

- [Post 2,374](#)
- [Quote](#)
- Sep 18, 2010 11:15pm | Edited Sep 19, 2010 5:35am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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 didn't ring out of negligence because you were having such a great time with friends or new girls. She is clearly upset and feels 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 of course will be met with a sharp rebuke from her. Then there might be an 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 what's 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 characteristics. 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? It's only a personal assumption and I speak in broad sense when I say that they are still here because 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? It's 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 a rich person. If everyone is a billionaire then 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 I'm talking too much and I know less is always more but believe me when I say that I'm genuinely interested in everyone's trading success. And this very post is for you. **I don't 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 I'm 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**

I'm 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. It's 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.

It's 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: continuous 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 than 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 occurrences 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 than ___ 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 occurrences 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

- [Post 2,401](#)
- [Quote](#)
- Sep 19, 2010 6:51pm | Edited at 7:10pm



• Joined Dec 2009 | Status: crede quod habes, et habes | 885 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 has advanced forward but the principal of trading remains the same against the test of time.

If you are still searching for answers like a flow chart of solutions then you will **need to fail** (and hopefully only once or twice) before realization. Your failure is not my best interest however to learn how to run, falling few times finally gives you enough impact both physically/emotionally to never make the same mistake. However, what saddens me is to see potential professional traders, repeating mistakes that is costing them dearly and then to move onto what they believe as a new method seemingly in their perception but then to ofcourse fail again. And they wonder why and how? Perhaps you 'repeat' to fail cause you are 'repeating' the same failed trading principal. Changing timeframe, indicators is not trying a different approach. That is basically doing the same as just before that has failed. And ofcourse you know this already but then why would you do it again?

Passing on information about trading is a honour for me. I feel obliged to help fellow traders as I too have received unconditional help when I first started my i/e/d business. Help that has propelled me forward financially that has created a very comfortable life for myself and my family. There is nothing more one could wish for. I feel complete when I review my life endeavours however there is one small knot at the end of my line which I will earnestly complete.

Yesterday, I mentioned the law of uneven distribution. Hope everyone understands that even with 'genuine' 50% win rate (coin toss) you will encounter streaks of losses against you. Please try it. Select heads or tails before tossing a coin 100 times. Keep your choice from the start till end. You will notice:

Amount of wins and losses are similar (there is a reason why it is not exactly 50% head and 50% tail at end of 100 tosses but irrelevant information to trading) after 100th toss. **BUT** the 'occurrences' of your wins and losses are unevenly distributed. Huh? So..?

Well.. its the same in trading.

Even with a 50% win rate you will still face streaks of losses and streaks of wins. They are grouped together and then dispersed evenly then grouped together again. It is these groups of 'streaks' that professionals take advantage of. And this groups of 'streaks' is called an **irregularity of price movement**. Market is neutral and universal which is true over the course of thousands of candles, months, years, decades, centuries. But on given selected time period there are '**moments**' that lasts days, weeks, hours (pending on your chosen 'scale'. Remember scale?) that can be taken advantage of. When this given moment/opportunity is 'depleted' then the market will swiftly make up for it and balance the upset (a.k.a price returning to MA).

If streaks of wins on a coin toss is translated into our forex charts, it would be the compelling momentum/trend of the price.

If consolidation (head wins once, then tails and then back to heads) of wins/losses of a coin toss it would be translated into our forex charts as range/consolidation of price.

Its the exact same.

Irregularity of price movement is your edge. Large financial institutions plug in countless models into their data to find this edge/irregularity. They macro control the movement of the markets. And you will be pleased to know you could do it also.

I would like one volunteer who has the time and patience to assist me for the next week or two in bringing something important for the rest of the readers.

This volunteer must be able to post charts and edit them and have the time to place trades accordingly.

First come, first serve basis and I will let this volunteer know what is required in the thread. All charts and results will be posted by the volunteer live into the thread for the viewing of all.

Hope this intended project keeps the explanation tight and direct to the rest of the community.

Please place your hands up if you wish to participate with me.

Sincerely,

Graeme



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, Tradpat

Yes, im happy to recommend few tips and I will PM you within 2 days. Apologies for the delay.

VEEFX - I was awaiting your reply however it seems that you were awaiting mine as well. Apologies.

VEEFX, you and I will be taking a set course of trading actions over the course of days/weeks.

Before we even begin, I would like to create a theorem with you and the numerical data is at your discretion.

We will be taking hindsights on 4hr TF and taking trades from 1hr.

Please suggest your

1. R:R
2. Fixed stop loss size
3. Fixed take profit (for now)

Sincerely,

Graeme

- [Post 2,420](#)
- [Quote](#)
- Sep 19, 2010 8:49pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 2,421](#)
- [Quote](#)
- Sep 19, 2010 9:01pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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 occurrences of such opportunity must be less than 1 per 4 cycle.

We will leave the above statement as it is for now but I would like to alter it as we progress. There is a reason for it and I will only reveal it later.

Now that you have your theorem, may I please request that you open any pair on 4hr chart and please place

1. 10 ema exponential close - red
2. 5 ema exponential close - blue
3. 200 ema exponential close - yellow

Please post a chart to show the above setup for the clarity of our readers.

Sincerely,

Graeme

- [Post 2,427](#)
- [Quote](#)
- Sep 19, 2010 9:47pm



• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting 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 doesn't actually move slower or faster. It represents what it is supposed 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 doesn't 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

- [Post 2,429](#)
- [Quote](#)
- Sep 19, 2010 10:05pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 2,434](#)
- [Quote](#)
- Sep 19, 2010 10:36pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 2,453](#)
- [Quote](#)
- Sep 20, 2010 2:59am



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

- [Post 2,458](#)
- [Quote](#)
- Sep 20, 2010 3:23am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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...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?

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

- [Post 2,460](#)
- [Quote](#)
- Sep 20, 2010 3:43am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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.

eurznd, 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.

<http://img811.imageshack.us/img811/258/aa1h.png>

cad/chf 1hr - This is my price interpretation

<http://img521.imageshack.us/img521/4135/aa2k.png>

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.

<http://img186.imageshack.us/img186/4084/aa2w.png>

• [Post 2,462](#)

• [Quote](#)

• Sep 20, 2010 3:51am



• [pipEASY](#)

[Quoting VEEFX](#)

Yes sir. I re-read your example post 2374 several times and your last sentence *"You lose money if the reward is x100 but you find that you are finding 1 win occurrence in more than 100+ rounds"* brought further clarity. I just need to play with some more examples (offline) around this concept with different R:R scenarios to completely (and subconsciously) blend the concept in my head. I think the use of term 'cycle' is a bit confusing to most.

Regards,

Vee

Thank you, VEEFX.

I didnt look at it that way and apologize to other readers.

Please call me Graeme and I hope its ok for you when I address you VEEFX.

gbp/nzd 4hr - watching?

This is it VEEFX.

- [Post 2,475](#)
- [Quote](#)
- Sep 20, 2010 6:32am



• [pipEASY](#)

[Quoting paul1](#)

Ok have i got this,

cycle = 1000 pips (target profit minimum.)
risk /stop loss = 10 pips per entry.
(therefore we can have 100 losers to actually lose money.)
That also gives us the 1:100 r/r. Or broken down 10:1000 r/r
So as long as we win 1000 pips more than one time in one hundred,

eg :-
Lose 99 win 1 == profit 10 pips
lose 98 win 2 = profit 20 pips
lose 97 win 3 = profit 30 pips

But I do realise aiming for 1000 pips winners could be weeks/ months away .

Have i got it ?

Good evening, Paul1 and Skyline

Sorry to address both of you gentlemen in one post.

Skyline - thank you

Paul1.

This is very important for everyone.

You said something golden. Something large institution do everyday.

You have got the numbers correct in your calculations.

Lets focus on your last sentence.

"But I do realise aiming for 1000 pips winners could be weeks/ months away ."

What if...

What if...

There are methods (correct term is price irregularity) when backtested for last several years shows that the 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.

- [Post 2,478](#)
- [Quote](#)
- Sep 20, 2010 7:04am



- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting 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



[pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

- [Post 2,513](#)
- [Quote](#)
- Sep 20, 2010 5:47pm



[pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

<http://img23.imageshack.us/img23/7500/aa2hz.png>

And currently (for now),

<http://img820.imageshack.us/img820/4514/aa1a.png>

Last night, a trader **not** using a tight entry could have entered at the orange circle.

<http://img843.imageshack.us/img843/9844/aa1q.png>

However, you and I need to have professional standards.

<http://img137.imageshack.us/img137/8232/aa1k.png>

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

- [Post 2,518](#)

- [Quote](#)

- Sep 20, 2010 6:06pm Edited at 6:18pm



[Quoting VEEFX](#)

Excellent post! I have tried this to gain a statistical 'edge/advantage' in my live trading but in a different manner. I try to look for recurring 'patterns' and assess the root cause behind their recurrence. Based on the theory that 'If they happen a 1000 times in the past, it will happen atleast another 50 times in the future.

What you mentioned in your post above is quite intriguing to me. I have been focussed on price regularities instead of irregularities.

I guess the billion dollar question to unimaginaire...

Just one more post as we wait for VEEFX.

How? Good question.

There is a niche in retail forex that sooner or later a bright individual or group of bright individual will create a business from.

It is backtesting against 10+ years of price history across the whole board on models.

The results are of critical importance and it would save alot of time for the trader.

I have personally seen how much hard statistical fact you can extract.

It shows you so much inner workings of a method that I cannot describe them all.

VEEFX, you've selected 20 stop loss with 80 take win. And I mentioned that we will keep it like that for now but I will reveal something later.

Your r:r will not work out and I will guide you when it happens.

Please allow me to share a hard statistical fact with all readers.

From the past 10+ years of price history across the whole board: a model based on price expansion from 200ema has an average 400+ pip expansion per opportunity.

Institutions will 'saturate' their risk by entering 2 different spectrum of investment by x1 position take profit @ less than the average and x1 position take profit @ more than the average. Why would that be?

kcarvey - Thank you for the great effort. I hope readers think about your post twice as there is a related discovery within your experiment.

• [Post 2,519](#)

• [Quote](#)

• Sep 20, 2010 6:11pm



[Quoting 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

<http://img843.imageshack.us/img843/3397/aa1c.png>

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

• [Post 2,535](#)

• [Quote](#)

• Sep 20, 2010 7:56pm | Edited at 8:02pm

• [VEEFX](#)

• Joined Jun 2006 | Status: Member | [794 Posts](#)

[Quoting pipEASY](#)

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?

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.

[Attached Image \(click to enlarge\)](#)



pipEASY

-

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Quoting 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

• VEEFX

• Joined Jun 2006 | Status: Member | 794 Posts

Quoting 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.

H1 timeframe interpretation

Attached Image (click to enlarge)



In & Out...I delete my posts within 24 hours

- [Post 2,545](#)
- [Quote](#)
- Sep 20, 2010 8:44pm Edited at 9:02pm



[pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 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.



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 2,581](#)
- [Quote](#)
- Sep 21, 2010 4:36am | Edited at 4:55am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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.

earnzd 4hr

<http://img375.imageshack.us/img375/5306/aa1d.png>

- [Post 2,582](#)

- [Quote](#)

- Sep 21, 2010 4:45am | Edited at 4:55am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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.

<http://img155.imageshack.us/img155/6576/aa1st.png>

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

- [Post 2,583](#)

- [Quote](#)

- Sep 21, 2010 4:52am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

- [Post 2,584](#)
- [Quote](#)
- Sep 21, 2010 5:06am



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

<http://img819.imageshack.us/img819/2...10100143pm.png>

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

- [Post 2,587](#)
- [Quote](#)
- Sep 21, 2010 5:19am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 2,664](#)
- [Quote](#)
- Sep 22, 2010 3:19am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting VEEFX](#)

Did not follow this rule.. "If Im looking for sell then I want to see price close below the open of previous up/green candle" when taking entries on H1.

Unfortunately, I became impatient but did follow the above entry rule by zooming into M5 (or was it M15??) timeframe. Perhaps, I should only make entries on H1 from now on.

There is nothing wrong with your actions.

However you jumped too early.

4hr hindsight is our profiting grounds. And 4hr currently says up.

<http://img401.imageshack.us/img401/2...10100143pm.png>

If I were to forecast gbpcad 4hr

<http://img820.imageshack.us/img820/2...10100143pm.png>

But do you really like the shape of our current gbpcad 4hr??

<http://img835.imageshack.us/img835/2...10100143pm.png>

It looks messy doesnt it? I like it clean. Like this..

<http://img210.imageshack.us/img210/2...10100143pm.png>

- [Post 2,665](#)
- [Quote](#)
- Sep 22, 2010 3:23am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

<http://img215.imageshack.us/img215/8143/aa1ay.png>

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.

- [Post 2,666](#)
- [Quote](#)
- Sep 22, 2010 3:26am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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.

In & Out...I delete my posts within 24 hours

- [Post 2,686](#)
- [Quote](#)
- Sep 22, 2010 4:12am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 2,693](#)
- [Quote](#)
- Sep 22, 2010 5:14am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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 ?

- [Post 2,697](#)
- [Quote](#)
- Sep 22, 2010 5:40am



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

<http://img251.imageshack.us/img251/2...10100143pm.png>

now compare to usdjpy 4hr

<http://img818.imageshack.us/img818/8937/aa2x.png>

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

<http://img828.imageshack.us/img828/2...10100143pm.png>

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

- [Post 2,771](#)
- [Quote](#)
- Sep 22, 2010 3:07pm



• Joined Dec 2009 | Status: crede quod habes, et habes | 885 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

- [Post 3,346](#)

- [Quote](#)

- Nov 1, 2010 5:47pm | Edited at 6:16pm



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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 fangled 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.

<http://img502.imageshack.us/img502/1148/aaazf.png>

However, Im ready to take buy positions very soon if the current stall develops into momentum

<http://img177.imageshack.us/img177/443/aaawd.png>

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

- [Post 3,351](#)
- [Quote](#)
- Nov 1, 2010 8:39pm | Edited at 9:08pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Quoting 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 I'm saying on their own terms. I'm 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 didn't 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).

<http://img827.imageshack.us/img827/5206/aaasu.png>

But, there are areas just around the 200ema break where the price extends 1000+ pips. Really?

Aqua highlights area that went 1000+ pips.

<http://img221.imageshack.us/img221/2846/aaand.png>

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.

<http://img340.imageshack.us/img340/2835/aaaoqg.png>

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 hasn't 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, that's 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

- [Post 3,352](#)
- [Quote](#)
- Nov 1, 2010 9:16pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Just before I head out. I saw a setup on eurUSD.

I took it but I don't 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

<http://img294.imageshack.us/img294/874/aaayx.png>

5min chart

<http://img408.imageshack.us/img408/4259/aa1g.png>

Current realized loss for 6 positions @ -31 pips. Average -5 pips per position. I won't care less to lose all 6 positions. My mentality is that I'm 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

- [Post 3,355](#)
- [Quote](#)
- Nov 1, 2010 11:43pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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 opportunity 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.

<http://img838.imageshack.us/img838/1274/aa1j.png>

which means,

<http://img229.imageshack.us/img229/9827/aaakv.png>

I was waiting for volatile breakout up when... (roughly 4 minutes ago)

<http://img227.imageshack.us/img227/5185/19897986.png>

Placing myself in this scenario... In between my positions.

<http://img7.imageshack.us/img7/3751/26819107.png>

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.

<http://img695.imageshack.us/img695/9418/21982328.png>

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

- [Post 3,358](#)
- [Quote](#)
- Nov 2, 2010 1:34am | Edited at 3:04am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

<http://img202.imageshack.us/img202/892/50060609.png>

Last set of buy positions. Can you see where I might be taking the trades on the 5min chart?

<http://img824.imageshack.us/img824/8986/89940764.png>

Sincerely,

Graeme

- [Post 3,361](#)
- [Quote](#)
- Nov 2, 2010 2:17am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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'

<http://img708.imageshack.us/img708/2117/aa1p.png>

Can you see why and when I might have taken the buy positions of today?

Taking tight entries across multiple pairs is very hard, unless you know 'when to trade.'

I use alerts when a price reaches certain area that I know will have a better probability of

profitability for myself.

Do you know when to trade?

Please answer for me.

Asian session too slow? I assure you, that is a wrong myth. I take trades any session when I know it is time to trade. And that can happen on any session including asian.

Why take both long and short?

You will see why. But it is also because I dont know which direction eur/usd is heading for this week. Do you? Or does anyone?

Please do not take of the above in a serious tone. Im trying to explain something to you.

Look forward to your answers, Midnight.

Sincerely,

Graeme

- [Post 3,362](#)
- [Quote](#)
- Nov 2, 2010 2:21am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Before you answer, Midnight.

Look at the chart I posted 10 minutes ago and now.

<http://img2.imageshack.us/img2/3246/82277582.png>

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.

- [Post 3,363](#)
- [Quote](#)
- Nov 2, 2010 2:54am



• [pipEASY](#)

Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

So it does breakout of that pennant and it goes up.

<http://img716.imageshack.us/img716/5884/49090677.png>

As I mentioned before I wouldnt open any buy positions now because there are only 30minutes till end of this 4hr candle and most candles have some retrace. If I open a position now it will have more chance of closing out on BE.

However I open one now for all to see.

<http://img34.imageshack.us/img34/2525/54723034.png>

But I close out as soon as the 5minute candle is complete as it is a pin bar. I look for volatile breakouts only.

<http://img841.imageshack.us/img841/7253/39765064.png>

And so on.

Sincerely,

Graeme

• [Post 3,365](#)

• [Quote](#)

• Nov 2, 2010 3:14am



• [pipEASY](#)

Joined Dec 2009 | Status: crede quod habes, et habes | [885 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.

<http://img525.imageshack.us/img525/5850/10389192.png>

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.

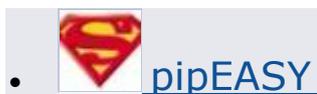
I dont like having all my eggs in one basket.

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.

In & Out...I delete my posts within 24 hours

- [Post 3,367](#)
- [Quote](#)
- Nov 2, 2010 5:41am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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.

<http://img526.imageshack.us/img526/4493/49640251.png>

My buy positions started dying on BE. I didnt mind as I have no control on such happenings.. However..

<http://img820.imageshack.us/img820/8890/90220171.png>

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.

<http://img841.imageshack.us/img841/6718/95234046.png>

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.

<http://img196.imageshack.us/img196/1375/64426357.png>

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.

Im now currently looking for sell opportunities..

Sincerely,

Graeme

- [Post 3,368](#)

- [Quote](#)

- Nov 2, 2010 10:38am | Edited at 1:39pm

- [chips](#)

- Joined Sep 2010 | Status: Member | [304 Posts](#)

Thanks for the latest update on your trading. I am always wondering how to build positions both ways and not get taken out right away. I entered with PA on 5 min and notice that my positions are very close to each other and get taken out at BE. If they weren't so close then I would be in at a really good price.

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 follow the principle and took trades only in the hindsight direction. But I would rather be building entries in both direction(Participating)and BE and see what the market does. I tried but often times get taken out on price swings

Please clarify thanks

- [Post 3,369](#)

- [Quote](#)

- Nov 2, 2010 2:11pm

-  [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, all

Its early morning here in Sydney. Woke up to check on my progress.

I had 10 buy positions before I went to sleep.

9 hit TP of +100 each

Kept 1 position for free. SL @ BE.

My total realized loss for this endeavour was -124 pips before TP was hit.

Total net profit +776 pips for the last 2 days

<http://img24.imageshack.us/img24/5306/aa1d.png>

Im currently looking at sell opportunities.

Will continue to update

I also reset my realized loss counter and starting afresh in my mind.

Sincerely,

Graeme

- [Post 3,370](#)
- [Quote](#)
- Nov 2, 2010 2:29pm



[cameron1st](#)

• Joined Aug 2010 | Status: *lex parsimoniae* | [230 Posts](#)

Good morning Graeme,

I caught up with the latest charts and posts, really impressive performance and lessons.

Kindest Regards,

Cam

- [Post 3,371](#)
- [Quote](#)
- Nov 2, 2010 2:48pm



[pipEASY](#)

• Joined Dec 2009 | Status: *crede quod habes, et habes* | [885 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.

A lot 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

- [Post 3,372](#)
- [Quote](#)
- Nov 2, 2010 3:14pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

A trade I just took.

eur/usd 4hr

<http://img802.imageshack.us/img802/4192/aa1l.png>

Why did I take it there?

Cause I took hindsight/price action not from 4hr chart this time but from 1hr.

eur/usd 1hr

<http://img683.imageshack.us/img683/5286/aa1o.png>

eur/usd 5min. Pennant forming. Which way will it break?

<http://img4.imageshack.us/img4/4192/aa1l.png>

- [Post 3,373](#)
- [Quote](#)
- Nov 2, 2010 3:18pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

While its playing out. I flick through other timeframes. 30min and 15min. I want to see evidence that supports my claim.

eur/usd 30min. Descending wicks, good

<http://img39.imageshack.us/img39/1506/aa1s.png>

eur/usd 15min. Descending wicks, good

<http://img18.imageshack.us/img18/258/aa1h.png>

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

- [Post 3,374](#)
- [Quote](#)
- Nov 2, 2010 3:26pm

- [maxxtrader](#)

- | Joined Oct 2010 | Status: Member | [19 Posts](#)

Hi Graeme,

I am happy to see you back, unfortunately I only found your thread after you had to take a short leave. I am happy to see you back again!

I want to thank you for all you have contributed and I am learning so much!!

Thanks again,

Marc

- [Post 3,375](#)

- [Quote](#)

- Nov 2, 2010 3:32pm



- [cameron1st](#)

- | Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

Graeme, this kind of commentary with charts and reasons why you take certain trades is invaluable for the aspirant trader, thank you very much.

- [Post 3,376](#)

- [Quote](#)

- Nov 2, 2010 3:32pm



- [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Its breaking out. Im only interested in volatile breakouts.

Is there momentum? It doesnt matter if Im trading near US close. That is irrelevant as volatile breakouts happen anytime, anywhere.

<http://img3.imageshack.us/img3/9981/aa1fb.png>

And the 5min candle closes into a pin bar...

<http://img210.imageshack.us/img210/1876/aa1b.png>

Is that a new support happening?

<http://img824.imageshack.us/img824/2198/aa1rx.png>

Ok, we have a lower low. But are you going to stall there or continue?

<http://img714.imageshack.us/img714/3629/aa1df.png>

Come on kitty, jump down

<http://img263.imageshack.us/img263/4192/aa1l.png>

- [Post 3,377](#)
- [Quote](#)
- Nov 2, 2010 3:44pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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?

<http://img255.imageshack.us/img255/1876/aa1b.png>

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?

<http://img64.imageshack.us/img64/3678/aa1if.png>

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.

- [Post 3,378](#)
- [Quote](#)
- Nov 2, 2010 3:51pm

• [carolco](#)

- | Joined Jan 2010 | Status: Member | [174 Posts](#)

I cant belive it! Thanx for coming back. I am so thankful for all informations You gave us..

- [Post 3,379](#)
- [Quote](#)

• Nov 2, 2010 4:03pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

You are most welcome, carolco

First warning

<http://img442.imageshack.us/img442/8451/aa2a.png>

The next 5min candle. Second warning

<http://img836.imageshack.us/img836/4899/aa2ky.png>

Time to move stop loss to tighter. Just incase.

<http://img829.imageshack.us/img829/797/aa1tc.png>

• [Post 3,380](#)

• [Quote](#)

• Nov 2, 2010 4:10pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Lets have another look at whats currently happening

eur/usd 1hr

Could the current 5min retrace be the small retrace of the new 1 hr candle? I dont know but Im participating

<http://img2.imageshack.us/img2/4544/aa1n.png>

eur/usd 30min

Could the 30min chart hinting that it is going into pennant on the 30min chart? I dont know but Im participating

<http://img696.imageshack.us/img696/4192/aa1l.png>

Whatever happens Im cotrolling my risk.

• [Post 3,381](#)

• [Quote](#)

• Nov 2, 2010 4:34pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Lets see whats happening live on 5min chart

<http://img835.imageshack.us/img835/5286/aa1o.png>

And the decision is coming up soon

<http://img185.imageshack.us/img185/4544/aa1n.png>

I have added another sell position as this would be a tight entry if it works. If it doesn't work out I risk very few pips for something very large. Having more positions doesn't 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. Worst case scenario that is an average loss of -7 pips per position. A definite bargain

<http://img837.imageshack.us/img837/5306/aa1d.png>

Now nobody knows which way it will breakout. But let's think about my current r:r

I'm risking 14 pips 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 do work out 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

- [Post 3,382](#)
- [Quote](#)
- Nov 2, 2010 4:46pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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 win 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)

I'm 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.

<http://img826.imageshack.us/img826/5286/aa1o.png>

If it doesn't work, I shrug and wait for next opportunity.

- [Post 3,383](#)
- [Quote](#)
- Nov 2, 2010 4:58pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Is it breaking out? There is something moving. A new sign of hope as the current 5min candle makes a new lower low

<http://img200.imageshack.us/img200/258/aa1h.png>

<http://img822.imageshack.us/img822/5396/aa1v.png>

Anticipate and participate via low risk entry

<http://img502.imageshack.us/img502/9844/aa1q.png>

<http://img207.imageshack.us/img207/4514/aa1a.png>

Current realized loss is now -5 pips

- [Post 3,384](#)
- [Quote](#)
- Nov 2, 2010 5:22pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

<http://img810.imageshack.us/img810/7070/aa1.png>

<http://img218.imageshack.us/img218/259/aa2wg.png>

<http://img530.imageshack.us/img530/3235/aa3.png>

<http://img16.imageshack.us/img16/9675/aa4e.png>

<http://img573.imageshack.us/img573/3046/aa5.png>

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

- [Post 3,385](#)
- [Quote](#)
- Nov 2, 2010 5:32pm



[cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

[Quoting pipEASY](#)

I hope my price action interpretation is helpful.

Incredibly helpful I would say, Graeme.

Thank you very much for taking the time to post.

Kindest Regards,

Cam

- [Post 3,386](#)
- [Quote](#)
- Nov 2, 2010 8:14pm



[pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

<http://img340.imageshack.us/img340/1583/aa1m.png>

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

<http://img189.imageshack.us/img189/7851/aa2q.png>

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

<http://img703.imageshack.us/img703/3235/aa3.png>

eur/usd 5min

<http://img824.imageshack.us/img824/2079/aa4t.png>

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.

- [Post 3,387](#)

- [Quote](#)

- Nov 2, 2010 8:17pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Now there is a movement against my intention. Is this just a short blip or permanent change?

<http://img227.imageshack.us/img227/3046/aa5.png>

- [Post 3,388](#)

- [Quote](#)

- Nov 2, 2010 8:20pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

This is currently happening.

<http://img232.imageshack.us/img232/6686/aa6.png>

I need the price **to at least stall for me.**

If not this is over.

- [Post 3,389](#)

- [Quote](#)

- Nov 2, 2010 8:27pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Im still holding as Im still little bit in profit.

<http://img607.imageshack.us/img607/2192/aa7.png>

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.

<http://img600.imageshack.us/img600/172/aa8.png>

Oh. But look.

<http://img217.imageshack.us/img217/3592/aa9.png>

Closed all positions.

Lost -14 pips from 4 positions.

Current realized loss is -43 pips with 0 positions established.

- [Post 3,390](#)
- [Quote](#)
- Nov 2, 2010 8:39pm



• [pipEASY](#)

- [Joined Dec 2009](#) | [Status: crede quod habes, et habes](#) | [885 Posts](#)

I say something important for all.

When you experience a loss. Make sure you wait until price moves away from the area you have lost. This is just my personal thing and it has saved me alot of anguish from ranging periods.

Always reassure yourself there are many more oppotunties soon.

My new anticipation

<http://img9.imageshack.us/img9/9465/aa10i.png>

Some may wonder why I come to such anticipation. Most of the pairs when considering to trade intraweek will fluctuate in between 100-200 pips.

If you are aiming at intraweek trading you should be looking for 100 pip opportunities.

My anticipation is quiet simple.

I buy when sellers run out of money.
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 oppotunties. 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

<http://img534.imageshack.us/img534/2486/aa10r.png>

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

- [Post 3,391](#)
- [Quote](#)
- Nov 2, 2010 8:59pm

• [maxxtrader](#)

• | Joined Oct 2010 | Status: Member | [19 Posts](#)

This is great stuff Graeme, lights bulbs are turning on right now big time.

Thanks again!!

Marc

- [Post 3,392](#)
- [Quote](#)
- Nov 2, 2010 9:32pm

•  [pipEASY](#)

• | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Re-attempt

<http://img34.imageshack.us/img34/8785/aa1fw.png>

Stacking

<http://img221.imageshack.us/img221/3140/aa1y.png>

eur/usd 4hr. I anticipated that it will be down. First 4hr candle of the day (asian session) looks like it will be a bold down. For how far, im not sure. But I have my position at the best spot which is on the retrace wick and open price of the current 4hr candle. This will ensure that any minor retrace of next 4hr candle is far away from my positions

<http://img574.imageshack.us/img574/7070/aa1.png>

And voila.

<http://img820.imageshack.us/img820/7607/aa1e.png>

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

- [Post 3,393](#)

- [Quote](#)

- Nov 2, 2010 9:40pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Just before I consider everything to be ok. Let us check current status

eur/usd 5min. Compelling momentum

<http://img340.imageshack.us/img340/258/aa1h.png>

eur/usd 15min. Clear breakout with momentum

<http://img220.imageshack.us/img220/9643/aa1i.png>

eur/usd 1hr. Support breakout with no retrace candle

<http://img181.imageshack.us/img181/4514/aa1a.png>

However, I wont walk away until most of my positions SL moved to BE or very small loss.

- [Post 3,394](#)

- [Quote](#)

- Nov 2, 2010 9:43pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

And when everything looks so rosy

<http://img547.imageshack.us/img547/1876/aa1b.png>

I can only watch and control my risk

- [Post 3,395](#)

- [Quote](#)

- Nov 2, 2010 9:45pm



• [Eklavya](#)

• [Joined Dec 2007](#) | [Status: Member](#) | [447 Posts](#)

Hi Graeme..This is magical. You are a trading machine. I just dream about being half as good as this.

I have read all your posts a couple times and have been struggling thinking about where to start. Would you please guide me here?

In the long term I would like to swing trade long term, daily charts, I am thinking at this learning stage I must make time to do the 3X20 daily exercise. Would you agree?

• [Post 3,396](#)

• [Quote](#)

• Nov 2, 2010 9:47pm

• [_aud](#)

• [Joined Apr 2008](#) | [Status: Member](#) | [673 Posts](#) | [Online Now](#)

Graeme thank you for your dedication, including getting up at 4 o'clock in the morning, after a lengthy period of time when all had not been well!

