

## Indicator Free Trading - Skunny

### Best and Most Helpful Posts

#### Post #1:

##### **Indicator Free Trading - Skunny**

Against my better judgment.....and as a result of many questions directed towards my trading in a previous thread (Holy Grail....Found, by JohnW) I've opened this thread for quality conversations and debate about learning HOW to trade. I will not address negative comments and I expect other not to either. If it turns negative, I'll have to leave. In the event we find ourselves in the midst of a disgruntled trader, we need to ignore and move on. Deal? Debate is healthy, arguing is not.

I urge all of you to ask questions in a positive constructive way, if someone here is helpful we need to thank them....I think you all know what I'm trying to say.

If you need beginner help please refer to babypips.com

Disclaimer: I will do my best to answer all the questions I can. However, it won't be possible to answer all of them, I'm sure. Keep your questions related to the philosophies of trading itself. I won't have time to answer questions about platforms and systems or anything else unrelated to our main discussion.

Also, WE NEED TO HAVE FUN, so lighten up people 😊

#### Post #4:

Some facts as I know them.

It is entirely possible to trade perfectly.

Indicators are fun.

There is a repeating pattern in all markets that only a few know about.

Traders are inherently happy with sub par results as long as they have great money management skills.

Too many people have been told there isn't a "Moley Quail". But yet people search for it.

You need to clear your head and start over if you aren't profitable.

#### Post #6:

Quote:

Originally Posted by **Skunny** 

*We've heard S/R crap, but draw yourself a chart similar to this (without the blue Gann lines) Now figure out what happens when these are penetrated (not broken) this is the first step. Now it is important that you watch this live. You can do this on Vhands trading EA (if you don't have it go to Bo's thread on Fibonacci Trading (tell'em I sent ya...lol, we use it all the time a MUST HAVE) Study the PA and follow it after a series of candles. (Bo is not explaining my trading but a great thread). After you trade this on Vhands for 2 months you are ready for more info. 2 months on Vhands is only 8 hours or so.*

I've replayed this chart on Sierra ... So minor S/R gets cracked and price falls/shoots through... this is what you are trying to say? What is the difference between penetrated and broken? If something is penetrated then it has been broken.. To be honest I fail to see the probable edge.. perhaps we need that 'more info'

Answer to BOBBLONG

A trend line penetration is when the trend line gets punctured and retreats. As a result the candle does not close past the trend line. A break is when the candle penetrates and then establishes itself on the opposite side of the trend line.

Caution: (for a break) if you are trading a 15mn chart, be sure you know what 15mn candle you are on.

The :15 and :45 candles are less significant, the :00 is most significant and the :30 is middle of the road.

By watching these trend lines when price approaches and you make mental notes, you will become a better trader. If all you are after is a few pips here and there, placing orders in the opposite direction of the initial price action (at the trend line) will net a pretty good return ratio. The reason for this is your stops are incredibly tight and often times run from the trend line (temporarily) for 50 pips or better (GJ) before returning to break the trend line. But there is more important things going on that you need to watch for. You should retrade an entire year when you have time. All of you that haven't retraded a year or better need to make it job 1..

#### **Post #9:**

Quote:

Originally Posted by **blueruby** 

*Hi Skunny, thanks for starting this thread.*

*I'll take the first challenge.*

*It's impossible to trade 100%. There will always be random events that throw the market against you.*

*Unlike news, there's no advance warning. Just someone with billions that needs to make a transaction, and it just happens.*

*You're in a good trade, being patient, it's going your way, you've followed your system rules and plan, and bingo, the market goes 40 or 50 pips against you or more, and you're stopped out. You have to limit losses, so you have a stop, either hard or mental, and it gets hit.*

*Sometimes it goes your way and you get an extra 50 out of the trade. I've had it happen each way quite a few times. Sometimes luck does come into play, good or bad.*

*Now a lesson for those that haven't gotten this yet -- when a move like that happens and you're stopped out, it seems like the most right thing in the world, a very clever idea, to use that very move to recover the loss it just dealt you.*

*You can tell yourself, "it's breaking out, I'm gonna trade this breakout!" and so you reverse your position, with a larger trade, to try to catch a few pips and make up the damage.*

*You will learn to NEVER chase a trade, and that's just what that is. Don't do it. A spontaneous trade like that is never part of a trading plan or strategy, so it cannot be justified. Never chase the market.*

Alright Blue! Here we go.....

You knew I would beg to differ and there are perfect answers to all your problems.

I'll start with your big order premise, big orders may disrupt the market for a moment but it never changes the flow. If you have your stops set on the correct cycle you would never get stopped out. If you set your stops at a certain number of pips you are destined for those type of losses.

In my worthless opinion, (IMWO) the first thing you need to identify before you trade is your stop area.

Trade the lot size accordingly. If your stop is 100 pips away, less of a lot size, only 15 pips away you increase your lot size for the % you want to trade. But, you need to understand where that stop is. It's just not in a place you feel comfortable. When you see a candle explode for no reason, all its' doing is completing a cycle in order to move on. They always stop on the stop areas and reverse. Most don't know why and think the big bad broker is out to get them. Even if the banks run a stop to collect orders they never breach the current cycle it's in.

#### **Post #31:**

Quote:

Originally Posted by **bobblong** 

*Ok that's very interesting Skunny. I've watched the effect of 100's of news events as they happen, many times they stop at a significant point or round number or .50 . Are you using any sort of order flow information?*

*Looking back at the g/u charts I see there is a resistance where you had marked it at 2.0595 and your*

*target is 20 pips below that, was that because of the 'peaky price action' around that 0595 area which popped down to 0574? or perhaps simply line of most resistance take away a few pips.. please do share how you arrive at the target projections (short porjection too) if you don't mind. Cheers.*

No order flow, market flow. I've said it before, but it bares repeating often. The market is predetermined it's not random or chaotic, it has trading ranges that change constantly. Meaning, new support and resistance area are forming with every movement. If you don't follow along you are using poor information to make your trades. That's why a trade works one time and not another making money management crucial.

#### **Post #45:**

I'm a little hesitant to start this but.....

This is just an exercise, I am not here to teach a system. Those that want to participate should benefit. What I'm showing you is 1% of what is. This is just a simple step that I believe will help you look at the market a bit different. If you are still looking at the market like 95% of "traders" .....well, you know the stats.

Open a weekly chart and blow it up (not literally). Now open your Fibonacci tools and pull a linear fib from the high and low of any candle. Make sure your fib tool has the extensions set at 138 and 162 like in my example. Now watch what happens when the either the high or low is breached. More often than not when the low/high is breached the extensions get hit to some degree.(for you to figure out). When they don't, what happens?

I'm sure there are some that are going to add up the pips they could've made, but don't waste your time trying to make a system just yet. You can walk your fib from candle to candle for months and it should only take a few minutes before you see what I'm talking about. It doesn't need to be perfect.

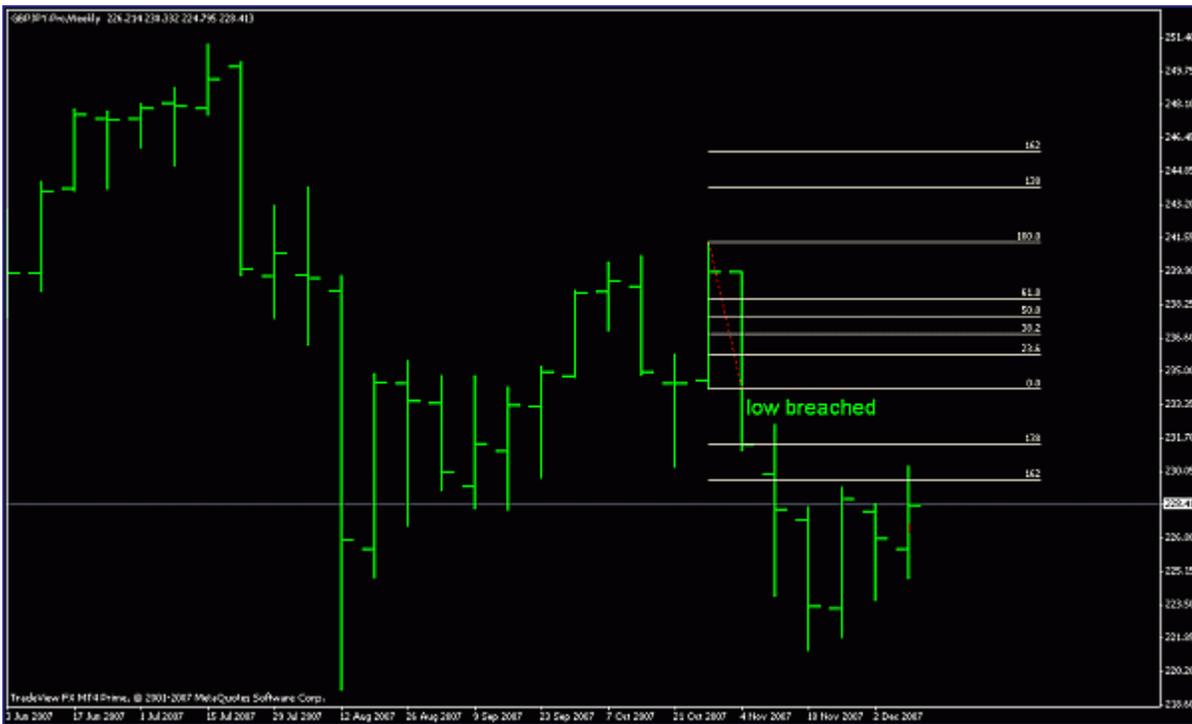
Now typically, your stop would be at the high or low levels of the candle. For this exercise assume this. So, out of 40 candles, how many hit an extension before it hit it's stop?

Now, for those that want to point out the losers (you all know who you are) You don't have enough knowledge yet to point it out so please refrain.

Another tid bit, In forex, we need to compensate for bad data, because of all the different platforms/brokers the price is rarely accurate to the pip. Other markets that have more accurate feeds read better.

There is a method to my madness.

Attached Thumbnails



## [Post #81](#)

Anyway, we must not lose focus of the step we are on right now. Some of you are looking for a "system" with the information I've given so far, don't. I'm really not trying to make this a riddle. However, sometimes I even feel like I am...lol, but I'm not trying to. Come to think about it, trading just may be a riddle....hadn't thought of it that way before.

Some of you may think you have a good grasp on the market and would rather I just show you how I trade. This however, is not a good way for others to learn. **YOU CANNOT LEARN HOW TO TRADE IN A DAY.** (I'm not yelling, just wanted it to stand out).

What I asked you to do with the weekly chart is use 1 candle and fib it. Then I asked you to observe what followed. I did this not as a trading strategy, but to help you study S/R as it relates to these fibs. Weekly candles are most reliable and as you go down in time frames it weakens and gives way to the stronger (higher) time frames. So, you must know daily if you want to trade hourly....and so on. If you want to trade 15mn time frame you don't need too much daily information just 1/4 hr. I'm sure you get the idea, it's been said somewhere before I'm sure.

