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shinny:

Hello Traders

There are clearly a lot of traders struggling with the DB/SAR concept within the Paradox System, hopefully this post will help you to overcome your problems.

Dana has stated many times, and myself and others have repeated it - all of the indicators in the Paradox are required and **they all work together**. With that in mind, here are some tips regarding the SAR connection which will help clear things up for you.

When a trend is in motion, the MACD will be on the same side as the trend, ie under for down and above for up. At some point you will get the SAR detach and quite often the first connection is at the EMA. This is usually when the trend is strong ie small 2hr bars. IF the MACD stays on the same side as the trend, take the SAR trade back into the trend.

Eventually you will get another SAR detach, and this time it will usually be around the PSAR. Once again, if the MACD is still on the same side as the trend at the PSAR connection, take the SAR trade back into the trend.

Here are some examples:



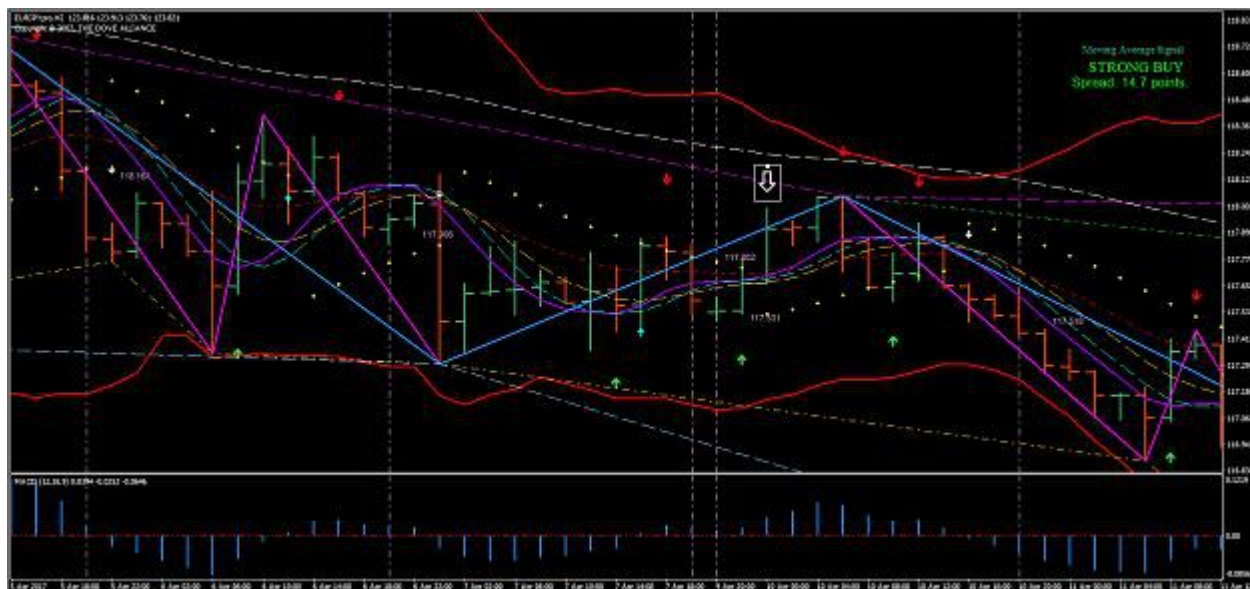
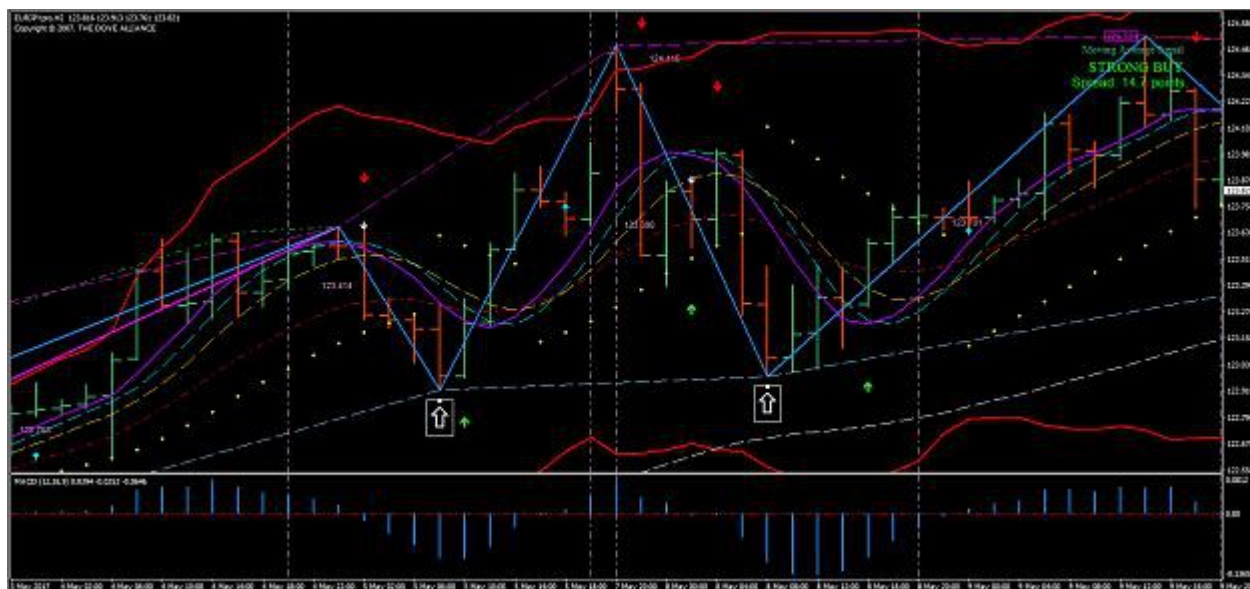


