TC (trend continuation) patterns (4 types of TCs)

In the earlier post I presented some statistics for TC patterns on 4H MACD. It was mentioned that those calculations included only those 2 types of TC setups,

a) where it was possible to enter only on 4H timeframe with satisfactory SL and R:R OR
b) b) when there was a TC setup forming on 4H but it was possible to enter 3-1H earlier on a TC on 1H MACD.

This time I added 2 more categories of TC patterns:

a) TCs on 1H when on 4H there was no specific setup on MACD but price bounced from EMA21/EMA8/SMA89 and
b) TC patterns when a signal bar on 4H was too big (so SL and R:R were bad) and position was opened at 50% retracement of the signal bar.

Table with main results can be seen further and now I'll mention a bit about these different categories of TCs.

	Setups	Setups%	Balance, pips/lot	Balance%	Av.Trade, pips/lot
All types of TCs	16	100,00	310	100,00	19,38
"Classical" TC	10	62,50	153	49,35	15,30
Opening at 50% retracement after a big s. bar	4	25,00	43	13,87	10,75
Opening on a TC on 1H with a MA retest on 4H (no specific setup)	2	12,50	114	36,77	57,00

Trying to open on a 50% retracement gave 4 additional trades, 3 of which were positive. Their part of total profit is about 14% and they brought about 11 pips/1lot in every trade. So, in general they were not so good (though not bad).

A different situation was with TCs on 1H which formed when on 4H price moved from EMA21 or EMA8 or SMA89 and on 4H MACD there was no specific MACD pattern (just lower or higher bars). There were only 2 such trades (12.5% of all possible TC setups) but they were comparatively highly profitable – both reached TP2 and brought 114 pips/1lot profit (which is almost 37% of all profit). These two trades brought 57 pips/1lot on average on each trade.

	Cat1-2	Cat1
N (setups)	16	9
%all (%)	26,67	15,00
PfN (setups)	14	9
Pf% (%)	87,50	100,00
LsN (setups)	2	0
Ls% (%)	12,50	0,00
BreakevenN (setups)	0,00	0,00
Breakeven% (%)	0,00	0,00
Abs.Pf (pips/1lot)	394	255
Abs.Ls (pips/1lot)	-84	0
Balance (pips/1lot)	310	255
Balance%All (%)	60,72	56,11
Av.Trade (pips/1lot)	19,38	28,33
Av.Pf (pip/1lot)	28,14	28,33
Av.Ls (pips/1lot)	-42,00	0,00
TP1isHit (setups)	14	9
TP1isHit%Times (%)	87,50	100,00
TP1Sum (pips/1lot)	156,5	96
AvTP1 (pips/1lot)	11,18	10,67
TP2isHit (setups)	4	3
TP2isHit%TimesAll (%)	25,00	33,33
TP2isHit%TP1Hit (%)	28,57	33,33
TP2Sum (pips/1lot)	151,5	122,5
AvTP2 (pips/1lot)	37,875	40,83333
PriceRan (pips)	33,00	35
BEAfterTP1Hit	10	6
BEAfterTP1Hit%	71,43	66,67

N – quantity of setups;
%all – % of this specific setup from all setups;
PfN – quantity of profits, trades;
Pf% - % of profits among all setups of this kind (for ex., among TCs);
LsN – quantity of loss trades;
Ls% - % of losses among all setups of this type;
Abs.Pf – absolute profit (sum of all profits), pips/1lot;
Abs.Ls – sum of all losses, pips/1lot;
Balance – Abs.Pf + Abs.Ls, result of trading, pips/1lot;
Balance%All – what % from total balance makes balance from this type of setups;
Av.Trade – average trade, Balance/N, pips/1lot;
Av.Pf – average profit, Abs.Pf/PfN, pips/1lot;
Av.Ls – average loss, Abs.Ls/LsN, pips/1lot;
TP1isHit – how many times TP1 was reached;
TP1isHit%Times - % of setups TP1 was reached (or the probability of reaching TP1);
TP1Sum – sum of profit (pips/1lot) gained by TP1 in all trades;
AvTP1 – average profit (pips/1lot) gained by the 1st part of trade closed at TP1;
TP2isHit - how many times TP2 was reached;
TP2isHit%TimesAll – what % of all setups of this type TP2 was hit (probability of reaching TP2 in all trades of this type);
TP2isHitTP1Hit% - probability of reaching TP2 if TP1 was reached;
TP2SUm – how many pips/1lot were brought by those 0.5 of position that reached TP2 (pips/1lot);
AvTP2 – average pips gained by those 0.5 of position that reached TP2 (pips/1lot);
PriceRan – maximum profit (pips) price reached before a retracement (for BUY – in the interval between position is opened and when the lowest low of two last bars is broken by price, for SELL – when the highest of two last bars is broken by price);
BEAfterTP1Hit – number of trades in which after reaching TP1 price returned to the opening price (SL is moved to BE at TP1);
BEAfterTP1Hit% - % of cases when price returns to opening level after reaching TP1;
TimeTP1Hit – average time (minutes) it takes the price to reach TP1;
TimeTP2Hit – average time (minutes) it takes the price to reach TP2;
TimeTP2AfterTP1Hit - average time (minutes) it takes the price to move from TP1 to TP2;
TimeBEAfterTP1Hit – average time (minutes) it takes the price to reach BE (opening level) after it hit TP1.

Category of the setup:

1 - RR, SL are Ok and it's a pro-trend setup, best;

2 - RR, SL are Ok but setup is either contra-trend or a pro-trend but has some signs of higher risk or it’s entering on a retracement of a signal bar;

3 - RR or/and SL are bad, or SL and/or RR are Ok but there are some reasons to consider the trade not worth opening (like it’s very close to strong price level, big news, holiday etc.)

In fact, depending on how experienced you are you may decide to put the setup to this or that category – a beginner might not see possible strong obstacles that price has to overcome to reach TP and may put a setup to category 1 though a more experienced person may consider it to be a cat.2- or even cat.3-setup.

Warning!

Do not follow this results blindly (in case you decide to) – your own results might differ from mine.