The Ultimate Stochastic Chart

Here's the project, I'm going to put together what I think are the most straightforward approaches to multi-time frame stochastic trading, in the hopes that we can develop a single chart that will asses our risk of entry, trend, reversals and exit options.

Although the entire chart will probably look like a spaghetti factory upon completion, the hope is that we can develop a single indicator that will provide perhaps a simple green/red light for the different MTFS elements like an Escalator to Pips.

How I will approach this is by introducing each combination of elements I think are the most worthwhile to use (and most reliable). Each combination can be used alone or we can use multiple combinations to help search for example, trends and trend reversals.

For each combination I will work to define specific entries and optional exits. There is no such thing as a single exit. We must decide if we are cautious traders looking for 20 PIPs a day or trend chasers trying to hit the 300 PIPer. Are we Snipers or Surfers? This is up to you as an individual. Certainly each exit has a signal and if we are creating an indicator to detect those signals than we will readily see when we have an exit.

Ok, I tend to get wordy so let's just move on and get started with what we have been talking about here for the past while.

Combination 1 - Crossovers

All Stochastics are %K Only.

M5 Chart
100,3,3 Stochastic as our Price Line
14,3,3 Stochastic as our Origin Line
levels at 76.4% and 23.6%

M5 Chart
14,1,1 stochastic only (hide price)
levels every 10%

M15 Chart
14,3,3 stochastic only (hide price)
levels every 10%

Theory:
Shorter time frame stochastics will cycle more between 0 to 100% than longer term stochastics. Play the 14,3,3 Origin line to lead the 100,3,3 Price line in movement direction when these lines are together or if the Origin Line is spread from the Price Line, that the Origin Line will return to the Price Line. Use the Price and Origin Lines when they have exhausted themselves at the upper and lower limits to minimize down draw. The M5 and M15 Stochastics crossovers are used as a high percentage confirmation of price movement in the direction we want. The levels are used to help protect against over markets or take advantage of over markets.

Short Entry Options:

1. Origin line has crossed down below Price Line and 76.4% level. Price line must be above 76.4%. M5 must have crossed down below M15. M5 is below 80%. M5 and Origin Line must be pointed down, M15 and Price Line can be pointed in any direction, but better if either or both are pointed down as well.

2. Origin Line is below Price Line, Origin line crosses down below 76.4% and Price is above 76.4%. M5 has crossed down below M15. M5 is below 80%. M5 and Origin Line must be pointed down, M15 and Price Line can be pointed in any direction, but better if either or both are pointed down as well.

3. Price Line is below 23.6%. Origin Line was above 76.4% and has moved down across the 76.4% level. M5 must have crossed down below M15. M5 is below 80%. M5 and Origin Line must be pointed down, M15 and Price Line can be pointed in any direction, but better if either or both are pointed down as well.

Short Exit Options:

1. M5 reaching below 10%

2. Reverse cross of M5 crossing above M15 and M5 pointed up

3. Exit when the Origin price OR Price Line hit 61.8, 50, 38.2, 23.6 or 10% levels. The lower you go the more risk of reversal but more opportunity for gain. Use M5 and M15 crosses as your guides, but there may be several reverse crosses along the way. Watch for direction change of Origin Line.

4. Exit at targeted PIP level. Use small PIP levels (5-10) for entry #3 and larger PIP levels (10-30) for entry #1 and #2.

Stop Loss:

Hit or Miss. Use high of close of entry candle or previous entry candle as Stop or add 5-20 PIPS maximum to this. Never exceed 50 Pips. Bring Stop Loss down to break even on 5-10 PIP gain, chase at 50% of gains, never exceed 20 PIPS on the chase always leave yourself profit PIPS once they exceed 10 Pips.

Dangers and Strategies:

Over bought market can reverse against our entry early. Be extremely wary of reverse M5/M15 reverse crossovers until M5 hits below 20%, then M5 over sold is in our favor and look for M15 to go below 20...ride out M5 and even M15 if they are below 20 until they pop over 20. Picking the M5 to pop over 20 is much safer than waiting for M15. Dangers exist early on as you must give trade some room in stops. Don't be afraid to exit and re-enter with small PIP losses. Odds are always in your favor that a move will come down and it is a matter of entering on each entry single until the right one takes off. Increase your lot size if you must to recover...just don't go crazy.

Long Entry and Exits are the exact opposite.

Charts show example of Short Entries:


EURUSD,M5
EURUSD,M15
SHORT ENTRY 2


EURUSD,M5
EURUSD,M15
SHORT ENTRY 1


EURUSD,M5
EURUSD,M15
Short Entry 3

Combination 2 - The Over Market Filter

Combination 2 - The Over Market Filter

All Stochastics are %K Only.

M1 Chart
14,3,3 Stochastic
levels at 76.4% and 23.6%

Theory:
The M1 in an overbought market at entry will improve the reliability of a long trade with price in an oversold market.

The M1 in an oversold market at entry will improve the reliability of a short trade with the price in an overbought market.

Trading for the reversal of price out of an over market condition offers the most opportunity for entering a trend at the earliest stage. However, entering reversal trades when price is in an over market condition can lead to many false entry conditions.

As such a filter is required to eliminate as many false entries as possible without affecting good "real" entries.

How To Use the Filter In Short Reversal Trades.
The filter is used at entry of a reversal short trade.
A reversal short trade in this instance is considered any trade where our price is in an overbought market (above 76.4% or 80%).

When we enter the short trade our M1 indicator must be below 23.6% (or 20%) in an oversold market. It does not matter when the M1 entered, what direction it is pointing...it must just be in an oversold position.

This M1 level can be adjusted, but I do not recommend M1 being higher than 30%. Obviously the lower we set this filter the more trades it will filter and a level too low will filter out too many real trades.

Long Reversal Trade Usage is the opposite.

Crossovers with Filter Example

2008.11.25 @ 23:20 (EST +7) Chart Time

The chart below illustrates how we use Combination 1 Crossovers with Combination 2 Filter.

The Crossover comes first at 23:20 and the dashed line on the price chart shows where we would normally get a short entry.

The M5 and M15 stochastics are at this entry. I should mention that the M5 and M15 pictured here is a common sight for a short entry using Crossovers.

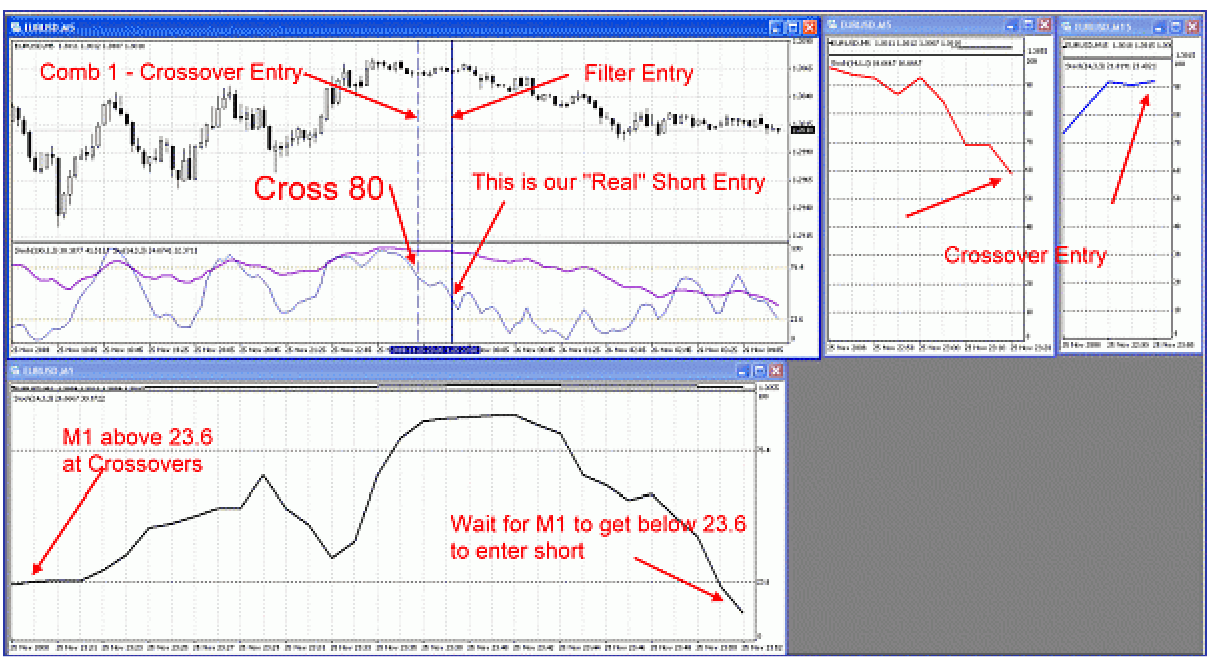
Our M1 at the Crossover entry is just above 23.6. Tempting to enter and you could enter but let's stick to the 23.6% rule.

