

# Maria Gap Theory

<http://www.forexfactory.com/showthread.php?p=8416241#post8416241>

Session: Just After AUD RBA Statement News

Method: Manual

Criteria: Bid Ratio=75,25

Gap: 3.5

Strength Direction H4:

Gap Expansion : H1

<http://www.forexfactory.com/showthread.php?p=8416402#post8416402>

GAP Expansion means that during H1 (or whatever timeframe) the Gap is increasing or decreasing.

**If Gap is increasing, then it means the base currency is getting strong against the quoted one.**

**So only Buy trades. No Sell trades even if Bid ratio is below sell level bid ratio and vice versa.**

**I am doing it manually by taking screenshot of robot after every gap expansion time frame.** Perhaps may have automation form in near future if results continually good and it helps to filter the reversal trades.

<http://www.forexfactory.com/showthread.php?p=8416541#post8416541>

**(1)** 75/25 means Buy on bid ratio more than 75 and sell on bid ratio less than 25.

**(2)** Knowing that gap is increasing or decreasing is important or crucial to minimize reversals.

Relative strength represents the strength of a pair while gap is something that mimics the overall position of a currency in group of all 7 pairs.

If the gap is increasing, it means the base currency is strengthening or quote currency is weakening.

**(3)** Before entry, confirm that you are NOT hitting supply/demand zones before achieving the TP pips.

<http://www.forexfactory.com/showthread.php?p=8416924#post8416924>

Perhaps this Gap is already there in EA in form buyer seller ratio. I do not look into gap as a static value. I look into Gap variation.

Gap must be increasing for Buy entries; gap must be decreasing during a particular period for SELL entries.

Also try to catch the strength direction [early] rather than catching an established trend. Less chance of reversal and longer trade

<http://www.forexfactory.com/showthread.php?p=8416977#post8416977>

Brother,

As I stated few times before, I will repeat.

**(1)** I don't trade with bid ratio greater than 90.

This saves you buying on too high or selling on too low and chances of reversal.

Don't worry price will come down [to then again] rise and you will not miss the trade, so a chance of earning few more pips.

**(2)** Watch the bid ratio H4(London),M30(NY) earlier and comparing with current bid ratio.

Is it increasing or decreasing?

**(3)** Compare gap in shorter period as compare to strength direction timeframe.

Is it increasing or decreasing?

**(4)** Check supply demand levels. Is it providing you your TP before hitting supply demand levels?

**BUY:**

Bid ratio: between 75 and 90  
 Strength: increasing  
 Gap: increasing  
 TP vs. Supply /Demand: ok

**SELL:**

Bid ratio: between 25 and 10  
 Strength: decreasing  
 Gap: decreasing  
 TP vs. Supply /Demand: ok

**London:**

Strength direction: H4  
 Gap direction M30

**New York:**

Strength direction: M30  
 Gap direction: M15

Don't afraid of SL as long as gap direction is your friend.

Gap direction opposing? Time to close the trade and accept the loss.

<http://www.forexfactory.com/showthread.php?p=8417335#post8417335>

NY Session results with Bid ratio + gap direction + strength direction. Too much laborious work.  
 May have missed 2 or 3 trades. Only one losing trade. This is important for me rather the net profit.  
 Covering the main issue of EA. That it takes too many trades.

2015.06.04 16:39:42	buy	0.10	audusd	0.73999	0.00000	0.00000	2015.06.04 17:08:19	0.74136	0.00	13.70
2015.06.04 17:00:29	sell	0.10	euraud	1.48208	0.00000	0.00000	2015.06.04 17:08:20	1.48016	0.00	14.24
2015.06.04 09:21:23	sell	0.10	eurmzd	1.66104	0.00000	0.00000	2015.06.04 17:14:27	1.66782	0.00	-44.64
2015.06.04 17:12:16	sell	0.10	euraud	1.48048	0.00000	0.00000	2015.06.04 17:45:02	1.47875	0.00	12.81
2015.06.04 17:22:57	buy	0.10	audmzd	1.12487	0.00000	0.00000	2015.06.04 17:57:51	1.12654	0.00	10.99
2015.06.04 17:09:05	buy	0.10	audusd	0.74130	0.00000	0.00000	2015.06.04 18:17:23	0.74267	0.00	13.70
2015.06.04 17:48:16	sell	0.10	euraud	1.47867	0.00000	0.00000	2015.06.04 18:46:56	1.47689	0.00	13.21
2015.06.04 18:01:39	buy	0.10	audmzd	1.12603	0.00000	0.00000	2015.06.04 20:27:30	1.12839	0.00	10.24
Credit: 0.00 Deposit: 0.00 Withdrawal: 0.00										49.17

<http://www.forexfactory.com/showthread.php?p=8417434#post8417434>

brother, just noticed that gap is not correct.

Gap of a **pair** is calculated from absolute strength of currencies.

For example:

current absolute strength of EUR is 6.7

current absolute strength of USD is 3.4

then

Gap of EURUSD would be =absolute strength of EUR **minus** absolute strength of USD.

PAIR Gap=6.7-3.4=3.3

<http://www.forexfactory.com/showthread.php?p=8418258#post8418258>

What was your settings? What is your gap interval? Do you really think that while calculating strength with high lows of daily would help to identify real strengths **in day start**?

Due to **low range in day start** (as the high and low are still to be made)

Do you not think that relative strength will not be exaggerated?

Hence all other things like currency strengths etc etc??

<http://www.forexfactory.com/showthread.php?p=8422530#post8422530>

In London session, I do not reverse trading. I go with normal gap theory and strength direction.

<http://www.forexfactory.com/showthread.php?p=8424219#post8424219>

Brother, Still I do not use in auto. I just load it with defaults.

I take the bid ratio direction from EA and a view of strength gap then execute the trade manually via ea.

I just want to confirm the technique then we can perhaps put the range option in EA.

That is the only thing that will be additionally required.

<http://www.forexfactory.com/showthread.php?p=8428709#post8428709>

No Other tool. Only direction. Unless until direction is supporting my trade. i continue.....

[Quoting JibalaPasan](#)

{quote} A picture is worth a thousand words! **GAP timer interval is set to 30 min.** {image} Let's say parameter is set to "1 / -1" it will show up / down only if it reaches that new level. For all other <> "1 / -1" show "=>" Jibala

<http://www.forexfactory.com/showthread.php?p=8428597#post8428597>

Brilliant..... Let say I wish to enter gap -2 for sell, then the filer will show -2 when reached this level. Am I right?

<http://www.forexfactory.com/showthread.php?p=8426599#post8426599>

HP , How are comparing gaps?

Would it not be better if you provide users with a TimeFrame input?

**Like if I select 30M:**

Then EA compare the current gap and 30 minutes back gap

Then show the arrow up if gap is increasing in positive direction and down arrow if its increasing in negative direction.

Jibala, I did not understand your point that it will be more power if we use it pairs?

Is it currently not included in entry triggering?

<http://www.forexfactory.com/showthread.php?p=8425417#post8425417>

Gap is extracted from the absolute strength of currencies.

If current strength of a currency, say EUR, is 6 and strength of GBP is 3.

Then current gap of EURGBP is 6-3=3.

Gap direction is the comparison of current gap with previous gap (calculated on some previous points, say 30 minutes before).

Suppose 30 minutes back strength of EUR was 5 and GBP was 4.

So the gap 30 minutes back will be  $5-4=1$ .

So what is the gap direction??

Since current gap (3) is greater than previous gap (1),

It means that EUR become stronger as compare to GBP.

Therefore the direction is up and buy trades are open meeting the other criteria.