

dove_alliance :

OK - What is the SAR saying? Which was entry for the short. And at the moment we are in a very tight consolidation. If entry was with the SAR then your trade was very, very safe.

The SAR is a weapon and not being used:



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Like I have said - this is a 6 month process and not over night. The very first step is learning to trade in the moment which is the very bar the market is on with the 2 hour chart. Once you have visually interpret what is happening on that bar in using all three charts you then are on your way of beating the market by applying the rules. You cannot interpret what you THINK is happening but what is actually happening in real time. And the indicators will tell you what is happening in real time; in the moment. Once you have conquered this quest you will then be looking into the future of is happening; before the market even knows. Some will get it and others will not.

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dove_alliance :

Good morning traders - for over 24 hours before the BOJ release the market stayed in a very tight consolidated ranging mode with both the 2 hour EMA and ROMAR in the up trend. ROMAR support trend held and the market could not get below it. And I must say - it has been some time since I have seen a 280+ spike in this market. The probability for this ranging was because of this release. The banks were already set up for the release; and for this kind of spike to happen - it had taken 50-60 billion USA dollars for it to happened. For me - it was very surprising at the release it did not retrace 50 or 60 pips before the spike. It hit ROMAR and that was it for the retrace. So it is very important to never be in a Major news release. So those who were in trade with the release was very fortunate and blessed in not being take out.

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There are at least 3 Major news releases you are never to trade in: The NFP release, the USA rate release, and the BOJ release.

Let me give you the scenario of what would of happened if not for the BOJ:

Last night you had the 1 hour SAR attached to the 1 hour chart. And on the second 1 hour chart from the SAR was when hell broke loose with the BOJ. If not for the BOJ the 2 hour would had gotten lower/low of the 1 hour SAR and the SAR would had hit the 2 hour candle and the reverse would had happen with the 2 hour ROMAR and EMA support. That is what would had happened if not for the BOJ. So - it was going up one way or the other.

So everyone knows - 85% of the news release is with the 2 hour trend. And the reason is because your Prop traders uses the 2 hour chart for trading.

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Trading is a threshold of owning your own business. It is your life; your profession, and no-one is going to take care of your business accept for yourself. To be successful with your business you must have rules and a passion in seeing your business making profits.

Owning your business in a new profession you must first learn the structural components of that business in such a way; that profits can be accumulated to be successful. And trading is no different. You may have the passion but it too is useless if the desire in learning is lacking. Your own intellect can only accomplish with what knowledge you have gain with the structural components of trading. If you are lacking knowledge then your future with the business is a failure.

There are several components with the structure of trading. And today I will start with the first one.

A daily trading plan:

A daily trading plan is the most important element for the start of your day, as you sit down with your trading station. And the question I ask: How can you trade without knowing whats happening in the market? And the answer is you cant. You can sit there for hours on end and miss the entries without the knowledge of what is truly happening. Your own thinking and intellect is powerless without the knowledge first.

I will give several trading plans as scenarios so you may gain the knowledge in what you are looking for. To begin with; place your plan on word or note pad so you can print it and place it right there next to you on your trading station. This plan is your reference and you will need it until you reached your profit.

This is what my template looks like to create my plan.

DAILY CHART - DATE:

ROMAR:

EMA:

Parabolic:

NOTES:

2 HOUR CHART:

Opening:

ROMAR:

EMA:

Parabolic:

NOTES:

1 HOUR CHART:

ROMAR:

EMA:

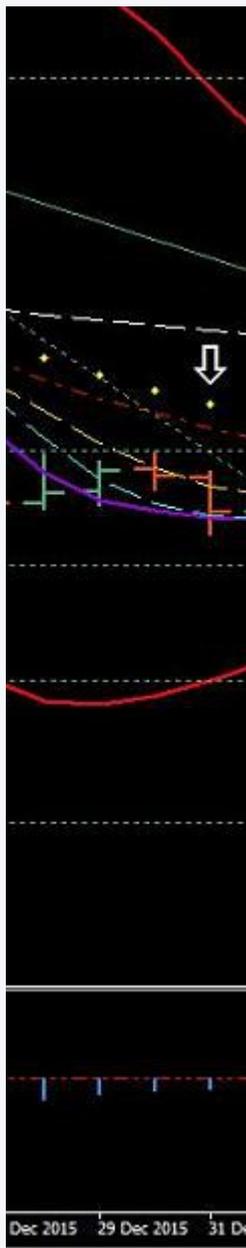
Parabolic:

Notes:

Entry:

To be fair I will be using my actual trading charts for the MT4. My charts are with ROMAR, EMA, the 4 horsemen, and Fibo with only the MACD zero crossing for an alert. And the reason is; because I can read into the future. And you need to get to that point with your charts so you can also do the same. So until then; leave your charts as is.

We will start with the Daily. The Daily chart is only reference for support and resistance.



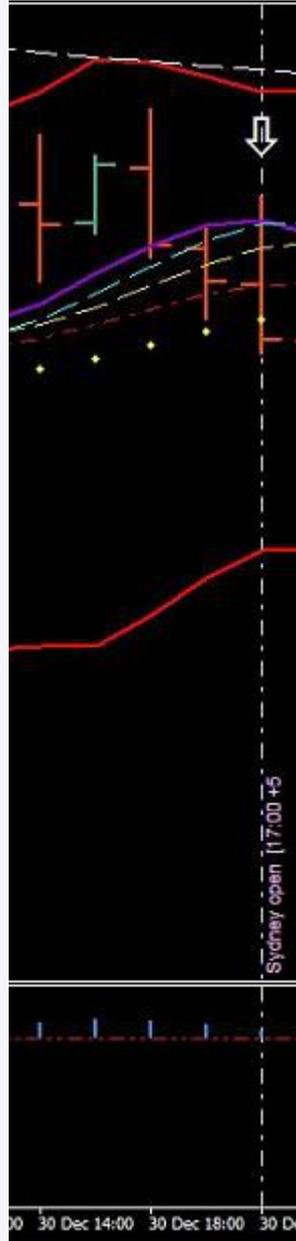
DAILY CHART - DATE: 12-30-15

ROMAR: Resistance

EMA: Resistance

Parabolic: Resistance

NOTES: All three support/resistance are in compliance for a strong downtrend.



2 HOUR CHART:

Opening: 120.499
 ROMAR: Resistance
 EMA: Support
 Parabolic: Support

NOTES: The 2 hour is in a swing with White at the crossing of Purple and eliminates the Parabolic as support. Smooth and EMA are shallow for the crossing with Purple. The daily is showing a strong trend and the 2 hour is showing the crossing of purple with opening at EMA.



1 HOUR CHART:

ROMAR: Support

EMA: Support

Parabolic: Resistance

Notes: The 1 hour had finished the upswing with Smooth in the daily downtrend. The signal for the zero crossing had shown with the previous candle. The Parabolic is already in the downtrend as resistance. Both ROMAR and EMA are at the crossing of the Purple that is already strong for the downtrend.

Entry: The 2 hour is showing the Parabolic as support but also eliminated with the White/Purple crossing. It will take the hidden LR to flip the parabolic and with the down being strong I will take entry with the next 2 hour open candle and/or, the retrace toward the parabolic.

And on the next candle is where I made my entry for 40 pips.

Now my question is: Would I have seen that entry without my trading plan? The answer is no because I would not had seen it without my trading plan. I would have still been looking for an entry.

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OK lets move on to an uptrend.