I'm posting in support of your current teachings using a shorter (weekly) time frame. Whilst I appreciate the goal is to get the trades managed on the longer time frames you use, this results in a lot of unrealised profit going up in smoke. Someone once likened trading to sitting on the floor setting fire to one hundred dollar bills.

To mentally handle your sort of drawdown (% wise not \$ wise) I believe many of us peeps need to be approaching this from a position of being accustomed to profitable trading.

A stepping stone was needed.

Good Trading

• [Post 3,397](#)

• [Quote](#)

• Nov 2, 2010 9:51pm



• [pipEASY](#)

• [Joined Dec 2009](#) | [Status: crede quod habes, et habes](#) | [885 Posts](#)

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.

<http://img195.imageshack.us/img195/6261/aa1jr.png>

Currently, eur/usd 5min

<http://img153.imageshack.us/img153/5306/aa1d.png>

Come on kitty, jump down.

- [Post 3,398](#)
- [Quote](#)
- Nov 2, 2010 9:56pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

<http://img809.imageshack.us/img809/5396/aa1v.png>

- [Post 3,399](#)
- [Quote](#)
- Nov 2, 2010 10:00pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good. Danger is passing away.

<http://img840.imageshack.us/img840/9844/aa1q.png>

Oh. Now 200ema is coming up. Interesting.

<http://img837.imageshack.us/img837/4259/aa1g.png>

Let us watch. Still keeping my guards up

- [Post 3,400](#)
- [Quote](#)
- Nov 2, 2010 10:08pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 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.

<http://img526.imageshack.us/img526/1506/aa1s.png>

Current realized loss is -63 pips with 9 sell positions established. Average loss of -7 pips per position.

Moved TP of 8 sell positions to 100 pips each.

Keeping 1 sell with no TP.

I still have 1 buy position from yesterday.

Just to continue answering to Eklavya. The first skill you need to acquire is correct price action interpretation on lower timeframe. I upskilled from x3 20 TP exercise for few months.

Once that is done and you are profitable on intraweek or any short term trading you will naturally phase out to longer timeframe as you get more confident.

Current status on eur/usd 4hr. Im near the open of the current 4hr candle. Which means I have placed myself to be in the better position as the retrace of the next 4hr candle most likely wont reach this far.

<http://img258.imageshack.us/img258/4544/aa1n.png>

Good day all.

Sincerely,

Graeme

- [Post 3,403](#)
- [Quote](#)
- Nov 3, 2010 2:23am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Thank you for your continued interest.

I had to take a nap before continuing.

Update.

eur/usd 4hr

<http://img30.imageshack.us/img30/7268/aa1xc.png>

Im now looking for buy oportunities.

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 oportunities while the market is moving down, I prefer to be already in the market before the main action starts.

- [Post 3,404](#)
- [Quote](#)
- Nov 3, 2010 3:21am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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.

<http://img824.imageshack.us/img824/3397/aa1c.png>

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.

- [Post 3,405](#)
- [Quote](#)
- Nov 3, 2010 3:45am



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

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?

<http://img816.imageshack.us/img816/1274/aa1j.png>

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

<http://img530.imageshack.us/img530/1583/aa1m.png>

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

<http://img534.imageshack.us/img534/8232/aa1k.png>

At the moment then?

<http://img34.imageshack.us/img34/4619/aa1fx.png>

- [Post 3,406](#)
- [Quote](#)
- Nov 3, 2010 3:48am

- [MaMood](#)

• Joined Oct 2007 | Status: Member | [4,268 Posts](#)

Hi Graeme,

really great work you are doing here.

I'm a silent reader for some weeks now and have taken a lot of inspiration from your postings.

But if I had only one wish:

Could you please save your images in jpg format and not png .

It takes a really long time to load a page with such a lot pictures on it.

jpg is around 10 times smaller than png.

Sorry for disturbing you with such a profane topic

Keep up your great work!!!

Thanx,
MaMood

- [Post 3,407](#)
- [Quote](#)
- Nov 3, 2010 4:06am

-  [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

And there is it. Volatile breakout.

Thank you for your compliments mamood. Charts are now in jpg.

<http://img575.imageshack.us/img575/7794/aa1.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.

<http://img6.imageshack.us/img6/2366/aa1jl.jpg>

eur/usd 30min.

<http://img10.imageshack.us/img10/4118/aa1te.jpg>

- [Post 3,408](#)
- [Quote](#)
- Nov 3, 2010 4:13am

- [VEEFX](#)

- Joined Jun 2006 | Status: Member | [794 Posts](#)

[Quoting pipEASY](#)

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?

<http://img816.imageshack.us/img816/1274/aa1j.png>

So,...

Hi Graeme,

I am too sleepy but your invigorating live trading posts is keeping me from calling it a night 😴

I bet there is a reason why you have stopped displaying the timeframe in your charts. For some, it may get a bit confusing between hindsight/anticipation related Price Action versus actual PA based trade entries on M5. I really like how you are progressing with these recent trades proving to us that your approach to taking entries is really independent of timeframe. I read it somewhere that a true 'time tested' strategy must work on ALL timeframes.

Thanks!

In & Out...I delete my posts within 24 hours

- [Post 3,409](#)
- [Quote](#)
- Nov 3, 2010 4:20am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

- [Post 3,410](#)
- [Quote](#)
- Nov 3, 2010 4:37am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

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

<http://img573.imageshack.us/img573/7794/aa1.jpg>

Then eur/usd weekly chart

<http://img229.imageshack.us/img229/2995/aa1vt.jpg>

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

- [Post 3,422](#)
- [Quote](#)
- Nov 3, 2010 2:24pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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.

in losses this week so far, but this one position has been well worth it. This is a definite confidence builder. Thanks again!

- [Post 3,443](#)
- [Quote](#)
- Nov 4, 2010 1:42pm



- Joined Dec 2009 | Status: crede quod habes, et habes | 885 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, let's 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 can't 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.

<http://img828.imageshack.us/img828/4042/aa11.jpg>

Let's just double check if weekly chart agrees,

<http://img258.imageshack.us/img258/1538/aa1pg.jpg>

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

<http://img255.imageshack.us/img255/9633/aa1a.jpg>

However you still don't 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.

It's 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 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.

- [Post 3,444](#)

- [Quote](#)

- Nov 4, 2010 2:51pm

- [hubbahubba](#)

- | Joined Nov 2010 | Status: Member | [116 Posts](#)

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.

- [Post 3,445](#)

- [Quote](#)

- Nov 4, 2010 2:58pm

-  [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting 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

- [Post 3,479](#)
- [Quote](#)
- Nov 7, 2010 4:32pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 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

<http://img526.imageshack.us/img526/6125/aa1ws.jpg>

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

<http://img210.imageshack.us/img210/6707/aa1p.jpg>

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..

- [Post 3,482](#)

- [Quote](#)

- Nov 7, 2010 5:14pm | Edited at 7:07pm



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 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

<http://img716.imageshack.us/img716/2274/aa1wb.jpg>

Now with the daily candle deleted appropriately

<http://img543.imageshack.us/img543/9633/aa1a.jpg>

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

<http://img593.imageshack.us/img593/7794/aa1.jpg>

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).

<http://img18.imageshack.us/img18/7005/aa1qx.jpg>

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..

- [Post 3,483](#)
- [Quote](#)
- Nov 7, 2010 5:39pm | Edited at 7:08pm



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

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

<http://img530.imageshack.us/img530/3191/aa1n.jpg>

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 doesnt then **Im 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

- [Post 3,484](#)
- [Quote](#)
- Nov 7, 2010 5:53pm

-  [cameron1st](#)

- Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

Thank you Graeme, very good articles, read them with much interest and still thinking about the ideas presented.

Kindest Regards,

Cam

- [Post 3,485](#)
- [Quote](#)
- Nov 7, 2010 6:02pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting 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 come 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

- [Post 3,576](#)
- [Quote](#)
- Nov 17, 2010 8:00am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

Thank you for the continued interest and the private messages. Apologies but I will get around to them.

Last 2 weeks I have been catching up with my personal life whilst I was away.

First of all, Im very happy to see that alot of traders are truly thinking as professional traders. What this means is that you have finally admitted defeat that you cannot predict the direction of the price. The only thing you can ever do is enter and follow. However, as we all know enter and following is not simple as 1-2-3.

The reason is that the market moves slower than most traders anticipation vs time.

In reply to the last few posts about price moving during asian session as well. Good observation. Allow me to explain why this happens.

Few posts ago I asked everyone what type of candle do you like?

I personally love/adore/cherish/treasure full bodied candles with very small retrace. These are normally very strong movement with much higher probability of price not coming back. And this type of excellent candles happen on any timeframe. If you open a daily chart on any pair, you will see daily candles with no retrace. Those candles are the ones you have found price to start from asian and charge straight forward. You will also find that most times this type of movement is strong and continuous. From personal experience eur/usd has the highest number of these full bodied long candles with no retrace on daily/weekly/monthly chart.

I do not wish to add confusion to any readers but I believe that you will find alot of information already discussed in this thread.

It is time to mould your skill set.

Sit down with a piece of paper and pen. Plan your trading. And everyday execute as per your plan. Do not deviate. After few months or few hundreds of trades, you need to start analyzing your trade statistics.

Your own trade statistics will help you optimize your trading plan.

2 years ago when I first started building my millipede, I had few bundles of positions that grew for few weeks. One of the first diversification I did was on eur/usd and I closed more than half of the positions and left 3 legs. At that moment I was pleased to see that I have replenished my account balance and added large profit. I learned nothing then. Few months later, I specifically remember closing 2 legs of the remaining 3 legs to find that these 2 legs brought in more profit than all the legs combined in the first diversification. Infact it was almost triple.

Traders choose to see their current winning positions closed and finalised to see their account balance replenished with minor profit added than a greater potential reward later on.

I remember feeling content after the first diversification as I had -400 pips that I was anxiously trying to replenish only to notice few months later my anxiousness about -400 pips actually cost me few thousands of pips of potential profit. And I would have never made this discovery if I did not audit all my past trades. Your personal trading statistics is very important.

I never went back to my old self about counting how many pips im currently down as I know 'inevitably' market will return it back to me + so much more. Inevitable.

I hope my little story answers 2 things. 1) Your current emotional hurdle of watching your current realized loss and placing unnecessary doubts on your trading abilities. 2) Looking back at your past trade statistics to see areas of improvement is of critical importance.

Sincerely,

Graeme

- [Post 3,662](#)
- [Quote](#)
- Dec 16, 2010 10:12pm | Edited at 10:37pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, all

This post is a response to a private message I have received earlier which I found the need to answer in depth.

Thank you for the detailed response.

There is nothing wrong with your approach however please dont focus too much on price pattern setups. They are not the road to riches. Im sure you are aware but the difference in the data between brokers will show a pin bar in one chart while it may show something else in other. This is mainly due to the time difference of the brokers and what the broker choose to have as open time of the day. And there are so many discrepancies in between the information traders look at that a perfect

looking pin bar on one platform means nothing to other traders. Then one has to wonder how reliable is a price pattern. Have you ever thought of it like this?

Many traders base their trading decisions solely upon certain indication like price pattern when it should be more of a confirmation than a recommendation. In my explanations throughout the thread, I refer many times to certain price patterns and they are very important tool on my belt however I do not solely rely on them to state that they are main source of my profitability. Hope this provides food for your thoughts.

Increased risk doesn't necessarily increase your reward. There are times in the market to stack positions and there are times in the market to just probe and watch. Unknowingly a trader might be overexposing himself to the market whilst he assumes that he is stacking correctly. Don't we all believe one thing but in reality the opposite is in effect. So when is the correct time to stack? It is time to stack when you are absolutely positive that the direction of the current movement has a purposeful meaning; main monthly trend. It has been a long time since I discussed monthly trends **but I assume all traders understand and know the importance of monthly trends as they are the fundamental and technical movements of the market.**

I look for buys above open price of monthly candle and sells below open price of monthly candle. Sounds familiar? Yes, my price interpretation doesn't differ in between timeframes something I have preached for a long time. Having said that, there are periods when all 3 timeframes align in one direction; monthly UP, weekly UP, daily UP usually a good indication of major trend that is happening or about to happen.

And it is happening right now in eur/usd.

Monthly eur/usd

<http://img838.imageshack.us/img838/1...01020257pm.jpg>

Weekly eur/usd

<http://img443.imageshack.us/img443/6...01020252pm.jpg>

Daily eur/usd

<http://img809.imageshack.us/img809/8...01020246pm.jpg>

And the breakout I was waiting for just now on 5min chart

<http://img340.imageshack.us/img340/1...01020730pm.jpg>

Continuing on..

- [Post 3,663](#)
- [Quote](#)

• Dec 16, 2010 10:34pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Just briefly, at the moment in regards to eur/usd I am looking at buys. I have 4 positions near the open of the candle. First was just a probe to test my theory and as the market plays out I will add more.

However, I do not solely focus on buys today as today could be a down day. And if that happens and price retraces down then I would reenter near the open price of the day as it comes back down. Sometimes it will retrace down and then stall and continue on UP, then I would enter more positions as it continues on. Timing of stacking is very important.

I know alot of the readers do not find the necessity of 3x20 exercise but there are 3 main things you learn from it.

1. You will notice stalls very quickly and easily and you will be also able to forecast how soon it will blow out of it. I like to refer to it as an aura. Sometimes a passive aura with the usual ups and downs and then an imminent red aura when I know its going to blow out of its tight range. It is then up to my price interpretation to align my positions preferably/usually before the blow happens. Sometimes I get the direction wrong which I would quickly change and capture the compelling movement.

2. You will also gauge the strength of the buy and sell. And this is very very very very very very important. The skill to gauge the strength of the retrace/dips/continuations. You know a retrace has little strength when it can only make small bold candles and then to have the original momentum overcome it with one single bold candle.

3. Timing. Without timing your stacking will not work. Infact, without timing your whole trading process is in jeopardy. Like falling in love, timing is a critical factor to know when to trade and when not to. You must be able to know when to add positions, subtract positions, aggressive attack, aggressive defend. But obviously timing alone cannot help as you would need the knowledge to gauge the strength of the movement from point 2.

eur/usd is now approaching 1.33000 and my positions are well ahead but this is just the beginning. Depending on the 'style' of the stall at 1.33000 which will show on the shape of the next 4hr candle. If a mini stall appears with less than 2 or 3 1hr retrace candle, I would safely say that we are aiming at 1.34000. If the stall around 1.33000 is somehow prolonged then there will be a retrace and I will watch again near the open price of today @ 1.3238. Until then my positions are SL to breakeven and Im at the mercy of the markets. Im placing 2 alerts to my cell phone, 1.3320 incase of a strong upward movement to stack on or 1.3240 when the retrace is coming back down.

4hr eur/usd 5/10 ema is about to cross. **I never base my trading decisions on ema crossovers** but I do know that a good movement if it does happen usually happens just after the cross. Not all the times but enough times for me to take advantage of with careful planning.

Sincerely,

Graeme

- [Post 3,664](#)
- [Quote](#)
- Dec 16, 2010 10:53pm



• [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

Thank you very much Graeme. I realise now that I lost perspective and have been looking too close at the candle patterns and not nearly enough at the big picture.

Kindest Regards,

Cam

- [Post 3,665](#)
- [Quote](#)
- Dec 16, 2010 11:16pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting cameron1st](#)

Thank you very much Graeme. I realise now that I lost perspective and have been looking too close at the candle patterns and not nearly enough at the big picture.

Kindest Regards,

Cam

You are most welcome Cam.

Just like the audnzd you send me earlier, it is best to enter early and anticipate. When your anticipation is slowly confirming to be right, add more positions with valid reasoning. Many traders call it adding on the dips and I agree. However, I am far more aggressive when the market is favouring me and simply walk away when it doesnt. You need to know when to srike. Beginning of the month, beginning of the week, beginning of the day, beginning of a new 4hr candle all means opportunity for myself. Sometimes you get so absorbed in one direction that you forget the opposite and there is a good possibility that the direction you chose is just a retrace before going against you. I cover this by entering on the flipside with valid reasoning. And this works great on some months with 100 or 200 pip retrace before direction changes and I have positions on the retrace with the right direction. Definitely a huge bonus to my profit statement and worth the effort. And I also cover those other months that opens and just continues in one direction. As long as there is a price range withing a given month I know I will profit. And the confidence grows on you

until you overlook losses endured to reach the end of the month when you settle your losses. And you evolve to a point where losses mean nothing but just a stepping stone of the greater picture.

Once a monthly direction is set and continuing, I will zoom into all levels of timeframes to add positions mercilessly but with valid reasons.

I find that many many traders search far and wide when the answers that were overlooked for its simplicity might have been the holy grail after all.

Sincerely,

Graeme

- [Post 3,666](#)
- [Quote](#)
- Dec 16, 2010 11:27pm



- [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

Quoting pipEASY

However, I am far more aggressive when the market is favouring me and simply walk away when it doesn't.

That's a very good point Graeme, which I know in theory, but in practice I am still working on my timing...sometimes I get it right and it's a beauty to see momentum unfold, but other times (unfortunately quite often) I don't quite get it.

Thank you again for the articles you wrote, I am off to bed now (4:30 AM in UK, but was happy to stay up and read)

Kindest Regards,

Cam

- [Post 3,667](#)
- [Quote](#)
- Dec 17, 2010 2:33am



- [nomask](#)

• Joined Jan 2008 | Status: Member | [962 Posts](#)

Hi Graeme

glad you're back... i know you simply say you buy when its above the open and vice versa but i also remember you considering it up when it only closes above the previous down candle's open...i mean for the daily it has not made a close above the previous down candle yet..

would you explain that more if you don't mind?
thanks...

- [Post 3,668](#)
- [Quote](#)
- Dec 17, 2010 3:26am



• | Joined Aug 2006 | Status: Member | [296 Posts](#)

Hey Graeme,
really good to see you back, and hope you are well.
cheers
geoff

- [Post 3,669](#)
- [Quote](#)
- Dec 17, 2010 3:54am | Edited at 4:12am



• | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting nomask](#)

Hi Graeme

glad you're back... i know you simply say you buy when its above the open and vice versa but i also remember you considering it up when it only closes above the previous down candle's open...i mean for the daily it has not made a close above the previous down candle yet..

would you explain that more if you don't mind?
thanks...

Good question, Nomask

And yes, the rule always applies to myself.

Look for buys when price closes above open of the previous down candle

Look for sells when price closes below open of the previous up candle

The above rule ensures that you will remain within the main direction. And I use the above small rule to always guide my focal interpretation.

However, that is not the only tool on my belt and Im worried to say the next as readers might shift their views away from the rule above but I do use probes during asian session to capture days that open on asian session and charge straight forward until end of the day. Something I did mention many times in the thread from the beginning.

Flexibility is key to trading. Sometimes your gut feeling and just the blind following of the market is better than any measure of forecasting.

I have many positions on the retraces of the monthly/weekly/daily candle which means I have gone against the simple rule more than once. It has worked wonders for myself as positions on the retraces/wicks has a higher probability to survive any pullbacks as the trend continues.

When price agrees with the small rule and also the direction of the day, this is the time for a very aggressive positioning.

But what made me go long into eur/usd today was a small single probe that I placed at open which kept on growing. And I just followed.

This chart might look confusing but if you are interested in my thought process before I took the trades this morning on eur/usd.

Daily chart eur/usd this morning without open of todays candle.

<http://img593.imageshack.us/img593/6599/76552802.jpg>

<http://img526.imageshack.us/img526/2115/33223830.jpg>

Sincerely,

Graeme

- [Post 3,670](#)
- [Quote](#)
- Dec 17, 2010 1:15pm



- [nomask](#)

• Joined Jan 2008 | Status: Member | 962 Posts

[Quoting pipEASY](#)

Good question, Nomask

And yes, the rule always applies to myself.

Graeme

thank you for clarification..just to make sure i was on the same page...

i'd like to post my latest trades (live) on eur/usd as per my hindsight.I too sometimes try going against my hindsight with very small risk but today i was waiting a down move...

i've spent 38 pips total of 7 trades to build those three positions..its around 6 pips per trade...

even if i close the smallest position of those three positions I'd be covering all my losing trades at once...

my intention here is not to show off but assure everybody following this thread about Graeme's method is the only method in this forum that totally works out and its just a piece of treasure...

trust me i have enough experience on every single thread in this forum...
 You'll just realize more and more by the time...

Attached Image (click to enlarge)



- [Post 3,671](#)
- [Quote](#)
- Dec 17, 2010 5:39pm

• [fugly](#)

• | Joined Aug 2007 | Status: Member | [1,013 Posts](#)

Quoting nomask

thank you for clarification..just to make sure i was on the same page...
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 even if i close the smallest position of those three positions I'd be covering all my losing trades at once...
 my intention here is not to show off but assure everybody following this thread about Graeme's...

nomask how did u spend 38 pips on 7 trades? wouldnt it have been less stressful to have made only 2 trades by using a larger stop say 20 pips (including spread) instead of 7 trades.

also u went short because of the rule "Look for sells when price closes below open of the previous up candle" do you use this on the weekly and monthly as well?

- [Post 3,672](#)
- [Quote](#)
- Dec 17, 2010 10:55pm | Edited Dec 18, 2010 12:04am



• [pipEASY](#)

Quoting nomask

thank you for clarification..just to make sure i was on the same page...

i'd like to post my latest trades (live) on eurUSD as per my hindsight.I too sometimes try going against my hindsight with very small risk but today i was waiting a down move...

i've spent 38 pips total of 7 trades to build those three positions..its around 6 pips per trade...

even if i close the smallest position of those three positions I'd be covering all my losing trades at once...

my intention here is not to show off but assure everybody following this thread about Graeme's...

Thank you for sharing.

Excellent trade.

This post is very important and also answers to fugly's question as well.

I hope all other readers realize what nomask has achieved here.

Nomask had a hindsight of down for this month of GBPUSD. Most likely cause of the large bold candle of the previous monthly candle which was an engulf pattern. The main trend is definitely down.

However, during this month there was no significant sell opportunities as the first two weekly candles of the month was more or less up/retrace.

EURUSD weekly

<http://img717.imageshack.us/img717/1886/93222143.jpg>

It is only this week when GBPUSD kicked into gear and started to drop.

EURUSD monthly

<http://img834.imageshack.us/img834/7952/90077430.jpg>

In this drop which is now forming to be the wick of presumably this month's down candle, nomask has now positions on the wick. If his hindsight is proven to be correct (and it doesn't matter if it doesn't) his interest is in the best possible place for the maximum profit taking.

<http://img256.imageshack.us/img256/1760/62310700.jpg>

Few traders ask why I break my own rule of buying when price closes above open price of previous candle and vice versa. I adhere to the rule however I send probes into the market all the time. It is far better to watch a probe either grow or die than watching raw price feed fluctuating. But when the rule is confirmed, I would take stacking to the next level in aggressiveness.

Now I have something that I request all readers to think as there is an important point here.

Nomask, if your hindsight proves to be correct for this month. And now that this week's candle did close below previous open price of up candle as per our small golden rule. What will you do?

- A. Watch your 3 probes grow and bask in the glory?
- B. Start designing an excel spreadsheet to tally up your unrealized profits and brag in forums.
- C. Spend the next week focusing a lot more on GBPUSD as it is 'starting' to confirm your 'hindsight'

and take maximum profit taking advantage.

Nomask, what will you do if your monthly hindsight doesnt work out?

- A. Log into forum and complain
- B. Move onto new method and feel angered by -150 pip loss?
- C. Look for another good monthly price setups on other pairs and place price alerts to your phone?

Nomask, what will you do if your monthly hindsight does work?

- A. Start writing a resignation letter as verbally abusive as possible
- B. Close 3 probes and place a huge smile
- C. At the end of the month you settle your losses and to your personal discretion close few more to take realized profit now or close few less for potential bigger reward in the future.

Nomask, what do you anticipate from now? Assuming your monthly hindsight does work.

- A. 10+ vouchers in forums
- B. More positions this week without overexposing risk and valid reasoning.
- C. Keeping your hindsight intact however also covering the fact that it might not work out by placing few probes against your hindsight. But also aggressively adding more and more when the price action does play out to your favour in the following weeks and months

I do not know how far the current gbpusd will drop however I can ensure all readers that 1 correct hindsight on a monthly 'scale' would be few thousands of pips profit at the very least. And the profit taking is further amplified with addition of multiple position the longer the trend prevails.

1 correct hindsight on 5min chart means nothing but 1 correct hindsight on a monthly chart (using ofcourse the same price interpretation) means everything. Give me a price range on a month and I will profit from it.

Dont allow the 3x20 exercise on lower timeframes confuse you. That exercise is to learn price action to apply on higher timeframe to gain hindsight. We do the exercise on the lower timeframe as it is much faster for more practice and we know that there is no difference between timeframes except the scale. Everything that works on 5min chart works on other timeframes; weekly, daily, monthly.

This is an interesting fact for most, average price range of all common pairs is more than 1500 pips for a given year. In other words to achieve this average range all pairs do move from one spectrum to other to cover this distance. A professional trader noticing such movement happening will ensure that he captures most of that move from all aspects. Intraday, intraweek, position trading. Perhaps this is just an elaborate version of 'follow the market' but most traders dont.

I hope this is start of something new for nomask and all readers who do take my suggestions seriously. Nomask, if this gbpusd does work out to your favour nothing stops you from doing the same thing over and over again on all pairs.

Sincerely,

Graeme

- [Post 3,675](#)

- [Quote](#)

- Dec 18, 2010 7:15am | Edited at 10:31am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting MidKnight](#)

The key with your above comment is IF you closed any position at all then you'd cover losses. Two weeks ago I had a rough week were nothing would stick and as such ended up down some pips. Then Monday happened and I was on the right side of the market for pretty much all of that move up. Six positions were stacked and I was thinking this is great. I could cover all of last weeks losses with a single leg, but instead I will give time a chance to make this work out. Anyhow, we all know what happened on Tuesday. Everything got taken out BE as...

If I may step in and explain for the benefit of all.

The only thing certain is that nothing has any certainty.

Im assuming the above post is about your experience from gbpsud? It was wise to follow the initial up movement early in the week (I did) but when it stalled for a prolonged period (more than x2 4 hour candle is uncomfortable for myself) there is a reason. There is always a reason.

Im sure you do but do you consult with monthly and weekly timeframes? **Monthly timeframe is both fundamental and technical movement of the markets.** gbpsud is definitely a down trend for this month and that thought must always be in your head. When price goes against your thought you still cover it by few positions here and there. But when it stalls and continues as per monthly trend then you know its time to add positions on the new correct direction.

However, your monthly hindsight could have been wrong from the start; gbpsud could be destined to go up from here. Then your 6 positions are at the very best positions for the largest profit taking if you allow it to grow. And ofcourse you wouldnt stop there, you would add positions every day, every week, every month as long as trend prevails. You might look at your current small loss and feel frustrated but soon you hit that golden major trend of the year that does treble your account or more and then notice that all you have to do is just hold on and stay in the game until it does happen. The feeling of '1 leg will cover all my losses for this week' is not what I expect you to encounter. You should be looking for '1 leg covering all my losses for several months or a whole year" and it all starts from 1 correct hindsight on the monthly taken down into all timeframes for maximum profit taking.

Just on related topic, some might wonder if the reward is worth its effort. The juice is definitely worth the squeeze. All you have to do is find a pair that looks ready to explode on monthly and then filter is down to lower timeframes. How do you find such pair? If you have practiced 3x20 exercise on lower timeframe (like 5min) you just know from experience that such setups need to move. And when it does move you know that it will go at least few candles. And thats all you need to know. Just a hint that it might go few candles. **Few candles on 5min worth nothing but a few candles on monthly chart is worth alot of profit, few thousands at the least.**

From experience 2 consecutive months of same movement (so 2 same monthly candle) is on average 3000 - 6000 pips gross with few additional positions.

From experience few positions with the 200 ema on weekly/monthly for a year means a few years paycheck for most.

And in the midst of all uncertainties the only thing certain with forex is that it might not move in the next 4 hours but it will definitely move in a year. Think about it. You would be very foolish not to take advantage of such surety

No disrespect to midnight but I hope this explanation gives you the right nudge.

Sincerely,

Graeme

- [Post 3,676](#)

- [Quote](#)

- Dec 18, 2010 7:56am

- [MidKnight](#)

- | Joined May 2010 | Status: Member | [157 Posts](#)

Hi Graeme,

Sorry, but I should have said that my story about last week was for EUR/USD 😊 But I get all your points - thanks for the post.

Merry Christmas,
Matt

- [Post 3,677](#)

- [Quote](#)

- Dec 18, 2010 8:11am

-  [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting MidKnight](#)

Hi Graeme,

Sorry, but I should have said that my story about last week was for EUR/USD 😊 But I get all your points - thanks for the post.

Merry Christmas,
Matt

Merry Christmas to you too Matt.

eur/usd shared the same fate with gbp/usd.

In regards to eur/usd and gbp/usd, monthly 5/10 ema has just crossed over, 50% retrace of previous monthly candle has been achieved and it came tumbling down. I am however not pleased to see that the retrace was 50% as I always prefer less than 33% as this usually leads to a very bold move down.

I anticipate a good 5/10 ema crossover on monthly and hope it travels far. Im not sure if it will happen but I will always anticipate and participate.

eur/usd and gbp/usd is currently looking to be a bold monthly candle down. I will probe early monday and stack heavily when I know buyers have no strength (usually at dip) or compelling momentum.

I definitely like the current looks of it and have my hindsight as down but will participate on both direction.

One of the common myth is that there are no participants during festive season. I will not disagree publically but I had my best months in December for the last 2 years on all pairs. Infact all months have been good for myself.

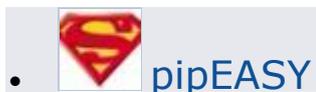
Never stop trading cause of general beliefs. Stop trading when there is nothing to trade on.

Merry Christmas to all.

Sincerely,

Graeme

- [Post 3,680](#)
- [Quote](#)
- Dec 18, 2010 9:38am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting nomask](#)

great questions with obvious answers in it...

i know what you trying to say by all these questions and I'm well aware of the fact it my not work out after this point per my hindsight..

but when i see that i had my positions on that monthly wick and they're all moved to b.e...It's all i can do for now rest is totally up to the market..if this month closes down as my hindsight i'll close my smallest position to cover my expenses and leave rest to grow..if things get changed not in my favour..i'll just do the same thing but in the opposite direction..i...

Very sound approach and very similar to my approach

Only minor difference is that I cover the opposite side just incase Im wrong with the hindsight.

Im very happy to hear your trading approach as it is logical, sensible and realistic. And im sure within that 4 weeks you would have added more positions as the direction continued on. It is these large chunks of few thousands pip profit that kick starts your capital.

All there is for us to do is to remain in the game and hold on until such move happens on the 'higher' timeframe first.