The market likes to give hints on where it is going to go next, even if it takes a while to get there. You can observe this when S/R lines are penetrated but not broken. As long as you have your S/R in the right spot. For instance, if a support area is penetrated by 20 pips and turns itself into the most misread candle in trading.....The Dreaded Pin Bar. After the "pin bar" is done getting everyone into a long trade it magically heads back down to bust through the support. You can know this information ahead of time, so you aren't long. You can sit there all smug waiting for a short signal and do this. This is where Vhands trading is essential. You can watch the price action hit the supports you've drawn and see how it reacts to it. Looking at a candle that has already formed is relatively useless in the learning process.

Q. So, if you could learn where the weekly was headed and waited for the daily to signal the same and then traded hourly, would that improve your trading? I haven't showed how to trade any of this yet, so don't be foolish and try trading what I've told you so far. If I wanted you to just make money I would post a trade call (it's a lot easier for me) This is a large concept that needs to be accepted. If your answer is no, I suggest you buy an ice cream stand with your money instead. I like ice cream, mmmmmmmmmmmmm.

## Post #95:

Quote:

Originally Posted by **traider** 

*I may be totally off the mark here (and probably am so please bear with my ramblings) but I get the impression from trying to follow the logic skunny is using that the whole exercise is one of weighting the bottom and top half of the chart into potential zones (something more than mere trending...a sort of zone of preferences). Either up or down and using price action to then incrementally verify ones outlook on lower time frames and thereby set more tighter targets for reversals and profit as the data flows in.*

I love the thinking goin on here, I LOVE IT !

Think of trading in ranges, each time frame has it's own range and targets.

## Post #137:

I'm going to be out for a while this morning (I'm CST BTW) But I just want to address the traders that have made comments in the past about "Fibonacci doesn't work" "it's self fulfilling" "if you draw enough fibs it's bound to hit one of them".

I bring this up because I don't want any here to believe this stuff. There are threads here that suggest fibs don't work. Like anything else, if you have a tool you don't know how to use, it wont work. If you don't believe me try driving a 16d nail into a 2x4 of walnut with a screwdriver.

I'm going to post a monthly chart with a fib on it. I just didn't place this fib where it is now. I brought the fib there by a series of previous moves. Now if you look at this chart, do you think there is anyone on the planet, even fib traders, that would pick this spot to draw a fib? Notice how it completed the extensions per it's mission and that was determined 1000's of pips prior.

You see, traders don't decide where fibs should be drawn the price action does. When you learn to listen to the market your fib can be here to.

I didn't add up the pips on this monthly move but I'm sure someone will.

I would never trade a monthly chart, but it's nice to know the info 

## Attached Thumbnails



### [Post #143:](#)

Quote:

Originally Posted by **blueruby** 

No. 1) *Well, maybe a couple on the planet. I'm looking forward to learning more...*

2) *I've always just started at what I considered to be the beginning of the move, then went to the next obvious reversal. Sometimes it seems subjective, so I put 2, 3, 4 on and look for confluences (places where fib lines from the different fib spreads fall near or on top of each other -- 3) you can figure more traders are watching that price point when that happens).*

4) *Question: let's say we have an uptrend, like in your example. Let's say we put a fib up. Then, price moves on up, punches through the 162 and keeps on going, then retraces at some point, making a new price high.*

*Most traders would take the high point of the fib and move it on up to the new price high (forward in time), to see where the retracement points would be.*

*Question (finally): 5) do you ever move the fib low point backward in time to a previous low, 6) so that the new price high falls on the 162? This would make a difference on where the retracement levels fell.*

Great questions, I'm about running out the door (in 10 min,) but I'll say this much.

1) I highly doubt it.

2) sometimes it is the right place

3) don't worry about what other traders are doing (remember that they are wrong 95% of the time...lol)

4) when the price does this you are already in the process of moving your fib to accommodate the move, thus setting a new target (in most cases).

5) yes

6) no

### [Post #168:](#)

Quote:

Originally Posted by **Pip Hunter** 

*VHANDS is fantastic! I could only select dailey though as the highest time frame. Do I need to adjust something or will that work ok??*

What I've laid out so far works on any time frame. If your running vhands, you can watch more of what I'm talking about on 1 hr/4hr. Try small swings instead of candles. Remember one candle on a given time frame is made of many swings on a shorter time frame.

### [Post #172:](#)

Quote:

Originally Posted by **Pip Hunter** 

*Skunny...which posts give us some of the best info on what we're paying attention to the most while observing the PA?*

The initial idea of what I posted for an exercise was a result of addressing S/R and how price acts around it. I chose weekly for the purpose of simplicity for new traders, it shows stronger S/R just within the candle structure itself (Hi/Lo). I think I stated this before but maybe I missed it, what's applicable on a weekly chart is applicable to lower time frame charts. However, the higher time frames trump the lower ones. The exercise itself was just to get people focused on this fact. I'll try to put another chart together when I get back from the hospital later today.

The vhands stuff was never an exercise for the weekly chart. If I inadvertently indicated that I apologize. I'll get into a better flow next week. Tough week this week, bad timing to start a thread.

### [Post #174:](#)

Don't get caught up with the 162 ext. It becomes irrelevant down the road.

### [Post #181 \(Blueruby\):](#)

Quote:

Originally Posted by **Skunny** 

*This was for you Blue*

OK, I probably missed the point. In JohnW's thread you asked "Imagine you knew where it needed to go before you got in your trade?" and said in another post "it has already been determined where it is going to go".

So, all my attention is stuck on that - I'm seeing everything you say from the viewpoint of setting future target points. Still gets me all cranked up thinking about it.

As far as price action, I've put in considerable tube time in the last year and am really starting to get a feel for it. Now that I can retrade that year, I'll get even better! 😊

### [Post #189:](#)

Quote:

Originally Posted by **Iqtrading** 

*because had broken last resistance?*

What I did when I pulled the fib is define a trading range. Once this is defined we trade when the price violates our range. Because we don't know if it is a break out or not we enter the trade on penetration. In this case it pissed us off and sought out the inner fib supports. So we have 1 long position (penetration) (optional) and we add to the position as it works against us (because we know where it is going). In this case it chose the 62 as support most likely completing a cycle on a lower time frame. I did not study this trade but for a moment or two, I just wanted to get something up on the thread before I left, so let's not get too anal about the chart...lol

Again, you need to just study and not trade it, because if you have your fib drawn in the wrong place you will lose big doing it the way I just described.

### [Post #232:](#)

Quote:

Originally Posted by **hanover** 

*I've just discovered this thread. Many thanks, Skunny, for sharing.*

*I'm going to try to summarize my understanding of what Skunny is teaching here. Skunny and others, **please feel welcome to correct me.** Hopefully the corrections will help clarify the concepts for others.*

*1. **Price will always complete its current cycle** (see quote below), in every time frame (i.e. wave or fractal). This is a very different angle to what "traditional" analysis methods teach. We had been previously led to believe that cycles and goals **unfold on-the-fly**, as the **consequence** of news, sentiment, and decisions made by traders. However, my new understanding is now that, while all of these factors may cause zigs and zags along the way, price will nonetheless always reach its **pre-determined goal**.*

*2. **Price action and a calibrated tool can be used to predict these target points** (see quote below). The "calibrated tool" is a Fibo retracement (that includes the upper and lower 138.2 and 161.8 levels). **IF** the Fibo(s) are drawn using the correct base (0/100) points, then the retracement levels fixed by the Fibo have predictive value, in that they will accurately signpost these target prices **in advance** of price reaching them.*

*3. Consequently (and this is my assumption), **IF** we know where these goal prices are, i.e. where the cycle*

*is going to end, and hence price will reverse, then that's a primary reason to say that "there is a 100% winning way to trade", excepting (as Skunny points out) human error.*

***Hence the key is to be able to draw, and use the Fibos, correctly.** And possibly understand how to interpret price action around these points??*

*Skunny, am I understanding this correctly? David*

#1 is true with exceptions to lower time frames. Proof of this can be found during unscheduled interest rate announcements, terror attacks, and higher time frame interference.

#2 you might be on to something, but keep in mind we are still on exercises and we are going to change things a bit.

#3 we don't know where the price will reverse, ever. We learn to have a good idea. But as I'll show you (at some point) even this incredible bit of info doesn't matter much. I don't remember the post, but you might, where I suggested you can actually enter the market and never leave. This is what I'm referring to.

### **Post #262:**

Quote:

Originally Posted by **hanover** 

*Skunny, I'm suitably humbled. All I can say is that I'm glad that others will gain insight from your posts. Again, many thanks for sharing. I didn't discover this thread because, of late, I've been keeping to the "Beginner Q&A" and "MetaTrader" forums.*

*I guess I jumped to conclusions by linking your two statements "THERE IS A 100% WINNING WAY TO TRADE" and "A calibrated tool and price action will get you there". Back on JohnW's thread, I suspected that the "calibrated tool" might be Fibos, and I think I posted something to that effect. From memory you said that you'd accidentally stumbled on an amazing concept after poring over charts for a million hours, and it revolutionized your trading to the point that you discarded indicators. I've just found the post: Now it seems that a second tool, Gann lines, are being added. This is starting to look like a complex, discretionary method. Nothing wrong with that, of course. I'm slowly learning that expert traders use a variety of tools with great judgement; that this "judgement" is difficult to explain to others, and that it can't be learned overnight. Hence I promise that I will henceforth be more patient. 😊*

*I'm not trying to be a smart-a\$\$, attempting to find possible contradictions in anything that you've said. Just trying to get an idea as to what kind of learning curve is involved; what might be realistically possible performance-wise; and - in terms of method - precisely where you're coming from.*

*I hope that your father's health is improving. I lost my mother to cancer in 2002; life definitely has its periods of blackness. My thoughts and prayers are with you David*

Hanny, why are you trying to make me think? I need to save that energy for messing up Bo's thread.

Hang on a second and I'll drink a Red Bull..... Ok done. Now I'm ready.

This is the story. There was a guy that visited a thread called the Holy Grail -Found. He did so to see what ridiculously groovy indicator that had been developed (remember he loves indicators). But to his surprise, there wasn't an indicator, instead there was an idea (true or not in this case) that S/R and PA was the key.

Shortly after, the thread was bombarded by the less enthused (negative 😞) traders. He spent his time there to fend off the "less enthused" and support the idea (cuz it's true). As a result of having to waste energy arguing the issue -with those not willing to learn- he made the statement "Please don't ask me to share the particulars it took me a million hours to figure out (by accident) because I wouldn't want to rob you of the journey to figure it out". He did so because he was unwilling to help those type of people.

What he found "by accident" was a result of many hours on the screen, he wasn't running around the corner with peanut butter and bump into a guy holding chocolate and yell "Reeses". He had been on a multi year journey with his peanut butter and ended up making his own chocolate. Sure, the eureka moment was instant, but the journey wasn't. In spite of all this, he realized (from others pm's).that there

are some really good hearted people here that might be able to use the information he had. Now to address this possible confusion of calibrated tools. I'm not teaching Gann lines. I'm not teaching a system, if I ever have the time to compile my findings into a teaching program it will be very expensive to produce and will cost you a lot to have it. So, my intent on starting the thread was to get people to realize what is possible and help them set out on their own journey with their peanut butter in hand(it's just happen to go way past that already).

It is always discretionary when you trade, you're human. What you can't have discretionary is your tool/indicator. The combination of an indicator/tool that doesn't project, but reformulates data and a human being isn't all that good IMHO.

