H4 Entry/ Exit Rules:

The entry / exit rules are in the Big E pdf posted before. Just follow those rules and practice in back-testing and also forward testing in real-time live market. This will help build up experience and with experience it will lead to making discretionary decisions (third eye) when live trading.

Not sure if others understood everything in those pdf so far. If not, they should post charts and ask questions.

My third eye is more developed than some other traders. LOL.

The general basic H4 trading rules are well tested and correct. This is the 5 technical reasons what I am referring to often. Just do a simple quick checklist is more than enough to decide a Go/No-Go trade entry. No need to have too many questions and lead to self-doubting.

Use of Stochastics:

Stoch (8,3,3) is integral part of the 5-Method in conjunction with 5EMA. Well proven and that works. Big E jumped to the TDI and dropped the Stoch but he mentioned that Stoch can be used as confirmation of the H4 candle #1 and #2 change colour and TDI cross.

If we jump in using H4 candle#2 when it is still moving and not closed yet, it is because Stoch has already given the confirmation "green light".

Note* I am talking about H4 here, less market noise to deal with. Do not treat M15 and H1 in this same way. I have a different way to read M15 and H1 PA candle patterns so I can jump in a H4 candle on seeing how the M15 and H1 candles are forming before the H4 candle complete and closes.   This is what I call early entry during the H4 candle#2. Sometimes I enter on H4 candle #1 because M15 give me a good entry with very small initial SL.

Traders must realise that both TDI and Stoch are working using different periods.

TDI is 13-period as the base calculation, while Stoch (8,3,3) uses the 8-period.

Both placed above one another will show different movements. Most often in synchronised and sometimes one lag the other. Use TDI as the primary indicator over the other for entry decision at all times.

For a Buy/Sell trigger, we want to see Stoch cross up/down in the region below 20 / above 80.

When we see Stoch cross UP in the above 80 region, we want to see PA and the TDI PL green must show a sharp 12-2 bounce from the TSL red line. The opposite is true for Sell.

CONTINUATION is the keyword here. PA can continue when Stoch remains in the region above 80 or below 20 region. Therefore Big E say it useless when PA is above/below 80/20.

Quality of APB and Prce Bar/Candle:

This is tough to explain in quick writing. But I learn to read market sentiment using candlestick reading from Steve Nison' Japanese Candlestick training courses.

I put more weight on the price high-low and the close price because I want to differentiate if the price bar has momentum for entry and it will push my trade entry quickly for me to move my trade protection to either to reduce my risk or put my trade to breakeven BE.

The APB is derived from the previous APB and current real price to show an average price Open/High/Low/Close. You will see that when there is a higher than usual candle, the APB open is not real and real price is further away from the APB Open. It does not show the real price close and this is my problem with the APB and the reason why I prefer to use real price bar/candle for my entries. But I manage using the APB as it is less stressful or some say stress-free.

See chart example below,the APB open does not represent the real price Open nor its high/low.

I usually do not enter at the H4 candle open. If I see a larger than usual H4 candle, I wait for a small retracement to Fib-r38/50 to get a bettr entry price. I don't like to chase after price and that is why I switch down to lower TF H1/M15 and look for a better entry price.

If I jump in at the H4 candle open, I will enter a smaller position size, then I need to build up my positions during the retracement to the full risk %. This is more stressful to do.

Different server time and H4 candles

This is a serious matter to some traders and they worry when their chart does not like Big E.

My simple solution is to open a small live account with a broker which has the same broker server time with Big E chart. It is GMT+3 based so we are all consistent with APB candle colours and TDI cross (at lest 99.99%). Some broker use different data feed so there may be slight price differences even if the server time are the same GMT00.

Note* Demo servers sometimes do not show actual market prices. Do ask me why and if this is true or not, but I have seen so myself. Live servers will show the real spread and where the dealing desks are trading with you.

I use IBFX Australia and it is GMT00 but I also have another two brokers I trade live who are not MT4 platform and not GMT00. But I look at M15 chart all the time and they look the same so it does not bother me at all when I trade live. I worry more on spread widening and not able to put my order through during peak times.

However, if anyone trade with other brokers which show different H4 candles, the difference is really very little when the server different is either +1, +2 or +3 hour shifted. This is where the APB makes it more transparent.

The real market hours opening and closing are still the same time and we also take consideration of DST changes etc.

In any one market session, for example, London session has 9 hours trading, there are only 2xH4 candles for this session. So where is the problem when we read PA? Some may enter the market one hour earlier, others enters one later, etc.

What is more important is that we trade with CONSISTENCY using our own charts and following the method rules over a longer term and not look at short term trade performance.

 Why Big E check his chart every 4-hour is because of the market sessions times and also his lifestyle. He adjusted his lifestyle and also his sleeping hours to suit his 4-hour trading interval. He also trade H1 but only for few hours during the London/New York overlapped hours. This is the most interesting 4xH1 candles to trade. I usually avoid opening new trades during this over-lap of 4 hours when market is sideways.