

Ahsans Awesome Accelerator Method

By Syed Ahsan Ali

Chapter 1

Introduction

I am not much experienced like other guys who introduced different systems and had years of trading experience. I am in this Forex business from little more than a year so my experience will be limited and I can also be categorized as Forex beginner. My trading amazingly improved after discovering www.babypips.com and www.forexfactory.com. Those two sites brought a revolution in my trading. I consulted these sites whenever I got stuck in something. I always wanted to give something to others which I didn't had in the beginning when I was losing. I tried to learn every trading system I could've reached. Of them some didn't simply suited my trading style while some had very large drawdowns in certain market conditions and other faults (Like rapid Signals and complex technical analysis). I wanted a balanced system with a nice win% and a comfortable drawdown. I worked really hard and came up with this trading system. I am not claiming this system i am going to present is a perfect system but in my opinion it is better and well tested than many others out there (I could be wrong). Now I think that I can help other traders to benefit from this system too and make their trading a bit more easy and profitable.

I call this method Triple A Method. This method is based upon Bill William's indicators (Accelerator Oscillator, Awesome Oscillator and Fractals) with a combination of moving averages and daily stochastics.

You can get more information on Bill William's indicators (about what they really are about) from this link

<http://www.metaquotes.net/techanalysis/indicators/>

I have backtested this method again and again on GBP/USD from 2001 and the performance (following my money management rules) is more than 60% in worst case scenario and more than 75% in ideal scenario (Currently I am compiling the Backtest data I will upload it as soon as it is completed). The system gave an average of 15 signals during a month which could have yielded about 500 to 1500 pips per lot per month. Max Drawdown per lot was about 500 pips. I am a human so I could've made mistakes during backtests I tried my best to make these backtests as honest as possible. This is the reason I feel pretty confident about this system. I have not tested it on other pairs but by observing other pairs this method looks good on them as well, specially pairs like

EUR/USD and EUR/CHF. I am live trading this method from December 2006 (after demo trading it for about 2 months) and results are very good (around 800 pips/lot/month).

If u do make some money following this system please donate something for the poor and needy people in the world. Always remember DON'T BE GREEDY and HASTE MAKES WASTE. Your first goal should be to have a positive addition in your account each month rather than blowing it up through overtrading and other mistakes.

I hope you will learn something from this eBook. So wish u best of luck and nice trading. I will frequently post screenshots of different trades I take so that u could understand the system better. Questions and comments are welcomed so that we could make the win% of the system even better.

Disclaimer:

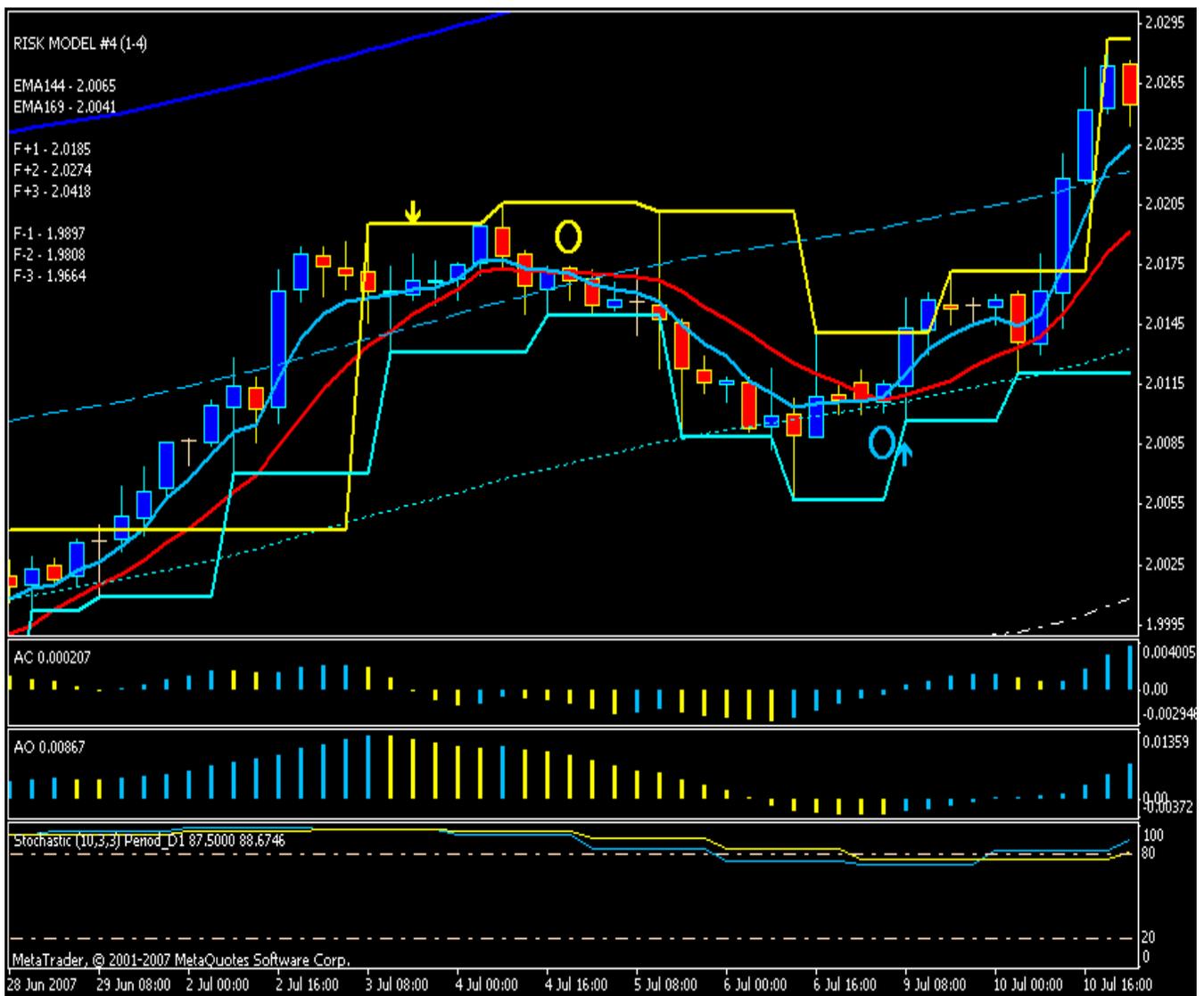
Forex trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the Forex market. Do not trade with money you cannot afford to lose. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed in this book. The past performance of any trading system or methodology is not necessarily indicative of future results.

