

Aug 27, 2010 6:43pm

#1545



[pipEASY](#)


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Member Since Dec 2009

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Quote:

Originally Posted by [pip_daddy](#) 

So what about this? Graeme or others.

If one were trading this top down timeline approach what would one do when they see an opportunity on daily/intra-day that is not quite there on the weekly?

The reason I ask is that it appears u/j is forming a weekly pin bar. We won't know until the end of next week. But Daily is showing a bullish outside bar and H4 is showing a flying buddha (although not a great one, big wick). So those little voices in my head are saying "go long now before you miss the opportunity". Or at least I am starting to get...

Good morning, pip_daddy and all

Thank you for the question.

A very good question that is also on many other readers thoughts. I will address this question in great detail tonight as it is part of planned flow.

In regards to fundamentals, do you believe that fundamental data effects the movement of the markets or would you say that the fundamental data is already included in the movement of price?

Yes, a good news can trigger a sharp price fluctuation as soon as it is broadcasted but how long does a sharp price fluctuation last?

To answer myself, the amount of time that particular news effects the movement of the whole market is more or less a dot in infinite space and time.

I have invested alot of money into updates of fundamental news release, economic data and personal economic alert reports from reknowned economists.

Believe me when I say that all the vast information (which sometimes is too technical to fully understand to most readers) they provide is being 'said' by the market already.

There is a reknowned economist whom is affiliated closely with a very large international finance management who sends her personal insights on a monthly basis to selected contacts. I appreciate her efforts and without any disrespect on her efforts, she is just reiterating what market is showing in terms and expressions synthesized by so called qualified individuals (humans) of the industry. Market is above and beyond all that.

I applaud at successful news traders but hope they spend some time to visit their roots and analysis their success. It isnt just the 'great news' that propels their positions in growth but the fact that they **participate**

into the market through a low-risk entry and **anticipate** a higher growth on hopeful potential opportunity that is arising. That is how they are successful (and it is similar ideology to myself as to participate in a low risk opportunity for a greater reward) but whether they truly know how/why they are successful might not be unknowingly correct or not.

Sincerely,

Graeme



Aug 27, 2010 8:20pm

#1547



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Quote:

Originally Posted by **Forexcube**

Hello Warburg

Does that mean you have to make all these cognitions of 95% and switch completely early enough?

If I read economic newspapers and some well-known authors describes e.g. EURUSD are getting stronger,... concerning this and that.... I can bet with my friends every time that the opposite will be true. In other words to educate the public incorrect is one aspect which big investment arrange cleverly.

Kindest regards

FXcube

Good morning, fxcube

If I may add, member: warburg already knows what Im going to explain today in detail which is surprising. And yes, it is very possible to anticipate such movements in advance.

Perhaps, and only my suggestion, the news release/economic data released by government is more or less just another indicator. And we all know indicators lag.

When government say usd is weakening. It is not just doom and gloom for US as there are also benefits of weakening usd dollar. It is the weight of the benefit that moves the price.

Or it could all be a ploy from the government but there is quiet a possibility that a purposeful false announcement with malice intent can also backfire horribly causing a critical dent. Im sure they have some sort of risk control to apply when things turn sour but we will never know for certain. The market watches all this happen below its feet.

Government, traders, banks they are all just part of the plan and each individual body of trading traits that are more or less ripples in the ocean of everlasting motion.

Do you know what makes up eur/usd? Just on the simple sides and not including anything on micro terms or any inter-related exchanges.

Companies buying/selling large stock in america/uk
Travellers going from eur to usd or vice versa
Internet shoppers buying goods from america/uk
Corporations taking over interest in america/uk

and us, retail traders.

A vast space of struggle that are inter-twined on various levels with each individual nodes all with its own and separate agenda. It is a mind-boggling unstoppable neutral force that a single entity cannot control.

Just going out for the day.

Enjoy life and cherish it everyday.

Sincerely,

Graeme

Last edited by pipEASY, Aug 27, 2010 8:35pm



Aug 28, 2010 5:19am

#1569



pipEASY

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Member Since Dec 2009

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Good evening, all

Thank you for the continued interest.

I hope everyone had a chance to think about what I have posted in the last 2 days.

Before I continue on with the intended material I would like to just take this moment to address something.

First of all, I do not have any plans to manage someone else's account. This will never happen.

Secondly, I did not start this thread for any personal agenda. I do not require any recognition or vouchers or the attention. Im the very opposite of an attention seeker.

Thirdly, I have received few offers through email/messages for a chance to create an e-book of some sort. I have no plans to create an e-book or book as such for financial gain. This will never happen.

Fourthly, I do not need to prove myself to anyone which is also on the first post of this thread. Im not here selling items as a salesman but Im here to genuinely help.

Lastly, I do agree that there are so much garble in this world or forex or forums that I will prove to all through the success of other traders that have learned something from me. **That will signal my end and their beginning. They can continue on and show to all and prove it.** I do not have any intentions to stay in this forum a minute longer than necessary.

I request all traders that are currently trading or planning to be a professional to reserve mutual respect for other traders. Successful trading begins from inside you first.

If I were to selfishlessly request something for myself is that when a trader is profitable through the methods I have presented **for a good length of time** to phoner any charity **of their choice, in any country, any cause** and donate whatever amount you think you can afford at that stage.

Just let me know in the future through a brief email, 'Graeme, thank you. It has been a xx years of profitable trading. I have donated xxx to xxx charity. Thank you.'

I may not reply back but these words will mean the world to me.

Sincerely,

Graeme

Aug 28, 2010 5:48am

#1571



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Filtering through deeper layers (smaller timeframe) from the hindsight from above level (higher timeframe) stacks the probability to your side.

It gives you an aim/goal: the potential profitable ground (scale) that we are aiming for. Anything from hundreds from daily, thousands from weekly/monthly.

I mentioned few times that alot of traders fail cause they do not know what they should expect. The hindsight that you pick on the higher timeframe gives you the required goal. You now know where to grip into so you can pull yourself up.

Currently, I do:

Monthly (hindsight) -> weekly (area) -> 4hr (smaller area) -> 5min (razor sharp entries)

However, this is also flexible. Sometimes I can just do:

Weekly (hindsight) -> 4hr (area) -> 1hr (smaller entries)

Or even:

4hr (hindsight) -> 1hr (area) -> 5min (razor sharp entries)

Everything is all relative. The above inception flow is all same except for one difference. What is it?

The scale.

If your hindsight is gathered on 4hr chart, expect the realistic profit first before you wonder whether this position will turn into a leg on your millipede.

For 4hr, expect a good movement to be 50-100 pips at minimum

For daily, expect a good movement to be 100 pips at minimum

For weekly, expect a good movement to be few hundred pips at minimum

For monthly, expect a good movement to be few thousand pips at minimum

For yearly, expect a good movement to be few thousand pips+ at minimum

The above is a realistic, sensible expectations from the hindsight received accordingly.

You can choose to be an intraday trader, so one of the possibilities are:

Daily (hindsight) -> 1hr (area) -> 5min (razor sharp entries)

There are so many variations and you dont need to follow mine.

At first I recommend weely or daily and then x1 area (4hr or 1hr) and then 5min.

You are aiming for profitable scale of higher timeframe but only risking what you will risk on smallest timeframe. This is basically encoding your risk:reward into your trading habit/actions already from the start. Alot of traders need to work out their r:r with numbers when it can also be set by your actions.

Continuing on..



Aug 28, 2010 6:42am

#1572



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Apologies to all.

Im experiencing few technical faults on my side here.

I have spent few hours preparing few charts before starting to post but all the charts are unavailable. It doesnt open for me.

This is disappointing as I spent the afternoon preparing them and they all seem to be cracked?

Just for now, Im deleting the last 2 posts and going to back to fixing this problem.

Apologies to all.

Sincerely,

Graeme



Aug 28, 2010 6:49am

#1574



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Quote:

Originally Posted by **MidKnight**

Hmmm...both the images appeared just fine when I was viewing those posts minutes ago. The Internet can be a temper-mental thing, I'm sure it will right itself again 😊

With kind regards,

MK

Thank you, MK

However, its not the internet but the charts was on my usb storage. They open up to just small x in the middle. First 2 charts I just posted are fine on the usb storage but the remaining charts are just little x's with 0 kbps.

This is a sad loss on my par.

I will be back to post in the prepared flow.

Once again apologies to all.

Sincerely,

Graeme



Aug 28, 2010 7:01am

#1576



[pipEASY](#)

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Member Since Dec 2009

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To all readers

Apologies but nothing seems to work with the remaining charts.

I will have to prepare them again.

I simply cannot do it tonight so it will have to be tomorrow morning.

Sincerely,

Graeme



Aug 28, 2010 7:04am

#1577



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Member Since Dec 2009

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Quote:

Originally Posted by **traderray**

Hi Graeme,

Had this problem on many of your earlier charts; managed to resolve by:

-> mouse pointer over red 'x' -> right click -> select 'show picture' from menu. Usually workes, but not 100%.

Thank you for the suggestion.

I believe it didnt save properly onto my usb storage. All the files are 0 kbts with no data.

Apologies to all I will return tomorow morning.

Sincerely,

Graeme



Aug 28, 2010 7:28pm

#1591



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Member Since Dec 2009

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Good morning, all

Thank you for the posts and the compliments.

Since we have more participants/readers now than when I first started the thread, I acknowledge all compliments in my mind and thank you for them. Apologies if I do not acknowledge them in the posts as I try my best to keep this thread from growing more than necessary.

Last few hours, I have read all the new questions in the recent posts, private messages.

I thought perhaps I could leave some of these questions for the question asker to step back and think. Because if they turn off their computer and sat silently and thought about what they were really asking, the answer might emerge from all the related information I have supplied so far. I assumed that alot of readers had this type of sensible realistic reasoning power.

This is not an attack on the integrity of the questions. There is no such thing as wrong question and I ask for your understanding.

It is common human behaviour/characteristic to ask a question and expect a direct answer back. However, for any of the readers who are in the education industry knows that this is not how we show/teach. The 'show-er' leads the question-asker just enough for the question-asker to have an 'aha' moment on their own. That is effective learning.

"Dad, I have a friend who's brithday is coming up but I dont know what to get him"

"Son, get him a new baseball cap. All boys like them"

The above dad may be true about boys liking baseball caps but what does this teach the son? All guys like baseball cap? Does dad's answer teach his son anything else but his personal assumption that boys like baseball caps? Im sure dad can stop there and answer his son with an answer that may sound slightly offhand but lead to a better understanding about not just his son's friends birthday but perhaps a related life teaching.

"Dad, I have a friend who's brithday is coming up but I dont know what to get him"

"Son, what do you think?"

"Dad, I dont know so Im asking you"

"Son, I dont know your friend well however I think if you get him any present you really think he will like than it is the effort your friend will appreciate"

"??? But dad, what I think he might like but he might not like"

"That is true son. And you wont know what he likes until you ask him but you wouldn't do that to ruin the surprise"

"Ofcourse Dad"

"Then son, you have to think. You have known your friend few years so you know what he likes. Perhaps he likes sport? Baseball? What do you guys do when you meet up?"

"Uhh... we play baseball often at the park. He loves it"

"Then what do you think, son?"

"OK dad. I sort of get it"

And thats what I do here.

However, before questions grow into problems and then disputes amongst the readers, please allow me to extinguish once for all the current questions/problems/discrepancies you may believe that you see.

Continuing on..



Aug 28, 2010 7:58pm

#1592



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Member Since Dec 2009

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There are many many questions on current readers lips.

For once I will supply a direct answer to the questions asked and then leave little space for you to think.

Why does Joe only trade sell?

Joe only trade sells as he also knows very well that in forex everything is all relative. You can trade sell/buy to potentially profit more and potentially take slightly more losses. However you can be just as effective to trade one direction **not just with flying buddha** but any price pattern; pin bar, inside bar, engulf and still achieve success. Why? Its because the important ingredient required is what you do during the opportunity. You need to stretch the given opportunity to the maximum profit taking and keep your loss static and as small as possible. Its not the flying buddha that creates profit for you but your ability to minimize risk and expand on profits. Joe has sharpened his focal interpretation to interpret price action very well when coming down. **We all agree that price action going down is exactly the same as price going up but we are looking at it upside down.** Joe agrees that he still cannot make a focal connection between price action coming down and going up. He knows its the same but he notices that **his personal focal interpretation is better** when price is coming down and as he knows very well **its all relative** in the markets hence he knows he can create just as much profit by participating one side of the direction. Hope this helps.

Graeme, you said this before and now you say this?

Good observation. If you are genuinely under learning mode and not auto-attack mode, I ask you to sit back and think.

First of all, my initial intention of this thread was roughly 10 pages. I didnt have time nor the intention to go into depth on any particular subject. Few readers comment that everything I have said is already said. Yes, true. But then I wonder if its already being said few times why there are still losing traders? Its because you cannot teach **everyone** and expect all of them to come down to your focal interpretation overnight. And since this is a public forum and your dealing with many many traders all with different skills, focal interpretation, trading traits, trading beliefs it makes it almost impossible. How many trading system threads actually created successful traders? I dare say not many. How do I know? Just like a dad looking at his son growing up, he can look down and into his own past to see where his son is currently standing. You can try and conceal very hard what you do not know and what you might know but it just shows in your writing. Think about this as you might think you are doing a great job covering your tracks but professionals who are above and beyond you, can just tell.

I had to squeeze what I do in the first 10 pages of this thread. All I intended to do was just tell them how I was trading 'briefly' and diversification and bid farewell. Which I did near the start.

Then I was asked about questions and my entries.

I moved on and explained to how to enter is not important but the participation.

This caused more interest and more questions.

So, through the sheer frustration, I showed everyone just .00 entries with 2 position entries. I failed when I saw all readers taking things literally.

It was a losing battle for me already.

All I could do is keep going and hopefully few do manage to connect.

And we are here now.

Im position trader -> I look at open of daily candle -> I diversify when there is growth -> Thank you

Im position trader -> I look at open of daily candle -> but also trade lower timeframes -> cause I know the importance of participation -> I diversify when there is growth -> Thank you

Im position trader -> I look at open of daily candle -> but also trade lower timeframes -> cause I know the importance of participation -> I diversify when there is growth -> yes, i also trade lower timeframe and these are the charts I use -> Thank you

Im position trader -> I look at open of daily candle -> cause I know what has happened from 2 weeks ago -> but also trade lower timeframes -> cause I know the importance of participation -> I diversify when there is growth -> yes, i also trade lower timeframe and these are the charts I use -> i use momentum on lower timeframe -> Thank you

Im not surprised its all confusing and I apologize and admit there was no intended flow. My writing was expanded and grew so I can answer all the questions and then pull any readers behind in the understanding before proceeding with the next topic.

I ask for your understanding.

I will return later on with the posts and further explanation of the project

Sincerely,

Graeme



Aug 28, 2010 11:30pm

#1597



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Quote:

Originally Posted by **ozziedave** >

Hi Pip_daddy...

Yes, a weekly candle loss would sting a bit but you have to keep in mind that all of the winning trades went up or down from the entry multiple weeks and the other trades that I denoted as profit/BE typically went up or down from the entry 1-3 weeks. I would assume that most traders would take some profit out of those trades that were profit/BE. So if you look at a 50 week span you will make profit on 23 of the 29 entries with 19 weeks of no trades. That's nearly an 80% win rate.

Before I did this back test I would never...

Absolutely Dave.

Thank you for the explanation.

One single good flying buddha will bring in thousands and thousands for over an extended period of time. Some not so good flying buddhas will still bring in profits that are caught in diversification or closed out at traders personal choice. Both methods capturing both short/medium and the potential of infinity reward. Covering all possible scenario and still growing your equity little by little until that golden opportunity comes along with 10+ weeks of movement.

Consider a monthly hindsight that lasts 2+ years. Remember 2001 to 2007 eur/usd up trend? It all started with x1 single flying buddha at 2001 June which was also heavy support from 2000 oct and november. Price never came back for 6 years after that x1 flying buddha.

Im still waiting for one of those, thats why im still prodding here and there on the monthly. Some are growing but i dont know if they will grow like eur/usd 6+ years of uptrend. I can only 'anticipate.' And while Im anticipating Im capturing short/medium growth and continuing to add realized profit into my trade balance making sure worst case scenario I still have something for my efforts.

Just letting all readers know Im still preparing the lost charts from yesterday.

Edit: I should add that price for eur/usd 'still' hasn't come back and perhaps the downtrend of the last 2 years was only a 50% fib of this uptrend? Market doesn't know we are talking/looking at a monthly chart. It's all relative.

Talk to you all very soon

Sincerely,

Graeme



Aug 29, 2010 3:23am

#1603



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Member Since Dec 2009

10+V 647 Posts



As you know, one of the wonders in trading is how do pros/banks know when to trade and when to stay out. Do you have an answer? Or do you have an answer now?

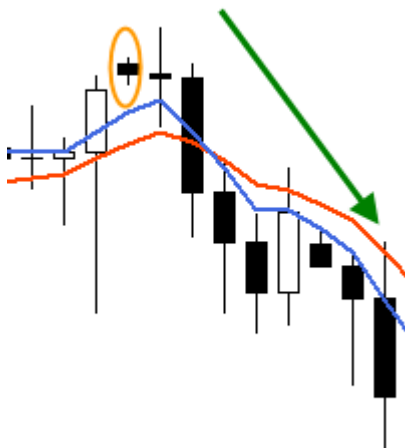
I trade almost 20 pairs of currency. No person can monitor the action of 20 pairs. However, I can pre-select my interest beforehand. Some is correct to my hindsight but some are wrong. However, I do know for a fact and from real experience that the losses are very very small to what I can achieve **when it happens.**

When it happens may sound bleak but flying buddha, pin bar, inside bar, pennants, engulf are all above average good probability setups.

For the clarity of all, I would like to show one more inception method and I will move on to new material.

This is more for the intraday traders.

Daily chart



Nice flying buddha. Remember this is daily. So each candle is one day of price.

Realistic expectation from range? 100+ pips

Hindsight? Down

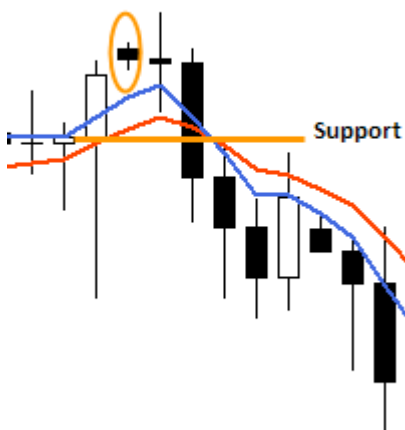
So after the completion of the daily flying buddha. We can write down on paper few things. Always write your

plan.

1. Realistic expectation from range? 100+ pips
2. Hindsight? Down

Things to watch:

1. It might retrace first before it moves down.
2. Im interested in price that will close below that support to be classified as a volatile breakout after Flying Buddha.



What do I anticipate:

1. Retrace. Focus on 50%, open price of the flying buddha, top of the upper wick of flying buddha.
2. Volatility breakout; then there will be no retrace so I will have one position nice and early just to respect this fact.

Filtering levels:

Daily (hindsight) -> 1hr (area) -> 5min (razor sharp entries)

Level 0 ? Daily

Level 1 ? 1hr

Level 2 ? 5min

And this is your plan, nicely written. We write it down so our minds subconsciously encodes it into our thinking process and tells our eyes what to look for on the charts.



Aug 29, 2010 3:24am

#1604



pipEASY

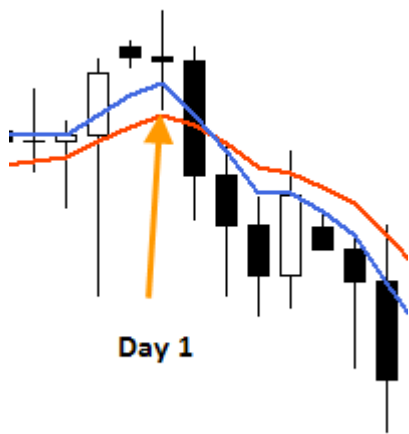
crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Day 1



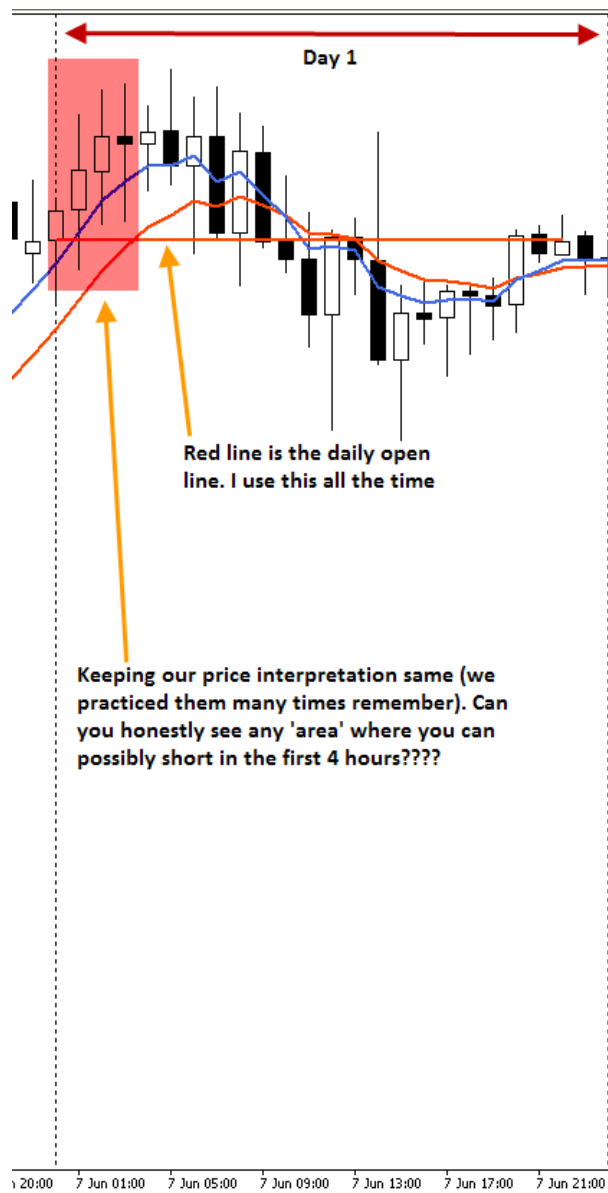
One thing wrong about this chart is that we know the outcome. For now, consider we don't know what happened after the flying Buddha.

Lets now zoom into level 1 (1hr)

We are anticipating DOWN. This is our hindsight. So we are looking at sell opportunities for now. On level 1 we are picking an area to sit down. Once we sit down we will zoom in closer for razor sharp entries.

With hindsight you cannot purposely make wrong decision. The hindsight says DOWN and as long as you keep your price interpretation same on all levels, you cannot enter wrong direction. Not sure what I mean?

Look below..



Unless you purposely want to go against your own hindsight: DOWN there is no 'area' on the first 4 hours to worth consider sitting down. See how this keeps you away from the market. **Learners will just enter here and there and everywhere.** Pros will only enter when there is A) low-risk entry B) higher probability



Aug 29, 2010 3:24am

#1605



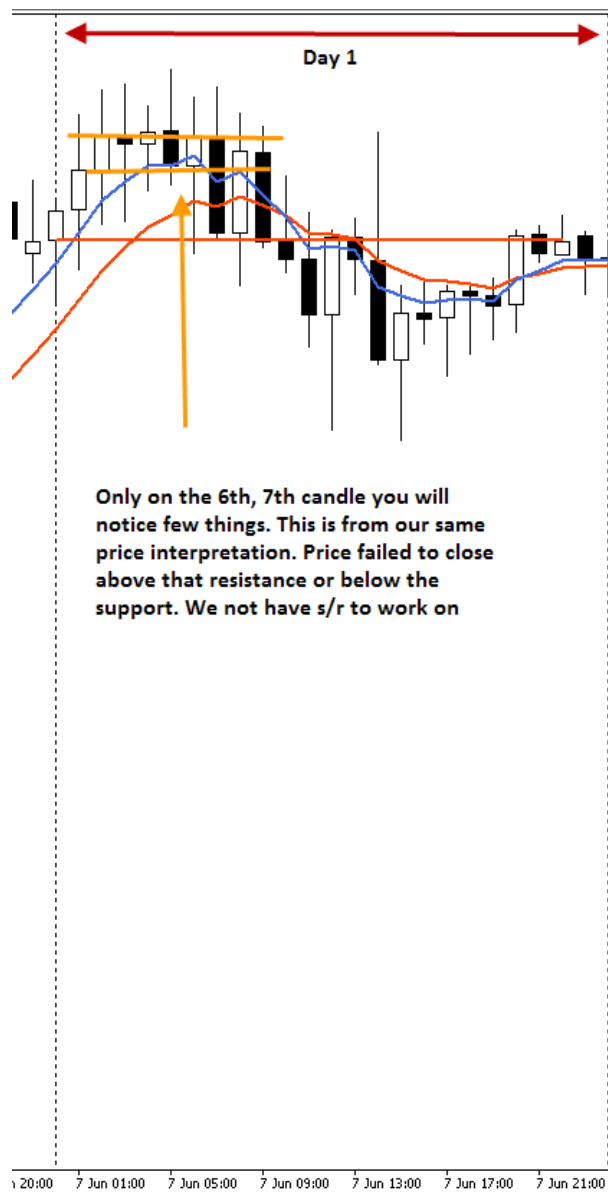
[pipEASY](#)

crede quod habes, et habes

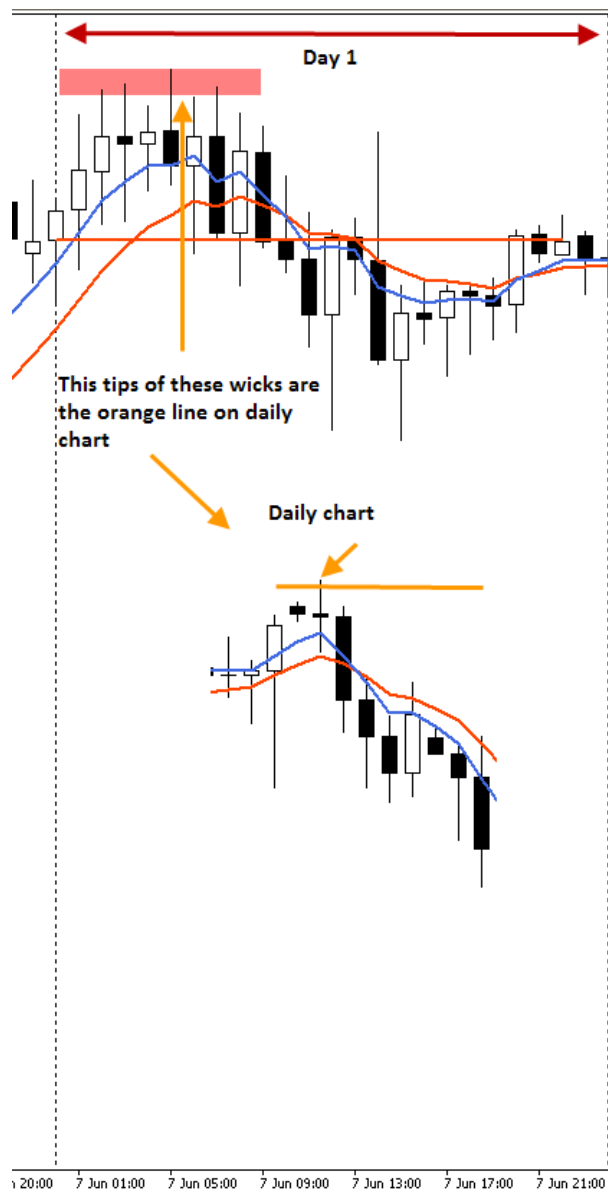
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The price is now in range. I want to know where the price is in daily chart. This next chart is very very important for your understanding. This is the secret.



What do you see??

If you entered from just daily chart thinking you can make bigger profits because you are trading larger scale have just suffered a loss because the price went above much higher than the flying Buddha. However pros, looked at the flying Buddha on daily and then went into 1hr chart and saw it closer. And 1hr is now telling the trader ?NO. Wait?

And we do wait. We wait for the market.



Aug 29, 2010 3:24am

#1606



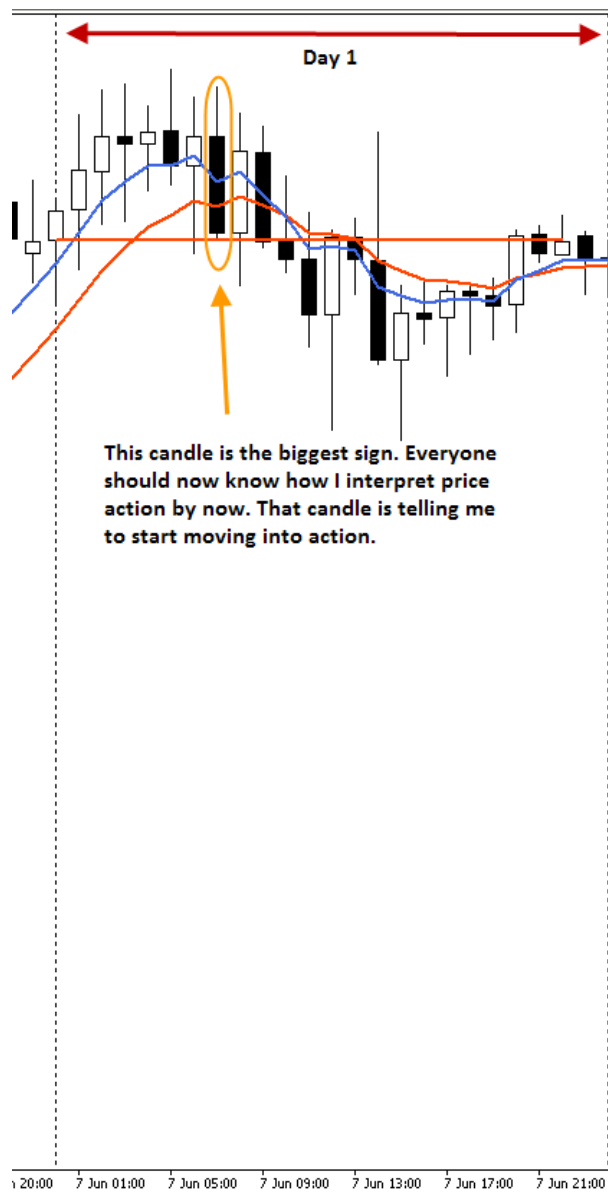
pipEASY

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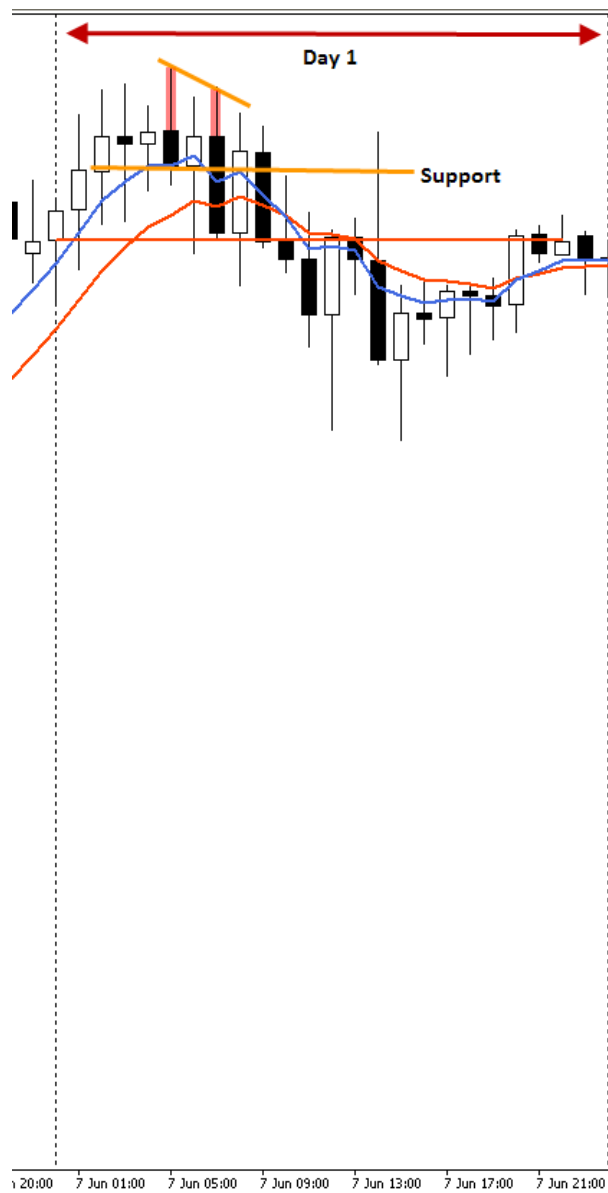
Member Since Dec 2009

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For all traders who might not know why I might start moving into action after the completion of that candle here it is again:



See how one single candle explodes down cutting the support by almost twice. That is a lot of power. Descending wick pattern at top with long wicks (a sign of weakness for buyers and they cant get the price any higher as the time goes).

