

Aug 1, 2010 11:18am

450



pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+V [760 Posts](#)



How entering at 'every' .00 will be a huge drawdown. And this applies to all systems on this forum that tries to pre-define entries and exits on certain rules/criteria/indicator/eas.

Member Since Dec 2009



crede quod habes, et habes



Good evening, all

Thank you for your patience.

Im not sure if I relayed my meaning clear enough in the last 7 charts. Alot of readers was eager to know how I see the market.

Just like my multi-leveled positions, market sentiment is also multi layered. I do not aimlessly wander around 1hr charts picking every low risk entry possible (even though that is hypothetically what I do). However I do know which pairs of currency to concentrate on. This is very important to know. Its knowing where to hit your opponent with one swift brutal attack.

You must focus on pair of currency that is currently moving for you. Also you need to be trading multiple pairs because there are periods of range where you should be just sitting tight until it breaks out.

Alot of traders know that range goes to trend and then back to range. It is true however do you know how to implement that? By just using moving higher high and lower low support/resistance and moving with the flow and entering at .00 is enough. But you can use your own methods here.

Most important thing I do on the 4hr/daily chart is look for a certain range to happen. I love it when range happens. Although I do lose a 1 or 2 good entries to actually find out that price has now gone into range, I wait and see what happens next as I know it will be a scenario 1 or scenario 2 or a mix of more or less both in a sense. No matter what it is, I implement a mix of counter trade (but following the flow) and mix of within the trend entries which are usually performed at 1hr.

Scenario 2 on gbp/usd was quiet tricky. It wasnt a simple explosion of uptrend but many minor dips with moving HH LL s/r close together. Terrible. I wouldnt waste more than few attempts to such poor movement. And this is very very important in keeping your capital safe. There is no need to rush in once you know its a trend and try add position at every .00. You have to notice few things that is wrong with the trend.

Its like card counting in blackjack. All we need is a rough idea what it could be in the next 10-20 cards. Thats how professional card counters do. They count until there is only big 10 cards are 'mostly' remaining and they will enter heavily. Yes, they will still have losses but once they take a whiff of soon/potential good row of good cards thats when they signal each other to all jump in and bet heavily. True fact.

And thats what I do. All im doing with my focal interpretation is that, Im sniffing around the higher timeframe. I prod a position here and there, counter trades but following the flow (these are usually the start of trends), I do more prodding until I know that I caught something. I stay awake to add positions in that pair of currency once I know its just full of big 10 cards.

Please think about it. We can only speculate to a 'certain degree' of certainty and then we milk it dry.

Sincerely,

Graeme



Aug 1, 2010 11:55am

452



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Just wrapping up on what we covered on this thread,

If I breakup this thread for the new readers to navigate around:

First 5-10 pages, importance of long term

10-15, diversification
15-20, exercise to practice entries
20 onwards is mostly entry methods, my personal focal interpretation.
25 onwards is about ignoring the market

It seems like a long way here and I hope it was of help. I try cover the rest of 6 pairs of currency as chosen by ozziedave and then perhaps I really did cover everything I do. The last 6 would mostly cover the importance of not attempting every buy/sell signal.

May I remind you that the fastest person runs 100m in 9.58 seconds. That is humanly impossible to most. However, it is possible cause the fastest person in the world has stepped outside the bounds of normal perception.

Sincerely,

Graeme



Aug 1, 2010 12:19pm

455



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Thank you for the compliments, bakuli and ozziedave.

Im astounded to hear that you can grab screenshots within mt4. Guess we all learn from each other.

Find a way to sniff the market on higher timeframe. I personally use counter trades with the flow taking both buy and sell. This ensures that Im covering both sides and my first position near the start of anything big that is starting.

Once you know how to sniff the market with your scouts (jessie livermore term), milk it bone dry in the lower timeframe. But please do not stack positions in one given area. I try cover that very soon

Sincerely,

Graeme



Aug 1, 2010 8:37pm

460



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Good morning, ozzietrader

In forex, what you see as s/r is nothing to other traders focal interpretation. I prefer not to use long term s/r like the ones you marked in orange. No special reason however I only look for few things in higher timeframe.

1. I look for range. Why?? Cause it needs to breakout
2. How does it breakout?
 - scenario 1, where price expands in both direction and then one of the counter trades turn into a trend
 - scenario 2, where price moves out of range into a dedicated trend with higher highs and higher lows following together.
 - or it could be a mix of both.

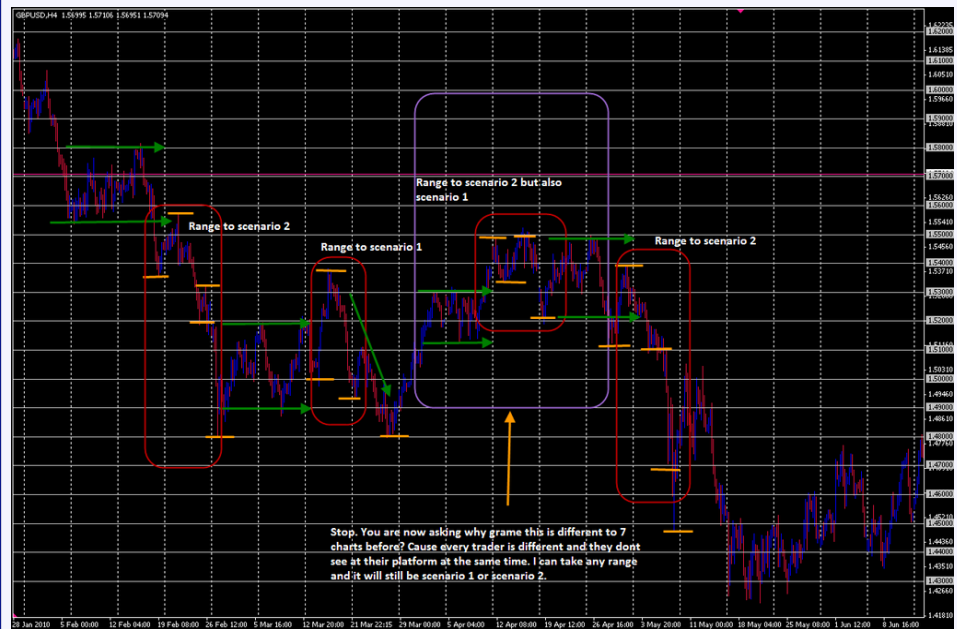
Please refer to my gbpusd charts, it has all 3 scenarios

Preference? I dont care as long as I enter with flow from moving HH LL s/r and .00 to .00.



This is how I look at your chart in my focal interpretation

See how I treat each range and breakout individually? This keeps my interpretation like liquid. I have no shape or size. I flow with the market.





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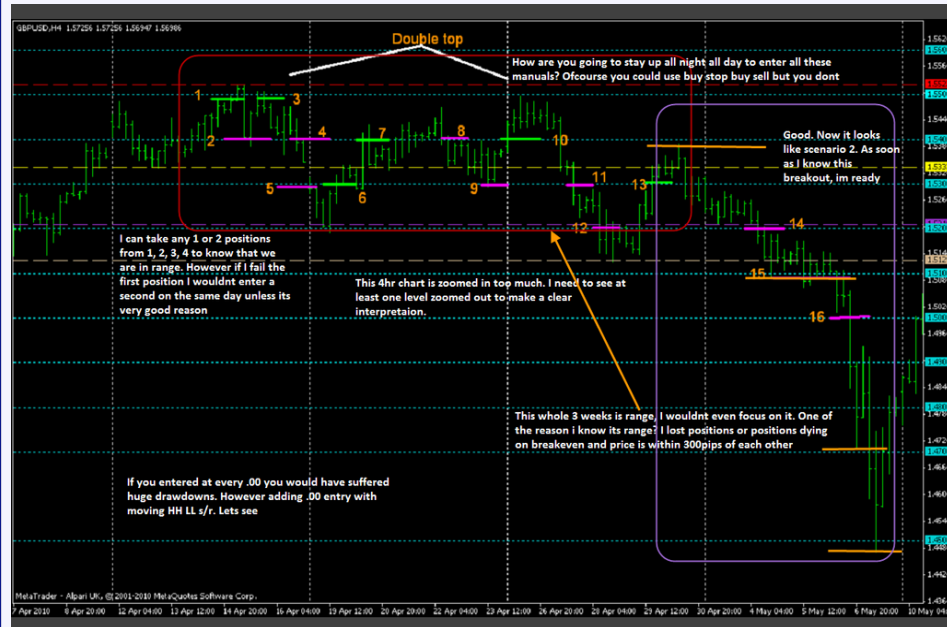
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This is a classic reason why traders lose money.

1. They are on 4hr timeframe but zoomed in too much so they cant see anything above the steering wheel.
2. They try too much in one day/one week. This is one of the emotional hurdle. There are so many more pairs of currency that are moving for you right now and trader still stay with their beloved one.



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Good morning, all

Thank you for the continued interest.

I can see how I have disinterested many readers and messed up the integrity of the thread by adding .00 entry system and my own charts of my own personal focal interpretation.

Can readers please acknowledge me either by pm or post here that they are somewhat following me?

I just have this unfortunante feeling that I have explained just too much for any room for enlightenment on the readers par and have turned this

thread into another, enter here and exit here type of thing.

I dont know how to rectify it without deleting last 100 posts of mine but I hope out of all this shamble you can at least find something that will work for you in the future.

Your focal interpretation must be like liquid. It can be any shape and size at your will. You must not limit the flow of the water, but actually flow in the direction with the market. After saying this am i making things worse?

Sincerely,

Graeme



Aug 1, 2010 11:00pm

#467



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Member Since Dec 2009

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Thank you for kind remarks

Perhaps for the sake of better learning I should ask questions.

I will show how each traders focal interpretation is different however the result will be same.

Since each traders focal interpretation is different, forum systems do not work to everyone's expectation.

I would like everyone to copy paste below chart and highlight what 'you' think is range and breakouts. And where you would participate. It doesnt matter right or wrong as I will show you in forex there is no right or wrong unless you close a position with a loss.

Im asking all readers to now come forward to me. Tony, rob, member:someone, bakuli, changhm, geoff, dave, pip_daddy, dllap, charvo, andrew and all others. Sometimes you must hit someone to learn how to box.

Show me how you interpret market action.



Edit: Just stepping out now for few hours. Please do not judge other people's interpretation, allow me to do that. Also I would like to see everyone including the new readers to step in here now and **show me**.

Last edited by pipEASY, Aug 1, 2010 11:10pm



Aug 2, 2010 1:03am

471



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Quote:

Originally Posted by **brucech**
Here it is....

Correct. Nice simple with plenty of space.

You respected the breakout and the flow afterwards.

You entered from .00 on counter trade down. Good.

May I ask where you would be taking buy positions?

Im asking this qusetion cause you have 'spaced out' your focal interpretation nicely. How do you know the middle correction of 100-300 pips was not the start of something new? But, Im confident to say that if that small correction was start of something new (or another range), you would have sent out a scout to test it out most likely when price goes from .00 below to above .00 and enter buy (once again following the flow)?

When you know that downtrend 'looks like' resuming hope you realize this is now a deck of cards with full of high 10 cards and you would enter sells from 1hr or smaller timeframe. Huge additions to your profits.

Overall, well done and im very content.

Sincerely,

Graeme



Aug 2, 2010 1:14am

472



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Quote:

Originally Posted by **Bakuli**

My interpretation of your 4 hrly chart. I must confess that I have not much experience of the higher timeframes as I have mainly been trading very short TF's.

Good.

You have correctly analysed first range.

You respected the main downtrend, and tried to mix and match buy and sell positions to cover both sides, excellent however timing is little out of sync.

May I suggest you try .00 autoline indicator as this will help your focal interpretation. It is encouraged to draw your s/r lines on or close to .00. Try it please.

Lets consider your up and down arrows as your attempts, you would still be profit near the end of the chart. Your first 1,3 is definitely still surviving.

I hope this is a related discovery for you and notice that taking less trades reduces drawdowns significantly. This is a big help in emotions.

Lets do some more charts together after everyone participates with this one.

Sincerely,

Graeme



Aug 2, 2010 1:28am

475



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Quote:

Originally Posted by **charvo**

Master Graeme:

Thanks a lot for this exercise you recommended. I submit my assignment here to extract your further "diamonds".

Suffering from lack of "a photoshop", my pictures look sort of shabby, sorry for that.....

Assumptions of trades:

1. I pretended that I have to work during day, so I only use "daily close" as entry prices (everyday after I go home after work);
2. I can set limit/stop orders at every .00 levels unless there are special reasons.
3. I have not learned your today's recent posts, only trading my own dumb style...

Good.

I can see that you have mini support/resistance everywhere in your focal interpretation.

This is good and bad. Bad: You see entries everywhere and no doubt you would be eager to enter all. Good: You can use this on lower timeframe to great advantage. And you need to do the similar on lower timeframe when we know the higher timeframe is indicating a 'possible' trend soon.

On higher timeframe we are mostly sniffing and prodding

It is good to see the motivation in you to participate in the market however for the next chart we prepare after this one, for fun, take only 1 out of 3 entries and no buy and sell on same .00. **You might see a related discovery this way.**

Well done however I worry about your potential drawdown.

I do not wish to compare your charts with others but just for your learning sake, brucech and bakuli would have smaller reward than you at the end of the chart **however** they will have not even 15% of your drawdown.

This will be the most important lesson from this chart that I present to you.

Sincerely,

Graeme



Aug 2, 2010 1:32am

#476



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Member Since Dec 2009

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Quote:

Originally Posted by **Chorlton** ➤

Graeme,

In answer to your question, I'm also one who is following your posts. The only criticism I have is that due to the content (and underlying message) within your posts there seems little reason to go out and buy some new forex books ;-) On a serious note though, as someone new to FX I'm definately glad that I came across your thread.

If you have time, could you reply to my previous post about ways to avoid drawdown. Am I on the right track or is there something else which I've missed which is equally important.

*Thanks in advance,
Chorlton...*

Good afternoon, chorlton

Apologies for missing your post somewhere before. I try and address each post but somehow keep missing yours in the flow.

I will definitely go back to it near the end of this chart exercise.

Kindest Regards,

Graeme



Aug 2, 2010 1:34am

#477



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Member Since Dec 2009

10+V 760 Posts



I would greatly appreciate it if more readers could please participate

Graeme



Aug 2, 2010 2:40am

#483



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Chorlton**

Graeme,

In the absence of being able to post charts, can I ask how you would prepare for a trade entry when presented with a ranging period on the chart?

Would you (a) wait for price to break-out of the range and then take the trade, especially if it was in the direction of the bigger trend, or (b) could you place a Buy & Sell order (OCO) at either extreme of the ranging period and allow the Mrkt to fill you in real-time, which might be useful when away from your screen, although I would guess that there is more risk associated with it due to...

Hello Chorlton

Good question.

I never pre-define my entires/interpretation to anything or anywhere particular. This will confuse some, but you will find same success by just focusing on what is happening on the screen at that moment. You could be looking at higher timeframe or lower timeframe. Or you could be looking at trendline break on 5min chart. There is no such thing as one thing is better than other. ITS ALL RELATIVE. You can do either one of them and come out through a different door but as you travel on and go through more doors, as long as you stay within course (trend) everyone still arrives at the final door of profits as long as they let the positions grow.

Professional traders do not have inside bars, trendlines, s/r breaks, bollinger expansion, pivot breakouts and the rest to determine their future/present actions. They see something move, they enter, if it does work, they try add more but when the magic disappears they shrug and move on.

They just *dooooo* things in a sensible and realistic approach.

I could do breakouts, range, inside bar, trendline break, s/r, double top, bottom top as long as i do not try too many times on one single day on one single pair of currency.

I just keep going through doors not knowing where the market will take me but I know some doors are special doors and I would only know by keep going through doors. Special doors cannot be found with your indicator, it just happens. You look back 2 months ago and notice that door was

a special door and you didnt even know then. Can everyone please read this twice for me?

Keep your drawdowns down, perfect your entries, and hold onto your hard earned postitions.

Sincerely,

Graeme



Aug 2, 2010 3:09am

485



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **harihebat**

hi graemae,

may i join your excercise?

thanks

Good.

Nicely spaced out focal interpretation. Good.

You prefer to use trendline breaks instead range breaks. Good.

I hope all readers see that there is more than one way to make profit. You went through a different door to the other traders but you still end up same at the end with minimal drawdown and similar profit.

You have spaced out your buy positions so you still cover a possible trend change. Good.

Nice, simple, sensible, spaced out focal interpretation.

When you prod and sniff like this on higher timeframe and know that trend is coming soon I know you will apply same sensilbe approach on lower timeframe with same spaced out interpretation and add positions with minimal drawdown.

Good. Good.

Sincerely,

Graeme



Aug 2, 2010 3:13am

486



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **geoffrod** 
Here be mine graeme.

*lines denote, range boundries
arrows denote participation*

*cheers
geoff*

Good.

Nice, simple, spaced out interpretation. Covering both buy and sell sensibly.

You acknowledge range and then follow the flow.

You also see areas of range clearly and anticipate movement after.

Good. Good.

Sincerely,

Graeme



Aug 2, 2010 3:27am

488



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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **brucech** 
pipEASY,

Thank you for your response to the charts. Attached is the reasoning behind not taking any Longs on the charts.

You prefer biased market sentiment of downtrend on this chart. You are correct however you will need to be quicker to action when there is a change in trend. And this 'might' perhaps evolve into a bad trading habit as you try anticipate the next big movement. Must keep it under control and never overexpose yourself to the market.

You would have made the most profit/growth from all the participants as you preferred the downtrend to continue and your sensible position stacking. My concern is what happens when market changes trend. I know you will be sensible to 'quickly' change your trading approach.

Other participants made somewhat smaller profits and slightly more drawdown by taking buy positions as well. I choose to do this cause you may be taking the prom queen home this time but market changes without notice or regard.

However, I can see that you will be capable of such changes in the condition. Just for your learning sake, try taking 1 or 2 buy positions on corrections. It could be a loss unfortunately, but it also could be BE or the very bottom of a new uptrend. Definitely worth the efforts.

My next chart after this will have a trend change. Hope to see you contribute more.

Sincerely,

Graeme

Last edited by pipEASY, Aug 2, 2010 3:39am

Aug 2, 2010 6:48am

490



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Quote:

Originally Posted by **Chorlton***Hello Graeme,**Here is my attempt at your chart exercise.....**Be interested in your comments...**Thanks..*

Good.

There is nothing wrong with **any of the traders personal interpretation**. Everyone's interpretation is more or less looking at capturing long term growth, which is fantastic.

However, i would have definitely caught that correction uptrend of 1.26 to 1.31 of 500pips. I could have caught that by:

1. Sending out a scout on 4hr timeframe, entering at .00 and just testing it out.
2. or, notice the correction and move into 1hr timeframe and use my razor sharp entries to move into it.

I could do 1 or 2 and I just doooo it whichever comes first into monitor.

It does not effect me at all if I use 100, 200 pips to test out a possible new trend. I will gladly pay this price anytime everytime to have the first step on the new trend before anyone else. This also ensures that my profits are much larger than most traders who standby and wait for confirmation of trend.

May I say that once you confirmed the new trend it has already moved 500 pips? What if the total of new trend is only 1000 pips? You would only have space of 500 pips to stack positions. If I started at 100 pips into the new trend I would have much more than you and my profit/growth would be much larger cause of the extra exposure and extra time of growth. One of the important reason I try to cover both sides of direction.

If the retracement at 1.26 was start of new uptrend (which nobody can predict) there is unfortunatly only 2 traders here who was ready for it. And they were looking pass the loss of -100 or smaller but they now know for a fact that they were wrong **FOR NOW ONLY.**

I have traded that chart live and im glad to see that there are traders who took similar paths to me.

I remember taking a very small profit on that 1.26 correction. About 200 pips or so and I diversified keeping few of the larger legs just incase it was start of new uptrend but it died quickly once downtrend resumed.

Can everyone see that:

1. Spacing out entries spreads out the risk/reward?
2. Can you see the purpose of sending out scouts in higher timeframe?
3. **Can you see the importance of sniffing/prodding/scouting the intended markets movement in the higher timeframe? Cause this would be inside information to your lower timeframe trading.**
4. Can you see that we have used no indicators?
5. Can you see that we have only used 2 of the following: trendline, s/r, .00 lines?
7. Did you know that this is almost naked trading which all the pros seems to be talking about?
8. Did you know you have stopped your **bleeding** and stunned your drawdown?

9. Did you know everyone here has successfully made profit for last 3 months by taking less than 10-15 trades? Quiet big profits as well. At least 1000+ pips

10. Can you still see that you make profit with nothing, no knowledge, and just following?

Can you see/feel all this?

Well done all and I wish more people would post their chart as there is no right or wrong door.

We are going to do 1 or 2 more charts like above and then try some forward live testing. Until then could all new readers please post their answers to the above chart?

Sincerely,

Graeme

Last edited by pipEASY, Aug 2, 2010 7:07am



Aug 2, 2010 7:12am

491



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Member Since Dec 2009

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To: pillager, guess 121, wonko, fiftylots, someone, willf, andrew_n, coobin, geoffrey62, mojjazz, scalpz, takeEASY and all others who have pmed me before.

Gentlemen, im sure you are here to learn, and im willing to contribute. There is no way to learn but to get your hands dirty.

May i please request your charts at least on the next coming one?

Its not compulsory but it might be an enlightenment to you to use an editing software to physically draw in s/r and notice something that you know you looked at before but did not 'feel' it before.

Sincerely,

Graeme



Aug 2, 2010 7:23am

493



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **willf**

What? Now we ggotta do homework? 😊

If you use this indicator it will draw S/R automatically 😊

Good evening, willf



That indicator shows too much. Can all readers please compare the chart showing the indicator and what we drew manually? This is important.

I will use less than half of what that indicator is telling me.

Indicators are one of the main reason traders are attempting too many entries on one single session or day. You need to space out your entries.

Can you see that the average trader would be more confused?

We should be using personal interpretation as our indicator.

Thank you for bringing this up but could everyone please delete all indicators 'if possible'

Sincerely,

Graeme



Aug 2, 2010 7:37am

494



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Member Since Dec 2009

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Good evening, all

Thank you for your continued support.

Hope everyone is learning something they can use to personal advantage in the markets.

Just wish to say on the side, after contributing just one month now, I notice how much 'we' are accustomed to things telling us what to do.

If 'A' happens then do 'AA'

If 'B' happens then do 'BB'

Everyone wishes there were steps/flow charts in forex where all they had to do is go around the chart and choose answers that are pre-defined and lead us to profits.

This is an ultimate failure. If you are here at this forum for answers you will be going around in circles for a very long time. If you are here in this forum for an enlightenment/insight into trading, then I encourage you on.

I understand that it is a basic human trait to prefer being told what to do as this is how we are nurtured by our mothers when we were young.

Then Im telling you with all earnesty,

"Look. See. Feel. Follow."

Sincerely,

Graeme



Aug 2, 2010 8:02am

496



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Quote:

Originally Posted by **Chorlton** 

Hi Graeme,

Regarding the move from 1.26 to 1.30-1.31, the reason I didn't mark it as a possible BUY is because IMO there was nothing that clearly suggested a retrace. From 1.26 price went sideways for a few days followed by a gap up. By this stage, I felt my risk was too high to enter at around 1.285, as the best location to place my SL would have been just under this new support at 1.26.

Can I ask what was your reasoning for entering at 1.26? What was unfolding could have easily been a temporary pause before recommencing the downward trend....

Good evening,

Very good question. Yes, it is difficult to express something and there is also another meaning within.

In my personal focal interpretation, I saw a stall in 1.26, I don't understand how traders know that this temporary stall was 'temporary'. How?

2 participants claimed that they were 'expecting' this stall and waiting for downtrend to resume. How do you 'expect' in forex.

Please allow me to give you a dose of reality.

Traders used word 'expect' cause you saw what happened after as this was backtesting. As if they had it planned according to their own forecasting ability. I'm sorry I can't do this.

If that scenario was live trading and a trader saw that stall at 1.26 and just waited for the downtrend to resume which happened at 1.31. Most wouldn't know what to believe while it was going up. Is it up? down? Another stall at 1.31? Another 300 pip range perhaps?

And what happens if the 1.26 uptrend went to 1.31, stalled and went up as new uptrend? You expected that yes?

Everyone needs to admit right now they cannot expect things to happen in forex to their 'expectations.'

Yes, selective in entries but also covering both sides of the direction. You do not need to have a position right at 1.26. But if I saw the correction at 1.26, I would at least place a buy position just to respect the market.

If I missed it, no problem, I missed it.

If I arrived late, no problem, I missed it.

If I see it happening now, I take it.

I don't wait for it

I don't expect it

This is what I mean by selective entries and spreading your entries. Don't glue your attention to the charts. No need to.

Good questions indeed.

Sincerely,

Graeme



Aug 2, 2010 10:18am

#507



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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by **saintmo** 

My messy attempt follows:

*green line s/r
yellow arrows sell
pink arrows buy*

I am a little confused by trying to coordinate .00 entries with higher highs-lower lows and s/r.

Thanks for the exercise. Not as intuitive for me as it should be.

Good evening Saintmo

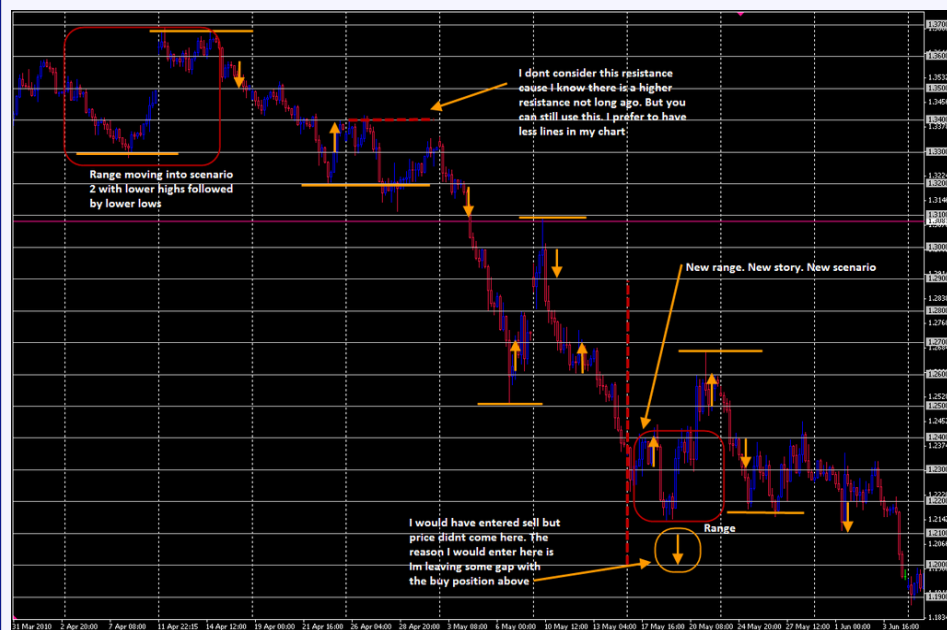
Thank you for your chart.

Why is it not intuitive when your focal interpretation is correctly analysing?

You still made alot of profit/growth at end of chart by trading only with s/r.

However, there is too many ranges in your interpretation. Yes, there are ranges everywhere and you do not need to take every single range that happens. Just space them out and take the ones you only see when you get a chance. This will greatly benefit you.

Below is what happened to me in real trading. It looks like I had more drawdown than some of the participants here. Near the end of chart, Im also in profit but not as big as a trader who only had bias on the downtrend.



The above result is close to what I did back then. Can you see that Im not a perfect trader?

Sincerely,

Graeme

Aug 2, 2010 10:22am

508

**pipEASY**

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Member Since Dec 2009

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Quote:

Originally Posted by **pillager**

Hi Graeme,

here is my chart as a part of the exercise. I must confess that I have used Ichimoku to draw my entries. I really don't consider ichimoku to be an indicator but rather a bunch of moving averages. Also you need to interpret a lot and take your own decision when you are using it. Besides, I am comfortable with it. If I am not following this methodology, my subconscious mind would have copied some of the techniques used by other posters.

Again, you are doing an outstanding job and continue to amaze me day after day. I don't post much....

Good.

You have good grasp of price moving out of range.

Good, you have spaced out your entries.

Your chart is closer to what would have really happened in live trading.

Excellent.

Sincerely,

Graeme

Aug 2, 2010 10:29am

509

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Member Since Dec 2009

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Quote:

Originally Posted by **Behr**

Hi there,

Here you have my chart, trying to mark trend lines and some S&R (I feel more comfortable with trend lines). My criteria to buy and sell was going through .00 after trendlines breakouts.

*Regards,
Behr.*

Good.

I also use trendlines but for me personally just .00 is fine at the moment.

Your chart is also closer to what would have happened in live trading.

Nice coverage on both buy and sell and yet spacing them out sensibly.

You have more growth/profit than most participants cause you participate slightly more aggressively. In return your drawdowns will be higher than most others. Its give and take.

Good.

Sincerely,

Graeme



Aug 2, 2010 10:45am

510



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Member Since Dec 2009

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Quote:

Originally Posted by **Wonko**

Well then let's try to contribute. This is the history of my GBPUSD trades that I took since I decided to build up positions just as Graeme encouraged to do.

I am trading live because otherwise I feel I wouldn't learn anything at all. Right now I've got 10 positions on 12 pairs and am quite pleased with the result so far. And with result I don't mean monetary outcome, no, that's way to early to decide, though I am 10% up in unrealized profits right now. But the most important lesson for me is how easy things are now. It is quite stress free to...

Hello Wonko

Thank you for your update. I was thinking about your progress today.

Im glad to see that you are using multiple moving averages to see the market sentiment. Im sure you know very well the compression and expansion of ema arrangements.

Im very glad to see you are using .00 and trendline.

I encourage you on. May I ask (once again) are you ready for the upcoming emotional hurdles? Im sure you are battle ready.

May I please encourage trying few sell positions at corrections. You dont need to take every sell position but whatever you come across.

Im glad you are currently in a pair of currency that is trending very strongly. I also was adding into this pair today.

Currently my journal shows 14 positions since end of may. There was few sell positions in the middle june but at the moment I have all 14 buy positions which means without even looking at my charts we are in a clear uptrend. Nothing lasts forever, wonko. The first sign of weakness I will be diversifying this group, closing out smaller half of legs and get it off my mind.

Im sure you have everything under control. Just letting you know my intentions for the above info is for emotional support.

Sincerely,

Graeme





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Quote:

Originally Posted by **rdwatkins**

Graeme,

This is the second weekend since finding this thread of reading / re-reading your insights, experience and examples. I am finding it so instructive! I am not quite at the point of beginning my millipede but, am practicing my own entry skills based on Billy Ray Valentine S/R entries [No Brainer Trades - <http://www.forexfactory.com/showthread.php?t=86429>].

I do not intend to start using the .00 entry scenario that you are concerned is confusing traders here. I will add the BRV No Brainer education to your instructions (as they...

Good evening, RDWatkins

Thank you for such warm compliments.

Also I would like to acknowledge all the other compliments that I have received but unfortunately lost in the flow. I ask for your understandings.

All the best to you

Sincerely,

Graeme



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Quote:

Originally Posted by **Chorlton**

Graeme,

If you look to place a trade at every possible correction opportunity then doesn't one (who has limited discretionary trading experience and cannot read the Mrkt with confidence) run the risk of placing too many possible trades which in turn could greatly impact on their overall entry accuracy resulting in additional loss of capital?

*For me the bit I'm struggling with is choosing those entry setups which I have confidence in trading (in an attempt to be selective and preserve capital) **vs** the confidence to take new opportunities...*

Good evening Chorlton

Thank you for great question. The question flows nicely from 'ignoring' the market post I did yesterday.

I completely understand what you are asking. You would like to know for a trader with limited capital/understanding how he/she would choose/analysis to be selective on entries.

I hope my answer doesnt offend you cause im not joking around.

I also dont know...

But what I do know is I do not do multiple entries in one single area but I will try everytime I happen to come across that pair again. See my chart few post before which was my interpretation. You can tell I had few odd mistakes. They look odd cause I didnt know the future.

I will show you this in a chart tonight. The power of randomness. It will be for you

Sincerely,

Graeme



Aug 2, 2010 11:07am

513



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Quote:

Originally Posted by **rdwatkins**

Highlighted in large white lines are the primary support and resistance lines based on prior PA. The smaller white lines represent the likely entry points based on similar prior S/R flips.

The gray background areas are the separate trending vs. ranging areas I see.

Also note that there are key transition points; i.e. the first S/R flip at 1.3400 and the first higher low in near delineating the end of the trending period and finally the broken support near 1.2100. If I were to see the PA come back and reject the 1.2100 S/R line I would assume...

Good. Intriguing.

I spent the longest time on your chart. Im glad to see that you only use s/r and the flip of s to r and vice versa.

Im also very glad to see that you have the ability/confidence to forecast the near short future with s/r.

I prefer to use much less s/r lines or any lines. But, I know you are on good path. We go through different doors now but I know I will see you at the final door together.

May I suggest deleting half the lines just for fun? Perhaps it will be worse in your focal interpretation or perhaps it might be acutally better.

Sincerely,

Graeme



Aug 2, 2010 11:21am

514



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Quote:

Originally Posted by **chonghm** 

Hello Graeme,

This is my homework. I will trade the breakout at 0.000 and will use the one hour timeframe. I will use the support and resistance for my stop loss and all profits in trade will be moved to breakeven at 50 pips. This is the first time I am trading at this time frame. I am currently practicing your 3X 20 pips at the 5 minute timeframe. Your comments "Sifu".

Sincerely,
chonghm

Good evening, chonghm

Thank you for your detailed chart.

I looked at it closely for some time.

Good. You use .00 and mini s/r with the flow of market. Im happy to see you have connected .00 and x20 take profit. I was hoping you would.

It is now so much easier to see the price come down from .00 and then enter sell for take profit 20. Glad you made the connection.

No indicators. Looks beautiful.

chonghm, thank you for continuing the exercise.

When you think you have no improvements look back to 3 months ago and see the difference.

Use your mini s/r focal interpretation on higher timeframe to scout the markets sentiment and find the pair of currency that are trending strongly for the day/week. However, please space out your s/r on the higher timeframe.

Please continue with exercise but now try and practice scouting the higher timeframe. Once you scout easily then you would zoom in on lower chart for a precision hit on the intended move on the intended direction.

By adding scouting + excellent entries, you are now completely grasping the market sentiments.

Sincerely,

Graeme



Aug 2, 2010 11:39am

517



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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **ozziedave** 

Hi Graeme,

Sorry I'm so late with my home work chart. I had to go to, I'm going to use that four letter word...WORK...so I've been missing out on all of the fun.

Ok..4hr EU chart. Green are entries short, magenta entries long and orange lines are the ranges I would define in my trading. The trend is definitely down so my basis would be short.

I tried not to look at everyone's charts because I wanted to treat this like my first go. Let me know what you think.

Good evening Dave

Thank you for your chart.

Good spacing between entries. Nice clean simple interpretation.

You respect range and the flow after. Good

You have also covered possible uptrend. Good

Just roughly working out your stat on that chart

10 entries (not including last 2) - I see only 1 or 2 loss. But zero if you used 2 positions and closing 1 position @ 1:1. That is your choice.

I see only 1 or 2 winners which is still quiet good. I see from 10 potential trades you were able to capture at least 1100+ pips for 3 months. However that golden position at 1.31 which obviously we didnt know would be golden could have been a BE.

If thats the case your story would continue on as the market doesnt stop/end at the end of that chart.

Good interpretation and closer to live trading.

Sincerely,

Graeme



Aug 2, 2010 11:41am

518



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Quote:

Originally Posted by **rdwatkins**

Graeme,

Thank you for your review of my chart. After reading your past reviews, I too noticed that I had more entry points than many who have been reviewed prior. I will do as you suggest and reduce them.

I also noticed on several occasions you mentioned that you prefer the trend line breaks as S/R lines. I intend to contrast and compare my horizontal S/R (Prior PA based lines) vs. your preferred trend line breaks as S/R lines. It seems to me your breaks would be more frequent drilling down from higher time frames in a trending market and afford...

Thank you again, rdwatkins.

As long as you do not over expose yourself to market you wont suffer damage to 'range'

Sincerely,

Graeme



Aug 2, 2010 11:46am

519

Member Since Dec 2009



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Good evening, all

My next exercise will be something different.

Most common question I receive now through thread or pm is:

'Graeme, what do you mean selecting entries? I understand why it would be good at not stacking too much in one area but how do you choose?'

I replied, 'i trade what i see, when i see.'

To show you that:

1. you do not need to watch the same pair of currency everyday
2. you can enter anytime anywhere and still have same result
3. million different variations in participation but still one similar result
4. you do not need to over expose

Lets play a little game.

Please watch for my next chart

Sincerely,

Graeme



Aug 2, 2010 12:21pm

520



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Member Since Dec 2009

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Game rules

1. We enter 2 positions at each arrow
2. Both position -100 pips hard stop loss
3. 1 position closed @ 1:1 and the remaining position let it run with SL still at -100
4. All positions closed at 'X'

I have worked out the fate of each 15 positions.

All you need to do is choose 8 random numbers. Must be 'random'

Add the pips together and please post a reply in the thread.



Purpose of this game shows all readers that you do not need to try very hard and enter every possible entry.

You can enter only the ones you see when you see and still have similar results at the end.

Please note you could be unlucky at picking the random numbers and still have a loss at the end. Please consider this as close to real life but the worst case scenario. Almost pure random with completely no control.

This game may show related discoveries

Have fun

Sincerely,

Graeme



Aug 2, 2010 8:45pm

533



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Member Since Dec 2009

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Good morning, all

Thank you for participating in the small game per se.

Thank you, mojazz, silberfx, bakuli, geoffrey62, swingman, geoffrod, scalpz, havillah, chorlton

I read all the posts. Thank you for compliments and contributions.

The purpose of the game is to show that **you do not need to enter the market every single day.**

The game is more realistic to what would happen in live trading. Opportunities happen anytime, it could be while we are asleep or just living a life outside the markets. Im letting all traders know that even if you take just the setups that you happen to come across it is still same result at the end. Infact it will be similar result in profits but half the stress/time/drawdown.

I have proved that from 15 entries (and they are also quiet random, just entering with flow), and only randomly choosing 8 positions (cause all traders have a life outside the market and they will open their platform at different time each time) **STILL** produce profits.

Traders fail cause they try/force/imply to make a profit
Pros know the randomness and only attempt at what they see, when they see

The difference?

Bob the fail trader looks at the same chart of gbp/aud as the game chart. He is live trader, and enters at every trendline break, s/r, bollinger band expansion and so on. Attempting more than 10 times a week and closing out trades @ 1:2 or anything ridiculously small. I dont have hard numbers but I guarantee we would have more profit than him or similar. Unfortunately, for Bob he looks at the chart 10 hours a day cause he is worried not to miss any setup. Health deteriorates, wife leaves him, dog doesnt even acknowledge his call.

John the pro took 8 entries, he knows he has missed few, but he knows the secret to randomness of the outcome. He just took what he came across when he opened his platform. Probably spending less than 30minutes per day at the charts.

Bob the fail - Potential high drawdown, giving alot of money to his brokers in spread, high level of stress. He took 80-100 trades for 'potential' - 3000 pips drawdown (considering he uses 30 pip stop loss which is quiet small) for 1500 pips profit at 'x' mark on chart. Good for him! But I feel he is rewarded little for his efforts.

John the pro - 8 entries, potential drawdown is -1600 but we know the 'realized' drawdown was around -800 more or less, still coming out with profit.

John also knows that if he didnt come out with profit at x marks the spot he wouldnt care less cause he knows life/market doesnt end at that x but continues on.

This game chart is so much more than your initial understanding. There are related discoveries to be told.

Sincerely,

Graeme



Aug 2, 2010 8:49pm

#534



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **pip_daddy**

Hi Graeme,

Excellent thread. I am so glad I found it. I already have some legs of my millipedes going. By using your system I am learning to not try anticipate the market. To just go with the flow. Seems like a no-brainer but I now realize I was making that simple mistake far too often by using other trading methods. Your system forces me to think that way.

One question if you can find the time to answer. You mentioned you trade about 20 pairs. What pairs do you trade besides the 12 majors? Do you take into consideration some of the characteristics...

Good morning, pip_daddy

Good question.

Pairs of currency is always evolving. eur/usd was thought to have long yearly trend but look at last 2 years and now there are better trends happening in other pair of currency that most traders thought was 'volatile.'

Yes, true some pairs do move much more than anticipated for the year or much less than anticipated for the year.