So we must wait to enter until the M1 crosses below 23.6. Notice by the solid line (where we enter short), how the delay has avoided 30 minutes of ranging while the market decides what it is going to do.

We still get some draw down but see how much better timed our entry is to when price starts to take a dive.

We must remember that when we finally get the M1 signal that our M5 must still be below our M15 and that the M5 never crossed the M15 upwards.

Also notice we get our Crossover entry signal first and then use the M1 to fine tune our entry.



> Originally Posted by **CindyXXXX**
> *Hey Spud*
>
> *I've noticed in your last few posts you've referred to the m1 or m5 for example being overbought at the time we go long is a good thing ...*
>
> *Doesn't this contradict the above quoted post and pic where you say that in order for the higher timeframes to keep moving down the lower oversold timeframes must move up...*
>
> *I understand both "theories" but obviously confused as they seem to contradict each other*
>
> *thanks*

Actually the same thing. Notice on your chart the M5 and M15 are in an oversold position with the price in an oversold position. What is going to happen in the immediate is that M5 will rise first and much quicker than M15. In this case, we would wait for the M15/M30 crossover and enter when M5 is in the overbought territory.

If M1 was in your picture, we'd wait for M5/M15 to crossover and M1 to be in the overbought area to enter.
The net result is that M5,M15 and M30 would rise as diagramed by the balls.

If we had a Price Line, Origin Line....we'd likely see the Origin rise above 76.4% and the Price Line stay low. Then we'd see a short opportunity to trade the Origin Line down with an M5/M15 cross downwards..

this would move the H1 and H4 down....then likely the cycle might repeat again or we might get in an oversold market and stay there until H1 and H4 fall all the way down to their lowest point and the Price Line starts to rise.

The 3rd Combination Intro

The 3rd combination is simply a perpetual increase in time frame from Combinations 1 & 2.

To be fair, and so you know I have no cards up my sleeves, I took the last big drop that completed (only a few hours ago) as my demonstration.

This demo trade using Combination 1, 2 and 3 covers a trade lasting almost 24 hours and will gain us anywhere from 160-240 Pips depending where we decide to exit or how long we can stay awake

I've edited down into about 14 charts that follow it from beginning to end.

What you will see is Escalator to Pips on a short trade...and I'm sure many light bulbs will go off in your heads once you see how almost magically all our stochastics seem to flow.

There is no magic. It’s just pure mathematics at work in the markets. In the end this is why I call it Predictive Multi-Time Frame Stochastics.

You will also see that again, there is nothing new here; you are just seeing the same thing from a different perspective.

This will seem perhaps like information overload...it is not. It is Combination 1 & 2 repeated over and over. We simply move from M5 to M15 to M30 to H1.

So give a few moments. or hours...or maybe days (I gotta life and trade too) to fill this thread with the examples and then I'll set the Combination 3 rules in place.

Combination 1 & 2 Short Entry

This trade starts at EST +7 Chart time 23:20 November 25th.

We can use Combination 1 & 2 as both a reversal indicator and a trend indicator. When it comes to trend trading, I strongly recommend you hide the candlesticks and use only the stochastic 100,3,3 and 14,3,3 as your price guide if you are not confident in this system.

This is because there are going to be candlestick moves in the trend that will scare you...even make you exit long before you are due.

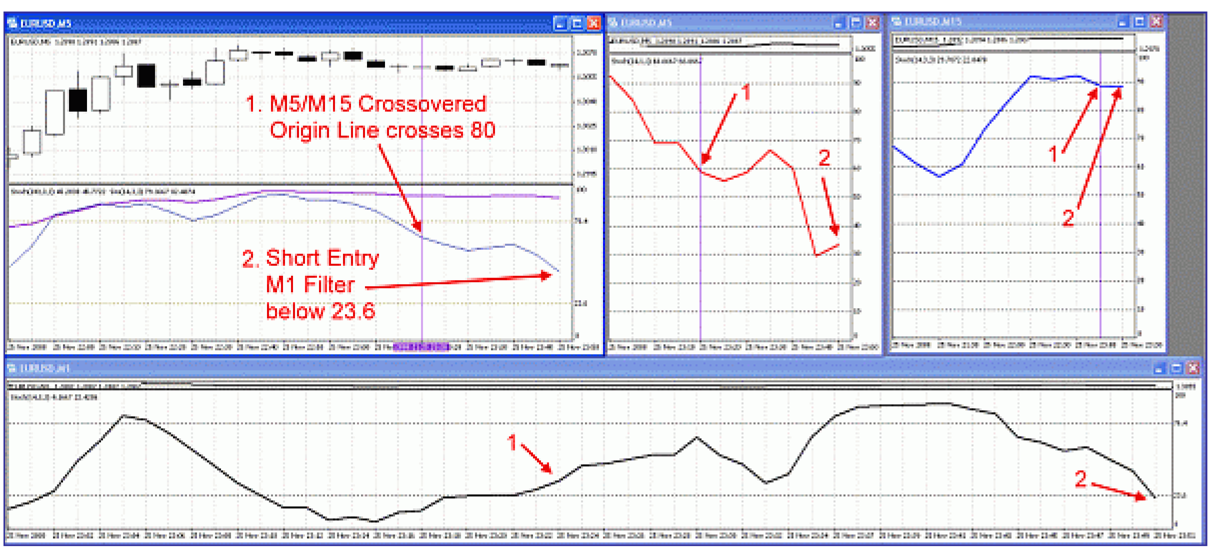
There is nothing wrong with falling for this price action and making pips, but if you truly want to trade what I am going to show you, then your doubt will always come from the price action.

So, my advice, practice with this without looking at the candlesticks and see where you end up.

So here we go. Our entry is pretty basic. We used the Crossover to detect our entry signal and then waited for the M1 to fall below 23.6% before our actual short entry. (you will be amazed how often this filters out bad trades....not all of them..just many of them).

On the chart below Point 1 is where the Origin line crossed below 76.4% and the M5 has already crossed from above to below the M15 (above to below is very important).

At Point 2, our M1 filter finally hit below 23.6% and so we enter short. The Price chart is M5, the stochastic to the right is M5, further right is M15 and the chart at the bottom is the M1.



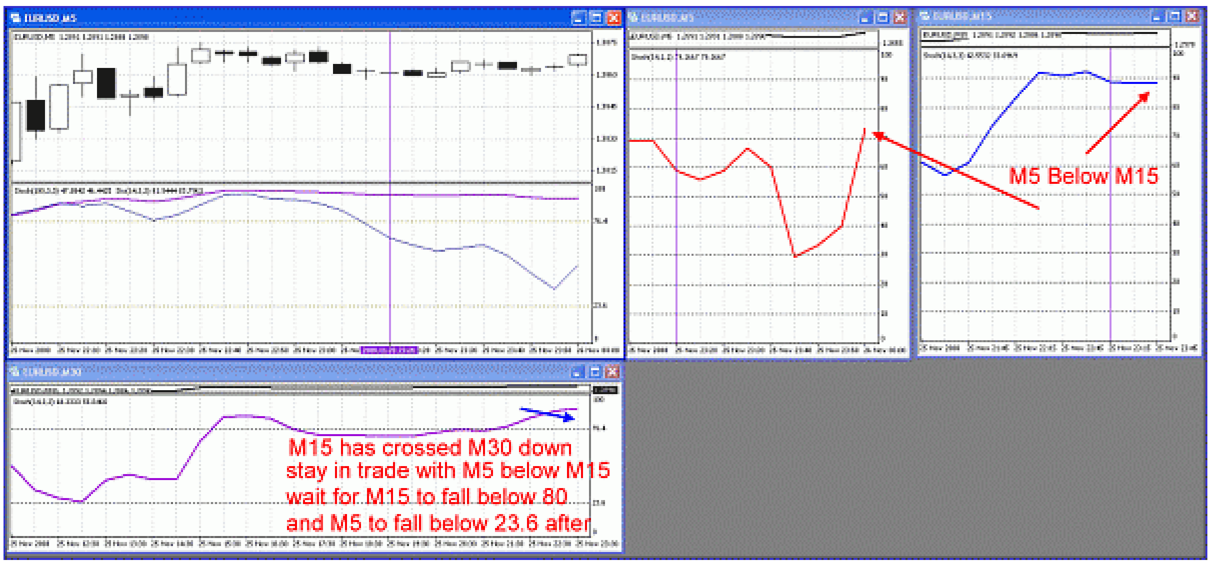
Danger?