After the completion of that 1hr candle now I can sit down and write down few things.

1. Price did retrace. Infact it retraced more than most traders would like to see after a flying Buddha on a daily chart.
2. Lengthy period of time where price didn't move. Long upper wicks that are decreasing now.
3. A big momentum candle near UK start.

It is now time to look into razor sharp entries. It may not work out or it may work out but we have done the best we can and have stacked probability of winning to our side.



Aug 29, 2010 3:25am

#1607



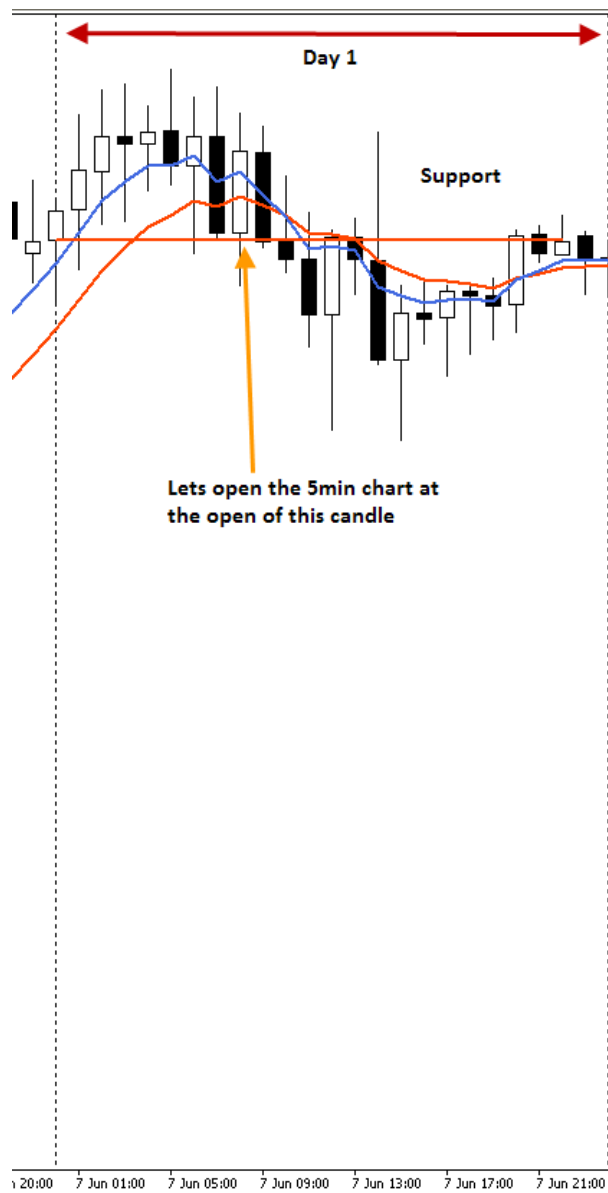
pipEASY

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Member Since Dec 2009

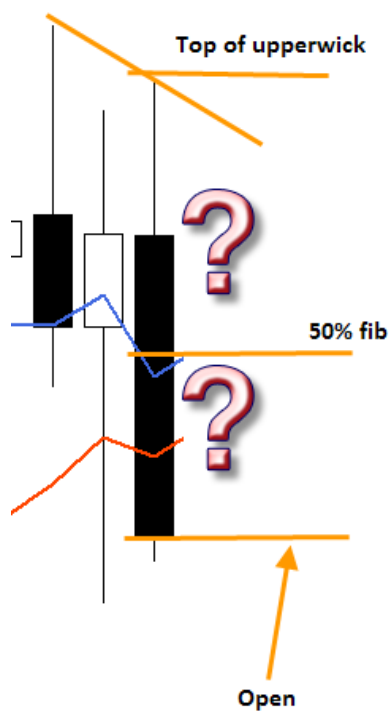
10+V 647 Posts



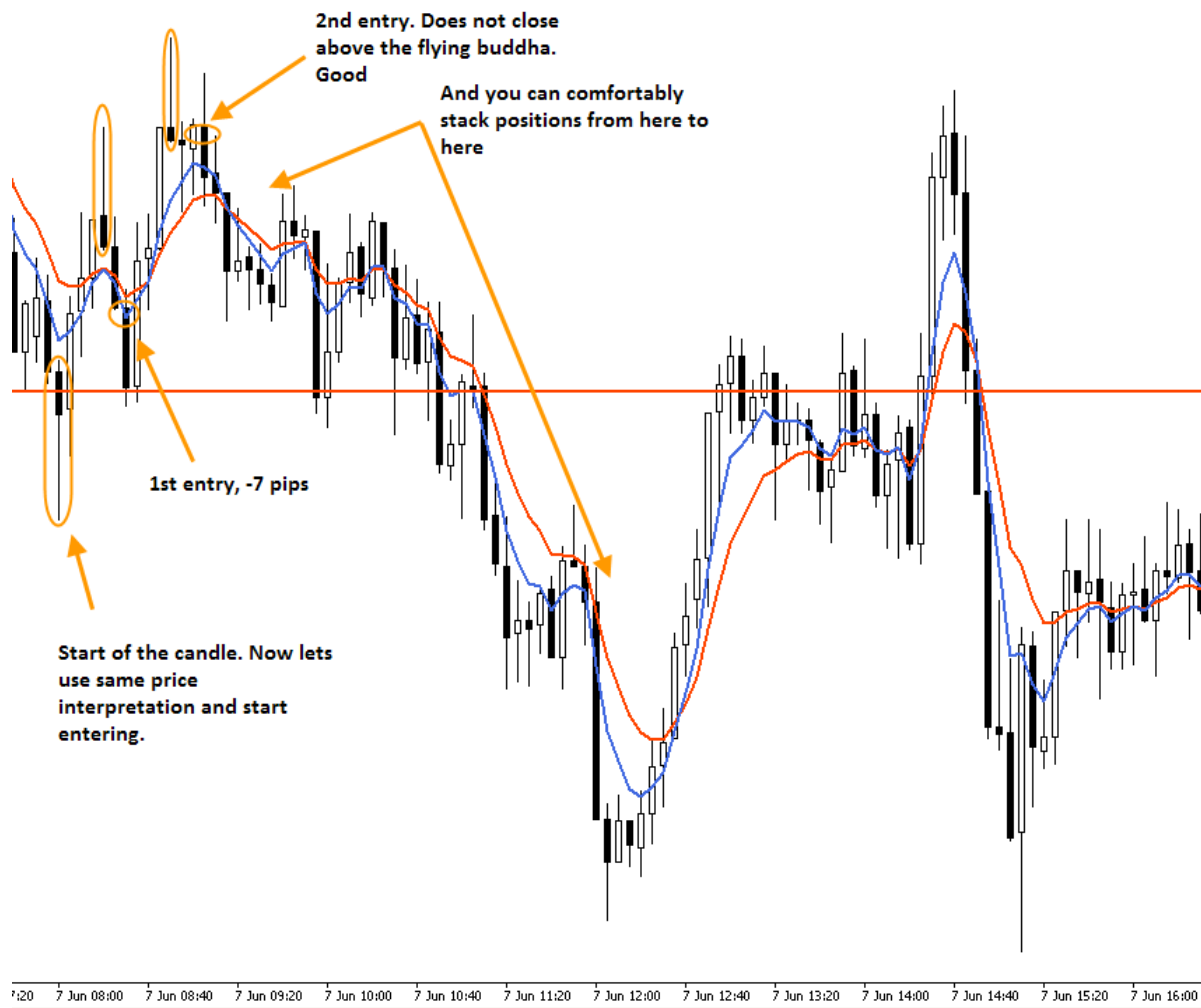


Now I write down few things Im anticipating

1. I will focus price action near 50% fib.
2. It might retrace but im anticipating a descending wick or at the worst case scenario a double wick bounce.



We are now looking
for sell opportunities
and know some
areas that we are
interested



Aug 29, 2010 3:26am

#1608



pipEASY

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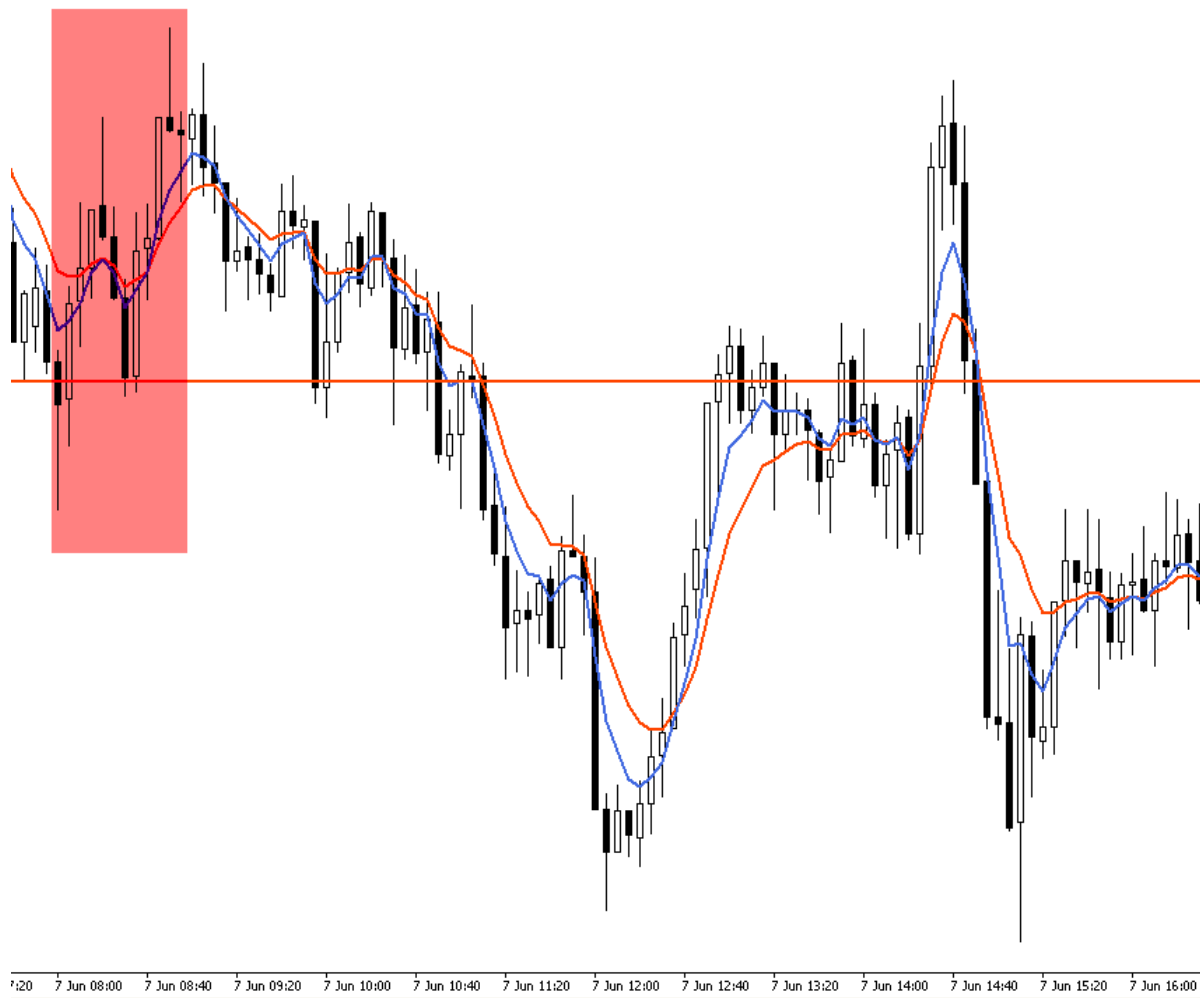
Member Since Dec 2009

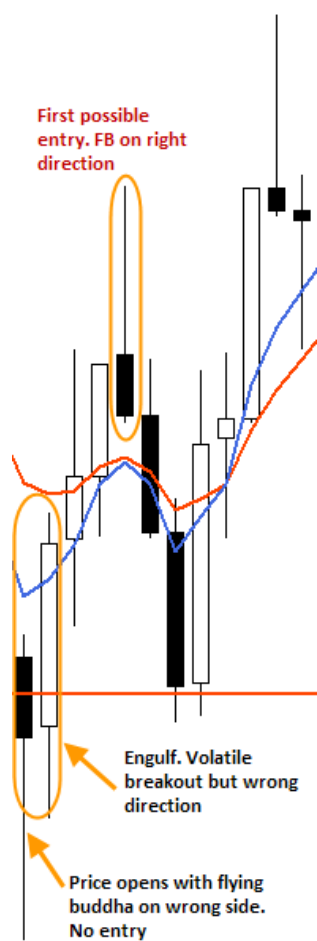
10+ 647 Posts



So we know what happens but lets focus on that x1 1hr candle in 5min chart which is this area.

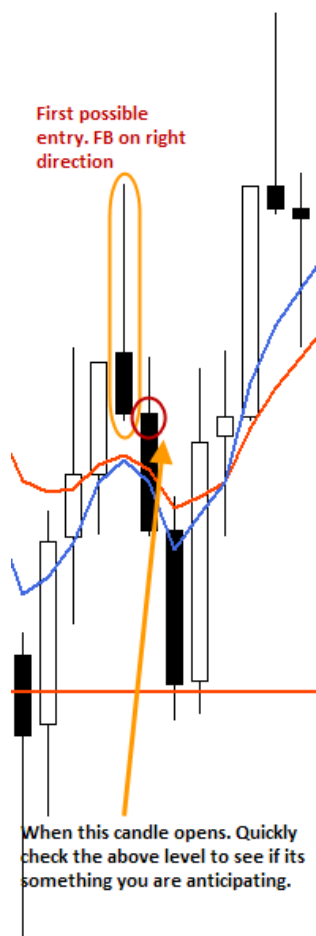
x1 1 hr candle



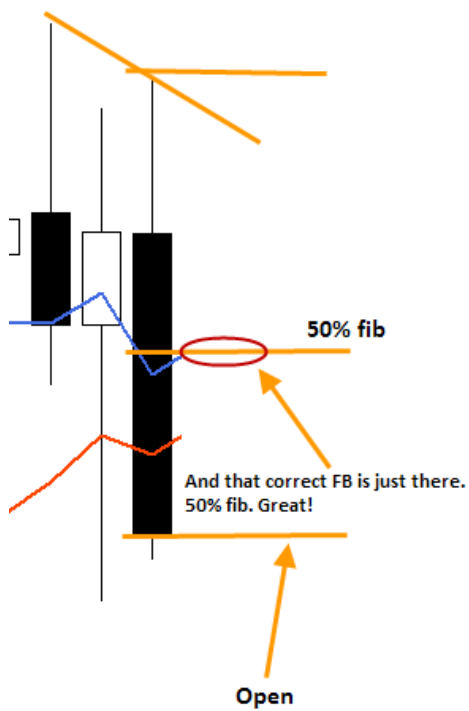


So the second flying Buddha is now telling us to enter with a razor sharp entry. You must check where this price is on the 1hr chart/daily as a reference point to see if its part of your anticipation.

First possible
entry. FB on right
direction



When this candle opens. Quickly
check the above level to see if its
something you are anticipating.



Last edited by pipEASY, Aug 29, 2010 3:37am



Aug 29, 2010 3:26am

#1609



pipEASY

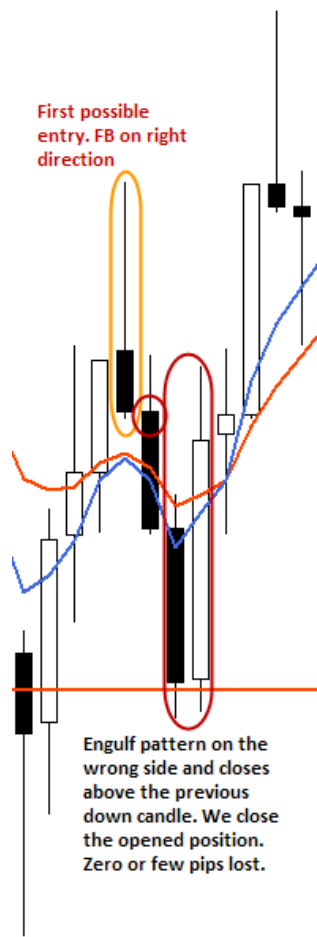
crede quod habes, et habes

Member Since Dec 2009

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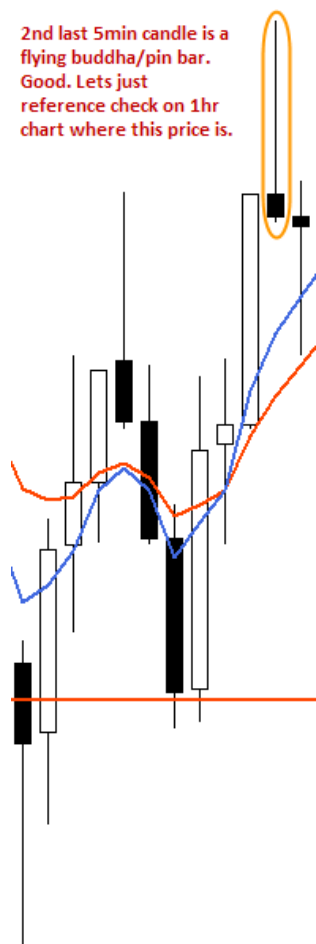
But. It doesnt work out as the next few candles are the wrong price action.

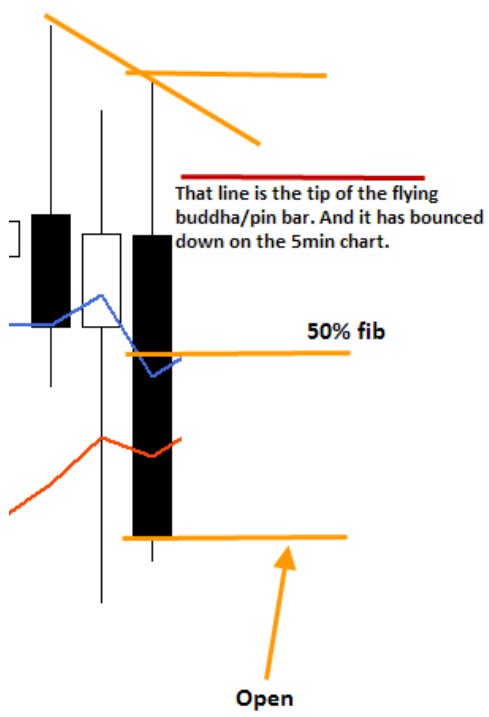


So the price wants to go higher. Than you must ask yourself how much higher?

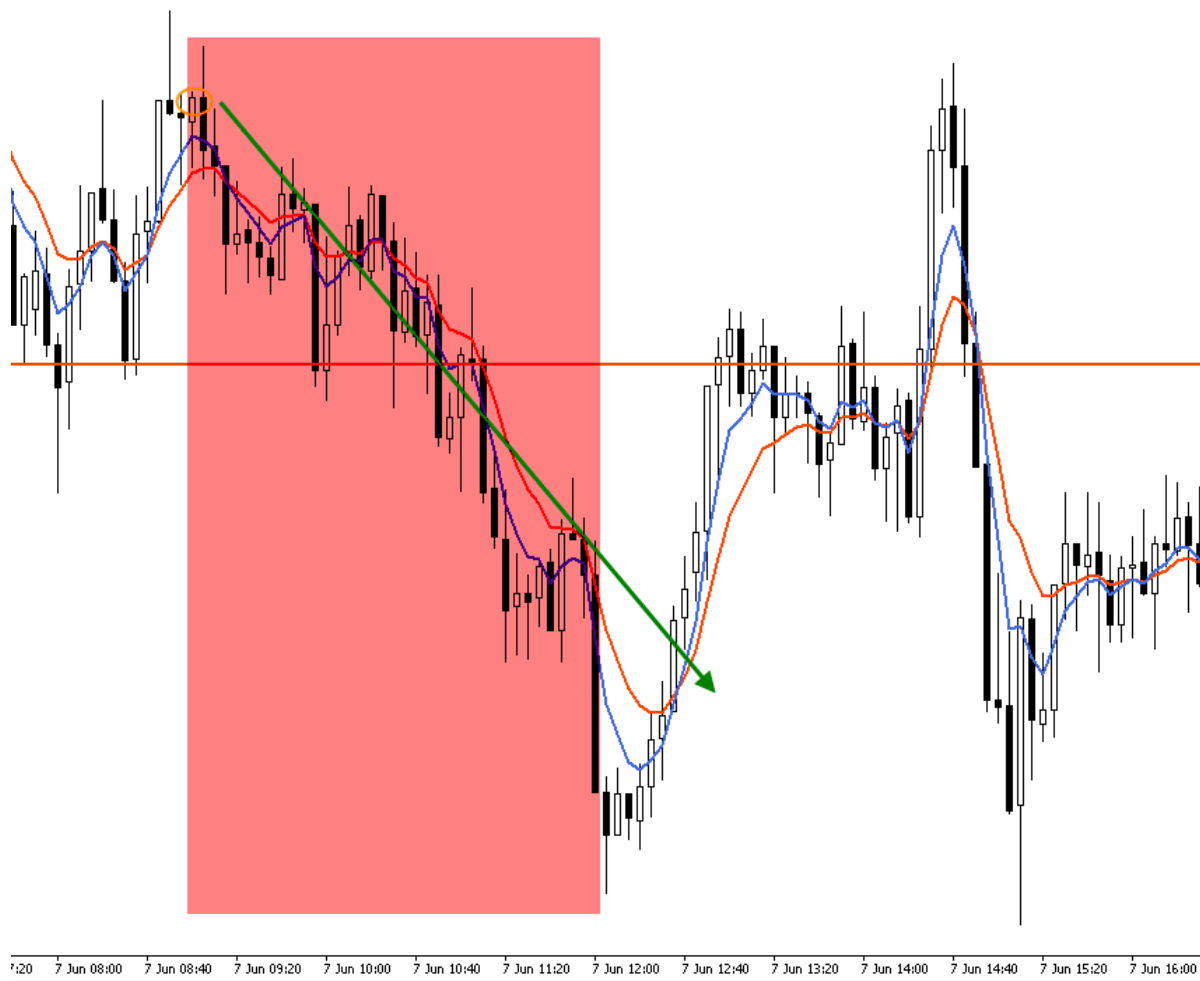
Perhaps the next is open of the previous candle or top of the upper wick perhaps?

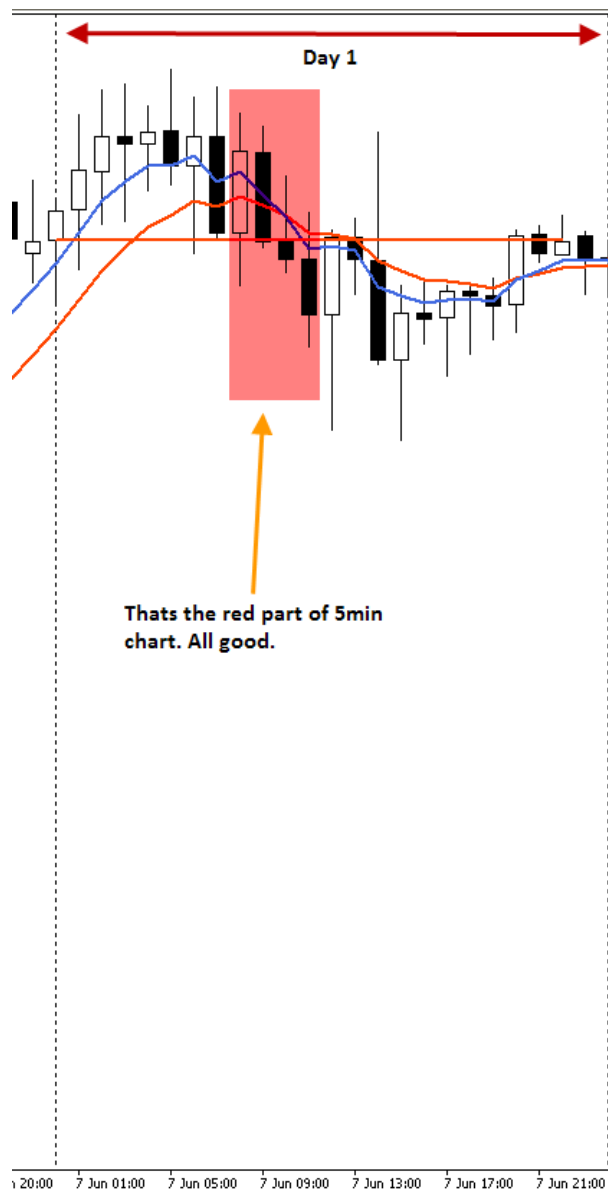
2nd last 5min candle is a
flying buddha/pin bar.
Good. Lets just
reference check on 1hr
chart where this price is.





So that position is now at the very top of the movement. Now you will stack positions on 5min chart cause you now know the market is on your side and paying you. Where is all this on the level above? I will just show you the red part on the higher level





Aug 29, 2010 3:27am

#1610



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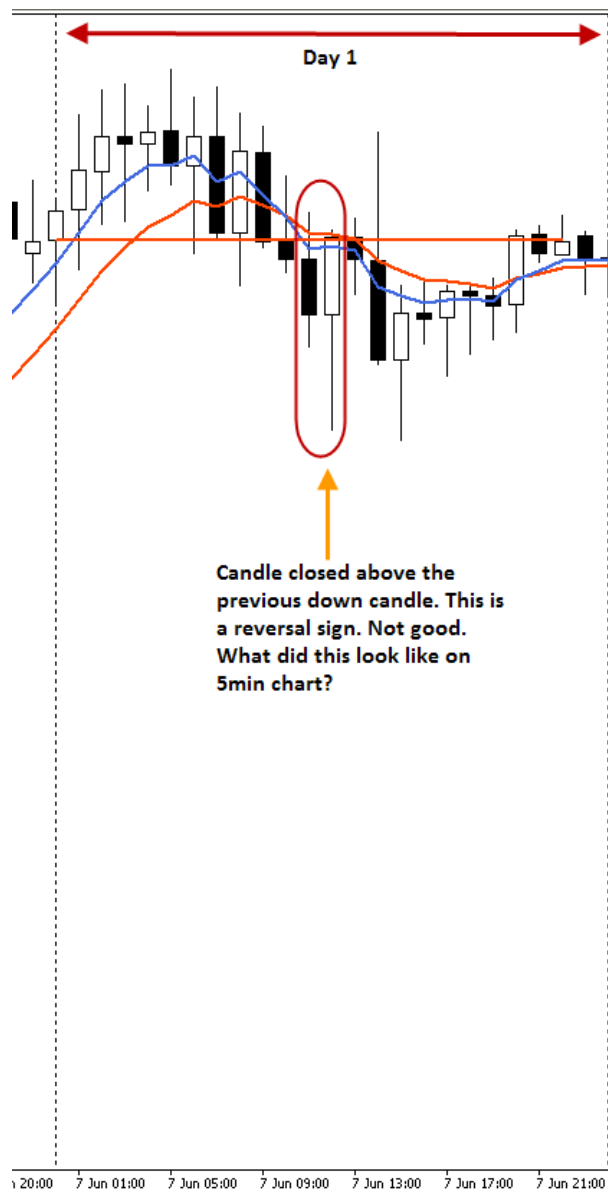
Every position you stack on the 5min chart has the potential to grow for days while the risk is limited to what you can lose on 5min chart. Risk reward?

Potential loss on 5min chart : Potential profit of days

You have encoded r:r into your trading habit.

But?

Look at that engulf 1 hour candle. Warning sign.