My answer: I only know after I participate/enter the market with a position. It either grows largely for me or grows small for me. I do not spend time trying to work out which pair is the best trender (cause i dont have the ability to), I try just adding positions and let the market tell me few weeks/months later.

Sincerely,

Graeme



Aug 2, 2010 9:01pm

535



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Good morning, all

Lets do another chart together. This is 2nd chart and I welcome all new readers. We learn from contributing and huddling together.

I have purposefully chose the below chart. Its gbp/jpy and many traders run away from it.

I hope all readers consider:

1. Power of randomness from random entries
2. Never over expose
3. Spaced out interpretation
4. Go with flow, up or down

Also, could you try adding in 'ONE' diversification and what reasons did you have when you did it. You do not have to if you prefer not to.



Edit: Please do not judge other traders interpretation, please allow me. There is no right or wrong.

Sincerely,

Graeme

Last edited by pipEASY, Aug 2, 2010 9:15pm



Aug 3, 2010 6:09am

549



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Member Since Dec 2009

10+V [760 Posts](#)



Quote:

Originally Posted by **harihebat** >

hi graeme,

*this is my chart, please make advise to it
reason i took a diversification because after ranging period, there is suddenly movement of price almost 400 pips, i feel there is something
happen in next price*

regards,

hari

Good evening, hari

Good.

Nice, clean, spaced out interpretation.

Simplicity of just trendline break with .00 entries.

Im relieved to see that you did not try too many times during the range.

Nice mix of buy and sell but going with flow. Good Good.

I suggest all traders to try enter 2 positions at once with -100 stop loss on both positions and close 1 position @ 1:1. Leave the other remaining position with same stop loss but let it run.

I would have added buy position instead of sell position in the middle of the range at 1.45. Only a small suggestion.

Good.

Sincerely,

Graeme



Aug 3, 2010 6:22am

#551



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **ozziedave** ➤

Hi Graeme,

Here is my take on the second chart.

All short entries are in magenta and all long entries are in green. Two lots entered at each position, +100 assumes 1 lot taken out at 1:1 and second lot taken out at BE. -200 both lots taken out at hard SL of -100. As I see it only entries A, B and C survive to what becomes the bottom of the down trend at 132.300. I know that price retraces to entry point A but I would have held this position based on the fact that I recognized the up wave as an Elliott wave 4th wave. So in this case I cheated...

Good chart Dave

Im glad to see the simplicity and the usage of just s/r lines.

Its also good to see that you enter 2 positions with 1 position @ 1:1 and the remaining left to run but with bigger breathing space. Hope other traders could also use this little nifty tactic to an advantage. This 2 position entry method is far more reliable on higher timeframe.

13 entries over 2months. Nicely spaced out.

Minimal drawdown but potential of high profit.

Good Good

Sincerely,

Graeme



Aug 3, 2010 6:29am

552



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Member Since Dec 2009

[10+V](#) [760 Posts](#)



Quote:

Originally Posted by **pillager**

Hi Graeme,

here is my take on the 2nd chart.

Thanks.

[Attachment 518189](#)

Nice entries.

Well spaced out with good, sensible coverage of both up and down.

Nothing wrong with your interpretation but may I suggest you try using 2 position entries. Then your first 3 sell positions would have all survived.

If you use 2 position entries you increase the short term drawdown

However, you increase your potential profits exponentially as a position stopped out at -100 is static while a position growing could yield an infinity return. A very large difference in the long run.

If you have used 2 position entries, at least 2 out of 3 positions at the end would have survived price fluctuation.

Good.

Sincerely,

Graeme



Aug 3, 2010 6:45am

553



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Member Since Dec 2009

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Quote:

Originally Posted by **mcornbill**

Hi Graeme

This is conservative approach using nothing but the 4 hour time frame for EP. You will note I have a thing for ema's still, I like to play power pivot and pinbar EP's off ema's. I realise that they are lagging indicators but I feel they hold some worth.

In reality I would be looking for better EP's on the hourly.

Cheers

Mark

Good evening, mark

There is nothing wrong with your moving emas or your preference for pin bar. Pin bars are one of the sought after 'reliable' indication that are around. Personally, I do not look for them.

Good area to diversify, you would have replenished your trade capital and added few hundred realized profit into your balance and you would have kept at least the first or second or both of the larger legs intact.

I can see that you have a conservative approach in entries. Im slightly more aggressive and prepared to lose one or two more positions to have a scout/position in as early as possible. However, I do not try to have an early scout all the time as that would cause slightly more drawdown than preferred.

However, a successful early scout for me creates a huge difference in profits few weeks later. This is why I spend extra few hundred pips now with no worries as it will be worthwhile later on.

My only concern is that with conservative approach you do save unnecessary drawdowns but you are one of the last to arrive on the buffet table. Its give and take. With conservative approach the last bit of uptrend on that chart where the movement is up but moving in jigjag might cause bit of drawdown.

There is nothing wrong with your interpretation

Sincerely,

Graeme



Aug 3, 2010 6:52am

#554



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Quote:

Originally Posted by **Chorlton**

Here are my reasons for entering trades:

1. Price bounced off Support and broke thru mini-resistance - Go LONG
2. Large Range bar from Resistance - Go SHORT
3. Large Range bar - Break down from Support - Go SHORT
4. Large Range bar - Break down from Support - Go SHORT
5. Price in Mini-Range (suggests change of trend) followed by Breakout from Resistance - Go LONG
6. Narrow Range - Breakout from Resistance - Go LONG
7. *Risky Trade* Downbar with long downward wick hitting uptrend support followed by upbar - Go LONG
8. Breakdown thru support (triangle...

Thank you chorlton for a nice detailed response.

I looked at your explanation and chart closely.

Im glad you use channels.

I would like to work closer with you and pm you later this evening as to why.

Your effort is greatly appreciated and I hope I can help you little more through pm.

Sincerely,

Graeme



Aug 3, 2010 6:56am

555



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **chonghm**

Hello Graeme,

Here's my homework. For a volatile pair like gpb/jpy I will use breakout near the .000 level. From your chart I have 8 short and 7 long. If stop loss at the .000 mark all the shorts are still alive. 5 longs stopped out and 2 long still surviving.

Total pips for short 4,394 less approx 500 pips stopped out equals to 3,894. This excludes the floating profit of 200 pips from long which is still alive.

For diversification I would probably clear s7,s8,b6 and b7 if the price breach 142.

For your comments "Sifu"

Thank you once again.

chonghm...

Good evening chonghm

Thank you for the detailed response.

Please dont take this the wrong way but I will pm you later. I like the usage of your trendlines but im confident that I can add more convenience into your trading/focal interpretation.

Sincerely,

Graeme



Aug 3, 2010 7:06am

556



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Member Since Dec 2009

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Quote:

Originally Posted by **Chorlton**

Hello Graeme,

Apologies as this is slightly off-topic from the current discussion but would it be possible at some point later on in this thread to discuss how you manage all these positions. Using the last chart as an example (which is only a couple of months), most posters would have a total of 10-20 trades.

For me, keeping track of all those positions and being able to initially group them and then move them from one group to another

(especially as the majority would be held for much longer) could become quite difficult.

Consequently,...

Good question, Chorlton

Managing positions is very simple.

I have a large journal book always opened.

It has many columns,

First column - group name

Second column - pair of currency

Third - date bought

Fourth - entry price

Edit: I should also add, I dedicate a whole page to each group of positions. Its not all mixed up. And then once every 6months I would reconcile all positions for a clearer viewing.

Then the rest of columns are empty.

All I do is once a while, I write down the current market price in the empty column and use a ruler and red pen to cross off if current price came to entry price. Thats it

Sincerely,

Graeme

Last edited by pipEASY, Aug 3, 2010 8:08pm



Aug 3, 2010 7:13am

557



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Quote:

Originally Posted by **Minka**

A bit late to the game:

I chose 2 4 5 7 8 9 11 13, specifically ignoring 1. Resulting in a loss of -100!

Minka

Good evening Jana

Im glad to see that someone lost.

I hope all readers are reading this as this is important.

Your -100 loss is fantastic!

You had 8 entries and your realized drawdown is only 100 pips for a potential of making thousands of pips.

Many traders would have -3000 pips or more drawdown to make few hundred pips.

Can all readers see that we are at the mercy of the market and its random outcome however we can do things to swing favour into our side.

Your -100 pip loss is not the end of market/life, it continues on. Im sure if the game continued on for few more weeks it would be a different story.

An unsuccessful trader that lost -3000 pips (realized) loss to comeback and make all the loss and profit of 300 pips. That is 3300 pips he had to make to come back as profit.

Pros prepared to lose much less -600 pips (realized) loss to comeback and make all the loss and profit 300 pips. This is only 900 pips he had to make. Huge huge difference.

Sincerely,

Graeme



Aug 3, 2010 7:16am

558



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Member Since Dec 2009

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Quote:

Originally Posted by **scalpz**

Have based my trades on T/L breaks this time instead of S/R breaks.

Feels harder to set the T/L's when bigger moves have occurred.

Was quite surprised as thought it would have been easier to produce entries.

20 trades over all for the 10Jan - 17Mar period.

At the RH edge of the chart @ about 138.70 had 3 buys remaining and 6 sells, based on the 2 parts/trade, 1 @+100 hard TP, both @-100 hard S/L.

Didnt count on moving the S/L to BE, cause other +100 part was expected (that word again) to TP.

Actually ended up with only 2 that didnt, so they were...

Good.

I like the trendlines and the usage of pennant.

Good detail.

Edit: Dear behr. Apologies to address you in a post that was meant for someone else but I would like to let you know that your focal interpretation is very similar to scalpz. Nothing wrong with your focal interpretation.

Please refer to my answer chart soon

Sincerely,

Graeme

Last edited by pipEASY, Aug 3, 2010 7:30am



Aug 3, 2010 10:43am

559



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Member Since Dec 2009

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Thank you all for the contribution with chart 2.

There is no right or wrong answers and everyone has done well.

The only differences in the charts are that some traders have a clearer picture of the market price while some traders are imposing lines onto chart to bend the markets sentiments into their own personal view. The difference is that the trader with clearer interpretation is simply following the flow.

Please do not take any of this as an attack on your personal ego as I stated above no one was right or wrong. And I hope everyone continue to participate.

This is my focal interpretation. Im not right or wrong.

Below is what happened in live trading back then. Just for clarity I only posted sell positions in this chart. Buy positions below that. I took 4 sell entries/scouts. 1 breakeven and 3 winners. At least 2000+ pips from just the scouts.

Pennants creates an area that needs to be broken out. Pennant lines are basically trendlines but you are purposefully creating an area for the price to breakout.



The chart below might look like cherry picked but assure all readers that when I draw pennants on the downtrend and I tried to enter a buy, I simply dont have any entries to enter.

I had only 2 buy entries and both breakeven.

This makes my total 6 entries with 3 breakeven and 3 winners and potential profit of 2000+ pips for this chart.



These charts shows a very close resemblance to what I did back then in my live trading. It might be confusing or unsettling to notice that there is hardly anything on the chart and yet still be profitable but if readers please think about it you will find a new discovery here.

Sincerely,

Graeme

Last edited by pipEASY, Aug 4, 2010 2:37am



Aug 3, 2010 9:34pm

#563



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **EllisEdi**

Given :

1. We enter 2 positions at each arrow
2. Both position -100 pips hard stop loss
3. 1 position closed @ 1:1 and the remaining position let it run with SL still at -100

I closed all Short positions at the X because price had broken a previous High. The Long position f2 is still open at the end of this chart.

Total Pips made 1708.

I appreciate all the time you are taking with this.

Good.

Spaced out focal interpretation. Taking lesser trades, even though you miss few golden opportunities by purposefully waiting it out you still make 1900+ profit for 2 months.

Lesser entries is always always better.

Sincerely,

Graeme



Aug 3, 2010 9:48pm

564



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **willhuang**

hii sorry for the late join

but these are the trades i would go in

i would diversify at trade 7 but.... because this is back testing, i really have no idea what i would do in a live environment.

Thank you for your chart, willhuang

There is nothing wrong with using indicators.

I understand what you are looking at but may I advise you that indicators are meant to be taken as reference only. Indicators should not be telling you when to enter, price should be telling you when to enter. I know this is said alot in the forum and never explained properly.

Just for fun, delete everything and just draw lines as you wish. Trendlines, range, s/r comes from your own personal focal interpretation, there is no right or wrong. Please give it a go.

Sincerely,

Graeme



Aug 3, 2010 9:52pm

565



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **geoffrod**

Hi Graeme,

I hope i am not too late to submit this.

I started on it yesterday but only got back to it this morning.

Firstly i would like to say that this is a difficult task to try and stay truthful and honest with ones self after the fact.

i am takig the approach at the moment of 1 trade only annd move stop to BE after X pips of profit.

as i said it is ard to be totally honest after the fact, but here goes.

*trades 1, 5, 7, 11, 12 all survive till i decide i might diversify after 2 strong push's up.
so surviving in the end might be 1 and 5,
with...*

Thank you Geoff for the chart.

I looked at it closely and I could be wrong to say this but your entries have a certain mechanical feeling to them. Would I be confusing you to advise that your participation to be more fluid with the flow and live trading would be more random.

May I also suggest opening 2 positions at every entry and keeping both -100 and closing 1 at 1:1. Just try it for fun. Bigger drawdowns/losses in the short term but exponentially better in the long run.

Sincerely,

Graeme



Aug 3, 2010 9:54pm

#566



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Good morning all

Thank you for the participation of 2nd chart.

Just like to say thank you to all.

I would like to address all readers, chonghm & charlton charts are not wrong but I thought I could give both gents some personal recommendation through pm which I have done.

Please do not hold any negative views on their integrity as they are both capable traders.

Sincerely,

Graeme



Aug 3, 2010 10:03pm

#567



pipEASY

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Member Since Dec 2009

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Conclusion:

I hope all readers have noticed/learnt something from the past 5-7 pages.

The most important lesson is to have lesser trades in a sense.

Once I know that my scouts/positions on higher timeframe is getting larger in growth, I would zoom into smaller timeframe to add more positions while the movement of price is in my favor.

I can see many of the traders actually notice how beneficial NOT to overtrade. But..

When you start live trading...

Can you actually wait it out? Weeks?

How do you stop yourself from trading?

One of the first emotional hurdles everyone will come across

But I know everyone will be a bigger person.

Sincerely,

Graeme



Aug 3, 2010 11:24pm

570



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **geoffrod** >

Hi Graeme,

as you know i for one am gaining a lot from participation in this thread, for that i thank you.

as for my trading looking mechanical, that would be a fair asumption, my trading up to now has been to use a stable stationary device to enter trades, it got me into trades without fuss, and helped me minimise my risk, but i see it now as a step, to get to the point i am now, a point where you see the power of participating over the loooonng term, for growth, thinking about it and how you would handle it is one thing, experiencing it is a...

Excellent.

Spot on. Traders experience large drawdowns from unnecessary overexposure. You can still take things slower slower, and still acieve profitable trading.

In regards to your entries, im not implying they are incorrect but for myself personally I do not have 'anything' that tells me to enter. Im sure you will find success with your own personal interpretation with entries because we go through different doors now but we will meet sooner or later at the final door of profit.

Sincerely,

Graeme



Aug 3, 2010 11:29pm

571



pipEASY


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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **wooli** 

Hi Graeme,

The quality of your thread is shown by the fact that I have yet to read any negative posts.!! Great work. I am really learning a lot.

I've almost caught up but I thought I would post my take on the homework lesson before proceeding further so that I wasn't influenced by others.

*All the best
Michael*

Thank you for chart.

Good.

Nice spaced out interpretation. Clean and simple but still achieving the result.

Good area to diversify, you could also do it earlier or later. Different results slightly however same in the long run.

Taking 11, 12 trades over 2,3 months. Good spacing.

When your scout is growing in profit, take this inside information to lower timeframe and milk it even further with tighter entries as you now know that the deck is full of high 10 cards.

Sincerely,

Graeme



Aug 4, 2010 4:25am

#575



pipEASY


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Member Since Dec 2009

 [760 Posts](#)



Quote:

Originally Posted by **willhuang** 

this time with just trend lines, sr, round numbers

[Attachment 519057](#)

up arrow is buy

down is sell

x is diversify

im totally new to this haha but i am so glad i read this whole thread. i really appreciate all your teachings. hopefully one day i will be as good as you 😁

Good. Much much better.

Hope you also feel the difference.

Clearer interpretation and well spaced out entries.

Good.

Sincerely,

Graeme



Aug 4, 2010 5:00am

576



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **wooli**

Hi Graeme,

Like you, I have been trading the Asian session and trying your 3x20 exercise on 5m to 30m charts. (Not with much success yet but I'll get there)

Generally, I've noticed that there is often not much volatility (or momentum?) till just before the London open I have placed some trades early in the Asian session which didn't reach the 20p target or get stopped out until the London session.

By this time I assume you have finished placing your trades for the day.

You also stated early in your thread that you prefer to watch the actual...

Good evening, Michael

Good question. When I zoom into smaller timeframe for precision entries, i use mainly one hour. I consider one hour still too fast for me. After entry I scan the 5minute chart as I consider this real time.

I use mini s/r in my focal interpretation when im looking at 5minute chart. For me momentum is simply long bodied candles in a row heading in one direction. I would consider price stalled when dojis, opposite coloured candle start to form 3,5 or more. These stalls usually happen at pivots, or .00 areas. Im interested in price that punctures through these zones very easily. Then you know you are piggyback riding all the others.

Edit: Your x3 take 20 exercise will improve greatly if you first, watch the price come from a s/r and then enter with the flow. Price coming from above .00 then enter sell at next .00, price coming from below .00 then enter buy at next .00. Some stalls around .00 can fluctuate more than 20 pips = then you should realize that you too should be looking at price that punctures these areas with ease. One of the related discoveries

Sincerely,

Graeme

Last edited by pipEASY, Aug 4, 2010 5:13am



Aug 4, 2010 5:37am

578



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **wooli**

So Graeme,

If you enter a trade and it stalls will you always exit and minimise your losses or would you sometimes leave say a 15p stop-loss in case it did take off in the predicted direction?

Thanks,

Michael

Good question,

If I know that something has gone wrong at -4 pips I would exit with -4 pips. I will never place a hard stop loss at -25pips and tell myself to wait and see.

When i mention piggyback, imagine yourself jumping on a moving train. When you use momentum your entry should be almost instantly in profit.

If price stalls when I enter, I will close out and change to other pair of currency. I will not sit there and try again, that is over exposure.

However, if it does work out, I will move s/l to be and then enter again at next s/r (but not always cause I know that this is overexposure and there might be a golden entry happening in other charts).

I would rarely do 3 entries per day for same currency pair but sometimes I do when I see eye-popping momentum; something like single 30 pip 5min candle.

Edit: With enough practice you can be a successful 5min momentum scalper. Im not recommending this type of trading but what im implying is with that much upskill in focal interpretation anything becomes deadly in your hands.

Sincerely,

Graeme



Aug 4, 2010 11:09am

582



pipEASY

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Member Since Dec 2009

10+W 760 Posts



Quote:

Originally Posted by **fugly**

Graeme a big thanks for posts #576 and #578, it helps tremendously. If I may ask --- so when u enter the first trade of the day you find there's no momentum you immediately exit and then look at another pair? Or will you look for an entry again later in the day for the same pair? Reason I ask is some days just seem very hard for example 16th Jun on GU.

Could you advice what entries you would have made on that day for the GU? The yellow line on the chart was the asian open. Whenever price used to get above the yellow line and appear to breakout...

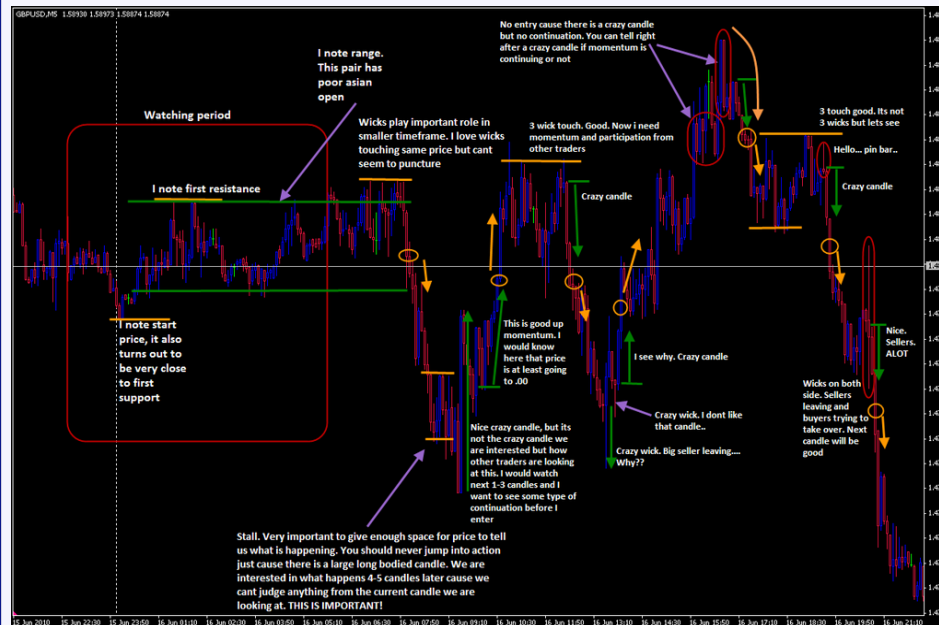
Good evening, fugly

Thank you for good question.

I do trade the 5min timeframe but not as regularly. With smaller the timeframe, I still apply same focal interpretation but Im more hesitant to enter unless I see something good.

With 5 minute chart or anything lower you are looking for momentum (greater participation of other traders to push your entry into profit). This is represented by momentum after a long bodied candle. Sometimes long bodied candle is ignored by rest of the market, its something we have no control.

This is what I would have done most likely on 5min chart.



This is my 5min focal interpretation. It is slightly different to higher timeframe and I base most 5min entries on momentum as I need other trades to help push my positions.

I know there is now alot of information on this thread and I hope im giving you enough information for all readers to piece the puzzle together in one big understanding.



Aug 4, 2010 11:11am

#583



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Quote:

Originally Posted by [agapetos](#)

Hi,

I have been reading your posts (still not all of them, only 5 pages) and it sounded really simple (as you said) and in the same time a lot of profit, less stress (compared to intraday trading) and more time to spend with my family and on my job. So I decided to back test this method:

I used EUR/USD daily chart with a reference to a weekly chart. I started from 2001.01.01. and ended up with 2003.12.31. That is three years total, what is enough to say if the system is profitable or not (i presume). I entered only once per day when I saw a good...

Good evening, David

Thank you for sharing that information.

Im sure you have put in alot of effort to get the final hard number.

I encourage you on.

All the best with your trading.

Sincerely,

Graeme



Aug 4, 2010 11:45am

585



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **tommbstone**

Agree with above. cherry picked charts and 20/20 hindsight are great.

But live/demo is a new ball game.

My damn bug has no legs as they keep dieing with the 30pip stop.

I can assure you that this is a very tearful frustrating way to trade as Pipeasy says. Looking at the usdchf one would think,"just sell at every 00 line" but it does not work (FOR ME) unless I open up the stop to a gut wrenching SL level.

Pipeasy is correct- this is the best way to trade and I'm learning a boatload and playing with higher TF now like I used to back in...

Good evening, tommbstone

Thank you for sharing. Last 3 weeks on usd/chf is range and im sure many other traders has lost money or extremely frustrated. I still look at this chart but I have moved on with other pairs that are trending currently. I suggest that you move away something like this for now.

Sincerely,

Graeme



Aug 5, 2010 10:54am

602



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **triphop**

PipEasy, can I pose a question?

If someone - anyone - was able to generate 3 x R:R 1 to 1 trades per day, there would be no need to even worry about long-term trends.

If your entries are as good as this, why do you trade with the elaborate groups, counter-trades and longer-term trends? Trading 1:1 alone could get you an increase on account of at least 700% in a year compounded, without any long-term trade management?

Hell, I'm all for following trends, but I just don't get the necessity in this instance - for most mere mortals, the trend...

Question or statement?

Here is something for you to disagree as well, 80% of time I could enter on 5min and at least move stop loss to breakeven.

And my unrealized profit/growth on initial starting capital for last 14months have been more than 700%. But I still cant be a billionaire from doing this cause the growth of my long term positions are still limited to the change in the main monthly trend. But Im creating \$7million+ annual growth (calculating on last 14months of growth)

I would never goto your thread and dare ask (i shouldnt even consider your post as asking) on same level.

I may be wrong but I doubt you have read at least read the materials i presented with great effort before posting. Cause if you have read it, undoubtedly with your +10 voucher recommendation you wouldnt shoot off like that.

If it was a question I would have contributed some efforts to clarify any confusion for the benefit of your understanding. I big disappointment for someone who could be well respected and followed in this forum.

Now that this shit hit the fan, and some of the latest pm asking me to post live trades which is clearly unnecessary as I spent hours for the last month trying to show HOW and answering every question earnestly and give every guidance possible. Perhaps no one has read I dont babysit warning in my first post and still some blatantly have no regards. Traders asking same question that I have addressed thoroughly just 5 pages back and then purposefully choosing not to understand.

Consider me a con artist if you will and move on from this thread.

I understand expectations grow grow grow to a point I can no longer contribute and this is it.

Yes, it was all one big lie so move on.

I do not have any necessity to visit this forum. There will be no more correspondences from me. Im not taking triphop post to an extreme but it sealed off the feeling I was starting to receive.

I dedicate this thread to the open minded avid learners and I sincerely hope you all a happy healthy loving life.

G.S



Aug 9, 2010 10:41pm

#684



pipEASY

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Member Since Dec 2009

10+W 760 Posts



Thank you all for the pms and compliments.

I sincerely hope my hastily departure did not lessen your appetite for success in forex. What I experienced on first hand from showing/teaching just over a month is how frustrating it is to hold a thread that has only good intention to teach. I understand learning is a two way process and asking healthy questions are part of the readers enlightenment. However, when different readers/traders with different skill level and all with different perspective asking their own questions does throw the intended flow of teaching off balance. There is no such thing as bad questions and certainly this is not the readers fault but I place most blame on myself.

I feel obliged to a certain degree to help fellow traders to see success in forex. There is no financial motivation for such deeds nor do I bask in the glory of being acknowledged in a public forum. Infact I shun the limelight and have no intention to mingle with so-called other professional traders and scratch each others back. I simply do what I try to do because I genuinely care.

Believe me when I say that forum is far more chaotic than the market itself. I urge and request all readers to think for yourself and to act for yourself. Perhaps I can save a few. Information from forum can be helpful but could also be destructive. Stay away from forums as there is nothing interesting here. You do not have to trust me either but I request that you act/think for yourself. It is the only way to learn.

I hope I had placed enough efforts in my last 270+ posts that might merit another reading from you. Even though each post seemingly looks lengthy, there are great thoughts behind sentences that I have highlighted and underlined. There is a meaning within the meaning which would lead a reader to a related discovery.

In the last week, I attended a part seminar held in Sydney of a trader I have personally met in one of the GFT broker meetings few years ago. It was quiet surreal to see a trader before and after success. I duly note his humbleness and amazed to see that he has retained his calm collected attitude. He did not brag or force his points across, infact it was the other attendees who was trying to bash him down. No doubt we see this ill human behavior anywhere there is a public discussion. It was a relatively short but remarkable seminar and I applauded him from the back of the room. I have no doubt he is a successful trader and he has reached that level by thinking about forex while eating, working, dreaming everyday.

What I want to say today once again is that there is too much useless information. **You do not need to know 200 things in forex to be successful. You only need to know just 1 thing for certain to make millions.**

This 1 thing can be 1 entry method that you can vouch with your life.

This 1 thing can be 1 price pattern that works almost all the time.

This 1 thing can be the correct perspective you hold as a real trader.

The rest? Market will decide and reward you or not. And if the market doesn't reward you, don't be disappointed. You cannot tame the market but keep following it. Soon it will notice you and reward you. The reward is definitely worth the pain/wait/perseverance.

Please allow me today to throw some cold reality into your thoughts.

Human perception and focal interpretation is very interesting. You will only believe what you choose to see. And you cannot do any type of 'choosing' in the markets, only follow it.

The dancing girl on the bottom revolves left or right?



This is similar to what happens in traders focal interpretation. They use same indicators, trendlines, fibs but some days they see the dancing girl spinning left and some days they see the dancing girl spinning right. They are choosing based on the condition of their focal interpretation of the day. That's why it's so confusing as the day goes. Someone who knows what to look for, can actually force their focal interpretation so they can see the girl spinning left or girl spinning right **at their own will**. This is what traders need to do in the markets. Even when RSI is showing overbought, trendline broken, but your focal interpretation must be stronger and actually bend the markets sentiment into your own vision/understanding and then exercise an unbiased but true judgment in your executions.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 3:42am



Aug 9, 2010 10:46pm

685



pipEASY

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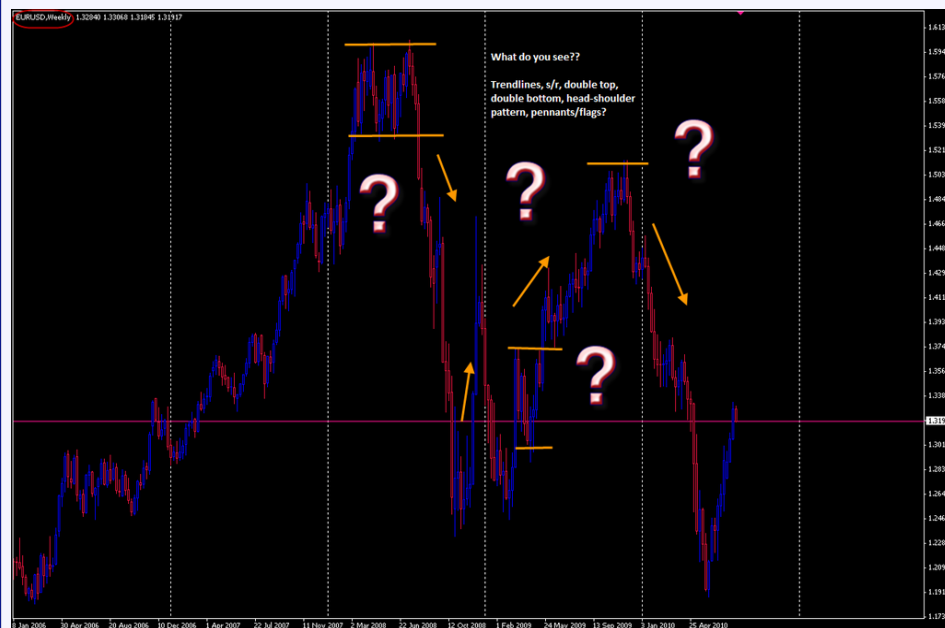
Member Since Dec 2009

10+y 760 Posts



Please allow me to show the readers something that I use everyday.

Did you know candlesticks are confusing for me? And I prefer not to use them nowadays.



I can still interpret most of the price action on the chart but now I have reached a level where I focus on bigger picture. This is what big managements do. They dont/cant concentrate on rows of candles at a time, as they control too much money, they usually bet big on already established trends. Also they know increased risk does not increase reward hence look for opportunities that will be prolonged.

Aug 9, 2010 10:47pm

#686

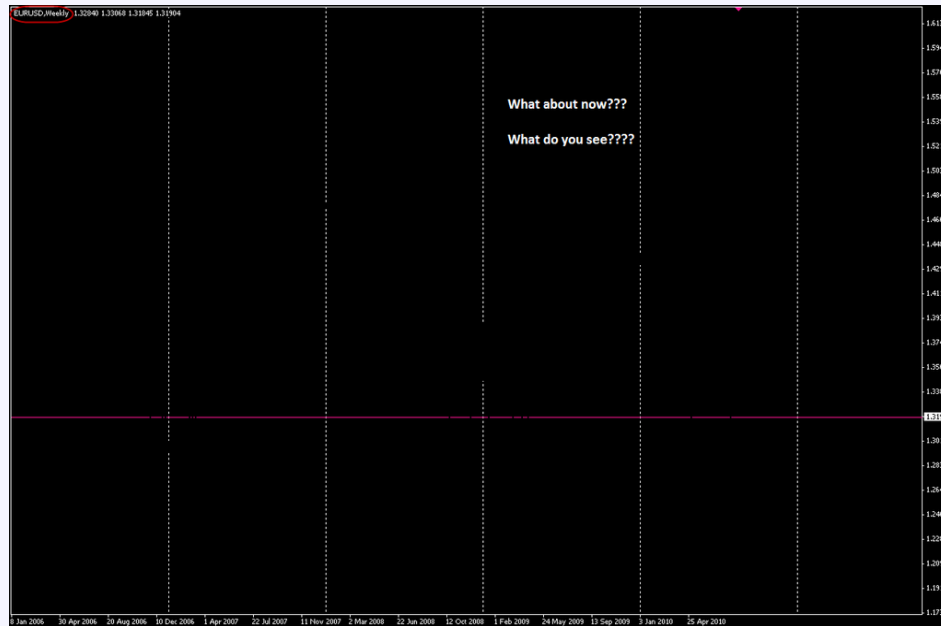


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Member Since Dec 2009

10+y 760 Posts



What do you see????

Aug 9, 2010 10:49pm

#687



pipEASY

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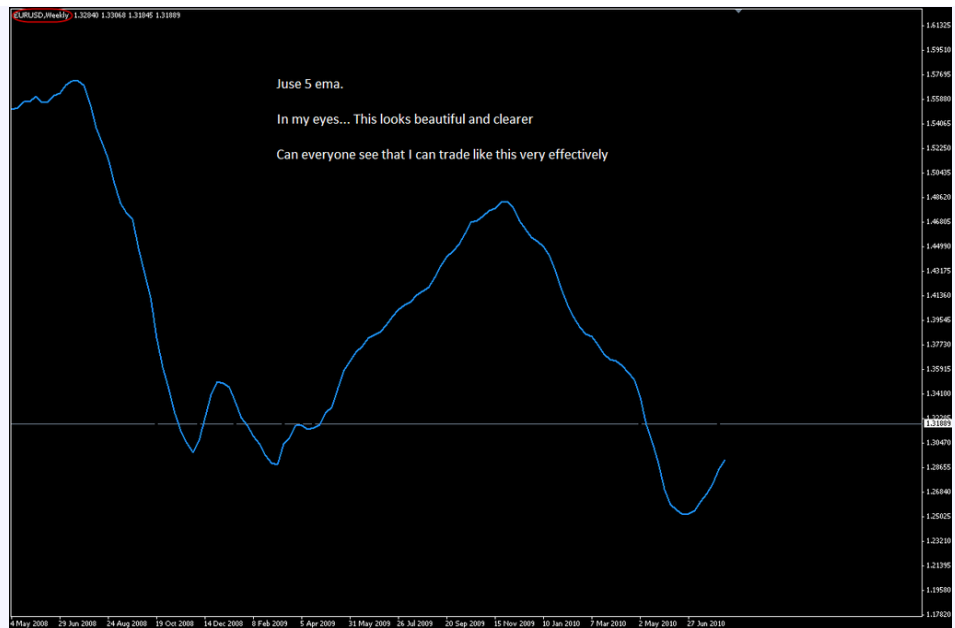
Member Since Dec 2009

10+y 760 Posts



Have you ever considered just using ema??

Why not?



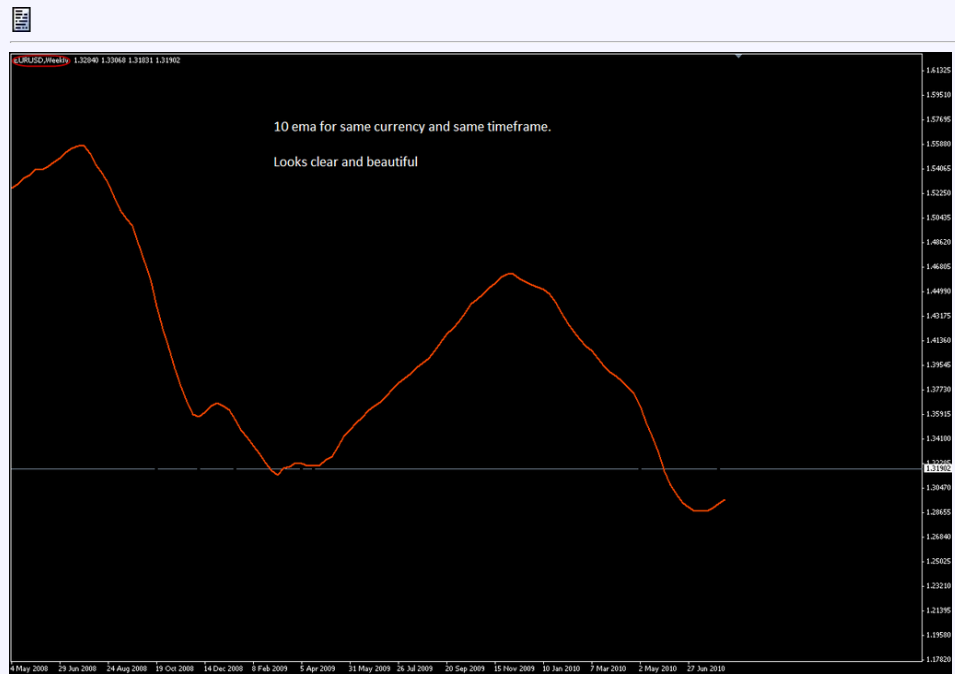
Aug 9, 2010 10:51pm

688



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Member Since Dec 2009
10+y 760 Posts



Aug 9, 2010 10:53pm

689



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Member Since Dec 2009

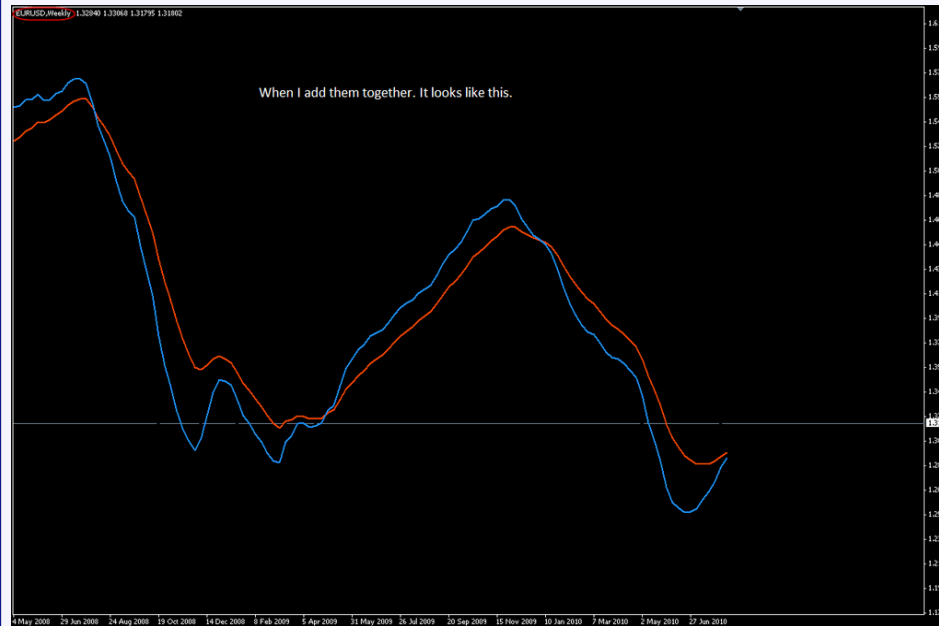
10+V 760 Posts



When you add them together.

10 ema becomes the direction AND
5 ema becomes the real price of the movement.

If price is at 5 ema or higher then its considered worth buying into as this would be retail price.