Chapter 2

Chart Setup:-

- 4 Hour Chart of desired currency pair.
- Exponential Moving Average with period 5.
- Simple Moving Average with period 10.
- MA Crossover Alert Indicator with settings 1, 5,0,10.
- Awesome Oscillator and Accelerator oscillator.
- Support and resistance indicator or Fractals.
- MTF stochastics with settings 10, 3, 3 with daily Timeframe i.e. 1440.
- Vegas1hr with risk model 4(For other pairs set risk model according to their daily ranges)
- MACD crossover indicator with 8,17,9 settings.

Double check all indicator settings. These settings basically suit with GBP/USD. For other pairs adjust your settings according to their daily ranges.



Entry Rules:-

There are mainly two types of signals.

1. Main Signals (I call them Pehla Signals).
2. Re-entry Signals. These are also of two types namely Dosra and Tesra Signals. These have better Win% than main signals but are way less in number even combined together.

Pehla Signal:-

Buy at the opening of a candle when 5sma crosses above 10sma and both the oscillators (AO & AC) are showing 2 consecutive blue bars. Reverse the scenarios in case of a short or sell entry. These signals are most frequent and easy to identify and trade.

Dosra Signal:-

If the color of the oscillator bars changes to inverse the Pehla Signal without a moving average crossover and then again change in favor of Pehla signal we re-enter. These signals are less in no but have greater win%.

Tesra Signal:-

If only one of the oscillator bar changes color inverse of Pehla Signal and then again change in favor of Pehla signal we re-enter. These signals are least in no and have the greatest win%.

Breakout Signal:-

If price break through support or resistance line (Fractals) before a buy or sell signal we enter at next candle opening. These are most difficult to identify incase of Dosra breakout and Tesra breakout Signals as the current oscillator bars change colors and you can enter a false signal or miss out a great opportunity. If you do identify a breakout trade and price didn't touched its TP1 level you can place a limit order at that price.

Optional Rules:-

1. You can only take trades in the direction of daily stochastics. This will improve Win% greatly but this filter is bit difficult to trade live. In case of large moves in a day stochastics could turn inverse to that they were before so if you want to use this filter you must first practice this for months. I personally increase my lot size if a signal is in the direction of stochastics than normal lot size.
2. I don't trade 0:00 candle signals (because its night here in Pakistan) Usually no big moves happen at that time so you can also skip that candle it will save u a lot of time. (My broker uses +2 GMT time so 0:00 stands for 22:00 GMT).
3. If you are monitoring a trade and price comes about 10 pips near your SL or TP level etc remove the limit and manually monitor it to get better price.

4. If price starts to move in inverse direction of our trade rapidly after signal candle. Enter position in multiples of 5 i.e. +5,+10,+15 and so on.
5. If you are monitoring a trade and price comes about 10 pips near your SL or TP level etc remove the limit and manually monitor it to get better price.
6. If price starts to move in inverse direction of our trade rapidly after signal candle. Enter position in multiples of 5 i.e. +5,+10,+15 and so on.
7. If u get better price than your entry price go technical and enter 1 more lot (for 5 lot version).Now if market turns in your direction close 1 lot from your original position (@BE or better depending on the move) so that your total position remains 5 lots now if u again get chance to enter at better price do the same thing to improve your average entry price.

Chapter 3

Money Management

I use different money management rules for different pairs. For GBP/USD divide position size in five parts. **On TP 1** close 20% of position, **On TP 2** close 40% of position, **On TP 3 and TP 4** close 20, 20% of remaining position

Usually TP1 and TP2 are close to each other. These have a smooth equity curve with least drawdown (Concluded through backtests and live trading). The main objective of this system is to get this 60% position's profit.

TP3 and TP4 are to catch larger moves so that account can grow larger in a single strike. These levels don't give consistent profit in ranging months but when they do catch a nice trend you will be a happy man.

If you are not comfortable with such high TP levels close your position at at least your stoploss level which is +80 pips. Also if you are following these TP levels and your position stalls at around +80 pips and you are not comfortable with the market conditions you can close all of your position. At least you are making more than you are losing. So after +80 pips you can close your position whenever you want according to your discretion.

MACD crossover is used as an exit signal if profit is more than 100 pips (Backtesting and live testing done).

Outer most blue and red Vegas lines are your final TP levels you should skip all of TP strategies in this case. Close all your position on candle close after touching those lines. Those lines must be more than 50 pips away from your entry price.

I recommend using at least 5000\$ account If trading 5 mini lots with this system (You can adjust your position size accordingly with a backup of at least 1000\$ for each lot). You must not increase your lot size till 10000\$ balance is achieved. After that you can either start withdrawing your profit (which is what I do) or start trading aggressively (depends on your greed level ;-)).

