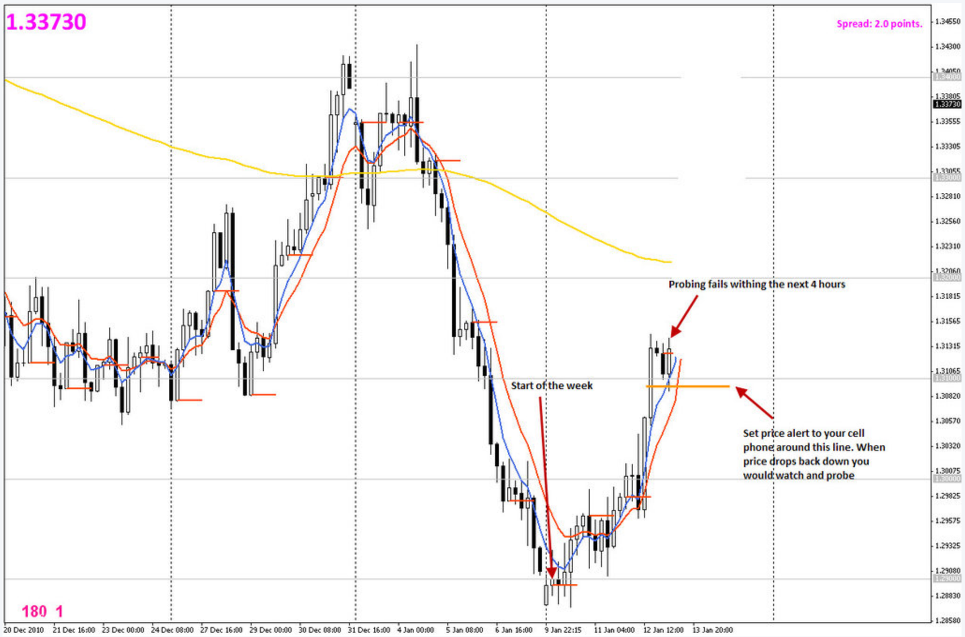
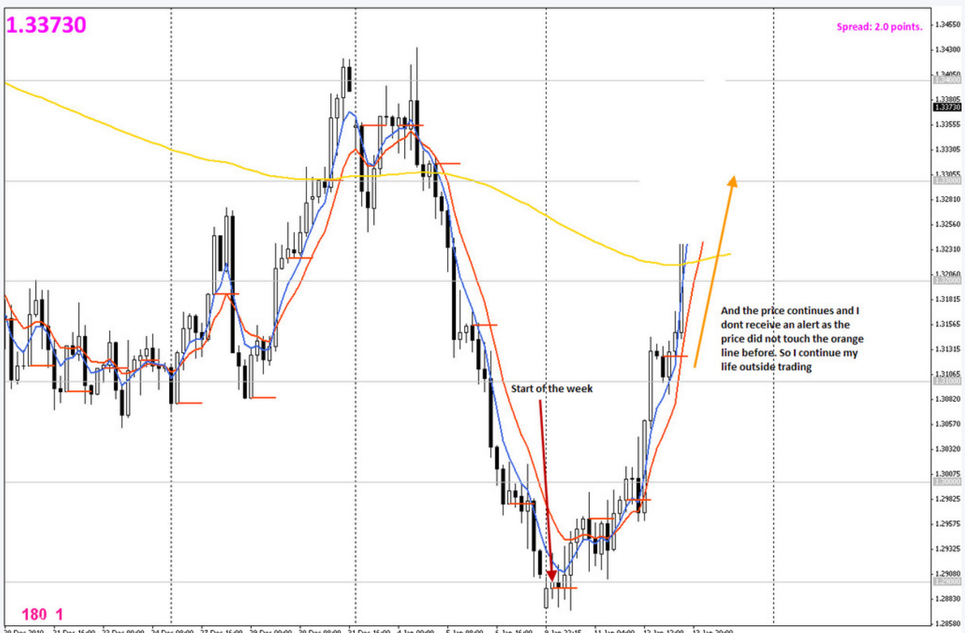




Please learn how 'not' to trade all the time

So what do we do from now on?

We continue what we started and it seems this exercise is going to take few weeks to finish. This is because we started in a pair that is ranging so we just have to ride it out.

From the looks of the monthly candle, the control is still with the sellers as price did not close over the open price of previous down candle. However, there have been numerous attempts from the sellers to push it down which were all met with same resistance from buyers. I doubt there is any selling power left until a critical news release. In my personal analysis eurusd is now currently a no trading pair for myself. One of the reasons why I trade multiple pairs as I would have to sit it out for a prolonged periods of time.

Having said that, there is a good chance that the up movement will continue on which means everyone including myself that are participating in this exercise to sit it out since we are only taking one direction for this exercise. We need to patiently wait until clear reasons (as per our price action interpretation) to change our monthly hindsight to UP. Also another reason why I trade both directions since one direction could have me sit out for a prolonged periods of time again.

Hope you can see the benefits of trading multiple pairs and both directions.

I have been standing on the sideline watching the emotions unfold amongst the traders who have been private messaging me and on the thread. I urge you to stay strong and be a warrior.

Sincerely,

Graeme

P.S I will start answering all the private messages this afternoon.

pipEASY
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Jan 15, 2011 11:44pm | Quote | Post# 4,034

> *Quoting TradeStar*
>
> Dear Graeme,
>
> May I ask a dumb question:
>
> What do we mean my constant frequency and spaced out?
>
> Does constant frequency mean every four hour? Or this frequency refers to something else altogether?
>
> BTW, your above two posts are top class. You are one super communicator!!
>
> Grateful as always for your unselfish contribution.
>
> Regards,
> TradeStar

Apologies to address you on the same post but thank you, Quitepips for the warm compliments. I encourage you on and please feel free to ask any questions.

Tradestar - It is a great question. Constant frequency is basically a set of action that you perform on a constant 'manner' over a given period of time.

In other words, no one needs to watch one pair fluctuate any more than necessary. The only times to watch is when there is a stall and you would start probing towards the intended direction. The rest is ignored. For my examples I have used 4hr charts and this is what I use mainly for the purpose of probing. I look for stalls of more than 2 candles that are preferably less than 50 pip range. Why? Because it will breakout sooner or later from that tight wedge, **IT IS INEVITABLE.** If a candle represents 4hrs of time then a preferred stall in my vision is minimum 8 hours. That is enough time for me to catch a glimpse of it when it does happen. And once I know that some pair is going through a stall I will watch and follow the flow of its breakout. Simple, logical, and **common sense**. To do this you will need to use price alert to your cell phone. Please use VPS server. These days I find mobile4x sms alerts useless as there are 2 or 3 hour lags. Alerts from your VPS server is instantaneous with less than 5 seconds of lag.

The reason I have mentioned the above is that there are traders spending countless hours infront of the computer screen when in trading increased productivity does not increase profitability.

I encourage everyone to learn not to stare at the charts and even a glimpse every 8 hours is suffice. If you missed a good move while you were away, always remember that what you thought you have missed is only a tiny tiny tiny tiny speck compared to the greater picture of the market. In other words, there will be always more.

Sincerely,

Graeme

pipEASY Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Feb 17, 2011 4:45am Quote Post# 4,289

Good afternoon, all

Thank you for the continued interest and a very special thank you to the contributors.

It is amazing to read the evolution of thoughts and ideas. I was silently cheerleading behind the scene and my thoughts were with each one of our readers on a personal level.

Apologies for my delayed absence however, a gap of time was required to see just how far and quickly the evolving thoughts and ideas start to self-deprecate our initial intentions.

Perhaps this post will be just another similar reading and what one reader might consider a typical 'graeme' post. But I imploy you that this post is more than a confirmation or an re-iteration.

Im addressing this post to everyone, whether they choose to trade my way or another way, it doesnt matter, as the successful trading is derived from a sound approach. And this sound approach is universal and generic trait of any 'successful/professional' trader.

And this is why Im here. Im willing to show and guide anyone who is genuinely interested in 'an approach' that is generic to successful trading in any type of arena. Method dont make you the money but your logical and sound reasoning.

I truly believe that a successful trading approach is **universal** that can be applied to any 'instrument of investment' to reap profit vs time. Having said that I can also say, if it can be applied to any instrument of investment, then it can also be applied universally across all manners of personal interpretation whether it is technical or fundamental. If you can trade forex successfully you will manage to adapt and create profit in commodities, futures contract, real estate, shares, bonds, options, or anything that can be bartered with a difference in time vs price. There may be small negligible pre-requisite knowledge between the different fields however **essentially** you are trading; buying something cheap and anticipating to sell it later on for more.

Having said the above (which is very important), let me ask you, what specific method/system you currently have that can be universally applied to any field of investment?

You must stop looking for something that just works on forex because there is no such thing. Forex is just like any other market where passing time shows the difference in price or value.

Stepping little bit sideways, may I ask, 'What is important in life?' Victoria secret's model as girlfriend? Lavish penthouse? Staple of exotic cars? Perhaps a fledging business? All this is important however the most important things/elements in life is nothing more than the air we breathe, the love we receive from our parents, the love we give to our family and a healthy body and mind. **This is the 'approach' of a successful life.**

Im not here to show you how to get a ferrari or a penthouse as that is **just** a reward at the end of a successful trading career, but Im here to enlighten all readers that the ultimate goal in trading is something far more basic like the above necessities for a fulfilling life.

