



J16 Chart Thread Summary

This summary is in no way intended to replace reading the whole thread.

It's simply a single post where we can draw on information quickly. New members can find most of their answers to questions by simply looking through these posts and attachments. Sorry this is so long, but I think it's pretty thorough, and I think necessary with over 23200 posts and counting.

What is it you want?

- <http://www.forexfactory.com/showpost...postcount=3196>
- <http://www.forexfactory.com/showpost...postcount=5781>
- <http://www.forexfactory.com/showpost...postcount=6912>
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- <http://www.forexfactory.com/showpost...ostcount=17986>
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This stuff works. Get a Plan.

- <http://www.forexfactory.com/showpost...postcount=7951>
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- <http://www.forexfactory.com/showpost...ostcount=18681>
- <http://www.forexfactory.com/showpost...ostcount=18912>

Power of Demo Accounts and Size Matters

- <http://www.forexfactory.com/showpost...ostcount=19935>
- <http://www.forexfactory.com/showpost...ostcount=19937>
- <http://www.forexfactory.com/showpost...ostcount=19939>
- <http://www.forexfactory.com/showpost...ostcount=15072>
- <http://www.forexfactory.com/showpost...ostcount=16457>

Other Quick Summaries of Thread

- <http://www.forexfactory.com/showpost...ostcount=13579>
- <http://www.forexfactory.com/showpost...ostcount=22084>

Draw PPZ and Wait for PA to give trigger. Patience

- <http://www.forexfactory.com/showpost...&postcount=164>
- <http://www.forexfactory.com/showpost...postcount=7203>

<http://www.forexfactory.com/showpost...ostcount=21722>
<http://www.forexfactory.com/showpost...ostcount=15199>
<http://www.forexfactory.com/showpost...ostcount=16041>
<http://www.forexfactory.com/showpost...ostcount=18576>

Summary of types of PA with Entry/Exit example

<http://www.forexfactory.com/showpost...postcount=4572>
<http://www.forexfactory.com/showpost...postcount=7649>

Location is Everything

<http://www.forexfactory.com/showpost...ostcount=21485>
<http://www.forexfactory.com/showpost...ostcount=19932>
<http://www.forexfactory.com/showpost...ostcount=13176>
<http://www.forexfactory.com/showpost...ostcount=16392>
<http://www.forexfactory.com/showpost...ostcount=22745>
<http://www.forexfactory.com/showpost...ostcount=18571>

PRICE ACTION Examples (not anywhere near complete... just a glimpse):

BUOB/BEOB

<http://www.forexfactory.com/showpost...ostcount=11011>

FIBS

<http://www.forexfactory.com/showpost...ostcount=11697>
<http://www.forexfactory.com/showpost...ostcount=14735>

For types of Pinbars and pinbar characteristics

<http://www.forexfactory.com/showpost...postcount=3914>
<http://www.forexfactory.com/showpost...ostcount=20270>
<http://www.forexfactory.com/showpost...ostcount=22057>
<http://www.forexfactory.com/showpost...ostcount=19711>
<http://www.forexfactory.com/showpost...ostcount=14627>

Pinbar statistics (do your own homework/testing)

<http://www.forexfactory.com/showpost...postcount=4503>
<http://www.forexfactory.com/showpost...postcount=4548>
<http://www.forexfactory.com/showpost...postcount=8826>

Divergence kills in trending market

<http://www.forexfactory.com/showpost...ostcount=10624>

PPZ, S/R, and Round Numbers

<http://www.forexfactory.com/showpost...ostcount=14084>
<http://www.forexfactory.com/showpost...ostcount=14847>
<http://www.forexfactory.com/showpost...ostcount=15829>

IBs

<http://www.forexfactory.com/showpost...&postcount=164>
<http://www.forexfactory.com/showpost...ostcount=21625>
<http://www.forexfactory.com/showpost...ostcount=17570>

Breakouts

<http://www.forexfactory.com/showpost...ostcount=13103>
<http://www.forexfactory.com/showpost...ostcount=13108>
<http://www.forexfactory.com/showpost...ostcount=13456>
<http://www.forexfactory.com/showpost...ostcount=13537>
<http://www.forexfactory.com/showpost...ostcount=14031>

A word on Gaps

<http://www.forexfactory.com/showpost...ostcount=13508>

Psychology of Losing and accepting a loss

<http://www.forexfactory.com/showpost...postcount=5006>
<http://www.forexfactory.com/showpost...ostcount=20876>
<http://www.forexfactory.com/showpost...ostcount=12690>
<http://www.forexfactory.com/showpost...ostcount=15563>

<http://www.forexfactory.com/showpost...ostcount=18600>

Setting Percent Risk per Trade

<http://www.forexfactory.com/showpost...ostcount=12509>

<http://www.forexfactory.com/showpost...ostcount=13891>

<http://www.forexfactory.com/showpost...ostcount=17707>

To post a chart from MT4

<http://www.forexfactory.com/showpost...ostcount=12192>

<http://www.forexfactory.com/showpost...ostcount=16184>

James16 Trade Strategy

<http://www.forexfactory.com/showpost...ostcount=20335>

<http://www.forexfactory.com/showpost...ostcount=14427>

<http://www.forexfactory.com/showpost...ostcount=14434>

Raczekfx Trade Strategy

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<http://www.forexfactory.com/showpost...ostcount=17523>

<http://www.forexfactory.com/showpost...ostcount=17524>

video <http://www.forexfactory.com/showpost...ostcount=18036>

EXITS

R:R

<http://www.forexfactory.com/showpost...ostcount=21956>

<http://www.forexfactory.com/showpost...ostcount=21958>

<http://www.forexfactory.com/showpost...ostcount=14914>

<http://www.forexfactory.com/showpost...ostcount=17257>

Wizard explaining exits

<http://www.forexfactory.com/showpost...postcount=3504>

Seeking Light response

<http://www.forexfactory.com/showpost...postcount=3509>

<http://www.forexfactory.com/showpost...postcount=5510>

Ademac method of exits

<http://www.forexfactory.com/showpost...postcount=4067>

Other Exit posts

<http://www.forexfactory.com/showpost...postcount=6090>

<http://www.forexfactory.com/showpost...ostcount=10098>

<http://www.forexfactory.com/showpost...ostcount=13421>

<http://www.forexfactory.com/showpost...ostcount=22380>

Daily versus Intraday Charts for Newbies

bundyraider <http://www.forexfactory.com/showpost...ostcount=13546>

mbqb11 <http://www.forexfactory.com/showpost...ostcount=13547>

mbqb11 <http://www.forexfactory.com/showpost...ostcount=13553>

aSandman <http://www.forexfactory.com/showpost...ostcount=13557>

bundyraider <http://www.forexfactory.com/showpost...ostcount=13233>

aSandman <http://www.forexfactory.com/showpost...ostcount=13254>

James16 <http://www.forexfactory.com/showpost...ostcount=15069>

James16 <http://www.forexfactory.com/showpost...ostcount=15072>

Ghous <http://www.forexfactory.com/showpost...ostcount=16072>

I originally fought with the idea of Trading on Daily/Weekly charts only versus Intraday Charts. Here are my views on them now.

Reasons for new traders to trade 1 hour/4 hour charts

- You'll have more setups, since more bars will close each day. But you'll be tempted to take many more of these setups, most of which will not be A+ candidates. Taking more trades does not make you a better trader. Taking better trades makes you a better trader.
- You'll be able to enter a trend earlier. True, and experienced traders do use this method of entry... But refer to #1 – not all the PA setups you'll see are valid. In fact, the reliability of a price action setup falls as we use lower timeframes.
- You need less of a pip run before you would meet your profit (because you're stop would be closer). This also works against you, since you will need less of a run to be stopped out.

Reasons for new traders to stick to the daily/weekly charts

- They are more reliable, because they incorporate more data/bar.
- You will have more time to analyze the patterns and not feel rushed.
- <http://www.forexfactory.com/showpost...ostcount=11090> As Bundy points out, you use PPZ from daily/weekly timeframes for trading intraday charts. So you might as well master this method on these longer timeframes first.

Conclusion on timeframes: I think most new traders want to use intraday charts to 1) Get rich quicker, 2) Take more trades, 3) Learn faster. These are all wrong theories. Trading is not a get rich quick scheme. As mentioned, taking more trades will not help you learn better and won't be better for your bottom line. At some point, you have to learn to ONLY take the best setups. It'll be easier if you do this right from the start. LEARN to only take the best trades. Guess although I'm not a master trader, I am a full advocate of using Day/Week charts to learn.

Favorite Quotes/memories

- Wizard getting struck by lightning
- Be a sniper, using a rifle, not a shotgun. (Not taking every set up is one of the most important things to moving forward and becoming successful. Pick and choose A+ setups only.)
- Jaroo's famous saying: "Novice traders continually monitor, analyze and alter their trades to maximize their profits. Professional traders continually monitor, analyze and alter their trades to reduce/minimize their risk and reduce losses. It's all about avoiding loses. Work on that and the profits will take care of themselves. Post 10101
- Mike's Words of Wisdom in post 13812 and 14395, "It is usually what we end up doing in between all the A+ setups that usually lead to breakeven or negative trading."
- Post 16179, Forex007, "BEVOB, Bearish Vertical Outside Bar. Hmm, do we get many horizontal or diagonal bars?"
- Rusty Jeff has been stung, sliced, and bitten. He swims AT sharks. This guy is crazy. But then again, James16 raises snakes, so maybe this group is crazy ☺
- Post 18710. Rusty Jeff explaining that looking at charts plastered with indicators is like wearing glasses covered in Vaseline.
- The Raczefx Equation: PA + psychology + strong desire to learn and succeed + long TF = \$ in your account
- The Ghous Equation: PA(location + shape) + with the trend + S/R confluence = 😊
- Ryanmcd post 14187 explaining to trade with the trend. I'll let you read it. Had a good laugh. <http://www.forexfactory.com/showpost...ostcount=14187>

Complaints/Suggestions for this thread

- Use the subject/title line to note the pair and timeframe you are referencing in your post/chart.
- Wait for the bar in question to close before posting it. Often the PA isn't there when the bar closes.
- Make your charts the correct size to make reading the thread much easier.

Thanks to James16 for starting this thread. Thanks to all the posters who have made it the textbook to learn, with thousands of examples, answers to every question, insight on money management and trading styles, and lots of encouragement along the way. I have learned so much about trading in the last 2 months, all from simply reading, studying, reviewing, and applying the principles in this thread. Keep it up everybody, we've really got something amazing here 🙏

Josh

Attached Files

-  [Pin bars-introduction.pdf](#) (175.2 KB, 156 views)
-  [Pin bars-advanced.pdf](#) (112.7 KB, 128 views)
-  [PA short summary.doc](#) (28.5 KB, 167 views)

No Candy, Desserts, or Sweets for me, in keeping Lent. At least the Dentist will be happy.

Post Reply

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#3196
Apr 9, 2007 7:43pm

 **james16**
wizard in training

Member Since Feb 2005
[10+ v](#) [1,494 Posts](#)

thanks for this post manya and this is not meant to be critical of you but it gives me a chance to put up something i have considered doing many times. Below is what all new subscribers get when they sign up for our group. Anyone considering joining our group should do so only if they are willing to follow these guidelines. I'm not naive enough to think that most people will or do follow it but the questions will always remain. Do any of you actually think this is easy? do any of you actually think this is different than starting any new business?

MINIMUM REQUIREMENTS / THIS IS A BUSINESS

WHATEVER / WHICHEVER WAY YOU DECIDE TO TRADE YOU MUST AT A MINIMUM

1. ON DAILY AND WEEKLY TIME FRAMES ONLY YOU DEMO TRADE FOR THREE CONSECUTIVE PROFITABLE MONTHS IN A ROW. YOU DO NOT PROCEED TO STEP TWO UNTIL COMPLETED.
2. OPEN AN ACCOUNT WITH HALF WHAT YOU INTENDED TO GO FULL WITH AND CONTINUE TO ONLY TRADE DAILY AND WEEKLY TIME FRAMES UNTIL YOU ARE PROFITABLE THREE MONTHS IN A ROW MINIMUM. YOU NEVER RISK MORE THAN TWO PERCENT OF YOUR ACCOUNT ON ANY ONE TRADE. YOU DO NOT PROCEED TO STEP THREE UNTIL COMPLETED.

3. FUND A FULL ACCOUNT AND CONTINUE TO ONLY TRADE DAILY AND WEEKLY TIME FRAMES UNTIL YOU ARE CONSISTENTLY BUILDING YOUR ACCOUNT FOR AT LEAST SIX MONTHS. YOU NEVER RISK MORE THAN 2 OR 3 PERCENT OF YOUR ACCOUNT ON ANY ONE TRADE.

4. **If and when you decide to daytrade on small time frames and you don't follow this template at a minimum you are almost certainly going to find yourself in trouble.** If you are going to follow any system and you don't follow this template as far as the demo process you are not treating it as a business and you have no one to blame other than yourself if you lose your money.

5. **IF YOU EVER SUFFER THE LOSS OF 30 TO 35 PERCENT OF YOUR ACCOUNT YOU STOP TRADING. PERIOD-PARAGRAPH. YOU GO BACK TO DEMO AND FIGURE OUT WHAT WENT WRONG. WHILE DOING THIS YOU REFUND YOUR ACCOUNT BACK TO ITS ORIGINAL AMOUNT. YOU DO NOT GO BACK TO LIVE TRADING AGAIN UNTIL DEMO HAS SHOWN YOU WHAT WENT WRONG AND YOUR ACCOUNT IS BACK TO FULL STRENGTH BY WHATEVER MEANS. IF IT TAKES A MONTH OR SIX MONTHS IT DOES NOT MATTER. YOU MUST FOLLOW THIS APPROACH IF YOU DONT WANT BLOWN ACCOUNT AFTER BLOWN ACCOUNT.**

Your goal should be this. Learn, learn and learn some more and don't do anything stupid while you're getting your feet on the ground. The ultimate goal of any trader is to build an account to a size where just a few good trades a month produces a staggering income. Hardly anyone ever gets there because they don't treat it as a business. They do stupid things that they would never do in any other area of their life and it's because of the money that can be made. If it takes you a couple of years or even five or ten to reach the level of a staggering income is it worth it? The choice is yours.

[SeekingLight](#)

Charts + PA > *

Member Since Jul 2006

 3,190 Posts

I just wanted to add to FXP that there's one thing always true:

Trading can be dirt simple, but for almost anyone (starting out) it is NEVER easy.

This isn't because the trading bit isn't possible (or possible to be easy); it's because people aren't easy.

I dare to say:

Trading requires many things as characteristics that are the exact opposite of the things that people lured to forex often possess.

I would even say that, for many, if they did not have the characteristics initially that WILL MAKE YOU FAIL IN FOREX, they would probably not have been interested in forex in the first place.

How is that for irony?

If anyone cares what some of those might be: need for instant satisfaction/high hopes for quick returns ==> also greed, impatience, lack of discipline, easy high emotional involvement.

-

Trading is almost exclusively about yourself after a certain point X of "getting it".

But this is getting too off topic and I don't want this to turn into a sidetracking discussion. I really don't.

But over at J16 this is one of things that I am slowly starting to realize is more important to coach people at/with, than almost any of their basic pattern recognition. The more I watched myself on my own journey, the more I watched others on theirs, the more apparent it became that the real education really happens mostly inside our own head and that account growth very often links up with personality/character growth / behavioral adjustment.

Okay, enough excursion. I just want to put a big emphasis on and underline the fact that the idea of J16 is not just to have a place with a handful more super-secret hidden setups and PA, but imho also(and imho more importantly) geared towards resolving the exact dilemma just described above.

I certainly can say that that's what I've got my eye on.

And this, much more than the question whether approach x, y, or z is so much easier or cooler as a system or approach(heck there is almost an infinite supply of systems), is what gives the environment the value in my opinion.

The confrontation with yourself(and different ideas). If, that is, you allow it to happen.

-

Personally, I realized several times that I very often instead just got lost in the day-to-day FF fray. What I dub "gamble trades" often increased with posting intensity. It was the isolating myself/taking breaks and retreating to a more controlled environment that helped me in getting more perspective on myself and my trading again.

There is just so **incredibly much noise** in the open.
One gets lured into **FAR too much involvement**.
I think this is a **dangerous trap** for almost any trader.

All of the above thoughts are just my personal opinion as someone who has traversed a variety of forums and gone through a lot of changing phases myself.

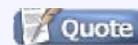
You should never just take my words and posts for granted(I've also posted a lot of silly stuff over the thousands) and you should always be skeptical of anyone on a forum. Regardless.

This is how I feel it is.

My single, individual perception only, and so far.