You can get an idea about TP levels I use by following table:

SL	Moving SL	TP 1	TP 2	TP 3	TP 4
70 to 80	Tighten your SL after +40 to nearest reasonable S or R. After reaching +65 to +85 move SL to +5. After BE (+5) start trailing SL by 70 pips till +80 pips are locked. After this move SL according to S&R levels.	100 Or Candle close at nearest Vegas line if more than 50.	Candle close after touching Nearest Vegas line if more than +50 or after +100.	Candle close after reaching next Vegas line if not more than +150 pips or MACD crossover or around TP 2. Always make sure TP3 is more than TP2 even if its mere 5 pips	Candle close after +300 Or S & R levels depending on move

Chapter 4

Important Rules

1. Don't ever break rules of a system if u want to get the ideal performance of that system. Use the system as it is and only make changes if you find a considerable improvement in it. You must concentrate (Only on one system at a time) and specialize in a system before applying it live. It's just like a degree for you and everybody knows when you want to get a degree you have to study hard.
2. Don't ever use emotions in this system. I have tried my best to make this system as mechanical as possible. And now this is about 95% mechanical system when entering a trade. Ignore fears like price is too high or there is an upcoming news event whose rumors say bla bla or simply because you can get a better entry price (most of the cases u will try to get about 10 to 20 pips better price this is what I had done in the beginning and missed out some nice moves costing more than those small gains) and emotions like that.
3. Don't exit a trade before +50 pips until it hit its SL level or an opposite signal is there.
4. Always enter at candle opening with the bettermost 0 or 5. If u do get better price you should not change the original SL and TP levels. For example if candle opens at about 1.9567 your entry price for a buy signal is 1.9565 and for a sell signal 1.9570.
5. Make sure to enter within first half hour of a signal. You can also enter a trade about half hour before a signal through common technicals (Fido Retracements etc) (Note: You can only do this In case of a 100% confirm signal). If price shoots up after candle opening try your best to enter within 20 pips of signal price.
6. Don't enter a buy or sell signal if it is outside from Blue or Red Vegas line or close enough to it that risk to reward ratio is unacceptable i.e. less than fifty pips target instead use inverse trade strategy. If signal's entry price is more than 150 pips away from Vegas line than normal conditions may apply.
7. Don't enter if daily stochastic are moving against the signal and are just leaving overbought-sold area instead use reverse trade strategy (both the lines should have visited overbought oversold area).You can enter the trade if stochs again cross in our original signal direction the next day.
8. If an MA crossover happens before oscillators change colors enter at first consecutive same color oscillator bars.
9. Strictly follow exit strategies at least with 20% position size at each 4 strategies.
10. If a signal candle is more than 150 pips your entry should be at the 150 pip mark of the candle or better.
11. If there are only one same color bars on the oscillators, MA's have crossed and the signal candle is 100(From High to Low) or more you can enter at the next candle open.

Chapter 5

Examples

I will only identify the signal names in each example if you have any further questions and comments .Please post them in the forum thread where I will answer you (<http://www.forexfactory.com/showthread.php?t=37439>).