Now philosophy aside, let me get down to the specific things in trading that is considered to be an 'universal' necessity in 'successful' trading career.

1. Timing
2. Constant application in a constant frequency; consistency, perserverance
3. Belief in ones ability
4. Staying humble in your pursuit

If these 4 points are the necessities for a successful trading career, and they are the skeletal frame then let us add muscle and blood.

1. Timing - No one needs to be trading one particular pair everyday, every hour. There is absolute no need for it. Even if your an intraday trader you dont trade everyday. There is no golden opportunity everyday of the week! Even though I have preached all this time about being flexible in trading (and I still do), I find that few of the traders are all over the place and trading everything that moves. Perhaps if I suggest a **very basic** guideline by saying choose one of the following:

1. Trading with 200ema on weekly chart
2. Trading with 200ema on daily chart
3. Trading with 5/10 ema on weekly chart
4. Trading with 5/10 ema on daily chart
5. Trading buy if price closed above open price of previous down candle or trading sell if price closed below open price of previous up candle - on weekly/daily chart
6. Trading with breakouts consisting of at least 4 candles in daily or weekly; pennants, range

All this is nothing new and we have discussed each one of them in great detail but choose one. One. I take trades from the guidance of 'all the above' however I know how to control my participation just right and also know setups currently happening is either useful or useless at a glance. Choose one timing criteria and you will still be busy as there are many pairs in forex.

What I think this will do is that it will relieve much of the stress traders are currently experiencing. I notice that many traders are jumping all over the place, timeframes, criterias. I strongly suggest you choose one. This will save you alot of time and stress so you can spend more time outside trading.

2. Constant frequency - This flows on from the above. Choose one criteria, adhere and remain loyal to its guidance and only participate when your guidance tells you to do so. Send scouts and prod 'when' your guidance tells you to do so. If the scout or prod dies then stop and observe. Your second attempt should have a much stronger feeling and reasons for you to participate. **Taking less trades for more profit is critical**. **No need to spend hours and large chunks of your capital in one sitting**. You are over doing things and rushing to create profit. Try once, if it doesnt work get up leave. Life is so much more than trading.

3. Believe in yourself - Once you have chosen your criteria, marry it. Dont have an affair and get caught with your pants down. Even with just one criteria you will be busy with ample opportunities popping up here and there across the board. You must believe in your criteria, you must know your criteria and vouch for it with your life. You need to know even the smallest details like:

If you have chosen criteria number 1: Trading with 200ema on weekly chart. If this is your wife than you need to know every little thing about her. Do your homework and gather your statistics, like:

1. Since year xxxx, 200ema was breached xx times and bounced xx times
2. Average range in pips of a breach; how far does it travel before a head-shoulder pattern or 50% retrace from the breach or any criteria you choose for the underlined
3. The biggest move in the last xx years after breach or bounce
4. The shortest move in the last xx years after breach or bounce
5. The average pips from 3 and 4; so now you know the average
6. How many breaches in the last xx years?
7. How many bounces in the last xx years?

All these stats will give you a very detailed statistical analysis of your chosen wife. Once you have this detail you can map out your specific battleplan like; exiting strategy, entering strategy, holding strategy. And the above statistics wont change dramatically in a day, a week or a month or even a year since you are backtracking years worth. However it will still evolve but very slowly and can be easily adapt to its changes (if it happens). Some statistics hold true after few decades and the variance in the numbers will ultimately plateau out.

4. Staying humble in your pursuit - We all hate our day jobs. We have big dreams however the reality is different. Once you try to rush to your freedom you will never find it, ironically, you will find freedom when you dont pursue it. Profitable progress in trading should look negligible but it is this slight negligibility that grows into inevitability. Dont rush and dont aim for your ferrari..yet.

Here is something for everyone to think about:

Eurusd assignment we are currently on, which started on the week of christmas. What can you tell me about the current looks?

Which criteria does the current eurusd monthly agree with?

The answer: More than 1. There is no clear indication as to what is going to happen. My verdict? Few short, small prods here and there but for now eurusd is definitely 'not' on my important list of trading pairs. Would everyone agree? We need perserverance as we need to continue watching and adapt to its changes.

Thank you all for the PMs and I will go through them in the next 1-2 days to answer them all. If you have any questions please send them to me now so I can finish them off in this batch.

Sincerely, Graeme Thank you again for all your support.

pipEASY
Joined Dec 2009 10+w | 885 Posts | Status: crede quod habes, et habes

Feb 20, 2011 8:24am Quote Post# 4,301

Good evening, all Thank you for the continued interest.

Unfortunately Im still going through the private messages and I will reply to all of them.

I still have fair number of PMs to answer so I apologize for the delay. Please send me your questions if you have any as I plan to finalize them by tomorrow at the latest.

I also plan to come back and answer each post in this thread after my latest post few days ago.

The day has taken its toll for myself and I will go rest for now so I apologize to few traders who are currently online and awaiting my pms. Sincerely, Graeme

pipEASY
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Feb 20, 2011 7:49pm | Quote | Post# 4,304

Good morning, all

Im just finishing off the remaining PMs this morning. I replied to the below PM but I thought it would be better to post my reply in the thread as well so it may clear any confusion for other readers as well.

Originally Posted by xxxx

Dear Graeme,

I do have one quick question, if you'd be so kind. Pasting your statement:

"6. Trading with breakouts consisting of at least 4 candles in daily or weekly; pennants, range"

Does this imply that you require 4 candles after a breakout to confirm in your mind that the BO is genuine, and not some sort of head fake? Or perhaps, do you mean 4 candles will be involved in the momentum phase prior to the BO occurring? I'm not clear on this idea.

Wishing you and yours all the best ...

Kindest regards,

xxxx

Dear xxxxx

Thank you for the message and apologies for the delayed response as I was away from forum activities for the last few weeks.

Great question and I must admit I could have phrased point 6 better.

It may be unnecessary or already known to yourself but what happens when you shake a coke bottle. A few shakes may not lead to anything exciting when the cap is opened however an extended amount of shakes almost always leads to an embarassing aftermath for the receiver of the prank.

This applies not just to coke bottle (whereas the contents of the bottle also influences the outburst from opening) but in nature, any constriction of a normal flow will consequently lead to an increasing pressure against the constriction whereas the constriction either gives way to a stronger than normal flow of outburst from its static state or the constriction must find other means to strengthen against the growing pressure. I believe this is engineering 101.

The above principal is exactly applied to the 'science' of trading as well. The longer the price is stalled with opening and closing price very close or same to the previous days (if considering analysis on daily chart) the pressure is growing around this constriction. One can say that the pressure is more or less **the interest of the other traders** and this is very important to understand. Personal views of traders vary vastly amongst the multitude means of personal interpretation however there is a point in time when the thoughts of the mass are focused at a similar point of context which is always at the point of constriction; stall.

The aftermath of coke bottle exploding is similar to the breakout following a prelonged stall. More shakes consequently leads to a greater implosion whereas greater the length of time the price stalls the more strength (interest) it garnishes hence a prelonged state of travel (movement) on its breakout.

This itself is a well known and much traded approach. People have coined this as breakout strategy but do they know why breakouts are so effective? Quiet simply, breakouts are effective **because** of the bottled pressure. Force moving out of bottled pressure is the **inevitable** science of trading.

Breakout is my bread and butter.

Coming back to your question, a prelonged stall followed by a breakout is almost always much longer than the stall itself. One of the phenomena of trading which has no scientific and mathematical reasoning however shows the psychological workings of the traders behind the scene. A proper volatile breakouts are easily noticed and therefore only a few correct prods or placements will inevitably capture the outburst/aftermath of the later however some breakouts may have a good short burst and then stall again or reverse. That is not a proper breakout however it is reassuring to know that this failed breakout **becomes yet another notch in the increasing pressure of the same stall** which will sooner or later implode far greater.

Stalls on weekly and monthly are my favourites. There are plenty of time for me to think and prod here and there and the ensuing torrent will always lead to a large range of pips and time for myself to zoom in and start picking off profits here and there whilst the torrent is still in play.

Hence, the golden trick to an effective stall/breakout is...?

The pre-longed amount of time required for a stall to build pressure (gather attention of other traders) ensuing a far greater movement at its point of breakout. Which is why I always prefer at least 4 candles to consider something a good stall but the more candles the better.

Apologies for the length of the message, but if one asks me, whats first chicken or egg? I would say it stalled first and what happened after is just evolution.

Sincerely,

Graeme

pipEASY | Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Feb 20, 2011 9:48pm | Edited at 10:01pm | Quote | Post# 4,307

Good afternoon, all

I have just finished all the PMs, thank you for your patience.

Thank you all for the kind words and also wishing everyone a successful trading career.

Adowland/alex - thank you for your kind words. Please feel to ask me any questions

Nomask - for the immense and valuable contribution to the thread

Red-dragon - I like the recent eurusd charts you have posted. How you purposefully draw trendlines to squeeze the price into a pennant. Good work.

Maaj - thank you for the warm remarks. Greatly appreciated.

Veefx - in regards to your question. Very good question and I apologize for addressing you in one post but most of us know why I do. It seems that I am also helping to answer sjb944 as well.

Veefx and sjb944, when you place your interest/positions on the battlefield as per your hindsight of the week and they survive for you. The following week they are nothing to you apart from the fact that they belong to you. Since SL is moved to BE their fate is not determined by your trading decisions however the movement of the market in store.

