

# 60 Minute Change of Momentum Trading System

## 1. Set-Up Parameters

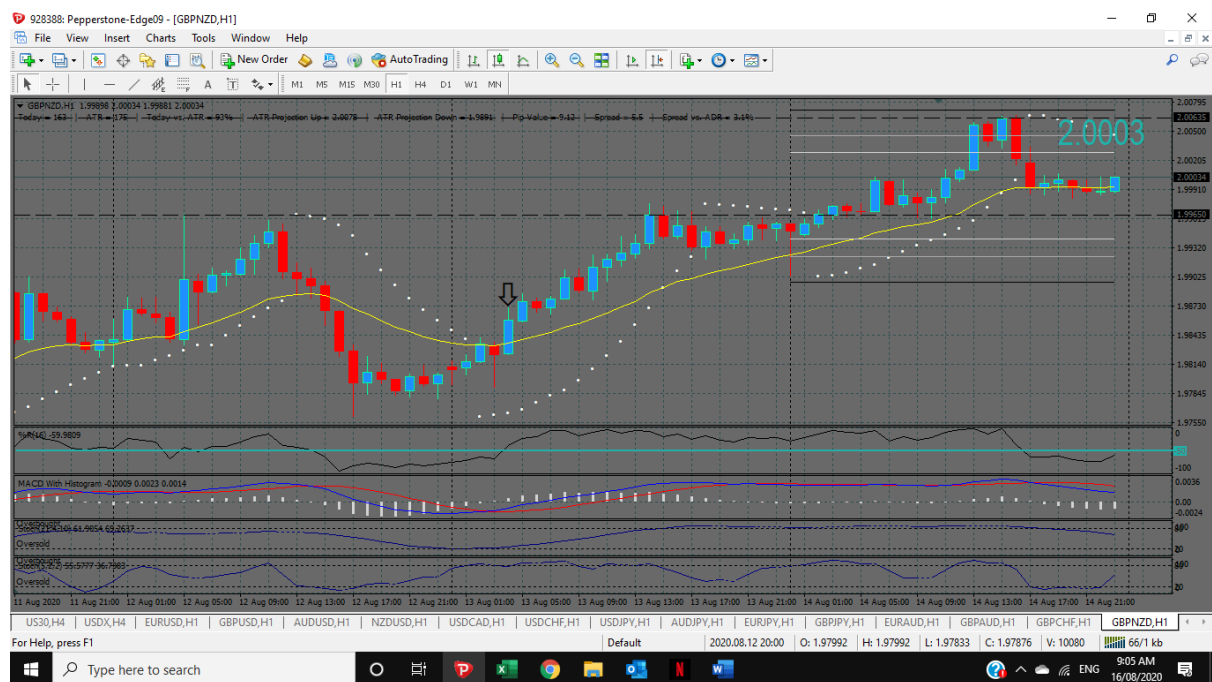
Trades opportunities are only **considered** following a change in direction and momentum as follows:

### 1.1. Long Opportunity

- i. Price closes above the 20 EMA for the 1<sup>st</sup> time denoting a **potential** change in direction and momentum;
- ii. SAR's paints a Bullish indicator
- iii. Williams 16% closes above 50

All three of these factors must occur on the close of the candle that breaks the 20 EMA.

Example: GBP/NZD from 13 August. Note that the above 3 conditions were evident on the “arrowed” candle? The two previous candles did not break and close above the 20 EMA making them invalid.



Pause and Consider:

What makes this particular price movement pattern **potentially** significant?

- i. Price will have started making its long move from a base of Support/Demand. Price just does not turn unless there are significant structural pressures to do so;
- ii. Price breaks Resistance (in this case the 20 EMA);
- iii. Price generally will close above the Resistance level with a full-bodied closed candle;
- iv. SAR's goes Bullish;
- v. W%16 goes > 50%

There are now five (5) reasonably compelling reasons to **consider** seeking an entry long from a smaller time-frame.

## 1.2. Short Opportunity

- i. Price closes below the 20 EMA for the 1<sup>st</sup> time denoting a **potential** change in direction and momentum;
- ii. SAR's paints a Bearish indicator
- iii. Williams 16% closes below 50

All three of these factors must occur on the close of the candle that breaks the 20 EMA.

Example: GBP/CHF from 12 August. Note that the above 3 conditions were evident on the “arrowed” candle?



Pause and Consider:

What makes this particular price movement pattern **potentially** significant?

