

These TIPS are related in my form of "read" any pair into 15M chart with some EMA's so once we detected the trend will be converging to 1M chart to find the best entry.

If red goes south, if green goes north !

This may seem obvious but it is a difficult thing to implement... generally have much information (gurus, news, forums, friends, tv, etc) that promote pre concept to where the price goes (hypothetically), "we" sit on front of the monitor believing it and this restricts our view... forget that, make trading as you see at the moment and forget everything else. Ask yourself, where pointing the EMA's ? if they are in green and if the distance between the EMA's increases your best option is to go long and conversely.

The previous bar is your confirmation

Another brainer ... does not matter which TF you use for trading, the previous candle is your confirmation. Example, if you are looking for short and the previous candle closed UP makes sense to go short ? even if you see a good entry pattern into 1M chart ? we seek confirmation on the previous candle because we want to "see" that other traders are on the same side that we want to enter. I recommend applying this criterion as a minimum with 5M candles, 15M ideally. Will you lose to win some pips ? surely but your entries will be safer and at the end of the day going to be much more your winning trades than those it hit the stop.

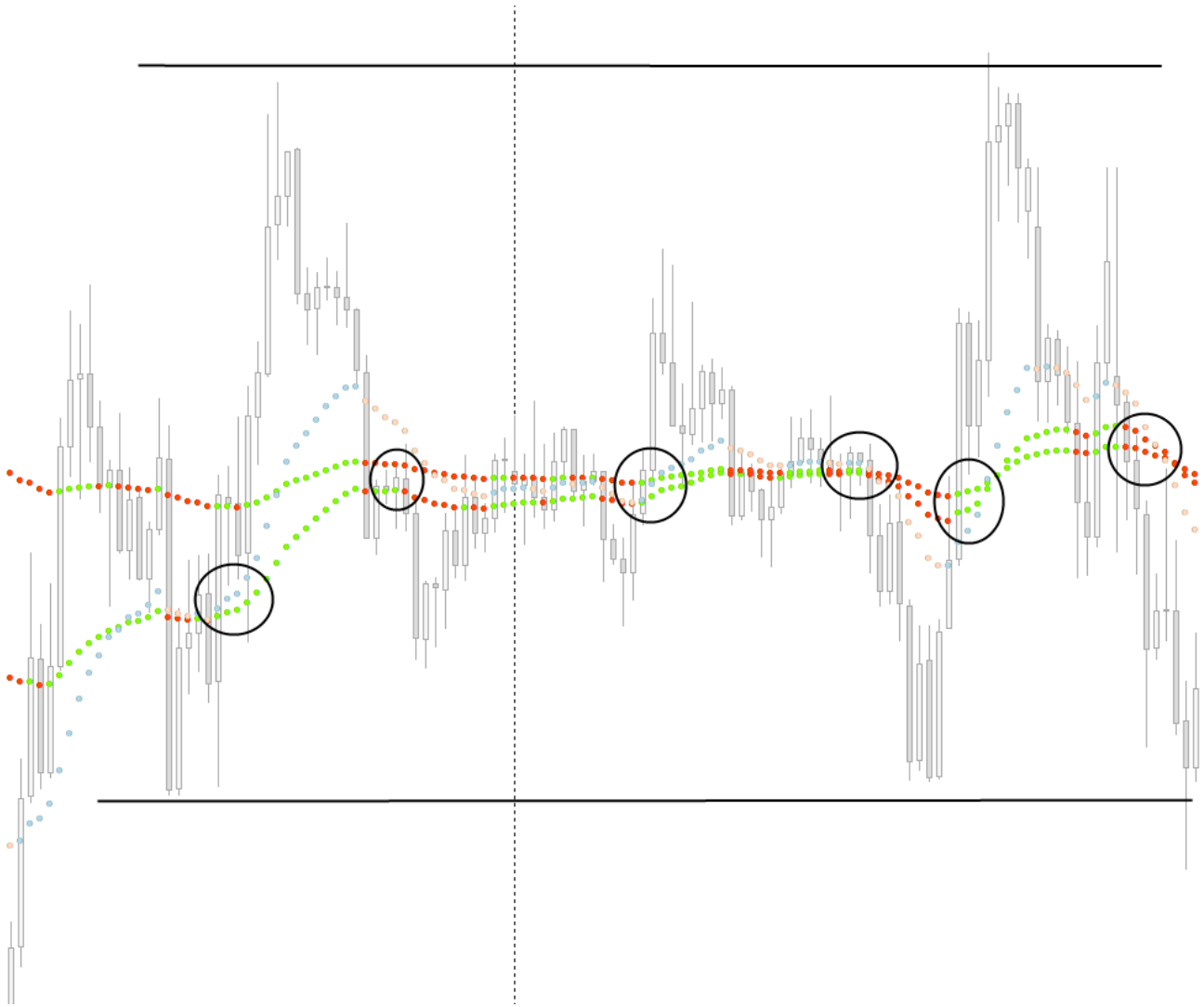
Patience

Always the price returns to test the 50 EMA ALWAYS ! Be patient and wait for the right moment ... when you see that the price approaches some EMA (much more if you are in trend condition) waits for confirmation candle and start looking at the 1M chart, if everything is correct you would have to see a clear entry and if so DO NOT HESITATE.