My advice to new comers..... try to accept the message I'm trying to share and worry less about the trading right now. I realize you all want/need to make money. But, you won't get there without the time investment, I assure you. If for some reason you came into forex thinking it was easy money, go back out the door and reenter with a different attitude. This alone will save you thousands of dollars and hours. If I missed your question in all of this I apologize and would be happy to answer it if you readdress it. Otherwise I'm clueless(not the first time).

Also, thanks for your kind words/prayers and I'm sorry to hear of your loss. (we are going to battle the same thing). Take care.

### [Post #263:](#)

Let me address the 100% winning trades thing.

I tell you this, achieving 100% over a predetermined period of time is possible. I won't even entertain the opposite view as a possibility. In order to do this you need to know what the "perfect set up" is. What happens if you do know? Do you only take trades you believe are "perfect"? I bet a lot of you just knee jerked and said "duh, it's a no brainer". But what if in order to be "perfect and flawless" you've passed on 30 trades and of those 30 you would have messed up 15% of them due to your own buffoonery, not your system? Of those 30 trades you would have netted 2000 pips. Now does it make sense to only take the supposed "perfect flawless trade"?

I know, there is someone that is saying "if you know it's perfect and flawless you can put your house on it". (usually young traders)

Now remember, it's possible, but because you are human you are faulty by nature, that's our journey. If we were born "perfect and flawless" we wouldn't be having this conversation. So, being armed with this information we don't put our house on a trade, even if you have the "perfect trade" set up. There is a very safe way to trade, with uncomplicated money management, so why risk your house?

Your goal is to pursue perfection while managing the reality of your own faults.

### [Post #283:](#)

Quote:

Originally Posted by **ScottH** 

*I guess it is matter of opinion. The biggest factor I can see is stop losses. I use them religiously, and since my trades are usually open for a few hours to a few days, they are set fairly tight, between 30 - 100 pips. If you don't use stops and have enough margin to go for a very long time then yes, 100% would be attainable, with the chance of huge drawdown. May I ask how in general you deal with stops? If you are in a trade that falls within all your boundaries, and for some reason completely unknown to you or any other market participants, the market crashes, I can only assume you do not have a stoploss set? Yes, I have read the whole thread, I am not trying to be negative or attack you, simply offering my insights.*

Hi Scott, no negativity taken, you are welcome to post your questions. It gives me a chance to readdress some issues. I thought you didn't read the whole thread because the way your question was formulated and here is why.

I have discussed the fact that if you arbitrarily put stops on your trades based on how much YOU are ok

losing, you are going in the wrong direction. Your stops need to be in a specific place. These places change constantly and each period of time or cycle has its spot. I also made mention to the fact that stop losses are a huge reason why most traders fail. I'll say it again, if your stop is in a place where you aren't prepared to place a trade in opposite direction, you have some work to do.

I'll try to explain it better.

If you are a trend trader what you see on your chart is a result and by telling yourself you are only going with the trend seems safe. But you are only trading based on a previously defined direction. Do you know when the trend will end? How long does it take for you to recognize the next trend? 6 months a year? Do you get my point? There are plenty of psychological areas and other goofy nuances anyone can trade from, but they are a blip in the movement itself.

### [Post #295:](#)

Quote:

Originally Posted by [blueruby](#) 

*What he's saying is, that during that million hours you probably picked up quite a few things that you don't even know you learned. I had the same thought when you said vHands just "programs" your mind somehow. How much is system, and how much is a good mental "program"?*

*I need to try to explain this without sounding negative, it's just that we've all learned to be skeptical.*

*For example, there's another thread on here, the guy makes millions per year, and he's therefore got quite a following. The reasons he gives for going long the E/U are basically very unpatriotic political horsecrap that have little or nothing to do with the fall of the dollar, and he uses his audience on here to forward that drivel. He has a very, very, simple "system" **that won't work for most traders**. And he also has AN UNCANNY FEEL for the market! He rarely posts his calls, but they are so accurate they're described as "freakish" by his followers. He may actually be psychic.*

*2) I've never seen a successful trader who could say what it is they actually do. In most cases, I don't think they know, there are so many things that are just reflex by now.*

*Most of the time when I try to integrate something new into my trading, I lose. When I stopped trying new things and just traded my own game, I finally started to win. So even learning can be kinda, umm... I'll have to block out everything I've seen here when I go to trade, until I really learn it for sure.*

*So, forgive me, and anyone else that questions. We are here to learn and appreciate your time more than you realize.*

*You don't have to reply to this rant, just keep the thread on topic, that's the only real answer. Show us what you can, when you can. Thank you!*

you have valid points and some of which I've tried to address (failing miserably)

I'll start from the top.

1) most traders fail with other traders systems because they don't understand the psyche from which it was created. Traders often find they do better with their own failing system than with a "millionaires system".

All due to the creation process. If you create something you will have an ever loving edge on everyone that tries to follow, thus you look like genius. I don't think I created anything, I believe I discovered something. But what I discovered is sensitive information and needs to be taught from the ground up.

2) most successful traders don't want you to know everything and some have no idea why they are successful. They can't tell you if they don't know or aren't willing to share.

3) Summary: this is why I'm trying to help in this fashion. If I can get a few people to understand what I'm talking about, they can "create" their own "system" that no one else can trade. Last week I was 100%, but it doesn't mean I can get you there, you need to get you there. I could lay down a system tomorrow that would make 50% of traders successful and I would have no particular reason why the other 50% failed.

The people that understand what I'm actually trying to teach will be 100%, with me 😊.

Remember I said, you need to wipe your slate clean, most of everything you've learned is incorrect. Until

you do this, the diseased information in your brain will eventually over run the truth that sets you free.

#### [Post #389:](#)

Quote:

Originally Posted by **blueruby** 

*When price is going up, you're concerned with resistance.*

*Going down, support is important.*

*Makes sense. Is that what you're asking?*

Yes, some people know this but I see charts by experienced traders with lines all over the place. It's confusing to me and confusing to new traders. Now the significance we are looking for is ...how do you trade it? This is your quest. You could probably teach a monkey to draw support lines at some point, but what do you do when price gets there. What happens to the PA during this time. What do you do with your fibs to accommodate for the new advancement?

#### [Post #390:](#)

Quote:

Originally Posted by **hunter6774** 

*Hey Skunny,*

*Swing 1 support levels were assassinated by swing 2 price action on the way down.*

*Tom*

Yes, they ultimately become useless after this fact. They will not apply to the next swing. You will draw new ones on each swing.

#### [Post #394:](#)

Quote:

Originally Posted by **SunTrader** 

*That is what I would call drawing lines from swing lows. Not necessarily showing support - for example swing#2 half the time price kept on going.*

You may call it whatever you want to. But you didn't see the support break, did you? It's a four hour candle. Support doesn't mean it can't be penetrated easily either. It is a reference point, giving you valuable information.

#### [Post #400:](#)

Remember we are only on S/R and price action. It's more important to go back to Vhands and watch these areas before jumping to conclusions on how I trade because you won't figure it out with the info I've given. You probably won't ever 🤔. But by trying you will find something that works for you.

#### [Post #406:](#)

Quote:

Originally Posted by **SunTrader** 

*Here is how I look at support. Note it is easy to see these areas after the fact. I don't trade the 240min so this does not represent what and how I trade during this period covering the swing down.*

*The three points have each a blue arrow underneath the bar that represents breakout from previous congestion which is the true representation of support, i.e. more buyers than sellers.*

*1st support area had a gap down on monday opening. There goes that support that then became resistance*

on 11/14/07 and again 11/28/07. 2nd support worked although not nearly as good as 3rd.

Support isn't just major. For instance, weak support on a monthly chart will show major support on a lesser time frame. This is all about tracking price and getting in the flow.

[Post #407:](#)

Quote:

Originally Posted by **Pip Hunter** 

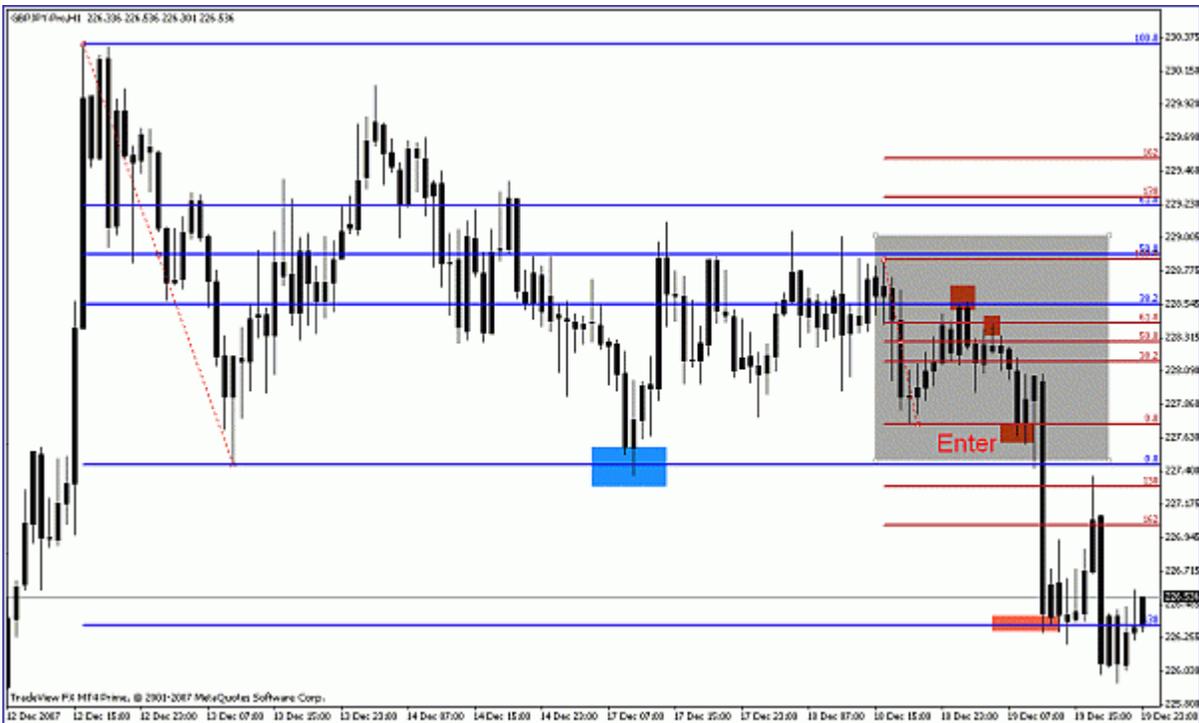
*I've been following along and studying the charts as with each new point you're making. Can you at some point, expound a bit on how you determine where you like to draw your R/S lines. For example, what sort of range (% of move) does price have to pullback to count it as an area of s/r? Candle recognition? I do some drawing of trendlines that seem to work out fine in most cases. I just think that drawing them, as you do, and based on what you're trying to teach us is critical to use trusting them.*

*This thread has certainly opened my eyes, big time.*

That's the beauty of what I'm showing you right now. What you see on 4 hour is what you can see on 15mn. When deciding what is support to be used to trade requires you to use vhands. A quick guide is to watch candle to candle. Sometimes 1 candle will hold all the information you need and sometimes it takes 10. You'll need to use the previous candle data to judge. It gets easy quickly

[Post #477:](#)

For those that have pm'd, you are not forgotten and I appreciate all the well wishes. It's been a tough week to be in the mood for trading crap. But I wanted to post a quick chart of today's trade, to help you guys that are doing an awesome job thinking. It's funny, but you can tell the people that want to go figure this stuff out and you can tell the people that are thinking "would you tell me what to do and hurry it up...lol (nicely of course). 😊 Once you start to figuring out how to work fibs for your style of trading you can come up with all kinds of methods. Fibs are nothing more than a measuring tool you use to gauge price movement. Don't get caught up in trying to understand it past that point, cuz it's irrelevant to your trading IMHO. Turn off CNBC be aware of news announcements and watch your chart. Everything you need to know is there. The Chart: Blue fib = major range, Red fib = minor range. I was delivered a hint of direction many hours before the trade, indicated by the blue square (platforms may have bad data so be careful and wait for conformation on smaller ranges/time frames) The trade started with the red, but ended with the blue ext. I can't show you all the different trades during this time or all the possible entrances into this trade cuz, there were many and all you'd see is lines all over the place (not good for learning).



