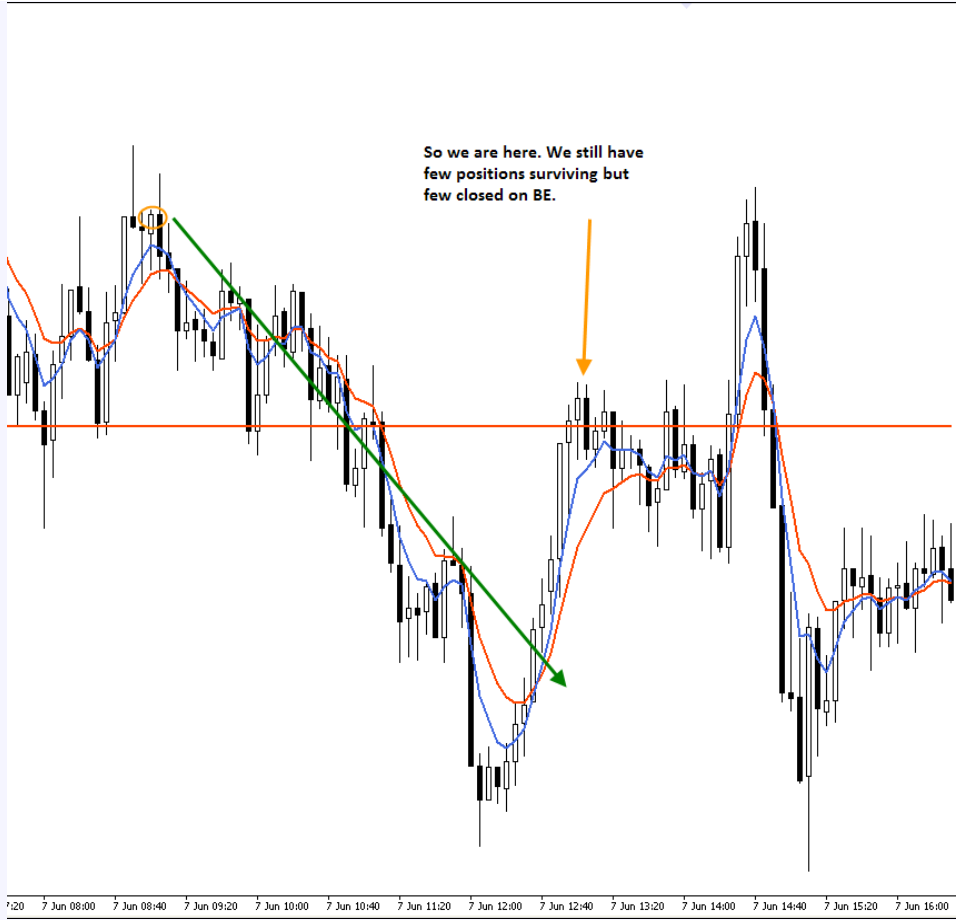
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Member Since Dec 2009
10+V 760 Posts



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





Aug 29, 2010 3:28am

1612

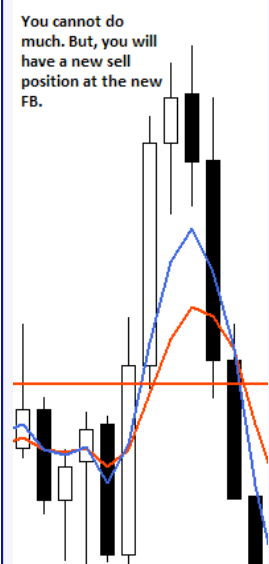
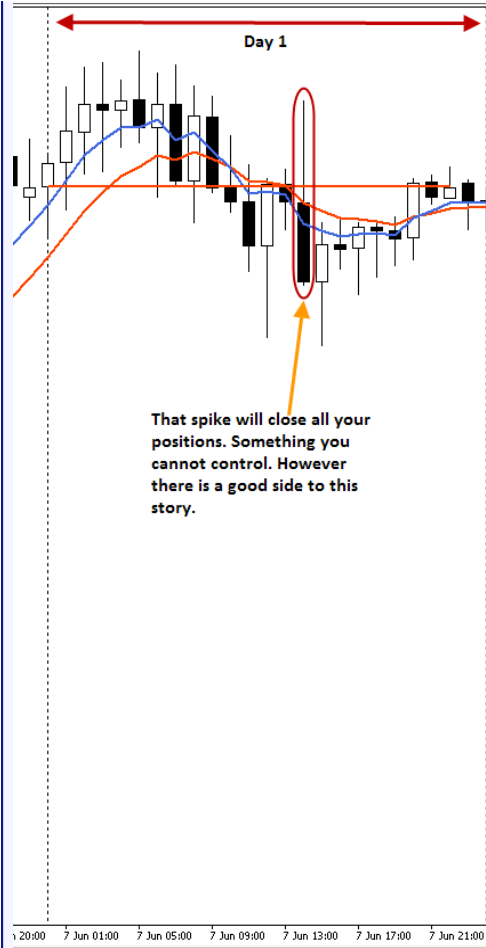


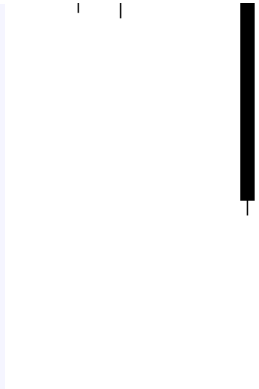
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Member Since Dec 2009
10+V 760 Posts



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



pipEASY

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Member Since Dec 2009

10+y 760 Posts



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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Member Since Dec 2009

10+y 760 Posts



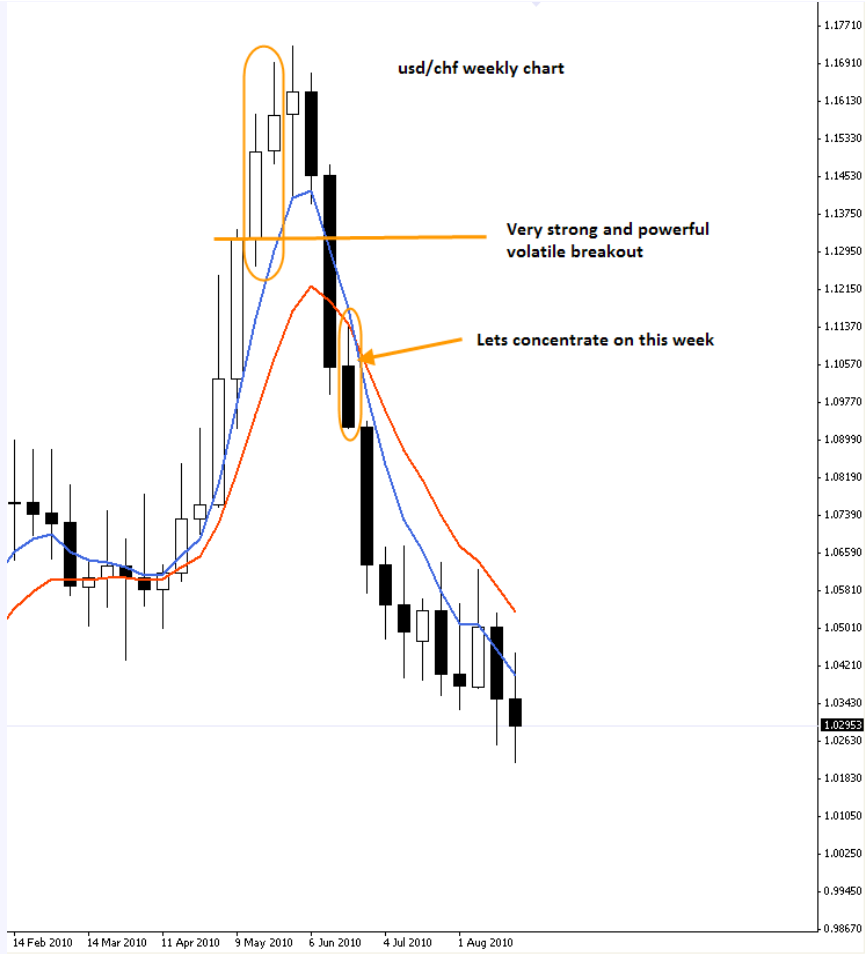
But?

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



crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Now we have a plan.

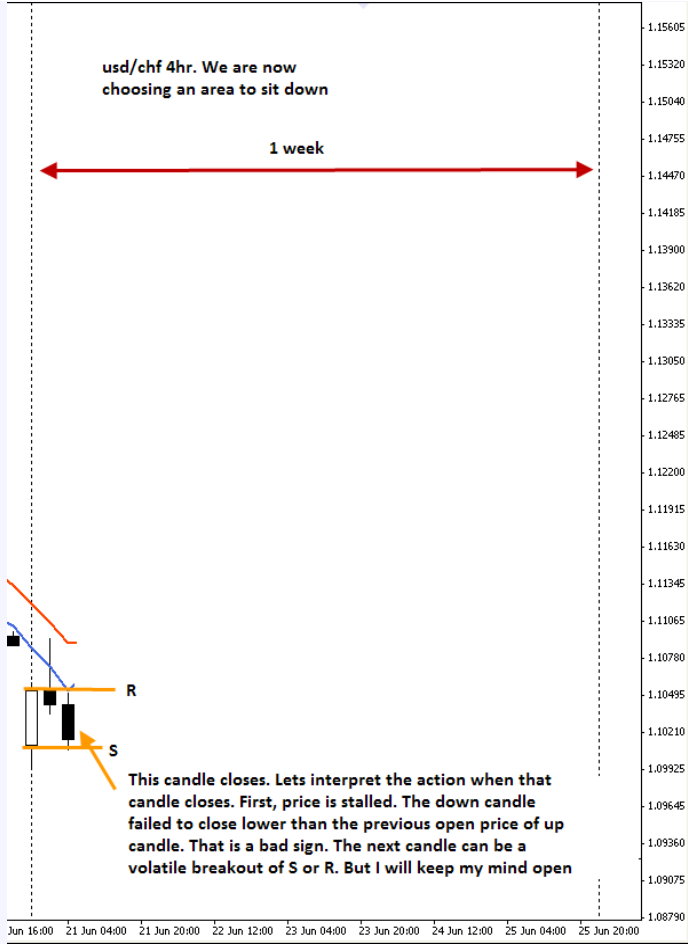
And the week starts..

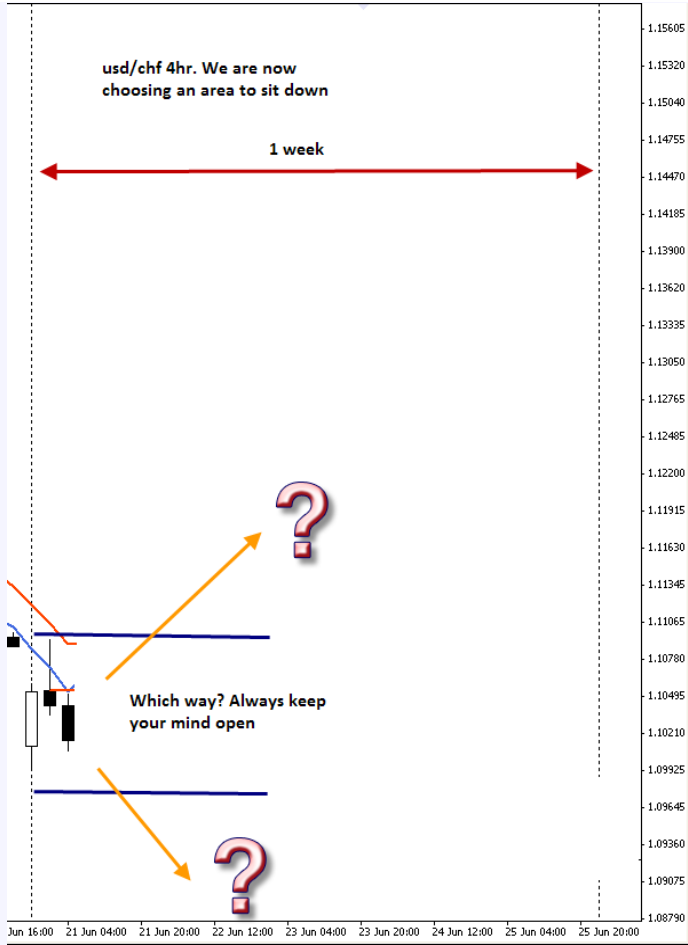


I always keep the hindsight in my mind but I also know to expect the **unexpected**. I always ask myself the opposite questions to my hindsight. If price does reverse against me and against my hindsight how should I be watching the above chart?

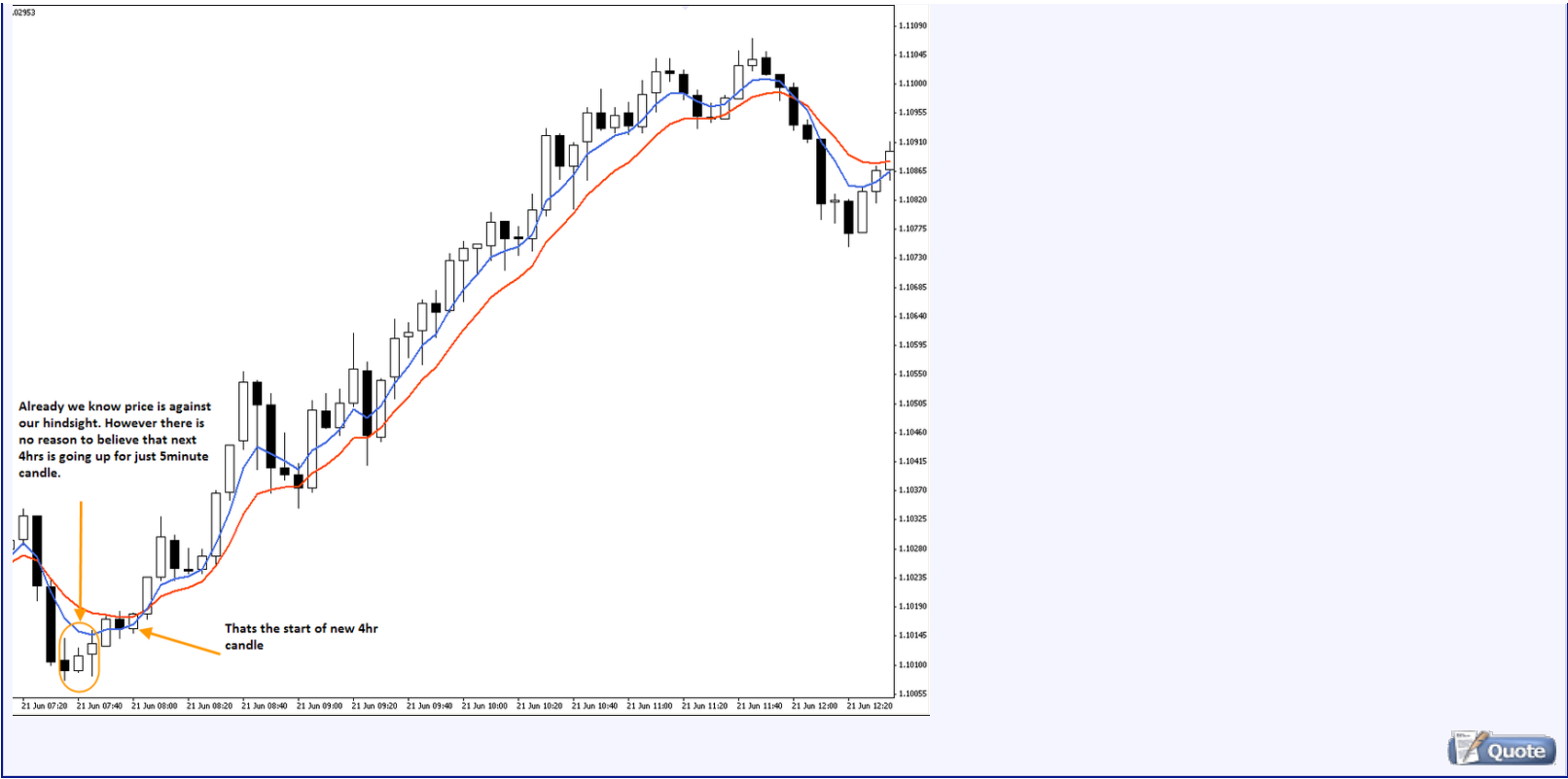
I know my hindsight is DOWN but **hypothetically** if I said it was up where should I look? Where are the obvious areas?

Once again use price action interpretation:










Aug 29, 2010 4:21am #1616



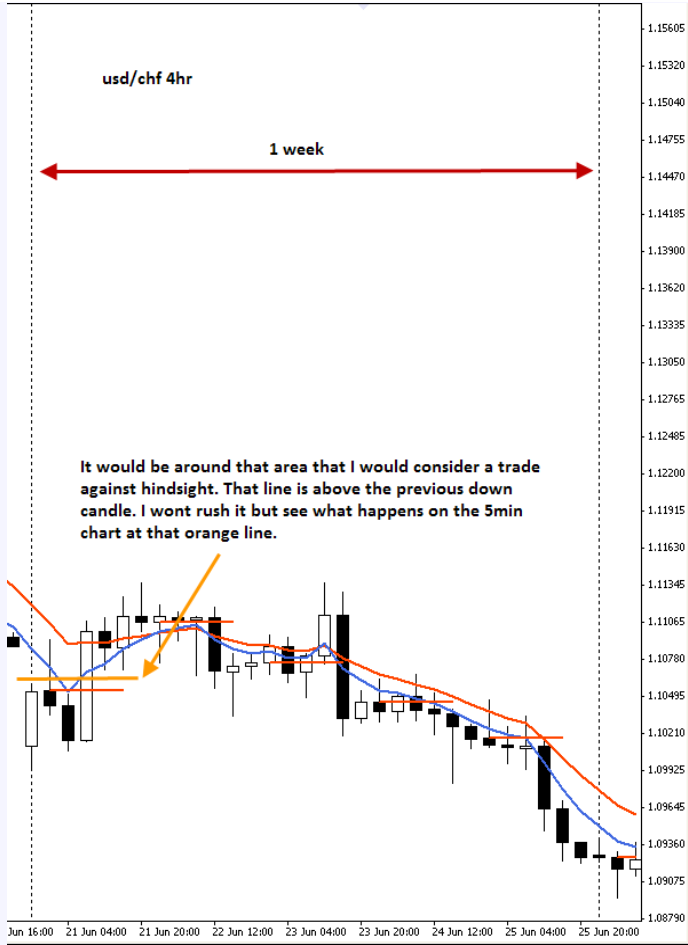
pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+ 760 Posts

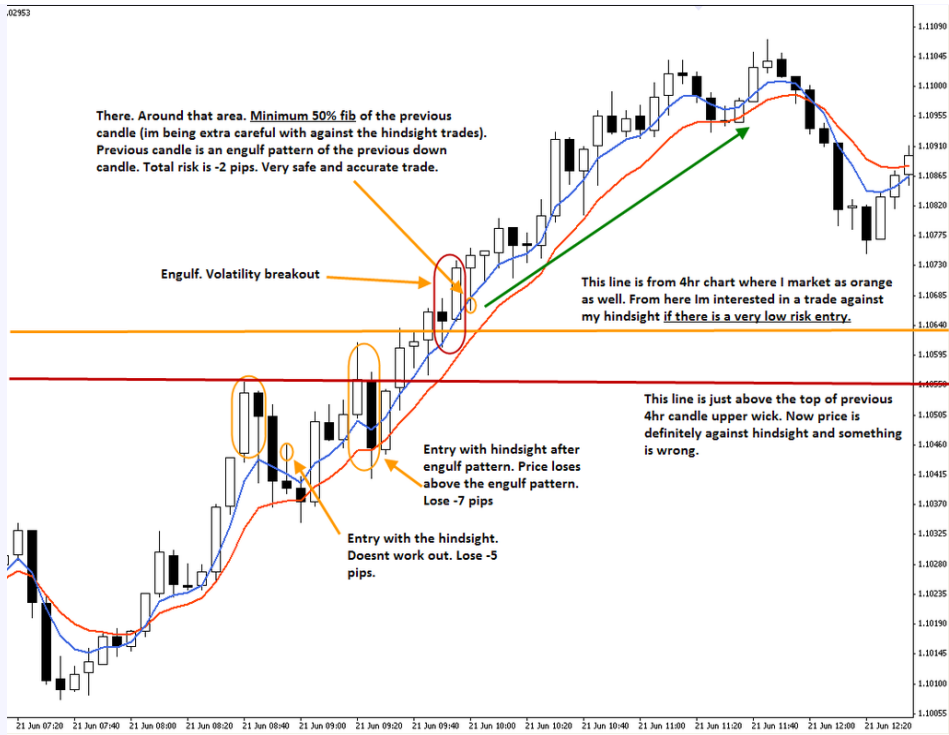
But, with trades against the hindsight require extra confirmation. Hindsight is your main objective and trades against your hindsight are just secondary punts.

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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Member Since Dec 2009
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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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+^W [760 Posts](#)



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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+^W [760 Posts](#)



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"

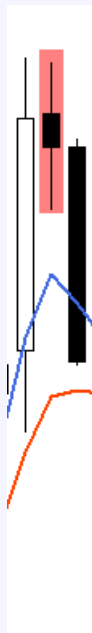
"Im anticipating a pay rise this year"

"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

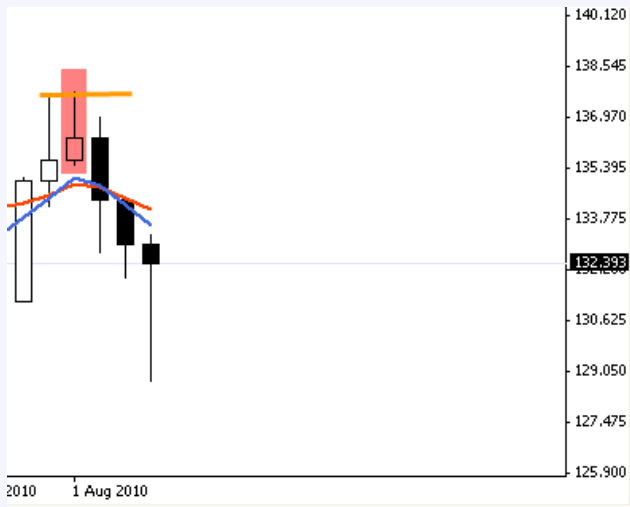


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Member Since Dec 2009

10+V 760 Posts



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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Member Since Dec 2009
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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

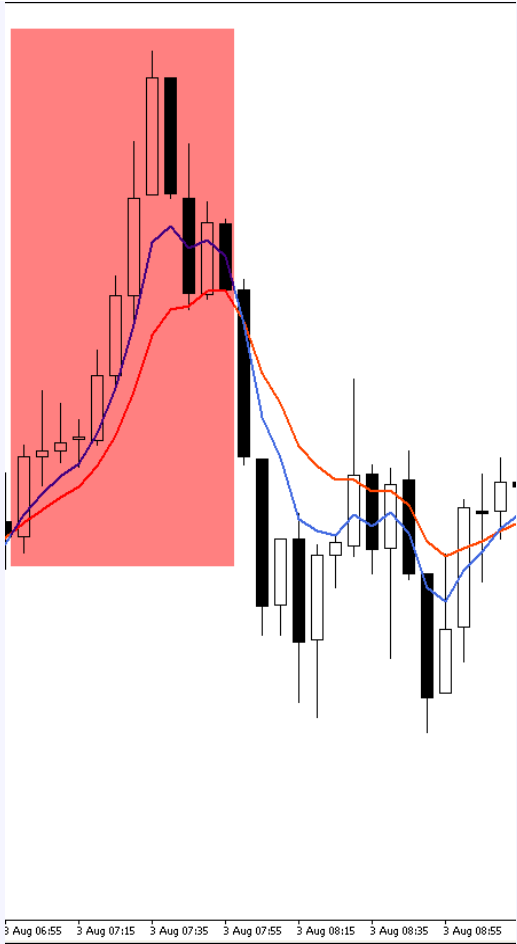


pipEASY
crede quod habes, et habes

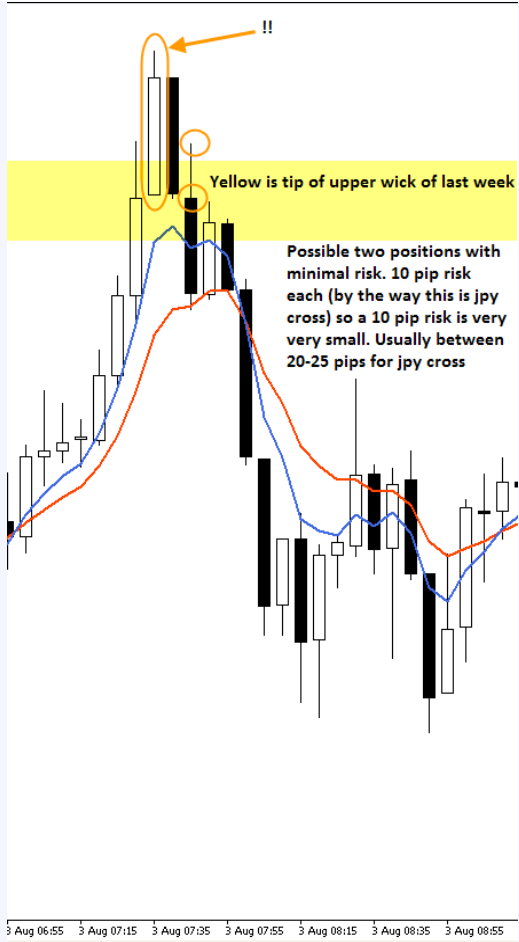
Member Since Dec 2009
10+V [760 Posts](#)



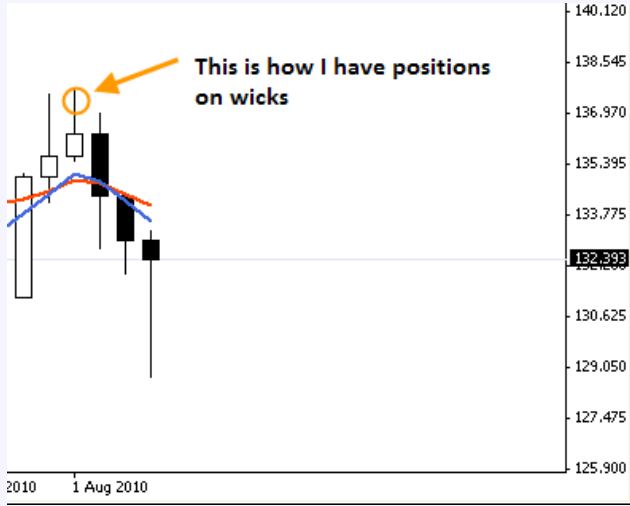




Look at the above red candles. They are 5 minute candle. There is no way you could enter any sell positions on the first few candles. This is prime time. It is in the area where something big 'can' happen.




They are now with 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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Member Since Dec 2009

10+Y

760 Posts



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



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Member Since Dec 2009

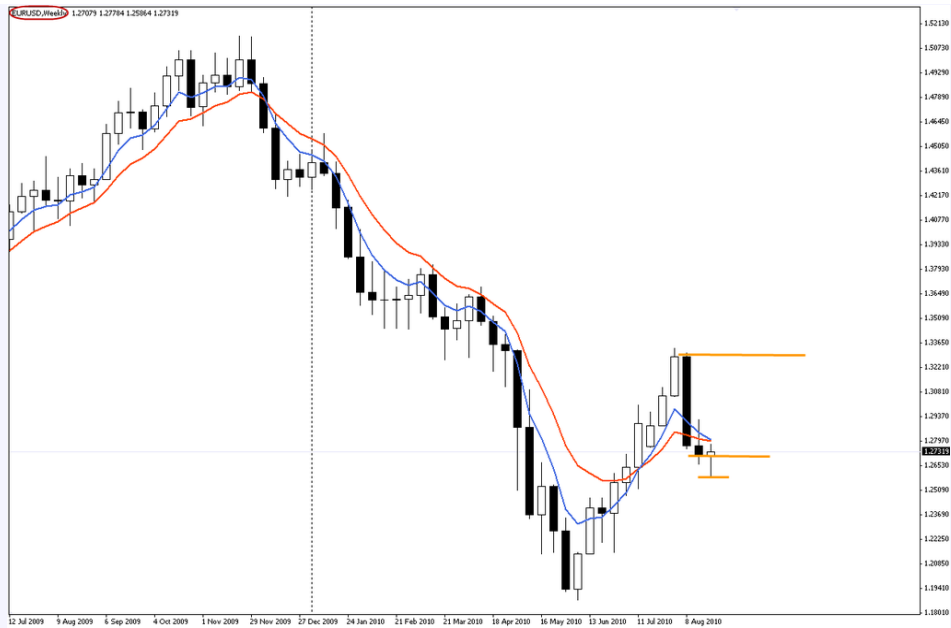
10+Y

760 Posts



Example 1

Pair: eur/usd

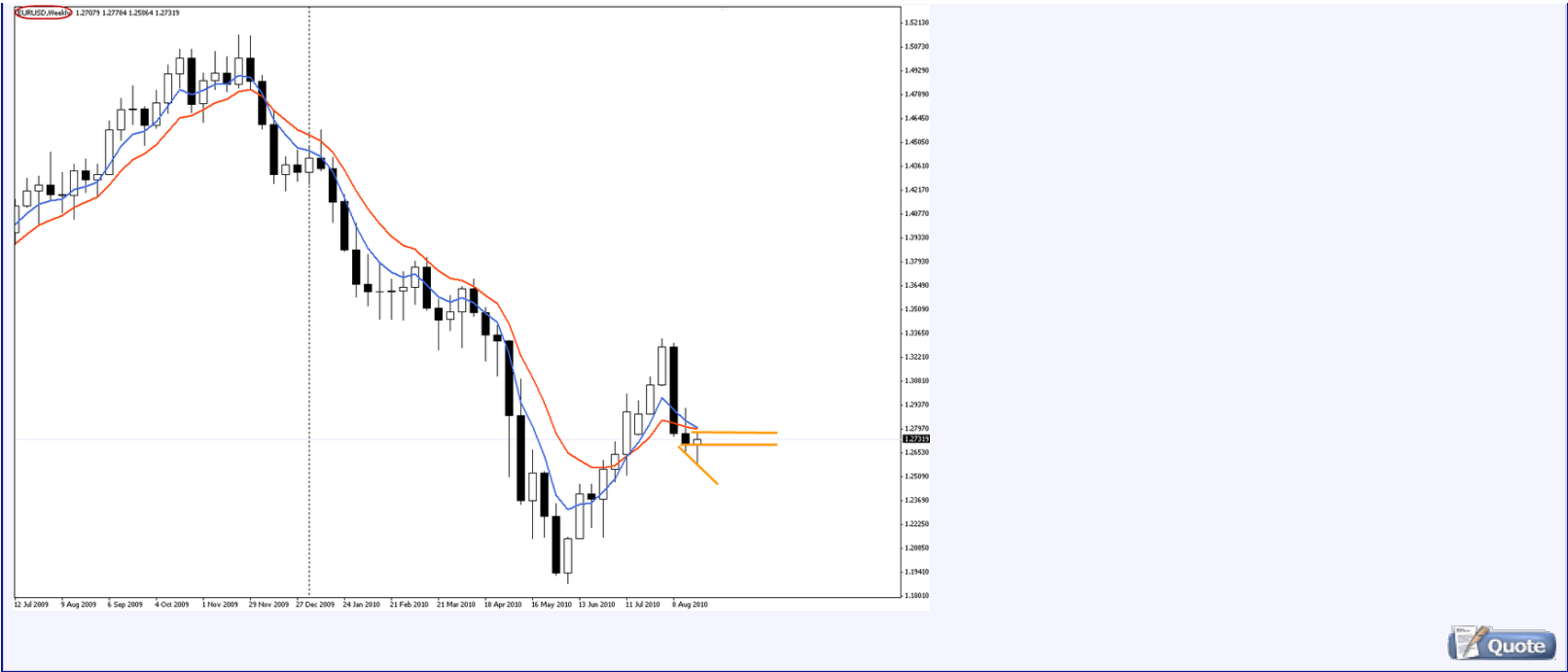


Realistic expectation: Weekly chart. 100+ pips minimum

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




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1629

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Example 2

Pair: gbp/aud

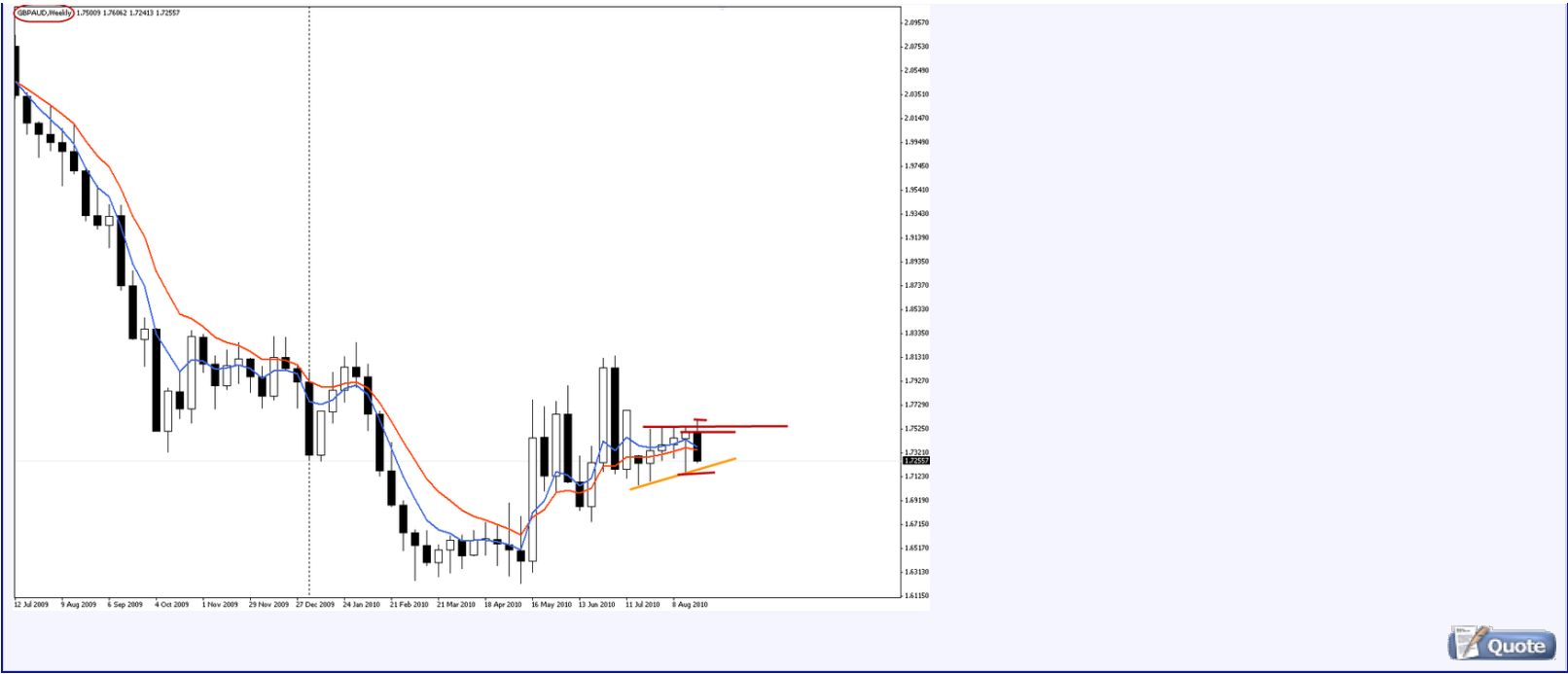


Realistic expectation: Weekly chart. 100+ pips minimum


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



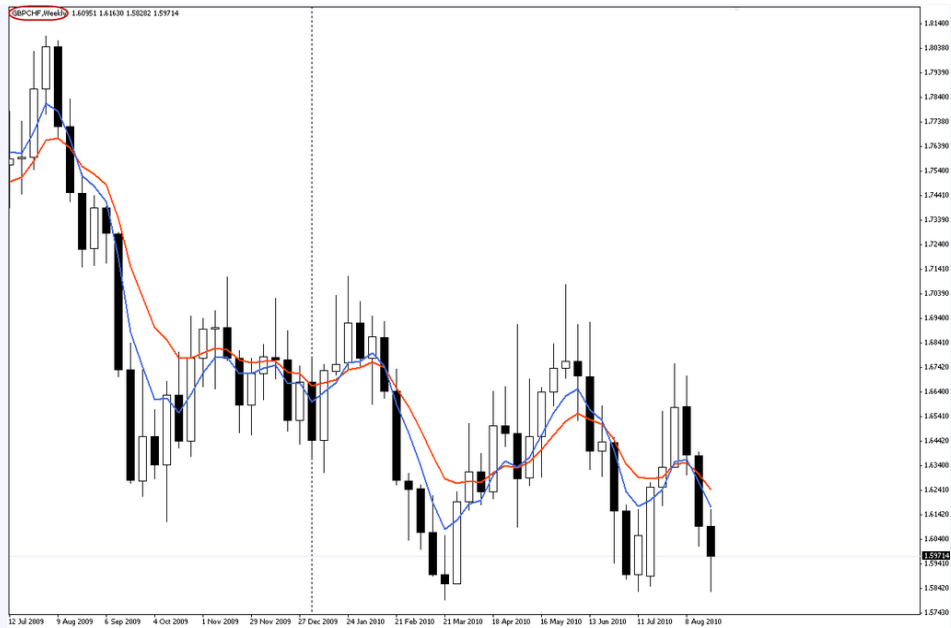
pipEASY
crede quod habes, et habes

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 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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crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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,

Graeme



Aug 29, 2010 8:32pm

1675



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



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+Y 760 Posts



Good morning, all

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

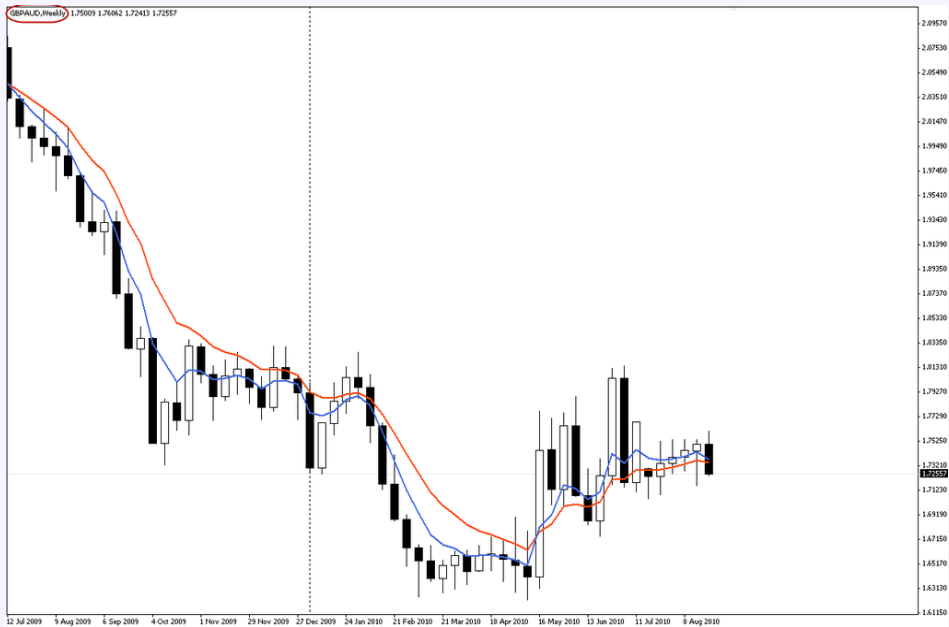
Im reading all the emails and private messages and have printed out all of them. There are currently 30+ participants.

