

-
- Jan 22, 2011 19:17



[PhAnTi'](#) Member Since Aug 2010
Member [12,735 Posts](#)

Posted by [lawgirl21](#)

I don't totally agree with you on not having to do with the RSI itself.

Depends on a lot of things, including how far along in the trading week we are. For BOs, true we don't much care about the higher TFs, because we are not looking for a long term trade in particular. I always like to see as many TF confirmations as possible, but for BOs-- PA trumps RSI. That said, the H4 and H1 should be in agreement with the direction of the BO.

We have no way of totally avoiding false BOs. They weren't so much a problem this past week, but were a real...

when i look for Bo trades on h1 and h4 i dont use the RSI at all... the tight sl and the pretty nice r:r gives us the profit at least...
so dont worry about rsi..

its up to everybody herself, so thats how i do it and i do have consistent profit.
but i dont want to intervene in your strict strategy,
keep to lawgirls words guys.

thanks for the reply and the input.

Phanti 🙌

-
- Jan 24, 2011 3:24



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

My favorite pair.
Attached Images



- Jan 25, 2011 2:18



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

CBO set up. Price is taking a break before continuing.
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- Jan 25, 2011 4:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A 9-10 hour consolidation

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-
- Jan 25, 2011 4:43



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Textbook channel trade set up.

Attached Images



- Jan 25, 2011 14:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Both a CBO and H1 4C BO setting up
Attached Images



-
- Jan 25, 2011 14:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

ZC trade
Attached Images



-
- Jan 25, 2011 15:29



[Triple Kiss](#)

Member Since Nov 2010

Wanna Be Good Trader [131 Posts](#)

[Posted by lawgirl21](#)

It's a new setup that I am working on that involves the RSI and 2 MAs. I will introduce it after I see results and when most everyone understands how to make pips with BOs and 3 Taps. Yes... Can't wait for New trading Strategy.. after mastering This BO and 3 Taps here..

I learn Many Strategy in this Forum :

1. Gap Trading (Opening Week)
2. Channel Trading
3. Consolidation Break Out (CBO)
4. H1 C4 BO
5. 3 TAP (following Trend)
6. Counter Trend strategy (Reversal)

with many strategy , there always be oportunity anytime anywhere. Just Pick the Right Trade at the right Time..

Thank's LG. Thank's All .. 🙌

- Jan 25, 2011 15:35



[PhAnTi'](#) Member Since Aug 2010

Member [12,735 Posts](#)

[Posted by Triple Kiss](#)

Yes... Can't wait for New trading Strategy.. after mastering This BO and 3 Taps here..

I learn Many Strategy in this Forum :

1. Gap Trading (Opening Week)
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3. Consolidation Break Out (CBO)
4. H1 C4 BO
5. 3 TAP (following Trend)
6. Counter Trend strategy (Reversal)

with many strategy , there always be oportunity anytime anywhere. Just Pick the Right Trade at the right Time..

Thank's LG. Thank's All .. 🙌
well said.

Very important : everybody should build his own chart layout and get familiar with this....dont use foreign ones.

You need to know what the charts r telling you, then you will get wealthy 😊

- Jan 25, 2011 15:43



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Responding to Floppynuts above (I have trouble with that name!)

Yes, the 4C BO is set up daily on the first four candles of the brokers new day. That is the R/S framework by which we look for H1 4C BOs, but not necessarily the CBO.

I think you are asking what prevented us from entering short. The short term RSIs did indicate short at the first sign of a BO, indicated on the chart below with the red vertical line.

But switching to the M15 chart, watching PA, the first 2 candles are very small green candles. **Red flag goes up**..I tell myself, "I have to really watch this PA before I get in." Now I am going to wait for at least 2 more full candles to see what they do. They look pretty good. But as soon as the 2nd red candle closes, the next open is with a green candle. Looking at the RSI, I notice that it is turning up. **Red flag again**. I'm not going to get into this trade short. Patience would have saved a short entry here. It's always a good idea to wait a couple extra M15 candles in the market we have had the past month.

Do the same analysis for the long BO here and you will see that it took even longer to get in..about 7-8 full M15 candles until finally a solid entry candle and it was still about a 50 pip trade.

Attached Thumbnails



-
- Jan 25, 2011 16:29

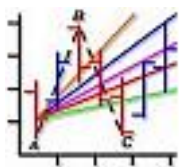


[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

It's moving again.
Attached Thumbnails



-
- Jan 25, 2011 17:23



[Scrutch](#) Member Since Dec 2008
Get rich slowly... [650 Posts](#)

This touches on the principal of "Trade What You See" part of LG's method.

There will be a lot of difference in the way the BO's look on different broker platforms. At times a US EST broker time frame will look very good on the first four candles, at other times a London based broker will look very good.

I explained to Fitness09 a couple of pages back that there will be times that your chart defines the H1-4C-BO as spot on, other times a different broker time will look much better.

There is a continuous ongoing discussion about which session really controls the major moves. Usually the discussion is locked between the US and London but I've seen users that are convinced that it's Asia, Japan or whatever. Each has their own views on this and I've never seen any hard study that was done to determine which is the best session to watch.

I would think that the best way to approach this is to "Trade What You See".

[Posted by Itrade4milk](#)

Lawgirl, isn't it imperative to use your broker's time to determine the H1 4 candle high and low for each new trading day? I've been comparing broker times for a handful of brokers and several of them start their days at different times.

Does anybody have any observations on this method using brokers with start times different from FXDD?

-
- Jan 26, 2011 2:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap H4 setup. This close to the H4 candle change, best to wait to see PA after the change.
Attached Thumbnails



- Jan 26, 2011 2:31



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H4 CBO setting up.
Attached Images



-
- Jan 26, 2011 2:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap and H1 4C BO setting up
Attached Thumbnails



- Jan 26, 2011 2:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H1 4C BO setrting up

Attached Images



- Jan 26, 2011 15:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Martin Cole

Has anyone stopped to consider that the fact of the matter is that the MARKET does not KNOW of a tap? The market is a CONSTANT STREAM of prices, we as humans IMPOSE on the stream a time frame, to which we place a conceptual meaning.
The real danger in life and indeed is trading is to trade a CONCEPT that one has formed based on a particular thing meaning a particular thing.

How do you separate out a 'tap' from the constant stream of 'taps' to mean any one thing? The human minds seeks form, always seeking form and this tap is just one example of...

Mr. Cole, I do not believe that this is the correct thread for your posts. I did not respond to your first post becuase it was so wacky, but I am going to request that you not post here. You are trying to lead others to your commercial site and you will not do it here. Especially with nonsense like this.

Jesse Livermore, a trader whom I much admire as a such, has said to never waste time trying to figure out why the market did one thing or the other...just react to it. That is the only thing any trader can do...react to the market by trying to understand what they see. That is what we

do here. A tap by any other name is still a tap...we could just as easily call it a 3 Rose trade, just as long as we all have the same understanding of what a Rose is.

I have no intention of getting into a debate with you, but I am saying to you again.do not post here.

- an 26, 2011 15:28



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

A 4 hour consolidation before moving again

Attached Thumbnails



- Jan 26, 2011 15:31



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I am still long this pair, but may look to go short for a few pips on the pullback.

Attached Thumbnails



- Jan 26, 2011 15:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm thinking price may just cut through that support level and continue down through the channel.

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-
- Jan 26, 2011 15:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Channel trade

Attached Images



- Jan 26, 2011 15:47



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by LearningPIPs

LG - glad you posted this. was looking at the latest consolidation.
a lot of BOs seem to take place around midnight my time. would have liked to place a pending order, but I'm concerned about where price wicks outside of the consolidation and then reverses.

I've seen you post that you had a pending order trigger over night and came out with positive pips, what do you look for when setting your pending orders?

I usually place a pending order about 15 pips above/below what I believe would be the true BO area to try to avoid a false BO. It's really a gamble that pays off sometimes and doesn't other times, like anything I guess. The trickiest part to me is the TP, many times I have had it too high, there was a BO that triggered my trade, but a reversal right before my TP. That is the most frustrating thing. Other times the price sores beyond my TP...so TP is hardest to me.

- Jan 27, 2011 1:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Very nice 3 Tap set up and trigger. Will watch it now on the H1 chart for a BO
Attached Thumbnails



-
- Jan 27, 2011 1:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Expecting a break, but not sure which direction.
Attached Thumbnails



-
- Jan 27, 2011 4:15



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [cw10375](#)

Hi LG , i follow you short on this trade but wake up this morning the PA don;t move down. i saw you post on this pair you already stop the sell that you place yesterday. Is that mean after few hour and the pair down move down as plan.. we should remove the sell ?? thank you I was in that trade for a short time to grab a few pips while a retrace is happening. I was still in that trade long at that time, so that was my 2nd trade on that pair. I did grab 15 pips, but got out as soon as I saw it stall out. The stall out said to me that the retrace was over, at least at that time.

That is not the kind of trade that should be set and left. We can never assume that a direction will continue, especially when it is a retrace. I hope you did not lose too many pips. But this type of trade must be monitored.

-
- Jan 27, 2011 15:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This pair went in the complete opposite direction of the set up. Still watching PA could have made pips.
Attached Images



- Jan 27, 2011 15:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

This pair has been hitting resistance on the H4 chart for about 3 days.
Finally popped a gasket...nice move up
Attached Thumbnails



-
- Jan 27, 2011 15:56



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm in this trade long. Now on a retrace.

Attached Thumbnails



- Jan 27, 2011 16:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

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-

- Jan 27, 2011 17:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by Pirabuji](#)

Hi LG, what makes you think the markets are a bit erratic at the moment? Is it lots of false BO?

I suffered a bad loss yesterday, made about a 1/3rd back today.
The choppy up and down.

Have you analyzed the loss? Too many trades, money management issue, too tight a SL, unrealistic TP, improper setup, impatience...go through all those things.

Glad to hear you are recouping it though.

-
- Jan 29, 2011 7:41

[Martin Cole](#) Member Since Jan 2011
Commercial Member [4 Posts](#)

[Posted by jalkok](#)

Believes can be very expensive. IMHO: Trade what you see, don't try to predict the market, go with the flow... Keep your losses small. 😊

Whenever you buy you have ALREADY created a belief within yourself. If you doubt this then the next time you want to buy, try selling. Crazy! Yes BUT the point is you will NEVER buy or sell a market until you believe the market is going to move in your favor and that is a fact.

We are always predicting. Since you cannot yet see the next shape at the right hand edge of the chart, you are predicting what that shape will be. EVERY trade is prediction.

To trade successfully over the long haul one must change the perspective on how one looks at the market. The market is not their for a traders benefit. The market is money extraction machine run by the market makers. We are allowed to participate as 95% of trader supply fuel for the machine.

IMHO The way to success is to view the market for what it really is (a money extraction machine) and then before EVERY trade ask a question.....IF I was a market maker how would I extract money from the masses?

Well how would you.....If you view the market from this perspective it takes on a whole different meaning.

-
- Jan 31, 2011 15:47



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

An entire week's worth of pips could have quite easily been made with BOs during London and NY sessions. I reached my 100 pip goal. Now the hard partstaying out live for the rest of

the week. It is a nice problem to have. I hope others of you really banked the pips between gaps and BOs.

- Jan 31, 2011 16:03



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by Juan Grande](#)

Are these valid TTs off the 4H EURUSD, or am just seeing what I want to see here?

Thanks in advance

Having period separators on your chart really helps to focus the trading area. Please read my comment above about being too early in the trading week to look for 3 taps. Had you been set up for a breakout (BO) trade, you would have caught a run up of over 100 pips. Look in this order for trades from the beginning of the trading week:

1. **Gaps** (if you like the action, it's not for everyone) These trades are usually good for 20-30 or more pips.
2. **H1 4C BOs** after the first four hours/candles of the opening and there after all week long after the first four hours of each new trading day.
3. **Consolidation BOs** at any time throughout the trading week.
4. **H4 3 Tap** Trades after a trend has been established.

-
- Feb 2, 2011 3:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

EURCHF

I'm entering this trade at close of this M15 candle and if next M15 candle remains green.

Attached Images



-

- Feb 3, 2011 16:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This is interesting..a 3 Tap trade setup and trigger, then a ZC trade on H4 chart.

Attached Thumbnails



- Feb 4, 2011 16:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Cornelius](#)

GPB/CHF - long, but stopped out in trailing stop.

USD/CHF - long but stopped out at BE

EUR/CHF - long, skipped because of the other 2 order above already took (CHF in the role)

[size=3][font=Comic Sans MS][color=blue]LG, I would like to know how do you manage your trades? Do you trail your stops when you are in some profit? I'm having difficulties in finding the...

I do not trail my stops because sooner or later they seem to always get hit. I rarely set a stop for the same reason..they seem to always get hit unless they are around 100 pips away which I often use as a stop, when I set one. I do not recommend this to others, however.

I never look at R:R and will set a 100 pip SL looking for 30-40 pips. However, I will never allow myself to take a 100 pip loss on an H1 BO. What I have found is that often, like today, most "reasonable" stops would have been taken out only to have PA then go in the desired direction.

As you have probably read here, I am particularly goal oriented and look to make 100 pips a week. I find it extremely easy to do most weeks. This was a very good trading week and I hit my goal early. With that goal, I am looking for 20-40 pips in a breakout. I often miss bigger

"runs", but I don't care...I never look back, I only look for the next trade until I have my 100 pips. After that, I demo trade and experiment the rest of the week.

If there are several pairs setting up and all things appear equal, and say 3 are setting up for long trades and one is setting up for a short trade, I will always take the short trade, as I much prefer shorts to longs. Not sure why, but they are more profitable for me. It is probably not a good idea to have more than two correlated pairs going at once, although on a particularly good trend, I may have 3 accounts each in the same trade.

Hope this helps.

-
- Feb 5, 2011 15:43



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by duffyp Pratt

Interesting what you say about long and short trades. For the small moves we are talking about, it probably doesn't make any difference. But in the broad picture, longs should be easier than shorts. Let's say a pair starts at parity, say USDCAD. From the perspective of the real economic players, a move to 2.00 is the same as the move to .50. Each move makes one currency worth twice as much as the other.

That means there is always a little less fundamental pressure on a long move than a short. But as I said, it probably makes no difference to...

I was discussing this with a very fine trader once who explain my preference for shorts this way: He said the market goes down quicker, which I agree. Also and more importantly I believe, he said that all it takes for the market to go down is no buyer interest..there is no push to get the market down, just a lack of interest on the part of buyers is what moves it. Moving up takes concerted buyer interest.

I instinctively have always thought it was a physics/momentum issue....the snowball down the hill as opposed to rolling a snowball uphill thing.

-
- Feb 9, 2011 7:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Fitness09

Okay LG, I'll try to clarify. I mainly trade the EU (for now), and trade short term (mainly your BO system). Do I need to know where the price of the EU was a year ago if I don't plan to hold it for a long time? Hope that helps.

Yes, you need to know where it's been for at least the past year to get an idea of where it might be going. If you are only trading the EU, you should pretty much know everything about it...it's highs, lows and all major support/resistance areas. I would even run a Fib on it on the weekly chart. You should really be studying it.

-

- Feb 9, 2011 7:37



[jalkok](#)

Member Since Feb 2007

There's no life before COFFEE ! [168 Posts](#)

Breakout now

Attached Thumbnails



-
- Feb 9, 2011 7:46

[LFB](#) Member Since Aug 2007

Member [202 Posts](#)

Posted by [jalkok](#)

Breakout now

I think it is to early to say that there is breakout, it is just at the high of new consolidation channel. You must be ready it will return to the main channel before real breakout.

But it is just my opinion.

-
- Feb 9, 2011 7:51



[PhAnTi'](#) Member Since Aug 2010
Member [12,735 Posts](#)

Posted by [jalkok](#)

Breakout now



check for demand zones. dont buy eu right here, wait for a break of 3675/80

-
- Feb 9, 2011 7:54



[jalkok](#)

Member Since Feb 2007

There's no life before COFFEE ! [168 Posts](#)

Posted by [LFB](#)

I think it is to early to say that there is breakout, it is just at the high of new consolidation channel. You must be ready it will return to the main channel before real breakout.
But it is just my opinion.

Thanks, Your opinion is right.. Pullback now happening...

Well wait and see... All RSI are okay...but PA is doing its own job.

-
- Feb 9, 2011 14:55



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Finally a BO...hopefully.
Attached Thumbnails



- Feb 9, 2011 16:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [jalkok](#)

Took another +25pips....
Terrific! I'm up about 50 pips.

-
- Feb 12, 2011 16:03 | Edited Feb 12, 2011 23:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [CrucialCraig](#)

I just was thinking if I had been trying to trade that BO, I probably would have hopped in long, stayed in it long enough to lose a fair amount of pips, and then hopped in on the Short BO maybe making enough pips to get back my losses.

It would be awesome if you could break down when you would have hopped in long/when you would have gotten out with a loss and when you would have hopped in short/gotten out with a profit.

If that pair had been under my radar...which it wasn't, here's what I think I would have done. I don't think I would have entered long because of the quality of the H1 candles. The next to last green candle marked by the arrow is the first one to close totally outside the resistance line. But let's assume that there was an entry on that candle. I enter, I don't bother to have a stop or a TP, because the trade it right in front of me.

PA goes up on that candle and on the next candle. I am watching it at every hour change now

and am up about 15 pips.

The third candle opens and it is red....I'm not liking that. Then I notice that PA is a an H1 resistance level and now I really see a red flag. **PA will do one of three things at resistance levels...even minor ones like this. 1. go right through it; 2. try to go through it and "bump" it several times before it either succeeds or gives up trying or 3. be repelled by it...which is what happened here in no uncertain terms.**

I take my profit at the open of the red candle and sit back and watch PA and the RSI direction. By the second red candle marked by the red vertical line, the RSI has gone below the 50 mark and it looks like it is going to continue down. I may have entered short there. Entry around there would have been about a 100 pip move.

If I have waited for PA to clear the support line, I would have waited for the next H1 candle and entered from the M15 chart like a regular H1 4C BO entry. This entry was good for about 60 pips. Either entry would have been a winner.

That is the beauty of following only a few pairs and not the whole market. I have said several times on this thread, a living can be made following one or two pairs and trading what you see on them.

-
- Feb 12, 2011 16:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

chart

Attached Images



- Feb 12, 2011 23:33

[NeMan](#) Junior Member
Junior Member [2 Posts](#)

Hi LG - thanks for the breakdown. Very much appreciated. I have several times heard you mention how you watch the opening of the new candle and how that directs you in your next move.