Aug 29, 2010 3:27am

#1611



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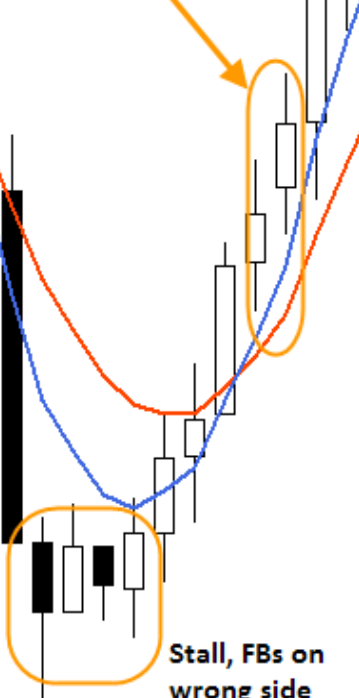
10+V 647 Posts



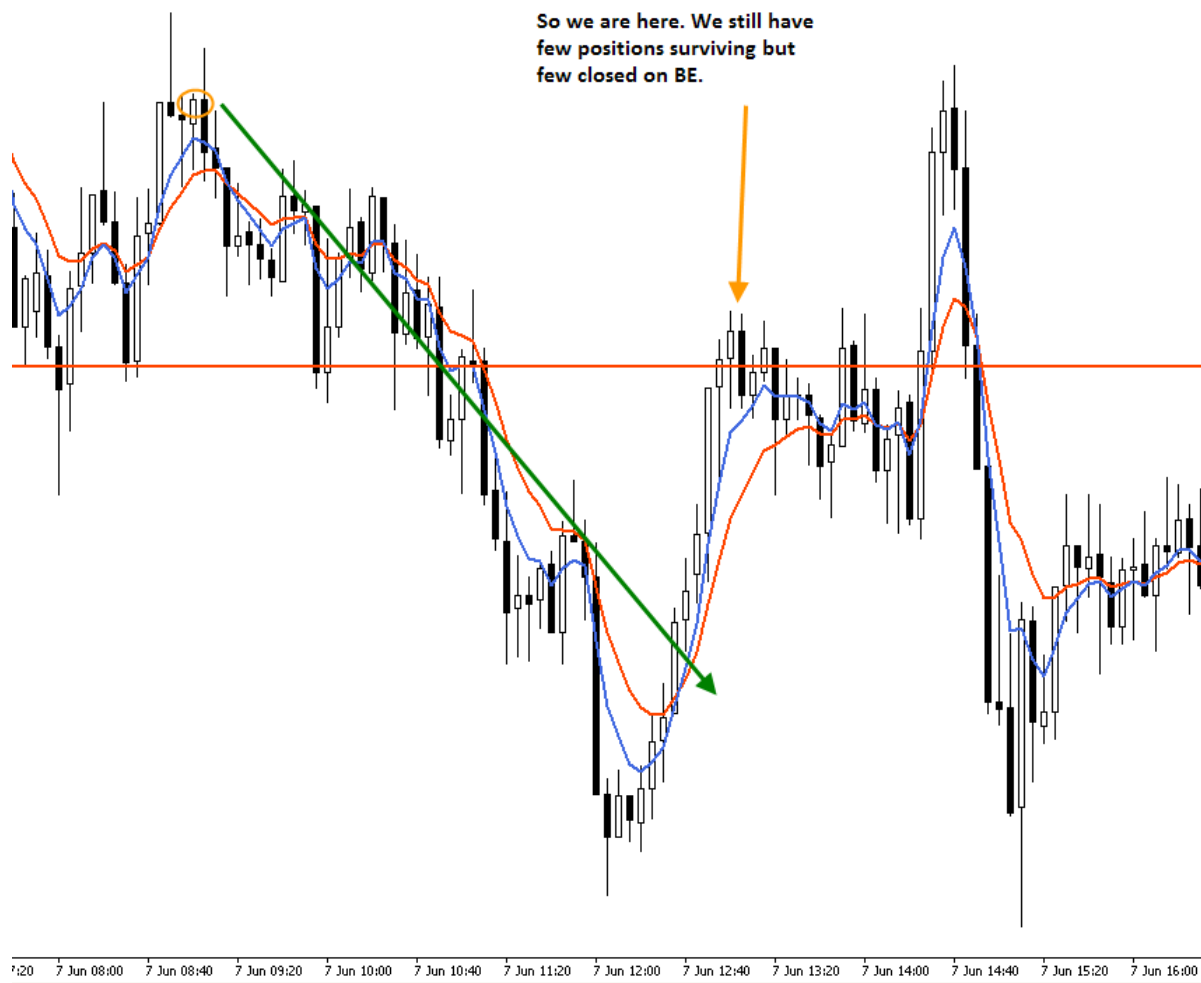
Even if you want to enter on the 5min chart it wont allow you to.

That is the engulf
candle. Do you see
any sell
opportunities?

Flying buddhas
that might cause a
loss. Very small
loss, -10 pips.



Stall, FBs on
wrong side



Aug 29, 2010 3:28am

#1612



pipEASY

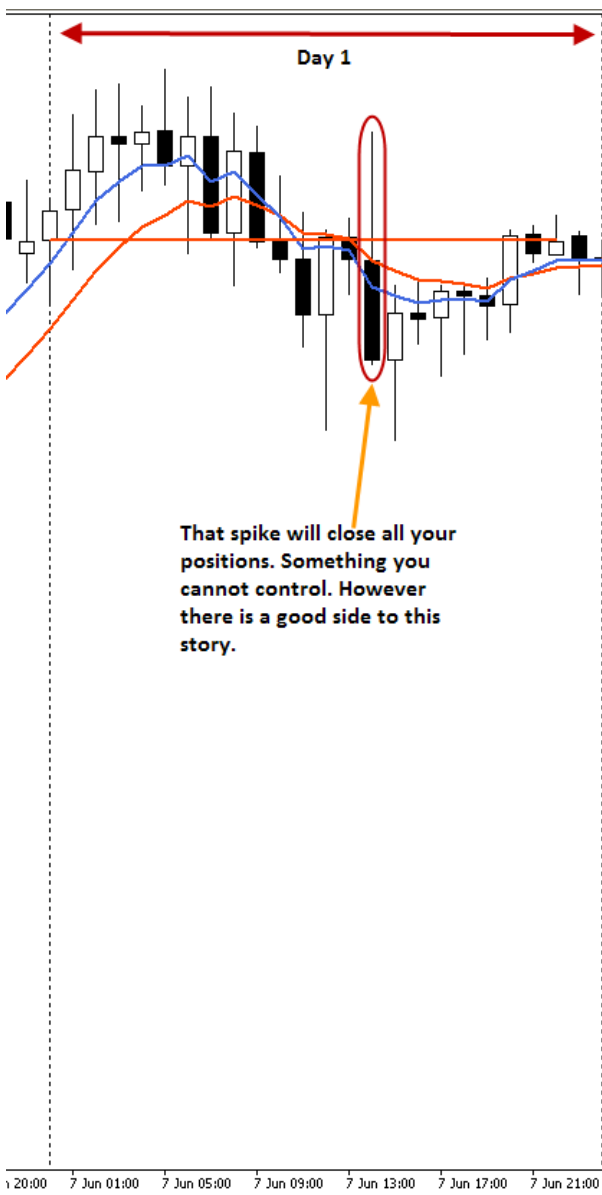
crede quod habes, et habes

Member Since Dec 2009

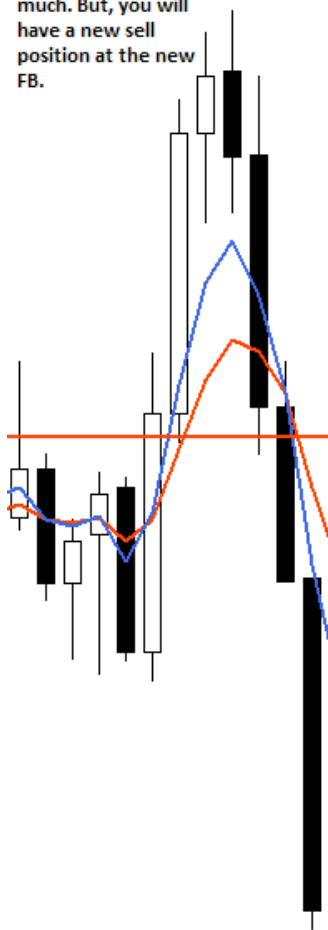
10+ 647 Posts



Now something unexpected happens on the 1hr chart.



You cannot do much. But, you will have a new sell position at the new FB.



I tell you something. Any positions you entered after that flying Buddha survived for the next 2+ months and is still growing and worth +1300 pips each. Surprised?

So you had an interesting day. You had few stacks of positions but all of them died on breakeven. The only thing you managed to open was last 2/3 positions from the latest flying Buddha which you don't know at this stage if it will grow.

Always reflect back on higher timeframe to see that the current price is 'a part' of your anticipation.

Lets see what happened after day 1 on daily chart.



What do you think?

Is it part of your anticipation?

We were expecting/hoping for a big volatile breakout downwards. The only saving grace at the moment is price closed slightly below the open. This is not good or bad. If price closes above the flying Buddha then this opportunity is over. At least we didn't lose a lot.

And so on..

Now you would continue on choosing areas that are part of the higher timeframe hindsight and then razor sharp entries on the lower timeframe. As long as the hindsight remains **valid** you will continue entering towards the direction.

This is all you need to do. Very simple and it becomes very fast.

You know when to enter, how to enter and know what to expect.

But...



Aug 29, 2010 3:33am

#1613



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I will stop here and say something to add.

Im not sure if you can actually see that there are continuous cycle of generalized price action. It repeats and repeats on all timeframes.

You need to know this cycle well so you know when to trade and when not to trade.

Imagine you see a perfect inside bar on weekly chart. And the following week is a volatile breakout towards the intended direction. This information alone is worth thousands and thousands of pips.

And the price continues until that golden opportunity is over.

You then rinse and repeat the above.

It is that simple but yet complex in a sense as well.

Continuing on..



Aug 29, 2010 3:50am

#1614



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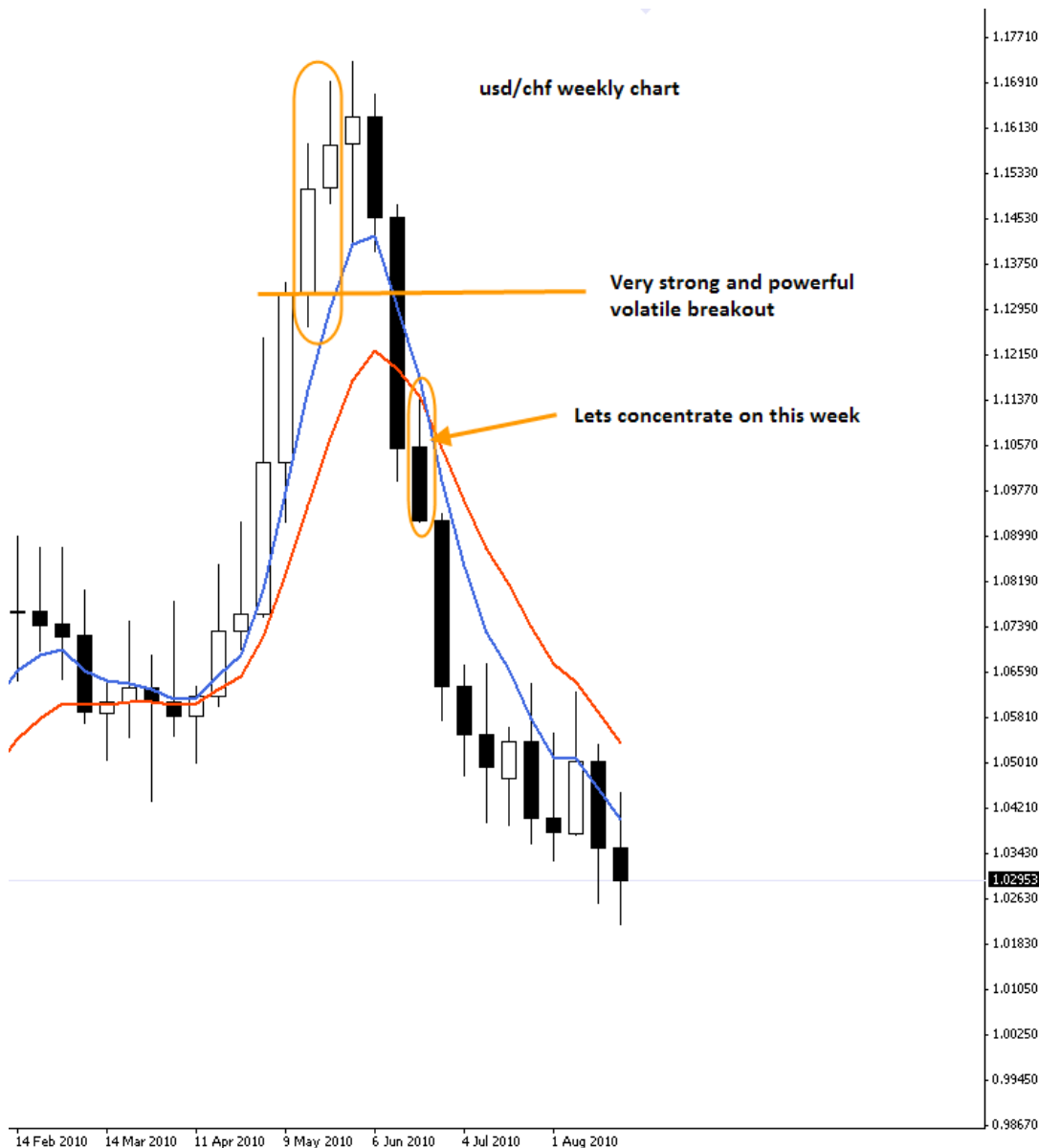
But?

Remember, I take every buy/sell opportunities?

So, if weekly hindsight says down then do I only look for sell opportunities?

No.

Let me quickly show you how you make quick short profit on both side of the coins.



Level 0 ? Weekly (hindsight)
Level 1 ? 4hr (area)
Level 2 ? 5min (scalp entries)

Lets write a plan before the start of the circled week candle.

Realistic expectation: 100+ pips
Hindsight: Down (continuation trend)

Things to watch: 1. Oversold. Quiet possibly a deep retrace or a stall.
2. Ema hasn't crossed under yet (its crossed on the chart cause the weekly candle completed). Quiet possibly a big movement down around the cross. Chances are good.

What do I anticipate: Continuous compelling momentum with hardly any retrace, if retrace preferably somewhere below 50% fib.



Aug 29, 2010 4:07am

#1615



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647 Posts



Now we have a plan.

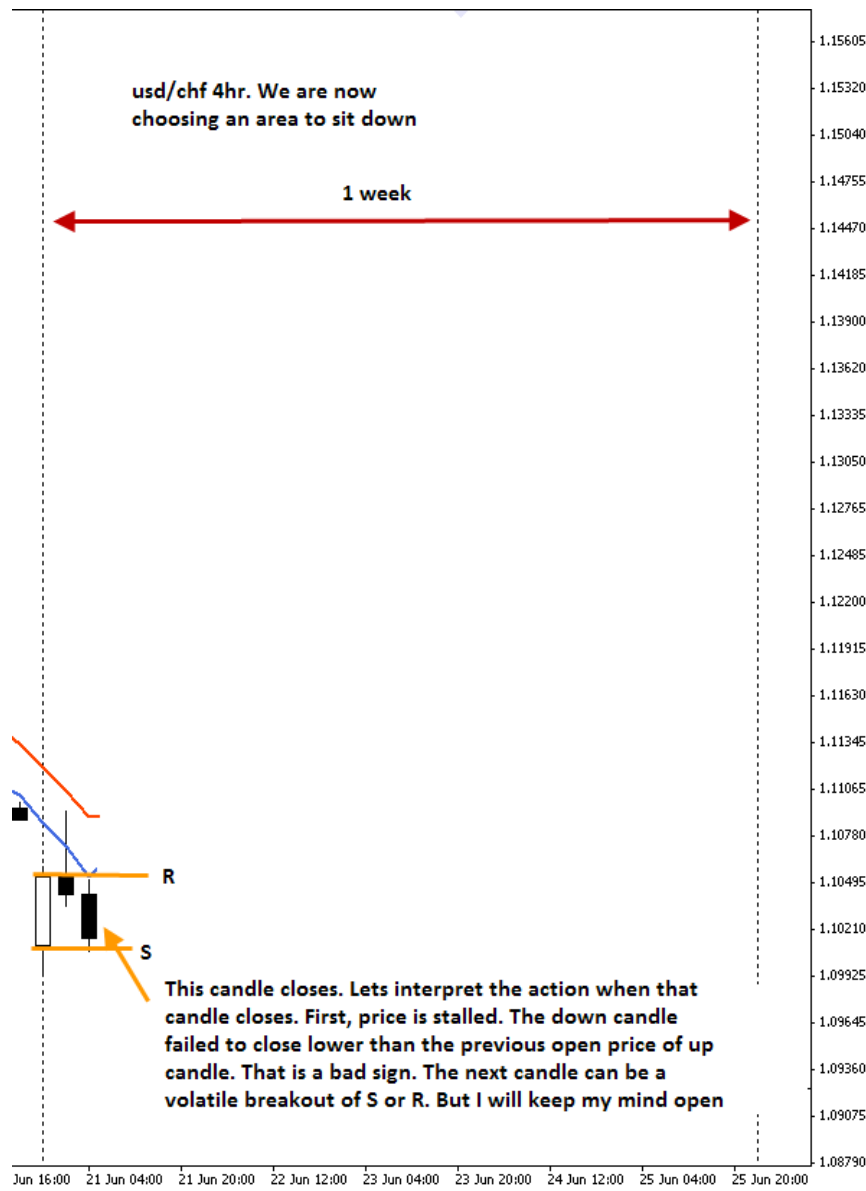
And the week starts..

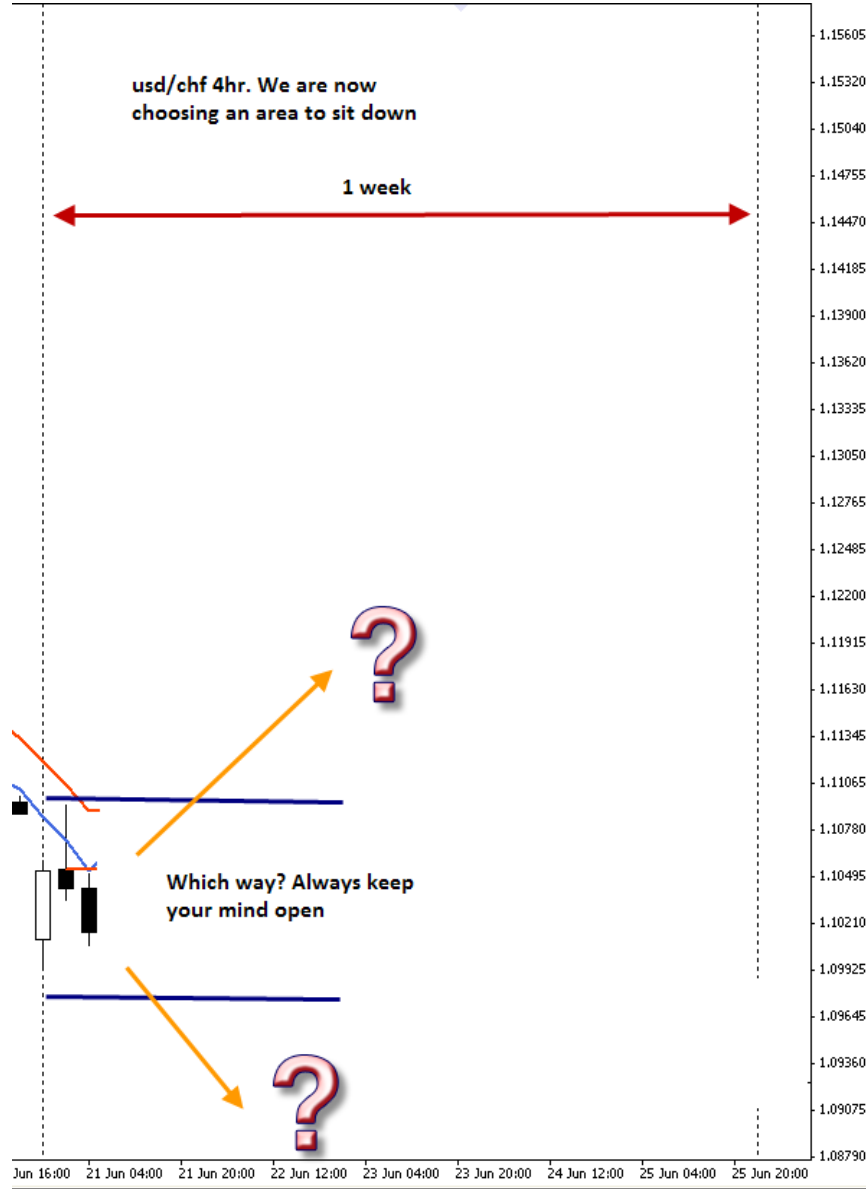


I always keep the hindsight in my mind but I also know to expect the **unexpected**. I always ask myself the opposite questions to my hindsight. If price does reverse against me and against my hindsight how should I be watching the above chart?

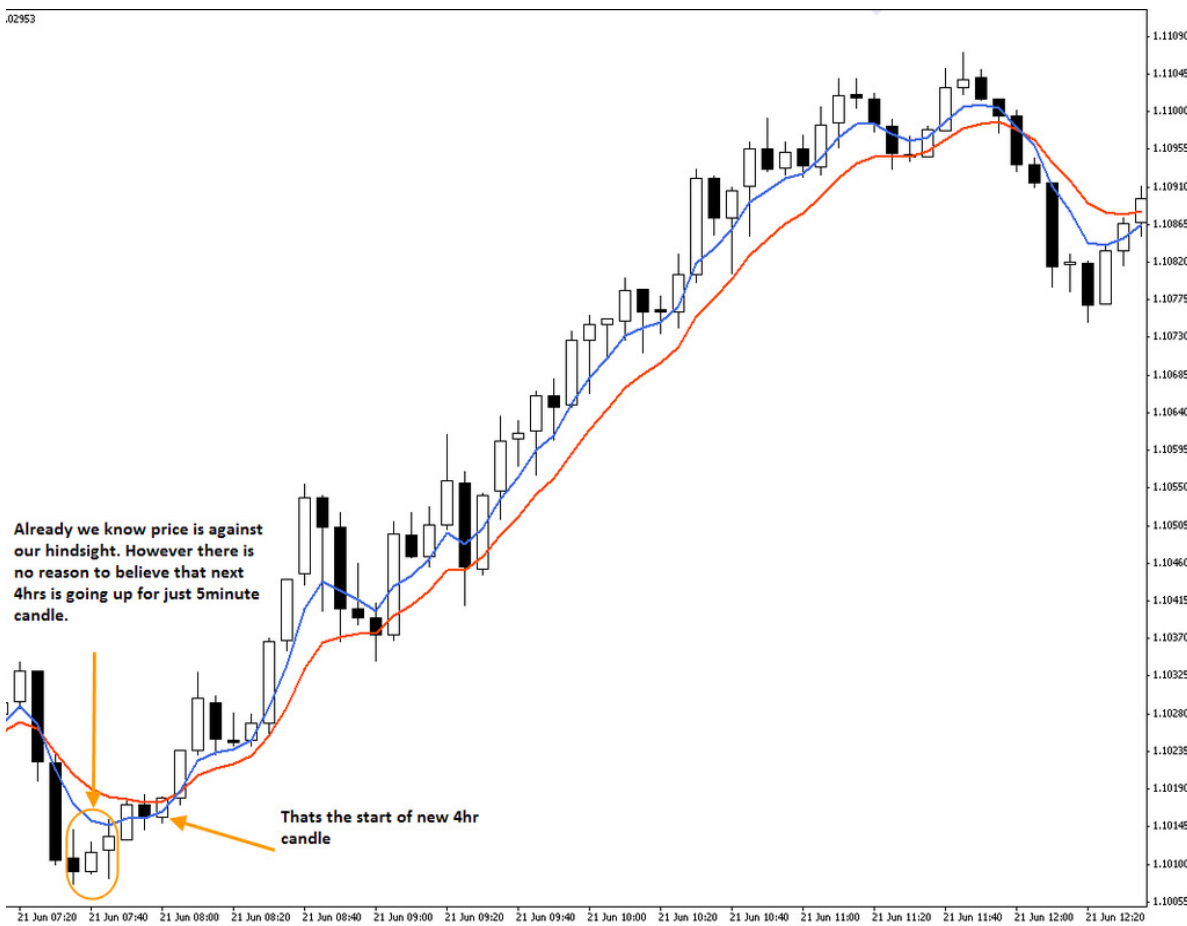
I know my hindsight is DOWN but **hypothetically** if I said it was up where should I look? Where are the obvious areas?

Once again use price action interpretation:









Aug 29, 2010 4:21am

#1616



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Member Since Dec 2009

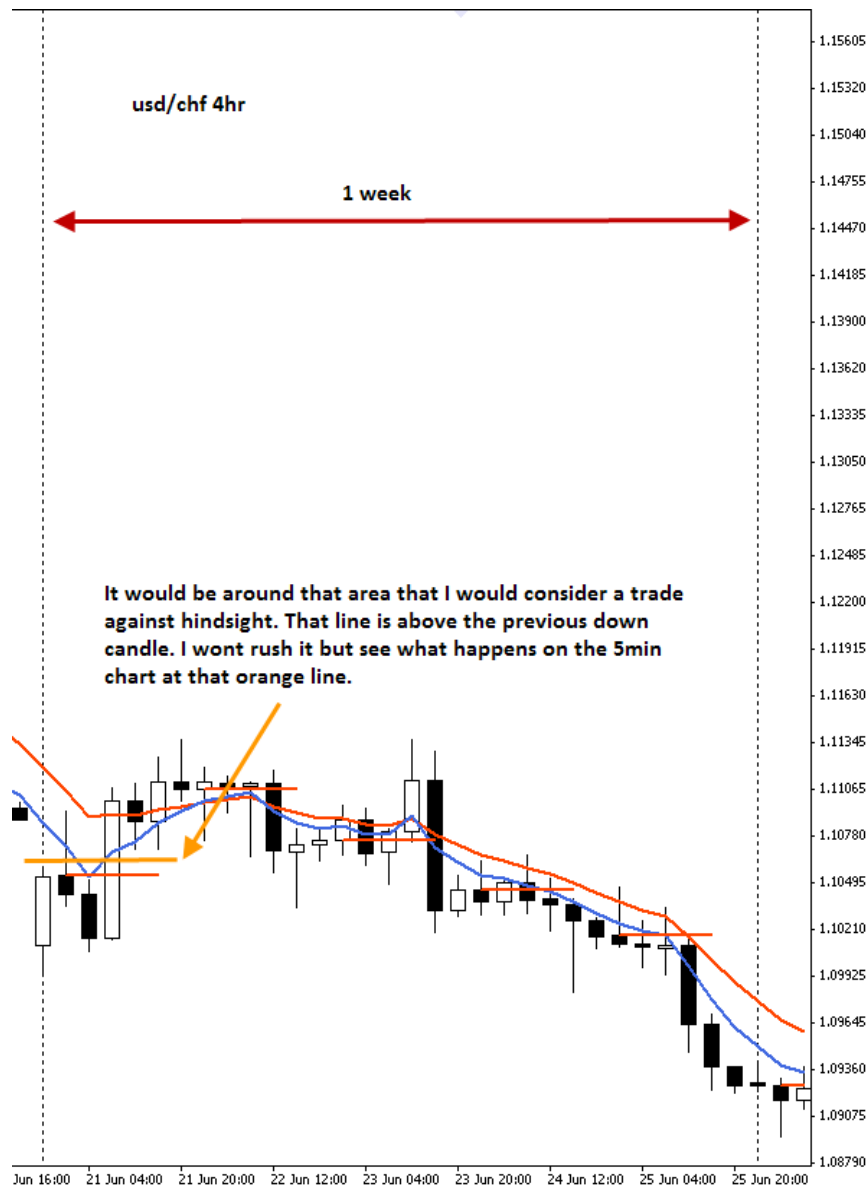
10+V 647 Posts



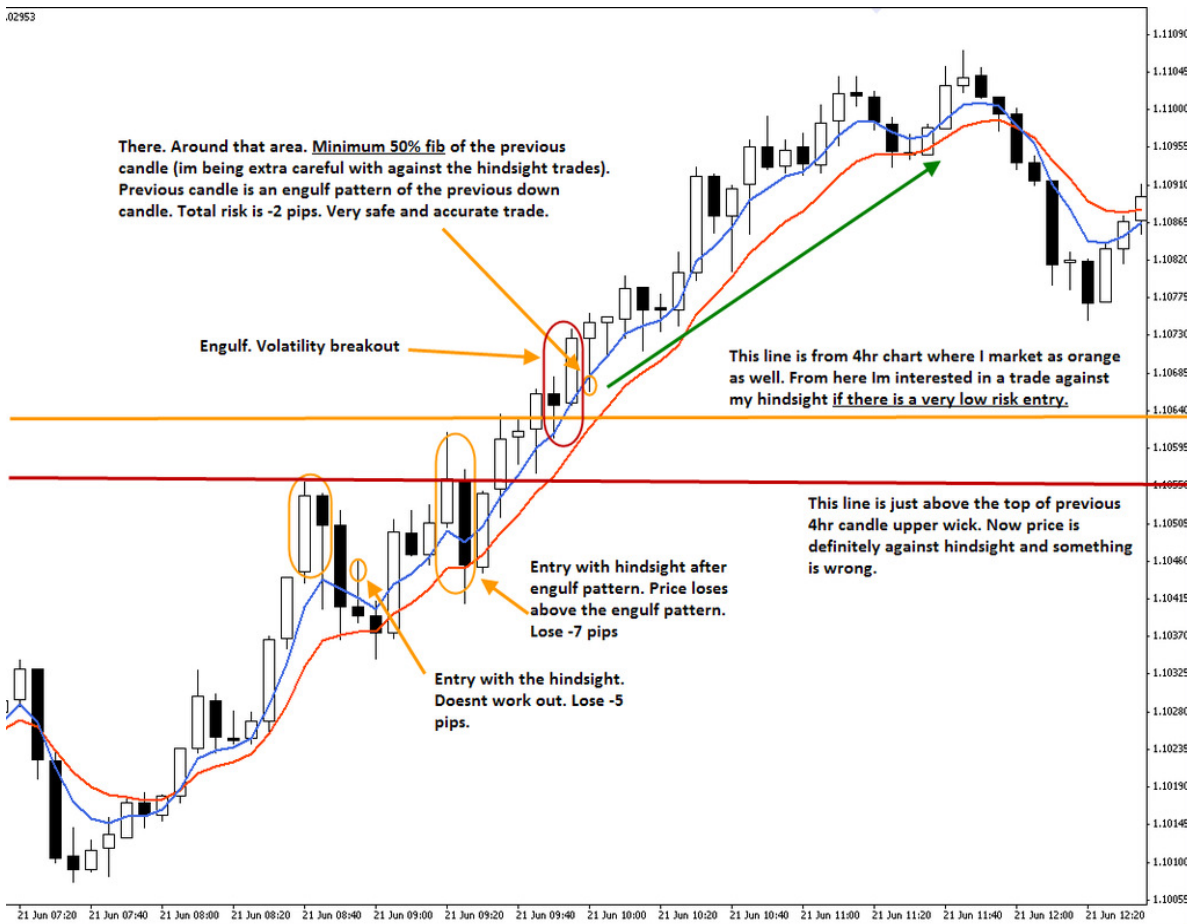
But, with trades against the hindsight require extra confirmation. Hindsight is your main objective and trades against your hindsight are just secondary punts.

You can still take calculated punts and create good source of short burst of profit.

Lets look back at 4hr chart and mark an area that if price does come I would be interested in taking a trade against the hindsight.



So where is the orange line from 4hr chart on 5min?



So you capture a short profit on the retrace of the weekly candle and once it bounces back down from 50% fib we would zoom in again into 5min and start capturing with more positions.

Last edited by pipEASY, Aug 29, 2010 5:19am



Aug 29, 2010 4:28am

#1617



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Member Since Dec 2009

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Let me take a step back and place few golden tips on taking trades against hindsight.

First, you don't take any trades against hindsight until you are well skilled and comfortable with taking trade with the hindsight. Stick to one for now.