1. Pehla Breakout Short Signal



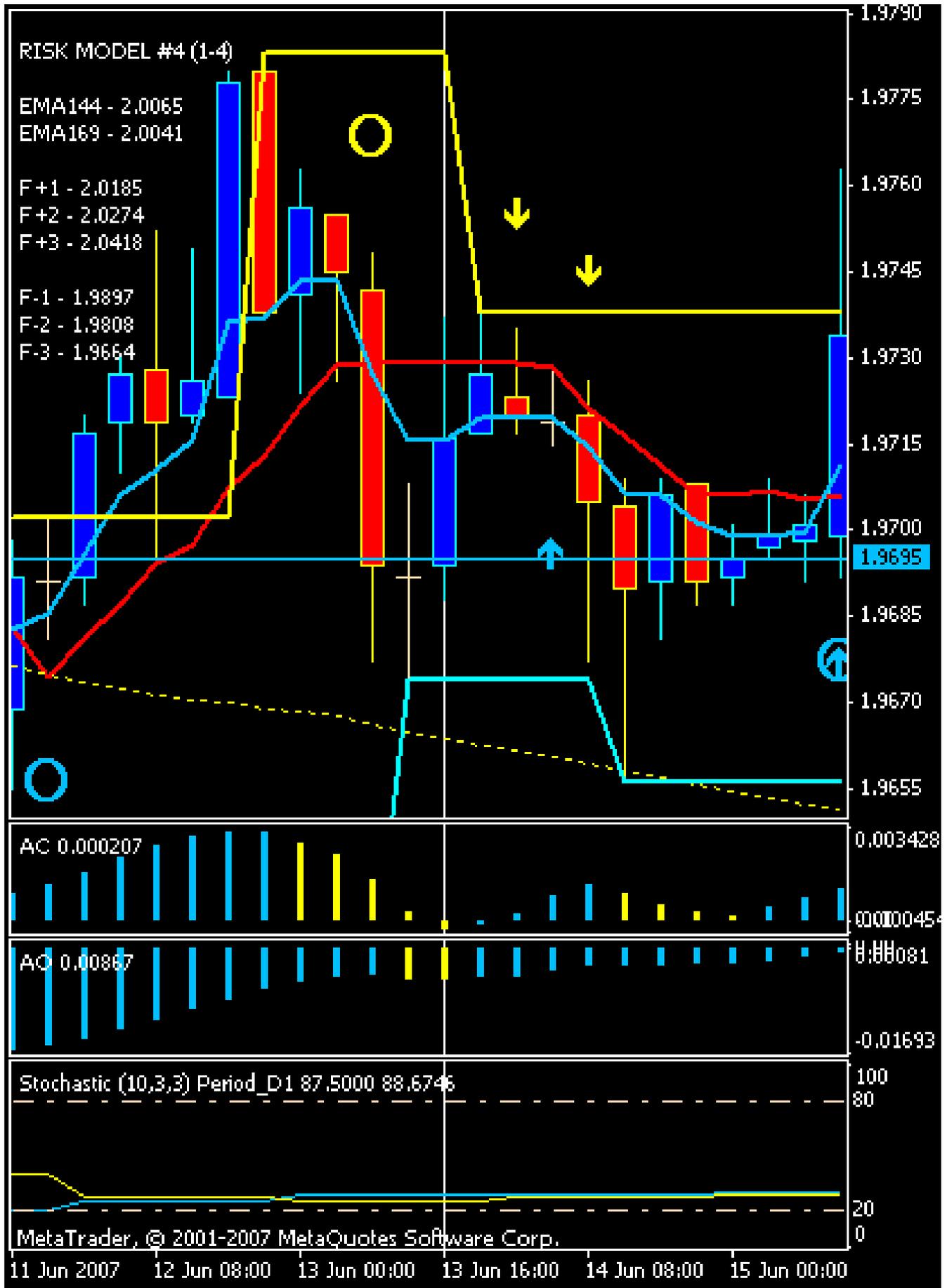
2. Tesra Breakout Short Signal



3. Pehla Long Signal



4. Pehla Short Signal



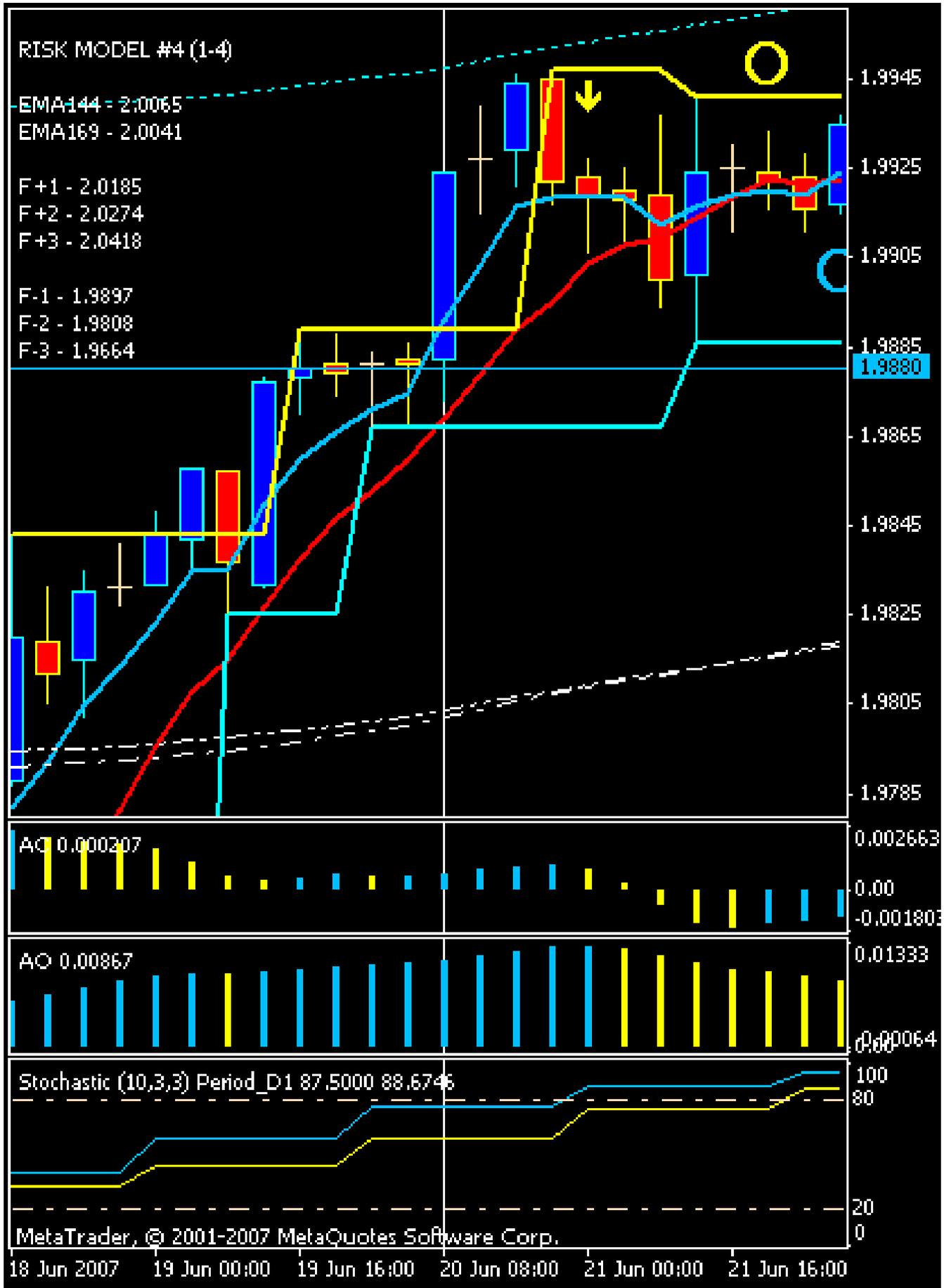
5. Pehla Double Long Signal



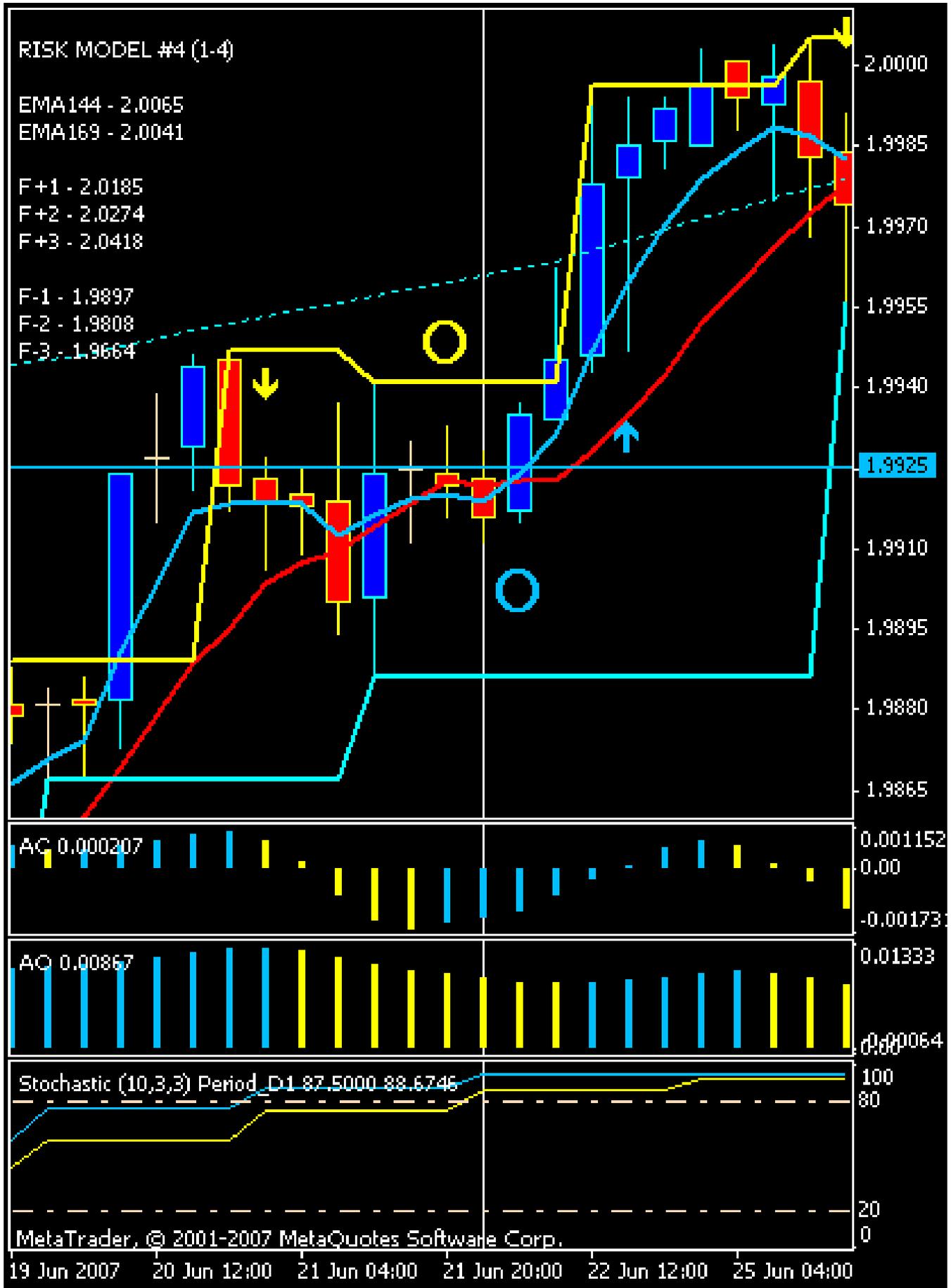
6. Dosra Breakout Long Signal



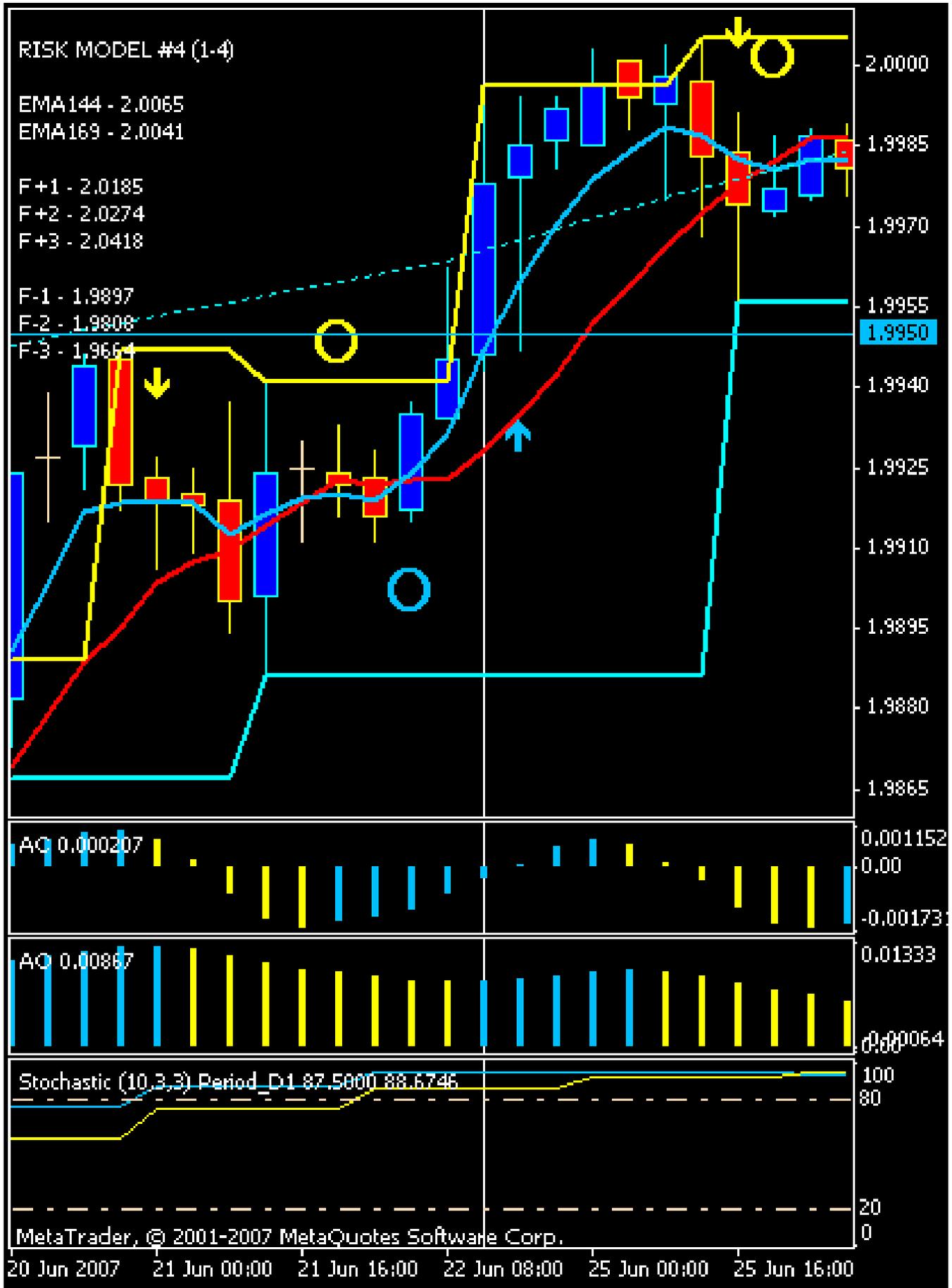
7. Tesra Long Signal