Could you please elaborate on what you are looking at on that new candle? Are you looking at a certain timeframe on the new candle or various ones? Are you quick to get out of a trade if the new candle isn't moving in your favor or do you give it a little time? If it 'opens' red and quickly goes green or vice versa does that affect your move? I know this question is somewhat vague but I think understanding your actions based on a new candle could be very beneficial.

I struggle to take profits and as a result of that my winners often turn and go against me because I am afraid of missing the move. Your explanation of the usdcad was great in making me think in terms I am not usually thinking. If you could take it a step further in the new candle analysis I would really appreciate it.

Thanks for all you do.

-
- Feb 13, 2011 16:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by NeMan](#)

Hi LG - thanks for the breakdown. Very much appreciated. I have several times heard you mention how you watch the opening of the new candle and how that directs you in your next move.

Could you please elaborate on what you are looking at on that new candle? Are you looking at a certain timeframe on the new candle or various ones? Are you quick to get out of a trade if the new candle isn't moving in your favor or do you give it a little time? If it 'opens' red and quickly goes green or vice versa does that affect your move? I know this question...

I look for the quality of the candle...is it mostly wicks, is the body solid, can I see it moving? Along with that, I watch the RSI..not the arrow, but the RSI itself. Take the USDCAD chart above again. Looking at the RSI line, it made a dramatic turn downward..remember that the line is following PA. The line is telling us what PA has done and is doing..not what it is going to do, but what it is doing. This is what I call "reading the trade".

Try to never let a winning trade turn into a loser. It will happen sometimes, but generally when I analyse why it happened to me, I realize that I had set an arbitrary "goal" for the trade by setting a hard TP. PA doesn't care about my goals. Of course, we often have to set hard TPs and SLs because we cannot monitor 24/7 and that's when we try to use reasonable R/S areas.

Ideally though, like the USDCAD trade could have been, we trade in the moment, reading the trade and following the "instructions" it gives us and going where it tells us to go.

- Feb 14, 2011 4:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H1 4C BO

Attached Images



-
- Feb 14, 2011 8:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Appears that around 6060 is a hard area for PA to get past although it keeps trying. I am exhausted and must go to bed, so I have set two pending orders..one long and one short to try to catch some kind of BO. Don't care which way it goes.

Attached Images



-
- Feb 14, 2011 8:11

[Hawaiiifive9](#) Member Since Dec 2010

Member [46 Posts](#)

Aloha - wanted to put a few things out there for ANY response/commentary/pros/cons etc.

1) When we "box" the high & low of the candle body after 4 1H candles, we can switch to a 4H to also see the info that the "box" provides. In both instances, there are more often than not the wicks above & below the candle body, which may be seen as "exploratory" prices.

2) I'm sure we've all seen price break the "box" but not the price of the exploratory high/low...resulting in a retrace, sometimes for the good & sometimes not so.

3) Sooo, I've been working with price to break the "box" & also break the wicks' high/low (15M) as a confirmation, with surprising degree of success.

4) If I'm in a really conservative head - like trading GBPJPY (which is like watching a water beetle on crack), I'll wait for a close (confirmation) outside the "box" (15M), then trade the break of the high/low of that candle. If the high/low has not broken the exploratory, I'll wait for it to do so for an immediate entry.

5) As a side bar, I've also had a certain degree of success using the other side of the box as SL (adding 3-5 pips).



•

• Feb 14, 2011 14:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by lawgirl21](#)

H1 4C BO

Out with +25 pips.

•

• Feb 14, 2011 14:56



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Appears that around 6060 is a hard area for PA to get past although it keeps trying. I am exhausted and must go to bed, so I have set two pending orders..one long and one short to try to catch some kind of BO. Don't care which way it goes.

Short triggered.

Attached Images



-
- Feb 14, 2011 15:03



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Hawaiiifive9](#)

Aloha - wanted to put a few things out there for ANY response/commentary/pros/cons etc.

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- 2) I'm sure we've all seen price break the "box" but not the price of the exploratory high/low...resulting in a retrace, sometimes for the good & sometimes not so.
- 3) Sooo, I've been...

Thanks for telling us about this. I will check that out too, as added confirmation is always a good idea. I like your description of GBPJPY..very accurate..

- Feb 14, 2011 15:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Thanks for telling us about this. I will check that out too, as added confirmation is always a good idea. I like your description of GBPJPY..very accurate..

So if I am understanding Hawaii correctly, he would not enter this BO trade unless and until the lowest wick on the M15 chart has been hit and crossed marked by arrow and line on this chart...I like it.

Attached Images



-
- Feb 14, 2011 15:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

..was having trouble when I went to bed last night with that little consolidation area marked by the aqua line on the chart below. PA was finally repelled by that area and headed down for over 100 pips. Nice move. I hope some of you guys were watching and grabbed some pips.

It may be getting ready for another move down.

Attached Images



-

- Feb 14, 2011 15:44



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Another pair that looks good for channel trading.

Attached Images



-
- Feb 14, 2011 15:46



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Out my short with +14 pips.. immediately back in long

Attached Images



-
- Feb 14, 2011 16:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Out my short with +14 pips.. immediately back in long

Out of long with +8, immediately back in short.

Attached Images



- Feb 14, 2011 17:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Out of long with +8, immediately back in short.

Out the short with +15 pips. May get right back in short at candle change.

-
- Feb 14, 2011 21:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Channel trading here too.

Attached Images



-
- Feb 15, 2011 3:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Channel trading here too.
Out with +15 pips.

-
- Feb 15, 2011 5:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

de ja vu...all over again. This is the same trade I was in earlier.
Attached Images



-
- Feb 15, 2011 21:51 | Edited Feb 16, 2011 0:37



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

CC and/or everyone if you are there..let's look at this BO trade and break it down.

Q: When is the first time we would have considered getting in a trade here?

A: (marked with arrow on the H1 chart)

Q: Would we have stayed in that long trade?

A: No, we would have exited on the next H1 red candle.

Q: Then what?

A: Watch PA to see if this is going to be a potential channel trade..or just watch PA. It takes about 3 hours to determine what this pair is going to do. Then it turns into a beautiful BO trade with a pullback then continuation..ZC trade

Attached Thumbnails



- Feb 22, 2011 17:17



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Pirabuji

OK so you're saying when price turned against you, you drew a new 3 Tap line, using the same first point and the second point now as the green candle that went against you? You were then watching to see how price acted with this line i.e. if price made a 15min candle completely outside of this line you would have exited?

What's your exit plan for 1H 4C BO trades? do you place it on the opposite end of the box or observe 15min?

Exit Plans for H1 4C BOs are different if the trade is being watched then if the trade is NOT being watched.

If watched: Then follow PA and the RSIs using reasonable S/R lines as goals.

If not being watched: Set reasonable TP and SL at S/R lines. If in the money when you check on the trade, take half off the table and let the other half ride with SL at BE+. Can do that with a watched trade also, of course.

-
- Feb 22, 2011 18:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Pirabuji

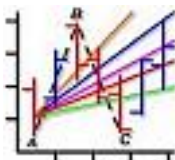
OK understood, what exactly do you watch for on the 4H to tell you price is going against you? Do you wait for a close of the 4H candle? If so couldn't that potentially be disastrous if price really turns around on you or a spike?

Thank you for taking time out to answer these questions 😊

Study your charts, go back through a few pairs and note how many H4 spikes you can find..not many. That is why the trade needs more room, time and to be monitored from an H4 chart.

An H4 trade "deserves" at least a candle change to find it's way. The higher the TF, the longer the trade. For example: I entered the AUDJPY trade at the end of the 2nd hour of the H4 candle. The next H4 candle changes in about 10 min. This is a positive trade, but assuming it was not, I would stay in the trade at least until the candle change to see what PA and RSI does.

-
- Feb 22, 2011 18:52



[Scrutch](#) Member Since Dec 2008
Get rich slowly... [650 Posts](#)

cortez...Sorry, this kind of got overlooked and I assume that you wanted me to repost the chart again...?

I've tried to re-create the chart as I've deleted all those lines since then.
Text is on the support lines I was watching and also on the H4-3T.

If you are not familiar with the support / resistance lines...
I suggest that you visit the baby pips dot com site.
This is one of the better sites around to learn the basics.

Most NuB's approach trading 4x as an easy and simple way to get rich.
With that attitude a trader will most likely become another statistic.
Treat it like it is...it's not a game but a business.
Most of us go through at least twelve years of school before we go to work.
Some go sixteen years and some, up to twenty four years before they are ready to join the workforce.
To be a successful trader one must have a certain amount of "schooling" to be successful.
This varies depending on the student but we must all learn the basics so we can understand the different approaches.
They don't teach advanced math in the second grade...they wait until we have learned the basics before they lay that on us.



Posted by [cortez53](#)

thanks lotthe better way i learn is meet people like you....add a little force...could i sign on chart with an arrow what iu are explaining?...also for next time.???? thanks heartly

- Feb 23, 2011 6:18



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by Strick](#)

There are so many things to take into consideration...

Every time I focus on RSI's and 15M confirmation I forget to look for support and resistance and then the trade turns bad and someone points it out.

When I look at S/R and wait for pullbacks and enter it turns against me for another reason.

I swear, every time I look for confirmation of PA going in my direction, as soon as I enter it turns against me. Nearly every time you can look at my screen for a entry line right where it turns around.

The 3 years I have been trying to trade have...

I am assuming you are just being dramatic and not being too serious, otherwise I would really be concerned about you. So let's break down this trade.

Like I said earlier, the weekly chart does look good, so this may yet be a winning short trade.

The M15 chart is marked by the purple vertical line were the first possible entry would have happened. I would have probably waited for the next M15 candle to close and the open of the third candle. Remember that we are taking our time now on entries because of the nature of the market these days. By the third candle, you would have known not to enter yet.

DO NOT RUSH TRADES. Take your time to enter. Watch PA for awhile. But even if you are in the trade, why would you be out of it now? You haven't given it enough time to do anything as it appears to be in consolidation.

Attached Thumbnails



- Feb 23, 2011 15:24



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by PhAnTi'](#)

smooth, but ok 😊

anyway ,do u tradefor a life?

Jonas.

No, I am an attorney with a full time law practice. But I don't want to do that forever. Am working my way to replace that income by trading.

-
- Feb 24, 2011 15:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Same here..looking for a continuation down after this stall of 6 hours.
Attached Thumbnails



-
- Feb 24, 2011 15:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Looking for this pair to head further down after this consolidation
Attached Images



-
- Feb 24, 2011 15:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

Attached Images



-
- Feb 24, 2011 15:41



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

Attached Images



-
- Feb 24, 2011 16:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

is especially interesting right now. It is about to do something.

I really like using H59's "scout" M15 candle to look for entry. Price is struggling to move up.

Attached Images



-
- Feb 24, 2011 16:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Is breaking out of that consolidation. Will use H59's scout candle to look for entry.

M15 candle must close above the Scout line to enter.

Attached Images



-
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-
-
-
-
-
-

- Feb 24, 2011 16:52



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

In a BO now. If this next M15 candle closes below the Scout Line, I will enter.

Attached Images



-
- Feb 24, 2011 17:01



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Please correct me if I am wrong Hawaii59.

When we see a BO happening we move to an M15 chart for entry. But H59 noticed that often on the M15 chart there is a small spike and pullback on one of the first few candles above/below the BO line.

We are now marking the highest high/lowest low of a M15 candle tail/wick and requiring a complete close above/below it for entry. Study my posted charts. It is very simple.

This is just extra confirmation of entry.

- Feb 24, 2011 17:18



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by lawgirl21](#)

I really like using H59's "scout" M15 candle to look for entry. Price is struggling to move up. Notice how price has not yet cleared that Scout Line.

Attached Images



-
- Feb 24, 2011 17:58



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In this trade

Attached Images



- Feb 24, 2011 18:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

And this one also.

Attached Images



- Feb 24, 2011 22:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Out with 20 pips.

-
- Feb 24, 2011 22:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Out at BE.

- Feb 25, 2011 16:31



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Pirabuji](#)

nicely balanced your EU loss then, did you hit your target this week?

How long have you been trading this method for and how often do you miss your weekly target?

I did hit my weekly target of 100 pips..actually more than that this week. I cannot remember the last time that I did not hit my target. It is very doable.

I have been trading a version of this method for over 2 years now.

How are you doing with this method...hope you are making pips.

- Feb 28, 2011 3:47



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

Attached Images



-
- Feb 28, 2011 3:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Channel Trading
Attached Images



- Feb 28, 2011 15:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

There is no doubt about it... the London session had all these great moves. Those of you trading it should have made your week's worth of pips during this session.....so happy for those who can trade it. A little sad for those of us who cannot. 😞

-
- Mar 1, 2011 17:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

And it looks like it is having no difficult doing that...

Waiting for M15 candle to close below the line marked by the arrow before entry.
Attached Images



-
- Mar 1, 2011 18:15



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by Anthar](#)

We might have a shot at it, as a ZC trade? what do you think?

I am giving up on it for the time being. Price just cannot get below that 8460 area.

Attached Images



-
- Mar 2, 2011 4:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Set up for channel trading.
Attached Thumbnails



- Mar 2, 2011 15:26



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [cwl0375](#)

Just have a question... Why USD has some good result but USD are still so weak ?? Thank you We don't take the time to try to understand why one pairs moves and the other does not. All we try to do is to follow what is happening at a particular time, with a particular pair.

Great traders, as Pete said, know that the market is always right...whatever it does, it is right. That's why there cannot be ego or emotion involved in successful trading. If we are on the right side of the market and make pips, we are happy and move on....if we are on the wrong side of the market, we take our loss and move on.

-
- Mar 2, 2011 18:28

[vijidas](#) Member Since Aug 2010

Member [126 Posts](#)

hello lawgirl,

I have a couple of questions to ask if I may. I have been quietly following and looking at your chart (especially 1h 4C breakout). Looking at all the charts I'm trying to figure out how and why you take some of these breakouts and pass others.

for example:

1. I thought you take breakout as per RSI direction (weekly/daily trend). But you have taken breakouts against rsi
2. I thought you ignored breakout based on how close they are to nearest S&R. But you have taken breakouts even though they are close to up coming S&R.
3. I thought you wait for breakouts to come back to test the breakout zone and then take trades. But you have taken trades immediately after breakouts
4. I looked at PA for your trades and still few other things

But I couldn't understand what makes you take a breakout or pass it off.

I have put it down to experience and the feel for a trade when you look at it.

Do you do any background analysis before you take breakout trades? Basically do you have a bias for a pair before even you look at a pair? i.e. A pair is trending and expecting pullback so look for breakout for short?

Could you share how you go about your trading preparation? trading preparation of experienced traders always help.

Hope you don't mind me asking all those questions.

Thanks.

- Mar 3, 2011 1:29



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by vijidas](#)

hello lawgirl,

I have a couple of questions to ask if I may. I have been quietly following and looking at your chart (especially 1h 4C breakout). Looking at all the charts I'm trying to figure out how and why you take some of these breakouts and pass others.

for example:

1. I thought you take breakout as per RSI direction (weekly/daily trend). But you have taken breakouts against rsi
2. I thought you ignored breakout based on how close they are to nearest S&R. But you have taken breakouts even though they are close to up coming S&R.
3. I thought...

I will try to answer some of your questions.

1. Weekly confirmation is not needed for BO trades as they are generally only 1-3 candle trades.

2. I tend to sometimes ignore S/R lines, but I don't recommend that others do that. I am trying not to ignore them and I generally do not for higher TF trades.

3. No. I don't take them immediately. I always move to the M15 chart to wait for an entry. Sometimes I wait for 1-2 hours for a close below/above a R/S area and more recently, a close below/above a scout or probe wick. **Following the M15 candle PA keeps me out or gets me in a particular BO trade.**

Regarding bias...I have no emotional or ego driven bias regarding any pair. I may have a trend bias depending on PA and trend direction, but even that, I am willing to abandon immediately if the market "says" to do so.

I prepare for trading by repeatedly scanning charts, looking for general trend direction and making note of the pairs I want to go back to review. Then I "break down" the pairs that I will be looking to for trade set ups--meaning I look at them on different TFs and make note of what might happen.

Hope this helps.

-
- Mar 7, 2011 14:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Possibly channel trade

Excellent channel trade

Attached Images



- Mar 7, 2011 14:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

BO setting up

Turned into a channel trading opportunity.

Attached Images



- Mar 8, 2011 1:07



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

ZC

Attached Images



- Mar 8, 2011 3:09



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

H1 4C BO setting up

Attached Images



- Mar 8, 2011 3:12



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Chart....many pairs look good for now and need to be on the watch list.

Attached Images



- Mar 8, 2011 15:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Will have to do something sooner or later
Attached Thumbnails



-
- Mar 9, 2011 3:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Channel trading.
Attached Images



-
- Mar 9, 2011 3:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm able to watch PA now, so I am going to see how far down it will go. RSIs are still down.
Attached Images



- Mar 9, 2011 5:45



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Trading in a very tight range for about 16 hours. May be getting ready to break downward.
Attached Images



- Mar 9, 2011 6:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by royalbowhunt

So you wouldn't get back in long unless rsi 1hr or +4hr were long. Then watch your 15min tf for an entry. Then watch the trade in what time frame? 15min? Until it reaches the top of the channel or started to stall out?

I watch the web page each day at <http://earthquake.usgs.gov/earthquakes/recenteqsww/>
No need to watch the M15 chart for entry because you are watching the price move up and down within the H1 marked 4C B0 support/resistance lines and the entire trade is usually under 20 pips. It's just a fun little trade that also helps train the eye to price movement.

- Mar 9, 2011 15:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

Trading in a very tight range for about 16 hours. May be getting ready to break downward. It did break big time, but upward. Hope someone caught it.

Attached Thumbnails



-
- Mar 9, 2011 15:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Still in the H1 channel! Just trading this pair up and down through London session would have gathered about 80 pips.....now up again.

Attached Thumbnails



-
- Mar 9, 2011 15:39



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I'm trading this pair back down.

Attached Images



-
- Mar 9, 2011 16:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

I'm trading this pair back down.
Out with -10 pips.

-
- Mar 9, 2011 16:26



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In long to get my pips back! 😊

Attached Thumbnails



-
- Mar 9, 2011 16:43



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

In long to get my pips back! 😊
Hit my TP. Got my 10 pips back +5.

-
- Mar 14, 2011 14:55



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

ZC Trade setting up

This pair did continue down for about 20 pips. Now setting up for a regular H1 4C BO. PA needs to clear the "scout/probe" line before entry.

