

A New Dimension

Ichi+Williams+Divergence

KumoWarriors

<http://www.forexfactory.com/showthread.php?t=190646&page=1#post2954808>

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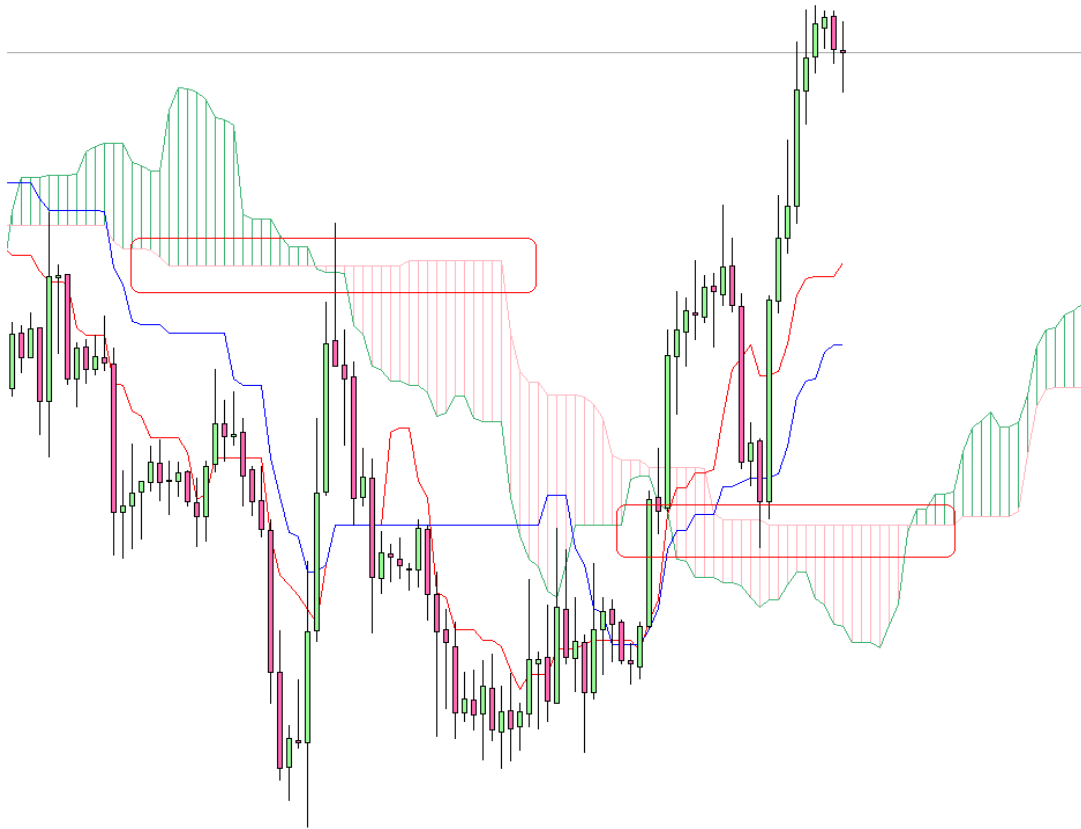
Ichimoku + Chaos + Divergence

-This is a S/R strategy using the high TFs starting from 1hr. This is not related to the complete signal we used to follow. We haven't test this strategy on lower TFs, for scalping using the 5Mins it is better stick with the complete signal as described in post #1 in the FF thread.

A-Setup

1-Ichimoku

Flat Kumo and Ks Ts to determine the S/R range.



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2-Divergence candle

- Bullish Divergent Bar: Makes a lower low than the previous 5 Candles but finishes in the green.
- Bearish Divergent Bar: Makes a higher high than the previous 5 Candles but finishes in the red.

Entry

- On a bullish divergent candle place a long position after the candle close with SL at the candle low + small buffer.
- On bearish divergent candle place a short position after the candle close with SL at the candle high + small buffer.

Please check Sinner's thread for more Info and discussion.

<http://www.forexfactory.com/showthread.php?t=198118>



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3- Bill Williams (Fractal signal) as an entry

-buy fractal is a series of five consecutive bars where the highest high is preceded by two lower highs and is followed by two lower highs. The opposite configuration would be a sell fractal. Both fractals (Buy and Sell) may share bars.