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

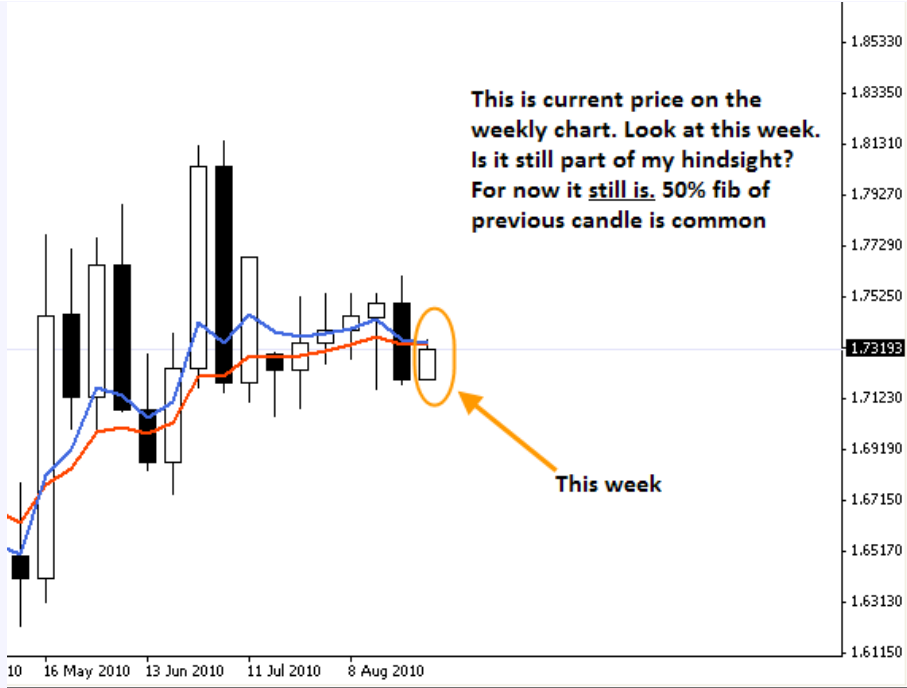
There are few things I would need to say as part of learning.

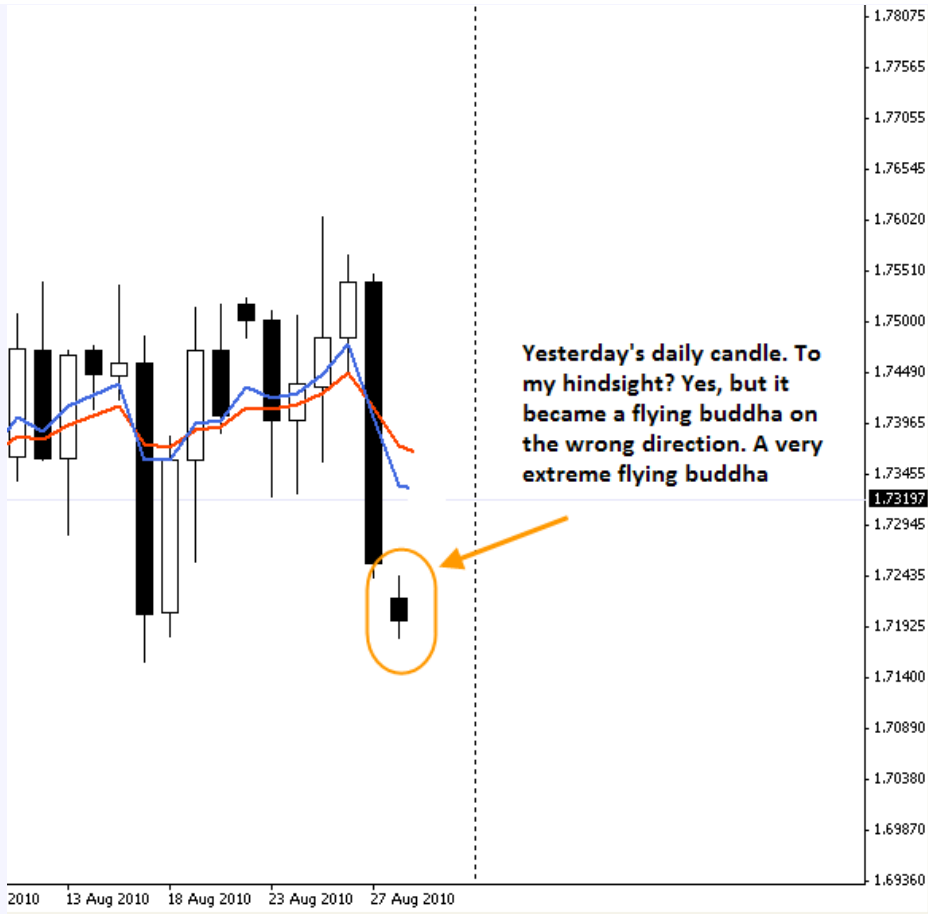
1. It has now been **1** day after hindsight. Look at the daily candle just formed. Is it part of your hindsight??
2. Where is price now to your hindsight?? Is it part of your anticipation?
3. Please only stack when the price in **your favour. The worst case scenario when prive reverses is perhaps the 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

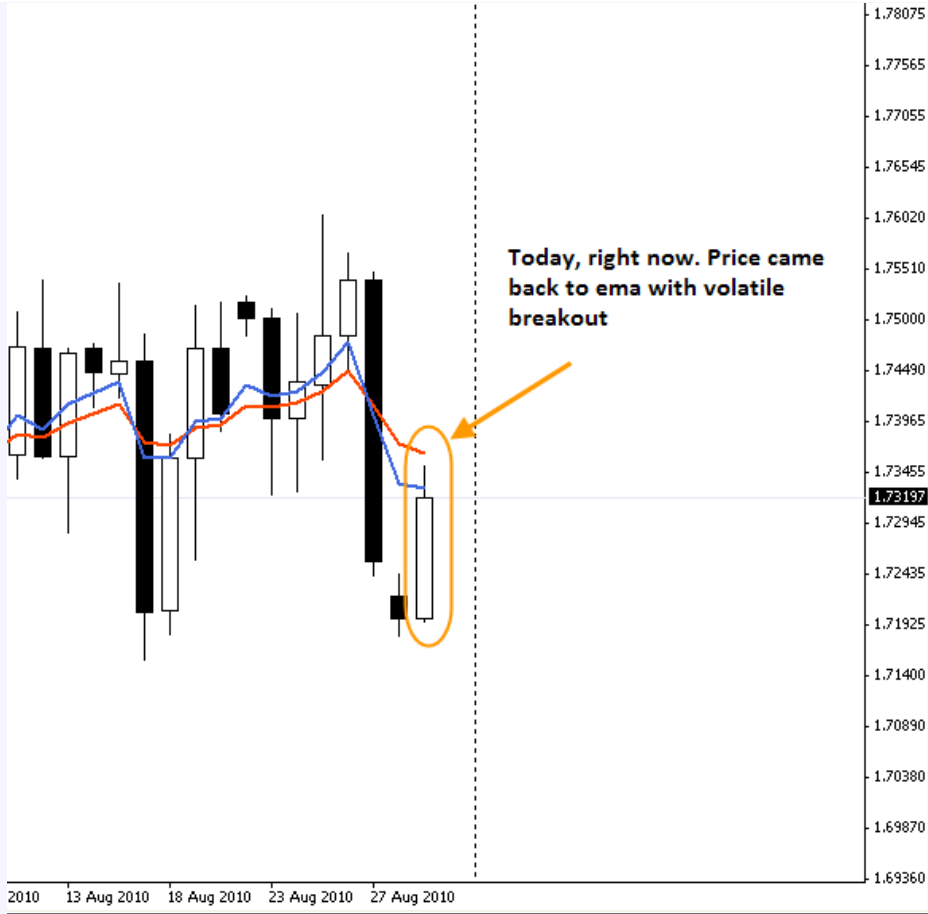


The above chart was before market open this week.





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



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 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 wasnt 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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 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 doesnt 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 hindsight

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

Last edited by pipEASY, Aug 31, 2010 6:00pm



Aug 31, 2010 6:26pm

1800



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 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



pipEASY

crede quod habes, et habes

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)."

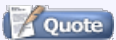
Trust me when I say im not the least surprised...

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

crede quod habes, et habes

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.

Smtp 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+Y 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

crede quod habes, et habes

Member Since Dec 2009

10+Y 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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Member Since Dec 2009

10+V 760 Posts



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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



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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crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



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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Member Since Dec 2009

10+V 760 Posts



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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crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



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 entriesLow-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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



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

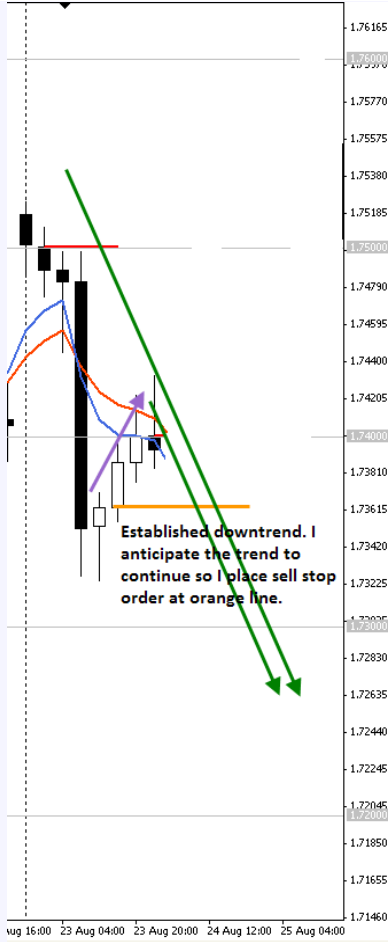


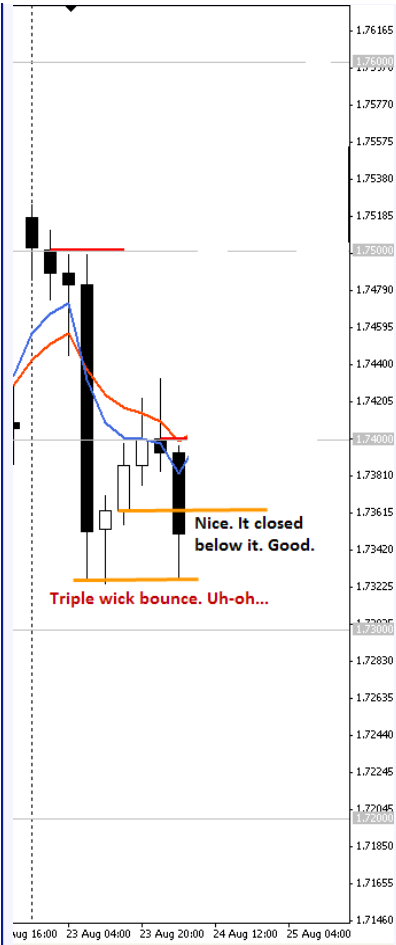
pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+ 760 Posts

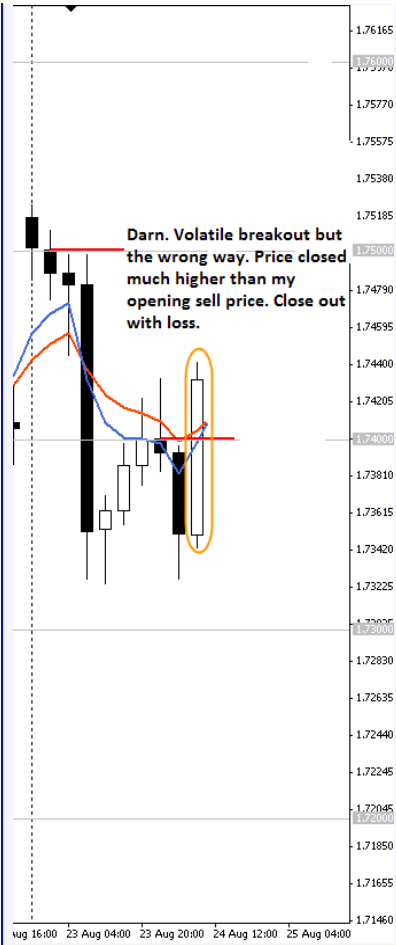


This is failed breakout





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..



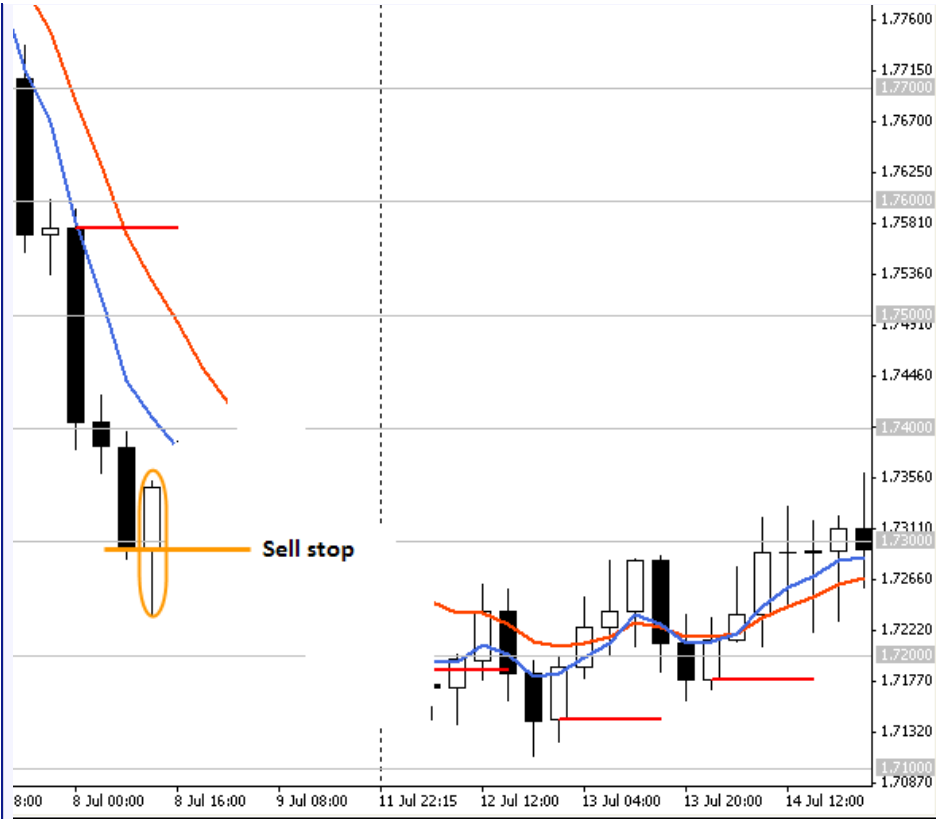
Sep 2, 2010 8:43pm

1933



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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



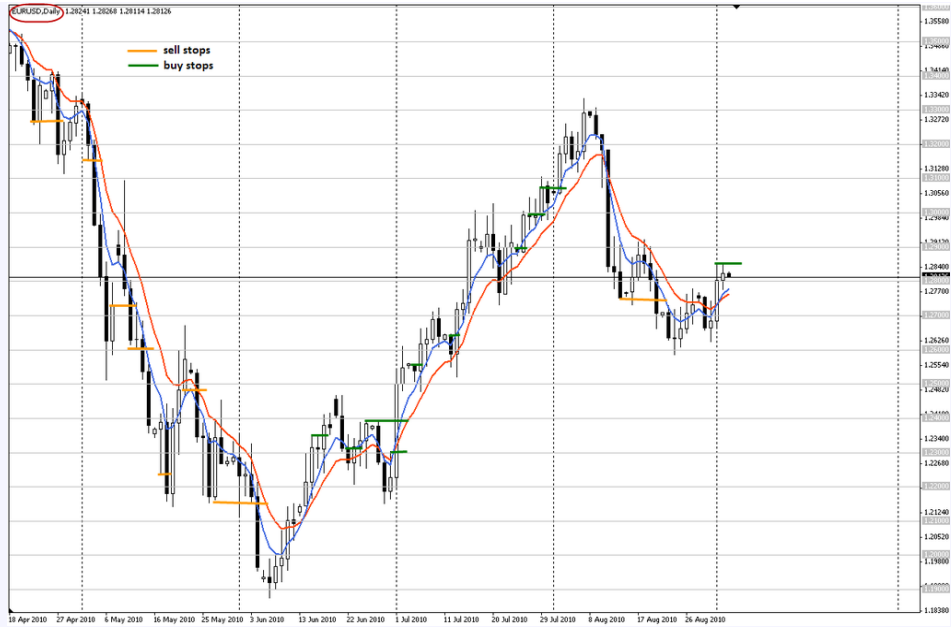
So it became a failed breakout. I usually close it for a small loss.

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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.

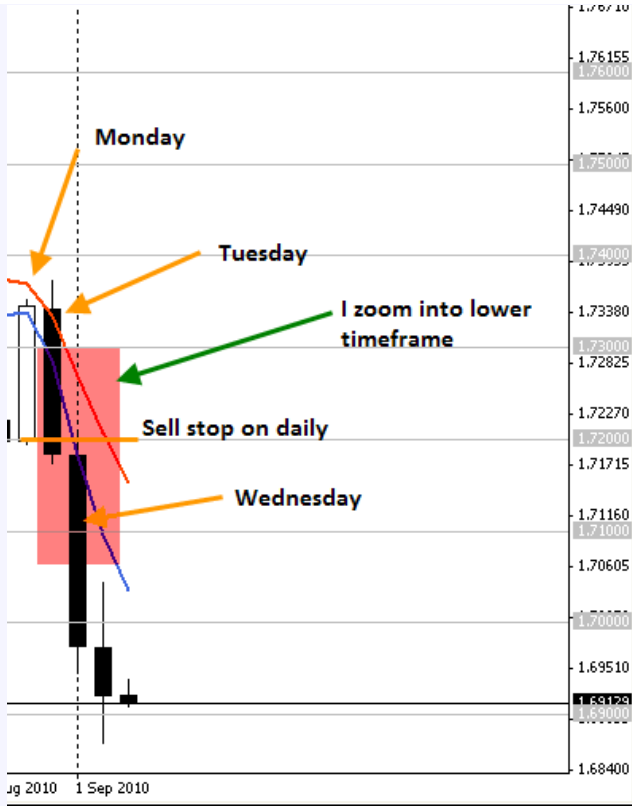
I chose gbp/aud as my project the next 2 weeks. It was one of my examples from the weekend and I mentioned I will be keeping this pair close to me.

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



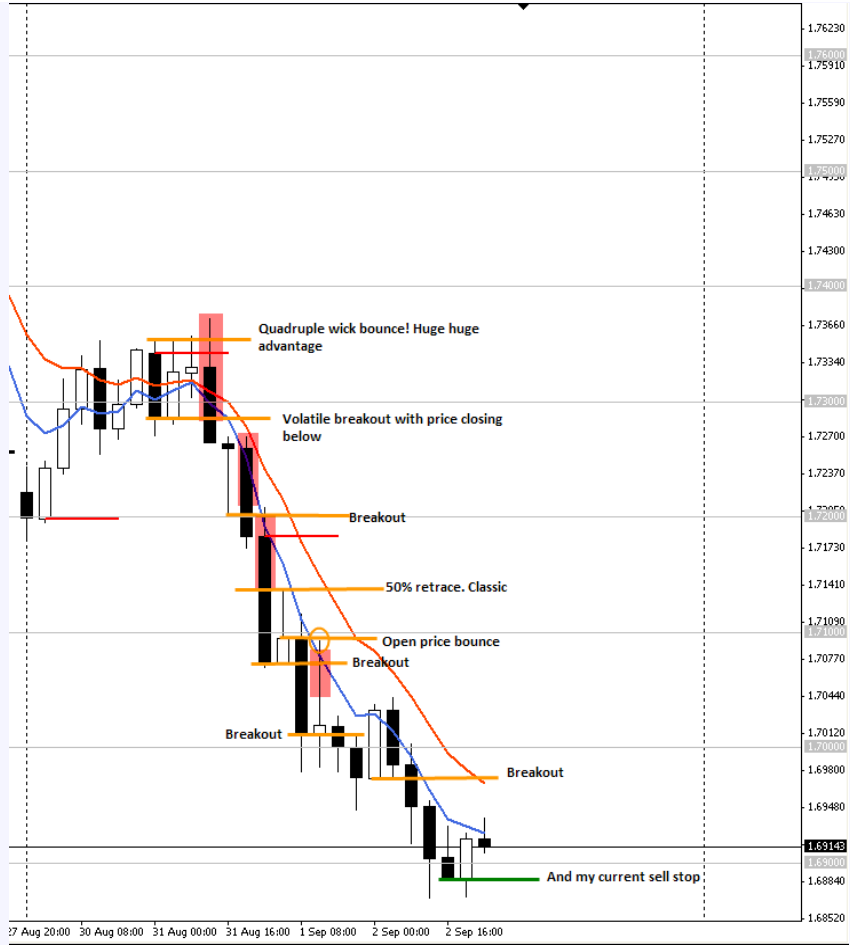
Daily gbp/aud



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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V [760 Posts](#)



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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

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:

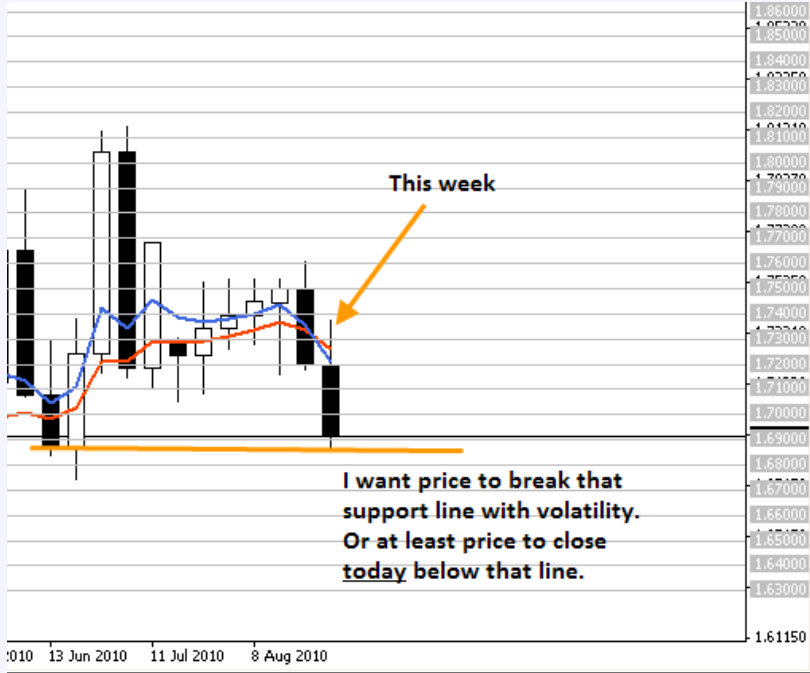
1. Im not in a rush
2. I keep things **simpler**
3. Hindsight is working to my favour
4. Profit taking is stretched out

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



pipEASY
crede quod habes, et habes

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




pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



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




pipEASY
crede quod habes, et habes

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

Quote


Sep 3, 2010 9:32pm

1983



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Member Since Dec 2009
10+V 760 Posts



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.

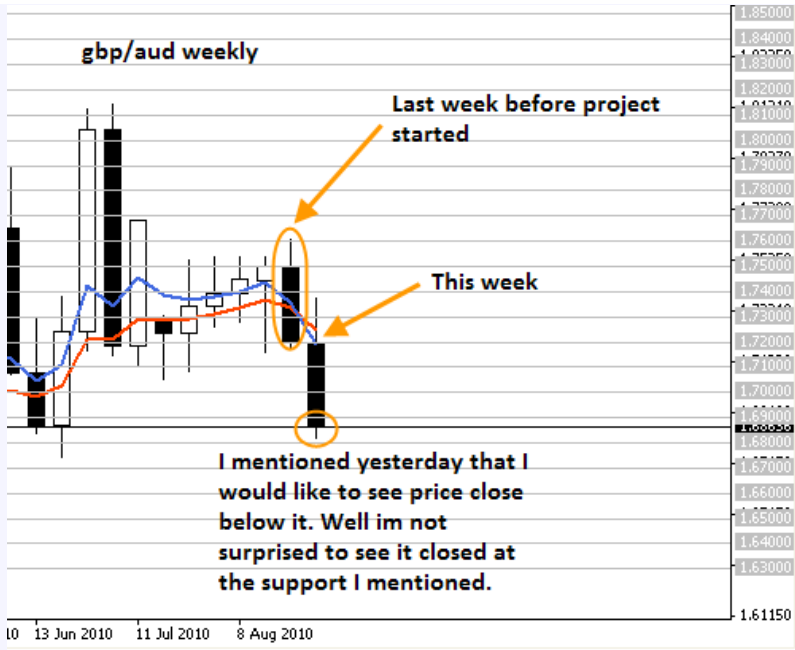
How much is a hindsight worth?

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.

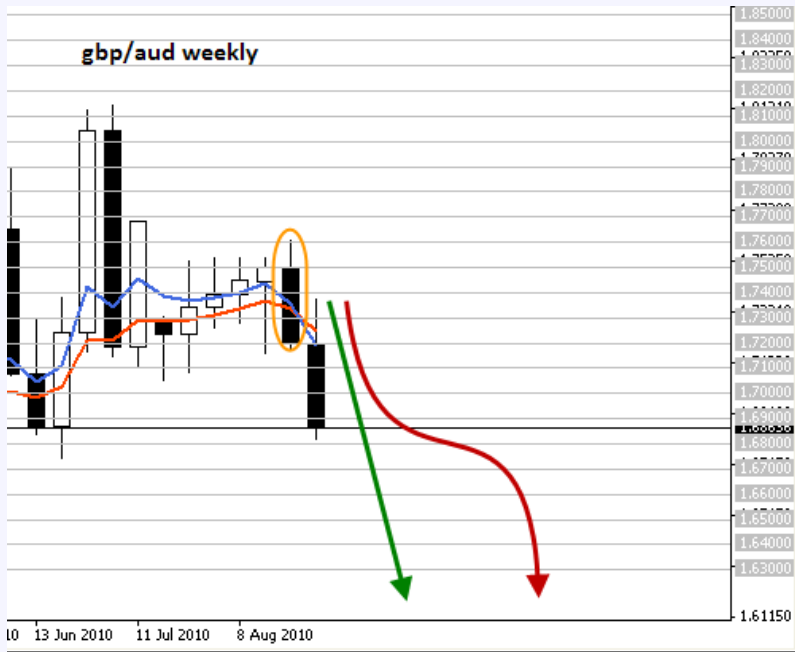
I chose gbp/aud as my project and posted an analysis on Monday and yesterday (Friday)



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.

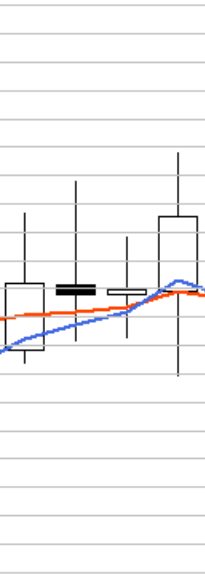


However the true worth in dollar terms/traders effort is worth more than any previous hindsight that didn't work out added together. This is a fact.

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.

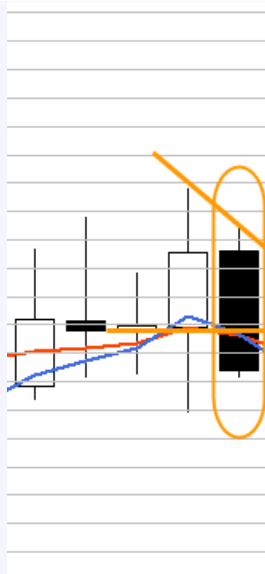


A trader picks this pair of currency. 4 weeks of nothing. He/she may have captured short burst of profit between the weeks but in the overall long term perspective there is nothing exciting.

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..

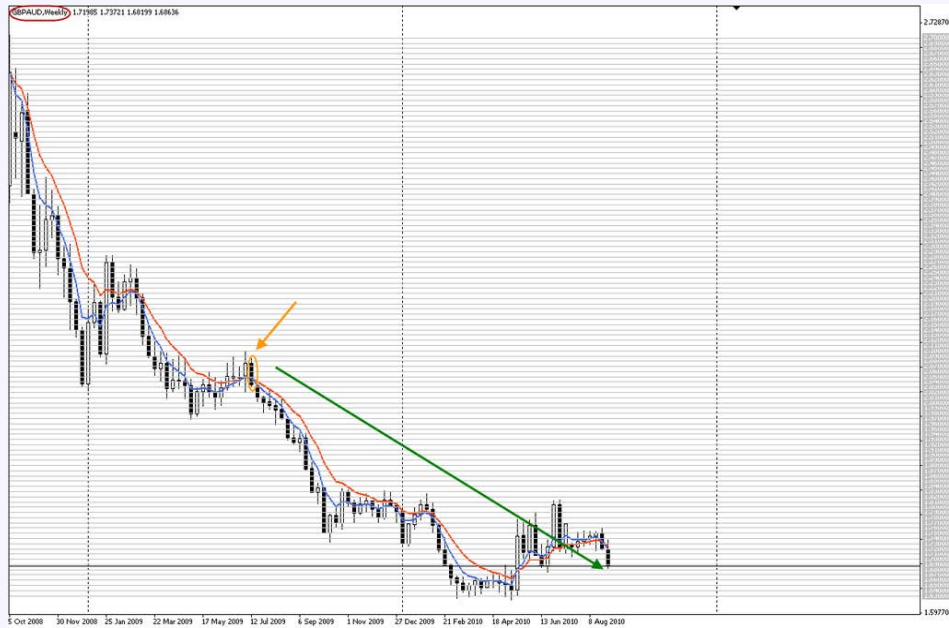
The week after shows something.



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+V 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


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Member Since Dec 2009

10+V 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

Quote

Sep 4, 2010 6:05am

2000



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Member Since Dec 2009
 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



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Member Since Dec 2009

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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.

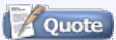
Sooner or later it will line up to one side of the direction. But I do know that waiting for the line up to happen first and then entering would have cut my potential profit greatly.

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



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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-selct 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



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crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



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


 **Quote**


Sep 8, 2010 6:40pm

2145



pipEASY
crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



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 acturarian 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





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crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



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 opportuntiy 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 logetivity 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

Quote



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



Sep 8, 2010 10:36pm

2159

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+yr 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+V760 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 tommbstone below.

5. Marion has just switched form FXCM to Oanda. And in regards to keeping track I will answer with toombstone below.

Sincerely,

Graeme

Quote

Sep 9, 2010 12:23am#2164



pipEASY
crede quod habes, et habes

Member Since Dec 200910+V760 Posts



Quote:

Originally Posted by **tombstone** 
*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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+
760 Posts



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, failing 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.ka price returning to MA).