**Post #488:**

Quote:

Originally Posted by [blueruby](#)

*I'm afraid this is something we could guess at forever.*

*Last week was 12/9 to 12/15. The low was on 12/11 at 21:00 GMT, the high for the week was 12/12 @ 14:00 GMT.*

*That's where I have my fib, on last week's high and low. Price punched right through the 38 and went to the 50, (actually at 227.35) bounced along, and when that was pierced today, I figured it would go to the 62 retracement, but since that action was due to Trinchet's speech I stayed a spectator.*

*Price went through the 62 and almost to the 76., then bounced back right exactly to 227.35 again, reversed, and is now hanging at the 76.*

*All interesting, but I'm still not trading it.*

*If skunny wanted to give us a hint, maybe tell us when he placed the blue fib, then we could maybe figure out why it was put there.*

Had another quick second, The blue fib was always there and represented the larger range based on previous fib ext/completions. Here's a big hint. The red fib becomes the blue fib.

**Post #535:**

Quote:

Originally Posted by [ktrade](#)

*This is quite the annoying thread. OH BOY - NOT INDICATORS! **THOSE ARE FOR NEWBIES.** Skunny... please! Very easy to tell all are quite new to the biz. This is something you see every so often like a sick cycle with new traders: "**Indicators are useless, indicators are for novices, indicators are yada yada yada!**"*

*I have NEVER been in a professional trading room where indicators are not used (and quite extensively in most). Hard to understand here on a forum where about 99% aren't really trading with most being afraid to speak out on a silly thread such as this one with the big surprise coming.*

*Sorry guys - when you spend enough serious time trading, it's the threads and info like these (and most on these forums) are silly nonsense.  
I trade simple S/R charts for a living but very big on a few basic stock indicators. It's so much simpler than this author here is leading most to believe.  
Nevertheless, cheers and good luck/good trading to all, kt*

Before I go for the day I thought it was important to say to those that haven't read the entire thread. I never said these ignorant statements. If somehow I implied anything as nasty as what "ktrade" has suggested about his own feelings of "newbies" I apologize as it was not my intention. Every step you take in forex is important especially the indicator phase. There isn't an indicator I've used other than momentum that can tell you something you can't figure out on your own (with practice of course)(that is relevant to success anyway). You can trade any indicator when you learn how to trade. Good luck everyone!

### **Post #625:**

Just wanted to pop in quick and restate a few things.

I've seen a lot of great posts over the last week and I have to say I'm impressed. However, like any other thread I've read, human nature takes over and it starts to get too complicated.

K.I.S.S. we all know what this means, so don't make it complicated. This is what you need to know.

A fib is nothing more than a tool from which you measure price movements. By becoming proficient in measuring price movement you can achieve an advantage few traders have. But, you need to practice, practice ,practice until you are dreaming (like I do) about price movement. Don't worry about anything other than trying to capture the movement. Just worry about the tool and follow the price around.

Practicing over and over will build your confidence to pull the trigger when the timing is right. TIMING IS EVERYTHING. I know it sounds like I just said nothing, but that's my point, KISS 😊

### **Post #818:**

Quote:

Originally Posted by **dagoods** 

*now...on a more serious note all.... i dont get it..... i see that price hits fibs...ok great....but which ones in which order is still a big ole mystery... I also see that there are cycles within cycles and bigger and smaller s/rs that make up those cycles that are forming as we speak according to price action.....*

*BUT>>>>vhands doesnt want to give us the magic fairy dust and golden geese just yet....and boy is it frustrating... cant we please please have more hints dear skunnyman.... pal, genius, demigod (was that one too much) ow much arse kissing must we do????*

*OK POP QUIZ..... see the latest gdp/jpy chart below..... query: where is this pair going next (next target) and why? AND how long will it take to get there? (maybe its too ez and we are making it more complicated than it need be? I dont know... what i do know is we need o uncle skunny to pop in with more exercises and hints and maybe even a little more than hints for idiots like me 😊*

*so let us all here in the skunnycult gather together and praise o mighty master of the forexuniverse and give him thanks and praise and petition with open hearts and karmic power for ,..... ah forget it.....*

*everyone post and beg skunny for MORE just copy and paste >>> "please sir may I have some more" NOW>>>>>>who has answers to the quiz? "anyone? anyone? Buehler? Buehler?"*

This is pretty good! Now if I was more ego driven this might work LOL. 😊

I am in the process of figuring out how to handle all the questions (without answering them 😊) I really want to show you how to look at the market and find a way to trade it. If I move forward with many of the questions it will become more about how I trade. If this happens, it will consume more of my time than I have to offer right now. I will figure something out, but I haven't just yet.

OK, do this. Modify your fib so the only lines you have are the 0,100 and two 38ext's. Now you should have a total of 4 lines. Adjust your fib only after the extension is reached. Wait and identify the next s/r level to pull your new fib. Just work one time frame and forget about being fancy with multiple time frames.

There are some good posts here that go in the right direction and then it becomes over thought and goes off track. It will come to you. Remember however, many of you are still hooked on previous trading methods/systems that aren't allowing your brains to test simplicity. We all think we need to something complicated, in fact soooooo complicated only 5% of traders have figured it out. It is my opinion that the 95% are looking for sophistication instead of simplification.

Price goes up and stops and then goes down and stops and then goes back up and then back down 😊

### [Post #825:](#)

Quote:

Originally Posted by **dagoods** ➤

*thanks my man.... price goes up and stops...ok then down and stops got it... then back up...sure does.... then back DOWN!..... 😊😎 he he gotcha..... the geepys long term future seems obvious to anyone with half a brain.... fundamentals alone could tell ya the story....anyway, I hope i wasn't too presumptuous in posting a real time geppy chart ....just thought the geppy is the best to learn in real time as it moves fast and furious..and we can hit them fibs quickly as we learn.... anyway....*

*1. MR. Super Skunny writes: "There are some good posts here that go in the right direction and then it becomes over thought and goes off track" It would be nice to know which parts of which posts to concentrate on and so we can ignore the rest of the noise.....*

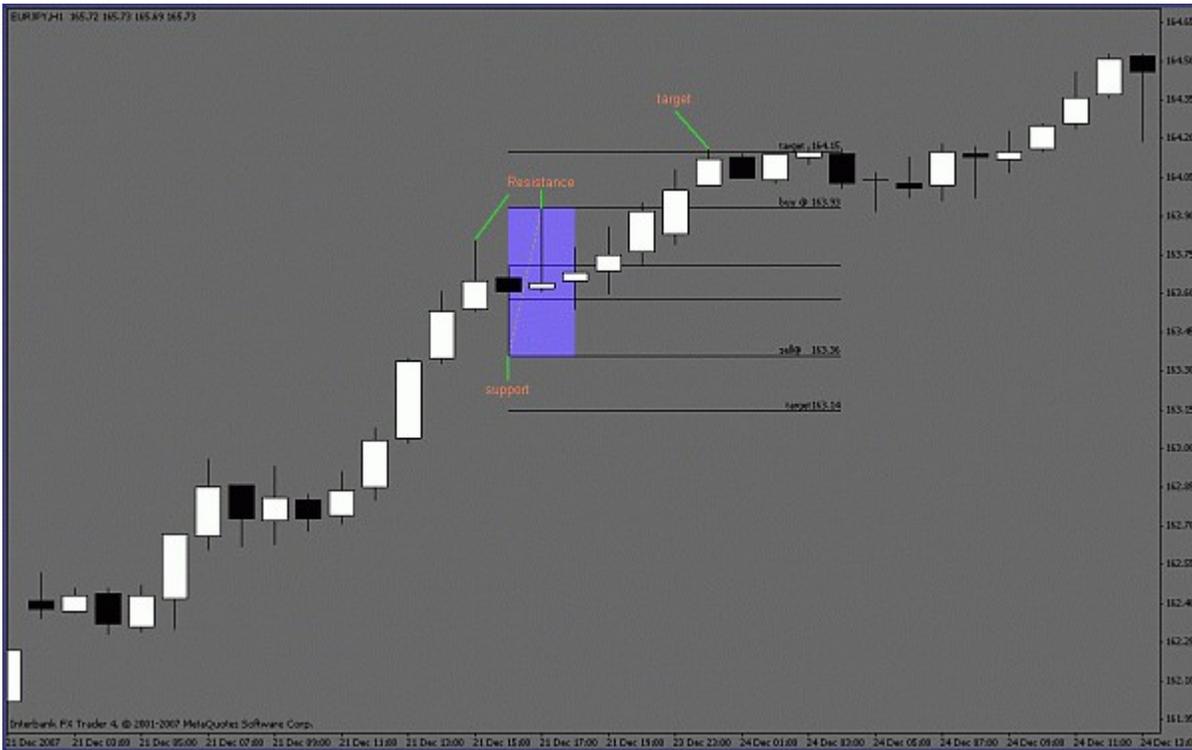
*2. O.K i learned something new... forget multiple time frames and concentrate on one time frame.... OK I choose to concentrate on the geppy daily time frame since we can post a chart each day and learn..... if that's acceptable to you o supper master sensei.... 😊*

*Now.... back to my learning experiment with the geppy.... 1. have i drawn my fibs correctly? I used a tool to do it? If not...why not? assuming I did, and we just going to use the daily fibs as suggested, then we should see the -138 extention and then possibly the -161 extention soon and then bounce back up... am i getting this>>> Interestingly enough the extentions line up with support...hmmmmmmmmmmmm, I noticed in vhands that Trendline supports and Resistances are sometimes penetrated but fail to break and make a maor move...they just get penetrated and form a big ole pinbar.....and even if support is penetrated.... its only penetrated enough to hit 138 or 161 extentions..... no THAT IS something isn't it! aS A STUDENT OF tOM dEMARK AND BIG FAN OF TRENDLINES AND SUPPORT AND RESITANCE LINES AND HOW PRICE REACTS AROUND THEM.....I CAN SEE HOW THIS CAN BE....OK i AM RAMBLING.... I'm going to shut up now and let all you more experienced traders take it from here and teach me..... PS In answer to my own quiz....IF my assumptions are correct then the next geppy move would be down to the -138 and then probably back up for a bit before the bigger move DOWN..... Of course I'm a nooob so I could just be wrong again...no biggie if I am.... MM helps with that..... If I am way off base I can alwasg go back to my favorite indicator = flipping a coin ( very important to remember that Tails = long and heads = short, this is where many traders get screwed up!!!!) wishing you all good success in the new year!*