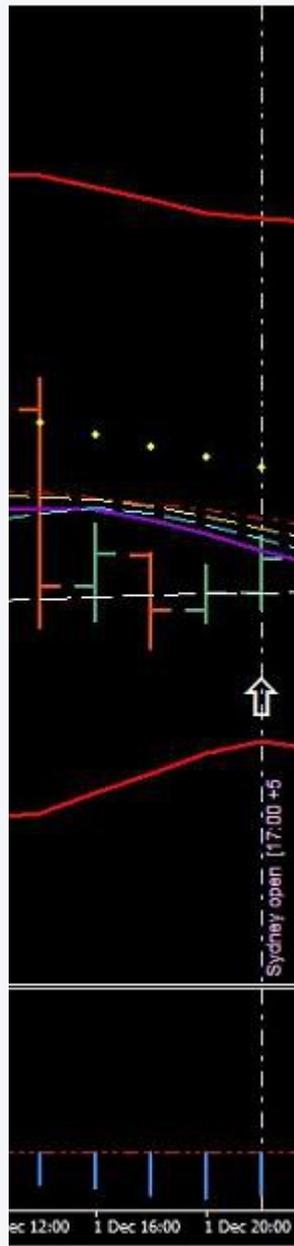
DAILY CHART - DATE: 12-01-15

ROMAR: Support

EMA: Support

Parabolic: Resistance

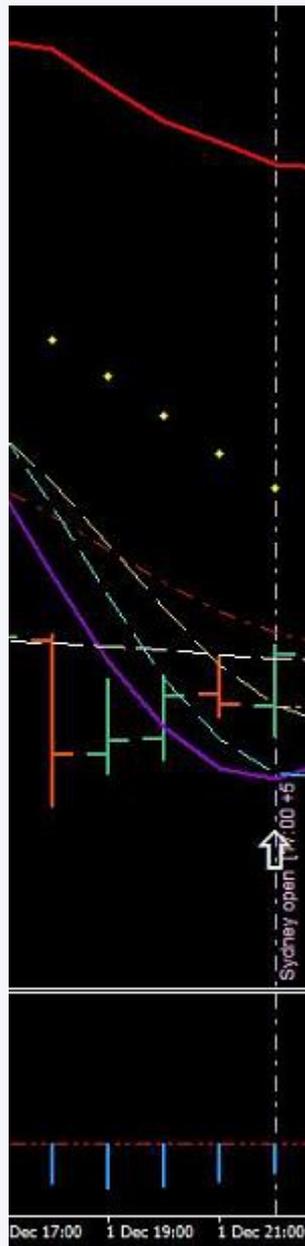
NOTES: On this daily is showing an ending of a swing consolidation with ROMAR as support. White/Smooth had crossed Purple and is support with EMA at Purple for support on the uptrend. The Parabolic had been eliminated as resistance with the White crossing Purple. The upper Bollinger Band is within striking distance for a hit.



2 HOUR CHART:

Opening: 122.848
 ROMAR: Support
 EMA: Support
 Parabolic: Resistance

NOTES: The market opened on top of ROMAR support with EMA on top of Smooth/White in a consolidated shallow swing. The parabolic is also holding resistance.



1 HOUR CHART:

ROMAR: Support
 EMA: Support
 Parabolic: Resistance

Notes: ROMAR is sliding under EMA in holding EMA as support with the white crossing.

Entry: According with the Daily chart the swing had ended with White, Smooth, and EMA crossing purple for the ROMAR uptrend. The 2 hour is very shallow with EMA, Smooth, and White very tight. And the 1 hour is finishing up its swing. With ROMAR holding support just under the 4 horsemen and resistance being tight above ROMAR; the best entry would to wait for an open candle above either Smooth or EMA. Which ever come first? That places market above purple for the uptrend.

It was the 2nd 2 hour candle after my trading plan that opened above Smooth and took entry. And that was a 40 pip trade.

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Lets move on with a consolidated trading plan.



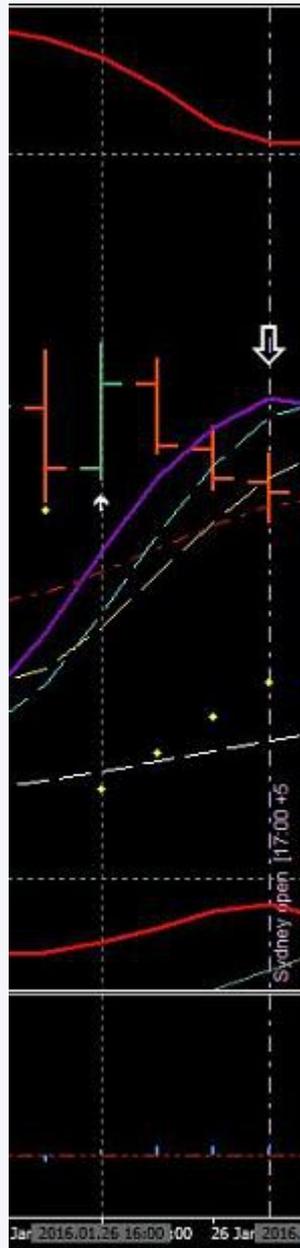
DAILY CHART - DATE: 01-26-16

ROMAR: Resistance

EMA: Support

Parabolic: Support

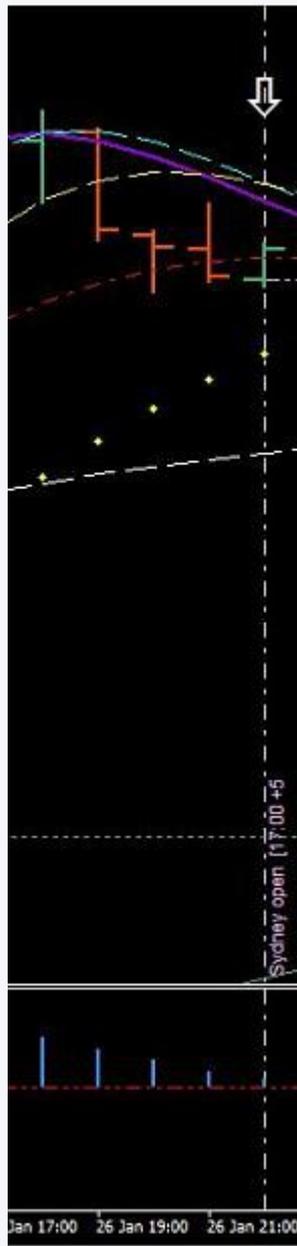
NOTES: The Daily has ROMAR as resistance with EMA crossing purple as support which places the daily in consolidation. The 4 horsemen are in the uptrend in this consolidation.



2 HOUR CHART:

Opening: 118.398
 ROMAR: Support
 EMA: Support
 Parabolic: Support

NOTES: The 2 hour is turning for a swing in consolidation with opening at Smooth. Open candle below purple.



1 HOUR CHART:

ROMAR: Support
 EMA: Support
 Parabolic: Support

Notes: The 1 hour has White/Smooth crossing for the down with open below EMA and in the swing.

Entry: This consolidation could very well go on for hours; especially with ROMAR holding support on both the 1 and 2 hour charts. The risk for a short is more then I desire to take because of the Daily 4 horsemen in the uptrend. The entry would be between the hit on the 2 hour ROMAR or; waiting for the reverse of the swing for an open candle above EMA in trend. Counter-trading ROMAR at this time with the Parabolics as support but eliminated still places the risk of not hitting ROMAR.

So - on this plan I will wait until after I have rested and see what tomorrow brings.

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Next: "EMA - White - Smooth - Parabolic".

The Parabolic's held as resistance with the market bouncing off the Parabolic's and is now in the downtrend against ROMAR support with ROMAR coming back into the trading area. You have an open candle below both EMA/Smooth as resistance; and the 4 horsemen are set for the trend down.