Attached Thumbnails



- Mar 14, 2011 14:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

BO setting up

This pair really stalled out.

Attached Thumbnails



- Mar 14, 2011 15:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Has been trading within the channel..back and forth
Attached Thumbnails



-
- Mar 15, 2011 4:58



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A wonderful textbook BO. I'm up about 120 pips.
Attached Thumbnails



-
- Mar 15, 2011 11:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I came late to this trade, but still up about 80 pips.
Attached Images



-
- Mar 15, 2011 17:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Charts

Attached Thumbnails



- Mar 16, 2011 15:21



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Walad100100](#)

Lawgirl and others,

I am following your thread for weeks and I am a strong believer in the effectiveness of the methodology presented especially that our lady (LG) is supporting it minute by minute by the live trades she posts. This adds lots of credibility to the success of the methodology.

I desperately need your help to understand one point only, which is the 2nd setup: the Breakout (BO) setup. Unfortunately I didn't get how to catch that breakout despite I read all relevant posts.

Please keep in mind that my trigger frame is:

1. Daily,...

Hi Walad, the BO setup does not need confirmation from the monthly, weekly, or daily RSI. That makes it far too complicated. Because this trade is generally a "fast" trade, meaning sometimes over in just one candle, PA is what we are looking for. Then as PA goes, the H1 and H4 candles will follow. And if a BO trade goes on long enough..of course the daily RSI will follow, etc.

For this trade, PA trumps RSIs...but again...the RSIs will follow as PA goes. PA is the master of the RSI and RSI is PA's obedient servant.

Once you see PA moving through a S/R line, move to the M15 chart and watch for entry there.

Hope this helps and glad you have joined us.

-
- Mar 16, 2011 15:49



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I entered this trade without paying attention to the fact that price was right at a support level I though would only be minor on the H1 chart, but upon looking further (after entering the trade) is a major support level. It will be interesting to see what price does.

Price can only do one of 3 things at a major S/R level:

1. go right on through it;
2. be repelled by it; or
3. bounce back and forth on it

Attached Images



- Mar 16, 2011 16:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

Attached Images



-
- Mar 16, 2011 17:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

With the change of the H1 candle, looks like price is going to try to get through support again.
Attached Images



-
- Mar 16, 2011 17:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

With the change of the H1 candle, looks like price is going to try to get through support again. Out with +30 pips.

- Mar 17, 2011 16:39

[royalbowhunt](#) Member Since Jan 2011
Member [109 Posts](#)

[Posted by lawgirl21](#)

Remember that for the H4 3 Tap, weekly, daily and H4 RSIs have to be in the same direction. Yes I see that.

- Mar 18, 2011 16:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I entered this pair when it broke out of that little consolidation. Up 59 pips.

Attached Images



-
- Mar 18, 2011 16:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Also in the money

Attached Images



-
- Mar 18, 2011 16:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Turned into a ZC trade overnight on me, but still in the money and now in the continuation phase of the ZC

Attached Images



-
-
-
-
- Mar 18, 2011 16:41



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Down 15 pips here.

Attached Images



-
- Mar 18, 2011 18:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Taking off.

Attached Images



- Mar 21, 2011 2:53



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H4 3 Tap set-up and trigger. All three RSIs in confirmation. I'm in this trade..up 50 ticks.
Attached Thumbnails



- Mar 21, 2011 15:18



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

+70 pips and +60 pips.
Attached Images



- Mar 22, 2011 18:06



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Pirabuji

Hi LG, when you look for support and resistance lines do you look at close or wicks? Do you use a line chart to plot S&R Lines?

I look only at the candle bodies, others may not, and there is no right or wrong way as far as I know. I consider wicks only "exploratory" and a place where price may go, but has not gone...if that makes sense.

- Mar 23, 2011 4:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by jasonnevis

Hey Lawgirl,

How many pips per week would you average using this method of trading?

Thanks!

I have in the past always stopped live trading after reaching 100 pips. But for most of this year, that goal has often been reached by Monday or Tuesday, so I have upped my goal to between 100 and 200 pips before I stop live trading.

I would like to hear from others about goals.

-
- Mar 23, 2011 15:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

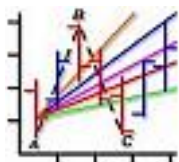
Posted by jasonnevis

With the H1 BO trades, if it starts to break out and turns into a fake break out and reverses, how do you manage the exit to cut losses?

If you use PA, how do you determine when enough is enough?

If you are able to monitor the trade, go candle by candle i.e. watch every candle change and exit when there is a solid change of color. Look at the GBPCHF breakout for example. If monitoring that trade, you could have stayed in for the complete ride down and just now being exiting the trade...or exit 1/2 and let the other half ride. That would be up to you.

- Mar 23, 2011 19:39



[Scrutch](#) Member Since Dec 2008
Get rich slowly... [650 Posts](#)

While I can't answer for LG I can give you my opinion...fwiw.
 I see no clear buy trigger.
 I've simulated your buy line and rolled over to the M15 chart.
 I think that LG waits for two completed candles on the M15 that are outside the zone and then,
 checks the color (direction) of the third candle before entry...so, no clear and valid entry trigger.

There is also some fairly good resistance right around the buy line area.



[Posted by Pirabuji](#)

Hi LG,

What you said about observing the close of candles, I'm currently long USDCAD, since the previous candle closed strongly in the opposite direction would you now exit? Looks like it's also back in the consolidation Box, so would you exit now or wait for another candle close?

Hope that makes sense.

Thanks,

P

- Mar 23, 2011 23:08

[jasonnevis](#) Member Since Oct 2010

Member [244 Posts](#)

[Posted by lawgirl21](#)

If you are able to monitor the trade, go candle by candle i.e. watch every candle change and exit when there is a solid change of color. Look at the GBPCHF breakout for example. If monitoring that trade, you could have stayed in for the complete ride down and just now being exiting the trade...or exit 1/2 and let the other half ride. That would be up to you. Thanks for all the help, however I'm still a little confused.

The EUDAUD trade that you were for short earlier would make a good example.

If monitoring the trade, I would have entered the breakout down at the first yellow arrow. The trade then turns around and looks like it is now a long breakout (second yellow arrow).

How do you deal with this scenario?

Sorry, I just really want to understand your thinking about trading as I believe this is a great method!

Thanks Lawgirl!!!!

Attached Images



-
- Mar 24, 2011 1:02



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

My chart looks a little differentl from yours, but the theory is the same. That first yellow arrow was not a solid entry.

The entry candle would have been the H1 candle marked with the purple vertical line.

The second chart shows the same vertical purple line, but on the M15 chart which is the chart I use for entries only. Notice that the M15 entry candle has closed below the scout/wick line of the previous M15 candles. (marked with the orange dotted line). After entry move back to the H1 chart to monitor the trade as chop on the M15 chart will make you crazy.

Attached Images



-
- Mar 24, 2011 15:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

3 Tap H4 trade.

Hit my TP at 50 pips.

Attached Images



-
- Mar 24, 2011 15:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Hit my TP at 50 pips

Attached Images



-

- Mar 24, 2011 17:44



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by jackm1](#)

LG,

Is there a trendline alert you all use for 3T method.....

Thanks.

No..all manual. You don't have to be glued to the monitor though. Just look for setups when you can. They happen 24/7.

For 3 Tap Trades: Try to keep the entire list of pairs RSIs/Arrows posted permanently on a chart and when you have time, glance at it and see which pairs have RSIs confirming in the 3 TFs we are concerned with....then look for set-ups.

For H1 BOs: Check the charts anytime after the first 4 hours of your new day. London session is best, no doubt about that, but I never trade that time and I do pretty well.

- Mar 25, 2011 2:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap set-up and trigger

Attached Thumbnails



-
- Mar 29, 2011 4:41



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I surely like the RSIs now on this pair, but there is no 3 Tap entry, so will have to wait for a BO to hopefully occur.

Attached Images



- Mar 29, 2011 5:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Notice how the M15 chart is keeping us out of this trade, at least for now. The dotted orange line is the marker for the scout level. A M15 candle needs to close below that level and continue down on the opening of the candle after that close to enter a short trade here.

PA has approached the scout line and "bumped" it several times...each time price has been repelled by it. Price will either continue bumping that line until it goes through it or gives up trying for the time being and heads up.

Attached Images



- Mar 29, 2011 5:20



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by Fitness09](#)

Watch EU/GBP for B0

Looking for a close below dotted orange line for entry.

Attached Images



-
- Mar 29, 2011 5:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Pip_Predator

CAD is on the move down, time to move to M15...
We just got our entry...good watching.
Attached Images



- Mar 29, 2011 15:25



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

...on USDCAD - +25

EURUSD - +45

CADJPY - +25

- Mar 31, 2011 16:38



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I know I have posted this chart several times, but this pair is reaching October 2010 levels and that is significant. Remember that R/S are levels/areas and not necessarily specific numbers.

What will happen as PA approaches this level? I am assuming you all know, as I have stated it often enough....one of three things.

Exercise caution.

Attached Thumbnails



- Apr 1, 2011 4:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm in this trade from a 3 Tap H4 set up and trigger
Attached Images



-
- Apr 1, 2011 4:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

And also this 3 Tap trade
Attached Images



-
- Apr 2, 2011 17:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

The Difference Between Demo and Live Trading:

Psychologically it is just different and there is no getting completely around it. But we can minimize the transition as much as possible and we do that with familiarity i.e. doing the same thing the same way over and over again until we are so comfortable with the process that we are almost bored.

I highly recommend demoing with the size account that you will be trading live. \$5,000, \$10,000 or higher. That way the lot sizes are exactly the same in the transition, thus taking away one psychological problem. It makes little sense to demo on a \$100,000 account then move to a live \$5,000 account as everything changes--lot size, potential profit and loss, your entire mind set. Sameness/consistency is what we are looking for in making the transition. It's much like an animal trainer teaching a dog a trick...same thing over and over again, with rewards in between.

A \$10,000 live account is ideal, if possible. Trade it with the same lot size over and over until

the account gets to \$15,000. Do not vary the lot size until you reach \$15K. Withdraw that \$5,000 and do something with it. (Give it to your spouse to spend without any questions asked...they deserve for all the time you have spent on trading and ignoring your family!)

Then start again with the \$10K with the same lot size , same everything, until it gets to \$15,000 again, pull out the \$5,000. start with the \$10K again....nothing changes..no psychological hurdles to overcome because it never changes, as we are not trying to double our account (even though we are doing exactly that) Trading is really very boring because of the sameness of it all.

-
- Apr 2, 2011 18:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Every trader should study charts and look for previous set-ups for the system they are using. **It is Trading 101.** Do not depend on anyone else doing it for you, because it is part of every traders learning process. It trains the eye and makes one more comfortable with the process..a necessary part of what I posted above..getting comfortable with what you see, almost to the point of boredom.

I have taken GBPUSD below and marked the chart for 3 Tap H4 trades only from roughly the end of Feb to the 24 Or 25 of March. I saw three nice trades. Remember that these are only 3 Taps...not BO trades. Lots of pips to be earned from just one pair.

Attached Thumbnails



-
- Apr 2, 2011 18:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I moved the above chart to H1 timeframe to look for BOs within the last ranging area marked by the purple horizontal lines. Another 300-400 pips in BO set ups in that ranging period alone.

Attached Thumbnails



-
- Apr 5, 2011 4:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In this trade on a 3 Tap
Attached Images



- Apr 5, 2011 5:10



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [Cristian2011](#)

Hi LG

entered this around the same time you did as a 4C H1 B0, a bit worried about R around.9700 and going against the W1 trend. set my TP a few pips below R. what is your plan for this pair ? 9700 will give us about 25-30 pips. I have marked my chart with 3 possible resistance levels. If PA does not clear the first one at 9680, I will probably exit the trade.

Attached Images



- Apr 5, 2011 15:22



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

9700 will give us about 25-30 pips. I have marked my chart with 3 possible resistance levels. If PA does not clear the first one at 9680, I will probably exit the trade.

Out with -16 pips.

Attached Images



-
- Apr 6, 2011 3:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [jdcompute](#)

chart

This pair is interesting in that it has given us 2 opportunities to enter a 3 Tap trade this week. I missed the first one, but got in on the second one. up 70 pips.

Attached Images



-
- Apr 6, 2011 3:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Was watching this H4 consolidation. Got in late, but still up 170 pips.
I had to go all the way to a weekly chart to find reasonable resistance for this pair...back to April 2010 levels.
Attached Thumbnails



- Apr 6, 2011 4:12



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

124.60 area as far as I can see. But that is a 2009 level. I'm up 230 pips on this pair and am watching very closely. Remember price seldom goes straight in one direction. This move has been pretty incredible.
Attached Thumbnails



•

- Apr 6, 2011 15:17



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This pair looks like most of the JPY pairs this morning..resting after moves up (down for them).

Attached Images



-
- Apr 7, 2011 14:22



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Very nice 3 Tap trade.

Attached Images



-
- Apr 7, 2011 14:24



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A nice BO, then consolidation, now a channel trade with another possible BO long.
Attached Images



- Apr 7, 2011 21:07 | Edited Apr 7, 2011 21:31



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I believe we have had much discussion about this, but no harm in repeating it.

Q: Whenever you see price breaking thru the s/r line, do you wait for the h1 candle to close completely outside that line and THEN move to M15 to look for entry? or do you move to M15 as soon as you see price moving thru the s/r line?

A: I put the pair on my watch list as soon as I see the H1 candle move out of the S/R area.

That is the beginning of a **set-up**. The **trigger** comes when a M15 candle has closed completely outside the S/R area and is continuing in the desired direction.

If a scout/probe wick has been sent out past a S/R line, we should wait longer..maybe even another M15 candle or more before entry. There cannot be a hard and fast rule like "wait until two complete candles close before entry", because every trade is different and entry is not an exact science. PA trumps everything and what it does determines when we enter.

-
- Apr 8, 2011 14:12



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I have 2 open trades on this pair from 2 separate 3 Taps. One up 50 pips, the other up 30 pips.
Attached Images



-
- Apr 8, 2011 15:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [nemesis](#)

I know you are... I remember reading your posts very frequently... haven't visited here for a while... I was just thinking aloud really on 'what's hot' at the moment.. cannot see any good set up but obviously I am not looking hard enough if experienced people like you say otherwise... You know, your attitude somewhat annoys me. Trading any method successfully has nothing to do with "what's hot at the moment" and popping in and out of threads with off the cuff remarks

You obviously have no idea the amount of work that is involved in keeping up a successful thread. And you appear to have a "what can you do for me" attitude. I don't like it and I don't need it. Trading is very hard work, I have said several times I have worked harder at trading than I did in law school....and I can tell you, I worked hard in law school.

So, if you have something constructive to add to the thread, please stick around. If not, please move on.

-
- Apr 11, 2011 3:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

The pesky little scout is keeping up out of these trades. I hope everyone sees and understands why.

Attached Images



- Apr 11, 2011 15:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [jdcompute](#)

Closed this one for +13.

And then catch it going the other way....

Attached Images



- Apr 11, 2011 15:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Perfect channel trades.

Attached Images



- Apr 12, 2011 4:43



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I entered this trade on a H4 consolidation BO
Attached Thumbnails



-
- Apr 12, 2011 5:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [TheDirtySerb](#)

Yeah thats pretty. Good for about a hundred or so ey? You thinking of banking some or just playing around to see how far it will take you?

This pair has been trading in a channel on the weekly chart since 2009. No clear long term direction. I am going to see how far it will take me.

Attached Images



-
- Apr 12, 2011 15:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [dct](#)
Afternoon LG

Channel trades do you have entry rules or is it a case of the price action showing the way ? Exactly right, PA shows the way. But look for a mixed set of RSI arrows. I consider a channel trade sort of a "twiddling my thumbs" trade while waiting for a good BO. BOs are my bread and butter, but channel trading is fun.

-
- Apr 12, 2011 15:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Let's start seriously looking for consolidation on daily, weekly and monthly charts. We can treat BOs the very same way as we do on the H1 chart, just move down a timeframe or two and enter the same way. The potential for pips even greater the larger the TF, but of course, it takes more patience.

Attached Images

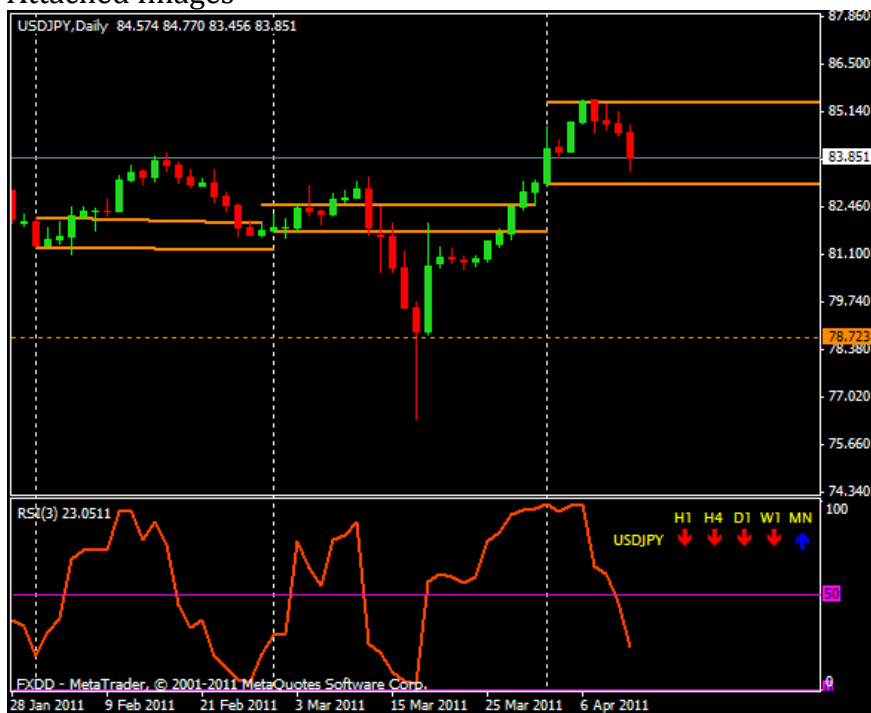


-
- Apr 12, 2011 16:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Channel trade on daily
Attached Images



-
- Apr 12, 2011 16:43



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Daily channel trade and BO. I have two short positions.
Attached Thumbnails



-
- Apr 12, 2011 17:20



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A daily channel trade, also a H1 4C BO trade.
Attached Thumbnails



-
- Apr 12, 2011 22:26



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I especially like this trade because of the resistance level which was approached 4 days straight. This hopefully, will make PA feel totally rejected at that level and head further down. +40 pips so far.