Rinse Repeat and rest is history.

Well done.

Graeme

- [Post 3,681](#)
- [Quote](#)
- Dec 18, 2010 10:09am | Edited Dec 19, 2010 3:40am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting nomask](#)

i find the trades very fast to move in my favor if I'm in the right direction..as you can see last trades were in the right direction but with no momentum at that time...i just closed them as they were ranging and making closes above my 5 min entry..and as i got better opportunity i just re-entered..this how i like to do..

but its all up to you.but since i was already "not bad" at low risk entries i implemented this from Graeme's idea easily...

Good.

And I promise this be my last post as I do tend to get carried away when talking about trading.

For myself, I trade 5min when I see red aura in the market. It doesnt happen all the time but enough times to get my pulse running.

I do not wish to stay in a trade, not 1 minute longer than required if its going against me or something is amiss. And how do you know that? It is very simple. You execute and no one else does...

When I enter on 5min chart I expect to see at least 'few' of the following:

1. It has recently come out of range that had more than 5 candles at the least. (if im trading breakout)
2. Stall before 5/10ema crossover. Small candles that has almost same open price and close price in a row and then price moves out and ema crosses. (if im trading breakout)
3. The candle I enter has less than 33% retrace or maximum 50%. Alarm bells start ringing if a) retrace goes to 50% and stalls and goes up further b) price closes against me; I enter sell and the price closes above the open price of the previous down candle (this is a big no no and I would really hesitate to stay in the trade)

I focus on point 3 heavily.

The most important thing I observe is the retrace and the size of it. Why? This is gauging at the opposite side's strength. If I sell I want to know for a certainty that there are much less buyers than sellers. I do not wish to turn up at the party all dressed to find no one there.

I enter and price stops? I judged the momentum incorrectly. Correct definition of momentum? Your position goes to positive as soon as you enter. 5 star.

Personally I choose to use small 5 pip, 7 pip ammos when probing the 5min chart and have no remorse to losses (unless I overrisked myself and gambled more than trading). It is necessary part of trading to lose some. It amuses me to know that in a few weeks one trader will be cashing out a big cheque of few thousand pips and he stops to worry 100 pip loss this week? **Yes it will concern you if you are playing with lot size above your current financial level.** *And these type of traders worry me as they try to rush and market doesnt like getting pushed around. **Most often these traders will see their capital bust out before the inevitable profit arrives. Very poor money management.***

Believe me when I say that a 5000 USD account on 0.1 lot size (\$1 per pip) will be more than enough and you are looking at few tens or hundreds dollar per week on average calculated over few months period.

Thank you all

Graeme

making green pips large and red pips small this is my goal.

- [Post 3,691](#)

- [Quote](#)

- Dec 19, 2010 7:08pm | Edited at 8:21pm

-  [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting nomask](#)

Hi Graeme i hope you'll keep helping us here..

I've been holding a question for a long time to ask you...

do you ever close all your trades after some point..I know you mentioned about diversifying them but do you always hold your largest position until it gets taken out at b.e or close it when you believe that major trend has changed..?

on the chart attached i'd love to hear how you would manage those 5 short trades ,where and how you would diversify them..is there any position among them you'd be still holding today..

thanks a lot ...

Good question and one of the most common question received.

Many traders prefer to have a flow chart of solutions whereas if a happens then do b, if c happens then do d. And this is more or less defining your actions and we have discussed how much rigidity in trading does not work out well.

But, I do have few rules that readers already know that governs the principal of my trading approach.

In regards to answering to nomask, the best time to diversify is when the direction you took is running out of steam. But.. this stall may be nothing more than just a short term stall. **You must keep both thoughts in your mind** and always cover both scenarios even if it costs you a little more to maintain both sides of the arguments.

<http://img442.imageshack.us/img442/4...1012191706.jpg>

There are no set rules but a rule for myself is that 'I never diversify for a loss.' In my diversification I will always replenish my account balance to the point of previous completed diversification and add realized profit into it.

On a side note, counting the first 4 legs that are still growing + just the 1st diversification

$2600 \times 4 = 10400$

$1300 \times 9 = 11700$ is over 20000 pips which covers all my potential losses for a whole year in all pairs that I trade assuming I lose at an average of 400 pips per week in necessary trading losses.

It is this type of huge boost that will see that you never come back to previous profit levels.

But what is more interesting is what happens afterwards and this would answer you more,

<http://img585.imageshack.us/img585/7...1219170611.jpg>

But what is more more interesting is what happens after that..

<http://img132.imageshack.us/img132/2...2191706112.jpg>

Where I currently stand.

<http://img87.imageshack.us/img87/720...2191706113.jpg>

Just calculating the positions that I still hold just in the red area which are 16 positions @ 28000 unrealized profit. Do I kick myself if they die at breakeven. You evolve to a point that you dont even care. Infact you dont even know there presence.

And I have this same scenario happening on all major trends of all major pairs. **Perhaps it is this wide exposure that dulls me in senses to one particular pair or group of profitable legs.**

Some newer readers think I have rules after rules after rules..

But if you continue reading you can summarise my trading approach with 5 or 6 key rules and thats it.

Paul 1 - Nice to hear from you Paul. Correct. It would be very foolish to ignore such 1000+ pip moves that is happening RIGHT NOW on higher timeframe because a trader is too busy looking at 4hr chart with a magnifying glass looking for the next 20 pip profit... Ironic I say.

And I forgot to mention that I still have a group of positions from the green area going up. They are not worth much as the biggest is only 850 pips but there are 17 of them.

<http://img844.imageshack.us/img844/5600/123xrm.jpg>

Sincerely,

Graeme

- [Post 3,692](#)
- [Quote](#)
- Dec 19, 2010 7:28pm



• [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | 230 Posts

Thank you Graeme, very nice and detailed post that answered a few questions I had as well on diversification.

Kindest Regards,

Cam

- [Post 3,693](#)
- [Quote](#)
- Dec 19, 2010 8:27pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Thank you for the compliment Cameron.

Just before I head out the door for the day and finishing off answering to nomask.

After the explanation above with 5 charts.

Where does that leave me??

I cover ALL POSSIBLE SCENARIO/MOVEMENT that EURUSD can make.

<http://img253.imageshack.us/img253/9029/1234sy.jpg>

Why cover both?

Its because I dont know which direction it will go. Do you and which system could that be?

You are only hedging against your own positions so you dont make any money.

Do I? Seemingly yes but my profit statement shows otherwise.

Just do one direction

I can. Sooner or later I miss the major trend that went against me which I didnt participate

Worth the trouble?

Absolutely without a shadow of doubt

- [Post 3,700](#)

- [Quote](#)

- Dec 20, 2010 3:59am | Edited at 4:45am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Very good questions and I will try my best to answer it as thoroughly as possible

[Quoting VEEFX](#)

Hello Graeme,...

1. NEVER DIVERSIFY FOR A LOSS: I completely agree with the logic behind this but I feel an exception needs to be made during the initial days/weeks of trading. I gained about 18% of my starting balance by the end of first week and then I had to take a break from trading for personal reasons and lost most of that profit and a/c balance eventually went into negative territory during week#3. I have emotionally mastered the art of holding on to legs when my ending balance is in positive territory but feel extremely challenged...

Half full glass of milk stands on table.

Is it half full or half empty?

Ofcourse there are no correct answer but your perception to the matter.

I have a certain expectancy of a profit target when I trade. I aim for big chunks out of main trend of the year. And I know for a fact that I will arrive at my level of profit taking sooner or later cause I have witnessed it and tasted such success repeatedly.

At first alot of traders starting to trade has no idea what to expect. All they seem to know is the direction towards successful trading but they just dont know what is waiting for them when they reach the goal.

Once a trader taste success on a big scale (taking big chunk out of the main

trend of the year), this trader will never go back to 2nd best option.

I started off same as anyone else and worried about my realized loss vs unrealized profit. -100 pips loss so far and my unrealized profit is 300 pips. What should I do? Take profit now? It sounds so attractive to take profit now. Not only do I replenish my losses but add 200 pips of realized profit into it. And then to add further insult, price reverses and takes the stop loss out at breakeven.

If the above happens you would feel irritated at the failure. Is it a failure? Whos perception are you considering the above as a failure? It is only yours. Your own perception that the above scenario was a failure when infact it could be the start of a success. Do we really need 300 pip legs? Ofcourse when you are starting new 300 pip means the whole world but assure you that 300 pip is nothing and can be achieved in few good days. We aim few thousands of pips on average every 2 to 4 months.

But I understand the psychological factors involved with traders focusing on the realized losses and not the potential win of the future. And mainly it is because they have not yet witnessed a large win but I assure you once it does happen a trader will never go back to being frugal with such losses.

The other reason why a trader might focus on realized losses is that they are trading with lot size above their current financial level. I assume most traders still hold onto their day job. Support your trading from your income until a large win propels you high enough so you dont need to support your trading anymore. Above all lower your current lot size so -600 pips realized loss is still only a few days of work.

When I first started with diversification I was diversifying more legs than now. Like all traders I was focusing on getting the losses back up and banking some big profits. And I was content that my trading was profitable. It was slowly building up. However it wasnt success but failure in disguise when I was missing out large trends and it was overall hard work to profit little by little.

Nowadays, when I diversify I aim to replace my losses to the point of previous profit levels and add 'little' profit into it. Just enough to maintain my capital but also growing little at a time. My main aim is to cash out gigantic slices out of large trends that happens everywhere all the time.

In regards to diversification, a trader needs to experience a scenario where he believes that they have just performed a perfect diversification only to realize few weeks later that they missed out on few thousand pips. In their state of fear they have unknowingly selected to settle their -100 pip realized loss than cash out a few thousand pip cheque few weeks later. **That is a failure; to take only 3 hundred pip when infact the market was offering you few thousands. Not the act of a professional trader.**

Continuing on..

- [Post 3,701](#)
- [Quote](#)
- Dec 20, 2010 4:13am | Edited at 4:52am



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting VEEFX](#)

Hello Graeme,

2. MOVING SL TO BE: I am wondering if we could touch the topic of moving SL to Breakeven as I feel this becomes more crucial when we have a leg open and start sending out probes at times of uncertainty by taking unidirectional or bidirectional trades to assess whether to diversify or continue with the trend. During my practice, if I randomly move SL to BE as a constant 10+ or 15+ pips into profit, I feel my BEs are easily taken off. Alternatively, when I wait for confirmation and then move SL to BE (i.e. Engulf bar in the...

Good thought.

We have discussed 5min trading to great lengths in this thread. And yes, a trader will be taken out continuously on the 5min timeframe. However, if you pinpoint the timing of the trade you will find that 5min timeframe provides the best risk reward possible. **Pinpointing timeframes is when everything is aligned correctly to your hindsight with an imminent breakout about to happen. A red aura in my vision.**

If a trader prefers to enter and keep a fixed stop loss or no stop loss at all please go ahead. However keep an eye on news releases.

This might cause controversy but I have mentioned few times before that I dont even use stop loss most times as I know a sudden price fluctuation of anything greater than 20 pip is not going to happen unless a big news is being broadcasted.

Sometimes one attempt with larger stop loss is better. A trader who tends to jump in and out on 5min chart cause more damage by doing so. **I lose once and I stop stacking. Maybe twice but very rarely 3rd attempt.**

Continuing on..

- [Post 3,702](#)
- [Quote](#)
- Dec 20, 2010 4:18am | Edited at 4:30am



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting VEEFX](#)

3. SMOOTH or UNEVEN UNREALIZED PROFIT CURVE???: This is becoming a bit of pet peeve for me for a while so need to get it out of my mind. I am convinced your approach is the best possible approach that I have come across when it comes to keeping a

smooth "account balance" curve.

In my experience during practice, I found my unrealized PnL (total account equity) to be very volatile for my taste. To minimize the impact, I went to smaller position size and span my trades across 40+ pairs out of the 130 pairs that my platform offers to see the...

Great question.

When you look at your equity curve for the past 1,2,3 week, yes it is not smooth. It never will in such short period of time.

It is only when you zoom out and chart your equity curve of last 3 to 6 months when you notice the smooth gradient.

A traders current zig zag looking equity curve for now is 'part of' the smooth curve of the future longer term gradient.

My current fluctuations on my unrealized profit varies. But even the seemingly wild fluctuations of day to day is nothing in the long term. Also when you have greater exposure and spread the risk out everything stabilizes.

This is why many corporations own sub groups of businesses. The hotel division might flourish at the sharp increase in tourism but its retail division could diminish cause of increased interest rate. It evens the keel by spreading exposure around. It might look like they have broken even but the expected positive return on both division is calculated annually and not day by day.

I do not see a jaw dropping volatility as a minus here is overcome by a positive there. But considering all my positions as a whole portfolio I do enjoy an amazing return calculated over the period of last 12 months.

A new trader will experience greater fluctuations than myself as he has interest in only one pair.

Everything stabilizes once you get the ball rolling.

Continuing on..

- [Post 3,703](#)

- [Quote](#)

- Dec 20, 2010 4:41am | Edited at 5:22am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting VEEFX](#)

4. TAKING A BREAK FROM TRADING: I like the idea of continuous participation in the market with routine probes to see if the trend is reversing or continuing. I had to take a break from trading and experienced a significant change in to PnL in a week's time. This got me thinking whether you have any tools up your sleeve to deal with this. Curious if you considered any repositioning of your trades when you took time off recently from your trading.

One approach that I can think of is to calculate each currency's 'net' exposure in your account...

Very good question again.

Apologies but could all readers please hit refresh and read my answer in the above post. Question 3.

I added something very important for all.

It may seem like alot of work but I trade with least effort. Infact I spend more time setting up price alert to my cell phone than trading.

Phone rings - I read the message

"price moving out of range on eur/usd"

Goto computer

Look. Is it moving out with momentum? Yes?

Sit down and focus

Enter. Stack. 1 loss. Try again. Another loss. Get up and walk away.

Reset new price alert

Sometimes..

Phone rings - read message

Goto computer

Is it moving with momentum? No?

Reset new price alert and walk away

This helps with my stress and actually helps prevent any over trading as well.

In regards to averaging out positions. It is a good idea but that would add more work to what I currently do. And no one wants to work more. Currently I have more than doubled my initial capital in very short period of time as realized profit and I hold 15 times that amount in unrealized profit. If world does end tomorrow and my unrealized profit vanishes I am still very pleased with the realized profit that I have already taken. That is just how I see it. But ofcourse I will have to bury few people as retaliation at the very least.

I have never had the oppourtunity to reposition myself as I always held onto positions. I would however add more positions if trend continues.

Sincerely,

Graeme

- [Post 3,704](#)

- [Quote](#)

- Dec 20, 2010 5:10am | Edited at 5:24am



Thank you for the continued interest.

Currently there are few traders present that do contact me in a regular manner to update me of their progress.

It is a honour to have such faith from other traders and I do monitor their progress carefully. Sometimes it is like watching myself trying to do my first diversification few years ago.

The point is that if these traders persist and defend their vision, it will be formed into reality. Price might not move in this hour or the next 4 hours but it will definitely move for you from now and the next few weeks. Price must move and it is this inevitable fact that will create your reward.

All you have to do is keep it simple and stay in the game. Please refrain from verbally abusing your boss yet as it is later than now.

For now, keep it simple, choose one pair and watch the higher timeframe using the same price interpretation you have upskilled. When it hints you that it might move few candles on the chart of monthly candles. Go for it.

It might cost you few hundred pip loss if your hindsight is incorrect but it could also mean a few thousand pip reward. And please dont settle for less. If the market moves 1000 pips in 6 weeks for you, I expect no less than 2000 pips from your first try. From the point you start to the point you cash out (or diversify) I expect at least twice what market moved for you as unrealized profit.

Dont worry about diversification for now. Just attempt to catch a large move on higher timeframe and amplify your profit taking with at least 1 or 2 more positions. After few weeks of growth, 'try' and keep 1 of them. And be proud of your accomplishment as you have just driven around the block without a helping hand. But for your sake I do hope the price continues on further when you see for yourself that you didnt make money few weeks ago but you actually lost potential profit. That feeling is much sicker than the feeling of -100 pips you currently look at your realized loss statement.

..Its like winning the lottery only to have thrown out the ticket

Thank you all

Sincerely,

Graeme



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting GrRt](#)

I use this service <http://www.mobile4x.com>

Very useful for me, quick registration, but sometimes there is delay with sms and real price, lets say 2- 4 mins ...

Good.

I use a VPS server with mt4 to send email alerts to my phone but these days I use mobile4x to receive sms alerts. Great thing about mobile4x is that I can update price alerts by simply replying back to the sms whereas with VPS I would have to log in. However with VPS I can add simple message (which is very useful as I have price alerts across the whole board and forget what is what most times) that will show up in the email that I receive and it is instantaneous while mobile4x does have 1 or 2 minute lag.

It is now 1am here in sydney and nothing is happening across the board.

I have multiple alerts to wake me up on

eurusd 1.31900, 1.31150 as I really want this breakout in my possession.

The price has stalled for a very long time. Usually a prolonged stall triggers a burst of momentum with great reward. Im currently -32 pips with eurUSD.

Know when to trade and today is a no no. We have no one else to piggyback on.

Set up your alerts and catch up sleep or spend time with your loved ones.

Good night.

Sincerely,

Graeme

• [Post 3,711](#)

• [Quote](#)

• Dec 20, 2010 11:05am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

It has now moved out of range with great burst.

Just before I went to sleep I opened 1 position @ 1.3160 with hard stop loss above the high point of the day 1.3190. It was more of a probe which respects my hindsight but I had valid reasons (near

open price of day, and price bounced off 200ema which seems to be invincible today). I edited price alerts so I receive alert @ 1.3140. I have 2 positions in @ 1.3135. All moved to breakeven.

It is 3am here and I do need to rest as late nights does effect my health.

For nomask, cam, grrt, geoff, veefx, rustam dont forget your hindsight. Follow it through. **It does not matter if it doesnt work but it is simply negligence if you are not sincere with your own hindsight that you have analysed.** *Make it into reality.*

Usual stall at .00 area. Also start of new 4hr candle. Anticipate the best possible scenario that it will have less than 33% retrace. If so, take advantage of it and juice it out (not too many attempts) for the next 4 hours. And when it stalls, stop. Let the buyers take over control for awhile and then enter when they lose strength.

I know all readers are more than capable and there is no need for my commentary above but it is there if you need to confirm your own beliefs.

Good night all.

Sincerely

Graeme

- [Post 3,713](#)
- [Quote](#)
- Dec 20, 2010 11:21am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting VEEFX](#)

Thanks Graeme for your awesome and detailed responses to my questions. Price just recently broke downward so hope you caught that. I couldn't but here's another question I have a bit of struggle with especially on M5 TF concerning breakout and momentum.

In the attached EU chart, I took a long trade (probe) at London open last night but tuned out to be a false breakout. My reasoning was a strong up candle piercing through the daily open price point (green line). I probably retraced back as I was against the trend which I knew but this was just...

Good question it would be unfortunatly last for today.

I wrote yesterday that when I enter there are few things I do not want to see.

One of them (especially when I trade 5min) is to have the price retrace more than 50% of previous candle. I prefer to see less than 33% retrace which shows the lack of strength from opposition. Sometimes when you wait 2-3 5min candle you missed the whole opportunity. Probe it first. Just add 1 position and watch what happens. If it grows then add again. For some psychological reason you will find probing with a position and watching its value increase or decrease is far more effective than watching raw price fluctuations. The strength of the move also depends on the setup before the move. Was there a stall? If so, was it prolonged? Just like now on eurUSD. Sometimes it happens at a key s/r. That is order flow. You can sense where most traders placed there buy stops

and sell stops when price approaches .00 then punctures straight through with increased speed means there was large buy/sell stops at that .00. Sometimes it approaches .00 and then bounce away sharply which means the mass has placed their TP at that .00. Every little information helps but it is also important not to overcrowd your thoughts. The most direct answer to your question would be the retrace and probe. Watch retrace and send out probe. Watch and add more to it.

The last part of your paragraph. When you wait for all timeframes to align up is when I see red aura in the markets. And the skill grows to a point where it becomes very reliable. But sometimes when you wait for it align up the battle is over. **Probe first**. When monthly, weekly align up except daily. I would send out a probe when price bounces back down from retrace towards the open price of the day and towards the aligned weekly and monthly direction. Most often that probe is on the wick of the days candle.

Hope this answer helps.

Good night

Graeme

- [Post 3,714](#)
- [Quote](#)
- Dec 20, 2010 11:23am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Quoting cameron1st

Good night Graeme, thank you for the message, even at 3 AM you are thinking about our progress, and wanted to say that is very very much appreciated.

Kindest Regards,

Cam

It is my pleasure.

Thank you for the warm compliments.

Apologies if I dont acknowledge them publically but they are noted and greatly appreciated.

Thank you to acim and maaj for their kind words before and apologies if i missed your name here.

Sincerely,

Graeme

- [Post 3,716](#)
- [Quote](#)



Good afternoon all

I would like to talk about going against your hindsight today.

Now this topic is subjective if you plan to only execute as per your hindsight and there is nothing wrong with that. You will however need to be more patient as an incorrect hindsight on the monthly chart could mean that you sit out for few weeks or months. I prefer not to.

We can never be 100% right with our hindsight but we could admit to it and cover both sides. It costs very little to keep both sides of the argument.

There are few readers (including myself) that we have hindsight down on eurUSD, GBPUSD, EURGBP. However, just what if we are incorrect.

Lets have a look at eurUSD this morning and what I did to simply cover both situations.

eurUSD 4hr

<http://img217.imageshack.us/img217/9374/65798729.jpg>

And there was a sudden big movement going up. This should confirm your ascending wick theory that it is now buyers control.

Send 1 probe.

The next area I focus is here:

<http://img530.imageshack.us/img530/3492/69320697.jpg>

It is the first resistance that I can see. Price cuts through it like butter with hardly no stall. Add 1 more as the probe is now 10-15 pip profit.

The next area 'and the most important' is here:

<http://img189.imageshack.us/img189/9792/35606547.jpg>

The reason is that 'assuming' this 4hr candle is complete buyers control then the optimum scenario 'for the buyers' is to have the current 4hr candle close above the open price of previous sell candle. Remember this small rule? What do you do then? You try and enter a position before the line as the price nears it.

What does the above cover on the higher timeframe?

eurUSD daily

<http://img375.imageshack.us/img375/8584/88198476.jpg>

It covers the scenario where a traders down monthly hindsight could be wrong and this might be the start of something huge going up. You just never know. If the daily candle closes above open price of previous down candle it would mean re-evaluating your current monthly hindsight but before that I already have 3 positions in place going up while most traders think about it. **React first.**

HOWEVER..

eurusd daily

<http://img148.imageshack.us/img148/4096/16331893.jpg>

All this could be a retrace for our DOWN hindsight. In which case you would wait until the current up movement loses strength and starts to drop. You will notice descending wick patterns and stalls before the price tumbles down. And when it does, prove your theory early with 1 position and then start stacking as it continues down and go aggressive when a 4hr candle finally does close below the open price of previous buy candle.

As most readers will notice I say the similar thing over and over again. And this is all I do everyday.

Sincerely,

Graeme

- [Post 3,717](#)
- [Quote](#)
- Dec 20, 2010 10:04pm

• [Tauru\\$](#)

• | Joined Aug 2010 | Status: Member | [72 Posts](#)

on-line tutorial at its best!

thank you once again for those wonderful messages Sir Graeme.

Merry Christmas to you and your loved ones.

- [Post 3,718](#)
- [Quote](#)
- Dec 20, 2010 10:53pm



Thank you for the kind words Taurus.

I would like to talk about one more topic. This wasn't discussed before but was asked the most times.

When is it time to cash out?

I received PMs from few traders who had over 2000 pip unrealized profit in the last few weeks to watch it diminish to nothing. This is not their fault as they are not aware what to exactly expect.

Here is a rough statistical answer from my personal experience of the last few years:

Any growth between 2000 to 4000 pips within the range of 4 to 6 weeks on a single pair of currency is ripe for picking.

Im not going to impose all to keep most legs as you will eventually evolve.

Taste your big success and bank that huge jump. Try and keep at least 1 leg.

After the taste of your first big success you will crave for more. Financial reward from the market has similar psychological effects to taking drugs. You start building tolerance level and crave for the higher level of jolt. After your first taste it will be you who choose to close less legs as you know 'inevitably' soon or later you will get another hit of big jolt. This is what i mean by evolving. And once your addicted you will keep raising your levels until you are now taking huge few thousand pip slices from monthly chart that grew for few months and less number of smaller few thousand pip hits.

You don't need to force yourself to be a position manager or position builder. It is the surreal high you receive when you capture the next high jump that propels you so high that it would be impossible without recklessness to come back down to previous profit levels.

Some pairs have been in the same trend for more than a year, some few years. Believe me when I say a big cash out day of 20000 pips to 30000 pips is nothing when you continuously add position year after year after year. It will inevitably happen on the currency pair you have chosen. Just hold on until then.

Sincerely,

Graeme



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting geoffrod](#)

Hi Graeme,

thanks again for taking the time to share with us all,
i have a question regarding what you have said below,
when you say 2000 to 4000 pips growth, are you meaning 2000 to 4000 pips movement of the currency pair or are you saying 2000 to 4000 combined growth in ones position on the pair????

sorry if this sounds confussing

cheers
Geoff

Hello Geoff

Apologies as I should have been clearer.

I definitely mean 2000 to 4000 combined growth in ones positions on one particular pair at a given period of 4 to 6 weeks. This is rough estimate that will help traders decide when to cash out.

At the above profit taking level, expected annual profit taking would be 12000 to 24000 pips per pair. And that sounds about right to what I achieved.

Ofcourse the net profit is less when it comes into your pocket as you need to cover your essential losses endured throughout the trading year.

Anywhere from 100 to 400 pips net profit per week is realistically achievable.

All the figures above are from personal experience based on the average performance of last few years.

Sincerely,

Graeme

• [Post 3,731](#)

• [Quote](#)

• Dec 21, 2010 6:10am | Edited at 6:50am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

Nomask has just said the golden phrase.

"dont want to sit stuck in a stall"

Yes, that is arriving at a party best dressed but no one there.

Today is very similar to yesterday. There are no traders to piggyback on and you will end up alone at the party.

I like to further discuss about stacking.

Many traders detest the idea of stacking. Perhaps its from the fear of amplified loss. Stacking is your best friend as it does the opposite of what you perceive it does. Stacking is the tool in maximizing your profit taking opportunity. Without an addition of at least 1 further position, you are looking at a grim static risk reward that might slowly make you a winner but not a rich winner.

Stacking does carry the same magnitude of risk compared to the potential magnitude of reward. However, **since you are striking when the iron is hot**, the severity of a failed scenario whilst stacking is definitely less than the achievable reward. This trading approach itself is the best risk:reward ratio.

I find alot of traders jump in at the first sight of movement with 1 position followed by another, followed by another within few minutes. I do this when I know for certainty that it is currently moving with great momentum. And this doesnt happen often. Perhaps 3 or 4 times a week.

I personally like nomask's very tight approach as he has shared with me in detail of his analysis and the gentleman certainly knows how to defend his capital against recklessness. However, some traders just get figgity to trade with 6 pip stop loss. The difference is that nomark uses momentum when it happens hence a 6 pip stop loss when momentum in full swing is realistic. Infact if you judge momentum well your position should be positive almost as soon as you enter.

Fugly, if you wish to trade with 20 pip stop loss that is fine but use it as a probe. Probe is like a dispensable scout. Be prepared to lose plenty of them but when a scout sticks and survives, take as much as possible.

I use probe both with trend and against trend and use plenty of them.

This is a past example that happened last week Friday on eur/usd

Early in the morning at asian session I told everyone that I had positions going up and that it would break 1.3300 and if there wasnt any prolonged stall it will aim 1.3400. It was somewhat correct as price did break 1.3300 but reversed from around there. But I managed to take majority of the drop back down.

eurusd 4hr

<http://img191.imageshack.us/img191/2129/42066429.jpg>

eurusd 4hr

<http://img577.imageshack.us/img577/4967/62579892.jpg>

eurusd 1hr around 0800 london time

<http://img715.imageshack.us/img715/7265/74464094.jpg>

eurusd 30min

<http://img42.imageshack.us/img42/5663/82610344.jpg>

And I ask myself:

1. So, this could be the turn of the direction. 30min just had flying buddha and the 2nd candle (10:30) had less than 33% retrace.
2. Im only interested in big momentum moves which means that if there is any retrace it will be less than 33% preferably or less preferable 50% or worst case scenario a stall.
3. Lets just assume it will be less than 33% so open a probe with hard stop loss @ 50% retrace.

So I had a probe @ open price 1.33081 with SL @ 1.33220. A 16 pip probe. Tiny and cute.

Always assume the best possible scenario

Then...

- [Post 3,734](#)

- [Quote](#)

- Dec 21, 2010 6:36am | Edited at 7:10am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

The probe died within a pip. If only stop loss half a pip more it would have survived. Not happy but there is nothing I can do.

<http://img525.imageshack.us/img525/6897/43331346.jpg>

eurusd 15min chart right after death of the probe @ 11:30

<http://img522.imageshack.us/img522/9689/73364021.jpg>

I didnt enter at open of 15min because its where my probe died. But when price reached approximately half way down I looked at the current uncompleted shape of the 15min candle and start assumign again.

1. My first theory about direction changing is getting warmer
2. If this candle has no more new/higher retrace than it would be a perfect looking candle.
3. I want momentum to break that support

So I opened another @ 1.3306 with SL just above the small retrace 1.3318. This time 14 pips.

And I got it right.

<http://img80.imageshack.us/img80/9344/35044998.jpg>

Now I see red aura. This is the move of the day. I can feel it and the confirmation is getting stronger as the time goes

This is where one stacks but with valid reasoning on all timeframes as hell is about to break loose.

Still eurUSD 15min

<http://img801.imageshack.us/img801/4509/47726175.jpg>

When things are right you will have multiple chance in a row to stack

And when the new 1hr candle/4hr candle opened at 12:00. I stopped as I was expecting a retrace as always. All 3 positions in little profit with 2 moved to BE. Even if i lose all 3 now it would have cost me -20 or -30 pips. Pocket change when you consider that this move is **ALSO ALIGNED TO THE DIRECTION OF MY MONTHLY HINDSIGHT**

And it doesnt matter which timeframe you switch to but I switched back to 4 hour.

<http://img146.imageshack.us/img146/5871/39702238.jpg>

What I should have done is continued to trade as there was no reason to stop but I was held up. This is what I missed, an opportunity on every timeframe for the next 4 hours.

- [Post 3,735](#)
- [Quote](#)
- Dec 21, 2010 6:44am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

And I will admit now it was poor management from myself as I missed the next 4hr candle as I was held up.

