

PIVOT TRADING WITH TDI

TS (Thread Starter) by: Mr. Davit

Link: <http://www.forexfactory.com>

Pairs Trade: UC AC EA AU GU NU AN EU

TF (Time Frame): 15m (minimum), bigger TF works as well.

Indicators use: → refer to the link above

ADR → ADR is just a tool to let you know if pair is overstretched on daily range. When that happens likelihood of reversal is great and when confluences with pivots creates great opportunities. Emphasis is always on PA because often when pair overshoots its likely that something major happened like rate cut or other fundamental factors so you must check why it overshoot in the first place.

Download all the indicators and template from the link above.

For Indicator → saved the file where your MT4 file located, search for MQL4 folder, and paste to subfolder: Indicator.

For template file → save in template folder, where your MT4 file is located.

Here's How to Trade the Pivot with TDI:

Here is how to trade pivots (TS use ***weekly pivot***, not daily Pivot..)

As price travels progressively away from weekly pivot it becomes more likely to go into correction.

61 S/R key zone 78R/S is Scott Carney's last chance for reversal (spikes stops taken before reversal) 100R/S another major zone.

Should price smash 100 S/R then you are in strong trend supported by fundamentals.

Pivots can be traded both with the trend and against. I personally don't subscribe to typical bookish mentality that if previous H4 is bear then assumption should be another bear candle. This is very wrong way to look at the markets. Markets are in constant motion and within 1 H4 candle price can move opposite over 100pips against previous candle so its not about previous candles but where price is in relative to pivots. In simple terms **Location** is what is important.

I trade 15-30min charts however bigger works as well.

TDI is our friend.

Notes:

"As price travels progressively away from **weekly pivot** it becomes more likely to go into correction."

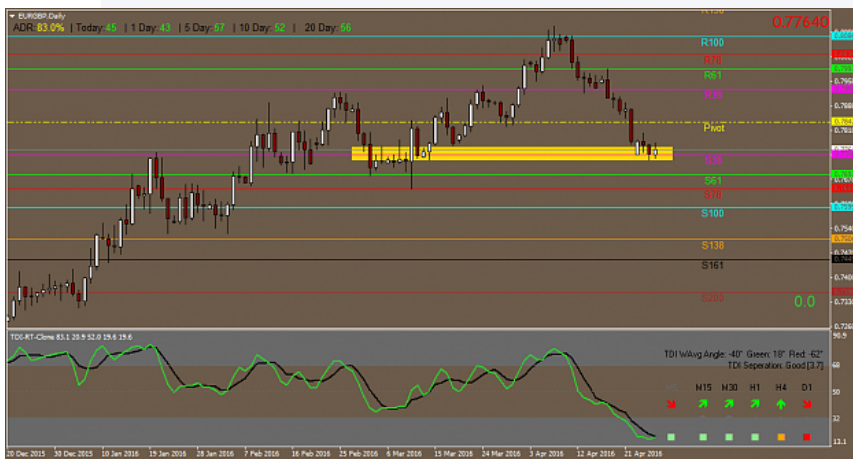
When price hit major pivots we **wait for TDI to turn** thus confirm the move. Sharp angles important when its almost horizontal PA is weak or consolidating thus avoid trading.

My philosophy is to be open to what market does that's why I don't like using "go with trends" or against it often because within every trend there are multiple swings that can travels over 50pips hence my focus is on swings.

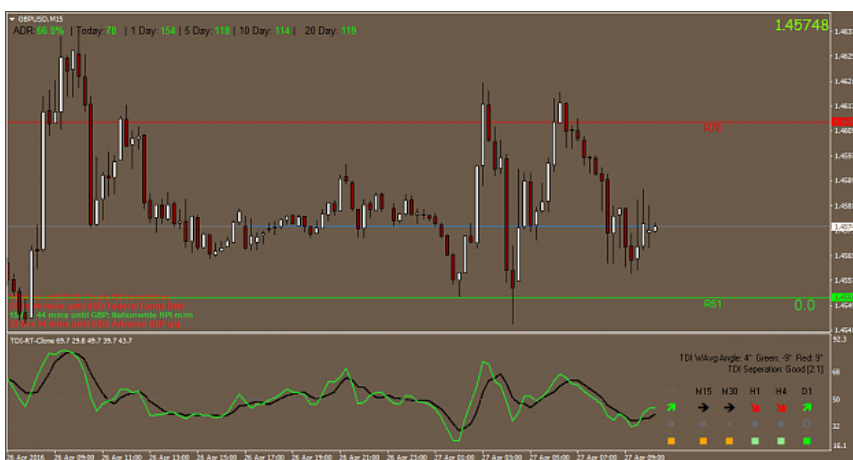
Key concept is being aware of turning zones, 61 specially 78 zone.

Google Scott Carney 786 fib you'll get interesting results. 78Fib is not even on Fib Meta tool default setting and many traders are unaware of its significance.

- Here's the example, trading using Pivot and TDI (yellow box → Support area).



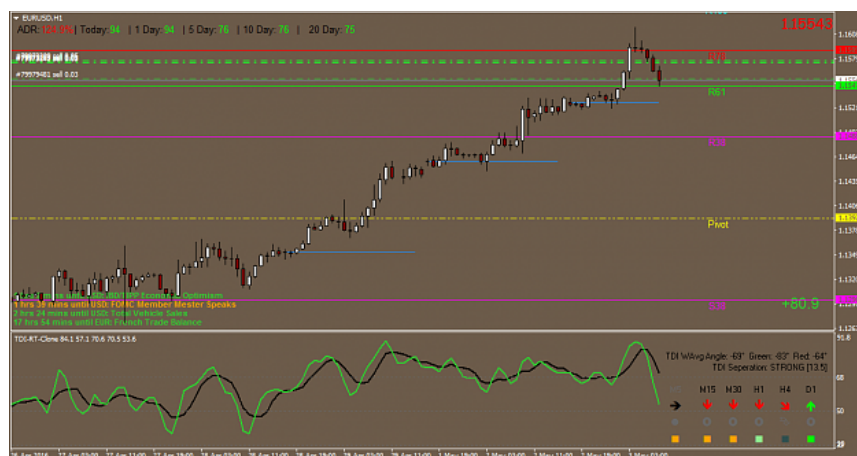
- Another trading G/U, price can't break R78 (Resistance 78), and start move south, confirmed by TDI crossing.



- TDI lines green crossing the black 15-30min chart and Price action agreeing. Its important to understand that pivots are zones and not exact number. Often price can fluctuate 10-20pips before turning. I trade UC a lot so here is a trade I gained over 300pips in 2 positions. Note price testing 100R again.