If streaks of wins on a coin toss is translated into our forex charts, it would be the compelling mometum/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+y 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

crede quod habes, et habes

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
crede quod habes, et habes

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 hindsight 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



Sep 19, 2010 8:49pm# 2420



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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


Quote

Sep 19, 2010 9:01pm# 2421



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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 occurences 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

Sep 19, 2010 9:47pm

2427



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

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

Quote

Sep 19, 2010 10:05pm


2429



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



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+y760 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
crede quod habes, et habes

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
crede quod habes, et habes

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



pipEASY

crede quod habes, et habes

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





pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+ W 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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 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+ W [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 occurence 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

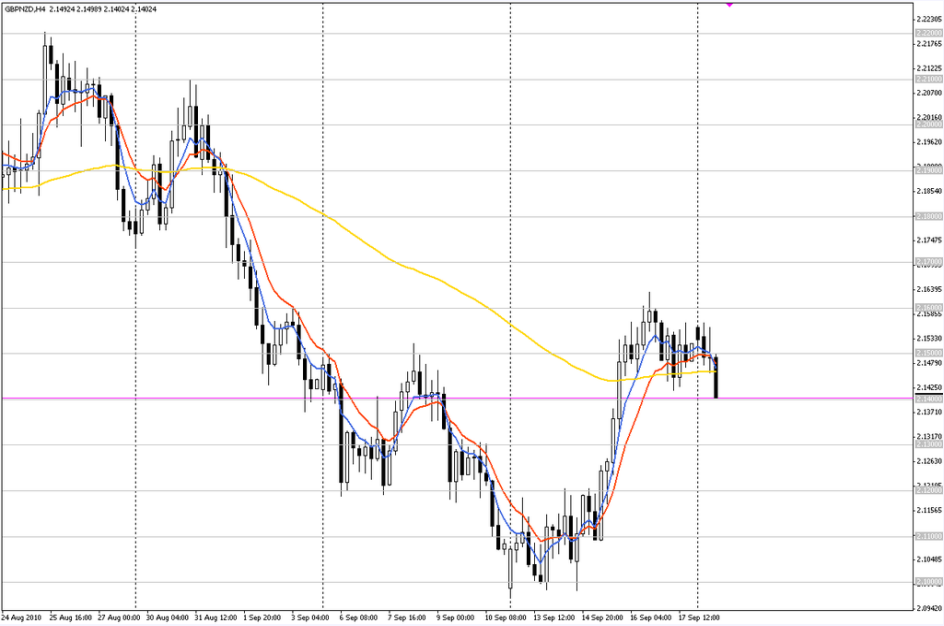
Thank you, VEEFX.

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+y 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+y 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 werent 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+Y 760 Posts

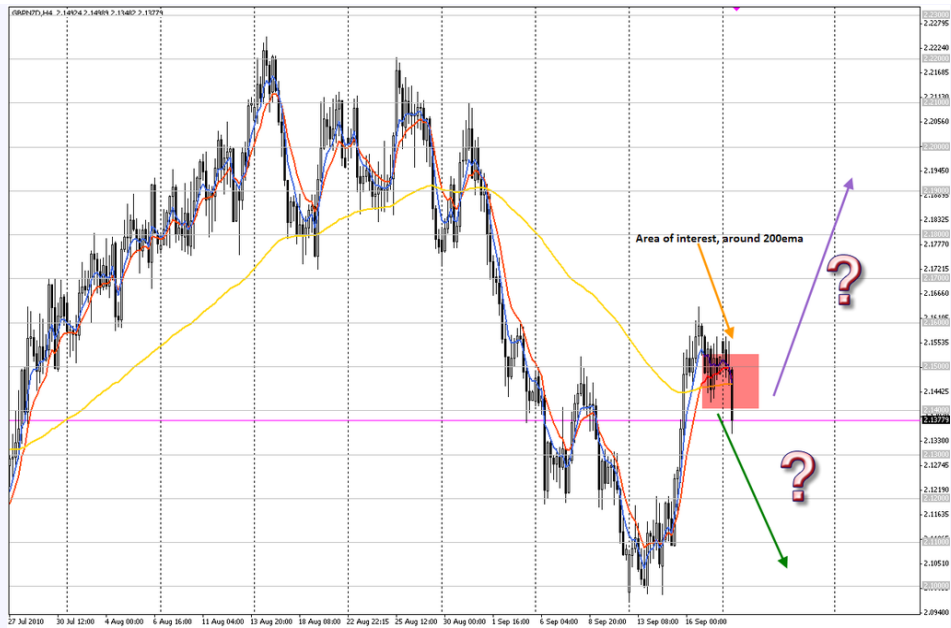


My pleasure, Tradpat

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



pipEASY

crede quod habes, et habes

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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

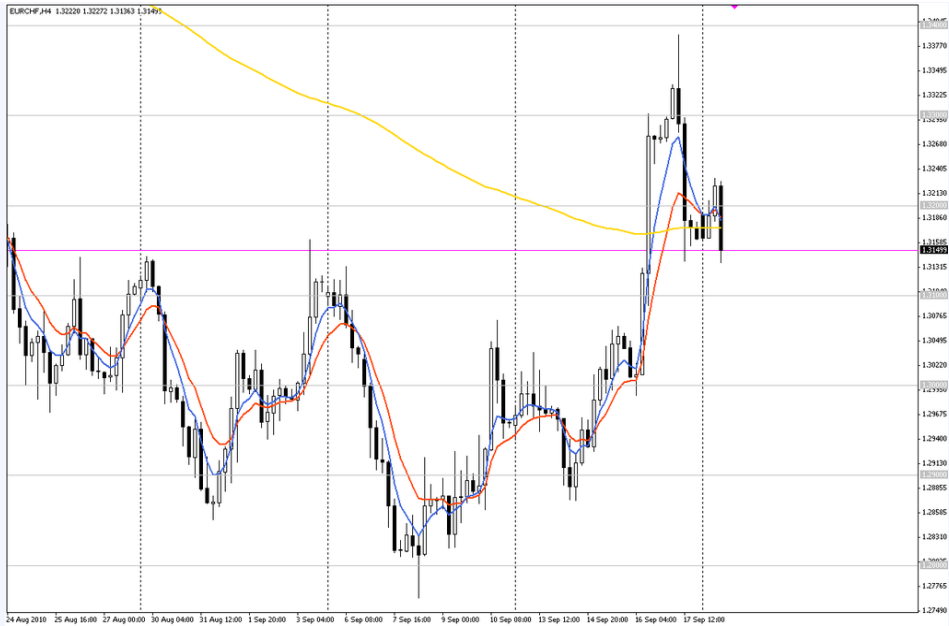
Originally Posted by **dongsky**
Here's a Eur/Chf... possible volatile breakout?

Good evening, dongsky

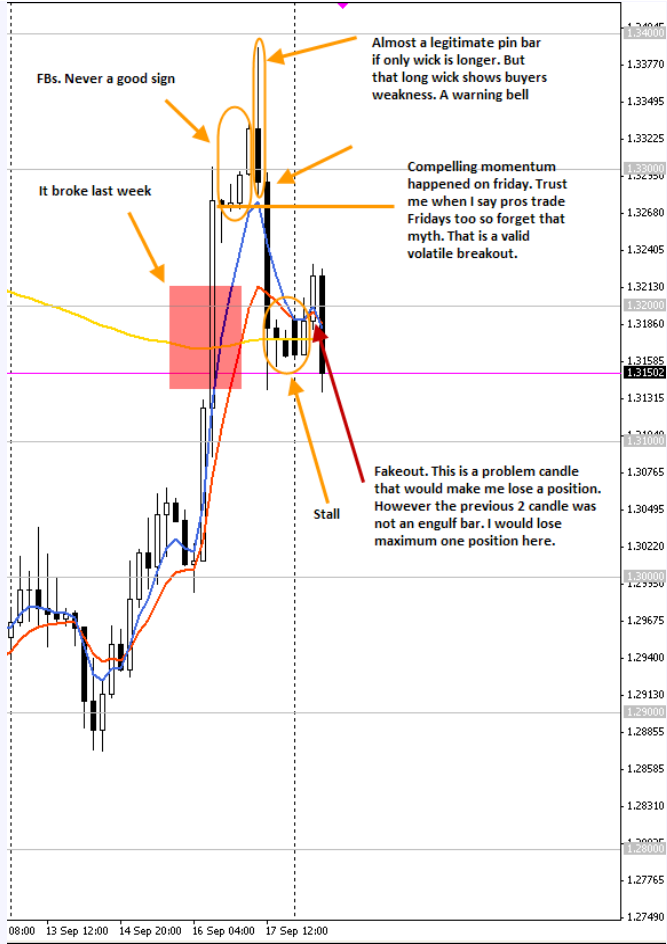
Thank you very much for the input.

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **paul1**

Ok have i got this,

*cylcle = 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 occurence 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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



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.

 **Quote**


Sep 20, 2010 7:04am

2478




pipEASY
crede quod habes, et habes

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

 **Quote**


Sep 20, 2010 5:22pm

2510



pipEASY
crede quod habes, et habes

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



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

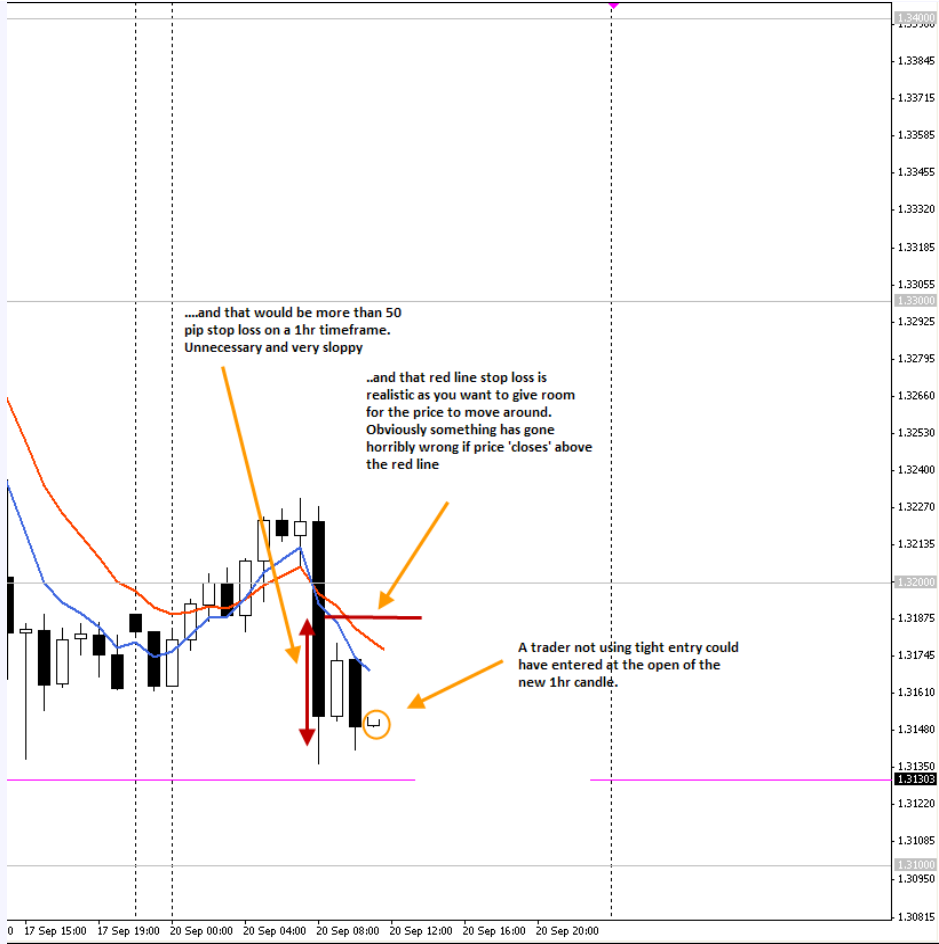
eur/chf 1hr



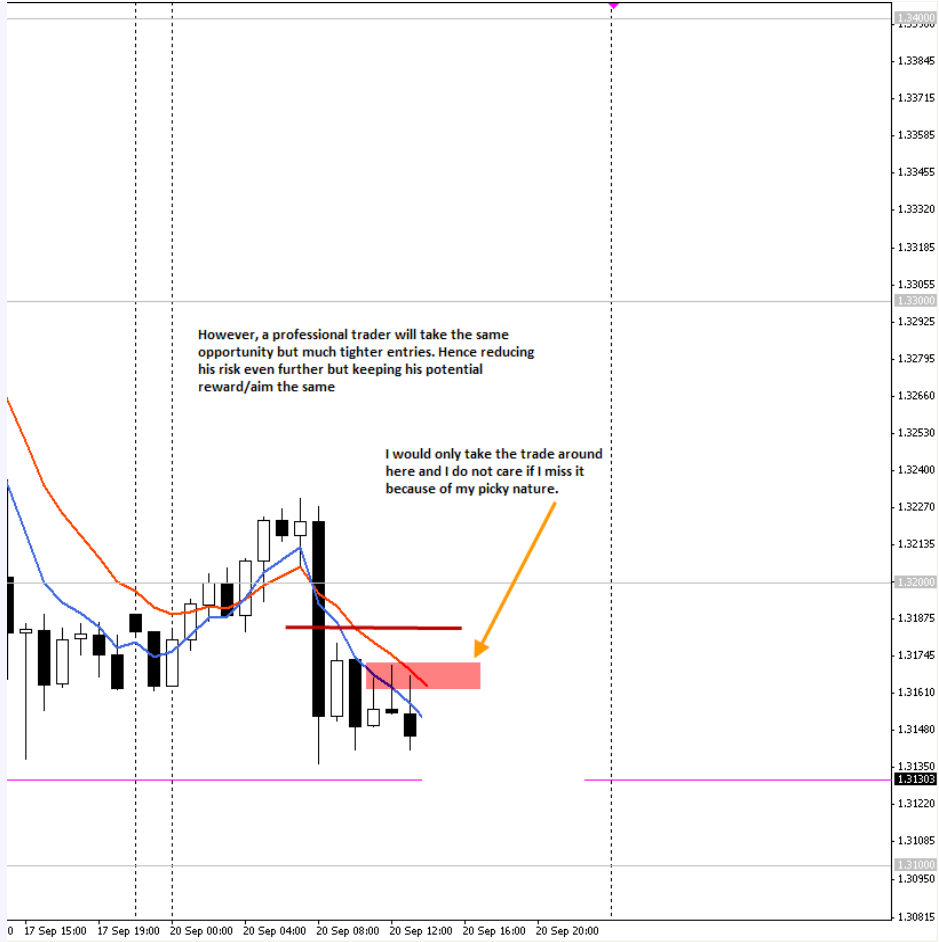
And currently (for now),



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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



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 unimaginable...

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




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **skyline** 

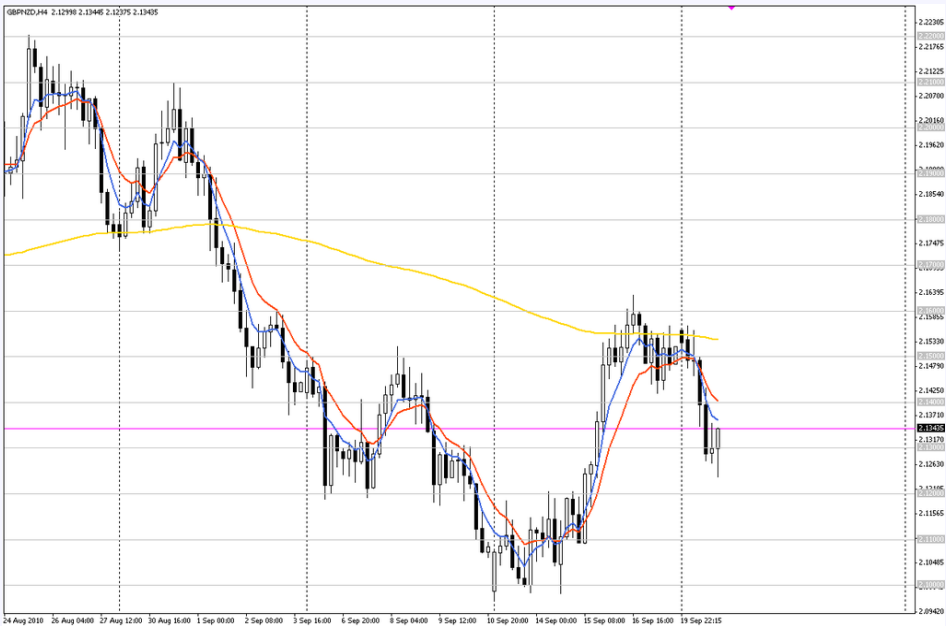
Good Morning Graeme,
yes it seems that daily candle opens is the same as your, actually my platform time is 22:52 so daily candle will open in about 1 hour and 8 minutes. I still wondering why the ema200 is different between the two platforms on GBPNZD 😊

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 is matters as everything is all relevant. Did you download from FXCM **UK**?

Sincerely,

Graeme



Sep 20, 2010 6:29pm

2522



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **skyline** ↗

Now your GBPNZD 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



pipEASY

crede quod habes, et habes

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



pipEASY

crede quod habes, et habes

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



crede quod habes, et habes

Member Since Dec 2009
10+ w 760 Posts



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




crede quod habes, et habes

Member Since Dec 2009
10+ w 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



pipEASY
crede quod habes, et habes

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

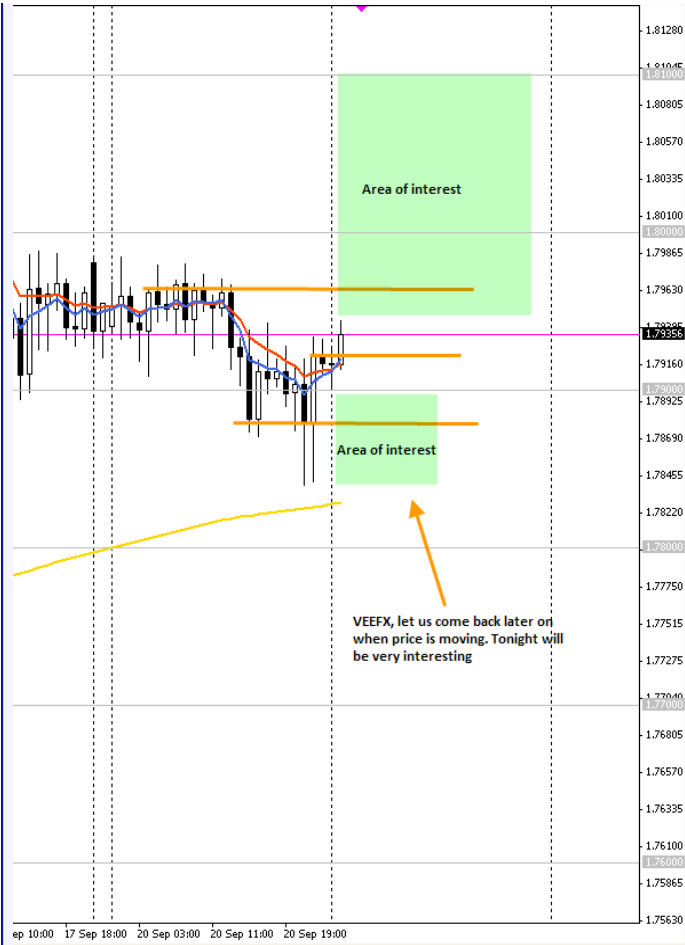
4hr chart



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



pipEASY
crede quod habes, et habes

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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



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



pipEASY

crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts

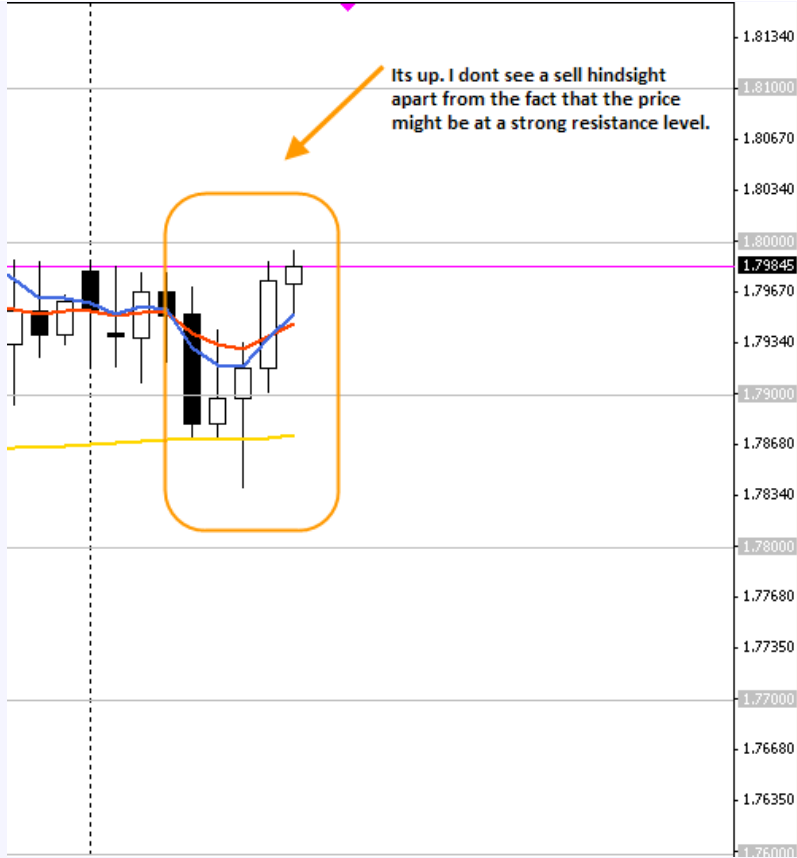
VEEFX, you have just spent your first ammo.

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



crede quod habes, et habes

Member Since Dec 2009
10+Y 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

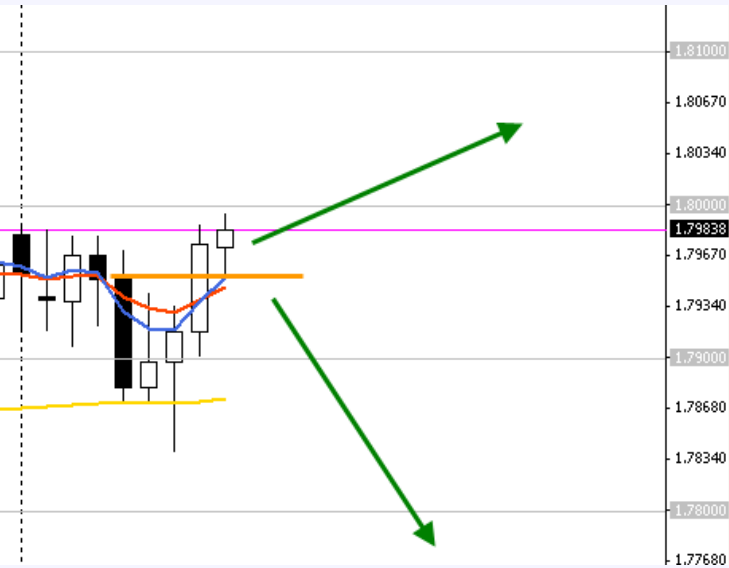


pipEASY
crede quod habes, et habes

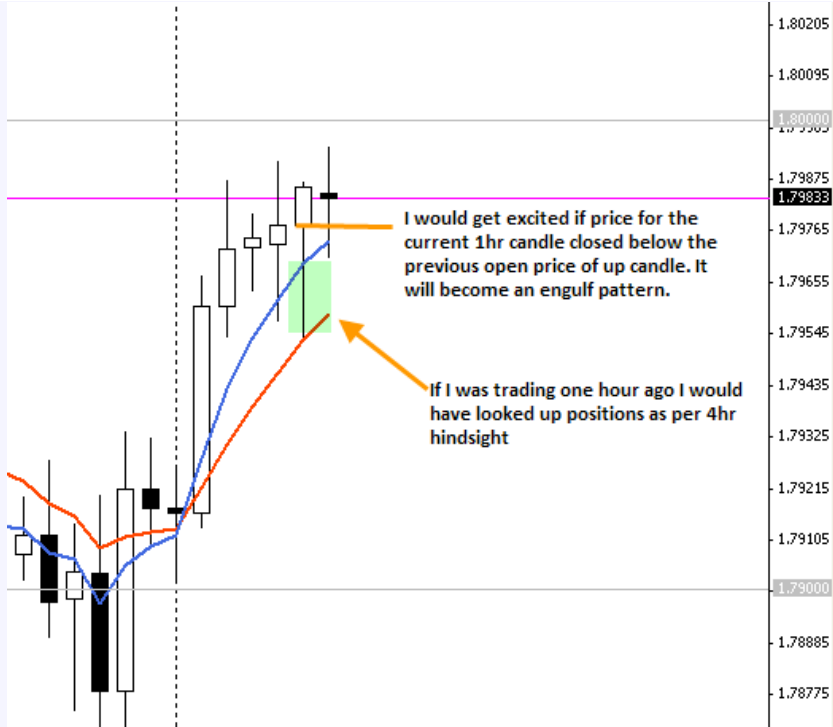
Member Since Dec 2009
10+V 760 Posts



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



crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



Quote:

Originally Posted by **VEEFX**
Hi Graeme,

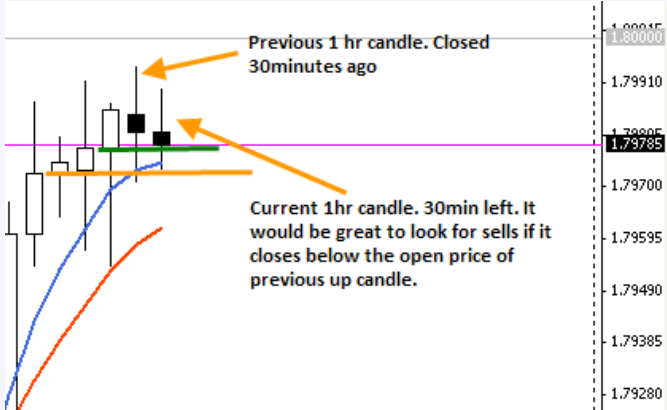
Great feedback on my trades. Please keep them coming as I (and hopefully for our readers also) am learning a great deal. I need all the criticism I could get to improvise on my entries.

Forgot to mention this... apart from strong purple resistance, I was also basing my short entry on a down trend line on H4 toughing 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

crede quod habes, et habes

Member Since Dec 2009

10+V 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




pipEASY
crede quod habes, et habes


Member Since Dec 2009
10+y760 Posts



Is there any price nearing 200ema at the moment apart from eurnzd?




Sep 21, 2010 3:06am# 2567

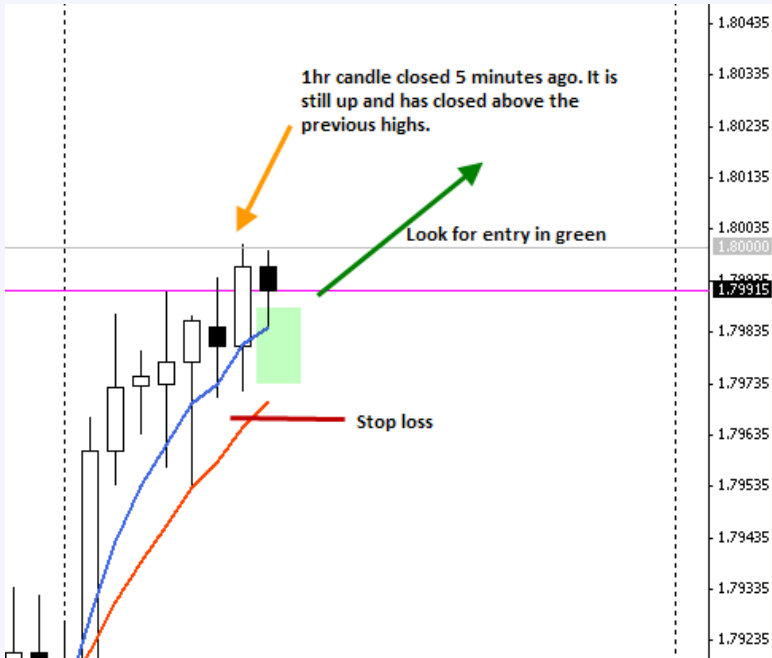


pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y760 Posts



eur/nzd 1hr update.




1hr candle closed 5 minutes ago. It is still up and has closed above the previous highs.


Look for entry in green

Stop loss

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y760 Posts



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.

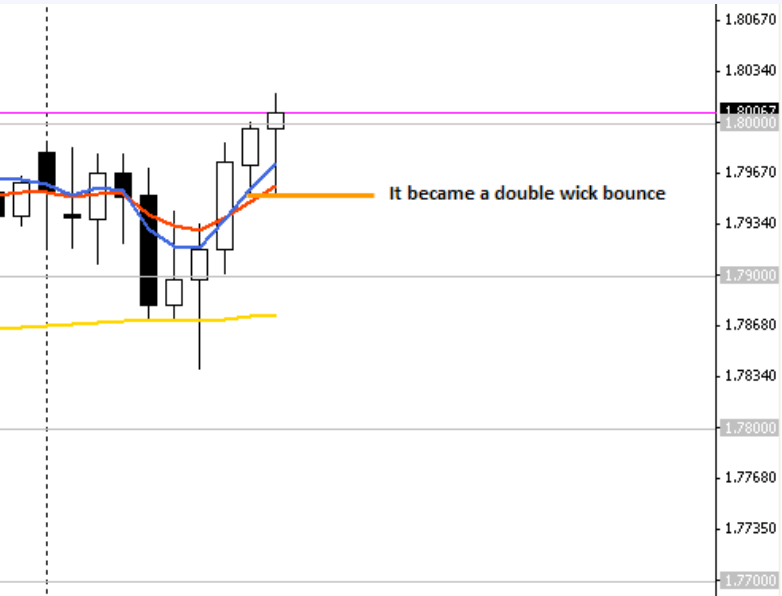
Please allow me to explain why it didnt work out today.

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.

eurnzd 4hr



Last edited by pipEASY, Sep 21, 2010 4:55am





pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



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



pipEASY
crede quod habes, et habes

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

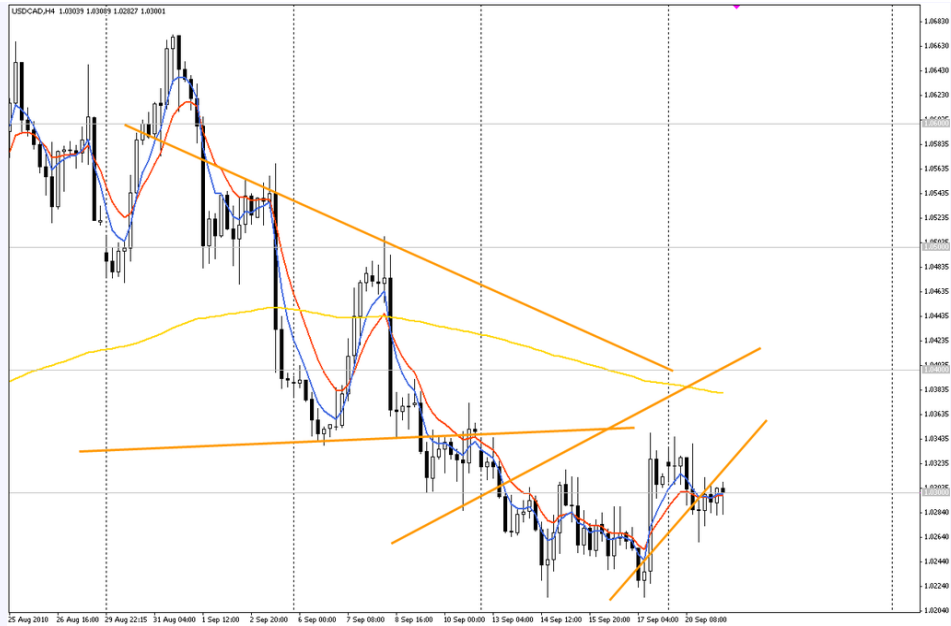
2584



pipEASY
crede quod habes, et habes

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




pipEASY

crede quod habes, et habes

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

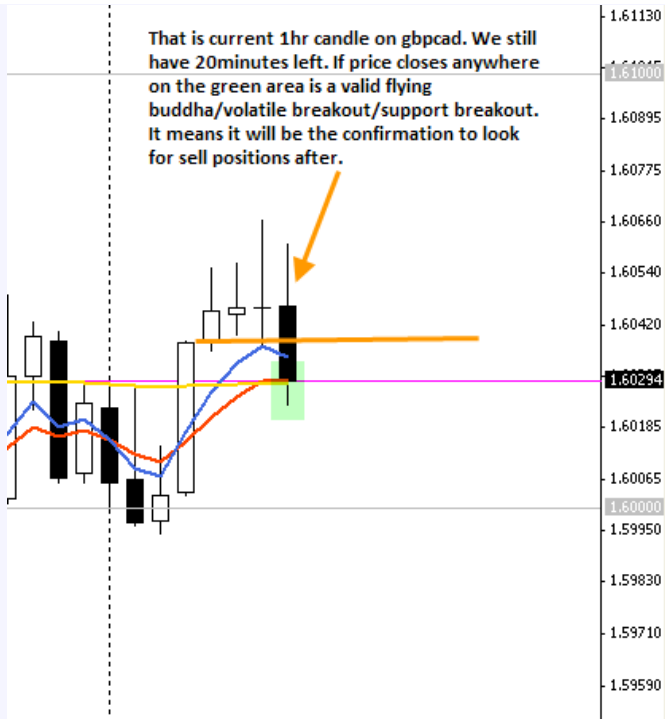
Yes I am now logged in.

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



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crede quod habes, et habes

Member Since Dec 2009
10+Y 760 Posts



Out of gbpcad, 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




pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+Y 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



pipEASY
crede quod habes, et habes


Member Since Dec 2009

10+y

[760 Posts](#)



Quote:

Originally Posted by **VEEFX** 
Did not follow this rule.. "If I'm 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.

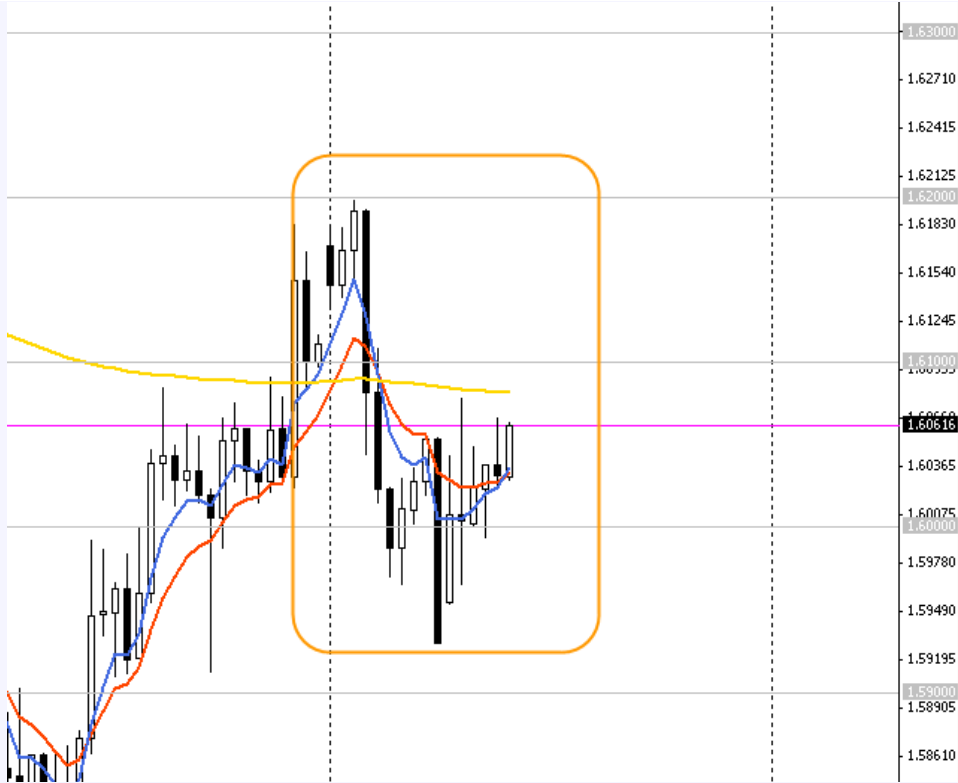
However you jumped too early.