Having said that, this is one of the reason why I trade both directions because you will either 1. sit out for very long periods of time only choosing one direction or 2. continue to blindly trade against what is happening now because you are still being influenced from the performance week before.

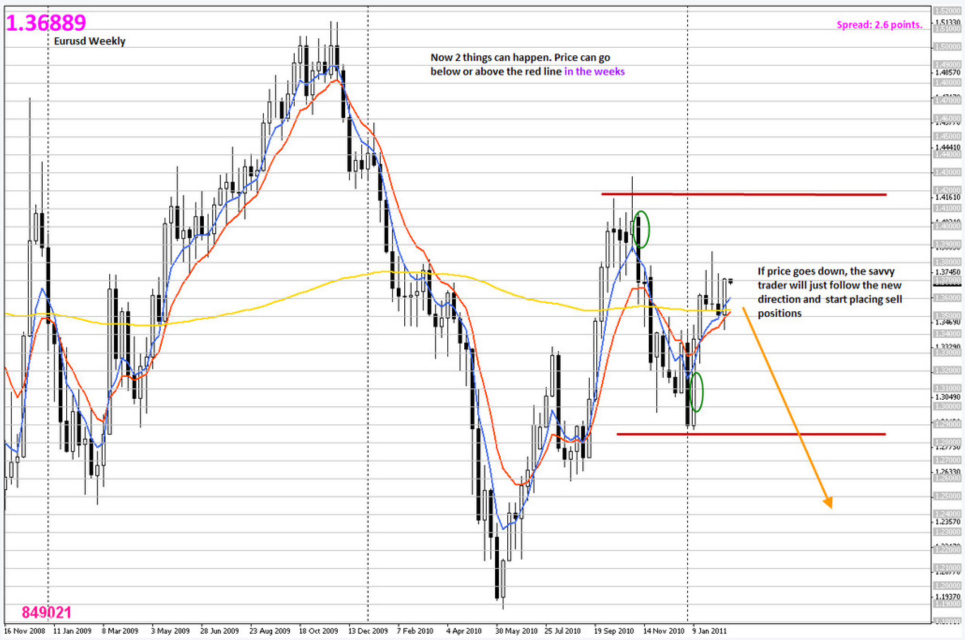
Point 2 is deadly to a trader cause this proves how rigid they can be and rigidity in trading kills.

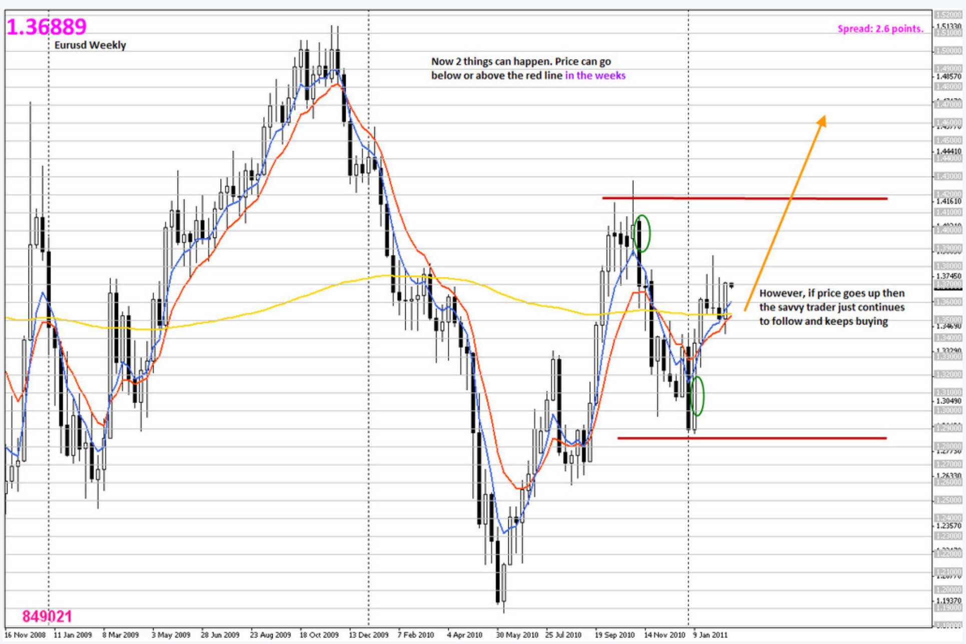
It seems like the eurusd exercise from christmas is slowly getting diluted in a sense however this is a good sign as traders are now slowly coming to understand the importance of trading both directions because....

we do not know which direction the price will goto.

In regards to your eurusd, below is what happens when you trade both directions:


1.36889
Eurusd Weekly
Spread: 2.6 points.
Then his interests are now conflicting each other however placing his profit taking opportunity purposefully on both side of the direction which will inevitably create him a huge reward.
Where are his positions now?
Price stuck in between. This is called trapping the price
849021
16 Nov 2008 11 Jan 2009 8 Mar 2009 3 May 2009 28 Jun 2009 23 Aug 2009 18 Oct 2009 13 Dec 2009 7 Feb 2010 4 Apr 2010 30 May 2010 25 Jul 2010 19 Sep 2010 14 Nov 2010 9 Jan 2011


1.36889
Eurusd Weekly
Spread: 2.6 points.
Now 2 things can happen. Price can go below or above the red line in the weeks
If price goes down, the savvy trader will just follow the new direction and start placing sell positions
849021
16 Nov 2008 11 Jan 2009 8 Mar 2009 3 May 2009 28 Jun 2009 23 Aug 2009 18 Oct 2009 13 Dec 2009 7 Feb 2010 4 Apr 2010 30 May 2010 25 Jul 2010 19 Sep 2010 14 Nov 2010 9 Jan 2011


1.36889
Eurusd Weekly
Spread: 2.6 points.
Now 2 things can happen. Price can go below or above the red line in the weeks
However, if price goes up then the savvy trader just continues to follow and keeps buying
849021
16 Nov 2008 11 Jan 2009 8 Mar 2009 3 May 2009 28 Jun 2009 23 Aug 2009 18 Oct 2009 13 Dec 2009 7 Feb 2010 4 Apr 2010 30 May 2010 25 Jul 2010 19 Sep 2010 14 Nov 2010 9 Jan 2011

Veefx, sjb944 the above charts will answer your thoughts and more. And it is the more that I am aiming to get across to you and everyone. **I dont aim for profit daily basis however an occasional large reward so big enough that it will be more than enough to cover the time and expense required for the next equivalent reward**.

Peirce - Interesting. I understand what you are trying to say and I could trade profitably without the emas on the charts or without any charts for that matter. However, one needs a point of context for easier reference. But I understand what you are saying. Thank you

Veefx - Martingale is the process of doubling up your losses and continuing to do so, anticipating the eventual winning occurence to happen next. Martingale or any part of its working is absolutely not my trading approach nor should it be on any traders agenda.

It is true that I extend my profit taking opportuntiy by adding more positions whilst the opportunity is **favouring myself** which is different to adding more positions cause Im at a loss. Some people might refer my method to be anti-martingale however I consider it as just taking advantage of a given good opportunity. **Why take 1 when I could take 5. Why give 10 when I can get away by giving only 2**. Hope this helps.

Cameron and all others - Thank you for your undying support.

Thank you all for your patience. Kindest Regards, Graeme

pipEASY

Feb 20, 2011 10:49pm | Quote | Post# 4,309

Joined Dec 2009 10+w | 885 Posts | Status: crede quod habes, et habes

> *Quoting Sjb944*
>
> Thanks Graeme, this does provide clarity. I am reminded of your intra day exercise -- where you used the 5/10ema on the 4hr TF to buy and sell, only here the scale is larger.
>
> That said, lets take your buy position in your above example. I can understand the sell position based on the weekly TF, however the buy position is taken before the weekly up bold candle signalling a reversal. So what TF are we looking at here for our hindsight -- still the weekly, say more than a 50% retrace of the down candle, thus anticipating at a reversal? (or...

Good question.

It doesnt necessarily have to be that particular week.

It could have been the week after the price closed above the open price of previous down candle.

However, what happens first?

Monthly/weekly hindsight happens first followed by a ripple into the lower timeframe or the opposite? I would say both happens.

It is perfectly safe to wait for a confirmation on the higher timeframe first however you could use a very small prod on the lower timeframe meanwhile the confirmation is forming.

If there is a good setup on the lower timeframe that you know very well that has great potential vs risk which you happen to notice during that week, ofcourse a trader would take it as a 2000 pip trend can begin on a 1min tf or a 1 month tf.

Nothing wrong to set yourself to adhere to buy only when price closes above previous open price of down candle as a good movement ensuing will still have plenty more opportunity in store.

The main aim of my detailed explanation before is to show how traders can place their interest on both side of the direction capturing the eventual bigger movement of the future. And not to hold any biased sentiments on one side of the direction because they have interest in play.

Sincerely, Graeme

pipEASY

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Apr 29, 2011 8:06am | Edited at 8:43am | Quote | Post# 4,379

Good evening, all

Thank you for the continued interest and the private messages. I will get around in the next few days to reply to all of them.

Preparation for the book is truly on its way to keep the schedule as promised.

For those who have read the last few pages of this thread, I have started trading eur/usd with many of the traders since the week just before Christmas 2010.

It is now almost 5 months and it interests me to see the outcome.

Just by following a very very simple rule,

"buy when price closes above the open price of previous down candle"
"sell when price closes below the open price of previous up candle"

Keeping this rule (which have been preached many many times in this thread) the project started in dec 2010 when eur/usd was clearly DOWN trend. Please see below chart.

eur/usd weekly

Hence, the first week into the project has been profitable for all the traders following. Cheers was passed around and messages of gratitude overflowed my inbox.