Here we have what looks like a reversal with M5 climbing. Notice that M5 is still below M15. What we need to look at is M30, which is the bottom chart now, replacing M1 (M1 has done it's job and we are finished with it). Notice M15 has crossed from above and down over M30.

We could also look at the M15 price chart (not shown) and we would see it looks very similar to our M5 price chart just further behind. We have 3 reasons then to stay short:

1. M5 is below M15
2. M15 crossed down below M30
3. Our M15 100,3,3 and 14,3,3 stochastics support our short position in our expectation that our Origin line will keep falling.

The final support is that this is not a long entry, so why not stay short.



Switching From M5 to M15

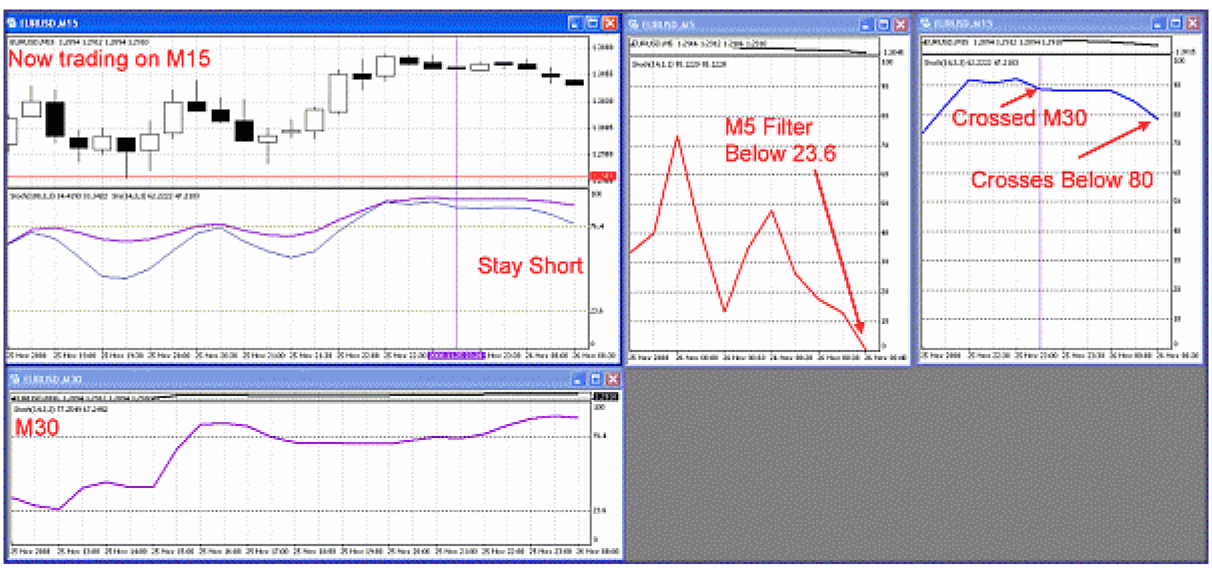
Up to now we have followed the trade and seen M15 cross M30 (the same way as M5 crosses M15). We now use the same Combination 1 & 2 rules for M15 and M30.
We switch our price chart to M15
We use M5 as our filter (Combination 2)
We use M15 and M30 as our Crossover.

Since we are already in a short trade we don't have a physical short entry to make. Instead we are determining whether we will stay in the short trade or not by satisfying the Combination 1 &2 entry rules.

Fortunately for us, we will usually see this develop as:
M15 crosses down below M30
M15 crosses below 80%
The Origin Line crosses below 76.4%
The Price Line remains above 76.4%
The M5 Filter falls below 23.6%

All this being true means we stay in the short and as such are trading on the M15 price chart now.

Notice how all our rules for the M5 chart remain the same and how these higher stochastics now follow the same movement on the M15 chart as our M5 chart....it is like watching a re-run.



Getting Ready to Switch Price Charts

Here I will explore the actual switching of time frame charts a little more closely.

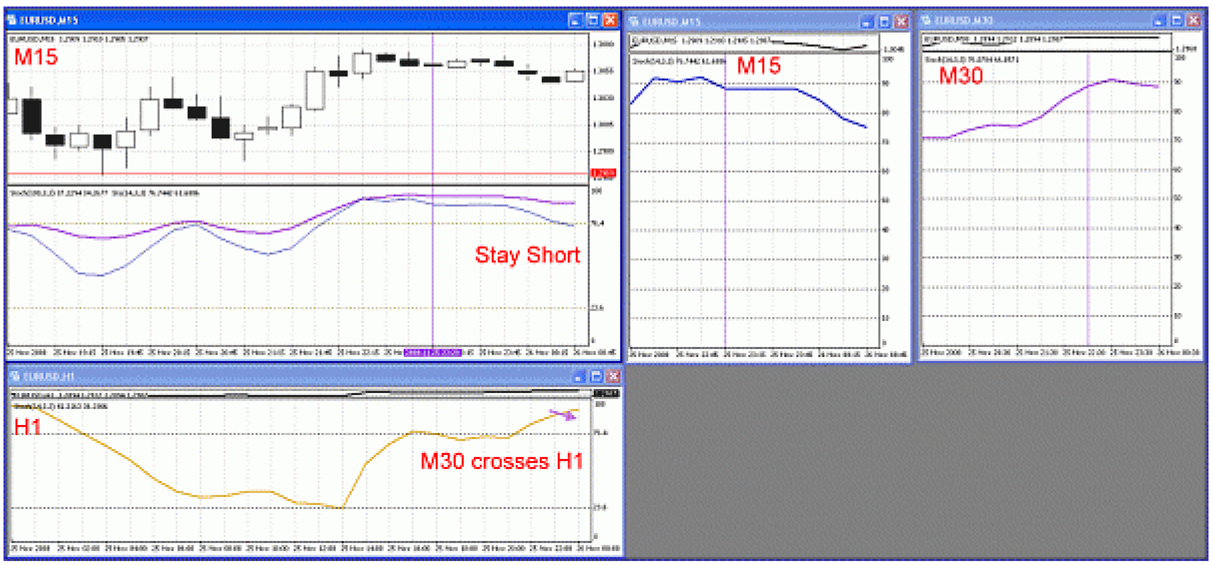
In the previous chart we had the Combination 1 &2 set up like this:
M15 Price Chart
M5 Filter
M15 and M30 Crossover

The filter is always one time frame below our lowest crossover and price chart.

In the chart below we are transitioning to the next higher time frame for Combination 1 &2. (Time is frozen from last post).

First we change our stochastics to the next higher time frame, the M5 becomes the M15, the M15 becomes the M30 and the M30 becomes the H1.

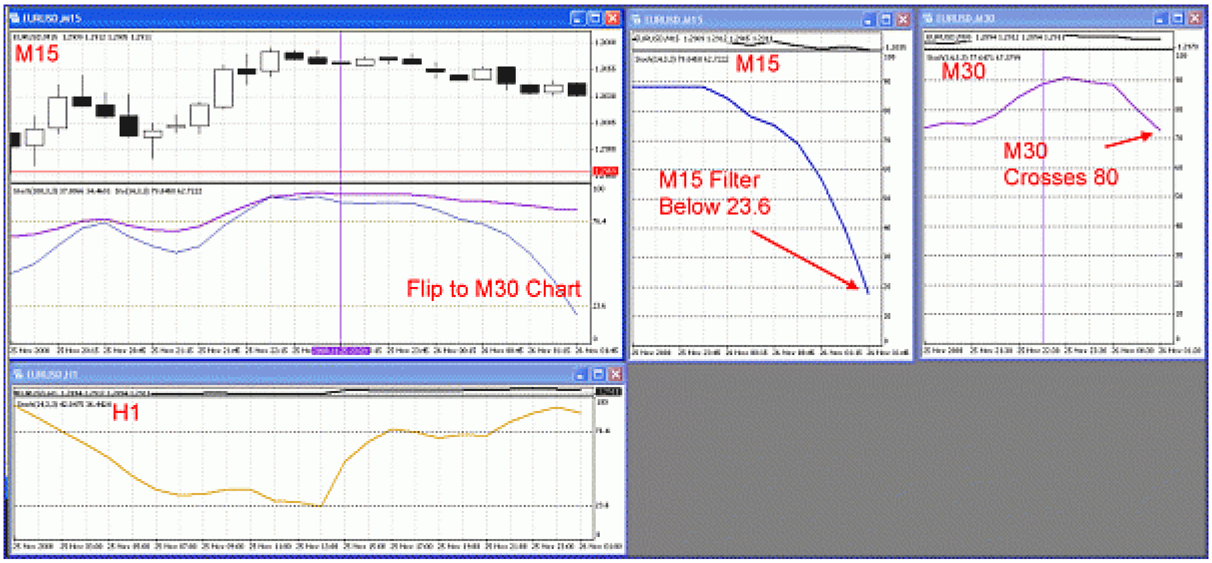
We can clearly see the M30 crossing the H1. So we need to set up our M15 filter and in the next post we will switch our M15 price chart to the M30 price chart.



