Feb 23, 2016 – pg 132

dove_alliance :

I made another trade last night to give an example of trading in trend:

I waited on the 1 hour to close for the entry off the 1 hour Smooth because of the volatile candle. On opening of the next candle I took entry off the 1 hour Smooth.

††

Take note of the Arrow pointing up on the bar that the candle hit White and retraced off White:

You always have to remember that the 4 horsemen are both support and resistance. What this means on this particular bar the candle did not get below Purple but held up on support of White and is now going into consolidation. And at 17:00 EST your trading plans will be different. The way I see it will be pretty much be the same set up as it was a couple days ago with EMA having the power. So I'm just giving you guys heads-up.

††

SirViver Trading plan

Daily at lower low than yesterday.
Romar is resistance
Parabolic resistance
EMA is resistance
Close of daily bar near session low, and entire bar is below purple. 4 horseman running downhill.

2 Hour
Romar is resistance
Parabolic is resistance
EMA is resistance
Low of last bar was session low, but the bar closed as an up bar, just touching purple.
4 horseman in line running downhill.

1 Hour
Romar is resistance
Parabolic is resistance
EMA is resistance.
We are in downtrend. 23rd bar was pinbar, closing bar is up. closing bar thru purple, white, & smooth.
Purple and white running parallel and white is trying to cross purple.
I plan to trade in the moment and watch to see if the 2 hr white and smooth will cross purple up & jump in with short if market bounces off EMA and turns down again, or watch to see if market goes thru the ema with possible long entry if it hits parabolic on other side & parabolics flip. I plan to take my time with an ideal entry, and not rush in just to be in a trade.

OK – let's take a look at SirViver trading plan; and I am not criticizing his plan but only referencing his visuals:

He is looking for a short off the 2 EMA and a long with open above the 2 hour EMA. But there is a problem with both trades as he is looking on with the 2 hour.

1 – The Daily is very strong with the downtrend.

2 – The 2 hour is also very strong with the 4 horsemen and will hold resistance for the continuance of the downtrend.

3 – The 1 hour EMA is also strong in the downtrend along with Parabolic's heavy in holding resistance. At the time of his trading plan both White and Smooth are sliding for the continuance of the downtrend.

So, in his mind he will wait for the 2 hour EMA in HOPES of being right. And in this waiting mode he had been subjective in waiting instead of being objective with the resistance.

At the time of his plan there was no indication of either the 2 hour or Daily going into a swing change.

Creating a trading plan you need to be objective with both support and resistance. The first indication of change in swings is with the 1 hour Parabolic flip; and the verification is with 2 hour EMA crossing Purple.

So the objective of creating a trading plan is never be intimidated in hoping what will happen but be objective in what will happen.

And I pray SirViver you didn't mind me in using your plan so others can learn from your plan.

††

pg 133

> Quoting Masik
> Maybe I was wrong but I guess that in consolidation 2h chart give the trend direction. In this case we have smooth above purple on 2h chart and this means trend down unless it will cross purple.

Very good --- Smooth is still resistance on the 2 hour. What everyone has to pay attention too is an open candle below Purple with Smooth as resistance. That element should be on your 2 hour plan. You already got the 1 hour heading back into the downtrend and with the 2 hour Smooth as resistance give a greater opportunity with the short then the long. Now if an open candle does not happen below purple you are still consolidating.

When I talk about getting above or below an indicator I am talking about an OPEN candle. All entries should be with an open candle.

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Feb 24, 2016 – pg 134

dove_alliance :

OK traders – it is time to learn the power of this system. What you have learned so far of the power is only a ripple in a pond of water.

If you look back on your 2 hour chart at the top of the Fibo with the price of 125.888; you will see the SAR attached itself to that candle at that price. That is where I had entered short for long term. On the picture below you will see the Aqua arrow pointing down at the price of 123.770. That is where I entered another short at the 23.6 Fibo line and set my TP on both the new and long term trend at the white arrow price at 123.057. From the top of the SAR attachment to the TP was an additional 71.3 pips. When the SAR broke away from the DB this morning and attached itself to that candle I already knew exactly where it was going to end and did so at the Red arrow pointing up; right back to bottom of the Fibo.

After this week we will move on with long term trading in using the DB and SAR. And then you will begin to understand how I know what I know on the entries.

By the way – this doesn't mean the short is finished because I had exit my trade.

††

pg 138

I am going to get into the DB/SAR at this time so the rest of the week you can study it. And the DB/SAR is ONLY for the 2 hour and the Daily Charts. If you place it on the 1 hour you will have some major problems trying to trade it.

The DB is only a trend indicator and has no value what-so-ever with the Paradox. BUT - it is a tool for the SAR and that is where the value comes in.

In trend the DB will paint from candle to candle of lower/low in the downtrend and higher/high in the uptrend. And the price tag that is showing with the DB in Thistle is the SAR - and not the DB. So in consolidation both DB and SAR are running together with the DB showing the SAR behind the DB and not showing.

In consolidation when the DB is showing with the price tag you pretty much have an entry. Lets say you have a hit on support in consolidation and the DB (with the price tag) connects with the bottom of the support candle you then have a reversal on the swing. Same thing vice-versa. But you always want to wait for the next open 2 hour candle for an entry. In consolidation you could get the next candle to bump Higher/High or Lower/Low depending on trend of the swing and move to the next candle. But - you have a 40 stop and that will hold until the reversal. But other times it would just take off on the next candle for the reversal.

In trend is a totally different picture.

So let me talk about the downtrend since we are in one. In the beginning of a downtrend you have both the DB/SAR attached to the upper candle with the Fibo 0%. 90% of the time the SAR will be the one to break loose from the DB and attached itself to the bottom of a candle. On the next candle - if the DB does not attach itself with the SAR then the SAR is set in stone - it will not repaint. The market will reverse and the SAR will reattached to the top of the next 1-3 candles for an entry back into the trend. And if the Parabolic is in that trend then it will attached itself at the Parabolic.

Once the downtrend is in full bloom then the DB and the SAR will eventually attach to a bottom of a candle (together) in the trend. And it will continue in the trend - together - from lower/lows. Eventually the Fibo will flip with the "0" on the bottom indicating an oversold market. But depending on trend it could very well keep going lower/lows if the trend is that strong. Towards the ending of the trend you will have the SAR break away from the DB and attached on an upper retrace candle. That SAR attachment is also set in stone indicating an entry back into trend and reattaching with the DB.

Once that happens you will then be looking for a reversal of the trend. But consolidation is in the horizon for the reversal and could consolidate for many hours before it does reverse. And you can recognize this with the bumping of the 0%.

This is the basic and next week we will get more into the DB and the SAR.

†††

Another thing I forgot to mention is an indication of a reversal on trend: And that is when the Fibo relocates. If you take notice at this time the Upper Fibo had relocated from its original high to a new lower high.

And that is only on the 2 hour chart.

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Feb 25, 2016 – pg 146

dove_alliance :

Most of the problems is not recognizing the Fibo. You had the 61.8 as a barrier and when it was hit - a retrace back to EMA; and then heading back to the 61.8. You are in a consolidated uptrend with ROMAR as the trend. By trading in the moment you check the bar from top to bottom including the bars on the MACD for lower/low or higher/high. You have to see the whole picture on the bar before trading. You have EMA and Parabolic's in the trend and it is up heading for ROMAR but you have know where the retrace is going to happen. And the Fibo gives you the reference for those retraces. So keep in mind that the Fibo is also target areas.