4. Short EU, from R78 and confirmed by TDI



(Post #63) The 0.786 retracement is the square root of the 0.618. The 0.786 retracement is the next critical area to examine, after the 0.618 has been clearly violated. The 0.786 is a **vital** Fibonacci number because it is often the last chance reversal area before retesting the original price point. Price action that does not reverse from the 0.786 usually will retest, and often break past the original starting point. Therefore, 0.786 failures are significant because the stop loss limit will be clearly defined by the original starting point and relatively small in comparison to the potential reversal.

The 0.786 retracement is fairly unknown in the industry, although I believe that more technicians are becoming aware of its significance. In my opinion, it is a crucial Fibonacci number, since it is one of the last harmonic ratios before retesting a trends prior high or low and it can provide a clear indication of the future direction based upon the price action at the number. Another reason the 0.786 is a valuable Fibonacci number is because it can often gauge potential opportunities, especially when the surrounding market noise (information) suggests that the set-up is to be avoided. I have observed many situations, where the information in the media is quite contrary to what the price action at the 0.786 is indicating. If a stock is trending strongly, the 0.786 projection frequently can serve as a key reversal point, despite such contrary information. The following illustrations and examples will elucidate this concept."



(Post #81)

Q: Hello, Davit! When you spot a setup at an important pivot level, do you go take a look at HTFs? Or you just take that setup, regardless of what the HTFs are saying, because you have complete faith in your PP system?

Price moves in waves look up Elliot Wave theory. Irregardless whether you trade EW or not price does not go straight up or down. **I trade swings** and they are swings on Down trend and uptrend. For me its all about the swing. Trend can change 100+ pips in 4 hours opposite of previous 4 hrs and same on daily. Important to understand is where most turns likely to occur with the help of pivots and with TDI as confirmation you got a real edge. I have about 12 trades going now so there is no lack of opportunities. My system is simple but complex same time. You must understand Price Action minimum.

(Post#117)

Q: 1. do you wait for setup to form on a higher time frame around the reversal zone like R61, R71, R100 then dig down to lower time frame to take the trade or when you spot a setup on any time frame like 30min you take it around the reversal zone. 2. I know you trade news do you trade before the news release or after the news release. if you are in a trade before a news release do you ride the news with the trade. 3. Do you look at divergent also when trading.

My base TF is 30min but when I see a weakness I jumped on it even on 15min but PA must be in good zone 61+ unless its ranging. Ranging pairs tend bounce from 38 to 38.

Its important to understand, I repeat that price action is important. TDI turn important because price can get through zones as we have seen on EA. Part of EA move was fueled by interest rate cut as well so there is fundamental drive behind.

I don't trade news. Prefer to be out most times specially NFP. One usually finds good opportunities after.

I do look for divergence but it has been my experience that its hard trading meaning what looks Div on H1 may look very normal on H4 and nothing at all on D. I like dives that show same up to Daily.

Its not something I put great importance. To me **most important is looking at Price Action in zones.**

(Post#135)

Q: Davit, thanks for your feedback, what in your opinion are good stable pairs to trade with plenty of good sized swings? I read about the fiasco a while ago with Swiss franc, and I can definitely see your point about the Japanese Govt interference in their currency ... (mind you - don't all Govts do that? 😊) I only decided to start with EU, GU, AU, EJ, UJ, AJ, UCad as that was a recommendation for beginners on the TMS thread. I was going to concentrate on EUR/USD but I wanted to have a couple more alternatives for when that pair was flat,...

80% of my trades are on UC and some on AC and EC rest on EU AU NU GU EG. I like the Cad because I can keep up with oil and Cad fundamentals. To me you only need 2-3 pairs to reach your monthly goal.

When you focus on few pairs you get to know it well and build confidence trading them. Its a misconception that one needs to be all over the place to make money. I can build 10 trades on UC equaling trading 10 different pairs but my results would be better because I only need one swing to collect.

General guidelines to me is this:

If you have less than 5 years of experience then don't trade hyper crosses like GN GA EN GJ. Anything over 130 daily range is red herring to me. Its not about profits, its about controlling risk. Profits take care themselves. Mistake lot of rookies make is getting carried over by greed and trade crosses and pay dearly when wrong. Slow study the way to build equity.

(Post#171) Pivot trading is basically **swing trading**. We take profits from any swing irregardless of "trend" most here at FF don't understand what trend is. What they think trend most often are swings in range market.

70% forex is in a range. Traders often complain about "choppy markets" but seriously those are most profitable times. Focus on swings and that's when pivots help comes in.

(Post#233) → ADR

Q: Hi Davit , I Read all the thread but i couldn't find how you take your positions , I am not talking about the first trade your are taking but the others so are you using the ADR for that ? which ration ? do you add positions just if you are in profit or if loss (what the criteria).

I follow PA once I am in, I build positions. I never enter full lot. Break them up and average out so I get a better price overall. This is common on stock trading but not in forex. Its my way of controlling losses. Should PA go against me I can get out with 1/4 lot damage instead of full lot. I don't place hard SL but do have a threshold when I get out. ADR is just allowing you to see daily extremes better. Example if UC travels 100 ADR last 20days and its at 110 then chances of correction is great. Usually late entries get crashed which in general is stupid money.

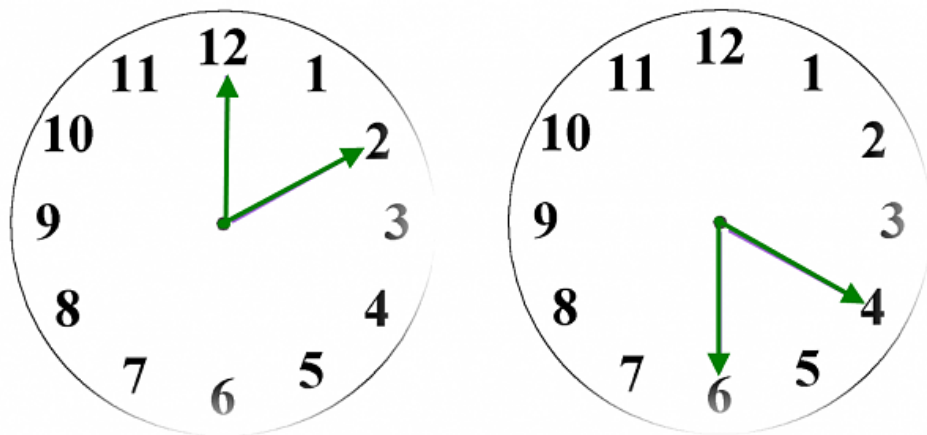
(Post#318) → Multiple Entry (ME)

I treat My entries as badges as 1 trade consist of 4-6 average mini trades. When I exit I closed them all. My average distance is 50-100pips which usually same distance PA travels from 1 pivot to another. When you look at the chart you know when to exit. My AN exit was 730 which was previous R and true enough did not break higher yet. To conclude watch the chart and behavior. If you want to educate yourself you can watch lots of videos on support and resistance online but frankly in general most are useless. Trading requires more. Think about this if trend lines S/R, MA cross overs, Overbought oversold oscillators was so obvious then how it happens that 95% traders lose in Forex. Answer is simple. They don't work. If majority of traders using typical technical analyses and lose then you must think outside of box.