Secondly, if market is all relative then trends can start from weekly or 5min chart. It can begin where it should end or it should end where it should begin. How do you know a retrace on 5min chart is not the actual new trend? What if our hindsight was wrong? We are never right all the time so if our hindsight is wrong then the opposite must be correct.

I always take trades on the opposite of my hindsight. Few possible scenarios happen for me:

1. My higher timeframe hindsight is correct and I have built a whole stack of positions.
2. My higher timeframe hindsight was incorrect unfortunately but my secondary punts actually grow to be legs on my wrong hindsight.

You cover both scenarios by doing the above.

Another quick example..



Aug 29, 2010 6:36am

#1622



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Member Since Dec 2009

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Good evening, all

I was planning to show another example of trades against the hindsight but I have decided not to continue.

I believe that the charts about trades against hindsight will cause more confusion than clarity.

However, I do believe that once you upskill following your hindsight trading you will inevitably phase into taking countertrades. Im confident this will happen as part of related learning and there is no need for me to show you now.

Lets all leave taking trades again hindsight alone for now.

Now lets move onto just one more topic.

Edit: Correct muntu. That would be a good idea to diversify. Or you can risk little more and leave the trades and push through till end with your hindsight. More exposure = more profit, less exposure may result in less loss (but is breakeven really a loss??) but also less potential profit.

Anticipation

Continuing on..



Aug 29, 2010 6:53am

#1623



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Thank you for the continued interest and the compliments. They are greatly appreciated and makes my efforts worthwhile.

I mentioned before how I will show you to freeze time.

This also connects with my next topic 'anticipation.'

What is anticipation?

It is a partial hindsight of the next course of action that may or may not happen.

"Im anticipating for my dog to return home"

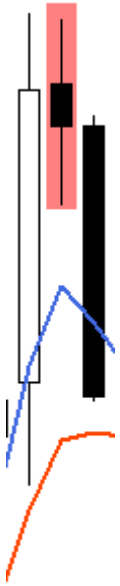
"Im anticipating a pay rise this year"

"Im anticipating to meet a new boyfriend this year"

Anticipation and guessing is different. Guessing is having absolutely no idea on the next course of event while anticipation is having some degree of knowledge of what might happen in due time and hope that it does happen.

Anticipation in forex creates alot of profit making opportunities.

Please see this 5min chart below:



Look at red candle. Now this is 5min. We don't know if that candle will be a flying buddha while forming. There are some things in forex that repeat and repeat. If I personally choose 3 things, they are

1. Price retrace to the previous candle's wick and 'bounce' off near the area or at the same price.
2. Price retrace to 50% fib and bounce off
3. Price retrace to open of the previous candle and bounce off

These are 3 things I watch happen all the time and I have built a trading edge over it. How?

Now that candle is 5min chart. The tick action of the above chart is too fast for me to react in time to get a position on the wick. Sometimes I can but most times I cannot.

If everything is all relative. Then that chart could be a weekly. The only way you know that chart is 5min is because I have stated that it's 5min.

Action on 5min is very fast but action on weekly is very slow.

On weekly chart, we can actually wait to see the price approach the area and then what do you think we can do?

We freeze the time (in a sense).

We see the price approach the upper wick of the previous candle and with the mentality to spend few pips for something great we will participate.

Let's have a look at r:r

Risk of 5min entry : Potential profit of weekly

+ **(PLUS)** higher probability of a bounce

continuing on..

Aug 29, 2010 7:08am

#1624

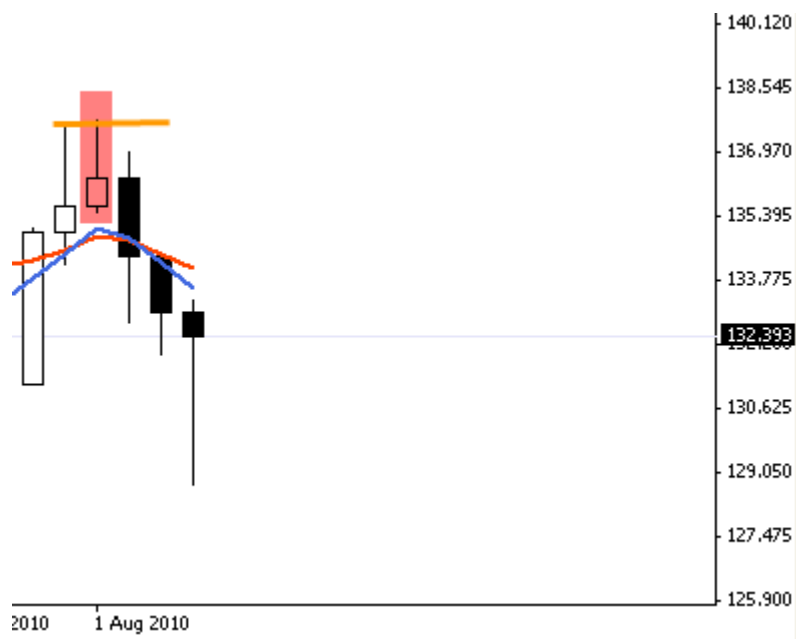


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Member Since Dec 2009

10+V 647 Posts



Look at that weekly chart. Lets focus on red. We dont know when that weekly candle is forming that there will be a upper wick bounce and that it would turn out to be a flying buddha.

However, I would like to freeze time and zoom in and see very closely near the upper wick.

Just on a side note, main hindsight for the chart would be UP since the last 2 weeks is up.

But you must notice that long previous wick. That is a sign of weakness from buyers. Not all the times but enough times.

I always place an alert on the price which will send me an message on my phone when price reaches there.

Lets say the week opened and I received a message. Price has approached close to the upper wick of last week.

Lets see what level 1 say. (4hr)



Continuing on..



Aug 29, 2010 7:23am

#1625



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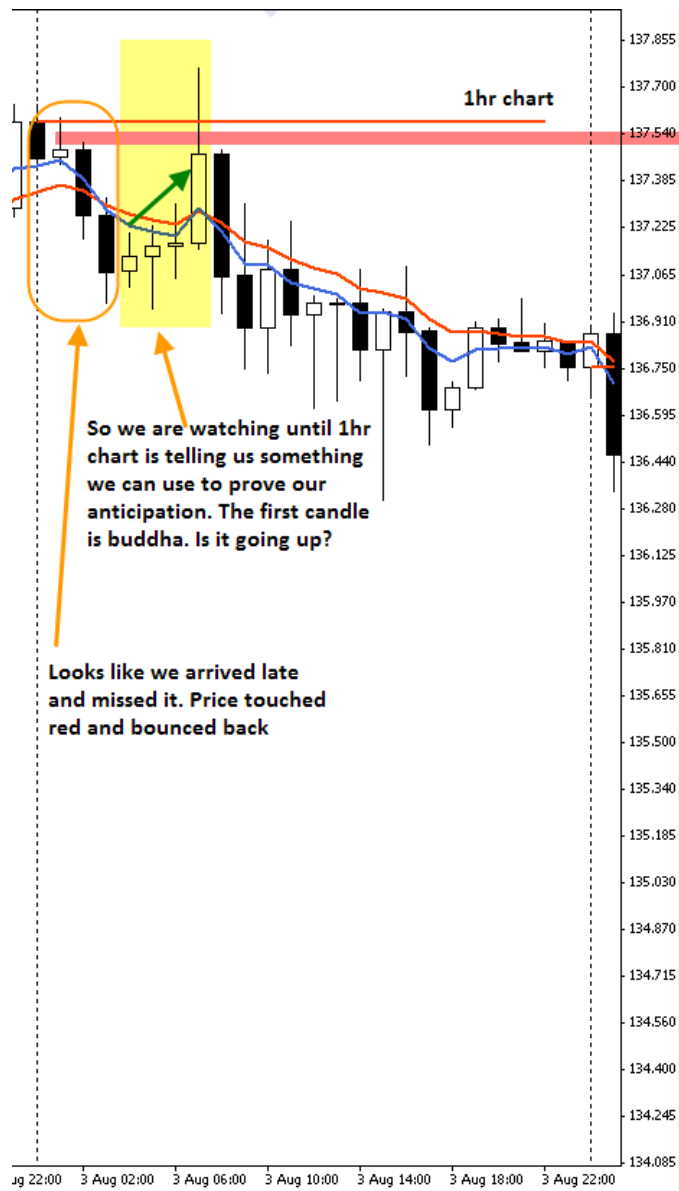
If 5min chart is too fast for you to get a position in then on weekly there is more than plenty of time.

Infact, if you miss it then you have missed it. There will be more later on.

So lets just say you arrived on the scene at the open of the red candle. You are little late as the price seems to have bounced off the red line.



Lets zoom in level 3 (1 hr) for a smaller area. **We are in process of freezing the time by decreasing our scale against the potential happenings of the weekly.**



Aug 29, 2010 7:40am

#1626



pipEASY

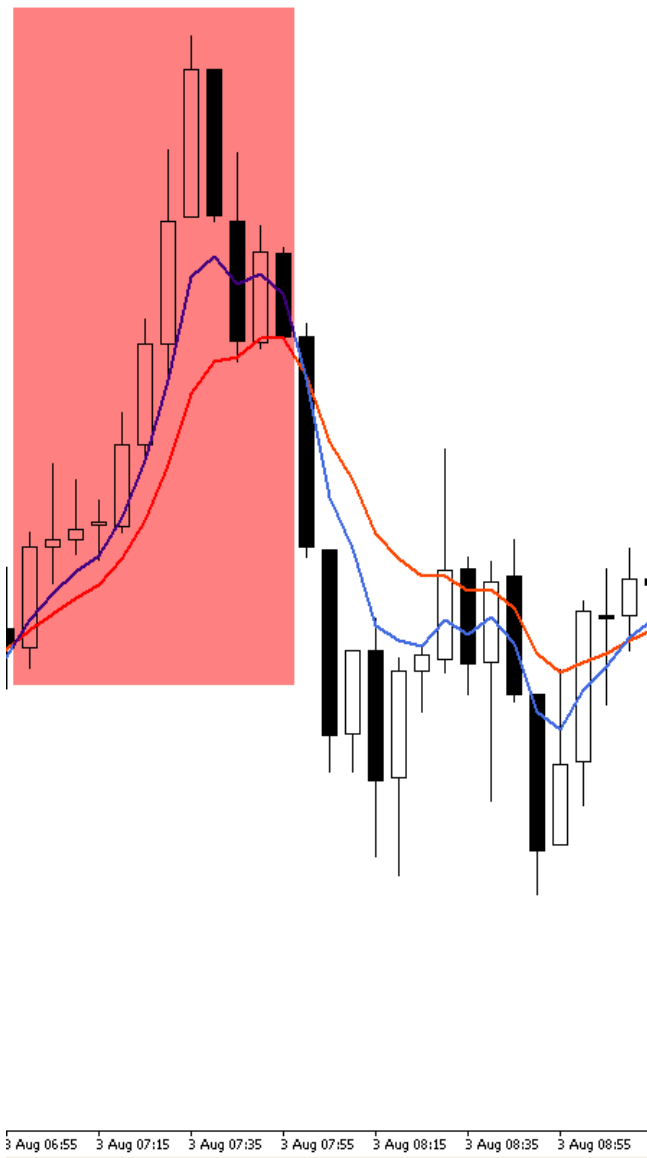
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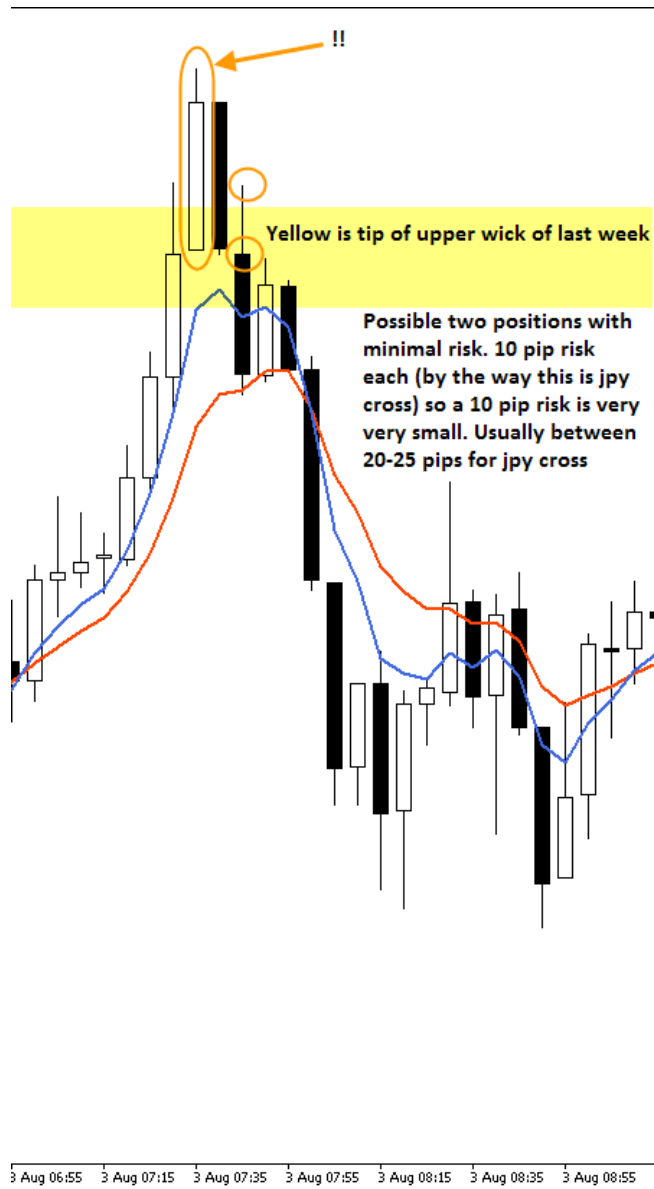




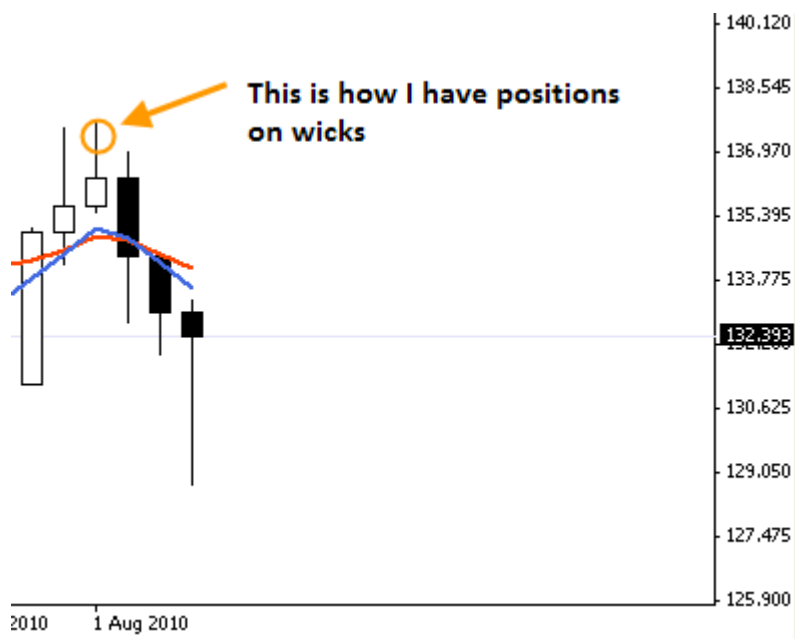


Look at the above red candles. They are 5 minute candle. There is no way you could enter any sell positions on the first few candles.

This is prime time. It is in the area where something big 'can' happen.



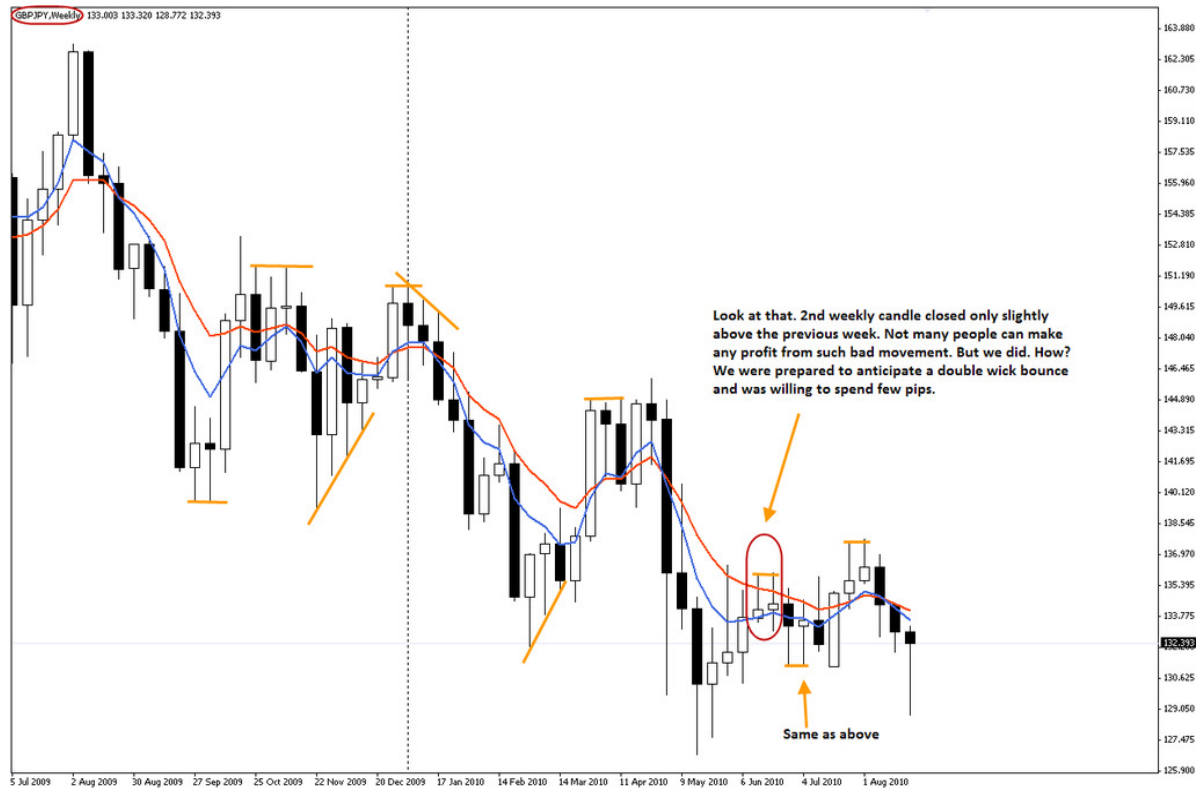
They are now with 900+ pips each and has the highest probability to survive as they are on the wick of the weekly.



You many wonder how many times a wick bounce happen. Well, a wick bounce on the exact same area is not

often but you can anticipate many many setups before hand. Beauty is you will have positions on the wicks that has the highest probability of survival if the new trend continues.

Some areas that was possible to anticipate on the weekly chart.



Some weeks you can pull out good profit where normal traders will find it hard.

I do the above all the time with great success.

Now for the project..



Aug 29, 2010 7:43am

#1627



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I hope there is enough times for the readers to absorb and think about the last few pages in this thread before attempting the project.

All I ask for the next 2 weeks is to keep things very simple.

We are doing:

1. Pre-selecting a pair of currency
2. Analysing the weekly price action
3. Form a hindsight and realistic expectation
4. Write down a plan
5. And execute

Allow me to show few examples that are from this weekend.





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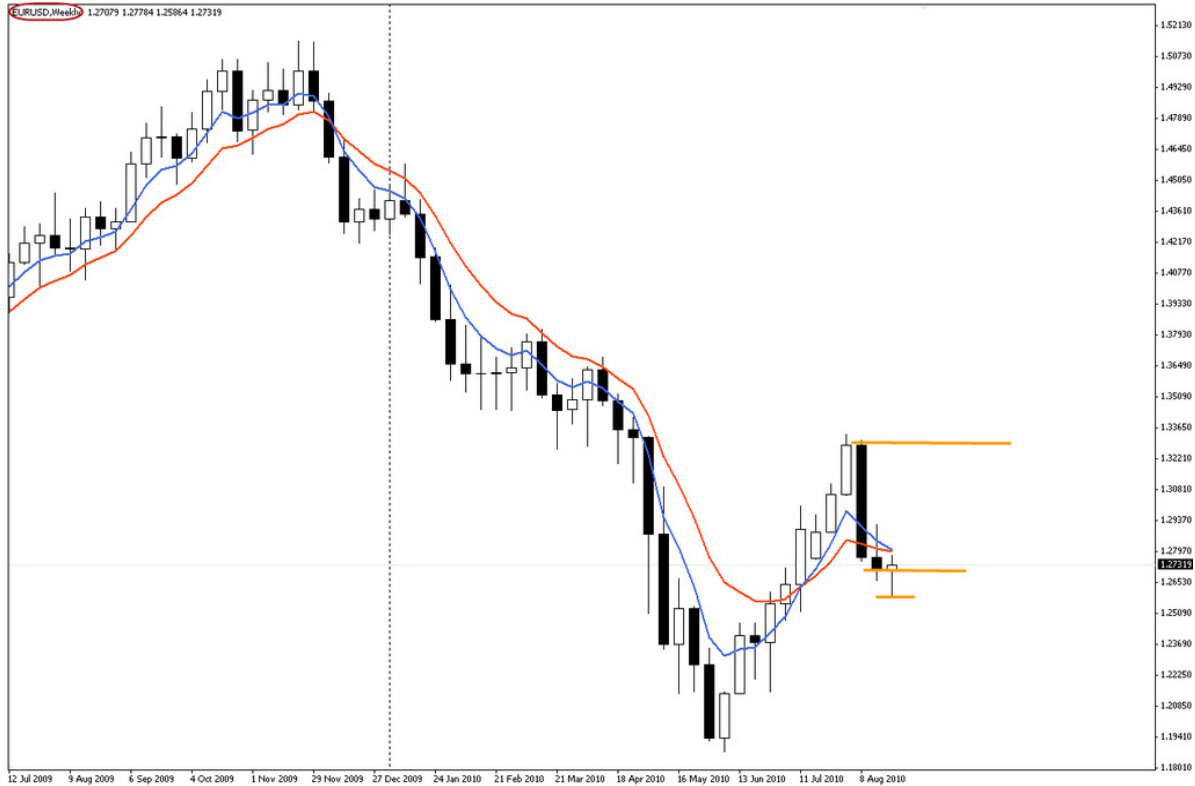
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Example 1

Pair: eur/usd

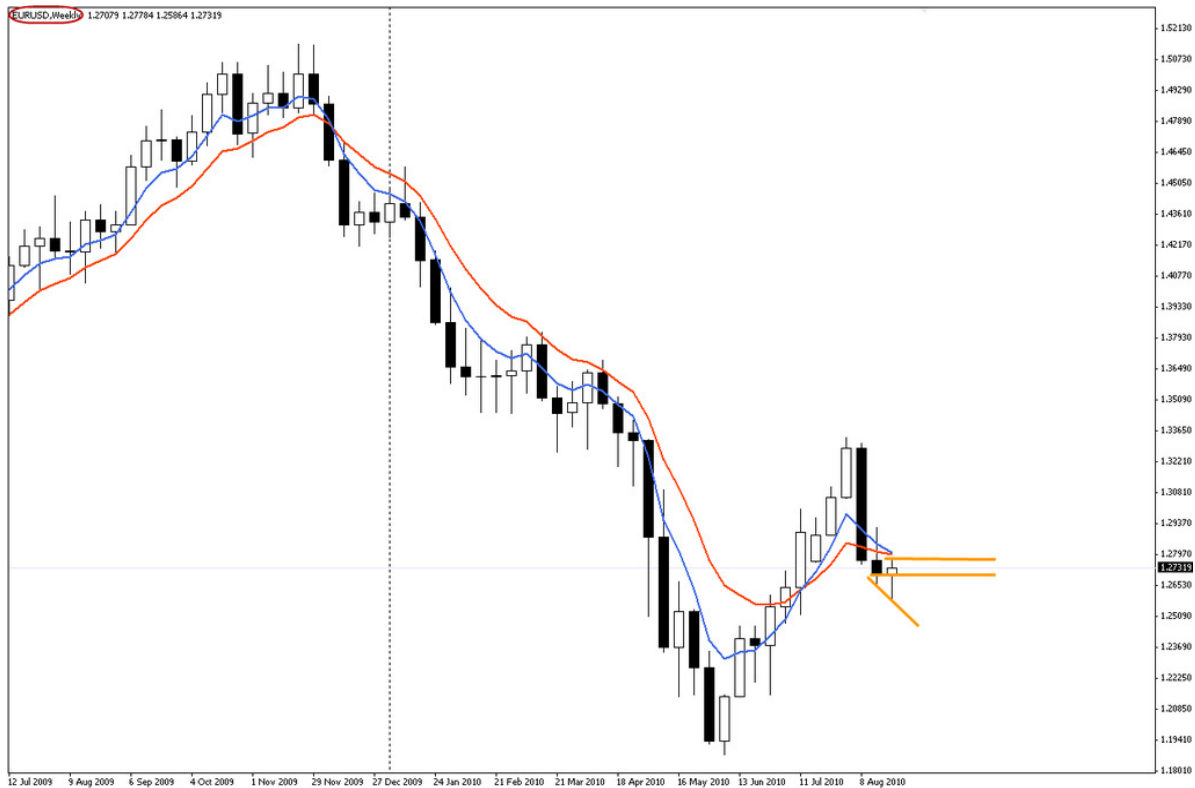


Realistic expectation: Weekly chart. 100+ pips minimum

Hindsight: Down, continuation trend

Analysis: Last week candle is a small non-movement. Price has stalled after a large bold down candle. I was hoping for continuation trend last week however it didnt. Price is slightly off ema so im expecting a retrace. Ema is about to crossover but that depends on the momentum of this week.

Anticipate: Im anticipating retrace. Im anticipating an upper wick bounce from last week and will send an alert to my phone at that area. For my hindsight to work I require a compelling momentum piercing the lower wick of last week. **Im aware that price might respect the descending wick pattern** and bounce back. I will anticipate this bounce up and will be ready to watch and go with the flow. Honestly I give this pair of currency 6.5 out of 10 chance that it will be a bold candle down.



Aug 29, 2010 8:05am

#1629



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Example 2

Pair: gbp/aud

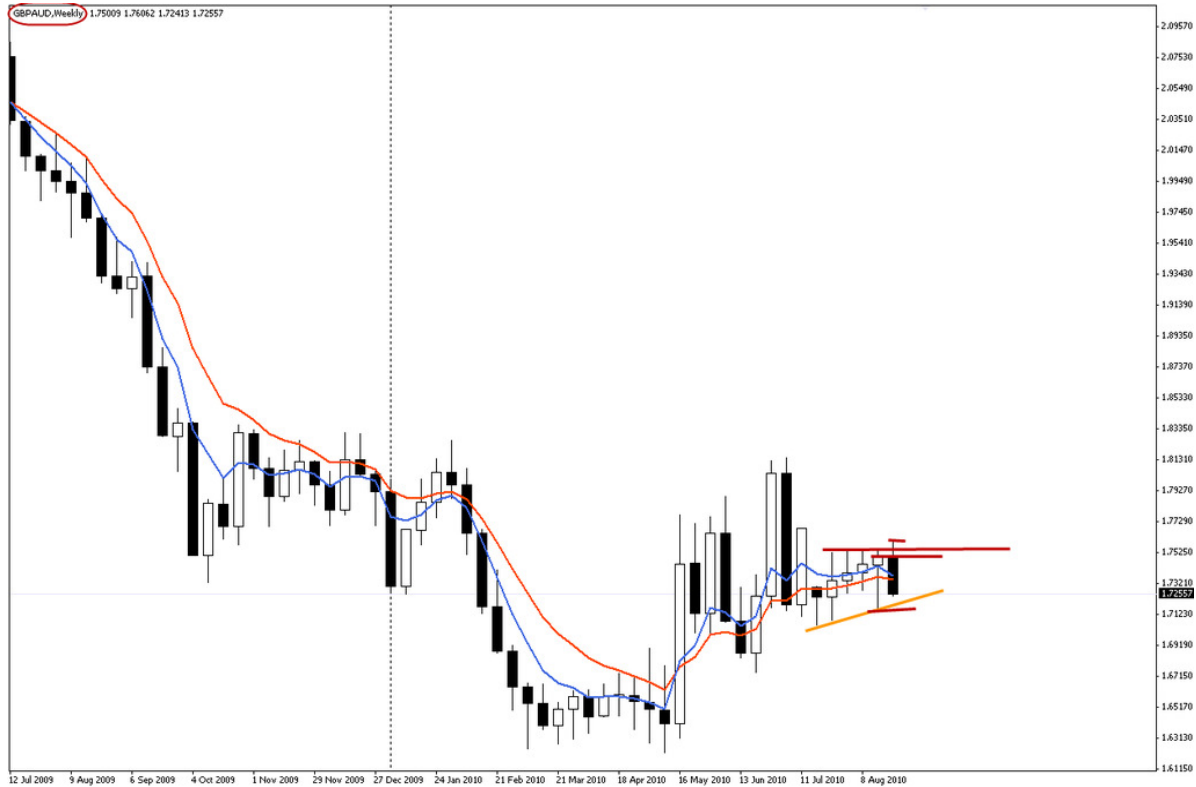


Realistic expectation: Weekly chart. 100+ pips minimum

Hindsight: Down, continuation trend after engulfing candle.

Analysis: Great momentum. Bold down candle that completely engulfs previous 3 up candles. There was 5 wick touch which means a strong resistance just around the tip of the upper wicks. Im not happy about the long lower wick of previous weeks candle. There is an ascending wick pattern that needs to be broken.

Anticipate: I anticipate a retrace but I hope something less than 33% to prove that buyers have definitely given up the fight and the momentum down is dominating. 7.5 out of 10 however I will cover all bases and send alerts to my phone on the red lines. I will be keeping this pair closer than others.



Aug 29, 2010 8:15am

#1630



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Example 3.