You can flip the price chart to M30 now, and I will flip the price chart back and forth between M30 and M15 as I watch the M15 filter form.

Notice M30 has crossed below 80% and we are now just following the M15 filter. In this instance the M15 filter and M30 hitting below 80 happens at the same time.

Okay so let's look at the M30 Price Chart...cuz it is gonna be kewl!



The M30 Price Chart

Okay you got to admit looking at the M30 price chart that this is pretty cool. The Origin Line (14,3,3) Stochastic has crossed below 80%, we again have satisfied a short entry now on the M5 price chart, the M15 price chart and the M30 price chart following the Combination 1 & 2 rules to the letter, without any variation, or grey areas.

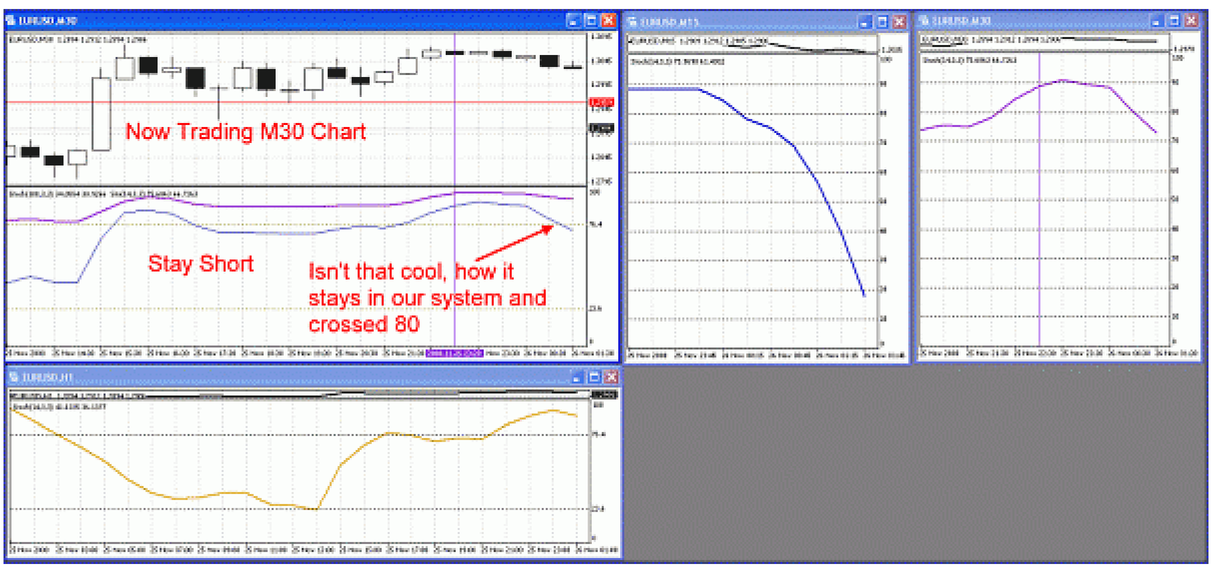
And yes, this means we stay short in the trade.

Notice again how are M5, M15 and M30 setups all look almost exactly the same. (Those familiar with Escalator to Pips should have those light bulbs on in their heads about now).

So, we now are showing the M30 price chart, the M15 filter the M30 and H1 stochastics and we have achieved a short entry signal.

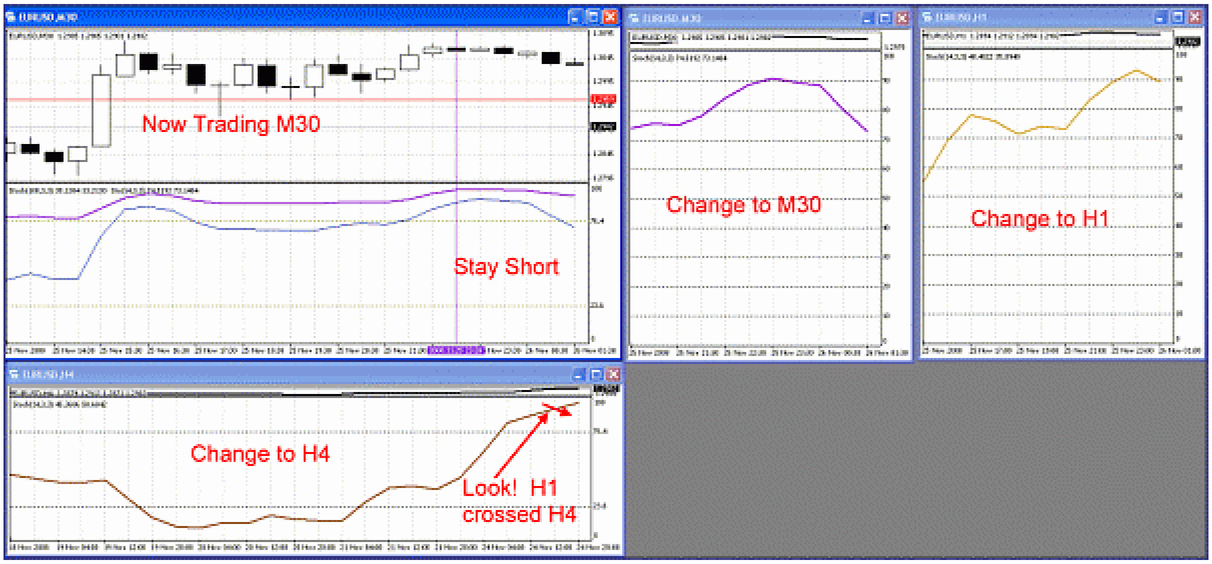
One last comment before we move....notice I have not once mentioned price or candlestick movement.

That is because our Price Line is just where we want it above 76.4%. Ignore the candlesticks!



Change the Stochastics

So here we go again, Change the stochastics...M15 to M30, M30 to H1 and H1 to H4. Wow! Look at that H1 crossed H4.



Now it is just getting repetitive

H1 crosses below 80 and we are now following our M30 Filter down waiting for it to go below 23.6%. We will be looking at our M30 and H1 price charts...here I'm watching the M30 price chart just to keep my bearings.

Ohhh if you were trading this live....if you live in Canada.... this would be a good time to send someone out for a Timmy's double double...your going to be awake for a few hours of trading.

M30 Filter Hits 23.6%

Our M30 Filter is below 23.6%.

Where Have We Seen This Before?

Here we are, looking at the H1 Price Chart.

Does this not look exactly like our M5, M15 and M30 entry?

The only exception is that H4 has not crossed the daily. That is to be expected since the daily is really going to lag behind our H4 much more than any of our lower time frame combos.

The H1 is the last price chart I will trade. You need a hefty bank account and be a lot braver than me to chase the H4 chart...a bad reversal bump could kill everything you made and by now you probably are fighting the decision between sleep and a few more pips.

I usually follow the Origin Line down through the Fib levels and when I see a reversal, I'm done. Or, if I'm up 100-200 Pips I'm done. Other options are to follow the H4 crossover over the daily, follow the H1 filter down, or see if the Price Line falls and follow it through the fibs. Or anything else that makes you nervous...yes you can even look at the price action now.

Here's what we traded

If you look at the M5 chart this is what we traded and it almost took 24 hours.

Notice the Price Action in the middle that would make you scared....notice you didn't notice it trading through the time frames and concentrating on the Price Line and Origin Line.

Those price actions are there to scare you out of the trend....someone wants you to bail out so you don't make PIPS...stick to the system.

If you stuck to the system, you would easily have made 200 Pips. Certainly 150 PIPS. If you timed it just right and hung in there you could have bailed at 240 PIPs.