ON ME I took the idea from a book called *"Bird Watching in Lion Country"* Not many understand this book properly. I thought it was a gem.

(Post#394) → TDI

When TDI is sharp 4-5-6 O'clock, 12-1-2 O'clock means there is good buying and selling. This is something its intuitive you look at TDI wave and can tell what's going on. When its flattering means move is exhausted and ranging.



(Post#470) → SL

Q: I do have one question: how do you manage your SL when you're not at your desk? I know you don't have a total pip value, more of a personable 'acceptable' DD %. As a swing trader, I'm assuming you sometimes keep positions open overnight or for a few days. How do you manage your SL then?

Once again my SL is **based on actual \$\$** not pip. As long as my batch of trades have not reached max DD in terms of \$\$ then I let it run. Let me give you concrete example. I was shorting UC from 129 and price went 31+ and I had over 200pip DD but in actual \$\$ it was only 20% of my intended lot to be traded on this pair. Then I Hummered rest from the swing top and made all DD back plus nice profit. I trade unorthodox style

I learned over the years that 20-30pip SL is sucker move. It will get hit and you can be taken out even if direction is correct. I refined my style of trading that pivots allows best entries without huge DD. People who see the value of this thread will profit.

(Post#473) My SL is part of my trading entries. Should PA overrun my budget for that trade **I take the loss manually**. I often take earlier if I think fundamentals shifting. I work 70hrs a week and often can't be at my

computer but twice a day morning and night I can hence plenty of opportunities to take the loss. Reason I can do this because I don't over trade. I trade mini lots. Hope you are clearer. I don't talk about this often because I rather people use SL they are comfortable with.

(Post#612) I answered this multiple times here and may save it for future reference. I don't use traditional hard stops. I trade totally different than most traders. I use real actual \$\$ for stops and not pips. Example I like to short NU 7120. My budget for this is 2-3% of account risk say \$500 for example. I then enter trades on mini lots and as long as my 500 is not consumed on DD and I am still confident of my trade I stay on it. I may choose to get out early but most times my SL is predetermined. This allows me to cast a wider net. So my 10mini lots can cover 50pip distance hence capture better RR. There is advantage to trade this way. Should PA go against you and you no longer like the trade you can get out by fraction of lot invested hence your loss is minimal instead of traditional 1 trade 1lot per trade when if wrong loss is substantially higher.

(Post#753) STOP LOSS:

- 1 Decide how much each swing is worth example \$500
2. Divide \$500 into mini lots for multiple entries example .50c a pip gives 1000 pip distance
3. This allows averaging in orders as seen fit irregardless if previous orders are in red
4. Orders are placed **as long as reason for trade is still valid**
5. **If conditions change loss is taken since orders are not all placed all at once this allows smaller loss**

(Post#552) → General View

This applies to Nostro question and trading in general. First like to add that there is no loss system period!. If anyone is telling you there is one just stay away and don't waste your time.

Worth posting this:

Thinking in terms of probabilities also helps remove the emotional risk of trading. Mark Douglas talks about the 5 Fundamental Truths, they are as follows:

1. Anything can happen
2. You don't need to know what is going to happen next in order to make money
3. There is a random distribution between wins and losses for any given set of variables that define an edge
4. **An edge is nothing more than an indication of a higher probability of one thing happening over another**
5. Every moment in the market is unique

Now my system is based upon simple observation that price hitting pivots away from weekly pivot will either break or retreat. That's my set of variables and given years of observation I came to conclude that price breaking 61R or 61S is less likely than going towards next level and **rejection increases incrementally** as price hits 78R/S and 100R/S. This is hard for people to get specially trend traders but simple fact is Elliot theory is real. Nothing goes in straight line. My system is based upon exploiting and profiting from swings. Its as simple as that. To me trends don't exit only swings matter.

(Post#589) → Daily Open & ADR

Daily open is S/R. It creates a bias. Its on my template for a reason. I always like to know DO and ADR distance from that line. If pair travels average 20days 72pips like NU and manages to travels 130pips in 1day from DO then probability of correction is great or you should be cautious of getting in on LATE party after the move is exhausted. I usually get in on beginning of the move rarely on tail end.

(Post#688) → S/R 61 - 100

Just want to reiterate that space between 61R/S to 100R/S is **most critical** and volatile because most often price reverses on these levels **hence spikes are common**. So if I take a short or long at 61R/S I will most often stay in it even if it goes through it because I know they are 2 more greater S/R coming up. Hope this helps in planning your SL and trades.

(Post#795) → Demo & Real Acc

Can't do seminars not my style. I just share for benefit of others but you need screen time. Nothing can be substituted. Trading psychology takes time. You can have all the right knowledge. tools, methods and still lose because you may not have enough screen time experience to deal with your mind. Just spend time trading and things will start taking shape. Lot of what I do now is automatic....

If you can survive 1st- 2years without blowing accounts you have a shot in trading. Most traders start making money real money from 5th year+.Just takes time. When I look back shit mistakes I did from my rookie years I can't believe how much \$\$ I wasted (**admin: me also :-p**) . I guess it was a tuition money. Demo trading teaches little. Without having pressure on your mind with real money you won't grow as a trader. Everyone makes money on demo and brokers know that and that's why they lure new blood by making it look like you can do it with real money...Well most find out soon that's not the case. Don't demo at minimum trade penny amounts but enough that you care what you do. Train your mind.

(Post#953) This is one of the reasons I always push people to **trade real money** even if its just cents. The reason is metal conditioning. Demo does not provide that and dealers ,brokers know it and that's why they are eager to load 100k paper money to get you excited. Result is false sense of infallibility...which often ends up blowing a real account. To sum up trade small and systematic way and get out when wrong at reasonable level. What I mean reasonable level is example you started shorting at 78R and PA was correct and all of sudden some bank unloads big order price shoots to 100R. **Now in this situation I will not exit as long as 100R remains unbroken.** Majority of times price will start going down. Most times swings end with spike. This has lot to do with market orders, **Usually when Bank A want to sell they won't sell right away. They will push up 1st take stops which creates liquidity then drop their sell orders in chunks.** This happens every day hence you should be aware spike in general does not necessarily mean trend continuation when at critical levels of 61;78; 100. Guys follow me? This is street smart trading. Got to see what your opponent is doing.

