

ATP Philosophy 3+1

I set out on this journey determined to find a winning trading strategy that work nearly all the time offering very little risk with high rewards.

I believe this journey has **finally** come to an end 🏆.

I am going to give to you what I call my 3+1=Win Strategy.

This method is condusive to trading D1 and H4 charts, although things are slightly different for each TF.

You will find the with the D1 charts you will enter 5-10 trades per year per pair. Not many trades, but as you will be able to back test, they are all low risk trades which means that you can easily decide to risk more than you normally would be willing to risk.

When trading this method on the H4 charts, you will have set targets of S/L, T/S and T/P. This too is a low risk high reward trade. If you have the ability to check your charts every 4 hours, you could possibly have a modified strategy where you would exit the market differently.

This will most likely be my last thread that I start on Forex Factory as I believe that no more reasearch needs to be done. Possibly only minor tweaks to make this system the best ever.

I have eliminated trading EUR/AUD for both the H4 and D1 methods. After I do some more backtests, there may be one or two more pairs that we should not trade, and so I will post them on this first post.

Current Pairs to Trade:

1. EU
2. AU
3. GU
4. UCAD
5. UCHF
6. UJ
7. GJ
8. GCHF
9. EG
10. ECAD
11. ECHF
12. NU
13. EJ

I will modify any pairs on this first thread.

That is all that I have for this first post. We are going out of town in a few hours and so I will get up as much as I can before we go and finish the rest when I return Sunday.

For now I will start with the constants for both the H4 and D1, and then go into the specifics.

Indicators.....

3 + 1 = WIN comes from a formula derived by having 3 agreeing indicators on the chart that you are trading in agreement with 1 indicator on a TF that is one higher.

So, for trading D1, when all three indicators are in agreement, you verify that they are also in agreement with W1. If not, then no trade.

And for trading H4, when all three indicators are in agreement, you verify that they are also in agreement with D1. If not, then no trade.

Are indicators are as follows:

1. **Bill Williams Accelerator Oscillator (AC)** which can be found in your MT4 charting software.
 - o Settings = Default
2. **Solar Winds Indicator (SWI) - [SolarWind-ACS3.mq4](#)**
 - o Change the following settings
 - Color1 = Lime
 - Option = 2
 - Smooth = .1
3. **MACD with Smoothing Line** which can be found in your MT4 charting software
 - o Settings should be as follows
 - Fast EMA = 12
 - Slow EMA = 26
 - MACD SMA = 6
 - Add 0 Level

For now, unless we inform you otherwise later in the thread, these settings should be used when trading both D1 and H4.

It is also fair to say that this strategy may work on other lower TF's, but as I have no way that I can trade lower TF's, I have not tested them as such.

Reading the Indicators.....

Here I will show you how to read the indicators. It is possibly the simplest read available from any system I have ever seen.

This is just the basics and you should not enter a trade based on any one of these rules on there own.

Reading the AC:

For the most part, if the AC is green we will enter Long and if the AC is Red we will enter Short. However, while in a Long Trade the AC will go to Red many times and while in a Short Trade the AC will go to Green many times.

Reading the SWI:

The SWI really reads no different then the AC. If the SWI is green we will enter Long and if the SWI is Red we will enter short. However, while in a Long Trade the SWI may go to Red

and while in a short trade the SWI may go to green. These color changes while in a trade will not be nearly as prevalent as to the color changes that will happen with the AC.

Reading the MACD:

This will be the hardest of the directional reads, and that is not saying much as it is still very easy. There are two reads for each Long Trade and each Short Trade.

Reading MACD Long Trades:

1. If the MACD is below the 0 Level then a Long Trade will only be signalled if the none of the previous MACD Bar is sticking below the MACD Smoothing Line. Touching the MACD Smoothing Line is Okay.
2. If the MACD is above the 0 level then a Long Trade will only be signalled if the close of the last MACD Bar is sticking up above the MACD Smoothing Line. Even if it is a very small amount. Touching the MACD Smoothing Line is Not okay. It must be visibly sticking up past the MACD Smoothing Line.

Reading MACD Short Trades:

1. If the MACD is above the 0 Level then a Short Trade will only be signalled if none of the previous MACD Bar is sticking above the MACD Smoothing Line. Touching the MACD Smoothing Line is Okay.
2. If the MACD is below the 0 Level then a Short Trade will only be signalled if the close of the last MACD Bar is sticking down below the MACD Smoothing Line. Touching the MACD Smoothing Line is Not okay. It Must be visibly sticking below the MACD Smoothing Line.

That is all that you have to know how to do to trade $3 + 1 = \text{WIN}$. Well...I guess you also need to know how to place orders and close them in a profit. 😊

Placing Long Trades.....

I have time for one more post and then I must go. Please keep in mind that there are a few sub-rules that I will still need to go over with you as well as exiting the market and taking profit in the market. However, this will give you something to study until I have time to get the rest posted.