4hr hindsight is our profiting grounds. And 4hr currently says up.

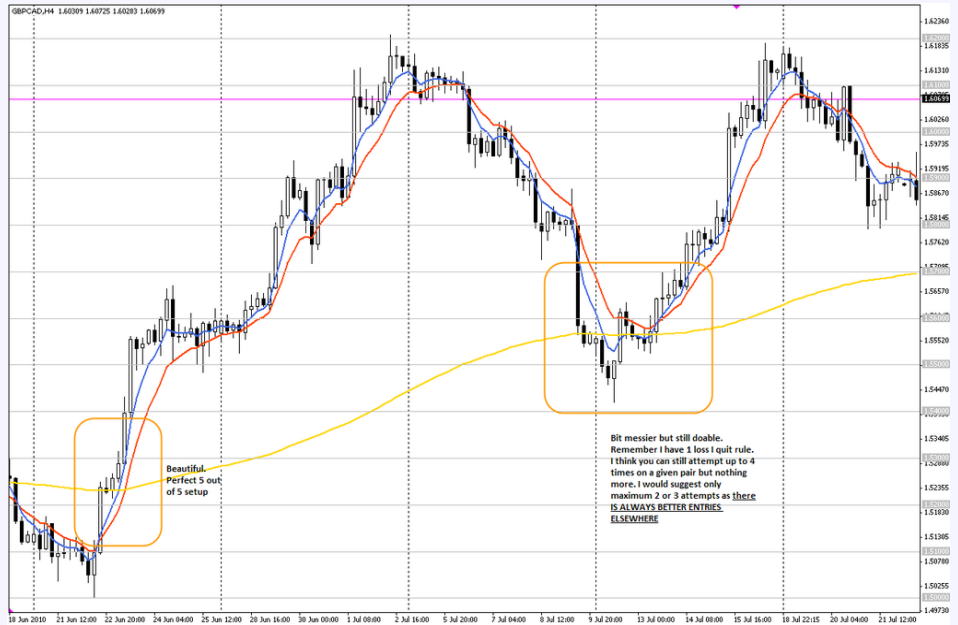


If I were to forecast gbpcad 4hr





It looks messy doesnt it? I like it clean. Like this..



Sep 22, 2010 3:23am

2665



pipEASY

crede quod habes, et habes

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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts




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.

Quote


Sep 22, 2010 3:28am# 2669

**pipEASY**
crede quod habes, et habes

Member Since Dec 2009
 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

Quote


Sep 22, 2010 3:29am# 2670

**pipEASY**
crede quod habes, et habes


Member Since Dec 2009
 760 Posts





I forgot to add. By alot.

Quote


Sep 22, 2010 3:37am# 2674

**pipEASY**
crede quod habes, et habes

Member Since Dec 2009
 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



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts

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



pipEASY
crede quod habes, et habes

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts



To all readers,

Thank you for your participation today.

Today we have discussed some very important topics.

It is selecting your pairs.

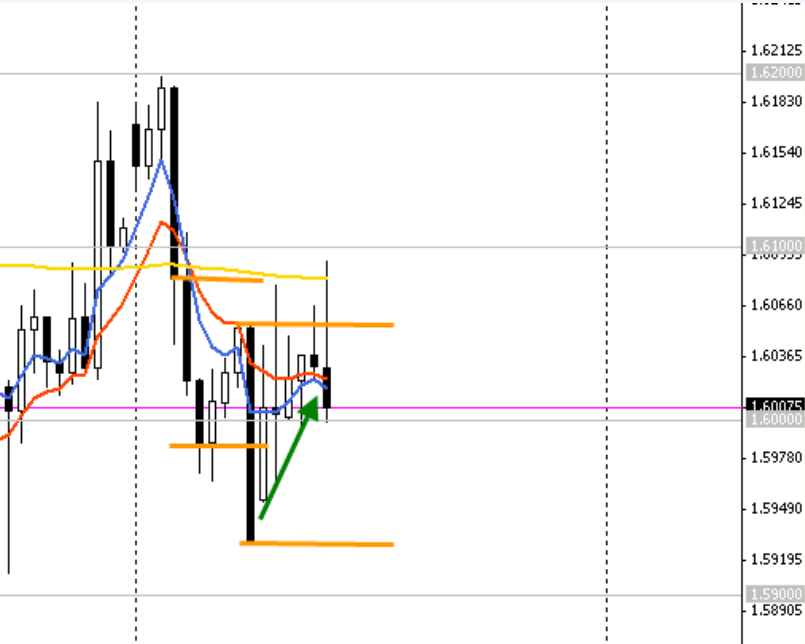
VEEFX has chosen gbpcad near london open, and Im sure he has valid reasons.

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



pipEASY
crede quod habes, et habes

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+Y 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.

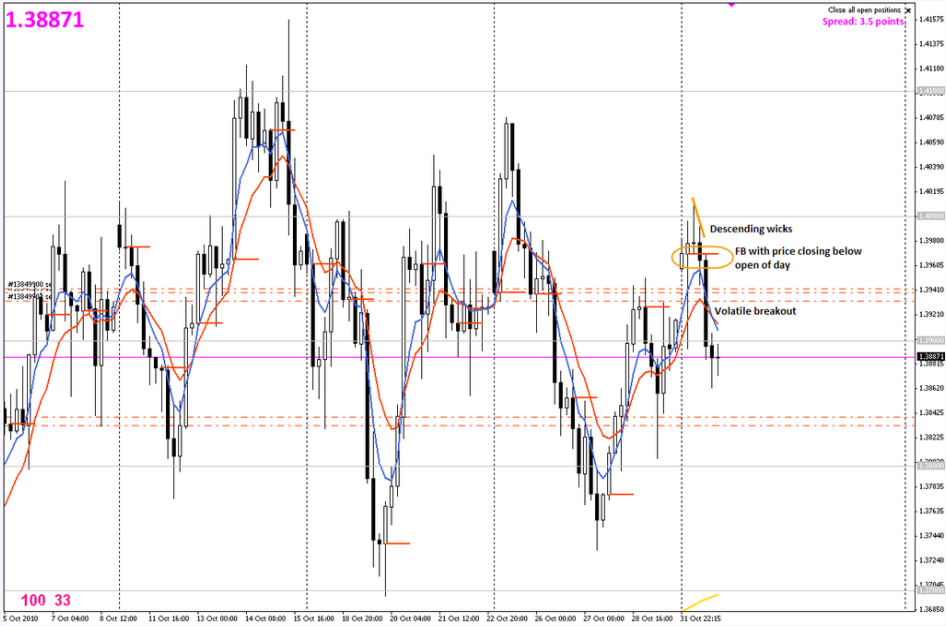
Just before my absence, we were watching VEEFX trade and the side talk about statistics. Before we go there let us all slowly come back to our open minded learning mode before we press on.

Till then this is 3 trades that I took yesterday just to also start me off slowly as well. (eur/usd 4hr)

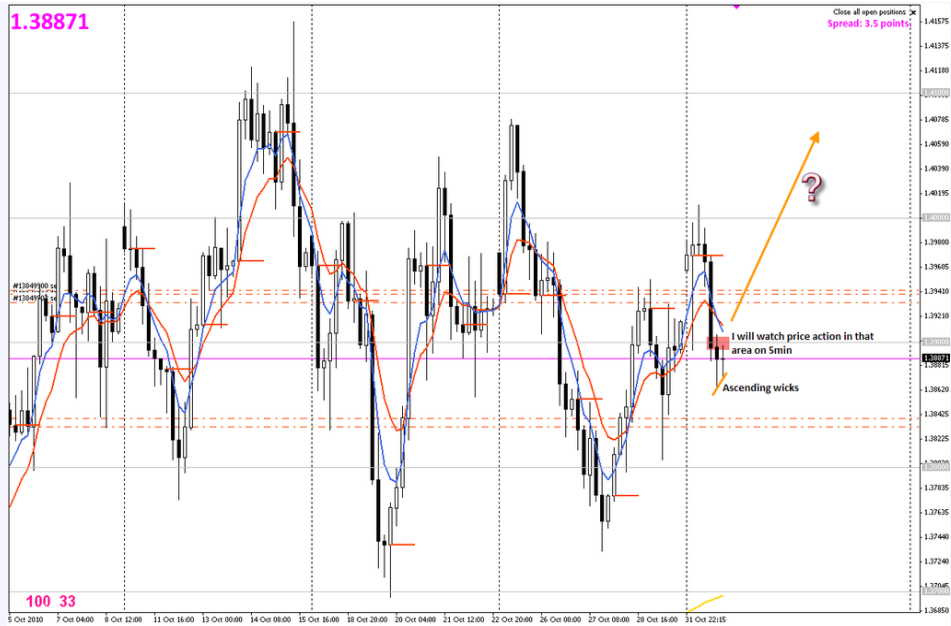
For now Im looking for at least 100 pip intraweek opportunities with intentions to holding onto half of the positions.

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

crede quod habes, et habes

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.

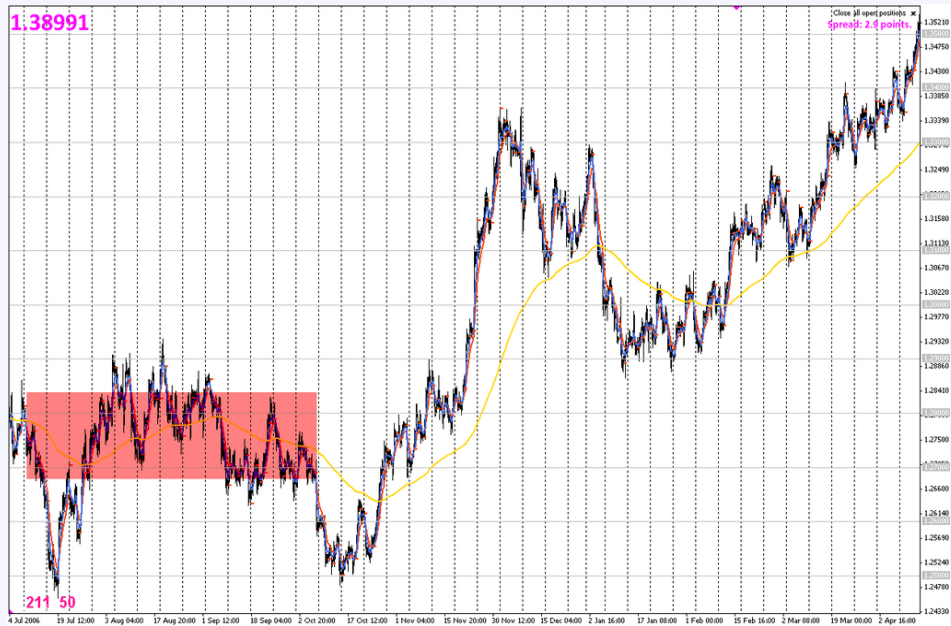
I will answer earnestly and honestly for all but need everyone to think about what Im saying on their own terms. Im not forcing my thoughts onto anyone.

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.

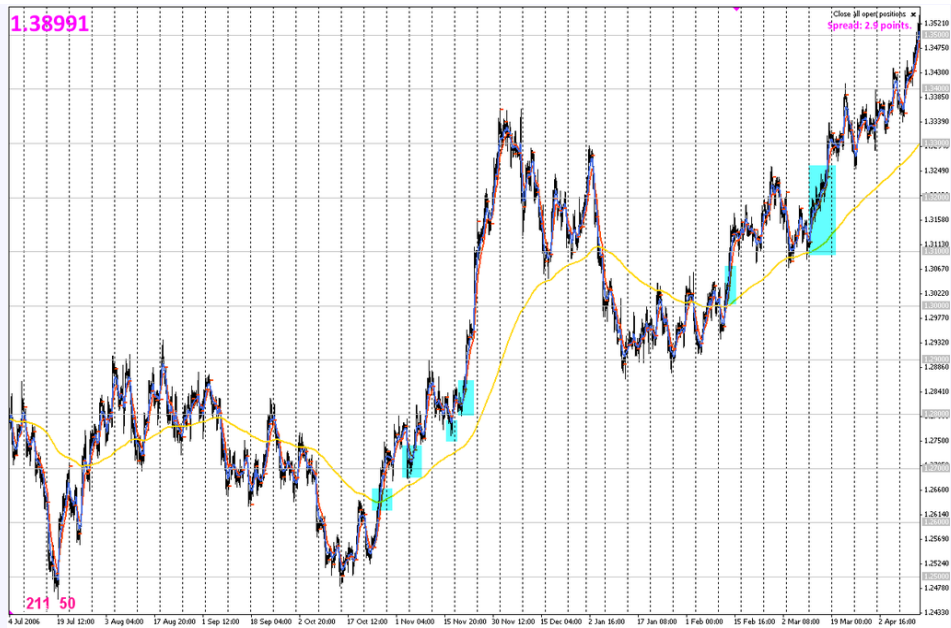
The reason?

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



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts

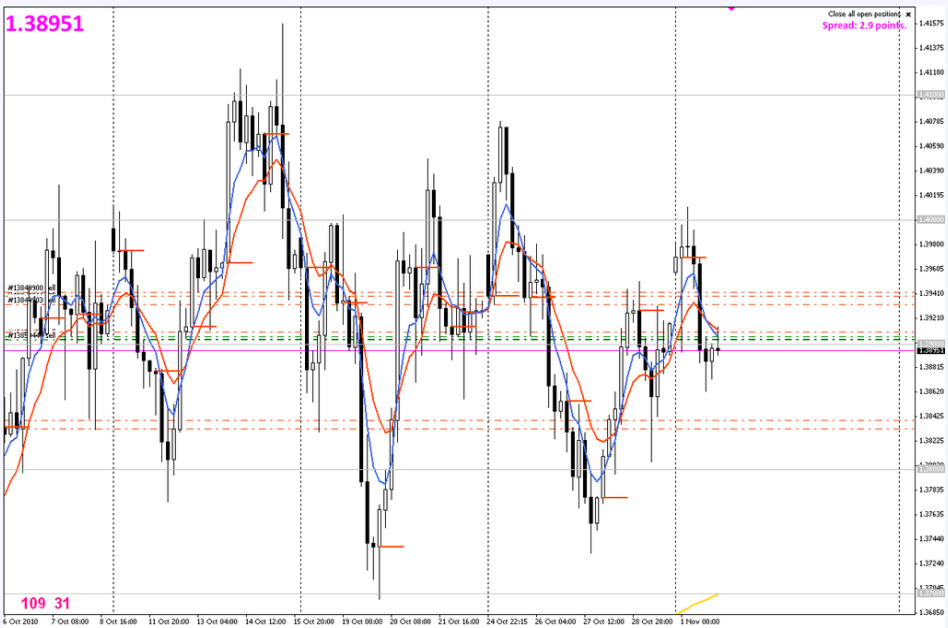


Just before I head out. I saw a setup on eurUSD.

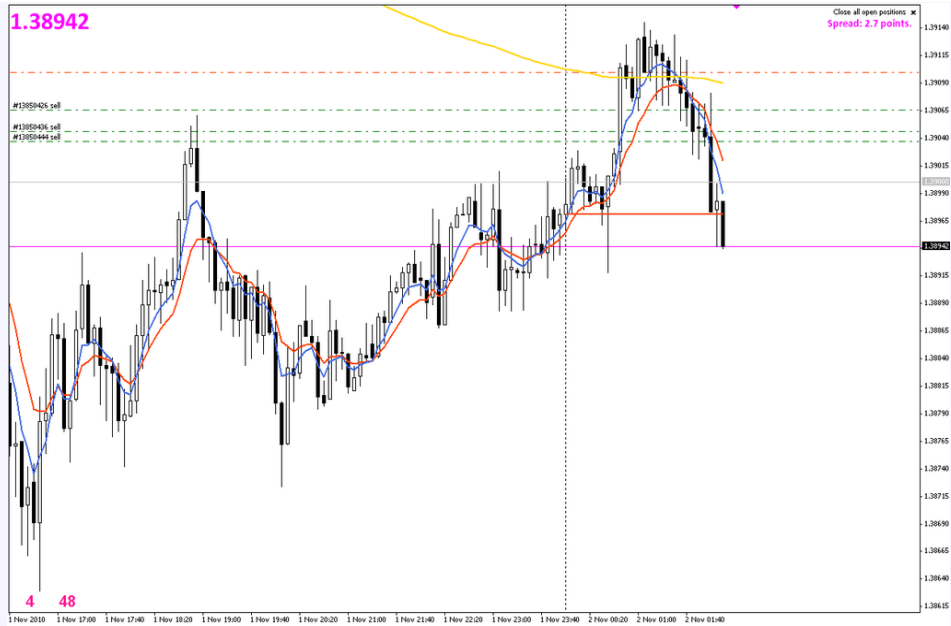
I took it but I dont have the time to see what is going to happen.

Moved SL so if the new 3 positions are taken out I lose -18 pips in total. What a bargain..

4hr chart



5min chart



Current realized loss for 6 positions @ -31 pips. Average -5 pips per position. I wont care less to lose all 6 positions. My mentality is that Im happy to pay 31 pips for the potential reward of much more than what I paid for.

What can you tell about my price interpretation on 5 min chart?

Sincerely,

Graeme



Nov 1, 2010 11:43pm

3355



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Member Since Dec 2009
10+V 760 Posts



Hubbahubba,

You will need to study your statistics.

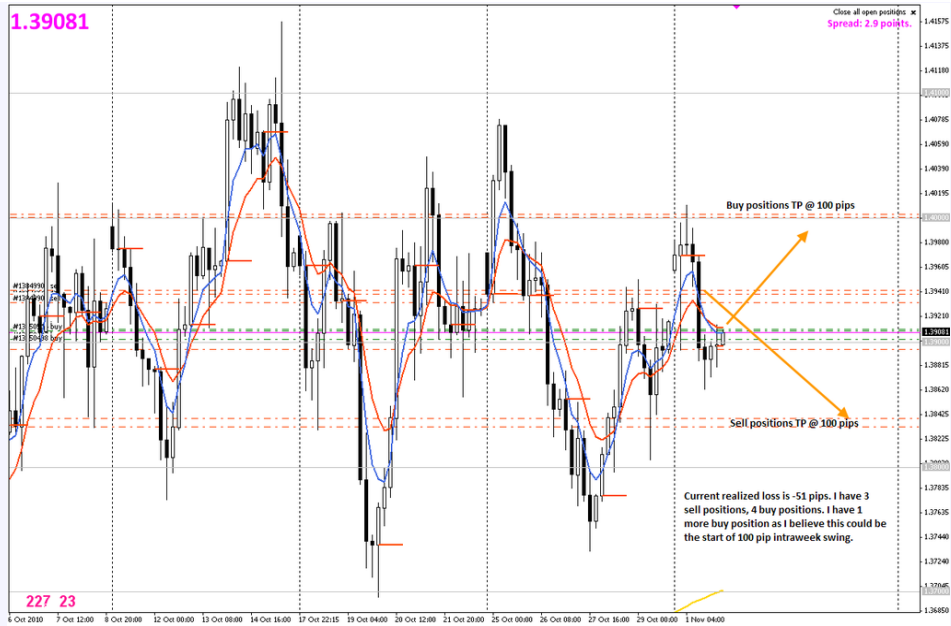
Over a period of 100 trades, how much realized loss is suffered before you hit 300 pip profit? Perhaps with this calculation you can create your own threshold.

Personally my threshold is much higher than most. I do not worry about -400 pips over the course of 4 months as I have done my homework and know that my 1000+ pip opportuntiy is closer and approaching.

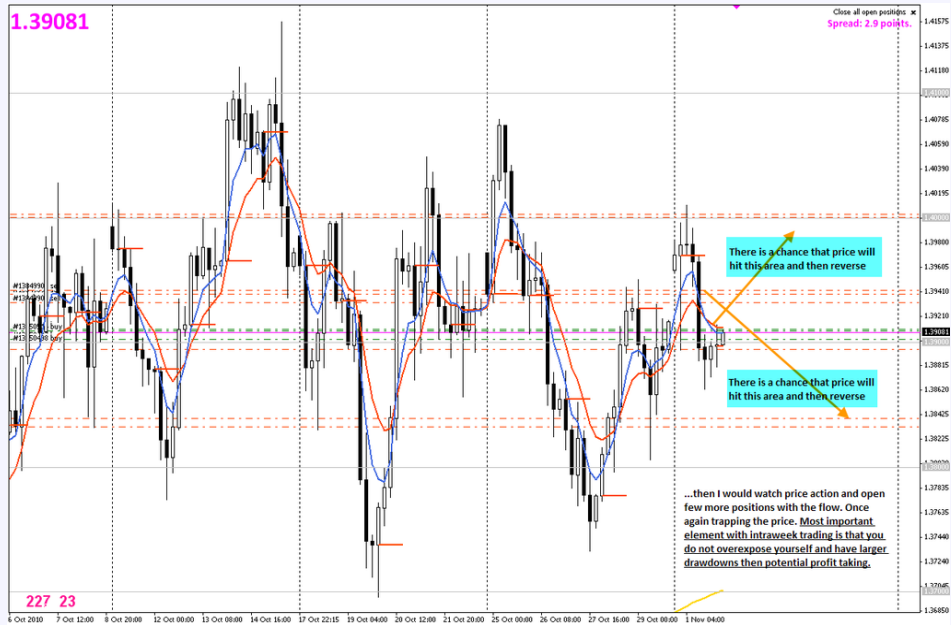
You must finish what you started in a constant parameter.

Now a little update on eur/usd

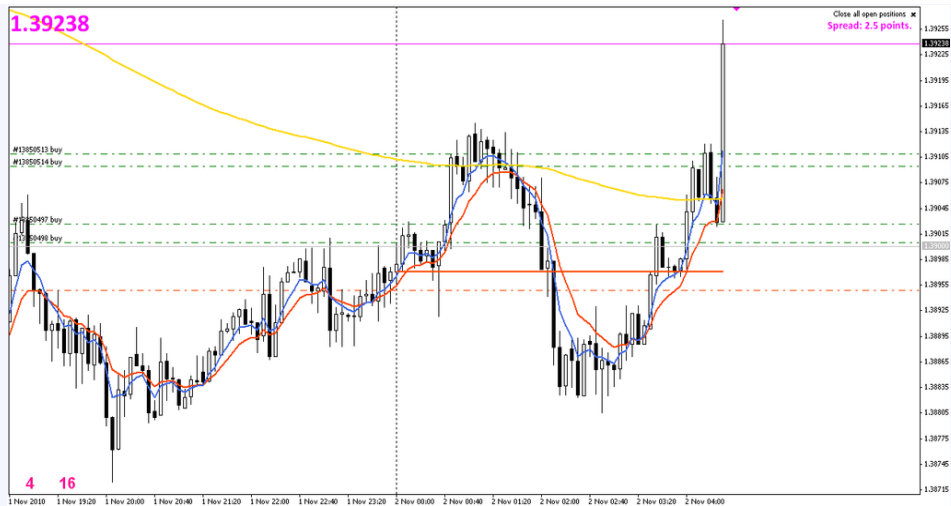
I have 7 positions. 3 sell and 4 buys. It cost me -51 pips in realized loss. Average -7 pips per position. Discount price.



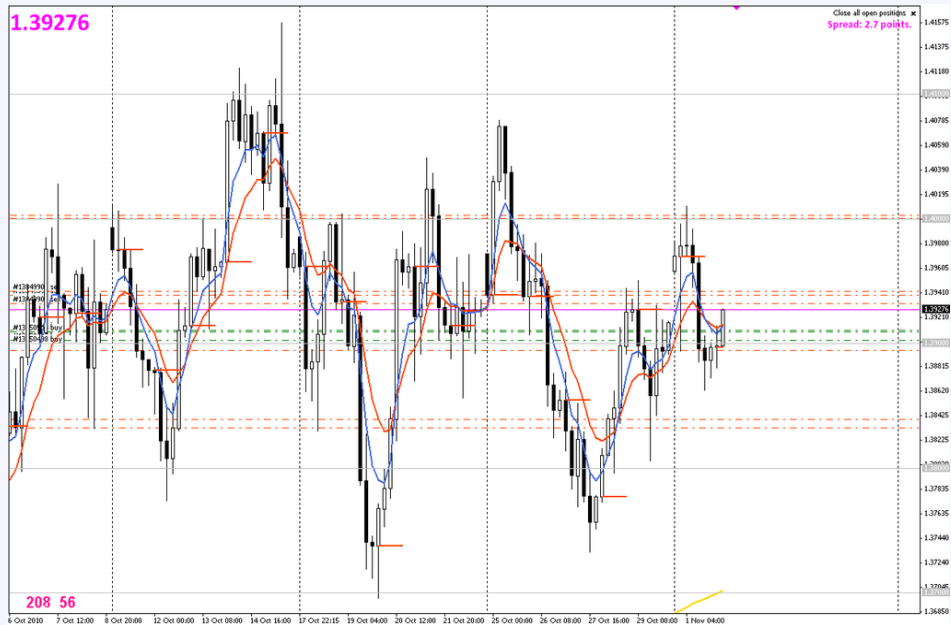
which means,



I was waiting for volatile breakout up when... (roughly 4 minutes ago)

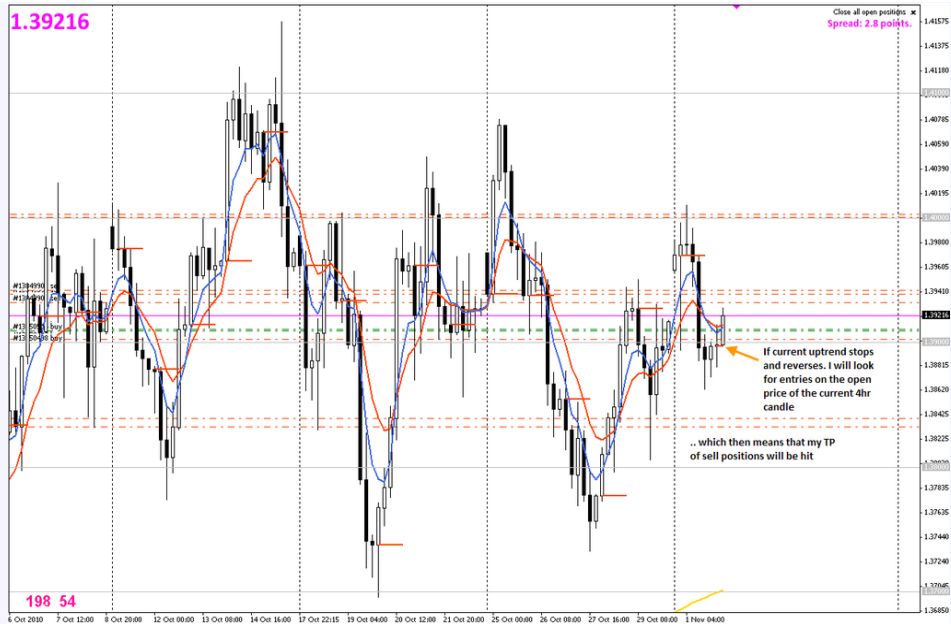


Placing myself in this scenario... In between my positions.



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?

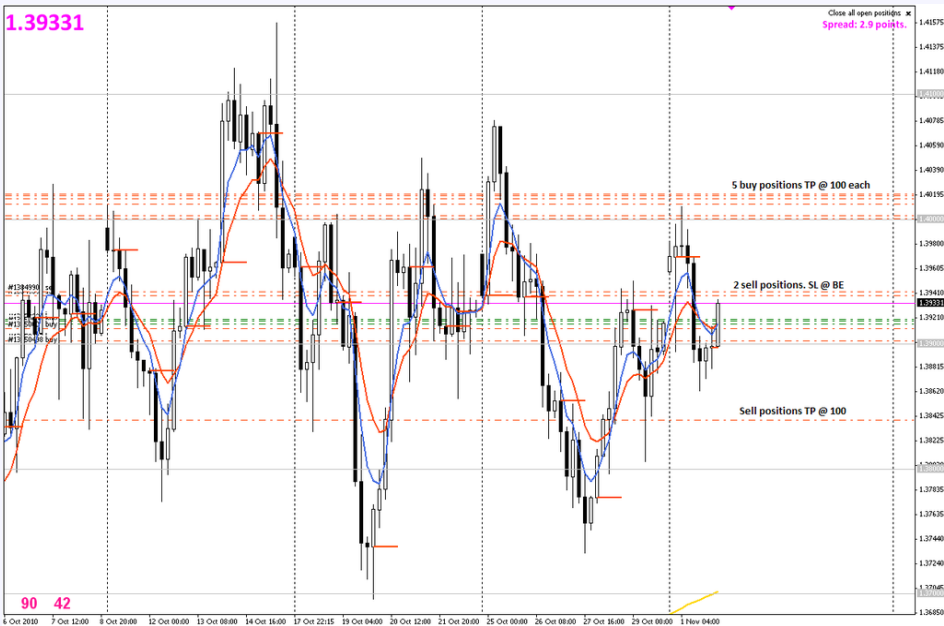
It means it has costed me 7.3 pips on average to establish 1 position. I aim to have less than -15 pips of realized loss per position established. This simple calculation tells me whether im currently performing tight entries or not. Most often it will cost me just around -15 pips per position established 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.

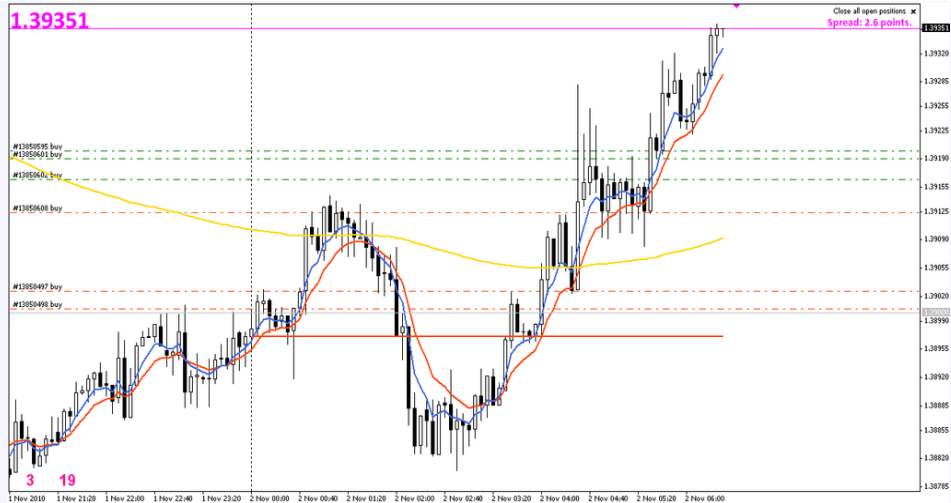
Current realized loss is -72 pips. 8 positions established which gives me an average loss of -9 pips per position established. Still within my limits so im happy with that.

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



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Member Since Dec 2009

10+V 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'

Graeme



3362

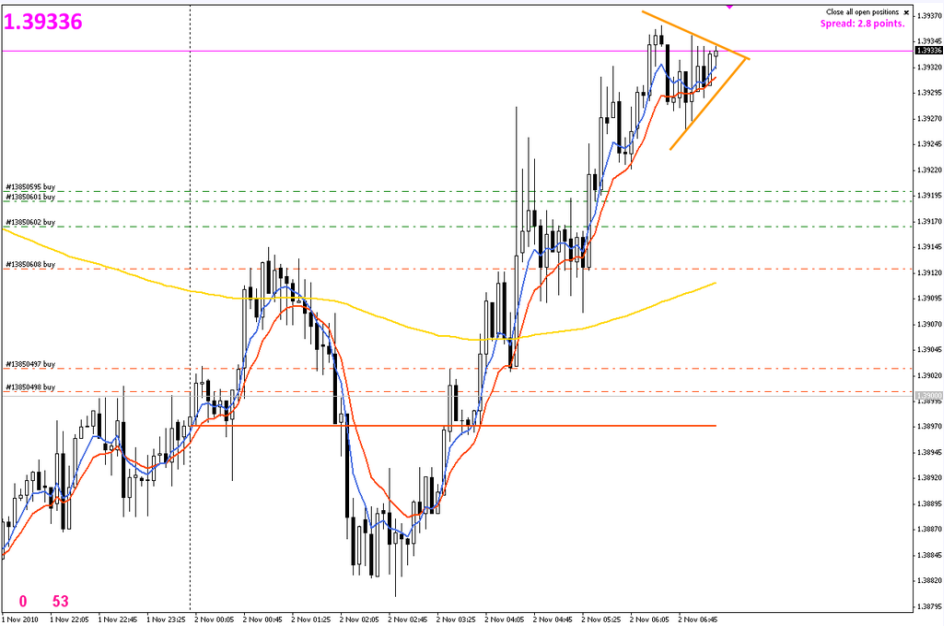


pipEASY
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[10+y](#) [760 Posts](#)

Before you answer, Midnight.

Look at the chart I posted 10 minutes ago and now.



It is definitely a pennant.

Do I know which direction it will breakout?

No i dont. **I have interest in both directions** so I dont care which side it breaks out to.



