



Good evening, all

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

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

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

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

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

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

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

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

It is time to mould your skill set.

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

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

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

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

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

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

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

Sincerely,

Graeme



Good morning, all

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

Thank you for the detailed response.

There is nothing wrong with your approach however please dont focus too much on price pattern setups. They are not the road

to riches. Im sure you are aware but the difference in the data between brokers will show a pin bar in one chart while it may show something else in other. This is mainly due to the time difference of the brokers and what the broker choose to have as open time of the day. And there are so many discrepancies in between the information traders look at that a perfect looking pin bar on one platform means nothing to other traders. Then one has to wonder how reliable is a price pattern. Have you ever thought of it like this?

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

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

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

And it is happening right now in eur/usd.

Monthly eur/usd



Weekly eur/usd

Daily eur/usd



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

Continuing on..

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

Dec 16, 2010 10:34pm

[Quote](#)

[Post# 3,663](#)

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

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

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

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

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

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

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

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

Sincerely,

Graeme



pipEASY

Joined Dec 2009 T0+V

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 16, 2010 11:16pm

[Quote](#)

[Post# 3,665](#)

[Quoting cameron1st](#)

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

Kindest Regards,

Cam

You are most welcome Cam.

Just like the audnzd you send me earlier, it is best to enter early and anticipate. When your anticipation is slowly confirming to be right, add more positions with valid reasoning. Many traders call it adding on the dips and I agree. However, I am far more aggressive when the market is favouring me and simply walk away when it doesnt. You need to know when to srike. Beginning of the month, beginning of the week, beginning of the day, beginning of a new 4hr candle all means opportunity for myself. Sometimes you get so absorbed in one direction that you forget the opposite and there is a good possibility that the direction you chose is just a retrace before going against you. I cover this by entering on the flipside with valid reasoning. And this works great on some months with 100 or 200 pip retrace before direction changes and I have positions on the retrace with the right direction. Definitely a huge bonus to my profit statement and worth the effort. And I also cover those other months that opens and just continues in one direction. **As long as there is a price range within a given month I know I will profit**. And the confidence grows on you until you overlook losses endured to reach the end of the month when you settle your losses. And you evolve to a point where losses mean nothing but just a stepping stone of the greater picture.

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

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

Sincerely,

Graeme



pipEASY

Joined Dec 2009 T0+V

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 17, 2010 3:54am

| Edited at 4:12am

[Quote](#)

[Post# 3,669](#)

[Quoting nomask](#)

Hi Graeme

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

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

thanks...

Good question, Nomask

And yes, the rule always applies to myself.

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

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

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

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

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

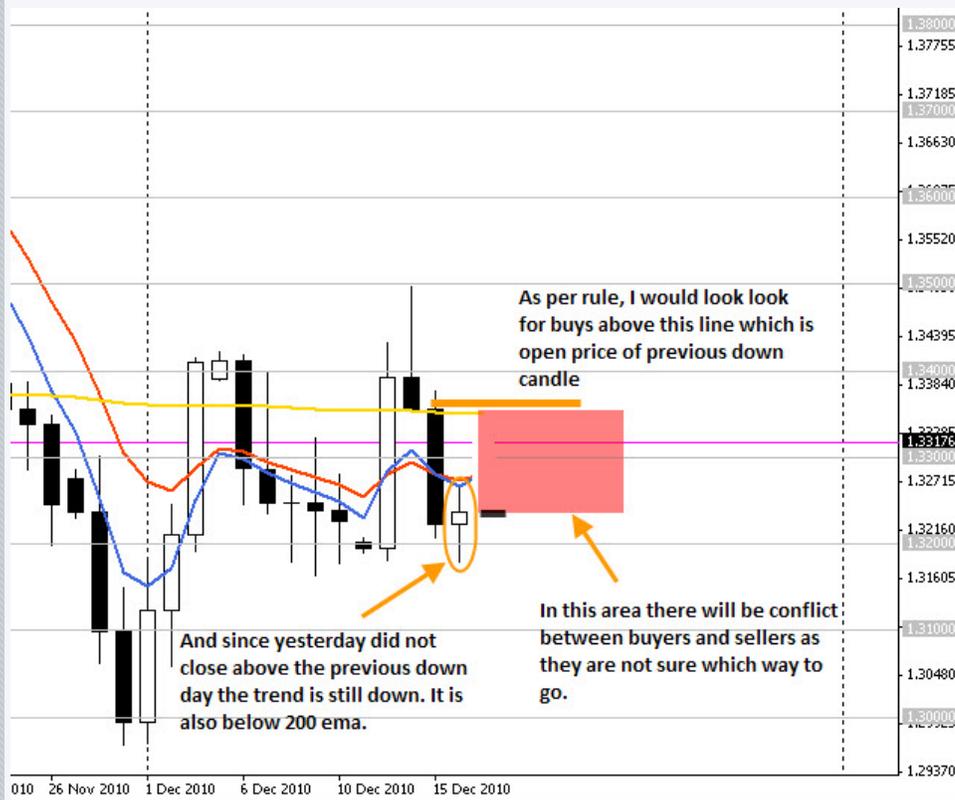
I have many positions on the retraces of the monthly/weekly/daily candle which means I have gone against the simple rule more than once. It has worked wonders for myself as positions on the retraces/wicks has a higher probability to survive any pullbacks as the trend continues.