This is the 1 hour chart and is not the same as the 2 hour. This means the 1 hour ROMAR will be hit first and then the 2 hour will be next. If the market bounces off the 1 hour ROMAR then that is it; if the trend is not strong enough for the continuance of the 2 hour ROMAR. In this situation the 4 horsemen are strong in the trend with White showing no crossing. So the market continues on for the 2 hour ROMAR. In this trade the market got below the 2 hour ROMAR as SUPPORT and closed as support. On the next 2 hour open candle the retrace back across the 2 hour ROMAR Support was automatic. And the reason is because the 2 hour ROMAR (**IS**) support until crossing its own EMA.

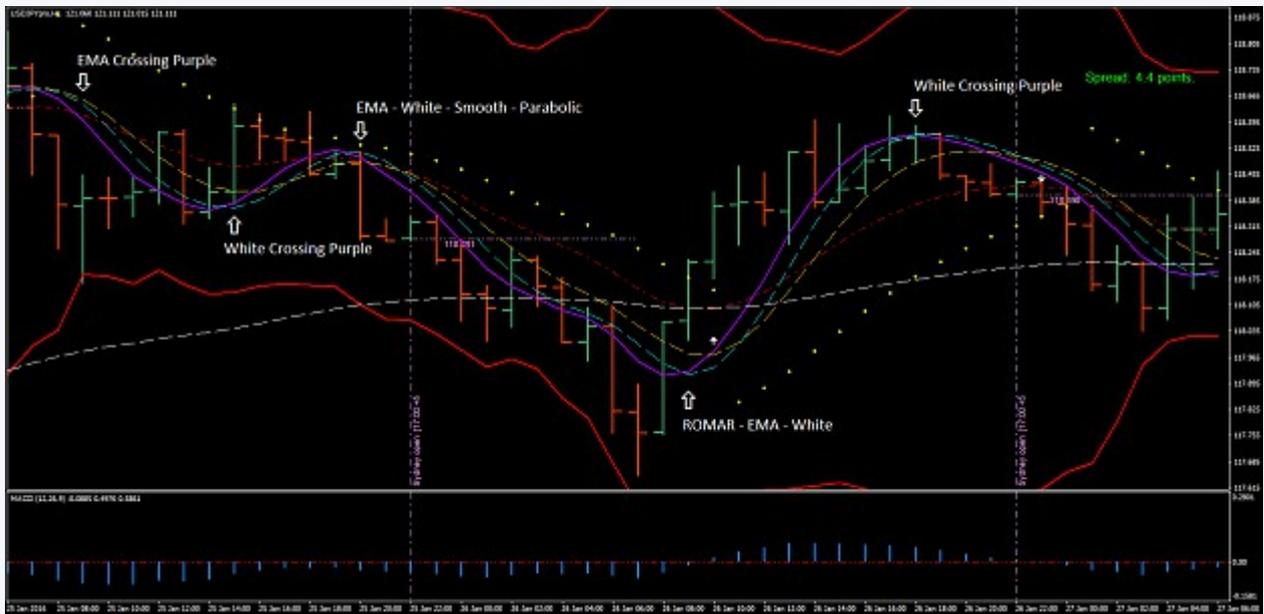
NEXT: "ROMAR - EMA - White".

You now have the White crossing Purple to end this swing. ROMAR is still Support and the market must get above ROMAR **as** support. EMA is resistance and sliding over ROMAR for the support. The Parabolic was eliminated with the open candle above the Parabolic and flipped on the next candle. The entry for this 1 hour was with the 2 hour open candle below the 2 hour ROMAR **SUPPORT**.

Next: : "White Crossing Purple".

The White crossing Purple had **ENDED** this swing up. The next open candle was at the crossing and was also entry for this swing down to ROMAR. And the reason is because White had automatically changed from support with the Purple crossing to resistance; and the Parabolics had then been eliminated as support.

Spend a lot of time with this post and structure what is happening with these indicators. This post is the only way you will beat the consolidation. And that is understanding what the Paradox is saying to you. Gain the knowledge and use it.



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Here are the three charts for EJ:

At this time I am giving away the secrets of positioning trading. Positioning trading is done on either the 2 hour; or the Daily; or even on both charts. The reasoning is because you have both alert and visual on the charts for entries and exits.

Positions trading are done from the high to the low and vice-versa. And there are a couple of ways to trade positions.

Position trading takes a lot of heart in watching your profit being taken on the retraces. And most traders will take their profit as they are watching it being taken; and have no idea what to do next. The example of position trading is on both the 2 hour and the Daily of the charts below.

On the 2 hour you have a Low at 128.240 and a High at 132.276; for a total profit just over 400 pips; and taken in a 2 day period which is two weeks profit for trading 40 pips a day. And I admit; we had a 271 pip spike on the EJ; included between the high and low. But the fact is it did happen. So, it is included.

Also take note of the SAR on the 2 hour. When it showed 129.467 as a high; you could do one of two things. Take profit and reenter at the low of the SAR at 128.93; and youre back in for the long. Or; let it ride on the retrace to the low of the SAR and add more funds (provided you did not use up your margin) for another entry long. This way you regain the loss on the retrace.

If you want to be a real lazy trader with nothing but free time; then on the Daily you have a high of 132.787 and a low of 126.156 with a profit of 663 pips. I believe you now have the big picture. And you work the SAR with the Daily as the 2 hour.

This is known as Positioning trading. And it all begins with the flip of the Fibo. This is something I suggest beginner traders take a good look at; and even the old timers that are still struggling. This may be your answer for trading.

I have two trading accounts one for intraday and another for position trading. After the end of the week I will become strictly a position trader. I will become one of those lazy traders.

And by the way I do not watch the profit being taken I just let it ride with my charts close and check it daily with the 17:00 EST Daily candle.

Daily:



2 hour:



dove_alliance :

As you notice last night, early this morning, you had the Long Term (DB) attached without a label (rectangle price box); and then shot back up to the resistance Parabolic. And back down again for the DB and still without the label. The SAR is still holding for the down.

Now - once the SAR attaches at the bottom WITH the DB it will go up as it will then have the label.



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OK Traders: Lets get one thing straight. The SAR DOES NOT REPAINT. But what does repaint is the DB. You are trading on one scenario alone without seeking the big picture which is "in the moment". What have I said about the DB in TREND? It will move in trend from bar to bar. And what is the 1 and 2 hour charts in right now. TREND. You are in a consolidated trend which means (whichever trend of up or down); will not go that far. The SAR is attached with the DB and has no choice but to follow the rules. Just like last night. The SAR remain exactly where it was at from the top; and stayed there until it hit its target on the low side and attached with the DB. And when it did; what was the big picture?????

My friend Daniel had it right but no-one else did. The 4 horsemen on both charts was set for the race downstairs.

But; once the 1 hour had ended its trend then you start all over again. Those traders were in - you have your 40 stop. This is the reason for the 40 - from mistakes in not seeing the big picture.

And here is the big picture:

This 1 hour is showing nothing but a very strong trend down. But also the Fibo flip is holding back the trend from bar to bar. Until finally it bumped lower. Can anyone remember what I have posted about the bumps with a Fibo flip??????



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Quoting Pandakker
 new high/low can be bumped up a few times

That is exactly right.

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A Fibo constitutes the VERY HIGH and the VERY LOW of a swing. The DB will display this with a Lime Green tag and the high will be tagged with the Magenta.

Once the Fibos flip with the DB; either a new high or low that it can bump up a little higher - or lower - depending on the flip because of market pressure. But on the other hand - it can also turn on the next candle and keep right on going. When I position trade on those new highs and lows I always use a 60 stop and never had one take me out with the E/J.