What was interesting happened immediately thereafter.

eur/usd weekly

A huge UP movement followed the week after closing all traders positions. I watched the reaction of participating traders and was disheartened to see that such 'surprise' swayed many of the traders.

Anguish, disbelief, stress.

After all that was explained by myself over the many many posts I still witnessed the lack of self-belief amongst the many.

However, for the rare few traders who did adhere to the plan by sticking to the aforementioned rule is now witnessing what they planned to witness at the start of the project.

eur/usd weekly

The clear up movement is self-explanatory and evident in the weekly chart. It has now moved almost 2000 pips.

Now the question for me to ask everyone is..

<u>Are you still in the game.?</u>

If not, you failed, but most importantly, **I have failed to pass on my knowledge to something very simple and easy**.

Keeping the aforementioned rule only..

There has been <u>copius number of low-risk entries in the last 3 months by adhering to the same rule in any timeframe</u>.

Today, I want to mention a special trader who lost over 3000 pips in the first 2 weeks into this project only to now reap over 18 positions at more than 12000 unrealized pips into profit. This trader has already closed few of his trades to settle his -3000 pip loss before and few miscellaneous losses thereafter. All debt has been cleared and he is now looking at free pips in his perspective.

He is now looking at adding almost 20% into his trading account and plans to trade more pairs with the same approach.

In a nutshell, he placed trades on 1hr and 4hr charts only. He takes the direction from weekly chart using the same rule. Zooms into lower timeframe and waits until price closes above the open price of previous down candle and opens a trade with no stop loss.

He checks back in few hours and only closes the position out if price closes below the open price of previous up candle. He claims to have lost a further 1500 pip in the process of building his current positions but once he saw the potential of his trading approach it didnt bother him as he knew he will be able to settle his losses. Well, the total debt has now been settled.

There are no hidden secrets or lost art of pip extraction.

You do not need an uber intelligence or a set of high tech indicators/experts. <u>**Dont forget there has been profitable traders before the age of computers**</u>. Take a moment to think about how they might have traded.

<u>Dont fret over placing the perfect stop loss or take profit as you will never ever be skillful enough to forecast the movement of price</u>. **What you thought to have predicted is just random luck shining at you for once.**

What you can upskill is patience and perserverance.

Think logically.

LOGICALLY.

Here it is again:

To trade profitably:

You <u>**only**</u> need.:

1. Direction of the higher timeframe.

To determine direction, you can use ema crossover or aforementioned rule or 200ema. Direction is just UP or DOWN to give you a hindsight. Setting the profit taking grounds.

2. Low risk entry at a lower timeframe.

You can use aforementioned rule, ema crossover, rsi. Whatever indicator or method you use, the secret to using indicator is that **YOU ARE INTERESTED IN WHAT THE OTHER MASS TRADERS ARE LOOKING AT**. You are **NOT** using indicators so that the indicators tells you when to trade. You are looking at indicators to **SEE** what the other mass traders are looking at. Most of the time (<90%) mass traders will have different thoughts and views of the current movement.

In that rare 10% of the time, mass traders will arrive at an unified decision in terms of direction. This will always lead to a compelling momentum. Dont forget this.

Taking trades on the lower timeframe but aiming at profits of the higher timeframe **itself** encodes excellent R:R into your trading approach. That is it for R:R.

3. The patience and the belief to hold on.

If the market is prepared to move 2000 pips for you and you take profit at 200 and pop open a bottle of Krug is very sad. What is worse is that traders are fixated at 200 pip take profits and not the 2000 pip movement **itself**... **and never to realize what they are doing wrong....**

Every pair in forex moves thousands of pips in a given year.

And yet, most traders are fixated in finding the next 20 to 40 pip profit.

Why is that....?

Aiming at 20 to 40 pip is almost luck.

Taking huge chunks out of the larger movement of the year is professional.

Whats important to note is that taking large chunks out of main movement of the year is **logical and sensible**.

Preparing to lose 1 to win back 10.

My thoughts and wishes are with everyone.

Sincerely,

Graeme

pipEASY | May 1, 2011 7:38am | Edited at 7:58am | Quote | Post# 4,393

Joined Dec 2009 10+ | 885 Posts | Status: crede quod habes, et habes

Good evening, all

Thank you for the compliments. I read all the corresponding posts and acknowledge your kind remarks with gratitude.

There are some readers whom have been following this thread since inception last june 2010. Thank you for the continued interest and support and hope that my contributions have provided a positive insight into your trading career.

I have befriended many fellow traders and it is a honour to be accepted as a friend and a mentor to some. There are some readers who have moved on to other methods and systems and if they happen to read this post, all I ask them is to think logically about the methods they intend to use. Methods can be differnet in its form however successful trading approach is similar between any successful traders.

It is true that my teaching/showing here is somewhat complete in a sense that I have covered almost every aspect of my personal trading approach. Having said that, there is nothing new to a successful trading approach. I too was a learner sitting where you currently sit, perhaps with different circumstances and agenda, however the same ultimate goal.

If someone was to ask me what was the most important element in my trading that boosted me from non-profitable to profitable, I would answer without hesitation that it would be the impact of my life experiences outside trading.

Whilst it may seem that trading and just living ones life is of two different context, it is definitely interlinked. Life happenings and its outcome impacts ones psyche, potentially strengthening ones capacity to become wiser at each downfall we experience in life.

Age plays an important role in your trading career or any business ventures. Having said that, there are things that cannot be comprehended at a young age.

I have received many many excellent questions. There are no such thing as a bad question and I try to reply when time permits.

However, there are some who are not thinking logically. With that particular mindset I fear that there might not be a true lightbulb moment. But I do know that the continuous effort will soon broaden ones perspective.

I apologize for the length of this post but I believe this post answers to almost all the questions received in my inbox.

If you value a honest opinion from myself, trading is not a means to escape.

Also, it can never be calculated. You need to go with the flow/direction.

I sincerely believe that taking short-term profits here and there will never grow your account to its full potential. Infact you will be lucky to have increased your account when you view your statement 3 months later.

However, there are some successful scalpers and their success is based on interpreting the 'momentum' of price. They wait for moments when all the mass traders arrive at a unified decision in direction and capture the ensuing compelling momentum. And before the momentum dies they will exit their position, taking profit.

In this forum such scalper/short term trader is Greg Wilson, please click into my profile as I have vouched the gentleman and please have a look into his **current gbp/jpy thread** which has been running for the last few years. His pictures are worth in gold and his trading ability is unmatched. Snapshots of his profits, despite what few people say, is from FXCM client mangement (I would know as I also use FXCM) and not from mt4, this is LIVE account. For anyone who is interested in short-term profit and profit by end of the week, please follow his guidance. Strongly recommended.

If I were to suggest any tips for this type of trading: Trade just the 3rd 4 hour candle everyday (for myself this is usually london open, during summer time or 1 hour before london open) on high impact pairs (that has the potential to move greatly in short amounts of time); eur/usd, gbp/usd, gbp/jpy. It does not matter as long as the 3rd 4 hour candle is close to europe/london open.

Statistically at least one out of 5 weekdays in a given week will move greatly on the 3rd 4 hour candle. For this to work, you need to ascertain the potential direction of the movement and trade when you believe it is a low-risk high potential; usually a 4 hour candle with a very short retrace, less than 33% will be your goal. You must be able and upskilled enough to interpret 1hour, 4hour, daily, weekly chart simultaneously and understanding each individual chart whilst condensing all the information from the 4 charts into a single understanding. Your aim would be to capture the full move and preferably prepare to leave it open for a day or two if momentum continues on. Experiment with opening 2 positions with 1 taking profit earlier and 1 for the ride. This will smooth out your equity curve.

For those who wants to see larger profits but not the means to hold onto them; swing traders. There is one main question you need to ask as a swing trader when you open the charts on Monday.

1. Will this weeks weekly candle be a bold up or bold down and will it continue in the direction of the following weeks.

Keeping the answer to the above as your main direction, you are aiming to place a position early in the week and see that it survives till end of the week (which is the best type of weeks; opens and moves straight forward). Most often it wont, then prepare to take swing low or swing high within the week (watch 4 hour chart) towards the main direction. Once again it is to your benefit to let the position grow a week or two before cashing out. If your position was inserted and the week ends up as a bold candle towards your direction, keep it open the following week as the momentum will most often continue on. Anticipate the best scenario whilst keeping your risk minimum. Make your anticipation into reality.

The above is better on monthly charts. Ascertain the main direction first and then enter early in the month. If that fails, enter swing low or swing high of the month and let it ride the full month. If the month ends up as a bold candle, closes above/below open price of previous down/up candle, EMA crosses over, if any of these happens then the more reasons to hold onto them.

Position trading. It will be inevitable transition for any successful trader. Raising lot size to make more profit can lead to destruction of ones account. It also plants greed and fear into ones trading. Raising lot size will eventually happen when the time is right. If I were to place a numeric rule, I would say, your current trading account should have x3000 your lot size. If you are $1 per pip, I say start with $3000 and the means to re-fund your account twice more if necessary. There is something horribly wrong if your first $3000 account blows out and one should stop trading at that point and review. The extra 2 lots of $3000 is more of a psychological backup. It is not necessary but trading with your last $3000 is a burden.

