

Daily Prediction Method

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!