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

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

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

Daily chart eur/usd this morning without open of today's candle.





Sincerely,

Graeme



pipEASY

Joined Dec 2009

10+y

885 Posts

Status: crede quod habes, et habes

Dec 17, 2010 10:55pm | Edited Dec 18, 2010 12:04am

[Quote](#)

[Post# 3,672](#)

[Quoting nomask](#)

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

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

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

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

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

Thank you for sharing.

Excellent trade.

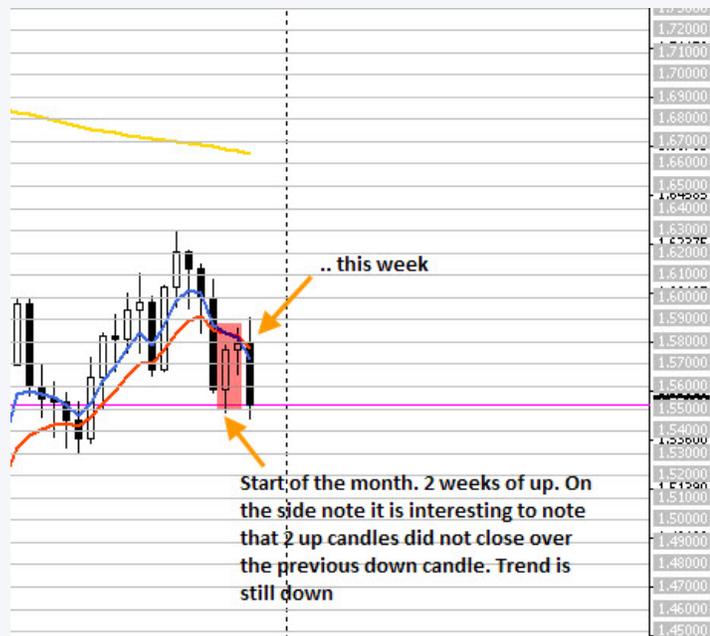
This post is very important and also answers to fugly's question as well.

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

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

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

eurUSD weekly



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

eurusd monthly



In this drop which is now forming to be the wick of presumably this months down candle, nomask has now positions on the wick. If his hindsight is proven to be correct (and it doesnt matter if it doesnt) his interest is in the best possible place for the maximum profit taking.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sincerely,

Graeme


pipEASY
Dec 18, 2010 7:15am | Edited at 10:31am
[Quote](#) [Post# 3,675](#)


 Joined Dec 2009 10+M | [885 Posts](#) | Status: crede quod habes, et habes

 [Quoting MidKnight](#)

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

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

The only thing certain is that nothing has any certainty.

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

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

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

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

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

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

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

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

Sincerely,

Graeme



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 18, 2010 8:11am

[Quote](#)

[Post# 3,677](#)

[Quoting MidKnight](#)

Hi Graeme,

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

Merry Christmas,
Matt

Merry Christmas to you too Matt.

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

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

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

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

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

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

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

Merry Christmas to all.

Sincerely,

Graeme



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 18, 2010 9:38am

[Quote](#)

[Post# 3,680](#)

[Quoting nomask](#)

great questions with obvious answers in it..

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

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

Very sound approach and very similar to my approach

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

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

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

Rinse Repeat and rest is history.

