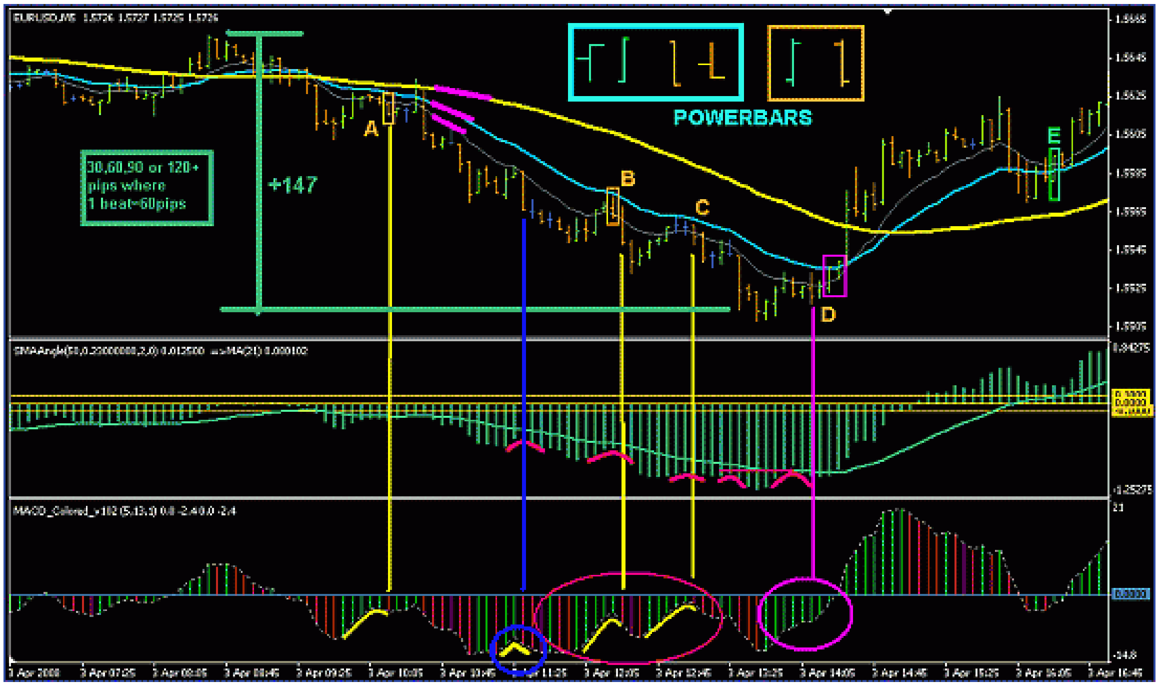
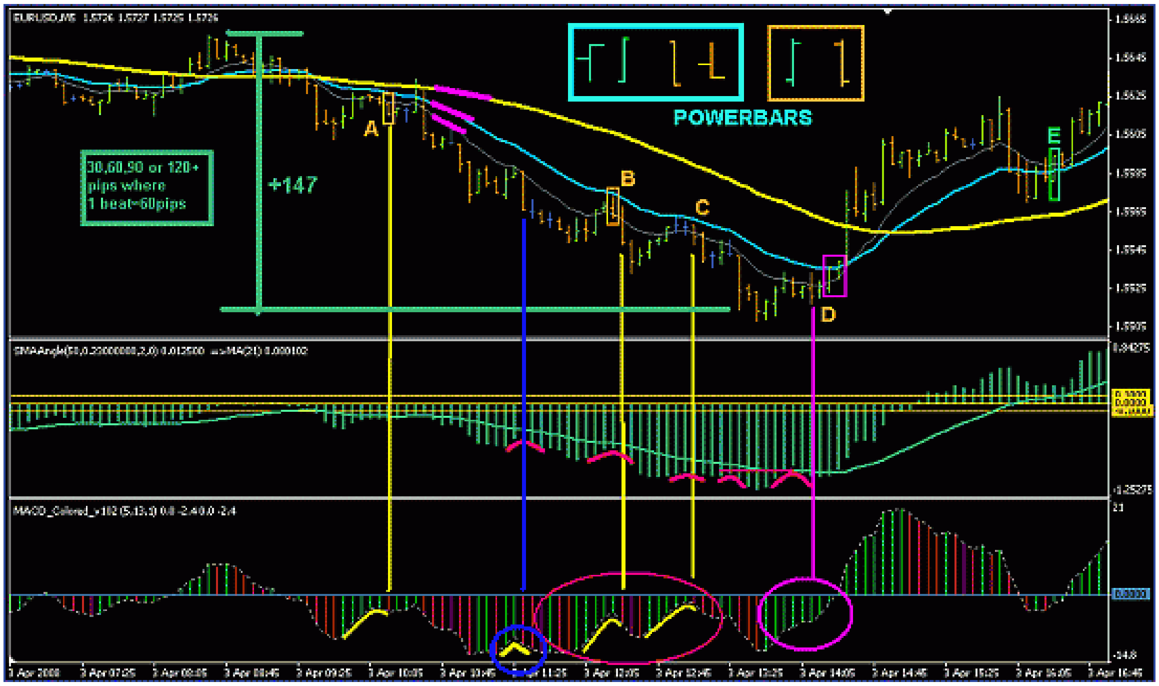
Phillip Nel -- 5 Minute Summary.