Keeping it simple means to stay off long term trades, you don't need to know where it might end up in 3 weeks. 😊 When you create a fib range price can retrace anywhere in that range, this could be hundreds to thousands of pips. You would need to enter the market in "hedge fashion" if you are going to concentrate on getting a large move. Here is an example of support and resistance setting up on 2 hourly candles. Each candle marked clearly shows that one candle found support while the other found resistance. If you want to know where price is heading start small. Hourly charts are the most accurate throughout the

world time table. 4hr/daily can start at different times giving you different candles depending on your broker's start time. So, I trade 1 hour most often. 😊

Attached Thumbnails



[Post #884:](#)

Quote:

Originally Posted by [4X4EVER](#) >

*Hey Skunny,*

*I have read and re-read the posts in this thread. If we can know where the currency is going to end up 100% of the time in your theory posted at the beginning of this thread, and I am assuming if it penetrates and then closes on the other side of our level of r/s, and then will go to the 138 level, then what happened to the euro on Dec 20th? I am not being sarcastic at all, as I realize that maybe I am missing something or have mis-interpreted something as well. Your opinion on this would be a definite help. ( I have read comments on how some are confused by different fibs and at times I am myself, but for me choose the levels by percentage and have added the 138 to my fib along with the 127 as it gives me a target "range" instead of an exact pinpoint. that is just for my own eyes and sorry if this causes anyone confusion). You can't see in this chart that it did not go to the 138 but began a 400 point rally toward the north pole instead. Daniel*

Daniel, no sarcasm taken. First I will tell you that I fib'd the same day almost to the pip. Secondly, in the thread I've stated somewhere that when you have a trade go sour you need to find out why. Projecting price isn't as simple as arbitrarily picking a given high low and pulling fibs. You need to be aware of previous cycles/ranges that are still active. You need to trade vhands **a lot**. What appears a losing trade to the untrained eye is a winning trade for the well trained eye. The preliminary info I've shared so far, at it's worst, should make the the "non-profit" trader into a "for profit trader". There is no substitute for "retrading" data. But, there is more to learn in order to achieve the 100% goal.(if thats what you want) It's OK that everyone has a different fib position. From candle to candle on a given swing you could be in multiple trades all of which can be correct. **For Everyone:**The mistake some will make when finding a "bad trade" is saying "see it doesn't work". The truth is, the trader "don't work" 😊 and one needs to figure out why, by doing so he/she will absorb and uncover info much, much better than if I tell you why you

were wrong. I could probably write a 10 chapter book on this and we've only gotten through the the 2nd. 😊 If you've noticed, I rarely answer specific questions about the trades you guys have discussed here, instead I try to post something that might help all the questions without giving the absolute answer. This is by design and I'm sure it's frustrating for some, but that's OK 😊 Frustration will either propel someone to greatness or lead to submission. If you submit you weren't programmed to trade. Either way you move on 😊

#### [Post #895:](#)

Quote:

Originally Posted by **SedonaPipper** ➤

*I woke up this new year pondering what a perfect trade is - i.r. one that nets a profit, one that captures a full cycle, or something out side of my box of understanding. Skunny - what do you consider a series of perfect trades to be?*

A perfect trade huh? The perfect trade is something I'm still trying to simplify and perfect. My goal for the perfect trade is to identify a 90-100% chance to gain 2-3 times spread per trade and get out and shut the computer off. I'm of the school that once you are comfortable trading, you don't go for a plethora of pips per trade or develop some sort of ego issue where more pips are better. The best trade is the safe trade for just a few pips. 20 lots on 3 pips = +- \$600..... or 60 pips on 1 lot. I choose the one with 3 pips 😊. That is where I'm heading for "my perfect trade". It really has everything to do with what I'm sharing, but picking out the easy pips and leave the tougher time consuming ones to those that like to bite their nails. There are many trades and instances from which to trade once you have a feel for price action. It is my preference to risk more per pip/trade than to spend extra time collecting pips to put in my trophy case.

#### [Post #899:](#)

Quote:

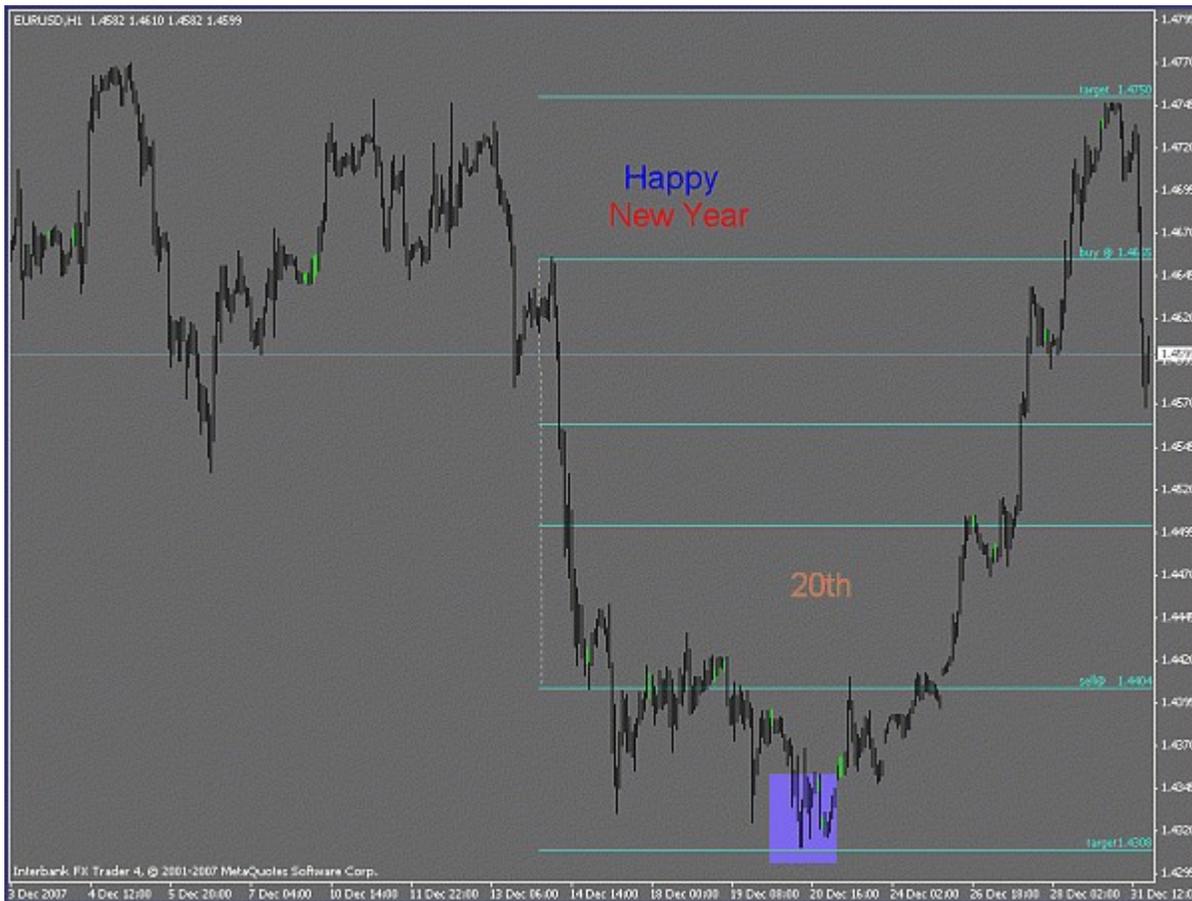
Originally Posted by **4X4EVER** ➤

*Hey Skunny,*

*I have read and re-read the posts in this thread. If we can know where the currency is going to end up 100% of the time in your theory posted at the beginning of this thread, and I am assuming if it penetrates and then closes on the other side of our level of r/s, and then will go to the 138 level, then what happened to the euro on Dec 20th? I am not being sarcastic at all, as I realize that maybe I am missing something or have mis-interpreted something as well. Your opinion on this would be a definite help. ( I have read comments on how some are confused by different fibs and at times I am myself, but for me choose the levels by percentage and have added the 138 to my fib along with the 127 as it gives me a target "range" instead of an exact pinpoint. that is just for my own eyes and sorry if this causes anyone confusion). You can't see in this chart that it did not go to the 138 but began a 400 point rally toward the north pole instead. Daniel*

I'm a softy 😊

Attached Thumbnails



### [Post #905:](#)

Quote:

Originally Posted by [Pip Hunter](#) >

*Once your in a trade, are you in it until it hits the target or your SL at the opposite end of the fib? I am assuming that you place your SL at the opposite end.*

*I realize it may or may not be a simple answer. Something tells me there's more to it than that like looking at possible inner fib etc. Thanks!*

Typically yes, once I set a trade I expect it to get to my projected target. There are times I will bail on a trade temporarily when I see it setting up for a strong run in the opposite direction. I will re-enter the trade after it hits inner fib s/r. This relieves some draw down and gets me in a better position for the long ride to the target. If you have a 100 pip range and it retraces to the 61.8 inner fib thats -62pips but it's an opportunity to add or start a new position for the positive 62 pips on the way back to the target. I Don't get greedy however, if I get nice positive pips I bank'em regardless of the target and how right I am. I might only take a position at the 62 and ride it to the 38 and bail, if it runs back up to the 62 I enter again. You will get comfortable once you realize where price is likely to go.

### [Post #908:](#)

Quote:

Originally Posted by **Pip Hunter** 

*Are you able to find a quick chart that might illustrate what you've just said? Sound like if it pulls back to the 62 strongly enough, you will exit and then decide from PA which direction to enter trade? Do I have that right?*

*I feel the same way about the amount of pips gained. If you knew that a perfect setup gives 100% but only 3pip profit, well the rest is left up to the trader!!*

You are making me work. 

I didn't research this trade, I threw a dart and landed here. I'm not sure if this particular trade would be valid, but for example sakes it makes my point.

Attached Thumbnails



[Post #952:](#)

Quote:

Originally Posted by **ianf0ster** 

*Hi Skunny,*

*Thanks for the postings of your shorter term trades.*

*Regarding your EJ trade, I notice that the target for the larger Fib swing trade had been reached just prior to it.*

*I find this time to be a tricky one - there is the desire to pull another Fib pretty quickly to the Swing low just after the 138 was reached. But since price would still be much closer to the low of the Fib than the high, the potential for a trade is extremely biased to the short side at a time when it may well be that the current trend is about to reverse. If the trend does reverse at such a time, then it almost guarantees the next trade will be a loser, with price just poking its nose beyond the Sell line before heading north above the Buy line.*

*What do you recommend we do?*

*Looking for a lower risk trade like the 2 candle one you took seems like an option that would at least give the trader some time in which to evaluate if the low is significant enough to be Fib'd, and also to give price a chance to get a little further from the low before placing the pending order.*

*What do you think? Ian*

If the chart allows a trade I'll take it. If it's in contradiction to a trade I should have been in or am in I don't take it. Sounds like a bunch of crap but it's that simple.

To this day I find myself saying....hmmm I think it will go there or I feel fundamentals are poor, so I think it's going here. This is about the worst thing you can do for your trading. I let my fibs do the talking and I listen. I did sneak that trade in there, but I had limited time this morning and I "knew" it would work out. 😊. My bias was short and I went long....what an idiot huh? 😊 You can do stupid things like this as well, with more practice. 😊 You will learn to identify these opportunities when you start looking for them more often.