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I believe in most part some of you have been focusing on position trading. I'm not discouraging anyone from position trading - but it is not consistent with intraday trading. Positioning is a total different way of trading.

Looking at this screen-shot of the 2 hour you have the SAR swinging for the low. And the Reason is because the DB is on top and the DB next target is the Low. From this point on with both the SAR and DB attached; the DB will be making the decisions for the new low. And ROMAR as support you can visually see various swings getting into that new low and once the DB had created its new low the Fibos will flip with a Lime Green price box.



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I'm going to try and explain SAR and DB again:

The SAR is the swings in between the high and low of the Fibos (Lime Green; low and Magenta; high). The DB is your long term swing in trend and will change the Fibos at the higher/high and/or lower/low. There are times the Fibos will flip on a Swing. But is still an entry with the flip.

The DB can and will mix with the SAR - as it is now. Once the DB and SAR are attached with the same bar then the DB has the control. In trend the DB will move from bar to bar in trend with the SAR following. And at times the DB is on top of the SAR where the SAR is not showing. And you will see this happening. But once the SAR breaks out from the DB it is then projecting its own swing once again.

Lest say the trend is down. The SAR leaves DB and reaches for the top of a candle. That is entry back into the DB trend and vice versa. And then reattaches with the DB.

Here is an example with the SAR and DB together with the SAR under the DB:



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dove_alliance :

I am here only to post a summary of everything I have given in regards to the Paradox. This summary is placing the variables in trend/consolidation and how the indicators separate the differences.

Both trends and consolidations have one thing in common and that is with support and resistance. The variable for trends is from high to low and vice-versa. The variable for consolidations is with the swings, and/or sideways. And they both have a support and a resistance.

Because of the variables in trend with this system there is an indicator called "ROMAR". The second source of the trend is an indicator called "EMA". These two indicators is the total representation of all supports and resistances within this system; in both trends and consolidations.

ROMAR is the major trend for both support and resistance and crossing EMA changes ROMAR direction of the trend: This is true on all three charts. The 2 hour chart is your primary trend for trading.

EMA is secondary trend according with the swings and changes its trend by crossing Purple.

When you have EMA in a downtrend and ROMAR crosses EMA for the downtrend you then have a true trend. If you have EMA in a downtrend and ROMAR is support you are in consolidation for ROMAR support and vice-versa.

When ROMAR/EMA are running together in the same direction that is your trend until ROMAR and EMA crosses one another; and then ROMAR IS THE ONE reversing the trend.

EMA is your source for short term trend of the swings by crossing Purple. If EMA crosses Purple and becomes resistance and ROMAR is already resistance you are in trend. If EMA crosses Purple and becomes resistance and ROMAR is support; you are in consolidation and vice-versa.

The 4 horsemen: Purple, White, Smooth, and Parabolic's are dedicated for the swings only; and the Parabolic is the trend for the swings. The swings could be short term or long term depending on ROMAR/EMA. If you get ROMAR/EMA in the same direction with the 4 horsemen then the trend is long term with no swings, but only sliders with retraces back towards the 4 horsemen. With this type of trend the Parabolic is the source on indicating when to close your trade. If the Parabolic is trending above EMA then let the trend ride. It is when the parabolic reaches EMA will the trend end.

In the swings with ROMAR Resistance and EMA as Support or vice-versa; is when you are in consolidation and the swings are short lived. So, during trading you must always have the separation with trend/consolidation as for ROMAR and EMA. This should always be on your trading plan so you can keep reference.

ROMAR:

If you had the 1 hour ROMAR cross its EMA opposite of the 2 hour ROMAR trend - you are then in the first stage of a consolidation and/or reversal. The market behavior on the 1 hour is now under pressure from the trend.

When this happens then the 1 hour is looking for the 2 hour ROMAR crossing. When the 1 hour ROMAR crosses its EMA you are then in opposite trend of the 2 hour which places both the 1 and 2 hour in consolidation and under pressure for a reversal and/or a slider within the 2 hour trend.

This now becomes a much distorted picture and no advance indication of market movement. Or at least it seems so.

The reason for this happening is because of the barriers within support and/or resistance. In this system there are 5 such barriers and they are:

- 1). 23.6 or 61.8 of the Fibo
- 2). ROMAR
- 3). Parabolic
- 4). EMA
- 5). 4 horsemen

The first step is to identify the barrier of support and/or resistance in order to trade any further. Now - the issue that some are facing is what charts to look for - with the consolidation - and the answer is this:

All major consolidations are feed off the 2 hour and Daily. If the consolidation occurrence were feed off the Daily and then it affects all the trading charts. All you need to do is wait on the 1 hour support/resistance being in consistence with the 2 hour. The 1 hour sets you up for the 2 hour trend.

In order to understand consolidation lets define the word:

Definition of CONSOLIDATION:

1: the act or process of consolidating: the state of being consolidated

2: the process of uniting: the quality or state of being united; specifically: the unification of two or more corporations by dissolution of existing ones and creation of a single new corporation.

Example of CONSOLIDATION in the market:

"The consolidation of several intelligence agencies into one super agency"

When the market consolidates it is then in submission of changing power from Bear to Bull and vice-versa. Any time we go into consolidation; ROMAR/EMA will show this consolidation period by crossing one another. And all it takes is **one** of the three charts to reverse from the trend into consolidation.

A SLIDER: The sliders are most frequent in consolidations; especially with the 4 horseman's. This is when Smooth does not cross Purple but slides over/under Purple (depending on trend) and keeps the swing intact. This is also true with EMA. You can have White/Smooth crossing Purple but EMA does not cross Purple but slides under/over Purple to keep the Swing/Trend intact. And for your longer term trends ROMAR can also slide under/over EMA to keep the trend intact.

VARIOUS CONSOLIDATIONS:

- 1). Crossings of ROMAR and EMA in changing the trend.
- 2). Change of trend in one chart from the others.
- 3). Out of "sync" with charts; such as Swings, ROMAR, EMA, and Parabolic's.

This is why the market is 80% consolidations.

All these variables stated above makes up the moving Paradox.

This system also has what is known as the consolidated paradoxes trend and consists with the Daily disruption of market exhaustion in regards with the ROMAR crossing EMA and the Market is in between Both ROMAR and EMA with a 50 or less pip spread. This disruption can last a long time within the Daily chart as the Ranging Mode is strictly between the Two: ROMAR and EMA. Variables in indicators can change dramatically from hour to hour; from chart to chart. And frustration can set in as the hours pass by while you are sitting at the computer trying to find a decent trade within the indicators.

This type of disruption can only be solved with trading support and resistance which are: ROMAR and EMA on the Daily chart.

Highs and Lows:

When it comes to highs and lows I do not use the Daily candle as most traders do accept for breaking these levels in my daily trading plan. What I use is the 2 hour lows and highs of the "Fibonacci Retracements" as a marker for previous highs and lows during cycles. The 2 hour Fibo is a great resource for trading; it is accurate and dependable.

You have to always remember the 2 hour is your TREND chart and the 1 hour is your reference for entry with the 2 hour. For a good trade to be established is when the 1 hour 4 horsemen are sync with the 2 hour. In other words; they both are in the same direction. Otherwise you will be counter-trading for a loss.

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Rules for Trading

Basic rules:

- a: Do not trade against the trend.
- b: Trade objectively and not subjectively using support and resistance.
- c: Do not chase the market but let the market come to you.
- d: The 2 hour chart is your trend chart for the system.
- e: The Daily is your reference for the Daily trend, support, and resistance.