When to Place a Long Trade:

1. On D1, wait until the AC, SWI and the MACD all give you a long signal at the close of any bar.
2. When you get this signal, switch over to W1 and make sure that MACD is also giving you a long signal on this chart.
 - If it is, place your pending order 1 pip + spread above the high of the closed bar on D1.
 - If you do not get confirmation from W1 MACD, go back to D1 and wait until the AC on D1 has gone to Red and then is back to agreeing with SWI and MACD on D1. Then go back and check the MACD on W1 for confirmation.

Placing orders and additional orders: This is very Important

You will only consider placing initial or additional orders for up to the first 3 times the the AC agrees with the SWI, without the SWI changing colors. This means that if you get a valid entry the 1st time the SWI, AC and MACD are in agreement, you will place an additional order the 2nd time they are in agreement and another order the 3rd time they are in agreement while the SWI has not showing a change of direction. Then no more orders until SWI changes colors and goes back again.

Also for your Initial Orders, if after 3 tries with no confirmation of MACD from W1, and no change in color from SWI on D1, you would stand down from any trades until SWI gave you a color change.

Well.....this should get you all started. I will try to post the rest of the rules for D1 when I return.

Stop/Loss and Exit Strategy for D1.....

Okay...I will go over the Stop Loss and Exit strategy for trading the D1 chart.

Initial Stop/Loss Options:

For the most part I have two ideas for S/L settings. One is a little riskier and the other one is more rigid. For now, I will be using the riskier one, but leaving the more rigid one close at hand. As I have not studied price movement on all 13 pairs, this is just a generalization based upon normal price movement. As we get into this we may want to find something more concrete for each pair.

1. Risky Option:

- For the 1st five closed bars after you place your order (not including Sunday) do not close out of your trade until any bar within these 1st five closes below the set-up bar. If this Exit puts you less than the values listed below, use The Rigid Option:

2. Rigid Option:

- For GU, EJ, ECAD use a 300 pip S/L for the 1st five closed bars
- For GJ and GCHF use a 400 pip S/L for the 1st five closed bars
- For all other pairs use a 200 pip S/L for the 1st five closed bars

3. Reversal Option (oops...forgot this one)

- If you get to the point where both the AC, SWI and MACD on the D1 chart signal a reversal in direction. No need for verification of the W1 for this Exit to be valid.

Adjusting your S/L Settings:

As stated above, leave your initial S/L in place for the 1st five closed bars. After the close of the 5th bar, locate the highest point of those last five bars in a Long Trade or the lowest point of those last five bars in a Short Trade.

Once this point is located follow these rules.....

Adjusting for a Long Trade

1. Once you have located the Highest Point of last five bars that closed once your trade has triggered, you will then wait to adjust your Initial Stop/Loss

- Setting until the price at any bar has closed Above this High Point (if you want you can use piercies this high point).
2. Once a bar has closed Above this High Point, you will then look at the color of your AC indicator.
 3. If the AC indicator is Green you will use the Lowest Low of the last 3 Closed Bars including the one that just closed.
 4. If the AC indicator is Red, you will use the Lowest Low of the last 2 Closed Bars including the one that just closed.
 5. Continue to adjust your S/L settings based on the AC as your trade continues in your direction.
 6. If you get the formation of an Inside Bar, you **DO NOT** adjust your S/L until a candlestick has Closed Above the High of that Inside Bar.

Adjusting for a Short Trade

1. Once you have located the Lowest Point of last five bars that closed once your trade has triggered, you will then wait to adjust your Initial Stop/Loss Setting until the price at any bar has closed Below this Low Point (if you want you can use piercies this low point).
2. Once a bar has closed Below this Low Point, you will then look at the color of your AC indicator.
3. If the AC indicator is Green you will use the Highest High of the last 3 Closed Bars including the one that just closed.
4. If the AC indicator is Red, you will use the Highest High of the last 2 closed bars including the one that just closed.
5. Continue to adjust your S/L settings based on the AC as your trade continues in your direction.
6. If you get the formation of an Inside Bar, you **DO NOT** adjust your S/L until a candlestick has Closed Below the Low of that Inside Bar.

Secondary Stop Loss Adjustment:

1. **If you are in a Long Trade** and you have made your 1st Initial Stop Loss Adjustment, then you continue to use your AC to adjust your Stop Loss **UNTIL.....you get a candlestick that closes in Red.** Once this candlestick closes in Red you no longer adjust your S/L under any circumstances until once again a candlestick has closed above the most recent Green candlestick.
2. **If you are in a Short Trade** and you have made your 1st Initial Stop Loss Adjustment, then you continue to use your AC to adjust your Stop Loss **UNTIL.....you get a candlestick that closes in Green.** Once this candlestick closes in Green you no longer adjust your S/L under any circumstances until once again a candlestick has closed Below the Low of the most recent Red candlestick.

You should then be able to ride this right out of the market.

B.-ch Slap Technique - D1

Okay...we now have a very easy to spot and fairly easy to manage Long Term Trade....3+1=WIN, that will work on virtually any pair (not all, so do a little research first)

Now I would like to introduce you to my B.-ch Slap Technique - D1 (BST-D1) which is a trade specifically set up for trading GJ on the Daily Time Frame. I hope that you all enjoy it. I am expecting that this only works on GJ because of it's volatility. I have not really researched for other pairs and will probably not pursue this with other pairs.