Nov 2, 2010 2:54am

3363

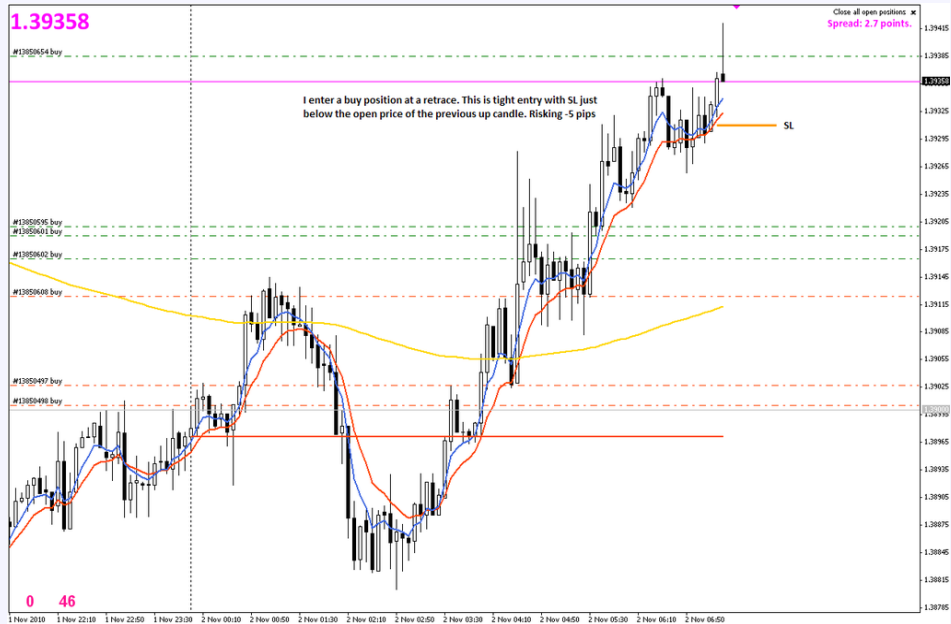


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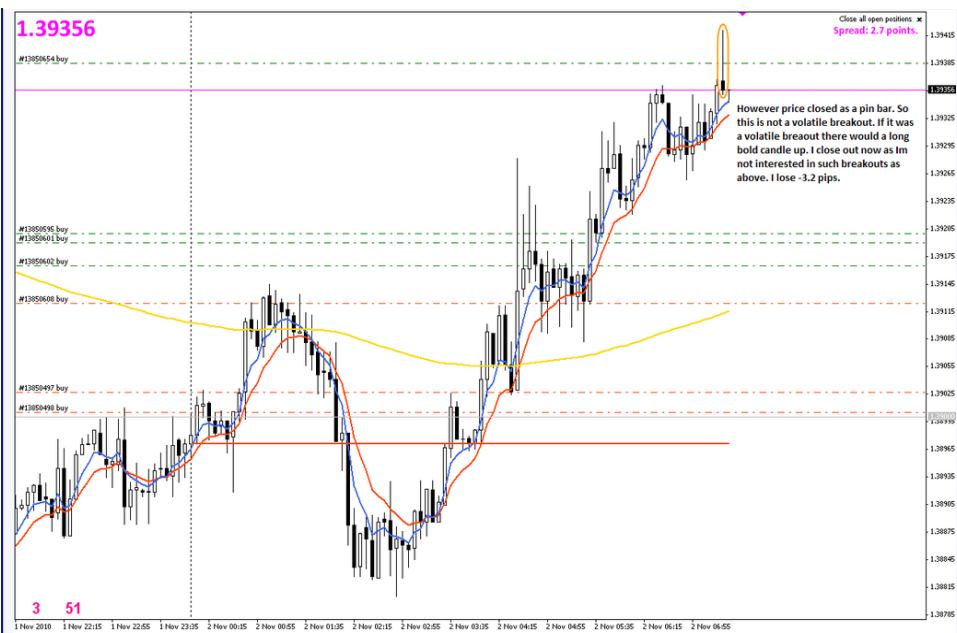
Member Since Dec 2009
10+y 760 Posts

So it does breakout of that pennant and it goes up.

However I open one now for all to see.



file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]




And so on.
Sincerely,
Graeme



Nov 2, 2010 3:14am


3365



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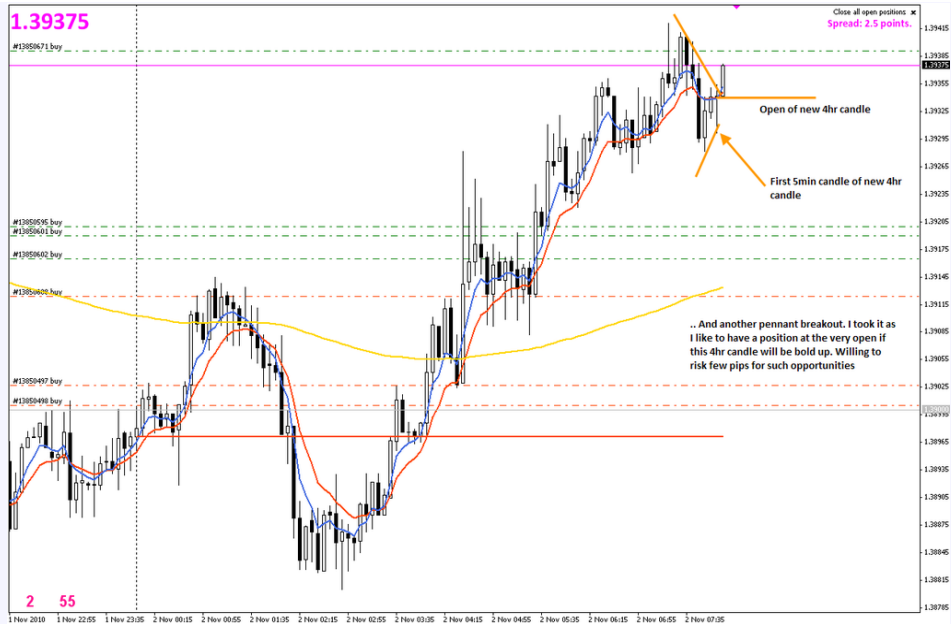
Member Since Dec 2009
10+V 760 Posts



If the next 4hr candle is going to be up then where is the best place to enter which will have higher probability of surviving the next few candles?

It is at the open of the candle.

Im very interested in the price action at open of 4hr candle. There must be momentum.



That makes 7 buy positions now and zero sell positions. The last bundle of sell positions in the previous charts all died on BE. My realized loss is now at -75 pips.

I dont like having all my eggs in one basket.

When this uptrend dies down with buyers cashing out and general fear is in the market. I will start another bundle of sell positions

And so on.



Nov 2, 2010 5:41am

#3367



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Member Since Dec 2009
10+V 760 Posts

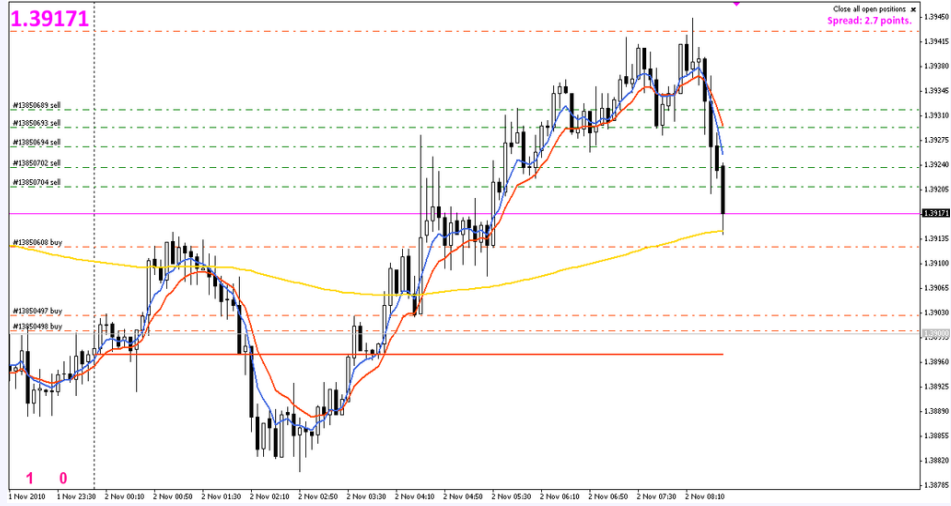
Very good questions and thoughts.

Midnight - Thank you for your detailed response. Look at daily chart of eur/usd. There will be often candles that has less than 10 pip retrace but ends up bold candle. And most of these no retrace bold candles are the beginning of large trends. I find no difference in my profits when I focus on london session or asian session. Personally I think asian session sets the game whilst london walks in and finishes it. You will find that at least 1 out of 5 days in a week there are good setups during asian session. I will never ignore this. It is one of my bread and butter.

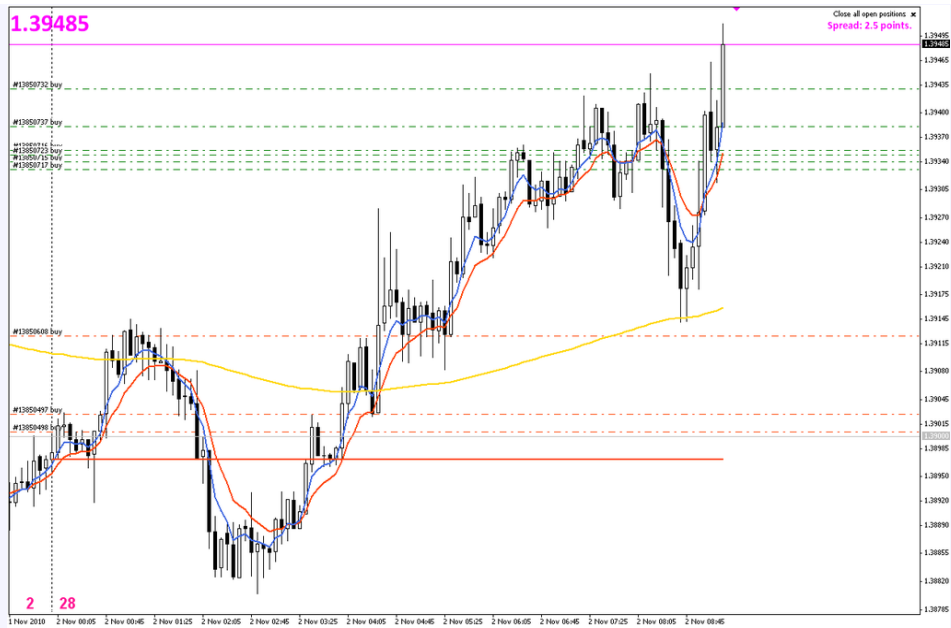
VEEFX - First of all my heartiest gratitude for your efforts. Your results are not negative. You have done well and I wish I could have been present to direct you. Your findings are spot on. VEEFX, I will send you a detailed PM little later on.

Update: For a moment I thought the new 4hr candle would turn out to be a down candle.

A volatile breakout as soon as candle opened. I took it and placed sell positions.



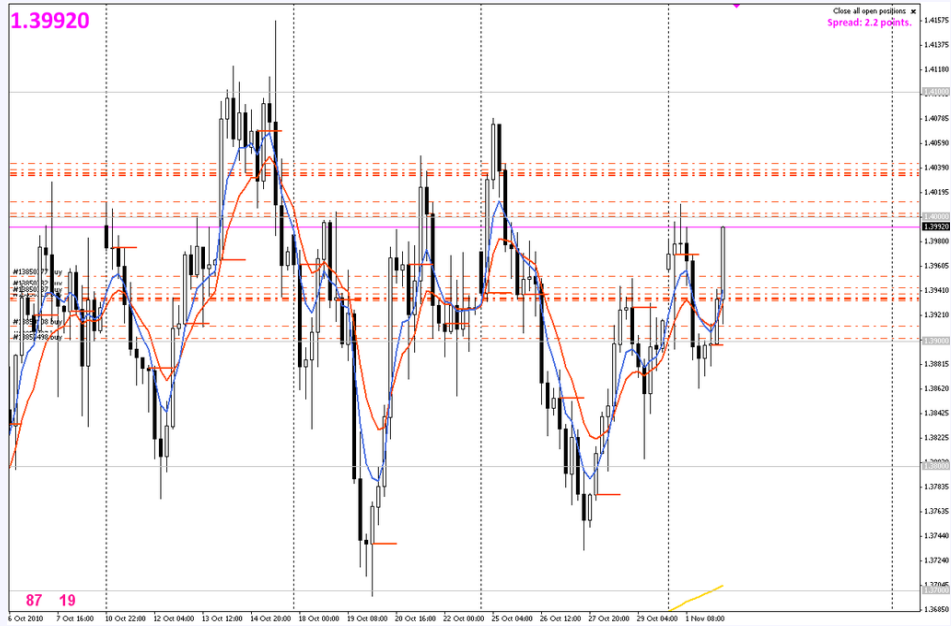
However.. It was a fakeout and it took out few of my buy positions that I have established before. Waited for a correct volatile breakout and added 7 more buy positions which totals 10 buy positions.



Currently,

10 buys positions, 0 sell positions. All buy positions SL moved to BE and TP @ 100 pips each, except for 1 position with no TP.

Looks like it will hit my TP soon.



My current realized loss from yesterday is at -124 pips. The fakeout above cost me little bit but I know I will get it back by many folds. Average - 12.4 pips loss per position. Still within limits.

Graeme

3369

I also reset my realized loss counter and starting afresh in my mind.

Sincerely,
Graeme



Nov 2, 2010 2:48pm

3371



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Member Since Dec 2009
10+Y 760 Posts



Good morning, VEEFX

I have read your detailed post few times.

I promised to send you a PM but I thought I will post it into the forum.

Your post comprises of much thought and it seems you had few enlightenment with the project we did.

Your results are impressive.

Taking that many trades for only -13% on account equity.

The main goal I wished to show all was that positions must be held for growth.

Most of positions that I still hold from months or year ago was around 200 ema. Once you choose your profiting ground as 200ema then you are aiming for large reward hence that much of a bigger number of losses.

When a trader chooses 5ema/10ema crossover as their main profiting ground they are choosing to profit on a smaller scale.

A good volatile breakout on 5ema/10ema may go few hundred pips however good volatile breakout on 200ema will go many thousand pips and will be the change of a new major trend.

There was a post that I put up yesterday which replies to member: hubbahubba about this. Please re-read for me.

<http://www.forexfactory.com/showpost...postcount=3351>

Now, I completely understand your risk tolerance. How most people cannot stomach a few hundred pip loss now for a potential few thousand pips later which might happen next week, next month or even few months after.

If that is the case, you can adjust your profiting ground to a smaller version.

The problem with that is your potential reward that you can **skillfully** extract on the new profiting ground might not cover your **usual drawdown**.

Im currently showing all live trading on eur/usd intraweek. My profiting ground is based on 5/10ema so my TP is around 100 to justify that. Most traders lose money because they then use very large stop losses or drawdowns to establish this mission statement of hitting 100 TP. This type of trading is almost scalping for me but Im here to prove a point to everyone. As we all know I build positions and I choose my profiting ground on 200ema as my tolerance is very high.

My tolerance is not high because I have much capital. It is high because I know what to expect with a greater degree of certainty than most traders.

Alot of traders do not know what to expect.

VEEFX, you need to choose your profiting ground. It can be ema or sma or certain timeframe. The bigger profiting ground you select the bigger potential reward is out there.

Problem is some traders choose very large profiting ground and then dont have the necessary patience/persistence to follow it through. Once they abandon they notice something large does eventually come up. Everyone guilty?

Another problem is some traders are little bit more cautious and choose smaller profiting ground and then have very large drawdowns/losses/careless entries so even when they do finally profit appropriately, it just doesnt cover enough and they most likely breakeven at best. Everyone guilty?

Hence the price action interpretation is very very important to save you. Preventing a loss is also same as securing a larger net profit at the end. I wonder how everyone is doing with x3 20 TP exercise. It is because of that exercise, Im able to do what I can do currently.

Some might think, Graeme has changed his trading style. No, my trading style remains the same except I have just selected a smaller profiting ground for a faster progress to show all.

I wonder if my new showings will fuel more confusion than clarity.

Sometimes I just dont know how to answer one question earnestly without spawning another 2. I dont mind the questions however am I providing the right direction as my intention?

Sincerely,

Graeme

Good morning, Chips

Apologies to address you in the same post with VEEFX.

Im just trying to keep this thread from growing too large.

Chips, you said a golden sentence.

"Graeme, if I understand you correctly your advice is WAIT for confirmation of the higher TF(1H, 4H) then use PA on the 5min to enter."

I would also add in price action/confirmation.

Sincerely,

Graeme

P.S Thank you for your kind words, cam



Nov 2, 2010 3:14pm

3372



pipEASY

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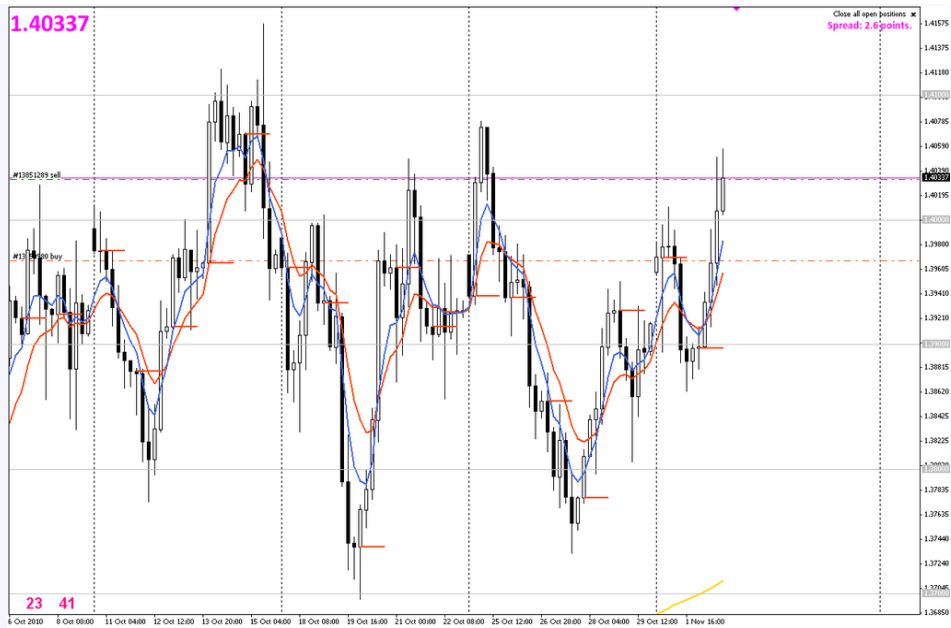
Member Since Dec 2009

10+ y 760 Posts



A trade I just took.

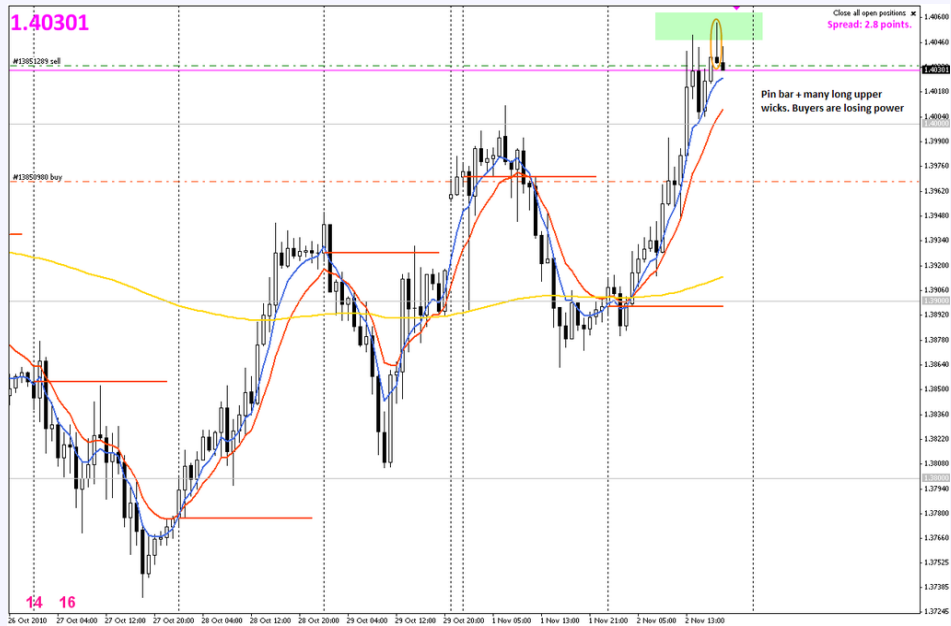
eur/usd 4hr



Why did I take it there?

Cause I took hindsight/price action not from 4hr chart this time but from 1hr.

eur/usd 1hr

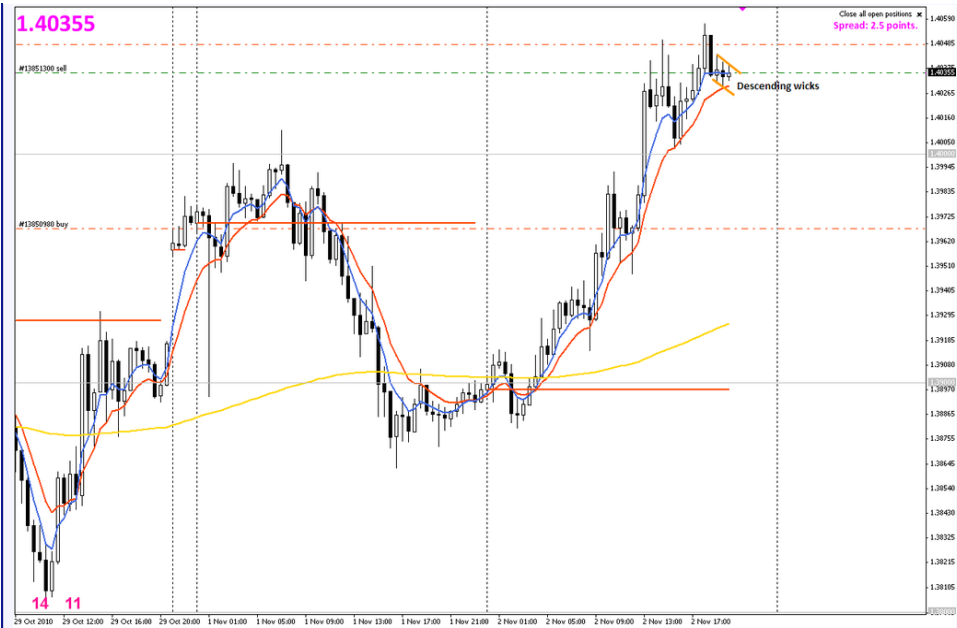


eur/usd 5min. Pennant forming. Which way will it break?

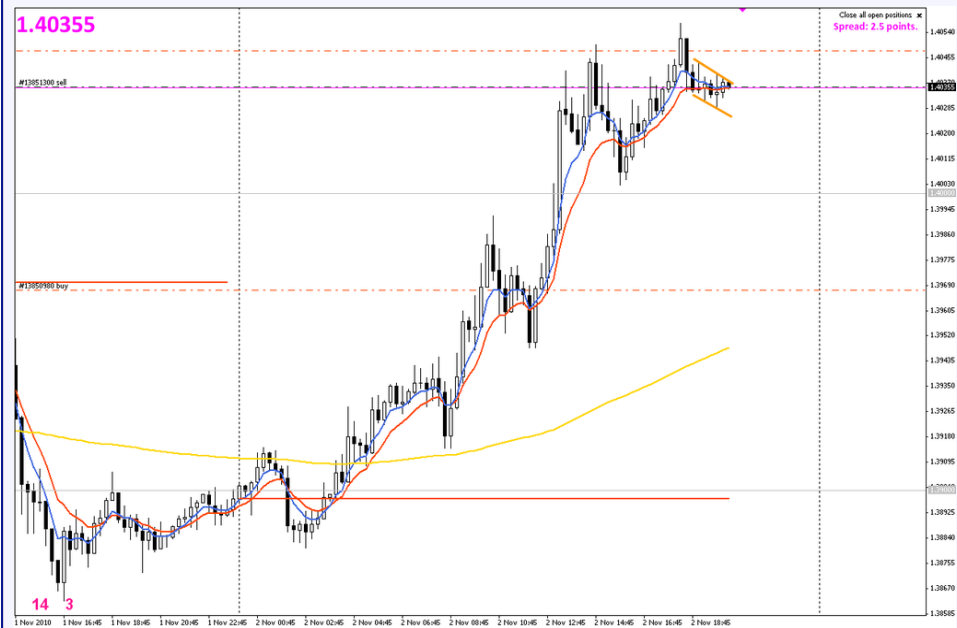
# 3373

Member Since Dec 2009
10+ 760 Posts

ECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]



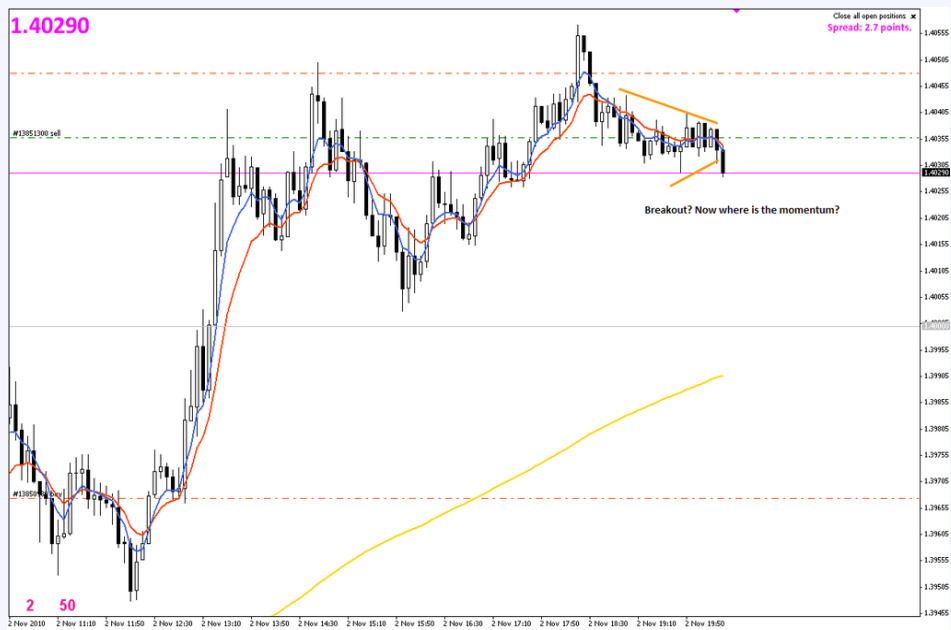
eur/usd 15min. Descending wicks, good



So far, it is looking down. But it can change anytime. And if it does change I will carefully time my exit to save myself from bigger loss

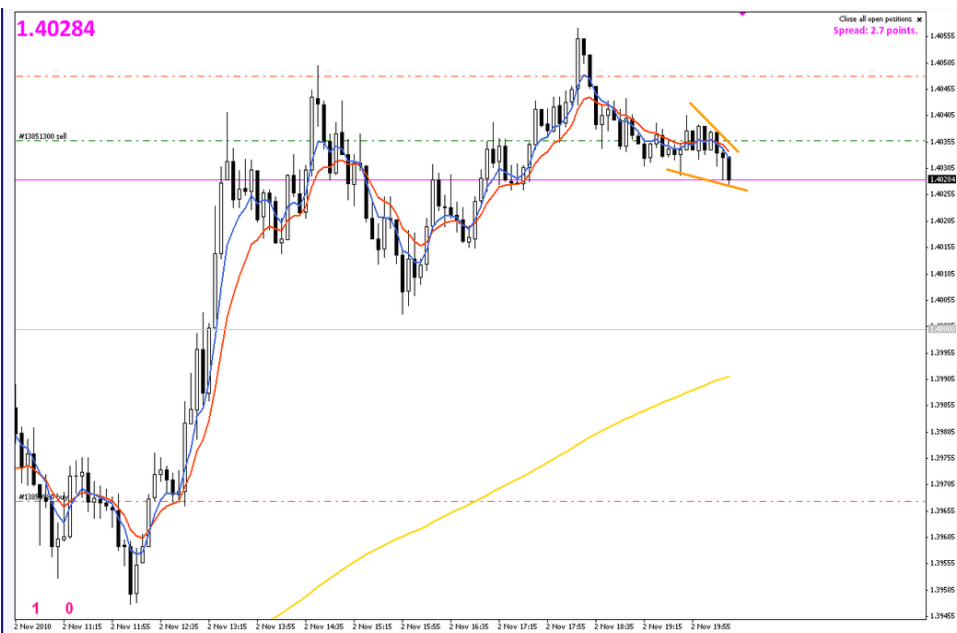


Is there momentum? It doesnt matter if Im trading near US close. That is irrelevant as volatile breakouts happen anytime, anywhere.

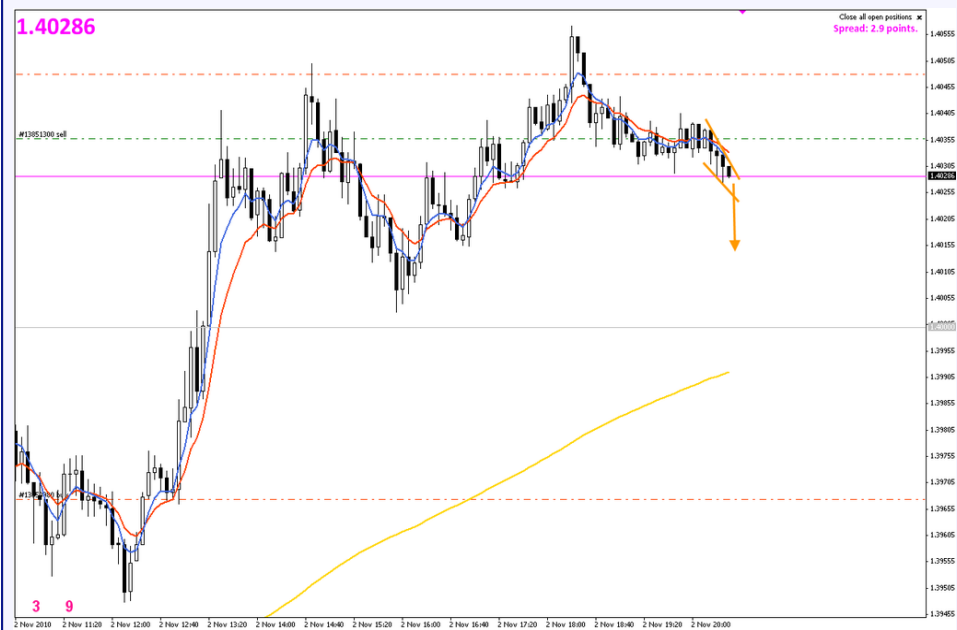


And the 5min candle closes into a pin bar...

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]



Come on kitty, jump down



Nov 2, 2010 3:44pm



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#3377

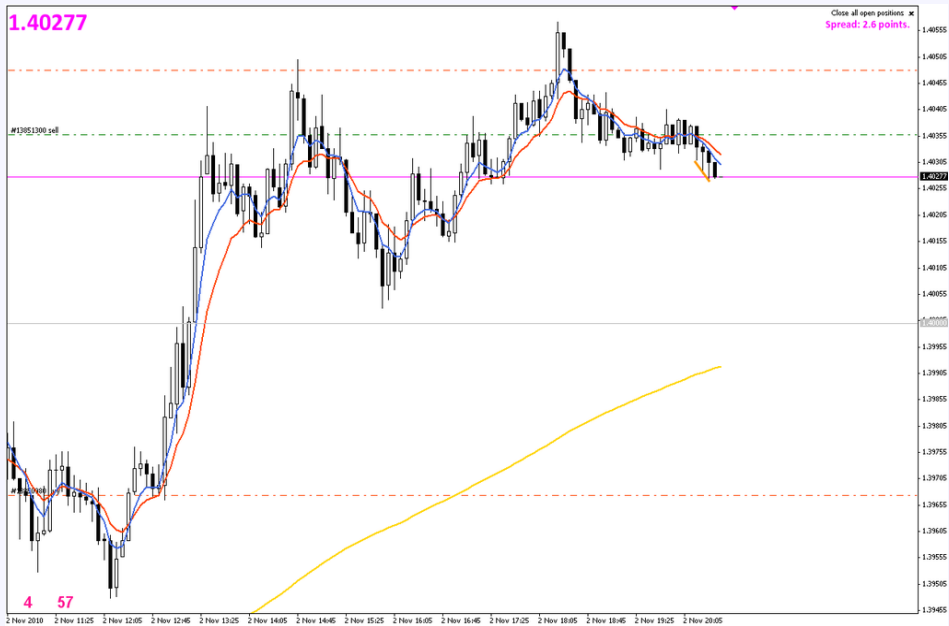
Member Since Dec 2009
10+V 760 Posts



You are most welcome, cam

One of the telltale sign that the current direction is continuing is the continuous new lower low. The further spaced apart the better. Currently our new lower lows are very close together.

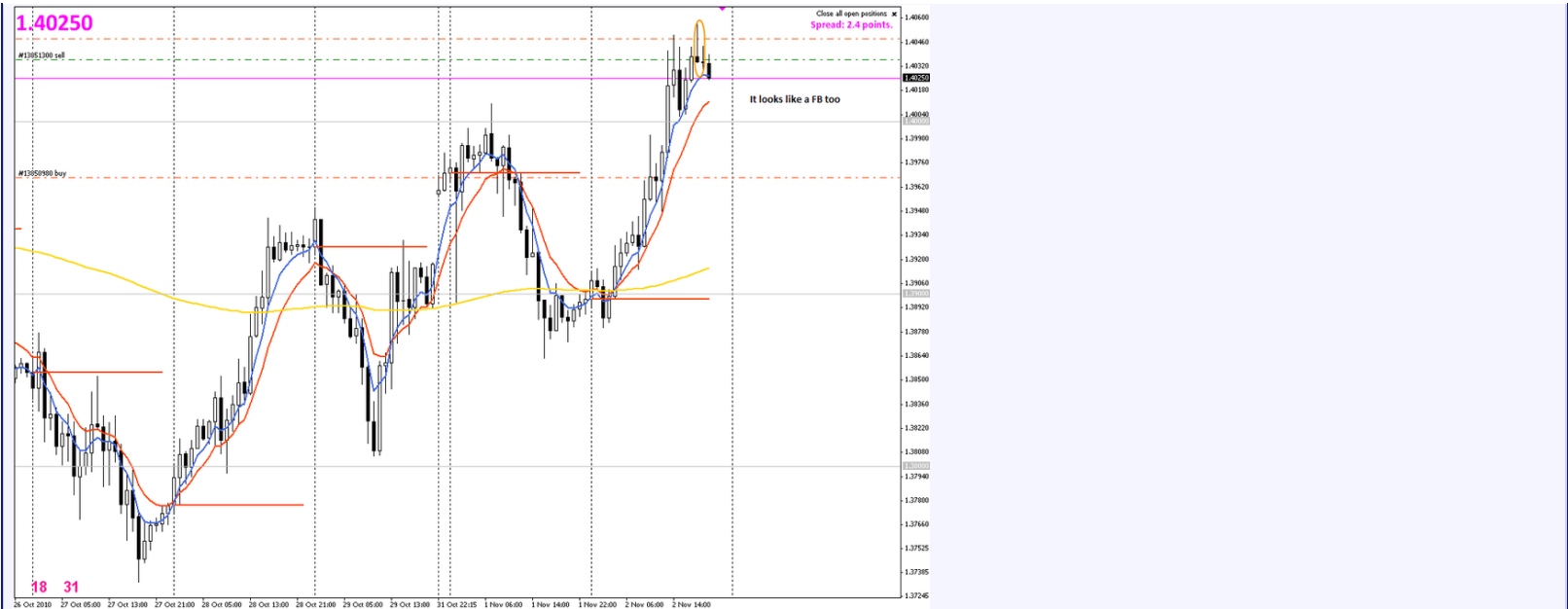
And the 5min closes near the low of the previous 5min candle. Is this is?



There is definitely no momentum as for a moment I thought my platform froze..

While its thinking lets quickly check on other timeframes again. Once again im looking for evidence to support my claim.

eur/usd 1hr. Goody, breakout after pin bar. Classic. **Just like I anticipated.** Remember anticipation and then participating at a low risk entry?



3 post back I said Im taking this trade cause I took hindsight from 1hr chart. That was the pin bar on the above 1 hr chart.

It is playing out correctly at the moment.

Then... if this hour is going to be a bold down candle where is the best place for a position to survive?

Correct, it is at the open of the candle or retrace wick. I have my sell position on the retrace wick. Double good.



