March 10, 2015

« *Quoting trademin*

EURUSD; keeping grinding. the pair just broke down the consolidation about 35 pips secured on the contuinity trade partial trade closed. Gain

I feel that:
1) the price is too far away from 21ema, about 95pips? Thus there could be a possibility of pull back.
2) MACD is at the 0.045level, another possible indication of a market turnaround (pull back).
3) Gap between 8 and 21ema has widen. (A turnaround / consolidation is overdue)

Of course this is only my opinion and how I see things. And am only a amateur in forex so I could be wrong.

Yvon, perhaps you could enlighten me you analysis that lead you to trade this pair. Learning so much from you experience.

Thanks

Hi Nic,
those are good questions, and maybe you know all the stuff below, but the goal here is also for new comers, to help them understand or remember some parts that sometime everyone just skipp some parts of it while riding the Strategy (...As I do so well!)
(about question 1 : you can use the ATR to set the SL) or if one is expecting a strong candle , having a stronger SL while expecting a large gain, it is a matter of R/R too.

2.What you feel about is ok. This is what should be expected. The macd level is set at those level to give an idea of the strenght of the momentum, it is relative.

3. you are right.

Just look at the weekly chart for a larger view of where the pair could be heading. By reading it one could possibly “Anticipate” what is coming and in which direction it could go by having a perspective. Then on the 4hrs chart one has to look to go with that trend, the trend is your friend. The weekly chart or monthly chart is a “condensé” of all time frame; it is the same but with a zoom out view.

Sometime I pull the trigger to fast(as you know!) and then not getting the best entry and the pair start going against my position. But instead of closing the position and biting the dust, I just wait (not all the time!), knowing that the weekly will stand as history and lead me back in a better position.I am not talking about a possible Stop Loss of 5000 pips here , but something already possible within my valued R/R. The ATR indicator helps to position that Stop Loss; when I cheat on that part, well I get hit by the Stop Loss!

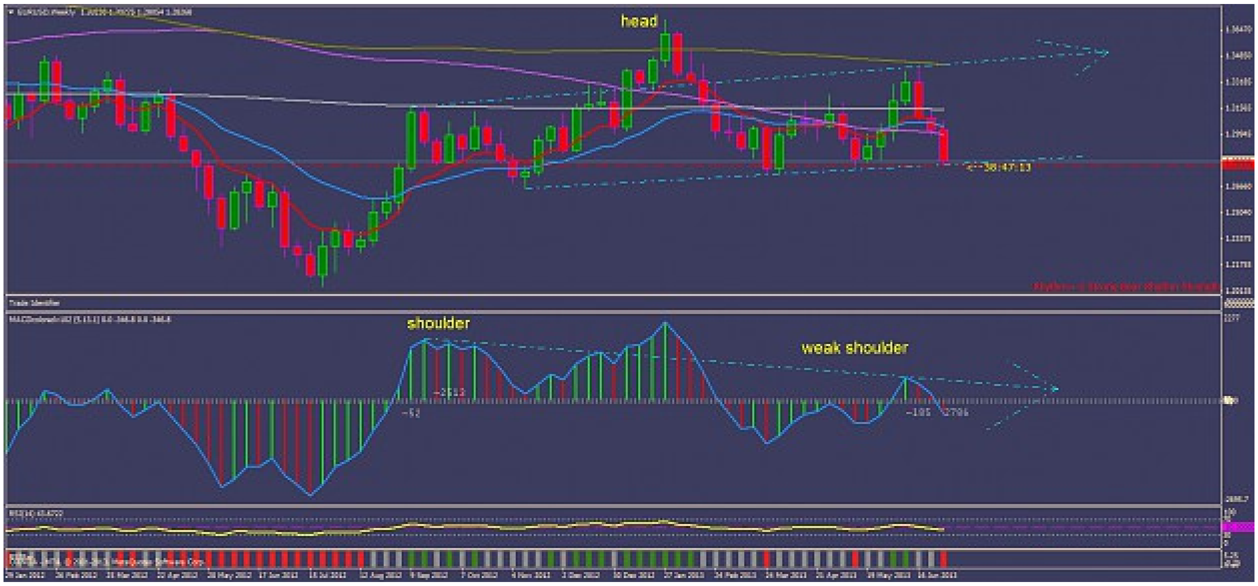
Knowing history, knowing what could be expected from the market is part of trading. It is important.

Now let's talk about what lead me to trade the EURUSD :
Just take a look at post 25922:

jully 5^{th} 2013, this is what I analysed as “Anticipation”:(base on history)

“EURUSD is standing at the weekly neckline, If price break that level the projection is about 1000 pips down. What could be the first target is about 1.2650 - there is already a weekly weakness in the macd...”

---it looks crazy then...1000 pips! (original chart below). I expected that because of the Head and Shoulders and by the divergence between the shoulders. That divergence can be seen by looking at the macd and the drawn dotted line there.---it is endeed a weak shoulder.



The chart below is today: march 10th, 2015:

the first bite below the neckline hit 985 pips! About 650 pips where expected ,and maybe a little bit more (look the ATR) but a lot of traders expected or if you prefer “Anticipated” a neckline break out! ...and expected to be a strong bar! The pair just made a “magnifique” 985 pips!

But already I was expecting 1000 pips down In jully 2013.

It does not mean that one will always be precise but If he can anticipate on the 4hrs chart then anticipating on the daily. weekly or monthly chart is as simple. You could be right be having the general direction.

One could have taken a short position and keep it until today, which I mentionned earlier on the tread. All those nice profits can be done by “anticipating” on the longer term. Phillip Nel mentionned that as well as having weekly anticipation videos(thanks Phillip!) using daily chart...that anyone can do.

So that's it for now. I just hope it helps someone and answer questions,

comments are welcome.

Yvon

one
two
three
neckline
985 pips candle!