

Payapa Trading System (TUX Edition) v2.0.01

Use this guidance file at your own risk. I accept no liability for system damage, financial losses, and even loss of life.

At first i should thank dear [@alhalawi](#) that caused i get familiar with this great trading system. in this guidance file i explain my trading methods based on payapa system. at first you need to read the relevant [thread](#) on ForexFactory forum to get familiar with this system and then you can continue with this file.

Chart Environment



- 1) Resistance zone on chart that created by high of two previous consecutive weekly bar that shown by two pink lines.
- 2) Support zone on chart that created by low of two previous consecutive weekly bar that shown by two blue lines.
- 3) EMA 21 that shown on chart by medium blue color line that i use it for final confirmation.
- 4) Center line of "TMA ATR Channel" indicator (atr/CL) that i use it for detecting trend direction of daily timeframe.
- 5) Tux_Trend_Indicator (TTI) that i use it for detecting trend direction of daily timeframe.
- 6) Arrow that i use it for final confirmation.
- 7) Strong resistance zone on RSI oscillator.
- 8) Resistance zone on RSI oscillator.
- 9) Middle zone on RSI oscillator.
- 10) Support zone on RSI oscillator.
- 11) Strong support zone on RSI oscillator.
- 12) On Balance Volume (OBV) that shown on RSI by dark blue color line.
- 13) DzTDI that shown on RSI by red color line.
- 14) The cloud on RSI that consists of EMA 3 (white color) and EMA 5,7,9,11,13,15 (slategray color).

At first, i need to mention some points before i start to explain trading methods:

- The first and important point is the efficiency and effectiveness of this system due to its simplicity and clean chart which allows you to better see the support and resistance levels, therefore i suggest that you do not clutter the chart with too many indicators.
- This system is commonly used on H1 chart and i don't have experience of this system on other timeframes, but definitely you can experience and explore it yourself if you are interested to use it on other timeframe.
- You should know that you need to set the correct zoom of your chart before to start analyzing and trading in this way:

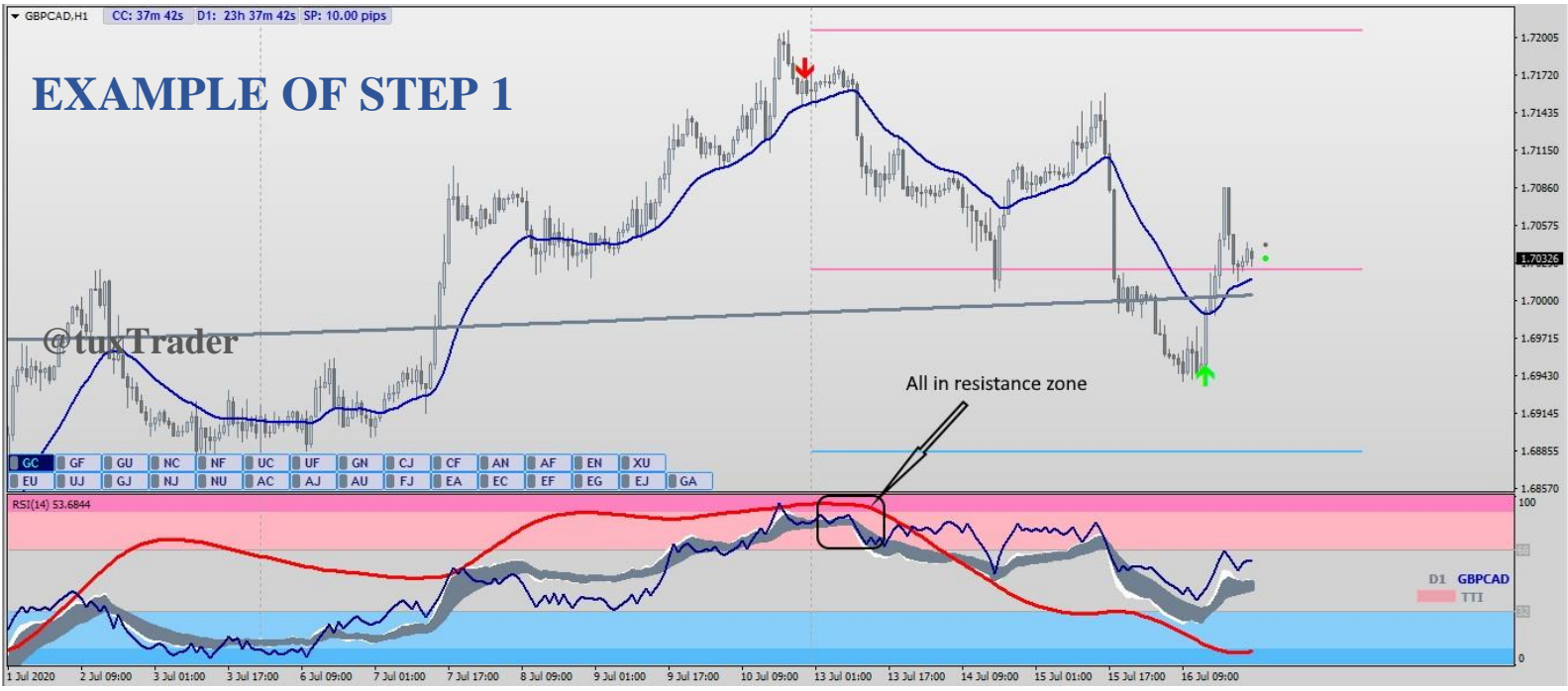
"Max zoom in and then zoom out 3 times" or "Max zoom out and then zoom in 2 times"
- When you see displacement of EMAs lines (Cloud) and other lines in RSI oscillator (for example at a specific time it was on resistance zone but after a few hours you see that in middle zone), it's not called repainting! but it means that price broke the support/resistance zone or in other words support/resistance zone didn't hold price.
- The arrow indicator that used in this system can repaint but don't worry because your trading decision is not based on it! it's only a last confirmation and give you more confidence before taking trade. usually when current arrow repaints, it means that price makes Higher High or Lower Low and the last trading setup failed.