And this is what I missed out

eurUSD 1hr

<http://img80.imageshack.us/img80/1844/67679533.jpg>

eurUSD 30min

<http://img263.imageshack.us/img263/2069/17922724.jpg>

and plenty more on 15min

When I see blood like that I would cover the whole region in positions.

All would agree that market does not trend all the time. It perhaps give you 2 or 3 opportunities within a week that does move 100+ pips for you. And you are settling for 2nd best if market moves 100 pips and you take profit 50 or less. That is not professional. If market moves 100 pips I expect no less than 200 unrealized pips for anyone who is serious about trading professionally.

Probe. Probe. Probe.

And once a probe sticks there is a reason it survived.

Taurus just phrased what I was trying to say perfectly. Thank you.

Most traders trying to stack lose more pips from aimless stacking when those ammos could be used as single probes.

Hope today's explanation add further insight to **when to probe and how to probe. Always assume the best possible scenario and make it into reality gentlemen.**

Apologies but I need early night sleep today as health has been playing up.

Sincerely,

Graeme

- [Post 3,736](#)
- [Quote](#)
- Dec 21, 2010 6:48am



[nomask](#)

- Joined Jan 2008 | Status: Member | [962 Posts](#)

When i read Graeme's posts i feel like I'm watching a great movie or reading a bestseller...
i just love the way he trades 😊

- [Post 3,737](#)
- [Quote](#)
- Dec 21, 2010 6:58am | Edited at 7:16am



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting nomask](#)

When i read Graeme's posts i feel like I'm watching a great movie or reading a bestseller...
i just love the way he trades 😊

Thank you for the warm compliment it makes my efforts worthwhile.

Today is same as yesterday. No trades. Im doubtful US session has anything. It is rare for the market to not move like this but we now draw closer to a better day as we had 2 consecutive non-profitable days.

In regards to the above story I still hold onto those 5 positions. I thought it was 4 but my journal shows 5 so I have slipped one in there that I cant remember.

Good night all

Sincerely,

Graeme

P.S Placing price alert just above the open price of today.

- [Post 3,738](#)
- [Quote](#)
- Dec 21, 2010 7:19am



• [nomask](#)

• [Joined Jan 2008](#) | [Status: Member](#) | [962 Posts](#)

[Quoting pipEASY](#)

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In regards to the above story I still hold onto those 5 positions. I thought it was 4 but my journal shows 5 so I have slipped one in there that I cant remember.

Good night all

Sincerely,

Graeme

P.S Placing price alert just above the open price of today.

i guess everybody's off to shopping and spending their money for Christmas.. but you never know

• [Post 3,739](#)

• [Quote](#)

• Dec 21, 2010 7:22am

• [Edd Ganuelas](#)

• [Joined Feb 2010](#) | [Status: Maranatha](#) | [443 Posts](#)

Graeme,

It is getting clearer. Thank you for sharing your input. And by the way welcome back. On the monthly TF, do you consider only one monthly bar or several bars?

Thanks,

Edd

• [Post 3,740](#)

• [Quote](#)

• Dec 21, 2010 7:28am



• [pipEASY](#)

• [Joined Dec 2009](#) | [Status: crede quod habes, et habes](#) | [885 Posts](#)

[Quoting Edd Ganuelas](#)

Graeme,

It is getting clearer. Thank you for sharing your input. And by the way welcome back. On the monthly TF, do you consider only one monthly bar or several bars?

Thanks,

Edd

Good question Edd.

There are no set number of candles to consider. The same price interpretation that I perform on any timeframe is equally applied to monthly. Sometimes I judge with just 2 candles (engulf, inside, FB) or even just 1 candle (pin bar) or even 4 or 5 or more (stall, pennant).

It sounds like many rules but Edd, but thats all there is.

To upskill your price interpretation, 3x20 exercise which is basically open a 5min chart (or any chart, but lower the better as you can practice faster and more) **and enter in aim to catch just few candles right after your entry**. Few candles right on the monthly chart is a huge reward while few candles on 5min chart is few pips.

Hope this helps you.

Sincerely,

Graeme

- [Post 3,747](#)
- [Quote](#)
- Dec 21, 2010 8:08pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good morning, all

Yesterday we spoke about

1. Going against hindsight which covers scenario against your higher timeframe hindsight.
2. Recommended take profit/diversification level
3. Effective way to stack and most importantly when to stack

Hope it helps with your trading.

As most readers will notice, I dont invent new things to say on a daily basis. An avid reader can most likely summarize my whole trading approach with less than 500 words. Yes, there are many factors involved with my trading approach and at first it might be daunting but you start performing it subconsciously.

This morning I would like to talk about 2 topics that we discussed yesterday but both complementing each other. They are 'making anticipation into reality' and effective probing.

One of the earlier post of yesterday, which was this graph

<http://img148.imageshack.us/img148/4096/16331893.jpg>

eurusd daily with completed daily candle

<http://img46.imageshack.us/img46/4522/93729222.jpg>

THis means that you should have a position/s on the long wick of the daily candle which is now at the best chance of survival today's pullbacks. It is ok if you missed it due to life outside trading but **it is no excuse to anticipate such outcome and then not execute it as per your envision.**

And where last night a trader would have successfully placed probes, positions. There are many opportunities that I can see,

eurusd 4hr

<http://img221.imageshack.us/img221/845/76642701.jpg>

eurusd 1hr from noon london time

So, we just had a FB completed on 4hr and it now a new 4hr candle at 12:00. Lets see what is happening on 1hr (while trading I always flick through timeframes as one may show opportunity but other doesnt).

<http://img153.imageshack.us/img153/8550/86775159.jpg>

Once probe sticks, once again I flick through all timeframes and I see multiple opportunities to stack

eurusd 30min

<http://img815.imageshack.us/img815/4024/48729903.jpg>

- [Post 3,748](#)
- [Quote](#)
- Dec 21, 2010 8:13pm

•  [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

eurusd 15min

<http://img191.imageshack.us/img191/5043/83038162.jpg>

And the 4hr candle completes

<http://img525.imageshack.us/img525/8804/44206435.jpg>

But this is only the start as the next 4 hr is also favourable. Rinse and repeat

Where does this leave us??

We now have positions as per our monthly hindsight.

We are turning our hindsight into our reality

eurusd daily

<http://img256.imageshack.us/img256/4292/92618843.jpg>

eurusd weekly

<http://img833.imageshack.us/img833/9193/64667529.jpg>

And if it all goes wrong. What is there to lose? 30 or 40 pips? Can you see how excellent r:r is encoded into my trading approach and not a mathematical formulae that so many traders tend to apply with static xx:xx ratio.

Hope all readers notice that my approach is a cycle of similar actions again and again and again.

Sincerely,

Graeme

- [Post 3,749](#)
- [Quote](#)
- Dec 21, 2010 8:36pm

-  [Ozziedave](#)

• Joined May 2007 | Status: Ozziedave | [1,502 Posts](#)

Quoting pipEASY

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2. Recommended take profit/diversification level
3. Effective way to stack and most importantly when to stack

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As most readers will notice, I dont invent new things to say on a daily basis. An avid reader can most likely summarize my whole trading approach with less than 500 words. Yes, there are many factors involved with my trading approach and at first it might be daunting...

Hi Graeme,

You say you should have a position on the wicks of the daily candles and it's easy to see that in retrospect. Those long wicks on the daily candles stick out like a sore thumb after the candle has closed. What you have shown in this series of pictures is how to analysis the lower (multiple) time frames to accomplish the positioning of your entry so you have a chance of being on the wick part of the candle. When you show it after the fact it looks really easy but in real time it may be a bit more difficult to do. This has always been a problem for most traders applying what they know in

real time to the right hand side of the chart. What you are showing here is certainly a skill that would serve a trader well if he can master it. The details you put into your examples is unmatched on the forum in my opinion.

Kudos to you and keep up the great work.

I thank you for your efforts to help other traders.

Merry Xmas and Happy New Year to you and to all of the readers on the thread.

- [Post 3,750](#)

- [Quote](#)

- Dec 21, 2010 8:38pm | Edited Dec 22, 2010 2:00am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Hope today's post highlights what we have spoken yesterday.

Today as a off topic and also in reply to one of the private messages received.

Do I ever use sell/buy limits or stops.

Yes. But least often these days

Im sure there are more scenarios to apply successful limit or stop orders but I use it mainly as a fishing.

Have you ever watched the charts wondering why it is stuck and not moving? And then you wonder which way it will move? And while you are thinking about it the price moves very sharply and hit yourself for missing it as this is one of the volatile breakouts Graeme talked about.

Hmm..

But how do you catch such sharp 10 -15 pip move. Not even graeme can execute that quickly as it moved within few seconds. I mean all we knew the breakout is imminent but I dont think Graeme could even catch a move that quick.

Correct. I cant catch a move that quick. Infact I have trouble typing posts in forums let alone catch speeding bullets

But I like fishing.

The act to place baits in the area where it might catch. I might lose few baits here and there but I know the better areas to fish that bring in those whoppers occasionally to take home. It only cost me time and few baits and the patience.

<http://img146.imageshack.us/img146/4807/22591142.jpg>

<http://img29.imageshack.us/img29/1215/30899020.jpg>

Another

<http://img254.imageshack.us/img254/8451/16631048.jpg>

<http://img211.imageshack.us/img211/6317/56631744.jpg>

Fishing has very low hit rate but you wont suffer losses as most often it will never be hit.

If it does hit but doesnt move, close it out asap for -1 or -2 pips. Usually you lose nothing. Sometimes little larger but you will have wins more often than loses when orders are executed

The key to fishing is that once it hits, within few seconds it should be profit. Anything else is a fail

Fishing provides one of the best risk:reward

Fishing has low hit rate as most orders are never hit. You will have high success rate when it does hit as most often it is a volatile breakout

If you find your orders are hit often only to find yourself closing it quickly, you are placing order too close to the current price. This improves with time and your executions become much quicker

Dont place orders at price where it has recently visited

- [Post 3,751](#)
- [Quote](#)
- Dec 21, 2010 8:45pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting ozziedave](#)

Hi Graeme,

You say you should have a position on the wicks of the daily candles and it's easy to see that in retrospect. Those long wicks on the daily candles stick out like a sore thumb after the candle has closed. What you have shown in this series of pictures is how to analysis the lower (multiple) time frames to accomplish the positioning of your entry so you have a chance of being on the wick part of the candle. When you show it after the fact it looks really easy but in real time it may be a bit more difficult to do. This has always been...

Good morning, Dave

Thank you for the warm compliment.

Also wishing you a merry christmas and a safe festive season for you and your family.

You are absolutely correct.

Is it fear of participation or fear of ones own ability.

And it can all be overcome by a trader sending out a probe and reacting to its growth or death.

Most traders analysis situations, calculate their static r:r and then place one order. I tend to confirm my beliefs first by sending out one position then act accordingly to what unfolds.

There are group of traders who private message me that are currently watching eurUSD, gbpUSD, eurGBP to drop. And yes it did drop yesterday and hopefully traders did catch it. But if they missed it, I would like to go back to yesterday and drill it in again.

Sincerely,

Graeme

- [Post 3,752](#)
- [Quote](#)
- Dec 22, 2010 6:05am

- [Edd Ganuelas](#)

- | Joined Feb 2010 | Status: Maranatha | [443 Posts](#)

Hello everyone,

Is anyone out there noticed the above pair discrepancy on the Price indicated on the order section does not match with the one in the current PA on the chart? A difference of 4 pips. I just want to confirm if this is occurring to everyone and not only me. I am with FX Solution UK. I sent them an email yesterday detailing the problem but not yet receive any reply. Can anyone help me how to capture the whole screen?

Sincerely,

Edd

- [Post 3,753](#)
- [Quote](#)
- Dec 22, 2010 6:26am

-  [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

It looks like very similar scenario as yesterday and monday for eurUSD

Edit: Actually that is an ironic thing to say as trading is a repetitive cycle of similar scenarios. It is up to a traders skill to notice such general cycle and to be positioned accordingly.

Just looking at eurUSD 4hr

<http://img811.imageshack.us/img811/2496/32392653.jpg>

I feel the first pang of price direction changing to go down.

It is an early assumption and small probes on lower timeframe is a very good idea.

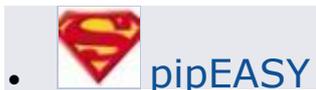
edd ganuelas - Good observation. There are always small discrepancies between feeds of brokers. Nothing that can be exploited for financial gain on our retail level. Even with the discrepancy you will find the movement/direction is the same.

Sincerely,

Graeme

Edit: Apologies, I was looking at same eurUSD chart thinking it was GBPUSD. Edited GBPUSD out of content above

- [Post 3,756](#)
- [Quote](#)
- Dec 22, 2010 8:19am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting fugly](#)

i was able to get in another leg of my millipede two positions in eurCHF first one was a probe and when that was in profit i picked a good entry and put in a second position. So I now have three legs....
cad/jpy,eur/aud and eur/chf

i have reached my 3 loss limit for today on entries so will try to put in new legs and additional positions in existing legs tomorrow. My losses in establishing the positions are small compared to my profit so all's well so far.

Only thing i worry about now is if the positions retrace and i'm stopped out on...

Excellent.

Glad to see that you have utilized probing first and that you have added position as your theory gets warmer.

May I suggest that you do not stop stacking when things are getting warmer. Keep it moderate and just one more position means alot down the track (could turn out to be 40 or 50 spare probe ammos)

For those traders who are private messaging me in regards to eurUSD

You should by now have at least 2 positions as this is black and white scenario. If none, that is unacceptable.

Sincerely,

Graeme

- [Post 3,757](#)

- [Quote](#)

- Dec 22, 2010 8:27am | Edited at 8:40am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

My vision of aura is getting hotter.

I see many opportunities and im sure most readers know where I might be stacking.

Currently I hold 4 sell positions on eurUSD and 2 on gbpUSD from today

eurUSD 4hr

<http://img254.imageshack.us/img254/9505/31156826.jpg>

eurUSD 1hr

<http://img29.imageshack.us/img29/5818/99092039.jpg>

All positions now breakeven.

Where does this leave us?

eurUSD daily

<http://img819.imageshack.us/img819/6823/95888955.jpg>

Alls well for the moment.

Always expect the unexpected and move your stop loss to BE just incase this 4hr candle does turn out to be one of those absurd looking long wicked. There is nothing we can do if that happens.

Sincerely,

Graeme

- [Post 3,758](#)

- [Quote](#)

- Dec 22, 2010 8:36am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

How ironic to mention something might happen and it happens right after it.

eurUSD 5min

<http://img718.imageshack.us/img718/7871/54158461.jpg>

now on eurUSD 15min

<http://img600.imageshack.us/img600/1766/93564960.jpg>

Few of positions are closed out at BE.

Nothing lost and nothing we can do.

I detest funny looking candles with highly erratic movements.

Watch if it drops down again but very cautious as erratic movements like these are not best movements.

Sincerely,

Graeme

- [Post 3,759](#)
- [Quote](#)
- Dec 22, 2010 9:06am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Probing again would be the best idea with eurUSD

Start slow just to confirm that it will still go down with one position

Start with anticipating no retrace or less than 33% retrace on any 15min, 30min, 1hr

Assume the best possible scenario and prepare to lose a small probe for it

eurUSD 1hr

<http://img694.imageshack.us/img694/5495/60952943.jpg>

eurUSD 30min

<http://img340.imageshack.us/img340/5135/53960781.jpg>

eurUSD 15min

<http://img91.imageshack.us/img91/6483/18534021.jpg>

- [Post 3,760](#)
- [Quote](#)
- Dec 22, 2010 9:21am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Price now approaching .00 again.

The buy stops and TPs triggerd before has been depleted.

It is now sellers against buyers

Best scenario would be a hot volatile breach with no stall at .00

If you havent probed just before at the start of 1hr candle you have stopped your own profitability.

<http://img713.imageshack.us/img713/1029/92976637.jpg>

- [Post 3,762](#)

- [Quote](#)

- Dec 22, 2010 9:25am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting willkohsg](#)

Hi Graeme,

Just want to say thanks for posting in FF,

I have just in recent weeks stumbled upon this thread and been trying my best to read as much as I can.

So far I am still in the process of reading and learning.

But i have had just stacked one Sell position on EURUSD at 1.3118 and it's 13 pips in profit right now and moved stop to BE.

now on my 2nd position and once it moves + 10 pips or more i'm going to move the stop to BE asap.

I am frantically trying to read as much as possible cos there's just so much information so that i can get...

Thank you for the compliment and it is my pleasure.

The positive impact a trader contributes to his/her family and community through their success outweighs the effort I place in these forums. That is the ultimate risk:reward for myself..

Get ready for that 2nd position to BE as there is a stall at .00.

However, Im sure you will know what to do if it breaches through

Sincerely,

Graeme

- [Post 3,763](#)

- [Quote](#)

- Dec 22, 2010 9:33am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

I havent talked about stacking on 5min chart for some time.

eurusd 5min

<http://img842.imageshack.us/img842/605/aa1b.jpg>

Anticipating:

1. Down candle
2. Less than 33% retrace - best possible scenario
3. It does close below .00

Cost?

5 pips..

I will pay this every opportuntiy i get

- [Post 3,764](#)
- [Quote](#)
- Dec 22, 2010 9:37am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Never sit in one spot looking at one timeframe

Move around as each timeframe tells different story

eurusd 4hr

<http://img708.imageshack.us/img708/586/27319978.jpg>

Make another assumption

If the current 4hr candle is nice and bold with the best scenario **then** it should close below the open price of previous up candle. Remember this rule that we speak everytime.

Make it into reality. Participate

- [Post 3,765](#)
- [Quote](#)
- Dec 22, 2010 9:42am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

If we just stop here and reflect what just happened for the last few hours.

You are trading well with a professional mindset if:

eurusd 4hr

<http://img257.imageshack.us/img257/2583/56388856.jpg>

There is one more 1hr candle before the new 4hr candle

Time to ease up little bit and watch again

• [Post 3,766](#)

• [Quote](#)

• Dec 22, 2010 9:46am



• [nomask](#)

• Joined Jan 2008 | Status: Member | [962 Posts](#)

[Quoting pipEASY](#)

If we just stop here and reflect what just happened for the last few hours.

You are trading well with a professional mindset if:

eurusd 4hr

There is one more 1hr candle before the new 4hr candle

Time to ease up little bit and watch again

Hi Graeme..how about my 4 hr just started 45 min ago 😊

• [Post 3,767](#)

• [Quote](#)

• Dec 22, 2010 9:46am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

I havent lost a position yet so I continue stacking heavily. I'm still controlled not to overtrade.

eurusd 5min

<http://img816.imageshack.us/img816/6619/25650613.jpg>

- [Post 3,768](#)
- [Quote](#)
- Dec 22, 2010 9:48am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting nomask](#)

Hi Graeme..how about my 4 hr just started 45 min ago 😊

Well done.

I didnt look at gbpusd but i thought it might.

eurusd and gbpusd move together most often during fast movements

- [Post 3,769](#)
- [Quote](#)
- Dec 22, 2010 9:52am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting pipEASY](#)

I havent lost a position yet so I continue stacking heavily. I'm still controlled not to overtrade.

eurusd 5min

<http://img816.imageshack.us/img816/6619/25650613.jpg>

Im unfortunatly embarassed to admit that I just suffered a small loss.

Pressed buy instead of sell and only realized now when my hard stop loss wouldnt enter.

New 1 hour candle coming up. Wait and watch

Sincerely,

Graeme

- [Post 3,770](#)

- [Quote](#)
- Dec 22, 2010 9:53am

- [willkohsg](#)

- | Joined Dec 2008 | Status: Member | [587 Posts](#)

Quoting pipEASY

Well done.

I didnt look at gbpusd but i thought it might.

eurusd and gbpusd move together most often during fast movements

Hi Graeme,

thanks for the play by play posting.

Really am happy to learn "live" with the charts and ur posts in front of me 😊

Thanks so much again 😊

- [Post 3,771](#)
- [Quote](#)
- Dec 22, 2010 10:00am



- [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

By now alot of the readers can probably anticipate/assume on the same level as myself as I have been drilling in same information over and over again.

Next 1hr candle is coming up.

What are we anticipating?

- [Post 3,772](#)
- [Quote](#)
- Dec 22, 2010 10:02am

- [willkohsg](#)

- | Joined Dec 2008 | Status: Member | [587 Posts](#)

are we anticipating price to breach through the 80ish levels which was the support for the previous lows on Hourly chart?

- [Post 3,773](#)
- [Quote](#)

• Dec 22, 2010 10:05am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting willkohsg](#)

are we anticipating price to breach through the 80ish levels which was the support for the previous lows on Hourly chart?

Good.

In general I anticipate that current 1 hour candle has

1. Less than 33% retrace - which is the best scenario for us

<http://img710.imageshack.us/img710/3263/42188914.jpg>

Cost of probe?

8 pips...

• [Post 3,774](#)

• [Quote](#)

• Dec 22, 2010 10:08am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting pipEASY](#)

Never sit in one spot looking at one timeframe

Move around as each timeframe tells different story

eurusd 4hr

<http://img708.imageshack.us/img708/586/27319978.jpg>

Make another assumption

If the current 4hr candle is nice and bold with the best scenario **then** it should close below the open price of previous up candle. Remember this rule that we speak everytime.

Make it into reality. Participate

Looking back at post about 30 minutes ago.

We anticipated price to drop below open price of previous up candle and close below it. This is the best scenario and we always assume the best scenario for us.

At the moment it is happening that way.

<http://img251.imageshack.us/img251/8335/29568785.jpg>

Are you participating?

Are you creating it into reality?

What is stopping you? - Is it the indicators and the pending news releases and the whole rigamarole of conflicting thoughts and views hindering your own progress? Or perhaps it is the generalised belief that you hold against you from participating.

Whatever it is, you are unknowingly stopping your own profitability. Think about it..

- [Post 3,775](#)
- [Quote](#)
- Dec 22, 2010 10:21am | Edited at 10:37am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Apologies at the length of my posts.

I hope the scene by scene helps your trading.

I too trade with all the readers so our interest matches.

For the traders who did follow my recommendation

This is where we are:

eurusd daily

<http://img192.imageshack.us/img192/3114/zz1xv.jpg>

eurusd weekly

<http://img534.imageshack.us/img534/8930/zz2u.jpg>

eurusd monthly

<http://img171.imageshack.us/img171/2899/zz3fs.jpg>

Would you say you are in the best position for the greater profitability?

How much did it cost you today?

-20, -40, -60 pips even?

It upsets me that traders with professional mentality are concerned with such petty losses.

- [Post 3,776](#)
- [Quote](#)
- Dec 22, 2010 10:28am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Now, everything can go against us at any moment.

We cant prevent that happening but for today you did act true professional and placed your interest in the best possible scenario.

The fluctuations of the market is random and we can only do the same thing again and again till it does ienvitably stick as per our hindsight. Inevitable.

Since we always assume the best possible scenario. Here is one more assumption I will try and make a reality out of.

eurusd monthly

<http://img530.imageshack.us/img530/7762/zz4d.jpg>

This is the best possible scenario. Price continuing down from here for the next 7 years or more for thousands and thousands of pips.

Im ready to hold onto it until then.

Sincerely,

Graeme

- [Post 3,777](#)
- [Quote](#)
- Dec 22, 2010 10:31am



• [nomask](#)

• Joined Jan 2008 | Status: Member | [962 Posts](#)

absolutely fantastic job....very brilliant...👏
i think everybody agrees that longer the posts better to understand..

- [Post 3,778](#)
- [Quote](#)
- Dec 22, 2010 10:31am



• [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

Excellent display Graeme, thank you. I lost about 30 pips in the process of establishing 3 positions on the wick (which are at +80 pips unrealised profit in this moment), so it is going to be a real treat if the hindsight works for us, if however it doesn't then rinse and repeat 😊

Update: Yes, very much agreed that the more posts Graeme can show us, the better.

Kindest Regards,

Cam

- [Post 3,779](#)
- [Quote](#)
- Dec 22, 2010 10:35am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Thank you for the continued interest.

It is 2:30am here in Sydney and I do have to attend a medical examination earlier on tomorrow.

I could be unavailable for the next few days to attend to personal matters.

In reponse to the question I received through private messaging. I promised all that I was working on a pdf version of information.

It has evolved to a point where now I am writing a book on it. It will be hopefully be ready end of next year.

Some might question my motive now that I mention that I could be selling books **but rest assured all members of this forum who request a copy will receive one for free at my expense. Please let me know closer to the date.**

The book will be titled: Building an equity millipede

The book is something that I wish to leave behind as a token of accomplishment.

Sincerely,

Graeme

P.S Price stalled. Time to leave computer and leave your positions on BE.

Edit: There will be no personal profiting from the book sale. It will all go to charity

- [Post 3,787](#)
- [Quote](#)
- Dec 22, 2010 6:35pm | Edited at 6:56pm



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good morning, all

Thank you for the continued interest.

Iplaygames - Thank you for sharing your experience with all of us. Well done with your new accomplishment. I can see a mix of positions that range 10 cent per pip to 2 cent per pip. This is only a recommendation but it would be wise to start looking at exits on higher timeframes to diversify or close out as your current growth is already few thousand pips but I see that you have exposure on various pairs and not one particular (nothing wrong with that). Im just laying out my thoughts for you to only consider. Overall excellent job and hope this is the start of something new.

I thought to myself for a moment before I started typing this post. Its in reply to an email that I received overnight. The sender is clearly unhappy that I have mentioned the upcoming book and is questioning my motive. It is strange enough to reply to such email publically however I thought perhaps there are other individuals who also share the same view. And this makes me wonder if I unknowingly discouraged potential professional traders to-be who were just fine till now then to stop while they draw near.

It is disheartening to see that the world we live and us the inhabitants has almost zero trust with each other yet we exist upon interaction and communication. You would literally lose your mind if you were locked in a room for few days without any other human being in your presence.

However, I understand why and the need to hold doubts and uncertainties to what we hear and see. And I understand that the sender is more angry with themselves because the trust he/she has placed could be all waste of time.

The book I mentioned will be available from local bookstores. It will be submitted to a reputable publisher and will be distributed through the right channel. You can either purchase the book from bookstore or I can send you one for free at my expense or even borrow from library. It will not be sold through this forum or a website or ebay.

It might not even make it to that level but it will hold genuine intent.

Apologies if I have offended anyone.

Sincerely,

Graeme

- [Post 3,792](#)
- [Quote](#)
- Dec 22, 2010 8:29pm



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Thank you all for the above comments. It is greatly appreciated.

It really does warm me up inside.

Let us please move on for the benefit of all.

Today I would like to talk about one more topic.

It is on the word i use often, 'inevitable.'

If there are 100 cards and only 1 card is the joker the probability of a person drawing the joker is 1%.

Now this person can keep drawing (and replacing the drawn card back in the deck for the next draw) until the joker is drawn. It might take 1000 tries or it might take even take more than 10000 draws. It could even happen on the 2nd draw.

The point is that sooner or later with the continuous course of action it is inevitable that the person will draw it. And it is this guarantee that it will happen but sometime in the future as the definition of inevitability.

A thief can steal and not get caught. He may be very skilled but every time he steals he is exposing himself to the risk of getting caught. Based on his skill he could have low % of being caught or high % of being caught. But no matter what he does it is inevitable fact that sooner or later he will get caught.

Inevitability is very important to your trading success. It is the gel that holds you in place and keep you sane. There are so much information from indicators, news, etc that all traders are at the risk of over information. This actually prohibits you to take trades and hold uncertainty in ones self. It is here that ones own belief of the inevitability of a correct hindsight on the monthly timeframe holds you on the right path.

If you have traded on the lower timeframe using price interpretation we have talked about, you will find sometimes it does not work to your forecast but sometimes it does happen exactly to what you

have forecasted. However, the chances of us being right is much more than 50% of the time as we are selective with our scenario; looking for higher probability movements.

Using this price interpretation on the monthly chart has one drawback and one reward. The drawback is that the speed we are use to on 5min chart is now so much slower as each candle is now a months worth of data. But the reward is that a correct hindsight on the monthly chart will bring in huge rewards that does propel your profit levels to the next heights.

A month time could be a very long period of the average trader. And it feels worse to watch day by day price doing the opposite to your hindsight. You will question your beliefs, get anxious and start listening to the irrelevant noise of the market and other traders.

This is not the act of a trader who believes in inevitability.

The pair you have chosen to start may feel like a drag. Not moving and it might not even work out for this month or the next. During this time you notice other pairs rocketing in movement which does make you feel more miserable. It is important to believe in yourself and the fact that sooner or later you will inevitably hit it right. If in doubt look back on the monthly chart and notice how many areas your price interpretation is correct and see that the price did infact travel few candles that are few thousands in pips.

Stay with the chosen pair for now

Believe in yourself

And above all believe in inevitability and stay in the game

Persistence pays to those who persists

Once a large chunk is taken from a pair, we will start trading another pair together. And it becomes a blur after that.

Sincerely,

Graeme

P.S will answer PMs later on

- [Post 3,798](#)
- [Quote](#)
- Dec 22, 2010 9:42pm | Edited Dec 23, 2010 12:23am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting MidKnight](#)

I've been following this thread since the very start and right away I was in alignment with much of what Graeme has talked about. So much so that I immediately started to explore changing my scalping tendencies towards the general philosophy behind the core

concepts: anticipate, participate, and probe, stack, grow.

Yet after all this effort I have not had any winners above 300 pips. The large majority of the trades get taken out BE or at a loss and my account is still in the red. No one is talking about this so I guess I'm...

Good post and thank you for the input.

Thank you for the continued interest from the beginning of the thread.

I'm assuming your trading approach is similar to mine and have been testing it out for some time. I am somewhat surprised to see only a growth of 300 pips over the course of your participation. I'm sure we can improve on this as there have been great moves of more than a thousand pips since the start of this thread few months ago. To be only able to catch 300 pips out of such moves on any pair is already itself lukewarm. This is not an attack but just my reply to what you might be wondering.

I respect that you have been trading 6 years and of course with that much of time you have experienced most ups and downs of the market. You will find extended experiences actually stops your knowledge growing as you become accustomed and adapt at a set course of action that is working out or still perceive to work or just a sense of I must be right cause I have been trading many years. And to be fair this applies to myself as well so i reflect on my current situation all the time not to go into such power trips.

You may be a profitable scalper and kudos to you for something I couldn't accomplish and I did try very hard. Sometimes when something works for you there is no need to search for additional methods. I have personally done this and one of the reasons I joined up this forum. When I joined this forum I already had legs growing but thought more methods mean more profit for myself. This is not the case. For more profit you expand what you currently do in all pairs. Exposure creates profit and not the number of methods.

In regards to time of the day, yes, I disagree major movements are reserved for the exclusive uk or us session. But I will agree most good opportunities does happen then. It is something that I don't need to follow with a schedule.