Well done.

Graeme



[Quoting nomask](#)

i find the trades very fast to move in my favor if I'm in the right direction..as you can see last trades were in the right direction but with no momentum at that time...i just closed them as they were ranging and making closes above my 5 min entry..and as i got better opportunity i just re-entered..this how i like to do.. but its all up to you.but since i was already "not bad" at low risk entries i implemented this from Graeme's idea easily...

Good.

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

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

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

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

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

I focus on point 3 heavily.

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

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

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

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

Thank you all

Graeme



[Quoting nomask](#)

Hi Graeme i hope you'll keep helping us here.. Ive been holding a question for a long time to ask you... do you ever close all your trades after some point..I know you mentioned about diversifying them but do you always hold your largest position until it gets taken out at b.e or close it when you believe that major trend has changed..? on the chart attached i'd love to hear how you would manage those 5 short trades ,where and how you would diversify them..is there any position among them you'd be still holding today.. thanks a lot ...

Good question and one of the most common question received.

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

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

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



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

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

$$2600 \times 4 = 10400$$

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

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

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



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

Where I currently stand.



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

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

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

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

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

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



Sincerely,

Graeme



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 19, 2010 8:27pm

[Quote](#)

[Post# 3,693](#)

Thank you for the compliment Cameron.

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

After the explanation above with 5 charts.

Where does that leave me??

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



Why cover both?

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

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

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

Just do one direction

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

Worth the trouble?

Absolutely without a shadow of doubt



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 20, 2010 3:59am

Edited at 4:45am

[Quote](#)

[Post# 3,700](#)

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

[Quoting VEEFX](#)

Hello Graeme,...

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

Half full glass of milk stands on table.

Is it half full or half empty?

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

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

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

Once a trader taste success on a big scale (taking big chunk out of the main trend of the year), this trader will never go back to 2nd best option.

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

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

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

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

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

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

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

Continuing on..



pipEASY

Joined Dec 2009 10+

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 20, 2010 4:13am

| Edited at 4:52am

[Quote](#)

[Post# 3,701](#)

[Quoting VEEFX](#)

Hello Graeme,

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

Good thought.

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

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

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

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

Continuing on..



[Quoting VEEFX](#)

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

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

Great question.

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

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

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

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

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

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

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

Everything stabilizes once you get the ball rolling.

Continuing on..



[Quoting VEEFX](#)

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

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

Very good question again.

Apologies but could all readers please hit refresh and read my answer in the above post. Question 3. I added something very important for all.

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

Phone rings - I read the message

"price moving out of range on eur/usd"

Goto computer

Look. Is it moving out with momentum? Yes?

Sit down and focus

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

Reset new price alert

Sometimes..

Phone rings - read message

Goto computer

Is it moving with momentum? No?

Reset new price alert and walk away

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

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

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

Sincerely,

Graeme



pipEASY

Joined Dec 2009

10+V

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 20, 2010 5:10am

| Edited at 5:24am

[Quote](#)

[Post# 3,704](#)

Thank you for the continued interest.

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

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

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

inevitable fact that will create your reward.

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

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

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

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

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

Thank you all

Sincerely,

Graeme



pipEASY

Joined Dec 2009

10+V

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 20, 2010 9:12am

[Quote](#)

[Post# 3,708](#)

[Quoting GrRt](#)

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

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

Good.

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

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

I have multiple alerts to wake me up on

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

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

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

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

Good night.

Sincerely,

Graeme



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 20, 2010 11:05am

[Quote](#)

[Post# 3,711](#)

It has now moved out of range with great burst.

Just before I went to sleep I opened 1 position @ 1.3160 with hard stop loss above the high point of the day 1.3190. It was more of a probe which respects my hindsight but I had valid reasons (near open price of day, and price bounced off 200ema which seems to be invincible today). I edited price alerts so I receive alert @ 1.3140. I have 2 positions in @ 1.3135. All moved to breakeven.

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

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

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

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

Good night all.

Sincerely

Graeme



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 20, 2010 11:21am

[Quote](#)

[Post# 3,713](#)

[Quoting VEEFX](#)

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

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

Good question it would be unfortunately last for today.