Right. I'm going to try and do this recording in one session and see how it goes. I see a lot of new faces on the 5 Minutes, and I just want to give you a summary of the 5 minute system. Thanks to Golfer for his input in the 5 minutes. He's actually about the boss there now. He's running it, about. Thank you very much for your input, Golfer, Willem.



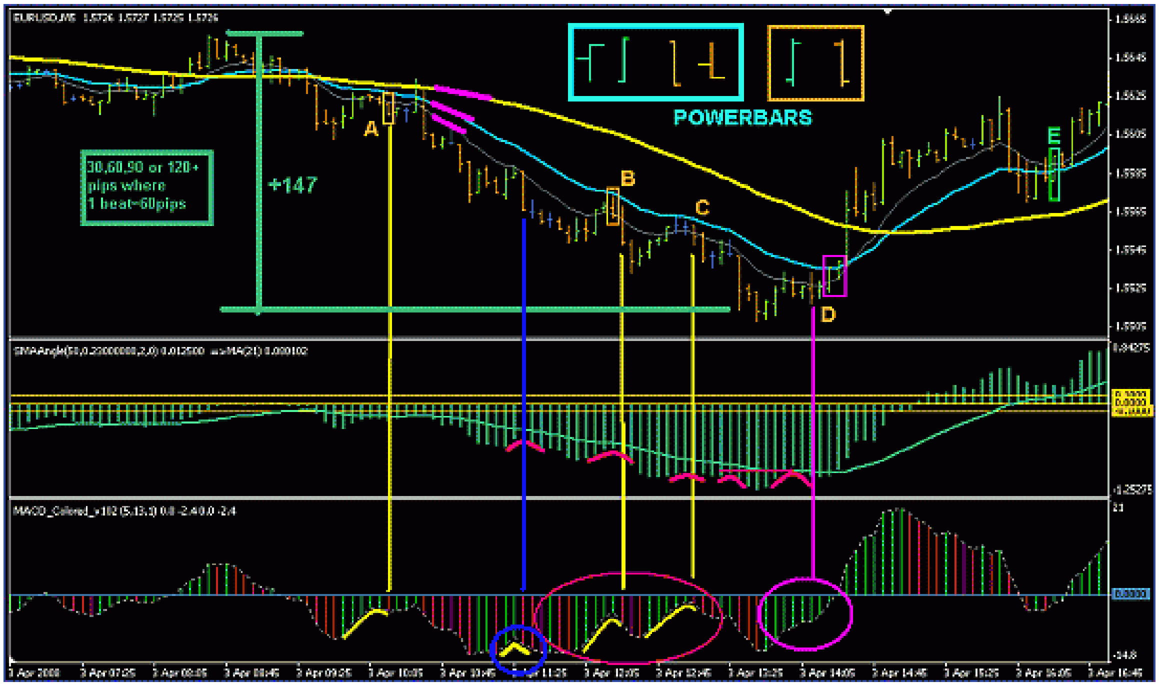
Let's see on that specific graph that I've included there. What I want to start with is that the EURUSD.... That's the one that I'm actually doing this strategy on. When you get to the British Pound, you have to set your stop loss a little bit bigger. I would say ten pips plus spread. If you go to the GBPJPY, then you're talking a lot more, EURJPY even, there's also some more, so you've got to go and back test to see what stop loss will really fit that motion. On the EURUSD, I would say six pips might be a bit too small, but I would say between nine to ten pips plus spread, so we're talking about twelve pips in total for the EURUSD, which should give you a nice way to handle it.