Stacking. One of the most asked questions and I understand why. Stacking is adding more positions into your current standing, anticipating the current direction to continue on whilst your interest is now potentially worth more. **Stacking is an extremely important tool for myself. It makes a 2000 pip 3 month move into 20000 pip or even more for the same move**. However, it can be disastrous to the amateur traders who believe they are stacking successfully but border-line gambling. Each newly added position must be treated as your very first position, which means that you need a whole new set of reasons as to why you are entering (again). Just to leverage your profit is not a reason to.

Last 30-40 pages of this thread was dedicated to 5min trading however 5min trading is definitely out of reach for most traders. You will need an upskilled interpretation of momentum + the ability to reason on the fly whilst taking guidance of multiple timeframes, indicators + the ability to know that it is not working out and retreat.

5min trading should only be attempted when there is a strong movement in the market. I believe the focus of the last 30-40 pages of this thread gave off the wrong impression and if so, please read the very first 2 or 3 post of this thread from myself. Nothing has changed, although I do trade 5min chart, much of my trading is done on 1hr, 4hr, daily without stop loss in most situations. I do use stop losses when trading 5min chart and when there is a pending news release and a personal guidance within the frantic action. We will come back to stop loss little bit below.

Stacking on lower timeframe is playing with fire. You either know what to do or get burnt. I stack on lower timeframe as I know some moments during the week are considered a very high probability. A preferred moment is when (for example) the main direction of the week is Up and price get stuck in range or pennant with price touching support and then resistance and then a compelling breakout towards the main direction. If Im present at such moments then I would zoom into 5min to take trades whilst anticipating/aiming profits of the weekly/main movement. **This is the best risk:reward possible. However, do not get fixated with 5min trading**.

Having said that, efficiency of stacking is correlated with the type of trader you are. Stacking on the 5min chart to take profit of 20-30 pips per position in the next few hours is not what stacking is about. **Stacking becomes far more efficient for traders who aim to trade longer term**.

If I were to place a numerical rule (this is the first time for such rule, but I see the necessity)

1. If you are aiming at growth of the next 2-3 days, ONLY 1 more position, maximum 2.
2. If you are aiming at growth of the next 1-2 weeks, ONLY 2 more positions, maximum 4.
3. If you are aiming at growth of more than 2 weeks, 2-3 positions per week is suffice.

With the above, you will still build an **extraordinary equity pyramid**. Once you are able to ascertain good moments and bad moments in the market then you will be able to justify the number of stacking within your reasoning.

If you are stacking to see your demo/live account swing wildly in equity, then it is something I would frown upon. **If you see that all your opened position suddenly goto RED when retraced by 40 pips or so, you ARE OVERSTACKED**. Period.

Dont forget, just 1 more position after your initial position is good enough.

Stop losses. We are dealing with an immensely large market. I cannot recall the exact figures however the amount of money transferred/siphoned/diluted/bought/sold for a 40 pip movement is 300-400 million. A very rough figure for eurusd. Another rough figure, daily transaction volume between eur and usd is 40% of $1 Trillion (million million) per day. Im not sure how it is possible to calculate all the infinite levels of buying and spending between the two countries however, if those rough numbers are indeed true a 40 pip movement for eurusd is about a fraction of a percentage from daily volume.

Then the question one should ask is under what pretence are we measuring and adapting our 40 pip stop loss. Sandwiched between $1 Trillion is ones 40 pip stop loss that is open to the multitude of transactions across all levels global economy.

It is more or less a small bottle floating in the ocean. **It will eventually follow the current** (main direction) but it will bob backwards and fowards in the ever continous motion of ripples. Can you really sit on your dinghy and say that bottle will not travel backwards 200 metres? It can and it might not but the fact is that **your bottle is open to infinite scenarios which at the scale of the given size of an ocean, 200 metres will most often will be met**. Ripples/wavelengths, trajectory, frequencies all are interrelated in nature. Push and pull (buyer and seller) is evident in every aspect of nature.

Hence, coming back to stop losses. A stop loss will often be met. Despite your perfect indicator and trading skills, the multitude and scale of the transactions that whizzes around us, our 40 pip stop loss is more or less a very very very close automatic loser function.

How many times have a trader watched his position hit 40 pip stop loss and then the price travel forward in its intended direction. Alot more than we care to admit and realize. However, does many traders know what a 40 pip stop loss really indicate? Its not even a fraction of a fraction of what is really going on behind the scene. The market could fart and it will hit our stop loss. I stated in the very first few posts that I do not usually use stop loss and here is the reason why.

A bottle will eventually follow the main current of the ocean. Despite the bobs up and down and sideways it will follow the main direction. If we were to bet on the bottles outcome, I simply cant (not within my ability) to estimate how far it will go backwards before coming back on the main current or how many times it will do that. **But I can definitely place my money on the eventual direction and the location where it might go**.

Given such figures/facts about the market, one could design a suitable trading method. **A method that sounds logical and respects the greater intentions of the market / economy**. Every reader in this forum attempts to become a successful trader by reading and emulating exactly to the acclaimed professional traders of this forum. First, you will never be able to emulate someone exactly. Every single person is unique with their own set of reasoning and understanding which is then influenced by ones circumstances and agenda. There can be general schematics of how to trade with a flow chart, do 1 then 2 then 3, if trading was like cooking 3 minute noodle. However, this is just general. The application and outcome will differ even at a hair thin discrepancies.

Rather than combing this forum looking for the golden method, **please think on your own terms**. Gather facts and numbers and implement according to your own thoughts and decisions. **Evolve around your thoughts**. **Always trade the logical and sensible sounding approach**. **Trade what is evident and present in every chart, pair, market in this world. Look for the generic solution**, a master key that opens all treasure chests in the world.

All of the above has been convered before and some on numerous times. There is nothing new here. Perhaps there are little more meaning than first meets the eye.

There has been few requests that I monitor their trades on a regular basis however I currently have a very tight schedule as Im winding down this year and plan to retire.

Once again apologies for the length of the post and my laziness to answer each of the messages received individually however I would end up copying and pasting most of them. However, I will still continue on to replying everyone messages but please understand if they are brief in details as I have accumulated almost a months worth in my inbox.

Thank you for the interest in the book however there is no need to send any cheques as a copy will be sent to you at my expense via post upon its completion.

Please feel free to ask me any questions or review your last few weeks of trades. Send attachments or pics of your trades taken with current look of the market and I will work out how and why you have taken them and could offer you a tip on improvement.

My thoughts are with everyone and truly hope that your successful trading career is the start of a positive influence on both your family and community. A means to a greater good for all.

Sincerely,

Graeme

Edit: If you have a question that you would like me to answer, the best way is still the private messaging function of this forum.

[pipEASY](#) Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

May 1, 2011 11:00am | Edited at 11:11am | Quote | Post# 4,396

> *Quoting muntu ntu*
> Hello,
> I will be trading the Aussie this week. Monthly and weekly hinsights very bearish. On the daily picture submitted, there seems to be a Head and Shoulders, with the necline just broken. I know a pattern can be subjective at times, but I got to have a reason for taking the trade. So, if it is to go the same distance as from the head, then it is worth trying.
> I will try and get in before the rates are announced, though consensus is for the status quo.
> Muntu

Muntu - Correct. If that breakout is valid it will go DOWN from here. I also like your plan about probing early. **Please do not let losse of your intended aim**. Within our focal interpretation everything indicates sell. Bearish engulf, closing below support, recently bounced away from 200ema, 5/10 ema crossed over. A good choice and a pair that I will also watch for this week. If this week becomes a bold weekly DOWN candle please refrain from closing it before growth as there is great potential for more.

Bomi - Sorry to answer your question in the same post as Muntu. Im not sure if you had the time or the chance to read the thread and I know it is a daunting task as there is so much to read however, eur/usd is a very clear buy momentum at the moment with enough valid reasoning. Not just becuase it closed over 1.48009 but the fact that everything on weekly/monthly, emas, engulfs indicates so. I will further add positions into this pair this week however it will be maximum 2 attempts and not anymore. The reason is that it has already moved 2000 pips in the last 3 months. However never assume something is 'due' cause it hasnt happened in a long time, that is common gambler/traders fallacy.

What you can do Bomi, is keep the hindsight UP and probe 1 or 2 early in the week and maybe one more mid week. If a pair requires anything more than 2 attempts to have a surviving position then already it is not the best type of trading week. Best trading weeks are the ones that opens and charges straight froward in one direction.

There are many other pairs ripe for movement and would be better choice than current eurusd. Look for stalls on daily,weekly, monthly and flag these pairs so you can watch the inevitable breakout happen.

Everyones main aim is to place a position or few in the main movement of the year for growth. To my personal beliefs, this is the only logical and sensible method to create profit in trading. Famous traders in our history made extravagant wealth from growth and not the random fluctuations of hours or even days.

You may not be able to pay yourself a wage by withdrawing on a weekly basis (unless you have a very large account and 5-7 pips equates to a week of living expenses) however there will be frequent large cheques that should last you more than enough for the next inevitable cheque.

Sincerely,

Graeme

[pipEASY](#) Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

May 1, 2011 11:13am | Quote | Post# 4,398

> *Quoting behman8850*
> Thank you very much Sir, for your prompt answer. I have PRINTED OUT IN BOLD your Theory n have Kept Next to my PC. So that I Remember this .
> Bomi

It is my pleasure Bomi.

Aplogies but I just edited/added large portion into the same post so please re-read if necessary.

Good night everyone.