Last edited by pipEASY, Aug 10, 2010 3:43am

Aug 9, 2010 10:55pm

690



pipEASY

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Member Since Dec 2009

10+V 760 Posts

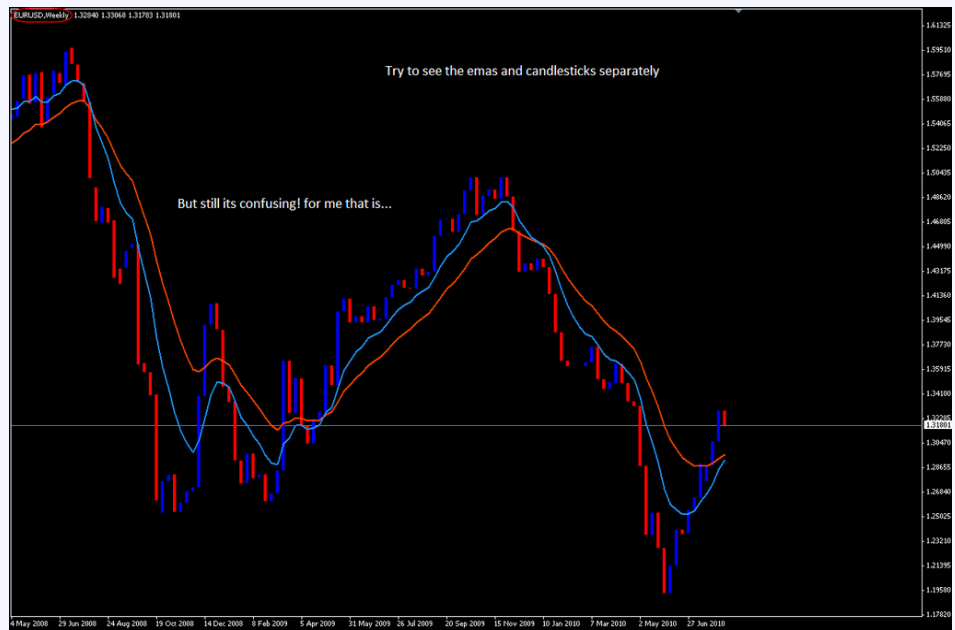


See how candles respect 5 ema.

Im interested when price touches back to 5ema.

BUT sometimes the price moves so strongly it might not come back to 5ema for some time.

You need to find a balance in between.



Aug 9, 2010 10:56pm

#691



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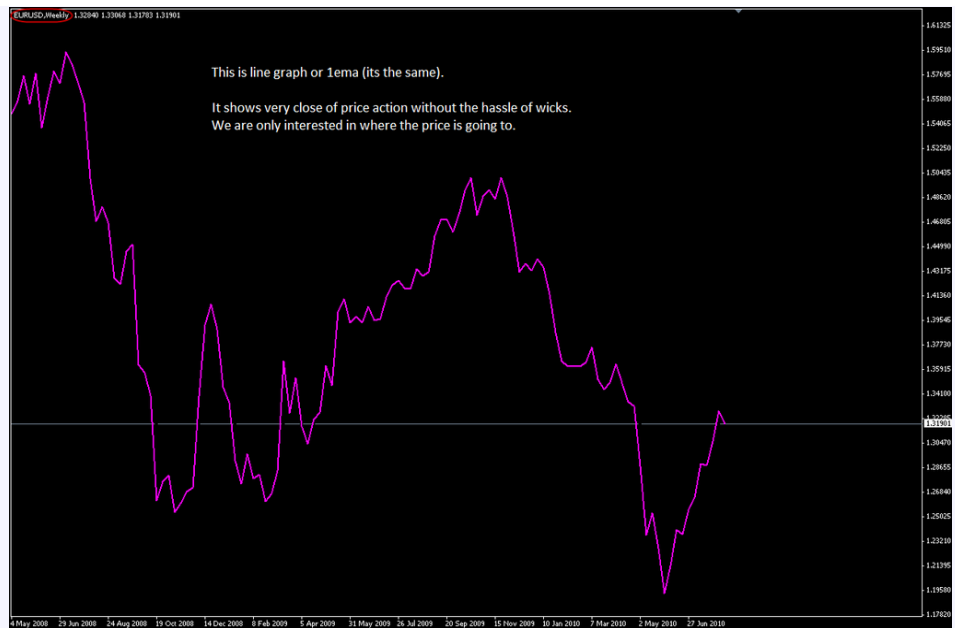
Member Since Dec 2009

10+y 760 Posts



So how do we base entries?

By looking at 1 ema close or line graph.



Aug 9, 2010 10:58pm

692



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Member Since Dec 2009
10+V 760 Posts



See how trendlines, pennants, s/r is also respected well on line graph and higher timeframe.



Aug 9, 2010 11:00pm

694



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Member Since Dec 2009

10+y 760 Posts



Aug 9, 2010 11:03pm

695

**pipEASY**

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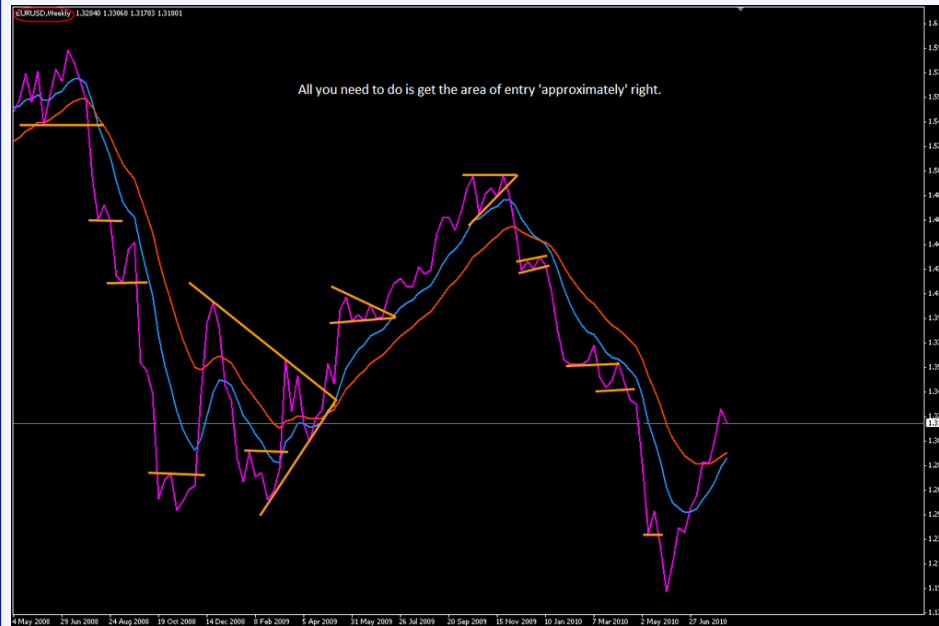
Member Since Dec 2009

10+V 760 Posts



Just the approximate area is all a trader needs.

Large management would also look for the same. They look for opportunities that will be prolonged. Cause its not easy moving around billions at a time.



Aug 9, 2010 11:05pm

696

**pipEASY**

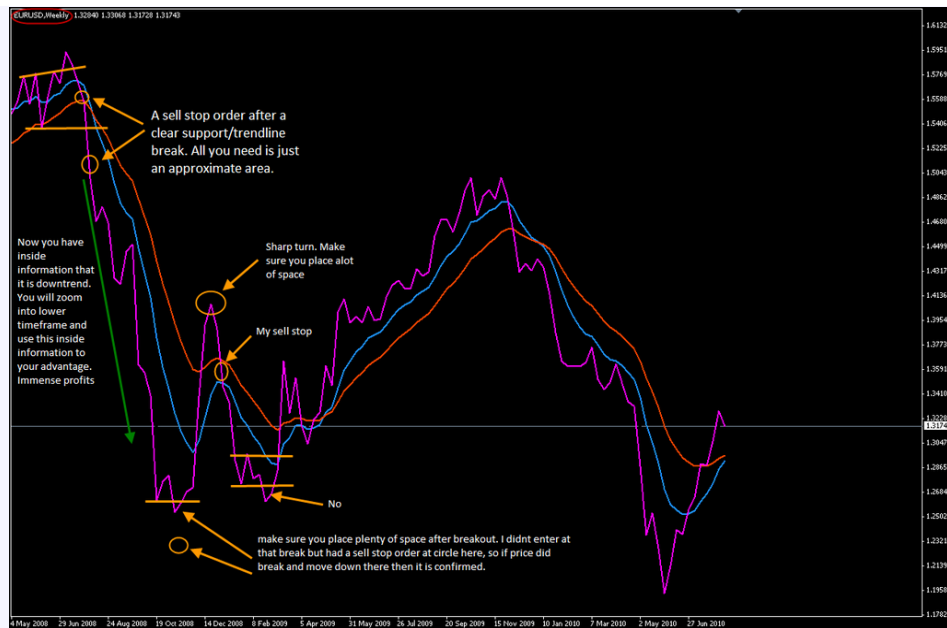
crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



This is another method for the readers.



Used by many professionals



Aug 9, 2010 11:17pm

697



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Member Since Dec 2009

10+V 760 Posts



Once again thank you for the personal messages.

They have been uplifting. Thank you to all.

This thread was initially started with intention of only 5-7 pages but now its coming towards 50 pages.

I understand readers are here to learn but I admit I cannot teach 'effectively' in a forum environment.

What I am planning to do is compile a very concise reading material with great planning.

Please allow 1-2 months.

I hope this reading material that I compile will help a jogger to run and then to fly. It will have an open ending so everyone's input can be added into it with updates. More or less wikipedia style. I believe this will be the most effective form to show you in a one straight line from start to finish and answering any questions on the way.

I assure everyone that I am not forcing you to follow my method but it disheartens to see so much useless information and potential traders soaking up ill information. All I represent in my posts is how the market moves and how we 'could' 'should' participate with it.

Im not the teacher but the market is.

Look forward to collaborating with everyone once the material is ready.

Till then please keep an open mind and let the market tell you what to do.

The last few charts hopefully add a different perspective to what most traders see. It is a very true and similar method used by fund managements, it was contributed by my son.

Kindest Regards,

G.S

By now I assume everyone is well into building their legs... if not,, what are you waiting for??



Aug 10, 2010 1:23am

701



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Thank you all for the kind compliments.

I will try my best to answer all the personal messages that I have received in the next day or two.

May i request that all readers still maintain a healthy dose of scepticism while reading anything on a public forum (and it would be only fair to include my thread as well).

Tips/hints from public forums should only be reference. The reason I mention this is that I would sincerely request all traders the ability to stand on their own two feets and jog without any aide. Im sure we are all intellectually capable to make sensible/realistic decisions in life or trading. I wont be content to see this thread turn into another 'group think' with one person leading the crowd with no disregard for freedom of expression or enquiries. However I do ask everyone (including myself) to maintain a certain level of professionalism when addressing each other. We are after all civilized professionals.

The reading material that Im preparing will be free.

And I assure everyone once again I have no financial motivation behind my deeds here. I would just like to complete the reading material to seal off what I have started 6 weeks ago and not leave too many loose ends behind. I have always completed the project i have started in my professional life.

I do hope that one day there are many traders creating extremely large growth from their positions and working less and less in the markets. To know that my small contributions have gone long way in helping the few that I have managed to touch.

Sincerely,

Graeme



Aug 10, 2010 1:40am

702



pipEASY

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Member Since Dec 2009

10+V 760 Posts



I hope everyone can see the benefit of the last few charts.

Even the candlesticks that we focus so much on is all relevant as well.

The last few charts are weekly chart.

I will guarantee any trader a surprising result from using the above charts.

Open an oanda account, deposit \$100, and keep your lot size at 0.01 = 10 cents per pip, leverage 1:50.

Then use the formation/setup I have used in the last few charts, wait until there is 'clear' breakout or use your very own entry method and enter with the flow with one position. No stoploss.

DISREGARD any daily price fluctuation. Review this position once a week.

1. If the entry is 'clearly' a mistake and the price has reversed on you. Close out on loss.

2. If the entry follows the ema, leave it open and let it grow.

3. Any minor decisions (exit timing), I leave it to you to decide.

Dont stop your learning and just watch the position grow. How can you use this information to your advantage??

The above is **not a system/method** but once again im showing all readers how to profit anywhere/anyhow as long as they have the main trend on their side.

It will be the best \$100 you will ever spend.

You are trading like the fund managements.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 3:34am



Aug 10, 2010 2:02am

104



pipEASY

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Member Since Dec 2009

10+V 760 Posts



'1 thing'

I have mentioned few times already:

We do not need to master/know 200 things in forex to be profitable.

We only need to master just 1 thing to make money.

Please allow me give everyone a dose of reality.

Everyone is unsuccessful because they do not have this '1 thing.'

May I ask all, do you really have this 1 thing that you know so so so very very very well that you know with almost 100% certainty that it will make at least few pips?

Some traders will say 'yes' but whether they truly have this one thing or not is questionable.

I promise everyone, **when you discover/create this one thing you can build your skill upon it.**

Please allow me to go first and tell everyone my '1 thing'

I know my weaknesses and strengths in trading. One of my strongest '1 thing' that I know I can rely on with my life in trading is judging good momentum to a bad momentum on shorter timeframe.

It took me a long time to learn from many trial and errors. Every momentum is different however each momentum either falls into category A or B for me. And I can perform all this on a subconscious level cause I have practiced/witnessed/felt so many momentums on 5min timechart while doing my exercise few years ago.

Its a shame to see that I dont use 5min charts anymore as I now focus on higher and bigger trends but I admit it was a strong foundation that I grew so much from.

This '1 thing' can be anything:

Your ability to judge:

1. Candlestick patterns
2. Patience/perseverance
3. Pennant breakouts
4. S/R
5. Trendlines
6. Price pattern
7. Fundamental analysis
8. Realistic expectations in lieu with sensible reasoning

AND SO MUCH MORE

May i ask what is your one thing??

If it took you more than 3 seconds to answer..? Then you dont have it..

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 11:21am



Aug 10, 2010 2:54am

#706



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Thank you again for the kind compliments.

Hope I have added another perspective to your trading method. There isnt just one method that i use on a set schedule. Everything is all relative and I can do anything on any chart/any timeframe and still achieve same results.

1. I can enter on 5min chart using momentum and move stop loss to breakeven. **Weeks later**, I notice that the position is still alive. I can now treat this position as a scout and see its entry on the higher timeframe; 4hr, daily, weekly
2. I can use 4hr pennant breakout and enter with flow and move stop loss to breakeven. **Weeks later**, position is still alive and then stack positions thereafter.
3. I can also use weekly chart and use just line graph to enter around 'areas' of interest and stack positions on every dip/retrace.
4. I can use inside bar/trendline/range breakouts on 1hr chart and enter with flow at next .00 entry.

There is no set way. Its all relevant and it all achieves same result.

You can do anything as long as you do it sensibly and realistically (which means without increasing your risk).

Today's posts confirm that I will continue on to help however less on forum participation.

I will release the reading material into this thread once ready. 1-2 months from now is a realistic deadline for me.

Until then practice practice practice and find your '1 thing.'

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 3:55am



Aug 10, 2010 4:17am

109



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Good question.

I use,

Redorange - 10 ema close, smoothed

Dodgerblue - 5 ema close, smoothed

Magenta - 1 ema close, exponential

Edit: I looked at your charts carefully and it is the same to mine however I zoomed in one more level than yours

Sincerely,

Graeme



Aug 10, 2010 6:53am

113



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Quote:

Originally Posted by **Stumpy1**

How about this for an idea it doesnt matter which way the market goes just as long as you get in put on your break even stop and let it run.

Why not take one position long and one short with same pair then next day place break even stop on the one in profit and close the other presto you are in with a minimal risk and a break even stop

If it grows it grows if not you can try again till you get a millapede

Good idea.

Dont let anyone else tell you it doesnt work.

You should find out that if it works or not.

Try it, and please let us know.

May I forecast that your result will not achieve much and it will only lose out on the potential move for the winning position on day 1 and closing out losing position on day 2 is an unnecessary realized loss which could have been easily prevented.

I like your emotionless mechanical approach however it needs to be applied differently.

Sincerely,

Graeme



Aug 10, 2010 7:31am

#715



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Quote:

Originally Posted by **willf**
Welcome back

Thank you willf and all others as well.

Just letting all know again that I have started writing out a concise reading material. That will definitely have a flow of explanation.

Apologies but this thread is unfortunately all over the place mostly due to my fault and starting from now I choose to limit my thread participation. I ask for your kind understanding.

However, there is a lot of information in this thread that anyone could use to their advantage.

While I prepare the reading material for all please remember that I'm only trying to show 3 things:

1. Power of long term trend
2. Holding positions for infinity yield
3. Low risk entries

I have elaborated to great lengths on each point and hope you can mix and match the information and choose the info that you prefer to use.

Not all traders are same, and I understand we all have different focal interpretation and everyone has their own signature in the markets.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 7:58am



Aug 10, 2010 8:19am

#719



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Quote:

Originally Posted by **leggo**

*Great to have you back Graeme,
Here is my view:*

*I am new to forex so I do not have the one thing.
So first off I am going to perfect my entries.
While I am doing this I am going to read and learn about long term trends.
When I have mastered my entries.....*

I am going to use them to add positions to the long term trend but also I am going to use them on the counter trend to keep my equity curve.....

What have I noticed while studying the 5 min charts so far(I am still learning) ?

When price comes down/up from .00 it can either...

Very good.

Thank you for coming upfront and being honest.

Ben, have you ever asked yourself why sometimes price punctures through easily?

Alot of traders, for some reason (and I dont care/need to know why), have placed their buy/sell stops at that .00 waiting for it.

And once they enter 'in mass' the next set of traders which are the breakout traders look at this as a breakout and enter, pushing it further.

I watch both traders jumping on and then I jump on both of them.

Can you see what Im doing?

I want to see many buy/sell stops at .00 towards the anticipated direction, and see other traders jumping on and then I will piggyback on both. Usually this is shown on 5min chart by long row of bold candlesticks with hardly any wick cutting straight across .00 line/pivot and the next candle is also another bold candle in the same direction.

Price has stalled when you see mix of up candles and down candles around .00 or pivot. That is a failed momentum and I wouldnt do anything.

Sincerely,

Graeme



Aug 10, 2010 8:25am

721



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760 Posts



Quote:

Originally Posted by **rdwatkins**

pipEasy,

I love the simplicity of all your observations! I have been drowning in the 200 things and look forward to implementing the 1 thing as soon as I find my own.

I think I am nearing that one thing on SR flips, meaning when S becomes R so your recent line chart can simplify that further by removing the candles/bars. While I anxiously await your compilation, I am committed to practicing this and stripping the fluff from trading to all its simplest common denominators as you have encouraged us to do.

Thank you for your return and I hope...

Hello RDWatkins

I remember your s/r chart from previous exercise and you are well on the right track.

Just like the spinning girl picture, I honestly believe when a trader combines ema lines with candlesticks they are purposely choosing to confuse themselves and the sad part is they don't even know what they are doing.

I can trade effectively with just weekly 5ema, stacking positions, and diversification.

Banks probably take less than 10 trades a year as the sheer amount of capital they control is cumbersome to move around quickly.

We drive sedans but the banks drive 18 wheelers. We can turn corners easily but they need a lot more room to turn. Think about this.

The biggest myth a lot of traders have on this forum is that 'you cannot trade like the bank cause they have more money.'

That is completely wrong, and you can definitely trade similar style to large managements and also create a big 'growth.'

I know it's possible cause I'm doing it.

Sincerely,

Graeme

Last edited by pipEASY, Aug 10, 2010 11:37am



Aug 10, 2010 7:51pm

132



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Member Since Dec 2009

10+ yrs 760 Posts



Good morning, all

Apologies to condense my reply into one post, but please understand for the sake of new readers I'm trying to keep this thread modest sized.

Dave - It takes true warrior to admit his weakness. Thank you for sharing with all. A lot of traders don't even realize they don't have this '1 thing.' They believe the current system they are using is their '1 thing' but I assure all readers this '1 thing' will be something far simpler.

Fugly - Thank you for your continued contribution. I wasn't aware about the ignore list. However no one will be listed as I believe we are still part of public community and everyone is entitled to their personal opinion. Having said that, I have decided to place greater effort in preparing the one big reading material. Thank you for your honesty. It takes more to admit to one's weakness. Thank you

Rumpfunk - Hello there. Thank you and I understand and I will more or less decrease my thread participation and focus more on the material I'm preparing.

Gasservettes - Thank you for the kind remark.

Abailley - Thank you very much

Pip_daddy - Thank you for your continued contribution. Im glad to hear you have started. Always remember to spread your exposure and never get attached to one single pair of currency. How will you react if your current group dies on breakeven? I know you will be a bigger person and realize that if price cameback to close all current legs on breakeven, its most likely trending in opposite direction to your current group and you should have few legs growing on the new direction.

Knukk - Thank you

Gp144 - George, thank you as well

Stumpy1 - Good. Please let us know.

Sincerely,

Graeme



Aug 10, 2010 8:29pm

#736



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Good morning, all

Thank you for all the personal messages, Im still replying to them.

I have mentioned this before in my earlier posts.

I asked anyone with modest success in trading to pull out a paper and calculator. Write down all their trades they have completed few months ago.

Just write down, Entry Price, amount of pips earned, buy/sell.

Example,

1. 132.000 +100 / Sell
2. 1.28000 +100 / Sell
3. 2.12500 +50 / Sell

And so on..

Now write down current price of the pair of currency next to it.

1. 132.000 +100 / Sell 124.000 (tick)
2. 1.28000 +100 / Sell 1.35000 ()
3. 2.12500 +50 / Sell 2.78000 ()

Compare it? What do you notice?

First list shows short term trader who knows how to trade effectively.
3 trades, 3 wins, +250 pips. Excellent.

Second list shows what happens if this short term trader decides to turn into a long term trader. He/she still uses same entry method however the only difference is; he/she holds onto the winning positions indefinitely.

3 trades, 2 breakevens, but..

+800 pips of unrealized profit. Im sure this trader has many other positions as well but he/she can close that x1 position of +800 pips right now through diversification and have trebled the short term trader by doing nothing. Accuracy drops significantly but it is the small number of legs that

survive which will be outrageously larger profit later on. Winning rate/percentage is not important, it is how much profit your winning rate/percentage brings that is important

Once a reader asked me through personal message who I admire in this forum. There are great traders out there and admire many. They have a sensible trading method and I'm sure most of them enjoy their success. However it is this success that gets into their head and suddenly they close their mind on anything else. I know it will be fruitless to get through their wall of egoness but **they can be so much more by just holding onto their winning positions longer. Few weeks or more the better.** They will never go back to closing out their position at 1:3 or any other small r:r they managed to conjure and apply with some degree of success.

If you are well respected, successful trader please don't stop learning. I still attend local seminars just to feel it all again. Please stay true to your roots and admit that even if you are currently running ahead of the pack there are traders that are flying above you.

Sincerely,

Graeme



Aug 10, 2010 8:31pm

737



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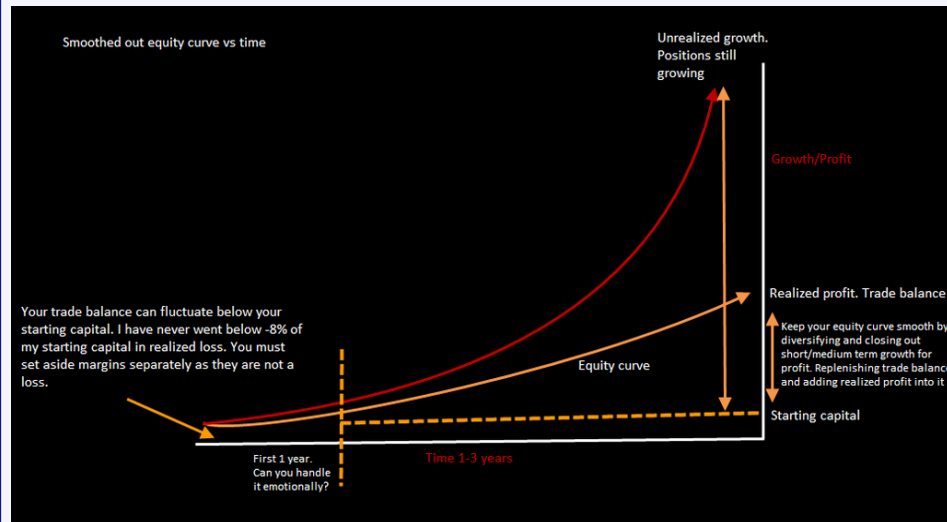
Member Since Dec 2009

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Just on a side topic, I would like to show you a chart that is a true/similar representation to where I stand. This is not a bragging show but there is something that I wish all readers notice and learn.

This is what all traders should aim for in the long term



Aug 10, 2010 8:45pm

738



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I would like to talk one more topic before I retrace back and continue my efforts into the reading material.

Price Action.

I speak on behalf of all learners. What is price action? Action of the price?

How do you define price action?

I choose to interpret 'price action' as the current market sentiment of the movement in price that is on hand.

Im sure everyone knows to some extent what price action is but do you really know how to apply it?

This will be my longest and hardest topic to describe to all.

Let me start with wicks..

Everyone knows what wick is.

Can you explain it?



Aug 10, 2010 8:48pm

739



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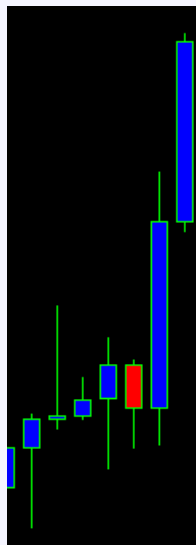


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Mr Buy: Come on boys lets show these pansies

Mr Buy2: Oorah!

Mr Buy3: Push Push Push

Mr Buy4: Come on they running!



Aug 10, 2010 8:59pm

746



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Mr Buy4: My mama calling me. Gotta go
Mr Buy3: Meh.. I had my fun. Toodles
Mr Sell: I take you on all by myself. Where are my boys?
Mr Buy: Uggh... We not moving anymore
Mr Sell: They are not winning anymore but its not moving. I cant push them back! I need more on my side.



Aug 10, 2010 9:06pm

#747



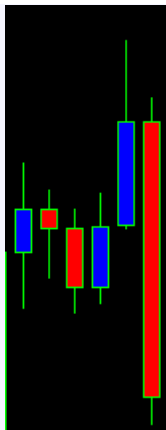
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Mr Buy: Im surprised to see we have more here but we are not moving much. Only tiny steps. Where is jimbo the big bone zumbo?
Mr Sell: I will hold on until my guys get here
Mr Buy2: Well we not moving much and its already dark outside. If we dont move quickly forward I gotta go home.
Mr Buy: Bah... Jimbo didnt come..
Mr Buy3: I have a confession to make.. Sometimes I wear Mrs Sell's underwear. Im really a Mr Sell.
Mr Buy: How could you change sides now?
Mr Buy4: Yeh, me too im shifting cause look Mr Sell2 and Mr Sell3 is coming.
Mr Sell: Heh Heh. My turn.. PUSH!



Aug 10, 2010 9:16pm

#748



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Mr Sell: HAHA. Where is your buys now? We going down down down. No retrace just smooth sail down.
Mr Buy: Noooooooo. Stop running away you pansies and help me push again
Mr Buy3: (now wearing Mrs sell's underwear) I dont care as long as Im on the winning side. So im pushing sell now.

****Graeme arrives on the scene****

Graeme: Hello. Mr Buy your struggling by yourself there. Good luck. Mr Buy you made it to 1.35000 metres but couldn't push it further anymore. Infact not even 33% retrace back and everyone on your side left.

****Graeme jumps on Mr Sell's back and chuckles****

Graeme: Hmm.. Why we not moving again?? Oh well I dont care, I just move my stop loss and move on. See you around boys

Mr Buy: Im going to get you Mr Sell

Mr Sell: No.

Once again they are not moving and then Jimbo the zumbo arrived wearing 'i love Mr Sell' t-shirt.

Mr Sell: hahaha. Down Down Down

Last edited by pipEASY, Aug 11, 2010 5:53am



Aug 10, 2010 9:30pm

749



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Leggo you are correct.

Each candle is telling you a story.

Look at that candle. Very long wick at top but the price closed below the open.

This means, there was a huge push by buyers but they lost control when sellers pushed it back down and past the open price. This means for now the sellers are in control.





The next candle will continue on the story. There is small/medium push from buyers but you must notice that it stalled at open price of the first candle and bounced down. For the astute traders looking at this (which is 4hr chart) they will then will zoom into 5min chart and see the bounce happen at the open price of first candle and then enter with a very small stop loss above the open price of the first candle. Very small risk for a huge profit. Do you see it?



Aug 10, 2010 9:37pm

750



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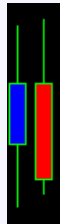
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And it happens all the time. You can forecast the bounce near the open of the previous candle or near the high of the wick. You can enter with very small stop loss and aim for a large return





See how buyers try very hard to push it higher but fail around the same/similar price as before? Once you see it happening, zoom in to smaller timeframe



Aug 10, 2010 9:41pm

751



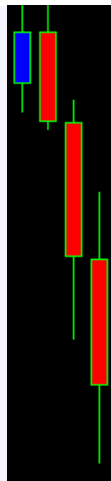
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Notice the huge push by buyers which fails and ends up closing lower than open price. See how the market reacts to this.





Aug 10, 2010 9:50pm

753

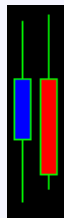


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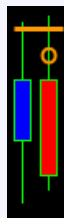
10+ W 760 Posts



We are focusing on long wicks. Long wicks is the first sign of weakness.

Look at first up candle. Hear its story. There was alot of buyers who pushed hard however sellers still managed to keep them under control and moved it back down creating that long wick.

We dont know what happens on next candle but when its forming I would watch price go back up to the tip of the high wick and 'bounce'



Once I witness the bounce I will enter 'with flow' and place a hard stop loss above the high of the wick (make sure you leave space)



Very small risk for something big. And it gets so much exciting when you allow this position to grow in line with the weekly/monthly trend



Aug 10, 2010 10:01pm

754



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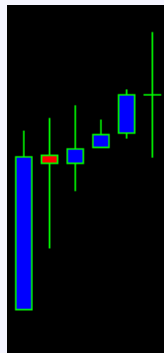
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Wicks is the first sign of weakness. It shows traders leaving, and opposition entering.

Long wicks are sign of weakness.



Look at the uptrend. Notice the last candle. A struggle between buyer and seller. Their powers are evenly matched. They are telling a story. Sellers had enough of being pushed around and started gathering power. But failed to make a close lower than open. Anyways, the fact that buyers couldnt close higher than open price + long upper wick is a sign of weakness from buyers. I would focus on the next candle happening.



Look at the bold down candle. Very short wick at top. No short wick at top means no buyers or buying power. Buyers are now leaving and sellers had enough and pushing it hard down.

I will enter on next candle but this time, there is no wicks to base entries. I could use the open price of the down candle and try and find a bounce. Bounce happens near open of previous candle, 50% fib, or tip of the high wick. Look around that area for bounce.



Sometimes I enter at 50% fib if the hard stop loss I place above the previous candle is not too large and also on the looks of the current bold down candle.



Aug 10, 2010 10:12pm

755



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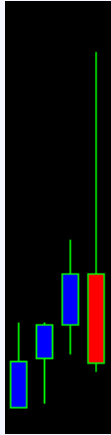
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It is disheartening to see many capable traders ignoring wicks. Wicks is the first sign before the formation of candle. Its how I have positions on wicks on daily candle and traders wonder how?

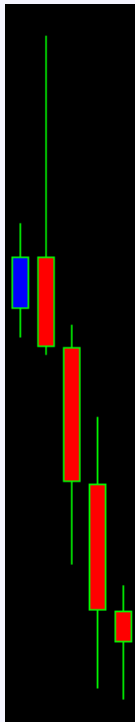
Pin bar. All traders agree pin bars are reliable indicators.

Its reliable cause of the long wick!



There are many shapes/sizes and placements of pin bars. However pin bar is a story of epic tragedy. The last candle is a pin bar in my personal opinion. Some traders disagree because its too large to their taste. However look at the previous 3 up candles. The body of the pin bar almost comes back 50% of total distance/price moved and the wick is almost twice as long as the price actually moved. That is a legit pin bar. Or whatever traders would like to call it.

Its telling a story about group of buyers making slow steady small progress, and then alot of other buyers gathered force. But, unfortunately, sellers couldnt take it anymore and totally dominated their efforts in one single move and ended up closing lower than open. And to add further embarassment to buyers sellers came down to 50% with one candle which buyers did it in 3 candles. That is a huge amount of power that will not 'suddenly' vanish in the next candle.



All other traders appreciate this remarkable push down and joined in. Candle after pin bar has small wick at top. What does it mean? Hardly any resistance from buyers.

The problem I dont like about pin bar is that most of the time the price move is so powerful I dont get a chance to witness a bounce near the open of the previous candle or top of the wick or 50% fib. I wouldnt enter by looking at this chart and place my stop loss at top of the pin bar, thats too much. However I now have inside information that at least for the next 4-8 hours it will be down. What do I do?

I zoom into smaller timeframe and use this inside information and stack positions aggressively.

Last edited by pipEASY, Aug 11, 2010 5:59am



Aug 10, 2010 10:22pm

#756

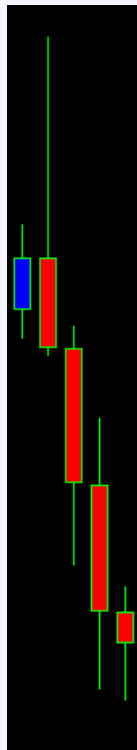


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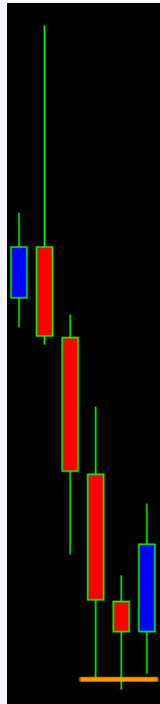
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Lets continue on.

Uhh? Whats the last small candles at the bottom?



Long down wicks??

What does it mean??

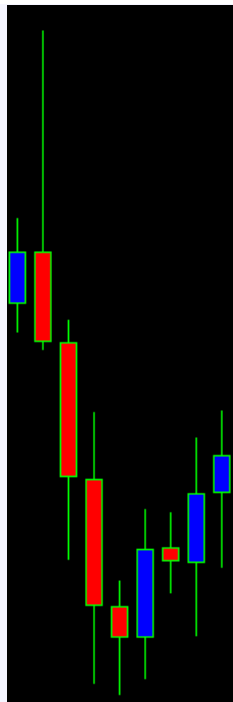
First sign of weakness for sellers

Its telling us another story. It means, sellers had enough fun and most are leaving the scene.

3 medium sized wicks 'bouncing' around the similar price. What does this tell you?

A very important message: Sellers cannot penetrate that area! They want to but not enough juice. What do you think it will happen?

Sellers will leave and become buyers and new buyers will jump into it at the sign of this weakness.



I can position myself ready to get in the action at 2nd/3rd bounce. I can use smaller timeframe when bounce happens and have a position on the wick and very small hard stop loss below the 3 wicks. Very small risk for something spectacular.

Last edited by pipEASY, Aug 11, 2010 5:59am



Aug 10, 2010 10:31pm

757

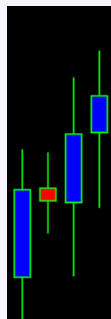


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Lets now focus on last 4 candles.

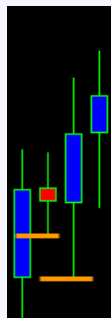
I like the bold up candle. Sellers are leaving and new buyers are jumping on at the sign of 3 wick weakness before.

Uh... but..

2nd candle is inside bar.

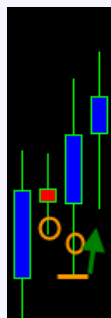
Does everyone know the story of inside bar?

Inside bar is when buyers and sellers are not pushing anymore and both staring at each other. Just like western movies when there is a pistol duel. They are standing facing each other in the dusty desert waiting for one of them to draw their pistol first. Its that very climatic moment which is called a inside bar.



Lets just say, I missed entering on the wicks before and ended up entering at inside bar candle. I wouldnt know it would be an inside candle cause I would have just entered at 50% fib and place my stop loss just below the open of the previous candle.

I would have suffered a drawdown but would have stayed in cause if price did breach/closed before the open of the previous candle, only then would I admit my defeat.



Close call. Price did come back to open of the bold up candle but couldnt breach. Infact it 'bounced' and I was hoping such move. What do i do??

I would now zoom into smaller timeframe and use this inside information and enter well with the flow of bounce. I will have a position on the wick.

Sellers tried hard twice to push it down to new lows but couldnt. Their power is diminishing for now and that merits another position from me.

USE THOSE WICKS



Aug 10, 2010 10:42pm

758



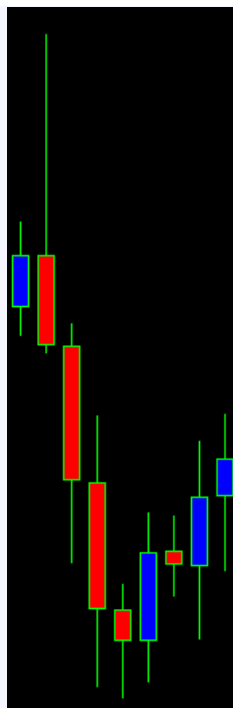
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We have just analysed/read the above. This is eur/usd 4hr chart. Each candle is 4 hours. Plenty of time/space for you to plan your pinpoint executions using the inside information here and then using that info in smaller timeframe.

I say this again, but it disheartens to see many many capable traders ignoring long wicks. This is first sign of exhaustion. If you are fighting someone professionally you need to look for signs of weakness; are they left/right handed, any repeating tell tale signs.

This weakness is the best place to attack.

The quality of decision is like the well-timed swoop of a falcon which enables it to strike and destroy its victim.

[Sun Tzu](#)

Last edited by pipEASY, Aug 10, 2010 10:58pm



Aug 10, 2010 10:56pm

759



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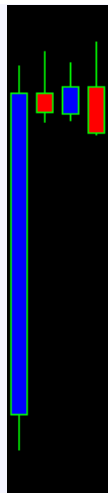
Member Since Dec 2009

10+y 760 Posts



Most often than preferred, you will arrive too late in the scene if you wait for the close of the current candle. You need to be looking within the candle when its 'forming'

You must look for clear bounces and then enter with very small stop loss at next s/r area but sensibly and not too tight. (Just one of the methods and I will explain more methods like this tomorrow)



All candles tell a story.

Look at that huge long candle. Looks like jimbo the zumbo has finally arrived for Mr Buy. Mr Buy, Mr Buy2, Mr Buy3 who is now back to wearing normal mens underwear and jimbo have gathered force.

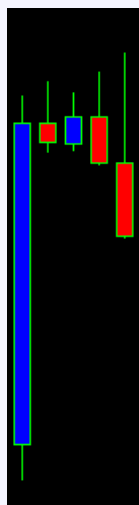
uh...

Price stalled. It has barely made new higher price on the next candle. Price went just above the wick of the previous candle but then bounced. However not enough energy for remaining sellers to push the bounce any further down.

I wouldnt do anything at the moment. Perhaps I might have 1 position when I saw the bounce but I will do nothing more. My stop loss would be just above the wick.

3rd candle is inside bar. *whistles western tune* Both buy and sell gunmen staring at each other waiting for someone to move first.

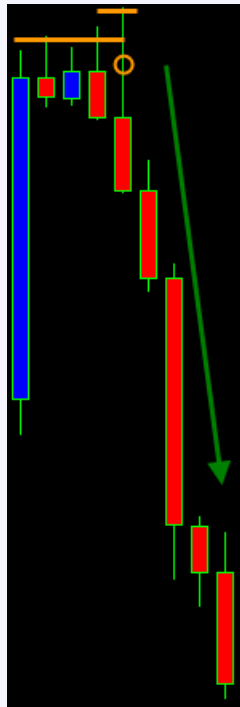
Unfortunately the last candle would have stopped me out on a loss. It happens.



Lets now focus what happened next. Price moved well below the range, this is a breakout! But i need to know for a fact that no smart buyers is going to jump in and surprise me. While the last candle is 'forming' I would notice price go above the previous wick and then 'bounce' down again

but this bounce down would be more rigorous then before as it covers more move/range (there is momentum on this bounce!).

I truly love seeing wicks reach a certain 'area' or price and cannot penetrate and when they bounce back with momentum you can bet that I will be already on there with my tight stop loss at top of the wick.



See how I arrive in the scene much earlier than most and have tighter stop loss than most and capture most profit.

Im scouting on 4hr timeframe using wick bounce.

I used this method for a long time and still use it often.

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 6:03am



Aug 10, 2010 11:18pm

#762



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Chorlton**

Graeme,

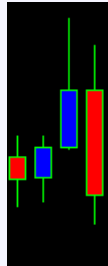
Quick topic-related question:

How many of the previous bars are important to take into account when analysing the current action? At what point do the previous bars become unimportant?

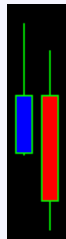
Good question.

Its all relative. It could be just one candle before or 10 candles before. Usually its between 1-4 candles.

To prove its all relative.



4 candles. Whats the story? Buyers are winning but only slightly. They are taking baby steps upwards. No momentum. They look tired. Sellers look at this sign of weakness and pile on pushing the price well below most of the buyers effort in the first 3 candles. Huge power down by sellers.



Or you can just look at that last 2 candles (this is same chart, candles). Buyers tried hard to make a new high but failed on the way. It couldnt make it to the top of the wick but I would notice the bounce when the price is coming down towards open of the red candle and then I would enter there at the open.