Attached Images



- Apr 13, 2011 2:56



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

With the change of the daily candle, all my daily BO and channel trades are hurting. I have posted an example. The interesting thing is that the weekly RSI is still on my side of the trade, so I am going to ride it out. (or at least try to)

Attached Thumbnails



- Apr 13, 2011 15:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

+55 pips
Attached Images



-
- Apr 14, 2011 4:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

-80 pips

Now +70 pips.

Attached Images



- Apr 14, 2011 15:30



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Guys, I don't have any problems with testing higher TFs, daily, weekly, even monthly and discussing outcomes on the thread...after all, I started the conversation and am doing the same. However, if all kinds of indicators start appearing and the the integrity of a very solid system is threatened, I would ask that you start a new thread or take it private.

Rebecca

•

- Apr 14, 2011 15:44



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

A Nice BO..now in a retrace and hopefully back down for a ZC trade finally. I am really seeing the power of the Weekly RSI with my trades.

Attached Images



-
- Apr 14, 2011 15:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

The same here.
Attached Images



-
- Apr 14, 2011 17:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [ovyeh](#)

time frame for entries are best when they are a quarter of your original time frame trade e.g. if you trade 1hr or 60 mins best entries time frame is $60/4=15$ mins, for 4hrs or 240mins entry $240/4=60$ mins and for daily 4hrs may be most appropriate as $1440/4=360$ mins or 6hrs time frame is rare

Yes, I like your formula.

-
- Apr 15, 2011 6:26



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap set up. It is so close to the H4 candle change, I am going to wait to see what happens with the next candle before entering.

Attached Images



-
- Apr 15, 2011 6:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap H4 also a 3 Tap on the daily chart. This could be very powerful.
Attached Images



-
- Apr 15, 2011 6:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap..also trading in a range
Attached Images



-
- Apr 15, 2011 6:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap, but I don't like the quality of the last 3 candles.
Attached Images



- Apr 20, 2011 17:46



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In this on a 3 Tap set up, but also a daily BO...as well as an H1 4C BO,,,triple confirmation
Attached Thumbnails



- Apr 26, 2011 1:17



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [qweretyq](#)

For ZC, is it just based on having been in the trade previously, or does the RSI need to confirm again? I noticed on your chart RSI was all over the place, but you still took the trade. I like to see the RSIs split 3/2 with no neutral arrows. You don't need to have been in the trade previously. I often only catch them on the retrace.

-
- Apr 26, 2011 13:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [vickym](#)

Possible BO on GU 1HR
I didn't see a good BO, but there is a 3 Tap set up and trigger.
Attached Thumbnails



- Apr 26, 2011 14:45



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [smatrader](#)

I still don't see any significant trigger off the 4hr candle for your entry, as the candle still hasn't closed

The trigger was PA and the current short candle. I would have liked to have caught the beginning of the short candle after the third tap, but I didn't. However, I took the chance that the momentum, along with PA, would continue down. Another thing I considered was how much of the H4 red candle was left and as there was still about 2 hours left on the candle, I got in. I will evaluate the trade with the open of the new candle. So far, so good.

- Apr 27, 2011 3:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap and also a H1 4C BO. I entered this trade on the 3 Tap as I like the RSIs and the new H4 candle.

Attached Images



-
- Apr 27, 2011 3:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This is crazy..I've not seen this before. Less than 5 mins. between postings.

I exited that trade...

Attached Images



- Apr 28, 2011 4:35



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [pippete](#)

Hey LG and fellow traders, here is a weird question:

I have noticed myself doing something that might be sick trading psychology or may be reasonable, so just wanted to run it by the masters:

When I enter a trade (1H BO or 3T) and it goes against me, I find myself zooming out and trying to justify another setup, and often there is a 3tap on a higher timeframe, often on a daily. So I set a huge SL and stay in the trade (sometimes -80 or -100 pips even) and try to ride the higher TF trend. Do you guys ever do that or is any of that sound reasonable....

Yes, I do that too. In fact the past two weeks I have been starting on the daily TF and working down in TFs looking for confirmation on a couple of them, but looking for the same setups we look for on the H1 and H4 charts. If I am trading the daily, I look for the weekly RSI to confirm my direction. If I am trading the H4 chart, I look for the daily RSI to confirm.

I think a 80 to 100 pip SL is not unreasonable for the daily. I am finding the psychological trick is not to watch it every minute.

-
- Apr 28, 2011 4:42



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [gasservettes](#)

Glad you had a wonderful time with family. We all need to enjoy family when ever we can. Speaking of family I'm going back to demo to learn how to trade the daily candles so I can reduce my screen time of trading the 1h 15 & 5m. Then I have to control myself from staying

in the office peaking at the market 🤔 It's so easy on demo 🤖

Try trading the daily candles the very same way we are trading the H1 and H4 candles, i.e. with consolidation BOs, S/R BOs, and 3 Taps.

For the daily BOs, I am using the first 4 days (candles) of the month instead of the first 4 candles of the new trading day like we do on H1 4C BOs.

Higher TFs require much more patience though, as I am sure you know already.

-
- Apr 28, 2011 4:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Take a look at this pair traded on a daily chart using the same BO rules used on the H1 chart. This is about a 500 pip move from the beginning of the month.

We should check this out on the daily for the first 4 trading days of May...coming up.

Attached Images



- Apr 28, 2011 14:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Nice BO, now 5 hours of consolidation. I expect another BO after this rest, but could be in either direction.

Attached Images



-
- Apr 28, 2011 14:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In the continuation stage of a ZC trade. (original move --> retrace --> continuation)

Attached Images



- Apr 28, 2011 14:12



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Looking for PA to turn down again.

Attached Images



-
- Apr 29, 2011 4:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by jasonnevis](#)

Not having much luck with breakouts lately. Not following through in many cases.

Everytime I enter, they just turn the other way!

Any advise?

I agree, this has been a more difficult week for BOs as the market seems to be ranging. Also few 3 Taps. Most of my good trades have been ZC and channel trading because of the up and down PA this week.

Try moving to a larger TF for BOS...like H4 or daily. Trade the same way you would a H1 BO. They require more patience, but are more conservative.

-
- Apr 29, 2011 14:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A ZC trade

Attached Images



-
- Apr 29, 2011 14:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A nice move, now stalling



- Apr 29, 2011 14:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In the retrace stage of a ZC trade

Attached Images



-
- Apr 29, 2011 14:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Looking for entry here

Attached Images



- Apr 29, 2011 15:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm in this pair too on the continuation of a ZC trade. Up 45 pips.
Attached Images



-
- Apr 29, 2011 15:31



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In this pair too. May have been early to this trade, but the RSIs are so strong I jumped in.
Attached Images



-
- May 2, 2011 15:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Tipico](#)

im also interested in ur oppinion here, lawgirl.... 😊

There was never a strong BO here. So whatever retrace there was was weak. Now there is just chop. But there could still be a solid BO, problem is the mixed RSIs mean it could be in either direction.

Attached Images



-
- May 2, 2011 16:55



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [pippete](#)

Looks like it did pop, to the bottom...

And this pair too

Attached Images



-
- May 3, 2011 2:58



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap H4

Attached Images



-

- May 3, 2011 3:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap

Attached Images



- May 3, 2011 4:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [vickym](#)

AU has a 3tap and BO almost together. I am into this one
Me too!

Attached Images



-
- May 3, 2011 4:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart
Attached Images



-
- May 3, 2011 4:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

Attached Images



- May 3, 2011 4:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

For the not so faint of heart. A 3 Tap monthly set up short.
Attached Images



- May 3, 2011 15:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

+220 pips
Attached Images



- May 3, 2011 15:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

+200 pips on daily chart
Attached Images



-
- May 3, 2011 15:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

+120 pips on the monthly chart
Attached Images



- May 3, 2011 15:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

+200 pips

Attached Images



- May 3, 2011 16:53



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [vijidas](#)

well done LG.

I have a question if I may: I looked at all those pairs and passed them on because all of those setup's were right on major Support/Resistance levels and they could have gone either way. I looked at it as 50/50 trade as major news item was due and it could have broken above or got rejected. The negative Manufacturing PMI news caused the surprise and accounted for the volatility and volume.

May I know what made you take all those setup's right on those major S/R levels? Did you consider fundamental factor or is it pure technical?...

I am just now takng the H1 and H4 setups to higher TFs. With GBPUSD and GBPJPY, I believed there to be alot of run room and the set ups were there.

As to news, I pay little attention to it. I have tried, but I found it was interferring with my "thinking" and I was spending too much time antcipating and checking it. Sometmes the news burns me, but not often enough to really slow me down, if that makes sense.

As this is the first of the month, I really wanted to enter early and ride it out. Looks like I will be attempting to do that with GBPUSD. Time will tell what the month will bring and I will probably use other accounts to go long from time to time. I really want to "kick it up a notch" as Emeral says, and look for longer term growth.

-
- May 3, 2011 18:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [spzd](#)

Took 20 pips out of it. Going to have to work on getting rid of a lot of my short term habits. But overall I'm really liking this method.

I understand what you mean. I am battling that too. The methods are so solid, time honored and proven, that it is almost scary...doesn't mean 100% positive trades, however. Glad you are liking them.

- May 3, 2011 20:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Guys, I recommend throwing a 200 EMA onto the higher TF charts just for guidance and focus in these long time frame trades. As below.

Attached Images



- May 4, 2011 16:48



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This is an interesting pair at an all time high. Take a look at what is happening.

We know that PA can do a very limited number of things when it hits such a huge resistance level. I think of a resistance level as a kind of line of defense...it is there to hold the line, to keep the PA "crowd" back.

What happens when the PA "crowd" meets the line of defense (we saw this at the Royal Wedding over the past weekend...the bobbies holding resistance lines to keep the crowds in check).

The PA crowd can only do one of three things. It can 1) **bump the resistance line**, pull back and bump it again, like a crowd surging, it can 2) **go through** the resistance if there is enough volume and momentum i.e. a large enough crowd, or it can 3) be **repelled** by it and turn around and "go home".

Which one of these events is happening on this chart? I believe at this time, it is number 3. Attached Thumbnails



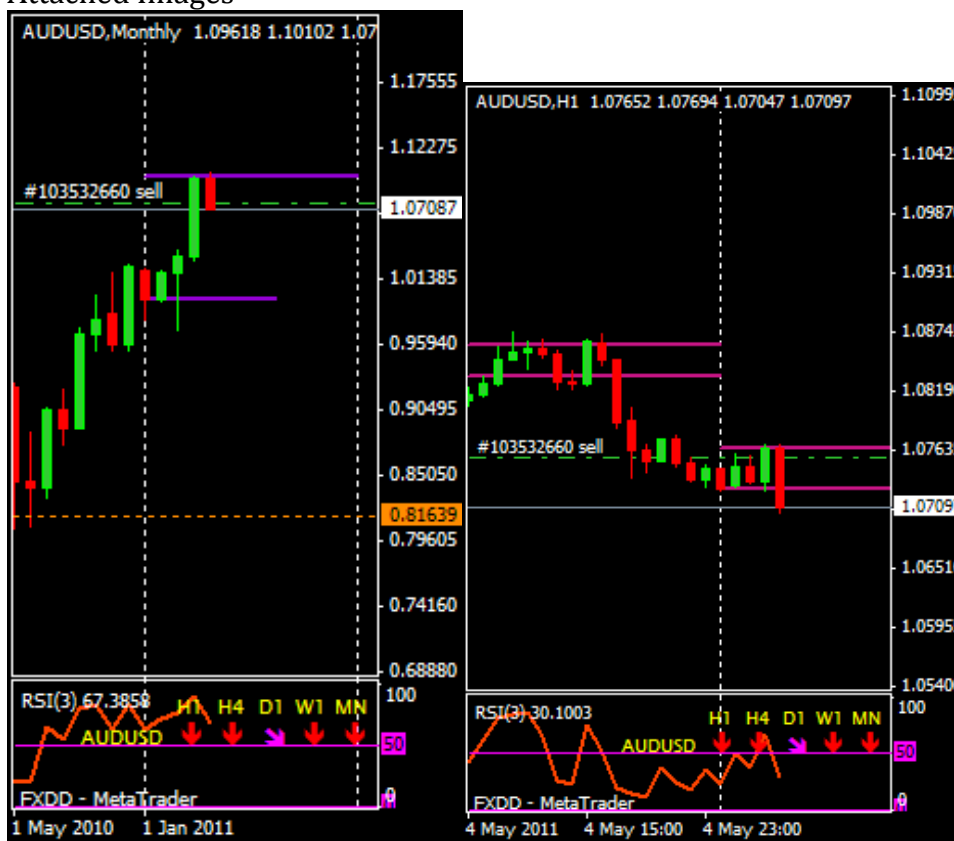
- May 5, 2011 3:53



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

We talked about this pair earlier. For those of us already in a short trade on a monthly chart, there is an opportunity to add to or **stack** the current short trade with another order, as the regular H1 4C BO setups and triggers.

Attached Images



-
- May 5, 2011 20:21 | Edited May 5, 2011 20:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by jasonnevis

Hey LG, do you mind explaining this a little more. I dont really understand the channel trades that you do.

Thanks!

No problem. Channel trades are really simple. Once the S/R lines are established, price often bounces back and forth between those lines...I have no idea why and do not care. But, this happens very, very often.

We have seen this time and time again throughout this thread, but on the H1 chart. Pippete is a trader who seems to especially like these trades and has posted many of them. I shall try to point you to them.

On the current chart, price is at an all time high at the resistance level. There are only 3 things the new monthly candle (May) could have done. I discussed that a few pages back. For now..the first week of the new month, price has been repelled by the resistance line and has turned around-- thereby heading down the channel.

What to expect? Price may or may not continue on down to touch the bottom line (support line). That would take months to happen. Keep in mind, though, that the farther we get into the month in a particular direction, the harder and harder it becomes to turn price around on the higher TFs. It is kind of like trying to turn a huge ship around on a dime...can't be done.

Hope this helps.

-
- May 7, 2011 18:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Fitness09

LG, what RSIs have to be in sync for a daily, weekly, or monthly 3 tap? Thanks.

I have just started taking these longer term trades seriously in the last few weeks, so I am still complying the "data", but I think weekly and monthly on a good set up and trigger.

I took my longer term trades GBPUSD, GBPJPY, CADJPY and AUDUSD, on last Monday and the weekly and monthly stayed with me all week. I will reevaluate them Sunday open and Monday of this coming week. If the RSIs are still with me, I will let them ride.

EURGBP was another pair I was in at the start of last week on a monthly chart 3 Tap long. But it "turned" and I got out with about 125 pips.

Attached Images

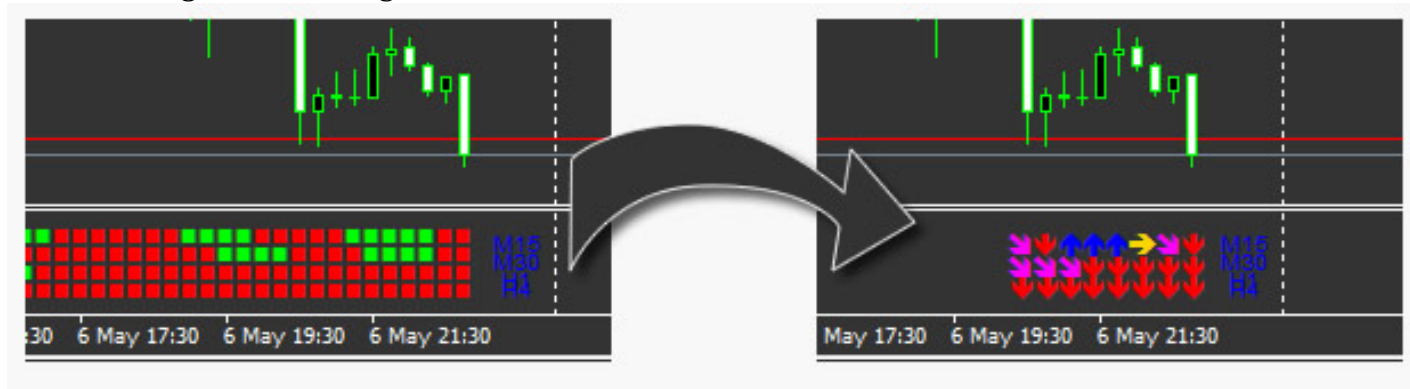


- May 8, 2011 20:08

[nanoghei](#) Member Since Dec 2010

Member [4 Posts](#)

Hi, im looking for something like...



Lawgirl's Trend Display with history... Can anyone help me?

-
- May 10, 2011 17:08



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [rabhni](#)

Excellent thread Lawgirl and thank you for taking the effort to teach all of us here..I have been testing it on demo for few weeks and now on a live trade. I went short on this pair and at one point it was 100 plus pips but now back to minus. Do you recomend closing this trade since most the RSI indication is showing as 'UP'

Thanks for the kind words, rabhni.

It depends on how you entered this trade. I am in it short since last week on a monthly chart, took half my profit off the table and am still up about 90 pips. I am going to stay on this horse until it bucks me off...meaning as long as the monthly direction is still on my side...I am going to remain in the trade.

If you entered on another chart timeframe, you may want to consider an exit. You will have to decide. But that is why it is important to understand why we enter each trade and on what timeframe... as a H1 BO, for example, is quite different from a 3 Tap on a monthly chart and expectations must be very different.

Below is the chart I am following for my trade here.

Attached Images



-
- May 12, 2011 15:58



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap Weekly
Attached Thumbnails



-
- May 12, 2011 16:03



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Monthly chart.

Attached Thumbnails



-
- May 12, 2011 19:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by stinger007](#)

Hi Lawgirl,

What's the longest you've run these sort of trades for? I've run many long term trades, using various methods with some great success; one thing I always find is that the Swap ends up rather huge say a month or 2 into a trade, do you also find this? I've heard that certain brokers offer better swaps.

What do you think? Cheers, and thanks for such a great thread, love reading it I have never held a trade for over about 4-6 weeks, but have determine that I will hold certain trades as long as the monthly direction is in my favor and I have gotten in toward the beginning of the month. I do take profits off the table though, as well as add to winning trades.

I don't concern myself with the swaps...they are what they are, I have no control over them and have no intention of shopping for a broker based on swaps. A good trade will more than make up the difference.