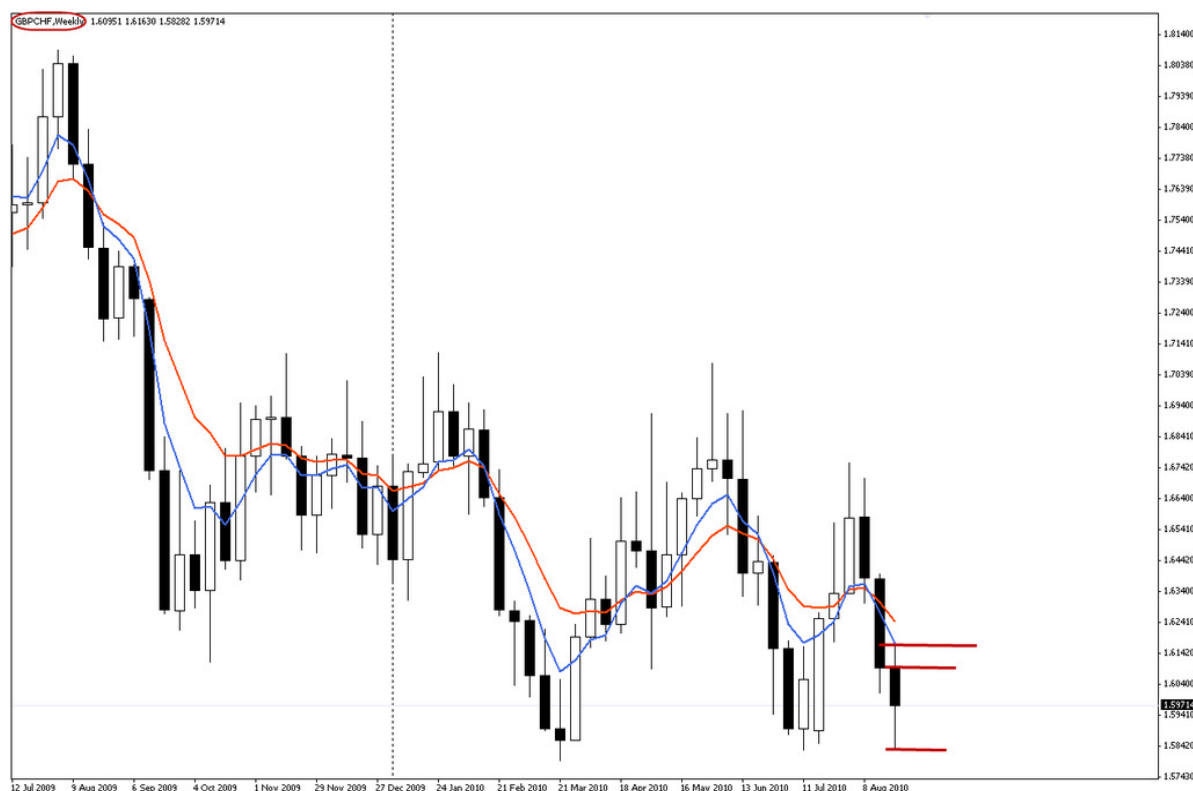
Pair: gbp/chf

Realistic expectation: Weekly chart. 100+ pips minimum

Hindsight: Down, continuation trend after compelling momentum

Analysis: Last week was a good movement. Not great but good. Price retraced to 50% of weekly candle 2 weeks ago and came down. That could have been taken advantage of. Good move down but bounced up on support 1.58500 which had few bounces before. Ema crossed over recently, so good chance that this will follow through with another compelling momentum. Price is opening this week at 50% of last week already.

Anticipate: Since price is opening 50% of last week. If there is a retrace I will focus on open price of last week or tip of upper wick. Ema crossed over recently so good chance of compelling momentum down. I sincerely hope for a volatile breakout of 1.58500 which would cause huge potential of profit. I give this 7 out of 10 for a bold candle down.



Aug 29, 2010 8:24am

#1631



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Member Since Dec 2009

10+V 647 Posts



If I could request all readers who are participating this project to send me a plan like the above. Similar layout is preferred but not essential.

Please send me to pipeasy at yahoo.com

I have already received few and I applaud the few members who are taking steps ahead of the rest.

When market opens tomorrow, even though you feel that you are ready and understand, trust me when I say it wont be easy. But I will guarantee it will get easier through more practice.

To keep things very simple, **for now, please send me your plan only and today think about what you will do this week. Pre-vision all your actions and what you are going to do.**

Do you know why professional footballers point to the sky towards the opposite goal before freekick? It is a very well known mind control that coaches teach. You are pre-visioning your action before it happens. You will be amazed how this pre-vision helps condition your mind and prepares you and even achieves what you visioned beforehand.

For now, just the plan and from tomorrow make your hindsight come true or minimize your loss if it doesnt.

As the week moves on I will let all participants know what is expected next.

Perhaps opening a new demo account just for this project as I would be very interested in the trades you take.
I will analysis each of your trade and see why you have taken them and then offer advice.

You can email me questions or leave me answers on this thread regarding this project. Im just going to lie down for about a hour or two to rest so when I return I will answer questions to the project.

Sincerely,

Graeme



Aug 29, 2010 8:27am

#1632



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Member Since Dec 2009

10+V 647 Posts



Just before I go lie down for 1 or 2 hours.

For all the members who have emailed me their project already, there is no need to formulate it again.

I will work it out.

Kindest Regards.

Graeme



Aug 29, 2010 10:02am

#1635



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Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **ozziedave** >

Hi Graeme,

On the euro chart you have a FB below the EMAs. Since you have an FB do you anticipate a reversal? I see in this case you didn't even mention the FB? In my review of the charts FBs seem to work in either direction so I would take an FB if price breaks above the high of the FB candle. Just wondering how you would approach this analysis if you were to take into consideration the FB?

Good evening, Dave

Apologies. You are correct, I should have clearly indicated that last week candle is a FB.

My analysis still remains the same and I too will look for breakouts in either direction.

Although I would have preferred the FB to be little larger body. This is just my personal thing that I have accumulated from looking at so many FBs.

Looking forward to your contribution

Good night all.

Best of the luck this week.

Sincerely,

Graeme



Aug 29, 2010 8:32pm

#1675



[pipEASY](#)

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Member Since Dec 2009

10+M 647 Posts



Good morning, all

Thank you all for the participation.

Most readers are charging forward and it is fantastic to see.

Keep it very simple please.

Weekly hindsight down. 4hr price action says UP. **No trade.**

Weekly hindsight down. 4hr price action says DOWN. 5min price action says UP. **No trade until 5min also agrees.**

Throughout the week, ask yourself is price action really to your anticipation.

Most of the time it will be not.

This is a psychological aspect. The market moves slower than most traders expectations vs time. Please remember that.

Also, you do not need to stay up all night as that will affect your health. There is no such thing as too late in forex but always too early. I sense that many traders are in a rush which is a healthy dose of motivation however market moves much slower than your motivation.

At the end of 2 weeks. "Graeme, my weekly hindsight 2 weeks ago didnt work out. However, for the potential profit of few hundred pips, I lost -200 pips overall."

That is a fantastic result. A weekly opportunity that works out will reap thousands and thousands while you stretch the profit taking and you took calculated risk but unfortunately turned out -200. Remember world/life /market doesnt end with this one opportunity.

This is where your money management may come into practice. Tell yourself, I spent 200 pips just on the last weekly hindsight. How many more can I sustain? If its anything above 20 more opportunities (for the new starters) than your capital is fine. And thats all to money management. Even if you adhered to one pair of currency, look at x20 weekly candles. Im sure there are few segments within that 20 candles (5 months) that are absolutely profit making. All agree?

For now I will take a step back and let all traders take hold of their actions and prove to themselves they can. And I say you can. You can.

All the answers are here but inside you already. Everyone is doing well.

Thank you for private messages/emails I will answer them shortly.

Sincerely,



Aug 30, 2010 6:50pm

#1726



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+yr 647 Posts



Good morning, all

Apologies if I seem too quiet however I would like all traders to think on their own.

Im reading all the emails and private messages and have printed out all of them. There are currently 30+ participants.

It is good to see all participants have **sensible realistic expectation of the next 2 weeks that has the poential for alot of profit.**

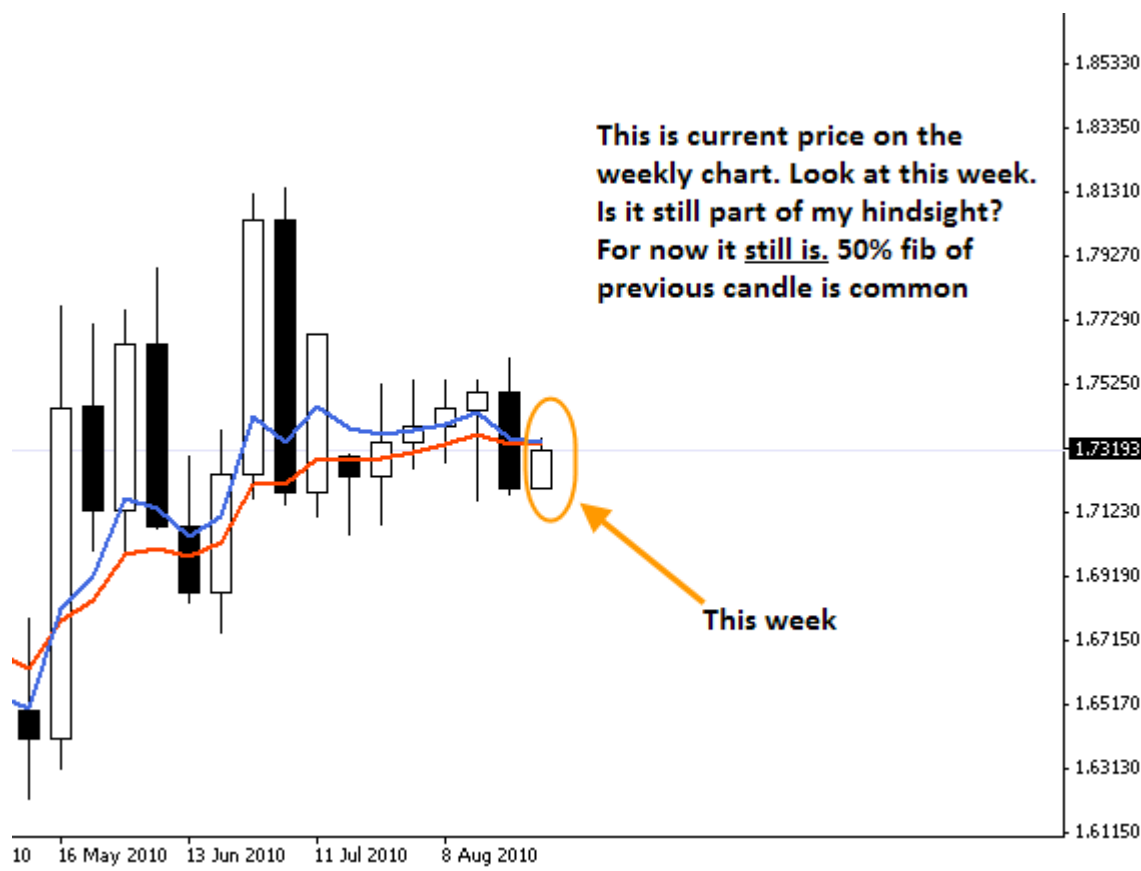
There are few things I would need to say as part of learning.

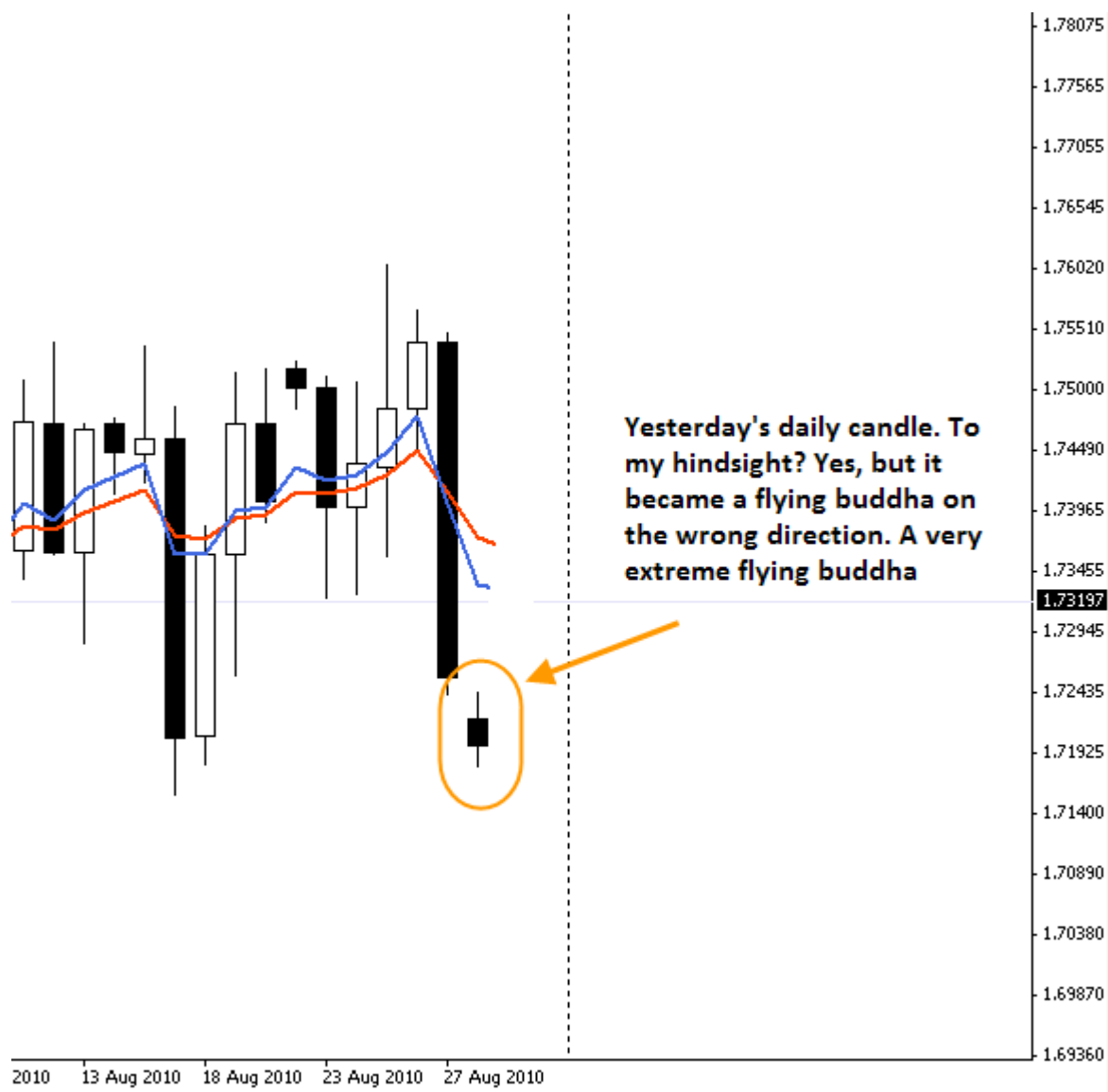
1. It has now been **1** day after hindsight. Look at the daily candle just formed. Is it part of your hindsight??
2. Where is price now to your hindsight?? Is it part of your anticipation?
3. Please only stack when the price in **your favour. The worst case scenario when prive reverses is perhaps the loss of last 1 or 2 positions and rest BE (unless there is a volatile sharp price spike).**
4. For now, I suggest keeping things very simple and only trade with the hindsight.

For everyone's reference, I chose gbp/aud as my project this week. Hindsight is DOWN

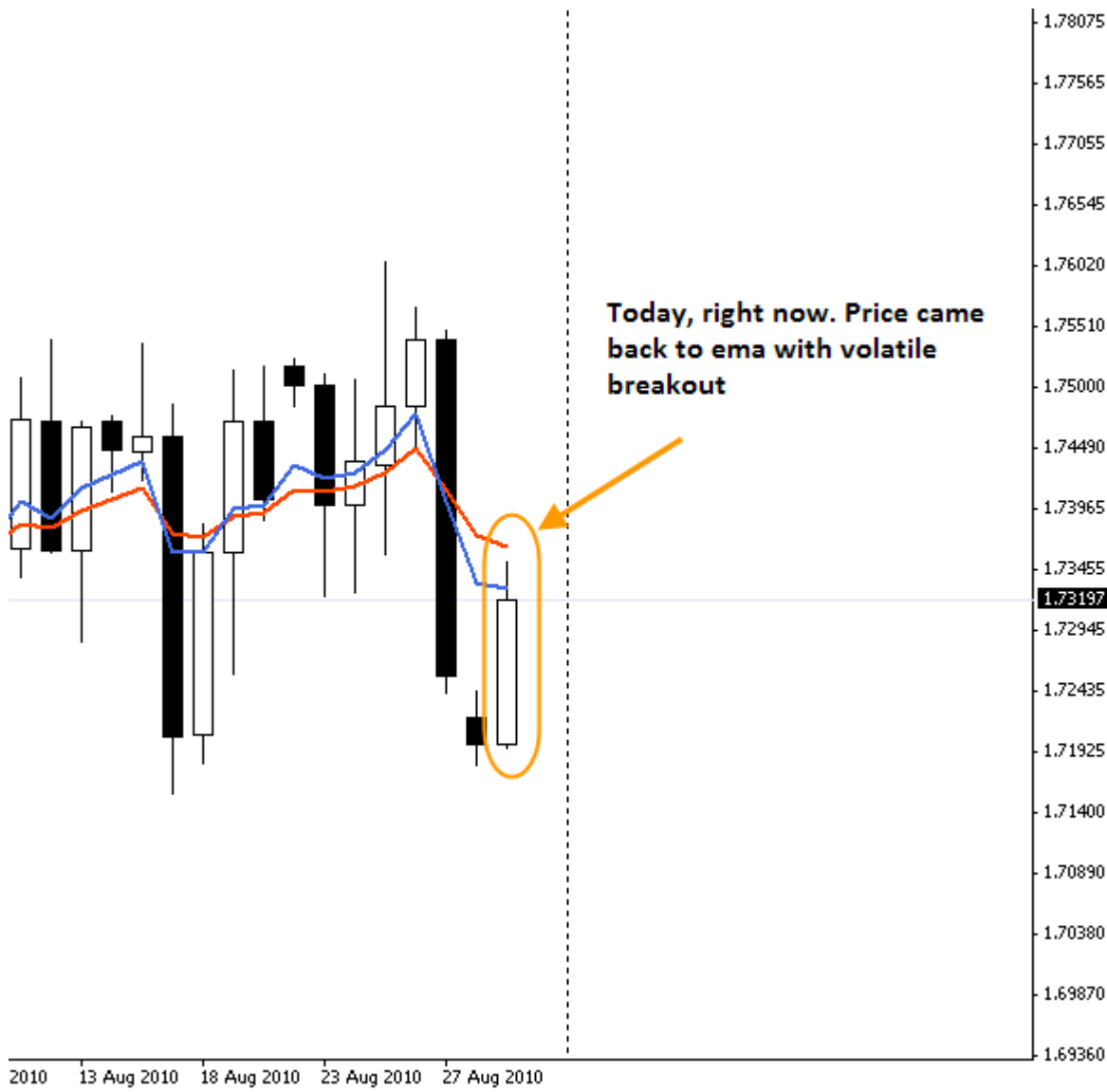


The above chart was before market open this week.





So what do you think might happen now with higher probability? Yes, price is now against my hindsight so I will walk away from computer until its over.



****EDIT: will return to post correct chart of yesterday not last week *****

Sincerely,

Graeme

Last edited by pipEASY, Aug 30, 2010 10:32pm



Aug 30, 2010 8:38pm

#1733



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+M 647 Posts

Quote:

Originally Posted by **boz5**
pipEASY,

I read the reply of marion/joe regarding the FBs. One thing that struck me was that you had mentioned marion/joe had been trading this technique for 5 yrs, almost exclusively. marion/joe mentioned it was you who came up with the FB and, I assume, the methodology. However, you stated you have only

been trading for 2 yrs. I was wondering if you could explain the discrepancy?

Now, I am not here to cause trouble, as I have learned from the thread. But, when I see things like this it gets in my head and I just have to ask.

Thanks

Good observation, boz5

Marion was my business aide for many years. I wasn't aware that he was trading forex until one evening.

Before I met him, he was already an established successful trader on his own with 50% fib method only. My suggestion of price irregularity of flying buddhas that had him combine both elements of 50% fib and FB.

He made the connection between flying buddhas and 50% fib whilst I only suggested the price irregularity of FBs.

The last 2-3 years of his trading career has been solely on the new found arrangements of 50% fib and FBs only. Before our collaboration he was already successful in using just price action at 50% fib of every 4hr candle.

Hope this clears any confusion and apologies.

Sincerely,

Graeme



Aug 31, 2010 5:32pm

#1793



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Good morning, all

Thank you for the continued interest.

I have been observing individual traders and noticed few things of importance.

Many of the traders are trying to force the price to happen as per their hindsight

Market doesn't know about your intentions nor has any interest in your hindsight. If your weekly hindsight is DOWN then there is no need to take every sell opportunity that you come across.

Today, is first day of september.

What does this mean?

Im gravely interested in movement that **opens:**

First day of month and charges forward to end of the month

First day of week and charges forward to end of the week

First hour of the day and charges forward to end of the day

Taking every FBs

I mentioned in my earlier posts that FBs only have 40% chance of probability. I will apply this

generalisation/ratio to inside bars, pin bars, engulfs.

60% probability of loss + spread = losing games to all traders already

It is your responsibility to make sure the failed FBs **does not** dent your capital or your emotions.

Aggressive stacking

You will greatly maximize profit taking with the mentality to add just 1 or 2 more positions on top of the initial position. Yes, I do stack several tens of positions when it does work out for me however I also control the positions well enough so any large changes will only cause me to lose 1 or 2 positions that were recently added. Is that you?

Price Interpretation

Would you like to know if your price interpretation is upskilled?

You can test it yourself.

GO back to any 5min chart, any session, and pair. Use your current price interpretation and enter accordingly.
Dont look at the pips you make but how many candles go your way.

If your price interpretation is correct and the price moves **at least 3 candles to your intended direction without the price closing below your buy entry or above your sell entry then your price interpretation is upskilled enough.**

3 candles on 5min chart would mean less than 10 pips but 3 candles on weekly chart would mean hundreds or thousands. Do you get the point? Remember the scale is different

If market is all relative then use the same price interpretation of 5min chart on the weekly chart to create your hindsight.

I can honestly say, 8 or 9 out of 10 price interpretation entries on 5min chart will always goto my direction by at least few candles.

At the end of 2 weeks:

Scenario A

Trader with large drawdown but weekly hindsight didnt work out

It was your responsibility to minimize your losses and it needs to be looked at. Hindsight not working out is all part of the plan/trading.

Scenario B

Trader with large drawdown but weekly hindsight was correct

Losses greater than your profit. Price interpretation may have been correct but you need to lower your risk taking/stacking/entries greatly

Scenario C

Trader with small profit and weekly hindsight was correct

It means you have been selective of your entries to avoid drawdowns and positioned yourself for greater profits only to have random price fluctuation to take your winning positions out early. This is good sign and sooner or later you will hit it big with this approach.

Scenario D

Trader with complete profit that grew for 2 weeks and according to hindsight

Same as scenario C trader but the only difference is you sat in front of your computer at a different time. Price moved towards your hindsight for the complete 2 week candles.

Which one are you?

Sincerely,

Graeme

Last edited by pipEASY, Aug 31, 2010 6:00pm



Aug 31, 2010 6:26pm

#1800



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **mjaymay** ➤

Dinopips and fguru,

You are welcome and thanks for the acknowledgment. The main point that I feel is important to recognize is the difference between techniques and principles. We are drawn to techniques because they give us the impression that things can be the same all of the time. But things are not always the same. They are alive so we need to understand their nature in order to be able to follow them. If you understand the principles you can then create the technique that is appropriate for that moment.

We can see that when someone asked...

Apologies, I had to step in.

Absolutely.

Absolutely.

Kindest Regards,

Graeme



Aug 31, 2010 6:33pm

#1803



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Good morning, all

This may be the last post before I allow more space for the traders to continue on.

Does everyone remember the random number game we played in earlier part of the thread?

You do not need to be present at every given opportunity.

This is a very important sentence with alot of meaning..

"Trade what you see, when you see it"

It is that simple. And this will help you avoid most/all of the range periods. Yes, you will miss out few golden opportunities but is this the only one.?

If you run out of ammo then what use is your gun?

I applaud at all the participants and its great to see all traders taking the project seriously but it will become better/faster/clearer.

The purpose of the project:

It now gives each trader: what to expect in profit, a clear defined goal, knowing when to trade and when not to. And above all risking very small for potential very large profits. A true professional traders mindset.

Please continue on.

Sincerely,

Graeme



Aug 31, 2010 6:55pm

#1804



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



I was planning to write this post some time this weekend but I will address it now.

It is great pleasure (without any cynical intent) to see traders on the project struggling.

This is your first emotional hurdle and I would like everyone to feel the complete extent of it for your future benefits.

A trader may look at his stats now and say

"Graeme. What in the world is going on??? I had 15 entries and total loss of 150 pips. Average loss per position is 10 pips. Its not working"

"Ok. Jim.."

Soon when the **inevitable does happen.**

"Graeme. 4 positions lasted 2 weeks of profiting. Average profit per position is 350 pips making my gross profit 1400. And this was from my 3rd attempt on the project. I lost 150 pip each project and now Im up net 950 pips. I started with \$2000 usd and now sitting on \$2950, a 50% increase (slightly lower)."

Trust me when I say im not the least surprised...

And I hope the above trader closes out just the smaller 3 legs and keep the largest one for something more spectacular. 😊

Sincerely,

Graeme

Last edited by pipEASY, Aug 31, 2010 7:46pm





pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Just replying to a question on private message

I receive instant alerts to my cellphone which helps me with my trading immensely.

There are 2 things you need. smtp server and VPS server.

I have used the same company for almost 2 years with no problem at all.

For smtp server:

I use www.authsmtp.com and pay \$40 USD annually for 2000 emails a month.

For VPS server:

I use www.vpsland.com and pay \$24.99 USD per month for the value deal. When I signed up 2 years ago the deal was slightly different but it is better priced now. The lite deal @ \$19.99 USD per month is more than enough if you dont use multiple trading platforms and eas.

For phone, I use blackebrry bold 8800.

Im not sure about Iphone but blackberry has true push email. Which means there is **no lag** to when I receive new emails on my phone.

Smtp will send the email from mt4 to my blackberry email address which is xxxxxx@blackberry.net.au which arrives instantly on my phone with less than a second delay. This is important and you need true push email capabilities on your phone. I used samsung phone before which had a lag of anything from 5min to 15minutes for the email to arrive on my phone and alert me. Check if you can organise a true push alert on your phone.

There are few bad reviews of vpsland.com however I had very good experience so far for the last 2 years. This is only my personal experience and Im not affiliated with either of the companies.

You do not need to click on the hyperlinks above but simply type in the address in your web browser if you believe that I am affiliated with either of the companies.

The benefit of having vps server is that you can run your mt4 24/7 so you dont need to leave your computer on at home all day. Also you can place price alerts on all the pairs that has your interest and once price reaches the point of interest it will shoot an email to my phone so I can start walking to my computer at home to trade. I do daily shutdowns when I wake up.

Sincerely,

Graeme



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **VEEFX** 

Thanks for all your posts today Graeme. Wondering if you could address one challenge I am facing with trading 5M FB with candlesticks. Not factoring spreads in the TA/PA tend to skew my results. Based on the charting software, Candles can form based on bid, ask or midpoint. My current demo is set to BID price by default. Just curious if you have a preference between Bid or Ask on your chart candlestick setting. Perhaps I am thinking too detail on this and it really doesn't matter in the broad scheme of things (long term results).

Good question, veefx

Hope you dont take any offence at a such short answer but its all relevant.

Yes, in the broader scheme of things it doesnt matter.

Price, market is all universal and neutral.


Everything works yet everything doesnt work.

and if everything is all relative, I can say the above sentence backwards and it still applies.

Sincerely,

Graeme



 Aug 31, 2010 10:10pm

#1811



pipEASY

crede quod habes, et habes

Member Since Dec 2009

 [647 Posts](#)



In regards to what all traders are currently experiencing.

Would you like to know the emotional hurdle after this one?

It is worse than you can expect.

First emotional is:

holding your anticipation and minimizing your drawdown and keeping your beliefs intact.

You will get over this when you experience a weekly hindsight that will work to your favour. It is inevitable that it will happen as the probability is on your side. Remember casinos do not make money from every gambler immediately. They have designed the game so on the long term they **are the only winners by shifting the probability of winning towards the casino. This is what we do in trading. We are the casino and we require the patience and the bank to sustain the short term fluctuations.**

Second emotional is:

holding onto your winning position and not closing out too soon.

Second emotional hurdle is a complete different feeling. Finally you have positions that are growing and they suddenly start to decrease in size. What will you do?

I didnt have as much first emotional hurdle as I base many of my principals and beliefs in statistics with the long term vision. I wasnt in a rush as I did not look at trading as a means of financial freedom per se.

Base your beliefs with statistics to cement your intent.

I can assure you, 5-20 attempts (on different times) is required before a 5min entry will grow for 2 weeks.

15pips average loss per position x 20 attempts = -300 pips

Worried? Why?

That is only a dip on your equity curve before a volatile breakout upwards. Then another small dip before another woosh! breakout.

Once you start collecting enough data on your trades you will definitely see that you are always making new higher-lows and the equity curve will never come below the previous dip as long as you keep your beliefs/method/trading/habit consistent.

I will guarantee this.

Sincerely,

Graeme



Sep 2, 2010 11:05am

#1882



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 647 Posts



Quote:

Originally Posted by **VEEFX** >

Looks like you are based in pacific time zone like me. I am also having similar time zone challenges and find it quite stressful to my eyes to stare at a 5 min chart. I am also trying 4H breakout zones with entries in 5M and getting some success doing that. One has to define 'attack zones' and send out soldiers only in these zones where price volatility is expected. Just patiently look for every 5M FB is not advisable.

Once we have a few 500+ pips legs open, we could easily move to 1H TF and take FB entries. Only the scale is different. If one...

Good evening, all

Correct.

Im addressing this post for all and not just veefx.

Many of the traders cannot get over the mentality of drawdowns.

In trading, loss is part of creating profit.

There is no such thing as **the perfect system or the perfect method** that creates a 'surefire' guarantee for profit without losses.

Everyone needs to become a bigger person.

Im hoping/anticipating that the least I can achieve from this project is to get the message across to all potential professional traders that losing is part of winning, and that can be said for life as well.

I hope that many traders evolve their mindset through the project. Im not wishing traders to win but I want traders to lose.

Flying buddha is not the holy grail. I already mentioned it few times:

1. Participation
2. Low-risk entry
3. Growth

You only need to add 3 ingredients.

Few have already started to make connections.

They will soon connect that **if** 5 min chart is the same as a weekly/monthly/4hr/1hr/30min then..... ????

Once traders start **adjusting** to **endless, countless, rows of losses on 5min entries** that dies on breakeven.

They will evolve.....

To higher timeframe with same trading method/focal interpretation.....

And thennn... ??

They notice that scale is different and few candles on 1hr/4hr chart is worth few hundred pips.

And thennn... ??

Endless, countless, rows of losses on 5min entries that go forward for few candles which is about 10-15pips only is now the exactly the same scenario on higher timeframe but the scale has changed and the profit pips much larger.....

And thennn... ??

Something clicks.

Entries on 5min chart that goes against you might lose you -15 pips

Entries on 4hr chart that goes against you might lose you -40 pips

But....

The scale has changed and the potential profit from just few candles become much bigger profit.

BUT...

You notice a change in your emotional stability. You are now trading on 4hr timeframe but you dont worry about the drawdown. Why?? Cause you know that the price action will at least go forward by few candles which will be stretched out on all the smaller timeframes.

You have a thick skin of resistance against drawdowns and you dont care about positions going into drawdown as long as they dont close above your sell opening price or lower then your buy opening price.