Sincerely,

Graeme

[pipEASY](#) Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

May 1, 2011 11:27am | Quote | Post# 4,400

> *Quoting behman8850*
> Mr. Graeme, Another Q. Eur/Aud Highs were around 1.3617 and 3628 for the last three days. Should we wait till that price to short?? so that we have Nice positions??
> Bomi

Another great question and unfortunately last one before I turn in.

This is not an attack on your integrity or your question however if you re-read your question you could notice that it also falls under the common fallacy.

Because something hasnt happened for xx days...
Because price went to xxx and dropped so it will again
Because it moved xxx pips yesterday it will not move today..
Because it has been in a downtrend, DOWN is due...

or any of its variants is misconception. Anything 'about to' or 'due to' is incorrect. **Nothing is ever scheduled to happen in the markets**.

It is also traders attempt to create a planned flow chart of action. If A happens then I will do B. This might work few times but the ever changing markets will outmanoeuvre your flow chart sooner or later. One of the reason systems do not work in the long run. Or perhaps profitable trading approach does not require such systematic approach.

Bomi, as per your focal interpretation (this includes candle shapes, wicks, patterns, indicators, momentum) if you believe it is time to enter then do so. Enter and watch the price evolve around your position and act accordingly thereafter. I just hope that pesky stop losses are large enough to help price evolve and paint the full picture before it touches you out.

I hope 3x20 exercise have upskilled your focal interpretation and if you havent done so please go back and try 3x20 exercise.

If you wait for 1.3617 then what happens if price never gets there but just opens and runs straight down.

Good night, all

Sincerely,

Graeme

May 2, 2011 2:08am | Quote | Post# 4,404

pipEASY

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Good afternoon, all

Thank you for the warm compliments.

From the recent messages, there are currently 3 traders with a firmly established portfolio of positions spread out across various pairs. All 3 traders currently hold at least 8 open positions each. Positions range from smaller 150 pips to larger at over 1000 pips. From the statement received one particular trader has settled most of his debt/losses incurred.

It does not matter if these accounts are live or demo. It is thrilling to see that traders are taking advantage of the main movement on the higher timeframe and I sincerely hope that this would be the start of something extraordinary for these traders. I will continue to support them to see that they completely grasp the trading approach.

An important set of questions was raised which will undoubtedly pop up later on.

What is a rough estimate of time / growth to consider diversification?

Very good question and here is a direct answer for those who asked.

Any position that has grown 500 pips is worth considering to diversify.

Any position that draws close to 1000 pips of growth is fully ripe.

Any position less than 500 is still growing.

Remember that you are trying to take large slices out of main movements on weekly / monthly and main movements move much much much more than 500 pips.

If a position grew 400 pips then reversed back to breakeven then that particular short term move is not even worth considering. You should re-assure yourself that the bad opportunity passed and something greater is lurking around

the corner.

Aiming for 1000 pip growth is excellent A+. More would be better however there are factors to consider. If you had a larger drawdown during the consecutive weeks of ranging periods then it would benefit your psyche to consider diversifying earlier to replenish your losses or close to.

Dont forget that many of the main movements on the weekly chart move much more than 1000 pips. However, I believe that a 1000 pip growth or close to is taking a generous slice of the main movement. But you will also be adding more positions in the following weeks that will continue to grow covering new grounds as the price continues on.

Having said the above, never stop adding more positions into the main movement. Not as aggressive as the beginning of the move however just a respectful 1 or 2 attempts per week. **You will never know until you participate**. Just because it moved 2000 pips doesnt mean it is 'due to' expire. Flip through your charts and look at pairs that moved 4000+ pips or more.

All 3 traders have informed me that they are still unsure what to do. They have a growing portfolio but how do they keep it productive.

For what is worth, here is my answer: If you like to bank that 500 pip position then do so. However, dont forget your obligation to continue adding positions under the anticipation that the main direction will continue. 2 things can happen and both will be beneficial.

1. You bank 500 pip to watch the price stall and reverse with all the wrong indications going against you. You might lose little on the last few attempts but overall you exited at a better time for the 500 pip position.

2. You bank 500 pip to watch the price continue on. As long as you continued to add new positions, you will find that the new positions will now cover the new ground covered by price.

Hence, if you think it is time to do so then do it. But preferably at least 500 pip growth. **But never develop a timid fearful manner and start closing every position at 500 pip**. **You will stun your potential profit as the biggest money is when you capture the biggest move**. A least few positions in a year will be so large that it will propel your capital to new heights.

Kudos to you gentlemen. I respect your privacy but if it is of no great concern other readers would be most eager to read about your current trading approach/stats. It is to your discretion.

Hope I answered all your questions.

EDIT: By the way, G, the feeling of no control is exactly what you should feel. What exactly can we control in the markets?

Sincerely,

Graeme

pipEASY May 2, 2011 8:23am | Quote | Post# 4,407

Joined Dec 2009 10+v | 885 Posts | Status: crede quod habes, et habes

> *Quoting MidKnight*
>
> Hi Graeme and it is good to see some posts from you again!
>
> Some really great posts recently. I admit to having failed over the past couple months. Twice I was in what turned out to be great positions that ended up running very far but I either got out way too early and never re-entered or instead I exited the trade at the right time, but instead of adding to my winner over the days, I was scaling out. I'm disgusted in myself that I have been unable to succeed at this like some of the other members have. Full respect to those few that seem to be...

Good evening, Midknight

Thank you for your question and it is great to see you again.

I read your post twice before typing this reply.

You mention several golden points.

"Almost zen like"

There are several contradicting factors in trading that plays havoc in any trader. Unfortunately, these contradicting forces are necessary within an entity of simultaeous application.

In other words,

stacking is a very important tool however it can trigger gamble-esque traits yet we need to stack despite the evident pitfalls. It is just too much power in the wrong hands..

allowing positions grow for days and weeks may fulfill your bigger expectations/greed but it could also attract fear and anxiety yet we place blind faith in our focal interpretation and endure further.

over worrying at specific take profit level when any take profit amount past a 'certain minimum growth (500 pips)' is already acceptable. Perhaps greed forces you to endure few more days or fear forces you to close the position out.

The problem lies within above factors of contradictory terms yet the need to be applied equally in ones trading approach. Great inner strength is required to keep emotions on even keel.

Average loss per position that I have explained is a 'means to estimate ones losing space and volume.' And the necessity for such means is to re-assure and ascertain the bleed whilst keeping our emotional intact by knowing that you are on top of your losses. Traders main focus is to deploy positions in the main movement of the year and **taking a very large bite out of it**. It might take just few ammos or it may take few hundreds of ammos however you will find that the potential profit outweighs most setbacks unless the setbacks/losses are caused by lack of skill/impulse trading. **I assume that traders have their 'one thing' ready to deploy their positions accordingly**.

However, if your currently supporting yourself and your family on income derived from trading, not only will this attract 2 factors of contradicting emotions, greed and fear but a greater strain overall. Market moves slower to most traders expectations.

With position trading, you can potentially cash out everytime a main movement on any pair moves 1000+ pips that you have managed to catch and profit taking amplified. Pending on the pip value, such single payoff at end of every 1000+ pip movement could be few thousand of dollars or could even be few hundred thousand dollars.

Start slow. $1 per pip is my recommendation for most starters. Trust me when I say that with a solid trading approach you will soon (2-4 years) find yourself cashing out extremely large cheques. Although you may groan now and wonder how long it will

take, once you arrive you will most likely say that it was a quick journey. Keeping a day job is recommended.

x3000 of your pip value should be available in your trading account:

$3000 then $1 per pip
$6000 then $2 per pip
$30000 then $10 per pip
$60000 then $20 per pip

However, I place extra extra psychological padding by keeping the above figure as the 'bare minimum.' To be extra safe I recommend x9000 of your pip value to be available in your trading account or before upgrading your pip value to the next level. Increased pip value may increase your potential profit but it also increases the potential risk. To increase profit, you need to increase your 'exposure' by have interest in more pairs.

For those who wonder just how much money is available.

Just 2 standard lots with just 2 positions at just only 800 pip growth each is already $32000.

Having just said that.... you do know/aware that as we currently speak many of the pairs are currently moving forward for the next 1000+ pip movement on the weekly charts.

Count every main movement of every pair in forex and then expanding your operation both into weekly and monthly. **You will find overlapping interest when taking trades for both weekly and monthy but of different outcome as you would take profit on different scale**. A gigantic difference in profit.

There are stupendous wealth to be made for the **strongest who can remain humble in their pursuit**.

Hope this helps and none of your input was considered as a criticism however to be fair I also welcome criticism as I too am still a learner.

One thing that does concern me is the fact that your trading income supports your living. If you chase it usually runs away..

Sincerely,

Graeme

pipEASY — May 2, 2011 8:33am — Quote — Post# 4,408

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Apologies but the day has taken its toll on me.

I will return tomorrow to reply to the new messages and the questions in the thread.

Good night all

Sincerely, Graeme

pipEASY — May 2, 2011 11:49pm — Quote — Post# 4,415

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Good morning, all

Hanselfx - Thank you for sharing your indicator. Sharing is caring and Im sure there are traders who will benefit from any help they can receive.

Tradestar - In range. Watch the breakout out of the range. Probe either direction but the focus is ofcourse on the main trend and the momentum when breaking out.

Pip-pirate - Excellent. Just on a side note, can all traders see that negative swap, positive swap becomes irrelevant when dealing with portfolio of mixed positions in various pairs.