Pretty simple, right? Remember, **that this is for trends only**, with Higher Highs or Lower Lows.

Ok, so what to do if we have a trend, and we get the SAR detach at the PSAR but the MACD is the other way (usually on the same bar or the bar before). I sometimes use this method to enter, and it works remarkably well.

Lets say we have a Daily Uptrend on all charts, and we get the SAR attach at the PSAR but the MACD is under the zero line. I will simply wait for the PSAR to flip down and after the close of that first down PSAR I will enter long. Obviously, the SAR will have changed to the DB with the deeper pullback.

Here are some examples:





There are some examples of both up and down trends. If you look at the Daily chart on these days, you can tie in Support/Resistance with these connections also.

Remember, The Paradox is all about Support and Resistance. Scroll back and look at this, and you will see how effective it is. You will also see where not to use the anti-PSAR entry.

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Here are another couple of examples.

Here is the 2hr Chart (EURUSD) with a regular SAR entry and an anti-PSAR entry:



And here is the Daily Chart:



Notice on the 2nd arrow, that the anti-PSAR entry was right against the UPWARD PSAR on the Daily. It acted as Resistance for the 2hr, even though on the Daily it is Support. Pretty amazing, right?

Always tie in Support/Resistance with entries.

Do lots of scrolling back, day by day with your 2hr and Daily, and reference this.

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dove_alliance :

Hello Traders and Blessings:

This tutorial will be long and in sections as FF allow only a number amount of screen shots for each posting. This tutorial is about the DB, SAR, Fibo, and the Divergences. All four works together for entries and exits. I used a simulator taking screen shots of each scenario of the four elements. The problem with using the Strategy Tester for the simulator is no offline charts. Which means I had to use the H1 chart for the simulator. So I shorten the spread two bars in getting a more realistic scenario with the Fibo for the first 2/3rd of the screen shorts; and the last third with the right spread.