What happens after?



Look for long sized wicks. They are not common but definitely worth the wait.



Aug 11, 2010 3:05am

766



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Most important aspect of price action is that it gives a 'reliable' hindsight to which way the market might move.

When I mention 'reliable' it means not all the time but enough times.

It is very important to interpret price action without any biased views.

It is also traders ability to control risk and prefer to use smaller hard stop loss but sensibly. **Just above/below the next s/r is the most sensible**. This is why inside bars are so attractive. Cause the price range of inside bar are usually small, traders can blindly enter on breakout and place stop loss at the opposite end of the whole inside bar and it will still be a relatively small loss.

On the other hand, pin bars have potentially a bigger range. I would never enter just cause I see a pin bar but I would prefer to see the price retrace to either open of the pin bar, 50% fib of pin bar, top of the wick of pin bar before bouncing down again. However I can enter if there is a big momentum without any retrace after the pin bar.

Now I say something very very important.

Interpretation of price action will never be 100% accurate. It will be a **reliable hindsight 'when' it happens.**

It is your job to 'ensure' when your interpretation of price action does happen to your 'forecast' to **MILK IT AS MUCH AS POSSIBLE** without increasing your risk.

When a pin bar happens on 4hr chart and you know its going as planned, please do not sit there and rub your hand in glee. **You should USE THIS INSIDE INFORMATION TO YOUR ADVANTAGE.** Jump into 1hr, 15min, 5min charts and enter as many positions towards the intended direction. Sensibly and as planned. This is where your razor sharp entry methods are required.

And after few stacks of position, monitor the strength of the move. If the movement is dying down and we have 5 positions alive what do we do?

Diversify. We close out smaller 3 positions for a small profit and keep the larger 2.

Mini diversification on mini timeframe is same as doing diversification on bigger timeframe after bigger growth.

Other systems/method on this forum limits its potential growth/profit. And it is very disheartening to watch it happen as there is so much more than the 80 pips they just extracted.

If there is a well known method to enter on s/r break on higher timeframe. Trader must not stop there they must use this inside information to the traders advantage and milk it as much as possible.

Below is a true story and very important for all traders to understand this story fully.

I remember few years back on gbp/jpy, there was an inside bar with a tremendous momentum breakout going down after it.

This breakout lasted 3 weeks, and it started with that inside bar on the 4hr timeframe. I could have been the 'average' trader and just enter on breakout with 1:3 and bank about 90 pips. Be very happy and move on and look for another one.

That is seriously limiting your potential.

For the next 3 weeks, price moved 900 pips. I based my first interpretation on the 4hr inside bar and then zoomed into smaller timeframe and comfortably stacked positions continuously. I diversified near the end of 3rd week and closed half of the smaller legs for a very large growth/profit into trade balance and kept larger half of the legs.

Most of the larger legs died however 3 remained to fight for me further 8 more months when I finally closed them out for thousands of pips each.

How did this all start??

From that single 4hr inside bar.

Look inside the inside of the inside.

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 5:46am



Aug 11, 2010 4:31am

769



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **songbo**

hi Pipeasy,

Hope you can show examples of how you stack positions based on 4hrs setup. I like the idea of high probability setup and bet larger...

Good question.

What is your '1 thing?'

To see a pin bar on 4hr chart and to know which direction price is going is already knowing more than half of the information.

My '1 thing' is judging momentum on lower timeframe. I request that you look for your own '1 thing'

It could be trendline break, s/r break, .00 breakout, mini pennant breakout, order flow breakout, but we would know which direction to enter. This is putting the advantage on our side.

If we know our opponent is a left handed boxer, then we can anticipate heavier punches and more frequent punches than kicks and from his left flank. Not all the time but most of the time. Make sure when he does reach out to punch with his left, you are ready to intercept and pummel him in anticipation. However when he does use an occasional right handed punches make sure your defense is tight.

Sincerely,

Graeme



Aug 11, 2010 4:42am

770



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **wooli**

Hi Graeme,

Your thread just keeps getting better & better!!! Awesome!

I don't think this has been asked before and my apologies if it has.

When you enter off a wick/previous bar open/50% retrace do you:

a) Use a limit order

b) Wait for price to retrace past your proposed entry level and then use a stop order when price starts to flow in your anticipated direction

c) Use manual discretionary entry

Thank you

Michael

Good question, Michael

More B and C than A.

I will only use A when Im stepping out of office and the setup is very tempting.

For example, after a long wicked candle. I watch the next 'formation' of candle closely. I want to see a retrace.

Does everyone know what retrace is? It is the the last attempt of buyer/seller trying to push it back to their direction. The last gasp of breath before dying.

Retrace could be very short or could be quiet long. I prefer to focus when retrace suddenly 'stalls' at opening price of the previous candle, or at 50% fib of previous candle, or 'near' the price at top of the wick.

You need to look at smaller timeframes to see it stall, preferably use 5min. Sometimes the bounce is very clear and violent. Price reaches 50% fib of previous candle and then an opposite long bodied candle suddenly appears on 5min chart. That is order flow and anticipation of other traders. We dont care about x1 single 5min long bodied candle but the momentum after it. If there is momentum I will enter.

I prefer price to reach near the top of the long wick on the candle before and suddenly lose power and start dropping. You can set a very small stop loss above the top of the wick and enter. Very small risk for potential big returns. Not successful 100% of the time, but enough times to create a very large profit everytime it does happen.

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 5:27am



Aug 11, 2010 5:40am

#171



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Member Since Dec 2009

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Quote:

Originally Posted by **luqmanz**

Welcome back sir .. thank you for your guidance ...

I've started practising your method since yesterday .. I just managed to deploy 11 positions with SL at BE in 12 currencies ...

I improved my entry with the golden rule that you taught "Long above Daily Open, short below Daily Open".

One question. How do u use the EMA to decide when to diversify .. ? Im planning to diversify when the price is between blue and red since it could be the turning point of the current trend.

Thank you sir.

Good evening, luqmanz

I almost missed your question.

11 positions with SL at BE is impressive. Good work.

May I ask the following for your benefit:

1. How much did you lose (realized) to establish 11? Hopefully less than 100 but no more than 300. If its larger then please look into tighter entries and practice. And try to participate less aggressively. **We need to space it out**.

2. How would you feel when one week later only 1 is alive?

3. How would you feel when one month later none of the legs from this group is alive?

I use ema just to see the direction of the trend (the angle/steepness). Although I personally see 5ema on daily/weekly chart as the 'real retail' price however I would choose not to base decisions on when to diversify/exit from what ema line is showing.

I diversify when I feel uneasy and there is nothing more than that, a gut feeling. The only thing you need to guarantee before diversification is ample time (weeks/months) for growth on the group and that you are diversifying for 3 golden things.

1. Replenish trade balance
2. Add realized profit into your trade balance, increasing your equity
3. Keeping few of the larger legs

This will clear the whole scoreboard to zero which definitely helps with your emotion.

When price reaches between blue/red could be a turning point for a new direction or could be a very cheap price to add position in the current trend.

But you are correct to diversify when price does enter between the 2 lines. I would most likely do the same or sometimes I risk little more and let it play out by not diversifying.

Lesser number of diversification = Greater growth/profit in the long term

More number of diversification = Smaller 'guaranteed' growth but also retaining a smaller interest for infinity growth.

Its give or take with pros and cons on both side.

Very good question

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 6:12am



Aug 11, 2010 10:55am

#172



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Member Since Dec 2009

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Today I have explained to all what wick really is. Im sure alot of traders already know what a wick is and what it represents but unfortunately it does not get mentioned enough.

I witness RSI divergence, macd, ADX being talked more frequently than the actual wicks or candles.

Did you know that after the wick, candle has formed and then this data is calculated into the indicator?

Price action -> wick (candle) -> indicator -> your action?

or

Price action -> your action

You will always arrive first on the buffet table by correctly interpreting price action. Indicators should only be used as a reference/confirmation of your beliefs.

Wicks are a great indication of exhaustion/weakness of current movement.

Question: If you are planning to attack on counter trend when do you think is the best time to execute an attack?

Answer: The best time to attack will be ofcourse when the opposition is slowing/stalling/losing strength. But never hit alone first, always hit together with other groups of attackers

Wick entries do not result in 100% success however **more than enough**.

If I were to place a hard figure I would say out of 100 wick entries I do,

20 would be losers with small losses

30 will breakeven on first attempt and I will never reattempt 2nd on same wick or same setup

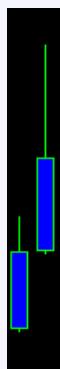
35 will produce a good short term profit captured in my mini diversification a few hours or few days later

10 will capture very large medium growth few weeks later

5 will remain growing as my infinity growth legs

These stats are very close to what I have achieved over the course of last 2 years.

Let me show you some failed wicks so I can lower any readers 'bloated' expectations.



Look at above candles. Long bold up candles. The excellent thing about these candles is there are no wicks on the bottom. What does this mean?

No selling pressure. Everyone is buy for now.

Look at second candle. Look at that huge wick. What does this mean?

Its a sign of weakness for buyers. And I have a feeling sellers are going to pounce at this opportunity.



Aug 11, 2010 11:03am

173



pipEASY

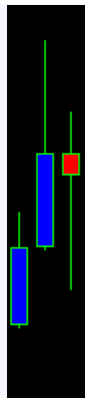
crede quod habes, et habes

Member Since Dec 2009

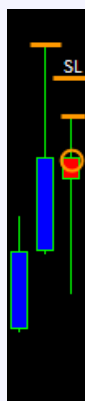
10+Y [760 Posts](#)



I will now focus on what happens on the next candle. Im looking for a safe place to enter sell; open price of previous candle, 50% fib of previous candle, retrace near/same price as top of the wick.



Interesting. What does the new candle try to tell us? Whats its story?



Open price is already 50% of fib of previous candle so im looking for something else. It starts to retrace upwards. Good I want to see buyers gasping for their last breath so I know they are dying. I was hoping a nice clean 'bounce' at/near the top of the wick but it fails to get there. Ok perhaps buyers didnt even get a chance for a last gasp. I would watch the bounce happen on lower timeframe (5min) and see the price coming down towards open of the candle again. I would enter and place a stop loss at top of the new lower wick. Why? Cause if price somehow finds enough strength to get back up again then it has a **strong purpose** and would most likely be a breakout upwards.

Good momentum with alot of power going down. BUT. Buyers start to gather force again and start to push back hard. Price closed lower than open but you must now look at lower wick of the new candle!



Aug 11, 2010 11:17am

#174



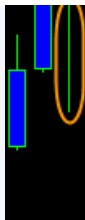
pipEASY

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Member Since Dec 2009

10+V 760 Posts

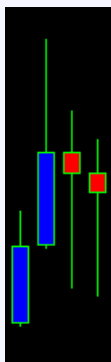




The table has now turned. Now we know the weakness is on the sellers side! I was hoping that candle would be a bold down candle but you cant expect anything to happen in forex. You just have to follow.

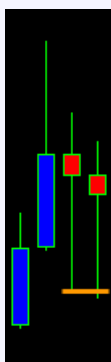
I would most likely move my stop loss to breakeven for that position cause as we all know when momentum dies I will move on to different pair.

What if I stayed? I now know many buyers have gathered their force and is not willing to lose this fight. What happens next? I would watch..



Sellers want to win this fight and they are fighting very hard but there is almost even number of buyers also fighting very hard not to lose. Price is not moving much but the wicks are crazy. It moves + into buy territory and then + into sell territory only to have the close price very close to open price. Its almost a draw but sellers are winning slightly.

What do you think I have noticed??? Something very very important just happened. What is it?



The new candle lower wick went to the same/near price of the previous wick and 'bounced'!!

But, unfortunately, I was away at dinner when that happens. But what does this tell us? That is two attempts by sellers to try push it harder but failed to make any new lows or close lower than before. Sellers are losing their grip here. Next candle I would look for buy entries now as I know sellers cannot continue pushing as hard as this, they will soon tire out.



pipEASY

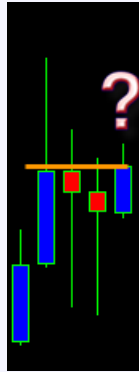
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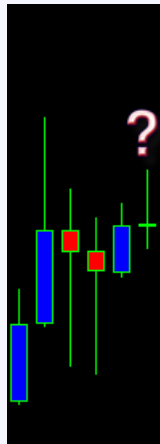


Im hoping for a big push up with new buyers noticing this weakness of sellers. Sellers cannot continue pushing hard as this. They need other sellers to jump on but other sellers are not happy with those wicks too. Infact other sellers are now thinking of becoming buyers. Sellers are in real trouble here. Something big is coming.



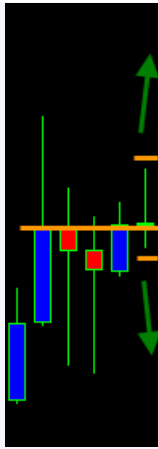
???

That is just embarassing. What a pitiful attempt by buyers. No short wicks and its telling me buyers only managed to push the price to open of candle just 2 candles before? There was no retrace so I would try and base my entries with momentum and Im sure there was no momentum in that midget candle. Something to notice here is that buyers did take back the control of the situation and pushed the price above the opening price. I dont know why but sellers are taking a rest at the moment.

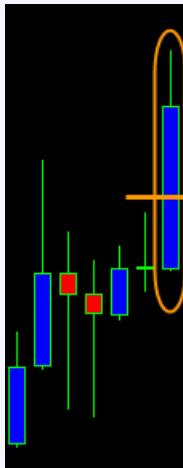


What does that tell us? Buyers and sellers now dont know what to do. They are baffled. Both tried so hard in the last 4-5 candles and now is almost same as 5 candles ago. They dont what to do.

In situations like this, you need to expect the unexpected but one thing for sure it will burst out of that pitiful range. Can you see the situation has now turned into a breakout setup?

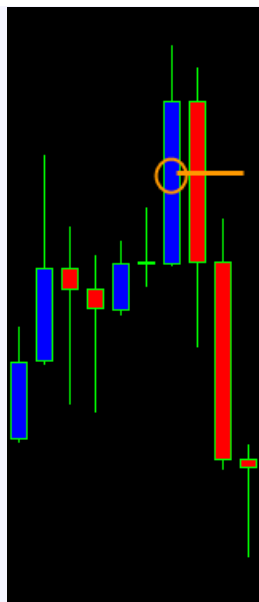


Price cannot stay in a range bound too long and it will breakout. I will only look for breakouts with great momentum. I will be poised to take buy or sell that breaks out from that last candle range.



Amazing momentum. No short wick. Sellers stayed quiet and buyers pushed the price clearly out of range. Fantastic! I would definitely have a position on the breakout and easily have SL moved to breakeven.

But in the markets, expect the unexpected to happen.



That was a surprise. Sellers had groups of friends waiting and the new buyers who pushed the price out of range decided to close out and go home. No warnings from the wicks.

2 attempts and 2 breakevens. No happy ending but I'm content.

Can all readers see how I might interpret price action and minimize my risk to bare minimum but shooting for extra large rewards?

And this is just wicks....

I will try continue with candle bodies another day.

P.S You can be a successful trader by just using wick interpretation. It could be someones '1 thing'

Sincerely,

Graeme

Last edited by pipEASY, Aug 11, 2010 12:01pm



Aug 11, 2010 11:49am

171



pipEASY
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Member Since Dec 2009
10+yr 760 Posts



Could someone kindly explain why some of my pics are broken?

It is disheartening to see my efforts dwindle away into a void.

Is it an imageshack issue?

Edit: Apologies, I'm too tired tonight to continue. Please think about wicks for me. It can be used to a traders great advantage. Thank you all kindly. Good night

Edit2: Please disregard this message. The broken pictures came back and its showing correctly. Good night all.

Sincerely,

Graeme



Aug 11, 2010 10:06pm

786



pipEASY

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Member Since Dec 2009

10+ W 760 Posts



Good morning, all

Apologies to address all enquiries in a single post. I wish to keep this thread as condensed as possible for the sake of new readers.

Leggo - Good question. 50% is loved by alot of traders. Alot of retail traders look for retrace also. They are interested in 50% and the 33% and then 66%. I consider 50% as a psychological level. We should never tell ourselves, 'ok graeme, price is at 50% lets enter.' We should be really saying 'ok graeme price is at 50% which is loved/followed/believed/cherished by the larger group of traders lets see if they all join force and enter/place buy/sell stop orders there at 50%. I always witness the 'bounce' first and then enter when its coming back down. This ensures a much higher probability as you are piggyback riding.

Geoff - Thank you. You are correct, they are temperamental.

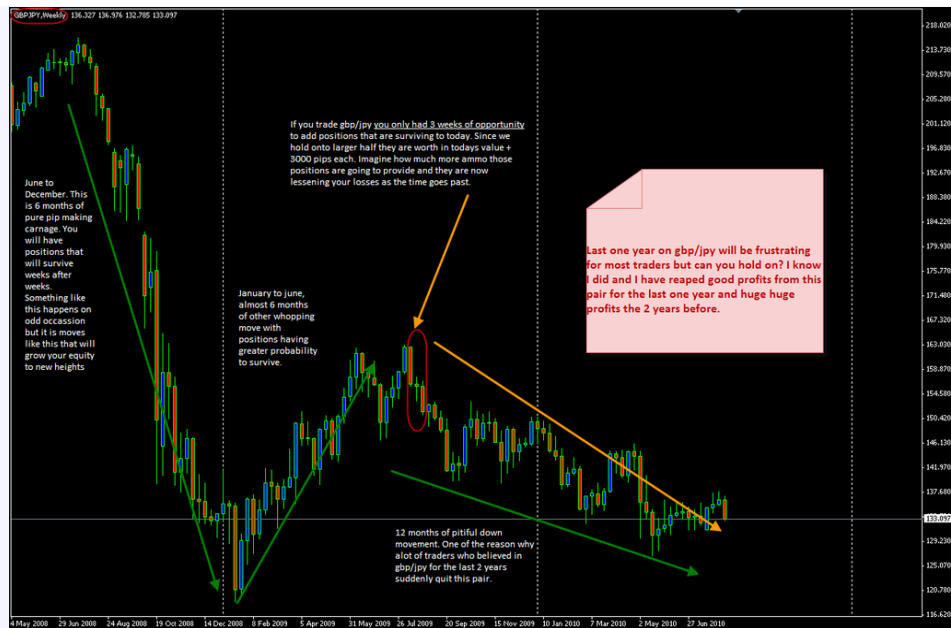
Sixx58 - Good question. Emotional control does/will improve over time. Position trading has the best rewards compared to the small risk taken. Part of the small risk is perserverance and unbending faith.

There is a very good reason why I urge all traders to sharpen their entry method non-stop. Cause this will help their emotional control immensely. If a trader has lost 8 positions before the 1 winning position he/she will most likely be greatly attempted to close the 1 winning position earlier to re-coup his losses. We are all guilty of this.

However, if you know your entry method very well and have kept your losses very minimal, you will look at your losses from a different angle. You will look at 8 losses/breakevens as just part of something you had 'no control' over cause you know there is nothing wrong with your entry skill but it was the inevitable fluctuations of the market that took you out. It is a very different psychological mind game.

Dave - Good question. For me, 250 pip leg is not worth the trouble to negotiate a close or not. **We prefer legs that are few thousand pips big.** However, you can cushion your emotional hurdle by capturing this good short term profit by diversifying and keeping 1/2 larger legs intact and watch what happens. Sooner or later you will undoubtedly prefer to hold them without my recommendation anymore. Then you are over that emotional hurdle. I pray for your enlightenment to happen soon.

Please allow me to show all readers some realistic expectations. This is answering to sixx58



Last edited by pipEASY, Aug 11, 2010 10:43pm



Aug 11, 2010 10:20pm

#787



pipEASY

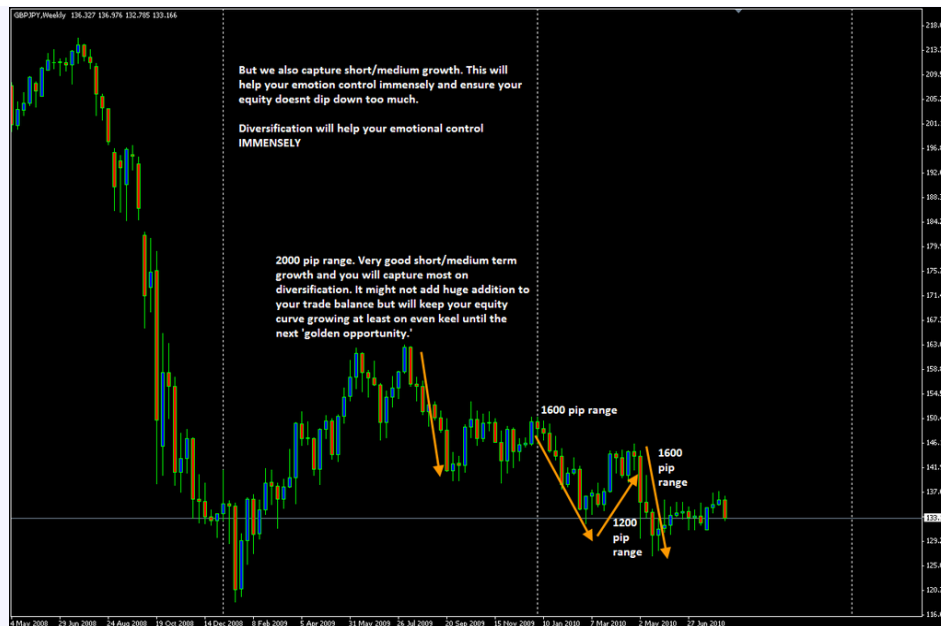
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Member Since Dec 2009

10+V 760 Posts



The good side of this story, please look below



There is another reason why trading multiple pair of currency is to its advantage. While gbp/jpy had a lukewarm trend for the last one year and while we wait for the next golden opportunity, all traders must expand their exposure in the market by adding positions into other pairs.

This will balance the risk and reward proportionally.

Infact this will ensure that your equity curve keeps growing while you position yourself for an opportunity of infinite growth. **Since your participation is stretched out, you will have continuous flow of diversification throughout the different pairs.** This is important and please think about it.

Yesterday, I have showed all readers, wicks. Please try using the interpretation method that I have showed into your own interpretation. You will be surprised that you are grasping the market sentiments better. It might lead to related discovery.

Sincerely,

Graeme



Aug 13, 2010 6:14pm

812



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Good morning, all

Apologies to answer all question in one post. Answering in order of posts

jashanno - thank you for your contribution. what works for you then works for you and im glad to hear of your success. there is different purpose to why i place both buy and sell. if you interpret this as just hedging unfortunately please read my posts again. i do not care if i have one position on buy and one position on sell; what im doing is positioning my positions as the market flows and sometimes a flow can last weeks to months. how does a trader know the next s/r is going to be a change in trend? they cant. just follow with flow.

luqmanz - you are definitely on right track. Please do not feel bad cause your results are fantastic if not little too fast. Your legs will happen. Most important thing in trading is not to rush but take your time and space out your exposure. From my earlier posts, by spacing out, you will miss few golden opportunities but you will avoid all/most of ranging periods.

tommestone - im very glad that you have moved away from usd/chf current ranging period to a pair that is trending stronger. Can I ask for your learning benefits, how do you know a pair is trending stronger than other pairs? The answer will lead you to a very very important related discovery. Please try answer for me.

pip_daddy - good observation. Same reply to tommestone as above, how do you personally judge whether the pair is trending or not? I have hinted few times in my earlier posts that I use scouts on higher timeframe to prod into market sentiments **OR** the fact that market moved strongly in last 2-3 weeks will not 'suddenly' change and stop. It could but it will give alot of warnings before it does stall and change. May I also add for your enlightenment that for example, one of my wick entries could also turn into a long term scout and I can base my personal interpretation of market sentiments at its growth. Scout doesnt always start from higher time frame, it can also start on 5min timeframe. New trend can start from all of daily,4hr,1hr,5min timeframes.

Frenchcuff - thank you for your question. I have used heikenashi candles for some time. It is reliable source of 'indication' of trend and change with less short burst of whipsaws. Unfortunately with heikenashi users arrive little later than most traders on scene. I prefer to arrive first at buffet table with the mentality to spend few pips to know that I was right or wrong. If im wrong I will admit defeat and move on, **but if im right I will stay awake to capture most out of it.** May I suggest that there are many entry methods one can upskill so you can arrive at the scene much earlier with tighter stop loss than you can currently imagine.

knukk - thank you for your interesting charts. i looked at them closely for some time. You have contribtued alot of efforts into the charts. May I ask what the 2 question is that you would like answered? Im assuming its the 'x' on the charts? If so, and hopefully im answering to your question properly; price always moves .00 to .00. If price is coming down from .00 then look for sells, if price coming up from .00 then look for buys. If it does not work out, please try not to re-attempt but let the opportunity pass. It will be a hard mind game not to re-enter cause traders think there is an opportunity at every moment they glance at the charts. Once all traders understand the importance of 'ignoring' the markets they will find that 'somehow' they are avoiding ranging periods magically.

mcornbill - thank you Mark for a unique question that hasnt been asked before. I read your post twice and believe I can add some hindsight to your understanding. Personally it rarely takes me more than 30minutes to 1 hour to move my SL to BE when I enter manually. However, on days when I do need to walk out of office and see a good setup on higher timeframe, I would not use a SL but please do not use this approach as yet. All traders starting to build their millipede 'must' or 'prefer' to use entry methods on shorter timeframe or scout on higher timeframe and then zoom in to stack positions.

leggo - Good. Shorter timeframe for now Ben. Sooner or later you will phase into higher timeframe with no recommendation or assistance. There is a related discovery once this happens. Good result from skill than luck is a fantastic mentality. I urge you on.

luqmanz - Nice tight stop loss. Im sure you have your entry methods well planned and practiced.

glenj - thank you for your compliments. Yes, 50% is where most traders should watch other traders. But it also happens quiet often at the opening price of previous candle or the top/bottom of the wick. If I were to choose in order: 1. 50% 2. Opening of candle 3. Top/bottom wick. I personally prefer the wicks to touch a price or tight area and bounce off twice. That is a huge huge hint.

jashanno - you are mentioning scaling out? In forex, the more you lower your risk, then you ensure yourself a smaller guaranteed profits. I personally aim to minimize my risk when 'entering' and then letting the market reward me infinitely. 2 different perspective and I request that you please think abotu it. Your perspective is: lowering your risk as the position plays out, my perspective is: lowering my risk on **entry** and letting the market reward me indefinitely or close the position with no loss.

mechthildche - yes, you are referring to hedging. Im not hedging as such. Perhaps if you could please read the thread. Buy/sell should not be replicated in one net buy or sell position = cause that is just taking one sided opinion of the market. Alot of traders **seemingly** believe that nothing happens when you take one buy and one sell on same pair of cuurrency. **It is true when you look at capital balance/unrealized profits/loss however different result when you move both buy and sell positions to breakeven and let it play out for few weeks.** I take both buy and sell at whatever opportunity market gives me cause I dont know where the market is heading towards for the next few months.

Sincerely,

Graeme

Last edited by pipEASY, Aug 13, 2010 9:11pm



Aug 13, 2010 8:04pm

#814



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **knukk**

Thank you for your answer. I'm afraid I might have been too unclear in stating my questions. The X's are just the liquidation points at which all positions are closed and have nothing to do with my questions. My questions are asked with a colored text in the attachment, with a corresponding colored illustration on the chart. I'll rephrase them:

I'll add the attachment from [my original post](#) to this post.

1) Question one is marked with cyan. Look at the cyan circle....

Thank you for your quick reply.

I read your post twice before typing and im assuming your question is more for all to think. Can you then please explain why you would think the cyan are weak and green would be a mistake?

Look forward to your reply

Sincerely,

Graeme



Aug 14, 2010 12:43am

#817



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Good weekend to all

Hope everyone is safe and warm.

While explaining how to interpret wicks and the possible hindsight we can gain from its appearance on the charts I have noticed something very important and strange.

Im going to go ahead and break some common myths that are circulating amongst this forum.

What I say next might go against the beliefs of most but if you keep an open mind for me, readers mght be able to notice something important.

If I ask why a trader uses indicators/price pattern/price action, most will answer: cause it gives us an entry/exit with higher probability for a profitable trade.

Please read this carefully.

The main purpose of analysing/watching indicators/price pattern/price action is to gain an hindsight to which direction it may go. Not all the times but most times.

We then use this hard earned 'inside information' to our advantage and by using various personal entry methods, stack positions indefinitely **until this inside formation is no longer valid.**

Is this you??

You know pin bars are great 'indication' of change in trend.

1. You wait for pin bar
2. You see a pin bar on chart and notice the indicator also indicating that price is oversold.
3. You enter with r:r in mind. You decide 1:5.
4. You place stop loss at end of pin bar, e.g 40 pips. And then you place take profit at 200.
5. Your position goes your way and you exit with 200 pips. You move on to next opportunity.

That is most traders here.

Allow me to tell you one thing for certain.

Pros do not 'just' take 200 pips cause price moved 200 pips or cause its their defined r:r. They take **minimum** 200 pips if price moved 200 pips.

If price moved 500 pips, pros take minimum 500 pips, maximum: infinity

If price moved 1000 pips, pros take minimum 1000 pips, maximum: infinity

When I say **minimum**, this is worst case scenario.

I do not understand why alot of traders think stacking positions is too dangerous. This is a wrong myth and you are taking things too literally. It is only dangerous if you dont know what you are doing or more importantly dont know what you are expecting. And we should all be expecting/hoping infinity returns on our investments.

Please allow me to further explain what 95% of traders do and see how their trading perspective is actually hindering their potential growth/profit.

Trader awaits for the perfect evening star pattern to happen. He picks very carefully and expects everything to perfection and he admits the appearance of such perfect setups are often rare sighting. However he is confident that such perfect setups will be most likely a profit or a small loss. This trader has a good balance of r:r that he/she religiously apply to every trade to stay purely mechanical. The only discretionary decisions he does make is the entry and the rest he leaves to r:r for exit.

Now allow me to reliterate the above story in a different version but with the same ideology behind.

Group of highly trained blackjack players enter a casino. They have practiced thousands of hours (have you?) of playing advantage blackjack. When they refer to advantage playing it means they know 'when' to start playing to ensure a 'higher' probability of winning. They know when the remaining cards in the deck is full of high cards like 10, J, Q, K which changes their odds of winning against the dealer much higher. Even if the deck is almost full of high cards they know that their winning rate is only marginally over 50%. They dont care if the winning rate is just over 50% of the time, as long as it is over 50% they will consider that a premium opportunity to start playing.

One player will sit down alone on the table and start playing using +1 and -1 counting technique (personal entry method). He is playing very small bets and just watching the action, prodding here and there. Soon he notices a premium opportunity when the remaining cards in the deck is now mostly high cards. He then raises his betting size greatly as he knows the odds are in his favour. Soon after winning hand, he then leaves the table cause he just won more than he lost. He moves onto next table and starts counting again.

??????? No. Thats not how professional blackjack players win.

Lets rewind little bit. One player sits alone on the table and starts counting cards by playing with very small bets. Once this player 'knows' that the decks are full of high cards he will do a hand gesture or a signage for his other team members to now join this table. This table is now hot and ready for picking. Other team members will join this table and bet heavily into every hand as they know most cards are in their favour. As soon as they notice that the deck has lost its edge they will get up and leave with their winnings. This is a true story about a group of MIT blackjack players who made millions before being caught out.

They did not count all those cards to make one large bet and to walk away after winning one hand. Once they know the deck is in their favour they will milk it out as much as possible. The exact same perspective is required in trading. Do not focus on few minor losses you encountered over the last few days. Just make sure when a win does occur, you stack positions and exit with a much bigger profit that will cover all your losses before and adding a big chunk of realized profit into your trade balance which should be more than enough to cover any future small losses necessary for

the next golden opportunity. This is the correct required mind frame.

Sincerely,

Graeme

Last edited by pipEASY, Aug 14, 2010 9:01am



Aug 14, 2010 3:11am

#822



pipEASY

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Member Since Dec 2009

10+V 760 Posts



Good afternoon, all

Darren teo - thank you for your continued interest. Your method will save you from doing pinpoint entries however this will result in a massive drawdown which will effect your emotion greatly. No one can stomach a 3000pip drawdown. My initial trade balance would have lost 40% realized loss if I allow such thing.

leggo - Yes, Ben. Momentum usually happens during uk/us sessions. However there are great spurts of momentum usually on jpy cross during asian session. I will try show few more tricks. Im wondering if Im confusing any of the readers by introducing too many new things.

pip_daddy - Thank you for your contribution

Sincerely,

Graeme

Edit: Does all readers understand my blackjack story in the above post? The message behind that story is important for all traders. You cannot profit greatly if you dont maximize the profit taking in a given golden opportunity.



Aug 14, 2010 3:44am

#823



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"Market cannot be beaten. Its to be followed"

"Trend is your friend if you allow your positions to grow on it"

"I admit that I cannot predict which way the market will go but I can follow it and still profit"

"Following the flow is simply; entering sell if price is coming down from .00 or entering buy when price is going up from .00"

"To stay with trend; only buy above the open price of the day and only sell below the open price of the day"

"I aim for infinity yield on my positions"

"I enter both buy and sell on same pair of currency cause I dont know what is happening today, tomorrow, next week, next month"

"I enter at every low risk opportunity given by the market. Risk is at entering, profit is allowing it to grow"

"I do not pre-define my entries, exit in anyway. R:R is calculated at the end of the trade"

"Entries are at your own personal discretion. Find out what works for you literally and psychologically"

"You should know your entry method so well you can vouch it with your life"

"You only need 1 or 2 entry methods but your participation in over 10+ pairs of currency. You will be very busy"

"Some positions last years, some positions last few minutes. We keep the ones that last years and we let the positions that die in few minutes rest in peace"

"Some of the most valuable insights I have is earned through practice not learnt by reading"

"20 x3 take profit exercise was my teacher and Im here cause of its related discoveries"

"You do not need to know 200 things in forex to make money. You only need to master just 1 thing"

"Most traders fail cause they dont have this 1 thing. Some think they do but whether they really have it or not is questionable"

"From last 2 years of live entries I can sensibly claim that 80% of my entries on 5min timeframe will at least have SL moved to BE by using momentum. This is my 1 thing"

"I piggyback on other traders when I enter. If there is no participation from other traders then I got no one to piggyback"

"From my stats, I have placed over 4000+ entries over the last 2 years. Thats about 40 positions per week, 8 positions per day. My participation in the market is almost 20 pairs"

"From my stats, my last 14 months have \$7 million+ annual growth rate. Most of it largely unrealized. I have easily doubled my trade balance in the last 2 years as realized profit"

"From my stats, 1.7 positions per week have survived for long term growth. Most closed on BE and some closed to capture short/medium term growth through the numerous diversification"

"From my stats, I currently have 194 positions. All positions SL moved to BE"

"From my stats, each position is currently bringing in 37 pips of net profit. Net profit is after losses are settled and accounted for and this includes any swappage"

"Diversification keeps my equity curve growing and smooth. It is traders best interest to stay away from zigzag edged equity curves"

"Diversification settles any losses encountered while trying to establish the current group of legs. After diversification the scoreboard is wiped clean to zero"

"Diversification replaces trade balance to before building the current group of legs + adds realized pips/profits into your trade balance + gets it off your mind"

"I have never went below -8% on my initial starting capital in realized loss"

"I will never increase my lot size (2 standard lot). Instead I will increase my exposure in the markets by having more positions in every pair of currency"

"Bundles of positions on every major trend on every possible pair of currency. That is your goal"

"I prefer to work less as the time goes not more or the same"

"If I lose 9 times in a row on entry I know im getting closer"

"You need to be selective on entries and not take every opportunity. All you need to do is space out your entries by hours/days. You miss few golden opportunities but you also avoid all/most of ranging periods. Profit will be similar"

"Im an investor-trader"

"If a position was +2000 pips last year but died today on BE; that means we are currently in trend for the last year and should have positions growing as the price came back"

"Forums are more chaotic than markets. At least market doesnt purposely mislead for its own personal agenda"

"You cannot profit greatly if you dont maximize the profit taking in a given golden opportunity"

"Losers log onto forum, winners take the prom queen home. Most important learning is done by yourself through practice on demo"

"Dont stay on demo too long. There are things to that can only be learnt on live"

"Emotional hurdle is when you cant sleep"

"Glass half empty: Anguish over position closing on breakeven. Glass half full: You had chance for infinity growth but unfortunately it closed on breakeven due to controllable market fluctuation. Engineers: Trying to close the position when its only little bit in profit"

"Never use the word 'expect.' Thats a lie. Life and market will never follow to your expectation. Expect the unexpected"

"Your mind only choose what you wish to believe. Keep an open mind to everything. Never have a biased opinion about anything in the market"

"Market is a generic ever-changing dynamic energy. You cannot use indicators to pre-define something that has limitless boundaries"

"It takes tens of thousands of rounds to define an entry system's edge in hard percentage. Some thread openers claim 60% success rate with 1:2 from 4 months of entries. Such claim would make staticians rolling on the floor laughing"

"Thread openers success in the last few months was due to a trend. Watch their posts when market ranges"

"250 pip position is not even a leg for me. 2500 pip position is a leg"

"Most traders have set static growth rate. Some aim at 2% capital increase per week. So for a \$5000 USD that is \$100. If market moved 300 pips in a given week and you only added 2% then you are not reaching your profit potential. Period"

"Some traders quit the week after reaching a certain percentage of profit. Market doesnt know each individual traders set percentage growth rate for the week and market certainly dont care"

"Dont trade Fridays? Yes, if there are no low risk opportunities. Trade, if there are low risk opportunity"

"Accept what the market gives"

"Market always moves first then indicators. Always move with/after the market moves not after what indicator shows"

"Before indicators is candles. Before candles is wicks"

"Wicks is the earliest warning"

"Biggest surprise that awaits position builders is that at the end of the day there will be more on the table and you wouldnt be bothered wondering why"

Last edited by pipEASY, Aug 14, 2010 7:42pm



Aug 14, 2010 5:55am

827



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Member Since Dec 2009

10+ 760 Posts



Quote:

Originally Posted by **daytrading** 

Dear Graeme,

I have been reading (most of) your posts with interest and some hidden admiration. Having worked in in the markets since the 80's in various positions - from trading bonds, currencies futures, interest rate derivatives etc. - I have never held a position for very long. I might be a left-over breed from the time before screen based trading, when we received our quotes through telex and voice box from the brokers.

Personally, this way of exploiting price movements has suited me in the past and will suit me in the future because it...

Good evening, daytrading

Thank you for the feedback. It is greatly appreciated.

Just for clarification, I would never impose/force my method to any trader. If any trader feels uncomfortable/uncertain than it is to their discretion to close when they choose to close.

However, I diversify when I feel insecure which captures short/medium term growth for positions that are only few weeks/months old. This diversification is also not imposed but suggested as a means to control ones emotional hurdles.

If you find success to your liking and you are closing your trades earlier then by all means please continue.

When I first started live trading, I too had difficulty keeping positions open for months. It was a difficult emotional hurdle for myself as well. However after a few diversification my trading method evolved on its own. It wasnt a forced implementation but a natural transition.

In the beginning, I was diversifying to only keep 1 leg for long term growth. This soon evolved into keeping half of the bigger legs. Accuracy drops but the reward is so much greater and worthwhile.

I appreciate your constructive feedback but when I mention 'for myself' I should really have mentioned 'to your related discovery' you will notice that you will eventually keep more of your bigger legs as you slowly taste success. Its how pros enter with 10 standard lots without even blinking. It wasnt a forced implementation but a smooth transition for them.

Too many traders fail cause they are underconfident of ones ability and then when a profit does appear they are in a rush to close it to capture it while fearful of losing it. My advice for all is to be a bigger person. In the markets, the bigger person you are the bigger your profits.

Sincerely,

Graeme



Aug 14, 2010 6:00am

828



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Member Since Dec 2009

 [760 Posts](#)



Good evening, all

One of the other common myths that is circulating is mechanical trading. Alot of interpretation of mechanical trading is when a trader has set rules with defined entry conditions and exit conditions adhered to everyday of their trading career.

I agree that some systems are very sensible and that good result can be achieved by following the same rules of entry and exit everytime however bigger rewards are available for traders who can trade without such limitations but also mechanically in such approach. Thats whats its meant by mechanical.

It is good to have a sensible entry system to indicate approximately when to enter however such information needs to be used in many different ways to extract more than just the 1:3 80 pip profit traders are aiming for.