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

One of them (especially when I trade 5min) is to have the price retrace more than 50% of previous candle. I prefer to see less than 33% retrace which shows the lack of strength from opposition. Sometimes when you wait 2-3 5min candle you missed the whole opportunity. Probe it first. Just add 1 position and watch what happens. If it grows then add again. For some psychological reason you will find probing with a position and watching its value increase or decrease is far more effective than watching raw price fluctuations. The strength of the move also depends on the setup before the move. Was there a stall? If so, was it prolonged? Just like now on eurUSD. Sometimes it happens at a key s/r. That is order flow. You can sense where most traders placed their buy stops and sell stops when price approaches .00 then punctures straight through with increased speed means there was large buy/sell stops at that .00. Sometimes it approaches .00 and then bounce away sharply which means the

mass has placed their TP at that .00. Every little information helps **but it is also important not to overcrowd your thoughts.** The most direct answer to your question would be the retrace and probe. Watch retrace and send out probe. Watch and add more to it.

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

Hope this answer helps.

Good night

Graeme



pipEASY

Joined Dec 2009 10+y | [885 Posts](#) | Status: crede quod habes, et habes

Dec 20, 2010 11:23am

[Quote](#)

[Post# 3,714](#)

[Quoting cameron1st](#)

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

Kindest Regards,

Cam



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

What does the above cover on the higher timeframe?

eurusd daily



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

HOWEVER..



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

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

Sincerely,

Graeme



pipEASY

Joined Dec 2009 10+

| [885 Posts](#) |

Status: crede quod habes, et habes

Dec 20, 2010 10:53pm

[Quote](#)

[Post# 3,718](#)

Thank you for the kind words Taurus.

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

When is it time to cash out?

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

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

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

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

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

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

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

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

Sincerely,

Graeme



[Quoting geoffrod](#)

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

sorry if this sounds confussing

cheers
Geoff

Hello Geoff

Apologies as I should have been clearer.

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

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

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

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

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

Sincerely,

Graeme



Good evening, all

Nomask has just said the golden phrase.

"dont want to sit stuck in a stall"

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

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

I like to further discuss about stacking.