I have a fairly busy schedule during the day and the only thing that keeps me sane and handle all the different pairs is placing price alerts to key areas and when notified and if I'm available i will glance at the move. Most scenarios fall under the category of lack of momentum which are ignored and new price alerts are then set. I spend more time placing price alerts than watch price fluctuating.

Looking for source of income to replace your current job will not happen soon. You seem like a genuine direct person so here are the direct genuine answers. If a readers expectancy to withdraw profit is more than once per 3 months I would request to rethink.

With the idea of position building, you endure the short term losses and replenish with medium growth positions while the long term positions reward you. The definition of long term should be no less than 4 weeks of growth on a trend. You won't be able to pay yourself per week but you certainly pay yourself every few months in one large lump sum.

And it does grow to your expectations. After a year review of your trading statistics will reveal net profit in pips. Then you would work out your net average profit pip for week, month, 6 months. And this will be your minimum expectancy the following year. Even statistics by annually will fluctuate but after few years of trading the statistic numbers start stabilizing and then you will see your true return in pips and dollar value. Once your net pip profit per week exceeds your main income then you can quit your job.

You will be surprised at how fast it grows once you arrive there.

With the sophistication of current technology, you don't need to be glued to computer or quit your day job or lose sleep. I use my phone, iPad to do most.

I too, prefer to discuss why a trader is not profitable rather than traders that are profiting. And you are most welcome to ask any questions.

Merry Christmas to you as well.

Sincerely,

Graeme

- [Post 3,799](#)
- [Quote](#)
- Dec 22, 2010 11:38pm



• [HornedGod](#)

• | [Joined Jul 2004](#) | [Status: Member](#) | [44 Posts](#)

Graeme, your post on [inevitability](#) could not have been better timed.

I have been trading this method since early September. I jumped in the deep end, starting off with 9 currency pairs in my roster. Over the past number of years I have tended to primarily focus only on EUR/USD, so I knew that it was going to be a challenge to adapt to widening my focus.

Fast forward to now. The only pair I have been able to successfully diversify on has been EUR/USD. On all other eight pairs I was just seeing my trades get eaten up and spit out by the market. I began to wonder if I should just go back to solely trading the euro.

I decided to ponder on it over the holiday break. Even though I've only been on holiday for two days I think I've made my decision: to stick with trading all nine pairs.

I know that being able to trade multiple pairs allows me to focus on ones that are moving and ignore those that are consolidating. I know that I have to work on upskilling my ability to identify and focus on pairs that are ripe for picking. For me, a big part of this will be getting in tune with the fundamentals of countries outside the EU and US (as I know my ability to trade the euro is in large part to being able to follow the big picture).

The power of inevitability is also evident when I review my open trades and I see that I have two legs in EUR/CHF both over 1000 pips each. I obviously haven't been able to add to my good fortune there, but I know that at the very least I'll be able to close one of those legs, which will cover my expenses of 350 pips to grow those two legs, plus a nice profit, while leaving the other to continue on its merry way.

I have a 500 pip position open on EUR/JPY and a couple of minor positions on AUD/USD and USD/JPY (all of which still could easily be closed out at BE, but are in open enough territory that they could grow quite nicely).

So EUR/USD was my first inevitably profitable pair (most likely due to my prior experience with it). EUR/CHF is inevitably next. I don't know which pair is going to be next, but I have confidence in my abilities to make it inevitably all nine pairs (and then I can start to think about adding some more pairs).

I was thinking essentially along the same lines as MidKnight: things can go wrong for a long time, how do

you keep positive and work out what needs to be improved or fixed?

I had a sliver of success with euro straight off the bat, but have struggled with every other pair. My biggest current drawdown is 850 pips with sterling (I'm beginning to see why some people just can't trade this pair at all). But then I look at my surviving legs and just know that when I get a couple of legs I'll be able to clear that drawdown and reset the clock on sterling. And ditto for all the other pairs I trade.

Maybe I was slightly dumb to start trading nine pairs off the bat, rather than starting with one or two and working my way up. Even if it has been dumb, I'm still in the game. Mainly due to going with low gearing for each trade (0.5:1). My account equity is down 20% from its starting amount, but I'm not unduly worried, mainly because my unrealised profit has always been enough to see things back into the black.

Going forward I'm going to trade normally on pairs that I know I currently trade well (basically euro based pairs). I'll be more conservative on the other pairs until I get some more experience with them, and the inevitable profitable legs that will allow me to trade them more normally.

Trading is all about overcoming adversity. You have to survive and struggle through the short term roller coaster ups and downs to be able to experience the rewards that come long term.

- [Post 3,800](#)
- [Quote](#)
- Dec 23, 2010 12:17am



• [pipEASY](#)

- [Joined Dec 2009](#) | [Status: crede quod habes, et habes](#) | [885 Posts](#)

Hanselfx - Thank you very much for the detailed input and it's not at all intrusive but inspiring to readers. I hope only the best with trading career

Horned god- Also thank you for the detailed post and thank you for sharing. You may not realize but you said the golden phrase that I would recommend traders to read and highlight.

"each pair runs on different clocks"

The good thing is that later on in your trading career when you have positions in every major trend, you will notice a minus here is overcome with a positive there. This is the ultimate and the final stage.

The bad thing is that a new trader building position over many pairs will suffer the short term lag of seeing any positive move as the dust hasn't settled yet.

Some pairs will kick start as soon as you start building and some will stall. This is just the beginning stage and it can be overcome both mentally and financially by participating in one pair for now and witnessing what the method offers. However, I started in multiple pairs but luckily it was one of the best trendy periods of 2007 on most pairs.

I'm glad to see that you made the right connection about inevitability and wish you the best trading success.

For myself, a bad few months would mean that an inevitable trend will occur on that particular pair. And the longer the stall the better as the breakout will be significantly stronger and move further. This itself is knowing the inevitable opportunity that will arise for myself to take back my losses and to reap greatly.

In regards to answering post about dukascopy, I'm surprised to hear such implementation. I don't understand why they would not allow withdrawals if you have open positions. I'm sorry to hear that and yes that would be cumbersome. I use [fxcm](#) with no such restrictions to withdrawal.

Sincerely,

Graeme

- [Post 3,803](#)
- [Quote](#)
- Dec 23, 2010 3:47am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting MidKnight](#)

Hi Fugly,

My scalping was on index futures (Nikkei and Hang Seng) and I felt it was too fine a line to continue with long-term. My success varied wildly with the market volatility. When the whole subprime debacle started in 2008 I had my best results ever as the daily ranges exploded. Scalping for me, leads to high emotion ranging from huge elation and being on top of the world to clinical depression. I tried hard to control these emotions but it seems that the fast paced style enhances whatever I feel. It was affecting my family life, my sanity...

Thank you the detailed response.

Your experience shows through your detail.

With forex trading there is a certain degree of correlation between the pairs. I mentioned briefly in yesterday post that if eurUSD trends GBPUSD usually follows and USDJPY move in the opposite direction.

The prime opportunity is when all pairs across the whole board is moving. I assume most readers are aware of this and this is the period I trade. One of my golden phrases that I have said few times this week is, 'when the time is right you will have multiple opportunities [b]in a row[b]'

There is far more meaning than first meets the eye. I confirm myself that the period I am trading is moving with momentum when I continuously add positions with no loss. And the best periods are multiple 1hr and 4hr candles in a row. However, when I encounter the first or second loss this a personal hint that it is stalling and I do not need to trade any further. The best movements covers great distance where price will not likely to retrace back to.

During high activity it is correct to see movement across the whole board. And i know market is moving as a whole very fast when i receive multiple alerts to my cell phone in a row. And i choose to trade the pairs that looks promising. It is not hard to participate in few pairs if you don't trade the 5min. However in between 15min candle i will try few 5min trades.

In regards to trading time. If your trading platform allows may I ask you to try a little exercise for me. If its possible and if any other readers know how to do it please let us know in the thread. It is to change the opening hour of your platform so the start of the daily candle is at a hour of your choice. What you will notice is the day looks completely different with different looking 4 hour, daily and weekly candle. And what you will notice is that the opportunity you perceived to have missed is no longer valid. On the other hand, the area you didn't notice opportunity now shows as opportunity. The point I'm trying to get across is profitability does not depend on time of trading, type of candle pattern but soley on the speed of movement.

You do not need to be present trying to catch every good opportunities but simply catch when it does move and when you happen to be trading.

Draw a long line and highlight few sections. Close your eyes and with no sense of direction mark few dots. You will find dots in unmarked zone and perhaps few in the marked. As long as you have

participated in a frequent interval you will inevitably hit the highlighted section. It is no use trying to sense where the highlighted intervals are as you are blind.

Sometimes when an alert arrives on my phone and I sit in front of computer. The market as whole seems to be moving with speed. After the first position or two and then to suffer a loss means that it is not a prime opportunity. There is absolutely no need to endure it anymore as most likely the price range will be revisited the next day.

In trading there are periods where every position survives and the opposite scenario where every position breaks even. It is a traders responsibility to trade when it does and avoid when it doesn't.

Now from the depth of your post I can sense that you are well aware of this already but the difference between you and I is that I place less focus on the reasoning of the move and simply participate almost blindly. And the reason I do this is that I know opportunities are not evenly spread out but arrive in clumps of good and clumps of bad; law of uneven distribution. I make sure I grab all clumps of good and ignore such occasions when market gives me 1 good and 1 bad and 1 good; a lukewarm scenario. A definite don't trade period is when you experience losses in a row. 3rd attempt us the maximum for myself. I'm only interested in the best opportunities that requires no analytical skill to capture profit.

With the above approach in mind you will find that you are filtering almost all bad periods out and keeping all the good periods with positions. It is almost a phenomena that has no scientific or mathematical reasoning behind it.

I sense that you are a person with great analytical skill with formal qualification. I find that people with higher form of qualification tend to observe, analysis, reason. It is how we are taught in college. And with trading it is far more simpler as only required trait is the observing.

Sincerely,

Graeme

- [Post 3,804](#)
- [Quote](#)
- Dec 23, 2010 4:00am

•  [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

[Quoting pipEASY](#)

In regards to trading time. If your trading platform allows may I ask you to try a little exercise for me. If its possible and if any other readers know how to do it please let us know in the thread. It is to change the opening hour of your platform so the start of the daily candle is at a hour of your choice.

Hello Graeme,

Unfortunately the only way to change the start of the daily candle hour on the trading platform is to actually change the broker to one that has a different opening hour.

Edit: Alright it seems there are some scripts for MT4 that would allow you to play with the timeframes, I just read quickly through this other thread I found whilst searching but I haven't tried the methods described there myself, so use at your own risk I

suppose 😊 : <http://www.forexfactory.com/showthread.php?t=168562>

Kindest Regards,

Cam

- [Post 3,805](#)
- [Quote](#)
- Dec 23, 2010 4:34am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

Today is the exact same day as yesterday for eurUSD

It will be wise to probe now on lower timeframes under the assumption it will breach the support 1.3080.

Get ready to stack heavily if breached with momentum. If it does breach with momentum it will drop forming a bold daily candle down.

You are also reaching open price of the month. This is approaching prime area and all we need is prime movements.

Feel free to ask any questions without hesitation.

Sincerely,

Graeme

- [Post 3,806](#)
- [Quote](#)
- Dec 23, 2010 4:46am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

My first probe is just in from 15min chart

1.3094 SL @ 1.3102

eurusd 15min

<http://img809.imageshack.us/img809/5006/87549982.jpg>

Its taken out -9 pips before I even post this message up.

And thats it. I stop.

It is this simple to control your risk and tendency to overtrade.

Also there is no eye popping momentum, no need to over stress and force a position in there.

I will try again at next engulf pattern.

Sincerely,

Graeme

Edit: The golden rule to stacking is that the best opportunities to stack/trade is when you have multiple success in a row. The worst time to trade is when you suffer losses in a row. Take advantage of one scenario but ignore the other.

- [Post 3,807](#)
- [Quote](#)
- Dec 23, 2010 4:58am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Tonight it is moving slower than yesterday at US session.

Dont expect much here but that doesnt stop me probing.

Placing one more probe (2nd for today) from 1hr eurUSD

Sell 1.3100, SL above the high 1.3112

A 12 pip probe. This dies and I will walk away and reset price alerts

<http://img823.imageshack.us/img823/4417/67594173.jpg>

Nothing really to stress just a normal cruise.

Sincerely,

Graeme

- [Post 3,808](#)
- [Quote](#)
- Dec 23, 2010 5:03am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Personal thoughts of current momentum?

Abysmal

Star rating of current trading period?

2 out of 5

What are you anticipating?

1. New 1 hour candle with ema crossed over. If there is a good movement it happens most often just around cross
2. Less than 33% retrace - always best scenario
3. Breaching with momentum 1.3080 which would be the end of this siege for eurusd. The potential profit is very large if breached.

eurusd daily

<http://img706.imageshack.us/img706/2536/86425018.jpg>

I love it when it stalls. The inevitable fact that the built pressure will soon explode out with long trend. It increases my heartbeat faster day by day.

Sincerely,

Graeme

- [Post 3,809](#)
- [Quote](#)
- Dec 23, 2010 5:11am



• [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

[Quoting pipEASY](#)

It increases my heartbeat faster day by day

Great wording, Graeme. I have the same feeling, the pressure for price to explode is in the air, the game is on.

Kindest Regards,

Cam

- [Post 3,810](#)
- [Quote](#)
- Dec 23, 2010 5:15am

• [Rustam](#)

• | Joined Jul 2009 | Status: Member | [46 Posts](#)

Graeme,

Seeing as there is no momentum, is the 2nd probe still open or do you close it and wait for a better opportunity?

Rustam

- [Post 3,811](#)
- [Quote](#)
- Dec 23, 2010 5:19am



• [pipEASY](#)

• | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Its over for this trading period for myself.

There is nothing to trade. No momentum, no confirmation.

You will lose more if you stay and trade at current situation.

This is the point to stop and reset your price alerts.

No one can profit at the moment.

Lost 2 probes and I rarely do 3 attempts.

eurusd 1hr

<http://img9.imageshack.us/img9/1280/39683508.jpg>

Sincerely,

Graeme

P.S Setting price alerts @ 1.31275 and 1.3095

- [Post 3,812](#)
- [Quote](#)
- Dec 23, 2010 5:22am



[pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting Rustam](#)

Graeme,

Seeing as there is no momentum, is the 2nd probe still open or do you close it and wait for a better opportunity?

Rustam

Good question.

I dont usually close probes as they are usually less than 10 pips per probe (on average). Perhaps its the wrong mentality to consider them as tissue but I do.

Probing is far more effective than watching raw price fluctuating. Probes that survive bring in the biggest reward as they are in first.

Most importantly please dont sit there and force a position in their to stick. The best time to trade is when you effortlessly stack positions with each position going into profit without much hesitation. That is a 5 star opportunity.

Sincerely,

Graeme

Edit: -20 pips from 2 probes today, london session

- [Post 3,813](#)
- [Quote](#)
- Dec 23, 2010 5:27am



[pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

The reason we are focusing on eurUSD is that most of the traders who do message me are focusing on this pair. It is a universal pair for most.

It might not happen in a day or a week but I will show all to the best of my ability at the least a prolonged growth of few weeks that does create few thousand pip reward at the end. Enough to replenish + add profit into your capital.

The very next movement on eurUSD that does move 300pip+ will be ours.

Let us be patient and await.

Sincerely,

Graeme

- [Post 3,814](#)
- [Quote](#)
- Dec 23, 2010 5:28am

- [MidKnight](#)

- | Joined May 2010 | Status: Member | 157 Posts

Thanks for the reply Graeme. I'll continue to put effort into finding the right time to trade where I can get multiple successes in a row. You are also right that I am analytical and I know it is more of a curse than a blessing with discretionary trading. My first couple years were filled with trading plans and many many explicit rules. Ironically my trading didn't start to become profitable until I let go and trusted my gut.

Anyhow, thanks again.

With season greetings,
MK

- [Post 3,815](#)
- [Quote](#)
- Dec 23, 2010 5:31am

-  [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Quoting MidKnight

Thanks for the reply Graeme. I'll continue to put effort into finding the right time to trade where I can get multiple successes in a row. You are also right that I am analytical and I know it is more of a curse than a blessing with discretionary trading. My first couple years were filled with trading plans and many many explicit rules. Ironically my trading didn't start to become profitable until I let go and trusted my gut.

Anyhow, thanks again.

With season greetings,
MK

Thank you for your reply, Midnight.

Your input is highly regarded and please dont hesitate to ask anything on your mind. And that applies to every reader as everyone has equal opportunity.

I hope that I can achieve the right demonstration this time to finally know that it was all worthwhile.

Thank you.

Graeme

Edit: I will start answering the PMs from 2 days ago. Apologies for the delay.

- [Post 3,816](#)
- [Quote](#)
- Dec 23, 2010 5:39am



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Just about to walk away when I received price alert.

I re open chart to see this in my first view

eurusd 1hr

<http://img443.imageshack.us/img443/623/aa1k.jpg>

eurusd 5min

<http://img262.imageshack.us/img262/6193/aa2p.jpg>

Abysmal.

No trade. No one can profit from those sudden knee jerk spikes. Useless. The next 5min candle shold have less than 33% retrace that buyers find trouble pushing it up anymore. 50% already. No thank you as I know I will lose pips on this.

Resetting price alerts @ 1.30882

- [Post 3,821](#)
- [Quote](#)

• Dec 23, 2010 5:48am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Thank you all for the warm compliments.

I too wish everyone a safe, healthy, loving new year.

Bless you all.

Sincerely,

Graeme

P.S Im watching eurUSD. Something is tickling my fancy little bit at the moment but I need more than a tickle for my 3rd probe.

• [Post 3,822](#)

• [Quote](#)

• Dec 23, 2010 5:50am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting MidKnight](#)

Hey Graeme, may I ask why no upside price alert set? I guess you strictly have a short bias at this point, but I thought have an upper point of interest as well.

With kind regards,
MK

Good observation.

I still have the same upside alert at 1.3125. And yes I do cover both scenarios as always preached but this demonstration which started from this week is keeping it very very simple (and preferably for this time one direction). We will take it up a notch when all participants who are following (including myself) has witnessed and tasted that large slice of profit and then I will add more into going against hindsight. Not many traders are too keen on that subject yet.

Sincerely,

Graeme

• [Post 3,823](#)

• [Quote](#)

• Dec 23, 2010 6:05am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

New 1 hr candle.

My wish:

Ofcourse a bold candle down with less than 33% retrace that closes below 1.3080 and the further it closes away from it the better

Very low momentum. I will not probe early but will probe when retrace is established and the price starts to drop down just below the open price of this 1hr candle. That would have better probability.

Best candles are those that opens and just charges straight forward creating multiple stacking opportunities on all lower timeframes.

<http://img709.imageshack.us/img709/2074/zz33j.jpg>

• [Post 3,826](#)

• [Quote](#)

• Dec 23, 2010 6:46am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good explanation hornedgod.

That was a very nice read.

Constant frequency is key to trading.

Came back from dinner and we are still at the same place as the open.

New 4hr candle coming up

<http://img88.imageshack.us/img88/7347/dddbc.jpg>

Please set price alerts and have a break.

Sincerely,

Graeme

- [Post 3,827](#)
- [Quote](#)
- Dec 23, 2010 6:55am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Now.

Probe in and took pic few seconds after

<http://img405.imageshack.us/img405/6127/ee43.jpg>

Based purely on assumption and the imminent breakout

Mental stop loss 1.30959.

Im ready to close this probe the moment it stops flickering near the support

- [Post 3,828](#)
- [Quote](#)
- Dec 23, 2010 6:55am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

+10 pip.

This could be it gentleman

New 1hr candle coming

Expect the usual retrace on all new candles

- [Post 3,829](#)
- [Quote](#)
- Dec 23, 2010 7:01am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Out.

Pic took few seconds of coming out.

It was hit and run for myself.

-0.9 pips

<http://img97.imageshack.us/img97/1601/zzzgj.jpg>

The good thing is that the pervious 1 hour candle has made a new low. Its still ok.

- [Post 3,830](#)
- [Quote](#)
- Dec 23, 2010 7:06am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Start probing.

Using SL at high of the new 1hr candle or wait for next 15min candle.

- [Post 3,831](#)
- [Quote](#)
- Dec 23, 2010 7:14am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

This is big or nothing.

Make it into reality.

Im in 1.3088, mental stop loss @ 1.3097

- [Post 3,832](#)
- [Quote](#)
- Dec 23, 2010 7:16am



• [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

[Quoting pipEASY](#)

This is big or nothing.

Make it into reality.

Im in 1.3088, mental stop loss @ 1.3097

.3086 for me 😊

• [Post 3,833](#)

• [Quote](#)

• Dec 23, 2010 7:18am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting cameron1st](#)

.3086 for me 😊

Well done.

Hope all readers see the reasons that we are taking this trade. It is no use for me to shout orders. Everything is currently aligned. Reward is big and risk is minimal.

This is one stage where one needs to be bold and test their theory. Probe sticks and its paved gold from here. We are standing at a crucial point.

• [Post 3,834](#)

• [Quote](#)

• Dec 23, 2010 7:21am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Not the very best signs on eurUSD 5min

Still its worth the risk for the potential reward.

Hold it in and stay in the game and see what the market does

<http://img220.imageshack.us/img220/725/ddzz.jpg>

- [Post 3,835](#)
- [Quote](#)
- Dec 23, 2010 7:23am

- [MidKnight](#)

- [Joined May 2010](#) | [Status: Member](#) | [157 Posts](#)

Quoting HornedGod

MidKnight, from my experience the times during which the major market movements are made tends to slowly shift between the three major currency trading locales: Tokyo, London and New York....

Hi HornedGod,

Maybe 1-2 months ago I posted my results from a 2 year study of time of day when moves occur. I cannot recall the exact percentages, but Asian timeframe (my day time) was less than 20%. This study gave me a good feel for the distribution. I understand about that the time of day movements occur moves around from one day to the next.

Your point about changing to another timeframe when its outside of my waking hours is a good one and I should study that over the holidays. Thank you.

With Christmas wishes,
MK

- [Post 3,836](#)
- [Quote](#)
- Dec 23, 2010 7:24am

-  [pipEASY](#)

- [Joined Dec 2009](#) | [Status: crede quod habes, et habes](#) | [885 Posts](#)

<http://img251.imageshack.us/img251/8629/zzzzzzad.jpg>

Is the market planning to take another probe?

- [Post 3,837](#)
- [Quote](#)
- Dec 23, 2010 7:26am

-  [pipEASY](#)

- [Joined Dec 2009](#) | [Status: crede quod habes, et habes](#) | [885 Posts](#)

<http://img814.imageshack.us/img814/5314/ddd1.jpg>

- [Post 3,838](#)
- [Quote](#)
- Dec 23, 2010 7:36am



• [cameron1st](#)

• Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

To be honest, I am quite enjoying this tease the market is giving us before Christmas 😊

That said, watching price going down after that 5m pin bar I think "Do it... do it, jump down"

Kindest Regards,

Cam

- [Post 3,839](#)
- [Quote](#)
- Dec 23, 2010 7:40am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

The price has arrived at an crucial level whether it will break out or not.

For example, if it does break below the support 1.3080 but there is a lack of momentum I would not stack.

The reason is that fickle momentum like this will be **most likely revisited the following day**.

Momentum propels the position into territory that requires a large change in the main trend to have the price comeback.

A good volatile breakout paves the start of a new trend and **we are not interested in anything else**.

My stop loss was just hit and i am out with -10 pips. 3 probes all failed for myself today. It would now take more than assumption but a hard confirmation for me to trade again.

I would look for entry when bold candles on 5min, 15min, 30min start appearing with less than 33% retrace.

Today I have -30 pip realized loss to my tally.

Someone might wonder why I might not continue to watch and focus.

The simple reason is that there is no need to place myself to force a trade as there are plenty more movements to take advantage of. Constant frequency is the key. Besides if it does breakout with volatile movement there are plenty more opportunities the next day or even next week as a monthly candle has plenty of opportunity holes.

However, I am placing new price alerts but little bit further out.

Sincerely,

Graeme

- [Post 3,841](#)
- [Quote](#)
- Dec 23, 2010 8:03am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting cameron1st](#)

Thank you Graeme, that is a very good lesson on when to slow down with the probing and not overtrade.

Kindest Regards,

Cam

Hello Cameron

Yes. At the moment it is definitely a no trade for eurUSD.

It is impossible to extract profit out of current movement.

Unfortunately, it looks like day 3 for eurUSD for not moving.

That is fine as we have been conservative and the only damage is the few ammos we spent on probing.

In a trader's starting phase a selected pair may not move for few weeks. It is the belief in the trader's own self that will hold him/her together.

Days like this will most likely have the next day revisit today's price range. If today is destined to have a volatile breakout right after we all turn off the computer, the move will flow into next day and next week and even next month. One of the main reasons why trading longer hours does not increase productivity in forex.

Today wasn't as exciting as yesterday's US session and hope readers are not disheartened but there is nothing one can do to force the market to move.

Good night all

Sincerely,

Graeme

- [Post 3,842](#)
- [Quote](#)
- Dec 23, 2010 8:20am



- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

And ofcourse this happens just to embarass me all together. How rude.

To anticipate for it to happen and then to miss it by few minutes..

<http://img91.imageshack.us/img91/4749/aasdu.jpg>

However, I will not continue to trade. There will be more oppportunity for me tomorrow.

For those traders who are following eurUSD and have just arrived to witness the move. Please be cautious in adding positions and make sure there is momentum behind you.

And please dont forget the best optimum trading opportunity is when you have multiple success in a row when adding positions. 1 loss, 2 loss is definite sign to stop stacking until further new confirmation (preferably a new 1hr, 4hr candle)

Sincerely,

Graeme

- [Post 3,855](#)
- [Quote](#)
- Dec 23, 2010 8:28pm | Edited at 8:50pm



- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good morning, all

Woke up to see that it didnt require today for the price range of yesterday to be revisited.

That is a nasty spike indeed. Something that is not often seen till a nasty news release as NFP.

May I please request all readers to read this post as this will tie in everything we have done this week and the questions by midnight yesterday.

There are few traders who currently hold few thousand pip profit that has grown for the last few weeks but also hold unsettling large realized loss. For the traders that have produced their trade list through private messaging, there is a striking similarity in between them.

1. They are currently enjoying the nice floating profit because they have constantly traded in the market and hence fortunately caught the volatile movements. Well done

2. However it is this constant active trading that also brings in the unwanted large number of losses in a row

For those traders, look back at your trade list and notice that positions that are surviving till today is most often from same 1hr candle, 4hr candle or same day.

Adversely, they will see that groups of losses often happens in the same one sitting.

There is far more meaning than what this represents alone. For the sharp observant who can connect the above trading 'statistics' and the distribution of opportunity in the market, they will realize that there are good opportunities grouped together in a row and bad opportunities grouped in a row. There is also a mix of good and bad opportunities which is considered bad altogether.

If O denotes good opportunity/momentum and X denotes bad opportunity/range then a forex market can be translated and will look like this on a long thin tape.

OOXOXXOXOOXOOOXXXOOOOOOOOOOOOOOOOXOOOOOOXXOOOOOOXOXOXXOOOO
OOOOOOOOOOOOOOOOOOOOOXOXOOOOOOOOOOOOOO

If one is to highlight the same above series with segments of more than 5 O's, it will look like this

OOXOXXOXOOXOOOXXXOOOOOOOOOOOOOOOOXOOOOOOXXOOOOOOXOXOXXOO
OOOOOOOOOOOOOOOOOOOOOOOXOXOOOOOOOOOOOOOO

Coming back to the above trader who currently holds large unrealized profit but also holding large realized loss, you have been basically trading non-stop hence picked up all the bad parts of the beginning as realized loss and fortunately due to the traders persistence encountered the first set of prolonged 'O's.

If 'F' denotes a trader trading with full focus, the first part of the above tape will look like this:

OFFOFFXOXFXOXOFXOXOFFFOOXFXXOOF00000F000000X

This is the translation of what happened to the trader and why he/she has large realized loss but currently holding large unrealized profit. You have been more or less lucky that a) your capital sustained till you inevitably hit the first row of 'O' b) your persistence saved you c) it was more luck than anything else

For myself as I know the law of uneven distribution and knowing good spaced out trading in a constant frequency is the key. My trading will look more like this on the first segment of the long tape.

Dear Mr. Graeme, yesterday was also a hectic day for me. at around 11am [FxPro](#) time, I noticed several inside bars across multiple currency pairs. so I decided to send in probes if opportunities should arise, and also try to stack if possible. here is what happened:

USDJPY - 3 probes, all hit be
USDCHF - 3 probes, 2 be, 1 surviving
GBPJPY - 2 probes, all hit be
GBPUSD - 2 probes, all hit SL, lost \$2
EURUSD - 2 probes, 1 be, 1 SL, lost \$1
EURGBP - 2 probes, all hit SL, lost \$2
USDCAD - 1 probe, sl was hit, lost \$1

so all in al it wan` t a successful attempt. I lost \$6, and the only surviving probe is about \$3 in profit by now. by the time all my USDJPY position hit be, I lost heart and went to bed, exhausted as hell.

- [Post 3,857](#)
- [Quote](#)
- Dec 23, 2010 9:11pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting iPlayGames](#)

Dear Mr. Graeme, yesterday was also a hectic day for me. at around 11am FxPro time, I noticed several inside bars across multiple currency pairs. so I decided to send in probes if opportunities should arise, and also try to stack if possible. here is what happened:

USDJPY - 3 probes, all hit be
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GBPUSD - 2 probes, all hit SL, lost \$2
EURUSD - 2 probes, 1 be, 1 SL, lost \$1
EURGBP - 2 probes, all hit SL, lost \$2
USDCAD - 1 probe, sl was hit, lost \$1

so all in al it wan` t a successful...

Good attempt.

The only thing you require is to do the same approach when the market is favourable.

Yes, you will get exhausted when you try extracting blood out of stone. Conserve your focus for other needed times.

However, well done.

Sincerely,

Graeme

- [Post 3,875](#)
- [Quote](#)
- Dec 27, 2010 8:34am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good evening, all

Hope everyone is enjoying their festive celebration.

There is certainly alot more activity today than compared to monday of last week.

Currently, there is great selling pressure with good momentum on eurUSD, GBPUSD. Weekly retrace has been established and its poised to go down.

<http://img818.imageshack.us/img818/2443/68925156.jpg>

Great distances are covered with great momentum. Please dont forget this mantra.