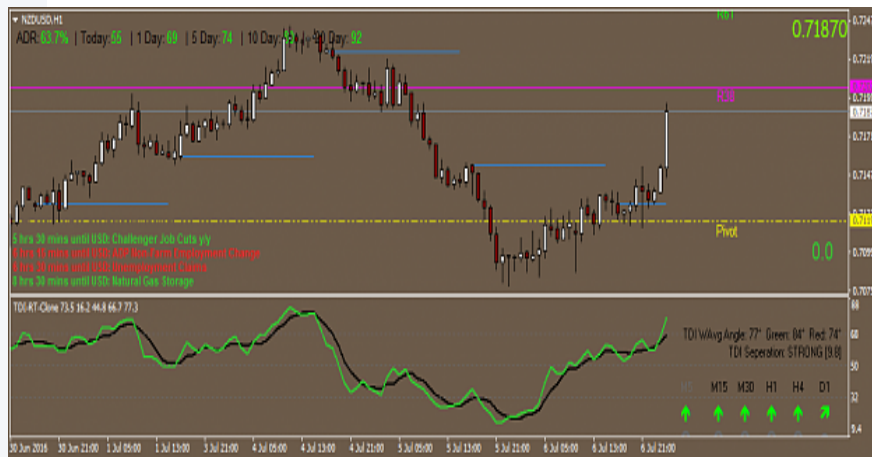
(Post#955) → Correlation TDI & PA

Check out NU chart.Look at the spikes. Notice reversal followed by a spike. Typical trader might be thinking **TDI up PA up arrows up lets buy!** Nope! On my 1st post I highlighted in orange. Everything depends on **location**. This is type of thinking rarely touched upon at FF or in books. Its hard putting your head around but location pivots create that key aspect in my trading because now I have a clear line on the sand to make appropriate decision. This thinking has Elliot wave theory as background guide. Pivots are nothing but waves. Price always travels in waves. Harmonics are based on EW and its real. As long as there is greed and fear markets will adhere to EW laws. This is why trend trading fails most times because trends go into corrections. Unless you can live with 10-20% DD, trend trading is difficult. Most retail accounts are not big enough to sustain trend's ups and downs. Anyway in my world trends don't exit only waves.



(Post#1068) → NU

Here is an example what not to do. NU up going up like nuts. **Don't sell just because you think its high.** Sell when PA starts showing signs of decline and TDI starts pointing down. Look everything up. To me this could go.



(Post#1073) → Time Frame

Another thing you want to focus is this. Decide which TF you like the best. I like 30min the best and 15 min 2nd. So when we say PA what context its relevancy. To me 30min price action TDI at pivots is sufficient entry. You decide what suits you This is actually very important. Your decision process. You can't waver from 5min to H4 or whatever. Decide 1 TF and base all your decision on it. When you frame PA this way things become clear like Divergence etc.

(Post#1103) → NEWS

I follow major news events. That's why I have the calendar on my screen because it is that important. Ex. tomorrow's NFP I rather stay on sidelines until after the news. Worst thing when you take a position without being aware find yourself in deep hole. I always read about Aussie, New Zealand Economies since I like trading them. Whatever you trade the most make an effort to get familiar fundamentals that is. Whoever said everything is in the price is simply being ignorant. That's the kind of BS (?) one reads over and over by people who basically are failed traders end up writing books about trading. **Same goes for moving averages, overbought/oversold oscillators crap.** It makes sense right if you were selling and buying motorcycles for example wouldn't you want to know about the product thoroughly? Same example to anything that requires professional knowledge. Short answer follow the news. You should have routine. Mark every major news on the whole week beginning of the week then form overview what may happen. That should be also done daily. You simply can't afford not to be in the "know".

(Post#1034) I learned to stay away from major news events. I may get lucky here or there but one is almost gambling. I did gamble for five years so trying to eliminate and I think I have that impulse totally from trading. My point is don't get hard wired in your brain that being live during major news events is good idea. In most cases market reaction can surprise you. I rather wait until market shows its hand. Series of bad trades can wipe out months of hard work. Number 1 goal is preservation of capital. Number 2 preservation of capital, number 3 preservation of capital. Can't stress this enough. Difference of professional trader vs amateur retail trader relies on this. Pros think about risk and act upon it. Amateurs think about profits mostly. There is a huge distinction.

(Post#1318) → Divergence

Best you don't make decisions on trading from your experience level on divergence. Overused concept but very few understand it. You can see a Div on 15 min and 30min and nothing on H4 and Daily. All div is calculation based on Moving averages which most oscillators are based on. Does not mean price will do X because you saw a div on 30min. Most traders actually trade price action which corresponds with divergence. Its not leading indicator by any means.

Misinterpreting Divergence

Trading signals derived from divergence that are based on oscillator indicators can be difficult to read, and they are sometimes misleading. When the market is in a strong trend in either direction, **oscillators do not function well. (OB OS levels)** Any signs of divergence during a strong trend would be ambiguous at best. Divergence is best suited for confirming market moves and should be used in conjunction with other technical indicators and fundamental analysis.

post 953 <https://www.forexfactory.com/showthread.php?p=9011441#post9011441>

In the video he talks about major mistake position size (2 min mark) which I went over and over here and being systematic which my system does.

Anyway I'll be interested to hear feedback and my system in general.

My winning rate is unreal and I am saying this unapologetically because I earned it through hard work. What I am trying to convey is "Yes it can be done!" you can make consistent money from Forex

The video outlines basic mistakes just about everyone made and still makes. This is one of the reasons I always push people to trade real money even if it's just cents. The reason is mental conditioning. Demo does not provide that and dealers, brokers know it and that's why they are eager to load 100k paper money to get you excited. Result is false sense of infallibility...which often ends up blowing a real account.

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POST 955

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This thinking has Elliot wave theory as background guide. Pivots are nothing but waves. Price always travels in waves. Harmonics are based on EW and it's real. As long as there is greed and fear markets will adhere to EW laws. This is why trend trading fails most times because trends go into corrections. Unless you can live with 10-20% DD trend trading is difficult. Most retail accounts are not big enough to sustain trend's ups and downs. Anyway in my world trends don't exit only waves.



POST 10145

Hi Guys

When trading the Yen crosses you must look how UJ is doing.

If UJ continues to go up you can bet AJ same.

UJ is at 61R at 111.11 but has more room to go up and should this occur 85 AJ is likely.

BOJ press conference in 5 min. We could see sharp moves on Yen

POST 2542

Hi Imdisaait,

In my own limited opinion (I'm still learning it) what you said seems to be the main strategy:

1. Wait for the price to hit an extreme level which should be a combination of overreached ADR and PA at a key reversal zone: 61~100. Note that if the market is ranging this could also happen at 38 level, where the price could range between S38 and R38. On Davit's suggestion when this is the case we should only enter on one direction according to the key fundamentals of the pair.
2. Check price action for signs of reversal.
3. Check TDI for final confirmation to enter the position.

What I'm still trying to figure out is what to do when the price passes a 100...

