MTF RSI Strategy

Forex Trading Strategy

Contents

<u>Rules</u>

MTF RSI uses 7 timeframes to filter entry signals. The higher timeframes like the D1 shows us the underlying trend so we don't trade against the trend.

<u>*Note:*</u>
At the time of writing, this information was correct as outlined by TxFxTrader on ForexFactory: http://www.forexfactory.com/showthread.php?t=504229

RSI Period = 2 or 3
RSI Price = Close

Buy Rules:

1. **Conservative Method** (*Trend Follow*)
2. All signal bars must be the buy color (Default Blue)
3. ADR must be more than 60
4. Spread must be less than 4 (40)

1. **Aggressive Method** (*Counter Trend*)
2. All signal bars except the largest (D1) must be buy color
3. ADR must be more than 50
4. Spread must be less than 6 (60)

Sell Rules:

1. **Conservative Method** (*Trend Follow*)
2. All signal bars must be the sell color (Default Red)
3. ADR must be more than 60
4. Spread must be less than 4 (40)

1. **Aggressive Method** (*Counter Trend*)
2. All signal bars except the largest (D1) must be sell color
3. ADR must be more than 50
4. Spread must be less than 6 (60)

<u>Stop Loss / Take Profit</u>

Stop Loss:

<u>*Note:*</u> setting a stop loss is extremely important, price can move against you and often cause bigger losses than you can sustain the long run.

1. **Conservative Method** (*Trend Follow*)
2. *20* Pips (*200*points)

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1. **Aggressive Method** (*Counter Trend*)
2. *20* Pips (*200*points)

Take Profit:

You can choose to ignore the initial TP and set a trailing stop or close the trade yourself. This is entirely up to you.

1. **Conservative Method** (*Trend Follow*)
2. *30* Pips (*300*points)

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1. **Aggressive Method** (*Counter Trend*)
2. *30* Pips (*300*points)

<u>Examples</u>

All you need to recognize a valid entry is BUY and SELL colors all lining up. Then you look at the current Spread and ADR.

Default BUY color: Green (for Nonor's Dashboard) or Blue (for Hitman)
Default SELL color: Red (for Nonor's Dashboard and Hitman)
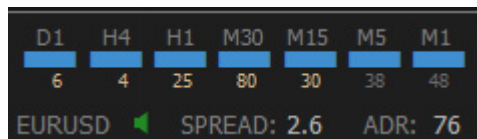
For the examples I will be using the Hitman indicator.

Buy:
All bars are colored BLUE
Spread is below *4*
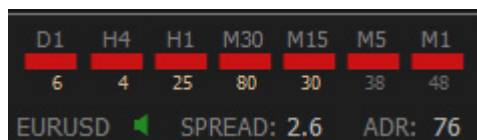ADR is above *60*

Sell:
All bars are colored RED
Spread is below *4*
ADR is above *60*

That's all. You can now enter the market and open your trade.

Alerts:
The Hitman Lite indicator will also alert you when it finds an entry. When you see the alert, you can double check the indicator to ensure all is ok and enter the market.

<u>*Note:*</u>
It does not matter which timeframe your chart is currently on. It has no impact on the indicator (or dashboard) to provide its signals.