Trust price. Know yourself.
([James16](#) made me profitable)

Last edited by SeekingLight, Jul 13, 2008 9:11pm



Thread: [james16 Chart Thread](#)
[View Single Post](#)

#12411 
Aug 11, 2008 10:40pm



[james16](#)
wizard in training

Member Since Feb 2005
 [1,494 Posts](#)



This is directed toward ALL readers of this thread.

PLEASE!!! PLEASE!!! PLEASE!!! READ THIS AND UNDERSTAND WHAT SEEK IS SAYING.

IF YOU CANT TRADE DAILY ON DEMO WITH SUCCESS YOU CAN'T DO IT WITH REAL MONEY.

IF YOU CAN'T TRADE DAILY WITH REAL MONEY WITH SUCCESS YOU CAN'T TRADE 4 HOUR.

IF YOU CANT TRADE 4 HOUR ON DEMO WITH SUCCESS YOU CAN'T TRADE IT WITH REAL MONEY.

THIS IS A PROCESS WHICH REQUIRES COMMON SENSE.

The material in this thread has helped many people but it's not the most important lesson/s contained here.

The most important lesson in this thread and the single biggest reason it has produced results for people is the constant pounding home of one fact.

IF YOU WILL COMBINE THIS MATERIAL WITH THE KNOWLEDGE THAT THIS IS A BUSINESS AND MUST BE TREATED AS SUCH YOU CAN OVER TIME SLOWLY BEGIN TO FIND SOME REAL SUCCESS.

I know people get tired of me saying this but here it goes again.

DO YOU REALLY THINK (ONE WEEK, ONE MONTH OR WHATEVER) OF READING A THREAD/METHOD AND THEN TRADING WITH REAL MONEY IS GOING TO WORK WITH NO INDEPTH RESEARCH AND PRACTICE?

CMON FOLKS THINK ABOUT IT.

A PLAN FOR SUCCESS.

1. 3 successful months in a row on daily while demoing (minimum)

2. On daily 3 to 6 months in a row with success with a small account never risking more than 1 or 2 percent per trade.

3. On daily full size account 3 to 6 months in a row of success with 1 to 2 percent risk.

4. Now you can try 4 hour following the SAME PLAN AS ABOVE.

5. If YOU EVER lose roughly 30 percent of your account you STOP TRADING and go back to demo to find out what went wrong. YOU DONT GO BACK LIVE until your account is refunded to its original size.

The outline above assures you will be treating this as a business and guarantees you will never blow out an account.

If YOU CANT GIVE YOURSELF A COUPLE OF YEARS TO MASTER THIS BUSINESS AND ALONG THE WAY USE SOME COMMON SENSE YOU HAVE ZERO CHANCE OF SUCCESS.

IM literally begging each and every reader of this thread to wake up to this fact.

95 PERCENT OF THE PEOPLE THAT TRY THIS BUSINESS FAIL AND THE REASONS ARE NOT HIDDEN. THEY ARE AS CLEAR AS A DEEP BLUE SKY. THEY ARE HIDDEN FROM NO ONE.

PEOPLE REFUSE TO SEE THE OBVIOUS AND TO THERE OWN DEMISE.

I know this is really big rant even for me but its part of my soul.

IVE BEEN THERE.

Jim

Quote:

Originally Posted by **SeekingLight** 

I would say stay off of 4h if you haven't mastered the timeframes above it first. And if you already know what you're doing on 4h then the question doesn't present itself anymore, but is already answered by itself.

This isn't addressed to you ezz, but everyone:

It appears people have been jumping on the faster timeframes and then ended up getting burnt and then blaming others or the material(...again. Always occurs again).

IMHO: If you skip the lessons, don't complain when you fail the test.

You don't go to the gym and start with 400 lbs either, do you? You work yourself up to it, gradually.



Thread: [james16 Chart Thread](#)
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#13429 
Sep 5, 2008 6:10am



james16
wizard in training

Member Since Feb 2005
 1,494 Posts

Finally being honest with myself many years ago was how i turned things around so my comments are not intended to be critical. You're pissed for one reason and one reason only and **it's the same reason I used to get pissed. your trading with real money when you should not be.**

are you actually saying that you just "tried something" with real money without ever testing and getting good at it with some sort of research as part of your trading business? i guess i can't say for sure this is the case g but it sure sounds like it.

this is the curse of this business that never ceases to blow my mind. smart people that throw everything they know about common sense and sound business principles out the window.

THIS WAS ME for over 8 years so I'm not pointing fingers. I've got a bunch of emails covering the last two months from people that have made great returns on their accounts. They tend to be the ones that demoed for months until they got damn good at it.

i will post some charts showing some of them and the moves they caught over the past 2 plus months. some of them are mind blowing huge moves. stay tuned.

If i can help you in any way g all you have to do is ask.

Jim

Quote:

Originally Posted by **gagiul**

I'm done trading pin bars! tried them for 2 months, 90% failed. They suck according to current market conditions. Please spare me of all the PPZ and long nose and bla bla BS. And mostly spare me of the different [brokers](#) feeds, that's the worst excuse ever.

Why isn't James posting charts of failed Pin bars? of course, he will always find an excuse. Different broker feeds. Or risk 150 pips but take profit very quickly at 50 pips. Great MM. Whatever. I'm sorry for the angry message, I'm just pissed off because I'm trading pin bars instead of trading the obvious.

Going back to the basics which is S/R.



Thread: [james16 Chart Thread](#)
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#14895
Nov 1, 2008 1:04am



james16
wizard in training

Member Since Feb 2005
1,494 Posts

CHART

CHART
Attached Thumbnails



#22559
Feb 26, 2009 7:16am

Member Since Feb 2005
10+ y 1,494 Posts

 **james16**
wizard in training

Nice post cat. I literally pump my fist in glee when i see posts like this one.

Missed opportunities will mean nothing to you when the "missed opportunity" was preceded by a winning trade that was worth more than what most people make in a year. People like you have a real chance of actually making it to that point.

When and if you do an amazing thing will happen. You will be so picky it will make you laugh when you compare your thought process to those days when you were desperately trying to build an account. You will find yourself literally looking for one perfect set up a month because YOU WILL KNOW its all you need. Trading anything other than perfection will not be of any interest to you.

its a great day when that happens. truly a great day but the road to that day is long and arduous. You will get there if you keep your wits about you and continue to "think right". Common sense got you to this point and it can carry you the rest of the way if your patient and allow it.

Success in this business never comes to those that don't deserve it. i love a lot of things

about this business but that's one of the things i love the most.

jim

Quote:

Originally Posted by **catiron** 

I have posted on Forex Factory several times in the past year under the name PipsterDufus. But I was a James16 PF member under the name catiron, so I have changed to that name here.

I was a PF member for four months and it totally changed my trading results for the better. I have had double digit (%) gains every month since I first joined in September. Unfortunately, February has been a tough month -- tight ranges, low volatility. I am working hard to stay even for the month.

Since August, the market has had tremendous volatility and large...

#16435
Dec 8, 2008 9:30pm



James16
wizard in training

Member Since Feb 2005
 1,494 Posts

 **HERE I GO AGAIN**

Anyone that has actually read this entire thread knows that I make the following post about every 3 to 6 months. It's been a while and I see a lot of new people so here it comes again. I know I'm being scrooge on a really good day but this is why I do what I do. I try to keep you from going thru the heartache and financial destruction I did many years ago.

I don't care how you choose to trade. It could be with a clean chart like we do here or it could be with 182 different indicators on your chart. It does not matter.

If your new to trading and your trading with real money on 1 hour charts your not gonna make it.

Obviously the following is just my opinion. it is not intended to start a debate. It is my opinion based on almost 26 years of experience. Take it as you will but never forget that this business has the potential to take good and decent people and ruin them. Not just their money but their very lives.

The following has been beaten to death i know but i don't care. If it wakes up one person then it's worth it.

If you are new to trading and/or you have had difficulty finding some consistent success, you must understand something. This is not a game and it's not a way to get rich quick. I suppose there is the odd exception of the person with a ton of money to play with, but if you approach this business without a business plan and the willingness to follow it, you are almost certainly doomed to failure. A doctor spends ten plus years in a grueling learning curve to be successful and earn a six figure income; anyone who thinks that their pot of gold in this business is a couple of months down the road is in for a rude awakening.

Below is a minimum requirement (in my opinion) to find out without losing your @#!@#\$%\$# if this business is for you. By following these recommendations, you will be treating trading like a business and you will be learning and gaining confidence. I think this is so important, I am going to make the following statement: *If you start out in this business using no common sense, you have no one to blame other than yourself when you lose all your money.*

There is no reason to ever lose a dime of your money while learning to trade. A well thought-out business plan, common sense and hard work is required for anyone who wants a chance at success. Many people meet those requirements and still fail, but it does not mean you have to watch your bank account go to zero.

MINIMUM REQUIREMENTS / THIS IS A BUSINESS

WHATEVER / WHICHEVER WAY YOU DECIDE TO TRADE YOU MUST (AT A MINIMUM):

1. ON DAILY AND WEEKLY TIME-FRAMES, YOU ONLY DEMO-TRADE FOR THREE CONSECUTIVE PROFITABLE MONTHS IN A ROW. YOU DO NOT PROCEED TO STEP TWO UNTIL COMPLETED.
2. OPEN AN ACCOUNT WITH HALF OF THE INVESTMENT YOU INTENDED TO GO FULL WITH AND CONTINUE TO ONLY TRADE DAILY AND WEEKLY TIME-FRAMES UNTIL YOU ARE PROFITABLE THREE MONTHS IN A ROW MINIMUM. YOU NEVER RISK MORE THAN TWO PERCENT OF YOUR ACCOUNT ON ANY ONE TRADE. YOU DO NOT PROCEED TO STEP THREE UNTIL STEP TWO IS COMPLETED.
3. FUND A FULL ACCOUNT AND CONTINUE TO ONLY TRADE DAILY AND WEEKLY TIME-FRAMES UNTIL YOU ARE CONSISTENTLY BUILDING YOUR ACCOUNT FOR AT LEAST SIX MONTHS. YOU NEVER RISK MORE THAN 2 OR 3 PERCENT OF YOUR ACCOUNT ON ANY ONE TRADE.
4. IF AND WHEN YOU DECIDE TO DAYTRADE ON A SMALL TIME-FRAME AND YOU DON'T FOLLOW THIS TEMPLATE, AT A MINIMUM, YOU ARE ALMOST CERTAINLY GOING TO FIND YOURSELFE IN TROUBLE. IF YOU ARE GOING TO FOLLOW A SYSTEM OR ANY TRADING STYLE AND YOU DON'T FOLLOW THIS TEMPLATE AS FAR AS THE DEMO PROCESS, YOU ARE NOT TREATING IT AS A BUSINESS AND YOU HAVE NO ONE TO BLAME OTHER THAN YOURSELF IF YOU LOSE YOUR MONEY.
5. IF YOU EVER SUFFER THE LOSS OF 30 TO 35 PERCENT OF YOUR ACCOUNT, YOU STOP TRADING. PERIOD-PARAGRAPH. YOU GO BACK TO DEMO AND FIGURE OUT WHAT WENT WRONG. WHILE DOING THIS, YOU REFUND YOUR ACCOUNT BACK TO ITS ORIGINAL AMOUNT. YOU DO NOT GO BACK TO LIVE TRADING AGAIN UNTIL YOUR DEMO HAS SHOWN YOU WHAT WENT WRONG AND YOUR ACCOUNT IS BACK TO FULL STRENGTH BY WHATEVER MEANS. IF IT TAKES ONE MONTH OR SIX MONTHS, IT DOES NOT MATTER. YOU MUST FOLLOW THIS APPROACH IF YOU DON'T WANT BLOWN ACCOUNT AFTER BLOWN ACCOUNT.

Your goal should be this. Learn, learn and learn some more and don't do anything stupid while you're getting your feet on the ground. The ultimate goal of any trader is to build an account to a size where just a few good trades a month produce a staggering income. Hardly anyone ever gets there because they don't treat it as a business. They do stupid things that they would never do in any other area of their life and it's because of the money that can be made. If it takes you a couple of years or even five or ten to reach the level of a staggering income, is it worth it? The choice is yours.

#18857 
Jan 16, 2009 5:04pm



james16
wizard in training

Member Since Feb 2005
10+V 1,494 Posts



WELL IF YOU'RE SERIOUS ABOUT YOUR VOW YOU WILL DO 2 THINGS.

1. Read this entire thread
2. Demo what you learn until your profitable for at least 3 months in a row on no less than a daily time frame.

If you will do this and stay tuned into this thread i will bet you by midyear you will be making money and indicators will not be part of it.

jim



ademac
New Market Wizard in Training

Member Since May 2006
206 Posts



The J16 PA edge

I am doing as J16 has always said. You can be quite profitable just trading daily Pin Bars.

A bit of background. I had never traded before until I found Forex, 2 years ago. To me XXXX was a beer. I have tried to follow J16's advice on how to be a good trader.

I spent 18 months on demo, doing like most others system hoping, but at the same time learning about how I like and dislike to trade. It wasn't until I came across J16 post about trading just daily PB's that and that alone could make you wealthy. I stopped trading all kinds of PA and just worked on PB's until I finally proved I could trade PB's successfully for three months in a row and archive 5% return. Now I am trading the same live as I did on demo, with a small amount of capital but every month that I archive my 5% I add more capital.

This month I added another zero by trading to the end of my account. So it was suggested that I write something to give hope to all those that are still struggling and let them know that it is possible.

The biggest thing I would suggest for anyone trying to master PA is to just pick one type of PA and trade that solely until profitable in demo then go live, with a small amount and build up as you grow more confident in your trading.

Another is money management. I am only risking 1% on any single trade. I don't even think about that anymore it has become such a habit now that I don't even think about it I just do it.

Also don't forget to have a Trading Plan I cannot stress enough how important this is. It should cover every possible scenario like when to get in and how to get out but also a lot of areas that get missed that relate to how you will measure your success, how you will

reward yourself for archiving success. A lot of my trading plan contains goals from daily to weekly to monthly even have yearly goals and rewards for there achievement. Check out Isotonic's thread on it. <http://www.forexfactory.com/showthread.php?t=4073> And if you don't have a trading plan ask yourself why are you to cool for a trading plan????

I would also like to thank Mike (mbqb11) as his input on exits was a great help in getting it over the line.

I still have a long way to go but I am that much closer now to reaching my goals and that it doesn't seem so far away or impossible to archive.

Enjoy
Ademac

#8609

Jan 5, 2008 12:10pm

[SeekingLight](#)

Charts + PA > *

Member Since Jul 2006
10+V 3,190 Posts

Quote:

Originally Posted by [raczekfx](#)

Even if we can't tell for sure is the cross is in an uptrend or downtrend you really have to hold me tight... to prevent me from taking shorts...

Broken BEOVB on weekly and retrace to PPZ and 50fib.., add PB to the mix and this is as conservative as it can get for me...

... same thing on the monthly chart..

We get beautiful Beovb, and then pullback to 50, ppz... and Boom

This pretty much says it all. I was wondering whether a retrace was coming to that area a couple of weeks ago when we were about to make a low near 108 or so.

Everything's already there, been posted and explained several times, (this is addressed to both Tiki as well as everyone else still getting thrown off, I'm just gonna be mean and make an example of Tiki because he knows I'm trying to tell him something valuable here and not making fun of him)..The main problem isn't not knowing..It's not allowing yourself to settle down and reduce everything to simply looking at what's already there.

You constantly run around all over the place in a frenzy, posting a bit here, nibbling there, wondering about this, that. This is bad as in that it reduces your focus and disperses too much energy.

You need to STOP, pause, sit down, focus. Think about your questions and what you're wondering about, then remember what you read, what you saw. Then go over all of it again with the questions in your mind, see if you get the answers from what's already known. Peruse the thread, your mind, your memory, link it up. Focus, reapply. Observe the market, not the Forum and once you've gone over everything don't look to others as a first reaction but look to what you read and know already and see whether there isn't an answer inside already that will tell you what's up..

There's only so many things the market does and can do and it does it over and over and over again...you just need to pause long enough in the chase to realize that there's nothing to chase, it's just all already sitting in front of you, you just need to sit up, take notice and start to realize..

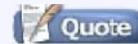
Once you feel something's "set" and understood and has a firm foundation, THEN you go

back and read more, add another bit, section, lecture, etc..Incrementally progress. This is the bit that takes time, but if you don't allow it to take time and move forward slowly by focusing and reducing, it will take forever and not really move much at all.