I'll state this again for everyone. When you back test, it's the ones that don't work out that you learn the most from. Spend an hour trying to figure out why if you have to. You might pull 30 fibs trying to figure it out. But once you do you'll remember the circumstance. If you can't figure it out, you better not take that trade ever again. Most likely you will find the answer you're looking for.

As far as risk goes, if your fib range is 300 pips you need to identify the percent of your acct you are going to risk (on every trade) 2%,4%???

Whatever the number is....the number is.

If you want to risk 1% of \$1000 that's \$10.00 you need to spread out over 300 pips, that's about \$.03/pip and projecting 38% you stand to gain 114 pips x .03 = \$3.42. So you risk 10 for 3.42. so you need to have at least 3 good trades to every bad trade. Sounds good enough to me 😊. I personally will wait to see if it retraces to the inner fibs before I would enter changing all those numbers to benefit me more.

#### **Post #1101:**

Funny, I was deleting old FF bookmarks and saw this post I made (never got any response from the thread starter..lol) apparently he just wanted to state his opinion.

here is the post <http://forexfactory.com/showthread.php?t=59721> I think this was back on the 12th of Dec.

In this larger example, if you didn't hedge you missed out on a few trades (if you got in at penetration).

There were a number of trades (long and short) while waiting for this trade to reach it's target.

My hedge definition : a trade executed opposite to a preexisting open position with specific targets. (not to "save" your previous position or appease your anxiety.)

You should only hedge when a trade develops in the opposite direction. Seriously, you can have many trades going on at the same time.

When you have a larger range you should enter a very small position and add to it when/if it retraces.

Many times I've entered a position and 5 candles later I'm in the opposite direction making pips against my original trade. This way, if you screwed up your fib/targets you can still trade to the positive. If you enter a trade with a 100 + pip target you will likely have at least one nice trade in the opposite direction (if you want it).

#### **Post #1103:**

My thoughts on money management.

#1. Good money management is successful trades.

#1b. Cutting losses by pips is a losing idea.

#2. The worse your system is... the better money management you will need.

#2a. Learn how to win first then build your money management with what you've learned.

#### **Post #1111:**

Quote:

Originally Posted by **Pipskateer** 

*Can you expand a bit on 1b please?*

A certain number of pips say 50 isn't a stop loss it's a way to lose and stop (trading) 😊.

If you want to set stops tighter you need to drop down in time frames and find weaker s/r areas from which you are prepared to enter as you exit. Make sense?

If you can't find that area due to a big move then you shouldn't trade it and wait for the "perfect set up".

The "perfect set up" is something you will determine based on your own trading mentality and confidence over time.

#### [Post #1146:](#)

Quote:

Originally Posted by **RBing** ▶

*There has been one thing that I've noticed while using this method. I enter on the penetration, the 38 and 61 if it retraces back that far. What I see more than not is that once it penetrates it has a very good chance of going back to the 38 and a lot of time the 61. I'm spending my weekend trading vhands and instead of entering on the penetration and having the big drawdown, I'm going to go counter the penetration with a target of the 38 and using a very tight sl. I'm going to be testing it on the 1 hour. The consistent drawdown of the initial entry of the penetration is what got me thinking about this, I have no problem with drawdown but if it's consistent than why not take advantage of it.*

*I hope I made sense with what I just said.*

Now your talking 😊. Let's see more of this.

I haven't told anyone how to trade this sequence of ranges/cycles, but I've offered a few examples. What you say is true and has been mentioned before (I think). There are many different ways to use the information I've given (that's the beauty of it). Once you realize what you can do, then you need to realize why you can do it. When you realize why you are able to do it, you will have your own ATM machine at your disposal. But don't expect to learn all this overnight. Anxiousness will turn to ignorance in no time.



#### [Post #1156:](#)

Quote:

Originally Posted by **24HourTrader** ▶

*Now this is very interesting indeed! Again we are seeing some relevance of the 162 level. Should we have that level on our custom fib tools as well Skunny, or should we continue sticking with the 138 only? A lot of us are under the impression that you don't watch the 162 level.*

If you are going to trade what you already know, the 162ext has relevance. If you are asking me what you should be concerned with I would say the 138ext. But this is a thread designed to help you find things that work for you. If you want more confusion you can also try 238,262,338,362,438,462 and so on. The price will react to these levels if it gets there, just try it. Now trying to figure out a way to consistently trade it would be something I'd like to see 😊. The 162,238,262 etc are usually a different ext or inner fib range from another move so I would try to keep consistent in your testing and don't get too scattered with ideas until you master whatever step you are on first. Master then add, master then add, master then add. To answer the question simply.....I don't have a reason to take trades to the 162 ext. That becomes greedy to me and with all the opportunities I let it go. Hope that answered the question.

#### [Post #1162:](#)

Quote:

Originally Posted by **piphitman** ▶

*I think in my case there were about 6 candles in between my fib placements when in all actuality there was*

*much more PA in between my two fib points that I should have been looking at before I placed my trade. I don't think there is any blanket statement that we should be looking for xx amount of candles to place fib points. It could be two candles, it could be 12 it just depends on the formation of them from support to resistance.*

The candle you entered on was a bad candle because it already held a lot of pip movement and was likely to retrace. In those cases wait for the dust to settle. that one candle pass up 5 previous candles to get to your entry point. Very volatile candle IMO. That was more my point. (I think). Also, when you have a number of candles in between you want to fib those out first to make sure it doesn't end at an ext 😊

#### **Post #1166:**

Quote:

Originally Posted by **Pipskateer** ➤

*Thank you so much for making this a bit more clear. In physics, there is a law called the "inverse square law" which talks about how the effect of energy delivered from a point source weakens the further you move away from the source.*

*So, along those lines, it seems to me that you are just simply saying the 162.8 / -62.8 fib exts. are not totally irrelevant, but they are of less importance than the 138.2 / -38.2 exts. because they are farther away from the 0/100 break levels.*

*I think we are all struggling for "absolutes" in this learning process and those are pretty hard to come by. I know I find myself clinging to your every post (are you related to Alan Greenspan??) to glean just one more tidbit (or another bedtime story! 😊) of information that I can use to make the puzzle image take form in my brain. It sounds crazy to hear myself say this, but I really do NOT want a "system" presented to me anymore. I've flopped around from one "system" to the other like everyone else who's ever clicked a trade order button in this forum and I'm pretty tired of it. I want to be a REAL TRADER for a change...*

*Thanks for making that a real possibility Skunny...seriously.*

Yes, I'm back home already...LOL A little cow, squid and greens and I'm back home from my date to type away. 😊

The way I see it in my mind is, the 162 (or 161.8) is overflow protection 🙄 if you will. There are very few fib projection lines that aren't part of some other fib range/cluster from somewhere. This is why the misinformed or ignorant say fibs don't work. The fact is tooooooo many fibs work, making it a rats nest most cant figure out. If I had a nickel for every time I read....look it hit the 23.6 or look it hit the 50 or look how it hit the 38.2 and then a dime for every time I read..... fibs don't work look at it, it went over and back and over and back, who the heck could trade this crap, I wouldn't have to trade for a living I would just need a coin counting machine.

Look at it this way, every fib projection has a certain job and tells a little story. If you don't know how to read/listen you can't tell the "three bears" from the "three little pigs". You need to learn how to read and I'm still learning every day. (so don't think I know everything). I'm humbled from what I've uncovered and understand and I hope there is much more to learn (because it's fun). Money is one thing....it's not the only thing 😊 as I know all to well.

#### **Post #1168:**

Quote:

Originally Posted by **Pipskateer** ➤

*I'm wondering if you are going to include anything about Supply/Demand at some point in talking about S/R? I've been reading some things from Sam Seiden which talk about supply/demand and trying to see price action in terms of professional traders versus novice traders and who's getting into the market when*

and why.... Also, I remember you mentioning Gann lines early on in this thread and after reading Bobokus' thread a bit, I just saw your post there which seemed to indicate you use them quite a bit and actually wanted to find a good way to teach them. Just curious...and wondering what might be on the menu. 😊

I can teach Gann Lines. It is time that is at issue. I must admit I've had a lot of fun so far and I needed it. But (a big but) my trading suffers trying to do both. I only got in a few trades last week and it shows I'm taking focus off my own trading. Trading is a flow game, you need to be part of the flow and stay part of the flow to trade damn near flawlessly. When you remove yourself for a while you create doubt about your current knowledge and choose not to pull the trigger because you aren't informed enough. (even though you watch it become an awesome trade before your eyes...lol)

I don't like to lose, so if I have any doubt....I watch and pout 😞. I'm a good poet aren't I?

#### [Post #1169:](#)

Supply and demand is something I don't concern myself with. I have enough to worry about 😊 LOL

#### [Post #1177:](#)

Hi GT,

**Contradiction:** Let's see if I can clear up your question. If you enter a long term range trade that ranges 300pips you should hedge. If you enter a trade with a fib range of 50 pips there isn't a good opportunity there. I might be making it more confusing 😞. I'll try again.

If you missed a trade and your waiting for another you need to make sure your TP area is within the range the price may be following. If not there is no trade.

Remember, I said, only hedge if you have a trade set up. I didn't say hedge every time you have a set up 😊

**Are you suggesting that there are bad trades?** 😊

Bad trades are trades that weren't figured correctly if you have a chart that failed and you want someone to help please post it. The hardest place to fib and where most will have difficulty is when the market is making an overall change in direction. These areas often "overflow" or appear to not have reached the target and then breach the stop area.

#### [Post #1198:](#)

Quote:

Originally Posted by **macbow** ▶

...Skunny has advised against fibbing a lot of candles for trading opportunities. I think fibbing a lot of candles will give areas of possible s/r, however **the more candles you fib, the less exact the readings seem to be IMO.**

Hi macbow. Thanks for replying. 😊 I'm not trying to tear into your chart so much but it was one here that raised some questions. Nothing negative of course. I hope you see that. Your first GJ Chart fibbed many more candles than your last chart post and more than the one I posted of your chart. Your first trade worked out very well. In fact there are many before it that worked too. Just trying to understand why I shouldn't of taken the trade that failed. What was wrong with it. Could it be because it was taken off the daily and not the hourly (different time zones give different candle readings)?