††

pg 147

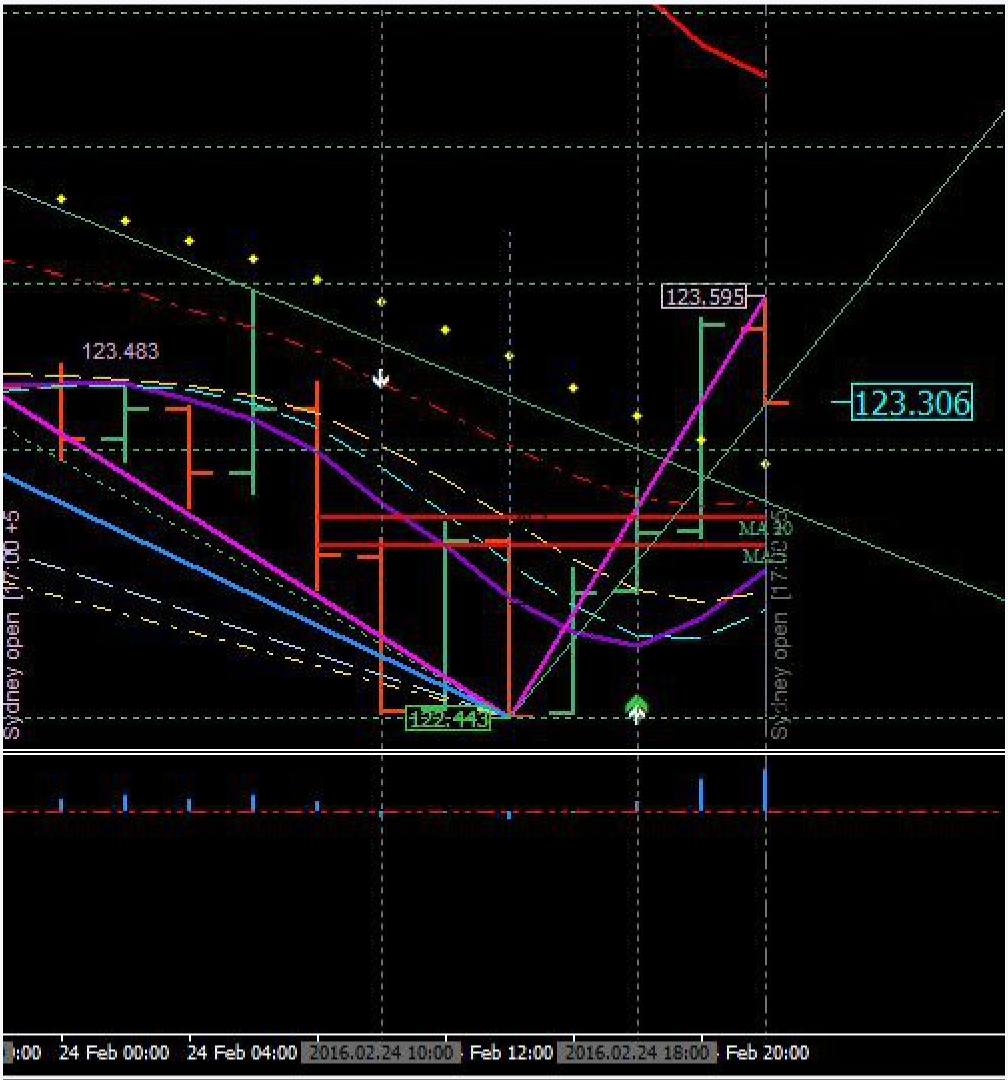
Like RC had brought it up - Smooth; I have shown you trades in how Smooth works with both sliders and crossings. How to recognize sliders with White as reference. Also how to recognize EMA as trend for swings with Purple crossings and sliders over/under Purple. These are precise entries that revolutionize the Paradox over and over again. The 4 horsemen are your trading tools for entries and exits. They work together as support and resistance giving the visual of exactly what is happening in the market.

When you try to trade in old school thinking then your vision is not correct with the Paradox. When you try to enhance the Paradox with outside resources then you are on the wrong journey. You have to compel yourself with a different attitude in seeing outside the box. Staying inside the box only takes away what is necessary in seeing the whole picture.

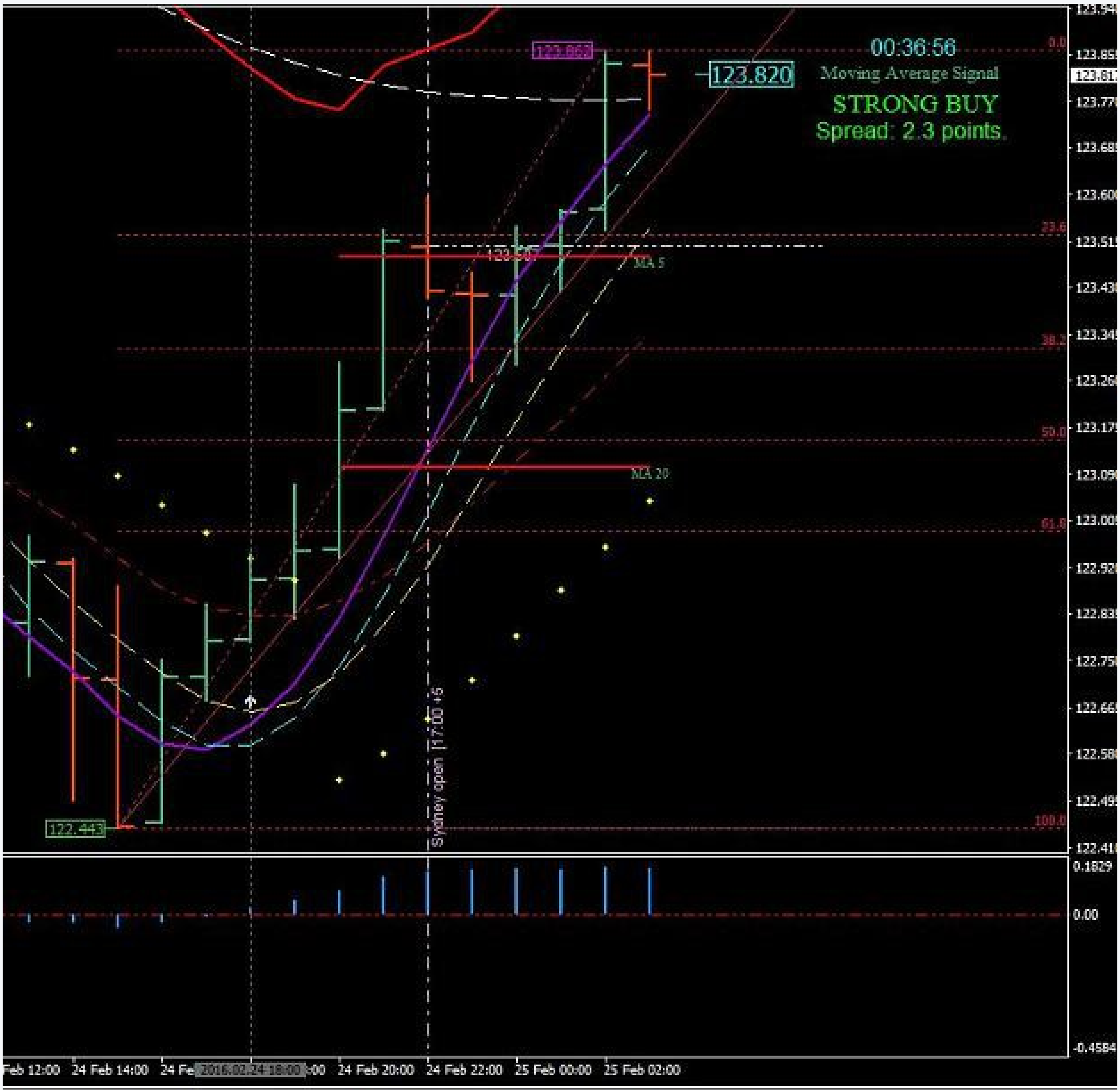
††

I am going to give an example of my trade yesterday in using the DB/SAR for a 100+ pips in consolidation:

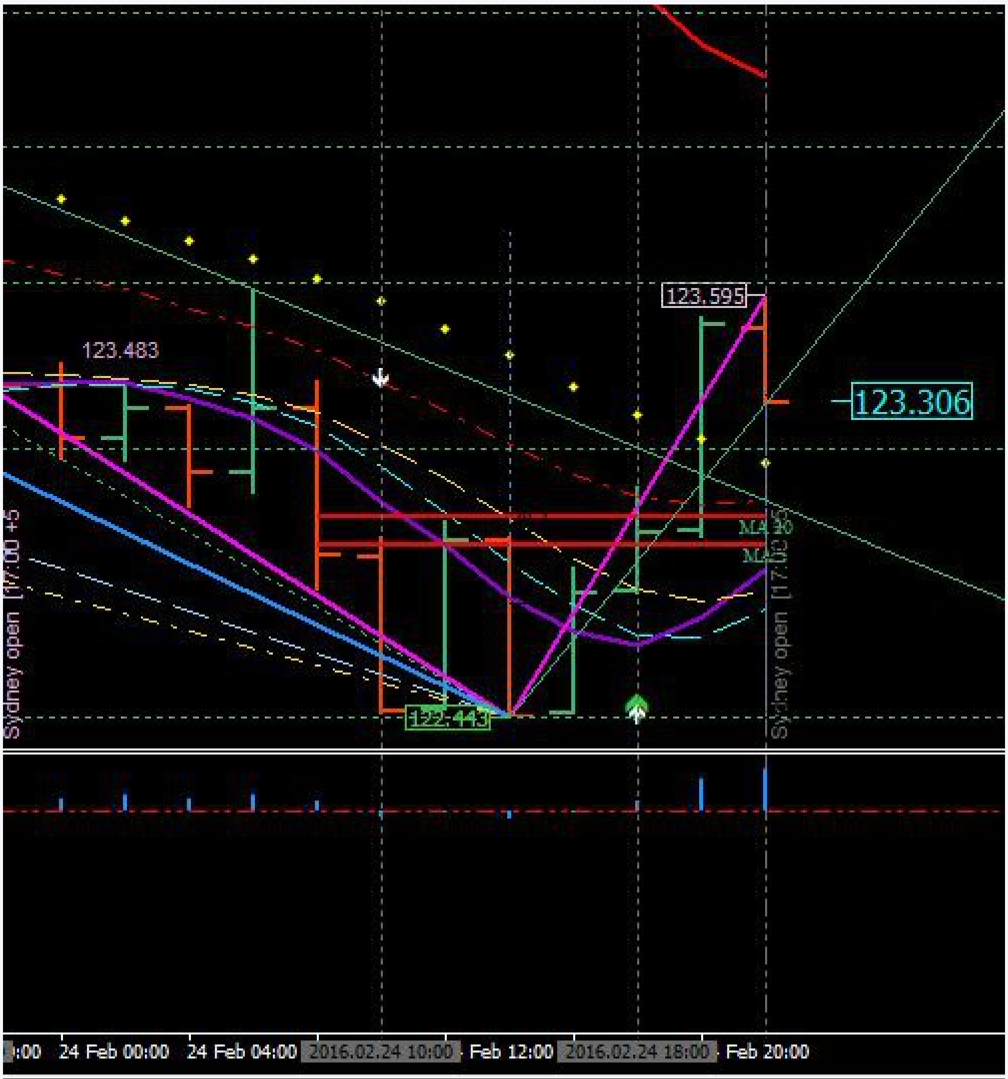
The screen shot below is showing four 2 hour candles hanging out with "0" Fibo and going nowhere for the continuance of the downtrend and it was time to go long. And the reason the market was consolidating for over 7 hours.