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

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

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

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

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

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

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

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

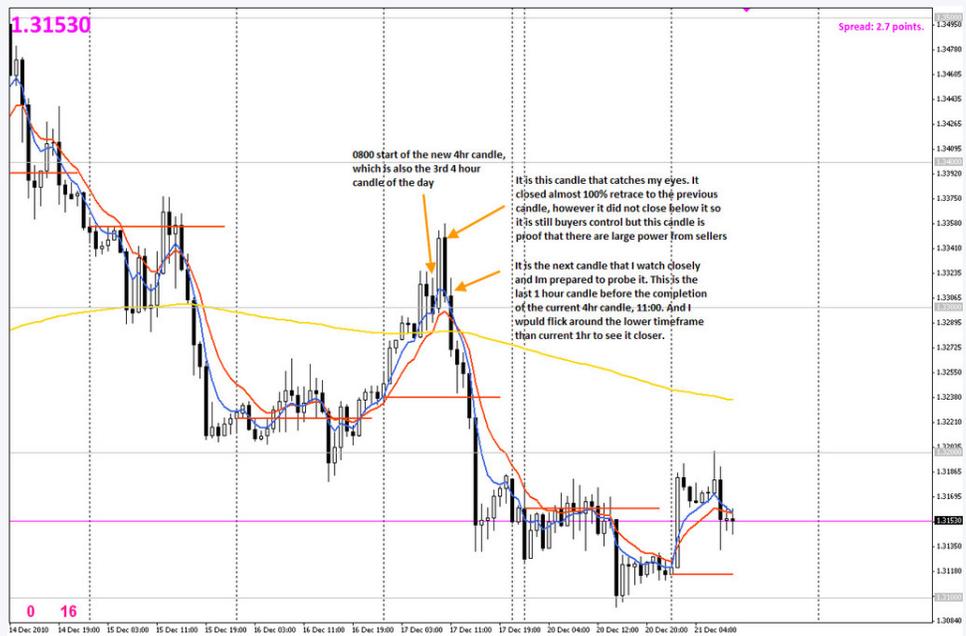
eurusd 4hr



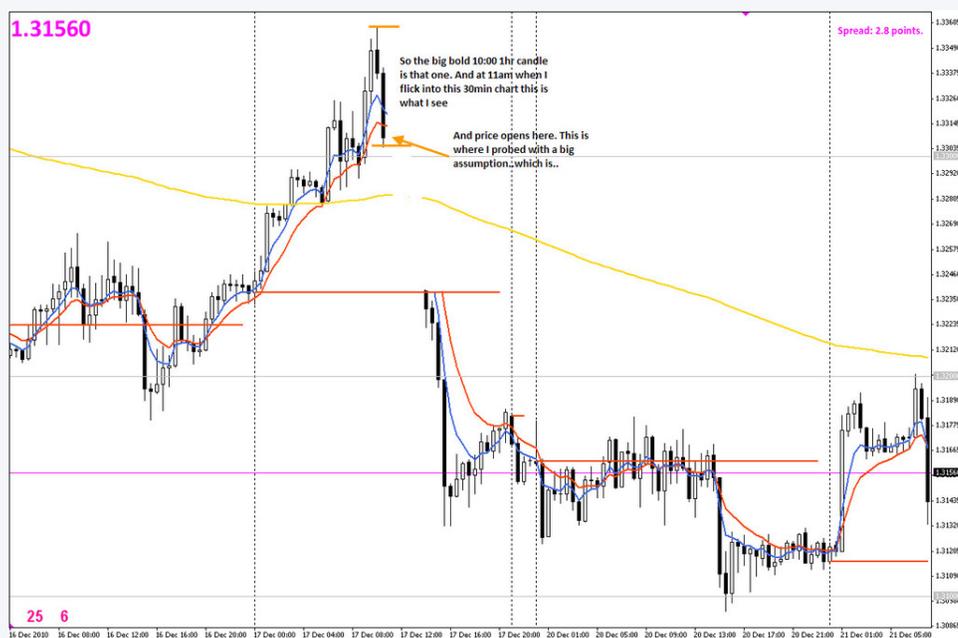
eurusd 4hr



eurusd 1hr around 0800 london time



eurusd 30min



And I ask myself:

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

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

Always assume the best possible scenario

Then...



pipEASY

Joined Dec 2009

10+V

| [885 Posts](#) |

Status: crede quod habes, et habes

Dec 21, 2010 6:36am

| Edited at 7:10am

[Quote](#)

[Post# 3,734](#)

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

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

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

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

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

And I got it right.

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

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

Still eurUSD 15min



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

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

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

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



pipEASY

Joined Dec 2009

10+V

| 885 Posts

| Status: crede quod habes, et habes

Dec 21, 2010 6:44am

[Quote](#)

[Post# 3,735](#)

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

And this is what I missed out

eurusd 1hr

eurusd 30min



and plenty more on 15min

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

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

Probe. Probe. Probe.

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

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

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

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

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

Sincerely,

Graeme



pipEASY

Joined Dec 2009 T10+V

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 21, 2010 6:58am | Edited at 7:16am

[Quote](#)

[Post# 3,737](#)

[Quoting nomask](#)

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

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

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

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

Good night all

Sincerely,

Graeme

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



pipEASY

Joined Dec 2009 T10+V

| [885 Posts](#)

| Status: crede quod habes, et habes

Dec 21, 2010 7:28am

[Quote](#)

[Post# 3,740](#)

[Quoting Edd Ganuelas](#)

Graeme,

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

Thanks,

Edd

Good question Edd.

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

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

To upskill your price interpretation, 3x20 exercise which is basically open a 5min chart (or any chart, but lower the better as you

can practice faster and more) **and enter in aim to catch just few candles right after your entry.** Few candles right on the monthly chart is a huge reward while few candles on 5min chart is few pips.

Hope this helps you.

Sincerely,

Graeme



Good morning, all

Yesterday we spoke about

1. Going against hindsight which covers scenario against your higher timeframe hindsight.
2. Recommended take profit/diversification level
3. Effective way to stack and most importantly when to stack

Hope it helps with your trading.

As most readers will notice, I dont invent new things to say on a daily basis. An avid reader can most likely summarize my whole trading approach with less than 500 words. Yes, there are many factors involved with my trading approach and at first it might be daunting but you start performing it subconsciously.

This morning I would like to talk about 2 topics that we discussed yesterday but both complementing each other. They are 'making anticipation into reality' and effective probing.

One of the earlier post of yesterday, which was this graph



eurusd daily with completed daily candle