Entry

-Buy fractal place a Buy Stop one tick above the high of the up fractal.

-Sell fractal place a Sell Stop one tick below the low of the fractal sell signal.

For more info about Bill Williams theory please check

http://www.alpari.co.uk/en/alpari_academy/market_analysis/bill_chaos.html



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B-Strategy

1-Rules

1. Try to follow the trend as much as you can (daily+4hrs).
2. High TFs Flat Kumo + Ks Ts are the limits of the range we are going to trade according to our entry TF, simply a position on 1Hr will be ranging inside a 4hrs S/R.
3. Never enter against the trend unless the daily shows signs of reversal.
4. You can always open a position with a single signal (Div or Fractal).
5. You can move your SL with Ks+buffer of the entry TF or with another Div or Fractal signal on the same direction.
6. Never enter a position from 1Hr against the Kumo unless it is taken on a signal from 4Hrs.

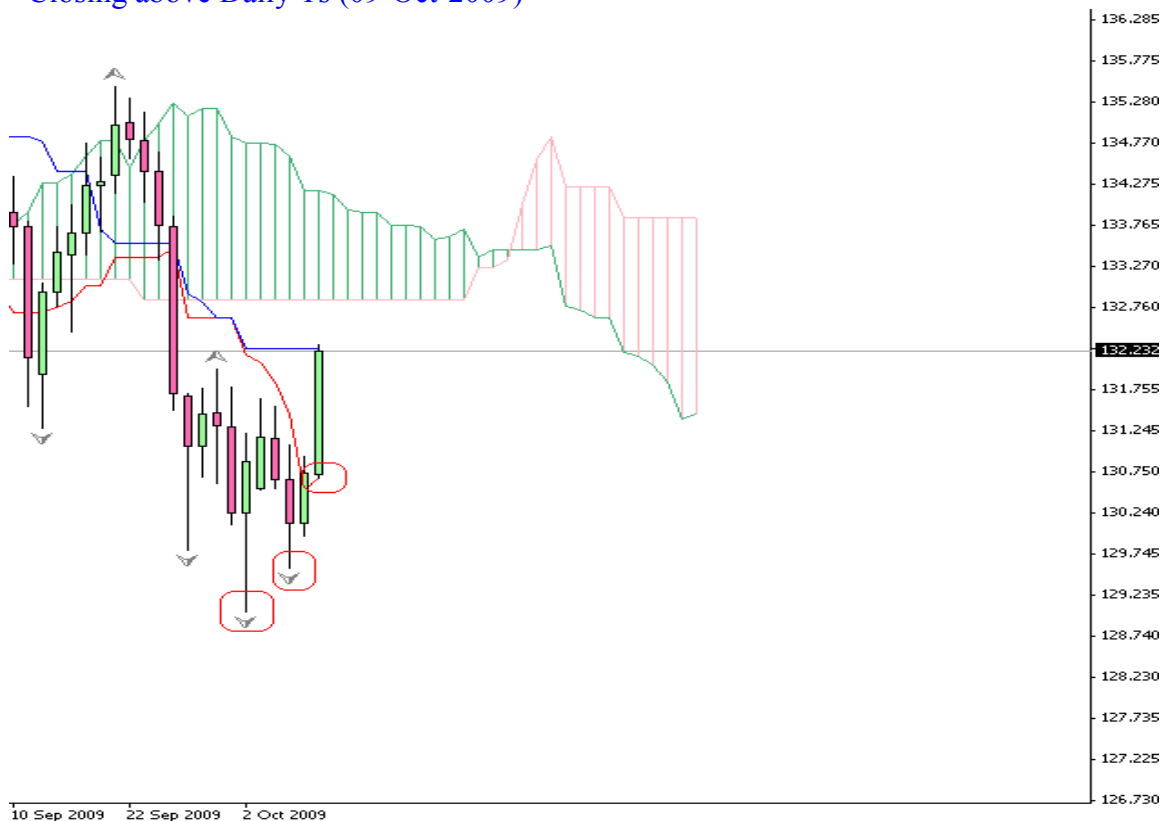
2-Case study

EUR/JPY intraday positions (09-October-2009)