-
- May 12, 2011 20:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by pippete](#)

I totally feel you, since it was a countertrend BO, I just did a quickie 20 pips, and I'm out the door. These days I try to focus on trades that go with the major (M/Wk) trends, so even if it turns on me, it eventually pops back in my favor...

That is what I am doing too and I have at least tripled my "take", although it is scary at times. But the monthly/weekly directions are so powerful, they usually don't disappoint.

-
- May 13, 2011 15:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This pair has been moving down nicely, then stalled for a few hours. I will add a position when/if price breaks out of the stall.

Attached Images



-
- May 16, 2011 1:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

We are now going into the 13th trading day in May. Fourteen more trading days left. There are 17 pairs that show strong monthly trends. Several of these pairs are showing 3 Taps and others have hit strong Resistance/support levels, have been repelled by the levels, and have turned to go the other way.

Will the monthly trend on these pairs continue and finish out the month in their current directions? It would take a gigantic amount of momentum to completely turn these ships around, so they will likely continue in their current directions, although retrace throughout the week is also likely.

What does this mean for those of us trading the monthly charts? I am looking to adding to my positions as I see BOs and 3 Taps on the lower time frames throughout the week, always mindful of the monthly direction.

- May 17, 2011 4:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [pippete](#)

Hey LG, I know it sounds like a broken record, but I'm still trying to figure out night BO trade MM issues. Since you don't use SL much, how much DD do you allow yourself for a simple 1H BO, like this EURCHF trade last night? I was in that also, and it did go into -60 or so but eventually turned around. What do you do when you wake up to -60-80 pip DD?

(I did on CADJPY and am currently in "recovery mode" trying to trade the retrace...)

Thanks...

I have not been setting pending orders for several weeks now because of the choppy market and I would not recommend that anyone set them, at least for now. I hope you are not setting them.

I am looking to the longer timeframes for overall direction now and as I have mentioned have been in several pairs since the beginning of the month. I am using H1 BOs and H4 3 Taps as a way to add to these positions. I am doing that almost exclusively now because I had been stopping live trading after 100 pips and that was generally by Monday or Tuesday....didn't make sense.

Take a look at my GBPUSD chart. My first position there is May 3rd. Notice that I have tried to add a position at each BO. I missed one, a big one, where the arrow is pointing. I have also taken profit on some of my positions.

You will also notice that the biggest retrace is about 115 pips. That is not too much on a monthly chart... which is my "controlling" chart. So, I will continue adding short positions until the monthly candle changes.

Trading with the monthly/weekly direction is much like casting a bottle into the ocean, it will bob around and bob around for an indeterminable amount of time, but eventually, it will go in the direction of the current. If we are looking for the big moves and the big pips, price will almost always follow the momentum of the larger TF direction...the current.

I have not answered your question, I know. It is hard for me to determine appropriate stops for others. However, if looking for 30-40 pips, a 20 pip SL seems reasonable. But, again, watch pending orders right now.

Attached Thumbnails

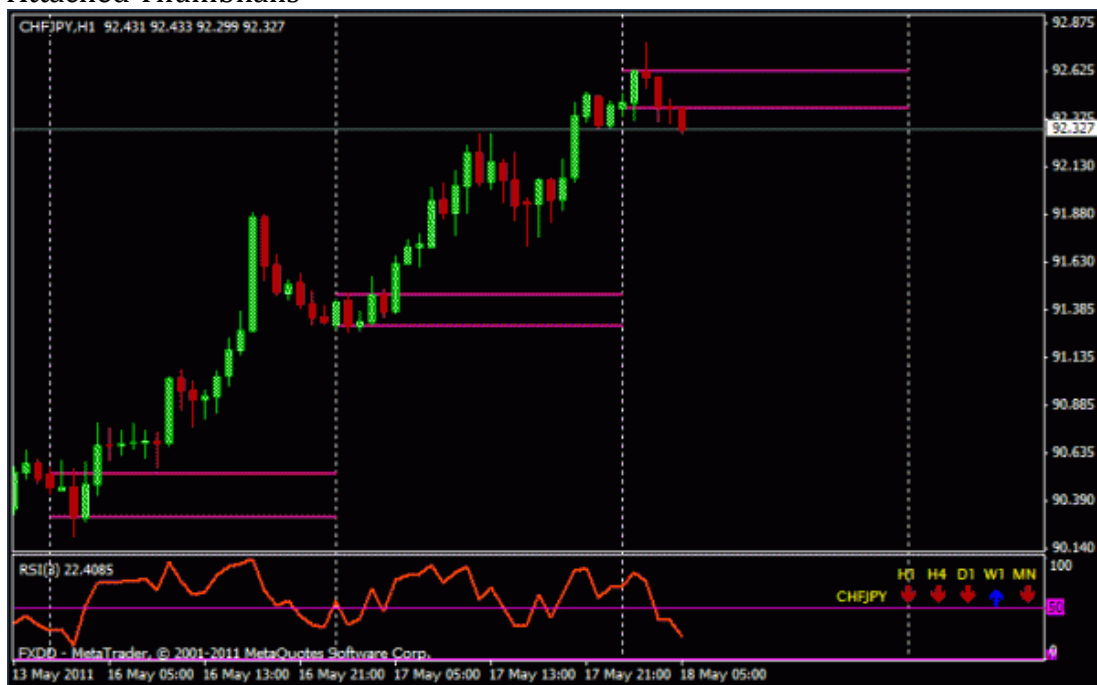


-
- May 18, 2011 4:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO may be setting up.
Attached Thumbnails



-
- May 18, 2011 4:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO setting up

Attached Thumbnails



- May 18, 2011 17:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In commemoration of reaching 1000 pages and while waiting for the paint dryingly boring monthly chart trades, I have been working on a new entry on the daily charts that seems to be working very well. It is quite simple.

1. There must be directional confirmation on both the **weekly** and **daily RSI**. If monthly also, the better, but not necessary.
2. **Enter** in the direction of the RSI **within the first few hours of the beginning of your new daily candle** (whatever time of day that is for you), say within the first 6 hours (although 6 is arbitrary). The point is, we are trying to capture as much of the full day as is possible.
3. Immediately place a **30 pip SL**. Then forget about it.
5. Next day at around the same time check the trade. It will have done one of 3 things: a) hit the SL, b) taken off, or c) ranged around.

If:

a) Oh, well...go to the next trade;

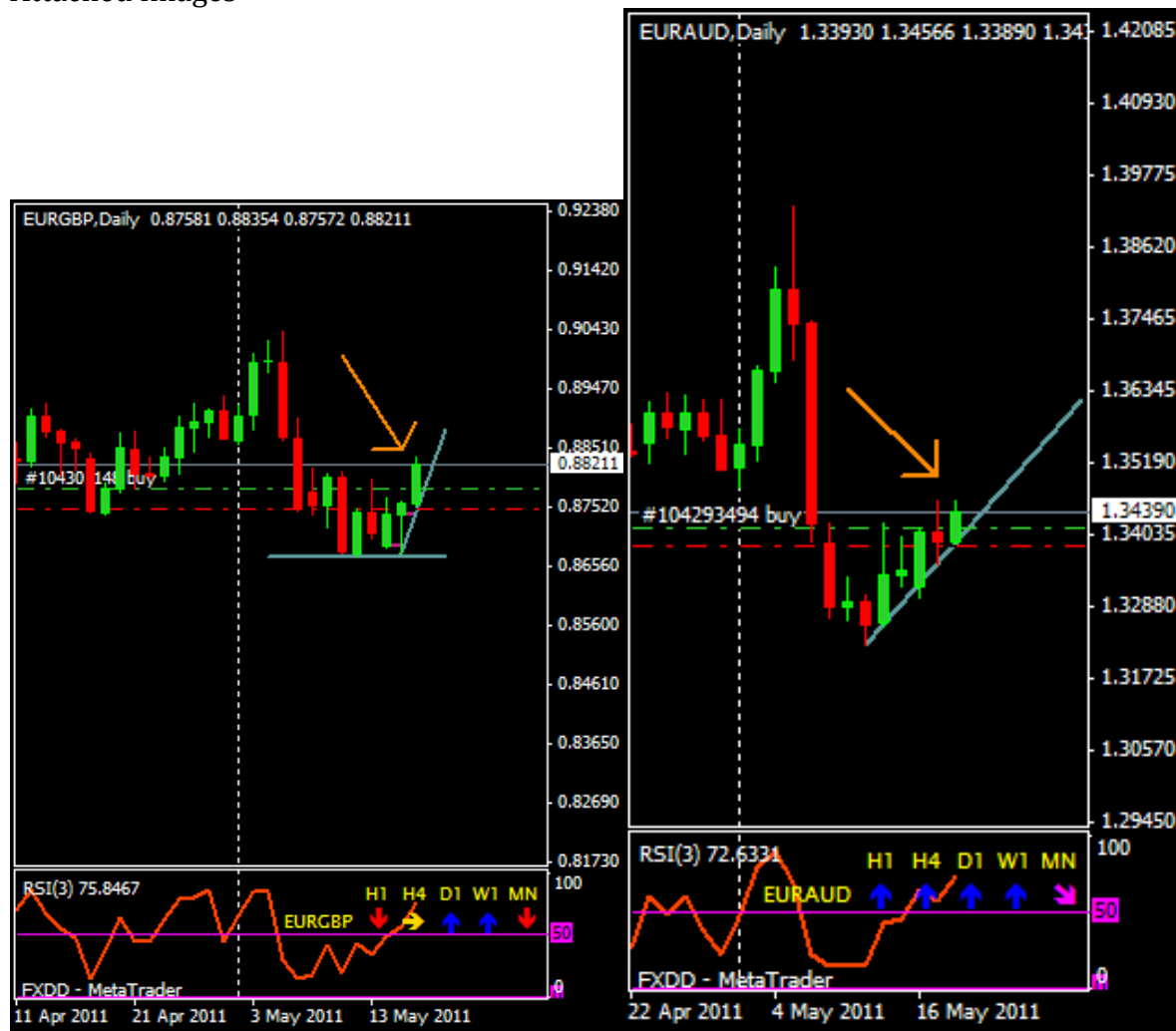
b) Great, decide whether to TP or add a position if direction continues;

c) Wait it out,

That's all there is to it.

Rinse and Repeat....

Attached Images



- May 19, 2011 15:18



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Several setups here: 3 Tap daily, H1 BO, and I entered it on he new candle daily chart..even though it is 12 hours into the daily candle.

Attached Images



-
- May 20, 2011 4:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [TraderinSD](#)

Regarding the H1 B0 method. I have read the thread on the first page.

Specific question if I may ?

H4 and H1 indicator/arrows must be in the direction of the trade when the PA breaks either the support (shorts) or resistance (longs).. Got that...

Wait for a M15 candle/bar to completely clear either S/R .. Got that too...

I assume H4 and H1 arrows should also be pointing in the direction of the trade when you finally get the "1st" M15 candle/bar to clear the S/R line. I have not traded this method long enough to see if there is some...

Good questions, TradinSD.

Yes, you will always want the M15 candle PA to be confirming the H4 and H1 RSI directions. If the M15 moves in both directions over several candles while looking for an entry, chances are the H1 direction has changed or fluctuated, indicating lack of strength. I monitor these trades on the H1 chart, as I do not like the M15 chart for following trades only for entries, but that is just a personal preference...just as I prefer short trades over long ones...no good reason.

Yes, stop is based on risk tolerance. But more and more, I am looking to let winning trades ride and even adding positions on positive moves.

And yes, look to S/R lines to see where price might be going or where it might get "hung up".

Hope this helps.

-
- May 20, 2011 4:53



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

These pairs have the looks of a good BO, but the current H1 candle in each is very weak. I would NOT consider entering on this poor a quality candle.

Sorry, USDCHF. Notice that the H1 RSI bears out this weakness.

Attached Images



- May 20, 2011 5:42

[TraderinSD](#) Member Since Feb 2011

Trade what you see [472 Posts](#)

[Posted by lawgirl21](#)

Looking like a classic BO.

Thank you forthe response on post 15077. 😊

Using this post/chart. PA breaks long. Arrows H4 and H1 are pointing up (12:00).. We are now waiting on the M15 to close completely above the resistance line. We then would enter at that M15 close (assuming arrows are still confirming long @12:00) Correct ?

Thanks again for your help

- May 20, 2011 5:45



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by TraderinSD](#)

Thank you for the response on post 15077. 😊

Using this post/chart. PA breaks long. Arrows H4 and H1 are pointing up (12:00).. We are now waiting on the M15 to close completely above the resistance line. We then would enter at that M15 close (assuming arrows are still confirming long @12:00) Correct ?

Thanks again for your help



Correct, and assuming the following M15 candle continues up..also look to the quality of the entry candle.

-
- May 22, 2011 18:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Last week, the third trading week of the month, was tough on the monthly trades.

I started my monthly trades with a \$100,000 demo trading account. By Friday, May 13th it was up to \$120,900. By May 15th it was at its highest..\$125,300.

Then last week. I have taken most of the profits on GBPUSD but am still holding 3 small positions. AUDCAD has gone from short to long and there may be an exit early this week if that continues.

GBPJPY is negative, although the monthly RSI still shows short. The account is at \$114,600 now. This week will be interesting.
Attached Images



- May 26, 2011 1:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [zaqzaq](#)

Hi LG,

I have been following your system for a while now and I really like it. Looking back I can see many mistakes I have made. Trying to get better entries is my goal so on that note may we talk a little about price action say on a breakout trades. Many times I have taken trades the breakout was false and many times I did not guess what happened! Can you give us some more guidance purely on price action if you have some free time?

Again many thanks,

Zaq.

I'll try Zaq, but I don't have any special insight into price action. But maybe I can give you a different way to look at it.

Think of PA as the walking around or "pacing" back and forth of the price of the currency pair. We observe this "pacing" when we watch PA, as it is happening in real time. This "pacing" becomes a footprint on the chart, and this footprint becomes a candle. **A candle is the footprint of price. A closed candle tells us everywhere the footprint has gone...everywhere.** But it does not tell us where the footprint is going.

We cannot control this nervous pacing footprint, we cannot tell it what to do, or where to go. It acts like a stubborn mule that is sometimes obedient, but too often willful. It gets tired and

sometimes rests for awhile (consolidation), but we cannot prod it and make it get up and move, we can only wait for it to start moving again, sometimes fast and furiously, at other times slowly and deliberately.

However it moves, the best we can do is study where it has gone as an indication of where it might go. That is what we try to do here, with R/S lines and the RSI indicator that tracks the footprint.

Watching BOs is watching pure PA as it is happening. Using the M15 chart for entry is as solid an entry as I know of...but still, this nervous footprint can do what it pleases, when it pleases, so we get surprises. I know of no way to avoid them.

- May 26, 2011 5:24



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Entered on the daily chart with a 30 pip SL. Notice that it is also a H1 4C BO also...haven't checked to see if it is 3 Tap also...but it wouldn't surprise me.

Yes...3 Taps too. Funny how that happens so often.

Attached Images



-
- May 27, 2011 18:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [GeraldFX](#)

Dear LG,

I am facing some difficulty in determine a good 3T setup. I realized from most of the charts posted since page 1 that it is good to start looking for the 1st & 2nd tap when market starts to turn into a different direction. When the 3rd tap comes, that is when i should hunt for a good entry.

Does anyone sees it this way? I do not want to start seeing funny taps without a clear overview of what i should be looking for.

Eg: Red 3T vs Blue 3T vs Orange 3T.

Pls advise.

The first step of finding 3 Taps is to look for conformation of direction on the weekly, daily, and H4 RSIs. This is critical. Some people start by looking for the taps first and trying to get the confirmation later, but that is not the procedure. Sounds like that is what you are doing.

Here are the steps and **in this order**:

1. **Scan the RSIs.** Eliminate any pair that does not have the 3 RSIs confirming. List those that do.
2. **Go through the list of confirming RSI pairs one by one...**starting on the H4 chart. Observe the direction and the candles. Look for the 3 Taps...which is only a trendline...is a 3 Tap there? Is one about to be there?
3. **Remember a setup is different from a trigger.** A setup is the 3 Taps. A trigger is PA or the candle, moving in the desired direction. Never enter a short position on a green candle. Never enter a long position on a red candle. This is where patience comes in.

Sometimes we have to wait for a H4 candle or two for the trigger and by then the RSIs may have changed, so the trade is no longer valid.

Sometimes we find the setup and trigger too late and have to decide whether we have missed the bus. (That is a good time to check the daily or weekly charts, maybe we could enter on a higher TF.)

That's all there is to it. DO NOT look for the Taps first...the RSIs will eliminate most pairs right off the bat.

Hope this helps.

- May 29, 2011 17:06



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A quick look back at the last 3 weeks for 3 Tap H4 setups reveals many and only one that did not have a trigger. Just trading that pair and following it closely would have made hundreds of pips.

Attached Thumbnails



-
- May 29, 2011 17:12



[Chicky](#)

Member Since Sep 2008

THE THIEF OF WALL STREET [9,980 Posts](#)

[Posted by Fitness09](#)

The problems I am having are 1. I am entering on the set up, not the trigger. I figured that out when LG posted her rules on 3 Taps a few pages back. I usually take the trade when all 3 RSI are in the same direction, and there is a 3 tap line drawn. I think the PA movement, or lack there of, is what is getting me. And 2. almost every trade I left open over night, went negative 60-75 pips. I set a 100 pip SL, but eventually the do get to that.

We'll just have to be more disciplined and work on this stuff.

"The average chart reader, however, is apt to become obsessed with the notion that the dips and peaks and primary and secondary movements are all there is to stock speculation. If he pushes his confidence to its logical limit he is bound to go broke. There is an extremely able man, a former partner of a well-known Stock Exchange house, who is really a trained mathematician. He is a graduate of a famous technical school. He devised charts based upon a very careful and minute study of the behavior of prices in many markets stocks, bonds, grain, cotton, money, and so on. He went back years and years and traced the correlations and seasonal movements oh, everything. He used his charts in his stock trading for years. What he really did was to take advantage of some highly intelligent averaging. They tell me he won regularly until the World War knocked all precedents into a cocked hat. I heard that he and his large following lost millions before they desisted. But not even a world war can keep the stock market from being a bull market when conditions are bullish, or a bear market when conditions are bearish. And all a man needs to know to make money is to appraise conditions." - *Jesse Livermore*

-
- May 29, 2011 17:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Chicky

[size=2]"The average chart reader, however, is apt to become obsessed with the notion [color=black]that the dips and peaks and primary and secondary movements are all there is to stock speculation. If he pushes his confidence to its logical limit he is bound to go broke. There is an extremely able man, a former partner of a well-known Stock Exchange house, who is really a trained mathematician. He is a graduate of a famous technical school. He devised charts based upon a very careful and minute study of the behavior of prices... You like Livermore too! As do I, not as a man, but as a trader..have read everything I can about him.