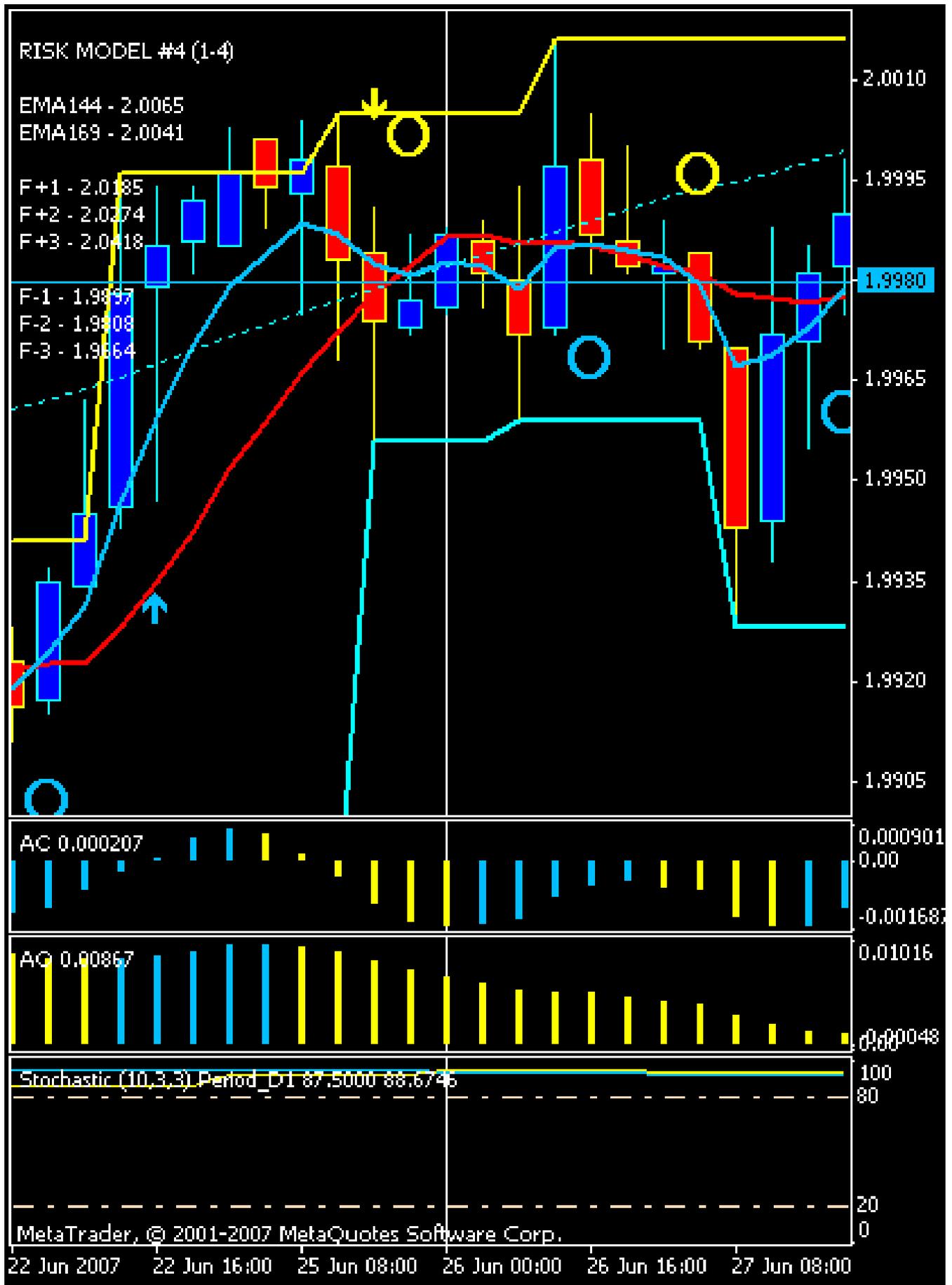
8. Pehla Short Signal



9. Pehla Tesra Breakout Long Signal



10. Pehla Short Signal



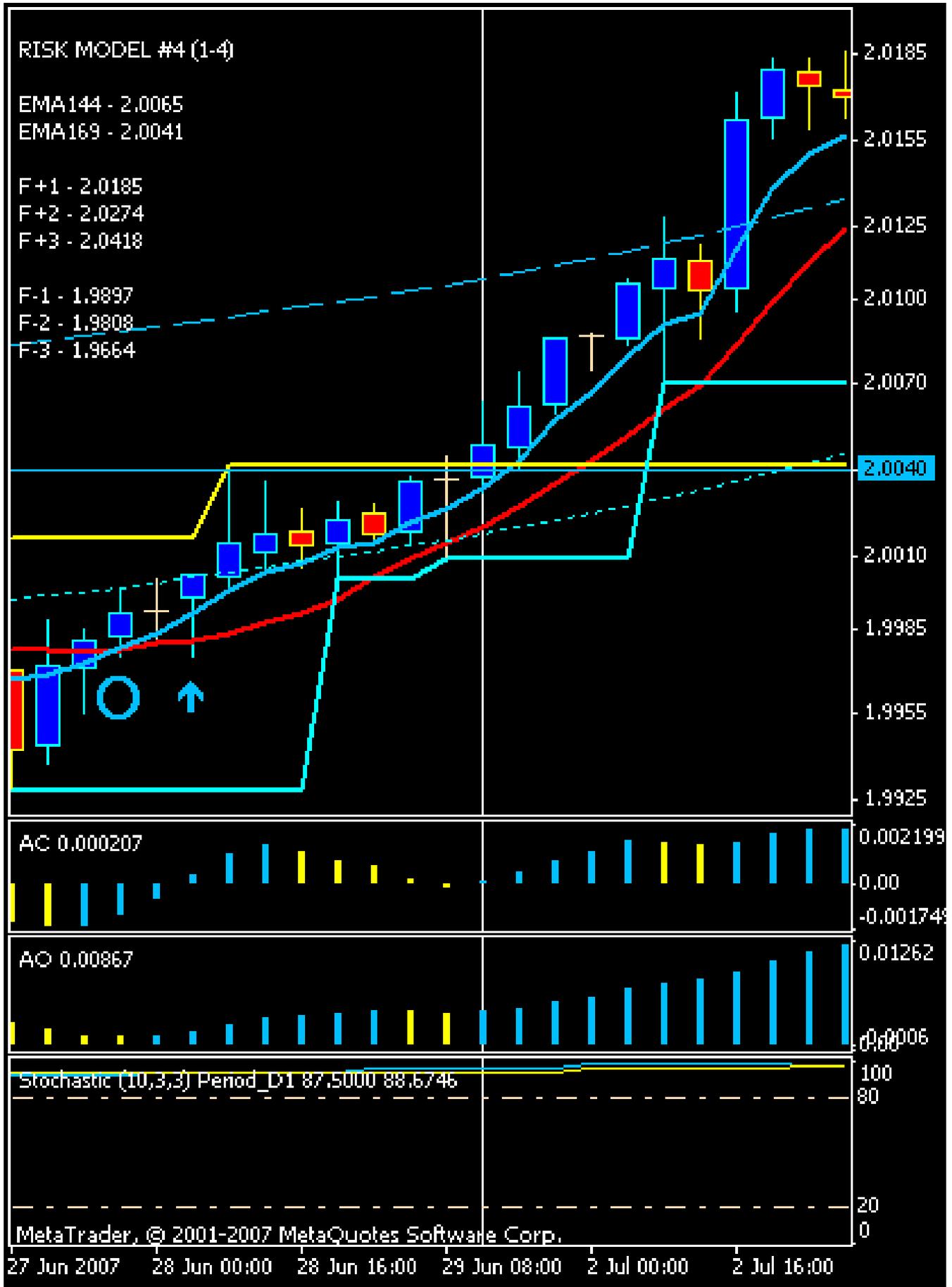
11. Tesra Short Signal



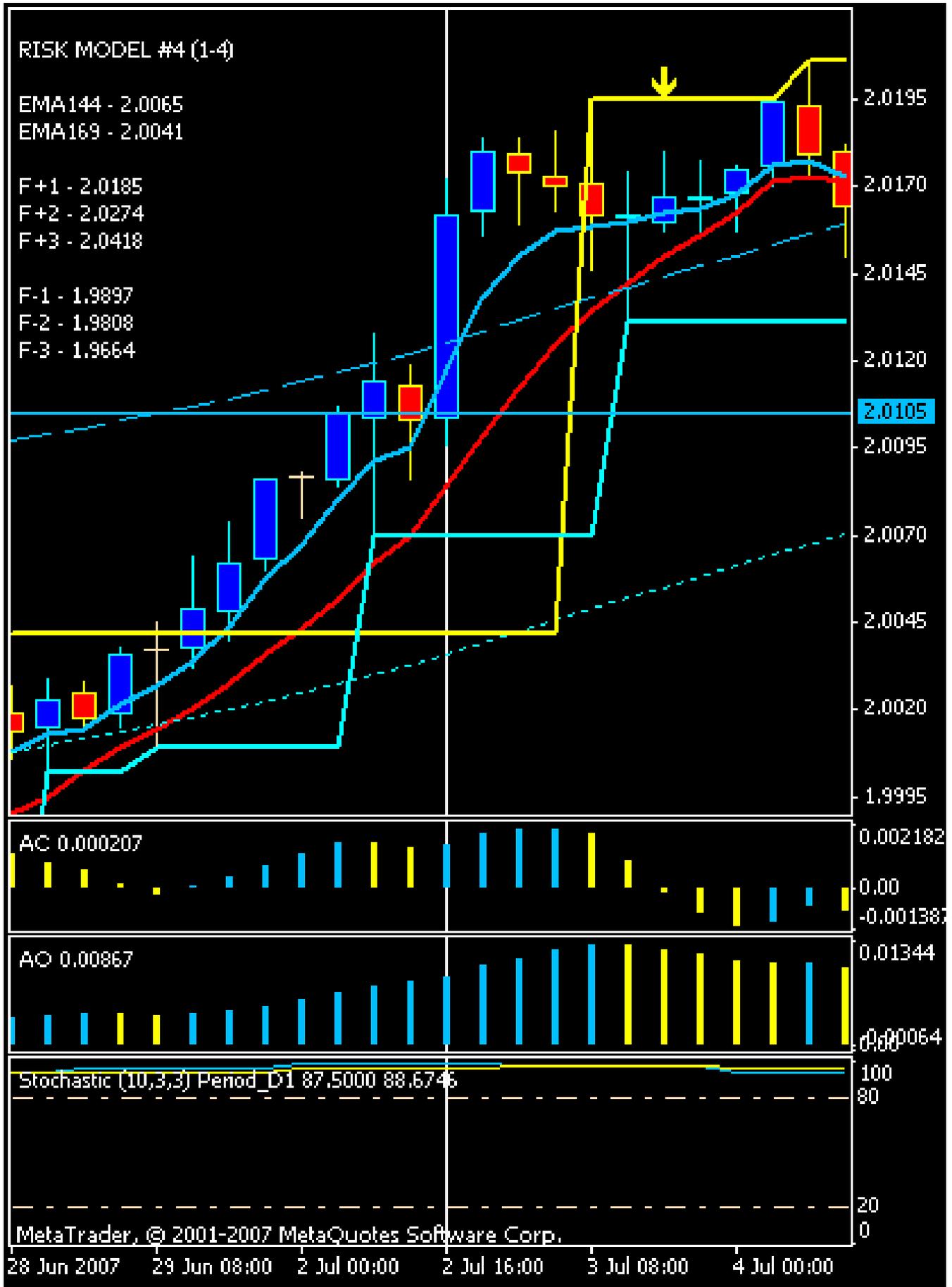
12. Pehla Long Signal



13. Dosra Breakout Long Signal



14. Tesra Breakout False Long Signal



15. Pehla Short Signal



16. Tesra Breakout Short Signal