If you pull a heavy rock with all your strength in one direction all day, it might move an inch towards a given target. If you pull it to another direction every other day it will just end up making a very deep hole in the ground by eroding a lot of sand.. 🤔

Or - if you pull with all your strength in one direction all day it will go that way; if you nudge it here there and everywhere, it won't budge much at all. There, that also works as focus analogy 🤔

Trust price. Know yourself.
([James16](#) made me profitable)



#15568
Nov 21, 2008 12:13am



[james16](#)
wizard in training

Member Since Feb 2005
[10+](#) [1,494 Posts](#)



YES!!!

THIS IS CRITICAL.

WE MUST LEARN TO:

1. Notice a strong s/r area just beyond our pa if it exists.
2. Know that if we trade into it we had better be prepared for a quick reversal that could give us a loss if we are not prepared.

If we know it's there we have several choices.

1. Get out when it gets there for a small profit.
2. Take a small partial profit and move the remainder to BE.
3. Stay in with your total position hoping for a break and move your stop to BE.
4. Don't enter until the level has been broken.

In the case we are looking at this level was a big round number at 5100. Trading into a big number like that with a defined pivot is very very very risky. The fact remains however that price most of the time **WILL** reach that first s/r area whether its 200 pips or 20. In this case it did not which makes number 4 a good choice much of the time especially for those new to these methods.

good post as usual jarroo and i appreciate your help in this thread,

jim

Originally Posted by [jarroo](#)

So if a Pin Bar (or any PA set-up for that matter) is sitting on or is near a S/R level, a better entry to look for is not necessarily the break of the PA set-up. But below the S/R level that it is sitting on. Makes sense to me Jim, Thanks.

#10935

May 23, 2008 5:18pm



[bundyraider](#)

'Try-hard' extraordinaire...

Member Since Feb 2006

10+7 1,184 Posts



Quote:

Originally Posted by [bundyraider](#)

By the way I just bought a little. Half position that'll I'll add to if good. I'm thinking USD bullish for the day. 😊

Edit: *Yeah real smart entering that one too. 😊still slip up occasionally. Going to keep it there. It's small.*

See.... trading with preconceived ideas of direction is "trying to be right".

Just not worth it. 😊

Price action and Confluence rules ...and not just any confluence. (I said it myself in the posts. It could go any way.) You have to zoom out and look at the complete picture. ...And, wait if it has more hurdles to a clearer run.

There was mixed information everywhere and I took a trade (even if was small) just to have something on in the market. ...and to do that, I used my thoughts on where things "should" go. "Should" is a no-no word when trading. All that matters is the probability. The best probability trades are the A++ trades.

I know there are a lot of people out there thinking that Price action is the Holy Grail. It's not. It a tool that has to be coupled with patience and self protection. ...You wait for the trades that give you the best chance of success, and you enter them with a position size that takes into account that NOTHING IS EVER a sure thing, even the best setup ever!

Sorry for rambling,but I know someone will read that and start to 'click' . I have, and about 95% of the time now I stick to it. It's made a massive difference.

#12415

Aug 11, 2008 11:41pm

[n_aftab](#)

Member

Member Since Jan 2007

34 Posts



From what I understand the daily and weekly pin bars which is what I look ! Are more reliable on the longer timeframes

the stop is normally the highest point of the pin bar, so why do you need to over complicate things for yourself by looking at noise to make decisions ?

My trading has only started to really work out since

1. I got rid of those stupid indicators
2. Only looked to trade pin bars
3. Only look at Daily and weekly time frames

Its a lesson to be learnt in itself, but most people loose because they have to be in the market all the time, making excuses to take trades, what they dont realise is that every

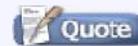
trade you take your risking money.

the smarter guys all know that most of the time your either out of the market altogether waiting for a class A pin bar / set up, or your holding a trade you took, until you have a reason to close!

I hope that helps answer part of your question

you only have to look at why there are so many losers (high 90% ish) and then figure out what are the winners doing that is so different.

<http://www.forexfactory.com/showthread.php?t=2331>



#13430
Sep 5, 2008 6:14am

Ryanmcd
Senior Member

Member Since Jul 2007
3V 699 Posts



Trade PB's that pull back on a trend and enjoy a winning 90%. CT trading is just stupid and a good way to blow out an account. Yes when I started doing PB's I CT traded them because that's when they show up 95% of the time. If I did not know what I was doing I would have been screwed many of the times.

Mike has a good point, think of playing the market like playing cards, only trade the rich deck's and don't screw with the 4-9 off-sute's. If you are going to CT something you better have your charts correct and know that it will not be a long term move. I went long off the 5min this am but if you read my chart I posted I knew I was against everything all trends on all times, BUT I had a setup with RSI divergence that I have traded over 2000 times and made a good living doing it for years so I did not even think about it when I jumped into it.

One thing you guys need to look at is trend, yes we do not trend all the time but we get some nice long month long+ trend moves, and this helps show what way we are going, sure you may have a day that is down when the long trend is up BUT you have to know that 80% of the time we are going to be going up.

Here is how I add it all up in my head, my trade soup.

Time = 20%

Long Term trend = 20%

PA = 50%

RSI = 10% *** Unless I am doing a CT trade then RSI is about 50%, price is 20% and TIME is 30%.

Take a piece of paper TAPE it on your screen and write down your rules, print out days you lost and go over them again and again, NEVER trade on emotion, if you get excited trading your doing it wrong.

#14788
Oct 29, 2008 10:20pm

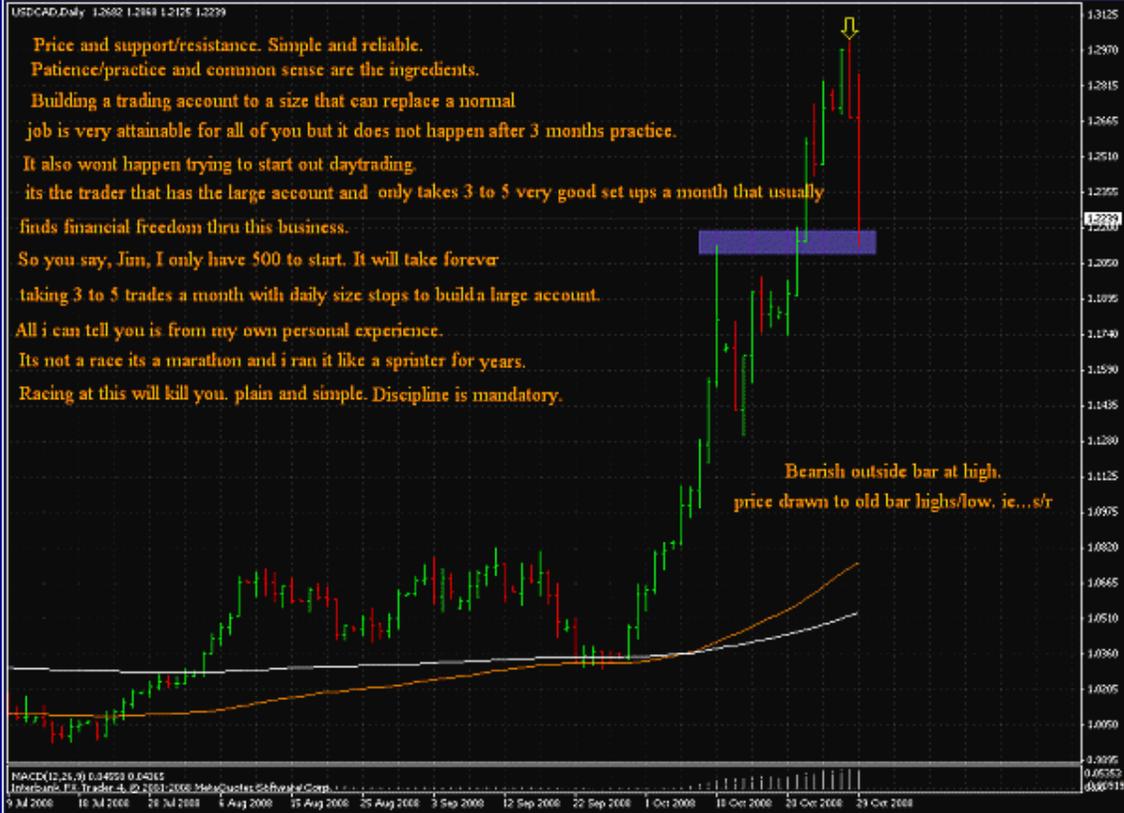


james16
wizard in training

Member Since Feb 2005
10+ 1,494 Posts

CHART

CHART Attached Thumbnails



#18197
Jan 10, 2009 4:26am



james16
wizard in training

Member Since Feb 2005
10+ 1,494 Posts

Great question and one that never gets asked mostly because people don't read the entire thread.

The answer is simple.

A large percentage of my trading to this day IS daytrading but not forex.

Why did I talk about it then and not now?

Forex factory back then was about 50 people total and I never in a million years saw this

happening to this thread. What started out to be "just another thread headed for oblivion" quickly became very serious stuff for a growing number of people. Once i saw that i knew the right thing to do was to be upfront and honest. What is upfront and honest?

Beginner daytraders never make it in this business. MOST position/swing traders don't make it long term.

I knew i stood a pretty good chance of helping a fair percentage of people find some position/swing trading success but daytrading is different.

You can give most traders a daytrading method that finds a decent profit 80 plus percent of the time and 80 plus percent of them will still fail and find a way to lose all their money.

I also knew when i quit talking about it that a certain percentage of people that followed my stuff would find success with the longer time frames and use the same material to find some success daytrading

my choice has been to let that happen naturally and its probably the single best decision i have ever made pertaining to this thread.

Successful daytraders are not born they are made. Made by blood, sweat and tears and countless hours of brutal hard work and self discovery.

Successful daytrading is a personal journey after a successful method is discovered. its 95 percent between the ears and psychological in virtually every respect.

jim

Quote:

Originally Posted by **Greenhaze** 
Hi James16

*I'm unable to say how much i have gained from the private forum and this thread but i noticed something and need to ask.
What happened to your daytrading. At the beginning of this thread you were posting lot of m5/m15 setups which were high probability. I remember you wrote somewhere that scalping is something you do from day to day to increase your overall profit. I'm guessing that you build your account to such point that there is no need to trade frequently and somehow i know that trader like you with such excellent skills can squeeze...*

#18912 
Jan 17, 2009 12:16am



clockwork71 
Chicks dig a wolfman.

Member Since May 2007
 792 Posts

 I see a lot of new traders here.

For the newer people out there, let me introduce myself. I am clockwork71 (Chris), a Senior Member of the James16 group. In a nutshell, it means I have joined the group, understand the material, and was given my own forum in the private area. I make

videos, etc.

Think of me as middle management! 🌐

Ok, now that's out of the way....

I would highly recommend something to you newer guys/girls out there. There is a "mystique" surrounding Forex trading. Those guys that make all the money are "superhuman" or something. You get bombarded with all the hyped-up stats and "results". But to be honest, we have one friend in the end: **Plain, boring, old-fashioned compound interest.**

One non-trading exercise that I started to work on in the beginning of my J16 tenure was to work with spreadsheets. Fijitrader, (a mysterious guru-guy in our group who actually traded his way to living in Fiji...) has a lot of information about this very topic. As I began to "tinker" with them, a few minor things hit me.

1) Compound Interest tends to have a point that is "critical mass" - at a point, it tends to "explode". This is our dream.

2) Normal working-class idiots like myself can obtain large amounts of money from seemingly small amounts, with **time, interest, and reinvestment.**

What I mean by this is that if you are a normal person, and can only start with something like \$2000, it's alright. But this means you might need help to get along. Perhaps you get 3 months profitable in a row. Great! You are now up \$300. (an example.) Why not add another \$300 to your account out of your pocket to compound your principal?

With a little creative spreadsheet working, you can see how much this little "bump" can help. The truth is it's going to be very hard to make \$2000 turn into \$20 Million. But if you add to the pool of money getting compounded, it becomes a little more obtainable. (20 million is a stretch, but you get my point.)

As for some of the crazy claims out there on returns.....let me put it this way:

If your managed retirement account gets 20% a year, you are very, very, happy. And those guys are professionals. Some out there have actually given me grief about "only" getting 4% a month.

A quick example.....\$500 turns into \$54,000 in 10 years at 4% a month. Not a bad return. Imagine what it does with a larger amount of money. Remember this the next time you are reading someone that gets "15% a week." There are plenty of those guys that post on forums. Those people are who I refer to as liquidity. Their testosterone is what will cost them money and accounts in the end. It's about keeping a calm, cool head. (This is coming from someone who actually lead the entire state in penalty minutes in Ice Hockey at the High School level. 2 years in a row.)

I know you have heard it before, but trading really isn't an exciting endeavor. It's not a contact sport. In fact, if you are trading daily or 4 hour charts, (LIKE MOST OF YOU SHOULD BE.) you should be able to put on a trade - set your stops, and leave the house.

My opinion is that you can do nothing but screw up a trade if you watch it. Trust me, Murphy's Law.

Ok, off the soapbox. Sorry gang! 😊

Clockwork71

#19937
Jan 30, 2009 3:56am



[james16](#)
wizard in training

Member Since Feb 2005
10+7 1,494 Posts

Your learning a great lesson ad but here is the truth.

The different time frames really don't produce a "better" pin bar accuracy.

Its the trader skill level AND YOUR ATTENTION TO REALITY that determines success.

if you get good at taking only the best daily pin bars and you get 2 or 3 trades a month its really no different than waiting for the best 4 hour set ups and taking 2 or 3 trades a week or 1 hour and taking 1 trade a day.

my bet is that NONE OF YOU that are trading 4 hour pin bars are taking only 2 or 3 trades a week. there is no way you're gonna sit and watch a computer 24/7 and take that few trades UNLESS YOU HAVE A HUGE ACCOUNT AND THOSE FEW TRADES ACTUALLY MEAN SOMETHING.

if a great daily set up nets you 100 pips and makes you 10,000 dollars are you going to feel the need to trade all the time? if a 1 hour pin bar nets you 20 pips in 30 minutes and makes you 2000 dollars are you gonna jack around with less than great set ups? hell no you're not.

BUT IF THE NUMBERS (ACCOUNT SIZE) ARE DIFFERENT YOUR GONNA BE A DIFFERENT TRADER ESPECIALLY ON INTRADAY .

if you just sat all night waiting for a 1 hour decent pin bar and it moved 20 pips making you 50 dollars what are most people going to do?

1. Watch it turn into a loss
2. Overtrade and take everything that looks like a pin bar.

why? BECAUSE YOU'RE TRYING TO CUT CORNERS TO GET TO A PLACE WHERE YOUR TRADING ACTUALLY MEANS SOME REAL MONEY BUT YOU'RE CUTTING YOUR OWN THROAT TRYING TO GET THERE.

Its like working for a paycheck and never really thinking about your tax rate and how much is coming out. then voting for someone that is going to take out more but since you don't pay attention it goes right over your head because its gone when you get the check.

when does it stop going over your head? WHEN YOU HAVE TO ACTUALLY WRITE THE CHECK TO THE IRS EVERY 3 MONTHS AND YOU GET A KNOT IN YOUR STOMACH BECAUSE NOW IT ACTUALLY MEANS SOMETHING AND HAS SUDDENLY BECOME REAL TO YOU.

A couple of times a year I actually impress myself and its usually when someone triggers a painful memory in me

this just did it.

jim

Quote:

Originally Posted by **advfntrader** 

Have been following this thread for a few months now after having a 2 year losing streak and having tried countless systems and methods.

was doing so well in the demo until I have let a trade run and its wiped out 10% of my account. So annoyed! just as well it's a demo. I had 3 1 hour pinbars fail today. they just don't seem to work as well as daily's

I am now ONLY looking at daily and weekly charts

#19939
Jan 30, 2009 4:23am



james16
wizard in training

Member Since Feb 2005
 [1,494 Posts](#)



Good post pip,

The vast majority of people never get the emotion out of trading. I know I have never been able to. The way I deal with it is simple now but it sure wasn't years ago.

1. Large account.
2. Small risk percentage.
3. Literally watching A trades go by waiting for the A+ ones.

It took me 8 long years to figure this out.

This is me speaking of me and no one else but since the success rate is so low there must be something to it.

Quote:

Originally Posted by **Piproo** 

Cheers, James.

Lucky here, I realized how important the demo is before I blow up account, actually after I made a 8% loss in my second months live trading. 8% is not a big deal, but I really hope I could have started doing demoing much earlier.

I have been demoing PA for the 4ht mth since Oct 08. I have been treating demo exactly same as my live account with some basic MM. Not sure how others feels when they do demoing, but for me I have pressure of doing this , as I have my wkly target, also an overall target to "trigger" my living...

#15072
Nov 7, 2008 2:00am



james16
wizard in training

Member Since Feb 2005
10+7 1,494 Posts



I totally understand this and you make a great point. I am a lot like you to be honest. It's really not one or the other, it can be both.

