

Rob's Rules: EFX Trading Tips

- 1) **4th wave or more 1-1 R/R** If M8 is displaying four or more waves of movement, keep a 1-1 risk reward ratio until this trend is broken, unless a major price volume surge on parallel pairs supports a potential extended move.
- 2) **Stay 1-1 on any late Friday trades.** Any trades initiated during the last 6 hours of trading on Friday should be strictly kept 1-1. Volume tends to dry up during this times and many traders are looking to close positions for the weekend. This degrades the reliability of technical analysis during this time.
- 3) **No trades before Market open on Monday.** The time prior to Monday European open is similar to Friday close. Lower volume and traders looking for signs of market direction. Because of this, you should wait for the market to show its hand before showing yours.
- 4) **20-20 pending news** Be cautious when opening a position 20 minutes before or after a red news release. Let price action clear. For major news such as Fed minutes, policy, interest rate decisions, consider waiting an hour.
- 5) **Wait for the pullback** If a trade is initiated, price action goes with your trade, but take profit not immediately reached; there is a high probability that a pullback will occur to the area where the position was opened/ previous support-resistance. If possible, wait until the pullback occurs and move your stop 3 pips below the pullback spike. This reduces the potential for pre-mature break even stops on eventual profitable trades.
- 6) **Consider opposite** Before entering a position, verify that an inverse pattern does not exist on the entry chart and/or on a higher or lower time frame. Also, if in a trade and an entry pattern develops against your position, consider exiting or reversing the position.
- 7) **Close all positions for the weekend.** If at all possible, never hold a position through the weekend. Although rare, unforeseen global events that occur on the weekend have the potential to create a large gap at market open. Such a gap has the potential to produce a significant loss and in extreme instances could liquidate an account.
- 8) **Low Volume Day, Book Profits.** When US markets/ Euro markets are closed, don't try for extending a trade past initial supt/resistance. Take profits at first supt/resistance box or when price begins to falter. Many times there will not be pullback and go for price action. What typically happens is sideways movement, which leads to a break even trade. Book Profits on low volume days.
- 9) **Scalp When Trading an M8 Range.** When M8 chart is range bound, take smaller trades (7 to 10 pip take profit) (scalp) until range is clearly broken.
- 10) **When Price Skews Against Your Position.** Move to BE especially if you are counter trend.

Best days for trading. Tuesday- Thursday.