Looking at this 1 hour I made entry with the open above Smooth which also had White at Purple.



Now - going back to the 2 hour you had the SAR attached to the previous candle just before the 17:00 closing/opening. What some of you are not seeing is this attachment is on top of the candle and not the bottom. What this SAR is telling you the trend is in and going up. And all it needs is the DB to confirm the trend.



On the screen shot below is the confirmation with DB attaching and it took off upstairs.

IN TREND the SAR will break away from the DB and attached to the BOTTOM of a candle and that is when the SAR is set in stone for a reentry into the uptrend. And vice-versa on a downtrend attaching to the TOP of a candle.

I hope that clears up confusion with the SAR set in stone.

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Feb 26, 2016 – pg 155

dove_alliance :

The DB/SAR is used on the 2 hour and Daily for long term trading and there are several ways in using these indicators. The Fibo is the basic in using DB/SAR for entries. The Fibo highs and lows (the”0” point) is also your reference for the entries trading long term.

In using these indicators for the 2 hour can run a trade for days into a week. Using the indicators on the Daily can run for weeks.

In trading intraday you are looking at 200 pips a week with 40 a day. But using the DB on the 2 hour can accumulate those 200 pips weekly in one or two trades for the week.

In this type of trading you are setting yourself up for the entry and once the trigger is pulled you are set to let this trade run by closing your workspace and doing other things you enjoy without setting at your computer for 40 a day.

With long term trading your broker (trading a live account) will either take or give the closing/opening price of the 17:00 EST bar exchange rate. All open FX positions held overnight are subject to a debit or credit interest rate revaluation to reflect the position being rolled over to a new Value Date. The operation known as the rollover and applied to spot positions held at 17:00 Eastern Standard Time (New York time) on any given trading day.

The ‘rollover’ is made up of two components, namely the tom/next swap points and financing of unrealized profits or losses. The accumulated combined rollover credit or debit is added or deducted from the previous opening price of the position. This varies from country to country and which pair you are trading.

One thing I do highly recommend is never let your trade run over the week-end. Even though the market is closed does not mean the central banks are not trading over the week-end. This is why you see gaps when the market opens on Sunday’s.

For money management you want to never place pressure on your live account. You want to be sure you always have the margin to trade in any type of trading. The rule is no more than 2.3% of your margin. You need this margin in order to compound your trades; especially long term. This is what the SAR is for; compounding your trades by adding more funds into the trade.

In long term trading you DO NOT use trailing stops. The worst mistake a trader can make is using this type of stop. In long term trading the market is constantly moving up and down in various swings. With a trailing stop you can lose money and not gain. After 60 profits you move your stop to B/E and you leave it at B/E. In the beginning of learning this technique have a TP of 100 pips. And gradually you will know when to take profit.

You have to remember this is not intraday trading but long term. And if you do not have the heart in letting your trade running then this is not for you. Long term trading is from the top of the Fibo to the bottom of the Fibo and vice-versa.

Trading long term with the Daily is the same as with the 2 hour but this runs into weeks of letting your trade running. You must close your trade before closing on Friday’s and reopen your trade on Sunday’s. Taking a look at your Daily you have a high of 132.276 and a low of 122.443 giving you a profit of 983 pips in just over 4 weeks. And that averages about 240 pips a week. This trade was really long term – that doesn’t happen often. There are traders that want to trade the Daily but as for me; the 2 hour long term is all I need.

One thing you always have to be sure of before entering a trade long term; the setup is correct and the 1 and 2 hour are in sync for pulling the trigger. You really have to be patent in trading long term for the proper setup. Like this Friday’s closing; we are at the top but the setup is not correct for long term; which means we could go higher/high because the 1 and 2 hours are out of sync with the 1 hour in the uptrend.

But once the setup is correct then the target is the lower Fibo. You HAVE TO write down the level of this target. If it is less than 100 pips then still – that is the target. Do not get greedy; just follow the rules and you will do fine. And this rule is for both the 2 hour and Daily. So in other words; do not use the 2 hour for entry and the Daily as target. That will not work. You trade one or the other and not both.

Let me tell you a story of a trader's greed that I had trained and we will call her Debbie:

Debbie was an exceptional trader. In fact, she was one of the best, if not the best, I had ever trained. Her concept of the Paradox was phenomenal and she was a fast learner in all areas of the Paradox. After about 4 months of training she was ready for a live account. And she did open a live account with $10,000 US dollars; which was her life savings. In a 6 month period she built that account to just over $145,000. Her dream was to travel the world from country to country; and she pulled out over half the money for the expenses of traveling around the world.

During her travels she was still trading with a laptop she took with her and enjoying her life of traveling.

One day I get a phone call and it was Debbie. She was crying and very emotional; and raving about losing all her money in her live account. I asked her what happened and she told she forgot to place a stop on her trade the previous night before going to bed. When she woke up she found the trade went against her on a news release and cleaned her out.

My question to her was this: "How much of that money God had blessed you with did you give back to charity?" She was silent for a few moments and said "none"; but was planning on doing so when she returned home.

Back then – a news release was a major issue without a stop and the reason is because those releases can spike and just keep going. And after the call I had check her time table against the releases and it was the NFP. And yes – it did clean out her live account.

She had enough money on her to get her back home and was broke when she did return home. The last I heard from here she had to go back to work and never did recoup or trade again without the finances. She lost it all only because of greed and breaking the rules of trading. And one of the rules she broke besides the stop was the amount of money she was trading at a ratio of 500/1. With that kind of ration she was trading some major dollars. So, let Debbie's story be a lesson in what not to do.

Trading the DB/SAR is for both trend and consolidation. In consolidation is when you follow the DB from high to low and low to high. In trend is from high to low with the SAR breaking off for entries back into the trend and vice-versa.

The SAR is generally the first of the two showing from the top or bottom of the Fibo from the 0%. And this is where it gets complicated accordingly with the Parabolic and the reason is because of old school thinking.

SAR stands for "Stop And Reverse". With that meaning in mind you then can associate the SAR with the PSAR "Parabolic Stop and Reverse". This means; the SAR will attached in stone with a candle retracing to the parabolic support or resistance according with trend of the Parabolic's. The retrace must be heavy enough to get close enough; or even touch the Parabolic before the SAR will attach to the candle. And this could happen BEFORE the 2 hour turn for a new swing; such as showing on Friday's closing. And because of the consolidation the SAR will retrace back towards the DB; but not necessarily at the "0" Fibo because at the 0% Both DB/SAR must connect together. So, the SAR could attach without the DB at the Parabolic and continue with the down leaving the DB at the "0" line. And we will know more of which connection will happen with Sunday's opening as we still have ROMAR as resistance.

Looking at this picture above you will notice a Red arrow pointing down and the Green arrow pointing up. These arrows are your alert for the market crossing EMA. These Arrows will blink on and off until the opening of the next candle. If the Alert goes off on the next candle then the Arrow is set in stone. If the alert does not go off on the next candle means the Arrow was not set in stone and is no longer showing on the chart. So, be careful when in consolidation with these alerts. In trend; then take the alert and stay with it.