At this time let me say something to those trader that are not using the right set up for the Paradox. To begin with you must have a spread of 39 bars showing with a spread of 40 in order for the Fibo to work properly. This means you have to have a minimum of a 1600 x 900 resolution on your monitor. If you do not have this resolution then you are fighting a losing battle in trading the Paradox. If you are using a laptop in learning this system you are again; fighting a losing battle. In order to become a professional trader you need the right and correct tools for trading. In other words there are no short cuts in becoming a professional. Those with a monitor that is not susceptible then I suggest to reach deep into your pocket and find a way to buy the right monitor. That is the very first thing you need to trade the Paradox correctly. With that lets move on.

The market is 80% Consolidation; 10% Trend; and 10% Economic News. The consolidation period works in many variables but most of it is ranging from high to low and low to high (support and resistance). In this scenario the market will produce higher/highs and lower/lows; or higher/lows and lower/highs.

You have three types of ranging:

1. The ROMAR trend ranging.
2. The BB ranging.
3. The Daily ranging.

The ROMAR ranging mode usually happens when the Daily begins its turn from a trend going into a consolidation. With this scenario we will use the trend we are in now with the Daily at the top of its trend.

A week ago Sunday we had ROMAR below the BB and with a gap to the top of the Daily Fibo; which had placed the market in a ROMAR ranging mode. This means the Fibo will play a critical role in the ranging with ROMAR going higher/high for the indicators.

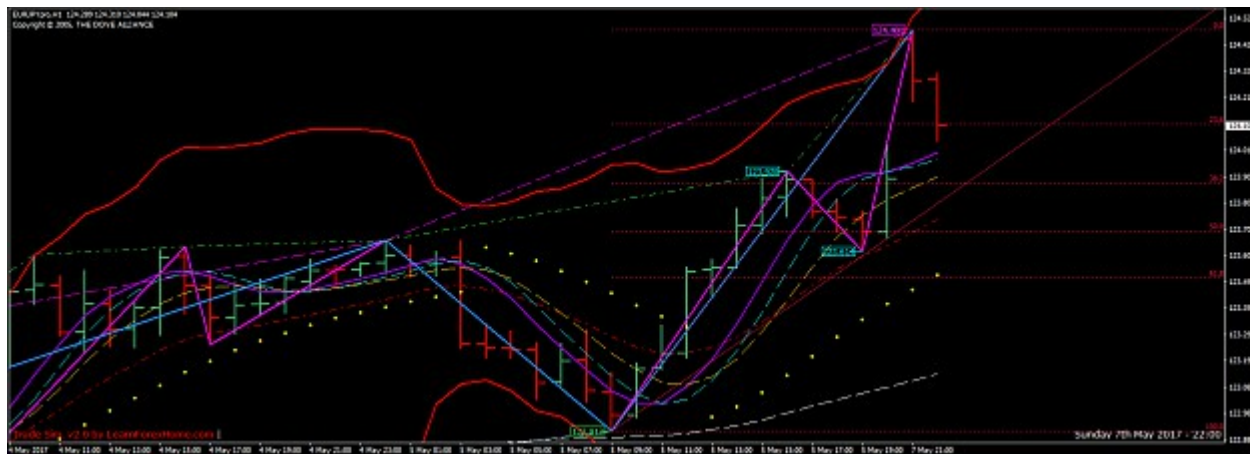
The BB ranging is when the BB's are flat lined and the Market bounces off the BB. Now if the bounce returns to EMA you then are turning back into the trend. If the bounce returns to the opposite band then you are ranging until the breakout.

The Daily ranging is when a lot of traders give up. The reason is because the ranging is unpredictable. This is when the Daily goes into consolidation from a trend and does not turn into a new trend but goes sideways. Going sideways is when the Daily flat lines and can stay that way for weeks or even months. The longest flat line I have ever traded in lasted over 3 months.

In a ranging consolidation is when the DB and the SAR comes into reality. This is also when Divergence plays a critical role for entries and exits in this ranging mode. The Fibo becomes your support and resistance for ranging. Keep in mind this tutorial is about ranging and not trends.

