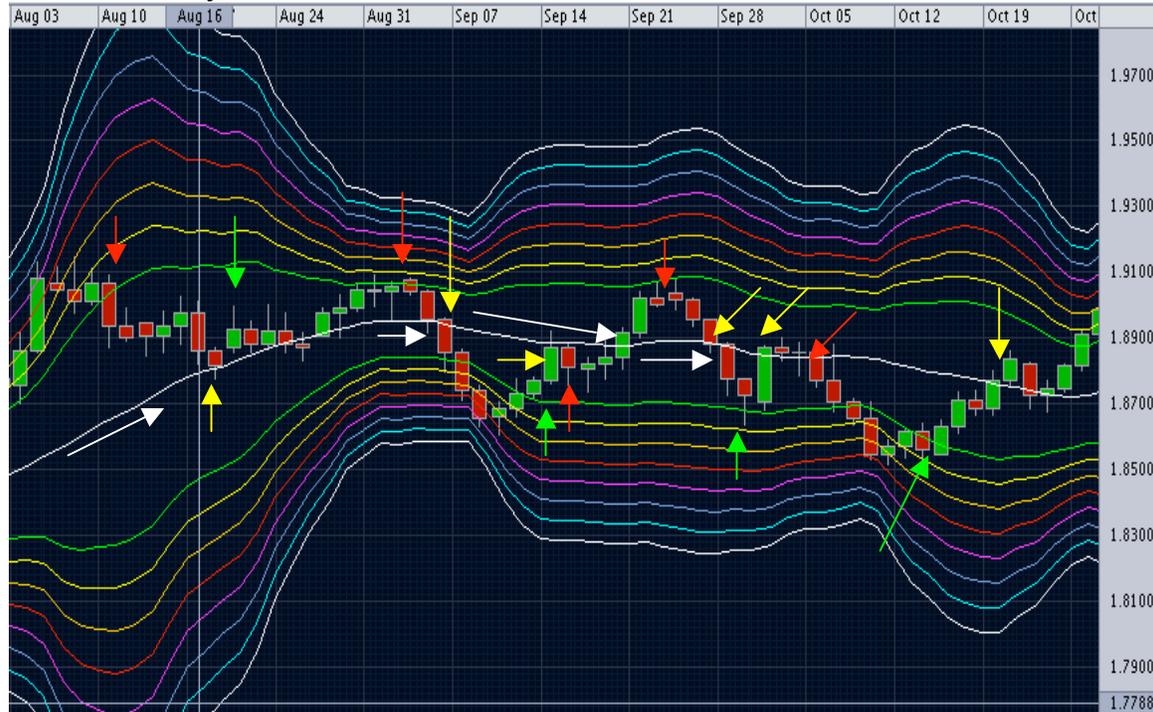


## An Example of “The Bounce” and entering with one lot on anti-trend SMA’s GBP/USD Daily



- **First Red Arrow**  
Price breaks into channel and CLOSES in the main channel. As you can see from the white arrow, the SMA is going against our entry, therefore we use only 1 lot.
- **First Yellow Arrow**  
Short Position is liquidated. Because we only had one lot, we now have nothing.
- **First Green Arrow**  
The price “BOUNCED” off of the SMA. An ideal bounce will not have a close beyond the SMA, BUT if it just barely crosses, then that’s not so bad. Buy at the close of this green day indicated(1 LOT).
- **Second Red Arrow**  
Price hits resistances, then closes back into the main channel(first red bar there). The white arrow shows that the SMA is flat. I consider this a neutral category. You may choose to buy 2 lots or just 1 to play it safe. Personally, I will buy 2 lots when I see flat SMA(relatively flat)
- **Second Yellow Arrow**  
Liquidate a lot as price hits SMA. Had you purchased 2 lots, you would still have one.
- **Second Green Arrow**  
Liquidate existing lot(if you had it), and enter a new position. White arrow shows that the SMA is sloping down. We will only enter one lot.
- **Third Yellow Arrow**  
Liquidate existing lot at the SMA.