We are going back to the 1st of February for the trade I took back then. As you notice the new Fibo at 132.276; this was on Friday of January 29th and the SAR attached prior to closing for the week at 130.798. I knew I was going to be busy during the following week so long term was my only option during the first week of Feb. So there was nothing I can do until the following Sunday and wait on the next SAR attachment.

The next attachment was at 132.014 and I took the trade for the short on the next open candle. There were roughly 200 pips from the Top of the Fibo to the Bottom of the Fibo. I set my stop at 40 and my TP for 100.

And you are asking why would I take this trade with ROMAR Trend up and with the 4 horsemen up also? The answer is this:

1 – The Divergence attached with the previous candle.
2 – I have total faith in the system and do not doubt it one iota.

And this is where the fun came in:

You see my first entry at 132.014; the second entry was with the retrace to the Parabolic and entered again for the short at 131.909 with a SL 40 and this time the TP at 120 which gave me 200+ for the week and I was done for the week. And the bottom where you see the DB/SAR attached was the new 0% of the Fibo just over 200 pips from top to bottom. I could have taken more to ROMAR but I never let greed control my emotions.

The second entry was with the same amount as my first entry and that is because I always protect my margin to be sure I am never margin out with another trade such as this one.

Last week I had shown a trade I took with the SAR (below) in which the trend was down with a retrace from the DB/SAR at 123.057 and hooked on at the 123.770. And with this trade the TP was with the DB/SAR reconnecting at the "0" Fibo; as I had said before – this happens when a trend is about to end. It also happens with a beginning of a trend.

Now – let's get into another scenario in using the DB/SAR during trading AND creating trading plans:

When the DB is separated from the SAR during the downtrend; it is telling you something. And that is: the next connection with the DB will be at the bottom of a candle somewhere in the downtrend; and vice-versa on the uptrend.

If the DB and SAR are connected together on the bottom of a Bar candle and the trend is up – then the next connection with the DB is somewhere on top of a candle in the uptrend; and vice-versa on the downtrend. Having this information on your trading plan gives you viable information for entries.

So, if the DB is connected on top of a candle for the downtrend the next connection is with the bottom of a candle. If the DB is connected with the bottom of a candle for the uptrend then the next connection is with the top of a candle. 80% of these connections are with the 0% of the Fibo.

As you notice on Friday’s closing the DB is connected at the 0% and must reconnect to the bottom of a candle somewhere in the downtrend. And if it bumps higher it still has to connect with a bottom candle in downtrend.

Just remember trading this technique takes much patience and focus for the right opportunities. Spend the week-end and study the DB/SAR and we will get more into it next week.

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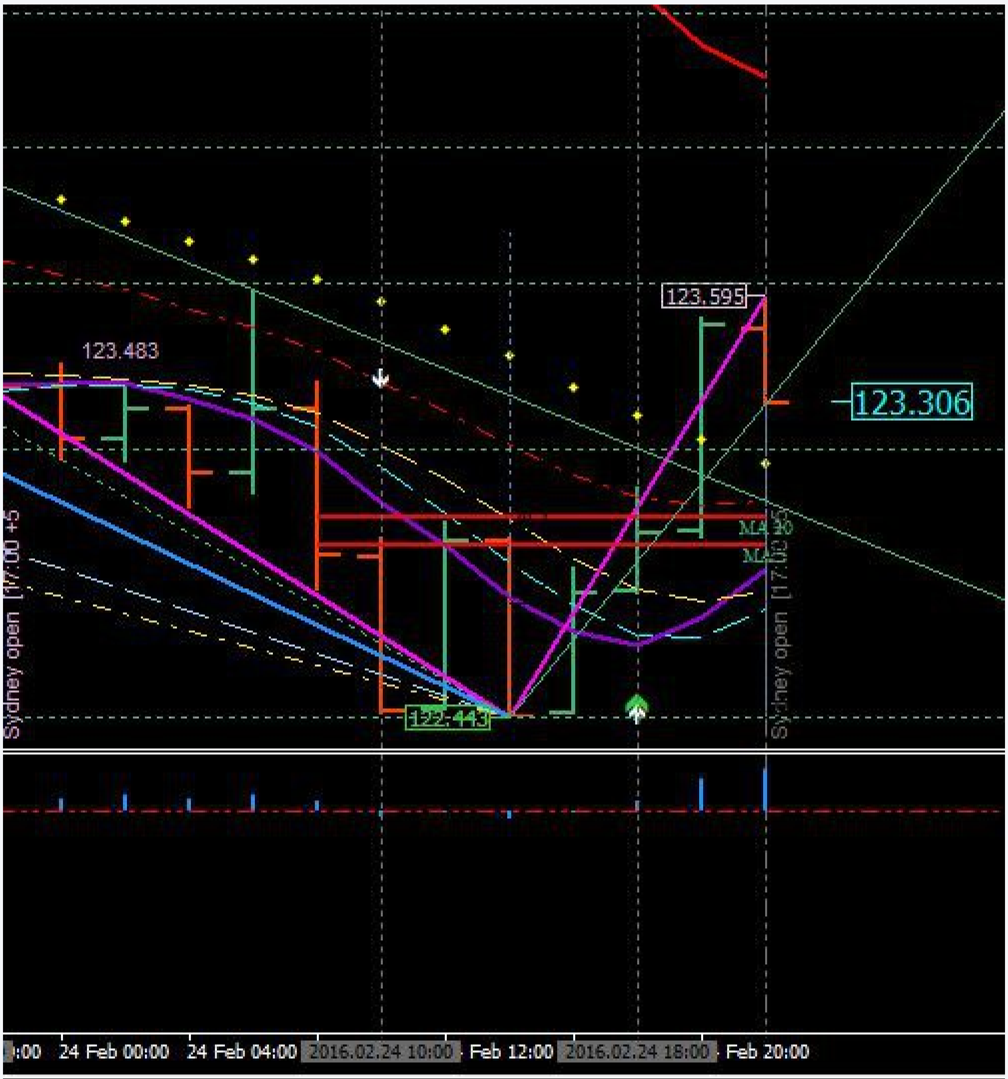
Feb 27, 2016 – pg 157

dove_alliance :

With this scenario I will demonstrate the SAR and DB working together:

On this screen shot take notice of the White crossing Purple to begin with. The first attachment with the SAR was with the Green candle going up and ABOVE Parabolic which placed the Parabolic in elimination as resistance because of the White crossing. The next bar the SAR attached with it and began a retrace to the Parabolic with the Smooth crossing. This was the beginning of new trend going up. And the SAR was the indication of a new trend with the crossing of both White and Smooth.



On this Screen shot the DB attached with the SAR which verify the trend and entry going long for 40 pips. You were already in trend before the DB/SAR verification with 4 horsemen and 40 pips were just waiting to be taken.

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> Quoting nigpig
> Dove, I have found it very confusing that the DB can detach and move on. With the current 2H chart, if this goes up trend, wont the DB detach and the re-attach at a new high. The SAR however, will not move. So (if Im right) the SAR is a little diversion from the main trend and something to follow when joining the trend again after its diversion back into the main trend of DB?

Yes - the DB is only a trend indicator going from higher/high on the uptrend and lower/low on the downtrend. The SAR - once it attaches with the DB - it will trend with the DB. That is when the SAR will break loose from the DB on A RETRACE for entries back into the trend with the DB.

What everyone has to realize the DB/SAR are only tools for the trend. These two indicators are tools to get you into a trend for 40 pips. Other than that they are basic for long term with the Fibo. So do not place all your eggs into one basket with the DB/SAR. You still have to trade for the 40 pips daily; or using these tools for long term along with the Fibo.

††

The variables with this system will blow you out of the water if you are not careful. The variables are limitless and you cannot use them all in trading. You have to decide which variable you will be comfortable with and use it. Trying to mix the variables will only confuse you; so when you find the variable you are comfortable with is the ticket for success; and also, is the one to be trading.

Your goal is to be a very successful trader. Not trying to be the best of the best because it will take you many, many years in being one. And to be a successful trader you must first find the "nitch" that will create you in being successful. And the "nitch" is outside of the box in what makes you comfortable and not within. So find that variable outside the box that will place you into a comfort zone of success without emotions.

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pg 158

One of the problems I beginning to recognize is those not recognizing the Parabolic as trend but old school thinking with the candle and/or price.