So lets move on going back to last Sunday with the Gap and go through the whole week:

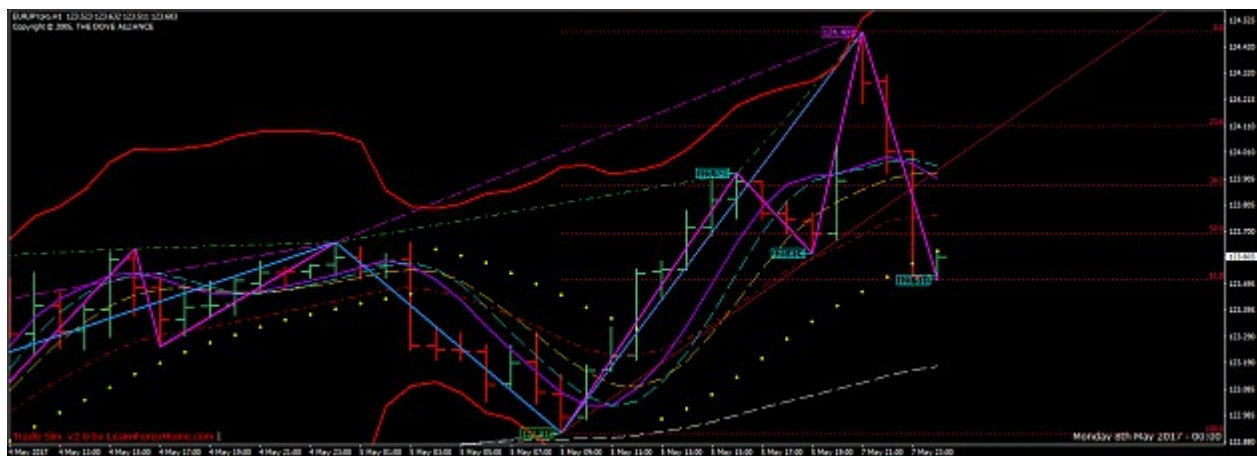
With this first screen shot you have the opening candle shoot up to the Fibo; and on the next bar readjusted for the down at the 23.6. You have the DB/SAR attached with the both standard and hidden Divergence. That opening candle was entry. Because of the spread you could had waited on the next H1 open bar.



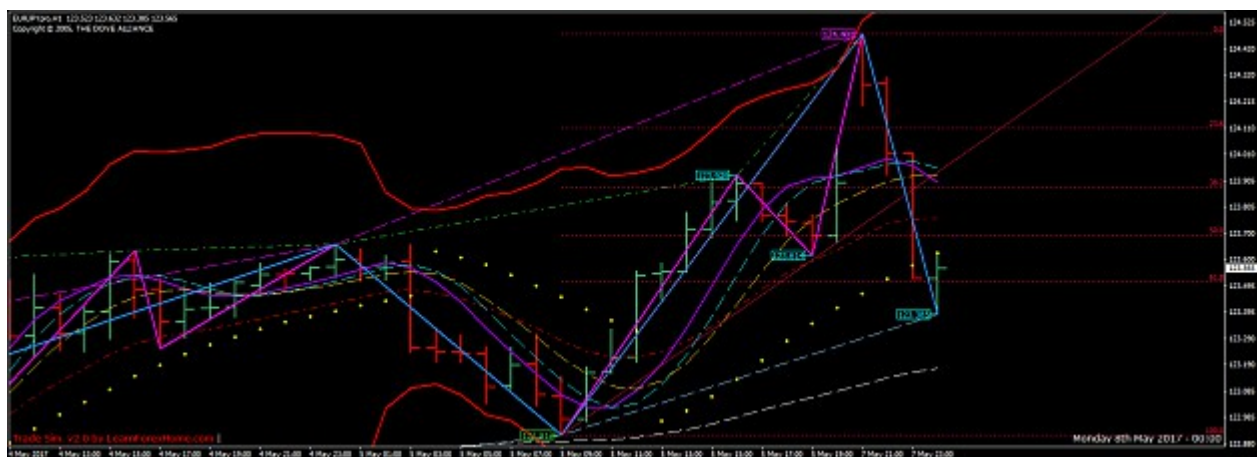
On this next frame you have the SAR attached to the bottom bar at the 50%. Now you still have the DB attached on top which means the next attachment is on the bottom,



You have a retrace to the Parabolic as it had been eliminated as support with the White crossing.