Daily Chart

Signs of reversal were very clear

- Daily divergence candle + Fractal signal (02-Oct-2009)
- Fractal Signal (07-Oct-2009)
- Closing above Daily Ts (09-Oct-2009)



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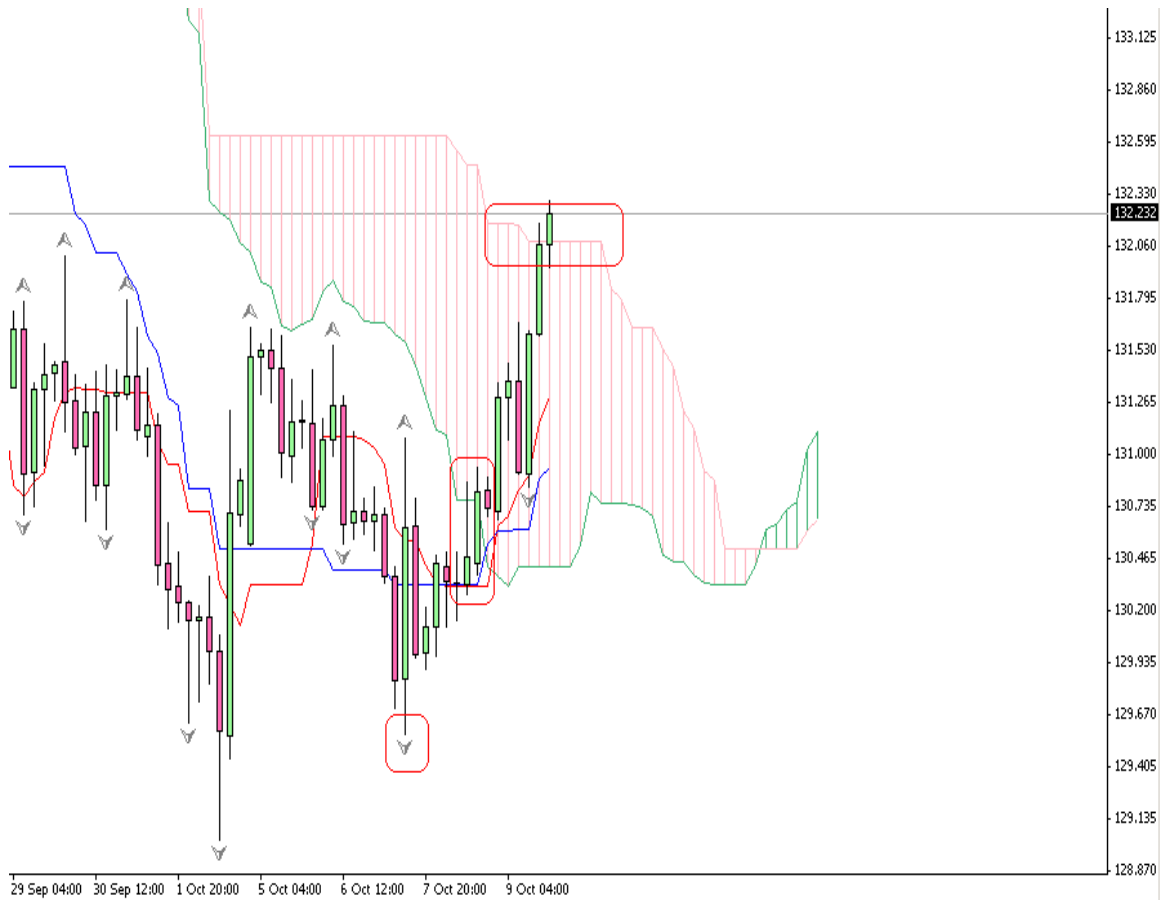
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- 4Hrs chart

Divergence candle + Fractal + Flat Kumo supported the reversal.

Once the price closed inside the kumo it followed the range rules and was expected to test the Flat line.



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-1Hr Chart

Reversal was confirmed on daily and 4Hrs chart
Long entry was supported by the 1Hr Kumo (Break out + Future)
2 intra day positions opened on this day as shown



-First position after the Kumo break out, entry was confirmed by a Div Candle and a fractal signal

-Second was after the pull back entry was confirmed with a Div candle and a fractal signal

Will be providing more examples and live discussion on the thread
Thank you

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