I mentioned in my earlier posts about a fellow trader I have befriended last few years. This gentleman is also a very successful trader. He mostly swing trades and rarely holds positions more than a week. His success is above and beyond most traders. With his permission I wish to introduce all to one of his most used entry 'indication.' I do not know why but he calls it the 'flying buddha' but im sure most readers can relate to why.

Last edited by pipEASY, Aug 14, 2010 9:08am



Aug 14, 2010 6:14am

#830



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Member Since Dec 2009

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My colleague wishes to remain anonymous however I do have his full permission to share his knowledge for the benefit of all.

Please note that I have mentioned that is it an entry indication.

For the sake of my typing please allow me to call my colleague Joe. Not his real name.

Joe uses 2 indicators.

Orangered - 10 ema close, exponential

Dodgerblue - 5 ema close, exponential

He only uses 4 hour chart.

He does not base his entries on the indicators per se however he does wait for opportunities when the price is 'sticking out.' He does not know the fundamental reasons why but he likes his entry 'indication' cause of the low risk involved.

His winning rate on the initial entry is only marginally better than 40% however it is this winning 40% of the initial entry trades that are so much bigger than the losers with static loss. He makes sure that his winners are stretched out to maximum. That is his '1 thing.'



Aug 14, 2010 6:17am

#831



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **daytrading** ➤

Dear Graeme,

My apologies for wording it in such a way that you might have misunderstood - I was by no means suggesting that you were imposing on any reader.

While I agree with the confidence part, I personally traded huge size (over \$500m a clip when trading IR-swaps/options) and also quite huge size in FX without having any qualms about it. However, when working for institutions (and on the floor as I did), you have to figure in constraints that might not apply for the private retail trader here.

At times I was not allowed to hold positions...

Good evening,

Thank you for quick response. I also do apologize for my poor wording.

Personally I did not take any misunderstanding from your post but noticed that you had a greater intention in your meaning behind the post.

I rushed to answer yours and could have answered it in better detail.

Thank you for the compliment and Im glad to see ex-pit trader (apologies if this is not the correct title) here with us.

Please feel free to contribute as we are all here to share.

Sincerely,

Graeme



Aug 14, 2010 6:29am

#832



pipEASY

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Member Since Dec 2009

10+V 760 Posts

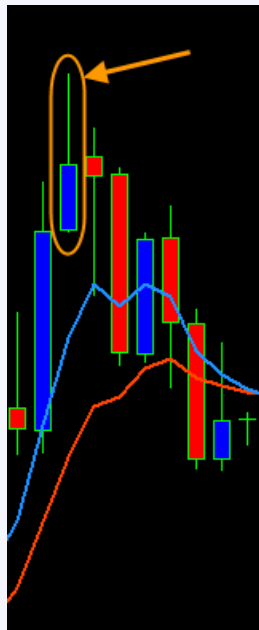


As a messenger in relaying his method I have personally used this entry 'indication' to great results as well.

Joe would only use sells. He never answered me properly why but Im sure if it works very well for sell then it will also obviously work well for buys. I do personally believe that his concentration is so great that he would prefer to focus just on one side of the coin. He still manages to live an outrageous lifestyle with this method so I do not further question why he only takes sell.

Joe waits for a certain candle to finish forming above the 5ema 'without' any of its body or wick touching the 5ema. He calls them flying buddha.







Joe explains that his first advantage in this entry indication is that it is a very low risk most of the times with potential high profits. Very similar to why inside bars are so popular.

Below is a real trade that I took this week which has brought great profits. Its from eur/usd 4hrs.



The rules are very mechanical.

Joe waits for a flying buddha to finish forming. He would enter sell at the open of the next candle with hard stop loss at the top of the flying buddha with little bit more space.

This is one of the other successful entries.

Eur/usd in May



Aug 14, 2010 6:53am

835



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Joe also describes that some of his flying buddhas are also inside bars occasionally that are positioned for a greater opportunity to be profitable.

Joe is a thrill seeking trader. This is in his own words. Even though his entry method is pre-defined (which is entering just after flying buddhas) he

will whet his appetite of risk taking by stacking positions while the flying buddhas are in effect. And he would only stack positions at 50% fib of the 'previous candle' mostly from buy/sell limit orders. Stop loss for the new position is set at above the high of the previous candle (including the wick) with little bit more space.



Circles are entries, lines are his hard stop loss. X is loss from entering 50% fib and hitting the hard stop loss above.

Joe stacks positions very heavily.

Last edited by pipEASY, Aug 14, 2010 7:27am



Aug 14, 2010 7:05am

836



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Joe would close a portion of his legs at the first sign of reversal which for him is when price closes above the previous **down** candle open price. He would hold onto the remaining positions and if the price continues down trend will continue stacking positions again at 50% fib of the previous candle. He is scaling in and out of the market but using multiple positions instead of just one.

I mention again but flying buddhas have only marginally better than 40% win rate on the initial open position. Joe knows this and makes sure every winning opportunity is stretched out as far as possible and then he would go on a holiday.



He closes some of the larger positions and some of the smaller positions. Joe always tries to keep the larger 2 positions until the very end



Aug 14, 2010 7:22am

#837



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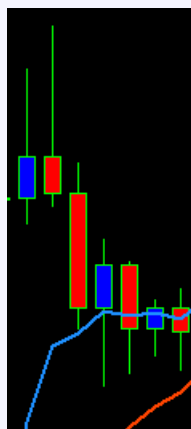
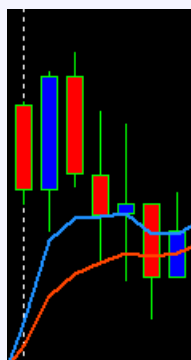
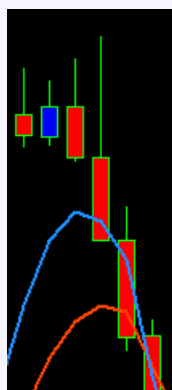


Joe has been a live trader for almost 5 years and trading flying buddhas exclusively. He uses 8-10 standard lots per position and his success can only be dreamed by most traders. He has almost 5 years of live statement to boast and it is definitely impressive.

Joe now admits that the main essence of profitable trading is not from taking flying buddhas but from stacking positions whilst the trend is established. He knows that he can enter any low risk entry and still swing the advantage to his side by stacking positions whilst the trend is intact. However to this day he still uses flying buddhas exclusively as he does not wish to start testing out variances to his already proven method.

Personally I also agree that his success is from stacking positions to his side when the market is favouring him with a trend.

Now to show all readers some of the failed flying buddhas.



Please note that one of the strengths of this entry indication is that loss is relatively small and static. Whilst any winning position will lead to a much greater reward without any limit to what it can achieve.

Joe once told me that a flying buddha lasted more than 4 weeks and ended up taking profit in 6 figures (hundreds of thousands). I'm sure that will cover the next series of unlucky flying buddhas that doesn't work out.

Aug 14, 2010 2:10pm

844



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Member Since Dec 2009

10+V 760 Posts



Good morning, all

fluke - thank you for the compliment its greatly appreciated

mcornbill - yes, you are correct. Flying buddhas do most times trend change but not always. I have a habit of not re-attempting after first failed attempt however I will keep this in mind and when the trend does change I most often re-attempt knowing the hindsight that trend has changed.

pip_daddy - good question. Somedays I often have no entries. However, when I know a pair of currency is trending strongly than normal this week or a scout on higher timeframe has survived or a good price pattern or a strong wick signal or a flying buddha; I would use all this as **hindsight** and make the most out of it. May I please ask for the benefit of your understanding if you have a technique to signal you such hindsight? When your entry method dictates an entry im assuming its part of a trend and its the best place/time to enter. This opportunity does not usually just vanish but this information can be used further in a different angle.

willhuang - thank you very much

knukk - thank you very much, I read your answer 2 pages back which was very thought provoking. Your answer is on this post <http://www.forexfactory.com/showpost...&postcount=824>

Sincerely,

Graeme

Aug 14, 2010 2:31pm

845



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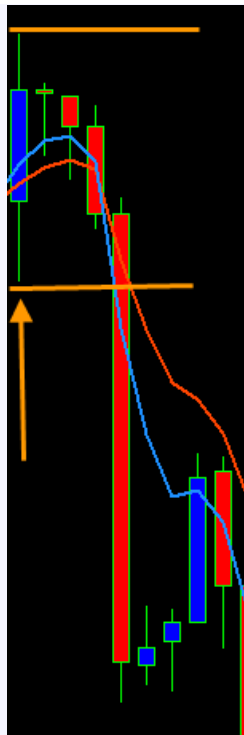


My next entry method is volatility breakout. I prefer price to be in an area that needs to breakout. Not wants to but needs to.

Does all traders know that most succssful breakouts are the volatile ones which means when the price does break out of range it moves very fast and hard. Im personally not interested in breakouts that are weak.

With this entry method, im planning to provide everyone a 2 hit combo. Knowing when to enter and how to stack positions. This is just my personal version but you can definitely contribute your personal touch into making it into your own.

On the 4 hr charts or 1 hr chart (preferably 4), I look for a candle that will completely engulf the next 2, 3 candles. The first big candle is the range that needs to be broken out. Please see below



 Quote

Aug 14, 2010 2:34pm

#846



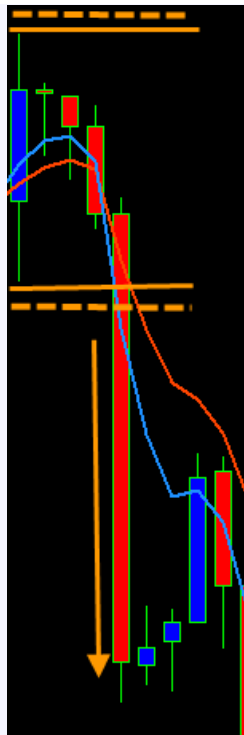
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Member Since Dec 2009

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I place buy and sell limit orders just 5 pips below and above the first big candle. When price does breakout, I expect all the other traders pushing the price very hard and fast. If it doesnt, its failed.



Aug 14, 2010 2:43pm

#848



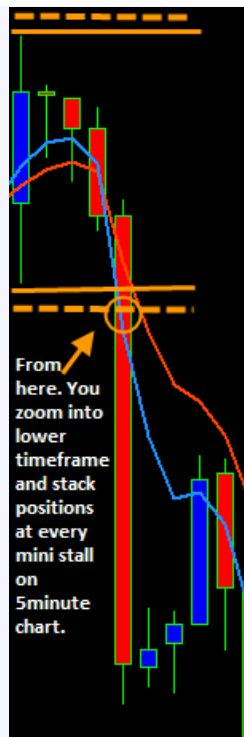
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When a volatile breakout does happen make sure you maximize your profit taking by zooming into 5min chart and stacking positions.

Please allow me to show you mini-stalls.

When you enter positions on 5min chart, prepare to lose few positions but since its on 5min timeframe it will be very small losses compared to the amount of pips you will reap from multiple positions at the end.

When stacking positions right after volatile breakout it is important to try stack positions early on in the move. I use mini s/r in my focal interpretation and once a new position SL is moved to BE, I will enter again at the next mini stall until I lose a position or two and then I will stop adding.



Last edited by pipEASY, Aug 14, 2010 3:01pm



Aug 14, 2010 2:47pm

849



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by **xman**

Joe waits for a certain candle to finish forming above the 5ema 'without' any of its body or wick touching the 5ema. He calls them flying buddha.

Seems to me there is much better signals if we use 3 EMA.

Good morning, xman

Joe personally believes 5ema gives him enough opportunities.

You will find some opportunities that are available on 5ema are not showing on 3ema and vice versa. Its all relative. Good question.

Sincerely,

Graeme



Aug 14, 2010 2:53pm

#851



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Member Since Dec 2009

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Quote:

Originally Posted by **wooli** 
Good Morning Graeme.

A while ago you asked several readers a question about "How do you tell a pair is trending?"

For me, this is the biggest obstacle to successful trading. How to avoid whipsaws (ranging markets).

I don't believe that there are any indicators to help and all you can use is your eyes, common sense and experience.

The different time frames are also important.

A pair may be obviously trending on the weekly or daily but when you go to a small time frame it appears to be ranging. I guess this is where you incorporate your breakout...

Good morning, Michael

Correct. Unfortunately, many traders cannot distinguish ranging to trending.

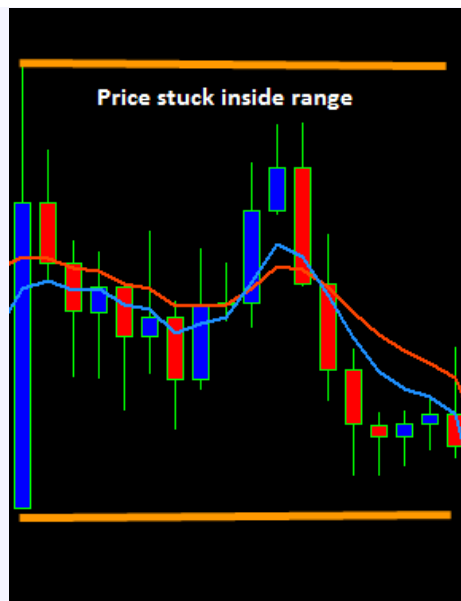
You know the market is ranging when a range is not broken with volatile force.

You know the market is trending when a range is broken out extremely fast and hard.

This is range breakout in force. This is trending.



This is range without the breakout. You should stay away from this pair of currency, for now



Last edited by pipEASY, Aug 14, 2010 5:56pm



Aug 14, 2010 2:55pm

852



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760 Posts



This is a breakout that I wouldnt touch but move on. There are no other traders pushing.



Aug 14, 2010 3:00pm

853

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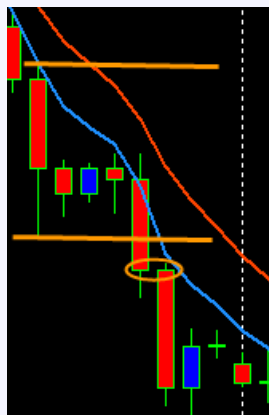


crede quod habes, et habes

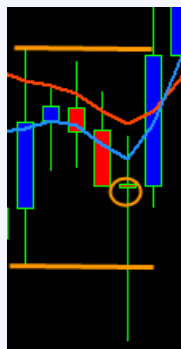


When my buy / sell limit order gets executed but the price doesn't close 'far' below/above the range then I will close it if price moves back into range and the candle close is inside the range.

Breakout with price closed just outside range. I will move SL to BE and look for opportunities on lower timeframe but I'm cautious as this is not a volatile breakout



Breakout with price closed back inside the range. I will close this position with loss and move on. Loss will always be small as it will go back inside the range and usually ranges are not large.



Can you see the difference?

Can you see the potential big rewards for a small loss?

Always 'donate' small losses for potential big wins.

Last edited by pipEASY, Aug 14, 2010 6:11pm



Aug 14, 2010 5:33pm

855

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Quote:

Originally Posted by **fugly**

Graeme thx very much for teaching us this flying buddha entry method.

you said

From the chart you posted shows he doesn't attempt to stack positions at the 50% fib of every subsequent candle after his initial entry, could you please tell us how he selects which candles should be considered for possible additional entries at the 50% retracement.

Good morning, fugly

Apologies for the poor quality of the charts.

Sometimes the new candle opens at 50% of the previous candle - then he would enter with SL just above the high of the previous candle

Sometimes the new candle opens above 50% of the previous candle - then Joe would enter at open again and place SL just above the high of the previous candle. This is a bargain trade for him

Sometimes the new candle opens below 50% of the previous candle - then he would place a buy/sell limit order at 50% of the previous candle and stop loss again at the top of the previous candle

If you see that the next candle is too close to the previous then use 50% fib of the larger candle before the previous candle. But this is to your discretion and risk taking appetite.

When a candle closes above the previous down candle or below the previous up candle, then Joe would close a mix of larger and smaller positions and keep the largest 2 positions till the very end when he closes all positions.

All traders must understand that this method works:

1. Not because of 'flying buddha' but because maximizing the profit taking on a given golden opportunity.
2. Potential loss is very small compared to the potential profit.

Last edited by pipEASY, Aug 14, 2010 6:12pm



Aug 14, 2010 5:48pm

#856



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Member Since Dec 2009

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Good morning, all

Having explained few of the methods I personally use:

1. Wick interpretaion
2. Flying buddhas
3. Volatility breakouts

All traders must acknowledge that all methods that are sensible works because of the amount of risk is small compared to the potential profit (reason why inside bar trading is so popular but unfortunately most traders dont know exactly why it is). However, this alone does not guarantee profit in the long run. It is imperative for a trader to extract as much profit/growth from a given opportunity. This will swing the odds to your favour.

I cannot stress how important the above info is.

Allow me to tell you something that happens to all modestly successful traders.

It takes a good amount of time for a learning trader who is bleeding his/her capital everyday to stop the damage and be in a grey zone in profits. Trader didnt know what he/she was doing wrong but it seems that the bleeding has stopped. However, trader also notices that his/her capital balance is not growing to his/her her expectations. Its more or less just fluctuating just above/below the breakeven mark.

This is where the trader either gains a valuable lesson and advance to next stage or blow the capital.

1. Trader noticing he has stopped bleeding believes he can still be very profitable by raising his lot size dramatically. Sooner or later due to random nature of the market this trader will suffer a drawdown far greater than he anticipated and this will ruin his capital balance or his emotion or both. He has failed.

OR

2. Trader notices that he is roughly winning 50% of the time. Sometimes row of wins but sometimes rows of losses as well. He admits that he can stay in the game because of the r:r he has implemented. Traders keeps the lot size same however 'increases his exposure' in the markets by adding further positions into the trading opportunity currently happening. At the first sign of weakness he will exit portion of his positions and keep the rest for further profiting and continue to scale out if the condition worsens or scale back in if the condition gets better.

Which one are you?

Sincerely,

Graeme



Aug 14, 2010 6:18pm

858



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Quote:

Originally Posted by **ozziedave** ➤

Hi Graeme,

On the flying buddha entry do you first determine the trend direction. For example, trend is down and we get a pullback above the 5 EMA and a flying buddha forms. This would be a short signal.

Good morning, Dave

Apologies, i have left that out and it is important.

Joe only takes sells and looks for flying buddhas when 5ema is above 10ema. He is a swing trader.

If you scan the charts you will notice flying buddhas quiet often. Please note that the success rate of the initial open position of flying buddhas are only marginally better than 40%.

Edit: Some of the larger countertrends often start with flying buddhas followed by momentum. Usually the next candle right after the flying buddhas will be a breakout.

Sincerely,

Graeme



Aug 14, 2010 8:35pm

861



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Member Since Dec 2009

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Quote:

Originally Posted by **geoffrod**

Hi Graeme, yet again you give us diamonds in your words.

i find this very interesting and wonder, if we where only to look and find the flying buddahs, but hold off on acting on them, until we are more certain it was a successful flying buddah, and enter and add to the position as you would normally???, the premise is we are still looking for the possible entry in the same way, but are not just blindly entering because of it???, and we are adding to the position with the momentum of the trend???

anyway just something that came to mind when i was...

Good morning, Geoff

Correct.

All readers please read Geoff's post as there is an important related discovery.

Most flying buddahs are strong indication of trend change but if you want to sincerely lower your drawdown/risk, you can 'add' a personal touch to flying buddahs and filter it. Accuracy may improve but you may also slightly lower your profit. Its all relative.

An amateur trader will look at flying buddahs and sigh at the low win rate but I assure you most sensible systems in this forum is less than 50% win rate.

Inside bar has a similar win rate however they offset the lower win rate by urging traders to enter 2 positions at entry and aim for 1:3 on one position and higher r:r on the second (apologies if the numbers are slightly off as I havent been on their thread for a very long time). Can you see what they are doing? Maximizing profit taking in one given golden opportunity by increasing exposure which in this case is using more than one position.

It is how we manage the trade to maximize our profit takings on a given opportunity that divides the amateurs from pros.

The easiest and most well known method in maximizing our profit is using higher r:r than 1:1. With a 50% win rate and 1:2 r:r you would be very rich sooner or later as the odds are on your favour. However, whether the 50% win rate is a true hard percentage or not is questionable in most cases.

Traders get confused when pros advise them to be mechanical in trading. In a sense the pros are referring to be mechanical in the 'approach' but not the trading. However, traders believe mechanical is when 'something' happens that they are waiting for which triggers their entry or exit. That is not mechanical but pre-defining your action and we all know how I feel about that.

Sincerely,

Graeme

Last edited by pipEASY, Aug 14, 2010 11:36pm

Aug 14, 2010 8:47pm

862



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Member Since Dec 2009

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Quote:

Originally Posted by **Bakuli** *Dear Graeme,*

*Thanks for your latest posts on entry methods. They are very much appreciated.
With regards to the early stacking of positions after a volatility breakout, am I right to assume that you stack by trading the breakouts of these mini SR in the 5 mins or do you do it differently?*

*Many thanks.**Bak*

Good morning, Bak

Good question. When I notice a volatile breakout it looks very similar to the chart I have posted. It will be more or less a straight express way down or up.

You are correct, I use mini s/r in my focal interpretation which can involve just 2 candles or few. Please try avoid overexposure.

A general rule I adhere to is that, Im aiming to stack just 2 more positions after the first entry on breakout. This is just a psychological reassurance that I am not in a rush.

Usually when I do zoom in, Im playing russian roulette. I continue to stack until I encounter my first loss and then I smile at the result and stop. Sometimes this could be just 3 more after the first position or it could be 17 more after the first position. It whets my appetite just enough for my personal risk taking.

Sincerely,

Graeme

Aug 14, 2010 9:36pm

865



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Quote:

Originally Posted by **HornedGod**

First of all, thanks to Graeme for such a quality thread. I very rarely read forex forums anymore as the signal to noise ratio is so incredibly low. I'm glad I ran across this thread on one of my infrequent visits to FF.

Graeme, I know that you keep each entry at 2 standard lots and have done so since you first starting trading this way. I'm guessing that you had a large enough starting equity balance that you have no need to change your entry size.

I'm sure the same is not going to be true of many people attempting to follow this methodology....

Good morning, hornedgod

Great question.

I would encourage doing both.

If you start off 5000USD with 0.1 lot size, that is reasonable. However I do hope all traders who are serious and have the mentality to take it seriously to continue adding funds into your capital trade 'when necessary.' Not because of the realized losses but because of the margin required. 0.1 lot size requires approximately \$120 usd per margin.

I wouldnt advise closing off all positions suddenly at the end of 0.1 lot size millipede as this would inject a very sharp increase in your trade balance but we are professional traders who know the importance of diversifying not just positions but risk and reward as well on an even keel.

My advice is when you have reached 1000 pips per week of unrealized growth/profit when calculated over the last 4 months to consider 0.2 millipede. It depends on each traders skill and risk tolerance however I can sensibly say it is achievable within 1-2 years. Once you have reached that stage you have tasted success and it will get so much clearer and easier. To phase into 0.2 millipede, start building 0.2 lot size positions but when time comes to diversify start closing off more than usual amounts of 0.1 legs. Soon you will have completely phased out in a smooth transition. Just like shedding skin for new skin.

Once you reach 2000+ pips per week of unrealized growth/profit slowly phase into 0.4 millipede with the same method.

The hardest is the first year, 2nd year will just astonish you. After 2nd year its all relative.

Can you hold out?

Sincerely,

Graeme



Aug 15, 2010 3:57am

#869



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Member Since Dec 2009

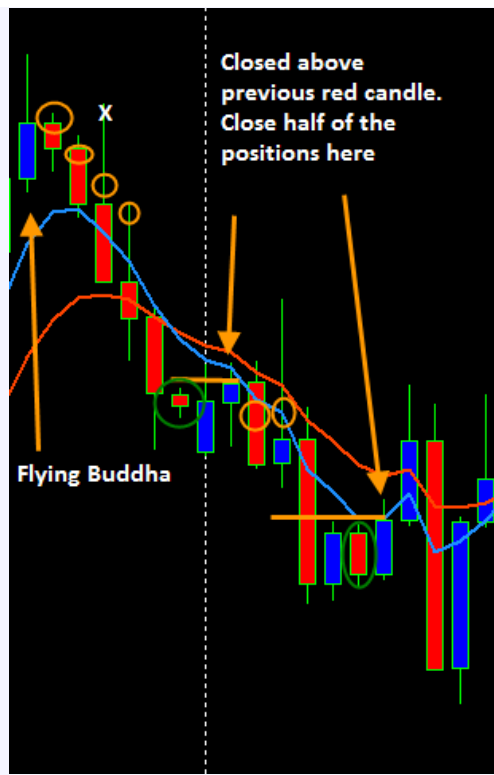
10+V 760 Posts



Sorry to address multiple recipients in a single post.

midnight - thank you for your compliments. It is greatly appreciated. I had a long look at your chart. Nice spacing and well done with covering both buy and sell. Please do not forget that you much advance your skill by one more level from here. You can advance by adding your personal touch whether it is adding position whilst the trade is playing out to your advantage or some type of increase in exposure. Your loss should be forecastable and static while your growth/profit should always be maximized till the opportuntiy dies away.

leggo - Excellent. Your absolutely correct and Im glad someone has came out with it the same way you did. Alot of traders have the wrong mind frame. Its mainly due to not knowing what to expect from the market completely.



This is a gbp/usd 4hr chart. I have circled the positions that are added and x is a loss as the price retraced further than the previous candle high.

When Joe knows that the initial open position is working well, he will stack positions in 1hr, 15minutes as well with similar approach. When a golden opportunity buddha is happening he will stack very aggressively. He always ensures that the new addition has its SL always moved to BE before adding the next. He is quick to retreat when he notices price close above previous down candle open price or below the previous up candle open price. And once he believes the trend resumes he will start stacking again.

Joe scales out by almost halving the number of positions. If he has 11 positions before the first reversal candle he will close 5 position leaving 6. If the trend resumes then he will continue stacking however if the next candle is also a reversal candle on the wrong side, he will further close 2 position leaving 3. But if it picks up then he will continue stacking from 3 positions.

He finds this very exciting and once told me that he reached 40+ positions before the first reversal candle and then continued to stack 30+ more positions before the next reversal candle. He believes that he banked enough pips for the next 100 rows of unlucky flying buddhas. What that means is, any loss accumulated from the next 100 rows of unlucky flying buddhas are already accounted and settled. A different mentality to most traders.

Sincerely,

Graeme



Aug 15, 2010 2:58pm

871



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Good morning, zznbrm

Losses are always 1 position

while..

Winners are always maximized with stacks of positions

Even if there was 10 months of uptrend and 1 months of downtrend Joe always makes money.

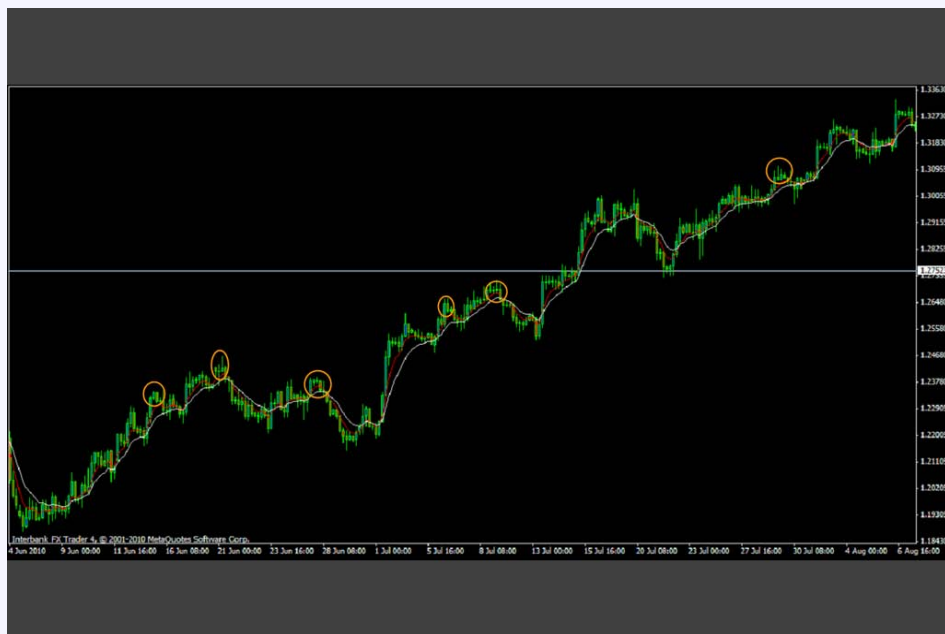
Besides he trades multiple pairs of currency spreading his risk potentially 'thinner' and increasing his potential profit 'opportunities' wider.

Cant see clearly but I see few successful flying buddhas on your chart.

Joe would make sure he stretches out his opportunities.

Sincerely,

Graeme



Aug 15, 2010 8:30pm

875



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Quote:

Originally Posted by **leggo**

Morning Graeme,

You mention that there is sometimes volatility on yen crosses. This appears to be happening this morning. When it happens do you try and

build positions on multiple currencies or do you concentrate your efforts on one? I am finding it hard to concentrate on more than one 5 min chart at a time especially when trying to add positions on every mini s&r.

*Thanks and Regards,
Ben*

Good morning, Ben

Im currently trading so I keep this short. Very large volatility at the moment.

Currently I have 5 sell positions on eur/usd (big retrace on 5min just now)

3 Buy positions on gbp/aud

Yes, it is hard to concentrate on more than 1 5min chart but it gets easier and more frantic.

When your ability grow you will phase into higher timeframe with same entry methods.

Good luck trading to all this morning

Sincerely,

Graeme



Aug 15, 2010 8:33pm

876



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Sorry need to keep this short

Traders must know when to trade and this morning (asian session) is perfect

4hr/1hr support broken on eur/usd **with momentum**

This is prime time.

Sincerely,

Graeme



Aug 15, 2010 8:36pm

877



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eur/usd 1.27335 is support at the moment. Price is stalling. Can everyone see?

7 sell positions, 4 moved to BE. If price reverses I will move all positions to BE and move on.

Retrace/change on eur/usd 5min is starting right now.

Get ready to defend all



Aug 15, 2010 8:38pm

#878



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gbp/aud 1.75185 is resistance on 5min.

4 buy positions, all moved to BE.

Momentum died.



Aug 15, 2010 8:41pm

#879



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eur/usd 1.27335 breaking.

6 sell positions moved to BE, 7 in total

Added one more on break.

I will keep adding until this momentum dies or I suffer one loss.

Im moving away from gbp/aud, I will let the market decide the fate of the 4 legs.



Aug 15, 2010 8:43pm

#880



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1.27335 leg (8th) is fighting. Where are other traders??

No piggyback.



Aug 15, 2010 8:44pm

#882



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1.27335 8th leg is in drawdown.

5min chart is in range bound between 1.27446 and 1.27335

Momentum is gone. Traders now watching each other doing nothing..



Aug 15, 2010 8:47pm

#883



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1.27446 is broken. 8th leg is closed with loss.

Im moving out of eur/usd



Aug 15, 2010 8:49pm

#885



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eur/usd has larger potential for down this week than up.

The reason: Fantastic explosive downtrend last week. Momentum like this just doesnt 'vanish.' It will take alot 'more' power to change such momentum.

However, I sit out while the traders debate this. I wait for the next volatility breakout



Aug 15, 2010 8:54pm

#887



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eur/usd 1.27450, entered 1 buy.

All 7 sell positions on BE.



Aug 15, 2010 8:55pm

#888



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Quote:

Originally Posted by **Froggy10** 

good idea pipeasy... eur/jpy seems to have more down side as well.. i'm waiting for a retrace and put more shorts on..

!!!!!!

missed it.....

thats why **never** focus on one pair...

edit: unless you have 4 heads and 20 eyes... keep moving around the charts



Aug 15, 2010 8:58pm

889



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eur/usd

2 buy positions growing. Momentum picking up

Sell positions dying on BE...



Aug 15, 2010 9:01pm

890



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gentleman, im just following the market using momentum.

eur/usd

2 buy

3 sells

what does this tell me?



Aug 15, 2010 9:04pm

892



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eur/usd

3 buys, 2 sells

1 loss (12 pips)

sellers all leaving. Traders are temperamental. They are unfaithful and unloyal. I dont like the look of the current up momentum. A big crash or retrace is due.

Getting ready to defend and will enter buy after retrace.



Aug 15, 2010 9:14pm

895



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eur/usd

i was watching price coming down towards 1.27500 which was also 4hr support.

I was anticipating momentum which was present however it stalled and died. This is quiet often and I do not regret it didnt work out cause they will always be more prices approaching .50 and .00.

I prefer to watch price action at .00 but this morning I just happen to be on my computer.

Currently I have 2 sells and 3 buys, all moved to BE and 1 loss of about -12 pips.

That is enough for now.

I will try again later.

Sincerely,

Graeme



Aug 15, 2010 9:19pm

896



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I forgot about gbp/aud

3 buys still remaining.

8 positions added for this morning.

Total cost of our little adventure this morning. -12 pips.

I will gladly pay that price everyday, anytime for the opportunity to catch something many many many times bigger in rewards.

This 8 positions could be start of something huge, nobody knows and I will now leave them alone for the market to decide

Sincerely,

Graeme



Aug 15, 2010 9:26pm

897



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Member Since Dec 2009

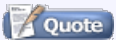
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eur/usd

1.27500.. you should be watching

Momentum??



Aug 15, 2010 9:29pm

898



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eur/usd

2 sells, 1 buy.

See how price stalls/lingers around 1.27500. That is not momentum.

If there was a stack of sell limit orders on 1.27500 then it would be a large bold candle down.

I wouldnt touch this.

Oh dear... wick bounce @ 1.27391

Rmemeber wicks?



Aug 15, 2010 9:45pm

900



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Just before I go out for the day

Does all traders know the cons and pros of trading higher and smaller timeframes?

Lower timeframe

More losses (less accuracy) and more drawdown. Potentially higher profit as you will be in the trend much quicker. More micro management if possible in the traders skill set.

Higher timeframe

Fewer losses and lower drawdown (hypothetically). Potentially similar profits however for the less amount of risk you would expect slightly lesser

rewards. Less micro management needed which is not necessarily a good or bad attribute.

Pros recommend learners to start on higher timeframe as you would need a stronger mentality and skills on lower timeframe.

Traders often get discouraged at the number of losing trades. Pros dont care at the 'amount' of losses however ensure that each winning trades are stretched out to cover more than all the losses combined. This is the required mindframe.

Edit: Fantastic job Ben. Keep watching the markets for the next volatile breakout.

Sincerely,

Graeme



Aug 15, 2010 10:01pm

903



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Member Since Dec 2009

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Quote:

Originally Posted by **zznbrm**

This is very confusing to me.

Why are you trading both sides of the EURUSD from a M5 chart during the Asian session? You started with sells tonight and then changed to buys a few minutes later. So, your discussion on the first page of the Monthly/Weekly/Daily trends means very little to your entry strategy? Really, you are just looking for short-term momentum in which you will hopefully find a few trades that will "stick" for long term growth. You've already taken over 10 trades on EURUSD alone...that seems like many more trades than you mentioned...

ok.

I have no intention to contribute to your learning seeing the nature of your post.

I took the trades as there was momentum available which is quiet rare during asian session and I was present at the computer.

8 entries per day is worked out from the average number of entries i performed over the last 2 years. It varies day to day. Soemdays I have 1 entry while somedays I may have more than 10.

I took both buy and sell from s/r breaks and momentum stalls.

Asian session is open price of the daily candle which I look forward to as open prices have a greater probability of surviving for the long term.

Trends start from 5min charts as well as daily, 4hr.

Perhaps if you were confused you should ask questions without throwing around blatant assumptions.

No offence taken and I also wish you well in your trading.

Graeme

Last edited by pipEASY, Aug 15, 2010 10:26pm



Aug 15, 2010 11:50pm

909

Member Since Dec 2009




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Quote:

Originally Posted by **ozziedave** 

Hi Graeme,

I was just looking at the EURUSD 1hr chart from the start of the day on Monday. You talked about seeing momentum on the EURO, I'm trying to figure out what you saw that gave you the indication there was momentum and where you started to place trades. On the hour chart there is a break down from a small area of consolidation that only last 1 candle. Is that the area you placed your trades in?

Good morning, Dave

Good question.

I was particularly interested in eur/usd this morning as there was a very large move last week.

I noticed that 1.27500 was also 4hr/1hr support. As we all know I only trade when there is a volatile breakout. Volatile breakouts are usually price that breaks the support/resistance and closes far away from it. If it retraces back that is not a volatile breakout and I will close out with a small loss.

Im not sure if you witnessed the movement this morning but from 9am sydney time, after first 7 5min candles you can clearly see mini range breakout followed by clear downward movement. The very first 5min candle is a flying buddha and that was my first position. What I saw at first break of 1.27500 was a single long bodied down candle which clearly pierced the support. This move would have been very large if the price didnt stall at 1.27325 but continued on as a volatile breakout.

I knew it was all over when the price stalled and the double wick bounce at 1.27327 15minutes after on the 5 minute chart. This double wick prompted me to enter buys.

Now we can see that it was a failed breakout.

I will show some charts later tonight on volatile breakouts. Best breakouts are the ones that travel very far from s/r in one single candle. These are usually the beginning/resume of a trend.

Sincerely,

Graeme

Last edited by pipEASY, Aug 16, 2010 12:19am



Aug 16, 2010 12:18am

#911



pipEASY


crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo** 

Hi Graeme,

Could you please share with us when you move the stop to B.E. on the 5 min chart? Do you just do it from feel or do you have a set number of pips?

Regards,

Ben

Good question, Ben

5minute charts are very fast and furious.

Its like driving very fast. You do not need to look behind you or the side mirrors as long as you know your direction/destination very well and drive straight.

I do not have set number of pips, its all personal discretion however when price stalls I will move most positions to BE.

Sometimes when price stalls I close the last 1,2 positions that are in very small profits to minimize my exposure.

Sincerely,

Graeme



Aug 16, 2010 12:36am

#913



[pipEASY](#)

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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **charvo**

that was very "real" breakout at that moment. i actually followed eurjpy, and buy and sell both, but both didn't work out, just exit with same reason of yours.

i love these LIVE trading examples. i LIVE them too.

Good afternoon, charvo

Im glad that my live comments helped out.

Yes, you are correct. That breakout was an official momentum/volatile breakout for that moment and I too was looking forward to it.

There will always be more price action at the next s/r or .00.

Thank you to Froggy10 as well who helped out.

Unfortunately I missed out on eur/jpy as I was glued at eur/usd.

Traders must be moving around from pair to pair.

Edit: I reassure myself mentally by knowing that it was a possible golden opportunity that I could have profited big but unfortunately due to fluctuations I have no control I ended up with -12 pip loss.

