

# Daily Prediction Method

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Hi all,

I didn't get time the last 2 days to post daily projections. Yesterday, I eyeballed the charts in the morning GMT and mentioned it could be an up day. It turned out it was. Today, I did the same although I had noted where the price had closed last night. Below is the method.

## PREMISE

Eurusdd mentioned in the original thread that we had everything we needed on the chart to predict daily direction. He said he could do it within 1 hour of the new day. This fascinated me.

Looking for the answers, I discovered the following:

1. ZZ = ZigZag Indicator, but you can also use Semafor
2. 300EMA = 300 exponential moving average
3. Price = Price on main chart. You can plot a 1EMA on it if you wish
4. Stoch = Stochastic set to 75,1,1 for the One Hour and 50 Line dividing the indicator window
5. PriceBB = 24 period Bollinger Band
6. StochBB = 24 period Bollinger Band on the Stochastic Indicator window

## 1H CHART ONLY

- If PRICE is **above** 300EMA, the default daily direction will always be UP. Other things to look for to support an UP projection
  - PRICE is also traveling the upper half of the bollinger band
  - PRICE closes the day near a ZZBottom and the next major swing into the new day has to be a TOP.
  - STOCHBB is above the 50 Line
  - Stoch is also travelling the upper half of the bollinger band
- If PRICE is **below** 300EMA, the default daily direction will always be DOWN . Other things to look for to support an DOWN projection

- PRICE is also traveling the LOWER half of the bollinger band
  - PRICE closes the day near a ZZTOP and the next major swing into the new day has to be a BOT.
  - STOCHBB is below the 50 Line
  - Stoch is also travelling the LOWERhalf of the bollinger band
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- Other things to look for
    - Counter-trends during a main trend occur when PRICE:
      - Creates a ZZ swing
      - Travels from one end of the BB to the Other and crosses the MID
    - If the Counter-trend move is in a Bullish Trend:
      - When this happens, look for the StochBB to go lower than the 50 Line momentarily to signal a ZZBottom before continuing upwards
    - If the Counter-trend move is in a Bearish Trend:
      - When this happens, look for the StochBB to go higher than the 50 Line momentarily to signal a ZZTop before continuing upwards
    - Changes In Trend
      - Are Dramatic and tend to be Vertical in change. That means the price travels across Bollinger Bands in vertical fashion or a violent suddent way.
      - The 300EMA and the 50 Stoch Line and the Bollinger Mid are measurements of the 50% line where it swings from UP/DOWN.

By taking the above into consideration, you are then able to make a projection based on the Hourly Closing price of the day + 1 hour into the new day.

I factor in the movement that was made during New York and London and think about what Asia would want to do.

I don't factor in news or announcements as this dilutes the above "signposts". If you can prove this for yourself - then you can tweak it by adding:

1. News / Calendar events
2. Candlestick patterns
3. MFI volume (thanks Baillie!)
4. Fibs and Pivots (I used this myself and it worked out well: if projection was up and Open +1 was above Daily Pivot, I was more confident).

Attached is the 1H as of now-ish. See how the StochBB has moved below the 50 Line!.... is that signalling something?

Enjoy!