According to Davit, when this happens then this move has strong fundamentals behind this. This leads to 2 questions:

1. When the price passes 100 should we then aim at getting into the position according to the trend and go with it or should we just stay out of it and look for other setups?
2. After the price passes 100 and reaches 138, 161 or 200 how should we deal with it? Considering we are in a fundamentally driven trend can we expect it to head back pass the WP line or should we be open to the possibility of a reversal at key point before the WP before moving on to lower lows (in a downtrend) or higher highs (in a uptrend)?

For me this is very important information because I think I understand how it works in a ranging market to a low/average trend market but I'm still lost in a more trending market.

I hope that the senior members can help us understand it better...

Thanks and green pips to all!

post 2687

great post and couldn't agree more.

My stats aren't quite in Davit's league, (**73% won 27% loss with 6.7% max drawdown**). I have a smaller sample size than Davit, as been focusing solely on this method since 1st July - but the same kind of metrics apply. I look for set-ups in the **61-100** range, apply manageable position sizing in small batches.

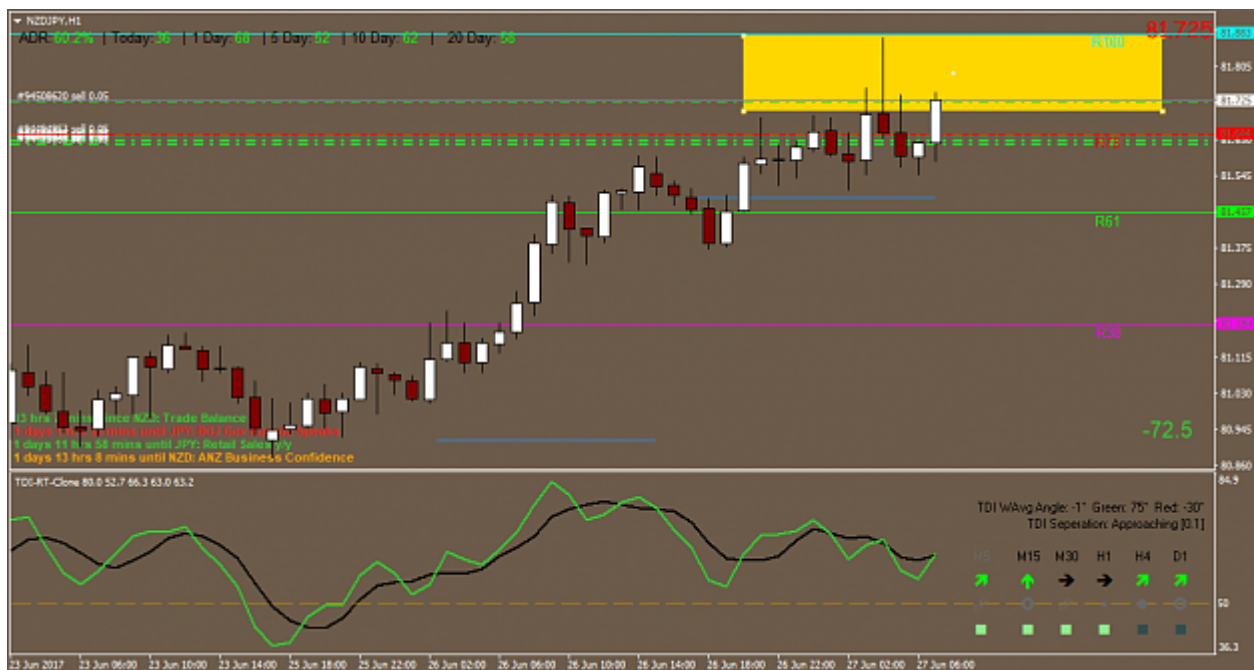
My losses have come from simply not been patient - so taking trades in the **38-61** range i.e. **the probability isn't giving me an edge in this zone**. Having deployed small trade sizes, I have usually added positions at the further levels of S/R, however my results could have been so much more improved if i had waited on some of these set -ups.

My goal now is to improve the quality of trade entry, so I stack the probability in my favour - so **more focus on PA in the 61-100 zone** and this will increase my win rate further.

Once again huge thanks to Davit for showing the way with this thread.

EXAMPLES





Closed EC +210pips

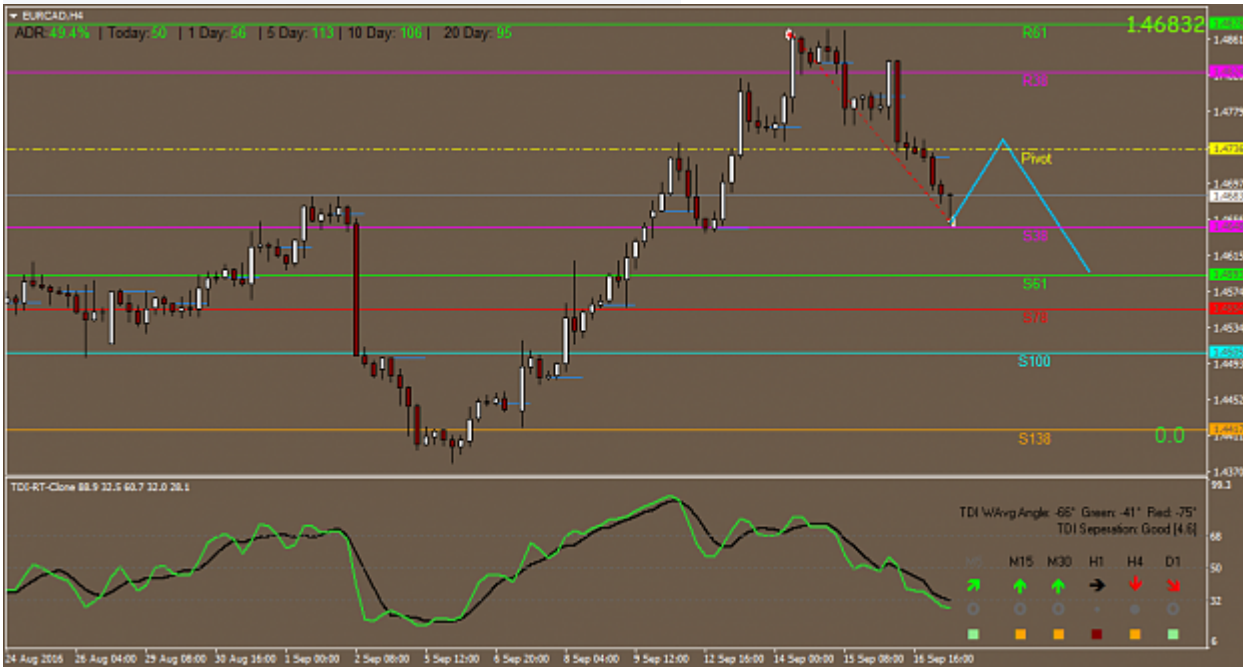
Looking for a bounce to build stronger positions

This was obvious trade which I alerted. Price tested R61 3 times and could not break

This is what I call a very high probability A+ trade

GU longs are still open. 65% DD 35% in profit. I may hold this to 33-34

In my opinion market makers are building longs on GU now. Sure there are some bear pressure but that will change and after Weds this should sky rocket up quick.