Farmerellis - Thank you for sharing. Wishing you only the best with your trading career.

Sincerely, Graeme

pipEASY — May 3, 2011 2:06am — Quote — Post# 4,416

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

A reply I just sent to a trader that I believe will be beneficial to other traders who are contemplating to raise lot size to increase/hasten profit.

Good afternoon, xxx

In regards to raising lot size; I hope this doesnt happen to you however you will find hard to change back to smaller lot size once you tasted the bigger. This coupled with factors of greed and fear will most often lead to disastrous outcomes. Imagine experiencing another -1500 pips before your next 6000 pip profit only to blow out your account cause the next -1500 pip on the larger lot size now means all of your newly grown account is under jeopardy again.

You will find with raising lot size may increase your potential profit but it will also bring **increased/same/constant risk**. If you keep increasing your lot size the only thing that remains constant is the same level of 'threat' that may cause irreparable destruction of ones capital.

I personally opt for this 'threat' to diminish as I progress along. Your total capital should be getting stronger and stronger as you trade making the next -1500 pip drawdown a laugh and nothing more. It should get easier and easier as the time passes. You will know 'maybe' it is time to upgrade your lot size to the next level when -1500 pip becomes nothing more than a smirk.

Microsoft started with 15 employees and thought that they will have maximum 35 exployee operation. They now have 150,000. It is strange how things we expect is delivered undervalued whilst things we undervalue most often return to surprise us.

To increase profit, the only way safe, logical, sensible way is to increase your exposure by participating in more pairs with the same/main lot size. Period.

Sincerely, Graeme

EDIT: Added little more detail

pipEASY May 4, 2011 1:16am Quote Post# 4,425
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Good afternoon, all   Thank you for questions.

Ardi55 - There are moments that are considered A, A+, A++, A+++. If a breakout is occuring that does not have momentum, it could be due to several factors. The breakout has not attracted enough attention (yet). Any prolonged 'stall' with a notion of a breakout; whether it is hot and fast or slow and questionable is still worth a probe. What happens thereafter leads to further appropriate actions.

Darrenlittle - Yes, that will ensure a 'smoother equity' curve by taking smaller wins whilst keeping the other for a run. It is the same as taking trades for both weekly and monthly hindsights. However, if you think about it carefully, the potential result will be similar/same to a trader taking just a single trade but diversifying a portion of his/her positions later on during mid growth.

Eiman - Thank you for sharing and wishing only the best with your trading career. In regards to equity fluctuating, pip_pirate has answered it correctly.

Ikanman - Thank you for your kind words.

Thijs - Good question however no specific answer. It could be 1 or it could be few. As long as the price closed towards your intended direction then you are still in play. Never trade against the closing price. If price closed below the open price of previous UP candle then you would not enter any BUYS (for that particular timeframe involved).

Bearish engulf and bullish engulf is a very simple way to test the general concensus of mass traders.   Sincerely,   Graeme

pipEASY May 23, 2011 4:22pm Quote Post# 4,476
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Good morning, all

Apologies for my sudden absence.

The cold weather has taken its toll on me and I spend much of the time resting for now. However, my thoughts are with everyone.

Before my leave, there were few traders messaging me with their progress and questions. Apologies but it will take awhile for me to answer them at my current situation.

My showing/teaching is more or less complete in this thread and the book is still on schedule.

I plan to invest my efforts in completing the book before anything else for this year hence I may not participate in any forum activity for awhile. However, I have confidence in you that at the end of the day the final key you discover is not a system or a method but common logical reasoning that you use everyday in life.

Take advantage of the long term movements. It is the safest way.

Eurusd dropped hard. It has moved 700 pips down. Very clear signs on daily and weekly. Signs that we have talked many times before.

You are on track if you have at least 2 legs on the new down movement. I say at least 2, 3 legs considering it has already moved 700+ pips.

What about the dying long positions?

There is nothing we can do but to allow it play out.

Should I close them out now? I advise not to. And not to start locking in shallow profits. I advise to always leave them at breakeven. I have tried many variations before and my suggestion is based from my experience.

However, if you have new sell positions in place there is no reason to panic and close out the dying long positions. It is counteracted by the new sell positions. That is a very important statement so please re read it.

What can happen from now is this..

1. The new down move continues on for the next few weeks, months for many thousand pip movement. However, you have this covered if you participate on both directions and have already started deploying sell positions as per clear distinctive signs on daily, weekly chart. Eurusd monthly might even close as bearish engulf this month. Why not get in there early.

2. The new down movement stalls and the up movement resumes in which you will have new opportunities to add new long positions as it bounces back. Of course then you will watch the recent sell positions starting to die off.

How simple is the above? I'm basically going up or down as the price does. And at the end of the day that is all I have been

doing for the last few years.

Yes, you will lose little during the period when the price needs to turn corners and change directions but the ensuing main

movement of the year will always always always be more profitable when you are dedicated in your endeavor.

Keep it simple and just follow... There were successful traders before computers...

Hopefully I can meet our readers personally and shake their hands.

Till then my thoughts and wishes are with everyone.

Sincerely,   Graeme Samuel

pipEASY
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Jul 7, 2011 10:37pm | Edited at 11:23pm | Quote | Post# 4,632

Good morning all Thank you for the continued interest.

Apologies for my absence from forum activities however it is proving to be a very busy year for myself.

The book is almost complete. Just on that note, I have noticed that the content of the book does not differ much from the content I have contributed in this very thread apart from a planned flow of explanation.

I did not have a chance to read all the posts after my last post in the thread however I can clearly notice that traders are 'finally' looking at market/trading through a different but 'sensible' perspective.

No one or any one entity can ever influence/forecast the movement of price. It is somewhat possible in markets with limited/smaller volume (pork belly, orange juice, platinum) of transaction however 'definitely' not in foreign exchange.

So give up using indicators to forecast the next 50 pip movement. The last 50 pip movement you have correctly forecasted was just a random ripple in the ocean in which you 'chose' (unknowingly) to believe that it happened as per your calculations. That is the biggest fallacy in trading.

Once the above finally sinks in, you will look at things completely different because your paradigm has now shifted. And this is a very important phase in your trading career. Some traders agree to the above but they are unknowingly clingling onto the 'notion' of 'trying to forecast' once again. Paradigm shift is vital as it 'finally' opens your 'eyes' in which with the new sense of understanding, you are finally able to ask the right question and seek the right answer.

What is a paradigm shift? It is nothing new and there are books on the subject. An example; you notice a man crying in public with his hands covering his face. Straight away your focal interpretation would indicate that he is unhappy/sad. And then you would ask the man, "why do you cry sir?" "can i help you?" "you look troubled"

But.. what if the gentleman is crying because he had all these financial problems only to have just realized that he has won the lottery of the night before and the emotion of joy was too overwhelming for him to continue walking down the street. Now here is the problem. If the man does not respond to your offer of assistance and does not share with you his new found stroke of luck. Then there are no changes in your thoughts/understanding. You would probably walk past him, go home and tell your partner that you met a man on the street crying into his hands and most likely exaggerate that he was a junkie in his appearance.

That is happening right now to most traders but of course in the context of trading. But what if the man did decide to share his joy with you and told you that he has just won the lottery. Then your paradigm shifts completely. You look at him completely different the very instant you hear this. Your actions change instantly from standing back to shaking his hand, patting his back, taking pics with him and so on.

The crying man is the market. And everyone still throws a lot of assumption based on their own interpretation (of course with the help of these so called indicators). At the end of the day, the only person you are fooling is yourself but there is no one to tell you that you are wrong apart from the crying man himself.

I appreciate all the linear efforts to improve your trading but a new angle is required. And this is the part that will do so many traders head in. Its just too much thinking and hassle and research to do any of that. There are few traders here who do the unthinkable of most and gather statistics. Testing methods on a long-term basis and gathering statistical data; average loss per week, maximum drawdown, and so on. Analyzing weakness and strength of their theorem and using such data to further tweak and improve their method. They are guaranteed to succeed in this business and without a slightest notion of exaggeration they will be able to bask in absolute luxury with such means at their disposal.

So, here is one for your thoughts. It may sound like a riddle and shrouded from clarity but believe me when i say it is not and completely direct for your understanding.

You enter 1 sell position (as per your reasons, engulf, pin, s/r,..)
It travels 200+ pips down
Then you notice that there is a shift in the market (fundamental, technical,..)
You enter 1 buy position (because you are one trader who do truly believe that forecasting the market is impossible)

Notice what happens to your floating equity.....

Im sure everyone knows what happens...

It wont move anymore.

Floating 200+ pip profit will be frozen. It wont move. Some trader might just hit the ceiling or not but if you have noticed this before and walked right past it you have just ignored a blatant advantage to trading... Sometimes I wonder if this is one of the reason why you cannot trade both directions in US.

Your floating profit is locked while the buyers push it up and sellers try to keep the price down.. Do you care? Ofcourse not cause it does not effect your profit. Let them fight cause your intentions are different.

Do i need to continue explaining what the possible outcome is or can everyone think for themselves what they can and should do afterwards.

Only 2 possible scenarios will happen and either way you will win at the end.

Scenario 1. Price returns back to your sell position closing it at BE.

Then look at the floating profit when your sell position gets closed at BE. It will still have 200+ pip profit.

Now here is a very important sentence/question that you must digest.