Rules for uptrends:

- a: ROMAR and EMA must be in sync on all three charts to trade long.
- a: The 1 hour is your reference chart with the 2 hour trend chart.
- b: You are looking for sync of both ROMAR and EMA uptrend on both the 1 and 2 hour charts to enter a trade.
- c: Trades are made from the support area to go long.

Rules for downtrends:

- a: ROMAR and EMA must be in sync on both 1 and 2 hour to trade short.
- a: The 1 hour is your reference chart with the 2 hour trend chart.
- b: You are looking for sync of both ROMAR and EMA uptrend on both the 1 and 2 hour charts to enter a trade.
- c: Trades are made from the resistance area to go short.

Rules for consolidation:

- a: The 2 hour is your trading/trend chart.
- b: Use the Daily Chart S/R as reference for consolidation.
- c: You can trade either short or long in consolidation.
- d: Trade from resistance to support and vice-versa. Do not trade from center in consolidation.
- e: Both upper and lower bands are resistance and support in consolidation.

Rules for Support and Resistance:

- a: The 2 hour ROMAR is the Major Support and Resistance for the whole system.
- b: The 2 hour EMA is the secondary Support and Resistance for the whole system.
- c: The Daily ROMAR is the Major Support and Resistance for the Daily.
- d: The 2 hour Fibo determines cycles for high/low support and resistance.

Rules for determining consolidation:

- a: If one of the trading charts are not in sync with one another you are in consolidation.
- c: If the Daily ROMAR/EMA are not sync with 1 and 2 hour charts you are in consolidation.
- d: 10% of the time is trend; 85% of the time is consolidation; and 10% economic news.

Rules for Economic News:

- a: Never trade during a MAJOR (Red) economic release.
- b: Clean up your trades 5 minutes before a major economic release.

The 8 Rules on Money Management:

There was a lion, a donkey and a fox all keen to go out rabbit hunting together. After a productive day of hunting, the three of them sit around the pile of rabbits and the lion asks the Donkey; "Mr. Donkey, would you please divide the pile into equal shares for the 3 of us? The Donkey obliges and counts the rabbits into three equal piles for each of them. The Lion immediately roared and pounced on him. He then piled all the rabbits on top of the donkey and asked the Fox; "Mr. Fox, would you please divide the rabbits up evenly between us? The Fox takes out 1 scrawny rabbit from the pile and puts it in a pile for himself then say; "There you go, Mr. Lion, that's your pile" pointing to the large pile of rabbits. The lion says; "Mr. Fox, where did you learn to divide so equally"? And the fox says; "The Donkey taught me."

The moral of the story is to learn from others' mistakes.

Rule #1: Never risks any more than you can afford to lose, you will lose money, all traders do; make sure you're not sacrificing anything else important in the process.

Rule #2: Never risk any more than 2% of your margin trading account on a simple trade. For mini account holders, 2% of \$300 would be \$6 so realistically you would need around \$15 so you can make this 5%. As soon as your account size is big enough, make this 2%.

Rule #3: Always use a stop loss order. If you haven't figured out where your stop loss order and limit order should be at the start of your trade then you shouldn't be trading.

Rule #4: Always place your stop order before pulling the trigger.

Rule #5: Know your exit point before you enter a trade.

Rule #6: Demo Trade First: Become successful with a demo when there's nothing on the line before you open a real account.

Rule #7: Take a breather when your equity has taken a dive.

Rule #8: Don't let your emotions call the shots: Stay cool, calm and collected. Patience and a clear head will win the game.

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Traders are taught through webinars, online e-books, some may even pay for books and other kinds of training outside the norm. But most traders are taught through forums such as FF and being violated with smoking guns from traders that have no education themselves. So these seekers that are in search of fulfilling their desire never reach the threshold of their dreams.

And the reason their dreams are abandon is because they are taught one thing, or one concept without variables; no-matter what system they are taught on. And that concept is used over and over again in every scenario they encounter.

The psychology of trading is not in the trading itself but lies within him/herself. It is the education in which they were taught through past history of trading, and/or, how life is operated since childhood. And this is where the concept had been born; learning vices are greater than virtues. Vice is a habit that spoils ones chances of achieving personal happiness.

To be a highly educated person does not mean you are also virtuously prudence. The prudent man is one who does the good, as opposed to one who merely knows the good with a deficiency or lack of wholeness.

Concepts and Variables are two words that have much meaning and bring one into wholeness. And a prudent trader learns you cannot do one without the other.

The rules of trading are very simple and not hard to remember. The concepts and variables are in line with the rules of trading and are also simple and not hard to remember. The only difference is how you are applying the rules; either objectively or subjectively.

Trading has one concept with three variables; trends, supports, and resistances. Each variable has its own concept and you cannot trade one the same as another. It is impossible to do so.

As I have said in the beginning. I can give you everything you need to become one of successful. But it is up to you, and how you apply yourself with the education if you will become one of the great ones.

The Power of Confluence

What is confluence and why is it so important when trading the Forex market? In this post Im going to discuss what confluence is, why its so important and how you can integrate it into your current trading strategy to help put the odds in your favor.

What is Confluence?

Confluence: a situation in which two things come together or happen at the same time.

Essentially confluence represents two or more things coming together at the same time. In terms of trading, we can say that confluence is when two or more factors come together at the same place on a chart or two different charts.

Examples of these things might be a key support or resistance level, price behavior with buy or sell signal or even something as simple as a strong trend. All of these things form what well call Confluence Factors. In other words a strong trend might be one factor; a price behavior might be a second factor and so on.

Putting the Odds in Your Favor

I think I can be so bold as to say that consistent profits are the goal of every serious trader. So why then do only a small portion of traders make it to this level? It all comes down to the use of confluence. Those traders who can be called consistently profitable have found a way to identify and harness the power of confluence in a way that puts the odds in their favor.

The ability to put the odds in your favor is what trading is all about. Figure out a way to do this over and over again and youll be well on your way to becoming profitable. This is where the combination of various Confluence Factors comes into play. In other words; the more Confluence Factors present on any given setup, the greater the odds are that the setup will move in the intended direction. Even in consolidation placing the Confluence Factor into place is very profitable.

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Unstructured Environment:

Everyone gets frustrated because of getting into some bad trades for one thing, and also realizing the difficulties of finding trade targets.

There is one MAJOR problem with most traders, if not all, fail coming into terms with and that is operating in an unstructured environment this is the major underlying reason why traders lose and cannot win; or even quit.

In our normal society we conform to rules and laws that govern our lives and those of our fellow citizens. So we learn these rules and conform in using these rules for the safety of our society. But being in a society that operates under an unstructured environment by creating their own rules to live and survive by has its many disadvantages.

So lets take a closer look at the problems associated with operating in an unstructured environment for traders.

It begins by taking responsibility for our actions. This means taking charge of your own destiny as a trader and people in general simply cannot accept this responsibility. They want the comfort of having someone holding their hand and if things go wrong they then have thousands of excuses why. Trading is a business and you have no one to answer too. But like any other business; there are rules accommodating in running their business.

The market is all powerful and shows no mercy because it too operates in an unstructured environment. The market is always right and never wrong and this causes major psychological problems for traders we all hate being wrong. So without rules the frustration becomes the traders worst enemy.

Most traders get frustrated and break the rules, or even create a new set of rules as to enable them a more comfortable environment to trade in and continues to lose. It is called the ends justify the means; trading without discipline. One of the largest factors that separate success from failure is a trader's ability to manage rules that apply to trading. Traders love to run with the pack and listen to other traders opinions when it comes to trading. But this environment is also unstructured with traders that have no concept for rules. Trading without discipline is a journey to the far side of the horizon along with the other 95%.