When daytrading its easy for me to watch 8 hours go by and do nothing knowing that when that one great entry comes I'm going to cash in on 5 or 10 grand in an hour or less. i just simply could not force myself to be patient when that reward only meant a hundred dollars.

that's why i say all the time you can take the same trader and give him a \$500 dollar and a \$100 thousand dollar account and turn him loose to trade intraday. He will blow that 500 dollar account sure as anything. He will on the other hand have a pretty decent chance with the large account.

Why? Because it's much easier to sit on your hands waiting for a great set up when it means thousands of dollars versus 50 bucks or less.

Combine a great method with a large account and combine a burning desire to succeed. I.e. (patience, practice, demo, treat it as a business kind of stuff) and you got a shot. The small account kills people because its hard as hell to sit for hours for next to nothing. They always end up trading just to trade and that's what kills people experienced or not.

jim

Quote:

Originally Posted by **Jankone** >

I respect you Jim, but there is one thing - it's about personality, some people, like me, are very patient, I can wait hours,days and weeks for a good setup but im not patient for holding trades. I feel really bad if I have trade open on daily, everytime I worry about, every 10min and less i must see that trade, I'm nervous etc. Well , what happens? I can find beautiful d1 trade and then i run out quickly after some hours. When I'm trading m5-m15, I feel great, I have no problem with waiting " the one and only trade today" and it's ok when i hold this. and 2nd point is, 10 pips and 2% is the same as 600 pips and 2% (after few days) Why should i tease myself with D trades?(again, it's just about...



#16457
Dec 9, 2008 12:26am



james16
wizard in training

Member Since Feb 2005
10+7 1,494 Posts



i just always want people to know that i realise its hard. i lost almost 300 thousand dollars (somewhere in that range) in 8 years from around 1984 to 1993. There **IS** a reason why stats show a 95 percent failure rate in this business.

I came to the conclusion long ago that its not due to the inability to find a method that works. Its mainly a total mental disconnect with reality. Common sense just disappears. The fact that a person can learn this business without risking a dime makes that stat even more crazy.

The single biggest reason for failure IN MY OPINION IS overtrading and the single biggest reason for overtrading is a small account.

You can cure most people of overtrading by simply giving them a large account. Of course they have to get the large account themselves and its almost impossible for most people to save 50 grand while demoing.

Trading becomes infinitely easier when you no longer need to take more than 2 or 3 great set ups a month which nets you a large sum. Trading is very difficult when you follow your rules and it nets you a hundred bucks a month or less.

You must make a decision.

1. I will demo for as long as it takes to save the sum for a large account.
2. I will somehow force myself to only take the best set ups even though it means almost nothing money wise.

The key to success by many in this thread over the years and also mine years ago was/is.

1. A large account.

2. Day trading OFF OF A DAILY CHART (if necessary based on a possible retrace of an initial move) and if not working the move for a swing or position trade if we bust some early s/r.

3. Learn to use side to side support and resistance (j16 pivot zones if you wish) to manage your trades and allow them to be the basis for whether it's a day/swing or position trade.

4. Simple good common sense money management/risk profile.

Now I'm gonna make the kind of statement you very rarely ever see me make.

Take what i just posted and go watch the videos. (Free ones if you're not a member) and you now have a better chance of success than your ever going to find anywhere else and I don't give a rats ass what it costs.

Jim

Quote:

Originally Posted by **jarroo** 

The sad thing is that some will read this, agree with it and chose to ignore it. Only after many losses and/or accounts will they say "Now what was that thing that James16 guy was talking about? Oh yeah, maybe I'll take this a little more seriously".

Ok maybe it was just me. 

Thanks again Jim for all that you do.

Jim

#13579
Sep 12, 2008 5:01pm

[SeekingLight](#)

Charts + PA > *

Member Since Jul 2006
10FV 3,190 Posts



So much stuff happened..

I jotted some of this down, looks interesting in a chapter sort of way..

I really liked Jim's charts and I have to agree with Mike on that one trafficked GBPUSD PB, it was really a breakout-retest play. I charted it when it occurred as well and saw the TL underside, seeing it "naked" I'd go eww, that was, like, sideways. Perspective can make so much of a difference.

I just made a video about how trading any given moment is more about the general situation things are in rather than just the bar and I think this is related to what caused FXP so much frustration.

Either way, just wanted to say that if anyone thinks this thread or stuff around is promotion for the site: if it were, you'd get around 99% less info. As it stands, the pure information is basically handed out for free here.

It's more about more in depth / direct access / support / feedback / community / the odd trick here and there / integration type of thing more than superduper hideout secrets of the amazon, insiders only type of thing.

I know this has been pointed out before, but I just wanted to say this again as it's always a bit shocking to me how it still works to draw people despite basically already disclosing everything publically. It makes me realize that there's more to learning than just the "book" you're supposed to read for class and that the actual confrontation with "classroom and teacher" and whole "school community" may have a lot more to do with it than the actual material.

It fits in quite well with this that I'm noticing just how much value there is in a direct feedback for those people who do struggle, as not everyone manages the x thousand pip runs right off the bat 😊

Something you might have taken for granted may turn out to be just what they needed to hear to give them that thing to break them on through to the next point, or the simple "investing in yourself to show yourself what you really want" may more than anything be what makes it worth it.

Anyhow, I'm still a bit woozy in the head, so dunno if I am making too much sense.

Btw, ryan, I read the live trade challenge, and although I try my best to keep my journal on J16 a bit like a "running commentary" and ponder weekly plans for the week on Sundays, I'm not sure I would want to do it publically. I've considered it(a thread with just setup + chart / result + chart), but I really don't like the kind of being that public forums usually are..every winner leads to cheerleading and "took your trade, made x thousand dollars, thanks!!!!!" and every single loss "proves it doesn't work"..just deeply troubling or potentially upsetting either way.

I try my best to chart out weekly "paths" beforehand when I see big scenarios coming up(like EURUSD, GBPUSD, EG, GJ, GC etc) and try to follow up on them in a chronology, just to show that they do / did fill out and I'm not making it up afterwards as I go along. The posted EURUSD(the weekly fall), EURGBP(rise in steps) and GBPCHF(daily/weekly topping out and fall) for example were all stuff that I tried to chronicle as they occurred, but most of that happens "over there" and not in this thread. I snap the charts though to

show that the idea was there before / as it happened, and not "put on after".
I'm always worried about the "others following blindly" stuff or influencing folks. What would Hipster say for example if I told him I was currently mostly bearish on EURGBP!
He'd cry, for sure! 😊

Btw, Ryan twice already pointed out what others and I have been trying to say several times as well, and this blends in with the situation comment up there: be aware that going WITH the main move after a retrace e.g. makes it MUCH more sexy for your setups rather than trying to stem the tide with a less than super ideal bar. I usually try going with things after turning points, but that also means I have to figure out where those are likely to be as well. Mike does it with breakouts, Ryan on the 5m, we all have our ways, but we also all have an idea what to look out for and what the situation is.

Anyhow. Here's some chaptering, and I'll see whether I've got anything useful to post chart wise the next few days. So much unidirectional moves make for little stuff to trade/do once you're "in".

PB frustration

<http://www.forexfactory.com/showpost...ostcount=13418>

reply

<http://www.forexfactory.com/showpost...ostcount=13421>

<http://www.forexfactory.com/showpost...ostcount=13422>

Mike mbq about what PA J16 trading is about

jims reply

<http://www.forexfactory.com/showpost...ostcount=13429>

ryanmcd chimes in

<http://www.forexfactory.com/showpost...ostcount=13430>

j16 example charts

<http://www.forexfactory.com/showpost...ostcount=13431>

<http://www.forexfactory.com/showpost...ostcount=13432>

<http://www.forexfactory.com/showpost...ostcount=13433>

<http://www.forexfactory.com/showpost...ostcount=13436>

<http://www.forexfactory.com/showpost...ostcount=13437>

<http://www.forexfactory.com/showpost...ostcount=13438>

<http://www.forexfactory.com/showpost...ostcount=13440>

jankone

<http://www.forexfactory.com/showpost...ostcount=13447>

the biggest enemy is you

via on "seekers"

<http://www.forexfactory.com/showpost...ostcount=13450>

"just lucky" and nothing works

<http://www.forexfactory.com/showpost...ostcount=13442>

<http://www.forexfactory.com/showpost...ostcount=13456>

<http://www.forexfactory.com/showpost...ostcount=13459>
<http://www.forexfactory.com/showpost...ostcount=13537>

mike on breakout / continuation

<http://www.forexfactory.com/showpost...ostcount=13465>
<http://www.forexfactory.com/showpost...ostcount=13467>

general gems from mike

<http://www.forexfactory.com/showpost...ostcount=13508>
<http://www.forexfactory.com/showpost...ostcount=13514>

mike on gaps

<http://www.forexfactory.com/showpost...ostcount=13517>
discretion and rules, structure

ryanmcd adds

<http://www.forexfactory.com/showpost...ostcount=13563>

on timeframes

<http://www.forexfactory.com/showpost...ostcount=13547>
<http://www.forexfactory.com/showpost...ostcount=13553>

<http://www.forexfactory.com/showpost...ostcount=13475>
if you don't "believe", nothing will convince you, ever.

<http://www.forexfactory.com/showpost...ostcount=13546>
<http://www.forexfactory.com/showpost...ostcount=13562>

don't skip your learning curve steps

Trust price. Know yourself.
([James16](#) made me profitable)

#13429
Sep 5, 2008 6:10am



[james16](#)
wizard in training

Member Since Feb 2005
[10+7](#) [1,494 Posts](#)

Finally being honest with myself many years ago was how i turned things around so my comments are not intended to be critical. You're pissed for one reason and one reason only and **it's the same reason i used to get pissed. your trading with real money when you should not be.**

are you actually saying that you just "tried something" with real money without ever testing and getting good at it with some sort of research as part of your trading business? i guess i can't say for sure this is the case g but it sure sounds like it.

This is the curse of this business that never ceases to blow my mind. Smart people that throw everything they know about common sense and sound business principles out the window.

THIS WAS ME for over 8 years so im not pointing fingers. I've got a bunch of emails covering the last two months from people that have made great returns on their accounts. They tend to be the ones that demoed for months until they got damn good at it.

i will post some charts showing some of them and the moves they caught over the past 2 plus months. some of them are mind blowing huge moves. stay tuned.

if i can help you in any way g all you have to do is ask.

Jim

Quote:

Originally Posted by **gagiul**

I'm done trading pin bars! tried them for 2 months, 90% failed. They suck according to current market conditions. Please spare me of all the PPZ and long nose and bla bla BS. And mostly spare me of the different [brokers](#) feeds, that's the worst excuse ever.

Why isn't James posting charts of failed Pin bars? Of course, he will always find an excuse. Different broker feeds. Or risk 150 pips but take profit very quickly at 50 pips. Great MM. Whatever. I'm sorry for the angry message, I'm just pissed off because I'm trading pin bars instead of trading the obvious.

Going back to the basics which is S/R.

#13430

Ryanmcd

Senior Member

Member Since Jul 2007
699 Posts



Trade PB's that pull back on a trend and enjoy a winning 90%. CT trading is just stupid and a good way to blow out an account. Yes when I started doing PB's I CT traded them because that's when they show up 95% of the time. If I did not know what I was doing I would have been screwed many of the times.

Mike has a good point, think of playing the market like playing cards, only trade the rich deck's and don't screw with the 4-9 off-sute's. If you are going to CT something you better have your charts correct and know that it will not be a long term move. I went long off the 5min this am but if you read my chart I posted I knew I was against everything all trends on all times, BUT I had a setup with RSI divergence that I have traded over 2000 times and made a good living doing it for years so I did not even think about it when I jumped into it.

One thing you guys need to look at is trend, yes we do not trend all the time but we get some nice long month long+ trend moves, and this helps show what way we are going, sure you may have a day that is down when the long trend is up BUT you have to know that 80% of the time we are going to be going up.

Here is how I add it all up in my head, my trade soup.

Time = 20%

Long Term trend = 20%

PA = 50%

RSI = 10% *** Unless I am doing a CT trade then RSI is about 50%, price is 20% and TIME is 30%.

Take a piece of paper TAPE it on your screen and write down your rules, print out days you lost and go over them again and again, NEVER trade on emotion, if you get excited trading your doing it wrong.

#13431
Sep 5, 2008 6:30am



james16
wizard in training

Member Since Feb 2005
10+7 1,494 Posts

great moves



#13432
Sep 5, 2008 6:38am



james16
wizard in training

Member Since Feb 2005
10+7 1,494 Posts

great moves

chart
Attached Thumbnails



#13433

Sep 5, 2008 6:47am



james16
wizard in training

Member Since Feb 2005
1,494 Posts

great moves

chart
Attached Thumbnails



#13436
Sep 5, 2008 7:04am



james16
wizard in training

Member Since Feb 2005
1047 1,494 Posts

great recent moves

chart
Attached Thumbnails



#13437
 Sep 5, 2008 7:15am



james16
 wizard in training

Member Since Feb 2005
 1,494 Posts

great recent moves

chart
 Attached Thumbnails



#13440
 Sep 5, 2008 7:51am



james16
 wizard in training

Member Since Feb 2005
 10+7 | 1,494 Posts

recent moves

Is the material i teach 100 percent all the time? of course not but IT IS simple and effective when mastered.

Several of the emails mentioned have already been posted to the testimonial page with the rest to be put up soon. You will rarely see these people speak here of specifics because THEY HAVE BEEN ASKED NOT TOO so i dont have to listen to all the whiners complain that i use this thread to push the group.

Nothing could be further from the truth and I have gone to great lengths to keep that from happening.

obviously i can't stop all of it.

please understand one thing.

this thread is a sincere and honest attempt to help people.

you new folks were not here when it was started.

when this thread began it was unusual to see 100 people in ONE DAY at forex factory. IN A MILLION YEARS I NEVER FORESAW WHAT WAS COMING.

#13447
Sep 5, 2008 12:03pm



Jankone
Member

Member Since Aug 2008
[109 Posts](#)

demo - real.

Hey folks,

true story. PA is great, I did play some demo a few months, i made 100% profit with risk max 2% in 3 months. BUT I don't care about demo money , there is no fear, greed, you have patience and you don't have "stoned hands" for execution sometimes. well, what happened? I felt like "forex king", I felt like "I am the one". When i started real, i make +5 % then lost 10%, again make 15% and again go down. What happened? In a few months I deleted 20% of my real account, why? Because of fear, greed and impatience. My focus was only into entry and exits but in real, I moved to B/E as fast as i can because of fear, or used small stop losses or on weekly pinbars, I close trades in funny little profit after some hours - undiscipline. GUYS, demo demo and demo to your death and WRITE YOUR HARD RULES and study yourself, watch your money management. I catch some 1000 pips moves but i take profit too early and i take 150 pips or less. There is only ONE enemy in markets with price action - IT'S YOU !

I feel , I can make big business with PA but I have to work hard on myself, I stop real for some time and I have to clean my mind, write hard entry and exit rules, do some backtest and Then I can back to real.

Good luck to you all newbies like me and thanks to all "masters" like Wiz, Mike, Jim and many others here.

#13450
Sep 5, 2008 12:43pm



via-forex
The price of success is hard work

Member Since Jun 2008
[5 Posts](#)

Every method, system has winning and losing traders. You can see this among all forums. And you will also see that every method has people that stick to it until they master it and now they make money. The seekers are the ones that haven't found what suits them that still have problem with a certain method. When you have found what is right for you, you will come out and defend that method because you believe in it and it works for you.

This is just my opinion, as I have been a seeker and I looked at many methods, systems and I read threads from the beginning till the end and I saw that there are always people that can make work a method and I couldn't because it wasn't suitable for me. Hopefully I have found something that I like and understand and it makes sense to *me*.

People are not the same, they are *unique*. It is the people that make the difference in any trade. For example on the EurUsd some took a loss, others passed the trade and for some the pending order didn't trigger. Some can trade higher time frames and others lower time frames. It is not a right way or a wrong way. It is *your way* that will take you to success. And it takes time, plenty of time (even Jim said it took him 8 years). And with time comes experience and then success. I truly believe that Jim has a lot great stuff and

advice that worth gold when you will be able to apply it right.

Quote:

Originally Posted by **fxprocessor** 

I personally did demo for 3 months successfully as recommended in the private forum when I was a member. I now feel that I was just lucky over this time period as I have been trading live much longer and pin bars have not been profitable for me.

Anyone who wants to shoot me down for saying this I have no problem with that.

For every chart someone can post with winning trades there is one with losing trades and vice versa. I just couldn't find a discernable edge over time.

It is possible that I have learned things which will benefit me in the future though so I will not blame my lack of success on the private forum. I will continue my research into this business and maybe in the future I will draw on the knowledge gained in the group - who knows.