Are you going to sit there and tell me that the fate of the market is just measely 200 pips? Draw the box. Draw a line at the sell position and another line at buy position and will you sit there and look at those lines and completely ignore the fact that 'sooner or later' price will move past these barriers? And when it does what happen; Your floating profit grows as the time passes. Please re-read.

Scenario 2. Price stalls, buyers fight but lose and the price continues down. You might experience a small loss here and there but the important fact is that the price is now moving towards your original anticipation and your sell position is now growing bigger.

But then you are not going to sit there with just 1 position are you? You will of course (as per good/sound money/risk management) extrapolate/amplify this opportunity by adding more position into it. And this paragraph applies to scenario 1 as well.

Whatever happens your aim is for the price to move and grow your positions enough (at least 500 pip growth on one of the position) for the whole endeavor to be worthwhile at the end. "endeavor to be worthwhile..." Not all this trouble for 70 pips but megapips... And to achieve all this all you need to do is trap the price in an imaginary box that needs to broken out of 'inevitably.'

On eurusd (open your weekly chart), I have multitudes of buy positions from earlier this year and a new bunch of sell positions surviving from few weeks back. I did not attempt to fully hedge myself but I just found this morning that the total 24 positions (both buy and sell) are somehow completely hedged. Floating profit is not moving but it makes me smile to know that it does not matter. Why should it matter when it is not my money ..yet..

My box? Low price of the year and high price of the year. Cause I have all the patience in the world and know sooner or later (might take months, years) but it will move out of the box and whilst it crawls along as per my anticipation I will be taking chuncks out of the move here and there just to keep me happy.

The reason for this post is that a lot of traders do not fully understand and appreciate the strength and the need to participate in both direction. I just do not understand why traders keep stating that fully hedging makes no money when infact you are cleverly trapping the price into a tight box that needs to be broken out in which you are already participating in.

I just more or less covered hedge, trading both directions, core principals to profitable trading. And I sincerely hope it does give some benefit to the seekers of the right answers.

Also, please stop using stop losses unless it is part of a sound money management plan that 'has' proven its worth in statistical data. A 50-70 pip stop loss 'cushion' is a fart in the wind. Guarantee yourself a win then placing measures to guarantee a loss.

My wishes and thoughts are with everyone.

Sincerely,

Graeme

pipEASY

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Jul 8, 2011 2:13am | Quote | Post# 4,637

> *Quoting scottymoll*
>
> Graeme, your posts never cease to amaze me. Thanks so much for taking time to write that encouraging piece.
>
> One quick question. Throughout most of the thread, you always stressed the importance of keeping a tight stop on entries. Now it appears you are saying not to use stops anymore. Is this correct? I know the age-old philosophy is cut your losers short and let your winners run, which is exactly what you taught. Are we now taking away that first half of the equation? Thanks again for everything you've done!!!

Good afternoon, scottymoll

Thank you for the question.

Apologies I should have been far more thorough in my post but was already shocked to see the length of it.

Good observation and here is my answer for everyone.

I use the stop loss in a different context to most traders. I do not use stop loss as a method of 'cushioning' the volatility. However, I use the stop loss as a part of money management plan that aides me when the action comes too frantic and im in the midst of stacking positions. Ofcourse the main use of the stop loss for myself is to move it to BE as a sign to myself to indicate that, that part of the job has now been complete.

Most traders use stop losses as a cushion whilst I use it as a means of symbol and indication.

I hope this answers your query.

Sorry to address everyone in same post but thank you for the warm compliments, Oooops and VEEFX. It is greatly appreciated.

Sincerely,

Graeme

pipEASY

Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes

Jul 8, 2011 2:49am | Edited at 3:05am | Quote | Post# 4,639

> Quoting VEEFX
>
> For those curious to know how I am doing with my basket of crosses, things are looking really good. I began replicating my real trades in a demo account to check out the 'Trade Explorer' features here at FF. I am opening my account to public until sunday night for those who want to look or asked for my trading performance. I took those trades with no SL and some are moved to BE after 100+ pips in profit. Please PM to avoid clutter on this thread. Here's the link... http://www.forexfactory.com/veefx
>
> Attachment 737599

Good afternoon, VEEFX

Thank you for the summary of your trading status.

Impressive.

Just a quick analysis of the pic of your summary indicate that (no disrespect but just a analysis for the rest of the readers);

My analysis could be wrong as I can only interpret from the pic posted above.

But this the type of analysis every trader should be performing on a weekly basis of their progress.

I assume this account is approximately few weeks old. I assume 4 weeks just for the calculation purposes.

100+ trades in the last few weeks. Good
Avg. number of trades taken per week. 25+
Gross profit in pip. +1506
Realized loss so far in pip. -924
Current net profit in pip. +582
Current floating profit in pip. +908

Maximum drawdown 4%
(assuming this account is 4 weeks old)
Realized loss based per week in pip. -231
Realized profit based per week in pip. +426
Profit to loss factor, almost 2:1. Excellent but you can do much better (soon)

*Using above statistics, I can project your future results (under the assumption that current progress is somewhat median)

Estimated for the next 52 weeks.
Expected median-maxi realized loss for 52 weeks in pips. -3003
Expected median-maxi realized profit for 52 weeks in pips. +5538
Profit to loss factor, 1:1.5 (this is absolute median as we are not even considering the potential floating profit for the whole year)

In regards to your current floating profit of 908 pips based on the assumption that this is a 4 week old account.

You do not work out expected floating pips for the year by multiplying it by 13. Instead floating profit is considered as a mode of acceleration here. If the potential is there to add 200 pip per week as a floating profit on the average throughout the whole year (from the looks of the last 4 weeks and assuming this is the median progress once again). I would take this into consideration by considering a worst case scenario of only 10% of this amount as an realized profit, hence adding 20 pips of realized profit into the overall calculation. Creating the absolute worst case scenario.

All in all everything points in the right direction. Now this will be the most important paragraph of this whole post. Time will tell if the past 4 weeks of your endeavor was the median progress (average progress) or not.. However, time will also tell if the above result was one of the better results that happen/s/ed from now for the next year in which the above figures/expectancy will dramatically decrease. Ofcourse I only hope that the last 4 weeks was rather a poor progress compared to the upcoming one year of events in which the above figures will be much smaller than your true realized profit in the one year time. At the moment (just from 4 weeks), one can forecast 200-220 pips per week but I think the true median could be anywhere between 50-200 pips ONLY if the current method you are adhering to is 'consistent' for the length of experiment.

VEEFX, you will find the final answer when you question yourself how to ensure 'consistency.'

Sincerely,

Graeme

EDIT: Analyzing your progress on a regular basis will show you the ins and outs of your method. The trade summary that shows profit or loss is nothing compared to the amount of insight you gain from taking your trade performance apart and looking through every nook and cranny. How will you build a car if you don't know the inner mechanics... Anyone can drive. But driving alone does not build a car.

pipEASY
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes
Jul 8, 2011 2:51am Quote Post# 4,640

> Quoting TradeStar
> Hello Graeme,
>
> Nice to hear from you again. You have already created a paradigm shift in many of us with this thread. Thank you and please keep posting whenever you can.
>
> Your point on SL clearly points to the minimum requirement that
>
> Any trader who wants to take up this approach, should have the basic skill of picking up right entry points, where price almost always moves in his favour immediately.
>
> So that one would have the maturity to leave a trade open and let it play with out a SL
>
> Perhaps the reason for 20x3 preparation exercise.
>
> Warm...

Good afternoon, TradeStar

Thank you very much. Perfectly said.

3x20 exercise is one the main reason I became the trader I am.

It will teach anyone so much more than just reading.

Sincerely,

Graeme

pipEASY
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes
Jul 8, 2011 3:09am Quote Post# 4,641

Thank you for your participation and the questions today.

I will spend this weekend answering all the messages.

If you have any new ones please send them through before Monday and it will be promptly answered.

Currently there are 100+ messages to be replied so please understand if my answer is bit short.

Sincerely,

Graeme

pipEASY
Joined Dec 2009 | 885 Posts | Status: crede quod habes, et habes
Jul 11, 2011 10:14pm Quote Post# 4,651

Good morning all,

Here are my replies to the questions after my last post

alexandersv - rules are simple. you are trying to hit x3 20 take profits each day. you could trade on any session, any timeframe, any pair. The only rules are that you only enter buy positions if price is above open price of the day and sell positions if price is below the open price of the day. It does not matter if each broker shows different open price. I will explain the reason below when I reply to member: costa. Please feel free to ask further.

veefx - good question. when it comes to analyzing ones own statistics, how does one count 'potential' unrealized profit over a given period. THe only way possible is similar to forecasting future population growth. You work out average unrealized profit of the last few weeks/months/days and project this forward for the given period of testing. If you have results from last 4 weeks then you would work out the average and project it forward for the next one year. However.. The last 4 weeks could be 'of better result' or 'of poor result' hence you would need to continue analyzing your stats often. You will notice a large deviation with the first few analysis only to notice a plateau few months in. That plateau is your true median. Hope this helps

costa - Different times of daily candle does not matter. It does not matter if the screen you look at is different to all the other traders. Infact, it will differ from broker to broker. The entries may differ between traders of different daily candle however as long as the trading principal based on long-term growth on the main trend, inevitably you will both arrive at the same door of profit. At the end it will still look like pasta even though i strain mine first and you choose to strain yours last.

veefx - Outstanding on eurznd. So simple yet so sensible. Hope all other readers notice what you are trying to establish.

andante9, ardi- thank you very much for the compliments.

Sincerely,

Graeme