When you work in such an environment answering to no one then the problem is discipline. You have to build a constructed environment around yourself with rules for trading rules for discipline rules for priorities and rules for commitments. If you do not have this kind of environment then you will always be a loser.

And right now you are seeing the outcome of this unstructured environment; not only with yourself - but also with the market.

The only way to become a winner is applying yourself to an environment that desperately needs to be changed. And you, as individuals, are the only ones that can make the changes.

If you know it or not --- this is the problem and has nothing to do with your trading. If you change your environment then you will change everything else in being successful. In other words; it begins by stepping out of your comfort zone and broadening your vision.

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The Fear Factor:

Market knowledge and ability to understand chart analysis with this system will only get you so far in Forex trading. Wagering huge volumes of money in a market as susceptible to change is liable to cause a whole range of opposing emotions; fear, excitement and anxiety just to name a few. Battling against your emotions in order to complete a successful deal is one of the major hurdles, which must be overcome if you are to become a trader able to close huge deals and earn vast sums of money. If you can overcome or even use these emotions to make trades on the Forex then a successful career may be beckoning, but failure to do so will almost certainly cost you a substantial amount of money and end any lingering desires to progress in the busy world of Forex trading.

Initiating and closing a trade at the right times (in the moment) are the backbone of becoming a successful trader. If a person cannot execute these deals at the right times, the psychological and financial damage can be crippling. Missing a huge trend or sitting too long on a good entry, can be a demoralizing experience, but one that you will encounter during a career in Forex trading.

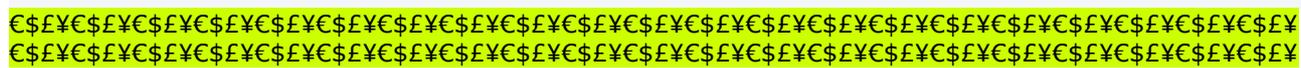
Entering at the right time is just one thing that must be done correctly, but if you are unable to leave at the right time or hold your nerve during the course of the trade, the implications are potentially severe. For example; accepting a small loss just before the market rises can lead to a horrendous huge profit/loss ratio margin. Similarly sitting on a currency that is plummeting for too long could be financially crippling. Understanding the Forex market and having faith in your ability to judge a trend will pay dividends if you hold your nerve, backing out at the wrong time can prove to be a catastrophic misnomer.

The fear generated by investing your own personal money is the main thing that must be overcome. It is the culprit in so many failure stories, people who just couldn't overcome their anxiety investing unwisely, pulling out at the wrong time, missing a rise completely, all result in failure and are caused by fear. Accepting this fear and using it to your potential will make you a stronger trader, able to trade freely and enjoy the thrill of the exchange. Fighting it will get you nowhere, understanding and overcoming it are the best remedies to this baseless emotion.

Trading plans will help you ride out the rough times and capitalize on the good ones. Sometimes just taking a step back and accepting a few losses will give you the energy and the knowledge to attack the Forex with renewed vigor, and make some serious profits. Accepting that sometimes you will lose out, you need to be able to take the hits and roll with a punch, there are no guarantees in the trading market, so being able to move on and start again is a skill that is paramount to generating success.

You must first master these things, and be able to correctly interpret the figures that are represented in order to spot the trends and make your move. And this all means nothing if you don't have the courage of your convictions; if you are too afraid to buy and not sure when to sell then a glittering career in market trading is likely to elude you. The trend is your friend and it means nothing if you firstly can't spot it and secondly don't have the courage to back it. Knowledge, Understanding, Wisdom and overcoming Fear is the 4 best ways to unlock the door of becoming a successful trader. Without all 4 you will more often than not become unstuck; so prepare, practice and evaluate everything before taking the plunge in the complicated world of Forex trading.

OK Traders I leave you and may God bless us all.



dove_alliance :

There are some of you flip-flopping between support and resistance and not paying attention at all.

Basic rules:

- a: Do not trade against the trend.
- b: Trade objectively and not subjectively using support and resistance.
- c: Do not chase the market but let the market come to you.
- d: The 2 hour chart is your trend chart for the system.
- e: The Daily is your reference for the Daily trend, support, and resistance.

What does rule e: say? And what does this Daily screen-shot below say?



It says Purple, White, and Smooth is RESISTANCE. That it is what it says. It also says EMA is SUPPORT of not crossing Purple yet. It also says that both ROMAR/EMA is the Trend RESISTANCE - DOWNTREND.

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dove_alliance :

What is sad is when a trader will defeat himself. What rule I have stated is the greatest of them all? That RULE is "trading in the moment". And all I have seen from posting to posting is traders all over the charts trying to figure out how to get into a trade. That is sad because there hasn't been one posting in the moment.

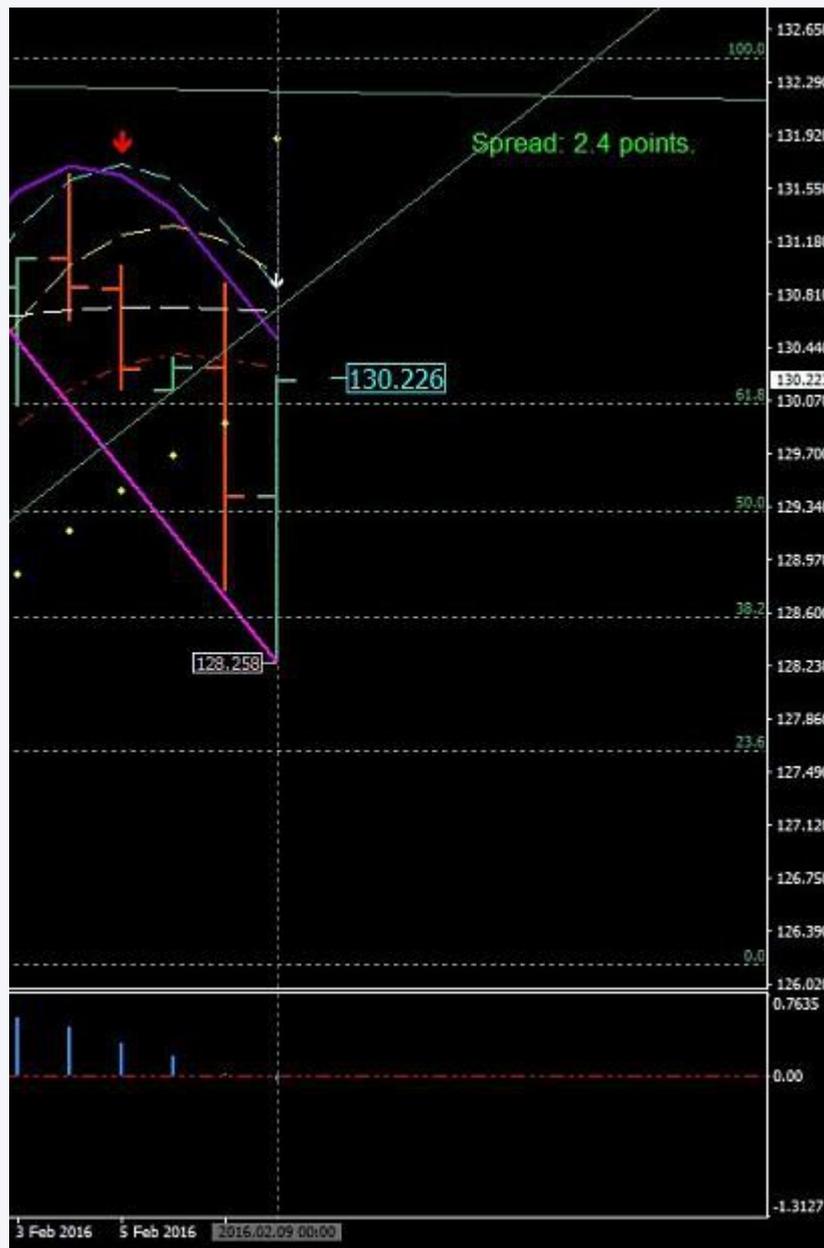
First thing you have is the FIBO showing the bottom and flipped for the up on all three charts; and not one posting indicating this very fact.