Quote:

Originally Posted by **Skunny** ▶

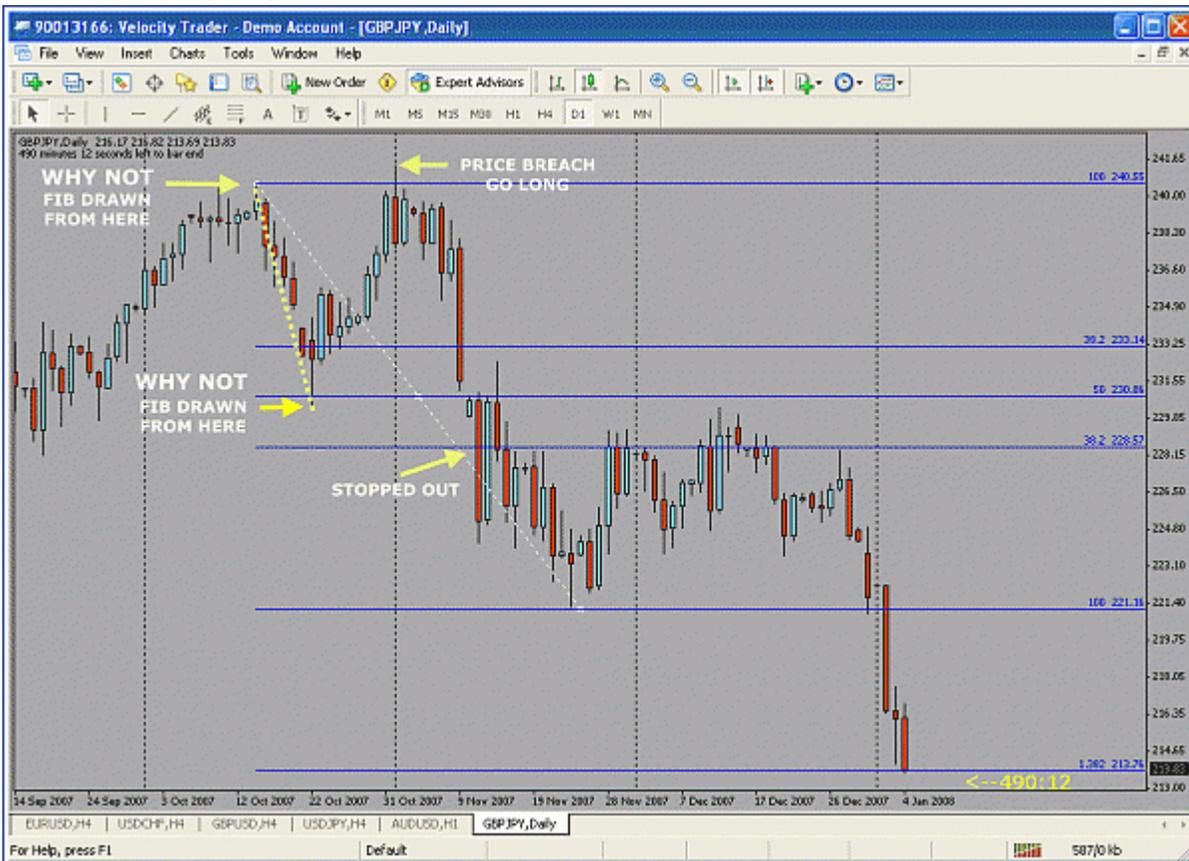
...**Are you suggesting that there are bad trades?** 😊

**Bad trades are trades that weren't figured correctly if you have a chart that failed and you want someone**

*to help please post it. **The hardest place to fib and where most will have difficulty is when the market is making an overall change in direction.** These areas often "overflow" or appear to not have reached the target and then breach the stop area. Hope this helps a little.*

Yes it does help. Everything you say does 😊. Now what is written in **bold** above is another golden bit of info., but this seems to be where I am having difficulty as the chart below will show. So lets take a look at it once more. The 100 level was breached, but the trade failed.

**Attached Thumbnails**



**Post #1206:**

Quote:

Originally Posted by **GridTrader**

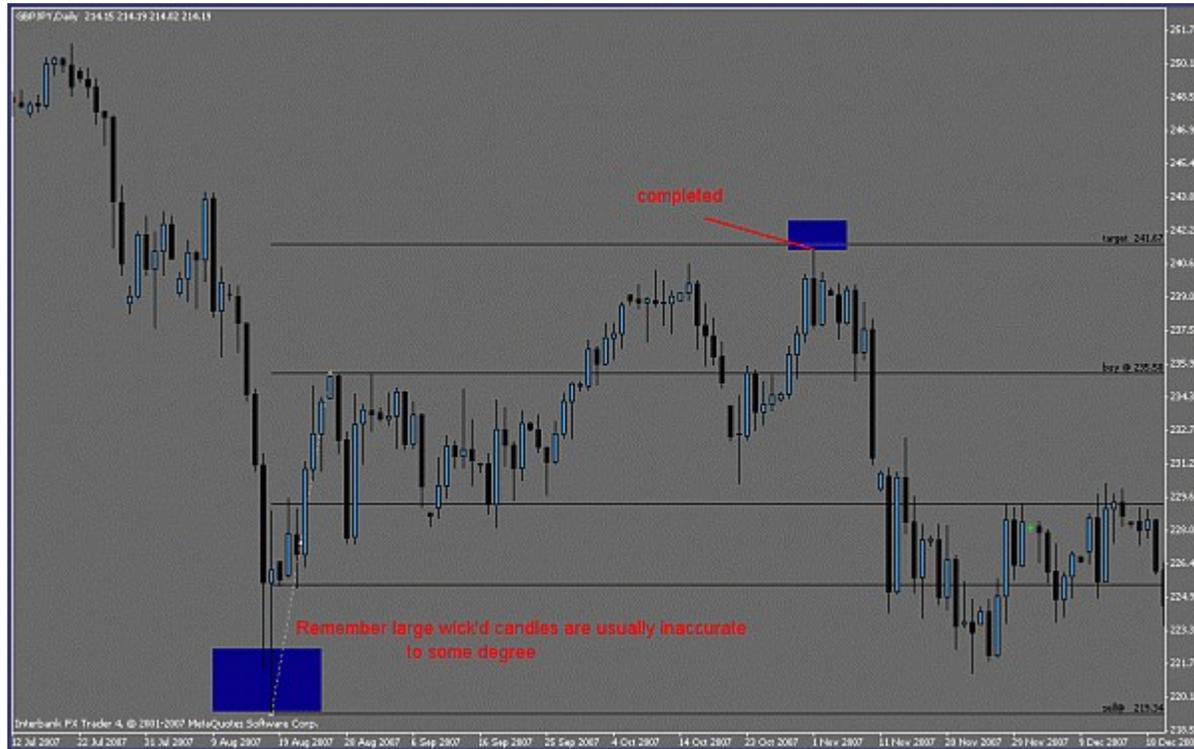
*Hi macbow. Thanks for replying. 😊 I'm not trying to tear into your chart so much but it was one here that raised some questions. Nothing negative of course. I hope you see that. Your first GJ Chart fibbed many more candles than your last chart post and more than the one I posted of your chart. Your first trade worked out very well. In fact there are many before it that worked too. Just trying to understand why I shouldn't of taken the trade that failed. What was wrong with it. Could it be because it was taken off the daily and not the hourly (different time zones give different candle readings)?*

*Yes it does help. Everything you say does 😊. Now what is written in **bold** above is another golden bit of info., but this seems to be where I am having difficulty as the chart below will show. So lets take a look at it once more. The 100 level was breached, but the trade failed.*

Because you wouldn't enter that trade near the end of another cycle, like I show here. It is crucial when looking at higher time frames to know where you are in the larger scheme of things. Especially if you are going to trade with large stops 😊

Does this answer it?

Attached Thumbnails



### Post #1207:

Quote:

Originally Posted by **GridTrader** ↗

*Hi macbow. Thanks for replying. 😊 I'm not trying to tear into your chart so much but it was one here that raised some questions. Nothing negative of course. I hope you see that. Your first GJ Chart fibbed many more candles than your last chart post and more than the one I posted of your chart. Your first trade worked out very well. In fact there are many before it that worked too. Just trying to understand why I shouldn't of taken the trade that failed. What was wrong with it. Could it be because it was taken off the daily and not the hourly (different time zones give different candle readings)?*

*Yes it does help. Everything you say does 🙏. Now what is written in **bold** above is another golden bit of info., but this seems to be where I am having difficulty as the chart below will show. So lets take a look at it once more. The 100 level was breached, but the trade failed.*

And here is the larger picture.....coincidence?

Attached Thumbnails



**Post #1210:**

Quote:

Originally Posted by **dagoods** >

*great stuff skunny as always! thanks! my biggest question right now is looking at your geppy chart.... when how do you start a new fib after such a well rounded completion? must we go to even higher timeframe then???? or maybe an even lower one? this is where i am lost personally.....* 😞 😞 😞

No, you should have at least 2 fibs running on your chart at all times. There are other active fibs from smaller moves. Typically, but not always, I'll start a new fib from the ext if it hits to the pip or a little short. If it goes over that area I've got some work to do.

**Post #1211:**

Quote:

Originally Posted by **TradeStar** >

*My understanding was to draw from closest resistance for Short. Thanks*

Yes, that's true. But you can't jump into the middle of a chart and just pull fibs, you need to go back in time (not way back) and fib all the movements up until where you fibbed to understand where the price sits in relation to the new fib you selected to draw.

**Post #1219:**

Quote:

Originally Posted by **dagoods** >

*hey skunny....this may not be on topic of your thread but i noticed you said you do not care about supply and demand..... IMHO if you were to check out tom demarks definition of supply and demand in his*

*books... you may see they are based on fibs.... and seem to line up pretty exact with what you are teaching here....( just dont want other new people to ignore things like trend and trendlines which IMHO are important.... thanks again!*

*let me rephrase that..... do you oh master of the forex universe oh wise one .... oh nominated potetial posthumous saint ...oh uh...cant think of anymore ....do you think (like almost all systems teach) that trading with the trend for us new(relatively) people that trading with the trend is important?*

Supply/demand or support/resistance is the same thing to me 😊

When I say I don't care I mean.....well, I don't care. 😊 Just kidd'n.

Let me rephrase that 😊. It's not that I don't know about these other credible traders and their way of trading, be it trend lines, math calc or what not. You only need one good idea, then you expand on the idea and make yourself abide by the rules you've set. I understand Fibonacci and it's ultimate creator (he he). But all I need to focus on is how to apply the tool.

One idea may have 1000 rules to follow making it flawless ,another needs 500 and so on. Because my brain is soooooo small, I needed to figure out something that needed 10 or less. It should be a requirement that before you post a trading system you need to inform the potential users how many rules exist. The problem with that is the rules are in memory for most system creators, thus you don't find out until you've lost 10 weeks of time studying and back testing.

No offense intended with this comment; but when you see the same people in 100 different threads there is now way these traders can be focused whatsoever. (I've been there). Your brain will become a blender and you won't recognize a good trade until it's over - or worse, til it's almost over (after you enter and it reverses).

#### [Post #1257:](#)

Quote:

Originally Posted by **dagoods** ➤

*thats a great point.... and i guess exactly what i think whenever others tell me not to trade against the trend..... but.... if I had to define "overall" trend....methinks its a bit fundamentals and a bit like asking an 8 year old to look at a chart and tell me if its headed up or down..... sorta like this here chart....  
I'm sure there are more precise definitons...maybe looking at multiple time frames?  
but.... i guess i don't know those (see told ya i wuz ignorant!  
BUT to take TD view (please dont hit me) trend is a bit different defined by LATEST supply/demand or as you like to say s/r so..... who knows....  
thats why i am asking the master 😊*

A trend to me is - in whatever time frame I trade.

I'm not concerned about the trend in monthly if I'm trading hourly and so forth. There is countless pips to gather regardless of the trend. It is however advised by many to only take trades in the direction of the trend. But, do you know the trend? When it is turning? When it is retracing and how much? When I bog myself with this and add fundamentals and opinions - I'm never in a trade. If it trends I'm in it, if it ranges I'm in it. I don't really care as long as my chart says GET IN.