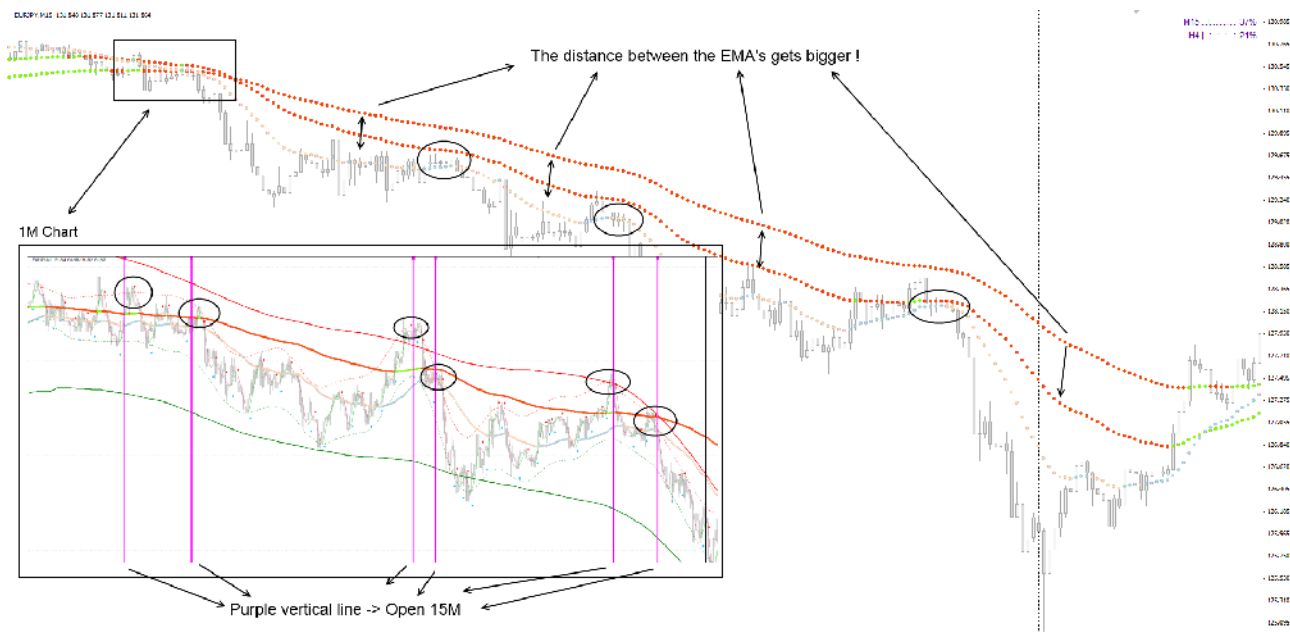
Market

As you know there exist three moments of the market: lateral, uptrend and downtrend.