Indicators:

1. MACD Colored Histogram with settings 5,13,6 Applied to the Open.
[MACD_OsMA_4ColorLH.mq4](#)
2. Same indicator as +1 with settings 3,7,3 Applied to the Open.
 - o Under "colors" switch the Maron and the Red around. This should make things easier.
3. Accelerator Oscillator (AC) by Bill Williams which comes standard on your MT-4 platform

Stop/Losses, Take Profits and Trailing Stops:

BST-D1 is a series of two trades that can happen in either order. Each trade should be placed 1 pip + spread above the high of the set-up bar for a long trade and 1 pip below the low of the set-up bar for a short trade

The general parameters for each of the two trades are as follows.....

1. Stop/Loss: 100 pips
2. Take/Profit: 150 pips
3. Trailing Stop: 75 pips

Trade 1 of 2:

For trade 1 of 2 you will be using the AC. You would enter the trade as specified above whenever the AC switched colors. ie. Whenever the AC closed in red you would place a Short Order and whenever the AC closed in green you would place a Long Order. This trade is only pending for one day. If on the day after you place this trade it does not tigger, you should cancel the order.

If Sunday's bar is the trigger bar and it has penetrated either the high or low of Friday's bar you should stand down from this trade, Otherwise use the Sunday bar, except place your orders based on Friday's high/low.

Trade 2 of 2:

For trade 2 of 2 you would be using the MACD Histogram with the settings above. There are two entry points for either a long trade or a short trade. This trade should remain pending until you hit your T/P, S/L or the MACD closes in the opposite color.

If Sunday's bar is the trigger bar and it has penetrated either the high or low of Friday's bar you should stand down from this trade, Otherwise use the Sunday bar, except place your orders based on Friday's high/low.

Long Trade Entry Points:

1. Whenever the MACD closes in green
2. After the first entry has been placed, continue to add positions every time the 5,13,6 and the 3,7,3 MACD's both close in Lime Green only (don't confuse with Lime Dark Green). Once the 5,13,6 closes in Red, go back to the first part of this entry strategy.

Short Trade Entry Points:

1. Whenever the MACD closes in red
2. After the first entry has been placed, continue to add positions every time the 5,13,6 and the 3,7,3 MACD's both close in Red only (don't confuse red with Maroon). Once the 5,13,6 closes in green go back to the first part of this entry strategy.

General Rules of Thumb:

1. If both trades trigger at the same time, place only one trade and use the rules for the AC
2. If one trade was placed and did not trigger by the time the next trade was signalled, do not place the order for the second trade. Leave the first trade ride or swap it with the new trade if the case may be.

Well...here we have a very nice compliment as we are waiting for our Long Term trades to trigger. Once again, I believe that you will find this to be very high percentage trading.

I just have one more to give you and that is the B.-ch Slap Technique - H4 (BST-H4) it is different from the D1 version but just as effective.

This has been a nice journey and I thank everyone for the help that they gave along the way, but after this I will probably have no need to look for any more trades to make as I don't think I would know what to do with anymore pips.

B.-ch Slap Technique - H4

Okay...I will now introduce you the B.-ch Slap Technique (BST-H4) for trading the H4 TF.

This could possibly be modified and made more efficient for anyone who can check their charts every 4 hours, but I can only check my charts briefly in the AM and then in the PM, so I may not be able to maximize the complete Pip Potential.

Indicators:

1. MACD Colored Histogram with settings 5,13,6 Applied to the Open.
[MACD_OsMA_4ColorLH.mq4](#)
2. Same indicator as +1 with settings 3,7,3 Applied to the Open.
 - o Under "colors" switch the Maroon and the Red around. This should make things easier.

These are the same settings used in the BST-D1, so no need to change anything, just switch to the H4 chart and you are all set to go.

Stop/Losses, Take Profits and Trailing Stops:

BST-H4 is a way to trade when both MACD settings are in agreement. Each trade should be placed 1 pip + spread above the high of the set-up bar for a long trade and 1 pip below the low of the set-up bar for a short trade

The general parameters for each of the two trades are as follows.....

1. Stop/Loss: 60 pips
2. Take/Profit: 100 pips
3. Trailing Stop: 60 pips

We may need to watch these incase they need to be slightly adjusted as they are very tight.

Long Trade Entry Points:

1. Place your order anytime that both MACD's have closed in Lime (not to be confused with Dark Green).
2. Keep the trade pending until the 3,7,3 closes in Red or Maroon

Short Trade Entry Points:

1. Place your orders anytime that both MACD's have closed in Red (not to be confused with Maroon).
2. Keep the trade pending until the 3,7,3 closes in Lime or Dark Green

Well...It is that simple. Now we have another nice compliment to go along with BST-D1 and ATP 3+1=WIN. I believe that you will find this to be very high percentage trading style.