He sent out market "probes" or "scouts" as a major part of his trading...kind of like we are doing with our daily trades and the 30 pip SL.

-
- May 29, 2011 17:30



[Chicky](#) Member Since Sep 2008
THE THIEF OF WALL STREET [9,980 Posts](#)

Posted by lawgirl21

You like Livermore too! As do I, not as a man, but as a trader..have read everything I can about him.

He sent out market "probes" or "scouts" as a major part of his trading...kind of like we are doing with our daily trades and the 30 pip SL.

I did some research on his trading and like few of his techniques. Kindly do remember that he was basically a commodity and stock trader, and not a currency trader. Forex is a different market and we are living in different times with advanced technology. However, some of his money management tactics are worth checking.

Posted his quote on this thread because of its relevance to this thread's title. If its bull market, its a bull market. If its bear market, its a bear market. Trade what you see.

-
- May 29, 2011 17:35 | Edited May 29, 2011 17:47



[Chicky](#) Member Since Sep 2008
THE THIEF OF WALL STREET [9,980 Posts](#)

Posted by sam21

question: when the trend line is tap for the third time wewait for the candle to close and a break to the desired direction

Where's the question?

ps - got it.

Yes, many do wait for the candle close but this close is not conclusive. Many times a candle closes above a resistance but still falls back and continues going down. Waiting to confirm the break out is prudent. But do note when it happens. Normally a critical candle close happens at the open or close of a trading session (NY, Asia, London, etc.). If this happens at this point, it is wise to wait and see how that open takes it.

Also check which level (s/r) has been taken out by this close and with what force. A strong move taking out a significant level is more likely to survive.

- May 29, 2011 17:48 | Edited May 29, 2011 18:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by Chicky](#)

I did some research on his trading and like few of his techniques. Kindly do remember that he was basically a commodity and stock trader, and not a currency trader. Forex is a different market and we are living in different times with advanced technology. However, some of his money management tactics are worth checking.

Posted his quote on this thread because of its relevance to this thread's title. If its bull market, its a bull market. If its bear market, its a bear market. Trade what you see.

Yes, I understand that he did not trade currencies, but some of his trading principles are equally applicable to currency trading. His trading has helped me personally in my trading more than anyone dead or alive..but you are correct, as was he almost a hundred years ago. a bull market is a bull market and a bear market is just that..we can't change it so we just go with it. Thanks for your input.

-
- May 29, 2011 17:58 | Edited May 29, 2011 18:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Since we are talking about him... here are what he considered his most important rules and in this order:

1. **Decide on the overall direction of the market.** Be sure of the basic trend. It is the line of least resistance.
2. **Develop a entry strategy.** Probe the market. Test it by trading small positions first. Do not rush in with your whole position until the market is tested this way first.
3. **Be patient and wait for the move to play out.** i.e. number 2 above.

Livermore first started using this approach in 1906. He used it for the remainder of his trading career. He credited this strategy for his success.

Notice, dear traders, that we are also following this strategy!

-
- May 29, 2011 18:21



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by sam21](#)

i dont understand the trigger for the trade clearly

The very interesting thing about 3 Taps is that we "find" them, we cannot generally anticipate them. We find them because we are looking for them AFTER the RSIs are telling us to look for them (confirming direction).

That confirmation of direction is like a neon sign flashing "look for 3 Taps, because conditions are ripe for them!....look for 3 Taps, because conditions, etc." So we do what we are told and go looking.

When we find a good 3 Tap line (remember, a 3 Tap is just a trend line..generally with wave action taking place between the taps..but not always or necessary) it may already be triggered and we have to determine if we want to enter or not depending on lots of factors that I really cannot teach a trader, but mainly on PA and how far into the H4 candle it is at the time.

But we might find just the setup with no trigger and have to wait until the next candle to determine what PA is going to do before we enter.

Never enter a long trade on a short (red) candle. Never enter a short trade on a long (green) candle.

Summary:

A 3 Tap long with third tap on a short candle = setup but no trigger

A 3 Tap long with third tap on a long candle = setup and trigger

[opposite for 3 Tap short]

Entry is just that simple....and just that complicated.

-
- May 30, 2011 16:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by betterlife](#)

Hi friends,

I'm a newbie here (in spite of being quite a veteran - 5+ years - of trading forums). Yes... I came here, I humbly admit, because so far I haven't found anything really fitting my needs/style and being consistently profitable.

What I found here seems very promising! And I start saying a big thank you to Ms. Lawgirl for

having created such a wonderful opportunity.

Actually I am quite scared by the 1000+ pages, 15000+ posts here, and I fear it would take me some months for getting through it, given my tight (too tight) schedules....

Welcome, betterlife, and welcome. Yes, the 1000 pages is daunting. It is mostly filled with charts, but some good information too. I don't know what to tell you about it except that much of it can be skimmed through.

I highly recommend that all traders study charts though, I do almost every weekend. That is the only way to really understand PA and get really good at spotting setups.

There is no right or wrong place to start a trendline...whenever you see it. They will eventually start jumping out at you. For the H4 3 Tap, we do start within the current week, although reaching back a few candles into the prior week is ok at the beginning of the trading week.

You chart: Yes, the RSIs are correct, but there is no 3 Tap..so move on to another pair.

-
- May 30, 2011 16:17



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

A textbook 3 Tap Daily.

Attached Images



- Jun 7, 2011 0:55



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Back from Vegas...ready to trade!

Left 9 open trades last Thursday. AUDJPY hit the SL. GBPUSD hit BE. The other 7 trades are up over 700 pips total. I can post the trades, if anyone wants to see them.

-
- Jun 7, 2011 23:20



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This is how the Moneytree trades should work ideally. I entered this trade on May 19th on an office account. That single trade is now up about 290 pips. That's great, **BUT** had I been paying attention, I would have added 3 more branches for approximately 300 more pips, for a total of around 590 pips in about 13 trading days....that's what this is all about...13 days, one

pair...590 pips...imagine just one other pair going like that at the same time. 😊

Attached Images



-
- Jun 8, 2011 4:16



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

My top trades at the moment.

Attached Thumbnails



- Jun 10, 2011 0:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [peaches](#)

i have a question about the rsi value 3:

Short time after the daily close the arrows are going nuts and turning neutral / sideways.

Maybe is it a good idea, to wait for certain (4-8 hours) time, before the arrows found direction ?

The arrows do go nuts after almost every time period change, so yes, they need time to find their way after the daily close/open.

I have been tracking the monthly RSI for the past 3 or so months and have noticed that it takes 8-10 trading days into the new month for the RSI to settle into a position. Then after about the third week into the month, if the arrows are either red or green, they seldom change..sort of like that big ocean liner turning around....its hard to do. If the arrows are neutral, then they can go either way. I think the implications are significant for monthly trades...although I haven't had the time to exactly work out the implications.

-
- Jun 13, 2011 15:04 | Edited Jun 13, 2011 15:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I wish I could help you guys with the technical stuff, but I haven't a clue. I'll see if I can find Scrutch to see what he says. But remember, the RSI line can be checked "manually", which is what I did (and still do) before Scrutch built the arrow indicator.

- Jun 17, 2011 1:09 | Edited Jun 17, 2011 1:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [JusticeFX](#)

It seems that the drawdown from this method can be unbelievably high. This method will carry itself once positions are established, but there will be lots of losses before getting to established positions, that is very true. Most positions will be stopped out.

One needs to be able to handle 20+ losses before hitting a real move, like the 3000 move down on EURUSD from Nov. 2009 to May 2010. What if we had 10 or more branches on that move?..I'd be out of here! But would we care if we took 100+ losses to get there? I would not even give it a thought. That's the endgame.

Remember that all the trading books seem to agree that 60% of long term trades end in losses or BE. Thus, the 40% are the big return trades...what we are looking for here.

The ability to withstand multiple losses is what pushes trend followers to look for very high **Reward:Risk** ratios. It requires true mental toughness and most traders don't have it and instead look for **Risk:Reward** ratios. There is nothing wrong with that, but we must give up that way of thinking to be successful with these long term trades. I am still testing myself to see which group I fit into. But I am hoping it is the Reward:Risk group.

-
- Jun 18, 2011 16:12



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

What I would like traders here to understand and I don't believe I have done a great job at it so far, is that I have tried to systematically take you through a method of trading.. starting with H1 charts (H1 4C BO)...then H4 charts (3 Tap) and now daily charts (MoneyTree)...that is extremely **interrelated**.

These systems can be traded separately, or all together. By that I mean a H1 BO can be used to enter a MoneyTree trade, as can a 3 Tap or a H1 BO can become a 3 Tap and both can become a MoneyTree trade. Or a trader can stick with only H1 trades or only 3 Tap trades. But, in my opinion, MoneyTree is the endgame. And with Moneytree, my work on the thread is almost done.

- Jun 22, 2011 3:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [maestrodforex](#)

Why is the AUDJPY o

n watchlist and not a trade? What has not yet made you sell it?

Good question. Move to the M15 chart, posted below, and notice that there has not yet been a close of a red candle below the support level. I am waiting for a close of a red candle and for the open of the next M15 candle to continue down.

Attached Images



-
- Jun 22, 2011 3:49



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

OK...I am liking it, but will probably watch this current candle for a little while longer before going in, but each trader must make their own decision as to when and if to pull the trigger.
Attached Thumbnails



-
- Jun 22, 2011 5:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I did enter this pair, but on a daily chart.

CC, I don't want to put a stop on this pair yet, but if I do, the Resistance level marked by the arrow would be where I put it...maybe even a little above.
Attached Thumbnails



-
- Jun 22, 2011 15:20



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Chart

Attached Images



-
- Jun 22, 2011 20:28



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by FX California](#)

LG:

I also live in PST zone. Lot of BO (per your charts) happens during London session when we are sleeping. How do we catch those unless we have a pending order in both side? But that will bring lot of drawdown also in choppy market. How do you get those?

Thanks,

FX_California

I am not catching alot of the **H1 BOs**. But I am catching many of the moves on the daily chart that turn into BOs. You will notice on the charts that I posted earlier this morning where I was in the trade, that my entry was before the BO, that's because I took the entry on the daily chart....generally around 8:00-9:00 p.m. just before I stop looking at charts for the evening.

-
- Jun 22, 2011 23:06



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [vijidas](#)

I was going to ask the same question. I'm unable to understand or see why LG got into some trades and why does she ignore some of them. I have been struggling with it for a while now. She takes certain 4C 1hBO and ignores some. Same for 3tap and money tree. It's not like I'm new to trading or I don't know technical analysis or anything. I know and understand everything is being said and done. I'm no beginner. At times I can see all the rules match and setup is there and yet LG doesn't take them and for some trades there aren't any rules but she...

It is not at all that I ignore some trades and take others, it is that I cannot take every good trade set up...there are simply too many good ones, so I pick and choose, sometimes rightly and sometimes wrongly.

The AUDNZD short trade is very simple...re-read my post # 16355 above, I did not get in on the BO which came after I entered the trade. I took the trade earlier on the daily chart which had PA and RSI confirmation as well as long term overall short confirmation. There can be several entries within a short period of time to one pair.

-
- Jun 23, 2011 4:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Here is an example of taking a trade on the daily chart before there is a H1 4C BO. The weekly, daily, H4...even the monthly are confirming a short trade. There is also a 3 Tap set up and trigger on the daily chart.

If I decide to enter a short trade here, I will do so from the daily chart...but it is still a trade on the H1 chart....you guys don't seem to understand that there are several entry methods, but the objective is the same...a good trade no matter whether we call it a BO or a 3 Tap or a MT.
Attached Images



- Jun 23, 2011 5:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Here is another example of a trade from yesterday that I took from a daily chart, which became a nice BO. I am looking to add a branch if there is another BO upward.....then I will call it a MT trade and see if I can continue with it for as many branches as possible!

BUT NOTICE ALL THE ELEMENTS OF THE TRADE ARE EXACTLY WHAT WE HAVE BEEN DOING FOR MONTHS NOW.

Attached Images



- Jun 23, 2011 5:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

My first entry yesterday from the daily, which we discussed earlier. Now I have a second branch...again earlier than the BO...but from PA and RSI confirmation on the daily chart.

A Major Rule in Trading: There always needs to be a reason to enter a trade. i.e. looking and waiting for certain things to happen. I have added, there always needs to be a reason to add (a branch) to a trade.

Attached Images



-
- Jun 23, 2011 15:06



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I hope to add another position to this pair today.
Attached Images



-
- Jun 23, 2011 23:25



[airbeat](#) Member Since Nov 2007
Member [104 Posts](#)

Posted by [lawgirl21](#)

Take time off from the MT trades for awhile. There are plenty of pips to grab from the H1 BOs. I started looking at MT trades and BO trades as individual setups but now I am starting with BO Trades and finding them perfect entries for possibly continuing as an MT trade. If it doesn't set up that way, then I take my profit off the table and move on. No need to look for just one or the other.

It simplifies things for me and I think while I may miss that "big" move there is also a decent chance I will not.

I believe LG has indicated that these are all inter-related and work better in conjunction with each other rather than as separate trading systems.

Am I correct in my thinking there LG?

-
- Jun 24, 2011 1:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by airbeat

i started looking at mt trades and bo trades as individual setups but now i am starting with bo trades and finding them perfect entries for possibly continuing as an mt trade. If it doesn't set up that way, then i take my profit off the table and move on. No need to look for just one or the other.

It simplifies things for me and i think while i may miss that "big" move there is also a decent chance i will not.

I believe lg has indicated that these are all inter-related and work better in conjunction with each other rather than as separate...

That is exactly what i have been talking about. They are not really isolated trades....you are the first trader here to make this connection! 😊

- Jun 29, 2011 15:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by airbeat

Just a word of caution. Today's eur volatility was due to the Greek vote on austerity program. Tomorrow expect the same when they vote on implementation of it. Big swings and Stop Losses can be hit. I will take my profits on eur and stand on the sidelines tomorrow until the dust settles from the voting.

That is probably wise. I am trying to pay more attention to news...so far I have not been very good at it.

- Jun 30, 2011 15:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by airbeat

Talk about a turnaround! I started the week with three straight losing trades that hit my stop loss. I took a break a bit discouraged but not defeated. As of today I am now up 643 pips since those losses. Today and tomorrow will be Pip preservation days. Not going to give up these incredible gains for the week.

I am still having difficulty with the really long term trading. It's hard not to take 150 pips off the table. I take a portion off but when I see the trade start to turn down and 30-40 pips evaporate I wind up taking the rest off. This...

I think we all are battling that mind set. I used to stop live trading for the week after banking 100 pips. It was almost like a false humility, looking back on my reasoning...I think I was thinking along the lines of 100 pips was my fair share or something like that.

But now I realize that 100 pips was nothing, kind of like picking some of the fruit and letting the rest rot on the tree...it made no sense.

If you are getting to 600+ pip accumulations, it won't be too large a leap to 800, then even larger. Try to get use to taking good profits and setting BEs. Then if PA still moves in your favor, take more off the table and move to BE again.

[FXDD](#) allows traders to close from a full contract to .50, then to .25. I have not tried going lower than that, but I think the .25 can be taken to .10. I am assuming all brokers are the same. The point is that once profit is taken down to .25 at BE...there is not much loss left there and the potential gain is tremendous.

- Jul 9, 2011 22:29 | Edited Jul 10, 2011 16:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I have been experimenting with using Heiken Ashi candles for H1 4C BOs as they may allow us to stay in the trades longer. Take a look at this pair side by side.

Comments anyone?

Attached Images



- Jul 10, 2011 22:59



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Erebus](#)

You might also like to try these **Average Price Bars**

And some educational videos

<http://www.compassfx.com/video/flash/22108/22108.html>

<http://www.compassfx.com/video/flash/61509/61509.html>

Excellnt videos...thanks for posting them. Heiken Ashi = Average Price bars

- Jul 12, 2011 15:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Nijn](#)

Thanks.

Line of least resistance.....hmmmmmm....hopefully that line is pointing down 😊

Almost forgot one of my all time favourites for shorts, USDJPY.

Now trading below the 80 level, and I am looking for a nice level to sell.

Don't you like how the HA candles smooth out PA?

-
- Jul 12, 2011 17:41



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [eltax100](#)

They do look interesting, I think they would help you stay in longer and managing a trade .

probably not much better on entering the trade, are you going to test these Lawgirl ?

I sort of am testing them exactly as you said, to stay in a trade, not necessarily for entry. I set up a template and check it when I check the standard BO setup.

-
- Jul 15, 2011 5:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Because the market is very slow right now, I decided to review charts and play around with our indicators a little.

Using HA candles and changing the BOZ indicator that most of us use here, I changed the "Number bars for break out" to 6 instead of 4.

Notice the 2 periods ...last Friday and this past Monday...marked with the X. That was around a 200 pip move down.

My thinking is that in this ranging market, we may get fewer false BOs with increasing the number of candles. True, we will have to be more patient, but that's what it's all about anyway.