I still have buy positions on both eur/usd and gbp/aud alive as we speak

Sincerely,

Graeme



Aug 16, 2010 3:27am

#917

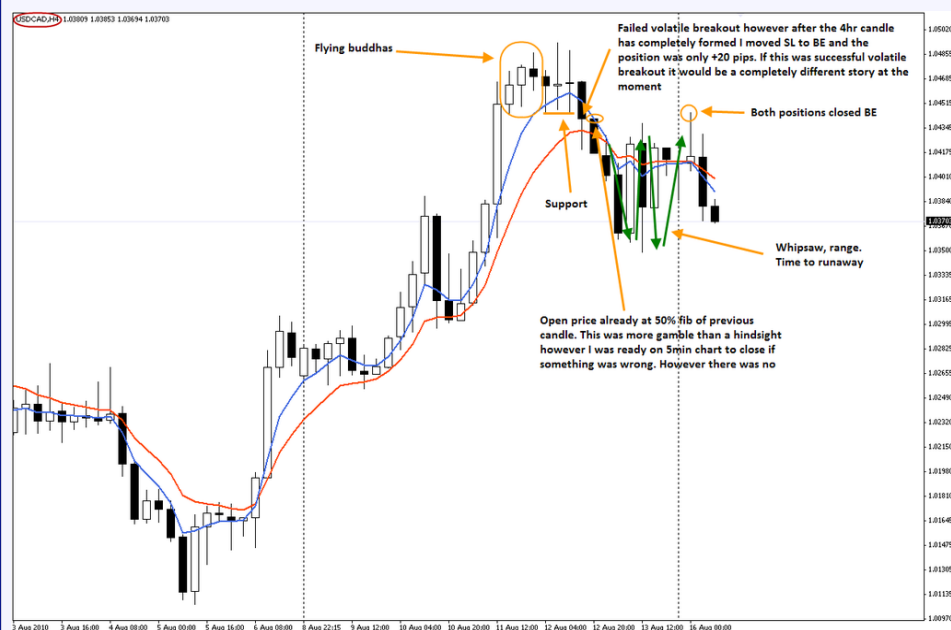


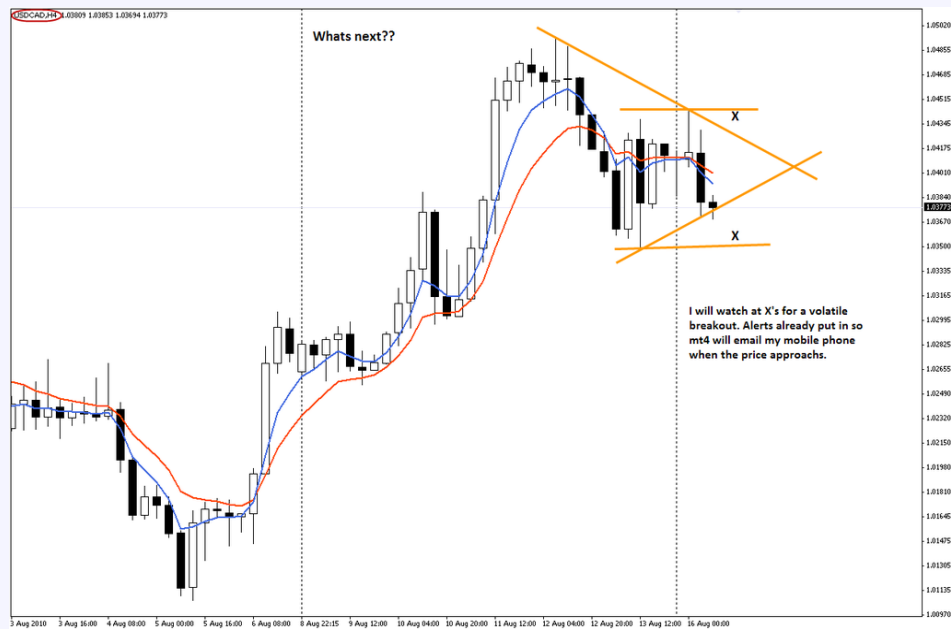
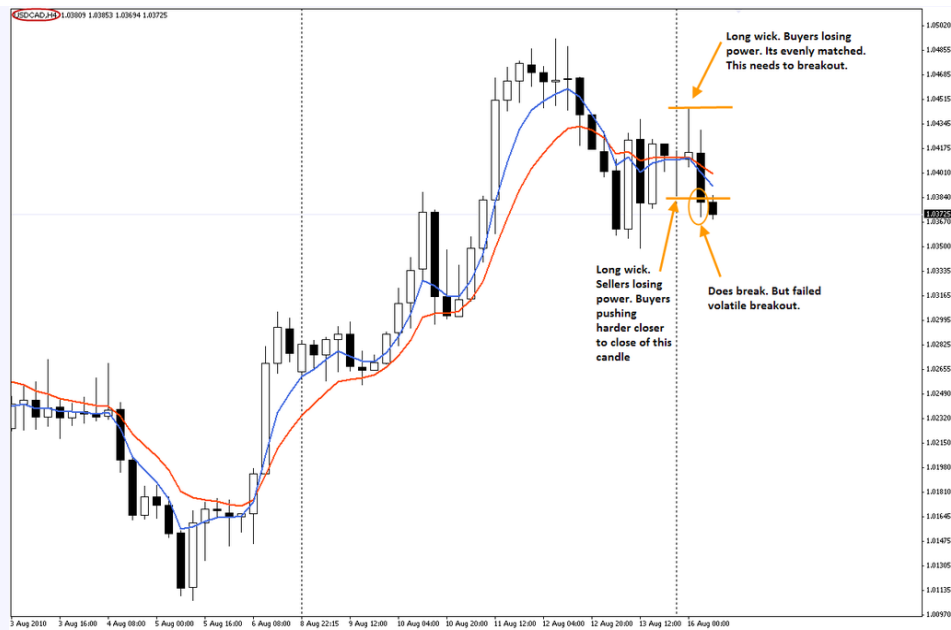
pip_daddy - true. Many volatile breakouts happen during uk/us. However when your present at your computer during an asian session and there is a valid volatile breakout there is no reason not to take it.

mjotic - Nice observation. There is no such thing as wrong observation however there is huge difference meaning between 'observation' and 'expectation.' Dont expect anything in forex and you will be fine. I was looking forward to 1.27500 this morning as I know volatile breakout would mean alot of profit and this comes from witnessing/watching many many many breakouts. I have a slightly different mentality to yourself which is **choosing to arrive at the action earlier if possible without increasing my risk.**

The first 4 hour candle was definitely a valid breakout (with momentum) however it failed and retraced back. I was positioning myself for a greater reward if the breakout was successful and hoping it would continue to close at the bottom of the now wick of that 4hr candle at 1.27300. Most likely 8+ positions comfortably.

usd/cad has a great move last week. Series of flying buddhas at 1.04700 should tell you that price is stalling and having difficulty to continue upwards. The most optimum entry was a volatile breakout at 1.04460 to break the 3 wick touch. I have a sell position just there and another 1.04400 as this was 50% fib of previous candle. Both positions closed at BE this morning and I lost nothing for the opportunity.





Aug 16, 2010 3:30am

218



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Quote:

Originally Posted by **luqmanz** 
Thanks for your good lessons... 
Just to share what I discovered.

It seems to me that it's difficult (for new traders) to maintain a cool head when suffering from a string of losses if trader have a fixed R:R like 1:3 ... the reason is because, for new traders, high accuracy is something almost impossible to do. Lose 3 times and trader will start to question his ability.

Only by having a large R:R ratio .. 1:50 or 1:100 (or 1:infinity) can new traders feel comfortable during losing streaks ... They feel they can lose many-many times and still...

Good.

You are correct. Just to add more to it, alot of traders are anxious to close a winning position to re-coup their previous losses they had but more importantly they are not sure what they are expecting.

The above trader definitely does not have '1 thing'

Sincerely,

Graeme



Aug 16, 2010 3:45am

920



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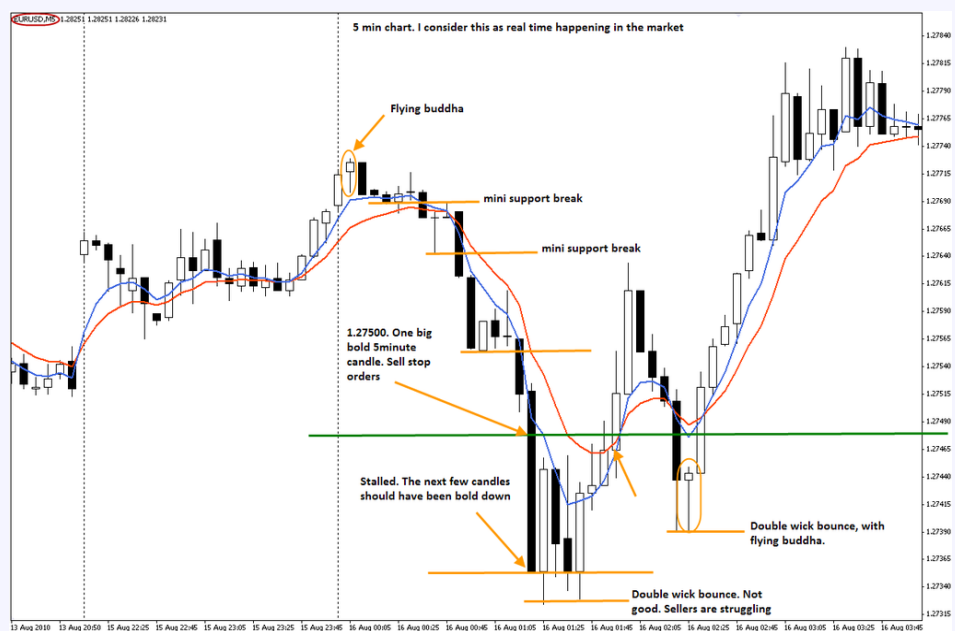
Member Since Dec 2009

10+y 760 Posts



Why did I trade/watch eur/usd this morning?





Aug 16, 2010 3:48am

922



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo**

Just been taken into my first "volatile breakout" on Chf/Jpy 4hr chart. Lets see how it works out. If it closes above I will zoom in to 5 min and try some stacking of positions.

*Regards,
Ben*

Im there too Ben

2 flying buddhas few 5min candles before.

Other than that plenty of space to move up.



Aug 16, 2010 3:52am

924



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **leggo**

Hope so! Starting to stall on 5 min though will have to wait and see.

If wick bounce on 82.353 it would be golden. If broken then Im out.



Aug 16, 2010 3:54am

925



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Member Since Dec 2009

[760 Posts](#)



Price at close of previous 4hr candle @ 82.407.

Double wick bounce confirmed at 82.353

Closing soon above resistance

Good Good



Aug 16, 2010 3:56am

926



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Member Since Dec 2009

[760 Posts](#)



Im expecting 50% retrace of previous 5min candle to 82.461, if not its even better. However, there are not many buyers at the moment.



Aug 16, 2010 3:58am

928



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50% retrace at 82.461 happening now.

Need bounce away.

There is not enough momentum

Price should be much faster than this



Aug 16, 2010 4:01am

929



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Member Since Dec 2009

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82.461 bounced away

But not enough momentum/traders to piggyback. Can you see this?

I entered 82.20. Moving stop loss to breakeven



Aug 16, 2010 4:02am

931



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[10+V](#) [760 Posts](#)



Quote:

Originally Posted by **leggo** [↗](#)

Im waiting to see it clear resistance at 82.50 if it does I am moving stop to be and look to stack

Ben,

82.50 might get breached but you must notice that there are no other traders. We must move on to the next 'better' volatile breakout.

That 82.50 should have been punctured very easily.

Move your stop loss to BE now and lets move on



Aug 16, 2010 4:05am

933

Member Since Dec 2009



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10+y 760 Posts



Quote:

Originally Posted by **leggo**

Looking at daily its stalled a few times at 82.50 in recent days needs to clear that if not it could head south!

If 82.355 double wick support is broken then its south.

If 82.50 breaks with eye-popping momentum, yes Im in too.



Aug 16, 2010 4:08am

935



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10+y 760 Posts



Quote:

Originally Posted by **leggo**

Sorry Graeme I missed this post! Ill follow your advice thanks

We had the potential to capture a golden opportunity which cost us very little for something that could have been great.

We missed gbp/cad momentum breakout at 1.61990



Aug 16, 2010 4:14am

936



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Member Since Dec 2009

10+y 760 Posts



chf/jpy

Are you watching? 😊



Aug 16, 2010 4:25am

940



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **leggo**

Eur/Chf is going well this is my longest serving leg its from all the way back to Thursday! I had my first successful stack on it earlier this afternoon. Both stops at B.E. let the gods decide! I have had a couple of small losses today but seeing these legs grow makes the losses

seem insignificant. my entries are still really sloppy though!! Got plenty of practice to do yet.
Regards,
Ben

Good job Ben.

Keep practicing.

Always keep moving around the pairs.

A clear volatile breakout is very easily noticed. When price approach .50 or .00 price should puncture with no effort.

Sincerely,

Graeme



Aug 16, 2010 4:31am

941



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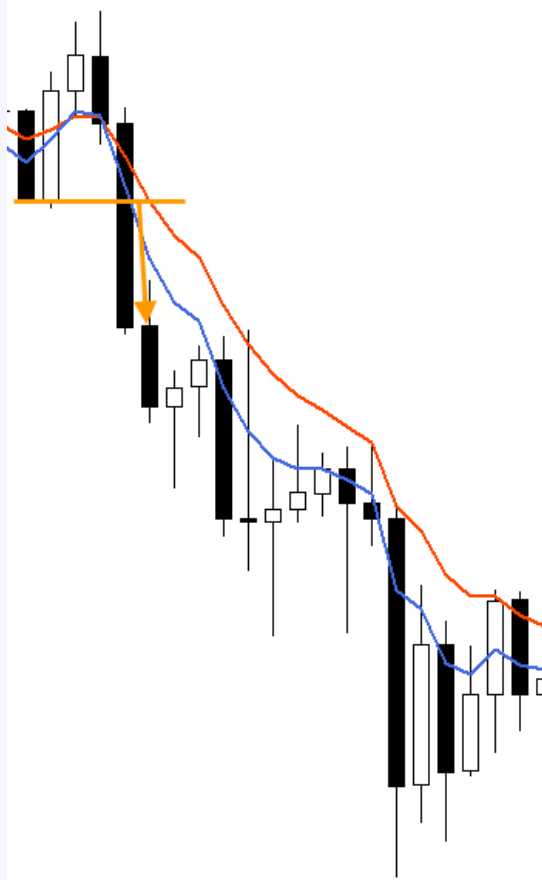
Member Since Dec 2009

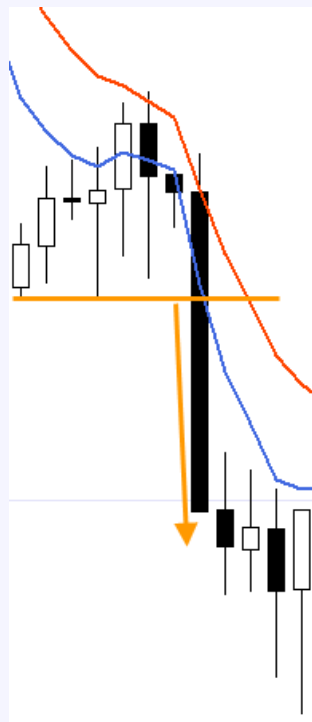
10+Y 760 Posts



The beauty with volatile breakout is you are risking relatively small for something great. Also some failed volatile breakouts still lose on breakeven most times as it still closes outside range.

Here are few successful ones







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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo**

Yes it broke through with a nice long bullish candle but then stalled so I have not entered again yet

Exactly.

It pierced but we care about what happens after. The next candle after the break should move fast and furious but it just stalled and lingered there. So we got no one to piggyback on.

This pair is not moving.

I have one position at BE



Aug 16, 2010 4:55am

#945



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Member Since Dec 2009

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Quote:

Originally Posted by **fugly**

Graeme in the above example I'd just like to ask:

1) You mentioned he moves to BE before adding each new position, can i ask at what point he moves to BE, for example will he move to BE on the close of the candle he made the entry? Or does he move to BE later?

2) In the above example as he moves to BE before making an additional entry so he makes the initial entry after the flying buddha marked by the first orange circle, on the close of that candle he moves to BE. He makes the second entry on the next candle marked by the second orange circle...

Good afternoon, fugly

Great question and observation

Joe moves his position to BE at the opening of the next candle if its in profit. And then will place another order at 50%. Yes, that X will close first 2 positions at BE and 1 at loss on the 4 hour chart.

Joe uses same principle to stack on 1 hour (and on 15 minutes most times as well). So when that X candle is going up it is also closing out few of his 1 hour positions as well. However, he will continue stacking positions until a 'confirmed' 4 hour candle does close over the open price of the previous candle which in this case it doesn't. So in another words he would have positions when price is coming back down on 1hr chart that does not show on that 4 hour chart. When the first confirmed 4 hour candle does close over the open price of the previous candle then he closes half of all his positions including 4 and 1 hour.

His '1 thing' is in stacking positions without the anxiety attack most traders experience. This is up to each individual traders personal risk tolerance.

Even if the price only moved 2 4hr candles down he would still manage his positions to close out on profit and keep the rest for free.

To be honest that chart is not showing a optimum opportunity but even that chart would have pocketed Joe a tidy profit.

If you zoom out and look at a 4 hour chart, you will notice some buddhas run for days. Im not exaggerating to say that Joe would stack many many tens of positions quiet comfortably whilst ensuring that he is reducing/increasing his positions simultaneously.

Sincerely,

Graeme



Aug 16, 2010 5:05am

947



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **alter**

Hello Pipeasy.

THis thread is very itneresting, however I feel u dont need to hold positions for months or years to be profitable. U said u take 8 trades per day on avarage.

You move SL to BE when price moves 20-30 pips in your favor and u use 20-30 pips SL. U also said u are able to move SL to BE 80% of the time.

So 6 out of 8 trades goes in your favor, and if u took profit just for 20-30 pips with RR 1-1 u would be up 120pips - 2 trade that hit SL for 40 pips. Just by your precise entry u are able to make 80 pips per day.

Now u trade 200...

Good question, alter

And this would be last before supper.

I have practiced many many many times to know which is a good momentum. However, you do not need special eyes to notice volatile breakout. You will clearly see them when you watch them. You need to witness roughly 50 volatile breakouts before knowing very clearly.

I chose long term trading cause I wish to work less and less. 5min trading is very exciting however I only do it occasionally. Most of my trades are buy/sell stops. Most readers here are still practicing greatly on lower timeframe and I thought I could lend everyone my focal interpretation as a small guide.

Your correct. I can daytrade 5 minute momentum breakout candles everyday and still create a large profit. Do you realize that this is a very very stressful way to trade.

Perhaps I have a different perspective to trading as to most but I choose to have my positions work for me and not the other way around. I do realize however good positions are rare which excites me very much when I do find a good rare one. It feels like picking up a large diamond from the fields.

This reward pleasure is very different to trading intraday when im pushed with time and goal to create a profit everyday, everyweek.

2 completely different psychological mind frame.

Edit: Currently, calculated on last 14 months my unrealized profit is over 700% of my initial starting capital

Sincerely,

Graeme



Aug 16, 2010 7:26pm

965



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **leggo**

Morning Graeme,

Can I ask when we were trading live last night you kept refering to fib level retraces on 5 min chart. Do you add these levels after the end of each 5 min candle? Or do you just have a rough idea in your head?

Regards,

Ben

Good morning, Ben

Good question.

All my personal focal interpretation is done on fly. This is from alot of practice.

If I were to set golden rules about fibs

When price retraces:

33% of previous candle - stronger move that will most likely continue

50% of previous candle - evenly matched buying/selling power

66% of previous candle - stronger opposition power

If you look across any pair, any timeframe, you will notice:

Strongest trend will have less than 33% retrace

Stronger trends will have 33% to 50%

Weaker trends will have 50% to 66% retrace

Basically you are gouging/prodding the selling/buying power to gain a hindsight to what might happen next.

Doesnt happen all the time but most/enough times.

Fibs are not about buying/selling oportunities as most traders believe but it is an indication of buying/selling power. Is the power slowing down or is the opposite power increasing? That is purpose of fibs.

If trend is downwards and price retraces to 50% and then close at 33% of previous candle. That is a stall and the tredning momentum has halted. Alarm bells should be ringing and you should be preparing to phase out your positions.

Sincerely,

Graeme



Aug 16, 2010 9:16pm

268



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10+V 760 Posts



Quote:

Originally Posted by **leggo**

So when you look to enter after a 50% retrace do you prefer the price to come back to open before you add another position? Or do you try and get in as it heads back to the open so your entry is on the wick?
Thanks for your time
Ben

Good question.

This is where pros and learners get divided.

Learners will enter what they believe is mechanical trading and will 'just' enter at the sight of 50%. They will close if they think its not working. Wrong.

I prefer to watch the 50% get tested which in my interpretation is:

Struggle to pierce 50% with momentum

and this applies to all areas of s/r (including .00)

When price drops, I must see other traders (momentum) also acknowledging what I believe as well for a much higher chance of moving my SL to BE at the very least. This is where pros and learners get divided.

Learners will enter cause its at 50%

Pros will enter after looking at what happens at 50% or any other valued s/r areas.

Traders must interpret price action properly to be successful. Price action is basically gouging/prodding the selling/buying power that is happening in the market on the screen.

Sincerely,

Graeme



Aug 16, 2010 9:38pm

#969



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It deeply worries me that alot of traders know that price action is important however not doing anything about it.

The statement 'price action is king' is everywhere in this forum but I dont think it is completely understood by all. Even if it was acknowledged, traders are looking elsewhere for an 'easier' answer and there isnt if you truly believe price action is king.

Interpreting price action through your own personal interpretation requires actual live viewing of price at 5min timeframe. You need to clearly mark on the chart with .00 and other s/r areas and watch what happens. I would say after 50 live viewings you will have a good grasp.

You do not need special eyes to know a good momentum.

Good momentum is a clear pierce through the s/r lines. But we are interested in what happens after. Is there other traders also joining in with the break?

Volatile breakouts are the safest way to enter the market lower timeframe. It has the highest percentage of succesful trade.

Volatile breakouts are my bread and butter.

Sincerely,

Graeme



Aug 16, 2010 9:57pm

#971



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Quote:

Originally Posted by **leggo**

Hi Graeme,

Thank you so much. Sorry to clog the thread up but can I ask just one more question? You said that the trend is stronger if the retrace is only to 33% but both You and Joe prefer 50% retest for your entries. I just wondered the reason for this.

Thanks and Regards,

Ben

P.S. I have learnt more in the last week trading the 5 min timeframe than in the previous 8 months of forex. It is hard going at times but I know once I master this then any system I implement will succeed.

Good question.

Joe has more mechanical approach to myself. He would enter price without any personal interpretation on 5minute chart. His strength is in the increasing number of his positions and taking an advantage of a trend to its maximum capacity.

Personally, Im very different to Joe and I honestly have better success rate with my entries. I always always always prefer to have bare minimum drawdown. That is my mentality.

I do trade higher timeframes which has drawdowns that most traders would consider large however it is relatively small to what Im trying to achieve on the higher timeframe with a bigger goal.

50% fib is where most retail traders are watching and it is a strong 'psychological level.' Remember that I always try to piggyback ride and obviously it would be at areas where there is the most attention from others.

All trends start first at lower timeframe so it is very useful to master price action on 5min chart.

However, positions on lower timeframe has lower success rate as the random price fluctuation will take you out more often than the higher timeframe.

Lower timeframe = smaller losses but more number of random losses

Higher timeframe = larger losses but less number of random losses

Its give and take. Which one do you choose?

I believe its always better to learn from smaller timeframe and apply the success over to higher timeframe because you will have much more chances on the lower timeframe to demo your skill.

Methods that work on lower timeframe should also be working on higher timeframe with the exact same effect but just bigger in scale.

Hope my detailed explanation clears some of the confusion.

Sincerely,

Graeme

Aug 17, 2010 6:44pm

985



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Member Since Dec 2009

10+V 760 Posts



Good morning, all

Apologies for the lack of replies. I had to travel interstate for few things on agenda.

Is everyone watching the price action on eur/usd today?

On 4hr chart:

Previous candle is a flying buddha and 3 long wicks touching 1.29000.

This should be a big hint to most traders as the price failed three times/struggle to break 1.29000.

Remember price action is gouging/prodding the buying/selling power.

Joe and I are watching carefully.

Im 'hoping' for a volatile breakout to south but Joe is already in with one position. Best of luck to him.

Sincerely,

Graeme

Aug 17, 2010 7:20pm

991



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **Antra**

EURGBP to consider as well?



...a nice FB on the 4 hr...is it nice?

Good morning, Antra

Yes, that is a flying buddha, however comparing the eur/usd to eur/gbp I would personally choose to focus on eur/usd as it has higher probability of success as there is more than one evidence of decreasing buying power.

Personally I believe that flying buddha at eur/gbp is a stall in the trending momentum just before.

I phoned Joe just now and he has positions in both pairs of currency and also agree that eur/usd has a higher probability.

Please remember that all traders need to maximize their profit taking if this opportunity is indeed a golden one.

Sincerely,

Graeme



Aug 17, 2010 7:25pm

#992



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **Antra**

*Only problem I feel that there is not a lot of momo around this time of the trading day....hence I was looking at a yen x but even that is quiet on the Asia open.
Still you never know.*

There are two sides of the coin.

If the market is quiet and doesnt move then there will be no large drawdowns.

More often than preferred it is the shift of short term views (fluctuations) of the mass traders during uk and us that causes losses and drawdowns.

It is the false, misleading short term shift of views from traders that cause random price spikes.

Sincerely,

Graeme



Aug 17, 2010 7:37pm

#994



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo**

Thats true. There are a few F.B.s on Euro crosses trouble is do you take them all? I worry about been over exposed. I suppose that's the beauty of practising on 5 min time frame if you can get your stop to zero then you are only exposed to profit!!!!

Good question.

There is something weird and wonderful about purposefully ignoring the market. Even though you will miss out on few golden opportunity for now, you will notice that if you keep your principal constant your result in the long run will be the same.

Always choose the pair with the higher probability/trending.

Your mentality for 5 minutes is correct.

However can you handle constant number of breakevens and small losses?

How about 1 out of 40 entries will be long term leg.

Can you handle that mentally?

Trust me, when you finally come across a position that survives and becomes a leg that grows and grows, the feeling you are rewarded cannot be described. It is very thrilling and **addictive**.

All traders need to taste this mental reward on a live account to experience what you think you will feel.

Sincerely,

Graeme



Aug 17, 2010 8:11pm

999



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Member Since Dec 2009

10+Y 760 Posts



traderray - correct. eur/usd is the pair with the highest probability at the moment. Im not surprised to see flying buddhas on all eur cross. This happens from time to time and it is caused by the fundamental changes in the common currency involved.

Always choose the pair of currency that has highest probability. Be creative and always confirm your beliefs with a choice of your personal indication on top of price action you interpreted.

leggo - now its a breakout on 4hr chart with momentum.

My stop loss is moved to 1.29000 as I have to walk out of office for the day. Joe just sent me a message and he is excited to see this happening.

If price does stall and revert back to 1.29000 then there are 'other bigger factors' in play. Most likely it will continue south for the moment but will it continue is not known.

We can only participate and let the market reward us or not.

Sincerely,

Graeme



Aug 17, 2010 8:55pm

1002



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Member Since Dec 2009

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Just stepping out for the day unfortunately.

Just seeing momentum on 5 minute.

This must pierce 1.28500 with ease.

Watch the price action around 1.28500 this could turn out to be your first live viewing of volatile breakout or a stall.

My 2 positions are now moved to BE @ 1.28800

Good trading to all.

Sincerely,

Aug 18, 2010 2:44am

1026



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Good afternoon all

I just came back to office for a few hours and decided to log in and see where the other traders are.

Thank you for your live participation and I hope it is contributing positively.

What I say next is with great importance.

It is exciting to see many traders successfully taking advantage of a given opportunity to maximum.

1. Good opportunities are rare and need to be taken advantage of completely. Not just 1 positions with 1:4 take profit and then bask in the glory but stacks of positions scaling in at the best times and then scaling out and locking in profits when the opportunity is diminishing.
2. To keep 1 or 2 of the larger legs.
3. Please dont overexpose yourself and get carried away with stacking. Each entry needs a valid reason. It is easy to lose control.

Now I need to unfortunately kick the sand castle.

1. How will you feel when the price now fluctuates and comes back closing most of your positions at breakeven?

A. Hopefully you look at this is as glass half full and reassure yourself that you were shooting for the stars (maximum profits) but ended up with minimal or zero losses from the random fluctuations which we have no control over.

2. What will you do if you have 15+ positions?

A. This is just one opportunity and good opportunities do not happen everyday. However when it does happen I hope you have the risk tolerance required to take its advantage and stretch out the profits to the extreme.

Today, was a very classic flying buddha and it happens randomly at any session. However please do not forget that opportunities like this can end in 10 minutes, 2 hours or 2 days or 2 weeks.

Can you handle it emotionally if it only lasts few hours?

Personally for me breakevens and small losses are not even noticed as I know sooner or later when a single golden opportunity comes along I will win back everything by many folds.

Just for your info I just spoke with Joe and have advised what is happening on the forum. He too is happy to hear that many others can start to see the potential of his flying buddhas.

He had few close calls but still managed to stack 10 positions on eur/usd with all legs at breakeven so he knows even if this opportunity suddenly ends he will at least make something from it. However if the price continues more than 200 pips from now, I have seen the potential amount of money he creates from it. Enough to cover the next 100-200 unlucky buddhas. Imagine how many more golden buddhas will appear in that gap of now to next 200 buddhas? That is his mentality. In his words, Joe believes he has saved enough ammo for the next 3000 unlucky buddhas just in his current trade balance.

Please do not bring short term success to your head but please keep trying. Im curious to see traders comments when a failed buddha comes along. Undoubtedly some will continue to search for other systems because few rows of unsuccessful flying buddhas. Will you?

Unfortunately with that mentality nothing will work.

In the markets, we only have slim chance at certain times to create profit. We must learn to overcome the losses and **persist** to look at maximizing profits when the opportunity does finally arrive.

Sincerely,

Graeme

P.S Just stepping out again.



Aug 18, 2010 4:38am

1032



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Thank you all for the compliments.

Apologies if I dont respond to them or the private messages as Im travelling abroad. I will get around to them.

My phone just buzzed. Eur/usd opportunity is unfortunately over.

May I ask all participants how they honestly feel? Honest answers please as there are no right or wrong.

Sincerely,

Graeme



Aug 18, 2010 5:10am

1037



pipEASY

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Member Since Dec 2009

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Thank you all for the honest replies.

Yes, disappointment. Good.

Do you think you can handle consecutive days of more breakevens?

Not many can.

However sooner or later the golden opportunity, or the golden position that will survive for the next year does happen. Not because you were lucky but it is inevitable.

Inevitable.

Inevitable.

The immense emotional pleasure from such findings are pure ecstasy to the first time experiencers. It is a very addictive feeling and once tasted with live account there is no going back.

Poke, poke, poke, poke, poke, tap! ??? WOAH!!

Not many traders get to woah phase emotionally.

I sincerely hope all traders get over this emotional hurdle.

I assume most traders are demo at the moment. Nothing wrong with that but the emotional hurdle will feel much bigger on live account.

18 out of 20 (just my personal estimate) traders will fail at this first stage as they cannot sustain the emotional rollercoaster. They will continue on looking for the next method and the next method after not realizing that the secret is just around the corner they were standing at.

I hate to use names to support my statement but just like TheRealThing and Peter Crowns said, "so after 20 or more consecutive losses, tell me, are you going to quit? Hmm I like to know"

What do you think they are talking about?

Remember TheRealThing mention about one of his inside bar position he entered with 11 pip hard stop loss that grew for \$250000.00 over few years. Trust me, it took more than few hundred entries. Can you do that? What if I told you there is no other way... will you believe me or look for something easier?

Sincerely,

Graeme

P.S Just rang Joe to inform him of the outcome. He lost 1 position with -17pips. He just paid 17 pips for the potential to win thousands. Its a risk:reward that me and Joe will pay everyday, everytime.

Everyone's first emotional hurdle is here 😊



Aug 18, 2010 8:08pm

1059



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Member Since Dec 2009

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Just very quickly.

Hope everyone noticed the first 1hr candle of eur/usd.

That is volatile breakout at best. 5 out 5 star.

Breaking 1.28500

Breaking 1.28440 (area, of the low wicks before)

No stalls, no resistance from buyers, just pure simple explosion.

Breakouts like this has the highest probability.

Hope you witnessed it live and see the difference between this type of excellent breakout to what we experienced yesterday.

I had 2 positions on 1.28500, just moved SL to BE as I have to leave the office for the day.

Sincerely,

Graeme





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Member Since Dec 2009

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Just before I head out again.

Some traders would like to know how I can get my positions in so early.

Its because I 'anticipate' the breakout.

This morning wicks pierced 1.28500 but couldnt close below it.

I know that if price does puncture such areas that were tested but failed before it will move fast and hard.

I always enter first with the mentality to lose very small or win very large.

If the breakout was slow, I would move my SL to BE very quickly and change charts.

If the breakout was also another wick retrace and also a lack of momentum then I will close the positions for a small loss.

If the breakout is explosive like now, I will stack very aggressively knowing this is a given opportunity that needs to be stretched out.

If Im not travelling abroad i would definitely have 4+ positions easily in that move and more and more.

It could turn out to be another failed golden opportunity or it could be start of something huge. But the point is, I have risked zero to very minimal for something that can be huge if it happens.

This is my risk:reward

Sincerely,

Graeme

P.S Just noticed 2nd 1hr candle went 50% fib and then dropped like a rock now stalled below 1.28000. 50% fib = big psychological area for mass traders. Classic

Last edited by pipEASY, Aug 18, 2010 8:40pm



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Quote:

Originally Posted by **mcornbill**

I got two positions in on Euro short, one @ 1.28417 and one @ 1.27950. Giving the one in profit some breathing room for today, will see if it can hold out for whole of UK session then move to BE.

Just a word of advice for your benefit. Hope you dont take any offence.

If price moved with momentum and then returns back. This means a bigger factor is in play. May I suggest that you dont need a breathing space to judge whether it will work or not.

Positions closing on breakeven should be enough evidence that its not working out.

Please try and not set a defined hard stop loss and consider it as a breathing space and hope for the best. If the price has reversed/stalled then the show is over and its time for you to move on.

Sincerely,

Graeme



Aug 19, 2010 6:18pm

1087



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Member Since Dec 2009

10+V 760 Posts



Good morning, all

Hope everyone is safe and warm. It is winter here in Australia and it now changing season to Spring. As I grow older I can actually feel and smell the season changing. Something that I couldnt do when I was much younger. When I was young, I knew it was Spring when everyone started wearing short sleeved shirts and the jacket I was wearing is no longer necessary. However as I age more I can add more reasons to why I personally believe season is changing. Its the different glow in the morning when the sun is coming up, the smell of early spring flowers, the extended sunlight in the afternoons. Its experience and age telling me that Spring is arriving with greater 'clarity.'

Much like trading, a learner has reasons to indicate what is happening in the markets because it was told at a seminar, a strategy thread, or by an indicator. It is the age and experience that will add clarity into this interpretation. However, most traders will not make it there. Everyone is born as a trader however it is up to each individual traders approach to make it happen.

All of us expect to make an outrageous lifestyle out of trading. Just like a real estate investor aiming to mark his name on the Forbes magazine or the newly released hip hop artist trying to make it to billboard chart number 1. We are all doing the same thing by trying to be the best in the industry. The amount of practice required for a hip hop star to sing and dance to an awe-inspiring effect it is just more than few sessions, it is years of hard work. They do not whinge that its hard work and things are not working out at the moment. Its their unbending beliefs in themselves and the bone-aching sessions they go through to maintain their voice and body **will payoff later on much greater than all his/her efforts put together for now. Risk:Reward**

The key lesson for the past week is perserverance. Does everyone know the definition? It simply means not giving up or steering away from the intended goal.

What is your intended goal then?

It is your positions that could have been few pips loss or zero loss that turn out to be few hundred pips.

Does it happen often?

Not enough but just enough.

Not enough to drop all whinging, nagging pessimistic traders off the board. And just enough for the unbending true traders to profit over them.

Market knows your efforts. The more you try in a constant attempt, the market will soon notice your efforts and repay you more than you lost to get there. It is your job to minimize the losses and stretch the profits when market is finally giving you a good opportunity. And the market doesnt offer good opportunities everyday or everyweek. That would create too many millionaires.

Remember Joe lost -17 pips 2 days ago. Market took notice and gave him back more than 17 pips. Only a small opportunity but he still cashed out 200+ pips last night.



Aug 19, 2010 6:27pm

#1090



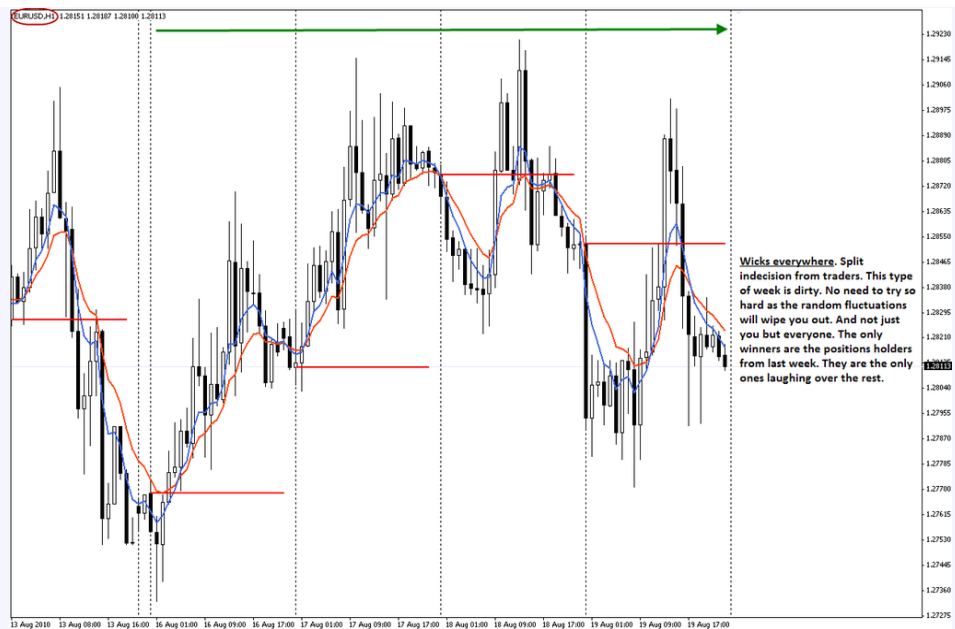
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Member Since Dec 2009

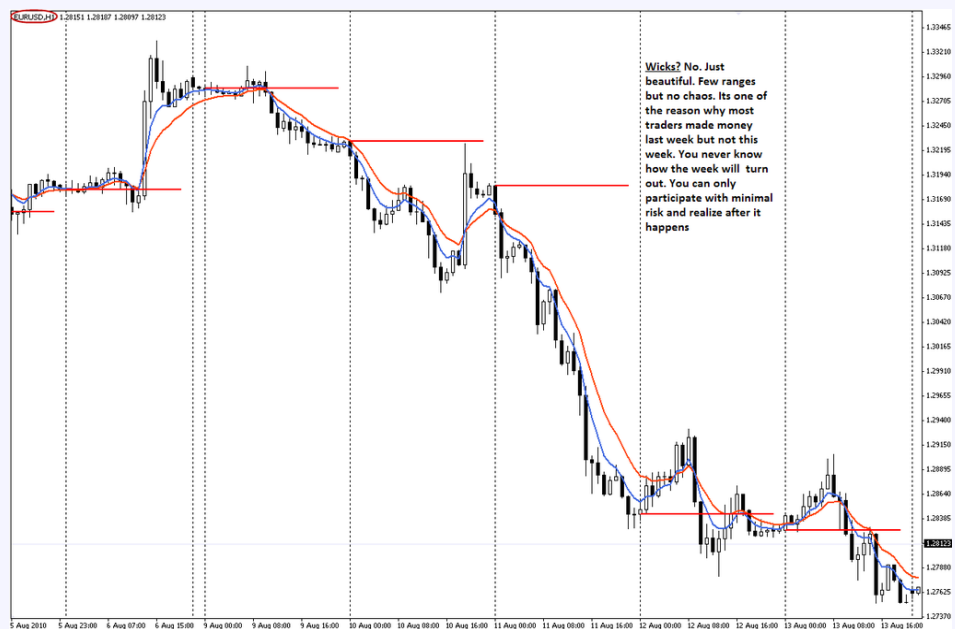
10+V 760 Posts



This is a dirty week. Why? Wicks.



How about last week then? Which was very hard and fast downtrend. Compare.



Aug 19, 2010 6:35pm

1091

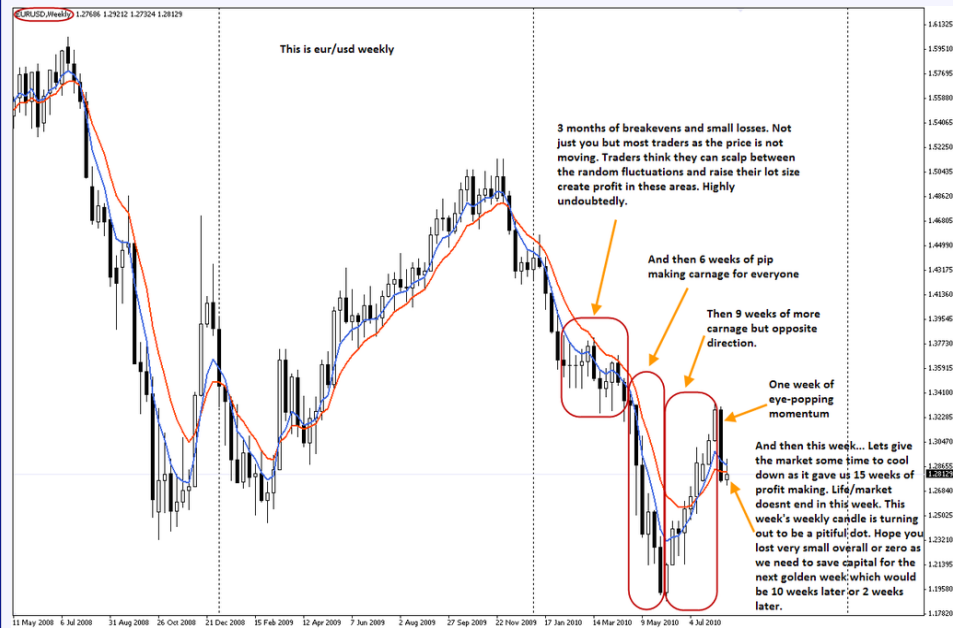


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Member Since Dec 2009
10+y 760 Posts



Perserverance. Can you?