If this momentum is prolonged and continues straight forward until end of the week and also closing below the support of 1.3080 then we are at the area where price will not come back (near the open of weekly candle)

We will never know until we anticipate and participate.

eurUSD daily

<http://img577.imageshack.us/img577/7831/26019001.jpg>

eurUSD weekly

<http://img213.imageshack.us/img213/589/48052160.jpg>

Looks good on paper. And this is our trading goal for this week for eurUSD. Now the market might not move to our anticipation but if it does it is our responsibility to make it into reality.

Apologies for not replying to any of the private messages as I am currently aborad on a vacation. Will answer them as soon as possible.

Sincerely,

Graeme

- [Post 3,876](#)
- [Quote](#)
- Dec 27, 2010 8:39am



[cameron1st](#)

Joined Aug 2010 | Status: lex parsimoniae | [230 Posts](#)

Dear Graeme,

Thank you for the time taken to write the message even though on vacation. It is certainly beneficial that we can check if our anticipation matches yours.

Enjoy the holiday,

Cam

[Post 3,877](#)

[Quote](#)

Dec 27, 2010 8:39am | Edited at 8:51am



[pipEASY](#)

Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

The usual cycle of my trading habits can be generalised in this sequence:

1. During weekend, best pairs are pre-selected
2. 2 hours before asian open on monday morning, I double confirm the weekend pre-selection are still holding value
3. I place 1 probe straight away for the weeks/months that opens and charges straight forward. This is do or die scenario but brings in excellent reward on the occasion.
4. I watch the retrace of the movement that goes against my hindsight and wait till it starts to lose power.
5. I will probe
6. I will continue to stack until the power of the intended direction dies down/weakens

Best type of weeks are small retraces that are less than 33% or maximum 50%

As long as the week's candle does close as per my hindsight I will definitely have a position or few on the wick.

Sincerely,

Graeme

[Post 3,882](#)

[Quote](#)

Dec 27, 2010 8:38pm



Good morning all

Thank you for the warm compliment alpiner.

Great analogy.

Personally I focus on position building so I do keep the whole picture of the movement on my mind.

Due to personal time restrictions, if you wish to observe 1 or 2 hours before london open and then to execute on the 1st hour, yes you can still build positions.

However, you will have:

1. Less number of entry opportunities as it needs to meet with the given time
2. Far greater period of no participation in the market

Not many people who trade 1 or 2 hours at london open will become a position trader as it takes far more persistence than usual. And this is not the case with most traders as they are in a rush to see profit.

Hope this helps.

Midnight - Thank you for the question. Im not sure if any of the readers remember in the earlier part of the thread where I show where I place price alerts during weekend. As a trader with extensive experience, there are certain scenarios where you personally prefer to happen in the market. Some traders have such list from the best to worse and then choose to trade the best only. I am similar however I tend to watch the few pairs and not one.

The pair that I focus most is a pair that had a bold weekly candle that has recently crossed over 5/10ema. This bold weekly candle is a bearish/bullish engulf or pennant breakout or simple resistance or support breakout.

The pair that I least focus is a pair that I already have extensive number of positios that struggled to reach any new highs or lows the previous week. There is no point to add positions into such pair until a new movement occurs.

Now, one of the previous post you asked about trading both side of the direction. You were wondering why, how. I think it is a good time to discuss such matter as the pair we are focusing on is at a level of uncertainty.

eurusd daily

<http://img832.imageshack.us/img832/9945/55328691.jpg>

This current up movement could be a short term (1 to 3 weeks) retrace or the start of new trend. Few

traders who are trading eurUSD with me currently for now, we will need to patiently wait it out as we are only trading one direction for this particular exercise. Probing only at the new highs where buyers seem to lose power.

For few traders who noticed the up movement from yesterday and think that this is the change of major trend. You could also be correct and im very pleased to see that your analysis has flexibility. **I hope for these traders they would realize why I participate on both side of the movement as the only cost of few probes could result in my participation from very early of the new trend which is at the best possible place to survive.**

For midnight and others, here is an important chart that could help you understand. For the last few years I have seen such cycle happen in a repeat. It is the flow of positions.

If this is a 'generalised' movement on a daily chart over the period of few weeks

<http://img3.imageshack.us/img3/5732/aa1xd.jpg>

I have found on many occasions that the position flow I have

<http://img413.imageshack.us/img413/151/bb1eu.jpg>

If you think about the above scenario very carefully. Over a given period of few weeks I am technically fully hedging my positions. However I am also strategically placing my interest to reap the 'inevitable' big move that will happen sooner or later by simply following the current movement happening.

<http://img443.imageshack.us/img443/7849/cc1j.jpg>

Does this really happen?

All the time.

eurUSD daily

<http://img834.imageshack.us/img834/725/ee1jd.jpg>

And this is happening to current eurUSD as well.

You can fit the above template to any pair over any given period of time.

My personal conceptual trading mindframe.

Sincerely,

Graeme

- [Post 3,891](#)
- [Quote](#)
- Dec 28, 2010 9:36pm



Good afternoon, all

Just a quick courtesy message for all.

Im still on vacation and will be returning home tomorrow.

In regards to all traders who are following eurUSD with myself.

Current weekly candle has a very long wick.

We all know what long wicks stand for. Wick is at the top meaning buyers losing power.

It is harder for price to gather strength again just to climb back up to previous high established on the same candle. This applies to any timeframe.

EurUSD, gbpUSD had a whopping down day yesterday.

GbpUSD broke the support and is better scenario than eurUSD.

EurUSD still lingering at 1.3080. Current bullish engulf on 4hr. Buyers are back in control however, tonight at UK/US session if price retest the support get ready to spend few probes under the anticipation 'that it will break that support.' For eurUSD traders, since we are only trading one pair and one direction for this exercise, we need to maintain a greater patience.

gbpUSD traders are at a better position as the monthly candle established retrace and now heading past down opening price of the month.

For the readers who are little confused at current progress, soon we will witness through the efforts of fellow traders at the very least few thousand pip growth. At the end of the exercise, I will request few traders to post their statement live if they dont mind for all readers to analyze their trading pattern.

Apologies I havent been able to answer any PMs.

Sincerely,

Graeme

P.S eurUSD, set your price alerts to 1.3090

P.P.S gbpUSD, once buyers lose control, probe and stack again

- Dec 28, 2010 9:36pm

- [iPlayGames](#)

- | Joined Feb 2006 | Status: Member | [110 Posts](#)

Hello Cameron, thank you for your help. I really appreciate it.

I've gained a few insights from last few days trading, I want to share them here.

1. probes gain pips almost instantly in favorable market conditions.
2. even in favorable market conditions, most probes die sooner or later in any one particular pair.
3. favorable market conditions happen across multiple currency pairs at around the same time.
4. it's better to stack across multiple currency pairs, instead of concentrating on any particular one. that is, when favorable market conditions occur, try to spread probes on as many currency pairs as possible, but only send one probe in for each currency pair, walk away when you've brought them to BE. do this again when the next favorable market condition occurs, preferably at least a day later.

this has so far been my experience with stacking. I wonder if anybody else would like to share their own experience trading Graeme's way. I personally would very much like to hear them.

- [Post 3,893](#)

- [Quote](#)

- Dec 29, 2010 12:43am



- [pipEASY](#)

- | Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

eurusd 1hr

Showing clear signs of buyers slowing down

Best time to probe

I see opportunity and it's getting warmer

All signs show DOWN on eurUSD, GBPUSD

<http://img264.imageshack.us/img264/3191/aa1n.jpg>

It could be the day we have been waiting for the last 2 weeks.

- [Post 3,899](#)

- [Quote](#)

- Dec 29, 2010 7:23pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, all

For the few traders who had positions from the previous day to watch most of them or all of them to be taken out at breakeven yesterday will undoubtedly feel uneasy.

Buyers are back in control and there is nothing we could do.

Hold on and keep faith in your monthly hindsight.

If it doesn't work it was not your fault.

There have been periods of 4 to 6 weeks in the past where a given pair was stuck in a range. We are currently in our 2nd week with eurUSD.

Write down your losses and hold on until the inevitable new move comes along.

The current up trend could be start of a new direction with eurUSD + gbpUSD. We just don't know however for now we are only participating as per our monthly hindsight.

Until eurUSD monthly hindsight changes direction as per our price interpretation we will hold on.

Holding onto your faith especially in trading is not easy and I know it very well.

Sincerely,

Graeme

• [Post 3,904](#)

• [Quote](#)

• Dec 30, 2010 8:06pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, all

eurUSD, gbpUSD is currently in buyers control

eurUSD had a clean 5/10ema crossover on daily

Today being the last day of december one has to look and analyse what december has become.

For the last 2 weeks we hoped that the eurUSD follow through what november did however it did not

work out.

At this point one has to assess what January will be like and it's uncertain for EURUSD. There is no clear indication on the monthly chart.

For the last 2 weeks and for the current exercise, we are only participating in one direction and one has to maintain a further patience.

For the traders who are following EURUSD, my suggestion would be to probe only at the new highs when buyers are stalling. Normally when I participate both directions I will probe both the new highs and new lows at stalls. However, please do not deviate from the initial plan and for now attend to one direction.

GBPUSD traders are in a better position than EURUSD.

This is a crucial phase of one's trading. Don't try to force a profit to catch up to your realized losses. Must keep level-headed and maintain your belief in inevitability.

In regards to probing, it is simply overtrading to be probing all night all day. A simple few probes at new highs and new lows is the best area. And if it doesn't work out, reset price alert and walk away.

Sincerely,

Graeme

- [Post 3,965](#)
- [Quote](#)
- Jan 8, 2011 9:00pm | Edited Jan 9, 2011 1:11am



- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good morning, all

Thank you for the continued interest.

It seems, finally after 2 weeks of waiting our EURUSD has finally made a move for us. And this is one of the inevitability of trading; the fact that the price **WILL** move sooner or later. Sometimes there are few weeks of range followed by few months of trend, sometimes there are few days of range followed by few weeks of trend. And the longer the stall the further the price will propel after it moves out. How simple is that? **This is the only fact you need to know and act upon.** Recently, I attended an exclusive seminar hosted by a renowned economist. It was a very expensive endeavour and I was looking forward to it. Although there was great detail in his work, it was more damage than help in most people's mind. You don't need to know every little thing about economy to be a profitable trader. Just a sound common sense is all that is required. Some of the items he presented was so high tech, I wondered how on earth traders before the computer era ever made profits..... I got up and left at that point.

Just before typing this message, I did go through the posts and the private messages I have kindly received. Thank you.

And there are few things which concerns me that I would like to address to all.

1. There are some traders who have been following eurUSD trade for the last 3 weeks only to have missed this week as their capital have bust out. One trader has over -1500 pips of losses from stacking since week of christmas. Im sure there are few readers who are guilty of this and nodding in silence. If this is you, then you need to a) pick better times to trade b) stack at better times **c) or learn not to press execute all the time.** From my personal statistics I have never and never will endure more than -300 pips on one given pair for one week.

2. There are some traders who have been following eurUSD trade for the last 3 weeks only to have missed this week because of fear. They suffered 2 weeks of loss and started questioning the whole theme behind the plan they have created. This worries me as there will be times in the market where there will be more than 4 weeks of range followed by few weeks of trend which they will miss out with the wrong mentality (and this applies to the trader 1 above). Furthermore, few have jumped ship onto another pair only to sink there as well. Thats the same as jumping around indicators or systems. Stick to your wife.

3. There are some traders who exited the trade during the week to cover their losses. Nothing wrong from doing that but if this week was the start of something huge, you have hindered your own chance of profiting greater. This trader is similar to the trader 2 above. It is part fear and uncertainty of ones self. If you continue to close out profitable trades to replenish your losses you are more or less chasing your own tail.

I believe that covers most scenarios happening behind the scene.

On a different subject, I would like to discuss everyones excitement. First of all, I greatly appreciate your appraisals and kind words. I read them and even though I dont publically acknowledge them (as to keep this thread as small as possible), I welcome your words in my mind.

EurUSD had a great week and everyone who were participating seems overjoyed with their new few hundred pip unrealized profit. Just what if this week was another range..? I bet the tone and the atmosphere of the latest posts in the thread would be different and at least one private message with the title 'please explain.' There is nothing wrong with passing the cheer and high-fives however please dont allow the market movement dictate your emotion. 300 pip moves intraweek does not merit a bottle of vintage Krug but a few hundred to few thousand pip in few weeks and months deserve just an approval nod and a smile.

Just what if this coming week goes against last week and becomes part of the same range?

There are some traders thinking like the above already. They have positions opened and they have experienced losses before or scenarios where they had great week only to have the next week come back and slap them backwards. It is these kind of thoughts that will ruin your chances in greater profiting as you will have anxiety attacks and heart palpitations at every miniscule tick movement against you. Hold your grounds and be a warrior. Win the battle and bring home the princess or die in battle honourably. Envision another great week and add positive influence into your thought process. Another week with less than 10% retrace would be swell.

Some wonder how I did with eurUSD this week and my plans to diversify. I currently hold 14 sell positions all moved to BE. Total unrealized profit is just under 2900 pips. This is **not** because I was super duper trader but I **remained true** to my monthly hindsight which is part of the universal price action interpretation (that I gained in 3x20 exercise). Since we started trading together since week of Christmas I currently have about -530 pips of realized loss to settle. As soon as Monday opens I will close last 3 or 4 legs to settle the losses and add very small profit into my capital (remember you can close more now to capture potentially smaller but guaranteed profit or close less to capture greater potential rewards). However, I might not close any after the first looks of the opening. Some weeks will have great burst from the open till end. Then I'm done but will probe at new highs of the week (normally I would probe both new highs and lows but for now I'm only taking one direction trades as everyone else)

My sincerest gratitude to all who have contributed to this thread in the last few days. Great analysis and I'm surprised to read them as they are so similar to my own thought process.

Special thank you to Tonkar for his statistics (post 3912). Great job and I request all readers to have another look in the pdf file. Even with static parameters, I'm not surprised to see a 1.66 profit factor and this itself is already a good result. I hope what you have discovered becomes a framework to your trading approach. And the framework would be that price might not move in a day or two but will move in a year. Pairs have more than 1000 pip average range in a given year so in another words **sometime in the given year it did trend**. In regards, to your stop loss and the results being better may not prove to be in the following year as you are correct about 12 months not being enough time to gather statistical data. Baccarat that has 8 decks in the shoe requires at least 50000 hands to confirm a hard statistical edge. And that's with finite variables within 8 decks of cards while as with the market there are infinite variables hence nothing can be confirmed but just continues to flow on and on into infinity and forever, just like space.

Quick word to iplaygames. What hornedgod has pointed out for your benefit is true. I knew a trader who earns 90K a year who decides to automatically deposit \$300 per week into his trading account. He places initial \$700 deposit and considers that mainly for margin and every week \$300 goes in. He is patiently waiting for a long trend to happen but knows that he has only 300 pips per week to spend on. First week, he loses 300 pips. That's \$300 from \$1000 he just lost which is already more than 30% realized loss.

Is trading causing him financial trouble?

No.

From return % he just inflicted -30% on his account!

Seemingly, but the trader is controlling his risk.

Control his risk?? Risking 30% of one's capital every week is risk itself Graeme!

The only risk is when trader goes above -300 pips he set for himself. In other words, risking more than he can 'afford' to lose.

And this trader kept adding \$300 every week and just letting his initial position run and added one more position few weeks later. Half a year later he cashed out 2500 pips on first position and 2200 pips on the 2nd position. A total of 4700 pips and he had about \$8000 saved up in his capital. Once he closed out the positions he had a grand total of \$12700 in his trading account which \$9000 was from his personal deposits. That's more than 25% annualised return when banks/stocks/property offer 5-15% per annum on average. And he was content at his small achievement and he built a great foundation from his experience. He still trades today but keeps his job as his main source of

income. Hope few readers learn something from this story.

For the future readers, this is what eurUSD looked like this week.

eurUSD 4hr

<http://img204.imageshack.us/img204/6651/84813351.jpg>

There were so many opportunities the whole week was flashing red in my eyes. Less than 33% retrace on 4hr candles everywhere. Something went horribly wrong if you made less than 100 pips this week. On any system or method for that matter.

Sincerely,

Graeme

- [Post 3,966](#)
- [Quote](#)
- Jan 8, 2011 9:30pm



• [cameron1st](#)

• Joined Aug 2010 | Status: *lex parsimoniae* | [230 Posts](#)

Hello Graeme,

Welcome and sorry that the seminar was different than the expectations, but on the positive side you had the chance to see something that would not work for you at that seminar (so -1 things to be bothered about) 😊 *like Edison, found 10000 ways that didn't work*

Thank you for the EURUSD analysis, I think everyone's watching it for next week as it's an even more critical week than the one that closed for the simple reason that it would show momentum continuation or... back to square one: probing.

Kindest Regards,

Cam

- [Post 3,967](#)
- [Quote](#)
- Jan 8, 2011 10:16pm



• [pipEASY](#)

• Joined Dec 2009 | Status: *crede quod habes, et habes* | [885 Posts](#)

[Quoting cameron1st](#)

Hello Graeme,

Welcome and sorry that the seminar was different than the expectations, but on the positive side you had the chance to see something that would not work for you at that seminar (so -1 things to be bothered about) 😊 *like Edison, found 10000 ways that didn't work*

Thank you for the EURUSD analysis, I think everyone's watching it for next week as it's an even more critical week than the one that closed for the simple reason that it would show momentum continuation or... back to square one: probing.

Kindest Regards,

Cam

Thank you for the compliments Cameron.

I just read your recent private message and well done.

Just letting you know and everyone else that today i will definitely find time to answer all the pms.

Sincerely,

Graeme

P.S Just going out for few hours.

- [Post 3,971](#)
- [Quote](#)
- Jan 9, 2011 4:33am



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

It is sunday evening here and soon I would be getting ready for sleep.

I have spent the afternoon answering all the private messages so please forward me your message if I accidentally missed them out.

There was great variance in the types of questions. Im happy to say that there has been big progress since start of this thread few months ago when most questions were about my exact entry method. How you enter is not important but when you enter.

And this is why alot of mechanical trading that has rigid fixed entry rules and exit rules grow your equity slower than most expectations. There are few mechanical trading methods that has proven profitable but only ever so slightly. 20% growth a year? Traders get excited that its similar to Warren Buffet. 20% growth on billions and billions is incredible but 20% return on \$20000 USD is \$4000. Not bad considering the return % but its not an amount we can live on. Professional mechanical traders have at the vert least few hundred thousands to trade.

We have chosen to become a bigger trader. We are discretionary traders with a touch of mechanical

rules. And the mechanical rules (price interpretation) just helps us with sorting out good from bad scenarios to trade. We aim three digit returns per year cause trading will be your main source of income in the years to come.

With discretionary trading comes few catches. Since there are no rigid trade rules, one has to overcome their own personal emotions first. Fear, greed, anxiety. This takes time and effort to overcome. This brings me to something that I wish to talk about in detail today. Time to stack. Many traders ask when is the best time to stack. The most simple answer is:

1. When the whole market is **buzzing** with movement. Tick data flying in furiously and all pairs are moving.
2. Your probe is alive and you continue to stack effortlessly until the first close of a position at a loss.

Point 1 is most important. The default view of my metatrader has eurUSD 4hr, gbpUSD 4hr, usdjpy 4hr, gbpjpy 4hr and in that order with the usual emas and indicators as shown in my charts. I know by quick glances at each pair that I know if market is actually buzzing with traders. We need traders to piggyback on.

Point 2. I mentioned it before many traders are still going past it. A trader continues to blindly stack in a state of greed. More risk does not mean more profit. Please say this 10 times with me. Because you risk more doesn't mean it will bring more. More positions doesn't necessarily mean more profit.

This is our first exercise and upon completion you will definitely know the different type of feelings you receive when there is compelling momentum and there is none or little (this should have been one of the lessons you would have picked up on with 3x20 exercise). Soon you will be homing into only those favourable moments because you know what they taste like. Like bee homing into a bloomed flower.

One of the things I regret to have posted in this thread is my live trades few weeks ago on 5min timeframe where I had 10 trades in the gap of 1 hour. Although there was nothing wrong at that instance as my personal experience indicated that I should be stacking aggressively many readers are trying very hard to place tens of positions in a day or a week.

If I may strongly suggest, for the current eurUSD exercise in which we are aiming for few thousand profit in the allowed time frame of few weeks, that just 2 positions in early is more than enough. Ofcourse this might not be the case in your thought process if you just spent -1600 pips in the last 3 weeks. Just aim for 2 positions and then one here and one there and then few more the following week. It is ironic for me to contradict myself as I have 14 positions this week but may I suggest everyone to take it slightly slower and aim between 2 to 4 positions in a given week. Don't forget there are plenty of chances the following week. There are more than 1 bold candle in a trend.

I have 14 positions and realized loss of -530 pips. That is more than acceptable while 19 positions with realized loss of -1800 pips (this is happening to one trader and I'm posting this with permission) is not going to work in the long run even if you have 4000+ pips of unrealized profit. **You will tire yourself out emotionally and sooner or later (and odds will catch up) when your hindsight stops working halfway there and retraces to BE you will literally tear your heart out (also one of the reasons that I trade both directions).**

My suggestion:

You would even lose less when the initial first position/probe survives and with the stop loss moved to breakeven, then blindly opening one more position 100 pips later setting the stop loss of the second position to the price you bought on the first position. This way you risk 1 position for the price of 2. Please use this instead if you have difficulty with stacking and time management. I have used this countless times and it works if the trend is valid or it will close out at loss if it retraces. If it does retrace 100 pips to close both positions out then it wasn't a trend in the first place so it doesn't matter. Please use this instead for those in trouble.

All the best wishes for this coming week. It will be an exciting week for the following eurUSD traders. Do not be disheartened to see your positions die at breakeven. However, be bold and loud if the direction continues on. Anticipate the best scenario which is less than 33% retrace or my favourite on eurUSD which is 10 pips. If it does retrace a classic 50%, make sure you are not intimidated to add on the price coming back down.

Hope to see great results this week.

Extra hours does not increase productivity. Please use price alerts to your cell phone and enjoy your life outside trading.

My thoughts are with everyone.

Sincerely,

Graeme

- [Post 3,975](#)
- [Quote](#)
- Jan 9, 2011 6:23am



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Bakuli - Thank you for the warm compliment, Lee. Also wishing you and your family a safe and healthy 2011 and the years to come.

Fana - Thank you for the interest. Unfortunately there is no preventive measure to avoid or lessen a fakeout in any system or method. However, you could have a mindset to give the market 1 unit as a loss but prepared to take 10 units back when its willing to. I personally have 1 or 2 attempts and if both fails then I leave. A valid flying buddha should not make any new highs or lows above or below the flying buddha setup. Flying buddha is still being traded by a colleague of mine who finds great success. Most Mondays are flying buddhas that will change direction of the Friday's movement. You will find good success at that point. I trade it quiet often.

Red-Dragon - Thank you for submitting your results. Fantastic.

From what I can see on your excel. It looks like you use 0.05 and 0.1 lot size. Very good and

sensible. Realized net profit @ \$459.04 and unrealized profit @ \$4127.89. You plan to close 4 out of 5 trades on monday and keep one. Good. First trade was taken on 11th November 2010 and about 80 trades in total. Great personal statistics.

It looks like we have ourselves the first thousand pip+ trader in our thread.

Please join me to congratulate red-dragon. There will be many readers dying to know how you trade only 2 hours per day. Hope you dont mind answering to their private messages.

I combed through some of your trades on the charts and I get the gist of how and when you might take the trades. It seems you took the information I provided and tailored to suit you better. Great job.

Well done!

Sincerely,

Graeme

P.S Good night everyone. Stay warm

In & Out...I delete my posts within 24 hours

- [Post 3,982](#)
- [Quote](#)
- Jan 9, 2011 6:03pm



- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Quoting VEEFX

Glad to see you back Graeme. Unfortunately, December wasn't a good month for me in regards to active market participation due to work and personal commitments. Feel bad to miss out on following your active market commentary these past few weeks on EU. Planning to devote myself back to this thread starting this week.

I would also like give a quick update on my current performance of trades I shared in this post <http://www.forexfactory.com/showpost...postcount=3849>

All my brief trades in late november/early december have...

Good morning, all

Thank you for the continued interest.

Superb results. I read your post twice and it sounds like you have definitely gained new insights and experience over the last few months. Well done and I encourage you on forward.

It was wrong of me to assume there was no 1000+ pip traders amongst us. Words cant express how content I feel to see your results. I sincerely hope this is start of a strong foundation for everyone.

Stay defensive in the early stage of the week.

Use 1 probe early and if it fails, use another probe at new highs where there is stall.

Anticipate the best scenario.

The usual general cycle of actions that we perform on a constant frequency.

Looking forward to more results this week.

Im heading out to airport this morning. I will read your inputs throughout the week but I might not be able to answer. However, I will answer them all when I return.

And please use price alerts by VPS server or mobile4x.com.

Learn how not to stare at the charts

Sincerely,

Graeme

P.S Decided not to close eurUSD positions. No special reason except for the fact that the size of my losses are currently insignificant to the greater goal I intend achieve.

- [Post 4,029](#)
- [Quote](#)
- Jan 15, 2011 10:06pm | Edited at 11:24pm



• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good afternoon, all

Thank you for your inputs.

I have read all your posts since my last entry.

I can definitely notice the difference in tone compared to last weekend. No one is passing the cheer anymore and there is a whiff of negativity (most likely derived from frustration) in the air.

Ofcourse it is disturbing to see your positions that were 200, 300+ pips erode away into nothing. The fact that such matter still disturbs a trader shows that they are still on the early levels of emotional hurdle.

A trader could have closed all his sell positions at the opening of the week to bank few hundred pips but watch the price move further down this week; you would feel the exact same feelings as now.

Ladies/Gents, you are letting the market effect your emotion. There is no need to get upset to

something we have no control. We all participated accordingly and stayed true to our intentions. And that itself will bring profitability eventually. Market represents infinite space and time that is ever expanding.

This week was more or less this on the infinite timescale:

eurusd weekly

<http://img560.imageshack.us/img560/1...01113721pm.jpg>

Are you going to tell me that you will never encounter these in your continuous trading career?:

eurusd weekly

<http://img716.imageshack.us/img716/1...01113721pm.jpg>

This week represents a tiny tiny tiny speck of the whole picture. Just like the size of our earth is insignificant compared to rest of the universe. Insignificant.

Ofcourse this week meant the whole world to a trader if:

1. Spend -1800 pips realized loss to gain 4400 pips unrealized profit then to lose it all
2. Spent hours and hours staring at the chart throughout the whole week
3. In a rush to create profit

As mentioned in the P.S of my last post, I did not close any positions. Hence, I too am sitting on just below -600 pips realized loss. Should I change my strategy now? Should I question my whole belief?

But then again what is my belief?

My belief is that, sooner or later, I will catch those inevitable mega rides as long as I continuously attempt in a constant frequency. My attempts are regulated by my price action interpretation which is also applied universally on all aspects of my trading decisions.

And thats it. My whole trading belief/system/method/ideology/philosophy rolled into 2 sentences that I know has proven profitable against the test of time **because** it is not based on swanky-super-duper indicator or ea but common logical sense. The same common logical sense that makes the world go around, help us fall in love, find success in business and we all have it on an intuitive level.

Continuing on..

- [Post 4,030](#)
- [Quote](#)
- Jan 15, 2011 10:17pm



• [pipEASY](#)

For those traders who just spent half of the week glued to their trading platform, please refer to below eurUSD 4hr chart.

eurUSD 4hr

<http://img171.imageshack.us/img171/9...01115743pm.jpg>

For example:

<http://img233.imageshack.us/img233/4952/60423116.jpg>

<http://img337.imageshack.us/img337/3784/67982590.jpg>

<http://img109.imageshack.us/img109/8956/93141282.jpg>

Please learn how 'not' to trade all the time

So what do we do from now on?

<http://img87.imageshack.us/img87/761...01120908pm.jpg>

We continue what we started and it seems this exercise is going to take few weeks to finish. This is because we started in a pair that is ranging so we just have to ride it out.

From the looks of the monthly candle, the control is still with the sellers as price did not close over the open price of previous down candle. However, there have been numerous attempts from the sellers to push it down which were all met with same resistance from buyers. I doubt there is any selling power left until a critical news release. In my personal analysis eurUSD is now currently a no trading pair for myself. One of the reasons why I trade multiple pairs as I would have to sit it out for a prolonged periods of time.

Having said that, there is a good chance that the up movement will continue on which means everyone including myself that are participating in this exercise to sit it out since we are only taking one direction for this exercise. We need to patiently wait until clear reasons (as per our price action interpretation) to change our monthly hindsight to UP. Also another reason why I trade both directions since one direction could have me sit out for a prolonged periods of time again.

Hope you can see the benefits of trading multiple pairs and both directions.

I have been standing on the sideline watching the emotions unfold amongst the traders who have been private messaging me and on the thread. I urge you to stay strong and be a warrior.

Sincerely,

Graeme

P.S I will start answering all the private messages this afternoon.

- [Post 4,033](#)
- [Quote](#)
- Jan 15, 2011 11:44pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting TradeStar](#)

Dear Graeme,

May I ask a dumb question:

What do we mean my constant frequency and spaced out?

Does constant frequency mean every four hour? Or this frequency refers to something else altogether?

BTW, your above two posts are top class. You are one super communicator!!

Grateful as always for your unselfish contribution.

Regards,
TradeStar

Apologies to address you on the same post but thank you, Quitepips for the warm compliments. I encourage you on and please feel free to ask any questions.

Tradestar - It is a great question. Constant frequency is basically a set of action that you perform on a constant 'manner' over a given period of time.

In other words, no one needs to watch one pair fluctuate any more than necessary. The only times to watch is when there is a stall and you would start probing towards the intended direction. The rest is ignored. For my examples I have used 4hr charts and this is what I use mainly for the purpose of probing. I look for stalls of more than 2 candles that are preferably less than 50 pip range. Why? Because it will breakout sooner or later from that tight wedge, **IT IS INEVITABLE**. If a candle represents 4hrs of time then a preferred stall in my vision is minimum 8 hours. That is enough time for me to catch a glimpse of it when it does happen. And once I know that some pair is going through a stall I will watch and follow the flow of its breakout. Simple, logical, and **common sense**. To do this you will need to use price alert to your cell phone. Please use VPS server. These days I find mobile4x sms alerts useless as there are 2 or 3 hour lags. Alerts from your VPS server is instantaneous with less than 5 seconds of lag.

The reason I have mentioned the above is that there are traders spending countless hours in front of the computer screen when in trading increased productivity does not increase profitability.

I encourage everyone to learn not to stare at the charts and even a glimpse every 8 hours is suffice. If you missed a good move while you were away, always remember that what you thought you have missed is only a tiny tiny tiny tiny speck compared to the greater picture of the market. In other words, there will be always more.

Sincerely,

Graeme

- [Post 4,288](#)
- [Quote](#)
- Feb 17, 2011 4:45am



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good afternoon, all

Thank you for the continued interest and a very special thank you to the contributors.