Attached Thumbnails



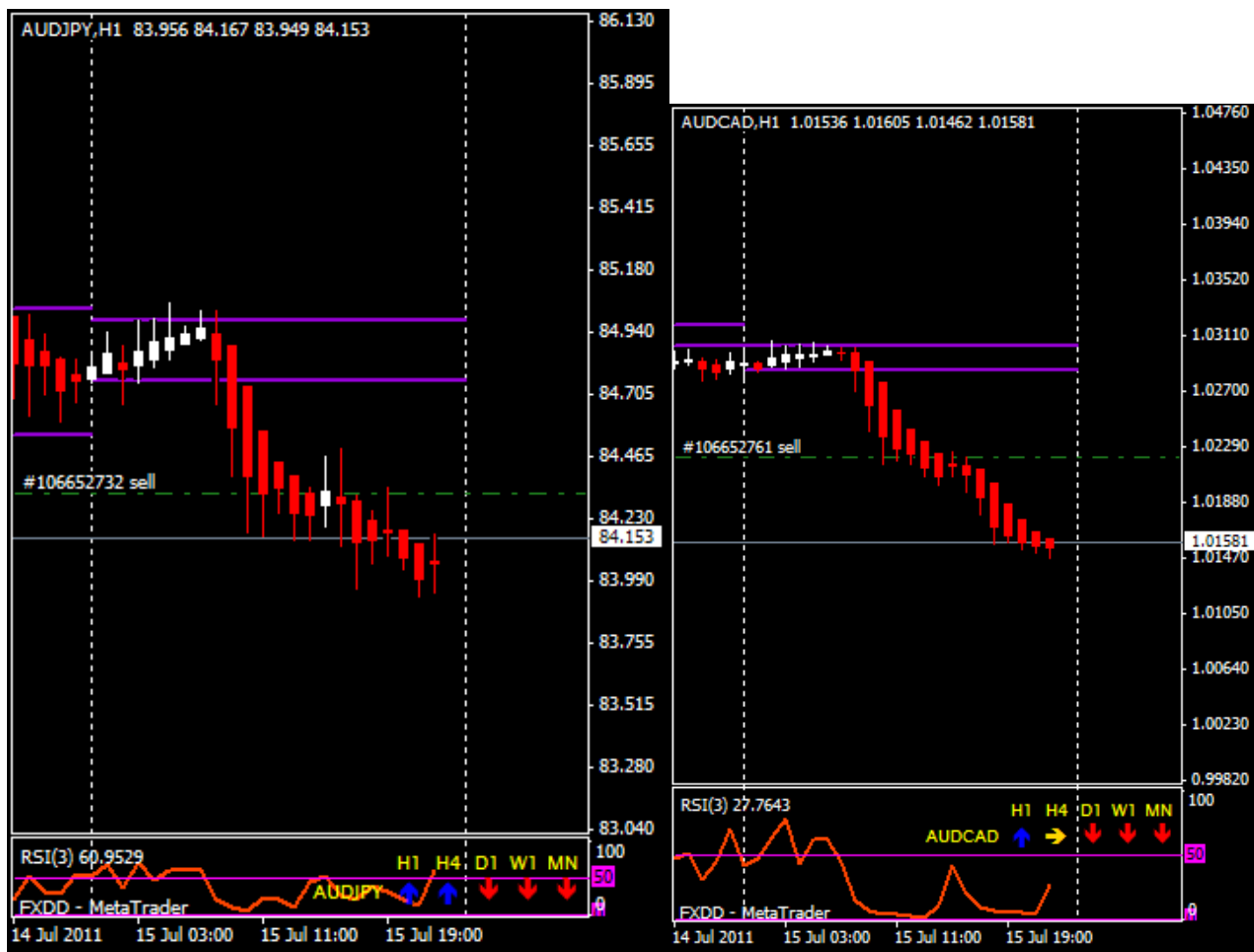
-
- Jul 17, 2011 16:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Definitely on my watch list to exit if there is a turn around.. especially AUDJPY as the last candle was weak and showing indecision.

Attached Images



-
- Jul 20, 2011 3:26



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by The7

You have my full respect for sharing your system Lawgirl. My question is about the H14CBO. What is your screening time to enter the trade. I understand you wait for the 4th candle close on a new day and enter at the breakout whichever direction that is. I know you dont use pending orders, but isnt this too much of screening in front of your computer? Besides what is the reason not using pending orders?

Excellent question, 7. I generally check the charts 6-8 hours into the new day, but BOs can happen at any time. There is no reason not to set pending orders. I am using Heiken Ashi candles more and more for BOs, which smooth out PA considerably. Pending orders might work especially well with the HA candles because they help to "stay the course". In that case, I would look for confirmation on the H4 or higher RSIs.

-
- Jul 21, 2011 16:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by degournay](#)

Thanks, I thought you were now drawing your lines from the first candle to the sixth. I thought you said it was giving you a more reliable entry. I am still not able to read the entries. Most of my trade from the BO end up negative as do most of my others. I was giving myself till the end of this month to decide on whether to continue or not depending on my demo account balance for the month. It is now minus 1133.48 pips but that means nothing This means something 20% positive 80% negative for the month!! I have been attempting to learn now for...

First to 6th too..it really doesn't matter.

I know what you are going through. Every single trader has/is going through the same thing. This is the hardest thing I have every done and I am including all of law school and studying for the bar. I try to explain it to people sometimes and just can't get them to understand..especially when there are only 3 ways the market can go--up, down, or sideways.

All I can say is don't give up, if you really enjoy it. It doesn't matter how many demo accounts you blow through, just keep using them until you get your routine and pace going and are seeing success. Then do that same routine over and over again.

Also..and excuse me, but I think this is guy thing...don't set arbitrary deadlines for yourself. By that I mean, things like "If I haven't doubled my account in 2 weeks, I'm out of here." So what if the deadline is not met. Just have progress as a goal. I use weekly "accounting" not daily. Did my week end with pips? A lot less pressure that way.

The market has the jitters this year. More so than I have ever seen, probably because the world is the same. So much chaos and uncertainty, this is a much harder time to be trading, in my opinion.

Don't over trade and don't chase trades. Two things I have to constantly remind myself of...still. There will always be more trades coming up.

Right now you are frustrated and still working on a system. But once you work out your own way of trading and become successful, you will have another problem to deal with....boredom. Successful trading is very dull and lonely. That is why I think FF is so successful. It has brought together thousands of traders who sit at a computer away from their families, who are going through the same things and somehow we feel a little less isolated in this endeavor.

Hope this helps.

-
- Jul 25, 2011 15:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I got in this pair on a 3 Tap, but it is also a very nice BO.
Attached Images



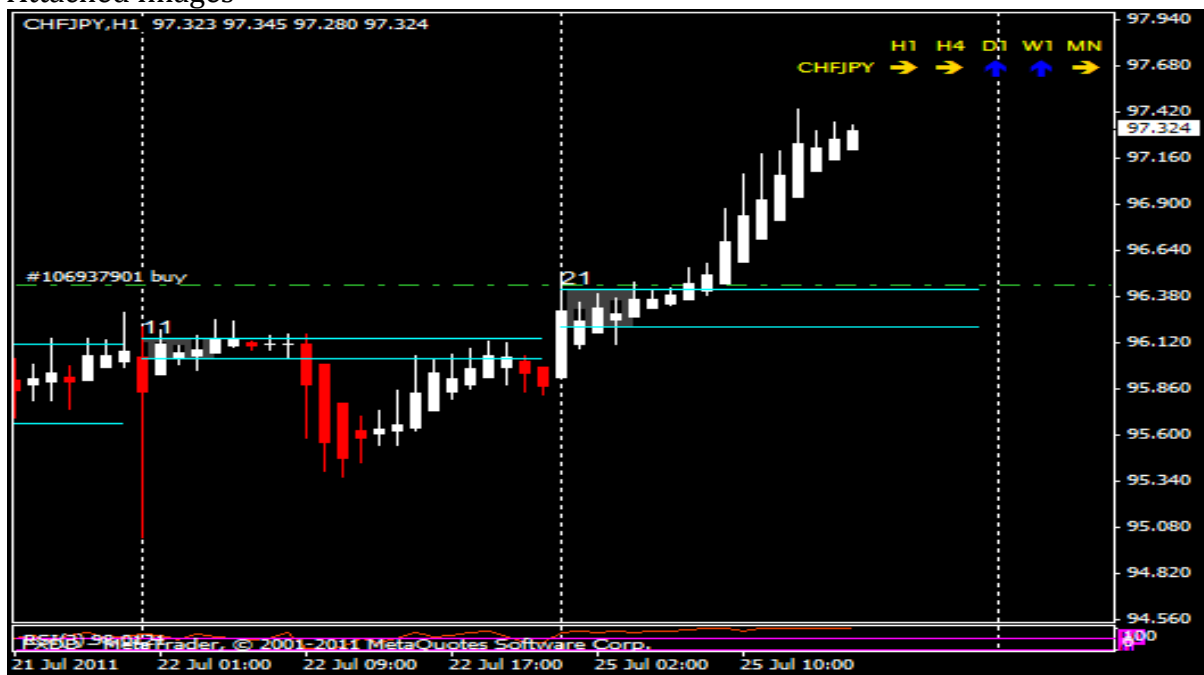
- Jul 25, 2011 15:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

As a BO

Attached Images



- Jul 26, 2011 17:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by Nijn](#)

Yes !!!

Exactly !!!

Once the 94 level breaks, that will be the target for this downmove 🤔

And I am seeing a red candle in the hourly Heiken Ashi 😊

Is that a 5EMA channel you are using?

Dean Malone recommends checking PA on an H4 chart with the 5EMA channel and not to trade until price closes outside the channel in desired direction. I have been checking out his suggestion. It's more conservative, but may be helpful in these difficult trading times.

Attached Images



- ul 26, 2011 18:23



[Nijn](#) Member Since Jun 2011
Member [128 Posts](#)

[Posted by lawgirl21](#)

Is that a 5EMA channel you are using?

Dean Malone recommends checking PA on an H4 chart with the 5EMA channel and not to trade until price closes outside the channel in desired direction. I have been checking out his suggestion. It's more conservative, but may be helpful in these difficult trading times.

The channel is a 5 period Smoothed Average, using the high, the low and the median.

I got this from a video posted here on this thread.

You are probably right, I think it was Dean Malone on the video.

I use this to see if the ongoing trend is still intact or in some kind of consolidation or maybe

even reversing.

Right now a new white candle appears on the H4 Heiken Ashi chart, it is still in the lower part of the channel, no trend reversal yet, but also no immediate continuation of the downtrend. The channel still has a downward slope, so I consider this a temporary pause in the downtrend.

The pause before the selloff, the silence before the storm.

Patience will be rewarded 😊

Attached Images



- Jul 26, 2011 19:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Long

Plenty of room to the upside...no problem there.

H1 Chart Below

Entry if price closes above first dotted line at around 8850. Possible 30 pips then to bigger resistance level around 8880. If price penetrates that area, there could be a nice run.

Recommendation

Entry from the H1 chart ONLY if 8850 level is broken. Then watching closely for the piercing of 8880 level from the H4 chart.

Attached Images



-
- Jul 26, 2011 20:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [mathtrader](#)

[font=Helvetica][size=3][font=Helvetica][size=3][left]When our trades lose money, whatever our logic, we can be sure we were not alone. But we can equally be sure that we were in the minority. Had we been in the majority the market would have performed as anticipated. The market decision process is that simple. It is a matter of putting our behavior in line with the majority as often as we can. The most effective tool to achieve that is our own empirically tested market psychology. We are the market, if only we can let ourselves mimic the mind of... We will never mimic the mind of the market, in my opinion.

I believe the best thing that we can do is give ourselves an edge. That is what I believe we are doing here..giving ourselves an edge. The next step is to be consistent with that edge, as is pointed out in "Trading in the Zone".

Consistency is also what makes trading so boring...the rote, day in, day out process of "if the market does this, then I will do that." The consistency part of trading is incredibly powerful because it takes the emotional aspects away from trading. Trading should be a very "cold" venture...devoid of emotions...we know how lonely it is. It is consistency in how we trade that makes us "cold" and thus fairly immune to the emotional beatings that can occur with losses. This in turn gives us another edge. This boring rote process devoid of emotion is what 95% of traders will never understand and why 95% of traders are not successful. We are, or will, be successful because we understand.

- Jul 28, 2011 15:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Progress report on my assigned pair. Almost at my TP.
Attached Images



- Jul 28, 2011 15:27



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Nijn](#)

Did you take this short trade in EURJPY ?

Nice BO both on the H4 and H1 chart, and I missed it off course (what's new).

I did. Out with +50 pips.

-
- Jul 28, 2011 16:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

We are about 8 mins. from a H1 candle change. If there is a change in candle color from red to white, I will exit this trade short of my TP, as it looks to be stalling out.

That's it! I'm out of here!

Attached Images



- Jul 28, 2011 16:13



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Moving to the M15 chart for a short entry here.

Attached Images



- Jul 28, 2011 18:45

[Evelyn Susan](#) Member Since Jul 2011

Member [21 Posts](#)

Posted by [lawgirl21](#)

Moving to the M15 chart for a short entry here.

I always find myself that when I move to 15m chart, the first candle that totally comes out from the lines is already not in the direction. Shall I wait for another candle? Or shall I just wait for another set up?

- Jul 28, 2011 18:58



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [Evelyn Susan](#)

I always find myself that when I move to 15m chart, the first candle that totally comes out from the lines is already not in the direction. Shall I wait for another candle? Or shall I just wait for another set up?

It's not so much that we are waiting just for an M15 candle to clear the R/S line. We want PA to continue in our desired direction, ES.

Notice the dotted line in the chart posted above. That marks the end of the probe(wick) that was sent out on an "exploration mission". I wanted PA to clear that line and it did. I entered the trade and this is how it looks now.

If a pair does not give you a set up...move on to another pair. Don't chase a trade.

This trade may turn out well for me or it may not. I liked everything I saw about it and entered, but the market does exactly as it pleases. I will likely not let it hit my SL, but if it is a losing trade, I will just go on to the next trade and analyse it the very same way. Confirming RSIs, a BO, and being at the top of the market, indicating a reversal...that's as many edges as I can see getting for any trade.

Attached Images



-
- Aug 1, 2011 16:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by Walad100100

Lawgirl, I am a bit confused and I need your help to clear some fog. The first post of this thread lists several strategies, each with some puny deviation from the other.

Which one you recommend me to stick with as a beginner, provided I'd rather wait for a high potential fish even if it is rare -- I have the patience for that.

I've noticed that the people in this thread have been focusing on the breakout of the first 4 hours of the day. Is that what you recommend me to stock with? if YES, is there any additional instructions that are not written...

Yes, I do recommend that you stick with the H1 4C BO in this market, Walad. I am using it almost exclusively. I have banked around 200 pips already this week just with BOs.

Rules are as simple as it gets:

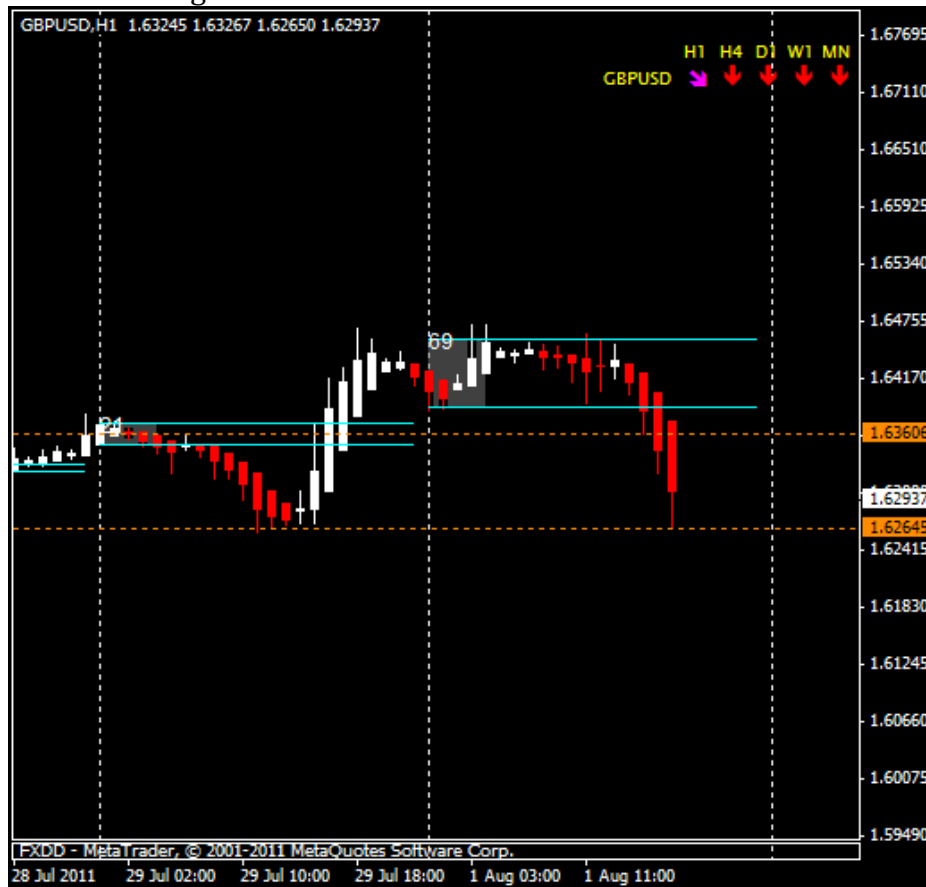
1. Mark the first 4 hours of the new trading day. Those are your support/Resistance levels upon which you will determine everything;
2. Check them when you can and make note of any directional movement toward one or the other of these levels;
3. Any pair's PA approaching the S/R levels? Note them and the directions of the RSIs. These go on your watch list;
4. Mark with a horizontal line any wick bottoms/tops that penetrate the S/R levels, remembering that wicks are price probes...soldiers sent out to explore the area. Look for those wick areas to be penetrated with a candle **close** on either an M15 chart or a M5 chart.
5. Mark your TP at the next support/Resistance level.

There are probably hundreds of charts posted that show the above. Just look back a few pages and you will see them to study,

Once you are comfortable with this, you will find variations such as consolidation BOs to trade. And you are right, they are puny variations, but they make pips.

The GBPUSD chart below shows the entire setup.