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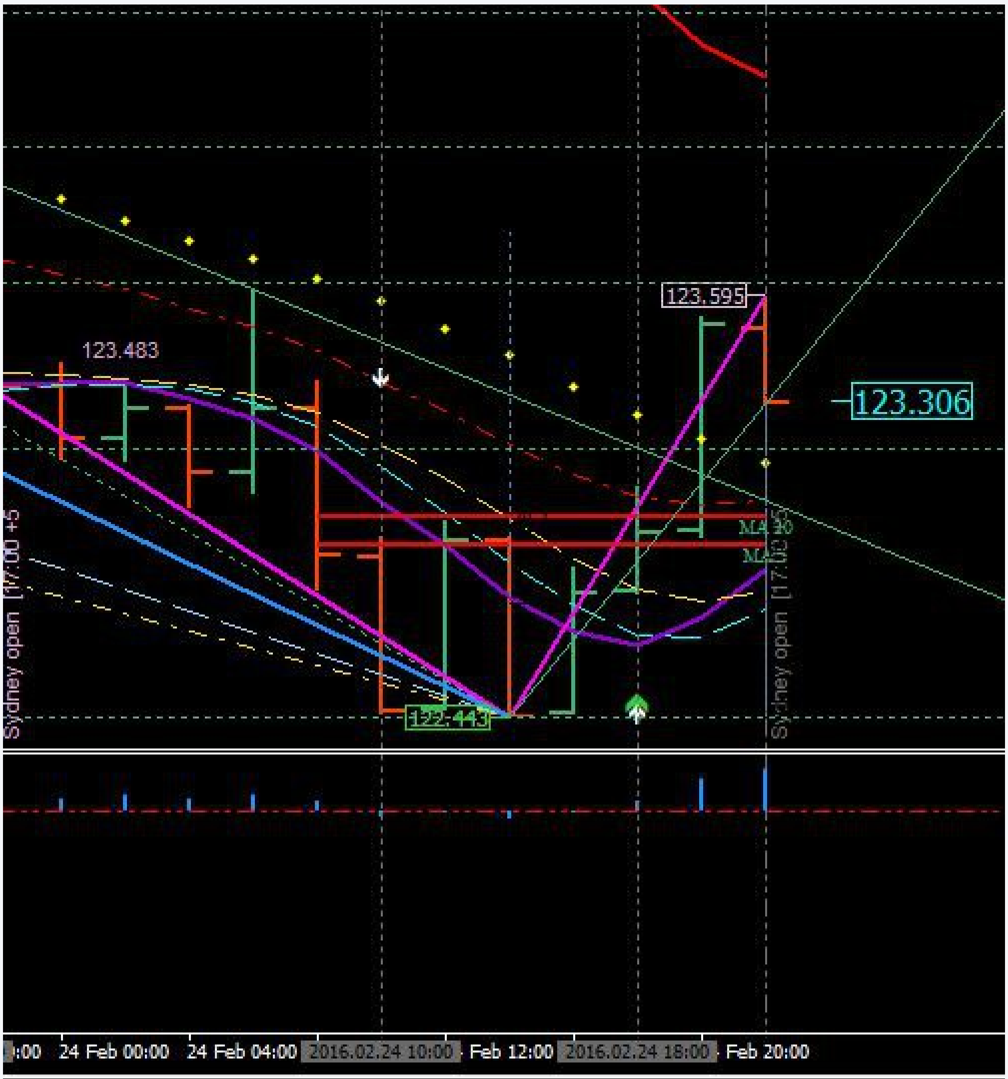
Feb 28, 2016 – pg 159

dove_alliance :

Let me explain this entry once again:



Going back 4 bars from the 122.443 price sticker you will see the retrace candle to EMA. Both EMA and the Parabolic are heavy in the downtrend. And if a trader was smart the entry back into the trend was with the next open candle at Smooth; and/or another trade to make up the retrace if you were already in the trade. As you can see this was a White slider with Purple.

The ending of this trade was at the Fibo and the next candle retraced once again and came back for the Fibo and DID NOT continue below the Fibo for the trend accept a few 10th's. The next candle retraced once again and OPENS above White WITH the MACD crossing the '0'.

This was entry for these reasons:

1 – The White at Purple eliminating the Parabolic as resistance.
2 – EMA may or may not hold resistance and enough profit for B/E if EMA holds resistance.
3 – The '0' crossing of the MACD was the best signal of the 3.

The market got above the Parabolic and placed the SAR on top of that candle getting above the Parabolic. And this meant the trend was in for the up. On the next candle you had the SAR moved over to the up movement and began to retrace for the Parabolic which is now SUPPORT.

On the next candle the parabolic flipped and on the following candle the DB attached verifying the trend and upstairs it went with both the DB/SAR running together. Also note – which is very important. The Green Arrow had shown its face with the touch on EMA and VERIFING the trend up. At that point I had nothing to worry about.

Now – get your mind wrapped around this because you will run across this scenario many times on beginning of a new swing or trend.

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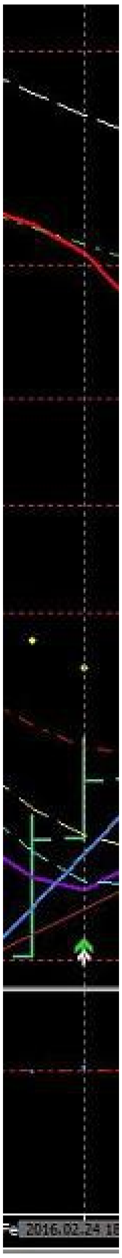
pg 160

> Quoting JMaurice
> ... I think Dove's experience allowed for a trade a little earlier than I/us could perhaps see at this point...

You can do the same provided you trade in the moment:

Taking a look at this bar from top to bottom - you would see the entry with open above White **AND;** the clincher was with the White Arrow crossing the MACD. If not for the moment I would had not seen it.



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There are times the crossing of the MACD will retrace on the NEXT candle. So be sure your 40 is below the support and or resistance depending on trend. But again - using the 4 horsemen with openings above/below Purple is setting you up for pulling the trigger.

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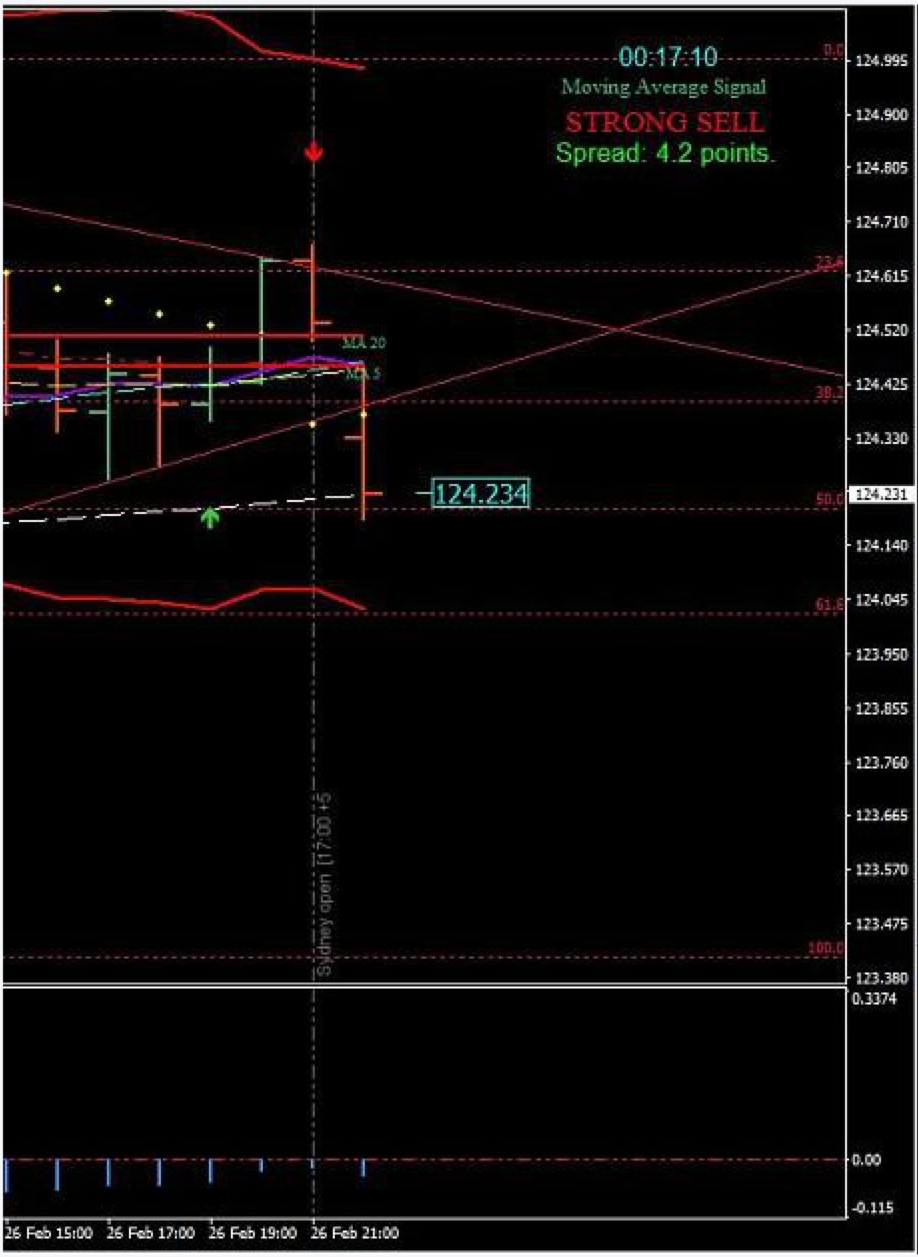
pg 161

Open with a gap down and the Red Arrow had popped in; waiting on retrace in the gap to Smooth with ROMAR/Red Arrow down; and entry for the short at Smooth.