You start looking at losses as positive contribution.

So... ??

Stacking happens in the lower timeframe whilst the scout on the higher timeframe grows.

Voila.

Does all readers feel like they have just went back 100 pages of this thread when I pleaded to all readers to practice x3 20 pip take profit exercise?

Well everyone is doing this exercise now.

Remember the explanation of using a scout on higher timeframe?

You use the same price interpretation of any timeframe on higher timeframe to **justify** your hindsight first and then zoom in the lower timeframe to stack.

Hindsight -> Price Action -> Scout -> Stacking

Which is first? Chicken or egg? It starts where it ends and it ends where it starts.

Can all readers in this thread acknowledge that everything I have mentioned so far is all linked?

Ladies and gentleman, you are still looking at profit and loss statement too closely.

You are not allowing the enlightenment to come to you.

Not the method, but the approach.

Sincerely,

Graeme

P.S This post might sound like random rambling or something that really hits you. I hope its the latter.



Sep 2, 2010 11:11am

#1883



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+ 647 Posts



I might have confused some readers with my last post so please allow me to ask all a question.

Which timeframe does a new trend start..?

Would you say on 5min?

or Would you say on higher timeframe like 4hr?

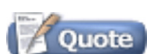
Look forward to your replies.

Once again no right or wrong but perhaps an useful insight on how everything in the market really is all relative **and there is no answer because there is no question..**

Sincerely,

Graeme

P.S There is no method. You can enter after every small up/down candle with tight stop loss and let it run. This also works and I can prove it on the charts. Watch how all traders now ask for more detail and try implement it as a method when its not a method but just participating at a low-risk entry anticipating growth.



Sep 2, 2010 11:21am

#1884



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [647 Posts](#)



There is no method

ATR, ADX, Fibs, ema, sma, RSI, macd...

Flying buddhas, inside bars, pin bar, engulf...

They all work while they dont work.

- 1. Participation**
- 2. Low-risk entry**
- 3. Growth**

Sell when its down and buy when its up

Thats all its required.

It is so much simpler to trade very effectively..

Think about it please.



Sep 2, 2010 11:38am

#1885



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [647 Posts](#)



Tomorrow,

I will show to all readers on charts what I mean of the posts today.

I will show again that

1. Participation
2. Low-risk entry
3. Growth

+

Sell when its down, Buy when its up is applied.

Sincerely,

Graeme



Sep 2, 2010 6:16pm

#1919



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Good morning all

Thank you for the continued interest and the compliments. They are greatly appreciated.

Today I would like to step in and if I may re-adjust/ammend mindset that is required.

Before I begin, everyone is doing fine and it is all part of the learning curve.

First post of today, I would like to tell a quick story and this will answer the small quiz from last night.

When does trend start?

Thank you for your contributions and they are all correct to some degree. If market is universal and neutral then all your answers are correct whilst they are wrong as well.

Having said that, if the market is universal and neutral then trends start anytime, anywhere.

It can start from the tick of the minute chart or the double wick bounce of the 4hr chart. No one can ever state with proof that trends start on any particular timeframe. Nothing is pre-defined and destined.

All you could ever do is participate **at the cost** of a low-risk entry and let it grow. <-- And that is all about trading.

Many of the traders are trying to implement/add **mathematical variables** to an equation with no numbers.

Trust me when I say, you cant. Look around for many of the established traders on this forum. They had an 'aha' moment which was simply throwing out everything they were doing and finally just following the market.

Market is coming down, they enter sell, and then they risk control the position. When they enter, they want to see price continuing, not stalling or indecisive. So the pros start honing their skills to when they can enter so the price will at least go towards their direction by at least few candles.

If you are still trying to work out things in % and numbers, you will soon realize there is no such parameters to an infinite variables. And trading effectively is so much easier.

Continuing on..



Sep 2, 2010 6:49pm

#1923



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Its all relative.

Although age, marriage, children, grandchild finally dawned the meaning to its full extent on myself but surprisingly I still have moments of enlightments when I connect the happenings of reality to that very sentence.

I can only imagine what thoughts was going through Einstein's thought process when he cemented that phrase for the centuries to come.

There is no one definitive or conclusive answer.

What is love?
What is death?
What is evil?

Throughout the thread I have given examples from casino games. I have great interest in gambling and believe that is the best business in the world. Since I know statistics very well, gambling is one business that you cannot lose unless there is no customers. However, I do agree that the moral behind the business is questionable and I justify myself by donating much of the profits.

Although I didn't quite financially succeed enough to purchase a casino, I do have minor stakes in gambling operations overseas and various local and interstate pokie machines.

And they are absolute gold mine. Gambling interest is highly sought after and very hard to purchase for a realistic amount.

From my personal minor stakes in overseas gambling interest, I have become very well accustomed to all table games and its 'house edge.'

The least favourite game from the owners point of view is poker and blackjack. House only takes ante from poker and professional card counters take advantage of any shoe of cards without CSM (continuous shuffling machine).

Apart from the above 2 games, everything else cannot be beaten without any mechanical intervention.

Today I would like to tell you a true story that happened during one of the routine visits some time ago.

There was a gentleman who made an exorbitant amount of money whilst he was staying at a casino. He only played roulette and seem to have the midas touch. The management couldn't work out if this person is experiencing a genuine stroke of long lasting luck or something else. There was 20 personnel watching his every move and only on the 3rd day of his gambling spree did we notice that he was continuously tapping his feet before placing his bets. It was a definite set routine of action before placing his bet. Is it a habit? We wondered. Many of the large gamblers have telltale signs and habits whilst they gamble. After few hundred bets, the computers calculate the gamblers % of edge and it was alarmingly higher than most gamblers. A % that cannot be sustained continuously and it seems to be rising whilst it should be decreasing. Something was going on. We thought perhaps the wheel had a fault and it was aligned on an angle to cause a bias but this person would sit on different tables and different dealers.

Soon it was realized that this person had a mechanical palm device with a camera attached in the middle of his heavy framed glasses he was wearing. The camera takes few still images of the ball rotating around the wheel and then calculates the orbital decay of the ball and forecasts the trajectory on the 'segment' of the wheel the ball will land. And then the 'segment' is broadcasted in a very concealing earpiece. So before the ball is launched by the dealer, he would place few small bets here and there. You can continue placing bets whilst the ball is in motion and whilst it was in motion he would receive an insight to which segment it will land so he will place bets in that segments before the dealer calls out no more bets. He tapped his feet to reset the program for the next spin but since the palm device was in his shoe he couldn't tap it correctly without few attempts to reset. So we caught him out.

Continuing on..



Sep 2, 2010 7:07pm

#1927



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+ 647 Posts



And there was another gentleman.

He was a Swedish person. Very quiet and calm and soft spoken. He was a regular patron who respected other gamblers and the dealers and would often be comped by the management. He was genuinely liked.

Some days he won, some days he lost.

He played few table games but stayed mostly on roulette. And then our tech team analysed that he had an edge over the game of roulette. After calculating his last few hundred bets he had a % edge over the house. It was miniscule but definitely alarming. Genuine stroke of luck or something else?

Is he a feet tapper? No, but technology always gets better.

And we couldn't catch him out. He became our target and every action was monitored and archived. After more data, it was hard statistical fact that he had an edge. We called him in.

What happened was amazing, he admitted he has a skill. He honestly upskilled his focal interpretation enough to actually calculate the orbital decay through his eyes and mind. It was not as accurate as using a mechanical device but it definitely beat over the house edge and he was making money. We had a long debate whether it is classified as cheating as many punters try to imagine the orbital decay but this person took it one step further and actually upskilled in it. And to call this person a cheater would place all other gamblers who try to calculate the orbital decay as cheating as well. We were cautious as this gentleman was very calm and collected and above all educated. Before we even asked how, he admitted to practice it at home on a real size roulette table. It took him many many many thousands of live viewing and now it became second nature. A single look at the ball spinning for a normal punter doesn't mean anything whilst a single look from this gentleman gave him 1000 details of the next outcome. This was the first time he was caught as he preferred to gamble on our grounds more often as it was closer to his home.

We let him keep the winnings however banned indefinitely from our grounds.

As far as I know he travels around the world doing what he does best.

Continuing on..



Sep 2, 2010 7:57pm

#1930



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



SO what does my story have to do with trading?

Well the underlying mathematical variables between gambling and trading is very similar.

Both dealing with infinite variables.

There are average gamblers who think they can come up with patterns on the previous win/lose streaks, increasing bet size, decreasing bet size, martingale, anti-martingale and all sorts. They all fail as they try to attach a mathematical variable to infinite randomness. And amusingly this happens in trading with so many traders looking at indicators of past history to forecast future. That's why all admit that indicators do not work well but when they do work, do you think it worked because of the indicator or just pure randomness that happen to give the trader using that indicator a stroke of luck?

There is one very large advantage to trading then to gambling. Even though both are dealing with infinite possibilities with both similar 'patterns' of past history but trading has the key element of growth.

Growth.

In gambling, you cannot let a bet ride since sooner or later the next hand will go against you and will lose

everything that has grown in a single instance.

However, in trading, you can let a position grow and grow and grow and you could possibly diversify and capture the short/medium term profit when it goes against you.

And everything else is the same..

Participation.

Gambler placing bets, traders placing entries

Low-risk entry

Gambler placing a bet on red as the last 7 outcome was red believing this is prime opportunity, trader placing an entry on volatile breakout

But growth alone cannot make you the best trader. You also require that special edge that the swedish gentleman had. And the great thing about trading is that there are special edge already proven by professionals of past era and present era that have worked wonders over and over and over again.

Please allow me to show you something new today on the charts..



Sep 2, 2010 8:16pm

#1931



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [647 Posts](#)



Look around this forum and notice few established and followed traders.

Some mention volatile breakout.

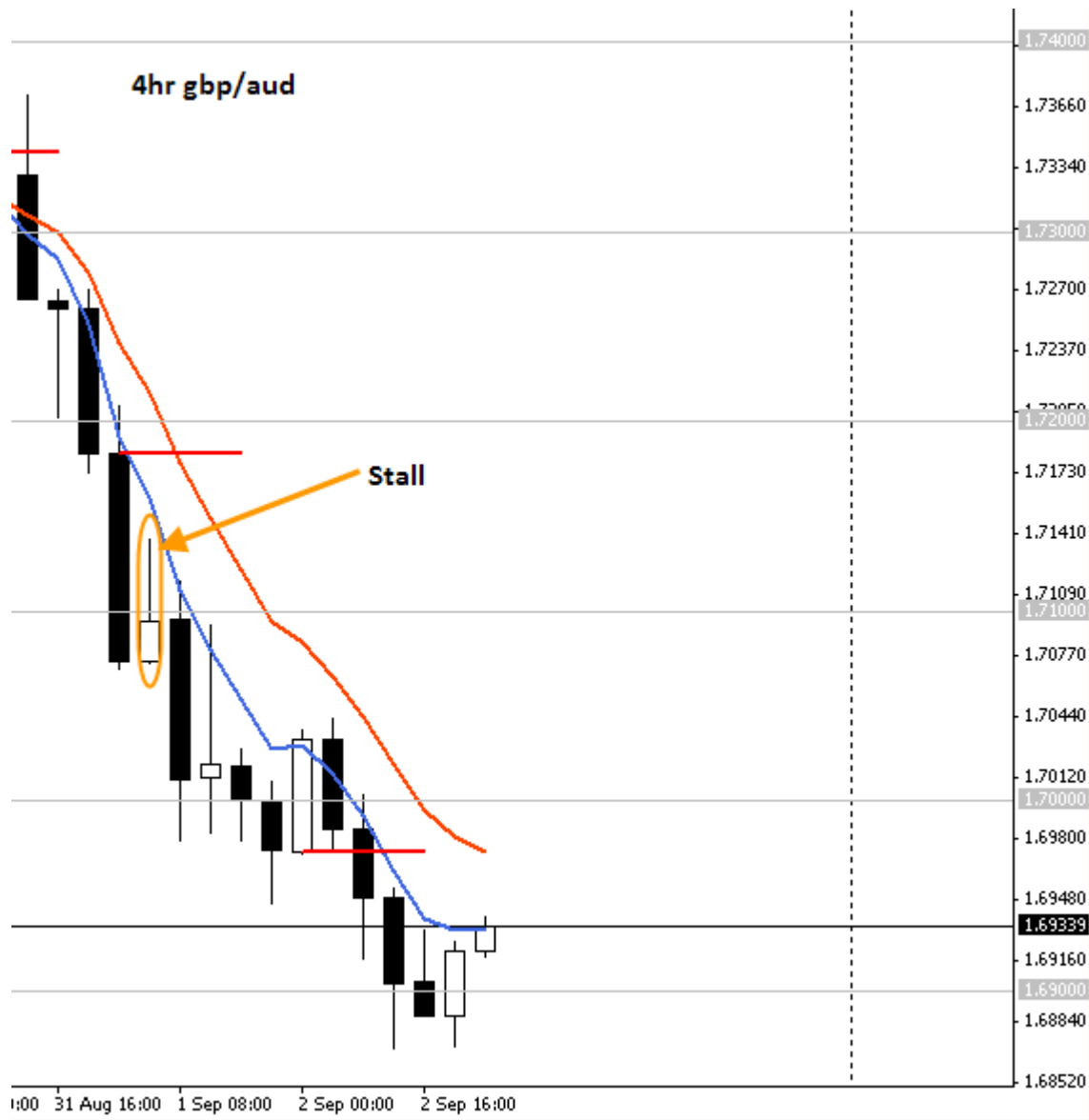
I have mentioned volatile breakout twice before but it had less reception than the flying buddha.

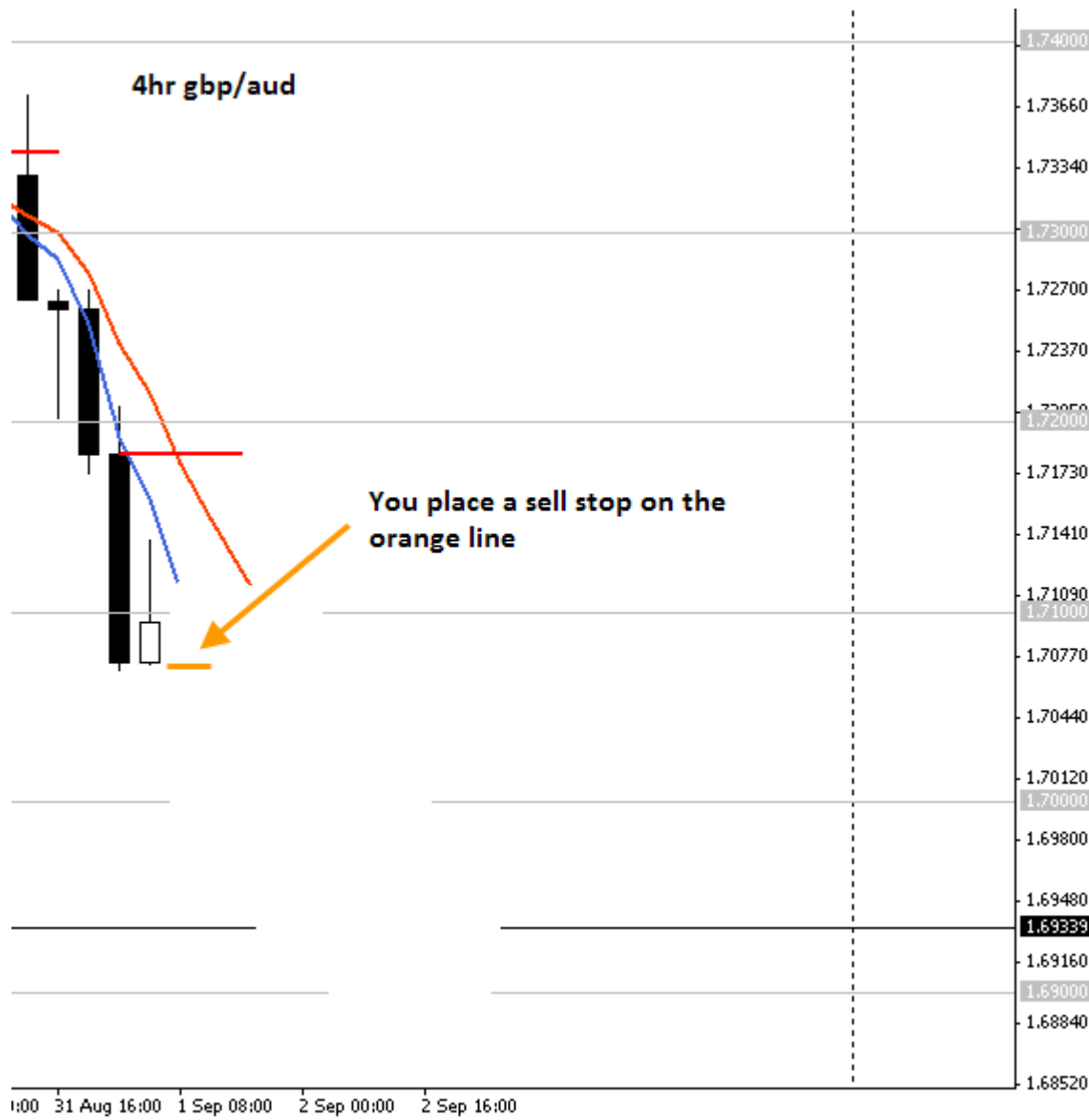
Reason?

Flying buddha gives the trader a definite answer to when to enter whilst volatile breakout requires slightly more lateral thinking.

Volatile breakout is my bread and butter.

Where is the volatile breakout in this established volatile downtrend?





2 things happen.

1. Price will hit your sell stop and **clearly close below the sell stop. That is volatile breakout.**
2. Price will hit your sell stop and stall creating a new support at your sell stop. This is failed and you close the position if the price closed above your sell open price or below your buy open price.

Lets see what happened to the above



What happens at the circled? Price retraces all the way back to sell open price but doesnt close above it. There is possibility that you have moved your SL to BE after the bold down candle but for me I usually dont place stop loss unless there is important news coming up. Most often I will leave the position and when I need to go out for the day then I would move SL to BE.

Let me show you a failed volatile breakout.



Sep 2, 2010 8:28pm

#1932



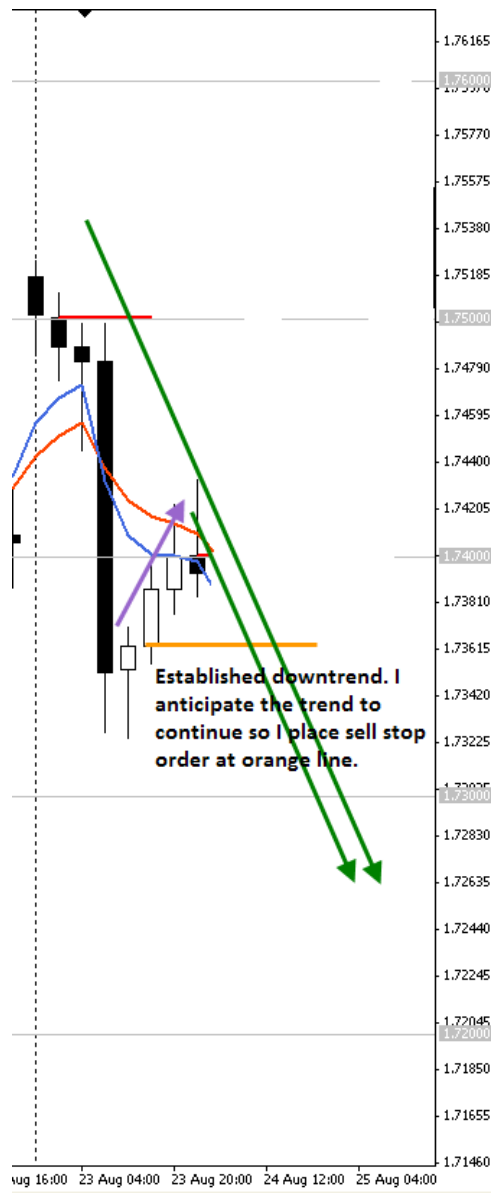
pipEASY

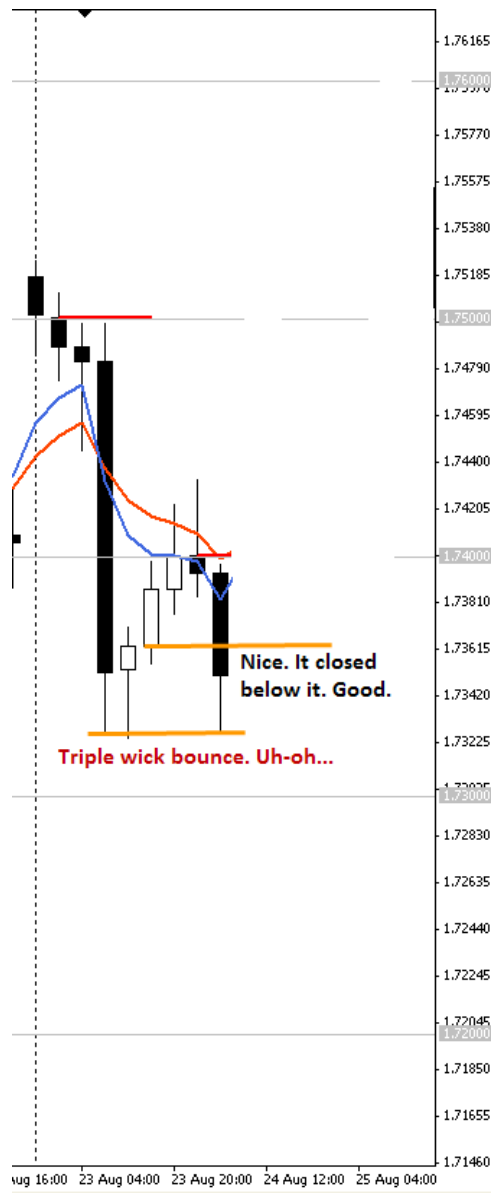
crede quod habes, et habes

Member Since Dec 2009

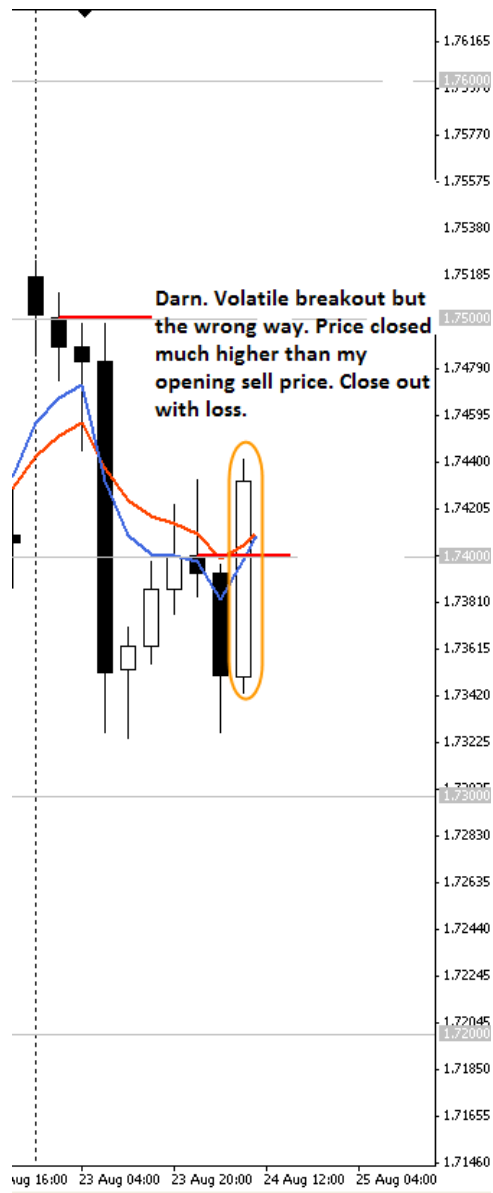
10+V 647 Posts

This is failed breakout

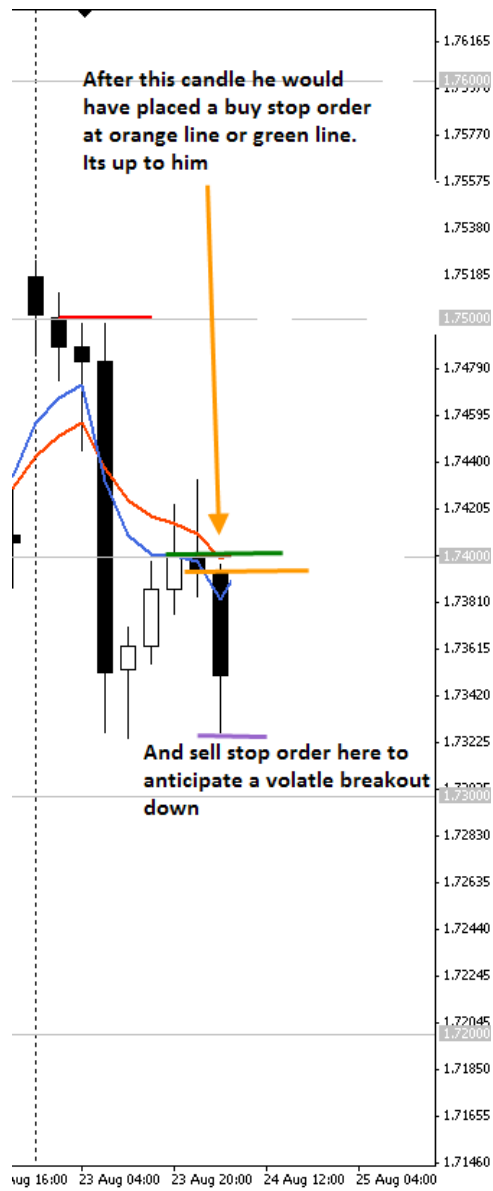




Most likely I wouldn't have SL but be very cautious about the triple wick bounce.



But what if a different trader using same breakout method came little later than the first trader and went towards the opposite direction.



And we all know what happens..

What about another example..



Sep 2, 2010 8:43pm

#1933



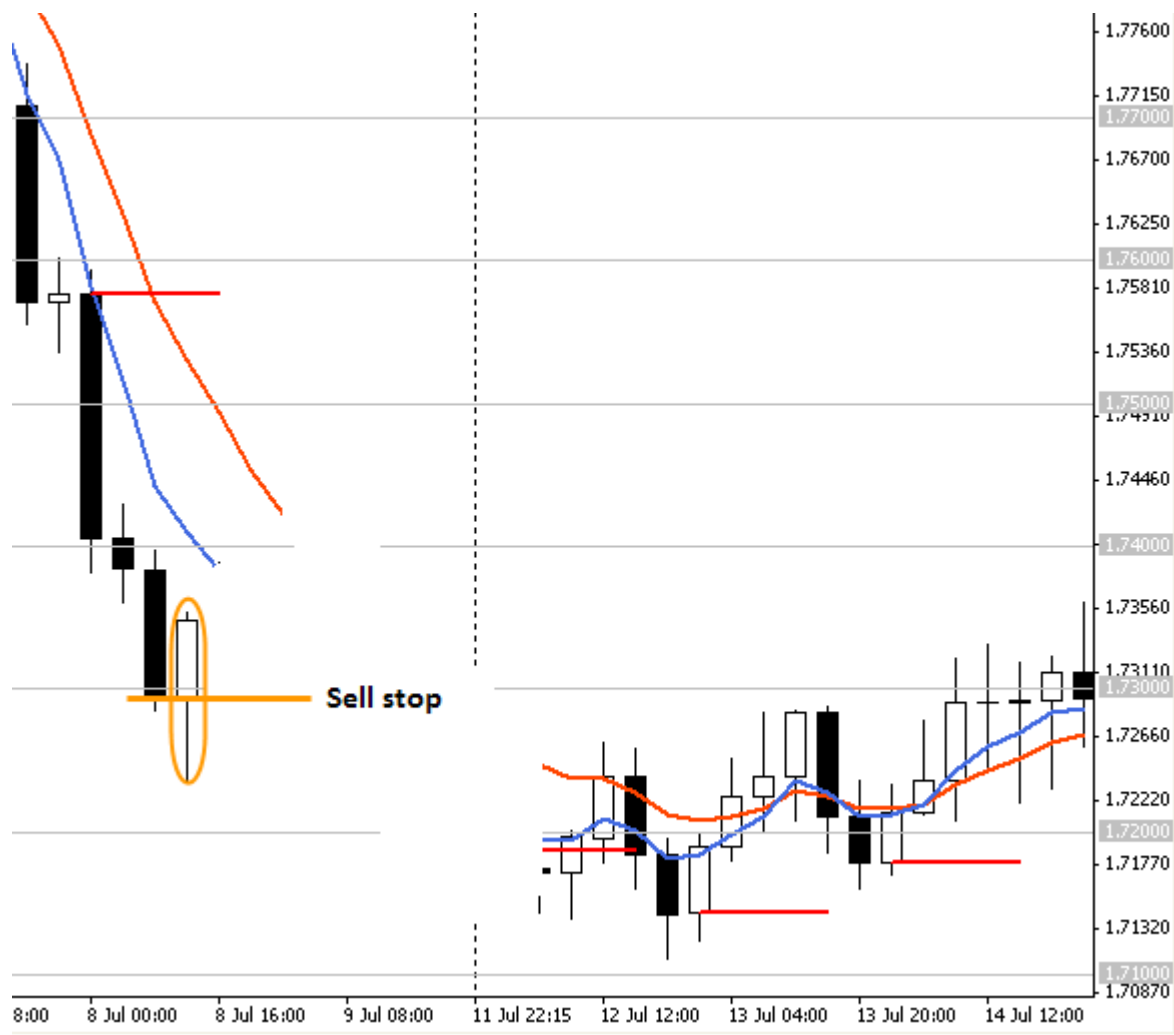
pipEASY

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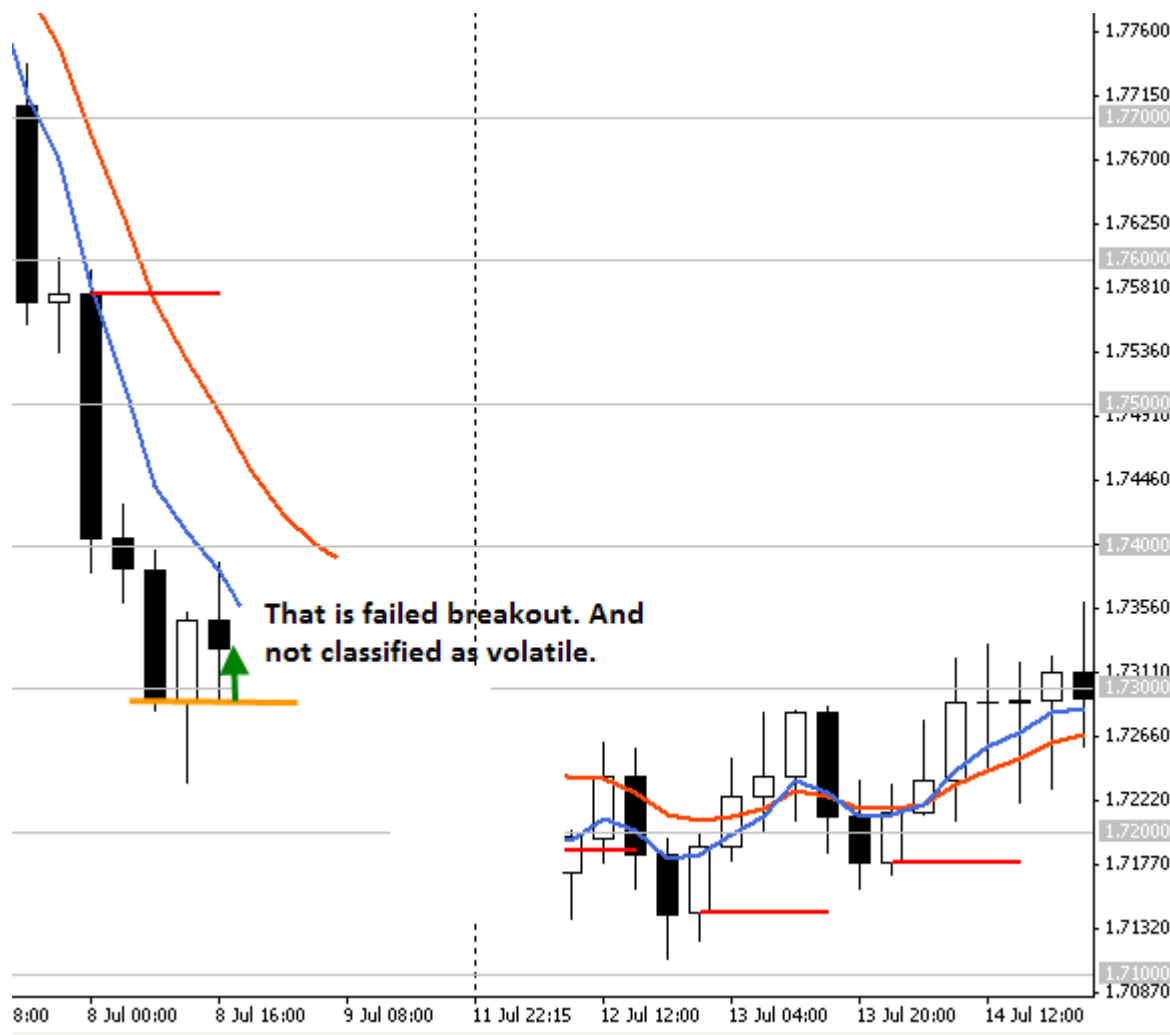
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What happens if the next 4hr candle hits the sell stop but doesnt close below it?