#13456
Sep 5, 2008 4:02pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
 2,184 Posts



There were a few posts here about playing continuation pinbars. I thought I would chime in how I play these. These can also look like pinbars in traffic.

The way I play them is part of breakout trades I take. If you look for a breakout then a pullback. At this pullback area you can look for price action. Here are the gbp/usd charts with the BO + Pullback

Breakouts make up the large majority of my trading. These bars by themselves are traffic pinbars that I personally could never pull the trigger on. But by looking deeper into S/R and what price is doing I play them as part of my breakout trading. Traffic does not matter in Pullbacks for me.

Best

Mike
Attached Thumbnails



Quote

#13459
Sep 5, 2008 6:42pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts



Quote:

Originally Posted by **y.caesar**

I see what you mean Mike. I also understand the reasoning behind it. This certainly opens up another trading opportunities for me. I do notice some PB's in the past that I passed on because it wasn't on swing high or swing low. Of course combined with trendlines it all start to fall into place.

Are there any other criterias that you have in order for you to take a PB in a traffic or isn't in swing high or swing low? In your charts, visually I can see that the PB occurred after the break of the trendlines. What about in reference to the PPZ? Do you place more importance to the break of the trendlines or the position of the PB in reference to the PPZ in a continuation set-up?

Regards,

I personally place more importance on the Breakout Pattern area, whatever that may be. IN the above example it was in the form of a channel or trendlines. But it can be PPZ also, horizontal, wedge patterns, etc. Then I look for the same concept as a PPZ, that is a flip in Support and Resistance.

Hope that helps

Mike



#13537
Sep 9, 2008 1:37am



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts



Quote:

Originally Posted by **giraia_br**

Mike sorry, but i read it many times and i can't get it. Could you explain with a example? If you can't find one, a example made in Paint Brush with 2, 3 bars is enough.

sorry for bothering you again. 😊

best regards.

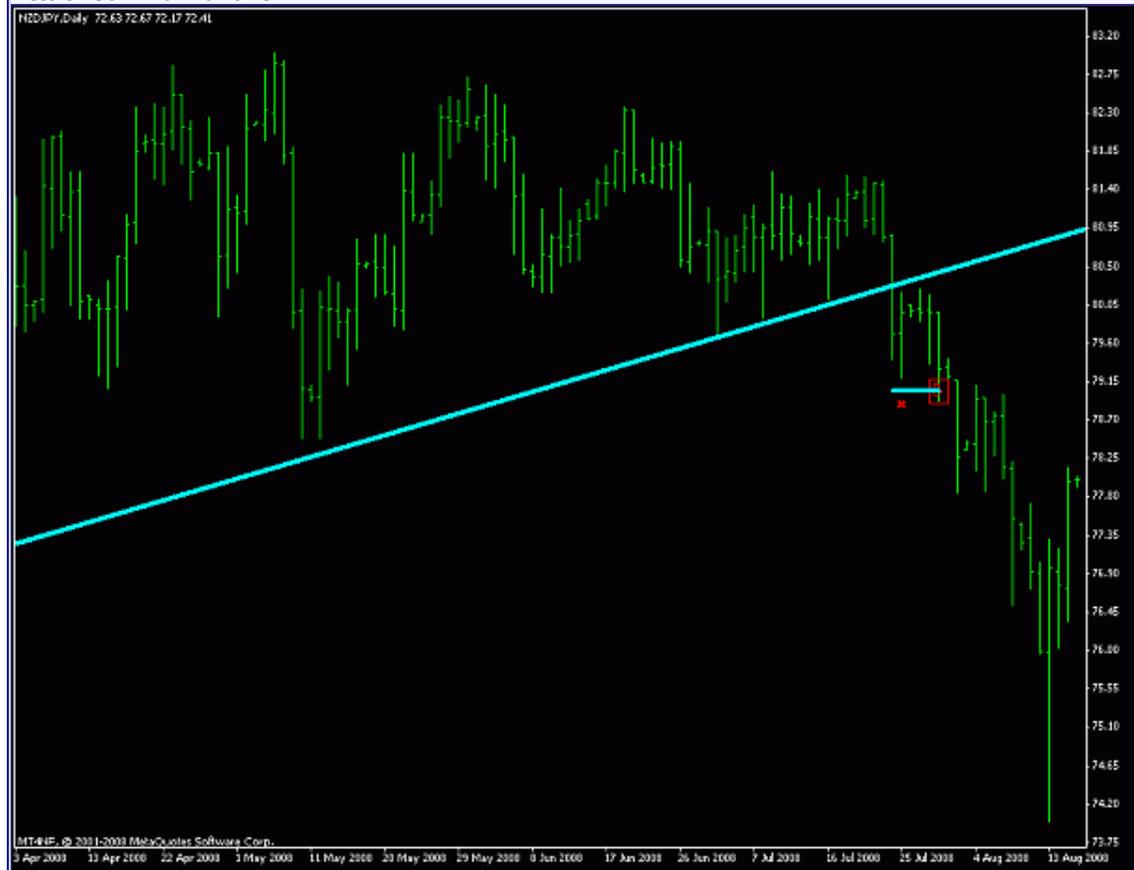
Basically we are just selling a new high/low on a breakout trade.

So here on the nzd/jpy. Price broke out and the pinbar was formed and also part of the pullback(marked by the red x). Now say we get no good price action at the pullback area(former support trendline) where is where I like to look for Price action. We can now also just sell a new low of the breakout, or in other words the low of the pinbar, which

would be a "failed pinbar". I rarely trade these but sometimes it is the only way in a breakout I have been watching.

Mike

Attached Thumbnails



Quote

#13465
Sep 5, 2008 10:01pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+V 2,184 Posts

Quote:

Originally Posted by **fxgrinder** 
if you're still around ...

i'm really studying and getting experience w/ exits/entries ... trying a host of different methods as i go ... i want to experiment using s/r as you described it throughout this thread and just have a question about if i have picked a logical place for that in this trade (the "x") ... or would you use something more historical (back in 2006-ish?) ... or not as close as this s/r point due to my impression this currency has some more to go b/f truly stalling out ...

thanks for your help ... again! and thank you for your continued positive and

constructive approach to your responses to our posts ... i don't know you, but your character as a person really comes through in your posts. 😊

Hey grinder

Thanks for the kind words, means a lot! 😊

I think I understand your question, but if I am mis-interpreting just let me know.

If you zoom out a lot on the daily, we can't see any support areas. This tells me we are nearly in "no mans land"(see pic 1). So this immediately lets me know I have to go up a timeframe or two.

So if we jump up to the weekly now we can start to get a better idea of the zone for potential support (marked by the blue box on pic 2). This is the area for me. If you jump up even higher to the monthly you can see even more the zones effect on previous price (i.e. PPZ).

Now there are a few things. Just because I have this area marked off doesn't mean any old PA is going to be good enough. IMO if you found the Support on a weekly timeframe, you should wait for a weekly PA trigger. My reasoning for this is that the weekly should allow enough information where as the daily might give us false triggers until we find the appropriate area within this "zone". Be patient for the appropriate signals.

With that said also, we still have a gap to close, and these are something I will always take into consideration.

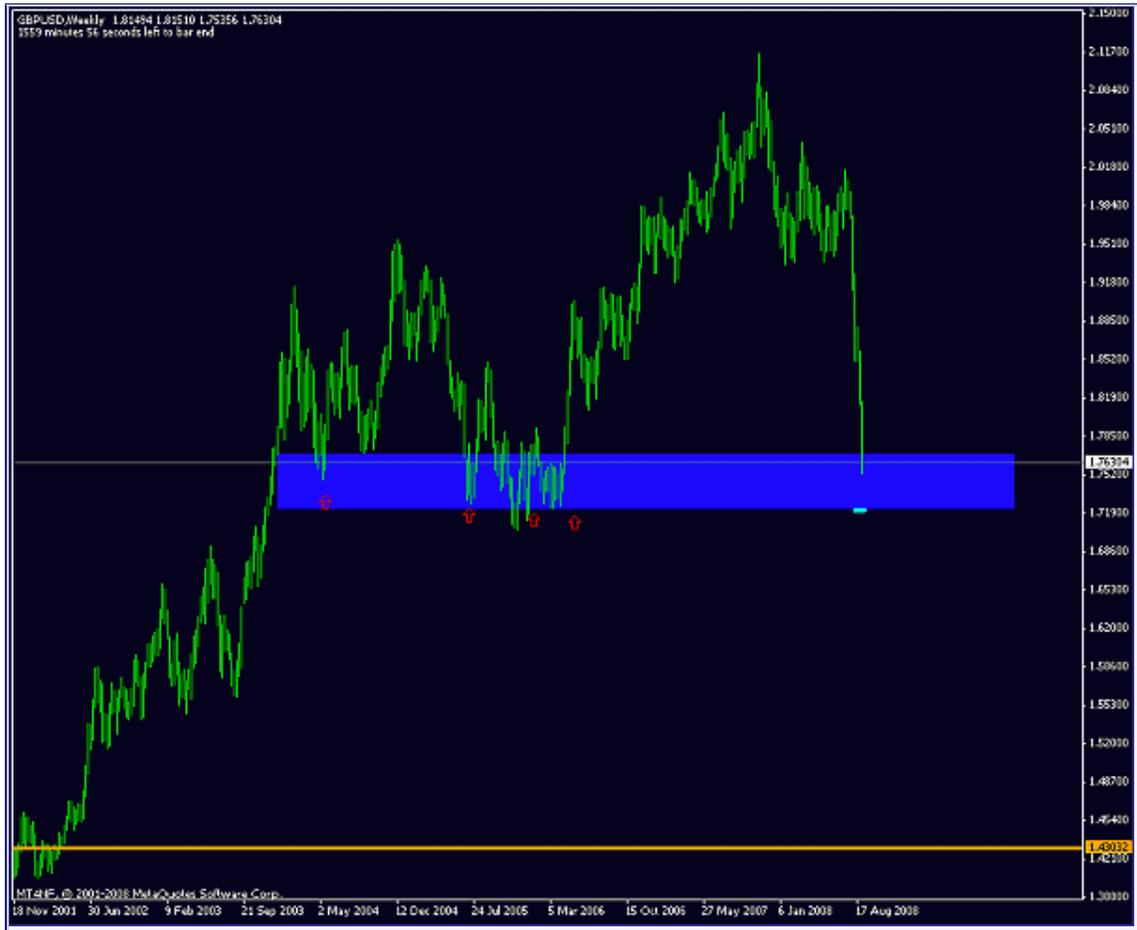
I hope I properly addressed your question let me know though,

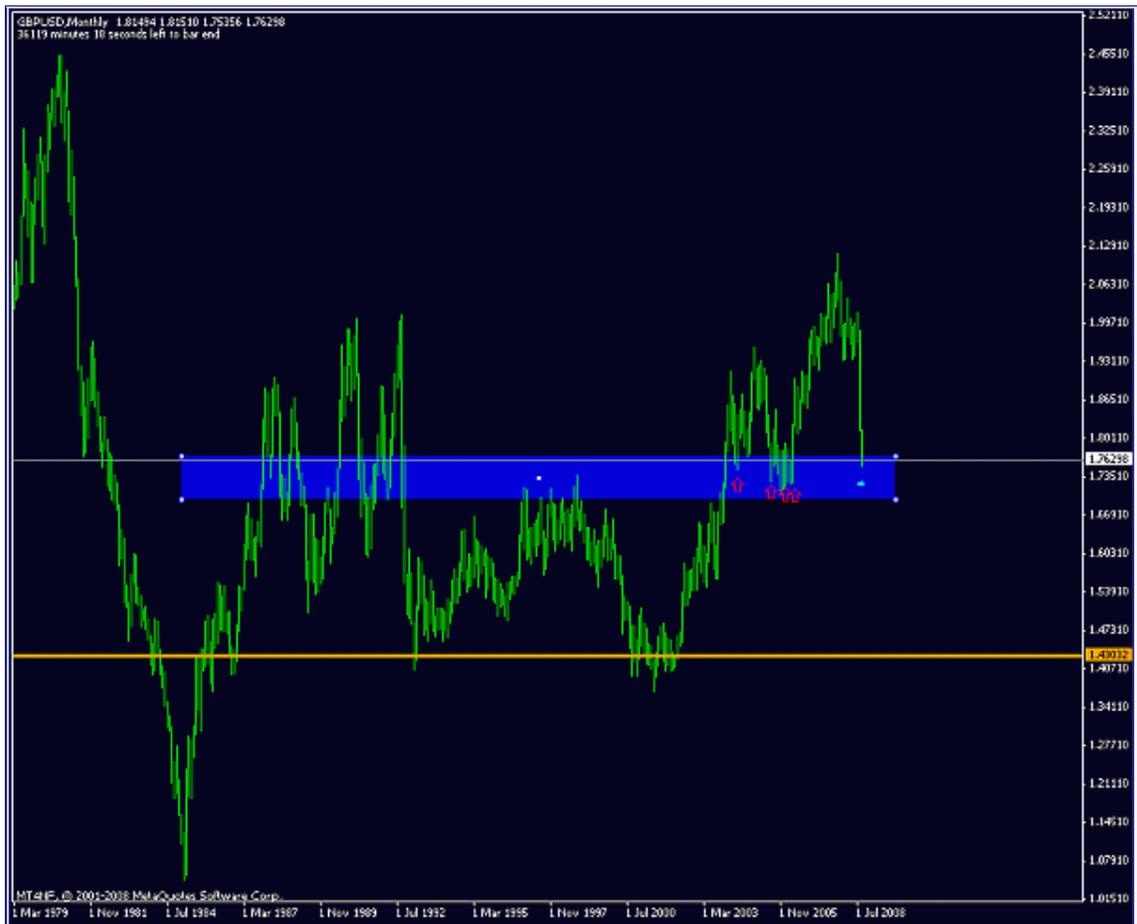
Best,

Mike

Attached Thumbnails







#13467
Sep 5, 2008 10:15pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ yrs 2,184 Posts

Quote:

Originally Posted by **fxgrinder**

HA!!! blame my unclear post, but your response is too good. 😊 I meant the "x" to move my SL to protect my profits ... sorry, i should have reviewed my post before hitting submit ... 🙄

ah well, when price free falls like this, I tend to use the previous days high to protect my profits. This steep of a move is just due for a retrace, and with the gap there too. So that looks good to me, I would even use todays high and just lock profit up.

Beauty of a trade there, well done...it's nice when the hardest part is deciding how much profit to cover 😊

#13508
Sep 7, 2008 9:53pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts



Quote:

Originally Posted by **the_wizard**

Mike,

Are you trying to tell us that you went long because of the gap and you are still holding 1,000 pips lower?

no my gap plays are completely different then then what is discussed on this thread. I scale into my gap positions in very small chunks and is the only time i do this.

Mike

here is my post from the j16 site for those interested

Quote:

Originally Posted by **mbqb11**

This is a continuation of a question from another thread.

Gap trading can be extremely profitable. It has treated me and many others on this site very well. One trader(rockrat - check out his journal for another way to play them) ONLY(as far as I remember) trades gaps. Like everything else in the trading world, everyone is going to have their own take on it.

But I will give you the run down on how I trade gaps. It really is the most discretionary part of my trading.

Firstly I only trade large gaps. large enough that you can see the gap on the 4hr chart. A lot of times you get these 20 pt gaps around and they usually fill too, but I have a problem with trading them. Liquidity is usually very thin during the opening on Sunday which means wide spreads, and slippage. So they aren't worth it to me.

Next what I do is see how large the gap is about. For example the gbp/jpy is around 150 pips. I use this as my starting point. I then take that ~ stop size and get a position size. Usually 2%. I then cut that into quarters and put my first position on right when I am at my computer/broker opens.

So the key to me for gap trading conservatively is to scale into your position. Instead of sticking the whole 2% on right at the open, scale in and feel it out. This way when it tumbles you don't panic. You can simply wait it out. And use fibs/ppzs/PA to begin to try to time entries with each piece of your risk. If it ever comes to the point where I have around 3% almost about to be hit in the negative, I tend to throw on one last position and max out around 4-5%. With that said only once have I ever taking a full loss, and it was I just couldn't take the pain of the trade anymore during a summer gap I believe. Shortly after it filled.

So yes a lot of times you put your first .25% on and it closes and you make very little. But I would always rather be safe then sorry. There are a few other things I do here and there, but really I think that is all I need to explain as far as how I do it. No exact science, and I tend to never wait for a complete fill. Sometimes I build up such a nice

position I don't even wait for a fill cause I might end up +4-6% because I scaled in so well.

So overall, wait for larger gaps. Enter your first position. Then scale in y our other positions slowly and spaced out. This way even 300-400 pips on a pair doesn't bother you. Of course the other way is to just try to put all your position at once and draw a line in the sand(s/r or ppz for a stop like anything else). I just think you are going to have much larger drawdowns that way.

