

Multi Timeframe Analysis for Golden Cross Method

Overview:

Think of trading as three generations walking together on a journey.

- **Grandfather (W1 chart):** He is wise and steady. He walks slowly, but always in the same direction. He represents the big picture trend.
- **Father (D1 chart):** He is more active, keeping pace with the grandfather, but sometimes he pauses or makes short detours. He represents the medium-term trend.
- **Son (H4 chart):** He is full of energy, running ahead, lagging, or wandering off the path. He represents the short-term movements.

The Lesson for Traders

- If the son (H4) runs too far in the wrong direction, he risks getting lost. To find his way, he must return to the father (D1), and together they must align again with the grandfather (W1).
- The father corrects the son when he strays, but he never goes completely against the grandfather. If he did, both would lose their way.
- The grandfather sets the destination. When father and son respect his path, the family moves in harmony and reaches the goal.

Trading Application

- **Grandfather (Weekly)** shows the major trend. If it's bullish, we look for long opportunities.
- **Father (Daily)** confirms whether the path is clear within that weekly trend.
- **Son (H4)** gives us the timing for entries. If he strays into a pullback, we wait until he comes back in line with the father and grandfather before trading.

Example

Suppose on the weekly chart (grandfather) EUR/USD is trending upward. On the daily chart (father), price is also forming higher highs and higher lows, confirming the direction. But on the four-hour chart (son), price suddenly drops on short term news. The son has wandered off.

- **If we follow him blindly, we get lost in noise.**
- **If we wait until the four hour chart shows a bullish signal and returns to the daily & weekly direction, we enter in harmony with both father and grandfather.**
- In this way, the family stays together on the journey, and we increase our chances of reaching the destination profitably.

Moral of the Story

Trading across timeframes is about keeping the family together.

- The grandfather gives direction (trend).
- The father keeps the pace (confirmation).
- The son takes the steps (entry).

When all three move together, the journey is smooth, and the destination is reached safely. If the son strays, we simply wait for him to return before acting.