

Richard,

I'm pleased to read you,

Here goes my answer,

It is the big picture I need to keep in mind and keep it all the way. If I have the big picture THEN I have what count the most, that's my view. Anticipation is built on the big picture. It doesn't mean that I have it all the time, don't think so!- when I have it, it's a strong signal in me!

I guess my explanation won't be as simple as I first taught, I excuse my self in advance. Maybe You know already what you are going to read so please take it as a refresh.

Phillip Nel uses the daily chart in order to have a view of [what should be coming](#) in a close future. This is probably why he called them "Weekly ANTICIPATION". By doing so, he has an idea of what should the market be aiming at. And from that "Picture" he will take a "Slice" in "harmony" within it and my guess is that he is using the 4hrs Macd strategy to control the risk involved!

So in order to get the big picture, I do not only need to see the RT, RB, BoZ etc, But I [need to see them coming in advance!](#) Something isn't it? I need to "Anticipate" the market action and the 4 hrs Mac Strategy does help to complete the job, thanks M. Nel.

-I remember reading the PDF on page one, Phillip Nel took the time to draw RT, RB, BOZ...[not completed... YET!](#) Intentionally for you and me and other traders so we could grab that opportunity to get a "picture" where the price could go..., to ["Anticipate"](#) then take action. Beautiful isn't it? M.Nel did a great job! But he wrote also about trend lines, channels, what was a support becoming a resistance and so on...

From that, I'll try to build a picture here with all that stuff:

I now pay attention to the upper part of the chart:

The RT formed by candles touching the upper trend line of the channel that I previously drawn accordingly to what I saw on a plain chart. (with the anticipation that price would move in it.) That upper trend line comes from March 2013, and form a channel ...so it is not a surprise that the pair could get face to face with it; we could have "Anticipated" that. That's a resistance.

At the top: We could have anticipated that price would eventually get back to the 21ema (as per the rules) and maybe bounce up again. But if [I look at all these tails driving the candles bodies lower](#), maybe the offer is higher than the demand and pressure would eventually drive the pair down. ---

So, I can see the price reaching rapidly the top of the channel. Candles (or trader's expressions) were [stepping proudly on the 8ema](#). Then, since it was reached, traders calm down because a lot of them took profit there, right at trend line...the euphoria is now fading, price slowing going down to the 21ema which still represent "where the actions are taken from!"



Now the attention is on the macd for the same period of time or successions of events:

Here it goes:



Ok,

As you can see there is a HS already formed as the price did his big move down. (HS is finished at the «weakness shoulder») There is a first TC forming (on the Macd) after the first shoulder on the left, should I say it is a RT?

-Yes! It is! But too close to the Zero line to get involved there, (be careful!) Gain would be at minimum since the mood is bullish (above 89), while still a low level of momentum.

Price stayed above 21, or above zero line in macd. Then the momentum gets high, (above 45) so a possible overbought situation could be coming soon.

Later the macd is getting overbought and saturated well in advance of price still dancing on the 8ema. Looks like Macd is applying brakes just before coming into road curve! (I like the picture here!) ha! Those traders, trying to fool the Macd! (sometime they do!)

Then comes the evidence of divergence (head)between the chart and the indicator (macd):

-but again, I guess you would agree, that situation could have been "Anticipated" since there was a possibility of a top (reaching the upper channel resistance) and also, since there is already the first shoulder (on the macd) and I can possibly say that the top name could be change to "head" or RT; so later the right shoulder was inevitably anticipated, awaited! (...by me!)

Again by looking at the picture already drawn by the macd, one could see the left shoulder(on the Macd)comparing with the left shoulder formed by candles(they are quite alike), while the head,(diverge) and already I could see the coming divergence on Macd's right shoulder and on the chart already higher (while the macd is exposing a flat momentum on the right). So taking a short position at that level (late after the top, Head or RT) could have been seen as a low risk for me. (I remember taking a similar trade down, humm! well I remember something about that kind of situation!);

Why low risk?

Because the Head and Shoulder formation ( on the Macd)is completed at that point ( look at the Macd showing a HS with a weakness on the right shoulder), so the next action is the “Anticipated”breaking of the neckline.

So the projection down could be fuelled be the overbought situation express by a reading over 45 on the macd. If the neckline (in macd) would be broken down, the ride down could be noticeable.

-There was definitely a HS completed and the fall in price followed.

Now I get to the point of having what I like the most:

Since the HS on the Macd has broken the neckline, it became a resistance, now having a high projection from the head to the break of

neckline (or a rejection of the whole HS). Or a big chunk of the move up by the pair.

Now a pull back to that resistance means a confrontation, moving back to those high or not, it is a test. While doing it, the price is testing and moving away down making a TC. ---the TC is a confirmation of a rejection of the whole HS in Macd as well as the the high price expressed by the candles. It means to me like the Macd really means "I'm going down!"

I have seen often a big move after filling those condition.

Now we have TC3, chart below, acting as pull back(as well as expected!) and moving away down rejecting the HS in Macd and at the same time TC3 is making a right shoulder of a bigger HS!

When I sold the pair, it is because I was Anticipating that move(TC3) not going higher than the 21ema. I was also expecting a big move ,which didn't satisfied me completely, I went short again in order to get close to maximum while respecting the 365.

I don't believe that the move down is over. I will surely pay enormous attention to the 365 on the 4hre chart to direct my decision for a new trade.. short! Why I say that?

Because the pair has rejected the neckline of the big HS while respecting the 365 support for now: TC4 acts as rejection while respecting the 365.



Look at this chart below , I was expecting a bounce from the 21ema(in blue), since the Macd was not overbought anymore! I could have claim that!



But it turned down instead! Making a lower right shoulder! -A TC below zero! A weak shoulder on the Macd.

That's partially my explanation, I just want to keep my brain,(still need it to find my bedroom!) :-)

---yes these little arrows are when I opened and closed the trades.

Any comments welcome,

Yvon