- vi. Price will have started making its short move from a point of Resistance/Supply. Price just does not turn unless there are significant structural pressures to do so;
- vii. Price breaks Support (in this case the 20 EMA);
- viii. Price generally will close below the Support level with a full-bodied closed candle;
- ix. SAR's goes Bearish;
- x. W%16 goes < 50%

There are now five (5) reasonably compelling reasons to **consider** seeking an entry short from a smaller time-frame.

## 2. Entry – SAR's Flip Entry Method - 5 Min Chart

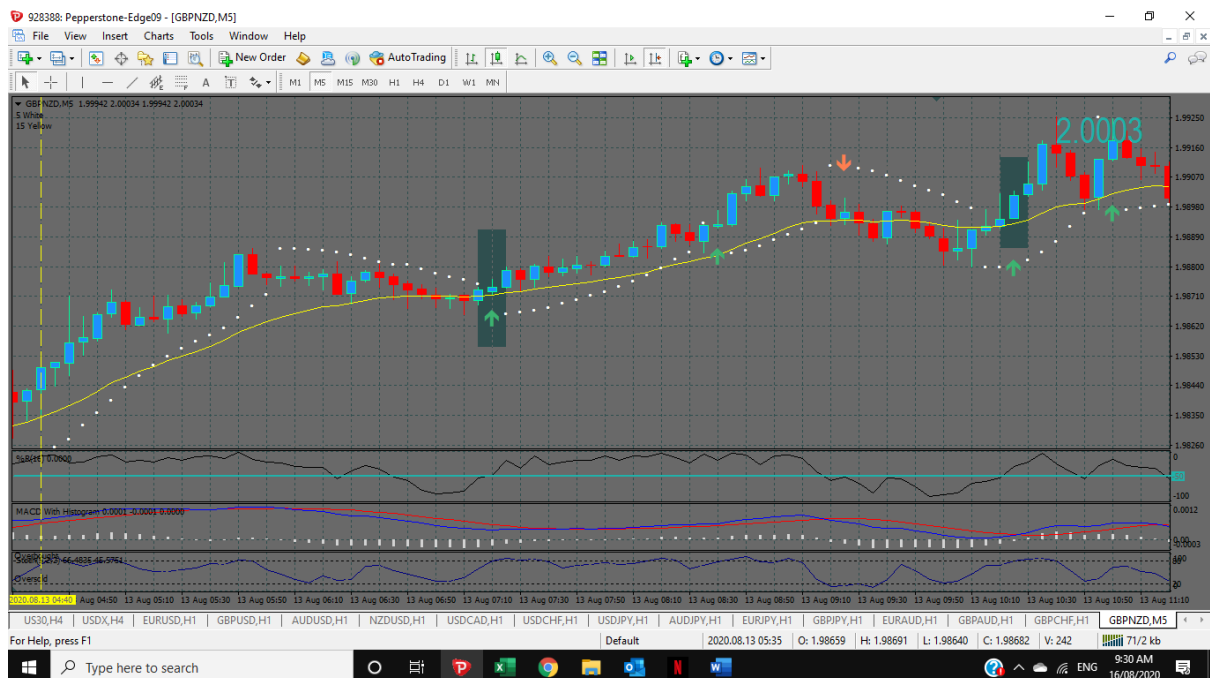
NOTE: THERE ARE MANY WAYS A TRADER COULD CONSIDER ENTRY FOLLOWING THE SET UP PROCESS IN POINTS 1 & 2 ABOVE. THIS IS SIMPLY ONE SUCH METHOD.

### 2.1 Long Entry

Wait for a SAR's flip *ideally* in the next 60-120 minutes to enter as follows:

- i. Price is below the 20 EMA on the 5 Min Chart;
- ii. SAR's is Bearish and flips to Bullish;
- iii. W%16 is below the 50 line and breaks above the 50 line.

Example: GBP/NZD from 13 August. Note that the above 3 conditions were evident on the "arrowed" candles? Traders would have had 2 opportunities to enter. The Yellow dotted line marks the close of the 60 Min candle that broke the EMA as per commentary above.



NOTE: THE STRONGEST ENTRIES ARE WHEN THE LAST 5 MIN CANDLE OF THE 60 MIN CANDLE THAT BREAKS THE EMA PRODUCES THE SAR'S FLIP.

### 2.1 Short Entry

Wait for a SAR's flip *ideally* in the next 60-120 minutes to enter as follows:

- iv. Price is above the 20 EMA on the 5 Min Chart;
- v. SAR's is Bullish and flips to Bearish;
- vi. W%16 is above the 50 line and breaks below the 50 line.

Example: GBP/CHF from 12 August. Note a slight variation to the above rules in that SAR's flip set up after 2-3 5 Min candles. The Yellow dotted line marks the close of the 60 Min candle that broke the EMA as per commentary above.