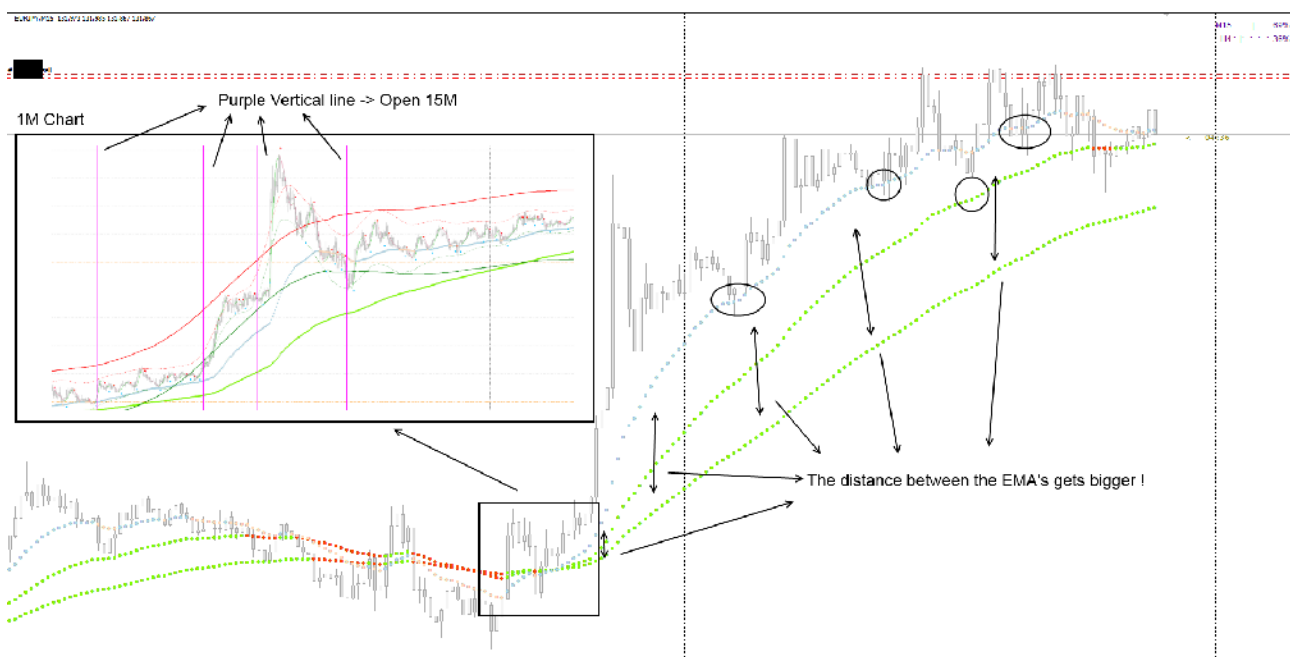
Lateral: is the most difficult to operate. This status appears after major previous movements, where traders seek to determine where the price goes and produces the process of accumulation/re-accumulation and distribution/re-distribution. Usually generates a defined range with top and bottom very good for scalping. In this case the EMA's are flat, so the idea is to find the range and pay attention to the behavior of the 20 EMA. In the picture I have marked with circles where of potential to pay attention. See how the price it behaves and testings the EMAS's. If at this time you look at the chart of 1M will likely have very good confirmations for safe entrances. Into a lateral market the best option is to look for targets at TMA 1M and TMA 5M and moving to BE after least two 5M candles.



DownTrend: usually begins with a "compression" of the EMA's. In this situation we will note that the price does not penetrate above the EMA's and these begin to point south. As seen in the image on the 1M chart we see many good opportunities for entry to the trend, just have to be patient. Big movements normally occur on Thursdays and Fridays. This is so because in these days of the week is that publishes the most important news. Do not trading in these times until at least the second 15M candle close after the news. If you find that the price is away too much from the EMA's hope the testing of the EMA to find new entries. In this type of market you can be more pretentious and open an additional position than your normal operation and pass it to BE to see what happens to the price. Take the advantage of opportunities to re-enter if the price it's close to the EMA and maximize your profits, be a friend to the trend ! Normally I close one of my orders in TMA 5 and the rest I'll move the stop according at the close of the 15M candle. In a strong trend you will notice that the price does not go back before reaching any new significant maximums, be patient and let runs your profits. Do not trade against trend except you are an expert to detecting pullbacks !



UpTrend: idem downtrend bat in the opposite direction :) !



Miscellaneous

How to determine when the trend is over ?

When you will see that the distance between the EMA's is reduced gradually. This usually happens with accompanying lateral movement, typically seen double/triple bottom/top patterns. The best scalping opportunities are still in favor of the previous trend, but you can analyze open orders against the trend at the limits of the range (bottom or top).

When I sit at the computer what is the first thing I have to do ?

Relax and be patient, you will have many opportunities during the session. Check the times of the news of the day and analyze their impact on you pair. If you operate in London will look as was the trend in the Asian session, what are your minimum and maximum (generally correspond with TPO's). Same for USA on London. Observe how the price has behaved regarding the EMA's, if it moved away but returned them immediately, if it not break up or down, etc.. Use your common sense and please do not read or hear news about the market, just OBSERVE your chart ALL is there.

You look at other TF besides 15M ?

All the time. In my main monitor I going up and down between 5M TF and the 4H, always looking for a confirmation of my analysis. I pay much attention if the price is near the 50 EMA on 4H TF and 1D.

What change relative to Favorite system ?

Nothing, in fact this is a complement to Babon-B 1H and one more tool to find the best entry opportunities. Remember that you first need to know which side of the market you want to be and then go to Babon-A to make your entry.

Bernardo.