DB/SAR attached for the down with the 1 hour at ROMAR; the lower BB turning for the down. The 2 hour has the power with ROMAR down and the DB/SAR in the trend.



00:17:10
Moving Average Signal
STRONG SELL
Spread: 4.2 points.
MA 20
MA 5
124.234
Sydney open [17:00 +5
26 Feb 15:00
26 Feb 17:00
26 Feb 19:00
26 Feb 21:00

40 taken and my day is over with unto tomorrow AFTER 17:00 EST.

Same scenario as for the previous uptrend except for ROMAR was in the downtrend also and over 100 pips away for any hit on ROMAR. This is just one scenario in using the DB/SAR for both up and downtrends. In this scenario the Parabolic was already in trend.

One trade in just over 1 hour being focus in the moment: This is how you learn to trade Traders – in the moment. In this scenario RESISTANCE was the objective for the entry. It had nothing to do with the SAR as the DB needed connection with the SAR for the trend. Just like it was on the uptrend.

So begin again with the basics and pay attention with the 2 hour support and resistance. Support and Resistance is the objective. Not DB or SAR; as they are for long term trend; and the long term trend came in with the top at 124.997 and the target is the 122.443 for long term.

If you do not recognize support and resistance you will keep struggling until you do.

Friday at closing I already had my trading plan prepared depending on the Gap with the G20 opening today. I expected the Gap to be more but that was alright with me. I didn't have to wait on the Smooth hit before entry.

If the Gap was on the upside then the entry for the short was with the Parabolic hit. And the reason is because of the 2 hour ROMAR being RESISTANCE. Believe and have faith in the Paradox; it will not let you down.

And as you notice traders it gave up my 40 before the retrace because I got in exactly at resistance.

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> Quoting JMaurice
> So the only reason I didn't take this is because the 1HR is not consistent with the 2HR. Or am I understanding that incorrectly?

That is true - BUT - where is the power as being the objective? The 2 hour always over-rides the 1 hour. When you are in a constricted consolidation you always look for the 2 hour going into the entry. And my friend --- the 2 hour had the power With ROMAR and the Red Arrow showing the entry.

I keep saying it over and over - the 1 hour is reference and the 2 hour is the trend.

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> Quoting JMaurice
> Thank you for the response. So if the 2HR always overrides the 1HR, can I use the 2HR only?

To be honest - yes you can because that is all I use is the 2 hour referencing the 1 hour just I like I did with the 1 hour ROMAR and the BB pointing down. And because the 1 hour ROMAR is support does not mean I will not disrespect the 1 hour ROMAR. So, I reference the 1 hour to take profit and might have if the BB was flat. Which it was not and the trade went exactly 40 pips.

++

> Quoting JMaurice
> Yes, but you also said, "Then you wait until the 1 hour is consistent with the 2 hour before you get into a trade." I'm not trying to be difficult; a majority of my walk-forward back testing has been on the 2HR chart with no regard for the 1HR and can achieve an excellent win rate. I keep trying to tie in the 1HR in live go-forward testing because of this quote.

You are not the only one and with the 1 and 2 hour consistent is with the trend - in consolidation you trade both ways. And I believe that is what you are missing.

++

pg 162

> Quoting rcbarlow
>
> Dove, would you please expand more on this comment as far as channels and being on one side or the other? When the SAR is on the same channel as the PSAR you have a reverse. If the SAR is opposite of the PSAR you are then in trend.

In fact RC - a good example of the statement is with the SAR being attached for the downtrend opposite of the Parabolic in the downtrend. In other words - the SAR is on one side of Purple and the Parabolic is on the other side of Purple and both in the downtrend of the channel. If the SAR and the PSAR are on the same side of the Purple then the SAR gets you back into the trend.

++

The retrace on the SAR is usually at the 61.8 Fibo with a retracement; or just before. On the retrace the SAR will break loose from the DB and attached to the top of a candle some where near the Parabolic in trend and/or with the Parabolic. So the target is the 61.8 of the Fibo. Like I have said the DB/SAR works with the Fibo. There are times both the DB/SAR will attach to this candle meaning a swing is in place. And there are times the deployment of the SAR - with or without the DB will not happen but continue with the trend.

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Feb 29, 2016

dove_alliance :

> Quoting mav3n
>
> Hi Dana, From the opening of today's daily candle, the market have move down 170+ pips. If we are using conventional moving averages, the purple will have go down below white, because market have moved down so much. But as we can see now at 23.00 EST, the white still on purple, is this what you mean by saying that Price Action has nothing to do with this Paradox system? Thanks

No - not really - what I mean by PA has no value is because price can be saying one thing when the indicators are saying the opposite. And the indicators are always correct and not PA.

pg 167

Just like the opening on the Daily above Smooth. Everyone thinks because it is above Smooth/Purple the market is going to continue up. But that is not what Smooth said. Smooth was still Resistance and the market was going down. And as you can see - it did go down.

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> Quoting mav3n
>
> Thanks Dana for the clarification. I have a question Master! The H2 Fibo still Red, does it mean that it is still not oversold yet? I am sorry, in my understanding, Fibo Green means that it is oversold, and the market right now have come down so far without the fibo turning green. I am still confused, do i miss something? Is it because the market have not reached the 100% H2 Fibo yet?

That is right - the 100% has not been hit. And once it gets below the last low of 122.443 then it will change.

pg 168

Learn to trade the Fibo - once it is set - it is set; and the Fibo is a very good tool in judging the bottom and top for taking your pips. Like today; it hit bottom to the pip before retracing. And the Daily is still open for more down so until we get closer with the 2 hour White/Purple crossing - for consolidation; we are still down.

But now is time to be careful with your entries because we are at the bottom of the Fibo. And being at the bottom and/or the top - retraces is what you are looking for on entries off support and resistance.

††

Quoting snfx

> Maybe there are possible variation of entering in long term trade, but as I understand it You should wait detachment of SAR and then enter in short.... However in this example that has never happened .... so I suppose that there are variations of possible entries in strong trending market. Dove if You have time it would be great to help me understand this.

The variation you are seeking is on both up and downtrend and that is with an open candle below Smooth for the up and and above Smooth for the down. Until that happens the trend is down. All you need to look for with an open above/below Smooth is if the White is either in a slider; or changing trend with Smooth at the crossing also - before entry.

Traders - the 4 horsemen controls the trend. If you go back to my entry yesterday you will see the power of the 4 horsemen for the downtrend and for my entry. And I was surprised that no one mentioned that power of the 4. Goes to show how much the traders are paying attention to the moment. None at all.

The 4 horsemen was showing the entry Friday at closing. And all was needed was the opening candle on Sunday to determine which resistance would be taken for the entry. I could not understand how everyone missed that. And the main reason is no-one studied the charts after Friday for Sunday's opening. It is your lost and not mine if you don'r want to study.

††

pg 170

Quoting mav3n

> Thanks a lot Dana! seem i miss the first trade of today's opening. By the way, could you tell us more about High Low Divergence concept in Paradox? I am still didn't get it. Thanks before

How difficult is it to achieve success in the Forex trading arena? Or let me rephrase this question, how many traders achieve consistent profitable results trading the Forex market? Unfortunately very few. One of the main reasons of this is because Forex traders focus in the wrong information to make their trading decisions and totally forget about the most important factor: Price Behavior. Not Price Action.

Price behavior is incorporated into the Paradox system. No other system is able to do this. And the reason is because the mathematical formula of price behavior and not price action - is encoded into system.

In order to get a perfect trading system you first must incorporate a base for the indicators to generate price behavior that is not standard but is formulated in a different coding system. This way you only take long signals if the price behavior (indicators) tells you the market wants to go up, and short signals (indicators) if the market wants to go down.

