

Bank of Japan System

(BOJS)

This system or methodology is based on the direct intervention of the bank of Japan on a daily basis with its currency pairs. Normally you would not trade a single currency or pair based on just OB or OS signals. However, as we will be trading several currencies or pairs at once then it is safe to-do so using this strategy.

You should:

- Monitor for SELL XXXJPY pairs from 10.30pm GMT until 00.30am GMT.
- Monitor for BUY XXXJPY pairs from 06.30am GMT until 08.30am GMT.

We need to look at two different timeframes for trading this method. The higher timeframe is used for confirmation of OB or OS and the lower timeframe is our signal for placing the trades. It is important that we select the correct timeframe combinations so that we see a proper reflection of the market.

You should:

- Combine M5 with M15.
- Combine M15 with H1.
- Combine H1 with H4.
- Combine H4 with D1.

The indicator to use for this method is KG RS_GROUP_JPY V1.2 which should be placed on both timeframes. When the line is below 10 or above 90 on both timeframes then we have a setup to enter our trades. Once you get accustomed to how the market works then you can modify these settings to 80/20 or 70/30 for more trading situations.

Assuming that a trade setup has been found and placed then you should close the pairs when their combined value is:

- Greater than (Lot size * 120) and the indicator line is greater than 50 if we have entered a SELL XXXJPY setup.
- Greater than (Lot size * 120) and the indicator line is Less than 50 if we have entered a BUY XXXJPY setup.

The chances of a trade setup going against us are very slim and would normally only happen if there was a major disaster affecting the Asia pacific region. i.e. earthquake etc. If this were to happen then you should close your trades asap.

Finally, you should not place any trades if there is a public holiday affecting Japan as there will be less volatility and volumes associated with the pairs leading to our trading setups giving a false representation of the market and therefore signals.