How To Trade The Combinations

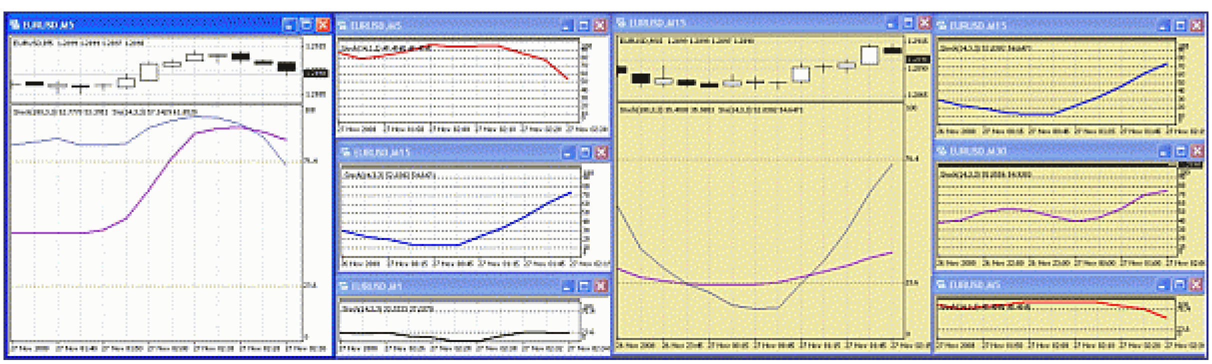
We are edging closer to the revealing of our Ultimate MTF Stochastic Chart.
I'm going to diagram the entire November 27th trading day using the combination rules. I think you will see that when we put the pieces of the puzzle together the entire trade is before us.

The chart below is our first entry opportunity on Nov 27th (EST +7). The left side is our M1/M5/M15 combo....I'm going to call this the M5 Trade, the right side shaded is the M5/M15/M30 combo...I'm going to call this the M15 Trade. Do you see where we are at?

Our M5 Trade is a typical short trade setup to enter.
Our M15 trade is at nowhere.
Our expectation is that to trade this short the M5 Trade will move the Origin Line (14,3,3 Stochastic) down. This should logically then move the Origin Line on the M15 down.

This is the only way our trade can be a success. It also means that the Price Line should move down on both the M5 and M15 Trade.
In order to build an escalator, it will need to be an escalator up, so the M5 Trade will have to move down, go oversold and draw the price way down to move the Price on the M15 Trade back below 23.6%.

If the M15 is to move up, the M5 Trade will simply reverse into the overbought market and we are out.
Obviously this trade has a high risk of being a false entry. The risk would be much lower if the M15 Trade Price Line was below 23.6%.
Unless things really move in the price line on the way down we know this is going to be a short fast trade...no escalator down here.



An Exit

Here is the trade a mere 10 minutes later and it is time to exit. We are up about 12 PIPs. So how do we know to exit?

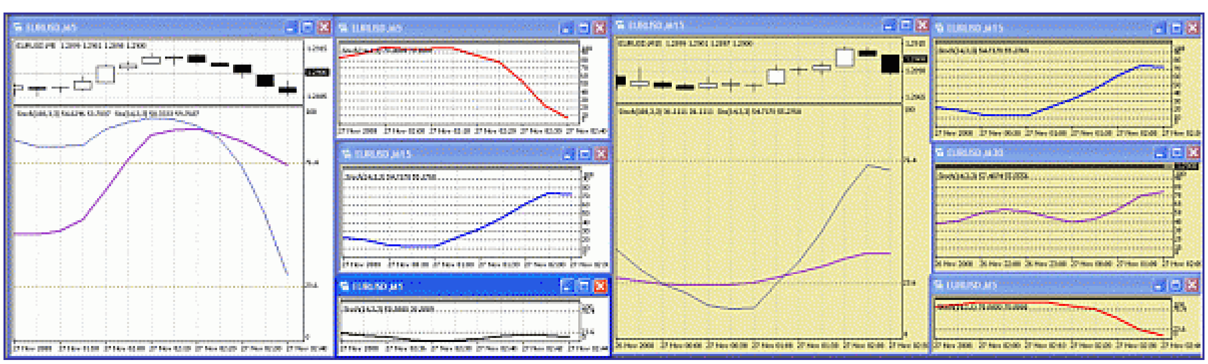
So, we already completed the M5 Trade because we met all the rules of the Combination 1 & 2 when we entered. So at the next thing we are looking for on the M15 Trade chart is:
M15/M30 crossover (YES M15 crossed M30 down)
The Price Line above 76.4% (NO)
The Origin Line crossing below 76.4 % (NO)
The M15 Stoch crossing below 80% (NO)
M5 Filter (NO)

In other words we are not close to a short entry here, so we exit. Why here? This is the next M15 update and there is no possibility that we will meet our short entry on the M15 Trade anytime soon.

Here's some more clues on the M15 Trade. In order for the M15 Stoch to cross below 80 it will have to recross the M30 stoch upwards....that is not a short entry signal. In order for the Origin Line to cross below 76.4% it must rise first above 76.4%...again not a short entry signal. For the Price Line to fall straight below 23.6% we will not satisfy our short entry rules. So exit already!

There is one thing to notice here back to our original M5 Trade short entry. USE ONLY THE M15 TRADE TO DETERMINE RISK OF THE M5 ENTRY. In otherwords..trade the M5 Trade because we do have a short signal. Don't ignore the M5 Trade because of the M15 position because the M15 Trade Price Line could have plummeted on the M5 entry to below 23.6% and yes the M15 Trade Origin Line could have popped over 76.4%. In that circumstance we'd have a great upcoming short and make some nice PIPs.

Ah well, here we made 12 Pips and we wait for the next trade, there is nothing happening with M15 that will support our short entry continuing. (In fact it only had 6 PIPS left to go down if we kept following the price.)



Nov 27 5:35 Chart Time (EST +7) Short

Ok, I've decided that we will continue to keep this simple and follow strict rules for trading so that this is as mechanical as possible....yes I need to come up with a better name rather than "strict rules"....work on that one later.

Ok, so the chart below is a very delayed entry due to the Origin line crossing early and then we must wait for the crossover and M5 falling below 80. And finally wait for the M1 filter. I've added my indicator template (it does not exist other than on my drawings) of lights to make this easy to see that we have an M5 entry. I've also added a "Risk" label ...it is a measure of the 5 combinations we can have, so all green lights is a 0% risk (it isn't really a 0% risk but dang the risk is low for a short entry)...vice versa all red lights is 100% risk.

Our exit rule will be simple...at 60% risk we exit on the time frame we are trading. This will occur as we search for continued true entry rules to follow as we move up the higher time frames.

One last rule....when we switch time frames we must close the current candle of that time frame and re-valuate at the close of each following candle. As long as our risk stays below 60% we stay in the trade.

Execution of the switch between time frames will be the most complicated part of this system. Understanding when we switch time frames, I will explain as thoroughly as possible.

We will always only trade one time frame at a time, progressively moving up time frames until we can go no further and exit.

So this is our short entry...

Our entry was at 5:35 chart time which is actually at 5:40 candle close. So, since we entered and we have Risk 0% we switch to the M15 time frame.

Once we fulfill all the entry requirements is when we switch time frames and close the new time frames candle.

Our first goal at the time frame switch is to assess our "now" position. So, we need to look at the close of the M15 at 5:45 (chart time of M15 is 5:30).