Don't get me wrong here; standard technical indicators are a very important aspect of trading. They help us see certain conditions that are otherwise difficult to see by watching pure price action. But when it comes to pulling the trigger, price behavior incorporation into a trading system will definitely put the odds in your favor, it will generate higher probability trades.

This is the same with divergence - they are not standard but formulated to operate outside the box. You have two types of divergence; one for inside the box and one for outside the box and they operate within the same formula. You get the Magenta for the high and the Lime Green for the low of the Fibo with the price tag. You got the inside box with Green and God and they attached for lower/low and higher/high and will attached at the top and bottom of the Fibo when the market is overbought and oversold. Just like right now you got both the inner and outer box at the lower Fibo for being oversold on the 2 hour. Gold and Lime Green. In other words - this down is pretty much over with and waiting on consolidation.

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Mar 1, 2016 – pg 177

dove_alliance :

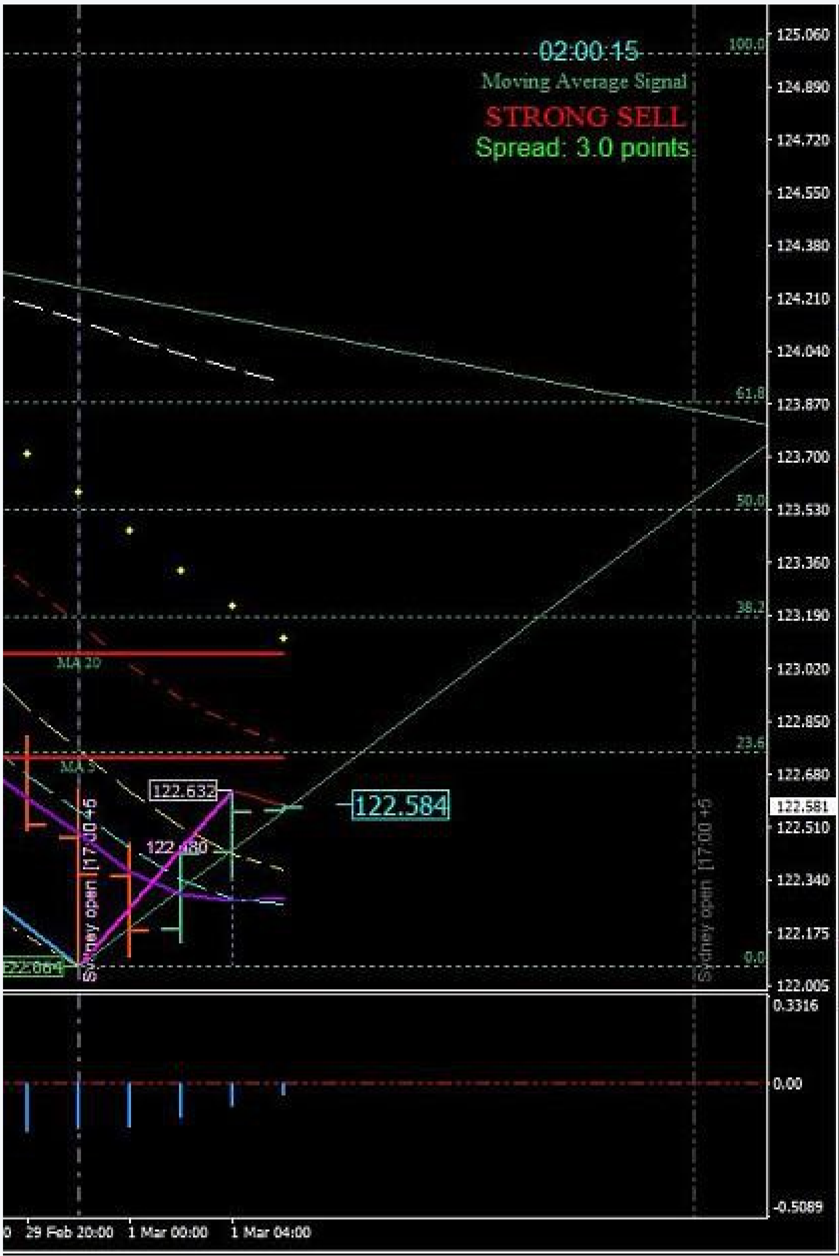
OK Traders - the scenarios are always the same but with different variables. This scenario is the same as it was on the 28th with the SAR and the DB. The only difference is the market waiting on the USD announcement for the continuance of the trend. Once that happened then the DB connected for the verification of trend and continue on. Right now we are at the 1 hour ROMAR as resistance. With the 2 hour in trend with the constricted consolidation of the 1 hour with the 2 hour ROMAR; we will more than likely remain in the consolidated of ups and downs working for the 2 hour ROMAR.

††

Last night I was woken with the 1 hour Green Arrow alert. I noticed the SAR on the two hour showing below; and entered with the long for 40 on the next 2 hour open. That SAR attachment was the signal before the Smooth crossing of the new trend.

SAR -

Entry -


02:00:15
Moving Average Signal
STRONG SELL
Spread: 3.0 points
125.060
124.890
124.720
124.550
124.380
124.210
124.040
123.870
123.700
123.530
123.360
123.190
123.020
122.850
122.680
122.581
122.510
122.340
122.175
122.005
100.0
61.8
50.0
38.2
23.6
0.0
MA 20
MA 5
122.632
122.480
122.584
Sydney open [17:00 +5
0.3316
0.00
-0.5089
29 Feb 20:00
1 Mar 00:00
1 Mar 04:00

DB Verification -

††

pg 179

White/Purple crossing is the first indication of consolidation with ANY of the 3 charts. So trading against the ROMAR trend with the White/Purple crossing is not a counter-trade.

And it is **not** Purple/ROMAR crossing for the change of the ROMAR trend. It is ROMAR crossing EMA for the change of trend and that is on all three charts. So you need to study some more to get it right.

You also have to remember ROMAR can slider over purple for a continuance of the trend. Once it crosses purple it will head for EMA. BUT - you can not anticipate until it happens. In other words - anything can happen before the crossings.

pg 180

ROMAR and EMA is the heaviest support and resistance will ever encounter in the market. Go back to Friday and take a close look at the top and you will see what I mean. If the Market gets above ROMAR being resistance does not mean the market will not come back because it will. And vice versa. The market came back and sat in between EMA as Support and ROMAR as Resistance. It took over 12 hours with EMA and ROMAR holding the market. Finally - with Sundays opening the market got below EMA crossing Purple and became Resistance and the market went down with ROMAR also being resistance.

Study that scenario and I believe you will find your answer.

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Mar 2, 2016 – pg 188

dove_alliance :

> Quoting DotDom
> I just have a question regarding this post. Are you saying it's okay to trade against ROMAR in a consolidated market and the first entry is still valid? Or do you still have to trade with the 2H ROMAR even in a consolidated market and therefore only the 2nd entry given was valid?

The 2 hour is your trend chart and the 1 hour/Daily charts are your reference. if any of the 3 charts are in consolidation then you trade both ways off the 2 hour chart. Even if the 2 hour ROMAR is in trend. Depending on the consolidated situation it is recommended to trade the 2 hour ROMAR. So your question depends on the consolidation.