I have two methods of trading based on payapa strategy:

1) Long-Term Method

In this method i look for high probability opportunity to achieve at least 1:2 RR, so i take a trade only with confirmation of daily timeframe's trend. usually it takes less than one day (intraday) but it can also takes more than one day to reach the desired goals. the overall entry rules in summary is as follows:

- 1) At first step we look for pairs that all lines of RSI oscillator window inclusive gray cloud (EMAs) & OBV (DarkBlue line) & dzTDI (red line) are in support/resistance zone (blue/pink area).
- 2) In the second step you should look on chart to see if price is in support/resistance zone or not. at least it should be near it. when price breaks out of these zones, "USUALLY" You can't expect a big reversal move and it's better to skip the pair even if all conditions met to take the trade.
- 3) The third step is to look at tti/D1 & atr/CL to confirm the direction of higher timeframe. it should be gray (consolidation) or blue (up trend) for buy and gray (consolidation) or pink (down trend) for sell for both TTI and atr center line.
- 4) Last step is waiting for red/green arrow to appear and close of current candle below or above EMA21 to open sell/buy position.



After i open the position, i set the stoploss on last swing high/low with some pips below or above it and set takeprofit on TP3 or TP4 level. if price moves in favor direction, i move SL to entry or each TP level when price goes beyond the next TP level. for final exit plan i close the position if one of these conditions occurs sooner:

- Price touch the other side zone on chart or get close to it.
- One of lines/cloud in RSI window touch the strong zone of other side (dark blue/dark pink area).
- Price hits TP3 or TP4 levels.

2) Short-Term Method

In this method i look for short-term and scalping trade opportunity. for this way of trading, we don't need some indicators that we use on long-term method such as TTI and EMAs cloud, so the chart looks like this:



Entry Rules:

- 1) In above chart you see five lines. we use these five lines as TP level so at first step price shouldn't be too close to these lines and there should be enough space for the price to move.
- 2) Wait for crossover of red line (DzTDI) and dark blue line (OBV) in support/middle zone (for buy) and in resistance/middle zone (for sell) on RSI window. DzTDI is main line and OBV is signal line.
- 3) Wait for red/green arrow to appear and close of current candle below or above EMA21 to open sell/buy position. Set SL on last swing high/low with some pips below or above it.

Exit Rules:

After i open the position, i set the stoploss on last swing high/low with some pips below or above it and set takeprofit on nearest line on chart. if price moves in favor direction and price is near TP level, you can move stoploss or use trailing stop to achieve next TP level. for final exit plan i close the position if one of these conditions occurs sooner:

- Price hit nearest line on chart (TP level).
- OBV line touch the strong zone of other side (dark blue/dark pink area).
- Close of candle above EMA21 (for sell) and below EMA21 (for buy) only if order is in profit, otherwise we wait for other exit conditions to occur or SL hit.

A few examples:





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