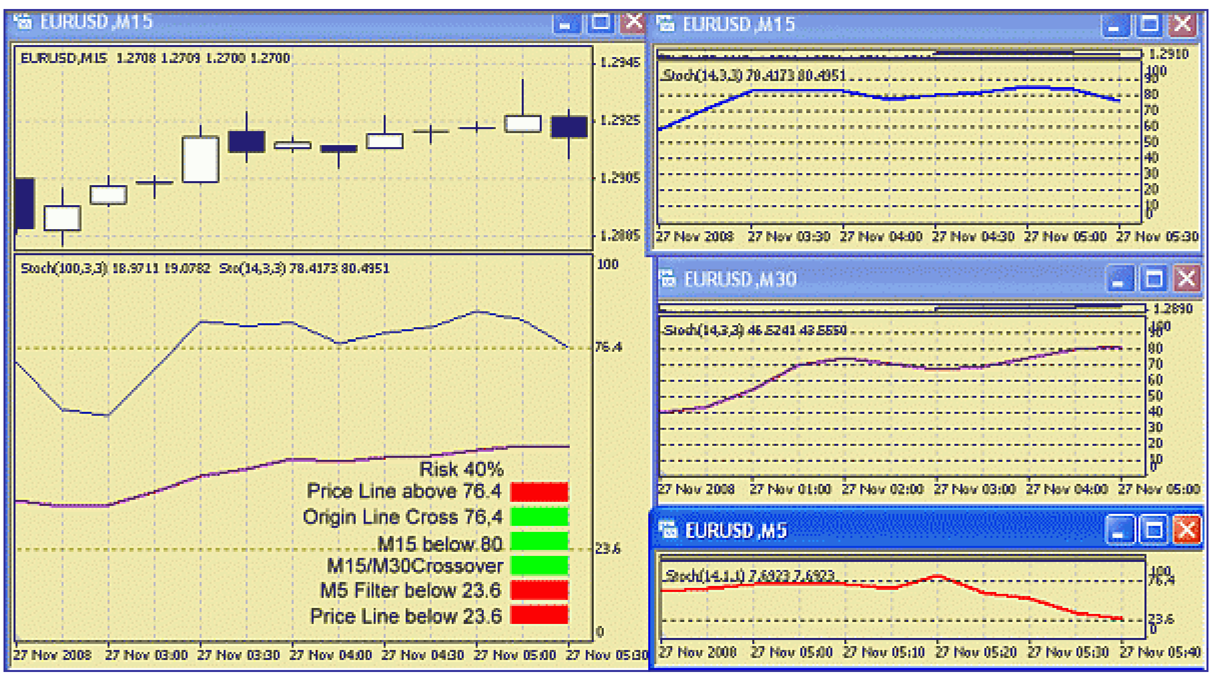
This is the chart below. We can see we have a Risk 40% so we will stay in our short trade through the close of the next candle.

Let's review the time frame jump. On the previous post's chart we reached Risk 0% at 5:40 (5:35 chart time)..which is our short entry.

We now switch to the M15 chart...and close the current M15 candle at 5:45. We assess our risk to be Risk 40%.

So we must now go 1 full M15 candle to close and we stay short.

So the chart below is at the time frame switch to M15 and at close at 5:45



Next M15 candle close

The next M15 candle close lowers us to Risk 20%. The only thing holding us back is the Price Line that is in "nowhere" land between 23.6 and 76.4.

Our risk lowered because our M5 filter dropped below 23.6%.

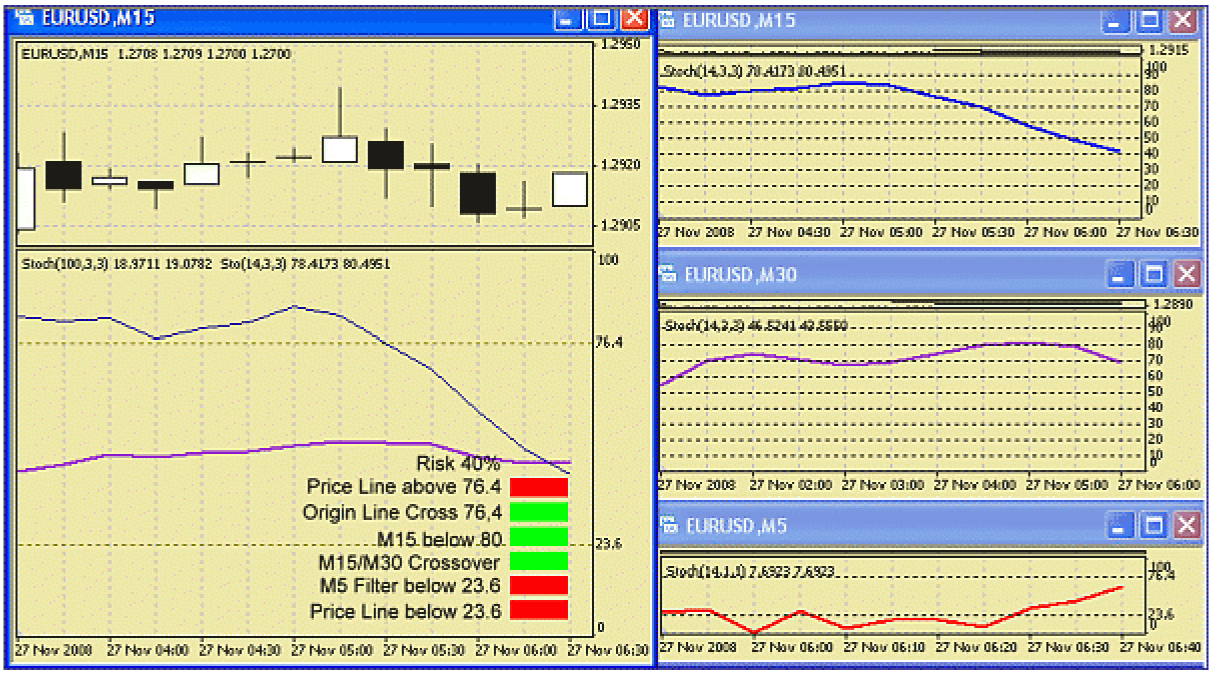
Until we get Risk 0% we cannot move up to the next time frame. So we will be staying on this M15 time frame until either our Price Line falls below 23.6% or our Risk reaches 60%.

So this is where we are at close 6:00 (5:45 chart time).

Risk Rises to 40%

Our Risk does not change until 6:45 (6:30 chart time). It has risen to Risk 40% since our M5 filter rose above 23.6%

We are still staying short.

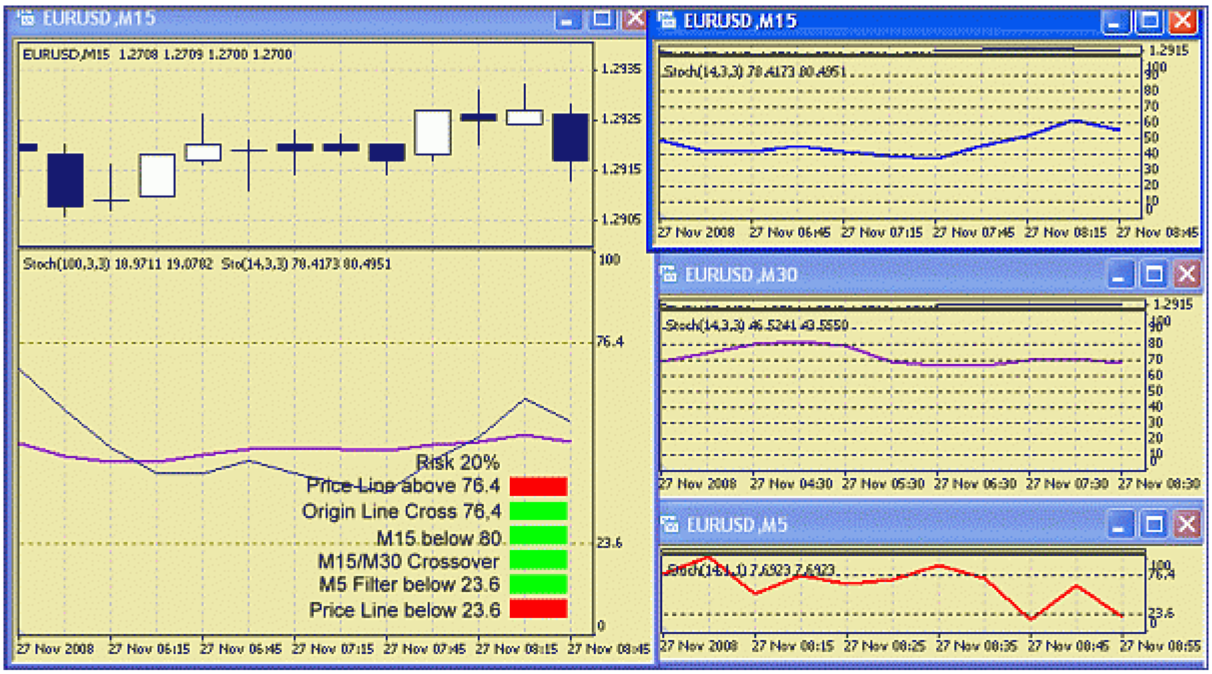


Risk Improves to 20%

Our Risk drops back to 20% with the M5 Filter dropping below 23.6 at 9:00 (8:45 chart time).

At no time since we have been trading M15 has anything changed in our signals except the M5 Filter. The M15 has stayed below the M30 stochastic, our Origin Line has remained below 76.4 our M15 stochastic has remained below 80.

We are still short and still on the M15 time frame. Here's the chart.