Mike

Last edited by mbqb11, Sep 7, 2008 10:23pm

#13514
Sep 7, 2008 11:36pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts



Quote:

Originally Posted by **the_wizard** 
Hey Mike,

Thanks for your post. So can you briefly tell me what happens when you are long GBP/JPY and it gaps up over 100 pips like it just has done? Do you cut and reverse until the gap is filled and then cut and reverse again? lol

Cheers,

Wiz (Tom)

Hey Wiz this is the first time I can ever remember seeing this with another significant gap. You could just have short gaps open, but since I am up quite a bit(biggest right now is over 600 pips) I am just going to hold my long gaps only so hoping for the gap to close down then pop back up

I will get in on other gaps not on the pairs I am already in(for example short eur/chf

I also closed out my gbp/chf gap longs just now(and eur/gbp shorts fri). I don't wait for a perfect close ever. When the rest close up it will be quite some nice gains 😊

Mike

#13517
Sep 7, 2008 11:44pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts



Quote:

Originally Posted by **aSandman** 

Question for the vets, How do you determine which part of your trade program is discretionary vs rule based? This is the one question I have struggled with for years. Does it all come down to personal choice and what feels right for each trader? For example Mike has rules that must be filled before he enters a pinbar. (correct me please if I'm wrong Mike) But he uses discretion to manage the exit. Your thoughts would be much appreciated.

Jason

Hey Jason,

Speaking purely for myself, I see discretion as that extra edge that comes from screen time and experience. The rule based part of my trading is simply to keep me structured and on the right path. The rules aren't set in stone they are merely a framework from which I work off of. Some traders will be more discretionary others more rules based. I think it is something you build up with over time. Such as being comfortable making certain plays over others, recognizing when they occur and trading them. So yeah I do believe it comes down to the trader to develop the style that best fits you and works too.

Best,
Mike

#13563
Sep 11, 2008 1:29am

Ryanmcd
Senior Member

Member Since Jul 2007
 [699 Posts](#)

Quote:

Originally Posted by **mbqb11** 

Hey Jason,

Speaking purely for myself, I see discretion as that extra edge that comes from screen time and experience. The rule based part of my trading is simply to keep me structured and on the right path. The rules aren't set in stone they are merely a framework from which I work off of. Some traders will be more discretionary others more rules based. I think it is something you build up with over time. Such as being comfortable making certain plays over others, recognizing when they occur and trading them. So yeah I do believe it comes down to the trader to develop the style that best fits you and works too.

Best,
Mike

Mike hit the nail on the head, how many times have you played poker, had the winning hand and the last card screwed ya? I know I have had this happen to many times but I had to go with it because the odds are right. It's more a feeling then anything and it takes time, sometimes I throw the rules out the window on a spike of news and hit the 2nd or 3rd bar just by FEELING that it's going to work. Play the good setups as best as you can and fold on the crap ones, and yes you will still lose sometimes even with the better setups.

#13547
Sep 10, 2008 5:24am



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts



Quote:

Originally Posted by **Ryanmcd**

True it's whatever works, I may get sick of the 5min and go back to the daily but right now I am having fun, will I be burned out of the 5min in 6months whoknows.

I agree PA can be applied across all timeframes. In fact I have traded the 5 min with success as well (I got burned out real fast). Heck I even started to get burned out on the 1hr. So yes PA is universal in that sense.

Here is a post I made in the beginner section over on the site. I think it is appropriate with all the timeframe talk. There is no LAW where to start, that is going to be up to everyone. But taking the recommendation of James with all his experience makes the most sense to me (especially for those that are very very new to this, some people find PA that have been around the block and simply apply it to other things they know. James not only likes that but encourages people to do that). In the end everyone will have their own journey in this.

Take care,
Mike

Here is my post:

Quote:

Originally Posted by **mbqb11**

Q: What Timeframe should I start to learn to trade price action on?

A: James recommends as do most of us that have been here for awhile, that you should start to learn to trade on the daily/weekly timeframe. Trading on these timeframes helps a trader for multiple reasons. I will list some.

1. The higher the timeframe the more accurate these price patterns tend to be. While you can use them on all timeframes, the larger timeframes have more information thus they tend to be much more reliable. This helps a trader gain the appropriate confidence.

2. Less of them. By this I mean, trading on a weekly and daily, you have much less to be looking at. If you try trading off an hourly timeframe, there is so much "action" and "noise" going on, it is VERY VERY difficult to be successful in the beginning. This does not mean you will never trade the 1hr, but you need to learn to do it on the higher timeframes first.

As James says, if you cannot trade profitably on the daily/weekly, most likely you will never be able to trade profitable on the lower timeframes.

3. Time. By only needing to check your charts once a day, or even once a week, you will have proper time to analyze and make the right decisions. If you check your charts on the new bar close each day, there is plenty of time (b/c it is not during main trading hours), to analyze the bars and make a well thought out decision. Once you begin trading on the lower time frames, you need your instincts and everything must be

second nature, because you must react much quicker. Trading these higher timeframes is MUCH MUCH less stress and will help give you the confidence and discipline to succeed.

4. You might never leave them! Some people have a misconception that you must learn on the higher timeframes and graduate to the lower. This is absolutely NOT true. You might, and many do, decide to never leave the daily/weekly timeframes. This is perfectly fine!

5. Treat this as a business. James has laid out some of these rules and it is in your best interest to follow them.

<http://www.james16group.us/Guests/mi...uirements.html>

Best of luck and happy trading!

Mike

#13553
Sep 10, 2008 7:11pm



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+M 2,184 Posts

Quote:

Originally Posted by **giraia_br**

Do you think that trade 5 min in Forex is more difficult only or really impossible in the long run?

@Mike same question

It is certainly possible and doable. The point isn't that you can't trade the 5min, it is just to take the right steps to get to the point where you CAN trade the 5mins if that is where you want to be. Most people want to go from, reading parts of this thread, to trading the 5 min TF in their spare time after work thinking they are going to clean up. And we all know the results. Ryan has been around this game for awhile now. He knows the way this business works. There is a harsh reality to this, and the steps James recommends is to help most avoid the harsh reality and give them a fighting chance. I

The whole thing about trading higher timeframes, is to just treat this like a business and take the proper steps to help one remain in this business for a long time to come. Most of those that I know who took the right steps did graduate to a lower timeframe. Not all felt the need too. Just as a side note, one of James favorite things to do is trade intraday the mini-dow. He has been doing it for years. So I think some people are taking the whole start on the higher timeframes the wrong way.

Hope that clears it up

Mike

#13475
Sep 5, 2008 11:54pm

Mr Smith

Member

Member Since Nov 2005

 [169 Posts](#)



Quote:

Originally Posted by **fxprocessor** 

I would be delighted to learn from you if you would be so kind as to post your trades as they happen as people like Jaroo do.

I'll post some trades before they happen, but if the posts jaroo and others are doing is not enough for you, then I'm afraid, no matter what I post will not make or break this method for you, but I will start to post a few live trades like I said, but I will not spend all my time posting every single trade I take like some signal service or something, you seem to want to learn, so lets stop all the BS posts and complaints, if your here to learn quit complaining and dig down and study, if it doesn't suit you, or you find your always losing and you don't like this method, then leave this thread alone, don't come on here and complain that a pinbar failed blablabla. No one is forcing anyone into this thread, again I'd like someone to post a chart over the last 3months showing how they took all the good setups and how they lost overall in that period, cause that seems to be the complaint here, that over the last 2 months people got slaughtered, and you know what, even if that were true, that this method had a losing 2 months, that does not mean anything in the large scheme of trading, if you cannot handle streaks of losses occaisionally, i'd seriously consider not trading forex, or any trading for that matter.

No more rants from me.

#13546
Sep 10, 2008 5:03am



bundyraider

'Try-hard' extraordinaire...

Member Since Feb 2006

 [1,184 Posts](#)



Quote:

Originally Posted by **Ryanmcd** 

*True it's whatever works, I may get sick of the 5min and go back to the daily but right now I am having fun, will I be burned out of the 5min in 6months whoknows. Also I have traded the 1min as well and still made the 10 pips a day  If you can read a chart correctly you can trade any time frame. The only reason *MOST* people stick to the higher times is because you can play trades that are not as good of a setup due to a larger stop, it's not that it's any different. **Print out a daily chart and act like each bar is 5min and tell me what's different.***

Spread and the speed at which you will lose your account if you haven't got the skills yet.

I like your posts Ryan, I've been taking some notes myself , but you've also probably encouraged a group of newcomers to go back to intraday charts when they haven't even learnt to manage daily bars consistently well yet.

You know yourself how hard it is to fight you natural tendencies to want fast profits. We all know where that leads. 

I have no problem with you posting your charts and tips etc here , they're handy, but Jim, Mike etc have put a lot of effort into keeping the focus here on the higher time frame charts where people can plan and enter their trades without the pressure of watching

their screens all day. Besides, Jim's ran the group and this thread long enough now to know the best path for newcomers who are serious about making this work.

I hope this hasn't come off as an attack. 🙄 I want you to stick around, but continuously pushing how easy the five minute chart is will send many down the wrong path before they are ready. You said yourself you didn't want to make this a debate about TFs. For every person who can trade the 5 minute chart successfully there are a hell of a lot of people who will blow account after account trying to do the same.

Peace man,

Bundy 😊

#13562
Sep 11, 2008 1:26am

[Ryanmcd](#)

Senior Member

Member Since Jul 2007
31 699 Posts

Quote:

Originally Posted by **bundyraider** ➤

Spread and the speed at which you will lose your account if you haven't got the skills yet.

I like your posts Ryan, I've been taking some notes myself 🙄, but you've also probably encouraged a group of newcomers to go back to intraday charts when they haven't even learnt to manage daily bars consistently well yet. You know yourself how hard it is to fight you natural tendencies to want fast profits. We all know where that leads. 😊

I have no problem with you posting your charts and tips etc here , they're handy, but Jim, Mike etc have put a lot of effort into keeping the focus here on the higher time frame charts where people can plan and enter their trades without the pressure of watching their screens all day. Besides, Jim's ran the group and this thread long enough now to know the best path for newcomers who are serious about making this work.

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Peace man,

Bundy 😊

Good post and so true, I think 99% of the people that come to the market have no clue. They think they can look at the chart and ring a few 100k out in a few months, that's just not true. Once you get this down can you make 100k a month, sure it's easy but the hard part is getting it down. I maybe against saying the 5min stuff is not okay for new people, it's okay for new people with CONTROL, if you want to put in 10k and do 10% per trade just starting it that's just stupid, if you want to put in 100\$ and trade 10 cents per trade that's fine. The only thing the 5M charts will do is show a person who cannot trade the

truth faster than the 4hr 😊



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
104V 2,184 Posts



Quote:

Originally Posted by **BWise** ➤

Hi,

Im fairly new to this thread....

Hey BW

Welcome to the thread. A lot of these concepts can/will only become clear after going through the posts from page 1 a few times. I know it seems like a monstrous task but it will be worth all your time. What is taught here can't be summed up in a post with "everything". I know most threads on FF have a first post summary of their super system, but this is something that needs to be learned and honed in over time.

Each concept you mention above is talked about many times over by James and others here. The best thing you could do is. Start from page and post 1 and begin to take your own notes. Update and change those notes as you go.

Here is a start for you:

PPZ - <http://www.forexfactory.com/showpost...ostcount=14084>

Confluence - When multiple factors line up to support your trade. This can come in many forms. Such as price returning to former PPZ, that lines up with a Fib, or a MA and a round number. More factors that support your trade.

Pinbars - Well those are all over from the beginning so I will let you dig into that 😊 but below is a chart with a pinbar. This is a reversal bar formation.

<http://www.forexfactory.com/showpost...ostcount=19599>

<http://www.forexfactory.com/showthre...25#post2552025>

<http://www.forexfactory.com/showthre...ar#post2498127> - just some info on what is taking place to cause a pin(logic behind it)

BEOB/BUOB

DBHLC/DBLHC - <http://www.forexfactory.com/showpost...postcount=7649>

<http://www.forexfactory.com/showpost...ostcount=21222> - here is an example where the trade target is the 50% fib area which is Confluence and used as targets. It will become more clear as you work in from the beginning

Hope that helps getting you started, grab your favorite beverage and dig in from page 1 you won't ever look back

Mike

#19599
Jan 27, 2009 12:22am



james16
wizard in training

Member Since Feb 2005
10+7 1,494 Posts

chart

chart
Attached Thumbnails



#7649
Nov 16, 2007 6:14am



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+7 2,184 Posts

Quote:

Originally Posted by **FXBaby**

I am new on this forum and still reading threads. I found james 16 thread very interesting. I want a favour. Will u post chart which show following price action ?

1. dbhlc
2. dbhlc

4. beovb

5. buovb

where do u place stop loss and entry for it ? Please post it and show it on charts.

note- dblhc and dbhlc are traded in two way. First breakout when price action break double top or bottom of last two or three candles. and another way is when double top or bottom work as a support. I need both example.

Please post chart. There are two many chart related to this. But i did not find any chart who show entry and stop loss.

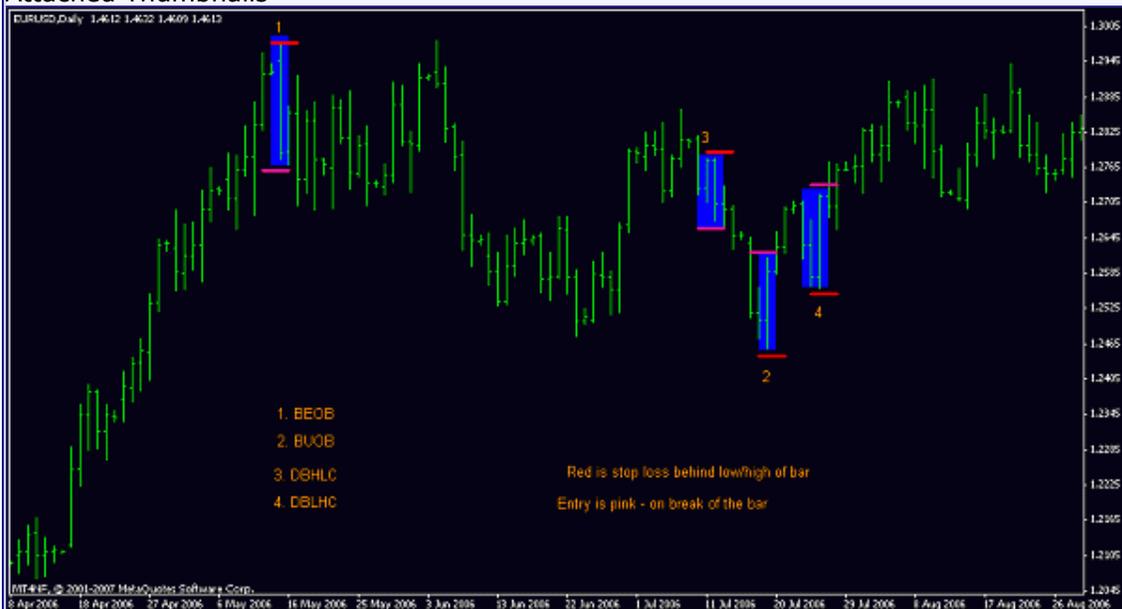
Please help me.

Sorry for my English. I am not English.

Many ways to play these and all bars. The most conservative way is to wait for a break of the bar to enter (that means wait for the high when going to long, and low of the bar on a short). Place your stop on the opposite end of the bar.

Other ways to play these bars are entries on a retracement or entry on the close (most aggressive).

Attached Thumbnails



#21222
Feb 12, 2009 6:51pm



james16
wizard in training

Member Since Feb 2005
[1,494 Posts](#)

CHART

CHART

Attached Thumbnails



#164
Jul 27, 2005 7:08am



james16
wizard in training

Member Since Feb 2005
[10+] 1,494 Posts

Quote:

Originally Posted by **scpeter**

James, could you comment on my take on this chart and your notes. You expect a possible bounce off of the pivot line. You wait for the 2 or possibly more inside bars. The inside bars tell you a good break is about to happen. Because you were already looking for a bounce off of the pivot line, you take the trade long now because the inside bars add a little more confirmation to the trade. Is this your thinking on this trade?

first of all inside bars are very commonly known and used by many traders. What blew my mind when i first joined this forum was I had forgotten what it was like to be new and not have a clue as to what an inside bar or any other bar meant. Pivot levels are where a ton of orders are placed. I won't explain pivot levels just do a quick google search and you will have a complete education in about 15 minutes. Inside bars show a tug of war developing between buyers and sellers. the more in a row you get the tighter it gets and when it breaks out it tends to move hard and fast. What everyone should do is go look for these on any time frame you want. Particularly look for the sideways pyramid shape when you get two or more, they are easy to spot. When price moves down to a pivot level a ton of buy orders are triggered which tends to send it up. BUT NOT ALWAYS. I

don't like to hope when i trade i like to know as sure as i can that what i want to happen is going to happen. that's why i try to stack things in my favor. For example the confluence i keep talking about. It could be 2 fib ret close together. It could be a pivot and fib close together. It could be any one of these combined with divergence. Then you take it one step further and look for price action to confirm at these levels. It's really not that hard. go to your charts plot your fibs and pivots on tomorrows blank page. Then sit back and wait for price action to interact with these levels and make a smart trade not a guess. it will work on any time frame you choose. jim

#7203

Oct 25, 2007 11:56am



[the wizard](#)

Senior Member

Member Since Jan 2007

 [751 Posts](#)



There are many steps to becoming a successful trader. One of them is gaining confidence in your trades.