All right. If you'll look at that +147 that I've put there on the graph. That move was down a hundred and forty seven. Now, the Euro normally moves in what we call, in beats, sixty pips per beat (that's half-beats). You can see thirty, sixty, ninety, a hundred-and-twenty, a hundred-and-fifty, a hundred-and-eighty. That's the type of motion it's moving in, and that makes it quite handy when you get to the bottom, like point D, for instance, which I've got there. That's already a hundred-and-fifty pips, more or less. Don't work it out to the exact pip. I mean I'm talking about five or ten pips both ways. That already tells you this thing has run a lot. So, at point number D, before going into that deal, you really have to think twice. That's all that tells me. When I look at a down move, I look at how many pips, and then I decide, is it really worth it, or is it not worth it?



Right. The second point I want to mention is, look at the MACD at the bottom, those smooth little TC's, trend continuation patterns, that yellow that you see there. If you look at trade number A, if you come down to it, to the MACD, you can see that yellow that I've marked there. The very next one, that blue circle, look at that. It's a valley. It's not very nice. So, you want that smooth pullback on the MACD, and then the move away shouldn't be a very big candle. It should be a small candle. As you can see, the two others on that red ellipse that I've drawn there, those two are beautiful signals. That's what you're looking for on the MACD. The MACD just helps you to confirm the trade. Now I know that, sometimes, the candle that moves away, then moves away from the zone, which makes it, sometimes, a little bit big to enter with your stop loss, but if that occurs, I know you can just leave it if you want to. But you get enough opportunities to really get into a trade.

Right. Let's look at the power bars that I've marked there on top. Let's number them: 1, 2, 3, 4, 5, 6..., from the left-hand side. You can see the first two are green. Those are the ones for the up-move. The next two are for the down move. The first rectangle, those are the more important ones. You want the price to open up like the first one, come down then up, and the closing price and the high should be within one pip. If there's a little tail, like one pip, don't worry about it. The next one, that's very important. That's a strong power bar. The price opens, goes up and closes without tails. That tells me there's strong demand. Vice versa on the down move. And then the last two are not so powerful, but they are also very important. You can see the price opened, went up (first, a little bit down and then up). It came a little bit down and then closed. Those two tails on the top and the bottom should be equal of size, not too big, but that's what it should be. Those are the power bars. If you'll look at trade number A, you will see there. That is a down power bar, number 6. If you look at B, that's, more or less, down power bar number 4. That's how I look at the power bars.

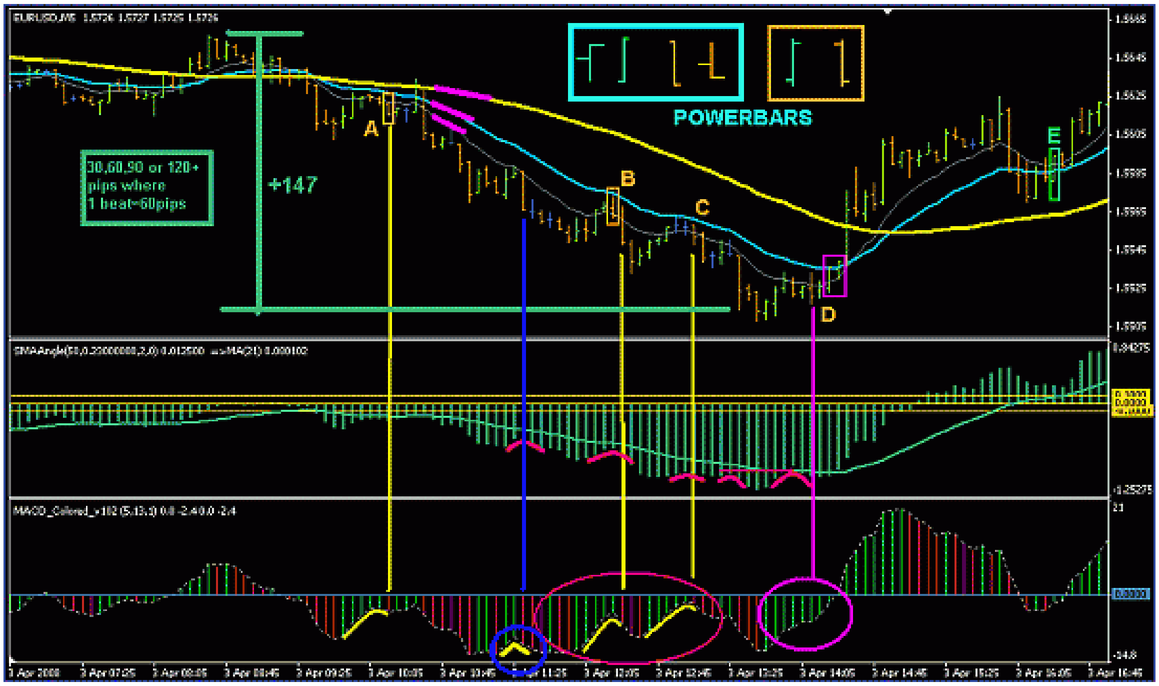


Trade C did not really give any power bar, but look at those two little dojis there. That to me..., and the next one, the MACD gave a confirmation. I wouldn't even think twice taking it.