POST 2763

Hi Pipsniper - Yes **NC** looks a good set-up - but be patient on the entry. TDI hasn't crossed yet and if you look at a 4hr chart, there is a very clear upward channel - of which price is now right at the peak of. Wait for price action to confirm entry. Right now it's sitting on **R78** - so it could try and push to **R100** or take a turn towards **R61**.

Ideally on the 4hr chart, you're looking for price to make a lower high - or, form an inside bar of the last 4 hr candle, (which on my chart was pretty bullish). In fact the last three 4hr candles have been bullish, so you're looking for this move to exhaust itself and show signs of reversing, before you enter the trade.

POST 2818

R38 8583 should be minimum TP and then we watch PA to see if it breaks and goes to WP or goes back to 61R (should it start going back you can take your profits then at 38R area)

post 2828

Your entries are in the **R78-100** zone combined with a steep downward cross of the TDI.

This method is not about having sniper accuracy with your entry, it's about building a position using the zones as entry and exit targets.

Keep up the good work.

post 2856

this is how I see Davit's method. It is a road map, and on the map are clear points where a car (price) may stop (61, 78, 100 etc). The further the car goes, the more its likely to run low on fuel. At these points there is a set of traffic lights to guide you (price action). If the car (price) approaches say 61 and the light is green (price action) let it on through, if its amber (price action) keep an eye on it to see if the light turns to red (price action). If it does turn to red, then turn the car round, fill it up slowly (position size) and drive back the other way. If you like the road add a bit more fuel (positions). If it stalls or even reverses, then no big deal it was only a small tank of fuel you put in. You can always top it up the next service station if the lights go back to red (price action).

POST 3414 <https://www.forexfactory.com/showthread.php?p=9173370#post9173370>

I find in general trend trading difficult in terms of funding. Price trends but also goes into corrections (harmonic patterns, Elliot Waves)

Challenge is are you willing to experience 15-30% draw down when price goes in corrections that could reverse as well creating new trend against you.

If you decide to put SL's well it can empty your account fast because they are hundreds of spikes and swing corrections that happen in a trend.

Example you decide you are going to buy AU now going with the trend up since May 70 now 7655 and price drops to 74 are you still in it? if Yes drops to 73 Still in it? 72? still there? but now you are on edge of margin and panic and take the loss only to see price reverse and go back up without you.

This entire thing could cost you serious loss that recovering is difficult both money and mental state wise.

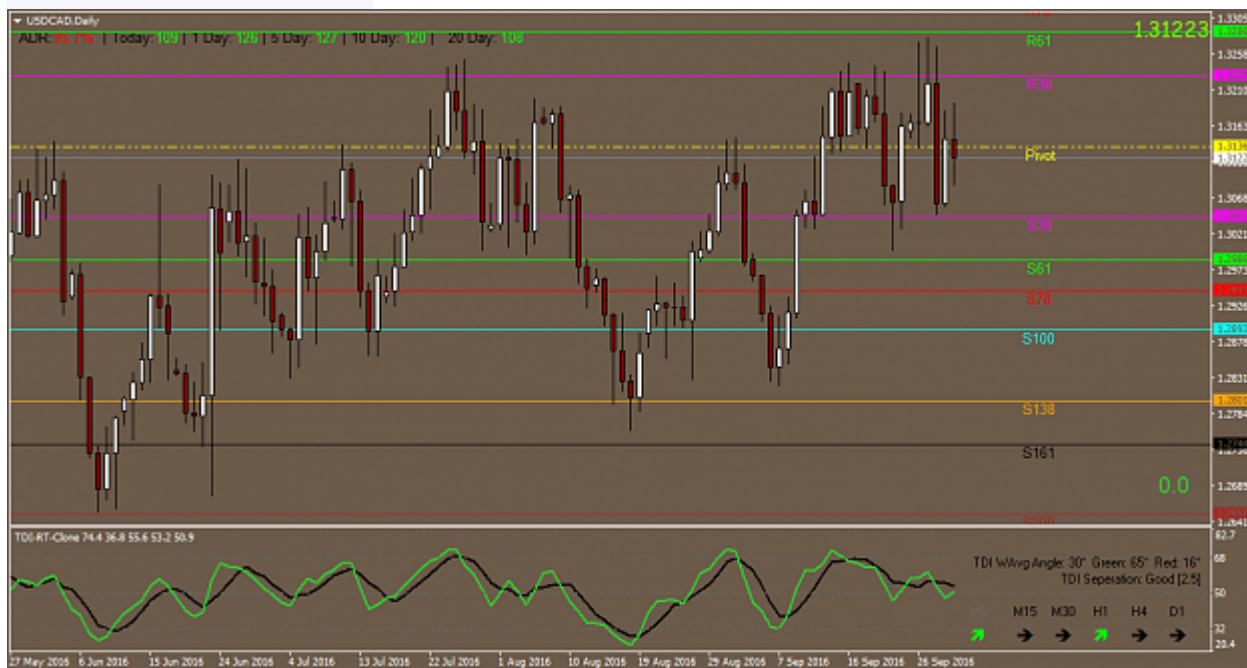
So when people ask me about trend trading I usually say you better be funded well or prepare to take many losses.

My system is designed to capitalize what market is doing. My focus is on swings and pivots and care less about trends. I have made shitload of money buying CAD or shorting UC while overall trend is up on weekly.

Look below daily UC notice the swings

weekly up

Now which you rather trade ?





POST 3873 <https://www.forexfactory.com/showthread.php?p=9189801#post9189801>

look my trades on E/CHF I just closed and all the sequence of posts relating to it.

All my positions were entered going down progressively. Ideally once your earliest position is in profit then you can add more going with momentum. At times I do add more positions even if earlier ones were in red. The point is to look at total positions 4-10 as 1 trade irregardless where they entered because your true position is average of all positions. I add more positions if A higher TF is in my direction H4 D B. Fundamentally in correct direction. C pivot zone 61-100. Example you entered UJ sell at 61R then PA went up to 78R well you could add another sell at 78 and another 100R then you stop and allow trade to work. If does not work you take the loss.

You might be wondering why not just enter 1 large position. Well you can but its not effective. Think of fishing with a spear vs fishing with a net. Which is more effective?

ME allows control of position. Say you entered at .25 lot and PA went against you 20 pips. Now this gives a assessment opportunity either close as loss if PA is clearly against you or add more if higher TF is in your direction. If closed as loss your loss is only .25 lot. Lot less then if you had full lot at same number.