Here is some advice for anyone that wants to trade price action with confidence. I know many of you already do this since Jim has advised doing it before.

Draw the pivot points on your chart and wait for the price to react with them.

For a long while I had my charts clean of all lines and I simply looked at the markets each night and took note of the ones that had good looking pins (long noses, small bodies etc).

Once I had found a pin (or several for that matter) I would start looking to see if this price aligned with any pivot areas. So I would start drawing in the fibs and the S/R pivots around the price action.

However, with this approach there is the possibility that you may be "fitting" areas to your pin (sometimes subconsciously) as in you find yourself saying: "right let's draw a fib down from this high...hmm no it doesn't line up very well....now lets try this high....hmmm no that doesn't work either, price is between the 38 and the 50 in no mans land....now let's try this high area...ok fair enough it's not really the high its more like a high within consolidation but hey it lines up wonderfully with the 61....yes this looks good".

I often found myself doing this with S/R. Of course I didn't do it intentionally but it's hard to prevent your eye from being drawn to the nose of the pin and then looking left and seeing a line or a zone where there perhaps isn't one...

So now what I do, is I put on the daily pivots on each chart. I use the ones that are obvious. If you have to look harder than ten or twenty seconds, most likely it's not a good S/R level. Then I go through and do the same on the hourly TF. Then I save the lines and close the chart.

I then re-open them every hour and once at the end of each day and wait to see if the price has come to ME.

When I get a pin that touches a **pre-drawn** line almost to the very pip, I get strong confidence in the trade. Why shouldn't I? I have analysed the market and drawn on a pivot and the market has shown me that at least temporarily, I have been proved right.

Once the pin is then triggered it means price is still going in my favour.

Last night this happened on Crude. The price retraced to my pivot point and then it formed a pin. So I went long. This has moved more than 3 times the risk already. If you look left to the last pin (at almost exactly the same level) you will see the last trade I did which I talked about yesterday. Once again I got a pin at a pre-drawn level.

Please note - the lines on my chart may not look good to you. They are drawn from looking at more data that you **cannot see** on this chart. Having said that, it is also important to remember that pivots are largely subjective anyway.

Attached Thumbnails



#21722

Feb 18, 2009 9:29am



bundyraider

'Try-hard' extraordinaire...

Member Since Feb 2006
[10+] 1,184 Posts

Quote:

Originally Posted by **NoBread** >

My Problem is i shot gun trades, like i am looking at the geppy and going i should short that.

Are you always afraid of missing the next good move?

Remember, we're after highly predictable moves with good expectancy. Not just about predicting the charts.

You have to say no/miss a lot of strong price moves along the way to being consistently profitable. Even trading intra-day charts you can go days without trading, if you are doing

this right.

#15199
Nov 11, 2008 7:32pm

[Ryanmcd](#)

Senior Member

Member Since Jul 2007
3v 699 Posts



Quote:

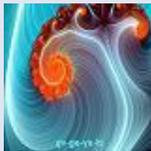
Originally Posted by [Greenhaze](#)

It's my first day live on second account and You are right , I need to overcome fear but on the other hand i dont want to risk being stopped out only because i wasnt at the computer. I like to watch the trade and what is happening on lower tfs. I need to find this right balance and start using more alarms instead being glued to the monitor.

The more time spend looking at it the more you WILL do something and 90% of the time it's the wrong thing. Trust me I have done this well over 1000 times when I started out, if you mess with a trade when you are emotional you will screw something up. If you spent the time looking over the charts and came up with a trade that looked good in a "No risk" mindset it is almost always better then once the trade is on.

Think about it, why change it once you put the trade on? What changed? You have to remember that the "pros" will look at the charts and they know what they need to do to shake out the weak hands aka YOU.

#16041
Dec 2, 2008 11:00pm



[jarroo](#)
Senior Member

Member Since Sep 2005
10+V 4,367 Posts



Quote:

Originally Posted by [Haxor](#)

I tell myself everyday that this is not the way to go, but it's stronger than me;(do you think that we can actually learn patience?

Tell yourself that it's NOT stronger then you, is a start.

Patience can be learned . . it just takes Practice . .just like anything else. 😊

If Patience was easy is wouldn't be a virtue. Fun thing is, I'm pretty impatient person outside of trading. But once I realized that waiting for the best set-up pays off big time. Why would I ever rush a trade ever again.

Don't get me wrong, my patience is always tested just not as much. 🤖

Indicators show the past. **Price Action** "Indicates" the future.

#18576
Jan 14, 2009 6:03pm

[rustyjeff](#)

Member

Member Since Jan 2007

 [409 Posts](#)



Quote:

Originally Posted by [ghous](#) 

hey jeff,

I've been on these pairs for quite some time now, divergences all around and signs of bottoming out yet the reversals have'nt really been there, the asian sessions were showing strength till from no where the dollar started to weaken again...

I am still new to this "buying at the bottom" "selling at the top" thing and market movement against my anticipations is what made me type the words "not normal" (got it jarroo?? ) , or let's say unpredictable for me personally, looking at you guys making pips all around makes me feel times...

Hey Ghous,

I watch a lot of pairs. Most of my trades, 80-90% (intraday) are taken on the majors, but i keep an eye on the rest. I am more comfortable taking trades on the more exotic pairs using dailies/weeklies.

I know its been said, but here it is again. There is no way to rush this stuff. It just takes time. They way i have been developing patience over the last couple of years is to keep going over past trades, evaluate every part of the decision process of where/why you got in. And the same for how you felt during & for the exit, where/why.

Constantly being able to measure your progress as a trader leads to confidence, patience & discipline. We all make mistakes & that's fine too. We need them sometimes to remind us, to keep us on track. That's why good mm will save you. the odd mistake simply wont matter. You see it for what it is & move on.

The charts i posted earlier are just an alert to watch. I am flat at the moment. I had a couple of long trades last night on audjpy & gj & got stopped for a small gain. To me right now, it's interesting & i am not ready to commit until I get some better signs. Price didn't react the way i like to see it at the bottom so maybe its not the bottom. Anyway the point being, If I am not sure I stay out till I am.

I just wait & wait. We all would like to never miss a trade & when you see the entries that others get it can be tempting to force a trade. Yes I have done it. & always regret it. This does become less of a problem as time goes on, as we find our own way.

It really comes back to asking yourself, why am i taking this trade? does it fit my plan? how do I feel right now? & am I just hoping, everyone else is in it, why aren't I? If you get the right answers to these then ok. If not, stay away, put that finger back in your pocket..... 

As i write there is a beob on gj, the djf is at its low, uj has poked through, I am still not convinced one way or the other but i will be waiting for a break low pull back or a bounce higher. Price didn't do what i like when its at these levels. So for me I'll wait for better pa. Mark might be in one way or the other, that's fine, he has years of experience on me & his own methods/reasons. We just keep trying & learning. I will never stop learning.

Cheers Jeff

#4572

Jul 13, 2007 5:44pm



[the wizard](#)

Senior Member

Member Since Jan 2007

[751 Posts](#)



Quote:

Originally Posted by [hobnob](#)

Dear Sir, i have just come across this thread, i have this to say , well done and good job. thanks. please Sir, what do you mean by "ret" what is ret all about? once again thanks.

Sir, "ret" is short for retracement.

As in, the price rallies to 1.3400 and then it **retraces** to 1.3350 at which point it may become a buying opportunity. Price action at these retracement levels can help define a high probability setup.

In this forum we look for certain bar setups which include:

Inside bars

Pin bars

Bullish outside vertical bars

Bearish outside vertical bars

Two bar matching lows with second bar making a higher close

Two bar matching highs with second bar making a lower close

Once we see this bar setup we look for areas of confluence which is where two or more of the following are at/around the bar setup:

Ema's (there are many but the 150 and 365 are very popular)

Fibonacci levels

Support/Resistance pivots

Pivot point calculations

Swing lows/highs

Trend Lines

There is a huge amount of information in this forum. Read through it carefully and practice!

Hope this helps,

Wiz

#7649

Nov 16, 2007 6:14am



[mbqb11](#)

Resident Elmer Fudd

Member Since Aug 2006

[2,184 Posts](#)



Quote:

Originally Posted by **FXBaby**

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1. dblhc
2. dbhlc
4. beovb
5. buovb

where do u place stop loss and entry for it ? Please post it and show it on charts.

Note- dblhc and dbhlc are traded in two ways. First breakout when price action break double top or bottom of last two or three candles. And another way is when double top or bottom work as a support. I need both examples.

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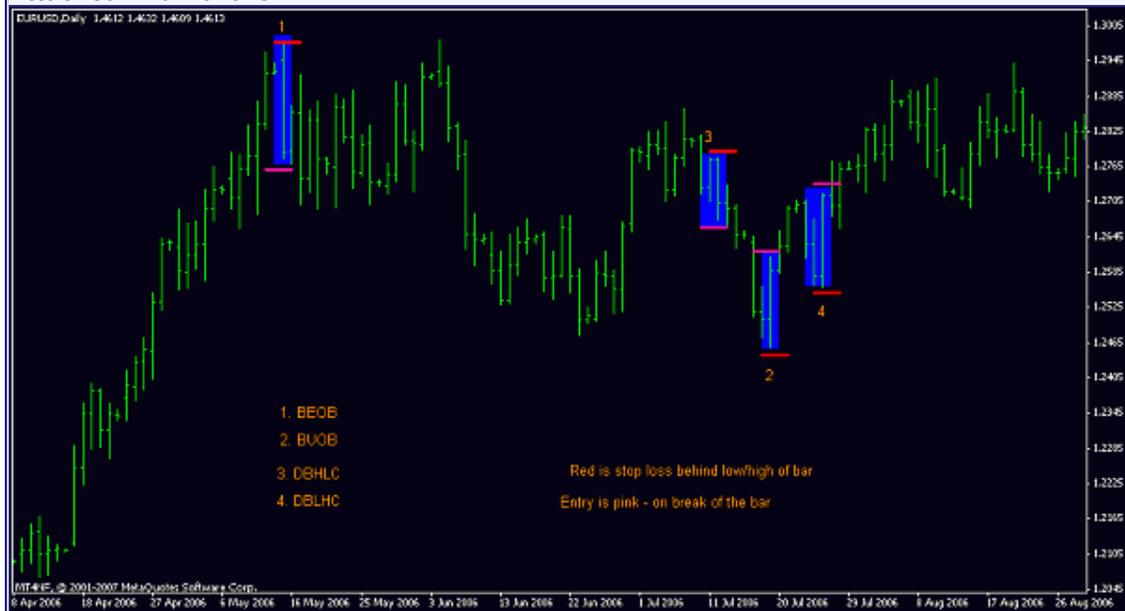
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Sorry for my English. I am not English.

Many ways to play these and all bars. The most conservative way is to wait for a break of the bar to enter (that means wait for the high when going to long, and low of the bar on a short). Place your stop on the opposite end of the bar.

Other ways to play these bars are entries on a retracement, or entry on the close (most aggressive).

Attached Thumbnails



#21485

Feb 16, 2009 6:12am



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts

Quote:

Originally Posted by **dkmb92** 

hey mike, what's the lowest time frame you would trade a buob/beob? or do you just like to see space/confluence? i think this is the bar formation i am least comfortable trading. i like the ib's & pin's the most. thx.

I have traded this pattern down to the 5min timeframe. It is all about learning how price(all the components) works, combining the knowledge of support/resistance and price action analysis. The bar is simply the trigger point and the bunching of information in a reoccurring pattern that we can easily recognize. The concept of space is to help those learn *one* such way to trade price action.

Space basically means that in the immediate area there is less resistance/support. This will help your trade move easier through the upcoming areas. By locating say a pin at a swing high with a lot of space, we are using that space to help make our trade move easier lower. Now by itself that doesn't mean every bar in space will work. Once you can combine a good area(say with confluence), and space, you are now upping those odds for the trade to work.

I also take trades that are not in any space. This then comes back to the location of the bar and why a pattern such as a BUOB might be the tip off for the upcoming move.

The most important things to focus on in the beginning are identifying clear price action bars, and only trading them at areas that make the best possible trades. The number one thing I see people doing wrong is simply trading the patterns without thought to why the pattern is occurring. So a lot of people will open their chart see a price bar in the shape of the pin, and assume it is complete to trade. When in reality we need to look at everything around that price bar to understand if that price bar is being validated by what is around it.

Don't get me wrong. Part of the learning curve is always going to be the same. First you learn to read the price bars. So you open your chart and see a BUOB and assume price will go higher. Then you begin to learn about location. Then you add in support/resistance, other confluence, and then the pieces will begin to fall into place.

Sorry if I went off on a tangent 😊

Mike

#19932
Jan 30, 2009 3:06am



mbqb11
Resident Elmer Fudd

Member Since Aug 2006
 2,184 Posts

Quote:

Originally Posted by **dkmb92** 

hey guys, can i jump in & ask a quick question? We all know by now that the daily & weekly timeframes are the most reliable (& a novice should start there) and that the 1h isn't as so. but how do you all feel about the 4h in general? how confident are you in 4h set-ups? or even 8h? Does anyone ever look at the 8h? on that timeframe (& depending on your feed) it looks to me like each bar sums-up a given trading session (i.e. Asian, London, u.s.). just curious, thx.

I like to think of it like this

Price is only as reliable as where it is found. Location is everything. Be it location on the hourly or location on the 3hr/4hr/8hr/ etc. The price we see is simply the aggregation of many actions. If found in the right places, the probabilities raise in our favor.

The reason the higher the timeframe is generally considered more accurate/reliable, is because it contains more information. A 5min pin only has 5mins of information. So how reliable is that to hold over X period of time. Where as a daily bar has 24hours of information. But, that doesn't mean that every daily bar is reliable, just as it doesn't mean every 5 min bar is unreliable.

That is where I put the pieces to this. Location is everything, Price Action bars are simply my trigger.

So it is really up to you what you want to watch, where you are comfortable. Practice and demo, will show you this.

Take care
Mike

#13176
Aug 27, 2008 10:23am

[SeekingLight](#)

Charts + PA > *

Member Since Jul 2006
10+V 3,190 Posts



Recent example to contrast with all the other PBs we've seen around recently. See how the space before the PB is a lot cleaner and there aren't 50 bars next to it keeping it company, trying to bum some pip power off of it. :P

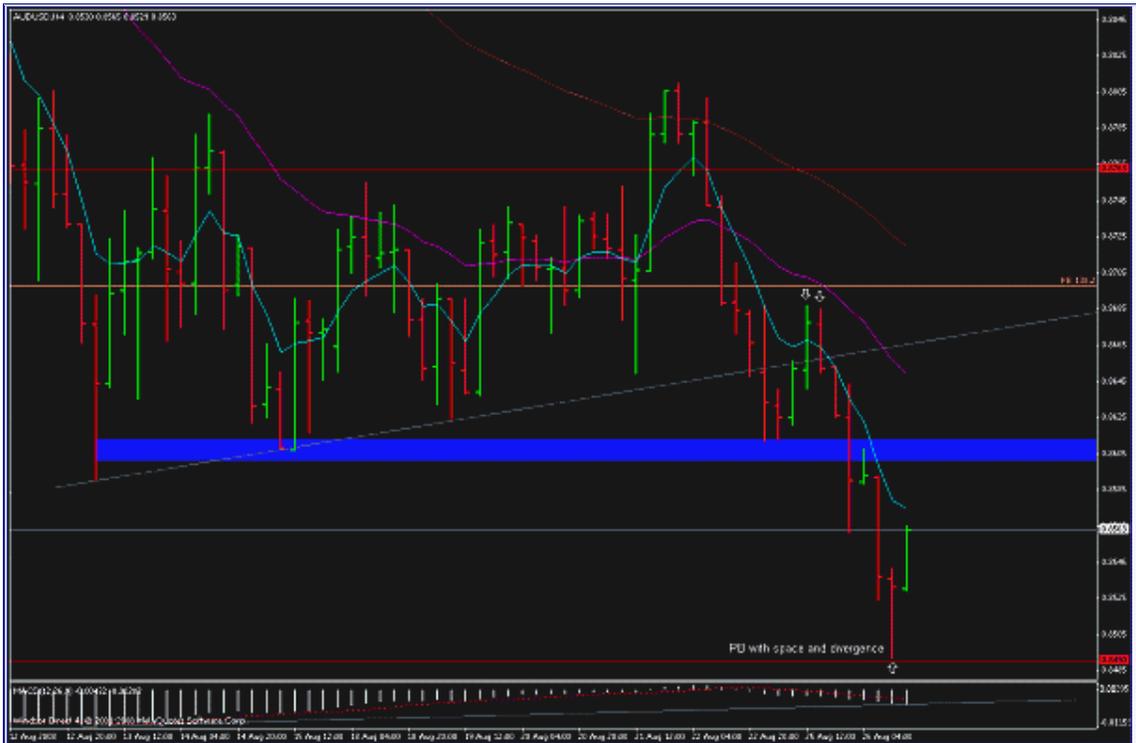
See how the first stalling was at the prior bar's low, the next stalling at the larger marked underside area(which is where a conservative target would have been imho).