Nov 2, 2010 4:03pm

3379



pipEASY

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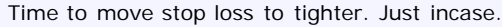
Member Since Dec 2009

10+ W 760 Posts



You are most welcome, carolco

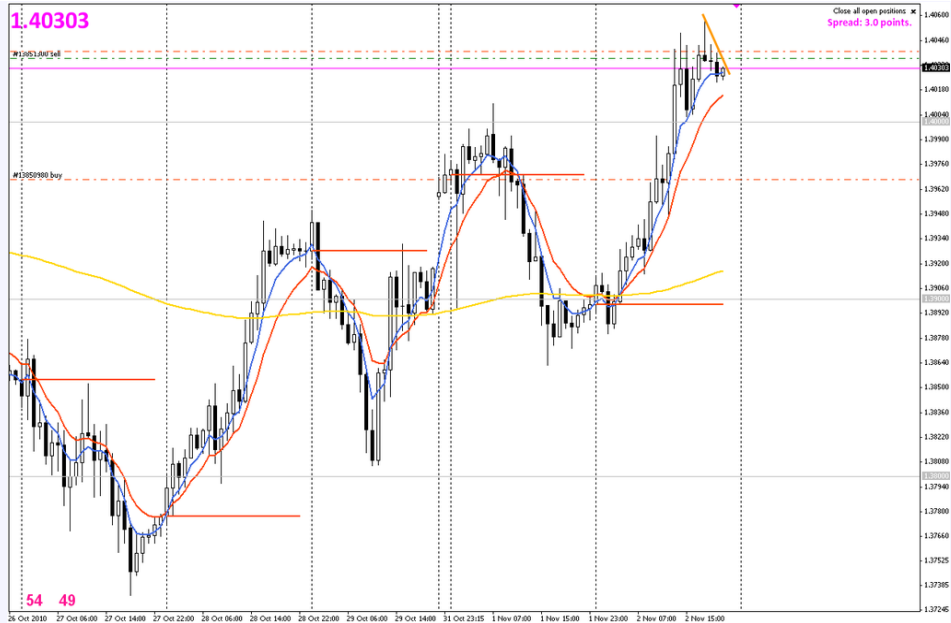
First warning



# 3380

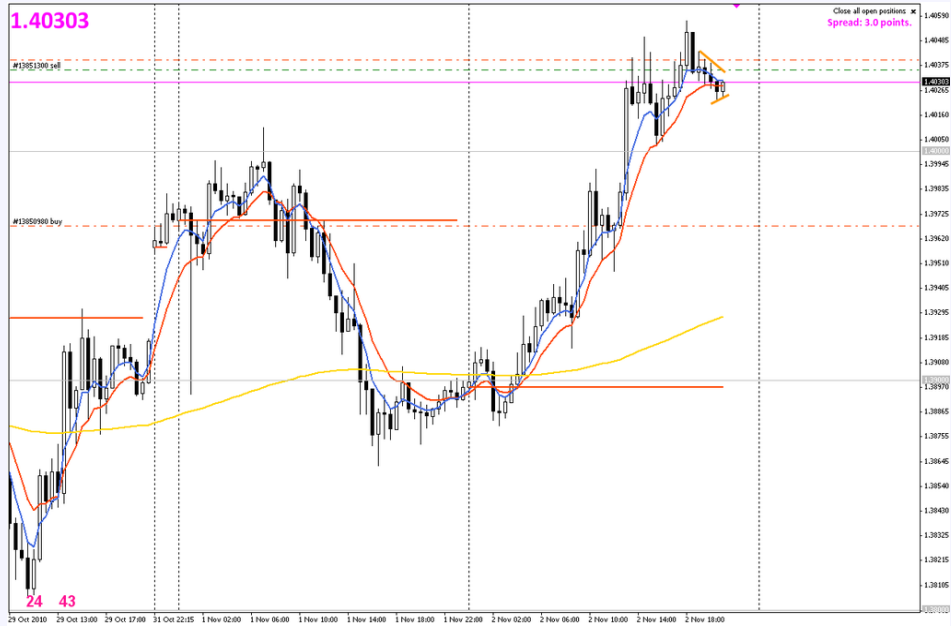
Member Since Dec 2009
10+ 760 Posts

Could the current 5min retrace be the small retrace of the new 1 hr candle? I dont know but Im participating



eur/usd 30min

Could the 30min chart hinting that it is going into pennant on the 30min chart? I dont know but Im participating



Whatever happens Im cotrolling my risk.

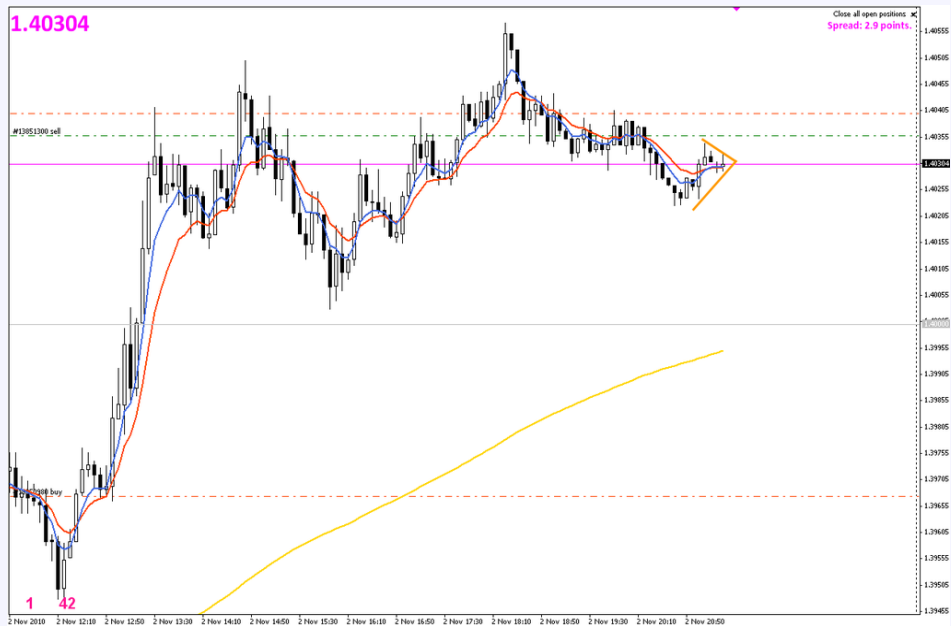




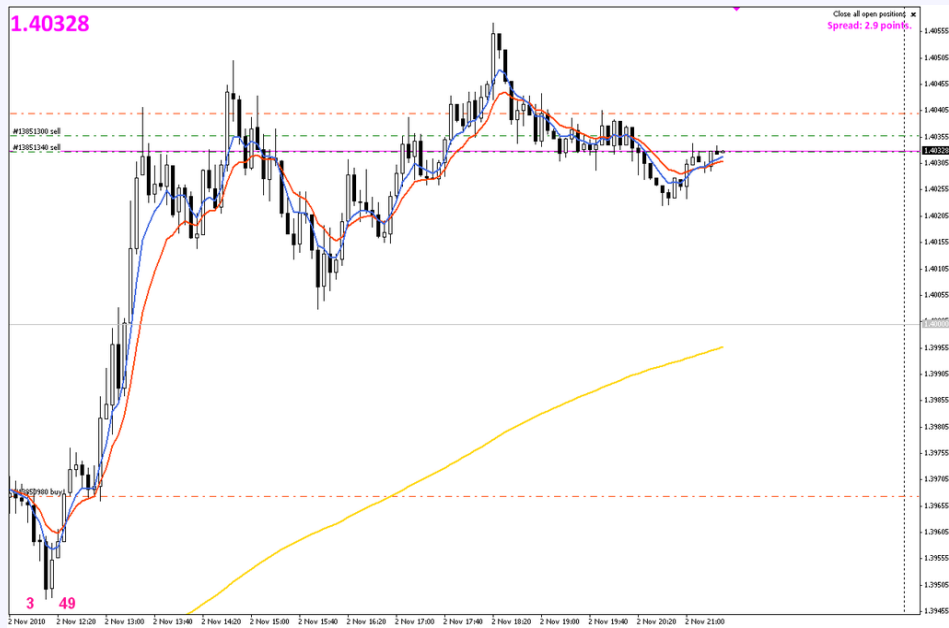
Lets see whats happening live on 5min chart



And the decision is coming up soon



I have added another sell position as this would be a tight entry if it works. If it doesnt work out I risk very few pips for something very large. Having more positions doesnt necessarily mean you have to lose more. More positions means more profit when the risk is controlled. At the moment if I lose both positions, I lose a total of 7 to 14 pips but I can also control my exit and try for a tighter exit. Worse case scenario that is an average loss of -7 pips per position. A definite bargain



Now nobody knows which way it will breakout. But lets think about my current r:r

Im risking 14pips for x2 lots of +100 pips. My positions are also in a better area where it will survive the next few candles

And if my positions does workout I will continue adding as this stall on eur/usd could be the next new swing. You never know until you participate with low risk entries.

Sincerely,

Graeme



Nov 2, 2010 4:46pm

3382



pipEASY
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Member Since Dec 2009

10+V 760 Posts



Most traders believe;

more positions = more potential loss

I assure you with good price action interpretation which could also translate to good money management, it means;

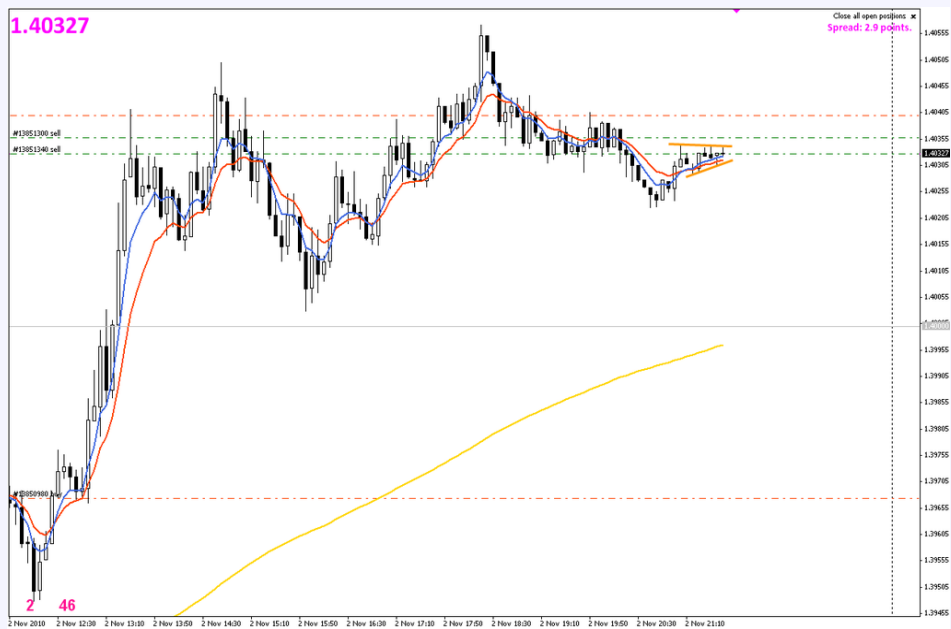
more positions = more potential reward

I wince at the notion of placing 1 trade at SL for 50 pips and TP of 100 pips and then raising lot size.

If we look at my trades of yesterday. It was going up. So I bought and bought and bought. Mostly near opens of 4hr candles.

I used price action interpretation to control risk to risk very small for 10 positions of +100 each. (kept 1 of them. You can see it on my chart)

Im encoding excellent r:r into my trading approach and not using r:r as a mathematical formulae.
What you are witnessing now is a very very tight pennant.




If it doesnt work, I shrug and wait for next opportunity.



Nov 2, 2010 4:58pm

3383



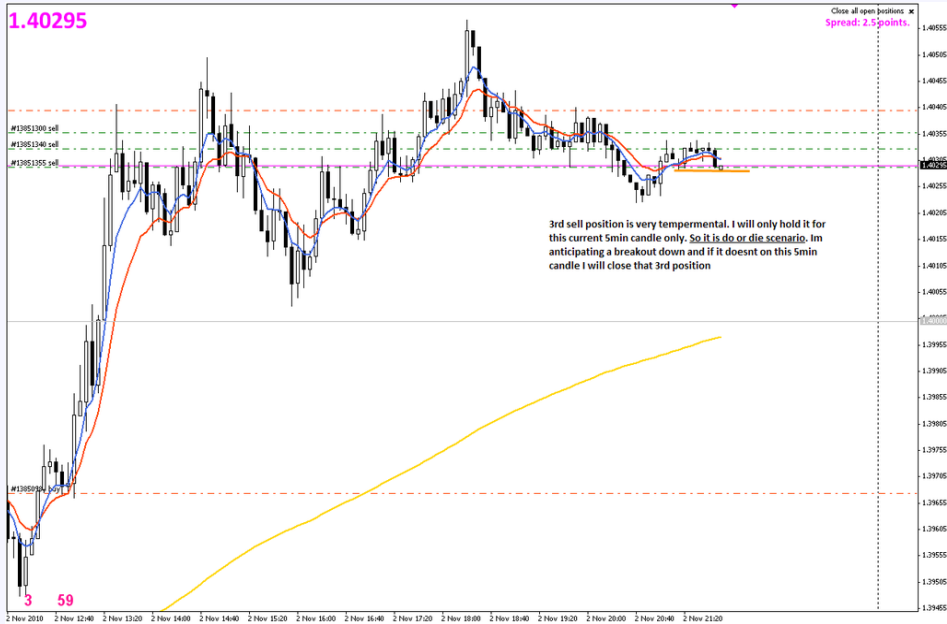
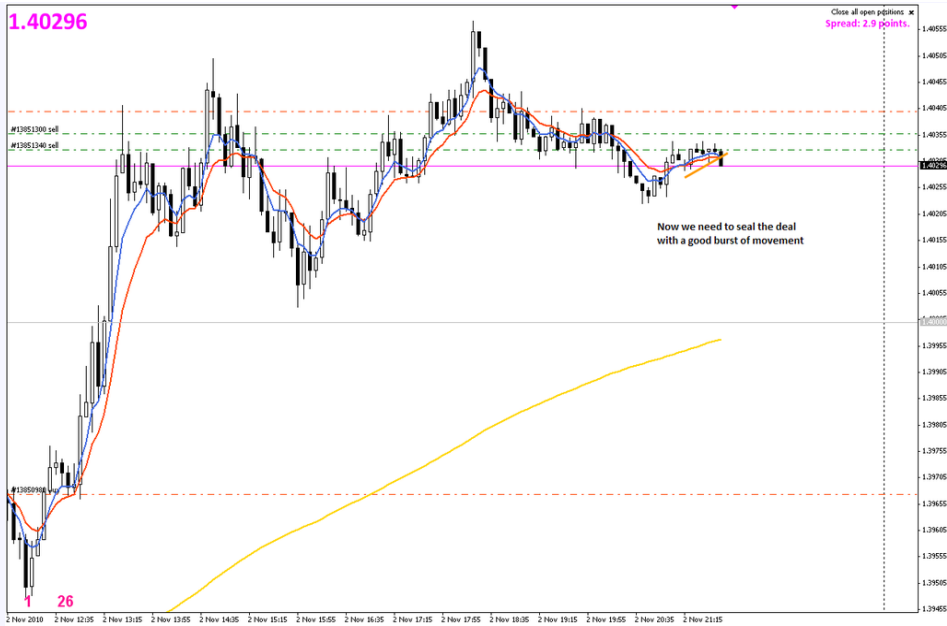
pipEASY

crede quod habes, et habes

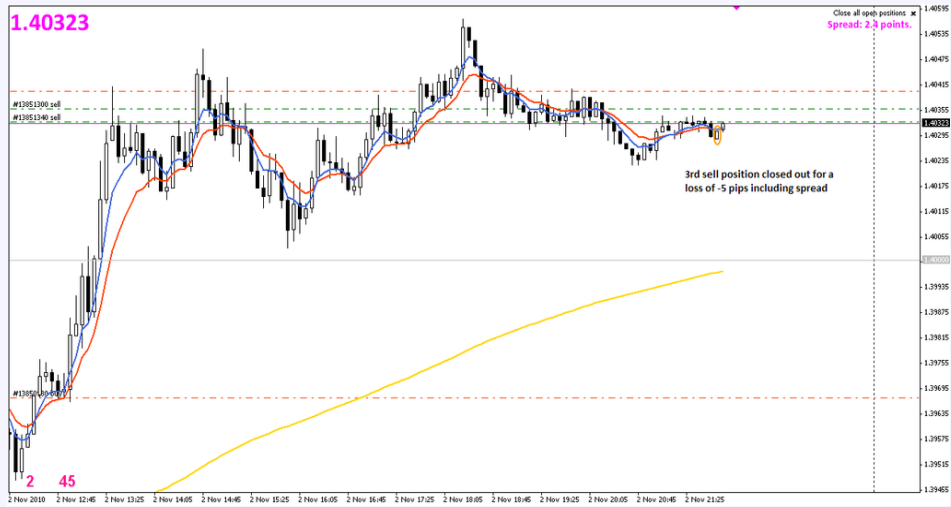
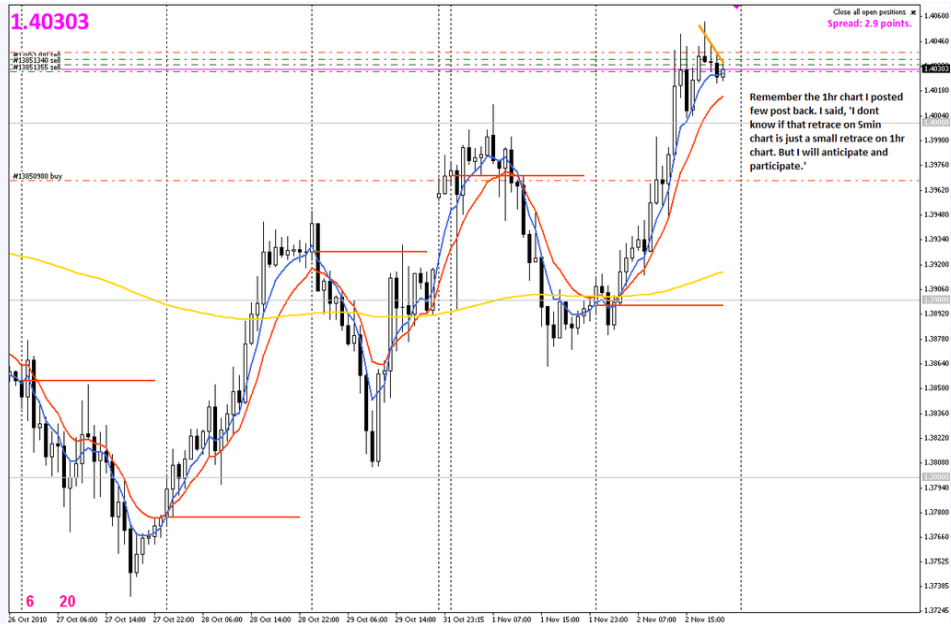
Member Since Dec 2009

10+V 760 Posts

Is it breaking out? There is something moving. A new sign of hope as the current 5min candle makes a new lower low



Anticipate and participate via low risk entry



Current realized loss is now -5 pips



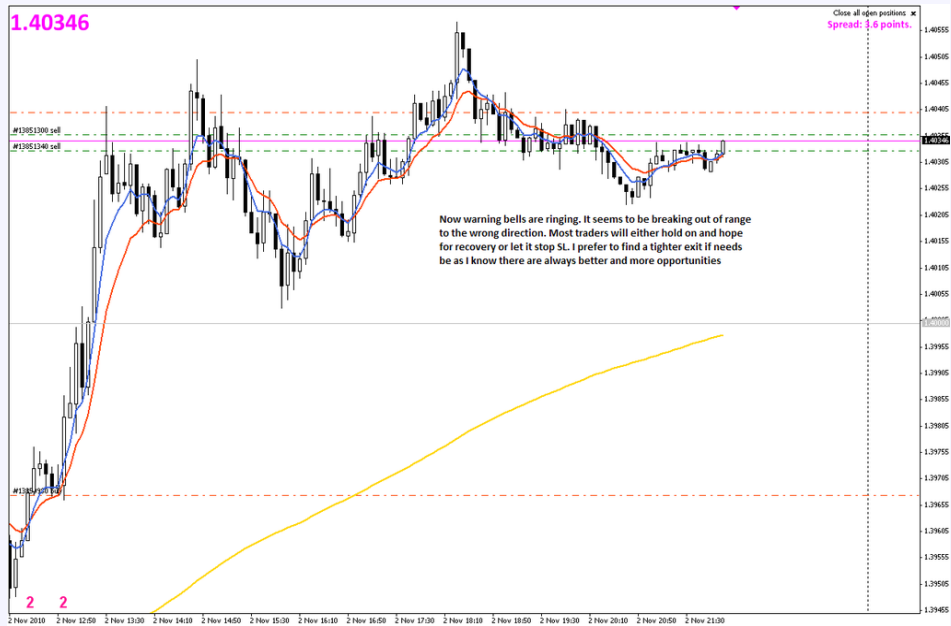
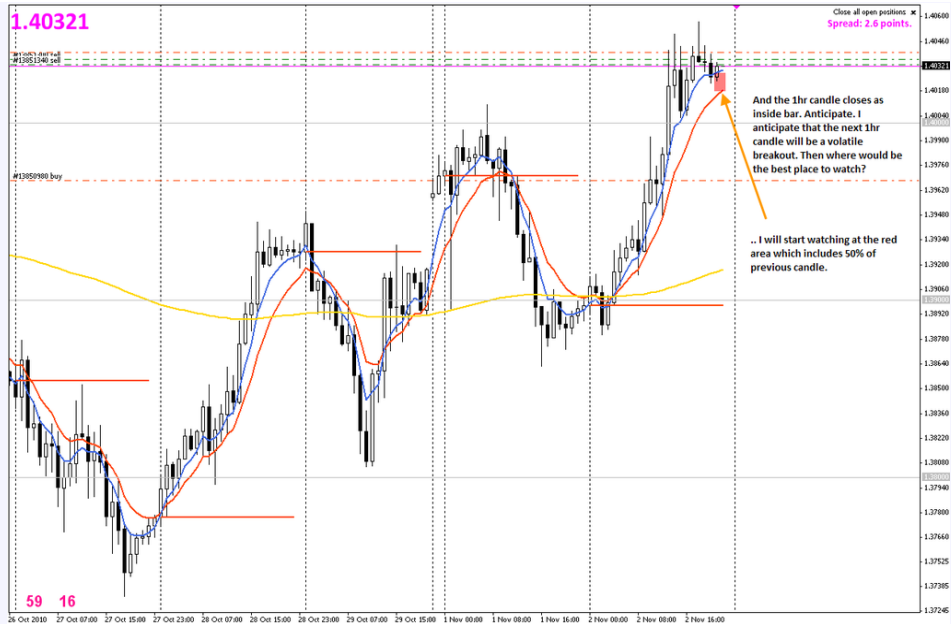
Nov 2, 2010 5:22pm

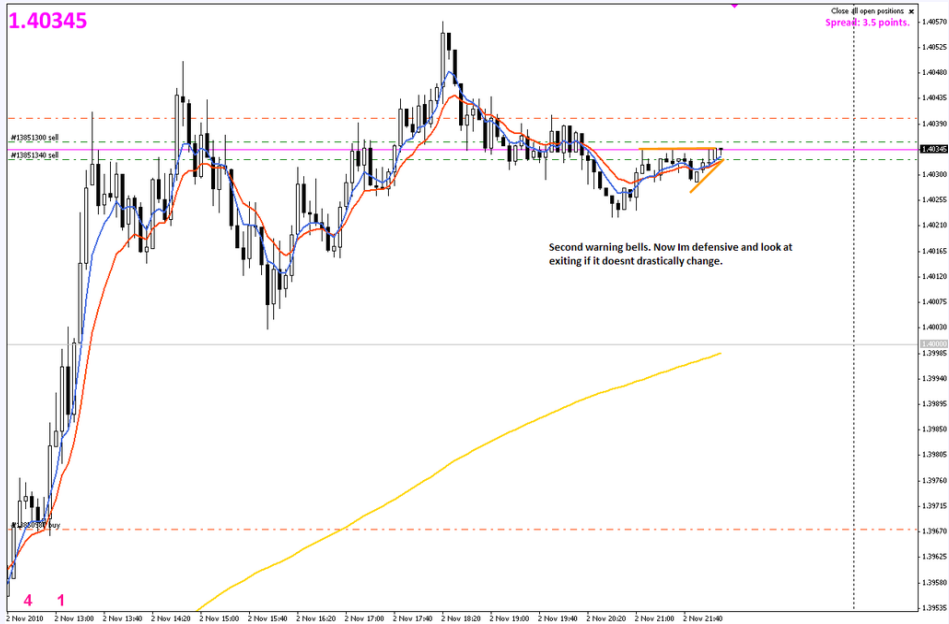
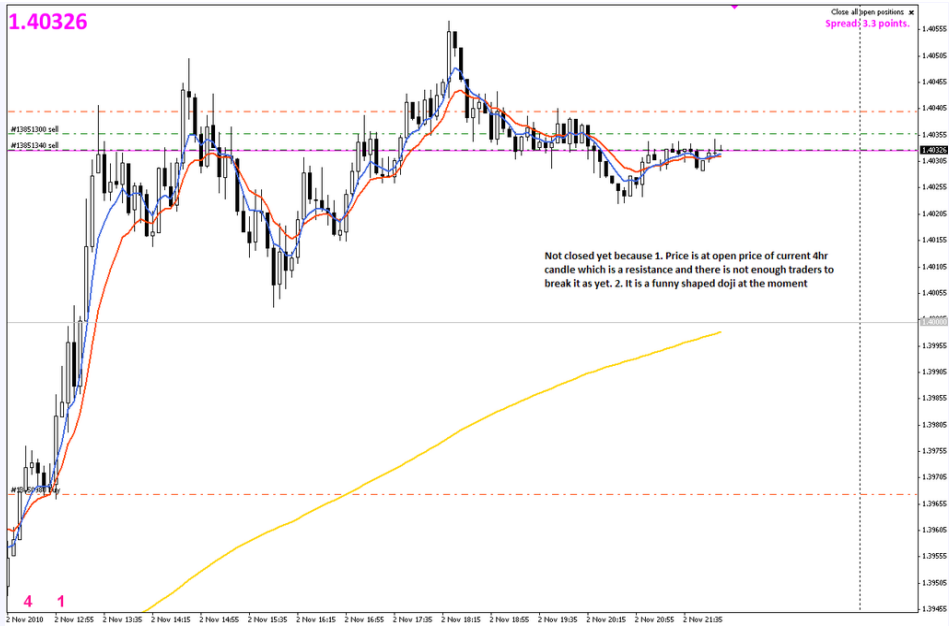
3384



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Member Since Dec 2009
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Well this time it didnt work out. I hope my price action interpretation is helpful. My current realized loss is at -16 pips with 0 positions (I dont consider the surviving buy position from yesterday. This is afresh)

Current average loss per position is -5 pips. What a bargain.

Current net profit for this week, +760 pips

If the volatile did happen, I risk very little for a larger reward which is also amplified with multiple positions.

Thank you for watching.

Good day all. I will return later.

Sincerely,

Graeme



Nov 2, 2010 8:14pm

3386



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Member Since Dec 2009
10+y 760 Posts

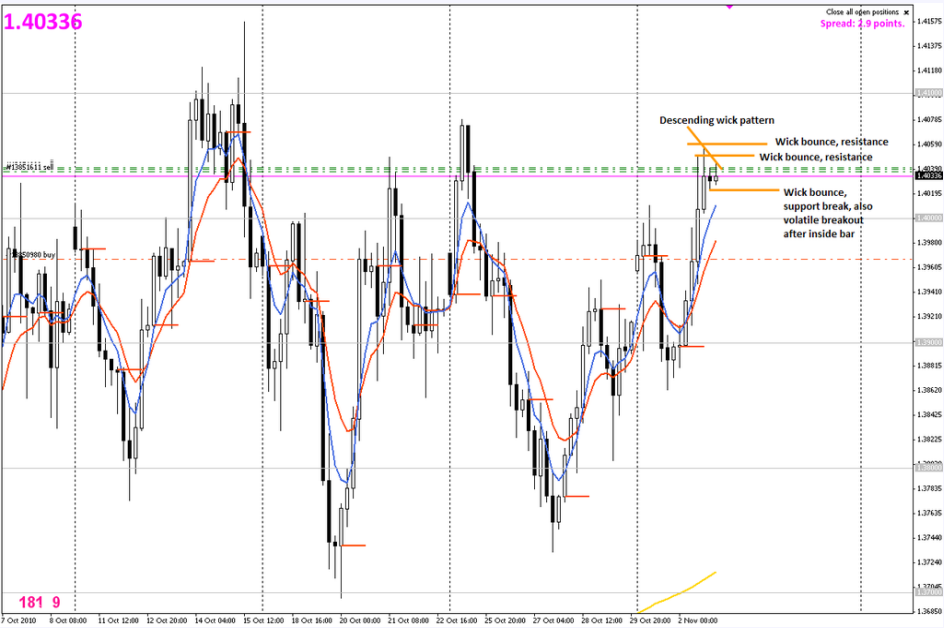
Good morning, all

I have mentioned yesterday that I believe 1 out of 5 days in a week of trading one of the asian session does have a good burst on eur/usd. It is a belief that I have taken advantage of at least 2 years.

My new set of trades.

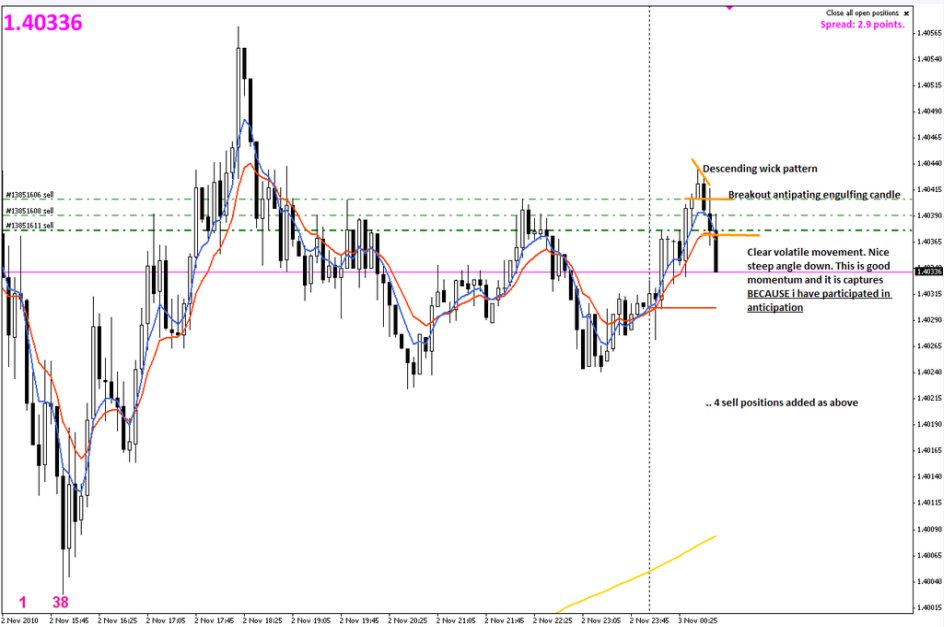
Why/how did i take them?

This is my anticipation on 4hr chart



I dont know what will happen. It could be a wick bounce on the top one, or the middle one. Or a descending wick pattern at a classic 45 degree angle. It could be anything. But I will not know until I participate in a low risk entry and hope for a volatile breakout after I enter to capture it.

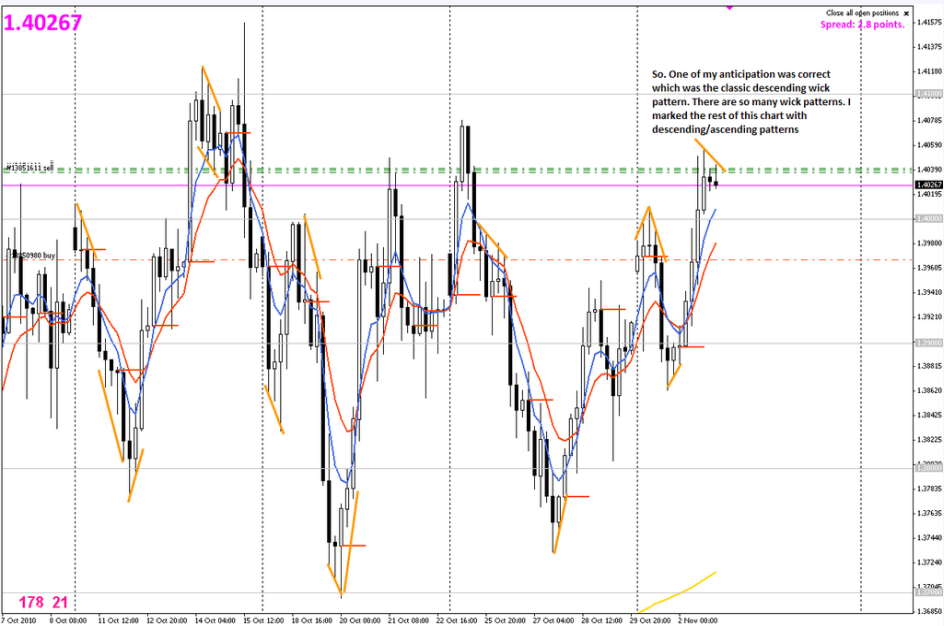
eur/usd 5min



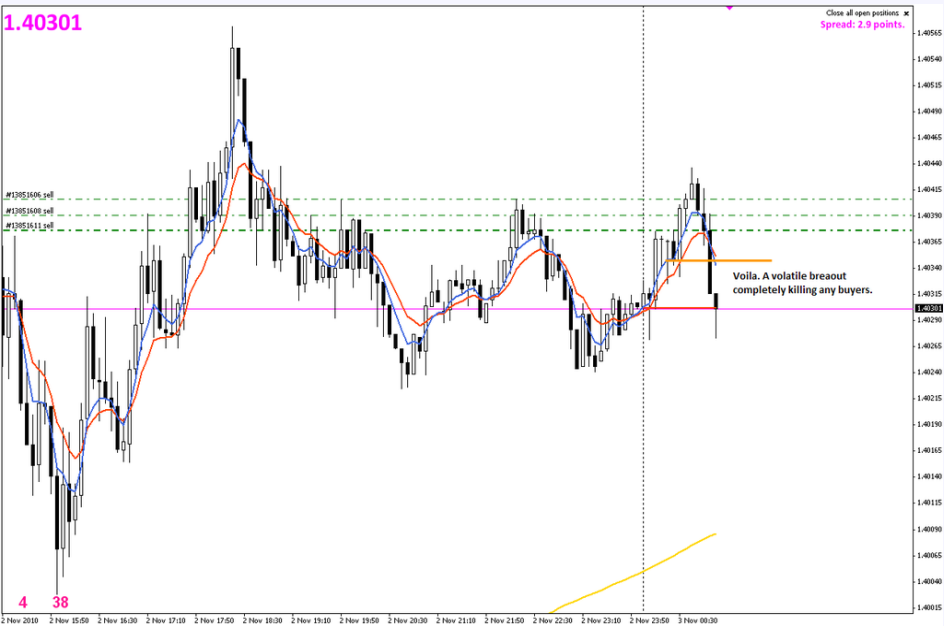
It looks like I got one of my anticipation correct which was descending wick pattern. Sometimes I get none of my anticipation correct which means I

lose few small positions. But then again I will control my risk and ensure that I do not lose much.

One side note about descending/ascending wick pattern is that it doesnt work all the time but enough times in a week for a keen intraweek trader to take advantage of. I do it all the time



eur/usd 5min



Current realized loss is at -29 pips with 4 positions established. Average loss per position is -8 pips per position. Still within my -15 pips per position threshold. I have bought these positions at a discount.