Earlier today Arjun had a AC long around 1060 one position. I advised him PA basically was not bullish. He closed as loss very minimal damage and PA has been dropping ever since granted not by huge margin but its more then 20 pips. Its an example that if you see clearly PA is not on your side you just get out.

Trade mico lots or demo until you know what you are doing. Its important .

If you wait and only take trades in the zone 61-100 you will hit around 70% winning average. Its enough edge to build equity quick. You need to restrain yourself and wait for proper trade.

POST 3874 <https://www.forexfactory.com/showthread.php?p=9189814#post9189814>

This system is not designed for daily chart trading. TDI will not give you proper signal and when it does it will be extremely lagging and basically you will chasing tail end of the move.

Try trading 30min -H4 max. if you were just showing the R pivots previous touches like blue circles you drew then its fine. I just want to be sure that's all. Trades look good.

AC should drop to 98-97 maybe next 4 weeks so don't worry about that.

regards

POST 4007-4008

I have been always recommended to trade small. That's to control the trade properly.

Let me give you an example if you have 2k account and your Euro trade is -\$300 that should of been cut way earlier at -100 max. I can't manage your account but we are dealing in Forex that anything can happen.

I have been very transparent and open and have mentioned there is 30% chance given sample size pivot zone 61-100 does not hold. Usually happens on strong fundemetal factor like today Feds minutes. Other then that there are losses on every system. Its just part of trading.

I am up for the month +11.5% and if I have to give back 5% that's totally fine by me. I accept the risk from beginning. I mean I accept that anything can happen and prepared to deal with it.

I don't know the future. Euro could sky rocket after the minutes or tank to 09. You have to assess your risk tolerance why I insist trade small.

Mike here took a -900pip loss on EG. While that might be decent size loss but I give him huge kudos for doing it. He dealt with it and moved on. You got to manage your trades.

Posting you are xxx pips in DD does not help anyone. Only you know what that means in relation to your account

Let me share what I do once again which I think is lot better SL then hard SL

1. You decide you want to trade EU

2. You set a budget say 3% risk of your account \$300

3. You break lot to mini lots so that would give you 5-6 entries

4. Wait for proper set up

5. Place orders in gradual way and assess if its working or not. If not get out before you hit your budget but if it does have a chance to work stay and place more entries. Your SL is your budget NOT PIPS once you hit -300 you are out. That could be 200+ pips distance which usually does not happen often. This is what I do

Setting a budget for the trade gives you psychological preparedness that you already accepted the risk before even placed a trade.

This way there is no ambiguity you know what you are getting into. This is trading dealing with loss is crucial part of it.

regards

Want to add also

In any given trading method you must give it at least minimum 3 months to see the true result.

Large sample size. Reason lot of traders fail is not because of systems but not staying long enough with any system to see the result. They take 5 losses and move on to next then take another 3 losses then move to next. Takes time to learn a system. You have to stick with it and become master of it then trading becomes ridiculously easy.

So there is a good chance 95% of posters here won't be here in 3 months. I just know from experience and its not because system is not profitable. Mostly its traders ineptness dealing with risk. Main reason why I have a disclaimer on 1st page 2 yr experience because its very likely after 2yrs you know what risk is.

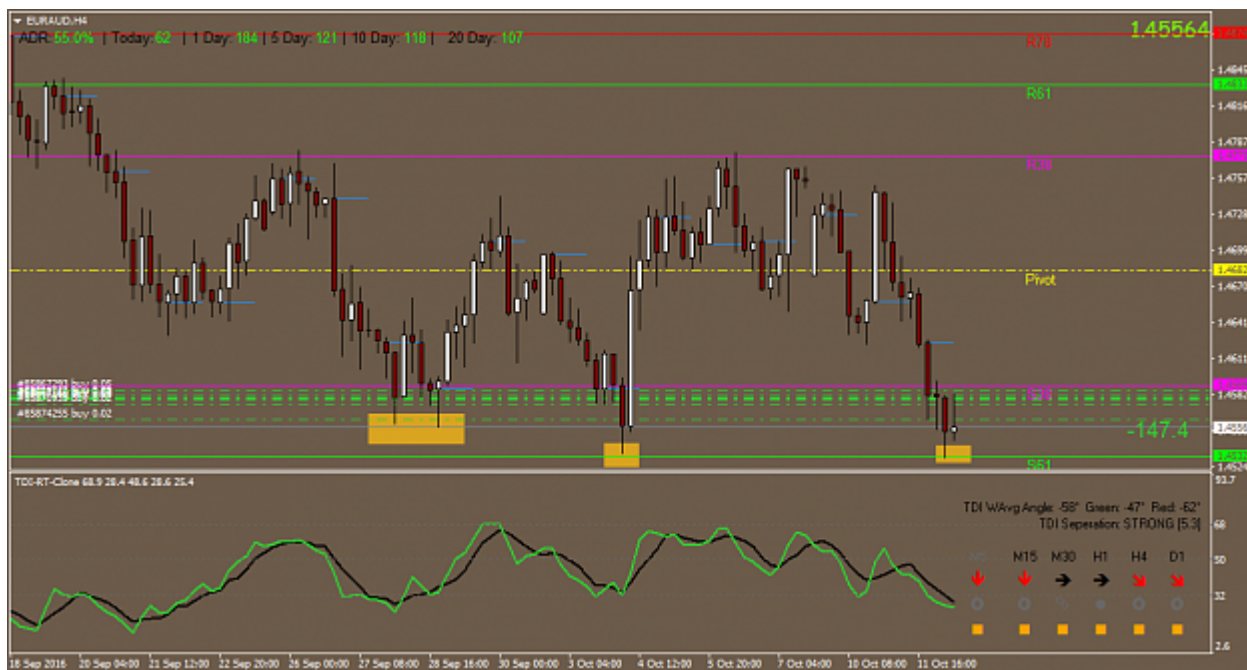
So stick with this or move on to another system but honestly its not about systems its understanding what probability edge is about. Most don't understand this concept clearly which is why I insist people to watch Mark Douglas videos. The guy is brilliant and had been true trader for decades and knew what he was talking about. Stay strong and positive.

POST 4010

Here is my EA chart

Obvious that we are in great place in terms of probability Edge. Look at the previous swings. Would I panic if it drops another 50-75 pips south? No. I know this baby will be heading north soon. Could test 38R again and that's 200+ pips from here

-150 pips is literally nothing to me. I have no stress or worry about this batch of trades. Why? because has not even scratched my budget for this trade. That's how ideally you should trade. Have enough budget lots vs account and risk % **that you can relax and allow the trade to develop**



POST 4074

Been interacting with Davit for a couple of years now, and genuinely trust he is one of the best on FF and the current thread a great road map for mature traders.