It continues south for the DB attachment with the SkyBlue Divergence and below the 61.8 with profit taken or entry going north. And traders do not get greedy. Take your profit and wait until the next day.



Next frame you have market going north with both DB and SAR attached on the bottom. Next attachment is the SAR.



On this frame you have a situation with the Parabolic RESISTANCE. Always remember what I had said about the POWER of the parabolic. The parabolic will stop you in a heart beat. Because of this Parabolic it can very well continue south for the bottom of the Fibo and the reason; the SAR did not attached and both DB/SAR will move to the next bar that gets lower/low. PROFIT IS TAKE AT THE PARABOLIC.



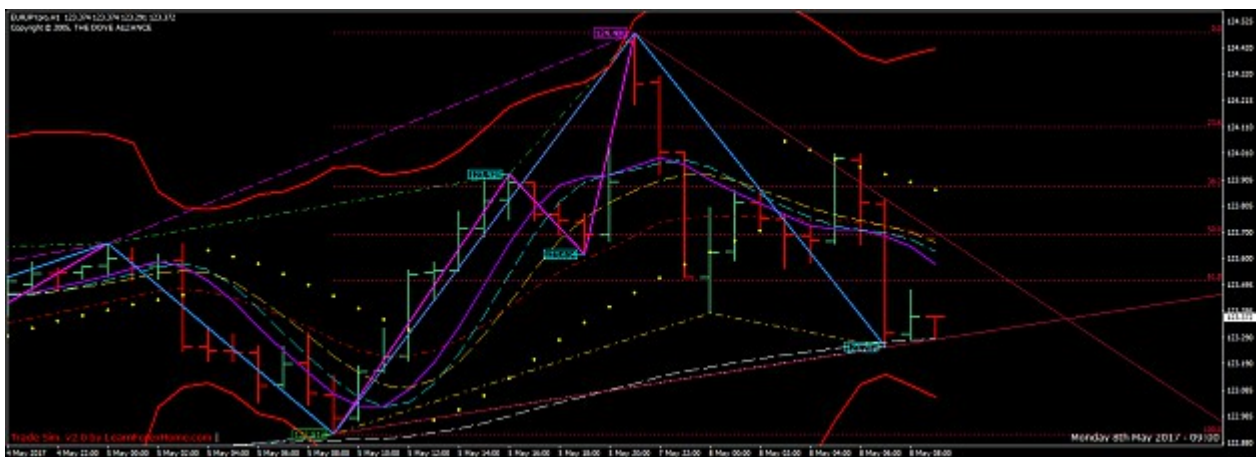
On this next frame you have the Market going lower/low with both DB/SAR moving to this bar and both Divergence attached. You also have both upper and lower BB's compressing for a flat line. This being an H1 chart do not pay attention with ROMAR.



On this frame and take a moment and see the big picture. The big picture is telling your the trend is down with the 4 Horsemen and the power of the Parabolic. You also have an open bar in no man's land between the 61.8 and the 100. You also have both upper and lower bands opening up for the continuance of the trend.



This next bar is showing the strength of the 4 Horsemen for the down.



This frame is showing lower/low again and will end at (or just above) the Fibos.