Attached Images



- Aug 1, 2011 17:08

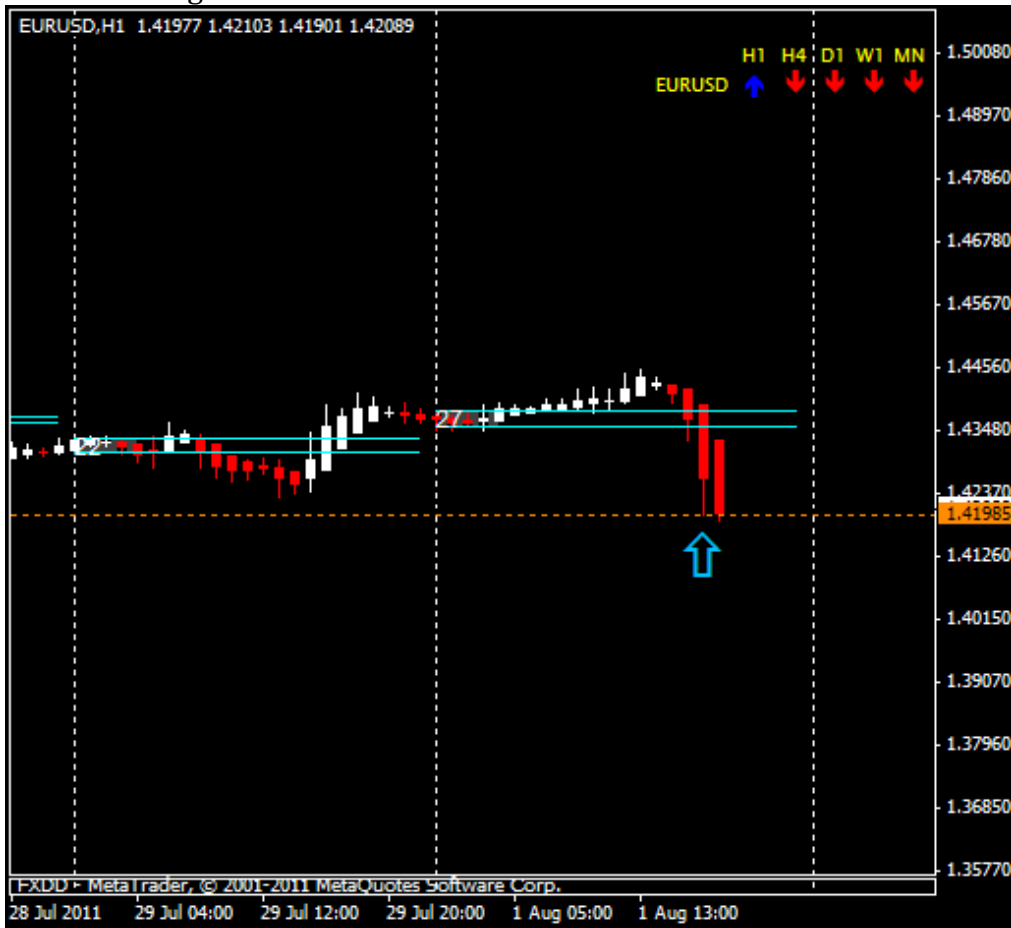


[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Here is a pair heading for a BO that we can walk through together. I have marked the bottom of the wick on the first full BO candle with an arrow.

Attached Images



- Aug 1, 2011 17:11



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Here is a pair heading for a BO that we can walk through together. I have marked the bottom of the wick on the first full BO candle with an arrow.

Switching now to an M5 (or M15) chart, we will wait for a candle close below that marked line and if opening of next candle is still red...enter this trade.

Of course if that does not happen, we will move on to the next pair. But will check back frequently to see how it is moving.

Attached Images



-
- Aug 1, 2011 17:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Very interesting..that marked level was right at 1.4200 which is a major psych level and price doesn't seem to want to penetrate it.

Attached Images



-
- Aug 1, 2011 17:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Price still walking that support line.
Attached Images



-
- Aug 2, 2011 2:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

Switching now to an M5 (or M15) chart, we will wait for a candle close below that marked line and if opening of next candle is still red...enter this trade.

Of course if that does not happen, we will move on to the next pair. But will check back frequently to see how it is moving.

Price never penetrated that 4200 area.

Attached Images



-
- Aug 2, 2011 17:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [pippete](#)

Slow, painful whipsaw... This is the kind of chart that makes you wanna pull your hair out. I went short on the 1H BO, missed TP by a couple of pips overnight, then turned back around. Hit SL on other side of channel, and looked like BO long, so I took it, then same thing happened on the long side... Missed TP and reversed. 🤔😓

LG, how would you avoid trades like this?

(Maybe set to BE after 15 pips? I thought of that, but was sleeping... hmm..)

I'm not sure those kinds of trades can be avoided. They are going to happen. Sounds like you did everything right. The only way to have avoid the initial SL was to have been watching the trade...and we can't do that all the time.

I had the same thing happen last night with NZDUSD short. One of the few times I set a SL. Price whipped up, hit my SL, then immediately went to my TP, which was no longer there of course. The more I trade, the more I am convinced that logical stops, by that I mean at round numbers, trendlines, pivot points, whatever is obvious... are "sought out" to shake out the retail traders.

-

- Aug 4, 2011 20:57

[TraderinSD](#)

Member Since Feb 2011

Trade what you see [472 Posts](#)

Posted by [degournay](#)

Hi LG, Still really battling to get this right. Can you tell me how many pairs you have on your watch list? I have all the majors and then some, all in all about 22 charts. At GMT +2 I go through all the charts and many of them have already closed above/below the SR lines. Those that have, I go to the M15 chart and see if there is a candle which is closed completely free of the line. If so I take the trade if the RSI for H1 is pointing in the same direction as I wish to trade. I then spend the rest of the day looking for similar setups. Most of...

If I may add to LG's recent statement: **"H1 BOs are PA trades and not necessarily trend trades"**

Something that might make this a bit easy regarding PA trading.. Yes, the H1 BOs are not always a trend trade but if you concentrate on the ones that are such as **AUDUSD and AUDCAD post # 17172... As you will see, looking at the LG indicator, 90% of the arrows are red... trend is definitely down. Both trades taken short. Having said that.. Look left...see the price congestion that took place on Aug 3... Now look at the preceding price action from the beginning of Aug... See how the market/price has been in a downward trend. Odds are good (not that it is certain) that the break will be with the trend.**

AUDUSD... See the area 1.0800 around July 24/25... This became a resistance for the upper part of the congestion prior to the break down for this trade short. Yes this is a macro view but it illustrates how looking at PA can help you with LG's trades. Add this to the LG indicator..odds a little more in your favor.. Again, not every trade is a trend trade but staying with the obvious trend trades (getting a macro view / larger view, may help you over the hurdle that you are having)

This is an excellent method, very consistent but your ability to read PA is critical.

One last thing. LG uses a method of determining support and resistance on the H1 BO that is different than the conventional thinking. That of drawing her S/R lines based on the bodies of the candles (opens and closes) not the top and bottom of the wicks. The wicks are probes... Ropes hanging from the ledge (the ledge is the real support). If you begin to see S/R in this manner throughout your charts, this will take you to a new level of understanding of PA and S/R.

LG.. Feel free to add if I stated something incorrectly..

TSD

-
- Aug 8, 2011 19:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by pippete](#)

Hey LG, just a quick question.. How long did it take you to get in "the zone" and trade with consistency, when did you stop losing money and keeping your profits? I'm reading the book and are slowly getting it, just wondered how you did it..

Have a great trading week, it's been crazy so far...

I still lose money, pete, and always will. But I keep more than I lose and that is the key.

Becoming almost machine-like in trading is the key, I believe. But human nature being what it is, machine-like is very boring so, we look around for things to make trading more interesting, maybe a new indicator or an ea. That is how I start losing money. As soon as I stray from watching PA, S/R areas, longer TF directions, etc, I generally start losing money. Yet I still from time to time want to try something new, start losing money, then go back to the tried and true. For me, BOs are the best way I have found to consistently make money. I always come back to them, no matter how far I stray.

Finding your "zone" will happen, just keep doing what you are doing. I believe you have a natural talent for trading, and I can't say that about most of the traders I have seen. It is just a matter of finding your own pace, your own way of doing things, your own timing, etc. But accept that you will lose trades and you will have losing streaks, it just comes with the territory.

- Aug 9, 2011 16:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

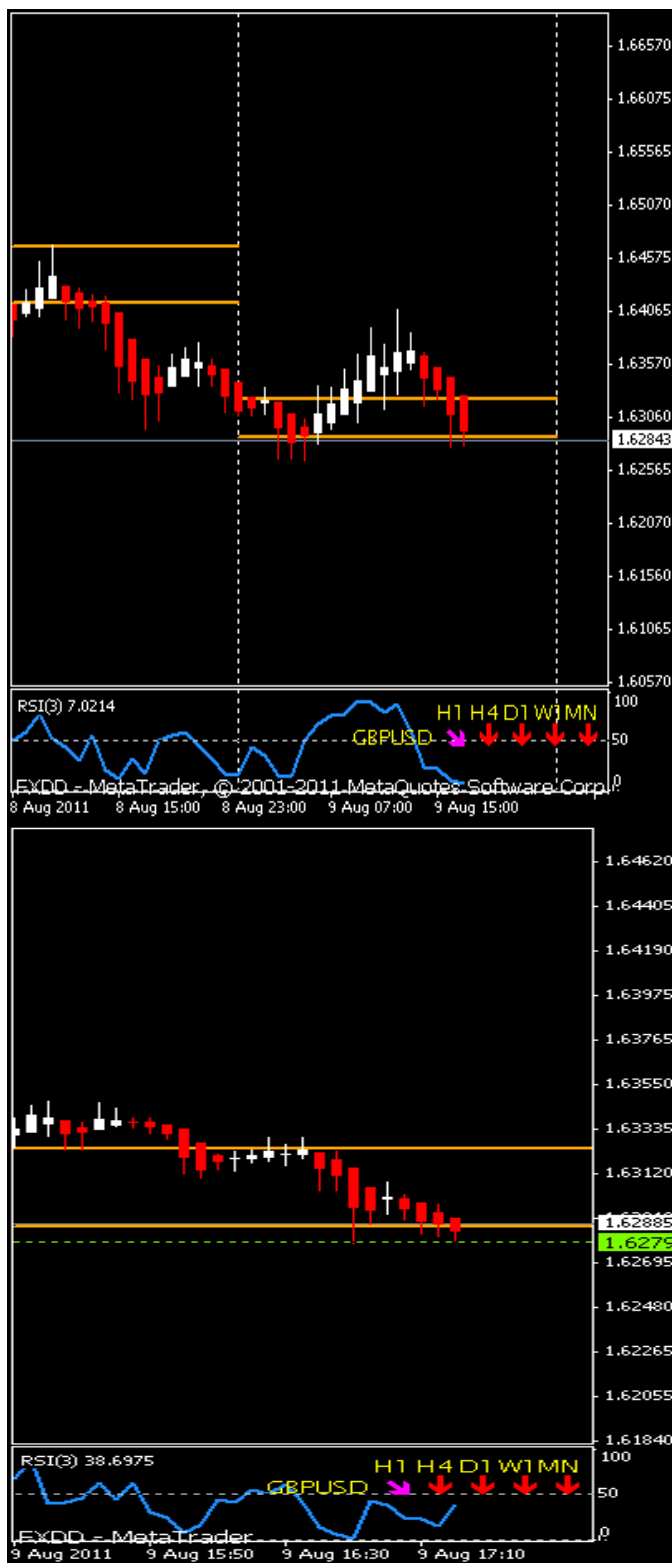
[Posted by The7](#)

I notice on most charts posted here people do not take the fake breakouts on the H1BOC but the opposite successful one. I understand that RSI confirmation on H1 and H4 is enough for direction, also a 15 min candle close outside the box as another confirmation. But even on the fake ones we do have those confi's. Please clarify, thanks..

I am not sure of your question, but if it is "how do we avoid fake BOs?" even with confirmation of RSI and close above/below S/R on M15 chart..the answer is that we can't always.

Here are two charts I am currently watching to enter short, everything looks great and confirms a short direction...yet the market will do what it wants to do. We can only give ourselves an edge, then move on. That's what we are trying to do here.

Attached Images



-
- Aug 9, 2011 16:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

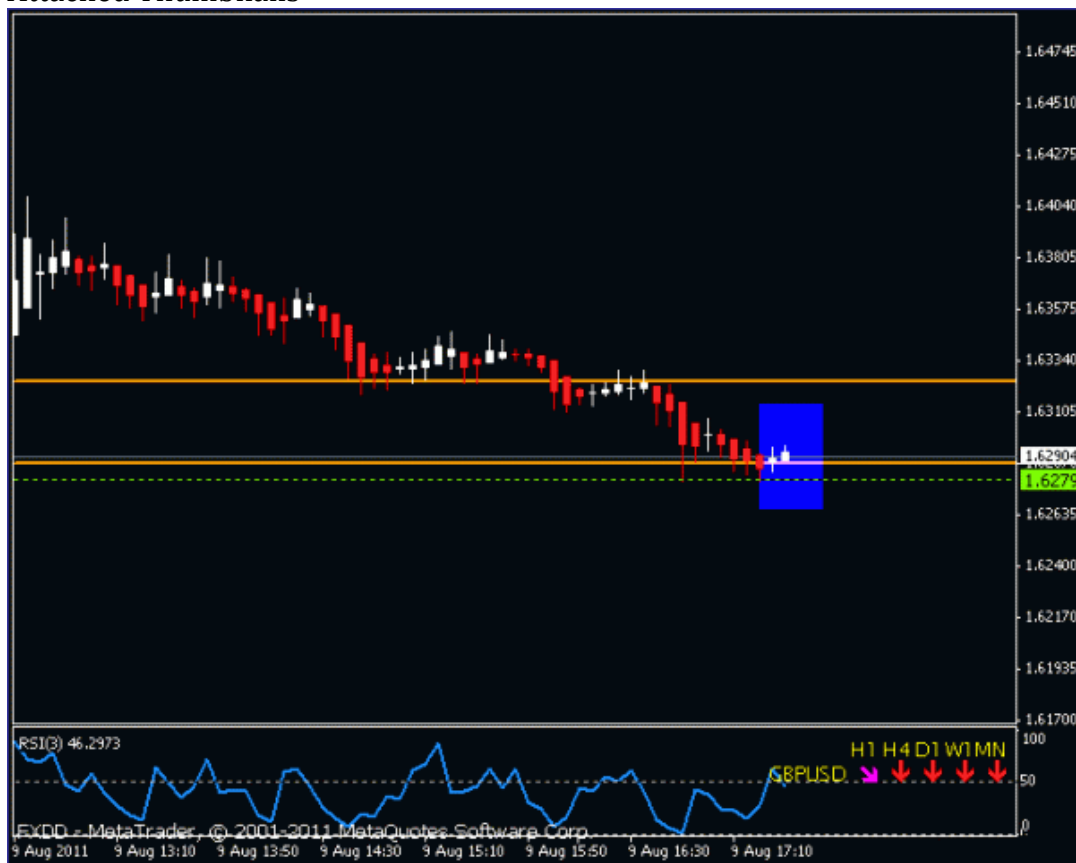
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10 Minutes later

The two white M5 candles will keep me out of this trade, at least for now. That is the beauty of this system.

Attached Thumbnails



- Aug 9, 2011 16:48



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

10 Minutes later

The two white M5 candles will keep me out of this trade, at least for now. That is the beauty of this system.

M5 Chart (don't know why TF is not printing)

Now, I will enter this trade short. I have given myself ever reasonable edge for a winning trade, but still can't be sure it will be. That is just the nature of trading.

Attached Thumbnails



- Aug 10, 2011 17:31



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by VishalJ

Hey Lawgirl, thank you so much for your informative posts and your system - simple and effective. I'm just getting back into trading after a long gap (been busy with making music) and this thread caught my eye.

Just wanted to confirm if my setup looks good enough to you. That GBP/USD BO was huge!

[Attachment 760623](#)

Yes that was a very good setup and trade. But take a look at it with HA candles. If entry had been somewhere around the dotted horizontal line, it would have been a smoother ride down.

Attached Images



- Aug 12, 2011 6:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Nice BO.

Attached Images



-
- Aug 12, 2011 6:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Another BO

Attached Images



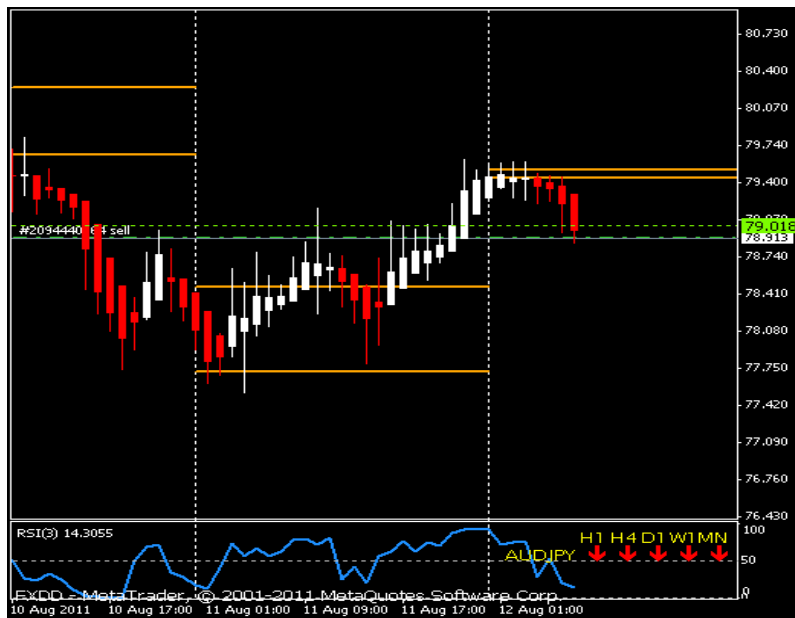
- Aug 12, 2011 6:13



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Charts

Attached Images



- Oct 23, 2011 18:37

[k2ky](#) Member Since Jun 2007

Member [304 Posts](#)

Hi Rebecca,

Thank you for devoting so much time to this forum, and for sharing your methods. I've been observing both threads pretty closely, and it's easy to glimpse the frequent rays of brilliance that are so apparent here.

But, I suspect your success is due in larger part to the way you actually manage your trades, rather than just the logic and simplicity of your setups and entry rules. A number of folks have asked about what to do once they're in the trade, and while I know this is not a discussion about money management, I think that '*trade management*' of a specific type of trade once a specific setup is observed, is really a significant factor in helping traders to enjoy greater successes while following any specific method, yours included.

I wonder if you would be so kind as to -- at least occasionally -- tell us how much drawdown you experienced in a particular trade, and how much you were willing to accept in that trade, when you first entered. Not to tell us what to do, of course, but to tell us what YOU did, and why your trade was successful (or not). You know, where you pulled out and why, how it really went before you turned a profit, that sort of thing. This pretty much transcends money management, which is really an issue of risking certain percentages of funds against certain percentages of possible gain, certainly not for discussion here, nor what I'm suggesting.

If we knew how your trades actually ran, we would then have a much better idea of what to expect in our own trades, and I think the majority of students here (we are ALL students, no?), would learn more and would be most appreciative. I could be wrong, of course; I often am



Be well, trade well, and thanks again for all your great efforts.

-
- Jun 30, 2011 21:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

We have reached the 2 million views mark on this thread and are the 3rd most visited thread on the Trading Systems Forum. I am very proud of that and have all of you to thank.

Reaching the 2 million mark was a personal goal I had set and was hoping to meet by the 1 year "anniversary". The goal was met about 3 months early...again thanks to the interests of all of you in the thread.

I will be reevaluating my level of involvement going forward, however, as my personal trading has really suffered due to the time commitment here and I need to get back to serious live trading.

I hope the thread will continue without me, but it is going to take committment (postings) from more of you, I believe, if it is to do so. Anyway, just some thinking outloud on my part. I have really enjoyed being here and hope that I have been of help.