It is amazing to read the evolution of thoughts and ideas. I was silently cheerleading behind the scene and my thoughts were with each one of our readers on a personal level.

Apologies for my delayed absence however, a gap of time was required to see just how far and quickly the evolving thoughts and ideas start to self-deprecate our initial intentions.

Perhaps this post will be just another similar reading and what one reader might consider a typical 'graeme' post. But I implore you that this post is more than a confirmation or an re-iteration.

Im addressing this post to everyone, whether they choose to trade my way or another way, it doesnt matter, as the successful trading is derived from a sound approach. And this sound approach is universal and generic trait of any 'successful/professional' trader.

And this is why Im here. Im willing to show and guide anyone who is genuinely interested in 'an approach' that is generic to successful trading in any type of arena. Method dont make you the money but your logical and sound reasoning.

I truly believe that a successful trading approach is **universal** that can be applied to any 'instrument of investment' to reap profit vs time. Having said that I can also say, if it can be applied to any instrument of investment, then it can also be applied universally across all manners of personal interpretation whether it is technical or fundamental. If you can trade forex successfully you will manage to adapt and create profit in commodities, futures contract, real estate, shares, bonds, options, or anything that can be bartered with a difference in time vs price. There may be small negligible pre-requisite knowledge between the different fields however **essentially** you are trading; buying something cheap and anticipating to sell it later on for more.

Having said the above (which is very important), let me ask you, what specific method/system you currently have that can be universally applied to any field of investment?

You must stop looking for something that just works on forex because there is no such thing. Forex is just like any other market where passing time shows the difference in price or value.

Stepping little bit sideways, may I ask, 'What is important in life?' Victoria secret's model as girlfriend? Lavish penthouse? Staple of exotic cars? Perhaps a fledging business? All this is important however the most important things/elements in life is nothing more than the air we

breathe, the love we receive from our parents, the love we give to our family and a healthy body and mind. **This is the 'approach' of a successful life.**

Im not here to show you how to get a ferrari or a penthouse as that is **just** a reward at the end of a successful trading career, but Im here to enlighten all readers that the ultimate goal in trading is something far more basic like the above necessities for a fulfilling life.

Now philosophy aside, let me get down to the specific things in trading that is considered to be an 'universal' necessity in 'successful' trading career.

1. Timing
2. Constant application in a constant frequency; consistency, perserverance
3. Belief in ones ability
4. Staying humble in your pursuit

If these 4 points are the necessities for a successful trading career, and they are the skeletal frame then let us add muscle and blood.

1. Timing - No one needs to be trading one particular pair everyday, every hour. There is absolute no need for it. Even if your an intraday trader you dont trade everyday. There is no golden opportunity everyday of the week! Even though I have preached all this time about being flexible in trading (and I still do), I find that few of the traders are all over the place and trading everything that moves. Perhaps if I suggest a **very basic guideline** by saying choose one of the following:

1. Trading with 200ema on weekly chart
2. Trading with 200ema on daily chart
3. Trading with 5/10 ema on weekly chart
4. Trading with 5/10 ema on daily chart
5. Trading buy if price closed above open price of previous down candle or trading sell if price closed below open price of previous up candle - on weekly/daily chart
6. Trading with breakouts consisting of at least 4 candles in daily or weekly; pennants, range

All this is nothing new and we have discussed each one of them in great detail but choose one. One. I take trades from the guidance of 'all the above' however I know how to control my participation just right and also know setups currently happening is either useful or useless at a glance. Choose one timing criteria and you will still be busy as there are many pairs in forex.

What I think this will do is that it will relieve much of the stress traders are currently experiencing. I notice that many traders are jumping all over the place, timeframes, criterias. I strongly suggest you choose one. This will save you alot of time and stress so you can spend more time outside trading.

2. Constant frequency - This flows on from the above. Choose one criteria, adhere and remain loyal to its guidance and only participate when your guidance tells you to do so. Send scouts and prod 'when' your guidance tells you to do so. If the scout or prod dies then stop and observe. Your second attempt should have a much stronger feeling and reasons for you to participate. **Taking less trades for more profit is critical.** **No need to spend hours and large chunks of your capital in one sitting.** You are over doing things and rushing to create profit. Try once, if it doesnt work get up leave. Life is so much more than trading.

3. Believe in yourself - Once you have chosen your criteria, marry it. Dont have an affair and get caught with your pants down. Even with just one criteria you will be busy with ample opportunities

popping up here and there across the board. You must believe in your criteria, you must know your criteria and vouch for it with your life. You need to know even the smallest details like:

If you have chosen criteria number 1: Trading with 200ema on weekly chart. If this is your wife than you need to know every little thing about her. Do your homework and gather your statistics, like:

1. Since year xxxx, 200ema was breached xx times and bounced xx times
2. Average range in pips of a breach; how far does it travel before a head-shoulder pattern or 50% retrace from the breach or any criteria you choose for the underlined
3. The biggest move in the last xx years after breach or bounce
4. The shortest move in the last xx years after breach or bounce
5. The average pips from 3 and 4; so now you know the average
6. How many breaches in the last xx years?
7. How many bounces in the last xx years?

All these stats will give you a very detailed statistical analysis of your chosen wife. Once you have this detail you can map out your specific battleplan like; exiting strategy, entering strategy, holding strategy. And the above statistics wont change dramatically in a day, a week or a month or even a year since you are backtracking years worth. However it will still evolve but very slowly and can be easily adapt to its changes (if it happens). Some statistics hold true after few decades and the variance in the numbers will ultimately plateau out.

4. Staying humble in your pursuit - We all hate our day jobs. We have big dreams however the reality is different. Once you try to rush to your freedom you will never find it, ironically, you will find freedom when you dont pursue it. Profitable progress in trading should look negligible but it is this slight negligibility that grows into inevitability. Dont rush and dont aim for your ferrari..yet.

Here is something for everyone to think about:

Eurusd assignment we are currently on, which started on the week of christmas. What can you tell me about the current looks?

<http://img718.imageshack.us/img718/7...01184148pm.jpg>

Which criteria does the current eurUSD monthly agree with?

The answer: More than 1. There is no clear indication as to what is going to happen. My verdict? Few short, small prods here and there but for now eurUSD is definitely 'not' on my important list of trading pairs. Would everyone agree? We need perserverance as we need to continue watching and adapt to its changes.

Thank you all for the PMs and I will go through them in the next 1-2 days to answer them all. If you have any questions please send them to me now so I can finish them off in this batch.

Sincerely,

Graeme

Thank you again for all your support.

- [Post 4,300](#)
- [Quote](#)
- Feb 20, 2011 8:24am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

Thank you for the continued interest.

Unfortunately Im still going through the private messages and I will reply to all of them.

I still have fair number of PMs to answer so I apologize for the delay. Please send me your questions if you have any as I plan to finalize them by tomorrow at the latest.

I also plan to come back and answer each post in this thread after my latest post few days ago.

The day has taken its toll for myself and I will go rest for now so I apologize to few traders who are currently online and awaiting my pms.

Sincerely,

Graeme

- [Post 4,303](#)
- [Quote](#)
- Feb 20, 2011 7:49pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, all

Im just finishing off the remaining PMs this morning. I replied to the below PM but I thought it would be better to post my reply in the thread as well so it may clear any confusion for other readers as well.

Originally Posted by xxxx

Dear Graeme,

I do have one quick question, if you'd be so kind. Pasting your statement:

"6. Trading with breakouts consisting of at least 4 candles in daily or weekly; pennants, range"

Does this imply that you require 4 candles after a breakout to confirm in your mind that the BO is genuine, and not some sort of head fake? Or perhaps, do you mean 4 candles will be involved in the momentum phase prior to the BO occurring? I'm not clear on this idea.

Wishing you and yours all the best ...

Kindest regards,

XXXX

Dear xxxxx

Thank you for the message and apologies for the delayed response as I was away from forum activities for the last few weeks.

Great question and I must admit I could have phrased point 6 better.

It may be unnecessary or already known to yourself but what happens when you shake a coke bottle. A few shakes may not lead to anything exciting when the cap is opened however an extended amount of shakes almost always leads to an embarrassing aftermath for the receiver of the prank.

This applies not just to coke bottle (whereas the contents of the bottle also influences the outburst from opening) but in nature, any constriction of a normal flow will consequently lead to an increasing pressure against the constriction whereas the constriction either gives way to a stronger than normal flow of outburst from its static state or the constriction must find other means to strengthen against the growing pressure. I believe this is engineering 101.

The above principal is exactly applied to the 'science' of trading as well. The longer the price is stalled with opening and closing price very close or same to the previous days (if considering analysis on daily chart) the pressure is growing around this constriction. One can say that the pressure is more or less **the interest of the other traders** and this is very important to understand. Personal views of traders vary vastly amongst the multitude means of personal interpretation however there is a point in time when the thoughts of the mass are focused at a similar point of context which is always at the point of constriction; stall.

The aftermath of coke bottle exploding is similar to the breakout following a prolonged stall. More shakes consequently leads to a greater implosion whereas greater the length of time the price stalls the more strength (interest) it garnishes hence a prolonged state of travel (movement) on its breakout.

This itself is a well known and much traded approach. People have coined this as breakout strategy but do they know why breakouts are so effective? Quiet simply, breakouts are effective **because** of the bottled pressure. Force moving out of bottled pressure is the **inevitable** science of trading.

Breakout is my bread and butter.

Coming back to your question, a prolonged stall followed by a breakout is almost always much longer than the stall itself. One of the phenomena of trading which has no scientific and

mathematical reasoning however shows the psychological workings of the traders behind the scene. A proper volatile breakouts are easily noticed and therefore only a few correct prods or placements will inevitably capture the outburst/aftermath of the later however some breakouts may have a good short burst and then stall again or reverse. That is not a proper breakout however it is reassuring to know that this failed breakout **becomes yet another notch in the increasing pressure of the same stall** which will sooner or later implode far greater.

Stalls on weekly and monthly are my favourites. There are plenty of time for me to think and prod here and there and the ensuing torrent will always lead to a large range of pips and time for myself to zoom in and start picking off profits here and there whilst the torrent is still in play.

Hence, the golden trick to an effective stall/breakout is...?

The pre-longed amount of time required for a stall to build pressure (gather attention of other traders) ensuing a far greater movement at its point of breakout. Which is why I always prefer at least 4 candles to consider something a good stall but the more candles the better.

Apologies for the length of the message, but if one asks me, whats first chicken or egg? I would say it stalled first and what happened after is just evolution.

Sincerely,

Graeme

- [Post 4,306](#)
- [Quote](#)
- Feb 20, 2011 9:48pm | Edited at 10:01pm

•  [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good afternoon, all

I have just finished all the PMs, thank you for your patience.

Thank you all for the kind words and also wishing everyone a successful trading career.

Adowland/alex - thank you for your kind words. Please feel to ask me any questions

Nomask - for the immense and valuable contribution to the thread

Red-dragon - I like the recent eurUSD charts you have posted. How you purposefully draw trendlines to squeeze the price into a pennant. Good work.

Maaj - thank you for the warm remarks. Greatly appreciated.

Veefx - in regards to your question. Very good question and I apologize for addressing you in one post but most of us know why I do. It seems that I am also helping to answer sjb944 as well.

Veefx and sjb944, when you place your interest/positions on the battlefield as per your hindsight of the week and they survive for you. The following week they are nothing to you apart from the fact that they belong to you. Since SL is moved to BE their fate is not determined by your trading decisions however the movement of the market in store.

Having said that, this is one of the reason why I trade both directions because you will either 1. sit out for very long periods of time only choosing one direction or 2. continue to blindly trade against what is happening now because you are still being influenced from the performance week before.

Point 2 is deadly to a trader cause this proves how rigid they can be and rigidity in trading kills.

It seems like the eurUSD exercise from christmas is slowly getting diluted in a sense however this is a good sign as traders are now slowly coming to understand the importance of trading both directions because....

we do not know which direction the price will goto.

In regards to your eurUSD, below is what happens when you trade both directions:

<http://img23.imageshack.us/img23/2183/33490286.jpg>

<http://img217.imageshack.us/img217/2364/79615591.jpg>

<http://img190.imageshack.us/img190/6560/28976853.jpg>

<http://img832.imageshack.us/img832/6522/75929354.jpg>

<http://img406.imageshack.us/img406/1093/44661589.jpg>

Veefx, sjb944 the above charts will answer your thoughts and more. And it is the more that I am aiming to get across to you and everyone. **I dont aim for profit daily basis however an occasional large reward so big enough that it will be more than enough to cover the time and expense required for the next equivalent reward.**

Peirce - Interesting. I understand what you are trying to say and I could trade profitably without the emas on the charts or without any charts for that matter. However, one needs a point of context for easier reference. But I understand

what you are saying. Thank you

Veefx - Martingale is the process of doubling up your losses and continuing to do so, anticipating the eventual winning occurrence to happen next. Martingale or any part of its working is absolutely not my trading approach nor should it be on any traders agenda.

It is true that I extend my profit taking opportunity by adding more positions whilst the opportunity is **favouring myself** which is different to adding more positions cause Im at a loss. Some people might refer my method to be anti-martingale however I consider it as just taking advantage of a given good opportunity. **Why take 1 when I could take 5. Why give 10 when I can get away by giving only 2.** Hope this helps.

Cameron and all others - Thank you for your undying support.

Thank you all for your patience.

Kindest Regards,

Graeme

- [Post 4,308](#)
- [Quote](#)
- Feb 20, 2011 10:49pm



- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting Sjb944](#)

Thanks Graeme, this does provide clarity. I am reminded of your intra day exercise -- where you used the 5/10ema on the 4hr TF to buy and sell, only here the scale is larger.

That said, lets take your buy position in your above example. I can understand the sell position based on the weekly TF, however the buy position is taken before the weekly up bold candle signalling a reversal. So what TF are we looking at here for our hindsight -- still the weekly, say more than a 50% retrace of the down candle, thus anticipating at a reversal? (or...

Good question.

It doesnt necessarily have to be that particular week.

It could have been the week after the price closed above the open price of previous down candle.

However, what happens first?

Monthly/weekly hindsight happens first followed by a ripple into the lower timeframe or the opposite? I would say both happens.

It is perfectly safe to wait for a confirmation on the higher timeframe first however you could use a very small prod on the lower timeframe meanwhile the confirmation is forming.

If there is a good setup on the lower timeframe that you know very well that has great potential vs risk which you happen to notice during that week, ofcourse a trader would take it as a 2000 pip trend can begin on a 1min tf or a 1 month tf.

Nothing wrong to set yourself to adhere to buy only when price closes above previous open price of down candle as a good movement ensuing will still have plenty more opportunity in store.

The main aim of my detailed explanation before is to show how traders can place their interest on both side of the direction capturing the eventual bigger movement of the future. And not to hold any biased sentiments on one side of the direction because they have interest in play.

Sincerely,

Graeme

- [Post 4,378](#)
- [Quote](#)
- Apr 29, 2011 8:06am Edited at 8:43am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good evening, all

Thank you for the continued interest and the private messages. I will get around in the next few days to reply to all of them.

Preparation for the book is truly on its way to keep the schedule as promised.

For those who have read the last few pages of this thread, I have started trading eur/usd with many of the traders since the week just before Christmas 2010.

It is now almost 5 months and it interests me to see the outcome.

Just by following a very very simple rule,

"buy when price closes above the open price of previous down candle"

"sell when price closes below the open price of previous up candle"

Keeping this rule (which have been preached many many times in this thread) the project started in dec 2010 when eur/usd was clearly DOWN trend. Please see below chart.

eur/usd weekly

<http://img838.imageshack.us/img838/4338/34114589.jpg>

Hence, the first week into the project has been profitable for all the traders following. Cheers was

passed around and messages of gratitude overflowed my inbox.

What was interesting happened immediately thereafter.

eur/usd weekly

<http://img849.imageshack.us/img849/8661/45093090.jpg>

A huge UP movement followed the week after closing all traders positions. I watched the reaction of participating traders and was disheartened to see that such 'surprise' swayed many of the traders.

Anguish, disbelief, stress.

After all that was explained by myself over the many many posts I still witnessed the lack of self-belief amongst the many.

However, for the rare few traders who did adhere to the plan by sticking to the aforementioned rule is now witnessing what they planned to witness at the start of the project.

eur/usd weekly

<http://img845.imageshack.us/img845/4599/98146702.jpg>

The clear up movement is self-explanatory and evident in the weekly chart. It has now moved almost 2000 pips.

Now the question for me to ask everyone is..

Are you still in the game.?

If not, you failed, but most importantly, **I have failed to pass on my knowledge to something very simple and easy.**

Keeping the aforementioned rule only..

There has been copius number of low-risk entries in the last 3 months by adhering to the same rule in any timeframe.

Today, I want to mention a special trader who lost over 3000 pips in the first 2 weeks into this project only to now reap over 18 positions at more than 12000 unrealized pips into profit. This trader has already closed few of his trades to settle his -3000 pip loss before and few miscellaneous losses thereafter. All debt has been cleared and he is now looking at free pips in his perspective.

He is now looking at adding almost 20% into his trading account and plans to trade more pairs with the same approach.

In a nutshell, he placed trades on 1hr and 4hr charts only. He takes the direction from weekly chart using the same rule. Zooms into lower timeframe and waits until price closes above the open price of previous down candle and opens a trade with no stop loss.

He checks back in few hours and only closes the position out if price closes below the open price of

previous up candle. He claims to have lost a further 1500 pip in the process of building his current positions but once he saw the potential of his trading approach it didnt bother him as he knew he will be able to settle his losses. Well, the total debt has now been settled.

There are no hidden secrets or lost art of pip extraction.

You do not need an uber intelligence or a set of high tech indicators/experts. **Dont forget there has been profitable traders before the age of computers.** Take a moment to think about how they might have traded.

Dont fret over placing the perfect stop loss or take profit as you will never ever be skillful enough to forecast the movement of price. **What you thought to have predicted is just random luck shining at you for once.**

What you can upskill is patience and perserverance.

Think logically.

LOGICALLY.

Here it is again:

To trade profitably:

You **only** need.:

1. Direction of the higher timeframe.

To determine direction, you can use ema crossover or aforementioned rule or 200ema. Direction is just UP or DOWN to give you a hindsight. Setting the profit taking grounds.

2. Low risk entry at a lower timeframe.

You can use aforementioned rule, ema crossover, rsi. Whatever indicator or method you use, the secret to using indicator is that **YOU ARE INTERESTED IN WHAT THE OTHER MASS TRADERS ARE LOOKING AT.** You are NOT using indicators so that the indicators tells you when to trade. You are looking at indicators to **SEE** what the other mass traders are looking at. Most of the time (<90%) mass traders will have different thoughts and views of the current movement.

In that rare 10% of the time, mass traders will arrive at an unified decision in terms of direction. This will always lead to a compelling momentum. Dont forget this.

Taking trades on the lower timeframe but aiming at profits of the higher timeframe **itself** encodes excellent R:R into your trading approach. That is it for R:R.

3. The patience and the belief to hold on.

If the market is prepared to move 2000 pips for you and you take profit at 200 and pop open a bottle of Krug is very sad. What is worse is that traders are fixated at 200 pip take profits and not the 2000 pip movement **itself... and never to realize what they are doing wrong....**

Every pair in forex moves thousands of pips in a given year.

And yet, most traders are fixated in finding the next 20 to 40 pip profit.

Why is that....?

Aiming at 20 to 40 pip is almost luck.

Taking huge chunks out of the larger movement of the year is professional.

Whats important to note is that taking large chunks out of main movement of the year is **logical and sensible.**

Preparing to lose 1 to win back 10.

My thoughts and wishes are with everyone.

Sincerely,

Graeme

- [Post 4,392](#)

- [Quote](#)

- May 1, 2011 7:38am | Edited at 7:58am

-  [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good evening, all

Thank you for the compliments. I read all the corresponding posts and acknowledge your kind remarks with gratitude.

There are some readers whom have been following this thread since inception last june 2010. Thank you for the continued interest and support and hope that my contributions have provided a positive insight into your trading career.

I have befriended many fellow traders and it is a honour to be accepted as a friend and a mentor to some. There are some readers who have moved on to other methods and systems and if they happen to read this post, all I ask them is to think logically about the methods they intend to use. Methods can be differnet in its form however successful trading approach is similar between any successful traders.

It is true that my teaching/showing here is somewhat complete in a sense that I have covered almost every aspect of my personal trading approach. Having said that, there is nothing new to a successful trading approach. I too was a learner sitting where you currently sit, perhaps with different

circumstances and agenda, however the same ultimate goal.

If someone was to ask me what was the most important element in my trading that boosted me from non-profitable to profitable, I would answer without hesitation that it would be the impact of my life experiences outside trading.

Whilst it may seem that trading and just living ones life is of two different context, it is definitely interlinked. Life happenings and its outcome impacts ones psyche, potentially strengthening ones capacity to become wiser at each downfall we experience in life.

Age plays an important role in your trading career or any business ventures. Having said that, there are things that cannot be comprehended at a young age.

I have received many many excellent questions. There are no such thing as a bad question and I try to reply when time permits.

However, there are some who are not thinking logically. With that particular mindset I fear that there might not be a true lightbulb moment. But I do know that the continuous effort will soon broaden ones perspective.

I apologize for the length of this post but I believe this post answers to almost all the questions received in my inbox.

If you value a honest opinion from myself, trading is not a means to escape.

Also, it can never be calculated. You need to go with the flow/direction.

I sincerely believe that taking short-term profits here and there will never grow your account to its full potential. Infact you will be lucky to have increased your account when you view your statement 3 months later.

However, there are some successful scalpers and their success is based on interpreting the 'momentum' of price. They wait for moments when all the mass traders arrive at a unified decision in direction and capture the ensuing compelling momentum. And before the momentum dies they will exit their position, taking profit.

In this forum such scalper/short term trader is Greg Wilson, please click into my profile as I have vouched the gentleman and please have a look into his **current gbp/jpy thread** which has been running for the last few years. His pictures are worth in gold and his trading ability is unmatched. Snapshots of his profits, despite what few people say, is from [FXCM](#) client mangement (I would know as I also use FXCM) and not from mt4, this is LIVE account. For anyone who is interested in short-term profit and profit by end of the week, please follow his guidance. Strongly recommended.

If I were to suggest any tips for this type of trading: Trade just the 3rd 4 hour candle everyday (for myself this is usually london open, during summer time or 1 hour before london open) on high impact pairs (that has the potential to move greatly in short amounts of time); eur/usd, gbp/usd, gbp/jpy. It does not matter as long as the 3rd 4 hour candle is close to europe/london open.

Statistically at least one out of 5 weekdays in a given week will move greatly on the 3rd 4 hour candle. For this to work, you need to ascertain the potential direction of the movement and trade when you believe it is a low-risk high potential; usually a 4 hour candle with a very short retrace,

less than 33% will be your goal. You must be able and upskilled enough to interpret 1hour, 4hour, daily, weekly chart simultaneously and understanding each individual chart whilst condensing all the information from the 4 charts into a single understanding. Your aim would be to capture the full move and preferably prepare to leave it open for a day or two if momentum continues on. Experiment with opening 2 positions with 1 taking profit earlier and 1 for the ride. This will smooth out your equity curve.

For those who wants to see larger profits but not the means to hold onto them; swing traders. There is one main question you need to ask as a swing trader when you open the charts on Monday.

1. Will this weeks weekly candle be a bold up or bold down and will it continue in the direction of the following weeks.

Keeping the answer to the above as your main direction, you are aiming to place a position early in the week and see that it survives till end of the week (which is the best type of weeks; opens and moves straight forward). Most often it wont, then prepare to take swing low or swing high within the week (watch 4 hour chart) towards the main direction. Once again it is to your benefit to let the position grow a week or two before cashing out. If your position was inserted and the week ends up as a bold candle towards your direction, keep it open the following week as the momentum will most often continue on. Anticipate the best scenario whilst keeping your risk minimum. Make your anticipation into reality.

The above is better on monthly charts. Ascertain the main direction first and then enter early in the month. If that fails, enter swing low or swing high of the month and let it ride the full month. If the month ends up as a bold candle, closes above/below open price of previous down/up candle, EMA crosses over, if any of these happens then the more reasons to hold onto them.

Position trading. It will be inevitable transition for any successful trader. Raising lot size to make more profit can lead to destruction of ones account. It also plants greed and fear into ones trading. Raising lot size will eventually happen when the time is right. If I were to place a numeric rule, I would say, your current trading account should have x3000 your lot size. If you are \$1 per pip, I say start with \$3000 and the means to re-fund your account twice more if necessary. There is something horribly wrong if your first \$3000 account blows out and one should stop trading at that point and review. The extra 2 lots of \$3000 is more of a psychological backup. It is not necessary but trading with your last \$3000 is a burden.

Stacking. One of the most asked questions and I understand why. Stacking is adding more positions into your current standing, anticipating the current direction to continue on whilst your interest is now potentially worth more. **Stacking is an extremely important tool for myself. It makes a 2000 pip 3 month move into 20000 pip or even more for the same move.** However, it can be disastrous to the amateur traders who believe they are stacking successfully but border-line gambling. Each newly added position must be treated as your very first position, which means that you need a whole new set of reasons as to why you are entering (again). Just to leverage your profit is not a reason to.

Last 30-40 pages of this thread was dedicated to 5min trading however 5min trading is definitely out of reach for most traders. You will need an upskilled interpretation of momentum + the ability to reason on the fly whilst taking guidance of multiple timeframes, indicators + the ability to know that it is not working out and retreat.

5min trading should only be attempted when there is a strong movement in the market. I believe the focus of the last 30-40 pages of this thread gave off the wrong impression and if so, please read the

very first 2 or 3 post of this thread from myself. Nothing has changed, although I do trade 5min chart, much of my trading is done on 1hr, 4hr, daily without stop loss in most situations. I do use stop losses when trading 5min chart and when there is a pending news release and a personal guidance within the frantic action. We will come back to stop loss little bit below.

Stacking on lower timeframe is playing with fire. You either know what to do or get burnt. I stack on lower timeframe as I know some moments during the week are considered a very high probability. A preferred moment is when (for example) the main direction of the week is Up and price get stuck in range or pennant with price touching support and then resistance and then a compelling breakout towards the main direction. If Im present at such moments then I would zoom into 5min to take trades whilst anticipating/aiming profits of the weekly/main movement. **This is the best risk:reward possible. However, do not get fixated with 5min trading.**

Having said that, efficiency of stacking is correlated with the type of trader you are. Stacking on the 5min chart to take profit of 20-30 pips per position in the next few hours is not what stacking is about. **Stacking becomes far more efficient for traders who aim to trade longer term.**

If I were to place a numerical rule (this is the first time for such rule, but I see the necessity)

1. If you are aiming at growth of the next 2-3 days, ONLY 1 more position, maximum 2.
2. If you are aiming at growth of the next 1-2 weeks, ONLY 2 more positions, maximum 4.
3. If you are aiming at growth of more than 2 weeks, 2-3 positions per week is suffice.

With the above, you will still build an extraordinary equity pyramid. Once you are able to ascertain good moments and bad moments in the market then you will be able to justify the number of stacking within your reasoning.

If you are stacking to see your demo/live account swing wildly in equity, then it is something I would frown upon. **If you see that all your opened position suddenly goto RED when retraced by 40 pips or so, you ARE OVERSTACKED.** Period.

Dont forget, just 1 more position after your initial position is good enough.

Stop losses. We are dealing with an immensely large market. I cannot recall the exact figures however the amount of money transferred/siphoned/diluted/bought/sold for a 40 pip movement is 300-400 million. A very rough figure for eurUSD. Another rough figure, daily transaction volume between eur and USD is 40% of \$1 Trillion (million million) per day. Im not sure how it is possible to calculate all the infinite levels of buying and spending between the two countries however, if those rough numbers are indeed true a 40 pip movement for eurUSD is about a fraction of a percentage from daily volume.

Then the question one should ask is under what pretence are we measuring and adapting our 40 pip stop loss. Sandwiched between \$1 Trillion is ones 40 pip stop loss that is open to the multitude of transactions across all levels global economy.

It is more or less a small bottle floating in the ocean. It will eventually follow the current (main direction) but it will bob backwards and forwards in the ever continuous motion of ripples. Can you really sit on your dinghy and say that bottle will not travel backwards 200 metres? It can and it might not but the fact is that **your bottle is open to infinite scenarios which at the scale of the given size of an ocean, 200 metres will most often will be met.** Ripples/wavelengths, trajectory, frequencies all are interrelated in nature. Push and pull (buyer and seller) is evident in every aspect

of nature.

Hence, coming back to stop losses. A stop loss will often be met. Despite your perfect indicator and trading skills, the multitude and scale of the transactions that whizzes around us, our 40 pip stop loss is more or less a very very very close automatic loser function.

How many times have a trader watched his position hit 40 pip stop loss and then the price travel forward in its intended direction. A lot more than we care to admit and realize. However, does many traders know what a 40 pip stop loss really indicate? Its not even a fraction of a fraction of what is really going on behind the scene. The market could fart and it will hit our stop loss. I stated in the very first few posts that I do not usually use stop loss and here is the reason why.

A bottle will eventually follow the main current of the ocean. Despite the bobs up and down and sideways it will follow the main direction. If we were to bet on the bottles outcome, I simply cant (not within my ability) to estimate how far it will go backwards before coming back on the main current or how many times it will do that. **But I can definitely place my money on the eventual direction and the location where it might go.**

Given such figures/facts about the market, one could design a suitable trading method. **A method that sounds logical and respects the greater intentions of the market/economy**. Every reader in this forum attempts to become a successful trader by reading and emulating exactly to the acclaimed professional traders of this forum. First, you will never be able to emulate someone exactly. Every single person is unique with their own set of reasoning and understanding which is then influenced by ones circumstances and agenda. There can be general schematics of how to trade with a flow chart, do 1 then 2 then 3, if trading was like cooking 3 minute noodle. However, this is just general. The application and outcome will differ even at a hair thin discrepancies.

Rather than combing this forum looking for the golden method, **please think on your own terms**. Gather facts and numbers and implement according to your own thoughts and decisions. **Evolve around your thoughts. Always trade the logical and sensible sounding approach. Trade what is evident and present in every chart, pair, market in this world. Look for the generic solution, a master key that opens all treasure chests in the world.**

All of the above has been covered before and some on numerous times. There is nothing new here. Perhaps there are little more meaning than first meets the eye.

There has been few requests that I monitor their trades on a regular basis however I currently have a very tight schedule as Im winding down this year and plan to retire.

Once again apologies for the length of the post and my laziness to answer each of the messages received individually however I would end up copying and pasting most of them. However, I will still continue on to replying everyone messages but please understand if they are brief in details as I have accumulated almost a months worth in my inbox.