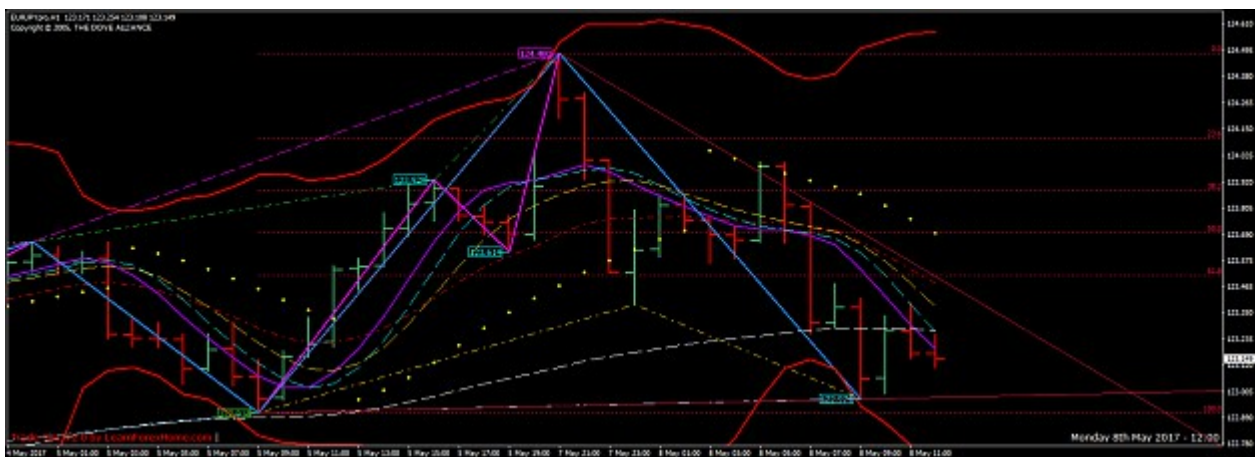


This frame is showing the ending just above the bottom of the Fibo. At this point you have a decision to make. You can either enter for the long or wait for the consolidation of the new trend and make entry later. What I would do is take entry; set my SL 40 and TP 40 and walk away. And when I come back I would have my 40 profit. There is no way my 40 SL would be hit because I am at the bottom of this Fibo.



On the last frame you seen you had a choice of taking entry or to wait for the next entry because of the trend being down. You are at the bottom of the Fibo and taking an entry is a wait for the consolidation. Waiting for the entry is also a wait for the crossing of White with Purple..

On this frame you see the consolidation working above the Fibo support 100. Again; do not pay attention to ROMAR as this is on the H1 chart. The H2 ROMAR is still below in La La Land.



On this next frame you are still waiting on White crossing Purple..



On this frame you have the SAR at the EMA resistance. The question is: what is the risk factor for entry going either way.

Well lets take a moment and think about that.

First information you are receiving is being in consolidation for a reversal. You have EMA and the 61.8 of the Fibo as resistance. You have Purple as support. So any trade going long or short is out of the question. What you do is be patient and wait for the right opportunity.



The right opportunity was with the retrace to the White/Purple crossing in going long. You have the SAR waiting on the DB and on this frame you have an open above the Parabolic for the continuance of the uptrend.



I took this picture because you do not see this often with the DB detaching from the SAR, This happened because of how the Divergence attached. Just part of the Matrix. But as the bar continues up the SAR will reattached.



Here you see the reattachment. Now: what do you see here? The question is very import because what you see will also tell you where this movement is going to end. So without cheating take a guess and on my next post I will tell you where it will end just by what the Paradox is saying.



Alright Traders: To give the reason is because of the upper BB being inside the Fibo and it is flat lining for a target of taking profit. So lets move on and see what happens:

I already know the target and in the trade going long. I will place frame from frame as it progresses.

We have the EMA and the Parabolic strong in the trend.



Smooth and EMA holding the trend with a strong Parabolic trend.



Purple sliding over both White and Smooth for an EMA slider.



EMA in the Slider holding support.



SAR made a small break for EMA support and continue north.



Broke for the band and profit is taken



Retrace to the 23.6 and flip the Fibo for the south.

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