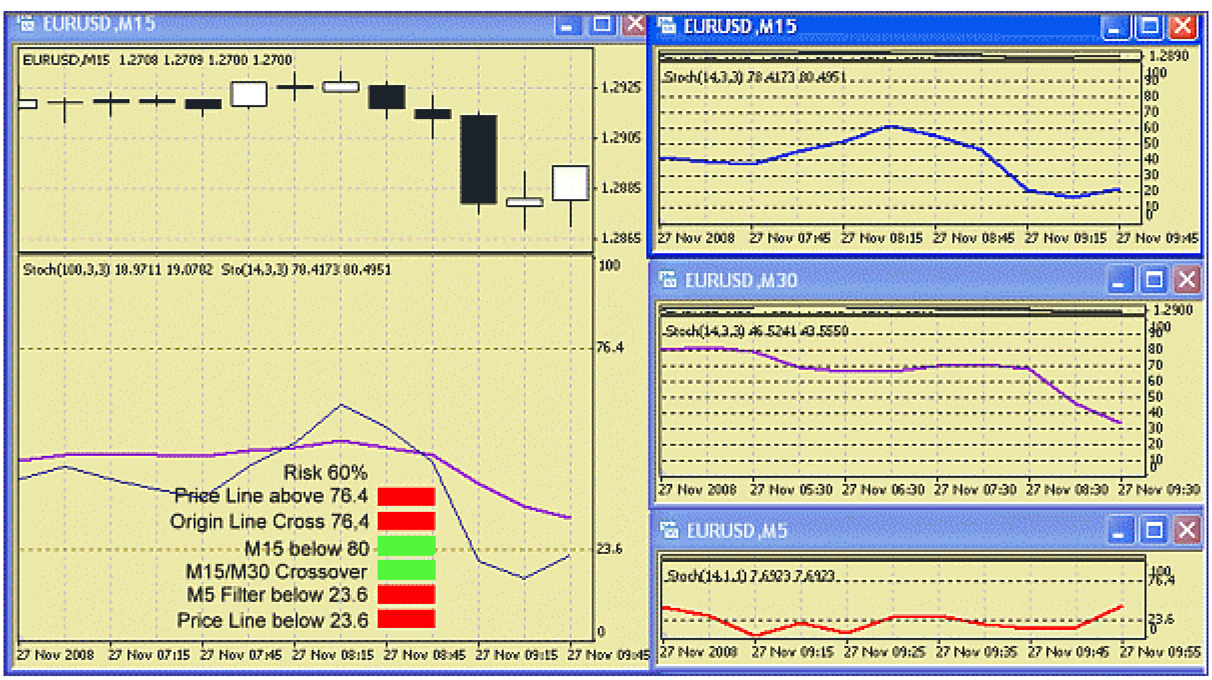


Origin Line drops below 23.6%

Our Origin Line drops below 23.6% and this results in a rise in Risk to 40%. The danger is a reversal up now and the hope is an oversold market.
This occurs at 9:30 (9:15 chart time). Here's the chart

Exit

Time to exit at 10:00 . Our risk hits 60% with the M5 filter crossing above the 23.6 level. Our exit rule is when Risk 60% is hit.



Trade Overview

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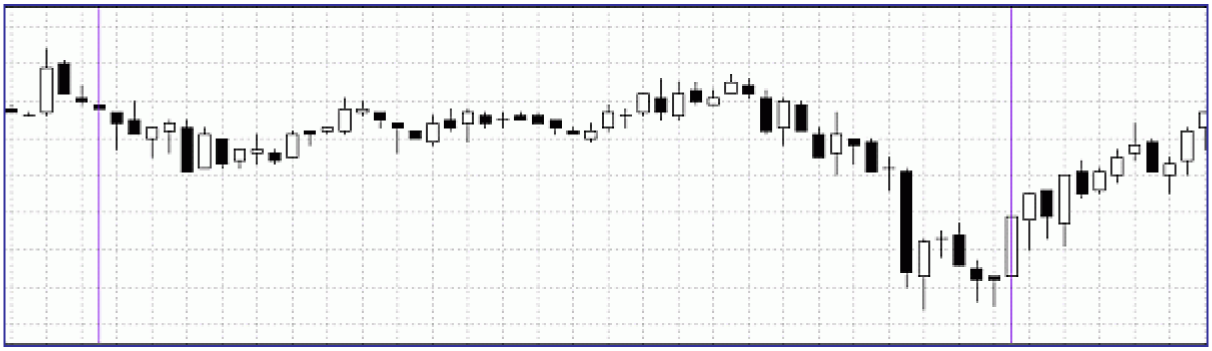
29 PIPs from entry to exit
Maximum profit 54 PIPs
Maximum drawdown 11 PIPS



What I haven't mentioned or showed in the last trade is that we had a second M5 entry within this trade. This would have double our PIP gain.

We want to trade every M5 entry where Risk 0% exists. This is how we will consistently know our trades and multiply our PIPs. I mention it for those that are getting the hang of this. This may consist of long entries within short trades and short entries within long trades....short entries in short trades and long entries in long trades. We just keep trading.

For now, I'll just break down each trade opportunity and not dive into covering multiple trades within trades simultaneously. However, as we go on you may see trade times overlap and this is what is happening in the overall picture.

> Originally Posted by **CindyXXXX**
> *Spud is it wise to enter late after missing the initial 1m/5m/15m signal?*
>
> *Like at the 5m/15m/30m continuation signal...*
>
> *Thanks*

Good question. Personally, I'd probably just stay out of it. You could enter it on the M15 and trade it on M15..annd just continue on. The problem here is that it could say turn a breakeven trade into a good loser, which is likely to happen more say than finding a really good down trend. I'd say you'd really need M30 and H1 lined up well to come in late to be far safer we have a longer trend shaping than say an elastic trade occuring.

Originally Posted by **radoslaw**
Hi Spudfyre,

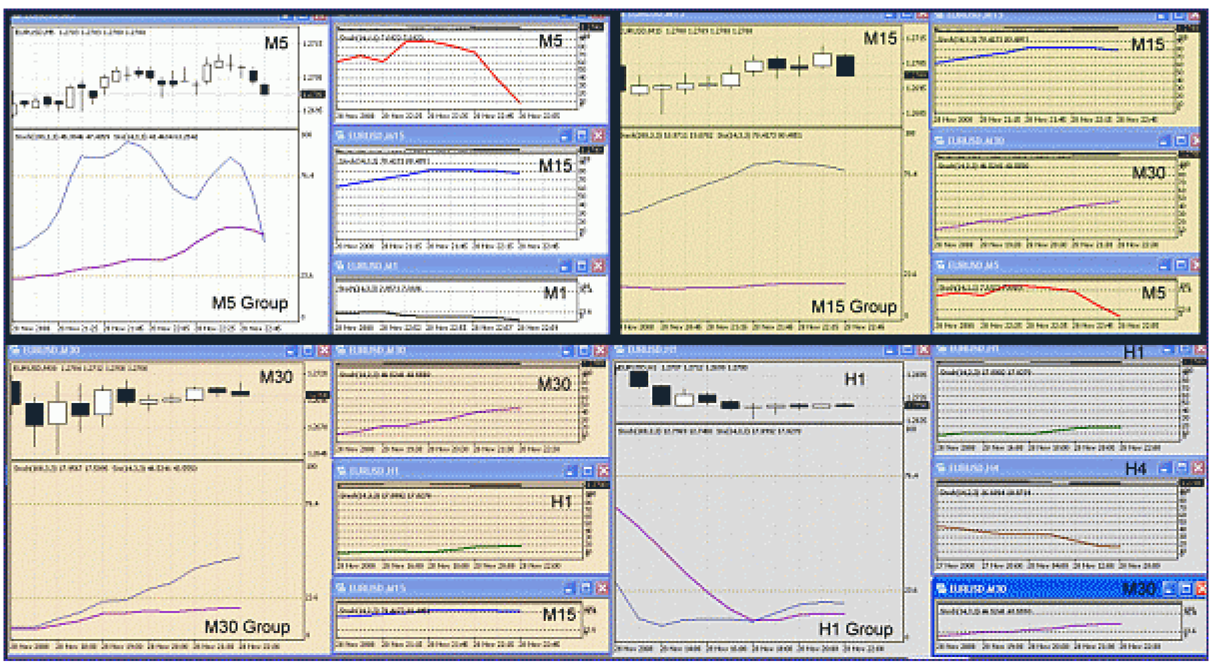
I have a question similar to M_J's question.... if we have 0% risk on M5 do we have to change timeframe to M15? If someone is looking for some small profit with low risk isn't it better to stick to M5 and trade what it offers?