So it became a failed breakout. I usually close it for a small loss.

Sell stop gets hit and price closes below it. Leave it to grow.

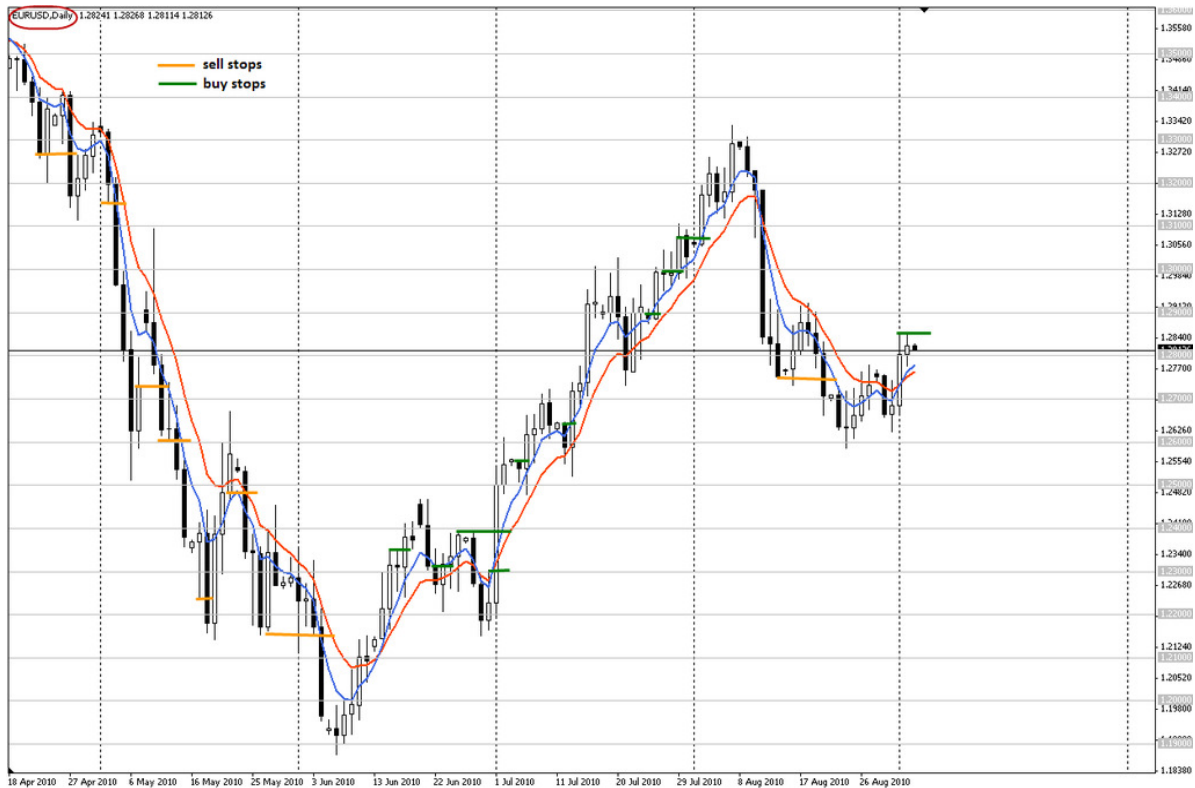
Buy stop gets hit and price closes above it. Leave it to grow.

Sell stop gets hit and price closes above it. Close it.

Buy stop gets hit and price closes below it. Close it.

This way we are only taking volatile breakouts. Please allow me to show you on eur/usd daily chart.

And only sell when 5ema is down and buy when 5ema is up



And it happens everywhere.. but the trick is to always pick your volatile breakout so your hard stop loss if you use one is very small



Sep 2, 2010 8:58pm

#1935



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Member Since Dec 2009

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Just with breakouts is profitable.

So why is everything seem to work?

It all works because we add 3 ingredients.

1. Participation
2. Low-risk entry
3. Growth

Then everything works.

I chose gbp/aud as my project the next 2 weeks. It was one of my examples from the weekend and I mentioned I will be keeping this pair close to me.

See how I only used breakouts to have positions comfortably. I purposefully did not use any flying buddhas just to show all that everything works whilst it doesnt work.

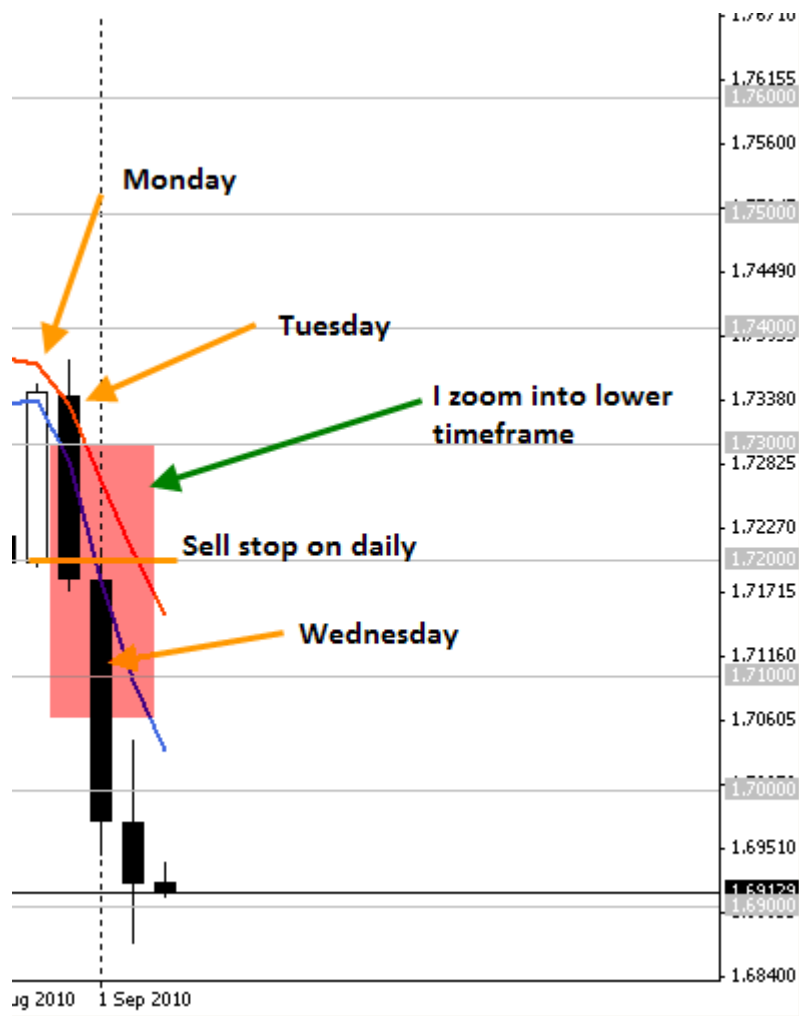
Weekly gbp/aud

Last week. Beautiful engulf/volatile breakout. This was my choice from the weekend.

Classic. 50% retrace with strong momentum down. Luck?? No, calculated risk



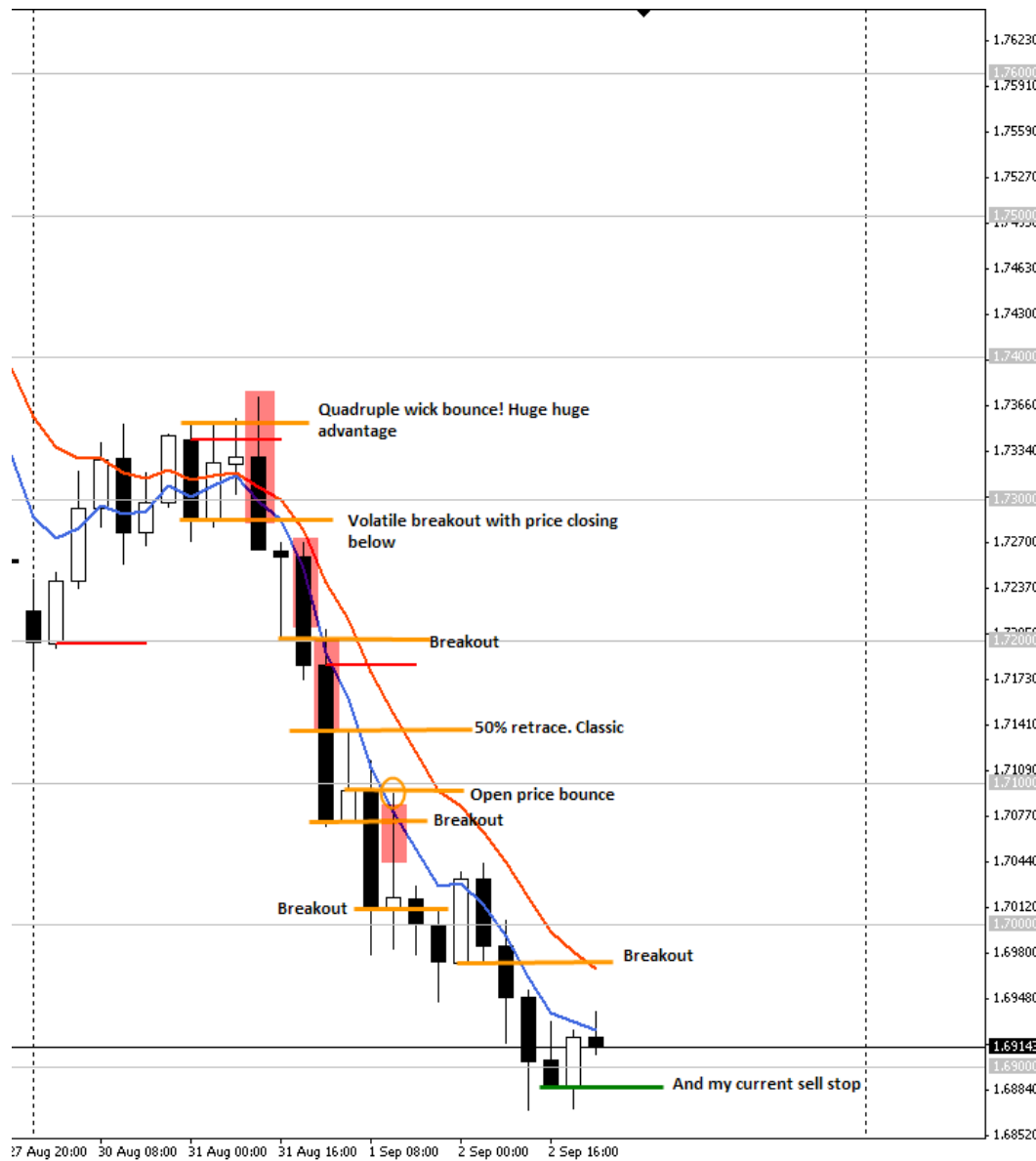
Daily gbp/aud



4hr gbp/aud



Some areas on 4hr chart where I would zoom into 5min chart for razor sharp entries



Sep 2, 2010 9:06pm

#1936



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Member Since Dec 2009

10+y 647 Posts

Quote:

Originally Posted by **cameron1st** ➤

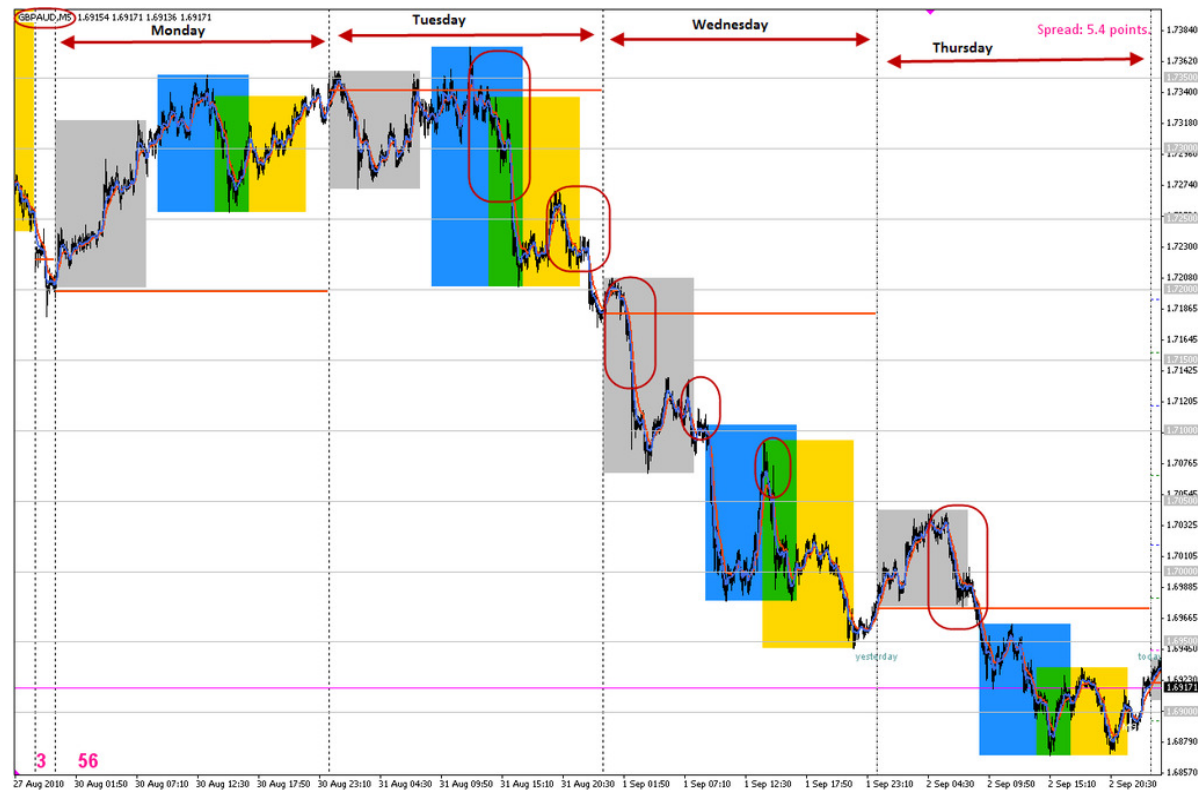
Graeme, excellent lesson, thank you very much ! It's 1:50 AM UK time but I had to stay awake and see these posts :-)

I trade volatile breakouts when I can find them, but now with this information I am going to be more confident when doing so.

Thank you for the compliments, Cam

It makes my efforts worthwhile.

And my last chart. 5min of gbp/aud this week



Sep 2, 2010 9:21pm

#1939



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Member Since Dec 2009

10+V 647 Posts

Im currently

9 positions; unrealized 2200+ pips

21 breakevens (mostly on 5min)

18 losses; Average 21 pips loss per position, total just over 380- pips.

Current r:r if I close 1:6. This is not great and I wouldnt even consider it.

The only reason Im currently ahead of the group is **not** because im a super trader but:

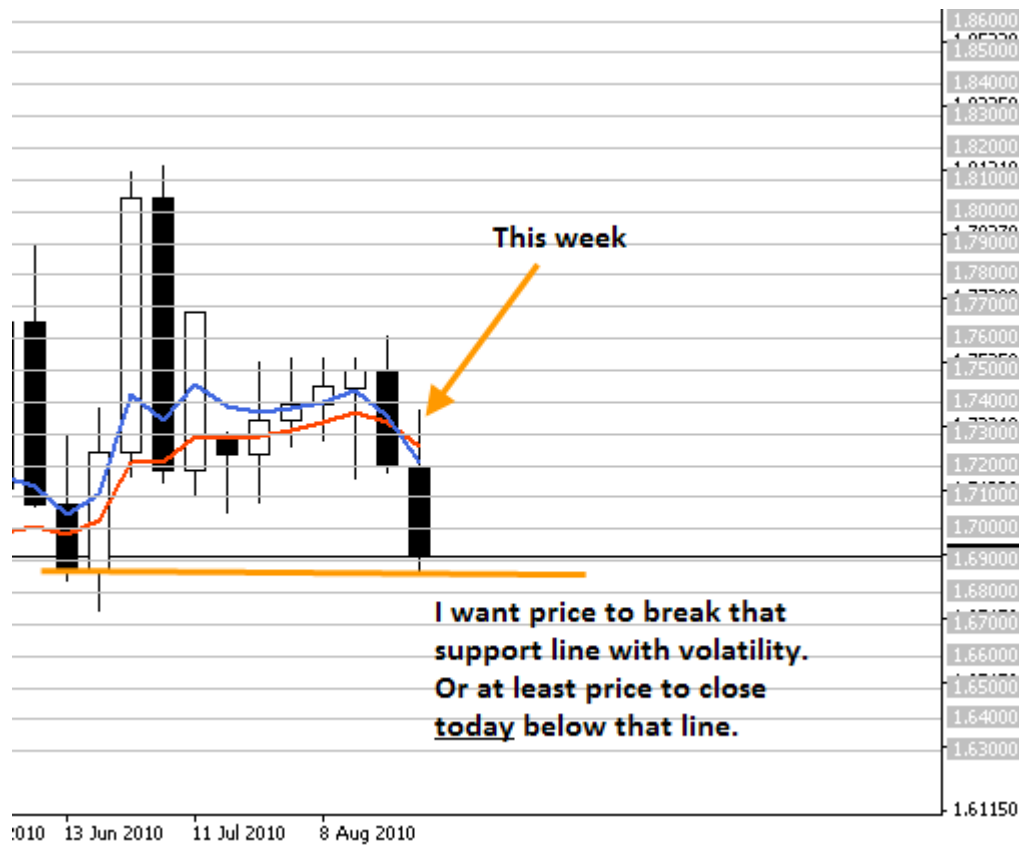
1. Im not in a rush
2. I keep things **simpler**
3. Hindsight is working to my favour
4. Profit taking is stretched out

I have to admit, I could have been super aggressive and stayed up tuesday and wednesday and stacked heavier but I know everything is all relative and there is no point to overexpose myself.

I took it much slower and missed most/all of range and also missed few golden ones. It doesnt matter.

I want to say it again but the only reason Im in profit is because the market allowed it and my price interpretation/weekly forecast is correct.

My forecast for next week on gbp/aud?



Next week, I will watch for retrace.

But here is a list of things that I anticipate in preference of order

1. NO retrace. Just volatile breakout down
2. Less than 33% retrace and then volatile breakout down
3. 50% fib
4. Uh oh... Price coming back near open price of this week's candle which means I will start again.

Most likely will be 2 or 3. But who am I to judge the market but just follow.

If next week is 1 or 2 then I would be easily 4000+ pips end of 2 weeks.

I prefer not to see 3 because 50% retrace would mean most of the legs will be closed out on BE and then I would have to start again at 50% fib which I don't mind and I know it's part of my job requirements.

Godspeed to all and I will take a step back again.

Sincerely,

Graeme

Last edited by pipEASY, Sep 2, 2010 10:03pm



Sep 2, 2010 9:37pm

#1942



pipEASY

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Member Since Dec 2009

10+V 647 Posts



Just before I go and start answering private messages;

We are currently practicing on one pre-selected pair.

Once your trading 'habit' per se becomes professional level, you will pre-select 5, 6 pairs and monitor them together and notice that even though the pair of currency is different there is striking similarities with all of them.

When you start trading multiple pairs with the same method you are practicing at the moment, **you are spreading your risk thinner whilst increasing your potential profit larger.**

When you focus on one pair of currency, you either have one loss or one breakeven or one win.

When you focus on multiple pairs, you have mix of loss, breakeven, win **BUT** with the r:r **encoded in your trading method/habit** you will find almost all the time that few pairs that does loss = 1 pair of currency that did win. And you can be **versatile/universal** and diversify the winning profits from the winning pair of currency to replenish what you lost on the losing pairs of currency and keep the rest of the positions spread around alive on all the other pairs. Hiding and growing.

Voila. You are keeping the principal of diversification same and diversifying multiple pairs of currency. Hence you are now spreading your potential profit/**exposure across the whole board of pairs of currency.**

Welcome to my world

Sincerely,

Graeme



Sep 2, 2010 9:42pm

#1943



pipEASY

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Member Since Dec 2009

10+1 647 Posts



Quote:

Originally Posted by **leggo**
*Morning Graeme,
Could I please ask a couple of questions.*

*1, Is there a reason you prefer bodies to wicks for resistance? I know its all relative but i'm interested if there is an advantage to using bodies?
2, What would happen next week if price bounced at a level you did not anticipate i.e. 60% or 20%?
What i'm trying to say is do you only trade in specific areas or are you more flexible?*

*Thank you I am learning so much its untrue!
Regards,
Ben*

Good morning, Ben

Good question and I will answer it before I go.

Please do not take any offence at my short answer but

Its all relative.

You can do wick/body at any time and still serve the same purpose in the aim of the bigger picture.

True, there is bounce at other areas such as 60%, 20%, even 80% and so on. I do not look at the very price of

33%, 50% however look at the area. If price is destined to bounce at 60% next week, trust me, there will be plenty of price action giving buckets of warnings before the bounce back down.

Now having said that, how do I know if price that is retracing is not the new trend? I cant. **I can only participate at low risk entry anticipating growth.**

However to be fair to all readers, I will adhere to the rules of the project and will only trade in one direction for now but yes, I would take both buy/sell normally.

I recommend any traders who just started preferably not to be taking both buy/sell, you will undoubtedly burn yourself out before any enlightenment.

Sincerely,

Graeme



Sep 3, 2010 2:26am

#1951



pipEASY

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Member Since Dec 2009

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Thank you very much for the compliments.

Apologies if I do not address them directly on the posts anymore. It is not from any ignorance however I wish to somehow keep this thread as condensed as possible for the newer readers.

But, I do deeply acknowledge all compliments and it does make my efforts worthwhile.

I hope I can touch as many traders as possible.

Tomorrow is 1st weekend after 1 week of project. I can already estimate where most of the participants are. I know some have already been unsuccessful in getting their weekly hindsight correct which is just normal part of trading however did they take any measure to reduce their drawdown is the importance.

If your weekly hindsight have been incorrect (but it still too early to tell unless price is going to close extremely far away from your hindsight at the end of this weekly candle) it can always be upskilled by opening any 5min chart and practicing endless amounts of entries. **All you need is for the price to go towards your direction by just few candles.** Once you hit 8 out of 10, you are just like the swedish roulette gentleman and ready.

Hitting the weekly hindsight correct is just as important as hitting the price action interpretation correct on any lower timeframe. **Your interpretation on the weekly/or any lower timeframe must be constant and there must be no bias on the difference of the timeframes.**

I will show all readers something important to add this weekend.

Sincerely,

Graeme

Last edited by pipEASY, Sep 3, 2010 2:58am



Sep 3, 2010 5:49am

#1954



pipEASY

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Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **traderray** ➤

Hi Graeme, in your posts you state that if the breakout closes above your sell entry or vice versa then you close the trade. Just for clarification if the breakout is on a 4 hour or higher TF candle then I presume the close you are talking about is on the monitoring TF, i.e. one hour or lower? Is that correct. Also if you get a volatile breakout and a 50% retrace on the major TF candle would you have two positions?

Good evening, traderray

Good question.

When a volatile breakout is based on 4hr TF then the close of next 4hr candle is taken into account.

Usually a good volatile breakout will not hit your sell stop and then retrace 50% fib of the previous 4hr candle. However sometimes they do and yes whilst my breakout position is still in play I will zoom into lower timeframe to trade a different setup. I will have as many low-risk entries as the market allows me to.

Feel free to pm me to work closer, traderray

Sincerely,

Graeme



Sep 3, 2010 9:32pm

#1983



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Member Since Dec 2009

10+V 647 Posts



Good morning, all

Thank you for sharing your results.

First topic I wish to discuss over this weekend is about hindsight

There are participants who:

1. Correct hindsight, positions entered accordingly
2. Correct hindsight, very few attempts with mostly breakevens
3. Incorrect hindsight, overexposure and bigger drawdown
4. Incorrect hindsight, less exposure and smaller drawdown

I would prefer all traders to be more number '2' then number '1'

If you are number '3' then it is your mentality and slower approach is required.

If you are number '4' (which means you have less than -200 pips drawdown this week) you are doing well and you will find a correct weekly hindsight will pay you back that -200 by few folds at the least.

So, having said the above, today I would like to talk little more about hindsight.

What is hindsight?

It is a certain degree of probability that an intended course of action will happen in the upcoming events.

What does this mean in trading?

It means alot of \$\$\$

I have mentioned few times that many of the starting traders fail because they do not know what to expect in profit terms or losses. **If you dont have a target or a goal in profit terms then you have no reasons/answers to justify the drawdowns/losses you have just encountered.**

In life/trading/business you need goals. You need few multiple goals all inter-linked together. Especially in business, you have end of week targets to meet, end of month and end of year. And the business managers will push forward little by little **but they know which way they are going.**

Many traders do not know which way they are going, they are trying very hard to understand all the ins-and-outs of trading however they dont have a **goal**.

Unfortunatelly, to justify their lack of understanding they plough deeper into depths of working out indicators, numbers, methods, systems. Many many threads/posts in this forum tell of an 'aha' moment. There is nothing much to 'aha' moment apart from the fact that you finally throw out all indicators and simply follow the market. Thats it.

Hindsight gives you that goal you require. Hindsight places a trader in the equation where it is now solvable. It is the guiding stars in the dessert.

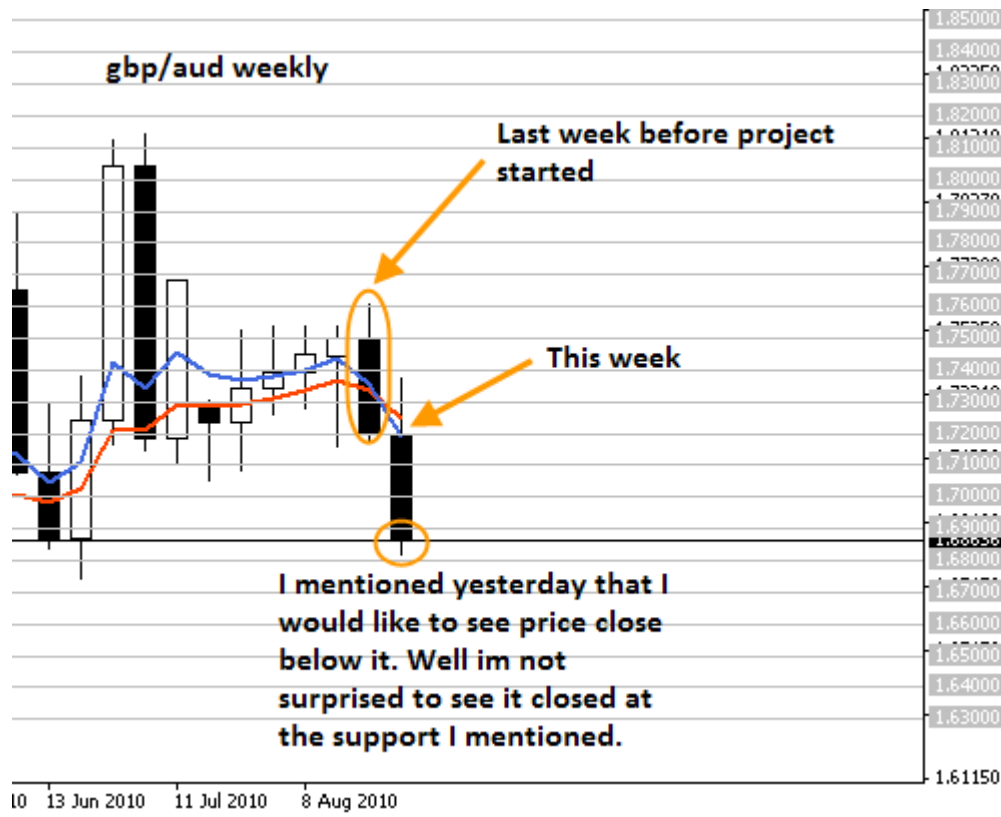
How much is a hindsight worth?

Some hindsights are not much but still worthwhile.
Some hindsights will pay you for the next few years.

You will never know untill you participate
And how do we participate? Via low-risk entry that **agrees** with your hindsight
And then you let it do its job and grow

I know I may be reiterating what has been said in the last 40 posts but do all readers completely understand the critical importance that Im trying to relay here. Without hindsight you dont have a map to your destination.