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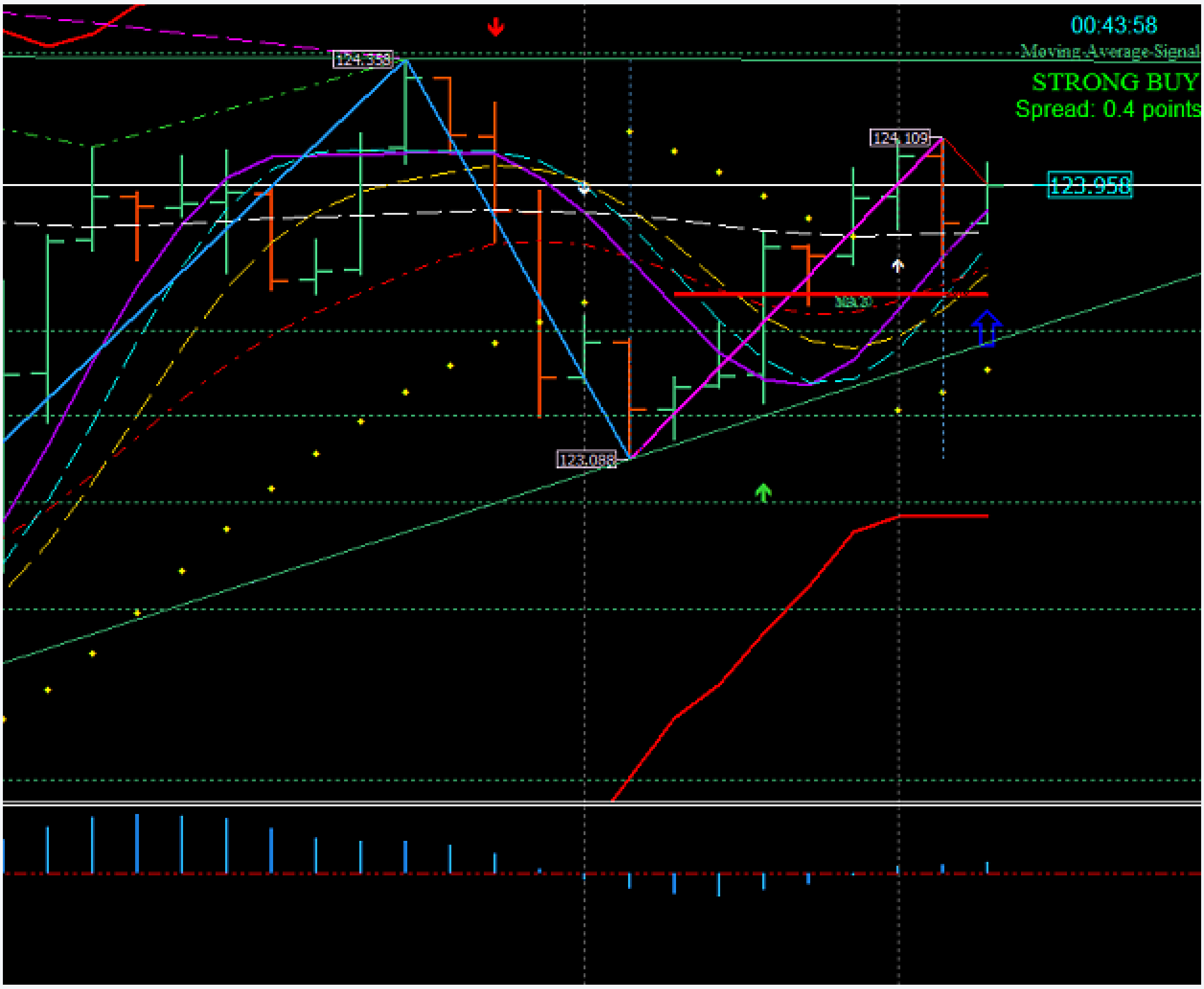
Mar 3, 2016 – pg 194

shinny:

My entry was at the open of the candle with the blue arrow.

ROMAR is acting as resistance, EMA as support, everything set up to trend, SAR attach and the market pulled back to test support (which it did with Purple) and closing on ROMAR.



pg 195

Shinny:

I just want to clarify this trade I took with you all, around the ROMAR when EMA below the ROMAR, and why this is different to the situation on the 1st March. As Dana says, going long around ROMAR with EMA below is dangerous, we can't assume that EMA will cross ROMAR.

However, in the chart below, you can see the difference in these 2 situations.

The 1st situation was 1st March, and the market moved up from very far to the ROMAR, which many of us all went long on. When the market reaches ROMAR, it has already moved 176 pips from the low to ROMAR.

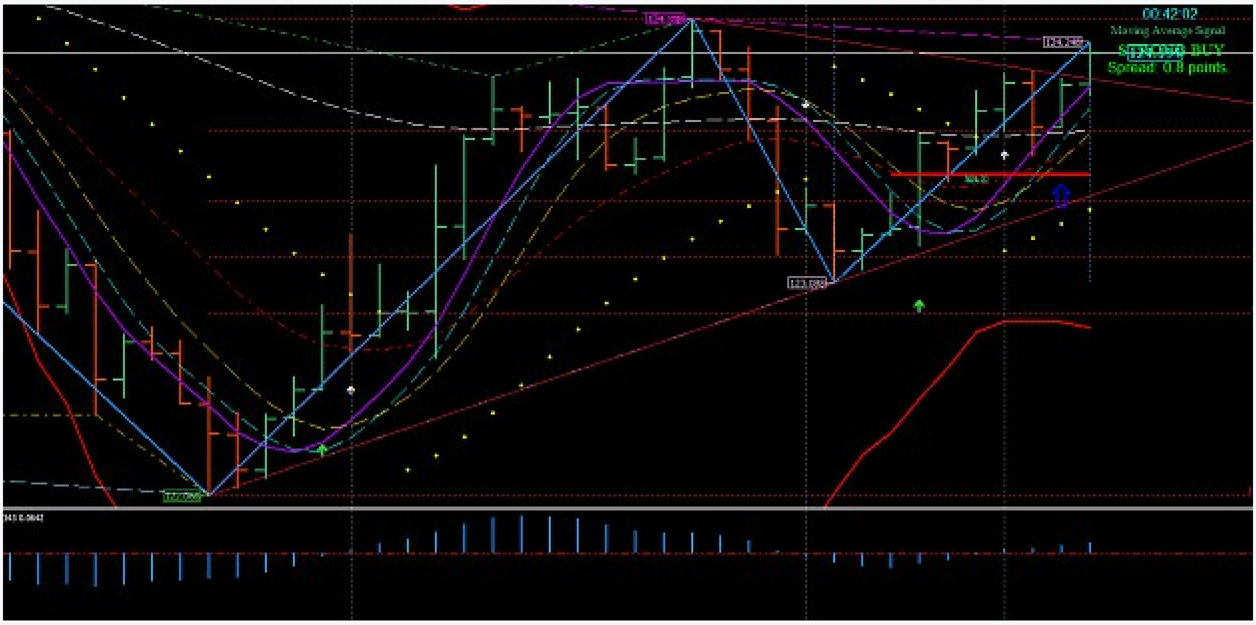
Today, we had a move down from yesterday, which created a swing, then created a swing low, which was a higher swing low than 29th Feb. 1hr almost immediately began to consolidate, and 2hr then followed. We then moved above ROMAR, Parabolic flipped, and we pulled back to ROMAR and Purple.

So what I am saying here is it was a new set of momentum starting from a period of consolidation, with a higher swing low. For me (and remember this is all my own opinion), it was a very different situation from the last time at ROMAR.

My plan when I saw that 2 hr bar was that 1) we can make a new high, or 2) We can make a LH, in which both cases I had 20-40 pips possible profit.

If you look back at PSAR, it doesnt flip every candle back and forth - it is very powerful. So with a flip, and the way it was looking, with some momentum above ROMAR I could get minimum 20 pips trading the swing (so B/E) either to a new high or lower high.

Anyway, thats how I traded that for +40 - I'm sure Dana will have somethings to say lol



††

dove_alliance :

Now that we are in the divergence there is a two part processing of the divergence for highs and lows.

First Part is with creating either a new high and/or a new low with the Magenta dash-dot line for the high with a price tag of the Magenta; and a Lime Green dash-dot line for the low with a price tag of the Lime Green. This is known as trading outside the box with the Magenta for the high and the Lime Green for the low.

Second Part is a new high and/or a new low within the Fibo and does not create a new high and/or a new low with the Magenta or Green Lime; but does so with the DB/SAR. The indication of this is with the SAR attaching from the DB to a lower candle in retrace from the DB in an uptrend; and vice versa in creating a new swing. This type of swing within the Fibo is beginning of a Daily sideways consolidation and using strictly Resistance and Support within the Fibo and the Daily chart. This is known as trading within the box of the Fibo.

Now – we will start with the uptrend: With the picture below you will see the dash Magenta and the dash-dot Green divergences attached to the upper candle in the uptrend with an SAR price tag instead of the Magenta price tag for the high. This is very important with the color of the price tag because it is indicating the Fibo is not flipping but staying at the 100%. Also take note of the 4 horsemen. When the attachment happened White was in a slider above purple and the divergences indicating a turn. Sometimes the next candle will bump higher and other times it will just turn on the next candle – in this scenario – it turned on the next candle.

At this point you are in a constricted consolidation going sideways with the Daily between EMA and Purple/White in the process of changing the EMA trend.

The SAR appeared and then the DB with the LightSkyBlue divergence attached indicating the swing up with the hit on the Daily White/Purple returning towards EMA.

On this next picture below notice the Fibo flip with a new high which is roughly at the Daily EMA and the 23.6 Daily Fibo.

The Daily cannot stay in trend forever – it must turn somewhere and this is how it is done with the two hour chart. And the Daily Parabolic must get with EMA before the turn. So, the consolidation for this turn on the Daily will keep you in consolidation until the turn happens.

And here is the Daily showing the consolidation.

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We are going back with the Magenta attachment showing below:

Take note of the Contour line and how it is placed below the SAR Price tag with the Magenta attach with the SAR.

Now take a look at this screen shot with the Magenta no longer showing:

And the reason is because the Contour line is now in the proper place and eliminated the divergence to be place on the right candle.

The variable are limitless and I am showing these variables as they come in.

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