Secondly you have all three charts in downtrend with ROMAR, on each chart, above EMA for the downtrend.

Thirdly - you are all trading the 1 hour chart instead of the 2 hour trend.

Rules after rules are being broken.

With the Fibo's up and the ROMAR's down - you are in consolidation. But the major reason for consolidation is the Daily EMA. The Daily EMA is still support in not crossing the Daily Purple as of yet. And one trader did mention that fact. And here is the Daily showing that fact:



Now let's take a look at yesterday's opening. Two hours after the opening you had an open candle below Purple WITH THE 1 HOUR. To eliminate the risk factor you wait for the open below Smooth for entry and the reason is because the 2 hour trend is still in the downtrend. At entry you had the Purple/White crossing Purple, below Smooth, and the Parabolic was eliminated as support for a 40 pip trade.

The 2 hour was showing this fact by opening below the EMA resistance.

This is one trade since opening.

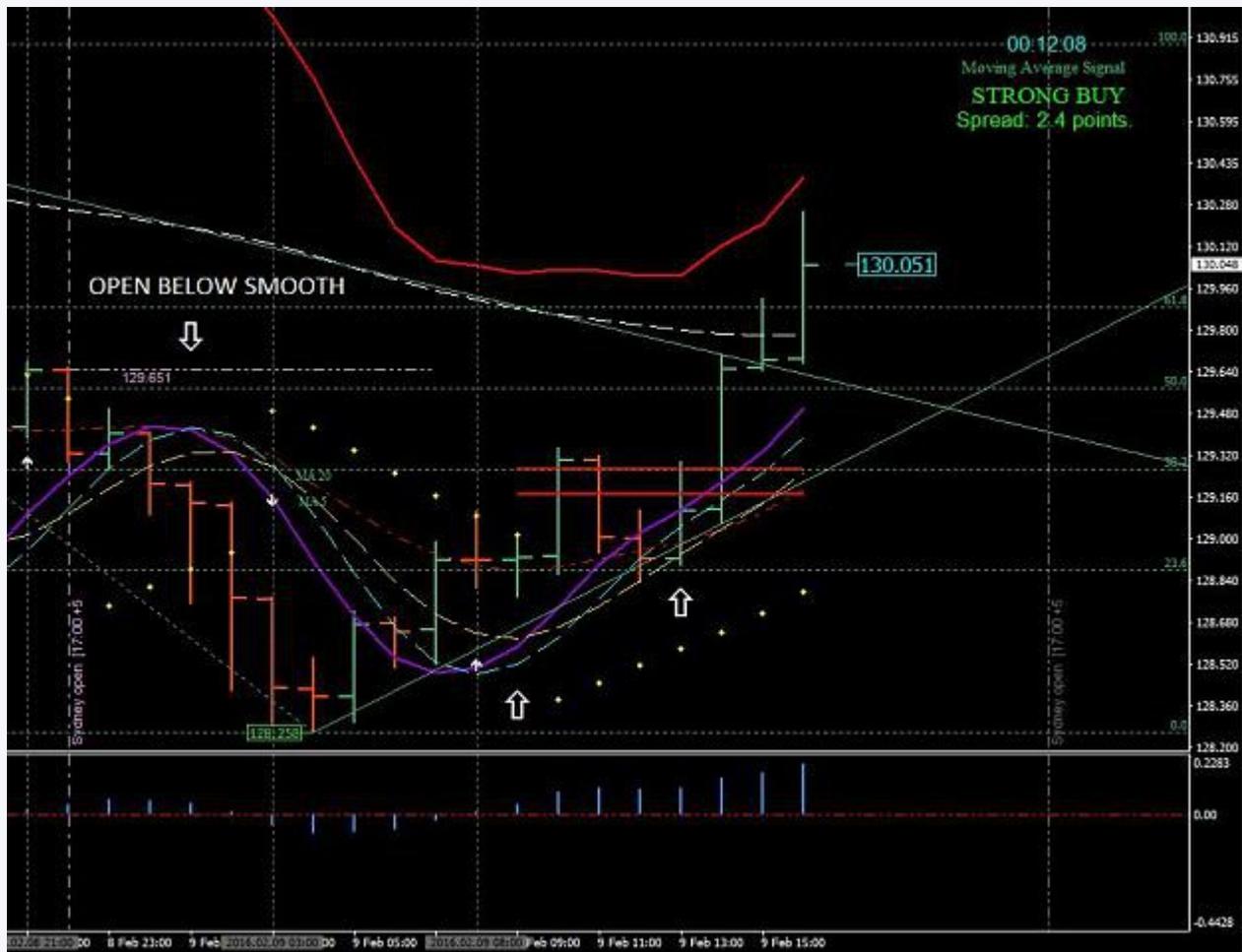
The second trade you had was with the 1 hour EMA crossing Purple for the uptrend with the 4 horsemen.

But the 2 hour was consolidating for the swing and the Parabolic was also an issue of being stopped for a long entry. And the name of the game is called PATIENCE.

With patience you wait on the 1 hour for the 2 hour retrace in consolidation and take the hit off the 1 hour 4 horsemen; which was also the 2 hour White/Purple crossing for entry for another 40 pips to the 2 hour ROMAR.

With the 1 hour White/Purple crossing and the opening above EMA was also an entry; but because of the 2 hour consolidating you would had to wait on the 2 hour before getting into profit. If you get into the right trade your 40 stop will never be hit.

If you do not trade in the moment you will NEVER find your entry. And that is with a PERIOD



Trying to analyze something that has already been established is like beating your head up against a stone wall. It is getting you no-where but only frustrations after frustrations. In other words all entries and exits had already been established before they even appear on your charts. But without believing and without faith: you will miss it because your virtual mind is in a state of roaming through space that is filled with nothing but pure garbage.

The analytical mind is powerless when it comes to what has already been established. Seeking the reasons why is like your inner Self as unknown territory. You do not really know who you are from the inside out. You know who you are from the outside in. You know the outer reactive you, but not the inner proactive you. You know the frightened you far better than the courageous you. You know the part of you who clings to the world as you want it to be far better than the inner you, who understands that the world is in constant flux and that you must learn to flow with the change and flux that is the nature of life. Learning to let go, not once, but again and again, is the path of learning to live in harmony with the laws and ways of life instead of living in opposition to life.

So, in order to beat this constant flux lies within faith and believing in something that is far greater than yourself. The Paradox has already been established and there is nothing that your analytical mind can do to change this very fact; just as it is with your inner-self at the very moment of conception. And being fair with the constant fluxes of life we have our own intellect that allows us to make choices. And what choices we make in life will determine our destiny.

Connecting with the spirit inside you is not something that happens once and for all. It is a slow and gradual process, in which you connect, disconnect, reconnect... Gradually the focus of your consciousness moves from duality to oneness. It re-orientates itself, finding that eventually it is drawn to silence rather than to thoughts and emotions. By silence I mean being fully centered and present, in a state of non-judgmental awareness in the moment.

There are no fixed methods or means to get there. The key to connecting with your own Spirit is not to follow some *discipline* (like meditating, or fasting etc.), but to really *understand* understand that it is silence that brings you home, not your thoughts or emotions.