If you'll look at trade number D, the MACD's got no confirmation there. But, what I also want you to look at is, when you look at the angle indicator just above the MACD, those red little roundings that I've drawn there, they come lower, lower, lower, until the very last one comes back higher up than the previous one, and that's where your confirmation is on the down run, that, please, have a look, think twice before you take that trade. That's what it tells you. Just another way of filtering the whole thing about entering a trade at the end of a run.

Ah.... Let me look quickly. I've talked so quickly, now.... Okay, yes. First of all, those purple lines that I've drawn there on the moving averages: I want the moving averages to open up a little bit. That's what Golfer also says. He's added the 34 ema, which you can, especially for the EURJPY. That's a very important indicator or moving average for the EURJPY, if you play the EURJPY. It tends to pull back to that more often than to the 21. On the angle indicator, you can see that 21 ema that I've used there. The reason why I've put that in is: If you look at trade number A, that's in the beginning of the move, and what you will find is, sometimes, before the price really gives direction, you get that little whipsaw, where the price just goes back up, tests the 50, and then starts coming down. Now, to eliminate that, that's the reason why I've brought in that 21 ema, and also the -0.1

and the +0.1. All that does is it just sort of keeps you from making that first deal, when it's very close to the moving averages, when the price just started to move through that 50 sma, for instance. Just starting the move, it's just keeping you from making that very first trade. And you will find, sometimes, that that very first trade is a very good trade, but I've found it to be more bad than good in the past. I can't say for the last couple of months because I haven't traded the 5 minute system yet.



Golfer's also got some very nice, what he calls the church to the left and church to the right; two bar entries, and things like that. If you read through his rules, what he has written, take note of them. It's very important to see that as well.

But what I would like, on this thing, is just to give you an overall view of what it is all about. Look at trade number D, for instance, that purple rectangle there. There are two green power bars going up. Now, the very first power bar is bar number 5, and the one just next two it is power bar number 1, and that combination of those two is very powerful. And that's very important to see that as well, to notice that you get those type of bars.

I just want to quickly... I haven't marked it here now. I'm going to put another one up. I'm going to make it green just to show you.... If you'll look to the right-hand side, at point number E (and you will see there, that green E that I've included there), you will see that there is a power bar there, and it is power bar number 2, which is normally a very strong power bar. Look where it occurs. The price came almost back to the 50, went back up through the 21 and the 10 with that specific power bar. And I can't see what it has done to the right, but I can guarantee you that would be a good run. But it's not according to the rules of the 5 minute system because the 21 ema on the angle indicator hasn't been above 0.1 yet, and it pulled to below the 21. But that's just an indication of the very power of the power bar. It's not to trade off it; it's just another tool that tells you, to give you that confidence to make that trade and not sit back and say must I or must I not? These are all things that help you. When they're not there, then you don't do the trade, but, when they are there, it just puts the odds in your favor.

Very important, in that last trade, number D, the MACD did not give a signal there. Very important. That was the end of the run. It's very important to start realizing when we are at the end of a run. And you can also see, just left of D, D made a higher low, back up. It doesn't make a lower low; a higher low, and that is very important also to realize that. If you draw a normal MACD graph there, you will find that there will be, most probably, MACD divergence, also indicating for a possible turnaround at that specific point (maybe not divergence, no, no; I don't think you'll see divergence there). It will make a higher low as well.

But that 's about it. That's about the 5 minute system, and it's very important to get to know the rhythm of the market in terms of also... If you know the 4 hours, you'll be able to trade very well on the five minutes. If you know that there's a TC on the 4 hours, so in this four hours, we can expect an up run, and you can time your entry better also on the 5 minutes, and can even use that to stay longer in it. If it starts running, try to use the 21 ema as your stop loss. See how that works out; sometimes, it keeps you very much longer in a trade for about thirty, fifty, even fifty or sixty pips. I hope this is going to help you.