Quote

Nov 2, 2010 8:17pm

3387



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Now there is a movement against my intention. Is this just a short blip or permanent change?

1.40341

Close all open positions x Spread: 2.9 points.

Now im alert. This is a warning sign that I must watch carefully.

Price closed above previous open price of down candle. Is this a short burst or a permanent change up?

4 36



Quote

Nov 2, 2010 8:20pm

3388



pipEASY

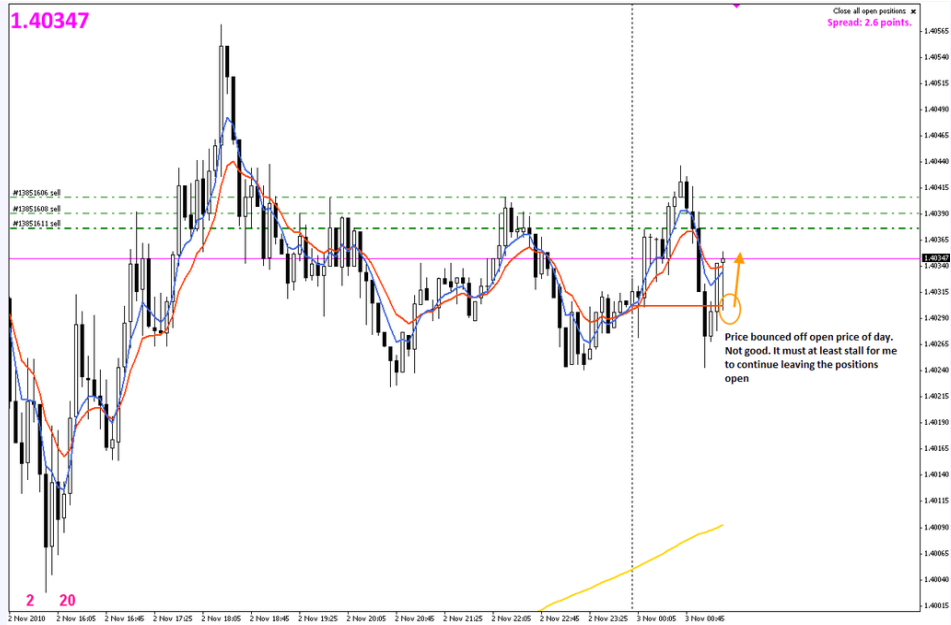
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This is currently happening.



I need the price to at least stall for me.

If not this is over.

Nov 2, 2010 8:27pm

3389

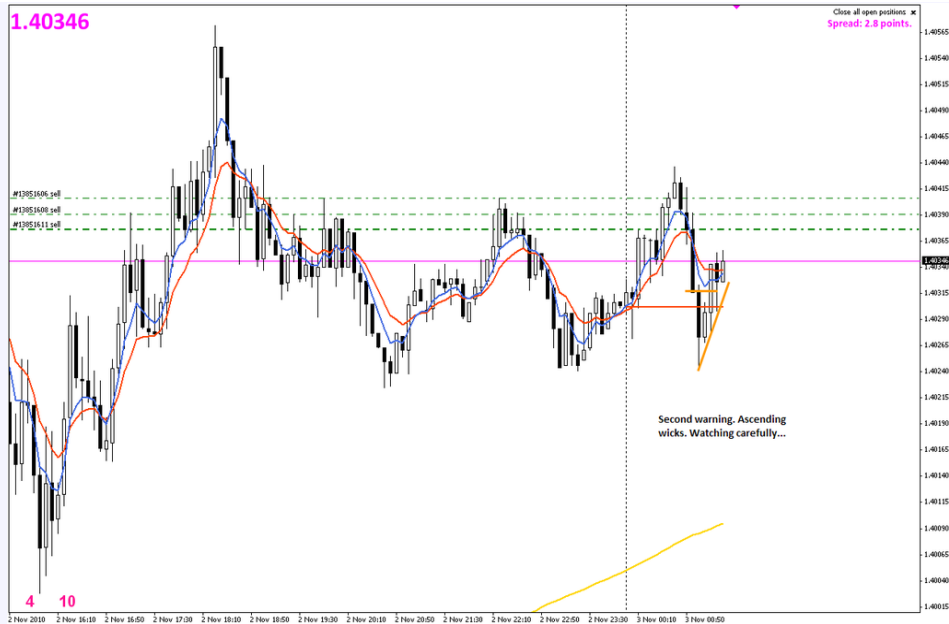


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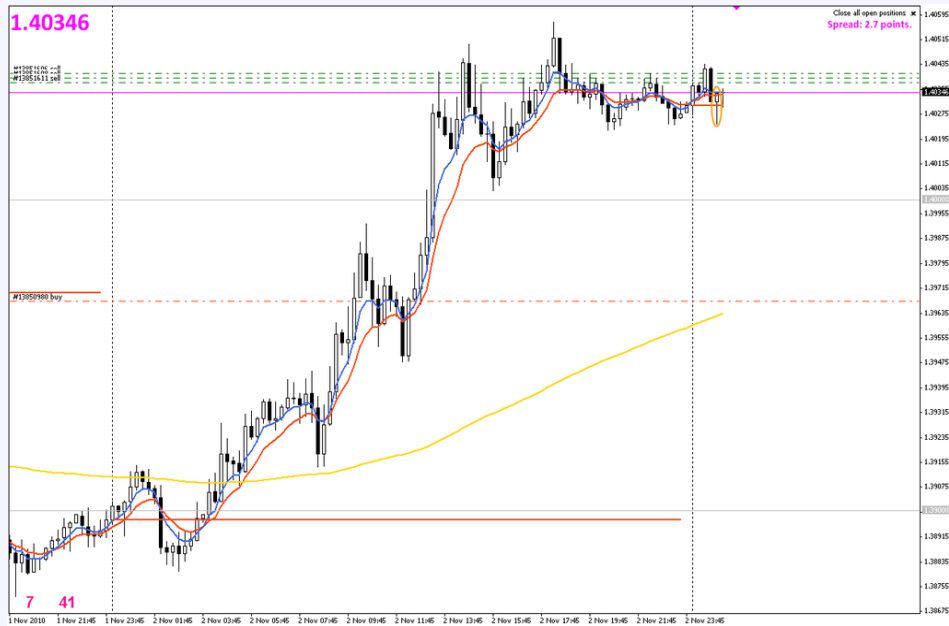
Im still holding as Im still little bit in profit.



I wonder why there is sharp retrace like this? Lets find out why on other timeframes.

eur/usd 15min

I see a good pin bar setup on 15min chart which is on the wrong direction as my anticipation. Lets see other timeframes then.



Oh. But look.

Current realized loss is -43 pips with 0 positions established.



3390



crede quod habes, et habes

10+V [760 Posts](#)

I sell when buyers run out of money.

And this is simply done by noticing exhaustion which is;

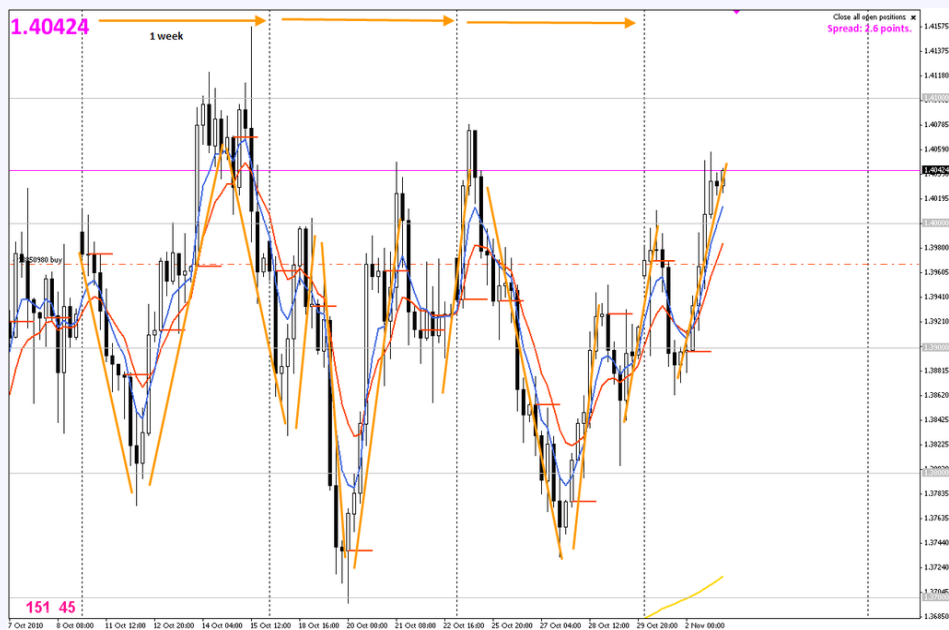
when price cannot make anymore highs or lows.

Exhaustion of sellers or buyers.

There are plenty of intraweek 100 pip opportunities. Sometimes there are multiple oppotunities in a week and sometimes there are only 1 or 2.

I aim to capture only 1 of them per week that will give me plenty of pips for the following 2 weeks or more.

Lets look at last 4 weeks of eur/usd on 4hr chart



I have placed orange line at only compelling +100 pip opportunities. There are plenty of opportunities so there is no need to rush.

Every intraweek 100+ pip opportunity is profitable once you maximize your profit taking and control your losses.

Good day all

Sincerely,

Graeme



Nov 2, 2010 9:32pm

3392



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Re-attempt

1.40243

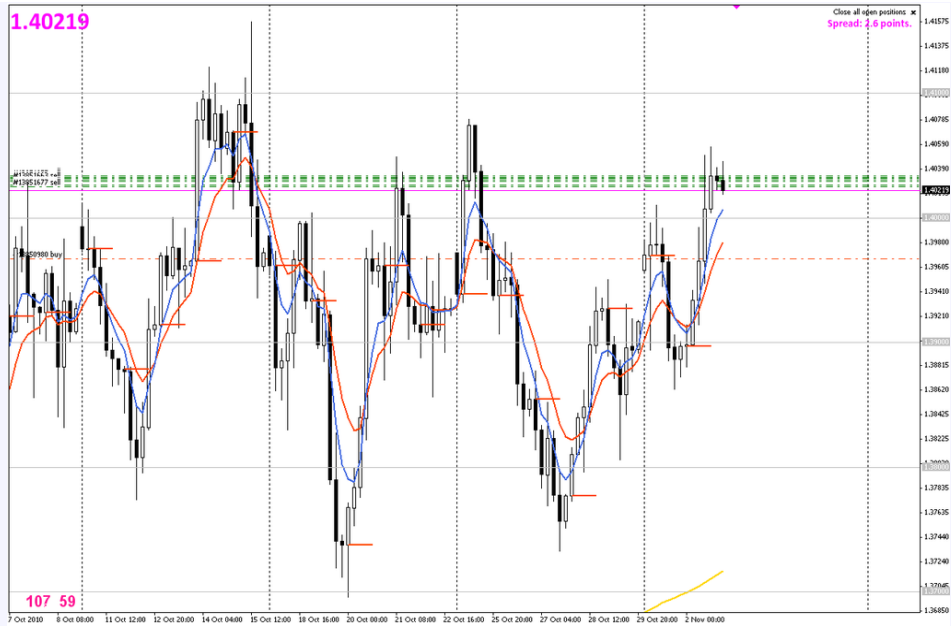
Close all open positions x
Spread: 2.7 points.

#1305245414#
#1305245714#
#1305245814#
#1305246114#
#1305246414#
#1305247114#
#1305247714#

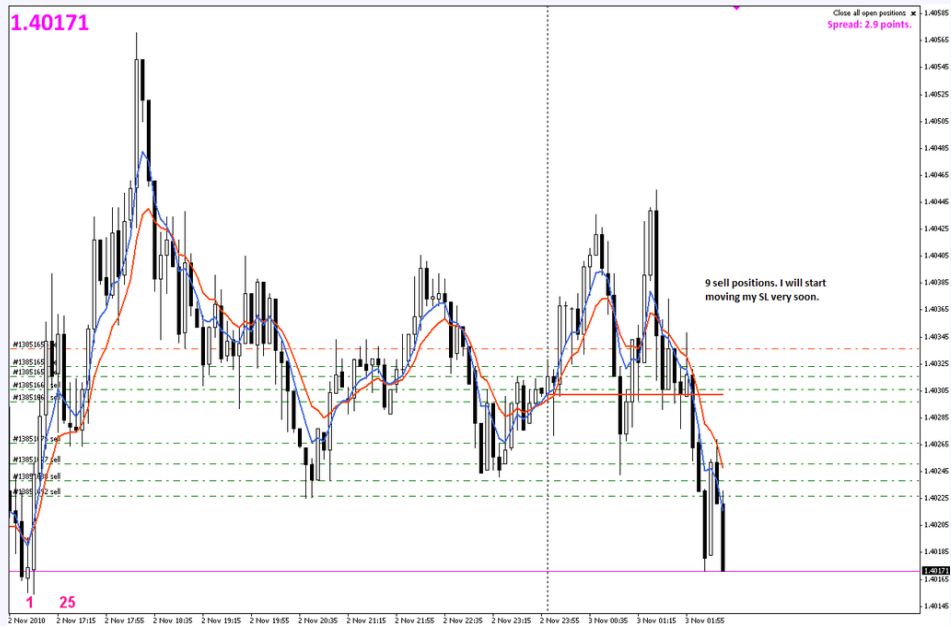
0 33

This candle breaks 2 support. Im confident it will drop

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]



And voila.



Current realized loss is -63 pips with 9 sell positions established. Average loss of -7 pips per position (I still have 1 buy position which I dont even consider as it has already been paid and settled for).

I will continue watching until price is at least 20-30 pips away before releasing my finger off the mouse.

Thank you for the compliment, maxxtrader.

Sincerely,

Graeme



Nov 2, 2010 9:40pm

3393



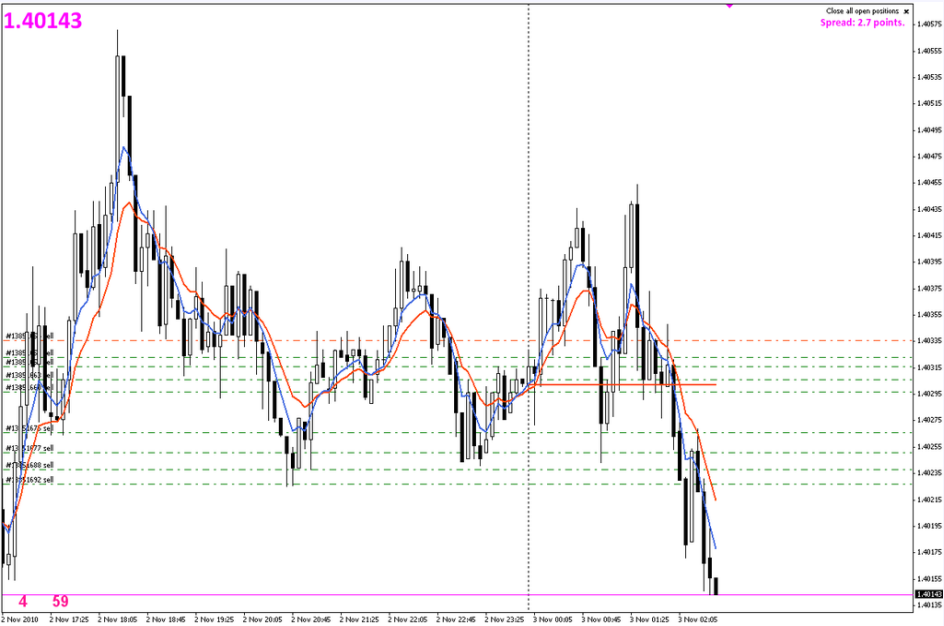
pipEASY
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Member Since Dec 2009
10+Y 760 Posts

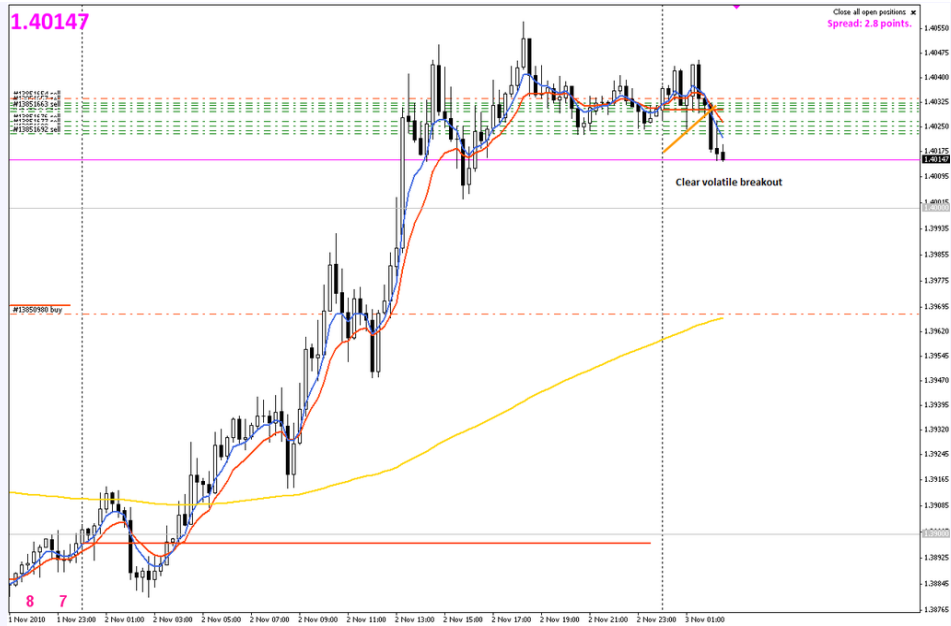


Just before I consider everything to be ok. Let us check current status

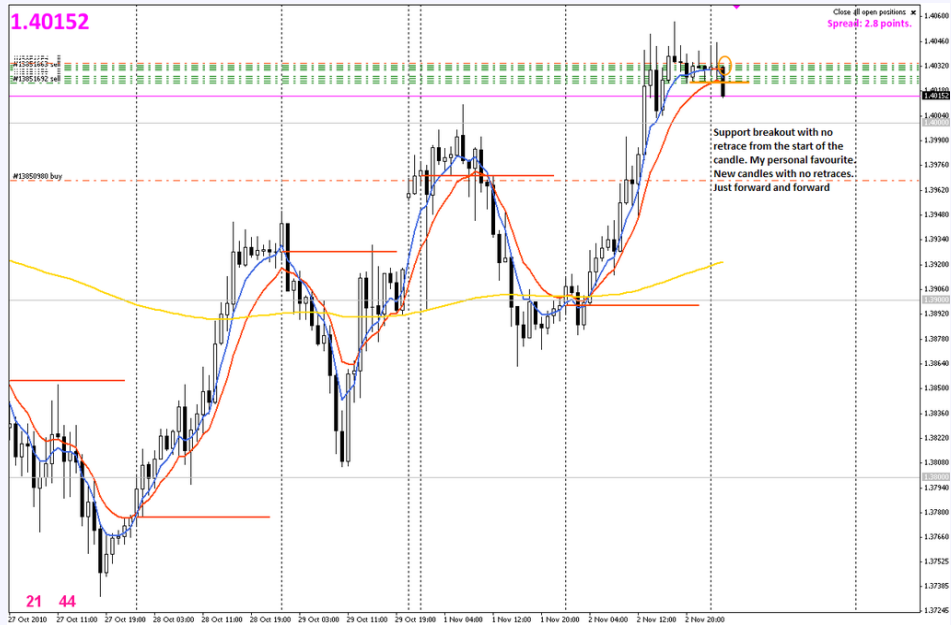
eur/usd 5min. Compelling momentum



eur/usd 15min. Clear breakout with momentum



eur/usd 1hr. Support breakout with no retrace candle



However, I wont walk away until most of my positions SL moved to BE or very small loss.



Nov 2, 2010 9:43pm

3394

Member Since Dec 2009



pipEASY

crede quod habes, et habes

10+y

760 Posts



And when everything looks so rosy



I can only watch and control my risk



Nov 2, 2010 9:51pm

3397



pipEASY

crede quod habes, et habes

10+y

760 Posts

Member Since Dec 2009

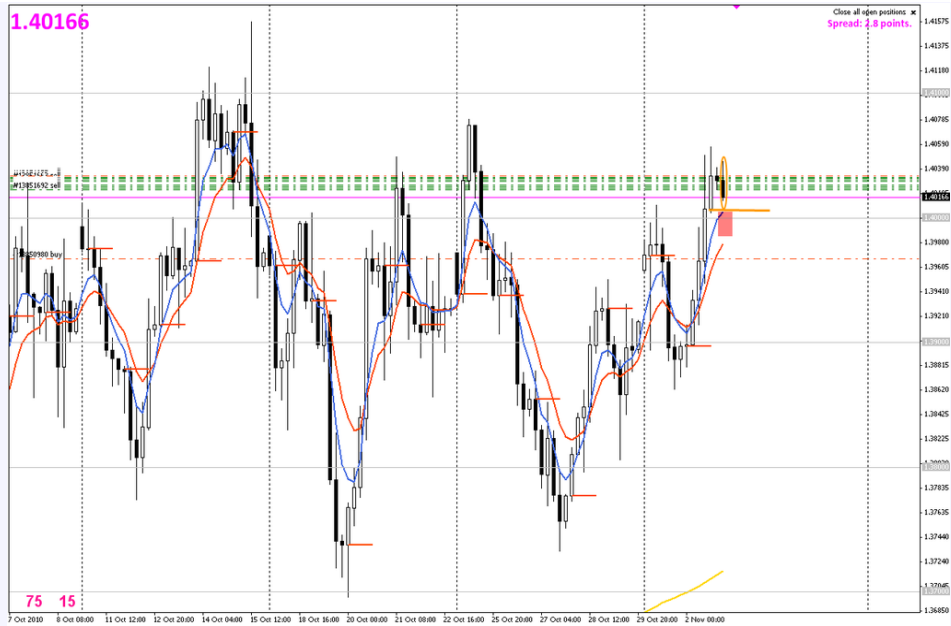


If I had a wish, it would be

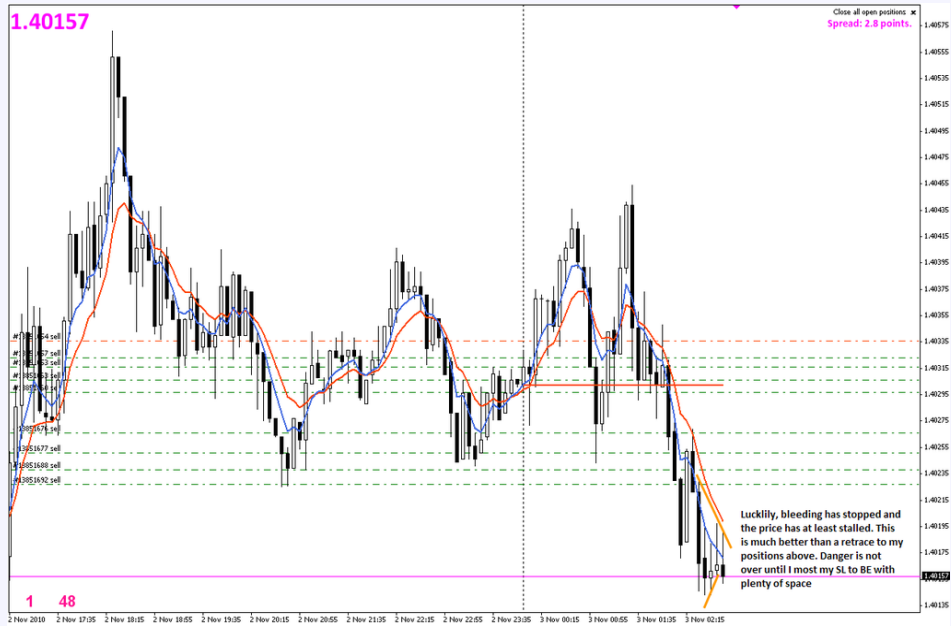
The current 4hr candle to close below the previous open price of the up candle + also close below the 1.40000

That would be the best anticipation I can hold for now.

file:///D:/Users/Chand/Documents/Trading/FFLEECH/Building%20an%20equity%20millipede%20%20Forex%20Factory/pipEASY.html[11/11/2010 2:55:29 AM]



Currently, eur/usd 5min



Come on kitty, jump down.





pipEASY
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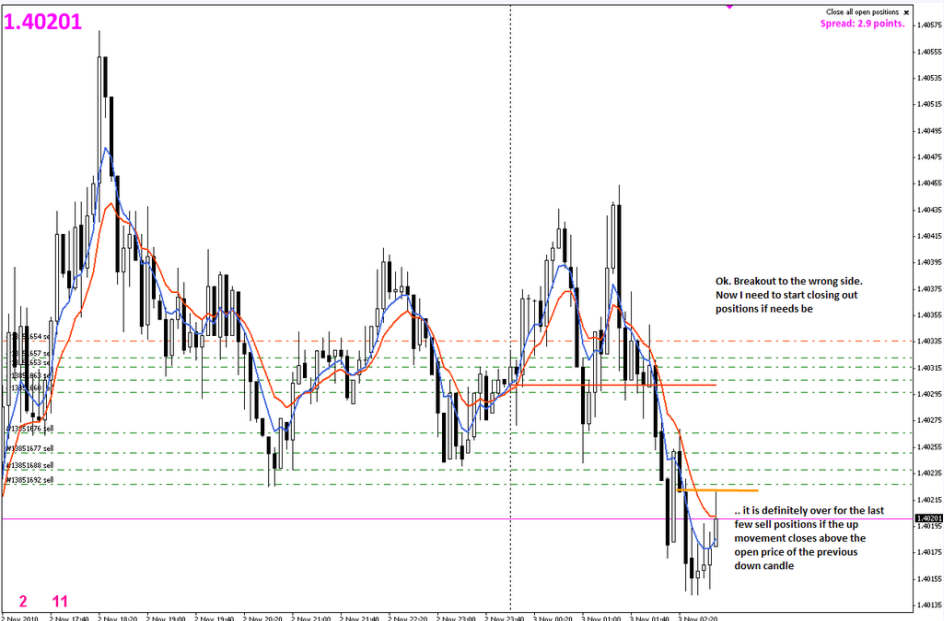
10+V760 Posts



Eklavya - Thank you for the compliment. Yes. Correct. As mentioned very early in this thread, if anyone wants to be pro trader you need to read the price action very well. My trading approach is the same but I do not trade intraweek. Yes, but you can do this on higher timeframe but with bigger stop losses and bigger rewards.

Aud - Thank you for the compliment. Hopefully my new showing is different angle. However I will continue on with VEEFX short time in the future

Update eur/usd 5min







pipEASY
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Nov 2, 2010 10:00pm# 3399

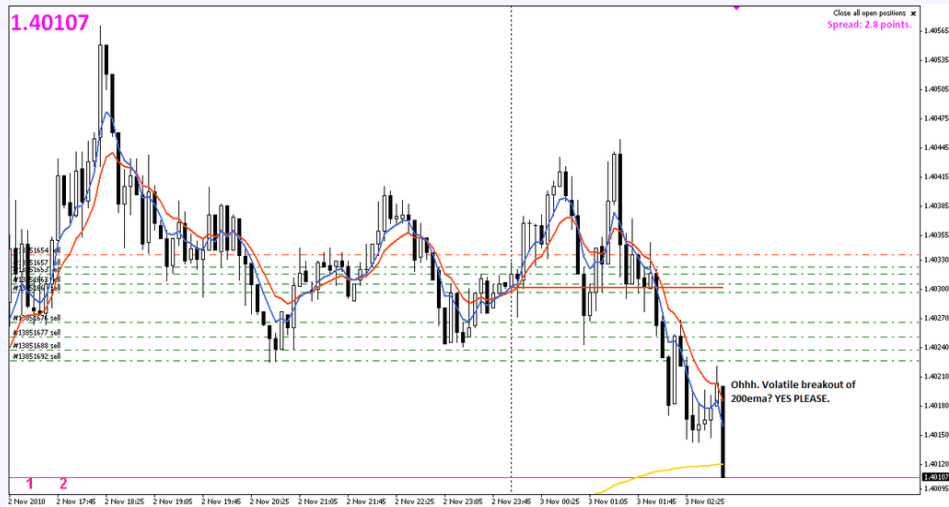
Member Since Dec 200910+V760 Posts



Good. Danger is passing away.



Oh. Now 200ema is coming up. Interesting.



Let us watch. Still keeping my guards up



Nov 2, 2010 10:08pm

3400



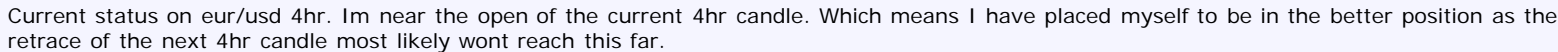
credere quod habes, et habes

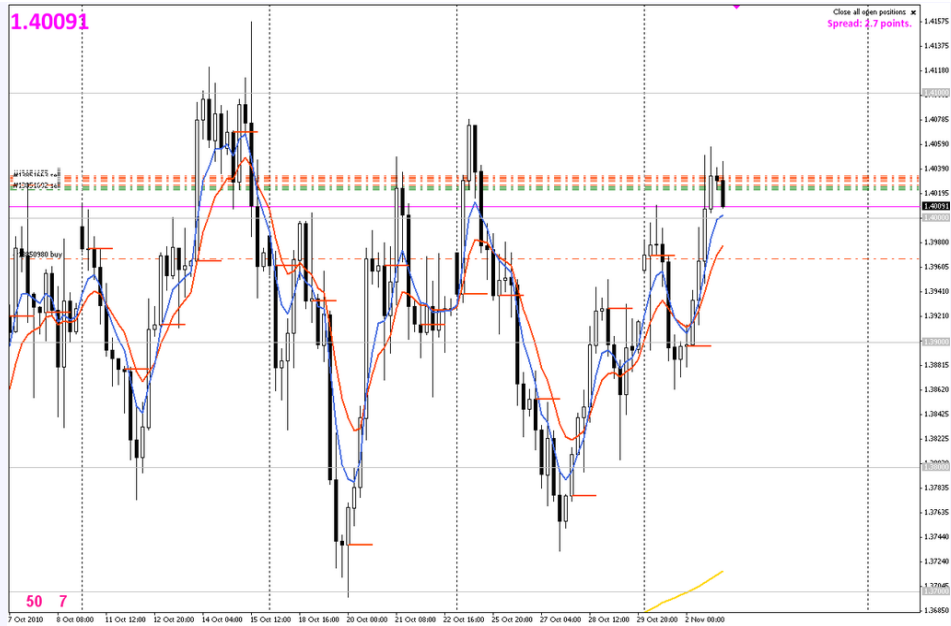
Member Since Dec 2009
10+V 760 Posts



Ok. Danger is over for myself.

Apologies but I need to lie down for a bit. However my showing for today is complete for now.





Good day all.

Sincerely,

Graeme



Nov 3, 2010 2:23am

3403



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Member Since Dec 2009

10+V 760 Posts

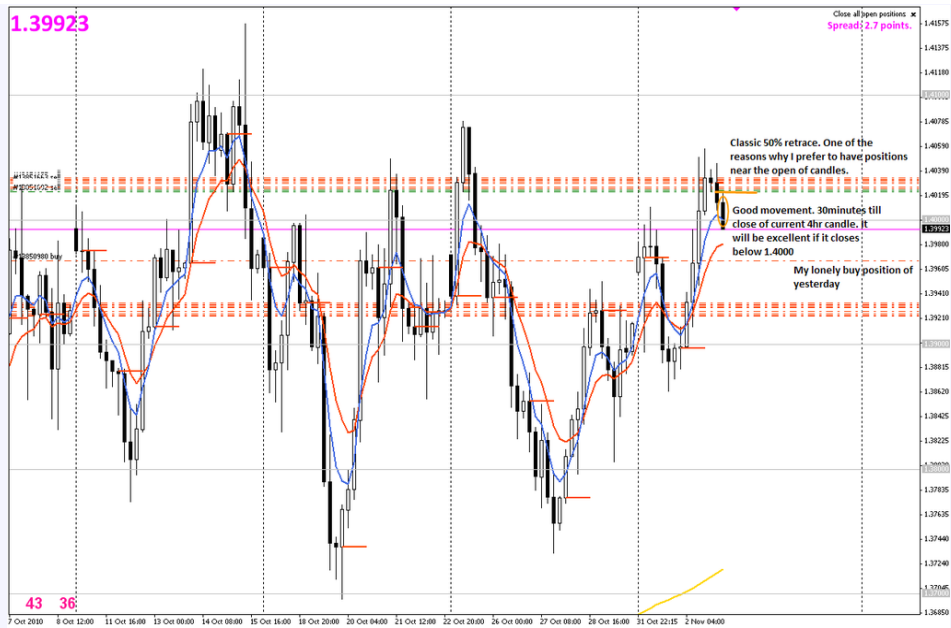


Thank you for your continued interest.

I had to take a nap before continuing.

Update.

eur/usd 4hr



Im now looking for buy opportunities.

Looking for sellers to run out of steam before I start opening buy positions.

Never marry a direction.

While many traders are looking at sell opportunities while the market is moving down, I prefer to be already in the market before the main action starts.



Nov 3, 2010 3:21am

3404



pipEASY


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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **hubbahubba** 
Hi Graeme,

Quite an impressive real time demonstration. You make it look so easy. Unless I am mistaken, isn't this a somewhat different style for you? Unless I am mistaken I seem to remember you starting at higher time frames before dropping to 5min for entry. Are you talking about TP at 100 pips just as an arbitrary point for demonstration purposes?

What are you looking at for exits with this method? Are you just looking to establish long term millipede legs or are you looking to exit when you gain perhaps 100+ pips and then price action goes...

Good question.

I trade only the higher timeframes however I have received many requests for a trading approach on the lower timeframe as most dont see the necessity or the need to hold onto positions over a long period of time.

Many of the readers cannot stomach the thought of closing only half of positions that are in profit and keeping the rest over a prolonged period for growth.

Hence, Im showing everyone how a simple price action on intraweek can also be profitable. To meet most traders threshold and my personal trading methodology, I keep just 1 of the larger legs at every bundle of position.

You might wonder why everything seems to work with Graeme?

Without any notion of self egoness, Im confident I can trade any setup, any timeframe, any indicator (or no indicator) and still produce profit within my skill set. And Im trying to help everyone to also do what I do. However everyone includes all the traders in this public forum with different skill level, experience and threshold.

Nothing has changed for myself; the price action interpretation, intention to keep positions indefinitely.

Everything Im showing from Monday is same to what I do on higher timeframe. Just the scale has changed to smaller timeframe so it is now more suitable for the majority of the readers as per request upon request.

Hopefully Im helping.

Update.

eur/usd 4hr

Nice europe open. I missed the volatile breakout up. This move closed 4 of my sell positions. Nothing I can do except when entering positions it is best to have them closer to the open of the candle.