This understanding grows slowly as you are increasingly aware of the mechanism of your thoughts and emotions. You let go of old habits and open up to the new reality of heart based consciousness. Ego based consciousness inside you withers and slowly dies. And once that happens; you are then on the threshold of the moment. Your spirit then can see what is happening without all the garbage blocking your way to freedom.

One thing you have to always remember: the 60 is the beginning (Alpha) and the 120 is the ending (Omega). In short term it means everything begins on the 60 and everything ends on the 120. So all your trade entries begin with the 60 and your exits are with the 120.

The 120 chart has 12 bars during a 24 hour period. Does this mean the trend will change on the 120 during those 12 bars? That will entirely depend on what your Daily Trading Plan is saying within the 2 hour chart. You cannot trade without a trading plan. Without a trading plan you have no idea what is happening within the market. You HAVE TO BE aware of the market before trading the market. And a trading plan gives you that awareness.

Most of you are making up your own rules; trying to detail a trend and/or consolidation. Bottom line old habits take over and you have no idea what you are doing. Instead of trading in the moment your focus is on past history of what was and not what is. And all it takes is White crossing Purple on any of the charts that are in trend; and you are automatically in consolidation. And with the White crossing Purple can place you in a consolidated slider for the continuance of the trend; or a reversal on a new swing.

There is one; possibly two traders have got it for sure. They are seeing what is happening and not trying to analyze what is happening. And that my friends are what makes the difference of becoming a great trader; and/or a loser. It is the spirit within these two traders that makes the difference of becoming greater today than they were yesterday. If they can do it; then so can you. There is no limitation on what your spirit can do. All you need to do is connect with your own spirit; then there are no limits in what you can do with every realm of your life.

Trading the Forex is totally about support, resistance, and trend; three variables with a continuance of swings. And each swing has a support, resistance, and a trend. Now take a few moments and re-read what I had just said.

dove_alliance :

Quoting dove_alliance

Entry: With all three charts being oversold with the Fibo at 125.006 for a new low and the 1 hour showing a possible flip of the swing; is giving a picture of 2 elements.

1. A slider on the 1 hour for the continuance of the downtrend.

2. An open candle above the 2 hour Smooth at the Purple crossing for an entry going long with EMA holding resistance.

If a slider is in the makings then the 2 hour EMA will hold resistance. So taking these two elements into consideration the best entry would be off the 2 hour EMA for the short without the 2 hour...

Take a very close look at this Picture and what do you see?

You see the Open at EMA with the Smooth sliding with the White and no crossing of the White/Smooth. And because of the Smooth not crossing White a short entry was taken. You also had the 23.6 holding resistance with EMA. I had also stated that lower/low was consistency with a slider on the Fibo.

I gave you the entry but no more needs to be said.



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One thing I want everyone pay attention too:

I had seen what was happening on my Daily Trading Plan. I had posted my plan so everyone could see what I was seeing; before it even happened. Now - without my plan I would had missed it totally and probably done what most of you had done: Lose a trade.

The bottom line traders - you cannot trade without a plan. I am good at what I do - but only because of creating a trading plan and trading in the moment. That is the only way of robbing the banks and doing it legally.

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Quoting JMaurice

Thank you again for the response; I guess I need more time trying to understand this and appreciate your patience. In that moment, the market had fulfilled conditions for the short entry ('off the 2 hour EMA for the short without the 2 hour Smooth crossing [of White and Purple]') as detailed in your trading plan. Hypothetically, for the sake of understanding, if the market had taken longer to reach the EMA, White may have crossed Smooth by the time the market reached the EMA, and then the close above the EMA would have satisfied the trading...

Hypothetically - that is true. That is why my trading plans always have an entry for the short and an entry for the long. I am never bias. But the plan has to be constructed in such away that hypothetically both short and long are configured on the same 2 hour bar.

Just as yesterdays plan the 2 hour EMA was the root of the plan in being the only resistance from stopping the reversal. And being both ROMAR and EMA having the power as stoppers in the market; you have to visually see this as you are creating the trading plan. And by seeing the 2 hour Purple sliding with Smooth not crossing White; but to hold EMA in power, I was able to take the trade short. If Smooth had crossed White then Purple would had allowed the crossing for the EMA crossing going long. And all this was happening on the same 2 hour bar. And that my friend is trading in the moment with just one 2 hour bar. In other words - you have 2 hours to make a decision.

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Quoting velox

Thank you so much Dana for continuing to help us here. I am also a culprit of sending you PMs about one on one training but totally understand your decision. When you say you have 2 hours to make a decision, does that mean we will be taking the trade during the 2 hour window (i.e when the 2 hour bar is being formed) and not just at the completion of 2 hour bar. TIA

The 2 hour bar is your "in the moment" bar. You create your plan and you pretty much going to know your entry - OFF THE 2 HOUR BAR - using the 1 hour as reference. From the creation of your plan you check the 2 hour bar every two hours about 5 minutes before the next bar. At that point you will see what is happening towards the ending of that bar. If you do not see anything indicating your entry - then you check the ending of your next 2 hour bar. And you continue to check until you see your entry being created in pulling the trigger at the right moment.

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90% of my trades are within a 6 hour or less period from the 17:00 EST 2 hour bar. Most of them are less than 4 hours. I do not spend all day at the computer in trading. I create my plan and when the entry shows I pull the trigger for 40 and I am done until the next day.

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As an example - my daily plan for today had called for the hit on the 2 hour Smooth going short which happened on the opening 19:00 EST candle.

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Quoting xpie

How do you decide what to choose as a trigger ? For example why did you choose smooth and not EMA as your trigger for today ?

Because Smooth was the first resistance for the trade.

Just like last night - the 2 hour EMA was the only Resistance for a trade going short. And the set up for the short was showing with the 2 hour Smooth in not crossing White. And it doesn't matter if the crossing happened 2 hours, or 4 hours later; and the reason is because Purple was not in line for the EMA crossing without the Smooth/White crossing on the same bar of the entry. This meant that EMA would slide over Purple for the continuance of the downtrend. And that my friends is looking into the future.

Now - everyone get your mind wrapped around that and study in how EMA slid right over Purple without crossing.

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In a trend and looking for an entry there are two scenarios - In an uptrend the 1 hour hit off EMA is the entry going into the uptrend. On a downtrend - the hit on the 1 hour Smooth is the entry.

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At opening you had the 1 hour in consolidation with the White/Purple crossing and the 1 hour Smooth in a slider for the continuance of the downtrend. That left open the 2 hour Smooth for the entry on the next 2 hour candle.

Everything I am posting is on my Daily Trading Plan. I am really hoping you traders are beginning to realize the importance of a trading plan. Most of you are seeing things that are not even there is because you are not looking at the moment.

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What is FEAR?

False Evidence Appearing Real

And what does that mean – it means a “Lie”. Fear is the greatest emotion in a human being. It destroys the conceptions of one’s own thinking. All it takes is someone to post, or say something against your conviction; and within 30 seconds the seed that had been planted, will fully bloom. And then fear had set in and taken control of your emotions.

This is very true when you have multiple postings on a subject that no one really understands. You have those who think they know the answer and state a fact – which in reality is a lie. And then you have those who will post an answer with another question attached. Then there are those who have the answer but are afraid of their own conviction and say nothing.

Being in the background is a safe haven for those in fear. In reality it is a vicious circle of bouncing off one spectrum to the other. Fear comes in many variables: Afraid of losing something; afraid of being wrong; afraid of not having the right stuff to succeed; afraid of setting goals; but mostly – afraid of your own convictions.