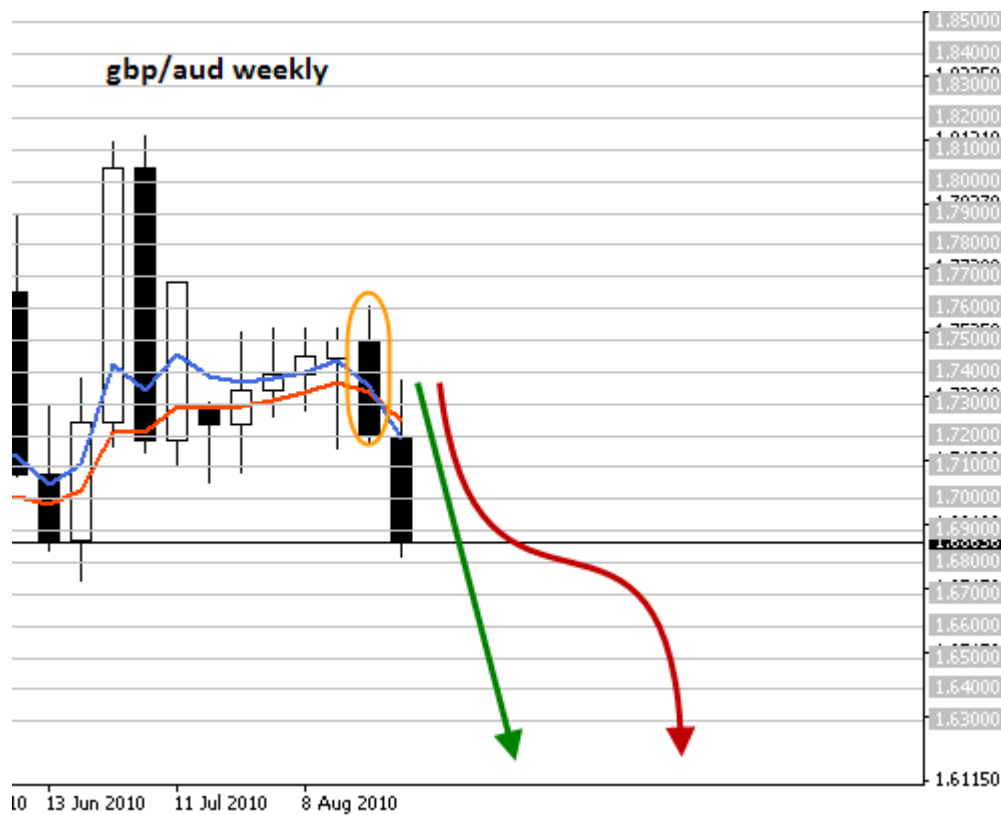
I chose gbp/aud as my project and posted an analysis on Monday and yesterday (Friday)



My hindsight is working at the moment (for now) and im in good profits. Before the start of the week how much profit did I anticipate? How much is hindsight is worth?

Its an open ended question with no answer.

It can be the next 2 weeks or next 2 months or next 2 years.

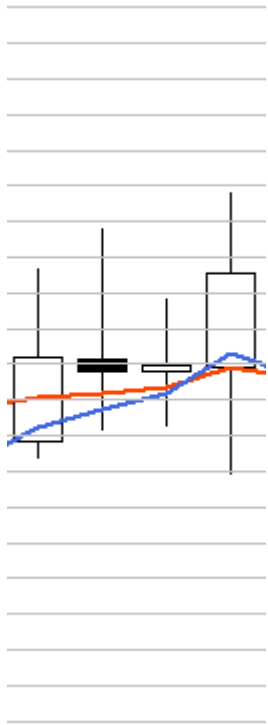


However the true worth in dollar terms/traders effort is worth more than any previous hindsights that didn't work out added together. This is a fact.

Using weekly or monthly is swinging with very large bat. It may be heavy to swing and you might miss few balls but once you hit it correct, it will score you a run to the 1st or 2nd base at the very least or a homerun.

If I say just less than 50% of your weekly hindsight will be golden, what will you do? Do you have the patience and the unbending belief to continue on due course for the aim of a home run? Many don't but I hope you do.

Imagine this for me.

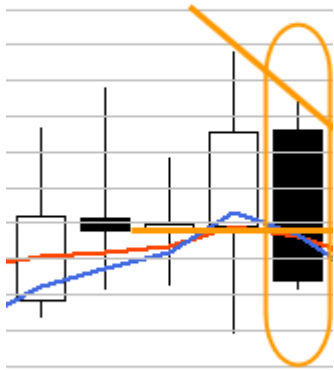


A trader picks this pair of currency. 4 weeks of nothing. He/she may have captured short burst of profit between the weeks but in the overall long term perspective there is nothing exciting.

And that's 4 weeks! Not many traders have the patience to even last 4 days let alone 4 weeks.

However this trader has a bigger picture and is holding on. Minimizing his drawdown yet taking all possible low-risk entry. At the end of 4 weeks, he/she may be already -1000 pips. Then..

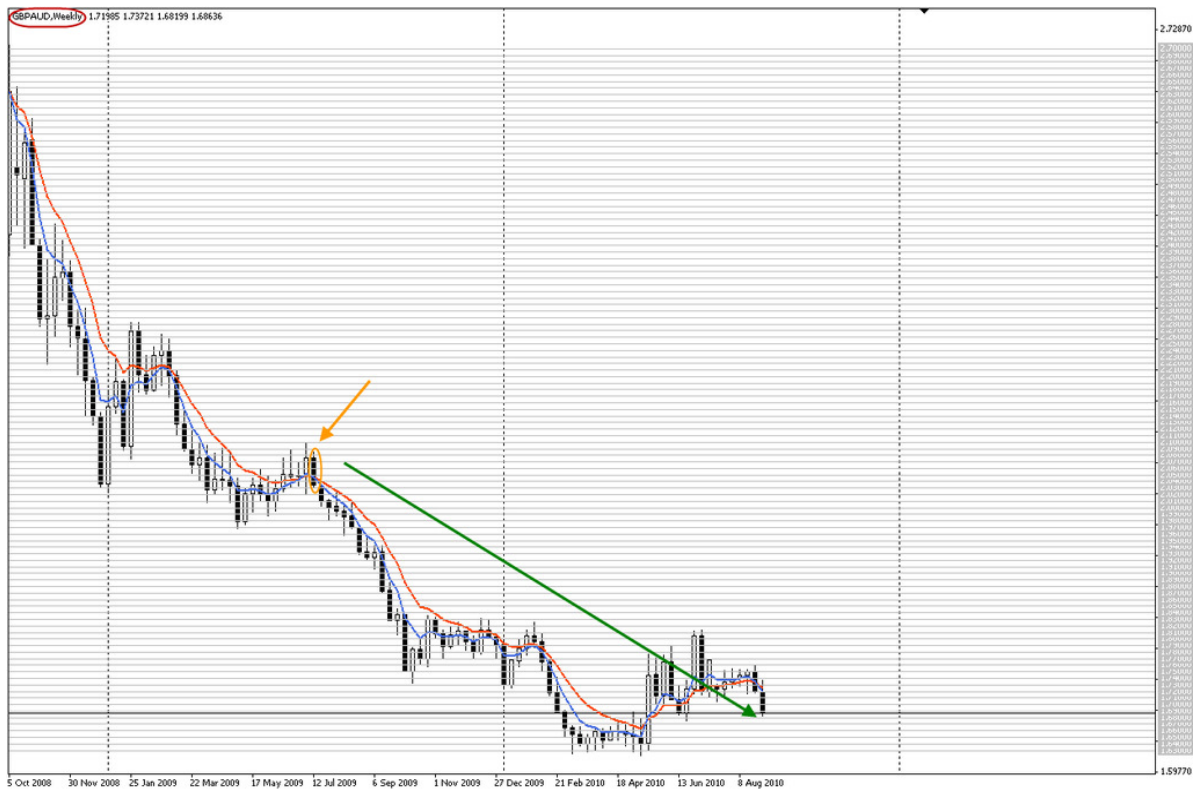
The week after shows something.



Engulf pattern; no long upper wick, closes past the previous week, descending wick pattern.

This trader is now wondering if this is the opportunity that has been waiting him.

Well.. what do you think?



I still have positions from the weeks after that engulf still surviving now after a year.

Largest is 3500+ pips whilst most legs are 2200+ pips.

Total unrealized is 20000+ pips so far.

I never knew that the weeks after that engulf bar was start of something huge. However, I continued with unbending belief of the bigger goal intended.

If I look at my largest leg of 3500+ pips and then see the loss from the 4 weeks before the engulf candle which was -1000 pips (roughly). Then that would mean if I close just the biggest leg right now, it would cover the loss of that 4 weeks + almost 8-12 weeks of future unsuccessful weeks? Then if I close out largest leg + few of the middle sized legs now then..

I cover myself for the next 52 weeks (1 year) of unsuccessful weeks?

But, how many golden opportunities will arise from now and the next 52 weeks?

Answer: There will be few more opportunities that will last the next 1-2 years.

So the more time passes, Im virtually trading for free?

Answer: Bingo. I mentioned few times before. **"There is a surprise that awaits position builders. There will be so much more on the table and you wouldn't be bothered wondering why or how."**



Sep 4, 2010 2:21am

#1992



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Good observations, rdwatkins

If market is neutral and universal where the only constant variable is price (of supply/demand) then it is very true that any trading principal that respects the nature of randomness of the market will work.

I apply my trading method to many instruments of investing and it is amazing to see how universal and neutral all markets are. For the interest of all you can 'map' numerical data of median sale price of properties for a selected area for the last 10 years and you will be able to see dips and retraces, volatile breakouts. Yes, there are no specific governing force that controls the demand/supply of properties except the reserve bank increasing/decreasing interest rate but you will also be amazed how insignificant such releases will be to the actual price movement.

A trading method must work on all timeframes **but also** on any market.

There are very small percentage of elite traders who does have special advantage in trading which is inaccessible to most retail traders and there are special markets that do have somewhat pre-defined supply and demand which ofcourse will be a different story for a different discussion.

It is great to see that you understand how neutral and universal market is and you have confirmed yourself when you can connect your understanding to different investing instruments that are available in this world.

All traders must understand the principal of trading before the specifics on how to trade.

Sincerely,

Graeme

Last edited by pipEASY, Sep 4, 2010 2:48am



Sep 4, 2010 2:40am

#1993



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **leggo**

Hi RD Watkins,

I feel I could have written the above myself. I agree whole heartedly. My entries are crap too, worse than yours looking at the stats. Everything improves with time though.

Cheers

Ben

Good afternoon, Ben

Please allow me to step in and explain something for the benefit of all.

I hope the information I provide in this post will be aide as an emotional support as Im well aware how you might perceive or feel.

And this applies to all traders who are currently down.

If you compare, my stats are very similar to yours (or if bigger drawdown). The only difference (for now) is the unrealized profit which can change this week.

The only reason I currently sit on unrealized profit is because the market has moved as anticipated as per my weekly hindsight.

If, the market did not move towards my hindsight, I would be far worse than you.

Market/life does not end with this one opportunity and will continue as long as 2 things still remain intact:

1. Your unbending belief which starts from believing yourself as a trader first.
2. Minimizing your drawdown/losses as per your skill in order to **preserve your capital** till the golden hindsight does **inevitably** happens.

I know you can.

Sincerely,

Graeme



Sep 4, 2010 6:05am

#2000



pipEASY

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Member Since Dec 2009

[647 Posts](#)



Good question, Tradestar

eur/jpy is showing a **conflict of interest** between monthly and weekly.

It is the conflict of interest that causes a trader to be uncertain of what to expect.

Do they take into consideration of monthly chart?

or

Do they take into consideration of weekly chart?

eur/jpy last month closed below the previous 2 months. This is a good sign. Price currently at 50% fib of last month candle which is nothing special (almost classic). If price retraces any higher than 50% I would be cautious but for now it is DOWN on monthly chart.

eur/jpy last 2 weekly candles has ascending wick pattern and long lower wicks. This shows weakness for sellers. So the correct price interpretation is UP for weekly.

So what do you do?

You know that trends start at any timeframe.

When there is a conflict of interest it is best to only take certain higher probability trades but keep your bias neutral.

The excellent thing about keeping your goals on the higher timeframe is that there are plenty of space.

Imagine the conflict is between 4hr and 1hr. Even if you are a super duper trader who takes both buys/sells you wont be able to catch both conflicts but when your dealing with weekly/monthly where the scale is much bigger there is chance that you can create short bursts of profits on both direction and then keeping the positions that the price finally moves onto.

For now, lets keep it simple and if you choose the weekly hindsight then I personally will choose UP as per my price interpretation. But im sure there are better pairs available than that one at the moment.

Hope this helps.

Kindest Regards,

Graeme



Sep 4, 2010 6:29pm

#2012



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **tjfxtrader**

September has started and we know the monthly open price. When the market opens next week we will have a new weekly open price. A weekly open above the monthly open would mean price is up for the month. Price dropping from the weekly open would mean price is down for the week. There is a conflict, yes? Price dropping below the monthly open would end the conflict, no? On the other hand, price going up above last's week's high price would indicator price is moving up. Would it not be wise to wait and let others resolve the conflict prior to entering...

Good question, tjfxtrader

Any trader with some degree of experience in trading will all agree that market indeed often have periods with conflicting interest in the difference of the timeframe.

4hr says UP

1hr says DOWN

Weekly says UP

and so on.

This is a normal part of randomness in the markets. Like any method/ideology/system in the markets there are

both pros and cons:

If, you wait for the conflict of interest to line up between 2 different timeframes before entering, most often you will arrive late to the trend and most of the valuable and volatile movement have already happened. You can still create profit if the trend continues on for extended period of time.

If, you believe you have the flexibility to participate into the market via a low-risk entry at given opportunities for both buy/sell and attempt **placing** positions for the next upcoming big movement, I recommend using conflict of interest on daily and 4hr and nothing less. The reason is that any conflict of interest on lower timeframes, e.g; 4hr/1hr is too **insignificant** + potential profiting range too small (scale too small) + not enough space to move around. Eur cross has less than 30 pip range on most of the 1hr bar, which means it is very hard to quickly enter and exit when 2 pip spread is 7% of the movement already.

I personally prefer conflict of interest between monthly and weekly.

Sooner or later it will line up to one side of the direction. But I do know that waiting for the line up to happen first and then entering would have cut my potential profit greatly.

I anticipate and watch price action at important areas and for the example of eur/jpy I will watch the tip of the lower wick, 50% fib of the weekly candle that just closed, tip of the upper wick. However, I will also keep in mind if the intended movement of this week is volatile Im aware that less than 33% retrace before a move that continues all the way until friday. And to respect that I will have 1 or 2 positions early in a low risk entry to respect that. If they hit it will be big, if they dont I know I have to see what the market is telling me.

I hope this information helps.

Kindest Regards,

Graeme



Sep 4, 2010 10:03pm

#2015



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Good morning, all

Thank you all for the updates. Everyone is doing well and it is all part of the learning curve.

In regards to answering VEEFX;

1. If your weekly hindsight did not work last week or still pending (price did not close against your preferred intended movement) it is wise to flick through the pairs and pre-select a new pair. For example, eur/jpy is not a prime candidate for this week at the moment.

2. In regards to trading multiple pairs, you are welcome to attempt trading multiple pairs if you believe your actions are fast enough to handle the changes of price action on the fly. Many readers are having difficulties with one pair and if so please continue practicing one pair for now. For all readers who was successful with last week hindsight then you could try multiple pairs this coming week.

3. Diversification is at your own personal leisure. I have mentioned few times but as long as you are not diversifying for a loss and you have allowed **time** for the positions to grow then please go ahead and diversify. You will find that if you diversify early = you guarantee a small profit but stop the potential bigger profit. If you take slightly more risk and let the position grow or close on breakeven = you are aiming for the bigger growth but less accuracy. Its give or take.

4. There will be no major changes to the project however few recommendation that I will address little later.

Hope this answers your questions, VEEFX.

Kindest Regards,

Graeme



Sep 7, 2010 5:54pm

#2112



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+M 647 Posts



Good morning, all

Thank you all for the private messages/compliments.

I have been away for few days as I had few medical examination to be done. It is nothing new as it has been ongoing for awhile.

I will try my best to answer all the emails/private messages in the next 2 days unless Im unavailable again.

During the weekend, I spent most of the time in my bed with a laptop. I read this thread which was started 2 months ago.

It is great looking at past history to see how far you have come and also see that many of the readers have taken positive insight from the information I passed on into their trading.

Although the current project started just over a week ago, I know it will be the start to profitable trading to the traders that I have been able to touch or a new trading perspective to many of the traders.

There are 100+ pages in this thread and even though I was mainly responsible for the lengthy posts, a smart reader can notice that all the information can be condensed to a single post. However, whether the single post of information can be successfully interpreted by others is the concern.

There are only few things of importance in trading to make you profitable. And then time, positive expectation, exposure will **inevitably** create your profits.

It is now time to apply your understanding into your trading with respects to law of nature/probability /expectancy

If I try to summarise everything I do in one sentence:

I will risk/pay \$10 for the chance of minimum \$100 reward anytime, anywhere as long as I know by statistically that the given 'risk-taking opportunity' has a higher probability in 'potential profit vs time' compared to most given occurrences.

And this perspective can be applied universally to any business/life/problematic models.

Please do not forget.

Sincerely,

Graeme

Edit: Stay away from forums.

Last edited by pipEASY, Sep 7, 2010 6:22pm

Sep 8, 2010 6:40pm (39 hr ago)

#2145



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Good morning, all

Thank you for the continued interest.

Although I am currently bed-stricken I keep my word and continue monitoring your progress.

Im looking over the participants of the project and from the input some participants have provided I have noticed few things:

Their weekly hindsight from weekend 2 weeks prior is now well in intended direction and notice that traders are still in drawdown. How do you think this is happening? It is because your very own beliefs were shaken by yourself. Even though I urge all traders to keep a neutral view of the market at all times, the purpose of weekly hindsight is that it gives you a goal/aim to project your trading forward. In trading you are dealing with infinite combination of variations where there is no open/close equation, hence it is very easy to get lost in the 'randomness.' The weekly hindsight is the guiding stars in the dessert and you ruin the whole purpose if you and only yourself neglect its importance/agenda.

There are also traders who got the hindsight correct after a prolonged delay/retrace but the sloppy entries they punted too early has caused a critical dent in **both** emotional/financial capacity. This needs to be worked on your very own **psychological** traits. Why are you rushing? Is it the urgency to create money? I assure you, if you try creating profit at your whim you will be disappointed everytime as the market moves slower than traders expectation vs time.

There are also traders who unfortunately got their weekly hindsight wrong. This is just part of trading. The only important thing is to keep/maintain your beliefs/emotion/capital under control. I assure you Warren Buffet, Jessie Livermore also make wrong hindights which are obviously never publically broadcasted but their winnings are always known. They are both very successful traders (per se) and they also know that the important element in their success is that winnings are maximized (held/added) and losses are minimized. There is nothing new to trading.

If there is nothing new to trading, then why do you think new traders all fail..?

If a trader knows 200 things on how to trade, then why do you think they still fail..?

Perhaps there is no such thing as failure but just the acceptance of loss which is mistaken for a failure? Failure and loss is different. Loss is temperamental whilst failure is permanent.

I have personally met many successful individuals. Many wealthy individuals who command vast commercial empires. They are all different to one another apart from one similarity. They are larger than most individuals. Not the physical attributes but in mental capacity. Or would it be easier to describe them half humourously that they have bigger cajones than most.

Joe is one of the individuals that I admire. He is an actuarian and an avid chess player. Even though I have an edge over most average chess players, I have only won twice against him and one of the occasion was his own personal forfeiture of a rook. At first, I was amazed and confused how the tide of the game drastically improves over time to his advantage. What was he doing that I wasnt? Was I too aggressive or too defensive? Perhaps I was thinking about it in too much detail. Most of the times I do take his knight or bishop first but I still manage to lose.

Then he said the magic phrase. He anticipates the next 5 movements from myself. He anticipates before it happens and when it does happen to his hindsight, he will move his pieces to take advantage of the situation. I

was silently stunned at such remark. Its exactly what we do in trading and it was at that moment that once again I acknowledge how everything is all relative. He doesnt care that I have just taken his rook or bishop. That is just a small retrace/loss in the bigger scheme of things for him.

I believe most traders know how to trade. It is the emotional support they require.

Sincerely,

Graeme



Sep 8, 2010 7:13pm (38 hr ago)

#2148



[pipEASY](#)

crede quod habes, et habes

Member Since Dec 2009

10+M 647 Posts



Quote:

Originally Posted by **cameron1st** >

Hi Graeme,

Very enthusiastic to have read the new post, and happy to have you around. Wise words, and I think that if we really understand them, not just read, but understand them, it would help tremendously with the emotional struggles.

Kindest Regards,

Cam

Thank you for the kind compliment and your private message yesterday. It is greatly appreciated.

I personally love impressionist/comedians.

I have seen great impressions on Al Pacino, Nicholas Cage and they are all very amusing to watch. It is amazing to see such great impressions done so vividly and accurately.

Just on a lighter side, this is a great impression of Nicholas Cage

I thought it was very funny.

An impressionist does not focus on '**what**' the actual actors say.

They focus on '**how**' they say it. They step into the thoughts of the actual actors and envision on '**how**' they say it.

If you search for any publically broadcasted trades/investments of Warren Buffet or Jessie Livermore, and carefully analysis their thought process. Ask yourself how they trade not why or what.

There is a constant repetition in their trading traits and same trading principals that are always consistent amongst all successful traders. Trading is nothing new.

Sincerely,

Graeme



Sep 8, 2010 8:22pm (37 hr ago)

#2152



[pipEASY](#)

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Member Since Dec 2009

10+V 647 Posts



Good questions, VEEFX

You have placed alot of effort into the questions so in return I will reply as detailed as possible.

1. Marion starts as soon as FB is formed. He prefers the entry to be closer to the higher price of the flying buddha candle as his stop loss will be tighter however sometimes it will be at the very bottom of the flying buddha if the flying buddha is a down candle. We **both prefer volatile breakout** to happen after the flying buddha and not a prolonged streak of stall or fluctuations. In the first chart you have posted with 4 circles. I can clearly see 2 or 3 of them with the price **not** closing above the FBs. There may be wicks that might pierce the high of the flying buddha but most importantly does not close above it. They are all good FBs.

2. Marion is an aggressive stacker. He will stack at every given opportuntiy on 1hr/15minutes as long as the 4hr FB is still in play. Once an engulf candle closes above a down candle, this will signal his half exit on all

positions. I have viewed his profit/loss statement and noticed that he has many small -10, -20 pips against few +70, +100 pips. When marion places a trade on 1hr timeframe(or any timeframe) he places a hard stop loss above the previous candle. If price moves up and hits the stop loss, he will stop stacking on 1hr timeframe until a new engulf candle closes below it and will continue on. His/mine focus is on price closing above or below the open price.

3. I have one loss its over rule. He doesnt. Once a FB happens on 4hr timeframe and his position closes on stop loss, he will watch. His stop loss is just above the high of flying buddha. Does price close above the FB? If not, he will attempt again. See how he always only loses one position at a time. But once price moves into his favour he will keep stacking numerous positions whilst its moving into his way.

4. His positions on different timeframes are separate entity from each other. He treats positions on 4hr timeframe as one group, 1hr timeframe as the other group, and separate group for 15min positions. There are always only 1 position in play in each timeframe. If he adds position at every 50% fib of previous candle on that particular timeframe, there are; 1 position on 4hr, 1 position on 1hr, and 1 position on 15min.

5. He considers 15minutes as just a big gamble and huge addition to his profit if it does happen. And most often few of them do. He always keeps the larger positions of each timeframe 'group' whilst closing out smaller positions from each group but more on 1hr timeframe and less on 4hr/15min. 15min closes often on breakeven or small loss which he doesnt care much. He knows just x1 or x2 positions from 15min timeframe that does survive for the 'duration' of the flying buddha will cover all the losses incurred on all timeframes (but this ofcourse depends on the logetivity of the FB in effect).

6. No. Independent. As long as the 4hr FB is in play he treats each timeframe a separate entity with same rule/principal. If price closes above the previous down candle (of 1hr/15min). He will stop stacking. If price closes above the previous down candle of 4hr, thats a warning that the FB opportunity is due to finish soon. But once the movement resumes on 4hr timeframe he will start again. His exposure increases and increases without any limit until he will cash out one giant profit. There are times when the FB only works for short time and then he would acknowledge his loss and move on. Sometimes few hundred pips. For him loss of few hundred pips is nothing to what he extracts on good opportunities.

I still remember the occasion when a FB opportunity on 4hr timeframe lasted 3 weeks or more. Joe still jokes that all his expenses are covered for the next 2 years.... How many more good FBs will there be in the next gap of 2 years?

Hope my answers help and please feel free to ask me if I have missed something.

Sincerely,

Graeme



Sep 8, 2010 10:36pm (35 hr ago)

#2159



pipEASY

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Member Since Dec 2009

10+V 647 Posts



Just continuing on with questions from VEEFX.

2. Marion considers the FB is still in effect until an engulf candle completely forms on the 4hr chart against the movement. So we are looking at a bold up candle that has a close price above the previous downcandle open price. Engulf pattern is when a bold candle forms opposite to the previous candle with the close price above the open of the previous down candle or below the open of the previous up candle. That is engulf and it is a strong indication. This price action alone is an alarm for both myself and marion. We do not want to see such action happen especially on higher timeframes against our intended movement.

Marion trades much larger lots than myself. I have restricted my lot size to 2 standard lots while he trades 8-10 standard lots per position. He closes 'one position' as a whole when he is diversifying. He does not reduce

lot size. However, we all know everything is all relative and both you and Marion will arrive at same final door of profits with either methods of reducing exposure. He closes his positions out completely for the simplicity of it.

4. Marion stacks exclusively at 50% fib. 50% fib of 4hr candle, 1hr candle, 15min candle. He does it well mentally.

5. This is also at your personal discretion. As long as you are keeping legs on all timeframes to cover all aspects of result, you will still be profitable.

However, Marion has been using this method as a main source of income for the last 2 years so I will place trust/faith in what he is currently doing.

Having mentioned this, he is now reducing his lot size to 3 standard lots and looking at using timeframes daily, 4hr and 1hr with longer periods of growth.

My last correspondence was tuesday night and he is currently in eur/usd after monday FB on daily which happened to have a volatile breakout on the next candle (daily candle). If this week's weekly candle for eur/usd closes as an engulf pattern closing lower than last weeks open price of the weekly candle than he is in the best possible scenario for thousands of pips. Ofcourse this is all at the discretion of the market.

Sincerely,

Graeme



Sep 8, 2010 10:39pm (35 hr ago)

#2160



pipEASY

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Member Since Dec 2009

10+y 647 Posts



Quote:

Originally Posted by **Ari Gold**

He probably means most people subconsciously or intuitively know what would make them money... but the constant battle with fear and greed muddies the water, we lose clarity and screw things up. Once we make a mistake its tricky NOT to enter some kind of downward spiral that throws the whole endeavour out of whack.

Thank you Ari Gold

Absolutely.

Sincerely,

Graeme



Sep 9, 2010 12:10am (33 hr ago)

#2163



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 647 Posts



Continuing on with VEEFX

1. Marion is also selective by only trading what he sees, when he sees. He does not stay on one particular pair. There are myth amongst traders that JPY cross has a stronger sell than buy... Could that possibly be from the fact that most JPY crosses has been in a strong downtrend for the last few years?

2. My explanation of spacing is slightly different and different context to Marion's method. I space out my opportunities across the width of the board, whilst Marion may spread his 'interest' across the board of pairs however once a FB works on a particular pair he is looking at its a different approach between him and myself.

3. Marion started with a large capital. It was 6 figure as well (not millions). If I may suggest: \$5000 USD capital, 0.1 lot and double your lot size at every time your capital is trebled (300%). 300% increase and only 200% increase in risk (think about this). This will keep things under control. Im hesitant to apply such figures as a rule, as a long streak of losing FBs will dent your capital and emotion. And we all know bad things happen as soon as we turn the corner of anticipation.

4. Marion doesnt have any EAs as there is a certain factor of personal discretion he applies to his trading that an EA cannot decide for him. I believe the personal factor he is referring to his when price closes against him on 4hr timeframe he decides 'how many' positions he should close or leave open. I will answer this question with tommbstone below.

5. Marion has just switched form FXCM to Oanda. And in regards to keeping track I will answer with toombstone below.

Sincerely,

Graeme



Sep 9, 2010 12:23am (33 hr ago)

#2164



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 647 Posts



Quote:

Originally Posted by **tombstone**

How does Joe keep track of so many positions? I guess if I ran 2 trading platforms on two screens, keep a 4h on one and 1h and 15m on another but still it must be never wracking. Or maybe I'm just not a good multi tasker. LOL

I can barley keep my hands off one winner/loser let alone multiple sets on same currency pair.

Good question, Toombstone & VEEFX

If you think about it for a moment you may realize that it is far simpler than most think or most actually do.

4hr candle closes as FB. Sell stop placed at 50% fib.

4 hours later (completion of the next candle), price has moved into our direction. He then places a sell stop at the 50% fib of previous candle with hard stop loss or opens a sell position if the price is already at 50% or higher. He opens 1hr chart; if price is already at 50% or higher, sell position is opened, if not, stop sell is placed with hard stop loss. He then opens 15min and does the same.

If you think about it, you are only placing trades at maximum only every 15minutes if you choose to trade 15min timeframe and once per hour on 1hr timeframe and once per 4hr on 4hr timeframe.

4hr = Once every 4hr

1hr = Once every 1hr

15min = Once every 15min

Your primary focus is on the current open positions which means you will only be looking at placing a trade every 15minutes if you choose to do so.

There cannot be multiple positions on one given 15min/1hr/4hr candle. There are only 1 position each. And if price closes against our direction in 15min/1hr/4hr then stacking stops and the 'last' position in play either hits stop loss or continues on hopefully.

If you want sleep place your last set of positions with hard stop loss and then go sleep. If the price continues when you wake up then you continue, if not, then shrug and move on. All part of the plan.

You can clearly see all 3 trades when you cycle through 4hr -> 1hr -> 15min, a distinctive green opened position line on our MT4 at 50% of subsequent candles of appropriate timeframe.

Sincerely,

Graeme

Edit: It sounds like many are interested in FBs so I will post some charts tonight.



Sep 9, 2010 7:28am (26 hr ago)

#2177



pipEASY

crede quod habes, et habes



Member Since Dec 2009

10+Y 647 Posts



Good evening, all

Just a quick message from myself.

Earlier on, I promised to post some charts to further clarify FBs.

Unfortunately I was too strung out to make out to my desktop tonight. Hope this doesnt sound like an excuse.

Without any notion of ignoring any responsibilities, I ask for your understanding.

Im also still answering many PMs.

Sincerely,

Graeme

P.S Geoff - I would like to work closer with you as you only need a small nudge towards the right direction. Thank you.

P.PS - Trust me when I say that most of the participants of the project/thread is capable to be a profitable trader. Ask yourself why you may not be? Ari Gold summarised it very directly earlier today..

Cam - Correct. All 'sensible' method works in trading. However, to be profitable in the long run; profit taking needs to be maximized whilst losses are minimized. That is all that is required. It is that simple. **You can trade trendline break with the same ideology and be equally successful.**

Skyline - Thank you. Greatly appreciated.