Thank you for the interest in the book however there is no need to send any cheques as a copy will be sent to you at my expense via post upon its completion.

Please feel free to ask me any questions or review your last few weeks of trades. Send attachments or pics of your trades taken with current look of the market and I will work out how and why you have taken them and could offer you a tip on improvement.

My thoughts are with everyone and truly hope that your successful trading career is the start of a positive influence on both your family and community. A means to a greater good for all.

Sincerely,

Graeme

Edit: If you have a question that you would like me to answer, the best way is still the private messaging function of this forum.

- [Post 4,395](#)
- [Quote](#)
- May 1, 2011 11:00am | Edited at 11:11am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

[Quoting muntu ntu](#)

Hello,

I will be trading the Aussie this week. Monthly and weekly hinsights very bearish. On the daily picture submitted, there seems to be a Head and Shoulders, with the necline just broken. I know a pattern can be subjective at times, but I got to have a reason for taking the trade. So, if it is to go the same distance as from the head, then it is worth trying. I will try and get in before the rates are announced, though consensus is for the status quo.

Muntu

Muntu - Correct. If that breakout is valid it will go DOWN from here. I also like your plan about probing early. **Please do not let losse of your intended aim.** Within our focal interpretation everything indicates sell. Bearish engulf, closing below support, recently bounced away from 200ema, 5/10 ema crossed over. A good choice and a pair that I will also watch for this week. If this week becomes a bold weekly DOWN candle please refrain from closing it before growth as there is great potential for more.

Bomi - Sorry to answer your question in the same post as Muntu. Im not sure if you had the time or the chance to read the thread and I know it is a daunting task as there is so much to read however, eur/usd is a very clear buy momentum at the moment with enough valid reasoning. Not just becuae it closed over 1.48009 but the fact that everything on weekly/monthly, emas, engulfs indicates so. I will further add positions into this pair this week however it will be maximum 2 attempts and not anymore. The reason is that it has already moved 2000 pips in the last 3 months. However never assume something is 'due' cause it hasnt happened in a long time, that is common gambler/traders fallacy.

What you can do Bomi, is keep the hindsight UP and probe 1 or 2 early in the week and maybe one more mid week. If a pair requires anything more than 2 attempts to have a surviving position then already it is not the best type of trading week. Best trading weeks are the ones that opens and charges straight froward in one direction.

There are many other pairs ripe for movement and would be better choice than current eurUSD. Look for stalls on daily, weekly, monthly and flag these pairs so you can watch the inevitable breakout happen.

Everyones main aim is to place a position or few in the main movement of the year for growth. To my personal beliefs, this is the only logical and sensible method to create profit in trading. Famous traders in our history made extravagant wealth from growth and not the random fluctuations of hours or even days.

You may not be able to pay yourself a wage by withdrawing on a weekly basis (unless you have a very large account and 5-7 pips equates to a week of living expenses) however there will be frequent large cheques that should last you more than enough for the next inevitable cheque.

Sincerely,

Graeme

- [Post 4,397](#)
- [Quote](#)
- May 1, 2011 11:13am



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting behman8850](#)

Thank you very much Sir, for your prompt answer. I have PRINTED OUT IN BOLD your Theory n have Kept Next to my PC. So that I Remember this .

Bomi

It is my pleasure Bomi.

Aplogies but I just edited/added large portion into the same post so please re-read if necessary.

Good night everyone.

Sincerely,

Graeme

- [Post 4,398](#)
- [Quote](#)
- May 1, 2011 11:17am

• [behman8850](#)

- | Joined Feb 2009 | Status: Member | [786 Posts](#)

[Quoting pipEASY](#)

Muntu - Correct. If that breakout is valid it will go DOWN from here. I also like your plan about probing early. **Please do not let losse of your intended aim.** Within our focal interpretation everything indicates sell. Bearish engulf, closing below support, recently bounced away from 200ema, 5/10 ema crossed over. A good choice and a pair that I will also watch for this week. If this week becomes a bold weekly DOWN candle please refrain from closing it before growth as there is great potential for more.

Bomi - Sorry to answer your...

Mr. Graeme, Another Q. Eur/Aud Highs were around 1.3617 and 3628 for the last three days. Should we wait till that price to short?? so that we have Nice positions??

Bomi

- [Post 4,399](#)
- [Quote](#)
- May 1, 2011 11:27am



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting behman8850](#)

Mr. Graeme, Another Q. Eur/Aud Highs were around 1.3617 and 3628 for the last three days. Should we wait till that price to short?? so that we have Nice positions??

Bomi

Another great question and unfortunately last one before I turn in.

This is not an attack on your integrity or your question however if you re-read your question you could notice that it also falls under the common fallacy.

Because something hasn't happened for xx days...

Because price went to xxx and dropped so it will again

Because it moved xxx pips yesterday it will not move today..

Because it has been in a downtrend, DOWN is due...

or any of its variants is misconception. Anything 'about to' or 'due to' is incorrect. **Nothing is ever scheduled to happen in the markets.**

It is also traders attempt to create a planned flow chart of action. If A happens then I will do B. This might work few times but the ever changing markets will outmanoeuvre your flow chart sooner or later. One of the reason systems do not work in the long run. Or perhaps profitable trading approach does not require such systematic approach.

Bomi, as per your focal interpretation (this includes candle shapes, wicks, patterns, indicators, momentum) if you believe it is time to enter then do so. Enter and watch the price evolve around your position and act accordingly thereafter. I just hope that pesky stop losses are large enough to help price evolve and paint the full picture before it touches you out.

I hope 3x20 exercise have upskilled your focal interpretation and if you haven't done so please go back and try 3x20 exercise.

If you wait for 1.3617 then what happens if price never gets there but just opens and runs straight down.

Good night, all

Sincerely,

Graeme

- [Post 4,403](#)
- [Quote](#)
- May 2, 2011 2:08am



[pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good afternoon, all

Thank you for the warm compliments.

From the recent messages, there are currently 3 traders with a firmly established portfolio of positions spread out across various pairs. All 3 traders currently hold at least 8 open positions each. Positions range from smaller 150 pips to larger at over 1000 pips. From the statement received one particular trader has settled most of his debt/losses incurred.

It does not matter if these accounts are live or demo. It is thrilling to see that traders are taking advantage of the main movement on the higher timeframe and I sincerely hope that this would be the start of something extraordinary for these traders. I will continue to support them to see that they completely grasp the trading approach.

An important set of questions was raised which will undoubtedly pop up later on.

What is a rough estimate of time/growth to consider diversification?

Very good question and here is a direct answer for those who asked.

Any position that has grown 500 pips is worth considering to diversify.

Any position that draws close to 1000 pips of growth is fully ripe.

Any position less than 500 is still growing.

Remember that you are trying to take large slices out of main movements on weekly/monthly and main movements move much much much more than 500 pips.

If a position grew 400 pips then reversed back to breakeven then that particular short term move is not even worth considering. You should re-assure yourself that the bad opportunity passed and something greater is lurking around the corner.

Aiming for 1000 pip growth is excellent A+. More would be better however there are factors to consider. If you had a larger drawdown during the consecutive weeks of ranging periods then it

would benefit your psyche to consider diversifying earlier to replenish your losses or close to.

Dont forget that many of the main movements on the weekly chart move much more than 1000 pips. However, I believe that a 1000 pip growth or close to is taking a generous slice of the main movement. But you will also be adding more positions in the following weeks that will continue to grow covering new grounds as the price continues on.

Having said the above, never stop adding more positions into the main movement. Not as aggressive as the beginning of the move however just a respectful 1 or 2 attempts per week. **You will never know until you participate**. Just because it moved 2000 pips doesnt mean it is 'due to' expire. Flip through your charts and look at pairs that moved 4000+ pips or more.

All 3 traders have informed me that they are still unsure what to do. They have a growing portfolio but how do they keep it productive.

For what is worth, here is my answer: If you like to bank that 500 pip position then do so. However, dont forget your obligation to continue adding positions under the anticipation that the main direction will continue. 2 things can happen and both will be beneficial.

1. You bank 500 pip to watch the price stall and reverse with all the wrong indications going against you. You might lose little on the last few attempts but overall you exited at a better time for the 500 pip position.

2. You bank 500 pip to watch the price continue on. As long as you continued to add new positions, you will find that the new positions will now cover the new ground covered by price.

Hence, if you think it is time to do so then do it. But preferably at least 500 pip growth. **But never develop a timid fearful manner and start closing every position at 500 pip. You will stun your potential profit as the biggest money is when you capture the biggest move.** A least few positions in a year will be so large that it will propel your capital to new heights.

Kudos to you gentlemen. I respect your privacy but if it is of no great concern other readers would be most eager to read about your current trading approach/stats. It is to your discretion.

Hope I answered all your questions.

EDIT: By the way, G, the feeling of no control is exactly what you should feel. What exactly can we control in the markets?

Sincerely,

Graeme

- [Post 4,406](#)
- [Quote](#)
- May 2, 2011 8:23am

[Quoting MidKnight](#)

Hi Graeme and it is good to see some posts from you again!

Some really great posts recently. I admit to having failed over the past couple months. Twice I was in what turned out to be great positions that ended up running very far but I either got out way too early and never re-entered or instead I exited the trade at the right time, but instead of adding to my winner over the days, I was scaling out. I'm disgusted in myself that I have been unable to succeed at this like some of the other members have. Full respect to those few that seem to be...

Good evening, Midnight

Thank you for your question and it is great to see you again.

I read your post twice before typing this reply.

You mention several golden points.

"Almost zen like"

There are several contradicting factors in trading that plays havoc in any trader. Unfortunately, these contradicting forces are necessary within an entity of simultaneous application.

In other words,

stacking is a very important tool however it can trigger gamble-esque traits yet we need to stack despite the evident pitfalls. It is just too much power in the wrong hands..

allowing positions grow for days and weeks may fulfill your bigger expectations/greed but it could also attract fear and anxiety yet we place blind faith in our focal interpretation and endure further.

over worrying at specific take profit level when any take profit amount past a 'certain minimum growth (500 pips)' is already acceptable. Perhaps greed forces you to endure few more days or fear forces you to close the position out.

The problem lies within above factors of contradictory terms yet the need to be applied equally in ones trading approach. Great inner strength is required to keep emotions on even keel.

Average loss per position that I have explained is a 'means to estimate ones losing space and volume.' And the necessity for such means is to re-assure and ascertain the bleed whilst keeping our emotional intact by knowing that you are on top of your losses. Traders main focus is to deploy positions in the main movement of the year and **taking a very large bite out of it.** It might take just few ammos or it may take few hundreds of ammos however you will find that the potential profit outweighs most setbacks unless the setbacks/losses are caused by lack of skill/impulse trading. **I assume that traders have their 'one thing' ready to deploy their positions accordingly.**

However, if your currently supporting yourself and your family on income derived from trading, not only will this attract 2 factors of contradicting emotions, greed and fear but a greater strain overall. Market moves slower to most traders expectations.

With position trading, you can potentially cash out everytime a main movement on any pair moves 1000+ pips that you have managed to catch and profit taking amplified. Pending on the pip value, such single payoff at end of every 1000+ pip movement could be few thousand of dollars or could even be few hundred thousand dollars.

Start slow. \$1 per pip is my recommendation for most starters. Trust me when I say that with a solid trading approach you will soon (2-4 years) find yourself cashing out extremely large cheques. Although you may groan now and wonder how long it will take, once you arrive you will most likely say that it was a quick journey. Keeping a day job is recommended.

x3000 of your pip value should be available in your trading account:

\$3000 then \$1 per pip
\$6000 then \$2 per pip
\$30000 then \$10 per pip
\$60000 then \$20 per pip

However, I place extra extra psychological padding by keeping the above figure as the 'bare minimum.' To be extra safe I recommend x9000 of your pip value to be available in your trading account or before upgrading your pip value to the next level. Increased pip value may increase your potential profit but it also increases the potential risk. To increase profit, you need to increase your 'exposure' by have interest in more pairs.

For those who wonder just how much money is available.

Just 2 standard lots with just 2 positions at just only 800 pip growth each is already \$32000.

Having just said that.... you do know/aware that as we currently speak many of the pairs are currently moving forward for the next 1000+ pip movement on the weekly charts.

Count every main movement of every pair in forex and then expanding your operation both into weekly and monthly. **You will find overlapping interest when taking trades for both weekly and monthly but of different outcome as you would take profit on different scale.** A gigantic difference in profit.

There are stupendous wealth to be made for the **strongest who can remain humble in their pursuit.**

Hope this helps and none of your input was considered as a criticism however to be fair I also welcome criticism as I too am still a learner.

One thing that does concern me is the fact that your trading income supports your living. If you chase it usually runs away..

Sincerely,

Graeme

- [Post 4,414](#)
- [Quote](#)
- May 3, 2011 2:06am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

A reply I just sent to a trader that I believe will be beneficial to other traders who are contemplating to raise lot size to increase/hasten profit.

Good afternoon, xxx

In regards to raising lot size; I hope this doesn't happen to you however you will find it hard to change back to smaller lot size once you taste the bigger. This coupled with factors of greed and fear will most often lead to disastrous outcomes. Imagine experiencing another -1500 pips before your next 6000 pip profit only to blow out your account cause the next -1500 pip on the larger lot size now means all of your newly grown account is under jeopardy again.

You will find with raising lot size may increase your potential profit but it will also bring **increased/same/constant risk**. If you keep increasing your lot size the only thing that remains constant is the same level of 'threat' that may cause irreparable destruction of one's capital.

I personally opt for this 'threat' to diminish as I progress along. Your total capital should be getting stronger and stronger as you trade making the next -1500 pip drawdown a laugh and nothing more. It should get easier and easier as the time passes. You will know 'maybe' it is time to upgrade your lot size to the next level when -1500 pip becomes nothing more than a smirk.

Microsoft started with 15 employees and thought that they will have maximum 35 employee operation. They now have 150,000. It is strange how things we expect is delivered undervalued whilst things we undervalue most often return to surprise us.

To increase profit, the only way safe, logical, sensible way is to increase your exposure by participating in more pairs with the same/main lot size. Period.

Sincerely,

Graeme

EDIT: Added little more detail

• [Post 4,423](#)

• [Quote](#)

• May 4, 2011 1:16am



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good afternoon, all

Thank you for questions.

Ardi55 - There are moments that are considered A, A+, A++, A+++. If a breakout is occurring that does not have momentum, it could be due to several factors. The breakout has not attracted enough attention (yet). Any prolonged 'stall' with a notion of a breakout; whether it is hot and fast or slow and questionable is still worth a probe. What happens thereafter leads to further appropriate actions.

Darrenlitttle - Yes, that will ensure a 'smoother equity' curve by taking smaller wins whilst keeping the other for a run. It is the same as taking trades for both weekly and monthly hindsight. However, if you think about it carefully, the potential result will be similar/same to a trader taking just a single trade but diversifying a portion of his/her positions later on during mid growth.

Eiman - Thank you for sharing and wishing only the best with your trading career. In regards to equity fluctuating, pip_pirate has answered it correctly.

Ikanman - Thank you for your kind words.

Thijs - Good question however no specific answer. It could be 1 or it could be few. As long as the price closed towards your intended direction then you are still in play. Never trade against the closing price. If price closed below the open price of previous UP candle then you would not enter any BUYS (for that particular timeframe involved).

Bearish engulf and bullish engulf is a very simple way to test the general concensus of mass traders.

Sincerely,

Graeme

- [Post 4,471](#)
- [Quote](#)
- May 23, 2011 4:22pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning, all

Apologies for my sudden absence.

The cold weather has taken its toll on me and I spend much of the time resting for now. However, my thoughts are with everyone.

Before my leave, there were few traders messaging me with their progress and questions. Apologies but it will take awhile for me to answer them at my current situation.

My showing/teaching is more or less complete in this thread and the book is still on schedule.

I plan to invest my efforts in completing the book before anything else for this year hence I may not participate in any forum activity for awhile. However, I have confidence in you that at the end of the day the final key you discover is not a system or a method but common logical reasoning that you use everyday in life.

Take advantage of the long term movements. It is the safest way.

Eurusd dropped hard. It has moved 700 pips down. Very clear signs on daily and weekly. Signs that we have talked many times before.

You are on track if you have at least 2 legs on the new down movement. I say at least 2, 3 legs considering it has already moved 700+ pips.

What about the dying long positions?

There is nothing we can do but to allow it play out.

Should I close them out now? I advise not to. And not to start locking in shallow profits. I advise to always leave them at breakeven. I have tried many variations before and my suggestion is based from my experience.

However, if you have new sell positions in place there is no reason to panic and close out the dying long positions. It is counteracted by the new sell positions. That is a very important statement so please re read it.

What can happen from now is this..

1. The new down move continues on for the next few weeks, months for many thousand pip movement. However, you have this covered if you participate on both directions and have already started deploying sell positions as per clear distinctive signs on daily, weekly chart. Eurusd monthly might even close as bearish engulf this month. Why not get in there early.
2. The new down movement stalls and the up movement resumes in which you will have new opportunities to add new long positions as it bounces back. Of course then you will watch the recent sell positions starting to die off.

How simple is the above? I'm basically going up or down as the price does. And at the end of the day that is all I have been doing for the last few years.

Yes, you will lose little during the period when the price needs to turn corners and change directions but the ensuing main movement of the year will always always always be more profitable when you are dedicated in your endeavor.

Keep it simple and just follow... There were successful traders before computers...

Hopefully I can meet our readers personally and shake their hands.

Till then my thoughts and wishes are with everyone.

Sincerely,

Graeme Samuel

- [Post 4,627](#)
- [Quote](#)
- Jul 7, 2011 10:37pm | Edited at 11:23pm



• [pipEASY](#)

• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Good morning all

Thank you for the continued interest.

Apologies for my absence from forum activities however it is proving to be a very busy year for myself.

The book is almost complete. Just on that note, I have noticed that the content of the book does not differ much from the content I have contributed in this very thread apart from a planned flow of explanation.

I did not have a chance to read all the posts after my last post in the thread however I can clearly notice that traders are 'finally' looking at market/trading through a different but 'sensible' perspective.

No one or any one entity can ever influence/forecast the movement of price. It is somewhat possible in markets with limited/smaller volume (pork belly, orange juice, platinum) of transaction however 'definitely' not in foreign exchange.

So give up using indicators to forecast the next 50 pip movement. The last 50 pip movement you have correctly forecasted was just a random ripple in the ocean in which you 'chose' (unknowingly) to believe that it happened as per your calculations. That is the biggest fallacy in trading.

Once the above finally sinks in, you will look at things completely different because your paradigm has now shifted. And this is a very important phase in your trading career. Some traders agree to the above but they are unknowingly clinging onto the 'notion' of 'trying to forecast' once again. Paradigm shift is vital as it 'finally' opens your 'eyes' in which with the new sense of understanding, you are finally able to ask the right question and seek the right answer.

What is a paradigm shift? It is nothing new and there are books on the subject. An example; you notice a man crying in public with his hands covering his face. Straight away your focal interpretation would indicate that he is unhappy/sad. And then you would ask the man, "why do you cry sir?" "can i help you?" "you look troubled"

But.. what if the gentleman is crying because he had all these financial problems only to have just realized that he has won the lottery of the night before and the emotion of joy was too overwhelming for him to continue walking down the street. Now here is the problem. If the man

does not respond to your offer of assistance and does not share with you his new found stroke of luck. Then there are no changes in your thoughts/understanding. You would probably walk past him, go home and tell your partner that you met a man on the street crying into his hands and most likely exaggerate that he was a junkie in his appearance.

That is happening right now to most traders but of course in the context of trading. But what if the man did decide to share his joy with you and told you that he has just won the lottery. Then your paradigm shifts completely. You look at him completely different the very instant you hear this. Your actions change instantly from standing back to shaking his hand, patting his back, taking pics with him and so on.

The crying man is the market. And everyone still throws a lot of assumption based on their own interpretation (of course with the help of these so called indicators). At the end of the day, the only person you are fooling is yourself but there is no one to tell you that you are wrong apart from the crying man himself.

I appreciate all the linear efforts to improve your trading but a new angle is required. And this is the part that will do so many traders head in. Its just too much thinking and hassle and research to do any of that. There are few traders here who do the unthinkable of most and gather statistics. Testing methods on a long-term basis and gathering statistical data; average loss per week, maximum drawdown, and so on. Analyzing weakness and strength of their theorem and using such data to further tweak and improve their method. They are guaranteed to succeed in this business and without a slightest notion of exaggeration they will be able to bask in absolute luxury with such means at their disposal.

So, here is one for your thoughts. It may sound like a riddle and shrouded from clarity but believe me when i say it is not and completely direct for your understanding.

You enter 1 sell position (as per your reasons, engulf, pin, s/r,..)

It travels 200+ pips down

Then you notice that there is a shift in the market (fundamental, technical,..)

You enter 1 buy position (because you are one trader who do truly believe that forecasting the market is impossible)

Notice what happens to your floating equity.....

Im sure everyone knows what happens...

It wont move anymore.

Floating 200+ pip profit will be frozen. It wont move. Some trader might just hit the ceiling or not but if you have noticed this before and walked right past it you have just ignored a blatant advantage to trading... Sometimes I wonder if this is one of the reason why you cannot trade both directions in US.

Your floating profit is locked while the buyers push it up and sellers try to keep the price down.. Do you care? Ofcourse not cause it does not effect your profit. Let them fight cause your intentions are different.

Do i need to continue explaining what the possible outcome is or can everyone think for themselves what they can and should do afterwards.

Only 2 possible scenarios will happen and either way you will win at the end.

Scenario 1. Price returns back to your sell position closing it at BE.

Then look at the floating profit when your sell position gets closed at BE. It will still have 200+ pip profit.

Now here is a very important sentence/question that you must digest.

Are you going to sit there and tell me that the fate of the market is just measely 200 pips? Draw the box. Draw a line at the sell position and another line at buy position and will you sit there and look at those lines and completely ignore the fact that 'sooner or later' price will move past these barriers? And when it does what happen; Your floating profit grows as the time passes. Please re-read.

Scenario 2. Price stalls, buyers fight but lose and the price continues down. You might experience a small loss here and there but the important fact is that the price is now moving towards your original anticipation and your sell position is now growing bigger.

But then you are not going to sit there with just 1 position are you? You will of course (as per good/sound money/risk management) extrapolate/amplify this opportunity by adding more position into it. And this paragraph applies to scenario 1 as well.

Whatever happens your aim is for the price to move and grow your positions enough (at least 500 pip growth on one of the position) for the whole endeavor to be worthwhile at the end. "endeavor to be worthwhile..." Not all this trouble for 70 pips but megapips... And to achieve all this all you need to do is trap the price in an imaginary box that needs to broken out of 'inevitably.'

On eurUSD (open your weekly chart), I have multitudes of buy positions from earlier this year and a new bunch of sell positions surviving from few weeks back. I did not attempt to fully hedge myself but I just found this morning that the total 24 positions (both buy and sell) are somehow completely hedged. Floating profit is not moving but it makes me smile to know that it does not matter. Why should it matter when it is not my money ..yet..

My box? Low price of the year and high price of the year. Cause I have all the patience in the world and know sooner or later (might take months, years) but it will move out of the box and whilst it crawls along as per my anticipation I will be taking chunks out of the move here and there just to keep me happy.

The reason for this post is that a lot of traders do not fully understand and appreciate the strength and the need to participate in both direction. I just do not understand why traders keep stating that fully hedging makes no money when infact you are cleverly trapping the price into a tight box that needs to be broken out in which you are already participating in.

I just more or less covered hedge, trading both directions, core principals to profitable trading. And I sincerely hope it does give some benefit to the seekers of the right answers.

Also, please stop using stop losses unless it is part of a sound money management plan that 'has' proven its worth in statistical data. A 50-70 pip stop loss 'cushion' is a fart in the wind. Guarantee yourself a win then placing measures to guarantee a loss.

My wishes and thoughts are with everyone.

Sincerely,

Graeme

- [Post 4,632](#)
- [Quote](#)
- Jul 8, 2011 2:13am



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting scottymoll](#)

Graeme, your posts never cease to amaze me. Thanks so much for taking time to write that encouraging piece.

One quick question. Throughout most of the thread, you always stressed the importance of keeping a tight stop on entries. Now it appears you are saying not to use stops anymore. Is this correct? I know the age-old philosophy is cut your losers short and let your winners run, which is exactly what you taught. Are we now taking away that first half of the equation? Thanks again for everything you've done!!!

Good afternoon, scottymoll

Thank you for the question.

Apologies I should have been far more thorough in my post but was already shocked to see the length of it.

Good observation and here is my answer for everyone.

I use the stop loss in a different context to most traders. I do not use stop loss as a method of 'cushioning' the volatility. However, I use the stop loss as a part of money management plan that aides me when the action comes too frantic and im in the midst of stacking positions. Ofcourse the main use of the stop loss for myself is to move it to BE as a sign to myself to indicate that, that part of the job has now been complete.

Most traders use stop losses as a cushion whilst I use it as a means of symbol and indication.

I hope this answers your query.

Sorry to address everyone in same post but thank you for the warm compliments, Oooops and VEEFX. It is greatly appreciated.

Sincerely,

Graeme

- [Post 4,634](#)

- [Quote](#)

- Jul 8, 2011 2:49am | Edited at 3:05am



- [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

Quoting VEEFX

For those curious to know how I am doing with my basket of crosses, things are looking really good. I began replicating my real trades in a demo account to check out the 'Trade Explorer' features here at FF. I am opening my account to public until sunday night for those who want to look or asked for my trading performance. I took those trades with no SL and some are moved to BE after 100+ pips in profit. Please PM to avoid clutter on this thread. Here's the link... <http://www.forexfactory.com/veefx>

Attachment 737599

Good afternoon, VEEFX

Thank you for the summary of your trading status.

Impressive.

Just a quick analysis of the pic of your summary indicate that (no disrespect but just a analysis for the rest of the readers);

My analysis could be wrong as I can only interpret from the pic posted above.

But this the type of analysis every trader should be performing on a weekly basis of their progress.

I assume this account is approximately few weeks old. I assume 4 weeks just for the calculation purposes.

100+ trades in the last few weeks. Good

Avg. number of trades taken per week. 25+

Gross profit in pip. +1506

Realized loss so far in pip. -924

Current net profit in pip. +582

Current floating profit in pip. +908

Maximum drawdown 4%

(assuming this account is 4 weeks old)

Realized loss based per week in pip. -231

Realized profit based per week in pip. +426

Profit to loss factor, almost 2:1. Excellent but you can do much better (soon)

*Using above statistics, I can project your future results (under the assumption that current progress is somewhat median)

Estimated for the next 52 weeks.

Expected median-maxi realized loss for 52 weeks in pips. -3003

Expected median-maxi realized profit for 52 weeks in pips. +5538

Profit to loss factor, 1:1.5 (this is absolute median as we are not even considering the potential floating profit for the whole year)

In regards to your current floating profit of 908 pips based on the assumption that this is a 4 week old account.

You do not work out expected floating pips for the year by multiplying it by 13. Instead floating profit is considered as a mode of acceleration here. If the potential is there to add 200 pip per week as a floating profit on the average throughout the whole year (from the looks of the last 4 weeks and assuming this is the median progress once again). I would take this into consideration by considering a worst case scenario of only 10% of this amount as an realized profit, hence adding 20 pips of realized profit into the overall calculation. Creating the absolute worst case scenario.

All in all everything points in the right direction. Now this will be the most important paragraph of this whole post. Time will tell if the past 4 weeks of your endeavor was the median progress (average progress) or not.. However, time will also tell if the above result was one of the better results that happen/s/ed from now for the next year in which the above figures/expectancy will dramatically decrease. Ofcourse I only hope that the last 4 weeks was rather a poor progress compared to the upcoming one year of events in which the above figures will be much smaller than your true realized profit in the one year time. At the moment (just from 4 weeks), one can forecast 200-220 pips per week but I think the true median could be anywhere between 50-200 pips ONLY if the current method you are adhering to is 'consistent' for the length of experiment.

VEEFX, you will find the final answer when you question yourself how to ensure 'consistency.'

Sincerely,

Graeme

EDIT: Analyzing your progress on a regular basis will show you the ins and outs of your method. The trade summary that shows profit or loss is nothing compared to the amount of insight you gain from taking your trade performance apart and looking through every nook and cranny. How will you build a car if you don't know the inner mechanics... Anyone can drive. But driving alone does not build a car.

- [Post 4,635](#)
- [Quote](#)
- Jul 8, 2011 2:51am



• Joined Dec 2009 | Status: crede quod habes, et habes | [885 Posts](#)

[Quoting TradeStar](#)

Hello Graeme,

Nice to hear from you again. You have already created a paradigm shift in many of us with this thread. Thank you and please keep posting whenever you can.

Your point on SL clearly points to the minimum requirement that

Any trader who wants to take up this approach, should have the basic skill of picking up right entry points, where price almost always moves in his favour immediately.

So that one would have the maturity to leave a trade open and let it play with out a SL

Perhaps the reason for 20x3 preparation exercise.

Warm...

Good afternoon, TradeStar

Thank you very much. Perfectly said.

3x20 exercise is one the main reason I became the trader I am.

It will teach anyone so much more than just reading.

Sincerely,

Graeme

- [Post 4,646](#)
- [Quote](#)
- Jul 11, 2011 10:14pm



• [pipEASY](#)

- Joined Dec 2009 | Status: crede quod habes, et habes | 885 Posts

Good morning all,

Here are my replies to the questions after my last post

alexandersv - rules are simple. you are trying to hit x3 20 take profits each day. you could trade on any session, any timeframe, any pair. The only rules are that you only enter buy positions if price is above open price of the day and sell positions if price is below the open price of the day. It does not matter if each broker shows different open price. I will explain the reason below when I reply to member: costa. Please feel free to ask further.

veefx - good question. when it comes to analyzing ones own statistics, how does one count 'potential' unrealized profit over a given period. THE only way possible is similar to forecasting future population growth. You work out average unrealized profit of the last few weeks/months/days and project this forward for the given period of testing. If you have results from last 4 weeks then you would work out the average and project it forward for the next one year. However.. The last 4 weeks could be 'of better result' or 'of poor result' hence you would need to continue analyzing your stats often. You will notice a large deviation with the first few analysis only to notice a plateau few months in. That plateau is your true median. Hope this helps

costa - Different times of daily candle does not matter. It does not matter if the screen you look at is different to all the other traders. Infact, it will differ from broker to broker. The entries may differ between traders of different daily candle however as long as the trading principal based on long-term growth on the main trend, inevitably you will both arrive at the same door of profit. At the end it will still look like pasta even though i strain mine first and you choose to strain yours last.

veefx - Outstanding on eurznd. So simple yet so sensible. Hope all other readers notice what you are trying to establish.

andante9, ardi- thank you very much for the compliments.

Sincerely,

Graeme