The concept of using multiple entry to ultimately represent 1 position is an important tool in Davit's strategy. I believe there needs to be a bit more discussion on that, as it has to be mastered in order to be efficient.

If you split your position lets say 1 lot in 5, that will result in 5x 0.20 Lot. If the market goes against the 1st entry, you have the possibility to average 4 more times before you start to travel towards your stop loss.

However, the tricky part is here; if you got filled on your first 0.20 and market goes with you and towards your TP, you still have to average your entry (in this case to worst price) until you reach your full 1 lot. Failing to do so would be the same as cutting winners and letting losers run. Why? Because making 100 pips on 0.20 Lot is far less than losing 50 pips on 1 Lot. You have to be careful and remain extremely consistent with the size of the position.

And correct me if I am wrong Davit, but that is exactly what you highlighted in the E/C trade above.

Regards,

REPLY - POST 4089

Hi Caa welcome 🙌

I try to simplify everything. Main question you have to ask is this. Does the original trade still valid. The reasons of your trade in the 1st place. If yes you add more positions to me irregardless if previous entries are red however if the reasons you got in is no longer works get out. You have to treat ME as 1 trade with mini legs. Sort of like a fish net.

Adding to winning position is ideal. That's how Jesse Livermore build his massive fortunes in the 20's and 30's with little starting capital. Book is on my profile. Very fascinating character.

Nothing I do is new. The idea of pivot points originated from Jesse Livermore I believe and later refined by others. I think main difference of this thread vs others is that I try to get people think like a professorial trader with probabilities in mind. We don't die or live on 1 trade.

This concept of probability is pretty much absent from all threads in system forum. Unless one really understands what probability Edge is you can trade years and go nowhere..Its the key to break through and grow as a trader
Cheers

POST 4264

One of the key aspects of why 95% of retail traders lose in the business is being **underfunded**.
One way to increase your funds is by decreasing lot size.

If you have 1k account you should trade .03 .02 .01 lot sizes and not exceed total \$1 dollar a pip.
You should trade lowest possible leverage

now your lot size matches with your account and you can trade stress free. That's the key trade with relaxed state of mind almost like mediation.

As your account increases your lot size should incrementally increase hence always keeping it under control. This is critically important. Nothing worse than being forced to take a loss at 100 pivot then price reverses to your direction without you and only reason you got out because pain was too much and why pain in the 1st place? Position was too big so your trade management WAS TO BLAME NOT THE SYSTEM.
Just a reminder guys thank you

POST 4287

Hi T
this should answer both questions. Its from my trading plan

I don't use traditional hard stops. I trade totally different than most traders. I use real actual \$\$ for stops and not pips.

Example I like to short NU 7120

My budget for this is 2-3% of account risk say \$500 for example. I then enter trades on mini lots and as long as my 500 is not consumed on DD and I am still confident of my trade I stay on it. I may choose to get out early but most times my SL is predetermined. This allows me to cast a wider net. So my 10mini lots can cover 50pip distance hence capture better RR

STOP LOSS

- 1 Decide how much each swing is worth example \$500
2. Divide \$500 into mini lots for multiple entries example .50c a pip gives 1000 pip distance
3. This allows averaging in orders as seen fit irregardless if previous orders are in red
4. Orders are placed as long as reason for trade is still valid
5. If conditions change loss is taken since orders are not all placed all at once this allows smaller loss

Swings

Each Swing investment \$500

Swing is taken as loss once -\$500 is reached

There are no exceptions. No running red beyond \$500

Orders broken down into mini lots that satisfies each swing consist of 10-15 trades

GENERALLY NEXT PIVOT IS YOUR TAKE PROFIT. REMEMBER THE PRICE ACTION

POST 4445

Hi Davit,

I hope you don't mind adding to [benadil](#) Question.

I find the question is interesting and valid for this thread.

I will use live trade example I'm in today. Chart enclosed.

Pairs : GBPAUD.

Time Frame : Daily and 240M.

Set up : Daily TF Chart. Look at yesterday candle. You can tell price is bullish and bounce off S138 (Monthly PP). There is four days candle bounce off this S138. Observe the last two daily candle, just shy minute pips touching S138.

Yesterday candle really gives us clue for today. That's why i went for half lot to trade as it is triple AAA set up. I walyes look forward to this kind of set up.

Entry / Trade: Using 240M TF. Price is approaching Weekly PP. Already with 5 bull candle yesterday, Price pause to catch breath before continuing its up move.

The three indecision candle is where demand zone is (just below the Weekly PP).

Where to exit ? : R38 is where resistance is for 240M and Daily TF. (Look at the chart attached).

What if price fail to go up. : I will loose 40 pips SL. from point to entry. (that's is my risk factor and candle swing.)

Good observation of Price Action in relation to Pivot Point will definitely help your trading.

Spend the next 30 days observe **LIVE Chart** and note what you see (*WHAT YOU SEE is not what you think*).

What is candle is doing around PP. (Weekly or Monthly), observe. You will accelerate you learning curve.

All the Best





POST 4456

EURAUD. 240M TF.

Look at yesterday candle. Price bounce nicely squeeze S100 Monthly PP to go higher. (NOTE : The Daily Chart is using Monthly PP)

Use 240M TF to find my entry (The 240M Chart is using Weekly PP). Just look for LONG entry. And now look for exit.

I used to trade 0.05 lot, but now with increased capital from profit, i increased my size to 0.5 lot. Still risk of 3% of capital



POST 4491

Do me favor stop looking at Monthly pivot. Weekly volatility is more then sufficient to rip pips. So many set ups that I can't even keep up. This thread is about weekly pivot.

Got to hammer this point hard. Since I started trading this method I have not once looked at monthly pivot. Its useless to me.

You must restrain yourself and only enter best set ups between 61-100. Simple as that. You will have at least 10 set ups a week which should give you 70% winners

and with multiple entries that could mean 2-10% gain of equity each week. Trust me its easier then you think. What's hard is waiting for set ups. Well lions tigers learn very early age that chasing prey early only depletes their energy without catching anything then they get wise and wait and crawl closer to prey then strike. Nature is universal. We are hunting price.

Sorry forgot about my job inquire. Its a job that I am not passionate about hence does not move me at all. I love trading and that's my goal trading full time for myself. Not there yet equity wise but getting there.

cheers

POST 4777

more on how to trade this system. Lets go back to EA

PA is obviously bearish on all TF's (look at angleator)

You should not assume S38 will hold. Should not place longs until you see at least 15-30min green candles. TDI turning north or hooking N will be good sign as well.

This is to eliminate losers on premature entries

Once PA reaches 61S then probability of reversal is greater and I usually start my 1st leg of trades provided I see signs of bullishness I mentioned earlier.

78-100S are classic reversal areas and extreme high probability trades so most times its worth waiting for 61-100 levels.