#### [Post #1369:](#)

Quote:

Originally Posted by **Islander** ➤

*Hi Daniel - whilst I am posting a good number of charts, hoping for feed back to confirm if these are a valid interpretation of what Skunny is telling us, I am not using them for break out trading as such. Been there, don't like it. Obviously, the lower the time frame, the more often a breakout of a trading range will happen, BUT I am looking for a pull back to an internal fibo level and a reaction around that level to give me an entry to continue with the trend from the higher TF. By definition, when the trend continues there will be a breakout of the lower TF and so one up through the TFs that I'm watching. I'm finding the 138 and 162 extensions VERY helpful in setting targets and as seen on my 1 min chart posted earlier, some of the lower TF targets will run into the more important higher TF target - here the 1.9640 purple one from the earlier 60 min chart. Also, it helps if you are totally familiar with the "normal" action and daily range of the pair you are trading. Still very much "work in progress" and feed back appreciated.*

Nice Islander 😊

Let me see if I can help some more. The points of entry I've shown aren't necessarily something you should do.

If you are going to get in on penetration you may want to use 1/4 of your original lot size (here I go doing things I said I wouldn't) in case it moves against you and then maybe add 1/4 at the 38 and another at the 62 or whatever you want. If you don't have a position on penetration you may miss the runaway train. (which is fine to). But if you wait 8 hours to get in the trade you may be waiting for awhile for another trade to form if you aren't in at penetration. It's all up to you guys and it's different for me every time (there is more to consider). It might be the key to the "moley quail" 😊

I mean not having a system is the key...LOL

#### **Post #1380:**

Quote:

Originally Posted by **Skunny** 🗨️

*I'm not quit sure what your missing Daniel. There isn't a system here (maybe that's it) I haven't showed you how I specifically trade. I'm just trying to create an atmosphere from which **you can figure out how to trade it** (for now anyway).*

*The beginning of the thread is just proof on how I got myself into this mess 🤦🏻. The intent wasn't to spill the information you now hold in your sweaty little palms. Although I'm fine with it, it just wasn't the original intent. It was just to show the na sayers that you can learn how to trade, you don't need indicators. I think I've accomplished that to some degree. 🤔 or maybe not...lol.*

**Daniel:** Not to worry....you will get it.....be **patient** and it will come to you.....like Skunny says, there is no system being taught here; just concepts. When I started out on this thread, I got somewhat anxious when it seemed that others were grasping something I did not. My advice: re-read the entire thread....note the key concepts.....practice, practice, practice.

**In general:** I went 9 for 9 today with 1 break-even. Not saying this to brag but just to say that I think I'm **just starting** to get what Skunny is talking about....trading perfect. I'll probably screw up tomorrow but that is part of learning!

I now see the problem in trading with indicators (for me). Trading an indi-system ties your hands in regard to creativity.....there is little latitude short of trying to optimize.....but because of the lag, there will always be times when things don't work the way they are **supposed** to. Trading with just PA/SR has just opened up all sorts of new ideas on how to approach a trade. The idea that I could have 2 trades in opposite directions and they both end up in profit blows me away. My mind is racing with things to look at in the context of what I have been doing with this stuff....scaling in for MM purposes.....looking at confluence to ID major turning points....working backwards from congestion points....lots to think about....Which, was what I think Skunny's whole point was here. Not to give us a system....but throw out

some concepts for us to run with.

What I have been doing is still a lot of work-in-progress. As I've tried to emphasize before, it may be nothing to do with where Skunny will ultimately take this thread.....but I've found some stuff that looks to be working (for me...for now). Of course; I'm certainly open to learning more!! (those Gann lines SCARE me....lol)

I guess my point in all this rambling is to say:

- I feel like I can now trade with no indicators
- I feel like I can manage my risk better than ever
- I'm not following anyone's specific system
- Watching just PA (and not indicators) is really giving me a "feel" for the flow of the market's moves
- I feel like I can make money doing this
- I feel like I just might be able to find **my own** Moley Quail

As always.....IMHO.....

Good luck to all.....I'm liking this journey that we are on!

### [Post #1432:](#)

Quote:

Originally Posted by **TripMagnet** 

*Thank you for your response.*

*I guess the problem is that I have been trying and the results have been inconsistent, not sure which particular element is incorrect.*

*Bo, I think I do need clarification on fibs as what I am doing doesn't seem to be working. If you could summarise the correct application, that would be great.*

*Not giving up, just wanting direction. Thanks TP*

Alot of it depends on which timeframe you want to trade from, anything less than the 1 hour is useless to a new trader trying to learn fibonacci. I would suggest trying this template with a fib on it already set to the settings I use as a swing fib to measure each waveform with.

The tempate is for GBP so it wont work correctly on any other pair (hehe mentioned that this time)

But what I want you to do with it is mark highs and lows with 2 horizontal lines, the move this fib to those 2 points. There are 2 ways to trade from that

1. Wait for the High or low to be broken and target T1 for a quick in and out type trade.

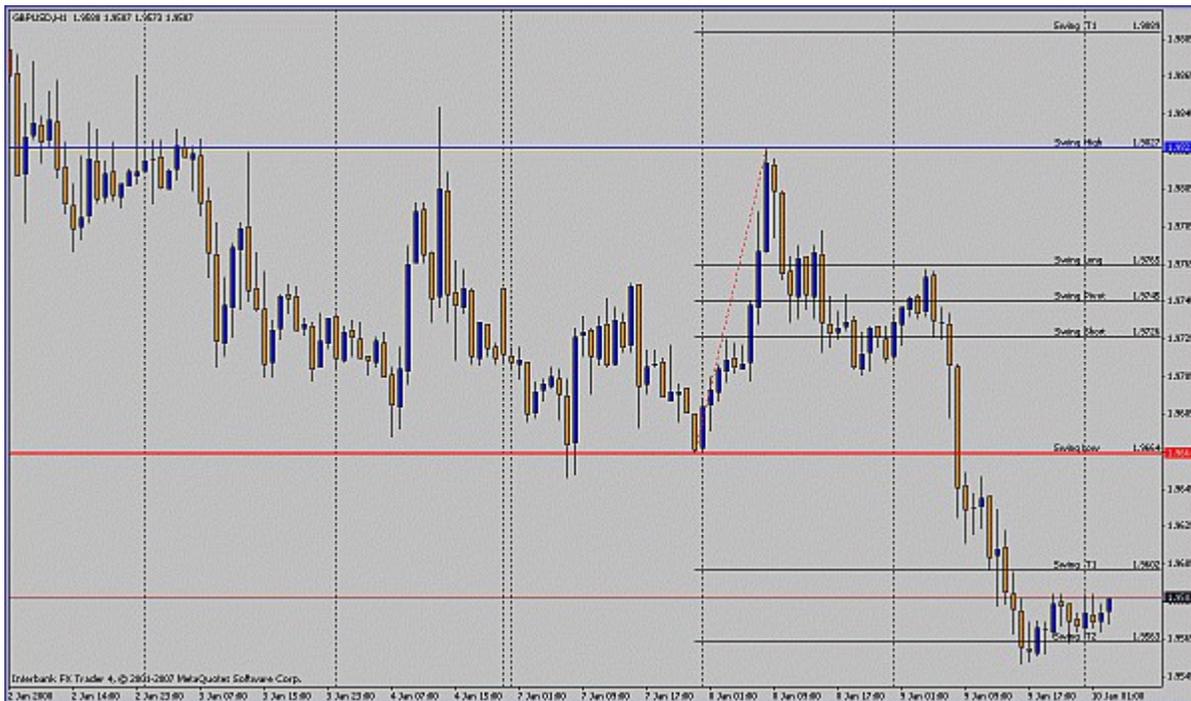
2. Trade from the fib levels (38.2/50/61.8) i have them renamed (long/pivot/short) so there is no need to figure out which way to draw them (top to bottom or bottom to top)...its always top to bottom this way.

All other fib levels have been removed since they are useless. To trade this way you wait for price to enter into these levels and trade the break or a candle opening outside of them and target the same T1 as an exit.

It doesnt necessarily have to be the high or low of each day you can do this from any point that you can pull a fib from a high to a low on.

Practice doing this from any point in history on the chart of GBP

Attached Thumbnails



**Post #1497:**

To address some previous pm's

**Only Systems - Are Discretionary**

**What is - Isn't**

**Post #1541:**

Quote:

Originally Posted by **24HourTrader** >

*This chart highlights something I've been wondering about. The black fib was broken through upwards first, and hit the 138%. However, you kept your fib the same and it broke down and hit the bottom 138%. Why didn't you erase the fib when the first upper 138% was hit and that new high was made at the 138%? Could it be that unless a 138% is broken, you consider the cycle still active?*

Leave it to the Edina guy (cake eaters)...lol

It's not that the cycle ended or not, it's whether or not it's still useful. If it doesn't reach it's target or reaches to the pip, I'll leave it on the chart to see if price will react to it. If it does, I'll take a cautious trade - if I can follow the price with another fib.

**Post #1627:**

Quote:

Originally Posted by **Forex It** >

*Weekly chart study.*

*If you can understand it and bear with. Thank you.*

*Taken from the high week of the hi - low of 2.1161 fib*

*the fib from this week has just now gotten to the 161.8 target T2 at 1.9513.*

*And has punctured it but not broken it. ( if it hold of the time of writing ).*

*Also a fib taken from the high week of 2.1161 and the low of the previous week 10-28 of 2.0528 shows the*

same target T2 161.8 at 1.9513 punctured but not broken ( if it holds ).

The question is.

If this holds and closes the week here. Would this mean that the down cycle from the high of 2.1161 be complete.

Or does this mean nothing at all. Just trying to make heads or tails of the weekly study.

If you can understand please reply.

Thank you.

I know I'm going crazy Right

Your not crazy.....wait, yes you are! In fact we all are.

Just because one cycle is ending doesn't mean another isn't starting. Having said that, waiting for a pull back or a reversal signal from smaller fib ranges is what you should be watching and trading (especially during these times).

My advice: Try not to read into the market, instead listen to it and react accordingly. After a TP level hits on a certain time frame it may take a while before it starts talking to you.

### Post 1683:

Point is the Skunny method works even if you aint got it perfect just yet....

I tell ya though....and I mean this kindly in a way to try to help all of us.... you and I post too many charts and follow too many pairs ..... nobody can follow and keep up with you bud....nor I ... I say this in all kindness and sincerity sizzlemonster.... here is my solution KISS

simple it up man! so what do we know for sure so far....

1. if you break 0 or 100 it goes to at least 138 (-138) ext
2. sometimes price only pierces the 0 or 100 but it WILL break it again after it retraces UNLESS you were at a point of a true reversal in price
3. if it pierces you can be pretty sure it retraces to 23 at least sometimes the 38 50 61 and 100 but you never know how far it will retrace
3. you can trade this knowledge both ways (take it on retrace to 23 fib for example then grab the 0 to -138)
4. Human error means NOBODY can be 100% (except master Skunny because he is a Saint)  
>>>>>>(gratuitous arse kissing)
5. IF you eat grass You are probably a cow (thought I'd slip that one in there)
6. There aint no 6 man .... Dont need one,, just take profit immediately and lock that chit down in case you were off on your fibs....

now, DID i MISS ANYTHING? if I DID PLEASE ADD TO THE RULES

and

if those rules are not true PLEASE ADVISE!

ps.... wedgies and gann lines and such..... we aint got enough info to make any rules yet!!!! so relax and be patient just like me )) (yeah right) the master teaches and the student learns

KEEP UP THE GOOD WORK SIZZ

D