17. Pehla Double Reverse Long Signal



18. Tesra Breakout False Long Signal



19. Pehla Short Signal



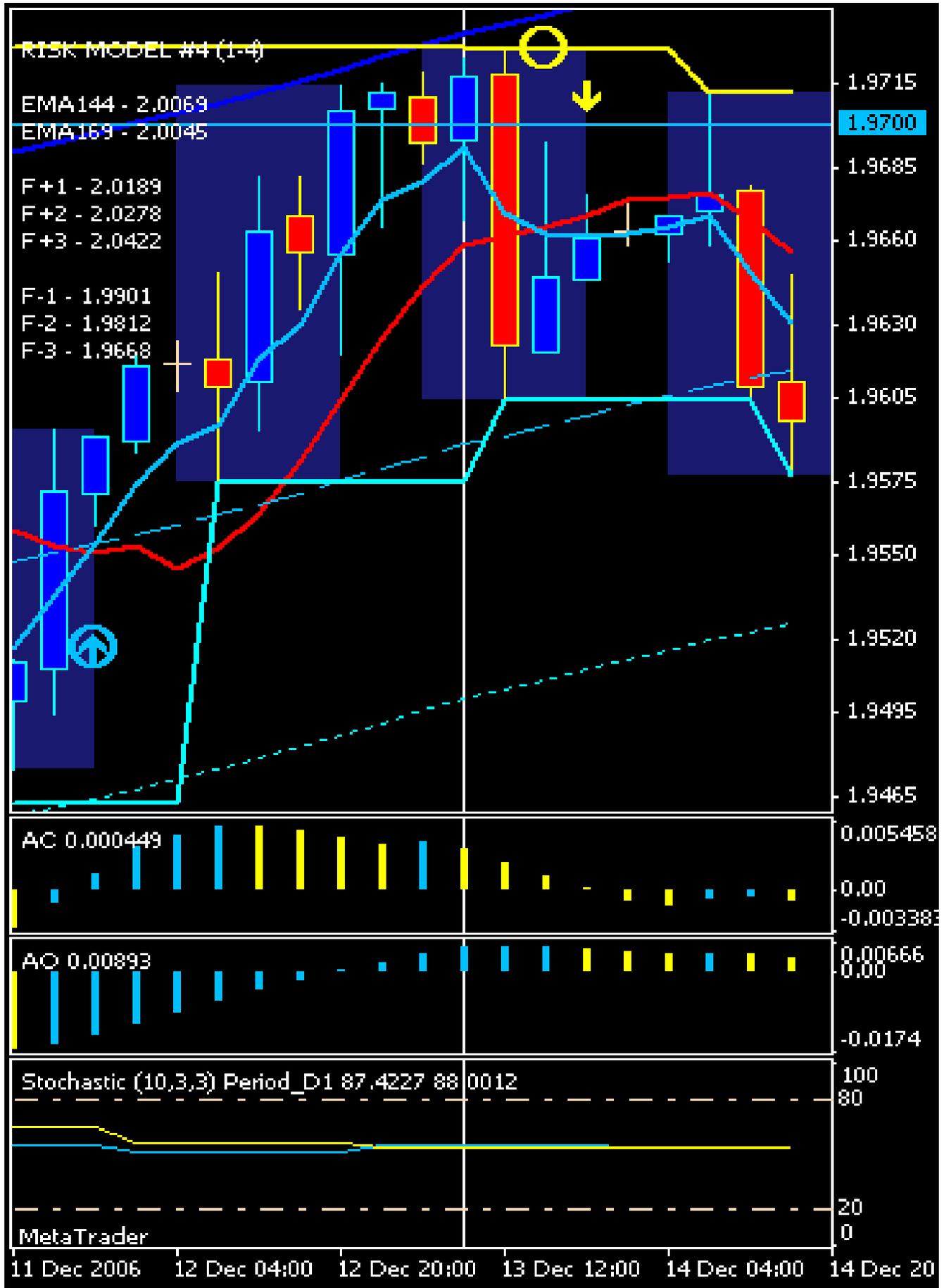
20. Pehla Breakout Long Signal



21. Pehla Reverse Short Signal



22. Tesra Reverse Short Signal



Conclusion

Trading involves using your mind, gaining confidence and honing your instincts. There is nothing more powerful in this business than a calm, instinctive mind. Most of this trading will be up to you, your devotion, your will to succeed and how smart you are. To use this system to its maximum effectiveness you need instinct and that can only come with experience. The backbone to being a successful trader is simplifying your trading. Most people choose to complicate their trading by using 10 different systems and 100 different charts. This system is simple to follow and should provide you with more than enough pips to grow your account at a steady pace. Wish you best of luck in your trading and that's all I can do to help you people (Specifically beginners who want to learn something).

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