PIPSACUMULATOR TRADING METHODOLOGY

1. MARKETS: All major currency pairs. If financial security is very liquid and available for trading at a low transaction cost, PIPSACUMULATOR can be used.
2. TIMEFRAME: DAILY CHARTS
3. INDICATORS: MACD (12,26,9), Daily Bar Parameters (open, high, low, close)
4. ENTRY RULES TO BUY (Strictly Daily Charts)
   a. MACD value must be greater than Signal Line
   b. Wait for retracement - daily bars to form lower lows (LL).
   c. Place a pending buy-stop order 1 pip above the high of the LL bar.
   d. Place the stop loss 3 pips below the low of the LL bar.
   e. If the uptrend resumes, prices will rise above the previous LL bar high to execute the long trade entry.
   f. If the order is not executed and the bar chart forms another LL on the daily close, delete that pending buy-stop order and place a new pending buy-stop order 1 pip above the high of the new LL bar.
   g. Place the stop loss 3 pips below the low of the new LL bar.
   h. Continue to rework the pending orders with the latest lower low bar until the order is executed or the trend changes.
5. ENTRY RULES TO SELL (Strictly Daily Charts)
   a. MACD value must be less than Signal Line
   b. Wait for a retracement - daily bars to form higher highs (HH).
   c. Place a pending sell-stop order 1 pip below the low of the HH bar.
   d. Place the stop loss 3 pips above the high of the HH bar.
   e. If the downtrend resumes, prices will fall below the previous HH bar to execute the short trade entry.
   f. If the order is not executed and the bar chart forms another HH on the daily close, delete that pending sell-stop order and place a new pending sell-stop order 1 pip below the low of the new HH bar.
   g. Continue to rework the pending orders with the latest HH bar until the order is executed or the trend changes.
6. RISK/MONEY MANAGEMENT RULES
   a. Risk Maximum Risk per trade = 1% of Capital.
7. TRADE MANAGEMENT
   a. Stop Loss = Daily Bar Local maximum/minimum + 3 PIPS.
   b. Take Profit 1 = Stop Loss Range (take 50% of the profit)
   c. Move Stop Loss to break even after taking partial profits.
   d. Take Profit 2 = 3 x Stop Loss Range
   e. Trailing Stop Loss: On the open of the fifth (5th) day after trade execution, adjust the stop loss to the maximum/minimum of the previous 3 daily bars.
   f. Continue to adjust the trailing Stop Loss technique until stopped out or Take Profit 2 Hit