Some items can be simple and obvious, but it means skipping 99% of the bad setups in turn, which most simply are reluctant to do(otherwise we'd probably have 1-2 posts a day vs. 20 a day :P).

One of the biggest problems usually is that people want or feel the need to trade(especially when they've just experienced a drawdown).

Asking yourself honestly whether you suffer from this could end up being the best "filter" for your trading.

I've heard it a lot as an issue and know it from myself, too("the need to be in") 😊
Attached Thumbnails



#16392
 Dec 8, 2008 5:10pm



Mr Trend
 I trend, therefore I am.

Member Since Apr 2006
 10+ v [1,350 Posts](#)

Quote:

Originally Posted by **jarroo** 

The Pin is not valid. The open and close have to be inside the previous bar. The close is below the previous bar.

While that pin may not be valid from the way Jim teaches, you should still play it. Reason being that playing price action formations isn't necessarily about making sure that a pin's eye is **exactly** where it needs to be, or a BUOB closes X amount of pips high... PA is about entering trades based on *why* price acts the way it does. IOW, that pin is still a valid pin. Psychologically speaking, it reacted as it should have...

This is why Pring will tell you that he will trade pins that close halfway up the bar. Now personally, I don't care to trade those, but I've seen them work quite well in the past.

But one shouldn't necessarily pass up a good formation just because it's not absolutely exact.

Mr. Trend



#22745
Mar 1, 2009 4:54pm



Jigsaw

Every piece has its puzzle . . .

Member Since Nov 2008
 [303 Posts](#)



Quote:

Originally Posted by **ghous** 

Nothing and absolutely nothing makes that setup tradable IMO.

What would would make a BUOB near such a major Swing high (perhaps the most important of all resistance levels for the USD/CAD) along tons of highs and bar closes even close to being a B trade??

If you're coming from Jacko's school of thought and want to hide behind the longer term traders thinking that the big game now is obviously to move the market to 1.3, even then an entry so close to the level to me is ridiculous,

Jlr since you were in early at the breakout of that traingle...

I agree with Ghous on this one. I would be looking to short it when it hits up higher.

Not to say this will not go for pips and go long, if you believe it is a good trade then take it.

I remember someone posted a chart of a GBPUSD 4HR BUOB or something during the week and I did not go long on it, and I said it was not the best of trades. It went long, and some of you here traded it. And thats totally fine.

If you think it's good then play it ! 

Quote:

Originally Posted by **aarangio** 

Hi ya Ghous..

just a quick question if you could please....on this chart you have a PPZ shown at the top..Just wondering isn't the PPZ suppose to be in the middle of a group of prices closing below it and above it like say the 1.24 area?

Adrian 😊

Basically your chart is not zoomed out enough, these big numbers are always important levels, look how price was kept within it recently (as in the last couple of weekly bars)

Chart 1 - Look back in time and see how weekly price found both support and resistance here. . .

(Now this is still not to say that it will not go long and absolutely rocket through the 1.30 because it well might do, I have no crystal ball)

I would be prepared to - go long on it AWAY from here (ie if price breaks it to the upside, then comes back down and gives some nice PA)

- go short on it AWAY from here again (ie price goes up, but then gets forced back down and gives us PA)

That is just one of my personal rules when it comes to this stuff, actually it's rule one for Jigsaw 😊.

The location it is currently in and indicating it is going away from, has to be a stronger area than the location it is going to.

Chart 2 - Yeah basically price is pretty sideways here, not that you cannot make money you can still make money in a sideways market with this stuff. Once you stick to trading at the opposite ends of the range.

I know James16 talks about this a lot, "price operating in boxes", and it is something I have heard so much but I have really noticed it moreso lately.

To me, the area it is in, is not as strong as the area it is going to.

Hope that makes sense . . . kinda . . . lol ?

Yeah once again I am nothing special so take anything I say with a grain of salt, I am not raczekfx or anything (🇺🇸)

Regards,

Jig

Attached Thumbnails



"very few will believe that profitable trading can be simple. Most are looking for some special complex answer. It isn't there!"

-Peter Crowns

#18571
Jan 14, 2009 5:46pm



james16
wizard in training

Member Since Feb 2005
10+7 1,494 Posts



Quote:

Originally Posted by **Someone** >

Hi all,

I have used price action exclusively for quite a while now and I am currently averaging 90% wins but I am very picky about my trades.

Thanks

The key here is the phrase "i am very picky about my trades".

It might be the single most important factor for success in this business.

If your not picky about your trades you aint got a prayer in this business.

Hope that doesn't sound condescending but its a rock solid fact.

PRICE ACTION Examples (not anywhere near complete... just a glimpse):

BUOB/BEOB

	<p><u>james16</u> wizard in training</p>	<p>Member Since Feb 2005 104 1,494 Posts</p>
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FIBS

CHART

CHART
Attached Thumbnails

EURUSD, Daily 1.5515 1.5522 1.5509 1.5511

when you see tight side to side market action like this
outside bars often give you a heads up to a break out.
the current eur/usd move was predictable. very predictable.

17 Feb 2008 26 Feb 2008 6 Mar 2008 16 Mar 2008 26 Mar 2008 4 Apr 2008 14 Apr 2008 23 Apr 2008 2 May 2008 12 May 2008 21 May 2008 30 May 2008

#11697
Jul 15, 2008 7:39pm

mbqb11
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts

Quote:

Originally Posted by **fxgrinder**

good example thanks. here's one i tried for the eurUSD:

have i drawn the fib lines correctly here? is it safe too assume there is no fib confluence here? (notwithstanding other factors)

Hey grinder,

You have your fibs drawn wrong. They must both go to the same swing point. So if you are drawing them looking for longs. They must both hit the same swing high point.

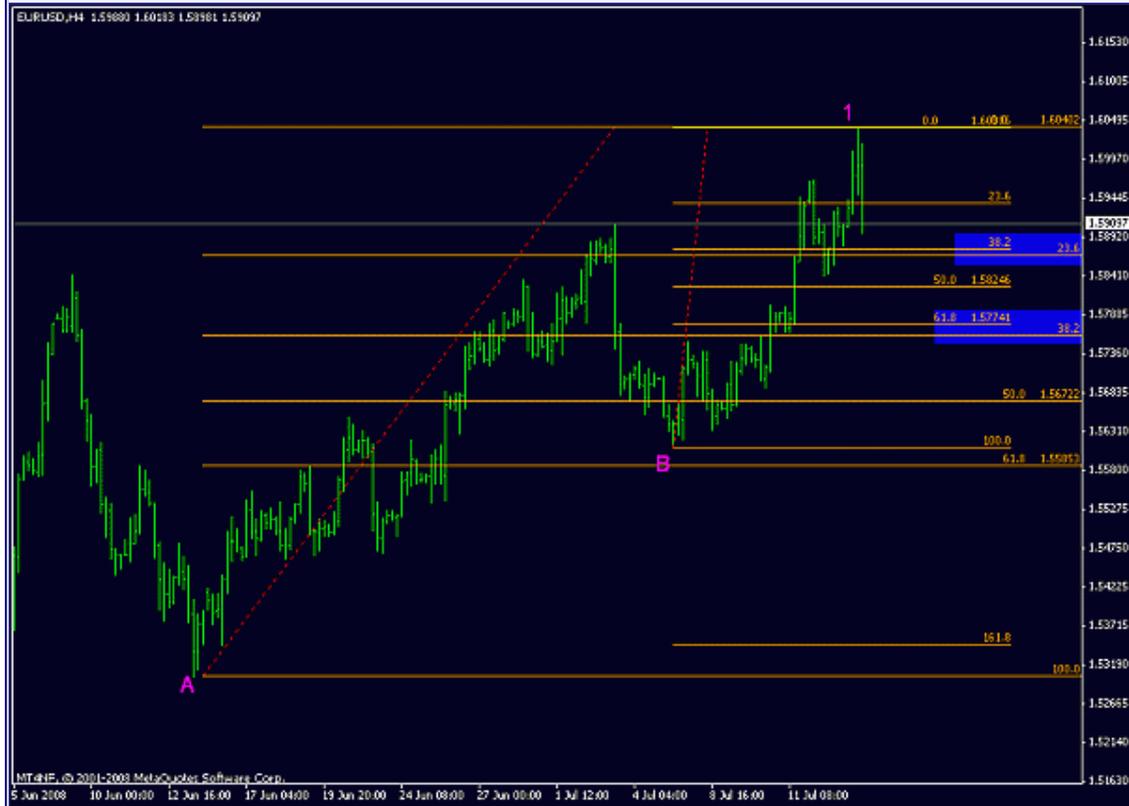
So in my picture below, you have to swing low points. Point A and Point B.

They must both be drawn to the same swing high point which is marked by the number 1. This is because right now Point 1 is our current swing high point. Points A and B are both swing low points. Doing this lines up two areas of confluence.

Hope that helps

Mike

Attached Thumbnails



#14735
Oct 26, 2008 11:36pm

 **mbqb11**
Resident Elmer Fudd

Member Since Aug 2006
10+ 2,184 Posts

Some answers below

Quote:

Originally Posted by **4rexLady_de**
Peter, and nAvin,

Thank you guys for the explanation. Yes, for sure it takes tons of practice to get \"enlightened\" 😊....but first I need to understand the meaning of PA in general. So as far as I understood it basically comes down to the size of a candle compared to the others. The bigger the candle/pinbar the more action and vice versa..is that, how it is?

Well not necessarily. Just think of price action, as reading price. All of its components. So think of your chart as a puzzle with a lot of pieces. These pieces include the actual bar itself, the size of the bar (both big and small are all important), support, resistance, round numbers etc. These are all pieces, we then combine these pieces (price action analysis), with other areas such as confluence of factors to formulate a trade idea. As you go from post 1 to post gazillion in this thread this will become more clear. There is not a do this, then this then that, and trade. It isn't that simple and that is why a lot of people steer away from learning to read price. But after your learn it all it does become simple. Kinda weird. 😊

The red highlighted is found, for example, in a wedge sometimes, right?

And reading through the thread (I still have a gazillion pages to go) I think, I understood, that one is looking for big price-action near R or S and/or certain Fib-and Pivotlevels?

Yes this can be it. It comes in many forms. For example sometimes you just get a pinbar at swing high, or a BEOB(bearish outside bar), at a swing high. There might be no fibs there, no resistance, but it can still be tradable. This comes with experience to learn what is good from bad (and that is the journey and what is trying to be taught here). A lot come to this thread because they hear about this pinbar (just an exhaustion reversal bar), and think every time they see one it is a good trade. Far from the truth, one must learn the little nuances to get this down.

BTW: is there an indi you know of, which draws the Fib-levels automatically (for example daily and 4hrs?)

And if I have to draw them myself: how do I do this correctly? I have seen so many variations of it - I am pretty confused...where is zero? I think, it is, in daily, for example, from the lowest to the next high? Or the highest over all? I can't figure it out...

This is a waste of time. I know it sucks, but forget about any indicator that will do the so called work for you. The fact is that you will benefit much more greatly by learning to do it yourself (and no indicator will do it near what you will be able to do). I created a video on how to draw fibs inside the PF, but through charts let me do my best to show you how simple it is. The first important point is learning to identify swing high and swing low points. You have both major swing points and minor. You then can use these swing points to draw your fibs from. Below is an example chart.

Now at first this will look like a big mess but I assure you it isn't. What I did was label 5 swing points. These points are A, B, C, D, E. I then drew Fibs from these swing points.

Point A , C, and D are swing lows.

Points B, and E are swing highs.

Now I draw fibs from swing to swing. A swing low to a swing high. Never a low to a low or a high to a high. So for example I have one Drawn from A- B, A-E. And I have one from C- E(I used a purple trendlines to show where they are going since it is easier to see).

Notice you can draw one from A to B, and also A to E. This is because point A

is still a swing low, and then we made a new swing high at point E.

So using points A to E (the big fib). And Also drawing one from Point C to E. We have an OVERLAP of fibs (the blue box). This is confluence. Notice the 50% (of the C-E fib), and the 38.2% of the A-E fib, overlap. This is an area of confluence, and then notice where price reversed at (point D). After price reversed at D that created a NEW swing low point.

I know that seems a lot for you right now, but the best thing you can do is start from page 1 and read read read, then read it all over again. It will take you weeks and months, but I promise you I did it (more than 10 times), and many others have and you will get through it and be better trader for it. Many questions you have are asked 100s of times in this thread, b/c it is natural we all have the same types of questions. So grab some coffee and go for it 😊

You won't regret it,

take care

Mike

Thx so much in advance,

4rexlady

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Last edited by mbqb11, Oct 27, 2008 1:28am



For types of Pinbars and pinbar characteristics



[mbqb11](#)
Resident Elmer Fudd

Member Since Aug 2006
10+V 2,184 Posts



Just as an added note, for something I observe personally. There are 3 major types of pins IMO.

You have:

1. Pins that are countertrend, after large moves up or down, where one feels liek they are going against the longer term trend- such as the aud/usd (if it closes today as is)

see pic 1

2. Then you have those pins that go with the trend(short or longer term) In this case a short term down trend, but that doesn't occur on a retrace, kinda just sticks out there(looks sideways). These pins I never play anymore(not that you can't).

see pic 2

3. Then you have my personal fav, when you get a nice retrace on the current/or longer term trend and a pin forms where it creates space away from the previous trend. Meaning it retraced, but not with a sharp move.

see pic 3, eur chf

Just some observations

Mike
Attached Images







#20270
Feb 3, 2009 5:25am



Jduester
Member

Member Since Jan 2009
[185 Posts](#)

Pin Bars

Thanks Jim and Jarroo for pointing those out. Through what I've read thus far, this is what I have for determining the definition of a pinbar. Any other bar is simply a bar that has it's O/C in the top 1/3 of it's range.

Assume bullish pinbar.

Pinbar Criteria

1. O/C in the top 1/3 of its bar range.
2. The O/C is within the previous bar range.
3. The low of the bar protrudes below the previous bar (the more it protrudes, the

better).

4. The bar forms at a swing low, thus after we have had lower highs and lower lows.

5. The high of the bar is within the prior bars range.

Correct me if I'm wrong, but all these conditions must be met to be considered a bullish pinbar. Once we have these conditions met, we need to also confirm location:

Location Criteria

1. Must be at a swing low (reinforcing #4 above). We cannot have congestion above pinbar unless we are expecting to take profit before that point (ie- we must have a decent r:r to do this, assuming the risk is the range of the pinbar, which would assume we use a stop loss below the low of the pinbar and we wait for a breakout for the entry).

2. We must have confluence under the pinbar. This could be represented by FIB lines, S/R (which I've come to understand as PPZ) lines, trendlines, and possibly round numbers.

Once the pinbar criteria are met and the location criteria are met, we can look to enter a trade, using proper account risk, and proper money management.

Please correct me if any of the above is wrong. Using the above criteria, bars 1 and 2 from the chart below would not work, while today's would be a questionable call as far as location with little/no confluence.

Another question I have is how picky are you guys as far as location of O/C within the bar. Would you consider #3 a pinbar? It meets pinbar criteria 2-5, but not #1... just wondering if you guys literally figure out 1/3 or if you just 'eye' it up...

Thanks again guys. It's fun to learn the right way to trade. I've been trading for a few years now, somewhat successfully. I traded forex forwards for a futures fund but didn't have to make any trading decisions. And PA is new to me.

Josh

Attached Thumbnails

