Brijon’s Pit Bull Method for Dummies:

Step 1: Enter the following five buys and five sells into your MT4 platform:

Buys:

AUD/USD
NZD/USD
EUR/GBP
EUR/USD
GBP/USD

Sells:

USD/JPY
NZD/JPY
EUR/JPY
GBP/JPY
AUD/JPY

The above ten trades are your “indicator dashboard” or your “indicator trades.”

Step 2: Click on the “Profit” column so that the highest loss is on the top and the lowest loss (or greatest profit) is on the bottom.

Step 3: A few hours after you have put the above 5 buys and 5 sells on, you should see a profit (or very small loss) on the bottom line. This is the first currency pair you are going to trade.

The way that you trade this bottom line currency pair is to check to make sure the bottom line currency pair is stable in profit. In other words, that currency pair may alternate between negative and positive for a while, but once it remains positive then

A) close that trade (take the profit) and

B) enter an order that is a *little bigger* than your previous "indicator trade" on the same pair that you just took profit on.

C) The bottom line tells you which direction to enter the currency pair on the bottom. Simply go in the direction of the bottom line currency pair. If it is a buy (such as AUD/USD or any of the other four buys) then you enter your first order long. If it is a sell (such as USD/JPY or any of the other four sells) then you enter your first order short. This order is for .04 lots.

   Here is an example: let's say a few hours after active trading your “indicator trades” are showing AUD/USD on the bottom line, and that currency pair is showing a small profit, and remaining profitable. You would then simply enter your first order as a buy on AUD/USD, and use a bigger lot size than your “indicator trades.” If you use .01 lots on your ten “indicator trades” then use .04 lots on your first real trade (long AUD/USD).

Step 4: Continue this process over and over; waiting until the bottom pair is in consistent profit, then close that trade (take the profit) and re-enter. As you take profit on your first size of .01, you re-enter at .04. As you take profit on your .04 size lot, you drop back down to .01

Step 5: Manage drawdown. This is a work in progress, but an excellent place to start is this video from Brijon: http://www.forexfactory.com/showthread.php?p=5128506#post5128506.

General notes: You only take trades that are exhibiting profitability, that is, position 10 (the bottom position) on the Pit Bull indicator. Once the trade is opened, it can immediately climb out of the bottom three positions and show a loss. If it then it falls back into the bottom three positions (8, 9 or 10) look for stable profitability (say 20 seconds), then take profit.

If the trade does not go to profit, manage the drawdown. Only take profits if drawdown is acceptable, profitable trades will "hedge" drawdown and (3) continue to take profits when drawdown returns to an acceptable level.

As Brijon repeatedly states: "Managing the drawdown is key".

This method can be improved even more, when placing a trade, we should have a maximum DD for each trade and then hedge position and then whichever way we are making money, move into that position and once daily target has been reached... close all positions and rinse and wash and compound this!

The system will not work correctly if you use two separate accounts (one for indicator trades and one for the others you add) because you need to also control the DD within the single account and both indicator and add on trades cumulatively affect your overall DD or profits.

If you place your add on trades on their own account and the trend changes you will struggle to keep the DD under control. The other indicator trades are required to help offset the DD as current trends change.