Aug 19, 2010 6:55pm

1095



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **geoffrod**

Graeme,

thanks again for your elegantly simple explanation of the weekly action, i personally am becoming very frendly with the weekly line chart as you showed it a while back, for me, it is easy to see the area's of consolitation, and to pinpoint where i might be taking some acton, put out my feelers,

cheers

geoff

Good morning, Geoff

Absolutely.

And im so glad to see you made the connection.

May I add that I have been using 1ema charts for daily/weekly chart for the last one year to great success.

Its very simple and powerful. But most importantly gets rid of all the candles, wicks, ranges.

Sincerely,

Graeme



Aug 19, 2010 6:58pm

1096



pipEASY

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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **leggo** ➤

Morning Graeme,

Does Joe use 1hr chart for flying buddahs too? I only ask because there was no flying buddah on 4hr last night only 1hr.

Kind Regards,

Ben

Hi Ben

Yes, Joe uses flying buddhas on 4hr and 1hr. All methods should work on all timeframe. Just different 'scale'

Joe knows that 4hr golden flying buddhas work just as well as 1hr golden flying buddhas however different scale.

It can also work on smaller timeframe than 1hr but it would be useless as the golden opportunity will be relatively small for the efforts.

1hr is the smallest timeframe he will look for them.

He uses only sell flying buddhas and 50% fib only.

Sincerely,

Graeme



Aug 19, 2010 7:03pm

1098



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **hayseed** ➤

hey pipeasy.....a question if ya have the time..... in post 1087, in the picture someone has written, 'double wick bottom it's over'.....

courious as to what is thought to be over and how a double wick bottom suggests it.....

if ya have the time.....thanks.....h

Good question.

Few posts ago I explained to all the importance of interpreting long wicks.

Long wicks are great pressure for the price to continue but failed due to equal/stronger opposite force. Long wicks are the first sign of weakness for the current movement.

Some price or tight area cannot be breached and gets tested twice or third times to finally see the price reverse strongly to opposite direction.

Not all the times but enough times to keep in mind all times.

This can be used very effectively as a trader can set a very tight stop loss just pass the tip of wick when he notices a wick bounce on the 2nd or 3rd wick. Risking very small for something much bigger. Such like inside bars, flying buddhas.

Most important aspect of long wicks are that it shows first weakness of buying/selling power before the complete formation of the candle.

Sincerely,

Graeme



Aug 19, 2010 8:45pm

1105



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Quote:

Originally Posted by **occamsrazors** ➤

Hi Graeme

Very interesting thread. I have query about where entries need to be positioned in order to survive the pullbacks in a trend. I'm not sure if I'm missing something basic.

Below is a H1 chart for EU that has a 600 pip uptrend over 12 days from July (sorry for the big chart, but I wanted to get the whole trend in). The blue areas highlight where a trade would need to be taken in order to survive the uptrend without being taken out by a pullback at breakeven.

Only one breakout area from a range (purple) survived and that was half way...

Good question.

It looks bleak doesnt it.

As long as you continue participating the market on low/zero risk and keeping the largest legs for long term growth it will inevitably happen.

I do not know when it will happen but I know sooner or later it will. It looks like you zoomed in 12 days worth of 1hr chart? 12 days is not even a dot on the infinite space and time of the markets.

I understand what you are asking but I have no answer but suggest that all you can ever do in trading is just participate and the rest market does for you.

Good portion of short/medium term growths are captured in one of the numerous number of diversification along the way of long term growth for the surviving legs.

Having said all this, I will forecast with greater probability that the downtrend of eur/usd that started last week **if it continues**: any positions you held onto **from** last week will at least survive weeks or months. I have seen it all too often.

Occam, its like growing hair. Have you grown your hair before? Back in my younger days, grunge was a huge thing. And I too participated in growing my hair.

Everyday I take a shower and notice a whole clump of hair falling out. But after 2 years I had very long overall hairstyle. How is that possible when I lose big clumps of hair everyday? Its because some of the longest strand of hair that did survive 2 years makes my hairstyle look very long when in fact most of the hair that covers my scalp are medium to short strands. Please think about it as it is very close analogy to my trading concept.

Sincerely,

Graeme



Aug 19, 2010 8:51pm

1106



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Member Since Dec 2009

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Quote:

Originally Posted by **leggo**

Two failed flying Buddahs this morning Im dissapointed that I over exposed myself should not have tried 2 x AUD crosses. Lesson learnt! For a while they looked really promising tested the wick of the previous candle then came back down. Unfortunately they then pushed back up and wiped me out. I will keep an eye on them though and may trade one with hindsight later on.
Regards,
Ben

Ben

Write down your losses and keep going. Hope the initial entry after flying buddha is just one position and after the success/SL moved to BE and then you would stack. This way you arrive nice and early for the first position and the next would be in line with the confirmed direction of the movement. I know this is harder on 5min charts but the benefit of 5min chart is very very small lossess.

Sincerely,

Graeme



Aug 19, 2010 8:54pm

1108



pipEASY

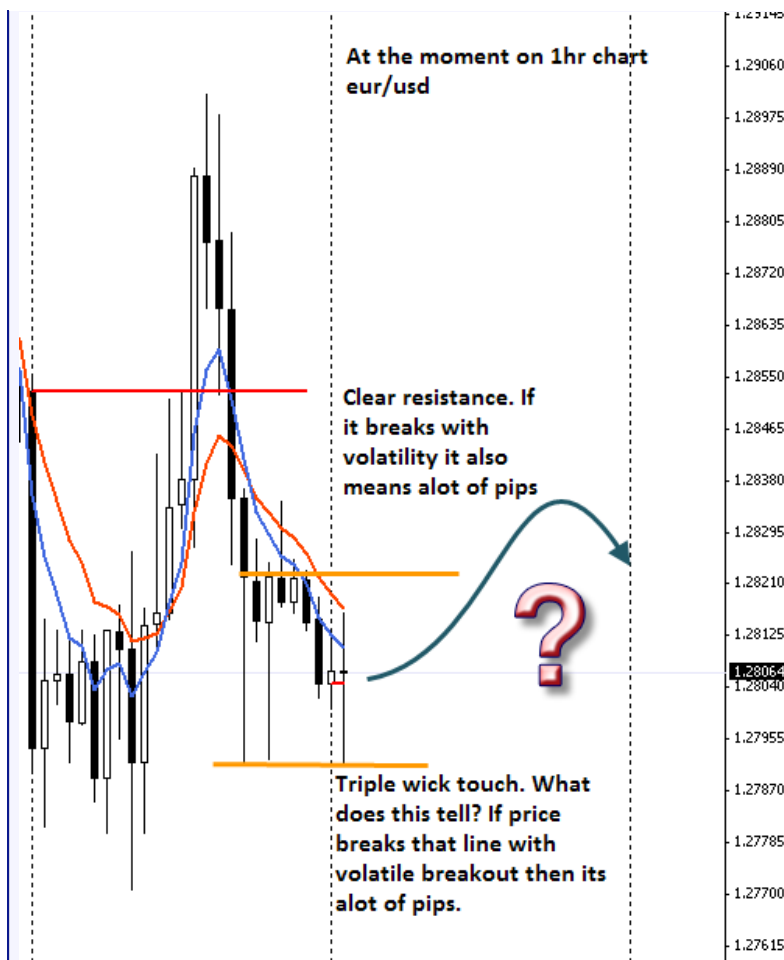
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Member Since Dec 2009

10+V 760 Posts



For the moment, buyers have the upper hand in eur/usd. **I have one position @ 1.27950 when price bounced for the 3rd time. Stop loss @ 1.27850. Im risking 13 pips for perhaps the start of the next 2 years of uptrend?** I dont know but I will participate and let the market tell me. Watch this one everyone.



Aug 19, 2010 9:00pm

1109



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Member Since Dec 2009

10+ v 760 Posts



Thank you for the compliments fxsurfer and all others.

Sorry for the lack of replies recently in posts or private messages.

I will be returning home this weekend.

Please keep practicing.

We are fishing for the big catch. Although we brought limited amount of bait with us, we cannot help when the line gets snagged or the small catches until the big large one. We keep some of the small ones to feed on and the large ones to bring back to cherish and boast on.

Sincerely,

Graeme

P.S Just stepping out for the day.



Aug 20, 2010 6:03am

1123



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by @mel

Good morning Graeme,

I came across your thread the other day and I decided to read it because the title of the thread got me intrested. There is no doubt here for me that you are a great trader, I believe that you are doing a great job at teaching your methodes to others, even if our way of trading is completly different, I really liked what you have to say here.

I took the liberty of posting my first reply to your thread, as I have notticed something concerning the "flying buddha" methode, and I hope you will not mind. If you do please tell...

Good evening, Mel

Excellent observation.

Flying buddhas that does work out tends to be the upper corner (or the lower corner if on opposite direction) of the (triangle) pennant. Yes, correct and both Joe and I know this very well.

It also can be a high probability inside bar.

It also can be the very start of a major trend change.

It also can trigger a volatile breakout and explode towards the intended change of direction.

Flying buddhas are the apex of the change. Its either going to change very large creating a very large opportunity or create a small loss.

With flying buddhas, you only need maximum; 1 initial entry and 1 re-attempt afterwards to know for certain if its not working out.

I choose not to re-attempt but Joe waits for a clear breakout for a single re-attempt before admitting his loss.

To maximize your profit taking, the stacks should be taken soon after the initial position is moved to BE and immediately after on the 1hr chart at every 50% fib.

If you scroll back your chart and choose any flying buddhas that did work out well, you will see that you will have multitudes of positions before the first sign of weakness on the 4hr chart in which you scale out and then scale back in if the trend picks up again.

Hope it enlightens all readers little further

Sincerely,

Graeme

Last edited by pipEASY, Aug 20, 2010 6:32am



Aug 20, 2010 6:17am

#1126



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Member Since Dec 2009

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Mel

You said the golden phrase.

Biggest move happen when price doesnt retrace back to trendline. (or any type of s/r, .00)

Readers need to really know this...

Its why volatile breakouts are used by alot of pros as it has

1. Greater probability to create a profit
2. Big moves usually are start of something huge. Not always but plenty of times.

Sincerely,

Graeme



Aug 20, 2010 6:24am

#1127



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Member Since Dec 2009

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I hope all traders are noticing the explosive momentum happening on eur/usd.

Today is Friday. See how market doesnt care about such wrong myths.

My little position died on -13 pips @ 1.27850 but I wanted a breakout to south when price pierced that area with volatility if it happened.

1.27500 was stalled for a moment before being cut into by a explosive momentum. Hope all traders caught this as this is the easiest way to make money in forex; volatile breakouts.

Unfortunately I missed all this cause I was at dinner. I know there are plenty more next week.

My positions on eur/usd from last week are now well into profits and I believe this is start of something very large.

Good weekend to all.

Edit: I would like all readers to notice 3 long upper wicks on 1hr eur/usd chart before the compelling momentum. Buyers pushing hard but losing power. Tested a tight area of price 3 times before finally succumbing to sellers. Sellers had enough and blasted back. Everyone should see the wicks as the first warning and then after the first notice of explosive volatility should have piggyback rided all other traders for an awesome ride.

Sincerely,

Graeme

Last edited by pipEASY, Aug 20, 2010 6:43am

Aug 20, 2010 6:37am

1129



pipEASY

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Member Since Dec 2009

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Quote:

Originally Posted by [geoffrod](#)

*definitely with you on this one graeme
up nearly 100 pips so far*

it is great to be on the good side of the strong momentum.

i got out of my eur/gbp trade -15 little loss for being on the wrong side of the momentum, it may turn around again, but it was going the wrong way for me with momentum.

Well done, Geoff

Its also a skill to know when to quit. Wrong side of momentum is the worst thing I can think of. Its going the wrong direction of one way lane.

There is something that will happen today.

I call it law of elasticity.

Newton's law: There is always equal and opposite force.**Such steep price movement will be corrected by a steep opposite force. Stack early and when momentum slows down, STOP stacking.**

Watch this elasticity bounce happen tonight. Price cannot continue on at 170 degree steepness.

Edit: The best thing sellers can do on eur/usd is stall the price. That is the best. But traders are very temperamental. They will close their position in fear of losing their hard earned profits. I see a long wick already. First sign of weakness. Your stacking should have stopped many minutes ago.

Sincerely,

Graeme

Last edited by pipEASY, Aug 20, 2010 6:48am

Aug 20, 2010 10:01am

1134



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Member Since Dec 2009

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Quote:

Originally Posted by [pip_daddy](#)

Hi Graeme. Thanks for your continuing contributions. I know I have benefitted tremendously from it.

In all honesty I do not see what you are seeing . Without knowing the 3rd candle was going to breakout, what makes those 3 candles that much different from the previous 17 candles? I see at least 2 groups of 3 doing the exact same thing but nothing came of it those times. What I do see is that these last 3 came at the start of Frankfurt/London session and that is significant to me. Is that part of what you like

Good question, pip_daddy

I trade when I have the time to sit at my computer. I do not have a set routine when to trade. That is defining my action and I do not pre-define anything in the markets.

Alot of traders believe that they need to take every opportunity they come across to maintain some type of consistency to create profit. Trust me when I say it is the very opposite. You only take few of the opportunities that come across. Remember the random number game we played few weeks ago?

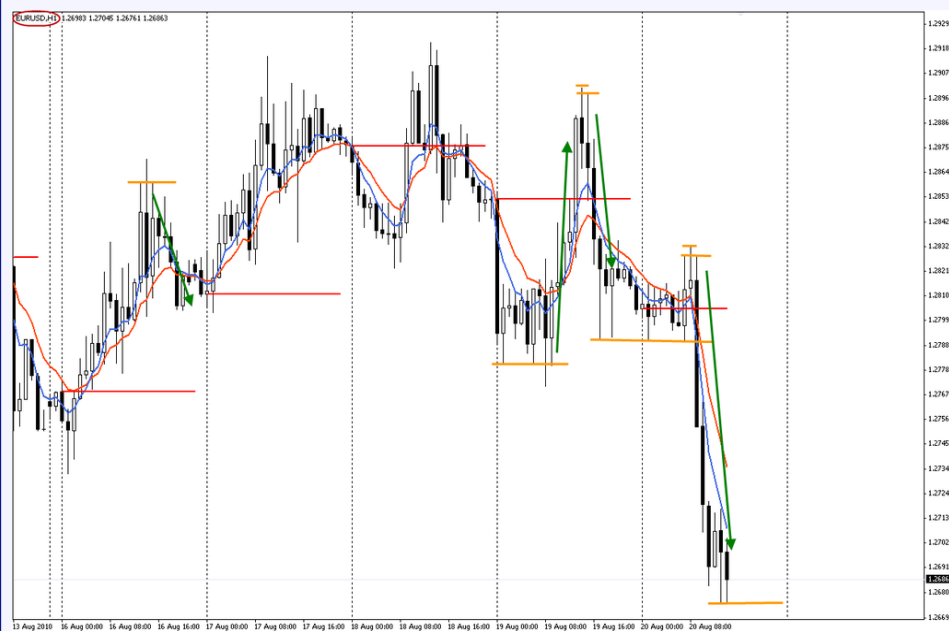
This random participation works out very well for me as I'm 'unknowingly' spacing out my entries.

Yes, I miss few golden opportunities (like today, on eur/usd) but I also fortunately miss most/all of ranges. Profits are similar on the long run.

Wicks warns first. Wicks are before the complete formation of a candle.

They give great hindsight. Not all the times but enough times. Focus on extra long wicks. They are there for a purpose.

Look at this week eur/usd. Some major wick interpretations



I use long wick interpretation all the time to great success

Sincerely,

Graeme



Aug 20, 2010 10:09am

1135



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Member Since Dec 2009
10+V 760 Posts



I wish to say something very important.

This is an important lesson.

Does all traders know that all indicators, support/resistance, trendlines differ from each individual traders??

And yet the market is completely **neutral and universal** it will **acomodate all traders** different lines (focal interpretation).

In other words, a trader who uses 21 ema can have equal success to a trader using 40 ema.

Also, two traders using just trendline break can interpret little differently and yet both still make profit?

I could draw a support line but you wouldnt.

You would draw a support line but I wouldnt.

But we both still win? (or both lose)

Does anyone know why??

If you really know why..

Then what **universal 'element'** exist between two different traders that at the end cause similar results?

Sincerely,

Graeme



Aug 20, 2010 10:37am

1138



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Member Since Dec 2009

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While I have your minds thinking about my question above.

Allow me to add another tool to your interpretation.

I also use this to gain a hindsight to what might happen next.

Not all the time but plenty of times.

I hope all readers remember my long wick interpretation with charts many posts back. Allow me to add the icing on the cake.

Does all traders agree with me that wicks show weakness in the movement?

What if I know with greater probability that the weakness is genuine?

So in other words Im looking for a decrease of power on the charts?

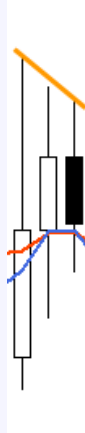
That would be a very useful and powerful tool to have. To know that buyers are losing power or sellers are losing power by using price action and not by an indicator.

This is the final and advanced level of wick interpretation.

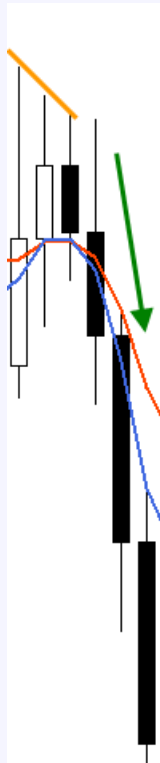
A decreasing slope indicates buyers losing power as time goes. A greater chance of sellers to push price down hard.

They are on top of the emas as we are looking for buyers weakness.

Here are few. They need to be good angle (not too steep) and very close in pippage.

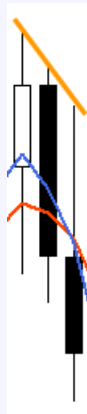


What happens after?

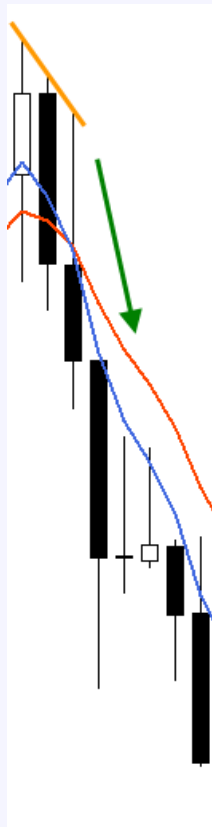


There must be at least 2 but preferably 3 wicks. The wicks need to be relatively longer than usual. The slope must not be steep but reasonable.

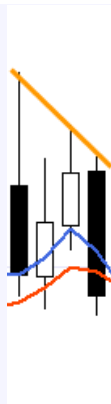
Here is another



What happens after?



Preferably next to each other, but could be little apart but the angle must be reasonably not too steep.



Aug 20, 2010 10:41am

1140

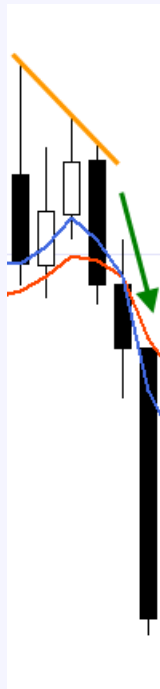


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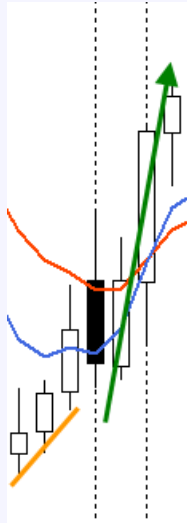
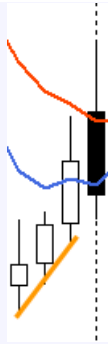
Member Since Dec 2009
10+V [760 Posts](#)



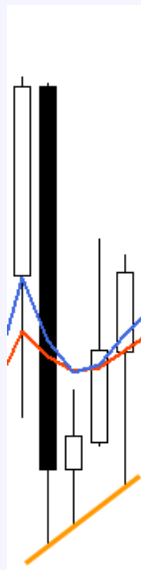
What happens next?

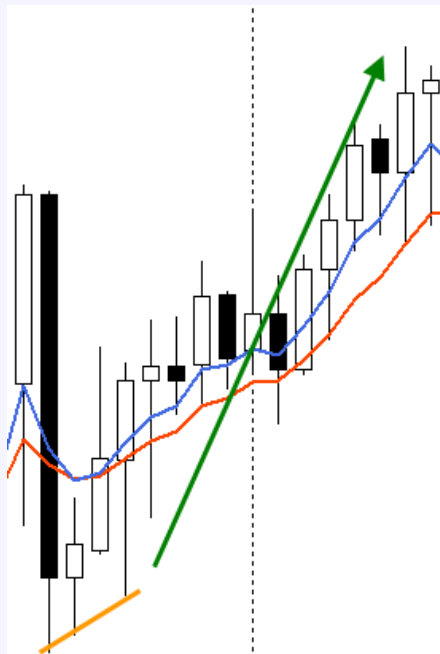


How about some sellers weakness. We are now looking below the ema.



Another one





Aug 20, 2010 10:44am

1141



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+Y 760 Posts



songbo, willf

Thank you very much for the answers.

I was looking for 2 answers specifically and glad to see them as the first two.

Yes.

Participation and Trend. Superb!

ozziedave

Thank you for sharing. Im absolutely thrilled to hear your new found hindsight and also glad to see that you have overcome your emotional hurdle. Thank you for staying from the very start. Only the best wishes to your trading.

Sincerely,

Graeme



Aug 20, 2010 11:04am

1143



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Member Since Dec 2009

10+y 760 Posts



Quote:

Originally Posted by **ozziedave**

Universal element is price. Everyone has their own interpretation of trend lines, support and resistance and even indicators but price is the only consistent element.

Excellent.

Excellent.

Dave took it one step further.



Aug 22, 2010 12:04am

#1161



pipEASY

crede quod habes, et habes

Member Since Dec 2009

10+y 760 Posts



Good weekend to all

Apologies to address everyone in one single post

stimulus - Yes, that would work as well. Everything works cause its all relative. The reason why various applications work is because the risk is minimized to a static small loss while the profit is maximized to the very end of the opportunity. Static loss versus infinity growth?

dsan - Yes, all correct. Traders needs the risk tolerance required to take small losses to achieve bigger goals. Following the flow of the market to create profit and maximizing their profit by stacking positions. All correct.

fugly - Yes. I will come to this topic today in detailed post. Thank you

mjtotic - Yes, I will also come to this topic today. Thank you

Midknight - Yes, I will also address something for your benefit today. Thank you

Swingman - Thank you for your critical contribution. Greatly appreciated.

Today, I wish to spend few hours to address some of the common questions that are always asked. There is no such thing as wrong questions and I understand why similar questions are asked.

I understand that this thread is now very long and unfortunately it jumps around from topic to topic without any constructed flow. Even though the puzzle pieces are all over the place there is enough blueprint here for any avid new learners to piece the information together.

I hope that the next 10 or more posts that I do here will be the strings that attach those puzzle pieces together.

Sincerely,

Graeme





Why is stacking important? How does it benefit a trader in the long run?

Market is never always a perfect opportunity. Most times, the market will make you lose. It is the traders ability to minimize these losing periods. There are many ways to minimize losses but the main purpose of minimizing losses is that you are conserving your capital for the next better opportunity.

The best way to minimize a drawdown is being upskilled in your entries. Knowing when to enter and how to enter. Growth/profit starts from your participation however there are bad ways to enter and good ways to enter.

Never overexpose. There are many traders trying to hard on one single day. I rarely do more than 1 re-attempt after a failed entry. Anything more is overexposure. Sometimes I have streaks of successful entries. I simply continue adding more positions until I encounter first loss and then I move away from the pair of currency.

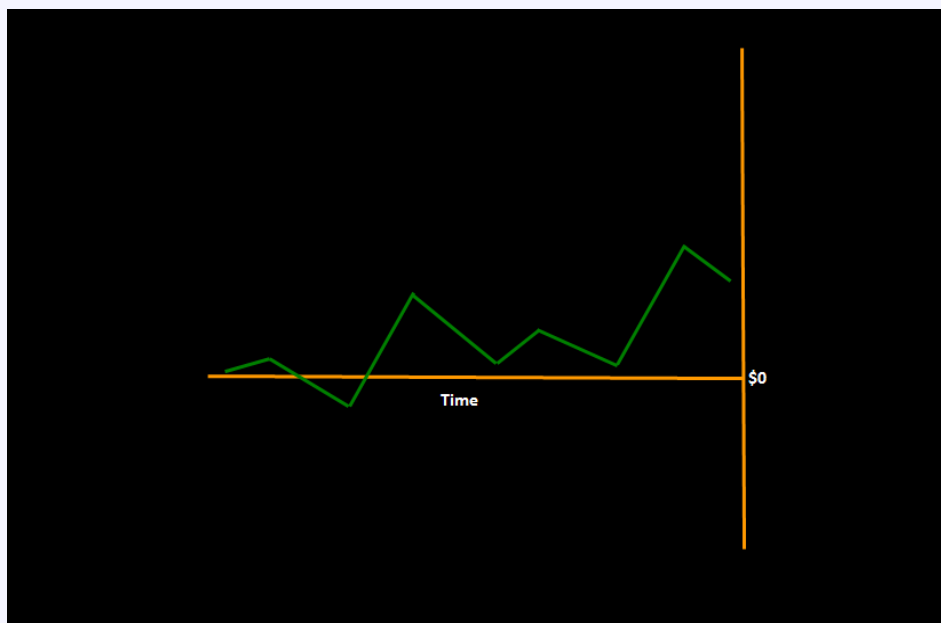
All the above has been said few times already in this thread so I wont continue anymore.

Market is neutral and universal.

If you set a pre-defined entry and exit like:

Enter after pin bar, 40 stop loss + 160 take win. (or anything similar)

Will you agree with me that your equity curve is more or less look like below?



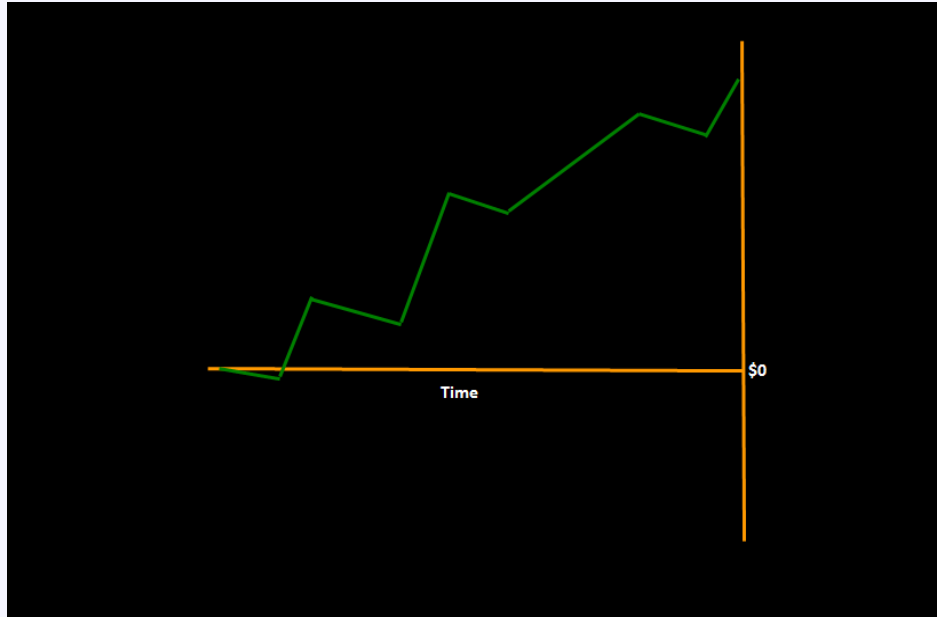
The time represented in the above chart could be over a span of few weeks or months. Even though the curve is slowly arching away from the \$0 but we all know how painfully slow it takes for the trade balance to grow. Would you agree?

There are few traders who believe that they could raise their lot size to compensate a good return but assure all traders that is very dangerous.

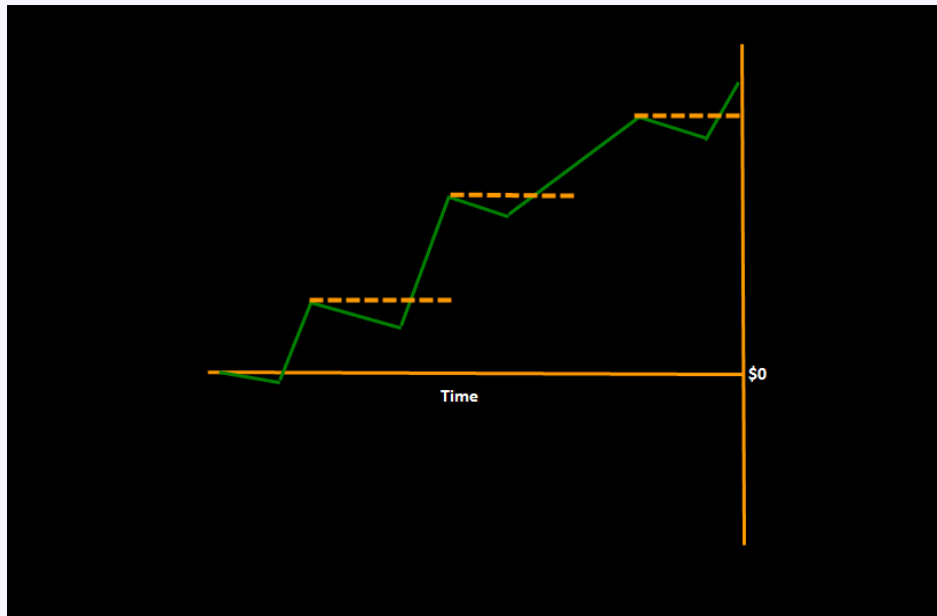
You should never raise your lot size to make your profits look bigger.

You should raise your lot size when you know you can make your profits bigger.

This is the ideal equity curve for the same period.

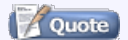


Ofcourse we all prefer the above equity curve. Lets analysis the above equity curve. Technical analysis work everywhere in life. Not just forex markets.



The dips are much shallower and the sharp injection of profit is almost a volatile breakout. How can we achieve this?

Continue on next post..



Aug 22, 2010 1:12am

1163



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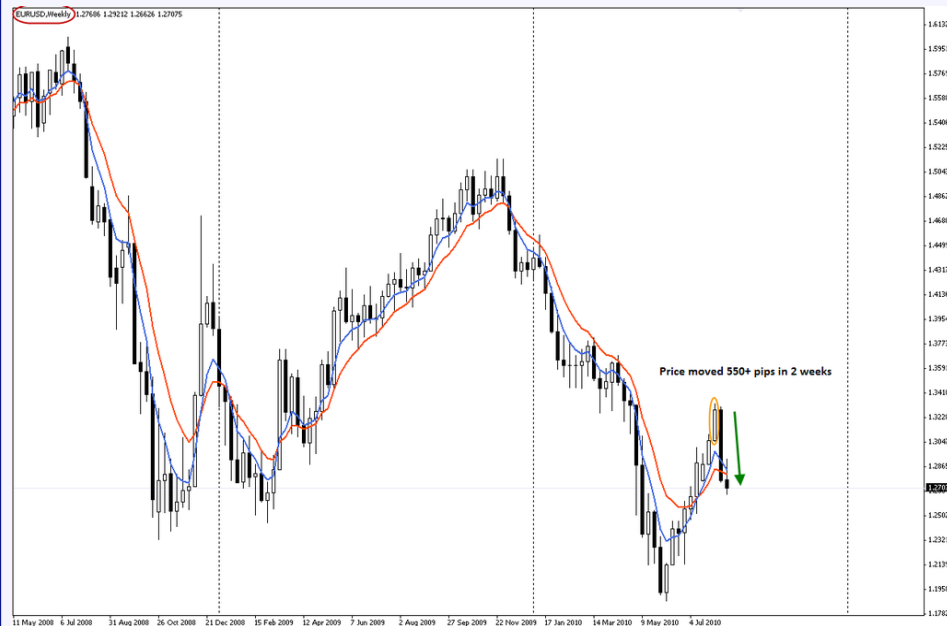


It is by stacking positions into a given golden opportunity.

Last 2 weeks of eur/usd has been fantastic. A rare opportunity that should have been caught by many. There are plenty more coming so please do not worry if you missed it (infact I missed most of last week).

Why did I focus on last 2 weeks on eur/usd? It was golden buddha on the weekly chart. 😊

Nobody mentioned this so Im assuming that most traders are not looking at weekly chart. I spend more time on weekly, daily chart then the smaller ones. Weekly/monthly charts are your total battlefield. Smaller charts are precise locations to deploy your soldiers.



Now if price moved 550+ pips for you and a trader captures 190+ and basks in the glory unfortunately they are on the losing team in the long run.

How many 550+ for 2 weeks movement do we experience in eur/usd? Not often...

A trader enters with 20 pip stop loss and 180 take win. He is thrilled that he got it cause its 1:9. Shame, thats not what risk:reward is there for.

I assure you, if this same trader does the same thing everyday, everyweek, he will notice one very important fact.

1:9 is very hard to achieve.

Lets stop here and analysis 1:9.

Market is neutral and universal. It would be safe to 'assume' that a trade with 1:9 has approximately 10% chance to achieve its final reward. All numbers are related and correlated with universal happenings and items. However in the markets, numbers (expectations in %) are slightly bent out of reality. If you have 1:9 trades you will find after few months of trades that your successful positions are not 10% of all your trades taken. This is because of the random fluctuation of the market.

That's why a lot of traders say trading is a zero sums game and it is very true.

However, you can play this dirty game against the market itself. If market is going to play tricks on you then you can use the very same principal against the market.

When market wants to take your money. Let him. Let him take 1 lot.

But when market needs to payout, make sure you always take more than he took from you.

It's a give and take game but when he takes you only give 1. When you take you take infinity. That's when you're making money from the markets.

Range is when market is taking money off traders.

Trend is when market is paying out.

1. Your entries must be tight
2. Never overexpose
3. Always be willing to give some to the market

2 traders looking for the flying buddha pin bar. Trader A has fixed stop loss and take profit. Trader B looks at stacking and keeping his losses minimum.

Trader A & B both suffered -100 pips over the last week.

Finally a good flying buddha comes along.



Trader A takes 150 pips and is very happy that he has covered -100 pips of last week and made net profit of 50 pips. He moves onto next opportunity.

Trader B adds 2 more positions after the initial and his average pip per position is 100, total 300. Trader B closes 3 positions and banks net 200. 4 times more than trader A.

The risk? It was the same for both traders.

Trader A risking with stop loss for 1 position.

Trader B risking positions @ breakevens and 1 position with stop loss.

Same risk for 2 different rewards.



Aug 22, 2010 1:23am

#1164



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Member Since Dec 2009

10+V 760 Posts



So what happened last week?

Two weeks ago we noticed the flying buddha on eur/usd weekly chart. He noticed it first and text me.

Joe made a whole bundle for the last 2 weeks +1000 pips at least. All his positions closed.

Myself?

Last 2 weeks on eur/usd

I have 112 pips of total loss and 5 positions still open.

Average pip per position: 200 pips

Current unrealized: 1000+ pips

Total realized loss: 112 pips

Total realized profit: 0

Joe is winning for now but if the current downtrend continues for few more hundred pips I would double his golden opportunity by doing nothing.

I will gladly pay 112 pips everyday, everyweek for something similar.

Sincerely,

Graeme



Aug 22, 2010 1:57am

#1165



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Member Since Dec 2009

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Graeme what entry methods do you use?

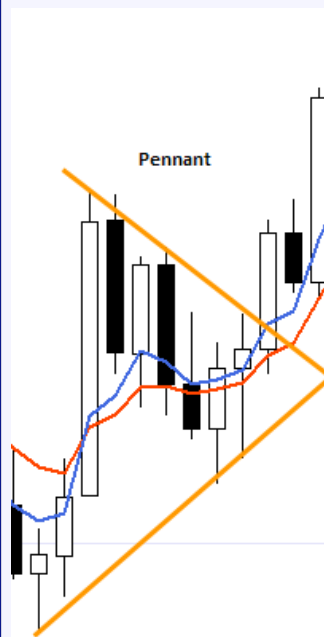
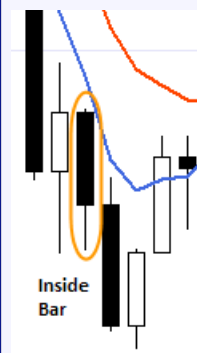
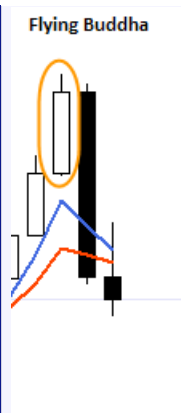
I use the very same entry methods that I use on lower timeframe in the higher timeframe.

Alot of pros recommend traders to use highter timeframe first and then move onto lower timeframe.

I recommend the opposite.

I believe that all traders have alot of unnecessary fear. To overcome this fear I believe all starting traders need to experience some pain purposefully. Pain on the shorter timeframe equates to smaller losses. Pain on the higher timeframe is big drawdowns.

1. Low risk setups; flying buddhas, inside bars, pennants.



2. Price action; wick interpretation, price pattern





Aug 22, 2010 1:58am

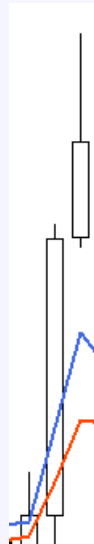
#1166



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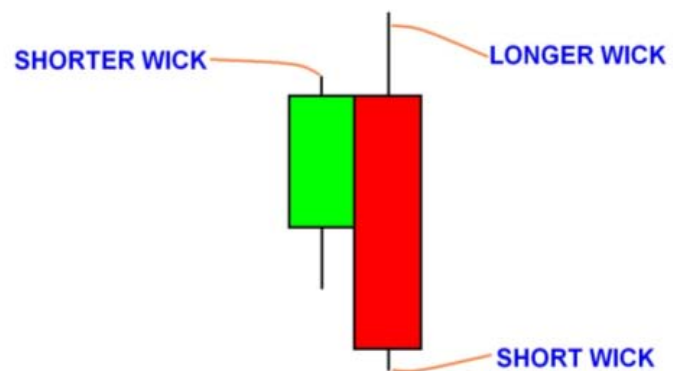




Price pattern at .00, outer limits of bollinger band, 50% fib of major weekly/daily trend

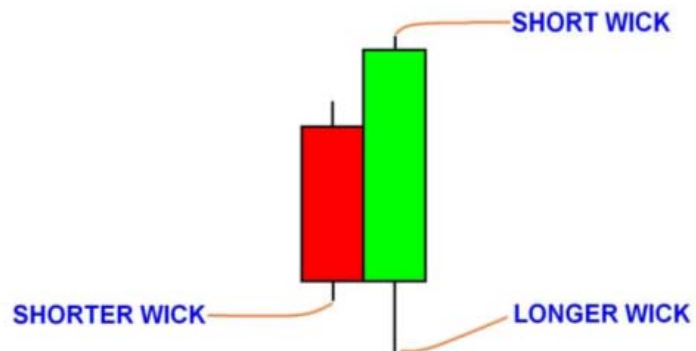
For Short

SHORT ENGULFING PATTERN



For Long

LONG ENGULFING PATTERN





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Member Since Dec 2009

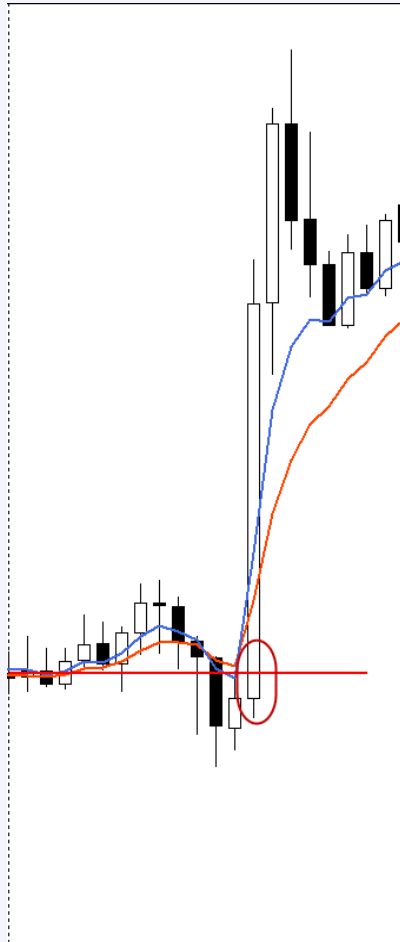
10+V 760 Posts



3. I look for volatility breakouts all the time.

- a. Open price of the day
- b. .00 and .50
- c. Continuation breakout

Open price volatility breakout



.00 breakout



Continuation breakout



Best advice I can give the starting trader is to experience a few dozen small losses on shorter timeframe and once you taste the success you will know that small losses/drawdowns are inevitable and necessary for the bigger cause. Once you can really get your emotion under control then you would move to higher timeframe with bigger losses and drawdowns but doesnt effect you mentally.