Still looking for buy opportunities but it seems I have missed a good burst. No need to chase a bus that has already left. I wait for the next one.





crede quod habes, et habes

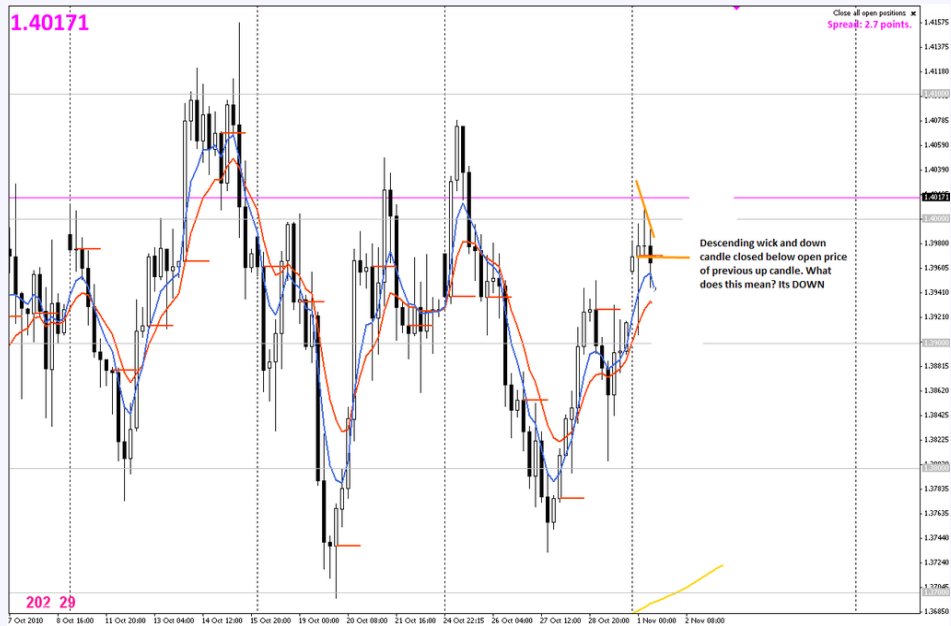


Just to further answer to Hubbahubba as I had missed it out in my previous answer.

I AM still taking hindsight from the higher timeframe first before taking trades on 5min chart. Just like we always talked about.

This was Monday eur/usd.

I had 4-5 sell positions. Why? My price interpretation on 5min timeframe is same as any other timeframe. And what does my price interpretation indicate on Monday?



So, on Monday (look back few of my posts, its there)

I took sell positions only as per my hindsight on 4hr timeframe.

Lets look at yesterday, Tuesday



So, yesterday what did I do? I started buying (look back few of my posts, its there)

Someone asked me if it really is that simple to buy when its up and sell when its down.

....yes it is.

Today, there is an exhaustion of buyers. If I were to sell this is the best time to sell. I just went with the flow and sell sell sell



At the moment then?



Nov 3, 2010 4:06am

3407



pipEASY

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Member Since Dec 2009
10+y 760 Posts

And there is it. Volatile breakout.

Thank you for your compliments mamood. Charts are now in jpg.



This takes all my sell positions out leaving me with a realized loss of -72 pips for todays little selling endeavour.

Current net profit of this week is +704 pips.

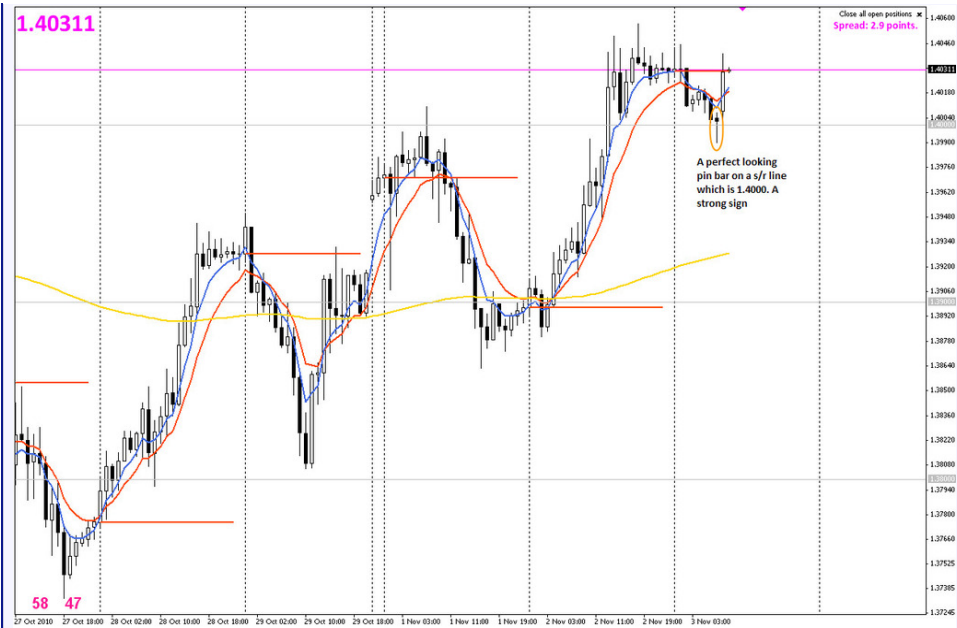
Now lets stop. Lets find out why there was such big movement. There is no such thing as "yeh Graeme, Europe opened and decided to go up today."

No. There is always a price interpretation hint somewhere before it happened.

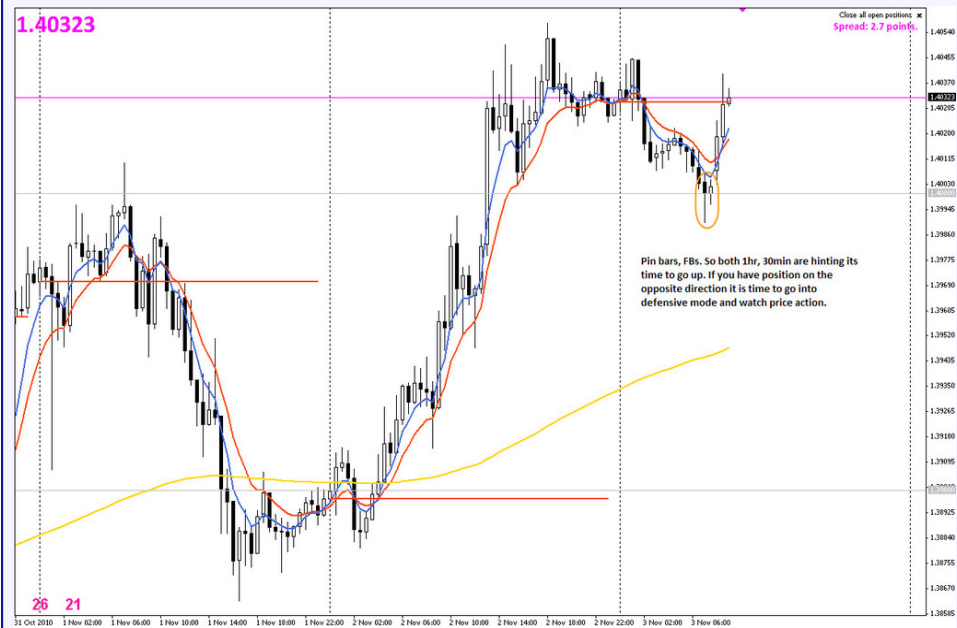
Lets have a look.

eur/usd 1hr.

Pin bar before the volatile breakout. Not every pinbar works but; small body, much longer tail, at s/r + at exhaustion.




eur/usd 30min.



Nov 3, 2010 4:20am

3409



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Member Since Dec 2009
10+y 760 Posts



Thank you for the compliment, VEEFX.

You should take a break and rest as you have work tomorrow.

I just read your PM and will reply little later on.

You are correct, everything should work on all timeframe.

There is no such thing as one system only works for 15min timeframe but doesnt on 1hr or any others.

Sincerely,

Graeme



Nov 3, 2010 4:37am

3410



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Member Since Dec 2009
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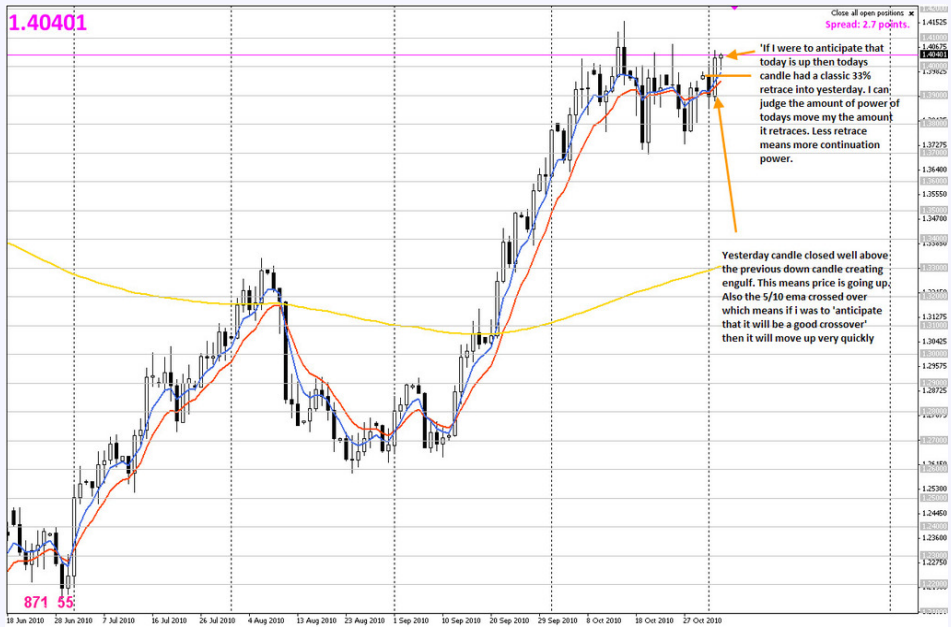


Every single timeframe tells you something.

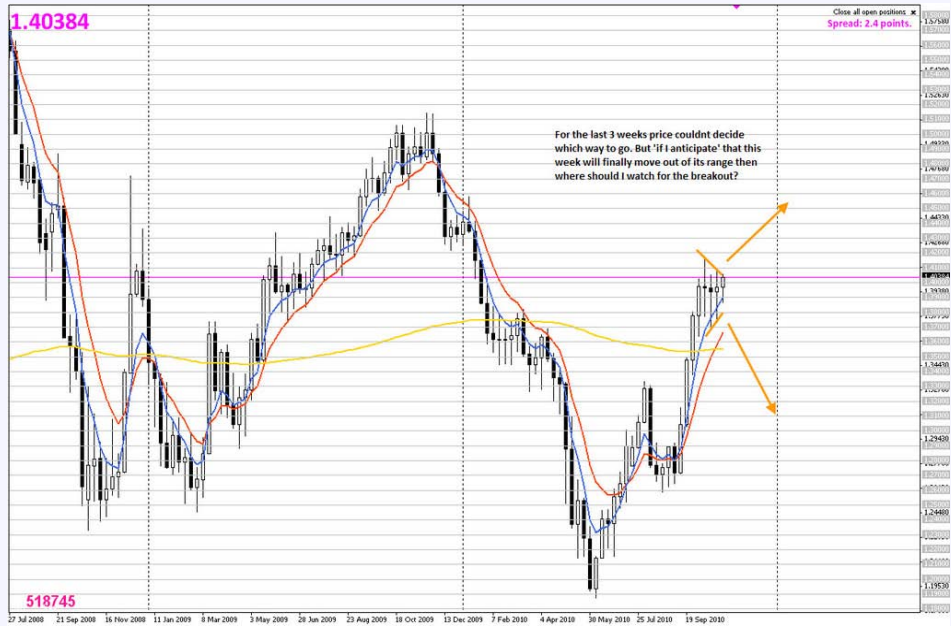
Each timeframe is telling a story. At first you will be confused at the story 4hr chart is telling you to a daily chart.

You fail as a professional trader when you only listen to one timeframe.

Lets listen to eur/usd daily chart



Then eur/usd weekly chart



Look at this weeks weekly candle. 'If I anticipate that' it will go up the best place to open trades that has higher probability of surviving in the upcoming weeks is the open of the candle. Which is around now.

Can all these hints tell me that this week it will finally breakout up?

You never know until you participate on a low risk entry



Nov 3, 2010 2:24pm

3422



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Member Since Dec 2009

10+ W 760 Posts



Good morning,

Pippirate - Your price action interpretation looks good for pin bar/fb entries. Your question is more to how/why is my positions getting stopped out at BE when they were so hard to get it established. Especially when they have doubled/tripled your account balance in unrealized profit and then, to see them hit BE few hours/days later.

This is the question that is asked many times. Why is it happening? How can I prevent it?

Each trader needs to buildup at least 100 hours of trading. Demo or live. At the moment most readers do not have any statistical data on their trading. They dont know how much they are spending to establish 'x' number of positions. What their median profit taking is. And the average drawdown before 'x' multiplication of account equity.

I have been trading for some time to know exactly what my statistics are. And Im also risk tolerant and confident to hold onto my positions for the best golden runs. Some readers believe it is because I have large capital but its not the capital but self awareness of my statistics.

When you first start, you % rate will fluctuate for the first few weeks.

1st week - 50%
2nd week - 80%

You cant stop there and say, "my average win rate is 65% over the 2 weeks" so I will adjust my r:r accordingly. 1:2 should be enough

But then..

3rd week - 20%
4th week - 10%

Now your average win rate is 40% and you find that 1:2 made you lose money.

Then traders will give up, log into forum and post saying it doesnt work because they have already spent all their capital on the first 4 week.

Your true win rate, median drawdown,

Do you know your:

1. win rate
2. median drawdown
3. average realized drawdown per week
4. average realized drawdown per month
5. largest unrealized profit by monthly
6. median unrealized profit by monthly

You need to know your statistics, just like a shop owner knowing how much they buy items from wholesale and how much they sell for to retail.

Pipfirst - The horizontal line is just drawn at 50% of the previous candle to show that current 4hr candle retraced and bounced. You will find this very often. Also it is resistance and open price of the day

Roadrunner - Good trading plan. There is one catch to stacking positions on small timeframes. You need to know when to trade and above all control your risk. Never try too much in one sitting or one 4hr candle.



Nov 4, 2010 1:42pm

3443



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Good morning, all

Very good questions and thoughts.

Im glad to hear some of the questions that are asked.

I have read all the posts and perhaps this post aimed at everyone will further clarify.

First, lets talk about personal threshold as questioned by VEEFX.

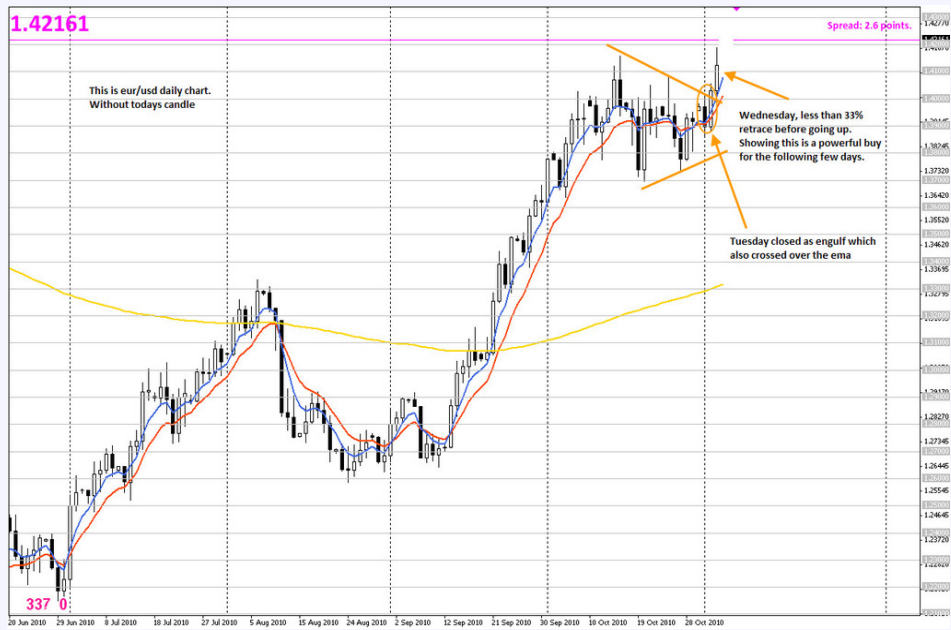
Although it sounds like a good logic to say,

'Ok. I know from my previous experience I have the confidence to aim for 1500 pips but I cant see myself getting a 800 pip realized loss to get there. So, when I reach -800 pips I will stop."

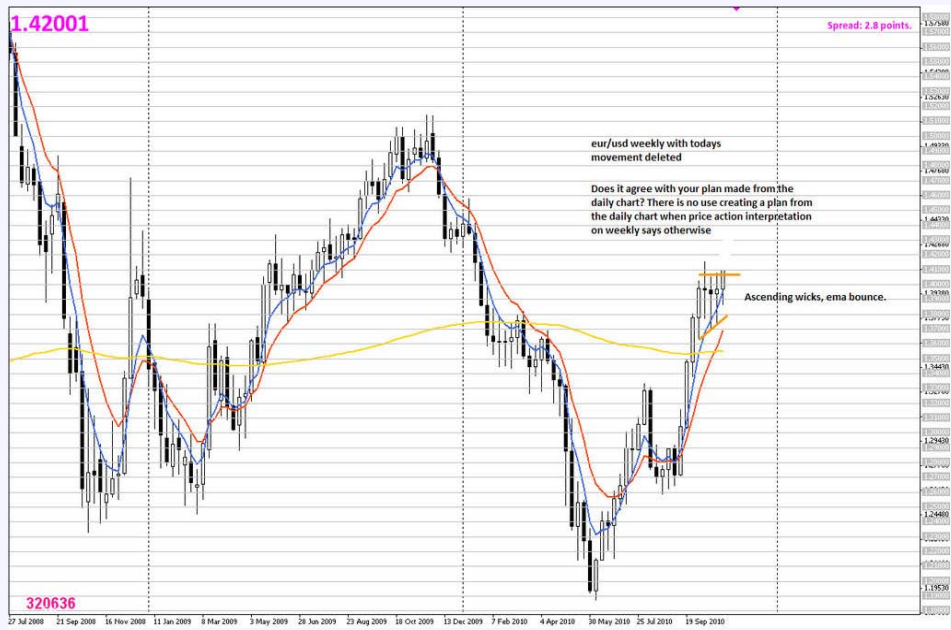
Nice goal of 1500 but there are ways to know that it will not work out before losing 800 pips.

You must consult with the price action of higher timeframes all the time whether your goal of 1500 is still achievable.

This week I have been looking for 100 pip swings on intraweek of eur/usd.



Lets just double check of weekly chart agrees,



So, your price interpretation this morning would be 'up.' Then execute that hindsight on the lower timeframe. Trading at the optimum time.

This is eur/usd 4hr



However you still dont know if your plan will work as the first chart. But you have participated into the action as per your plan and you are now setting yourself with that -800 pip threshold.

Its not the other way around by planning a 1500 pip profit with 800 pip loss threshold without planning with daily/weekly chart beforehand.

To aim for 1500 pip profits you must choose the correct scale to play on. 1500 pip profit is achievable on weekly, monthly charts. Consult with them first and then you scale down to lower timeframe to start executing.

Knowing when to trade - You must consult with higher timeframe with your intentions

Executing your plan - You must take risks on the lower timeframe whilst aiming for your plan of the higher timeframe

The above will only work when you have upskilled your price interpretation and **have few things that does work for you all the time.**

Mine is:

1. Judging the movement of power from looking at the % of retrace. Less retrace before going towards the direction I want means more power
2. Price likes to double wick bounce, triple wick bounce, open price bounce, 50% fib bounce. One of them always always happens
3. Pin bar, engulf, flying buddhas
4. Volatile movements on 'good' ema crossovers

When I plan my goal on the higher timeframe and start executing. Sometimes it will work straight away and then start phasing out and not working. Then something has changed in the higher timeframe.



Nov 4, 2010 2:58pm

3445




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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **hubbahubba** 

Sorry to be a bother again but can someone help me understand what Graeme is doing with stops on these recent trades? I have read the whole thread and those links don't help. He is swing trading now anyways which is different.

I think where I am getting confused is that his broker perhaps allows him to set close all position stops on each pair. My broker doesn't have that feature.

Good question.

Im showing intraweek swing trading as there has been many requests for a trading approach on the lower timeframe.

I prefer not to swing trade however I can if I wanted to.

I can also swing trade and then leave at least 1 position on each swing without closing it.

This showing could start a new encouragement to traders to not close all their position but at least have 1 position left behind for free.

Like member aud mentioned, 'a stepping stone was needed.'


My main focus on current showings is the very important and much needed price interpretation which most traders can still upskill further.

Imagine everything I do now on intraweek exactly the same as higher timeframe of weekly/monthly. Whereas stop losses/losses on intraweek means small pips which most traders seem to stomach whileas stop losses/losses on higher timeframe is larger which most traders cannot comprehend.

However, once you find that you can trade profitably on smaller scale you will naturally evolve to trade on the larger scale as this means much bigger rewards but less number of wins than intraweek.

Sincerely,

Graeme



 Nov 7, 2010 4:32pm

3479



pipEASY

crede quod habes, et habes

Member Since Dec 2009

 **760 Posts**



Good morning, all

Apogies for the delay in replying to your private messages. I had many things to catch up in the last few days. Im trying to spread my attention to few things and one of them includes the contributions on this thread.

I hope traders have studied my price interpretation that I have posted in the last few pages.

Without good price interpretation you wont be able to make near short forecast. Price interpretation is not correct all the time but enough times for you to take advatange of and create profit.

Some of the questions I receve is, what do I exactly do? Why isnt there an exact trading strategy within this thread?

Im certain that I have provided enough encouragement and insight into this matter for the reader to formulate their own 'exact' trading system whilst I have provided most of the ideas on trading approach.

A professional trader can create profit with any strategy, method within his hands. Because he/she knows that the vital requirements for profitable trading is universally/generically the same.

1. Participation
2. Low risk entry
3. Growth

This morning, I would like to touch base on one of the most requested questions I have received;

'Graeme, I dont have enough time to trade on 5min TF or any of the lower. Could you advise any tips on higher timeframe'

Im sure there are many traders who has work committments with their trading.

So let us think together.

First question.

"What type of candle do you prefer?"

Have you ever considered this question? Not many has. I have mentioned few times in this thread that Im very interested in candles (on any timeframe) that open and charges forward without any retrace. If you have not thought about this, it is time to think.

Let us look at eur/usd daily chart



I have highlighted candles that has little or no retrace and then moves towards the direction of ema crossover.

As you can see, most (not all) candles that does move forward without any retrace also has higher probability of survival for the longer term. And this happens on any timeframe; monthly, weekly, 4hr and so on.

Let us view few more examples on weekly



Once again, I have marked candles that moves forward without (or little) retrace towards the direction of ema crossover.

And this happens on any timeframe.

If you havent thought about this, it is time to as this is one of the tools on my belt.

The smart readers will now jump up and ask, 'Graeme, I have already thought of that but how do we know in advance that the next candle will be a good bold one?'

I dont know. However you can use money/position management to extrace profit **if** it does work. And for that to happen, you will need to participate on a low risk entry.

I have mentioned few pages ago that I know my statistics very well and that one of the methods I currently use is risking 10 pips for potential 1000 pips on eur/usd. And if you think carefully you will know how I do it here.

Continuing on..



Nov 7, 2010 5:14pm

3482



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+ 760 Posts



This is my train of thoughts.

1. Open eur/usd daily chart at start of new candle (for myself its the asian session)

And ask myself 1 question. Is it going up or down? And this simple question is governed by the ema crossover. We all know ema crossover has flaws but 'most' times the candles do move forward as per the direction of the crossover.

Let us consider the last few days on eur/usd daily chart



Now with the daily candle deleted appropriately



So, the 1 question I ask myself is, "is it going up or down?"

Ema is crossed over to go up so for now I choose up.

Now I anticipate its going up

Whats next?

Participate in a low risk entry

How do I do that? It is by anticipation.

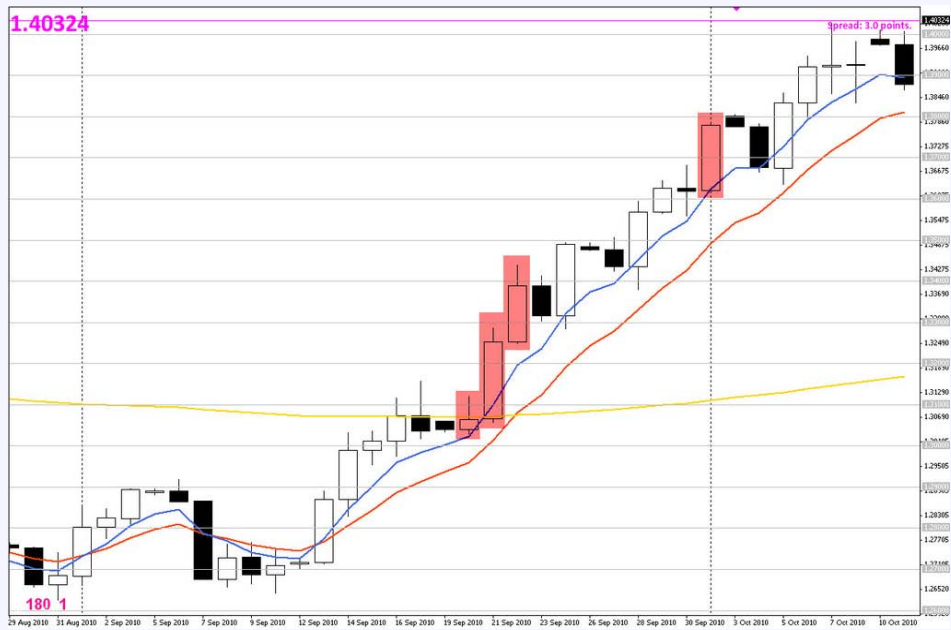
You need to anticipate that today will be a good day before it happens. You must assume that today's daily candle will be up with no retrace. Now this is where your **personal threshold of stop loss comes into play.**

For this type of method I choose 15 pips on 4hr chart, 25 pips on daily chart, 70 pips on weekly chart, 120 pips on monthly.

This setting needs to be tweaked by yourself through trial and error and find your own comfortable level.

Lets go back. Since the above chart is daily, I have 25 pip stop loss. So as soon as the day opens, I will open 1 position towards the direction of the ema with my personal threshold. So on this day, I have a loss of -25 pips as the retrace is more than 25 pips.

Let us look at a day it did work out for me, eur/usd daily

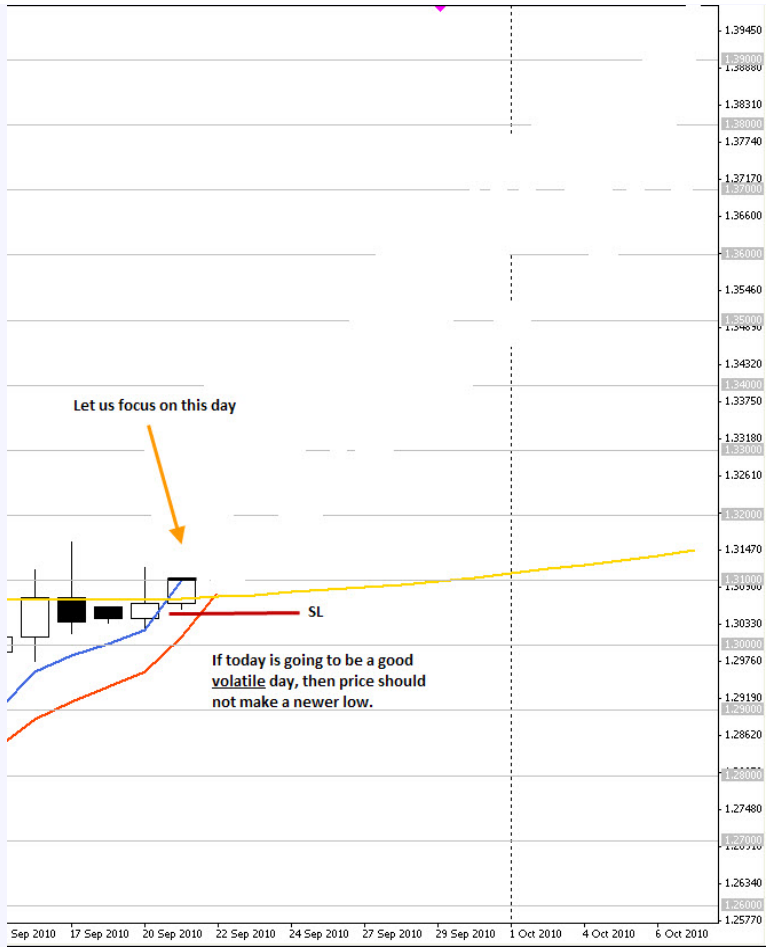


In the month of september it looks like there were 4 days that my stop loss of 25 pips was not hit and would have survived.

This is where I ask myself another question.

"Ok. Position has survived the retrace and it now 30 or 40 pips in profit. How can I amplify the profit taking if this the day that price will never come back" **Alot of ifs when im anticipating.**

I will open another position and move the first position to breakeven. If today is a good volatile day then price should not make any more newer lows (or highs).



With 2 positions in play, you are covering few scenarios.

The first position is at BE at open price of the daily candle whilst second position is at -40 or -50 pips with SL at the lowest price of the retrace. That is an average loss of 25 pips per position however the second position has a bigger breathing space.

Price will charge on with both positions in profit or price might retrace near the open of the day closing the first position but price does not make a new low so the second position survived to end up as profit at end of day.

I would like to stop you here and advise you, you can alter few things above.

1. You dont need to add second position if it doesnt suit your trading style. However, you will need to find other means to amplify your profits.
2. Your personal threshold of stop loss for the first position could be larger than my 25 pips or lower than my 25 pips. Bigger stop loss will see you more positions surviving till end of day however bigger losses. Smaller stop loss will see you more number of losses which are smaller but less opportunities.

Now this method above will ensure that you capture those volatile bold movements.

Take profit is only again to your personal threshold. I aim for 1000 pips for each positions. Once again you can tweak this setting to your personal threshold.

You can aim to catch profit totalling 1000 pips with few positions - This means that you will have few more wins over the course of year than

myself.

I aim to catch 1000 pips per position - This means I will have less wins than the above trader but bigger potential profit in the long run.

You could even adjust the take profit pip of 1000 to 500 with few positions totalling together or 500 pips each position. The adjustments you could do is endless.

This method works as 3 vital ingredients were added.


1. Participation - for a volatile breakout
2. Low risk entry - risking 25 pips on daily chart
3. Growth - letting the position grow to its greater extent

You will need to demo or live (on small account) for some extended period of time collecting data on your trading statistics and tweaking the above settings.

There is one more thing I wish to add..

Continuing on..

Last edited by pipEASY, Nov 7, 2010 7:07pm

 Quote

Nov 7, 2010 5:39pm

3483




pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y

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I believe what Im showing in depth today is from the very first post of this thread.

Opening positions at the open of the day.

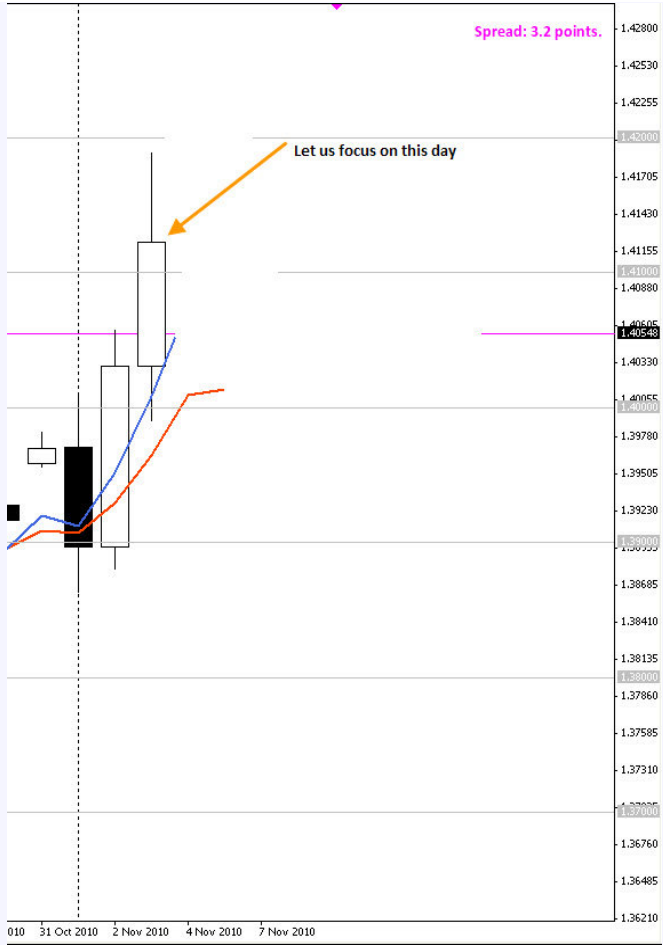
There is something else I also add in to the above method.

If today is just another typical day where the daily candle does follow the ema but with usual retrace.

Sometimes the retrace is greater than my 25 pip stop loss, so that gets me out of the game. However.

Some days there are retraces of more than 25 pips that will come back and charge forward.

Let us look at last few days on eur/usd daily



So the day had more than 25 pips .

When I watch a retrace happening, I set an alarm on my phone so I get alerted when price comes back to open of the day.

When I get alerted,

This is where I tell myself, 'if today is going to be a typical day up price should not make any more newer lows and move forward from here'

Then I would open a position at the open of the daily candle with stop loss at the lowest price of the retrace. This is where personal threshold comes in.

1. I do not want to see any retrace larger than 50% of the previous candle. This is important. I prefer less than 33% retrace on previous candle.
2. Preferably not bigger than 50 pips retraces.

And if my anticipation is correct I will find that price will move on. If it doesn't then I'm not interested in a day where price fluctuates between open price and low price of the day.

So the first method aims for volatile moves that does not have any retrace and charges forward. These are the best movements in forex market.

Second method aims for price to first retrace and then enter when price resumes its anticipated direction.

I use both methods simultaneously.

Having touched on the framework of my higher timeframe trading, I would like to add as I have been asked few times.

Why do I put in the effort to share?

Some traders believe that, giving away trade secrets hinders their own profit taking however it is not. If Im going up and more people join in then it is a benefit for myself. However even a large number of followers wont affect the market movement at all. It is still assuring to know that our interest lies together and not against each other.

Sincerely,

Graeme

Last edited by pipEASY, Nov 7, 2010 7:08pm



Nov 7, 2010 6:02pm

3485



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **cameron1st**

Thank you Graeme, very good articles, read them with much interest and still thinking about the ideas presented.

Kindest Regards,

Cam

You are most welcome, Cam

I will answer your PM shortly. Apologies for delay.

For the last 4 months on this thread we have covered many many topics. I have given my thoughts and experience on many aspects of trading and replied to most of the requests received.

Now this might confuse many readers as I seem to be jumping from short timeframe trading to higher timeframe trading but it is all explained as per requests received.

Some traders prefer the excitement and pace of 5min charts or lower timeframe while some can only trade on 4hr or daily.

The method I have shown have proven profitability for myself on **eur/usd** for the last 2 years. Some had great drawdown but have never came back to starting capital once the ball started rolling. Nowadays I dont even consider capturing 1000 pips. But just let it run and diversify the positions when needs be.

I hope the smart readers can learn the successful trading approach and mould the best method out of their own mind.

You can try the method I have presented today on just the 3rd 4hr candle everyday with great results. Hope you use the above method with your upskilled price interpretation for a better result.

You will find at least 1 out of 5 3rd 4hr candle is the start of move that is at least 100 to 150 pips on any pairs.

Just with the above statistics, you could work out stop loss size and so on.

Sincerely,

Graeme




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Eklavya, geoffrod

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