YES! Of course you can. Those Brain Indicators are kicking in early and quickly. I presented to you the fundamentals of the MTFS Machine V1....any deviation of that is V2, etc. and you can tweaked and shape it all you want.

Just keep the combination rules in effect....they can be tweak but they need to stay somewhat true to the overmarket rules in general that exist in the markets themselves.

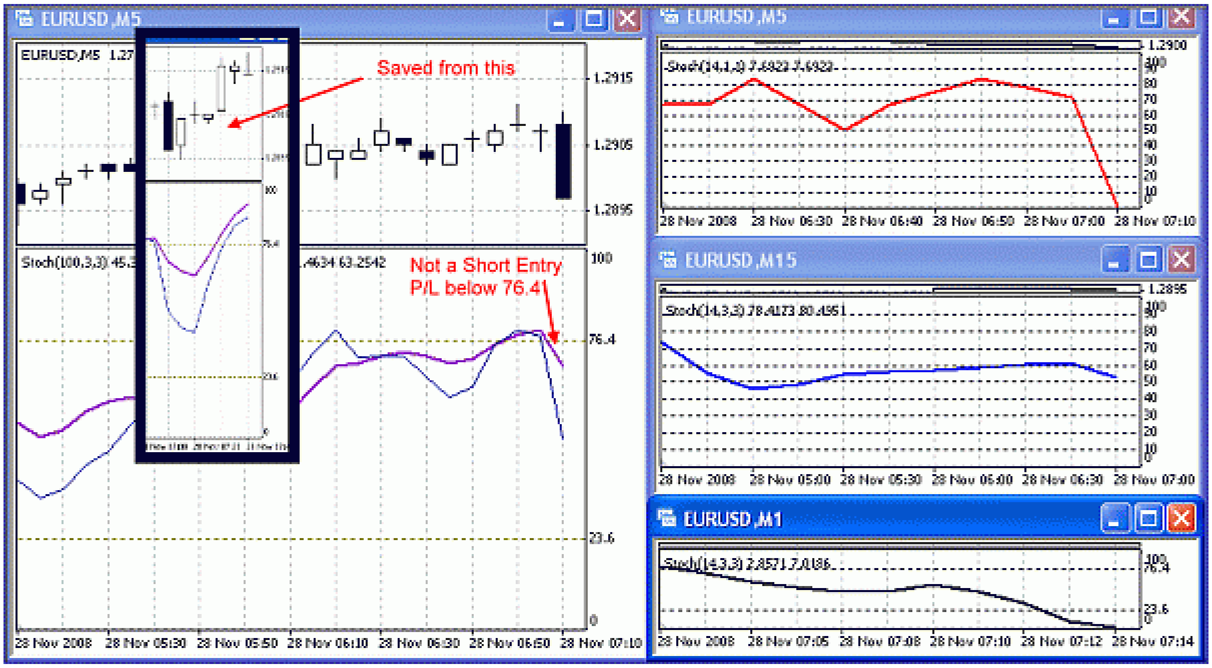
A chart below is all 4 groups and looking at this..what do you see? How would you say trade M5 only with what you see on M15, M30 and H1 groups.

Looks to me that M5 is in a nice oversold..M15 is headed that way and will M30 fall? If M30 falls what does it mean to M5? Is H1 getting ready to break out of it's oversold position? Are M15 and M30 on an elastic stretch about to snap back to the Price Line? What do our combinations tells us?



Why Perfect Entries are Good Entries

Just a reminder before we start our trading week why perfect entries are worth waiting for:

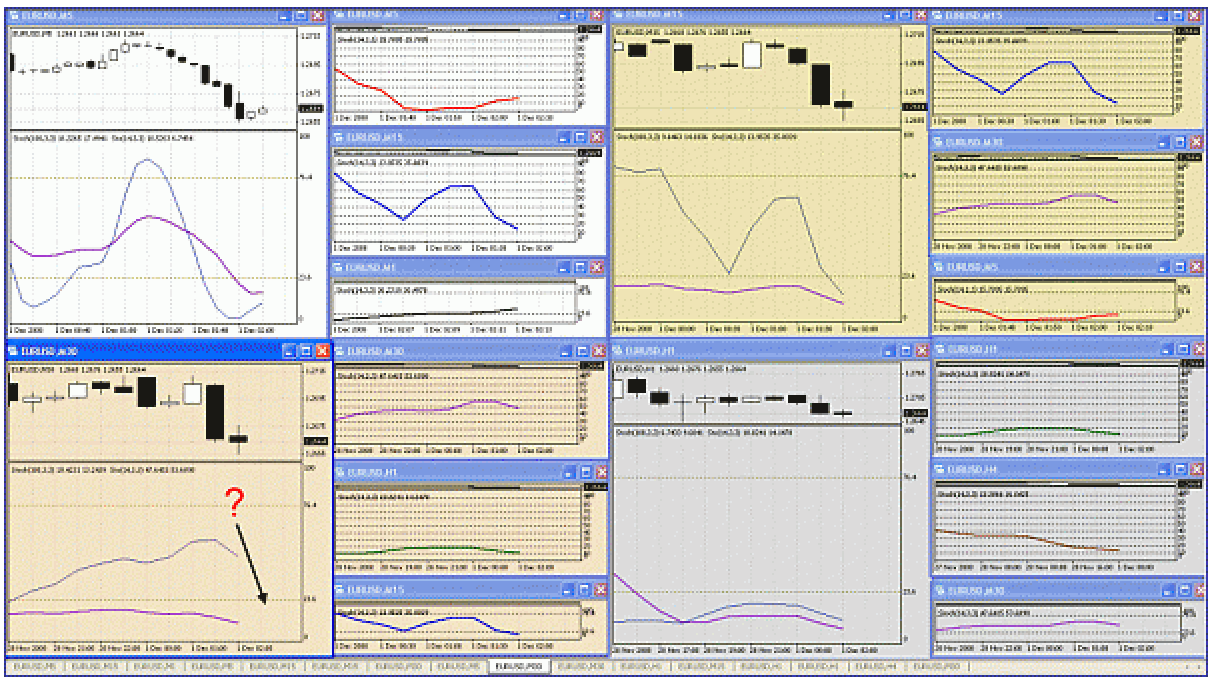


Brain Indicator:

You can see below we need to wait for the M30 to fall before we bite on a buy signal from M5.

If you go with an M5 buy signal, you need to be aware of M30's likely move down. This will cause either M5 to range, cycle up and down or M5 to simply go oversold.

Likely if M5 goes into range or oversold we wouldn't get an M5 buy signal.
We should have a good long retracement some point today once things settle in the oversod for a while.



> Originally Posted by **CindyXXXX**
> *Thanks Spud for your answer and also annalysis of my Friday trade.*
>
> *I have been running through my head many different scenarios of trades that may occur and one thing that I can't get my head around is what happens if we get say a 15m (0%risk) signal and therefore switch to our 30m TF, but the 30m is in no way set up for an escalator and in turn will obviously not meet an acceptable risk% at its next close*
>
> *Do we...*
> *a) stay mechanical wait for the 30m close and close the trade?*
> *b) realise it may be the end of the road and close the trade immediatly?*
> *c)...*

Well, you have answered your own question in your question. "...but the 30m is in no way set up for an escalator and in turn will obviously not meet an acceptable risk% at its next close".

The question back to you is why stay in this trade? Trading is a game of risk management...the advantage of trading over gambling is that we can stack the house in our favour...at casinos we can't.

If you are up pips why risk them knowing that this trade is going nowhere...oh you might miss some more pips or it might just do something crazy and turn the M30 around....but what are the odds of that happening?

If your down a little you might try for a breakeven or losing your spread exit...or at least try and exit minimizing your losses.

But overall, over the long haul we are better just to exit. Sometimes we'lll kick ourselves for exiting but in the long run statistically we'll be further ahead.

My moto is never risk pips made if you are in "hope mode" for more pips and the charts are telling you to get out.

If you want to be stubborn and trade M15..then I'd trade the price level by fibs..so in a short as long as the orgin or price line is falling through the fibs and does not retrace 1 fib level up you stay in..but if it does retrace up 1 fib level you are out...if the origin line is oversold and the price level is falling, then if the origin comes up past 23.6 your done (you can set any level you like..say 20 or even 15...if you hit positive targets then tighten up the negative ones...say it retraces 1/2 fib up you exit after it drops a full fib....kinda thing. Look for small targets to be reached and set strong indicators in you mind for an exit in this case....so you don't go into him/haw mode...say if it reaches 20...if that's your exit then exit...in this kinda case.