Sincerely,

Graeme



Aug 22, 2010 2:31am

#1168



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Member Since Dec 2009

10+V 760 Posts



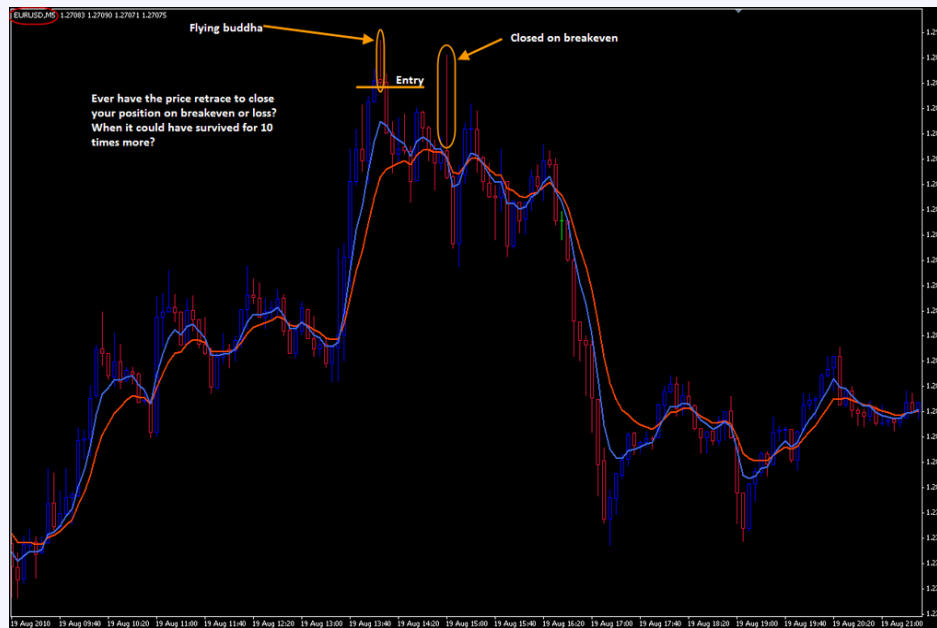
Today I would like to show you another way to manage your positions on the lower timeframe.

I have used this method for some time and works well.

It helps with emotional control + managing stacks of positions + allows to keep larger leg for bigger growth

Does your positions on lower timeframe die when it could have been a golden win?

Does this look familiar?



Aug 22, 2010 2:34am

#1169



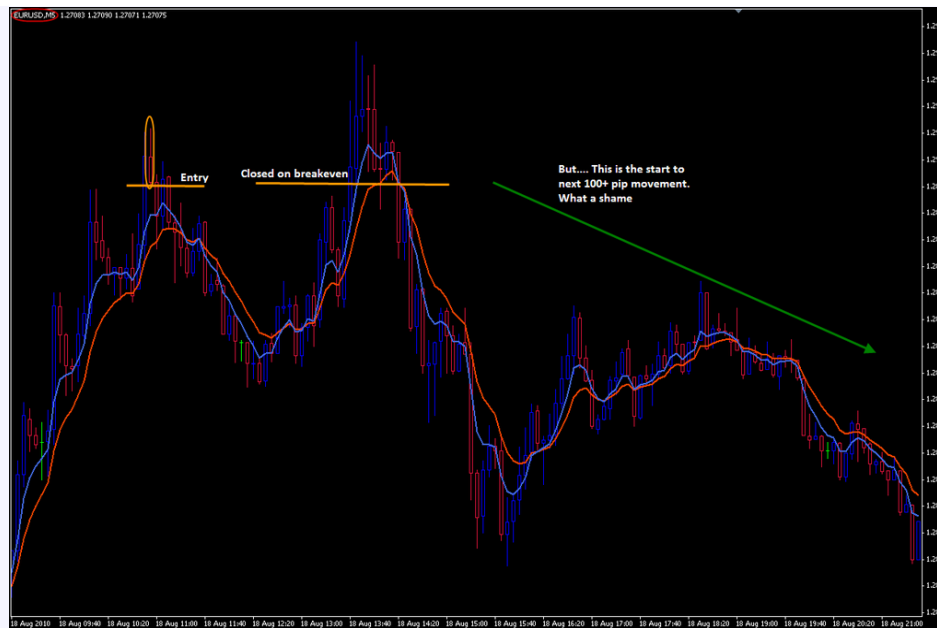
pipEASY
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Member Since Dec 2009

10+ yrs [760 Posts](#)



Another common scenario. Agree?



Aug 22, 2010 2:44am

#1171



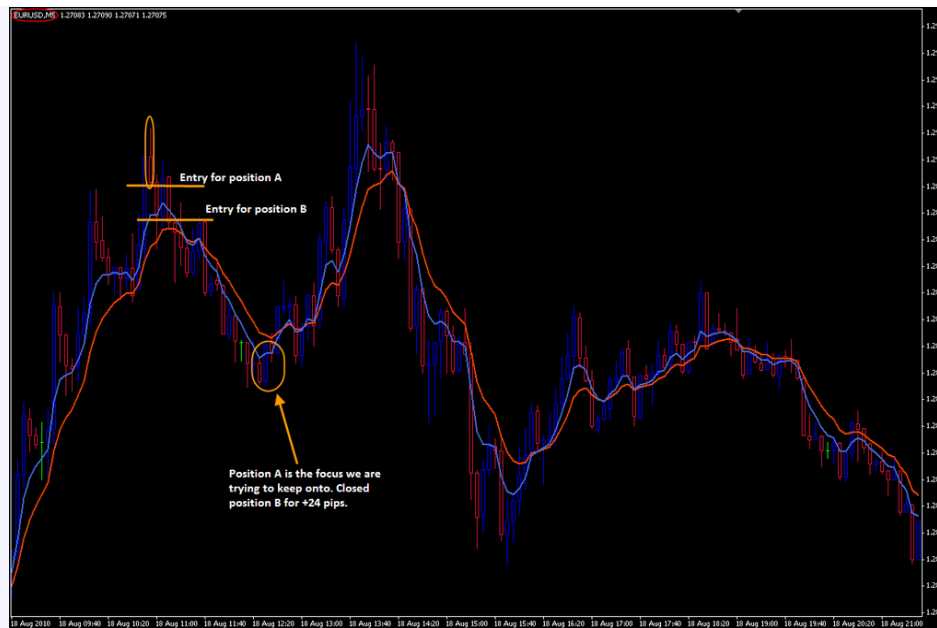
pipEASY
crede quod habes, et habes

Member Since Dec 2009
10+y 760 Posts

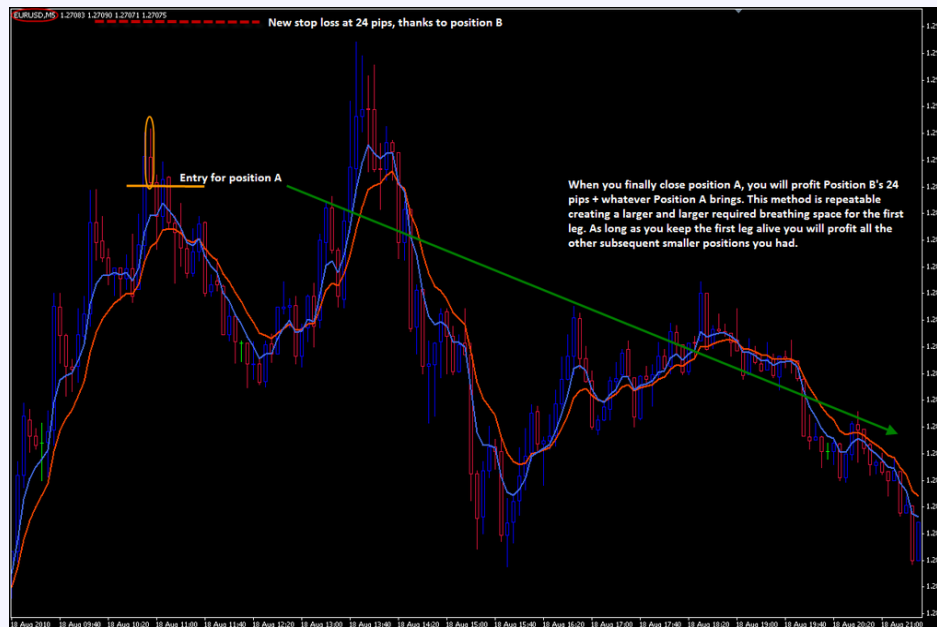


Watch carefully please.

Did you know stop losses can also be a benefit?



So you banked +24 pips from position B. **This is where I use this 24 pips to my advantage and add it into position A as the stop loss.** If the stop loss is hit then 1 position is lost for 2 positions. If price doesn't hit the stop loss you have captured position B for 24 pips + gave position A the chance to run homerun. Can you see this??

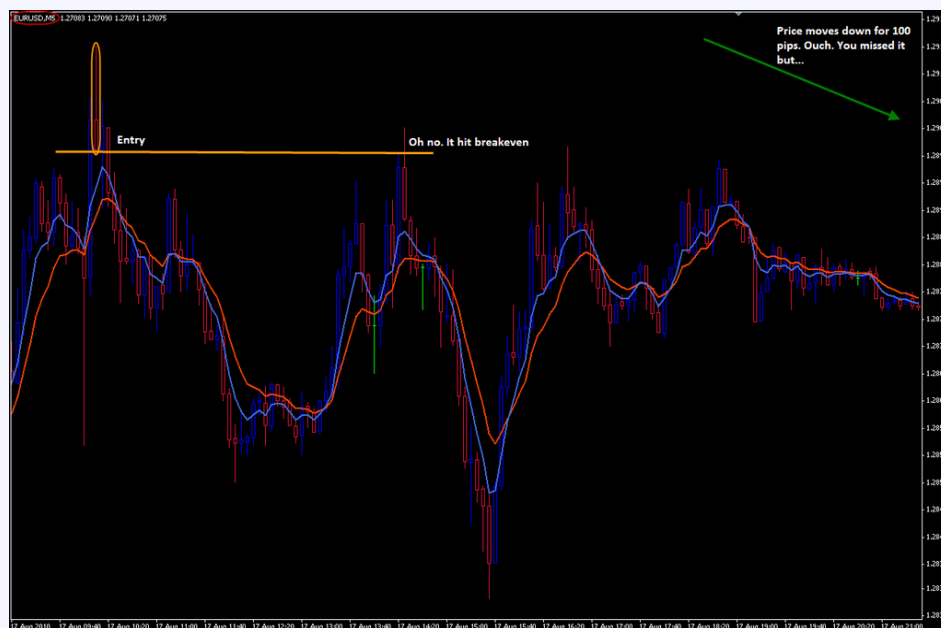




And this method is bendable to anyway you like.

You can focus on your initial position and once price is far away you can start it again and again. It is repeatable. Risk:Reward is always on your side as you are risking 1 position for the profit of 2 positions. The more you add into it, you still only risk 1 position but now profiting from more than 2 positions.

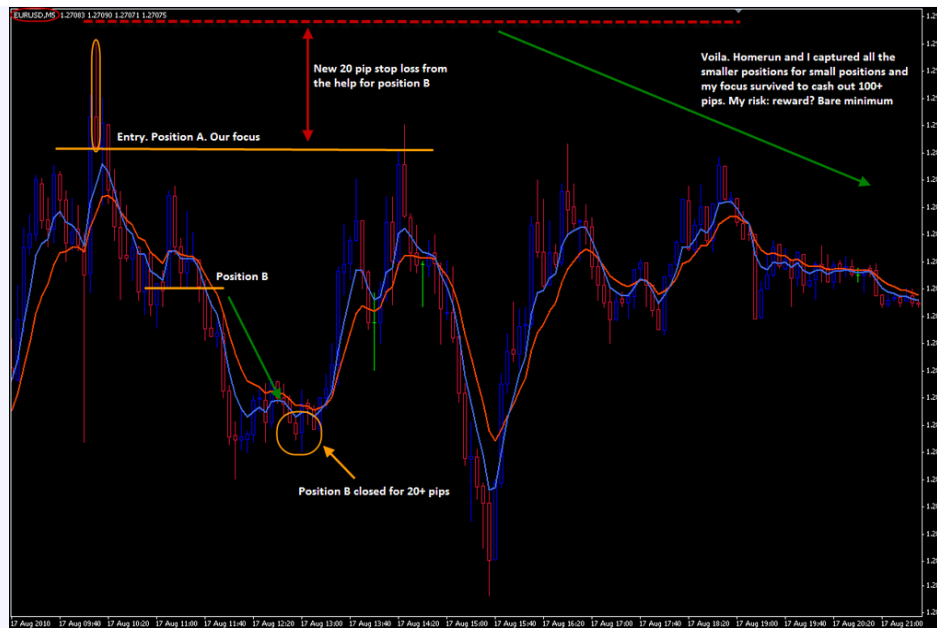
Another common scenario. Agree?



Aug 22, 2010 2:55am

1173





Aug 22, 2010 3:02am

#1174



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Member Since Dec 2009

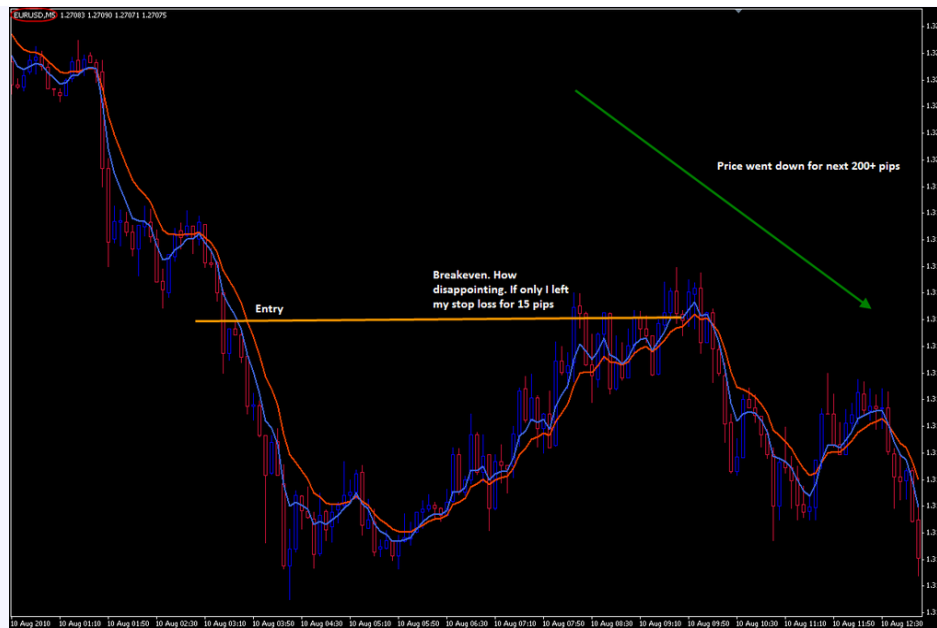
10+V 760 Posts



You would be amazed how a small 10 pip help from your subsequent position could have helped. Not all the times but enough times.

The risk:reward is always in your favour and you are capturing all the small positions if the focus position survives. Even if the focused position dies you will lose nothing or 1 position.

Hope this position management helps.



Aug 22, 2010 3:49am

1177



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Member Since Dec 2009
10+V 760 Posts



Quote:

Originally Posted by **Bakuli**

Thanks Graeme for showing another approach to position management. One of the approaches I use, when trading the 5 mins TF, is taking off 50% of my initial position when I reach +20 and then leaving the remaining 50% at -20 sl, which gives that position more breathing space but also a breakeven trade should price reverse on it. The flipside to it is that my position has been "diluted" so any runs captured would also be 50% less. I like the approach you just showed as it adds on to the value of the focus position if it survives. The risk to reward...

My pleasure, Bak

You will find the above position management will help your emotional control as well.

Good evening all

Sincerely,

Graeme



Aug 22, 2010 6:32pm

1186

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crede quod habes, et habes

Member Since Dec 2009
10+V 760 Posts



Good morning, all

Thank you for the kind compliments. It makes my efforts worthwhile.

The position management above is used by many. I have used it in the earlier days of trading. The benefit is quiet simple:

1. You are risking much less for greater reward so the r:r is always in your favour
2. If the focus position dies, you lose nothing or 1 position
3. If the focus position lives until you close with profit then you take profit on all the smaller position you added into its stop loss + the profit of the focus
4. It gives the focus position a much greater survivability
5. You can do this any timeframe and you will be capturing short bursts of profit and the short term growth of the focus position
6. It is repeatable in any way you like

Sorry to address all in one single post again

cameron1st - Yes, alot of traders open 2 positions. For the slight increase in risk you would be looking at slight increase in profit. On 5 minute timeframe I recommend just opening 1 position at a time as the random fluctuation of 5 minute timeframe whipsaws alot. On the higher timeframe, opening 2 positions at the same time is more viable. Correct, once the price moves away from the focus position by alot then you would move the stop loss to breakeven which captures the profit of the smaller positions that were helping out.

Bak - thank you, Lee

Ray - Fantastic results. Soon you wont even notice that you were up 1000 pips but now only 250. 1000 pips wont even get you out of bed anymore as you know that the market offers more for the resilient. Keep it up, Ray

George - Correct. Less risk for potential bigger profits. Im sure you have methods that you use to filter any bad trades as entries only from .00 with hard stop loss at 100 will cause a large drawdown. Im just saying this as I have genuine interest in your trading and hope you take no offence. I understand we have work committments however just adding the smallest touch to your current trading will work wonders. May I ask what this small touch could be?

Starvin4pips - Greatly appreciated. Thank you

pip_daddy - Also a warm thank you

flyer415 - Very true. A very small sacrifice that could turn the whole battle into our favour. How many times did we get stopped out by 2 pips for the price to move our way for 200+? Plenty.

Dear all,

You can use the position management much more than the shown.

One of the key notes I would like to address is when you see that focus position is correct and now growing larger. Add positions to double, treble your profit.

When market is in one of those dark moods and ranges. Runaway or be willing to give one position as a maintenance fee.

When market pays out, make sure you always take more than you gave to him.

Just with this mentality, you are already ahead of the rest of the group.

Good day to all

Sincerely,

Graeme



Aug 22, 2010 7:25pm

1188



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Member Since Dec 2009

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Quote:

Originally Posted by **leggo**

Morning Graeme,

Can I ask a question? I was wondering if you ever take a small gamble of sorts and try and get right on the tip of a four hr wick? I have shown what I mean in the chart below. It seems to me the best place to go short is as soon as the price hits the previous 4hr candle high. This way you can enter with very small risk and have your trade right on the apex of the retrace. If the price pushes through this resistance and takes you out then it wasn't to be and you can maybe try again if there is a breakout later on? It is something...

Good question Ben

Yes, I will always anticipate what might happen.

I would normally watch price action at such areas. If its a bounce and retrace then I would enter with the flow early and place stop loss above the area. If the area breaksout with momentum then I will follow the flow and enter a buy with stop loss below the area.

This also works for yesterdays high/low, daily open, and .00

It happens everywhere.

Edit: Most important thing is never to re-attempt more than 1. We are looking for trades that goes to profit with one attempt. And when the first attempt works out, we would stack until the first loss and then stop. But this is at everyones personal risk tolerance.

Sincerely,

Graeme



Aug 22, 2010 9:03pm

1190



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Quote:

Originally Posted by **fguru**

Hi Graeme,

I want to thank you very much for this wonderful thread and your great support.

*I see a Flying Buddha on USD/CAD H4 time frame. Checking lower time frames like M30 I see there could probably be a breakout at 1.0470. Do you think this is worth watching?
Your comment would be very much appreciated.*

Good morning, fguru

Flying buddhas are always worth watching.

Consider the tip of the upper wick of the flying buddhas a strong resistance. If price closes above it then it failed. If price closes below the flying buddha then the chances are on your side.

We can only participate with low risk and see how it plays out.

If it doesnt work out, we lose 1 position

If it does work out, we stack positions until the opportunity is over which could be few hours later, few days later, or weeks.

We will never know by sitting on the sideline and just speculating. We have to participate at low risk entry.

Your profit/growth starts from your participation.

You have clearly marked s/r on 1hr/30min. The key to successful breakouts is in the volatility.

"we are interested in breakouts that never retrace back to its entry"

Sincerely,

Graeme



Aug 23, 2010 1:02am

1195



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Quote:

Originally Posted by **leggo**

Hi Fguru,

I am watching this too, 3 FB's on 4hr and counting. On my feed the last 3 wicks have a nice downward slope as Graeme discussed a few posts back. Could be one to watch.

Thanks,

Ben

Good observation, Fguru and Ben

Notice the slight decrease in slope which is a hint.

Top of the wick of the tallest flying buddha still holding resistance.

I would be very interested to what happens 'after' this range.

Current 4hour candle is below the range, but its important to close below it and not retrace up.

Not a volatile breakout but if you had a position at 50% fib of the tallest flying buddha candle, you are participating well.

See how you are participating on a small risk, approximately less than 20 pips for something that could yield so much more if it happens.

Once the momentum picks up and drives the price further down, zoom in and stack till the opportunity is over. It could end in few hours or few days.

20 pips for the potential of unlimited profit. Perfect risk:reward and definitely worth a position for.

It is also a psychological assurance to see that to break the flying buddha upwards, price needs to pierce 1.05000.

Volatile breakout to the north or the south?

For now, its south. The only thing that worries me is that there are no momentum after the flying buddha. Im interested in volatile movement after a flying buddha. Anything else is a stall.

Willf - I use to use 1,2,3 however noticed that what I do now is very similar to what could be done when using 1,2,3 more or less. If it works for you then please keep to it but remember to stretch out your profits when the opportunity does arise.

swingman - thank you for the continued contribution.

Sincerely,

Graeme



Aug 23, 2010 1:13am

1196



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Member Since Dec 2009

10+V 760 Posts



At the moment Im focusing on gbp/usd 5min.

Triple wick bounce @ 1.55720

I prefer these type of high probability low risk entries.

My entry is at sell 1.55670 & stop loss is at 1.55760. Just over 10 pips for something spectacular.

Im also interested in adding more positions into eur/usd this week and was anticipating an upward retrace.

Only low risk entry I took notice was few hours ago on 5min chart of a flying buddha @ 1.27210. I entered and stop loss above it @ 1.27260. Risking less than 10 pips for something that would be huge if the price continues the downtrend of the last 2 weeks. If this position is successful then it would be on the upper wick of the down weekly candle at the end of this week.

So at the moment just over 22 pips is on risk at the moment. But can you see that if any hits that would be at least few hundred for me + the opportunity to keep larger legs in my millipede.

All the above is slightly different to what I mainly do in position building but Im participating into this thread and doing what all traders should be doing for now. Which is low risk entries for infinity yield.

For now, Im prodding here and there

Sincerely,

Graeme



Aug 23, 2010 1:52am

1197



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Member Since Dec 2009

10+V 760 Posts



Just an update:

gbp/usd 5min is now well into my intended direction. Stop loss moved to BE and another position added into 1.55600. Good compelling momentum at the moment.

eur/usd 5min is now well into my intended direction. Price now dropping back to open price of the day. Another position at 1.27100 and initial position also moved to breakeven. Good momentum pierced daily open line.

Can traders see what Im doing?

Sincerely,

Graeme



Aug 23, 2010 1:59am

1199



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Member Since Dec 2009

10+V 760 Posts



The more price moves towards the intended direction the bigger my potential profit but the **same small risk.**

I can do this everyday, everyweek.

If price reverts back to its entry I lose nothing.

Will I feel disappointed? Absolutely not. Do I feel excited? Absolutely not

Why?

Cause I know **inevitably** market will take notice of my efforts and give me a great golden opportunity where price does move few hundred pips easily.

Does all traders know the secret to ema??

Price always comes back to ema.... whether it is 5ema or 200ema.

Im sure many traders know this little trick but do they implement it?

Unfortunately not

Traders are looking for crossovers for entries, meanwhile I look for direction.

Sincerely,

Graeme



Aug 23, 2010 2:01am

1201



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Member Since Dec 2009

10+V 760 Posts



Quote:

Originally Posted by **geoffrod** 
hi graeme/leggo

i have been watching this one for a little while myself, waiting for it to show its hand.

either way i will be going with the flow

*cheers
geoff*

Very nice 1ema line chart.

Yes, I use 1ema line charts all the time.

It gives very accurate market sentiments.

Sincerely,

Graeme



Aug 23, 2010 2:18am

1203



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crede quod habes, et habes

Member Since Dec 2009
 [760 Posts](#)



Update:

4 positions closed.

2 at breakeven, 2 @ -6, -8 pips.

I paid 14 pips for the chance of so much more with 4 positions. I will do this over and over again. Average loss per position is just about 4 pips.

Wouldnt you pay 4 pips for every good setup?

There should be no hesitation in your answer. It is a definitive yes.

Eurusd had a perfect pin bar which was also a flying buddha 20 minutes ago on 5min chart indicating up.

For the traders who missed the opportunity I took but took the opportunity that was just now on eur/usd, you will be already 20 pips up and stacking.

See how all traders are different. I miss what someone else takes and I take what someone else misses. At the end of the day we still meet at the final door of profits.

Sincerely,

Graeme



Aug 23, 2010 2:50am

1206



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crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [760 Posts](#)



Quote:

Originally Posted by **leggo**

Hi Graeme,

So what your saying is the further the flying buddah is away from the ema the better because by the time the price gets back to the ema(which it always does) you are in profit??

Regards

Ben

Good question, Ben

Not better or worse per se. However, I prefer the actual flying buddha to have a smaller range from top of the upper wick to the very bottom of the lower wick.

Why?

This would be a tighter entry with smaller hard stop loss

I remember a perfect inside bar which was 14 pips on 1hr chart in total range which worked out to a 200+ pip movement after.

I do not overlook larger flying buddhas/inside bars/pin bars however, I would prefer tighter entry and usually wait for the price to slightly retrace for my entry to have a tighter entry.

This is what I mean by tighter entry.

Sincerely,

Graeme



Aug 23, 2010 3:46am

1208



pipEASY

crede quod habes, et habes

Member Since Dec 2009

[10+V](#) [760 Posts](#)



Quote:

Originally Posted by **paul1**

Hello,everyone.

Pipeasy,Thankyou from me and my family.

I'am 44yrs old with a wife and 3 children.

My business in consruction collapsed in 2008 due to recession.

I've always had an interest in money markets but didnt think it was possible for someone like me to participate.

And also while my construction business was alive I would never have got the time to devote to deep study of this business.

I would love to find success in this,because I would be doing something I love and find very satisfying.

Over a period of six months I've been demo trading...

Good evening, Paul1

Thank you for sharing your experience with us. I read your post twice before typing this reply.

Im sorry to hear your loss. I sincerely hope that you find the success you seek in the markets.

I too experienced a failure in a business venture fortunately early in my life. However, it is this failure that has kept my spirit stronger and my motivation greater.

Also would like to say thank you to miracle16 for his compliment and all others for their kind and loving support.

I sincerely hope that all traders do achieve what they are looking for in the markets. We do not need to be anti-competitive in the markets as there is no need to. There is abundance of wealth to be made for the willing that is almost everlasting and without limits.

It wouldnt be a bluff to say that anyone with a sensible approach will/can efficiently create an extraordinary source of wealth from the markets.

Once again thank you all.

Sincerely,

Graeme



Aug 23, 2010 6:08am

1211



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Member Since Dec 2009

10+Y 760 Posts



Quote:

Originally Posted by **paul1**
*Entry eur/usd 1.2710 now at be.(short)
previous attempt stopped out at b.e.
I would previously took profits on these 2 on first sign of reverse.
But am sticking to your method of getting to be even.*

Perfect.

You took the entry on flying buddha which was a breakout to below. I missed the flying buddha you took.

I have 2 positions from 1.27262 from 5min chart. Entered with hard stop loss @ 1.27320, risking 8 pip each position. Both positions @ +30 pips each. The area had 4 long wicks and I was prepared to anticipate another wick bounce. If not, I lose very small for something great once again.

I took 2 positions @ 133.120 on gbp/jpy 5min chart. Hard stop loss just above flying buddha @ 133.36. Risking 28 pips each position. Flying buddha also near high of today's. Current price at 132.630 making both positions @ +47 pips each.

With jpy crosses you need to be extra careful and tighter entries when possible.

Tighter entries are simply smaller tighter hard stop losses.

You can be slightly aggressive and enter immediately after a flying buddha or be conservative and wait for the next candle to retrace a little making your hard stop loss smaller.

While I took gbp/jpy, I flicked chart to usd/chf to notice a row of 3 flying buddhas on the 5min chart. Each flying buddhas had long lower wick which hints a struggle of sellers to push it down. 1.03055 was my entry with 3 buy positions and hard stop loss at 1.02980, risking 9 pips per position. Currently price is at 1.03420, +37 pips per position.

Can everyone see what I do?

I normally wont trade this many entries on 5min charts as I use higher timeframe as I aim for bigger goals. Im doing this for the benefit of all readers.

But what I do on lower timeframe is exactly the same as higher timeframe. The reason why I suggest all traders to start on 5min chart is that your drawdowns are only few pips. Once you emotionally get over the fact that small losses are part of winning then you can apply this mentality on higher timeframe with the same principal but obviously with bigger losses/drawdowns but much bigger profits.

Everything I do on 5min chart is done on 4hr, daily, weekly.

I took 11 entries today at the higher probability setups.

2 breakevens, 2 losses totalling -14pips.

7 positions roughly +260 pips and counting. All 7 positions stop loss are moved to breakeven.

If I close out now my risk:reward for today is 1:18. See how I calculate my risk:reward at end of the day and not pre-defined when I enter?

But I do not necessary want 1:18. I know the market is offering more if I persist even further.

Are you doing similar to what im doing?

Sincerely,

Graeme



Aug 23, 2010 6:10am

1212



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Quote:

Originally Posted by **paul1**
put order to stack 2 at 1.2680 (short if it gets there)

Paul1

Your doing well. May I suggest that you shouldnt forecast in terms of price.

Please do not condition your trading habits to tell you that you should enter @ 1.2680 if price gets there. Market will disappoint you more than you prefer.

The required mentality is that you should be entering buy/sell at what is happening at the moment.

Sincerely,

Graeme



Aug 23, 2010 6:24am

1213

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update:

eur/usd closed below 1.27000 after a longish looking flying buddha. Double wick bounce. Buyers cannot seem to control the sellers for now. This is ideal sell opportunity but I would like to see a tighter entry

gbp/aud is a homerun tonight and including myself I missed it sadly. Triple wick bounce just below daily open which was also high of the day. The biggest tell tale sign was at the 2nd 5min candle when uk session opened. Dark, bold and commanding. Very easy pair that should have been taken advantage of with many opportunities for stacks of position with tight entries.

All traders need to keep flicking charts and look for 'better' opportunities.

Sincerely,

Graeme



Aug 23, 2010 6:27am

1215



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update:

eur/usd 5min chart. Long bold up candle completely engulfing previous 2 small down candles. Everyone should wait and see how far the buyers can push this up. Higher than the bold candle down after flying buddha means buyers are back and pushing price towards open price and even higher. If this current 5min candle stops around 50% of the bold down candle and then stall, that is a sell opportunity.

Sincerely,

Graeme



Aug 23, 2010 6:29am

1216



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Quote:

Originally Posted by **paul1**

*thank you graeme i just have 1.2680 as the break below what i see as current range and 1.2730 as break above range.
is it ok to have orders at these prices?*

Good question,

Orders are fine however on smaller timeframes all decisions should be up to date and live on the fly.

I interpret price action just before my entries on 5min chart and use orders on higher timeframes.

However, if it works for you please perservere and enhance your current working method even further.

Sincerely,

Graeme



Aug 23, 2010 6:32am

1217



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Member Since Dec 2009

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Quote:

Originally Posted by **pipEASY**

update:

eur/usd 5min chart. Long bold up candle completely engulfing previous 2 small down candles. Everyone should wait and see how far the buyers can push this up. Higher than the bold candle down after flying buddha means buyers are back and pushing price towards open price and even higher. If this current 5min chart stops around 50% of the bold down candle and then stall, that is a sell opportunitiy.

Sincerely,

Graeme

And boom. Volatile breakout.

if you had orders that were triggered before the current huge 5minute up candle then you have a significant loss that could have been avoided.

May I suggest that **average loss per position on 5minute chart** should not exceed 10-12 pips. This is your responsibility.

Sincerely,

Graeme



Aug 23, 2010 6:38am

1218



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Am I contributing too much into this thread?

Sometimes less is more and I feel that I have lost few readers.

Does anyone have any questions for me?



Aug 23, 2010 6:54am

1222

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Quote:

Originally Posted by **leggo**

Hi Graeme,

From my point of view you cannot contribute enough! Every day is like been back at school. I have had a frustrating day today. I seem to be moving my stop to b.e. to soon and then get taken out. Do you have any advice on when would be a good time to move stop to b.e. on 5 min chart.

Regards,

Ben

Good question, Ben

Im prepared to lose few pips and move stop loss when the trade is away from danger.

If price reverts as soon as I enter then I will wait for the close of the 5min candle and then close it out.

The price should never revert back to your entry and then close above if your sell position/below it if your buy position.

That is sign to close with loss.

Until the above happens I will leave the entry with no stop loss for until the move develops.

Some days are great and some days are slow. Please do not be disheartened. I know you are a bigger person and you will make it.

Sincerely,

Graeme



Aug 23, 2010 6:58am

1223



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **paul1**

Up to now just been ranging on eur/usd. Don't mind the b.e. stuff.

I'll try get buy an sell to break even at best price i can if thats acceptable.

Paul1,

Please have a look at last week on eur/usd. Mon, Tues was great upward movement followed by a stall and crash south causing the completion of weekly candle as a down candle. Thurs and Fri who have made more profit then what you would have lost on mon, tues.

1.27128 is triple wick bounce on eur/usd 5min. Im expecting a flying buddha very soon and I will enter will flow.

Sincerely,

Graeme

Aug 23, 2010 7:10am

1226

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Member Since Dec 2009

 [760 Posts](#)

Thank you Ben and Lee

I thought maybe it was too much and more confusing than adding clarity.

I just added a sell position after the breakout down on eur/usd 1.27056 on 5min.

Triple wick bounce with breakout to south with momentum. I could have done a better entry and anticipated the wick bounce and entered closer to the top of the wick for tighter entry.

I will close this position if price comes up and closes above it.

I will think of a better and faster way to relay my thoughts to all readers who might be interested.

Sincerely,

Graeme

Aug 23, 2010 7:26am

1230

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 [760 Posts](#)

update

im out on eur/usd for -3 pips.

Price closed above my sell entry. That is a fail.

When I enter I expect momentum to the intended direction.

This places me 3 losses with total of -17 pips on eur/usd.

Graeme

Aug 23, 2010 7:30am

1231

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Member Since Dec 2009

 [760 Posts](#)

Thank you for the compliments.

While we were debating on eur/usd, eur/jpy had a clear flying buddha breakout which we missed.

eur/usd is over for me for today. I will hold onto 2 positions at 1.27262 and move on.

I will flick around now and enter on other pairs live for all

Sincerely,

Graeme



Aug 23, 2010 7:43am

1234



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I like aud/chf at the moment.

If price closes below 0.92666 I will enter sell

Looks like the flying buddha that played out few bars ago is still in effect.

Im entering 2 sell positions on 1.41811 of eur/aud, hard stop loss @ 1.41920.

Graeme



Aug 23, 2010 7:51am

1235



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Quote:

Originally Posted by **geoffrod**

hey graeme,

not all of us missed this

i added 3 positions to my e/j millipede,

i also added legs to my u/j as well

Excellent.

See you at the final door of profits

Graeme



Aug 23, 2010 8:20am

1241

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Member Since Dec 2009

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Quote:

Originally Posted by **leggo**
Im short on eur/chf after flying buddah and 3 wick bounce on 5min

Good. Im in now with 1.31680 with hard stop loss above the wicks. Hard stop loss at 1.31770.



Aug 23, 2010 8:21am

1242



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Member Since Dec 2009

[760 Posts](#)



Quote:

Originally Posted by **pipEASY**
Good. Im in now with 1.31680 with hard stop loss above the wicks. Hard stop loss at 1.31770.

Volatile breakout and we are on the wrong side. OUT



Aug 23, 2010 8:26am

1244



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Member Since Dec 2009

[760 Posts](#)



Keep moving guys.

Keep calling entries. I will try enter with everyone on all calls



Aug 23, 2010 8:29am

1245



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Member Since Dec 2009

[760 Posts](#)



Im in gbp/chf buy 1.61110

eur/jpy sell 108.225



Aug 23, 2010 8:50am

1249

Member Since Dec 2009



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10+Y 760 Posts



Quote:

Originally Posted by **leggo**

*OUT -6 pips. Starting to make sloppy entries now just for the sake of it!! Going to bed good luck everyone.
Regards,
Ben*

Ben

chf/jpy buy position is correct

Double wick bounce, flying buddha and up candle engulfing previous downcandle.

This is a good trade, Ben.

I know you are not upset but you are doing everything correct and taking best setups.

Im in this one too with you.

If this good setup doesnt work out I will call it a day as well.

Graeme



Aug 23, 2010 8:52am

1250



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Quote:

Originally Posted by **@mel**

Hi Graeme,

May I ask if you enter the eur/jpy based on a FB? Because I don't have a FB around 108.225 on my chart. Maybe this is because we are using a different broker with different time zones...?

*Thanks
Mel*

Hi Mel

I took it after the previous buddha and then a engulfing pattern after the up candle.

That position just died on BE. I was hoping the price would pierce S1 but stalled.

Sincerely,

Graeme



Aug 23, 2010 12:12pm

1258



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Member Since Dec 2009

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Good evening, all

I couldnt sleep well knowing that I have unfinished my previous task of today.

I spent a good uk session entering trades live with fellow participants. I felt what they felt and it concerns me to a degree.

It is all part of healthy learning and that is the whole purpose Im dedicating my efforts here.

First I will reply some posts,

miracle16- I will answer your question together in a chart now.

ozziedave- perfect. Wick interpretation is spot on, tight entry with perfect looking flying buddha. This should most likely made you alot of profits

pip_daddy- good question and I will answer in my next chart



Aug 23, 2010 12:23pm

1260



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First of all.

Tight entries.

What is a tight entry?

Tight entry is when you spend or anticipate to spend less than the required hard stop loss.

Where would you enter?





Here? That is sloppy





Aug 23, 2010 12:34pm

#1262



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Member Since Dec 2009
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Another example of what you might be currently doing





Movements like this should be avoided if you missed it. Dont try to enter movement like this after it happened. Its too late and your leaving too much for stop loss.

Watch next charts



Aug 23, 2010 12:46pm

#1263



pipEASY

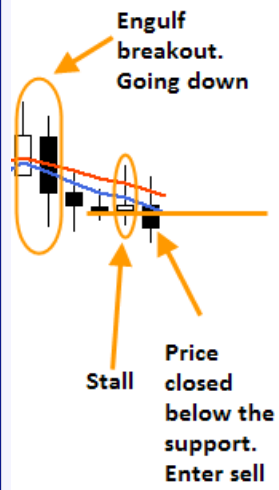
crede quod habes, et habes

Member Since Dec 2009

10+ W 760 Posts

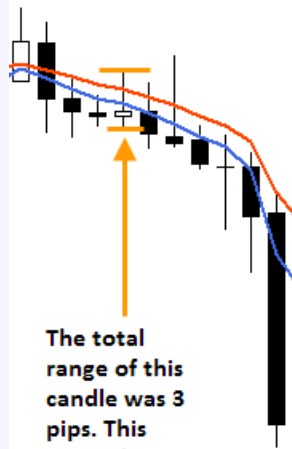


Risking less and less is always better. This is exampe of the best tight entry I have performed.





Total risk was 3 pips



The total
range of this
candle was 3
pips. This
move down
started here
for 250 pips.
Risk:Reward?



Aug 23, 2010 12:55pm

#1264



pipEASY
crede quod habes, et habes

Member Since Dec 2009

10+Y [760 Posts](#)



Another one



